UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2024.

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from ________________ to ________________

Commission File Number 1-12386

LXP INDUSTRIAL TRUST

(Exact name of registrant as specified in its charter)

Maryland	**13-3717318**
(State or other jurisdiction of incorporation of organization)	*(I.R.S. Employer Identification No.)*

515 N Flagler Dr, Suite 408, West Palm Beach, FL 33401
(Address of principal executive offices) (zip code)
(212) 692-7200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Shares of beneficial interest, par value $0.0001 per share, classified as Common Stock	LXP	New York Stock Exchange
6.50% Series C Cumulative Convertible Preferred Stock, par value $0.0001 per share	LXPPRC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: 294,340,310 common shares of beneficial interest, par value $0.0001 per share, as of July 30, 2024.

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WHERE YOU CAN FIND MORE INFORMATION:

We file and furnish annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, which we refer to as the SEC. We file and furnish information electronically with the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file or furnish electronically with the SEC. The address of the SEC's Internet site is http://www.sec.gov. We also maintain a web site at http://www.lxp.com through which you can obtain copies of documents that we file or furnish with the SEC. The contents of that web site are not incorporated by reference in or otherwise a part of this Quarterly Report on Form 10-Q or any other document that we file or furnish with the SEC.

PART I. - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited and in thousands, except share and per share data)

	June 30, 2024	December 31, 2023
Assets:		
Real estate, at cost	$ 4,044,720	$ 3,774,239
Real estate - intangible assets	310,989	314,525
Land held for development	86,401	80,743
Investments in real estate under construction	84,443	319,355
Real estate, gross	4,526,553	4,488,862
Less: accumulated depreciation and amortization	983,410	904,709
Real estate, net	3,543,143	3,584,153
Assets held for sale	15,973	9,168
Right-of-use assets, net	17,251	19,342
Cash and cash equivalents	48,676	199,247
Restricted cash	226	216
Short-term investments	—	130,140
Investments in non-consolidated entities	47,120	48,495
Deferred expenses, net	37,040	35,008
Investment in a sales-type lease, net (allowance for credit loss $70 in 2024 and $61 in 2023)	64,657	63,464
Rent receivable – current	2,878	5,327
Rent receivable – deferred	84,855	80,421
Other assets	24,048	17,794
Total assets	$ 3,885,867	$ 4,192,775
Liabilities and Equity:		
Liabilities:		
Mortgages and notes payable, net	$ 57,551	$ 60,124
Term loan payable, net	297,289	296,764
Senior notes payable, net	1,088,334	1,286,145
Trust preferred securities, net	127,843	127,794
Dividends payable	39,706	39,610
Liabilities held for sale	24	417
Operating lease liabilities	17,935	20,233
Accounts payable and other liabilities	63,737	57,981
Accrued interest payable	10,785	11,379
Deferred revenue - including below-market leases, net	8,506	9,428
Prepaid rent	13,645	17,443
Total liabilities	1,725,355	1,927,318
Commitments and contingencies		
Equity:		
Preferred shares, par value $0.0001 per share; authorized 100,000,000 shares:		
Series C Cumulative Convertible Preferred, liquidation preference $96,770; 1,935,400 shares issued and outstanding	94,016	94,016
Common shares, par value $0.0001 per share; authorized 600,000,000 shares, 294,314,556 and 293,449,088 shares issued and outstanding in 2024 and 2023, respectively	29	29
Additional paid-in-capital	3,309,765	3,330,383
Accumulated distributions in excess of net income	(1,275,833)	(1,201,824)
Accumulated other comprehensive income	6,197	9,483
Total shareholders' equity	2,134,174	2,232,087
Noncontrolling interests	26,338	33,370
Total equity	2,160,512	2,265,457
Total liabilities and equity	$ 3,885,867	$ 4,192,775

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Gross revenues:				
Rental revenue	$ 84,768	$ 85,065	$ 169,975	$ 168,482
Other revenue	1,018	1,985	2,062	3,643
Total gross revenues	85,786	87,050	172,037	172,125
Expense applicable to revenues:				
Depreciation and amortization	(48,347)	(45,993)	(95,856)	(91,734)
Property operating	(15,482)	(15,745)	(30,670)	(30,988)
General and administrative	(9,248)	(9,010)	(18,741)	(18,248)
Non-operating income	2,734	143	6,503	337
Interest and amortization expense	(17,603)	(10,144)	(34,587)	(21,537)
Transaction costs	(498)	—	(498)	(4)
Impairment charges	—	(12,967)	—	(16,490)
Change in allowance for credit loss	(14)	110	(9)	31
Gains on sales of properties	8,352	—	8,352	7,879
Gain on change in control of a subsidiary	209	—	209	—
Income (loss) before provision for income taxes and equity in earnings (losses) of non-consolidated entities	5,889	(6,556)	6,740	1,371
Provision for income taxes	(83)	(210)	(208)	(426)
Equity in earnings (losses) of non-consolidated entities	(1,005)	(1,014)	(2,286)	2,590
Net income (loss)	4,801	(7,780)	4,246	3,535
Less net (income) loss attributable to noncontrolling interests	625	(268)	911	(417)
Net income (loss) attributable to LXP Industrial Trust shareholders	5,426	(8,048)	5,157	3,118
Dividends attributable to preferred shares – Series C	(1,573)	(1,573)	(3,145)	(3,145)
Allocation to participating securities	(78)	(62)	(168)	(134)
Net income (loss) attributable to common shareholders	$ 3,775	$ (9,683)	$ 1,844	$ (161)
Net income (loss) attributable to common shareholders - per common share basic	$ 0.01	$ (0.03)	$ 0.01	$ —
Weighted-average common shares outstanding – basic	291,403,985	290,186,934	291,346,184	290,134,015
Net income (loss) attributable to common shareholders - per common share diluted	$ 0.01	$ (0.03)	$ 0.01	$ —
Weighted-average common shares outstanding – diluted	291,615,350	291,015,537	291,451,866	290,964,350

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited and in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	$ 4,801	$ (7,780)	$ 4,246	$ 3,535
Other comprehensive income (loss):				
Change in unrealized gain (loss) on interest rate swaps, net	(2,243)	2,139	(3,344)	(1,051)
Company's share of other comprehensive income (loss) of non-consolidated entities	17	(108)	58	(438)
Other comprehensive income (loss)	(2,226)	2,031	(3,286)	(1,489)
Comprehensive income (loss)	2,575	(5,749)	960	2,046
Comprehensive (income) loss attributable to noncontrolling interests	625	(268)	911	(417)
Comprehensive income (loss) attributable to LXP Industrial Trust shareholders	$ 3,200	$ (6,017)	$ 1,871	$ 1,629

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited and in thousands, except share and per share data)

		LXP Industrial Trust Shareholders							
Three months ended June 30, 2024	Total	Number of Preferred Shares	Preferred Shares	Number of Common Shares	Common Shares	Additional Paid-in-Capital	Accumulated Distributions in Excess of Net Income	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interests
Balance March 31, 2024	$ 2,220,514	1,935,400	$ 94,016	294,289,569	$ 29	$ 3,327,682	$ (1,241,595)	$ 8,423	$ 31,959
Issuance of partnership interest in real estate	201	—	—	—	—	—	—	—	201
Purchase of noncontrolling interest in consolidated joint venture	(22,988)	—	—	—	—	(20,447)	—	—	(2,541)
Change in control of a subsidiary	(2,503)	—	—	—	—	—	—	—	(2,503)
Issuance of common shares and deferred compensation amortization, net	2,530	—	—	24,987	—	2,530	—	—	—
Dividends/distributions ($0.13 per common share)	(39,817)	—	—	—	—	—	(39,664)	—	(153)
Net income (loss)	4,801	—	—	—	—	—	5,426	—	(625)
Other comprehensive loss	(2,243)	—	—	—	—	—	—	(2,243)	—
Company's share of other comprehensive income of non-consolidated entities	17	—	—	—	—	—	—	17	—
Balance June 30, 2024	$ 2,160,512	1,935,400	$ 94,016	294,314,556	$ 29	$ 3,309,765	$ (1,275,833)	$ 6,197	$ 26,338

Three Months Ended June 30, 2023	Total	Number of Preferred Shares	Preferred Shares	Number of Common Shares	Common Shares	Additional Paid-in-Capital	Accumulated Distributions in Excess of Net Income	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interests
Balance March 31, 2023	$ 2,360,762	1,935,400	$ 94,016	292,557,721	$ 29	$ 3,320,185	$ (1,105,875)	$ 14,169	$ 38,238
Issuance of partnership interest in real estate	190	—	—	—	—	—	—	—	190
Redemption of noncontrolling OP units for common shares	—	—	—	1,314	—	7	—	—	(7)
Issuance of common shares and deferred compensation amortization, net	2,307	—	—	22,894	—	2,307	—	—	—
Dividends/distributions ($0.125 per common share)	(38,787)	—	—	—	—	—	(38,001)	—	(786)
Net income (loss)	(7,780)	—	—	—	—	—	(8,048)	—	268
Other comprehensive income	2,139	—	—	—	—	—	—	2,139	—
Company's share of other comprehensive loss of non-consolidated entities	(108)	—	—	—	—	—	—	(108)	—
Balance June 30, 2023	$ 2,318,723	1,935,400	$ 94,016	292,581,929	$ 29	$ 3,322,499	$ (1,151,924)	$ 16,200	$ 37,903

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited and in thousands, except share and per share data)

		LXP Industrial Trust Shareholders							
Six Months Ended June 30, 2024	Total	Number of Preferred Shares	Preferred Shares	Number of Common Shares	Common Shares	Additional Paid-in-Capital	Accumulated Distributions in Excess of Net Income	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interests
Balance December 31, 2023	$ 2,265,457	1,935,400	$ 94,016	293,449,088	$ 29	$ 3,330,383	$ (1,201,824)	$ 9,483	$ 33,370
Issuance of partnership interest in real estate	665	—	—	—	—	—	—	—	665
Purchase of noncontrolling interest in consolidated joint venture	(27,898)	—	—	—	—	(23,843)	—	—	(4,055)
Change in control of a subsidiary	(2,503)	—	—	—	—	—	—	—	(2,503)
Issuance of common shares and deferred compensation amortization, net	4,813	—	—	1,471,680	—	4,813	—	—	—
Repurchase of common shares to settle tax obligations	(1,588)	—	—	(160,079)	—	(1,588)	—	—	—
Forfeiture of employee common shares	—	—	—	(446,133)	—	—	—	—	—
Dividends/distributions ($0.26 per common share)	(79,394)	—	—		—	—	(79,166)	—	(228)
Net income (loss)	4,246	—	—	—	—	—	5,157	—	(911)
Other comprehensive loss	(3,344)	—	—	—	—	—	—	(3,344)	—
Company's share of other comprehensive income of non-consolidated entities	58	—	—	—	—	—	—	58	—
Balance June 30, 2024	$ 2,160,512	1,935,400	$ 94,016	294,314,556	$ 29	$ 3,309,765	$ (1,275,833)	$ 6,197	$ 26,338
Six Months Ended June 30, 2023									
Balance December 31, 2022	$ 2,391,003	1,935,400	$ 94,016	291,719,310	$ 29	$ 3,320,087	$ (1,079,087)	$ 17,689	$ 38,269
Issuance of partnership interest in real estate	296	—	—	—	—	—	—	—	296
Redemption of noncontrolling OP units for common shares	—	—	—	4,886	—	25	—	—	(25)
Issuance of common shares and deferred compensation amortization, net	4,463	—	—	1,239,060	—	4,463	—	—	—
Repurchase of common shares to settle tax obligations	(2,076)	—	—	(204,780)	—	(2,076)	—	—	—
Forfeiture of employee common shares	—	—	—	(176,547)	—	—	—	—	—
Dividends/distributions ($0.25 per common share)	(77,009)	—	—	—	—	—	(75,955)	—	(1,054)
Net income	3,535	—	—	—	—	—	3,118	—	417
Other comprehensive loss	(1,051)	—	—	—	—	—	—	(1,051)	—
Company's share of other comprehensive loss of non-consolidated entities	(438)	—	—	—	—	—	—	(438)	—
Balance June 30, 2023	$ 2,318,723	1,935,400	$ 94,016	292,581,929	$ 29	$ 3,322,499	$ (1,151,924)	$ 16,200	$ 37,903

