STAG INDUSTRIAL

SUPPLEMENTAL INFORMATION

UNAUDITED FOURTH QUARTER 2018

Forward-Looking Statements

This supplemental information package contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. STAG Industrial, Inc. (STAG) intends 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 includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe STAG's future plans, strategies and expectations, are generally identifiable by use of the words "believe," "will," "expect," "intend," "anticipate," "estimate," "should", "project" or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond STAG's control and which could materially affect actual results, performances or achievements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the risk factors discussed in STAG's most recent Annual Report on Form 10-K for the year ended December 31, 2018, as updated by the Company's subsequent reports filed with the Securities and Exchange Commission. Accordingly, there is no assurance that STAG's expectations will be realized. Except as otherwise required by the federal securities laws, STAG disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in STAG's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Defined Terms, Including Non-GAAP Measurements

Please refer to the Definitions section near the end of these materials for definitions of capitalized terms used herein, including, among others, Annualized Base Rental Revenue, Capitalization Rate and Retention, as well as non-GAAP financial measures, such as Adjusted EBITDA*re*, Cash NOI, Core FFO and AFFO. These materials provide reconciliations of non-GAAP financial measures to net income (loss) in accordance with GAAP. None of the non-GAAP financial measures is intended as an alternative to net income (loss) in accordance with GAAP as a measure of the Company's financial performance.

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OVERVIEW

Snapshot (December 31, 2018)	
Square Feet	76.8 million
Number of Buildings	390
Number of States	37
Portfolio Occupancy	95.5%
Weighted Average Lease Term	4.9 years
Weighted Average Rent	$4.22/sf
Net Debt to Run Rate Adjusted EBITDA*re*	4.9x
Fixed Charge Coverage Ratio	4.6x
Monthly Dividend (annualized)	$0.118333 ($1.42)


West Columbia, SC


Waukegan, IL

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	December 31, 2018	December 31, 2017
Assets		
Rental Property:		
Land	$ 364,023	$ 321,560
Buildings and improvements, net of accumulated depreciation of $316,930 and $249,057, respectively	2,285,663	1,932,764
Deferred leasing intangibles, net of accumulated amortization of $246,502 and $280,642, respectively	342,015	313,253
Total rental property, net	2,991,701	2,567,577
Cash and cash equivalents	7,968	24,562
Restricted cash	14,574	3,567
Tenant accounts receivable, net	42,236	33,602
Prepaid expenses and other assets	36,902	25,364
Interest rate swaps	9,151	6,079
Assets held for sale, net	—	19,916
Total assets	**$ 3,102,532**	**$ 2,680,667**
Liabilities and Equity		
Liabilities:		
Unsecured credit facility	$ 100,500	$ 271,000
Unsecured term loans, net	596,360	446,265
Unsecured notes, net	572,488	398,234
Mortgage notes, net	56,560	58,282
Accounts payable, accrued expenses and other liabilities	45,507	43,216
Interest rate swaps	4,011	1,217
Tenant prepaid rent and security deposits	22,153	19,045
Dividends and distributions payable	13,754	11,880
Deferred leasing intangibles, net of accumulated amortization of $12,764 and $13,555, respectively	21,567	21,221
Total liabilities	**$ 1,432,900**	**$ 1,270,360**
Equity:		
Preferred stock, par value $0.01 per share, 15,000,000 shares authorized,		
Series B, -0- and 2,800,000 shares (liquidation preference of $25.00 per share) issued and outstanding at December 31, 2018 and December 31, 2017, respectively	—	70,000
Series C, 3,000,000 shares (liquidation preference of $25.00 per share) issued and outstanding at December 31, 2018 and December 31, 2017	75,000	75,000
Common stock, par value $0.01 per share, 150,000,000 shares authorized, 112,165,786 and 97,012,543 shares issued and outstanding at December 31, 2018 and December 31, 2017, respectively	1,122	970
Additional paid-in capital	2,118,179	1,725,825
Cumulative dividends in excess of earnings	(584,979)	(516,691)
Accumulated other comprehensive income	4,481	3,936
Total stockholders' equity	1,613,803	1,359,040
Noncontrolling interest	55,829	51,267
Total equity	**1,669,632**	**1,410,307**
Total liabilities and equity	**$ 3,102,532**	**$ 2,680,667**

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)	Three months ended December 31, 2018	Three months ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
Revenue				
Rental income	$ 78,427	$ 69,210	$ 295,654	$ 255,831
Tenant recoveries	14,596	12,053	54,039	45,005
Other income	267	7	1,300	251
Total revenue	93,290	81,270	350,993	301,087
Expenses				
Property	18,286	15,389	69,021	57,701
General and administrative	8,415	8,259	34,052	33,349
Property acquisition costs	—	702	—	5,386
Depreciation and amortization	42,396	40,595	167,617	150,881
Loss on impairments	3,248	1,879	6,182	1,879
Gain on involuntary conversion	—	(655)	—	(325)
Other expenses	413	284	1,277	1,786
Total expenses	72,758	66,453	278,149	250,657
Other income (expense)				
Interest and other income	4	2	20	12
Interest expense	(13,215)	(10,912)	(48,817)	(42,469)
Loss on extinguishment of debt	—	—	(13)	(15)
Gain on the sales of rental property, net	39,935	5,017	72,211	24,242
Total other income (expense)	26,724	(5,893)	23,401	(18,230)
Net income	**$ 47,256**	**$ 8,924**	**$ 96,245**	**$ 32,200**
Less: income attributable to noncontrolling interest after preferred stock dividends	1,634	267	3,319	941
Net income attributable to STAG Industrial, Inc.	**$ 45,622**	**$ 8,657**	**$ 92,926**	**$ 31,259**
Less: preferred stock dividends	1,289	2,449	7,604	9,794
Less: redemption of preferred stock	—	—	2,661	—
Less: amount allocated to participating securities	77	84	276	334
Net income attributable to common stockholders	**$ 44,256**	**$ 6,124**	**$ 82,385**	**$ 21,131**
Weighted average common shares outstanding — basic	110,244	95,192	103,401	89,538
Weighted average common shares outstanding — diluted	110,667	95,764	103,807	90,004
Net income per share — basic and diluted				
Net income per share attributable to common stockholders — basic	$ 0.40	$ 0.06	$ 0.80	$ 0.24
Net income per share attributable to common stockholders — diluted	$ 0.40	$ 0.06	$ 0.79	$ 0.23

NET OPERATING INCOME (NOI) & CASH NOI

(in thousands)	Three months ended December 31, 2018	Three months ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
Net income	$ 47,256	$ 8,924	$ 96,245	$ 32,200
Asset management fee income	—	—	—	(52)
General and administrative	8,415	8,259	34,052	33,349
Transaction costs	44	702	214	5,386
Depreciation and amortization	42,396	40,595	167,617	150,881
Interest and other income	(4)	(2)	(20)	(12)
Interest expense	13,215	10,912	48,817	42,469
Loss on impairments	3,248	1,879	6,182	1,879
Gain on involuntary conversion	—	(655)	—	(325)
Loss on extinguishment of debt	—	—	13	15
Other expenses	369	284	1,063	1,097
Loss on incentive fee	—	—	—	689
Gain on the sales of rental property, net	(39,935)	(5,017)	(72,211)	(24,242)
Net operating income	**$ 75,004**	**$ 65,881**	**$ 281,972**	**$ 243,334**
Net operating income	$ 75,004	$ 65,881	$ 281,972	$ 243,334
Straight-line rent adjustments, net	(2,756)	(2,313)	(10,929)	(6,691)
Straight-line termination income adjustments, net	(77)	(308)	(134)	(786)
Intangible amortization in rental income, net	958	710	4,164	4,583
Cash net operating income	**$ 73,129**	**$ 63,970**	**$ 275,073**	**$ 240,440**
Cash net operating income	$ 73,129			
Cash NOI from acquisitions' and dispositions' timing	1,023			
Cash termination income	(93)			
Run Rate Cash NOI	**$ 74,059**			
Same Store Portfolio NOI				
Total NOI	$ 75,004	$ 65,881	$ 281,972	$ 243,334
Less: NOI non-same-store properties	(15,488)	(6,118)	(82,861)	(47,117)
Less: termination income	(170)	(97)	(522)	(81)
Same Store NOI	**$ 59,346**	**$ 59,666**	**$ 198,589**	**$ 196,136**
Less: straight-line rent adjustments, net	(1,760)	(1,747)	(5,571)	(4,435)
Plus: intangible amortization in rental income, net	1,015	618	3,251	3,934
Same Store Cash NOI	**$ 58,601**	**$ 58,537**	**$ 196,269**	**$ 195,635**

FUNDS FROM OPERATIONS (FFO) & CORE FFO

(in thousands, except per share data)	Three months ended December 31, 2018	Three months ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
Net income	$ 47,256	$ 8,924	$ 96,245	$ 32,200
Rental property depreciation and amortization	42,322	40,522	167,321	150,591
Loss on impairments	3,248	1,879	6,182	1,879
Gain on the sales of rental property, net	(39,935)	(5,017)	(72,211)	(24,242)
Funds from operations	**$ 52,891**	**$ 46,308**	**$ 197,537**	**$ 160,428**
Preferred stock dividends	(1,289)	(2,449)	(7,604)	(9,794)
Redemption of preferred stock	—	—	(2,661)	—
Funds from operations attributable to common stockholders and unit holders	**$ 51,602**	**$ 43,859**	**$ 187,272**	**$ 150,634**
Funds from operations attributable to common stockholders and unit holders	$ 51,602	$ 43,859	$ 187,272	$ 150,634
Intangible amortization in rental income, net	958	710	4,164	4,583
Transaction costs	44	702	214	5,386
Loss on extinguishment of debt	—	—	13	15
Gain on involuntary conversion	—	(655)	—	(325)
Loss on incentive fee	—	—	—	689
Gain on swap ineffectiveness	—	(102)	—	(190)
Redemption of preferred stock	—	—	2,661	—
Core funds from operations	**$ 52,604**	**$ 44,514**	**$ 194,324**	**$ 160,792**
Weighted average common shares, participating securities, performance units and other units				
Weighted average common shares outstanding	110,244	95,192	103,401	89,538
Weighted average participating securities outstanding	191	237	195	238
Weighted average units outstanding	4,069	4,111	4,159	3,934
Weighted average common shares, participating securities, and other units - basic	**114,504**	**99,540**	**107,755**	**93,710**
Weighted average performance units and outperformance plan	219	122	234	226
Dilutive common share equivalents	423	572	406	466
Weighted average common shares, participating securities, performance and other units - diluted	**115,146**	**100,234**	**108,395**	**94,402**
Core funds from operations per share / unit - basic	**$ 0.46**	**$ 0.45**	**$ 1.80**	**$ 1.72**
Core funds from operations per share / unit - diluted	**$ 0.46**	**$ 0.44**	**$ 1.79**	**$ 1.70**

