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Essential™

Second Quarter 2026 Earnings Call

August 5th, 2026





Brian Dingerdissen

Vice President
Treasury, FP&A and Investor
Relations

Forward Looking Statement

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which generally include words such as “believes,” “expects,” “intends,” “anticipates,” “estimates,” and similar expressions. The Company can give no assurance that any actual or future results or events discussed in these statements will be achieved. Any forward-looking statements represent its views only as of today and should not be relied upon as representing its views as of any subsequent date. Readers are cautioned that such forward-looking statements are subject to a variety of risks and uncertainties that could cause the company’s actual results to differ materially from the statements contained in this release. Such forward-looking statements include, among others: the anticipated receipt of regulatory approvals for, and closing of, the company’s proposed merger with American Water, the company’s belief that it will comply with the finalized EPA PFAS rules, the guidance range of net income per diluted common share; the anticipated amount of infrastructure investment in 2026; the Company’s anticipated use of equity and debt financing and, that the Company has a multiyear plan to ensure that finished water does not exceed the federal maximum contaminant level for the six EPA regulated PFAS chemicals. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: the expected timing and likelihood of completion of our proposed Merger with American Water; changes in the EPA’s regulations; changes in the United States’ governmental policies, including those from the Executive Branch; disruptions in the global economy; potential disruptions in the supply chain for raw and finished materials; the continuation of the company’s growth-through-acquisition program; general economic business conditions; the company’s ability to successfully execute any equity or debt financing transactions, including on an as needed basis; housing and customer growth trends; unfavorable weather conditions; the success of certain cost-containment initiatives; changes in regulations or regulatory treatment; the company’s ability to successfully close municipally owned systems presently under agreement and successfully complete other acquisitions and dispositions; and other factors discussed in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, which are filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Essential’s business, please refer to Essential’s annual, quarterly, and other SEC filings. Essential is not under any obligation - and expressly disclaims any such obligation - to update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

For a discussion and reconciliation of Non-GAAP financial measures, see the Appendix to this presentation.



Christopher Franklin

Chairman and Chief
Executive Officer

Corporate Updates

**Received Merger
Approval from
Public Utilities
Commission of
Ohio**

**Received Merger
Approval from
Virginia State
Commission**

**Q2 2026 EPS
\$0.37 GAAP
\$0.38 Non-GAAP**

**Affirm
Financial
and Growth
Guidance ⁽¹⁾**

**Increased
Quarterly
Dividend
5.25%**

1 From adjusted 2024 EPS of \$1.97 (Non-GAAP)

Continued Progress on the Path to Merger Close

Three state approvals received

Q4 2025	✓	Q1 2026	✓	Q2 2026 – Q1 2027	✓	Q1 2027
Filed All State Regulatory Applications Required approvals include certain public utility commissions		Shareholder Approvals Received AWK and WTRG shareholders overwhelmingly approved merger proposals on Feb. 10		Obtain Regulatory Approvals Approvals needed from state regulators including PA, TX, NC, NJ, IL, VA, OH and KY, as well as Hart-Scott-Rodino		Transaction Close Transaction expected to close by end of Q1 2027
State	Date Filed	Docket Number			Next Steps	Approval
Pennsylvania	November 26, 2025	A-2025-3058927			Hearings in August	
New Jersey	November 26, 2025	WM25110628			Public Input Hearings in August	
North Carolina	November 26, 2025	W-218 Sub 643			Hearings in September	
Texas	November 25, 2025	59020			July Hearing Cancelled - Reached Settlement in Principle	
Illinois	December 5, 2025	25-1057			ALJ Proposed Order due Sept. 11, Statutory Deadline of November 5	
Virginia	December 22, 2025	PUR-2025-00229			Approved on June 22	
Ohio	December 31, 2025	25-1200-WS-UNC			Approved on May 13	
Kentucky	December 22, 2025	2025-00408			Approved on April 21	

