

Financial Review
Unaudited Results through March 31, 2019
And
Revenues and Usage through March
As of April 26, 2019

Pennichuck Corporation
YTD Income Statement

Business: Consolidated

3/31/2019
(\$000's)

	YTD						
	Actual vs. Prior and Budget						
	Prior	Change		Actual	Change		Budget
Revenues:							
Water Utility Operations	\$ 8,396	\$ 386	4.6%	\$ 8,782	\$ (136)	-1.5%	\$ 8,918
Water Management Services	938	(295)	-31.4%	643	(80)	-11.1%	723
Real Estate Operations	3	-	0.0%	3	-	0.0%	3
Other	-	-	0.0%	-	-	0.0%	-
Total Revenues	9,337	91	1.0%	9,428	(216)	-2.2%	9,644
Operating Expenses:							
Water Utility Operations	8,161	(251)	-3.1%	8,412	151	1.8%	8,563
Water Management Services	942	289	30.7%	653	33	4.8%	686
Real Estate Operations	11	-	0.0%	11	-	0.0%	11
Other	(26)	(3)	11.5%	(23)	-	0.0%	(23)
Total Operating Expenses	9,088	35	0.4%	9,053	184	2.0%	9,237
PWW Management Fee Allocation	-	-	0.0%	-	-	0.0%	-
Holding Co. Mgmt. Fee Allocation	-	-	0.0%	-	-	0.0%	-
Net Operating Expenses	9,088	35	0.4%	9,053	184	2.0%	9,237
Operating Income (Loss)	249	126	50.6%	375	(32)	-7.9%	407
% of Revenue	2.7%			4.0%			4.2%
Eminent Domain & Merger (Costs)	-	-	0.0%	-	-	0.0%	-
Equity Method Net Earnings (Loss)	-	(1)	0.0%	(1)	-	0.0%	(1)
Other Income (Expense)	(1)	18	1800.0%	17	17	0.0%	-
AFUDC Income (Expense)	9	(1)	11.1%	8	8	0.0%	-
Interest Income	-	-	0.0%	-	-	0.0%	-
Interest (Expense)	(2,636)	(74)	-2.8%	(2,710)	128	4.5%	(2,838)
Pre-tax Income (Loss)	(2,379)	68	2.9%	(2,311)	121	5.0%	(2,432)
% of Revenue	-25.5%			-24.5%			-25.2%
Provision for Income Taxes	(865)	(772)	-89.2%	(93)	33	55.0%	(60)
Effective Tax Rate %	36.4%			4.0%			2.5%
Net Income (Loss)	(1,514)	(704)	-46.5%	(2,218)	154	6.5%	(2,372)
EBITDA	2,250	238	10.6%	2,488	(11)	-0.4%	2,499
Add Back: Extraordinary Items	-	-	0.0%	-	-	0.0%	-
Normalized EBITDA	2,250	238	10.6%	2,488	(11)	-0.4%	2,499
Less: Principal and Interest on External Debt	(3,510)	(929)	-26.5%	(4,439)	(611)	-16.0%	(3,828)
Less: Principal and Interest on Note Payments to City	(2,121)	707	33.3%	(1,414)	707	33.3%	(2,121)
Net Remainder	(3,381)	16	0.5%	(3,365)	85	2.5%	(3,450)

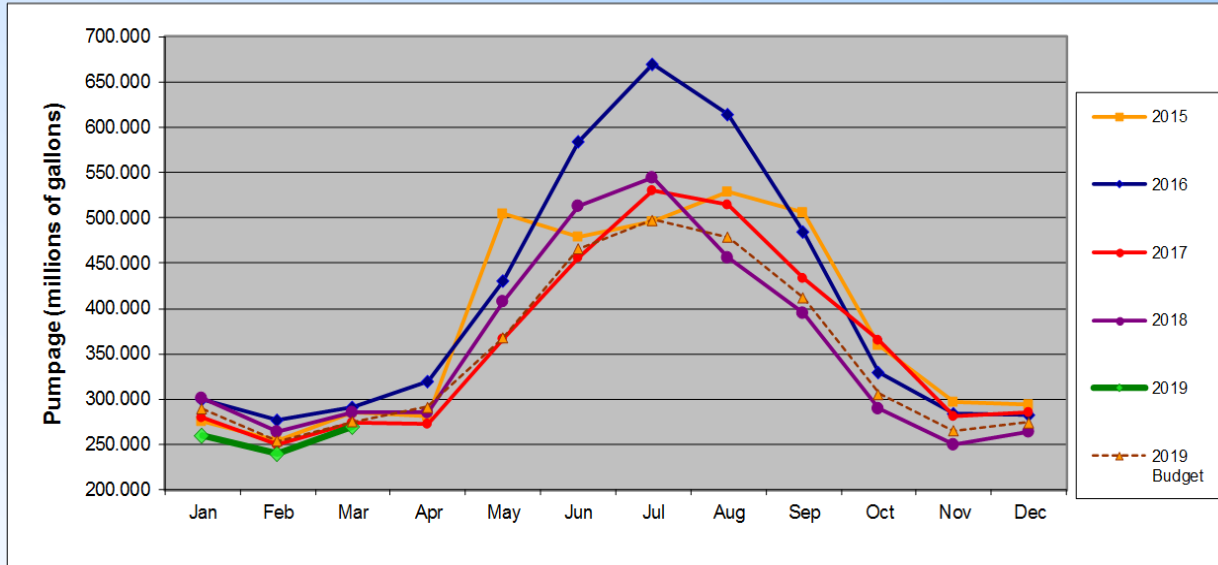
Pennichuck Corporation
Capital Expenditures - Summary

