



Consolidated-Tomoka Land Co. Reports Earnings of \$23.03 Per Share for 2019 and \$20.05 Per Share for the Fourth Quarter of 2019, Book Value Increases to \$59.83 Per Share

February 12, 2020

DAYTONA BEACH, Fla., Feb. 12, 2020 (GLOBE NEWSWIRE) -- Consolidated-Tomoka Land Co. (NYSE American: CTO) (the "Company") today announced its operating results and earnings for the quarter and year ended December 31, 2019.

QUARTER HIGHLIGHTS

• Land Holdings

On October 16, 2019, the Company sold a controlling interest in its wholly owned subsidiary that held the approximately 5,300 acres of undeveloped land in Daytona Beach, Florida, to affiliates of Magnetar Capital, LLC ("Magnetar"), for \$97 million. The transaction resulted in a gain of approximately \$78.7 million, or approximately \$12.21 per share, after tax, on the land sale and a gain of approximately \$48.9 million on the Company's retained interest in the resulting land joint venture (the "Land JV"), or approximately \$7.59 per share, after tax.

• Sale of Properties to and Investment in Alpine Income Property Trust, Inc. (NYSE: PINE)

On November 26, 2019, as part of the initial public offering (the "IPO") of Alpine Income Property Trust, Inc. ("Alpine") the Company sold or contributed 20 single-tenant net-leased income properties to Alpine and its operating partnership (the "Alpine OP") for aggregate cash consideration of \$125.9 million for 15 of the properties and an aggregate of 1,223,854 units of the Alpine OP ("OP Units") for 5 of the properties, with the OP Units having an initial value of approximately \$23.3 million, based on Alpine's IPO price, resulting in a gain of approximately \$1.0 million, or approximately \$0.16 per share after tax.

In addition to investing in Alpine by way of receipt of the OP Units, the Company invested \$15.5 million of cash in Alpine at its IPO, receiving 815,790 shares of Alpine's common stock. In aggregate, the Company owns approximately 2.04 million shares of Alpine, or approximately 22.3% of its total shares outstanding.

• Income Property Acquisitions

In two separate transactions, the Company acquired a single-tenant net lease retail property and a multi-tenant retail property for a total investment of approximately \$74.6 million, reflecting a going-in weighted average investment cap rate of approximately 7.57%. The two properties had a weighted average remaining lease term of approximately 9.46 years.

• Sale of Golf Operations

On October 17, 2019, the Company sold its interest in the LPGA golf operations for \$3.45 million resulting in no gain or loss on the transaction. The Company provided the buyer with financing in the form of an approximately \$2.1 million first mortgage loan with an initial term of one year.

• Book Value Per Share

Book value per share totaled \$59.83 as of December 31, 2019, an increase of \$20.88 per share, or approximately 52%, compared to year-end 2018.

• Share Repurchase Program

From September 30, 2019 through December 31, 2019: Repurchased 158,625 shares for approximately \$10 million with an average purchase price of \$63.04 per share. This completed the Company's \$10 million buyback program that was approved in October 2019.

Income Property Update

During the year ended December 31, 2019, the Company acquired eleven (11) income properties for a total of approximately \$164.7 million at a going-in weighted average cap rate of 6.96%, with over 500,000 square feet of rentable space and a weighted average remaining lease term of approximately 16.9 years.

During the year ended December 31, 2019, the Company completed the disposition of twenty-four (24) income properties, including the twenty (20) properties in the transaction with PINE, for an aggregate sales price of approximately \$231.8 million, representing a weighted average cap rate of 7.38% and generating total gains of approximately \$21.8 million, or \$3.22 per share after tax.

The Company's income property portfolio consisted of the following **as of December 31, 2019:**

Property Type	# of Properties	Square Feet	Wtd. Average Years Remaining on Lease
Single-Tenant ⁽¹⁾	29	1,268,809	13.7
Multi-Tenant	5	496,843	6.9
Total / Wtd. Avg.	34	1,765,652	11.8

(1) One of the twenty-nine single-tenant properties is a ground lease with The Carpenter Hotel which includes two tenant repurchase options. Pursuant to FASB ASC Topic 842, Leases, the \$16.25 million investment has been recorded in the accompanying consolidated balance sheet as of December 31, 2019 as a commercial loan investment.

