



NEWS RELEASE

UMH PROPERTIES, INC. REPORTS RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2024

5/2/2024

FREEHOLD, NJ, May 02, 2024 (GLOBE NEWSWIRE) -- UMH Properties, Inc. (NYSE:UMH) (TASE:UMH) reported Total Income for the quarter ended March 31, 2024 of \$57.7 million as compared to \$52.6 million for the quarter ended March 31, 2023, representing an increase of 10%. Net Loss Attributable to Common Shareholders amounted to \$6.3 million or \$0.09 per diluted share for the quarter ended March 31, 2024 as compared to a Net Loss of \$5.3 million or \$0.09 per diluted share for the quarter ended March 31, 2023.

Funds from Operations Attributable to Common Shareholders ("FFO"), was \$14.0 million or \$0.20 per diluted share for the quarter ended March 31, 2024 as compared to \$10.6 million or \$0.18 per diluted share for the quarter ended March 31, 2023, representing an 11% per diluted share increase. Normalized Funds from Operations Attributable to Common Shareholders ("Normalized FFO"), was \$15.0 million or \$0.22 per diluted share for the quarter ended March 31, 2024, as compared to \$11.7 million or \$0.20 per diluted share for the quarter ended March 31, 2023, representing a 10% per diluted share increase.

A summary of significant financial information for the three months ended March 31, 2024 and 2023 is as follows (in thousands except per share amounts):

For the Three Months Ended March 31,	
2024	2023

Total Income	\$	57,680	\$	52,607
Total Expenses	\$	48,408	\$	45,240
Net Loss Attributable to Common Shareholders	\$	(6,264)	\$	(5,297)
Net Loss Attributable to Common Shareholders per Diluted Common Share	\$	(0.09)	\$	(0.09)
FFO (1)	\$	14,046	\$	10,640
FFO (1) per Diluted Common Share	\$	0.20	\$	0.18
Normalized FFO (1)	\$	15,017	\$	11,720
Normalized FFO (1) per Diluted Common Share	\$	0.22	\$	0.20
Weighted Average Shares Outstanding		69,130		59,085

A summary of significant balance sheet information as of March 31, 2024 and December 31, 2023 is as follows (in thousands):

		March 31, 2024		December 31, 2023
Gross Real Estate Investments	\$	1,554,401	\$	1,539,041
Marketable Securities at Fair Value	\$	29,143	\$	34,506
Total Assets	\$	1,416,439	\$	1,427,577
Mortgages Payable, net	\$	493,767	\$	496,483
Loans Payable, net	\$	77,547	\$	93,479
Bonds Payable, net	\$	100,267	\$	100,055
Total Shareholders' Equity	\$	717,157	\$	706,794

Samuel A. Landy, President and CEO, commented on the results of the first quarter of 2024.

"We are pleased to announce another solid quarter of operating results and an excellent start to 2024. During the quarter, we:

- Increased Rental and Related Income by 11%;
- Increased Community Net Operating Income ("NOI") by 16%;
- Increased Normalized Funds from Operations ("Normalized FFO) by 28% and Normalized FFO per diluted share by 10%;
- Increased Same Property Community NOI by 16%;
- Increased Same Property Occupancy by 200 basis points from 85.5% to 87.5%;
- Improved our Same Property expense ratio from 42.3% in the first quarter of 2023 to 39.6% at quarter end;
- Issued and sold approximately 1.3 million shares of Common Stock through our At-the-Market Sale Programs at a weighted average price of \$15.40 per share, generating gross proceeds of \$20.7 million and net proceeds of \$20.4 million, after offering expenses;
- Issued and sold approximately 194,000 shares of Series D Preferred Stock through our At-the-Market Sale Program at a weighted average price of \$23.01 per share, generating gross proceeds of \$4.5 million and net proceeds of \$4.4 million, after offering expenses;
- Subsequent to quarter end, amended our unsecured credit facility to expand available borrowings by \$80 million from \$180 million to \$260 million syndicated with BMO Capital Markets Corp., JPMorgan Chase Bank, NA and Wells Fargo, N.A.;
- Subsequent to quarter end, raised our quarterly common stock dividend by \$0.01 representing a 4.9% increase to \$0.215 per share or \$0.86 annually;
- 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 \$15.92 per share, generating gross and net proceeds, net of offering expenses, of \$3.0 million; and
- Subsequent to quarter end, issued and sold approximately 19,000 shares of Series D Preferred Stock through our At-the-Market Sale Program at a weighted average price of \$23.27 per share, generating gross proceeds of \$451,000 and net proceeds of \$444,000, after offering expenses."