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in thousands)

	Six Months Ended June 30,	
	2024	2023
Net cash provided by operating activities:	$ 77,369	$ 92,644
Cash flows from investing activities:		
Investment in real estate under construction	(58,812)	(62,650)
Capital expenditures	(3,696)	(7,910)
Net proceeds from sale of properties	15,493	27,338
Principal payments on loans receivable	—	1,462
Investments in non-consolidated entities	(699)	(485)
Distributions from non-consolidated entities in excess of accumulated earnings	2,155	5,536
Deferred leasing costs	(2,759)	(1,808)
Maturity of held-to-maturity securities	130,000	—
Change in real estate deposits, net	378	(364)
Net cash provided by (used) in investing activities	82,060	(38,881)
Cash flows from financing activities:		
Dividends to common and preferred shareholders	(79,070)	(76,112)
Principal amortization payments	(2,663)	(5,893)
Revolving credit facility borrowings	—	50,000
Revolving credit facility payments	—	(50,000)
Repurchase of senior notes	(198,932)	—
Cash contributions from noncontrolling interests	665	296
Cash distributions to noncontrolling interests	(228)	(1,054)
Purchase of noncontrolling interests	(27,873)	—
Issuance of common shares, net of costs and repurchases to settle tax obligations	(1,889)	(2,221)
Net cash used in financing activities	(309,990)	(84,984)
Change in cash, cash equivalents and restricted cash	(150,561)	(31,221)
Cash, cash equivalents and restricted cash, at beginning of period	199,463	54,506
Cash, cash equivalents and restricted cash, at end of period	$ 48,902	$ 23,285
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents at beginning of period	$ 199,247	$ 54,390
Restricted cash at beginning of period	216	116
Cash, cash equivalents and restricted cash at beginning of period	$ 199,463	$ 54,506
Cash and cash equivalents at end of period	$ 48,676	$ 23,161
Restricted cash at end of period	226	124
Cash, cash equivalents and restricted cash at end of period	$ 48,902	$ 23,285

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Unaudited and dollars in thousands, except share/unit and per share/unit data)

(1) The Company and Financial Statement Presentation

LXP Industrial Trust (together with its consolidated subsidiaries, except when the context only applies to the parent entity, the “Company”) is a Maryland real estate investment trust (“REIT”) that owns a portfolio of equity investments focused on Class A warehouse and distribution real estate investments.

As of June 30, 2024, the Company had ownership interests in approximately 117 consolidated real estate properties, located in 17 states. The properties in which the Company has an interest are primarily net leased to tenants in various industries.

The Company believes it has qualified as a REIT under the Internal Revenue Code of 1986, as amended (the “Code”). Accordingly, the Company will not be subject to federal income tax, provided that distributions to its shareholders equal at least the amount of its REIT taxable income as defined under the Code. The Company is permitted to participate in certain activities from which it was previously precluded in order to maintain its qualification as a REIT, so long as these activities are conducted in entities which elect to be treated as taxable REIT subsidiaries (“TRS”) under the Code. As such, the TRS are subject to federal income taxes on the income from these activities.

The Company conducts its operations indirectly through (1) property owner subsidiaries, which are single purpose entities, (2) a wholly-owned TRS, Lexington Realty Advisors, Inc., and (3) joint ventures. Property owner subsidiaries are landlords under leases for properties in which the Company has an interest and/or borrowers under loan agreements secured by properties in which the Company has an interest and lender subsidiaries are lenders under loan agreements where the Company made an investment in a loan asset, but in all cases are separate and distinct legal entities. Each property owner subsidiary is a separate legal entity that maintains separate books and records. The assets and credit of each property owner subsidiary with a property subject to a mortgage loan are not available to creditors to satisfy the debt and other obligations of any other person, including any other property owner subsidiary or any other affiliate. Consolidated entities that are not property owner subsidiaries do not directly own any of the assets of a property owner subsidiary (or the general partner, member or managing member of such property owner subsidiary), but merely hold partnership, membership or beneficial interests therein, which interests are subordinate to the claims of such property owner subsidiary's (or its general partner's, member's or managing member's) creditors.

The unaudited condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q (this “Quarterly Report”) for the three and six months ended June 30, 2024 have been prepared by the Company in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and the applicable rules and regulations of the Securities and Exchange Commission (“SEC”). Accordingly, they do not include all information and footnotes required by GAAP for complete financial statements. However, in the opinion of management, the interim financial statements include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results of the periods presented. Interim results are not necessarily indicative of the results that may be expected for the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 15, 2024 (“Annual Report”).

Basis of Presentation and Consolidation. The Company's unaudited condensed consolidated financial statements are prepared on the accrual basis of accounting in accordance with GAAP. The financial statements reflect the accounts of the Company and its consolidated subsidiaries. The Company consolidates wholly-owned subsidiaries, partnerships and joint ventures which it controls (i) through voting rights or similar rights or (ii) by means other than voting rights if the Company is the primary beneficiary of a variable interest entity ("VIE"). Entities which the Company does not control and entities which are VIEs in which the Company is not a primary beneficiary are accounted for under appropriate GAAP.

(Unaudited and dollars in thousands, except share/unit and per share/unit data)

As of June 30, 2024, the Company had interests in five consolidated joint ventures with developers, consisting of three development projects and two land joint ventures with ownership interests ranging from 80% to 95.5%. Each joint venture acquired land parcels for industrial development. The Company determined that the joint ventures are variable interest entities in accordance with the applicable accounting guidance. The Company concluded that it is the primary beneficiary in each of the joint ventures and as such, the joint ventures' operations are consolidated in the Company's unaudited condensed consolidated financial statements.

The assets of each VIE are only available to satisfy such VIE's respective liabilities. Below is a summary of selected financial data of consolidated VIEs for which the Company is the primary beneficiary included in the unaudited condensed consolidated balance sheets as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Real estate, net	$ 384,422	$ 535,118
Total assets	$ 460,804	$ 626,442
Total liabilities	$ 6,882	$ 19,549

Use of Estimates. Management has made a number of significant estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses to prepare these unaudited condensed consolidated financial statements in conformity with GAAP. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management adjusts such estimates when facts and circumstances dictate. The most significant estimates made include the recoverability of current and deferred accounts receivable, allocation of property purchase price to tangible and intangible assets acquired and liabilities assumed, the determination of VIEs and which entities should be consolidated, the determination of impairment of long-lived assets and equity method investments, valuation of derivative financial instruments, valuation of awards granted under compensation plans, the determination of the incremental borrowing rate for leases where the Company is the lessee, the determination of the term and fair value of sales-type leases, the estimated credit losses for investments in sales-type leases and the useful lives of long-lived assets. Actual results could differ materially from those estimates.

Reclassifications. Certain amounts included in the 2023 unaudited condensed consolidated financial statements have been reclassified to conform to the 2024 presentation.

Recently Issued Accounting Guidance. In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, Improvements to Reportable Segment Disclosures (Topic 280). ASU 2023-07 requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within the segment measure of profit or loss, an amount and description of its composition for other segment items to reconcile to segment profit or loss, and the title and position of the entity's CODM. ASU 2023-07 will be effective retrospectively for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024. The Company will continue to evaluate the impact of the guidance on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures that requires public companies to annually (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than five percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate). The ASU is effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact of the guidance until it becomes effective.

LXP INDUSTRIAL TRUST AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023
(Unaudited and dollars in thousands, except share/unit and per share/unit data)

In March 2024, the U.S. Securities and Exchange Commission ("SEC") adopted the final rule under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors. This rule will require registrants to disclose certain climate-related information in registration statements and annual reports. In April 2024, the SEC voluntarily stayed the effectiveness of the new rules pending related litigation. If the stay is lifted and the effective times are unchanged, certain of the disclosure requirements will begin to apply to the Company's fiscal year beginning January 1, 2025. The Company is currently evaluating the final rule to determine its impact on the Company's disclosures.

(2) Earnings Per Share

A portion of the Company's non-vested share-based payment awards are considered participating securities and as such, the Company is required to use the two-class method for the computation of basic and diluted earnings per share. Under the two-class computation method, net losses are not allocated to participating securities unless the holder of the security has a contractual obligation to share in the losses. The non-vested share-based payment awards are not allocated losses as the awards do not have a contractual obligation to share in losses of the Company.

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
BASIC				
Net income (loss) attributable to common shareholders	$ 3,775	$ (9,683)	$ 1,844	$ (161)
Weighted-average number of common shares outstanding - basic	291,403,985	290,186,934	291,346,184	290,134,015
Net income (loss) attributable to common shareholders - per common share basic	$ 0.01	$ (0.03)	$ 0.01	$ —
DILUTED				
Net income (loss) attributable to common shareholders - basic	$ 3,775	$ (9,683)	$ 1,844	$ (161)
Impact of assumed conversions	—	(81)	—	(77)
Net income (loss) attributable to common shareholders	$ 3,775	$ (9,764)	$ 1,844	$ (238)
Weighted-average common shares outstanding - basic	291,403,985	290,186,934	291,346,184	290,134,015
Effect of dilutive securities:				
Unvested share-based payment awards	211,365	—	105,682	—
Operating partnership units	—	828,603	—	830,335
Weighted-average common shares outstanding - diluted	291,615,350	291,015,537	291,451,866	290,964,350
Net income (loss) attributable to common shareholders - per common share diluted	$ 0.01	$ (0.03)	$ 0.01	$ —

For per common share amounts, generally all incremental shares are considered anti-dilutive for periods that have a loss from continuing operations attributable to common shareholders. In addition, other common share equivalents may be anti-dilutive in certain periods.

