

**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): January 8, 2025

**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:

<b>Common Stock 1/3 of \$.01 par value</b>	<b>PCYO</b>	<b>The NASDAQ Stock Market</b>
(Title of each class)	(Trading Symbol(s))	(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 January 8, 2025, the Registrant issued a press release announcing its financial results for the three months ended November 30, 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 January 9, 2025, 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 January 8, 2025, announcing earnings for the three months ended November 30, 2024</a>
99.2	<a href="#">Three months ended November 30, 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: January 10, 2025

**PURE CYCLE CORPORATION**

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

---



## Pure Cycle Announces Financial Results For the Three Months Ended November 30, 2024

DENVER, CO / ACCESSWIRE / January 8, 2025 – Pure Cycle Corporation (NASDAQ Capital Market: PCYO) announced its financial results for the three months ended November 30, 2024. Pure Cycle reported \$3.9 million of net income for the three months ended November 30, 2024, which is a 91% increase compared to 2023, and marks our twenty-second consecutive fiscal quarter with positive net income. Pure Cycle reported \$0.16 of earnings per fully diluted common share for the three months ended November 30, 2024, which is up from \$0.09 in 2023, a 78% increase. Development at the Sky Ranch Master Planned Community continues to progress, and as of November 30, 2024, all homes are complete in Phase 2A, and we are finishing our warranty work. Our national homebuilder partners have begun construction in Phase 2B, as we finalize landscaping in this phase. We are actively developing Phase 2C, with utility work nearly 60% complete, and we anticipate delivering finished lots with home construction expected to begin late summer of 2025. Finally, we are well underway with grading work in Phase 2D and expect to complete these lots by the end of calendar year 2025. Pure Cycle continues to drive income from our resource rich asset base and in the three months ended November 30, 2024, we reported an increase in our royalty revenues from our oil and gas mineral interest at Sky Ranch, where an additional six wells were completed in 2024 that began producing during the quarter.

### Q1 2025 Highlights

- Revenues for the three months ended November 30, 2024 and 2023 of \$5.8 million and \$5.4 million (a 7% increase), which drove pre-tax income of \$5.2 million and \$2.8 million (a 86% increase);
  - Net income for the three months ended November 30, 2024 and 2023 of \$3.9 million and \$2.1 million (a 91% increase);
  - Royalty income for the three months ended November 30, 2024 and 2023 of \$2.8 million and less than \$0.1 million;
  - EBITDA for the three months ended November 30, 2024 and 2023 of \$5.8 million and \$3.4 million (a 71% increase) (see table below for reconciliation of net income to EBITDA);
  - Cash & cash equivalents totaled \$19.0 million as of November 30, 2024;
  - For the three months ended November 30, 2024 and 2023, we delivered 301 and 623 acre-feet of water.
-

*Net Income to EBITDA Reconciliation*

We continue our profitability as shown in the table below:

<i>(In thousands)</i>	<b>Three Months Ended</b>	
	<b>November 30, 2024</b>	<b>November 30, 2023</b>
Net Income	\$ 3,937	\$ 2,065
Add back:		
Interest expense, net	109	108
Taxes	1,271	737
Depreciation / amortization	526	510
EBITDA	<u>\$ 5,843</u>	<u>\$ 3,420</u>
Earnings per common share - basic and diluted		
Basic	<u>\$ 0.16</u>	<u>\$ 0.09</u>
Diluted	<u>\$ 0.16</u>	<u>\$ 0.09</u>
Weighted average common shares outstanding:		
Basic	24,071,907	24,078,544
Diluted	<u>24,157,347</u>	<u>24,153,662</u>

“Our Q1 results are in line with our expectations for fiscal 2025 and we expect to see another record year for revenues and earnings for our Company,” commented Mark Harding, CEO of Pure Cycle. “We continue to execute on our land development business, delivering lots to our home builder customers as well as expanding our utility customer base and our rental homes each year. We continue to look to reinvest in new land positions to continue our successes as a leading Master Planned Developer in the Denver metropolitan area,” continued Mr. Harding.

**Q1 2025 Financial Summary**

*Revenues*

For the three months ended November 30, 2024, and 2023, we reported total revenue of \$5.8 million and \$5.4 million with \$3.1 million and \$3.3 million being generated in our water and wastewater resource development segment, \$2.6 million and \$2.0 million generated by our land development segment, and \$0.1 million and \$0.1 million reported in our single-family rental business.

