



Earnings Presentation

For the Three Months Ended
November 30th, 2024

Presented by Mark Harding



www.purecyclewater.com



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Forward-Looking Statements

Statements that are not historical facts contained or incorporated by reference in this presentation are “forward-looking statements” (“FLS”) within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934 as amended. FLS involve risks and uncertainties that could cause actual results to differ from projected results. The words “anticipate,” “believe,” “estimate,” “expect,” “plan,” “intend” and similar expressions, as they relate to us, are intended to identify FLS. Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. We are not able to predict all factors that may affect future results. We cannot assure you that any of our expectations will be realized. Our actual results could differ materially from those discussed in or implied by these forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by such FLS include, without limitation: the risk factors discussed in our most recent Annual Report on Form 10-K; the timing of new home construction and other development in the areas where we may sell our water, which in turn may be impacted by credit availability; population growth; employment rates; general economic conditions; the market price of water; changes in customer consumption patterns; changes in applicable statutory and regulatory requirements; changes in governmental policies and procedures; uncertainties in the estimation of water available under decrees; uncertainties in the estimation of costs of delivery of water and treatment of wastewater; uncertainties in the estimation of the service life of our systems; uncertainties in the estimation of costs of construction projects; uncertainties in the amount and timing of reimbursable public improvement payments; uncertainty in the single family home rental market and our ability to rent homes in a timely manner or at the amount we project; the strength and financial resources of our competitors; our ability to find and retain skilled personnel; climatic and weather conditions, including flood, droughts and freezing conditions; labor relations; availability and cost of labor, material and equipment; delays in anticipated permit and construction dates; environmental risks and regulations; our ability to raise capital; our ability to negotiate contracts with new customers; and uncertainties in water court rulings; and other factors discussed from time to time in our press releases, public statements and documents filed or furnished with the SEC.

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Leadership Team



MARK W. HARDING

President, CEO, and Director

Mark is an exceptional leader who has significantly shaped Pure Cycle's success. Under his 35 year tenure, the company has successfully acquired over \$130 million in water and land interests. His vision and strategic acumen have been instrumental in the company's growth and impact.



MARC SPEZIALY

VP, CFO, Principal Accounting Officer, Principal Financial Officer

Marc brings over 20 years of financial expertise. He manages our financial operations and single -family rentals. Marc obtained his bachelor's degree in Accounting and Finance from the University of San Francisco and is a licensed Certified Public Accountant.



SCOTT LEHMAN

Vice President, Engineering

Scott brings four decades of experience as a Professional Engineer (PE) to the role. His expertise encompasses planning, design, construction, and operation of water and wastewater systems. With educational foundations from the University of Colorado and Stanford University, he plays a pivotal role in shaping our strategies and operations in this vital sector.



DIRK LASHNITS

Vice President, Land Development

Dirk is a seasoned leader with a Civil Engineering background and over two decades of local land development experience. He skillfully guides land development, entitlements, and construction, playing a vital role in advancing corporate objectives, risk management, and project success.



Board of Directors

Mark W. Harding

President and CEO

Jeffrey G. Sheets

Director

Fredrick A. Fendel III

Director

Patrick J. Beirne

Chair of the Board

Susan Heitmann

Director and Chair of the Audit
Committee

Wanda J. Abel

Director and Chair of the Nominating
and Governance Committee

Daniel R. Kozlowski

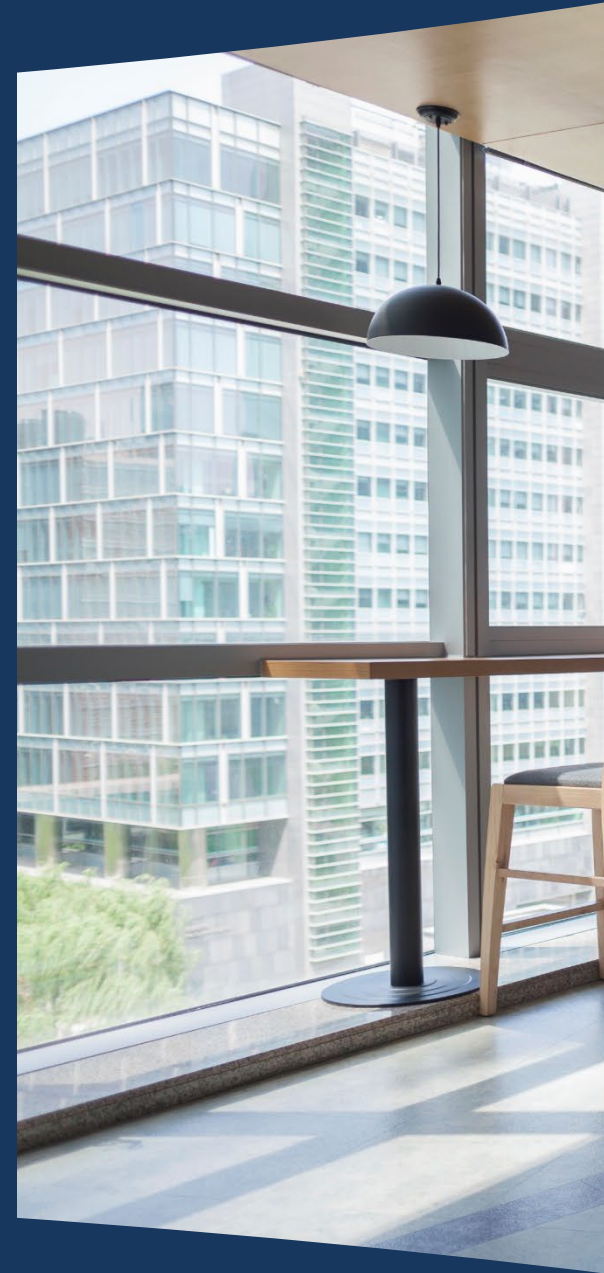
Director and Chair of the
Compensation Committee



PURE CYCLE CORPORATION

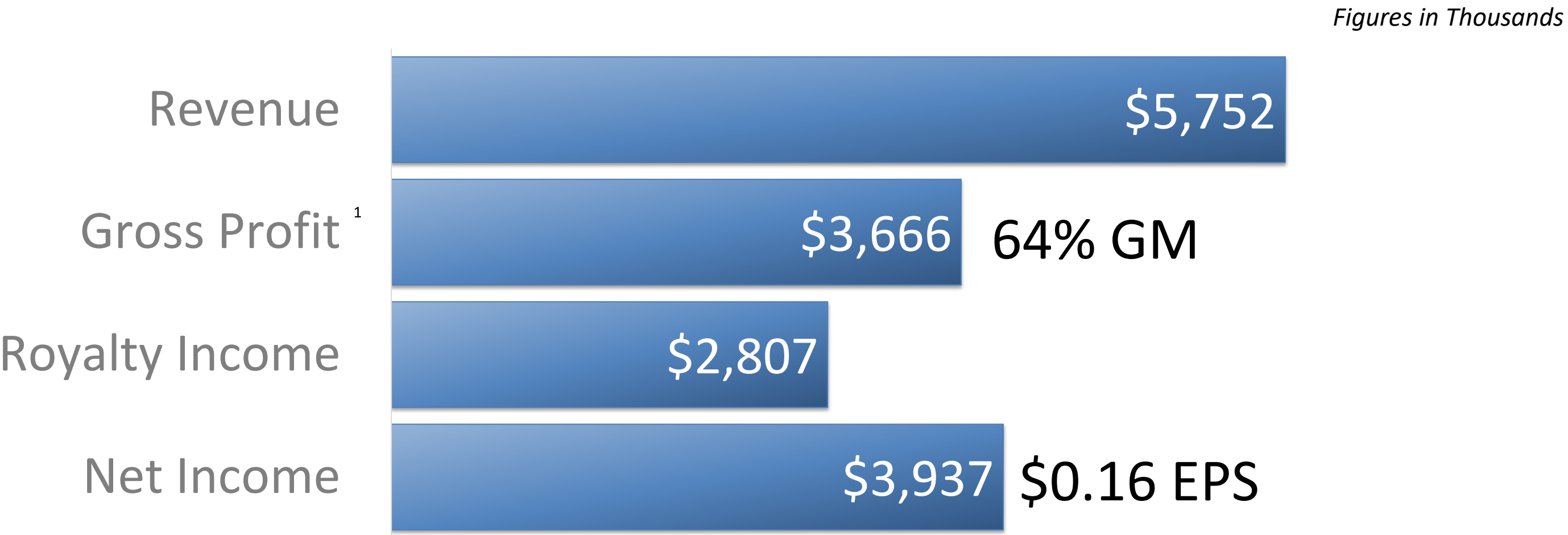


LS



Financial Performance Q1- 2025 Results

In Q1 2025, we delivered revenue of \$5,752M, gross profit of \$3,666M with a 56% gross margin, and net income of \$3,456M, translating to \$0.14 EPS. These results demonstrate robust profitability and operational efficiency, reinforcing our focus on driving shareholder value.

