



2026 First Quarter Earnings Conference Call

April 30, 2026





Aaron Musgrave
Vice President,
Investor Relations

Safe Harbor

This presentation includes forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. They are not guarantees or assurances of any outcomes, financial results, levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors. Actual results may differ materially from those discussed in the forward-looking statements included in this presentation. The factors that could cause actual results to differ are discussed in the Appendix to this presentation, and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, as filed with the SEC on April 29, 2026.

Non-GAAP Financial Information

This presentation includes non-GAAP financial measures. Further information regarding these non-GAAP financial measures, including a reconciliation of historical measures to the most directly comparable GAAP measure, is included in the appendix of this presentation.

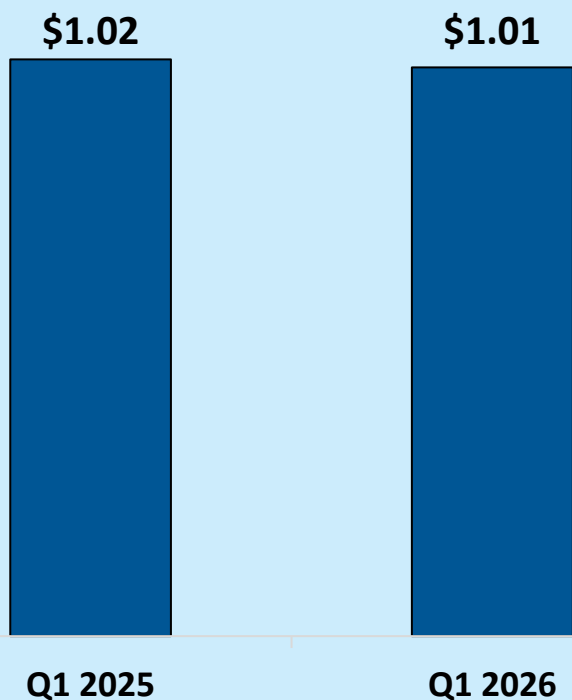


John Griffith
President &
Chief Executive Officer

First Quarter 2026 Results On Track



Adjusted Earnings Per Share*



☑ Q1/YTD 2026 Highlights

- ✓ 2026 EPS on track; revenue increases from PA and NJ expected to become effective in Q3 driving stronger 2H 2026 financial results
- ✓ Continued success in regulatory execution, including rate cases
 - Completed two cases - MD and WV
 - Five active cases - CA, VA, PA, NJ and IL
- ✓ Invested \$652 million in Q1, led by water system improvements
- ✓ \$565M of acquisitions under agreement representing ~105,000 customer connections
- ✓ Announced a dividend increase of 8.2% in April
- ✓ Strong, investment grade credit ratings of A and Baa1 at S&P and Moody's, respectively; affirmed by Moody's in January
- ✓ Progress continues on proposed merger with Essential Utilities
 - Kentucky merger approval received on April 21

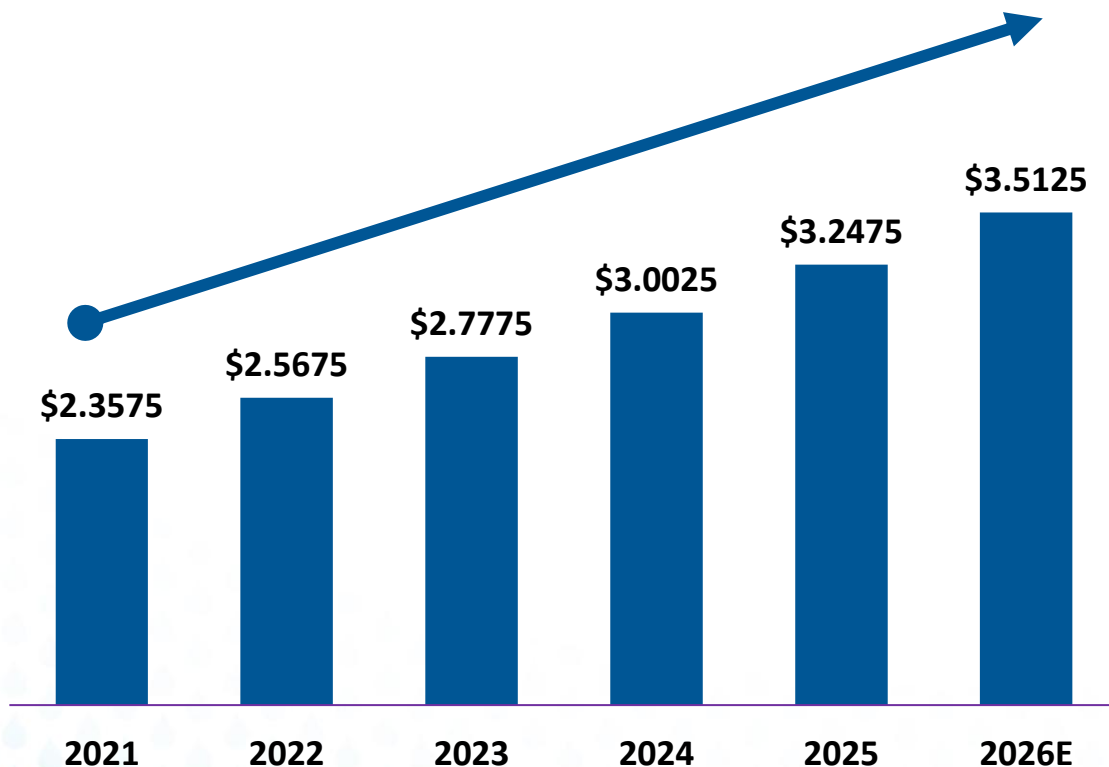
* Adjusted EPS is a non-GAAP measure. Please see appendix for reconciliation and further information.

Top Tier Dividend Growth Continues in 2026

8.2% Increase Aligns with Long-Term Target



AWK's Strong and Consistent Dividend Growth*



Total Dividend Payout Ratio

Projected as of
December 31, 2026**

58%

Long-Term
Target

55-60%

** Annual 2026 cash dividends per share of \$3.5125 over 2026 adjusted EPS midpoint of \$6.07.

Note: Chart depicts dividends paid

* Future dividends are subject to approval of the American Water Board of Directors.

Progressing on the Path to Merger Close

Approvals and Timeline



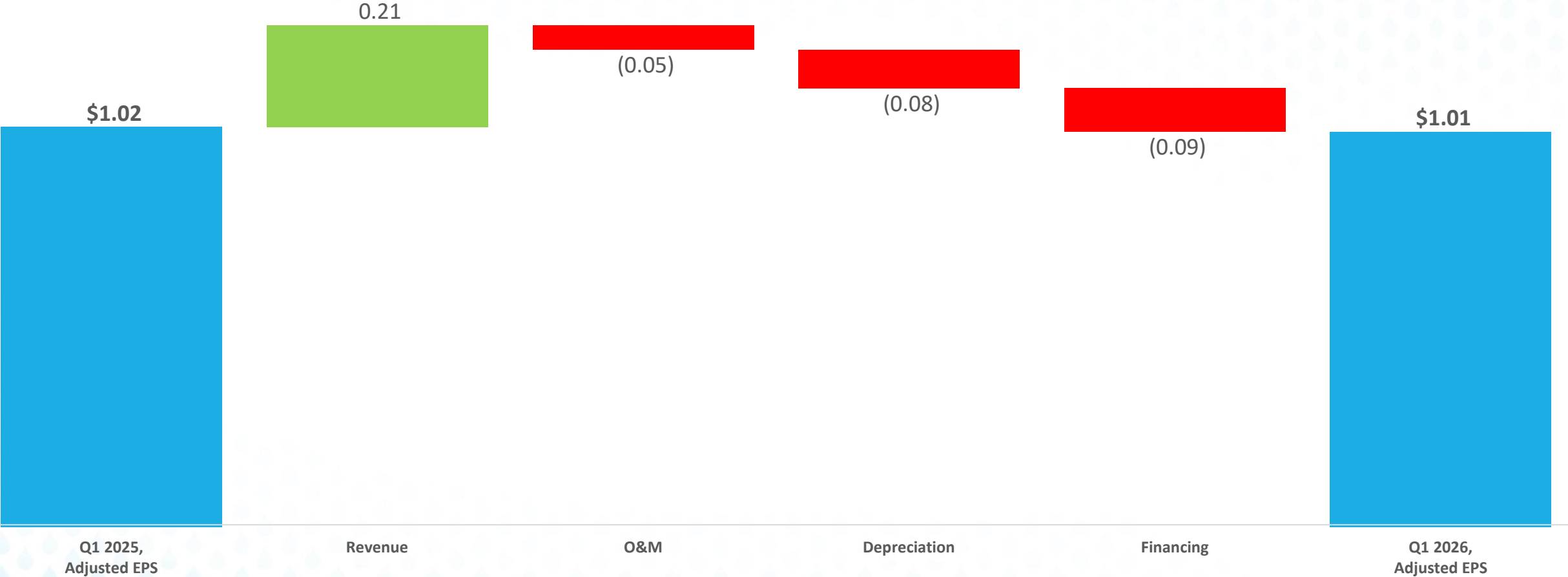
State	Date Filed	Docket Number	Next Steps	Approval
Pennsylvania	November 26, 2025	A-2025-3058927	Testimony in May, Rebuttal in June	
New Jersey	November 26, 2025	WM25110628	Ongoing discovery	
North Carolina	November 26, 2025	W-218 Sub 643	Testimony in June, Hearing in September	
Texas	November 25, 2025	59020	Testimony in May, Rebuttal in June	
Illinois	December 5, 2025	25-1057	Rebuttal in May, Hearings at the end of June Statutory deadline of November 5	
Virginia	December 22, 2025	PUR-2025-00229	Statutory deadline of June 20	
Kentucky	December 22, 2025	2025-00408	Approved on April 21	✓



David Bowler

Executive Vice President &
Chief Financial Officer

Details of First Quarter 2026 Adjusted EPS



Note: Adjusted EPS is a non-GAAP measure. Please see appendix for reconciliation and further information.

