

Financial Results Call Presentation

Fourth Quarter and Full Year 2021



American States
Water Company

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NYSE: AWR

Today's Presenters

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President & CEO



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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 constitutes "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.
- The non-GAAP financial measures discussed in this conference call include a discussion of diluted earnings per share by business segment. Furthermore, the gains generated on the investments held to fund one of the company's retirement plans during the three- and twelve-month periods ended December 31, 2021 and 2020 have been excluded when communicating the results to help facilitate comparisons of the company's performance from period to period.
- These 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 these non-GAAP 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. The computations and reconciliations of non-GAAP measures to the most directly comparable GAAP measures are presented in this presentation.

Presentation Overview

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2021 Highlights

- Strong financials results
 - ✓ Full year 2021 reported earnings increased 9.4% as compared to 2020
 - 2021 \$2.55 per share
 - 2020 \$2.33 per share
- Increased earnings per share at all operating business segments for full year 2021
- Invested a record high \$142.6 million in company-funded infrastructure at our regulated utilities
- GSWC and the Public Advocates Office at the CPUC reached a settlement agreement on the pending water general rate case to set new rates for the years 2022-2024

2021 Highlights (continued)

- The Company's ESG profile remains strong:
 - ✓ Target goal to reduce greenhouse gas emissions by 60% by 2035 (established in early 2022)
 - ✓ Published first Diversity and Inclusion Policy
 - ✓ Our board of directors was recognized as “gender-balanced” by the 50/50 Women on Boards™ organization
 - ✓ Compared to 2007, our customers have reduced water and electric usage by 29% and 5%, respectively, despite an increase in customers at both business segments
 - ✓ GSWC's supplier diversity spending continues to exceed CPUC requirements
 - ✓ ASUS's hiring of small businesses continues to exceed U.S. government requirements; recognized for supporting veteran and other employees
- AWR increased the annual dividend by 9%, reaching 67 consecutive years of annual dividend increases
- We delivered a 5-year total shareholder return of 148%, or a compound annual growth rate of 20%

Q4 Diluted EPS by Segment

| | Q4 2021 | Q4 2020 | Variance |
|-------------------------------|---------|---------|----------|
| Water | \$0.36 | \$0.32 | \$0.04 |
| Electric | 0.07 | 0.07 | — |
| Contracted Services | 0.13 | 0.17 | (0.04) |
| AWR (parent) | (0.01) | (0.02) | 0.01 |
| Consolidated EPS, as reported | \$0.55 | \$0.54 | \$0.01 |

Q4 Operating Revenues by Segment



| (amounts in millions) | Q4 2021 | Q4 2020 | Variance |
|---------------------------------|---------|---------|----------|
| Water* | \$77.7 | \$73.4 | \$4.3 |
| Electric* | 10.1 | 10.1 | — |
| Contracted Services | 28.8 | 40.7 | (11.9) |
| Total Operating Revenues | \$116.6 | \$124.2 | (\$7.6) |

