



UNLOCKING VALUE

OCTOBER 2018



TEJON RANCH HISTORY

Safe Harbor Statement

Statements in or accompanying this presentation that relate to or are based on plans, projections, expectations, assumptions, future events and results are forward-looking statements that involve a number of risks and uncertainties. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “may,” “will,” “should,” and their variations identify forward-looking statements. Many factors could affect Tejon Ranch Co.’s (“TRC”) actual results, and variances from TRC’s current expectations regarding such factors could cause actual results to differ materially from those expressed in these forward-looking statements. The potential risks and uncertainties include, but are not limited to, market and economic forces, availability of financing for land development activities, competition and success in obtaining various governmental approvals and entitlements for land development activities. For a detailed description of risks and uncertainties that could cause differences please refer to TRC’s periodic filings with the Securities and Exchange Commission. TRC disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Investors are cautioned not to unduly rely on these forward-looking statements.

Tejon Ranch at a Glance

Diversified real estate development and agribusiness company operating in five business segments



Large-scale master planned residential real estate development

Commercial/industrial real estate development

Mineral resources (oil & gas, minerals, water sales)

Farming

Ranch operations

Tejon Ranch History

Landholding consisting of four Mexican land grants,
dating back to November 13, 1843



Rancho El Tejon

Rancho La Liebre

Rancho De Castac

Rancho Los Alamos Y Agua Caliente

Tejon Ranch History

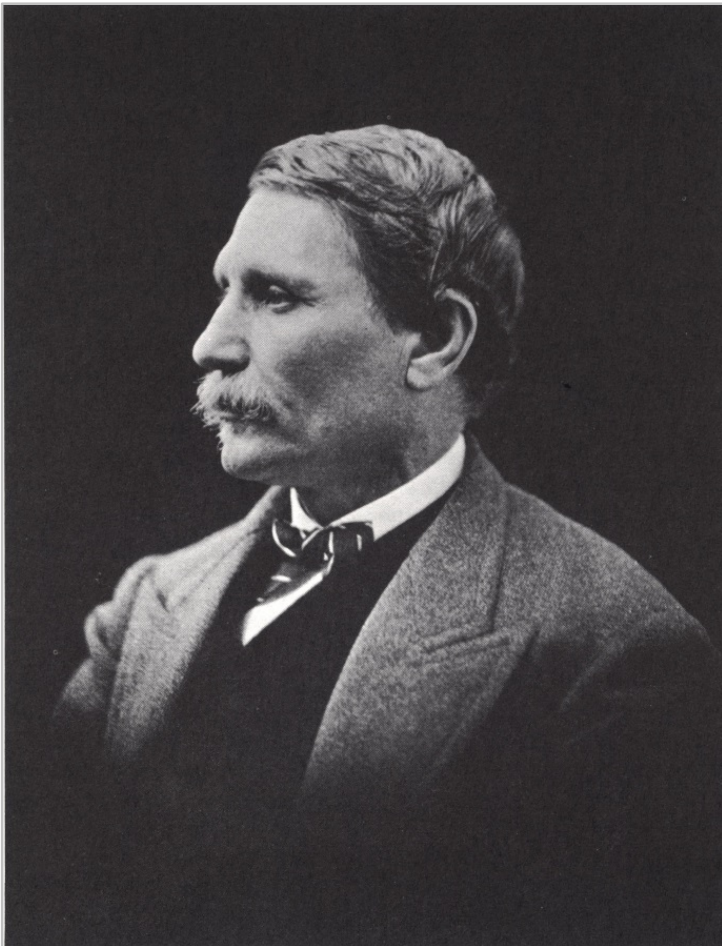
Landholding consisting of four Mexican land grants,
dating back to November 13, 1843



After the Treaty at Guadalupe Hidalgo ended the Mexican American War, the land grants were federalized and recognized as US territory

Tejon Ranch History

Edward Fitzgerald Beale



War hero

Dispatch – first to make it to the east coast bringing news of the gold discovery in California

Superintendent of Indian Affairs

Surveyor General

Brigadier General in California Militia

Surveyed first transcontinental wagon road

Ambassador to Austria-Hungary

Tejon Ranch History

Fort Tejon



Founded in 1854 at Beale's urging

Third most-populated area in Southern California at the time

Abandoned in 1863 due to the Civil War

Tejon Ranch History

Beale's Cut



**Commissioned to improve the route out
of Southern California**

**Cut a pass through the mountains in the northern part
of the San Fernando Valley – now Santa Clarita area**

**Responsible for keeping California from being
divided into two states – north and south**

Tejon Ranch History

Transition



Beale died in 1893

His son Truxtun Beale served as an absentee owner

Tejon Ranch History

Transition



Tejon Ranch sold in 1912 to Chandler-Sherman syndicate, which totaled 70 members

Led by Harry Chandler, publisher of the Los Angeles Times, who owned the largest real estate empire in the US

Incorporated as a company in 1936 with 108,000 shares of stock outstanding

Tejon Ranch History

American Stock Exchange – 1974



Oil

Agriculture

Ranching

Tejon Ranch History

New York Stock Exchange – 1999



Real Estate

Oil

Agriculture

Ranching

1999-Today

Assets, strategy and team to drive meaningful long-term shareholder value

Track record of success

- Navigating development process/securing entitlements

- Unlocking asset value to drive profitable growth and cash flow

Uniquely positioned to significantly monetize tens of thousands of acres of raw land in California

- Ownership of largest contiguous piece of private land in California, strategically located in the path of growth

Clear strategic vision to create significant value as a fully integrated real estate development company

