Tejon Ranch Co. Announces Second Quarter 2025 Financial Results

Aug 7, 2025

TEJON RANCH, Calif., Aug. 07, 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 and six-months ended June 30, 2025.

"We saw positive momentum this quarter in our adjusted EBITDA and farming revenues, reflecting our focus on disciplined execution and highlighting the strength of our diversified platform," said Matthew H. Walker, President and Chief Executive Officer. "While our GAAP results reflect the costs of the proxy contest, those were one-time events. Our focus remains on the long-term fundamentals and driving incremental earnings growth. At the Tejon Ranch Commerce Center, our core commercial and industrial assets continue to perform well. Terra Vista at Tejon has officially opened and is leasing in line with our targets. We are encouraged by our performance and remain committed to building shareholder value."

"Our second quarter results were impacted by non-recurring expenses and the timing of revenues in our farming and real estate - commercial/industrial segments. That said, we are encouraged by the strong response to our first multifamily offering and the continued high occupancy rates across our industrial and retail portfolios," said Robert D. Velasquez, Chief Financial Officer. "We remain committed to disciplined expense management and are executing targeted initiatives to drive operational efficiency and enhance free cash flow over time."

Please also visit ir.tejonranch.com this afternoon for a video update from Matthew Walker, our President & CEO. Additionally, we're excited to announce that we'll be hosting our first Investor Day since 2018 the morning of November 14th at the New York Stock Exchange. Additional details and registration information will be forthcoming.

Commercial/Industrial Real Estate Update

- Leasing and occupancy updates as of June 30, 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 June 30, 2025.
- In early May, Terra Vista at Tejon Phase 1, the Company's first multifamily residential development located within TRCC, welcomed its initial residents. Phase 1 includes 228 of the planned 495 residential units. Initial leasing activity has been encouraging. As of June 30, 2025, 49% of the 84 delivered units were leased.
- Nestlé USA is nearing completion on the construction of 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.

Second Quarter 2025 Financial Results

- GAAP net loss attributable to common stockholders for the second quarter of 2025 was $1.7 million, or net loss per share attributable to common stockholders, basic and diluted, of $0.06. In the second quarter of 2024, the Company reported net income attributable to common stockholders of $1.0 million, or net income per share attributable to common stockholders, basic and diluted, of $0.04.
  - The $2.7 million year-over-year swing was primarily driven by the $2.3 million in consulting fees related to the contested board election and proxy defense.
- Revenues and other income, including equity in earnings of unconsolidated joint ventures, for the second quarter of 2025 were $11.1 million, compared with $9.0 million for the second quarter of 2024.
  - The primary driver of this increase was the real estate commercial/industrial segment, which generated $2.6 million more in revenue compared to the prior period. This increase was due to the recognition of land sale revenue following the Company's completion of the performance obligation related to a land sale transaction that occurred in 2022. The increase was partially offset by the $0.5 million decrease in mineral resources segment due to decrease in water sales revenue resulted from higher than expected rainfall, which reduced demand.
- Adjusted EBITDA, a non-GAAP measure, was $5.7 million for the second quarter ended June 30, 2025, compared with $5.1 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.

Year-to-Date Financial Results

- Net loss attributable to common stockholders for the first six months of 2025 was $3.2 million, or net loss per share attributed to common stockholders, basic and diluted, of $0.12, compared with net income attributable to common stockholders of $43.0 thousand, or net income per share attributed to common stockholders, basic and diluted, of $0.00, for the first six months of 2024.
    - The primary factor driving this change was the increase in operating losses within the corporate segment, mainly due to the more than $3.0 million of additional expense incurred related professional and consulting fees incurred during the contested board election and proxy defense during the six months ended June 30, 2025.
- Revenues and other income, for the first six months of 2025, including equity in earnings of unconsolidated joint ventures, totaled $20.7 million, compared with $18.6 million for the first six months of 2024. Factors impacting the year-to-date results include:
    - Real estate commercial/industrial segment experienced an increase in revenue for the first six months of 2025. Revenues for this segment were $7.9 million, an increase of $2.4 million, or 43%, from $5.5 million for the first six months of 2024. The primary driver of this increase was the recognition in land sales revenue, following the Company's fulfillment of the performance obligation related to a land sale that occurred in 2022.
    - Farming segment revenues were $2.2 million for the first six months of 2025, an increase of $1.2 million, or 115%, from $1.0 million for the first six months of 2024. Almond sales, the biggest contributor to this increase, increased by $1.2 million due to higher units sold in current year. The Company sold 727,000 and 381,000 pounds of almonds during the six months ended June 30, 2025 and 2024, respectively.
    - The increase in revenue was partially offset by a decrease in equity in earnings of unconsolidated joint ventures. The equity in earnings were $3.7 million for the six months ended June 30, 2025, a decrease of $0.6 million, or 13%, compared to $4.3 million during the same period in 2024. The decrease was primarily due to a reduction in equity in earnings from the TA/Petro joint venture, which declined by approximately $595,000. The decline was driven by a 7.6% reduction in nonfuel gross margins and a 10.9% increase in operating expense compared to the same period in 2024.
    - Additionally, other income decreased by $682,000, largely due to reduced investment earnings stemming from a lower balance of marketable securities.
- Adjusted EBITDA, a non-GAAP measure, was $8.6 million for the six months ended June 30, 2025, compared with $7.3 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 June 30, 2025, total capitalization, including pro rata share (PRS) of unconsolidated joint venture debt, was approximately $648.4 million, consisting of an equity market capitalization of $455.9 million and $192.5 million of debt, and our debt to total capitalization was 29.7%. As of June 30, 2025, the Company had cash and securities totaling approximately $20.1 million and $78.1 million available on its line of credit, for total liquidity of $98.1 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 $160.5 million, to trailing twelve months adjusted EBITDA of $24.7 million was 6.5x using non-GAAP measures.

