



## NEWS RELEASE

# UMH PROPERTIES, INC. REPORTS RESULTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2024

2024-11-06

FREEHOLD, NJ, Nov. 06, 2024 (GLOBE NEWSWIRE) -- UMH Properties, Inc. (NYSE:UMH) (TASE:UMH) reported Total Income for the quarter ended September 30, 2024 of \$60.7 million, as compared to \$56.0 million for the quarter ended September 30, 2023, representing an increase of 8%. Net Income Attributable to Common Shareholders amounted to \$8.2 million or \$0.11 per diluted share for the quarter ended September 30, 2024, as compared to a Net Loss of \$5.8 million or \$0.09 per diluted share for the quarter ended September 30, 2023.

Normalized Funds from Operations Attributable to Common Shareholders ("Normalized FFO"), was \$18.5 million or \$0.24 per diluted share for the quarter ended September 30, 2024, as compared to \$14.4 million or \$0.22 per diluted share for the quarter ended September 30, 2023, representing a 9% per diluted share increase.

A summary of significant financial information for the three and nine months ended September 30, 2024 and 2023 is as follows (in thousands except per share amounts):

	Three Months Ended September 30,	
	2024	2023
Total Income	\$ 60,671	\$ 56,044
Total Expenses	\$ 48,911	\$ 46,437
Net Income (Loss) Attributable to Common Shareholders	\$ 8,181	\$ (5,831)
Net Income (Loss) Attributable to Common Shareholders per Diluted Common Share	\$ 0.11	\$ (0.09)
FFO (1)	\$ 17,662	\$ 13,791

FFO (1) per Diluted Common Share	\$	0.23	\$	0.21
Normalized FFO (1)	\$	18,462	\$	14,400
Normalized FFO (1) per Diluted Common Share	\$	0.24	\$	0.22
Basic Weighted Average Shares Outstanding		75,610		65,076
Diluted Weighted Average Shares Outstanding		76,563		65,554

	Nine Months Ended September 30,	
	2024	2023
Total Income	\$ 178,679	\$ 163,941
Total Expenses	\$ 146,626	\$ 138,048
Net Income (Loss) Attributable to Common Shareholders	\$ 2,444	\$ (15,546)
Net Income (Loss) Attributable to Common Shareholders per Diluted Common Share	\$ 0.03	\$ (0.25)
FFO (1)	\$ 47,890	\$ 36,474
FFO (1) per Diluted Common Share	\$ 0.66	\$ 0.58
Normalized FFO (1)	\$ 50,286	\$ 39,169
Normalized FFO (1) per Diluted Common Share	\$ 0.69	\$ 0.63
Basic Weighted Average Shares Outstanding	72,173	61,853
Diluted Weighted Average Shares Outstanding	72,971	62,508

A summary of significant balance sheet information as of September 30, 2024 and December 31, 2023 is as follows (in thousands):

	September 30, 2024	December 31, 2023
Gross Real Estate Investments	\$ 1,597,055	\$ 1,539,041
Marketable Securities at Fair Value	\$ 34,178	\$ 34,506
Total Assets	\$ 1,501,533	\$ 1,427,577
Mortgages Payable, net	\$ 488,285	\$ 496,483
Loans Payable, net	\$ 25,968	\$ 93,479
Bonds Payable, net	\$ 100,691	\$ 100,055
Total Shareholders' Equity	\$ 858,385	\$ 706,794

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

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

- Increased Rental and Related Income by 8%;

- Increased Sales of Manufactured Homes by 10%;
- Increased Community Net Operating Income ("NOI") by 7%;
- Increased Same Property NOI by 7%;
- Increased Same Property Occupancy by 70 basis points from 87.0% to 87.7%;
- Increased our rental home portfolio by 117 homes from June 30, 2024 and 284 homes from yearend 2023 to approximately 10,300 total rental homes, representing an increase of 3%;
- Issued and sold approximately 5.7 million shares of Common Stock through our At-the-Market Sale Programs at a weighted average price of \$18.93 per share, generating gross proceeds of \$108.4 million and net proceeds of \$106.7 million, after offering expenses;
- Issued and sold approximately 441,000 shares of Series D Preferred Stock through our At-the-Market Sale Program at a weighted average price of \$23.51 per share, generating gross proceeds of \$10.4 million and net proceeds of \$10.2 million, after offering expenses;
- Subsequent to quarter end, issued and sold approximately 170,000 shares of Common Stock through our At-the-Market Sale Program at a weighted average price of \$18.92 per share, generating net proceeds of \$3.2 million, after offering expenses; and
- Subsequent to quarter end, issued and sold approximately 247,000 shares of Series D Preferred Stock through our At-the-Market Sale Program at a weighted average price of \$23.90 per share, generating net proceeds of \$5.8 million, after offering expenses."

