

Comstock Holding Companies Reports Third Quarter 2020 Results

11/16/2020

WASHINGTON and RESTON, Va., Nov. 16, 2020 (GLOBE NEWSWIRE) -- On November 16, 2020, Comstock Holding Companies, Inc., (NASDAQ: CHCI) (the "Company"), announced results for the three and nine months ended September 30, 2020:

Highlights of Third Quarter 2020, as compared to Third Quarter 2019 :

- Net income increased to \$0.4 million during the third quarter 2020, as compared to a net loss of \$0.6 million during the same period of the prior year.
- Total revenue increased by 29% to \$7.3 million during the third quarter 2020, as compared to \$5.7 million during the same period of the prior year.
- Revenue from asset management operations increased by 24% to \$5.9 million during the third quarter 2020, as compared to \$4.7 million during the same period of the prior year.
- Revenue from real estate services increased by 52% to \$1.4 million during the third quarter 2020, compared to \$0.9 million during the same period of the prior year.
- Operating income increased by 185% to \$0.5 million during the third quarter 2020, as compared to \$0.2 million during the same period of the prior year.

Highlights of nine months ended September 30, 2020, as compared to nine months ended September 30, 2019 :

- Net income increased to \$1.6 million during the nine months ended September 30, 2020, as compared to a net loss of \$0.8 million during the same period of the prior year.
- Total revenue increased by 31% to \$20.8 million during the nine months ended September 30, 2020, as compared to \$15.9 million during the same period of the prior year.
- Revenue from asset management operations increased by 16% to \$15.5 million during the nine months ended September 30, 2020, as compared to \$13.3 million during the same period of the prior year.

- Revenue from real estate services increased by 106% to \$5.3 million during the nine months ended September 30, 2020, as compared to \$2.6 million during the same period of the prior year.
- Operating income increased by 230% to \$2.0 million during the nine months ended September 30, 2020, as compared to \$0.6 million during the same period of the prior year.

“The growth of Comstock’s top and bottom lines so far this year is the result of the financial stability provided by our long-term asset management agreements, the quality of, and demand for, the properties we develop and manage, and the dedication of our team of commercial real estate professionals” said Chris Clemente, Chairman and CEO of Comstock Holding Companies Inc. “We continue to focus on executing our strategic plan that’s designed to continue expanding assets under management through acquisitions and through the thoughtful development of our mixed-use and transit-oriented pipeline in one of the best real estate markets in the nation. I look forward to reporting on our continued progress in future quarters.”

About Comstock Holding Companies, Inc.

Comstock Holding Companies, Inc. (“Comstock” or “CHCI”) is a leading real estate developer, investor, asset manager and real estate related service provider that has designed, developed, constructed and managed several thousand residential units and millions of square feet of mixed-use projects since 1985. The Company has been selected by multiple local governments to be master developer of municipally owned properties redeveloped through public-private partnerships. CHCI’s managed portfolio includes two of the largest transit-oriented, mixed-use developments in the Washington, D.C. area; Reston Station, a 5+ million square foot transit-oriented and mixed-use development in Reston, Virginia, and Loudoun Station, a nearly 2.5 million square foot transit-oriented, mixed-use development in Ashburn, Virginia, and additional development and stabilized assets. Comstock also acquires and operates stabilized real estate assets in partnership with institutional investors.

Comstock Holding Companies, Inc. is publicly traded on NASDAQ under the symbol CHCI. For more information, visit www.ComstockCompanies.com.

Cautionary Statement Regarding Forward-Looking Statements

This release may include "forward-looking" statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by use of words such as "anticipate," "believe," "estimate," "may," "intend," "expect," "will," "should," "seeks" or other similar expressions. Forward-looking statements are based largely on our expectations and involve inherent risks and uncertainties, many of which are beyond our control. Any number of important factors could cause actual results to differ materially from those in the forward-looking statements. Additional information concerning important risk factors and uncertainties can be found under the heading "Risk Factors" in our latest Annual Report on Form 10-K,

as filed with the Securities and Exchange Commission. Comstock specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Company:

Comstock Holding Companies, Inc.

Christopher Guthrie, 703-230-1292

Chief Financial Officer

Source: Comstock Holding Companies, Inc.

