



## Corporate Overview

Aqua America, Inc. (Aqua) is a publicly traded holding company originating in 1886, with regulated water and wastewater utilities that serve approximately 3 million people in Pennsylvania, Ohio, Texas, Illinois, North Carolina, New Jersey, Indiana and Virginia. Aqua has a long history of providing shareholder value and most recently increased its dividend for the 26th time in 25 years, effective September 1, 2016. The company has paid quarterly dividends for 72 consecutive years. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

## Our Business

Water is undoubtedly our most important natural resource. Water is the only utility business charged with delivering a product that is ingested. The core business of our regulated subsidiaries is to treat this essential natural resource to a quality that meets or surpasses drinking water regulations to sustain a healthy life, but our commitment does not end there. Aqua recognizes that as stewards of Earth's most recycled natural resource, we have a responsibility to take equal care in preparing fresh water for drinking as well as treating wastewater for its return to Earth.

## Water and Wastewater Industry Overview

The water and wastewater industries are the nation's most fragmented utility industries. The great majority of the U.S. population is served by municipal drinking water and wastewater systems. There are approximately 53,000 water systems and more than 16,000 wastewater systems throughout the country. Although roughly half of the drinking water systems are privately owned, they serve only about 15 percent of the population. Approximately 20 percent of the nation's wastewater systems are privately owned and serve only about 3 percent of the population. More stringent regulations from federal and state environmental regulators, the capital needed to meet those standards, and the monetizing of public assets to support the financial condition of municipalities are among the factors driving consolidation. The U.S. Environmental Protection Agency has estimated that an investment of \$384 billion is needed for required improvements to the nation's aging water infrastructure over the next 20 years and an estimated \$271 billion investment is needed to improve the nation's wastewater infrastructure over the next 25 years. Aqua invested approximately \$400 million to improve its infrastructure systems in 2016 and the company expects to invest more than \$1.2 billion through 2019.

## Growth Strategy

Aqua continues to capitalize on its core capabilities, including prudently investing in infrastructure, while consistently earning credibility with our stakeholders and maintaining our status as one of the most efficient utilities in the nation. This strategy directly and positively impacts the communities we serve. Our employees' expertise and the company's financial strength allow us to meticulously analyze and competitively bid for utility systems, especially on those that have suffered from having their infrastructure neglected over time. Aided by the Fair Market Value regulation, Aqua regulated operating subsidiaries have completed more than 300 utility system acquisitions in the last 16 years. In 2016, Aqua remained steadfast to its growth via acquisition strategy as the company expanded its national footprint by acquiring 13 water and six wastewater systems, adding 8,800 customer connections. In total, Aqua added 15,300 customer connections from acquisitions and organic growth in 2016. The company's successful growth initiatives contributed to a 1.6 percent customer base increase in the year. As the company remained focused on its core capabilities, Aqua divested the majority of its small, un-scalable market-based businesses which, in aggregate, accounted for less than 1 percent of the company's net income.

Financial Highlights (in thousands, except per share amounts)	2016	2015
Operating revenues	\$819,875	\$814,204
Regulated segment revenues	\$800,107	\$779,613
Income from continuing operations	\$234,182	\$201,790
Income from continuing operations per share (diluted)	\$1.32	\$1.14
Adjusted income from continuing operations	\$234,182	\$223,223
Adjusted income from continuing operations per share	\$1.32	\$1.26
Average common shares outstanding (diluted)	177,846	177,517

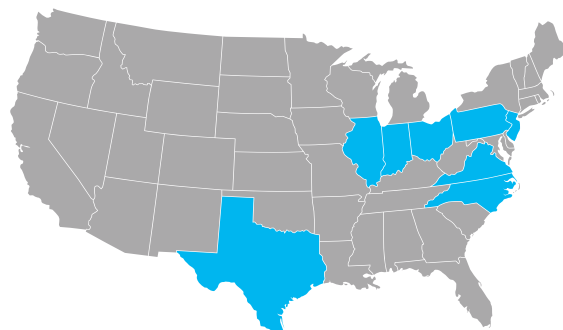
## Market Information as of April 3, 2017

- Closing price: \$32.13
- Market capitalization: \$5.7 billion
- 52 week high: \$35.83
- 52 week low: \$28.03
- Annualized dividend: \$0.7652
- Annualized dividend yield: 2.4%
- Average volume (TTM): 716k

