

2017 Annual Meeting

AQUASM

NYSE: WTR



May 3, 2017

Forward Looking Statement

This presentation contains in addition to historical information, forward looking statements based on assumptions made by management regarding future circumstances over which the company may have little or no control, that involve risks, uncertainties and other factors that may cause actual results to be materially different from any future results expressed or implied by such forward-looking statements. These factors include, among others, the following: general economic and business conditions; weather conditions affecting customers' water usage or the company's cost of operations; costs arising from changes in regulations; regulatory treatment of rate increase requests; changes in the valuation of our investment in our joint venture in the Marcellus shale region; availability and cost of capital; the success of growth initiatives, including pending acquisitions; the ability to generate earnings from capital investment; and other factors discussed in our Form 10-K for the fiscal year ended December 31, 2016, which is on file with the SEC. We undertake no obligation to publicly update or revise any forward-looking statement.

Non-GAAP Reconciliation

For reconciliation of non-GAAP financial measures, see the Investor Relations section of the company's Web site at www.aquaamerica.com

2016 Marked Aqua's 130th Anniversary



Reviewing 2016

- Assembled the management team
- Maintained operational excellence
- Invested nearly \$400 Million in infrastructure
- Advocated new legislation for growth
- Divested small market based businesses
- Refined the corporate culture



Mission

Protecting and providing
Earth's most essential resource.

Values



2016 Full-Year Highlights

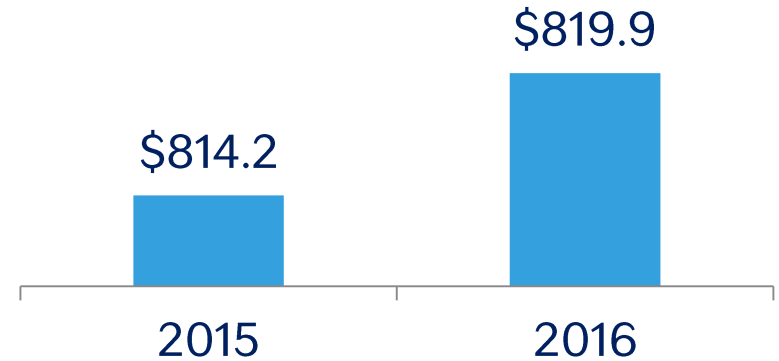
2016 Customer Growth

- 15,300 additional connections from acquisitions and organic growth
- 1.6% total customer growth

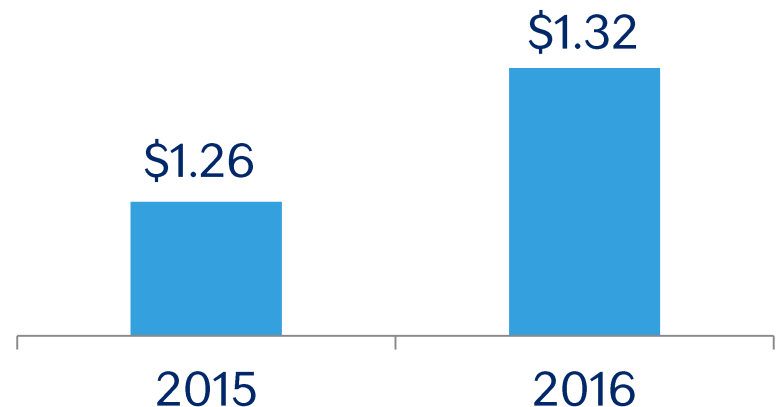
Pending Acquisition Agreements

- 4 municipal systems
- Approximately 8,800 total additional connections

Operating Revenue (\$millions)



Adjusted Income per Common Share (Non-GAAP)



2016 Acquisitions

as-of December 31, 2016

State	Acquisitions Closed	Total Customers	Total Collective Purchase Price (\$thousands)
PA	4	4,716	\$17,397
IL	5	924	\$2,322
NJ	3	222	\$1,628
IN	3	334	\$774
TX	1	210	\$50
NC	1	62	\$33
OH	1	60	\$25
VA	1	30	\$20
Total	19	6,558	\$22,248

