

**Financial Review**  
**Unaudited Results through May 31, 2019**  
**And**  
**Revenues and Usage through May**  
**As of June 28, 2019**

Pennichuck Corporation  
YTD Income Statement

Business: Consolidated

5/31/2019  
(\$000's)

	YTD						
	Actual vs. Prior and Budget						
	Prior	Change		Actual	Change		Budget
<b>Revenues:</b>							
Water Utility Operations	\$ 14,524	\$ 528	3.6%	\$ 15,052	\$ (191)	-1.3%	\$ 15,243
Water Management Services	1,612	(404)	-25.1%	1,208	23	1.9%	1,185
Real Estate Operations	5	-	0.0%	5	-	0.0%	5
Other	-	-	0.0%	-	-	0.0%	-
Total Revenues	16,141	124	0.8%	16,265	(168)	-1.0%	16,433
<b>Operating Expenses:</b>							
Water Utility Operations	13,819	(565)	-4.1%	14,384	147	1.0%	14,531
Water Management Services	1,655	488	29.5%	1,167	(8)	-0.7%	1,159
Real Estate Operations	18	-	0.0%	18	1	5.3%	19
Other	(36)	3	-8.3%	(39)	-	0.0%	(39)
Total Operating Expenses	15,456	(74)	-0.5%	15,530	140	0.9%	15,670
PWW Management Fee Allocation	-	-	0.0%	-	-	0.0%	-
Holding Co. Mgmt. Fee Allocation	-	-	0.0%	-	-	0.0%	-
Net Operating Expenses	15,456	(74)	-0.5%	15,530	140	0.9%	15,670
Operating Income (Loss)	685	50	7.3%	735	(28)	-3.7%	763
% of Revenue	4.2%			4.5%			4.6%
Eminent Domain & Merger (Costs)	-	-	0.0%	-	-	0.0%	-
Equity Method Net Earnings (Loss)	-	(1)	0.0%	(1)	1	50.0%	(2)
Other Income (Expense)	(1)	18	1800.0%	17	17	0.0%	-
AFUDC Income (Expense)	11	5	-45.5%	16	16	0.0%	-
Interest Income	-	-	0.0%	-	-	0.0%	-
Interest (Expense)	(4,469)	(122)	-2.7%	(4,591)	155	3.3%	(4,746)
Pre-tax Income (Loss)	(3,774)	(50)	-1.3%	(3,824)	161	4.0%	(3,985)
% of Revenue	-23.4%			-23.5%			-24.2%
Provision for Income Taxes	(1,242)	(1,247)	-100.4%	5	(103)	-105.1%	(98)
Effective Tax Rate %	32.9%			-0.1%			2.5%
Net Income (Loss)	(2,532)	(1,297)	-51.2%	(3,829)	58	1.5%	(3,887)
EBITDA	4,026	217	5.4%	4,243	-	0.0%	4,243
Add Back: Extraordinary Items	-	-	0.0%	-	-	0.0%	-
Normalized EBITDA	4,026	217	5.4%	4,243	-	0.0%	4,243
Less: Principal and Interest on External Debt	(4,465)	(1,094)	-24.5%	(5,559)	2,317	29.4%	(7,876)
Less: Principal and Interest on Note Payments to City	(3,535)	707	20.0%	(2,828)	-	0.0%	(2,828)
Net Remainder	(3,974)	(170)	-4.3%	(4,144)	2,317	35.9%	(6,461)

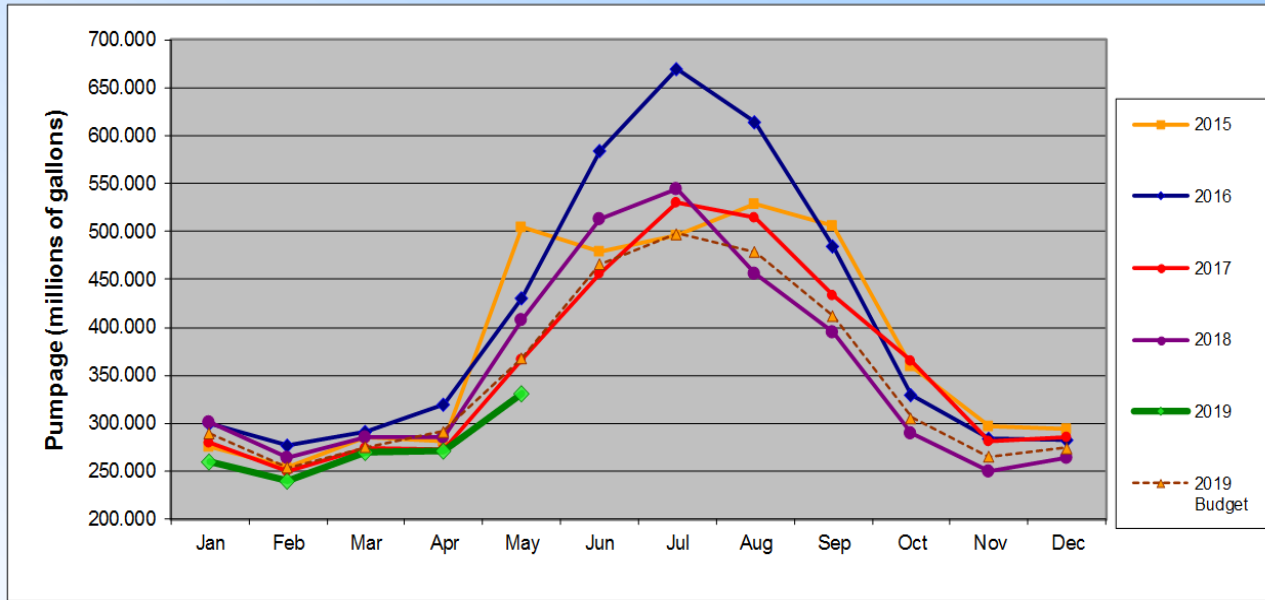
**Pennichuck Corporation**  
**Capital Expenditures - Summary**