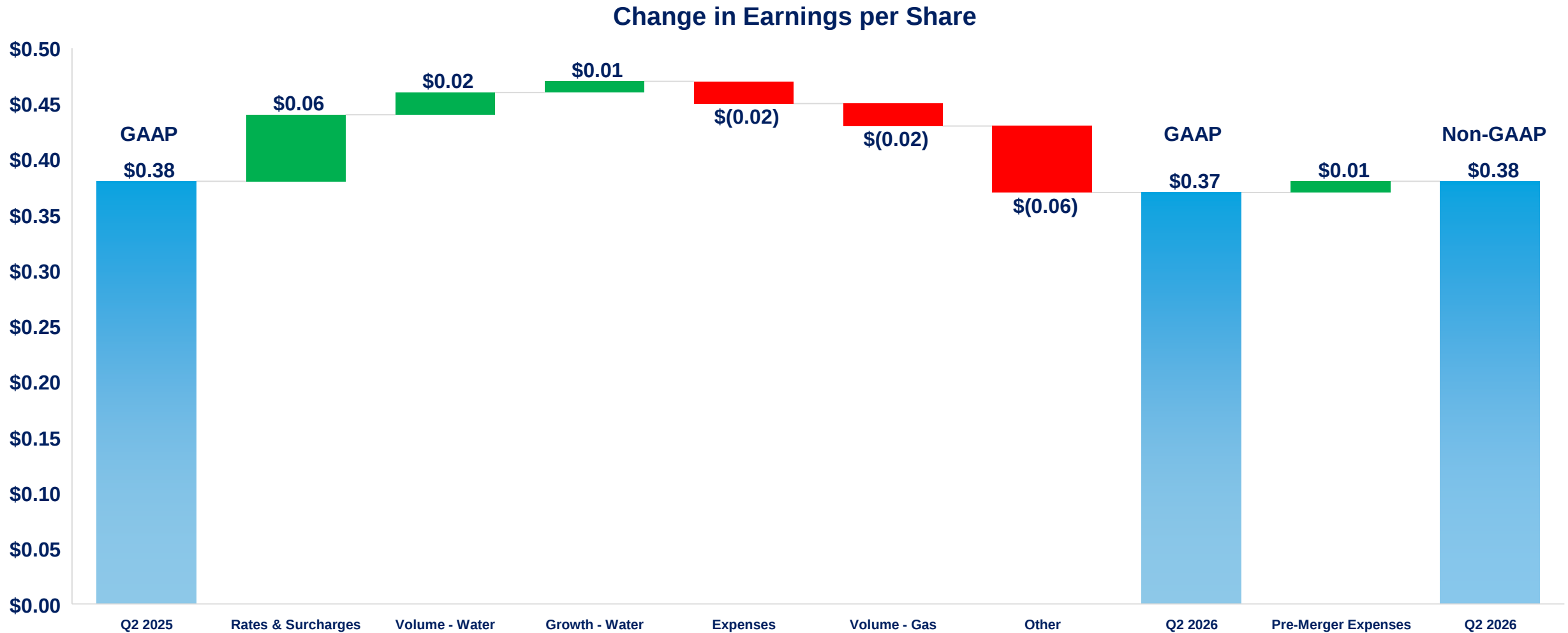


Daniel Schuller

—
EVP,
Chief Financial Officer

Earnings Per Common Share

Q2 2026 vs. Q2 2025



Regulatory Activity

As of August 5th, 2026

2026 COMPLETED REGULATORY RECOVERIES

Water segment base rate cases or surcharges in PA, IL, OH, and NC and IN with annualized revenue increase of \$43.9 million

Gas segment base rate cases or surcharges in PA and KY with annualized revenue increase of \$12.7 million

PENDING REGULATORY RECOVERIES

Water segment base rate cases or surcharges in TX, VA, IL, IN and NJ with requested annualized revenue increase of \$79.7 million

Gas segment base rate in PA with requested annualized revenue increase of \$163.2 million



