

2021 Annual  
Shareholders Meeting

May 19, 2021





**TEJON RANCH**

C O M P A N Y

**UNLOCKING  
VALUE**

**2021 Annual  
Shareholders Meeting  
May 19, 2021**



## 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

- › 270,000 acres of contiguous land
- › Large-scale master planned real estate development
- › Commercial/industrial real estate development
- › Mineral resources (oil & gas, minerals, water sales)
- › Farming
- › Ranch operations



# Strategic goal



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

**Create long-term shareholder value by monetizing the Company's land-based assets, principally through real estate development.**

# Unlocking value- real estate development



# Clear Strategic Vision

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

**6.0 MM sq. ft. already developed**

**630K sq. ft. spec building in process**

**Additional 13.4 MM sq. ft. of commercial/ industrial space available for development**



Tejon Ranch Commerce Center



Mountain Village



Centennial



Grapevine

**35,000+ houses**  
**35+ million sf commercial**

Together expected to include 35,278 residential units and 35+ MM sq. ft. of commercial space ranch-wide

# Tejon Ranch Commerce Center

Industrial Real Estate Development

**13.4 MM sq. ft. of monetizable industrial space available for development**

## Major Distribution Centers





# Tejon Ranch Commerce Center

Industrial Real Estate Development



## 2020-2021 Operational Highlights

- 630K sf spec building to be under construction soon
- Camping World added as tenant



# Tejon Ranch Commerce Center

Commercial/Retail Real Estate Development



**318,614 sq. ft. of monetizable commercial/retail space available for development**

## Major Retail Operations



# Tejon Ranch Commerce Center

Commercial/Retail Real Estate Development



## 2020-2021 Operational Highlights

- Del Taco converted to Taco Bell – sold to TA Joint Venture
- Cotton On expansion at Outlets
- Bird Dog Arts added to Outlets
- Cinnabon added to Outlets



# Tejon Ranch Commerce Center

Residential Real Estate Development



## 2020-2021 Operational Highlights

- **Conditional Use Permits for multi-family apartment home development with 495 units – transition to mixed-used community**
- **Located next to Outlets – create synergy**
- **13 buildings; 2 – 4 stories tall; 8K sf commercial space**
- **Recurring revenue generator**



# Mountain Village at Tejon Ranch

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

## Tentative tract map & commercial site plan approved

- › Covers first 752 lots (first three phases of development)
- › Phase One of 160,000 sq. ft. commercial center at entrance

**Strong hospitality/amenity component**

**Final Map submitted to Kern County**

**Exploring capital strategies to fund development**



# Centennial at Tejon Ranch

Residential Real Estate Development



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

19,333 residential units/  
10.1 mm sq. ft. of  
commercial space

LA County Board of Supervisors  
approve land use designations  
and zoning – 2016

LA County Board of Supervisors  
approve specific plan  
and development agreement – April 2019

