

## Section 1: 8-K (8-K)

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

### FORM 8-K

#### CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report: August 1, 2019

## NATIONAL RETAIL PROPERTIES, INC.

(exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**001-11290**  
(Commission  
File Number)

**56-1431377**  
(I.R.S. Employment  
Identification No.)

**450 South Orange Avenue, Suite 900, Orlando, Florida 32801**  
(Address of principal executive offices, including zip code)

**(407) 265-7348**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| <u>Title of each class</u>                        | <u>Trading Symbol(s)</u> | <u>Name of exchange on which registered</u> |
|---|--------------------------|---|
| Common Stock, \$0.01 par value                    | NNN                      | New York Stock Exchange                     |
| 5.700% Series E Preferred Stock, \$0.01 par value | NNN/PE                   | New York Stock Exchange                     |
| 5.200% Series F Preferred Stock, \$0.01 par value | NNN/PF                   | New York Stock Exchange                     |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

**Item 2.02. Results of Operations and Financial Condition.**

On August 1, 2019 National Retail Properties, Inc. issued a press release announcing its results of operations and financial condition for the quarter and six months ended June 30, 2019. The press release is attached hereto as Exhibit 99.1.

The information in this Form 8-K is being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of such section, nor shall such information be deemed to be incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

99.1 [Press Release, dated August 1, 2019, of National Retail Properties, Inc.](#)

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

**National Retail Properties, Inc.**

Dated: August 1, 2019

By: /s/ Kevin B. Habicht

Kevin B. Habicht

Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

| Exhibit No. | Description  |
|-------------|--|
| 99.1        | <a href="#">Press Release, dated August 1, 2019, of National Retail Properties, Inc.</a> |

[\(Back To Top\)](#)

## Section 2: EX-99.1 (EXHIBIT 99.1)



### NEWS RELEASE

For information contact:

Kevin B. Habicht

Chief Financial Officer

(407) 265-7348 FOR IMMEDIATE RELEASE

August 1, 2019

### SECOND QUARTER 2019 OPERATING RESULTS ANNOUNCED BY NATIONAL RETAIL PROPERTIES, INC.

**Orlando, Florida, August 1, 2019** – National Retail Properties, Inc. (NYSE: NNN), a real estate investment trust, today announced its operating results for the quarter and six months ended June 30, 2019. Highlights include:

#### Operating Results:

- Revenues and net earnings, FFO, Core FFO and AFFO available to common stockholders and diluted per share amounts:

|   | Quarter Ended<br>June 30,             |            | Six Months Ended<br>June 30, |            |
|---|---------------------------------------|------------|------------------------------|------------|
|   | 2019                                  | 2018       | 2019                         | 2018       |
|   | (in thousands, except per share data) |            |                              |            |
| Revenues                                      | \$ 164,792                            | \$ 155,518 | \$ 328,504                   | \$ 308,353 |
| Net earnings available to common stockholders | \$ 70,097                             | \$ 61,992  | \$ 141,537                   | \$ 156,690 |
| Net earnings per common share                 | \$ 0.43                               | \$ 0.40    | \$ 0.87                      | \$ 1.02    |
| FFO available to common stockholders          | \$ 110,859                            | \$ 104,944 | \$ 221,203                   | \$ 207,713 |
| FFO per common share                          | \$ 0.68                               | \$ 0.68    | \$ 1.37                      | \$ 1.35    |
| Core FFO available to common stockholders     | \$ 110,859                            | \$ 105,204 | \$ 219,872                   | \$ 208,234 |
| Core FFO per common share                     | \$ 0.68                               | \$ 0.68    | \$ 1.36                      | \$ 1.35    |
| AFFO available to common stockholders         | \$ 112,619                            | \$ 105,303 | \$ 223,249                   | \$ 208,182 |
| AFFO per common share                         | \$ 0.69                               | \$ 0.68    | \$ 1.38                      | \$ 1.35    |