(Unaudited and dollars in thousands, except share/unit and per share/unit data)

Calculation of dilutive earnings requires certain potentially dilutive shares to be excluded when the inclusion of such shares would be anti-dilutive. The following table summarizes the potentially dilutive shares excluded from the dilutive earnings per share calculation as the inclusion of such shares would be anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Unvested share-based payment awards	—	135,172	—	131,522
Preferred shares - Series C	4,710,570	4,710,570	4,710,570	4,710,570

(3) Investments in Real Estate

The Company placed in service the following warehouse/distribution facilities during the six months ended June 30, 2024:

Market (% owned)	Placed in Service Date	Initial Cost Basis[1]	Lease Expiration Date	Land	Building and Improvements
Phoenix, AZ (100%)	February 2024	$ 52,767	01/2031	$ 9,449	$ 43,318
Central Florida (80%) [2]	February 2024	80,825	N/A	10,618	70,207
Indianapolis, IN (80%)[2]	February 2024	64,285	N/A	5,126	59,159
Greenville/Spartanburg, SC (90%) [2]	April 2024	73,414	N/A	6,765	66,649
Central Florida (100%) [2]	June 2024	19,021	N/A	4,493	14,528
		$ 290,312		$ 36,451	$ 253,861

(1) Initial cost basis excludes certain remaining costs, such as tenant improvements, lease costs and developer incentive fees or partner promotes, if any.
(2) The warehouse/distribution facility was placed in service vacant one year after the completion of base building construction in accordance with the Company's policy.

As of June 30, 2024, the details of the development arrangements outstanding are as follows (in $000's, except square feet):

Project (% owned)	# of Buildings	Market	Estimated Sq. Ft.	Estimated Project Cost[1]	GAAP Investment Balance as of 6/30/2024[2]	LXP Amount Funded as of 6/30/2024	Actual/Estimated Base Building Completion Date	% Leased as of 6/30/2024
Build-to-Suit Development Projects Leased								
Piedmont (100%) [3]	1	Greenville/Spartanburg, SC	625,238	$ 74,400	$ 48,578	$ 34,540	4Q 2024	100 %
Development Projects Available for Lease [4]								
South Shore Building B (100%) [5]	1	Central Florida	80,983	$ 12,700	$ 12,122	$ 11,919	3Q 2023	— %
Etna Building D (100%)	1	Columbus, OH	250,020	30,200	23,743	25,021	1Q 2024	— %
	2		331,003	$ 42,900	$ 35,865	$ 36,940		
	3		956,241	$ 117,300	$ 84,443	$ 71,480		

(1) Excludes leasing costs, incomplete costs, and developer incentive fees or partner promotes, if any.
(2) Excludes leasing costs and incomplete costs.
(3) During the six months ended June 30, 2024, the Company acquired a 59.1 acre land parcel for a purchase price of $3,416 and commenced construction of a build-to-suit warehouse/distribution facility subject to a 12-year lease, which is estimated to commence January 2025.
(4) Estimated project cost excludes potential developer incentive fees or partner promotes, if any.
(5) During the fourth quarter of 2023, a 57,690 square foot portion of the project, representing 42% of the facility was occupied by a tenant and placed in service.

As of June 30, 2024, the Company's aggregate investment in the ongoing development arrangements was $84,443. This amount included capitalized interest of $869 for the six months ended June 30, 2024 and is presented as investments in real estate under construction in the accompanying unaudited condensed consolidated balance sheet. For the six months ended June 30, 2023, capitalized interest for development arrangements was $5,194.

As of June 30, 2024, the details of the land held for industrial development are as follows (in $000's, except acres):

Project (% owned)	Market	Approx. Developable Acres	GAAP Investment Balance as of 6/30/2024	LXP Amount Funded as of 6/30/2024 [1]
Reems & Olive (95.5%)	Phoenix, AZ	315	$ 79,338	$ 74,610
Mt. Comfort Phase II (80%)	Indianapolis, IN	116	5,331	4,295
ATL Fairburn JV (100%)	Atlanta, GA	14	1,732	1,757
		445	$ 86,401	$ 80,662

(1) Excludes noncontrolling interests' share.

(Unaudited and dollars in thousands, except share/unit and per share/unit data)

(4) Dispositions and Impairment

During the six months ended June 30, 2024 and 2023, the Company disposed of its interests in various properties for a gross disposition price of $15,750 and $27,910, respectively, and recognized gains on sale of properties of $8,352 and $7,879, respectively.

The Company had one and two properties classified as held for sale at June 30, 2024 and December 31, 2023, respectively. Assets and liabilities of the held for sale properties at June 30, 2024 and December 31, 2023 consisted of the following:

	June 30, 2024	December 31, 2023
Assets:		
Real estate, at cost	$ 26,758	$ 9,018
Real estate, intangible assets	3,536	—
Accumulated depreciation and amortization	(14,452)	—
Other	131	150
	$ 15,973	$ 9,168
Liabilities:		
Accounts payable and other liabilities	$ 24	$ 5
Deferred revenue	—	53
Prepaid rent	—	359
	$ 24	$ 417

The Company assesses on a regular basis whether there are any indicators that the carrying value of its real estate assets may be impaired. Potential indicators may include an increase in vacancy at a property, tenant financial instability, change in the estimated holding period of the asset, the potential sale or transfer of the property in the near future and changes in economic conditions. An asset is determined to be impaired if the asset's carrying value is in excess of its estimated fair value and the Company estimates that its cost will not be recovered.

The Company did not incur any impairment charges on real estate during the six months ended June 30, 2024. The Company recognized aggregate impairment charges on real estate of $16,490 during the six months ended June 30, 2023, due to potential property sales.

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(5) Fair Value Measurements

The following tables present the Company's assets and liabilities measured at fair value on a recurring and non-recurring basis as of June 30, 2024 and December 31, 2023, aggregated by the level in the fair value hierarchy within which those measurements fall:

Description	Balance June 30, 2024	Fair Value Measurements Using (Level 1)	(Level 2)	(Level 3)
Interest rate swap assets	$ 6,128	$ —	$ 6,128	$ —

Description	Balance December 31, 2023	Fair Value Measurements Using (Level 1)	(Level 2)	(Level 3)
Interest rate swap assets	$ 9,471	$ —	$ 9,471	$ —
Impaired assets held for sale [1]	$ 9,170	$ —	$ —	$ 9,170

(1) The Company estimated the fair value of certain real estate assets throughout the year based on a discounted cash flow analysis using a discount rate of 10.0% and a residual capitalization rate of 8.0%. As significant inputs to the models are unobservable, the Company determined that the value determined for these properties falls within Level 3 of the fair value reporting hierarchy.

The majority of the inputs used to value the Company's interest rate swaps fall within Level 2 of the fair value hierarchy, such as observable market interest rate curves; however, the credit valuation associated with the interest rate swaps utilizes Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. As of June 30, 2024 and December 31, 2023, the Company determined that the credit valuation adjustment relative to the overall interest rate swaps was not significant. As a result, all interest rate swaps have been classified in Level 2 of the fair value hierarchy.

The table below sets forth the carrying amounts and estimated fair values of the Company's financial instruments, as of June 30, 2024 and December 31, 2023:

	As of June 30, 2024		As of December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Investment in a sales-type lease, net	$ 64,657	$ 72,280	$ 63,464	$ 62,500
Liabilities				
Debt	$ 1,571,017	$ 1,434,209	$ 1,770,827	$ 1,630,066

The fair value of the Company's investment in a sales-type lease, net is primarily estimated utilizing Level 3 inputs by using a discounted cash flow analysis and an estimate of the unguaranteed residual value.

The fair value of the Company's debt is primarily estimated utilizing Level 3 inputs by using a discounted cash flow analysis, based upon estimates of market interest rates. The Company determines the fair value of its Senior Notes using market prices. The inputs used in determining the fair value of these notes are categorized as Level 1 due to the fact that the Company uses quoted market rates to value these instruments. However, the inputs used in determining the fair value could be categorized as Level 2 if trading volumes are low.

Fair values cannot be determined with precision, may not be substantiated by comparison to quoted prices in active markets and may not be realized upon sale. Additionally, there are inherent uncertainties in any fair value measurement technique, and changes in the underlying assumptions used, including discount rates, liquidity risks and estimates of future cash flows, could significantly affect the fair value measurement amounts.

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Cash Equivalents, Restricted Cash, Accounts Receivable and Accounts Payable. The Company estimates that the fair value of cash equivalents, restricted cash, accounts receivable and accounts payable approximates carrying value due to the relatively short maturity of the instruments.

(6) Investments in Non-Consolidated Entities

Below is a schedule of the Company's investments in non-consolidated entities:

	Percentage Ownership at	Investment Balance as of		Equity in earnings (losses) of non-consolidated entities	
Investment	June 30, 2024	June 30, 2024	December 31, 2023	June 30, 2024	June 30, 2023
NNN MFG Cold JV L.P. ("MFG Cold JV")[1]	20%	$ 16,464	$ 19,693	$ (1,986)	$ (1,597)
NNN Office JV L.P. ("NNN JV")[2]	20%	16,363	16,237	(74)	(263)
Etna Park 70, LLC[3]	90%	9,685	10,320	(134)	(86)
Etna Park East LLC[4]	90%	2,297	2,245	(92)	(72)
BSH Lessee L.P.[5]	25%	—	—	—	4,608
Lombard Street Lots, LLC [6]	44.1%	2,311	—	—	—
		$ 47,120	$ 48,495	$ (2,286)	$ 2,590

(1) MFG Cold JV is a joint venture formed in 2021 that owns special purpose industrial properties formerly owned by the Company.
(2) NNN JV is a joint venture formed in 2018 that owns office properties formerly owned by the Company. During the six months ended June 30, 2024, NNN JV sold one asset and the Company recognized its share of gains on sale and debt satisfaction costs of $283 and $3, respectively, within equity in earnings (losses) of non-consolidated entities within its unaudited condensed consolidated statements of operations.
(3) Joint venture formed in 2017 with a developer entity to acquire a parcel of land.
(4) Joint venture formed in 2019 with a developer entity to acquire a parcel of land.
(5) A joint venture investment which sold its sole single-tenant, net-leased asset in January 2023 and the Company recognized its share of the gain on sale of $4,791 within equity in earnings (losses) of non-consolidated entities within its unaudited condensed consolidated statements of operations.
(6) In June 2024, the Company determined it no longer controlled and ceased to consolidate the operations of Lombard Street Lots, LLC in its unaudited condensed consolidated financial statements, as a result of an amendment to the LLC agreement. The Company retained significant influence over Lombard Street Lots, LLC and accounted for its interest under the equity method of accounting. The Company recognized a gain on change in control of a subsidiary as a result of the deconsolidation of $209 and recorded its equity method investment in Lombard Street Lots, LLC at a fair value of $2,311. The total assets and liabilities deconsolidated were $4,608 and $4, respectively.

