MONMOUTH REAL ESTATE INVESTMENT CORPORATION

BELL WORKS

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A Public REIT Since 1968

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FOR IMMEDIATE RELEASE

August 4, 2020

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MONMOUTH REAL ESTATE REPORTS RESULTS FOR THE THIRD QUARTER ENDED JUNE 30, 2020

HOLMDEL, NJ, August 4, 2020........ Monmouth Real Estate Investment Corporation (NYSE:MNR) reported Net Income Attributable to Common Shareholders of $26.9 million or $0.27 per diluted share for the three months ended June 30, 2020 as compared to Net Loss Attributable to Common Shareholders of $3.1 million or $0.03 per diluted share for the three months ended June 30, 2019, representing an increase of $30.0 million or $0.30 per diluted share. During the three months ended June 30, 2020, we recognized a $19.6 million unrealized holding gain on securities or $0.20 per diluted share as compared to an $11.6 million unrealized holding loss on securities or $0.12 per diluted share for the three months ended June 30, 2019. Funds from Operations (FFO), which excludes unrealized and realized gains or losses from our securities portfolio, for the three months ended June 30, 2020 were $19.7 million or $0.20 per diluted share versus $19.9 million or $0.21 per diluted share for the three months ended June 30, 2019, representing a decrease of $0.01 in FFO per diluted share. Adjusted Funds from Operations (AFFO), which also excludes unrealized and realized gains or losses from our securities portfolio, for the three months ended June 30, 2020 were $19.5 million or $0.20 per diluted share versus $19.4 million or $0.21 per diluted share for the three months ended June 30, 2019, representing a $0.01 decrease in AFFO per diluted share. Sequentially, our FFO of $0.20 per diluted share for the third quarter of fiscal 2020 is $0.01 lower than our FFO of $0.21 per diluted share for the second quarter of fiscal 2020 and our AFFO of $0.20 per diluted share for the third quarter of fiscal 2020 is consistent with our AFFO of $0.20 per diluted share for the second quarter of fiscal 2020. The year over year $0.01 decline in FFO and AFFO for the quarter is primarily attributable to a $1.9 million increase in Preferred Dividend expense as a result of an increase in preferred shares outstanding, as well as a $1.3 million decrease in dividend income, partially offset by a $2.5 million increase in Net Operating Income (NOI).

Portfolio Occupancy and Tenant Rent Collections During The COVID-19 Pandemic

Our portfolio occupancy remained nearly full during the quarter at 99.4% which represents a 50 basis point increase over the prior year period and is consistent with the prior quarter. Our rent collections throughout the COVID-19 Pandemic have been as follows:

- For the month of March were 100.0%
- For the month of April were 99.6%
- For the month of May were 97.9%
- For the month of June were 99.4%
- For the month of July were 99.6%
- For the month of August, we expect total rent collections to come in at 99.6%

While the future effects of the evolving impact of the COVID-19 pandemic are still uncertain, at this time we believe that the fallout will not have a material adverse effect on our financial condition. To date, Monmouth has received very limited requests for rent deferment. We have agreed to defer $438,000 which represents a 31 basis point impact on our annual base rent. Approximately 75% of this deferred amount is due to be paid by the end of the calendar year. Our weighted average lease term at quarter end is 7.2 years as compared to 7.4 years at the end of the prior quarter.

A summary of significant financial information for the three and nine months ended June 30, 2020 and 2019 (in thousands, except per share amounts) is as follows:

