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CORPORATE PARTICIPANTS

Brett A. Brown *Alexander & Baldwin, Inc. - Executive VP, CFO & Treasurer*

Christopher J. Benjamin *Alexander & Baldwin, Inc. - President, CEO & Director*

Clayton K.Y. Chun *Alexander & Baldwin, Inc. - Senior VP, CAO & Corporate Controller*

Lance K. Parker *Alexander & Baldwin, Inc. - Executive VP & COO*

Steve Swett *ICR, LLC - MD*

CONFERENCE CALL PARTICIPANTS

Connor Mitchell *Piper Sandler & Co. - Research Analyst*

Marla Susan Backer *Sidoti & Company, LLC - Research Analyst*

Sheila Kathleen McGrath *Evercore ISI Institutional Equities, Research Division - Senior MD*

PRESENTATION

Operator

Good afternoon, and welcome to the Alexander & Baldwin First Quarter 2022 Earnings Conference Call. (Operator Instructions) Please note, this event is being recorded.

I would now like to turn the conference over to Steve Swett, Investor Relations. Please go ahead.

Steve Swett - ICR, LLC - MD

Thank you, aloha, and welcome to our call to discuss Alexander & Baldwin's first quarter 2022 earnings. With me today for our earnings call are A&B's President and Chief Executive Officer, Chris Benjamin; our Chief Operating Officer, Lance Parker; and our Chief Financial Officer, Brett Brown; Clayton Chun, Chief Accounting Officer, is also present and will be available for the Q&A portion of the call.

Before we commence, please note that statements in this call and presentation that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that 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 novel coronavirus COVID-19 pandemic 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 the COVID-19 pandemic and its impacts on the company's businesses, results of operations, liquidity and financial condition, and evaluation of alternatives by the company related to its Materials & Construction business, as well as other factors discussed in the company's most recent Form 10-K, Form 10-Q and other filings with the SEC. The information in this call and 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.

Management will be referring to non-GAAP financial measures during our call today. Included in the appendix of today's presentation slides is a statement regarding our use of non-GAAP measures and reconciliations. Slides from this presentation are available for download at the Investors

section of our website at www.alexanderbaldwin.com. Chris will open up today's presentation with a strategic update. He will then turn the presentation over to Lance for an update on real estate operations, and then Brett will discuss financial matters. Chris will return for some closing remarks, and then we will open it up for your questions.

With that, let me turn it over to Chris.

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Thanks, Steve, and good afternoon to our listeners. The first quarter of 2022 was another very strong quarter for Alexander & Baldwin, as we built on our excellent results from last year. For the quarter, commercial real estate performance exceeded our expectations with strong NOI, higher occupancy and significant leasing activity across our portfolio of well-located retail, industrial and ground lease properties.

Land sales continue to be robust, and our Materials & Construction segment had its best quarter in 1.5 years, producing positive adjusted EBITDA and building its largest backlog of projects in over four years. As a result of the strong CRE performance, we raised our guidance roughly 7%, and the Board has increased our quarterly dividend by another \$0.01 to \$0.20 per share, surpassing our pre-pandemic dividend level. I want to thank all A&B team members for their hard work and contributions to these exceptional results.

Before diving into details on the quarter, I'd like to step back and provide some strategic context. There's been a meaningful shift at A&B following the significant land sales of 2021 and the resulting de-levering of our balance sheet. Granted, we've been making steady progress in our simplification for many years, including the migration of our portfolio back to Hawai'i, the sale of large amounts of ag lands, the significant growth of our Hawai'i commercial real estate portfolio, and the development of the best CRE team in Hawai'i. But the events of late 2021 were an important turning point.

With the sale of Kukui'ula and other non-core assets, we've dramatically strengthened our balance sheet and are ready to put it to work. The acquisition market is tight, but we're actively and patiently building our pipeline. We're uniquely positioned to benefit from our Hawai'i relationships and market knowledge. We do still have some non-core assets to sell, but they're not constraining our core business or our growth strategy. Grace is making important progress towards the kind of profitability we know it's capable of, which will position us to achieve the final big element of our simplification.

We are positioning for a possible marketing process as early as the late summer. In the meantime, Grace doesn't distract us from our CRE efforts or impede the obvious success of that segment.