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

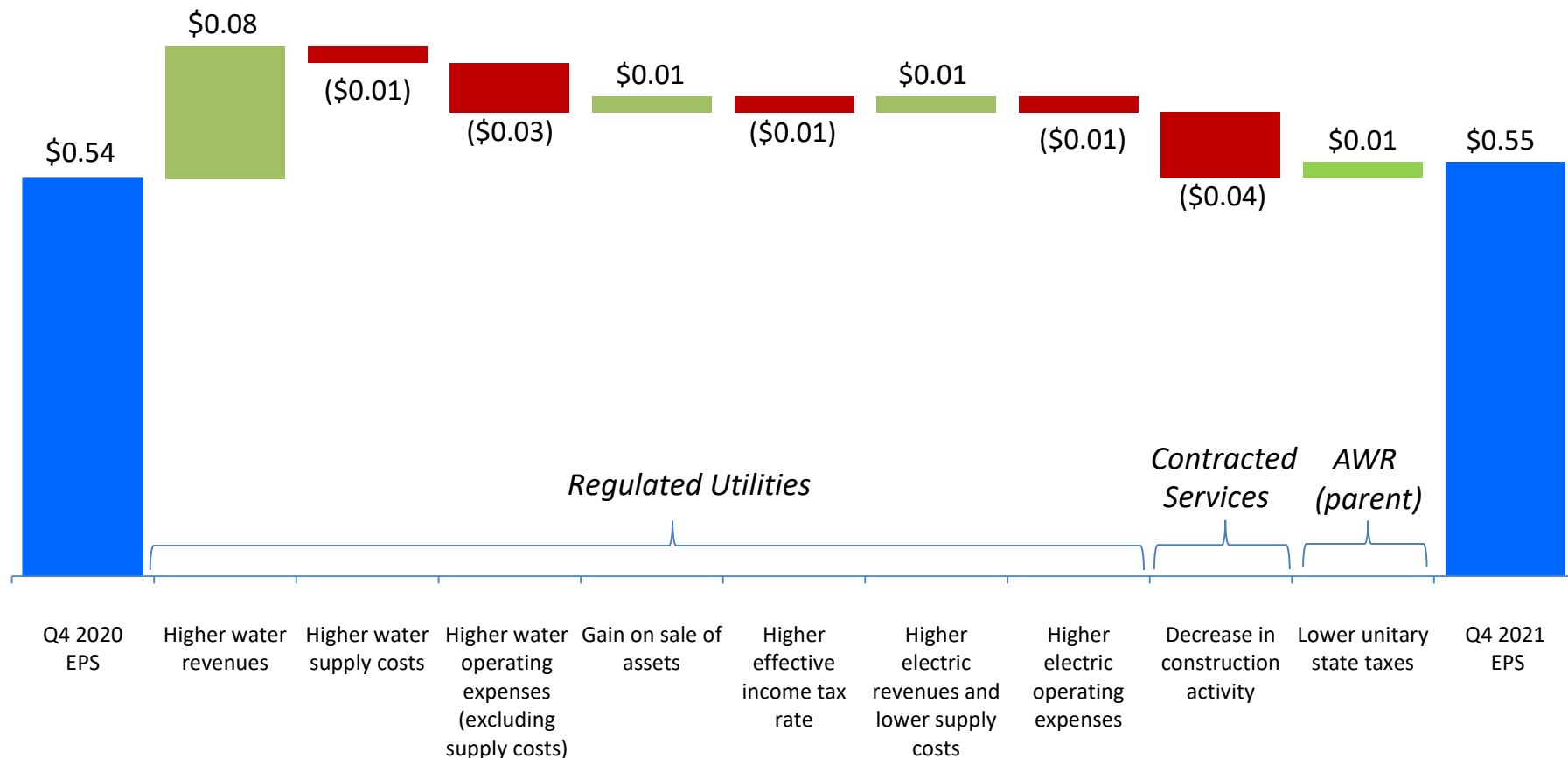
Q4 Operating Expenses*

| (amounts in millions) | Q4 2021 | Q4 2020 | Variance |
|-----------------------------------|---------------|---------------|----------------|
| Water and Electric Supply Costs | \$24.3 | \$24.1 | \$0.2 |
| Other Operation | 8.6 | 8.7 | (0.1) |
| Administrative and General | 20.6 | 19.6 | 1.0 |
| Depreciation and Amortization | 10.4 | 9.7 | 0.7 |
| Maintenance | 3.9 | 3.5 | 0.4 |
| Property and Other Taxes | 5.3 | 6.1 | (0.9) |
| ASUS Construction | 14.0 | 23.2 | (9.2) |
| Gain on Sale of Assets | (0.5) | — | (0.5) |
| Total Operating Expenses** | \$86.6 | \$94.9 | (\$8.3) |

* Includes increases in operating expense of \$677,000 and \$823,000 for Q4 2021 and Q4 2020, respectively, for billed surcharges to collect previously incurred costs, resulting in no material impact to earnings

** Line item does not total due to rounding

EPS Bridge Q4 2020 to Q4 2021



Diluted EPS by Segment for the Year



| | 2021 | 2020 | Variance |
|--------------------------------------|---------|---------|----------|
| Water | \$ 1.87 | \$ 1.66 | \$ 0.21 |
| Electric | 0.21 | 0.20 | 0.01 |
| Contracted Services | 0.48 | 0.47 | 0.01 |
| AWR (parent) | (0.01) | — | (0.01) |
| Consolidated EPS, as reported | \$2.55 | \$ 2.33 | \$0.22 |

Note: The 2021 results include \$0.08 per share related to gains on investments as compared to \$0.06 per share for 2020. Excluding these items from both periods, 2021 adjusted earnings were \$2.47 per share as compared to adjusted earnings of \$2.27 per share for 2020.

