

2016



FRP Holdings, Inc.
Annual Shareholder Meeting
February 1, 2017

A Real Estate Company



~FPR Holdings, Inc. Balance Sheet Excerpts~

(in thousands)

	<u>12/31/2016</u>	<u>9/30/2016</u>
Assets:		
Net Investment in properties	\$ 224,247	220,616
Real estate held for investment, at cost	7,176	7,176
Investment in Joint Ventures	22,901	23,854
Net real estate investments	254,324	251,646
 Total Assets	 \$ 267,404	 265,676
 Total Liabilities	 \$ 68,584	 69,577
Total Shareholders' Equity	\$ 198,820	196,099
Total Liabilities and Shareholders' Equity	\$ 267,404	265,676



~Comparative Results of Operations~

Fiscal Year 2016 versus 2015

	Fiscal Years Ended Sept 30			
	2016	2015	Change	%
Revenues:				
Rental Revenue	\$ 24,457	23,410	1,047	4.5%
Royalty and Rents	7,443	5,999	1,444	24.1%
Revenue – Reimbursements	5,557	5,237	320	6.1%
Total Revenues	37,457	34,646	2,811	8.1%
Cost of operations				
Depreciation/ Depletion/ Amortization	8,051	7,378	673	9.1%
Operating Expenses	4,624	4,609	15	0.3%
Environmental Remediation Expense (Recovery)	(1,000)	-	(1,000)	
Property Taxes	4,475	4,443	32	0.7%
Management Company Indirect	1,844	1,647	197	12.0%
Corporate Expenses	3,080	4,388	(1,308)	(29.8%)
Total Cost of Operations	21,074	22,465	(1,391)	(6.2%)
Total Operating Profit	16,383	12,181	4,202	34.5%
Interest Income and Other	2	-	2	
Interest Expense	(1,561)	(2,014)	453	(22.5%)
Equity in Loss of Joint Ventures	(978)	(145)	(833)	574.5%
Gain (Loss) on Investment Land Sold	6,029	(34)	6,063	
Income from Continuing Operations				
Before Income Tax	19,875	9,988	9,887	99.0%
Provision for Income Taxes	7,851	3,895	3,956	101.6%
Income from Continuing Operations	12,024	6,093	5,931	97.3%
Gain from Discontinued Transportation Operations, Net of Taxes	-	2,179	(2,179)	(100.0%)
Net Income	\$ 12,024	8,272	3,752	45.4%



~Comparative Results of Operations~

Three Months Ended Dec. 31, 2016 versus 2015

	Three Months Ended December 31			
	2016	2015	Change	%
Revenues:				
Rental Revenue	\$ 6,328	6,027	301	5.0%
Royalty and Rents	1,857	1,638	219	13.4%
Revenue – Reimbursements	1,327	1,158	169	14.6%
Total Revenues	9,512	8,823	689	7.8%
Cost of operations				
Depreciation/ Depletion/ Amortization	2,095	1,896	199	10.5%
Operating Expenses	994	973	21	2.2%
Environmental Remediation Expense (Recovery)	-	(3,000)	3,000	-
Property Taxes	1,089	1,118	(29)	(2.6%)
Management Company Indirect	475	504	(29)	(5.8%)
Corporate Expenses	855	732	123	16.8%
Total Cost of Operations	5,508	2,223	3,285	147.8%
Total Operating Profit	4,004	6,600	(2,596)	(39.3%)
Interest Income and Other	-	1	(1)	-
Interest Expense	(306)	(481)	175	(36.4%)
Equity in Loss of Joint Ventures	(1,119)	(54)	(1,065)	1972.2%
Gain (Loss) on Investment Land Sold	-	6,286	(6,286)	(100.0%)
Income Before Income Tax	2,579	12,352	(9,773)	(79.1%)
Provision for Income Taxes	897	4,879	(3,982)	(81.6%)
Net Income	\$ 1,682	7,473	(5,791)	(77.5%)



~Financing Summary~

As of 12/31/2016

REVOLVING CAPITAL FINANCING

Lender	Rate	Total Borrowing Capacity	Amount Drawn	Amount Outstanding on Letters of Credit	Available for Borrowing
Wells Fargo	LIBOR*+1.4%	\$20,000,000	\$6,441,000	\$2,442,000	\$11,117,000
First Tennessee	LIBOR*+1.9%	\$20,000,000	\$224,000	\$0	\$19,776,000
TOTAL		\$40,000,000	\$6,665,000	\$2,442,000	\$30,893,000

