

**Financial Review**  
**Unaudited Results through June 30, 2019**  
**And**  
**Revenues and Usage through June**  
**As of July 19, 2019**

Pennichuck Corporation  
YTD Income Statement

Business: Consolidated

6/30/2019  
(\$000's)

	YTD						
	Actual vs. Prior and Budget						
	Prior	Change		Actual	Change		Budget
<b>Revenues:</b>							
Water Utility Operations	\$ 18,836	\$ (289)	-1.5%	\$ 18,547	\$ (1,054)	-5.4%	\$ 19,601
Water Management Services	1,942	(461)	-23.7%	1,481	59	4.1%	1,422
Real Estate Operations	6	-	0.0%	6	-	0.0%	6
Other	-	-	0.0%	-	-	0.0%	-
<b>Total Revenues</b>	<b>20,784</b>	<b>(750)</b>	<b>-3.6%</b>	<b>20,034</b>	<b>(995)</b>	<b>-4.7%</b>	<b>21,029</b>
<b>Operating Expenses:</b>							
Water Utility Operations	16,861	(637)	-3.8%	17,498	103	0.6%	17,601
Water Management Services	1,954	542	27.7%	1,412	(28)	-2.0%	1,384
Real Estate Operations	21	(1)	-4.8%	22	1	4.3%	23
Other	(49)	(2)	4.1%	(47)	1	2.2%	(46)
<b>Total Operating Expenses</b>	<b>18,787</b>	<b>(98)</b>	<b>-0.5%</b>	<b>18,885</b>	<b>77</b>	<b>0.4%</b>	<b>18,962</b>
PWW Management Fee Allocation	-	-	0.0%	-	-	0.0%	-
Holding Co. Mgmt. Fee Allocation	-	-	0.0%	-	-	0.0%	-
<b>Net Operating Expenses</b>	<b>18,787</b>	<b>(98)</b>	<b>-0.5%</b>	<b>18,885</b>	<b>77</b>	<b>0.4%</b>	<b>18,962</b>
<b>Operating Income (Loss)</b>	<b>1,997</b>	<b>(848)</b>	<b>-42.5%</b>	<b>1,149</b>	<b>(918)</b>	<b>-44.4%</b>	<b>2,067</b>
<b>% of Revenue</b>	<b>9.6%</b>			<b>5.7%</b>			<b>9.8%</b>
Eminent Domain & Merger (Costs)	-	-	0.0%	-	-	0.0%	-
Equity Method Net Earnings (Loss)	-	(2)	0.0%	(2)	-	0.0%	(2)
Other Income (Expense)	(2)	19	950.0%	17	17	0.0%	-
AFUDC Income (Expense)	16	10	-62.5%	26	26	0.0%	-
Interest Income	-	-	0.0%	-	-	0.0%	-
Interest (Expense)	(5,376)	(147)	-2.7%	(5,523)	191	3.3%	(5,714)
<b>Pre-tax Income (Loss)</b>	<b>(3,365)</b>	<b>(968)</b>	<b>-28.8%</b>	<b>(4,333)</b>	<b>(684)</b>	<b>-18.7%</b>	<b>(3,649)</b>
<b>% of Revenue</b>	<b>-16.2%</b>			<b>-21.6%</b>			<b>-17.4%</b>
Provision for Income Taxes	(1,010)	(826)	-81.8%	(184)	93	102.2%	(91)
Effective Tax Rate %	30.0%			4.2%			2.5%
<b>Net Income (Loss)</b>	<b>(2,355)</b>	<b>(1,794)</b>	<b>-76.2%</b>	<b>(4,149)</b>	<b>(591)</b>	<b>-16.6%</b>	<b>(3,558)</b>
<b>EBITDA</b>	<b>6,016</b>	<b>(657)</b>	<b>-10.9%</b>	<b>5,359</b>	<b>(884)</b>	<b>-14.2%</b>	<b>6,243</b>
Add Back: Extraordinary Items	-	-	0.0%	-	-	0.0%	-
<b>Normalized EBITDA</b>	<b>6,016</b>	<b>(657)</b>	<b>-10.9%</b>	<b>5,359</b>	<b>(884)</b>	<b>-14.2%</b>	<b>6,243</b>
Less: Principal and Interest on External Debt	(4,987)	(429)	-8.6%	(5,416)	193	3.4%	(5,609)
Less: Principal and Interest on Note Payments to City	(4,242)	-	0.0%	(4,242)	-	0.0%	(4,242)
<b>Net Remainder</b>	<b>(3,213)</b>	<b>(1,086)</b>	<b>-33.8%</b>	<b>(4,299)</b>	<b>(691)</b>	<b>-19.2%</b>	<b>(3,608)</b>