- Strong foundation supported by diversified operations

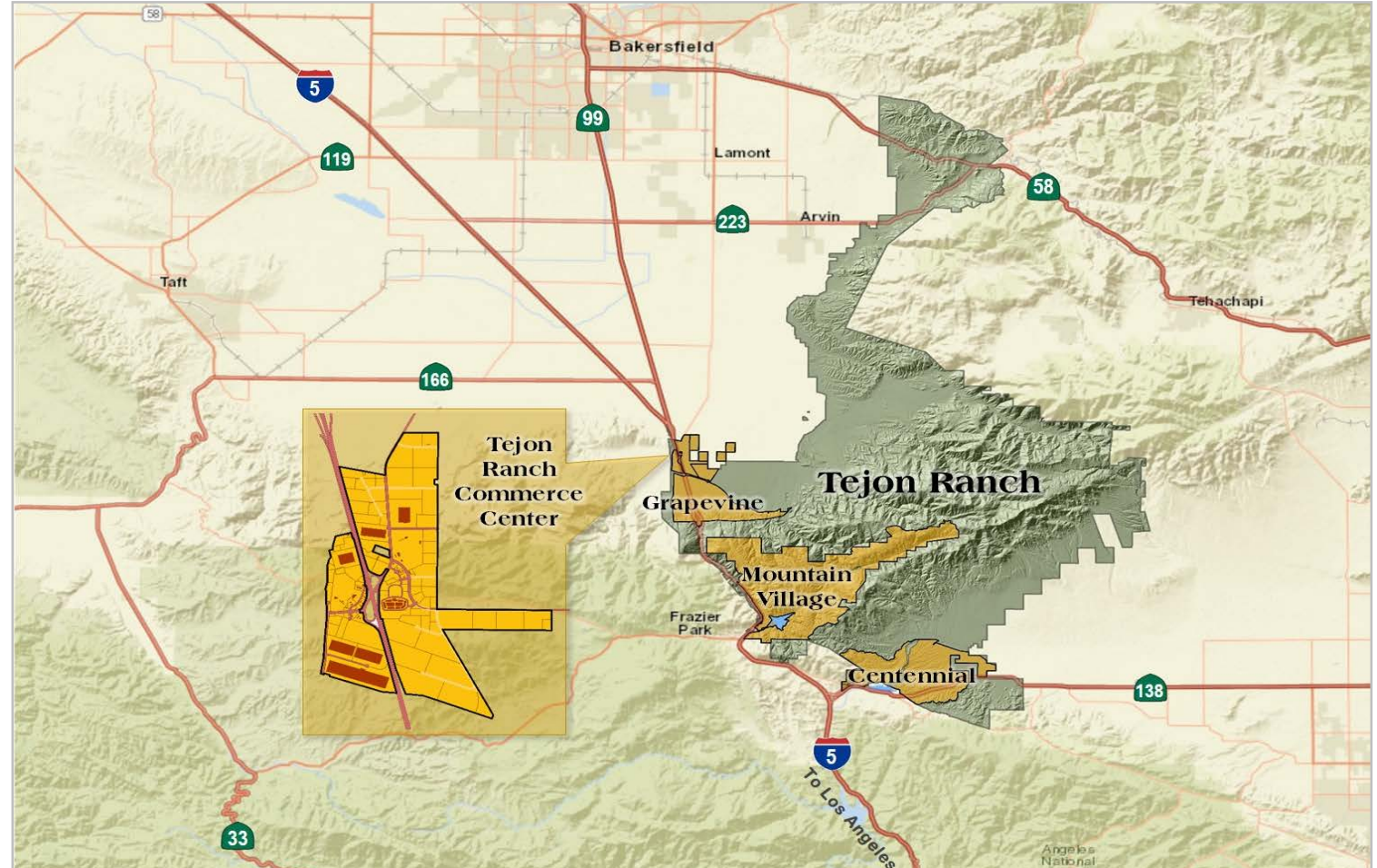
Committed, experienced executive team to drive shareholder value



The background of the slide is a wide-angle photograph of a vast field of purple lupine flowers in full bloom. The field stretches towards a horizon where the sun is setting, creating a warm, golden glow. A few scattered trees are visible in the distance against the bright sky. The overall scene is peaceful and scenic.

BUSINESS STRATEGY

Location of Master Planned Developments



Clear Strategic Vision

**Positioned to deliver significant value
as a fully integrated real estate development company**

5.0 MM sq. ft. already developed

**Additional 14.4 MM sq. ft. of
commercial/ industrial space
available for development**



Tejon Ranch Commerce Center



Mountain Village



Centennial



Grapevine

**Together expected to include 34,783
residential units and 35+ MM sq. ft. of
commercial space ranch-wide**

Tejon Ranch Commerce Center (TRCC)



