

PICO Holdings, Inc.

Annual Meeting of Shareholders



SAFE HARBOR STATEMENT

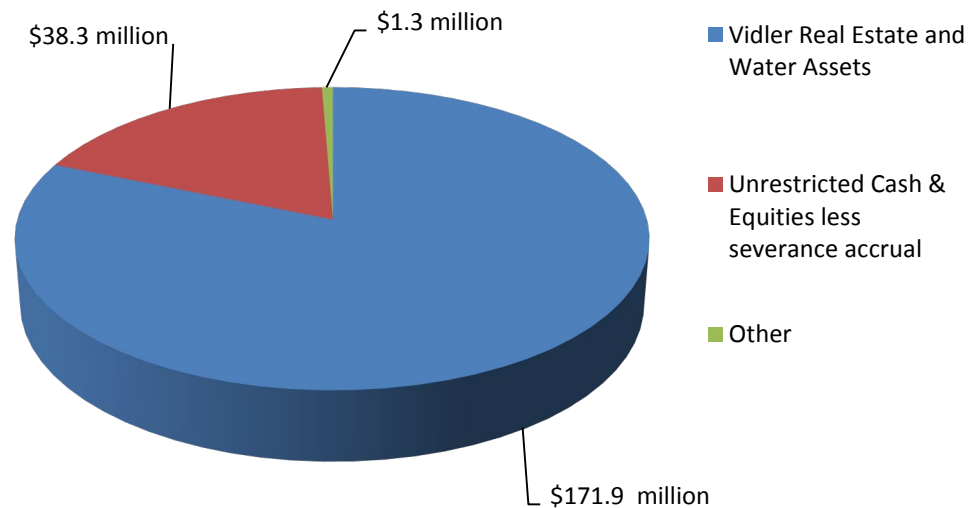
This presentation contains forward-looking statements made pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often address current expected future business and financial performance, including the demand and pricing of PICO’s real estate and water assets, and may contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” or “will”. All forward-looking statements included in this presentation are based on information available to PICO as of the date hereof, and PICO assumes no obligation to update any such forward-looking statements. Actual results could differ materially from those described in the forward-looking statements. Forward-looking statements involve risks and uncertainties, including, but not limited to, economic, competitive and governmental factors outside of our control, that may cause our business, industry, strategy or actual results to differ materially from the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to those discussed in detail under the heading “Risk Factors” in PICO’s periodic reports filed with the U.S. Securities and Exchange Commission.

OUR FOCUS

- *Monetize* assets
- *Return* proceeds to our shareholders
- *Reduce* costs

NET ASSETS AT MARCH 31, 2017

Continuing operations:



Discontinued operations:

UCP (transaction value at date of announcement of proposed merger with Century Communities, Inc.) \$118 million

Sale of UCP, Inc. to Century Communities, Inc.

- Expected to close in third quarter 2017
- Cash of \$5.32 per share of UCP owned
 - » We expect to receive approximately \$55 million at closing
- 0.2390 share of Century for each share of UCP owned
 - » We expect our ownership to be approximately 9% of the combined company at closing
- PICO Lock - Up Period
 - » No sale or transfer of Century stock received in merger within 60 days of closing
 - » May sell or transfer up to 5% of the then outstanding shares of the combined Company within any 50 day period post initial lock –up until 210th day post closing; thereafter no sale or transfer restrictions

Vidler's Focus:

1) Fish Springs Ranch Water Credits

- » Positive economic outlook in our markets.
 - Building development approval process is still slow: leading to pent – up housing demand
- » Expect contracts for initial take down of water to commence in 2018.
- Pursuing solar and grazing lease contracts and other opportunities to generate cash flow during the intervening period.

2) Carson Lyon Water Credits

- » Also a positive economic outlook in this market.
 - USA Parkway expected to be completed in late 2017: expected to stimulate development demand

3) Arizona Long Term Storage Credits

- » Price floor established from recent sale of 100,000 AF.
- » Pursuing additional sales with AZ state agencies and private entities.