1.6% Total Customer Growth

14% of Acquired Customers from Wastewater Systems

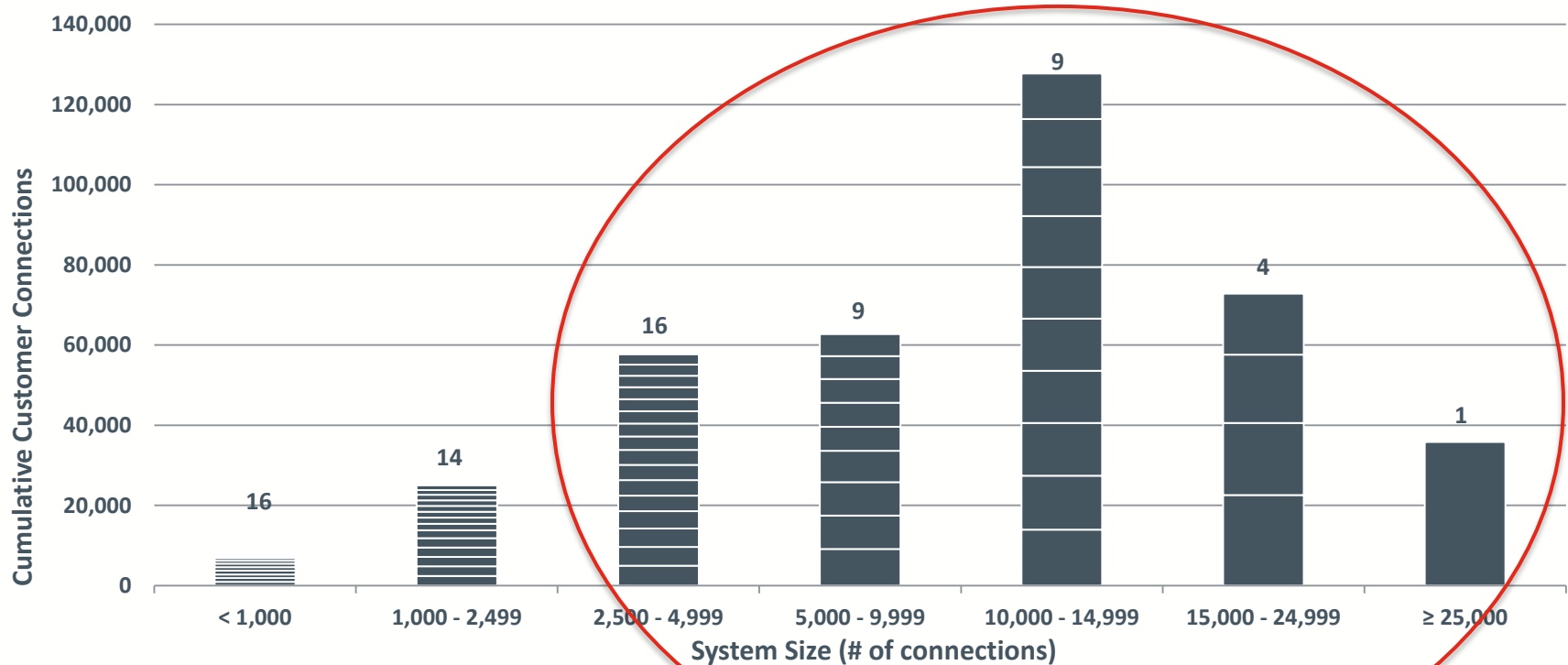
Pending Acquisition Activity

2017 Anticipated Closings

System	Type	Customers	Purchase Price (\$thousands)
System A	Muni	5,400	\$75,000
System B	Muni	2,100	\$29,000
System C	Muni	700	\$5,500
System D	Muni	600	\$3,600
Total		8,800	\$113,100

Top 70 Prospects as of December 31, 2016

On this Top 70 list, 92% of prospective customers are from systems serving more than 2,500 customers, thus demonstrating that the shift toward larger targets has largely taken hold.