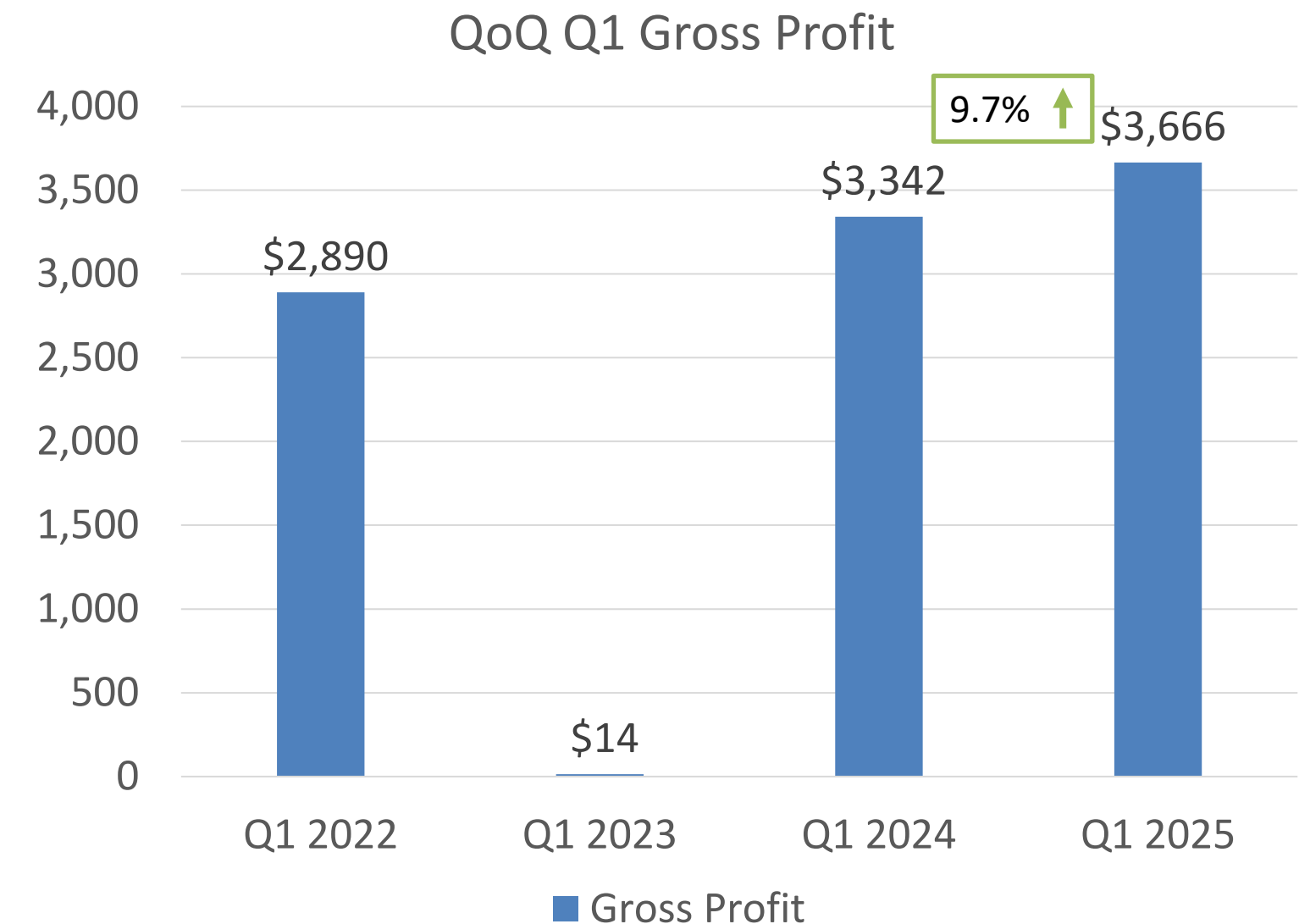
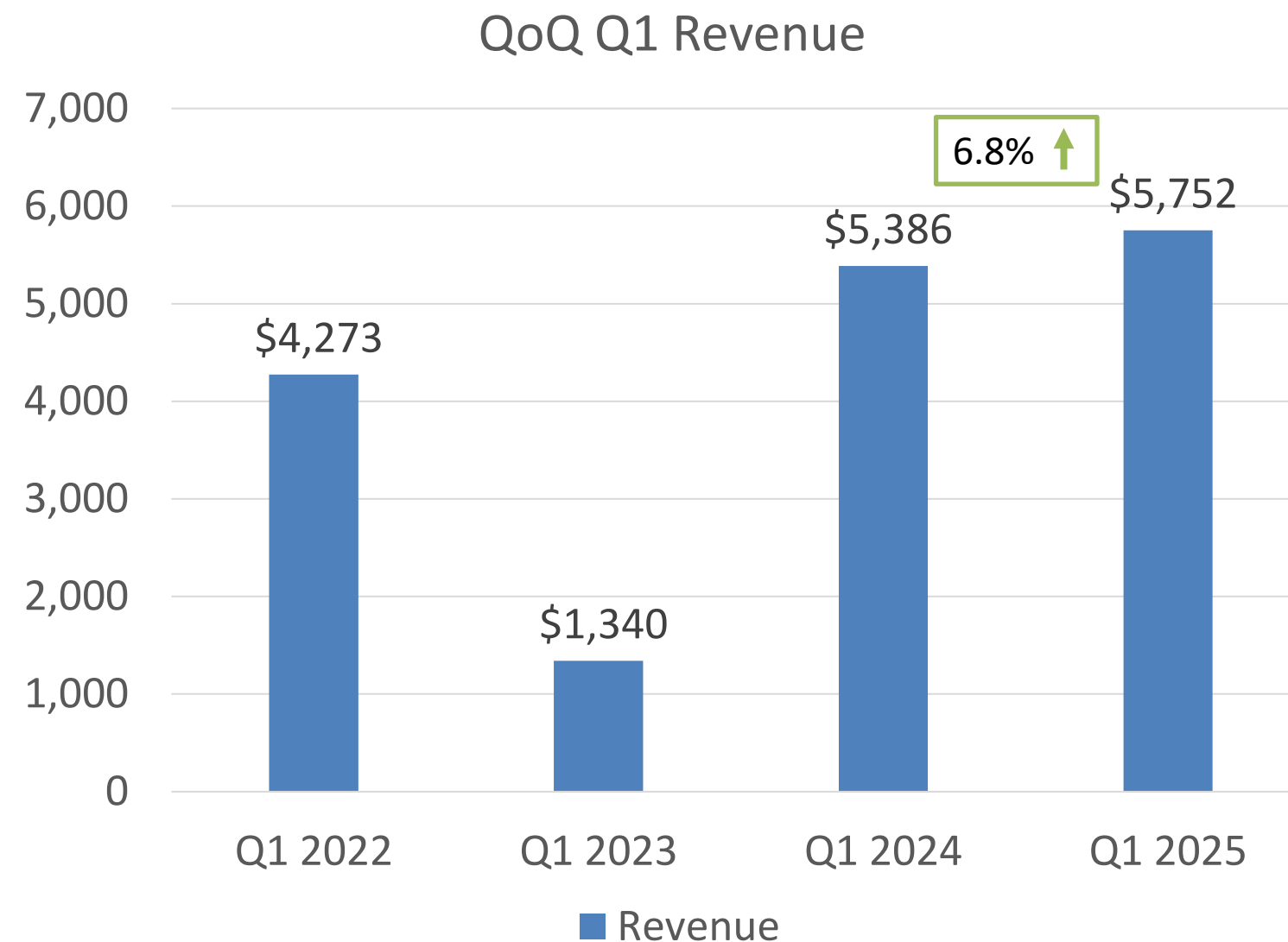


¹ – Revenues minus Cost of Revenues

Financial Performance QoQ

In Q1 2025, we achieved revenue of \$5,752M, a 6.8% increase year-over-year, and gross profit of \$3,666M, up 9.7% from Q1 2024. This growth highlights our consistent performance and focus on operational efficiency, driving profitability and long-term value

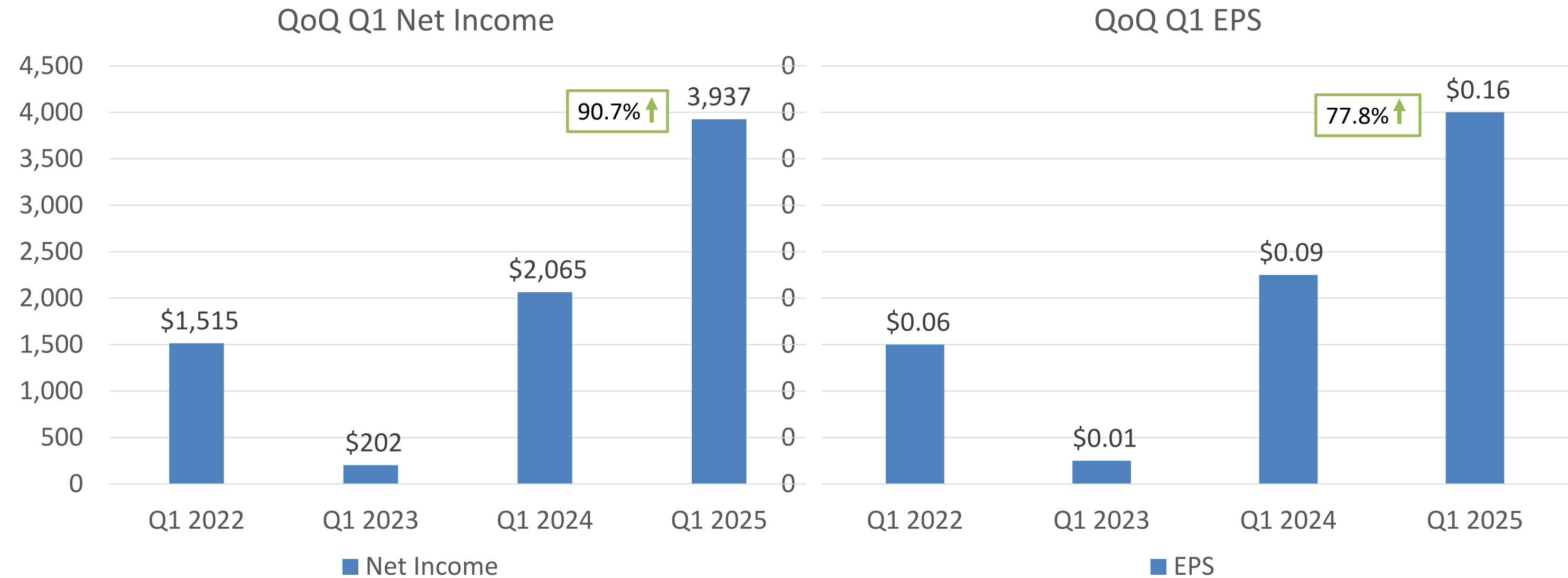
Figures in Thousands



Financial Performance QoQ

In Q1 2025, net income rose to \$3,937M, a 90.7% year-over-year increase from Q1 2024, while EPS climbed to \$0.16, up from \$0.09 in the prior year. This strong growth reflects enhanced profitability and value creation for shareholders, supported by disciplined operational execution.

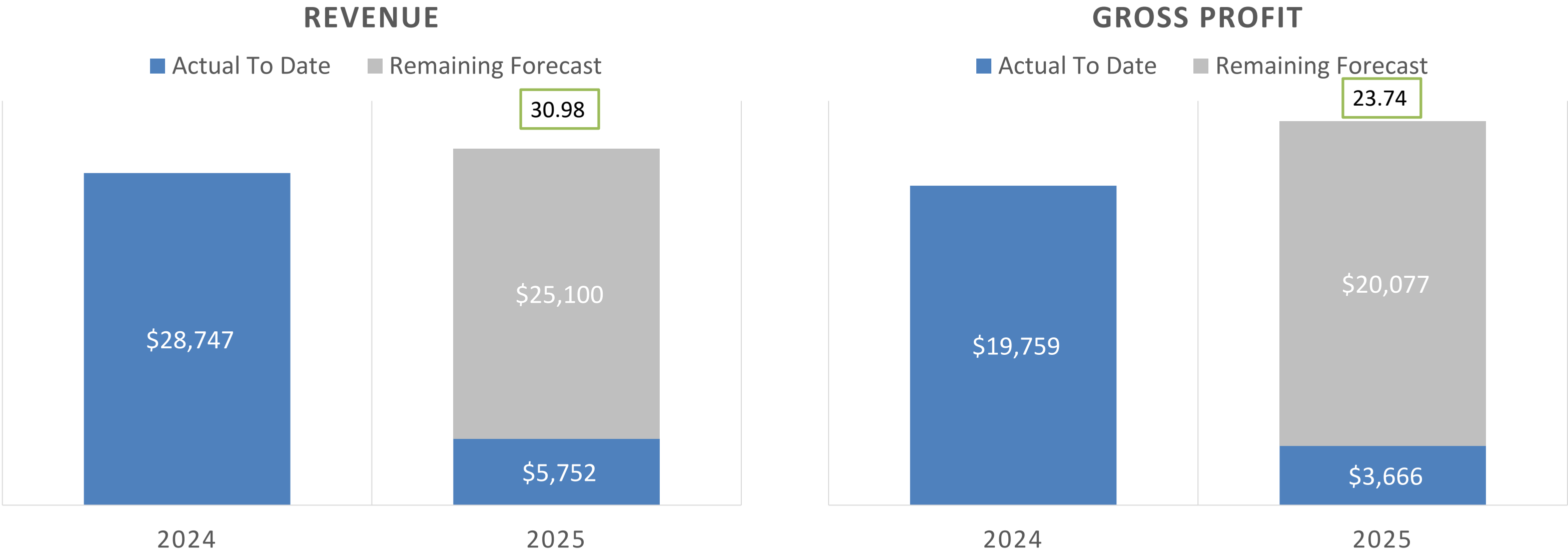
Figures in Thousands



Financial Performance YTD

Year-to-date results for Q1-2025 demonstrate solid progress toward our annual goals. We have achieved \$5.75 million in revenue and \$3.67 million in gross profit, representing 18.6% and 15.4% of our full-year 2025 guidance, respectively. While overall revenue came in below budgeted expectations, this was primarily due to timing effects in our Land Development segment. These revenues are anticipated to be realized in the next quarter, positioning us for a strong recovery and aligning with our full-year projections.