- Operating cash flows were \$115.6 million for 2021, as compared to \$122.2 million for 2020
 - ✓ Different timing of income tax installment payments between the two periods, decrease in billed surcharges to recover regulatory assets, and timing of billing and cash receipts for construction work at ASUS
 - ✓ Partially offset by improvement in cash from utility accounts receivable
- Regulated utilities invested \$142.6 million of company-funded capital work during 2021:
 - ✓ Capital expenditures for 2022 are expected to be \$140-\$160 million for our regulated utilities, barring delays due to supply chain issues or the effects of the COVID-19 pandemic
- Credit ratings:
 - ✓ S&P: A+ credit rating for both AWR and GSWC, with negative outlook
 - ✓ Moody's: A2 rating with a stable outlook on GSWC

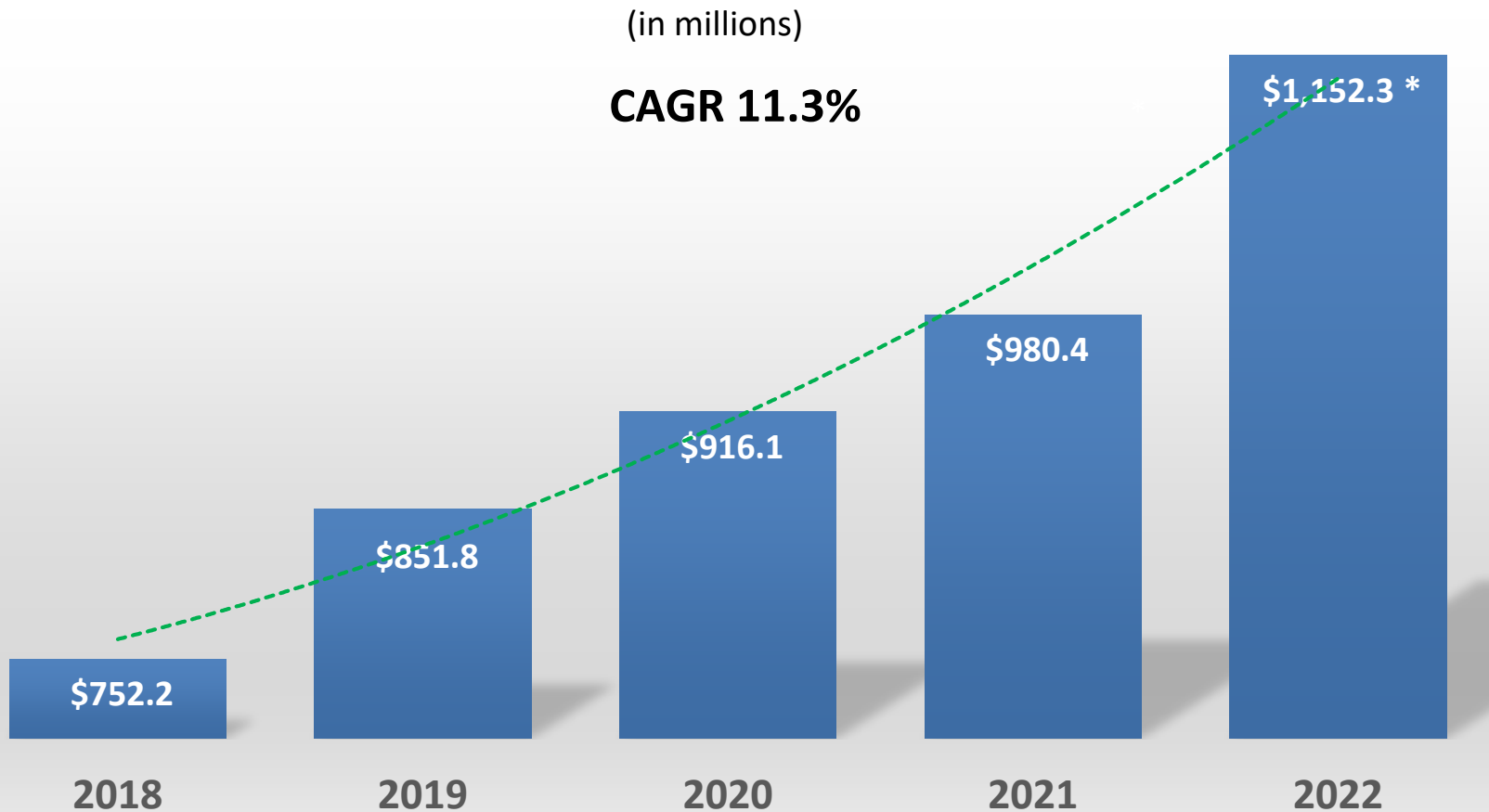
Regulatory Activity

- ✓ In November 2021, a settlement was reached on all but three of the items in the general rate case application filed in 2020 for new water rates for the years 2022, 2023 and 2024. If approved, the settlement would:
 - Authorize \$404.8 million in capital infrastructure over the 3-year period, as well as \$9.4 million of capital projects from the prior rate case recently approved by the CPUC for revenue recovery through advice letters