For the three months ended November 30, 2024, and 2023, we sold 38 and 15 water or water and wastewater taps for \$1.5 million and \$0.6 million. As of November 30, 2024, we have sold 812 water and wastewater taps at Sky Ranch in Phases 1, 2A, 2B and 2C. Based on current prices and engineering estimates, we believe Phase 2 of Sky Ranch will produce approximately \$18 million in water and wastewater tap fee revenue and cash over the next three years.

As of November 30, 2024, the first development phase (509 lots) is complete and the second development phase (886 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 November 30, 2024, Phase 2A is nearly 100% complete, Phase 2B is approximately 97% complete, and Phase 2C is approximately 41% complete. Phases 2A and 2B are substantially completed with some landscaping and warranty items remaining. Phase 2C is expected to be complete by the end of Pure Cycle’s fiscal 2025, and Phase 2D began construction in December of 2024.

As of November 30, 2024, the single-family rental business had 14 homes built and rented in Sky Ranch and 17 additional homes under contract to build in Phase 2B starting in the spring of 2025. As noted in the prior quarters, due to the overwhelming demand for rental homes at Sky Ranch, we expect to have a total of 98 homes in Phases 1 and 2 with the ability to add more than 200 homes as Sky Ranch builds out.

"Sky Ranch continues to take shape as Pure Cycle progresses its development plans, driven by strong demand for entry-level housing in our market. This momentum is expected to continue in the coming year with concurrent development across multiple subphases," stated Marc Spezialy, CFO of Pure Cycle. "To date, we have delivered 949 finished lots to homebuilders in Sky Ranch, while retaining 31 lots for our single-family rental segment. Construction is currently underway on 228 lots in Phase 2C, with finished lot deliveries scheduled for fiscal 2025. Additionally, we commenced development on an additional 218 lots in Phase 2D in December 2024, with deliveries anticipated in fiscal 2026," concluded Mr. Spezialy.

#### *Working Capital*

We reported working capital (current assets less current liabilities) of \$20.3 million as of November 30, 2024, with \$19.0 million of cash and cash equivalents.

### **Q1 2025 Operational Summary**

#### *Water and Wastewater Resource Development*

Water deliveries decreased for the three months ended November 30, 2024, to 301 acre-feet delivered as compared to 623 acre-feet delivered for 2023. The decrease was due to a decrease in water sold to oil and gas operations, which is not part of our recurring water revenue to residential customers. Oil and gas operations are highly variable and dependent on oil prices, demand for gas, and the timing of development of other leases in our service areas. 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 to \$1.5 million compared to \$0.6 million in 2023, primarily due to the timing of development activities in Phase 2B.

#### *Land Development*

Lot sales revenue increased to \$2.3 million for the three months ended November 30, 2024 compared to \$1.9 million in 2023. Increases during the period are primarily due to our accelerated development activities with three ongoing phases in our Sky Ranch Master Planned Community. Because lot sale revenue is recognized as construction progresses, revenue will fluctuate due to timing of construction activities.

#### *Single Family Rentals*

Rental income for the three months ended November 30, 2024 and 2023 was consistent at \$0.1 million as both period represented the 14 completed homes in our portfolio. An additional 17 homes are under contract to be built in Phase 2B starting in the spring of 2025.

### **Earnings Presentation Information**

Pure Cycle will host an earnings presentation on Thursday January 9, 2025, at 8:30AM Eastern (6:30AM Mountain) to discuss the financial results and answer questions. For an interactive experience, including the ability to ask questions and view the slide presentation, please register and join the event via the link below. Call in access will be in listen-only mode. See below for event details. Additionally, 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.purecyclegwater.com](http://www.purecyclegwater.com).

