STAG INDUSTRIAL

SUPPLEMENTAL INFORMATION

UNAUDITED FIRST QUARTER 2019

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, and Core FFO. 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 (March 31, 2019)	
Square Feet	78.2 million
Number of Buildings	395
Number of States	38
Portfolio Occupancy	95.2%
Weighted Average Lease Term	4.9 years
Weighted Average Rent	$4.29/sf
Net Debt to Run Rate Adjusted EBITDA*re*	4.8x
Fixed Charge Coverage Ratio	4.8x
Monthly Dividend (annualized)	$0.119167 ($1.43)


West Columbia, SC


Waukegan, IL

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	March 31, 2019	December 31, 2018
Assets		
Rental Property:		
Land	$ 377,530	$ 364,023
Buildings and improvements, net of accumulated depreciation of $321,010 and $316,930, respectively	2,392,547	2,285,663
Deferred leasing intangibles, net of accumulated amortization of $224,740 and $246,502, respectively	348,439	342,015
Total rental property, net	3,118,516	2,991,701
Cash and cash equivalents	7,857	7,968
Restricted cash	4,451	14,574
Tenant accounts receivable	44,928	42,236
Prepaid expenses and other assets	42,503	36,902
Interest rate swaps	5,214	9,151
Operating lease right-of-use assets	16,005	—
Total assets	**$ 3,239,474**	**$ 3,102,532**
Liabilities and Equity		
Liabilities:		
Unsecured credit facility	$ 115,500	$ 100,500
Unsecured term loans, net	596,642	596,360
Unsecured notes, net	572,587	572,488
Mortgage notes, net	56,109	56,560
Accounts payable, accrued expenses and other liabilities	41,381	45,507
Interest rate swaps	7,060	4,011
Tenant prepaid rent and security deposits	21,254	22,153
Dividends and distributions payable	15,846	13,754
Deferred leasing intangibles, net of accumulated amortization of $10,394 and $12,764, respectively	20,468	21,567
Operating lease liabilities	17,786	—
Total liabilities	**$ 1,464,633**	**$ 1,432,900**
Equity:		
Preferred stock, par value $0.01 per share, 15,000,000 shares authorized,		
Series C, 3,000,000 shares (liquidation preference of $25.00 per share) issued and outstanding at March 31, 2019 and December 31, 2018	75,000	75,000
Common stock, par value $0.01 per share, 150,000,000 shares authorized, 118,174,102 and 112,165,786 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	1,182	1,122
Additional paid-in capital	2,266,695	2,118,179
Cumulative dividends in excess of earnings	(621,225)	(584,979)
Accumulated other comprehensive income (loss)	(2,253)	4,481
Total stockholders' equity	1,719,399	1,613,803
Noncontrolling interest	55,442	55,829
Total equity	**1,774,841**	**1,669,632**
Total liabilities and equity	**$ 3,239,474**	**$ 3,102,532**

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)	Three months ended March 31, 2019	2018
Revenue		
Rental income	$ 95,615	$ 83,127
Other income	87	156
Total revenue	95,702	83,283
Expenses		
Property	19,511	17,499
General and administrative	9,212	8,748
Depreciation and amortization	42,303	39,965
Loss on impairments	5,344	2,934
Other expenses	399	291
Total expenses	76,769	69,437
Other income (expense)		
Interest and other income	16	6
Interest expense	(12,834)	(11,392)
Gain on the sales of rental property, net	1,274	22,689
Total other income (expense)	(11,544)	11,303
Net income	**$ 7,389**	**$ 25,149**
Less: income attributable to noncontrolling interest after preferred stock dividends	214	954
Net income attributable to STAG Industrial, Inc.	**$ 7,175**	**$ 24,195**
Less: preferred stock dividends	1,289	2,448
Less: amount allocated to participating securities	79	71
Net income attributable to common stockholders	**$ 5,807**	**$ 21,676**
Weighted average common shares outstanding — basic	114,721	97,021
Weighted average common shares outstanding — diluted	114,993	97,323
Net income per share — basic and diluted		
Net income per share attributable to common stockholders — basic	$ 0.05	$ 0.22
Net income per share attributable to common stockholders — diluted	$ 0.05	$ 0.22

NET OPERATING INCOME (NOI) & CASH NOI

(in thousands)	Three months ended March 31, 2019		2018	
Net income	$	7,389	$	25,149
General and administrative		9,212		8,748
Transaction costs		74		—
Depreciation and amortization		42,303		39,965
Interest and other income		(16)		(6)
Interest expense		12,834		11,392
Loss on impairments		5,344		2,934
Other expenses		325		291
Gain on the sales of rental property, net		(1,274)		(22,689)
Net operating income (1)	**$**	**76,191**	**$**	**65,784**
Net operating income	$	76,191	$	65,784
Straight-line rent adjustments, net		(2,180)		(2,644)
Straight-line termination income adjustments, net		(43)		(137)
Amortization of above and below market leases, net		961		1,207
Cash net operating income	**$**	**74,929**	**$**	**64,210**
Cash net operating income	$	74,929		
Cash NOI from acquisitions' and dispositions' timing		1,921		
Run Rate Cash NOI	**$**	**76,850**		
Same Store Portfolio NOI				
Total NOI	$	76,191	$	65,784
Less: NOI non-same-store properties		(14,805)		(5,799)
Less: termination income		(43)		(20)
Same Store NOI	**$**	**61,343**	**$**	**59,965**
Less: straight-line rent adjustments, net		(1,146)		(1,997)
Plus: amortization of above and below market leases, net		1,094		1,259
Same Store Cash NOI	**$**	**61,291**	**$**	**59,227**

(1) Pursuant to the adoption of ASC 842 effective January 1, 2019, tenant reimbursement revenue is now included in Rental Income. For the three months ended March 31, 2019 and 2018, Total Rental Income was $95,615 and $83,127, comprising of base rental income of $79,446 and $69,928 and tenant reimbursement income of $16,169 and $13,199, respectively.

