



# LIMONEIRA

SINCE 1893

March 2019

# Cautionary Statement

## Forward-Looking Statements

*This press release contains forward-looking statements, including guidance for fiscal year 2018 and 2019, 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. These forward-looking statements are based on Limoneira's current expectations about future events and can be identified by terms such as "expect," "may," "anticipate," "intend," "should be," "will be," "is likely to," "strive to," and similar expressions referring to future periods.*

*Limoneira 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, Limoneira 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, regulations, rules, quotas, tariffs and import laws; weather conditions that affect production, transportation, storage, import and export of fresh product; increased pressure from crop disease, insects and other pests; disruption of water supplies or changes in water allocations; pricing and supply of raw materials and products; market responses to industry volume pressures; pricing and supply of energy; changes in interest and currency exchange rates; availability of financing for land development activities; political changes and economic crises; international conflict; acts of terrorism; labor disruptions, strikes or work stoppages; loss of important intellectual property rights; inability to pay debt obligations; inability to engage in certain transactions due to restrictive covenants in debt instruments; government restrictions on land use; and market and pricing risks due to concentrated ownership of stock. Other risks and uncertainties include those that are described in Limoneira's SEC filings which are available on the SEC's website at <http://www.sec.gov>. Limoneira undertakes no obligation to subsequently update or revise the forward-looking statements made in this press release, except as required by law.*

## Non-GAAP Financial Measures

Due to significant depreciable assets associated with the nature of the Company's operations and interest costs associated with its capital structure, management believes that earnings before interest, income taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA, which excludes impairments on real estate development assets when applicable, is an important measure to evaluate the Company's results of operations between periods on a more comparable basis. Such measurements are not prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and should not be construed as an alternative to reported results determined in accordance with GAAP. The non-GAAP information provided is unique to the Company and may not be consistent with methodologies used by other companies. With respect to our expectations under "Fiscal Year 2019 Outlook" above, the Company has not provided a reconciliation of forward-looking non-GAAP measures, primarily due to variability and difficulty in making accurate forecasts and projections, as not all of the information necessary for a quantitative reconciliation is available to the Company without unreasonable efforts. EBITDA and adjusted EBITDA is summarized and reconciled to net (loss) income attributable to Limoneira Company, which management considers to be the most directly comparable financial measure calculated and presented in accordance with GAAP as follows (in thousands):

# Experienced Senior Management Team

## Limoneira's Senior Management Team has an Average of 26 Years of Industry Expertise



**Harold Edwards**  
President / CEO

- 29 years industry experience
- Joined Limoneira in 2003
- Edwards is a member of one of the farming families associated with the Company over its long history
- *Previous experience includes:*



**Mark Palamountain**  
Chief Financial Officer

- 21 years finance experience
- Joined Limoneira in 2012
- Promoted to CFO in January 2018
- *Previous experience includes:*



**Alex Teague**  
Senior Vice President / COO

- 32 years industry experience
- Joined Limoneira in 2004
- Great-grandson of C.C. Teague, Limoneira's first General Manager
- *Previous experience includes:*



# Vice Presidents



**Edgar Gutierrez**

Vice President Farming Operations



**Greg Hamm**

Vice President & Corporate Controller



**John Carter**

Vice President Sales



**John Chamberlain**

Vice President Marketing



**Tony Ecuyer**

Vice President Packing Operations



# Management





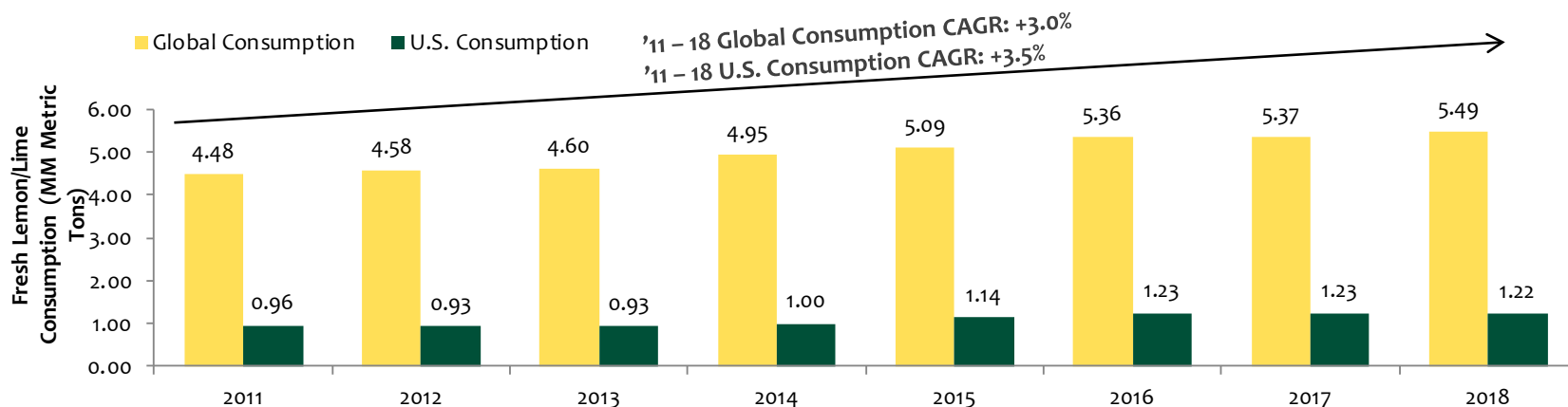


# Global Demand for Fresh Citrus Continues to Grow

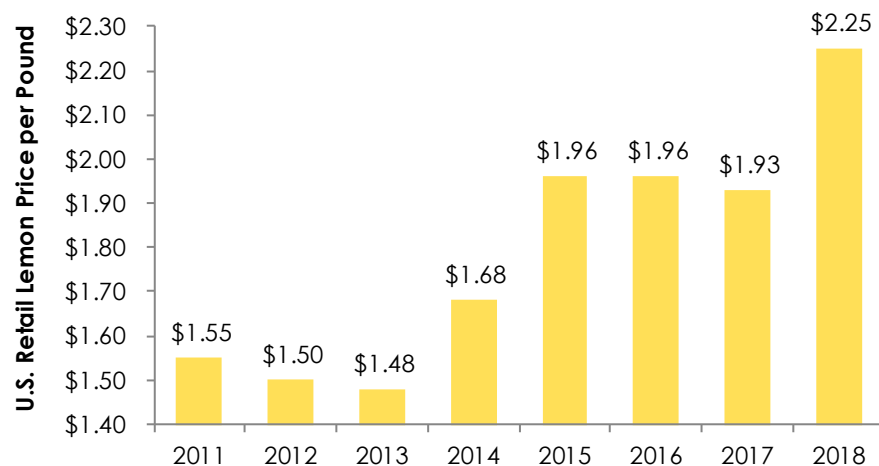


## Attractive & Growing Global Market for Fresh Citrus

### Fresh Lemon/Lime Consumption on the Rise



### Growing Demand Supports Higher Prices



### Drivers of Increased Consumption

- Increased consumer focus on health and wellness
- Changing consumer preferences for whole fresh food
- Increasing disposable income globally
- Food away from home – 70% of lemon consumption is generated through the foodservice industry



Health



Beauty



Lifestyles



Cleaning

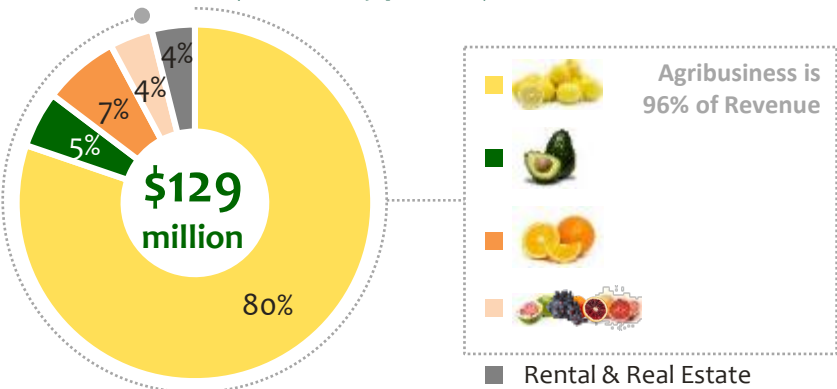


Recipes

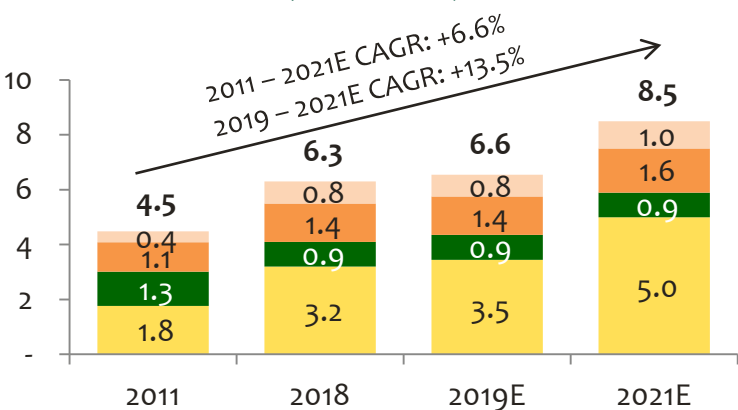
Source: USDA.

## From Our Groves to Your Home bringing you the best since 1893

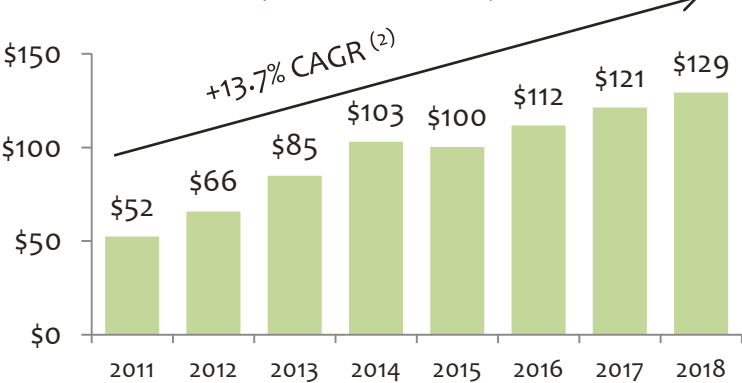
### Diverse and On-Trend Citrus (revenue by product)



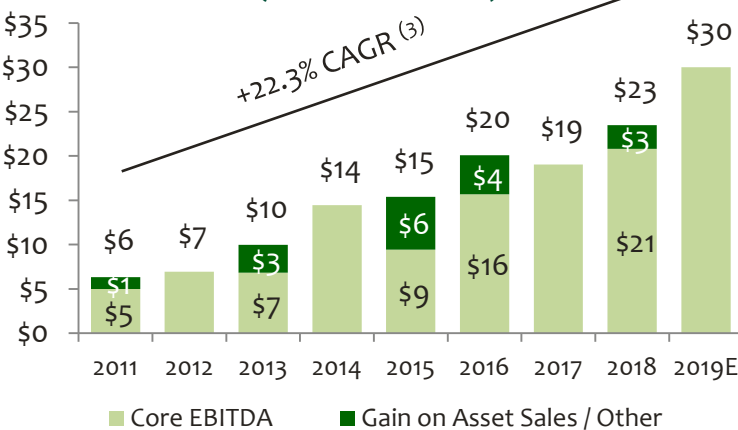
### U.S. Fruit Bearing Acres <sup>(1)</sup> (in thousands)