Land Update

During the year ended December 31, 2019, the Company completed six (6) land sales transactions, including the transaction with Magnetar, for total proceeds of approximately \$108 million and a gain recognized on the Company's retained interest in the Land JV, resulting in aggregate gains of approximately \$133 million, or approximately \$20.60 per share after tax.

As a result of the Magnetar transaction, the operations associated with our land holdings were treated as discontinued operations and accordingly the revenues and expenses that had been presented within the Company's real estate operations segment were reclassified in the consolidated statement of operations for the year ended December 31, 2019 and all prior periods presented. In addition, the Company's retained interest in the Land JV represents a notional 33.5% stake in the venture the value of which may be realized in the form of distributions based on the timing and the amount of proceeds achieved when the land is ultimately sold by the Land JV. As of February 12, 2020, the Land JV's pipeline of potential land sales includes 14 contracts representing approximately 4,400 acres and total potential proceeds of approximately \$106.2 million.

Commercial Loan Investment Update

During the year ended December 31, 2019, the Company invested approximately \$18.3 million in three (3) commercial loans, including two mortgage loans, with a weighted average interest rate of 11.3% and a weighted average duration to maturity of approximately 0.5 year. In early 2020, the Company originated a \$3.5 million first mortgage loan on a hotel/restaurant redevelopment in Honolulu, Hawaii, with an interest rate of 11% and a term of 1 year.

Debt Summary

The following table provides a summary of the Company's long-term debt, at face value, as of December 31, 2019:

Component of Long-Term Debt	Principal	Interest Rate	Maturity Date
		30-day LIBOR + 1.35% –	
Revolving Credit Facility	\$159.85 million	1.95	% May 2023
Mortgage Note Payable ⁽¹⁾	\$23.88 million	3.17	% April 2021
Mortgage Note Payable	\$30.00 million	4.33	% October 2034
2020 Convertible Senior Notes ⁽²⁾	\$75.00 million	4.50	% March 2020
Total Debt/Weighted-Average Rate	\$288.73 million	3.82	%

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

²⁾ On February 3, 2020 the Company completed the issuance of a new convertible note issuance of \$75 million with a coupon rate of 3.875% and a maturity of April 15, 2025, of which \$63.3 million of the proceeds were used to exchange or repurchase \$63.3 million of the Company's 2020 Convertible Senior Notes, and the remaining \$11.7 million of proceeds will be used to redeem the remaining 2020 Convertible Senior Notes at maturity on March 15, 2020.

After giving effect to the refinancing of the 2020 Convertible Notes and draws made on the Revolving Credit Facility since December 31, 2019, the Company's total debt outstanding at February 12, 2020, at face value, totaled approximately \$295 million, with a weighted-average interest rate of 3.61% and a weighted-average maturity of 4.5 years.

Balance Sheet Update

Share Repurchase Program:

For the year ended December 31, 2019, the Company repurchased approximately 691,000 shares of our common stock for approximately \$41.1 million, an average purchase price of \$59.46 per share.

OPERATING RESULTS

4th Quarter ended December 31, 2019 (compared to same period in 2018):

		Increase (Decrease)	
	For the Quarter	vs Same Period in 2018	vs Same Period in 2018 (%)
Income from Continuing Operations Per Share (basic)	\$ 0.19	\$ 0.42	183 %
Income from Discontinued Operations Per Share (basic)	\$ 19.86	\$ 17.46	728 %
Net Income Per Share (basic)	\$ 20.05	\$ 17.88	824 %
Operating Income (\$ millions)	\$ 4.08	\$ 1.70	71 %

		Increase (Decrease)	
Operating Segment	Revenue for the Quarter (\$000's)	vs Same Period in 2018 (\$000's)	vs Same Period in 2018 (%)
Income Properties	\$ 10,595	\$ (1,134)	) -10 %

Management Services	304	304	100	%
Commercial Loan Investments	921	921	100	%
Real Estate Operations	143	(168)	) -54	%
Total Revenues	\$ 11,963	\$ (77)	) -1	%

