

**Financial Review
Of
The Unaudited Results and Usage
through July 31, 2023**

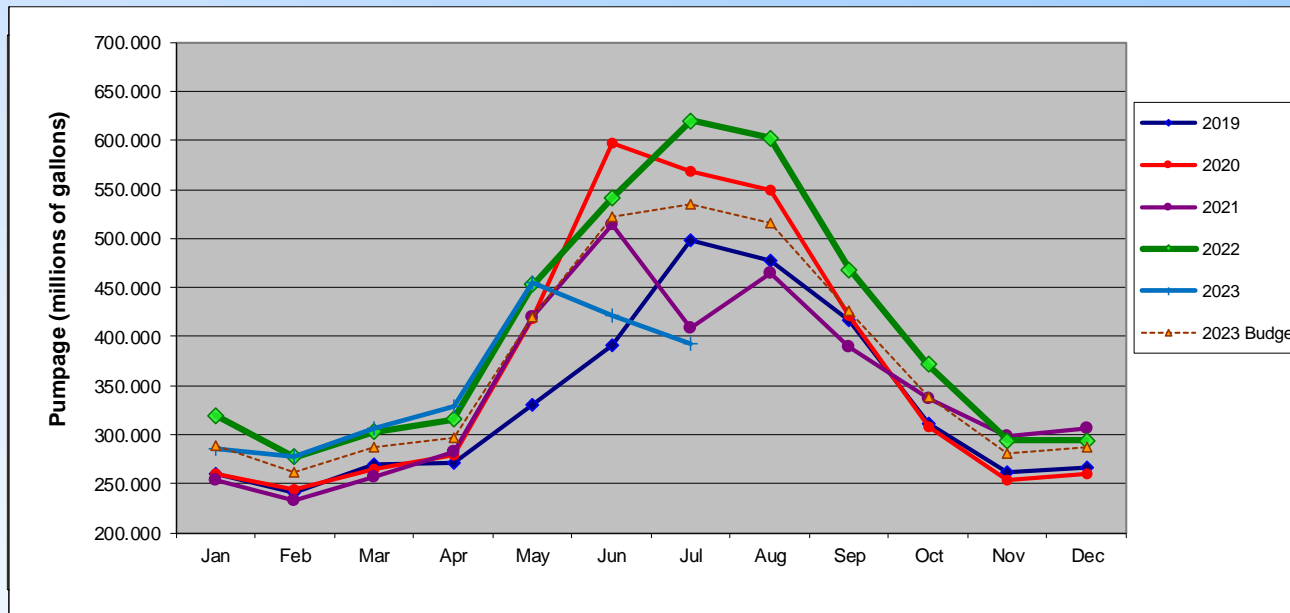
As of August 25, 2023

Pennichuck Corporation

PWW Pumpage

7/31/2023

(\$'000's)



Pumpage Data (millions of gallons)													Totals
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2019	260.370	240.390	269.960	271.300	330.760	391.640	498.650	477.710	417.220	310.770	261.280	266.650	3,996.700
2020	259.710	243.430	264.260	278.920	417.600	597.850	569.160	548.440	420.920	308.680	254.120	260.320	4,423.410
2021	253.700	232.920	256.480	282.210	420.230	514.850	407.890	464.110	389.090	336.650	298.980	306.730	4,163.840
2022	319.760	277.040	303.130	315.450	453.040	540.960	619.770	602.570	468.420	371.560	293.720	294.170	4,859.590
2023	285.700	278.040	306.790	329.600	455.700	421.060	393.030						2469.920

Pumpage Data - Budget (millions of gallons)													Totals
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2023 Budget	289.234	261.055	286.641	297.225	419.107	522.039	534.665	516.258	426.554	338.107	280.245	287.393	4,458.523

Pennichuck Corporation
YTD Income Statement

Business: Consolidated

7/31/2023
(\$000's)

