

Financial Review
Unaudited Results through April 30, 2018
And
Revenues and Usage through April
As of May 18, 2018

Pennichuck Corporation
YTD Income Statement

Business: Consolidated

4/30/2018
(\$000's)

	YTD						
	Actual vs. Prior and Budget						
	Prior	Change		Actual	Change		Budget
Revenues:							
Water Utility Operations	\$ 10,535	\$ 829	7.9%	\$ 11,364	\$ (354)	-3.0%	\$ 11,718
Water Management Services	1,098	130	11.8%	1,228	57	4.9%	1,171
Real Estate Operations	4	-	0.0%	4	-	0.0%	4
Other	-	-	0.0%	-	-	0.0%	-
Total Revenues	11,637	959	8.2%	12,596	(297)	-2.3%	12,893
Operating Expenses:							
Water Utility Operations	10,239	(728)	-7.1%	10,967	(96)	-0.9%	10,871
Water Management Services	1,146	(76)	-6.6%	1,222	(55)	-4.7%	1,167
Real Estate Operations	13	(1)	-7.7%	14	3	17.6%	17
Other	(29)	3	-10.3%	(32)	16	100.0%	(16)
Total Operating Expenses	11,369	(802)	-7.1%	12,171	(132)	-1.1%	12,039
PWW Management Fee Allocation	-	-	0.0%	-	-	0.0%	-
Holding Co. Mgmt. Fee Allocation	-	-	0.0%	-	-	0.0%	-
Net Operating Expenses	11,369	(802)	-7.1%	12,171	(132)	-1.1%	12,039
Operating Income (Loss)	268	157	58.6%	425	(429)	-50.2%	854
% of Revenue	2.3%			3.4%			6.6%
Eminent Domain & Merger (Costs)	-	-	0.0%	-	-	0.0%	-
Equity Method Net Earnings (Loss)	-	-	0.0%	-	-	0.0%	-
Other Income (Expense)	(1)	-	0.0%	(1)	-	0.0%	(1)
AFUDC Income (Expense)	-	8	0.0%	8	8	0.0%	-
Interest Income	-	-	0.0%	-	-	0.0%	-
Interest (Expense)	(3,565)	23	0.6%	(3,542)	147	4.0%	(3,689)
Pre-tax Income (Loss)	(3,298)	188	5.7%	(3,110)	(274)	-9.7%	(2,836)
% of Revenue	-28.3%			-24.7%			-22.0%
Provision for Income Taxes	(1,377)	(260)	-18.9%	(1,117)	1,045	1451.4%	(72)
Effective Tax Rate %	41.8%			35.9%			2.5%
Net Income (Loss)	(1,921)	(72)	-3.7%	(1,993)	771	27.9%	(2,764)
EBITDA	2,844	251	8.8%	3,095	(455)	-12.8%	3,550
Add Back: Extraordinary Items	-	-	0.0%	-	-	0.0%	-
Normalized EBITDA	2,844	251	8.8%	3,095	(455)	-12.8%	3,550
Less: Principal and Interest on External Debt	(3,836)	(140)	-3.6%	(3,976)	187	4.5%	(4,163)
Less: Principal and Interest on Note Payments to City	(2,828)	-	0.0%	(2,828)	-	0.0%	(2,828)
Net Remainder	(3,820)	111	2.9%	(3,709)	(268)	-7.8%	(3,441)

