



# **Alico Investor Overview**

January 2019

# Cautionary Note Regarding Forward Looking Statements

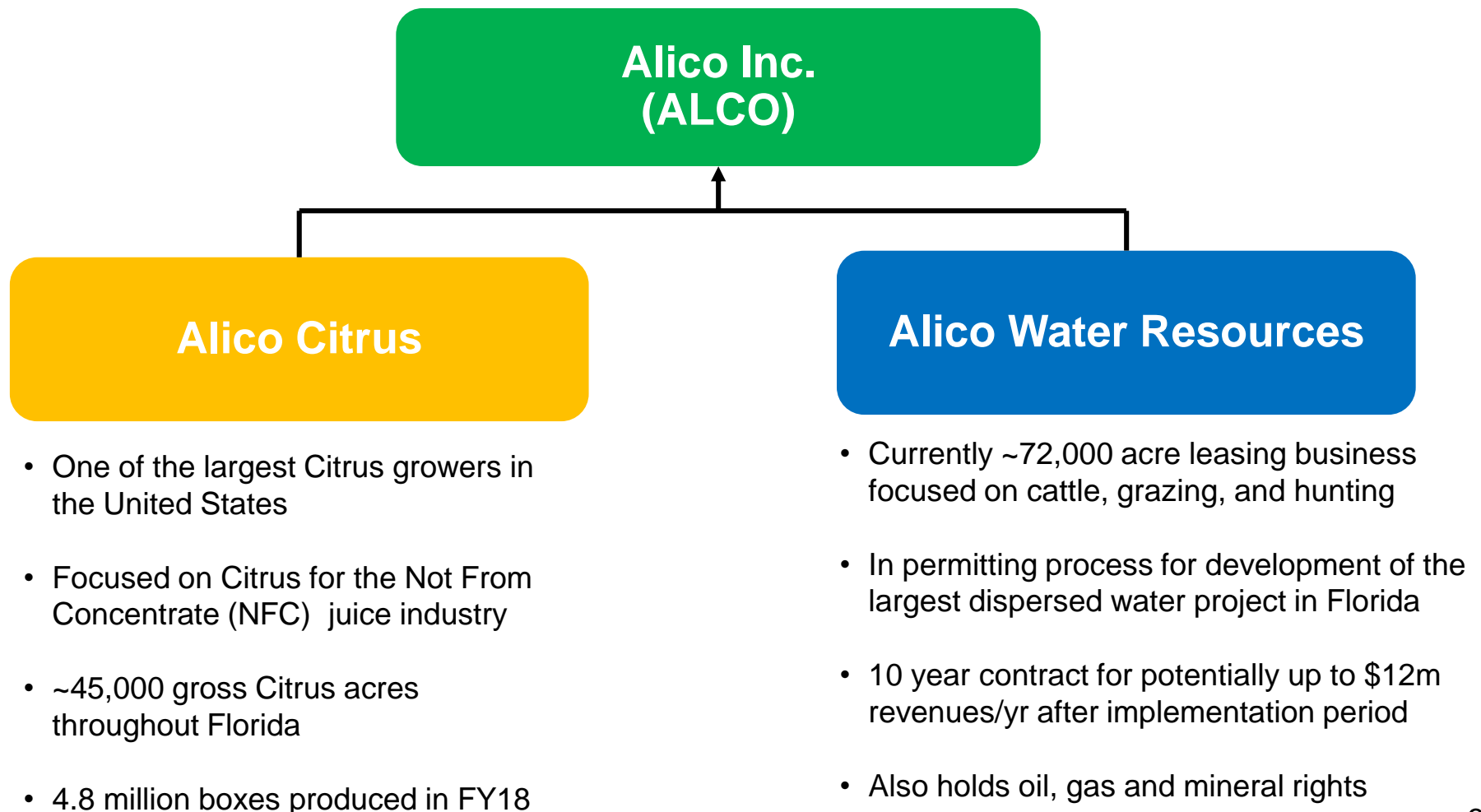


This presentation contains certain “forward-looking statements,” as such term is defined in Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). They are based on management’s current expectations and assumptions regarding our business and performance, the economy and other future conditions and forecasts of future events, circumstances and results. These forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often include words such as “may,” “will,” “could,” “should,” “would,” “believes,” “expects,” “anticipates,” “estimates,” “projects,” “intends,” “plans” and other words and terms of similar substance in connection with discussions of future operating or financial performance. Such forward-looking statements include, but are not limited to, statements regarding future actions, business plans and prospects, prospective products, trends, future performance or results of current and anticipated products, sales efforts, expenses, interest rates, the outcome of contingencies, such as legal proceedings, plans relating to dividends, government regulations, the adequacy of our liquidity to meet our needs for the foreseeable future and our expectations regarding market conditions. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Our actual results may vary materially from those expressed or implied in our forward-looking statements. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission (“SEC”). We provide in Item 1A of our Annual Report on Form 10-K, “Risk Factors,” a cautionary discussion of certain risks and uncertainties related to our businesses. These are factors that we believe, individually or in the aggregate, could cause our actual results to differ materially from expected and historical results. We note these factors for investors as permitted by Section 21E of the Exchange Act. In addition, the operation and results of our business are subject to risks and uncertainties identified elsewhere in our Annual Reports on Form 10-K as well as general risks and uncertainties such as those relating to general economic conditions. You should understand that it is not possible to predict or identify all such risks. Consequently, you should not consider such discussion to be a complete discussion of all potential risks or uncertainties.

