



STAG

I N D U S T R I A L

SUPPLEMENTAL INFORMATION

UNAUDITED FOURTH 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, 2019, 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 EBITDAre, 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 (December 31, 2019)

Square Feet	91.4 million
Number of Buildings	450
Number of States	38
Portfolio Occupancy	95.0%
Weighted Average Lease Term	5.2 years
Weighted Average Rent	\$4.38/sf
Net Debt to Run Rate Adjusted EBITDAre	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)	December 31, 2019	December 31, 2018
Assets		
Rental Property:		
Land	\$ 435,923	\$ 364,023
Buildings and improvements, net of accumulated depreciation of \$387,633 and \$316,930, respectively	3,087,435	2,285,663
Deferred leasing intangibles, net of accumulated amortization of \$241,304 and \$246,502, respectively	475,149	342,015
Total rental property, net	3,998,507	2,991,701
Cash and cash equivalents	9,041	7,968
Restricted cash	2,823	14,574
Tenant accounts receivable	57,592	42,236
Prepaid expenses and other assets	38,231	36,902
Interest rate swaps	303	9,151
Operating lease right-of-use assets	15,129	—
Assets held for sale, net	43,019	—
Total assets	\$ 4,164,645	\$ 3,102,532
Liabilities and Equity		
Liabilities:		
Unsecured credit facility	\$ 146,000	\$ 100,500
Unsecured term loans, net	871,375	596,360
Unsecured notes, net	572,883	572,488
Mortgage notes, net	54,755	56,560
Accounts payable, accrued expenses and other liabilities	53,737	45,507
Interest rate swaps	18,819	4,011
Tenant prepaid rent and security deposits	21,993	22,153
Dividends and distributions payable	17,465	13,754
Deferred leasing intangibles, net of accumulated amortization of \$12,064 and \$12,764, respectively	26,738	21,567
Operating lease liabilities	16,989	—
Total liabilities	\$ 1,800,754	\$ 1,432,900
Equity:		
Preferred stock, par value \$0.01 per share, 20,000,000 and 15,000,000 shares authorized at December 31, 2019 and December 31, 2018, respectively, Series C, 3,000,000 shares (liquidation preference of \$25.00 per share) issued and outstanding at December 31, 2019 and December 31, 2018	75,000	75,000
Common stock, par value \$0.01 per share, 300,000,000 and 150,000,000 shares authorized at December 31, 2019 and December 31, 2018, respectively, 142,815,593 and 112,165,786 shares issued and outstanding at December 31, 2019 and December 31, 2018, respectively	1,428	1,122
Additional paid-in capital	2,970,553	2,118,179
Cumulative dividends in excess of earnings	(723,027)	(584,979)
Accumulated other comprehensive income (loss)	(18,426)	4,481
Total stockholders' equity	2,305,528	1,613,803
Noncontrolling interest	58,363	55,829
Total equity	2,363,891	1,669,632
Total liabilities and equity	\$ 4,164,645	\$ 3,102,532

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)	Three months ended December 31,		Year ended December 31,	
	2019	2018	2019	2018
Revenue				
Rental income	\$ 111,079	\$ 93,023	\$ 405,350	\$ 349,693
Other income	102	267	600	1,300
Total revenue	111,181	93,290	405,950	350,993
Expenses				
Property	20,556	18,286	75,179	69,021
General and administrative	9,223	8,415	35,946	34,052
Depreciation and amortization	51,606	42,396	185,450	167,617
Loss on impairments	—	3,248	9,757	6,182
Other expenses	501	413	1,785	1,277
Total expenses	81,886	72,758	308,117	278,149
Other income (expense)				
Interest and other income	57	4	87	20
Interest expense	(15,567)	(13,215)	(54,647)	(48,817)
Loss on extinguishment of debt	—	—	—	(13)
Gain on the sales of rental property, net	4,131	39,935	7,392	72,211
Total other income (expense)	(11,379)	26,724	(47,168)	23,401
Net income	\$ 17,916	\$ 47,256	\$ 50,665	\$ 96,245
Less: income attributable to noncontrolling interest after preferred stock dividends	472	1,634	1,384	3,319
Net income attributable to STAG Industrial, Inc.	\$ 17,444	\$ 45,622	\$ 49,281	\$ 92,926
Less: preferred stock dividends	1,289	1,289	5,156	7,604
Less: redemption of preferred stock	—	—	—	2,661
Less: amount allocated to participating securities	78	77	314	276
Net income attributable to common stockholders	\$ 16,077	\$ 44,256	\$ 43,811	\$ 82,385
Weighted average common shares outstanding — basic	134,079	110,244	125,389	103,401
Weighted average common shares outstanding — diluted	134,456	110,667	125,678	103,807
Net income per share — basic and diluted				
Net income per share attributable to common stockholders — basic	\$ 0.12	\$ 0.40	\$ 0.35	\$ 0.80
Net income per share attributable to common stockholders — diluted	\$ 0.12	\$ 0.40	\$ 0.35	\$ 0.79