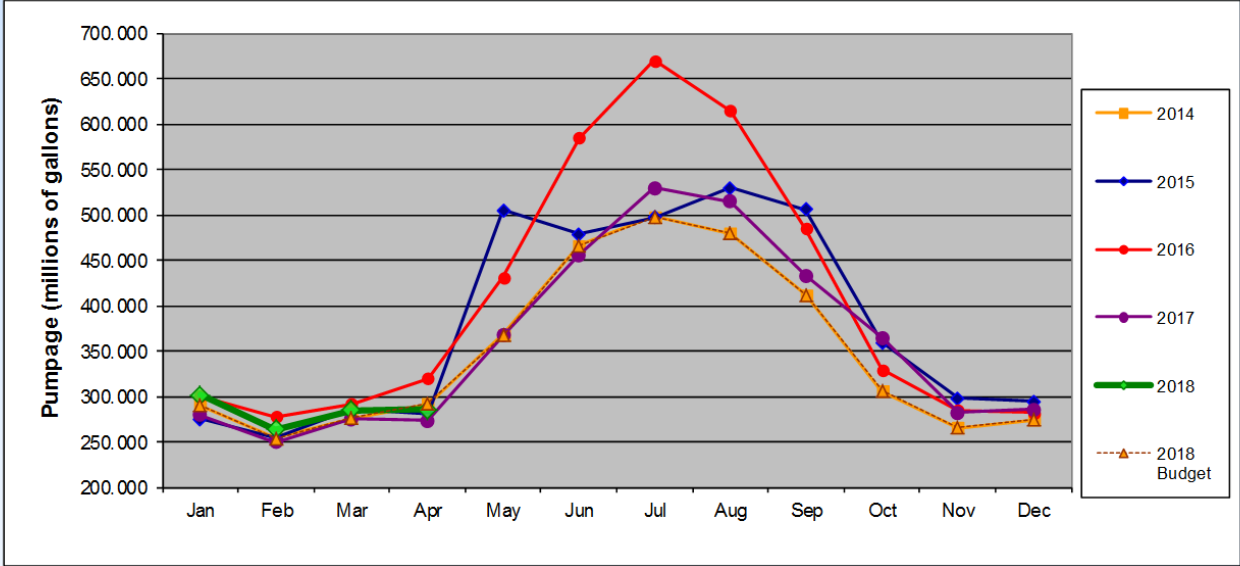
**Pennichuck Corporation
Capital Expenditures - Summary**

4/30/2018
(\$000's)

<u>QTD</u>			<u>YTD</u>			
<u>Prior</u>	<u>Actual</u>	<u>Budget</u>		<u>Prior</u>	<u>Actual</u>	<u>Budget</u>
\$ 971	\$ 234	\$ 1,070	PWW	\$ 1,594	\$ 644	\$ 1,812
144	51	361	PEU	638	165	618
42	-	5	PAC	51	7	5
-	-	-	PWSC	-	-	-
-	-	-	Southwood Corp.	-	-	-
-	-	-	Holding Company	-	-	-
<u>\$ 1,157</u>	<u>\$ 285</u>	<u>\$ 1,436</u>	Subtotal	<u>\$ 2,283</u>	<u>\$ 816</u>	<u>\$ 2,435</u>
-	(1)	-	AFUDC	-	8	-
4,391	130		CIAC	4,511	335	-
<u>\$ 5,548</u>	<u>\$ 414</u>	<u>\$ 1,436</u>	Total	<u>\$ 6,794</u>	<u>\$ 1,159</u>	<u>\$ 2,435</u>

Pennichuck Corporation
PWW Pumpage

4/30/2018
(S000's)



Pumpage Data (millions of gallons)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2014	289.730	253.750	275.460	291.780	367.720	465.900	497.640	478.960	411.680	305.600	265.030	274.390	4,177.640
2015	274.890	253.900	285.910	281.040	504.440	478.850	496.730	529.140	506.020	359.060	297.530	294.560	4,562.070
2016	300.130	277.350	291.250	319.540	430.760	584.950	670.110	614.830	484.920	329.410	284.400	282.010	4,869.660
2017	279.330	249.500	274.680	273.160	366.790	455.660	529.650	514.210	432.840	364.900	281.650	285.860	4,308.230
2018	300.940	263.970	284.930	285.380									1,135.220

Pumpage Data - Budget (millions of gallons)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2018 Budget	289.730	253.750	275.460	291.780	367.720	465.900	497.640	478.960	411.680	305.600	265.030	274.390	4,177.640

Pennichuck Corporation
Consolidated Balance Sheets

4/30/2018
(\$000's)