#### Second Quarter 2019 Highlights:

- AFFO per common share increased 1.5% over prior year results
- Portfolio occupancy was 98.8% at June 30, 2019 as compared to 98.2% on March 31, 2019 and 98.2% on December 31, 2018

- Invested \$275.8 million in property investments, including the acquisition of 71 properties with an aggregate 1,678,000 square feet of gross leasable area at an initial cash yield of 6.9%
- Sold 13 properties for \$42.0 million producing \$12.6 million of gains on sales, net of noncontrolling interest
- Raised \$82.0 million net proceeds from the issuance of 1,531,684 common shares

#### First Half of 2019 Highlights:

- FFO per share increased 1.5% over prior year results
- Core FFO per share increased 0.7% over prior year results
- AFFO per common share increased 2.2% over prior year results
- Invested \$392.8 million in property investments, including the acquisition of 104 properties with an aggregate 2,112,000 square feet of gross leasable area at an initial cash yield of 6.9%
- Sold 30 properties for \$61.4 million producing \$23.0 million of gains on sales, net of noncontrolling interest
- Raised \$87.2 million in net proceeds from issuance of 1,632,864 common shares

Jay Whitehurst, Chief Executive Officer, commented: "National Retail Properties posted steady, consistent results in the second quarter of 2019, highlighted by a solid quarter of acquisitions and a meaningful uptick in our occupancy rate. In July, we increased our common stock dividend by three percent to 51.5 cents per quarter, while maintaining our very conservative dividend payout ratio. 2019 will mark our 30<sup>th</sup> consecutive year of increased annual dividends, a feat matched by only two other REITs and by less than 90 public companies in the United States."

National Retail Properties invests primarily in high-quality retail properties subject generally to long-term, net leases. As of June 30, 2019, the company owned 3,043 properties in 48 states with a gross leasable area of approximately 32.1 million square feet and with a weighted average remaining lease term of 11.4 years. For more information on the company, visit [www.nnnreit.com](http://www.nnnreit.com).

Management will hold a conference call on August 1, 2019, at 10:30 a.m. ET to review these results. The call can be accessed on the National Retail Properties web site live at <http://www.nnnreit.com>. For those unable to listen to the live broadcast, a replay will be available on the company's web site. In addition, a summary of any earnings guidance given on the call will be posted to the company's web site.

*Statements in this press release that are not strictly historical are "forward-looking" statements. These statements generally are characterized by the use of terms such as "believe," "expect," "intend," "may," "estimated," or other similar words or expressions. Forward-looking statements involve known and unknown risks, which may cause the company's actual future results to differ materially from expected results. These risks include, among others, general economic conditions, local real estate conditions, changes in interest rates, increases in operating costs, the preferences and financial condition of the company's tenants, the availability of capital, and, risks related to the company's status as a REIT. Additional information concerning these and other factors that could cause actual results to differ materially from these forward-looking statements is contained from time to time in the company's Securities and Exchange Commission (the "Commission") filings, including, but not limited to, the company's Annual Report on Form 10-K. Copies of each filing may be obtained from the company or the Commission. Such forward-looking statements should be regarded solely as reflections of the company's current operating plans and estimates. Actual operating results may differ materially from what is expressed or forecast in this press release. National Retail Properties, Inc. undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date these statements were made.*

*The reported results are preliminary and not final and there can be no assurance that the results will not vary from the final information filed on Form 10-Q with the Commission for the quarter and six months ended June 30, 2019. In the opinion of management, all adjustments considered necessary for a fair presentation of these reported results have been made.*

*Funds From Operations, commonly referred to as FFO, is a relative non-GAAP financial measure of operating performance of an equity REIT in order to recognize that income-producing real estate historically has not depreciated on the basis determined under GAAP. FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") and is used by the company as follows: net earnings (computed in accordance with GAAP) plus depreciation and amortization of assets unique to the real estate industry, excluding gains (or including losses), any applicable taxes and noncontrolling interests on the disposition of certain assets, the company's share of these items from the company's unconsolidated partnerships and any impairment charges on a depreciable real estate asset.*

