

2017



FRP Holdings, Inc.

Annual Shareholder Meeting

May 14, 2018



A Real Estate Company¹



~Comparative Metrics~

FRP Holdings, Inc. – Results of Operations

Twelve Months Ended			Year Ended 12/31/17	Year Ended 9/30/16
Total Revenues	↑	15.3%	\$43,191	\$37,457
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>
Total Cost of Operations	↑	40.0%	\$29,586	\$21,074
Total Operating Profit	↓	<17.0%>	\$13,605	\$16,383
Net Income (after-tax)			\$60,551	\$12,024
Income Attributable to Non-controlling Interest			\$18,801	---
Net Income Attributable to the Company	↑	247.2%	\$41,750	\$12,024



~Comparative Metrics~

FRP Holdings, Inc. – Results of Operations

Three Months Ended			March 31, 2018	March 31, 2017
Total Revenues	↑	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>
Total Cost of Operations	↑	65.0%	\$ 9,764	\$ 5,918
Total Operating Profit	↓	<16.0%>	\$ 2,858	\$ 3,404
Net Income (after-tax)			\$ 1,029	\$ 1,443
Loss Attributable to Non-controlling Interest			(\$ 531)	---
Net Income Attributable to the Company	↑	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>
Assets:		
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	-
Total Assets	\$ 418,734	266,560
Total Liabilities	\$ 154,152	67,740
Total Shareholders' Equity	243,530	198,820
Noncontrolling Interest MRP	21,052	-
Total Equity	\$ 264,582	198,820
Total Liabilities and Shareholders' Equity	\$ 418,734	266,560



~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~



Mining Locations



~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)

	<u>12/31/2017</u>	<u>Pro Forma Adjustments</u>	<u>Adjusted 12/31/2017</u>
Assets:			
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
Total Assets	\$ 418,734	81,079	499,813
Total Liabilities	\$ 154,152	(42,239)	111,883
Total Shareholders' Equity	243,530	123,348	366,878
Noncontrolling Interest MRP	21,052	-	21,052
Total Equity	\$ 264,582	123,537	387,930
Total Liabilities and Shareholders' Equity	\$ 418,734	81,079	499,813



~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: 2nd 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 ----



~Strategy~

Going Forward...

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



~Strategy~

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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