



NEWS RELEASE

UMH PROPERTIES, INC. REPORTS RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2023

2/28/2024

FREEHOLD, NJ, Feb. 28, 2024 (GLOBE NEWSWIRE) -- UMH Properties, Inc. (NYSE:UMH) (TASE:UMH) reported Total Income of \$220.9 million for the year ended December 31, 2023 as compared to \$195.8 million for the year ended December 31, 2022, representing an increase of 13%. Total Income for the quarter ended December 31, 2023 was \$57.0 million as compared to \$48.7 million for the quarter ended December 31, 2022, representing an increase of 17%. Net Loss Attributable to Common Shareholders amounted to \$8.7 million or \$0.15 per diluted share for the year ended December 31, 2023 as compared to \$36.3 million or \$0.67 per diluted share for the year ended December 31, 2022. Net Income Attributable to Common Shareholders amounted to \$6.8 million or \$0.10 per diluted share for the quarter ended December 31, 2023 as compared to \$283,000 or \$0.005 per diluted share for the quarter ended December 31, 2022.

Funds from Operations Attributable to Common Shareholders ("FFO") was \$51.1 million or \$0.80 per diluted share for the year ended December 31, 2023 as compared to \$28.5 million or \$0.51 per diluted share for the year ended December 31, 2022. FFO was \$14.6 million or \$0.22 per diluted share for the quarter ended December 31, 2023 as compared to \$10.0 million or \$0.18 per diluted share for the quarter ended December 31, 2022. Normalized Funds from Operations Attributable to Common Shareholders ("Normalized FFO"), was \$54.5 million or \$0.86 per diluted share for the year ended December 31, 2023, as compared to \$46.8 million or \$0.85 per diluted share for the year ended December 31, 2022. Normalized FFO was \$15.4 million or \$0.23 per diluted share for the quarter ended December 31, 2023, as compared to \$11.3 million or \$0.20 per diluted share for the quarter ended December 31,

2022.

A summary of significant financial information for the three months and year ended December 31, 2023 and 2022 is as follows (in thousands except per share amounts):

	For the Three Months Ended December 31,			
	2023		2022	
Total Income	\$	56,984	\$	48,748
Total Expenses	\$	46,756	\$	42,582
Net Income Attributable to Common Shareholders	\$	6,832	\$	283
Net Income Attributable to Common Shareholders per Diluted Common Share	\$	0.10	\$	0.005
FFO (1)	\$	14,595	\$	9,973
FFO (1) per Diluted Common Share	\$	0.22	\$	0.18
Normalized FFO (1)	\$	15,364	\$	11,321
Normalized FFO (1) per Diluted Common Share	\$	0.23	\$	0.20
Weighted Average Shares Outstanding		67,196		56,755

	For the Year Ended December 31,			
	2023		2022	
Total Income	\$	220,925	\$	195,776
Total Expenses	\$	184,803	\$	166,252
Net Loss Attributable to Common Shareholders	\$	(8,714)	\$	(36,265)
Net Loss Attributable to Common Shareholders per Diluted Common Share	\$	(0.15)	\$	(0.67)
FFO (1)	\$	51,069	\$	28,489
FFO (1) per Diluted Common Share	\$	0.80	\$	0.51
Normalized FFO (1)	\$	54,533	\$	46,840
Normalized FFO (1) per Diluted Common Share	\$	0.86	\$	0.85
Weighted Average Shares Outstanding		63,068		54,389

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

	December 31, 2023		December 31, 2022	
Gross Real Estate Investments	\$	1,539,041	\$	1,391,588
Marketable Securities at Fair Value	\$	34,506	\$	42,178
Total Assets	\$	1,427,577	\$	1,344,596
Mortgages Payable, net	\$	496,483	\$	508,938
Loans Payable, net	\$	93,479	\$	153,531

Bonds Payable, net
Total Shareholders' Equity

\$
\$

100,055 \$
706,794 \$

99,207
551,196

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

"During 2023, UMH made substantial progress on multiple fronts – generating solid operating results, achieving strong growth and improving our financial position. We have:

