Alexander's, Inc.

NEWS RELEASE

Alexander's Announces Third Quarter Financial Results

10/29/2018

PARAMUS, N.J., Oct. 29, 2018 (GLOBE NEWSWIRE) -- ALEXANDER'S, INC. (New York Stock Exchange: ALX) filed its Form 10-Q for the quarter ended September 30, 2018 today and reported:

Third Quarter 2018 Financial Results

Net income for the quarter ended September 30, 2018 was $15.0 million, or $2.93 per diluted share, compared to $20.3 million, or $3.97 per diluted share for the quarter ended September 30, 2017. Funds from operations ("FFO") (non-GAAP) for the quarter ended September 30, 2018 was $23.1 million, or $4.52 per diluted share, compared to $28.6 million, or $5.59 per diluted share for the quarter ended September 30, 2017. Net income and FFO (non-GAAP) for the three months ended September 30, 2018 included $3.0 million, or $0.58 per diluted share, of expense from the write-off of straight-line rent receivable from Sears at Rego Park I shopping center as a result of its Chapter 11 bankruptcy filing and intention to reject its lease.

Nine Months Ended September 30, 2018 Financial Results

Net income for the nine months ended September 30, 2018 was $22.9 million, or $4.47 per diluted share, compared to $62.6 million, or $12.24 per diluted share for the nine months ended September 30, 2017. FFO (non-GAAP) for the nine months ended September 30, 2018 was $47.7 million, or $9.32 per diluted share, compared to $86.9 million, or $16.98 per diluted share for the nine months ended September 30, 2017. Net income and FFO (non-GAAP) for the nine months ended September 30, 2018 included (i) $23.8 million, or $4.65 per diluted share, of expense for potential additional New York City real property transfer taxes on the 2012 sale of Kings Plaza Regional Shopping Center ("Kings Plaza"), which is being contested and (ii) $5.5 million, or $1.09 per diluted share, of expense

from the decrease in the fair value of marketable securities resulting from a new GAAP accounting standard effective January 1, 2018. Previously, changes in the fair value of marketable securities were recognized through “accumulated other comprehensive income” on Alexander’s, Inc.’s consolidated balance sheets and did not impact its consolidated statements of income. Adjusting net income for these items, “net income, as adjusted” (non-GAAP) for the nine months ended September 30, 2018 was $52.2 million, or $10.21 per diluted share, compared to $62.6 million, or $12.24 per diluted share for the nine months ended September 30, 2017. Adjusting FFO (non-GAAP) for these items, “FFO, as adjusted” (non-GAAP) for the nine months ended September 30, 2018 was $77.0 million, or $15.06 per diluted share, compared to $86.9 million, or $16.98 per diluted share for the nine months ended September 30, 2017. Net income and FFO (non-GAAP) for the nine months ended September 30, 2018 also included $3.0 million, or $0.58 per diluted share, of expense from the write-off of straight-line rent receivable from Sears at Rego Park I shopping center as a result of its Chapter 11 bankruptcy filing and intention to reject its lease.

Alexander’s, Inc. is a real estate investment trust which has seven properties in the greater New York City metropolitan area.

Certain statements contained herein may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For a discussion of factors that could materially affect the outcome of our forward-looking statements and our future results and financial condition, see "Risk Factors" in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2017. Such factors include, among others, risks associated with the timing of and costs associated with property improvements, financing commitments, the financial condition of our tenants and general competitive factors.

(tables to follow)

ALEXANDER'S, INC.

FINANCIAL RESULTS FOR THE QUARTERS ENDED
SEPTEMBER 30, 2018 AND 2017

Below is a table of selected financial results.

QUARTER ENDED

(Amounts in thousands, except share and per share amounts)	SEPTEMBER 30, 2018	2017
Revenues	$ 59,125	$ 58,094
Net income	$ 15,003	$ 20,299
Net income per common share – basic and diluted	$ 2.93	$ 3.97
Weighted average shares outstanding - basic and diluted	5,117,347	5,115,982
FFO (non-GAAP)	$ 23,121	$ 28,598
FFO per diluted share (non-GAAP)	$ 4.52	$ 5.59
Weighted average shares used in computing FFO per diluted share	5,117,347	5,115,982

The following table reconciles net income to FFO (non-GAAP):

(Amounts in thousands, except share and per share amounts)	QUARTER ENDED SEPTEMBER 30, 2018	2017
Net income	$ 15,003	$ 20,299
Depreciation and amortization of real property	8,118	8,299
FFO (non-GAAP)	$ 23,121	$ 28,598
FFO per diluted share (non-GAAP)	$ 4.52	$ 5.59
Weighted average shares used in computing FFO per diluted share	5,117,347	5,115,982

ALEXANDER'S, INC.