Addressing court ruling in  
CEQA litigation



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

**Primarily family-oriented and active adult market-rate homes**

# Grapevine at Tejon Ranch

Residential Real Estate Development



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

**Primarily family-oriented and active adult market-rate homes**



**Focused on San Joaquin Valley market**

**12,000 residential units/  
5.1 mm sq. ft. of commercial  
development**

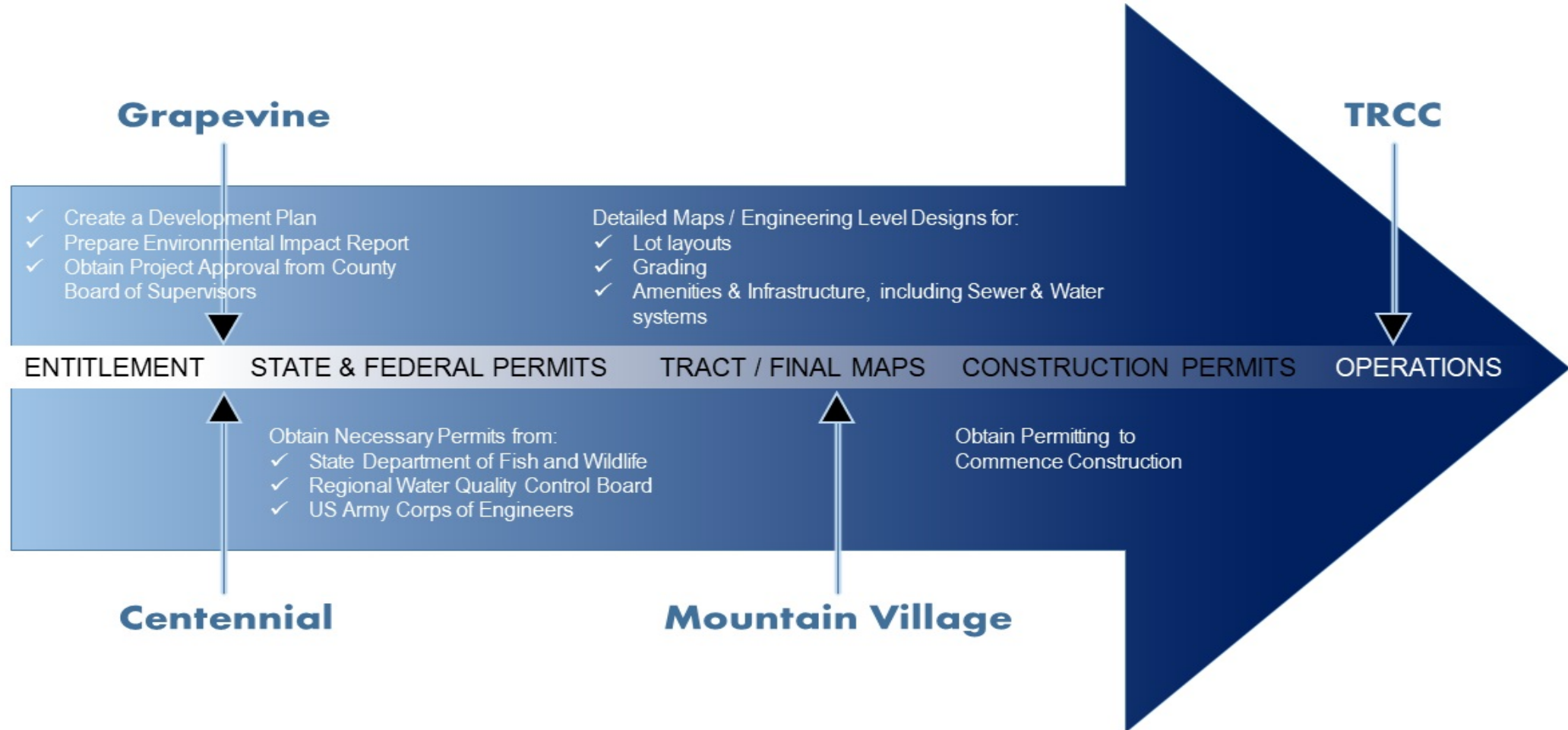
**First approved in 2016; re-  
approved in 2019 with  
certification of revised EIR**

