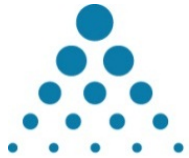


Financial Results Call Presentation Third Quarter 2017



American States
Water Company

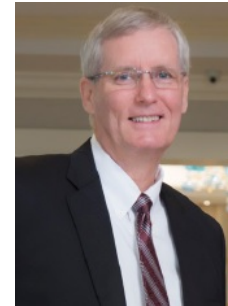
November 7, 2017

NYSE: AWR

Today's Presenters

Robert J. Sprowls

President & CEO



Eva G. Tang

SVP – Finance & CFO



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: (i) the water gross margin, which is computed by subtracting total water supply costs from total water revenues, (ii) adjusted revenues, adjusted supply costs, adjusted other operation expenses and adjusted administrative and general expenses, which are adjusted for changes in surcharges and items related to other periods, 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, adjusted revenues, adjusted supply costs and adjusted other operation expenses 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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- Regulated Utilities (GSWC)
 - On track to invest \$110-\$120 million in water and electric infrastructure in 2017
- Contracted Services (ASUS)
 - Fort Riley, Kansas Privatization Contract awarded September 2017. Initial contract value \$601 million over 50 years.
 - Subject to Economic Price Adjustments and inventory adjustment
 - Assume operations following completion of a six-to-twelve month transition period
 - After transition period, ASUS will serve eleven military bases in eight states under 50-year privatization contracts

Q3 Diluted EPS by Segment



	Q3 2017	Q3 2016	Variance
Water	\$0.44	\$0.47	(\$0.03)
Electric	0.03	0.02	0.01
Contracted Services	0.10	0.10	—
Consolidated EPS, as reported	\$0.57	\$0.59	(\$0.02)
Non-GAAP Adjustments ⁽¹⁾	—	(0.03)	0.03
Consolidated EPS, adjusted	\$0.57	\$0.56	\$0.01

(1) Non-GAAP adjustments at the water segment reflect adjustments pertaining to Q3 '16 not reflected until Q4 '16 due to CPUC delay in issuance of decision in the water general rate case.

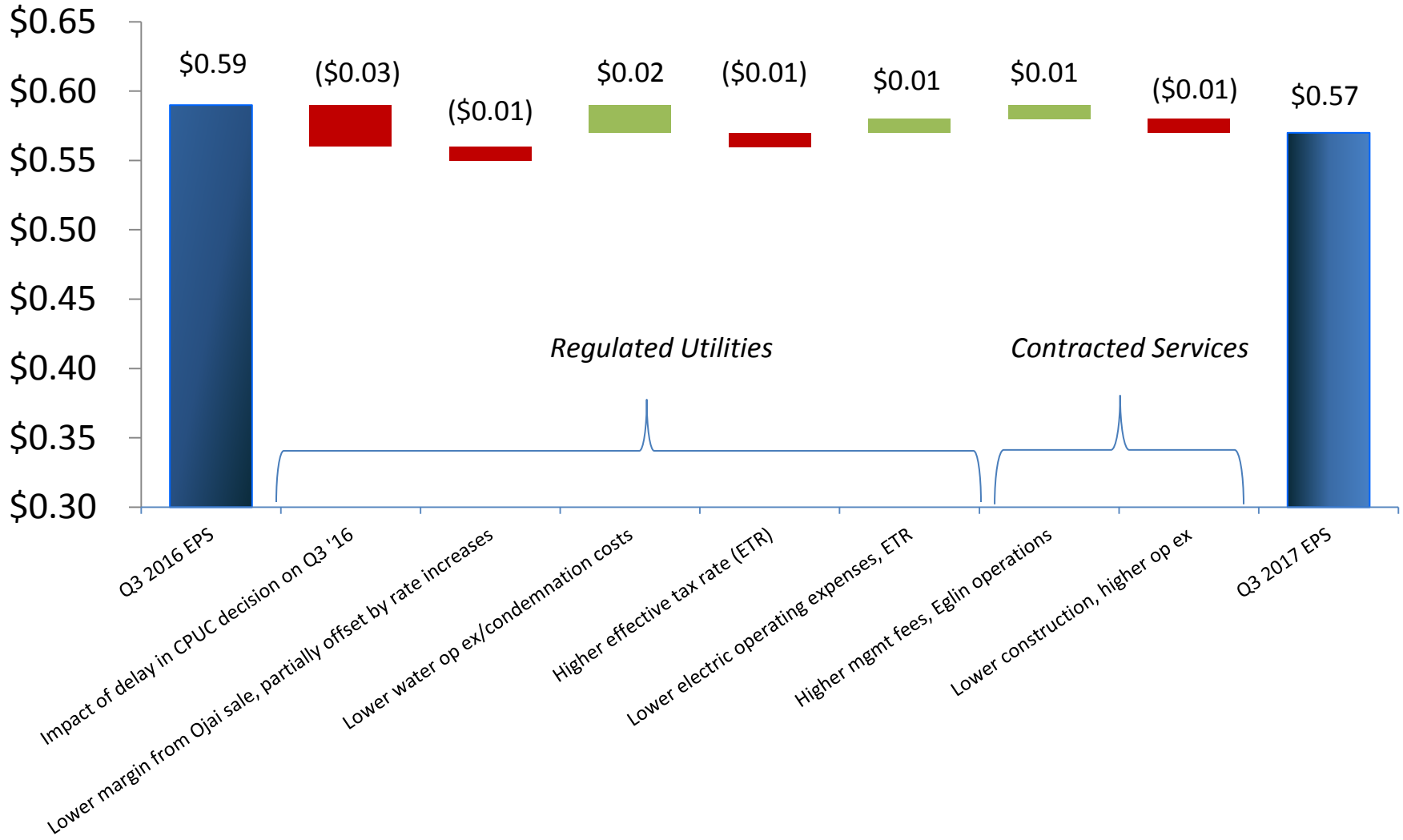
Adjusted Operating Income (Non-GAAP) American States Water Company

