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Alexander & Baldwin, Inc.

Investor Day

April 5, 2023

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PRESENTATION

Chris Benjamin

All right. It's the top of the hour, we will go ahead and get started.

Thank you, everybody, for being here. Those of you who are here in Honolulu with us in person and those of you who are listening on the webcast, really happy to have this opportunity to host Alexander & Baldwin's Investor Day. I am Chris Benjamin. I'm the CEO of Alexander & Baldwin. This is an exciting time for A&B as we're completing our simplification, our strategic transformation. We're now focused on commercial real estate, we're focused on not only the performance of our incredible portfolio, but growing that portfolio through a variety of means that we'll talk about today.

We've got a strong balance sheet with which to do that and a lot of excitement. But the most important ingredient that we have is our Management Team. I'm particularly excited that those of you who are here today in Hawaii for our Investor Day and those of you who are listening, will have an opportunity to see that team. We're going to be showcasing a lot of our senior managers that you don't often get to meet, and it's really their skills, their knowledge and their relationships in Hawaii that are our secret sauce. I'm glad to be able to showcase them today.

Starting off on our first slide, I want to just draw your attention to our Safe Harbor statement, and then I will just give a quick overview of our agenda.

I've got very brief opening remarks; Lance Parker, our Chief Operating Officer, is going to give a quick overview of the Hawaii market. Those of you who are here in person have seen how bustling the local environment and economy are. Lance will provide a quick overview, and then move into a discussion of our portfolio, along with the rest of our commercial real estate team. We'll give an overview of our existing portfolio and its performance, and then move into our growth opportunities, some of the many levers of both organic internal development and external growth that we are pulling to grow A&B and create more value. Then Clayton Chun, our CFO, will provide an overview of our balance sheet strength that's going to make that growth possible. Finally, Lance will come back with some closing remarks.

Just very briefly, before I turn it over to Lance, let me just say that the reason that it's so important to get to Hawaii and see the assets is because of this tremendous presence that Alexander & Baldwin has in Hawaii. It's a very unique situation where we've been here for 150 years, we have very deep knowledge of the local market and we're now completely focused on commercial real estate. The relationships that we have, the track record that we have, the reputation that we have, all of those things, all of those things lead to our having visibility into virtually every deal that gets done in Hawaii. We have visibility into things that are marketed, we have a long track record of unlocking breaking-loose assets that are not marketed, and again, it's because our Management Team is based here, we know this market, and it's the reason we chose to focus our commercial real estate portfolio in Hawaii. We have unique assets with tremendous embedded growth opportunity and, again, on the tour today, those of you who are here will see that. But we'll also provide a quick overview of some of those opportunities in the presentation today for those on the webcast.

I've mentioned already our Management Team. I also mentioned briefly our superior market fundamentals. Hawaii has not only a tremendous level of economic activity and is a dynamic growing market, but it also has significant barriers to entry. As we always like to say, we're on the right side of those barriers. We have land assets, physical existing assets that can be repositioned and, of course, I've already talked about our human resources. All of those things, together with our high-quality portfolio, create tremendous opportunities for growth. We'll be talking about those today.

My last slide is to introduce the rest of the team. I'm actually just going to reiterate my introduction of Lance. Lance Parker is our President and Chief Operating Officer, and then Clayton Chun, who is our Chief Financial Officer. Clayton took over in December of this year and has been with the Company for now eight years, almost eight years, and has been a tremendous contributor to our success and our transformation over that time. But I particularly want to note Lance's promotion to CEO, effective July 1 of this year. I will be retiring June 30. I've been working with Lance for over 18 years now. I have just the utmost confidence in him. He has built this team that he's about to introduce you to. He has built this portfolio that he's about to show you. I have so much excitement for A&B for our employees, for our communities and for our shareholders, as Lance takes the reigns of what is now a Hawaii-focused commercial real estate company.

With that, let me introduce Lance to introduce his team and the rest of our business.

Lance Parker

Thank you, Chris. Good morning, everyone.

What a great day. Hopefully, everyone has enjoyed the week so far. We're really looking forward to being able to showcase A&B, and Chris touched on it, really, in our perspective, what makes us a unique and compelling investment. Obviously, we are an asset-based business with the real estate, but it is our people as well. I don't want to gloss over the depth and the breadth that we have within our Management Team.