3/31/2019
(\$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>
\$ 410	\$ 428	\$ 200	PWV	\$ 410	\$ 428	\$ 200
114	237	150	PEU	114	237	150
7	6	-	PAC	7	6	-
-	-	-	PWSC	-	-	-
-	-	-	Southwood Corp.	-	-	-
-	-	-	Holding Company	-	-	-
<u>\$ 531</u>	<u>\$ 671</u>	<u>\$ 350</u>	Subtotal	<u>\$ 531</u>	<u>\$ 671</u>	<u>\$ 350</u>
9	8	-	AFUDC	9	9	-
205	983		CIAC	205	983	-
<u>\$ 745</u>	<u>\$ 1,662</u>	<u>\$ 350</u>	Total	<u>\$ 745</u>	<u>\$ 1,663</u>	<u>\$ 350</u>

**Pennichuck Corporation
PWW Pumpage**

3/31/2019
(\$000's)



Pumpage Data (millions of gallons)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
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	407.240	512.830	544.480	455.820	395.690	289.960	250.230	264.060	4,255.530
2019	260.370	240.390	269.960										770.720

Pumpage Data - Budget (millions of gallons)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2019 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

3/31/2019
(\$000's)

ASSETS	Mar-19		
	Dec-18	Actual	Budget
Land	\$ 3,345	\$ 3,340	\$ 3,330
Buildings	65,807	65,993	185,928
Equipment & software	223,624	224,431	97,138
	292,776	293,764	286,396
Accumulated depreciation	(73,091)	(74,695)	(77,383)
	219,685	219,069	209,013
Work in process	2,175	2,656	12,135
Net Plant and Equipment	221,860	221,725	221,148
Current Assets:			
Cash	1,575	1,844	130
Restricted cash - 2014 Bond Project Fund	2,158	-	-
Restricted cash - 2015 Bond Project Fund	1,170	-	-
Restricted cash - 2018 Bond Project Fund	9	9	-
Investments - Bond Project Funds	-	-	-
Restricted cash -RSF	754	409	5,350
Restricted cash -DSRR 1.0 RSF	280	62	-
Restricted cash - MOERR RSF	771	430	-
Restricted cash - MOERR	240	964	-
Restricted cash -DSRR 1.0	720	1,879	-
Restricted cash -DSRR .1	663	779	-
Accounts receivable-billed, net	3,417	3,118	3,217
Accounts receivable-unbilled, net	2,927	2,785	2,785
Accounts receivable-other	4	4	26
Inventory	611	591	575
Prepaid expenses	610	704	584
Prepaid property taxes	1,021	-	6
Intercompany receivable	-	-	-
Total Current Assets	16,930	13,578	12,673
Other Assets:			
Deferred land costs	2,275	2,276	2,293
Debt issuance expenses	-	-	-
Investment in partnerships	104	103	103
Acquisition Premium and other	81,964	81,327	81,067
Total Other Assets	84,343	83,706	83,463
Total Intercompany Accounts	-	-	-
TOTAL ASSETS	\$ 323,133	\$ 319,009	\$ 317,284

Pennichuck Corporation
Consolidated Balance Sheets

3/31/2019
(S000's)

<u>EQUITY AND LIABILITIES</u>	<u>Dec-18</u>	Mar-19	
		<u>Actual</u>	<u>Budget</u>
Stockholders' Equity:			
Common stock		\$ -	\$ -
Paid in capital	30,561	30,561	30,493
Accumulated other comprehensive income	372	348	372
Retained earnings	(22,524)	(24,778)	(22,194)
Treasury stock and other	-	-	-
Total Stockholders' Equity	8,409	6,131	8,671
Long Term Debt:			
Bonds, notes and mortgages	203,190	199,944	199,941
Total Long Term Debt	203,190	199,944	199,941
Current Liabilities:			
Line of credit	361	32	298
Fixed Asset Lines of Credit	6,265	10,292	9,329
Current portion of long term debt	6,019	6,199	6,156
Accounts payable	5,362	2,899	1,530
Deferred revenue watertight	63	101	-
Accrued interest payable	1,682	905	960
Other accrued expenses	1,068	1,096	2,204
Income taxes payable	(22)	(20)	(27)
Customer deposits & other	235	258	393
Total Current Liabilities	21,033	21,762	20,843
Other Liabilities and Deferred Credits:			
Deferred income taxes	14,110	14,010	12,907
Accrued liability pension	10,021	10,045	9,465
Unamortized debt premium	-	-	-
Unamortized ITC	471	462	462
Regulatory Liability	9,943	9,940	8,939
Accrued Post Retirement Benefits	3,201	3,257	3,218
Customer Advances	84	84	84
CIAC, net	51,961	52,642	51,999
Other liability: derivative instrument	263	303	263
Other long-term liabilities	447	429	492
Total Other Liabilities and Deferred Credits	90,501	91,172	87,829
TOTAL LIABILITIES AND EQUITY	\$ 323,133	\$ 319,009	\$ 317,284

