



## Simon® Reports First Quarter 2024 Results, Increases Full Year 2024 Guidance and Raises Quarterly Dividend

May 6, 2024

INDIANAPOLIS, May 6, 2024 /PRNewswire/ -- [Simon®](#), a real estate investment trust engaged in the ownership of premier shopping, dining, entertainment and mixed-use destinations, today reported results for the quarter ended March 31, 2024.



"We delivered strong results to start the year," said David Simon, Chairman, Chief Executive Officer and President. "Leasing momentum and cash flow growth continued. We successfully sold our remaining investment in Authentic Brands Group, generating total gross proceeds of \$1.45 billion, including the sale of a portion of our interest in the fourth quarter of 2023. Today, we raised our quarterly dividend and are increasing the mid-point of our full-year 2024 guidance."

### **Results for the Quarter**

- Net income attributable to common stockholders was \$731.7 million, or \$2.25 per diluted share, as compared to \$451.8 million, or \$1.38 per diluted share in 2023.
  - Net income for the first quarter of 2024 includes after-tax net gains of \$303.9 million, or \$0.81 per diluted share, primarily resulting from the sale of the Company's remaining ownership interest in Authentic Brands Group.
- Funds From Operations ("FFO") was \$1.334 billion, or \$3.56 per diluted share as compared to \$1.026 billion, or \$2.74 per diluted share in the prior year, including the gains referenced above.
- Domestic property Net Operating Income ("NOI") increased 3.7% and portfolio NOI increased 3.9% compared to the prior year period.

### **U.S. Malls and Premium Outlets Operating Statistics**

- Occupancy at March 31, 2024 was 95.5%, a 1.1% increase compared to 94.4% at March 31, 2023.
- Base minimum rent per square foot was \$57.53 at March 31, 2024, compared to \$55.84 at March 31, 2023, an increase of 3.0%.
- Reported retailer sales per square foot was \$745 for the trailing 12 months ended March 31, 2024.

### **Balance Sheet Liquidity**

As of March 31, 2024, Simon had approximately \$11.2 billion of liquidity consisting of \$3.1 billion of cash on hand, including its share of joint venture cash, and \$8.1 billion of available capacity under its revolving credit facilities.

### **Dividends**

Today, Simon's Board of Directors declared a quarterly common stock dividend of \$2.00 for the second quarter of 2024. This is an increase of \$0.15, or 8.1% year-over-year. The dividend will be payable on June 28, 2024 to shareholders of record on June 7, 2024.

Simon's Board of Directors declared the quarterly dividend on its 8 3/8% Series J Cumulative Redeemable Preferred Stock (NYSE: SPGPrJ) of \$1.046875 per share, payable on June 28, 2024 to shareholders of record on June 14, 2024.

### **2024 Guidance**

The Company currently estimates net income to be within a range of \$7.38 to \$7.53 per diluted share and FFO to be within a range of \$12.75 to \$12.90

per diluted share for the year ending December 31, 2024.

The following table provides the GAAP to non-GAAP reconciliation for the expected range of estimated net income attributable to common stockholders per diluted share to FFO per diluted share:

For the year ending December 31, 2024

	Low End	High End
Estimated net income attributable to common stockholders per diluted share	\$7.38	\$7.53
Depreciation and amortization including Simon's share of unconsolidated entities	5.40	5.40
Gain on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interest in unconsolidated entities and impairment, net	<u>(0.03)</u>	<u>(0.03)</u>
Estimated FFO per diluted share	<u>\$12.75</u>	<u>\$12.90</u>

**Conference Call**

Simon will hold a conference call to discuss the quarterly financial results today from 5:00 p.m. to 6:00 p.m. Eastern Time, Monday, May 6, 2024. A live webcast of the conference call will be accessible in listen-only mode at [investors.simon.com](http://investors.simon.com). An audio replay of the conference call will be available until May 13, 2024. To access the audio replay, dial 1-844-512-2921 (international +1-412-317-6671) passcode 13745980.

**Supplemental Materials and Website**

Supplemental information on our first quarter 2024 performance is available at [investors.simon.com](http://investors.simon.com). This information has also been furnished to the SEC in a current report on Form 8-K.

