



ALEXANDER & BALDWIN  
PARTNERS FOR HAWAII

# Premier Commercial Real Estate Company

Third Quarter 2024  
Earnings Presentation  
October 24, 2024

# Safe Harbor Statement

Statements in this presentation that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding possible or assumed future results of operations, business strategies, growth opportunities and competitive positions. Such forward-looking statements speak only as of the date the statements were made and are not guarantees of future performance. Forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that could cause actual results and the timing of certain events to differ materially from those expressed in or implied by the forward-looking statements. These factors include, but are not limited to, prevailing market conditions and other factors related to the Company's REIT status and the Company's business, the evaluation of alternatives by the Company related to its non-core assets, and the risk factors discussed in the Company's most recent Form 10-K, Form 10-Q and other filings with the Securities and Exchange Commission. The information in this presentation should be evaluated in light of these important risk factors. We do not undertake any obligation to update the Company's forward-looking statements.

# Agenda

## Lance Parker, President & CEO

- Accomplishments
- Third Quarter Highlights

## Clayton Chun, EVP, CFO & Treasurer

- Financial Matters

## Lance Parker, President & CEO

- Closing Remarks
- Q&A



# Third Quarter Highlights

Lance Parker, President & CEO

# Q3 2024 Accomplishments

- Operate the **best CRE platform**
  - Strong FFO and total and same-store NOI growth
- Maintain a **strong and flexible** balance sheet
  - Re-established at-the-market program and recast revolver, extending maturity to 2028
- Further **streamline** business and cost structure
  - Sold 81 acres of non-core land, allowing for further streamlining opportunities
- **Grow** the portfolio
  - Completed an off-market acquisition of an 81,500 square foot industrial asset

**Raising 2024 Full-Year Guidance**

# Waihona Industrial Acquisition

- Closed on the \$29.7 million off-market acquisition of a centrally-located industrial warehouse and distribution facility in Pearl City, Oahu at a going-in cap rate of 5.4%.
- This acquisition provided an optimal opportunity to recycle capital from Waipouli Town Center (sold in October 2024) and other non-income producing assets.
- Comprised of two buildings with combined 81,500 sq. ft. of dry storage and chiller / freezer space
- Eight internal dock-high loading docks capable of securing 40' trailers
- Superior freeway access and proximity to the Airport, Harbor and Honolulu's urban core
- 13-year lease with a parent guaranty from one of the nations largest grocery and food service distributors



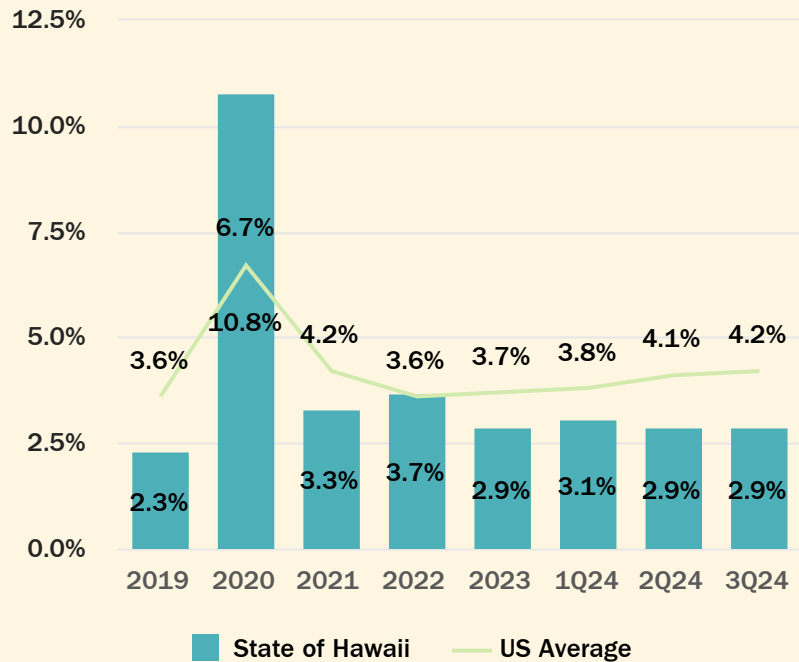
# Q3 2024 Highlights

NOI Growth	4.4%
Same-Store NOI Growth	4.1%
Same-Store NOI Growth (excluding collections of prior year reserves)	4.7%
Spreads for New & Renewal Leases	15.3%
Same-Store Leased Occupancy	94.8%
Same-Store Economic Occupancy	93.7%
ABR for SNO Leases	\$1.9 million

