



ALEXANDER & BALDWIN  
PARTNERS FOR HAWAII

## Alexander & Baldwin, Inc. Reports Third Quarter 2021 Results

**Achieves 30% increase in Same-Store NOI and 54% increase in Core FFO over the prior year quarter**

HONOLULU, November 4, 2021 /PRNewswire/—**Alexander & Baldwin, Inc.** (NYSE: ALEX) ("A&B" or "Company"), a Hawai'i-based company focused on owning and operating high-quality commercial real estate in Hawai'i, today announced financial results for the third quarter of 2021.

Chris Benjamin, A&B president & chief executive officer stated: "Our commercial real estate ("CRE") business posted excellent results in the third quarter, building on the strong recovery experienced in the first half of the year. Tenant performance continued to strengthen across our high-quality portfolio of grocery-anchored retail, industrial and ground lease assets. Record-level leasing activity was achieved in the quarter along with strong collections and recoveries, supported by Hawai'i's continuing economic recovery. With the recent Delta variant surge seemingly curbed, and with restrictions carefully being relaxed, we maintain a high degree of optimism for the future."

"We materially advanced our simplification efforts in the quarter with a combination of closed sales and progress on potential future sales. Robust demand for Hawai'i real estate persists, as evidenced by sales of 11 units and a bulk parcel at the Kukui'ula joint venture projects during the quarter. Year-to-date, Kukui'ula closed sales of 37 units and two bulk parcels, comprising 165 units, making this the best annual sales result of the last decade. Such elevated market interest is aiding our ability to complete our strategic simplification efforts, and we are positioned for additional non-core asset monetization. Our improved balance sheet and steady monetization activities highlight the ongoing success of our efforts and support our renewed pivot toward CRE portfolio growth."

"Our confident outlook is supported by the resilience of our portfolio, the continued market demand for Hawai'i real estate and operating assets, and the great work of our team members who remain focused on driving superior portfolio performance as we pivot to growth."

### ***Financial Results for Q3 2021***

- Net income available to A&B common shareholders and diluted earnings per share were \$6.3 million and \$0.09 per share, respectively, compared to \$3.0 million and \$0.04 per share in the same quarter of 2020.
- Nareit-defined Funds From Operations ("FFO") and FFO per-diluted share were \$15.5 million and \$0.21 per share, respectively, compared to \$12.5 million and \$0.17 per share in the same quarter of 2020.
- Core FFO and Core FFO per-diluted share were \$17.9 million and \$0.25 per share, respectively, compared to \$11.6 million and \$0.16 per share in the same quarter of 2020.

### ***Commercial Real Estate (CRE) Highlights for Q3 2021***

- CRE revenue of \$44.0 million was \$8.3 million, or 23.2%, more than the \$35.7 million result in the same quarter of 2020.
- CRE NOI of \$28.1 million was \$6.5 million, or 30.2%, more than the \$21.6 million result in the same quarter of 2020.
- Same-Store NOI of \$27.4 million was \$6.3 million, or 29.7%, more than the \$21.1 million result in the same quarter of 2020.
- The Company executed a total of 77 standard leases, covering approximately 215,900 square feet of gross leasable area ("GLA"). Leasing spreads for all comparable leases were 2.3% portfolio-wide for the third quarter of 2021 and 8.7% for new comparable leases.
- Significant standard leases executed included:
  - A 36,000 square foot lease at Opule Street Industrial, sustaining the 100% occupancy status of the property.

