

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: February 11, 2020

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
5.200% 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 February 11, 2020, National Retail Properties, Inc. (the "Company"), issued a press release announcing its results of operations and financial condition for the quarter and year ended December 31, 2019. The press release is attached hereto as Exhibit 99.1 to this report and the supplemental data is attached hereto as Exhibit 99.2 to this report. The press release and the supplemental data are available on the Company's website.

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 February 11, 2020, of National Retail Properties, Inc.
99.2	Supplemental Data, dated February 11, 2020, of National Retail Properties, Inc.
104.1	Cover Page Interactive Data File (the Cover Page Interactive Data File is embedded within the Inline XBRL document)

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: February 11, 2020

By: /s/ Kevin B. Habicht

Kevin B. Habicht

Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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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

February 11, 2020

RECORD ANNUAL RESULTS ANNOUNCED BY NATIONAL RETAIL PROPERTIES, INC.

Orlando, Florida, February 11, 2020 – National Retail Properties, Inc. (NYSE: NNN), a real estate investment trust, today announced operating results for the quarter and year ended December 31, 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 December 31,		Year Ended December 31,	
	2019	2018	2019	2018
	(in thousands, except per share data)			
Revenues	\$ 173,376	\$ 158,976	\$ 670,487	\$ 622,661
Net earnings available to common stockholders	\$ 58,534	\$ 27,980	\$ 258,183	\$ 258,120
Net earnings per common share	\$ 0.34	\$ 0.17	\$ 1.56	\$ 1.65
FFO available to common stockholders	\$ 110,445	\$ 82,491	\$ 446,661	\$ 395,337
FFO per common share	\$ 0.65	\$ 0.52	\$ 2.71	\$ 2.53
Core FFO available to common stockholders	\$ 120,301	\$ 101,001	\$ 455,186	\$ 414,590
Core FFO per common share	\$ 0.70	\$ 0.63	\$ 2.76	\$ 2.65
AFFO available to common stockholders	\$ 122,205	\$ 103,523	\$ 462,325	\$ 418,702
AFFO per common share	\$ 0.71	\$ 0.65	\$ 2.80	\$ 2.68

- Portfolio occupancy was 99.0% at December 31, 2019 as compared to 99.1% at September 30, 2019, and 98.2% at December 31, 2018

2019 Highlights:

- Increased annual FFO per common share 7.1%
- Increased annual Core FFO per common share 4.2%
- Increased annual AFFO per common share 4.5%
- Dividend yield of 3.8% at December 31, 2019
- Annual dividend per common share increased 4.1% to \$2.03 marking the 30th consecutive year of annual dividend increases - making the company one of only three equity REITs and less than 90 publicly traded companies in America to have increased annual dividends for 30 or more consecutive years
- Maintained high occupancy levels at 99.0% with a weighted average remaining lease term of 11.2 years

2019 Highlights (continued):

- Invested \$752.5 million in 210 properties with an aggregate gross leasable area of approximately 3,164,000 square feet at an initial cash yield of 6.9%
- Sold 59 properties for \$126.2 million, producing \$32.1 million of gains on sale, net of noncontrolling interest, at a cap rate of 5.9%
- Raised \$524.8 million in net proceeds from issuance of 9,706,940 common shares
- \$766.4 million availability on bank credit facility at December 31, 2019
- 99.7% of properties are unencumbered with secured mortgage debt
- Total average annual shareholder return of 13.6% over the past 25 years exceeds industry and general equity averages

Selected Highlights for the quarter ended December 31, 2019:

- Investments:
 - \$242.9 million in property investments, including the acquisition of 79 properties with an aggregate gross leasable area of approximately 519,000 square feet at an initial cash yield of 6.8%
- Dispositions:
 - Sold 16 properties with net proceeds of \$31.4 million, producing \$7.0 million of gains on sales at a cap rate of 6.4%
- Long-term capital:
 - Raised \$3.0 million in net proceeds from the issuance of 53,791 common shares

Jay Whitehurst, Chief Executive Officer, commented: "2019 was a year of significant milestones for National Retail Properties: our 35th year in business; our 25th year listed on the New York Stock Exchange, and most importantly, our 30th year of consecutive annual dividend increases. Our steady execution continued to produce impressive outcomes. Our Core FFO per share increased by 4.2% over 2018 and our long-term total shareholder returns continued to exceed the REIT averages while, in our opinion, taking below average risk. Moreover, the continued execution of our long-term focused business plan positions National Retail Properties to continue this enviable track record of consistent performance into 2020 and beyond."

