

ALEXANDERS INC  
Form 10-Q  
October 31, 2016

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**FORM 10-Q**

(Mark one)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period **September 30, 2016**  
ended:

**Or**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from:** \_\_\_\_\_ **to** \_\_\_\_\_

**Commission File Number:** **001-06064**

**ALEXANDER'S, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of incorporation or organization)

**51-0100517**  
(I.R.S. Employer Identification Number)

**210 Route 4 East, Paramus, New Jersey**  
(Address of principal executive offices)

**07652**  
(Zip Code)

**(201) 587-8541**

(Registrant's telephone number, including area code)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

|   |                           |
|---|---------------------------|
| Large Accelerated Filer   | Accelerated Filer         |
| Non-Accelerated Filer (Do not check if smaller reporting company) | Smaller Reporting Company |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes No

As of October 31, 2016, there were 5,106,196 shares of common stock, par value \$1 per share, outstanding.



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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements**

**ALEXANDER'S, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

(Amounts in thousands, except share and per share amounts)

| <b>ASSETS</b>   | <b>September 30,<br/>2016</b> | <b>December 31,<br/>2015</b> |
|---|-------------------------------|------------------------------|
| Real estate, at cost:   |                               |                              |
| Land  | \$ 44,971                     | \$ 44,971                    |
| Buildings and leasehold improvements  | 983,615                       | 975,015                      |
| Development and construction in progress  | 3,631                         | 9,486                        |
| Total   | 1,032,217                     | 1,029,472                    |
| Accumulated depreciation and amortization   | (245,851)                     | (225,533)                    |
| Real estate, net  | 786,366                       | 803,939                      |
| Cash and cash equivalents   | 264,147                       | 259,349                      |
| Restricted cash   | 85,032                        | 85,307                       |
| Marketable securities   | 43,287                        | 43,191                       |
| Tenant and other receivables, net of allowance for doubtful accounts<br>of \$1,214 and \$918, respectively              | 2,933                         | 4,014                        |
| Receivable arising from the straight-lining of rents  | 179,763                       | 181,357                      |
| Deferred leasing costs, net, including unamortized leasing fees to<br>Vornado<br>of \$37,864 and \$33,482, respectively | 49,503                        | 45,840                       |
| Other assets  | 40,568                        | 24,811                       |
|   | <b>\$ 1,451,599</b>           | <b>\$ 1,447,808</b>          |
| <b>LIABILITIES AND EQUITY</b>   |                               |                              |
| Mortgages payable, net of deferred debt issuance costs  | \$ 1,052,612                  | \$ 1,053,262                 |
| Amounts due to Vornado  | 897                           | 8,551                        |
| Accounts payable and accrued expenses   | 38,190                        | 30,158                       |
| Other liabilities   | 2,935                         | 2,957                        |
| Total liabilities   | 1,094,634                     | 1,094,928                    |
| Commitments and contingencies   | -                             | -                            |
| Preferred stock: \$1.00 par value per share; authorized, 3,000,000<br>shares;   |                               |                              |
| issued and outstanding, none  | -                             | -                            |
| Common stock: \$1.00 par value per share; authorized, 10,000,000<br>shares;   |                               |                              |
| issued, 5,173,450 shares; outstanding, 5,106,196 shares   | 5,173                         | 5,173                        |

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|  |              |              |
|--|--------------|--------------|
| Additional capital                     | 31,189       | 30,739       |
| Retained earnings                      | 307,799      | 304,340      |
| Accumulated other comprehensive income | 13,178       | 13,002       |
|  | 357,339      | 353,254      |
| Treasury stock: 67,254 shares, at cost | (374)        | (374)        |
| Total equity                           | 356,965      | 352,880      |
|  | \$ 1,451,599 | \$ 1,447,808 |

See notes to consolidated financial statements (unaudited).

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**ALEXANDER'S, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(UNAUDITED)**

(Amounts in thousands, except share and per share amounts)

|   | <b>Three Months Ended</b> |             | <b>Nine Months Ended</b> |             |
|---|---------------------------|-------------|--------------------------|-------------|
|   | <b>September 30,</b>      |             | <b>September 30,</b>     |             |
|   | <b>2016</b>               | <b>2015</b> | <b>2016</b>              | <b>2015</b> |
| <b>REVENUES</b>   |                           |             |                          |             |
| Property rentals  | \$ 37,598                 | \$ 34,599   | \$ 113,129               | \$ 103,654  |
| Expense reimbursements  | 19,522                    | 17,815      | 56,554                   | 51,442      |
| Total revenues  | 57,120                    | 52,414      | 169,683                  | 155,096     |
| <b>EXPENSES</b>   |                           |             |                          |             |
| Operating, including fees to Vornado of \$1,082, \$1,081, \$3,389 and \$3,298, respectively   | 21,714                    | 19,390      | 60,702                   | 55,985      |
| Depreciation and amortization   | 8,045                     | 8,092       | 25,745                   | 22,783      |
| General and administrative, including management fees to Vornado of \$595 and \$1,785 in each three and nine month period, respectively | 1,225                     | 1,091       | 4,285                    | 4,261       |
| Total expenses  | 30,984                    | 28,573      | 90,732                   | 83,029      |
| <b>OPERATING INCOME</b>   | 26,136                    | 23,841      | 78,951                   | 72,067      |
| Interest and other income, net  | 522                       | 427         | 2,388                    | 1,237       |
| Interest and debt expense   | (5,615)                   | (6,094)     | (16,476)                 | (19,963)    |
| Income before income taxes  | 21,043                    | 18,174      | 64,863                   | 53,341      |
| Income tax expense  | (7)                       | (2)         | (41)                     | (6)         |
| Net income  | \$ 21,036                 | \$ 18,172   | \$ 64,822                | \$ 53,335   |
| Net income per common share – basic and diluted   | \$ 4.11                   | \$ 3.55     | \$ 12.68                 | \$ 10.43    |
| Weighted average shares outstanding – basic and diluted   | 5,114,701                 | 5,113,077   | 5,113,877                | 5,112,108   |
| Dividends per common share &nbs   | \$ 4.00                   | \$ 3.50     | \$ 12.00                 | \$ 10.50    |