Financial Results Call Presentation
Third Quarter 2018

American States
Water Company

November 6, 2018

NYSE: AWR

Today's Presenters

Robert J. Sprowls

President & CEO

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SVP – Finance & CFO

Forward-Looking Statement

American States Water Company

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

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- 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: (i) the water gross margin, which is computed by subtracting total water supply costs from total water revenues, (ii) adjusted consolidated earnings per share, which are adjusted for one-time items including the sale of assets, and (iii) 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.
- 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 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.

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Presentation Overview

Contents

CEO Highlights

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- Consolidated diluted earnings per share increased $0.05 or 8.8%
- Regulated Utilities (GSWC)
  - On track to invest $110-$120 million in infrastructure during 2018
  - Settlement agreement with CPUC's Public Advocates Office in the water general rate case (GRC):
    - $334.5 million in capital expenditures over three-year GRC (2019-2021)
    - $6.0 million increase in settled 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, margin increases by $15.2 million)
    - Potential future revenue increases: $10.0 million for 2020 and $12.0 million for 2021
  - Settlement agreement with Public Advocates Office on electric GRC:
    - Return on equity 9.6%
    - GRC retroactive to January 1, 2018

CEO Highlights

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- Contracted Services (ASUS)
  - Assumed operations at Fort Riley on July 1, 2018
  - ASUS now serves 11 military bases in eight states under 50-year privatization contracts
- Consolidated Q3 earnings:
  - $0.62 per share Q3 2018 vs $0.57 per share Q3 2017:
    - Higher water gross margin and lower effective tax rate for the water segment
    - Increased revenues at ASUS, largely due to commencement of operations at Eglin Air Force Base and Fort Riley
    - No revenue increases at the electric segment due to GRC delay
    - Increased operating expenses company-wide

Q3 Diluted EPS by Segment

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	Q3 2018	Q3 2017	Variance
Water	$ 0.47	$ 0.44	$ 0.03
Electric	0.02	0.03	(0.01)
Contracted Services	0.13	0.10	0.03
Consolidated EPS	$ 0.62	$ 0.57	$ 0.05

Operating Income

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(amounts in millions)	Q3 2018	Q3 2017	Variance
Operating Revenues [(1)]	$124.2	$124.4	($0.2)
Water and Electric Supply Costs	28.5	27.2	1.3
Other Operation	8.4	7.7	0.7
Administrative and General	21.6	21.8	(0.2)
Depreciation and Amortization	10.1	9.9	0.2
Maintenance	3.4	3.2	0.2
Property and Other Taxes	4.7	4.5	0.2
ASUS Construction	13.6	11.7	1.9
Total Operating Expenses [(1)(2)]	90.2	85.9	4.3
Operating Income	$34.0	$38.5	($4.5)

(1) Includes billed surcharges, which are recorded as revenues with a corresponding offset to operating expenses (primarily administrative and general), resulting in no impact to earnings. Surcharges decreased by approximately $2.0 million in Q3 2018 vs Q3 2017.

