

May 3, 2018



# Cedar Realty Trust Reports First Quarter 2018 Results

PORT WASHINGTON, N.Y., May 3, 2018 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE: CDR – the "Company") today reported results for the first quarter ended March 31, 2018. Net loss attributable to common shareholders was (\$0.26) per diluted share compared to net income of \$0.10 per diluted share for the comparable 2017 period. Other highlights include:

## Highlights

- NAREIT-defined funds from operations (FFO) of \$0.09 per diluted share
- Operating funds from operations (Operating FFO) of \$0.13 per diluted share
- Same-property net operating income (NOI) was flat compared to the same period in 2017
- Signed 48 new and renewal leases for 578,700 square feet in the quarter
- Total portfolio 92.6% leased and same-property portfolio 93.7% leased at quarter-end
- Redeemed 2,000,000 shares of 7 ¼% Series B Preferred Stock on January 12, 2018

"This quarter we renewed a record amount of square footage as we proactively extended the lease terms for five strong anchor tenants," commented Bruce Schanzer, CEO. "Further, we are advancing our urban mixed-use redevelopments and are excited about the value creation opportunities they represent as we continue to transform Cedar."

## Financial Results

Net loss attributable to common shareholders for the first quarter of 2018 was (\$23.0) million or (\$0.26) per diluted share, compared to net income of \$8.2 million or \$0.10 per diluted share for the same period in 2017. The principal difference in the comparative three-month results are impairment charges related to properties held for sale along with preferred stock redemption costs in 2018 and gain on sale in 2017.

NAREIT-defined FFO for the first quarter of 2018 was \$8.4 million or \$0.09 per diluted share, compared to \$11.5 million or \$0.13 per diluted share for the same period in 2017. Operating FFO for the first quarter of 2018 was \$11.9 million or \$0.13 per diluted share, compared to \$11.7 million or \$0.14 per diluted share for the same period in 2017. The principal difference between Operating FFO and NAREIT-defined FFO is preferred stock redemption costs.

## Portfolio Update

During the first quarter of 2018, the Company signed 48 leases for 578,700 square feet, all of which are comparable, at a negative lease spread of 7.2% on a cash basis. During the quarter, the Company proactively renewed and extended the rental terms for five anchor tenants totaling 303,000 square feet at reduced or flat base rental rates. These anchor

tenants have good credit and generate high foot traffic at their respective properties. Excluding these five anchor renewal leases, on a comparable space basis, the Company's comparable lease spread would have been a positive 2.8%. Same-property NOI for the first quarter of 2018 was flat as compared to the same period in 2017.

The Company's total portfolio, excluding properties held for sale, was 92.6% leased at March 31, 2018, compared to 92.9% at December 31, 2017 and 91.2% at March 31, 2017. The Company's same-property portfolio was 93.7% leased at March 31, 2018, compared to 93.8% at December 31, 2017 and 93.2% at March 31, 2017.

In April 2018, the Company accepted a payment of \$4.3 million in consideration for permitting a dark anchor tenant to terminate its lease prior to the contractual expiration, which will be reflected in the quarter ended June 30, 2018. This anchor tenant was located at a property held for sale, and while paying its contractual rent prior to lease termination, it had closed and ceased retail operations at the property. This termination will increase NAREIT-defined FFO and Operating FFO for 2018 by approximately \$4.7 million or \$0.05 per diluted share, after GAAP adjustments for amortization of intangible lease liabilities and straight-line rents, offset by foregone rental payments for the remainder of 2018.

As of March 31, 2018, Carll's Corner, located in Bridgeton, New Jersey, and West Bridgewater Plaza, located in West Bridgewater, Massachusetts, have been classified as "real estate held for sale". The Company recorded impairment charges of \$21.4 million in connection with these properties during 2018.