When:	8:30AM Eastern (6:30AM Mountain) on January 9, 2025
Event link:	<a href="https://www.purecyclegwater.com/Q12025">https://www.purecyclegwater.com/Q12025</a>
Call in number:	872-240-8702 (access code: 434346205#)
Replay:	<a href="https://www.purecyclegwater.com/investors/news-events/ir-calendar">https://www.purecyclegwater.com/investors/news-events/ir-calendar</a>



The table below presents our consolidated results of operations for the three months ended November 30, 2024 and 2023 (unaudited):

	<b>Three Months Ended</b>	
	<b>November 30, 2024</b>	<b>November 30, 2023</b>
<i>(In thousands, except share information)</i>		
Revenues:		
Metered water usage from:		
Municipal customers	\$ 230	\$ 202
Commercial customers	1,014	2,132
Wastewater treatment fees	89	86
Water and wastewater tap fees	1,466	581
Lot sales	2,319	1,896
Project management fees	253	100
Single-family rentals	124	109
Special facility projects and other	257	280
Total revenues	<u>5,752</u>	<u>5,386</u>
Cost of revenues:		
Water service operations	483	553
Wastewater service operations	179	159
Land development construction costs	575	688
Project management costs	85	79
Single-family rental costs	68	57
Depletion and depreciation	371	362
Other	325	146
Total cost of revenues	<u>2,086</u>	<u>2,044</u>
General and administrative expenses	1,792	1,438
Depreciation	155	148
Operating income	<u>1,719</u>	<u>1,756</u>
Other income (expense):		
Interest income - related party	484	724
Interest income - Investments	248	308
Oil and gas royalty income, net	2,807	34
Oil and gas lease income, net	—	18
Other, net	59	70
Interest expense, net	(109)	(108)
Income from operations before income taxes	<u>5,208</u>	<u>2,802</u>
Income tax expense	(1,271)	(737)
Net income	<u>\$ 3,937</u>	<u>\$ 2,065</u>
Earnings per common share - basic and diluted		
Basic	<u>\$ 0.16</u>	<u>\$ 0.09</u>
Diluted	<u>\$ 0.16</u>	<u>\$ 0.09</u>
Weighted average common shares outstanding:		
Basic	<u>24,071,907</u>	<u>24,078,544</u>
Diluted	<u>24,157,347</u>	<u>24,153,662</u>



The following table presents our consolidated financial position as of November 30, 2024 (unaudited) and August 31, 2024 (audited):

(In thousands, except shares)

	<b>November 30, 2024</b>	<b>August 31, 2024</b>
	<b>(unaudited)</b>	
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 19,031	\$ 22,113
Trade accounts receivable, net	4,993	1,472
Prepaid expenses and other assets	460	530
Land under development	3,718	3,647
Reimbursable public improvements and project management fees	—	10,100
Total current assets	<u>28,202</u>	<u>37,862</u>
Restricted cash	5,336	3,245
Investments in water and water systems, net	63,773	60,486
Construction in progress	2,584	3,161
Single-family rental units	5,003	5,059
Land and mineral rights:		
Held for development	5,993	3,683
Held for investment purposes	451	451
Other assets	1,365	1,164
Notes receivable – related parties, including accrued interest		
Reimbursable public improvements and project management fees	35,580	30,864
Other	1,247	1,221
Operating leases - right of use assets	154	158
Total assets	<u>\$ 149,688</u>	<u>\$ 147,354</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable	\$ 2,230	\$ 1,948
Accrued liabilities	1,181	1,514
Accrued liabilities – related parties	1,091	2,208
Income taxes payable	2,712	1,442
Deferred lot sales revenue	537	2,173
Debt, current portion	161	64
Total current liabilities	<u>7,912</u>	<u>9,349</u>
Debt, less current portion	6,719	6,821
Deferred tax liability, net	1,395	1,395
Lease obligations - operating leases, less current portion	75	87
Total liabilities	<u>16,101</u>	<u>17,652</u>
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; 24,076,909 and 24,063,894 outstanding, respectively	80	80
Additional paid-in capital	175,181	175,125
Accumulated deficit	(41,674)	(45,503)
Total shareholders' equity	<u>133,587</u>	<u>129,702</u>
Total liabilities and shareholders' equity	<u>\$ 149,688</u>	<u>\$ 147,354</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: the completion, delivery and success of our rental units; timing of development at Sky Ranch, including timing of delivery of finished lots; future water and wastewater tap sales and revenues; timing of future home construction by our home builder customers; the strength of the Sky Ranch market, including the demand for entry-level and rental homes; and 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," "potential" 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

For the Three Months Ended  
November 30th, 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