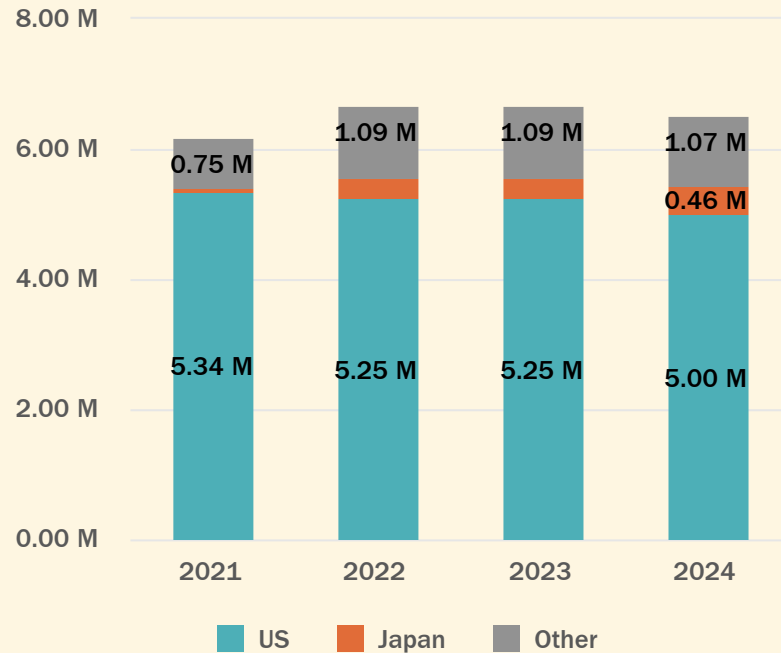


# Economic Update

### Unemployment<sup>1</sup>



### August YTD Visitor Arrivals<sup>2</sup>



**5.5%**  
Growth in Hawaii personal income<sup>3</sup>

<sup>1</sup> US unemployment from U.S. Bureau of Labor Statistics, Hawaii unemployment from Hawaii Department of Business, Economic Development & Tourism

<sup>2</sup> Visitor arrivals from Hawaii Department of Business, Economic Development & Tourism (DBEDT)

