3Q FY25 Earning Update

August 14, 2025

VALUATION	
Current Price	$33.40
52 Week Range	$24.2–34.3
Market Cap ($-Mn)	255.3
Ent. Value ($-Mn)	303.4
Shares Out. (Mn)	7.64
Float	70.8%
Avg. 3-Month Volume	0.04Mn
Total Land (Acres)	50,500

Source: Company Filings, TIKR

FUNDAMENTALS	
Revenue (FY23)	$39.9 Mn
Revenue (FY24)	$46.6 Mn
Revenue (9M FY25)	$43.2 Mn
Adj. EBITDA (FY23)	$23.0 Mn
Adj. EBITDA (FY24)	$29.7 Mn
Adj. EBITDA (FY25E)	$20.0 Mn
Cash and cash equivalents (FY25E)	$25 Mn

Source: Company Filings, Management Guidance

STOCK PRICE PERFORMANCE

Source: TIKR

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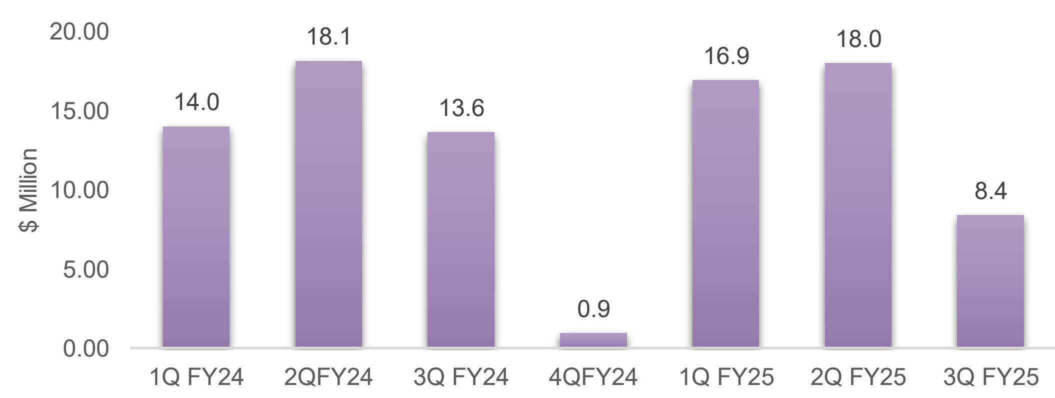
Alico, Inc. (ALCO)

Land Sales Ahead of Target Boost Transformation Momentum. Legislative Win for Corkscrew Grove a Key Milestone. FY25 Outlook Reaffirmed.

- **Key Takeaways:**
  - Final major citrus harvest completes strategic shift toward becoming a diversified land company.
  - Land sales ahead of target, reinforcing strategic transformation momentum. YTD land sales stand at $23.5 million with potential of an additional $25 million before FY25 end.
  - $16 million crop insurance recovery strengthens liquidity profile.
  - Full-year outlook points to strong balance sheet and higher land sales potential. FY2025 Adj. EBITDA guidance reaffirmed at $20 million.
  - Attractively valued, strong land monetization visibility.
- **Final major citrus harvest completes ALCO's strategic shift toward becoming a diversified land company.** ALCO completed its final major citrus harvest in 3Q FY25 (q/e June 2025), representing a key milestone in the company's transformation into a diversified land enterprise. With capital intensive citrus operations concluded, ALCO is now well positioned to redirect financial and operational resources toward high-potential initiatives such as land development, conservation projects, and alternative agricultural uses. This strategic realignment not only strengthens the company's balance sheet through land and equipment sales but also enhances long-term value creation by focusing on scalable, less volatile revenue streams. The harvest completion serves as an operational turning point, reinforcing management's commitment to reshaping ALCO into a more resilient, growth-oriented land company.
- **Land sales ahead of target, reinforcing transformation momentum**. ALCO surpassed its FY25 land sales goal during 3Q FY25, closing $9.3 million in combined land and equipment transactions during the quarter. The land component included ~694 acres, bringing **year-to-date land sales to $23.5 million** from approximately 2,794 acres sold, exceeding the original $20 million guidance for FY 2025. This performance highlights the company's strong execution in asset monetization, providing additional resources to advance strategic priorities, including real estate development approvals, infrastructure planning, and diversification of land-based revenue streams. **Given the momentum, management feels there is potential to generate an additional $25 million in land sales before FY25 end**.
- **$16 million crop insurance recovery strengthens liquidity profile**. ALCO's balance sheet has been strengthened by the receipt of $16.0 million in crop insurance proceeds, which played a key role in building its robust $42.1 million cash position. This influx of funds provides substantial financial flexibility to navigate the wind-down of citrus operations, invest in high-value land development projects such as Corkscrew Grove Villages, and execute its broader strategic transformation strategy while maintaining a strong balance sheet.