Mr. Landy stated, "We are pleased with the progress that we have made on all fronts. Year over year, normalized FFO per diluted share increased by 10%, from \$0.20 in the first quarter of last year to \$0.22 this year. These results are in line with our expectations and position the company to continue to grow earnings per diluted share in the coming quarters. Our earnings growth over the past year, combined with strong community operating results, has resulted in a fourth consecutive annual dividend increase. Since 2020, we have raised our dividend by 19%, or \$0.14 per share."

"Our communities continue to experience strong demand for both sales and rentals. This demand is being translated into increased occupancy, revenue, and improved community operating results. Overall occupancy increased by 598 units or 220 basis points as compared to the first quarter of last year. Same property occupancy increased by 545 units or 200 basis points as compared to last year. Sequentially, overall occupancy increased by 132 units. These gains in occupancy, paired with our reasonable rent increases, drove same property income growth of 10% and same property community NOI growth of 16%. These improved operating results substantially increase the value of our communities."

"Backlogs from our manufacturers remain in the normal 6 to 8 week range so we are able to effectively balance our inventory deliveries with our absorption. This allows us to generate similar occupancy gains without the negative financial impact from elevated inventory levels and the associated carrying costs. During the first quarter, we converted 120 homes from inventory to occupied rental units. We believe that we are on track to install and rent 800 new homes this year."

"UMH is well positioned in an asset class with strong fundamentals. We have a strong balance sheet and can execute on external acquisition opportunities as accretive deals become available. We have substantial internal growth opportunities that provide a runway for earnings per diluted share growth for the next few years. We will continue to fill our 3,300 vacant sites, develop 300 or more expansion sites per year and grow the profitability of our sales and finance division."

"We have a proven business plan that has and should continue to generate long-term value for our shareholders."

UMH Properties, Inc. will host its First Quarter 2024 Financial Results Webcast and Conference Call. Senior management will discuss the results, current market conditions and future outlook on Friday, May 3, 2024, at 10:00 a.m. Eastern Time.

The Company's 2024 first quarter 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 webcast icon on the homepage of the Company's website at 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 Friday, May 3, 2024, and can be accessed by dialing toll free 877-344-7529 (domestically) and 412-317-0088 (internationally) and entering the passcode 4830899. 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 136 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 diluted weighted shares outstanding used in the calculation of FFO per Diluted Common Share and Normalized FFO per Diluted Common Share were 69.5 million shares for the three months ended March 31, 2024 and 59.8 million shares for the three months ended March 31, 2023. Common stock equivalents resulting from stock options in the amount of 406,000 shares for the three months ended March 31, 2024 and 682,000 shares for the three months ended March 31, 2023 were excluded from the computation of Diluted Net Loss per Share as their effect would have been anti-dilutive.

The reconciliation of the Company's U.S. GAAP net loss to the Company's FFO and Normalized FFO for the three months ended March 31, 2024 and 2023 are calculated as follows (in thousands):

	Three Months Ended	
	March 31, 2024	March 31, 2023
Net Loss Attributable to Common Shareholders	\$ (6,264)	\$ (5,297)
Depreciation Expense	14,741	13,373
Depreciation Expense from Unconsolidated Joint Venture	197	159
(Gain) Loss on Sales of Investment Property and Equipment	3	(32)
Decrease in Fair Value of Marketable Securities	5,369	2,395
Loss on Sales of Marketable Securities, net	-0-	42
FFO Attributable to Common Shareholders	14,046	10,640
Amortization of Financing Costs(2)	556	518
Non-Recurring Other Expense (3)	415	562
Normalized FFO Attributable to Common Shareholders (2)	\$ 15,017	\$ 11,720

(2)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 months ended March 31, 2024 and 2023.

(3)Consists of non-recurring expenses for one-time legal fees and fees relating to the OZ Fund (\$33), and costs associated with the liquidation/sale of inventory in a particular sales center (\$382) for the three months ended March 31, 2024. Consisted 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 non-recurring expenses for the joint venture with Nuveen (\$47), one-time legal fees and fees relating to the OZ Fund (\$53), and costs associated with an acquisition that was not completed (\$31) for the three months ended March 31, 2023.

The following are the cash flows provided by (used in) operating, investing and financing activities for the three months ended March 31, 2024 and 2023 (in thousands):

	2024		2023	
Operating Activities	\$	19,048	\$	13,289
Investing Activities		(25,424)		(40,544)
Financing Activities		(8,849)		29,440

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Source: UMH Properties, Inc.