(amounts in millions)	Q3 2017	Q3 2016	Variance
Adjusted Operating Revenues	\$122.5 ^(b)	\$122.8 ^(a)	(\$0.3)
Adjusted Water and Electric Supply Costs	27.2	26.3 ^(a)	0.9
Adjusted Other Operation	7.5 ^(b)	7.4	0.1
Adjusted Administrative and General	20.1 ^(b)	19.8	0.3
Depreciation and Amortization	9.9	9.5	0.4
Maintenance	3.2	4.2	(1.0)
Property and Other Taxes	4.5	4.3	0.2
ASUS Construction	11.7	13.7	(2.0)
Adjusted Total Operating Expenses	84.1	85.2	(1.1)
Adjusted Operating Income (Non-GAAP)	\$38.4	\$37.6	\$0.8

^(a) Adjusted to include \$2.0M reduction (\$1.0M decrease in revenues, \$1.0M increase in supply costs) to Q3 '16 water gross margin due to delay in the CPUC decision.

^(b) Adjusted to exclude impact of CPUC approved surcharges for recovery of previously incurred costs.

EPS Bridge Q3 2016 to Q3 2017



YTD Diluted EPS by Segment



	YTD 2017	YTD 2016	Variance
Water	\$1.17	\$1.04	\$0.13
Electric	0.09	0.06	0.03
Contracted Services	0.26	0.20	0.06
AWR (parent)	0.01	0.02	(0.01)
Consolidated EPS, as reported	\$1.53	\$1.32	\$0.21
Non-GAAP Adjustments ⁽¹⁾	(0.15)	(0.08)	(0.07)
Consolidated EPS, adjusted ⁽¹⁾	\$1.38	\$1.24	\$0.14

⁽¹⁾ Non-GAAP adjustments at the water segment reflect (i) adjustments pertaining to Q1-Q3 '16 not reflected until Q4 '16 due to CPUC delay in issuance of decision in the water general rate case, (ii) the one-time gain on sale of Ojai water system recorded during Q2 '17, and (iii) the Q1 '17 recovery of previously incurred drought-related items.

- Operating cash flows increased to \$120.2 million from \$77.5 million primarily due to:
 - ✓ Surcharges implemented in 2017, receipt of federal tax refunds, fluctuations in estimated tax payments and timing of billings of and cash receipts for construction work at military bases
- Net cash used in investing activities was \$44.9 million for the nine months ended September 30, 2017 vs \$101.4 million for the same period in 2016
 - ✓ Ojai sale generated \$34.3 million in pretax cash proceeds
 - ✓ Company-funded capital expenditures for 2017 expected to be \$110-\$120 million at GSWC

Regulated Activity



Golden State Water Company Customer Service Areas

- GSWC implemented surcharges to recover \$9.9 million net revenue shortfall. Amount represents net differences between billed rates from January 2016 through April 2017 and new rates adopted in the final decision
- Water general rate case filed in July 2017 for rates in years 2019-2021. Requested average of \$125M capital per year
- Water Cost of Capital application filed in April 2017. Decision scheduled for the end of 2017, effective January 1, 2018
- Electric rate case filed on May 1 for rates in years 2018-2021. Decision expected in 2018, effective January 1, 2018

