



Consolidated-Tomoka Land Co. Reports Earnings of \$2.14 per Share for the Second Quarter of 2019

July 17, 2019

DAYTONA BEACH, Fla., July 17, 2019 (GLOBE NEWSWIRE) -- Consolidated-Tomoka Land Co. (NYSE American: CTO) (the "Company") today announced its operating results and earnings for the quarter and six months ended June 30, 2019.

QUARTER HIGHLIGHTS

Land Holdings

Closed Transactions: three land sales, with an aggregate of approximately 64 acres, for an aggregate sales price of approximately \$7.5 million, or approximately \$117,000 per acre, for a gain of approximately \$2.9 million, or \$0.44 per share, after tax.

Land Pipeline: ten (10) contracts; more than 3,000 acres, or approximately 57% of the Company's remaining land; potential proceeds of approximately \$82 million, or an average sales price of approximately \$27,000 per acre.

Income Property Portfolio

In five separate transactions, acquired 5 single-tenant net lease retail properties for an aggregate investment of approximately \$41 million, reflecting a weighted average investment cap rate of approximately 6.6%. The five properties acquired have approximately 139,614 of rentable square feet and a weighted average lease term of 9.4 years.

Sold two multi-tenant income properties, located in Santa Clara, California and Winter Park, Florida, for an aggregate sales price of approximately \$55.3 million for a gain of approximately \$11.8 million, or \$1.78 per share, after tax.

Share Repurchase Program

During the second quarter: Repurchased 461,769 shares for approximately \$27 million; average purchase price of \$58.41 per share, including 320,741 shares, or approximately 6% of the Company's shares outstanding, as part of the April 2019 disposition of the entire position by the Company's then largest shareholder.

Year-to-Date: Repurchased 532,477 shares for approximately \$31 million; average purchase price of \$58.40 per share. Total shares repurchased year-to-date represent more than 9% of the Company's outstanding shares.

Book Value Per Share

Book value per share totaled \$40.09 as of June 30, 2019; increase of \$1.14 per share, or 3%, compared to year-end 2018.

Income Property Update

The following table provides a summary of the Company's income property portfolio as of June 30, 2019 compared with the portfolio as of June 30, 2018:

| Property Type | # of Properties | | Total Square Feet | | Average Remaining Lease Term (Yrs.) | |
|-------------------|-----------------|------|-------------------|-----------|-------------------------------------|------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Single-Tenant | 45 | 29 | 1,940,890 | 1,561,053 | 9.3 | 9.4 |
| Multi-Tenant | 4 | 7 | 284,441 | 531,915 | 3.1 | 4.8 |
| Total / Wtd. Avg. | 49 | 36 | 2,225,331 | 2,092,968 | 8.8 | 8.1 |

The following tables highlight the tenants that represent at least 2.0% and the states where at least 5.0% of the total revenue from the Company's income property operations is generated, respectively, for the six months ended June 30, 2019 ("Total Income Property Revenue"):

Top Tenants (≥ 2% of Total Income Property Revenue)

| Tenant | # of Properties | Square Feet | % of Total Income Property Revenue |
|------------------------------|-----------------|------------------|------------------------------------|
| Wells Fargo | 2 | 662,256 | 22% |
| Fidelity | 1 | 210,067 | 8% |
| AG Hill (Aspen Master Lease) | 1 | 19,596 | 5% |
| Hilton Grand Vacations | 2 | 133,914 | 5% |
| LA Fitness | 1 | 45,000 | 3% |
| Lowe's | 1 | 131,644 | 2% |
| Container Store | 1 | 23,329 | 2% |
| Century Theatres | 1 | 52,474 | 2% |
| At Home | 1 | 116,334 | 2% |
| Harris Teeter | 1 | 45,089 | 2% |
| CVS | 1 | 10,340 | 2% |
| Jo-Ann Fabric | 1 | 22,500 | 2% |
| Total | 14 | 1,472,543 | 57% |