### Revenue (dollars in millions)



### Adj. EBITDA (dollars in millions)



(1): 2021E figures include agricultural acres currently planted and expected to bear fruit.  
(2): Compound annual growth rate from FY2011 to FY2018  
(3): Compound annual growth rate from FY2011 to FY2019E



# Vertically Integrated Player Within a Highly Fragmented Space

## Integrated. Scaled. Global.

sitting between highly fragmented growers and diverse end markets



■ LMNR Operations

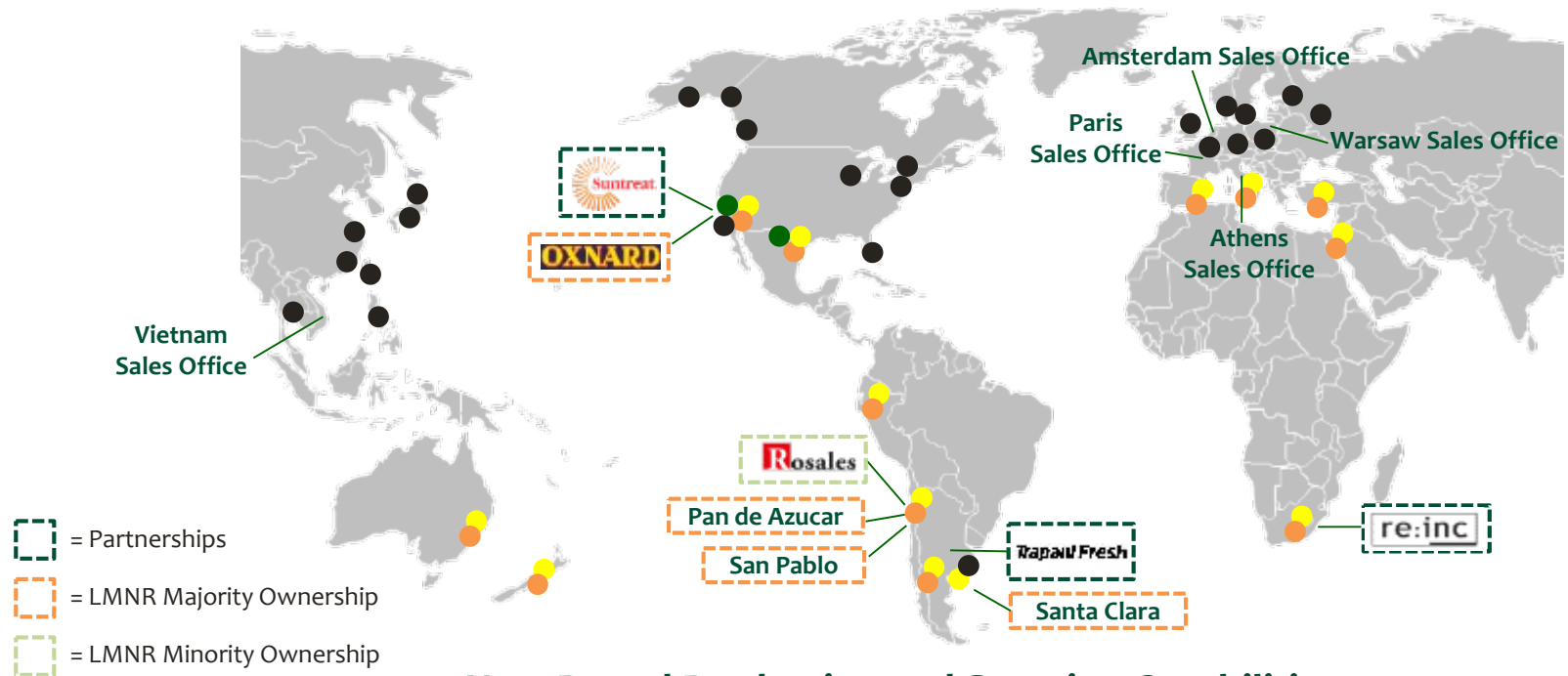


- Limoneira delivers:
  - High-quality products
  - Integrated farm-to-customer supply chain
  - Low cost production
  - Diverse global sourcing and distribution network
  - Superior product mix
  - Global scale and customer base
- Limoneira's vertical integration and scale enable:
  - Increased operating leverage and flexibility
  - Enhanced customer service and satisfaction
  - Higher growth and margins

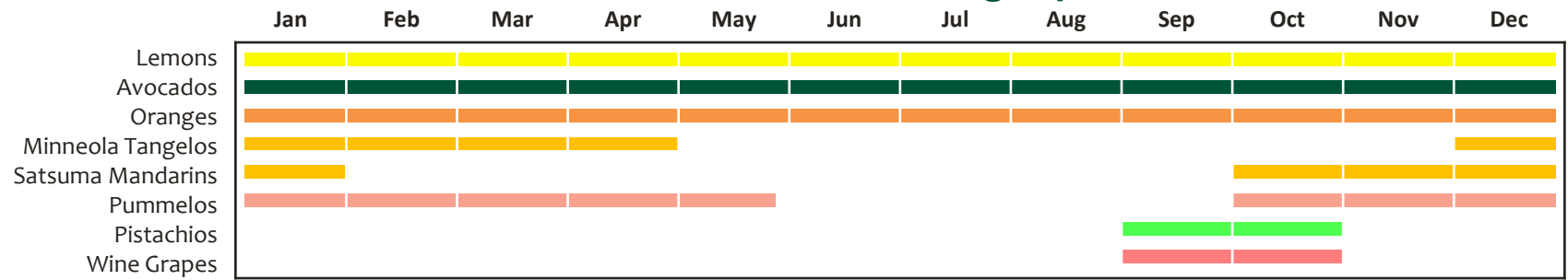
# One World of Citrus™ – Global Reach With Year Round Supply

**Limoneira's U.S. Lemon Supply:**  
**73% Domestic Sales / 23% Domestic Exporter Sales / 4% Direct International Sales**

● Lemons    ● Avocados    ● Oranges    ● Global End Markets



## Year Round Production and Sourcing Capabilities

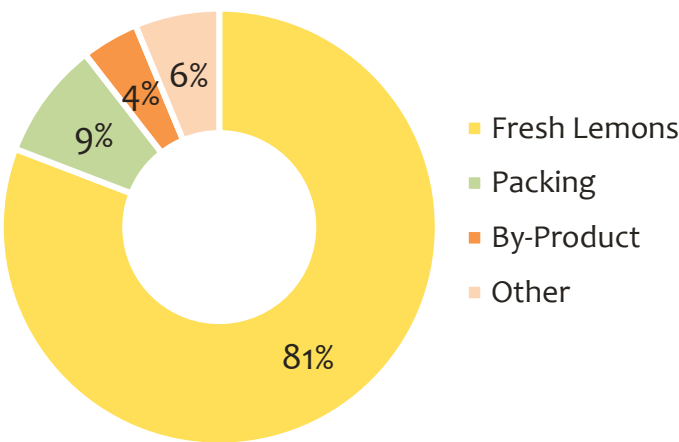


# Diversified U.S. Lemon Production Platform



**Locations Across Key Growing Regions**  
provides low cost access to grower base and key customers

2018 LMNR Lemon Revenue by Product



- In 2017, 80% of U.S. lemons industry-wide were utilized in the fresh market, up from 58% of lemons in 2009
- The fresh market is significantly more profitable than the processed market

Source: USDA.

LMNR Growing Regions



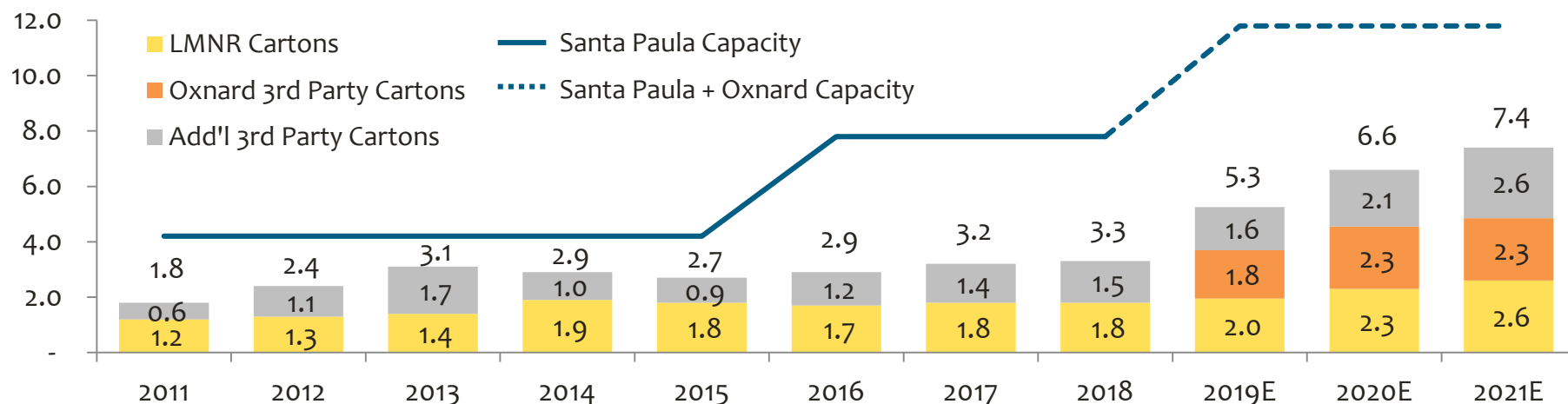


# Lemon Packing Facility is Reaching an Inflection Point



## Highly Automated Packing Platform is a Source of Continued Growth \$29 million lemon packing facility enhancement in 2016

### Millions of U.S. Lemon Cartons Packed & Sold <sup>(1)</sup>



- Oxnard acquisition expected to add 1.5 - 2.0 million incremental cartons in 2019
- ~200,000 additional Limoneira-owned cartons expected in 2019 as currently non-bearing LMNR acreage comes online
- Also expect to add ~100,000 additional 3<sup>rd</sup> Party cartons as Limoneira continues recruiting new outside growers
- Given the Company's new packinghouse and the addition of the Oxnard packinghouse, Limoneira has ample capacity to accommodate expected growth

### Lemon Packing Margin Profiles

	LMNR	Oxnard	3 <sup>rd</sup> Party
Sale Price	\$26.00	\$26.00	\$26.00
Cost per Carton	\$15.00	NM	NM
Margin	\$11.00	\$2.25	\$2.25
2019E Cartons (mm)	2.0	1.8	1.5

(1): 2019E – 2021E projections assume Limoneira contributes 800k additional cartons from currently non-bearing LMNR acreage coming online. Projections also assume Limoneira adds 500k additional 3<sup>rd</sup> Party cartons in 2020 and 2021.