The operating results in the 4th Quarter ended December 31, 2019 were impacted by a 13% increase 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	\$ 2,308	\$ (168)	) -8	%
Non-Cash Stock Compensation	629	(164)	) -35	%
Total General and Administrative Expenses	\$ 2,937	\$ (332)	) -13	%

For the ~~Year ended~~ December 31, 2019 (compared to same period in 2018):

	For the Year	Increase (Decrease) vs Same Period in 2018	vs Same Period in 2018 (%)	
Income from Continuing Operations Per Share (basic)	\$ 3.32	\$ 0.60	22	%
Income from Discontinued Operations Per Share (basic)	\$ 19.71	\$ 15.67	388	%
Net Income Per Share (basic)	\$ 23.03	\$ 16.27	241	%
Operating Income (\$ millions)	\$ 34.2	\$ 2.8	9	%

Operating Segment	Revenue for the Year (\$000's)	Increase (Decrease) vs Same Period in 2018 (\$000's)	vs Same Period in 2018 (%)	
Income Properties	\$ 41,956	\$ 1,880	5	%
Management Services	304	304	100	%
Commercial Loan Investments	1,829	1,213	197	%
Real Estate Operations	852	(2,114)	) -71	%
Total Revenues	\$ 44,941	\$ 1,283	3	%

	G&A for the Year (\$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	\$ 6,668	\$ (149)	) -2	%
Non-Cash Stock Compensation	2,688	(765)	) -40	%
Shareholder/ Proxy Matter and Alpine Costs	462	881	65	%
Total General and Administrative Expenses	\$ 9,818	\$ (33)	) 0	%

2019 Guidance

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

	FY 2019 Actual	Guidance for FY 2019
Earnings Per Share (Basic) ⁽¹⁾	\$19.96	\$6.75 - \$7.50
Earnings from Dispositions	\$3.07	\$2.25 - \$2.75
Total Earnings Per Share (Basic)	\$23.03	\$9.00 - \$10.25
Acquisition of Income-Producing Assets	\$164.7mm	\$80mm - \$120mm
Target Investment Yields (Initial Yield – Unlevered)	6.96%	5.75% - 7.25%
Disposition of Income-Producing Assets (Sales Value)	\$231.8mm	\$50mm - \$100mm
Target Disposition Yields	7.38%	7.50% - 8.50%
Land Transactions (Sales Value)	\$108mm	\$50mm - \$70mm
Leverage Target (as % of Total Enterprise Value) ⁽²⁾	27%	40%

(1) Excludes EPS from the disposition of the multi-tenant properties completed in FY 2019

(2) Net of cash and restricted cash related to 1031 like-kind exchange transactions

2020 Guidance

The following summary provides the Company's guidance for the full year ending December 31, 2020:

Acquisition of Income-Producing Assets	\$160mm - \$210mm
Target Investment Yields (Initial Yield – Unlevered)	6.25% - 7.25%
Disposition of Income-Producing Assets (Sales Value)	\$40mm - \$60mm
Target Disposition Yields	6.50% - 7.50%
Leverage Target (as % of Total Enterprise Value)	40% - 50%

Guidance is based on current plans and assumptions and is subject to risks and uncertainties more fully described in the Company's filings with the Securities and Exchange Commission.

Significant Events Subsequent to December 31, 2019

- **Income Property Acquisition.** On January 24, 2020, the Company acquired the Crossroads Towne Center ("Crossroads"), a multi-tenant retail center in Chandler, Arizona, in the Phoenix Arizona MSA, for approximately \$61.8 million, representing a going-in cap rate of approximately 7.85%. Crossroads is 99% occupied and anchored by two properties not acquired in the transaction, Home Depot and Wal-Mart, as well as, a 12-screen Harkins Theatre and Bob's Discount Furniture. The other 30 tenants at Crossroads include Chick-fil-A, JP Morgan Chase and Olive Garden, and the weighted average remaining lease term for all the leases is approximately 5 years.
- **Refinancing of 4.5% Convertible Notes due March 2020.** On February 3, 2020, the Company completed a new convertible note issuance of \$75 million (the "2025 Notes") with a coupon rate of 3.875% and a maturity of April 15, 2025, which resulted in the Company utilizing approximately \$63.3 million of the proceeds from the 2025 Notes issuance to exchange or repurchase \$63.3 million of the 2020 Convertible Senior Notes and providing the remaining \$11.7 million necessary to redeem the \$11.7 million of 2020 Convertible Senior Notes at maturity on March 15, 2020.

