

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K  
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 13, 2024

**PURE CYCLE CORPORATION**

(Exact name of registrant as specified in its charter)

**Colorado**

(State or other jurisdiction of incorporation)

**0-8814**

(Commission File Number)

**84-0705083**

(IRS Employer Identification No.)

**34501 East Quincy Avenue, Building 1, Suite D, Watkins, CO 80137**

(Address of principal executive offices) (Zip Code)

Registrant's telephone, including area code

**(303) 292-3456**

**N/A**

(Former name or former address, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act:

**Common Stock 1/3 of \$.01 par value**

(Title of each class)

**PCYO**

(Trading Symbol(s))

**The NASDAQ Stock Market**

(Name of each exchange on which registered)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth Registrant as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth Registrant ☐

If an emerging growth Registrant, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

This current report on Form 8-K is filed by Pure Cycle Corporation (**Registrant**), a Colorado corporation, in connection with the matters described herein

**Item 2.02 Results of Operations and Financial Condition.**

On November 13, 2024, the Registrant issued a press release announcing its financial results for the year ended August 31, 2024. A copy of the press release is furnished as Exhibit 99.1 hereto, and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the press release furnished as Exhibit 99.1 to this current report on Form 8-K shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information or exhibit be deemed incorporated by reference into any filing under the Securities Act of 1933 or Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in any such filing.

**Item 7.01 Regulation FD Disclosure**

On November 14, 2024, the Registrant presented and posted on its website a presentation summarizing Pure Cycle’s operations and financial results (**Earnings Presentation**). The Earnings Presentation is furnished as Exhibit 99.2 to this Form 8-K and is incorporated herein by reference.

The information contained in the Earnings Presentation is summary information and should be read in conjunction with Pure Cycle’s filings with the Securities and Exchange Commission and other public announcements that Pure Cycle may make by press release or otherwise from time to time. The Earnings Presentation will be posted in the Investor Relations section of Pure Cycle’s website, [www.purecyclewater.com](http://www.purecyclewater.com).

The information contained in this Item 7.01 of Form 8-K, including the accompanying Exhibit 99.2 is being furnished, and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (**Exchange Act**), or otherwise subject to the liabilities of that section. The information contained in the presentation shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Press Release dated November 13, 2024, announcing earnings for the year ended August 31, 2024</a>
99.2	<a href="#">Year ended August 31, 2024 earnings presentation</a>
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the inline XBRL document)

---

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 14, 2024

**PURE CYCLE CORPORATION**

By: /s/ Marc S. Spezialy  
Marc S. Spezialy  
Vice President and Chief Financial Officer

---



## Pure Cycle Announces Financial Results For the Year Ended August 31, 2024

DENVER, CO / ACCESSWIRE / November 13, 2024 – Pure Cycle Corporation (NASDAQ Capital Market: PCYO) announced its financial results for the year ended August 31, 2024. Pure Cycle reported \$11.6 million of net income for the year ended August 31, 2024, which is a 147% increase compared to 2023, and marks our seventh consecutive year and twenty-first consecutive fiscal quarter with positive net income. Pure Cycle reported \$0.48 of earnings per fully diluted common shares, which is up from \$0.19 in 2023, a 153% increase. We recognized a 135% increase in lot sales revenue for the year ended August 31, 2024 compared to 2023, due to an increase in our development activity. Pure Cycle continues to develop its Sky Ranch Master Planned Community, and as of August 31, 2024, we are actively working on Phases 2A, 2B and 2C. Phase 2A and 2B are substantially completed with finished lots delivered to homebuilders. We expect home builders to be able to begin construction in Phase 2C during fiscal 2025 and to start home building in Phase 2D in fiscal 2026.

### Full Year 2024 Highlights

- Revenue for the years ended August 31, 2024 and 2023 of \$28.7 million and \$14.6 million (a 97% increase), which drove pre-tax income of \$15.6 million and \$6.2 million (a 151% increase);
- Net income for the years ended August 31, 2024 and 2023 of \$11.6 million and \$4.7 million (a 147% increase);
- EBITDA for the years ended August 31, 2024 and 2023 of \$18.2 million and \$8.6 million (a 112% increase) (see table below for reconciliation of net income to EBITDA);
- Cash & cash equivalents totaled \$22.1 million at August 31, 2024;
- For the years ended August 31, 2024 and 2023, we delivered 1,818 and 964 acre-feet of water (a 89% increase).

### Net Income to EBITDA Reconciliation

We continue our profitability as shown in the table below:

(In thousands)	Year Ended	
	August 31, 2024	August 31, 2023
Net Income	\$ 11,613	\$ 4,699
Add back:		
Interest expense, net	439	206
Taxes	4,019	1,521
Depreciation / amortization	2,100	2,156
EBITDA	<u>\$ 18,171</u>	<u>\$ 8,582</u>
Earnings per common share - basic and diluted		
Basic	<u>\$ 0.48</u>	<u>\$ 0.20</u>
Diluted	<u>\$ 0.48</u>	<u>\$ 0.19</u>
Weighted average common shares outstanding:		
Basic	<u>24,083,001</u>	<u>24,031,068</u>
Diluted	<u>24,140,946</u>	<u>24,106,067</u>



“Due to the continued success of our Sky Ranch Master Planned community, we now have three phases of lot development under construction accelerating the timing of delivering our lots to home builder customers as well as lots for our single-family rental segment. As we complete final landscaping in Phase 2A, lot production accelerated deliveries in the remaining half of our fiscal year with completion of approximately 211 lots in Phase 2B and substantial progress on our overlapping production of 228 lots in Phase 2C,” commented Mark Harding, CEO of Pure Cycle. “Also contributing were record 2024 YTD water sales to oil and gas customers with a continued strong outlook over the next several years,” continued Mr. Harding.