# Well Positioned for Industry Consolidation – Strong Acquisition Pipeline

## Increasing Opportunity to Consolidate a Fragmented Space

- Limoneira has successfully completed and integrated 9 acquisitions over the past 6 years
  - Meaningful acquisitions of San Pablo and Oxnard in 2018
  - Strategic joint venture and land acquisition in Argentina with FGF Trapani in 2019
- Over 25+ qualified targets in the pipeline representing over \$250 million of enterprise value
- The goal is to continue to increase the Company's global lemon market share
- Limoneira anticipates continued sector consolidation in the next 3-5 years and beyond
  - 87% of U.S. farms are owned by families with fewer members of subsequent generations choosing to be farmers
  - 65% of all U.S. farmers are over age 54
  - With a public currency and strong balance sheet, we expect to actively participate

M&A Partnership Considerations		2018 Acquisitions		2019 Acquisition
		San Pablo	Oxnard Lemon	FGF Trapani
Asset Types	• Production Acreage	✓		✓
	• Packing Facilities		✓	
	• Distribution Networks	✓	✓	✓
	• Third-Party Grower Networks		✓	✓
Asset Quality	• Producing Acreage	✓		✓
	• Adequate Water Source	✓		✓
	• Warm Micro-Climate	✓		✓
	• Well-Draining Soils	✓		✓
Geographies	• California		✓	
	• Arizona			
	• Chile	✓		
	• Argentina			✓
	• South Africa			
	• Mexico			
	• Spain			
Fruit Types	• Focus on lemon producing properties	✓		✓
	• Land not suitable for lemons is typically planted with oranges, avocados and other citrus	✓		
	• Wine grapes			

Source: USDA.

## Overview of Oxnard Lemon Acquisition and Joint Venture and Land Acquisition in Argentina



# Overview of Oxnard Lemon Acquisition

## Oxnard Lemon – Closed July 2018

Overview	<ul style="list-style-type: none"><li>• Oxnard Lemon Associates, Ltd. (“Oxnard”) is one of the leading full-line lemon packing companies in the U.S., specializing in organic and specialty citrus packing from the local California community of growers</li><li>• In July 2018, Limoneira acquired the assets of Oxnard Lemon, including a packinghouse and related equipment on 13 acres near Limoneira’s headquarters in Santa Paula, CA<ul style="list-style-type: none"><li>– Packing capacity of 4,000,000 cartons per year</li><li>– Strategically located less than a mile from the Port of Hueneme</li></ul></li></ul>
Terms	<ul style="list-style-type: none"><li>• All-in purchase price of \$25.0 million<ul style="list-style-type: none"><li>– \$24.7 million paid on July 27, 2018</li><li>– \$0.3 million to be paid upon final closing on October 31, 2018; allows Oxnard to satisfy pre-existing sourcing obligations</li><li>– Limoneira has a sale-leaseback agreement with Oxnard for the interim period for use of assets</li></ul></li></ul>
Valuation and Financing	<ul style="list-style-type: none"><li>• Expected to be \$0.08 - \$0.10 per share accretive in FY2019 <sup>(1)</sup></li><li>• Expected to add 1.5 - 2.0 million cartons of third-party grower fruit in FY2019</li><li>• Financed through equity offering proceeds</li></ul>
Rationale	<ul style="list-style-type: none"><li>• Expands packing capabilities to include organic citrus</li><li>• Creates additional packing capacity, mitigating future capital needs to accommodate expected growth</li><li>• Expected to add 1.5 - 2.0 million third-party cartons in FY2019 - more than doubles Limoneira's third-party packing volumes</li><li>• Adjacency to Limoneira's headquarters creates additional packing efficiencies with two focused locations</li></ul>
Key Updates	<ul style="list-style-type: none"><li>• Final closing on October 31, 2018</li><li>• Initial third-party grower retention of ~80% - expected to add additional growers as time goes on</li><li>• Integration costs have been in-line with expectations, and Limoneira was able to retain key personnel</li></ul>

(1): Assumes 18.4 million shares outstanding.

# Oxnard Lemon – Packing Facility



# Overview of Joint Venture and Land Acquisition in Argentina

## Joint Venture and Land Acquisition in Argentina – Expected to Close March 2019

Overview	<ul style="list-style-type: none"><li>• Limoneira entered into an agreement with FGF Trapani (“FGF”), a multi-generational, family owned citrus operation in Argentina.</li><li>• FGF owns over 3,200 acres of lemons and oranges in the Provinces of Salta, Jujuy and Tucuman as well as owning and operating a juice processing facility in the Province of Tucuman.</li><li>• As part of the agreement, Limoneira will create a subsidiary in Argentina under the name Limoneira Argentina S.A.U. (“Limoneira Argentina”).</li><li>• Limoneira Argentina and FGF’s agreement will operate under the name Trapani Fresh.</li></ul>
Terms	<ul style="list-style-type: none"><li>• Limoneira will acquire 25% of the parcels of Finca Santa Clara, approximately 1,200 acres of planted lemons, upfront with an additional 25% to be acquired over a three-year period.</li><li>• Limoneira Argentina will act as the managing partner and responsible for all fresh fruit sales, holding a 51% interest and FGF holding a 49% interest.</li></ul>
Valuation	<ul style="list-style-type: none"><li>• Expected to be accretive in FY2019</li></ul>
Rationale	<ul style="list-style-type: none"><li>• Expands Limoneira’s lemon holdings by 1,200 acres</li><li>• Enhances Limoneira’s “One World of Citrus” initiative</li></ul>
Key Updates	<ul style="list-style-type: none"><li>• The agreement is expected to close at the end of March 2019</li></ul>



# One World of Citrus™ – Lemon Carton Actuals FY18



**4.75M Cartons of Lemons**  
**2.25M Limoneira 2.5M Outside Growers**  
(actual)

**3.3M**  
USA

**1.1M**  
Chile

**150k**  
Argentina  
Sourced Growers

**200k**  
Mexico/South Africa  
Sourced Growers

**1.8M**  
Limoneira

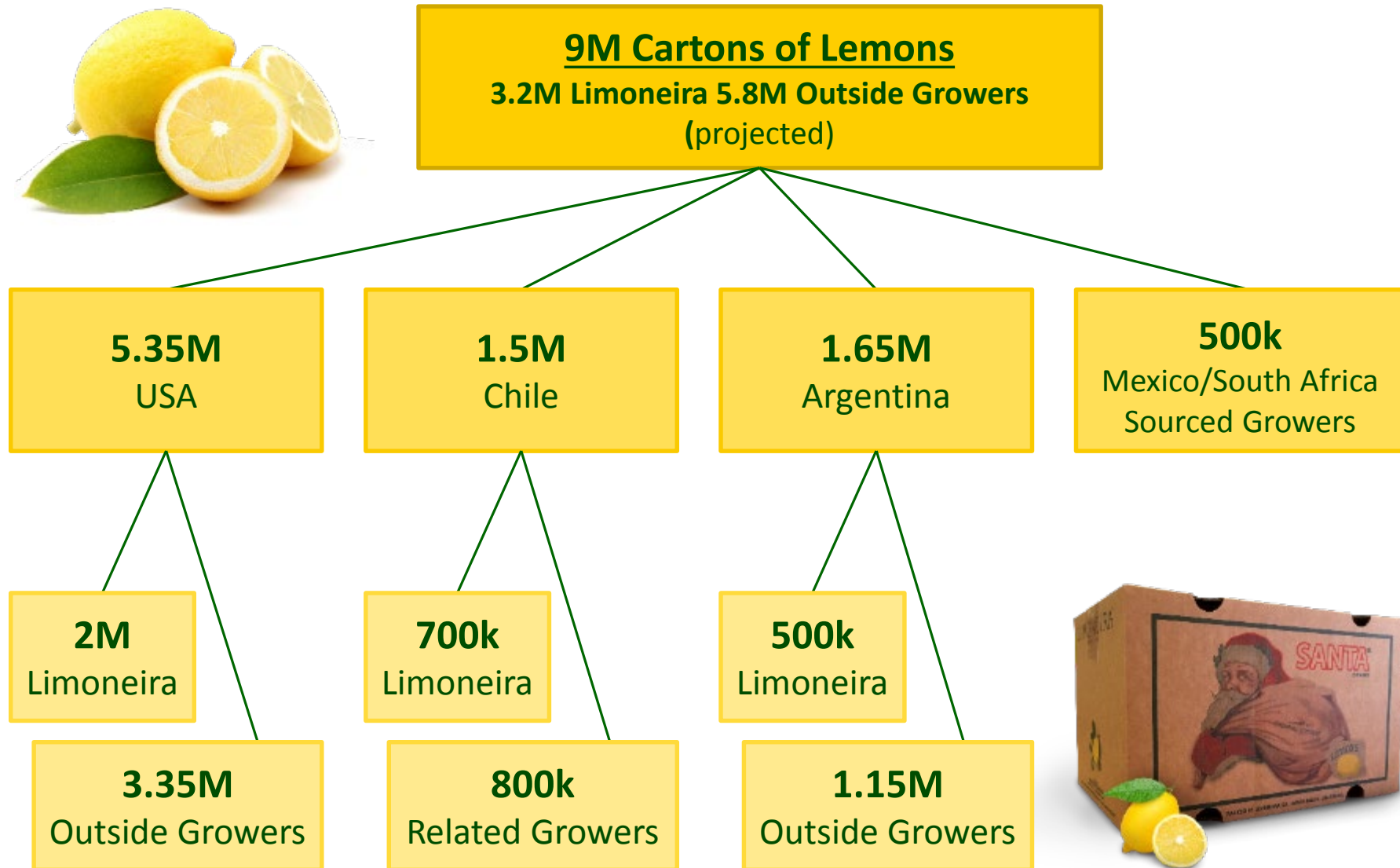
**450k**  
Limoneira

**1.5M**  
Outside Growers

**650k**  
Related Growers



# One World of Citrus™ – Lemon Carton Projections FY19



## Limoneira Overview

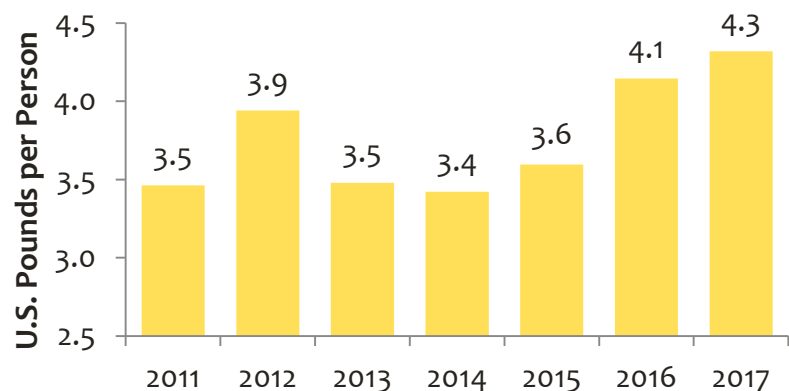


# Continued Growth in Core Segments: Lemons



## One of the Largest Growers, Packers, Marketers & Distributors of lemons in the U.S.

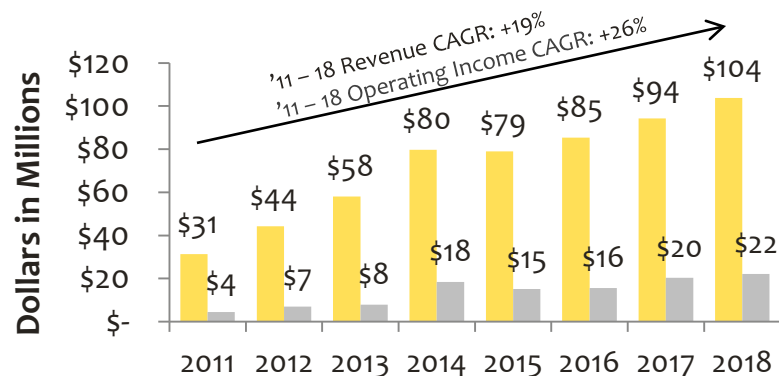
### Fresh Lemon Consumption



### Consistent Revenue Growth

#### Limoneira Global Lemon Sales and Operating Profit

■ Lemon Revenue ■ Lemon Operating Profit



Source: USDA.