Continued Strong Balance Sheet & Credit Ratings



AWK Long-Term Senior Unsecured Ratings

S&P
A
(Stable Outlook)

Moody's
Baa1
(Stable Outlook)



Ratings and Stable Outlook affirmed at S&P / Moody's (June '25/Jan. '26)

- ✓ Low risk business profile
- ✓ Strong regulatory jurisdictions
- ✓ Supportive financial plans

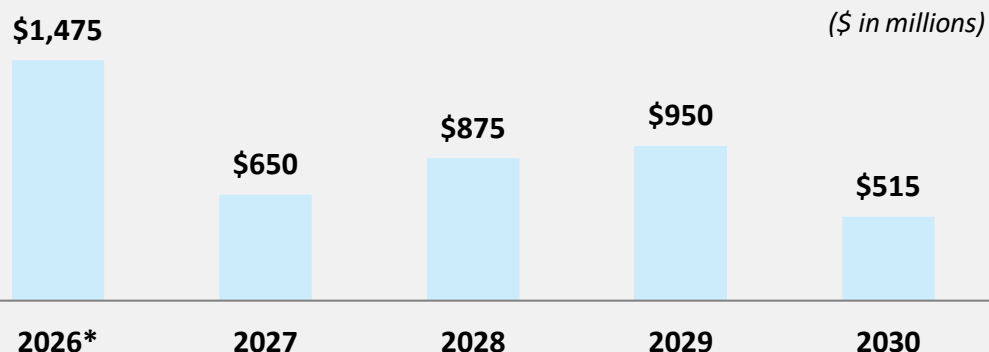
Total Debt to Total Capital

As of March 31, 2026
58%

Long-Term Target
<60%

Note: March 31, 2026 percentage shown is net of cash and cash equivalents of \$137 million.

Consolidated Debt Maturity Profile *as of March 31, 2026 (Rounded)*



Liquidity Profile *(\$ in millions)*

Available Liquidity
as of 3/31/26

\$1,436

\$137

\$1,299

- Cash
- Credit

Revolving Credit Facility

- ✓ Credit Facility capacity of \$2.75 billion
- ✓ Maturity date of October 2029

*Proceeds of \$795 million from the note related to the sale of HOS were repaid in full on February 13, 2026.

*Proceeds of ~\$1 billion from the equity forward agreements are assumed for modeling purposes to be received mid-year 2026.

General Rate Case Updates



Rate Cases in Progress

State Subsidiary	Date Filed	Capital Investment	Rates Expected Effective Date	Next Steps
Illinois	January 27, 2026	\$577 million	January 2027	Testimony due in May, Rebuttal due in June
New Jersey	January 16, 2026	\$1.4 billion	Fall 2026	Testimony due in June
Pennsylvania	November 14, 2025	\$1.2 billion	August 2026	ALJ recommended decision expected in May, Final Order due in July
Virginia	November 3, 2025	\$115 million	May 2, 2026	Rebuttal due in May, Hearings due in June
California	July 1, 2025	\$750 million	January 1, 2027	Briefs due in June

2026 Completed Rate Cases

State Subsidiary	Authorized ROE	Additional Authorized Revenue	Rates Effective Date
Maryland	9.75%	\$2 million	February 26, 2026
West Virginia	9.80%	\$20 million	March 1, 2026

Date of Previous Rate Case Filings by State

IN	TN	IA	MO	HI	WV	KY	CA*	MD	VA*	PA*	NJ*	IL*
Mar. 31, 2023	May 1, 2024	May 1, 2024	July 1, 2024	Aug. 2, 2024	May 5, 2025	May 16, 2025	July 1, 2025	Aug. 1, 2025	Nov. 3, 2025	Nov. 14, 2025	Jan. 16, 2026	Jan. 27, 2026

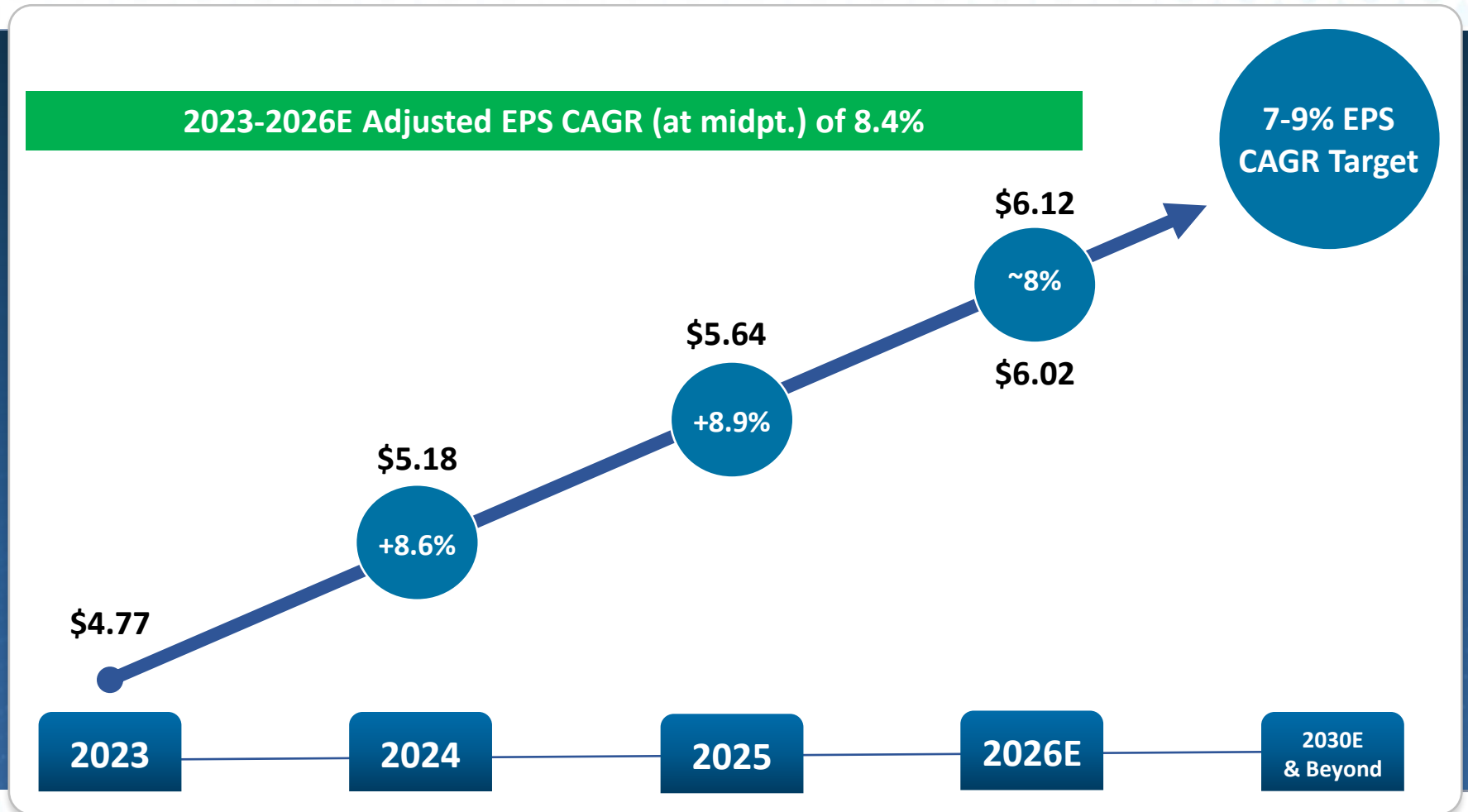
*In progress

Affirming 2026 EPS Guidance

Achieving Consistent Earnings Growth Within 7-9% Range



**2026 ADJUSTED EPS
GUIDANCE
\$6.02 - \$6.12**



Note: Adjusted EPS is a non-GAAP measure. Please see appendix for reconciliation and further information.