The Company earns advisory fees from certain of these non-consolidated entities for services related to acquisitions, asset management and debt placement. Advisory fees earned from these non-consolidated investments for the six months ended June 30, 2024 and 2023 were $2,062 and $2,208, respectively.

(7) Debt

The Company had the following mortgages and notes payable outstanding as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Mortgages and notes payable	$ 58,225	$ 60,888
Unamortized debt issuance costs	(674)	(764)
Mortgage notes payable, net	$ 57,551	$ 60,124

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Interest rates, including imputed rates on mortgages and notes payable, ranged from 3.5% to 4.3%, at June 30, 2024 and December 31, 2023 and all mortgages and notes payable mature between 2028 and 2031 as of June 30, 2024. The weighted-average interest rate at June 30, 2024 and December 31, 2023 was approximately 4.0%, respectively.

The Company had the following senior notes outstanding as of June 30, 2024 and December 31, 2023:

Issue Date	June 30, 2024	December 31, 2023	Interest Rate	Maturity Date	Issue Price
May 2014[(1)]	$ —	$ 198,932	4.400 %	June 2024	99.883 %
November 2023	300,000	300,000	6.750 %	November 2028	99.423 %
August 2020	400,000	400,000	2.700 %	September 2030	99.233 %
August 2021	400,000	400,000	2.375 %	October 2031	99.758 %
	1,100,000	1,298,932			
Unamortized debt discount	(4,106)	(4,489)			
Unamortized debt issuance costs	(7,560)	(8,298)			
Senior notes payable, net	$ 1,088,334	$ 1,286,145			

(1) The Company repaid the 4.40% Senior Notes due 2024 at maturity.

Each series of the senior notes is unsecured and require payment of interest semi-annually in arrears. The Company may redeem the notes at its option at any time prior to maturity in whole or in part by paying the principal amount of the notes being redeemed plus any potential make-whole premium.

The Company has an unsecured credit agreement with KeyBank National Association, as agent. The maturity dates and interest rates as of June 30, 2024, are as follows:

	Maturity Date	Interest Rate
$600,000 Revolving Credit Facility[(1)]	July 2026	SOFR + 0.85%
$300,000 Term Loan[(2)]	January 2027	Term SOFR + 1.00%

(1) Maturity date of the revolving credit facility can be extended to July 2027, subject to certain conditions. The interest rate includes a 0.10% adjustment. The interest rate spread ranges from 0.725% to 1.400%, and the revolving credit facility allows for further reductions upon the achievement of to-be-determined sustainability metrics. At June 30, 2024, the Company had no borrowings outstanding and availability of $600,000, subject to covenant compliance.

(2) The Term SOFR portion of the interest rate was swapped to obtain a current fixed rate of 2.722% per annum, until January 31, 2025. The aggregate unamortized debt issuance costs for the term loan was $2,711 and $3,236 as of June 30, 2024 and December 31, 2023, respectively.

The Company was compliant with all applicable financial covenants contained in its corporate-level debt agreements at June 30, 2024.

During 2007, the Company issued $200,000 original principal amount of Trust Preferred Securities. The Trust Preferred Securities, which are classified as debt, are due in 2037, are open for redemption at the Company's option and bear interest at a variable rate of three-month SOFR plus a 0.26% adjustment plus a spread of 170 basis points through maturity. The interest rate at June 30, 2024 was 7.291%. As of June 30, 2024 and December 31, 2023, there was $129,120 original principal amount of Trust Preferred Securities outstanding and $1,277 and $1,326, respectively, of unamortized debt issuance costs.

The Company capitalized $2,687 and $5,436 of interest expense for the six months ended June 30, 2024 and 2023, respectively.

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(8) Derivatives and Hedging Activities

Risk Management Objective of Using Derivatives. The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the type, amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's investments and borrowings.

Cash Flow Hedges of Interest Rate Risk. The Company's objectives in using interest rate derivatives are to add stability to interest expense, to manage its exposure to interest rate movements and therefore manage its cash outflows as it relates to the underlying debt instruments. To accomplish these objectives, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy relating to certain of its variable rate debt instruments. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in accumulated other comprehensive income (loss) and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. The Company did not incur any ineffectiveness during the six months ended June 30, 2024 and 2023.

During July 2022, the Company transitioned its four interest rate swap agreements with its counterparties to a benchmark rate of Term SOFR. The swaps were designated as cash flow hedges of the risk in variability attributable to changes in the Term SOFR swap rates on its $300,000 SOFR-indexed variable rate unsecured term loan. Accordingly, changes in fair value of the swaps are recorded in other comprehensive income (loss) and reclassified to earnings as interest becomes receivable or payable. The swaps expire in January 2025. During the next 12 months, the Company estimates that an additional $6,128 will be reclassified as a decrease in interest expense if the swaps remain outstanding.

As of June 30, 2024, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

Interest Rate Derivative	Number of Instruments	Notional
Interest Rate Swaps	4	$300,000

The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the unaudited condensed consolidated balance sheets:

	As of June 30, 2024		As of December 31, 2023	
Derivatives designated as hedging instruments:	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest Rate Swaps	Other Assets	$ 6,128	Other Assets	$ 9,471

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The table below presents the effect of the Company's derivative financial instruments on the unaudited condensed consolidated statements of operations for the six months ended June 30, 2024 and 2023:

Derivatives in Cash Flow Hedging Relationships	Amount of Gain Recognized in OCI on Derivatives June 30, 2024	2023	Amount of (Income) Loss Reclassified from Accumulated OCI into Income(1) June 30, 2024	2023
Interest Rate Swaps	$ 2,279	$ 3,668	$ (5,623)	$ (4,719)
The Company's share of non-consolidated entity's interest rate cap	220	220	(162)	(658)
Total	$ 2,499	$ 3,888	$ (5,785)	$ (5,377)

(1) Amounts reclassified from accumulated other comprehensive income (loss) to interest expense within the unaudited condensed consolidated statements of operations.

Total interest expense presented in the unaudited condensed consolidated statements of operations, in which the effects of cash flow hedges are recorded was $34,587 and $21,537 for the six months ended June 30, 2024 and 2023, respectively.

The Company's agreements with the swap derivative counterparties contain provisions whereby if the Company defaults on the underlying indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default of the swap derivative obligation. As of June 30, 2024, the Company had not posted any collateral related to the agreements.

(9) Lease Accounting

Lessor

Operating Leases. The Company’s lease portfolio as a lessor primarily includes general purpose, single-tenant net-leased real estate assets. Most of the Company’s leases require tenants to pay fixed annual rental payments that escalate on an annual basis and variable payments for other operating expenses, such as real estate taxes, insurance, common area maintenance ("CAM"), and utilities, that are based on the actual expenses incurred.

Certain leases allow for the tenant to renew the lease term upon expiration or earlier. Periods covered by a renewal option are included within the lease term only when renewals are deemed to be reasonably certain. Certain leases allow for the tenant to terminate the lease before the expiration of the lease term and certain leases provide the tenant with the right to purchase the leased property at fair market value or a stipulated price upon expiration of the lease term or before.

Accounting guidance under ASC 842 requires the Company to make certain assumptions and judgments in applying the guidance, including determining whether an arrangement includes a lease and determining the lease term when the contract has renewal, purchase or early termination provisions.

The Company analyzes its accounts receivable, customer creditworthiness and current economic trends when evaluating the adequacy of the collectability of the lessee's total accounts receivable balance on a lease by lease basis. In addition, tenants in bankruptcy are analyzed and considerations are made in connection with the expected pre-petition and post-petition claims. If a lessee's accounts receivable balance is considered uncollectible, the Company will write-off the receivable balances associated with the lease to rental revenue and cease to recognize lease income, including straight-line rent, unless cash is received. If the Company subsequently determines that it is probable it will collect substantially all of the lessee's remaining lease payments under the lease term; the Company will reinstate the straight-line balance adjusting for the amount related to the period when the lease was accounted for on a cash basis.

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The Company elected that the lease and non-lease components in its leases are a single lease component, which is, therefore, being recognized as rental revenue in its unaudited condensed consolidated statements of operations. The primary non-lease service included within rental revenue is CAM services provided as part of the Company's real estate leases. ASC 842 requires that the Company capitalize, as initial direct costs, only those costs that are incurred due to the execution of a lease. For the six months ended June 30, 2024 and 2023, the Company did not incur any costs that were not incremental to the execution of leases.

The Company manages the risk associated with the residual value of its leased properties by including contract clauses that make tenants responsible for surrendering the space in good condition upon lease termination, holding a diversified portfolio, and other activities. The Company does not have residual value guarantees on specific properties.

Sales-Type Leases. As of June 30, 2024, the Company had one lease that qualified as a sales-type lease.

The Company has one ground lease for a 100-acre industrial development land parcel located in the Phoenix, Arizona market that is classified as a sales-type lease. At the commencement date of the lease, the Company evaluated the lease classification and classified the lease as a sales-type lease. The lease contains a purchase option in the amount of $20.00 per land square foot starting on the second anniversary date of the lease (November 2024) and ending on the third anniversary date (November 2025). The Company determined that the purchase option was not reasonably certain of being exercised. The lease met the sales-type lease criteria because the present value of the lease payments was equal to substantially all of the fair value of the underlying asset on the lease commencement date.

Rental Revenue Classification. The following table presents the Company's classification of rental revenue for its operating leases and sales-type lease for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Six Months Ended June 30,	
Classification	2024	2023	2024	2023
Fixed	$ 69,748	$ 69,049	$ 139,760	$ 137,136
Sales-type lease income	1,917	1,848	3,816	3,681
Variable[(1)]	13,103	14,168	26,399	27,665
Total	$ 84,768	$ 85,065	$ 169,975	$ 168,482

(1) Primarily comprised of tenant reimbursements.

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Future fixed rental receipts for operating and sales-type leases, assuming no new or re-negotiated leases as of June 30, 2024 were as follows:

	Operating	Sales-Type
2024 - remainder	$ 136,494	$ 2,648
2025	270,138	5,473
2026	255,230	5,692
2027	220,623	5,920
2028	186,951	6,156
2029	160,456	6,403
Thereafter	447,527	726,604
Total	$ 1,677,419	$ 758,896
Difference between undiscounted cash flow and present value		(694,169)
Investment in a sales-type lease		$ 64,727

The minimum lease payments above do not include reimbursements to be received from tenants for certain operating expenses and real estate taxes and do not include early termination payments provided for in certain leases, unless such payments are reasonably certain to be received.

Certain leases allow for the tenant to terminate the lease if the property is deemed obsolete, as defined, and upon payment of a termination fee to the landlord, as stipulated in the lease. In addition, certain leases provide the tenant with the right to purchase the leased property at fair market value or a stipulated price.