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED

SEPTEMBER 30, 2018 AND 2017

Below is a table of selected financial results.

(Amounts in thousands, except share and per share amounts)	NINE MONTHS ENDED SEPTEMBER 30, 2018	2017
Revenues	$ 175,258	$ 172,513
Income from continuing operations	$ 46,670	$ 62,626
Loss from discontinued operations (Kings Plaza transfer taxes)	(23,797)	-
Net income	$ 22,873	$ 62,626
Income per common share – basic and diluted		
Income from continuing operations	$ 9.12	$ 12.24
Loss from discontinued operations (Kings Plaza transfer taxes)	(4.65)	-
Net income per common share	$ 4.47	$ 12.24
Weighted average shares outstanding - basic and diluted	5,116,667	5,115,339
FFO (non-GAAP)	$ 47,710	$ 86,846
FFO per diluted share (non-GAAP)	$ 9.32	$ 16.98
FFO, as adjusted (non-GAAP)	$ 77,068	$ 86,846
FFO, as adjusted per diluted share (non-GAAP)	$ 15.06	$ 16.98
Weighted average shares used in computing FFO and FFO, as adjusted per diluted share	5,116,667	5,115,339

The following table reconciles net income to net income, as adjusted (non-GAAP):

(Amounts in thousands, except share and per share amounts)	NINE MONTHS ENDED SEPTEMBER 30, 2018	2017
Net income	$ 22,873	$ 62,626
Loss from discontinued operations (Kings Plaza transfer taxes)	23,797	-
Change in fair value of marketable securities	5,561	-
Net income, as adjusted (non-GAAP)	$ 52,231	$ 62,626
Net income, as adjusted per diluted share (non-GAAP)	$ 10.21	$ 12.24
Weighted average shares used in computing net		

Income, as adjusted per diluted share	5,116,667	5,115,339

ALEXANDER'S, INC.

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

The following table reconciles net income to FFO (non-GAAP):

(Amounts in thousands, except share and per share amounts)	NINE MONTHS ENDED SEPTEMBER 30, 2018	2017
Net income	$ 22,873	$ 62,626
Depreciation and amortization of real property	24,837	24,220
FFO (non-GAAP)	$ 47,710	$ 86,846
FFO per diluted share (non-GAAP)	$ 9.32	$ 16.98
Weighted average shares used in computing FFO per diluted share	5,116,667	5,115,339

The following table reconciles FFO (non-GAAP) to FFO, as adjusted (non-GAAP):

(Amounts in thousands, except share and per share amounts)	NINE MONTHS ENDED SEPTEMBER 30, 2018	2017
FFO (non-GAAP)	$ 47,710	$ 86,846
Loss from discontinued operations (Kings Plaza transfer taxes)	23,797	-
Change in fair value of marketable securities	5,561	-
FFO, as adjusted (non-GAAP)	$ 77,068	$ 86,846

FFO, as adjusted per diluted share (non-GAAP)	$ 15.06	$ 16.98
Weighted average shares used in computing FFO, as adjusted per diluted share	5,116,667	5,115,339

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FFO is computed in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as GAAP net income or loss adjusted to exclude net gains from sales of depreciated real estate assets, real estate impairment losses, depreciation and amortization expense from real estate assets and other specified non-cash items, including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO and FFO per diluted share are used by management, investors and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. FFO does not represent cash generated from operating activities and is not necessarily indicative of cash available to fund cash requirements and should not be considered as an alternative to net income as a performance measure or cash flow as a liquidity measure. FFO may not be comparable to similarly titled measures employed by other companies. A reconciliation of net income to FFO is provided above.

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Source: Alexander's, Inc.