- Fifteen leases related to properties located in Kailua, including Aikahi Park Shopping Center, totaling approximately 28,200 square feet of GLA.
- Four leases at P&L Building totaling approximately 22,800 square feet of GLA, sustaining the 100% occupancy status of the property.
- Three leases at Honokohau Industrial totaling approximately 10,500 square feet of GLA, sustaining the 100% occupancy status of the property.
- Six leases at Kunia Shopping Center totaling approximately 8,800 square feet of GLA.
- The Company also executed 3 COVID-related lease modification extensions, covering approximately 4,800 square feet of GLA at a weighted-average term of two years and six months.
- Both overall leased and Same-Store leased occupancy were 94.6% as of September 30, 2021, an increase of 60 basis points compared to June 30, 2021.
  - Leased occupancy in the retail portfolio was 93.2% as of September 30, 2021, an increase of 90 basis points compared to June 30, 2021, primarily due to robust leasing activity at Kailua Retail and The Shops at Kukui‘ula. Leased occupancy in the Same-Store retail portfolio was 93.1% as of September 30, 2021, an increase of 90 basis points compared to the prior quarter.
  - Both leased and Same-Store leased occupancy in the industrial portfolio were 98.0% as of September 30, 2021, an increase of 20 basis points compared to June 30, 2021, primarily due to positive incremental leasing activity at Port Allen Industrial.

### ***CRE Redevelopment***

- Aikahi Park Shopping Center redevelopment efforts continue on budget after reaching substantial completion of the central shops. Tenant build-out and additional refresh work is underway to provide the surrounding residents and center visitors with enhanced community-focused dining, shopping and service options.
- Commenced Manoa Marketplace repositioning project. Plans are to improve the shopping experience of this well-located grocery-anchored, neighborhood center with enhanced community-focused dining, shopping and service options while incorporating sustainable design and building elements.
- Pearl Highlands Center has been selected for implementation of an on-site solar project. This clean energy project aligns with the Company's ESG commitment and goal of owning and operating sustainable properties, and represents the first of a pipeline of solar projects across our CRE portfolio.

### ***Land Operations***

- Operating profit was \$1.7 million in the third quarter of 2021, as compared to \$3.1 million in the third quarter of 2020.
- The Company advanced monetization efforts in the third quarter of 2021, including the following activity:
  - 11 units and a bulk parcel sold at the Kukui‘ula joint venture projects.
  - Cash proceeds totaling approximately \$10.3 million were generated from the Kukui‘ula joint venture projects.

### ***Materials & Construction (M&C)***

- M&C Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") was \$2.2 million for the third quarter of 2021, as compared to \$0.7 million for the second quarter of 2021, with the sequential increase attributable to further commencement of paving projects.
- M&C operating loss was \$0.3 million in the third quarter of 2021, as compared to a \$1.9 million loss in the second quarter of 2021.
- The Company continues to evaluate strategic options for the businesses within the M&C segment.

### ***Balance Sheet, Market Value, Adjusted EBITDA and Liquidity***

- As of September 30, 2021, the Company had an equity market capitalization of \$1.7 billion and \$627.7 million in total debt, for a total market capitalization of approximately \$2.3 billion. The Company's debt-to-total market capitalization was 27.0% as of September 30, 2021. The Company's debt has a weighted-average maturity of 4.3 years, with a weighted-average interest rate of 3.68%. Eighty-five percent of the Company's debt was at fixed rates.

- The Company reported consolidated Adjusted EBITDA of \$108.5 million for the twelve-month period ended September 30, 2021, compared to \$98.6 million for the same period ended September 30, 2020. Net Debt to TTM (trailing twelve months) consolidated Adjusted EBITDA was 5.5 times as of September 30, 2021, compared to 6.6 times for the same period last year.
- As of September 30, 2021, the Company had total liquidity of \$383.4 million, consisting of cash on hand of \$26.5 million and \$356.9 million available on its committed line of credit.

***Dividend***

- The Company paid a third quarter 2021 dividend of \$0.18 per share on October 4, 2021, an increase of two-cents per share from the second quarter 2021. This second consecutive quarterly dividend increase reflects the Board's continued confidence in the improving Hawai'i economy and commercial real estate performance.
- The Company's Board plans to declare a fourth quarter 2021 dividend in December 2021, with payment in January 2022.

