

# 2017



FRP Holdings, Inc.  
Annual Shareholder Meeting  
May 14, 2018



A Real Estate Company<sup>1</sup>



# ~Comparative Metrics~

## FRP Holdings, Inc. – Results of Operations

Twelve Months Ended		Year Ended 12/31/17	Year Ended 9/30/16
<b>Total Revenues</b>	↑ 15.3%	<b>\$43,191</b>	<b>\$37,457</b>
Cost of Operations			
Depreciation/Depletion/Amortization		\$13,532	\$ 8,051
Environmental Remediation Expense (Recovery)		---	(\$1,000)
Operating Expenses: Other		<u>\$16,054</u>	<u>\$14,023</u>
<b>Total Cost of Operations</b>	↑ 40.0%	<b>\$29,586</b>	<b>\$21,074</b>
<b>Total Operating Profit</b>	↓ <17.0%>	<b>\$13,605</b>	<b>\$16,383</b>
<b>Net Income (after-tax)</b>		<b>\$60,551</b>	<b>\$12,024</b>
Income Attributable to Non-controlling Interest		\$18,801	---
<b>Net Income Attributable to the Company</b>	↑ 247.2%	<b>\$41,750</b>	<b>\$12,024</b>



# ~Comparative Metrics~

## FRP Holdings, Inc. – Results of Operations

Three Months Ended			March 31, 2018	March 31, 2017
<b>Total Revenues</b>	↑	35.4%	\$ 12,622	\$ 9,322
Cost of Operations				
Depreciation/Depletion/Amortization			\$ 4,283	\$ 2,059
Operating Expenses: Other			<u>\$ 5,481</u>	<u>\$ 3,859</u>
<b>Total Cost of Operations</b>	↑	65.0%	\$ 9,764	\$ 5,918
<b>Total Operating Profit</b>	↓	<16.0%>	\$ 2,858	\$ 3,404
<b>Net Income (after-tax)</b>			\$ 1,029	\$ 1,443
Loss Attributable to Non-controlling Interest			(\$ 531)	---
<b>Net Income Attributable to the Company</b>	↑	8.1%	\$ 1,560	\$ 1,443



# ~Comparative Metrics~

## FRP Holdings, Inc. – Balance Sheet Excerpts (in thousands)

	<u>12/31/2017</u>	<u>12/31/2016</u>
<b>Assets:</b>		
Net Investment in Properties	\$ 375,604	224,247
Real Estate Held for Investment, At Cost	7,176	7,176
Investment in Joint Ventures	13,406	22,901
Net Real Estate Investments	396,186	254,324
Cash and Cash Equivalents	4,524	-
<b>Total Assets</b>	<b>\$ 418,734</b>	<b>266,560</b>
<b>Total Liabilities</b>	<b>\$ 154,152</b>	<b>67,740</b>
Total Shareholders' Equity	243,530	198,820
Noncontrolling Interest MRP	21,052	-
<b>Total Equity</b>	<b>\$ 264,582</b>	<b>198,820</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 418,734</b>	<b>266,560</b>



# ~Comparative Metrics~

## Asset Management Segment

Twelve Months Ended		Dec. 31, 2017	Sept. 30, 2016
Revenues	↑	3.8% \$29.9M	\$28.8M
Net Operating Income (NOI)	↑	2.7% \$22.5M	\$21.9M
		Dec. 31, 2017	Dec. 31, 2016
Same Store Average Occupancy	↓	40 BPS 91.2%	91.6%
Same Store NOI	↓	2.3% \$21.4M	\$21.9M



# ~Comparative Metrics~

## Asset Management Segment

Twelve Months Ended		Dec. 31, 2017	Sept. 30, 2016
Portfolio Square Feet (in thousands)	↑ 2.7%	3,984	3,880
Occupied Square Feet as %	↑ 3.2%	93.1%	89.9%
Average Annual Occupancy Rate	↑ 50 BPS	90.3%	89.8%



# ~Comparative Metrics~

## Asset Management Segment

Three Months Ended		March 31, 2018	March 31, 2017
Revenues	↑	11.6% \$8.1M	\$7.3M
Net Operating Income (NOI)	↑	3.5% \$5.9M	\$5.7M
Same Store Average Occupancy	↑	300 BPS 93.6%	90.6%
Same Store NOI	↓	<0.7>% \$5.65M	\$5.69M

# ~Mining and Royalty Segment~





# ~Comparative Metrics~

## Mining & Royalty Segment

Twelve Months Ended		Dec. 31, 2017	Sept. 30, 2016
Revenues:	↓ 4.0%	\$7.2M	\$7.5M
Tonnage:	↓ 8.7%	6.3M Tons	6.9M Tons
Operating Profit:	↓ 2.9%	\$6.6M	\$6.8M



# ~Comparative Metrics~

## Mining & Royalty Segment

Three Months Ended		March 31, 2018	March 31, 2017
Revenues:	↑ 0.6%	\$1.77M	\$1.76M
Tonnage:	↑ 18.8%	1.9M Tons	1.6M Tons
Operating Profit:	↓ <1.2>%	\$1.54M	\$1.56M