NET OPERATING INCOME (NOI) & CASH NOI

(in thousands)	Three months ended December 31,		Year ended December 31,	
	2019	2018	2019	2018
Net income	\$ 17,916	\$ 47,256	\$ 50,665	\$ 96,245
General and administrative	9,223	8,415	35,946	34,052
Transaction costs	99	44	346	214
Depreciation and amortization	51,606	42,396	185,450	167,617
Interest and other income	(57)	(4)	(87)	(20)
Interest expense	15,567	13,215	54,647	48,817
Loss on impairments	—	3,248	9,757	6,182
Loss on extinguishment of debt	—	—	—	13
Other expenses	402	369	1,439	1,063
Gain on the sales of rental property, net	(4,131)	(39,935)	(7,392)	(72,211)
Net operating income ⁽¹⁾	\$ 90,625	\$ 75,004	\$ 330,771	\$ 281,972
Net operating income	\$ 90,625	\$ 75,004	\$ 330,771	\$ 281,972
Straight-line rent adjustments, net	(4,618)	(2,756)	(13,176)	(10,929)
Straight-line termination, solar and other income adjustments, net	1,465	(77)	1,540	(134)
Amortization of above and below market leases, net	1,518	958	4,862	4,164
Cash net operating income	\$ 88,990	\$ 73,129	\$ 323,997	\$ 275,073
Cash net operating income	\$ 88,990			
Cash NOI from acquisitions' and dispositions' timing	4,885			
Cash termination, solar and other income	(1,907)			
Run Rate Cash NOI	\$ 91,968			
Same Store Portfolio NOI				
Total NOI	\$ 90,625	\$ 75,004	\$ 330,771	\$ 281,972
Less: NOI non-same-store properties	(29,292)	(14,365)	(86,035)	(41,550)
Termination, solar and other adjustments, net	(76)	(64)	(97)	194
Same Store NOI	\$ 61,257	\$ 60,575	\$ 244,639	\$ 240,616
Straight-line rent adjustments, net	(1,949)	(2,011)	(6,742)	(8,807)
Amortization of above and below market leases, net	1,011	1,034	4,239	4,676
Same Store Cash NOI	\$ 60,319	\$ 59,598	\$ 242,136	\$ 236,485

(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 and years ended December 31, 2019 and 2018, Total Rental Income was \$111,079, \$405,350, \$93,023 and \$349,693, comprising of base rental income of \$93,809, \$343,480, \$78,427 and \$295,654 and tenant reimbursement income of \$17,270, \$61,870, \$14,596 and \$54,039, respectively.

FUNDS FROM OPERATIONS (FFO) & CORE FFO

(in thousands, except per share data)	Three months ended December 31,		Year ended December 31,	
	2019	2018	2019	2018
Net income	\$ 17,916	\$ 47,256	\$ 50,665	\$ 96,245
Rental property depreciation and amortization	51,532	42,322	185,154	167,321
Loss on impairments	—	3,248	9,757	6,182
Gain on the sales of rental property, net	(4,131)	(39,935)	(7,392)	(72,211)
Funds from operations	\$ 65,317	\$ 52,891	\$ 238,184	\$ 197,537
Preferred stock dividends	(1,289)	(1,289)	(5,156)	(7,604)
Redemption of preferred stock	—	—	—	(2,661)
Amount allocated to restricted shares of common stock and unvested units	(194)	(164)	(891)	(751)
Funds from operations attributable to common stockholders and unit holders	\$ 63,834	\$ 51,438	\$ 232,137	\$ 186,521
Funds from operations attributable to common stockholders and unit holders	\$ 63,834	\$ 51,438	\$ 232,137	\$ 186,521
Amortization of above and below market leases, net	1,518	958	4,862	4,164
Transaction costs	99	44	346	214
Loss on extinguishment of debt	—	—	—	13
Redemption of preferred stock	—	—	—	2,661
Core funds from operations	\$ 65,451	\$ 52,440	\$ 237,345	\$ 193,573
Weighted average common shares and units				
Weighted average common shares outstanding	134,079	110,244	125,389	103,401
Weighted average units outstanding	3,383	3,788	3,521	3,817
Weighted average common shares and units - basic	137,462	114,032	128,910	107,218
Dilutive shares	377	423	289	406
Weighted average common shares, units, and other dilutive shares - diluted	137,839	114,455	129,199	107,624
Core funds from operations per share / unit - basic	\$ 0.48	\$ 0.46	\$ 1.84	\$ 1.81
Core funds from operations per share / unit - diluted	\$ 0.47	\$ 0.46	\$ 1.84	\$ 1.80