ADJUSTED EBITDA*re* & ADJUSTED FUNDS FROM OPERATIONS (AFFO)

(in thousands)	Three months ended December 31, 2018	Three months ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
Net income	$ 47,256	$ 8,924	$ 96,245	$ 32,200
Depreciation and amortization	42,396	40,595	167,617	150,881
Interest and other income	(4)	(2)	(20)	(12)
Interest expense	13,215	10,912	48,817	42,469
Loss on impairments	3,248	1,879	6,182	1,879
Gain on the sales of rental property, net	(39,935)	(5,017)	(72,211)	(24,242)
EBITDA for Real Estate (EBITDA*re*)	**$ 66,176**	**$ 57,291**	**$ 246,630**	**$ 203,175**
EBITDA*re*	$ 66,176	$ 57,291	246,630	203,175
Straight-line rent adjustments, net	(2,789)	(2,312)	(11,029)	(6,689)
Intangible amortization in rental income, net	958	710	4,164	4,583
Non-cash compensation expense	2,251	2,388	8,922	9,547
Termination income	(170)	(465)	(640)	(1,527)
Transaction costs	44	702	214	5,386
Gain on involuntary conversion	—	(655)	—	(325)
Loss on extinguishment of debt	—	—	13	15
Loss on incentive fee	—	—	—	689
Adjusted EBITDA*re*	**$ 66,470**	**$ 57,659**	**$ 248,274**	**$ 214,854**
Adjusted EBITDA*re*	$ 66,470			
Adjusted EBITDA*re* from acquisitions' and dispositions' timing	1,023			
Run Rate Adjusted EBITDA*re*	**$ 67,493**			
Core funds from operations	$ 52,604	$ 44,514	$ 194,324	$ 160,792
Non-rental property depreciation and amortization	74	73	296	290
Straight-line rent adjustments, net	(2,789)	(2,312)	(11,029)	(6,689)
Straight-line termination income adjustments, net	(77)	(308)	(134)	(786)
Recurring capital expenditures	(448)	(1,735)	(2,914)	(3,264)
Renewal lease commissions and tenant improvements	(2,076)	(457)	(4,970)	(4,554)
Non-cash portion of interest expense	618	534	2,316	2,087
Non-cash compensation expense	2,251	2,388	8,922	9,547
Adjusted funds from operations (1)	**$ 50,157**	**$ 42,697**	**$ 186,811**	**$ 157,423**

(1) Excludes Non-Recurring Capital Expenditures of approximately $5,196, $19,803, $3,512 and $16,072 and new leasing commissions and tenant improvements of approximately $2,028, $5,355, $1,333 and $4,952 for the three months and year ended December 31, 2018 and 2017, respectively.

ACQUISITIONS

FOURTH QUARTER 2018 ACQUISITIONS						
Market	Date Acquired	Square Feet	Buildings	Purchase Price ($000)	Weighted Average Lease Term (Years)	Capitalization Rate
Greensboro/Winston-Salem, NC	10/22/2018	128,287	1	$8,376	8.0	
Minneapolis/St Paul, MN	10/22/2018	109,444	1	8,064	4.8	
Baltimore, MD	10/23/2018	60,000	1	7,538	5.2	
Greenville/Spartanburg, SC	11/7/2018	210,891	1	11,289	10.1	
Philadelphia, PA	11/19/2018	101,869	1	7,074	4.8	
Detroit, MI (1)	11/26/2018	—	—	620	—	
Milwaukee/Madison, WI	12/3/2018	162,230	1	14,132	14.9	
Pittsburgh, PA	12/11/2018	119,161	1	15,502	12.1	
Tucson, AZ	12/13/2018	129,047	1	10,075	4.7	
Detroit, MI	12/14/2018	285,306	2	20,095	3.9	
Greenville/Spartanburg, SC	12/17/2018	726,500	1	28,995	12.1	
Milwaukee/Madison, WI	12/18/2018	288,201	2	14,586	4.1	
Milwaukee/Madison, WI	12/19/2018	112,144	1	5,349	3.8	
Chicago, IL	12/19/2018	195,415	1	16,134	7.2	
Indianapolis, IN	12/20/2018	446,500	1	33,314	14.8	
Pittsburgh, PA	12/20/2018	179,394	1	16,725	4.0	
Total / weighted average		**3,254,389**	**17**	**$217,868**	**9.0**	**6.6%**

2018 ACQUISITIONS					
Quarter	Square Feet	Buildings	Purchase Price ($000)	Weighted Average Lease Term (Years)	Capitalization Rate
Q1	1,091,868	6	$78,821	6.2	6.7%
Q2	2,726,162	15	185,300	7.7	7.1%
Q3	3,253,347	15	194,543	8.8	6.9%
Q4	3,254,389	17	217,868	9.0	6.6%
Total / weighted average	**10,325,766**	**53**	**$676,532**	**8.3**	**6.9%**

(1) Non-cash land acquisitions.

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DISPOSITIONS

FOURTH QUARTER 2018 DISPOSITIONS				
Market	**Date Disposed**	**Square Feet**	**Buildings**	**Gross Proceeds ($000s)**
Dallas/Ft Worth, TX	12/5/2018	101,500	1	
Chicago, IL	12/27/2018	130,156	1	
Cincinnati/Dayton, OH	12/27/2018	245,000	1	
Dallas/Ft Worth, TX	12/27/2018	164,914	1	
Denver, CO	12/27/2018	227,500	1	
Phoenix, AZ	12/27/2018	102,747	1	
San Antonio, TX	12/27/2018	247,861	1	
Visalia/Porterville, CA	12/27/2018	635,281	1	
Total		**1,854,959**	**8**	**$119,461**

2018 DISPOSITIONS			
Quarter	**Square Feet**	**Buildings**	**Gross Proceeds ($000s)**
Q1	650,636	2	$50,379
Q2	1,009,021	5	31,200
Q3	339,956	4	10,495
Q4	1,854,959	8	119,461
Total	**3,854,572**	**19**	**$211,535**

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SAME STORE NOI

(in thousands, except building count data and square footage)	Three months ended December 31, 2018	Three months ended December 31, 2017	Change	% Change	Year ended December 31, 2018	Year ended December 31, 2017	Change	% Change
Same Store square footage	61,688,599				53,044,008			
Same Store buildings	310				270			
% of total square feet	80.3%				69.1%			
Occupancy Rate at quarter end	96.1%	97.1%		(1.0)%	95.4%	96.6%		(1.2)%
Average Occupancy Rate	95.9%	96.8%		(0.9)%	96.0%	96.3%		(0.3)%
Total Same Store GAAP revenue (excluding termination income)	$73,385	$72,525	$860		$244,211	$239,029	$5,182	
Total Same Store GAAP expenses	(14,039)	(12,860)	(1,179)		(45,622)	(42,893)	(2,729)	
Same Store GAAP NOI	**$59,346**	**$59,665**	**($319)**	**(0.5%)**	**$198,589**	**$196,136**	**$2,453**	**1.3%**
Total Same Store cash revenue (excluding termination income)	$72,610	$71,391	$1,219		$241,878	$238,503	$3,375	
Total Same Store cash expenses	(14,009)	(12,854)	(1,155)		(45,609)	(42,868)	(2,741)	
Same Store Cash NOI	**$58,601**	**$58,537**	**$64**	**0.1%**	**$196,269**	**$195,635**	**$634**	**0.3%**

CAPITAL EXPENDITURES

(in thousands)

CAPITAL EXPENDITURES, TENANT IMPROVEMENTS, AND LEASE COMMISSIONS SUMMARY

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	**2017**	**2018**	**2017**
Renewal tenant improvements and lease commissions	$2,076	$457	$4,970	$4,554
New tenant improvements and lease commissions	2,028	1,333	5,355	4,952
Total tenant improvements (TIs) and lease commissions (LCs)	**$4,104**	**$1,790**	**$10,325**	**$9,506**
Recurring Capital Expenditures	$448	$1,735	$2,914	$3,264
Non-Recurring Capital Expenditures	5,196	3,512	19,803	16,072
Total Recurring and Non-Recurring Capital Expenditures	**$5,644**	**$5,247**	**$22,717**	**$19,336**
Total capital expenditures, TIs and LCs	**$9,748**	**$7,037**	**$33,042**	**$28,842**
Acquisition Capital Expenditures	**$898**	**$3,577**	**$5,721**	**$13,617**
Building expansions and redevelopment	**$1,265**	**$2,618**	**$1,876**	**$12,273**
Capital expenditures paid by tenant	**$160**	**$992**	**$1,505**	**$5,493**
Total capital expenditures, building expansions, TIs, and LCs	**$12,071**	**$14,224**	**$42,144**	**$60,225**

RECONCILIATION OF CAPITAL EXPENDITURES TO STATEMENT OF CASH FLOWS

Additions to building and other capital improvements per cash flow statement	$11,006	$18,251	$34,584	$45,790
Change in additions of land and building and improvements included in accounts payable, accrued expenses and other liabilities and other non-cash additions per cash flow statement	(1,617)	(5,916)	(122)	7,309
New and renewal lease commissions	2,682	1,889	7,682	7,126
Total capital expenditures, building expansions, TIs, and LCs	**$12,071**	**$14,224**	**$42,144**	**$60,225**

PORTFOLIO CHARACTERISTICS

BUILDING TYPE AS OF DECEMBER 31, 2018						
		Square Footage			**Annualized Base Rental Revenue**	
Building Type	# of Buildings	Amount	%	Occupancy Rate	Amount ($000s)	%
Warehouse	320	69,170,702	90.1%	95.4%	$273,284	88.2%
Light manufacturing	58	6,484,331	8.4%	100.0%	29,100	9.4%
Total operating portfolio / weighted average	**378**	**75,655,033**	**98.5%**	**95.8%**	**$302,384**	**97.6%**
Value Add	3	576,432	0.8%	78.3%	2,756	0.9%
Flex / office	9	564,680	0.7%	67.9%	4,678	1.5%
Total portfolio / weighted average	**390**	**76,796,145**	**100.0%**	**95.5%**	**$309,818**	**100.0%**