Top States (≥ 5% Total Income Property Revenue)

| State | # of Properties | Square Feet | % of Total Income Property Revenue |
|----------------|-----------------|-------------|------------------------------------|
| Florida | 19 | 624,088 | 31% |
| North Carolina | 5 | 673,213 | 19% |
| Texas | 7 | 505,625 | 15% |
| Oregon | 1 | 211,863 | 8% |
| California | 2 | 108,533 | 8% |

| | | | |
|----------|----|-----------|-----|
| Colorado | 1 | 19,596 | 5% |
| Total | 35 | 2,142,918 | 86% |

The Company is negotiating with Cocina 214, the tenant of one of its beachfront restaurants in Daytona Beach, to replace their operation with a Florida-based restaurant operator with five waterfront restaurant locations in several markets in Florida. The Company expects to execute the lease with the new tenant during the third quarter of 2019 and for the new tenant to commence operations prior to the end of the fourth quarter with no requirement for significant costs to the Company for tenant improvements.

Land Pipeline Update

As of July 16, 2019, the Company's pipeline of potential land sales transactions includes the following ten (10) potential transactions with nine (9) different buyers, representing over 3,000 acres or approximately 57% of our remaining approximately 5,300 acres of land holdings:

| | Transaction (Buyer) | Acres | Amount (\$000's) | Price Per Acre (\$ Rounded) | Estimated Timing |
|----|---|-------|---------------------|-----------------------------------|---------------------|
| 1 | Residential (SF) – Parcel A – West of I-95 | 1,599 | \$27,000 | \$17,000 | '19 - '20 |
| 2 | Residential (SF) – ICI Homes – West of I-95 | 1,016 | \$21,450 | \$21,000 | '19 |
| 3 | Commercial/Medical Office – East of I-95 | 32 | \$8,089 | \$253,000 | '19 - '20 |
| 4 | Residential (MF) – East of I-95 | 38 | \$6,350 | \$167,000 | Q4 '19 |
| 5 | Commercial/Residential – Unicorp Dev. – East of I-95 | 31 | \$4,600 | \$148,000 | '19 - '20 |
| 6 | Commercial/Residential – East of I-95 | 12 | \$4,500 | \$375,000 | '19 - '20 |
| 7 | Residential (MF) – East of I-95 | 23 | \$4,000 | \$174,000 | '19 - '20 |
| 8 | Residential (SF) - West of I-95 | 98 | \$2,600 | \$27,000 | '19 - '20 |
| 9 | Residential (MF)/Retail – East of I-95 | 19 | \$2,000 | \$105,000 | '20 |
| 10 | Residential (SF) – ICI Homes – West of I-95 | 146 | \$1,650 | \$11,000 | '19 |
| | Totals (Average) | 3,014 | \$82,239 | \$27,000 | |

As noted above, these agreements contemplate closing dates ranging from 2019 through fiscal year 2020, and although we anticipate that some of the transactions may close in 2019, some of the buyers may not be contractually obligated to close until after 2019. Each of the transactions are in varying stages of due diligence by the various buyers including, in some instances, making submissions to the planning and development departments of the City of Daytona Beach, pursuing permitting activities with other applicable governmental authorities including wetlands permits from the St. John's River Water Management District and the U.S. Army Corps of Engineers, conducting traffic analyses to determine potential road impact requirements with the Florida Department of Transportation, and negotiating other matters with Volusia County. In addition to other customary closing conditions, the majority of these transactions are conditioned upon the receipt of approvals or permits from those various governmental authorities, as well as other matters that are beyond our control. If such approvals are not obtained or costs to meet governmental requirements or obligations are too high, the prospective buyers may have the ability to terminate their respective agreements prior to closing. As a result, there can be no assurances regarding the likelihood or timing of any one of these potential land transactions being completed or the final terms thereof, including the sales price.