Cheryl Norton

Executive Vice President &
Chief Operating Officer

System Needs Drive Continued Investments

Supports Water Quality, Reliability, and a Focus on Affordability



Investing in Pipe Replacement, Other System Needs

Capital Investments
(Includes Acquisitions)



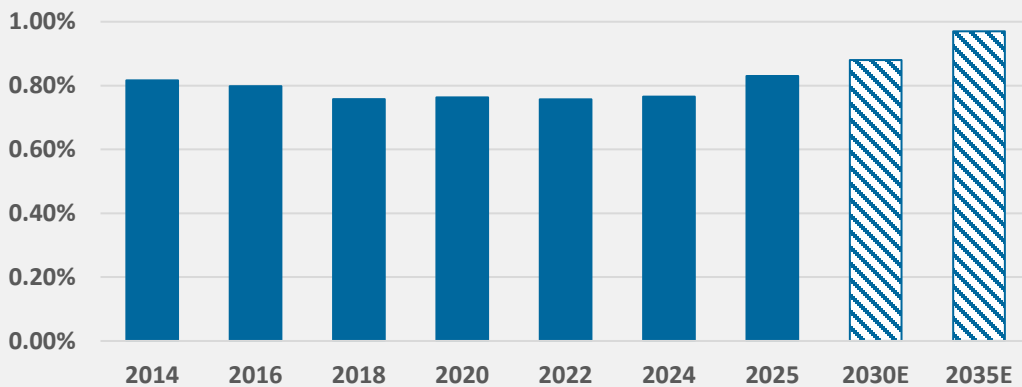
Investments Drive Continued Rate Base Growth

Estimated Rate Base**
(Includes Acquisitions)

\$ in billions

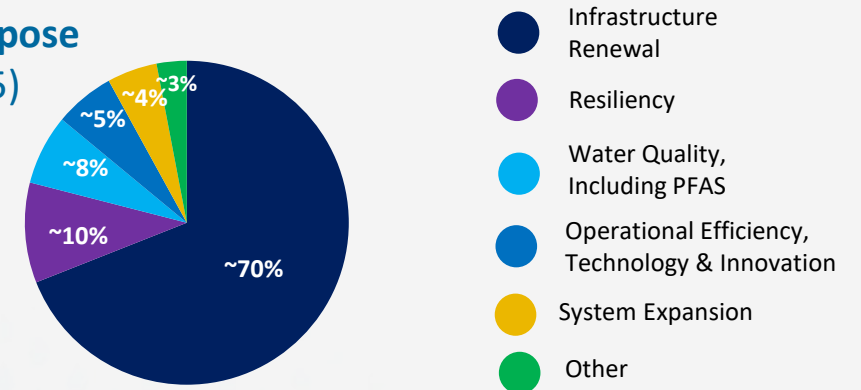


Residential Water Bill as % of Median Household Income*



Cap Ex Driven by System Renewal, Resiliency, and Water Quality

Capital by Purpose
(2026-2035)



* Figure is estimated based on data from the US Census Bureau American Community Survey based on zip codes served by American Water and assumptions for future MHI levels. American Water does not collect household income data from its customers.

** An approximation of rate base, which includes Net Utility Plant not yet included in rate base, pending rate case filings/outcomes.

State Legislative Highlights in 2026



Iowa – Water Utility Infrastructure (SEI) (SF 2304)

- Authorizes the Iowa Utilities Commission to approve alternative ratemaking mechanisms allowing investor-owned water and wastewater utilities to timely recover costs associated with qualifying system enhancement infrastructure investments outside of traditional rate cases. Legislation is awaiting action by the Governor and will become effective on July 1, 2026.



Indiana – Eligible Power and Chemical Costs (SB 241)

- Enables water and wastewater utilities to adjust rates for certain power and chemical costs if they rise or decrease within a 3% margin after a two-year period from the date of the eligible utility's most recent rate case order. Legislation was signed by the Governor on March 6, 2026, and will become effective on July 1, 2026.



Maryland – Customer Assistance (HB 1164)

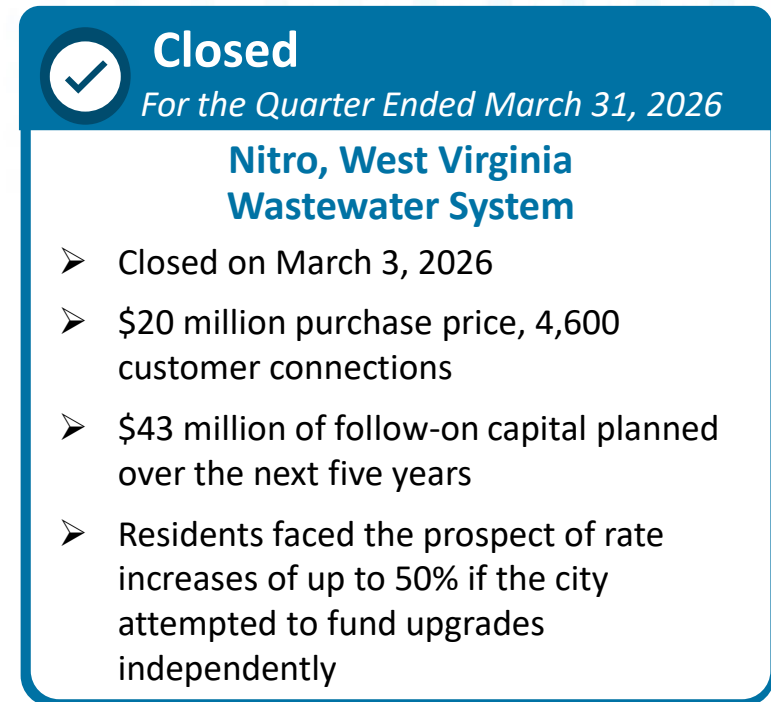
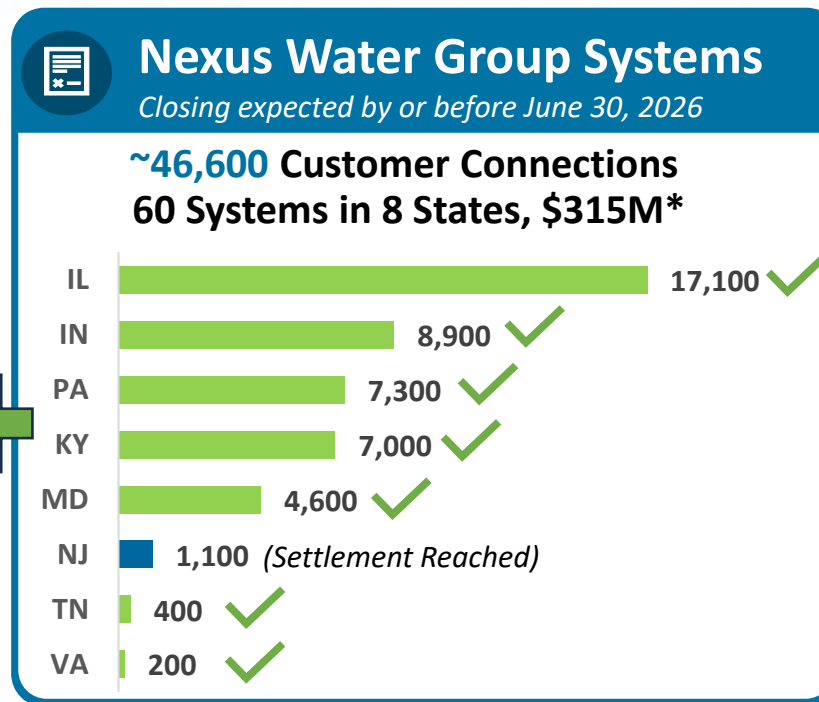
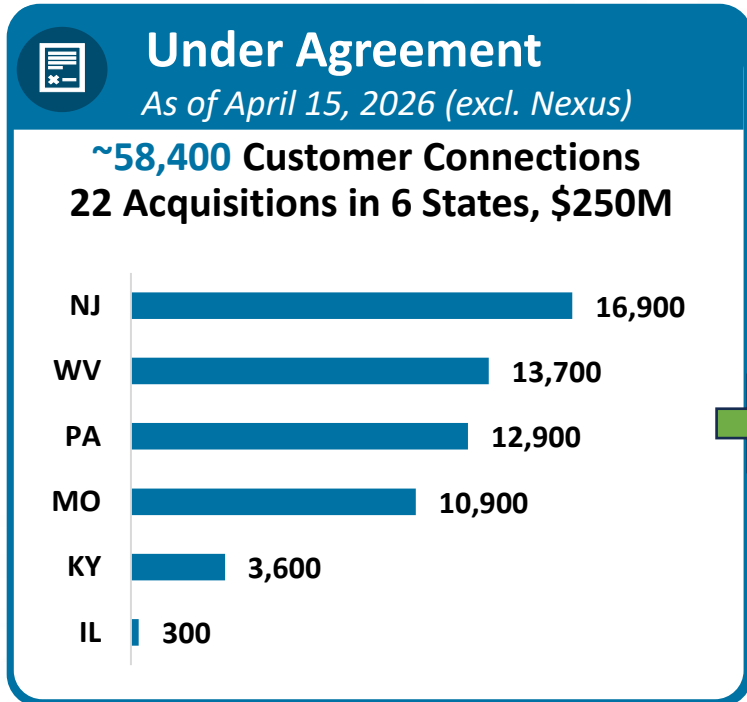
- Authorizes the Commission to extend existing limited-income customer assistance provisions to water and sewage disposal companies, authorizes the adoption of Commission approved limited-income mechanisms, and requires the PSC to study the feasibility of mandating such mechanisms for these utilities. Legislation is awaiting action by the Governor and will become effective on July 1, 2026.