FUNDS FROM OPERATIONS (FFO) & CORE FFO

(in thousands, except per share data)	Three months ended March 31, 2019	2018
Net income	$ 7,389	$ 25,149
Rental property depreciation and amortization	42,229	39,892
Loss on impairments	5,344	2,934
Gain on the sales of rental property, net	(1,274)	(22,689)
Funds from operations	**$ 53,688**	**$ 45,286**
Preferred stock dividends	(1,289)	(2,448)
Amount allocated to restricted shares of common stock and unvested units	(247)	(217)
Funds from operations attributable to common stockholders and unit holders	**$ 52,152**	**$ 42,621**
Funds from operations attributable to common stockholders and unit holders	$ 52,152	$ 42,621
Amortization of above and below market leases, net	961	1,207
Transaction costs	74	—
Core funds from operations	**$ 53,187**	**$ 43,828**
Weighted average common shares and units		
Weighted average common shares outstanding	114,721	97,021
Weighted average units outstanding	3,707	3,849
Weighted average common shares and units - basic	**118,428**	**100,870**
Dilutive performance shares	272	302
Weighted average common shares, units, and performance shares - diluted	**118,700**	**101,172**
Core funds from operations per share / unit - basic	**$ 0.45**	**$ 0.43**
Core funds from operations per share / unit - diluted	**$ 0.45**	**$ 0.43**

ADJUSTED EBITDA*re* & Selected Financial Information

(in thousands)	Three months ended March 31, 2019	2018
Net income	$ 7,389	$ 25,149
Depreciation and amortization	42,303	39,965
Interest and other income	(16)	(6)
Interest expense	12,834	11,392
Loss on impairments	5,344	2,934
Gain on the sales of rental property, net	(1,274)	(22,689)
EBITDA for Real Estate (EBITDA*re*)	**$ 66,580**	**$ 56,745**
EBITDA*re*	$ 66,580	$ 56,745
Straight-line rent adjustments, net	(2,213)	(2,644)
Amortization of above and below market leases, net	961	1,207
Non-cash compensation expense	2,278	2,220
Termination income	(43)	(137)
Transaction costs	74	—
Adjusted EBITDA*re*	**$ 67,637**	**$ 57,391**
Adjusted EBITDA*re*	$ 67,637	
Adjusted EBITDA*re* from acquisitions' and dispositions' timing	1,921	
Run Rate Adjusted EBITDA*re*	**$ 69,558**	
SELECTED FINANCIAL INFORMATION		
Non-rental property depreciation and amortization	$ 74	$ 73
Straight-line rent adjustments, net - increase (decrease) to revenue	$ 2,213	$ 2,644
Straight-line termination income adjustments, net - increase (decrease) to revenue	$ 43	$ 137
Recurring capital expenditures	$ 111	$ 657
Non-recurring capital expenditures	$ 3,089	$ 1,200
New lease commissions and tenant improvements	$ 950	$ 1,552
Renewal lease commissions and tenant improvements	$ 732	$ 900
Non-cash portion of interest expense	$ 618	$ 534
Non-cash compensation expense	$ 2,278	$ 2,220

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ACQUISITIONS

FIRST QUARTER 2019 ACQUISITIONS						
Market	**Date Acquired**	**Square Feet**	**Buildings**	**Purchase Price ($000)**	**Weighted Average Lease Term (Years)**	**Capitalization Rate**
Cincinnati/Dayton, OH	1/24/2019	176,000	1	$9,965	4.3	
Pittsburgh, PA	2/21/2019	455,000	1	28,676	9.9	
Boston, MA (1)	2/21/2019	349,870	1	26,483	—	
Minneapolis/St Paul, MN	2/28/2019	248,816	1	21,955	9.9	
Greenville/Spartanburg, SC	3/7/2019	331,845	1	24,536	4.9	
Philadelphia, PA	3/7/2019	148,300	1	10,546	5.2	
Omaha/Coucil Bluffs, NE-IA	3/11/2019	237,632	1	20,005	6.8	
Houston, TX (1)	3/28/2019	132,000	1	17,307	7.8	
Baltimore, MD	3/28/2019	167,410	1	13,648	3.6	
Houston, TX	3/28/2019	116,750	1	12,242	13.9	
Total / weighted average		**2,363,623**	**10**	**$185,363**	**7.4**	**6.6%**

(1) Value Add Acquisition

DISPOSITIONS

FIRST QUARTER 2019 DISPOSITIONS				
Market	**Date Disposed**	**Square Feet**	**Buildings**	**Gross Proceeds ($000s)**
Chicago, IL	3/15/2019	202,902	1	
Cleveland, OH	3/15/2019	270,000	1	
Columbus, OH	3/15/2019	175,512	1	
Rockford, IL	3/20/2019	105,000	1	
LaGrange, GA	3/25/2019	219,891	1	
Total		**973,305**	**5**	**$17,939**

SAME STORE NOI

(in thousands, except building count data and square footage)	Three months ended March 31, 2019	2018	Change	% Change
Same Store square footage	63,186,537			
Same Store buildings	317			
% of total square feet	80.8%			
Occupancy Rate at quarter end	95.5%	96.2%		(0.7)%
Average Occupancy Rate	95.6%	96.1%		(0.5)%
Total Same Store GAAP revenue (excluding termination income)	$76,855	$73,925	$2,930	
Total Same Store GAAP expenses	(15,512)	(13,960)	(1,552)	
Same Store GAAP NOI	**$61,343**	**$59,965**	**$1,378**	**2.3%**
Total Same Store cash revenue (excluding termination income)	$76,778	$73,103	$3,675	
Total Same Store cash expenses	(15,487)	(13,876)	(1,611)	
Same Store Cash NOI	**$61,291**	**$59,227**	**$2,064**	**3.5%**