## Balance Sheet

As of March 31, 2018, the Company had \$98.7 million available under its revolving credit facility and reported net debt to earnings before interest, taxes, depreciations, and amortization for real estate (EBITDAre) of 7.9 times. Further, the Company has no debt maturities until early 2021.

## 2018 Guidance

The Company updates its previously-announced 2018 guidance as follows:

Net (loss) attributable to common shareholders per diluted share	(\$0.15) to (\$0.13)
NAREIT-defined FFO per diluted share	\$0.53 to \$0.55
Operating FFO per diluted share	\$0.58 to \$0.60

This updated guidance reflects the approximately \$0.24 per diluted share of impairment charges related to properties held for sale in the first quarter (excluded from NAREIT-defined FFO and Operating FFO) and the approximately \$0.05 per diluted share of lease termination income in April 2018. The principal difference between NAREIT-defined FFO and Operating FFO is preferred stock redemption costs.

## Non-GAAP Financial Measures

NAREIT-defined FFO is a widely recognized supplemental non-GAAP measure utilized to evaluate the financial performance of a REIT. The Company considers NAREIT-defined FFO to be an appropriate measure of its financial performance because it captures features particular to real estate performance by recognizing that real estate generally appreciates

over time or maintains residual value to a much greater extent than other depreciable assets. The Company also considers Operating FFO to be an additional meaningful financial measure of financial performance because it excludes items the Company does not believe are indicative of its core operating performance, such as acquisition pursuit costs, amounts relating to early extinguishment of debt and preferred stock redemption costs, management transition costs and certain redevelopment costs. The Company believes Operating FFO further assists in comparing the Company's performance across reporting periods on a consistent basis by excluding such items. NAREIT-defined FFO and Operating FFO should be reviewed with GAAP net income attributable to common shareholders, the most directly comparable GAAP financial measure, when trying to understand the Company's operating performance. A reconciliation of net income (loss) attributable to common shareholders to NAREIT-defined FFO and Operating FFO for the three months ended March 31, 2018 and 2017 is detailed in the attached schedule.

EBITDAre is a recognized supplemental non-GAAP financial measure. The Company presents EBITDAre in accordance with the definition adopted by NAREIT, which generally defines EBITDAre as net income plus interest expense, income tax expense, depreciation, amortization, and impairment write-downs of depreciated property, plus or minus losses and gains on the disposition of depreciated property, and adjustments to reflect the Company's share of EBITDAre of unconsolidated affiliates. The Company believes EBITDAre provides additional information with respect to the Company's performance and ability to meet its future debt service requirements. The Company also considers Adjusted EBITDAre to be an additional meaningful financial measure of financial performance because it excludes items the Company does not believe are indicative of its core operating performance, such as acquisition pursuit and redevelopment costs. The Company believes Adjusted EBITDAre further assists in comparing the Company's performance across reporting periods on a consistent basis by excluding such items. EBITDAre and Adjusted EBITDAre should be reviewed with GAAP net income, the most directly comparable GAAP financial measure, when trying to understand the Company's operating performance. EBITDAre and Adjusted EBITDAre do not represent cash generated from operating activities and should not be considered as an alternative to income from continuing operations or to cash flow from operating activities. The Company's computation of Adjusted EBITDAre may differ from the computations utilized by other companies and, accordingly, may not be comparable to such companies.

Same-property NOI is a widely recognized supplemental non-GAAP financial measure for REITs. Properties are included in same-property NOI if they are owned and operated for the entirety of both periods being compared, except for properties undergoing significant redevelopment and expansion until such properties have stabilized, and properties classified as held for sale. Consistent with the capital treatment of such costs under GAAP, tenant improvements, leasing commissions and other direct leasing costs are excluded from same-property NOI. The Company considers same-property NOI useful to investors as it provides an indication of the recurring cash generated by the Company's properties by excluding certain non-cash revenues and expenses, as well as other infrequent items such as lease termination income which tends to fluctuate more than rents from year to year. Same property NOI should be reviewed with consolidated operating income, the most directly comparable GAAP financial measure.