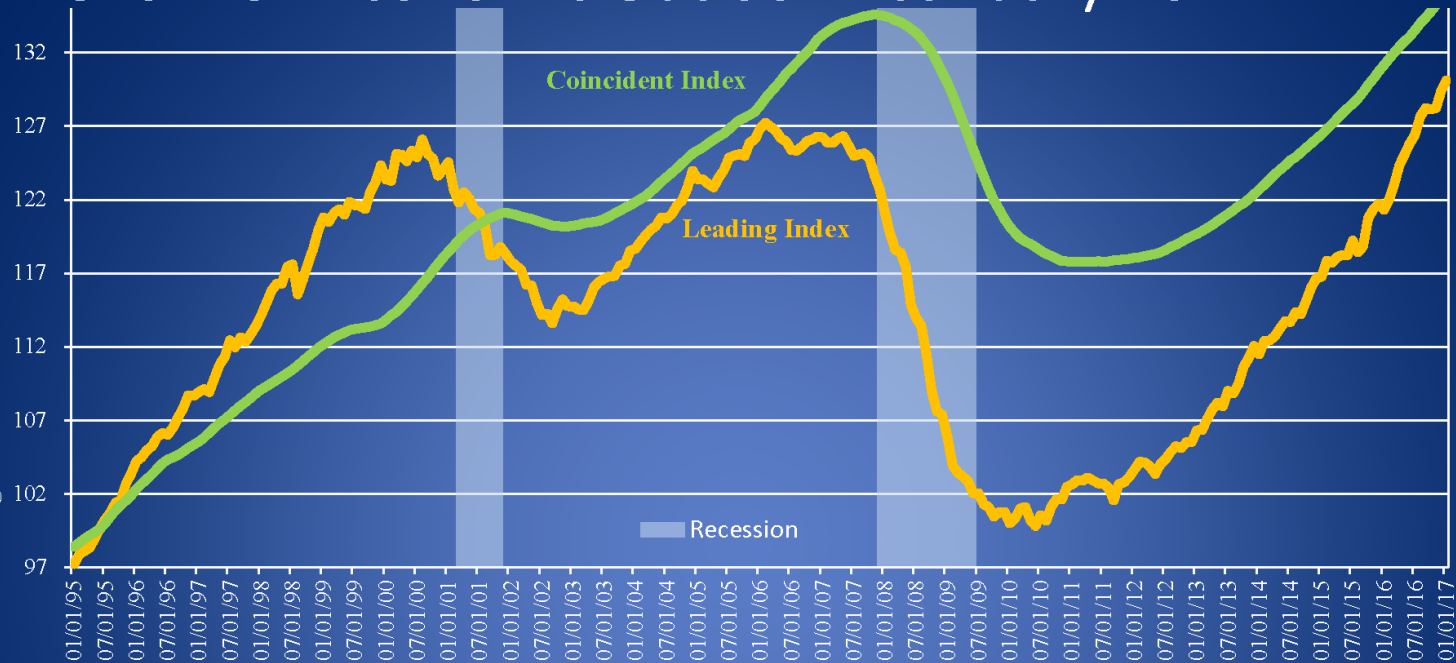
2014-2019 Employment Projections - EDAWN

	Tesla Primary	Tesla Secondary (2)	EDAWN Primary (3)	EDAWN Secondary (4)	Unassisted Existing Primary (5)	Unassisted Secondary (4)	Total Jobs	Total In Reno MSA (7)	Reno MSA Employment	% Ch.
2014	0	0	3,600	4,536	1,110	1,399			202,700	
2015	700	1,148	3,500	4,410	1,100	1,386	12,244	10,407	213,107	5.13%
2016	1,000	1,640	3,000	3,780	1,050	1,323	11,793	10,024	223,131	4.70%
2017	3,000	4,920	2,500	3,150	1,000	1,260	15,830	13,456	236,587	6.03%
2018	1,800	2,952	2,500	3,150	1,000	1,260	12,662	10,763	247,350	4.55%
2019	0	0	2,500	3,150	1,000	1,260	7,910	6,724	254,073	2.72%
5 Year Estimates	6,500	10,660	14,000	17,640	5,150	6,489	60,439	51,373		

- Assumptions:**
1. Gaming Industries will remain stable / gaming losses will be off-set by gains in visitors
 2. Tesla multiplier based on state's **mid-range estimate Jobs** multiplier of 2.64 or an additional 1.64 jobs per Tesla job (previous reports used the high range number of 3.49)
 3. EDAWN will land 70% of prospects that visit and 80% of prospects on the hot list and 90% of announced. primary jobs come through EDAWN. This number is expected to decline as the availability of workforce tightens.
 4. EDAWN multiplier based on likely manufacturing and distribution jobs multiplier of 2.26 or 1.26 additional jobs (UNR Center for Regional Studies)
 5. Unassisted job growth will show a 500 to 1,000 net primary job increase annually, 1-2 jobs per each of the 500-600 primary employers (750) estimate plus 10% of EDAWN
 6. The EDAWN numbers are based on 5 year company estimates: This is usually an underestimation and about 40% of the number is hired in the first year.
 7. 85% of the jobs will be in the Reno-Sparks MSA