*FFO is generally considered by industry analysts to be the most appropriate measure of performance of real estate companies. FFO does not necessarily represent cash provided by operating activities in accordance with GAAP and should not be considered an alternative to net earnings as an indication of the company's performance or to cash flow as a measure of liquidity or ability to make distributions. Management considers FFO an appropriate measure of performance of an equity REIT because it primarily excludes the assumption that the value of the real estate assets diminishes predictably over time, and because industry analysts have accepted it as a performance measure. The company's computation of FFO may differ from the methodology for calculating FFO used by other equity REITs, and therefore, may not be comparable to such other REITs. A reconciliation of net earnings (computed in accordance with GAAP) to FFO, as defined by NAREIT, is included in the financial information accompanying this release.*

*Core Funds From Operations ("Core FFO") is a non-GAAP measure of operating performance that adjusts FFO to eliminate the impact of certain GAAP income and expense amounts that the company believes are infrequent and unusual in nature and/or not related to its core real estate operations. Exclusion of these items from similar FFO-type metrics is common within the REIT industry, and management believes that presentation of Core FFO provides investors with a potential metric to assist in their evaluation of the company's operating*

*performance across multiple periods and in comparison to the operating performance of its peers because it removes the effect of unusual items that are not expected to impact the company's operating performance on an ongoing basis. Core FFO is used by management in evaluating the performance of the company's core business operations and is a factor in determining management compensation. Items included in calculating FFO that may be excluded in calculating Core FFO may include items like transaction related gains, income or expense, impairments on land or commercial mortgage residual interests, preferred stock redemption costs or other non-core amounts as they occur. The company's computation of Core FFO may differ from the methodology for calculating Core FFO used by other equity REITs, and therefore, may not be comparable to such other REITs. A reconciliation of net earnings (computed in accordance with GAAP) to Core FFO is included in the financial information accompanying this release.*

*Adjusted Funds From Operations ("AFFO") is a non-GAAP financial measure of operating performance used by many companies in the REIT industry. AFFO adjusts FFO for certain non-cash items that reduce or increase net income in accordance with GAAP. AFFO should not be considered an alternative to net earnings, as an indication of the company's performance or to cash flow as a measure of liquidity or ability to make distributions. Management considers AFFO a useful supplemental measure of the company's performance. The company's computation of AFFO may differ from the methodology for calculating AFFO used by other equity REITs, and therefore, may not be comparable to such other REITs. A reconciliation of net earnings (computed in accordance with GAAP) to AFFO is included in the financial information accompanying this release.*