## **Supplemental Financial Information Package**

The Company has issued "Supplemental Financial Information" for the period ended March 31, 2018. Such information has been filed today as an exhibit to Form 8-K and will also be available on the Company's website at [www.cedarrealtytrust.com](http://www.cedarrealtytrust.com).

### **Investor Conference Call**

The Company will host a conference call today, May 3, 2018, at 5:00 PM (ET) to discuss the quarterly results. The conference call can be accessed by dialing (877) 705-6003 or (1) (201) 493-6725 for international participants. A live webcast of the conference call will be available online on the Company's website at [www.cedarrealtytrust.com](http://www.cedarrealtytrust.com).

A replay of the call will be available from 8:00 PM (ET) on May 3, 2018, until midnight (ET) on May 17, 2018. The replay dial-in numbers are (844) 512-2921 or (1) (412) 317-6671 for international callers. Please use passcode 13677839 for the telephonic replay. A replay of the Company's webcast will be available on the Company's website for a limited time.

### **About Cedar Realty Trust**

Cedar Realty Trust, Inc. is a fully-integrated real estate investment trust which focuses on the ownership, operation and redevelopment of grocery-anchored shopping centers in high-density urban markets from Washington, D.C. to Boston. The Company's portfolio (excluding properties treated as "held for sale") comprises 59 properties, with approximately 8.7 million square feet of gross leasable area.

For additional financial and descriptive information on the Company, its operations and its portfolio, please refer to the Company's website at [www.cedarrealtytrust.com](http://www.cedarrealtytrust.com).

### **Forward-Looking Statements**

Statements made in this press release that are not strictly historical are "forward-looking" statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance and outcomes to differ materially from those expressed or implied in forward-looking statements. Factors which could cause actual results to differ materially from current expectations include, among others: adverse general economic conditions in the United States and uncertainty in the credit and retail markets; financing risks, such as the inability to obtain new financing or refinancing on favorable terms as the result of market volatility or instability; risks related to the market for retail space generally, including reductions in consumer spending, variability in retailer demand for leased space, tenant bankruptcies, adverse impact of internet sales demand, ongoing consolidation in the retail sector and changes in economic conditions and consumer confidence; risks endemic to real estate and the real estate industry generally; the impact of the Company's level of indebtedness on operating performance; inability of tenants to meet their rent and other lease obligations; adverse impact of new technology and e-commerce developments on the Company's tenants; competitive risk; risks related to the geographic concentration of the Company's properties in the Washington D.C. to Boston corridor; the effects of natural and other disasters; and the inability of the Company to realize anticipated returns from its redevelopment activities. Please refer to the documents filed by Cedar Realty Trust, Inc. with the SEC, specifically the Company's Annual Report on Form 10-K for the year ended December 31, 2017, as it may be updated or supplemented in the Company's Quarterly Reports on Form 10-Q and the Company's other filings with the

SEC, which identify additional risk factors that could cause actual results to differ from those contained in forward-looking statements.

**CEDAR REALTY TRUST, INC.**  
**Condensed Consolidated Balance Sheets**  
(unaudited)

	March 31, 2018	December 31, 2017
<b>ASSETS</b>		
Real estate, at cost	\$ 1,507,644,000	\$ 1,534,599,000
Less accumulated depreciation	(341,101,000)	(341,943,000)
Real estate, net	1,166,543,000	1,192,656,000
Real estate held for sale	4,120,000	-
Cash and cash equivalents	3,004,000	3,702,000
Restricted cash	3,914,000	3,517,000
Receivables	18,903,000	17,193,000
Other assets and deferred charges, net	42,028,000	35,350,000
<b>TOTAL ASSETS</b>	<b>\$ 1,238,512,000</b>	<b>\$ 1,252,418,000</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Mortgage loans payable	\$ 127,207,000	\$ 127,969,000
Unsecured revolving credit facility	109,500,000	55,000,000
Unsecured term loans	397,309,000	397,156,000
Accounts payable and accrued liabilities	25,338,000	24,519,000
Unamortized intangible lease liabilities	16,952,000	17,663,000
Total liabilities	676,306,000	622,307,000
Equity:		
Preferred stock	159,541,000	207,508,000
Common stock and other shareholders' equity	401,021,000	420,828,000
Noncontrolling interests	1,644,000	1,775,000
Total equity	562,206,000	630,111,000
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 1,238,512,000</b>	<b>\$ 1,252,418,000</b>