Mr. Landy stated, "UMH has executed on its long-term business plan which is resulting in improved community operating results, increased sales profits and ultimately growing earnings per share. Normalized FFO per share for the third quarter of 2024 was \$0.24 per share as compared to \$0.22 per share for the third quarter of 2023, representing an increase of approximately 9%. Year to date, Normalized FFO per share was \$0.69 as compared to \$0.63 per share last year, representing an increase of approximately 10%."

"Our same property operating results continue to meet our expectations. Year-over-year, same property occupancy has increased by 220 sites, or 70 basis points, to 87.7%. This occupancy growth and our annual rent increases generated same property rental and related income growth of 8% for the quarter and 9% for the first nine months of the year. Same property NOI increased 7% for the quarter and 11% for the first nine months of the year. These increases in same property occupancy, rental and related income and in NOI substantially increases the value of our communities."

"Sales of manufactured homes were \$8.7 million for the quarter and \$24.9 million for the year, representing increases of 10% and 6%, respectively. We have sold 300 homes this year of which 98 were new home sales, averaging \$151,000 per sale, and 202 were used home sales, averaging \$50,000 per sale. Our sales pipeline remains strong, and we are on track to break our sales record of \$31.2 million, which was set last year."

“During the quarter, UMH issued and sold 5.7 million shares of common stock through our at-the-market sales program at a weighted average price of \$18.93 per share, generating gross proceeds of approximately \$108.4 million. This capital was raised close to our 52-week high and was utilized to pay down our line of credit. Our \$260 million line of credit is fully available to us. Our balance sheet is well-positioned to continue to invest internally in our rental home program, financed home sales, capital improvements and expansions. Additionally, we are well positioned to execute on acquisitions should when they become available at attractive prices.”

“We are also updating our 2024 guidance, which previously was normalized FFO in a range of \$0.91-\$0.95 per diluted share for the full year, or \$0.93 at the midpoint. We are tightening this range, to \$0.92-\$0.94. This represents approximately 8% annual NFFO growth at the midpoint over full year 2023 NFFO of \$0.86 per diluted share.”

UMH Properties, Inc. will host its Third Quarter 2024 Financial Results Webcast and Conference Call. Senior management will discuss the results, current market conditions and future outlook on Thursday, November 7, 2024, at 10:00 a.m. Eastern Time.

The Company's 2024 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 7, 2024, and can be accessed by dialing toll free 877-344-7529 (domestically) and 412-317-0088 (internationally) and entering the passcode 2262955. 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 139 manufactured home communities containing approximately 26,200 developed homesites, including two communities owned through its joint venture in which the Company has a 40% interest. These communities are located in New Jersey, New York, Ohio, Pennsylvania, Tennessee, Indiana, Maryland, Michigan, Alabama, South Carolina, Florida and Georgia.

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 76.6 million and 73.0 million shares for the three and nine months ended September 30, 2024, respectively, and 65.6 million and 62.5 million shares for the three and nine months ended September 30, 2023, respectively. Common stock equivalents resulting from employee stock options to purchase 5.4 million shares of common stock amounted to 953,000 shares 798,000 shares, for the three and nine months ended September 30, 2024, respectively, were included in the computation of Diluted Net Income per Share. 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.

The reconciliation of the Company's U.S. GAAP net income (loss) to the Company's FFO and Normalized FFO for the three and nine months ended September 30, 2024 and 2023 are calculated as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net Income (Loss) Attributable to Common Shareholders	\$ 8,181	\$ (5,831)	\$ 2,444	\$ (15,546)
Depreciation Expense	14,693	14,147	44,435	41,271
Depreciation Expense from Unconsolidated Joint Venture	209	179	610	504
(Gain) Loss on Sales of Investment Property and Equipment	78	26	91	(11)
(Increase) Decrease in Fair Value of Marketable Securities	(5,499)	5,496	(3,468)	10,439
(Gain) Loss on Sales of Marketable Securities, net	-0-	(226)	3,778	(183)
FFO Attributable to Common Shareholders	17,662	13,791	47,890	36,474
Amortization of Financing Costs	608	536	1,771	1,592
Non-Recurring Other Expense (2)	192	73	625	1,103
Normalized FFO Attributable to Common Shareholders	\$ 18,462	\$ 14,400	\$ 50,286	\$ 39,169

(2) Consists of one-time legal fees (\$192 and \$243, respectively), and costs associated with the liquidation/sale of inventory in a particular sales center (\$0 and \$382, respectively) for the three and nine months ended September 30, 2024, respectively. 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.

The following are the cash flows provided by (used in) operating, investing and financing activities for the nine

months ended September 30, 2024 and 2023 (in thousands):

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	2024		2023	
Operating Activities	\$	54,331	\$	91,114
Investing Activities		(97,014)		(135,726)
Financing Activities		52,676		49,306

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Source: UMH Properties, Inc.