2025 Outlook:

The Company will continue to strategically pursue commercial/industrial development, multi-family development, leasing, sales, and investment activities across TRCC, including its joint ventures developments. The Company will also continue to make measured capital investment to advance its residential projects, Mountain Village at Tejon Ranch, Centennial at Tejon Ranch and Grapevine at Tejon Ranch, through disciplined, strategic investment, with a focus on critical entitlements, planning milestones, and value-enhancing activities.

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.

On July 10, 2025, the U.S. Department of Agriculture (USDA) released its Objective Forecast for the 2025 California almond crop, projecting total production of 3.0 billion pounds. This represents a 7% increase from the USDA's Subjective Forecast issued on May 12, 2025, and a 10% increase over the 2024 crop of 2.73 billion pounds. We believe this anticipated increase in supply may exert downward pressure on almond pricing throughout the 2025 crop year.

While certain regions of California experienced pollination challenges due to significant honeybee colony losses and resulting hive shortages, the Company's operations were not materially impacted during the critical pollination period. Nonetheless, potential yield declines in other growing regions may influence broader market dynamics.

Additionally, recently announced U.S. trade measures have heightened the risk of retaliatory tariffs from key export markets, including the European Union, India, and China. These potential trade barriers may negatively affect export demand and further contribute to pricing volatility in the global almond market.

While year-to-year results may fluctuate due to external factors, the Company remains focused on long-term value creation. With a strong asset base, disciplined investment approach, and a clear development strategy, we are well-positioned to navigate near-term challenges and advance our strategic priorities.

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)

TEJON RANCH CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
($ in thousands, except per share amounts)

	June 30, 2025 (unaudited)	December 31, 2024
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,500	$ 39,267
Marketable securities - available-for-sale	17,554	14,441
Accounts receivable	1,759	7,916
Inventories	8,681	3,972
Prepaid expenses and other current assets	2,770	3,806
Total current assets	33,264	69,402
Real estate and improvements - held for lease, net	40,762	16,253
Real estate development (includes $126,009 at June 30, 2025 and $124,136 at December 31, 2024, attributable to CFL)	384,035	377,905
Property and equipment, net	58,792	56,387
Investments in unconsolidated joint ventures	31,264	28,980
Net investment in water assets	65,480	55,091
Other assets	4,944	3,980
TOTAL ASSETS	$ 618,541	$ 607,998

LIABILITIES AND EQUITY		
Current Liabilities:		
Trade accounts payable	$ 10,052	$ 9,085
Accrued liabilities and other	2,373	5,549
Deferred income	2,397	2,162
Total current liabilities	14,822	16,796
Revolving line of credit	81,942	66,942
Long-term deferred gains	10,851	11,447
Deferred tax liability	9,024	9,059
Other liabilities	15,011	14,798
Total liabilities	131,650	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 - 26,880,668 at June 30, 2025 and 26,822,768 at December 31, 2024	13,441	13,412
Additional paid-in capital	349,592	348,497
Accumulated other comprehensive income	77	87
Retained earnings	108,422	111,598
Total Tejon Ranch Co. stockholders' equity	471,532	473,594
Non-controlling interest	15,359	15,362
Total equity	486,891	488,956
TOTAL LIABILITIES AND EQUITY	$ 618,541	$ 607,998

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
Real estate - commercial/industrial	$ 5,107	$ 2,550	$ 7,861	$ 5,495
Mineral resources	1,510	2,032	4,105	4,521
Farming	607	142	2,163	1,007
Ranch operations	1,083	965	2,387	2,072
Total revenues	8,307	5,689	16,516	13,095
Costs and expenses:				
Real estate - commercial/industrial	3,536	1,990	5,383	3,917
Real estate - resort/residential	304	427	690	1,988
Mineral resources	790	1,115	2,875	3,231
Farming	1,497	1,087	4,045	3,154
Ranch operations	1,335	1,261	2,608	2,488
Corporate expenses	4,900	3,357	9,136	5,849
Total costs and expenses	12,362	9,237	24,737	20,627
Operating loss	(4,055)	(3,548)	(8,221)	(7,532)
Other income:				
Investment income	226	630	572	1,315
Other loss, net	(4)	(71)	(80)	(141)
Total other income, net	222	559	492	1,174
Loss before equity in earnings of unconsolidated joint ventures and income tax benefit	(3,833)	(2,989)	(7,729)	(6,358)
Equity in earnings of unconsolidated joint ventures, net	2,555	2,769	3,713	4,282
Loss before income tax benefit	(1,278)	(220)	(4,016)	(2,076)
Income tax expense (benefit)	435	(1,176)	(837)	(2,118)

