March 31, 2022

Alico, Inc. Announces Update on Harvest Season, Ranchland Sales, Other Business Activities and Financial Guidance

FORT MYERS, Fla., March 31, 2022 (GLOBE NEWSWIRE) -- Alico, Inc. ("Alico" or the "Company") (Nasdaq: ALCO) today announces updated financial guidance and other business activities that will continue to support its business strategy and generate greater returns for our shareholders.

The current citrus harvest season has been a challenging one for Alico, as well as for the entire industry in Florida. In addition to a harvest season that was anticipated to produce less fruit than in the prior year, many of the state's citrus groves, including Alico's citrus groves, were impacted by a freeze event in late January 2022. Alico took precautionary measures to minimize the impact this weather event had on its groves and production. Nearly all of the Company's early and mid-season fruit, which comprises approximately 40% of our annual box production, had already been harvested so it was not materially impacted by the freeze. Although the Company's Valencia harvest will be smaller this season as a result of the freeze, we are pleased that there does not appear to be long-term measurable damage to Alico's trees.

The USDA, in its March 9, 2022 release, is forecasting a total citrus crop of approximately 41.2 million boxes of oranges for the state of Florida for the 2021/22 harvest season crop, which is an approximate 22% decline from 52.8 million boxes harvested in the 2020/21 harvest season. Alico currently estimates an 11% decrease in its annual box production this year, compared with the prior season. Pricing for citrus has increased for the second consecutive year and the Company expects its pricing will approach, and may even reach, the ceiling prices on its long-term supply contracts with Tropicana this season.

The Company continues to sell portions of its non-core ranchland at attractive prices. Earlier this month, Alico sold approximately 6,286 acres to private buyers at an average sales price of $4,500 per acre, realizing $28.3 million of gross proceeds. This average sales price per acre represents a significant increase in pricing of ranchland acres resulting from the current market dynamics in Florida for undeveloped real estate in pristine condition. In addition, Alico is under contract to sell, or is in final negotiations to sell, another approximate 2,100 ranchland acres.

Since the beginning of 2018, the Company has sold approximately 48,000 acres of ranchland and has used those proceeds to (i) acquire approximately 3,600 citrus acres, (ii) retire approximately $61.3 million of long-term debt, (iii) execute a $25.6 million tender offer and (iii) pay approximately $17.2 million in common dividends. Last June, the Company increased its quarterly dividend to $0.50 per common share, and the Alico Board of Directors

remains committed to this dividend strategy. The Company's dividend yield is 5.6% based on the closing price for Alico shares yesterday. The Company expects to pre-pay one of its variable rate term debt loans in full with a portion of the proceeds from recent ranchland sales. The Company will continue to evaluate appropriate ways to utilize the proceeds from any future land sales in an effort to achieve greater returns for its shareholders.

The Company has entered into a Purchase Option Agreement ("Option Agreement") with a third party, E.R. Jahna Industries, Inc. ("Jahna") for the sale of approximately 899 acres of land at a price of approximately $11,500 per acre. The acres subject to the Option Agreement, which are currently part of the Company's aggregate citrus grove acreage, consist of 340 net citrus acres, 130 acres of cane, 209 acres of pastureland and 220 support acres. Jahna has a 3-year option to purchase the property, which expires in January 2025, however any closing upon an exercise of the option is contingent on the Company's ability to secure certain designated third party consents. If Jahna exercises the option and acquires the acres, Jahna plans to conduct sand mining operations on the land, subject to Jahna obtaining regulatory approval to do so. In addition, if Jahna exercises the option, at closing, Alico will lease back most of these acres, including the 340 net citrus acres, for de minimis lease payments, but subject to Jahna's ability to terminate the lease at any time upon 18 months' advance written notice.

This month, Alico exercised a right of first refusal to purchase approximately 85 undeveloped acres near the previously-owned Alico Plant World, which had been sold by Alico in 2017, for approximately $2.4 million. The Company expects to use proceeds in a Section 1031 exchange to finance this purchase. This property is situated along State Route 80 in the city of LaBelle in Hendry County, and the Company believes it is attractive for both commercial and residential development.

