Financial Results Call Presentation
Second Quarter 2019

American States
Water Company

August 6, 2019

NYSE: AWR

Today's Presenters

Robert J. Sprowls
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Forward-Looking Statement

Certain matters discussed during this conference call may be forward-looking statements intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. Please review a description of the Company's risks and uncertainties in our most recent Form 10-K and Form 10-Q on file with the Securities and Exchange Commission (SEC).

Non-GAAP Financial Measures

- This conference call includes a discussion of certain measures that are not prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States, and constitute "non-GAAP financial measures" under SEC rules. These non-GAAP financial measures are derived from consolidated financial information but are not presented in our financial statements that are prepared in accordance with GAAP.

- Non-GAAP financial measures discussed in this conference call include the water gross margin, which is computed by subtracting total supply costs from total revenues, and AWR's operations in terms of diluted earnings per share by business segment, which is each business segment's earnings divided by the Company's weighted average number of diluted shares, and also excludes the retroactive impact of the CPUC's final decision on the general rate case from the water segment's second quarter earnings results.

- The non-GAAP financial measures supplement our GAAP disclosures and should not be considered as alternatives to the GAAP measures. Furthermore, the non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures of other registrants. The Company uses the water gross margin and earnings per share by business segment, excluding the retroactive CPUC decision impacting the second quarter earnings result, as important measures in evaluating its operating results and believes these measures are useful internal benchmarks in evaluating the performance of its operating segments. The Company reviews these measures regularly and compares them to historical periods and to the operating budget.

Presentation Overview

Q2 2019 Highlights

American States Water Company

- Excellent earnings and performance from both subsidiaries
- Received final CPUC decision on water general rate case
- Received proposed CPUC decision on electric general rate case, adopting a settlement agreement between GSWC and CPUC's Public Advocates Office
- Newest military base contract contributed to earnings. ASUS is well positioned to win new military base contracts
- A 10.9% increase in the quarterly cash dividend just announced
  - Updated dividend policy: A CAGR of more than 7% over the long term

Q2 2019 Highlights

American States Water Company

- Consolidated Q2 earnings:
  - $0.72 per share Q2 2019 vs $0.44 per share Q2 2018
    - ✓ $0.20 per share increase in earnings, or 45%, after excluding the Q1 retroactive impact of the CPUC final decision
- $70.7 million in GSWC-funded capital expenditures through June 2019 and $115-$125 million expected in 2019
- Contracted services earnings doubled over same period in 2018 due to:
  - Commencement of operations at Fort Riley in July 2018
  - Increased construction activity at other military bases
  - Increase in management fees

Q2 Diluted EPS by Segment

American States Water Company

	Q2 2019	Q2 2018	Variance
Water, adjusted	$0.51 [(a)]	$0.35	$0.16
Electric	0.01 [(b)]	0.02	(0.01)
Contracted Services	0.12	0.06	0.06
AWR (parent)	—	0.01	(0.01)
Consolidated EPS, adjusted	0.64	0.44	0.20
Retroactive impact related to Q1 2019	0.08	—	0.08
Consolidated EPS, as reported	$0.72	$0.44	$0.28

(a) Excludes $0.08 per share related to Q1 2019, as a result of receiving the May CPUC final decision which was retroactive to January 1, 2019. Includes a $1.1 million reduction to expenses to reflect CPUC approval for recovery of costs previously incurred, positively impacting earnings by $0.02 per share.

(b) Had new rates based on the July 2019 proposed decision been implemented on January 1, 2019, the electric segment's Q2 2019 earnings would have been $0.01 per share higher than reported.

Q2 Operating Revenues by Segment

American States Water Company

(amounts in millions)	Q2 2019	Q2 2018	Variance
Water *	$88.1	$76.7	$11.4
Electric *	7.4	7.8	(0.4)
Contracted Services	29.1	22.3	6.8
Total Operating Revenues **	$124.6	$106.9	$17.7

* Includes surcharges to collect previously incurred costs, and offset by corresponding increases in operating expenses, resulting in no material impact to earnings.

** Line item does not total due to rounding.

Q2 Expenses[(1)] (excluding income taxes)