#### Fourth Quarter 2024 Highlights

- Revenue for the three months ended August 31, 2024 of \$12.6 million, which drove pre-tax income of \$8.8 million;
- Net income for the three months ended August 31, 2024 of \$6.6 million;
- EBITDA for the three months ended August 31, 2024 of \$9.5 million (see table below for reconciliation of net income to EBITDA);
- For the three months ended August 31, 2024, we delivered 396 acre-feet of water.

(In thousands)	Three Months Ended	
	August 31, 2024	August 31, 2023
Net Income	\$ 6,605	\$ 1,056
Add back:		
Interest expense, net	111	57
Taxes	2,214	177
Depreciation / amortization	521	562
EBITDA	\$ 9,451	\$ 1,852
Earnings per common share - basic and diluted		
Basic	\$ 0.27	\$ 0.04
Diluted	\$ 0.27	\$ 0.04
Weighted average common shares outstanding:		
Basic	24,075,325	24,059,214
Diluted	24,128,165	24,125,471

#### Full Year 2024 Financial Summary

##### Revenues

For the years ended August 31, 2024, and 2023, we reported total revenue of \$28.7 million and \$14.6 million with \$11.6 million and \$7.3 million being generated in our water and wastewater resource development segment, \$16.7 million and \$7.1 million generated by our land development segment, and \$0.5 million and \$0.2 million reported in our single-family rental business.

For the years ended August 31, 2024, and 2023, we sold 73 and 104 water or water and wastewater taps for \$3.4 million and \$3.0 million. As of August 31, 2024, we have sold 777 water and wastewater taps at Sky Ranch in Phases 1, 2A, and 2B. Based on current prices and engineering estimates, we believe Phase 2 of Sky Ranch will produce additional tap fee revenue of \$19.8 million in water and wastewater tap fee revenue and cash over the next three years.

As of August 31, 2024, the first development phase (509 lots) is complete and the second development phase (874 lots) is being developed in four subphases, referred to as Phase 2A (229 lots), Phase 2B (211 lots), Phase 2C (228 lots) and Phase 2D (218 lots). As of August 31, 2024, Phase 2A is approximately 99% complete, Phase 2B is approximately 92% complete and Phase 2C is approximately 27% complete. Phases 2A and 2B are substantially completed with some landscaping items remaining. Phase 2C is expected to be complete by the end of Pure Cycle's fiscal 2025 and Phase 2D is expected to be complete by the end of calendar 2025.

As of August 31, 2024, the single-family rental business had 14 homes built and rented in Sky Ranch and 17 additional homes forecasted for construction in Phase 2B with 12 currently under contract to build. As noted in the prior quarters, due to the overwhelming demand for rental homes at Sky Ranch, we expect to have a total of 94 homes in Phase 2 with the ability to add more than 200 homes as Sky Ranch builds out.

"Our land development segment continued to ramp up in fiscal 2024, and we expect this trend to continue into the next fiscal year with various phases concurrently under development," commented Marc Spezialy, CFO of Pure Cycle. "We have delivered 949 finished lots to home builders in Sky Ranch while retaining 31 lots for our single-family rental segment, and we are under construction on 228 lots in Phase 2C scheduled for delivery in fiscal 2025. We will also begin to develop an additional 218 lots in Phase 2D with scheduled delivery in fiscal 2026," concluded Mr. Spezialy.

#### *Working Capital*

We reported working capital (current assets less current liabilities) of \$28.5 million as of August 31, 2024, with \$22.1 million of cash and cash equivalents.

### **Full Year 2024 Operational Summary**

#### *Water and Wastewater Resource Development*

Water deliveries increased for the year ended August 31, 2024, to a record 1,818 acre-feet delivered as compared to 964 acre-feet delivered for 2023. Of this, 77% and 64% were sold to oil and gas operations. Oil and gas operations are highly variable and dependent on oil prices, demand for gas, and timing of development of other leases in our service areas; however, our current expectation is for continued strong demand for oil and gas water sales for the coming years. As Sky Ranch continues to develop, we anticipate continued growth in our residential water and wastewater service revenues. Water and wastewater tap sales increased in 2024 compared to 2023, primarily due to the type of taps (commercial vs. residential) sold during each year and a price increase of water and wastewater taps in 2024.

#### *Land Development*

Lot sales revenue increased to \$16.0 million for the year ended August 31, 2024 compared to \$6.8 million in 2023. Increases during the year are primarily due to an increase in lot deliveries at Sky Ranch and our accelerated development activities with three ongoing phases in our Sky Ranch Master Planned Community. The number of lots delivered increased in 2024 compared to 2023 due to the remaining lots of Phase 2B and beginning lots of Phase 2C having been delivered by the end of fiscal 2024.

#### *Single Family Rentals*

Fiscal 2024 represented our first year of rental income for our 14 completed homes. An additional 17 homes are forecasted for construction in Phase 2B in calendar 2025.

### **Earnings Call Information**

Pure Cycle will host a conference call on Thursday November 14, 2024, at 8:30AM Eastern (6:30AM Mountain) to discuss the financial results and answer questions. Call details are presented below. We will post a detailed slide presentation on our website, which will provide an overview of Pure Cycle and present summary financial results and can be accessed at [www.purecyclewater.com](http://www.purecyclewater.com).