The Company owns approximately 90,000 acres of mineral rights (located on Alico owned lands and other lands not owned by Alico), mostly comprised of oil and gas, sand and shell, but Alico has not been aggressively monetizing these rights. Recently, the Company has seen increased interest from third parties about our oil and gas and our sand and shell rights. A long-time oil and gas leaseholder recently obtained additional permits and has increased pumping activities in Hendry County. The Company has been approached by other parties interested in performing similar oil and gas activities and we are evaluating their proposals. Alico is also evaluating proposals from partners to excavate sand and shell and is currently working through the required permitting process to allow for such excavating. The Company believes all of these opportunities can generate additional operating income and cash flow for the Company.

The Company is continuing with its citrus tree replanting program and as previously disclosed, has planted approximately 1.5 million trees since the beginning of fiscal year 2018 through the end of its fiscal year ended 2021. The trees planted in 2018 are anticipated to start producing a meaningful amount of fruit commencing with the next harvest season in fiscal year 2023. This future production and our current production, combined with balance sheet improvements such as the modification of our fixed-rate term loan to be non-amortizing, are expected to provide adequate liquidity to support all of the Company's current operations and strategic initiatives. Additionally, the Company has $95 million available under its credit facilities.

Guidance

The Company is now updating its financial guidance for the fiscal year ended September 30, 2022 to reflect the significantly lower box production anticipated this season, which has been exacerbated by the January 2022 freeze. In light of the latest ranchland sale for approximately $28.3 million and other pending ranchland sales that are targeted to close before the end of fiscal year 2022, the Company is also updating its EBITDA and net income guidance to include expected real estate gains from these completed sales and the expected additional sales.

- The Company is now projecting for fiscal year 2022 net income to increase from its initial projection of between $6.0 million and $7.9 million to between $35.6 million and $38.9 million.
- The Company is now projecting for fiscal year 2022 adjusted net income (loss) (after adjusting out for expected non-recurring items, such as the real estate sales) is expected to decrease from the initial projection of $5.3 million and $7.1 million to between $(4.1) million and $(2.3) million.
- The Company is now projecting for fiscal year 2022 EBITDA to increase from its initial projection of $26.9 million and $30.1 million to between $59.0 million and $64.2 million.
- The Company is now projecting for fiscal year 2022 adjusted EBITDA (after adjusting out for expected non-recurring items, such as the real estate sales) is expected to decrease from the initial projection of $26.0 million and $29.0 million to between $13.0 million and $16.0 million.

See table below for detail of updated guidance.

About Alico

Alico, Inc. primarily operates two divisions: Alico Citrus, one of the nation's largest citrus producers, and Land Management and Other Operations, which includes land leasing and related support operations. Learn more about Alico (Nasdaq: "ALCO") at www.alicoinc.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These forward-looking statements are based on Alico's current expectations, estimates and projections about our business based, in part, on assumptions made by our management and can be identified by terms such as "plans," "expect," "may," "anticipate," "intend," "should be," "will be," "is likely to," "believes," and similar expressions referring to future periods.

Alico believes the expectations reflected in the forward-looking statements are reasonable but cannot guarantee future results, level of activity, performance, or achievements. Actual results may differ materially from those expressed or implied in the forward-looking statements. Therefore, Alico cautions you against relying on any of these forward-looking statements. Factors which may cause future outcomes to differ materially from those foreseen in forward-looking statements include, but are not limited to: changes in laws, regulation and rules, including tax laws and tax rates; climate change; weather conditions that affect production, transportation, storage, demand, import and export of fresh product

