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Pure Cycle Corporation

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PURE CYCLE CORPORATION

April 27, 2023

Price: \$9.68 | Target Price: \$10.76

- Analyst Recommendation: **BUY**
- Recurring revenue expansion from new rental segment, room to grow in Sky Ranch, and seeking new land development opportunities.
- Capitalizing on vertical integration, achieving efficiencies in their consistent revenue stream.
- Now maximizing the potential of its assets that have been acquired over past decades for future prosperity.

Valuation	2023E	2024E	2025E
Forward P/E	22.5x	22.0x	15.4.x
Forward EV/EBITDA	16.9x	16.4x	11.6x

Market Capitalization

Stock Price

Equity Market Cap:	224.769M	52-Week Range:	\$7.77-\$12.20
Enterprise Value:	212.03M	12-Month Stock Performance:	-9.70%
Shares Outstanding:	23.99M	Dividend Yield:	N/A
Estimated Float (MM):	0.04M	Book Value Per Share:	\$4.30
3-Mo. Avg. Daily Volume:	0.09M	Beta:	0.76
Short Ratio:	3.86	EV/EBITDA:	18.39

Company Quick View:

Pure Cycle Corporation (PCYO/NASDAQ) is a diversified water resource and land development company. Pure Cycle Corporation was founded in 1976 and is based in Watkins, Colorado. PCYO's operations are conducted exclusively in the Denver Metropolitan area. Pure Cycle provides water via the Rangeview Metropolitan District and is currently developing its Sky Ranch community by building infrastructure and finished lots for sale to home builders as well as single-family homes retained for rental.

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INVESTMENT SUMMARY / THESIS**Thesis statement:**

We rate Pure Cycle Corporation as a BUY with a target price of **\$10.76**. Pure Cycle has been expanding its recurring revenue in recent years. Over the last few decades, Pure Cycle acquired enough water assets to service 30,000 single-family equivalents (SFE) and is developing its 930 acres at Sky Ranch. Pure Cycle has diversified its revenue streams in a few ways. Its water services, the original core business, serves households, commercial customers, and the oil and gas industry. They have created demand through their vertical integration into the land development and single-family rental sectors. Despite external risks of market conditions and regulations, management's nimble opportunism, the low competition, and the hedge against interest rate risk all position Pure Cycle to outperform the market and create (or protect) value for investors.

Water, oil, and gas:

Pure Cycle earns money from initial water hookups, called tap fees, and then continues to receive recurring revenue from ongoing usage fees. They can also supply water to other providers if there is a shortage. Additionally, they generate income by servicing the oil and gas industry when demand is high. Thus, this segment itself is diversified.

Land development:

By providing ready-to-build land, Pure Cycle generates revenue from residential, commercial, retail, and light industrial lot sales. Pure Cycle streamlines the permitting process because it's the sole water provider to its own developments. Since the housing market is influenced by various factors such as economic conditions, population growth, employment opportunities, and government policies, Pure Cycle hedges this risk through their rental segment.

Single-family rentals:

Also promising and expected to generate regular cash flow is the new single-family rental segment, a highly competitive but growing market. This diversification of Pure Cycle's revenue cleverly hedges against interest rate risk, market swings, and takes advantage of the growth of the Denver Metropolitan Area.

Pure Cycle Corporation strengths are in the asset value of its water rights, diversification of business model, the synergies and efficiencies from the vertical integration, management's opportunism, dynamism, and eagerness to grow, and low-to-no competition. The opportunity for investors is to recognize this traction as the investor-friendly posture drives recognition.

Note that Pure Cycle's revenue growth is vulnerable to external risks from changes in the land development, housing, and oil and gas markets, as well as water rights regulations.



Figure 1: Five-Year Stock Price Performance of PCYO



Source: S&P Global NetAdvantage

ABOUT PURE CYCLE CORPORATION

Pure Cycle Corporation provides water and wastewater services, Finished Lots, and single-family rental units in the Metropolitan Denver Area.

Pure Cycle’s primary revenue segment is water and wastewater services, which contributed 43% of total revenue in fiscal year 2022. This segment’s revenue increased from \$9.7 million in fiscal year 2021 to \$10.1 million in 2022. Revenue here is growing due to increasing demand driven by population growth and industrialization, and reduced supply due to climate change and regulations.

This water segment comprises of two subcategories: the recurring sale of water and tap fees charged to customers. In 2022, the sale of water was 45% of sales, while tap fees represented 55%. As for the first subcategory, the company sold a total of **\$4.5 million** worth of water during 2022, which can be further divided into two primary customer categories: residential and commercial clients. Residential represented 10% of the sales, while just two hydrocarbon exploration companies represented 90%. Revenue is highly concentrated on these industrial clients because of the high demand of water required in oil and gas exploration. A single well needs between 10 and 20 million gallons of water, equivalent to 100 to 200 houses in an entire year. The Colorado State Land Board receives a royalty on certain water sales. Also, the company sold non-potable water to these two oil and gas companies at a price of \$14.76 per thousand gallons, significantly higher than the price of water sold to residents at \$4.17 per thousand gallons.

The second subcategory within the water segment is the tap fees charged to customers, which



generated **\$5.5 million** in revenue for the company. Tap fees are non-refundable fees payable when a building permit is granted for the construction of a home or business authorizing the property to connect to the water or wastewater system. Tap fees are divided into water and wastewater tap fees, with the former priced at \$28,308 and the latter priced at \$4,944 in 2022. The Land Board receives a royalty on certain water tap fees (not at Sky Ranch or Wild Point) but not the wastewater fee. These water tap fees generated \$4.1 million, 75% of the total fees subcategory. Wastewater tap fees generated 15% of the total, while wastewater treatment fees generated 4.5%. Special facilities generated 6.6% of the total fees, while other fees generated 2.4%. Treatment fees include a monthly base charge per SFE per month of \$32.74, along with other miscellaneous administrative and service expenses. Additionally, the company receives fees from developers for building infrastructure, which is usually the developer's responsibility.

Pure Cycle's water segment is driven by contractual agreements with certain metropolitan regions such as Rangeview Metropolitan District and Elbert & Highway 86 Commercial District. Such agreements secure Pure Cycle's revenue as no other company can provide water to households and businesses operating in those territories. Other customers of the water segment are local oil and gas companies.

The company's mission is to deliver safe, pure, and great-tasting water to its customers. Pure Cycle supplied 405 million gallons of water to customers in its fiscal 2022 and they own 29,900 acre-feet of water rights, 11 ground wells, 15 miles of distribution pipeline, three alluvial wells, 150 acre-feet of surface storage, two wastewater reclamation facilities, 20 miles of transition pipeline, and 2 million gallons of water storage. The company strategy over the last decade has been to acquire water rights, and as a result they currently own a diversified portfolio of water assets. By continuously seeking new opportunities to strengthen and expand its assets and services, Pure Cycle can position itself as a leading water utility in the region.

Alongside its advantages, the unique mix of Pure Cycle's water assets also pose some significant challenges. To utilize its significant water rights, the company will need to build infrastructure to deliver water to customers, which current estimates are roughly **\$900 million** for these costs. However, this would be funded by the tap fees, which for its water portfolio of 60,000 homes, would generate as much as \$2.0 billion in fees to the company. These tap sales and infrastructure expansion will take several decades to complete. And, the company must maintain and upgrade the infrastructure to keep up with changing demands and regulations.

The other two operational segments are exclusive to their Sky Ranch site: developing and selling lots for builders to construct new homes and, newly, rentals. Pure Cycle's land development business is focused on selling ready-to-build lots to national home builders in the Sky Ranch development in Arapahoe County, Colorado. After acquiring 930 acres of land in 2010, Pure Cycle held onto the property for seven years before starting development on a master-planned community. The company took advantage of its water assets, using them as a key differentiator by providing the water supply for the lots. Local regulations mandate developers to demonstrate 200 years of water supplies before granting a building permit. Pure Cycle has more than enough water assets to fulfill this requirement for the entire community. The company expects to keep developing Sky Ranch over the next several of years, 5,000 SFE's at build out.

Pure Cycle Water's second revenue segment, land development, generated \$12.9 million in revenue in fiscal 2022, accounting for 56% of the company's total revenue, an increase from \$7.5 million in 2021, reflecting the company's success in developing raw land into residential and commercial properties. This growth in revenue here is a result of increasing housing prices and the company speeding up construction processes.



Pure Cycle's Single-family Rental Units business is the third revenue segment and is also derived from their master-planned community development. The company plans to retain around 200 lots to rent to tenants, generating a consistent cash flow. Pure Cycle has already rented out their first four houses; The Single-family Rental Units segment provides a promising opportunity for Pure Cycle to generate consistent cash flows, maintain land assets that will appreciate, and hedge revenues against interest rate and housing market fluctuations.

This third revenue segment generates less than 1% of total revenue in fiscal year 2022, with \$0.1 million in revenue. Since this segment had no revenue in 2021, and is still in the early stages of development, we chose to emphasize the other two segments.

Pure Cycle's three business segments are vertically integrated because the company is expanding its water services customer base by creating the master-planned community. The community is situated within the Rangeview Metropolitan District, which is served exclusively by Pure Cycle as the only water supplier. By providing water and wastewater services to the community, Pure Cycle generates consistent cash flows from its water segment, while also selling ready-to-build lots to national construction firms and retaining some built lots to rent to tenants. This integration enables the company to leverage its expertise and resources across multiple business segments, creating synergies that benefit the overall growth and profitability of the company.

Figure 2: Sky Ranch



Source: Annual Report



VALUATION

Our valuation model utilized Discounted Cash Flows (DCF) and Market Multiples methods. Our target price for PCYO is \$10.76, based on an equal weighting of three techniques, P/E, EV/EBITDA and the DCF from Free Cash Flow (FCF). With the current stock price of Pure Cycle at \$9.68, it is an undervalued stock.

DCF

Since the upfront costs associated with the Sky Ranch property were already paid for, the company will continue to see gains going forward. Our expected Free Cash Flow to Equity (FCFE) value for 2023 of \$11.06 is an increase from the actual \$10.39 in 2022. We project the 2024 figure to fall back down to \$8.71, because fewer lots will be completed in 2024 in Sky Ranch.