**Favorable ruling from district  
court in CEQA litigation**



# California Development Process Path

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



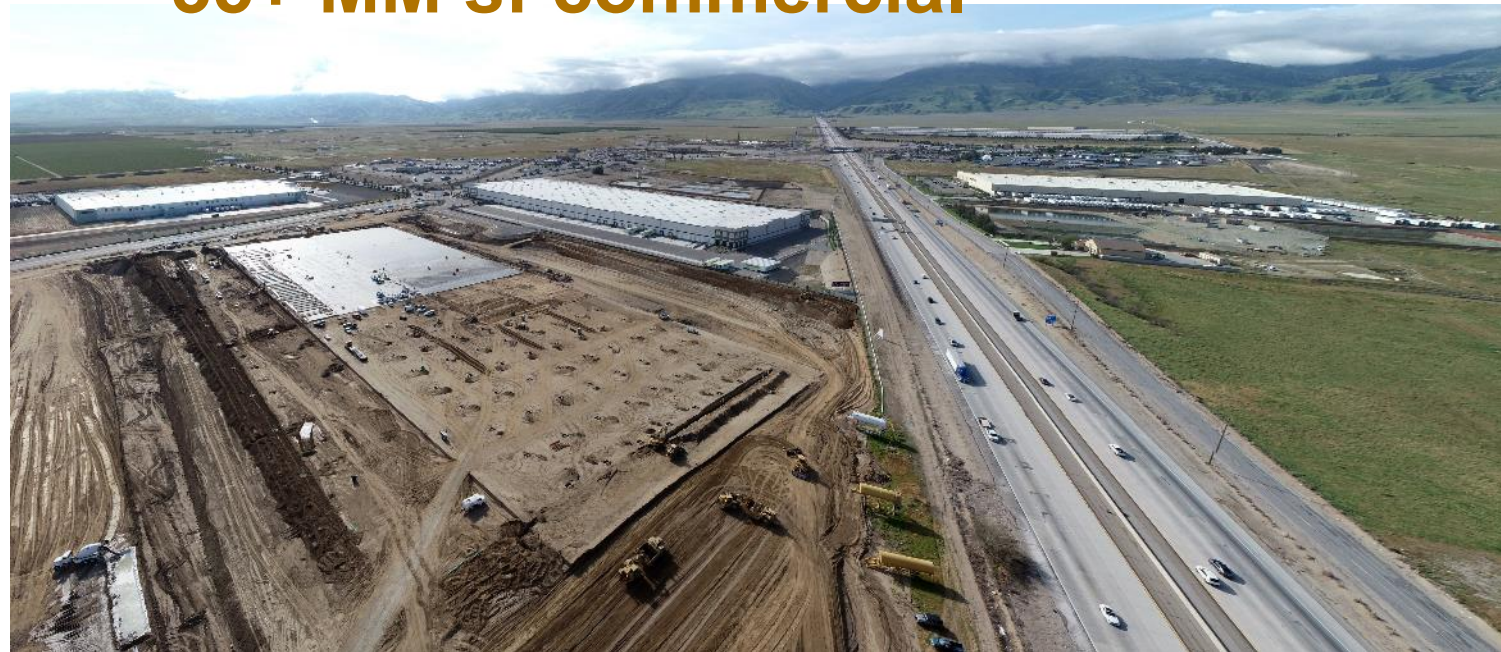


# Entitlements

**All current master planned developments within 10% development envelope have received legislative approval**

- Tejon Ranch Commerce Center  
(1998, 2003, 2021)
- Mountain Village  
(2009)
- Grapevine  
(2016 & 2019)
- Centennial  
(2019)

**35,000+/- houses**  
**35+ MM sf commercial**



# Impact of COVID-19 pandemic

Financial impacts moderated by Company's diversified nature

- **Temporary closure of Outlets at Tejon**
  - **Percentage rent tenants impacted results of operations for the year**
    - **Decrease in same-store sales of 19% when compared to 2019**
  - **Agreed to defer rent for certain tenants due to the closure of the outlet center**
    - **We deferred or abated 30% of rents due in 2020; amounts deferred to be paid by 2021.**
- **State restrictions reduced the number of travelers along Interstate 5**
  - **We experienced a 19% decrease in fuel volumes during 2020**
  - **Sharp decline in demand for oil impacted our oil royalties by 64% during 2020**
- **Tejon Ranch Commerce Center felt the impact of the reduced traffic**
  - **Agreed to defer rent for certain tenants due to state mandates**
    - **We deferred 9% of rents due in 2020; amounts deferred to be paid by 2021.**
- **Company right-sized its operations and adopted capital preservation strategy**