***2021 Full-Year Guidance***

- The Company revised its annual 2021 guidance to reflect its improved outlook as follows:

	<b>2021 Guidance</b>	
	<b>Revised</b>	<b>Prior</b>
<b>Core FFO per diluted share</b>	<b>\$0.88 to \$0.92</b>	\$0.81 to \$0.87
<b>CRE Same-Store NOI</b>	<b>10% to 12%</b>	7% to 10%

## **ABOUT ALEXANDER & BALDWIN**

Alexander & Baldwin, Inc. (NYSE: ALEX) (A&B) is the only publicly-traded real estate investment trust to focus exclusively on Hawai'i commercial real estate and is the state's largest owner of grocery-anchored, neighborhood shopping centers. A&B owns, operates and manages approximately 3.9 million square feet of commercial space in Hawai'i, including 22 retail centers, 10 industrial assets and 4 office properties, as well as 146 acres of ground leases. A&B is expanding and strengthening its Hawai'i CRE portfolio and achieving its strategic focus on commercial real estate by monetizing its remaining non-core assets. Over its 150-year history, A&B has evolved with the state's economy and played a leadership role in the development of the agricultural, transportation, tourism, construction, residential and commercial real estate industries. Learn more about A&B at [www.alexanderbaldwin.com](http://www.alexanderbaldwin.com).

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**ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES**  
**SEGMENT DATA & OTHER FINANCIAL INFORMATION**  
(amounts in millions, except per share data; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Operating Revenue:</b>				
Commercial Real Estate	\$ 44.0	\$ 35.7	\$ 127.2	\$ 113.1
Land Operations <sup>1</sup>	5.4	7.4	38.5	27.5
Materials & Construction <sup>1</sup>	34.9	34.7	88.9	91.9
Total operating revenue	84.3	77.8	254.6	232.5
<b>Operating Profit (Loss):</b>				
Commercial Real Estate	19.0	11.0	53.0	37.9
Land Operations <sup>1</sup>	1.7	3.1	22.3	11.6
Materials & Construction <sup>1</sup>	(0.3)	1.6	(6.2)	(8.6)
Total operating profit (loss)	20.4	15.7	69.1	40.9
Gain (loss) on disposal of commercial real estate properties, net	—	—	0.2	0.5
Interest expense	(6.5)	(7.1)	(20.2)	(22.7)
Corporate and other expense	(6.8)	(5.4)	(18.9)	(13.8)
<b>Income (Loss) from Continuing Operations Before Income Taxes</b>	7.1	3.2	30.2	4.9
Income tax benefit (expense)	—	—	(0.1)	—
<b>Income (Loss) from Continuing Operations</b>	7.1	3.2	30.1	4.9
Income (loss) from discontinued operations	(0.6)	—	(0.7)	(0.8)
<b>Net Income (Loss)</b>	6.5	3.2	29.4	4.1
Loss (income) attributable to noncontrolling interest	(0.1)	(0.2)	(0.3)	0.4
<b>Net Income (Loss) Attributable to A&amp;B Shareholders</b>	\$ 6.4	\$ 3.0	\$ 29.1	\$ 4.5
<b>Basic Earnings (Loss) Per Share of Common Stock:</b>				
Continuing operations available to A&B shareholders	\$ 0.10	\$ 0.04	\$ 0.41	\$ 0.07
Discontinued operations available to A&B shareholders	(0.01)	0.00	(0.01)	(0.01)
Net income (loss) available to A&B shareholders	\$ 0.09	\$ 0.04	\$ 0.40	\$ 0.06
<b>Diluted Earnings (Loss) Per Share of Common Stock:</b>				
Continuing operations available to A&B shareholders	\$ 0.10	\$ 0.04	\$ 0.41	\$ 0.07
Discontinued operations available to A&B shareholders	(0.01)	0.00	(0.01)	(0.01)
Net income (loss) available to A&B shareholders	\$ 0.09	\$ 0.04	\$ 0.40	\$ 0.06
<b>Weighted-Average Number of Shares Outstanding:</b>				
Basic	72.5	72.4	72.5	72.3
Diluted	72.7	72.4	72.6	72.4
<b>Amounts Available to A&amp;B Common Shareholders:</b>				
Continuing operations available to A&B common shareholders	\$ 6.9	\$ 3.0	\$ 29.7	\$ 5.3
Discontinued operations available to A&B common shareholders	(0.6)	—	(0.7)	(0.8)
Net income (loss) available to A&B common shareholders	\$ 6.3	\$ 3.0	\$ 29.0	\$ 4.5