Reno MSA Economic Outlook – January 2017

Leading and Coincident Index: 1995=100

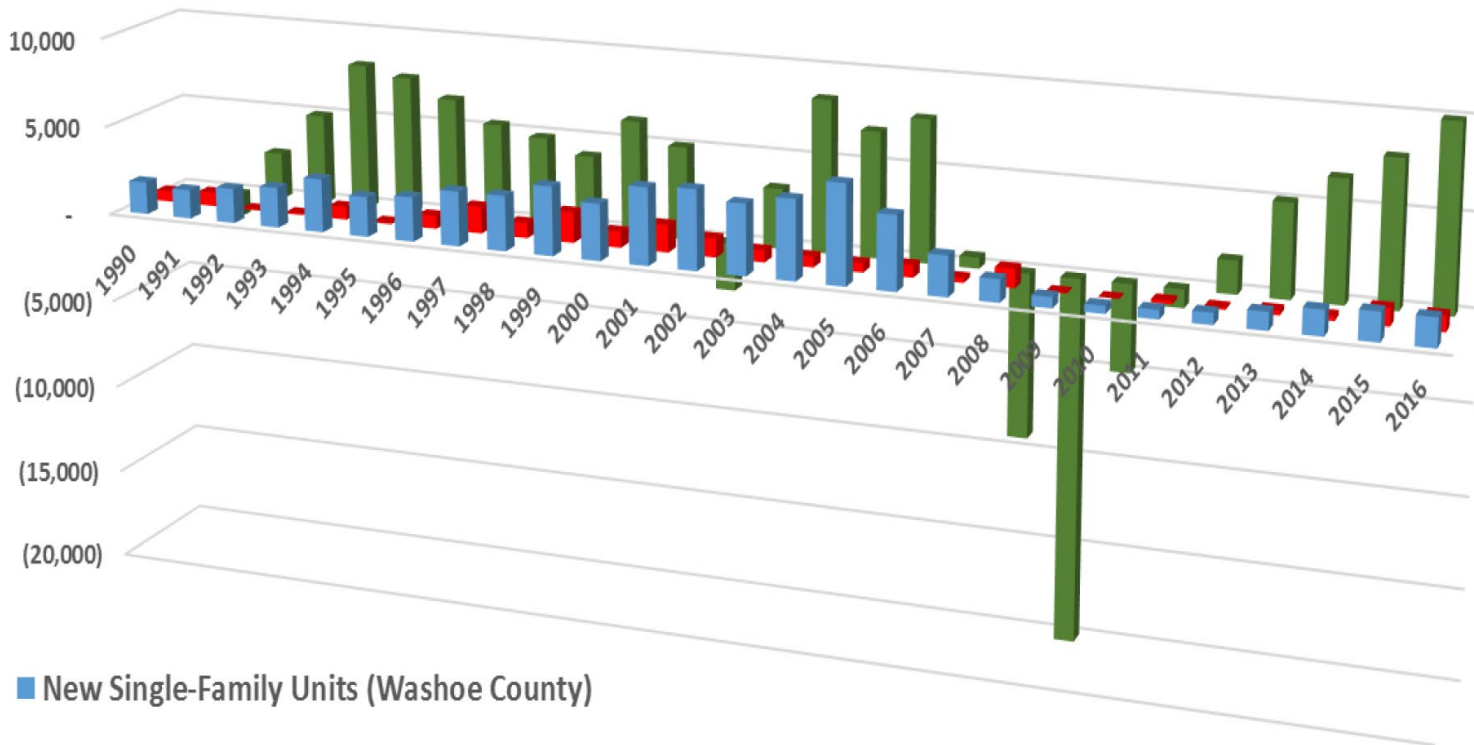


Series	Latest Period- January 2017	Prev. Period- December 2016	Change Prev. Period	Prev. Year- January 2016	Change Prev. Year
Taxable Sales (Washoe Co, SA, CPI)	419,985,590	417,774,118	0.53%	383,259,527	9.58%
Taxable Gaming Revenue (Washoe Co., SA, CPI)	42,510,263	42,801,879	-0.68%	41,442,854	2.58%
# of Single Family Homes Sold (Washoe Co., SA)	719	727	-1.04%	703	2.31%
Airport Passengers (RTIA, SA)	306,293	304,236	0.68%	287,163	6.66%
Airport Cargo Lbs. Shipped (RTIA, SA)	13,101,486	13,033,910	0.52%	11,675,213	12.22%
Gallons of Gasoline Sold (Washoe & Storey Co., SA)	14,676,695	14,689,141	-0.08%	14,311,213	2.55%
Initial Claims for Unemployment (Nevada, SA)	2,645	2,646	-0.07%	3,063	-13.66%
S&P 500 Index (US, CPI)	1,430	1,383	3.40%	1,248	14.59%
Interest Rate Spread (US)	1.78	1.95	-8.72%	1.75	1.71%
M2 Money Supply (US, CPI)	8,326	8,362	-0.44%	7,989	4.22%
Leading Index Result	130.10	129.41	0.53%	121.32	7.24%