We routinely post important information online on our investor relations website, [investors.simon.com](http://investors.simon.com). We use this website, press releases, SEC filings, quarterly conference calls, presentations and webcasts to disclose material, non-public information in accordance with Regulation FD. We encourage members of the investment community to monitor these distribution channels for material disclosures. Any information accessed through our website is not incorporated by reference into, and is not a part of, this document.

**Non-GAAP Financial Measures**

This press release includes FFO, FFO per share and portfolio NOI growth which are financial performance measures not defined by generally accepted accounting principles in the United States ("GAAP"). Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this press release and in Simon's supplemental information for the quarter. FFO and NOI growth are financial performance measures widely used in the REIT industry. Our definitions of these non-GAAP measures may not be the same as similar measures reported by other REITs.

**Forward-Looking Statements**

Certain statements made in this press release may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be attained, and it is possible that the Company's actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to: changes in economic and market conditions that may adversely affect the general retail environment, including but not limited to those caused by inflation, recessionary pressures, wars, escalating geopolitical tensions as a result of the war in Ukraine and the conflicts in the Middle East, and supply chain disruptions; the inability to renew leases and relet vacant space at existing properties on favorable terms; the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise; the potential loss of anchor stores or major tenants; an increase in vacant space at our properties; the potential for violence, civil unrest, criminal activity or terrorist activities at our properties; natural disasters; the availability of comprehensive insurance coverage; the intensely competitive market environment in the retail industry, including e-commerce; security breaches that could compromise our information technology or infrastructure; reducing emissions of greenhouse gases; environmental liabilities; our international activities subjecting us to risks that are different from or greater than those associated with our domestic operations, including changes in foreign exchange rates; our continued ability to maintain our status as a REIT; changes in tax laws or regulations that result in adverse tax consequences; risks associated with the acquisition, development, redevelopment, expansion, leasing and management of properties; the inability to lease newly developed properties on favorable terms; the loss of key management personnel; uncertainties regarding the impact of pandemics, epidemics or public health crises, and the associated governmental restrictions on our business, financial condition, results of operations, cash flow and liquidity; changes in market rates of interest; the impact of our substantial indebtedness on our future operations, including covenants in the governing agreements that impose restrictions on us that may affect our ability to operate freely; any disruption in the financial markets that may adversely affect our ability to access capital for growth and satisfy our ongoing debt service requirements; any change in our credit rating; risks relating to our joint venture properties, including guarantees of certain joint venture indebtedness; and general risks related to real estate investments, including the illiquidity of real estate investments.

The Company discusses these and other risks and uncertainties under the heading "Risk Factors" in its annual and quarterly periodic reports filed with the SEC. The Company may update that discussion in subsequent other periodic reports, but except as required by law, the Company undertakes no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

**About Simon**

[Simon](http://www.simon.com)<sup>®</sup> is a real estate investment trust engaged in the ownership of premier shopping, dining, entertainment and mixed-use destinations and an S&P 100 company (Simon Property Group, NYSE: SPG). Our properties across North America, Europe and Asia provide community gathering places for millions of people every day and generate billions in annual sales.

**Simon Property Group, Inc.**  
*Unaudited Consolidated Statements of Operations*  
(Dollars in thousands, except per share amounts)