### Lemon Segment Highlights

% of 2018 Agri. Revenue	84%
Fresh Market Size	35.6 million cartons
% U.S. Market Share	7.2%
Current Planted Acres	5,000
Current Producing Acres	3,200
Additional Producing Acres by 2021	<ul style="list-style-type: none"> <li>~1,800 - estimated to produce ~1.2 million additional cartons annually (+&gt;30%)</li> </ul>
Varieties	<ul style="list-style-type: none"> <li>Eureka, Lisbon, Seedless, Pink, Meyer</li> </ul>
Customers	<ul style="list-style-type: none"> <li>&gt;200 U.S. and international foodservice, wholesale and retail customers</li> <li>No customer represents more than 5% of our lemon revenue</li> </ul>
U.S. Lemon Sales	<ul style="list-style-type: none"> <li>73% domestic</li> <li>23% domestic exporters</li> <li>4% direct international</li> </ul>
Grower Relationships	<ul style="list-style-type: none"> <li>150+ third-party grower relationships</li> <li>No third-party grower represents more than 10% of our sourced lemon volume</li> </ul>

# A Leader in the Highly Fragmented Lemon Industry

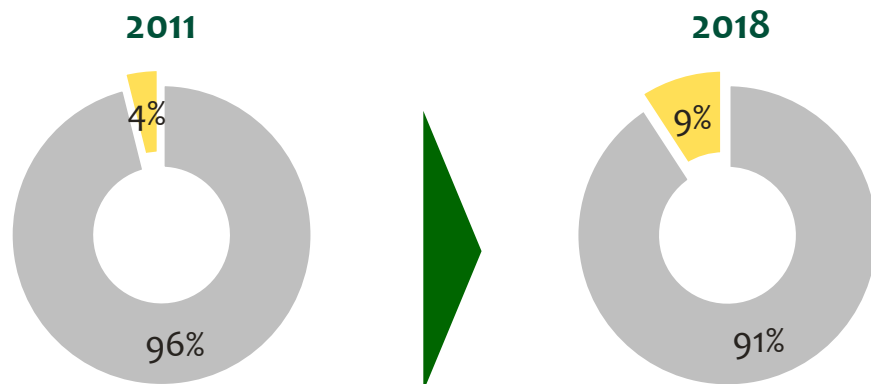


**History. Tradition. Trust.**  
delivering the finest citrus for over a century

## Growing Market Share

LMNR Distribution

Other U.S. Distribution



- In 2018, LMNR marketed & distributed 9.2% of the U.S. lemon crop, compared to 3.9% in 2011 – up 136% (or 13% CAGR)
- Limoneira provides a critical link between highly fragmented lemon growers and diverse end markets
  - Individual citrus growers do not have leverage over any end market
- Focus on quality and operational excellence results in increased customer satisfaction and loyalty

## Proprietary Brands



Source: USDA.

# State of the Art Packing Facility – Investing for the Future



## Highly Automated Packing Platform is a Source of Continued Growth \$29 million lemon packing facility enhancement in 2016

### Previous Packing Facility



### Current Packing Facility



### 2018 Results (vs. 2016)

- Current packinghouse processes 3 times the amount of fruit in the same amount of time with 70% of the pre-existing labor
  - The previous facility processed 720 cartons/hour
  - The new facility processes 2,300 cartons/hour
- Cost / Carton down 15%
- 14% more lemons packed
- 25% increase in 3<sup>rd</sup> Party packings
  - Oxnard acquisition expected to add 1.5 - 2.0 million incremental cartons in 2019
  - 3<sup>rd</sup> Party packing projected to grow by an additional 500,000 cartons per year through 2021
- Currently operating at ~45% capacity
  - Available growth for additional packing of 3<sup>rd</sup> Party fruit or additional Limoneira citrus

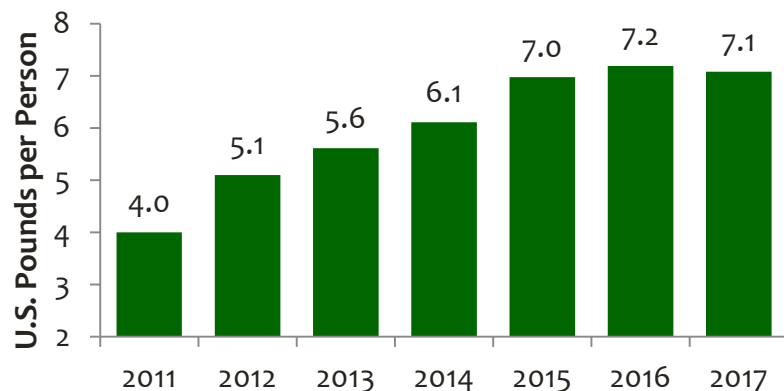


# Continued Growth in Core Segments: Avocados

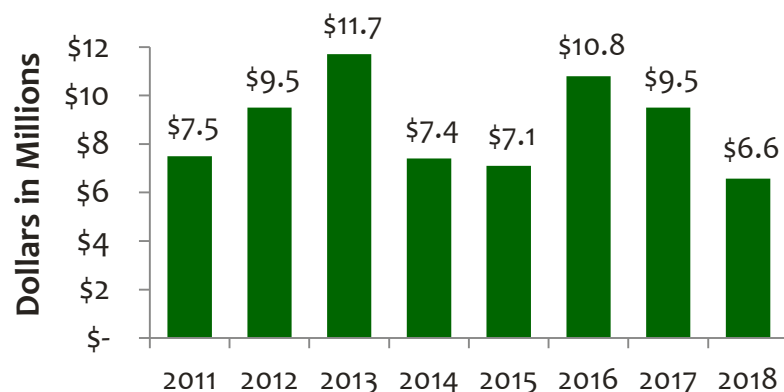


## 103% Consumption Growth in Avocados in the past 10 years

### Avocado Consumption



### Revenue



Source: USDA.

### Avocado Highlights

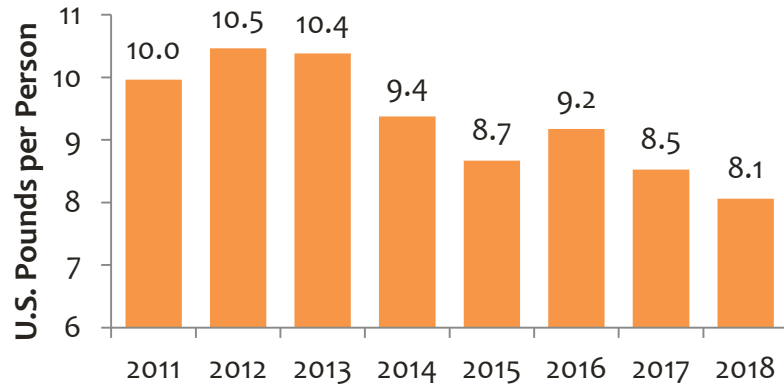
% of 2018 Agri. Revenue	5%
% U.S. Market Share	2.2%, one of the largest growers
Planted Acres	900
Current Producing Acres	900
Varieties	98% Hass
Packinghouse/Customer(s)	Calavo Growers (100%)
Other	<ul style="list-style-type: none"><li>The California avocado crop typically experiences alternating years of high and low production due to plant physiology</li><li>The California avocado crop experienced extreme heat in FY 2018, which is expected to cause minimal contribution in FY2019, but normal production capacity expected back in FY 2020</li></ul>

# Continued Growth in Core Segments: Oranges

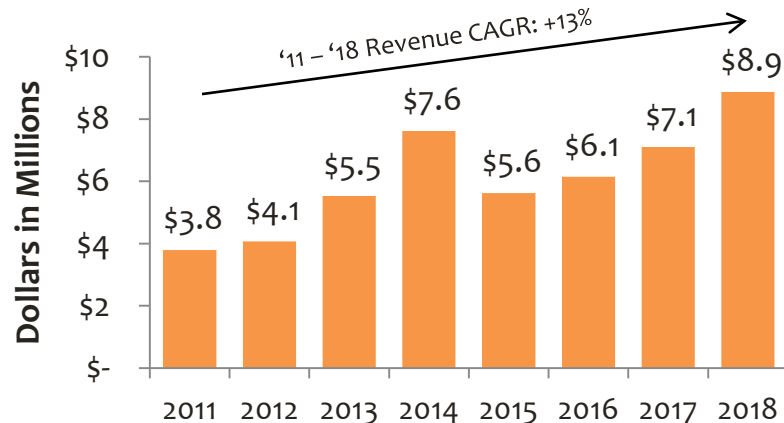


## Oranges Provide Crop Diversity and Represent a Key Aspect of Limoneira's One World of Citrus Program

### Orange Consumption



### Revenue



Source: USDA.

### Orange Highlights

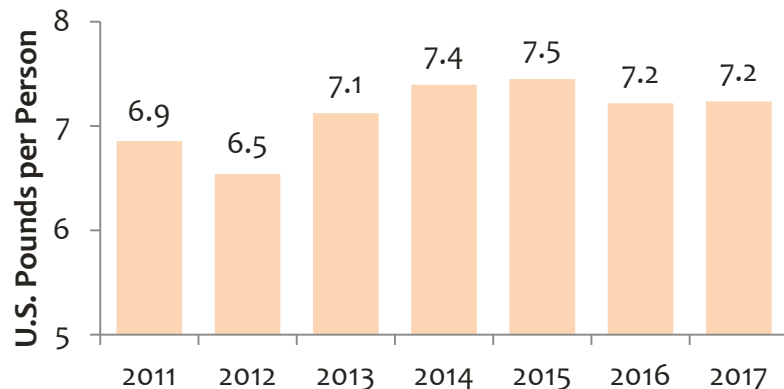
% of 2018 Agri. Revenue	7%
% U.S. Market Share	1.0%
Planted Acres	1,600
Current Producing Acres	1,400
Additional Producing Acres by 2021	200
Varieties	Valencia, Navel
Packinghouse/Customer(s)	Suntreat (100%)
Other	<ul style="list-style-type: none"> <li>California produces approximately 40% of U.S. oranges, with over 83% going to the more-profitable fresh market</li> <li>95+% of Florida oranges go to juice and other less profitable by-product markets</li> <li>Orange revenues increased primarily due to higher prices, partially offset by lower volumes</li> </ul>

# Continued Growth in Core Segments: Specialty Citrus

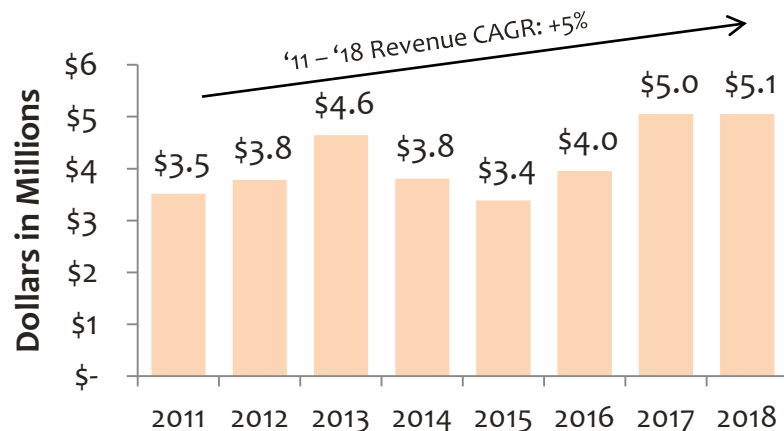


## Global Consumers Expect Variety and New Flavors

### Specialty Citrus Consumption



### Revenue<sup>(1)</sup>



Source: USDA.