Virginia – Universal Affordability Tariff (HB 770)

- Allows a public utility engaged in the business of furnishing water or sewerage facilities to propose, and the State Corporation Commission to approve, rates and tariff provisions that provide discounted service to customers with an annual household income equal to or less than 200 percent of the federal poverty level. The discounted service program may include a tiered discount structure, and the utility may recover the costs of providing such discounted service through its base and general rates for service. Legislation was signed by the Governor on April 6, 2026, and will become effective on January 1, 2027.

~105,000 Customer Connections Under Agreement Totaling \$565 Million



✓ Regulatory approval received from state commission

* Subject to adjustment following the closing of the agreement based on the calculations and criteria provided in the Purchase Agreement.

More than 1.5 Million Customer Connections in Pipeline

Note: Amounts on slide do not include customer connections related to the proposed merger with Essential Utilities.

Q&A Session

INVESTOR RELATIONS CONTACTS



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UPCOMING EVENTS

Annual Shareholders Meeting (Virtual)

May 13, 2026

Q2 2026 Earnings Call

July 30, 2026 (projected)

Q3 2026 Earnings Call

October 29, 2026 (projected)

Appendix

Forward-Looking Statements



Certain statements made, referred to or relied upon in this presentation including, without limitation, 2026 adjusted earnings per share guidance, the Company's long-term financial, growth and dividend targets, the ability to achieve the Company's strategies and goals, customer affordability and acquired customer growth, the outcome of the Company's pending acquisition activity (including, without limitation, with respect to the proposed merger with Essential Utilities and the proposed acquisition of systems owned indirectly by Nexus Water Group, Inc.), the amount and allocation of projected capital expenditures and the Company's capital recovery outlook, and estimated revenues from rate cases and other government agency authorizations, are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. In some cases, these forward-looking statements can be identified by words with prospective meanings such as "intend," "plan," "estimate," "believe," "anticipate," "expect," "predict," "project," "propose," "assume," "forecast," "outlook," "likely," "uncertain," "future," "pending," "goal," "objective," "potential," "continue," "seek to," "may," "can," "will," "should" and "could" and the negative of such terms or other variations or similar expressions. These forward-looking statements are predictions based on American Water's current expectations and assumptions regarding future events. They are not guarantees or assurances of any outcomes, financial results, levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. These forward-looking statements are subject to a number of estimates, assumptions, known and unknown risks, uncertainties and other factors. The Company's actual results may vary materially from those discussed in the forward-looking statements included in this presentation as a result of the factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, and subsequent filings with the SEC, and because of factors such as: the decisions of governmental and regulatory bodies, including decisions to raise or lower customer rates; the timeliness and outcome of regulatory commissions' and other authorities' actions concerning rates, capital structure, authorized return on equity, capital investment, system acquisitions and dispositions, taxes, permitting, water supply and management, and other decisions; changes in customer demand for, and patterns of use of, water and energy, such as may result from conservation efforts, or otherwise; limitations on the availability of the Company's water supplies or sources of water, or restrictions on its use thereof, resulting from allocation rights, governmental or regulatory requirements and restrictions, drought, overuse or other factors; a loss of one or more large industrial or commercial customers due to adverse economic conditions, or other factors; present and future proposed changes in laws, governmental regulations and policies, including with respect to the environment (such as, for example, potential improvements to existing Federal regulations with respect to lead and copper service lines and galvanized steel pipe), health and safety, data and consumer privacy, security and protection, water quality and water quality accountability, contaminants of emerging concern (including without limitation per- and polyfluoroalkyl substances (collectively, "PFAS")), public utility and tax regulations and policies, and impacts resulting from U.S., state and local elections and changes in federal, state and local executive administrations; the Company's ability to collect, distribute, use, secure and store consumer data in compliance with current or future governmental laws, regulations and policies with respect to data and consumer privacy, security and protection; weather conditions and events, climate variability patterns, and natural disasters, including drought or abnormally high rainfall, prolonged and abnormal ice or freezing conditions, strong winds, coastal and intercoastal flooding, pandemics and epidemics, earthquakes, landslides, hurricanes, tornadoes, wildfires, electrical storms, sinkholes and solar flares; the outcome of litigation and similar governmental and regulatory proceedings, investigations or actions; the risks associated with the Company's aging infrastructure, and its ability to appropriately improve the resiliency of or maintain, update, redesign and/or replace, current or future infrastructure and systems, including its technology and other assets, and manage the expansion of its businesses; exposure or infiltration of the Company's technology and critical infrastructure systems, including the disclosure of sensitive, personal or confidential information contained therein, through physical or cyber attacks or other means, and impacts from required or voluntary public and other disclosures, as well as civil class action and other litigation or legal, regulatory or administrative proceedings, related thereto; the Company's ability to obtain permits and other approvals for projects and construction, update, redesign and/or replacement of various water and wastewater facilities; changes in the Company's capital requirements; the Company's ability to control operating expenses and to achieve operating efficiencies, and the Company's ability to create, maintain and promote initiatives and programs that support the affordability of the Company's regulated utility services; the intentional or unintentional actions of a third party, including contamination of the Company's water supplies or the water provided to its customers; the Company's ability to obtain and have delivered adequate and cost-effective supplies of pipe, equipment (including personal protective equipment), chemicals, power and other fuel, water and other raw materials, and to address or mitigate supply chain constraints that may result in delays or shortages in, as well as increased costs of, supplies, products and materials that are critical to or used in the Company's business operations; the Company's ability to successfully meet its operational growth projections, either individually or in the aggregate, and capitalize on growth opportunities, including, among other things, with respect to: acquiring, closing and successfully integrating regulated operations, including without limitation the Company's ability to (i) obtain all required regulatory and other consents and approvals for such acquisitions, (ii) prevail in litigation or other challenges related to such acquisitions, and (iii) recover in rates the fair value of assets of the acquired regulated operations; the Company's Military Services Group entering into new military installation contracts, price redeterminations, and other agreements and contracts, with the U.S. government; and realizing anticipated benefits and synergies from new acquisitions; in addition to the foregoing, various risks and other uncertainties associated with the Company's merger agreement with Essential Utilities and the related proposed merger, including: a fixed exchange ratio that will not adjust or account for fluctuations in the Company's or Essential Utilities' stock price; limitations on the parties' ability to pursue alternatives to the proposed merger; an event, change or other circumstance that could give rise to the termination of the merger agreement; a delay in the timing to consummate the proposed merger; each party's ability to obtain required governmental and regulatory approvals required for the proposed merger (and/or that such approvals may result in the imposition of burdensome or commercially undesirable conditions, including required dispositions, that could adversely affect the combined company or the expected benefits of the proposed merger); financial impacts of the proposed merger on the Company and the combined company's earnings, earnings per share, financial condition, results of operations, cash flows and share price, and any related accounting impacts; any impact of the proposed merger on the Company's and the combined company's ability to declare and pay quarterly dividends on its common stock; the risk of litigation related to the proposed merger; changes in the parties' key management and personnel; the amount and nature of incurred transaction costs associated with the proposed merger; and reduced ownership and voting interests for the Company's and Essential Utilities' shareholders upon completion of the proposed merger; in addition to the foregoing, various risks and other uncertainties associated with the agreement to acquire certain water and wastewater systems from a subsidiary of Nexus Water Group, Inc., including: the final amount of the rate base to be acquired, and the amount of post-closing adjustments to the purchase price, if any, as contemplated by the acquisition agreement; the various impacts and effects of (i) compliance, or attempted compliance, with the terms and conditions of the acquisition agreement, and/or (ii) the completion of, or actions taken by the Company to complete, the acquisition, on the Company's operations, strategy, guidance, expectations and plans with respect to its Regulated Businesses (considered individually or together as a whole), its current or future capital expenditures, its current and future debt and equity capital needs, dividends, earnings (including earnings per share), growth, future regulatory outcomes, expectations with respect to rate base growth, and other financial and operational goals, plans, estimates and projections; and any requirement by the Company to pay a termination fee in the event the closing does not occur; the ability of the Company to redeploy successfully and timely the net proceeds of the amended secured seller note into the Company's Regulated Businesses; risks and uncertainties associated with contracting with the U.S. government, including ongoing compliance with applicable government procurement, security and cybersecurity regulations; cost overruns relating to improvements in or the expansion of the Company's operations; the Company's ability to successfully develop and implement new technologies and to protect related intellectual property; the Company's ability to maintain safe work sites; the Company's exposure to liabilities related to environmental laws and regulations, including those enacted or adopted and under consideration, and the substances related thereto, including without limitation copper, lead and galvanized steel, PFAS and other contaminants of emerging concern, and similar matters resulting from, among other things, water and wastewater service provided to customers; the ability of energy providers, state governments and other third parties to achieve or fulfill their greenhouse gas emission reduction goals, including without limitation through stated renewable portfolio standards and carbon transition plans; with respect to any of the Company's forward sale agreements: (i) the inability of the forward purchasers (or their affiliates) to perform their obligations thereunder, (ii) the timing and method of any settlement thereof, (iii) the amount and intended use of proceeds that may be received by the Company from any such settlement, and (iv) the timing and amount of any common stock dilution resulting therefrom; changes in general economic, political, business and financial market conditions; access to sufficient debt and/or equity capital on satisfactory terms and as needed to support operations and capital expenditures; fluctuations in inflation or interest rates, and the Company's ability to address or mitigate the impacts thereof; the ability to comply with affirmative or negative covenants in the current or future indebtedness of the Company or any of its subsidiaries, or the issuance of new or modified credit ratings or outlooks by credit rating agencies with respect to the Company or any of its subsidiaries (or any current or future indebtedness thereof), which could increase financing costs or funding requirements and affect the Company's or its subsidiaries' ability to issue, repay or redeem debt, pay dividends or make distributions; fluctuations in the value of, or assumptions and estimates related to, its benefit plan assets and liabilities, including with respect to its pension and other post-retirement benefit plans, that could increase expenses and plan funding requirements; changes in federal or state general, income and other tax laws, and the imposition, utilization or change in economic tariffs (or any attempt or effort to do so), including (i) future significant tax legislation or regulations (including without limitation impacts related to the Corporate Alternative Minimum Tax), and (ii) the availability of, or the Company's compliance with, the terms of applicable tax credits and tax abatement programs; migration of customers into or out of the Company's service territories and changes in water and energy consumption resulting therefrom; the use by municipalities of the power of eminent domain or other authority to condemn the systems of one or more of the Company's utility subsidiaries, including without limitation litigation and other proceedings with respect to the water system assets of the Company's California subsidiary located in Monterey, California, or the assertion by private landowners of similar rights against such utility subsidiaries; any difficulty or inability to obtain insurance for the Company, its inability to obtain insurance at acceptable rates and on acceptable terms and conditions, or its inability to obtain reimbursement under existing or future insurance programs and coverages for any losses sustained; the incurrence of impairment charges, changes in fair value and other adjustments related to the Company's goodwill or the value of its other assets; labor actions, including work stoppages and strikes; the Company's ability to retain and attract highly qualified and skilled employees and talent; civil disturbances or unrest, or terrorist threats or acts, or public apprehension about future disturbances, unrest, or terrorist threats or acts; and the impact of new, and changes to existing, accounting standards.