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CAPITAL EXPENDITURES

(in thousands)

CAPITAL EXPENDITURES, TENANT IMPROVEMENTS, AND LEASE COMMISSIONS SUMMARY

	Three Months Ended March 31,	
	2019	**2018**
Renewal tenant improvements and lease commissions	$732	$900
New tenant improvements and lease commissions	950	1,552
Total tenant improvements (TIs) and lease commissions (LCs)	**$1,682**	**$2,452**
Recurring Capital Expenditures	$111	$657
Non-Recurring Capital Expenditures	3,089	1,200
Total Recurring and Non-Recurring Capital Expenditures	**$3,200**	**$1,857**
Total capital expenditures, TIs and LCs	**$4,882**	**$4,309**
Acquisition Capital Expenditures	**$1,046**	**$1,296**
Building expansions, development and redevelopment	**$777**	**$(230)**
Capital expenditures paid by tenant	**$222**	**$1,045**
Total capital expenditures, building expansions, TIs, and LCs	**$6,927**	**$6,420**

RECONCILIATION OF CAPITAL EXPENDITURES TO STATEMENT OF CASH FLOWS

Additions to building and other capital improvements per cash flow statement	$5,058	$6,317
Change in additions of land and building and improvements included in accounts payable, accrued expenses and other liabilities and additions from non-cash compensation per cash flow statement	1,108	(1,904)
New and renewal lease commissions	761	2,007
Total capital expenditures, building expansions, TIs, and LCs	**$6,927**	**$6,420**

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PORTFOLIO CHARACTERISTICS

BUILDING TYPE AS OF MARCH 31, 2019

		Square Footage			Annualized Base Rental Revenue	
Building Type	# of Buildings	Amount	%	Occupancy Rate	Amount ($000s)	%
Warehouse	323	70,079,150	89.6%	95.3%	$282,191	88.3%
Light manufacturing	58	6,484,331	8.3%	100.0%	29,363	9.2%
Total operating portfolio / weighted average	**381**	**76,563,481**	**97.9%**	**95.7%**	**$311,554**	**97.5%**
Value Add	5	1,058,302	1.4%	70.8%	3,074	1.0%
Flex / office	9	564,680	0.7%	67.9%	4,685	1.5%
Total portfolio / weighted average	**395**	**78,186,463**	**100.0%**	**95.2%**	**$319,313**	**100.0%**

OPERATING PORTFOLIO BUILDINGS BY LOCATION AS OF MARCH 31, 2019

		Square Footage			Annualized Base Rental Revenue	
Location Classification	# of Buildings	Amount	%	Occupancy Rate	Amount ($000s)	%
Primary (greater than 200 million net rentable square feet)	165	32,056,653	41.9%	95.4%	$135,056	43.3%
Secondary (25 million to 200 million net rentable square feet)	190	39,199,960	51.2%	95.4%	155,087	49.8%
Tertiary (less than 25 million net rentable square feet)	26	5,306,868	6.9%	100.0%	21,411	6.9%
Total Operating Portfolio / weighted average	**381**	**76,563,481**	**100.0%**	**95.7%**	**$311,554**	**100.0%**

PORTFOLIO OCCUPANCY BRIDGE

PORTFOLIO SQUARE FOOTAGE CHANGES	Three Months Ended March 31, 2019	
Total square feet beginning of period	**76,796,145**	
Acquisitions	2,363,623	
Dispositions	(973,305)	
Building expansions	—	
Remeasurements / other	—	
Total square feet end of period	**78,186,463**	
OCCUPANCY CHANGES		
Occupied square feet beginning of period (Occupancy Rate)	**73,339,545**	**(95.5%)**
Expirations:		
Expiring square footage	(3,057,892)	
Lease terminations	(150,000)	
Total expirations	**(3,207,892)**	
Leases commencing:		
Renewal leases	2,468,163	
New leases	123,190	
Expansion leases	—	
Other	252,445	
Total leasing activity	**2,843,798**	
Occupied acquired square feet	2,013,753	
Occupied disposed square feet	(577,902)	
Total occupancy activity from acquisitions & dispositions	**1,435,851**	
Occupied square feet at March 31, 2019 (Occupancy Rate)	**74,411,302**	**(95.2%)**

LEASING & RETENTION STATISTICS

FIRST QUARTER 2019 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**	**Retention**
New leases	123,190	6.5	$4.15	$4.32	$1.65	$0.32	3.5%	17.1%	N/A
Renewal Leases	2,468,163	4.1	$3.94	$4.10	$0.37	$0.21	15.6%	24.7%	80.7%
Total / weighted average	**2,591,353**	**4.2**	**$3.95**	**$4.11**	**$0.43**	**$0.21**	**14.9%**	**24.3%**	

Note: The table above represents leases commencing during the quarter.