Note(s):

1) Prospects include four municipal deals, five developer deals, one Texas MUD, five private deals and one government opportunity

Fair Market Value Legislation



Illinois – appraisal value legislation effective August 2013



Indiana – legislation to facilitate acquisition of distressed utilities approved May 2015



New Jersey – legislation to facilitate acquisition of “troubled systems” effective February 2015

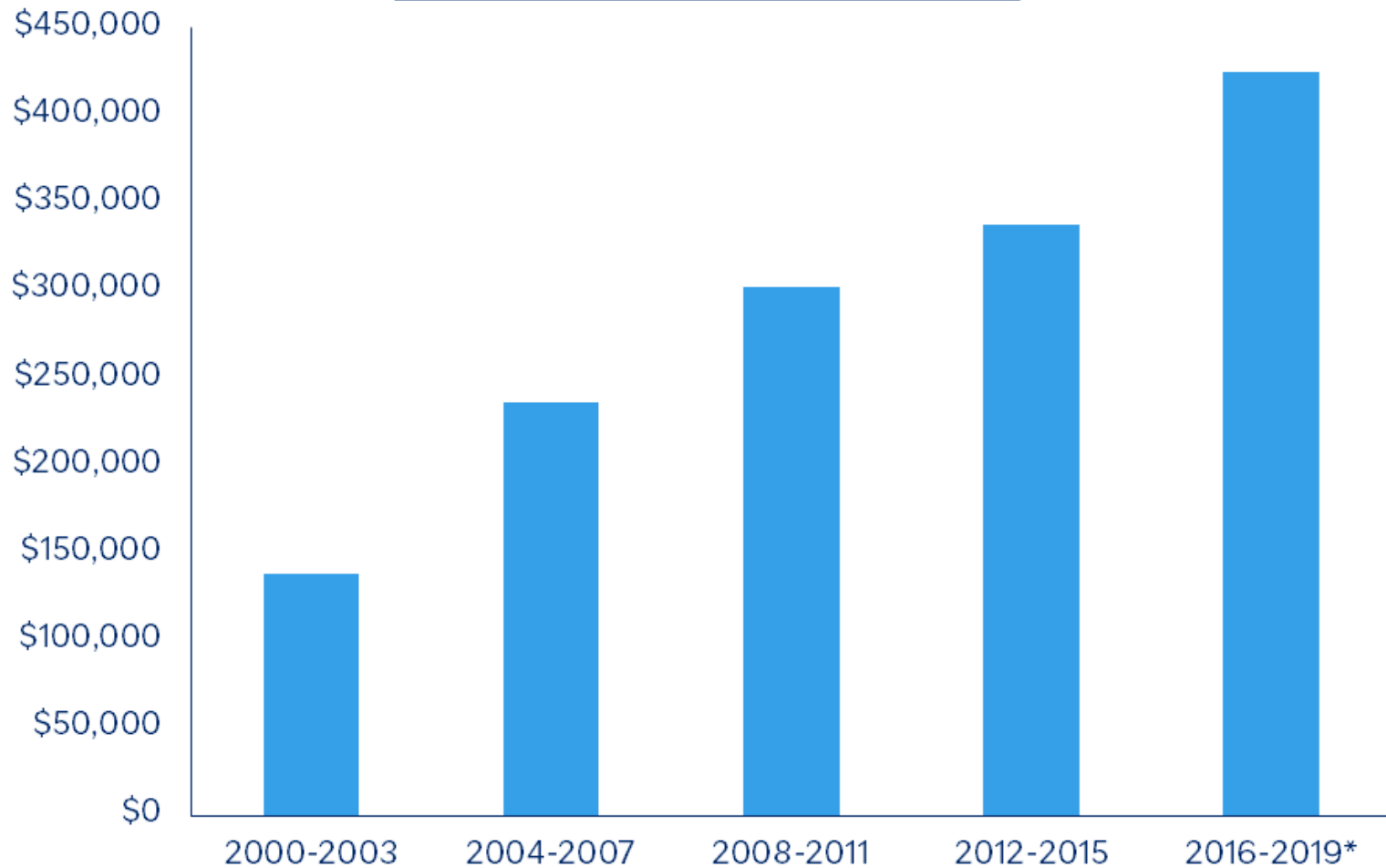


Pennsylvania – fair market valuation approved April 2016

Building for the Future

Regulated Operations

Average Annual Capital Investment (\$thousands)