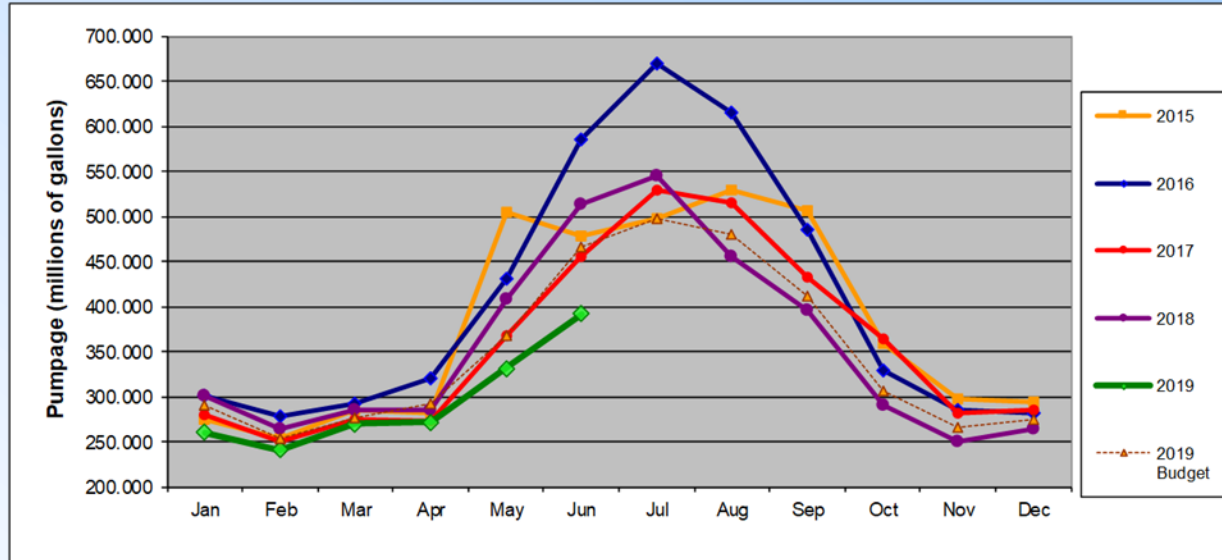
**Pennichuck Corporation**  
**Capital Expenditures - Summary**

6/30/2019  
(\$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	\$ 1,662	\$ 4,302	PWW	\$ 1,165	\$ 2,090	\$ 4,502
937	201	1,117	PEU	1,051	438	1,267
-	-	25	PAC	7	6	25
-	-	-	PWSC	-	-	-
-	-	-	Southwood Corp.	-	-	-
-	-	-	<b>Holding Company</b>	-	-	-
<u>\$ 1,692</u>	<u>\$ 1,863</u>	<u>\$ 5,444</u>	<b>Subtotal</b>	<u>\$ 2,223</u>	<u>\$ 2,534</u>	<u>\$ 5,794</u>
7	18	-	AFUDC	16	26	-
588	603		CIAC	793	1,586	-
<u>\$ 2,287</u>	<u>\$ 2,484</u>	<u>\$ 5,444</u>	<b>Total</b>	<u>\$ 3,032</u>	<u>\$ 4,146</u>	<u>\$ 5,794</u>