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019
Rental Revenue	$ 35,427	$ 33,127
Reimbursement Revenue	$ 6,348	$ 5,421
Net Operating Income (NOI) (1)	$ 35,208	$ 32,731
Total Expenses	$ 21,296	$ 19,722
Dividend Income	$ 2,344	$ 3,686
Unrealized Holding Gains (Losses) Arising During the Periods	$ 19,610	$ (11,609)
Net Income	$ 33,458	$ 1,628
Net Income (Loss) Attributable to Common Shareholders	$ 26,851	$ (3,121)
Net Income (Loss) Attributable to Common Shareholders Per Diluted Common Share	$ 0.27	$ (0.03)
FFO (1)	$ 19,740	$ 19,899
FFO per Diluted Common Share (1)	$ 0.20	$ 0.21
AFFO (1)	$ 19,488	$ 19,388
AFFO per Diluted Common Share (1)	$ 0.20	$ 0.21
Dividends Declared per Common Share	$ 0.17	$ 0.17
Weighted Avg. Diluted Common Shares Outstanding	97,962	94,493

	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
Rental Revenue	$ 105,410	$ 98,678
Reimbursement Revenue	$ 19,772	$ 16,473
Net Operating Income (NOI) (1)	$ 104,719	$ 97,595
Total Expenses	$ 65,065	$ 58,187
Dividend Income	$ 8,987	$ 11,569
Unrealized Holding Gains (Losses) Arising During the Periods	$ (67,100)	$ (38,668)
Net Income (Loss)	$ (25,231)	$ 1,986
Net Income (Loss) Attributable to Common Shareholders	$ (44,700)	$ (11,664)
Net Income (Loss) Attributable to Common Shareholders Per Diluted Common Share	$ (0.46)	$ (0.13)
FFO (1)	$ 59,259	$ 60,917
FFO per Diluted Common Share (1)	$ 0.61	$ 0.66
AFFO (1)	$ 58,771	$ 59,583
AFFO per Diluted Common Share (1)	$ 0.60	$ 0.64
Dividends Declared per Common Share	$ 0.51	$ 0.51
Weighted Avg. Diluted Common Shares Outstanding	97,626	92,719

A summary of significant balance sheet information as of June 30, 2020 and September 30, 2019 (in thousands) is as follows:

	June 30, 2020	September 30, 2019
Real Estate Investments	$ 1,743,115	$ 1,616,934
Securities Available for Sale at Fair Value	$ 118,877	$ 185,250
Total Assets	$ 1,931,425	$ 1,871,948
Fixed Rate Mortgage Notes Payable, net of Unamortized Debt Issuance Costs	$ 804,342	$ 744,928
Loans Payable	$ 80,000	$ 95,000
6.125% Series C Cumulative Redeemable Preferred Stock	$ 433,850	$ 347,678
Total Shareholders’ Equity	$ 1,023,785	$ 1,011,043

Highlights from Third Quarter Results

- Increased Gross Revenue by 4% over the prior year period to $44.1 million
- Increased Net Operating Income by 8% over the prior year period to $35.2 million
- Maintained a conservative AFFO dividend payout ratio of 85%
- Increased our Gross Leasable Area (GLA) by 7%, or 1.6 million square feet over the prior year period to 23.4 million square feet
- Entered into commitments to acquire four new build-to-suit properties containing 1.5 million total square feet for a total cost of $218.7 million all leased to Investment Grade tenants for a weighted average lease term of 16.8 years
- Acquired two properties comprising 356,000 square feet for $60.5 million, both of which are leased to FedEx for 15 years
- Increased our portfolio occupancy by 50 basis points over the prior year period and maintained our 99.4% occupancy rate sequentially
- Achieved a weighted average lease term of 7.2 years versus 7.8 years in the prior year period
- Increased our annualized average base rent per occupied square foot by 2% to $6.35 from the prior year period
- Achieved a weighted average debt maturity on fixed-rate mortgage debt of 11.2 years as compared to 11.5 years in the prior year period
- Maintained our Net Debt to Adjusted EBITDA at 6.2x which is in-line with the prior year period
- Reduced the weighted average interest rate on our fixed-rate mortgage debt to 4.00% from 4.03% in the prior year period and reduced the weighted average interest rate on our total fixed-rate debt to 3.90% from 4.03% in the prior year period
- Raised $4.5 million in net proceeds through the Preferred Stock ATM Program with the sale of 185,000 shares of our 6.125% Series C Preferred Stock at a weighted average price of $24.93 per share
- Raised $1.2 million (including dividend reinvestments of $1.0 million) from the Dividend Reinvestment and Stock Purchase Plan, representing a 6% participation rate