OPERATING PORTFOLIO BUILDINGS BY LOCATION AS OF DECEMBER 31, 2018						
		Square Footage			**Annualized Base Rental Revenue**	
Location Classification	# of Buildings	Amount	%	Occupancy Rate	Amount ($000s)	%
Primary (greater than 200 million net rentable square feet)	163	31,847,791	42.1%	95.3%	$132,265	43.8%
Secondary (25 million to 200 million net rentable square feet)	188	38,280,483	50.6%	96.2%	148,895	49.2%
Tertiary (less than 25 million net rentable square feet)	27	5,526,759	7.3%	96.0%	21,224	7.0%
Total Operating Portfolio / weighted average	**378**	**75,655,033**	**100.0%**	**95.8%**	**$302,384**	**100.0%**

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PORTFOLIO OCCUPANCY BRIDGE

PORTFOLIO SQUARE FOOTAGE CHANGES	Three Months Ended December 31, 2018		Twelve Months Ended December 31, 2018	
Total square feet beginning of period	**75,385,813**		**70,196,498**	
Acquisitions	3,254,389		10,325,766	
Dispositions	(1,854,959)		(3,854,572)	
Building expansions	10,000		126,395	
Remeasurements / other	902		2,058	
Total square feet end of period	**76,796,145**		**76,796,145**	
OCCUPANCY CHANGES				
Occupied square feet beginning of period (Occupancy Rate)	**71,919,803**	**(95.4%)**	**66,928,797**	**(95.3%)**
Expirations:				
Expiring square footage	(1,265,025)		(9,915,986)	
Lease terminations	(298,802)		(1,362,967)	
Total expirations	**(1,563,827)**		**(11,278,953)**	
Leases commencing:				
Renewal leases	1,027,445		8,220,878	
New leases	622,382		2,265,199	
Expansion leases	11,000		252,395	
Other	(170,000)		(401,532)	
Total leasing activity	**1,490,827**		**10,336,940**	
Occupied acquired square feet	3,246,201		10,185,773	
Occupied disposed square feet	(1,753,459)		(2,833,012)	
Total occupancy activity from acquisitions & dispositions	**1,492,742**		**7,352,761**	
Occupied square feet at December 31, 2018 (Occupancy Rate)	**73,339,545**	**(95.5%)**	**73,339,545**	**(95.5%)**

LEASING & RETENTION STATISTICS

FOURTH QUARTER 2018 OPERATING PORTFOLIO LEASING ACTIVITY								
Lease Type	**Square Feet**	**W.A. Lease Term (Years)**	**Cash Base Rent $/SF**	**SL Base Rent $/SF**	**Lease Commissions $/SF**	**Tenant Improvement $/SF**	**Cash Rent Change**	**SL Rent Change**
New leases	756,150	5.2	$3.42	$3.51	$1.11	$0.66	10.9%	18.1%
Renewal Leases	1,874,666	5.4	$4.33	$4.52	$0.86	$0.48	6.8%	15.7%
Total / weighted average	**2,630,816**	**5.3**	**$4.07**	**$4.23**	**$0.93**	**$0.54**	**8.0%**	**16.4%**

Note: The tables above represents leases signed during the quarter and does not reflect leases commencing during the quarter.

2018 YEAR TO DATE OPERATING PORTFOLIO LEASING ACTIVITY								
Lease Type	**Square Feet**	**W.A. Lease Term (Years)**	**Cash Base Rent $/SF**	**SL Base Rent $/SF**	**Lease Commissions $/SF**	**Tenant Improvement $/SF**	**Cash Rent Change**	**SL Rent Change**
New leases	2,513,085	6.3	$3.63	$3.77	$1.28	$0.84	10.3%	17.8%
Renewal Leases	7,129,299	4.8	$4.07	$4.22	$0.51	$0.30	7.3%	14.5%
Total / weighted average new & renewal	**9,642,384**	**5.2**	**$3.96**	**$4.10**	**$0.71**	**$0.44**	**7.9%**	**15.2%**

2018 OPERATING PORTFOLIO RETENTION				
Quarter	**Expiring Square Footage**	**Retained Square Footage**	**W.A. Lease Term (Years)**	**Retention**
Q1	5,579,301	4,640,916	5.5	83.2%
Q2	1,740,723	1,523,971	3.8	87.5%
Q3	1,330,937	1,028,546	4.6	77.3%
Q4	1,265,025	1,027,445	6.1	81.2%
Total / weighted average	**9,915,986**	**8,220,878**	**5.2**	**82.9%**

LEASE EXPIRATION SCHEDULE

LEASE EXPIRATION SCHEDULE AS OF DECEMBER 31, 2018					
Lease Expiration Year	**Number of Leases Expiring**	**Total Rentable SF**	**% of Occupied SF**	**Annualized Base Rental Revenue ($000s)**	**% of Total Annualized Base Rental Revenue**
Available	N/A	3,456,600	N/A	N/A	N/A
MTM	5	129,500	0.2%	$642	0.2%
2019	46	6,924,804	9.4%	30,021	9.7%
2020	52	9,994,198	13.6%	42,748	13.8%
2021	70	10,931,569	14.9%	47,431	15.3%
2022	56	7,015,995	9.6%	29,774	9.6%
2023	51	9,118,286	12.4%	34,695	11.2%
2024	36	6,456,861	8.8%	26,780	8.6%
2025	24	4,031,385	5.5%	17,650	5.7%
2026	24	4,491,582	6.1%	18,976	6.1%
2027	12	1,916,418	2.6%	9,105	3.0%
2028	23	4,589,199	6.3%	19,085	6.2%
Thereafter	30	7,739,748	10.6%	32,911	10.6%
Total / weighted average	**429**	**76,796,145**	**100.0%**	**$309,818**	**100.0%**

TENANT PROFILE

TENANT PROFILE	
	December 31, 2018
Profile	
Number of tenants	349
Average tenant size (square feet)	210,142
Average Annualized Base Rental Revenue per square foot	$4.22
Average Annualized Base Rental Revenue per tenant ($000s)	$888
Credit (1)	
Tenants publicly rated	55.2%
Tenants rated investment grade	30.3%
Tenant revenue > $100 million	86.2%
Tenant revenue > $1 billion	61.7%

(1) Based on annualized base rental revenue and the inclusion of tenants, guarantors, and / or non-guarantor parents.

PORTFOLIO DIVERSIFICATION

GEOGRAPHIC DIVERSIFICATION December 31, 2018		
#	Market	ABR %
1	Philadelphia, PA	9.4%
2	Chicago, IL	8.4%
3	Greenville/Spartanburg, SC	5.9%
4	Milwaukee/Madison, WI	4.4%
5	Detroit, MI	4.3%
6	Pittsburgh, PA	3.4%
7	Charlotte, NC	3.3%
8	Minneapolis/St Paul, MN	3.2%
9	Houston, TX	3.1%
10	Cincinnati/Dayton, OH	2.8%
	Top 10	**48.2%**
	Top 11-20	**18.7%**
	Total Top 20	**66.9%**

TENANT DIVERSIFICATION December 31, 2018		
#	Tenant(1)	ABR %
1	General Service Administration	2.3%
2	XPO Logistics	1.8%
3	Deckers Outdoor	1.4%
4	Yanfeng US Automotive Interior	1.2%
5	Solo Cup	1.2%
6	TriMas Corporation	1.2%
7	DHL	1.0%
8	WestRock Company	0.9%
9	Generation Brands	0.9%
10	Carolina Beverage Group	0.9%
	Top 10	**12.8%**
	Top 11-20	**7.6%**
	Total Top 20	**20.4%**

INDUSTRY DIVERSIFICATION December 31, 2018		
#	Industry(2)	ABR %
1	Capital Goods	15.0%
2	Automobiles & Components	12.5%
3	Materials	11.1%
4	Transportation	9.8%
5	Consumer Durables & Apparel	8.7%
6	Commercial & Prof Services	7.9%
7	Food, Beverage & Tobacco	7.4%
8	Retailing	4.7%
9	Household & Personal Products	4.4%
10	Food & Staples Retailing	4.2%
	Top 10	**85.7%**
	Top 11-20	**14.3%**
	Total	**100.0%**

(1) Based on annualized base rental revenue and the inclusion of tenants, guarantors, and / or non-guarantor parents.
(2) Industry classification based on GICS methodology.

CAPITAL STRUCTURE, DEBT METRICS & COVENANTS

CAPITAL STRUCTURE	
	As of December 31, 2018
Common shares, participating securities, performance units and other units	
Common shares outstanding	111,975,324
Participating securities outstanding	190,462
Units outstanding	4,069,434
Common shares, participating securities, and other units - basic	116,235,220
Performance units	641,964
Common shares, participating securities, performance and other units - diluted	116,877,184

DEBT METRICS	
	December 31, 2018
Net debt / Adjusted EBITDA*re* ratio	5.0x
Net debt / Run Rate Adjusted EBITDA*re* ratio	4.9x
Net debt / total Real Estate Cost Basis (at quarter end)	37.6%
Total debt / total enterprise value (at quarter end)	31.1%
Liquidity	$576.9 million
Fitch Credit Rating	BBB / Stable
Moody's Credit Rating	Baa3 / Stable

UNSECURED DEBT COVENANTS		
	Covenant	December 31, 2018
Consolidated leverage ratio	< 60%	31.6%
Secured leverage ratio	< 40%	1.4%
Unencumbered leverage ratio	< 60%	32.1%
Unsecured interest coverage ratio	> 1.75x	5.8x
Fixed charge coverage ratio	> 1.5x	4.6x