Figures in Thousands



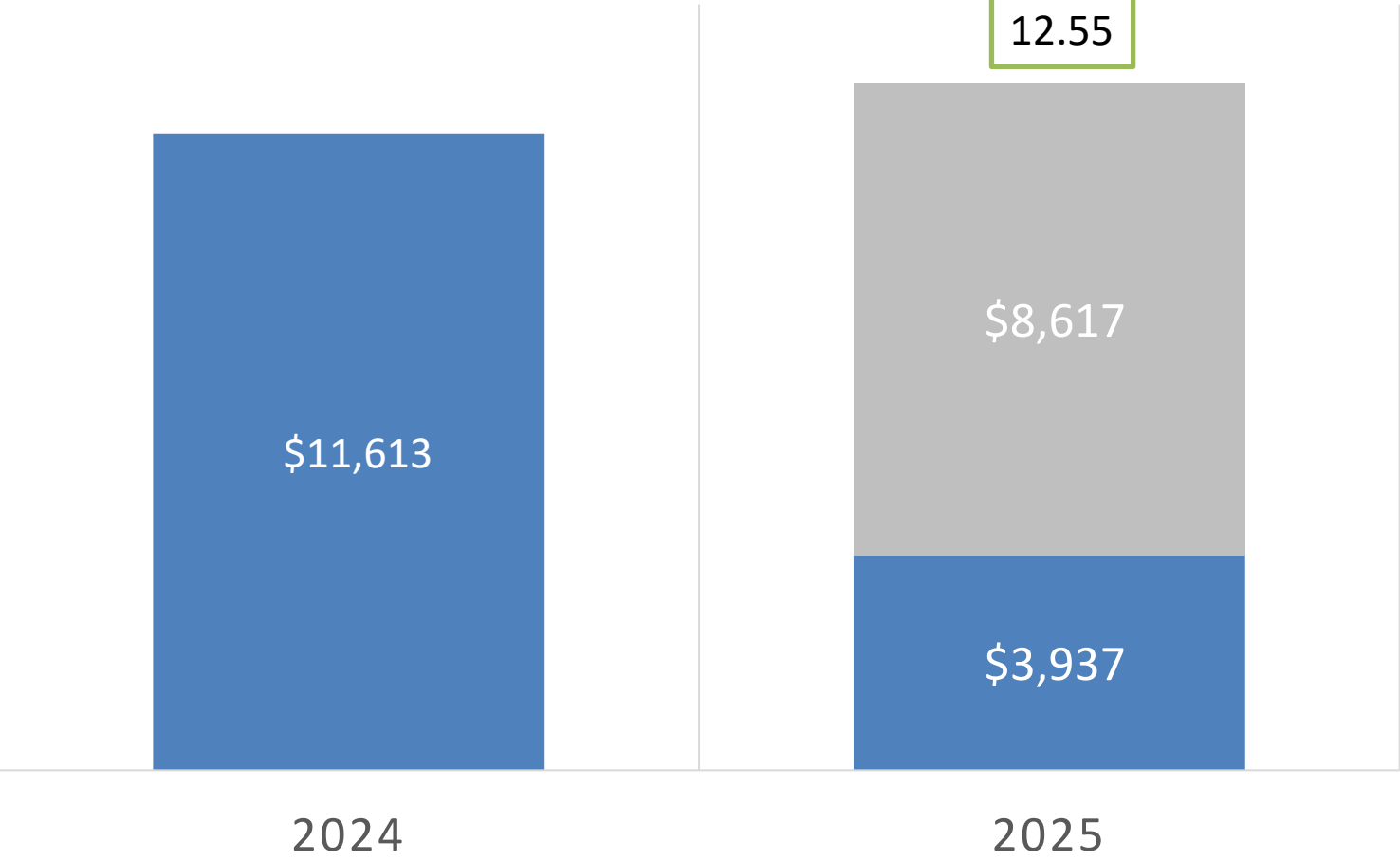
Financial Performance YTD

Net income for the quarter totaled \$3.93 million, or 31.2% of our full-year target, while earnings per share reached \$0.16, which is 30.7% of our 2025 EPS guidance. Notably, net income was positively impacted by royalty income in Q1-2025.