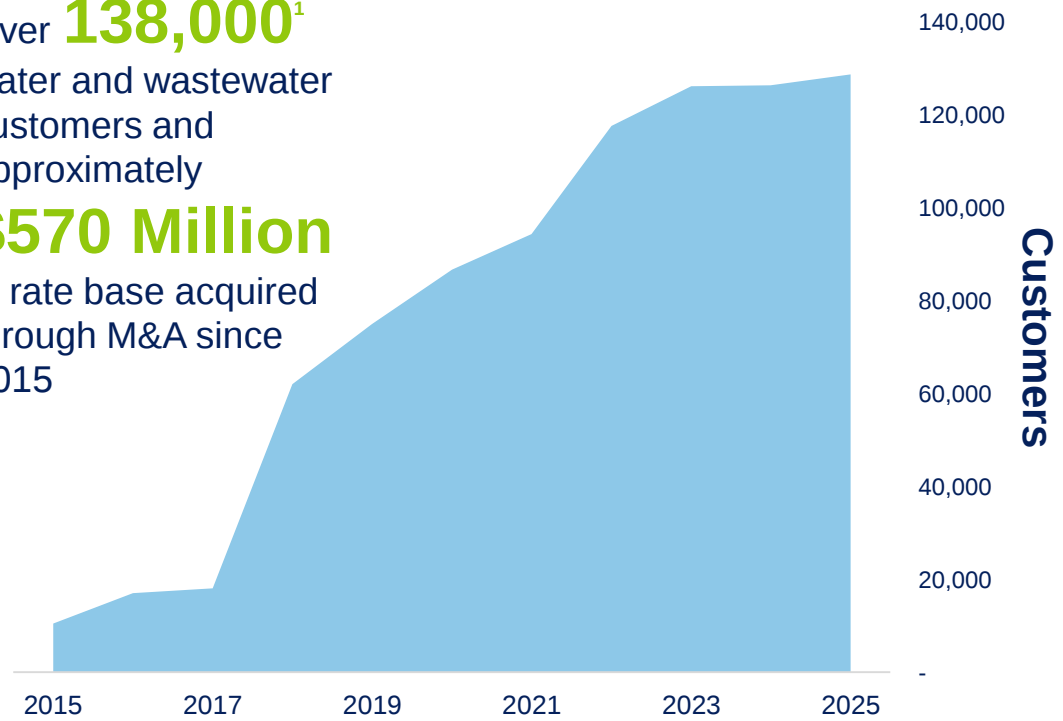
Christopher Franklin

Chairman and Chief
Executive Officer

Continued Water and Wastewater Acquisition Success

Cumulative Additions of Customers Through Acquisitions Since 2015

Over **138,000¹** water and wastewater customers and approximately **\$570 Million** in rate base acquired through M&A since 2015



Transactions Closed in 2026

- 

GREENVILLE

 - Water
 - 3,000 customers
 - \$18.0M purchase price
- 

INTEGRA⁽³⁾

 - Wastewater
 - 1100 customers
 - \$4.9M purchase price

Selected Pending Transactions ⁽²⁾

- 

DELCORA

 - Wastewater
 - 198,000 customers⁽¹⁾
 - \$276.5M purchase price
- 

DRIL-QUIP⁽³⁾

 - Water/Wastewater
 - 380 customers
 - \$1.1M purchase price

~ 200,000¹
Total Customers

~\$282M
Total Purchase Price

(1) Essential's estimate of the number of equivalent dwelling units.
(2) Additional APAs are signed in PA, NJ, NC, VA and TX.
(3) Dril-Quip and Integra are privately owned utilities.

Guidance Outlook

Earnings Per Share	Anticipated growth in long-term earnings per share at a compound annual growth rate of 5 to 7% from the adjusted 2024 earnings per share of \$1.97 (non-GAAP) for the three-year period through 2027.		
Dividends & Capital Structure	Dividend Payout Ratio 60 - 65%	Debt to Capital Ratio 50 - 55%	FFO to Net Debt Ratio > 12%
Capital Expenditure	In 2026, regulated infrastructure investments are expected to be \$1.7 billion.		
PFAS	Multiyear plan to ensure that finished water does not exceed the federal maximum contaminant level of the six EPA-regulated PFAS chemicals.	Commitment to providing finished water that will meet the EPA timelines and standards.	

For More Information Contact:



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**Director,
Investor Relations**