We discounted our forecasted FCF and came up with the intrinsic value of \$10.76 per share, i.e. the present value of all the future cash flows. We calculated the cost of equity for our model at 8% using the Capital Asset Pricing Model, and we calculated a beta of 0.76, which when compared to its peer group average beta of .60 indicates that Pure Cycle is riskier than its peers.

In addition to this base case, we also calculated two other scenarios: optimistic and pessimistic. Our base analysis assumes that 100 homes will be added annually on a gross margin of 80%, which comes from the company guidance, resulting in that intrinsic value of \$10.76. For our optimistic scenario, we end up getting an intrinsic value of \$18.54, and lastly, our pessimistic scenario brings us to \$4.24.

Market Multiple

For our market multiple valuation, we calculated several ratios to compare them to those of our selected peers from the water and wastewater industry as well as the land development industry.

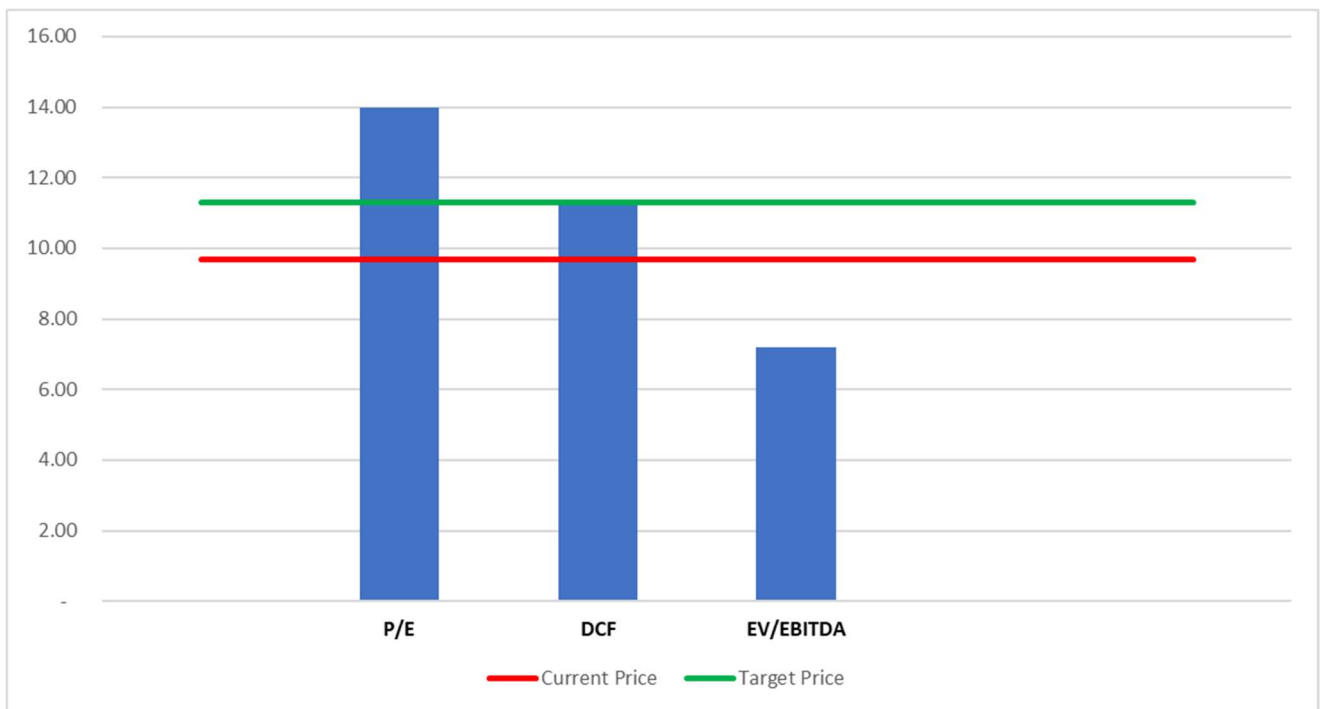
Pure Cycle's P/E ratio of 34.1 is slightly more than the peer average of 28.1. This higher P/E ratio means for every dollar of earnings, investors are paying less for the peer average companies.

While the market capitalizations for both Artesian and York are approximately double PCYO's, Pure Cycle has, on average, \$170 million less debt, making PCYO more liquid. Pure Cycle has less debt than the water and wastewater industry average, too. Since the EV/Rev ratio of 11.5 is higher than the peer average of 6.6, the company could look overvalued. However, investors might not end up minding this high EV/Rev ratio if they think the company will earn revenue in the future, due to expectations of more tap and lot fees from Sky Ranch plus more investments similar to Sky Ranch.

For Pure Cycle's EV/EBITDA multiple of 18.4 in comparison to the peer average of 15.4, one might say that Pure Cycle is again overvalued in comparison to its peers. This could indicate to investors different messages. One is that the company is potentially financially risky, which would cause concern for investors. However, it could also indicate that the market is pricing in the future profitability of Pure Cycle and its assets.



Figure 3: Average of Three-Part Valuation vs Current Price

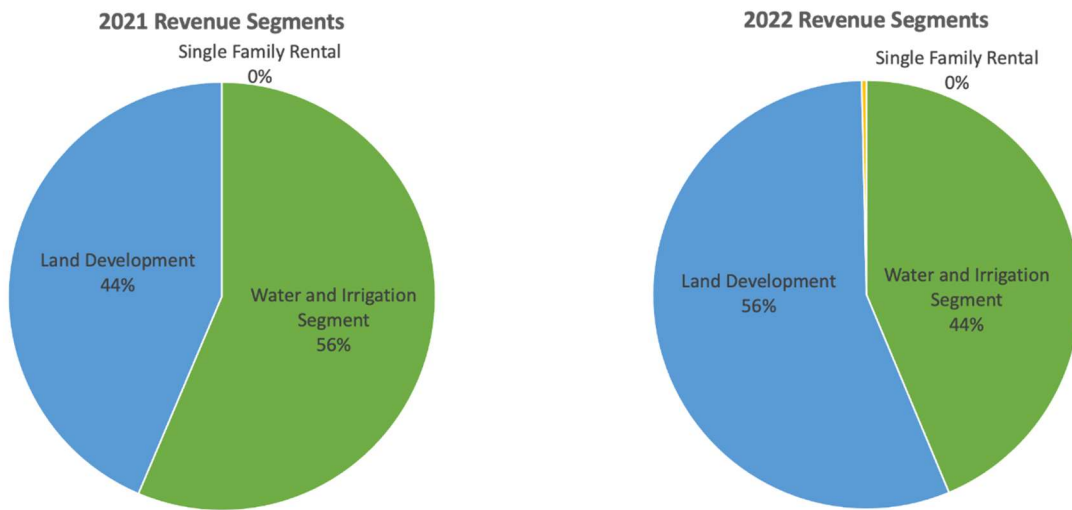




INDUSTRY ANALYSIS

Pure Cycle operates in three distinct industries: water supply, land development, and single family-home rental. The first industry involves supplying water to end consumers through various processes like water treatment, distribution, and wastewater collection infrastructure. The second segment is Land Development, which accounts for 56% of the company's revenue. This industry involves buying undeveloped land, subdividing it into lots for sale, and adding public infrastructure and utilities. Finally, Pure Cycle has entered the single-family unit rental market, which is a new revenue segment for the company. All the information provided in this section was sourced from IBIS World.

Figure 4: Revenue Segments Distribution 2021 and 2022



Water Supply and Irrigation Systems Industry

The first revenue segment is Water and Wastewater Resources, part of the Water Supply & Irrigation Systems industry. In 2022, the global industry generated \$90.5 billion in revenue, and Colorado's revenue accounted for **\$1 billion**. Over the past five years, the industry's revenue grew 1.6% nationally and 1.84% in Colorado. On the other hand, over the next five years, the forecasted annual growth rate for the industry is 0.9%, and the main drivers of this growth are the number of households, local and state government investment, agricultural price index, and average annual precipitation. The industry's growth will depend significantly on the availability of water supplies. Since the number of households is expected to increase, water demand will increase.

The Water Supply and Irrigation Systems Industry relies on three primary sources of water: groundwater, surface water, and purchased water. Groundwater is found underneath the surface and is extracted by pumping water through a well. Groundwater is a more cost-effective source of water due to its lower contamination levels and reduced treatment requirements compared to surface water. Surface water, on the other hand, can be found in rivers, lakes, reservoirs, streams, and creeks. Although it is more accessible than groundwater, it is frequently more expensive to exploit due to its higher levels of contamination. Lastly, companies in the industry use purchased water as a last resort when there is a shortage of water supply in the area. This source of water requires developed water infrastructure or transportation costs. The national water supply distribution is weighted into the following percentages:



26% groundwater, 67% surface water, and 7% purchased water.

Pure Cycle's distribution of 86% groundwater, 11% surface water, and 3% purchased water differs significantly from the industry average, giving the company a competitive edge in efficiency and cost effectiveness since groundwater assets require minimal treatment to be transported directly from the well to storage and then to customers.

The main markets for the water supply industry are households, commercial businesses, the public sector, and industrial markets. Households represent 62%, retail businesses represent 22%, public sector use represents 12%, and industrial markets represent 5%. Price inelasticity has been a characteristic of the market, meaning demand for water is not affected by the fluctuation in its price. Nonetheless, the industry faces growing concerns over water conservation and new policies to reduce water consumption. Raising water prices, which could be a strategy to decrease water consumption per capita in households, would potentially benefit the industry's margins. However, households, businesses, and public entities are expected to consume more water during the next decade due to economic and population growth.

Land Development Industry

The land development industry in the United States has been generating annual revenues of approximately \$11 billion annually, with a Compound Annual Growth Rate (CAGR) of 1%. IBIS World projects the CAGR for the next five years to be 0.8%, with a profit margin of 17%. Colorado generated **\$187 million** annually in revenue in this industry over the last decade.

The land development industry has three main markets: non-residential and non-building, residential, and other. The non-residential and non-building segment is the largest, accounting for 65% of the total market. It includes development projects for commercial buildings, manufacturing facilities, institutional structures, highways, streets, sidewalks, sewers, parking lots, outdoor recreational areas, sporting fields, and amusement buildings, which may be privately funded or funded by the government. This segment's revenue share has declined over the past five years, primarily because residential construction activity has increased at a faster pace. The spread of COVID-19 further diminished the demand for commercial construction and decreased corporate profit. As corporate profit rises over the next five years, this segment is expected to grow and reach pre-pandemic levels.

