



Tejon Ranch Co. Announces First Quarter 2025 Financial Results

May 8, 2025

TEJON RANCH, Calif., May 08, 2025 (GLOBE NEWSWIRE) -- Tejon Ranch Co., or the Company, (NYSE:TRC), a diversified real estate development and agribusiness company, today announced financial results for the three-months ended March 31, 2025.

"Tejon Ranch is a one-of-a-kind asset, and I'm honored to take the helm of this incredible company," said Matthew H. Walker, who assumed the duties of President and CEO of Tejon Ranch Co. on April 1, 2025. "Our first quarter results highlight the consistency of our long-term strategy and the strength of our diversified business model, accounting for the typical seasonality of our farm operations. Notably, we reached an exciting milestone at the Tejon Ranch Commerce Center (TRCC), as our 228 unit multi-family community, Terra Vista at Tejon, welcomed its first residents this month. With Terra Vista moving from development into activation, TRCC has successfully transformed into a true mixed-use, master-planned community. Further, while we were pleased with Tejon's otherwise promising results for the quarter, costs associated with the ongoing and disruptive proxy contest led to material, non-recurring expenses."

"Looking ahead," Walker added, "we remain focused on driving meaningful progress across our active developments while laying the foundation for Tejon's next chapter of growth. A key differentiator for us is our proven track record of securing land use approvals and defending those approvals within the highly complex California regulatory environment."

Walker continued, "Tejon Ranch's long-term value lies not only in its extraordinary land holdings, but also in the strategic flywheel that we've been steadily building: land use approvals unlock development opportunities; industrial and retail growth generates jobs and fuels residential demand; residential development, in turn, attracts neighborhood retail and services. Together, these repeating cycles create sustained, compounding land value. This flywheel has been in motion creating value for many years at TRCC. A high priority for me in leading Tejon Ranch is to leverage that momentum to fully unlock the economic potential of our remaining land assets for our shareholders."

Commercial/Industrial Real Estate Update

- Leasing and occupancy updates as of March 31, 2025:
 - TRCC industrial portfolio, through the Company's joint venture partnerships, consists of 2.8 million square feet of gross leasable area (GLA) and is 100% leased.
 - TRCC commercial/retail portfolio, wholly owned and through joint venture partnerships, consists of 620,907 square feet of GLA and is 95% occupied.
 - In total, TRCC comprises 7.1 million square feet of GLA.
 - Outlets at Tejon maintained strong performance with 91% occupancy as of March 31, 2025.
- Terra Vista at Tejon Phase 1, the Company's multi-family residential development located in TRCC, has recently opened its doors to our first residents. Phase 1 includes 228 of the planned 495 residential units, with the first units leasing earlier this month and the remaining units in this phase coming online soon thereafter. See www.terravistatejon.com for further information.
- Nestlé USA is currently constructing a new, state-of-the-art distribution facility on the east side of TRCC. The project, led by Nestlé, will span more than 700,000 square feet upon completion.

First Quarter 2025 Financial Results

- Revenues and other income, including equity in earnings of unconsolidated joint ventures, for the first quarter of 2025 were \$9.6 million, compared with \$9.5 million for the first quarter of 2024.
 - The primary driver of this increase was the farming segment, whose revenue increased \$0.7 million over the comparative period due to improved almond prices and more crops available for sale. The increase was partially offset by the \$0.4 million decrease in equity in earnings from the unconsolidated joint ventures as mentioned above.
- GAAP net loss attributable to common stockholders for the first quarter of 2025 was \$1.5 million, or net loss per share attributable to common stockholders, basic and diluted, of \$0.05. For the first quarter of 2024, the Company had net loss attributable to common stockholders of \$0.9 million, or net loss per share attributable to common stockholders, basic and diluted, of \$0.03.
 - The primary driver of this increase in net loss of \$0.6 million was the \$1.1 million professional and consulting fees incurred to defend the Company and its long-term strategy from a dissident proxy campaign that required significant engagement with shareholders and external advisors.

- Additionally, equity in earnings from the unconsolidated joint ventures decreased by \$0.4 million, primarily related to the decreased fuel sales volume from the Company's TA/Petro joint venture.
- The above decrease was partially offset by the savings in professional service fees within the resort/residential segment of \$1.2 million compared with the prior year period.
- Adjusted EBITDA, a non-GAAP measure, was \$2.8 million for the first quarter ended March 31, 2025, compared with \$2.1 million for the same period in 2024.