(1) See crops / varieties in table on the right for items that are included in specialty citrus.

### Specialty Citrus & Other Crops Highlights

% of 2018 Agri. Revenue	4%
% U.S. Market Share	NA
Planted Acres	1,000
Current Producing Acres	800
Crops / Varieties	Grapefruit, Pummelo, Wine Grapes, Blood Oranges, Tangelos, Pistachios
Packinghouse/Customer(s)	Suntreat, CA wine producers
Other	<ul style="list-style-type: none"> <li>In FY 2017, we sold ~800 tons of wine grapes for \$1.2 million, up from ~200 tons for \$0.3 million in FY 2016</li> </ul>

**Further growth in the citrus division can be funded with incremental cash flows from these and other ongoing development projects**

## **HARVEST** at **LIMONEIRA**

- Limoneira entered a partnership with the Lewis Group of Companies to develop “Harvest at Limoneira”, a residential and commercial real estate development project to monetize non-core agribusiness land
- In October 2018, Limoneira announced a partnership with Lennar and KB Home to be primary builders for first 180 homes in the initial 632 residential units
  - Closed on lot sales with KB Home for 55 residential units in February 2019 and closed lots sales with Lennar for 119 residential units in March 2019
  - Lot sales resulting in equity realization during second fiscal quarter 2019

### **Project Status**

#### **Cash Flow Potential**

- Approximately \$100 million over the next 6-9 years (of which \$20 million has already been received)

#### **Lot Sales**

- 174 lot closings and GAAP Sales YTD in CY2019

#### **Acres**

- 550

#### **Total Expected Units**

- 1,500 units







HARVEST

— AT LIMONEIRA —



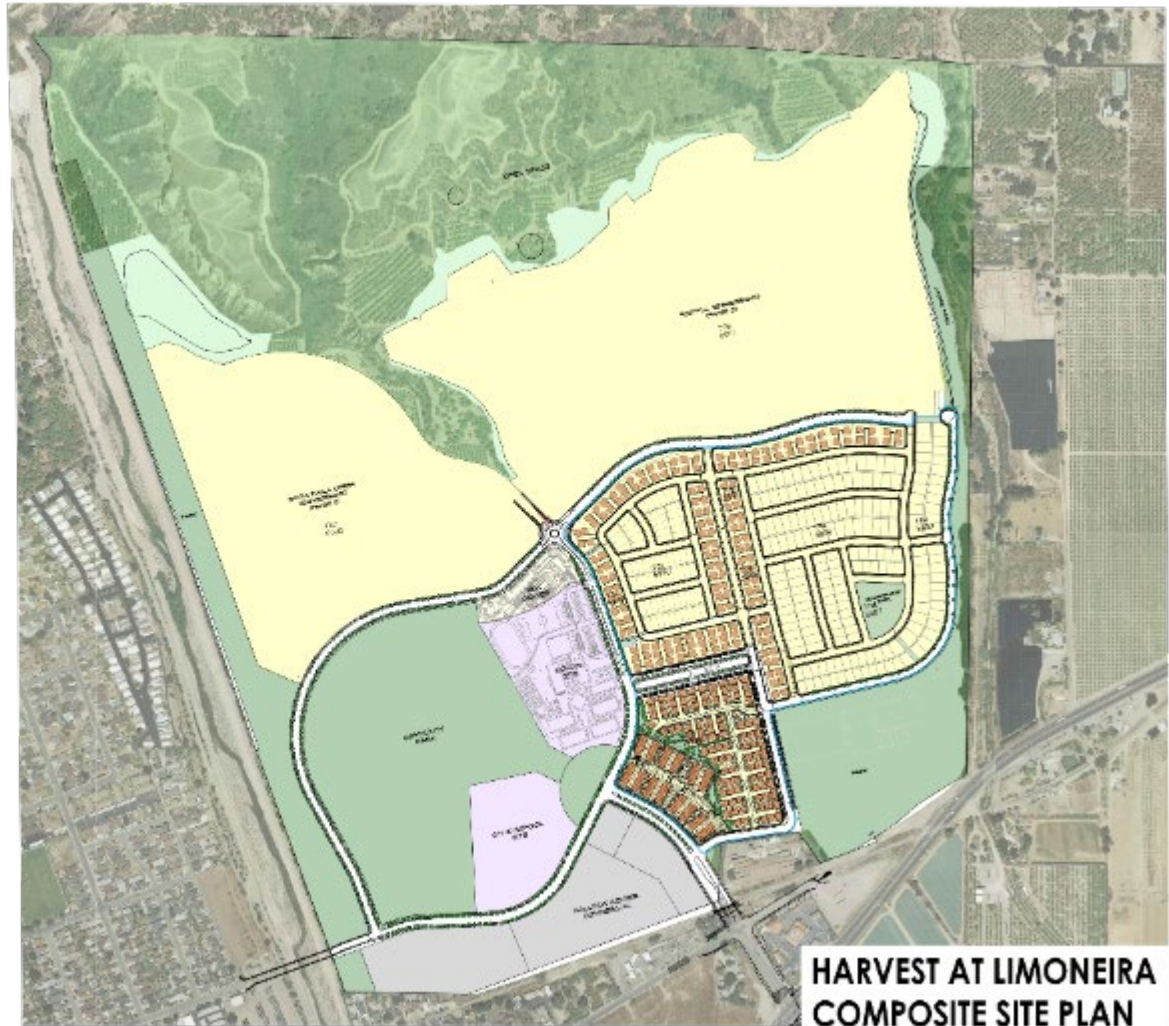
HARVEST

- AT LIMONEIRA -

LAND USE PER APPROVED  
EAST AREA I SPECIFIC PLAN

-  - NEIGHBORHOOD RESIDENTIAL
-  - HALLUCK CENTER COMMERCIAL
-  - OWC DISTRICT - SCHOOL
-  - OPEN SPACE - AS
-  - OPEN SPACE - PARK
-  - PHASE I TENTATIVE  
TRACT APPROVAL AREA

APPROVED BY PLANNING  
DATE: 11/21/2016  
DIGITALLY SIGNED: J. MORSE  
CONDITION: PER C.C. RESO 7018



**HARVEST AT LIMONEIRA  
COMPOSITE SITE PLAN**



## Key Differentiators

- Location & Views
- Natural Setting & Landscape
- Harvest Lifestyle (Farm-to-Table)
- Resort-Style Amenities
- Parks, Open Spaces, Trails
- Close to Shopping, Beaches, Freeway, Employment Centers



# The Harvest Ethos



*picturesque groves & gardens*



agrarian  
roots

hub for  
learning  
& exploring



*kindred  
spirits*



COMMUNITY  
GARDENING



Wise Water Use

*Walkable Village Design*

SUSTAINABLE  
BUILDING  
PRACTICES



## The Farmhouse





VINELAND



WILDFLOWER



ORCHARD  
HEIGHTS

**LENNAR®**



**LENNAR®**

# Signage - Neighborhood Directional



# Signage - Banner Flags







# Marketing Approach

Create early interest and awareness in the community among potential homebuyers and continue to generate buzz ahead of the Grand Opening.

Mix traditional and digital media to target the right audience and drive traffic to the website and Information Center.





## Media Mix

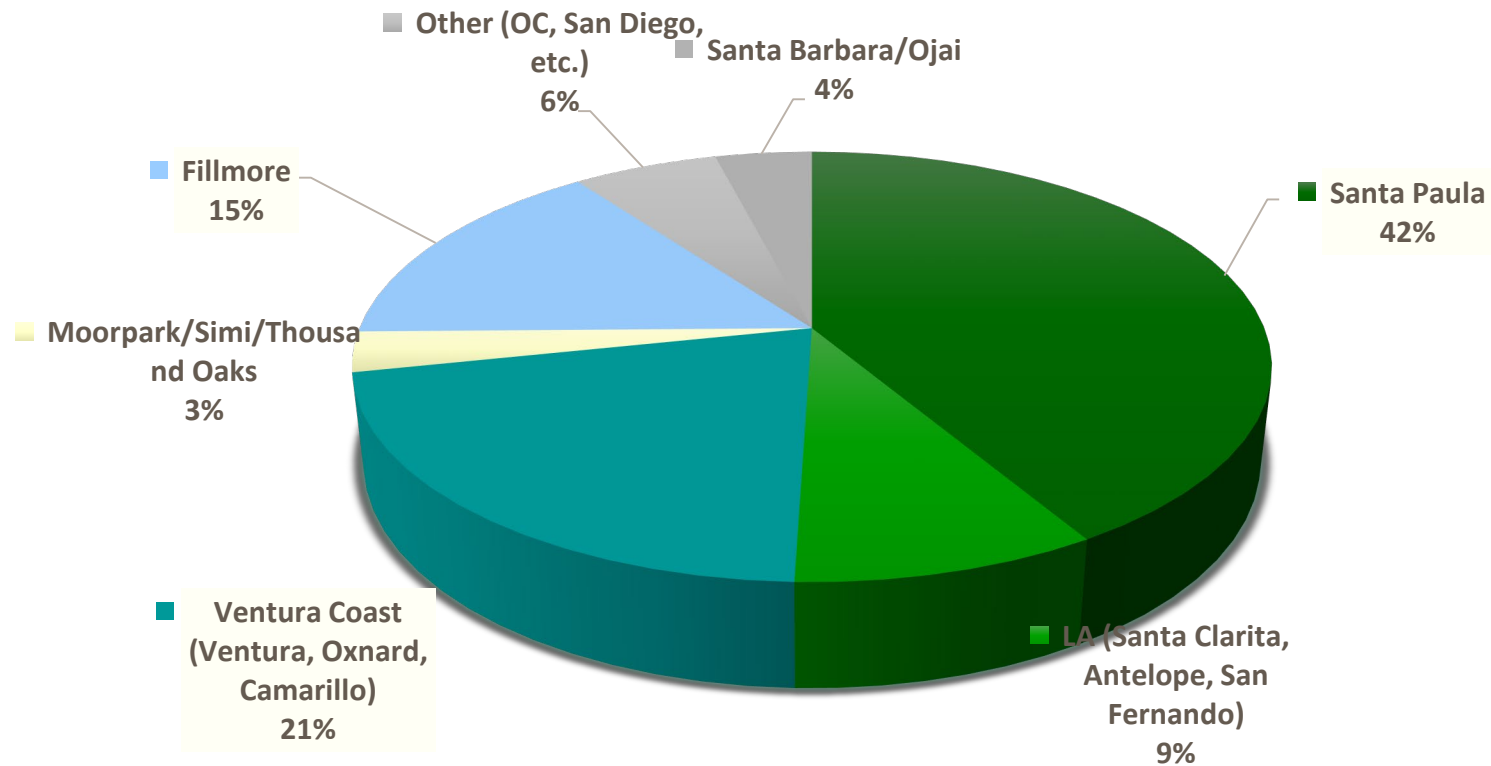
- Digital Ads & Online Listings
- Social Media
- Print Ads & Listings
- Signage
- E-Marketing
- PR
- Retail Marketing
- Collateral

