



NEWS RELEASE

## UMH PROPERTIES, INC. REPORTS RESULTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2023

11/8/2023

FREEHOLD, NJ, Nov. 08, 2023 (GLOBE NEWSWIRE) -- UMH Properties, Inc. (NYSE:UMH) (TASE:UMH) reported Total Income for the quarter ended September 30, 2023 of \$56.0 million, as compared to \$51.9 million for the quarter ended September 30, 2022, representing an increase of 7.9%. Net Loss Attributable to Common Shareholders amounted to \$5.8 million or \$0.09 per diluted share for the quarter ended September 30, 2023, as compared to a Net Loss of \$9.7 million or \$0.18 per diluted share for the quarter ended September 30, 2022, representing a 100% per diluted share increase. Normalized Funds from Operations Attributable to Common Shareholders ("Normalized FFO"), was \$14.4 million or \$0.22 per diluted share for the quarter ended September 30, 2023, as compared to \$13.1 million or \$0.24 per diluted share for the quarter ended September 30, 2022, and \$13.0 million or \$0.21 per diluted share for the quarter ended June 30, 2023, representing a 4.8% per diluted share increase sequentially.

A summary of significant financial information for the three and nine months ended September 30, 2023 and 2022 is as follows (in thousands except per share amounts):

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	Three Months Ended September 30,	
	2023	2022
Total Income	\$ 56,044	\$ 51,937
Total Expenses	\$ 46,437	\$ 44,588
Net Loss Attributable to Common Shareholders	\$ (5,831)	\$ (9,745)
Net Loss Attributable to Common Shareholders per Diluted Common Share	\$ (0.09)	\$ (0.18)
FFO (1)	\$ 13,791	\$ 10,292
FFO (1) per Diluted Common Share	\$ 0.21	\$ 0.19

Normalized FFO (1)	\$	14,400	\$	13,079
Normalized FFO (1) per Diluted Common Share	\$	0.22	\$	0.24
Diluted Weighted Average Shares Outstanding		65,076		54,891

	Nine Months Ended September 30,	
	2023	2022
Total Income	\$ 163,941	\$ 147,028
Total Expenses	\$ 138,048	\$ 123,670
Net Loss Attributable to Common Shareholders	\$ (15,546)	\$ (36,548)
Net Loss Attributable to Common Shareholders per Diluted Common Share	\$ (0.25)	\$ (0.68)
FFO (1)	\$ 36,474	\$ 18,516
FFO (1) per Diluted Common Share	\$ 0.58	\$ 0.34
Normalized FFO (1)	\$ 39,169	\$ 35,519
Normalized FFO (1) per Diluted Common Share	\$ 0.63	\$ 0.65
Diluted Weighted Average Shares Outstanding	61,853	53,746

A summary of significant balance sheet information as of September 30, 2023 and December 31, 2022 is as follows (in thousands):

	September 30, 2023		December 31, 2022	
Gross Real Estate Investments	\$	1,498,183	\$	1,391,588
Total Assets	\$	1,392,884	\$	1,344,596
Mortgages Payable, net	\$	442,164	\$	508,938
Loans Payable, net	\$	144,623	\$	153,531
Bonds Payable, net	\$	99,843	\$	99,207
Total Shareholders' Equity	\$	677,747	\$	551,196

Samuel A. Landy, President and CEO, commented on the results of the third quarter of 2023.

“We are pleased to announce another solid quarter of operating results. During the quarter, we:

- Increased Rental and Related Income by 12.2%;
- Increased Community Net Operating Income (“NOI”) by 15.8%;
- Increased Same Property NOI by 12.9%;

- Increased Same Property Occupancy by 210 basis points from 86.3% to 88.4%;
- Improved our Same Property expense ratio from 42.1% in the third quarter of 2022 to 40.6% at quarter end;
- Increased our rental home portfolio by 245 homes from June 30, 2023 and 779 homes from yearend 2022 to approximately 9,900 total rental homes, representing an increase of 8.6%;
- Issued and sold approximately 2.8 million shares of Common Stock through our At-the-Market Sale Program at a weighted average price of \$15.93 per share, generating gross proceeds of \$44.5 million and net proceeds of \$43.5 million, after offering expenses;
- Issued and sold approximately 578,000 shares of Series D Preferred Stock through our At-the-Market Sale Program at a weighted average price of \$21.43 per share, generating gross proceeds of \$12.4 million and net proceeds of \$12.2 million, after offering expenses;
- Expanded our revolving line of credit from \$20 million to \$35 million;
- Subsequent to quarter end, issued and sold approximately 190,000 shares of Common Stock through our At-the-Market Sale Program at a weighted average price of \$13.98 per share, generating gross proceeds of \$2.7 million and net proceeds of \$2.6 million, after offering expenses; and
- Subsequent to quarter end, issued and sold approximately 44,000 shares of Series D Preferred Stock through our At-the-Market Sale Program at a weighted average price of \$21.08 per share, generating gross proceeds of \$931,000 and net proceeds of \$916,000, after offering expenses."

