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Another Dearborn Partners Core Rising and High & Rising Dividend SMA Portfolio Increase: American Water Works Co.

On April 30, 2025, American Water Works Co. announced an 8.2% increase in its quarterly dividend per share to \$0.8275 (\$3.31 annually) from \$0.765 (\$3.06 annually). The cash dividend will be paid on June 3, 2025 to holders of record as of May 13, 2025. This is the 16th consecutive annual increase in the dividend paid by American Water Works Co.

From the press release:

“American Water continues to set the benchmark for dividend growth within the industry. The increase is in line with our 7 to 9 percent EPS and dividend growth guidance and is a testament to our execution of effective strategic initiatives,” said John Griffith, President of American Water. “We understand the importance of our dividend and its pivotal role in delivering outstanding value to our shareholders.”

The company expects to continue its dividend growth within a 7 to 9 percent range over the long term, with a target dividend payout ratio of between 55 and 60 percent of earnings.

American Water (NYSE: AWK) is the largest regulated water and wastewater utility company in the United States. With a history dating back to 1886, We Keep Life Flowing® by providing safe, clean, reliable and affordable drinking water and wastewater services to more than 14 million people with regulated operations in 14 states and on 18 military installations. American Water’s 6,700 talented professionals leverage their significant expertise and the company’s national size and scale to achieve excellent outcomes for the benefit of customers, employees, investors and other stakeholders.

American Water Works Co. is in the Utilities sector of both of our Dearborn Partners Rising Dividend separately managed account (SMA) portfolios. So far this year, 17 of 49 companies in our Core Rising Dividend portfolio have announced 18 dividend increases averaging about 7.5% more than these companies paid a year earlier. In our High & Rising Dividend Portfolio, 10 of 25 companies have announced 11 dividend increases averaging about 5.2% more than these companies paid a year earlier. No companies in these portfolios have reduced or suspended dividends so far this year.

Thank you for your continued interest in our Dearborn Partners Rising Dividend Strategy.

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