<sup>1</sup> As described in the Company's other filings with the SEC, during the current year, the Company changed the composition of its reportable segments which caused reported amounts (i.e., revenue and operating profit) in the historical period to be reclassified from Land Operations to Materials & Construction. All comparable information for the historical periods has been restated to reflect the impact of these changes.

**ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(amounts in millions; unaudited)

	September 30, 2021	December 31, 2020
<b>ASSETS</b>		
Real estate investments		
Real estate property	\$ 1,569.3	\$ 1,549.7
Accumulated depreciation	(174.4)	(154.4)
Real estate property, net	1,394.9	1,395.3
Real estate developments	68.9	75.7
Investments in real estate joint ventures and partnerships	109.1	134.1
Real estate intangible assets, net	53.9	61.9
Real estate investments, net	1,626.8	1,667.0
Cash and cash equivalents	26.5	57.2
Restricted cash	0.2	0.2
Accounts receivable and retention, net	24.4	43.5
Inventories	22.2	18.4
Other property, net	108.1	110.8
Operating lease right-of-use assets	21.2	18.6
Goodwill	10.5	10.5
Other receivables	18.2	14.2
Prepaid expenses and other assets	105.4	95.6
Total assets	<u>\$ 1,963.5</u>	<u>\$ 2,036.0</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Notes payable and other debt	\$ 627.7	\$ 687.1
Accounts payable	11.4	9.8
Operating lease liabilities	21.4	18.4
Accrued pension and post-retirement benefits	33.5	34.7
Deferred revenue	69.8	66.9
Accrued and other liabilities	99.6	116.5
<b>Redeemable Noncontrolling Interest</b>	6.8	6.5
<b>Equity</b>	1,093.3	1,096.1
Total liabilities and equity	<u>\$ 1,963.5</u>	<u>\$ 2,036.0</u>

**ALEXANDER & BALDWIN, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED CASH FLOWS**  
(amounts in millions; unaudited)

	<b>Nine Months Ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities:</b>		
Net income (loss)	\$ 29.4	\$ 4.1
Adjustments to reconcile net income (loss) to net cash provided by (used in) operations:		
Depreciation and amortization	37.7	40.5
Loss (gain) from disposals and asset transactions, net	(0.4)	(9.5)
Impairment of assets	—	5.6
Share-based compensation expense	4.4	4.4
Equity in (income) loss from affiliates, net of operating cash distributions	(10.1)	(5.0)
Changes in operating assets and liabilities:		
Trade, contracts retention, and other contract receivables	9.5	(2.1)
Inventories	(3.8)	1.2
Prepaid expenses, income tax receivable and other assets	0.3	7.9
Development/other property inventory	0.4	1.4
Accrued pension and post-retirement benefits	(4.0)	2.0
Accounts payable	2.9	(5.2)
Accrued and other liabilities	0.9	(8.1)
Net cash provided by (used in) operations	<u>67.2</u>	<u>37.2</u>
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures for property, plant and equipment	(26.1)	(17.7)
Proceeds from disposal of assets	0.6	27.1
Payments for purchases of investments in affiliates and other investments	(0.8)	—
Distributions of capital and other receipts from investments in affiliates and other investments	40.2	11.1
Net cash provided by (used in) investing activities	<u>13.9</u>	<u>20.5</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from issuance of notes payable and other debt	128.0	173.0
Payments of notes payable and other debt and deferred financing costs	(192.2)	(105.3)
Borrowings (payments) on line-of-credit agreement, net	—	(8.7)
Cash dividends paid	(46.5)	(13.8)
Proceeds from issuance (repurchase) of capital stock and other, net	(1.1)	(1.0)
Net cash provided by (used in) financing activities	<u>(111.8)</u>	<u>44.2</u>
<b>Cash, Cash Equivalents and Restricted Cash</b>		
Net increase (decrease) in cash, cash equivalents and restricted cash	(30.7)	101.9
Balance, beginning of period	57.4	15.4
Balance, end of period	<u>\$ 26.7</u>	<u>\$ 117.3</u>