Tejon Ranch Commerce Center

Industrial Real Estate Development



14.1 MM sq. ft. of monetizable industrial space

Major Distribution Centers



Tejon Ranch Commerce Center

Commercial/Retail Real Estate Development

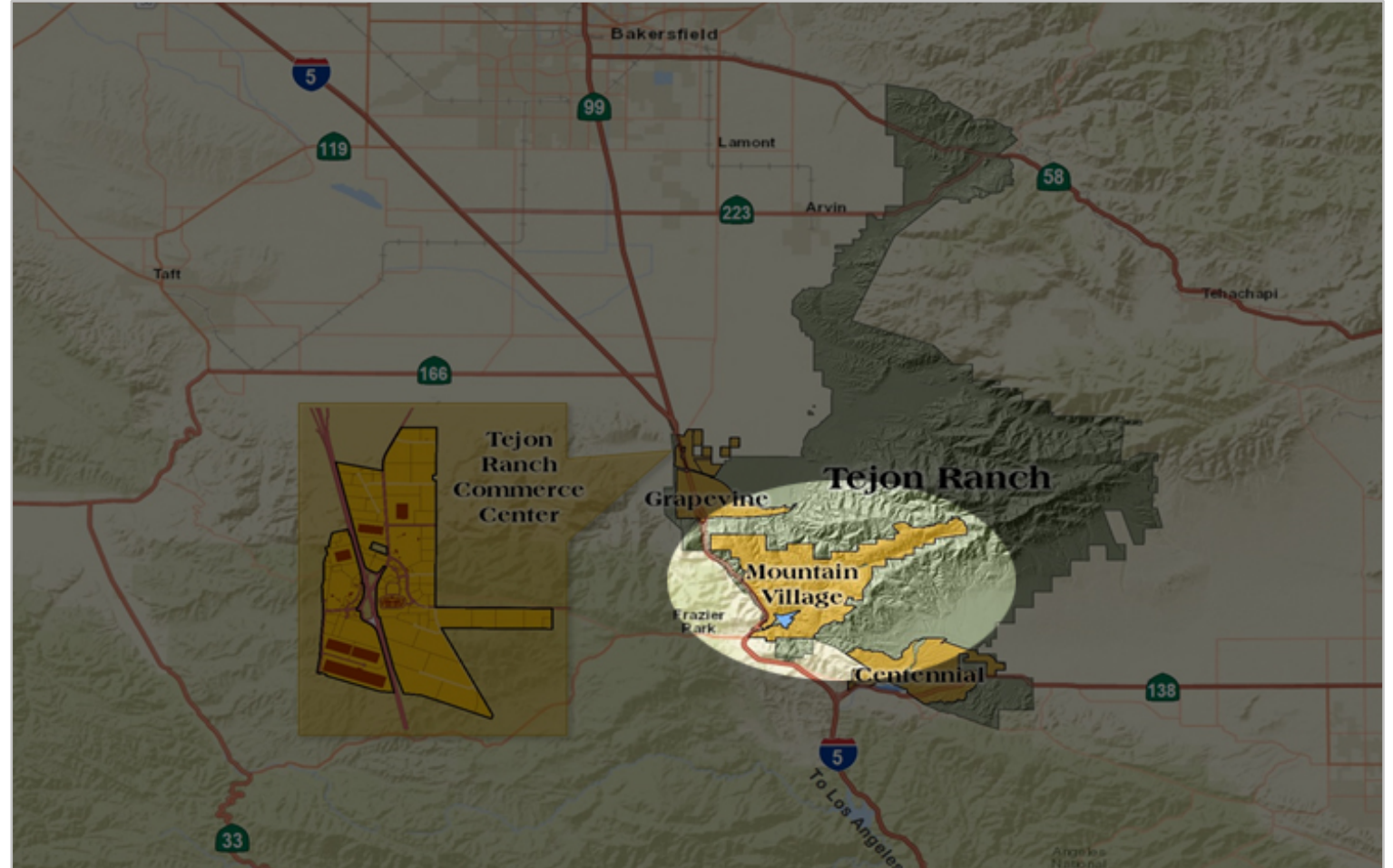


324,000 sq. ft. of monetizable commercial/retail space

Major Retail Operations



Mountain Village at Tejon Ranch



Mountain Village at Tejon Ranch

Residential Real Estate Development



Entitled for 3,450 homes, 750 hotel keys, 160,000 sq. ft. of commercial

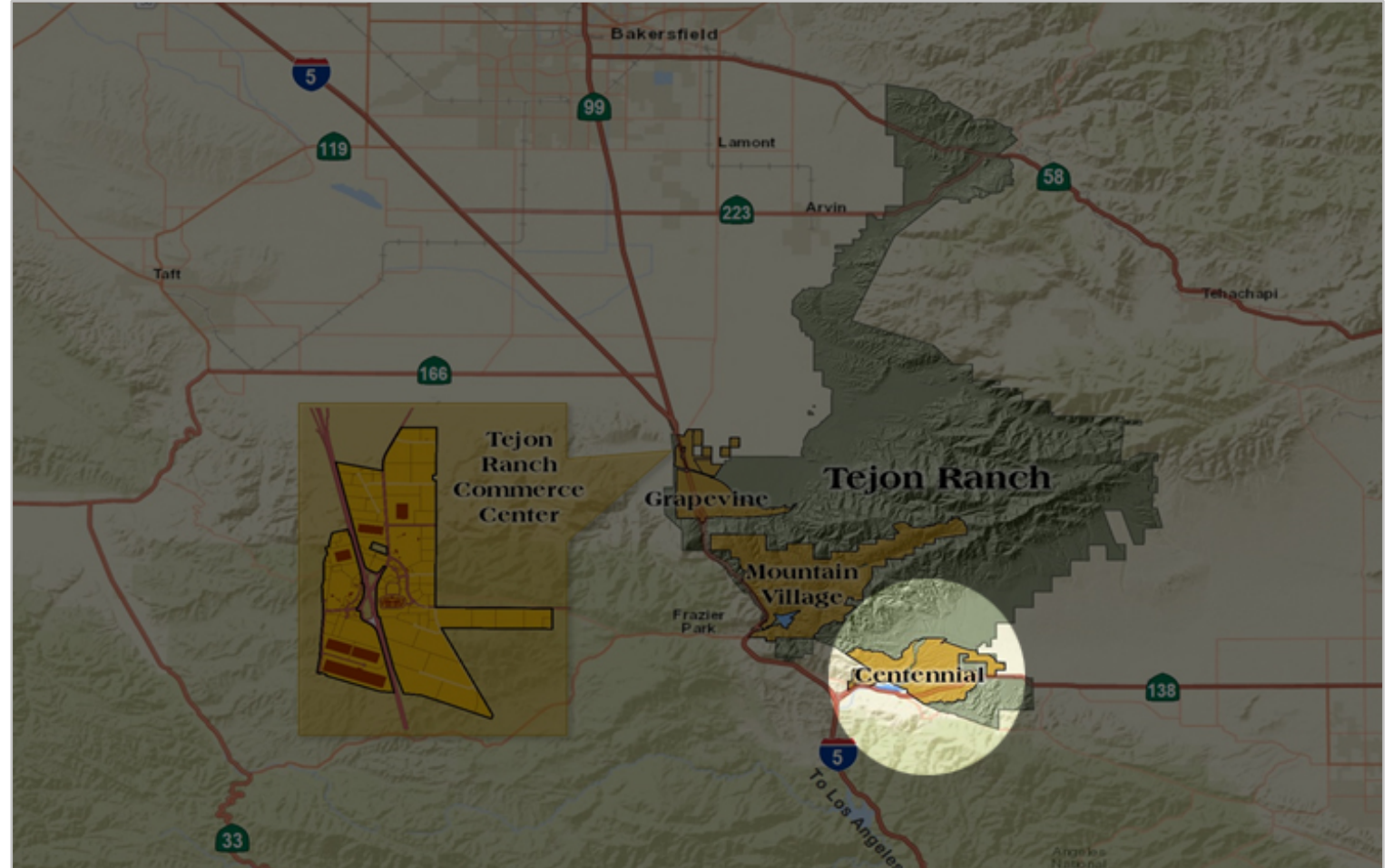
Tentative tract map & commercial site plan approved

Covers first 752 lots