When:	8:30AM Eastern (6:30AM Mountain) on November 14, 2024
Call in number:	877-545-0523 (access code: 999464)
International call-in number:	973-528-0016 (access code: 999464)
Replay numbers:	877-481-4010   919-882-2331 (passcode: 51565)
Replay available until:	February 14, 2025 at 8:30AM ET
Event link:	<a href="https://www.webcaster4.com/Webcast/Page/2247/51565">https://www.webcaster4.com/Webcast/Page/2247/51565</a>

### **Other Important Information**

The table below presents our consolidated results of operations for the years ended August 31, 2024 and 2023:

<i>(In thousands, except share information)</i>	Year Ended	
	August 31, 2024	August 31, 2023
Revenues:		
Metered water usage from:		
Municipal customers	\$ 788	\$ 504
Commercial customers	6,095	3,059
Wastewater treatment fees	343	302
Water and wastewater tap fees	3,384	2,991
Lot sales	15,998	6,815
Project management fees	707	283
Single-family rentals	481	165
Special facility projects and other	951	467
Total revenues	<u>28,747</u>	<u>14,586</u>
Cost of revenues:		
Water service operations	2,204	1,757
Wastewater service operations	691	675
Land development construction costs	3,037	1,606
Project management costs	482	286
Single-family rental costs	188	73
Depletion and depreciation	1,504	1,658
Other	882	491
Total cost of revenues	<u>8,988</u>	<u>6,546</u>
General and administrative expenses	6,921	5,470
Depreciation	596	498
Operating income	<u>12,242</u>	<u>2,072</u>
Other income (expense):		
Interest income - related party	1,729	1,481
Interest income - Investments	1,108	1,023
Oil and gas royalty income, net	795	267
Oil and gas lease income, net	69	75
Other, net	128	1,508
Interest expense, net	(439)	(206)
Income from operations before income taxes	<u>15,632</u>	<u>6,220</u>
Income tax expense	<u>(4,019)</u>	<u>(1,521)</u>
Net income	<u>\$ 11,613</u>	<u>\$ 4,699</u>
Earnings per common share - basic and diluted		
Basic	<u>\$ 0.48</u>	<u>\$ 0.20</u>
Diluted	<u>\$ 0.48</u>	<u>\$ 0.19</u>
Weighted average common shares outstanding:		
Basic	<u>24,083,001</u>	<u>24,031,068</u>
Diluted	<u>24,140,946</u>	<u>24,106,067</u>

The following table presents our consolidated financial position as of August 31, 2024 and 2023:

(In thousands, except shares)

	<b>August 31, 2024</b>	<b>August 31, 2023</b>
	<b>(unaudited)</b>	
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 22,113	\$ 26,012
Trade accounts receivable, net	1,472	1,092
Land under development	3,647	1,726
Reimbursable public improvements and project management fees	10,100	—
Income taxes receivable	—	551
Prepaid expenses and other assets	530	346
Total current assets	37,862	29,727
Restricted cash	3,245	2,475
Investments in water and water systems, net	60,486	57,798
Construction in progress	3,161	5,457
Single-family rental units	5,059	4,490
Land and mineral rights:		
Held for development	3,683	4,652
Held for investment purposes	451	451
Other assets	1,164	1,359
Notes receivable – related parties, including accrued interest		
Reimbursable public improvements and project management fees	30,864	24,999
Other	1,221	1,451
Operating leases - right of use assets	158	357
Total assets	<u>\$ 147,354</u>	<u>\$ 133,216</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable	\$ 1,948	\$ 1,960
Accrued liabilities	1,514	1,761
Accrued liabilities – related parties	2,208	1,021
Income taxes payable	1,442	—
Deferred lot sales revenue	2,173	1,661
Deferred water sales revenue	-	69
Debt, current portion	64	31
Total current liabilities	9,349	6,503
Debt, less current portion	6,821	6,885
Deferred tax liability, net	1,395	1,352
Lease obligations - operating leases, less current portion	87	242
Total liabilities	17,652	14,982
Commitments and contingencies		
<b>SHAREHOLDERS' EQUITY:</b>		
Series B preferred shares: par value \$0.001 per share, 25 million authorized; 432,513 issued and outstanding (liquidation preference of \$432,513)	—	—
Common shares: par value 1/3 of \$.01 per share, 40.0 million authorized; 24,063,894 and 24,078,720 outstanding, respectively	80	80
Additional paid-in capital	175,125	174,689
Accumulated deficit	(45,503)	(56,535)
Total shareholders' equity	129,702	118,234
Total liabilities and shareholders' equity	<u>\$ 147,354</u>	<u>\$ 133,216</u>

## **Company Information**

Pure Cycle continues to grow and strengthen its operations, grow its balance sheet, and drive recurring revenues. We operate in three distinct business segments, each of which complements the other. At our core, we are an innovative and vertically integrated wholesale water and wastewater service provider. In 2017, we launched our land development segment which develops master planned communities on land we own and to which we provide water and wastewater services. In 2021, we launched our newest line of business, the rental of single-family homes located at Sky Ranch, which provides long-term recurring revenues, furthers our land development operations, and adds more customers to our water resource segment.

Additional information, including our recent press releases and SEC filings, is available at [www.purecyclewater.com](http://www.purecyclewater.com), or you may contact our President, Mark W. Harding, or our CFO, Marc Spezialy, at 303-292-3456 or [info@purecyclewater.com](mailto:info@purecyclewater.com).