Chris touched on it a little bit. One of the things I think that's really important to us is the fact that our resources, the platform we've built is in-house and that we're local. I grew up through the old school side of the real estate on the leasing, knocking on doors, cold calling and it was all about local knowledge. That's what this team brings to the table. It's local expertise but it's also industry-leading ideas and thoughts.

Our four main departments: leasing, development, asset management and investment, are led by the people that you see up there, Jordan, Francisco, Kit and Jeff, respectively. You'll get an opportunity to hear from most of them and to meet with most of them today, if you haven't already this morning, as well as other members of our Management Team. We have people here in the room that I'm not going to introduce right now but that will be on the tour with us. You'll get an opportunity to talk with them as well, and then we'll have additional people at some of the assets when we visit them. But that really is part of what we think we bring to the table when we say ALEX is, like I said, a compelling investment.

I wanted to start with just a very high-level overview of the market. One of the questions we get sometimes is why Hawaii, why the geographic focus? For us, it comes down to two fundamental reasons. One, we think the market itself is compelling, that its resilient. I think that comes as a surprise to some people.

One of the perceptions is that Hawaii is dependent on tourism. I would say that tourism is certainly something that helps. We get a lot of questions, how is tourism doing, and people think of the performance of tourism as a proxy for the economy. But I would say the reality is that it's actually a quite diverse economy. When you look at GDP relative to the U.S. distribution of GDP, it's actually fairly spread out. One of the interesting things that occurred during COVID is I think this proved out that thesis that, as you could see in the previous slide, we still haven't fully recovered to tourism levels of pre-COVID 2019 levels, but yet our NOI and our portfolio by the end of 2021 had surpassed pre-COVID 2019 levels. In fact, we were the first retail REIT to do that amongst our peer group. Again, I think that proves out just the resiliency, both of the market, but also of our portfolio, as Chris touched on and that you'll hear about later today.

The other thing that I wanted to touch on is the high barriers to entry. Chris mentioned this in his opening remark. This is a fundamental piece of the market that really drives supply constraint in Hawaii. What you'll see in the tour today is you'll see beautiful parts of the Island, you'll see a lot of land, you'll get an appreciation for sort of some of the exotic pictures that you see and why Hawaii is such a compelling tourism destination, but the reality is only 5% of all the land in the State is available for urbanization. Most of it is already used. It creates a challenge in terms of either building, buying or owning. Again, this is where that local knowledge comes into play and where we think we have a competitive advantage for those that are not here in the marketplace. Whether it's that 5% or whether it's trying to grow into that 5%, which historically is a very lengthy entitlement process, one that we know very well. It's a challenge to get into that space and that's one of the advantages that we think that we bring.

Ultimately, what that means for the marketplace is you have low supply. If you think about just basic supply/demand imbalance, on the retail supply you can see here on the graph - in Honolulu, 12 square feet per capita for strip retail. That is the second lowest in the country, well below the national average and second only to New York. That's on the retail side. On the industrial side, that same dynamic holds true. You can see our industrial square footage per capita relative to the national average.

When you think about those things, you think about the market. I'm now going to transition to the portfolio. I'm going to talk to just one more slide before I hand this off to some of our experts in Jordan and Jeff. But this is an overview of what our portfolio looks like, and so it shouldn't come as a surprise that the asset classes that we've really focused on - retail, industrial, and then ground leases, which is a very interesting opportunity. We'll get into that a little bit more this morning.

Two thirds of our existing NOI is in our retail portfolio. We are actually the largest owner of strip retail in the State. That's important because we have scale for tenants that want multiple locations, whether they're existing tenants in the portfolio, or whether they want to come to the State for the first time. The remaining one third of the portfolio is almost evenly distributed between industrial and ground leases. We do have a small sliver of office and a couple of suburban office buildings that we own.

The map shows the geographic distribution of our assets. We do have presence on all four major islands with our retail and industrial. Again, that's important. For multimarket tenants, we position ourselves as a one-stop-shop that either we own it, we'll build or we'll buy it. But if you need multiple locations or you need a location somewhere in the State, we can provide it. Interestingly, and this is not by coincidence, our NOI as a percentage of the portfolio is almost identical to the GDP as a percentage of production in the State. Again, we tried to match that so that we have both breadth and depth that is appropriate within Hawaii.

That's an overview of the portfolio. We're going to now go a little bit deeper into our three major food groups, and I'm going to call up Jordan Brant to start with retail.

