

# Why Invest in American Water



## Clear, Transparent Story into the Future

- ✓ Decades of infrastructure investment needed
- ✓ Fragmented national water and wastewater landscape
- ✓ Line of sight to \$8.4-\$9.0 billion of 5 year capex (includes Pivotal acquisition)
- ✓ Capital-light MBB leverages core competencies, generates cash



## Demonstrated Execution of Strategy

- ✓ Five year TSR of 175%
- ✓ Long-term growth expected in top half of 7-10%\* target EPS CAGR guidance through 2022 including Pivotal acquisition and tax reform
- ✓ “A/A3” credit rating with strong balance sheet
- ✓ Continuing to be more efficient in both O&M and capital costs
- ✓ Leader in water quality and R&D



## Low Risk, Regulated Water Utility

- ✓ Multi-decade capital deployment needed
- ✓ Hundreds of water projects per year reducing risk of single projects
- ✓ Multiple state regulatory jurisdictions reduce both weather and regulatory risks
- ✓ Enabling legislation and mechanism to support regulated investment



## Commitment to Shareholders

- ✓ Six year dividend growth CAGR of ~10%
- ✓ Guided to 2018-2022 Dividend Growth at top end of 7-10%\* EPS growth CAGR
- ✓ A leading investment in Environmental, Social Responsibility and Governance factors

\* Anchored off of 2016 Adjusted EPS (a non-GAAP measure)