## **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are all statements, other than statements of historical facts, included in this press release that address activities, events or developments that we expect or anticipate will or may occur in the future, such as statements about the following: our positioning to continue to grow through this market cycle; the completion and delivery of our rental units; timing of development at Sky Ranch; future water and wastewater tap sales and revenues; future home sales by our home builder customers; the affordability of our products; the strength of the Sky Ranch market; forecasts about our future sales of water to oil and gas operators; our sales of lots; and our expected financial results. The words "anticipate," "likely," "may," "should," "could," "will," "believe," "estimate," "expect," "plan," "intend" and similar expressions are intended to identify forward-looking statements. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially. Factors that could cause actual results to differ from projected results include, without limitation: home mortgage interest rates, inflation, and other factors impacting the housing market and home sales; the risk factors discussed in Part I, Item 1A of our most recent Annual Report on Form 10-K for the fiscal year ended August 31, 2024; and those factors discussed from time to time in our press releases, public statement and documents filed or furnished with the U.S. Securities and Exchange Commission. Except as required by law, we disclaim any obligation to update publicly any forward-looking statements, whether because of new information, future events or otherwise.

SOURCE: Pure Cycle Corporation



# Earnings Presentation

Fiscal Year End 2024

Presented by Mark Harding



[www.purecyclewater.com](http://www.purecyclewater.com)

Exhibit 99.2





## 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.



# 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





# Financial Performance Q4 Results

Record-setting quarter and year for Pure Cycle, showing significant growth in both revenue and gross profit. For Q4 of 2024, revenue reached \$12.6 million, while gross profit hit a new high of approximately \$9.8million. This strong financial performance highlights Pure Cycle’s success in scaling operations and increasing profitability, driven by strategic investments and development activities.





# Financial Performance FYE Results

Record-setting quarter and year for Pure Cycle, showing significant growth in both revenue and gross profit. For FYE of 2024, revenue reached \$28.7 million, while gross profit hit a new high of approximately \$19.8 million. This strong financial performance highlights Pure Cycle's success in scaling operations and increasing profitability, driven by strategic investments and development activities.

Figures in Thousands



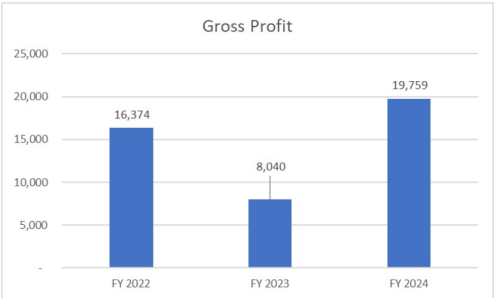
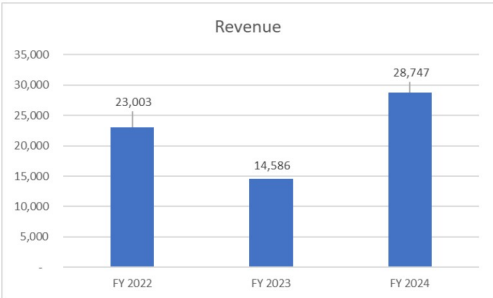


\*\*\*\*\*

# Financial Performance

CONSOLIDATED METRICS

Record-setting year for Pure Cycle, showing significant growth in both revenue and gross profit. For fiscal year 2024, revenue reached nearly \$29 million, while gross profit hit a new high of approximately \$19.8 million. This strong financial performance highlights Pure Cycle's success in scaling operations and increasing profitability, driven by strategic investments and development activities.



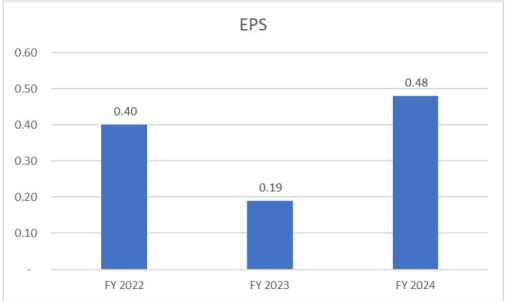
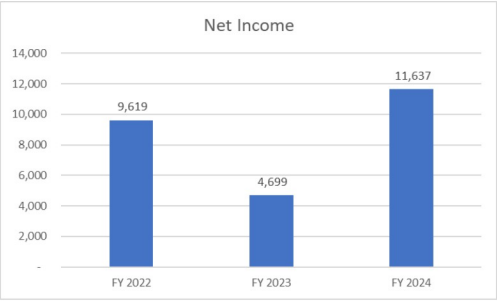


\*\*\*\*\*

# Financial Performance

CONSOLIDATED METRICS

FY 2024 marks a strong comeback in financial performance, with Net Income and EPS both achieving notable increases from the previous year. Although FY 2021 remains the peak year due to a different accounting treatment of reimbursables, FY 2024 would likely be record-setting under the updated accounting method. This reflects the company's robust underlying growth and operational resilience.

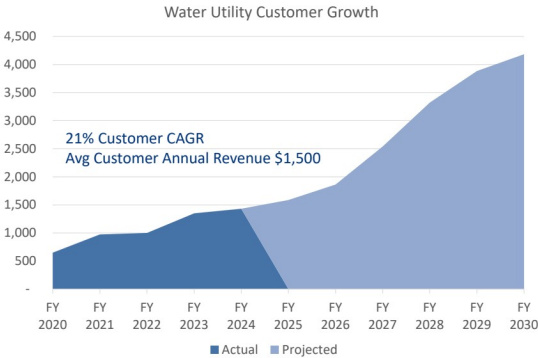
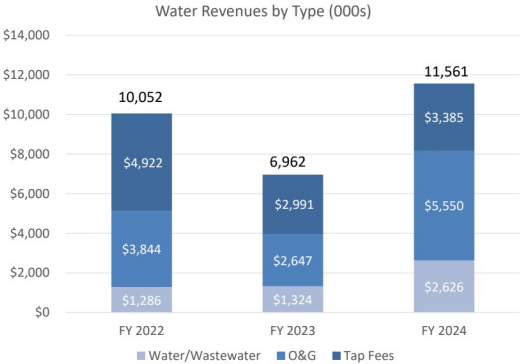