(first three phases of development)

Phase One of 160K sq. ft.
commercial center at entrance



Centennial at Tejon Ranch



Centennial at Tejon Ranch

Residential Real Estate Development



Large-scale residential and mixed-use community in LA County that will address region's housing and local needs, while embracing sustainability and conservation

19,333 residential units
and 10.1MM sq. ft.
of commercial space

Received LA County
Board of Supervisors
approval in 2015,
providing land use
designations and zoning

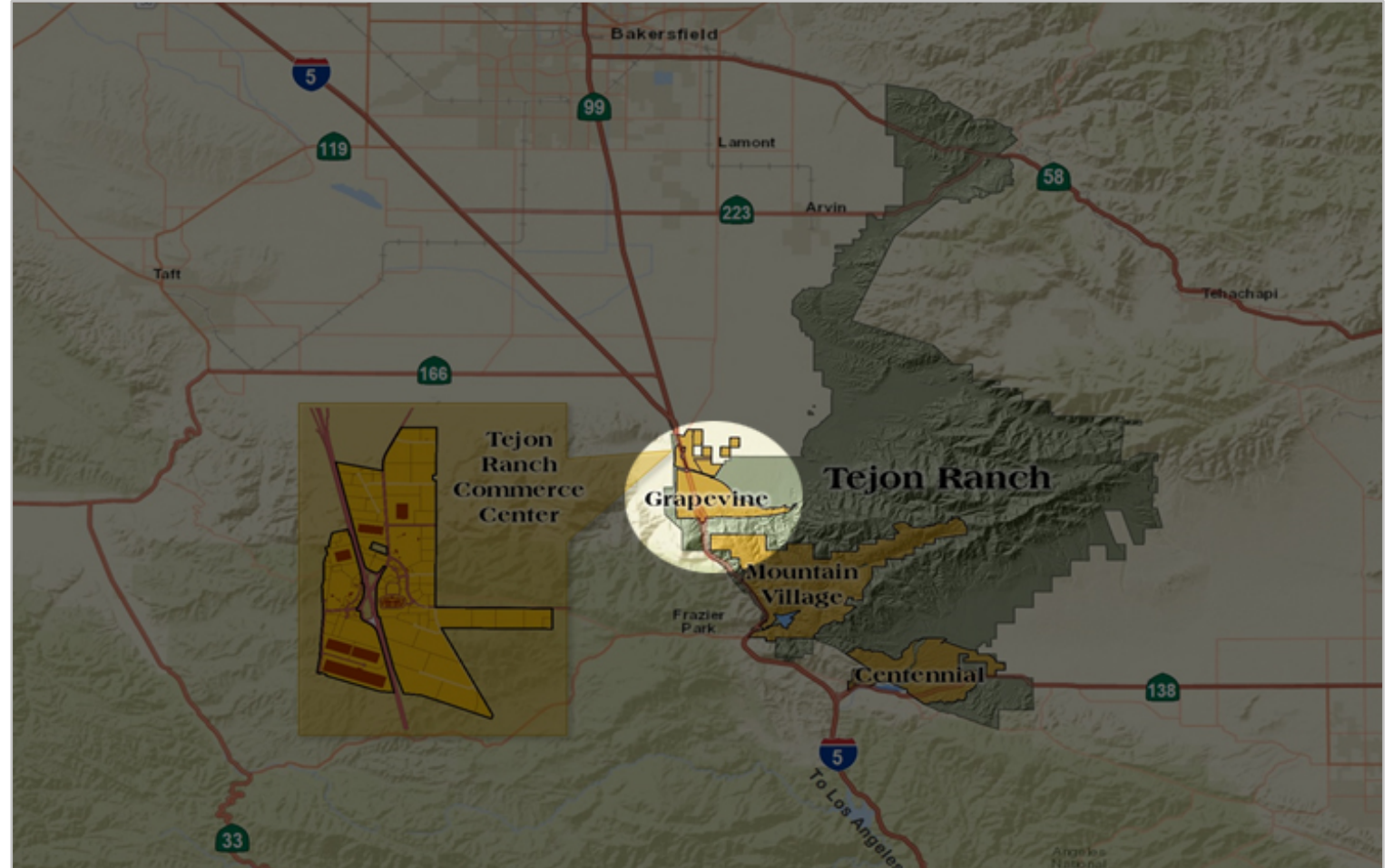
Planning
Commission
recommended approval
of Specific Plan