Michael P. Landy, President and CEO, commented, "Thus far in fiscal 2020, we have acquired four properties comprising 1.1 million square feet for a total purchase price of $159.9 million. During the recent quarter, we acquired two buildings comprising 356,000 square feet for a purchase price of $60.5 million. These properties, located in Greensboro, NC and Salt Lake City, UT are both leased to FedEx for 15 years. Our acquisition pipeline grew over the quarter to $218.7 million and currently contains four new build-to-suit properties comprising 1.5 million total square feet. These properties have a weighted average lease term of 16.8 years. In keeping with our business model, these projects are all leased to investment grade tenants which include, Amazon, FedEx, and Home Depot. Debt financing for three of these four future acquisitions has already been locked-in at a weighted average interest rate of 3.10%."

"We have renewed four of the five leases that were set to expire this fiscal year. These four lease renewals represent 87% of the 410,000 square feet expiring this year. These lease renewals have a weighted average lease term of 4.2 years, and a weighted average lease rate of $5.87 per square foot on a GAAP basis and $5.71 per square foot on a cash basis. This represents an increase of 12.0% on a GAAP basis and an increase of 4.4% on a cash basis."

"Monmouth went into the global pandemic very well positioned with a strong balance sheet, a high-quality tenant roster, nearly full occupancy, and a well-covered dividend. Our resilient rent collection results during these challenging times highlights the mission-critical nature of our assets and underscores the essential need for our tenants' operations. Because our weighted average lease maturity is 7.2 years and our weighted average fixed-rate mortgage debt maturity is 11.2 years, we expect our income streams to remain resilient for years to come."

"As a result of the government shutdowns, ecommerce sales as a percentage of total retail sales have accelerated from approximately 15% to 27% during the recent quarter. This has created tremendous demand for many of our properties with operations increasing to seven-day work weeks to accommodate this strong demand. The COVID-19 pandemic has also created a need for supply chain reconfiguration. Increased inventory stocking is currently taking place across the U.S. for several industries and this trend is accelerating to accommodate surges in demand. The COVID-19 pandemic has also increased the desire for additional domestic manufacturing, as supply chains now prefer shorter routes and less reliance on foreign sources. Because our portfolio comprises modern industrial buildings located throughout the continental U.S., we are very well-positioned to benefit from these accelerating trends going forward."

Monmouth Real Estate Investment Corporation will host its Third Quarter FY 2020 Financial Results Webcast and Conference Call on Wednesday, August 5, 2020 at 10:00 a.m. Eastern Time. Senior management will discuss the results, current market conditions and future outlook.

Our Third Quarter FY 2020 financial results being released herein will be available on our website at www.mreic.reit in the Investor Relations section, under Filings and Reports.

To participate in the **Webcast**, select the **3Q2020 Webcast and Earnings Call** "Link to Webcast" on the homepage of our website at www.mreic.reit, in the Highlights section, which is located towards the bottom of the homepage. Interested parties can also participate via **conference call** by calling toll free 1-877-510-5852 (domestically) or 1-412-902-4138 (internationally).

The replay of the conference call will be available at 12:00 p.m. Eastern Time on Wednesday, August 5, 2020. It will be available until November 16, 2020, and can be accessed by dialing toll free 1-877-344-7529 (domestically) and 1-412-317-0088 (internationally) and entering the passcode 10144143. A transcript of the call and the webcast replay will be available at our website on the Investor Relations homepage, www.mreic.reit.

Monmouth Real Estate Investment Corporation, founded in 1968, is one of the oldest public equity REITs in the world. We specialize in single tenant, net-leased industrial properties, subject to long-term leases, primarily to investment-grade tenants. Monmouth Real Estate is a fully integrated and self-managed real estate company, whose property portfolio consists of 118 properties containing a total of approximately 23.3 million rentable square feet, geographically diversified across 31 states.