**National Retail Properties, Inc.**  
(in thousands, except per share data)  
(unaudited)

|   | Quarter Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                   |
|---|---------------------------|------------------|------------------------------|-------------------|
|   | 2019                      | 2018             | 2019                         | 2018              |
| <b>Income Statement Summary</b>                                 |                           |                  |                              |                   |
| <b>Revenues:</b>  |                           |                  |                              |                   |
| Rental income   | \$ 164,596                | \$ 155,153       | \$ 327,622                   | \$ 307,915        |
| Interest and other income from real estate transactions         | 196                       | 365              | 882                          | 438               |
|   | <u>164,792</u>            | <u>155,518</u>   | <u>328,504</u>               | <u>308,353</u>    |
| <b>Operating expenses:</b>                                      |                           |                  |                              |                   |
| General and administrative                                      | 9,276                     | 8,741            | 18,798                       | 17,437            |
| Real estate   | 6,600                     | 5,828            | 13,692                       | 11,690            |
| Depreciation and amortization                                   | 46,241                    | 43,304           | 92,421                       | 87,802            |
| Impairment losses – real estate, net of recoveries              | 7,187                     | 3,835            | 10,432                       | 6,083             |
| Retirement severance costs                                      | —                         | 260              | —                            | 521               |
|   | <u>69,304</u>             | <u>61,968</u>    | <u>135,343</u>               | <u>123,533</u>    |
| Gain on disposition of real estate                              | 13,002                    | 4,106            | 23,447                       | 42,702            |
| Earnings from operations  | <u>108,490</u>            | <u>97,656</u>    | <u>216,608</u>               | <u>227,522</u>    |
| <b>Other expenses (revenues):</b>                               |                           |                  |                              |                   |
| Interest and other income                                       | (487)                     | (37)             | (2,411)                      | (63)              |
| Interest expense  | 29,811                    | 27,110           | 59,768                       | 53,712            |
| Leasing transaction costs                                       | 75                        | —                | 127                          | —                 |
|   | <u>29,399</u>             | <u>27,073</u>    | <u>57,484</u>                | <u>53,649</u>     |
| Net earnings  | 79,091                    | 70,583           | 159,124                      | 173,873           |
| Earnings attributable to noncontrolling interests               | <u>(413)</u>              | <u>(10)</u>      | <u>(423)</u>                 | <u>(19)</u>       |
| Net earnings attributable to NNN                                | 78,678                    | 70,573           | 158,701                      | 173,854           |
| Series E preferred stock dividends                              | (4,096)                   | (4,096)          | (8,194)                      | (8,194)           |
| Series F preferred stock dividends                              | (4,485)                   | (4,485)          | (8,970)                      | (8,970)           |
| Net earnings available to common stockholders                   | <u>\$ 70,097</u>          | <u>\$ 61,992</u> | <u>\$ 141,537</u>            | <u>\$ 156,690</u> |
| <b>Weighted average common shares outstanding:</b>              |                           |                  |                              |                   |
| Basic   | <u>161,893</u>            | <u>153,811</u>   | <u>161,502</u>               | <u>153,428</u>    |
| Diluted   | <u>162,352</u>            | <u>154,204</u>   | <u>161,995</u>               | <u>153,840</u>    |
| <b>Net earnings per share available to common stockholders:</b> |                           |                  |                              |                   |
| Basic   | <u>\$ 0.43</u>            | <u>\$ 0.40</u>   | <u>\$ 0.87</u>               | <u>\$ 1.02</u>    |
| Diluted   | <u>\$ 0.43</u>            | <u>\$ 0.40</u>   | <u>\$ 0.87</u>               | <u>\$ 1.02</u>    |

**National Retail Properties, Inc.**  
(in thousands, except per share data)  
(unaudited)

|   | Quarter Ended     |                   | Six Months Ended  |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | June 30,          |                   | June 30,          |                   |
|   | 2019              | 2018              | 2019              | 2018              |
| <b>Funds From Operations (FFO) Reconciliation:</b>                  |                   |                   |                   |                   |
| Net earnings available to common stockholders                       | \$ 70,097         | \$ 61,992         | \$ 141,537        | \$ 156,690        |
| Real estate depreciation and amortization                           | 46,165            | 43,223            | 92,269            | 87,642            |
| Gain on disposition of real estate, net of noncontrolling interests | (12,590)          | (4,106)           | (23,035)          | (42,702)          |
| Impairment losses – depreciable real estate, net of recoveries      | 7,187             | 3,835             | 10,432            | 6,083             |
| Total FFO adjustments   | 40,762            | 42,952            | 79,666            | 51,023            |
| FFO available to common stockholders                                | <u>\$ 110,859</u> | <u>\$ 104,944</u> | <u>\$ 221,203</u> | <u>\$ 207,713</u> |
| FFO per common share:   |                   |                   |                   |                   |
| Basic   | <u>\$ 0.68</u>    | <u>\$ 0.68</u>    | <u>\$ 1.37</u>    | <u>\$ 1.35</u>    |
| Diluted   | <u>\$ 0.68</u>    | <u>\$ 0.68</u>    | <u>\$ 1.37</u>    | <u>\$ 1.35</u>    |
| <b>Core Funds From Operations Reconciliation:</b>                   |                   |                   |                   |                   |
| Net earnings available to common stockholders                       | \$ 70,097         | \$ 61,992         | \$ 141,537        | \$ 156,690        |
| Total FFO adjustments   | 40,762            | 42,952            | 79,666            | 51,023            |
| FFO available to common stockholders                                | 110,859           | 104,944           | 221,203           | 207,713           |
| Retirement severance costs  | —                 | 260               | —                 | 521               |
| Gain on sale of equity investments                                  | —                 | —                 | (1,331)           | —                 |
| Total Core FFO adjustments  | —                 | 260               | (1,331)           | 521               |
| Core FFO available to common stockholders                           | <u>\$ 110,859</u> | <u>\$ 105,204</u> | <u>\$ 219,872</u> | <u>\$ 208,234</u> |
| Core FFO per common share:  |                   |                   |                   |                   |
| Basic   | <u>\$ 0.68</u>    | <u>\$ 0.68</u>    | <u>\$ 1.36</u>    | <u>\$ 1.36</u>    |
| Diluted   | <u>\$ 0.68</u>    | <u>\$ 0.68</u>    | <u>\$ 1.36</u>    | <u>\$ 1.35</u>    |