	YTD						
	Actual vs. Prior and Budget						
	Prior	Change		Actual	Change		Budget
Revenues:							
Water Utility Operations	\$ 31,062	\$ (2,157)	-6.9%	\$ 28,905	\$ (1,598)	-5.2%	\$ 30,503
Water Management Services	1,829	(599)	-32.8%	1,230	(27)	-2.1%	1,257
Real Estate Operations	-	-	0.0%	-	-	0.0%	-
Other	8	-	0.0%	8	-	0.0%	8
Total Revenues	32,899	(2,756)	-8.4%	30,143	(1,625)	-5.1%	31,768
Operating Expenses:							
Water Utility Operations	23,947	(754)	-3.1%	24,701	807	3.2%	25,508
Water Management Services	1,655	597	36.1%	1,058	196	15.6%	1,254
Real Estate Operations	-	-	0.0%	-	-	0.0%	-
Other	(43)	1	-2.3%	(44)	2	4.8%	(42)
Total Operating Expenses	25,559	(156)	-0.6%	25,715	1,005	3.8%	26,720
PWW Management Fee Allocation	-	-	0.0%	-	-	0.0%	-
Holding Co. Mgmt. Fee Allocation	-	-	0.0%	-	-	0.0%	-
Net Operating Expenses	25,559	(156)	-0.6%	25,715	1,005	3.8%	26,720
Operating Income (Loss)	7,340	(2,912)	-39.7%	4,428	(620)	-12.3%	5,048
% of Revenue	22.3%			14.7%			15.9%
Other Income (Expense)	-	575	0.0%	575	575	0.0%	-
Interest Income	-	-	0.0%	-	-	0.0%	-
Interest (Expense)	(8,225)	(214)	-2.6%	(8,439)	158	1.8%	(8,597)
Pre-tax Income (Loss)	(885)	(2,551)	-288.2%	(3,436)	113	3.2%	(3,549)
% of Revenue	-2.7%			-11.4%			-11.2%
Provision for Income Taxes	170	789	-464.1%	(619)	52	9.2%	(567)
Effective Tax Rate %	-19.2%			18.0%			16.0%
Net Income (Loss)	(1,055)	(1,762)	-167.0%	(2,817)	165	5.5%	(2,982)
EBITDA	12,544	(2,247)	-17.9%	10,297	(8)	-0.1%	10,305
Add Back: Extraordinary Items	-	-	0.0%	-	-	0.0%	-
Normalized EBITDA	12,544	(2,247)	-17.9%	10,297	(8)	-0.1%	10,305
Less: Principal and Interest on External Debt	(9,166)	1,012	11.0%	(8,154)	208	2.5%	(8,362)
Less: Principal and Interest on Note Payments to City	(4,949)	-	0.0%	(4,949)	-	0.0%	(4,949)
Net Remainder	(1,571)	(1,235)	-78.6%	(2,806)	200	6.7%	(3,006)

Pennichuck Corporation
Consolidated Balance Sheets

7/31/2023
(\$000's)

<u>ASSETS</u>	<u>Jul-23</u>		
	<u>Dec-22</u>	<u>Actual</u>	<u>Budget</u>
Land	\$ 5,962	\$ 5,763	\$ 5,963
Buildings	73,535	73,582	74,282
Equipment & software	257,697	261,374	260,426
	<u>337,194</u>	<u>340,719</u>	<u>340,671</u>
Accumulated depreciation	(91,367)	(95,924)	(96,841)
	<u>245,827</u>	<u>244,795</u>	<u>243,830</u>
Work in process	1,234	2,928	4,297
Net Plant and Equipment	<u>247,061</u>	<u>247,723</u>	<u>248,127</u>
Current Assets:			
Cash	3,138	1,960	2,498
Restricted cash - 2014 Bond Project Fund	218	-	-
Restricted cash - 2023 Bond Project Fund	-	4	-
Restricted cash - CIAC	134	134	-
Restricted cash -CBFRR RSF	1,486	781	12,126
Restricted cash -DSRR 1.0 RSF	2,877	2,501	-
Restricted cash - MOERR RSF	(371)	621	-
Restricted cash - MOERR	2,616	2,589	-
Restricted cash -DSRR 1.0	2,755	3,436	-
Restricted cash -DSRR .1	1,474	1,732	-
Accounts receivable-billed, net	5,048	4,341	4,877
Accounts receivable-unbilled, net	3,277	3,379	5,744
Accounts receivable-other	16	23	(318)
Inventory	991	1,175	909
Prepaid expenses	907	1,204	879
Prepaid property taxes	1,065	704	1,098
Prepaid income taxes	11	49	225
Total Current Assets	<u>25,642</u>	<u>24,633</u>	<u>28,038</u>
Other Assets:			
Acquisition Premium and other	72,184	70,743	78,556
Total Other Assets	<u>72,184</u>	<u>70,743</u>	<u>78,566</u>
Total Intercompany Accounts	-	-	-
TOTAL ASSETS	<u>\$ 344,887</u>	<u>\$ 343,099</u>	<u>\$ 354,731</u>

<u>EQUITY AND LIABILITIES</u>	Jul-23		
	Dec-22	Actual	Budget
Stockholders' Equity:			
Common stock		\$ -	\$ -
Paid in capital	30,561	30,561	30,424
Accumulated other comprehensive income	524	529	524
Retained earnings	(36,363)	(39,319)	(40,271)
Treasury stock and other	-	-	-
Total Stockholders' Equity	(5,278)	(8,229)	(9,323)
Long Term Debt:			
Bonds, notes and mortgages	232,859	238,242	238,285
Total Long Term Debt	232,859	238,242	238,285
Current Liabilities:			
Line of credit	785	-	-
Fixed Asset Lines of Credit	5,461	3,781	5,118
Current portion of long term debt	7,998	7,252	6,201
Accounts payable	3,314	2,720	2,818
Deferred revenue watertight	69	92	-
Accrued interest payable	1,388	1,714	4,271
Other accrued expenses	686	996	793
Income taxes payable	(25)	(23)	(25)
Customer deposits & other	653	665	737
Total Current Liabilities	20,329	17,197	19,913
Other Liabilities and Deferred Credits:			
Deferred income taxes	14,418	13,827	16,427
Accrued liability pension	6,177	5,935	12,486
Unamortized ITC	338	319	319
Regulatory Liability	9,894	9,887	9,251
Accrued Post Retirement Benefits	3,401	3,509	4,995
Customer Advances	84	84	84
CIAC, net	57,306	56,987	57,100
Other liability: derivative instrument	10	1	10
Other long-term liabilities	5,349	5,340	5,184
Total Other Liabilities and Deferred Credits	96,977	95,889	105,856
TOTAL LIABILITIES AND EQUITY	\$ 344,887	\$ 343,099	\$ 354,731