\* \* \* \* \*

# Financial Performance

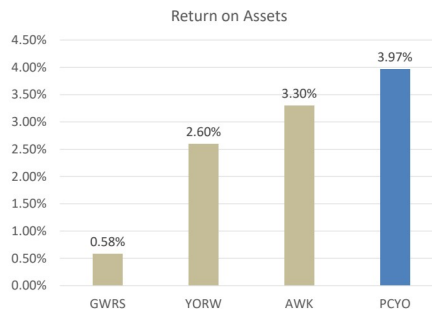
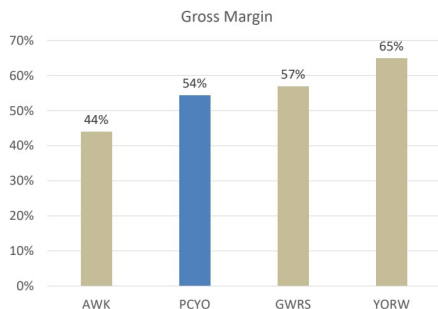
WATER UTILITIES





## 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

## 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.

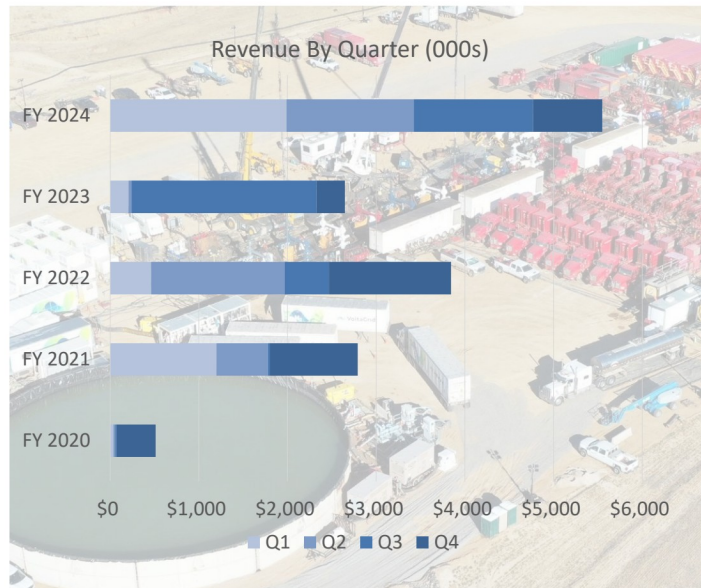
> 150 WELLS  
DRILLED TO DATE

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

12

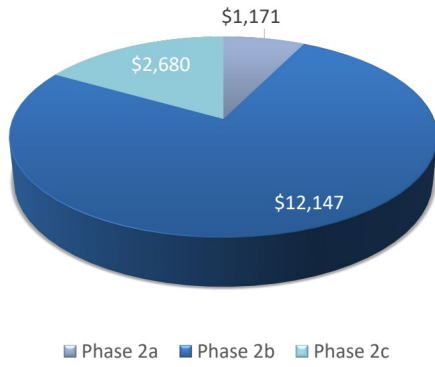




# Financial Performance

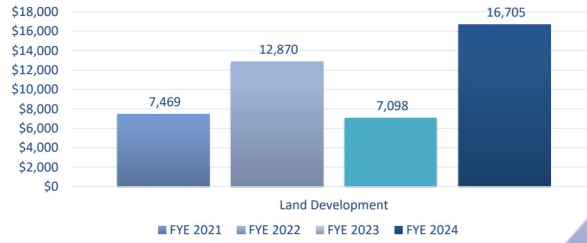
LAND DEVELOPMENT

Revenue Contribution by Phase 2024  
(000s)



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	26	18%
	1286	97	

Land Development Revenue YoY (000s)

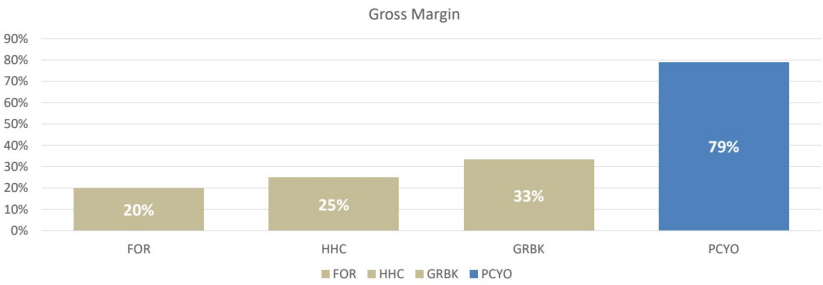


# Sector Performance



LAND DEVELOPMENT

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



- PCYO Results YE 2024
- Comp Results as of last year reported (2023)