# ~Comparative Metrics~

## RiverFront on the Anacostia Segment Dock 79





# ~Comparative Metrics~

## RiverFront on the Anacostia Segment Dock 79 Highlights

Twelve Months Ended	Dec. 31, 2017
Residential:	96.1% / 96.7%
Retail:	23% / 76%
Success:	61% / 3.7%
NOI: (Actual vs. Budget)	\$4.6M vs. \$4.9M



# ~Comparative Metrics~

## RiverFront on the Anacostia Segment Dock 79 Highlights

Three Months Ended	March 31, 2018	Budget
Residential:	90.8%	94.6%
Retail:	46%/76%	46%
Success/Increase:	62%/2.8%	51%/1.5%
NOI: (66%)	\$1.55M	\$1.54M

# ~Land Development Segment~

## Highlights 2017 RiverFront Phase II



# ~Land Development Segment~

## Highlights 2017 Patriot Business Park



# ~Land Development Segment~

Highlights 2017  
Windlass Joint Venture



# ~Land Development Segment~

## Highlights

- Through development or sale, over the past 7 years converted 183 acres into 949,000 SF of income producing properties with FY17 Rental Revenue of \$6.4M
- 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)



## ~The Proposed Sale~

- Entire Warehouse Platform: 3,952,554 SF
- Purchaser: Talos/Blackstone
- Price (implied cap rate): \$358,900,000/5.6%
- Settlement: May 21, 2018
- Est. Net Proceeds: +/- \$250,000,000



# ~After the Sale~

## FRP Holdings, Inc. – Balance Sheet (in thousands)

### Assets:

		Pro Forma 12/31/2017	Adjusted 12/31/2017
Net Investment In Properties	\$ 375,604	(164,932)	210,672
Real Estate Held for Investment, At Cost	7,176	-	7,176
Investment in Joint Ventures	13,406	-	13,406
Net Real Estate Investments	396,186	(164,932)	231,254
Cash and Cash Equivalents	4,524	257,012	261,536
<b>Total Assets</b>	<b>\$ 418,734</b>	<b>81,079</b>	<b>499,813</b>

	\$ 154,152	(42,239)	111,883
Total Shareholders' Equity	243,530	123,348	366,878
Noncontrolling Interest MRP	21,052	-	21,052
<b>Total Equity</b>	<b>\$ 264,582</b>	<b>123,537</b>	<b>387,930</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 418,734</b>	<b>81,079</b>	<b>499,813</b>



# ~Remaining Assets~

Business Segment	Description	NBV (shown in 000's)	FY18 NOI (shown in 000's)
Asset Management	Office Bldgs. (3)	\$10,301	\$1,580
Mining & Royalty	14 Properties	\$30,835	\$7,578
RiverFront on The Anacostia (66%)	Dock 79	\$33,987	\$4,287
Land Development	Various	\$38,743	<\$222>
	Total:	\$113,866	\$13,223

# ~Land Development Segment~

## Phase II – The Maren



# ~Land Development Segment~

## Phase II – The Maren



# ~Land Development Segment~

## Hollander Business Park



- Class A Institutional Grade
- 94,350 Rentable SF



# ~Land Development Segment~

## Windlass Joint Venture



Phase I: 100,000 SF

# ~Land Development Segment~

## Pre-Development Stage

- Hampstead

- 250+ Units



# ~Land Development Segment~

## Pre-Development Stage

- Essexshire
- 129 units





# ~Land Development Segment~

## Future Development

- Remaining Phases Windlass JV – 230,000 SF
- RiverFront Phases III & IV (2021)
- Square 664E (2021/2026): RiverFront V
- Mining & Royalties: 2<sup>nd</sup> Life Properties
  - Brooksville JV (TBD)
  - Gulf Hammock (TBD)
  - Ft. Myers (after 2028)



## ~Use of Sale Proceeds~

+/- \$250,000,000

- Phase II equity/debt: (\$6.5M/\$13.75M)      \$20.25M
- Seek out 1031 Opportunities                        -----
- Dividend Excess Cash                                -----
- Repurchase Stock Opportunistically                -----

## Going Forward...

- Seek Opportunistic Investments
- Programmatic Overhead Reduction
- Lease-Up/Ultimate Sale Office Buildings
- Vertical Development of Remaining Warehouse Lots

## Going Forward...

- Manage JV's: Dock 79, Phase II, Windlass, Essexshire
- Hampstead: Entitle, Develop, Sale
- Develop Future Asset Base

# ～Strategy～

## “Opportunity Types”

- Value Add Industrial
- Aggregate Purchase
- Mixed Use Development (Washington, DC)



# ~Officers and Directors~

**John D. Baker, II**

*Executive Chairman*

*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*

**John D. Baker, II**

*Executive Chairman*

*Chief Executive Officer of the Company*

**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*

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