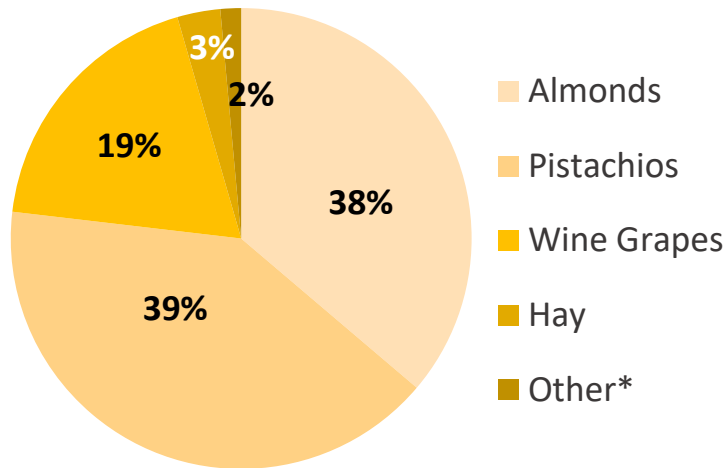
# Strong Foundation Supported

by Diversified Operations

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

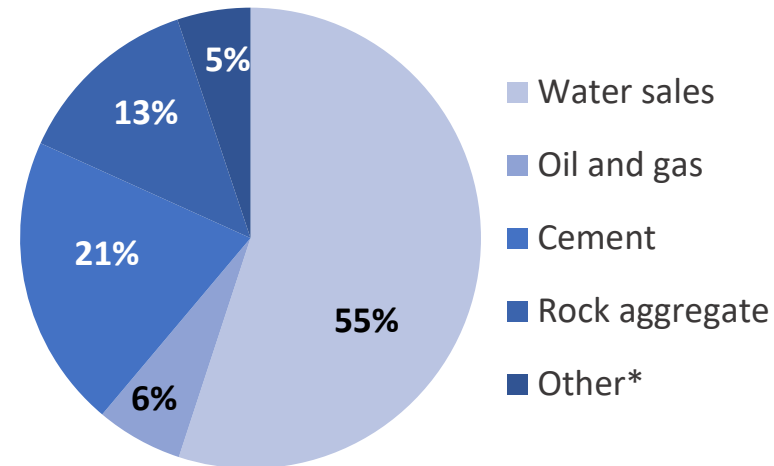
## FARMING REVENUE

\$13.9 Million in 2020



## MINERAL RESOURCES REVENUE

\$10.7 Million in 2020



\* Other in "Farming Revenue" chart includes farming lease revenue; Other in "Mineral Resources" chart includes land lease for oil exploration and reimbursable costs.

# Operating Segment Revenue

(\$ in millions)	2020	2019	2018	2017
Real Estate Commercial/Industrial (Including Joint Ventures)	\$14.0	\$33.4	\$12.8	\$13.2
Mineral Resources	\$10.7	\$9.8	\$14.4	\$5.9
Farming	\$13.9	\$19.3	\$18.6	\$16.4
Ranch Operations	\$3.7	\$3.6	\$3.7	\$3.8
Investment/Gain	\$0.9	\$1.2	\$1.3	\$0.4
<b>Total Revenue</b>	<b>\$43.2</b>	<b>\$67.3</b>	<b>\$50.8</b>	<b>\$39.7</b>
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$15.0</b>	<b>\$30.1</b>	<b>\$19.8</b>	<b>\$12.8</b>

# Strong Balance Sheet and Cash Flow

## Committed to maintaining financial flexibility

(\$ in millions)	2020	2019	2018	2017
Cash/Marketable Securities*	\$58.1	\$66.2	\$79.7	\$91.0
Total Assets	\$536.3	\$539.4	\$529.0	\$518.2
Long-Term Debt	\$57.1	\$61.9	\$65.9	\$69.9
Stockholders' Equity	\$430.0	\$430.2	\$419.3	\$398.2
Cash Flow from Operations	\$15.5	\$16.0	\$14.4	\$9.8

\* Completed rights offering in fall 2017 raising approximately \$90 million.

A historical black and white photograph of a large wooden barn. The barn has a gabled roof with a cupola on top. A long, elevated walkway with a wooden railing runs along the side of the barn. Several people are visible: some are standing on the walkway, and others are on the ground near the barn's doors. A large wooden wheel is leaning against one of the doors. The word "Questions?" is overlaid in white text in the center of the image.

**Questions?**



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