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



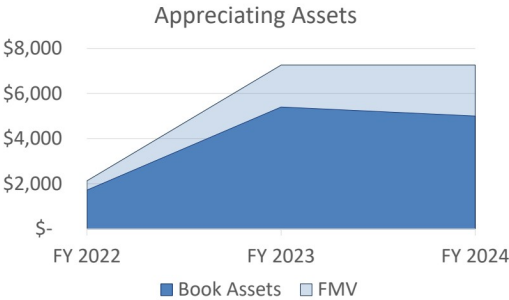
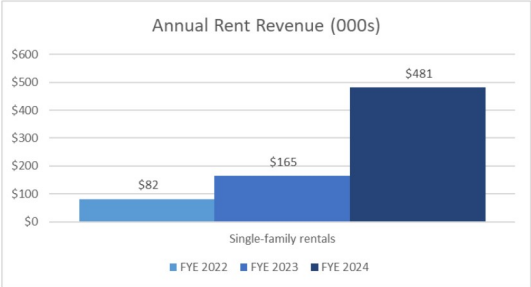
# Financial Performance

SINGLE FAMILY RENTALS

ANNUAL RENT REVENUE  
\$500k

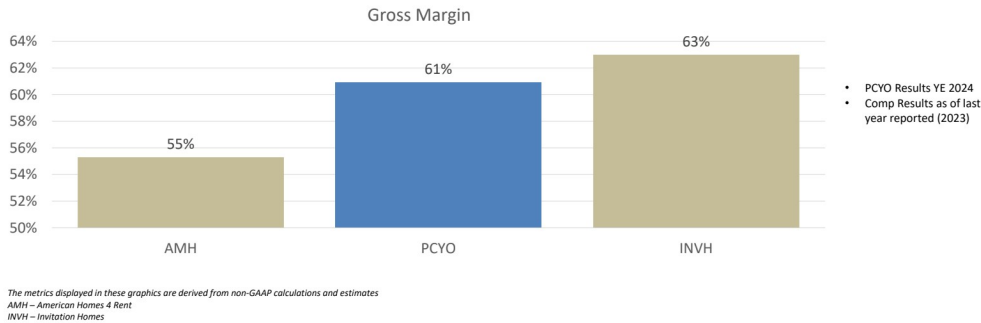
COMPLETED HOMES  
14

GROSS MARGIN  
61%



## 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.





PURE CYCLE CORPORATION

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



EW



WATER



LA

# WATER SEGMENT



**\$41.2 M** WATER SYSTEMS

**\$9.2 M** WASTEWATER SYSTEMS

**\$14.6 M** WATER RIGHTS PORTFOLIO

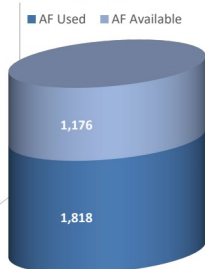
**\$65 M**

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

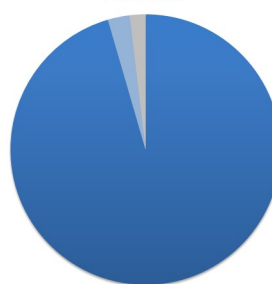


For Year Ended 8/31/2024

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 1,136 connections, representing less than 2% of our overall capacity



PURE CYCLE CORPORATION



## 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, 228 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.

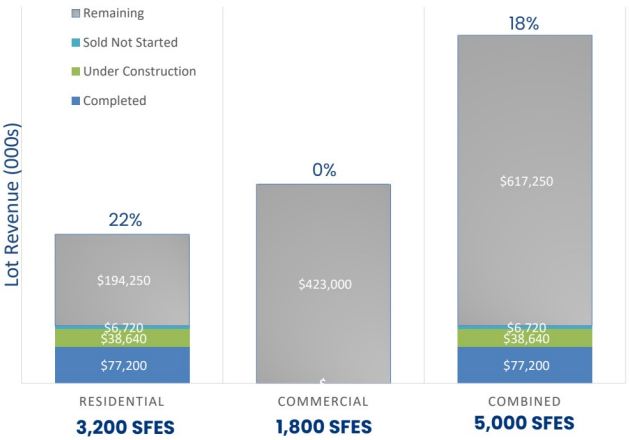


2D

# SKY RANCH CAPACITY PROJECTIONS

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

RENTALS

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.

27

- 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

**\$272 K** HOMES UNDER CONSTRUCTION

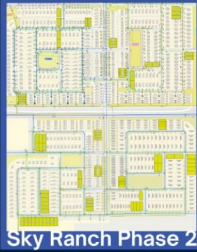
**\$7.4 M**  
IN FAIR MARKET VALUE

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	97
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



Sky Ranch Phase 2



PROJECTED

# LIQUIDITY



**\$23.4 M** CASH AND ST  
INVESTMENT

**\$3.2 M** RESTRICTED CASH

**\$31 M** RECEIVABLE FROM  
CAB

**\$57.6 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

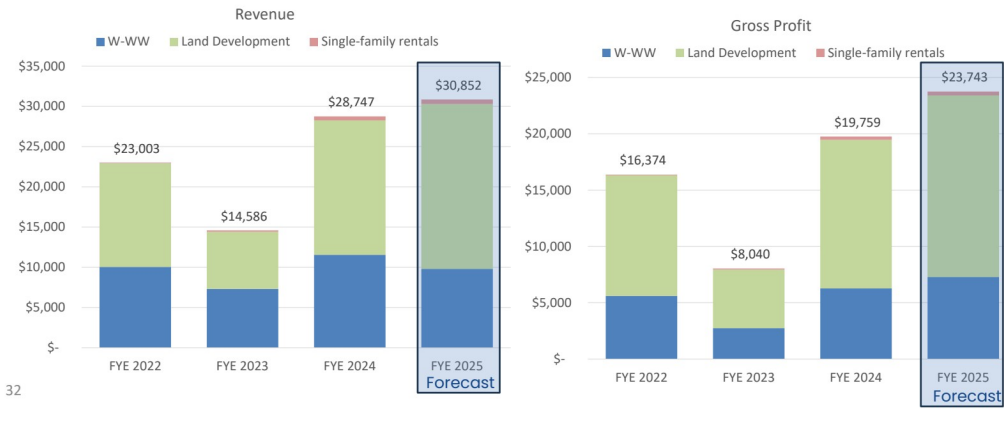
LA



\*\*\*\*\*

# Financial Performance Forecast

2024 marked a record-setting year for Pure Cycle, which we expect to continue into fiscal year 2025, with forecasted revenues of nearly \$31 million, while gross profits at a new high of approximately \$23.8 million. This strong financial performance highlights Pure Cycle's success in scaling operations and increasing profitability, driven by strategic investments and development activities.