These forward-looking statements are qualified by, and should be read together with, the risks and uncertainties set forth above, and the risk factors included in American Water's annual, quarterly and other SEC filings, and readers should refer to such risks, uncertainties and risk factors in evaluating such forward-looking statements. Any forward-looking statements American Water makes shall speak only as of the date of this presentation. Except as required by the federal securities laws, American Water does not have any obligation, and it specifically disclaims, any undertaking or intention, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or otherwise. New factors emerge from time to time, and it is not possible for the Company to predict all such factors. Furthermore, it may not be possible to assess the impact of any such factor on the Company's businesses, either viewed independently or together, or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. The foregoing factors should not be construed as exhaustive.

Non-GAAP Financial Measures



This presentation includes presentations of consolidated adjusted diluted earnings per share, both as historical financial information and as earnings guidance (“Adjusted EPS”). Adjusted EPS constitutes a “non-GAAP financial measure” under SEC rules. The most directly comparable GAAP measure for historical adjusted diluted earnings per share is reported diluted earnings per share (GAAP) and a reconciliation of these two measures is included in this press release.

The 2026 Adjusted EPS guidance range does not include (i) estimated transaction costs to be incurred by the company during 2026 related to the proposed merger with Essential Utilities, (ii) impacts of weather, if any, during 2026, and (iii) incremental interest income through February 13, 2026 related to the 2024 amendment of the former HOS secured seller note. Management is unable to present a reconciliation of the Adjusted EPS guidance range to a GAAP guidance range without unreasonable effort because management cannot reliably predict the nature, amount or probable significance of all of such adjustments for future periods; however, these adjustments may, individually or in the aggregate, cause Adjusted EPS to differ significantly from GAAP EPS.

These non-GAAP financial measures are derived from the company’s consolidated financial information but are not presented in the financial statements prepared in accordance with GAAP. These measures should be considered in addition to, and not as a substitute for, measures of financial performance prepared in accordance with GAAP. The company believes that these non-GAAP measures provides investors with useful information by excluding certain matters that may not be indicative of the company’s ongoing operating results , and, with respect to weather, to provide for a measure of the company’s operating performance without the variability of estimated weather impacts, and that providing these non-GAAP measures will allow investors to better understand the businesses’ operating performance and facilitate a meaningful year-to-year comparison of the company’s results of operations. Although management uses these non-GAAP financial measures internally to evaluate the company’s results of operations, management does not intend results reflected by these non-GAAP measures to represent results as defined by GAAP, and the reader should not consider them as indicators of performance. In addition, these non-GAAP financial measures as defined and used above may not be comparable to similarly titled non-GAAP measures used by other companies, and, accordingly, they may have significant limitations on their use.

Reconciliation Table – Consolidated Adjusted EPS



	For the Three Months Ended March 31,		For the Years Ended December 31,		
	2026	2025	2025	2024	2023
Diluted earnings per share (GAAP):					
Net income attributable to shareholders	\$ 1.00	\$ 1.05	\$ 5.69	\$ 5.39	\$ 4.90
Non-GAAP adjustments:					
Estimated impact of favorable weather	—	—	—	(0.16)	(0.17)
Income tax impact	—	—	—	0.04	0.04
Net non-GAAP adjustment	—	—	—	(0.12)	(0.13)
Incremental interest income from amended HOS seller note	(0.01)	(0.04)	(0.13)	(0.12)	—
Income tax impact	—	0.01	0.03	0.03	—
Net non-GAAP adjustment	(0.01)	(0.03)	(0.10)	(0.09)	—
Transaction costs associated with the pending merger with Essential Utilities	0.03	—	0.07	—	—
Income tax impact	(0.01)	—	(0.02)	—	—
Net non-GAAP adjustment	0.02	—	0.05	—	—
Total net adjustments	0.01	(0.03)	(0.05)	(0.21)	(0.13)
Adjusted diluted earnings per share (non-GAAP)	\$ 1.01	\$ 1.02	\$ 5.64	\$ 5.18	\$ 4.77

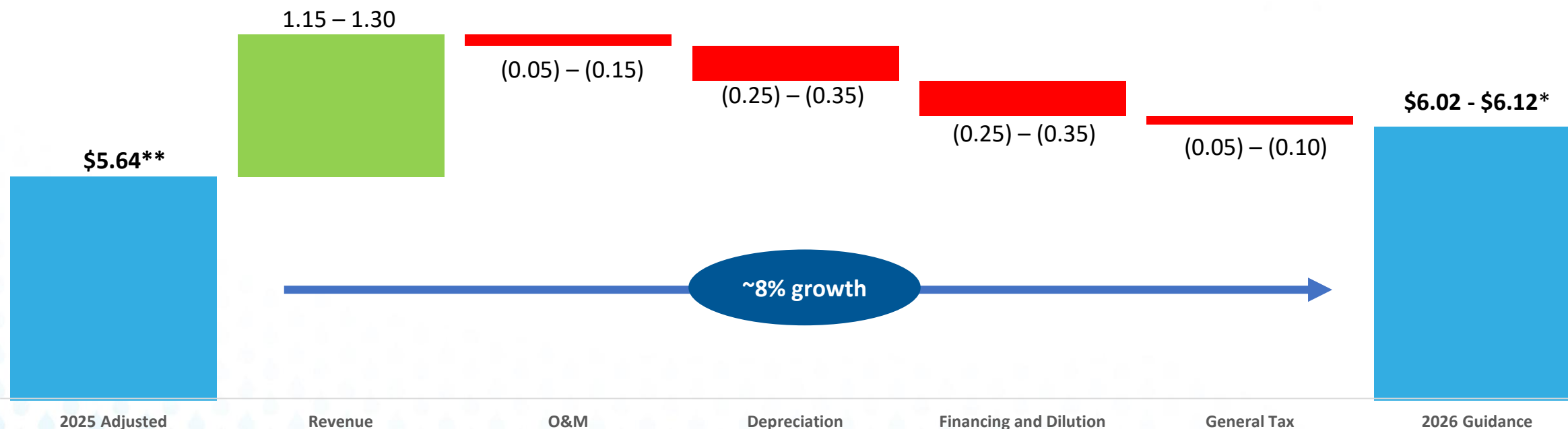
Adjusted diluted earnings per share represents a non-GAAP financial measure and, as shown in the table above, is calculated as GAAP diluted earnings per share, excluding the impact of one or more of the following events: (i) estimated impact of weather; (ii) incremental interest income from the February 2, 2024 amendment to the repaid HOS secured seller promissory note, which increased the aggregate principal amount from \$720 million to \$795 million and increased the interest rate from 7.00% per year to 10.00% per year; and (iii) transaction costs incurred associated with the proposed merger with Essential. The most directly comparable GAAP measure for adjusted diluted earnings per share is reported diluted earnings per share (GAAP) and is reconciled in the table above.