Figures in Thousands

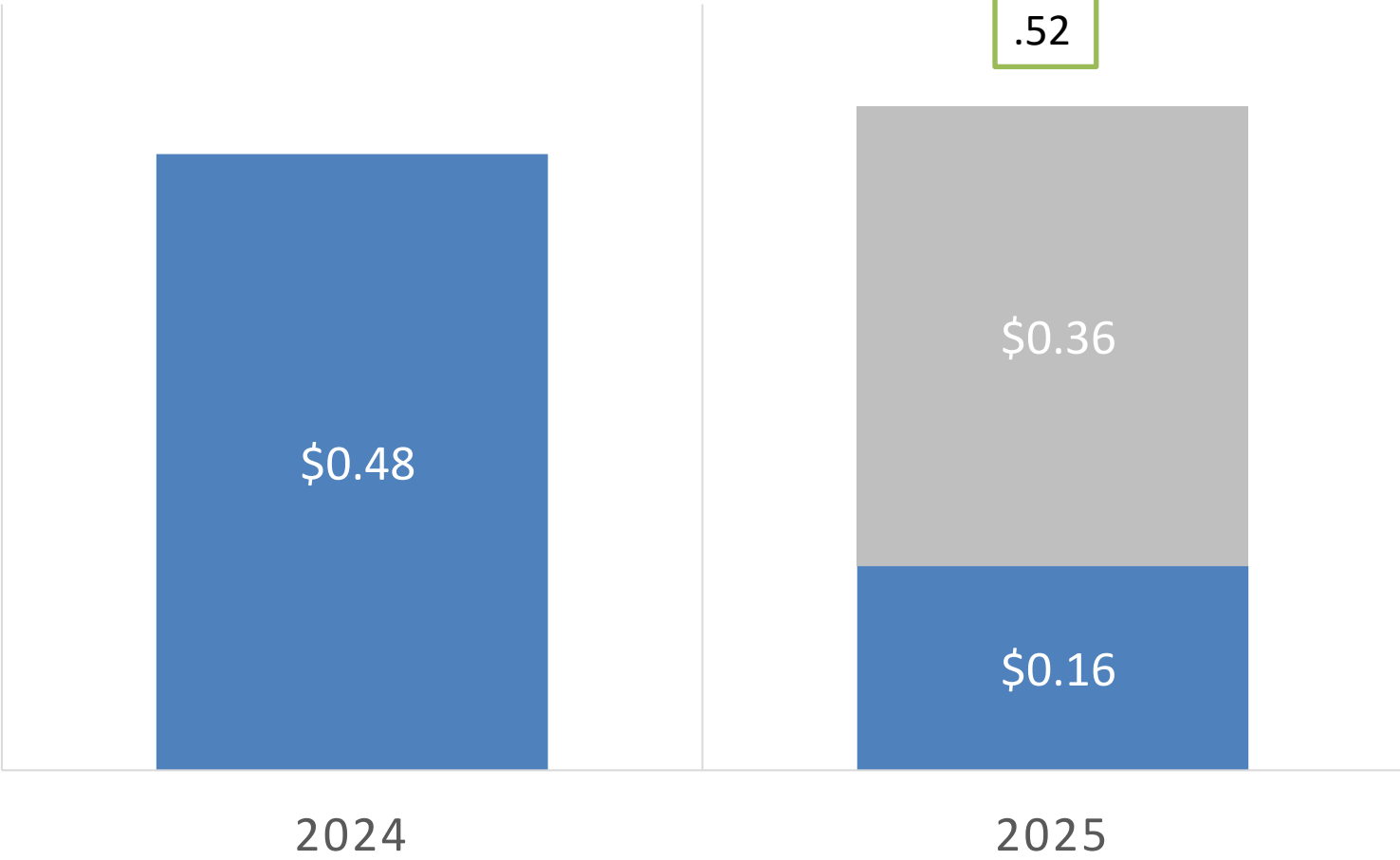
NET INCOME

Actual To Date Remaining Forecast



EPS

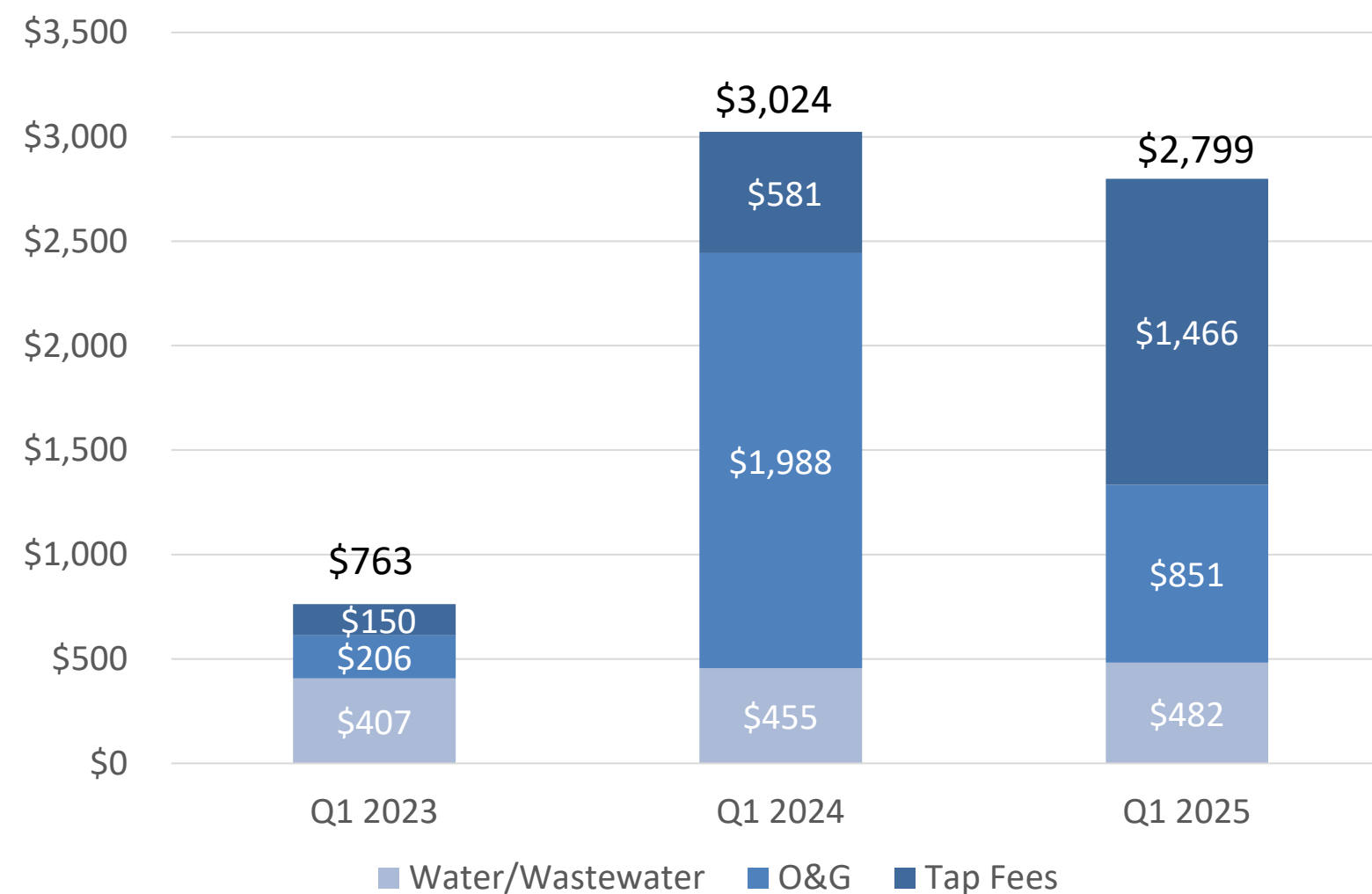
Actual To Date Remaining Forecast



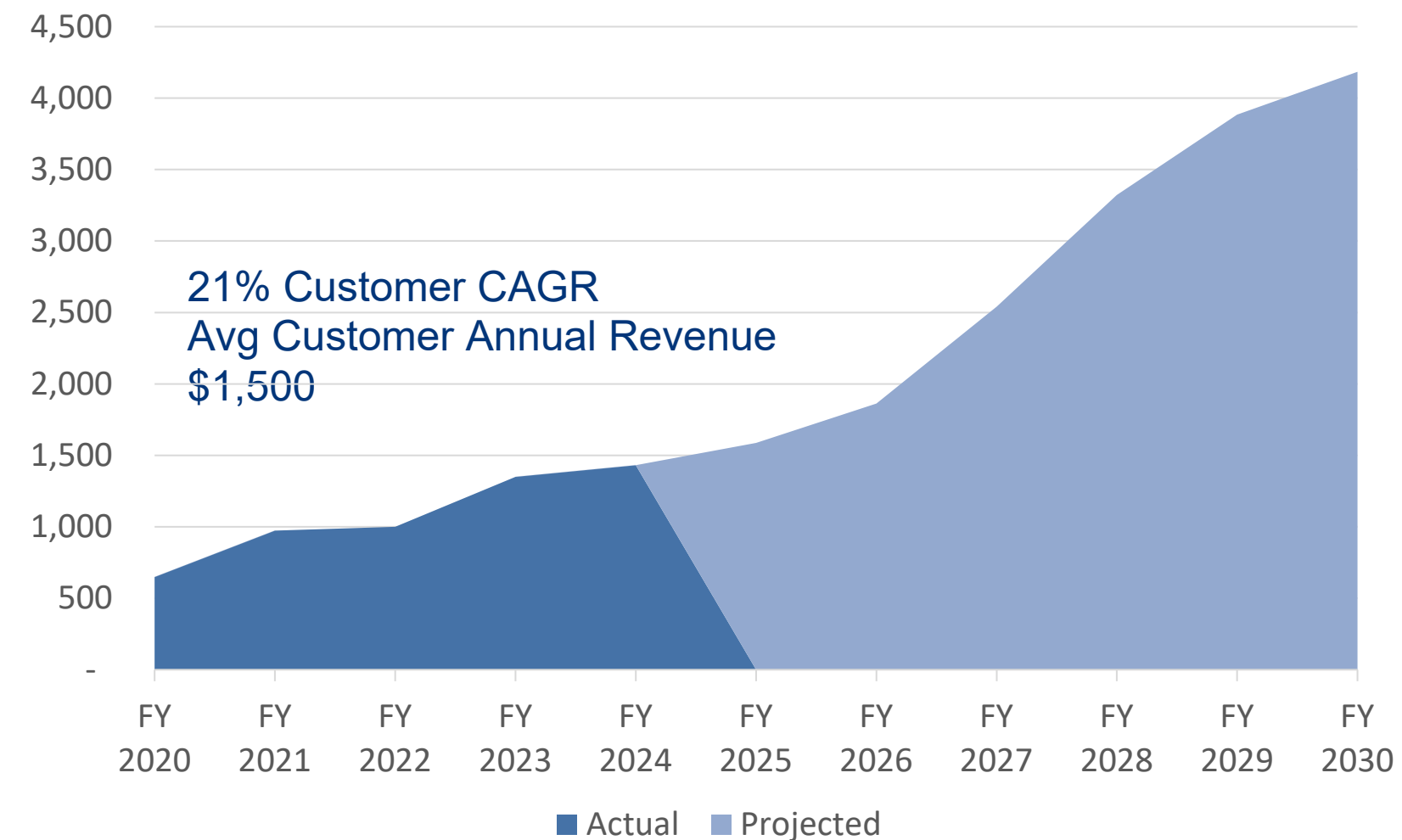
Financial Performance

Figures in Thousands

Water Revenues by Type (000s)



Water Utility Customer Growth



WE PROVIDE RAW WATER TO O&G OPERATORS FOR DRILLING

With existing systems, we provide water to O&G operators.

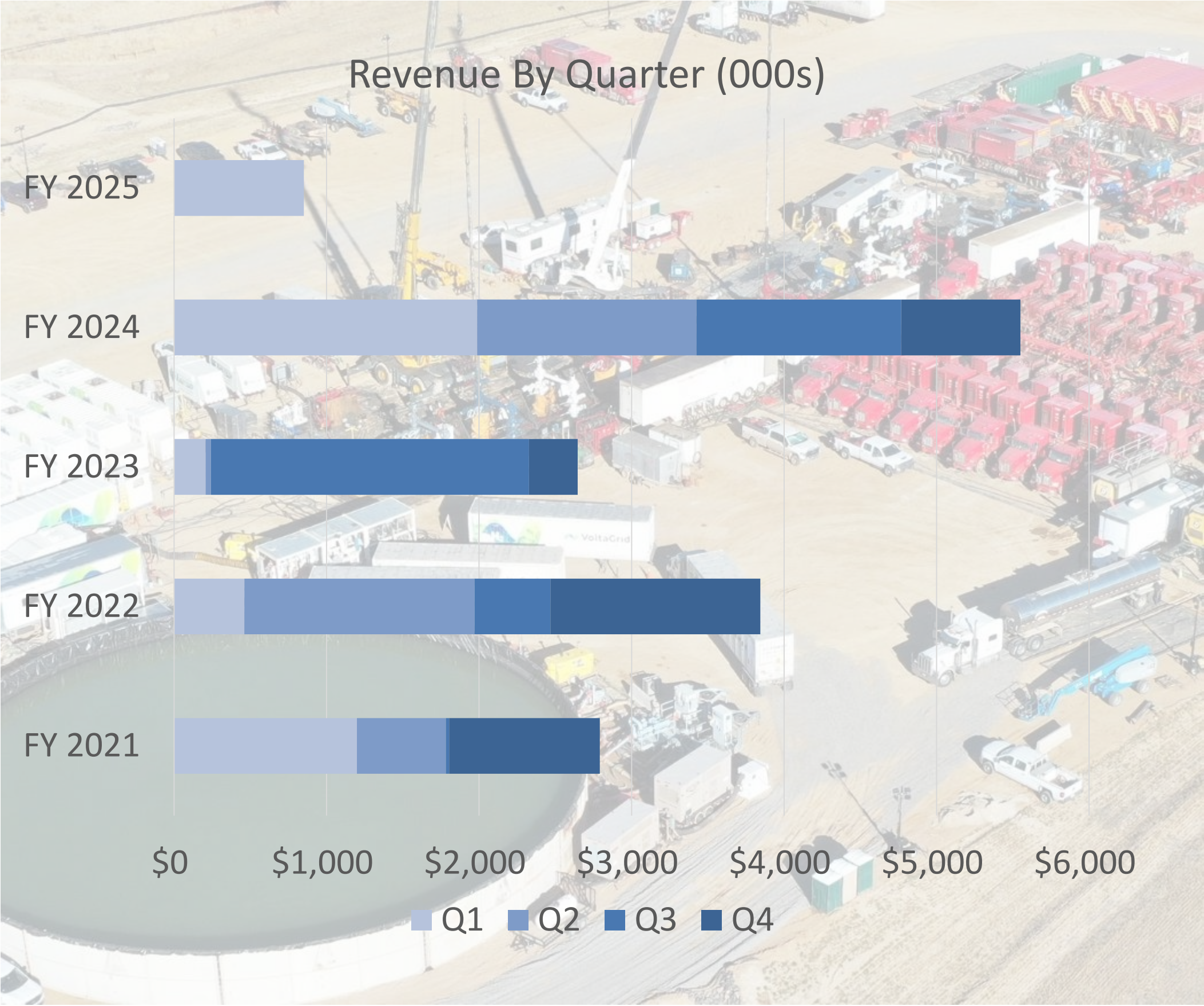
We have also made strategic investments in our system to further our ability to provide water when it is needed, where it is needed in the future.

> 150 WELLS
DRILLED TO
DATE

OIL RIG CAN DRILL
60 WELLS PER
YEAR

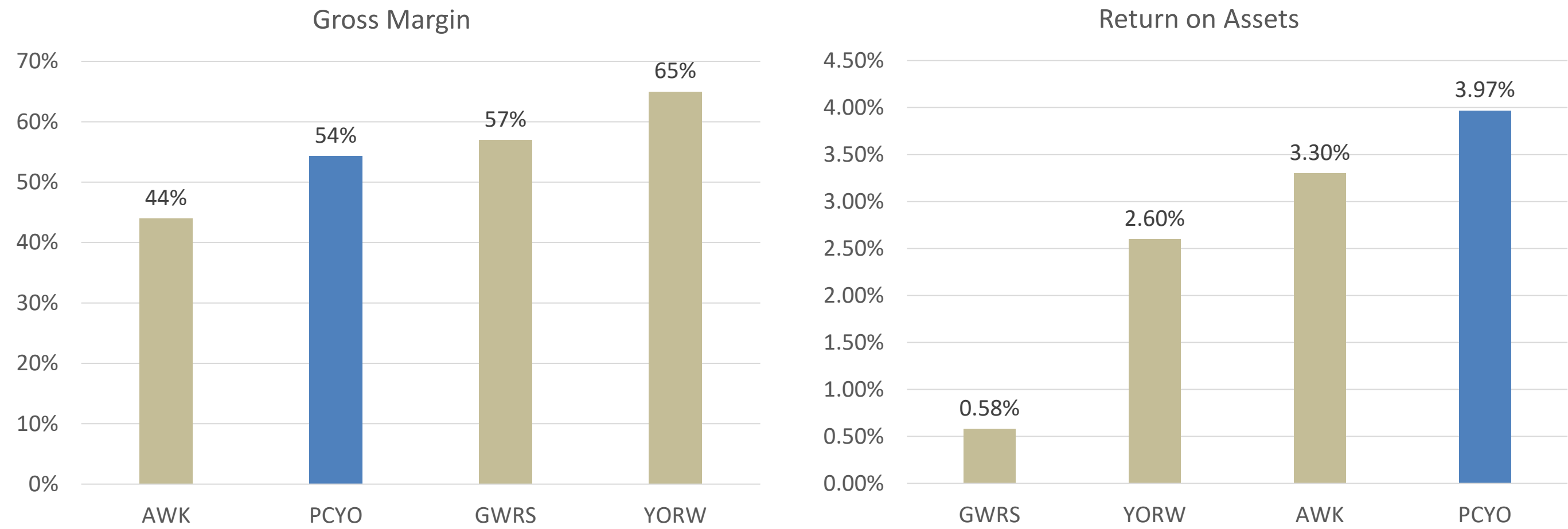
AVERAGE
\$250,000 OF
WATER SALES
PER WELL

WE CAN PROVIDE
WATER TO MORE THAN
200 SQUARE MILES IN
ADAMS & ARAPAHOE
COUNTIES



Sector Performance

Pure Cycle’s water utilities gross margin of 54% aligns well with industry averages, reflecting efficient management and revenue generation. While Return on Assets(ROA) is above peers. We are also able to grow up to 60,000 connections, of which only about **5% is currently utilized**. This setup allows Pure Cycle to expand at Sky Ranch without needing significant further water system investments, as the capacity for growth is already in place. This forward-planning supports long-term scalability with reduced incremental costs.

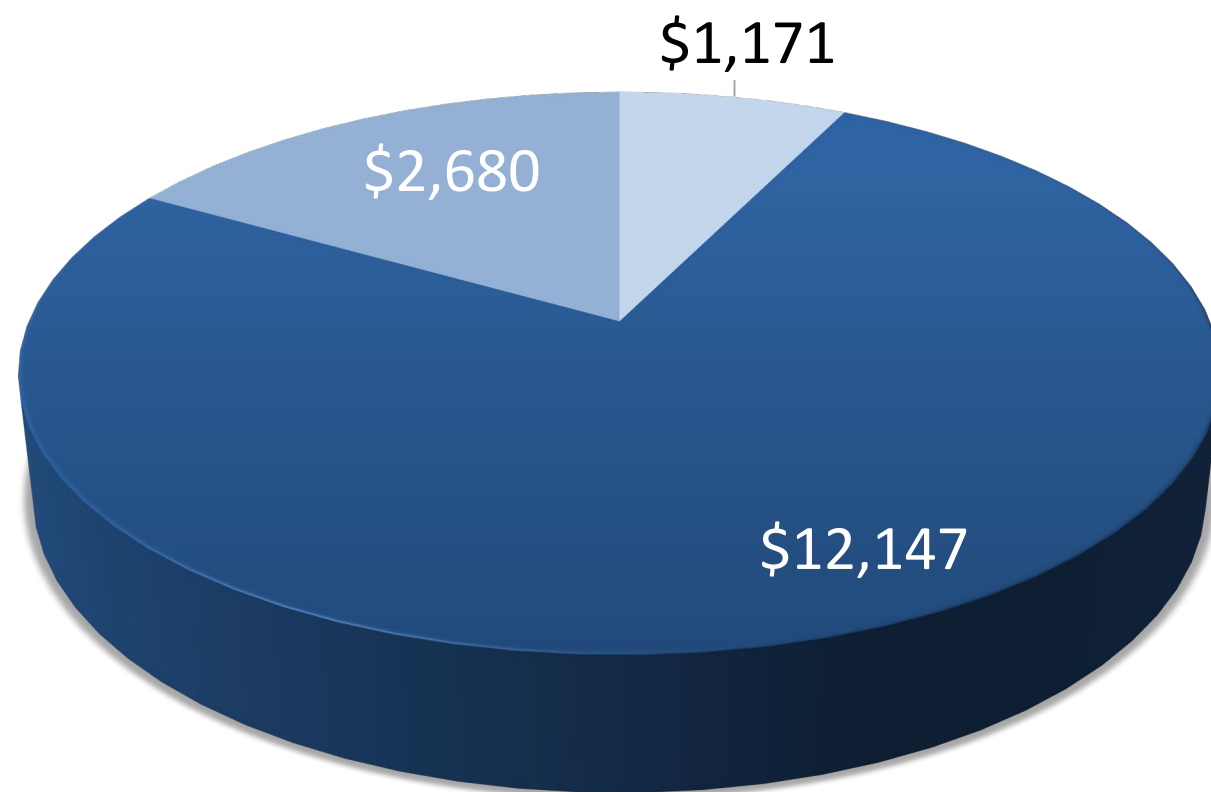


- PCYO Results YE 2024
- Comp Results as of last year reported

The metrics displayed in these graphics are derived from non-GAAP calculations and estimates
AWK – American Water Works
GWRS – Global Water Resource Inc
YORW – York Water Co