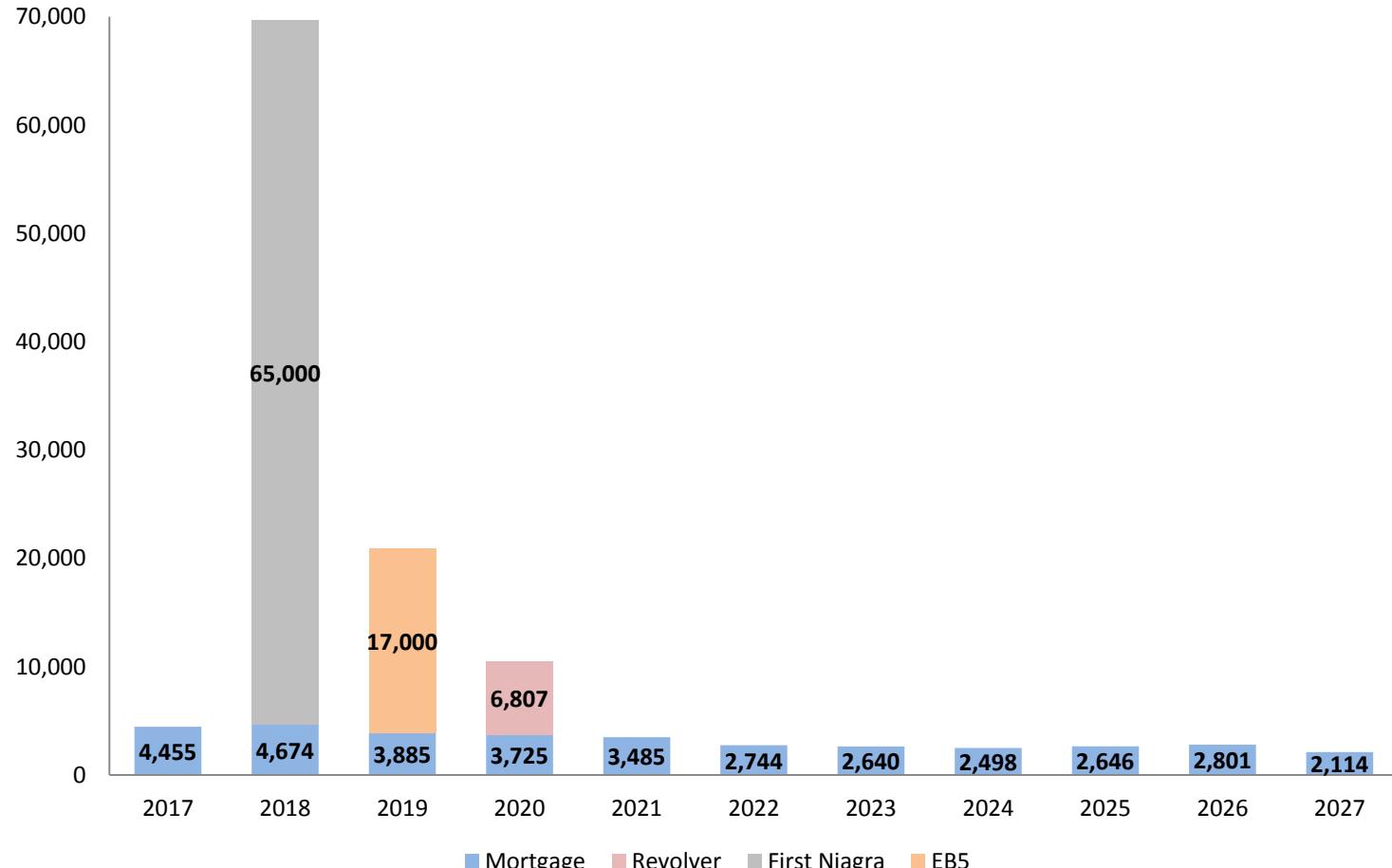
* As of 1/27/17 = .78%

MORTGAGE CAPITAL FINANCING

Lender	Rate	Current Portion	Long Term Portion	Total
Multiple	5.6%-7.9%	\$4,526,000	\$30,398,000	\$34,924,000

~Debt Maturity Schedule~

(\$ Thousands)



■ Mortgage ■ Revolver ■ First Niagra ■ EB5



~Year-End Actions~

TO ENABLE OPTION TO ELECT REIT STATUS

- A. Changed fiscal year to Calendar Year beginning 1/1/17;
- B. Created Subsidiary (“Sub”) to hold aggregate reserves;
- C. Fee interest in mining properties and portion of tenant payments attributable to ground rents remain with Florida Rock Properties;
- D. “Sub” will receive and hold all tenant payments in excess of ground rents and pay to parent only such portion of the payments as equals the depletion allowance; and
- E. In the event of a REIT Election, the “Sub” will pay corporate income taxes on its income and retain its after-tax earnings.



~Other Metrics~

<u>Year over Year</u>		<u>Sept. 30, 2016</u>	<u>Sept. 30, 2015</u>
Credit Lines:	↓	Unused \$30.8M	Unused \$28.9M
Mortgage Balances:	↓	\$36M	\$40.1M
Cap Ex:	↑	\$27.5M	\$6.1M
Cash Provided by Operating Activities:	↑	\$19.5M	\$17.2M
Unencumbered NOI:	↑	\$9.0M 20* (# Bldgs.)	\$8.1M 18 (# Bldgs.)



~Other Metrics~

Capital Expenditure Summary FY16

- Asset Management: \$20.6M
- Land Development: \$6.6M
- Mining & Royalty: \$.205M