(2) Line item does not total due to rounding

EPS Bridge Q3 2017 to Q3 2018

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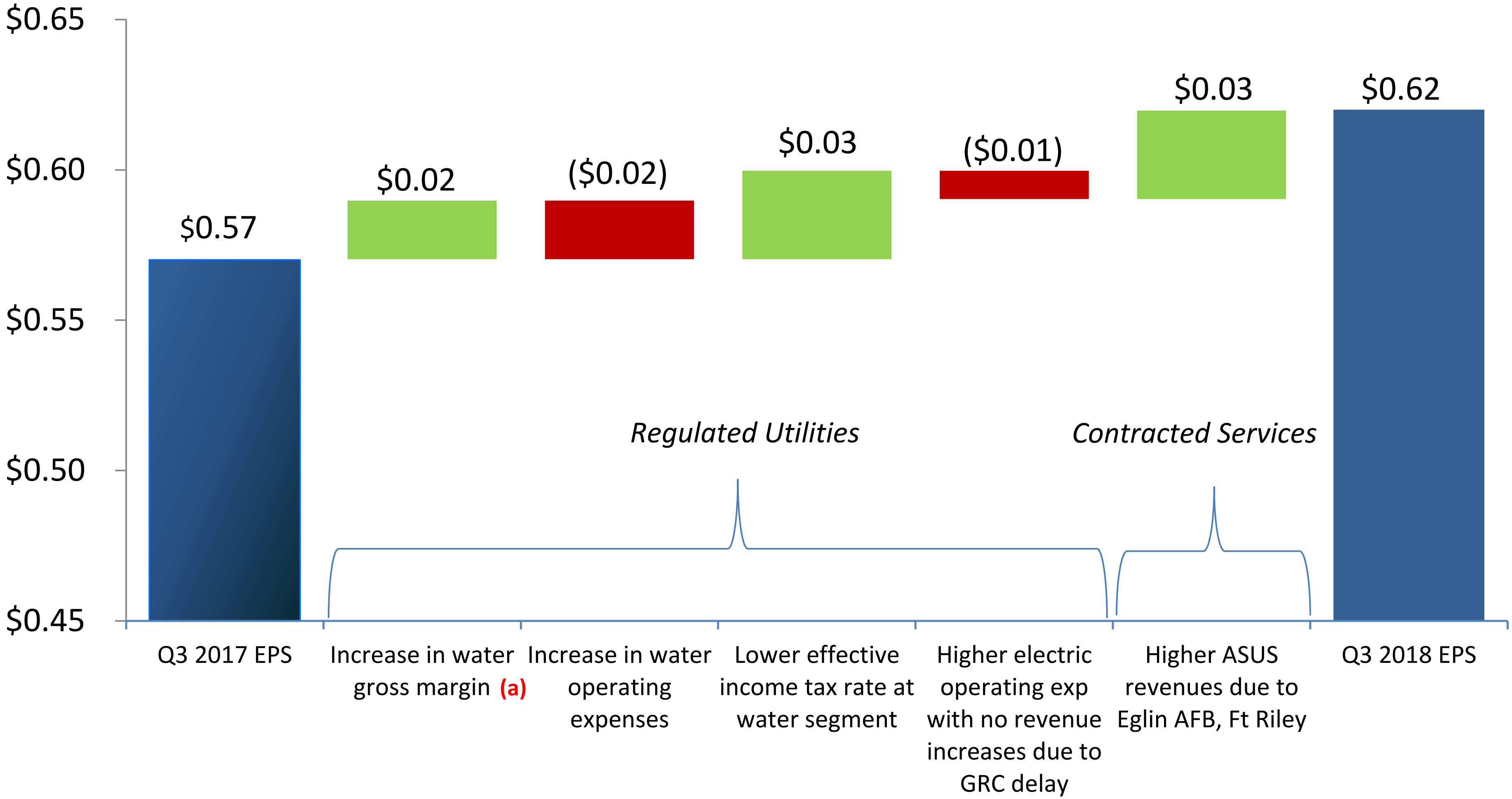

(a) Water gross margin was negatively impacted by $0.02 per share due to a lower authorized return in the cost of capital proceeding approved by the CPUC in March 2018.

YTD Diluted EPS by Segment

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	YTD 2018 [1]	YTD 2017	Variance
Water, adjusted	$1.02	$1.02 [2]	$—
Electric	0.08	0.09	(0.01)
Contracted Services	0.24	0.24 [3]	—
AWR (parent)	0.01	0.01	—
Consolidated EPS, adjusted	1.35	1.36	(0.01)
Gain on sale of Ojai system, recovery of drought items	—	0.15 [2]	(0.15)
Retroactive revenues	—	0.02 [3]	(0.02)
Consolidated EPS, as reported	$1.35	$1.53	($0.18)

(1) As reported

(2) Non-GAAP adjustment at the water segment to exclude the one-time $0.13 per share gain on sale of the Ojai system recorded and CPUC approval of recovery of incremental drought-related items in 2017

(3) Non-GAAP adjustment at the contracted services segment to exclude $0.02 per share in retroactive revenues recorded in Q2 2017 for periods prior to 2017

Liquidity

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- Year-to-date operating cash flows decreased to $108.4 million from $120.2 million primarily due to:
  - Significant differences in the timing of income tax payments made and refunds received between the two periods
  - Timing of billings of and cash receipts for construction work at military bases
- Net cash used in investing activities was $88.8 million for the nine months ended September 30, 2018 vs. $79.2 million for the same period in 2017, excluding cash proceeds from Ojai sale
  - Cash invested in capital expenditures was higher during the first nine months of 2018
  - Company-funded capital expenditures for 2018 expected to be $110-$120 million at GSWC
- GSWC has a $40 million note due in March 2019
  - GSWC will utilize inter-company borrowing arrangements and/or issue additional long-term debt to repay this note next year

