



2015 Third Quarter Earnings Call

November 4, 2015

AQUASM NYSE: WTR

Forward Looking Statements

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; the success of cost containment initiatives, including costs arising from changes in regulations; regulatory treatment of rate increase requests; availability and cost of capital; the success of growth initiatives, including pending acquisitions; the effect of regulation on consolidation of the industry; the ability to generate earnings from capital investment; and other factors discussed in our Form 10-K for the fiscal year ended December 31, 2014, 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

Today's Participants



Christopher Franklin
President and CEO



David Smeltzer
EVP and CFO



Brian Dingerdissen
Chief of Staff

Introduction



Christopher Franklin
President and CEO

Topics for Today's Call

Third Quarter 2015 Highlights

Update on Regulated Operations

Summary of Financial Results

2015 Guidance

Analyst Day Information

Third Quarter 2015 Highlights

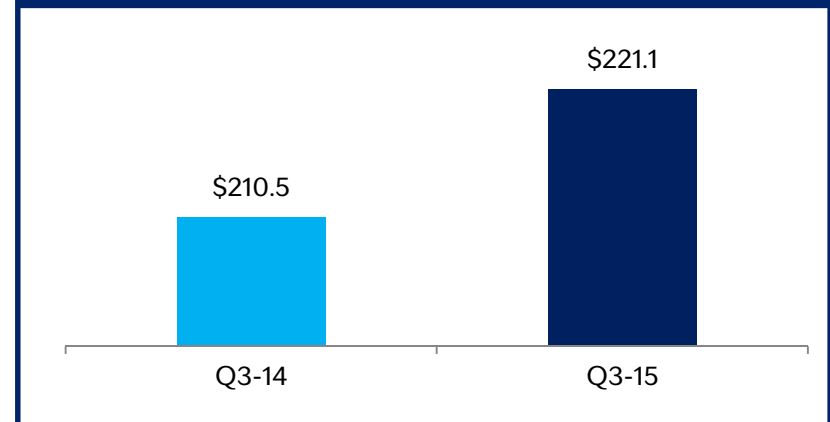
1.6% year-to-date customer growth

- 4 municipal deals closed
- 11 water systems and 3 wastewater systems

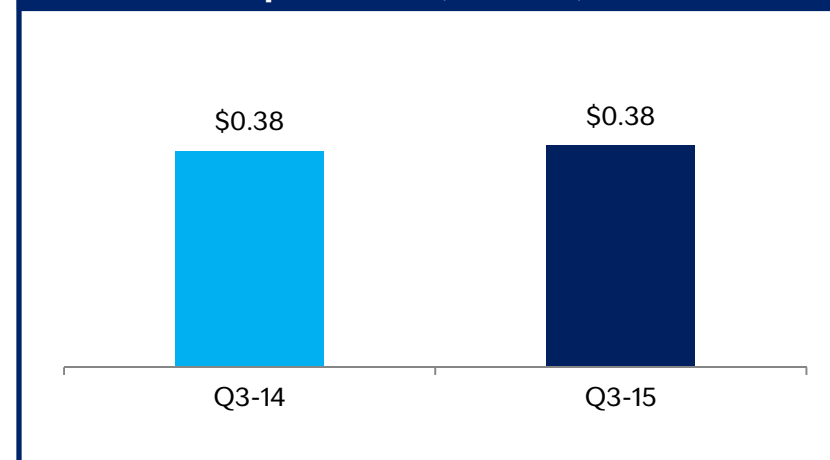
A+ S&P Corporate Credit Rating for Aqua Pennsylvania

- Standard & Poor's reiterated the longstanding Stable Outlook in September

Operating Revenue in Millions



Income From Continuing Operations per Share (Diluted)



Update on CEO Transition – First 125 Days

Goals and Initiatives

Customer Satisfaction

Growth and Corporate Development

Communication

Acquisitions Year-to-Date





System	Date Closed	Water Customers	Wastewater Customers	Total Customers
North Maine Utilities, IL	4/30/2015	4,716	2,693	7,409
Wintergreen, VA	7/1/2015	398	161	559
Mount Jewett, PA	5/6/2015	443	-	443
Robin Hood, PA	10/15/2015	210	-	210
Union Hill, TX	9/2/2015	179	-	179
Venter Heights, VA	2/5/2015	136	-	136
Bunker Hill, PA	8/11/2015	66	67	133
Alamance County, NC	8/31/2015	111	-	111
Seaview Harbor, NJ	4/16/2015	94	-	94
Summerdale, IL	8/21/2015	57	-	57
Mountain Ridge, NC	8/3/2015	33	-	33
Total		6,443	2,921	9,364

