



**Maui Land & Pineapple Company, Inc.**

**NEWS RELEASE**

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**MAUI LAND & PINEAPPLE REPORTS 2019 RESULTS**

KAPALUA RESORT, Hawaii, March 2, 2020 (BUSINESS WIRE) --

Maui Land & Pineapple Company, Inc. (NYSE: MLP) reported a net loss of \$10.4 million, or \$(0.54) per share, for 2019. This compares to net income of \$0.5 million, or \$0.03 per share, for 2018. The Company reported revenues of \$10.0 million and \$8.9 million for 2019 and 2018, respectively.

For the fourth quarter of 2019, the Company recognized a net loss of \$9.1 million or \$(0.47) per share. For the fourth quarter of 2018, the Company recognized net income of \$3.7 million or \$0.19 per share. Operating revenues totaled \$ 2.5 million and \$ 2.2 million during the fourth quarters of 2019 and 2018, respectively.

On December 20, 2019, the Company entered into an agreement to sell the assets of its two Hawaii Public Utilities Commission (“PUC”) regulated subsidiaries, Kapalua Water Company, Ltd. and Kapalua Waste Treatment Company, Ltd. for a purchase price of approximately \$3.8 million in addition to a potential Capital Expenditures Adjustment, as defined in the agreement, to be determined at closing. The closing of the transaction is contingent upon, among other things, the satisfaction of certain customary closing conditions, and approval by the PUC.

On February 6, 2020, the Company entered into an agreement to sell its 46-acre Kapalua Central Resort project for \$43.9 million. The closing of the transaction is contingent upon, among other things, the satisfaction of certain customary closing conditions, and a due diligence period ending on July 31, 2020, with a closing date 45 days after the last day of the due diligence period.

There were two large, non-recurring items that drove the 2019 results. The first item is an impairment charge of approximately \$3.6 million for water system infrastructure and other related assets conveyed to the Company by the owner of a 125-acre portion of the Kapalua Mauka project. The value of the contributed assets will not be included as part of the planned sale of the Company’s PUC-regulated water and wastewater company assets and, accordingly, a write-down of the value of these assets was recognized in the fourth quarter of 2019.

For the second item, the Company recorded an allowance of \$5.0 million during 2019 for a refund of unused alternative minimum tax (“AMT”) credit carry forwards that were recognized as part of The Tax Cuts and Jobs Act of 2017. It appears that a portion of

the refund, \$2.5 million, was misapplied by the U.S. Department of the Treasury toward a "Non-Tax Federal Debt." The Company intends to pursue collection of this amount, however, it has recorded a reserve for the entire amount of the unused AMT credit carry forwards in the fourth quarter of 2019, until such time that it has further clarification on this matter.

These two large items amounted to a total of \$8.6 million. Without the impairment charge and the misapplied tax refund, the Company's 2019 earnings before interest, depreciation, taxes and amortization, or EBIDTA would have been \$140,000 as shown below:

	Years Ended December 31,		Three Months Ended December 31	
	2019	2018	2019	2018
	(in thousands except per share amounts)		(in thousands except per share amounts)	
<b>NET INCOME (LOSS)</b>	<b>\$ (10,366)</b>	<b>\$ 498</b>	<b>\$ (9,083)</b>	<b>\$ 3,659</b>
Interest expense	198	156	38	45
Depreciation	1,412	1,490	345	371
Water system depreciation	283	280	70	71
Income tax expense (benefit)	4,999	(4,999)	4,999	(4,999)
EBIDTA	(3,474)	(2,575)	(3,631)	(853)
Water system impairment charge	3,614	-	3,614	-
EBIDTA without non-recurring items	<u>\$ 140</u>	<u>\$ (2,575)</u>	<u>\$ (17)</u>	<u>\$ (853)</u>

### *Additional Information*

Additional information with respect to Maui Land & Pineapple Company, Inc. and our 2019 operating results will be available on our Form 10-K filed with the Securities and Exchange Commission and our website [www.mauiland.com](http://www.mauiland.com).

### *About MAUI LAND & PINEAPPLE COMPANY, INC. (NYSE:MLP)*

Maui Land & Pineapple Company, Inc. is a landholding and operating company. The Company's segments include Real Estate, which consists of land planning and entitlement, development and sales activities of its landholdings on Maui; Leasing, which includes residential, resort, agricultural, commercial, and industrial land and property leases, licensing of its registered trademarks and trade names, potable and non-potable water system sales, and stewardship and conservation efforts; and Resort Amenities, which includes the operations of the Kapalua Club, a private, non-equity club providing its members special programs, access and other privileges at certain of the amenities at the Kapalua Resort. The Company owns approximately 23,000 acres of land on Maui on which it operates the Kapalua Resort community.

**MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS  
AND COMPREHENSIVE INCOME (LOSS)**

	Years Ended December 31,		Three Months Ended December 31,	
	2019	2018	2019	2018
	(in thousands except per share amounts)		(in thousands except per share amounts)	
<b>OPERATING REVENUES</b>				
Real estate	\$ 915	\$ 446	\$ 244	\$ 44
Leasing	8,148	7,266	2,027	1,875
Resort amenities and other	982	1,148	231	257
Total Operating Revenues	10,045	8,860	2,502	2,176
<b>OPERATING COSTS AND EXPENSES</b>				
Real estate	1,185	2,770	282	951
Leasing	3,228	3,037	995	772
Resort amenities and other	1,030	1,109	278	305
General and administrative	2,254	2,896	470	549
Share-based compensation	1,732	1,540	386	334
Depreciation	1,412	1,490	345	371
Total Operating Costs and Expenses	10,841	12,842	2,756	3,282
<b>OPERATING LOSS</b>	(796)	(3,982)	(254)	(1,106)
Pension and other post-retirement expenses	(1,016)	(514)	(248)	(210)
Interest expense	(198)	(156)	(38)	(45)
Income tax (expense) benefit	(4,999)	4,999	(4,999)	4,999
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	(7,009)	347	(5,539)	3,638
Income (Loss) from Discontinued Operations, net of income taxes of \$0	(3,357)	151	(3,544)	21
<b>NET INCOME (LOSS)</b>	(10,366)	498	(9,083)	3,659
Pension, net of income taxes of \$0	1,006	(1,550)	372	(2,105)
<b>COMPREHENSIVE INCOME (LOSS)</b>	\$ (9,360)	\$ (1,052)	\$ (8,711)	\$ 1,554
<b>EARNINGS PER COMMON SHARE -- BASIC AND DILUTED</b>				
Continuing Operations	\$ (0.37)	\$ 0.02	\$ (0.29)	\$ 0.19
Discontinued Operations	\$ (0.17)	\$ 0.01	\$ (0.18)	\$ 0.00
Net Income (Loss)	\$ (0.54)	\$ 0.03	\$ (0.47)	\$ 0.19