Total: \$27.5M



~Highlights of Fiscal 2016~

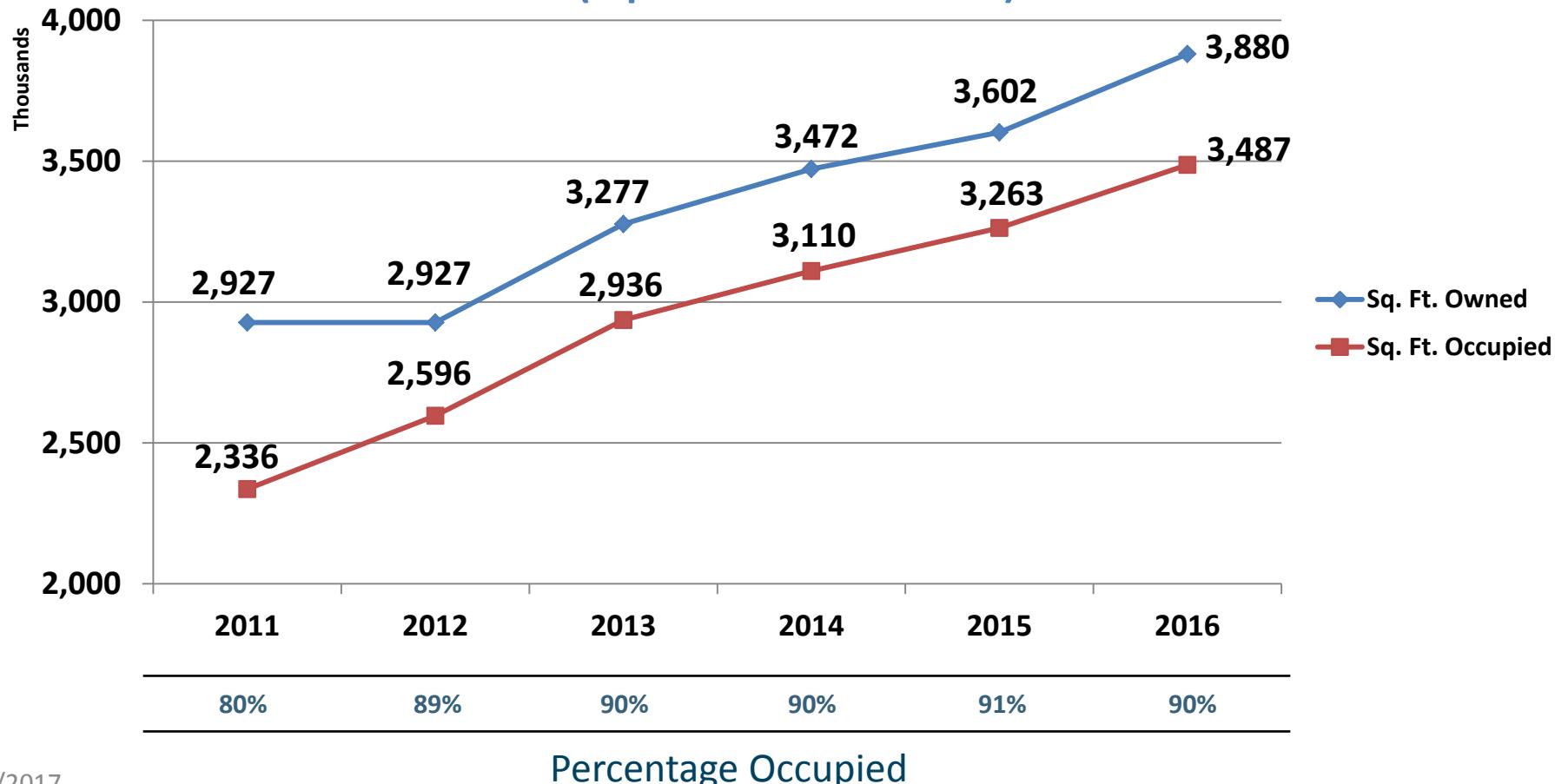
Asset Management

<u>Year Over Year</u>		<u>Sept. 30, 2016</u>	<u>Sept. 30, 2015</u>
Portfolio Square Feet	↑ 7.7%	3,880,365	3,602,159
Average Annual Occupancy Rate	↓ 100 BPS	89.8%	90.8%
Average Annual Occupied Square Feet	↑ 3.6%	3,378,300	3,261,879
Net Operating Income (NOI)	↑ 4.3%	\$21,944,000	\$21,043,000

Building Platform

Square Feet Owned/Tenant Occupancy

(Sq. Ft. shown in 000's)





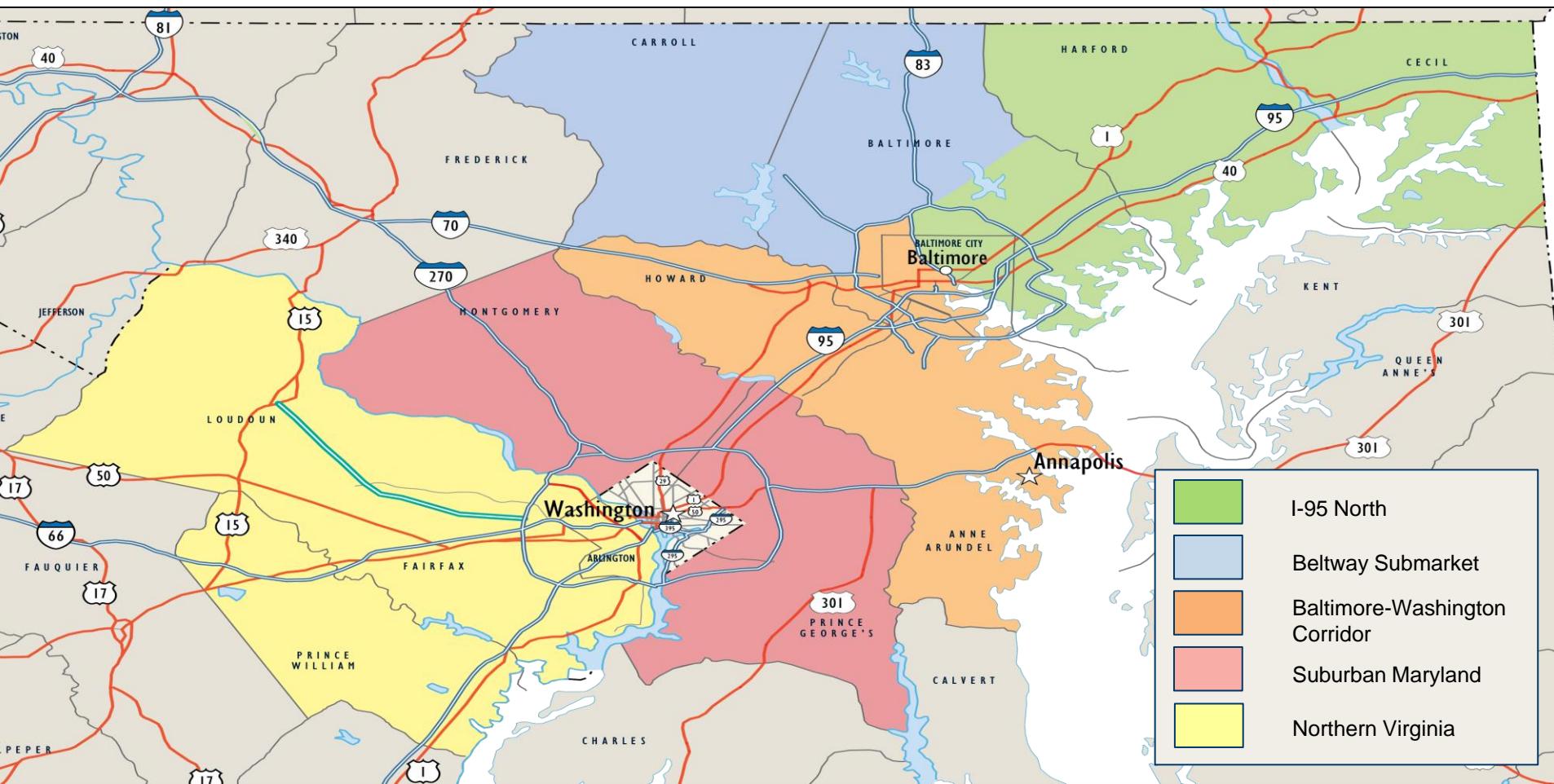
~Highlights of Fiscal 2016~

Asset Management

- Leased / Renewed 679,792 SF
 - 376,262 SF New Leases/Expansions
 - 150,412 SF Renewals
 - 153,118 SF Temp.
- 21 deals generates >\$24.5M in lease revenue (65 months avg.)
- Success Rate 65%