Summary of Financial Results



David Smeltzer
EVP and CFO

2015 Third Quarter Financial Results

In millions except per share	Q3'14		Q3'15	Variance
Revenue	\$ 210.5		\$ 221.1	5.0%
Operations and Maintenance	\$ 72.4		\$ 78.5	8.5%
Net Income	\$ 68.0		\$ 67.4	-0.8%
EPS	\$ 0.38		\$ 0.38	0.0%
Income from Continuing Operations	\$ 67.7		\$ 67.4	-0.4%
Income from Continuing Operations per Share	\$ 0.38		\$ 0.38	0.0%

 Unfavorable Change

 Favorable Change

2015 Year-to-Date Financial Results

as of 9/30/2015

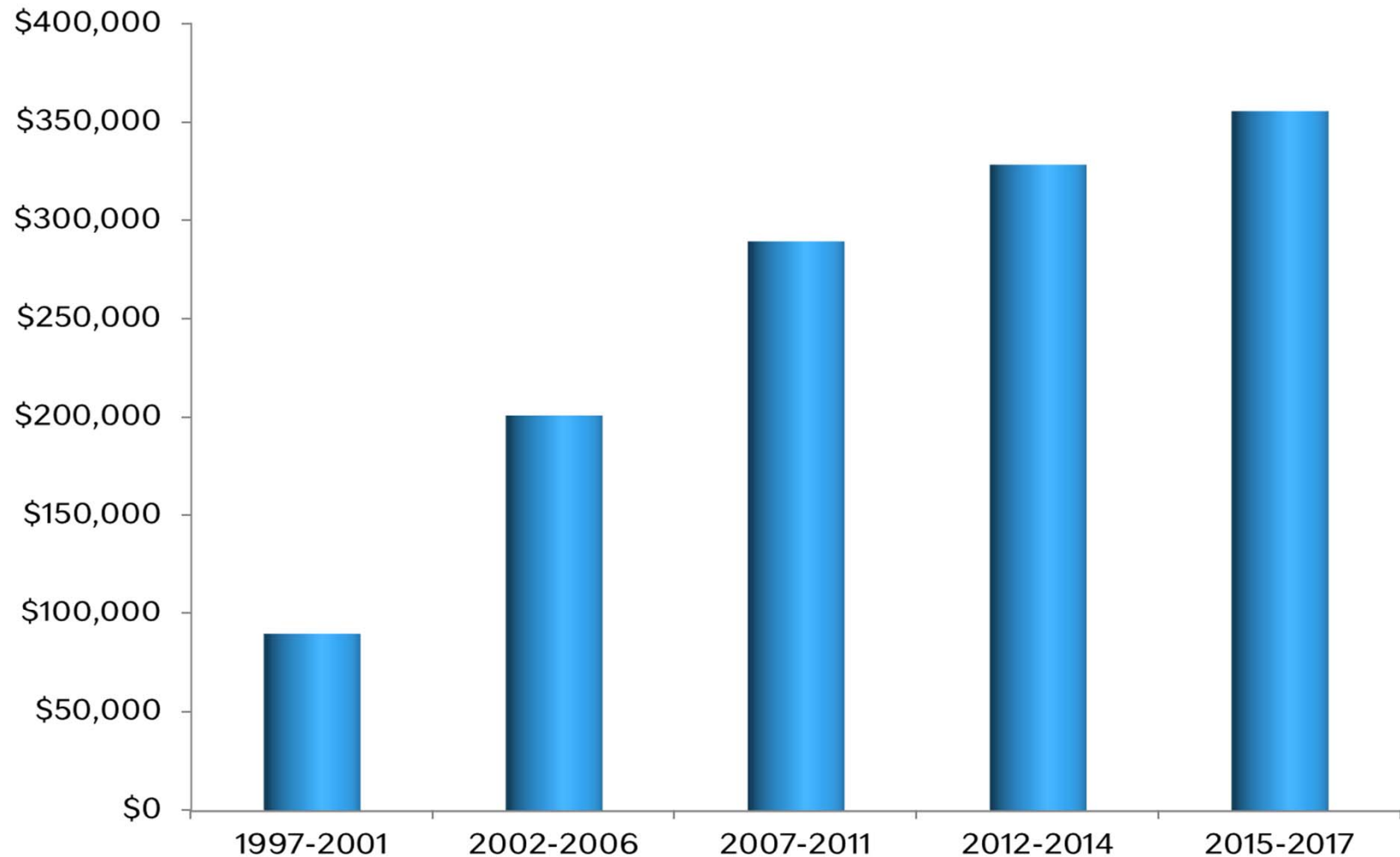
In millions except per share	YTD 2014		YTD 2015	Variance
Revenue	\$ 588.5	▲	\$ 617.1	4.9%
Operations and Maintenance	\$ 214.4	▲	\$ 231.5	7.9%
Net Income	\$ 166.4	▲	\$ 173.4	4.2%
EPS	\$ 0.94	▲	\$ 0.98	4.3%
Income from Continuing Operations	\$ 164.9	▲	\$ 173.4	5.1%
Income from Continuing Operations per Share	\$ 0.93	▲	\$ 0.98	5.4%