- **Legislative win boosts Corkscrew Grove Villages development.** The Florida legislature's approval of the Corkscrew Grove Stewardship District in June 2025 is a key milestone in advancing ALCO's flagship Corkscrew Grove Villages project. The district will enable efficient infrastructure financing, support the restoration and management of natural areas, and oversee administration of the master planned communities. In August, a five-member board of supervisors was appointed by ALCO to foster collaboration with government agencies and community stakeholders, ensuring smooth execution.
  - **Corkscrew Grove Villages' multi-year entitlement approval effort on track**. This process is anticipated to take ~one year, with the final decision by the Collier Board of County Commissioners expected in 2026. Additionally, ALCO has also submitted permits to the South Florida Water Management District and the U.S. Army Corps of Engineers for both villages. Construction on the first village could begin in 2028 or 2029 if all approvals are granted. ALCO is advancing the Corkscrew Grove Villages project through the entitlement process as a solo effort, leveraging experienced engineers, consultants, contractors, attorneys, and traffic experts familiar with large-scale projects in Collier County. At this early stage, the company does not require a development partner.
- **Near-term real estate development projects are advancing as planned, with an estimated present value of between $335 million-$380 million to be realized within the next 5 years**. Management mentioned that near-term real estate development projects including Corkscrew Grove Villages, Bonnet Lake, Saddlebag Grove, and Plant World properties continue advancing as planned. These four properties totaling ~5,500 acres maintain an estimated present value of between $335 million and $380 million and could be realized within the next 5 years from ~10% of ALCO's land holdings.
  - **On track to successfully transition from citrus production to diversified land model.** While maintaining ~3,800 acres of retained groves and generating revenue through leased citrus operations, ALCO is no longer committing significant capital to citrus infrastructure. Instead, diversified agricultural partnerships such as leases to third-party citrus growers and arrangements with vegetable and fruit growers are generating income while keeping farmland productive. The company is also advancing its diversified agricultural strategy by securing agreements to lease approximately 5,250 acres to third-party citrus growers for the next season and engaging vegetable and fruit growers to clear up to 500 acres this season in lieu of lease payments. These initiatives will generate revenue while ensuring productive utilization of farmland during the company's transformation period.
- **3Q FY25 consolidated revenue declined on harvest timing shifts and contract expiration**. ALCO reported revenue of $8.4 million in 3Q FY25, compared to $13.6 million in 3Q FY24. The decrease was primarily due to the early and mid-season and fresh fruit harvests beginning earlier in the first quarter of the year and ending earlier in the current quarter of 2025, partially driven by fruit drop as a result of hurricane Milton. The decrease was also driven by a decrease in grove management revenues as a result of the expiration of the Citrus grove management agreement on December 31, 2024. This was partially offset by a 28.5% increase in the price per pound solids of the Valencia crop under more favorable Tropicana contract terms and by higher rock and sand royalty income. Overall, revenue from Citrus operations declined by 41% y/y to $7.8 million, and Alico Citrus harvested approximately 2.1 million pound solids in 3Q FY25, compared to 4.3 million pound solids of fruit a year ago.

Chart 1: ALCO – Revenue



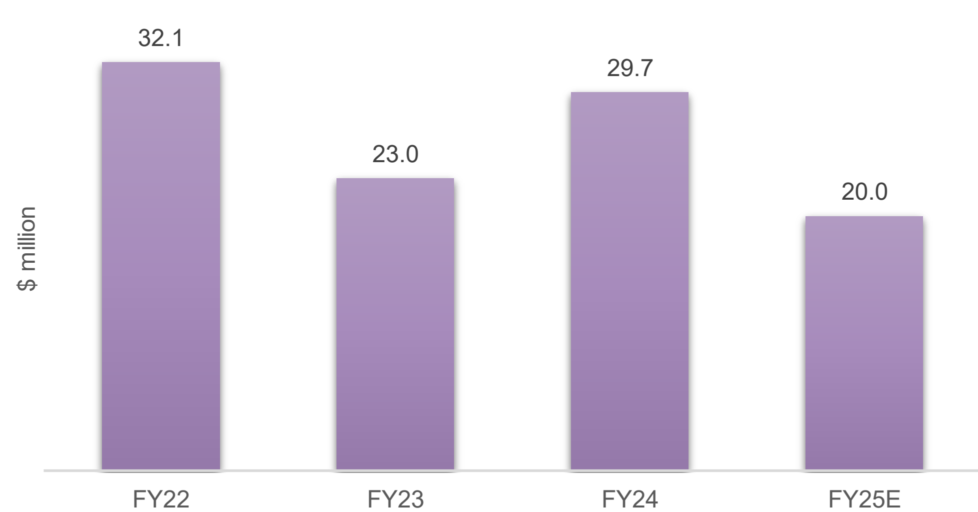
Source: Exec Edge Research, Company Filings. ALCO's FY ends in September each year.

