

Financial Review
Unaudited Results through April 30, 2019
And
Revenues and Usage through April
As of May 23, 2019

Pennichuck Corporation
YTD Income Statement

Business: Consolidated

4/30/2019
(\$000's)

	YTD						
	Actual vs. Prior and Budget						
	Prior	Change		Actual	Change		Budget
Revenues:							
Water Utility Operations	\$ 11,364	\$ 473	4.2%	\$ 11,837	\$ (181)	-1.5%	\$ 12,018
Water Management Services	1,228	(311)	-25.3%	917	(35)	-3.7%	952
Real Estate Operations	4	-	0.0%	4	-	0.0%	4
Other	-	-	0.0%	-	-	0.0%	-
Total Revenues	12,596	162	1.3%	12,758	(216)	-1.7%	12,974
Operating Expenses:							
Water Utility Operations	10,967	(357)	-3.3%	11,324	163	1.4%	11,487
Water Management Services	1,222	332	27.2%	890	34	3.7%	924
Real Estate Operations	14	(1)	-7.1%	15	-	0.0%	15
Other	(32)	(1)	3.1%	(31)	-	0.0%	(31)
Total Operating Expenses	12,171	(27)	-0.2%	12,198	197	1.6%	12,395
PWW Management Fee Allocation	-	-	0.0%	-	-	0.0%	-
Holding Co. Mgmt. Fee Allocation	-	-	0.0%	-	-	0.0%	-
Net Operating Expenses	12,171	(27)	-0.2%	12,198	197	1.6%	12,395
Operating Income (Loss)	425	135	31.8%	560	(19)	-3.3%	579
% of Revenue	3.4%			4.4%			4.5%
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)	8	4	-50.0%	12	12	0.0%	-
Interest Income	-	-	0.0%	-	-	0.0%	-
Interest (Expense)	(3,542)	(83)	-2.3%	(3,625)	158	4.2%	(3,783)
Pre-tax Income (Loss)	(3,110)	73	2.3%	(3,037)	168	5.2%	(3,205)
% of Revenue	-24.7%			-23.8%			-24.7%
Provision for Income Taxes	(1,117)	(1,021)	-91.4%	(96)	15	18.5%	(81)
Effective Tax Rate %	35.9%			3.2%			2.5%
Net Income (Loss)	(1,993)	(948)	-47.6%	(2,941)	183	5.9%	(3,124)
EBITDA	3,095	276	8.9%	3,371	6	0.2%	3,365
Add Back: Extraordinary Items	-	-	0.0%	-	-	0.0%	-
Normalized EBITDA	3,095	276	8.9%	3,371	6	0.2%	3,365
Less: Principal and Interest on External Debt	(3,976)	(332)	-8.4%	(4,308)	1,991	31.6%	(6,299)
Less: Principal and Interest on Note Payments to City	(2,828)	-	0.0%	(2,828)	-	0.0%	(2,828)
Net Remainder	(3,709)	(56)	-1.5%	(3,765)	1,997	34.7%	(5,762)

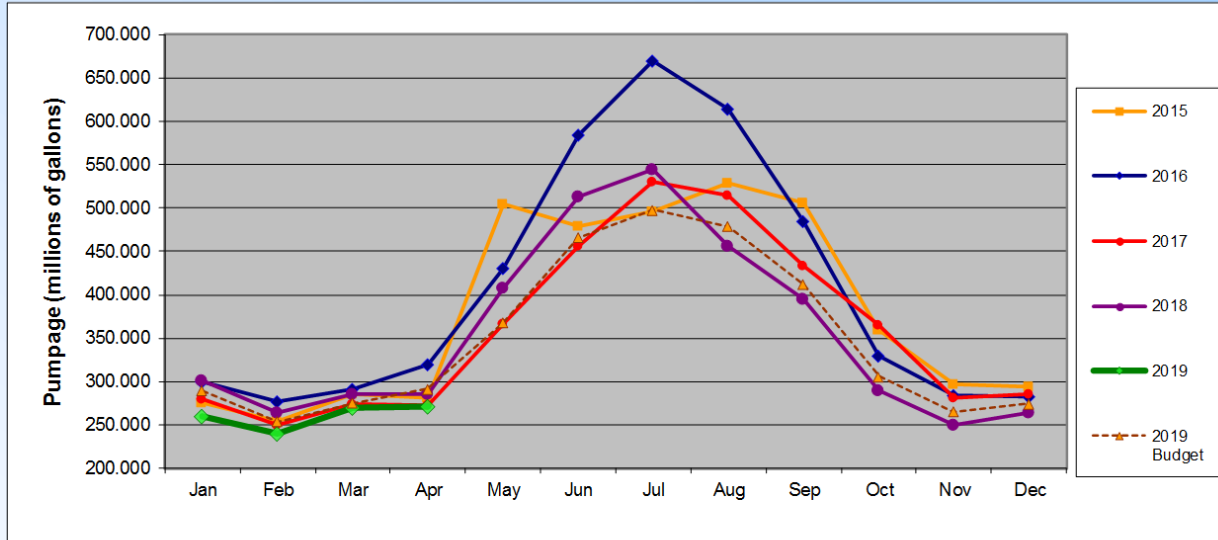
Pennichuck Corporation
Capital Expenditures - Summary