ADJUSTED EBITDAre & SELECTED FINANCIAL INFORMATION

(in thousands)	Three months ended December 31,		Year ended December 31,	
	2019	2018	2019	2018
Net income	\$ 17,916	\$ 47,256	\$ 50,665	\$ 96,245
Depreciation and amortization	51,606	42,396	185,450	167,617
Interest and other income	(57)	(4)	(87)	(20)
Interest expense	15,567	13,215	54,647	48,817
Loss on impairments	—	3,248	9,757	6,182
Gain on the sales of rental property, net	(4,131)	(39,935)	(7,392)	(72,211)
EBITDA for Real Estate (EBITDAre)	\$ 80,901	\$ 66,176	\$ 293,040	\$ 246,630
EBITDAre	\$ 80,901	\$ 66,176	293,040	246,630
Straight-line rent adjustments, net	(4,653)	(2,789)	(13,314)	(11,029)
Amortization of above and below market leases, net	1,518	958	4,862	4,164
Non-cash compensation expense	2,517	2,251	9,888	8,922
Termination, solar and other income, net	(442)	(170)	(367)	(640)
Transaction costs	99	44	346	214
Loss on extinguishment of debt	—	—	—	13
Adjusted EBITDAre	\$ 79,940	\$ 66,470	\$ 294,455	\$ 248,274
Adjusted EBITDAre	\$ 79,940			
Adjusted EBITDAre from acquisitions' and dispositions' timing	4,885			
Run Rate Adjusted EBITDAre	\$ 84,825			
SELECTED FINANCIAL INFORMATION				
Non-rental property depreciation and amortization	\$ 74	\$ 74	\$ 296	\$ 296
Straight-line rent adjustments, net - increase (decrease) to net income	\$ 4,653	\$ 2,789	\$ 13,314	\$ 11,029
Straight-line termination, solar and other income adjustments, net - increase (decrease) to net income	\$ (1,465)	\$ 77	\$ (1,540)	\$ 134
Recurring capital expenditures	\$ 1,471	\$ 448	\$ 3,885	\$ 2,914
Non-recurring capital expenditures	\$ 6,210	\$ 5,196	\$ 23,394	\$ 19,803
New lease commissions and tenant improvements	\$ 2,137	\$ 2,028	\$ 5,351	\$ 5,355
Renewal lease commissions and tenant improvements	\$ 723	\$ 2,076	\$ 5,328	\$ 4,970
Non-cash portion of interest expense	\$ 674	\$ 618	\$ 2,583	\$ 2,316
Non-cash compensation expense	\$ 2,517	\$ 2,251	\$ 9,888	\$ 8,922

ACQUISITIONS

FOURTH QUARTER 2019 ACQUISITIONS

Market	Date Acquired	Square Feet	Buildings	Purchase Price (\$000)	Weighted Average Lease Term (Years)	Cash Capitalization Rate	Straight-Line Capitalization Rate
Chicago, IL	10/10/2019	105,925	1	\$11,621	14.0		
Portland, OR	10/10/2019	141,400	1	14,180	10.1		
Jacksonville, FL	10/15/2019	231,030	1	15,603	—		
Indianapolis, IN	10/18/2019	1,027,678	1	52,736	10.2		
St. Louis, MO	10/21/2019	127,464	1	12,055	7.1		
Minneapolis/St Paul, MN	10/29/2019	236,479	2	18,833	6.1		
Minneapolis/St Paul, MN	11/4/2019	276,550	1	23,598	12.0		
Minneapolis/St Paul, MN	11/5/2019	136,589	1	17,601	10.3		
Chicago, IL	11/7/2019	574,249	1	34,989	5.9		
Milwaukee/Madison, WI	11/12/2019	111,000	1	5,107	2.8		
Knoxville, TN	11/21/2019	227,150	1	10,089	5.1		
Columbia, SC	11/21/2019	464,206	1	35,050	12.0		
Greenville/Spartanburg, SC	12/4/2019	273,000	1	19,224	4.8		
Houston, TX	12/5/2019	90,000	1	11,276	5.1		
Milwaukee/Madison, WI	12/16/2019	192,800	1	18,750	9.5		
Houston, TX	12/17/2019	250,000	1	21,864	10.1		
Denver, CO	12/18/2019	132,194	1	15,749	10.4		
Des Moines, IA	12/19/2019	200,011	1	17,335	7.3		
Indianapolis, IN	12/19/2019	558,994	1	53,259	15.1		
Northern New Jersey, NJ	12/23/2019	113,973	1	14,784	5.8		
Sacramento, CA	12/30/2019	147,840	1	10,680	4.3		
Kansas City, MO	12/31/2019	230,116	1	21,490	5.0		
Total / weighted average		5,848,648	23	\$455,873	9.2	6.1%	6.7%