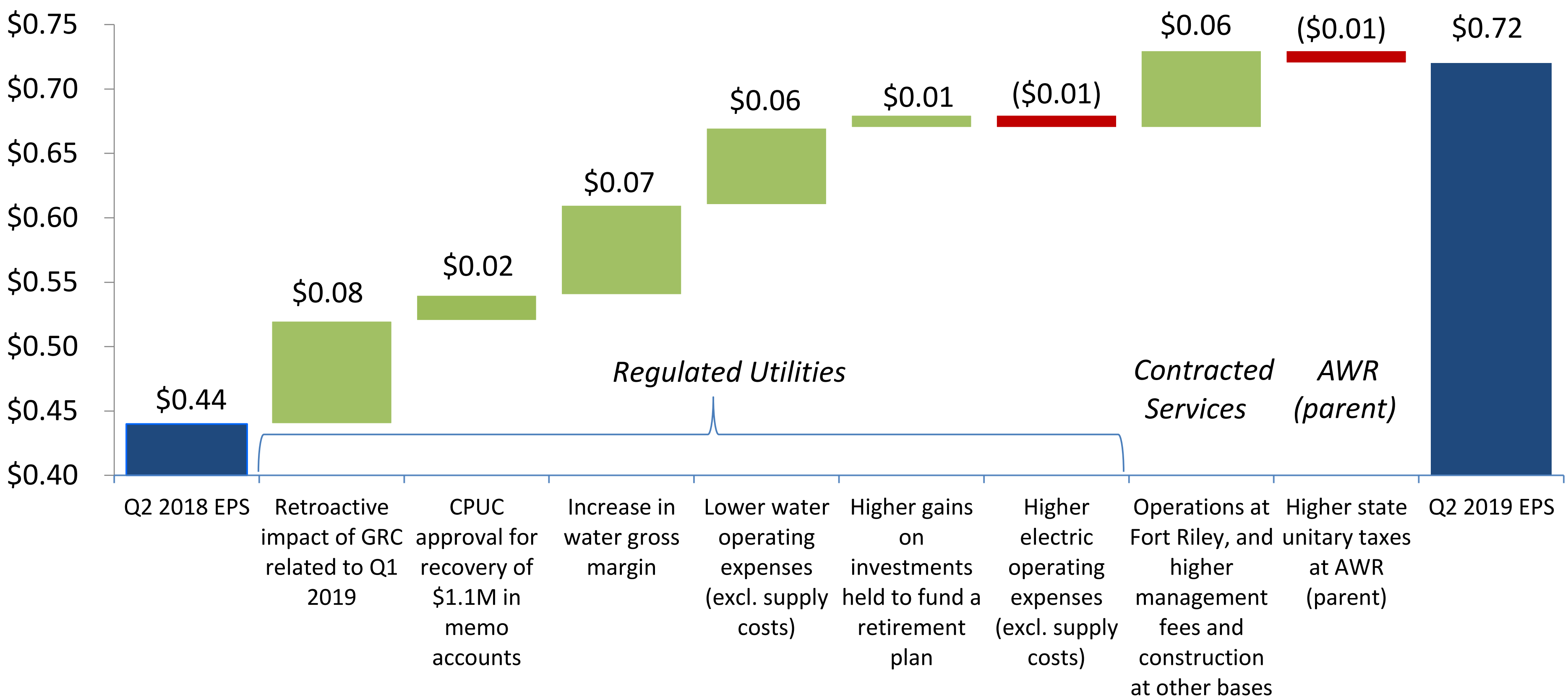
American States Water Company

(amounts in millions)	Q2 2019	Q2 2018	Variance
Water and Electric Supply Costs	$29.0	$23.7	$5.3
Other Operation	7.7	7.8	(0.1)
Administrative and General	19.5	20.2	(0.7)
Depreciation and Amortization	6.7	10.0	(3.3)
Maintenance	3.1	3.7	(0.6)
Property and Other Taxes	4.9	4.4	0.5
ASUS Construction	14.5	11.6	2.9
Gain on Sale of Assets	(0.1)	—	(0.1)
Total Operating Expenses*	$85.2	$81.3	$3.9
Interest Expense, net of Other Income	$4.8	$4.8	$—

(1) Includes $806,000 and $791,000 for Q2 2019 and Q2 2018, respectively, for billed surcharges to collect previously incurred costs, with corresponding increases to operating expense (mostly administrative and general), resulting in no material impact to earnings.

* Line item does not total due to rounding.

EPS Bridge Q2 2018 to Q2 2019



Note: Had new electric rates based on the July 2019 proposed decision been implemented on January 1, 2019, the electric segment's Q2 2019 earnings would have been $0.01 per share higher than reported.

YTD Diluted EPS by Segment

	YTD 2019	YTD 2018	Variance
Water	$ 0.80	$ 0.55	$ 0.25
Electric	0.05	0.06	(0.01)
Contracted Services	0.22	0.11	0.11
AWR (parent)	—	0.01	(0.01)
Consolidated EPS	$ 1.07	$ 0.73	$ 0.34

Liquidity

- Operating cash flows for year-to-date 2019 decreased to $44.7 million from $65.1 million in the same period of 2018 primarily due to a decrease in water customer usage, expiration of various surcharges, and the delay in the water and electric general rate cases
- Invested $70.7 million of company-funded capital work at GSWC YTD
  - Capital expenditures for 2019 are expected to be $115-$125 million at GSWC
- Golden State Water intends to issue up to $115 million of long-term debt by the end of the year to reduce its intercompany borrowings and reduce AWR's borrowings under its credit facility
- At this time, there are no plans for AWR to issue equity