This presentation, and certain information that management may discuss in connection with this presentation, references certain non-GAAP financial measures including adjusted income from operations, adjusted net income, adjusted diluted earnings per share (EPS) and adjusted earnings before interest, taxes, depreciation and amortization (EBITDA). Management believes the use of these non-GAAP measures assists investors in understanding our business, as further described below. The non-GAAP information provided is used by our management and may not be comparable to similar measures disclosed by other companies. The non-GAAP measures used herein have limitations as analytical tools, and you should not consider them in isolation, or as substitutes, for analysis of our results as reported under GAAP.

## Alico at a Glance

Alico is an agribusiness company with a legacy of achievement and innovation in citrus and conservation. The Company owns approximately 117,000 acres of land across eight Florida counties. The current principal lines of business are citrus groves and land conservation/leasing with water project permitting in progress.



# Investment Highlights for Alico, Inc.

Leading agribusiness and natural resources management company with focus on citrus, cattle grazing and recreational hunting leasing and water management



## Profile

- One of the largest citrus growers in US, with cost and scale advantages
- Business transformed since 2016 into a low cost producer
- Opportunities to grow earnings through continued operational improvements, expanded production, and monetization of assets



## Assets

- Productive and geographically diversified Citrus acreage
- Strong management team and experienced work force
- Significant land holdings throughout the State of Florida



## Asset Class

- Asset class with low correlation to others
- Direct investment exposure to permanent crop production offering a cash flow profile unavailable through most competitors who offer indirect agriculture exposure through rents