Jordan Brant

Thank you, Lance. Good morning, everyone. Again, my name's Jordan Brant. I'm the Head of Leasing for A&B. Very excited to be here today to talk in a little bit more detail about our properties, which is something that I live and breathe everyday. Very excited to be talking about it now, and then a little bit more later today during our tour.

I'm going to start off by talking about retail, which is our largest asset category. Our retail portfolio's 22 properties. As Lance mentioned, it's two thirds of our NOI and it's also two thirds of our GLA. Our lease occupancy is 93.8% and our average base rent per square foot is at $34.50. I'll give that number a little bit more context in a minute.

The first comment I want to make is about the quality of our retail portfolio. As you can see here, grocery and pharmacy anchored assets represent 91% of our ABR. I'm sure a lot of people here cover grocery anchored as an asset class, so I'll spare going into too much detail about why the pros and cons of that category. But in general, we really like the space, we like the needs-based draw of grocery. Grocers not only in our portfolio but throughout the State report some of the highest sales of anywhere in the U.S. We like the customers it brings to our properties at a high frequency. That foot traffic supports our small shop tenants, which leads to low vacancy in the portfolio in that category. We really like the relatively low penetration of e-commerce still in the grocery space, which we think is nice protection as that category continues to grow.

As a testament to the quality of our portfolio, we've been successful in bringing in first-to-market concepts to A&B in our portfolio. As you can see here, we did a package of three deals with Ulta in 2018. We'll see two of those properties later today. We brought our first-to-state Guitar Center in 2019. We'll see that later today. For those who are going to Maui tomorrow, we also opened the first Chick-Fil-A in the State that was very big news, state-wide news. People freaked out. We also recently opened Sonic Drive-In a few months ago also in Maui. You'll see those properties tomorrow.

As Lance touched on earlier, when we touched on such conditions as the high barriers to entry and Honolulu having one of the lowest retail supplies of any MSA in the country, it really helps with the demand and our rents. As you can see here, our average base rent in our portfolio of $34.50, it not only exceeds the average of our peer set, but actually tops the peer set. Yes, we're really proud of that number and the rent that we're able to get out of our portfolio.

Which brings us to industrial. We're going to talk a little bit about our industrial portfolio now. Our industrial portfolio is 12 properties. It is about a third of our GLA, but about 17% of our NOI. Our leased occupancy is 98.4% and our average base rent is $15.48 a foot. As mentioned earlier, the supply of industrial that you saw in the previous slide, the supply of industrial is below the U.S. average, and as such, there's just very limited inventory. We're going to see some of those industrial properties in the beginning of our tour today. On Oahu, we are currently reporting a historic low vacancy, since they have reported, of 0.81%, and as such, given the low vacancy, we've been able to command very strong rents in that asset category. As you can see here, our average base rent in industrial of $15.48 per square foot, like with retail, exceeds both the peer average and also tops the peer set.

On that note, that concludes my portion of the presentation. Look forward to spending the day with you guys today. I'm going to hand it over to Jeff Pauker to talk about our next most favorite asset category.

Jeff Pauker

Thanks, Jordan. Again, I'm Jeff Pauker. I run our real estate investment team. Pleasure to be with you today.

Our ground lease segment is nearly as large as our industrial segment, representing about 15% of 2022 portfolio NOI. We thought it was worth spending some time explaining the unique attributes of these properties given that investors new to Hawaii, whether in the room today, or on the webcast, may be less familiar with this asset class. If you'll bear with me, I'd like to start with a little bit of Hawaii ground lease 101.

Bifurcation of the ownership of property between the land on the one hand, and the improvements constructed on that land on the other, is much more common here in the Islands than it is on the Mainland. During the development of Hawaii following World War II, many property owners provided long duration ground leases of undeveloped land to developers and owner-users, who invested significant amounts of their own capital to build improvements. That approach was really driven by a history of highly concentrated land ownership, scarcity of entitled development land, as we've already covered, and the common desire of landowners here to retain ownership across generations. As a result, it became a relatively common form of leasing and development practice over the ensuing decades, applied across asset classes and islands.

When we talk about our ground lease segment, we're talking about the portion of our portfolio that's comprised of "leased fee' or landlord positions in these bifurcated assets. That's a really important distinction that I want to drive home today. We're the owners of the dirt here. We receive ground rent payments from our tenants, those tenants own the improvements built on our land and they, in many cases, sublease those improvements to individual users.