- **However, revenue from land management and other operations increased 57% y/y to $0.59 million**, driven primarily by higher rock and sand royalty income and increased sod sales. These gains were partially offset by lower farming, grazing, and hunting lease revenues following the sale of the Alico Ranch. The segment's strong performance reflects the benefits of ALCO's shift toward diversified land use and monetization under its strategic transformation plan.

- **Profitability pressured by strategic transformation costs and weather impact.** Operating expenses came in at $36.4 million compared to $17.9 million a year ago. The increase was driven by ALCO's decision to wind down citrus operations and impairment of young trees. G&A expense increased to $2.87 million compared to $2.44 million a year ago, due to accelerated depreciation on certain administrative assets, higher employee costs and higher legal fees tied to the company's strategic transformation.
  - ALCO reported a net loss attributable to common stockholders of $18.3 million in 3Q FY25 vs. a loss of $2.0 million in 3Q FY24. The increase was driven by $40.7 million in accelerated depreciation, primarily tied to citrus trees, as part of the company's strategic transformation and the decision to wind down citrus operations. Lower citrus revenues, stemming from reduced harvest volumes following the damage caused by Hurricane Milton in October 2024, further weighed on results. These pressures were partially offset by $16 million in crop insurance proceeds and a $7.8 million tax benefit. The results also reflect the company's seasonal revenue concentration during the second and third quarters, though management expects these patterns to diminish as citrus operations are phased out.

- **Core profitability remains strong as adjusted EBITDA – the key metric to track going forward – rose sharply and management reaffirmed its FY2025 Adjusted EBITDA guidance of $20 million.** ALCO's 3Q FY25 Adjusted EBITDA came in at $19.3 million, up from $1.3 million a year ago. The increase was supported by crop insurance proceeds, gains from land and equipment sales, and cost benefits from winding down citrus operations, underscoring the company's ability to generate solid operating cash flows during its strategic transformation. Based on current trends and management's guidance, FY25 Adjusted EBITDA is projected at ~$20 million, positioning the company to deliver a strong and profitable year despite the planned wind-down of its citrus operations.

Chart 2: Adjusted EBITDA



Source: Exec Edge Research, Company Filings. ALCO's FY ends in September each year. Adjusted EBITDA = EBITDA as further adjusted for impairment of long-lived assets and restructuring and other charges.

- **Balance sheet remains strong with declining debt, a healthy 9.37x current ratio, and cash and cash equivalents of $42.1 million**. Total debt declined to $85.2 million, with net debt reduced to $43.2 million from $89 million at the end of FY24, reflecting proceeds from land and equipment sales. ALCO had ~$92.5 million in available borrowings under its credit line, while minimum liquidity requirement under its credit agreement stood at $7.4 million, providing ample capacity to fund ongoing transformation initiatives and pursue opportunistic growth opportunities. ALCO paid a third quarter cash dividend of $0.05 per share.

- **Full-year outlook points to strengthened balance sheet and higher land sales potential.** ALCO expects to end FY25 with ~$25 million in cash and net debt of around $60 million, with only the minimum required balance of $2.5 million on its revolving line of credit. Management continues to expect ~$20 million in adjusted EBITDA for the year. YTD FY25, the company has achieved $23.5 million in land sales, surpassing its original $20 million target, and management believes there is potential to generate an additional $25 million before year end. This momentum could push total land sales above $45 million in FY25, boosting adjusted EBITDA, accelerating debt reduction, and enhancing shareholder returns.

Chart 3: ALCO – Management Guidance

Metric	FY25 Guidance (as of 3Q FY25)
Land Sales Revenue	$23.5M done with potential for an additional $25M
Adjusted EBITDA	$20M
Net Debt (End of FY25)	$60M
Cash Balance (End of FY25)	$25M

Source: Exec Edge Research, Company Filings and Management estimates. ALCO's FY ends in September each year. Adjusted EBITDA = EBITDA as further adjusted for impairment of long-lived assets and restructuring and other charges.

