

October 30, 2019



Cedar Realty Trust Reports Third Quarter 2019 Results

PORT WASHINGTON, N.Y., Oct. 30, 2019 /PRNewswire/ -- Cedar Realty Trust, Inc. (NYSE:CDR – the "Company") today reported results for the third quarter ended September 30, 2019. Net income attributable to common shareholders was \$0.00 per diluted share compared to net income of \$0.04 per diluted share for the comparable 2018 period. Other highlights include:

Highlights

- Funds from operations (FFO) of \$0.12 per diluted share
- Same-property net operating income (NOI) increased 0.7% compared to the same period in 2018
- Signed 42 new and renewal leases for 579,400 square feet in the quarter
- Comparable cash-basis lease spreads of 8.5%
- Total portfolio 92.3% leased and same-property portfolio 92.2% leased at quarter-end

Financial Results

Net income attributable to common shareholders for the third quarter of 2019 was \$0.1 million or \$0.00 per diluted share, compared to net income of \$3.5 million or \$0.04 per diluted share for the same period in 2018. The principal differences in the comparative three-month results was an increase in general and administrative expenses as a result of the adoption of the new lease accounting standards in 2019, and a gain on a property sold, a reversal of an impairment and early extinguishment of debt costs in 2018. Net income attributable to common shareholders for the nine-month period ended September 30, 2019 was \$3.0 million or \$0.03 per diluted share, compared to net loss of (\$12.4) million or (\$0.15) per diluted share. The principal differences in the comparative nine-month results are gains on properties sold and an increase in general and administrative expenses as a result of the adoption of the new lease accounting standards in 2019, and a gain on a property sold, impairment charges related to properties held for sale, lease termination income, early extinguishment of debt costs and preferred stock redemption costs in 2018.

NAREIT-defined FFO for the third quarter of 2019 was \$10.6 million or \$0.12 per diluted share, compared to \$7.5 million or \$0.08 per diluted share for the same period in 2018. Operating FFO for the three-month period ended September 30, 2019 was \$10.6 million or \$0.12 per diluted share, compared to \$12.4 million or \$0.13 per diluted share for the same period in 2018. The difference between Operating FFO and NAREIT-defined FFO was early extinguishment of debt costs in 2018. The principal difference between the comparative three-months results was an increase in in general and administrative expenses in 2019 as a result of the adoption of the new lease accounting standards.

NAREIT-defined FFO for the nine-month period ended September 30, 2019 was \$31.0 million or \$0.34 per diluted share, compared to \$33.5 million or \$0.36 per diluted share for the same period in 2018. Operating FFO for the nine-month period ended September 30, 2019 was \$31.0 million or \$0.34 per diluted share, compared to \$41.9 million or \$0.45 per diluted share for the same period in 2018. The difference between Operating FFO and NAREIT-defined FFO were preferred stock redemption costs and early extinguishment of debt costs in 2018. The principal difference between the comparative nine-month results was an increase in general and administrative expenses in 2019 as a result of the adoption of the new lease accounting standards and lease termination income in 2018.

Portfolio Update

During the third quarter of 2019, the Company signed 42 leases for 579,400 square feet. On a comparable space basis, the Company leased 576,200 square feet at a positive lease spread of 8.5% on a cash basis (new leases increased 28.4% and renewals increased 0.9%). During the nine-month period ended September 30, 2019, the Company signed 121 leases for 1,445,000 square feet. On a comparable space basis, the Company leased 1,430,100 square feet at a positive lease spread of 2.3% on a cash basis (new leases increased 18.6% and renewals decreased 0.7%). The negative renewal spreads were driven by two anchor renewals executed to maintain high foot traffic at their respective properties in the second quarter of 2019.

Same-property NOI for the third quarter of 2019 increased 0.7% excluding redevelopments as compared to the same period in 2018.