Affirming 2026 EPS Guidance of \$6.02 to \$6.12*



2026 Growth Drivers

- ✓ **Adjusted EPS growth of ~8% in 2026 vs. 2025**
- ✓ Revenue growth in base rates and in infrastructure mechanisms from capital investment
- ✓ Focus on customer affordability and driving effective and efficient cost management strategies
- ✓ De-risked 2026 financing plan via strategic forward equity contract; assume settlement mid-year 2026 for modeling purposes
- ✓ \$795 million HOS secured seller note was repaid in full on February 13, 2026



* The 2026 adjusted EPS guidance range does not include (i) estimated transaction costs to be incurred by the company during 2026 related to the proposed merger with Essential Utilities, (ii) impacts of weather, if any, during 2026, and (iii) incremental interest income through February 13, 2026 related to the 2024 amendment of the former HOS secured seller note.

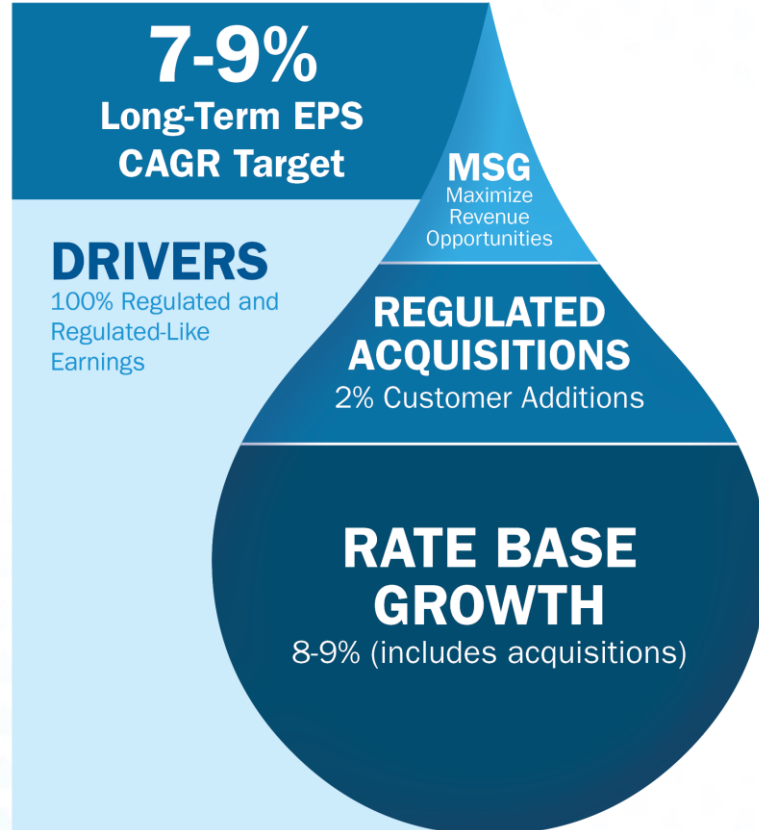
** Adjusted EPS is a Non-GAAP Measure. Please see appendix for reconciliation and further information.

Long-Term Targets Affirmed

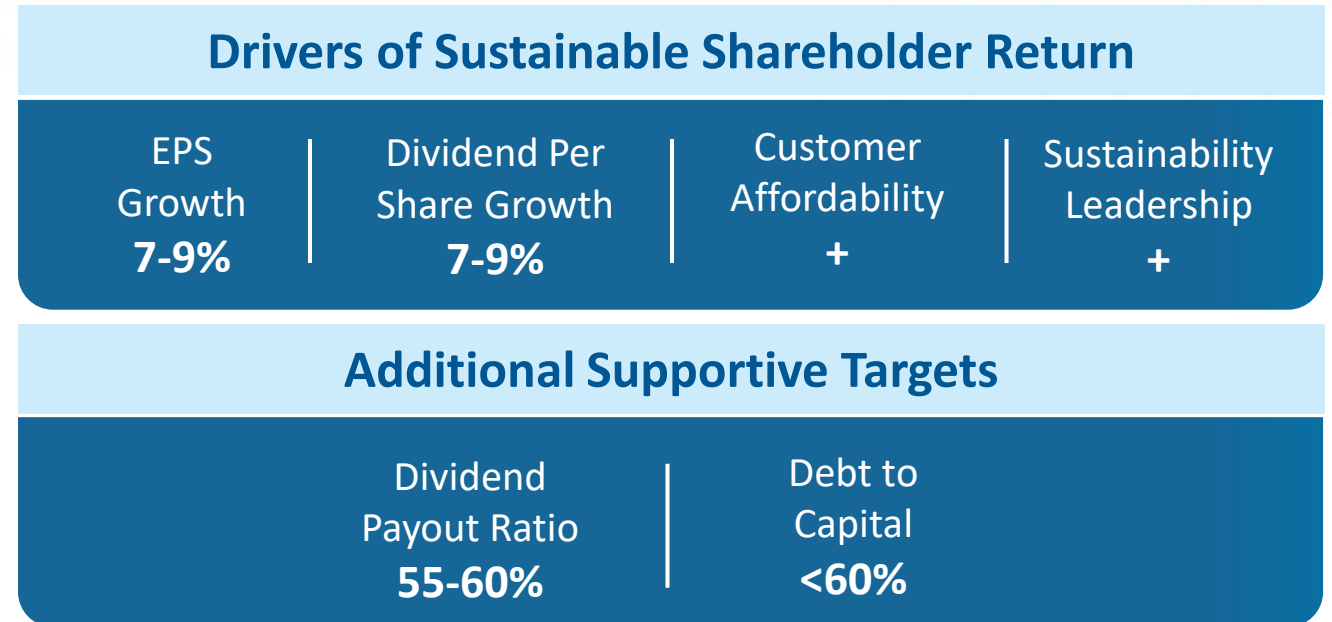
Strong and Sustainable Growth Outlook for the Future



EPS GROWTH OUTLOOK



LONG-TERM FINANCIAL TARGETS




Successfully Executed \$700M Note Offering

Closed this offering on April 1, 2026



 2026 financing plan includes \$1.5-2.0B of long-term debt financing

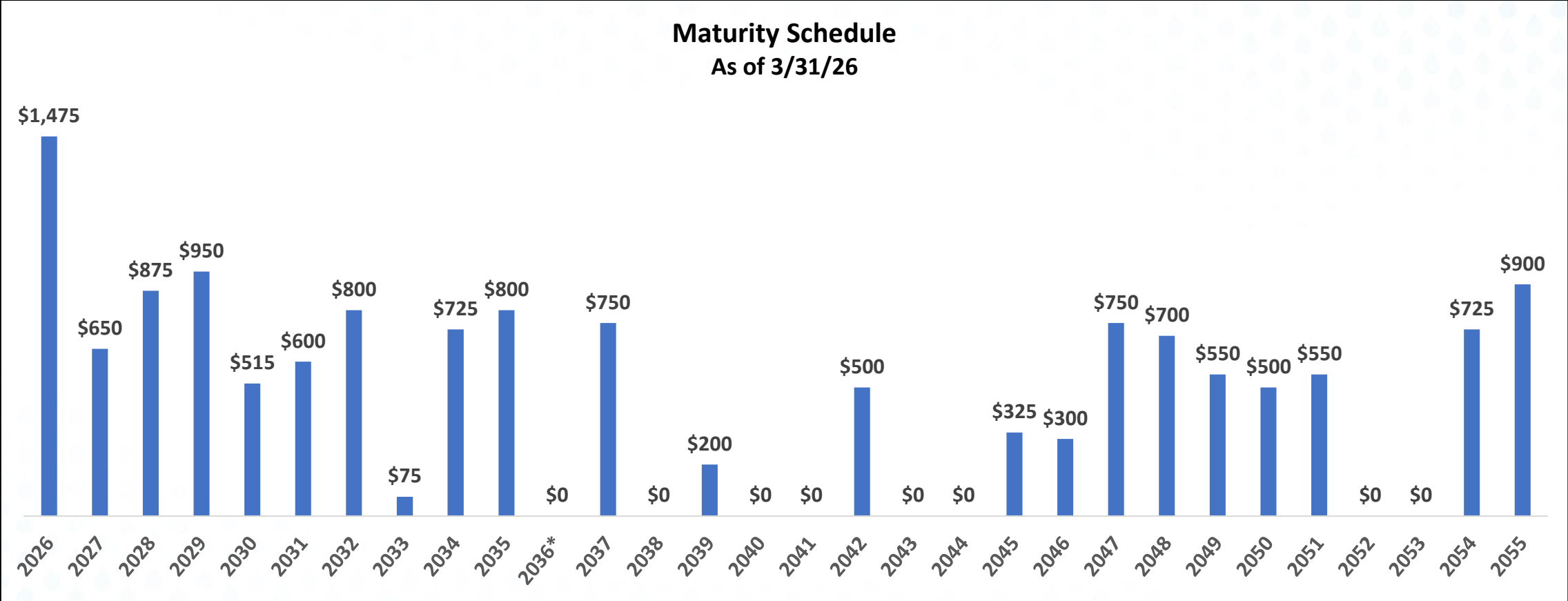
 Strong demand for issuance (5x over-subscribed) and successful execution helps fund growth while managing financing costs