<sup>3</sup> From DBEDT Economic Forecast as of September 5, 2024



# Financial Matters

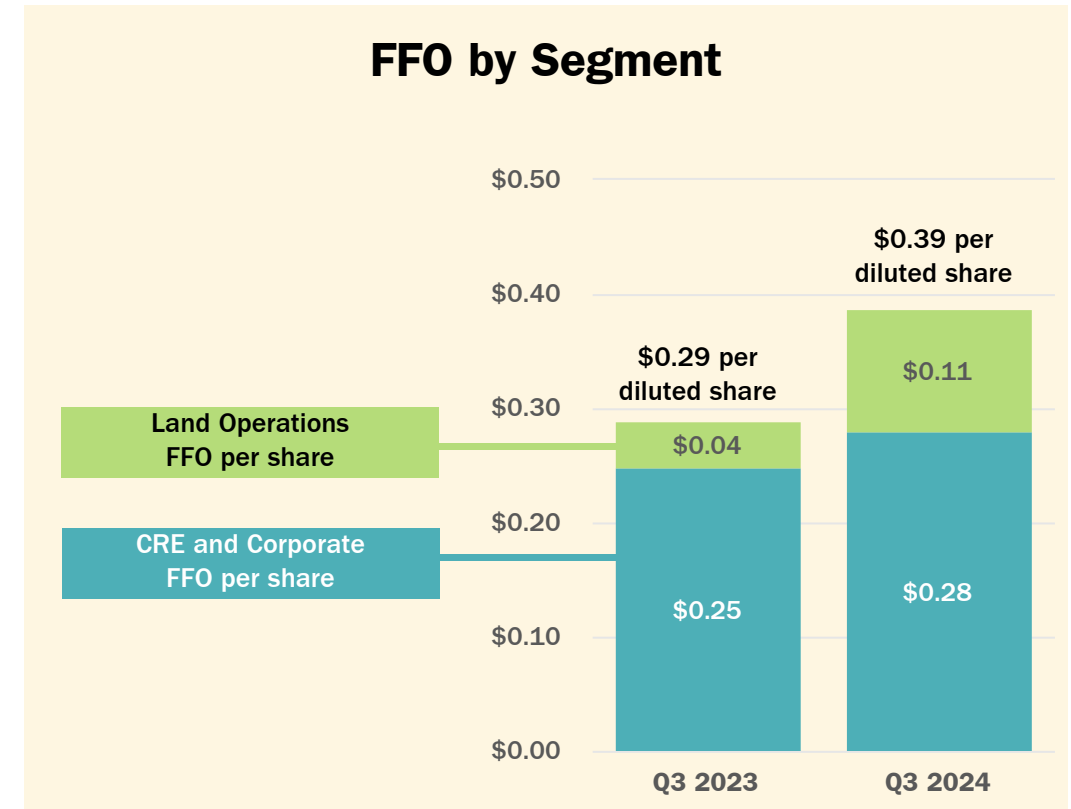
Clayton Chun, EVP, CFO and Treasurer

# Financial Results

	Q3 2024	
Net income <sup>1</sup>	\$19.0M	<b>\$0.26</b> per diluted share
FFO	\$28.2M	<b>\$0.39</b> per diluted share
Adjusted FFO	\$23.4M	<b>\$0.32</b> per diluted share

Quarterly results for Q3 2024 benefited from collections of previously reserved amounts of approximately \$0.3 million, compared to \$0.5 million, or \$0.01 per diluted share in Q3 2023

<sup>1</sup> Represents amounts available to A&B common shareholders.



# Financial Results

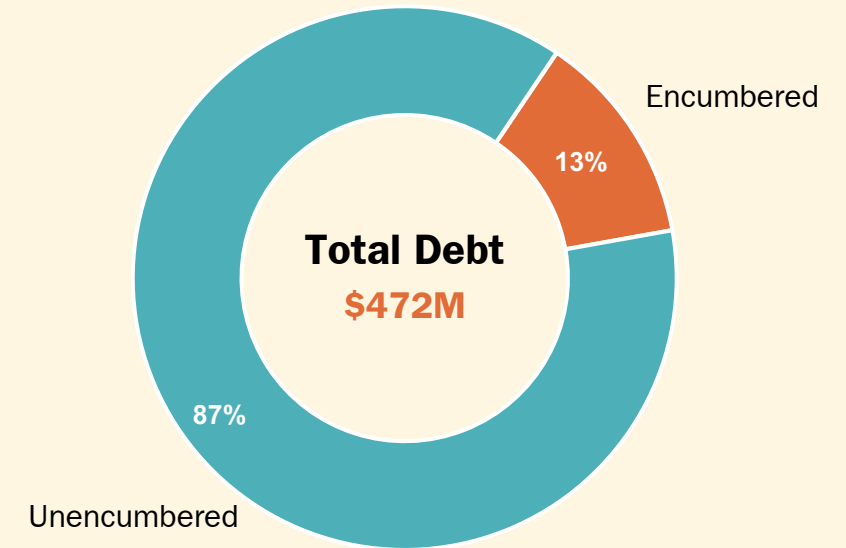
## Continued Improvements in G&A

- G&A decreased \$0.2 million, or 1.7% to \$7.4 million compared to \$7.6 million in 2023
- Expect full year 2024 G&A between \$29.0 million and \$30.5 million



# Balance Sheet and Capital Markets

- Including the effects of interest rate swaps, at quarter end, the Company had a weighted-average interest rate of 4.58% and 96.8% of the Company's debt was at fixed rates.
- Net debt / TTM Consolidated Adjusted EBITDA of **3.6x** compared to **4.2x** in Q4 2023.
- Previous ATM expired in August 2024. Established a new, \$200 million ATM program to provide efficient access to capital markets.
- No shares were sold under our new ATM program



Total Liquidity	\$446
Cash	\$18M
Undrawn Revolver	\$428M

# Fourth Quarter

## Considerations

### Revolver Recast

- In October, we amended our credit facility to extend the term to October 2028
- Provides capacity of \$450 million
- Interest rate remains at SOFR + 1.15%, based on a pricing grid and SOFR adjustment