Net (loss) income	(1,713)	956	(3,179)	42
Net loss attributable to non-controlling interest	(1)	(1)	(3)	(1)
Net (loss) income attributable to common stockholders	$ (1,712)	$ 957	$ (3,176)	$ 43
Net (loss) income per share attributable to common stockholders, basic	$ (0.06)	$ 0.04	$ (0.12)	$ 0.00
Net (loss) income per share attributable to common stockholders, diluted	$ (0.06)	$ 0.04	$ (0.12)	$ 0.00

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)

	Three Months Ended June 30,	
($ in thousands)	2025	2024
Net (loss) income	$ (1,713)	$ 956
Net loss attributable to non-controlling interest	(1)	(1)
Interest, net		
Consolidated	(226)	(630)
Our share of interest expense from unconsolidated joint ventures	1,473	1,552
Total interest, net	1,247	922
Income tax benefit	435	(1,176)
Depreciation and amortization:		
Consolidated	1,095	915
Our share of depreciation and amortization from unconsolidated joint ventures	1,738	1,687
Total depreciation and amortization	2,833	2,602
EBITDA	2,803	3,305
Stock compensation expense	624	1,841
Items impacting comparability:		
Shareholder activism expense [1]	2,316	—
Adjusted EBITDA	$ 5,743	$ 5,146

[1] Represents advisory fees related to shareholder activism matters.

	Six Months Ended June 30,		TTM* Ended June 30,
($ in thousands)	2025	2024	2025
Net (loss) income	$ (3,179)	$ 42	$ (533)
Net loss attributable to non-controlling interest	(3)	(1)	(4)
Interest, net			
Consolidated	(572)	(1,315)	(1,530)
Our share of interest expense from unconsolidated joint ventures	2,934	3,094	6,005
Total interest, net	2,362	1,779	4,475
Income tax benefit	(837)	(2,118)	2,257
Depreciation and amortization:			
Consolidated	2,110	1,921	5,074
Our share of depreciation and amortization from unconsolidated joint ventures	3,432	3,294	6,891
Total depreciation and amortization	5,542	5,215	11,965
EBITDA	3,891	4,919	18,168
Stock compensation expense	1,290	2,354	3,118
Items impacting comparability:			
Shareholder activism expense [1]	3,399	—	3,399
Adjusted EBITDA	$ 8,580	$ 7,273	$ 24,685

[1] Represents advisory fees related to shareholder activism matters.

**Trailing Twelve Month (TTM)*

Summary of Outstanding Debt as of June 30, 2025
(Unaudited)

Entity/Borrowing ($ in thousands)	**Amount**	**% Share**	**PRS Debt**
Revolving line-of-credit	$ 81,942	100%	$ 81,942
Petro Travel Plaza Holdings, LLC	11,412	60%	6,847
TRCC/Rock Outlet Center, LLC	20,384	50%	10,192
TRC-MRC 1, LLC	21,121	50%	10,561
TRC-MRC 2, LLC	20,869	50%	10,435
TRC-MRC 3, LLC	32,254	50%	16,127
TRC-MRC 4, LLC	60,440	50%	30,220
TRC-MRC 5, LLC	52,415	50%	26,208
Total	$ 300,837		$ 192,532

Capitalization and Debt Ratios
(Unaudited)

($ in thousands, except per share amounts)	**June 30, 2025**
Period End Share Price	$ 16.96
Outstanding Shares	26,880,668
Market Cap as of Reporting Date	$ 455,896
Total Debt including PRS Unconsolidated Joint Venture Debt	$ 192,532
Total Capitalization	$ 648,428
Debt to total capitalization	29.7%
Net debt, including PRS unconsolidated joint venture debt, to TTM adjusted EBITDA (Non-GAAP)	6.5

Non-GAAP Net Debt / Adjusted EBITDA Reconciliation

(Unaudited)

Non-GAAP Reconciliations **($ in thousands)**	**June 30, 2025**
Debt	
Pro Rata Share of JV Debt	$ 110,590
TRC Debt	81,942
Total Adjusted Debt (Non-GAAP)	$ 192,532
Cash and Marketable Securities	
Pro Rata Share of JV Cash and Marketable Securities	$ 11,956
TRC Cash and Marketable Securities	20,054
Total Adjusted Cash and Marketable Securities (Non-GAAP)	$ 32,010
Net Debt (Non-GAAP)	
Total Adjusted Debt (Non-GAAP)	$ 192,532
Less: Total Adjusted Cash and Marketable Securities (Non-GAAP)	(32,010)
Net Debt (Non-GAAP)	$ 160,522
TTM Adjusted EBITDA (Non-GAAP)	$ 24,685
Net Debt / TTM Adjusted EBITDA (Non-GAAP)	**6.5**

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TEJON RANCH
COMPANY

Source: Tejon Ranch Co