

# Why American Water as an Investment?



**AWK**  
**LISTED**  
**NYSE**

## Industry Measures

## American Water



### Demonstrated Execution

<ul style="list-style-type: none"> <li>Earnings growth</li> <li>Investment needs</li> <li>Market segmentation</li> </ul>		<ul style="list-style-type: none"> <li><b>Leaders</b> in EPS Growth: 7 – 10% through 2021*</li> <li>Clear line of sight to multi-decade capital investment</li> <li>Water &amp; wastewater consolidation opportunities</li> </ul>
<ul style="list-style-type: none"> <li>Dividend growth</li> <li>Credit rating/access to capital</li> <li>Market Capitalization/Trading Liquidity</li> <li>Water Utility Leadership</li> </ul>		<ul style="list-style-type: none"> <li>2011 – 2016 Adjusted EPS CAGR of 10.5%**</li> <li>2017 Dividend growth at top of the long term EPS CAGR - <b>4<sup>th</sup> year with 10% growth</b></li> <li>“A” Corporate Credit Rating</li> <li>Only water utility &gt; \$10 billion market cap</li> <li>Only water utility on S&amp;P 500, DJUA, UTY &amp; DJSI Indices</li> </ul>
<ul style="list-style-type: none"> <li>Economic regulation</li> <li>Geographic &amp; regulatory diversity</li> <li>Complementary businesses</li> </ul>		<ul style="list-style-type: none"> <li>Most <b>geographically diverse</b> utility</li> <li>Primarily regulated (90/10)</li> <li>No federal economic regulation</li> </ul>
<ul style="list-style-type: none"> <li>Environmental leadership</li> <li>Customer experience</li> <li>Operational efficiency</li> </ul>		<ul style="list-style-type: none"> <li><b>21x</b> better than Industry avg. for drinking water quality</li> <li><b>Top quartile</b> customer satisfaction</li> <li>O&amp;M efficiency improvement 6 years in a row</li> <li>16 staff scientists including 8 PhDs</li> </ul>
<ul style="list-style-type: none"> <li>Regulatory expertise</li> <li>Execution of stated strategy</li> <li>Management bench strength</li> </ul>		<ul style="list-style-type: none"> <li>Strong local presence <u>and</u> national scale</li> <li>Seasoned state leaders throughout US</li> <li>Robust succession planning</li> <li>Deep bench strength</li> </ul>

\*Anchored from 2015

\*\*AWK Adjusted Earnings Per Share is a non-GAAP measure. See Appendix for reconciliation.