 - Increase the 2022 adopted revenues by approximately \$30.3 million as compared to the 2021 adopted revenues, and increase the 2022 adopted supply costs by \$9.7 million as compared to the 2021 adopted supply costs
- ✓ A proposed decision is expected in mid-2022, effective retroactive to January 1, 2022



Regulated Utilities - Customer Service Areas

Adopted Average Water Rate Base



* Based on settlement agreement, does not include approximately \$9.4 million in advice letter projects

Contracted Services (ASUS)

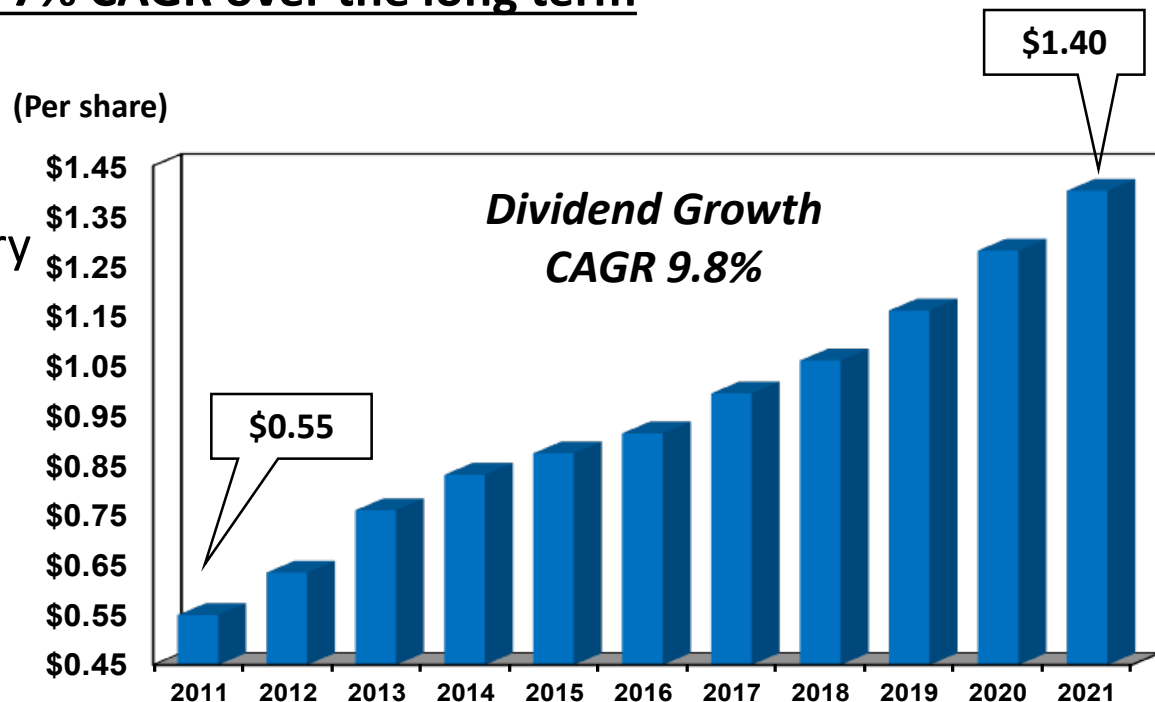
- Record net income of \$17.7 million and earnings of \$0.48 per share, despite slowdown in construction activity
- During 2021, the U.S. government awarded \$17.3 million in new construction projects, with the majority to be completed in 2022
- Confident that we can effectively compete for new military base contract awards in the future, based on our strong history and expertise
- In light of continued uncertainty associated with the COVID pandemic, ASUS is projected to contribute \$0.45 - \$0.49 per share in 2022