Commercial Loan Investments Update

On June 14, 2019, the Company originated an \$8.0 million first mortgage bridge loan secured by 72 acres of land in Orlando, Florida, which represented 66% of the purchase price for the land. The loan is interest-only with a term of one-year with two 1-year extensions with a fixed interest rate of 12.00%. The Company received an origination fee of 2%, or \$160,000.

Golf Operations Update

The Company is under contract to sell the Golf Operations to a third-party for a projected contract price in excess of the adjusted book value as of June 30, 2019. The transaction is scheduled to close in the early part of the third quarter of 2019.

Debt Summary

The following table provides a summary of the Company's long-term debt as of June 30, 2019:

| Component of Long-Term Debt | Principal | Interest Rate | Maturity Date |
|---|-------------------------|---------------------------------|---------------|
| Revolving Credit Facility | \$151.85 million | 30-day LIBOR + 1.35% – 1.95% | May 2023 |
| Mortgage Note Payable ⁽¹⁾ | \$24.22 million | 3.17% | April 2021 |
| Mortgage Note Payable | \$30.00 million | 4.33% | October 2034 |
| Convertible Senior Notes | \$75.00 million | 4.50% | March 2020 |
| Total Debt/Weighted-Average Rate | \$281.07 million | 3.98% | |

(1) Utilized interest rate swap to achieve fixed interest rate of 3.17%

OPERATING RESULTS

2nd Quarter ended June 30, 2019 (compared to same period in 2018):

| | Increase (Decrease) | | |
|--------------------------------|---------------------|---------------------------|----------------------------------|
| | For the Quarter | vs Same Period in 2018 | vs Same Period in 2018 (%) |
| Net Income Per Share (basic) | \$ 2.14 | \$ (0.42) | -16% |
| Operating Income (\$ millions) | \$ 17.4 | \$ (4.4) | -20% |

| | Increase (Decrease) | | |
|-------------------|----------------------------|---------------------------|---------------------------|
| Operating Segment | Revenue for the Quarter | vs Same Period in 2018 | vs Same Period in 2018 |

| | (\$000's) | (\$000's) | (%) |
|--|------------------|-----------------|------------|
| Income Properties | \$ 10,375 | \$ 594 | 6% |
| Interest Income from Commercial Loan Investments | 53 | (221) | -81% |
| Real Estate Operations | 7,511 | 5,015 | 201% |
| Total Revenues | \$ 17,939 | \$ 5,389 | 43% |

The operating results in the 2nd Quarter ended June 30, 2019 benefited from a 13% reduction in general and administrative expenses as noted in the following summary (compared to the same period in 2018):

| | G&A for the Quarter (\$000's) | Increase (Decrease) | |
|--|-------------------------------------|---|-----------------------------------|
| | | Vs. Same Period in 2018 (\$000's) | Vs. Same Period in 2018 (%) |
| General and Administrative Expenses | | | |
| Recurring General and Administrative Expenses | \$ 1,464 | \$ (34) | -2% |
| Non-Cash Stock Compensation | 634 | 124 | 24% |
| Shareholder and Proxy Matter Legal and Related Costs | 21 | (400) | -95% |
| Total General and Administrative Expenses | \$ 2,119 | \$ (310) | -13% |

For the Six-Months ended June 30, 2019 (compared to same period in 2018):

| | For the Six Months | Increase (Decrease) | |
|--------------------------------|-----------------------|---------------------------|----------------------------------|
| | | vs Same Period in 2018 | vs Same Period in 2018 (%) |
| Net Income Per Share (basic) | \$ 3.32 | \$ (1.21) | -27% |
| Operating Income (\$ millions) | \$ 29.2 | \$ (9.8) | -25% |

| Operating Segment | Revenue for the Six Months (\$000's) | Increase (Decrease) | |
|--|--|--|----------------------------------|
| | | vs Same Period in 2018 (\$000's) | vs Same Period in 2018 (%) |
| Income Properties | \$ 21,099 | \$ 2,112 | 11% |
| Interest Income from Commercial Loan Investments | 53 | (522) | -91% |
| Real Estate Operations | 11,046 | (5,439) | -33% |
| Total Revenues | \$ 32,198 | \$ (3,849) | -11% |