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>REVENUE:</b>		
Lease income	\$ 1,302,671	\$ 1,248,185
Management fees and other revenues	29,455	28,949
Other income	110,464	73,715
<b>Total revenue</b>	<b>1,442,590</b>	<b>1,350,849</b>
<b>EXPENSES:</b>		
Property operating	126,114	111,748
Depreciation and amortization	307,369	307,059
Real estate taxes	109,210	111,159
Repairs and maintenance	25,728	22,174
Advertising and promotion	28,081	24,159
Home and regional office costs	60,723	56,820
General and administrative	9,132	9,107
Other	41,053	45,900
<b>Total operating expenses</b>	<b>707,410</b>	<b>688,126</b>
<b>OPERATING INCOME BEFORE OTHER ITEMS</b>	<b>735,180</b>	<b>662,723</b>
Interest expense	(230,623)	(199,429)
Gain on disposal, exchange, or revaluation of equity interests, net	414,769	-
Income and other tax (expense) benefit	(47,603)	13,453
(Loss) income from unconsolidated entities	(34,342)	21,900
Unrealized (losses) gains in fair value of publicly traded equity instruments and derivative instrument, net	(7,192)	20,608
Gain on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	10,966	-
<b>CONSOLIDATED NET INCOME</b>	<b>841,155</b>	<b>519,255</b>
Net income attributable to noncontrolling interests	108,619	66,594
Preferred dividends	834	834
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>\$ 731,702</b>	<b>\$ 451,827</b>
<b>BASIC AND DILUTED EARNINGS PER COMMON SHARE:</b>		
<b>Net income attributable to common stockholders</b>	<b>\$ 2.25</b>	<b>\$ 1.38</b>

**Simon Property Group, Inc.**  
*Unaudited Consolidated Balance Sheets*  
(Dollars in thousands, except share amounts)

	<b>March 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
<b>ASSETS:</b>		
Investment properties, at cost	\$ 39,494,402	\$ 39,285,138
Less - accumulated depreciation	18,014,303	17,716,788
	<b>21,480,099</b>	<b>21,568,350</b>
Cash and cash equivalents	1,251,105	1,168,991

Short-term investments	<b>1,300,000</b>	1,000,000
Tenant receivables and accrued revenue, net	<b>793,437</b>	826,126
Investment in TRG, at equity	<b>3,004,129</b>	3,049,719
Investment in Klépierre, at equity	<b>1,447,515</b>	1,527,872
Investment in other unconsolidated entities, at equity	<b>2,770,652</b>	3,540,648
Right-of-use assets, net	<b>524,920</b>	484,073
Deferred costs and other assets	<b>1,124,834</b>	1,117,716
<b>Total assets</b>	<b>\$ 33,696,691</b>	\$ 34,283,496

**LIABILITIES:**

Mortgages and unsecured indebtedness	<b>\$ 25,519,340</b>	\$ 26,033,423
Accounts payable, accrued expenses, intangibles, and deferred revenues	<b>1,527,859</b>	1,693,248
Cash distributions and losses in unconsolidated entities, at equity	<b>1,724,494</b>	1,760,922
Dividend payable	<b>1,412</b>	1,842
Lease liabilities	<b>525,681</b>	484,861
Other liabilities	<b>635,781</b>	621,601
<b>Total liabilities</b>	<b>29,934,567</b>	30,595,897

Commitments and contingencies

Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests	<b>177,528</b>	195,949
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**EQUITY:**

Stockholders' Equity

Capital stock (total shares authorized, \$0.0001 par value, 238,000,000

shares of excess common stock, 850,000,000 authorized shares of preferred stock):

Series J 8 3/8% cumulative redeemable preferred stock, 1,000,000 shares authorized, 796,948 issued and outstanding with a liquidation value of \$39,847	<b>41,024</b>	41,106
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Common stock, \$0.0001 par value, 511,990,000 shares authorized, 342,895,886 and 342,895,886 issued and outstanding, respectively	<b>33</b>	33
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Class B common stock, \$0.0001 par value, 10,000 shares authorized, 8,000 issued and outstanding	-	-
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Capital in excess of par value	<b>11,370,740</b>	11,406,236
Accumulated deficit	<b>(5,987,514)</b>	(6,095,576)
Accumulated other comprehensive loss	<b>(165,796)</b>	(172,787)
Common stock held in treasury, at cost, 16,960,060 and 16,983,364 shares, respectively	<b>(2,152,382)</b>	(2,156,178)

Total stockholders' equity	<b>3,106,105</b>	3,022,834
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Noncontrolling interests	<b>478,491</b>	468,815
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<b>Total equity</b>	<b>3,584,596</b>	3,491,649
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<b>Total liabilities and equity</b>	<b>\$ 33,696,691</b>	\$ 34,283,495
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**Simon Property Group, Inc.**

*Unaudited Joint Venture Combined Statements of Operations  
(Dollars in thousands)*