**Pennichuck Corporation  
PWW Pumpage**

6/30/2019  
(S000's)



Pumpage Data (millions of gallons)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
<b>2015</b>	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
<b>2016</b>	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
<b>2017</b>	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
<b>2018</b>	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
<b>2019</b>	260.370	240.390	269.960	271.300	330.760	391.640							1,764.420

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

6/30/2019  
(S000's)

<u>ASSETS</u>	Jun-19		
	Dec-18	Actual	Budget
Land	\$ 3,345	\$ 3,463	\$ 3,330
Buildings	65,807	66,022	66,465
Equipment & software	223,624	226,292	221,822
	292,776	295,777	291,617
Accumulated depreciation	(73,091)	(76,358)	(79,148)
	219,685	219,419	212,469
Work in process	2,175	2,816	14,834
Net Plant and Equipment	221,860	222,235	227,303
 Current Assets:			
Cash	1,575	3,698	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	275	2,350
Restricted cash -DSRR 1.0 RSF	280	39	-
Restricted cash - MOERR RSF	771	122	-
Restricted cash - MOERR	240	1,532	-
Restricted cash -DSRR 1.0	720	1,442	-
Restricted cash -DSRR .1	663	346	-
Accounts receivable-billed, net	3,417	3,947	3,542
Accounts receivable-unbilled, net	2,927	3,024	3,409
Accounts receivable-other	4	4	26
Inventory	611	600	554
Prepaid expenses	610	850	547
Prepaid property taxes	1,021	1,094	1,021
Intercompany receivable	-	-	-
Total Current Assets	16,930	17,094	11,579
 Other Assets:			
Deferred land costs	2,275	2,305	2,293
Debt issuance expenses	-	-	-
Investment in partnerships	104	104	102
Acquisition Premium and other	81,964	80,768	80,549
Total Other Assets	84,343	83,177	82,944
 Total Intercompany Accounts	-	-	-
 TOTAL ASSETS	\$ 323,133	\$ 322,506	\$ 321,826

Pennichuck Corporation  
Consolidated Balance Sheets

6/30/2019  
(S000's)

<u>EQUITY AND LIABILITIES</u>	Dec-18	Jun-19	
		Actual	Budget
<b>Stockholders' Equity:</b>			
Common stock		\$ -	\$ -
Paid in capital	30,561	30,561	30,424
Accumulated other comprehensive income	372	307	372
Retained earnings	(22,524)	(26,719)	(23,381)
Treasury stock and other	-	-	-
<b>Total Stockholders' Equity</b>	<b>8,409</b>	<b>4,149</b>	<b>7,415</b>
<b>Long Term Debt:</b>			
Bonds, notes and mortgages	203,190	207,840	209,777
<b>Total Long Term Debt</b>	<b>203,190</b>	<b>207,840</b>	<b>209,777</b>
<b>Current Liabilities:</b>			
Line of credit	361	3,311	3,785
Fixed Asset Lines of Credit	6,265	2,989	4,081
Current portion of long term debt	6,019	6,445	6,201
Accounts payable	5,362	4,723	1,654
Deferred revenue watertight	63	77	-
Accrued interest payable	1,682	242	312
Other accrued expenses	1,068	982	832
Income taxes payable	(22)	(27)	(27)
Customer deposits & other	235	318	392
<b>Total Current Liabilities</b>	<b>21,033</b>	<b>19,060</b>	<b>17,230</b>
<b>Other Liabilities and Deferred Credits:</b>			
Deferred income taxes	14,110	13,902	12,772
Accrued liability pension	10,021	10,026	9,202
Unamortized debt premium	-	-	-
Unamortized ITC	471	454	454
Regulatory Liability	9,943	9,937	8,934
Accrued Post Retirement Benefits	3,201	3,293	3,219
Customer Advances	84	84	84
CIAC, net	51,961	52,938	51,911
Other liability: derivative instrument	263	370	263
Other long-term liabilities	447	453	565
<b>Total Other Liabilities and Deferred Credits</b>	<b>90,501</b>	<b>91,457</b>	<b>87,404</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 323,133</b>	<b>\$ 322,506</b>	<b>\$ 321,826</b>