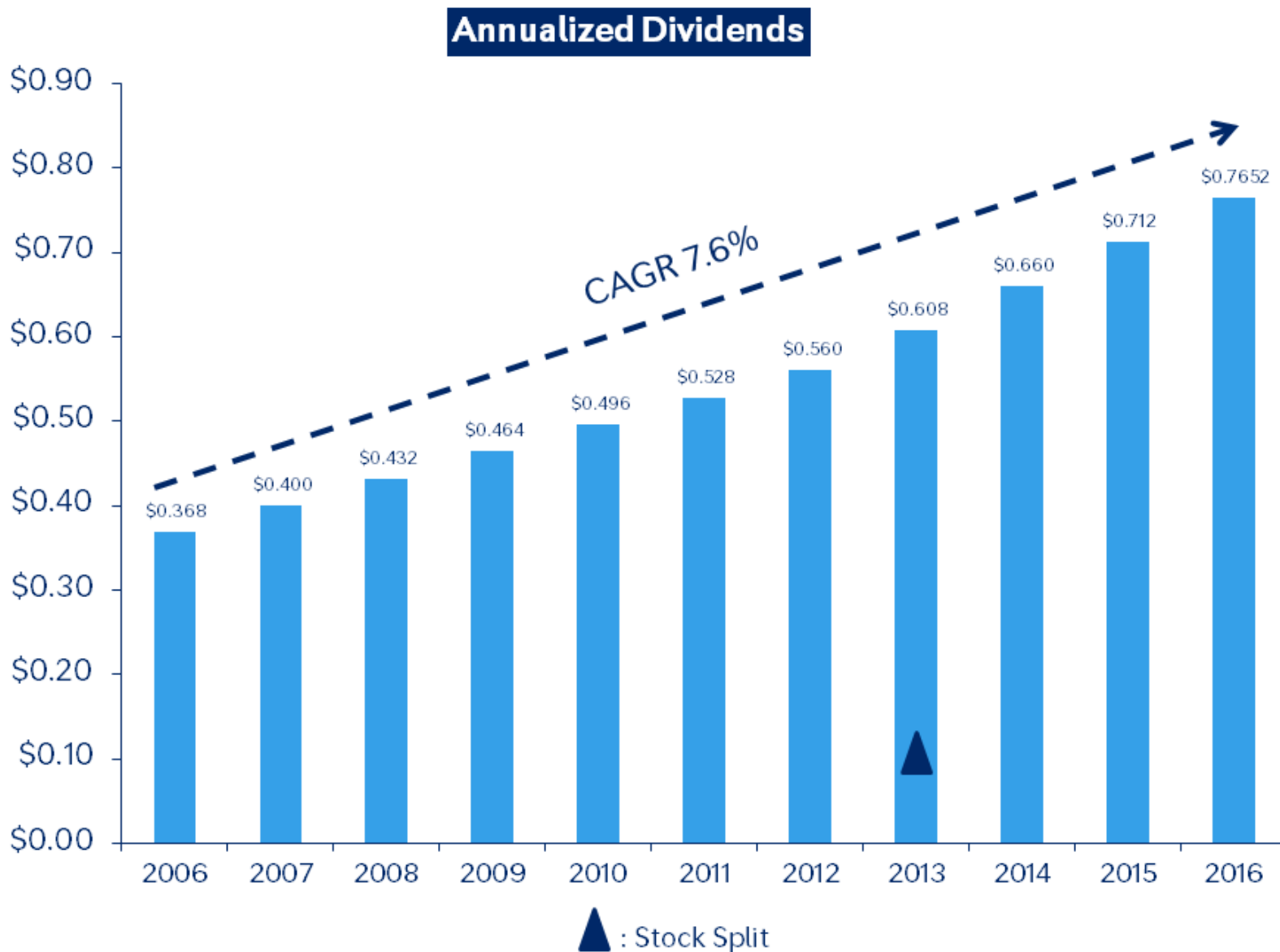


*2017 to 2019: forecasted annual capital investments

+\$1.2 Billion Planned for Next 3 Years

Dividend History

7.5% increase to annualized dividend rate of \$0.765 effective 9/1/2016



Social Responsibility



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Cleaning up streams and reservoirs