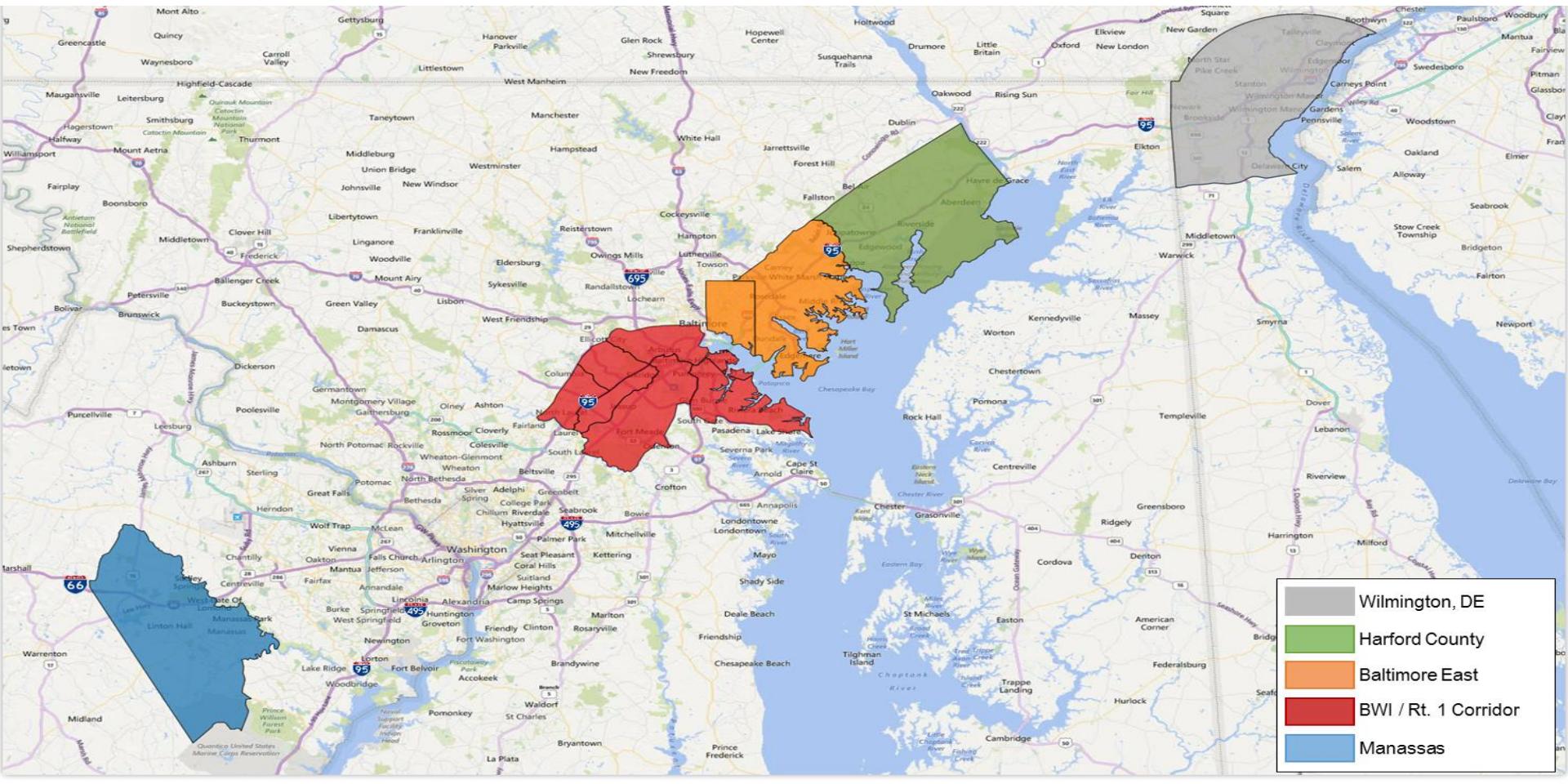
Baltimore-Washington Industrial Market Place: 250,000,000 Sq. Ft.