First Quarter 2020 Dividend and New Buyback Program

- The Company's Board of Directors (the "Board") declared a quarterly dividend of \$0.25 per share payable on February 28, 2020, to shareholders of record on February 24, 2020, an increase of approximately 92% from the dividend paid in the fourth quarter of 2019.
- The Company's Board also approved a new \$10 million buyback program.

Evaluation of REIT Conversion

Given the Company's growth in income property investments and divestiture of its majority interest in its land holdings, the Company will evaluate a potential REIT conversion. There is no definitive timeline for this evaluation and any such decision would require a shareholder vote at a meeting of the Company's shareholders.

Comments from CEO John P. Albright

John P. Albright, President and Chief Executive Officer of Consolidated-Tomoka Land Co. stated, "2019 was a transformative year for the Company, as we unlocked value and monetized the controlling stake in our land interests to a joint venture, created an externally managed publicly-traded single-tenant net lease REIT (Alpine), and expanded and diversified our various income streams to create a strong cash flow oriented company with a profile for a high growth rate." Mr. Albright continued, "We look forward to continuing to grow our enterprise value and earnings in the years to come, with a consistent focus on delivering shareholder value." In closing Mr. Albright noted, "In light of our transformative transaction involving our remaining land holdings we will be asking our shareholders at the 2020 annual meeting to approve a change in our name to CTO Realty Growth Inc., to better align our name with our strategy going forward."

4th Quarter Earnings Conference Call & Webcast

The Company will host a conference call to present its operating results for the quarter and year ended December 31, 2019 tomorrow, Wednesday, February 13, 2020, 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 0909159 when prompted.

A webcast of the call can be accessed at: <http://services.choruscall.com/links/cto190206.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 income properties comprised of approximately 2.0

million square feet in diversified markets in the United States and an approximately 22% interest in Alpine Income Property Trust, Inc., a publicly traded net lease real estate investment trust (NYSE: PINE). Visit our website at www.ctlc.com.

We encourage you to review our most recent investor presentation for the quarter and year ended December 31, 2019, 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 are intended to identify certain of such forward-looking statements, which speak only as of the dates on which they were made, although not all forward-looking statements contain such words. 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 availability of investment properties that meet the Company’s investment goals and criteria, the modification of terms of certain agreements pertaining to the acquisition of income producing assets, uncertainties associated with obtaining required governmental permits and satisfying other closing conditions for planned acquisitions and sales, 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. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release.

CONSOLIDATED-TOMOKA LAND CO. CONSOLIDATED BALANCE SHEETS

	(Unaudited) December 31, 2019	December 31, 2018
ASSETS		
Property, Plant, and Equipment:		
Income Properties, Land, Buildings, and Improvements	\$ 392,841,899	\$ 392,520,783
Other Furnishings and Equipment	733,165	728,817
Construction in Progress	24,788	19,384
Total Property, Plant, and Equipment	393,599,852	393,268,984
Less, Accumulated Depreciation and Amortization	(23,008,382)	(24,518,215)
Property, Plant, and Equipment—Net	370,591,470	368,750,769
Land and Development Costs	6,732,291	25,764,633
Intangible Lease Assets—Net	49,022,178	43,555,445
Assets Held for Sale	—	75,866,510
Investment in Joint Ventures	55,736,668	6,788,034
Investment in Alpine Income Property Trust Inc.	38,814,425	—
Mitigation Credits	2,322,596	462,040
Commercial Loan Investments	34,625,173	—
Cash and Cash Equivalents	6,474,637	2,310,489
Restricted Cash	129,263,216	19,721,475
Refundable Income Taxes	—	225,024
Other Assets	9,703,549	12,885,453
Total Assets	\$ 703,286,203	\$ 556,329,872
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts Payable	\$ 1,385,739	\$ 1,036,547
Accrued and Other Liabilities	5,687,192	5,197,884
Deferred Revenue	6,662,040	7,201,604
Intangible Lease Liabilities—Net	26,198,248	27,390,350
Liabilities Held for Sale	—	1,347,296
Income Taxes Payable	439,086	—
Deferred Income Taxes—Net	90,282,173	54,769,907
Long-Term Debt	287,218,303	247,624,811
Total Liabilities	417,872,781	344,568,399
Commitments and Contingencies		
Shareholders' Equity:		
Shareholders' Equity:		
Common Stock – 25,000,000 shares authorized; \$1 par value, 6,076,813 shares issued and 4,770,454 shares outstanding at December 31, 2019; 6,052,209 shares issued and 5,436,952 shares outstanding at December 31, 2018	6,017,218	5,995,257
Treasury Stock – 1,306,359 shares at December 31, 2019 and 615,257 shares at December 31, 2018	(73,440,714)	(32,345,002)