Contracted Services (ASUS)

- New Privatization Contract: Fort Riley Army Base, Kansas
 - \$601 million 50-year contract
 - Expect to assume operations in 2018 following six-to-twelve-month transition period
 - Expected earnings of \$0.03 - \$0.05 per share starting in 2019

- Eglin Air Force Base, Florida
 - Assumed operations in June 2017
 - \$702 million 50-year contract

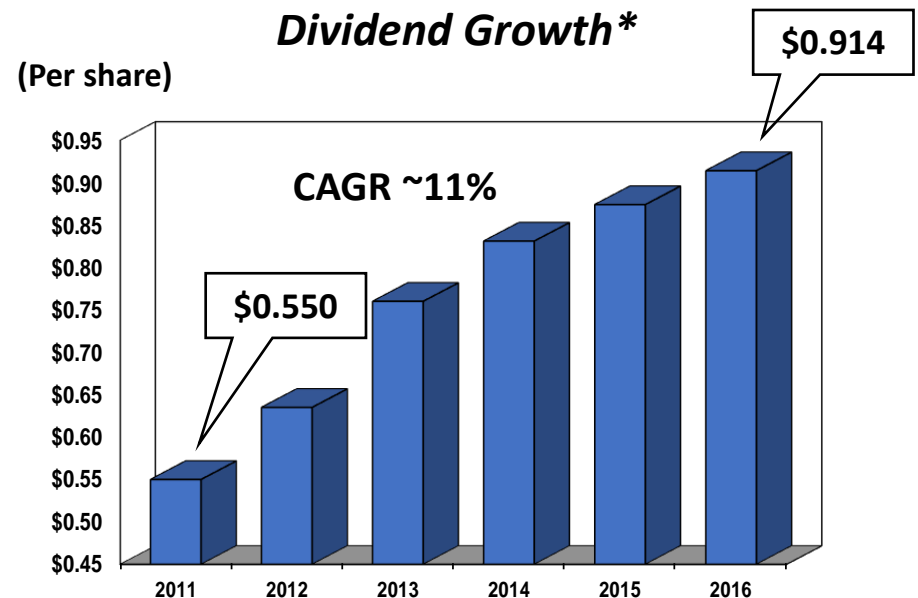
- ASUS projected to contribute:
 - \$0.34 - \$0.38 per share in 2017
 - \$0.37 - \$0.41 per share in 2018



Serving Those Who Serve®

Dividends

- On October 30, 2017, AWR's Board of Directors approved a \$0.255 per share quarterly dividend
 - ✓ Payable on December 1, 2017 to shareholders of record at the close of business on November 15, 2017
- *American States Water Company has paid dividends every year since 1931, increasing the dividend every calendar year for 63 consecutive years, which places it in an exclusive group of companies on the New York Stock Exchange that have achieved that result*



* Does not include 5.4% dividend increase announced on August 2

Questions and Answers

APPENDIX – Reconciliation of GAAP to Non-GAAP



(amounts in millions)	Q3 2017	Q3 2016	Variance
Consolidated Revenues, as reported	\$124.4	\$123.8	\$0.6
Q3 '16 impact of delay in water general rate case	—	(\$1.0)	\$1.0
Increase in surcharges	(1.9)	—	(1.9)
Consolidated Revenues, adjusted	\$122.5	\$122.8	(\$0.3)
Consolidated Supply Costs, as reported (1)	(\$27.2)	(\$25.3)	(\$1.9)
Q3 '16 impact of delay in water general rate case	—	(\$1.0)	\$1.0
Consolidated Supply Costs, adjusted	(\$27.2)	(\$26.3)	(\$0.9)
Consolidated Other Operation, as reported	(\$7.7)	(\$7.4)	(\$0.3)
Q3 '17 increase in surcharges	\$0.2	—	\$0.2
Consolidated Other Operation, adjusted	(\$7.5)	(\$7.4)	(\$0.1)
Consolidated Administrative and General, as reported	(\$21.8)	(\$19.8)	(\$2.0)
Q3 '17 increase in surcharges	\$1.7	—	\$1.7
Consolidated Administrative and General, adjusted	(\$20.1)	(\$19.8)	(\$0.3)

(1) Consolidated supply costs consist of water purchased, power purchased for pumping, groundwater production assessment, power purchased for resale, and supply cost balancing accounts, as individually reported on the statements of income.