- New Website
  - Launched Oct 2018
- Web Leads – 730
  - Lewis – 622
  - Limoneira (old website) - 108
- Builder Pages – May 2019





# Website Visitors By Area





# Thank You

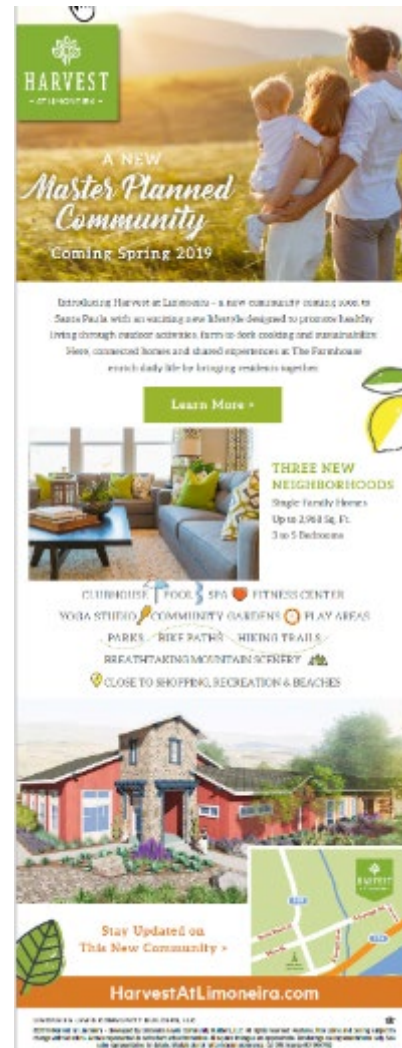
Thank you for your interest in Harvest At Limoneira.  
We're making plans to cultivate happiness at this new  
community in Santa Paula. So stay tuned for all the latest  
news, information and updates coming your way.



## New Home Neighborhoods

CLUBHOUSE POOL SPA FITNESS CENTER  
YOGA STUDIO COMMUNITY GARDENS PLAY  
AREAS PARKS BIKE PATHS HIKING TRAILS

LIMONEIRA LEWIS COMMUNITY BUILDERS, LLC





OPENING  
**Spring  
2019**

## THREE NEW NEIGHBORHOODS

Single-Family Homes • 3 to 5 Bedrooms  
Up to 2,968 Square Feet

CLUBHOUSE

 POOL

 SPA

 FITNESS CENTER

YOGA STUDIO

 COMMUNITY GARDENS

 PLAY AREAS

PARKS

BIKE PATHS

HIKING TRAILS



### HarvestAtLimoneira.com

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# Masterplan Grand Opening Event

- Spring 2019 (May 11<sup>th</sup>)  
1<sup>st</sup> Phase Builders



A CAUSE FOR  
*Celebration*  
Grand Opening May 99th

HARVEST  
AT LIMONEIRA

Join us as we unveil Harvest at Limoneira - a master-planned community in Santa Paula with new home neighborhoods where gardens, growing and wellness just come naturally.

Get Directions >

CLUBHOUSE POOL SPA FITNESS CENTER  
YOGA STUDIO COMMUNITY GARDENS PLAY AREAS  
PARKS BIKE PATHS HIKING TRAILS

Yosemite Clubhouse

Stay Updated on  
This New Community >

HarvestAtLimoneira.com

LIMONEIRA LEVER COMMUNITY BUILDERS, LLC  
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- Sample of Save the Date Eblast



- Featured Homes Eblast



**WELCOME TO EVERYTHING**

Discover a New Home at The Preserve

Exceptional New Homes | Amenity-Rich Lifestyle | Acres of Parks & Trails  
Award-Winning Schools | Convenient Location | Resort-Style Recreation

**FEATURED HOMES – NOW SELLING**

**HOMESITE 25**  
**LAUREL LANE** by William Lyon Homes  
2,214 Sq. Ft.  
4 Bedrooms | 3 Bathrooms  
Washer, Dryer & Refrigerator Included!  
**\$556,990**

**HOMESITE 14**  
**LAUREL LANE** by William Lyon Homes  
2,214 Sq. Ft.  
4 Bedrooms | 3 Bathrooms  
Washer, Dryer & Refrigerator Included!  
**\$584,990**

**HOMESITE 17**  
**LAUREL LANE** by William Lyon Homes  
2,214 Sq. Ft.  
4 Bedrooms | 3 Bathrooms  
Washer, Dryer & Refrigerator Included!  
**\$620,990**

(949) 229-6693 FOR MORE INFORMATION

- New Homes Magazine  
Cover (Apr/May 2019)



**NEW HOMES**

MAGAZINE & WEBSITE TO NEW HOME COMMUNITIES • WWW.SOCIALNEWHOMES.COM

Visit New Model Homes  
Now open in Edgemont  
in Completion  
September 28

**kb HOME**



## Additional Ancillary Cash Flows

### Rental Operations

- Rental properties provide steady cash flow and support expansion in the citrus division
- 245 farm worker housing units
- Stable tenant base – majority of tenants are Company employees
- Rental operations are an important mitigant to workforce attrition
- ~4% of 2018 revenue



### Water Rights

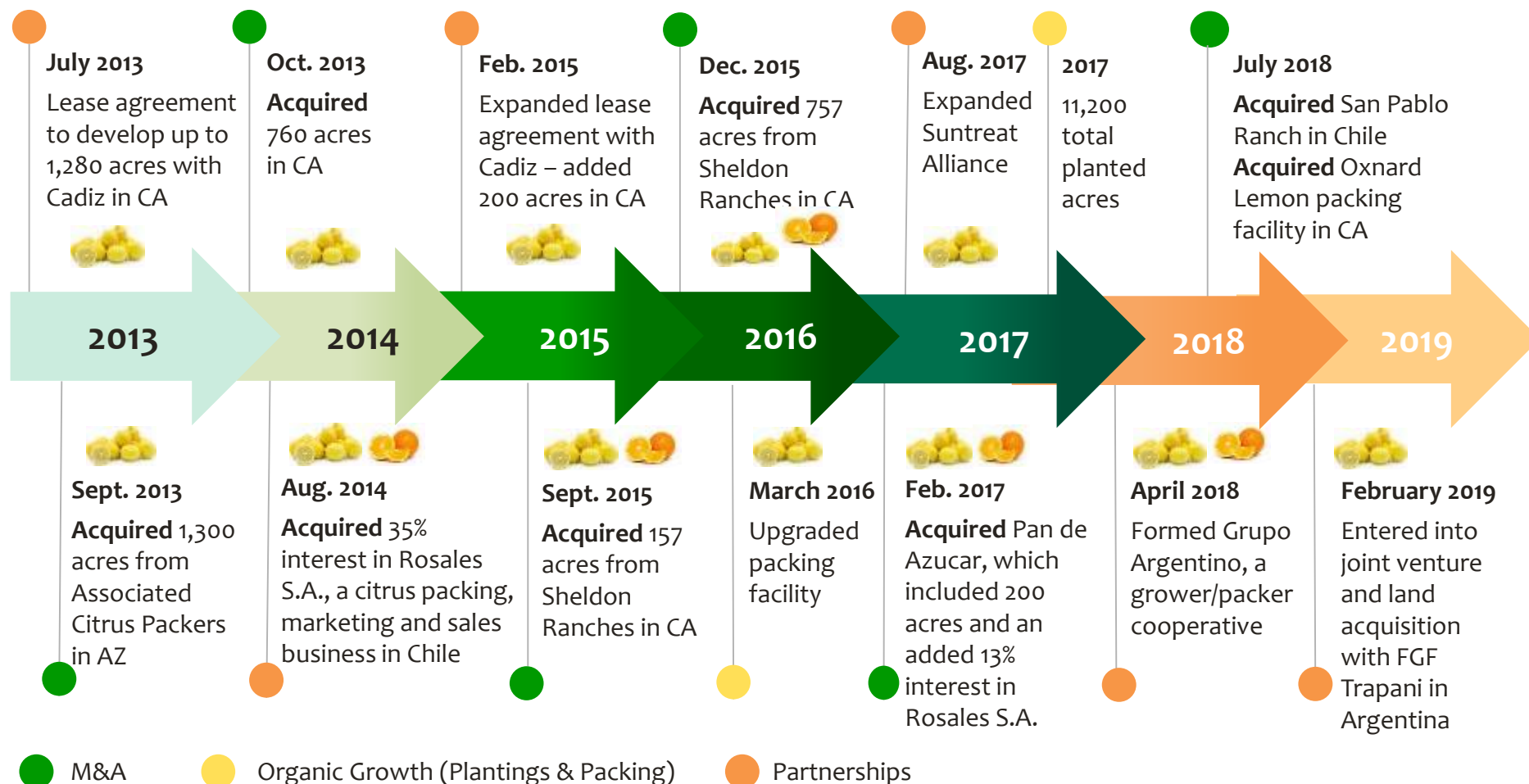
- ~28,000 acre feet of owned water rights, usage rights, and pumping rights to the water associated with Limoneira land
  - Recent water rights sales have priced at \$20,000 per acre foot<sup>(1)</sup>
- Substantial investments made in water companies to support and exceed farming needs
- Established partnership for potential monetization of Colorado River water rights



(1): Santa Paula Basin Pumper's Association.

# Significant Investment to Grow Our Platform

Limoneira has made significant investments to ensure that customers receive a consistent supply of high quality citrus year-round, which many of our competitors are unable to supply



# Avenues of Continued Growth and Margin Expansion

1

Expand U.S. and international platform for production, packing, marketing and distribution of lemons

2

Acquire and invest in citrus producing properties

3

Increase owned and third-party lemon volumes packed at our new highly-efficient facility

4

Apply success in lemons to other specialty citrus varieties

5

Expand and diversify global plantings and production capabilities

6

Maintain and grow global partnerships, as well as our global customer base

7

Realize value of Non-Core accelerators

## Financial Performance & Outlook



# Recent Business Highlights

## First Quarter 2019 Financial Results

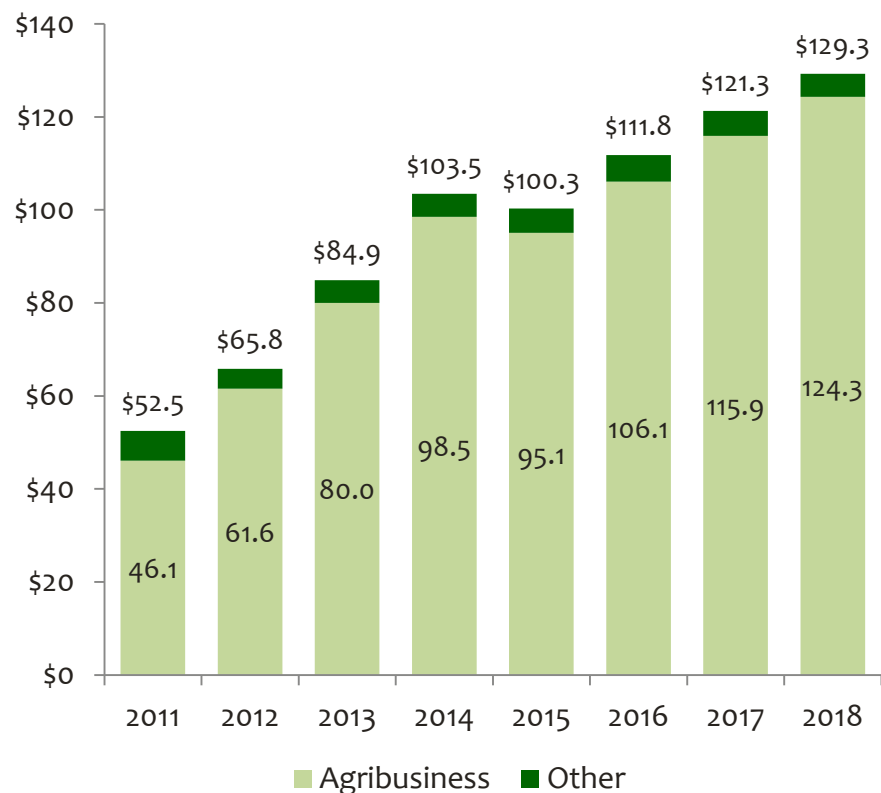
- **Revenue** of \$42.0 million - **33% increase** compared to prior year period
  - **Agribusiness revenue** of \$40.8 million – **35% increase** compared to prior year period
  - Growth driven by higher volume growth in lemons, partially offset by pricing pressure with lemons and oranges
  - Drop in fresh lemon pricing in quarter due to demand slowdown from bad weather in U.S. and influx of imported fruit