## 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.

NOI is a non-GAAP measure used internally in evaluating the unlevered performance of the Company's Commercial Real Estate portfolio. The Company believes NOI provides useful information to investors regarding the Company's financial condition and results of operations because it reflects only the contract-based income and cash-based expense items that are incurred at the property level. When compared across periods, NOI can be used to determine trends in earnings of the Company's properties as this measure is not affected by non-contract-based revenue (e.g., straight-line lease adjustments required under GAAP); by non-cash expense recognition items (e.g., the impact of depreciation and amortization expense or impairments); or by other expenses or gains or losses that do not directly relate to the Company's ownership and operations of the properties (e.g., indirect selling, general, administrative and other expenses, as well as lease termination income). The Company believes the exclusion of these items from operating profit (loss) is useful because the resulting measure captures the contract-based revenue that is realizable (i.e., assuming collectability is deemed probable) and the direct property-related expenses paid or payable in cash that are incurred in operating the Company's Commercial Real Estate portfolio, as well as trends in occupancy rates, rental rates and operating costs. NOI should not be viewed as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

The Company reports NOI and Occupancy on a Same-Store basis, which includes the results of properties that were owned and operated for the entirety of the prior calendar year and current reporting period, year-to-date. The Company believes that reporting on a Same-Store basis provides investors with additional information regarding the operating performance of comparable assets separate from other factors (such as the effect of developments, redevelopments, acquisitions or dispositions).

Reconciliations of CRE operating profit to CRE NOI and Same-Store NOI are as follows:

(amounts in millions; unaudited)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2021	2020	Change <sup>1</sup>	2021	2020	Change <sup>1</sup>
Commercial Real Estate Operating Profit (Loss)	\$ 19.0	\$ 11.0	\$ 8.0	\$ 53.0	\$ 37.9	\$ 15.1
Plus: Depreciation and amortization	9.2	9.5	(0.3)	28.2	30.3	(2.1)
Less: Straight-line lease adjustments	(1.1)	0.6	(1.7)	(2.9)	1.1	(4.0)
Less: Favorable/(unfavorable) lease amortization	(0.1)	(0.1)	—	(0.5)	(0.8)	0.3
Plus: Other (income)/expense, net	(0.4)	—	(0.4)	(0.6)	(0.3)	(0.3)
Plus: Selling, general, administrative and other expenses	1.6	1.7	(0.1)	4.8	5.6	(0.8)
<b>NOI</b>	<b>28.1</b>	<b>21.6</b>	<b>6.5</b>	<b>81.9</b>	<b>72.7</b>	<b>9.2</b>
Less: NOI from acquisitions, dispositions, and other adjustments	(0.7)	(0.5)	(0.2)	(2.0)	(1.7)	(0.3)
<b>Same-Store NOI</b>	<b>\$ 27.4</b>	<b>\$ 21.1</b>	<b>\$ 6.3</b>	<b>\$ 79.9</b>	<b>\$ 71.0</b>	<b>\$ 8.9</b>

<sup>1</sup> Amounts in this table are rounded to the nearest tenth of a million, but percentages were calculated based on thousands. Accordingly, a recalculation of some percentages, if based on the reported data, may be slightly different.