and their by-products, such as the freeze in the last week of January 2022; increased pressure from diseases including citrus greening and citrus canker, as well as insects and other pests; disruption of water supplies or changes in water allocations; market pricing of citrus; pricing and supply of raw materials and products; market responses to industry volume pressures; pricing and supply of energy; changes in interest rates; availability of refinancing; availability of financing for land development activities and other growth and corporate opportunities; onetime events; acquisitions and divestitures; ability to make strategic acquisitions or divestitures; ability to redeploy proceeds from divestitures; ability to consummate selected land acquisitions; ability to take advantage of tax deferral options; seasonality; labor disruptions; inability to pay debt obligations; inability to engage in certain transactions due to restrictive covenants in debt instruments; government restrictions on land use; changes in agricultural land values; impact of the COVID-19 outbreak and coronavirus pandemic on our agriculture operations, including without limitation demand for product, supply chain, health and availability of our labor force, the labor force of contractors we engage, and the labor force of our competitors; other risks related to the duration and severity of the COVID-19 outbreak and coronavirus pandemic and its impact on Alico's business; the impact of the COVID-19 outbreak and coronavirus pandemic on the U.S. and global economies and financial markets, including without limitation related legislative and regulatory initiatives; access to governmental loans and incentives; any reduction in the public float resulting from repurchases of common stock by Alico; changes in equity awards to employees; whether the Company's dividend policy, including its recent increased dividend amounts, is continued; expressed desire of certain of our shareholders to liquidate their shareholdings by virtue of past market sales of common stock, by sales of common stock or by way of future transactions designed to consummate such expressed desire; political changes and economic crises; ability to implement ESG initiatives; competitive actions by other companies; increased competition from international companies; changes in environmental regulations and their impact on farming practices; the land ownership policies of governments; changes in government farm programs and policies and international reaction to such programs; changes in pricing calculations with our customers; fluctuations in the value of the U.S. dollar, interest rates, inflation and deflation rates; length of terms of contracts with customers; impact of concentration of sales to one customer; changes in and effects of crop insurance programs, global trade agreements, trade restrictions and tariffs; soil conditions, harvest yields, prices for commodities, and crop production expenses. Other risks and uncertainties include those that are described in Alico's SEC filings, including those Risk Factors described in our Annual Report on Form 10-K for the fiscal year ended September 30, 2021, and our Quarterly Reports on Form 10-Q, which are available on the SEC's website at http://www.sec.gov. Alico undertakes no obligation to subsequently update or revise the forward-looking statements made in this press release, except as required by law.

This press release also contains financial projections that are necessarily based upon a variety of estimates and assumptions which may not be realized and are inherently subject, in addition to the risks identified in the forward-looking statement disclaimer, to business, economic, competitive, industry, regulatory, market and financial uncertainties, many of which are beyond the Company's control. There can be no assurance that the assumptions made in preparing the financial projections will prove accurate. Accordingly, actual results may differ materially from the financial projections.

Investor Contact:

Investor Relations
(646) 374-4770
InvestorRelations@alicoinc.com

Richard Rallo
Senior Vice President and Chief Financial Officer
(239) 226-2000
rrallo@alicoinc.com

Updated Fiscal Year 2022 Guidance
(in thousands)

Updated Net Income and Adjusted Net Loss

	Fiscal Year End September 30, 2022 Revised Projected Range
Net Income attributable to common stockholders	$35,600 - $38,900
Gains on sale of real estate, property and equipment and assets held for sale	$(45,000) - $(47,000)
Federal relief proceeds - Hurricane Irma	$(1,000) - $(1,200)
Tax Impact	$6,300 - $7,000
Adjusted Net Loss attributable to common stockholders	$(4,100) - $(2,300)

Updated EBITDA and Adjusted EBITDA

	Fiscal Year End September 30, 2022 Revised Projected Range
Net Income attributable to common stockholders	$35,600 - $38,900
Interest expense	$3,400 - $3,600
Income tax provision	$4,900 - $6,300
Depreciation, depletion and amortization	$15,100 - $15,400
EBITDA	$59,000 - $64,200
Gains on sale of real estate, property and equipment and assets held for sale	$(45,000) - $(47,000)
Federal relief proceeds - Hurricane Irma	$(1,000) - $(1,200)
Adjusted EBITDA	$13,000 - $16,000

Source: Alico, Inc.