2019 ACQUISITIONS

Quarter	Square Feet	Buildings	Purchase Price (\$000)	Weighted Average Lease Term (Years)	Cash Capitalization Rate	Straight-Line Capitalization Rate
Q1	2,363,623	10	\$185,363	7.4	6.6%	7.0%
Q2	3,029,812	14	260,158	11.3	6.1%	6.9%
Q3	4,738,380	22	302,567	5.7	6.8%	7.2%
Q4	5,848,648	23	455,873	9.2	6.1%	6.7%
Total / weighted average	15,980,463	69	\$1,203,961	8.3	6.4%	6.9%

DISPOSITIONS

FOURTH QUARTER 2019 DISPOSITIONS

Market	Date Disposed	Square Feet	Buildings	Gross Proceeds (\$000s)
Houston, TX	10/24/2019	151,260	1	\$7,400
Charlotte, NC	11/19/2019	166,980	1	8,000
Greenville/Spartanburg, SC	11/26/2019	157,500	1	3,990
Total		475,740	3	\$19,390

2019 DISPOSITIONS

Quarter	Square Feet	Buildings	Gross Proceeds (\$000s)
Q1	973,305	5	\$17,939
Q2 ⁽¹⁾	—	—	1,125
Q3	132,365	1	6,250
Q4	475,740	3	19,390
Total	1,581,410	9	\$44,704

(1) Two land parcels

SAME STORE NOI

(in thousands, except building count data and square footage)	Three months ended December 31,		Change % Change		Year ended December 31,		Change % Change	
	2019	2018			2019	2018		
Same Store square footage	62,293,129				62,293,129			
Same Store buildings	313				313			
% of total square feet	68.2%				68.2%			
Occupancy Rate at quarter end	95.6%	96.6%	(1.0)%		95.6%	96.6%	(1.0)%	
Average Occupancy Rate	95.7%	96.4%	(0.7)%		96.0%	96.7%	(0.7)%	
Same Store GAAP Analysis								
Income from real estate operations	\$75,267	\$74,642	\$625		\$300,071	\$293,948	\$6,123	
Income from lease terminations, solar and other	(535)	(77)	(458)		(578)	(209)	(369)	
GAAP adjustments for write-offs for lease terminations	459	13	446		481	403	78	
Income excluding lease terminations, solar and other	\$75,191	\$74,578	\$613		\$299,974	\$294,142	\$5,832	
Expenses from real estate operations	(13,934)	(14,003)	69		(55,335)	(53,526)	(1,809)	
Same Store GAAP NOI	\$61,257	\$60,575	\$682	1.1%	\$244,639	\$240,616	\$4,023	1.7%
Same Store Cash Analysis								
Income from real estate operations	\$75,858	\$73,575	\$2,283		\$299,002	\$290,047	\$8,955	
Cash received from lease terminations, solar and other	(1,630)	—	(1,630)		(1,630)	(193)	(1,437)	
Income excluding lease terminations, solar and other	\$74,228	\$73,575	\$653		\$297,372	\$289,854	\$7,518	
Expenses from real estate operations	(13,909)	(13,977)	68		(55,236)	(53,369)	(1,867)	
Same Store Cash NOI	\$60,319	\$59,598	\$721	1.2%	\$242,136	\$236,485	\$5,651	2.4%

CAPITAL EXPENDITURES

(in thousands)				
CAPITAL EXPENDITURES, TENANT IMPROVEMENTS, AND LEASE COMMISSIONS SUMMARY				
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
Renewal tenant improvements and lease commissions	\$723	\$2,076	\$5,328	\$4,970
New tenant improvements and lease commissions	2,137	2,028	5,351	5,355
Total tenant improvements (TIs) and lease commissions (LCs)	\$2,860	\$4,104	\$10,679	\$10,325
Recurring Capital Expenditures	\$1,471	\$448	\$3,885	\$2,914
Non-Recurring Capital Expenditures	6,210	5,196	23,394	19,803
Total Recurring and Non-Recurring Capital Expenditures	\$7,681	\$5,644	\$27,279	\$22,717
Total capital expenditures, TIs and LCs	\$10,541	\$9,748	\$37,958	\$33,042
Acquisition Capital Expenditures	\$1,427	\$898	\$9,604	\$5,721
Building expansions and redevelopment	\$12,945	\$1,265	\$30,154	\$1,876
Capital expenditures paid by tenant	\$347	\$160	\$3,730	\$1,505
Total capital expenditures, building expansions, TIs, and LCs	\$25,260	\$12,071	\$81,446	\$42,144
RECONCILIATION OF CAPITAL EXPENDITURES TO STATEMENT OF CASH FLOWS				
Additions to building and other capital improvements per cash flow statement	\$24,851	\$11,006	\$65,044	\$34,584
Change in additions of land and building and improvements included in accounts payable, accrued expenses and other liabilities and additions from non-cash items per cash flow statement	(2,261)	(1,617)	8,622	(122)
New and renewal lease commissions	2,670	2,682	7,780	7,682
Total capital expenditures, building expansions, TIs, and LCs	\$25,260	\$12,071	\$81,446	\$42,144