LEASE EXPIRATION SCHEDULE

LEASE EXPIRATION SCHEDULE AS OF MARCH 31, 2019					
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	3,775,161	N/A	N/A	N/A
MTM	8	1,221,972	1.6%	$5,344	1.7%
2019	28	3,927,415	5.3%	17,748	5.6%
2020	51	9,880,651	13.3%	42,428	13.3%
2021	70	11,047,758	14.9%	48,112	15.1%
2022	62	7,608,265	10.2%	33,244	10.4%
2023	54	9,337,406	12.5%	35,890	11.2%
2024	40	7,031,305	9.4%	30,315	9.5%
2025	26	4,445,385	6.0%	19,295	6.0%
2026	25	4,729,214	6.4%	20,533	6.4%
2027	13	1,961,418	2.6%	9,915	3.1%
2028	23	4,589,199	6.2%	19,178	6.0%
Thereafter	34	8,631,314	11.6%	37,311	11.7%
Total / weighted average	**434**	**78,186,463**	**100.0%**	**$319,313**	**100.0%**

TENANT PROFILE

TENANT PROFILE	
	March 31, 2019
Profile	
Number of tenants	359
Average tenant size (square feet)	207,274
Average Annualized Base Rental Revenue per square foot	$4.29
Average Annualized Base Rental Revenue per tenant ($000s)	$889
Credit (1)	
Tenants publicly rated	54.7%
Tenants rated investment grade	30.4%
Tenant revenue > $100 million	86.8%
Tenant revenue > $1 billion	60.9%

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

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PORTFOLIO DIVERSIFICATION

GEOGRAPHIC DIVERSIFICATION
March 31, 2019

#	Market	ABR %
1	Philadelphia, PA	9.3%
2	Chicago, IL	7.6%
3	Greenville/Spartanburg, SC	5.9%
4	Detroit, MI	4.3%
5	Milwaukee/Madison, WI	4.2%
6	Pittsburgh, PA	3.9%
7	Minneapolis/St Paul, MN	3.5%
8	Houston, TX	3.4%
9	Charlotte, NC	3.2%
10	Cincinnati/Dayton, OH	3.0%
11	El Paso, TX	2.5%
12	Boston, MA	2.4%
13	West Michigan, MI	2.3%
14	Westchester/So Connecticut, CT/NY	2.1%
15	Raleigh/Durham, NC	1.9%
16	Cleveland, OH	1.7%
17	Dallas/Ft Worth, TX	1.7%
18	Baltimore, MD	1.6%
19	Atlanta, GA	1.4%
20	Columbus, OH	1.2%
	Top 10	**48.3%**
	Top 11-20	**18.8%**
	Total Top 20	**67.1%**

TENANT DIVERSIFICATION
March 31, 2019

#	Tenant[1]	ABR %
1	General Service Administration	2.2%
2	XPO Logistics	1.4%
3	Yanfeng US Automotive Interior	1.2%
4	Solo Cup	1.2%
5	TriMas Corporation	1.2%
6	Deckers Outdoor	1.0%
7	WestRock Company	0.9%
8	Generation Brands	0.8%
9	Carolina Beverage Group	0.8%
10	Schneider Electric USA, Inc.	0.8%
11	Emerson Electric	0.8%
12	FedEx	0.8%
13	Perrigo	0.8%
14	American Tire Distributors Inc	0.7%
15	Sunland Logistics	0.7%
16	Armacell, LLC	0.7%
17	Northern Tool & Equipment Co.	0.7%
18	Packaging Corp of America	0.7%
19	Coca-Cola Company	0.6%
20	DHL Supply Chain	0.6%
	Top 10	**11.5%**
	Top 11-20	**7.1%**
	Total Top 20	**18.6%**

INDUSTRY DIVERSIFICATION
March 31, 2019

#	Industry[2]	ABR %
1	Auto Components	12.2%
2	Air Freight & Logistics	8.8%
3	Commercial Services & Supplies	7.7%
4	Containers & Packaging	6.5%
5	Household Durables	4.9%
6	Machinery	4.8%
7	Building Products	4.6%
8	Food Products	4.4%
9	Electrical Equipment	4.0%
10	Food & Staples Retailing	3.9%
11	Household Products	3.9%
12	Beverages	3.1%
13	Textiles, Apparel, Luxury Goods	2.8%
14	Chemicals	1.9%
15	Energy Equipment & Services	1.8%
16	Pharmaceuticals	1.7%
17	Specialty Retail	1.7%
18	Internet & Direct Mkt Retail	1.7%
19	Metals & Mining	1.6%
20	Media	1.5%
	Top 10	**61.8%**
	Top 11-20	**21.7%**
	Total Top 20	**83.5%**

(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 March 31, 2019
Common shares, participating securities, performance units and other units	
Common shares outstanding	117,953,561
Participating securities outstanding	220,541
Units outstanding	3,984,328
Common shares, participating securities, and other units - basic	122,158,430
Performance units	640,628
Common shares, participating securities, performance and other units - diluted	122,799,058

DEBT METRICS	
	March 31, 2019
Net debt / Adjusted EBITDA*re* ratio	4.9x
Net debt / Run Rate Adjusted EBITDA*re* ratio	4.8x
Net debt / total Real Estate Cost Basis (at quarter end)	36.9%
Total debt / total enterprise value (at quarter end)	26.7%
Liquidity	$561.8 million
Fitch Credit Rating	BBB / Stable
Moody's Credit Rating	Baa3 / Stable

UNSECURED DEBT COVENANTS		
	Covenant	March 31, 2019
Consolidated leverage ratio	< 60%	30.9%
Secured leverage ratio	< 40%	1.3%
Unencumbered leverage ratio	< 60%	31.5%
Unsecured interest coverage ratio	> 1.75x	6.2x
Fixed charge coverage ratio	> 1.5x	4.8x