The residential market is the second-largest market for the land development industry, accounting for 21%. It comprises the development of single- and multi-family homes, condos, and residential communities. Residential construction boomed in the early stages of the COVID-19 pandemic as those who could afford it fled dense urban areas, which carried the industry through the worst of the pandemic and made up for losses from the stagnant non-residential construction sector.

The industry's main products and services include developing and subdividing operator-owned land for builders and developing and subdividing customer-owned land for lease and property management fees. Developing operator-owned land for residential use accounts for 45%, developing operator-owned land for non-residential use accounts for 16%, and developing and subdividing customer-owned land accounts for 39%. Operator-owned land operations are more than 60% of the services that the industry provides. Companies that develop their own land purchase the land for future developments and invest assets, which creates security for these companies as they have control over the projects.



Demand determinants for the land development industry include the availability of credit, consumer disposable income levels, and the rate of unemployment, which all strongly affect the residential sector's short-term demand. The availability of credit, consumer spending, corporate profitability, current and projected rental yields, and trends in industrial output affect commercial construction's demand. Interest rates significantly impact the market because high rates limit access to debt to develop real estate projects. Thus, the yield on the 10-year Treasury note matters.

Competition among key land developers is expected to intensify, particularly for smaller projects that require the purchase of narrow parcels of land in growth corridors. Rising operating costs, interest rates, and inflation will also hinder industry profit over the next five years. To remain profitable, land developers will have to compete for larger contracts, such as developing master planned communities that include better connection and standard of amenities (power, telecommunications, water, and sewage), and the availability of community services (schools, recreation, public transport, roads, and sidewalks). The large scale of these projects will provide developers the flexibility to negotiate input costs and secure favorable subcontractor rates. Despite these challenges, the land development industry is expected to continue growing steadily over the next five years.

In Colorado, metropolitan districts have become increasingly common in the land development industry. These quasi-governmental entities can borrow money against the future property taxes of the homes to be built. This borrowing is done through the sale of municipal bonds and reimburses developers for expenses related to public improvements such as sidewalks, sewers, and streets. The districts are run by a board of directors, which is typically made up of people connected to the developer of the subdivision project. This financing structure allows the costs of a project to be contained within its own footprint, and it ensures that development pays for itself. Due to their special tax treatment, metropolitan districts have become an attractive option for land developers looking to fund public improvements for their projects.

Over the past five years, the economic factors that influence real estate investment activity have vastly improved. However, the land development industry remains in a state of structural decline as well-funded home builders and real estate investment companies have become increasingly involved in the entire real estate development process. Large home builders such as D.R. Horton, Lennar, and others have taken advantage of easy access to credit and historically low-interest rates over the past five years, buying land for construction and development and crowding out land developers, which used to specialize in purchasing raw land and preparing sites for development.

In 2021, the spread of COVID-19 caused a decline in demand for land developers, diminishing the value of non-residential construction. However, as states resumed operations after the pandemic lockdown, demand returned.

In conclusion, the land development industry in the United States is expected to experience moderate growth over the next five years, primarily driven by a recovery in the non-residential and non-building segment. However, the industry's long-term outlook is uncertain due to the structural decline caused by the increasing involvement of home builders and real estate investment companies in the entire real estate development process.

SHAREHOLDER ANALYSIS

Institutional investors hold the majority of the company stock for Pure Cycle. Plaisance Capital LLC owns 11.2%, and BlackRock Inc. has another 4.5% of the company's common stock. Institutions



hold 48.2% of PCYO's shares, and 37.2% comes from the general public. The large number of institutional investors indicates a high level of interest in the company among professional investors. Pure Cycle's directors, officers, and other employees are eligible for stock options, and as of April 9th, 2023, 3.4% of the company shares are held by insiders.

The largest single owner of common stock, Plaisance Capital, is an employee-owned hedge fund sponsor. The firm, based in Denver, Colorado, invests in value stocks in the public equity market.

Figures 5: Ownership Summary of PCYO

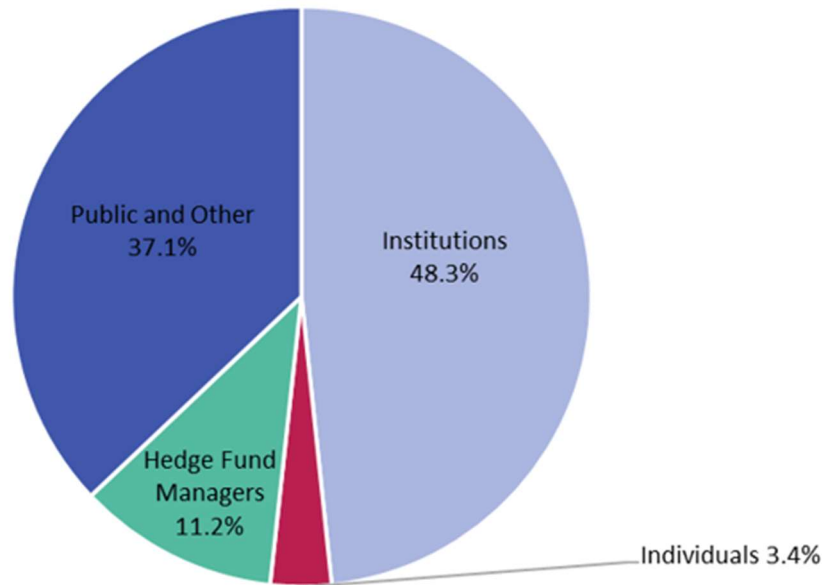


Table 1: Ownership Summary

Ownership Summary

Owner type	Common stock equivalent held (actuals)	% of total shares outstanding	Market value (US\$ M)
Institutions	11,593,935	48.3	110.6
Individuals/insiders	815,634	3.4	7.8
Hedge fund managers (>5% stake)	2,688,778	11.2	25.7
Public and other	8,888,298	37.1	84.8
Total	23,986,645	100.0	228.8

Source: S&P Global Net Advantage



MANAGEMENT PERFORMANCE AND BACKGROUND

The executive team at Pure Cycle Corporation is a knowledgeable group with experience in their respective fields. They lead a team of just 35 employees. All members of the executive team have risen through the ranks. From the President and CEO, Mark W. Harding, who has been with the company since 1990, to the Vice President of Land Development, Dirk Lashnits, who joined senior project management in 2017, every executive possesses a deep understanding of their respective fields and brings a wealth of knowledge and expertise to the company.

Mark W. Harding, Chief Executive Officer and Director, joined the company in 1990 as the Corporate Secretary and Chief Financial Officer (CFO). Then, he was appointed President in April 2001, became a Board of Directors member in February 2004, and was named Chief Executive Officer (CEO) in April 2005. Mr. Harding served as President, CFO, and CEO until April 2020. His background is in investment banking and public finance. He worked for Price Waterhouse management consulting services from 1988 to 1990. Harding is also involved in several advisory boards related to water and wastewater issues. He is the President and a board member of the Rangeview Metropolitan District, Sky Ranch Metropolitan District Nos. 1, 3, 4, 5, 6, 7, and 8, and the Sky Ranch Community Authority Board. Additionally, he is President of the South Metro Water Supply Authority. Mr. Harding holds a Bachelor's Degree in Computer Science and a Master of Business Administration (MBA) in finance from the University of Denver.

Kevin B. McNeill, Vice President, and Chief Financial Officer, was appointed Vice President (VP) and CFO on April 10, 2020. Mr. McNeill has over 26 years of experience in accounting and finance. From July 2018 through March 2020, he was the VP, CFO, and Chief Compliance Officer of TCG Group Holdings LLP, a privately held wealth management company based in Austin, Texas. Before that, from May 2012 to July 2018, Mr. McNeill was the Controller for First Western Financial Inc., where he played a crucial role in completing the company's initial public offering. Mr. McNeill started his career with Ernst and Young in Denver in the Audit and Advisory Business Services group, where he was promoted to Audit Manager. He later transitioned to corporate accounting and held various positions, including Controller, from 2004 to May 2012. Mr. McNeill is the Treasurer of the Rangeview Metropolitan District, Sky Ranch Metropolitan District Nos. 1, 3, 4, 5, 6, 7, and 8, and the Sky Ranch Community Authority Board. He is also a member of the American Institute of Certified Public Accountants (AICPA), Colorado Society of Certified Public Accountants (COCOA), CFO Leadership Council, and Financial Executives International. Mr. McNeill holds a Bachelor of Science in Accountancy and a Master of Accountancy from the University of Denver and is a licensed Certified Public Accountant (CPA).

Dirk Lashnits, Vice President of Land Development, was appointed in September 2020. Mr. Lashnits joined Pure Cycle in 2017 as a Senior Project Manager and currently serves as the Vice President of Land Development. Before joining Pure Cycle, he worked at Lennar from 2014 to 2017 and at Richmond American Homes for six months in 2013. Mr. Lashnits holds a degree in Civil Engineering from the Colorado School of Mines. His work has focused on the Front Range region of Colorado.

Scott Lehman, Vice President of Engineering, joined Pure Cycle in 2003 as an in-house engineer and water/wastewater systems operator. He now serves as Pure Cycle's Vice President of Engineering. Mr. Lehman is a Professional Engineer with 40 years of experience in planning, designing, constructing, and operating water and wastewater systems. He holds a Bachelor's degree in Civil Engineering from the University of Colorado, Boulder, and a Master of Science from Stanford University.



PEER ANALYSIS

Pure Cycle Corporation's peer companies are from various industries, as Pure Cycle is not just involved in one industry but at least three, including Water and Wastewater Resource Development and Land Development. Pure Cycle's peer companies also specialize in various industries, such as Real Estate, Residential Building Operators and Lessors, and Water Supply. Pure Cycle's peers in this analysis are mostly Water Supply companies, but to account for the various industries that Pure Cycle participates in, we have included a Land Development peer as well. Pure Cycle's closest peers are summarized below.