ECONOMIC OUTLOOK – MARCH 22, 2017

EKAY | ECONOMIC CONSULTANTS

New Residential Units per New Job



■ New Single-Family Units (Washoe County)

■ New Multi-Family Units (Washoe County)

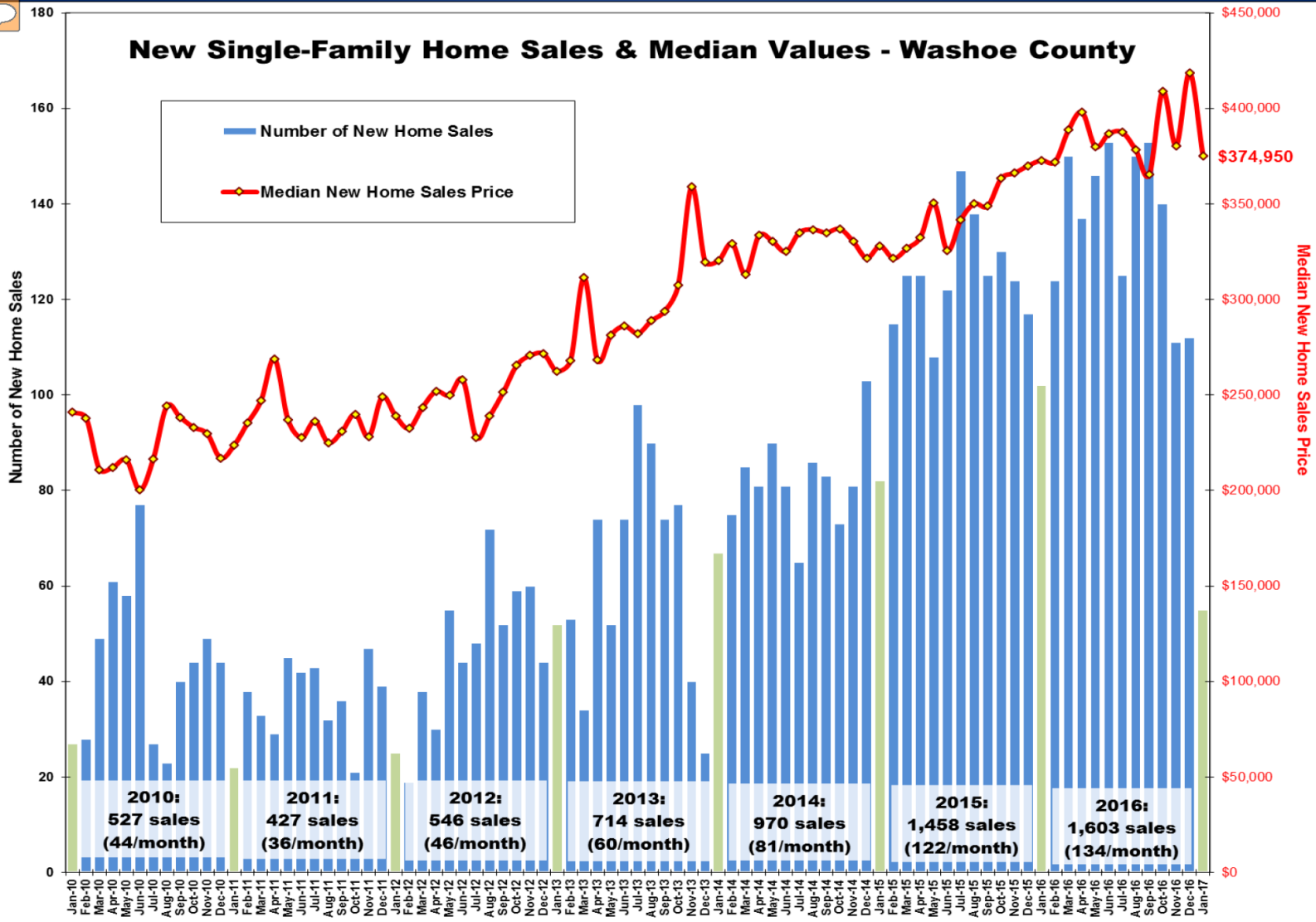
■ New Reno MSA Employment

1992-2006 Avg New Units per New Job = 0.79

2013-2016 Avg New Units per New Job = 0.26

Sources: Washoe County Assessor and Department of Employment, Training, & Rehabilitation (CES data)