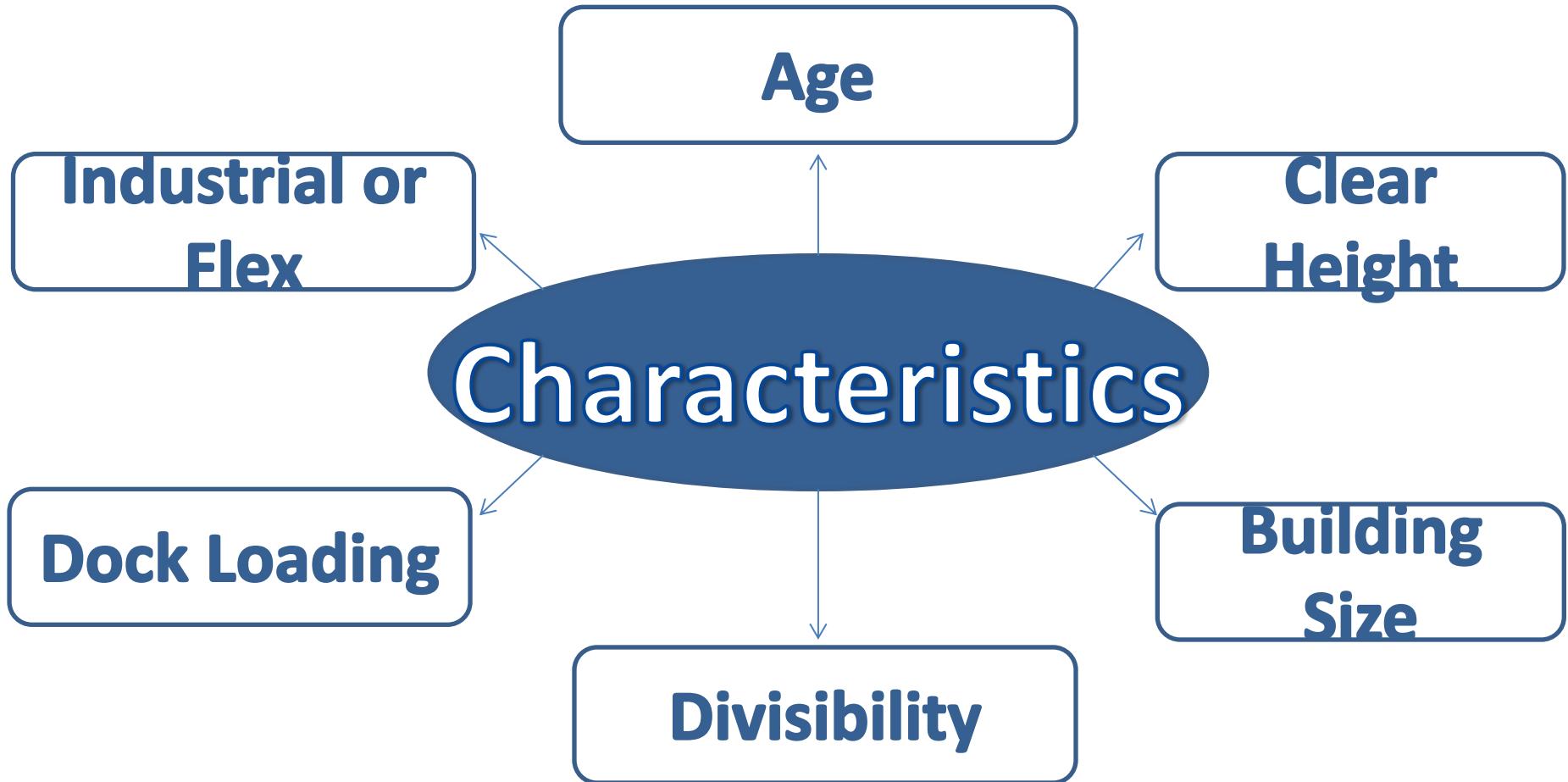


Peer Group Market Place

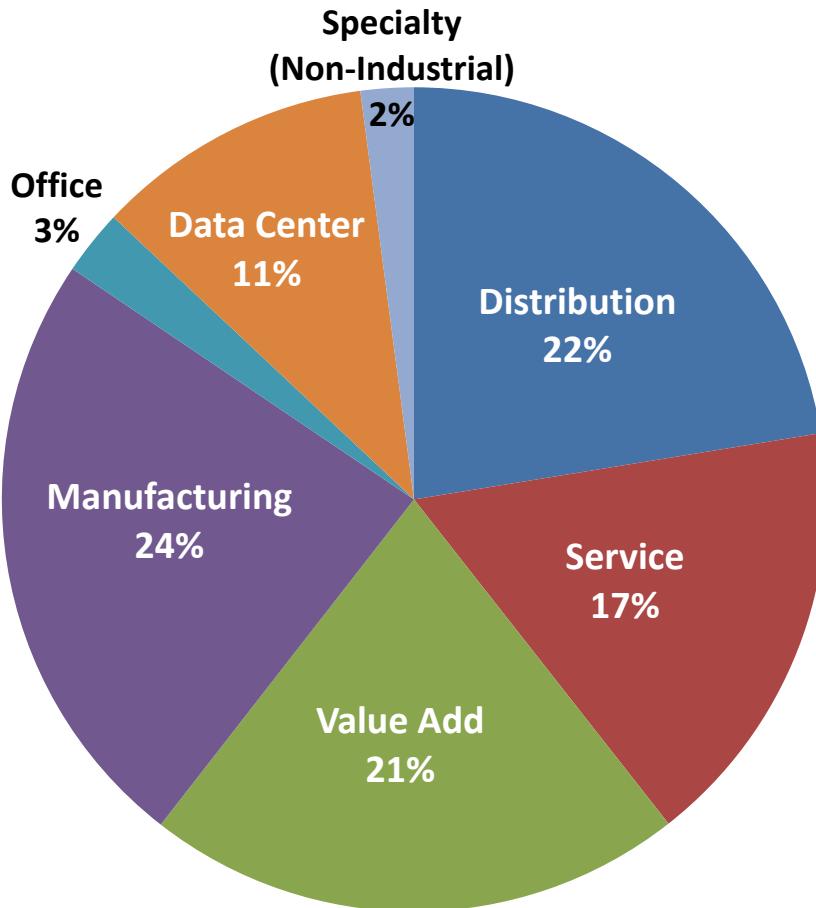
Competitive Set: 72,000,000 Sq. Ft.



~Competitive Set Definition~



~Tenant Mix~





Peer Group Market Comparison

FRP Market Set: 5.4%

As of September 30, 2016
(Sq. Ft. shown in 000's)

	Total SF	% Occupied	% Leased
FRP Total Portfolio 42 Buildings:	3,880	89.9%	95.9%
Competitive Set 653 Buildings:	72,000	89.3%	
Variance:		+0.6%	



~Highlights of Fiscal 2016~

Mining and Royalty (Amounts shown in 000's)

<u>Year Over Year</u>		<u>Sept. 30, 2016</u>	<u>Sept. 30, 2015</u>
Revenues:	↑ 24%	\$7,533	\$6,094
Tonnage:	↑ 13.5%	6,944 Tons	6,116 Tons
Operating Profit:	↑ 64%	\$6,798	\$4,156

~Mining and Royalty Platform~





~Highlights of Fiscal 2016~

Land Development and Construction

- Hollander Spec: 79,550 SF Delivered 3rd QTR of 2016: 100% leased
- Dock '79: Delivered 4th QTR: 50% leased
- Patriot Spec: 104,000 SF Commenced 3rd QTR: 82% pre-leased
- Purchased Gilroy Facility: 100% leased