Global Water Resources Inc. (GWRS) is a water resource management company that manages regulated water, wastewater, and recycled water utilities, primarily in metropolitan Phoenix, Arizona. Global Water, headquartered in Phoenix, provides water services to over 74,000 residents in over 27,000 homes.

Consolidated Water Co. Ltd (CWCO), with its subsidiaries, designs, constructs, manages and operates water production and water treatment plants primarily in the Cayman Islands, the Bahamas, and the United States. Consolidated Water is located in the Cayman Islands and uses reverse osmosis technology to produce potable water from seawater.

AMREP Corporation (AXR), through its subsidiaries, primarily engages in real estate. The company operates through two segments: Land Development, and Homebuilding. The company sells developed and undeveloped lots to homebuilders, commercial and industrial property developers, and others. As of July 1, 2022, it owned approximately 17,000 acres in Sandoval County. AMREP Corporation was founded in 1961 and has its headquarters in Havertown, Pennsylvania.

The York Water Company (YORW) impounds, purifies, and distributes drinking water. It owns and operates three wastewater collection systems, eight wastewater collection and treatment systems, and two reservoirs, including Lake Williams and Lake Redman, which hold approximately 2.2 billion gallons of water. The company is based in York, Pennsylvania and was incorporated in 1816.

Artesian Resources Corporation (ARTN.A) was founded in 1905 and is headquartered in Newark, Delaware. Artesian provides water, wastewater, and other services in Delaware, Maryland, and Pennsylvania through its subsidiaries. The company distributes and sells water to residential, commercial, industrial, governmental, municipal, and utility customers. It also provides water for public and private fire protection in those states, and offers wastewater collection, treatment infrastructure, and wastewater services directly to customers in Delaware.

Note: In the table and graph on the following page is the financial data for Pure Cycle and its competitors, pulled from Yahoo Finance.

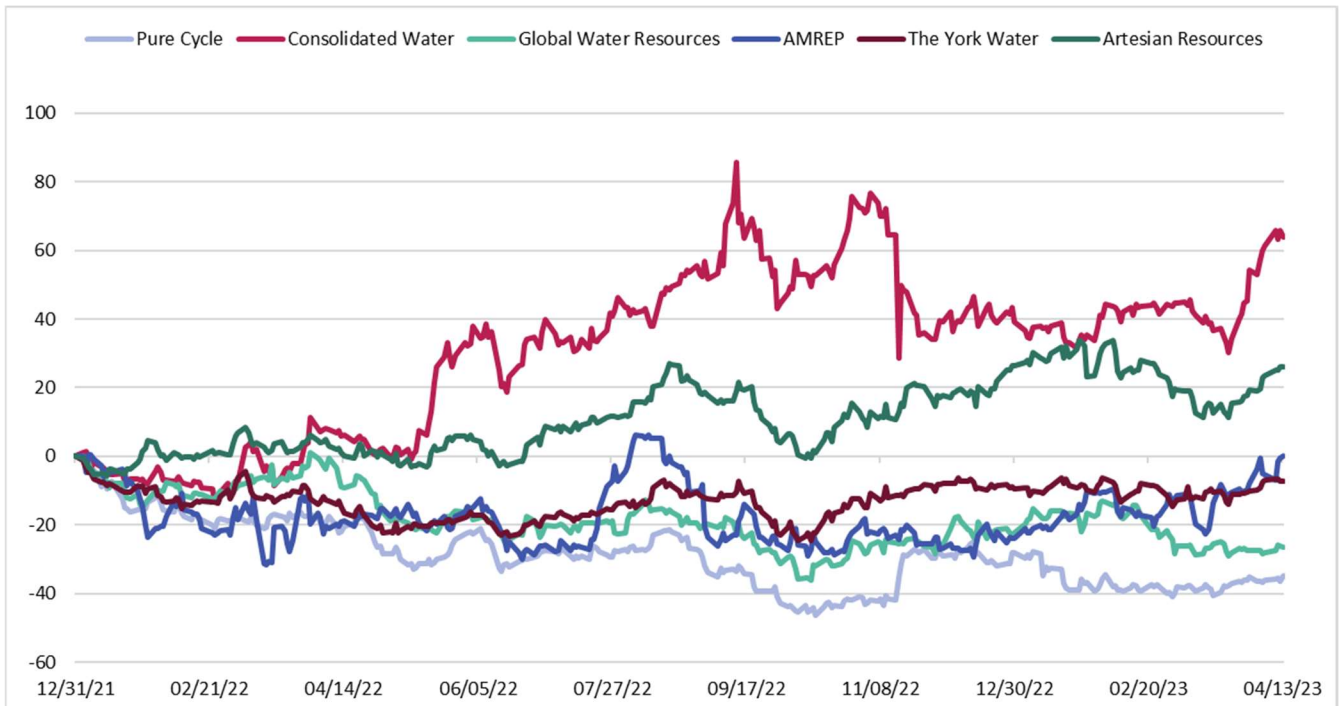


Table 1: Peer Financial Comparison (mm)

Company	Pure Cycle Corp.	Consolidated Water Co. Ltd	Global Water Resources Inc.	AMREP Corporation	The York Water Company	Artesian Resources Corporation
Ticker	PCYO	CWCO	GWRS	AXR	YORW	ARTN.A
Exchange	NasdaqCM	NasdaqGS	NasdaqGM	NYSE	NasdaqGM	NasdaqGM
Market Cap	226	273	302	78	665	548
Price	9.11	17.21	11.67	14.99	44.26	56.19
Revenue	20	82	44	63	60	99
Gross Profit	13	27	34	27	46	48
EBITDA	13	8	20	22	35	45
Net Income	8	5	5	16	20	18
Shares Out.	24	15	23	5	14	8

Source: Yahoo Finance: April 20, 2023

Figure 6: Peer Stock Price Comparison since 2022



Source: S&P Global NetAdvantage



RISK ANALYSIS

As we analyze Pure Cycle, we note that various risks, including external factors, could have a significant impact on the company's operations, revenue generation, profitability, and stock price. These risks fall under three categories: Operational Risks, Regulatory Risks, and Financial Risks.

Pure Cycle's revenue comes from their assets. Changes in the land development industry, the housing market, and the oil and gas markets could have a significant impact on the company. Moreover, changes in water rights regulations are a significant risk factor. Any regulatory changes in water quality or rights could have a significant impact on the company's operations and should be closely monitored.

Regulatory Risks

The Colorado Public Utilities Commission (CPUC) could potentially impact the operations of the company, even though it is not currently regulated as a utility company. Since the company supplies water to the Rangeview district, CPUC may seek to regulate rates and fees, conduct inspection enforcement and compliance activities, and assist consumers with complaints. This could result in additional expenses and disruption to the company's operations. Regulations and water utilities in Colorado are overseen by the Public Utilities Commission, whose mission is to ensure safe, reliable, and quality water services for customers on just and reasonable terms. However, not all water utilities in Colorado fall under Commission oversight. Pure Cycle is not regulated by them.

The company is regulated by federal and state agencies such as the U. S. Environmental Protection Agency (EPA) and the Department of Public Health and Environment. Any changes in the federal regulations governing the company's water supply would have a direct impact on operations and profitability.

Additionally, any changes in Colorado law that relate to water rights could also have an impact on the company. Colorado has a "Prior Appropriation System," where the court renews the water rights every six years. By granting water rights to individuals or entities that "demonstrate appropriate and strategic use of the resource," this system controls who uses how much water, the types of uses allowed, and when those waters can be used. Failure to maintain its rights could harm Pure Cycle.

Finally, adjacent regulations could hurt Pure Cycle. An important client group, oil and gas companies, are primarily regulated by the Federal Energy Regulatory Commission (FERC). In Colorado, the development and production of natural resources of oil and gas are also regulated by the Colorado Oil and Gas Conservation Commission (COGCC), which aims to protect public health, safety, welfare, the environment, and wildlife resources by enforcing wellbore integrity. Furthermore, Colorado is a 'local control' state, meaning local governments make most land use decisions, such as adopting zoning and building codes. Finally, tenant rights in Colorado grant tenants the right to habitable housing, which includes requesting high-quality services and repairs in a reasonable amount of time. These regulations including water rights, utilities, oil and gas, land development, and tenant rights affect the environment that Pure Cycle operates in.

Operational Risks

The water supplies might change drastically, affecting the operation's ability to generate profits. Droughts could dry up water sources and harm the durability of, or cost of, construction through soil or foundation preparation.



Furthermore, the company develops and manages real estate, yet management does not have extensive experience in these industries. Pure Cycle is currently operating through third parties to develop their land development segment. And, the company is preparing to streamline a chain of command to communicate directly with management for more efficient labor when developing land.

Financial Risks

Pure Cycle depends on customers to pay their water bills, renters to pay their rents, and homebuilders to pay for constructed lots. An economic downturn might affect the ability of customers to pay their obligations. Real estate has a high dependence on macroeconomic conditions. Interest rates and employment could affect revenue and expenses.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

More investors are expecting companies to report on more than just their bottom line but also on their positive impacts for their employees, communities, and the environment. At Anderson Reports, we assess our companies' contributions to multiple stakeholders to create a better world. Pure Cycle Corporation recognizes its ESG impact and the importance of high moral and ethical standards. As a water provider and land developer, Pure Cycle implements strategies that benefit many stakeholders.

Environmental Sustainability

Pure Cycle is committed to sustainable water management and conservation practices. The company has invested in state-of-the-art technology to reduce water waste and promote efficient water use. Pure Cycle owns two reclamation facilities that can reclaim and treat 100% of Sky Ranch Community's wastewater. The treated water is redirected to outdoor parks, open spaces for irrigation, and non-discharge industrial operations, such as construction activities at the master-planned community. These areas have been equipped with advanced rain meters to avoid over-watering landscapes when there is sufficient moisture. These practices prolong the water cycle, making it more efficient and profitable.

Moreover, Pure Cycle has implemented measures to reduce water loss and leakage. The company continuously monitors its water distribution system for leaks and uses smart meters to detect abnormal activity. When a leak is detected, the company promptly locates and repairs it. If a leak is located at a consumer's house, the household is notified, and further investigation is carried out. Over the last two years, Pure Cycle's non-revenue real water loss has been around 10%, which is below the industry average of 16%, and near the EPA's target goal of 10%.