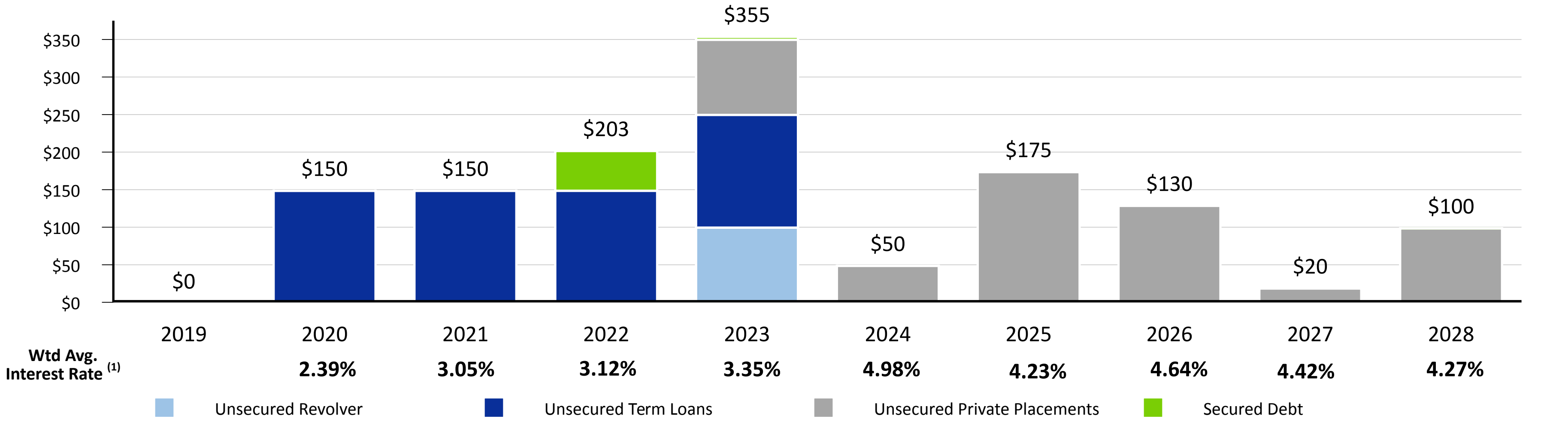
DEBT SUMMARY

AS OF DECEMBER 31, 2018 (in millions)				
Category	**Committed**	**Principal Balance**	**Interest Rate[(1)(2)]**	**Current Maturity[(2)]**
Unsecured debt:				
Unsecured Term Loan C [(3)]	$150.0	$150.0	L + 1.00%	9/29/2020
Unsecured Term Loan B [(3)]	150.0	150.0	L + 1.00%	3/21/2021
Unsecured Term Loan A [(3)]	150.0	150.0	L + 1.00%	3/31/2022
Unsecured Term Loan D [(3)]	150.0	150.0	L + 1.00%	1/4/2023
Series F Unsecured Notes	100.0	100.0	3.98%	1/5/2023
Unsecured Credit Facility [(3)]	500.0	100.5	L + 0.90%	1/15/2023
Unsecured Term Loan E [(3)]	175.0	—	L + 1.00%	1/15/2024
Series A Unsecured Notes	50.0	50.0	4.98%	10/1/2024
Series D Unsecured Notes	100.0	100.0	4.32%	2/20/2025
Series G Unsecured Notes	75.0	75.0	4.10%	6/13/2025
Series B Unsecured Notes	50.0	50.0	4.98%	7/1/2026
Series C Unsecured Notes	80.0	80.0	4.42%	12/30/2026
Series E Unsecured Notes	20.0	20.0	4.42%	2/20/2027
Series H Unsecured Notes	100.0	100.0	4.27%	6/13/2028
Total / weighted average unsecured [(4)]	**$1,850.0**	**$1,275.5**	**3.53%**	**4.7 years**
Secured debt:				
Wells Fargo Bank, National Association CMBS Loan		53.2	4.31%	12/1/2022
Thrivent Financial for Lutherans		3.8	4.78%	12/15/2023
Total / weighted average secured		**$57.0**	**4.34%**	**4.0 years**
Total / weighted average		**$1,332.5**	**3.56%**	**4.7 years**
Add: total unamortized fair market value premiums		0.1		
Less: total unamortized deferred financing fees and debt issuance costs		(6.7)		
Total book value		**$1,325.9**		

(1) Current interest rate as of December 31, 2018. At December 31, 2018 the one-month LIBOR was 2.50269%. The current interest rates presented in the table above are not adjusted to include the amortization of deferred financing fees or debt issuance costs incurred in obtaining debt or the unamortized fair market value premiums.
(2) The weighted average interest rate and weighted average debt maturity is calculated based on the principal balance outstanding as of December 31, 2018.
(3) The interest rate on these unsecured facilities represents the interest rate as of December 31, 2018 based on the Company's Performance-Based Pricing Grid as defined in the respective loan agreements.
(4) The weighted average interest rate was calculated using the current swapped notional amount of $600 million of debt, and excludes any fair market value premiums or discounts and also excludes the amortization of deferred financing fees and debt issuance costs incurred in obtaining debt. As of December 31, 2018, one-month LIBOR for Unsecured Term Loan A, B, C and D is swapped to a fixed rate of 1.70%, 2.05%, 1.39% and 1.85%, respectively.

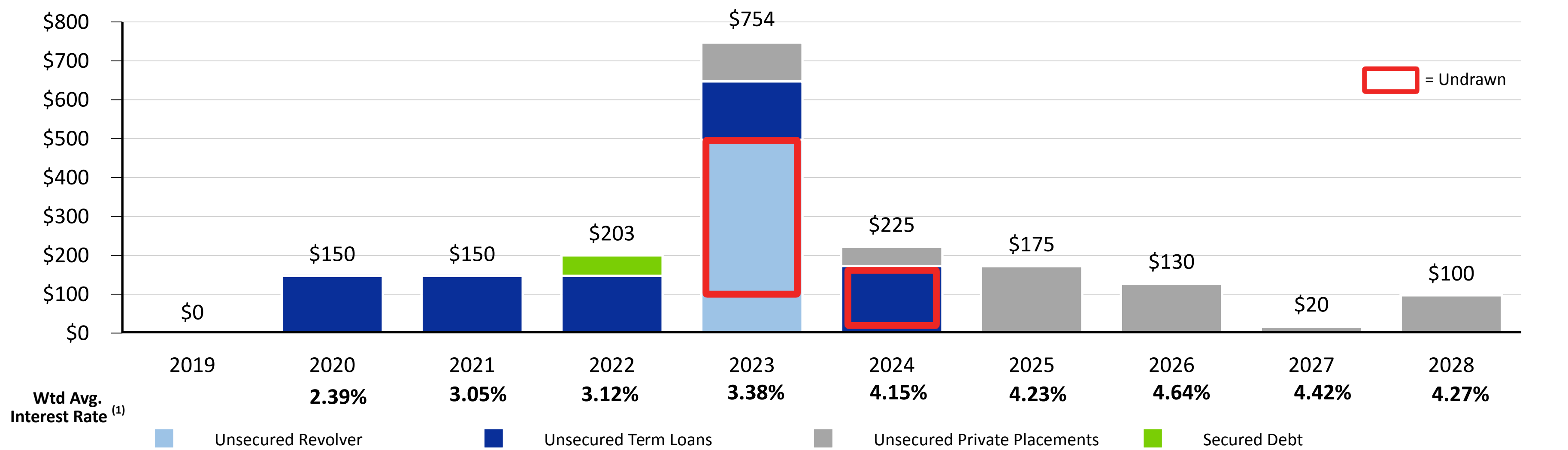
DEBT MATURITY SCHEDULE

(in millions) PRINCIPAL BALANCE AS OF DECEMBER 31, 2018



Note: The above balances do not reflect future scheduled principal amortization payments.

(in millions) FULLY COMMITTED AS OF DECEMBER 31, 2018



Note: The above balances do not reflect future scheduled principal amortization payments.

(1) The weighted average interest rate for unsecured debt was calculated using the current swapped notional amount of $600 million of debt, and excludes any fair market value premiums or discounts and also excludes the amortization of deferred financing fees and debt issuance costs incurred in obtaining debt. As of December 31, 2018, one-month LIBOR for Unsecured Term Loan A, B, C and D is swapped to a fixed rate of 1.70%, 2.05%, 1.39% and 1.85%, respectively.

GUIDANCE

2019 GUIDANCE		
	Current Guidance	
	Low	High
Acquisition volume	$650.0 million	$800.0 million
Stabilized volume	$600.0 million	$700.0 million
Value Add volume	$50.0 million	$100.0 million
Stabilized Capitalization Rate	6.50%	7.00%
Disposition volume[1]	$100.0 million	$200.0 million
Same Store Cash NOI Change	1.0%	2.0%
Retention	70%	80%
Net debt to Run Rate Adjusted EBITDA*re*	4.75x	6.00x
General & administrative expense	$36.0 million	$38.0 million

(1) Does not include potential portfolio dispositions.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Acquisition Capital Expenditures: We define Acquisition Capital Expenditures as Recurring and Non-Recurring Capital Expenditures identified at the time of acquisition. Acquisition Capital Expenditures also include new lease commissions and tenant improvements for space that was not occupied under the Company's ownership.

Annualized Base Rental Revenue: We define Annualized Base Rental Revenue as the monthly base cash rent for the applicable property or properties (which is different from rent calculated in accordance with GAAP for purposes of our financial statements), multiplied by 12. If a tenant is in a free rent period, the annualized rent is calculated based on the first contractual monthly base rent amount multiplied by 12.

Capitalization Rate: We define Capitalization Rate as the estimated weighted average cash Capitalization Rate, calculated by dividing (i) the Company's estimate of year one cash net operating income from the applicable property's operations stabilized for occupancy (post-lease-up for vacant properties), which does not include termination income, miscellaneous other income, capital expenditures, general and administrative costs, reserves, tenant improvements and leasing commissions, credit loss, or vacancy loss, by (ii) the GAAP purchase price plus estimated Acquisition Capital Expenditures. These Capitalization Rate estimates are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2018.

Cash Rent Change: We define Cash Rent Change as the percentage change in the base rent of the lease executed during the period compared to the base rent of the Comparable Lease for assets included in the Operating Portfolio. The calculation compares the first base rent payment due after the lease commencement date compared to the base rent of the last monthly payment due prior to the termination of the lease, excluding holdover rent. Rent under gross or similar type leases are converted to a net rent based on an estimate of the applicable recoverable expenses.

Comparable Lease: We define a Comparable Lease as a lease in the same space with a similar lease structure as compared to the previous in-place lease, excluding new leases for space that was not occupied under our ownership.

Earnings before Interest, Taxes, Depreciation, and Amortization for Real Estate (EBITDA*re*), Adjusted EBITDA*re*, Annualized Adjusted EBITDA*re*, and Run Rate Adjusted EBITDA*re*: We define EBITDA*re* in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). EBITDA*re* represents net income (loss) (computed in accordance with GAAP) before interest expense, tax, depreciation and amortization, gains or losses on the sale of rental property, and loss on impairments. Adjusted EBITDA*re* further excludes transaction costs, termination income, straight-line rent adjustments, non-cash compensation, intangible amortization in rental income, gain (loss) on involuntary conversion, loss on extinguishment of debt, loss on incentive fee, and other non-recurring items.