Pennichuck Corporation
Consolidated Cash Flow Statements

	Prior Yr.	Change		3/31/19 (S000's) YTD	Change		Budget
Operating Activities:							
Net Income (Loss)	\$ (1,514)	\$ (704)	-46.5%	\$ (2,218)	\$ 154	6.5%	\$ (2,372)
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>							
Depreciation and amortization	2,002	95	4.7%	2,097	(12)	-0.6%	2,109
Amortization of original issue discount	-	-	0.0%	-	-	0.0%	-
Gain on sale of property, plant and equipment	-	(17)	0.0%	(17)	(17)	0.0%	-
Gain on forgiveness of long term debt	-	-	0.0%	-	-	0.0%	-
Amortization of deferred investment tax credits	(8)	-	0.0%	(8)	0	3.1%	(8)
Provision for deferred income taxes	(858)	772	90.0%	(86)	80	48.3%	(166)
Equity component of AFUDC	(3)	-	0.0%	(3)	(3)	0.0%	-
Undistributed loss (earnings) in real estate partnerships	1	(2)	-200.0%	(1)	(0)	-6.5%	(1)
Special shareholder distribution	-	-	0.0%	-	-	0.0%	-
<u>Changes in assets and liabilities:</u>							
(Increase) decrease in accounts receivable and unbilled revenue	483	(43)	-8.9%	440	(33)	-6.9%	473
(Increase) decrease in income taxes payable	-	-	0.0%	-	-	0.0%	-
(Increase) decrease in materials and supplies	(54)	74	137.0%	20	(19)	-48.9%	39
(Increase) decrease in prepaid expenses	1,083	(156)	-14.4%	927	(77)	-7.6%	1,004
(Increase) decrease in deferred charges and other assets	115	60	52.2%	175	(310)	-63.9%	485
Increase (decrease) in accounts payable and accrued expenses	(1,056)	(2,146)	-203.2%	(3,202)	(324)	-11.3%	(2,878)
Increase (decrease) in other	(18)	165	-916.7%	147	756	124.1%	(609)
Net cash provided by (used in) operating activities	173	(1,902)	1099.4%	(1,729)	197	10.2%	(1,926)
<u>Investing activities:</u>							
Purchases of property, plant and equipment, including debt component of AFUDC	(493)	(288)	-58.4%	(781)	(431)	-123.1%	(350)
Proceeds from sales of property, plant and equipment	-	-	0.0%	-	-	0.0%	-
(Increase) decrease in restricted cash	-	-	0.0%	-	-	0.0%	-
Sales of investment securities	-	-	0.0%	-	-	0.0%	-
Purchase of investment securities	-	-	0.0%	-	-	0.0%	-
Proceeds from sales of land	-	23	0.0%	23	23	0.0%	-
Distributions in excess of earnings in investment in real estate partnership	-	-	0.0%	-	-	0.0%	-
Net change in deferred land costs	(11)	13	-118.2%	2	2	0.0%	-
Payments made in connection with merger related activities	-	-	0.0%	-	-	0.0%	-
Net cash provided by (used in) investing activities	(504)	(252)	-50.0%	(756)	(406)	-116.0%	(350)
<u>Financing activities:</u>							
Advances (repayments) on line of credit	171	3,526	2062.0%	3,697	696	23.2%	3,001
Payments on long term debt	(2,995)	(147)	-4.9%	(3,142)	(32)	-1.0%	(3,110)
Contributions in aid of construction	1	1	100.0%	2	2	0.0%	-
Proceeds from long-term borrowings	12	22	183.3%	34	67	203.2%	(33)
Debt issuance costs	-	-	0.0%	-	(71)	-100.0%	71
Proceeds from issuance of common stock and dividend reinvestment plan	-	-	0.0%	-	-	0.0%	-
Dividends paid	(70)	-	0.0%	(70)	(2)	-2.4%	(68)
Net cash provided by (used in) financing activities	(2,881)	3,402	118.1%	521	660	475.3%	(139)
Increase (decrease) in cash	(3,212)	1,248	38.9%	(1,964)	450	18.7%	(2,414)
Cash and cash equivalents at beginning of period	9,236	(896)	-9.7%	8,340	445	5.6%	7,895
Cash and cash equivalents at end of period	\$ 6,024	352	5.8%	\$ 6,376	896	16.3%	\$ 5,480