Regulated Activity (GSWC)

Golden State Water Company Customer Service Areas

- Final Decision on Water GRC:
  - $334.5 million in capital expenditures over the rate cycle
  - $7.1 million increase in adopted 2019 water gross margin vs. 2018 adopted, including decreases in revenues of $7.0 million for lower depreciation expense (compared to the adopted 2018 depreciation expense) and $2.2 million for tax refunds, both of which have corresponding decreases in expenses and thus no net earnings impact. **Without these decreases, the gross margin increases by $16.3 million**
  - Potential future revenue increases: $9.6 million for 2020 and $12.0 million for 2021 (subject to an earnings test)
- Proposed Decision on Electric GRC:
  - Approves November 2018 settlement agreement between GSWC and Public Advocates Office
  - Five year rate cycle, with new rates for the years 2018–2022. Once approved, rates will be retroactive to January 1, 2018 and authorizes $44 million in capital projects over the rate cycle
  - Had the settlement agreement been approved by the CPUC prior to December 31, 2018, the electric segment's earnings would have increased $0.04 per share for 2018, and $0.03 per share for first six months of 2019, including $0.01 per share for Q2 2019

Contracted Services (ASUS)

- ASUS's Q2 2019 earnings increased $0.06 per share as compared to Q2 2018 due to:
  - Contract at Fort Riley Army Base, Kansas, which commenced operations in July 2018
  - Increased management fees and construction activity at several other bases
- ASUS projected to contribute $0.43 - $0.47 per share in 2019
- Actively pursuing new base privatizations

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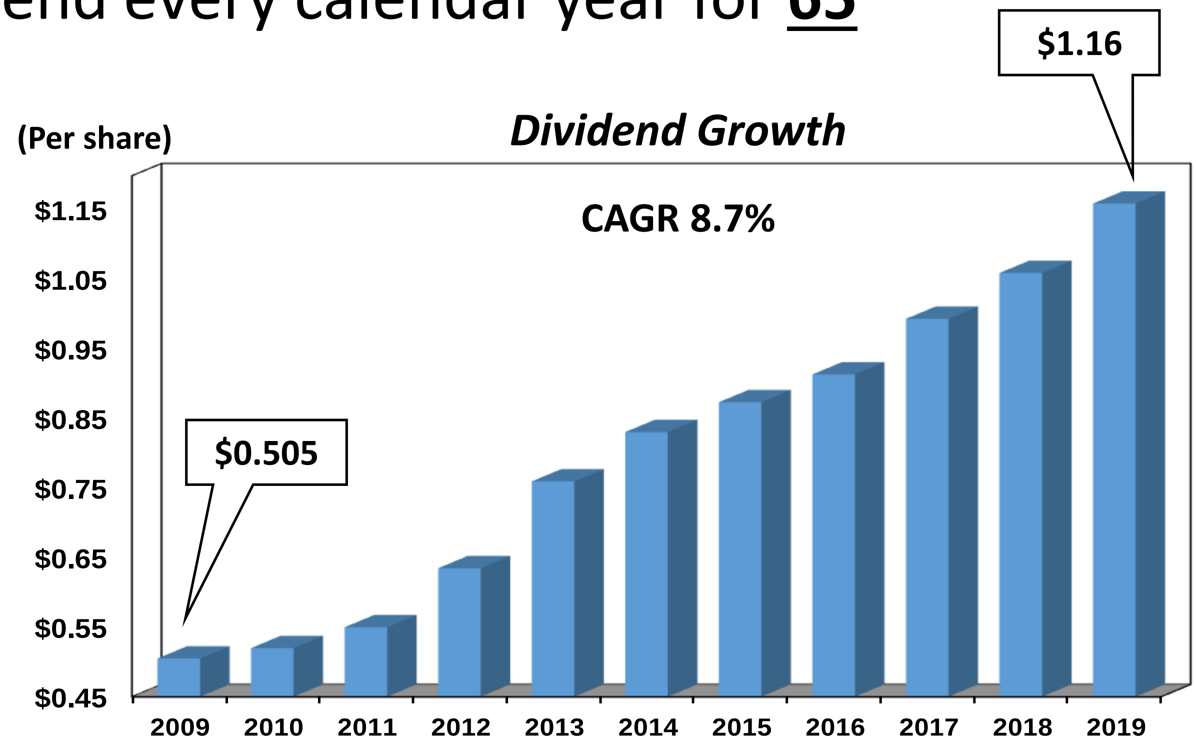
Dividends

American States Water Company

- Board of Directors approved a 10.9% increase in the 2019 third quarter cash dividend from $0.275 to $0.305 per share
- Dividends paid every year **since 1931**
- Increased the dividend every calendar year for **65 consecutive years**
- Updated dividend policy: A CAGR of more than 7% over the long term



Questions and Answers