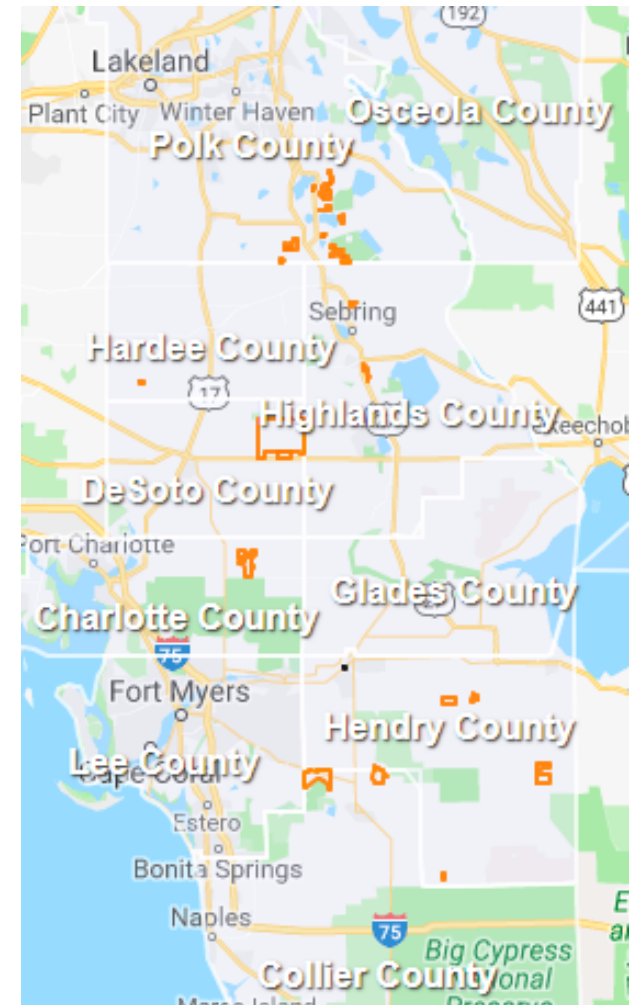
## Shareholder Focus

- Management team focused on careful capital allocation and increasing asset utilization to improve returns

# Alico Citrus

Alico Citrus is one of the largest citrus growers in the US with over 45,000 gross citrus acres throughout the State of Florida

- Business is primarily focused on providing oranges to the not from concentrate juice industry
- Groves are located in seven Florida counties (Hendry, Polk, Collier, DeSoto, Charlotte, Hardee, and Highland)
- 38% of Alico’s FY18 orange box production was early/mid season fruit, 60% later season Valencia, and 2% fresh.
- Alico Citrus produced 7.6 million boxes in FY17. FY18 production of 4.8 million boxes was impacted by Hurricane Irma.
- Revenue from Tropicana represented approximately 87% of Alico’s consolidated revenue in FY18.



Source: Google Maps

Typical Harvesting Schedule

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fresh Fruit	●	●	●	●	●							
Early/Mid	●	●	●	●	●							
Valencia					●	●	●	●	●			



# Alico Water Resources

Alico Water Resources is in the permitting stages of developing a 35,000 acre Northern Everglades environmental services project in Hendry County for the State of Florida. The project is the largest and most cost-effective of its kind in the United States.

- Retains large volumes of water from the Caloosahatchee River and prevents local runoff from entering the watershed.
- Rehydrates natural systems which eventually flow south into the Everglades.
- Preserves ranch and farmland from future development and urban sprawl.
- Alico received an Environmental Resource Permit from the South Florida Water Management District on 9/19/18.
- Additional approvals including a compatible use agreement from the Natural Resources Conservation Service, as well as approvals from the local water control districts are still required.
- Construction on the project will begin immediately upon receipt of permits.



## Alico Water Resources (continued)

Alico Water Resources also includes other operations related to cattle grazing, recreational hunting leasing, mining royalties, and the management and conservation of unimproved native pasture land.

- ~72,000 acres
  - West Ranch
  - East Ranch
  - Conservation easement
  - Glades county land (Mining royalties)
- The 25,000 acre East Ranch is currently being marketed by Alico for sale
- The West Ranch is the site of the Alico Water Resources dispersed storage project and leasing capacity would be reduced when that project is constructed and operational.