Spring Clean-Up



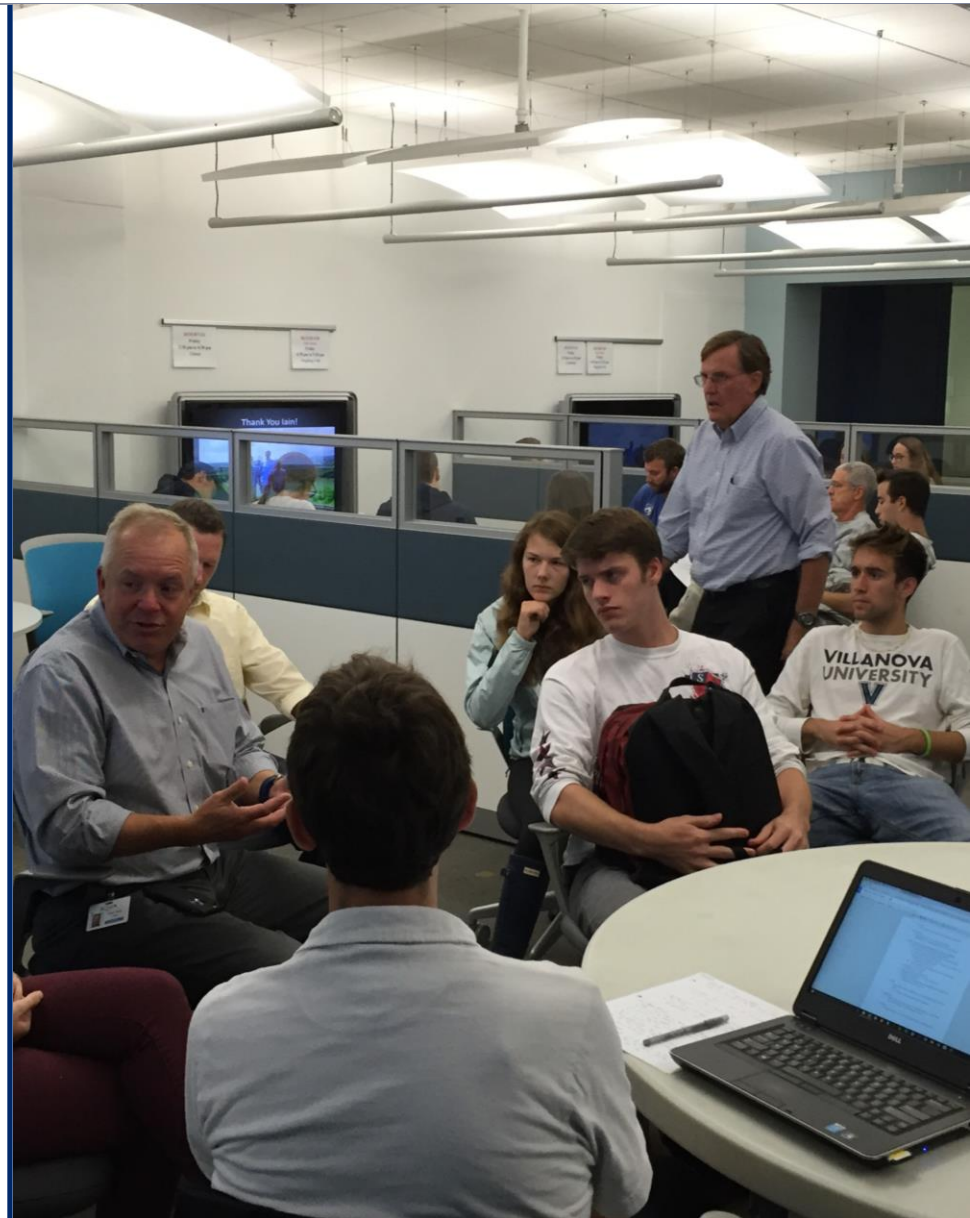
Christo Rey HS Partnership

Providing a year long internship program
for high school from Christo Rey

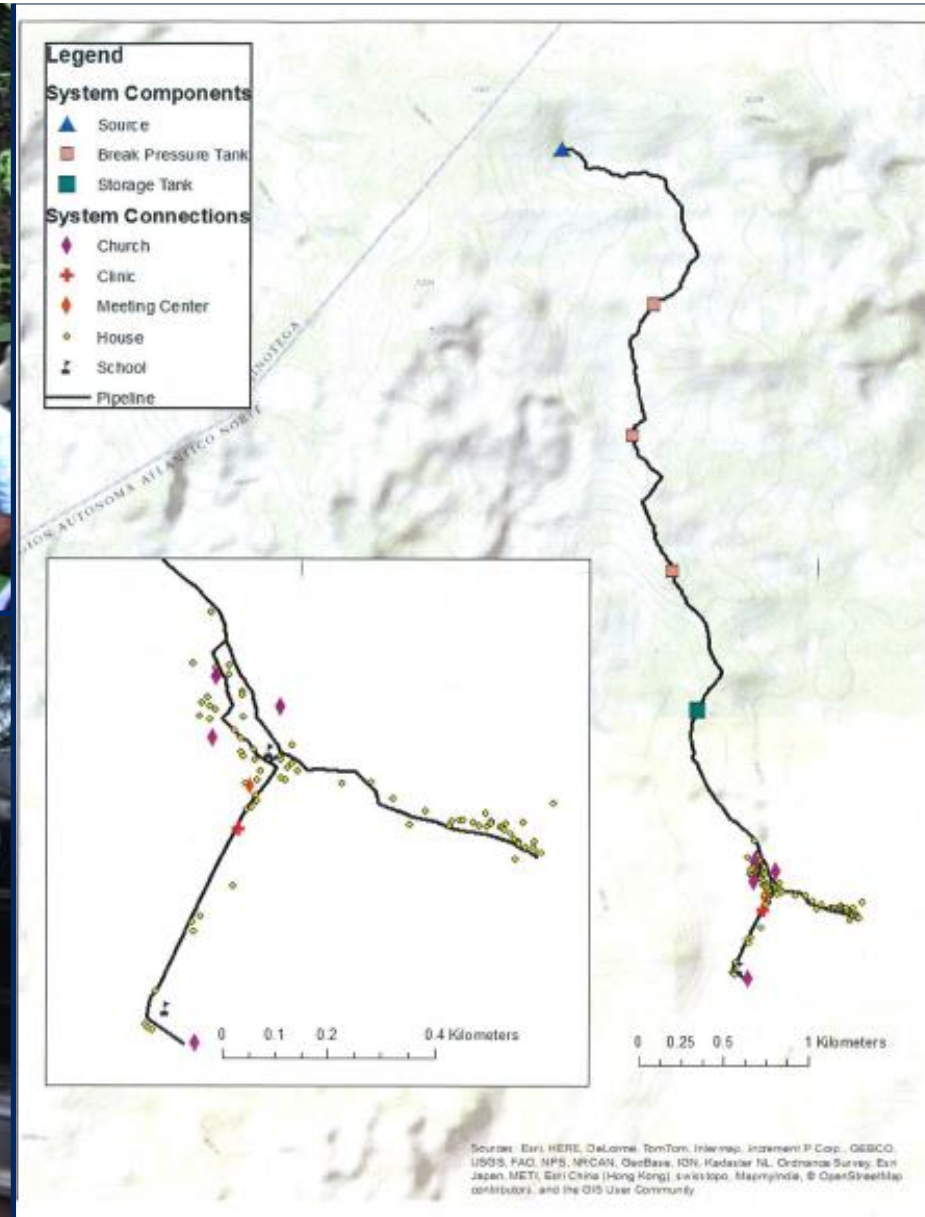


Goals for the Partnership

- **Provide Local Mentorship**
- **Generate Excitement about the Water Industry**
- **Build an “Incubator” Relationship**
- **Utilize Aqua Foundation Funds for Projects that Fit our Mission**
- **Apply Unique Skills to Benefit Individuals in Developing Countries**