## Recent Business Highlights

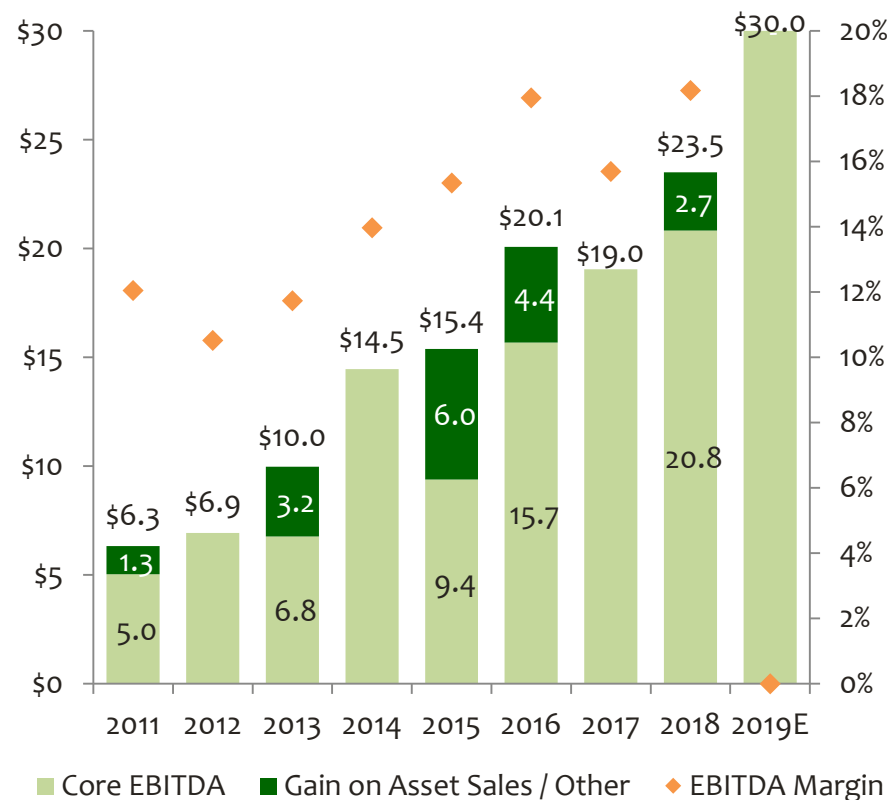
- In February expanded global presence with announcement of strategic joint venture and land acquisition in Argentina
  - Expands lemon holdings by 1,200 acres
  - Expected to be accretive for FY 2019
- Closed initial 55 lots with KB Home in February and closed an additional 119 residential units with Lennar in March; total 174 lots out of initial 632 residential units of the Company's Harvest at Limoneira project
  - Anticipate approximately \$2M in net equity earnings from Harvest at Limoneira during 2Q FY 2019

# Strong Financial Performance

**Revenue**  
Dollars in Millions



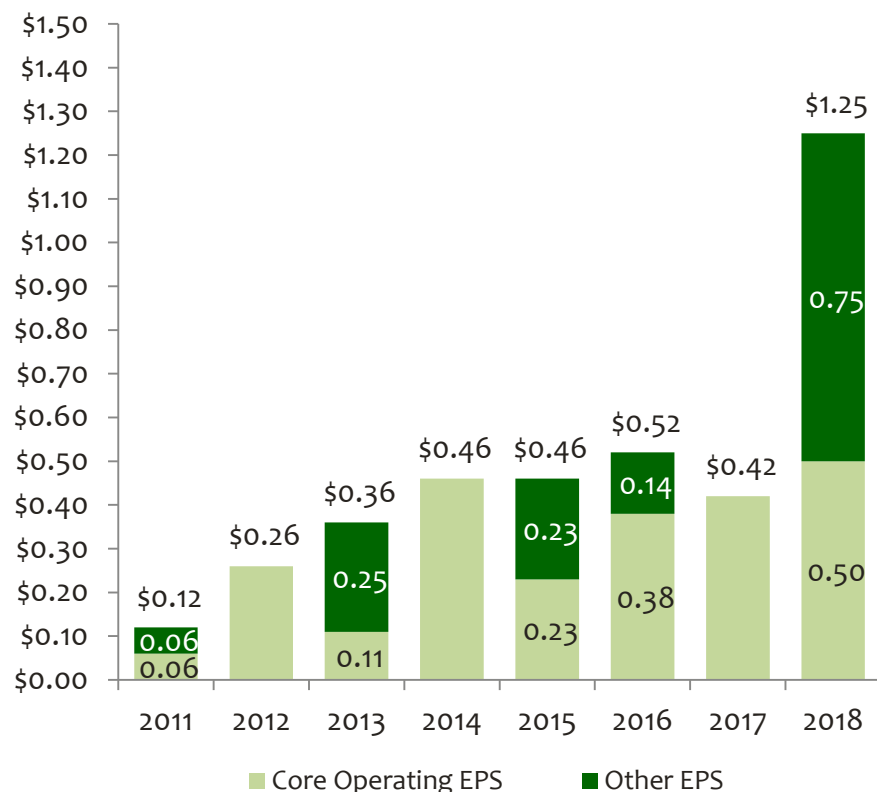
**Adj. EBITDA <sup>(1)</sup>**  
Dollars in Millions



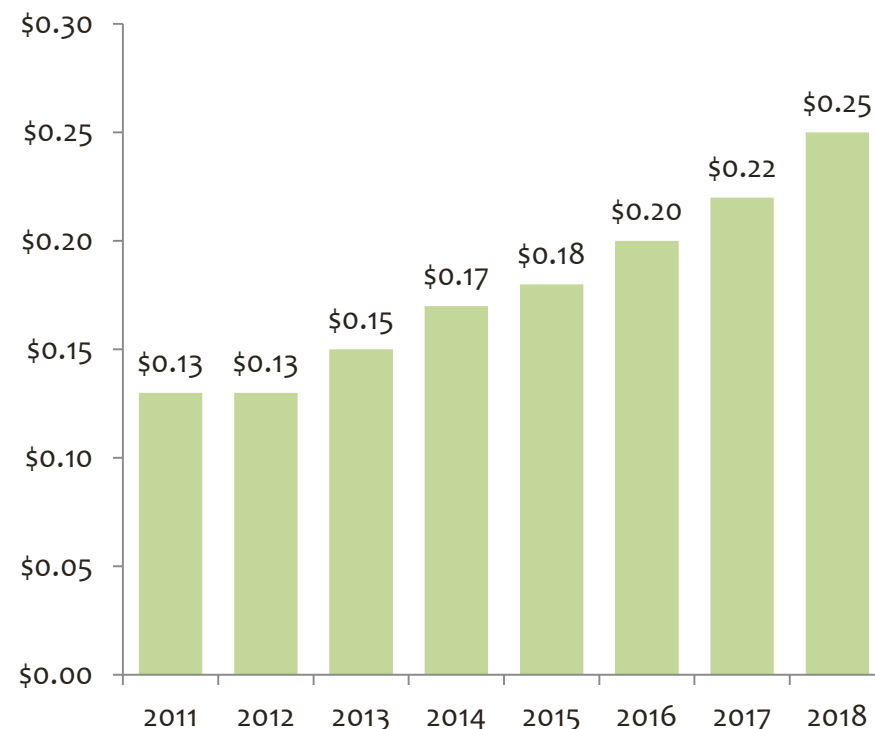
(1): FY 2016 and FY 2018 Adj. EBITDA includes one-time gain from Calavo stock sale.

# Revenue Growth & Operational Efficiencies Driving EPS & DPS Growth

## Earnings Per Share <sup>(1)</sup>



## Dividends Per Share



(1): Core Operating EPS excludes gain on asset sales included in other income and a one-time deferred tax benefit of \$0.63 per share in 1Q18.