The success was demonstrated by strong results in the first quarter. CRE revenue grew more than 15%. Total commercial real estate portfolio NOI and same-store NOI were both up more than 17%. And core FFO per diluted share was up by 38%. We saw particular strength in our retail segment, which achieved a more than 26% improvement in same-store NOI, continuing the recovery that we saw last year.

Our industrial portfolio also produced strong same-store NOI growth of nearly 8%. We ended the quarter at 94.5% leased occupancy, up 70 basis points from the year ago. Our retail portfolio is again over 93% leased and our industrial assets are 98% leased. We had strong leasing activity in the quarter with over 369,000 square feet leased and total rent spreads at 3.2%.

We continue to see robust economic growth across the state. Domestic visitor arrivals have exceeded pre-pandemic levels for each of the first three months of 2022, up about 8% compared to 2019 levels.

Additionally, since the start of the year, international visitor arrivals have been trending upward and should continue to rebound, providing incremental economic benefits. While our portfolio is community-based and not heavily dependent on tourist activity, the resurgence in Hawai'i tourism is providing a broad benefit to Hawai'i's economy. With the state unemployment rate down to 4.1% from March 2022, an improvement of over 18 percentage points from the peak of 22.4% nearly two years ago. Overall, Hawai'i's economy is rebounding more quickly than expected, leading the State's Department of Business Economic Development and Tourism to raise the 2022 economic growth forecast to 3.2% from 3%.

And these broad tailwinds are not only supporting strong leasing demand for our high-quality commercial real estate assets, but driving strong demand for Hawai'i real estate in general, including our remaining non-core lands. We had non-core land sales in the first quarter totaling approximately \$8 million, including 3.9 acres at Maui Business Park II and 173 acres of other non-core land holdings. As importantly, our Materials & Construction segment produced \$4.1 million of Adjusted EBITDA in the quarter, \$1.9 million of this at Grace Pacific and the balance attributable to other materials and construction activity. While Grace's earnings were modest, we're pleased with the momentum that business is gaining and expect continued growth in EBITDA over the balance of the year. As I noted, we are positioning for a second half marketing process if conditions seem right. We'll likely make that decision before our next earnings call.

Turning to growth. While we've not announced any acquisitions in 2022, we have a robust pipeline of opportunities we're evaluating. We remain focused primarily on our existing asset classes, neighborhood retail and light industrial.

Now I'll turn the call over to our Chief Operating Officer, Lance Parker, to review our recent commercial real estate highlights and land sales activity. Lance?

Lance K. Parker - *Alexander & Baldwin, Inc. - Executive VP & COO*

Thank you, Chris, and aloha, everyone. Beginning with operations, in the first quarter of 2022, our CRE portfolio continued to perform exceptionally well. Same-store NOI was up 17% year-over-year, reflecting improved tenant performance and collections. We executed 74 leases for approximately 369,000 square feet during the first quarter and achieved spreads of 8.8% for new leases and 2.9% on renewal leases.

The most significant lease was the strategic long-term renewal of our largest tenant at Pearl Highlands Center, a 181,000 square foot Sam's Club. We were pleased to extend them and invest in the refresh of their store, providing stability and enhancing the customer experience at the center, which will also see the opening of local restaurant favorites, Liliha Bakery and Little Joe's Steakhouse later this year. This recent lease activity has maintained the 99.8% occupancy at our largest retail asset.

In addition to Sam's, we completed two leases at Harbor Industrial totaling approximately 33,000 square feet of GLA, a 26,500 square foot lease at Komohana Industrial Park, sustaining the 100% occupancy of the property, and 10 leases related to properties located in Kailua, including Aikahi Park Shopping Center, totaling approximately 11,600 square feet of GLA. Overall, leased occupancy at quarter end was 94.5%, up 70 basis points from 12 months earlier. Same-store leased occupancy was 94.4%, up 60 basis points from the first quarter of 2021.

With regard to growth, our team is active across our target markets on Oahu, Maui, Hawai'i Island and Kauai, and we are earmarking \$50 million to \$75 million, or more, as an annual pace. We have a solid pipeline and believe our strategic advantages of deep market knowledge and long-standing relationships will enable us to uncover opportunities and value, despite the robust competition we see across the market.