5/31/2019  
(\$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>
\$ 755	\$ 1,482	\$ 4,302	PWV	\$ 1,165	\$ 1,910	\$ 4,502
937	154	1,117	PEU	1,051	391	1,267
-	-	25	PAC	7	6	25
-	-	-	PWSC	-	-	-
-	-	-	Southwood Corp.	-	-	-
-	-	-	Holding Company	-	-	-
<u>\$ 1,692</u>	<u>\$ 1,636</u>	<u>\$ 5,444</u>	Subtotal	<u>\$ 2,223</u>	<u>\$ 2,307</u>	<u>\$ 5,794</u>
2	8	-	AFUDC	11	15	-
588	479	-	CIAC	793	1,462	-
<u>\$ 2,282</u>	<u>\$ 2,123</u>	<u>\$ 5,444</u>	Total	<u>\$ 3,027</u>	<u>\$ 3,784</u>	<u>\$ 5,794</u>

**Pennichuck Corporation  
PWW Pumpage**

5/31/2019  
(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	330.760								1,372.780

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

5/31/2019  
(S000's)

<b>ASSETS</b>	May-19		
	Dec-18	Actual	Budget
Land	\$ 3,345	\$ 3,462	\$ 3,330
Buildings	65,807	66,007	185,942
Equipment & software	223,624	225,519	100,629
	292,776	294,988	289,901
Accumulated depreciation	(73,091)	(75,923)	(78,561)
	219,685	219,065	211,340
Work in process	2,175	2,625	14,075
<b>Net Plant and Equipment</b>	<b>221,860</b>	<b>221,690</b>	<b>225,415</b>
<b>Current Assets:</b>			
Cash	1,575	2,667	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	5,350
Restricted cash -DSRR 1.0 RSF	280	-	-
Restricted cash - MOERR RSF	771	155	-
Restricted cash - MOERR	240	1,709	-
Restricted cash -DSRR 1.0	720	2,465	-
Restricted cash -DSRR .1	663	278	-
Accounts receivable-billed, net	3,417	2,546	3,131
Accounts receivable-unbilled, net	2,927	3,207	3,194
Accounts receivable-other	4	4	26
Inventory	611	579	554
Prepaid expenses	610	813	490
Prepaid property taxes	1,021	1,459	6
Intercompany receivable	-	-	-
<b>Total Current Assets</b>	<b>16,930</b>	<b>16,248</b>	<b>12,881</b>
<b>Other Assets:</b>			
Deferred land costs	2,275	2,291	2,293
Debt issuance expenses	-	-	-
Investment in partnerships	104	102	102
Acquisition Premium and other	81,964	80,942	80,735
<b>Total Other Assets</b>	<b>84,343</b>	<b>83,335</b>	<b>83,130</b>
<b>Total Intercompany Accounts</b>	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 323,133</b>	<b>\$ 321,273</b>	<b>\$ 321,426</b>

Pennichuck Corporation  
Consolidated Balance Sheets

5/31/2019  
(S000's)