Lessee

The Company, as lessee, has ground leases, corporate leases for office space, and office equipment leases. All leases were classified as operating leases as of June 30, 2024. The leases have remaining lease terms of up to 33 years. Renewal periods are included in the lease term only when renewal is deemed to be reasonably certain. The lease term also includes periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise the termination option. The Company measures its lease payments by including fixed rental payments and variable rental payments that tie to an index or a rate, such as CPI. The Company recognizes lease expense for its operating leases on a straight-line basis over the lease term and variable lease expense not included in the lease payment measurement as incurred.

The accounting guidance under ASC 842 requires the Company to make certain assumptions and judgments in applying the guidance, including determining whether an arrangement includes a lease, determining the term of a lease when the contract has renewal or termination provisions and determining the discount rate.

The Company determines whether an arrangement is or includes a lease at contract inception by evaluating whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the Company has the right to obtain substantially all of the economic benefits from and can direct the use of, the identified asset for a period of time, the Company accounts for the contract as a lease.

The Company uses the information available at the lease commencement date to determine the discount rate for any new leases. The Company used a portfolio approach to determine its incremental borrowing rate. Lease contracts were grouped based on similar lease terms and economic environments in a manner in which the Company reasonably expects that the outcome from applying a portfolio approach does not differ materially from an individual lease approach. The Company estimated a collateralized discount rate for each portfolio of leases.

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Supplemental information related to operating leases is as follows:

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Weighted-average remaining lease term		
Operating leases (years)	8.6	9.2
Weighted-average discount rate		
Operating leases	4.1 %	4.1 %

The components of lease expense for the six months ended June 30, 2024 and 2023 were as follows:

Income Statement Classification	Fixed	Variable	Total
2024:			
Property operating	$ 1,756	$ 15	$ 1,771
General and administrative[(1)]	788	124	912
Total	$ 2,544	$ 139	$ 2,683
2023:			
Property operating	$ 1,771	$ 7	$ 1,778
General and administrative	767	151	918
Total	$ 2,538	$ 158	$ 2,696

(1) The general and administrative lease expense excludes a reduction of $267 to lease expense for the sublease of the Company's office space in New York, New York.

The Company recognized sublease income related to its ground leases in rental revenue of $1,660 for each of the six months ended June 30, 2024 and 2023.

The following table shows the Company's maturity analysis of its operating lease liabilities as of June 30, 2024:

	Operating Leases
2024 - remainder	$ 2,489
2025	5,174
2026	4,144
2027	3,643
2028	1,031
2029	193
Thereafter	5,287
Total lease payments	$ 21,961
Less: Imputed interest	(4,026)
Present value of lease liabilities	$ 17,935

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(10) Allowance for Credit Loss

As of June 30, 2024 and December 31, 2023, the Company had a $70 and $61 credit loss allowance, respectively, resulting from an investment in a sales-type lease.

The following table details the investment in a sales-type lease as of June 30, 2024 and December 31, 2023:

	As of June 30, 2024			
	Amortized cost	Allowance	Net Investment	Allowance as a % of Amortized Cost
Investment in a sales-type lease	$ 64,727	$ (70)	$ 64,657	0.11 %
	As of December 31, 2023			
Investment in a sales-type lease	$ 63,525	$ (61)	$ 63,464	0.10 %

	For the Six Months Ended June 30, 2024			
	Balance at Beginning of Period	Write-Offs	General Allowance	Balance at End of Period
Allowance for credit loss	$ 61	$ —	$ 9	$ 70
	For the Twelve Months Ended December 31, 2023			
Allowance for credit loss	$ 93	$ —	$ (32)	$ 61

As of June 30, 2024, the lessee in the sales-type lease remains current on their obligations to the Company and, therefore, the investment is not on non-accrual status.

(11) Concentration of Risk

The Company seeks to reduce its operating and leasing risks through the geographic diversification of its properties in target markets, tenant industry diversification, avoidance of dependency on a single asset and the creditworthiness of its tenants. For the six months ended June 30, 2024 and 2023, no single tenant represented greater than 10% of rental revenues.

Cash and cash equivalent balances at certain institutions may exceed insurable amounts. The Company believes it mitigates this risk by investing in or through major financial institutions.

(12) Equity

Shareholders' Equity:

At-The-Market Offering Program. The Company maintains an At-The-Market offering program ("ATM program") under which the Company can issue common shares, including through forward sales contracts.

The Company may, from time to time, sell up to $350,000 of common shares over the term of the ATM program. During the six months ended June 30, 2024 and 2023, the Company did not sell shares under the ATM program.

(Unaudited and dollars in thousands, except share/unit and per share/unit data)

Stock Based Compensation. During the six months ended June 30, 2024 and 2023, the Company issued 50,505 and 46,440, respectively, of fully vested common shares to non-management members of the Company's Board of Trustees with a fair value of $450 and $480, respectively.

Share Repurchase Program. In August 2022, the Company's Board of Trustees authorized the repurchase of up to an additional 10,000,000 common shares under the Company's share repurchase program, which does not have an expiration date. There were no common shares repurchased during the six months ended June 30, 2024 and 2023. As of June 30, 2024, 6,874,241 common shares remain available for repurchase under this authorization. The Company records a liability for repurchases that have not yet been settled as of the period end. There were no unsettled repurchases as of June 30, 2024.

Series C Preferred Stock. The Company had 1,935,400 shares of Series C Cumulative Convertible Preferred Stock (“Series C Preferred”) outstanding at June 30, 2024. The shares have a dividend of $3.25 per share per annum, have a liquidation preference of $96,770, and the Company, if certain common share prices are achieved, can force conversion into common shares of the Company. As of June 30, 2024, each share was convertible into 2.4339 common shares. This conversion ratio may increase over time if the Company's common share dividend exceeds certain quarterly thresholds.

If certain fundamental changes occur, holders may require the Company, in certain circumstances, to repurchase all or part of their shares of Series C Preferred. In addition, upon the occurrence of certain fundamental changes, the Company will, under certain circumstances, increase the conversion rate by a number of additional common shares or, in lieu thereof, may in certain circumstances elect to adjust the conversion rate upon the shares of Series C Preferred becoming convertible into shares of the public acquiring or surviving company.

The Company may, at the Company's option, cause shares of Series C Preferred to be automatically converted into that number of common shares that are issuable at the then prevailing conversion rate. The Company may exercise its conversion right only if, at certain times, the closing price of the Company's common shares equals or exceeds 125% of the then prevailing conversion price of the Series C Preferred.

Holders of shares of Series C Preferred generally have no voting rights, but will have limited voting rights if the Company fails to pay dividends for six or more quarters and under certain other circumstances. Upon conversion, the Company may choose to deliver the conversion value to investors in cash, common shares, or a combination of cash and common shares.

A summary of the changes in accumulated other comprehensive income (loss) related to the Company's cash flow hedges is as follows:

	Six Months Ended June 30,	
	2024	2023
Balance at beginning of period	$ 9,483	$ 17,689
Other comprehensive income before reclassifications	2,499	3,888
Amounts of (income) reclassified from accumulated other comprehensive income to interest expense	(5,785)	(5,377)
Balance at end of period	$ 6,197	$ 16,200

Noncontrolling Interests. In conjunction with several of the Company's acquisitions in prior years, sellers were issued limited partner interests in an operating partnership (“OP units”) as a form of consideration. All OP units, other than OP units owned by the Company, were redeemable for common shares at certain times, at the option of the holders, and were generally not otherwise mandatorily redeemable by the Company. The OP units were classified as a component of permanent equity as the Company has determined that the OP units were not redeemable securities as defined by GAAP. Each OP unit was redeemable for approximately 1.13 common shares.

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During the six months ended June 30, 2023, 4,886 common shares, were issued by the Company, in connection with OP unit redemptions, for an aggregate value of $25. On December 31, 2023, the operating partnership was merged with and into the Company and all outstanding OP units were converted into 822,627 common shares for a total value of $7,800 on a one to 1.13 basis.

The following discloses the effects of changes in the Company's ownership interests in its noncontrolling interests:

	Net Income Attributable to Shareholders and Transfers from Noncontrolling Interests	
	Six Months Ended June 30,	
	2024	2023
Net income attributable to LXP Industrial Trust shareholders	$ 5,157	$ 3,118
Transfers from noncontrolling interests:		
Increase in additional paid-in-capital for redemption of noncontrolling OP units	—	25
Change from net income attributable to shareholders and transfers from noncontrolling interests	$ 5,157	$ 3,143

During the six months ended June 30, 2024, the Company purchased the remaining equity interests owned in two joint venture partnerships that own warehouse/distribution facilities for an aggregate of $27,873. As the Company previously consolidated its interests in the joint ventures, the acquisitions of the noncontrolling interests were recorded as equity transactions with the difference between the purchase prices and the aggregate carrying balances recorded as a $23,843 reduction in additional paid-in-capital.

(13) Related Party Transactions

There were no related party transactions other than those disclosed elsewhere in these unaudited condensed consolidated financial statements.

(14) Commitments and Contingencies

In addition to the commitments and contingencies disclosed elsewhere, the Company has the following commitments and contingencies.

The Company is obligated under certain tenant leases, including its proportionate share for leases for non-consolidated entities, to fund the expansion of the underlying leased properties. The Company, under certain circumstances, may guarantee to tenants the completion of base building improvements and the payment of tenant improvement allowances and lease commissions on behalf of its subsidiaries.

As of June 30, 2024, the Company expects to incur approximately $65,600 excluding noncontrolling interests' share and potential developer incentive fees or partner buyouts, to substantially fund the consolidated development project commitments. As of June 30, 2024, the Company has interests in various industrial land parcels held for development. The Company is unable to estimate the timing of any required funding for the potential development projects on these parcels.

From time to time, the Company is directly or indirectly involved in legal proceedings arising in the ordinary course of business. Management believes, based on currently available information, and after consultation with legal counsel, that although the outcomes of those normal course proceedings are uncertain, the results of such proceedings, in the aggregate, will not have a material adverse effect on the Company's business, financial condition and results of operations.

(15) Supplemental Disclosure of Statement of Cash Flow Information

In addition to disclosures discussed elsewhere, during the six months ended June 30, 2024 and 2023, the Company paid $35,561 and $25,780, respectively, for interest and $588 and $757, respectively, for income taxes.

During the six months ended June 30, 2024 and 2023, the Company accrued additions for capital projects of $32,474 and $34,884, respectively.

During the six months ended June 30, 2024, the Company deconsolidated Lombard Street Lots, LLC resulting in non-cash changes to real estate, at cost, investments in non-consolidated entities and noncontrolling interests of $4,605,$2,311 and $2,503, respectively.

(16) Subsequent Events

- Disposed of one property for gross proceeds of $28,600.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

Unless stated otherwise or the context otherwise requires, when we use the terms the "Company," the "Trust," "LXP," "we," "our," and "us," we refer collectively to LXP Industrial Trust and its consolidated subsidiaries. All of the Company's interests are held, and all of the property operating activities are conducted through special purposes entities, which we refer to as property owner subsidiaries or lender subsidiaries and are separate and distinct legal entities, but in some instances are consolidated for financial statement purposes and/or disregarded for income tax purposes. References herein to "this Quarterly Report" are to this Quarterly Report on Form 10-Q for the three and six months ended June 30, 2024. The results of operations contained herein for the three and six months ended June 30, 2024 and 2023 are not necessarily indicative of the results that may be expected for a full year.