~Hollander Business Park~

- 79,550 SF Spec
- Delivered Spring 2016



~RiverFront on the Anacostia~

- Dock '79 October 2016 – 50% leased



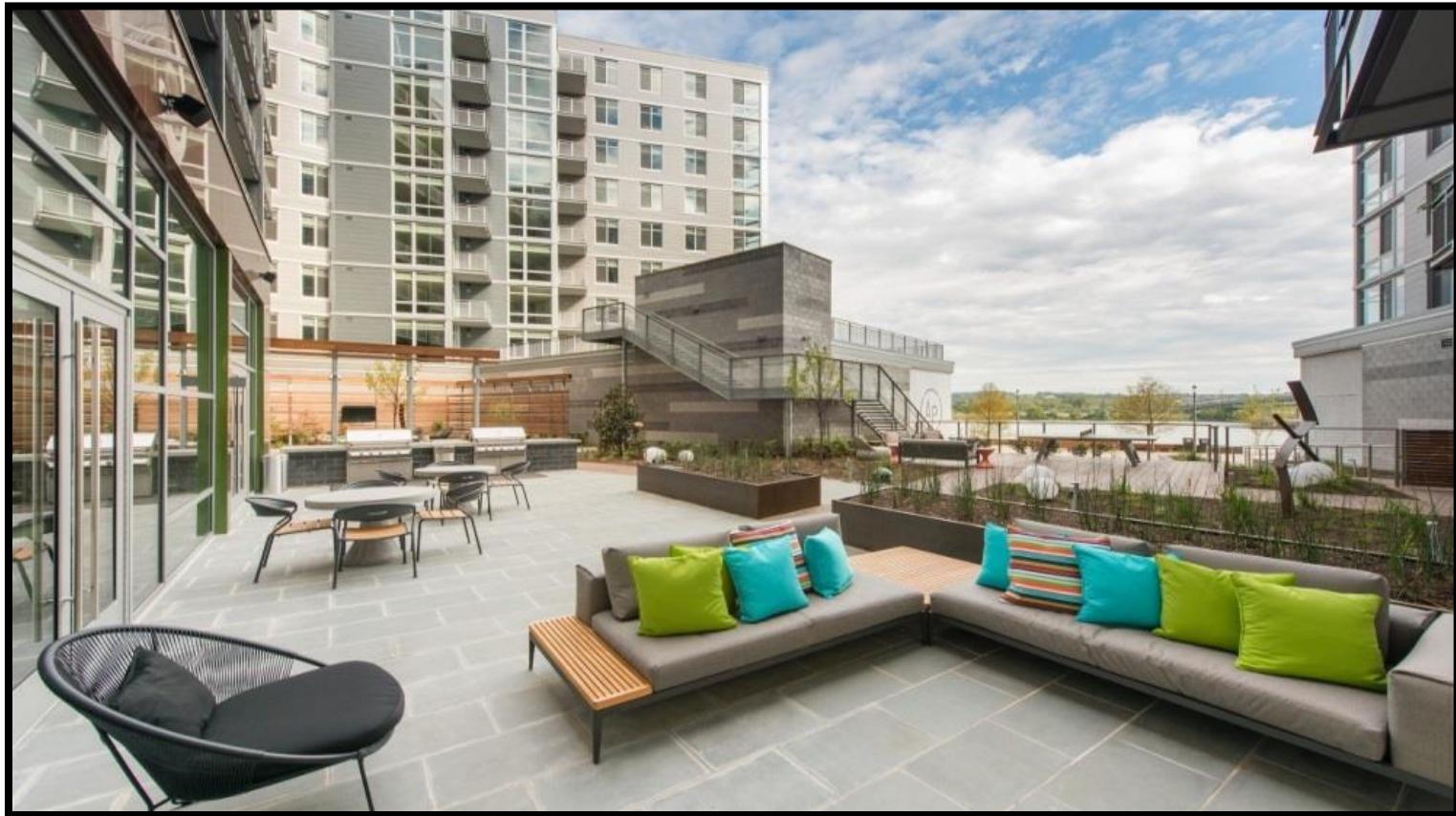
~RiverFront on the Anacostia~

- Dock '79 - Lobby

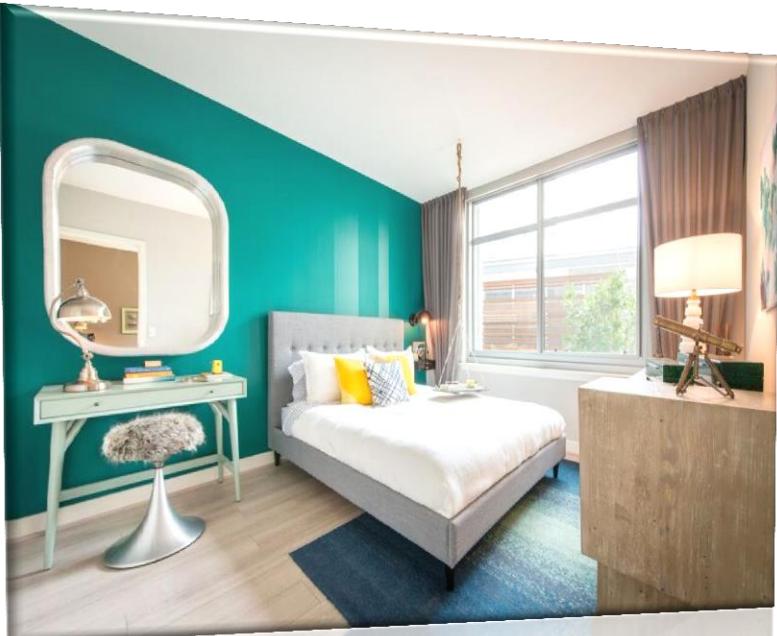


~RiverFront on the Anacostia~

- Dock '79 - Patio



~RiverFront on the Anacostia~



Dock '79 - Unit



~RiverFront on the Anacostia~



Dock '79 - Recreation



~Patriot Business Park~

- 104,000 SF Spec
- Deliver Spring 2017



- Before



- After





~Additional Highlights of Fiscal 2016~

Land Development and Construction

- Joint Venture with St. John Properties
- Rezoned Hampstead to residential
- Commenced construction of bulkhead at 664E