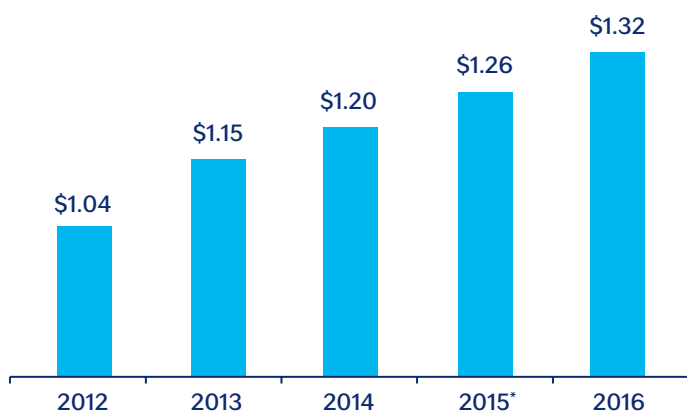
## Dividend Highlights

- Increased cash dividend by 7.5 percent to \$0.7652 on an annualized basis as of Sept. 1, 2016
- 26 cash dividend increases in the last 25 years
- 2016 marks the 72nd consecutive year of paying a quarterly dividend

## Service Territory

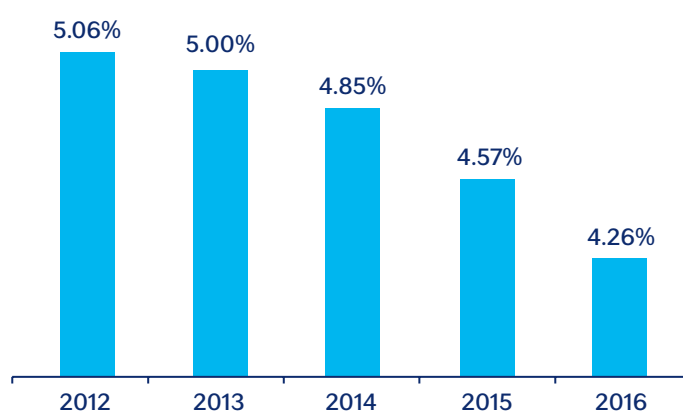


## Income from Continuing Operations per Share

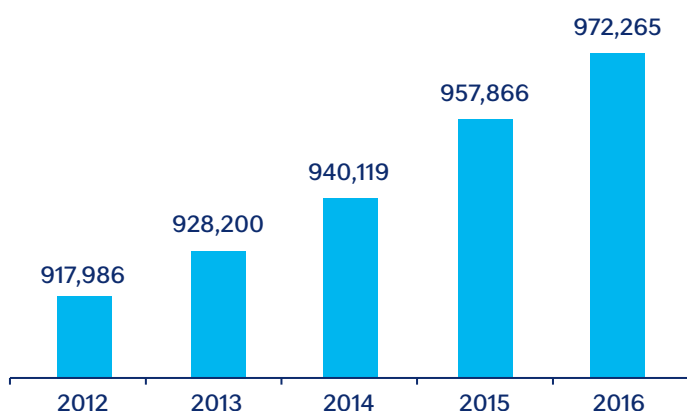


\*2015: Income from continuing operations adjusted for joint venture impairment charge of \$0.12 per share (a non-GAAP financial measure). 2015 income from continuing operations per share was \$1.14.

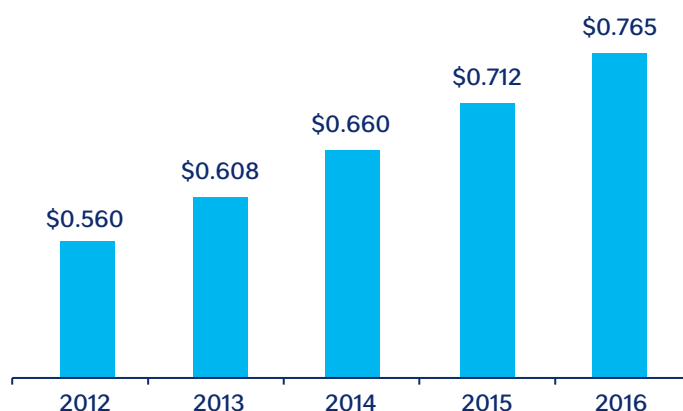
## Weighted Average Cost of Long-term Fixed-rate Debt



## Utility Customer Connections (continuing operations)



## Dividend per Share (annualized)



### For more information, contact:

Mahima Patnaik  
Investor Relations  
MMPatnaik@AquaAmerica.com  
610.645.1196

AquaAmerica.com