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DEBT SUMMARY

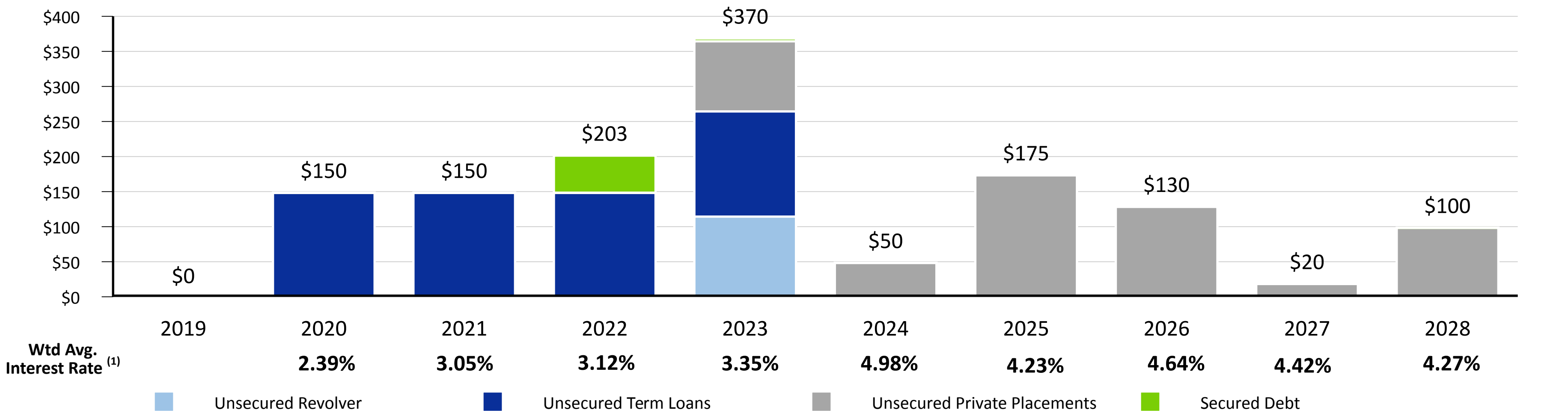
AS OF MARCH 31, 2019 (in millions)				
Category	**Committed**	**Principal Balance**	**Interest Rate[(1)]**	**Current Maturity**
Unsecured debt:				
Unsecured Term Loan C	$150.0	$150.0	2.39%	9/29/2020
Unsecured Term Loan B	150.0	150.0	3.05%	3/21/2021
Unsecured Term Loan A	150.0	150.0	2.70%	3/31/2022
Unsecured Term Loan D	150.0	150.0	2.85%	1/4/2023
Series F Unsecured Notes	100.0	100.0	3.98%	1/5/2023
Unsecured Credit Facility	500.0	115.5	L + 0.90%	1/15/2023
Unsecured Term Loan E	175.0	—	3.92%	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	**$1,850.0**	**$1,290.5**	**3.52%**	**4.5 years**
Secured debt:				
Wells Fargo Bank, National Association CMBS Loan	52.8	52.8	4.31%	12/1/2022
Thrivent Financial for Lutherans	3.8	3.8	4.78%	12/15/2023
Total / weighted average secured	**$56.6**	**$56.6**	**4.34%**	**3.7 years**
Total / weighted average	**$1,906.6**	**$1,347.1**	**3.56%**	**4.4 years**
Add: total unamortized fair market value premiums		0.1		
Less: total unamortized deferred financing fees and debt issuance costs		(6.2)		
Total book value		**$1,341.0**		

(1) The interest rate on the unsecured facilities represents the interest rate as of March 31, 2019 based on the Company's investment grade rating as defined in the respective loan agreements. As of March 31, 2019, one-month LIBOR for Unsecured Term Loan A, B, C, D, and E is swapped to a fixed rate of 1.70%, 2.05%, 1.39%, 1.85% and 2.92%, respectively. 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 or discounts.

DEBT MATURITY SCHEDULE

(in millions)

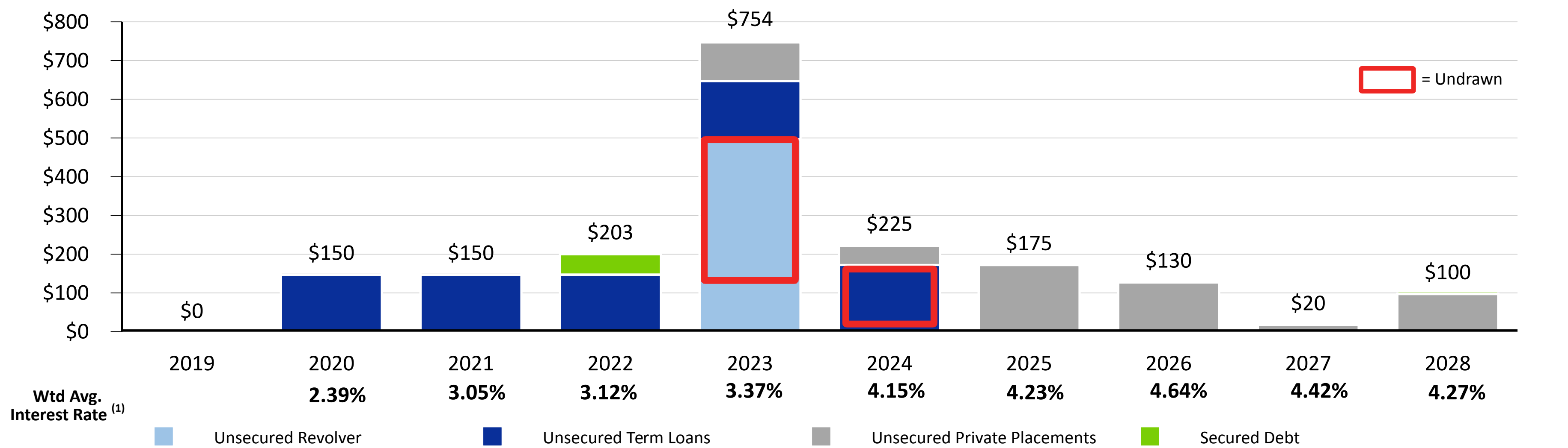
PRINCIPAL BALANCE AS OF MARCH 31, 2019



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

(in millions)

FULLY COMMITTED AS OF MARCH 31, 2019



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 March 31, 2019, one-month LIBOR for Unsecured Term Loan A, B, C, D and E is swapped to a fixed rate of 1.70%, 2.05%, 1.39%, 1.85%, and 2.92%, respectively.