The Company's total portfolio, excluding properties held for sale, was 92.3% leased at September 30, 2019, compared to 91.0% at December 31, 2018 and 91.6% at September 30, 2018. The Company's same-property portfolio was 92.2% leased at September 30, 2019, compared to 91.2% at December 31, 2018 and 92.2% at September 30, 2018.

As of September 30, 2019, Carll's Corner, located in Bridgeton, New Jersey and Suffolk Plaza, located in Suffolk, Virginia, have been classified as "real estate held for sale".

Balance Sheet

Debt

As of September 30, 2019, the Company had \$116.0 million available under its revolving credit facility and reported net debt to earnings before interest, taxes, depreciations, and amortization for real estate (EBITDAre) of 8.1 times. Further, the Company has no debt maturities until early 2021.

Equity

On December 18, 2018, the Company's Board of Directors approved a stock repurchase program, which authorized the purchase of up to \$30.0 million of the Company's common stock in the open market or through private transactions, subject to market conditions, from time to time, through December 18, 2019. During the three months ended March 31, 2019, the Company repurchased 2,050,000 shares at a weighted average price per share of \$3.34. There have been no repurchases subsequent to March 31, 2019. Since approval of the plan

on December 18, 2018, the Company has repurchased a total of 2,823,000 shares at a weighted average price per share of \$3.25.

2019 Guidance

The Company reaffirms its previously-announced 2019 guidance for NAREIT-defined FFO and Operating FFO, and has updated its guidance for net loss attributable to common shareholders. The guidance is as follows:

	<u>Guidance</u>
Net loss attributable to common shareholders per diluted share	(\$0.05 - \$0.04)
NAREIT-defined FFO per diluted share	\$0.43 - \$0.44
Operating FFO per diluted share	\$0.44 - \$0.45

The guidance is based, in part, on the following:

- Lease costs required to be expensed beginning in 2019 of \$2.5 to \$3.0 million under new accounting standard
- Same-property NOI growth including redevelopment properties relatively flat
- Development marketing and community outreach costs at urban properties of \$750,000 reflected in redevelopment NOI
- Increase in general and administrative costs of \$1.5 million from additional personnel related to urban properties and legal expense in connection with the termination of former Chief Operating Officer
- Decrease in amortization income from intangible lease liabilities of \$2.0 million (inclusive of \$1.5 million related to terminating a dark anchor in 2018)
- Dispositions of approximately \$25 million

The principal difference between NAREIT-defined FFO and Operating FFO in the above for 2019 is related to redevelopments.

The following table reconciles the Company's 2019 guidance from net loss attributable to common shareholders per diluted share to NAREIT-defined FFO per diluted share and Operating FFO per diluted share:

	<u>Guidance</u> <u>per diluted share</u>	
	<u>Low</u>	<u>High</u>
Net loss attributable to common shareholders	(\$0.05)	(\$0.04)
Real estate depreciation and amortization	\$0.51	\$0.51
Gain on sales	(\$0.03)	(\$0.03)
NAREIT-defined FFO	\$0.43	\$0.44
Redevelopment costs expensed pursuant to GAAP	\$0.01	\$0.01
Operating FFO	<u>\$0.44</u>	<u>\$0.45</u>

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 and nine months ended September 30, 2019 and 2018 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 September 30, 2019. 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.

Investor Conference Call

The Company will host a conference call today, October 30, 2019, 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.

A replay of the call will be available from 8:00 PM (ET) on October 30, 2019, until midnight (ET) on November 13, 2019. The replay dial-in numbers are (844) 512-2921 or (1) (412) 317-6671 for international callers. Please use passcode 13695313 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 57 properties, with approximately 8.5 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.