We define Annualized Adjusted EBITDA*re* as Adjusted EBITDA*re* multiplied by four.

We define Run Rate Adjusted EBITDA*re* as Adjusted EBITDA*re* plus incremental Adjusted EBITDA*re* adjusted for a full period of acquisitions and dispositions. Run Rate Adjusted EBITDA*re* does not reflect the Company's historical results and does not predict future results, which may be substantially different.

EBITDA*re*, Adjusted EBITDA*re,* and Run Rate Adjusted EBITDA*re* should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, EBITDA*re*, Adjusted EBITDA*re,* and Run Rate Adjusted EBITDA*re* should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We believe that EBITDA*re,* Adjusted EBITDA*re,* and Run Rate Adjusted EBITDA*re* are helpful to investors as supplemental measures of the operating performance of a real estate company because they are direct measures of the actual operating results of our properties. We also use these measures in ratios to compare our performance to that of our industry peers.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Fixed Charge Coverage Ratio: We define the Fixed Charge Coverage Ratio as Adjusted EBITDA*re* divided by cash interest expense, preferred dividends paid and principal payments.

Funds from Operations (FFO), Core FFO, and Adjusted FFO (AFFO): We define FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment write-downs of depreciable real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs and fair market value of debt adjustment) and after adjustments for unconsolidated partnerships and joint ventures. Core FFO and AFFO exclude transaction costs, intangible amortization in rental income, loss on extinguishment of debt, gain (loss) on involuntary conversion, gain (loss) on swap ineffectiveness, loss on incentive fee, and non-recurring other expenses. AFFO also excludes non-rental property depreciation and amortization, straight-line rent adjustments, non-cash portion of interest expense, non-cash compensation expense and deducts Recurring Capital Expenditures and lease renewal commissions and tenant improvements.

None of FFO, Core FFO or AFFO should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We use FFO as a supplemental performance measure because it is a widely recognized measure of the performance of REITs. FFO may be used by investors as a basis to compare our operating performance with that of other REITs. We and investors may use Core FFO and AFFO similarly as FFO.

However, because FFO, Core FFO and AFFO exclude, among other items, depreciation and amortization and capture neither the changes in the value of our buildings that result from use or market conditions of our buildings, all of which have real economic effects and could materially impact our results from operations, the utility of these measures as measures of our performance is limited. In addition, other REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. Similarly, our calculations of Core FFO and AFFO may not be comparable to similarly titled measures disclosed by other REITs.

GAAP: U.S. generally accepted accounting principles.

Liquidity: We define Liquidity as the amount of aggregate undrawn nominal commitments the Company could immediately borrow under the Company's unsecured debt instruments, consistent with the financial covenants, plus unrestricted cash balances.

Location Classification: We define primary markets as the markets which have approximately 200 million or more in net rentable square footage. We define secondary industrial markets as the markets which each have net rentable square footage ranging from approximately 25 million to approximately 200 million. We define tertiary markets as markets with less than 25 million square feet of net rentable square footage.

Market: We define Market as the market defined by CoStar based on the building address. If the building is located outside of a CoStar defined market, the city and state is reflected.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Net operating income (NOI), Cash NOI, and Run Rate Cash NOI: We define NOI as rental income, including reimbursements, less property expenses, which excludes depreciation, amortization, loss on impairments, general and administrative expenses, interest expense, interest income, asset management fee income, transaction costs, gain (loss) on involuntary conversion, loss on extinguishment of debt, gain on sales of rental property, loss on incentive fee, and other expenses.

We define Cash NOI as NOI less straight-line rent adjustments and less intangible amortization in rental income.

We define Run Rate Cash NOI as Cash NOI plus Cash NOI adjusted for a full period of acquisitions and dispositions, less cash termination income. Run Rate Cash NOI does not reflect the Company's historical results and does not predict future results, which may be substantially different.

We consider NOI, Cash NOI and Run Rate Cash NOI to be appropriate supplemental performance measures to net income because we believe they help us and investors understand the core operations of our buildings. None of these measures should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. Further, our calculations of NOI, Cash NOI and Run Rate NOI may not be comparable to similarly titled measures disclosed by other REITs.

Non-Recurring Capital Expenditures: We define Non-Recurring Capital Expenditures as capital items for upgrades or items that previously did not exist at a building or capital items which have a longer useful life, such as roof replacements. Non-Recurring Capital Expenditures funded by parties other than the Company and Acquisition Capital Expenditures are excluded.

Occupancy Rate: We define Occupancy Rate as the percentage of total leasable square footage for which either revenue recognition has commenced in accordance with GAAP or the lease term has commenced as of the close of the reporting period, whichever occurs earlier.

Operating Portfolio: We define the Operating Portfolio as all warehouse and light manufacturing assets that were acquired stabilized or have achieved Stabilization. The Operating Portfolio excludes non-core flex/office assets and assets contained in the Value Add Portfolio.

Pipeline: We define Pipeline as a point in time measure that includes all of the transactions under consideration by the Company's acquisitions group that have passed the initial screening process. The pipeline also includes transactions under contract and transactions with non-binding LOIs.

Real Estate Cost Basis: We define Real Estate Cost Basis as the book value of rental property and deferred leasing intangibles, exclusive of the related accumulated depreciation and amortization.

Recurring Capital Expenditures: We define Recurring Capital Expenditures as capital items required to sustain existing systems and capital items which generally have a shorter useful life. Recurring Capital Expenditures funded by parties other than the Company are excluded.

Renewal Lease: We define a Renewal Lease as a lease signed by an existing tenant to extend the term for twelve months or more, including (i) a renewal of the same space as the current lease at lease expiration, (ii) a renewal of only a portion of the current space at lease expiration and (iii) an early renewal or workout, which ultimately does extend the original term for twelve months or more.

NON-GAAP FINANCIAL MEASURES & OTHER DEFINITIONS

Retention: We define Retention as the percentage determined by taking Renewal Lease square footage commencing in the period divided by square footage of leases expiring in the period for assets included in the Operating Portfolio.

Same Store: We define Same Store properties as properties that were in the Operating Portfolio for the entirety of the comparative periods presented.

Stabilization: We define Stabilization for assets under redevelopment to occur upon the earlier of achieving 90% occupancy or twelve months after completion. Stabilization for assets that were acquired and immediately added to the Value Add Portfolio occurs under the following:

- If acquired with less than 75% occupancy as of the acquisition date, Stabilization will occur upon the earlier of achieving 90% occupancy or twelve months from the acquisition date;
- If acquired and will be less than 75% occupied due to known move-outs within two years of the acquisition date, Stabilization will occur upon the earlier of achieving 90% occupancy after the known move-outs have occurred or twelve months after the known move-outs have occurred.

Straight-line Rent Change (SL Rent Change): We define SL Rent Change as the percentage change in the average monthly base rent over the term of the lease, calculated on a straight-line basis, of the lease executed during the period compared to the Comparable Lease for assets included in the Operating Portfolio. Rent under gross or similar type leases are converted to a net rent based on an estimate of the applicable recoverable expenses, and this calculation excludes the impact of any holdover rent.

Value Add Portfolio: We define the Value Add Portfolio as properties that meet any of the following criteria:

- Less than 75% occupied as of the acquisition date;
- Will be less than 75% occupied due to known move-outs within two years of the acquisition date;
- Out of service with significant physical renovation of the asset

Weighted Average Lease Term: We define Weighted Average Lease Term as the contractual lease term in years as of the lease start date weighted by square footage. Weighted Average Lease Term related to acquired assets reflects the remaining lease term in years as of the acquisition date weighted by square footage.

STAG INDUSTRIAL ANNOUNCES FOURTH QUARTER AND FULL YEAR 2018 RESULTS

Boston, MA — February 13, 2019 - STAG Industrial, Inc. (the "Company") (NYSE:STAG), today announced its financial and operating results for the quarter ended December 31, 2018.

"Fourth quarter results were a fitting conclusion to another strong year for STAG" said Ben Butcher, Chief Executive Officer of the Company. "2018's portfolio disposition, record acquisition volume, and balance sheet strength showcased the ability of our organization to drive continued bottom line per share growth moving into 2019."

Fourth Quarter and Full Year 2018 Highlights

- Reported $0.40 of net income per basic and diluted common share for the fourth quarter of 2018, as compared to $0.06 of net income per basic and diluted common share for the fourth quarter of 2017. Reported $44.3 million of net income attributable to common stockholders for the fourth quarter of 2018 compared to net income attributable to common stockholders of $6.1 million for the fourth quarter of 2017. For the year ended December 31, 2018, net income attributable to common stockholders was $82.4 million as compared to net income of $21.1 million in 2017.

- Achieved $0.46 of Core FFO per diluted share for the fourth quarter of 2018, an increase of 4.5% compared to the fourth quarter of 2017 of $0.44. Generated Core FFO of $52.6 million for the fourth quarter of 2018 compared to $44.5 million for the fourth quarter of 2017, an increase of 18.2%. For the year ended December 31, 2018, Core FFO increased 20.9% in the aggregate compared to the same period last year and Core FFO per diluted share increased 5.3% compared to the same period last year.

- Generated Cash NOI of $73.1 million for the fourth quarter of 2018, an increase of 14.3% compared to the fourth quarter of 2017 of $64.0 million. For the year ended December 31, 2018, Cash NOI increased 14.4% in the aggregate compared to the same period last year.

- Acquired 17 buildings in the fourth quarter of 2018, consisting of 3.3 million square feet, for $217.9 million with a weighted average Capitalization Rate of 6.6%.

- Sold eight buildings in the fourth quarter of 2018, consisting of 1.9 million square feet for $119.5 million, resulting in a gain of $39.9 million.

- Achieved an Occupancy Rate of 95.5% on the total portfolio and 95.8% on the Operating Portfolio as of December 31, 2018.

- Executed Operating Portfolio leases for 2.6 million square feet for the fourth quarter of 2018, resulting in a Cash Rent Change and Straight-line Rent Change of 8.0% and 16.4%, respectively.

- Experienced 81.2% Retention for 1.3 million square feet of leases expiring in the quarter.