S



FINANCIALS





# 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.

Figures in Thousands

CONSOLIDATED METRICS



<sup>1</sup> – Revenues minus Cost of Revenues



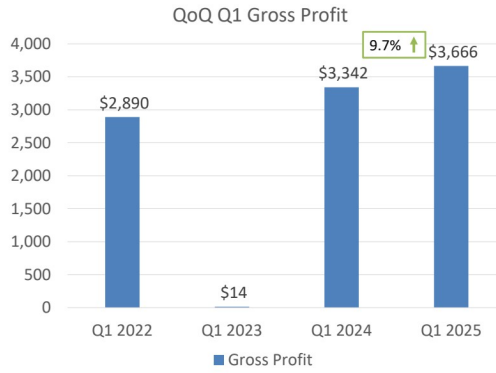
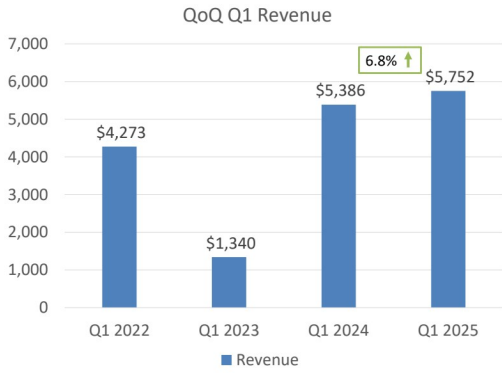


# Financial Performance QoQ

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

CONSOLIDATED METRICS

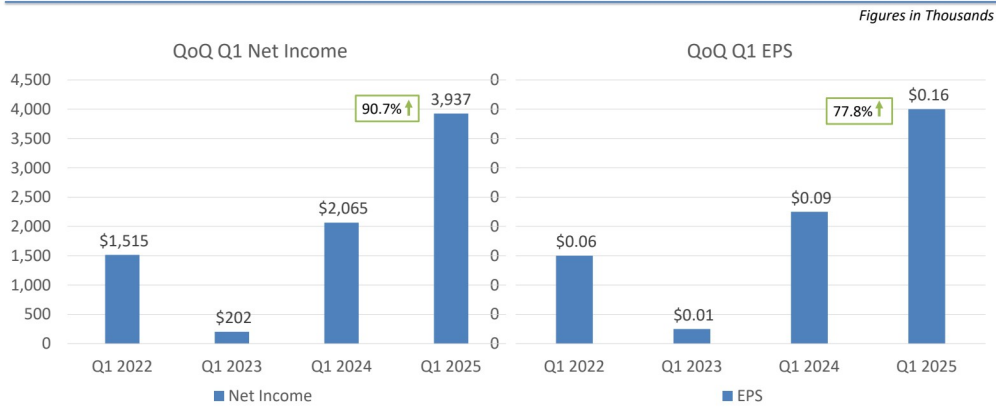




# Financial Performance QoQ

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.