Tejon Ranch Co. provides Adjusted EBITDA, a non-GAAP financial measure, because management believes it offers additional information for monitoring the Company's cash flow performance. A table providing a reconciliation of Adjusted EBITDA to its most comparable GAAP measure, as well as an explanation of, and important disclosures about, this non-GAAP measure, is included in the tables at the end of this press release.

Liquidity and Capital Resources

- As of March 31, 2025, total capitalization, including pro rata share (PRS) of unconsolidated joint venture debt, was approximately \$611.6 million, consisting of an equity market capitalization of \$425.9 million and \$185.7 million of debt, and our debt to total capitalization was 30.4%. As of March 31, 2025, the Company had cash and securities totaling approximately \$32.9 million and \$85.6 million available on its line of credit, for total liquidity of \$118.5 million. The ratio of total debt including pro rata share of unconsolidated joint venture debt, net of cash and securities including pro rata share of unconsolidated joint venture cash, of \$141.2 million, to trailing twelve months adjusted EBITDA of \$24.1 million was 5.9x using non-GAAP measures.

2025 Outlook:

The Company will continue to strategically pursue commercial/industrial development, multi-family development, leasing, sales, and investment within TRCC and its joint ventures. The Company will also continue to invest in advancing its residential projects, including Mountain Village at Tejon Ranch, Centennial at Tejon Ranch and Grapevine at Tejon Ranch.

California is one of the most highly regulated states in which to engage in real estate development and, as such, natural delays, including those resulting from litigation, can be reasonably anticipated. Accordingly, throughout the next few years, the Company expects net income to fluctuate from year-to-year based on the above-mentioned activity, along with commodity prices, production within its farming and mineral resources segments, and the timing of land sales and leasing of land within its industrial developments.

Water sales opportunities each year are impacted by the total precipitation and snowpack runoff in Northern California from winter storms along with State Water Project, or SWP, allocations. This year marks the third consecutive year of above average snowpack levels. The current SWP allocation is at 50% of contract amounts, suggesting that water sales opportunities may be limited this year.

The USDA's Subjective Forecast for the 2025 California almond crop is scheduled to be released on May 12, 2025, and will provide the first official estimate of the upcoming harvest. In the absence of this forecast, industry sources have identified several factors that may influence 2025 almond production levels. Pollination challenges have emerged due to significant reported honeybee colony losses, with estimates indicating a shortage of hives required for adequate almond pollination. This shortfall may adversely impact crop yields for the 2025 growing season. In addition, recent announcements of new tariff measures by the U.S. government have raised concerns about potential retaliatory trade actions from key export markets, including the European Union, India, and China. These trade uncertainties could affect export demand and exert downward pressure on almond pricing for the 2025 crop year. In 2025, the Company's farming division is diversifying its crop segmentation by planting an olive orchard, better positioning the Company for market changes.

About Tejon Ranch Co.

Tejon Ranch Co. (NYSE: TRC) is a diversified real estate development and agribusiness company, whose principal asset is its 270,000-acre land holding located approximately 60 miles north of Los Angeles and 15 miles south of Bakersfield.

More information about Tejon Ranch Co. can be found on the Company's website at www.tejonranch.com.

Forward Looking Statements:

The statements contained herein, which are not historical facts, are forward-looking statements based on economic forecasts, strategic plans and other factors, which by their nature involve risk and uncertainties. In particular, among the factors that could cause actual results to differ materially are the following: business conditions and the general economy, future commodity prices and yields, external market forces, the ability to obtain various governmental entitlements and permits, interest rates, and other risks inherent in real estate and agriculture businesses. For further information on factors that could affect the Company, the reader should refer to the Company's filings with the Securities and Exchange Commission.

(Financial tables follow)

CONSOLIDATED BALANCE SHEETS
(\$ in thousands, except per share amounts)