~St. John Joint Venture~

- 329,000 SF Spec Office
- Commence Spring 2017



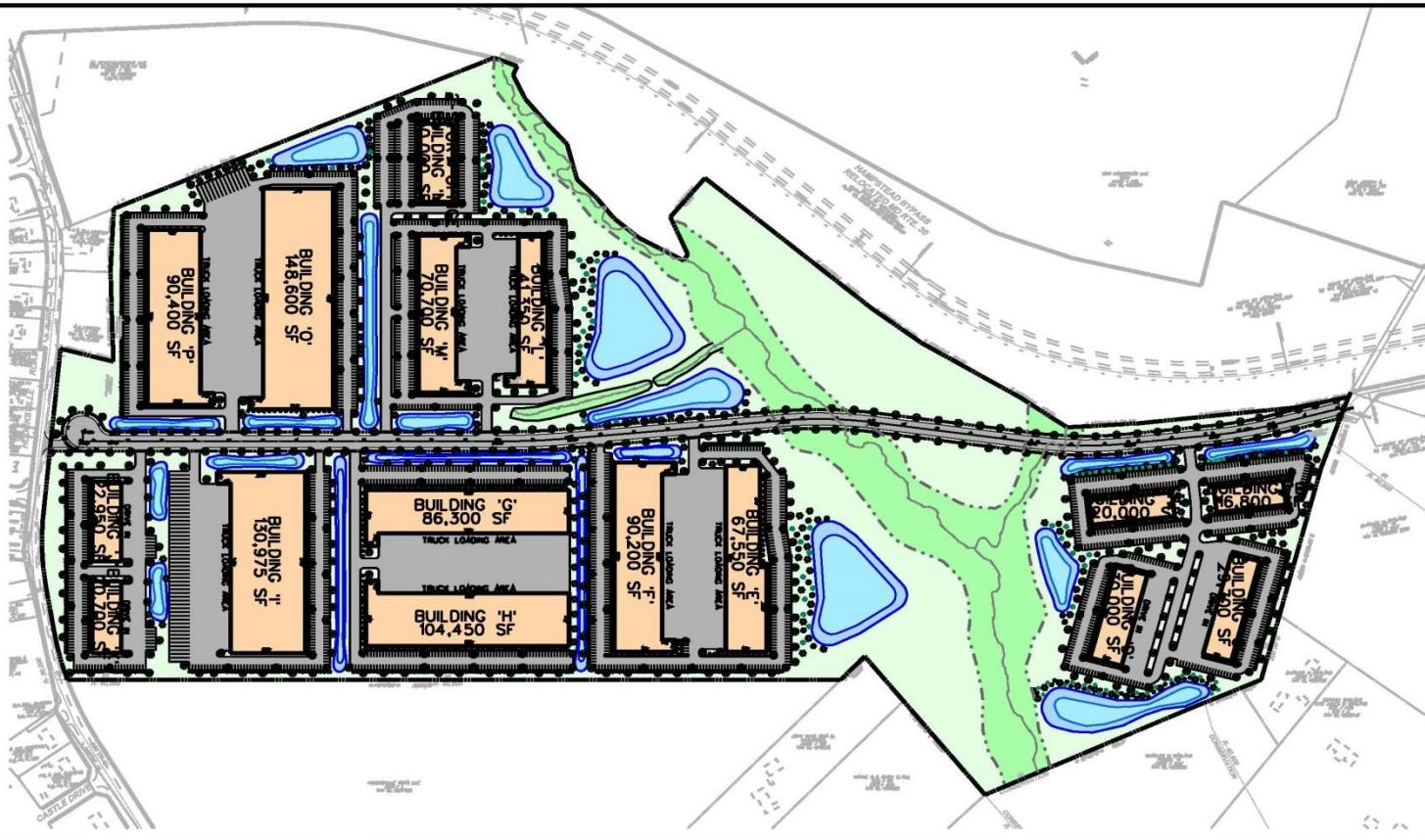
~St. John Joint Venture~

- Typical Office Building (Single Story)