The operating results in the Six Months ended June 30, 2019 benefited from an 12% reduction in general and administrative expenses as noted in the following summary (compared to the same period in 2018):

| | G&A for the Six Months (\$000's) | Increase (Decrease) | |
|--|--|---|-----------------------------------|
| | | Vs. Same Period in 2018 (\$000's) | Vs. Same Period in 2018 (%) |
| General and Administrative Expenses | | | |
| Recurring General and Administrative Expenses | \$ 3,082 | \$ (213) | -6% |
| Non-Cash Stock Compensation | 1,445 | 431 | 43% |
| Shareholder and Proxy Matter Legal and Related Costs | 94 | (850) | -90% |
| Total General and Administrative Expenses | \$ 4,621 | \$ (632) | -12% |

2019 Guidance

The following summary provides the Company's guidance for the full year ending December 31, 2019:

| | YTD Q2 2019 Actual | Guidance for FY 2019 |
|---|-----------------------|-------------------------|
| Earnings Per Share (Basic) ⁽¹⁾ ⁽²⁾ | \$0.58 | \$6.75 - \$7.50 |
| Earnings from Dispositions | \$2.74 | \$2.25 - \$2.75 |
| Acquisition of Income-Producing Assets | \$41mm | \$80mm - \$120mm |
| Target Investment Yields (Initial Yield – Unlevered) | 6.60% | 5.75% - 7.25% |
| Disposition of Income-Producing Assets (Sales Value) | \$80mm | \$50mm - \$100mm |
| Target Disposition Yields | 6.19% | 7.50% - 8.50% |
| Land Transactions (Sales Value) | \$11mm | \$50mm - \$70mm |
| Leverage Target (as % of Total Enterprise Value) ⁽³⁾ | 49% | 40% |

- (1) Reaching full year target heavily dependent upon closing of certain land transactions
- (2) Excludes EPS from the disposition of the multi-tenant properties completed year-to-date in 2019.
- (3) Leverage as a percentage of Total Enterprise Value net of cash and 1031 restricted cash was approximately 38.6% as of June 30, 2019.

2nd Quarter Earnings Conference Call & Webcast

The Company will host a conference call to present its operating results for the quarter and six months ended June 30, 2019 on Thursday, July 18, 2019, at 9:00 a.m. eastern time. Shareholders and interested parties may access the earnings call via teleconference or webcast:

Teleconference: USA (Toll Free) 1-888-317-6003
 International 1-412-317-6061
 Canada (Toll Free): 1-866-284-3684

Please dial in at least fifteen minutes prior to the scheduled start time and use the code 489461 when prompted.

A webcast of the call can be accessed at: <http://services.choruscall.com/links/cto190718.html>.

To access the webcast, log on to the web address noted above or go to <http://www.ctlc.com> and log in at the investor relations section. Please log in to the webcast at least ten minutes prior to the scheduled time of the Earnings Call.

About Consolidated-Tomoka Land Co.

Consolidated-Tomoka Land Co. is a Florida-based publicly traded real estate company, which owns, as of July 16, 2019, a portfolio of income investments in diversified markets in the United States including approximately 2.3 million square feet of income properties, as well as more than 5,300 acres of land in the Daytona Beach area. Visit our website at www.ctlc.com.

We encourage you to review our most recent investor presentation for the quarter and six months ended June 30, 2019, and other presentations that are available on our website at www.ctlc.com.