# Experienced Management Team

**Alico management team has significant agricultural, investment, capital allocation, and corporate finance experience with deep relevant operating experience. In addition they have critical experience analyzing, investing in and creating value from natural resource assets.**

Interim President:  
Ben Fishman



- Managing Director at Arlon Group, a food and agriculture investment firm
- Strategic/financial analyst for Continental Grain Company
- Co-founder of the Grow Network
- Board member of Coastal, Wholesource, Alico, and Cici's Holdings.
- Princeton University, BA, cum laude

CFO:  
John E. Kiernan



- 20+ years financial experience including 7 as a CFO
- Senior Finance executive at multinational public and private companies
- Investment Banker
- Greenwich Associates, Global Crossing, Misys, IBM, Bear Stearns
- University of Virginia, JD/MBA

President Alico Citrus:  
Danny Sutton



- 20+ years experience managing Florida citrus
- 19 years with Alico in grove operations leadership positions
- Previously Supervisor of the Citrus Division of Hilliard Bros. of Florida
- Florida Southern College, BS in Citrus Business



# Alico 2.0 Modernization Program

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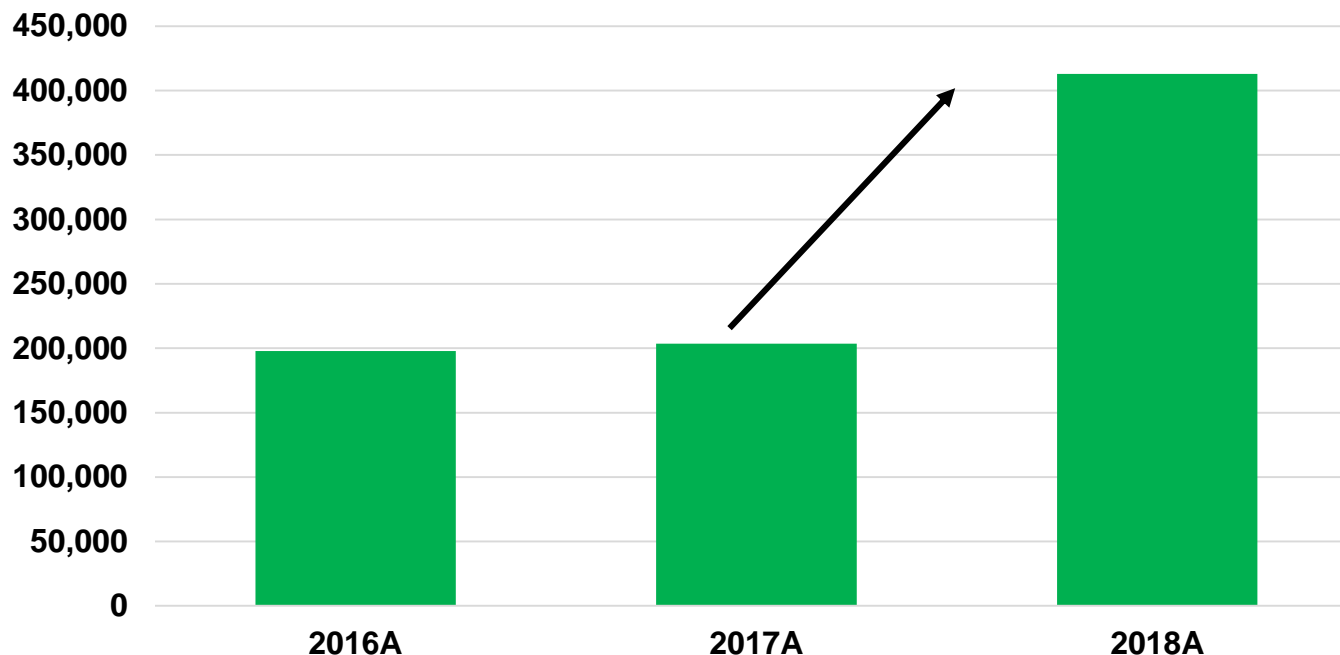
**In November of 2017, Alico announced the Alico 2.0 Modernization Program to improve the companies operational efficiencies and optimize its asset returns**

- In the preceding years, Alico acquired Silver Nip and OrangeCo. to become one of the largest US citrus producers.
- The Alico 2.0 Modernization Program is focused on transforming these three legacy business into a single efficient citrus enterprise.
- The program explored every aspect of Alico's operations, including corporate and operational cost structures, grove costs, purchasing and procurement, non-performing and under-performing assets, professional fees, and human resources efficiency.
- Under the program, Alico has reduced expenses through better purchasing, more precise application of selected fertilizers and chemicals, outsourcing work such as harvesting, hauling, and certain caretaking tasks, and streamlining grove management. Alico Citrus has also deployed a more efficient labor model that is consistent and uniform for field staffing and grove operating programs and aligns with the geographical footprint of the citrus groves.
- Alico's restructuring and cost-cutting programs are substantially complete, and the Company is working to maintain operational efficiencies and to deploy its resources to solidify the Company's position as a leader in the recovering citrus industry.