Next steps: Board of
Supervisors approval
(targeting late 2018)



environmental stewardship ~ economic vitality ~ community life ~ smart growth principles

Grapevine at Tejon Ranch



Grapevine at Tejon Ranch

Residential Real Estate Development



Located adjacent to TRCC at base of foothills in the San Joaquin Valley, will support and expand economic development activity taking place at TRCC



Half hour from
Bakersfield; less than
hour from Northern LA
County,
Santa Clarita and
Valencia

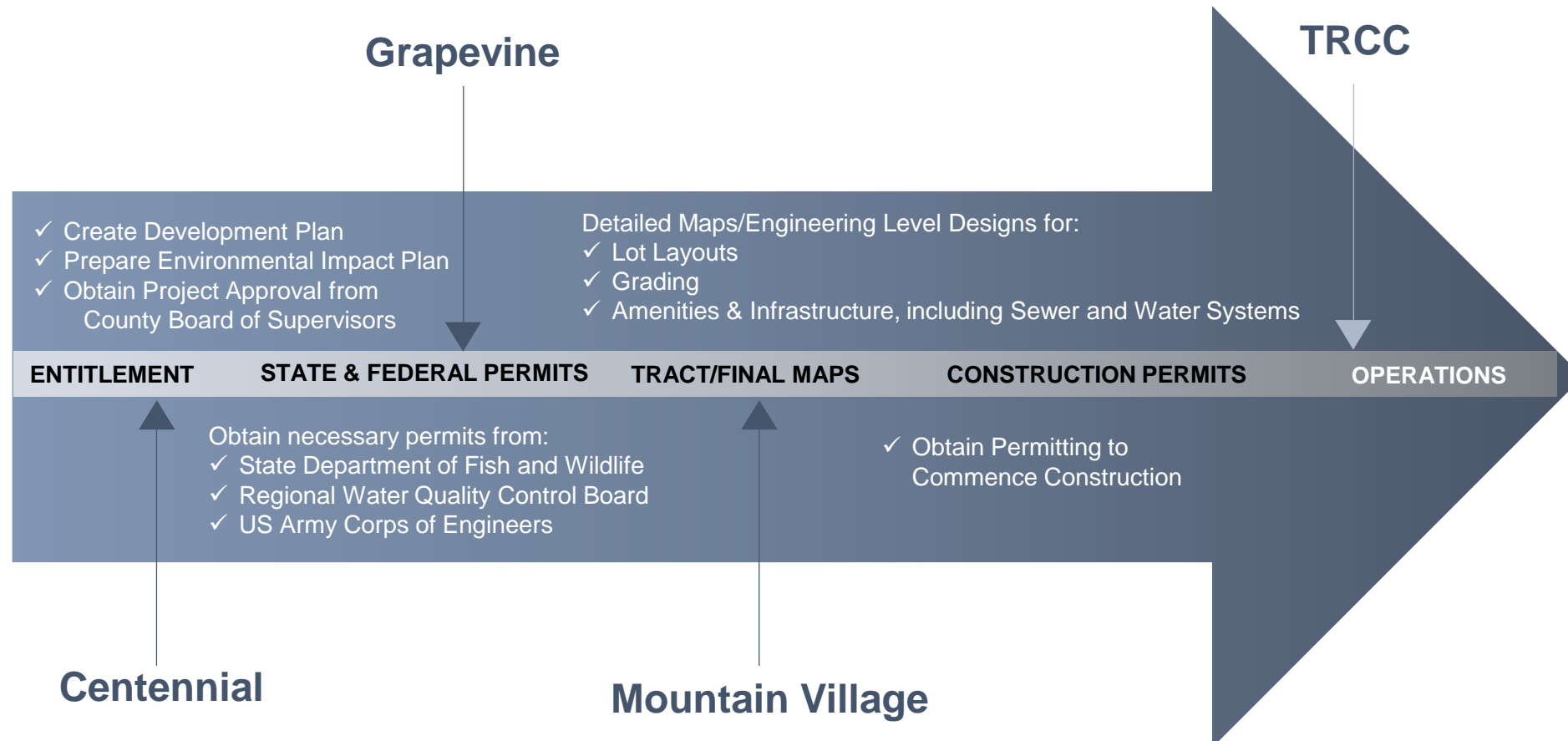
12,000 residential units
and 5.1MM sq. ft. of
commercial
development