SAFE HARBOR

Certain statements contained in this press release (other than statements of historical fact) are forward-looking statements. Words such as "believe," "estimate," "expect," "intend," "anticipate," "will," "could," "may," "should," "plan," "potential," "predict," "forecast," "project," and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Although forward-looking statements are made based upon management's expectations and beliefs concerning future developments and their potential effect upon the Company, a number of factors could cause the Company's actual results to differ materially from those set forth in the forward-looking statements. Such factors may include the completion of 1031 exchange transactions, the modification of terms of certain land sales agreements, uncertainties associated with obtaining required governmental permits and satisfying other closing conditions, as well as the uncertainties and risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as filed with the Securities and Exchange Commission. There can be no assurance that future developments will be in accordance with management's expectations or that the effect of future developments on the Company will be those anticipated by management.

CONSOLIDATED-TOMOKA LAND CO. CONSOLIDATED BALANCE SHEETS

| | (Unaudited) | |
|--|------------------------------|------------------------------|
| | June 30, | December 31, |
| | 2019 | 2018 |
| | <hr/> | <hr/> |
| ASSETS | | |
| Property, Plant, and Equipment: | | |
| Income Properties, Land, Buildings, and Improvements | \$ 444,194,297 | \$ 392,520,783 |
| Other Furnishings and Equipment | 730,878 | 728,817 |
| Construction in Progress | 61,091 | 19,384 |
| Total Property, Plant, and Equipment | <u>444,986,266</u> | <u>393,268,984</u> |
| Less, Accumulated Depreciation and Amortization | <u>(30,021,894)</u> | <u>(24,518,215)</u> |
| Property, Plant, and Equipment—Net | 414,964,372 | 368,750,769 |
| Land and Development Costs | 22,824,001 | 25,764,633 |
| Intangible Lease Assets—Net | 46,133,215 | 43,555,445 |
| Assets Held for Sale | 4,603,403 | 75,866,510 |
| Investment in Joint Venture | 6,821,449 | 6,788,034 |
| Impact Fee and Mitigation Credits | 447,596 | 462,040 |
| Commercial Loan Investments | 7,847,431 | — |
| Cash and Cash Equivalents | 2,621,257 | 2,310,489 |
| Restricted Cash | 59,035,150 | 19,721,475 |
| Refundable Income Taxes | — | 225,024 |
| Other Assets | 12,225,432 | 12,885,453 |
| Total Assets | <u><u>\$ 577,523,306</u></u> | <u><u>\$ 556,329,872</u></u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Liabilities: | | |
| Accounts Payable | \$ 704,977 | \$ 1,036,547 |
| Accrued and Other Liabilities | 6,047,864 | 5,197,884 |
| Deferred Revenue | 7,303,410 | 7,201,604 |
| Intangible Lease Liabilities—Net | 26,783,537 | 27,390,350 |
| Liabilities Held for Sale | 1,533,155 | 1,347,296 |
| Income Taxes Payable | 28,970 | — |
| Deferred Income Taxes—Net | 58,745,748 | 54,769,907 |

| | | |
|--|-----------------------|-----------------------|
| Long-Term Debt | 278,875,235 | 247,624,811 |
| Total Liabilities | <u>380,022,896</u> | <u>344,568,399</u> |
| Commitments and Contingencies | | |
| Shareholders' Equity: | | |
| Common Stock – 25,000,000 shares authorized; \$1 par value, 6,074,131 shares issued and 4,926,397 shares outstanding at June 30, 2019; 6,052,209 shares issued and 5,436,952 shares outstanding at December 31, 2018 | 6,014,536 | 5,995,257 |
| Treasury Stock – 1,147,734 shares at June 30, 2019; 615,257 shares at December 31, 2018 | (63,441,664) | (32,345,002) |
| Additional Paid-In Capital | 25,450,060 | 24,326,778 |
| Retained Earnings | 229,333,766 | 213,297,897 |
| Accumulated Other Comprehensive Income | 143,712 | 486,543 |
| Total Shareholders' Equity | <u>197,500,410</u> | <u>211,761,473</u> |
| Total Liabilities and Shareholders' Equity | <u>\$ 577,523,306</u> | <u>\$ 556,329,872</u> |