Attractively Valued Given Strong Land Monetization Visibility

- **While we do not have a price target for ALCO, our analysis shows that the stock has upside potential from current levels.** Please note that the following analysis is for illustrative purposes and is not meant to be a stock recommendation/price target or a buy/sell/hold recommendation on the stock. Given ALCO's transition to being a land management company, we have used the discounted cash flow (DCF) method that takes into account the expected cash flows from ALCO's property portfolio in the coming years. **Please note that the upside shown in the analysis below is not a stock price target and is just an illustration of the valuation analysis conducted by us**.
- **Our DCF analysis shows that ALCO is undervalued**. We note that management has guided for the near-term potential of the 5,500 acres (10% of total portfolio) currently under development at $335-$380 million over the next five years. Working with the higher end of the guided range, and assuming an even split over the next five years gives an annualized cash flow run rate of $76 million (actuals may vary by year basis stages of development and commercialization.) We apply a 12% discount rate to arrive at the present value of these projected cash flows over the next five years. This gives us a valuation of $274 million or $35.9/share.
  - **We note that this number likely has upside potential**, driven by 1) potential increase in land price/value as agricultural land gets converted to residential and commercial development parcels and regulatory approvals come through, 2) long-term development potential of $140-$170 million of the next 15% of the land portfolio (~7,100 acres) that will be developed by ALCO in due course (5 years+), and 3) value of ALCO's agricultural land, which management estimates at $175-$200 million. Overall, current market cap of ~$255 million presents a discount to the long-term portfolio value potential of $650-$750 million estimated by the management.

Chart 4: ALCO – Valuation

Year	Cash Flow ($Mn)	Discount Factor @12%	Present Value ($Mn)
1	76	0.8929	67.9
2	76	0.7972	60.6
3	76	0.7118	54.1
4	76	0.6355	48.3
5	76	0.5674	43.1
Total ($Mn)	**380**		**274.0**
S/O (Mn)			7.64
Price per Share		**$**	**35.9**
Current Price		**$**	**33.4**
Upside Potential			**7%**

Source: Exec Edge Research, Management Estimates, TIKR. Stock Price Data as of 8/13 close.

Chart 5: ALCO – Financial Snapshot

Income Statement ($ thousands except EPS data)	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	FY22	FY23	FY24	LTM
Operating revenues:											
Alico Citrus	13,592	17,762	13,237	468	16,326	17,253	7,805	89,681	38,145	45,059	41,852
Land Management and Other Operations	393	351	373	467	568	727	585	2,266	1,701	1,584	2,347
Total operating revenues	**13,985**	**18,113**	**13,610**	**935**	**16,894**	**17,980**	**8,390**	**91,947**	**39,846**	**46,643**	**44,199**
Operating expenses:				-							
Alico Citrus	28,107	36,142	17,813	20,566	25,111	167,607	36,304	106,192	32,959	102,628	249,588
Land Management and Other Operations	133	129	84	52	21	70	142	520	441	398	285
Total operating expenses	28,240	36,271	17,897	20,618	25,132	167,677	36,446	106,712	33,400	103,026	249,873
Gross loss	(14,255)	(18,158)	(4,287)	(19,683)	(8,238)	(149,697)	(28,506)	(14,765)	6,446	(56,383)	(206,124)
General and administrative expenses	3,272	2,321	2,441	3,037	2,586	3,388	2,867	10,079	10,643	11,071	11,878
Loss from operations	(17,527)	(20,479)	(6,728)	(22,720)	(10,824)	(153,085)	(30,923)	(24,844)	(4,197)	(67,454)	(217,552)
Other income (expense), net:				-							
Interest income	95	155	95	40	47	59	153	21	58	385	299
Interest expense	(1,605)	(663)	(628)	(642)	(898)	(1,159)	(907)	(3,324)	(4,911)	(3,538)	(3,606)
Gain on sale of property and equipment	77,025	4	4,491	39	-	15,847	5,553	41,102	11,509	81,559	21,439
Other income, net	-	-	-	-	244	11	0	-	-	-	255
Total other income (expense), net	75,515	(504)	3,958	(563)	(607)	14,758	4,799	37,799	6,656	78,406	18,387
(Loss) income before income taxes	57,988	(20,983)	(2,770)	(23,283)	(11,431)	(138,327)	(26,124)	12,955	2,459	10,952	(199,165)
Income tax (benefit) provision	15,552	(4,970)	(861)	(5,124)	(2,180)	(26,894)	(7,800)	1,069	801	4,597	(41,998)
Net (loss) income	42,436	(16,013)	(1,909)	(18,159)	(9,251)	(111,433)	(18,324)	11,886	1,658	6,355	(157,167)
Net loss attributable to noncontrolling interests	509	209	(135)	35	84	48	35	573	177	618	202
Net (loss) income	**42,945**	**(15,804)**	**(2,044)**	**(18,124)**	**(9,167)**	**(111,385)**	**(18,289)**	**12,459**	**1,835**	**6,973**	(156,965)
Per share information											
(Loss) earnings per common share:											
Basic	5.64	(2.07)	(0.27)	(2.39)	(1.20)	(14.58)	(2.39)	1.65	0.24	0.91	(21)
Diluted	5.64	(2.07)	(0.27)	(2.39)	(1.20)	(14.58)	(2.39)	1.65	0.24	0.91	(21)
Weighted-average number of common shares											
Basic	7,616	7,620	7,624	7,622	7,633	7,637	7,641	7,560	7,602	7,622	
Diluted	7,616	7,620	7,624	7,622	7,633	7,637	7,641	7,560	7,602	7,622	
Cash dividends declared per common share	0.05	0.05	0.05	0.05	0.05	0.05	0.05	2.00	0.20	0.20	0.20
Adjusted EBITDA	**63,811**	**(16,468)**	**1,343**	**(18,953)**	**(6,672)**	**12,729**	**19,273**	**32,081**	**22,976**	**29,733**	**6,377**