CONSOLIDATED METRICS



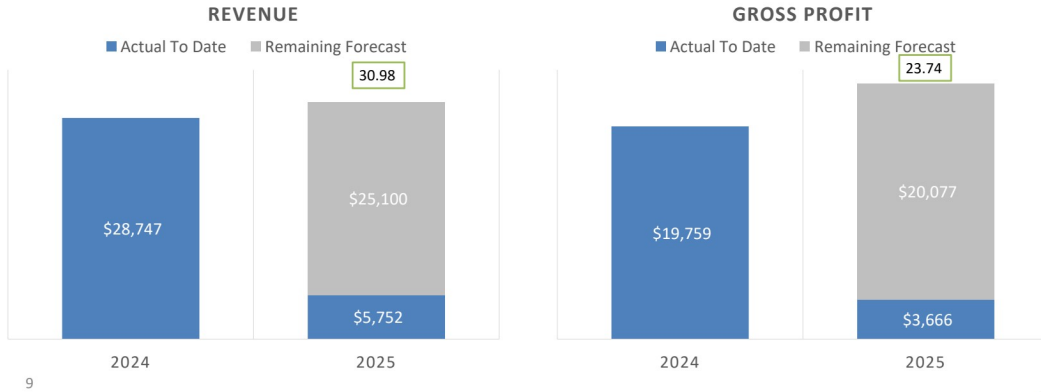


# Financial Performance YTD

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

CONSOLIDATED METRICS



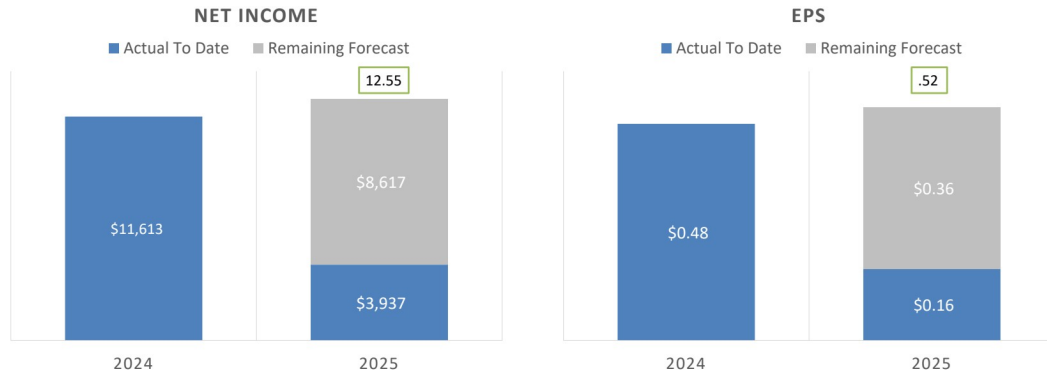


# Financial Performance YTD

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

CONSOLIDATED METRICS

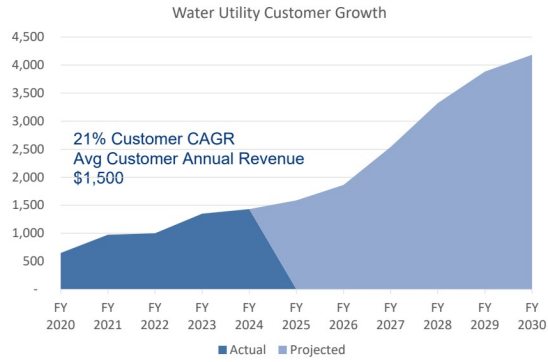
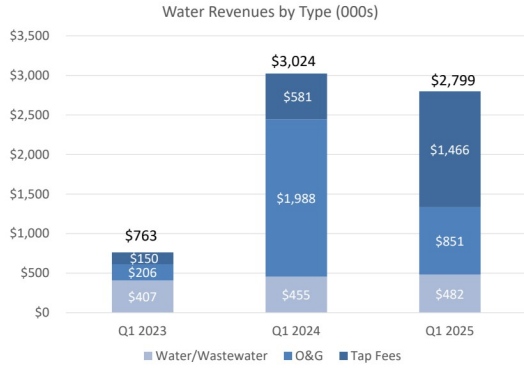




# Financial Performance

Figures in Thousands

WATER UTILITIES

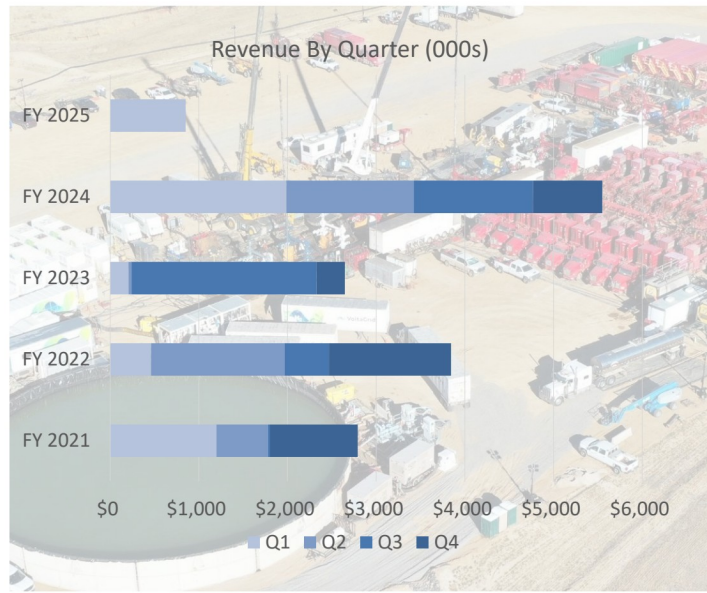


# WE PROVIDE RAW WATER TO O&G OPERATORS FOR DRILLING

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.