PORTFOLIO CHARACTERISTICS

BUILDING TYPE AS OF DECEMBER 31, 2019						
Building Type	# of Buildings	Square Footage		Occupancy Rate	Annualized Base Rental Revenue	
		Amount	%		Amount (\$000s)	%
Warehouse	365	81,003,104	88.6%	96.5%	\$335,898	88.3%
Light manufacturing	69	7,824,649	8.6%	98.1%	37,363	9.8%
Total operating portfolio / weighted average	434	88,827,753	97.2%	96.6%	\$373,261	98.1%
Value Add / other	8	2,099,931	2.3%	34.6%	3,917	1.0%
Flex / office	8	432,315	0.5%	58.1%	3,246	0.9%
Total portfolio / weighted average	450	91,359,999	100.0%	95.0%	\$380,424	100.0%

OPERATING PORTFOLIO BUILDINGS BY LOCATION AS OF DECEMBER 31, 2019						
Location Classification	# of Buildings	Square Footage		Occupancy Rate	Annualized Base Rental Revenue	
		Amount	%		Amount (\$000s)	%
Primary (greater than 200 million net rentable square feet)	192	39,694,760	44.7%	97.1%	\$172,763	46.3%
Secondary (25 million to 200 million net rentable square feet)	216	43,826,125	49.3%	96.1%	179,204	48.0%
Tertiary (less than 25 million net rentable square feet)	26	5,306,868	6.0%	97.7%	21,294	5.7%
Total Operating Portfolio / weighted average	434	88,827,753	100.0%	96.6%	\$373,261	100.0%

LEASING & RETENTION STATISTICS

FOURTH 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	700,731	5.6	\$4.73	\$4.99	\$1.71	\$3.45	8.7%	19.6%	
Renewal Leases	1,735,170	3.8	\$4.22	\$4.31	\$0.61	\$0.09	5.6%	11.0%	87.4%
Total / weighted average	2,435,901	4.3	\$4.37	\$4.50	\$0.92	\$1.06	6.4%	13.2%	

2019 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	Retention
New leases	1,869,573	5.6	\$4.26	\$4.46	\$1.47	\$1.42	14.5%	24.6%	
Renewal Leases	7,740,691	4.0	\$4.05	\$4.20	\$0.47	\$0.21	9.2%	17.0%	76.7%
Total / weighted average new & renewal	9,610,264	4.3	\$4.09	\$4.25	\$0.67	\$0.44	10.0%	18.2%	

Note: The tables above represent leases commencing during the quarter.

LEASE EXPIRATION SCHEDULE

LEASE EXPIRATION SCHEDULE AS OF DECEMBER 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	4,543,872	N/A	N/A	N/A
MTM	2	22,800	—%	\$54	—%
2020	41	6,977,348	8.0%	32,555	8.6%
2021	74	11,594,269	13.4%	50,683	13.3%
2022	73	9,048,131	10.4%	39,581	10.4%
2023	74	11,398,164	13.1%	44,345	11.7%
2024	60	11,119,594	12.8%	47,036	12.4%
2025	41	7,295,205	8.4%	30,933	8.1%
2026	39	6,543,870	7.6%	30,121	7.9%
2027	19	2,724,585	3.1%	13,394	3.5%
2028	25	4,716,771	5.5%	20,136	5.3%
2029	21	3,743,900	4.3%	18,220	4.8%
Thereafter	40	11,631,490	13.4%	53,366	14.0%
Total	509	91,359,999	100.0%	\$380,424	100.0%

TENANT PROFILE

TENANT PROFILE	
December 31, 2019	
Profile	
Number of tenants	414
Average tenant size (square feet)	209,701
Average Annualized Base Rental Revenue per square foot	\$4.38
Average Annualized Base Rental Revenue per tenant (\$000s)	\$919
Credit ⁽¹⁾	
Tenants publicly rated	55.2%
Tenants rated investment grade	32.8%
Tenant revenue > \$100 million	85.8%
Tenant revenue > \$1 billion	61.0%