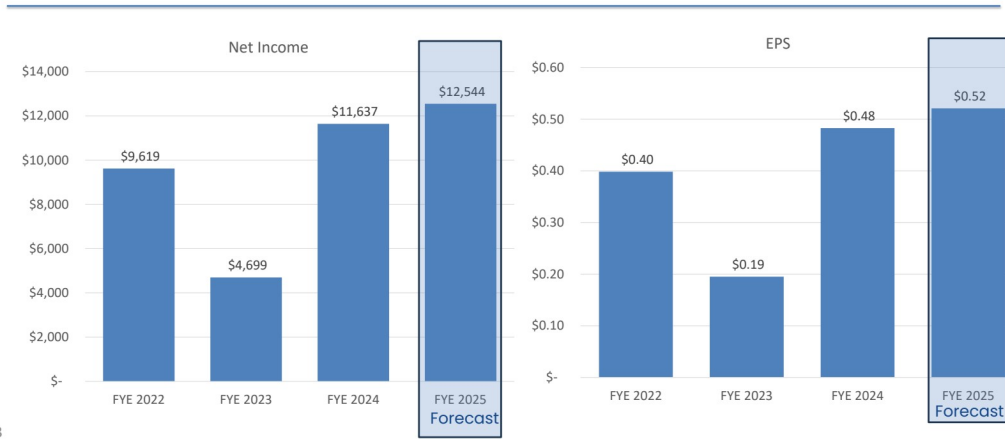




# Financial Performance Forecast

CONSOLIDATED METRICS

FY 2024 demonstrated the power of our investment into Sky Ranch and our water systems. FY 2025 looks to continue those results through the acceleration of lot development at Sky Ranch, and strong water revenues through accelerated tap connection.



## 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 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

# Phase 1 Recap

## Summary

509 Finished lots delivered in 4 years  
(000's)

➤ Lot Revenue	\$73
➤ Reimbursables	\$55
➤ Interest	\$10
➤ Non-reimbursables	<u>&lt; \$28&gt;</u>
➤ Land Total	\$110
➤ Tap Fees	<u>\$30</u>
➤ Total per lot	\$140



100%

# UTILITY

2%

98%

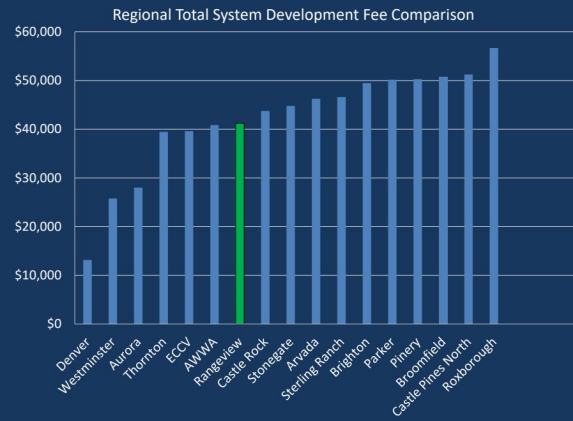


38

## UTILITY CONNECTIONS

1,431 Connections  
60,000 available capacity

~\$40K W/WW Tap/ea  
~\$1,500/yr



# LOTS

18%

82%



## Sky Ranch Land Development

918 Lots Completed  
4082 Lots Available

Original Lot Price  
\$73K  
Phase 2(d) Lot Price  
\$125K

# Phase 2D

## Phase 2D Overview



	(000's)
➤ Lot Revenue	\$125
➤ Reimbursables	\$ 75
➤ Non-reimbursables	<u>&lt; \$ 25 &gt;</u>
➤ Land Total	\$175
➤ Tap Fees	<u>\$ 40</u>
➤ Total per lot	\$215