Entitlements approved
by Kern County Board
of Supervisors in
December 2016

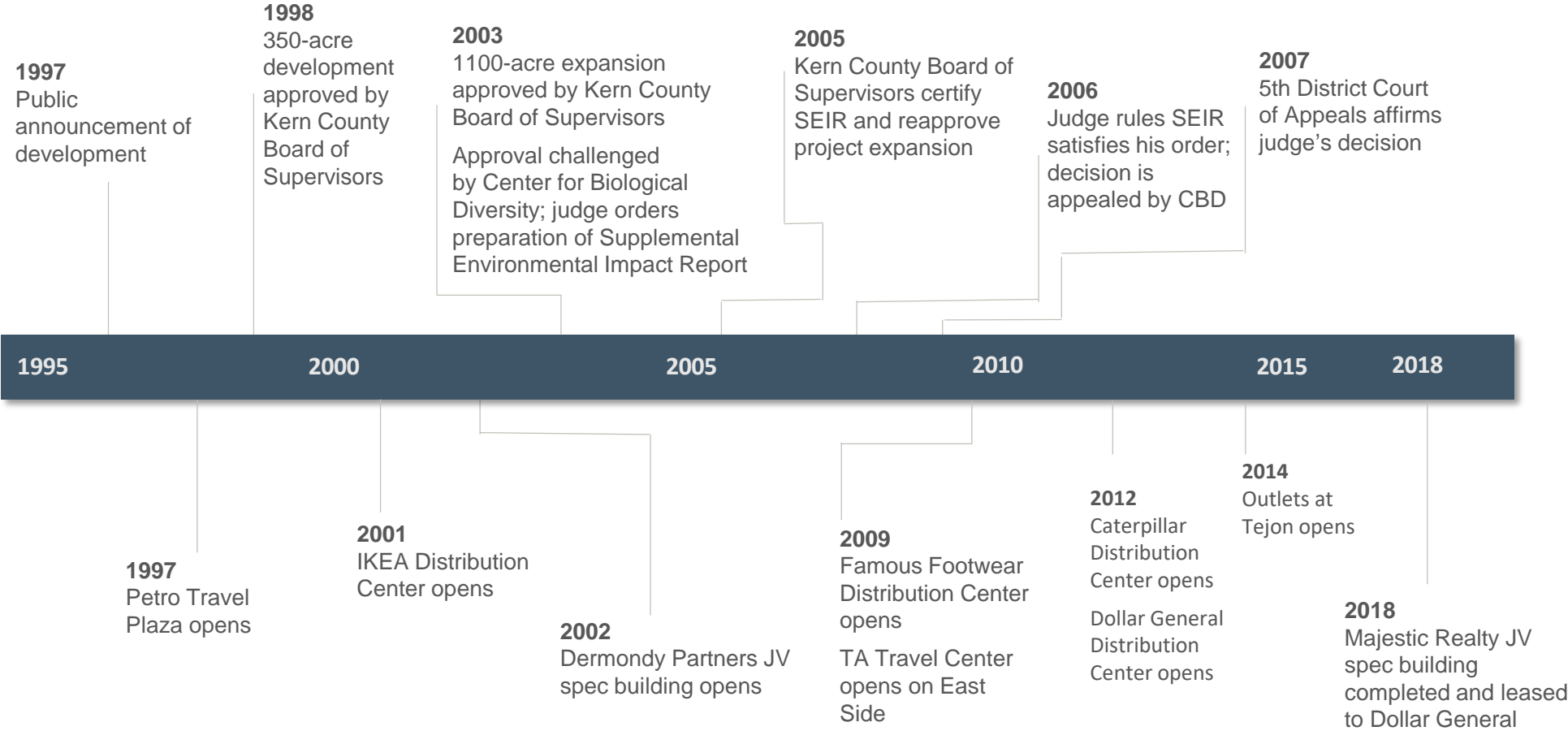
California Development Process Path

Progress can be impacted by regulatory changes, litigation and market conditions



Case Study

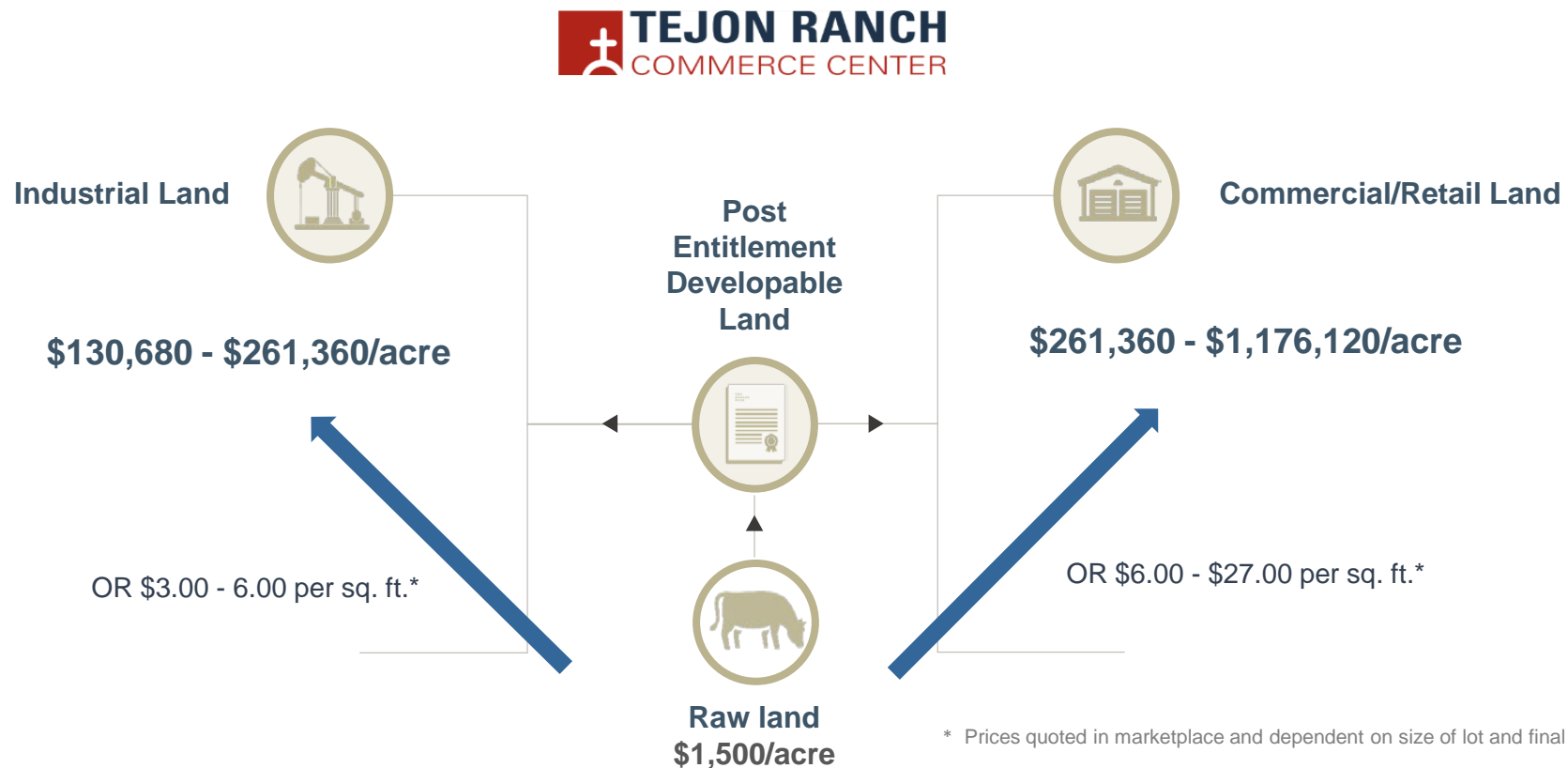
Development Process



Case Study

Development Process

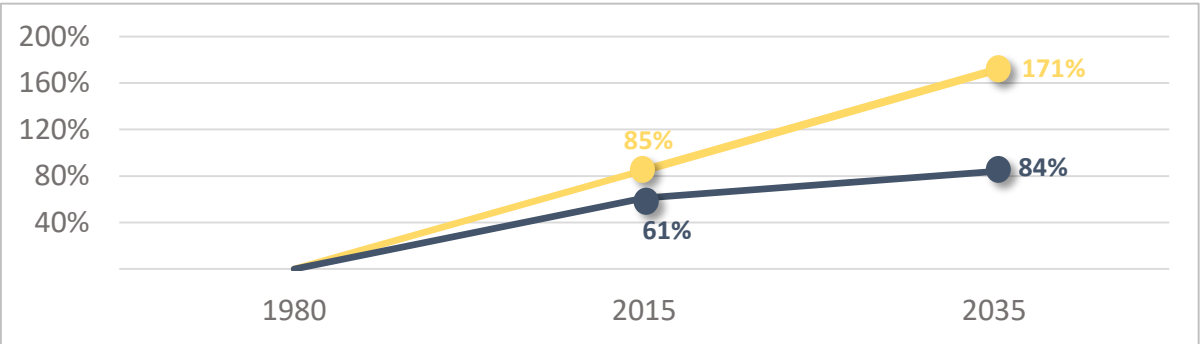
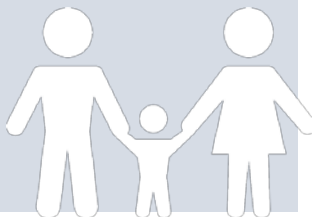
Resources and strategy to transform raw land into a monetizable real estate asset to drive shareholder value



Compelling Macro Trends

POPULATION GROWTH

Expected to continue rising, buoyed by diversified California economy

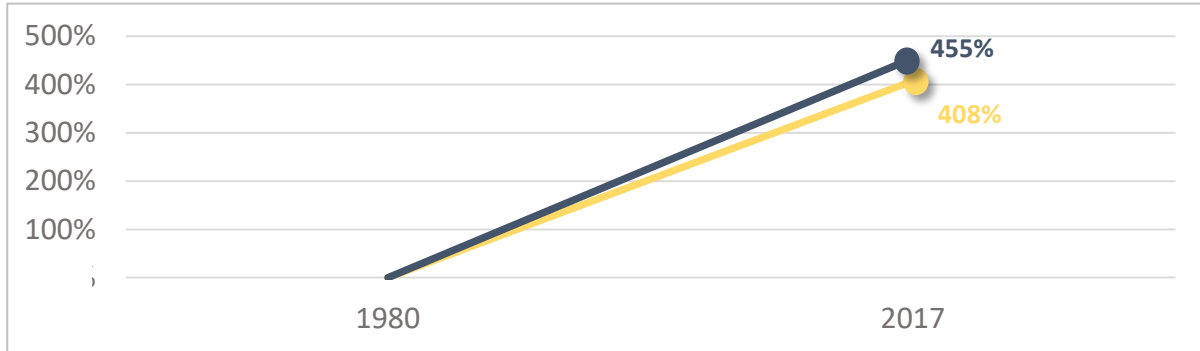


Kern County	479,000	886,000	1,300,000
LA Basin	11,100,000	17,900,000	20,400,000

Source: US Census Bureau; Moody's Analytics (values are approximate)

MEDIAN HOUSING PRICE GROWTH

Expected to continue rising due to scarcity of entitleable land in California



Kern County	\$43,700	\$222,000
LA Basin	\$99,700	\$553,300

Source: National Association of Realtors; Moody's Analytics (values are approximate)

Uniquely Positioned

to Significantly Monetize Tens of Thousands of Acres of Raw California Land



Tejon Ranch is a select location where large-scale development can and will occur

**Largest contiguous
piece of private land
in California**

**Extensive
development
regulations create
high barriers to entry,
limiting players who
can engage in real
estate activity at this
scale**



The background of the slide is a wide-angle photograph of a vast field of purple lupine flowers in bloom. The field stretches towards a horizon where the sun is setting, creating a warm, golden glow. Several large, dark green trees are scattered across the middle ground. In the distance, rolling hills are visible under a sky with soft, wispy clouds. The overall scene is peaceful and scenic.

DIVERSE OPERATIONS

Strong Foundation Supported

by Diversified Operations

Steady cash flow generated from diversified operations enables investment in entitlement and development of real estate assets