**National Retail Properties, Inc.**  
(in thousands, except per share data)  
(unaudited)

|   | Quarter Ended |            | Six Months Ended |            |
|---|---------------|------------|------------------|------------|
|   | June 30,      |            | June 30,         |            |
|   | 2019          | 2018       | 2019             | 2018       |
| <b><u>Adjusted Funds From Operations (AFFO) Reconciliation:</u></b> |               |            |                  |            |
| Net earnings available to common stockholders                       | \$ 70,097     | \$ 61,992  | \$ 141,537       | \$ 156,690 |
| Total FFO adjustments   | 40,762        | 42,952     | 79,666           | 51,023     |
| Total Core FFO adjustments  | —             | 260        | (1,331)          | 521        |
| Core FFO available to common stockholders                           | 110,859       | 105,204    | 219,872          | 208,234    |
| <br>  |               |            |                  |            |
| Straight-line accrued rent  | (413)         | 68         | (1,160)          | (930)      |
| Net capital lease rent adjustment                                   | 167           | 234        | 338              | 462        |
| Below-market rent amortization                                      | (173)         | (1,417)    | (401)            | (2,115)    |
| Stock based compensation expense                                    | 2,524         | 2,290      | 5,071            | 4,435      |
| Capitalized interest expense  | (345)         | (1,076)    | (471)            | (1,904)    |
| Total AFFO adjustments  | 1,760         | 99         | 3,377            | (52)       |
| AFFO available to common stockholders                               | \$ 112,619    | \$ 105,303 | \$ 223,249       | \$ 208,182 |
| <br>  |               |            |                  |            |
| AFFO per common share:  |               |            |                  |            |
| Basic   | \$ 0.70       | \$ 0.68    | \$ 1.38          | \$ 1.36    |
| Diluted   | \$ 0.69       | \$ 0.68    | \$ 1.38          | \$ 1.35    |
| <br>  |               |            |                  |            |
| <b><u>Other Information:</u></b>                                    |               |            |                  |            |
| Rental income from operating leases <sup>(1)</sup>                  | \$ 160,234    | \$ 150,969 | \$ 318,632       | \$ 298,798 |
| Earned income from direct financing leases <sup>(1)</sup>           | \$ 208        | \$ 225     | \$ 420           | \$ 455     |
| Percentage rent <sup>(1)</sup>                                      | \$ 300        | \$ 189     | \$ 722           | \$ 734     |
| <br>  |               |            |                  |            |
| Real estate expense reimbursement from tenants <sup>(1)</sup>       | \$ 3,854      | \$ 3,770   | \$ 7,848         | \$ 7,928   |
| Real estate expenses  | (6,600)       | (5,828)    | (13,692)         | (11,690)   |
| Real estate expenses, net of tenant reimbursements                  | \$ (2,746)    | \$ (2,058) | \$ (5,844)       | \$ (3,762) |
| <br>  |               |            |                  |            |
| Amortization of debt costs  | \$ 931        | \$ 894     | \$ 1,851         | \$ 1,781   |
| Scheduled debt principal amortization (excluding maturities)        | \$ 139        | \$ 132     | \$ 281           | \$ 266     |
| Non-real estate depreciation expense                                | \$ 78         | \$ 84      | \$ 158           | \$ 165     |