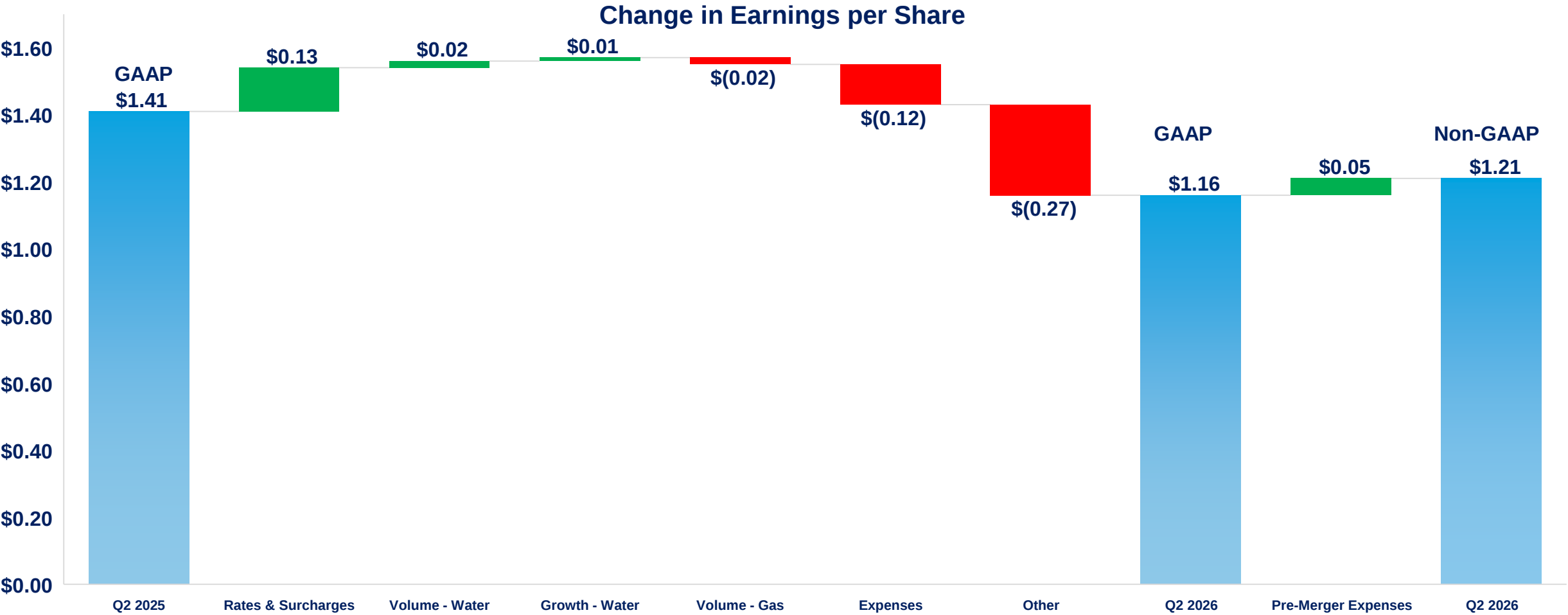
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Appendix

Earnings Per Common Share

YTD June 2026 vs. YTD June 2025



Reconciliation of GAAP to Non-GAAP Financial Measures

The Company is providing disclosure of the reconciliation of adjusted earnings per share, a non-GAAP financial measure referenced in this release, to the most comparable GAAP financial measure. Adjusted earnings per share does not comply with U.S. generally accepted accounting principles (GAAP), and is thus considered to be a “non-GAAP financial measure” under applicable SEC regulations.

Adjusted earnings per share is one of the primary metrics used by management to evaluate the Company’s financial performance and compare it to that of its peers, evaluate the effectiveness of the Company’s business strategies, and in connection with executive compensation decisions. This measure is also frequently used by analysts, investors, and others to evaluate industry peers. Further, the Company believes adjusted earnings per share is helpful in highlighting trends in the Company’s results because it allows for more consistent comparisons of performance between periods by excluding gains and losses that are non-operational in nature or outside the control of management. The Company further believes that this non-GAAP financial measure is useful to investors as a more meaningful way to compare the Company’s operating performance against its guidance. This non-GAAP measure does, however, have certain limitations and should not be considered as an alternative to earnings per share or any other performance.

Adjusted earnings per share adjusts for the following items:

- (1) costs associated with the pending merger with American Water; and
- (2) the income tax impact of the non-GAAP adjustment described above.

GAAP to Non-GAAP Reconciliation

Year Ended December 31, 2024

(in millions, except per share data)	FY 2024
Net income (GAAP financial measure)	\$595.3
Adjustments:	
Gain on sales of assets and related transaction activities	(94.0)
Adjustments for estimated effects of unfavorable weather	18.7
Income tax effect of non-GAAP adjustments	20.9
Adjusted income (Non-GAAP financial measure)	\$540.9
Net income per common share (GAAP financial measure):	
Basic	\$2.17
Diluted	\$2.17
Adjusted income per common share (Non-GAAP financial measure):	
Basic	\$1.97
Diluted	\$1.97
Average common shares outstanding:	
Basic	273.9
Diluted	274.4

GAAP to Non-GAAP Reconciliation

Three Months Ended June 30, 2026

(in millions, except per share data)	2Q 2026
Net income (GAAP financial measure)	\$ 105,725
Adjustments:	
Costs associated with the pending merger	1,191
Income tax effect of non-GAAP adjustments	(321)
Adjusted income (Non-GAAP financial measure)	\$ 106,595
Net income per common share (GAAP financial measure):	
Basic	\$ 0.37
Diluted	\$ 0.37
Adjusted income per common share (Non-GAAP financial measure):	
Basic	\$ 0.38
Diluted	\$ 0.38
Average common shares outstanding:	
Basic	283,655
Diluted	284,088