<b><u>EQUITY AND LIABILITIES</u></b>	<b>Dec-18</b>	<b>May-19</b>	
		<b>Actual</b>	<b>Budget</b>
<b>Stockholders' Equity:</b>			
Common stock		\$ -	\$ -
Paid in capital	30,561	30,561	30,493
Accumulated other comprehensive income	372	314	372
Retained earnings	(22,524)	(26,428)	(23,709)
Treasury stock and other	-	-	-
<b>Total Stockholders' Equity</b>	<b>8,409</b>	<b>4,447</b>	<b>7,156</b>
<b>Long Term Debt:</b>			
Bonds, notes and mortgages	203,190	207,382	208,718
<b>Total Long Term Debt</b>	<b>203,190</b>	<b>207,382</b>	<b>208,718</b>
<b>Current Liabilities:</b>			
Line of credit	361	465	2,417
Fixed Asset Lines of Credit	6,265	2,296	2,749
Current portion of long term debt	6,019	6,420	6,189
Accounts payable	5,362	6,033	1,569
Deferred revenue watertight	63	76	-
Accrued interest payable	1,682	1,402	1,472
Other accrued expenses	1,068	964	3,278
Income taxes payable	(22)	(27)	(27)
Customer deposits & other	235	318	393
<b>Total Current Liabilities</b>	<b>21,033</b>	<b>17,947</b>	<b>18,040</b>
<b>Other Liabilities and Deferred Credits:</b>			
Deferred income taxes	14,110	14,092	12,867
Accrued liability pension	10,021	9,939	9,202
Unamortized debt premium	-	-	-
Unamortized ITC	471	457	457
Regulatory Liability	9,943	9,938	8,936
Accrued Post Retirement Benefits	3,201	3,278	3,219
Customer Advances	84	84	84
CIAC, net	51,961	52,916	51,940
Other liability: derivative instrument	263	360	263
Other long-term liabilities	447	433	544
<b>Total Other Liabilities and Deferred Credits</b>	<b>90,501</b>	<b>91,497</b>	<b>87,512</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 323,133</b>	<b>\$ 321,273</b>	<b>\$ 321,426</b>

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

	Prior Yr.	Change		5/31/19 (\$000's) YTD	Change		Budget
<b>Operating Activities:</b>							
Net Income (Loss)	\$ (2,532)	\$ (1,297)	-51.2%	\$ (3,829)	\$ 55	1.4%	\$ (3,884)
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>							
Depreciation and amortization	3,342	151	4.5%	3,493	(18)	-0.5%	3,511
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	(14)	-	0.0%	(14)	(0)	-1.7%	(14)
Provision for deferred income taxes	(1,229)	1,244	101.2%	15	220	107.3%	(205)
Equity component of AFUDC	(3)	(2)	66.7%	(5)	(5)	0.0%	-
Undistributed loss (earnings) in real estate partnerships	2	-	0.0%	2	4	227.8%	(2)
Special shareholder distribution	-	-	0.0%	-	-	0.0%	-
<u>Changes in assets and liabilities:</u>							
(Increase) decrease in accounts receivable and unbilled revenue	481	110	22.9%	591	444	302.0%	147
(Increase) decrease in income taxes payable	(37)	(8)	21.6%	(45)	(45)	0.0%	-
(Increase) decrease in materials and supplies	(22)	54	245.5%	32	(28)	-46.9%	60
(Increase) decrease in prepaid expenses	1,035	(1,675)	-161.8%	(640)	(1,738)	-158.3%	1,098
(Increase) decrease in deferred charges and other assets	(273)	263	-96.3%	(10)	(781)	-101.3%	771
Increase (decrease) in accounts payable and accrued expenses	1,115	(812)	72.8%	303	1,557	124.2%	(1,254)
Increase (decrease) in other	(14)	135	-964.3%	121	1,206	111.2%	(1,085)
Net cash provided by (used in) operating activities	1,851	(1,854)	100.2%	(3)	854	99.6%	(857)
<u>Investing activities:</u>							
Purchases of property, plant and equipment, including debt component of AFUDC	(1,890)	346	18.3%	(1,544)	4,251	73.4%	(5,795)
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)	1	-6.3%	(15)	(15)	0.0%	-
Payments made in connection with merger related activities	-	-	0.0%	-	-	0.0%	-
Net cash provided by (used in) investing activities	(1,906)	370	19.4%	(1,536)	4,259	73.5%	(5,795)
<u>Financing activities:</u>							
Advances (repayments) on line of credit	(5,574)	1,708	-30.6%	(3,866)	(2,406)	-164.8%	(1,460)
Payments on long term debt	(3,531)	(265)	-7.5%	(3,796)	2,161	36.3%	(5,957)
Contributions in aid of construction	81	(62)	-76.5%	19	19	0.0%	-
Proceeds from long-term borrowings	5,918	2,366	40.0%	8,284	(3,319)	-28.6%	11,603
Debt issuance costs	318	(25)	-7.9%	293	174	146.2%	119
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	(2,928)	3,722	127.1%	794	(3,443)	-81.3%	4,237
Increase (decrease) in cash	(2,983)	2,238	75.0%	(745)	1,669	69.1%	(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	\$ 6,253	1,342	21.5%	\$ 7,595	2,115	38.6%	\$ 5,480