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

PORTFOLIO DIVERSIFICATION

GEOGRAPHIC DIVERSIFICATION December 31, 2019		
#	Market	ABR %
1	Philadelphia, PA	8.5%
2	Chicago, IL	7.6%
3	Greenville/Spartanburg, SC	5.5%
4	Pittsburgh, PA	4.5%
5	Milwaukee/Madison, WI	4.2%
6	Minneapolis/St Paul, MN	4.1%
7	Detroit, MI	3.7%
8	Houston, TX	3.4%
9	Charlotte, NC	2.8%
10	Cincinnati/Dayton, OH	2.6%
11	Boston, MA	2.5%
12	West Michigan, MI	2.5%
13	Indianapolis, IN	2.4%
14	Columbus, OH	2.3%
15	El Paso, TX	2.2%
16	Columbia, SC	1.8%
17	Westchester/So Connecticut, CT/NY	1.8%
18	Raleigh/Durham, NC	1.6%
19	Memphis, TN	1.4%
20	Kansas City, MO	1.4%
Top 10		46.9%
Top 11-20		19.9%
Total Top 20		66.8%

TENANT DIVERSIFICATION December 31, 2019			
#	Tenant ⁽¹⁾	# of Leases	ABR %
1	Amazon	3	1.9%
2	General Service Administration	1	1.8%
3	XPO Logistics, Inc.	4	1.2%
4	DHL Supply Chain	5	1.0%
5	Solo Cup	1	1.0%
6	TriMas Corporation	4	1.0%
7	DS Smith	2	1.0%
8	Ford Motor Company	1	0.9%
9	Yanfeng US Automotive Interior	2	0.8%
10	FedEx Corporation	3	0.8%
11	WestRock Company	6	0.8%
12	Kenco Logistic Services, LLC	2	0.8%
13	Perrigo Company	2	0.7%
14	Generation Brands	1	0.7%
15	Carolina Beverage Group	2	0.7%
16	Emerson Electric	2	0.7%
17	Quoizel, Inc.	1	0.7%
18	Hachette Book Group, Inc.	1	0.7%
19	Schneider Electric USA, Inc.	3	0.7%
20	American Tire Distributors Inc	4	0.6%
Top 10		26	11.4%
Top 11-20		24	7.1%
Total Top 20		50	18.5%

INDUSTRY DIVERSIFICATION December 31, 2019		
#	Industry ⁽²⁾	ABR %
1	Auto Components	11.1%
2	Air Freight & Logistics	8.6%
3	Commercial Services & Supplies	7.4%
4	Containers & Packaging	7.2%
5	Machinery	4.8%
6	Household Durables	4.7%
7	Building Products	4.5%
8	Food Products	4.5%
9	Electrical Equipment	3.6%
10	Food & Staples Retailing	3.4%
11	Household Products	3.2%
12	Internet & Direct Mkt Retail	3.2%
13	Beverages	2.9%
14	Media	2.8%
15	Electronic Equip, Instruments	2.4%
16	Chemicals	2.0%
17	Specialty Retail	2.0%
18	Textiles, Apparel, Luxury Good	1.9%
19	Metals & Mining	1.8%
20	Pharmaceuticals	1.6%
Top 10		59.8%
Top 11-20		23.8%
Total Top 20		83.6%

(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, 2019

Common shares, participating securities, performance units and other units

Common shares outstanding	142,622,548
Participating securities outstanding	193,045
Units outstanding	3,736,852
Common shares, participating securities, and other units - basic	146,552,445
Performance units	585,424
Common shares, participating securities, performance and other units - diluted	147,137,869

DEBT METRICS

December 31, 2019

Net debt / Adjusted EBITDAre ratio	5.1x
Net debt / Run Rate Adjusted EBITDAre ratio	4.8x
Net debt / total Real Estate Cost Basis (at quarter end)	35.4%
Total debt / total enterprise value (at quarter end)	26.0%
Liquidity	\$460.0 million
Fitch Credit Rating	BBB / Stable
Moody's Credit Rating	Baa3 / Stable