Additionally, Pure Cycle has implemented a tiered pricing system to incentivize customers to use water more efficiently. The company has also established guidelines to protect the water supply from pollution, corrosion, and heavy metal contamination.

Pure Cycle has also taken some initiatives to improve its energy efficiency, such as installing LED bulbs in its new reclamation facility and participating in its energy provider Xcel Energy's Variable Frequency Driver Rebate Program. In 2022, Xcel's energy sourced from renewables was 38.3%, a 3% increase from the previous year.



Social Responsibility

Pure Cycle Corporation is committed to providing high-quality water services while promoting water conservation. The company ensures the safety of its water supply by routinely sampling and testing its water to comply with and exceed the Colorado Department of Public Health & Environment (CDPHE) standards.

Pure Cycle also demonstrates its commitment to social responsibility through personalized payment plans for customers facing financial hardship. In addition, the company fosters a diverse and inclusive work environment by monitoring employee satisfaction through bi-annual surveys and promoting open communication between employees and management.

Furthermore, Pure Cycle is working towards diversifying its board and providing equal opportunities for all employees. The company values workforce diversity and strives to maintain workplaces free from discrimination or harassment. Overall, Pure Cycle Corporation is dedicated to upholding high ethical and social standards in its operations, and continuously seeks to improve its social impact.

Governance

The Board of Directors includes six members, four of whom are independent. To oversee the company's affairs, the Board has several committees, including the audit committee, compensation committee, and nominating and governance committee.

Pure Cycle has committed to diversifying its Board by adding qualified female and racially diverse members. They have already appointed one female Board member, and going forward, they have pledged to interview at least one female and one person of color for all open board seats. The company also ensures that all employees, including senior executives, adhere to strict ethical and legal standards, with regular training and certification programs.

The Sky Ranch master-planned development complies with Colorado regulations and is governed by the Sky Ranch Community Authority Board (CAB). The CAB is responsible for governing the community and is composed of elected officials appointed by the Metro Districts. While Pure Cycle currently controls the Board, any citizen living in the Metro Districts is eligible to run for election. The CAB oversees various tasks, such as statutory compliance, budgeting, maintenance of parks and open spaces, and infrastructure development.

To ensure that the community voice is heard, the CAB created the Citizens Advisory Committee (CAC). The CAC is a non-governing committee of volunteer residents who gather community concerns, questions, and ideas to present to the CAB. The Committee's main goal is to ensure that Sky Ranch remains a great community by working with the CAB to address community issues and concerns.



JOHN ROTONTI'S INVESTING CHECKLIST

1. Does the business have a strong balance sheet, preferably with net cash? Yes

Net cash and cash equivalents are more than \$34 million as of August 2022. This positive financial stance allows Pure Cycle to cover any future unpredictable financial declines.

2. Can the business generate organic revenue growth powered by a large market opportunity and/or long-term tailwinds? Yes

With Pure Cycle Corporation in different industries, with multiple revenue streams, they are almost a diversified portfolio themselves. We expect revenue growth from their valuable and scarce assets in the land development and water rights.

3. Does the business have rising or stable margins, with particular emphasis on gross margins and NOPAT margins?

From 2013-2018 Pure Cycle experienced a negative NOPAT value range of -1.09 and -1.40, respectively. In 2019, they started to actualize a positive NOPAT value of 3.00, which we estimate to continue to rise in 2031.

4. Can the business generate high (or increasing) ROIC, growing earnings, and FCF?

Pure Cycle's Return on Invested Capital follows suit closely with its NOPAT values. For 2014 to 2018, ROIC was -1.5% to -3.4%, mostly due to the investment in Sky Ranch appearing. However, in more recent years, Pure Cycle has started to recognize revenue from some of that invested capital as Sky Ranch comes to fruition.

5. Is the business led by an exceptional CEO and quality leadership team? Yes

Pure Cycle Corporation is led by a fantastic team of individuals, starting with their CEO Mark W. Harding, who has extensive knowledge spanning over 25 years in the Colorado water and wastewater industry. The CFO Kevin McNeill himself also has over 25 years in finance and accounting experience. All of the executive team at Pure Cycle has a focus on a particular field for the company and executes their role effectively.

6. Does the business have recurring revenue and/or pricing power? Yes, and partially.

In addition to the upfront fee of tap fees, Pure Cycle earns recurring revenue from water service and will grow this revenue as they continue to expand their real estate portfolio. But, they have little to no pricing power on water service. With the water rights to all of the properties in Sky Ranch, they ensure a perpetual revenue stream for themselves.

7. Does the company have a medium (or lower) risk profile? Yes

Pure Cycle is a vertically integrated and diversified utility.

8. Is the business executing well (is it experiencing strong business momentum?) Yes

Pure Cycle is executing their various business lines well, as they are continuing to expand its Sky Ranch property through its development. However, with their relatively inconsistent growth rates over the last few years, we cannot say they are experiencing a strong consistent business momentum.

9. Is the company driven by a mission beyond maximizing profits for shareholders? Yes

Pure Cycle's mission is "to deliver safe, pure, great-tasting water from its source to our customers." They not only ensure that they control the water at its source through its water rights, but they also control the quality of that water is up to par and delivered safely to its customers. The Sky Ranch property is also in partnership with the National Heritage Academies Corporation to develop the Sky Ranch Academy, which indicates their commitment to developing the community of Sky Ranch.



10. Does the business have multi-bagger potential? No

The company has put in significant capital to its Sky Ranch property and will continue to see growth over time in Sky Ranch as people move in. However, the nature of a diversified utility is more stable stock rather than a volatile >100% growth stock. We like the company and the stock, but we don't have the evidence in our assumptions to see a multi-bagger in the short run.

OUTSIDE INDEPENDENT RESEARCH (EXPERT INTERVIEWS)

On two occasions we interviewed Rick Rome, an engineer and water rights expert. Rome emphasized the essential role of water in all land development projects. In Colorado, the primary source of water is the continental divide. The allocation and distribution of water is a matter of great interest to local companies such as Bromley Company, H2O Projects, and Pure Cycle Corporation.

They spend resources on Water Right Adjudication, a legal process to resolve water right conflicts and the companies interested in acquiring the water from its original source to buy and resell the water. The adjudication process helps to settle disputes over water rights that were previously controlled by farmers and miners and determines how much water is available for use. These companies compete with farmers and miners for the right to access water from the available sources, and through various means. Additionally, this process plays a crucial role in determining the amount of water available in both groundwater and surface water, as well as their respective values.

Legal disputes can arise when determining rights to water. A simple, permissible, and low-cost method of collecting rainwater might be a primitive catchment mechanism that can be an effective solution for individual households or small communities with limited access to clean water. The classic example is the individual who collects water using a barrel to catch and store rainwater. However, implementing such a system on numerous properties can cause a violation. Furthermore, it may not be sufficient for larger-scale water needs.

Water rights are "blue gold." Water rights are so valuable due to scarcity, the constant and virtually inelastic demand for water, and the ability to treat or augment it during its lifecycle. Pun intended, Pure Cycle showed the importance of effective liquidity management when bad economic conditions forced them to sell their Arkansas Basin rights to improve their balance sheet. Finally, Rome agreed that Pure Cycle's advantage lies in the independent ownership of both land and water assets, which allows for diversification and a customer pipeline.

In terms of funding, there are two common and widely used practices. The first is known as a "public-private contract," which involves using bonds to secure funding, which means that the private company takes on the financial risk. The second method involves the municipality exercising its right to tax and secure funding, leading the municipality to have more control over the resources. Each of these methods has its own set of advantages and disadvantages.

Rome believes that the current system is a mess, and that the most effective way to bring about lasting and meaningful improvements is through federal legislation, which would help to address the negative consequences of past unilateral legislation that was based on inaccurate predictions or flawed water models, such as those that came from areas with significantly greater rainfall. Specifically, he suggests that the Clean Water Act of the 1990s would need to be either repealed or significantly reformed in order to eliminate the obstacles that hinder the success of communities.



COMPANY VISIT



On March 3rd, 2023, our analyst team visited Pure Cycle Water Corporation's (PCYO) land development site, Sky Ranch. As an asset-based company, PCYO aims to increase investor recognition. The company has taken measures to ensure they have the necessary expertise to manage its expanding assets, focusing on creating a linear platform for this purpose. The management team, consisting of Vice President and Chief Financial Officer (Principal Financial and Accounting Officer) Kevin B. McNeill, and Chief Executive Officer and Director, Mark W. Harding, explained their roles and expectations to continue expanding their assets and shared their current standing and plans with us. During the visit, we witnessed the water purification and recycling process and appreciated the associated odors.

The management team is committed to expanding their land acquisitions and growing inventory. They take pride in following the ESG framework to help evaluate their approach to issues such as the use of green energy, air and water pollution, diversity in hiring, and gender equality. Their biological wastewater plant treats water using various biological methods, including locally developed bacteria, to improve water quality. The PCYO water treatment plant has a capacity of 400,000 gallons per day but is currently operating at 60,000 gallons a day, cycling five times a day through the basin we saw. The company calculates the average family home water utility based on the coldest month of the year, as they estimate that only at that time of year does 100% of the water, they send return directly to their facility. The company must analyze the water usage throughout the year to help the team better understand the amount of water returned to the facility directly. Each family home utilizes an average of 100 gallons daily, and the company charges a monthly flat fee of \$30 and a tiered usage fee to monitor consumption. They compare their rates with three other surrounding water facilities and stay below this average price.



At the Sky Ranch sequencing batch reactor plant, the water facility consists of two basins and one mixer, with all large particles removed before they reach the basin. The fine bubble diffusers, along with the mixers, help provide oxygen to the process. The sewage is 99.9% water and 1% solid, homogenized before entering the bay with bacteria that consume nitrate, ammonia, carbon, and solid particulates.