On to redevelopment activity, at Aikahi Park Shopping Center, final efforts continue on schedule with tenant build-out and additional refresh work underway to provide customers with a vibrant mix of community-focused dining, shopping and service options. Upon reaching target stabilization later this year, we'll appropriately remove this project from the active redevelopment summary table in our supplement. Our Manoa Marketplace repositioning project has commenced into the design phase to improve the overall visitor experience at this well-located neighborhood center, while incorporating sustainable design and building elements. And lastly, work has commenced on the 1.3-megawatt rooftop solar installation at Pearl Highlands Center. This renewable energy project aligns with our ESG commitment and goal of owning and operating sustainable properties, and we look to expand such efforts to other properties.

Turning to land sales. We had a successful first quarter. We sold five units totaling 3.9 acres at Maui Business Park II, as well as approximately 173 acres of other non-core landholdings, for approximately \$8 million of total proceeds. We remain in active discussions with interested buyers on many of our remaining non-core land holdings and expect to make strong monetization progress this year.

I'll now turn the call over to Brett for financial details. Brett?

Brett A. Brown - *Alexander & Baldwin, Inc. - Executive VP, CFO & Treasurer*

Thanks, Lance. Good afternoon, everyone. Starting with our financial results. For the first quarter, we recorded net income of \$10.5 million or \$0.14 per share. FFO of \$19.7 million or \$0.27 per share. And core FFO of \$20.8 million or \$0.29 per share.

For additional details on our results, including comparisons to the first quarter of 2021, please see our earnings release and supplemental information package. As a note, each of these metrics for 2022 benefited from reserve reversals of approximately \$2 million or \$0.03 per share in the first quarter of 2022 compared to \$1.4 million or \$0.02 per share in the first quarter of 2021.

I'll now turn to Commercial Real Estate segment for the first quarter. CRE revenues increased by nearly 15.5% or \$6.2 million over the prior year quarter to \$46.1 million, and NOI increased by 17.8% or \$4.5 million to \$29.8 million compared to the same period last year. This increase from the year ago quarter, again, reflects the overall recovery of our tenants, which resulted in improved rent collections, including both current and prior period rents. First quarter same-store NOI increased 17% or \$4.3 million over the prior year quarter to \$29.6 million.

Our land operations business produced revenue of \$12.9 million and generated adjusted EBITDA of \$2.8 million in the first quarter of 2022. With limited activity expected for the second quarter, as we've mentioned in the past with episodic transactions, revenue may be lighter and adjusted EBITDA could be negative for the quarter.

Our Materials & Construction segment had a solid start to the year with operating profit of \$3.2 million and adjusted EBITDA of \$4.1 million, this compares to a \$4 million loss and negative \$1.4 million, respectively, in the first quarter of 2021. As Chris noted, the Materials & Construction segment had its best quarter in 1.5 years, contributing to the strong segment results with Grace Pacific Adjusted EBITDA of \$1.9 million, while other M&C business added \$2.2 million.

For the first quarter 2022, G&A expenses were \$12.4 million compared to \$12.2 million in the first quarter of 2021 and in line with our budget.

Turning to our balance sheet and liquidity metrics. At March 31, 2022, our total debt outstanding was \$522 million, and we had total liquidity of \$483 million, including approximately \$34 million of cash and \$449 million of remaining capacity on our credit facility. At quarter end, net debt to trailing 12 months consolidated adjusted EBITDA was 3.4x, excluding the one-time non-core monetization and M&C impairment impacts, net debt to consolidated adjusted EBITDA would be in the low to mid 5x range. Our debt to total market capitalization stood at 23.7% at quarter end.

With respect to our dividend, the Board recently declared a second quarter 2022 dividend of \$0.20 per share, a \$0.01 or a 5.3% increase from the first quarter 2022 dividend and second consecutive quarterly increase, reflecting our strong first quarter CRE results and expected performance for the remainder of 2022. The second quarter dividend is payable on July 6, 2022, to shareholders of record as of the close of business on June 17, 2022.