When we use the term "REIT," we mean real estate investment trust. All references to 2024 and 2023, refer to the periods ending June 30, 2024 and 2023, respectively, and our fiscal year ended December 31, 2023.

When we use the term "GAAP," we mean United States generally accepted accounting principles in effect from time to time.

When we use the term "common shares," we mean our shares of beneficial interest par value $0.0001, classified as common stock. When we use the term "Series C Preferred Shares," we mean our beneficial interest classified as 6.50% Series C Cumulative Convertible Preferred Stock.

When we use the term "base rent," we mean GAAP rental revenue and ancillary income, excluding billed tenant reimbursements and lease termination income.

When we use "Stabilized Portfolio," we mean all real estate properties other than non-stabilized properties. We consider stabilization to occur upon the earlier of 90% occupancy of the property or one-year from the cessation of major construction activities. Non-stabilized, substantially completed development projects are classified within investments in real estate under construction.

The terms "FFO," "Adjusted Company FFO," and "NOI" are defined below.

The following is a discussion and analysis of the unaudited condensed consolidated financial condition and results of operations of LXP Industrial Trust for the three and six months ended June 30, 2024 and 2023, and significant factors that could affect its prospective financial condition and results of operations. This discussion should be read together with the accompanying unaudited condensed consolidated financial statements of the Company included herein and notes thereto and with the consolidated financial statements and notes thereto included in the Company's most recent Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission, or SEC, on February 15, 2024, which we refer to as the Annual Report. Historical results may not be indicative of future performance.

Forward-Looking Statements. This Quarterly Report, together with other statements and information publicly disseminated by us, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and include this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "estimates," "projects," "may," "plans," "predicts," "will," "will likely result" or similar expressions. Readers should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could materially affect actual results, performances or achievements. In particular, among the factors that could cause actual results, performances or achievements to differ materially from current expectations, strategies or plans include, among others, those risks discussed below in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and under the headings "Risk Factors" in this Quarterly Report and under "Risk Factors" in Part I, Item A and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Annual Report and other periodic reports filed by the Company with the SEC. Except as required by law, we undertake no obligation to publicly release any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Accordingly, there is no assurance that our expectations will be realized.

Overview

As of June 30, 2024, we had equity ownership interests in approximately 117 consolidated warehouse/distribution facilities, located in 17 states and containing an aggregate of approximately 58.2 million square feet of space, approximately 93.5% of which was leased. During the three months ended June 30, 2024, we disposed of our remaining office properties and our portfolio is 100% industrial.

Our portfolio is primarily Class A real estate investments focused in our target markets within the Sunbelt and Midwest. We expect to grow in these markets by executing on our development pipeline and opportunistically acquiring facilities in these markets. However, increased financing costs continue to negatively impact transaction activity and development starts in our target markets and the markets where we own properties. Due to this, the current key drivers to growth in our revenue are leasing our vacant development properties and mark-to-market of our lease rollover.

Second Quarter 2024 Transaction Summary.

The following summarizes our significant transactions during the three months ended June 30, 2024.

Leasing Activity:

- Entered into a new lease and lease extensions encompassing 2.7 million square feet. The average fixed rent on the second generation new leases and extended leases was $5.22 per square foot compared to the average fixed rent on these leases before extension of $4.66 per square foot or $3.61 per square foot, excluding tenant improvement reimbursements as part of the expiring fixed rent in one lease. The weighted-average cost of tenant improvements and lease commissions was $2.15 per square foot for second generation new and extended leases.

Investments:

- Two vacant warehouse/distribution facilities containing an aggregate of 1.2 million square feet were placed in service one year after the completion of base building construction.

- Invested an aggregate of $34.7 million in development activities.

Debt:

- Repaid the $198.9 million aggregate principal balance of the outstanding 4.40% Senior Notes due 2024 at maturity.

Capital Recycling:

- Disposed of our interests in our two remaining consolidated office properties for an aggregate gross sale price of $15.8 million.

During the six months ended June 30, 2024, we completed and placed in service the following warehouse/distribution assets:

Market (% ownership)	Square Feet	Initial Capitalized Cost (millions)	Placed in Service Date	Approximate Lease Term (years)	% Leased
Phoenix, AZ (100%)	488,400	$ 52.8	February 2024	7.0	100%
Central Florida (80%)	1,085,280	80.8	February 2024	N/A	—%
Indianapolis, IN (80%)	1,053,360	64.3	February 2024	N/A	—%
Greenville/Spartanburg, SC (90%)	1,091,888	73.4	April 2024	N/A	—%
Central Florida (100%)	132,212	19.0	June 2024	N/A	—%
	3,851,140	$ 290.3			

Critical Accounting Estimates

Our critical accounting estimates are included in Part II, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Company's Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to these estimates during the six months ended June 30, 2024.

Liquidity and Capital Resources

Cash Flows. We believe that cash flows from operations will continue to provide adequate capital to fund our operating and administrative expenses, regular debt service obligations and all dividend payments in accordance with applicable REIT requirements in both the short-term and long-term. However, our cash flow from operations may be negatively affected in the near term if we experience tenant defaults. In addition, we anticipate that cash on hand, borrowings under our unsecured revolving credit facility, capital recycling proceeds, issuances of equity, mortgage proceeds and other debt, as well as other available alternatives, will provide the necessary capital required by our business.

At June 30, 2024, our secured debt was $58.2 million compared to $60.9 million at December 31, 2023. Our property owner subsidiaries do not have mortgage maturities with balloon payments due until 2031. With respect to mortgages encumbering properties where the expected lease rental revenues are sufficient to provide an estimated property value in excess of the mortgage balance, we believe our property owner subsidiaries have sufficient sources of liquidity to meet these obligations through future cash flows from operations, the credit markets and, if determined appropriate by us, a capital contribution from us from either cash on hand ($48.7 million at June 30, 2024), property sale proceeds and borrowing capacity on our unsecured credit facility ($600.0 million at June 30, 2024, subject to covenant compliance).

Cash flows from operations were $77.4 million for the six months ended June 30, 2024 as compared to $92.6 million for the six months ended June 30, 2023. The decrease was primarily related to an increase in interest expense, a decrease in distributions from non-consolidated entities and the payment of a lease concession to a tenant. The underlying drivers that impact our working capital, and therefore cash flows from operations, are the timing of collection of rents, including reimbursements from tenants, payment of interest on debt and payment of operating and general and administrative costs. We believe the net-lease structure of the leases encumbering a majority of the properties in which we have an interest mitigates the risks of the timing of cash flows from operations since the payment and timing of operating costs related to the properties are generally borne directly by the tenant. The collection and timing of tenant rents are closely monitored by management as part of our cash management program.

Net cash provided by (used in) in investing activities totaled $82.1 million and $(38.9) million during the six months ended June 30, 2024 and 2023, respectively. Cash provided by investing activities in 2024 related primarily to redeeming investments in held-to-maturity securities, proceeds from property sales and distributions received from non-consolidated entities, offset by investments in real estate under construction, capital expenditures, lease costs, investments in non-consolidated entities and changes in real estate deposits, net. Cash used in investing activities in 2023 primarily related to investments in real estate under construction and capital expenditures, offset by net proceeds received from the disposition of real estate and distributions from non-consolidated entities.

Net cash used in financing activities totaled $310.0 million and $85.0 million during the six months ended June 30, 2024 and 2023, respectively. Cash used in financing activities in 2024 was primarily related to the repayment of the 4.40% Senior Notes due 2024, dividends, debt service payments and the purchase of noncontrolling interests, offset by contributions from noncontrolling interests.

At-The-Market Offering Program. We maintain an At-The-Market offering program ("ATM program") under which we can issue common shares, including through forward sales contracts.

We may sell up to $350.0 million common shares over the term of the program. We did not sell shares under the ATM program during the six months ended June 30, 2024 and 2023, respectively.

Volatility in the capital markets, including as a result of general economic conditions, may negatively affect our ability to access the capital markets through our ATM program and other offerings.

Share Repurchase Program. In August 2022, our Board of Trustees authorized the repurchase of an additional 10.0 million common shares under our share repurchase program with no expiration date. We did not repurchase any common shares during the six months ended June 30, 2024 and 2023. At June 30, 2024, 6.9 million common shares remained available for repurchase under this authorization.

Dividends. Dividends paid to our common and preferred shareholders were $79.1 million and $76.1 million in the six months ended June 30, 2024 and 2023, respectively.

We declared a quarterly dividend of $0.13 per common share during the six months ended June 30, 2024, which is an increase of $0.005 per common share from the $0.125 per common share quarterly dividend declared during the six months ended June 30, 2023.

Financings. The following senior notes were outstanding as of June 30, 2024:

Issue Date	Face Amount (millions)	Interest Rate	Maturity Date	Issue Price
November 2023	$ 300.0	6.750 %	November 2028	99.423 %
August 2020	400.0	2.700 %	September 2030	99.233 %
August 2021	400.0	2.375 %	October 2031	99.758 %
Senior notes payable	$ 1,100.0			

The senior notes are unsecured and requires interest payments semi-annually in arrears. We may redeem the senior notes at our option at any time prior to maturity in whole or in part by paying the principal amount of the senior notes being redeemed plus a make-whole premium.

A summary of the maturity dates and interest rates of our unsecured credit agreement, as of June 30, 2024, are as follows:

	Maturity Date	Current Interest Rate
$600.0 Million Revolving Credit Facility(1)	July 2026	SOFR + 0.85%
$300.0 Million Term Loan(2)	January 2027	Term SOFR + 1.00%

(1) Maturity date of the revolving credit facility can be extended to July 2027 at our option, subject to certain conditions. The interest rate includes a 0.10% adjustment. The interest rate spread ranges from SOFR plus 0.725% to 1.40%. At June 30, 2024, we had no borrowings outstanding and availability of $600.0 million, subject to covenant compliance.

(2) The Term SOFR portion of the interest rate was swapped to obtain a current fixed rate of 2.722% per annum until January 31, 2025.

As of June 30, 2024, we were compliant with all applicable financial covenants contained in our corporate-level debt agreements.

During 2007, we issued $200.0 million in Trust Preferred Securities, which bore interest at a fixed rate of 6.804% through April 2017 and, thereafter, bears interest at a variable rate of three-month SOFR plus a 26 basis point adjustment plus 170 basis points. These securities are (1) classified as liabilities, (2) due in 2037 and (3) currently redeemable by us. As of June 30, 2024, and 2023, there were $129.1 million of these securities outstanding.