# RENTALS

## Single Family Rentals

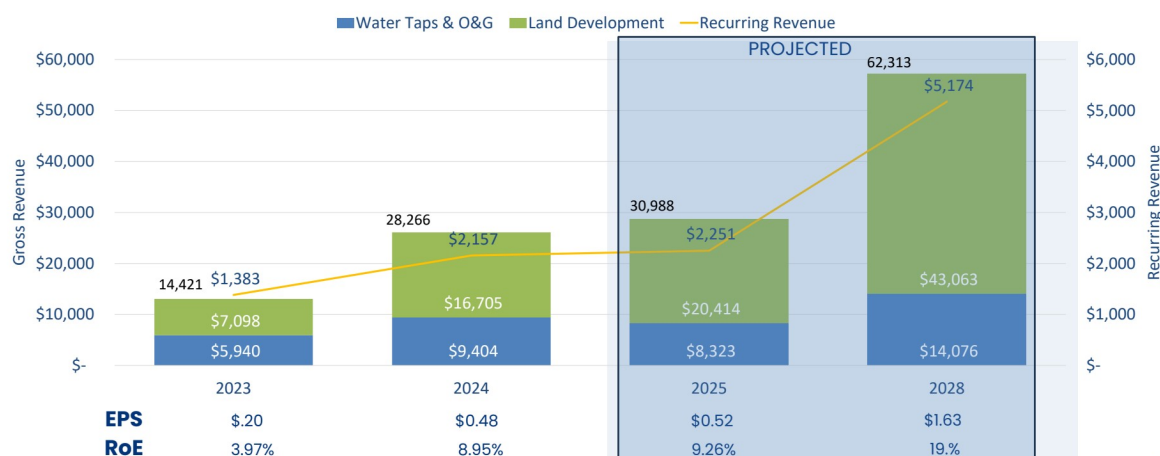
7%

14 Completed  
186 Planned

~\$150K Equity/home  
\$33,600/Annual Rent

93%

# Profitability Trends



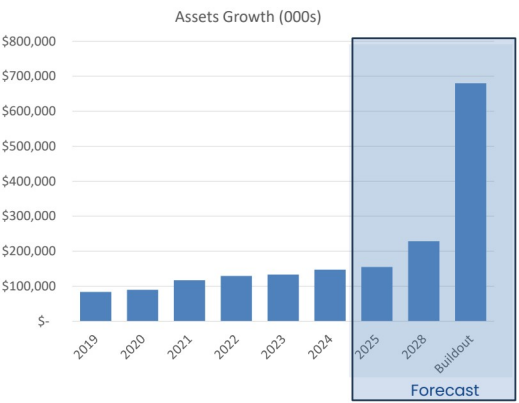
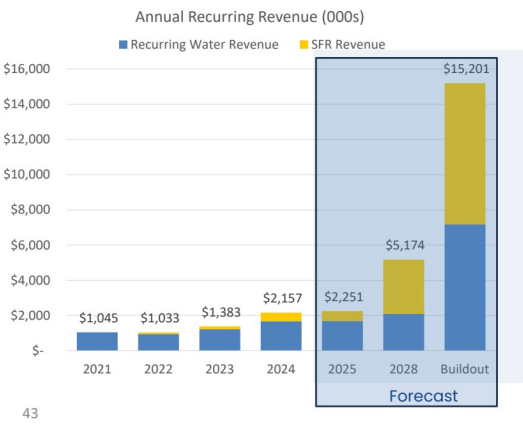
The metrics displayed in these graphics are derived from non-GAAP calculations and estimates





# 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





PURE CYCLE CORPORATION

EV

SUBSEQUENT EVENTS

FIN

\* \* \* \* \*

**Bond Event**  
**PCYO Proceeds - \$10.1m**  
**S&P Investment Grade Rating**

[illegible]

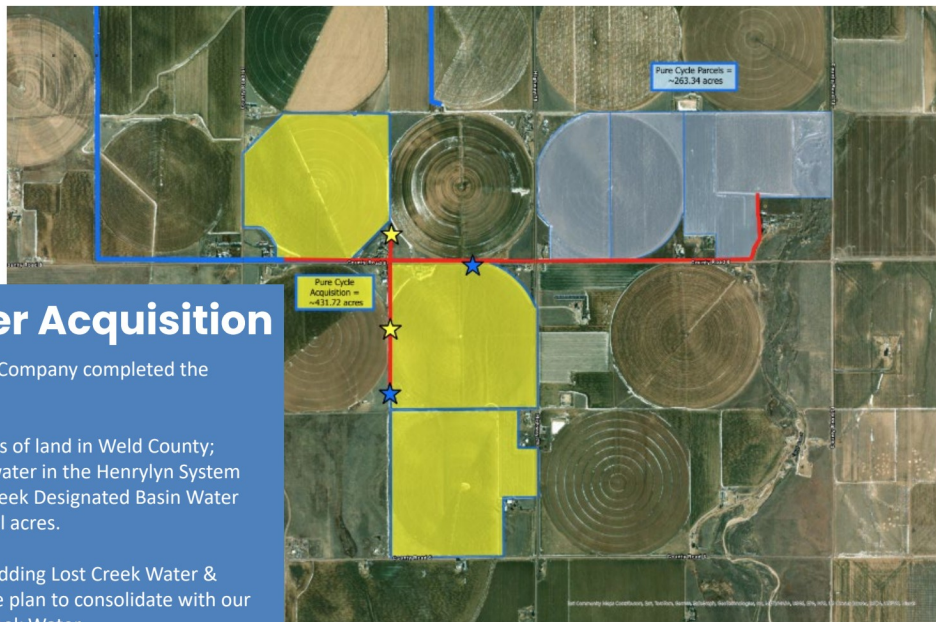


## Farm/ Water Acquisition

On October 21, 2024, the Company completed the purchase:

- approximately 432 acres of land in Weld County;
- 378 acre-feet of ditch water in the Henrylyn System
- 300 acre-feet of Lost Creek Designated Basin Water
- Approx. 250 net mineral acres.

Purchase price of \$5.4M adding Lost Creek Water & Henrylyn Supply, which we plan to consolidate with our Lowry Ranch Box Elder Creek Water.



46



## Stock Repurchase Program Update

The Company continues to invest in itself, through its approved stock repurchase program. The program is open-ended and authorizes repurchases of up to an aggregate of 200,000 shares of common stock in the open market. The following table presents the number and average price of shares purchased in each quarter as of November 11, 2024.

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	\$9.43	140,074
Q1 2025 (to date)	10,000	\$10.73	130,074
<b>Total</b>	<b>69,926</b>	<b>\$9.88</b>	<b>130,074</b>



# Earnings Presentation

# Q&A



[www.purecyclewater.com](http://www.purecyclewater.com)