STAG INDUSTRIAL

GUIDANCE

2019 GUIDANCE				
	Q1 Guidance		Initial Guidance	
	Low	High	Low	High
Acquisition volume	$700.0 million	$850.0 million	$650.0 million	$800.0 million
Stabilized volume	$650.0 million	$750.0 million	$600.0 million	$700.0 million
Value Add volume	$50.0 million	$100.0 million	$50.0 million	$100.0 million
Stabilized Capitalization Rate	6.50%	7.00%	6.50%	7.00%
Disposition volume(1)	$100.0 million	$200.0 million	$100.0 million	$200.0 million
Same Store Cash NOI Change	1.0%	2.0%	1.0%	2.0%
Retention	70%	80%	70%	80%
Net debt to Run Rate Adjusted EBITDA*re*	4.75x	6.00x	4.75x	6.00x
General & administrative expense	$36.0 million	$38.0 million	$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 commenced 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, amortization of above and below market leases, net, 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) and Core FFO: 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 excludes transaction costs, amortization of above and below market leases, net, loss on extinguishment of debt, gain (loss) on involuntary conversion, gain (loss) on swap ineffectiveness, loss on incentive fee, and non-recurring other expenses.

None of FFO or Core FFO 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 similarly as FFO.

However, because FFO and Core FFO 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 calculation of Core FFO may not be comparable to similarly titled measures disclosed by other REITs.

GAAP: We define GAAP as generally accepted accounting principles in the United States.

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 amortization of above and below market leases, net.

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 development or 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 commenced 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;
- development.

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 FIRST QUARTER 2019 RESULTS

Boston, MA — April 30, 2019 - STAG Industrial, Inc. (the "Company") (NYSE:STAG), today announced its financial and operating results for the quarter ended March 31, 2019.

"It has been an active start to 2019 for STAG" said Ben Butcher, Chief Executive Officer of the Company. "The Company achieved a record first quarter acquisition volume and produced strong same-store cash NOI growth and cash releasing spreads. This combined with a successful equity transaction has set STAG up for continued success in 2019."

First Quarter 2019 Highlights

- Reported $0.05 of net income per basic and diluted common share for the first quarter of 2019, as compared to $0.22 of net income per basic and diluted common share for the first quarter of 2018. Reported $5.8 million of net income attributable to common stockholders for the first quarter of 2019 compared to net income attributable to common stockholders of $21.7 million for the first quarter of 2018.

- Achieved $0.45 of Core FFO per diluted share for the first quarter of 2019, an increase of 4.7% compared to the first quarter of 2018 of $0.43. Generated Core FFO of $53.2 million for the first quarter of 2019 compared to $43.8 million for the first quarter of 2018, an increase of 21.4%.

- Generated Cash NOI of $74.9 million for the first quarter of 2019, an increase of 16.7% compared to the first quarter of 2018 of $64.2 million.

- Acquired 10 buildings in the first quarter of 2019, consisting of 2.4 million square feet, for $185.4 million with a weighted average Capitalization Rate of 6.6%.

- Sold five buildings in the first quarter of 2019, consisting of 1.0 million square feet for $17.9 million, resulting in a net gain of $1.3 million.

- Achieved an Occupancy Rate of 95.2% on the total portfolio and 95.7% on the Operating Portfolio as of March 31, 2019.

- Commenced Operating Portfolio leases of 2.6 million square feet for the first quarter of 2019, resulting in a Cash Rent Change and Straight-line Rent Change of 14.9% and 24.3%, respectively.

- Experienced 80.7% Retention for 3.1 million square feet of leases expiring in the quarter.

- Produced Same Store cash NOI growth of 3.5% for the first quarter of 2019 compared to the first quarter of 2018.

- Raised gross proceeds of $150.2 million of equity through the Company's at-the-market offering ("ATM") program for the first quarter of 2019.

- Subsequent to quarter end on April 4, 2019, the Company closed a public offering with gross proceeds of $218.7 million, inclusive of underwriters' option to purchase additional shares.

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, May 1, 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

FIRST QUARTER 2019 KEY FINANCIAL MEASURES

	Three months ended March 31,		
	2019	2018	% Change
(in $000s, except per share data)			
Net income attributable to common stockholders	$5,807	$21,676	*(73.2)%*
Net income per common share — basic	*$0.05*	*$0.22*	*(77.3)%*
Net income per common share — diluted	*$0.05*	*$0.22*	*(77.3)%*
Cash NOI	$74,929	$64,210	*16.7 %*
Same Store Cash NOI [(1)]	$61,291	$59,227	*3.5 %*
Adjusted EBITDA*re*	$67,637	$57,391	*17.9 %*
Core FFO	$53,187	$43,828	*21.4 %*
Core FFO per share / unit — basic	*$0.45*	*$0.43*	*4.7 %*
Core FFO per share / unit — diluted	*$0.45*	*$0.43*	*4.7 %*

(1) The Same Store pool accounted for 80.8% of the total portfolio square footage for the three months ended March 31, 2019.