# Investing in the Future

- In September of 2017, Alico was impacted by Hurricane Irma.
- Alico’s geographic dispersion throughout Florida was important in limiting losses but box production in FY18 still declined 36.4% from the prior year. The Company lost a small percentage of its trees.
- As part of the Alico 2.0 Modernization Program, Alico made a strategic decision to invest heavily in tree planting during FY18. The Company planted over 400,000 trees to help position it for future production growth.
- Alico has also moved to “double planting” new trees to increase the density of each grove and drive higher production.

### Yearly Tree Plantings



# Florida Orange Industry Leadership

Florida citrus production has declined due to tree disease and the impact of Hurricane Irma in 2017-18

	2014-15	2015-16	2016-17	2017-18
<b>Alico Boxes</b>	<b>10.3</b>	<b>9.0</b>	<b>7.4</b>	<b>4.8</b>
<i>Alico Change</i>		-12.1%	-17.9%	-35.6%
<b>Non Alico Industry Boxes</b>	<b>86.7</b>	<b>72.7</b>	<b>61.4</b>	<b>40.2</b>
<i>Non Alico Industry Change</i>		-16.2%	-15.5%	-34.6%
<b>Total FL Industry Boxes</b>	<b>97.0</b>	<b>81.7</b>	<b>68.9</b>	<b>45.0</b>
<i>Change in Total Industry Boxes</i>		-15.7%	-15.7%	-34.7%
<b>Alico FL Market Share</b>	<b>10.6%</b>	<b>11.1%</b>	<b>10.8%</b>	<b>10.6%</b>

Source: USDA National Agricultural Statistics Service and Alico 10-K  
 Note: Alico boxes excludes Tangelos, Grapefruit, and Tangerines

- **Alico is a leader in the Florida citrus industry with ~10-11% market share**
- The Alico 2.0 modernization program is positioning the company as a **low cost producer with industry leading growing practices**
- Alico is also **investing in tree replacement** using the best available rootstocks
- The Florida citrus industry is **expected to continue its post-Irma production recovery** in 2018-19

## Why Florida Citrus?

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- Florida provides an optimal growing climate for oranges with warm to hot summers and mild winters
- Access to good water (rainfall and wells) throughout the state
- As Florida's most important agricultural product, the Florida Citrus industry has strong state and local government support
- Geographical proximity to major U.S. orange juice producers and their plants
- Good statewide transportation infrastructure
- Experienced multi-generational workforce
- Citrus varieties are focused on Hamlins and Valencia which are the two main juice producing varieties in the U.S.
- The Florida Citrus industry is focused on not from concentrate (NFC) juice which is the preferred citrus product for U.S. consumers
- Significant investment in fighting Citrus greening. New plantings are shifting towards higher density with the best available rootstocks.
- Permanent “annuity-like” crop that is backed by land with development potential

## Why Alico?

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- One of the largest citrus producers in the U.S. (~45k acres) with economies of scale
- Shrinking U.S. supply due to citrus greening will likely drive additional consolidation among producers and suppliers for which Alico will be uniquely positioned
- Florida's most important crop (~\$1B industry in 2017) with significant state and local government support
- Alico production weighted towards higher value Valencia oranges (60% of FY18 boxes)
- Over \$135mm+ in cash flow from operations generated over the last 5 years
- Majority of production under multi-year contracts
- Public company with access to capital markets
- Management team with decades of experience