**For the Three Months  
Ended March 31,**

**2024                      2023**

**REVENUE:**

Lease income	<b>\$ 752,030</b>	\$ 735,048
Other income	<b>90,992</b>	90,046
Total revenue	<b>843,022</b>	825,094

<b>OPERATING EXPENSES:</b>		
Property operating	161,044	154,922
Depreciation and amortization	159,815	164,473
Real estate taxes	63,180	64,004
Repairs and maintenance	19,492	18,774
Advertising and promotion	21,663	20,710
Other	54,881	53,310
Total operating expenses	<u>480,075</u>	<u>476,193</u>
<b>OPERATING INCOME BEFORE OTHER ITEMS</b>	<b>362,947</b>	348,901
Interest expense	(176,751)	(168,206)
<b>NET INCOME</b>	<u><u>\$ 186,196</u></u>	<u>\$ 180,695</u>
<b>Third-Party Investors' Share of Net Income</b>	<u><u>\$ 94,370</u></u>	<u>\$ 90,259</u>
<b>Our Share of Net Income</b>	<b>91,826</b>	90,436
<b>Amortization of Excess Investment (A)</b>	<b>(14,697)</b>	(14,921)
<b>Income from Unconsolidated Entities (B)</b>	<u><u>\$ 77,129</u></u>	<u>\$ 75,515</u>

Note: The above financial presentation does not include any information related to our investments in Klépierre S.A. ("Klépierre"), The Taubman Realty Group ("TRG") and other platform investments. For additional information, see footnote B.

**Simon Property Group, Inc.**  
*Unaudited Joint Venture Combined Balance Sheets*  
(Dollars in thousands)

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Assets:</b>		
Investment properties, at cost	<b>\$ 19,151,115</b>	\$ 19,315,578
Less - accumulated depreciation	<b>8,859,314</b>	8,874,745
	<b>10,291,801</b>	10,440,833
Cash and cash equivalents	<b>1,331,870</b>	1,372,377
Tenant receivables and accrued revenue, net	<b>458,425</b>	505,933
Right-of-use assets, net	<b>117,569</b>	126,539
Deferred costs and other assets	<b>568,838</b>	537,943
Total assets	<u><b>\$ 12,768,503</b></u>	<u>\$ 12,983,625</u>
<b>Liabilities and Partners' Deficit:</b>		
Mortgages	<b>\$ 14,056,723</b>	\$ 14,282,839
Accounts payable, accrued expenses, intangibles, and deferred revenue	<b>956,184</b>	1,032,217
Lease liabilities	<b>107,873</b>	116,535
Other liabilities	<b>363,647</b>	368,582
Total liabilities	<u><b>15,484,427</b></u>	<u>15,800,173</u>
Preferred units	<b>67,450</b>	67,450
Partners' deficit	<b>(2,783,374)</b>	(2,883,998)
Total liabilities and partners' deficit	<u><b>\$ 12,768,503</b></u>	<u>\$ 12,983,625</u>
<b>Our Share of:</b>		
Partners' deficit	<b>\$ (1,195,321)</b>	\$ (1,258,809)
Add: Excess Investment (A)	<b>1,140,083</b>	1,173,852
Our net Investment in unconsolidated entities, at equity	<u><b>\$ (55,238)</b></u>	<u>\$ (84,957)</u>

Note: The above financial presentation does not include any information related to our investments in Klépierre, TRG and other platform investments. For additional information, see footnote B.

**Simon Property Group, Inc.**  
*Unaudited Reconciliation of Non-GAAP Financial Measures (C)*  
*(Amounts in thousands, except per share amounts)*