FFO is presented by the Company as a widely used non-GAAP measure of operating performance for real estate companies. The Company believes that, subject to the following limitations, FFO provides a supplemental measure to net income (calculated in accordance with GAAP) for comparing its performance and operations to those of other REITs. FFO does not represent an alternative to net income calculated in accordance with GAAP. In addition, FFO does not represent cash generated from operating activities in accordance with GAAP, nor does it represent cash available to pay distributions and should not be considered as an alternative to cash flow from operating activities, determined in accordance with GAAP, as a measure of the Company's liquidity. The Company presents different forms of FFO:

- Core FFO represents a non-GAAP measure relevant to the operating performance of the Company's commercial real estate business (i.e., its core business). Core FFO is calculated by adjusting CRE operating profit to exclude items in a manner consistent with FFO (i.e., depreciation and amortization related to real estate included in CRE operating profit)



and to make further adjustments to include expenses not included in CRE operating profit but that are necessary to accurately reflect the operating performance of its core business (i.e., corporate expenses and interest expense attributable to this core business) or to exclude items that are non-recurring, infrequent, unusual and unrelated to the core business operating performance (i.e., not likely to recur within two years or has not occurred within the prior two years). The Company believes such adjustments facilitate the comparable measurement of the Company's core operating performance over time. The Company believes that Core FFO, which is a supplemental non-GAAP financial measure, provides an additional and useful means to assess and compare the operating performance of REITs.

- FFO represents the Nareit-defined non-GAAP measure for the operating performance of the Company as a whole. The Company's calculation refers to net income (loss) available to A&B common shareholders as its starting point in the calculation of FFO.

The Company presents both non-GAAP measures and reconciles each to the most directly-comparable GAAP measure as well as reconciling FFO to Core FFO. The Company's FFO and Core FFO may not be comparable to FFO non-GAAP measures reported by other REITs. These other REITs may not define the term in accordance with the current Nareit definition or may interpret the current Nareit definition differently.

Reconciliations of net income (loss) available to A&B common shareholders to FFO and Core FFO are as follows:

(amounts in millions; unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Net income (loss) available to A&amp;B common shareholders</b>	\$ 6.3	\$ 3.0	\$ 29.0	\$ 4.5
Depreciation and amortization of commercial real estate properties	9.2	9.5	28.2	30.3
Gain on the disposal of commercial real estate properties, net	—	—	(0.2)	(0.5)
<b>FFO</b>	\$ 15.5	\$ 12.5	\$ 57.0	\$ 34.3
Exclude items not related to core business:				
Land Operations Operating (Profit)	(1.7)	(3.1)	(22.3)	(11.6)
Materials & Construction Operating (Profit) Loss	0.3	(1.6)	6.2	8.6
Loss from discontinued operations	0.6	—	0.7	0.8
Income (loss) attributable to noncontrolling interest	0.1	0.2	0.3	(0.4)
Income tax expense (benefit)	—	—	0.1	—
Non-core business interest expense	3.1	3.6	9.9	11.3
<b>Core FFO</b>	\$ 17.9	\$ 11.6	\$ 51.9	\$ 43.0

Reconciliations of Core FFO starting from Commercial Real Estate operating profit are as follows:

(amounts in millions; unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>CRE Operating Profit</b>	\$ 19.0	\$ 11.0	\$ 53.0	\$ 37.9
Depreciation and amortization of commercial real estate properties	9.2	9.5	28.2	30.3
Corporate and other expense	(6.8)	(5.4)	(18.9)	(13.8)
Core business interest expense	(3.5)	(3.5)	(10.4)	(11.4)
<b>Core FFO</b>	\$ 17.9	\$ 11.6	\$ 51.9	\$ 43.0

The Company may report various forms of Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”), on a consolidated basis or a segment basis (e.g., “Consolidated EBITDA” or “Materials & Construction EBITDA”), as non-GAAP measures used by the Company in evaluating the Company's and segments' operating performance on a consistent and comparable basis from period to period. The Company provides this information to investors as an additional means of evaluating the performance of the Company's and segments' ongoing operations.