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 March 31, 2019, the Company acquired 10 buildings for $185.4 million with an Occupancy Rate of 85.2% upon acquisition. The chart below details the acquisition activity for the quarter:

FIRST QUARTER 2019 ACQUISITION ACTIVITY

Market	Date Acquired	Square Feet	Buildings	Purchase Price ($000s)	W.A. Lease Term (Years)	Capitalization Rate
Cincinnati/Dayton, OH	1/24/2019	176,000	1	$9,965	4.3	
Pittsburgh, PA	2/21/2019	455,000	1	28,676	9.9	
Boston, MA [(1)]	2/21/2019	349,870	1	26,483	—	
Minneapolis/St Paul, MN	2/28/2019	248,816	1	21,955	9.9	
Greenville/Spartanburg, SC	3/7/2019	331,845	1	24,536	4.9	
Philadelphia, PA	3/7/2019	148,300	1	10,546	5.2	
Omaha/Coucil Bluffs, NE-IA	3/11/2019	237,632	1	20,005	6.8	
Houston, TX [(1)]	3/28/2019	132,000	1	17,307	7.8	
Baltimore, MD	3/28/2019	167,410	1	13,648	3.6	
Houston, TX	3/28/2019	116,750	1	12,242	13.9	
Total / weighted average		**2,363,623**	**10**	**$185,363**	**7.4**	**6.6%**

(1) Value Add Acquisition

The chart below details the 2019 acquisition activity and Pipeline through April 30, 2019:

2019 ACQUISITION ACTIVITY AND PIPELINE DETAIL

	Square Feet	Buildings	Purchase Price ($000s)	W.A. Lease Term (Years)	Capitalization Rate
Q1	2,363,623	10	$185,363	7.4	6.6%
As of April 30, 2019					
Subsequent to quarter-end acquisitions	**1.4 million**	**7**	**$102,644**		
Pipeline	**38.1 million**	**162**	**$2.7 billion**		

The chart below details the disposition activity for the three months ended March 31, 2019:

2019 DISPOSITION ACTIVITY

	Square Feet	Buildings	Sale Price ($000s)
Q1	973,305	5	$17,939
Total	**973,305**	**5**	**$17,939**

Operating Portfolio Leasing Activity

The chart below details the leasing activity for leases commenced during the three months ended March 31, 2019:

FIRST QUARTER 2019 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	Retention
New leases	123,190	6.5	$4.15	$4.32	$1.65	$0.32	3.5%	17.1%	N/A
Renewal Leases	2,468,163	4.1	$3.94	$4.10	$0.37	$0.21	15.6%	24.7%	80.7%
Total / weighted average	**2,591,353**	**4.2**	**$3.95**	**$4.11**	**$0.43**	**$0.21**	**14.9%**	**24.3%**	

Note: The table above represents leases commencing during the quarter.

Liquidity and Capital Market Activity

As of March 31, 2019, net debt to annualized Run Rate Adjusted EBITDA*re* was 4.8x.

The chart below details the ATM program activity for the three months ended March 31, 2019:

2019 ATM ACTIVITY

ATM	Shares Issued	Price per Share (Weighted Avg)	Gross Proceeds ($000s)	Net Proceeds ($000s)
Q1	5,441,409	$27.60	$150,189	$148,887
Total / weighted average	**5,441,409**	**$27.60**	**$150,189**	**$148,887**

Subsequent to quarter end on April 1, 2019, the Company closed a public offering of 7,475,000 shares, inclusive of underwriters' option to purchase additional shares at a price of $29.25 per share. The Company raised gross proceeds of $218.7 million and net proceeds of $214.7 million.

Conference Call

The Company will host a conference call tomorrow, Wednesday, May 1, 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 13689330.

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)

	March 31, 2019	December 31, 2018
Assets		
Rental Property:		
Land	$ 377,530	$ 364,023
Buildings and improvements, net of accumulated depreciation of $321,010 and $316,930, respectively	2,392,547	2,285,663
Deferred leasing intangibles, net of accumulated amortization of $224,740 and $246,502, respectively	348,439	342,015
Total rental property, net	3,118,516	2,991,701
Cash and cash equivalents	7,857	7,968
Restricted cash	4,451	14,574
Tenant accounts receivable	44,928	42,236
Prepaid expenses and other assets	42,503	36,902
Interest rate swaps	5,214	9,151
Operating lease right-of-use assets	16,005	—
Total assets	**$ 3,239,474**	**$ 3,102,532**
Liabilities and Equity		
Liabilities:		
Unsecured credit facility	$ 115,500	$ 100,500
Unsecured term loans, net	596,642	596,360
Unsecured notes, net	572,587	572,488
Mortgage notes, net	56,109	56,560
Accounts payable, accrued expenses and other liabilities	41,381	45,507
Interest rate swaps	7,060	4,011
Tenant prepaid rent and security deposits	21,254	22,153
Dividends and distributions payable	15,846	13,754
Deferred leasing intangibles, net of accumulated amortization of $10,394 and $12,764, respectively	20,468	21,567
Operating lease liabilities	17,786	—
Total liabilities	**1,464,633**	**1,432,900**
Equity:		
Preferred stock, par value $0.01 per share, 15,000,000 shares authorized,		
Series C, 3,000,000 shares (liquidation preference of $25.00 per share) issued and outstanding at March 31, 2019 and December 31, 2018	75,000	75,000
Common stock, par value $0.01 per share, 150,000,000 shares authorized, 118,174,102 and 112,165,786 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	1,182	1,122
Additional paid-in capital	2,266,695	2,118,179
Cumulative dividends in excess of earnings	(621,225)	(584,979)
Accumulated other comprehensive income (loss)	(2,253)	4,481
Total stockholders' equity	1,719,399	1,613,803
Noncontrolling interest	55,442	55,829
Total equity	**1,774,841**	**1,669,632**
Total liabilities and equity	**$ 3,239,474**	**$ 3,102,532**

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

	Three months ended March 31,	
	2019	**2018**
Revenue		
Rental income	$ 95,615	$ 83,127
Other income	87	156
Total revenue	95,702	83,283
Expenses		
Property	19,511	17,499
General and administrative	9,212	8,748
Depreciation and amortization	42,303	39,965
Loss on impairments	5,344	2,934
Other expenses	399	291
Total expenses	76,769	69,437
Other income (expense)		
Interest and other income	16	6
Interest expense	(12,834)	(11,392)
Gain on the sales of rental property, net	1,274	22,689
Total other income (expense)	(11,544)	11,303
Net income	**$ 7,389**	**$ 25,149**
Less: income attributable to noncontrolling interest after preferred stock dividends	214	954
Net income attributable to STAG Industrial, Inc.	**$ 7,175**	**$ 24,195**
Less: preferred stock dividends	1,289	2,448
Less: amount allocated to participating securities	79	71
Net income attributable to common stockholders	**$ 5,807**	**$ 21,676**
Weighted average common shares outstanding — basic	114,721	97,021
Weighted average common shares outstanding — diluted	114,993	97,323
Net income per share — basic and diluted		
Net income per share attributable to common stockholders — basic	$ 0.05	$ 0.22
Net income per share attributable to common stockholders — diluted	$ 0.05	$ 0.22