Additional Paid-In Capital	26,689,795	24,326,778
Retained Earnings	326,073,199	213,297,897
Accumulated Other Comprehensive Income	73,924	486,543
Total Shareholders' Equity	285,413,422	211,761,473
Total Liabilities and Shareholders' Equity	\$ 703,286,203	\$ 556,329,872

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

	Three Months Ended		Year Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Revenues				
Income Properties	\$ 10,594,870	\$ 11,728,550	\$ 41,955,414	\$ 40,075,731
Management Services	304,553	—	304,553	—
Commercial Loan Investments	920,691	—	1,829,015	615,728
Real Estate Operations	143,003	311,624	852,264	2,966,429
Total Revenues	11,963,117	12,040,174	44,941,246	43,657,888
Direct Cost of Revenues				
Income Properties	(1,956,505)	(2,492,325)	(7,000,001)	(8,170,083)
Real Estate Operations	(9,886)	(107,444)	(104,666)	(591,379)
Total Direct Cost of Revenues	(1,966,391)	(2,599,769)	(7,104,667)	(8,761,462)
General and Administrative Expenses	(2,936,551)	(2,604,633)	(9,818,075)	(9,785,370)
Depreciation and Amortization	(4,089,568)	(4,452,647)	(15,797,278)	(15,761,523)
Total Operating Expenses	(8,992,510)	(9,657,049)	(32,720,020)	(34,308,355)
Gain on Disposition of Assets	1,108,269	—	21,977,465	22,035,666
Operating Income	4,078,876	2,383,125	34,198,691	31,385,199
Investment Income	258,480	13,838	344,843	52,221
Interest Expense	(3,246,867)	(2,979,364)	(12,466,062)	(10,423,286)
Income (Loss) from Continuing Operations Before Income Tax Expense	1,090,489	(582,401)	22,077,472	21,014,134
Income Tax Expense from Continuing Operations	(182,594)	(641,518)	(5,472,178)	(6,025,148)
Net Income (Loss) from Continuing Operations	\$ 907,895	\$ (1,223,919)	\$ 16,605,294	\$ 14,988,986
Income from Discontinued Operations (Net of Income Tax)	95,514,044	13,020,331	98,367,564	22,178,805
Net Income	\$ 96,421,939	\$ 11,796,412	\$ 114,972,858	\$ 37,167,791
Weighted Average Common Shares Outstanding:				
Basic	4,808,417	5,432,889	4,991,656	5,495,792
Diluted	4,811,765	5,432,889	4,998,043	5,529,321
Per Share Information:				
Income (Loss) from Continuing Operations	\$ 0.19	\$ (0.23)	\$ 3.32	\$ 2.72
Income from Discontinued Operations	19.86	2.40	19.71	4.04
Basic Net Income Per Share	\$ 20.05	\$ 2.17	\$ 23.03	\$ 6.76
Income (Loss) from Continuing Operations	\$ 0.19	\$ (0.23)	\$ 3.32	\$ 2.71
Income from Discontinued Operations	19.85	2.40	19.68	4.01
Diluted Net Income Per Share	\$ 20.04	\$ 2.17	\$ 23.00	\$ 6.72
Dividends Declared and Paid	\$ 0.13	\$ 0.08	\$ 0.44	\$ 0.27

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Source: Consolidated-Tomoka Land Co.