Mr. Landy stated, "We are pleased to report that Normalized FFO for the third quarter of 2023 was \$0.22 per share as compared to \$0.21 per share in the second quarter and \$0.20 in the first quarter resulting in an approximate 5% per quarter increase each quarter. Our solid operating results are resulting in per share earnings growth despite the impact that higher interest rates have had on the real estate industry."

"At the beginning of the year, UMH was faced with the challenge of installing and occupying over 1,300 new inventory units. Our team has stood up to this challenge and we have rented 900 new homes, an average of 100 homes per month, through the first nine months of the year. Our inventory levels have returned to normal levels, approximately 400 units, and our floorplan lines have largely been paid off. Manufacturer backlogs have been reduced and we can now order just in time inventory allowing us to no longer carry large amounts of inventory. This will allow us to continue to generate similar results next year without negatively impacting our financial results through elevated interest expenses and the associated carrying costs of inventory."

"Our same property operating results demonstrate the effectiveness of our long-term value-added business plan. Year over year, same property occupancy has increased by 546 sites, or 210 basis points, to 88.4%. This occupancy growth and our annual rent increases generated same property rental and related income growth of 10.0% for the quarter and 8.4% for the first nine months of the year. Same property NOI increased 12.9% for the quarter and 10.4% for the first nine months of the year. These increases in same property occupancy, rental and relate income and in NOI substantially increases the value of our communities."

“Sales of manufactured homes are at \$23.4 million for the year, representing an increase of 15.3%. We have sold 264 homes this year of which 122 were new home sales, averaging \$134,000 per sale, and 142 were used home sales, averaging \$50,000 per sale. We are on track to break our all time sales record of \$28.1 million and may reach our sales goal of \$30 million.”

“UMH has accomplished a great deal this year which has laid the foundation for additional earnings growth in the coming quarters.”

UMH Properties, Inc. will host its Third Quarter 2023 Financial Results Webcast and Conference Call. Senior management will discuss the results, current market conditions and future outlook on Thursday, November 9, 2023, at 10:00 a.m. Eastern Time.

The Company's 2023 third quarter financial results being released herein will be available on the Company's website at [www.umh.reit](http://www.umh.reit) in the “Financials” section.

To participate in the webcast, select the webcast icon on the homepage of the Company's website at [www.umh.reit](http://www.umh.reit), in the Upcoming Events section. Interested parties can also participate via conference call by calling toll free 877-513-1898 (domestically) or 412-902-4147 (internationally).

The replay of the conference call will be available at 12:00 p.m. Eastern Time on Thursday, November 9, 2023, and can be accessed by dialing toll free 877-344-7529 (domestically) and 412-317-0088 (internationally) and entering the passcode 5082598. A transcript of the call and the webcast replay will be available at the Company's website, [www.umh.reit](http://www.umh.reit).

UMH Properties, Inc., which was organized in 1968, is a public equity REIT that owns and operates 135 manufactured home communities containing approximately 25,800 developed homesites. These communities are located in New Jersey, New York, Ohio, Pennsylvania, Tennessee, Indiana, Maryland, Michigan, Alabama, South Carolina and Georgia. UMH also has an ownership interest in and operates two communities in Florida, containing 363 sites, through its joint venture with Nuveen Real Estate.

Certain statements included in this press release which are not historical facts may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any such forward-looking statements are based on the Company's current expectations and involve various risks and uncertainties. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can provide no assurance those expectations will be achieved. The risks and uncertainties that could cause actual results or events to differ materially from expectations are contained in the

Company's annual report on Form 10-K and described from time to time in the Company's other filings with the SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

Note:

(1) Non-GAAP Information: We assess and measure our overall operating results based upon an industry performance measure referred to as Funds from Operations Attributable to Common Shareholders ("FFO"), which management believes is a useful indicator of our operating performance. FFO is used by industry analysts and investors as a supplemental operating performance measure of a REIT. FFO, as defined by The National Association of Real Estate Investment Trusts ("NAREIT"), represents net income (loss) attributable to common shareholders, as defined by accounting principles generally accepted in the United States of America ("U.S. GAAP"), excluding gains or losses from sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets, the change in the fair value of marketable securities, and the gain or loss on the sale of marketable securities plus certain non-cash items such as real estate asset depreciation and amortization. Included in the NAREIT FFO White Paper - 2018 Restatement, is an option pertaining to assets incidental to our main business in the calculation of NAREIT FFO to make an election to include or exclude gains and losses on the sale of these assets, such as marketable equity securities, and include or exclude mark-to-market changes in the value recognized on these marketable equity securities. In conjunction with the adoption of the FFO White Paper - 2018 Restatement, for all periods presented, we have elected to exclude the gains and losses realized on marketable securities investments and the change in the fair value of marketable securities from our FFO calculation. NAREIT created FFO as a non-U.S. GAAP supplemental measure of REIT operating performance. We define Normalized Funds from Operations Attributable to Common Shareholders ("Normalized FFO"), as FFO excluding amortization and certain one-time charges. FFO and Normalized FFO should be considered as supplemental measures of operating performance used by REITs. FFO and Normalized FFO exclude historical cost depreciation as an expense and may facilitate the comparison of REITs which have a different cost basis. However, other REITs may use different methodologies to calculate FFO and Normalized FFO and, accordingly, our FFO and Normalized FFO may not be comparable to all other REITs. The items excluded from FFO and Normalized FFO are significant components in understanding the Company's financial performance.