Unlike traditional leases, which predominantly have pre-negotiated fixed rent step-ups, in Hawaii, ground rents are often resets based on the set yield on land value, and that land value is determined at the moment that reset occurs. That creates a very different income growth profile for these assets. I'm going to talk about that a bit more in the next slide.

A hundred percent of operating costs and capital costs are borne by our tenant. They own the improvements during the term of the lease, so they pay to improve them and maintain them. But at the end of the lease, all those improvements revert back to us at no cost.

There are a number of important benefits of being the landlord in these bifurcated assets that I wanted to cover.

First, the ground rents that we receive are senior and they're secured. Our position is very similar to being a senior mortgage lender. The rents that are owed to us are senior to other financial obligations of the tenant. For example, any leasehold mortgage that they may have on their improvements. Our rents are often materially covered by the rent achievable on the improvements. For example, the building built on our land might be about a rent for $1 million a year. Our ground rent may only be $500,000 a year. That gives us a material margin of safety, additional coverage, that suggests that this tenant of ours, the ground lessee is going to pay their rent rather than be subject to the equivalent of a foreclosure upon default where we get those improvements and get to capture that coverage.

Second, ground rent is often pure cash flow. Given that we don't have operating expenses, we don't have CapEx obligations during the term of the lease, ground rent really goes straight to net cash flow for us.

Third, dynamic rent increases—or I should say, dramatic rent increases are possible upon resets. We have two examples here on the right-hand side of the slide from 2020 and 2021 of 30%-plus resets that occurred on ground leases we own in Oahu. We'll show one of these assets later today. This, again, creates the opportunity for step function increases in income. This is very different from stabilized fee simple income streams that come from these same asset classes which may grow less quickly and more steadily and not have these huge step-ups periodically.

Finally, reversions and buyouts can create value uplift for us. There can be significant improvement value remaining at the end of the term of the lease, and there's a potential for us to accelerate capturing that value by buying out leasehold positions. The key take-away that I want folks to leave this section of the presentation and some of the portions of our tour with you today, is that applying traditional fee simple asset class-based cap rates to our lease fee portfolio can dramatically understate its value.

We're going to talk about different assets in the portfolio during the tour and give examples, real world examples of this embedded value in our leased fee segment on the bus this morning. But for the folks who aren't here, I wanted to provide a brief case study.

Aikahi Park Shopping Center was acquired in leased fee in 2013 as part of a portfolio acquisition. When we bought it for $24 million, we bought that dirt position and it generated for us a 4.6% going-in yield. A couple of years later, we purchased the leasehold position. Small purchase, $1.6 million invested, but at a whopping cap rate of 25%. By acquiring the leasehold, that allowed us to accelerate the improvement control, put ourselves in a position to start early a redevelopment process, investing $19 million that was completed in 2022 and we expect will stabilize at incremental return on cost of 9%.

No matter what portion of the deal you look at, our first leased fee investment, that acquisition of the leasehold or the redevelopment spending, these are all really attractive yields, and on a combined basis over the course of the decade that we invested in this asset, we were able to generate 7.2% on invested capital for our investors, which is attractive even in comparison to ground-up speculative development on Oahu in the same period but with much lower risk.

I think that gives a great tangible example of how we can create value for this portion of our portfolio. We'll talk more about it on the tour today.

I'm going to turn now to the growth levers that we plan to pursue for the next few years.

We think there's ample opportunity to grow the portfolio both through external acquisitions as well as through execution on embedded investment opportunities already within our portfolio. On the left-hand of the slide, you can see examples of the type of deals that we've done in the past and that we continue to pursue. As we go through the tour today, we'll try to tell some deal stories about how we unlocked some of these opportunities and what our hopes are for the future. On the right are examples of specific internal investment opportunities that we plan to pursue in the coming years.

Before I turn it over to Francisco to talk through details on that topic, I wanted to tell you why I'm excited about our opportunities for external growth.

As you can see on the call-out box here, we invested $1.25 billion in Hawaii CRE over the past decade. There are a number of reasons why I think we can continue to make accretive external investments even in the face of bank failures and monetary policy uncertainty and other things that are happening in the market right now.

First, we have strong local relationships and 150-year track record of investing in Hawaii that I think is particularly important and provides an advantage to us in turbulent times. All of the Management Team that you see here today lives in Hawaii, we're embedded in the communities here 24/7, and that's really why we've been able to over the past 10 years acquire 90% of our investments on an off-market or first-look basis. Folks in all corners of this market know us, they know A&B, they know us personally, and they have confidence that we can close complex deals. That's really important when people are facing disjointed transaction and financing markets like they are today.