4/30/2019
(\$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>
\$ 755	\$ 174	\$ 1,803	PWW	\$ 1,165	\$ 602	\$ 2,003
937	38	558	PEU	1,051	275	708
-	-	16	PAC	7	6	16
-	-	-	PWSC	-	-	-
-	-	-	Southwood Corp.	-	-	-
-	-	-	Holding Company	-	-	-
<u>\$ 1,692</u>	<u>\$ 212</u>	<u>\$ 2,377</u>	Subtotal	<u>\$ 2,223</u>	<u>\$ 883</u>	<u>\$ 2,727</u>
(1)	4	-	AFUDC	8	12	-
588	61	-	CIAC	793	1,044	-
<u>\$ 2,279</u>	<u>\$ 277</u>	<u>\$ 2,377</u>	Total	<u>\$ 3,024</u>	<u>\$ 1,939</u>	<u>\$ 2,727</u>

**Pennichuck Corporation
PWW Pumpage**

4/30/2019
(S000'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	271.300									1,042.020

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

4/30/2019
(\$000's)

ASSETS	Apr-19		
	Dec-18	Actual	Budget
Land	\$ 3,345	\$ 3,340	\$ 3,330
Buildings	65,807	65,993	185,938
Equipment & software	223,624	224,630	98,440
	292,776	293,963	287,708
Accumulated depreciation	(73,091)	(75,332)	(77,972)
	219,685	218,631	209,736
Work in process	2,175	2,735	13,199
Net Plant and Equipment	221,860	221,366	222,935
Current Assets:			
Cash	1,575	2,912	130
Restricted cash - 2014 Bond Project Fund	2,158	-	-
Restricted cash - 2015 Bond Project Fund	1,170	-	-
Restricted cash - 2018 Bond Project Fund	9	-	-
Restricted cash - 2019 Bond Project Fund	-	46	-
Investments - Bond Project Funds	-	-	-
Restricted cash -RSF	754	327	5,350
Restricted cash -DSRR 1.0 RSF	280	14	-
Restricted cash - MOERR RSF	771	111	-
Restricted cash - MOERR	240	1,394	-
Restricted cash -DSRR 1.0	720	1,953	-
Restricted cash -DSRR .1	663	217	-
Accounts receivable-billed, net	3,417	2,704	3,211
Accounts receivable-unbilled, net	2,927	2,947	2,982
Accounts receivable-other	4	4	26
Inventory	611	599	561
Prepaid expenses	610	736	539
Prepaid property taxes	1,021	-	6
Intercompany receivable	-	-	-
Total Current Assets	16,930	14,009	12,805
Other Assets:			
Deferred land costs	2,275	2,287	2,293
Debt issuance expenses	-	-	-
Investment in partnerships	104	103	103
Acquisition Premium and other	81,964	81,109	80,921
Total Other Assets	84,343	83,499	83,317
Total Intercompany Accounts	-	-	-
TOTAL ASSETS	\$ 323,133	\$ 318,874	\$ 319,057

Pennichuck Corporation
Consolidated Balance Sheets

4/30/2019
(S000's)