Financial Performance

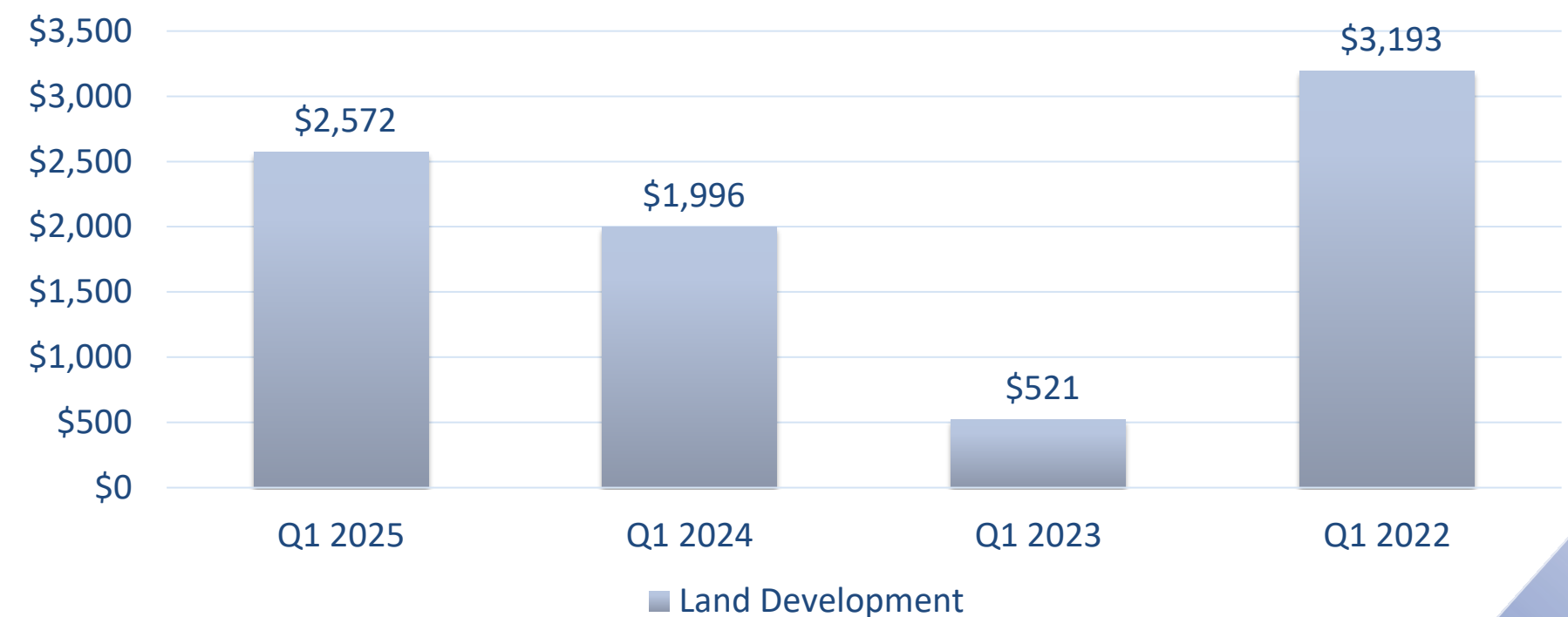
Revenue Contribution by Phase Q1-2025
(000s)



■ Phase 1 ■ Phase 2A ■ Phase 2B
■ Phase 2C ■ Phase 2D

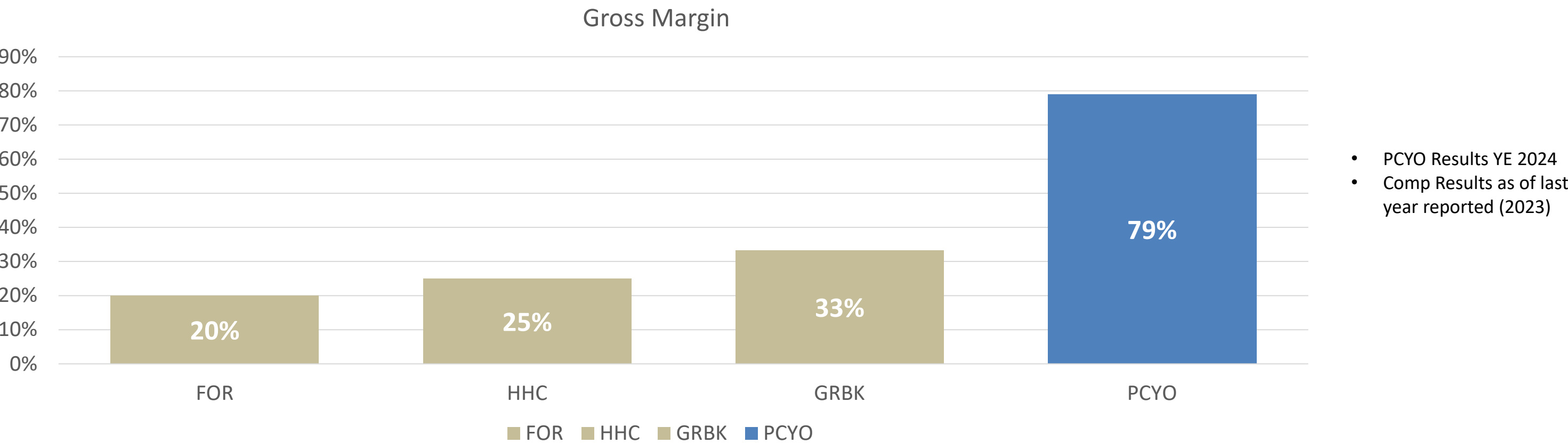
Phase	Lots	SFR Lots	Progress
Phase 1	505	4	100%
Phase 2A	219	10	99%
Phase 2B	194	17	92%
Phase 2C	188	40	27%
Phase 2D	180	27	18%
	1286	98	

Land Development Revenue YoY (000s)



Sector Performance

Thanks to our well-timed purchase of Sky Ranch, our capital investment in the land remains significantly lower than that of our peers. These figures reflect Pure Cycle's solid operational performance and its potential as a robust investment in the land development and water resources.



The metrics displayed in these graphics are derived from non-GAAP calculations and estimates
GRBK – Green Brick
HHC – Howard Hughes Company
For - Forestar Group