**CEDAR REALTY TRUST, INC.**  
**Condensed Consolidated Statements of Operations**  
(unaudited)

	Three months ended March 31,
	2018                      2017

<b>PROPERTY REVENUES</b>		
Rents	\$ 28,161,000	\$ 28
Expense recoveries	9,286,000	8
Other	121,000	
Total property revenues	37,568,000	36
<b>PROPERTY OPERATING EXPENSES</b>		
Operating, maintenance and management	7,794,000	7
Real estate and other property-related taxes	5,079,000	4
Total property operating expenses	12,873,000	11
<b>PROPERTY OPERATING INCOME</b>	24,695,000	24
<b>OTHER EXPENSES AND INCOME</b>		
General and administrative	4,494,000	4
Acquisition pursuit costs	-	
Depreciation and amortization	10,054,000	10
Gain on sale	-	(7)
Impairment charges	21,396,000	
Total other expenses and income	35,944,000	7
<b>OPERATING (LOSS) INCOME</b>	(11,249,000)	17
<b>NON-OPERATING INCOME AND EXPENSES</b>		
Interest expense	(5,371,000)	(5)
Total non-operating income and expense	(5,371,000)	(5)
<b>NET (LOSS) INCOME</b>	(16,620,000)	11
Attributable to noncontrolling interests	(48,000)	(
<b>NET (LOSS) INCOME ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.</b>	(16,668,000)	11
Preferred stock dividends	(2,799,000)	(3)
Preferred stock redemption costs	(3,507,000)	
<b>NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS</b>	\$ (22,974,000)	\$ 8
<b>NET (LOSS) INCOME PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS (BASIC AND DILUTED)</b>	\$ (0.26)	\$
Weighted average number of common shares - basic and diluted	87,623,000	81

**CEDAR REALTY TRUST, INC.**  
**Reconciliation of Net (Loss) Income Attributable to Common Shareholders to**  
**Funds From Operations and Operating Funds From Operations**  
**(unaudited)**

	<u>Three months end</u>	
	<u>2018</u>	
<b>Net (loss) income attributable to common shareholders</b>	<b>\$ (22,974,000)</b>	—
Real estate depreciation and amortization	10,004,000	
Limited partners' interest	(87,000)	
Gain on sales	-	
Impairment charges	21,396,000	
Consolidated minority interests:		
Share of income	135,000	
Share of FFO	(124,000)	
<b>Funds From Operations ("FFO") applicable to diluted common shares</b>	<b>8,350,000</b>	—
Adjustments for items affecting comparability:		
Preferred stock redemption costs	3,507,000	
Acquisition pursuit costs	-	
	<b>\$ 11,857,000</b>	
<b>Operating Funds From Operations ("Operating FFO") applicable to diluted common shares</b>	<b>11,857,000</b>	—
	<b>\$</b>	
<b>FFO per diluted common share:</b>	<b>0.09</b>	—
	<b>\$</b>	
<b>Operating FFO per diluted common share:</b>	<b>0.13</b>	—
<b>Weighted average number of diluted common shares:</b>		
Common shares	91,647,000	
OP Units	347,000	
	<b>91,994,000</b>	—

View original content: <http://www.prnewswire.com/news-releases/cedar-realty-trust-reports-first-quarter-2018-results-300642453.html>

SOURCE Cedar Realty Trust, Inc.