COMSTOCK HOLDING COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

| | September 30, 2020 | December 31, 2019 |
|---|-----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 4,491 | \$ 3,511 |
| Trade receivables | 1,635 | 1,886 |
| Trade receivables - related parties | 3,016 | 3,644 |
| Prepaid and other assets, net | 240 | 274 |
| Total current assets | 9,382 | 9,315 |
| Equity method investments at fair value | 6,965 | 8,421 |
| Fixed assets, net | 266 | 278 |
| Goodwill | 1,702 | 1,702 |
| Intangible assets, net | 53 | 103 |
| Operating lease right-of-use assets | — | 114 |
| TOTAL ASSETS | \$ 18,368 | \$ 19,933 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accrued personnel costs | \$ 1,349 | \$ 2,916 |
| Accounts payable | 307 | 1,438 |
| Accrued liabilities | 660 | 166 |
| Short term notes payable - due to affiliates, net of discount | — | 5,706 |
| Short term notes payable | 22 | 77 |
| Total current liabilities | 2,338 | 10,303 |
| Long term notes payable - due to affiliates | 5,500 | — |
| Long term notes payable - net of deferred financing charges | — | 1,212 |
| Long term operating lease liabilities, net of current portion | — | 61 |
| TOTAL LIABILITIES | \$ 7,838 | \$ 11,576 |
| Commitments and contingencies | | |
| STOCKHOLDERS' EQUITY | | |
| Series C preferred stock \$0.01 par value, 20,000,000 shares authorized, 3,440,690 issued and outstanding and liquidation preference of \$17,203 at September 30, 2020 and December 31, 2019 | \$ 6,765 | \$ 6,765 |
| Class A common stock, \$0.01 par value, 59,779,750 shares authorized, 7,949,152 and 7,849,756 issued, and 7,863,582 and 7,764,186 outstanding at September 30, 2020 and December 31, 2019, respectively | 79 | 78 |
| Class B common stock, \$0.01 par value, 220,250 shares authorized, issued and outstanding at September 30, 2020 and December 31, 2019 | 2 | 2 |
| Additional paid-in capital | 199,953 | 199,372 |
| Treasury stock, at cost (85,570 shares Class A common stock) | (2,662) | (2,662) |
| Accumulated deficit | (193,607) | (195,198) |

TOTAL COMSTOCK HOLDING COMPANIES, INC. EQUITY
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$ 10,530 \$ 8,357
\$ 18,368 \$ 19,933

COMSTOCK HOLDING COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)

| | Three Months Ended September | | Nine Months Ended September | |
|---|------------------------------|----------|-----------------------------|-----------|
| | 30, 2020 | 2019 | 30, 2020 | 2019 |
| Revenues | | | | |
| Revenue—asset management | \$ 5,891 | \$ 4,733 | \$ 15,466 | \$ 13,326 |
| Revenue—real estate services | 1,439 | 947 | 5,294 | 2,573 |
| Total revenue | 7,330 | 5,680 | 20,760 | 15,899 |
| Expenses | | | | |
| Direct costs - asset management | 5,066 | 4,197 | 12,915 | 11,804 |
| Direct costs - real estate services | 630 | 862 | 3,109 | 2,265 |
| General and administrative | 1,029 | 353 | 2,261 | 968 |
| Selling and Marketing | 127 | 100 | 507 | 266 |
| Operating income | 478 | 168 | 1,968 | 596 |
| Other income, net | 55 | 47 | 92 | 131 |
| Interest expense | (63 |) (170 |) (320 |) (304 |
| Income before income tax expense | 470 | 45 | 1,740 | 423 |
| Income tax expense | (1 |) — | (15 |) — |
| Loss on equity method investments carried at fair value | (46 |) (606 |) (134 |) (606 |
| Net income (loss) from continuing operations | 423 | (561 |) 1,591 | (183 |
| Net loss from discontinued operations, net of tax | — | (66 |) — | (596 |
| Net income (loss) | \$ 423 | \$ (627 |) \$ 1,591 | \$ (779 |
| Income (loss) per share from continuing operations | | | | |
| Basic net income (loss) per share | \$ 0.05 | \$ (0.07 |) \$ 0.20 | \$ (0.03 |
| Diluted net income (loss) per share | \$ 0.05 | \$ (0.07 |) \$ 0.19 | \$ (0.03 |
| Loss per share from discontinued operations | | | | |
| Basic net loss per share | \$ — | \$ (0.01 |) \$ — | \$ (0.10 |
| Diluted net loss per share | \$ — | \$ (0.01 |) \$ — | \$ (0.10 |
| Basic weighted average shares outstanding | 8,078 | 7,954 | 8,046 | 6,159 |
| Diluted weighted average shares outstanding (continuing operations) | 8,579 | 7,954 | 8,415 | 6,159 |
| Diluted weighted average shares outstanding (discontinued operations) | — | 7,954 | — | 6,159 |

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Source: Comstock Holding Companies, Inc.