<sup>(1)</sup> The condensed consolidated financial statements for the quarter and six months ended June 30, 2019 and 2018 are presented under the new accounting standard, ASU 2016-02, "Leases (Topic 842)." For the quarter and six months ended June 30, 2019, the aggregate of such amounts is \$164,596 and \$327,622, respectively, classified as rental income on the income statement summary. For the quarter and six months ended June 30, 2018, the aggregate of such amounts is \$155,153 and \$307,915, respectively.

**2019 Earnings Guidance:**

Guidance is based on current plans and assumptions and subject to risks and uncertainties more fully described in this press release and the company's reports filed with the Securities and Exchange Commission.

|  | <b><u>2019 Guidance</u></b> |
|--|-----------------------------|
| Net earnings per common share excluding any gains on disposition of real estate and impairment charges | \$1.60 - \$1.65 per share   |
| Real estate depreciation and amortization per share  | \$1.11 per share            |
| Core FFO per share   | \$2.71 - \$2.76 per share   |
| AFFO per share   | \$2.76 - \$2.81 per share   |
| G&A expenses   | \$37.0 - \$38.0 Million     |
| Real estate expenses, net of tenant reimbursements   | \$10.0 - \$10.5 Million     |
| Acquisition volume   | \$550 - \$650 Million       |
| Disposition volume   | \$80 - \$120 Million        |

**National Retail Properties, Inc.**

(in thousands)

(unaudited)

|  | June 30, 2019 | December 31, 2018 |
|--|---------------|-------------------|
| <b>Balance Sheet Summary</b>   |               |                   |
| <b>Assets:</b>   |               |                   |
| Real estate:   |               |                   |
| Accounted for using the operating method, net of accumulated depreciation and amortization | \$ 7,110,598  | \$ 6,851,216      |
| Accounted for using the direct financing method  | 7,052         | 8,069             |
| Real estate held for sale  | 288           | 16,147            |
| Cash and cash equivalents  | 2,209         | 114,267           |
| Receivables, net of allowance of \$506 and \$2,273, respectively                           | 2,507         | 3,797             |
| Accrued rental income, net of allowance of \$1,842   | 28,198        | 25,387            |
| Debt costs, net of accumulated amortization  | 3,468         | 4,081             |
| Other assets   | 98,481        | 80,474            |
| Total assets   | \$ 7,252,801  | \$ 7,103,438      |
| <b>Liabilities:</b>  |               |                   |
| Line of credit payable   | \$ 63,200     | \$ —              |
| Mortgages payable, including unamortized premium and net of unamortized debt cost          | 12,379        | 12,694            |
| Notes payable, net of unamortized discount and unamortized debt costs                      | 2,840,674     | 2,838,701         |
| Accrued interest payable   | 17,984        | 19,519            |
| Other liabilities  | 96,113        | 77,919            |
| Total liabilities  | 3,030,350     | 2,948,833         |
| Stockholders' equity of NNN  | 4,222,449     | 4,154,250         |
| Noncontrolling interests   | 2             | 355               |
| Total equity   | 4,222,451     | 4,154,605         |
| Total liabilities and equity   | \$ 7,252,801  | \$ 7,103,438      |
| Common shares outstanding  | 163,513       | 161,504           |
| Gross leasable area, Property Portfolio (square feet)                                      | 32,053        | 30,487            |