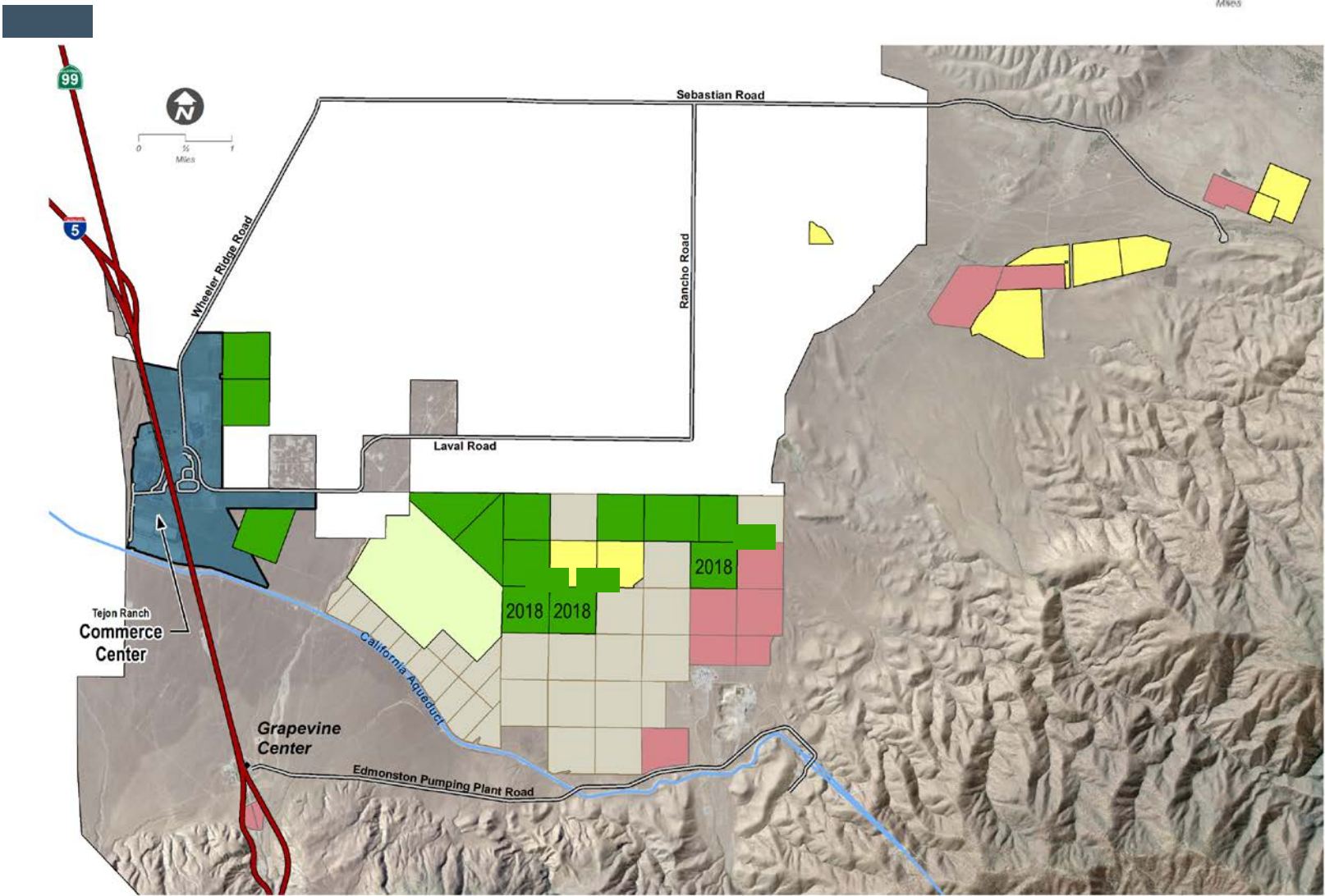
AGRICULTURE



MINERAL RESOURCES



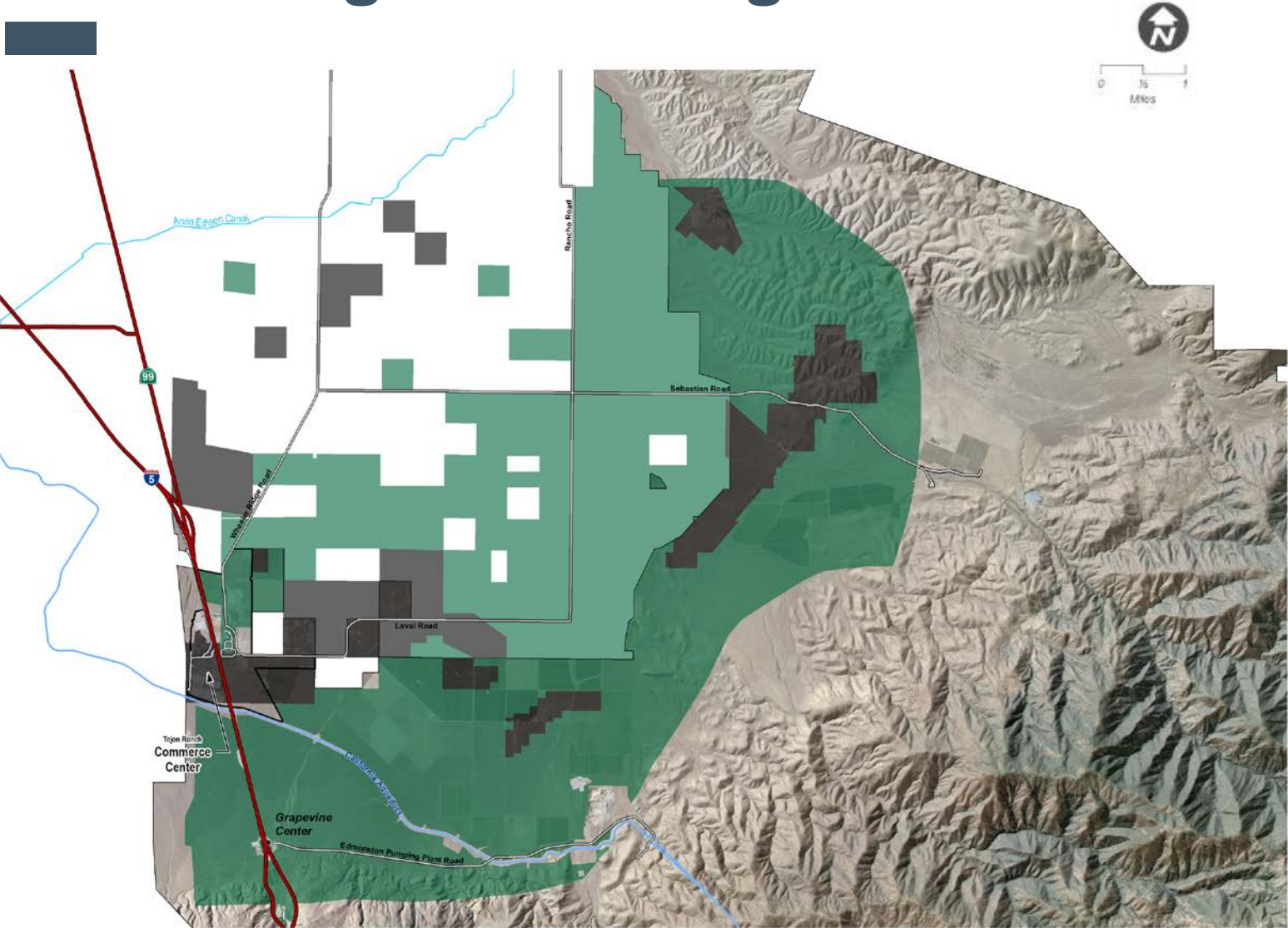
Farmland by Crop



<u>Crop</u>	<u>Acres</u>
Wine grapes	1,180
Almonds	1,982
Pistachios	<u>1,053</u>
Total	4,215

Conceptual plan for preliminary planning purposes only. This plan is subject to change and the owner reserves the right to make design or layout changes at any time.