- Produced Same Store cash NOI growth of 0.1% for the fourth quarter of 2018 compared to the fourth quarter of 2017, and 0.3% for the year ended December 31, 2018 compared to the year ended December 31, 2017.

- Raised gross proceeds of $114.0 million of equity through the Company's at-the-market offering ("ATM") program for the fourth quarter of 2018.

- On December 19, 2018, the company received an investment grade rating from Moody's Investor Services of Baa3 with a stable outlook.

Please refer to the Non-GAAP Financial Measures and Other Definitions section at the end of this release for definitions of capitalized terms used in this release.

The Company will host a conference call tomorrow, February 14, 2019 at 10:00 a.m. (Eastern Time), to discuss the quarter's results and provide information about acquisitions, operations, capital markets and corporate activities. Details of the call can be found at the end of this release.

Key Financial Measures

FOURTH QUARTER 2018 KEY FINANCIAL MEASURES

	Three months ended December 31,			Year ended December 31,		
	2018	2017	% Change	2018	2017	% Change
(in $000s, except per share data)						
Net income attributable to common stockholders	$44,256	$6,124	*622.7%*	$82,385	$21,131	289.9%
Net income per common share — basic	*$0.40*	*$0.06*	*566.7%*	*$0.80*	*$0.24*	*233.3%*
Net income per common share — diluted	*$0.40*	*$0.06*	*566.7%*	*$0.79*	*$0.23*	*243.5%*
Cash NOI	$73,129	$63,970	*14.3%*	$275,073	$240,440	*14.4%*
Same Store Cash NOI [(1)]	$58,601	$58,537	*0.1%*	$196,269	$195,635	*0.3%*
Adjusted EBITDA*re*	$66,470	$57,659	*15.3%*	$248,274	$214,854	*15.6%*
Core FFO	$52,604	$44,514	*18.2%*	$194,324	$160,792	*20.9%*
Core FFO per share / unit — basic	*$0.46*	*$0.45*	*2.2%*	*$1.80*	*$1.72*	*4.7%*
Core FFO per share / unit — diluted	*$0.46*	*$0.44*	*4.5%*	*$1.79*	*$1.70*	*5.3%*
AFFO	$50,157	$42,697	*17.5%*	$186,811	$157,423	*18.7%*

(1) The Same Store pool accounted for 80.3% and 69.1% of the total portfolio square footage for the three and twelve months ended December 31, 2018, respectively.

Definitions of the above mentioned non-GAAP financial measures, together with reconciliations to net income (loss) in accordance with GAAP, appear at the end of this release. Please also see the Company's supplemental information package for additional disclosure.

Acquisition and Disposition Activity

For the three months ended December 31, 2018, the Company acquired 17 buildings for $217.9 million with an Occupancy Rate of 99.7% upon acquisition. The chart below details the acquisition activity for the quarter:

FOURTH QUARTER 2018 ACQUISITION ACTIVITY

Market	Date Acquired	Square Feet	Buildings	Purchase Price ($000s)	W.A. Lease Term (Years)	Capitalization Rate
Greensboro/Winston-Salem, NC	10/22/2018	128,287	1	$8,376	8.0	
Minneapolis/St Paul, MN	10/22/2018	109,444	1	8,064	4.8	
Baltimore, MD	10/23/2018	60,000	1	7,538	5.2	
Greenville/Spartanburg, SC	11/7/2018	210,891	1	11,289	10.1	
Philadelphia, PA	11/19/2018	101,869	1	7,074	4.8	
Detroit, MI [(1)]	11/26/2018	—	—	620	—	
Milwaukee/Madison, WI	12/3/2018	162,230	1	14,132	14.9	
Pittsburgh, PA	12/11/2018	119,161	1	15,502	12.1	
Tucson, AZ	12/13/2018	129,047	1	10,075	4.7	
Detroit, MI	12/14/2018	285,306	2	20,095	3.9	
Greenville/Spartanburg, SC	12/17/2018	726,500	1	28,995	12.1	
Milwaukee/Madison, WI	12/18/2018	288,201	2	14,586	4.1	
Milwaukee/Madison, WI	12/19/2018	112,144	1	5,349	3.8	
Chicago, IL	12/19/2018	195,415	1	16,134	7.2	
Indianapolis, IN	12/20/2018	446,500	1	33,314	14.8	
Pittsburgh, PA	12/20/2018	179,394	1	16,725	4.0	
Total / weighted average		**3,254,389**	**17**	**$217,868**	**9.0**	**6.6%**

(1) Non-cash land acquisition.

The chart below details the 2018 acquisition activity and Pipeline through February 13, 2019:

2018 ACQUISITION ACTIVITY AND PIPELINE DETAIL

	Square Feet	Buildings	Purchase Price ($000s)	W.A. Lease Term (Years)	Capitalization Rate
Q1	1,091,868	6	$78,821	6.2	6.7%
Q2	2,726,162	15	185,300	7.7	7.1%
Q3	3,253,347	15	194,543	8.8	6.9%
Q4	3,254,389	17	217,868	9.0	6.6%
Total / weighted average	**10,325,766**	**53**	**$676,532**	**8.3**	**6.9%**
As of February 13, 2019					
Subsequent to quarter-end acquisitions	**176,684**	**1**	**$9,965**		
Pipeline	**34.7 million**	**144**	**$2.4 billion**		

The chart below details the disposition activity for the year ended December 31, 2018:

2018 DISPOSITION ACTIVITY

	Square Feet	Buildings	Sale Price ($000s)
Q1	650,636	2	$50,379
Q2	1,009,021	5	31,200
Q3	339,956	4	10,495
Q4	1,854,959	8	119,461
Total	**3,854,572**	**19**	**$211,535**

Operating Portfolio Leasing Activity

The chart below details the leasing activity for leases signed during the three months ended December 31, 2018:

FOURTH QUARTER 2018 LEASING ACTIVITY

Lease Type	Square Feet	W.A. Lease Term (Years)	Cash Base Rent $/SF	SL Base Rent $/SF	Lease Commissions $/SF	Tenant Improvements $/SF	Cash Rent Change	SL Rent Change
New leases	756,150	5.2	$3.42	$3.51	$1.11	$0.66	10.9%	18.1%
Renewal Leases	1,874,666	5.4	$4.33	$4.52	$0.86	$0.48	6.8%	15.7%
Total / weighted average	**2,630,816**	**5.3**	**$4.07**	**$4.23**	**$0.93**	**$0.54**	**8.0%**	**16.4%**

The chart below details the leasing activity for leases signed during the year ended December 31, 2018:

2018 LEASING ACTIVITY

Lease Type	Square Feet	W.A. Lease Term (Years)	Cash Base Rent $/SF	SL Base Rent $/SF	Lease Commissions $/SF	Tenant Improvements $/SF	Cash Rent Change	SL Rent Change
New leases	2,513,085	6.3	$3.63	$3.77	$1.28	$0.84	10.3%	17.8%
Renewal Leases	7,129,299	4.8	$4.07	$4.22	$0.51	$0.30	7.3%	14.5%
Total / weighted average	**9,642,384**	**5.2**	**$3.96**	**$4.10**	**$0.71**	**$0.44**	**7.9%**	**15.2%**

The chart below details the Retention activity for the year ended December 31, 2018:

2018 RETENTION

	Expiring Square Footage	Retained Square Footage	W.A. Lease Term (Years)	Retention
Q1	5,579,301	4,640,916	5.5	83.2%
Q2	1,740,723	1,523,971	3.8	87.5%
Q3	1,330,937	1,028,546	4.6	77.3%
Q4	1,265,025	1,027,445	6.1	81.2%
Total / weighted average	**9,915,986**	**8,220,878**	**5.2**	**82.9%**

Liquidity and Capital Market Activity

As of December 31, 2018, the net debt to annualized Run Rate Adjusted EBITDA*re* was 4.9x.

On December 19, 2018, the company received an investment grade rating from Moody's Investor Services of Baa3 with a stable outlook. Subsequently, the Company reduced the credit spread on the outstanding unsecured term loans to a spread of 1.00% over LIBOR, and reduced the credit spread on the unsecured revolving credit facility to a spread of 0.90% over LIBOR.

The chart below details the ATM program activity for the year ended December 31, 2018:

2018 ATM ACTIVITY

ATM	Shares Issued	Price per Share (Weighted Avg)	Gross Proceeds ($000s)	Net Proceeds ($000s)
Q1	-	-	-	-
Q2	6,819,580	$25.92	$176,762	$175,003
Q3	3,568,382	$27.94	$99,695	$98,566
Q4	4,336,652	$26.29	$113,990	$112,838
Total / weighted average	**14,724,614**	**$26.52**	**$390,447**	**$386,407**

Conference Call

The Company will host a conference call tomorrow, Thursday, February 14, at 10:00 a.m. (Eastern Time) to discuss the quarter's results. The call can be accessed live over the phone toll-free by dialing (877) 407-4018, or for international callers, (201) 689-8471. A replay will be available shortly after the call and can be accessed by dialing (844) 512-2921, or for international callers, (412) 317-6671. The passcode for the replay is 13686278.

Interested parties may also listen to a simultaneous webcast of the conference call by visiting the Investor Relations section of the Company's website at www.stagindustrial.com, or by clicking on the following link:

http://ir.stagindustrial.com/QuarterlyResults

Supplemental Schedule

The Company has provided a supplemental information package to provide additional disclosure and financial information on its website (www.stagindustrial.com) under the "Quarterly Results" tab in the Investor Relations section.

Additional information is also available on the Company's website at www.stagindustrial.com.