**National Retail Properties, Inc.**

Debt Summary  
As of June 30, 2019  
(in thousands)  
(unaudited)

| <b>Unsecured Debt</b>   | <b>Principal</b>    | <b>Principal, Net of<br/>Unamortized<br/>Discount</b> | <b>Stated Rate</b> | <b>Effective Rate</b> | <b>Maturity Date</b> |
|---|---------------------|---|--------------------|-----------------------|----------------------|
| Line of credit payable  | \$ 63,200           | \$ 63,200   | L + 87.5 bps       | 3.295%                | January 2022         |
| Unsecured notes payable:  |                     |   |                    |                       |                      |
| 2022  | 325,000             | 323,162   | 3.800%             | 3.985%                | October 2022         |
| 2023  | 350,000             | 348,913   | 3.300%             | 3.388%                | April 2023           |
| 2024  | 350,000             | 349,618   | 3.900%             | 3.924%                | June 2024            |
| 2025  | 400,000             | 399,346   | 4.000%             | 4.029%                | November 2025        |
| 2026  | 350,000             | 346,992   | 3.600%             | 3.733%                | December 2026        |
| 2027  | 400,000             | 398,621   | 3.500%             | 3.548%                | October 2027         |
| 2028  | 400,000             | 397,326   | 4.300%             | 4.388%                | October 2028         |
| 2048  | 300,000             | 295,809   | 4.800%             | 4.890%                | October 2048         |
| <b>Total</b>  | <u>2,875,000</u>    | <u>2,859,787</u>                                      |                    |                       |                      |
| <b>Total unsecured debt<sup>(1)</sup></b>                             | <u>\$ 2,938,200</u> | <u>\$ 2,922,987</u>                                   |                    |                       |                      |
| Debt costs  |                     | (26,932)  |                    |                       |                      |
| Accumulated amortization  |                     | 7,819   |                    |                       |                      |
| Debt costs, net of accumulated amortization                           |                     | <u>(19,113)</u>                                       |                    |                       |                      |
| Notes payable, net of unamortized discount and unamortized debt costs |                     | <u>\$ 2,840,674</u>                                   |                    |                       |                      |

<sup>(1)</sup> Unsecured notes payable have a weighted average interest rate of 4.0% and a weighted average maturity of 8.8 years.

| <b>Mortgages Payable</b>   | <b>Principal<br/>Balance</b> | <b>Interest Rate</b> | <b>Maturity Date</b> |
|--|------------------------------|----------------------|----------------------|
| Mortgage <sup>(1)</sup>  | \$ 12,445                    | 5.23%                | July 2023            |
| Debt costs   | (147)                        |                      |                      |
| Accumulated amortization   | 81                           |                      |                      |
| Debt costs, net of accumulated amortization  | <u>(66)</u>                  |                      |                      |
| Mortgages payable, including unamortized premium and net of unamortized debt costs | <u>\$ 12,379</u>             |                      |                      |

<sup>(1)</sup> Includes unamortized premium

**National Retail Properties, Inc.**  
**Property Portfolio**

**Top 20 Lines of Trade**

| Line of Trade  | As of June 30,      |                     |
|--|---------------------|---------------------|
|  | 2019 <sup>(1)</sup> | 2018 <sup>(2)</sup> |
| 1. Convenience stores                                  | 17.7%               | 18.8%               |
| 2. Restaurants – full service                          | 11.1%               | 12.1%               |
| 3. Automotive service                                  | 9.1%                | 7.7%                |
| 4. Restaurants – limited service                       | 8.8%                | 7.9%                |
| 5. Family entertainment centers                        | 6.9%                | 6.5%                |
| 6. Health and fitness                                  | 5.4%                | 5.6%                |
| 7. Theaters  | 4.8%                | 4.8%                |
| 8. Recreational vehicle dealers, parts and accessories | 3.4%                | 3.1%                |
| 9. Automotive parts                                    | 3.3%                | 3.6%                |
| 10. Equipment rental                                   | 2.7%                | 1.9%                |
| 11. Home improvement                                   | 2.6%                | 1.7%                |
| 12. Wholesale clubs                                    | 2.3%                | 2.4%                |
| 13. Medical service providers                          | 2.2%                | 2.3%                |
| 14. General merchandise                                | 1.8%                | 1.8%                |
| 15. Home furnishings                                   | 1.7%                | 1.6%                |
| 16. Furniture  | 1.7%                | 1.8%                |
| 17. Travel plazas                                      | 1.6%                | 1.7%                |
| 18. Drug stores  | 1.6%                | 1.9%                |
| 19. Consumer electronics                               | 1.6%                | 1.7%                |
| 20. Bank   | 1.5%                | 1.9%                |
| Other  | 8.2%                | 9.2%                |
| Total  | 100.0%              | 100.0%              |