■ Unfavorable Change

■ Favorable Change

Average Annual Capital Investment

Building for the Future (Thousands)



\$1 Billion Planned for Next 3 Years

2015 Rate Activity

Year-to-Date

Completed Rate Cases and Infrastructure Surcharges

- Base rate cases or infrastructure surcharges completed in NJ, IL, NC, OH, TX and PA (wastewater)
- \$7.7 million in additional annualized revenue

Pending Rate Cases and Infrastructure Surcharges

- \$2.4 million in annualized revenue increases requested in NJ and VA

*Additional rate activity information provided in Appendix

2015 Guidance



Christopher Franklin
President and CEO

2015 Guidance

Earnings

- Full-year earnings per share between \$1.25 – \$1.27

Customer Growth

- 1.7 – 2.0% year-over-year customer growth

Capex

- \$325 Million in 2015; \$1 Billion over next 3 years
- Ongoing rate base growth of 6 – 7%

Market-Based Activities

- 2015 revenue to increase to more than \$30 million

Operations and Maintenance Expense

- Same-system O&M expense increase of 1 – 3%

2016 Analyst Day

Event Details

- Date: Thursday, January 14, 2016
- Location: The New York Stock Exchange
- Live webcast will be available



Questions



Appendix

Rates and Infrastructure Surcharges Completed

Rates or Surcharges Received in 2015			
State	Docket Number	Type	Awarded Annualized Revenue Increase (thousands)
Illinois	15-0201	Surcharges (w/ww)	\$ 242
	14-0419	Rate Case	\$ 1,841
New Jersey	WR14010019	Surcharge (w)	\$ 1,139
North Carolina	W-218-Sub-363A	Surcharges (w/ww)	\$ 311
	Ordinance # 22-2013	Rate Case	\$ 730
Ohio	Ordinance # 14-041	Rate Case	\$ 587
	15-863-WW-SIC	Surcharges (w)	\$ 2,487
	15-864-WS-SIC	Surcharges (ww)	\$ 109
Pennsylvania ¹	P-2013-2366873	Surcharge (ww)	\$ 113
Texas ²	2012-1058-UCR	Rate Case	\$ 189
Total			\$ 7,748

1. The Pennsylvania wastewater infrastructure surcharge is being billed subject to refund due to an appeal underway at Commonwealth Court
2. This is step three of a phased-in rate case docket

Surcharges differentiated by water (w) and wastewater (ww) systems

Rates and Infrastructure Surcharges In Progress

Rates or Surcharges Pending Closure			
State	Docket Number	Type	Requested Annualized Revenue Increase (thousands)
New Jersey	WR14010019	Surcharges (w)	\$ 676
Virginia	PUE-2014-00045	Rate Case	\$ 1,707
Total			\$ 2,383

Surcharges differentiated by water (w) and wastewater (ww) systems