## Fiscal Year 2019 Guidance\*

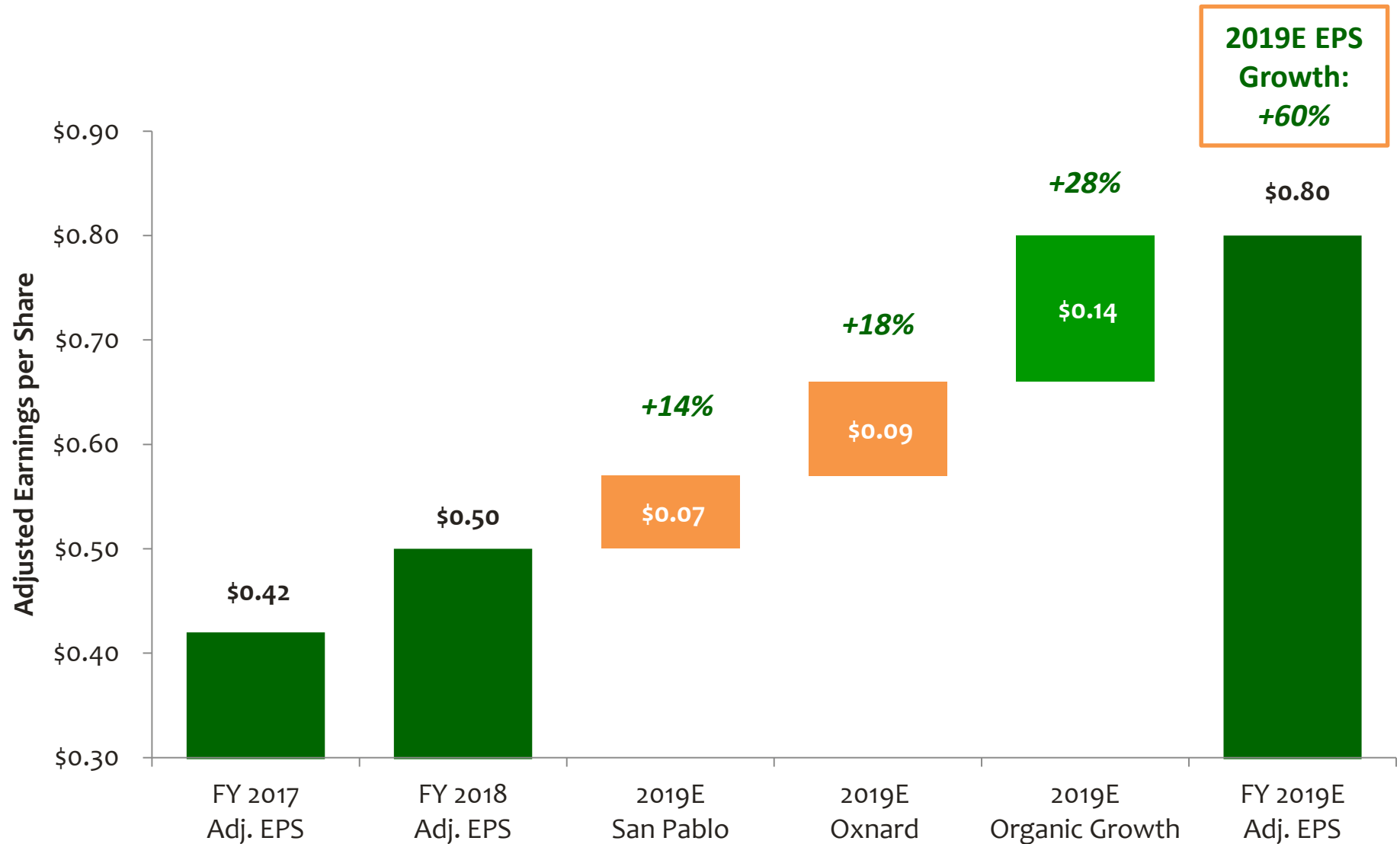
- The Company expects to sell:
  - **Lemons:** Between 8.4 million and 9.0 million cartons of fresh lemons globally including international affiliates
    - This includes 5.2 million to 5.5 million cartons, compared to previous guidance of 5.0 to 5.3 million cartons of fresh domestic lemons. At an average price of approximately \$26.00 per carton compared to previous expected price of \$27 per carton
  - **Avocados:** Between 1.7 million and 2.0 million pounds of avocados at approximately \$1.20 per pound
    - The Company expects lower production than average in Fiscal Year 2019
    - The Company expects strong production in Fiscal Year 2020
- **Operating Income** for Fiscal Year 2019 is expected to be approximately \$20.0 million to \$23.0 million, compared to Operating Income of \$9.5 million for Fiscal Year 2018
- **Adjusted EBITDA** for Fiscal Year 2019 is expected to be approximately \$28.0 million to \$32.0 million, compared to Adjusted EBITDA of \$23.5 million for Fiscal Year 2018
  - Midpoint of guidance implies 28% growth versus prior year
- **Adjusted Earnings per Diluted Share** for Fiscal Year 2019 is expected to be in the range of \$0.75 to \$0.85, compared to Adjusted EPS of \$0.50 for Fiscal Year 2018
  - Midpoint of guidance implies 60% growth versus prior year
  - Does not include any potential equity earnings benefit from the Harvest at Limoneira project

\* Guidance provided on First Quarter Fiscal Year 2019 earnings call on March 12, 2019.

Note: 2019E EPS guidance assumes weighted average share count of 18.4 million in FY 2019.



# Strong Expected Earnings Growth



Note: 2019E San Pablo, Oxnard and LMNR figures represent the mid-point of the Company's FY 2019 guidance. Assumes 18.4 million shares outstanding in FY 2019.

# June 2018 Equity Offering

Offering Type	<ul style="list-style-type: none"><li>• Common Stock Follow-On</li></ul>
Offering Price	<ul style="list-style-type: none"><li>• \$22 per share</li></ul>
Net Proceeds	<ul style="list-style-type: none"><li>• \$64.5 Million</li></ul>
Use of Proceeds	<ul style="list-style-type: none"><li>• To fund the acquisition of Frutícola San Pablo S.A. (the “San Pablo acquisition”)</li><li>• To fund capital expenditures associated with the San Pablo acquisition</li><li>• To fund acquisition of Oxnard Lemon Company of California</li><li>• To fund potential future acquisitions and for general corporate purposes</li></ul>
Lockup Period	<ul style="list-style-type: none"><li>• 90 days</li></ul>
Underwriters	<ul style="list-style-type: none"><li>• Stephens Inc.</li><li>• Stifel</li><li>• Roth Capital</li><li>• Lake Street Capital</li></ul>



## Appendix

# Adjusted EBITDA Reconciliation

(Dollars in Thousands)

	Fiscal Year Ended October 31,							
	2011	2012	2013	2014	2015	2016	2017	2018
Net Income	\$ 1,598	\$ 3,150	\$ 4,906	\$ 6,991	\$ 7,082	\$ 8,058	\$ 6,595	\$ 20,234
Interest Expense	619	(335)	(672)	(60)	148	1,409	1,778	1,122
Income Taxes	707	1,978	3,235	3,573	3,974	5,267	4,077	(6,746)
Depreciation & Amortization	2,207	2,131	2,403	3,516	4,184	5,339	6,467	7,290
EBITDA	\$ 5,131	\$ 6,924	\$ 9,872	\$ 14,020	\$ 15,388	\$ 20,073	\$ 18,917	\$ 21,900
Impairment of Real Estate Assets	1,196	-	95	435	-	-	120	1,558
<b>Adjusted EBITDA</b>	<b>\$ 6,327</b>	<b>\$ 6,924</b>	<b>\$ 9,967</b>	<b>\$ 14,455</b>	<b>\$ 15,388</b>	<b>\$ 20,073</b>	<b>\$ 19,037</b>	<b>\$ 23,458</b>

Non-GAAP Financial Measures: Due to significant depreciable assets associated with the nature of our operations and interest costs associated with our capital structure, management believes that earnings before interest, income taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA, which excludes impairments on real estate development assets when applicable, is an important measure to evaluate our Company's results of operations between periods on a more comparable basis. Such measures are widely used by analysts, investors and lenders as well as by management in assessing our Company's financial performance and business trends relating to our results of operations and financial condition. These measurements are not prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and should not be construed as an alternative to reported results determined in accordance with GAAP. The non-GAAP information provided is unique to our Company and may not be consistent with methodologies used by other companies.





# LIMONEIRA

SINCE 1893

March 2019

# In Memoriam

# Cheryl Meyer

retired after 28 years of service in 2005

&

# Herman Mesa

retired after 33 years of service in 2003

2018 Retirees  
Thank you for your service!

Jose Veloz – 39 years

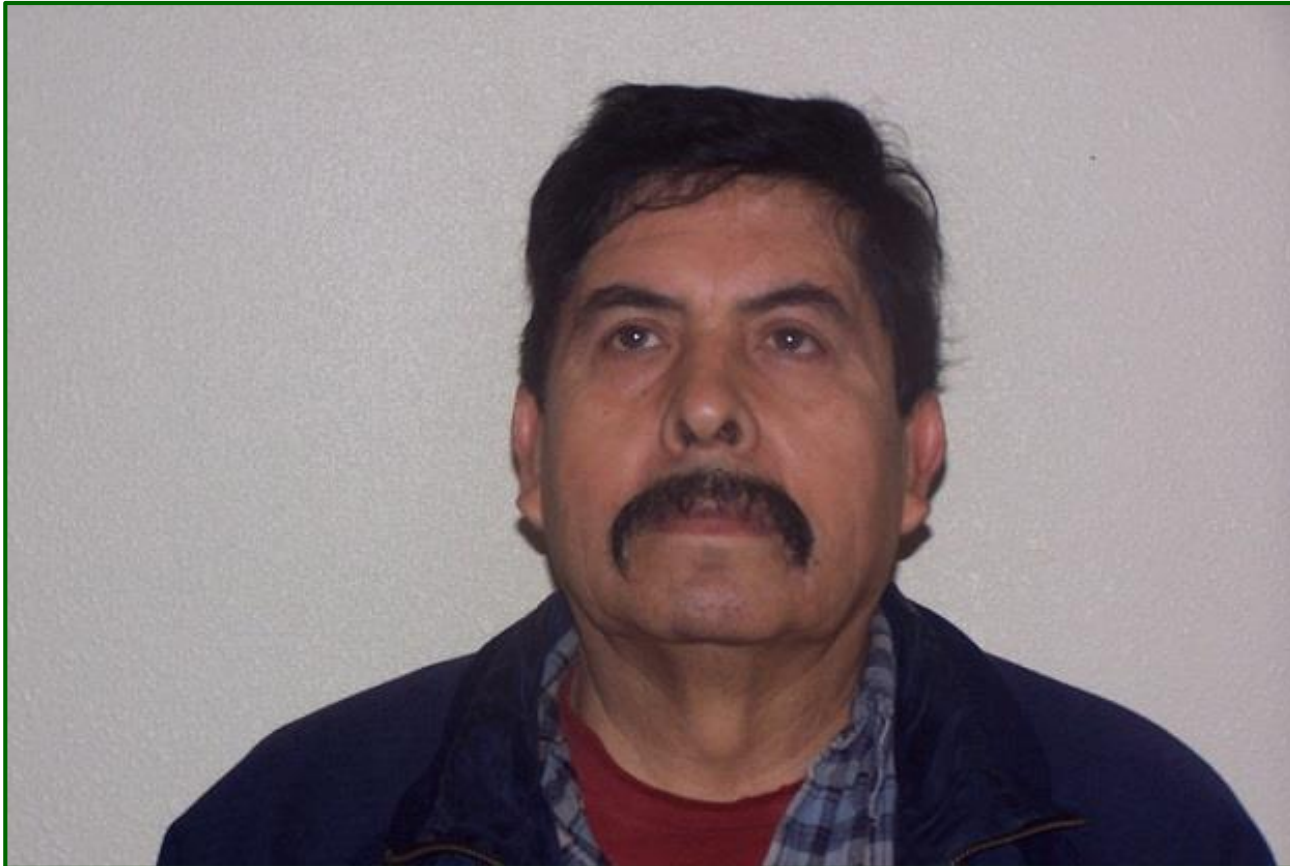




Heriberto Perez – 44 years



Antonio Rodriguez – 39 years



Dan Galbraith – 40 years



Dan Miller – 53 years



Manuel Manjugas – ACP 20 years, Limoneira 4 years

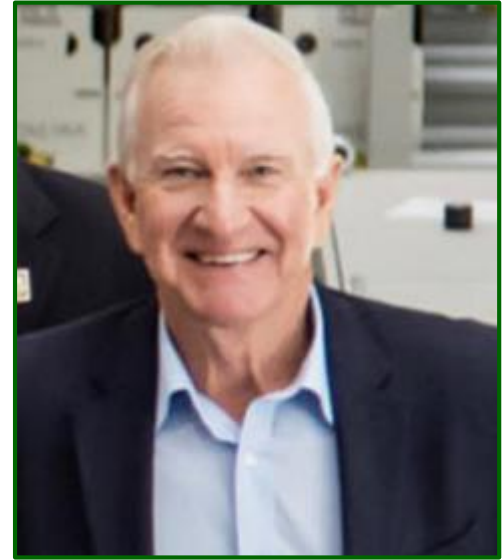




Ramon Berumen – 47 years & Vickie Berumen – 46 years



## Lecil E. Cole – 12 years Board of Directors





# LIMONEIRA

SINCE 1893

March 2019