Successfully Executed \$700 Million Senior Note Offering	
Issuer	American Water Capital Corp.
Pricing Date	March 30, 2026
Tenor	10yr Senior Unsecured
Size	\$700M
Annual Interest Rate	5.200%

Laddered Debt Maturity Schedule Supports Capital Spending Program



(\$ in millions)



* On April 1, 2026, American Water Capital Corp., the Company’s wholly owned finance subsidiary, completed the sale of \$700 million aggregate principal amount of its 5.200% Senior Notes due 2036.

Funding the 2026-2030 Capital Investment Plan



(\$ in millions)

Financing Plan: 2026-2030	
Operating Cash Flows	\$14,000
Debt Financing	\$11,800
Equity Issuances	\$2,500
Sale Proceeds (HOS)*	\$795
Total Sources:	~\$29 Billion

* \$795 million HOS note was repaid in full on February 13, 2026.

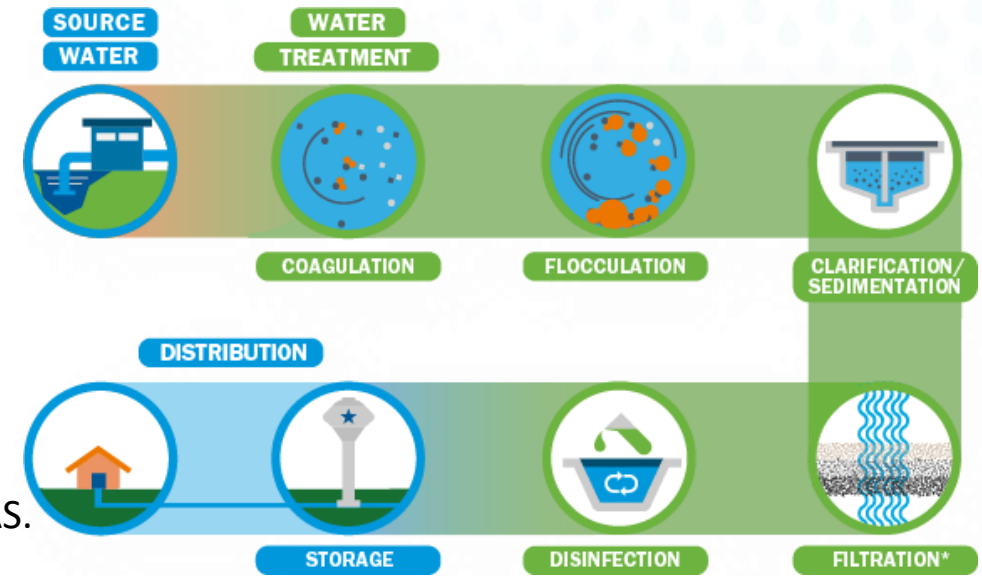
- **\$2.5B of equity issuances in 2026-2030, driven by capital investment needs and consistently achieving <60% debt to cap target**
 - Includes ~\$1 billion equity financing in 2026, which is covered by the equity forward agreements entered into in August 2025, assumes for modeling purposes proceeds are received in mid-2026, plus an additional ~\$1.5 billion in 2029, to support growth in the business; issuances are subject to market conditions
 - Uses of funds: primarily ~\$19-20 billion of capital investments, ~\$4.5 billion of LTD maturities, and dividends
 - **Current 2026 financing plan includes \$1.5-2.0B of long-term debt financing**
- Investors should expect equity financing to occur consistent with a traditional regulated utility financing strategy and to maintain our strong balance sheet and credit metrics, with timing and sizing in alignment with our investment program and rate case cycle

PFAS Treatment Plans



Implications of Final Federal PFAS Rule

- U.S. EPA announced on May 14, 2025 its intent to maintain drinking water limits of 4.0 parts per trillion for PFOA and PFOS.
- American Water estimates \$2B of capital and up to \$50M annually for operating expenses in its 2026-2030 plan.
- American Water has entered into a nine-year supply contract with Calgon Carbon to supply granular activated carbon, equipment and reactivation services to >50 treatment sites across 10 states through 2033.
- U.S. EPA designated PFOA and PFOS as hazardous substances under CERCLA in April 2024. The Company continues to actively advocate for and support bipartisan legislation that would provide PFAS liability protections under CERCLA for water and wastewater systems, as passive receivers of PFAS.



**Includes PFAS treatment*

PFAS Litigation Recap

- American Water is a party to the Multi-District Litigation (MDL) lawsuit against several PFAS manufacturers.
 - The MDL court has approved settlements with DuPont, 3M, Tyco Fire Products LP and BASF Corporation.
 - As of March 31, 2026, the Company's utility subsidiaries received settlement payments from defendants 3M, DuPont and Tyco of ~\$185 million, collectively, net of legal fees and administrative costs. The Company is seeking regulatory approval from its respective public utility commissions to apply the net proceeds for the benefit of customers, where permissible. The Company anticipates that, during the remainder of 2026, it may receive one or more additional settlement payments from the defendants named above.

Reconciliation of Estimated Rate Base



Estimated Rate Base*	
(\$ in billions)	
	As of 3/31/2026
Net Utility Plant	\$31.0
<i>Less</i>	
Advances for Construction	\$0.5
CIAC – Contributions in Aid of Construction	\$1.6
Net Deferred Income Taxes	\$4.3
	\$6.4
Total Estimated Rate Base	\$24.6

* An approximation of rate base, which includes Net Utility Plant not yet included in rate base, pending rate case filings/outcomes.

Closed Acquisitions



 **March 31, 2026**

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
West Virginia	1	-	4,600	4,600
Total	1	-	4,600	4,600

Acquisitions Under Agreement



April 15, 2026



STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
New Jersey	3	16,900	-	16,900
West Virginia	7	3,600	10,100	13,700
Pennsylvania	5	2,700	10,200	12,900
Missouri	3	5,500	5,400	10,900
Kentucky	2	3,600	-	3,600
Illinois	2	100	300	400
Sub-Total	22	32,400	26,000	58,400