Pennichuck Corporation
Consolidated Cash Flow Statements

	Prior Yr.	Change		7/31/23 (\$000's) YTD	Change		Budget
Operating Activities:							
Net Income (Loss)	\$ (1,055)	\$ (1,762)	-167.0%	\$ (2,817)	\$ 165	5.5%	\$ (2,982)
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>							
Depreciation and amortization	5,204	88	1.7%	5,292	(117)	-2.2%	5,409
Amortization of original issue discount	-	-	0.0%	-	-	0.0%	-
Gain on sale of property, plant and equipment	-	(575)	0.0%	(575)	(575)	0.0%	-
Gain on forgiveness of long term debt	-	-	0.0%	-	-	0.0%	-
Amortization of deferred investment tax credits	(19)	-	0.0%	(19)	0	1.4%	(19)
Provision for deferred income taxes	189	(791)	418.5%	(602)	(1,102)	-220.5%	500
Special shareholder distribution	-	-	0.0%	-	-	0.0%	-
<u>Changes in assets and liabilities:</u>							
(Increase) decrease in accounts receivable and unbilled revenue	(2,709)	3,306	-122.0%	597	2,559	130.4%	(1,962)
(Increase) decrease in income taxes payable	(75)	37	-49.3%	(38)	37	49.3%	(75)
(Increase) decrease in materials and supplies	(174)	(10)	-5.7%	(184)	(266)	-324.7%	82
(Increase) decrease in prepaid expenses	(272)	336	-123.5%	64	108	244.0%	(44)
(Increase) decrease in deferred charges and other assets	2,197	(269)	-12.2%	1,928	2,337	571.5%	(409)
Increase (decrease) in accounts payable and accrued expenses	2,620	(3,190)	121.8%	(570)	(319)	-126.8%	(251)
Increase (decrease) in accrued interest payable	312	14	-4.5%	326	(2,556)	-88.7%	2,882
Increase (decrease) in accrued property taxes	-	119	0.0%	119	119	0.0%	-
Increase (decrease) in other	611	(550)	-90.0%	61	1,234	105.2%	(1,173)
Net cash provided by (used in) operating activities	6,796	(3,247)	47.8%	3,582	1,626	83.1%	1,956
<u>Investing activities:</u>							
Purchases of property, plant and equipment, including debt component of AFUDC	(3,135)	(2,265)	-72.2%	(5,400)	306	5.4%	(5,706)
Proceeds from sales of property, plant and equipment	-	791	0.0%	791	791	0.0%	-
(Increase) decrease in restricted cash	-	-	0.0%	-	-	0.0%	-
Proceeds from sales of land	-	-	0.0%	-	-	0.0%	-
Net change in deferred land costs	-	-	0.0%	-	-	0.0%	-
Net cash provided by (used in) investing activities	(3,135)	(1,474)	-47.0%	(4,609)	1,097	19.2%	(5,706)
<u>Financing activities:</u>							
Advances (repayments) on line of credit	(2,728)	264	-9.7%	(2,464)	(1,337)	-118.6%	(1,127)
Payments on long term debt	(5,890)	1,226	20.8%	(4,664)	50	1.1%	(4,714)
Contributions in aid of construction	10	212	2120.0%	222	222	0.0%	-
Proceeds from long-term borrowings	6,785	1,047	15.4%	7,832	(401)	-4.9%	8,233
Debt issuance costs	(278)	(51)	18.3%	(329)	(2,120)	-118.4%	1,791
Dividends paid	(139)	-	0.0%	(139)	(2)	-1.7%	(137)
Net cash provided by (used in) financing activities	(2,240)	2,698	120.4%	458	(3,589)	-88.7%	4,047
Increase (decrease) in cash	1,421	(1,990)	140.0%	(569)	(865)	-292.0%	296
Cash and cash equivalents at beginning of period	14,403	(76)	-0.5%	14,327	(0)	0.0%	14,327
Cash and cash equivalents at end of period	\$ 15,824	(2,066)	-13.1%	\$ 13,758	(866)	-5.9%	\$ 14,624