	March 31, 2025 (unaudited)	December 31, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 12,282	\$ 39,267
Marketable securities - available-for-sale	20,649	14,441
Accounts receivable	2,976	7,916
Inventories	5,681	3,972
Prepaid expenses and other current assets	4,184	3,806
Total current assets	45,772	69,402
Real estate and improvements - held for lease, net	16,168	16,253
Real estate development (includes \$124,980 at March 31, 2025 and \$124,136 at December 31, 2024, attributable to CFL)	394,780	377,905
Property and equipment, net	57,853	56,387
Investments in unconsolidated joint ventures	29,646	28,980
Net investment in water assets	65,218	55,091
Other assets	5,118	3,980
TOTAL ASSETS	\$ 614,555	\$ 607,998
 LIABILITIES AND EQUITY		
Current Liabilities:		
Trade accounts payable	\$ 11,510	\$ 9,085
Accrued liabilities and other	2,968	5,549
Deferred income	2,571	2,162
Total current liabilities	17,049	16,796
Revolving line of credit	74,442	66,942
Long-term deferred gains	11,447	11,447
Deferred tax liability	9,026	9,059
Other liabilities	14,753	14,798
Total liabilities	126,717	119,042
Commitments and contingencies		
Equity:		
Tejon Ranch Co. stockholders' equity		
Common stock, \$0.50 par value per share:		
Authorized shares - 50,000,000		
Issued and outstanding shares - 26,867,600 at March 31, 2025 and 26,822,768 at December 31, 2024	13,434	13,412
Additional paid-in capital	348,829	348,497
Accumulated other comprehensive income	81	87
Retained earnings	110,134	111,598
Total Tejon Ranch Co. stockholders' equity	472,478	473,594
Non-controlling interest	15,360	15,362
Total equity	487,838	488,956
TOTAL LIABILITIES AND EQUITY	\$ 614,555	\$ 607,998

TEJON RANCH CO. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(\$ in thousands, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
Revenues:		
Real estate - commercial/industrial	\$ 2,754	\$ 2,945

Mineral resources	2,595	2,489
Farming	1,556	865
Ranch operations	1,304	1,107
Total revenues	8,209	7,406
Costs and expenses:		
Real estate - commercial/industrial	1,847	1,927
Real estate - resort/residential	386	1,561
Mineral resources	2,085	2,116
Farming	2,548	2,067
Ranch operations	1,273	1,227
Corporate expenses	4,236	2,492
Total costs and expenses	12,375	11,390
Operating loss	(4,166)	(3,984)
Other income:		
Investment income	346	685
Other loss, net	(76)	(70)
Total other income, net	270	615
Loss from operations before equity in earnings of unconsolidated joint ventures and income tax benefit	(3,896)	(3,369)
Equity in earnings of unconsolidated joint ventures, net	1,158	1,513
Loss before income tax benefit	(2,738)	(1,856)
Income tax benefit	(1,272)	(942)
Net loss	(1,466)	(914)
Net loss attributable to non-controlling interest	(2)	—
Net loss attributable to common stockholders	\$ (1,464)	\$ (914)
Net loss per share attributable to common stockholders, basic	\$ (0.05)	\$ (0.03)
Net loss per share attributable to common stockholders, diluted	\$ (0.05)	\$ (0.03)

Non-GAAP Financial Measures

This press release includes references to the Company's non-GAAP financial measure "EBITDA." EBITDA represents the Company's share of consolidated net income in accordance with GAAP, before interest, taxes, depreciation, and amortization, plus the allocable portion of EBITDA of unconsolidated joint ventures accounted for under the equity method of accounting based upon economic ownership interest, and all determined on a consistent basis in accordance with GAAP. EBITDA is a non-GAAP financial measure and is used by the Company and others as a supplemental measure of performance. Tejon Ranch uses Adjusted EBITDA to assess the performance of the Company's core operations, for financial and operational decision making, and as a supplemental or additional means of evaluating period-to-period comparisons on a consistent basis. Adjusted EBITDA is calculated as EBITDA, excluding stock compensation expense. The Company believes Adjusted EBITDA provides investors relevant and useful information because it permits investors to view income from operations on an unlevered basis before the effects of taxes, depreciation and amortization, and stock compensation expense. By excluding interest expense and income, EBITDA and Adjusted EBITDA allow investors to measure the Company's performance independent of its capital structure and indebtedness and, therefore, allow for a more meaningful comparison of the Company's performance to that of other companies, both in the real estate industry and in other industries. The Company believes that excluding charges related to share-based compensation facilitates a comparison of its operations across periods and among other companies without the variances caused by different valuation methodologies, the volatility of the expense (which depends on market forces outside the Company's control), and the assumptions and the variety of award types that a company can use. In addition, the Company excludes other items impacting comparability to provide a clearer understanding of its core operating performance. EBITDA and Adjusted EBITDA have limitations as measures of the Company's performance. EBITDA and Adjusted EBITDA do not reflect Tejon Ranch's historical cash expenditures or future cash requirements for capital expenditures or contractual commitments. While EBITDA and Adjusted EBITDA are relevant and widely used measures of performance, they do not represent net income or cash flows from operations as defined by GAAP, and they should not be considered as alternatives to those indicators in evaluating performance or liquidity. Further, the Company's computation of EBITDA and Adjusted EBITDA may not be comparable to similar measures reported by other companies.

