

**Why Invest
In AWR?**

Strong Dividend Record

- ✓ **65 consecutive years** of annual dividend increases
- ✓ Targeting a compound annual growth rate (CAGR) of **more than 7% over the long term**
- ✓ **A 10.9% increase** in 2019, in addition to a 7.8% increase in 2018 and 5.4% in 2017
- ✓ **8.7% CAGR** in annual dividend payment (2009–2019)

Earnings Growth Potential

- ✓ **10.7% CAGR** in adjusted diluted EPS (2009–2019)
- ✓ Planned prudent CapEx at 3.5x – 4.0x depreciation grows the rate base
- ✓ Significant recent success and growth prospects for the military base privatization business

Favorable Utility Regulatory Environment

- ✓ Forward-looking (future) test years limit regulatory lag
- ✓ Recovery of operating costs / Return on rate base
- ✓ Revenues are decoupled from sales and provide more consistent earnings

Stable Utility Customer Base

- ✓ ~90% of water revenues derived from residential and commercial customers

Seasoned & Committed Management

Strong Balance Sheet
A+/A2 debt ratings

Well-Positioned for Consolidation Opportunities

Valuable Water Rights Portfolio to Meet Water Supply Needs

Sustainability Strength

- ✓ 34% customer water use reduction since 2007
- ✓ 31% use of renewable power at the electric utility business
- ✓ Safe and adequate water supply

AWR is a low volatility water utility with a secure and growing dividend, operating in a constructive regulatory environment in California, along with a growing unregulated contracted services business serving 11 military bases under 50-year contracts.

American States Water Company (AWR) is the parent company of Golden State Water Company (GSWC) and American States Utility Services, Inc. (ASUS) and its subsidiaries, serving over **1 million people in 9 states**.

Regulated Business / GSWC 

GSWC is a public utility company regulated by the California Public Utilities Commission (CPUC). GSWC engages principally in the delivery of water service to ~261,000 customer connections in Northern, Coastal and Southern California. GSWC also provides electric service to ~24,000 customer connections through its Bear Valley Electric Service division.

Contracted Services Business / ASUS 

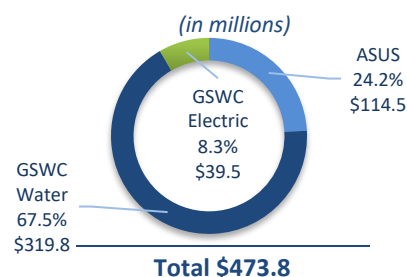
ASUS provides operations, maintenance and construction management services for water distribution and wastewater collection and treatment facilities at 11 military bases under 50-year contracts with the government, including:

- Fort Bliss in **Texas** and **New Mexico**
- Joint Base Andrews in **Maryland**

- Joint Expeditionary Base Little Creek-Fort Story and Joint Base Langley-Eustis in **Virginia**
- Fort Lee in **Virginia** (wastewater only)
- Fort Bragg, Pope Army Airfield and Camp Mackall in **North Carolina**
- Fort Jackson in **South Carolina**
- Eglin AFB in **Florida**
- Fort Riley in **Kansas**

Numerous military bases are still to be privatized; active bids currently in process. Significant water/wastewater contracts to be awarded over the next five years.

2019 Recorded Revenues

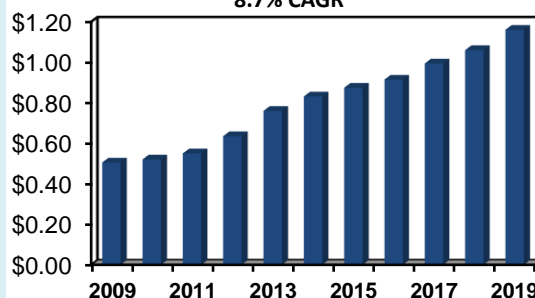


Stock Symbol NYSE: AWR

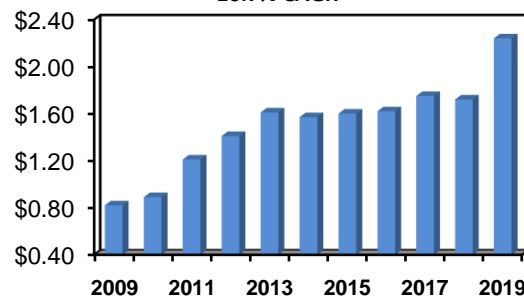
Market Cap: **\$3.2 billion**
Average Daily Volume (3 mo): **~324,000**
Institutional Ownership: **76%**
AWR Debt Rating: **A+ Stable**