**Reconciliation of Consolidated Net Income to FFO**

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Consolidated Net Income (D)</b>	<b>\$ 841,155</b>	<b>\$ 519,255</b>
<b>Adjustments to Arrive at FFO:</b>		
Depreciation and amortization from consolidated properties	<b>303,672</b>	304,234
Our share of depreciation and amortization from unconsolidated entities, including Klépierre, TRG and other corporate investments	<b>204,979</b>	209,330
Gain on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	<b>(10,966)</b>	-
Net loss (income) attributable to noncontrolling interest holders in properties	<b>1,470</b>	(762)
Noncontrolling interests portion of depreciation and amortization, gain on consolidation of properties, and loss (gain) on disposal of properties	<b>(5,510)</b>	(4,775)
Preferred distributions and dividends	<b>(1,266)</b>	(1,313)
<b>FFO of the Operating Partnership</b>	<b>\$ 1,333,534</b>	<b>\$ 1,025,969</b>
<b>Diluted net income per share to diluted FFO per share reconciliation:</b>		
<b>Diluted net income per share</b>	<b>\$ 2.25</b>	<b>\$ 1.38</b>
Depreciation and amortization from consolidated properties and our share of depreciation and amortization from unconsolidated entities, including Klépierre, TRG and other corporate investments, net of noncontrolling interests portion of depreciation and amortization	<b>1.34</b>	1.36
Gain on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	<b>(0.03)</b>	-
<b>Diluted FFO per share</b>	<b>\$ 3.56</b>	<b>\$ 2.74</b>

Details for per share calculations:

FFO of the Operating Partnership	<b>\$ 1,333,534</b>	<b>\$ 1,025,969</b>
Diluted FFO allocable to unitholders	<b>(173,804)</b>	(129,646)
Diluted FFO allocable to common stockholders	<b>\$ 1,159,730</b>	<b>\$ 896,323</b>
Basic and Diluted weighted average shares outstanding	<b>325,912</b>	326,954
Weighted average limited partnership units outstanding	<b>48,843</b>	47,291
Basic and Diluted weighted average shares and units outstanding	<b>374,755</b>	374,245
Basic and Diluted FFO per Share	<b>\$ 3.56</b>	<b>\$ 2.74</b>
<i>Percent Change</i>	<b>29.9 %</b>	

**Notes:**

- (A) Excess investment represents the unamortized difference of our investment over equity in the underlying net assets of the related partnerships and joint ventures shown therein. The Company generally amortizes excess investment over the life of the related assets.
- (B) The Unaudited Joint Venture Combined Statements of Operations do not include any operations or our share of net income or excess investment amortization related to our investments in Klépierre, TRG and other platform investments. Amounts included in Footnote D below exclude our share of related activity for our investments in Klépierre, TRG and other platform investments. For further information on Klépierre, reference should be made to financial information in Klépierre's public filings and additional discussion and analysis in our Form 10-K.
- (C) This report contains measures of financial or operating performance that are not specifically defined by GAAP, including FFO and FFO per share. FFO is a performance measure that is standard in the REIT business. We believe FFO provides investors with additional information concerning our operating performance and a basis to compare our performance with those of other REITs. We also use these measures internally to monitor the operating performance of our portfolio. Our computation of these non-GAAP measures may not be the same as similar measures reported by other REITs.

We determine FFO based upon the definition set forth by the National Association of Real Estate Investment Trusts ("NAREIT") Funds From Operations White Paper - 2018 Restatement. Our main business includes acquiring, owning, operating, developing, and redeveloping real estate in conjunction with the rental of retail real estate. Gains and losses of assets incidental to our main business are included in FFO. We determine FFO to be our share of consolidated net income computed in accordance with GAAP, excluding real estate related depreciation and amortization, excluding gains and losses from extraordinary items, excluding gains and losses from the sale, disposal or property insurance recoveries of, or any impairment related to, depreciable retail operating properties, plus the allocable portion of FFO of unconsolidated joint ventures based upon economic ownership interest, and all determined on a consistent basis in accordance with GAAP. However, you should understand that FFO does not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income determined in accordance with GAAP as a measure of operating performance, and is not an alternative to cash flows as a measure of liquidity.

- (D) Includes our share of:
- Gain on land sales of \$7.5 million and \$4.5 million for the three months ended March 31, 2024 and 2023, respectively.
  - Straight-line adjustments decreased income by (\$4.6) million and (\$7.7) million for the three months ended March 31, 2024 and 2023, respectively.
  - Amortization of fair market value of leases increased income by \$0.2 million and \$0.1 million for the three months ended March 31, 2024 and 2023, respectively.

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SOURCE Simon

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