Development Costs

As of June 30, 2024, the aggregate estimated total costs of our consolidated development projects included in investment in real estate under construction are $117.3 million. We expect to incur approximately $65.6 million of additional costs, excluding noncontrolling interests' share and potential developer incentive fees or partner buyouts, to fund all of the remaining costs for our consolidated development project commitments. However, the risks associated with development, including supply chain issues, could adversely impact our estimates. As of June 30, 2024, we had three consolidated and two non-consolidated subsidiaries that owned land parcels held for industrial development. We are unable to estimate the timing of any required fundings for potential development projects on these parcels.

Results of Operations

Three months ended June 30, 2024 compared with three months ended June 30, 2023. The increase in net income attributable to common shareholders of $13.5 million was primarily due to the items discussed below.

The decrease in other revenue of $1.0 million was primarily due to consent income recognized in 2023 and a decrease in parking income due to the sale of the Philadelphia, PA office property in 2023.

The increase in depreciation and amortization expense of $2.4 million was primarily due to properties completed and placed in service in 2023 and 2024.

The increase in non-operating income of $2.6 million was primarily due to an increase in interest income earned from investing in short-term investments.

The increase in interest and amortization expense of $7.5 million was primarily due to a $5.3 million increase related to the 2028 Senior Notes that were issued in November 2023. Capitalized interest decreased $2.6 million primarily due to less development activity in the three months ended June 30, 2024 compared to the three months ended June 30, 2023. These amounts were partially offset by a $0.4 million decrease in interest expense related to the 2024 Senior Notes that were paid off in June 2024 at maturity.

The decrease in impairment charges of $13.0 million was primarily related to impairment charges recognized on office properties during the three months ended June 30, 2023. There were no impairment charges recognized during the three months ended June 30, 2024.

The increase in gains on sales of properties of $8.4 million was related to the timing of property dispositions.

Six months ended June 30, 2024 compared with six months ended June 30, 2023. The decrease in net income (loss) attributable to common shareholders of $2.0 million was primarily due to the items discussed below.

The increase in rental revenues of $1.5 million was primarily due to an aggregate increase of $13.4 million in base rental revenue and tenant reimbursement income primarily due to properties placed in service and leasing, partially offset by a decrease of $12.0 million in rental revenue due to property sales.

The decrease in other revenue of $1.6 million was primarily due to a decrease in parking income due to the sale of the Philadelphia, PA office property in 2023.

The increase in depreciation and amortization expense of $4.1 million was primarily due to properties completed and placed in service in 2023 and 2024.

The increase in non-operating income of $6.2 million was primarily due to an increase in interest income earned from investing in short-term investments.

The increase in interest and amortization expense of $13.1 million was primarily due to a $10.6 million increase related to the 2028 Senior Notes that were issued in November 2023. Additionally, capitalized interest decreased $2.7 million primarily due to less development activity in the six months ended June 30, 2024 compared to the six months ended June 30, 2023. These amounts were offset by a $0.4 million decrease in interest expense related to the 2024 Senior Notes that were paid off in June 2024 at maturity.

The decrease in impairment charges of $16.5 million was primarily related to impairment charges recognized on office properties during the six months ended June 30, 2023. There were no impairment charges recognized during the six months ended June 30, 2024.

The decrease in equity in earnings (losses) of non-consolidated entities of $4.9 million was primarily due to recognizing our share of a gain on sale of property related to BSH Lessee L.P. in 2023 that resulted in an increase in equity in earnings of $4.8 million.

Same-Store Results

Same-store net operating income, or NOI, which is a non-GAAP measure, represents the NOI for consolidated properties that were owned, stabilized and included in our portfolio for the entirety of the two comparable reporting periods. We define NOI as operating revenues (rental income (less GAAP rent adjustments, non-cash income related to sales-type leases and lease termination income, net), and other property income) less property operating expenses. Other REITs may use different methodologies for calculating same-store NOI, and accordingly same-store NOI may not be comparable to other REITs. Management believes that same-store NOI is a useful supplemental measure of our operating performance because same-store NOI excludes the change in NOI from acquired and disposed of properties and it highlights operating trends such as occupancy levels, rental rates and operating costs on properties. However, same-store NOI should not be viewed as an alternative measure of our financial performance since it does not reflect the operations of our entire portfolio, nor does it reflect the impact of general and administrative expenses, acquisition-related expenses, interest expense, depreciation and amortization costs, other nonproperty income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations. We believe that net income is the most directly comparable GAAP measure to same-store NOI.

The following presents our consolidated same-store NOI, for the three and six months ended June 30, 2024 and 2023 ($000's):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total cash base rent	$ 64,754	$ 61,636	$ 127,472	$ 121,300
Tenant reimbursements	13,484	13,507	26,857	26,196
Property operating expenses	(14,167)	(14,125)	(28,080)	(27,372)
Same-store NOI	$ 64,071	$ 61,018	$ 126,249	$ 120,124

Our same-store NOI increased for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023 by 5.0% and 5.1%, respectively, primarily due to an increase in cash base rents. As of June 30, 2024 and 2023, our historical same-store square footage leased was 99.4% and 99.5%, respectively.

Below is a reconciliation of net income (loss) to same-store NOI for periods presented ($000's):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	$ 4,801	$ (7,780)	$ 4,246	$ 3,535
Interest and amortization expense	17,603	10,144	34,587	21,537
Provision for income taxes	83	210	208	426
Depreciation and amortization	48,347	45,993	95,856	91,734
General and administrative	9,248	9,010	18,741	18,252
Transaction costs	498	—	498	4
Non-operating/fee income	(3,752)	(1,643)	(8,565)	(3,045)
Gains on sales of properties	(8,352)	—	(8,352)	(7,879)
Impairment charges	—	12,967	—	16,490
Gain on change in control of a subsidiary	(209)	—	(209)	—
Equity in (earnings) losses of non-consolidated entities	1,005	1,014	2,286	(2,590)
Straight-line adjustments	(1,674)	(2,638)	(4,376)	(5,725)
Lease incentives	330	109	468	205
Amortization of above/below market leases	(457)	(449)	(906)	(898)
Sales-types lease adjustments	(596)	(651)	(1,193)	(1,098)
NOI	66,875	66,286	133,289	130,948
Less NOI:				
Acquisitions, developments and dispositions	(2,804)	(5,268)	(7,040)	(10,824)
Same-Store NOI	$ 64,071	$ 61,018	$ 126,249	$ 120,124

Funds From Operations

We believe that Funds from Operations, or FFO, which is a non-GAAP measure, is a widely recognized and appropriate measure of the performance of an equity REIT. We believe FFO is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. As a result, FFO provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities, interest costs and other matters without the inclusion of depreciation and amortization, providing a perspective that may not necessarily be apparent from net income.

The National Association of Real Estate Investment Trusts, or NAREIT, defines FFO as “net income (calculated in accordance with GAAP), excluding depreciation and amortization related to real estate, gains and losses from the sales of certain real estate assets, gains and losses from change in control and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity. The reconciling items include amounts to adjust earnings from consolidated partially-owned entities and equity in earnings of unconsolidated affiliates to FFO.” FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs.

We present FFO available to common shareholders and unitholders - basic and also present FFO available to all equityholders and unitholders - diluted on a company-wide basis as if all securities that are convertible, at the holder's option, into our common shares, are converted at the beginning of the period. We also present Adjusted Company FFO available to all equityholders and unitholders - diluted, which adjusts FFO available to all equityholders and unitholders - diluted for certain items which we believe are not indicative of the operating results of our real estate portfolio. We believe this is an appropriate presentation as it is frequently requested by securities analysts, investors and other interested parties. Since others do not calculate these measures in a similar fashion, these measures may not be comparable to similarly titled measures as reported by others. These measures should not be considered as an alternative to net income as an indicator of our operating performance or as an alternative to cash flow as a measure of liquidity.

Adjusted Company FFO, NOI and the other non-GAAP financial measures should not be considered as alternatives to, or more meaningful than, net income or loss as determined in accordance with GAAP. FFO, Adjusted Company FFO and NOI, and GAAP net income (loss) differ because FFO, Adjusted Company FFO and NOI exclude many items that are factored into GAAP net income or loss.

Because of the differences between FFO, Adjusted Company FFO, NOI and GAAP net income or loss, FFO, Adjusted Company FFO and NOI may not be accurate indicators of our operating performance, especially during periods in which we are acquiring and selling properties. In addition, FFO, Adjusted Company FFO and NOI are not necessarily indicative of cash flow available to fund cash needs and investors should not consider FFO, Adjusted Company FFO or NOI as alternatives to cash flows from operations, as an indication of our liquidity or as indicative of funds available to fund our cash needs, including our ability to make distributions to our shareholders.

Neither the SEC nor any other regulatory body has passed judgment on the acceptability of the adjustments that we use to calculate FFO, Adjusted Company FFO and NOI. Also, because not all companies calculate FFO, Adjusted Company FFO and NOI the same way, comparisons with other companies’ measures with similar titles may not be meaningful.

The following presents a reconciliation of net income (loss) attributable to common shareholders to FFO available to common shareholders and unitholders and Adjusted Company FFO available to all equityholders and unitholders for the three and six months ended June 30, 2024 and 2023 (unaudited and dollars in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
FUNDS FROM OPERATIONS:	2024	2023	2024	2023
Basic and Diluted:				
Net income (loss) attributable to common shareholders	$ 3,775	$ (9,683)	$ 1,844	$ (161)
Adjustments:				
Depreciation and amortization - real estate	46,937	45,028	93,145	89,888
Impairment charges - real estate	—	12,967	—	16,490
Noncontrolling interests - OP units	—	(81)	—	(78)
Amortization of leasing commissions	1,410	965	2,711	1,846
Joint venture and noncontrolling interest adjustment	1,540	1,929	3,103	4,329
Gains on sales of properties, including our share of non-consolidated entities	(8,635)	—	(8,635)	(12,654)
Gain on change in control of a subsidiary	(209)	—	(209)	—
FFO available to common shareholders and unitholders - basic	44,818	51,125	91,959	99,660
Preferred dividends	1,573	1,573	3,145	3,145
Amount allocated to participating securities	78	62	168	134
FFO available to all equityholders and unitholders - diluted	46,469	52,760	95,272	102,939
Allowance for credit losses	14	(110)	9	(31)
Transaction costs, including our share of non-consolidated entities(1)	518	—	518	4
Debt satisfaction losses, net, including our share of non-consolidated entities	3	—	3	—
Noncontrolling interest adjustments	(100)	5	(100)	1
Adjusted Company FFO available to all equityholders and unitholders - diluted	$ 46,904	$ 52,655	$ 95,702	$ 102,913
Per Common Share and Unit Amounts				
Basic:				
FFO	$ 0.15	$ 0.18	$ 0.32	$ 0.34
Diluted:				
FFO	$ 0.16	$ 0.18	$ 0.32	$ 0.35
Adjusted Company FFO	$ 0.16	$ 0.18	$ 0.32	$ 0.35
Weighted-Average Common Shares:				
Basic:				
Weighted-average common shares outstanding - basic EPS	291,403,985	290,186,934	291,346,184	290,134,015
Operating partnership units(2)	—	828,603	—	830,335
Weighted-average common shares outstanding - basic FFO	291,403,985	291,015,537	291,346,184	290,964,350
Diluted:				
Weighted-average common shares outstanding - diluted EPS	291,615,350	291,015,537	291,451,866	290,964,350
Unvested share-based payment awards	—	135,172	—	131,522
Preferred shares - Series C	4,710,570	4,710,570	4,710,570	4,710,570
Weighted-average common shares outstanding - diluted FFO	296,325,920	295,861,279	296,162,436	295,806,442

(1) Transaction costs including costs associated with terminated investments, such as non-refundable deposits and legal fees.
(2) Includes OP units other than OP units that were held by us.