Second, we have unique access to capital. We have almost $500 million of corporate revolver capacity, and that allows us to move quickly while our competitors right now are often priced or frozen out of the asset level financing markets. I can tell you, that over the last few months, sellers here have really started to appreciate that distinction and I think it's going to pay dividends for us over the coming quarters of the year.

Finally, I just want to make the point that we still have substantial headroom in the core asset classes that we're going after. We are less than a quarter of the Hawaii anchored retail market and we're only 2% in the industrial market. There's a number of assets that are quality that we're existed about owning and my team is spending every waking hour trying to find ways to accretively grow these market shares no matter what's happening in the real estate cycles.

With that, I'm going to turn it over to Francisco to talk about internal growth.

Francisco Gutierrez

Thank you, Jeff, and good morning. I'm Francisco Gutierrez. I run our development team.

I want to share with you a little bit more about the main three drivers that we have for internal growth, or redevelopment of existing assets, new ground-up developments, and renewable solar energy.

Let me first talk about redevelopment of existing assets.

Obviously, we have over 3.9 million square feet of GLA, and this offers—it has embedded many, many, I think, growth opportunities within the portfolio. Our track record shows that over the last few years we have been able to identify and execute on some of these opportunities. These examples that you see there, from 2018 though to 2022, show that we've been able to identify and complete adaptive reuse, addition of new GLA and expansions as well as just redemising and remerchandising large box format. The capital investment typical on these projects has had a range of $4 million to $20 million and we have been seeing returns of 8% to 12% incremental return on cost.

More important, I think we continue to identify more opportunities in the portfolio. We're able to keep our pipeline flowing. We are now working on the renovation of Manoa Marketplace that we're going to be seeing later today. I think this refresh, this renovation of Manoa, I think, is going to facilitate new leasing, it's going to give us an opportunity to have higher rents and, I think, hopefully, also increase visitations. We're investing about $8.8 million in this project, and we expect to see a yield of 8%.

Moving to ground-up developments. I think we are well positioned both in the Island of Maui and in the Island of Oahu. Here in Maui Business Park, we have about 50—over 52 acres of highly desirable land that is close to the Kahului Airport and the Kahului Harbor. This land is already zoned for commercial development. That really means it includes both retail and light industrial. We are monetizing parcels, selected parcels for owner use but we're also reserving some of this land, some of these parcels for our own development opportunities.

The beauty of this project is that, on a low-cost land basis, it's giving us a competitive advantage over other developers. So far this year we have already seen interest from several national tenants for build-to-suit turnkey delivery of industrial buildings of institutional quality.

In Oahu, we also have over 55 acres of industrial land in Kapolei, in West Oahu, and again, you're going to see today that there is the lack of inventory and a lack of land in urban Honolulu. This is pushing a migration of all new product towards the west, which is making this land very attractive. We estimate that this 55 acres have a capacity of over 940,000 square feet of new industrial warehouse and distribution centers there. This land is actually, most of it, 53 acres of those 55, are under ground leases, so it's productive, but we do have the ability to start taking it back in small portions as is needed if we have the right development opportunities.

Finally, I want to talk a little bit about our renewable solar energy. You may know that Hawaii has the highest electric rate in the country. We've got plenty of sunny days as you're going to see today. This creates a really ideal environment for a photovoltaic development. We just completed one of the largest commercial photovoltaic installations on a commercial roof at 1.3 megawatt rooftop system in Pearl Highlands Shopping Center. That system is capable of offsetting all the common area electricity and it has an overflow that can serve all the tenants. It's been very successful and it has given us an uplift of almost $400,000 annually in NOI.

Based on the success of that first project, we're already working on two additional projects: the Shops at Kukui'ula and Kaka'ako Commerce Center. These two systems combined are going to generate another 900,000 kilowatts, which is going to be enough to offset about 37% of the total energy that these buildings actually use. We are hoping to see returns, IRR returns, in the low teens for these two projects.

With that, I think I'm going to turn it over to our Chief Financial Officer, Clayton Chun.

Clayton Chun

Thank you, Francisco.

To execute our balance sheet, or to execute our strategy of growing the CRE portfolio, we intend to utilize our strong balance sheet and liquidity to fund our growth aspirations. But before I cover our balance sheet and liquidity metrics, I'd like to share with you some of our guiding principles on how we manage our balance sheet.