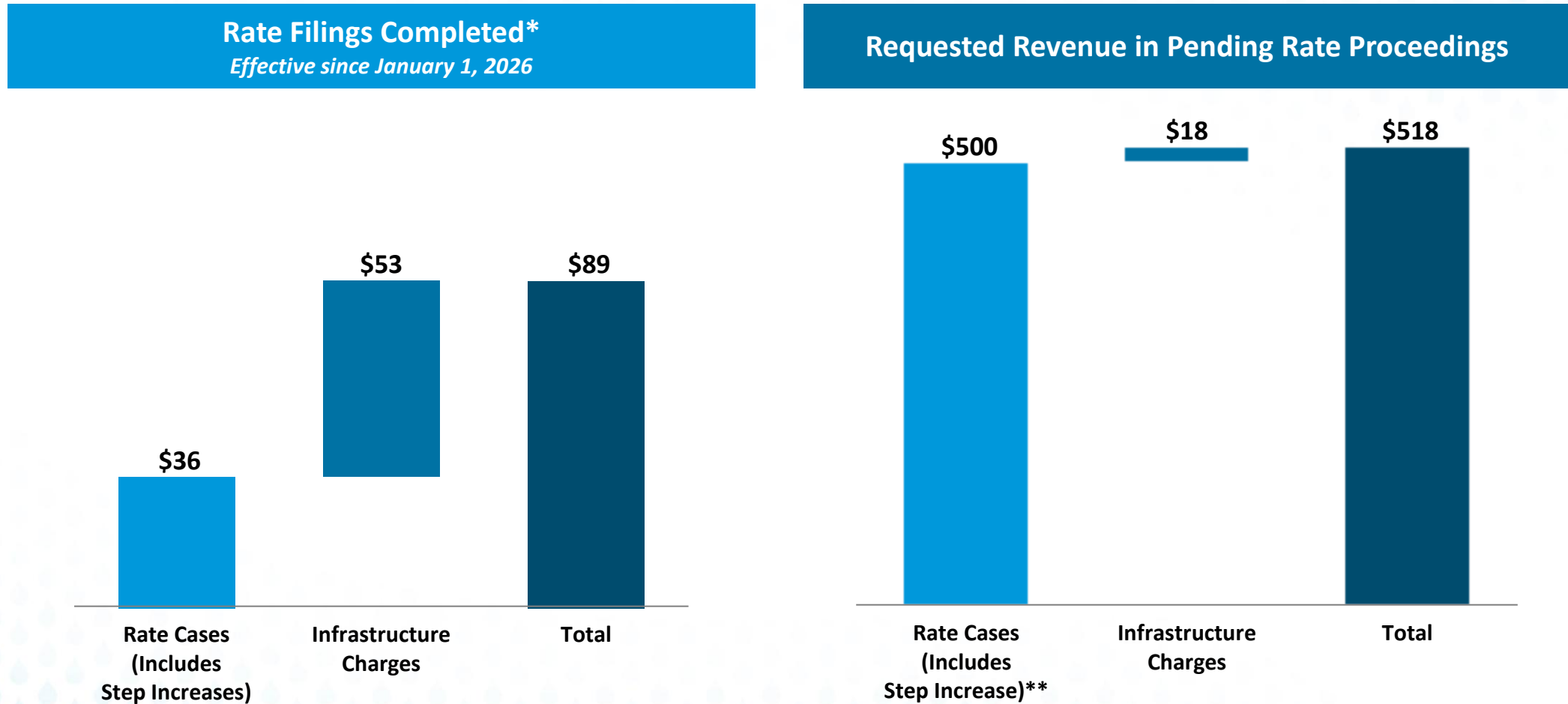
+ Nexus Water Group Systems

STATE	NUMBER OF SYSTEMS	WATER CUSTOMER CONNECTIONS	WASTEWATER CUSTOMER CONNECTIONS	TOTAL CUSTOMER CONNECTIONS
Illinois	37	13,400	3,700	17,100
Indiana	5	5,500	3,400	8,900
Pennsylvania	6	3,300	4,000	7,300
Kentucky	2	7,000	-	7,000
Maryland	6	3,550	1,050	4,600
New Jersey	2	800	300	1,100
Tennessee	1	400	-	400
Virginia	1	-	200	200
Sub-Total	60	33,950	12,650	46,600
Total	82	66,350	38,650	105,000

Annualized Revenue from Rate Proceedings



(\$ in millions)



* Annualized revenue increase for rates effective since January 1, 2026

** Excludes revenue already approved through infrastructure mechanisms

Rates Effective Since...



January 1, 2026

(\$ in millions)

Rate Cases & Step Increases	Date Effective	Annualized Revenue Increases	Infrastructure Charges	Date Effective	Annualized Revenue Increases
California, Step Increase	1/1/2026	\$14 ^(a)	Pennsylvania (DSIC)	1/1/2026	\$11
Maryland	2/26/2026	2 ^(b)	Illinois (QIP)	1/1/2026	5
West Virginia	3/1/2026	20 ^(c)	Missouri (WSIRA)	3/1/2026	13
	Sub-Total	\$36	West Virginia (DSIC/WSIC)	3/1/2026	2
			Indiana (DSIC)	3/18/2026	15
			Pennsylvania (DSIC)	4/1/2026	7
			Sub-Total		\$53
			2026 Total		\$89

- a) The Final Decision was issued December 5, 2024 with rates effective retroactively to 1/1/2024. The new rates will be implemented in February 2025 in the amount of \$20.9 million for 2024. This excludes the step rate and attrition rate increase for 2025 and 2026 of \$15.9 million and \$15.9 million, respectively. The total revenue requirement request for the three year rate case cycle is \$52.7 million. The Company's California subsidiary's step increase was approved and is effective as of January 1, 2025 in the amount of \$17.2 million. The Company's California subsidiary's attrition increase was approved and is effective as of January 1, 2026 in the amount of \$13.9 million.
- b) The Order approves a consolidated annualized increase in water revenues of approximately \$2 million, with approximately \$1 million of the increase to be included in rates effective concurrently with the date of the Order, and the remainder effective January 1, 2027.
- c) The Company's West Virginia subsidiary was authorized additional annualized revenues of \$20.46 million, this excludes the \$12.7 million for infrastructure surcharges.

Pending Rate Case Filings



(\$ in millions)

Rate Cases Filed	Docket/Case Number	Date Filed	Requested Revenue Increase	ROE Requested	Rate Base
California ^(a)	Case No. A.25-07-003	7/1/2025	\$51	N/A	\$1,249
Virginia	Docket No. PUR-2025-00185	11/3/2025	22	10.75%	446
Pennsylvania ^(b)	Docket Nos. R-2025-3057983 & R-2025-3058051	11/14/2025	169	10.95%	6,630
New Jersey ^(c)	Docket No. WR26010010	1/16/2026	139	10.75%	6,124
Illinois ^(d)	Docket No. 26-0127	1/27/2026	119	10.75%	2,735
			\$500		\$17,184

Infrastructure Surcharges Filed

Missouri (WSIRA)	3/3/2026	\$18	139
		\$18	\$139
Total		\$518	\$17,323

- a) The Company's California subsidiary submitted its 100 Day Update on October 13, 2025, with the revised request of additional annualized revenues of \$62.1 million for the test year 2027. This increase as filed represented an increase against 2025 rates. Subsequent to the filing of the rate case, the Company adjusted its authorized rates effective January 1, 2026, which revised its net increase proposed for the test year 2027 to \$51.1 million. This increase also excludes the proposed step rate and attrition rate increase for 2028 and 2029 of \$21.5 million and \$26.4 million, respectively.
- b) The Company's Pennsylvania subsidiary has requested additional annualized revenues of \$168.7 million, this excludes the \$18.8 million for infrastructure surcharges.
- c) The Company's New Jersey subsidiary has requested additional annualized revenues of \$146.4 million, this excludes the \$64.0 million for infrastructure surcharges. The Company's New Jersey subsidiary filed its 9 month actual & 3 month forecasted update on April 24, 2026, which reduced the overall revenue requirement increase to \$139.2 million.
- d) The Company's Illinois subsidiary has requested additional annualized revenues of \$119.494 million, this excludes the \$8.0 million for infrastructure surcharges, and \$14.9 million for rates effective 1/1/2027 and 1/1/2028, respectively.

Regulatory Information



* Rate Base stated in \$000s, rounded

** Rounded as of 12/31/25

	Authorized Rate Base*	ROE	Equity	Effective Date of Rate Case	Customer Connections**
Pennsylvania	\$5,800,000	9.45%	55.30%	8/7/2024	814,000
New Jersey	\$5,100,000	9.60%	55.00%	9/15/2024	750,000
Missouri	\$3,200,000 ^(c)	9.75% ^(d)	50.00% ^(e)	5/28/2025	510,000
Illinois	\$2,200,000	9.84%	49.00%	1/1/2025	376,000
Indiana	\$1,800,000	9.65%	56.30% ^(b)	5/14/2025	349,000
West Virginia	\$1,050,000	9.80%	51.00%	3/1/2026	174,000
California	\$880,000 ^(g)	10.20% ^(a)	57.04% ^(a)	1/1/2024 ^(g)	196,000
Kentucky	\$670,000	9.70%	52.26%	12/16/2025	142,000
Virginia	\$370,000 ^(c)	9.70%	45.67%	2/24/2025 ^(f)	87,000
Tennessee	\$300,000	9.70%	44.19%	1/21/2025	89,000
Iowa	\$260,000	9.60%	52.57%	8/1/2025	70,000
Hawaii	\$52,000	9.75%	52.11%	8/1/2025	10,000
Maryland	\$43,000 ^(c)	9.75% ^(d)	52.32% ^(e)	2/26/2026	5,000

- a) On June 29, 2023, Decision 23-06-025 set the authorized cost of capital through 2024. CA has a separate Cost of Capital case which sets the rate of return outside of a general proceeding. The decision established an ROE of 8.98% effective 30-days after the decision date. On June 30, 2023, the Company filed to implement an automatic ROE adjustment to 9.50% for 2023 based on the Commission approved Water Cost of Capital Adjustment Mechanism (WCCM), effective July 31, 2023. On October 16, 2023, the Company filed to implement an automatic ROE adjustment to 10.20% based on the WCCM upon approval from the Commission, effective January 1, 2024.
- b) The Authorized Equity excludes cost-free items or tax credit balances at the overall rate of return which lowers the equity percentage as an alternative to the common practice of deducting such items from rate base.
- c) The Authorized Rate Base listed is the Company's view of the Rate Base allowed in the case; the Rate Base was not disclosed in the Order or the applicable settlement agreement.
- d) The listed ROE is the Company's view of the ROE allowed in the case; the ROE was not disclosed in the Order or the applicable settlement agreement.
- e) The equity ratio listed is the Company's view of the equity ratio allowed in the case; the actual equity ratio was not disclosed in the Order or the applicable settlement agreement.
- f) Interim rates were effective May 1, 2024 and received final Order February 24, 2025.
- g) The Rate Base and Effective date are based off of Year 1 of the rate case. Annual adjustments are made for Year 2 and 3 which reflect authorized capital improvements for Rate Base and inflationary adjustments for O&M.