Balance Sheet - Key Items ($ thousands)	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	FY22	FY23	FY24	3Q FY25
Cash and cash equivalents	18,632	5,966	9,106	3,150	4,388	14,659	42,073	865	1,062	3,150	42,073
Total current assets	**71,817**	**51,583**	**54,364**	**40,627**	**40,818**	**43,968**	**55,957**	**31,616**	**58,805**	**40,627**	**55,957**
Total assets	**441,209**	**416,773**	**414,602**	**398,719**	**397,596**	**243,165**	**210,560**	**409,255**	**428,353**	**398,719**	**210,560**
Current portion of long-term debt	1,410	1,410	1,410	1,410	1,410	1,410	1,410	3,035	2,566	1,410	1,410
Total current liabilities	**28,540**	**20,213**	**20,358**	**10,651**	**8,437**	**7,905**	**5,969**	**16,525**	**15,065**	**10,651**	**5,969**
Long-term debt, net	83,299	82,970	82,642	82,313	81,984	81,654	81,320	102,913	101,410	82,313	81,320
Lines of credit	-	-	-	8,394	8,394	6,494	2,500	4,928	24,722	8,394	2,500
Total liabilities	**148,583**	**140,367**	**140,310**	**142,424**	**150,755**	**107,954**	**93,860**	**160,390**	**177,976**	**142,424**	**93,860**
Total stockholders' equity	**292,626**	**276,406**	**274,292**	**256,295**	**246,841**	**135,211**	**116,700**	**248,865**	**250,377**	**256,295**	**116,700**
Total liabilities and stockholders' equity	**441,209**	**416,773**	**414,602**	**398,719**	**397,596**	**243,165**	**210,560**	**409,255**	**428,353**	**398,719**	**210,560**

Cash Flows - Key Items ($ thousands)	1Q FY24	2Q FY24	3Q FY24	4Q FY24	1Q FY25	2Q FY25	3Q FY25	FY22	FY23	FY24	LTM
Net income	**42,436**	**(16,013)**	**(1,909)**	**(18,159)**	**(9,251)**	**(111,433)**	**(18,324)**	**11,886**	**1,658**	**6,355**	**(157,167)**
Net cash used in operating activities	**(13,169)**	**(6,572)**	**1,021**	**(11,777)**	**(7,597)**	**7,026**	**23,412**	**6,523**	**(6,254)**	**(30,497)**	**11,064**
Purchases of property and equipment	(3,490)	(8,030)	(4,411)	(1,940)	(3,017)	(464)	(568)	(20,731)	(16,656)	(17,871)	**(5,989)**
Net cash provided by (used in) investing activities	**75,225**	**(7,988)**	**2,851**	**(1,910)**	**(3,017)**	**18,980**	**8,730**	**22,468**	**(4,123)**	**68,178**	**22,783**
Net cash (used in) provided by financing activities	**(44,486)**	**(736)**	**(732)**	**7,979**	**12,366**	**(15,735)**	**(4,728)**	**(29,012)**	**13,204**	**(37,975)**	**(118)**
Net (decrease) increase in cash and cash equivalents and restricted cash	**17,570**	**(15,296)**	**3,140**	**(5,708)**	**1,752**	**10,271**	**27,414**	**(21)**	**2,827**	**(294)**	**33,729**

Source: Exec Edge Research, Company Filings, TIKR. ALCO's FY ends in September each year. Adjusted EBITDA = EBITDA as further adjusted for impairment of long-lived assets and restructuring and other charges.

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