We found no red flags, observed significant construction work, and were impressed by PCYO's expertise, enthusiasm, scope, and scale



Pure Cycle Corporation. Inc.
Annual Earnings
In millions

	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Revenue	1.84	1.98	1.08	0.32	1.13	6.79	20.19	25.86	17.13	23.00	23.02	23.72	33.68	40.95	45.73	35.84	40.80	45.75	50.75
Other Revenue	0.02	0.04	0.12	0.13	0.10	0.17	0.17	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	1.86	2.02	1.20	0.45	1.23	6.96	20.36	25.86	17.13	23.00	23.02	23.72	33.68	40.95	45.73	35.84	40.80	45.75	50.75
Cost Of Goods Sold	0.30	0.63	0.59	0.36	0.42	3.51	12.98	16.70	4.95	4.89	4.60	4.74	6.74	8.19	9.15	7.17	8.16	9.15	10.15
Gross Profit	1.55	1.40	0.61	0.09	0.80	3.45	7.39	9.16	12.18	18.11	18.41	18.98	26.95	32.76	36.58	28.67	32.64	36.60	40.60
Selling General & Admin Exp.	2.01	2.50	1.93	1.84	2.19	2.84	3.11	4.25	5.14	5.89	5.90	6.08	8.63	10.49	11.71	9.18	10.45	11.72	13.00
Depreciation & Amort.	0.31	0.20	0.35	0.42	0.73	0.90	1.28	1.72	1.77	2.13	1.78	1.79	1.63	1.71	1.81	1.92	2.04	2.16	2.31
EBIT (Loss)	(1.09)	(1.24)	(1.68)	(2.18)	(2.13)	(0.31)	3.00	2.94	5.27	10.10	10.74	11.11	16.69	20.55	23.06	17.57	20.15	22.71	25.29
Interest Expense	(3.52)	-	-	-	-	-	-	-	-	(0.09)	1.86	1.85	1.84	1.70	1.12	0.97	0.83	0.68	0.52
Interest and Invest. Income	0.03	0.01	0.02	0.24	0.26	0.21	0.30	0.18	2.96	1.94	-	-	-	-	-	-	-	-	-
Net Interest Exp.	(3.49)	0.01	0.02	0.24	0.26	0.21	0.30	0.18	2.96	1.85	1.860	1.854	1.845	1.700	1.117	0.972	0.828	0.677	0.518
Other Non-Operating Inc. (Exp.)	0.43	0.69	1.08	0.71	0.19	0.24	0.23	7.23	18.37	0.76	0.76	0.79	1.12	1.36	1.51	1.19	1.35	1.52	1.68
EBT (Loss)	(4.15)	0.29	(0.58)	(1.23)	(1.68)	0.13	3.53	8.92	26.59	12.71	13.36	13.75	19.65	23.61	25.69	19.73	22.33	24.91	27.49
Income Tax Expense	-	-	-	-	-	(0.28)	(1.28)	2.17	6.48	3.09	3.24	3.34	4.77	5.74	6.24	4.79	5.42	6.05	6.68
Net Income (Loss)	(4.15)	(0.31)	(23.13)	(1.31)	(1.71)	0.41	4.81	6.75	20.11	9.62	10.11	10.41	14.88	17.88	19.45	14.94	16.91	18.86	20.81



Pure Cycle Corporation. Inc.
Annual Earnings
Selected Common Size

	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Revenue	99%	98%	90%	71%	92%	98%	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Other Revenue	1%	2%	10%	29%	8%	2%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost Of Goods Sold	16%	31%	49%	80%	34%	50%	64%	65%	29%	21%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Gross Profit	84%	69%	51%	20%	66%	50%	36%	35%	71%	79%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Selling General & Admin Exp.	108%	123%	161%	407%	179%	41%	15%	16%	30%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
Depreciation & Amort.	17%	10%	29%	93%	60%	13%	6%	7%	10%	9%	8%	8%	5%	4%	4%	5%	5%	5%	5%
EBIT	-59%	-62%	-140%	-482%	-174%	-4%	15%	11%	31%	44%	47%	47%	50%	50%	50%	49%	49%	50%	50%
Interest Expense	-190%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%	8%	5%	4%	2%	3%	2%	1%	1%
Interest and Invest. Income	2%	1%	2%	53%	21%	3%	1%	1%	17%	8%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net Interest Exp.	-188%	1%	2%	53%	21%	3%	1%	1%	17%	8%	8%	8%	5%	4%	2%	3%	2%	1%	1%
Other Non-Operating Inc. (Exp.)	23%	34%	90%	157%	16%	3%	1%	28%	107%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
EBT	-223%	14%	-48%	-272%	-137%	2%	17%	34%	155%	55%	58%	58%	58%	58%	56%	55%	55%	54%	54%
Income Tax Expense	0%	0%	0%	0%	0%	-4%	-6%	8%	38%	13%	14%	14%	14%	14%	14%	13%	13%	13%	13%
Net Income	-223%	-15%	-1933%	-290%	-139%	6%	24%	26%	117%	42%	44%	44%	44%	44%	43%	42%	41%	41%	41%



Pure Cycle Corporation. Inc.
Annual Earnings
Selected Common Size

YEAR TO YEAR CHANGE	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Revenue	0%	8%	-46%	-70%	252%	501%	197%	28%	-34%	34%	0%	3%	42%	22%	12%	-22%	14%	12%	11%
Other Revenue	0%	175%	185%	9%	-25%	71%	1%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Revenue	0%	9%	-41%	-62%	172%	467%	193%	27%	-34%	34%	0%	3%	42%	22%	12%	-22%	14%	12%	11%
Cost Of Goods Sold	0%	107%	-6%	-38%	17%	730%	270%	29%	-70%	-1%	-6%	3%	42%	22%	12%	-22%	14%	12%	11%
Gross Profit	0%	-10%	-56%	-85%	794%	329%	114%	24%	33%	49%	2%	3%	42%	22%	12%	-22%	14%	12%	11%
Selling General & Admin Exp.	0%	24%	-23%	-5%	19%	29%	9%	37%	21%	15%	0%	3%	42%	22%	12%	-22%	14%	12%	11%
Depreciation & Amort.	0%	-37%	77%	21%	75%	23%	42%	35%	3%	20%	-16%	0%	-9%	5%	6%	6%	6%	6%	7%
EBIT	0%	14%	35%	30%	-2%	-86%	-1071%	-2%	79%	92%	6%	3%	50%	23%	12%	-24%	15%	13%	11%
Interest Expense	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	-2166%	0%	-1%	-8%	-34%	-13%	-15%	-18%	-23%
Interest and Invest. Income	0%	-64%	71%	1031%	7%	-20%	45%	-40%	1560%	-34%	-100%	0%	0%	0%	0%	0%	0%	0%	0%
Net Interest Exp.	0%	-100%	71%	1031%	7%	-20%	45%	-40%	1560%	-37%	1%	0%	-1%	-8%	-34%	-13%	-15%	-18%	-23%
Other Non-Operating Inc. (Exp.)	0%	61%	58%	-34%	-72%	21%	-2%	3033%	154%	-96%	0%	3%	42%	22%	12%	-22%	14%	12%	11%
EBT	0%	-107%	-301%	114%	36%	-108%	2559%	153%	198%	-52%	5%	3%	43%	20%	9%	-23%	13%	12%	10%
Income Tax Expense	0%	0%	0%	0%	0%	0%	355%	-269%	199%	-52%	5%	3%	43%	20%	9%	-23%	13%	12%	10%
Net Income	0%	-92%	7326%	-94%	31%	-124%	1060%	40%	198%	-52%	5%	3%	43%	20%	9%	-23%	13%	12%	10%



Pure Cycle Corporation, Inc.
Annual Balance Sheets
In millions

	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
ASSETS																			
Cash And Equivalents	2.45	1.75	37.09	4.70	5.58	11.57	4.48	21.80	20.12	34.89	45.96	54.67	68.93	84.49	102.08	112.29	127.23	144.84	165.06
Short Term Investments	-	-	-	23.18	20.06	8.72	5.19	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash & ST Investments	2.45	1.75	37.09	27.87	25.63	20.28	9.67	21.80	20.12	34.89	45.96	54.67	68.93	84.49	102.08	112.29	127.23	144.84	165.06
Accounts Receivable	0.58	1.63	0.16	0.18	0.66	1.07	1.10	1.12	1.53	2.43	2.43	2.50	3.55	4.32	4.82	3.78	4.30	4.82	5.35
Other Receivables	0.06	0.05	0.15	0.17	0.22	-	0.14	1.59	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable	6.66	-	-	-	-	-	-	-	16.00	-	-	-	-	-	-	-	-	-	-
Total Receivables	7.30	1.68	0.31	0.35	0.88	1.07	1.24	2.71	17.53	2.43	2.43	2.50	3.55	4.32	4.82	3.78	4.30	4.82	5.35
Inventory	-	-	-	-	-	5.20	11.61	0.48	0.61	-	-	-	-	-	-	-	-	-	-
Prepaid Exp.	0.15	0.34	0.23	0.35	0.50	1.37	1.02	1.00	0.46	0.47	0.45	0.47	0.66	0.80	0.90	0.70	0.80	0.90	1.00
Other Current Assets	-	0.70	1.96	0.23	0.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	9.90	4.46	39.58	28.81	27.12	27.92	23.54	25.99	38.72	37.79	48.83	57.63	73.14	89.61	107.80	116.78	132.33	150.57	171.41
Gross Property, Plant & Equipment	90.66	90.95	27.67	28.74	34.75	34.25	50.43	56.52	61.07	67.09	70.14	73.82	77.88	82.10	86.48	91.05	95.82	99.99	103.48
Accumulated Depreciation	(2.21)	(2.38)	(1.11)	(1.35)	(1.63)	(2.18)	(2.81)	(3.76)	(5.04)	(6.25)	(10.40)	(12.19)	(13.81)	(15.53)	(17.34)	(19.26)	(21.29)	(23.46)	(25.76)
Net Property, Plant & Equipment	88.44	88.58	26.55	27.39	33.12	32.06	47.62	52.76	56.03	60.84	59.74	61.63	64.07	66.57	69.14	71.79	74.52	76.53	77.72
Long-term Investments	-	-	-	6.85	0.19	0.19	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Intangibles	3.84	5.91	6.25	6.27	7.71	9.32	7.76	7.44	7.11	7.03	7.11	7.11	7.11	7.11	7.11	7.11	7.11	7.11	7.11
Loans Receivable Long-Term	0.56	7.64	0.59	0.63	0.78	0.91	0.99	1.08	9.96	18.33	18.33	18.33	18.33	18.33	18.33	18.33	18.33	18.33	18.33
Deferred Tax Assets, LT	-	-	-	-	-	0.28	1.28	-	-	-	-	-	-	-	-	-	-	-	-
Other Long-Term Assets	5.88	1.59	0.09	0.92	0.87	1.23	2.54	2.49	5.37	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24
Total Assets	108.62	108.17	73.06	70.88	69.79	71.91	83.72	89.76	117.18	129.23	139.26	149.95	167.89	186.86	207.62	219.24	237.54	257.78	279.81