<u>EQUITY AND LIABILITIES</u>	Dec-18	Apr-19	
		Actual	Budget
Stockholders' Equity:			
Common stock		\$ -	\$ -
Paid in capital	30,561	30,561	30,493
Accumulated other comprehensive income	372	353	372
Retained earnings	(22,524)	(25,555)	(22,949)
Treasury stock and other	-	-	-
Total Stockholders' Equity	8,409	5,359	7,916
Long Term Debt:			
Bonds, notes and mortgages	203,190	207,933	208,333
Total Long Term Debt	203,190	207,933	208,333
Current Liabilities:			
Line of credit	361	775	2,153
Fixed Asset Lines of Credit	6,265	1,984	1,401
Current portion of long term debt	6,019	6,139	6,173
Accounts payable	5,362	2,739	1,532
Deferred revenue watertight	63	90	-
Accrued interest payable	1,682	1,043	1,135
Other accrued expenses	1,068	1,603	2,510
Income taxes payable	(22)	(27)	(27)
Customer deposits & other	235	287	393
Total Current Liabilities	21,033	14,633	15,270
Other Liabilities and Deferred Credits:			
Deferred income taxes	14,110	14,014	12,887
Accrued liability pension	10,021	9,852	9,202
Unamortized debt premium	-	-	-
Unamortized ITC	471	460	460
Regulatory Liability	9,943	9,939	8,938
Accrued Post Retirement Benefits	3,201	3,262	3,219
Customer Advances	84	84	84
CIAC, net	51,961	52,600	51,970
Other liability: derivative instrument	263	294	262
Other long-term liabilities	447	444	516
Total Other Liabilities and Deferred Credits	90,501	90,949	87,538
TOTAL LIABILITIES AND EQUITY	\$ 323,133	\$ 318,874	\$ 319,057

Pennichuck Corporation
Consolidated Cash Flow Statements

	Prior Yr.	Change		4/30/19 (S000's) YTD	Change		Budget
Operating Activities:							
Net Income (Loss)	\$ (1,993)	\$ (948)	-47.6%	\$ (2,941)	\$ 183	5.9%	\$ (3,124)
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>							
Depreciation and amortization	2,672	123	4.6%	2,795	(15)	-0.5%	2,810
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	(11)	-	0.0%	(11)	0	0.1%	(11)
Provision for deferred income taxes	(1,107)	1,019	92.1%	(88)	98	52.6%	(186)
Equity component of AFUDC	(2)	(2)	100.0%	(4)	(4)	0.0%	-
Undistributed loss (earnings) in real estate partnerships	1	(2)	-200.0%	(1)	0	20.1%	(1)
Special shareholder distribution	-	-	0.0%	-	-	0.0%	-
<u>Changes in assets and liabilities:</u>							
(Increase) decrease in accounts receivable and unbilled revenue	645	48	7.4%	693	413	147.7%	280
(Increase) decrease in income taxes payable	(37)	(8)	21.6%	(45)	(45)	0.0%	-
(Increase) decrease in materials and supplies	(28)	40	142.9%	12	(41)	-77.4%	53
(Increase) decrease in prepaid expenses	1,289	(394)	-30.6%	895	(153)	-14.6%	1,048
(Increase) decrease in deferred charges and other assets	(256)	231	-90.2%	(25)	(633)	-104.1%	608
Increase (decrease) in accounts payable and accrued expenses	(496)	(2,292)	-462.1%	(2,788)	(393)	-16.4%	(2,395)
Increase (decrease) in other	(123)	198	-161.0%	75	1,054	107.7%	(979)
Net cash provided by (used in) operating activities	554	(2,004)	361.7%	(1,450)	447	23.6%	(1,897)
<u>Investing activities:</u>							
Purchases of property, plant and equipment, including debt component of AFUDC	(850)	(143)	-16.8%	(993)	1,734	63.6%	(2,727)
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	(15)	5	-33.3%	(10)	(10)	0.0%	-
Payments made in connection with merger related activities	-	-	0.0%	-	-	0.0%	-
Net cash provided by (used in) investing activities	(865)	(115)	-13.3%	(980)	1,747	64.1%	(2,727)
<u>Financing activities:</u>							
Advances (repayments) on line of credit	(5,574)	1,708	-30.6%	(3,866)	(793)	-25.8%	(3,073)
Payments on long term debt	(3,262)	(249)	-7.6%	(3,511)	1,832	34.3%	(5,343)
Contributions in aid of construction	62	(58)	-93.5%	4	4	0.0%	-
Proceeds from long-term borrowings	5,897	2,387	40.5%	8,284	(2,315)	-21.8%	10,599
Debt issuance costs	278	15	5.4%	293	198	207.8%	95
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	(2,739)	3,803	138.8%	1,064	(1,146)	-51.8%	2,210
Increase (decrease) in cash	(3,050)	1,684	55.2%	(1,366)	1,048	43.4%	(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	\$ 6,186	788	12.7%	\$ 6,974	1,494	27.3%	\$ 5,480