**Pennichuck Corporation**  
**Consolidated Cash Flow Statements**

	Prior Yr.	Change		6/30/19 (S000's) YTD	Change		Budget
<b>Operating Activities:</b>							
Net Income (Loss)	\$ (2,355)	\$ (1,794)	-76.2%	\$ (4,149)	\$ (593)	-16.7%	\$ (3,556)
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>							
Depreciation and amortization	4,020	174	4.3%	4,194	(16)	-0.4%	4,210
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	(17)	-	0.0%	(17)	(0)	-2.9%	(17)
Provision for deferred income taxes	(994)	823	82.8%	(171)	130	43.1%	(301)
Equity component of AFUDC	(4)	(4)	100.0%	(8)	(8)	0.0%	-
Undistributed loss (earnings) in real estate partnerships	2	(2)	-100.0%	-	2	100.0%	(2)
Special shareholder distribution	-	-	0.0%	-	-	0.0%	-
<b>Changes in assets and liabilities:</b>							
(Increase) decrease in accounts receivable and unbilled revenue	(1,097)	470	-42.8%	(627)	(148)	-30.9%	(479)
(Increase) decrease in income taxes payable	(37)	(38)	102.7%	(75)	(75)	0.0%	-
(Increase) decrease in materials and supplies	26	(15)	57.7%	11	(49)	-81.8%	60
(Increase) decrease in prepaid expenses	(70)	(242)	345.7%	(312)	(338)	-1312.4%	26
(Increase) decrease in deferred charges and other assets	(402)	408	-101.5%	6	(928)	-99.4%	934
Increase (decrease) in accounts payable and accrued expenses	(253)	(1,812)	-716.2%	(2,065)	2,641	56.1%	(4,706)
Increase (decrease) in other	150	39	26.0%	189	1,454	114.9%	(1,265)
Net cash provided by (used in) operating activities	(1,031)	(2,010)	-195.0%	(3,041)	2,055	40.3%	(5,096)
<b>Investing activities:</b>							
Purchases of property, plant and equipment, including debt component of AFUDC	(2,368)	(226)	-9.5%	(2,594)	5,677	68.6%	(8,271)
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	(16)	(13)	81.3%	(29)	(29)	0.0%	-
Payments made in connection with merger related activities	-	-	0.0%	-	-	0.0%	-
Net cash provided by (used in) investing activities	(2,384)	(216)	-9.1%	(2,600)	5,671	68.6%	(8,271)
<b>Financing activities:</b>							
Advances (repayments) on line of credit	(4,854)	4,527	-93.3%	(327)	(1,566)	-126.4%	1,239
Payments on long term debt	(3,853)	(281)	-7.3%	(4,134)	3,489	45.8%	(7,623)
Contributions in aid of construction	81	(62)	-76.5%	19	19	0.0%	-
Proceeds from long-term borrowings	6,697	2,393	35.7%	9,090	(5,240)	-36.6%	14,330
Debt issuance costs	426	(133)	-31.2%	293	150	105.2%	143
Proceeds from issuance of common stock and dividend reinvestment plan	-	-	0.0%	-	-	0.0%	-
Dividends paid	(140)	-	0.0%	(140)	(3)	-2.4%	(137)
Net cash provided by (used in) financing activities	(1,643)	6,444	392.2%	4,801	(3,151)	-39.6%	7,952
Increase (decrease) in cash	(5,058)	4,218	83.4%	(840)	4,575	84.5%	(5,415)
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	\$ 4,178	\$ 3,322	79.5%	\$ 7,500	\$ 5,020	202.4%	\$ 2,480