Pure Cycle Corporation, Inc.
Annual Balance Sheets
In millions

LIABILITIES	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Accounts Payable	0.17	1.38	0.17	0.16	0.49	0.79	0.17	0.18	1.79	0.85	0.83	0.85	1.21	1.47	1.64	1.29	1.47	1.64	1.82
Accrued Exp.	0.26	0.16	0.46	0.21	0.34	0.49	0.62	0.90	0.83	1.60	1.56	1.61	2.29	2.78	3.10	2.43	2.77	3.10	3.44
Current Portion of Long-Term Debt	4.67	0.93	-	-	-	-	-	-	-	0.01	-	-	-	-	-	-	-	-	-
Curr. Port. of Cap. Leases	-	-	-	-	-	-	-	0.07	0.08	0.08	-	-	-	-	-	-	-	-	-
Curr. Income Taxes Payable	-	-	0.29	-	-	-	-	-	4.16	2.53	2.53	2.53	2.53	2.53	2.53	2.53	2.53	2.53	2.53
Unearned Revenue, Current	0.07	0.09	0.06	0.07	0.06	0.42	4.70	3.44	2.41	4.85	4.85	5.00	7.09	8.63	9.63	7.55	8.59	9.64	10.69
Other Current Liabilities	0.24	0.72	0.52	0.03	0.05	0.36	2.80	1.63	3.19	0.91	0.98	1.05	1.18	1.31	1.46	1.54	1.67	1.81	1.97
Total Current Liabilities	5.40	3.27	1.50	0.48	0.94	2.05	8.30	6.22	12.46	10.82	10.75	11.04	14.30	16.72	18.37	15.34	17.03	18.73	20.46
Long-Term Debt	3.21	4.03	-	-	-	-	-	-	-	3.95	3.94	3.93	3.73	2.41	2.08	1.79	1.49	1.17	0.84
Capital Leases	-	-	-	-	-	-	-	0.12	0.04	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Unearned Revenue, Non-Current	1.23	1.17	1.11	1.06	1.00	0.06	0.36	0.17	-	-	-	-	-	-	-	-	-	-	-
Def. Tax Liability, Non-Curr.	-	-	-	-	-	-	-	0.89	1.62	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
Other Non-Current Liabilities	61.00	8.67	0.37	0.34	0.34	0.34	0.33	0.33	0.33	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
Total Liabilities	70.85	17.14	2.98	1.88	2.28	2.45	8.99	7.72	14.44	16.23	16.15	16.43	19.49	20.59	21.90	18.59	19.98	21.36	22.75
EQUITY																			
Common Stock	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Additional Paid In Capital	115.22	168.79	172.38	171.20	171.43	171.83	172.36	172.93	173.51	174.15	174.15	174.15	174.15	174.15	174.15	174.15	174.15	174.15	174.15
Retained Earnings	(77.53)	(77.84)	(100.9)	(102.3)	(103.9)	(102.5)	(97.71)	(90.96)	(70.85)	(61.23)	(51.12)	(40.71)	(25.83)	(7.96)	11.49	26.43	43.33	62.19	83.00
Comprehensive Inc. and Other	-	-	(1.41)	0.00	(0.01)	0.07	0.00	-	-	-	-	-	-	-	-	-	-	-	-
Total Common Equity	37.77	91.03	70.09	69.00	67.51	69.45	74.73	82.04	102.74	113.00	123.11	133.52	148.40	166.27	185.72	200.66	217.56	236.42	257.23
Total Equity	37.77	91.03	70.09	69.00	67.51	69.45	74.73	82.04	102.74	113.00	123.11	133.52	148.40	166.27	185.72	200.66	217.56	236.42	257.23
Total Liabilities And Equity	108.62	108.17	73.06	70.88	69.79	71.91	83.72	89.76	117.18	129.23	139.26	149.95	167.89	186.86	207.62	219.25	237.54	257.78	279.99



Pure Cycle Corporation, Inc.
Annual Balance Sheets
Selected Common Size

SELECTED COMMON-SIZE AMOUNTS	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
ASSETS																			
Cash And Equivalents	2%	2%	51%	7%	8%	16%	5%	24%	17%	27%	33%	36%	41%	45%	49%	51%	54%	56%	59%
Short Term Investments	0%	0%	0%	33%	29%	12%	6%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Cash & ST Investments	2%	2%	51%	39%	37%	28%	12%	24%	17%	27%	33%	36%	41%	45%	49%	51%	54%	56%	59%
Accounts Receivable	1%	2%	0%	0%	1%	1%	1%	1%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Other Receivables	0%	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Notes Receivable	6%	0%	0%	0%	0%	0%	0%	0%	14%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Receivables	7%	2%	0%	0%	1%	1%	1%	3%	15%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Inventory	0%	0%	0%	0%	0%	7%	14%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Prepaid Exp.	0%	0%	0%	0%	1%	2%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Current Assets	0%	1%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Current Assets	9%	4%	54%	41%	39%	39%	28%	29%	33%	29%	35%	38%	44%	48%	52%	53%	56%	58%	61%
Gross Property, Plant & Equipment	83%	84%	38%	41%	50%	48%	60%	63%	52%	52%	50%	49%	46%	44%	42%	42%	40%	39%	37%
Accumulated Depreciation	-2%	-2%	-2%	-2%	-2%	-3%	-3%	-4%	-4%	-5%	-7%	-8%	-8%	-8%	-8%	-9%	-9%	-9%	-9%
Net Property, Plant & Equipment	81%	82%	36%	39%	47%	45%	57%	59%	48%	47%	43%	41%	38%	36%	33%	33%	31%	30%	28%
Long-term Investments	0%	0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Intangibles	4%	5%	9%	9%	11%	13%	9%	8%	6%	5%	5%	5%	4%	4%	3%	3%	3%	3%	3%
Loans Receivable Long-Term	1%	7%	1%	1%	1%	1%	1%	1%	8%	14%	13%	12%	11%	10%	9%	8%	8%	7%	7%
Deferred Tax Assets, LT	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Long-Term Assets	5%	1%	0%	1%	1%	2%	3%	3%	5%	4%	4%	3%	3%	3%	3%	2%	2%	2%	2%
Total Assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



Pure Cycle Corporation. Inc.
Annual Balance Sheets
In millions

LIABILITIES	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Accounts Payable	0%	1%	0%	0%	1%	1%	0%	0%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Accrued Exp.	0%	0%	1%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Current Portion of Long-Term Debt	4%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Curr. Port. of Cap. Leases	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Curr. Income Taxes Payable	0%	0%	0%	0%	0%	0%	0%	0%	4%	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%
Unearned Revenue. Current	0%	0%	0%	0%	0%	1%	6%	4%	2%	4%	3%	3%	4%	5%	5%	3%	4%	4%	4%
Other Current Liabilities	0%	1%	1%	0%	0%	1%	3%	2%	3%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Total Current Liabilities	5%	3%	2%	1%	1%	3%	10%	7%	11%	8%	8%	7%	9%	9%	9%	7%	7%	7%	7%
Long-Term Debt	3%	4%	0%	0%	0%	0%	0%	0%	0%	3%	3%	3%	2%	1%	1%	1%	1%	0%	0%
Capital Leases	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Unearned Revenue. Non-Current	1%	1%	2%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Def. Tax Liability. Non-Curr.	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%
Other Non-Current Liabilities	56%	8%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Liabilities	65%	16%	4%	3%	3%	3%	11%	9%	12%	13%	12%	11%	12%	11%	11%	8%	8%	8%	8%
EQUITY																			
Common Stock	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Additional Paid In Capital	106%	156%	236%	242%	246%	239%	206%	193%	148%	135%	125%	116%	104%	93%	84%	79%	73%	68%	62%
Retained Earnings	-71%	-72%	-138%	-144%	-149%	-143%	-117%	-101%	-60%	-47%	-37%	-27%	-15%	-4%	6%	12%	18%	24%	30%
Comprehensive Inc. and Other	0%	0%	-2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Common Equity	35%	84%	96%	97%	97%	97%	89%	91%	88%	87%	88%	89%	88%	89%	89%	92%	92%	92%	92%
Total Equity	35%	84%	96%	97%	97%	97%	89%	91%	88%	87%	88%	89%	88%	89%	89%	92%	92%	92%	92%
Total Liabilities And Equity	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



Pure Cycle Corporation. Inc.
Annual Balance Sheets
Year to Year Change

YEAR TO YEAR CHANGE	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
ASSETS																			
Cash And Equivalents	0%	-29%	2020%	-87%	19%	107%	-61%	387%	-8%	0%	32%	19%	26%	23%	21%	10%	13%	14%	14%
Short Term Investments	0%	0%	0%	0%	-13%	-57%	-40%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Cash & ST Investments	0%	-29%	2020%	-25%	-8%	-21%	-52%	125%	-8%	0%	32%	19%	26%	23%	21%	10%	13%	14%	14%
Accounts Receivable	0%	178%	-90%	15%	267%	61%	3%	2%	36%	0%	0%	3%	42%	22%	12%	-22%	14%	12%	11%
Other Receivables	0%	-11%	191%	16%	25%	-100%	0%	1023%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Notes Receivable	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Receivables	0%	-77%	-82%	15%	149%	21%	16%	119%	546%	0%	0%	3%	42%	22%	12%	-22%	14%	12%	11%
Inventory	0%	0%	0%	0%	0%	0%	124%	-96%	26%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Prepaid Exp.	0%	118%	-32%	54%	43%	173%	-26%	-2%	-54%	0%	-3%	3%	42%	22%	12%	-22%	14%	12%	11%
Other Current Assets	0%	0%	180%	-88%	-52%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Current Assets	0%	-55%	787%	-27%	-6%	3%	-16%	10%	49%	0%	29%	18%	27%	23%	20%	8%	13%	14%	14%
Gross Property. Plant & Equipment	0%	0%	-70%	4%	21%	-1%	47%	12%	8%	0%	5%	5%	6%	5%	5%	5%	5%	4%	3%
Accumulated Depreciation	0%	7%	-53%	21%	21%	34%	29%	34%	34%	0%	66%	17%	13%	12%	12%	11%	11%	10%	10%
Net Property. Plant & Equipment	0%	0%	-70%	3%	21%	-3%	49%	11%	6%	0%	-2%	3%	4%	4%	4%	4%	4%	3%	2%
Long-term Investments	0%	0%	0%	0%	-97%	1%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Intangibles	0%	54%	6%	0%	23%	21%	-17%	-4%	-4%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Loans Receivable Long-Term	0%	1274%	-92%	6%	24%	17%	9%	9%	823%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Deferred Tax Assets. LT	0%	0%	0%	0%	0%	0%	355%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Long-Term Assets	0%	-73%	-94%	943%	-5%	40%	107%	-2%	115%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Assets	0%	0%	-32%	-3%	-2%	3%	16%	7%	31%	0%	8%	8%	12%	11%	11%	6%	8%	9%	9%



