American Water Announces Common Stock Offering with a Forward Component

CAMDEN, N.J. – AUGUST 4, 2025 – American Water Works Company, Inc. (NYSE: AWK) announced today a registered underwritten offering of $1 billion in shares of its common stock. Subject to certain conditions, all shares are expected to be borrowed by the forward purchasers (as defined below) (or their respective affiliates) from third parties and sold to the underwriters and offered in connection with the forward sale agreements described below.

Wells Fargo Securities, J.P. Morgan, and Mizuho are acting as joint book-running managers and as representatives of the underwriters for the offering. In connection with this offering, American Water will issue and sell shares to the underwriters to the extent that the forward purchasers (or their respective affiliates) do not borrow and sell such number of shares.

In connection with the offering, American Water expects to enter into forward sale agreements with Wells Fargo Bank, National Association, JPMorgan Chase Bank, National Association and Mizuho Markets Americas LLC (or their respective affiliates), each in its capacity as a forward counterparty (the “forward purchasers”), pursuant to which American Water will agree to issue and sell to the forward purchasers (subject to American Water's right to elect cash settlement or net share settlement under the forward sale agreements) an aggregate of $1 billion of shares of its common stock at an initial forward price per share equal to the price per share at which the underwriters purchase the shares in the offering, subject to certain adjustments, upon physical settlement of the forward sale agreements. American Water intends to grant the underwriters a 30-day option to purchase up to an additional $150 million in shares of its common stock on the same terms as this offering. If the underwriters exercise their option to purchase additional shares of common stock, American Water expects to enter into additional forward sale agreements with the forward purchasers with respect to the additional shares. In connection with the forward sale agreements, the forward purchasers (or affiliates thereof) are expected to borrow from third-party lenders and sell to the underwriters all of the shares of American Water’s common stock to be sold in this offering.

The proposed offering is subject to market and other conditions, and there can be no assurance as to whether or when the offering may be completed, or as to the actual size or terms of the offering.

American Water will not receive any proceeds from the sale of the common stock sold by the forward purchasers to the underwriters. Settlement of the forward sale agreements is expected to occur on or prior to December 31, 2026, and American Water will use any net cash proceeds that it receives upon settlement of the forward sale agreements for general corporate purposes.

The offering is being made pursuant to American Water’s effective shelf registration statement filed with the Securities and Exchange Commission. This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities, and no offer, solicitation or sale of any securities shall be made, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The offering of these securities will be made only by means of a prospectus and a related prospectus supplement meeting the requirements of Section 10 of the Securities Act of 1933. The preliminary prospectus supplement and the accompanying prospectus related to the offering will be available on the SEC's website at http://www.sec.gov. A copy of the prospectus supplement and the accompanying prospectus with respect to this offering may be obtained from American Water or from (i) Wells Fargo Securities, by mail to Wells Fargo Securities, 90 South 7th Street, 5th Floor, Minneapolis, MN 55402, by email at WFScustomerservice@wellsfargo.com, or by telephone at (800) 645-3751 (option #5), (ii) J.P. Morgan, by mail to J.P. Morgan Securities LLC, Attention: c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, or by email: prospectus-eq_fi@jpmchase.com and postsalemanualrequests@broadridge.com, or (iii) Mizuho, by mail to Mizuho Securities USA LLC, 1271 Avenue of the Americas, 3rd Floor, New York, NY 10020, Attention: Equity Capital Markets, by email at US-ECM@mizuhogroup.com, or by telephone at (212) 205-7600.

About American Water

American Water (NYSE: AWK), headquartered in Camden, New Jersey, is the largest regulated water and wastewater utility company in the United States. With a history dating back to 1886, American Water employs approximately 6,700 professionals who provide drinking water and wastewater services to more than 14 million people with regulated operations in 14 states and on 18 military installations.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this press release including, without limitation, with respect to the public offering of American Water's securities and the intended use of proceeds, 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," "likely," "uncertain," "outlook," "future," "pending," "goal," "objective," "potential," "continue," "seek to," "may," "can," "should," "will" and "could" or 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 of 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 press release as a result of the factors discussed in American Water's Annual Report on Form 10-K for the year ended December 31, 2024, 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 American Water'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 or changes 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; American Water'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 American Water'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 American Water'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; American Water'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 American Water's capital requirements; American Water's ability to control operating expenses and to achieve operating efficiencies, and American Water's ability to create, maintain and promote initiatives and programs that support the affordability of its regulated utility services; the intentional or unintentional actions of a third party, including contamination of American Water's water supplies or the water provided to its customers; American Water'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 American Water's business operations; American Water'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 its ability to (i) obtain required regulatory 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; American Water'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 uncertainties associated with the agreement to acquire certain water and wastewater systems from a subsidiary of Nexus Water Group, Inc., including: (i) 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; (ii) the various impacts and effects of (a) compliance, or attempted compliance with, the terms and conditions of the acquisition agreement, and/or (b) the completion of or, or actions taken by American Water to complete, the acquisition, on American Water'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 (iii) any requirement by American Water to pay a termination fee in the event the closing does not occur; risks and uncertainties following the completion of the sale of American Water's former Homeowner Services Group business, including: American Water's ability to receive amounts due, payable and owing under the amended secured seller note when due; and its ability to redeploy successfully and timely the net proceeds of such transaction into its 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 American Water's operations; American Water's ability to successfully develop and implement new technologies and to protect related intellectual property; American Water's ability to maintain safe work sites; American Water'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; the inability of the forward purchasers or underwriters to perform their obligations with respect to this offering and other disruptions or other 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 American Water'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 American Water or any of its subsidiaries, or the issuance of new or modified credit ratings or outlooks by credit rating agencies with respect to American Water or any of its subsidiaries (or any current or future indebtedness thereof), which could increase financing costs or funding requirements and affect American Water'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, 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 American Water's compliance with, the terms of applicable tax credits and tax abatement programs; migration of customers into or out of its 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 American Water's utility subsidiaries, including without limitation litigation and other proceedings with respect to the water system assets of its 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 American Water, 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 American

Water's goodwill or the value of its other assets; labor actions, including work stoppages and strikes; American Water'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 press release. American Water does not have any obligation, and 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 American Water to predict all such factors. Furthermore, it may not be possible to assess the impact of any such factor on American Water'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 factors set forth above in this press release should not be construed as exhaustive.

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