~Hampstead~

- Industrial Plan



~Hampstead~

- Residential Plan



~RiverFront on the Anacostia~

- Bulkhead at 664E

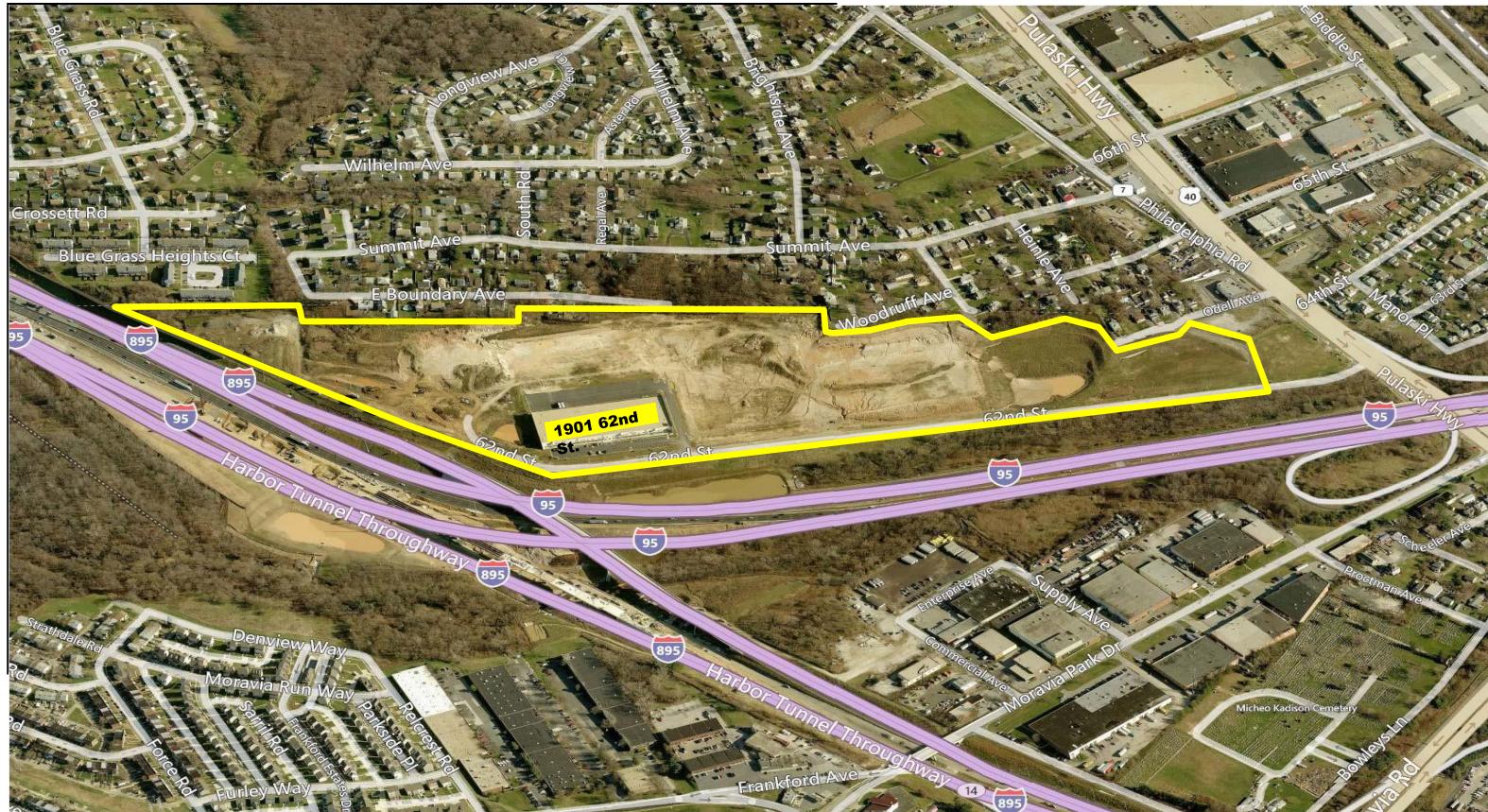


Summary of Conversion of Non-Income Producing Assets

- Through development or sale, over the past 6 years converted 176 acres into 766,216 SF of income producing properties with FY16 Rental Revenue of \$5.5M
- Sold 1,844 acres of excess mining lands (Caroline County, VA) and used the proceeds to acquire the 42 acre Hollander Business Park, inclusive of an 80,000 SF warehouse, in a Section 1031 exchange
- Phase I Dock '79: 25% of our 5.8 acres 1.1M SF mixed use development (concrete site to mixed use)

~Hollander Business Park~

- 42 Acres in 2011



~Hollander Business Park~

- Today



~Patriot Business Park~

- 78 Acres in 2011



~Patriot Business Park~

- Today



~RiverFront on the Anacostia~

- Phase I (Dock '79) – October 2014



~RiverFront on the Anacostia~

- Dock '79 Today



~RiverFront on the Anacostia~

- Dock '79 Today



~RiverFront on the Anacostia~



12/10/16

~RiverFront on the Anacostia~

- Commenced construction of bulkhead at 664E



~Port Capital Center~

- 91,218 SF
- Warehouse/Office



- Hanover, MD



~Non-Income Producing Inventory~

Developed Lots for Warehouse Construction

Location	Acreage	Proposed SF +/-	Status
Lakeside (remainder)	20	286,500	2 lots ready for building construction
Hollander 95 (remainder)	33	319,950	4 lots ready for building construction
Patriot: 7780 Doane Dr	7	103,448	Under Construction
Patriot (remainder)	18	99,000	1 lot ready for building construction
Total:	78	808,898	----



~Non-Income Producing Inventory~

Entitled Lots for Commercial Development

Location	Acreage	Proposed SF +/-	Zoning
Windlass JV	25	329,000	Office
Anacostia II-IV	4	800,000	Mixed Use
Brooksville JV	4,280	N/A	PUD

Pre-Development Properties

Location	Acreage	Proposed SF +/-	Status
Hampstead	73	TBD	Residential

~RiverFront on the Anacostia~

- Potomac 71 – Phase II



~RiverFront on the Anacostia~

- Potomac 71 – Phase II River View



~RiverFront on the Anacostia~

- Potomac 71 – Phase II Potomac Ave View



INFORMATION REGARDING NON-GAAP MEASURES

The Company utilizes net operating income (NOI) as one measure of the operating performance of our building portfolio. Net operating income is not a measure of financial or operating performance that is specifically defined by generally accepted accounting principles (GAAP) in the United States. We believe NOI provides investors with additional information concerning our operating performance and a basis to compare our performance with those of other similar companies. Our computation of these non-GAAP measures may not be the same as similar measures reported by other companies. This non-GAAP financial measures should not be considered as an alternative to net income as a measure of our operating performance or to cash flows computed in accordance with GAAP as a measure of liquidity nor is it indicative of cash flows from operating and financial activities. Reconciliations of NOI to the most directly comparable GAAP measure are provided on the following slides.



Net Operating Income Reconciliation

Year ended 9/30/16 (in thousands)

	Asset Management Segment	Land Development Segment	Mining Royalties Segment	Unallocated Corporate Expenses	FRP Holdings
Income from continuing operations	6,188	1,738	4,098	—	12,024
Income Tax Allocation	4,041	1,134	2,676	—	7,851
Inc. from continuing operations before income taxes	10,229	2,872	6,774	—	19,875
Less:					
Gains on investment land sold	8	6,006			
Lease intangible rents	27	—			
Other income	—	2			
Plus:					
Unrealized rents	95	—			
Equity in loss of Joint Venture	—	938			
Interest Expense	1,562	—			
Depreciation/Amortization	7,689	258			
Management Co. Indirect	813	1,031			
Allocated Corporate Expenses	1,591	1,257			
Net Operating Income	21,944	348			



Net Operating Income Reconciliation

Year ended 9/30/15 (in thousands)

	Asset Management Segment	Land Development Segment	Mining Royalties Segment	Unallocated Corporate Expenses	FRP Holdings Totals
Income from continuing operations	6,146	(1,874)	2,480	(659)	6,093
Income Tax Allocation	3,930	(1,199)	1,586	(422)	3,895
Inc. from continuing operations before income taxes	10,076	(3,073)	4,066	(1,081)	9,988
Less:					
Lease intangible rents	53	—			
Plus:					
Loss on investment land sold	—	34			
Unrealized rents	110	—			
Equity in loss of Joint Venture	—	105			
Interest Expense	1,964	—			
Depreciation/Amortization	6,963	282			
Management Co. Indirect	735	912			
Allocated Corporate Expenses	1,248	737			
Net Operating Income (loss)	21,043	(1,003)			

~Officers~

John D. Baker, II

Executive Chairman

Thompson S. Baker, II

Chief Executive Officer

John D. Milton, Jr.

*Executive Vice President, Treasurer,
Secretary and Chief Financial Officer*

David H. deVilliers, Jr.

President

John D. Klopfenstein

Controller and Chief Accounting Officer



~Directors~

Thompson S. Baker, II

Chief Executive Officer of the Company

John D. Baker, II

Executive Chairman

Charles E. Commander III

Retired Partner

Foley & Lardner

H. W. Shad, III

Owner, Bozard Ford Company

Martin E. Stein, Jr.

*Chairman and Chief Executive Officer of
Regency Centers Corporation*

William H. Walton

President of Rockpoint Group LLC

2016



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