<u>ASSETS</u>	<u>Apr-18</u>		
	<u>Dec-17</u>	<u>Actual</u>	<u>Budget</u>
Land	\$ 3,305	\$ 3,305	\$ 3,305
Buildings	65,608	65,610	66,636
Equipment & software	209,604	210,418	211,008
	278,517	279,333	280,949
Accumulated depreciation	(69,997)	(72,351)	(73,304)
	208,520	206,982	207,645
Work in process	1,978	2,231	2,928
Net Plant and Equipment	210,498	209,213	210,573
Current Assets:			
Cash	994	2,169	5,998
Restricted cash - 2014 Bond Project Fund	2,131	-	-
Restricted cash - 2015 Bond Project Fund	1,158	-	-
Restricted cash - 2018 Bond Project Fund	-	34	-
Investments - Bond Project Funds	-	-	-
Restricted cash -RSF	4,952	3,983	4,000
Accounts receivable-billed, net	3,420	2,692	3,154
Accounts receivable-unbilled, net	2,265	2,341	2,505
Accounts receivable-other	14	21	14
Inventory	604	632	560
Prepaid expenses	598	452	525
Prepaid property taxes	1,143	-	11
Intercompany receivable	-	-	-
Total Current Assets	17,795	12,876	17,283
Other Assets:			
Deferred land costs	2,257	2,272	2,257
Debt issuance expenses	-	-	4,185
Investment in partnerships	103	102	102
Acquisition Premium and other	84,138	83,387	83,553
Total Other Assets	86,498	85,761	90,097
Total Intercompany Accounts	-	-	-
TOTAL ASSETS	\$ 314,791	\$ 307,850	\$ 317,953

Pennichuck Corporation
Consolidated Balance Sheets

4/30/2018
(\$000's)

<u>EQUITY AND LIABILITIES</u>	<u>Dec-17</u>	<u>Apr-18</u>	
		<u>Actual</u>	<u>Budget</u>
Stockholders' Equity:			
Common stock		\$ -	\$ -
Paid in capital	30,561	30,561	30,493
Accumulated other comprehensive income	305	382	305
Retained earnings	(17,107)	(19,094)	(19,870)
Treasury stock and other	-	-	-
Total Stockholders' Equity	13,759	11,849	10,928
Long Term Debt:			
Bonds, notes and mortgages	197,905	200,187	209,099
Total Long Term Debt	197,905	200,187	209,099
Current Liabilities:			
Line of credit	5,574	-	-
Current portion of long term debt	5,575	5,747	6,250
Accounts payable	1,543	1,171	1,261
Deferred revenue watertight	66	95	-
Accrued interest payable	1,625	1,068	1,082
Other accrued expenses	884	1,329	2,627
Income taxes payable	(16)	(26)	(16)
Customer deposits & other	191	183	136
Total Current Liabilities	15,442	9,567	11,340
Other Liabilities and Deferred Credits:			
Deferred income taxes	22,209	11,796	24,096
Accrued liability pension	9,792	9,606	9,760
Unamortized debt premium	2,964	3,047	-
Unamortized ITC	504	493	493
Regulatory Liability	738	9,951	731
Accrued Post Retirement Benefits	3,047	3,105	3,047
Customer Advances	84	84	55
CIAC, net	47,458	47,425	47,425
Other liability: derivative instrument	374	245	374
Other long-term liabilities	515	495	605
Total Other Liabilities and Deferred Credits	87,685	86,247	86,586
TOTAL LIABILITIES AND EQUITY	\$ 314,791	\$ 307,850	\$ 317,953