CONSOLIDATED BALANCE SHEETS
STAG Industrial, Inc.
(unaudited, in thousands, except share data)

	December 31, 2018	December 31, 2017
Assets		
Rental Property:		
Land	$ 364,023	$ 321,560
Buildings and improvements, net of accumulated depreciation of $316,930 and $249,057, respectively	2,285,663	1,932,764
Deferred leasing intangibles, net of accumulated amortization of $246,502 and $280,642, respectively	342,015	313,253
Total rental property, net	2,991,701	2,567,577
Cash and cash equivalents	7,968	24,562
Restricted cash	14,574	3,567
Tenant accounts receivable, net	42,236	33,602
Prepaid expenses and other assets	36,902	25,364
Interest rate swaps	9,151	6,079
Assets held for sale, net	—	19,916
Total assets	**$ 3,102,532**	**$ 2,680,667**
Liabilities and Equity		
Liabilities:		
Unsecured credit facility	$ 100,500	$ 271,000
Unsecured term loans, net	596,360	446,265
Unsecured notes, net	572,488	398,234
Mortgage notes, net	56,560	58,282
Accounts payable, accrued expenses and other liabilities	45,507	43,216
Interest rate swaps	4,011	1,217
Tenant prepaid rent and security deposits	22,153	19,045
Dividends and distributions payable	13,754	11,880
Deferred leasing intangibles, net of accumulated amortization of $12,764 and $13,555, respectively	21,567	21,221
Total liabilities	**1,432,900**	**1,270,360**
Equity:		
Preferred stock, par value $0.01 per share, 15,000,000 shares authorized,		
Series B, -0- and 2,800,000 shares (liquidation preference of $25.00 per share) issued and outstanding at December 31, 2018 and December 31, 2017, respectively	—	70,000
Series C, 3,000,000 shares (liquidation preference of $25.00 per share) issued and outstanding at December 31, 2018 and December 31, 2017	75,000	75,000
Common stock, par value $0.01 per share, 150,000,000 shares authorized, 112,165,786 and 97,012,543 shares issued and outstanding at December 31, 2018 and December 31, 2017, respectively	1,122	970
Additional paid-in capital	2,118,179	1,725,825
Cumulative dividends in excess of earnings	(584,979)	(516,691)
Accumulated other comprehensive income	4,481	3,936
Total stockholders' equity	1,613,803	1,359,040
Noncontrolling interest	55,829	51,267
Total equity	**1,669,632**	**1,410,307**
Total liabilities and equity	**$ 3,102,532**	**$ 2,680,667**

CONSOLIDATED STATEMENTS OF OPERATIONS
STAG Industrial, Inc.
(unaudited, in thousands, except per share data)

	Three months ended December 31,		Year ended December 31,	
	2018	2017	2018	2017
Revenue				
Rental income	$ 78,427	$ 69,210	$ 295,654	$ 255,831
Tenant recoveries	14,596	12,053	54,039	45,005
Other income	267	7	1,300	251
Total revenue	93,290	81,270	350,993	301,087
Expenses				
Property	18,286	15,389	69,021	57,701
General and administrative	8,415	8,259	34,052	33,349
Property acquisition costs	—	702	—	5,386
Depreciation and amortization	42,396	40,595	167,617	150,881
Loss on impairments	3,248	1,879	6,182	1,879
Gain on involuntary conversion	—	(655)	—	(325)
Other expenses	413	284	1,277	1,786
Total expenses	72,758	66,453	278,149	250,657
Other income (expense)				
Interest and other income	4	2	20	12
Interest expense	(13,215)	(10,912)	(48,817)	(42,469)
Loss on extinguishment of debt	—	—	(13)	(15)
Gain on the sales of rental property, net	39,935	5,017	72,211	24,242
Total other income (expense)	26,724	(5,893)	23,401	(18,230)
Net income	**$ 47,256**	**$ 8,924**	**$ 96,245**	**$ 32,200**
Less: income attributable to noncontrolling interest after preferred stock dividends	1,634	267	3,319	941
Net income attributable to STAG Industrial, Inc.	**$ 45,622**	**$ 8,657**	**$ 92,926**	**$ 31,259**
Less: preferred stock dividends	1,289	2,449	7,604	9,794
Less: redemption of preferred stock	—	—	2,661	—
Less: amount allocated to participating securities	77	84	276	334
Net income attributable to common stockholders	**$ 44,256**	**$ 6,124**	**$ 82,385**	**$ 21,131**
Weighted average common shares outstanding — basic	110,244	95,192	103,401	89,538
Weighted average common shares outstanding — diluted	110,667	95,764	103,807	90,004
Net income per share — basic and diluted				
Net income per share attributable to common stockholders — basic	$ 0.40	$ 0.06	$ 0.80	$ 0.24
Net income per share attributable to common stockholders — diluted	$ 0.40	$ 0.06	$ 0.79	$ 0.23

RECONCILIATIONS OF GAAP TO NON-GAAP MEASURES
STAG Industrial, Inc.
(unaudited, in thousands)

	Three months ended December 31, 2018	Three months ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
NET OPERATING INCOME RECONCILIATION				
Net income	$ 47,256	$ 8,924	$ 96,245	$ 32,200
Asset management fee income	—	—	—	(52)
General and administrative	8,415	8,259	34,052	33,349
Transaction costs	44	702	214	5,386
Depreciation and amortization	42,396	40,595	167,617	150,881
Interest and other income	(4)	(2)	(20)	(12)
Interest expense	13,215	10,912	48,817	42,469
Loss on impairments	3,248	1,879	6,182	1,879
Gain on involuntary conversion	—	(655)	—	(325)
Loss on extinguishment of debt	—	—	13	15
Other expenses	369	284	1,063	1,097
Loss on incentive fee	—	—	—	689
Gain on the sales of rental property, net	(39,935)	(5,017)	(72,211)	(24,242)
Net operating income	**$ 75,004**	**$ 65,881**	**$ 281,972**	**$ 243,334**
Net operating income	$ 75,004	$ 65,881	$ 281,972	$ 243,334
Straight-line rent adjustments, net	(2,756)	(2,313)	(10,929)	(6,691)
Straight-line termination income adjustments, net	(77)	(308)	(134)	(786)
Intangible amortization in rental income, net	958	710	4,164	4,583
Cash net operating income	**$ 73,129**	**$ 63,970**	**$ 275,073**	**$ 240,440**
Cash net operating income	$ 73,129			
Cash NOI from acquisitions' and dispositions' timing	1,023			
Cash termination income	(93)			
Run Rate Cash NOI	**$ 74,059**			
Same Store Portfolio NOI				
Total NOI	$ 75,004	$ 65,881	$ 281,972	$ 243,334
Less: NOI non-same-store properties	(15,488)	(6,118)	(82,861)	(47,117)
Less: termination income	(170)	(97)	(522)	(81)
Same Store NOI	**$ 59,346**	**$ 59,666**	**$ 198,589**	**$ 196,136**
Less: straight-line rent adjustments, net	(1,760)	(1,747)	(5,571)	(4,435)
Plus: intangible amortization in rental income, net	1,015	618	3,251	3,934
Same Store Cash NOI	**$ 58,601**	**$ 58,537**	**$ 196,269**	**$ 195,635**
EBITDA FOR REAL ESTATE (EBITDA*re*) RECONCILIATION				
Net income	$ 47,256	$ 8,924	$ 96,245	$ 32,200
Depreciation and amortization	42,396	40,595	167,617	150,881
Interest and other income	(4)	(2)	(20)	(12)
Interest expense	13,215	10,912	48,817	42,469
Loss on impairments	3,248	1,879	6,182	1,879
Gain on the sales of rental property, net	(39,935)	(5,017)	(72,211)	(24,242)
EBITDA*re*	**$ 66,176**	**$ 57,291**	**$ 246,630**	**$ 203,175**
ADJUSTED EBITDA*re* RECONCILIATION				
EBITDA*re*	$ 66,176	$ 57,291	$ 246,630	$ 203,175
Straight-line rent adjustments, net	(2,789)	(2,312)	(11,029)	(6,689)
Intangible amortization in rental income, net	958	710	4,164	4,583
Non-cash compensation expense	2,251	2,388	8,922	9,547
Termination income	(170)	(465)	(640)	(1,527)
Transaction costs	44	702	214	5,386
Gain on involuntary conversion	—	(655)	—	(325)
Loss on extinguishment of debt	—	—	13	15
Loss on incentive fee	—	—	—	689
Adjusted EBITDA*re*	**$ 66,470**	**$ 57,659**	**$ 248,274**	**$ 214,854**
Adjusted EBITDA*re*	$ 66,470			
Adjusted EBITDA*re* from acquisitions' and dispositions' timing	1,023			
Run Rate Adjusted EBITDA*re*	**$ 67,493**			

RECONCILIATIONS OF GAAP TO NON-GAAP MEASURES
STAG Industrial, Inc.
(unaudited, in thousands, except per share data)

	Three months ended December 31,		Year ended December 31,	
	2018	2017	2018	2017
CORE FUNDS FROM OPERATIONS RECONCILIATION				
Net income	$ 47,256	$ 8,924	$ 96,245	$ 32,200
Rental property depreciation and amortization	42,322	40,522	167,321	150,591
Loss on impairments	3,248	1,879	6,182	1,879
Gain on the sales of rental property, net	(39,935)	(5,017)	(72,211)	(24,242)
Funds from operations	**$ 52,891**	**$ 46,308**	**$ 197,537**	**$ 160,428**
Preferred stock dividends	(1,289)	(2,449)	(7,604)	(9,794)
Redemption of preferred stock	—	—	(2,661)	—
Funds from operations attributable to common stockholders and unit holders	**$ 51,602**	**$ 43,859**	**$ 187,272**	**$ 150,634**
Funds from operations attributable to common stockholders and unit holders	$ 51,602	$ 43,859	$ 187,272	$ 150,634
Intangible amortization in rental income, net	958	710	4,164	4,583
Transaction costs	44	702	214	5,386
Loss on extinguishment of debt	—	—	13	15
Gain on involuntary conversion	—	(655)	—	(325)
Loss on incentive fee	—	—	—	689
Gain on swap ineffectiveness	—	(102)	—	(190)
Redemption of preferred stock	—	—	2,661	—
Core funds from operations	**$ 52,604**	**$ 44,514**	**$ 194,324**	**$ 160,792**
Weighted average common shares, participating securities, performance units and other units				
Weighted average common shares outstanding	110,244	95,192	103,401	89,538
Weighted average participating securities outstanding	191	237	195	238
Weighted average units outstanding	4,069	4,111	4,159	3,934
Weighted average common shares, participating securities, and other units - basic	**114,504**	**99,540**	**107,755**	**93,710**
Weighted average performance units and outperformance plan	219	122	234	226
Dilutive common share equivalents	423	572	406	466
Weighted average common shares, participating securities, performance and other units - diluted	**115,146**	**100,234**	**108,395**	**94,402**
Core funds from operations per share / unit - basic	**$ 0.46**	**$ 0.45**	**$ 1.80**	**$ 1.72**
Core funds from operations per share / unit - diluted	**$ 0.46**	**$ 0.44**	**$ 1.79**	**$ 1.70**
ADJUSTED FUNDS FROM OPERATIONS RECONCILIATION				
Core funds from operations	$ 52,604	$ 44,514	$ 194,324	$ 160,792
Non-rental property depreciation and amortization	74	73	296	290
Straight-line rent adjustments, net	(2,789)	(2,312)	(11,029)	(6,689)
Straight-line termination income adjustments, net	(77)	(308)	(134)	(786)
Recurring capital expenditures	(448)	(1,735)	(2,914)	(3,264)
Renewal lease commissions and tenant improvements	(2,076)	(457)	(4,970)	(4,554)
Non-cash portion of interest expense	618	534	2,316	2,087
Non-cash compensation expense	2,251	2,388	8,922	9,547
Adjusted funds from operations (1)	**$ 50,157**	**$ 42,697**	**$ 186,811**	**$ 157,423**

(1) Excludes Non-Recurring Capital Expenditures of approximately $5,196, $19,803, $3,512 and $16,072 and new leasing commissions and tenant improvements of approximately $2,028, $5,355, $1,333 and $4,952 for the three months and year ended December 31, 2018 and 2017, respectively.