Pure Cycle Corporation, Inc.
Annual Balance Sheets
Year to Year Change

LIABILITIES	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Accounts Payable	0%	722%	-87%	-7%	207%	60%	-78%	5%	893%	0%	-3%	3%	42%	22%	12%	-22%	14%	12%	11%
Accrued Exp.	0%	-40%	187%	-53%	59%	43%	28%	43%	-7%	0%	-3%	3%	42%	22%	12%	-22%	14%	12%	11%
Current Portion of Long-Term Debt	0%	-80%	-100%	0%	0%	0%	0%	0%	0%	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%
Curr. Port. of Cap. Leases	0%	0%	0%	0%	0%	0%	0%	0%	14%	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%
Curr. Income Taxes Payable	0%	0%	0%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Unearned Revenue. Current	0%	34%	-36%	34%	-25%	647%	1027%	-27%	-30%	0%	0%	0%	42%	22%	12%	-22%	14%	12%	11%
Def. Tax Liability. Curr.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-100%	0%	0%	0%	0%	0%	0%	0%
Other Current Liabilities	0%	207%	-28%	-94%	55%	600%	676%	-42%	95%	0%	8%	8%	12%	11%	11%	6%	8%	9%	9%
Total Current Liabilities	0%	-39%	-54%	-68%	95%	118%	304%	-25%	100%	0%	-1%	3%	30%	17%	10%	-16%	11%	10%	9%
Long-Term Debt	0%	26%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-5%	-36%	-14%	-14%	-17%	-21%	-28%
Capital Leases	0%	0%	0%	0%	0%	0%	0%	0%	-69%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Unearned Revenue. Non-Current	0%	-5%	-5%	-5%	-5%	-94%	498%	-54%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Def. Tax Liability. Non-Curr.	0%	0%	0%	0%	0%	0%	0%	0%	82%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Non-Current Liabilities	0%	-86%	-96%	-6%	-1%	-1%	-2%	-1%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Liabilities	0%	-76%	-83%	-37%	21%	8%	266%	-14%	87%	0%	-1%	2%	19%	6%	6%	-15%	7%	7%	7%
EQUITY	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Common Stock	0%	0%	0%	-1%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Additional Paid In Capital	0%	46%	2%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Retained Earnings	0%	0%	30%	1%	2%	-1%	-5%	-7%	-22%	0%	-17%	-20%	-37%	-69%	-244%	130%	64%	44%	33%
Comprehensive Inc. and Other	0%	0%	0%	-100%	-456%	-698%	-94%	-100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Common Equity	0%	141%	-23%	-2%	-2%	3%	8%	10%	25%	0%	9%	8%	11%	12%	12%	8%	8%	9%	9%
Total Equity	0%	141%	-23%	-2%	-2%	3%	8%	10%	25%	0%	9%	8%	11%	12%	12%	8%	8%	9%	9%
Total Liabilities And Equity	0%	0%	-32%	-3%	-2%	3%	16%	7%	31%	0%	8%	8%	12%	11%	11%	6%	8%	9%	9%



Pure Cycle Corporation. Inc.
Annual Statements of Cash Flow
In millions

	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Net Income	(4.15)	(0.31)	(23.13)	(1.31)	(1.71)	0.41	4.81	6.75	20.11	9.62	10.11	10.41	14.88	17.88	19.45	14.94	16.91	18.86	20.81
Depreciation & Amort.	0.31	0.20	0.35	0.42	0.73	0.90	1.28	1.72	1.77	2.13	1.78	1.79	1.63	1.71	1.81	1.92	2.04	2.16	2.31
Depreciation & Amort.: Total	0.31	0.20	0.35	0.42	0.73	0.90	1.28	1.72	1.77	2.13	1.78	1.79	1.63	1.71	1.81	1.92	2.04	2.16	2.31
Asset Write down & Restructuring Costs	-	-	-	-	-	-	-	1.43	-	-	-	-	-	-	-	-	-	-	-
Stock-Based Compensation	0.07	0.25	0.24	0.22	0.23	0.32	0.34	0.52	0.50	0.60	-	-	-	-	-	-	-	-	-
Provision & Write-off of Bad debts	-	-	-	-	-	0.08	(0.04)	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash From Discontinued Ops.	-	0.08	21.99	1.62	0.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Activities	3.27	(0.88)	(0.01)	(0.06)	(0.04)	(0.01)	(1.32)	6.37	0.73	(0.38)	0.01	(0.01)	(0.20)	(0.14)	(0.09)	0.19	(0.10)	(0.10)	(0.10)
Change in Acc. Receivable	(0.45)	(1.04)	0.92	(0.02)	(0.48)	(0.37)	0.00	(0.02)	(0.41)	(0.89)	(0.00)	(0.07)	(1.05)	(0.77)	(0.50)	1.04	(0.52)	(0.52)	(0.53)
Change In Inventories	-	-	-	-	-	(1.22)	(5.02)	6.49	(0.52)	0.61	-	-	-	-	-	-	-	-	-
Change in Acc. Payable	0.12	1.19	(0.85)	(0.27)	0.48	0.75	(0.37)	0.19	1.55	(2.36)	(0.02)	0.03	0.36	0.26	0.17	(0.36)	0.18	0.18	
Change in Unearned Rev.	(0.47)	0.72	(0.71)	(0.42)	(0.07)	0.48	4.58	(1.46)	(1.20)	2.28	0.00	0.15	2.10	1.53	1.01	(2.08)	1.04	1.04	1.05
Change in Inc. Taxes	-	-	0.29	(0.29)	-	(0.28)	-	(1.31)	5.75	(1.63)	-	-	-	-	-	-	-	-	-
Change In Other Net Operating Assets	(0.45)	(0.16)	(0.06)	(0.15)	(0.31)	(1.07)	(0.74)	0.05	(24.81)	7.49	(0.06)	0.12	0.80	0.63	0.47	(0.59)	0.47	0.48	0.49
Cash from Ops.	(1.76)	0.05	(0.97)	(0.27)	(1.05)	0.00	3.53	20.72	3.46	17.45	11.83	12.41	18.52	21.10	22.31	15.07	20.01	22.10	24.04
Capital Expenditure	(0.42)	(3.87)	(2.12)	(1.68)	(6.95)	(1.73)	(14.46)	(8.63)	(2.90)	(5.82)	(0.68)	(3.68)	(4.06)	(4.21)	(4.38)	(4.57)	(4.77)	(4.17)	(3.49)
Cash Acquisitions	-	-	-	-	-	-	-	-	-	(0.85)	-	-	-	-	-	-	-	-	-
Sale/(Purchase) of Real Estate Properties	-	0.19	-	-	(0.90)	(3.98)	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale/(Purchase) of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Invest. in Marketable & Equity Sec.	1.10	-	-	(29.99)	9.79	11.41	3.66	5.19	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activities	3.42	5.81	44.65	(0.45)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash from Investing	4.10	2.14	42.53	(32.12)	1.93	5.70	(10.80)	(3.45)	(2.90)	(6.67)	(0.68)	(3.68)	(4.06)	(4.21)	(4.38)	(4.57)	(4.77)	(4.17)	(3.49)
Long-Term Debt Issued	-	-	-	-	-	-	-	-	-	4.00	-	-	-	-	-	-	-	-	-
Total Debt Issued	-	-	-	-	-	-	-	-	-	4.00	-	-	-	-	-	-	-	-	-
Short Term Debt Repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-Term Debt Repaid	(1.79)	-	-	-	-	-	-	-	-	(0.04)	(0.084)	(0.014)	(0.195)	(1.326)	(0.332)	(0.287)	(0.301)	(0.316)	(0.332)
Total Debt Repaid	(1.79)	-	-	-	-	-	-	-	-	(0.04)	(0.08)	(0.01)	(0.19)	(1.33)	(0.33)	(0.29)	(0.30)	(0.32)	(0.33)
Issuance of Common Stock	-	-	0.05	-	-	0.08	0.19	0.05	0.09	0.03	-	-	-	-	-	-	-	-	-
Other Financing Activities	0.28	(2.89)	(6.27)	(0.00)	(0.00)	0.21	(0.01)	(0.01)	(0.00)	(0.00)	-	-	-	-	-	-	-	-	-
Cash from Financing	(1.52)	(2.89)	(6.22)	(0.00)	(0.00)	0.29	0.19	0.05	0.09	3.99	(0.08)	(0.01)	(0.19)	(1.33)	(0.33)	(0.29)	(0.30)	(0.32)	(0.33)
Net Change in Cash	0.82	(0.70)	35.34	(32.39)	0.88	5.99	(7.09)	17.32	0.65	14.78	11.06	8.71	14.26	15.56	17.59	10.21	14.94	17.61	20.22
Begin Cash		2.45	1.75	37.09	4.70	5.58	11.57	4.48	21.80	34.89	34.89	45.96	54.67	68.93	84.49	102.08	112.29	127.23	144.84
Ending Cash		2.45	1.75	37.09	4.70	5.58	4.48	21.80	20.12	34.89	45.96	54.67	68.93	84.49	102.08	112.29	127.23	144.84	165.06



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