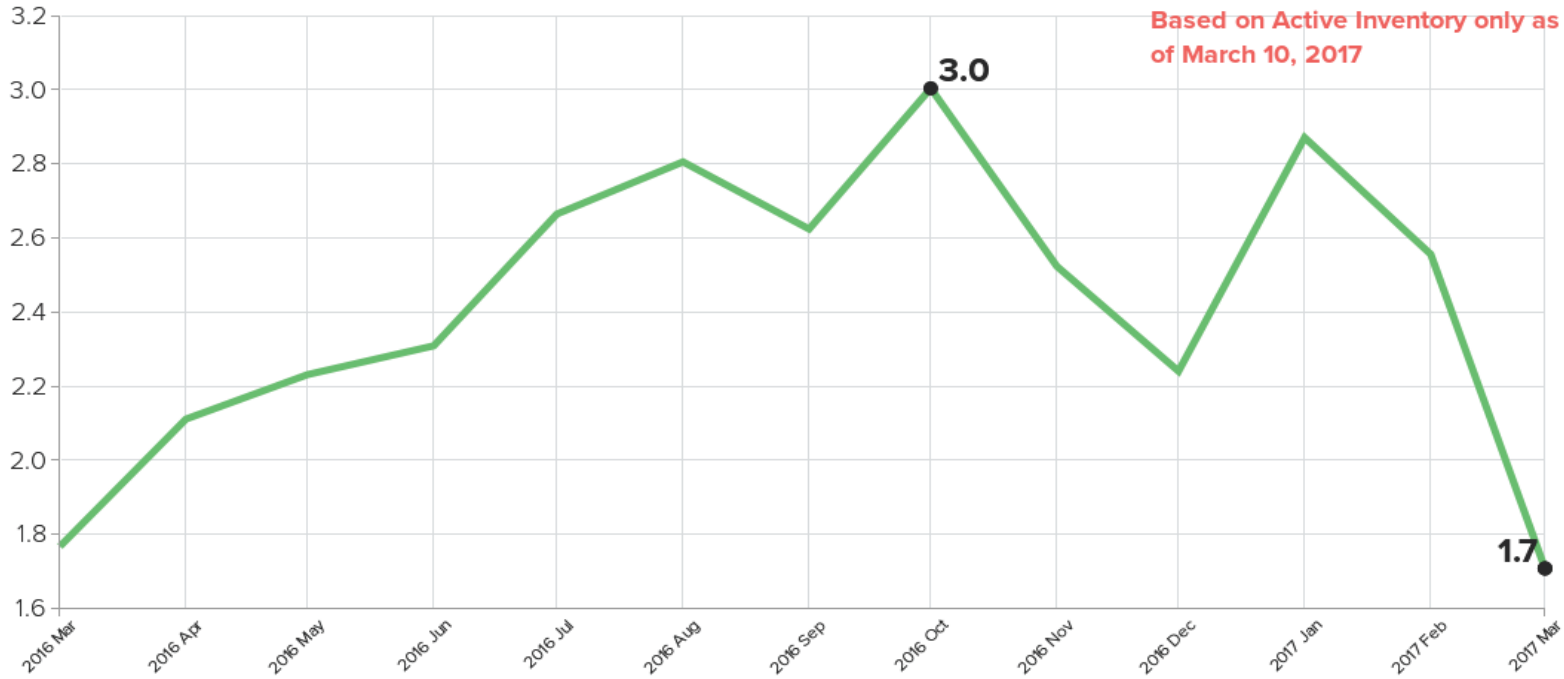
New Single-Family Home Sales & Median Values - Washoe County



Source: Washoe County Assessor

Price Solds New \$/SF Inventory **MSI** by Area

Months Supply of Inventory (MSI)



MSI (PM%)

1.7

-33.2% ▼

MSI prior month

2.6

MSI (PY%)