CONSOLIDATED-TOMOKA LAND CO.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Revenues | | | | |
| Income Properties | \$ 10,375,295 | \$ 9,781,299 | \$ 21,099,713 | \$ 18,987,026 |
| Interest Income from Commercial Loan Investments | 52,765 | 273,467 | 52,765 | 574,466 |
| Real Estate Operations | 7,510,771 | 2,495,501 | 11,045,672 | 16,486,018 |
| Total Revenues | <u>17,938,831</u> | <u>12,550,267</u> | <u>32,198,150</u> | <u>36,047,510</u> |
| Direct Cost of Revenues | | | | |
| Income Properties | (1,634,720) | (2,034,889) | (3,567,208) | (3,903,918) |
| Real Estate Operations | (4,480,599) | (875,442) | (6,105,868) | (2,416,276) |
| Total Direct Cost of Revenues | <u>(6,115,319)</u> | <u>(2,910,331)</u> | <u>(9,673,076)</u> | <u>(6,320,194)</u> |
| General and Administrative Expenses | (2,119,176) | (2,429,181) | (4,620,796) | (5,252,729) |
| Depreciation and Amortization | (4,074,587) | (3,755,546) | (7,420,874) | (7,552,369) |
| Total Operating Expenses | <u>(12,309,082)</u> | <u>(9,095,058)</u> | <u>(21,714,746)</u> | <u>(19,125,292)</u> |
| Gain on Disposition of Assets | 11,811,907 | 18,384,808 | 18,681,864 | 22,035,666 |
| Total Operating Income | 17,441,656 | 21,840,017 | 29,165,268 | 38,957,884 |
| Investment and Other Income | 14,560 | 11,892 | 53,315 | 24,204 |
| Interest Expense | (3,042,058) | (2,537,301) | (5,965,287) | (5,098,766) |
| Income from Continuing Operations Before Income Tax Expense | 14,414,158 | 19,314,608 | 23,253,296 | 33,883,322 |
| Income Tax Expense from Continuing Operations | (3,653,288) | (4,896,734) | (5,864,090) | (8,455,333) |
| Net Income from Continuing Operations | 10,760,870 | 14,417,874 | 17,389,206 | 25,427,989 |
| Loss from Discontinued Operations (Net of Income Tax) | (164,072) | (254,966) | (324,309) | (352,782) |
| Net Income | <u>\$ 10,596,798</u> | <u>\$ 14,162,908</u> | <u>\$ 17,064,897</u> | <u>\$ 25,075,207</u> |
| Weighted Average Common Shares Outstanding: | | | | |
| Basic | 4,951,469 | 5,529,360 | 5,147,580 | 5,530,108 |
| Diluted | 4,951,469 | 5,529,360 | 5,147,580 | 5,561,791 |
| Per Share Information: | | | | |
| Basic: | | | | |
| Net Income from Continuing Operations | \$ 2.17 | \$ 2.61 | \$ 3.38 | \$ 4.59 |
| Net Loss from Discontinued Operations (Net of Income Tax) | (0.03) | (0.05) | (0.06) | (0.06) |
| Basic Net Income Per Share | <u>\$ 2.14</u> | <u>\$ 2.56</u> | <u>\$ 3.32</u> | <u>\$ 4.53</u> |
| Diluted: | | | | |
| Net Income from Continuing Operations | \$ 2.17 | \$ 2.61 | \$ 3.38 | \$ 4.57 |
| Net Loss from Discontinued Operations (Net of Income Tax) | (0.03) | (0.05) | (0.06) | (0.06) |
| Diluted Net Income Per Share | <u>\$ 2.14</u> | <u>\$ 2.56</u> | <u>\$ 3.32</u> | <u>\$ 4.51</u> |
| Dividends Declared and Paid | <u>\$ 0.10</u> | <u>\$ 0.06</u> | <u>\$ 0.20</u> | <u>\$ 0.12</u> |

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Source: Consolidated-Tomoka Land Co.