We use Net Debt / Adjusted EBITDA as a non-GAAP financial measure to evaluate our capital structure and ability to service our debt. Management believes this ratio provides useful insight into leverage trends and capital efficiency. Net debt includes TRC debt and the company's pro rata share of debt held at unconsolidated joint ventures, offset by consolidated and pro rata cash. Adjusted EBITDA is used as a proxy for core operating performance. A reconciliation is provided below.

TEJON RANCH CO.
Non-GAAP Financial Measures
(Unaudited)

(\$ in thousands)	Three Months Ended March 31,		TTM* Ended
	2025	2024	March 31,
Net loss	\$ (1,466)	\$ (914)	\$ 2,136
Net loss attributable to non-controlling interest	(2)	—	(4)
Interest, net			
Consolidated	(346)	(685)	(1,934)
Our share of interest expense from unconsolidated joint ventures	1,462	1,543	6,084
Total interest, net	1,116	858	4,150
Income tax benefit	(1,272)	(942)	646
Depreciation and amortization:			
Consolidated	1,015	1,006	4,894
Our share of depreciation and amortization from unconsolidated joint ventures	1,695	1,607	6,841
Total depreciation and amortization	2,710	2,613	11,735
EBITDA	1,090	1,615	18,671
Stock compensation expense	666	513	4,335
Items impacting comparability:			
Shareholder activism expense ¹	1,083	—	1,083
Adjusted EBITDA	\$ 2,839	\$ 2,128	\$ 24,089

¹ Represents advisory fees related to shareholder activism matters

*Trailing Twelve Month (TTM)

Summary of Outstanding Debt as of March 31, 2025
(Unaudited)

Entity/Borrowing (\$ in thousands)	Amount	% Share	PRS Debt
Revolving line-of-credit	\$ 74,442	100%	\$ 74,442
Petro Travel Plaza Holdings, LLC	11,602	60%	6,961
TRCC/Rock Outlet Center, LLC	20,464	50%	10,232
TRC-MRC 1, LLC	21,297	50%	10,649
TRC-MRC 2, LLC	21,053	50%	10,527
TRC-MRC 3, LLC	32,489	50%	16,245
TRC-MRC 4, LLC	60,675	50%	30,338
TRC-MRC 5, LLC	52,605	50%	26,303
Total	\$ 294,627		\$ 185,697

Capitalization and Debt Ratios
(Unaudited)

(\$ in thousands, except per share amounts)	March 31, 2025
Period End Share Price	\$ 15.85
Outstanding Shares	26,867,600
Market Cap as of Reporting Date	\$ 425,878
Total Debt including PRS Unconsolidated Joint Venture Debt	\$ 185,697
Total Capitalization	\$ 611,575
Debt to total capitalization	30.4%
Net debt, including PRS unconsolidated joint venture debt, to TTM adjusted EBITDA (Non-GAAP)	5.9

Non-GAAP Net Debt / Adjusted EBITDA Reconciliation
(Unaudited)

Non-GAAP Reconciliations

(\$ in thousands)	March 31, 2025
Debt	
Pro Rata Share of JV Debt	\$ 111,255
TRC Debt	74,442
Total Adjusted Debt (Non-GAAP)	\$ 185,697
Cash and Marketable Securities	
Pro Rata Share of JV Cash and Marketable Securities	\$ 11,532
TRC Cash and Marketable Securities	32,931
Total Adjusted Cash and Marketable Securities (Non-GAAP)	\$ 44,463
Net Debt (Non-GAAP)	
Total Adjusted Debt (Non-GAAP)	\$ 185,697
Less: Total Adjusted Cash and Marketable Securities (Non-GAAP)	(44,463)
Net Debt (Non-GAAP)	\$ 141,234
TTM Adjusted EBITDA (Non-GAAP)	\$ 24,089
Net Debt / TTM Adjusted EBITDA (Non-GAAP)	5.9

Tejon Ranch Co.
Brett A. Brown, 661-248-3000
Executive Vice President, Chief Financial Officer

Tejon Ranch Co.
Nicholas Ortiz 661-663-4212
Senior Vice President, Corporate Communications & Public Affairs



Source: Tejon Ranch Co