- Increased Rental and Related Income by 11%;
- Increased Community Net Operating Income ("NOI") by 14%;
- Increased Normalized Funds from Operations ("Normalized FFO") by 16%;
- Increased Same Property NOI by 13%;
- Increased Same Property Occupancy by 230 basis points from 86.2% to 88.5%;
- Improved our Same Property expense ratio from 42.2% at yearend 2022 to 40.3% at yearend 2023;
- Increased our rental home portfolio by 871 homes from yearend 2022 to approximately 10,000 total rental homes, representing an increase of 10% from yearend 2022;
- Increased Sales of Manufactured Homes by 23%;
- Acquired our first community in Georgia, containing 118 developed homesites, for a total cost of \$3.7 million through our qualified opportunity zone fund;
- Entered into a new joint venture agreement with Nuveen Real Estate to develop a 113-site community in Honey Brook, Pennsylvania;
- Amended our unsecured credit facility to expand available borrowing capacity from \$100 million to \$180 million;
- Entered into a \$25 million term loan and a \$25 million line of credit secured by rental homes and their leases;
- Expanded our revolving line of credit secured by eligible notes receivable from \$20 million to \$35 million;
- Financed eight existing communities for total proceeds of approximately \$57.7 million;
- Raised our quarterly common stock dividend by 2.5% to \$0.205 per share or \$0.82 annually;
- Increased our Total Market Capitalization by 6% to over \$2 billion at yearend;
- Increased our Equity Market Capitalization by 12% to over \$1 billion at yearend;
- Reduced our Net Debt to Total Market Capitalization from 38.2% in 2022 to 31.3% in 2023;
- Issued and sold approximately 9.4 million shares of Common Stock through At-the-Market Sale Programs at a weighted average price of \$15.81 per share, generating gross proceeds of \$148.6 million and net proceeds of \$145.8 million, after offering expenses;
- Issued and sold approximately 2.6 million shares of Series D Preferred Stock through At-the-Market Sale Programs at a weighted average price of \$21.88 per share, generating gross proceeds of \$56.7 million and net

proceeds of \$55.7 million, after offering expenses;

- Subsequent to year end, issued and sold approximately 1.2 million shares of Common Stock through our 2023 Common Stock At-the-Market Sale Program at a weighted average price of \$15.37 per share, generating gross proceeds of \$19.2 million and net proceeds of \$18.9 million, after offering expenses; and
- Subsequent to year end, issued and sold approximately 121,000 shares of Series D Preferred Stock through our 2023 Series D Preferred Stock At-the-Market Sale Program at a weighted average price of \$22.85 per share, generating gross proceeds of \$2.8 million and net proceeds of \$2.7 million, after offering expenses.”

“UMH is pleased to report fourth quarter Normalized FFO of \$0.23 per share as compared to \$0.20 per share in the prior year period, representing an increase of approximately 15%. UMH is strategically positioned to continue to increase earnings through the execution of our long-term business plan. We have been acquiring vacant sites and land for development in desirable locations which have allowed us to rapidly fill and develop our communities. The success of our investments in value-add communities and our expansions is demonstrated through our operating results.”

“During 2023, we achieved a 23% increase in gross sales, installed and occupied over 1,000 new rental homes, improved same property occupancy by 230 basis points and increased same property net operating income by 13%, or \$12.2 million. Our communities continue to experience strong demand for both sales and rentals. We anticipate delivering similar operating results in 2024, which should result in per share earnings growth.”

“After a two-year disruption from the COVID supply chain-related issues, abnormally high inventory levels and rising interest rates, we believe we are back on track to deliver exceptional property operating performance and reliable earnings per share growth. Our financials have been impacted by higher interest rates and inventory carrying costs, but we are pleased with our year over year normalized earnings per share growth, our quarter over quarter normalized per share growth and our three sequential quarters of earnings per share growth.”

“Our exceptional team has positioned the company to deliver organic growth in earnings and operating results through the infill of our 3,400 vacant lots and the development of our 2,100 acres of vacant land. We look forward to the continued execution of our long-term business plan and generating value and exceptional returns for our shareholders.”

UMH Properties, Inc. will host its Fourth Quarter and Year Ended December 31, 2023 Financial Results Webcast and Conference Call. Senior management will discuss the results, current market conditions and future outlook on Thursday, February 29, 2024 at 10:00 a.m. Eastern Time.