### Pearl Highlands Mortgage Maturity

- \$73 million mortgage will mature in December 2024

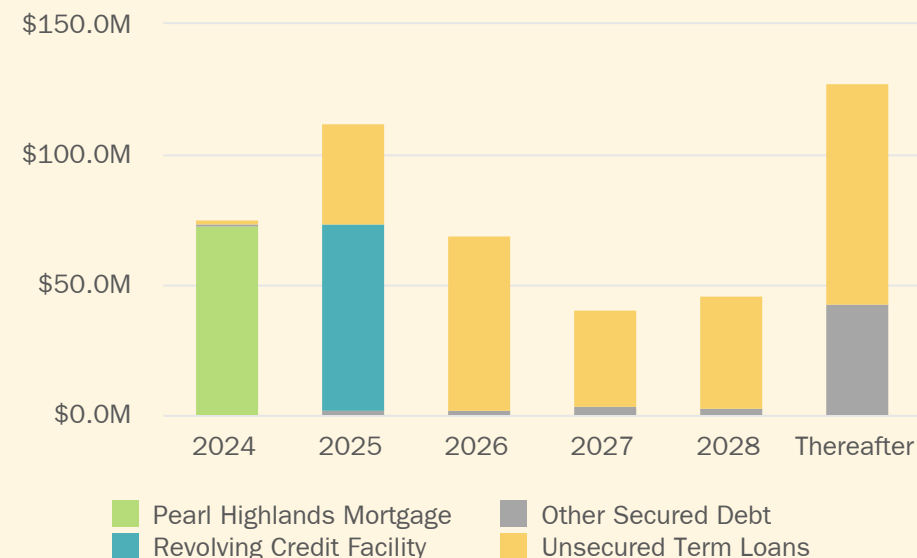
### Forward Starting Interest Rate Swap

- Becomes effective in December and will fix interest at an effective rate of 4.73% on \$73 million of borrowings
- Swap will be applied borrowings on the revolving credit facility

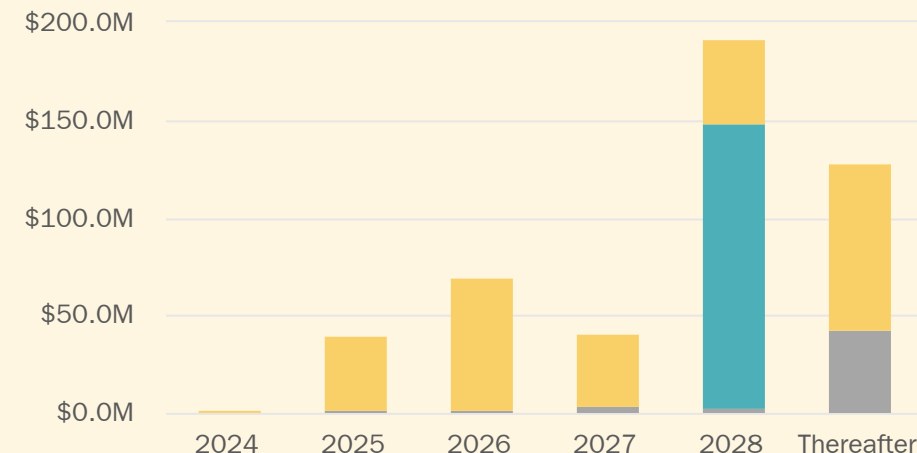
### Impact to Select Metrics

	September 30, 2024 (As Reported)	September 30, 2024 (Proforma)
Weighted-Average Maturity	2.9 years	3.9 years
Weighted-Average Interest Rate	4.6%	4.7%
% of Debt that is Unsecured	72.8%	88.3%
Unencumbered CRE Property Ratio	87.3%	94.7%

Debt Maturities As of September 30, 2024  
(As Reported)



Debt Maturities As of September 30, 2024  
(Proforma)



# Guidance

Clayton Chun, EVP, CFO and Treasurer

# Revised Full-Year 2024 Guidance

Metric	Revised	Previous
Net Income (Loss) available to A&B common shareholders per diluted share	<b>\$0.74 to \$0.82</b>	\$0.64 to \$0.73
FFO per diluted share	<b>\$1.27 to \$1.35</b>	\$1.17 to \$1.26
Adjusted FFO per diluted share	<b>\$1.05 to \$1.12</b>	\$0.99 to \$1.08
CRE Same-Store NOI	<b>1.75% to 2.75%</b>	1.25% to 2.25%
Same Store NOI, excluding collections of amounts reserved in previous years	<b>2.25% to 3.15%</b>	2.10% to 3.10%