<p>&gt; 150 WELLS DRILLED TO DATE</p>	<p>OIL RIG CAN DRILL 60 WELLS PER YEAR</p>
<p>AVERAGE \$250,000 OF WATER SALES PER WELL</p>	<p>WE CAN PROVIDE WATER TO MORE THAN 200 SQUARE MILES IN ADAMS &amp; ARAPAHOE COUNTIES</p>

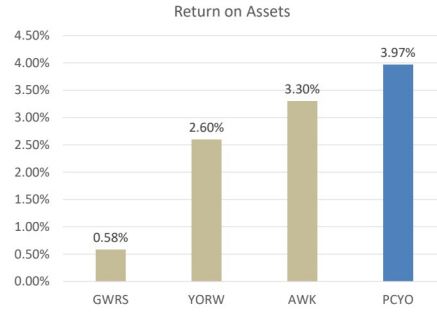
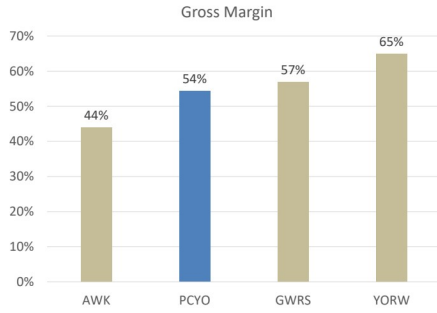


# Sector Performance

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.



WATER UTILITIES



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

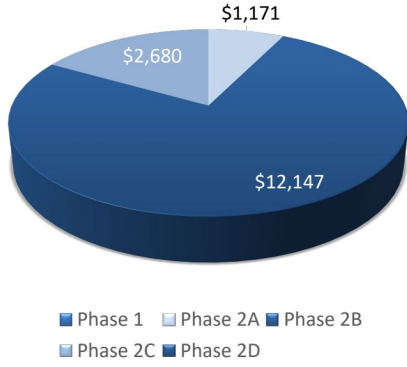
The metrics displayed in these graphics are derived from non-GAAP calculations and estimates  
AWK – American Water Works  
GWRS – Global Water Resource Inc  
YORW – York Water Co



# Financial Performance

LAND DEVELOPMENT

### Revenue Contribution by Phase Q1-2025 (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	27	18%
<b>Total</b>	<b>1286</b>	<b>98</b>	

### Land Development Revenue YoY (000s)



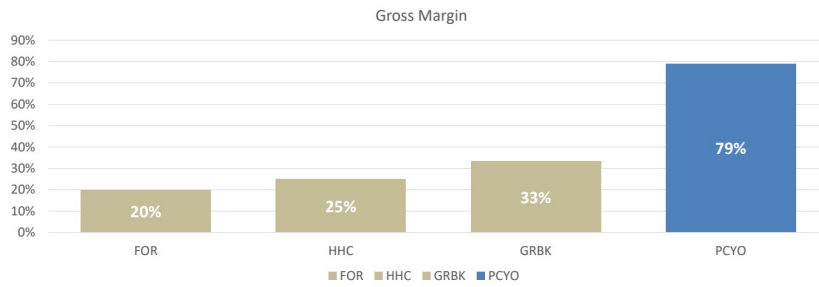


# Sector Performance



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.

LAND DEVELOPMENT



- 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 – Forstar Group  
Update ROA and add time periods



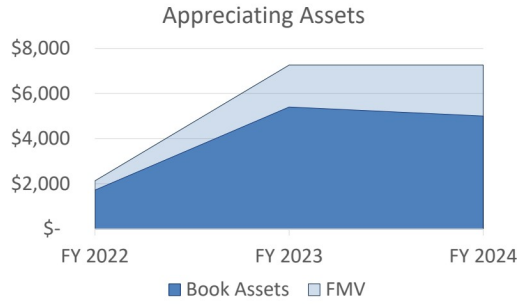
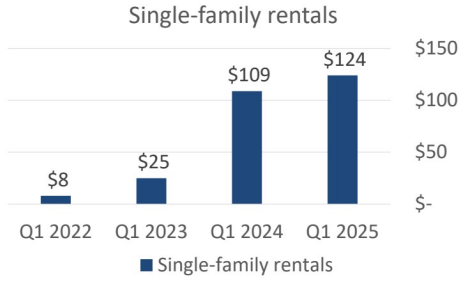
# Financial Performance