Update ROA and add time periods

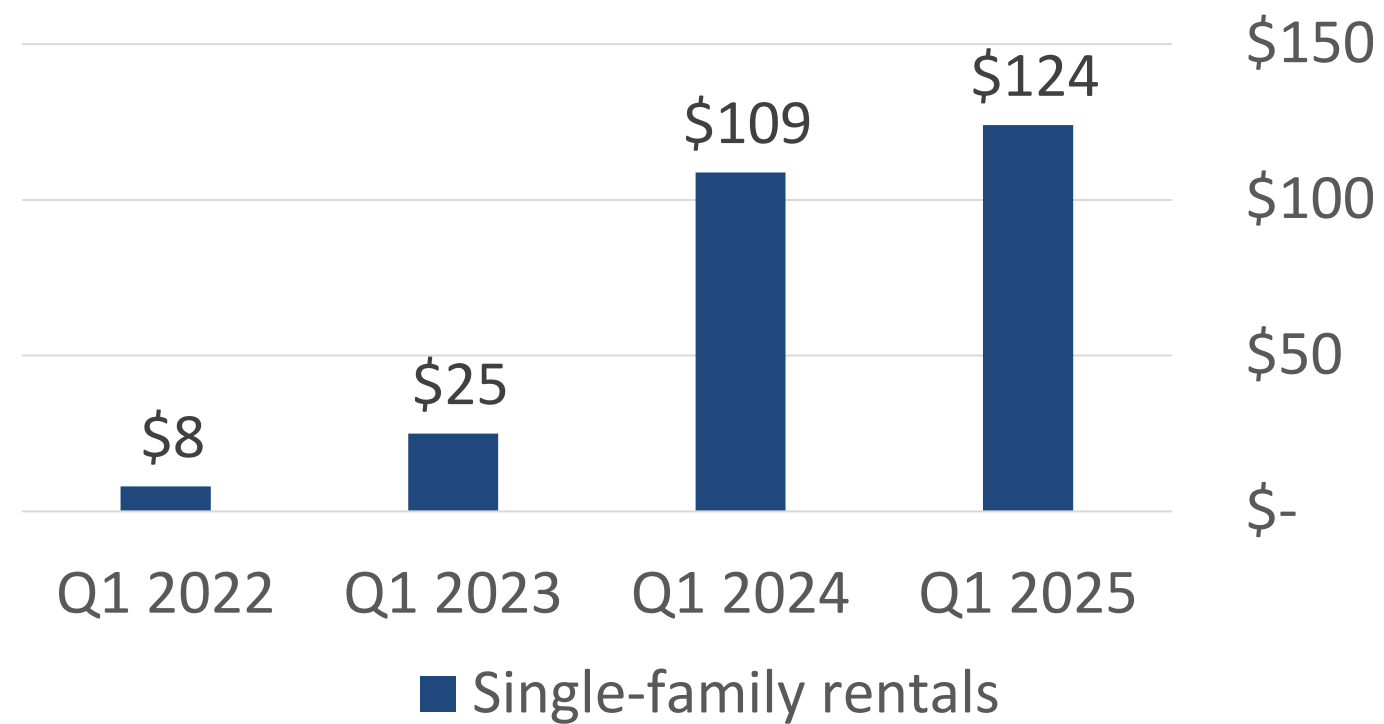
Financial Performance

QUARTERLY RENT
REVENUE
\$ 124k

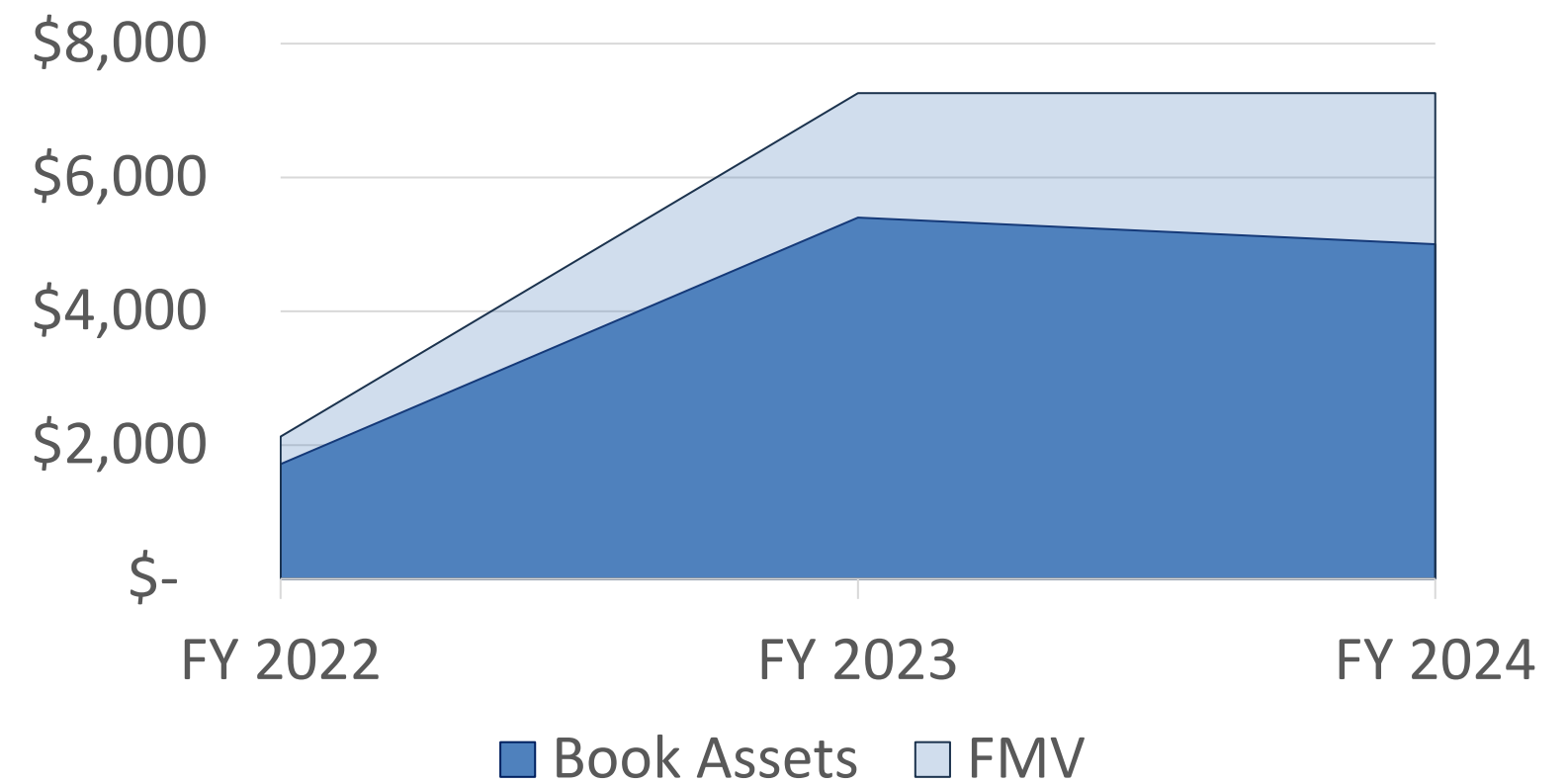
COMPLETED
HOMES
14

GROSS
MARGIN
64%

Single-family rentals

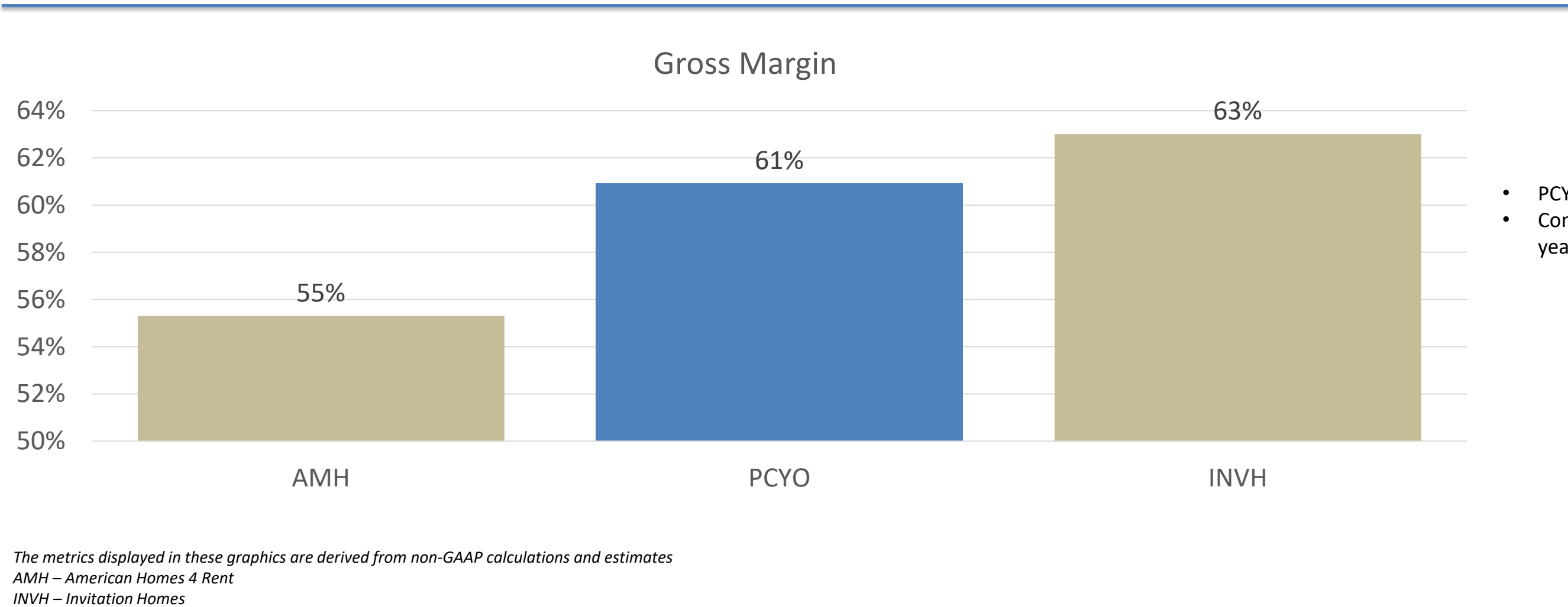


Appreciating Assets



Sector Performance

Since PCYO's real estate segment is newer and has less operational history in comparison, its margin performance is particularly impressive. It suggests efficient management of initial costs and potentially lucrative strategies in its real estate approach, even as it scales its operations to compete with these more established SFR companies. As PCYO grows, maintaining or even improving this margin could signal its potential to mature into a competitive force in the sector.



ER

OVERVIEW

LA

**WE OPERATE
MULTIPLE
COMPLIMENTARY
SEGMENTS**

WATER & WASTEWATER

- Own **over 30K acre-feet** of water rights (surface and ground water)
- Water rights we estimate can serve up to **60,000 SFEs**
- Denver metro land development **requires developers to have water service** as a condition of zoning, offering us a competitive edge
- Provide **industrial and oil and gas** customers with water
- **Own and reuse** our reclaimed water

LAND DEVELOPMENT

- Own **highly-appreciated property** in attractive and easily accessible I-70 Corridor of Denver, Colorado
- Developing nearly **930 acres** of a full Master Planned community known as Sky Ranch
- Sky Ranch can have around **3,200 residential units** and over **2 million square feet** of retail, commercial and industrial uses (Equivalent of 1,800 residential units)
- Developing residential and commercial land for which we are the **sole water and wastewater service provider**

SINGLE- FAMILY RENTALS

- Build **single-family homes** in the Denver metro area in neighborhoods we are developing
- Receive **rental income** in growing housing market
- Benefit from **immediate asset appreciation** and **positive cash flows**
- **Provide water and wastewater** service to rental properties



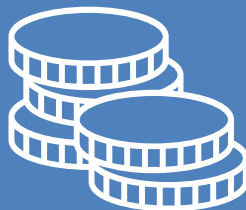
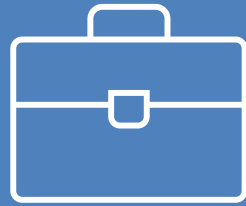
PURE CYCLE CORPORATION

NEW

WATER

LA

WATER SEGMENT



\$41.2 M WATER
SYSTEMS

\$9.2 M WASTEWATER
SYSTEMS

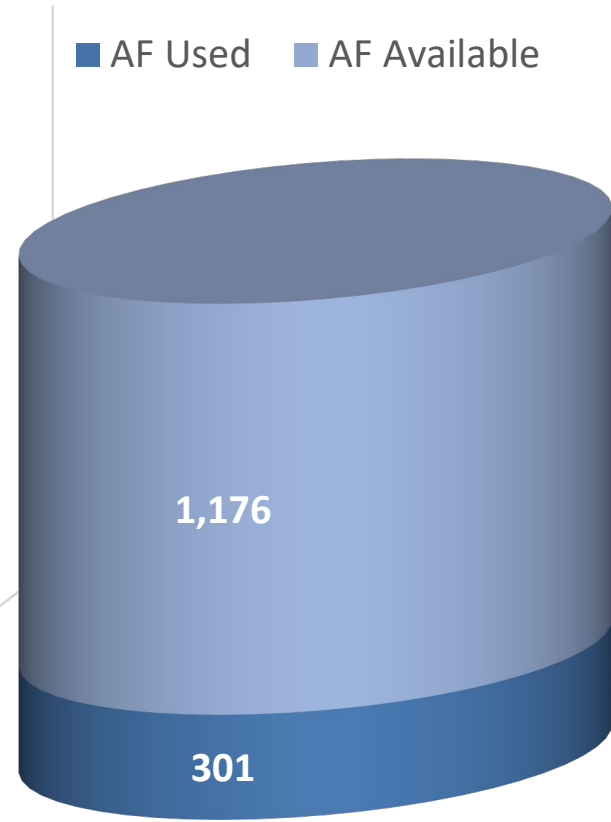
\$14.6 M WATER RIGHTS
PORTFOLIO

\$65 M
TOTAL WATER ASSETS

Our water rights portfolio can provide water to as many as 60,000 connections. This would allow ample room for growth within our current water system, which presently supports roughly 2,500 connections.

CURRENT SYSTEM CAPACITY

ACRE-FOOT PRODUCTION PER YEAR

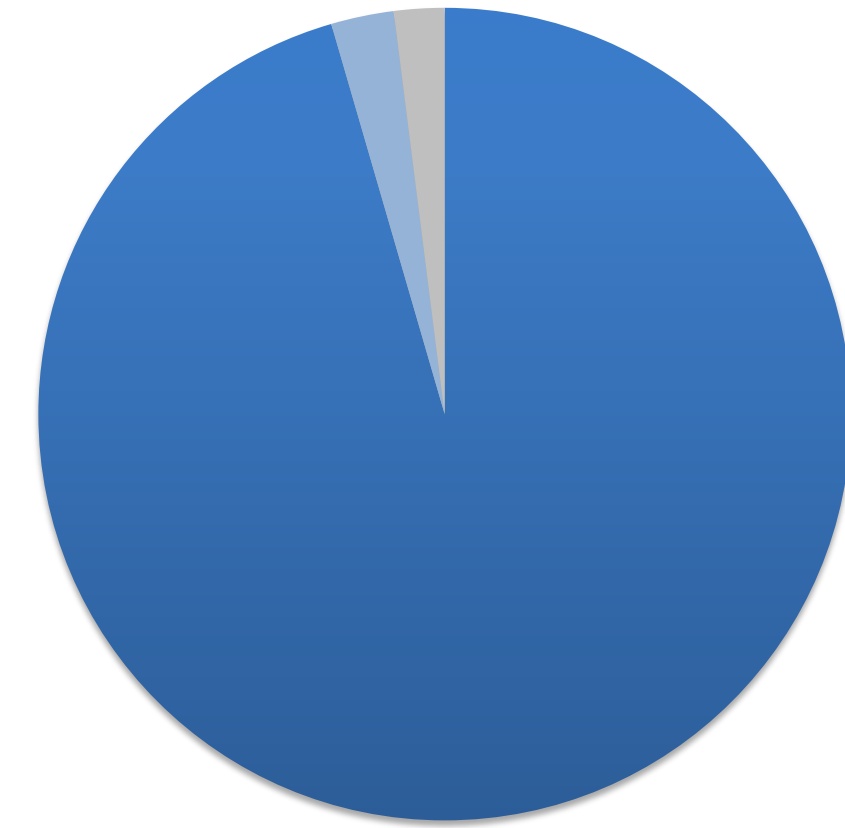


Quarter Ended 11/30/24

We continue to invest in our systems with a current book value of \$40.0 million which can produce over 3.4 million gallons of water per day

TAP FEES-PORTFOLIO CAPACITY (60,000)

AMOUNT



■ At Buildout ■ Current Remaining Capacity ■ Sold To Date

We estimate our portfolio can serve approximately 60,000 connections, generating approximately \$2.3 billion in revenues based on current rates. To date, we have added around 1,186 connections, representing less than 2% of our overall capacity

R

LAND DEV

RE

History & Strategy

Pure Cycle Corporation has a strategic history of entering the land development industry, driven by its vision to enhance shareholder value and create integrated communities. Initially focused on water utility services, the company recognized the opportunity to expand its operations in the late 2010s as urban growth and housing demands increased.