## Revised Guidance Considerations

### Funds from Operations increase reflects:

- ↑ NOI performance
- ↑ G&A reductions
- ↑ Land sales
- ↑ Legacy joint ventures

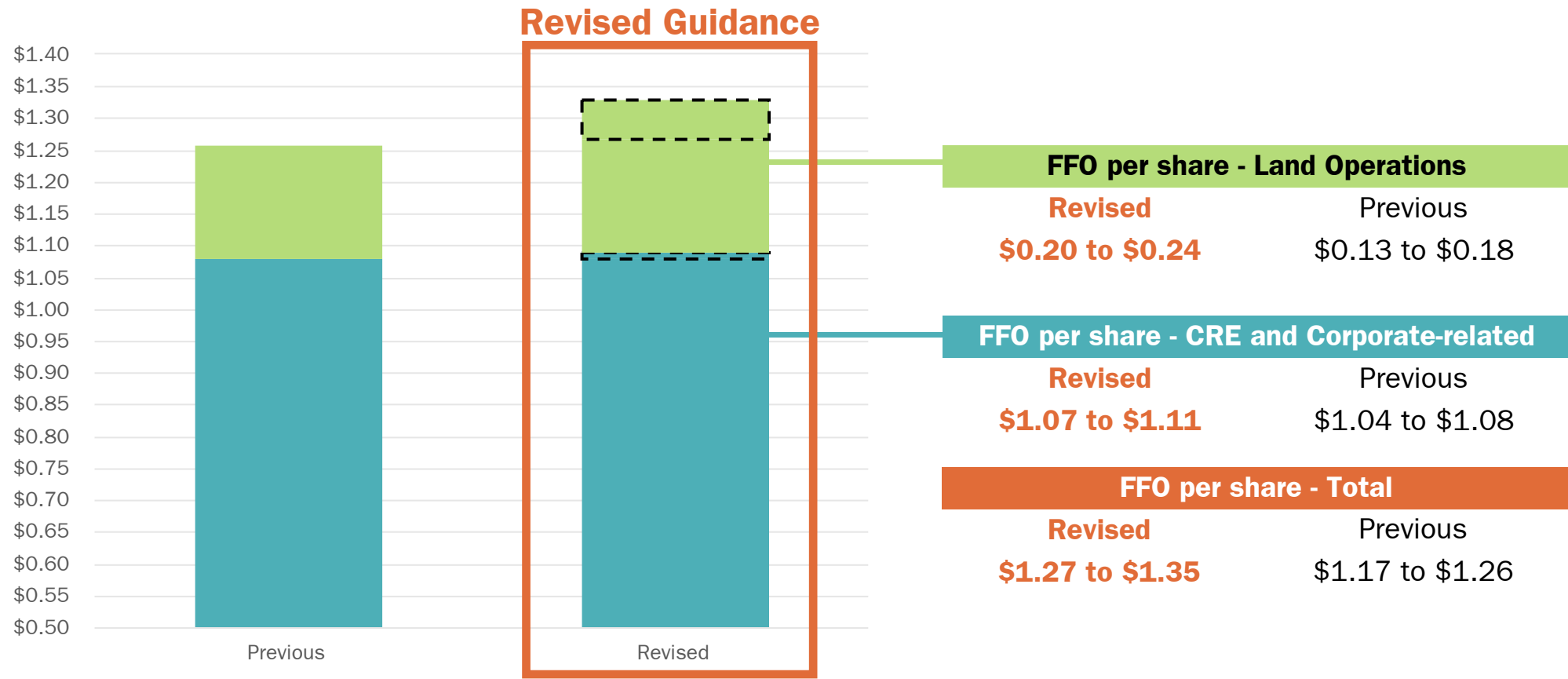
### Adjusted FFO increase reflects:

- ↑ Improved FFO outlook

### Same-Store NOI and Same-Store NOI, excluding collections of PY reserves increase reflects:

- ↑ Favorable leasing activity and spreads, tenant performance
- ↓ Offset by tenant moves impacting 60,000 of GLA

# FFO Guidance **Considerations**





# Closing Remarks

Lance Parker, President & CEO

# Q&A

# Appendix

# Statement On Use Of Non-GAAP Financial Measures

The Company uses non-GAAP measures when evaluating operating performance because management believes that they provide additional insight into the Company's and segments' core operating results, and/or the underlying business trends affecting performance on a consistent and comparable basis from period to period. These measures generally are provided to investors as an additional means of evaluating the performance of ongoing core operations. The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for or superior to, financial measures calculated in accordance with GAAP.