The Company's fourth quarter and year ended December 31, 2023 financial results being released herein will be available on the Company's website at www.umh.reit in the “Financials” section.

To participate in the webcast, select the microphone icon found on the homepage www.umh.reit to access the call. 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, February 29, 2024 and can be accessed by dialing toll free 877-344-7529 (domestically) and 412-317-0088 (internationally) and entering the passcode 5824602. A transcript of the call and the webcast replay will be available at the Company's website, 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, Michigan, Maryland, 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 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. FFO and Normalized FFO, as calculated by the Company, may not be comparable to similarly titled measures reported by other REITs.

The reconciliation of the Company's U.S. GAAP net income (loss) to the Company's FFO and Normalized FFO for the three months and year ended December 31, 2023 and 2022 are calculated as follows (in thousands):

	Three Months Ended		Year Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net Income (Loss) Attributable to Common Shareholders	\$ 6,832	\$ 283	\$ (8,714)	\$ (36,265)
Depreciation Expense	14,448	12,766	55,719	48,769
Depreciation Expense from Unconsolidated Joint Venture	188	114	692	371
Loss on Sales of Investment Property and Equipment	11	73	-0-	169
(Increase) Decrease in Fair Value of Marketable Securities	(6,884)	(21,185)	3,555	21,839
(Gain) Loss on Sales of Marketable Securities, net	-0-	17,922	(183)	(6,394)
FFO Attributable to Common Shareholders	14,595	9,973	51,069	28,489
Redemption of Preferred Stock (2)	-0-	-0-	-0-	12,916
Amortization (2)	543	511	2,135	1,956
Non-Recurring Other Expense (3)	226	837	1,329	3,479
Normalized FFO Attributable to Common Shareholders	\$ 15,364	\$ 11,321	\$ 54,533	\$ 46,840

The diluted weighted shares outstanding used in the calculation of FFO per Diluted Common Share and Normalized

FFO per Diluted Common Share were 67.2 million and 63.7 million shares for the three months and year ended December 31, 2023, respectively, and 56.8 million and 55.3 million shares for the three months and year ended December 31, 2022, respectively. Common stock equivalents resulting from stock options in the amount of 613,000 shares and 936,000 shares for the years ended December 31, 2023 and 2022, respectively, were excluded from the computation of Diluted Net Income (Loss) per Share as their effect would have been anti-dilutive. Common stock equivalents resulting from stock options in the amount of 315,000 shares and 571,000 shares for the three months ended December 31, 2023 and 2022, respectively, were included in the computation of Diluted Net Income (Loss) per share.

(2) 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, a non-cash expense, is expected to become more significant and is therefore included as an adjustment to Normalized FFO for the three months and years ended December 31, 2023 and 2022.

(3) Consists of special bonus and restricted stock grants for the August 2020 groundbreaking Fannie Mae financing, which were being expensed over the vesting period (\$0 and \$862, respectively) and non-recurring expenses for the joint venture with Nuveen (\$42 and \$135, respectively), one-time legal fees (\$1 and \$76, respectively), fees related to the establishment of the Opportunity Zone Fund (\$0 and \$37, respectively), and costs associated with acquisitions and financing that were not completed (\$183 and \$219, respectively) for the three months and year ended December 31, 2023. Consists of special bonus and restricted stock grants for the August 2020 groundbreaking Fannie Mae financing, which were being expensed over the vesting period (\$431 and \$1,724, respectively) and non-recurring expenses for the joint venture with Nuveen (\$210 and \$264, respectively), early extinguishment of debt (\$125 and \$320, respectively), one-time legal fees (\$10 and \$197, respectively), fees related to the establishment of the Opportunity Zone Fund (\$61 and \$954, respectively), and costs associated with an acquisition not completed (\$0 and \$20, respectively) for the three months and year ended December 31, 2022.

The following are the cash flows provided by (used in) operating, investing and financing activities for the year ended December 31, 2023 and 2022 (in thousands):

	2023	2022
Operating Activities	\$ 120,077	\$ (7,227)
Investing Activities	(165,573)	(124,877)
Financing Activities	69,057	47,954

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Source: UMH Properties, Inc.