Off-Balance Sheet Arrangements

As of June 30, 2024, we had investments in various real estate entities with varying structures. The real estate investments owned by our institutional joint ventures are generally financed with non-recourse debt. Non-recourse debt is generally defined as debt whereby the lenders' sole recourse with respect to borrower defaults is limited to the value of the assets collateralized by the debt. The lender generally does not have recourse against any other assets owned by the borrower or any of the members or partners of the borrower, except for certain specified exceptions listed in the particular loan documents. These exceptions generally relate to “bad boy” acts, including fraud, prohibited transfers and breaches of material representations, and environmental matters. We have guaranteed such obligations for certain of our non-consolidated entities with respect to $453.6 million of such non-recourse debt. We believe the likelihood of making any payments under such guaranties is remote and we generally have an agreement from each partner to reimburse us for its proportionate share of any liability related to a guarantee trigger unless such trigger is caused solely by us.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk relates primarily to our variable-rate indebtedness not subject to interest rate swaps and our fixed-rate debt. Our consolidated aggregate principal variable-rate indebtedness not subject to interest rate swaps was $129.1 million at June 30, 2024 and 2023, which represented 8.1% and 8.6%, respectively, of our aggregate principal consolidated indebtedness. During the three months ended June 30, 2024 and 2023, our variable-rate indebtedness had a weighted-average interest rate of 7.3% and 6.7%, respectively, and had the weighted-average interest rate been 100 basis points higher, our interest expense for the three months ended June 30, 2024 and 2023 would have increased by $0.3 million and $0.5 million, respectively. During the six months ended June 30, 2024 and 2023, our variable-rate indebtedness had a weighted-average interest rate of 7.3% and 6.5%, respectively. Had the weighted-average interest rate been 100 basis points higher, our interest expense for the six months ended June 30, 2024 and 2023 would have increased $0.7 million and $1.0 million, respectively. At each of June 30, 2024 and 2023, our aggregate principal consolidated fixed-rate debt was $1.5 billion and $1.4 billion, respectively, which represented 91.9% and 91.4%, respectively, of our aggregate principal indebtedness.

For certain of our financial instruments, fair values are not readily available since there are no active trading markets as characterized by current exchanges between willing parties. Accordingly, we derive or estimate fair values using various valuation techniques, such as computing the present value of estimated future cash flows using discount rates commensurate with the risks involved. However, the determination of estimated cash flows may be subjective and imprecise. Changes in assumptions or estimation methodologies can have a material effect on these estimated fair values, especially given the volatility of the current economic environment. The following fair value was determined using the interest rates that we believe our outstanding fixed-rate indebtedness would warrant as of June 30, 2024. We believe the fair value is indicative of the interest rate environment as of June 30, 2024, but this amount does not take into consideration the effects of subsequent interest rate fluctuations. Accordingly, we estimate that the fair value of our fixed-rate indebtedness was $1.3 billion as of June 30, 2024.

Our interest rate risk objectives are to limit the impact of interest rate fluctuations on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, we manage our exposure to fluctuations in market interest rates through the use of fixed-rate debt instruments to the extent that reasonably favorable rates are obtainable with such arrangements. We may enter into derivative financial instruments such as interest rate swaps or caps to mitigate our interest rate risk on a related financial instrument or to effectively lock the interest rate on a portion of our variable-rate debt. As of June 30, 2024, we had four interest rate swap agreements (see Note 8 to our unaudited condensed consolidated financial statements contained in this Quarterly Report).

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as such terms are defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report to determine if such controls and procedures were effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management, including each of our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures were effective as of June 30, 2024.

Changes in Internal Control Over Financial Reporting. There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this Quarterly Report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls. Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings.

From time to time, we are directly and indirectly involved in legal proceedings arising in the ordinary course of our business, including claims by lenders under non-recourse carve-out guarantees. We believe, based on currently available information, and after consultation with legal counsel, that although the outcomes of those normal course proceedings are uncertain, the results of such proceedings, in the aggregate, will not have a material adverse effect on our business, financial condition and results of operations.

ITEM 1A. Risk Factors.

There have been no material changes in our risk factors from those disclosed in the Annual Report.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

There were no repurchases of our common shares during the three months ended June 30, 2024 pursuant to publicly announced repurchase plans.

ITEM 3. Defaults Upon Senior Securities - not applicable.

ITEM 4. Mine Safety Disclosures - not applicable.

ITEM 5. Other Information

During the three months ended June 30, 2024, no trustee or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. Exhibits.

Exhibit No.		Description
3.1	—	Articles of Merger and Amended and Restated Declaration of Trust of the Company, dated December 31, 2006 (filed as Exhibit 3.1 to the Company’s Current Report on Form 8-K filed January 8, 2007)(1)
3.2	—	Articles Supplementary Relating to the Reclassification of 8.05% Series B Cumulative Redeemable Preferred Stock, par value $0.0001 per share, and 7.55% Series D Cumulative Redeemable Preferred Stock, par value $0.0001 per share (filed as Exhibit 3.4 to the Company's Current Report on Form 8-K filed November 21, 2013)(1)
3.3	—	Articles of Amendment to the Amended and Restated Declaration of Trust, dated as of December 14, 2021 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 16, 2021)(1)
3.4	—	Articles of Amendment to the Amended and Restated Declaration of Trust, dated as of May 26, 2022 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 27, 2022)(1)
3.5	—	Third Amended and Restated By-laws of the Company (filed as Exhibit 3.1 to the Company's Quarterly Report on from 10-Q filed May 19, 2023)(1)
4.1	—	Specimen of Common Shares Certificate of the Company (filed as Exhibit 4.1 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2021)(1)
4.2	—	Form of 6.50% Series C Cumulative Convertible Preferred Stock certificate (filed as Exhibit 4.1 to the Company's Registration Statement on Form 8A filed December 8, 2004)(1)
4.3	—	Amended and Restated Trust Agreement, dated March 21, 2007, among the Company, The Bank of New York Trust Company, National Association, The Bank of New York (Delaware), the Administrative Trustees (as named therein) and the several holders of the Preferred Securities from time to time (filed as Exhibit 4.1 to the Company’s Current Report on Form 8-K filed March 27, 2007 (the “03/27/2007 8-K”))(1)
4.4	—	Junior Subordinated Indenture, dated as of March 21, 2007, between Lexington Realty Trust and The Bank of New York Trust Company, National Association (filed as Exhibit 4.2 to the 03/27/07 8-K)(1)
4.5	—	Indenture, dated as of June 10, 2013, among the Company, certain subsidiaries of the Company signatories thereto, and U.S. Bank, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 13, 2013)(1)
4.6	—	First Supplemental Indenture, dated as of September 30, 2013, between the Company and U.S. Bank, as trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 3, 2013)(1)
4.7	—	Indenture, dated as of May 9, 2014, among the Company and U.S. Bank, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 13, 2014)(1)
4.8	—	First Supplemental Indenture, dated as of May 20, 2014, among the Company, LCIF and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 20, 2014)(1)
4.9	—	Second Supplemental Indenture, dated as of August 28, 2020, among the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 28, 2020)(1)
4.10	—	Third Supplemental Indenture, dated as of August 30, 2021, among the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 30, 2021)(1)
4.11	—	Fourth Supplemental Indenture, dated as of November 13, 2023, among the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 13, 2023)(1)
10.1	—	Letter Agreement, dated May 24, 2024, between the Company and Beth Boulerice (filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed on May 30, 2024)(1)(4)

31.1	—	Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002(2)
31.2	—	Certification pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002(2)
32.1	—	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(3)
32.2	—	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(3)
101.INS	—	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (2, 5)
101.SCH	—	Inline XBRL Taxonomy Extension Schema (2, 5)
101.CAL	—	Inline XBRL Taxonomy Extension Calculation Linkbase (2, 5)
101.DEF	—	Inline XBRL Taxonomy Extension Definition Linkbase Document (2, 5)
101.LAB	—	Inline XBRL Taxonomy Extension Label Linkbase Document (2, 5)
101.PRE	—	Inline XBRL Taxonomy Extension Presentation Linkbase Document (2, 5)

(1) Incorporated by reference.

(2) Filed herewith.

(3) Furnished herewith. This exhibit shall not be deemed “filed” for purposes of Section 11 or 12 of the Securities Act of 1933, as amended (the “Securities Act”), or Section 18 of the Securities Exchanges Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of those sections, and shall not be part of any registration statement to which it may relate, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act or the Exchange Act, except as set forth by specific reference in such filing or document.

(4) Management contract or compensatory plan or arrangement.

(5) The following materials from this Quarterly Report on Form 10-Q for the period ended June 30, 2024 are formatted in Inline XBRL (Extensible Business Reporting Language): (i) Unaudited Condensed Consolidated Balance Sheets of the Company; (ii) Unaudited Condensed Consolidated Statements of Operations of the Company; (iii) Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss) of the Company; (iv) Unaudited Condensed Consolidated Statements of Changes in Equity of the Company; (v) Unaudited Condensed Consolidated Statements of Cash Flows of the Company; and (vi) Notes to Unaudited Condensed Consolidated Financial Statements of the Company, detailed tagged.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LXP Industrial Trust

Date:	July 31, 2024	By:	/s/ T. Wilson Eglin
			T. Wilson Eglin Chief Executive Officer and President *(principal executive officer)*
Date:	July 31, 2024	By:	/s/ Beth Boulerice
			Beth Boulerice Chief Financial Officer, Executive Vice President and Treasurer *(principal financial officer)*

Exhibit 31.1

CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, T. Wilson Eglin, certify that:

1. I have reviewed this report on Form 10-Q of LXP Industrial Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 31, 2024

/s/ T. Wilson Eglin

T. Wilson Eglin
Chief Executive Officer

Exhibit 31.2

CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Beth Boulerice, certify that:

1. I have reviewed this report on Form 10-Q of LXP Industrial Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 31, 2024

/s/ Beth Boulerice

Beth Boulerice
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of LXP Industrial Trust (“the Company”) on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, T. Wilson Eglin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ T. Wilson Eglin

T. Wilson Eglin
Chief Executive Officer

July 31, 2024

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of LXP Industrial Trust ("the Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof, I, Beth Boulerice, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Beth Boulerice

Beth Boulerice
Chief Financial Officer
July 31, 2024