Pennichuck Corporation
Consolidated Cash Flow Statements

	<u>Prior Yr.</u>	<u>Change</u>		<u>4/30/18</u> <u>(S000's)</u> <u>YTD</u>	<u>Change</u>		<u>Budget</u>
Operating Activities:							
Net Income (Loss)	\$ (1,921)	\$ (72)	3.7%	\$ (1,993)	\$ 771	27.9%	\$ (2,764)
Adjustments to reconcile net income to net cash provided by operating activities:							
Depreciation and amortization	2,576	96	3.7%	2,672	(98)	-3.5%	2,770
Amortization of original issue discount	-	-	0.0%	-	-	0.0%	-
Gain on sale of property, plant and equipment	(31)	31	100.0%	-	-	0.0%	-
Gain on forgiveness of long term debt	-	-	0.0%	-	-	0.0%	-
Amortization of deferred investment tax credits	(11)	-	0.0%	(11)	0	0.1%	(11)
Provision for deferred income taxes	(1,359)	252	18.5%	(1,107)	(2,995)	-158.6%	1,888
Equity component of AFUDC	-	(2)	0.0%	(2)	(2)	0.0%	-
Undistributed loss (earnings) in real estate partnerships	1	-	0.0%	1	2	179.9%	(1)
Special shareholder distribution	-	-	0.0%	-	-	0.0%	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable and unbilled revenue	1,531	(886)	-57.9%	645	619	2371.8%	26
(Increase) decrease in income taxes payable	-	(37)	0.0%	(37)	(37)	0.0%	-
(Increase) decrease in materials and supplies	(47)	19	40.4%	(28)	(71)	-165.1%	43
(Increase) decrease in prepaid expenses	1,252	37	3.0%	1,289	123	10.6%	1,166
(Increase) decrease in deferred charges and other assets	175	(431)	-246.3%	(256)	(928)	-138.1%	672
Increase (decrease) in accounts payable and accrued expenses	(5,167)	4,671	90.4%	(496)	(1,483)	-150.2%	987
Increase (decrease) in other	(106)	(17)	16.0%	(123)	449	78.5%	(572)
Net cash provided by (used in) operating activities	(3,107)	3,661	117.8%	554	(3,649)	-86.8%	4,203
Investing activities:							
Purchases of property, plant and equipment, including debt component of AFUDC	(1,141)	291	25.5%	(850)	1,584	65.1%	(2,434)
Proceeds from sales of property, plant and equipment	37	(37)	-100.0%	-	-	0.0%	-
(Increase) decrease in restricted cash	-	-	0.0%	-	(4,242)	-100.0%	4,242
Sales of investment securities	-	-	0.0%	-	-	0.0%	-
Purchase of investment securities	-	-	0.0%	-	-	0.0%	-
Proceeds from sales of land	-	-	0.0%	-	-	0.0%	-
Distributions in excess of earnings in investment in real estate partnership	-	-	0.0%	-	-	0.0%	-
Net change in deferred land costs	-	(15)	0.0%	(15)	(15)	0.0%	-
Payments made in connection with merger related activities	-	-	0.0%	-	-	0.0%	-
Net cash provided by (used in) investing activities	(1,104)	239	21.6%	(865)	(2,673)	-147.8%	1,808
Financing activities:							
Advances (repayments) on line of credit	-	(5,574)	0.0%	(5,574)	0	0.0%	(5,574)
Payments on long term debt	(3,099)	(163)	-5.3%	(3,262)	40	1.2%	(3,302)
Contributions in aid of construction	3	59	1966.7%	62	62	0.0%	-
Proceeds from long-term borrowings	1,046	4,851	463.8%	5,897	(2,041)	-25.7%	7,938
Debt issuance costs	2	276	13800.0%	278	279	36487.4%	(1)
Proceeds from issuance of common stock and dividend reinvestment plan	-	-	0.0%	-	-	0.0%	-
Dividends paid	(140)	-	0.0%	(140)	(72)	-104.8%	(68)
Net cash provided by (used in) financing activities	(2,188)	(551)	-25.2%	(2,739)	(1,732)	-172.0%	(1,007)
Increase (decrease) in cash	(6,399)	3,349	52.3%	(3,050)	(8,054)	-160.9%	5,004
Cash and cash equivalents at beginning of period	16,544	(7,308)	-44.2%	9,236	8,242	828.9%	994
Cash and cash equivalents at end of period	\$ 10,145	(3,959)	-39.0%	\$ 6,186	188	3.1%	\$ 5,998