In 2010, Pure Cycle acquired the land that eventually became Sky Ranch and engaged in partnerships that allowed it to develop residential projects alongside its water utility offerings. This vertical integration enabled the company to provide essential services directly to the communities it was developing.

Metrics of Completed Phases

TOTAL LOT SALES

\$77m

GROSS MARGIN

79%

PHASE 2A

229 Lots

Land development is substantially complete. Out of 229 homes, 215 are finished and occupied.



2A

PHASE 2B

211 Lots

All paving is complete, and homebuilders have begun construction on homes. Land development is estimated to be completed by summer of 2025.



2B

PHASE 2C

228 Lots

Grading is finished, and utility work has begun. Land development is scheduled to be completed by the end of fiscal year 2025.



2C

PHASE 2D

218 Lots

Grading has begun and lots are expected to be available fall of 2025.

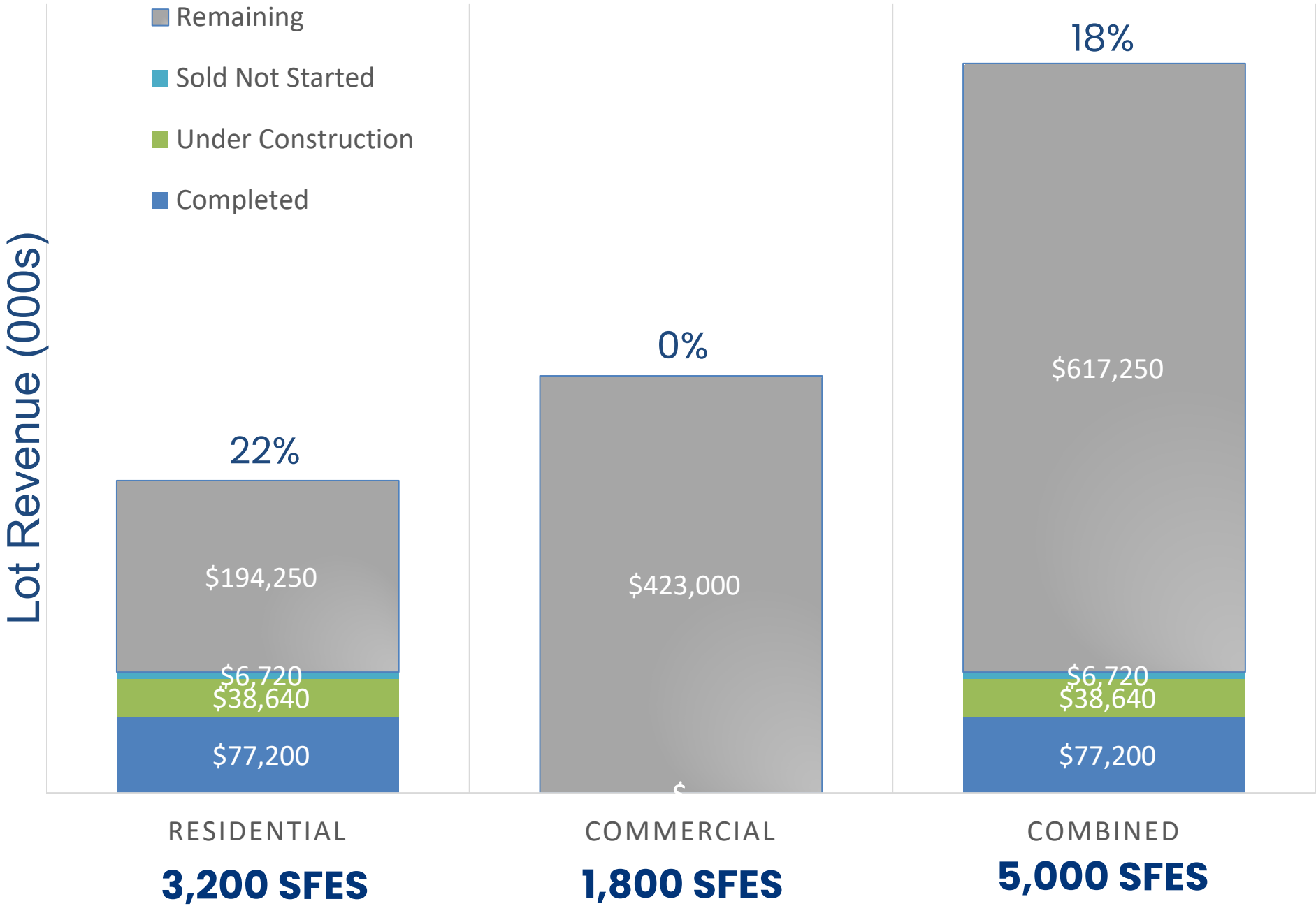


2D

SKY RANCH CAPACITY PROJECTIONS (UPDATED)

LAND DEVELOPMENT

Pure Cycle’s remaining land to develop is recorded at a book value of \$3.7 million, but with over \$600 million in potential development revenue expected in the coming years, it highlights the substantial hidden value on the company’s balance sheet





PURE CYCLE CORPORATION

EV

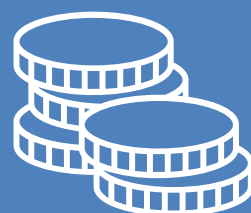


FIN

OVERVIEW OF OPERATIONS

Pure Cycle Corporation entered the single-family rental (SFR) market as a strategic move to diversify and expand its revenue streams. As a company originally focused on water rights and infrastructure development, Pure Cycle realized the potential in the rapidly growing demand for rental properties, particularly single-family homes.

- 1 Maximizing Land Development Opportunities:** By developing single-family homes for rent on these properties, the company can enhance the value of its landholdings and generate consistent income.
- 2 Recurring Revenue:** SFR properties provide a steady, recurring revenue stream. This aligns with Pure Cycle's strategy to balance its revenue mix.
- 3 Leverage Market Demand:** The SFR market has been booming, driven by increased demand for rental housing from families who prefer single-family homes over apartments but may not be ready or able to purchase a home. This demand is especially strong in suburban and near-urban areas, where Pure Cycle has land.
- 4 Higher Return on Investment:** Developing rental properties on their land potentially offers higher returns than simply selling lots or developing for sale. This allows Pure Cycle to capitalize on both land appreciation and rental income.



SINGLE FAMILY RENTALS

\$5 M COMPLETED HOMES

\$289 K HOMES UNDER CONSTRUCTION

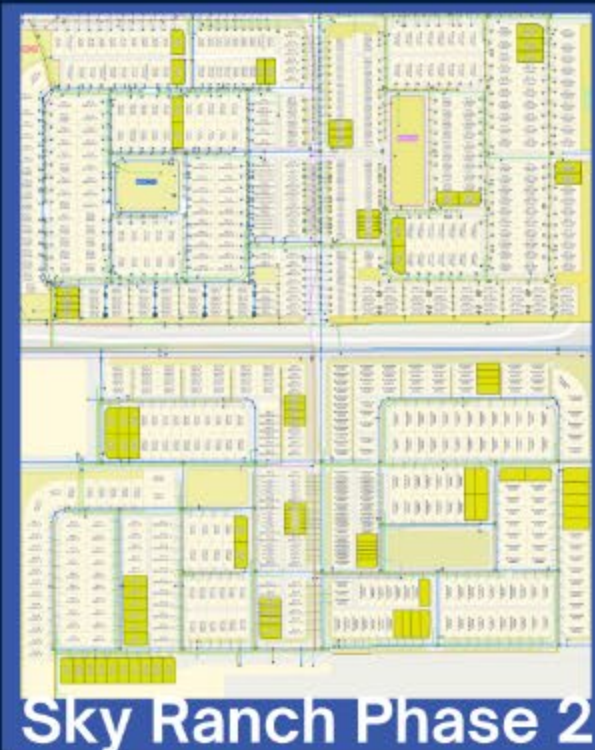
\$7.6 M
IN FAIR MARKET
VALUE

Pure Cycle contracts to build single -family homes in its Sky Ranch Master Planned Community to hold for rentals. Lot development costs fully recovered (horizontal costs and tap fees) Each unit covers financing costs and provides positive cash flows. Segment provides excellent asset appreciation positive cash flows.

SFR - Cumulative Pro Forma P&L by Phase (000s)

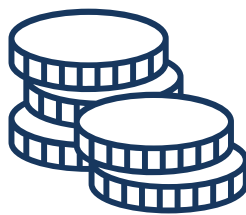
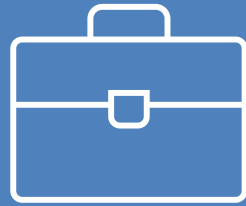
Based on actual results 14 completed homes

SFR Projections	Phase 1 (+4 Homes)	Phase 2a (+10 homes)	Phase 2b (+17 Homes)	Phase 2c (+40 Homes)	Phase 2d (+26 Homes)
Cumulative Homes	4	14	31	71	98
Rental income	131	459	1,017	2,263	3,116
Direct operating costs	48	168	372	828	1,140
Interest and depreciation expense	50	174	384	856	1,178
Net operating income	\$33.60	\$117.60	\$260	\$580	\$798
Add back non-cash items	37	129	285	635	874
Cash flows before G&A & tax	\$70.40	\$246.40	\$546	\$1,214	\$1,672



PROJECTED

LIQUIDITY



\$24.4 M

CASH AND ST
INVESTMENT

\$5.33 M

RESTRICTED CASH

\$35.5 M

RECEIVABLE
FROM CAB

\$65.2 M

IN TOTAL
LIQUIDITY

Pure Cycle has a strong balance sheet with liquidity to support our business segments. Pure Cycle maintains a significant cash position as well as a receivable from the Sky Ranch CAB for approved reimbursements for public improvement that were paid for by Pure Cycle. The receivable bears interest at a rate of 6% per annum.