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

	Three months ended March 31,	
	2019	2018
NET OPERATING INCOME RECONCILIATION		
Net income	$ 7,389	$ 25,149
General and administrative	9,212	8,748
Transaction costs	74	—
Depreciation and amortization	42,303	39,965
Interest and other income	(16)	(6)
Interest expense	12,834	11,392
Loss on impairments	5,344	2,934
Other expenses	325	291
Gain on the sales of rental property, net	(1,274)	(22,689)
Net operating income	**$ 76,191**	**$ 65,784**
Net operating income	$ 76,191	$ 65,784
Straight-line rent adjustments, net	(2,180)	(2,644)
Straight-line termination income adjustments, net	(43)	(137)
Amortization of above and below market leases, net	961	1,207
Cash net operating income	**$ 74,929**	**$ 64,210**
Cash net operating income	$ 74,929	
Cash NOI from acquisitions' and dispositions' timing	1,921	
Run Rate Cash NOI	**$ 76,850**	
Same Store Portfolio NOI		
Total NOI	$ 76,191	$ 65,784
Less: NOI non-same-store properties	(14,805)	(5,799)
Less: termination income	(43)	(20)
Same Store NOI	**$ 61,343**	**$ 59,965**
Less: straight-line rent adjustments, net	(1,146)	(1,997)
Plus: amortization of above and below market leases, net	1,094	1,259
Same Store Cash NOI	**$ 61,291**	**$ 59,227**
EBITDA FOR REAL ESTATE (EBITDA*re*) RECONCILIATION		
Net income	$ 7,389	$ 25,149
Depreciation and amortization	42,303	39,965
Interest and other income	(16)	(6)
Interest expense	12,834	11,392
Loss on impairments	5,344	2,934
Gain on the sales of rental property, net	(1,274)	(22,689)
EBITDA*re*	**$ 66,580**	**$ 56,745**
ADJUSTED EBITDA*re* RECONCILIATION		
EBITDA*re*	$ 66,580	$ 56,745
Straight-line rent adjustments, net	(2,213)	(2,644)
Amortization of above and below market leases, net	961	1,207
Non-cash compensation expense	2,278	2,220
Termination income	(43)	(137)
Transaction costs	74	—
Adjusted EBITDA*re*	**$ 67,637**	**$ 57,391**
Adjusted EBITDA*re*	$ 67,637	
Adjusted EBITDA*re* from acquisitions' and dispositions' timing	1,921	
Run Rate Adjusted EBITDA*re*	**$ 69,558**	

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

	Three months ended March 31,	
	2019	**2018**
CORE FUNDS FROM OPERATIONS RECONCILIATION		
Net income	$ 7,389	$ 25,149
Rental property depreciation and amortization	42,229	39,892
Loss on impairments	5,344	2,934
Gain on the sales of rental property, net	(1,274)	(22,689)
Funds from operations	**$ 53,688**	**$ 45,286**
Preferred stock dividends	(1,289)	(2,448)
Amount allocated to restricted shares of common stock and unvested units	(247)	(217)
Funds from operations attributable to common stockholders and unit holders	**$ 52,152**	**$ 42,621**
Funds from operations attributable to common stockholders and unit holders	$ 52,152	$ 42,621
Amortization of above and below market leases, net	961	1,207
Transaction costs	74	—
Core funds from operations	**$ 53,187**	**$ 43,828**
Weighted average common shares and units		
Weighted average common shares outstanding	114,721	97,021
Weighted average units outstanding	3,707	3,849
Weighted average common shares and units - basic	**118,428**	**100,870**
Dilutive performance shares	272	302
Weighted average common shares, units, and performance shares - diluted	**118,700**	**101,172**
Core funds from operations per share / unit - basic	**$ 0.45**	**$ 0.43**
Core funds from operations per share / unit - diluted	**$ 0.45**	**$ 0.43**
SELECTED FINANCIAL INFORMATION		
Non-rental property depreciation and amortization	$ 74	$ 73
Straight-line rent adjustments, net - increase (decrease) to revenue	$ 2,213	$ 2,644
Straight-line termination income adjustments, net - increase (decrease) to revenue	$ 43	$ 137
Recurring capital expenditures	$ 111	$ 657
Non-recurring capital expenditures	$ 3,089	$ 1,200
New lease commissions and tenant improvements	$ 950	$ 1,552
Renewal lease commissions and tenant improvements	$ 732	$ 900
Non-cash portion of interest expense	$ 618	$ 534
Non-cash compensation expense	$ 2,278	$ 2,220

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 commenced 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, amortization of above and below market leases, net, 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) and Core FFO: 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 excludes transaction costs, amortization of above and below market leases, net, loss on extinguishment of debt, gain (loss) on involuntary conversion, gain (loss) on swap ineffectiveness, loss on incentive fee, and non-recurring other expenses.

None of FFO or Core FFO 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 similarly as FFO.

However, because FFO and Core FFO 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 calculation of Core FFO may not be comparable to similarly titled measures disclosed by other REITs.

GAAP: We define GAAP as generally accepted accounting principles in the United States.

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, 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 amortization of above and below market leases, net.

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 development or 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 commenced 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;
- development.

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.