UNSECURED DEBT COVENANTS

Covenant

December 31, 2019

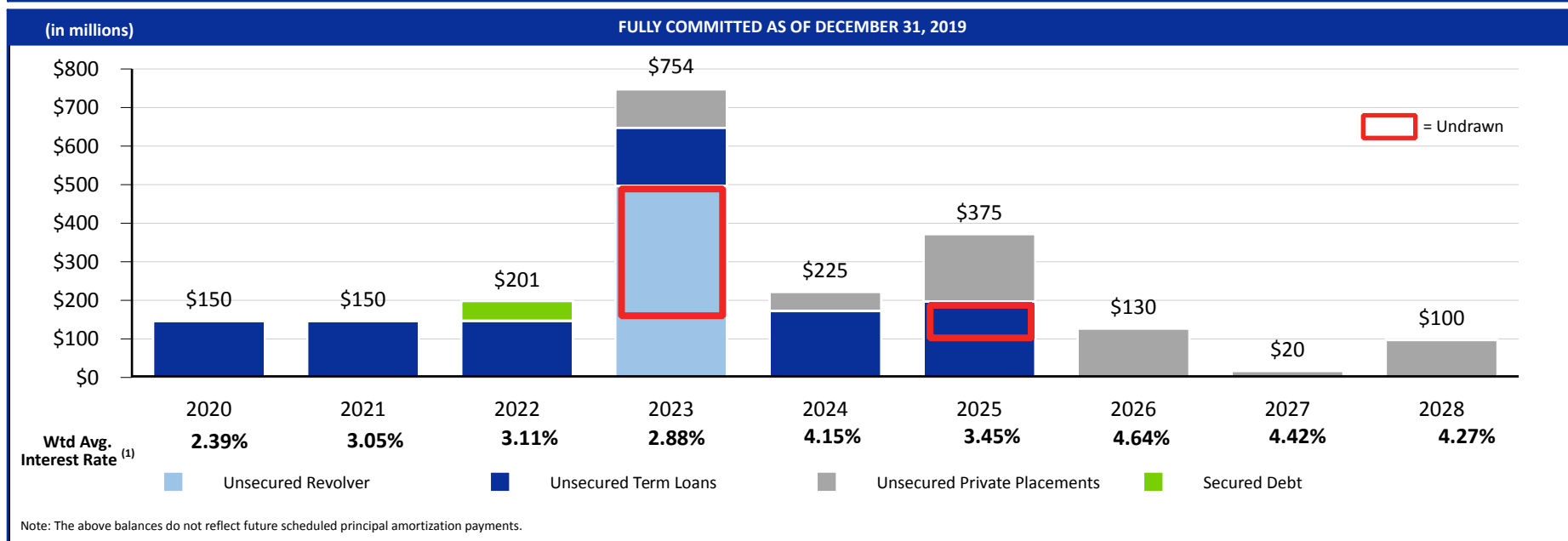
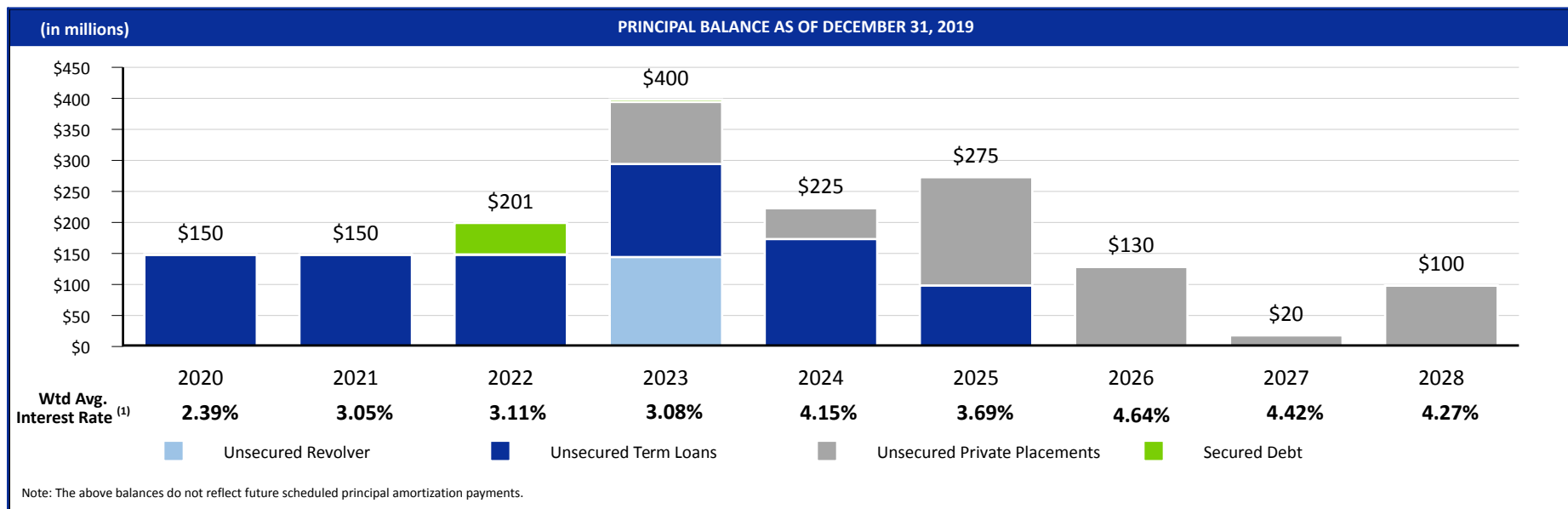
Consolidated leverage ratio	< 60%	31.4%
Secured leverage ratio	< 40%	1.0%
Unencumbered leverage ratio	< 60%	32.3%
Unsecured interest coverage ratio	> 1.75x	6.1x
Fixed charge coverage ratio	> 1.5x	4.8x