Consolidated EBITDA is calculated by adjusting the Company's consolidated net income (loss) to exclude the impact of interest expense, income taxes and depreciation and amortization. Materials & Construction EBITDA is calculated by adjusting Materials & Construction operating profit (which excludes interest expense and income taxes) to add back depreciation and amortization recorded at the M&C segment.

The Company also adjusts Consolidated EBITDA or Materials & Construction EBITDA (to arrive at "Consolidated Adjusted EBITDA" or "M&C Adjusted EBITDA") for items identified as non-recurring, infrequent or unusual that are not expected to recur in the Company's core business or segment's normal operations. In addition to the aforementioned adjustments, the Company further adjusts Materials & Construction EBITDA to exclude income attributable to noncontrolling interests as presented in its consolidated statements of operations.

As illustrative examples, the Company identified non-cash long-lived asset impairments recorded in different businesses within the M&C segment as non-recurring, infrequent or unusual items that are not expected to recur in the segment's normal operations. By excluding these items from Materials & Construction EBITDA to arrive at M&C Adjusted EBITDA, the Company believes it provides meaningful supplemental information about its core operating performance and facilitates comparisons to historical operating results. Such non-GAAP measures should not be viewed as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

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

(amounts in millions, unaudited)	TTM September 30,	
	2021	2020
<b>Net Income (Loss)</b>	\$ 30.5	\$ 9.1
Adjustments:		
Depreciation and amortization	50.5	54.4
Interest expense	27.8	30.4
Income tax expense (benefit)	(0.3)	(0.9)
<b>Consolidated EBITDA</b>	\$ 108.5	\$ 93.0
Asset impairments related to the Materials & Construction Segment	—	5.6
<b>Consolidated Adjusted EBITDA</b>	\$ 108.5	\$ 98.6

Reconciliations of Materials & Construction operating profit to Materials & Construction EBITDA and M&C Adjusted EBITDA are as follows:

(amounts in millions; unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Materials &amp; Construction Operating Profit (Loss)<sup>1</sup></b>	\$ (0.3)	\$ 1.6	\$ (6.2)	\$ (8.6)
Materials & Construction depreciation and amortization	2.6	2.8	8.1	8.2
<b>Materials &amp; Construction EBITDA<sup>1</sup></b>	2.3	4.4	1.9	(0.4)
Impairment of assets	—	—	—	5.6
Loss (income) attributable to noncontrolling interest	(0.1)	(0.2)	(0.3)	0.4
<b>M&amp;C Adjusted EBITDA<sup>2</sup></b>	\$ 2.2	\$ 4.2	\$ 1.6	\$ 5.6

<sup>1</sup> As described in the Company's other filings with the SEC, during the current year, the Company changed the composition of its reportable segments which caused reported amounts (i.e., revenue and operating profit) in the historical period to be reclassified from Land Operations to Materials & Construction. All comparable information for the historical periods has been restated to reflect the impact of these changes.

<sup>2</sup> See above for a discussion of management's use of non-GAAP financial measures and reconciliations from GAAP to non-GAAP measures.

## **FORWARD-LOOKING STATEMENTS**

Statements in this release 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, as well as the rapidly changing challenges with, and the Company's plans and responses to, the coronavirus pandemic ("COVID-19") and related economic disruptions. 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, risks associated with COVID-19 and its impact on the Company's businesses, results of operations, liquidity and financial condition, the evaluation of alternatives by the Company related to its materials and construction business and by the Company's joint venture related to the development of Kukui'ula, 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 release should be evaluated in light of these important risk factors. We do not undertake any obligation to update the Company's forward-looking statements.