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, 2018, 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)

	<u>September 30,</u>	<u>December 31,</u>
	<u>2019</u>	<u>2018</u>
ASSETS		
Real estate, at cost	\$ 1,528,410,000	\$ 1,508,682,000
Less accumulated depreciation	(385,152,000)	(361,969,000)
Real estate, net	1,143,258,000	1,146,713,000
Real estate held for sale	7,225,000	11,592,000
Cash and cash equivalents	1,983,000	1,977,000
Receivables	23,810,000	21,977,000
Other assets and deferred charges, net	46,509,000	40,642,000
TOTAL ASSETS	\$ 1,222,785,000	\$ 1,222,901,000
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage loan payable	\$ 46,609,000	\$ 47,315,000
Capital lease obligation	5,370,000	5,387,000
Unsecured revolving credit facility	107,000,000	100,000,000
Unsecured term loans	472,663,000	472,132,000
Accounts payable and accrued liabilities	52,829,000	26,142,000
Unamortized intangible lease liabilities	11,139,000	13,209,000
Total liabilities	695,610,000	664,185,000
Equity:		
Preferred stock	159,541,000	159,541,000
Common stock and other shareholders' equity	364,173,000	395,884,000
Noncontrolling interests	3,461,000	3,291,000
Total equity	527,175,000	558,716,000
TOTAL LIABILITIES AND EQUITY	\$ 1,222,785,000	\$ 1,222,901,000

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

	<u>Three months ended September 30,</u>	
	<u>2019</u>	<u>2018</u>
PROPERTY REVENUES		

Rental revenues	\$ 35,490,000	\$ 35,867,000	\$
Other	422,000	303,000	—
Total property revenues	35,912,000	36,170,000	—
PROPERTY OPERATING EXPENSES			
Operating, maintenance and management	6,321,000	6,394,000	
Real estate and other property-related taxes	5,178,000	5,037,000	—
Total property operating expenses	11,499,000	11,431,000	—
PROPERTY OPERATING INCOME	24,413,000	24,739,000	—
OTHER EXPENSES AND INCOME			
General and administrative	4,886,000	3,975,000	
Depreciation and amortization	10,547,000	9,650,000	
Gain on sales	-	(4,864,000)	
Impairment (reversal)/charges	-	(707,000)	—
Total other expenses and income	15,433,000	8,054,000	—
OPERATING INCOME	8,980,000	16,685,000	—
NON-OPERATING INCOME AND EXPENSES			
Interest expense	(6,033,000)	(5,551,000)	
Early extinguishment of debt costs	-	(4,829,000)	—
Total non-operating income and expense	(6,033,000)	(10,380,000)	—
NET INCOME (LOSS)	2,947,000	6,305,000	
Attributable to noncontrolling interests	(167,000)	(145,000)	—
NET INCOME (LOSS) ATTRIBUTABLE TO CEDAR REALTY TRUST, INC.	2,780,000	6,160,000	
Preferred stock dividends	(2,688,000)	(2,688,000)	
Preferred stock redemption costs	-	-	—
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 92,000	\$ 3,472,000	\$
NET (LOSS) INCOME PER COMMON SHARE ATTRIBUTABLE TO COMMON SHAREHOLDERS:			
Basic	\$ (0.00)	\$ 0.04	\$
Diluted	\$ (0.00)	\$ 0.04	\$
Weighted average number of common shares:			
Basic	86,262,000	89,049,000	—
Diluted	86,262,000	89,875,000	—

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

	Three months ended September 30	
	2019	2018
Net income (loss) attributable to common shareholders	\$ 92,000	\$
Real estate depreciation and amortization	10,501,000	!
Limited partners' interest	1,000	
Gain on sales	-	(4
Impairment (reversal)/charges	-	
Consolidated minority interests:		
Share of income	166,000	
Share of FFO	(130,000)	
Funds From Operations ("FFO") applicable to diluted common shares	10,630,000	,
Adjustments for items affecting comparability:		
Financing costs	-	,
Preferred stock redemption costs	-	
Operating Funds From Operations ("Operating FFO") applicable to diluted common shares	\$ 10,630,000	\$ 1
FFO per diluted common share:	\$ 0.12	\$
Operating FFO per diluted common share:	\$ 0.12	\$
Weighted average number of diluted common shares:		
Common shares and equivalents	90,521,000	9.
OP Units	544,000	
	91,065,000	9

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