**Top 10 States**

| State             | % of Total <sup>(1)</sup> | State          | % of Total <sup>(1)</sup> |
|-------------------|---------------------------|----------------|---------------------------|
| 1. Texas          | 17.4%                     | 6. Georgia     | 4.5%                      |
| 2. Florida        | 8.9%                      | 7. Indiana     | 3.9%                      |
| 3. Ohio           | 5.7%                      | 8. Tennessee   | 3.9%                      |
| 4. Illinois       | 5.2%                      | 9. Virginia    | 3.7%                      |
| 5. North Carolina | 4.5%                      | 10. California | 3.1%                      |

<sup>(1)</sup> Based on the annualized base rent for all leases in place as of June 30, 2019.

<sup>(2)</sup> Based on the annualized base rent for all leases in place as of June 30, 2018.



**National Retail Properties, Inc.**  
**Property Portfolio**

**Top Tenants (≥ 2.0%)**

|   | <u>Properties</u> | <u>% of Total<sup>(1)</sup></u> |
|---|-------------------|---------------------------------|
| 7-Eleven                                  | 140               | 5.2%                            |
| Mister Car Wash                           | 109               | 4.4%                            |
| Camping World                             | 46                | 4.2%                            |
| LA Fitness                                | 30                | 3.8%                            |
| Flynn Restaurant Group (Taco Bell/Arby's) | 203               | 3.6%                            |
| GPM Investments (Convenience Stores)      | 151               | 3.5%                            |
| AMC Theatre                               | 20                | 3.1%                            |
| Couche Tard (Pantry)                      | 85                | 2.9%                            |
| Sunoco                                    | 61                | 2.3%                            |
| BJ's Wholesale Club                       | 9                 | 2.3%                            |
| Chuck E. Cheese's                         | 53                | 2.1%                            |

**Lease Expirations<sup>(2)</sup>**

|      | <u>% of<br/>Total<sup>(1)</sup></u> | <u># of<br/>Properties</u> | <u>Gross Leasable<br/>Area<sup>(3)</sup></u> |            | <u>% of<br/>Total<sup>(1)</sup></u> | <u># of<br/>Properties</u> | <u>Gross Leasable<br/>Area<sup>(3)</sup></u> |
|------|-------------------------------------|----------------------------|--|------------|-------------------------------------|----------------------------|--|
| 2019 | 0.4%                                | 20                         | 418,000                                      | 2025       | 4.9%                                | 141                        | 1,486,000                                    |
| 2020 | 2.3%                                | 97                         | 1,060,000                                    | 2026       | 4.8%                                | 179                        | 1,697,000                                    |
| 2021 | 3.7%                                | 119                        | 1,301,000                                    | 2027       | 7.4%                                | 194                        | 2,624,000                                    |
| 2022 | 5.7%                                | 123                        | 1,634,000                                    | 2028       | 4.8%                                | 158                        | 1,176,000                                    |
| 2023 | 3.0%                                | 117                        | 1,456,000                                    | 2029       | 3.2%                                | 75                         | 1,109,000                                    |
| 2024 | 3.6%                                | 96                         | 1,546,000                                    | Thereafter | 56.2%                               | 1,684                      | 15,813,000                                   |

<sup>(1)</sup> Based on the annual base rent of \$650,091,000, which is the annualized base rent for all leases in place as of June 30, 2019.

<sup>(2)</sup> As of June 30, 2019, the weighted average remaining lease term is 11.4 years.

<sup>(3)</sup> Square feet.