Serving Those Who Serve®

Dividends

- Last quarter the Board of Directors approved a 9% increase in the annual dividend per share from \$1.34 per share to \$1.46 per share
- Quarterly dividend has grown at a CAGR of 9% over the last five years, and nearly 10% over the last ten years
- Dividend policy: **More than 7% CAGR over the long term**
- Dividends paid every year since 1931
- Increased the dividend every calendar year for **67 consecutive years**



Questions and Answers

Computations and Reconciliations of Non-GAAP Financial Measures



- Below are the computations and reconciliations of diluted earnings per share from the measure of operating income by business segment to AWR's consolidated diluted earnings per share for the three and twelve months ended December 31, 2021 and 2020:

| In 000's except per share amounts | Water | | Electric | | Contracted Services | | AWR (Parent) | | Consolidated (GAAP) | |
|---|-----------|-----------|----------|----------|---------------------|----------|--------------|-----------|---------------------|-----------|
| | Q4 2021 | Q4 2020 | Q4 2021 | Q4 2020 | Q4 2021 | Q4 2020 | Q4 2021 | Q4 2020 | Q4 2021 | Q4 2020 |
| Operating income | \$ 20,278 | \$ 17,480 | \$ 3,442 | \$ 3,438 | \$ 6,300 | \$ 8,363 | \$ (3) | \$ (4) | \$ 30,017 | \$ 29,277 |
| Other income and expense | 2,674 | 2,287 | (208) | (90) | (142) | (92) | 174 | (9) | 2,498 | 2,096 |
| Income tax expense | 4,377 | 3,484 | 1,096 | 967 | 1,507 | 2,002 | 189 | 517 | 7,169 | 6,970 |
| Net income | \$ 13,227 | \$ 11,709 | \$ 2,554 | \$ 2,561 | \$ 4,935 | \$ 6,453 | \$ (366) | \$ (512) | \$ 20,350 | \$ 20,211 |
| Weighted Average Number of Diluted Shares | 37,029 | 37,007 | 37,029 | 37,007 | 37,029 | 37,007 | 37,029 | 37,007 | 37,029 | 37,007 |
| Diluted earnings per share | \$ 0.36 | \$ 0.32 | \$ 0.07 | \$ 0.07 | \$ 0.13 | \$ 0.17 | \$ (0.01) | \$ (0.02) | \$ 0.55 | \$ 0.54 |

| In 000's except per share amounts | Water | | Electric | | Contracted Services | | AWR (Parent) | | Consolidated (GAAP) | |
|---|------------|-----------|-----------|-----------|---------------------|-----------|--------------|--------|---------------------|------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Operating income | \$ 107,573 | \$ 97,896 | \$ 10,738 | \$ 10,303 | \$ 22,675 | \$ 22,309 | \$ (9) | \$ (9) | \$ 140,977 | \$ 130,499 |
| Other income and expense | 16,263 | 15,817 | (101) | 336 | (488) | (358) | 533 | 82 | 16,207 | 15,877 |
| Income tax expense (benefit) | 22,095 | 20,515 | 2,975 | 2,689 | 5,434 | 5,201 | (81) | (208) | 30,423 | 28,197 |
| Net income | \$ 69,215 | \$ 61,564 | \$ 7,864 | \$ 7,278 | \$ 17,729 | \$ 17,466 | \$ (461) | \$ 117 | \$ 94,347 | \$ 86,425 |
| Weighted Average Number of Diluted Shares | 37,010 | 36,995 | 37,010 | 36,995 | 37,010 | 36,995 | 37,010 | 36,995 | 37,010 | 36,995 |
| Diluted earnings per share | \$ 1.87 | \$ 1.66 | \$ 0.21 | \$ 0.20 | \$ 0.48 | \$ 0.47 | \$ (0.01) | \$ — | \$ 2.55 | \$ 2.33 |