GAAP to Non-GAAP Reconciliation

Six Months Ended June 30, 2026

(in millions, except per share data)	YTD
Net income (GAAP financial measure)	\$ 330,117
Adjustments:	
Costs associated with the pending merger	17,521
Income tax effect of non-GAAP adjustments	(4,716)
Adjusted income (Non-GAAP financial measure)	\$ 342,922
Net income per common share (GAAP financial measure):	
Basic	\$ 1.16
Diluted	\$ 1.16
Adjusted income per common share (Non-GAAP financial measure):	
Basic	\$ 1.21
Diluted	\$ 1.21
Average common shares outstanding:	
Basic	283,419
Diluted	283,998

State by State Comparison of Services

As of December 31st, 2025

	Water and Wastewater				Gas Distribution	
State	Rate Base (millions)	Water Connections (thousands)	Wastewater Connections (thousands)	Total Customers (thousands)	Rate Base (millions)	Total Customers (thousands)
PA	\$4,850	460.0	68.0	528.0	\$4,454	706.3
IL	\$609	69.9	24.9	94.8		
OH	\$585	155.1	11.2	166.3		
TX	\$694	76.7	26.0	102.7		
NC	\$464	88.0	23.7	111.7		
NJ	\$332	56.5	7.0	63.5		
KY					\$181	41.1
VA	\$146	27.7	8.6	36.3		
IN	\$126	1.4	31.8	33.2		
TOTAL	\$7,806	935.3	201.2	1,136.5	\$4,635	747.4

2026 Regulatory Activity Completed

As of August 5th, 2026

State	Effective Date	Docket Number	Segment	Type	Annualized Revenue Increase (\$ 000's)
Ohio	1/1/2026	N/A	Water	Rate Case	889
	1/1/2026	N/A	Water	Rate Case	945
	7/22/2026	25-594-WW-AIR	Water	Rate Case*	9,496
	7/22/2026	25-593-ST-AIR	Wastewater	Rate Case*	1,040
Indiana	1/1/2026	N/A	Wastewater	Rate Case	117
	4/1/2026	N/A	Wastewater	Rate Case	886
Illinois	1/1/2026	WRM #25-033	Water	Rate Case	1,872
	1/1/2026	SRM #25-030	Wastewater	Rate Case	738
North Carolina	1/1/2026	W-218, Sub 629	Water	Rate Case - Year 1	14,074
	1/1/2026	W-218, Sub 629	Wastewater	Rate Case - Year 1	7,020
	1/1/2026	W-218, Sub 629	Water	Rate Case - Year 1	1,278
	1/1/2026	W-218, Sub 629	Water	Rate Case - Year 1	1,124
	1/1/2026	W-218, Sub 629	Wastewater	Rate Case - Year 1	743
Pennsylvania	4/1/2026	M-2026-3061233	Water	Surcharge	127
	4/1/2026	M-2026-3061275	Wastewater	Surcharge	174
	7/1/2026	M-2026-3063442	Water	Surcharge	3,127
	7/1/2026	M-2026-3063510	Wastewater	Surcharge	225
Pennsylvania	1/1/2026	M-2025-3053185	Gas	Surcharge	4,946
	4/1/2026	M-2026-3060167	Gas	Surcharge	1,611
	7/1/2026	M-2026-3060167	Gas	Surcharge	3,247
Kentucky	1/1/2026	2025-00333	Gas	Surcharge	2,819
	6/1/2026	2026-00084	Gas	Surcharge	72

Total **56,572**

* OCC filed an application for Rehearing of the Aqua Ohio Rate Case.

Regulatory Activity Pending

As of August 5th, 2026

State	Docket Number	Segment	Type	Requested Annualized Revenue Increase (\$ 000's)
Texas	58124	Water	Rate Case	29,148
Virginia	CASE NO. PUR-2025-00071	Water	Rate Case	7,927
New Jersey	WR26010017	Water	Rate Case	7,886
Indiana	Cause No. 46425	Wastewater	Rate Case	7,081
Illinois	26-0495	Water	Rate Case	26,501
New Jersey	WR25060367	Water	Surcharge	1,120
Water and Wastewater				79,663
Pennsylvania	R-2026-3060855	Gas	Rate Case	163,171
Gas				163,171
Total				242,834

*Revenue increase over multi-year rate plan through December 2028