Regulated Activity (GSWC)

Golden State Water Company Customer Service Areas

- Settlement agreement reached in water GRC:
  - $334.5 million in capital expenditures over three-year GRC (2019-2021)
  - $6.0 million increase in settled 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 $15.2 million)
  - Potential future revenue increases: $10.0 million for 2020 and $12.0 million for 2021
- Tentative settlement agreement reached on electric GRC:
  - Authorizes return on equity of 9.6%
  - Once approved, rates will be retroactive to January 1, 2018

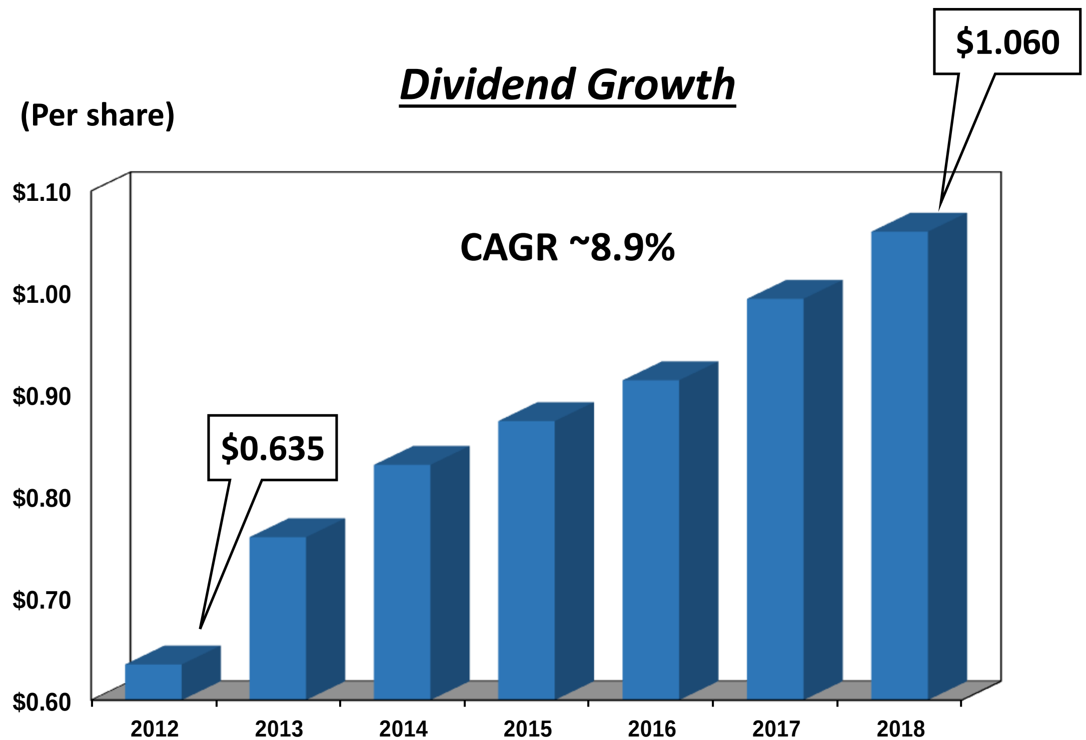
Contracted Services (ASUS)

- Earnings for ASUS were $0.03 higher than Q3 2017 due to operations from our newest bases
- ASUS projected to contribute:
  - $0.38 - $0.42 per share in 2018
  - $0.43 - $0.47 per share in 2019
- During 2018, ASUS has been awarded $23 million in new construction projects, some of which have been or are expected to be completed in 2018 with remainder to be completed in 2019
- ASUS continues to grow and contribute to AWR dividends

Serving Those Who Serve®

Dividends

- Dividends paid every year since 1931
- Increased the dividend every calendar year for 64 consecutive years
- 7.8% quarterly dividend increase in August 2018, resulting in $1.10 annualized dividend
- Dividend policy: More than 6% CAGR over the long term



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Questions and Answers