Non-GAAP Financial Measures and Other Definitions

Acquisition Capital Expenditures: We define Acquisition Capital Expenditures as Recurring and Non-Recurring Capital Expenditures identified at the time of acquisition. Acquisition Capital Expenditures also include new lease commissions and tenant improvements for space that was not occupied under the Company's ownership.

Capitalization Rate: We define Capitalization Rate as the estimated weighted average cash Capitalization Rate, calculated by dividing (i) the Company's estimate of year one cash net operating income from the applicable property's operations stabilized for occupancy (post-lease-up for vacant properties), which does not include termination income, miscellaneous other income, capital expenditures, general and administrative costs, reserves, tenant improvements and leasing commissions, credit loss, or vacancy loss, by (ii) the GAAP purchase price plus estimated Acquisition Capital Expenditures. These Capitalization Rate estimates are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2018.

Cash Rent Change: We define Cash Rent Change as the percentage change in the base rent of the lease executed during the period compared to the base rent of the Comparable Lease for assets included in the Operating Portfolio. The calculation compares the first base rent payment due after the lease commencement date compared to the base rent of the last monthly payment due prior to the termination of the lease, excluding holdover rent. Rent under gross or similar type leases are converted to a net rent based on an estimate of the applicable recoverable expenses.

Comparable Lease: We define a Comparable Lease as a lease in the same space with a similar lease structure as compared to the previous in-place lease, excluding new leases for space that was not occupied under our ownership.

Earnings before Interest, Taxes, Depreciation, and Amortization for Real Estate (EBITDAre), Adjusted EBITDAre, Annualized Adjusted EBITDAre, and Run Rate Adjusted EBITDAre: We define EBITDA*re* in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). EBITDA*re* represents net income (loss) (computed in accordance with GAAP) before interest income and expense, tax, depreciation and amortization, gains or losses on the sale of rental property, and loss on impairments. Adjusted EBITDA*re* further excludes transaction costs, termination income, straight-line rent adjustments, non-cash compensation, intangible amortization in rental income, gain (loss) on involuntary conversion, loss on extinguishment of debt, loss on incentive fee, and other non-recurring items.

We define Annualized Adjusted EBITDA*re* as Adjusted EBITDA*re* multiplied by four.

We define Run Rate Adjusted EBITDA*re* as Adjusted EBITDA*re* plus incremental Adjusted EBITDA*re* adjusted for a full period of acquisitions and dispositions. Run Rate Adjusted EBITDA*re* does not reflect the Company's historical results and does not predict future results, which may be substantially different.

EBITDA*re*, Adjusted EBITDA*re,* and Run Rate Adjusted EBITDA*re* should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, EBITDA*re*, Adjusted EBITDA*re,* and Run Rate Adjusted EBITDA*re* should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We believe that EBITDA*re,* Adjusted EBITDA*re,* and Run Rate Adjusted EBITDA*re* are helpful to investors as supplemental measures of the operating performance of a real estate company because they are direct measures of the actual operating results of our properties. We also use these measures in ratios to compare our performance to that of our industry peers.

Funds from Operations (FFO), Core FFO, and Adjusted FFO (AFFO): We define FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (losses) from sales of depreciable operating property, impairment write-downs of depreciable real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs and fair market value of debt adjustment) and after adjustments for unconsolidated partnerships and joint ventures. Core FFO and AFFO exclude transaction costs, intangible amortization in rental income, loss on extinguishment of debt, gain (loss) on involuntary conversion, gain (loss) on swap ineffectiveness, loss on incentive fee, and non-recurring other expenses. AFFO also excludes non-rental property depreciation and amortization, straight-line rent adjustments, non-cash portion of interest expense, non-cash compensation expense and deducts Recurring Capital Expenditures and lease renewal commissions and tenant improvements.

None of FFO, Core FFO or AFFO should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We use FFO as a supplemental performance measure because it is a widely recognized measure of the performance of REITs. FFO may be used by investors as a basis to compare our operating performance with that of other REITs. We and investors may use Core FFO and AFFO similarly as FFO.

However, because FFO, Core FFO and AFFO exclude, among other items, depreciation and amortization and capture neither the changes in the value of our buildings that result from use or market conditions of our buildings, all of which have real economic effects and could materially impact our results from operations, the utility of these measures as measures of our performance is limited. In addition, other REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. Similarly, our calculations of Core FFO and AFFO may not be comparable to similarly titled measures disclosed by other REITs.

GAAP: U.S. generally accepted accounting principles.

Market: We define Market as the market defined by CoStar based on the building address. If the building is located outside of a CoStar defined market, the city and state is reflected.

Net operating income (NOI), Cash NOI, and Run Rate Cash NOI: We define NOI as rental income, including reimbursements and other income, less property expenses, which excludes depreciation, amortization, loss on impairments, general and administrative expenses, interest expense, interest income, asset management fee income, transaction costs, gain or loss on involuntary conversion, loss on extinguishment of debt, gain on sales of rental property, loss on incentive fee, and other expenses.

We define Cash NOI as NOI less straight-line rent adjustments and less intangible amortization in rental income.

We define Run Rate Cash NOI as Cash NOI plus Cash NOI adjusted for a full period of acquisitions and dispositions, less cash termination income. Run Rate Cash NOI does not reflect the Company's historical results and does not predict future results, which may be substantially different.

We consider NOI, Cash NOI and Run Rate Cash NOI to be appropriate supplemental performance measures to net income because we believe they help us and investors understand the core operations of our buildings. None of these measures should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. Further, our calculations of NOI, Cash NOI and Run Rate NOI may not be comparable to similarly titled measures disclosed by other REITs.

Non-Recurring Capital Expenditures: We define Non-Recurring Capital Expenditures as capital items for upgrades or items that previously did not exist at a building or capital items which have a longer useful life, such as roof replacements. Non-Recurring Capital Expenditures funded by parties other than the Company and Acquisition Capital Expenditures are excluded.

Occupancy Rate: We define occupancy rate as the percentage of total leasable square footage for which either revenue recognition has commenced in accordance with GAAP or the lease term has commenced as of the close of the reporting period, whichever occurs earlier.

Operating Portfolio: We define the Operating Portfolio as all warehouse and light manufacturing assets that were acquired stabilized or have achieved Stabilization. The Operating Portfolio excludes non-core flex/office assets and assets contained in the Value Add Portfolio.

Pipeline: We define Pipeline as a point in time measure that includes all of the transactions under consideration by the Company's acquisitions group that have passed the initial screening process. The pipeline also includes transactions under contract and transactions with non-binding LOIs.

Recurring Capital Expenditures: We define Recurring Capital Expenditures as capital items required to sustain existing systems and capital items which generally have a shorter useful life. Recurring Capital Expenditures funded by parties other than the Company are excluded.

Renewal Lease: We define a Renewal Lease as a lease signed by an existing tenant to extend the term for twelve months or more, including (i) a renewal of the same space as the current lease at lease expiration, (ii) a renewal of only a portion of the current space at lease expiration and (iii) an early renewal or workout, which ultimately does extend the original term for twelve months or more.

Retention: We define Retention as the percentage determined by taking Renewal Lease square footage commencing in the period divided by square footage of leases expiring in the period for assets included in the Operating Portfolio.

Same Store: We define Same Store properties as properties that were in the Operating Portfolio for the entirety of the comparative periods presented.

Stabilization: We define Stabilization for assets under redevelopment to occur upon the earlier of achieving 90% occupancy or 12 months after completion. Stabilization for assets that were acquired and immediately added to the Value Add Portfolio occurs under the following:

- If acquired with less than 75% occupancy as of the acquisition date, Stabilization will occur upon the earlier of achieving 90% occupancy or 12 months from the acquisition date;
- If acquired and will be less than 75% occupied due to known move-outs within two years of the acquisition date, Stabilization will occur upon the earlier of achieving 90% occupancy after the known move-outs have occurred or 12 months after the known move-outs have occurred.

Straight-line Rent Change (SL Rent Change): We define SL Rent Change as the percentage change in the average monthly base rent over the term of the lease, calculated on a straight-line basis, of the lease executed during the period compared to the Comparable Lease for assets included in the Operating Portfolio. Rent under gross or similar type leases are converted to a net rent based on an estimate of the applicable recoverable expenses, and this calculation excludes the impact of any holdover rent.

Value Add Portfolio: We define the Value Add Portfolio as properties that meet any of the following criteria:

- Less than 75% occupied as of the acquisition date;
- Will be less than 75% occupied due to known move-outs within two years of the acquisition date;
- Out of service with significant physical renovation of the asset

Weighted Average Lease Term: We define Weighted Average Lease Term as the contractual lease term in years as of the lease start date weighted by square footage. Weighted Average Lease Term related to acquired assets reflects the remaining lease term in years as of the acquisition date weighted by square footage.

Forward-Looking Statements

This earnings release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. STAG Industrial, Inc. (STAG) intends 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 includes this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe STAG's future plans, strategies and expectations, are generally identifiable by use of the words "believe," "will," "expect," "intend," "anticipate," "estimate," "should", "project" or similar expressions. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond STAG's control and which could materially affect actual results, performances or achievements. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the risk factors discussed in STAG's most recent Annual Report on Form 10-K for the year ended December 31, 2018, as updated by the Company's subsequent reports filed with the Securities and Exchange Commission. Accordingly, there is no assurance that STAG's expectations will be realized. Except as otherwise required by the federal securities laws, STAG disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in STAG's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.