Required reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are set forth in the following slides. Additional information on non-GAAP financial measures is included in the Company's quarterly Supplemental Information report, which is furnished to the SEC and available at [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com).

## APPENDIX

(dollars in thousands; unaudited)

# CRE Net Operating Income

Reconciliations of CRE operating profit to NOI, Same-Store NOI and Same-Store NOI excluding collections of amounts reserved in prior years are as follows:

	Three Months Ended September 30,	
	2024	2023
CRE Operating Profit	\$ 22,829	\$ 20,649
Depreciation and amortization	8,932	9,166
Straight-line lease adjustments	(564)	(849)
Favorable/(unfavorable) lease amortization	(103)	(334)
Termination fees and other	8	(132)
Interest and other income (expense), net	(26)	159
Impairment losses	—	649
Selling, general, administrative	1,292	1,703
NOI	32,368	31,011
Less: NOI from acquisitions, dispositions, and other adjustments	(212)	(132)
Same-Store NOI	32,156	30,879
Less: Collections of amounts reserved in previous years	(310)	(460)
Same-Store NOI excluding collections of amounts reserved in previous years	\$ 31,846	\$ 30,419
Same-Store NOI Growth	4.1 %	
Same-Store NOI growth, excluding collections of amounts reserved in previous years	4.7 %	

## APPENDIX

(dollars in thousands; unaudited)

# Funds From Operations (FFO) and Adjusted FFO

Reconciliations of Net Income to FFO and Adjusted FFO are as follows:

	Three Months Ended September 30,	
	2024	2023
Net Income (Loss) available to A&B common shareholders	\$ 18,998	\$ 14,628
Depreciation and amortization of commercial real estate properties	8,932	9,166
(Income) loss from discontinued operations, net of income taxes	300	(3,894)
Income (loss) attributable to discontinued noncontrolling interest	—	1,250
<b>FFO</b>	<b>\$ 28,230</b>	<b>\$ 21,150</b>
Add (deduct) Adjusted FFO defined adjustments		
Impairment losses - abandoned development costs	—	649
Non-cash changes to liabilities related to legacy operations <sup>1</sup>	—	200
Legacy joint venture (income)/loss <sup>2</sup>	(2,142)	(950)
Amortization of share-based compensation	1,266	1,023
Maintenance capital expenditures <sup>3</sup>	(2,503)	(3,463)
Leasing commissions paid	(389)	(293)
Straight-line lease adjustments	(564)	(849)
Amortization of net debt premiums or discounts and deferred financing costs	247	243
Amortization of above and below-market leases, net	(103)	(280)
<b>Adjusted FFO</b>	<b>\$ 24,042</b>	<b>\$ 17,430</b>

<sup>1</sup> Primarily related to environmental reserves associated with legacy business activities in the Land Operations segment.

<sup>2</sup> Includes joint ventures engaged in legacy business activities within the Land Operations segment.

<sup>3</sup> Includes ongoing maintenance capital expenditures only.

## APPENDIX

(dollars in thousands; unaudited)

# Net Debt

A reconciliation of the Company's net debt is as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Secured debt	\$ 128,572	\$ 189,713
Unsecured term debt	271,607	237,251
Unsecured revolving credit facility	72,000	37,000
Total debt	472,179	463,964
Net unamortized deferred financing cost / discount (premium)	329	149
Cash and cash equivalents	(17,919)	(13,517)
Net debt	<u>\$ 454,589</u>	<u>\$ 450,596</u>

## APPENDIX

(dollars in thousands; unaudited)

# TTM Consolidated Adjusted EBITDA

Reconciliations of the Company's consolidated net income to Consolidated EBITDA and Consolidated Adjusted EBITDA are as follows:

	TTM September 30, 2024	TTM December 31, 2023
Net Income (Loss)	\$ 44,856	\$ 32,963
Adjustments:		
Depreciation and amortization	36,198	36,791
Interest expense	23,107	22,963
Income tax expense (benefit)	202	35
Interest expense related to discontinued operations	12	496
Consolidated EBITDA	\$ 104,375	\$ 93,248
Asset impairments	4,119	4,768
(Gain)/loss on fair value adjustments related to interest rate swaps	(957)	2,718
Non-recurring financing charges	2,350	—
(Income) loss from discontinued operations, net of income taxes and excluding depreciation, amortization and interest expense	14,918	7,351
Consolidated Adjusted EBITDA	\$ 124,805	\$ 108,085



(dollars in thousands; unaudited)

# Reconciliation of Non-GAAP Guidance

Reconciliation of Net Income (Loss) available to A&B common shareholders per diluted share, to both the forward-looking range of Funds From Operations (“FFO”) per diluted share and the forward-looking range of Adjusted FFO per diluted share, is as follow:

## Reconciliations of Net Income available to A&B common shareholders to FFO and Adjusted FFO

	Nine Months Ended September 30, 2024		Full-Year 2024 Estimate - Revised <sup>1</sup>		Full-Year 2024 Estimate - Prior <sup>1</sup>					
			Low	High	Low	High				
Net Income (Loss) available to A&B common shareholders per diluted share	\$	0.66	\$	0.74	\$	0.82	\$	0.64	\$	0.73
Depreciation and amortization of commercial real estate properties		0.37		0.49		0.49		0.49		0.49
(Income) loss from discontinued operations, net of income taxes		0.04		0.04		0.04		0.04		0.04
FFO per diluted share	\$	1.07	\$	1.27	\$	1.35	\$	1.17	\$	1.26
Add (deduct) Adjusted FFO defined adjustments										
Amortization of share-based compensation		0.05		0.06		0.06		0.07		0.07
Maintenance capital expenditures		(0.11)		(0.18)		(0.16)		(0.17)		(0.15)
Legacy joint venture (income)/loss		(0.05)		(0.05)		(0.07)		(0.02)		(0.03)
Leasing commissions paid		(0.01)		(0.02)		(0.02)		(0.02)		(0.02)
Straight-line lease adjustments		(0.03)		(0.03)		(0.04)		(0.03)		(0.04)
Amortization of net debt premiums or discounts and deferred financing costs		0.01		0.02		0.02		0.02		0.02
Other <sup>2</sup>		(0.02)		(0.02)		(0.02)		(0.03)		(0.03)
Adjusted FFO per diluted share	\$	0.91	\$	1.05	\$	1.12	\$	0.99	\$	1.08

<sup>1</sup> The full-year 2024 estimate reflects guidance as of the date of this supplemental information document and assumes that diluted shares equal the latest year-to-date ending amount.

<sup>2</sup> Other adjustments in the Adjusted FFO reconciliation include non-recurring and other items that are not forecasted for guidance purposes such as, but not limited to, gains or losses related to the sale of legacy businesses, non-cash changes to liabilities related to legacy operations, fair value adjustments related to interest rate swaps, provision for current expected credit losses, and non-recurring financing charges. Actual results are included in the full-year estimate once recorded.

# Reconciliation of Non-GAAP Guidance (Continued)

The forward looking guidance includes certain forward-looking information, including CRE Same-Store NOI growth % and CRE Same-Store NOI growth %, excluding collections of prior year reserves, that is not presented in accordance with GAAP. In reliance on the exception in Item 10(e)(1)(i)(B) of Regulation S-K, we do not provide a quantitative reconciliation of such forward-looking CRE Same-Store NOI growth % amounts to the most directly comparable GAAP financial measure. These forward-looking same-store calculations include only activity from properties owned for comparable periods. We are unable, without unreasonable effort, to provide a meaningful or reasonably accurate calculation or estimation of certain reconciling items, including but not limited to, (i) occupancy changes; (ii) terms for new and renewal leases; (iii) collections from tenants; and (iv) other nonrecurring/unplanned income or expense items. These items are inherently uncertain and depend on various factors, many of which are beyond our control, and the unavailable components could have a significant impact on our future financial results.