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American Water Optimizes Market-based Business Portfolio ***Company agrees to sell majority of Contract Services Group***

VOORHEES, N.J., July 9, 2018 – [American Water](#) Works Company, Inc. (NYSE: AWK), the largest publicly traded U.S. water and wastewater utility company, today announced that it has agreed to sell the majority of its market-based Contract Services business to a unit of Veolia North America for \$27 million.

As part of the sale agreement, 23 of American Water's 33 operations and maintenance (O&M) contracts with municipalities and large industrial customers, along with incumbent employees, will transfer to Veolia. A few contracts will be retained, including Camden, North Brunswick, and South Orange, N.J., and Godfrey, Ill., due to proximity to existing regulated service areas. The remaining retained contracts are being sold to others or are near end of contract and will terminate in a short period of time.

American Water anticipates that the sale will close in the third quarter of 2018. In the meantime, American Water is working closely with Veolia to ensure a smooth transition for customers and employees.

With this agreement, American Water's market-based businesses consist of Military Services Group, Homeowner Services (with the recent addition of Pivotal Home Solutions) and Keystone Clearwater Solutions.

About American Water

With a history dating back to 1886, American Water is the largest and most geographically diverse U.S. publicly-traded water and wastewater utility company. The company employs more than 6,900 dedicated

professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 46 states, the District of Columbia, and Ontario, Canada. More information can be found by visiting www.amwater.com.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this press release including, without limitation, with respect to the timing and completion of the proposed transaction, 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,” “future,” “pending,” “goal,” “objective,” “potential,” “continue,” “seek to,” “may,” “can,” “will,” “should” and “could” and 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 the Company’s Annual Report on Form 10-K for the year ended December 31, 2017, and subsequent filings with the U.S. Securities and Exchange Commission (the “SEC”), and because of factors such as: the ability to satisfy conditions to the closing of the transaction; unexpected costs, liabilities or delays associated with the transaction; and other economic, business and other factors.

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 the company’s annual and quarterly SEC filings, and readers should refer to such risks, uncertainties and risk factors in evaluating such forward-looking statements. Any forward-looking statements speak only as of the date of this press release. The company does not have or undertake any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as otherwise required by the Federal securities laws. 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.



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