Finally, turning to guidance. We're raising our 2022 guidance for core FFO per share to a new range of \$1.01 to \$1.07 per share from the prior range of \$0.94 to \$1 per share. The increase is primarily due to the improvement in our outlook for CRE same-store NOI growth. We now expect CRE same-store NOI growth within a range of 2% to 4% from our prior range of 0% to 2%. CRE same-store NOI growth, excluding prior year reserve reversals, has also been revised upward within a range of 3% to 5% from our prior range of 2% to 4%.

I also want to remind everyone, as I've mentioned on prior calls, while it's not part of our guidance as it's not part of core FFO, we expect to incur an \$81 million to \$95 million pre-tax settlement charge in the second quarter related to the defeasance of our pension plan. Cash contributions for the pension defeasance is expected to range between \$34 million to \$48 million.

With that, I'll turn the call over to Chris for his closing remarks.

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Thanks, Brett. I'm pleased with our results across all segments for the first quarter. Our CRE portfolio continues to have outstanding performance, building off of momentum from last year with strong NOI growth, increasing occupancy and robust leasing activity. Renewed focus on CRE growth supported by a strong and flexible balance sheet should enable us to expand our portfolio in Hawai'i, a strong market with excellent long-term growth drivers and where our strategic advantages will enable us to uncover opportunities and value.

On the ESG front, we are actively advancing multiple environmental and social initiatives, and we kicked off new employee-led environmental and social councils last month. These employee groups will help us accelerate our ESG progress. We're particularly proud of the commencement of our -- of construction on a 1.3-megawatt solar PV installation at Pearl Highlands Center.

With that, we'll now open the call for your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question is from Connor Mitchell with Piper Sandler.

Connor Mitchell - *Piper Sandler & Co. - Research Analyst*

I guess, first, can you guys please just expand on what was mentioned about the expanding acquisition pipeline, is it just more of a focus on ground leases, industrials or another property type?

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Lance, do you want to...

Lance K. Parker - *Alexander & Baldwin, Inc. - Executive VP & COO*

Sure. So Connor, we remain focused on our -- what we view to be our three major food groups, so retail, industrial, ground leases in terms of our acquisition efforts. I would say more broadly just in terms of the acquisition market, it remains relatively tight here with very few marketed deals. But I would say that I'm pleased with the number of looks that we're getting in the marketplace. And so we feel confident in our ability to find appropriate deals later in the year.

Connor Mitchell - *Piper Sandler & Co. - Research Analyst*

Okay. That's helpful. And then just a second question related to guidance. I know you guys had mentioned this, but is it -- the increase in guidance, is that mostly driven by the first quarter outperformance or also inclusive of a stronger outlook for the remainder of the year?

Brett A. Brown - *Alexander & Baldwin, Inc. - Executive VP, CFO & Treasurer*

Connor, it's Brett. Most of that was driven by the outperformance in the first quarter as we're very early in the year. So it would be hard to comment more on the later quarters, but mostly driven by the first quarter outperformance, yes.

Connor Mitchell - Piper Sandler & Co. - Research Analyst

Okay. And then can you just repeat again what you said regarding the pension plan and how much that might affect, I think you said second quarter earnings?

Brett A. Brown - Alexander & Baldwin, Inc. - Executive VP, CFO & Treasurer

It is anticipated to flow through in the second quarter. That's correct. And so the overall dollar amount, as I mentioned, there is approximately \$81 million to \$95 million of pre-tax settlement charge that will happen second quarter and then a cash contribution of \$34 million to \$48 million.

Operator

The next question is from Marla Backer with Sidoti.

Marla Susan Backer - Sidoti & Company, LLC - Research Analyst

So a lot of the commentary in recent quarters has been around opportunities on redevelopment. But given what we're seeing in terms of the inflationary environment, the interest rate environment, do you think some of your plans might be impacted or pushed out as a result of current macroeconomic factors?

Lance K. Parker - Alexander & Baldwin, Inc. - Executive VP & COO

Marla, this is Lance. I would say generally, in terms of macroeconomic impact, so specific to inflation and maybe to a lesser extent supply chain issues, we're certainly seeing impacts on supply chain side, we have had some delays in sourcing materials. And so we've programmed that into our time lines. It may be a little later in terms of RCDs and being able to go economic, but they're not going to have a material impact on our underwriting or our desire to move forward with some of our redevelopment projects.