QUARTERLY RENT REVENUE  
\$ 124 k

COMPLETED HOMES  
14

GROSS MARGIN  
64%

SINGLE FAMILY RENTALS

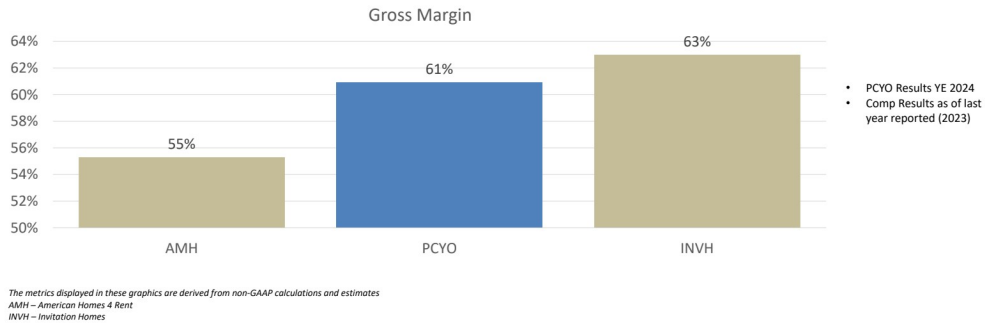


# Sector Performance



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.

SINGLE FAMILY RENTALS



# 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



**EW**



**WATER**



**LA**



# WATER SEGMENT



**\$41.2 M** WATER SYSTEMS

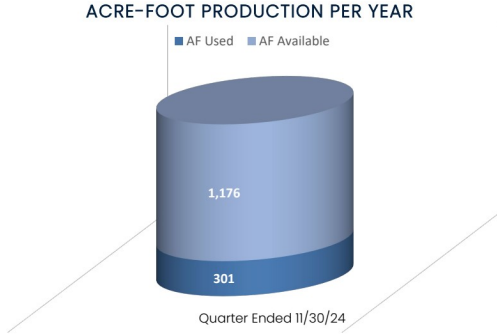
**\$9.2 M** WASTEWATER SYSTEMS

**\$14.6 M** WATER RIGHTS PORTFOLIO

**\$65 M**  
TOTAL WATER ASSETS

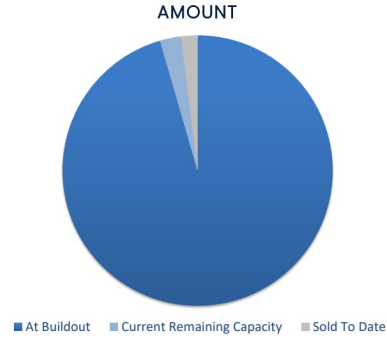
Our water rights portfolio can provide water to as many as 60,000 connections. This would allow ample room for growth within our current water system, which presently supports roughly 2,500 connections.

### CURRENT SYSTEM CAPACITY



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)



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





.....

## History & Strategy

LAND DEVELOPMENT

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.



**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.



**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.



**PHASE 2D**

**218 Lots**

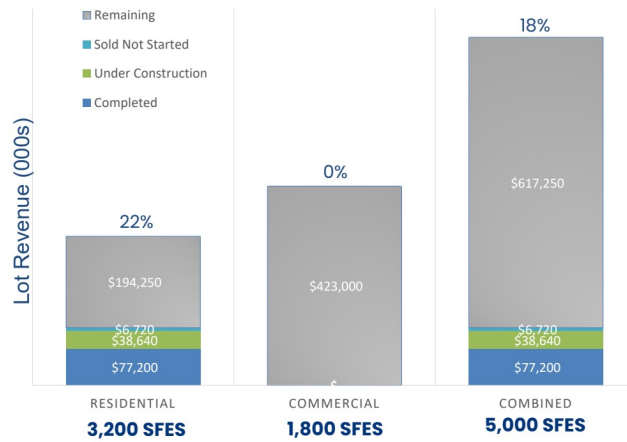
Grading has begun and lots are expected to be available fall of 2025.



# 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

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.