Mineral Rights Offering

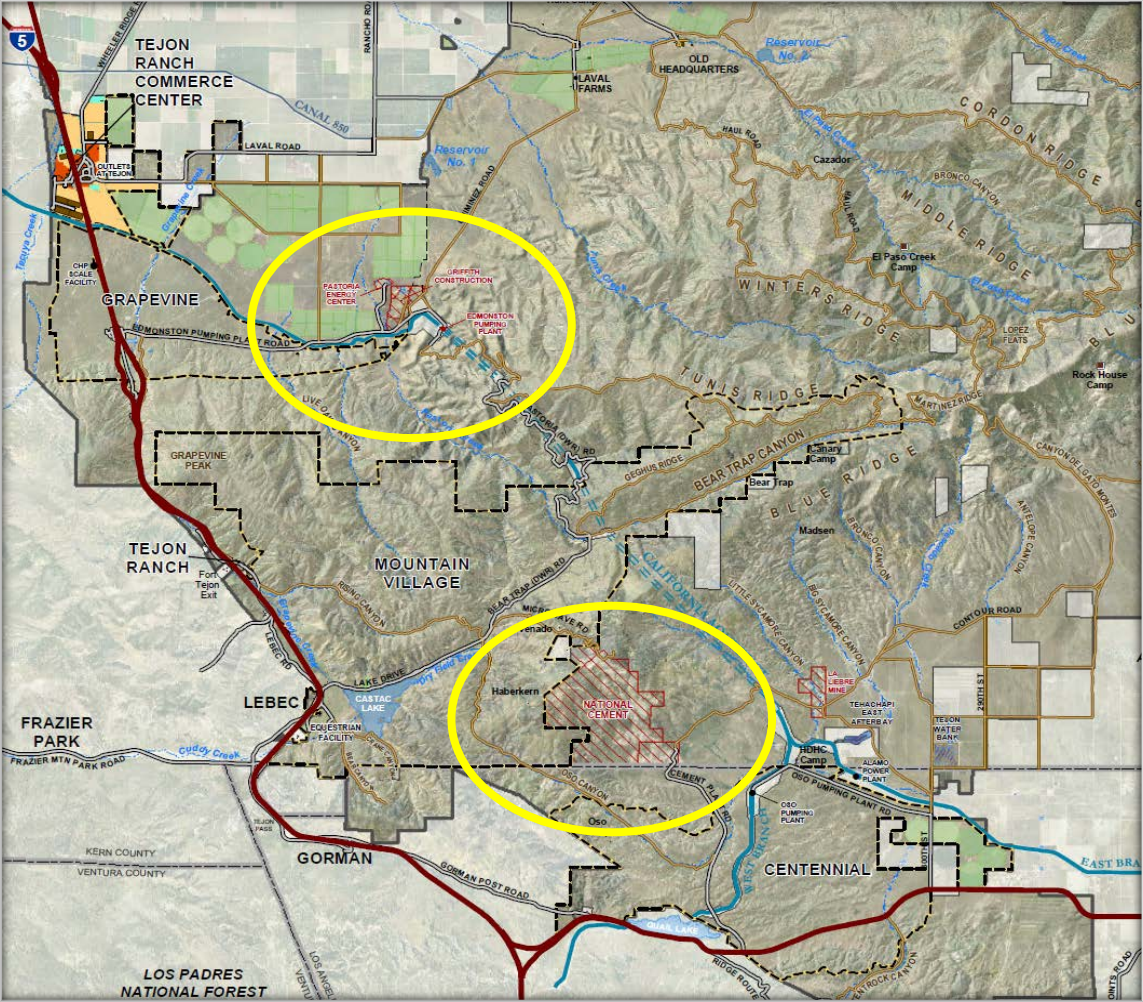


Oil & Gas

Total acres available for lease	61,000
Acres currently under lease	8,824
Active wells	310

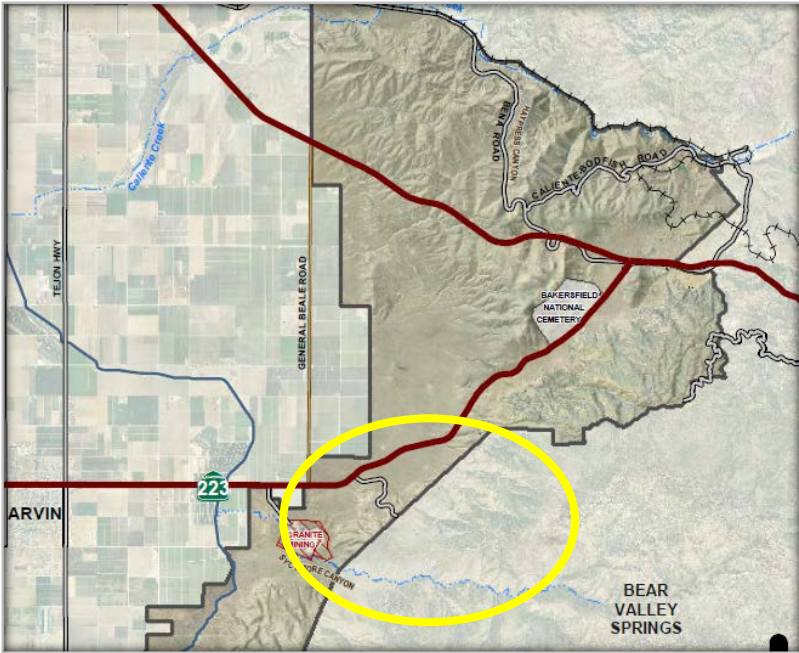
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Minerals



Minerals

	<u>Acres</u>
National Cement	2,438
Aggregate Leases	523



Water

TEJON RANCH COMPANY

OVERVIEW OF CURRENT WATER RESOURCES - JUNE 2018

SOURCES OF WATER	ACRE FEET	
STATE WATER PROJECT:		
WHEELER RIDGE-MARICOPA WATER DISTRICT	15,547	
TULARE WATER DISTRICT	1,451	
DUDLEY-RIDGE WATER DISTRICT	1,993	
TEJON-CASTAC WATER DISTRICT	5,749	
TOTAL STATE WATER PROJECT WATER (1)		24,740
NICKEL WATER CONTRACT - ANNUAL WATER SUPPLY	6,693	6,693
WATER AVAILABLE EACH YEAR BUT NOT RECURRING: (2)		
WATER BANK INVENTORY-KERN COUNTY	49,184	
TEJON WATER BANK-ANTELOPE VALLEY	33,634	
TRANSFERABLE WATER	6,082	
PARTICIPATION AVEK WATER BANK	13,033	
		101,933
TOTAL WATER RESOURCES THROUGH JUNE 2018 (100% SWP CONTRACT AMOUNT)		133,366
TOTAL WATER RESOURCES THROUGH JUNE 2018 (60% SWP CONTRACT AMOUNT)		123,470
TOTAL WATER RESOURCES THROUGH JUNE 2018 (50% SWP CONTRACT AMOUNT)		120,996

- NOTES:
- (1)

STATE WATER PROJECT WATER SHOWN AT 100% ALLOCATION. ANNUAL ALLOCATION WILL VARY.
- (2)

WHEN USED THIS WATER MUST BE REPLACED NOT AN ANNUAL RECURRING AMOUNT.



Operating Segment Revenue

(\$ in thousands)	2015	2016	2017
Real Estate Commercial/Industrial (Including Joint Ventures)	\$14,596	\$16,536	\$13,630
Mineral Resources	\$15,116	\$14,153	\$5,983
Farming	\$23,836	\$18,648	\$16,434
Ranch Operations	\$3,923	\$3,338	\$3,837
Investment/Gain on Sale/Other	\$909	\$1,659	\$615
Total Revenue	\$58,380	\$54,334	\$40,499
Adjusted EBITDA (Non GAAP)	\$16,385	\$14,650	\$12,112

Investment in a California Legacy



Assets, strategy and team to drive meaningful long-term shareholder value

Track record of success

- Navigating development process/securing entitlements

- Unlocking asset value to drive profitable growth and cash flow

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Clear strategic vision to create significant value as a fully integrated real estate development company

- Strong foundation supported by diversified operations

Committed, experienced executive team to drive shareholder value





TEJON RANCH

C O M P A N Y