DEBT SUMMARY

AS OF DECEMBER 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	146.0	L + 0.90%	1/15/2023
Unsecured Term Loan E	175.0	175.0	3.92%	1/15/2024
Series A Unsecured Notes	50.0	50.0	4.98%	10/1/2024
Unsecured Term Loan F	200.0	100.0	L + 1.00%	1/12/2025
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	\$2,050.0	\$1,596.0	3.45%	3.8 years
Secured debt:				
Wells Fargo Bank, National Association CMBS Loan	51.4	51.4	4.31%	12/1/2022
Thrivent Financial for Lutherans	3.7	3.7	4.78%	12/15/2023
Total / weighted average secured	\$55.1	55.1	4.34%	3.0 years
Total / weighted average	\$2,105.1	\$1,651.1	3.48%	3.8 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		\$1,645.0		

(1) The interest rate on the unsecured facilities represents the interest rate as of December 31, 2019 based on the Company's investment grade rating as defined in the respective loan agreements. The unsecured term loans have a stated interest rate of one-month LIBOR plus a spread of 1.0%. As of December 31, 2019, one-month LIBOR for the unsecured term loans A, B, C, D, and E was swapped to a fixed rate of 1.70%, 2.05%, 1.39%, 1.85%, and 2.92%, respectively. One-month LIBOR for unsecured term loan F will be swapped to a fixed rate of 2.11% effective July 15, 2020. 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



(1) The weighted average interest rate for unsecured debt was calculated using the current swapped notional amount of \$775 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, 2019, one-month LIBOR for the unsecured term loans A, B, C, D, and E was swapped to a fixed rate of 1.70%, 2.05%, 1.39%, 1.85%, and 2.92%, respectively. One-month LIBOR for unsecured term loan F will be swapped to a fixed rate of 2.11% effective July 15, 2020.

GUIDANCE

2020 GUIDANCE		
	Current Guidance	
	Low	High
Core FFO per share	\$1.86	\$1.92
Acquisition volume	\$800.0 million	\$1.0 billion
Stabilized volume	\$725.0 million	\$875.0 million
Value Add volume	\$75.0 million	\$125.0 million
Stabilized Capitalization Rate	6.00%	6.50%
Disposition volume	\$150.0 million	\$250.0 million
Same Store Cash NOI Change	1.0%	2.0%
Retention	65%	75%
Capital expenditure per average square foot	\$0.27	\$0.31
Net debt to Run Rate Adjusted EBITDAre	4.75x	6.00x
General & administrative expense	\$41.0 million	\$43.0 million

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.

Cash Capitalization Rate: We define Cash Capitalization Rate as 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, solar 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, 2019.

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 (EBITDAre), Adjusted EBITDAre, Annualized Adjusted EBITDAre, and Run Rate Adjusted EBITDAre: We define EBITDAre in accordance with the standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). EBITDAre 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 EBITDAre further excludes transaction costs, termination income, solar 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, and other non-recurring items.

We define Annualized Adjusted EBITDAre as Adjusted EBITDAre multiplied by four.

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

EBITDAre, Adjusted EBITDAre, and Run Rate Adjusted EBITDAre 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, EBITDAre, Adjusted EBITDAre, and Run Rate Adjusted EBITDAre 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 EBITDAre, Adjusted EBITDAre, and Run Rate Adjusted EBITDAre 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 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, gains (losses) from sales of land, 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, 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, transaction costs, gain (loss) on involuntary conversion, loss on extinguishment of debt, gain on sales of rental property, 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 and solar 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, assets contained in the Value Add Portfolio, and assets classified at held for sale.

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 12 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, or (iii) an early renewal or workout, which ultimately does extend the original term for 12 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 as 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 Capitalization Rate: We define Straight-Line Capitalization Rate as calculated by dividing (i) the Company's estimate of average annual net operating income from the applicable property's operations stabilized for occupancy (post-lease-up for vacant properties), which does not include termination income, solar 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, 2019.

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 that 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.