On the pricing side, we're certainly seeing increases in certain materials. We're having contractors now only holding pricing firm for 30 days, which is short, relative to where it was in previous periods. And so we're just being more deliberate in our decisions, and again, factoring that in. But from our internal opportunities for growth and so specific to finishing up Aikahi, progressing with Manoa Marketplace and Pearl Highlands, we feel good about those opportunities and expect to complete them. And then I would say, prospectively with some of our build-to-suits that we're in conversations with tenants on, similarly feel optimistic about that.

Marla Susan Backer - Sidoti & Company, LLC - Research Analyst

Okay. And then one question, a housekeeping question on rental collections. Where are you in terms of any kind of deferrals that you offer during the pandemic?

Clayton K.Y. Chun - Alexander & Baldwin, Inc. - Senior VP, CAO & Corporate Controller

Was the question around the collections relating to those?

Marla Susan Backer - Sidoti & Company, LLC - Research Analyst

Yes.

Clayton K.Y. Chun - *Alexander & Baldwin, Inc. - Senior VP, CAO & Corporate Controller*

So overall -- yes, okay. With respect to the collection side of things, we're actually doing quite well overall on our collections overall. We're basically at pre-pandemic levels of in excess of 90% overall for CRE, and within that are the deferred amounts. So our tenants have been able to recover from the pandemic. And as a result, we've been able to benefit from cash collections.

Operator

The next question is from Sheila McGrath with Evercore ISI.

Sheila Kathleen McGrath - *Evercore ISI Institutional Equities, Research Division - Senior MD*

Chris, you mentioned the international travelers picking up. Just wondering, if you could give us your bigger picture view on the mainland travelers, and if there are any COVID restrictions for people traveling to Hawai'i at this point?

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Yes, it's crowded here. The streets are crowded, the hotels are crowded, the restaurants are crowded. I think that we're essentially back to full strength in terms of capacity relative to pre-pandemic levels. It's a different mix of tourists. And because it's a different mix, I think it does have some impacts still probably negative impacts on some of those retailers and destinations that are most closely -- most dependent on the Asian visitor. So to Waikiki and some of the retail in Waikiki, but from the standpoint of our portfolio, the unemployment rate, as I mentioned, is down to 4%, which is just slightly above where it was pre-pandemic.

And so when you think about our portfolio of grocery-anchored retail and the things that drive that, and then also the two resort centers that we have are both on neighbor islands that are not heavily dependent on international arrivals. We're essentially back to full strength in terms of the economic drivers that influence our portfolio. That's not to say that everybody in Hawai'i is back to normal, as I said, because some landlords and tenants rely a lot more on the Asian visitor than we do.

Sheila Kathleen McGrath - *Evercore ISI Institutional Equities, Research Division - Senior MD*

Okay. Great. That's helpful. And then on the -- I'm just curious, I know it's still kind of new, but with the backup in interest rates, your thoughts on if this might help spin out the buyer pool that maybe -- would improve acquisition kind of hit rate for Alexander & Baldwin. Just your thoughts on that?

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Yes. Clearly, we don't want to -- we don't wish for difficult economic times and interest rates rising and the economy slowing down. Having said that -- and you've covered the company long enough to know that we have historically been able to take advantage of dislocations and challenges in the market with a strong balance sheet, an ability to perform where a lot of buyers may not be able to perform as the economy changes and interest rates rise. We do generally think that there could be nice opportunities for us on the acquisition side. So Lance may have more specifics he wants to add. But I would say, generally, this kind of disruption could tend to benefit us.

Lance K. Parker - *Alexander & Baldwin, Inc. - Executive VP & COO*

Yes, I would just add that, we're seeing this play out in real time, but certainly, our expectation would be for more highly levered asset debt-type buyers that they're going to be impacted disproportionately with rising interest rates and with the solid balance sheet that we have and the debt

that we were able to pay down last year through our non-core and monetization, we're feeling very good about our opportunity to pursue the right deals.