Distribution System Project in Nicaragua



Infrastructure Improvement Project in Panama

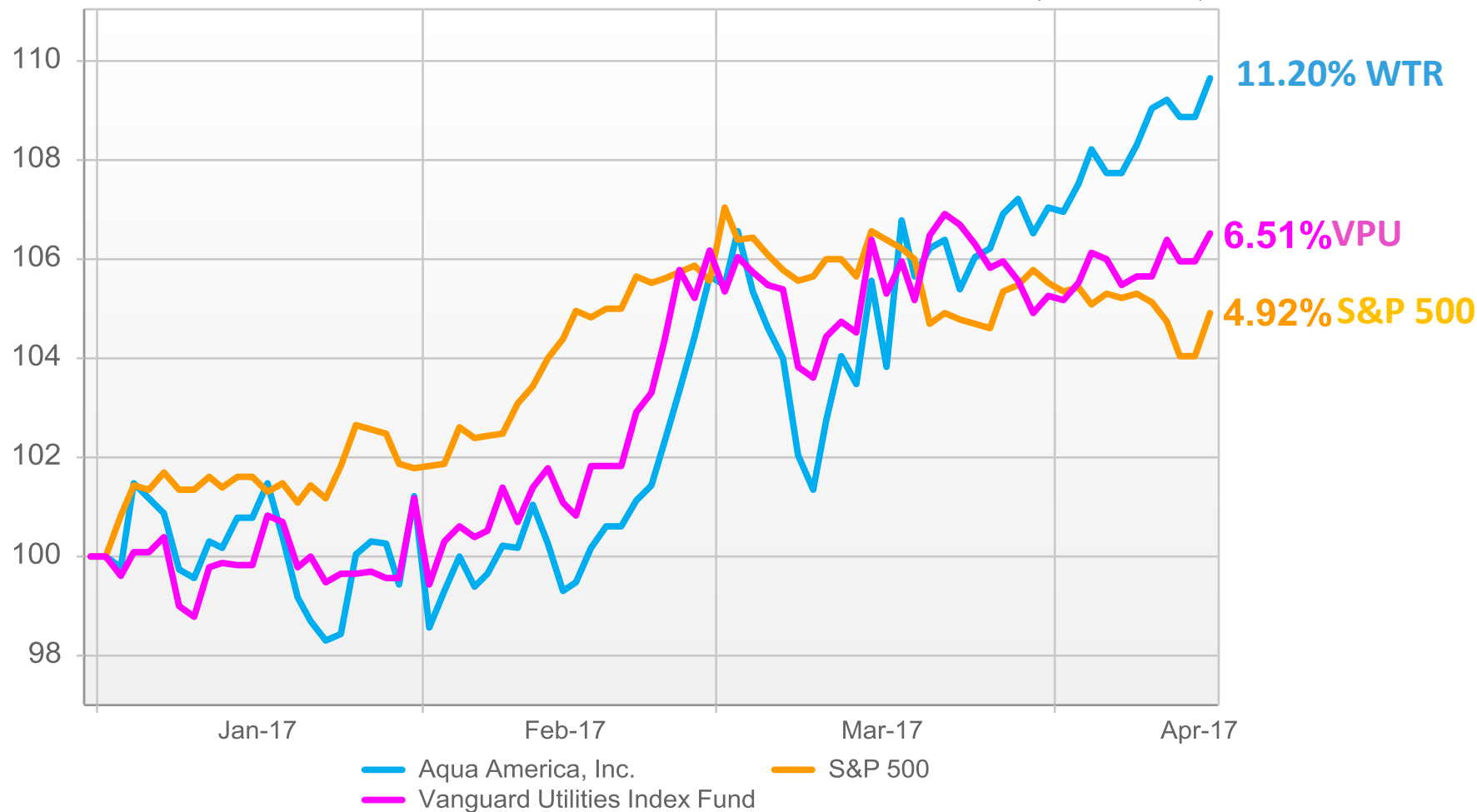


Year-to-Date Total Shareholder Return

Aqua America, Inc.

Indexed Price Performance

Price (Indexed to 100)



Source: FactSet Prices

Source: FactSet

2017 Guidance

Earnings

- Full-year earnings per share between \$1.34 – \$1.39

Operations and Maintenance Expense

- Same-system O&M increase of 1 – 2% for full year

Capex

- More than \$450 million
- More than \$1.2 billion through 2019
- Rate base growth of approximately 6 – 7%

Rate Activity

- Aqua PA expected to file infrastructure investment charge in 2017
- Pennsylvania rate case filing likely in 2018, with resolution expected in 2019

Customer Growth

- 1.5 – 2% year-over-year customer growth

Questions



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Thank You For Attending

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