FFO and Normalized FFO (i) do not represent Cash Flow from Operations as defined by U.S. GAAP; (ii) should not be considered as alternatives to net income (loss) as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) are not alternatives to cash flow as a measure of liquidity.

The diluted weighted shares outstanding used in the calculation of FFO per Diluted Common Share and Normalized FFO per Diluted Common Share were 65.6 million and 62.5 million shares for the three and nine months ended

September 30, 2023, respectively, and 55.6 million and 54.7 million shares for the three and nine months ended September 30, 2022, respectively. Common stock equivalents resulting from stock options in the amount of 478,000 and 655,000 shares for the three and nine months ended September 30, 2023, respectively, were excluded from the computation of the Diluted Net Loss per Share as their effect would be anti-dilutive. Common stock equivalents resulting from stock options in the amount of 728,000 and 956,000 shares for the three and nine months ended September 30, 2022, respectively, were excluded from the computation of the Diluted Net Loss per Share as their effect would be anti-dilutive.

The reconciliation of the Company's U.S. GAAP net loss to the Company's FFO and Normalized FFO for the three and nine months ended September 30, 2023 and 2022 are calculated as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net Loss Attributable to Common Shareholders	\$ (5,831)	\$ (9,745)	\$ (15,546)	\$ (36,548)
Depreciation Expense	14,147	12,302	41,271	36,003
Depreciation Expense from Unconsolidated Joint Venture	179	90	504	257
(Gain) Loss on Sales of Investment Property and Equipment	26	10	(11)	96
Decrease in Fair Value of Marketable Securities	5,496	1,230	10,439	43,024
(Gain) Loss on Sales of Marketable Securities, net	(226)	6,405	(183)	(24,316)
FFO Attributable to Common Shareholders	13,791	10,292	36,474	18,516
Redemption of Preferred Stock (2)	-0-	896	-0-	12,916
Amortization of Financing Costs(2)	536	505	1,592	1,445
Non-Recurring Other Expense (3)	73	1,386	1,103	2,642
Normalized FFO Attributable to Common Shareholders (2)	\$ 14,400	\$ 13,079	\$ 39,169	\$ 35,519

(2) Normalized FFO as previously reported for the three and nine months ended September 30, 2022, were \$11,678 and \$29,348, respectively. During 2022, the Company incurred the carrying cost of excess cash for the redemption of preferred stock. Additionally, due to the change in sources of capital, amortization expense is expected to become more significant and is therefore included as an adjustment to Normalized FFO for the three and nine months ended September 30, 2023 and 2022. After making these adjustments for the three and nine months ended September 30, 2022, Normalized FFO were \$13,079 and \$35,519, respectively.

(3) Consists of the previously disclosed special bonus and restricted stock grants for the August 2020 groundbreaking Fannie Mae financing, which are being expensed over the vesting period (\$0 and \$862, respectively) and non-recurring expenses for the joint venture with Nuveen (\$43 and \$93, respectively), one-time legal fees (\$25 and \$75, respectively), fees related to the establishment of the OZ Fund (\$0 and \$37, respectively), and costs associated with acquisitions that were not completed (\$5 and \$36, respectively) for the three and nine months ended September 30, 2023. Consists of the previously disclosed special bonus and restricted stock grants for the August 2020 groundbreaking Fannie Mae financing, which are being expensed over the vesting period (\$431 and \$1.3 million, respectively) and non-recurring expenses for the joint venture with Nuveen (\$2 and \$54,

respectively), early extinguishment of debt (\$2 and \$195, respectively), one-time legal fees (\$38 and \$187, respectively), fees related to the establishment of the OZ Fund (\$893) and costs associated with an acquisition that was not completed (\$20) for the three and nine months ended September 30, 2022.

The following are the cash flows provided by (used in) operating, investing and financing activities for the nine months ended September 30, 2023 and 2022 (in thousands):

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	2023	2022
Operating Activities	\$ 90,315	\$ 5,083
Investing Activities	(134,927)	(58,435)
Financing Activities	49,306	(577)

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Source: UMH Properties, Inc.