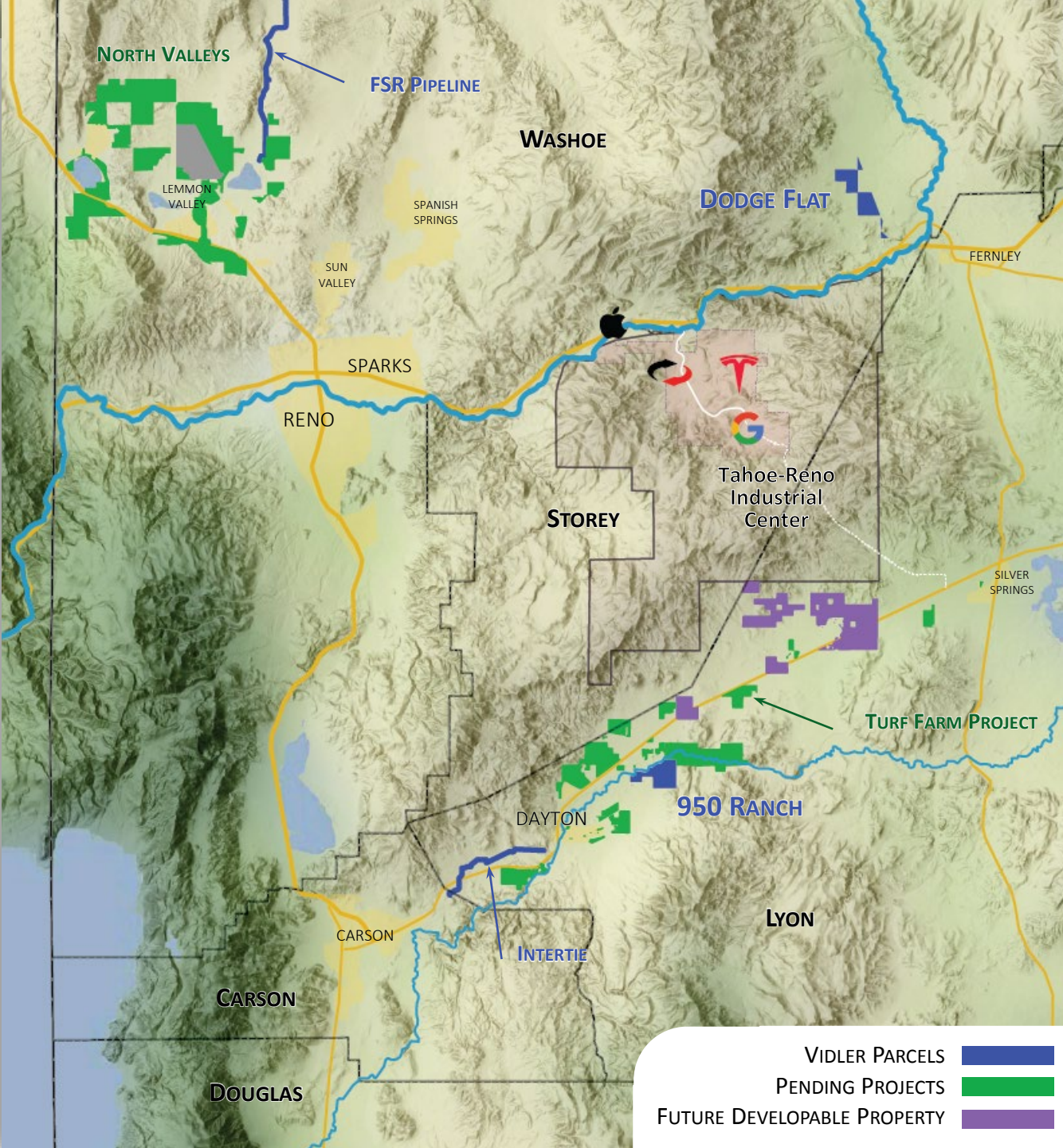
1.7

-3.4% ▼

MSI prior year

1.8





Vidler Assets in Northern Nevada

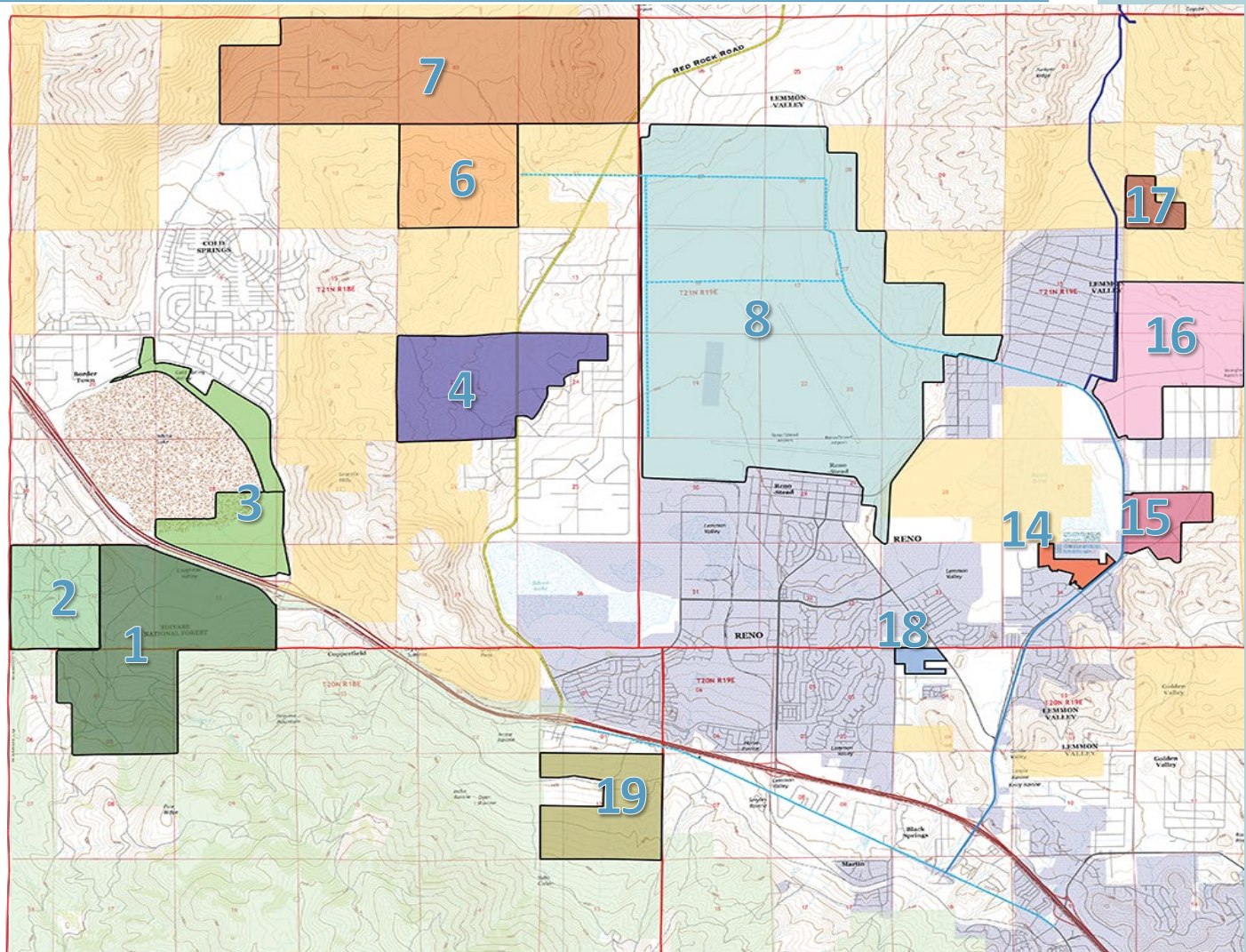
- VIDLER PARCELS
- PENDING PROJECTS
- FUTURE DEVELOPABLE PROPERTY

VIDLER
Water. Quality. Life.

North Valleys: Developments

Development

- 1 – Stonegate
- 2 - Train Town
- 3 - White Lake Vistas
- 4 - Silver Hills
- 6 - Silver Star Ranch
- 7 - Evans Ranch
- 8 - Stead Airport
- 14 - Prado Ranch
- 15 - NVIG 4
- 16 - NVIG 6 & 7
- 17 - NVIG 8
- 18 - Arroyo Crossing
- 19 - Echeverria Peavine



North Valleys Estimated Transaction Schedule

Based on most recent conversations with area developers

Area No.	Development Area (Prior Name)	Single Family Units	Commercial / Industrial Acres	Revised Date Estimated for Initial Contract	Estimated Water Usage Total Project (AF)
1	Stonegate (Heinz Rch)	3,815	235	May 2018	2,026
2	Train Town	1,300	0	Jan 2022	736
3	White Lake Vistas	324	342	Jan 2020	300
4	Silver Hills	1,600	0	Jul 2018	640
6	Silver Star Ranch	1,600	0	May 2018	449
7	Evans Ranch	5,679	62	May 2018	2,612
8	Stead Airport	0	1,700		
14	Prado Ranch (NVIG 2)	145	264 Multi-Family, 5 Ac Commercial	May 2018	90
15	NVIG 4	0	264 Multi-Family, 250 Ac Commercial	May 2018	300
16	NVIG 6 & 7	3,529	0	Jan 2019	1,270
17	NVIG 8	238	0	May 2020	86
18	Arroyo Crossing	236	0	October 2017	94
19	Echeverria Peavine	1,380	80		550
TOTAL					9,303

Arizona Update

“Report: Colorado River in Peril.” The Wall Street Journal – April 12th 2017

“Drought and the growing population of the U.S. Southwest have combined to make the lower part of the Colorado River the most endangered river in America...”