52-Week Range: **\$65.11 - \$ 96.64**
Dividend Yield: **1.45%**
Closing Price 04/09/2020: **\$87.97**

Dividends Paid per Share
8.7% CAGR



Adjusted Diluted EPS⁽¹⁾
10.7% CAGR



Financial Highlights

Dollars in millions, except per share amounts

	2019	2018	2017	2016	2015
Operating Revenues ⁽¹⁾⁽²⁾	\$471.5	\$436.8	\$440.6	\$436.1	\$458.6
Operating Income ⁽¹⁾⁽²⁾⁽³⁾	124.8	101.0	118.8	114.2	118.9
Diluted EPS ⁽¹⁾	2.24	1.72	1.75	1.62	1.60
Dividends Paid per Share	1.160	1.060	0.994	0.914	0.874
Capital Additions	151.9	126.6	113.1	129.9	87.3

⁽¹⁾ 2017 excludes a gain on the sale of assets of \$8.3 million or \$0.13 per share. 2019 excludes revenues of \$2.3 million, or \$0.04 per share, related to the retroactive impact to the full year 2018 of the electric general rate case.

⁽²⁾ Beginning in 2018, reflects lower revenues for recovery of a lower federal corporate income tax rate due to tax reform.

⁽³⁾ Before Income Taxes and Interest (net).

Strategic Goals

Regulated Utilities:

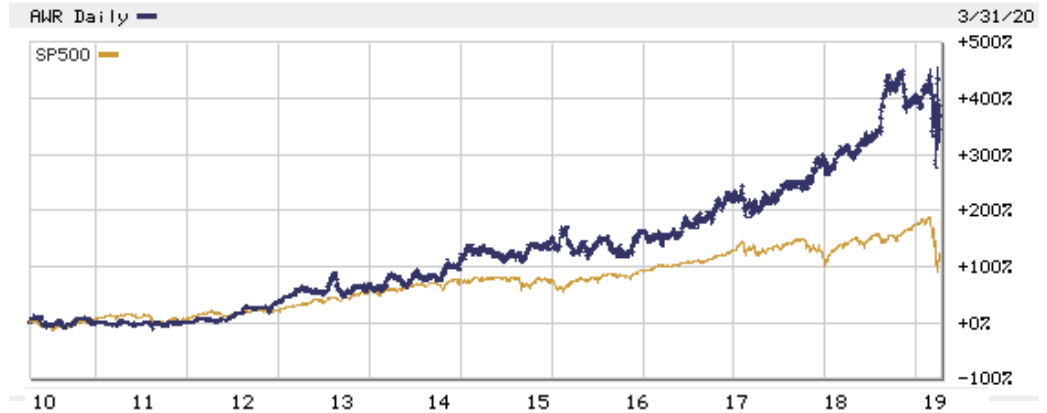
- Deliver outstanding customer service
- Focus on operational efficiency to minimize costs to customers
- Make prudent capital additions that enhance shareholder and customer value
- Earn the authorized return on equity and return on rate base
- Receive timely recovery of costs
- Maintain good working relationship with state regulatory commission
- Be proactive in managing resources and influencing policy
- Expand customer base through organic growth and acquisitions
- Pursue conservation initiatives
- Maintain a strong water supply portfolio
- Purchase goods and services from diverse vendors

Contracted Services:

- Deliver outstanding customer service
- Increase net income from current contracts through efficient operations
- Further develop service opportunities on current military bases
- Actively pursue numerous military bases still to be privatized
- Earn higher returns on investment than the allowed returns for regulated utilities

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10-year Total Return: **AWR vs. S&P 500** Source: Marketwatch.com

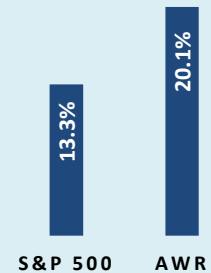


10-Year Compound Annual Return

Based on performance measures set forth by the SEC, a \$1,000 investment in the common shares of AWR on December 31, 2009, assuming all dividends were reinvested in additional common shares of the company, would have increased in value to \$5,245 as of December 31, 2019.

This amounts to a **compound annual growth rate of 20.1%** as compared to 13.3% if invested in the S&P 500.

Past performance is no guarantee of future results, since share prices and returns can fluctuate.



Analyst Coverage

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For more information about American States Water Company, including the latest stock quotes and historical performance data, common share purchase and dividend reinvestment information, news releases and much more.



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Forward-Looking Statement

Certain matters discussed in this Fact Sheet are forward-looking statements intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statements will include words such as the Company "believes," "anticipates," "expects" or words of similar import. Statements that describe the Company's future plans, objectives, estimates or goals are also forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the statements.