Sheila Kathleen McGrath - *Evercore ISI Institutional Equities, Research Division - Senior MD*

Okay. Great. And then, Lance, maybe you could comment on the price. I haven't had a chance to figure it out yet, but the pricing of the land at Maui Business Park and the other non-core land sales. And then just give us perspective, if you anticipate additional activity in the land sale bucket this year?

Lance K. Parker - *Alexander & Baldwin, Inc. - Executive VP & COO*

I would say, generally, Sheila, we're feeling good about our land core -- our non-core land activity, both specific to Maui Business Park as well as other lands that the company has. So starting with Maui Business Park, we probably have to break out separately the actual pricing and get that to you. But I would say we're feeling good about interest. We had strong interest from buyers last year, that interest has continued through Q1. And looking forward, we continue to get strong inquiries from buyers. And then importantly, as we've discussed in the past, we've also been getting inquiries from tenants on the industrial side for build-to-suit. So that's another avenue that we continue to pursue.

And then on the non-core land for the rest of the portfolio, it's always challenging for us to sort of provide guidance and timing, but we do have a number of transactions in various stages and feeling optimistic about our opportunities for continued monetization in that segment.

Sheila Kathleen McGrath - *Evercore ISI Institutional Equities, Research Division - Senior MD*

Okay. Great. And then on Grace, it was nice to see a pickup there. I just wondered if you could comment what you think is driving the improved performance and how much was one-time? And given the recovery of EBITDA there, does that help move a sale process along that might be a '22 event?

Christopher J. Benjamin - *Alexander & Baldwin, Inc. - President, CEO & Director*

Yes. So this is Chris. Let me address, I think three things there. One, within Grace itself, where we posted \$1.9 million of EBITDA, we didn't have any one-timers driving that, but we did have one project that got off to a later start than we expected, and we do expect that that's just a timing issue. So we actually think that we'll be making up some ground as we go forward on that one project. But we're hopeful that we can trend upward from that \$2 million number as we go forward for the balance of the year. So we're optimistic on Grace itself.

The balance of the \$4.1 million was related to a JV investment we have in another Materials & Construction business. And that was largely driven by a one-time -- essentially an accounting-related entry, a recognition of one-time gain, I guess, I should say. So that would probably not recur. But the biggest focus, and to your third question, is Grace performance and how does that position us for a sale. We're very pleased with the momentum on Grace and the fact that we're back in the black, and we have a really good backlog, the biggest backlog we've had in four years.

And the government does seem to be spending more money. We don't know for sure whether it's infrastructure build related, but we're seeing a lot more requests for paving work from the government on some of these maintenance contracts we have. So we're hopeful that we'll see a continued pickup. The timing of a disposition, as I said in my prepared remarks, it really depends on the situation we see come probably early third quarter, both with respect to our earnings trajectory as well as the broader market, the impact of interest rates, what the buyer pool is thinking and looking like. So I don't want to commit to the specific timing, but suffice it to say that this positive momentum in operating performance should position us better for a disposition of the business over the next six to 12 months.

Sheila Kathleen McGrath - *Evercore ISI Institutional Equities, Research Division - Senior MD*

Okay. Great. One more, I'm assuming I'm the last one to ask you questions. But on the solar, I'm interested how that works, like, what's the capital investment on your end? Is there a return on it? And just is it a potential to roll out to the rest of the portfolio?

Lance K. Parker - *Alexander & Baldwin, Inc. - Executive VP & COO*

So I'll start broadly and then invite the rest of the team to add some specifics, Sheila. What we did is, we effectively structured a deal with one of the local banks where they take the tax credits available from putting the solar and use that as sort of a form of financing. So our actual investment is relatively nominal for the first year. And then we start to get NOI that we've estimated to be about \$300,000 a year once we turn it on. And so we're hopeful that we'll be able to get the system in place and up and running by year end. And then we have the right to purchase the system later in the lease structure and then pass -- effectively pass some of the savings on to our tenants through reduced CAM charges, in specific electricity rates to some of our tenants.

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to Steve Swett for any closing remarks.

Steve Swett - *ICR, LLC - MD*

Thank you, operator. And thank you all for joining us today. If you have any follow-up questions, please feel free to call us at (808) 525-8475 or e-mail at investorrelations@abhi.com. Aloha, and have a great day.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.

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