28

- 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

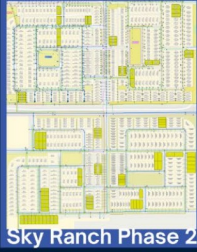
Pure Cycle contracts to build single -family homes in its Sky Ranch Master Planned Community to hold for rentals. Lot development costs fully recovered (horizontal costs and tap fees) Each unit covers financing costs and provides positive cash flows. Segment provides excellent asset appreciation positive 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
<b>Net operating income</b>	<b>\$33.60</b>	<b>\$117.60</b>	<b>\$260</b>	<b>\$580</b>	<b>\$798</b>
Add back non-cash items	37	129	285	635	874
<b>Cash flows before G&amp;A &amp; tax</b>	<b>\$70.40</b>	<b>\$246.40</b>	<b>\$546</b>	<b>\$1,214</b>	<b>\$1,672</b>



Sky Ranch Phase 2



PROJECTED

SINGLE - FAMILY RENTAL



# 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.



NEW



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)

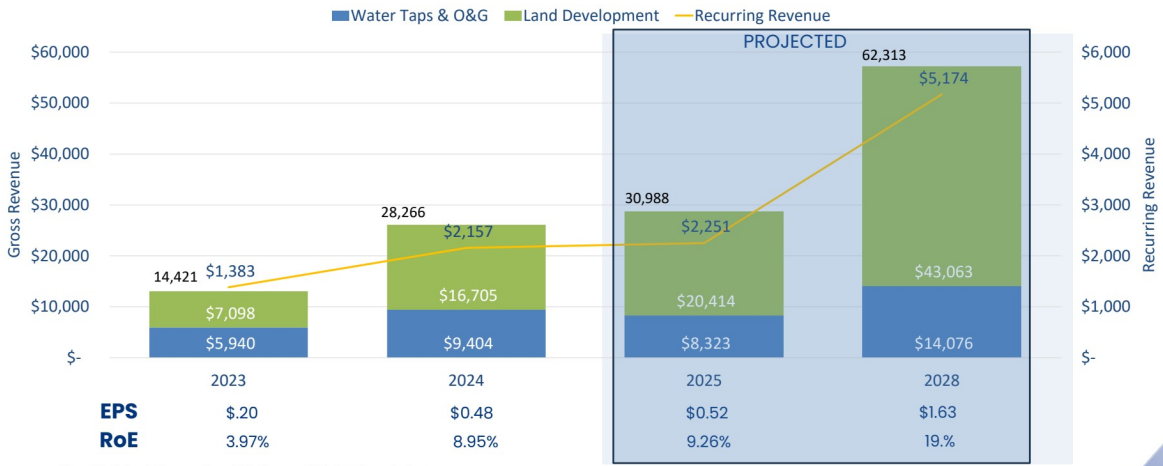
- Expansion of segment to over 100 homes in the next 5 years
- Increased efficiencies as segment continues to scale
- Sustained population growth, particularly in suburban areas, will drive continued demand for single-family rentals

#### 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



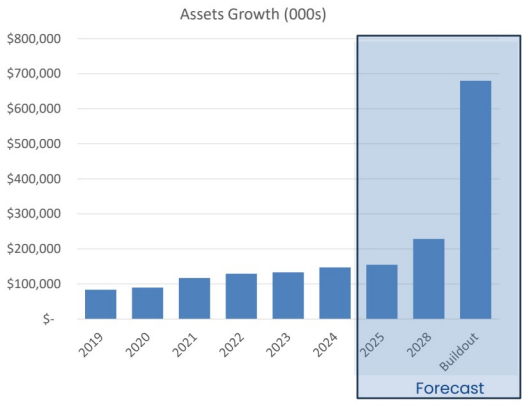
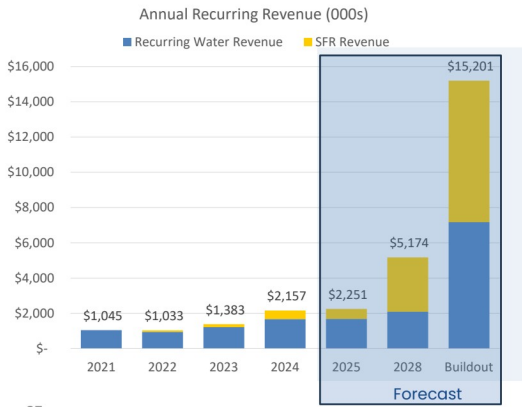
The metrics displayed in these graphics are derived from non-GAAP calculations and estimates





# 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
<b>Total</b>	<b>81,926</b>	<b>\$10.31</b>	<b>118,074</b>





# Earnings Presentation

# Q&A

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