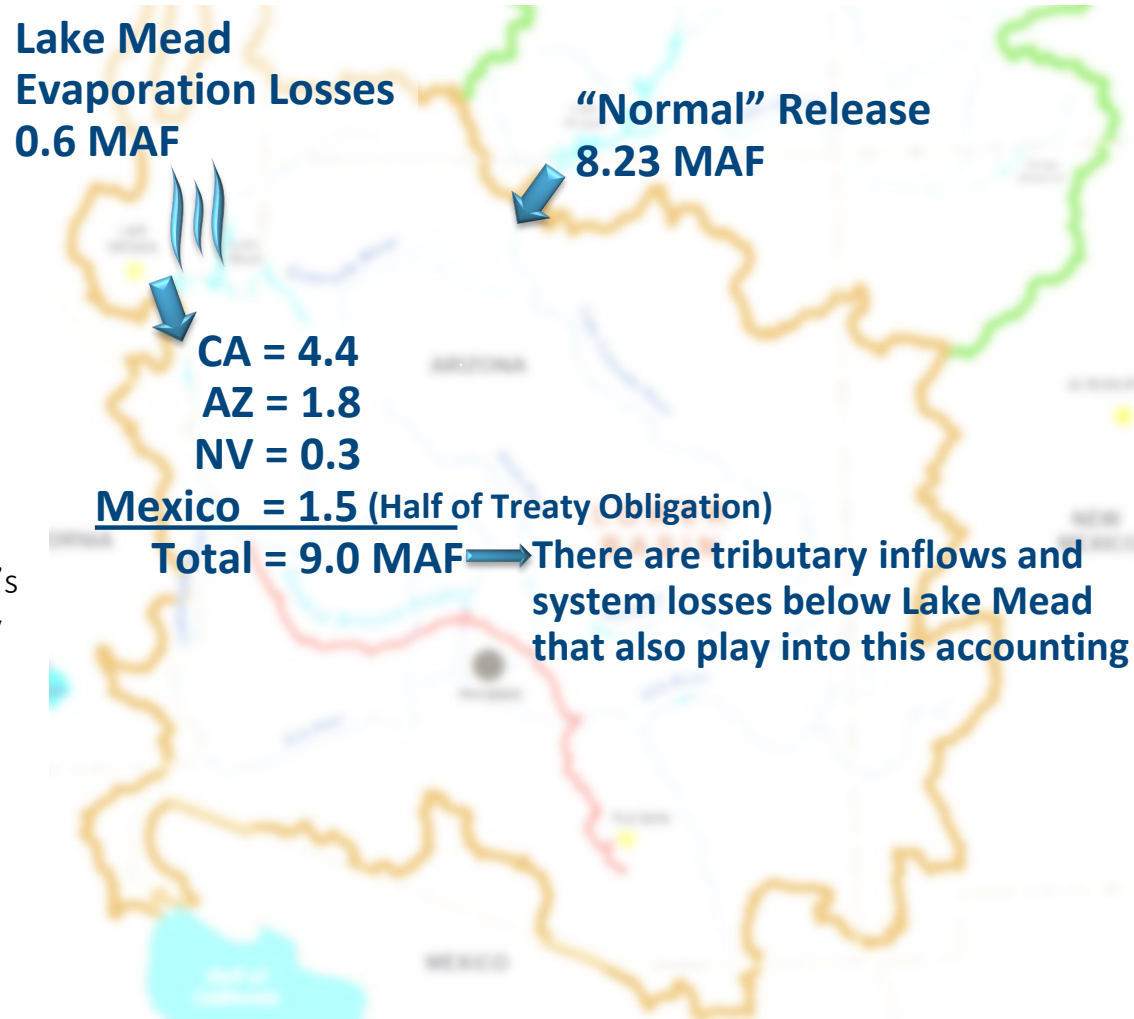
“Horseshoe Bend” by Prayitno (<https://www.flickr.com/photos/prayitnophotography>) is licensed under [CC BY 2.0](https://creativecommons.org/licenses/by/2.0/) / Edited from Original

Colorado River: Lower Basin Structural Deficit

Ted Cooke,
CAP General Manager

“The bottom line: the net annual loss to Lake Mead is about 1.2 MAF.”

“The result is a ‘structural deficit’ that causes Lake Mead’s elevation to drop 12 feet every year, drought or no drought”



Source: CAP BLOG – 12/2/2015
www.cap-az.com/public/blog

Reducing Costs

We continue to reduce costs where feasible:

- » We expect significant simplification in conjunction with disposal of UCP.
- » Considerable reductions in executive compensation and headcount since 2016.
- » Dissolution of deferred compensation plans to reduce administrative, accounting and reporting costs.
- » Simplification of 401(k) plan to reduce administrative costs.
- » Reduction in professional fees.
- » Reduction in directors' fees.
- » Sale of oil and gas assets: reduced operating costs.
- » Reduction of certain development costs at Vidler.

Return of Monetization Proceeds to Shareholders

Considering multiple approaches each with pro's and con's:

- » Purchases of our stock on the open market (\$50 million Board Authorized Program)
 - Repurchase programs currently in place
- » Tender offers
- » Special cash dividends
- » Distribution of non – cash asset

Q. & A.