PURE CYCLE CORPORATION

EW

OUTLOOK

LA

COMPANY OUTLOOK



WATER UTILITIES



SHORT TERM OUTLOOK (3- 5 YEARS)

- Customer growth to 2,500 accounts consistent tap sales over the remaining phases adding to the recurring customer base
- Annual tap fee increases at 3%

LONG TERM OUTLOOK (SR Buildout)

- Buildout of Sky Ranch 5,000 total residential and commercial connections at Sky Ranch
- Achieving greater operational efficiencies as the segment grows
- Building long -term, recurring revenue streams to enhance shareholder value
- System expansion will serve additional areas (Lowry Ranch, Arapahoe County parcels)

COMPANY OUTLOOK



**LAND
DEV**



SHORT TERM OUTLOOK (3- 5 YEARS)

- Steady lot sales over the next 5 years through the completion of Sky Ranch with opportunities to expand portfolio
- Increasing lot margins as lot costs are expected to remain consistent through the remainder of Sky Ranch Development
- Most valuable commercial land yet to begin monetizing which will accelerate margins

LONG TERM OUTLOOK (SR Buildout)

- Buildout/ Completion the final phases of the Sky Ranch project
- Expanding development into the Lowry Ranch and surrounding areas approach Pure Cycle's service region
- Bringing online valuable commercial land at Interstate Interchange

COMPANY OUTLOOK



SINGLE FAMILY RENTALS



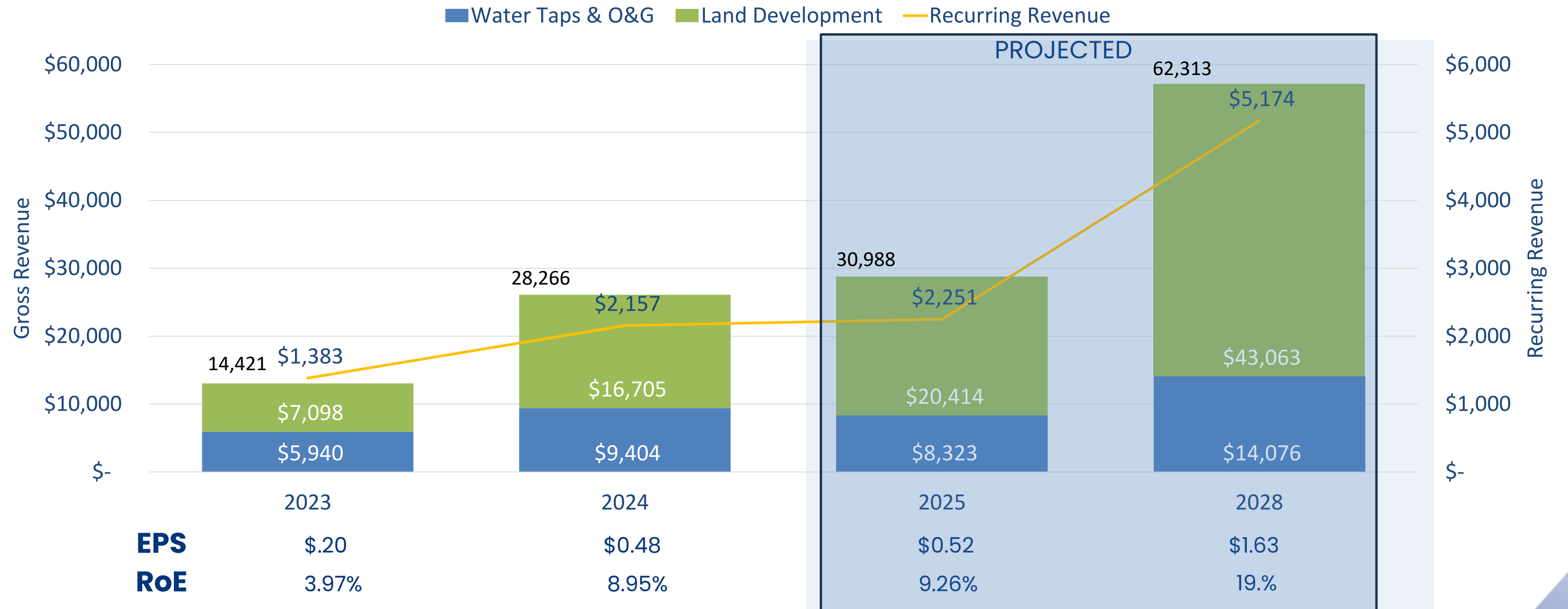
SHORT TERM OUTLOOK (3- 5 YEARS)

- Expansion of segment to over 100 homes in the next 5 years
- Increased efficiencies as segment continues to scale
- Sustained population growth, particularly in suburban areas, will drive continued demand for single-family rentals

LONG TERM OUTLOOK (SR Buildout)

- Expansion of segment to over 200 homes growing a diversified investment portfolio to generate long-term recurring revenue
- Increasing operational efficiencies as the rental segment scales
- Leveraging Colorado's strong economic growth and stable job market to support sustained rental demand and affordability

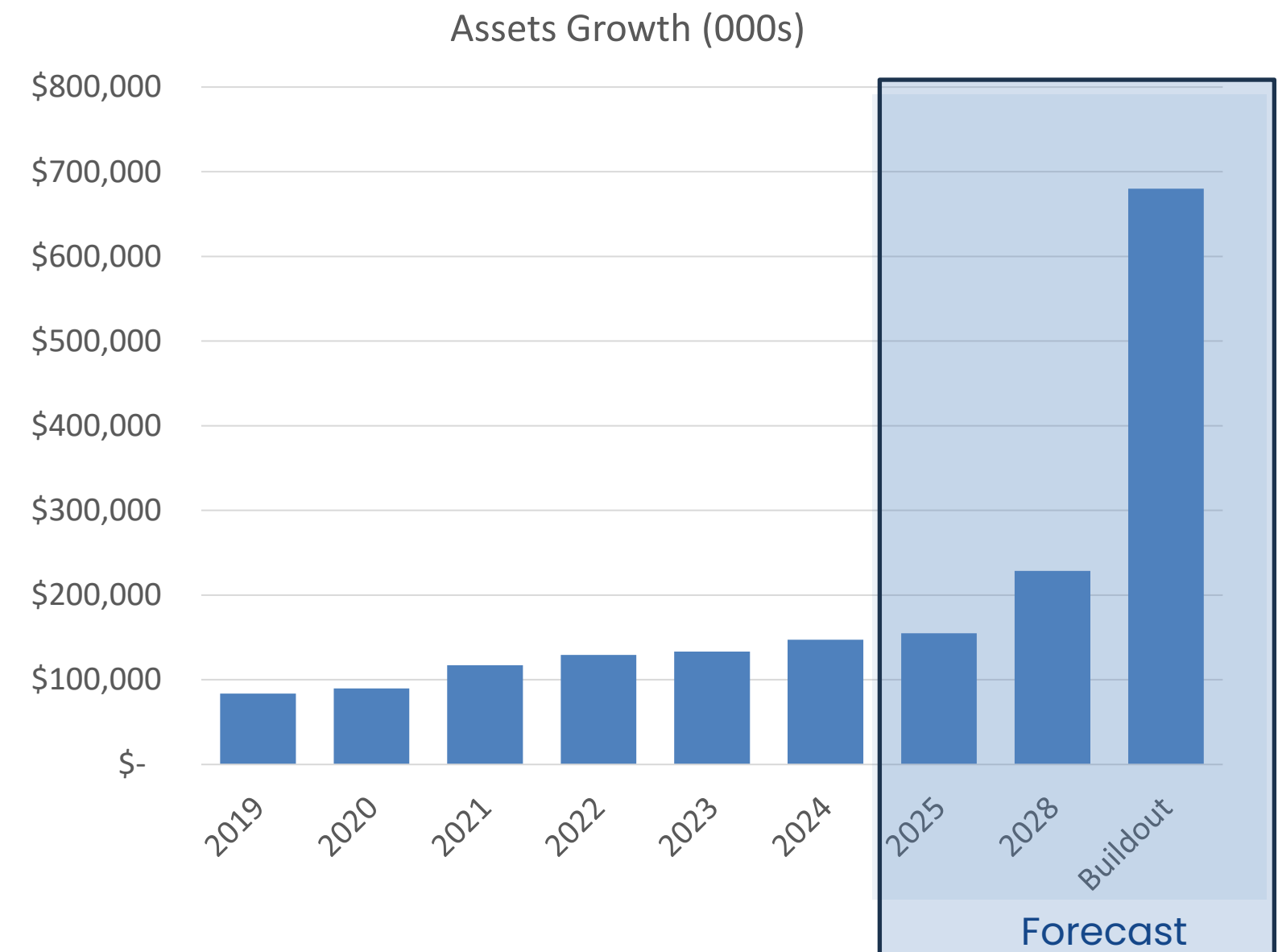
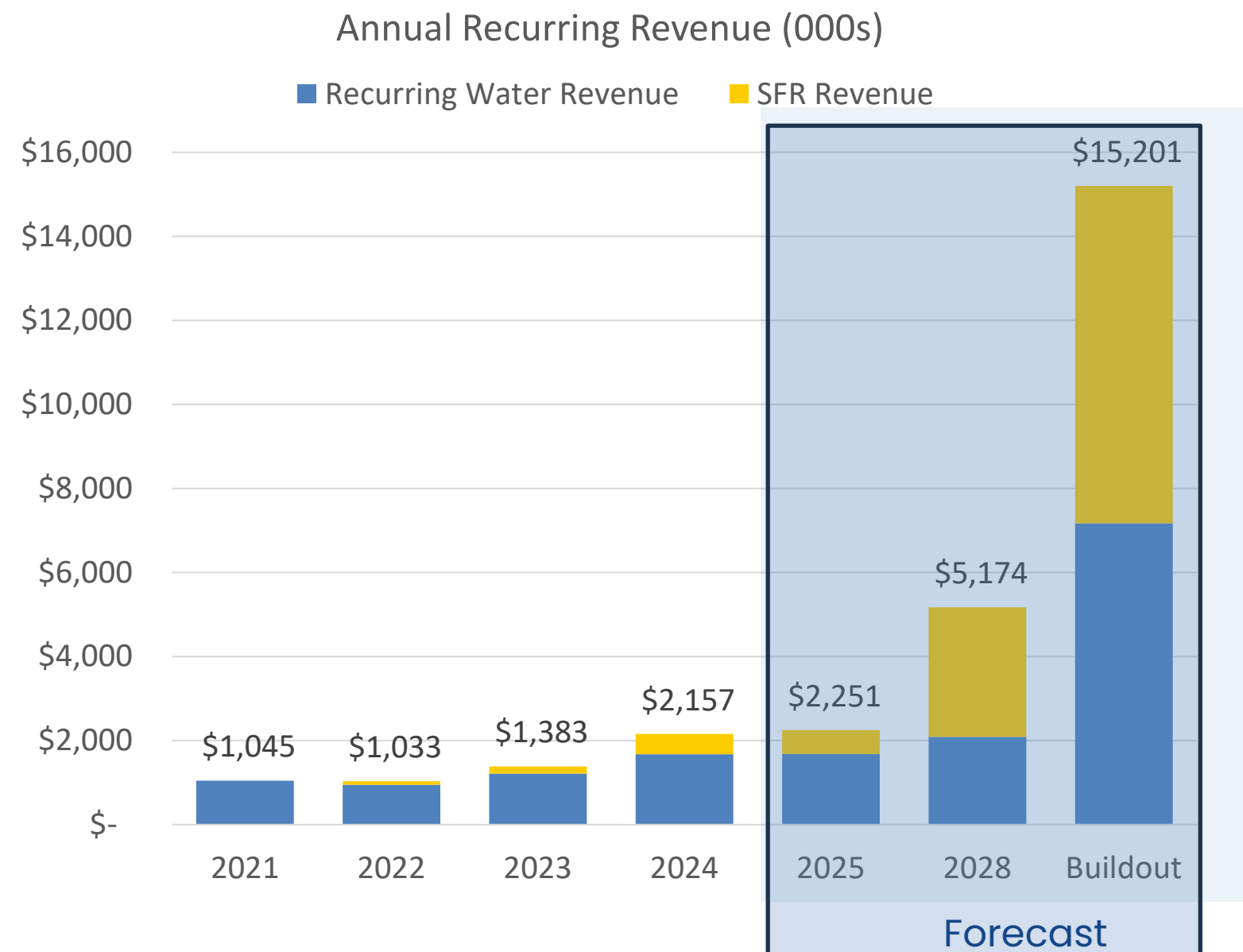
Profitability Trends



The metrics displayed in these graphics are derived from non-GAAP calculations and estimates

Shareholder Value

Pure Cycle has shown consistent growth in both recurring revenue (with contributions from water services and an increasing SFR component) and total assets over recent years, suggesting a strong financial position for continued expansion and growing returns on investments



Stock Repurchase Program Update

The Company continues to invest in itself, through its approved stock repurchase program. We believe our shares remain considerably undervalued – maybe more than ever given our momentum and will continue to be in the market repurchasing shares opportunistically. We continue to demonstrate the value of our assets and execution in our core businesses, both creating outstanding shareholder value.

Fiscal Period	Total Number of Shares Purchased	Average Price Paid per Share	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Q1 2024	20,000	\$9.92	180,000
Q2 2024	10,000	\$9.94	170,000
Q3 2024	15,000	\$9.48	155,000
Q4 2024	14,926	\$9.34	140,074
Q1 2025	10,000	\$10.73	130,074
Q2 2025	12,000	\$12.45	118,074
Total	81,926	\$10.31	118,074



Earnings Presentation Q&A



www.purecyclewater.com

