



January 16, 2020

Dear Shareholder:



Chris Franklin
Chairman and CEO
Aqua America

In October 2018, Aqua announced a historic acquisition of Peoples, a natural gas company. This transaction combines two 130+ year-old Pennsylvania-based utility companies to become a much larger force in carrying out our mission to provide essential resources and address the serious infrastructure problems facing the country.

To support this acquisition, we will be renaming our holding company and altering our ticker symbol. On Feb. 3, we will be called **Essential Utilities, Inc.** to highlight our mission of delivering safe and reliable natural resources that are essential to everyday life. Our stock will continue to trade on the New York Stock Exchange, but under our new ticker symbol **WTRG**, adding a G to our existing ticker symbol WTR for our new natural gas distribution business.

You may be asking, what does this mean for me as a shareholder? The answer is simple: your WTR shares will continue as is under the new ticker symbol, and there is nothing you need to do. If you own paper stock certificates, they are still valid and do not need to be exchanged. As a shareholder you will, however, benefit from our enhanced ability to invest and grow while we continue to pay dividends.

The Peoples acquisition will expand our company and open many opportunities for growth, but the core values and mission of the company will not change. The Aqua and Peoples brands will remain at the utility level. Customers and communities will continue to receive the same, high level of service they have today, and the headquarters of the respective subsidiaries will remain in Bryn Mawr and in Pittsburgh.

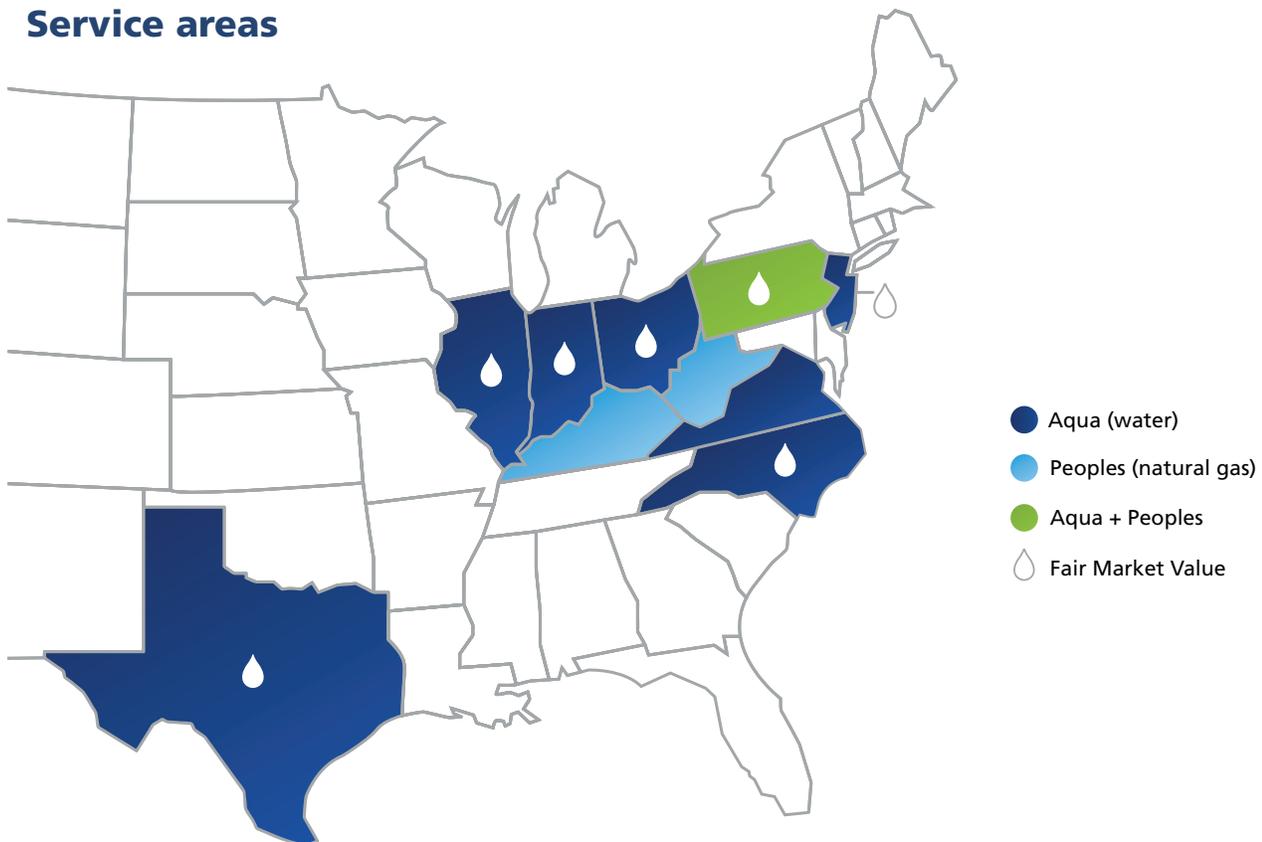
To give you a snapshot of Essential, we will add approximately 740,000 customer connections from Peoples to Aqua's 1 million customer connections. We will nearly double our 1,600 employee base. We will add two new states, Kentucky and West Virginia, along with extensive operations in western Pennsylvania to our existing eight-state footprint. Peoples will replace approximately 200 miles of pipe, in addition to the roughly 200 miles of water mains annually by Aqua. This will uniquely position us to play an important role in solving today's water and natural gas infrastructure challenges for a better quality of life, now, and for our future.

We are excited to begin this new chapter for our company and want to thank you for your continued loyalty as a shareholder.

Sincerely,

Christopher Franklin
Chairman and CEO
Aqua America

Service areas



By the numbers

AQUASM

 **PEOPLES**TM

Customer connections	1,000,000 +	700,000 +
Rate base (2019E)	\$5 Billion	\$2 Billion
Employees	1,600	1,500
Capex: Approx. 2019 estimate	\$550 Million	\$300 Million
Miles of pipe replaced (per year)	150+ Miles	150+ Miles

Forward-Looking Statements

This letter contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which generally include words such as “believes,” “expects,” “intends,” “anticipates,” “estimates” and similar expressions. The Company can give no assurance that any actual or future results or events discussed in these statements will be achieved. Any forward-looking statements represent its views only as of today and should not be relied upon as representing its views as of any subsequent date. Readers are cautioned that such forward-looking statements are subject to a variety of risks and uncertainties that could cause the company’s actual results to differ materially from the statements contained in this release. Such forward-looking statements include, but are not limited to statements relating to the capital to be invested by the water, wastewater, and gas distribution divisions of the Company. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including the factors discussed in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, which is filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with The Company’s business, please refer to the Company’s annual, quarterly and other SEC filings. The Company is not under any obligation - and expressly disclaims any such obligation - to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.