We have five key principles, the first one being low leverage. We favor low leverage, as that enables us to be agile and act quickly in order to take advantage of market opportunities as they arise. Low leverage also allows us to be resilient during economic downturns. Overall, we generally target a net debt to Adjusted EBITDA of 5 to 6 times.

High proportion of fixed rate debt. We seek to maintain a high proportion of fixed rate debt as that mitigates interest rate risk. That's particularly helpful in times of a rising interest rate environment, such as what we're in right now. We prefer a higher proportion of unsecured debt, which is conducive to more flexibility and—or provides more flexibility, and it provides a more favorable credit profile.

Well-laddered maturity schedule. We want to make sure that our debt schedule is well-laddered as that will help mitigate risk of refinancing risk. It also helps us avoid experiencing big fluctuations in our cost of capital over time as we try to refinance our debt.

Finally, we want to maintain ample liquidity. In addition to providing overall flexibility, it allows us to play offense as we seek to grow our commercial real estate portfolio. For example, as we go out in the market and try to make offers, we'll be able to pursue deals without a financing contingency which gives us a competitive advantage as we seek to grow our commercial real estate asset base.

Now turning to our balance sheet and liquidity metrics.

We have ample liquidity with $487 million available on our revolver as of 2022 year-end. From a leverage perspective, our net debt to trailing 12 months Adjusted EBITDA was 2.7 times whereas net debt to trailing 12 months core Adjusted EBITDA, which excludes land operations and materials and construction, was 4.7 times. Our debt to total market capitalization stood at 25.8% at year-end. Our fixed debt rate proportion was a solid 97.5% at the end of 2022. We have a very strong balance sheet and we think that that provides us a strong platform to be able to pursue our growth aspirations in the commercial real estate portfolio.

I want to turn to our debt schedule, the scheduled principal payments.

Our current weighted average maturity is at 3.3 years. That's lower than what we prefer, but as you can see, once we refinance our Laulani Village and Pearl Highlands mortgage notes, which will happen later this year, our weighted average maturity schedule will be extended and will be in a much better position. You'll note that in the fourth quarter of 2022, we entered into two forward starting interest rate swaps and that enables us to lock in at a blended interest rate of 4.86%. That's positioning us to be in really great shape, so once we complete the refinancing later this year, we'll have a nice well-laddered debt schedule. Again, I think that this is going to provide us a strong platform to pursue our growth opportunities based upon internal embedded opportunities that we have that Jeff and Francisco spoke about earlier, or even as we opportunistically see other market opportunities arise.

Let me hand it over now to Lance to make the closing remarks, and we'll move on to the tour.

Lance Parker

Okay. Thanks, Clayton, and everybody else.

Excitement was a word that was used by a few people today. Chris in his opening remarks. I heard Jeff say it a couple of times. I think I may have said it once or twice, maybe somebody else did. At the risk of being redundant, I'm going to use it again to close how I feel.

I'm really excited about today. I think we're going to have fun. We've got some pretty cool assets to go and see. I'm a deal guy by nature, so just getting on the bus, and as Jeff said, talking about the properties, what drives them, how we acquired them, and I think you're going to hear some really interesting stories, you're going to hear some really interesting statistics about how they're performing. You're going to meet some really interesting people that are key members of our team.

But it's not just about today. It really is about the future. I will say that I am personally excited about the opportunity, come July 1, to step into the role as CEO. Not because Chris will be leaving us. I'm going to miss him. But really it's because of all the work that has been accomplished under his leadership - simplification of the business model, building the team, really getting us in the position to take advantage of the things that we're talking about.

It is interesting. There is a lot of uncertainty in the marketplace. There's a lot of turmoil. It's hard not to pick up a paper for those of us that read it in print or open your phone and see the above-the-fold about bad news, but I think what you're hearing, we are legitimately excited about the opportunities here. We've been working hard for this day. We've improved the balance sheet. I think we've got all of the pieces of the puzzle put into place.

We hope that comes across. With that, I am going to conclude the formal remarks for today. For those that are on the webcast, Mahalo to you for listening. I hope we get an opportunity sometime soon to see you in person. I don't know what the cue is to maybe dial off the webcast. For those of us in person, I'll ask you to be seated for just another minute or two so we can go over some logistical issues and describe what our next steps are going to be in terms of the bus.