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 our current expectations and involve various risks and uncertainties. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we 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 our annual report on Form 10-K and described from time to time in our other filings with the SEC. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

Notes:

(1) Non-U.S. GAAP Information: FFO, as defined by The National Association of Real Estate Investment Trusts (Nareit), represents net income attributable to common shareholders, as defined by accounting principles generally accepted in the United States of America (U.S. GAAP), excluding extraordinary items, as defined under U.S. GAAP, gains or losses from sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets, 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 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 unrealized gains and losses from our investments in marketable equity securities from our FFO calculation. Nareit created FFO as a non-GAAP supplemental measure of REIT operating performance. We define Adjusted Funds From Operations (AFFO) as FFO, excluding stock based compensation expense, depreciation of corporate office tenant improvements, amortization of deferred financing costs, non-recurring severance expense, effect of non-cash U.S. GAAP straight-line rent adjustments and subtracting recurring capital expenditures. We define recurring capital expenditures as all capital expenditures that are recurring in nature, excluding capital expenditures related to expansions at our current locations or capital expenditures that are incurred in conjunction with obtaining a new lease or a lease renewal. We believe that, as widely recognized measures of performance used by other REITs, FFO and AFFO may be considered by investors as supplemental measures to compare our operating performance to those of other REITs. FFO and AFFO 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 AFFO and, accordingly, our FFO and AFFO may not be comparable to all other REITs. The items excluded from FFO and AFFO are significant components in understanding our financial performance.

FFO and AFFO are non-GAAP performance measures and (i) do not represent Cash Flow from Operations as defined by U.S. GAAP; (ii) should not be considered as an alternative to Net Income or Net Income Attributable to Common Shareholders as a measure of operating performance or to Cash Flows from Operating, Investing and Financing Activities; and (iii) are not an alternative to Cash Flows from Operating, Investing and Financing Activities as a measure of liquidity. FFO and AFFO, as calculated by us, may not be comparable to similarly titled measures reported by other REITs.

The following is a reconciliation of the Company's U.S. GAAP Net Income (Loss) Attributable to Common Shareholders to the Company's FFO and AFFO for the three and nine months ended June 30, 2020 and 2019 (in thousands):

	Three Months Ended		**Nine Months Ended**	
	6/30/2020	**6/30/2019**	**6/30/2020**	**6/30/2019**
Net Income (Loss) Attributable to Common Shareholders	$26,851	$(3,121)	$(44,700)	$(11,664)
Less/Plus: Unrealized Holding (Gains) Losses Arising During the Periods	(19,610)	11,609	67,100	38,668
Plus: Depreciation Expense (excluding Corporate Office Capitalized Costs)	11,685	10,665	34,474	31,692
Plus: Amortization of Intangible Assets	524	490	1,539	1,495
Plus: Amortization of Capitalized Lease Costs	290	256	846	726
FFO Attributable to Common Shareholders	**19,740**	**19,899**	**59,259**	**60,917**
Plus: Depreciation of Corporate Office Capitalized Costs	57	168	176	376
Plus: Stock Compensation Expense	98	231	368	574
Plus: Amortization of Financing Costs	327	319	1,084	956
Plus: Non-recurring Severance Expense	-0-	-0-	786	-0-
Less: Recurring Capital Expenditures	(508)	(702)	(1,443)	(1,888)
Less: Effect of Non-cash U.S. GAAP Straight-line Rent Adjustment	(226)	(527)	(1,459)	(1,352)
AFFO Attributable to Common Shareholders	**$19,488**	**$19,388**	**$58,771**	**$59,583**

The following are the Cash Flows provided (used) by Operating, Investing and Financing Activities for the nine months ended June 30, 2020 and 2019 (in thousands):

	Nine Months Ended	
	6/30/2020	**6/30/2019**
Operating Activities	$74,932	$74,753
Investing Activities	(163,049)	(185,336)
Financing Activities	80,042	114,890

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