National Retail Properties invests primarily in high-quality retail properties subject generally to long-term, net leases. As of December 31, 2019, the company owned 3,118 properties in 48 states with a gross leasable area of approximately 32.5 million square feet and with a weighted average remaining lease term of 11.2 years. For more information on the company, visit www.nnnreit.com.

Management will hold a conference call on February 11, 2020, 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-K with the Commission for the quarter and year ended December 31, 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		Year Ended	
	December 31,		December 31,	
	2019	2018	2019	2018
Income Statement Summary				
Revenues:				
Rental income	\$ 173,163	\$ 158,827	\$ 669,009	\$ 621,399
Interest and other income from real estate transactions	213	149	1,478	1,262
	<u>173,376</u>	<u>158,976</u>	<u>670,487</u>	<u>622,661</u>
Operating expenses:				
General and administrative	10,127	8,267	37,651	34,248
Real estate	7,258	7,649	27,656	25,099
Depreciation and amortization	48,102	44,117	188,871	174,398
Impairment losses – real estate, net of recoveries	10,868	18,494	31,992	28,211
Retirement severance costs	—	270	—	1,013
	<u>76,355</u>	<u>78,797</u>	<u>286,170</u>	<u>262,969</u>
Gain on disposition of real estate	6,955	8,020	32,463	65,070
Earnings from operations	<u>103,976</u>	<u>88,199</u>	<u>416,780</u>	<u>424,762</u>
Other expenses (revenues):				
Interest and other income	(200)	(1,553)	(3,112)	(1,810)
Interest expense	30,307	34,940	120,023	115,847
Leasing transaction costs	83	—	261	—
Loss on early extinguishment of debt	—	18,240	—	18,240
	<u>30,190</u>	<u>51,627</u>	<u>117,172</u>	<u>132,277</u>
Net earnings	73,786	36,572	299,608	292,485
Earnings attributable to noncontrolling interests	—	(10)	(428)	(38)
Net earnings attributable to NNN	73,786	36,562	299,180	292,447
Series E preferred stock dividends	(911)	(4,097)	(13,201)	(16,387)
Series F preferred stock dividends	(4,485)	(4,485)	(17,940)	(17,940)
Excess of redemption value over carrying value of preferred shares redeemed	(9,856)	—	(9,856)	—
Net earnings available to common stockholders	<u>\$ 58,534</u>	<u>\$ 27,980</u>	<u>\$ 258,183</u>	<u>\$ 258,120</u>
Weighted average common shares outstanding:				
Basic	<u>170,763</u>	<u>159,193</u>	<u>164,688</u>	<u>155,745</u>
Diluted	<u>171,175</u>	<u>159,772</u>	<u>165,084</u>	<u>156,296</u>
Net earnings per share available to common stockholders:				
Basic	<u>\$ 0.34</u>	<u>\$ 0.17</u>	<u>\$ 1.56</u>	<u>\$ 1.65</u>
Diluted	<u>\$ 0.34</u>	<u>\$ 0.17</u>	<u>\$ 1.56</u>	<u>\$ 1.65</u>

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

	Quarter Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
<u>Funds From Operations (FFO) Reconciliation:</u>				
Net earnings available to common stockholders	\$ 58,534	\$ 27,980	\$ 258,183	\$ 258,120
Real estate depreciation and amortization	47,998	44,037	188,537	174,076
Gain on disposition of real estate, net of noncontrolling interests	(6,955)	(8,020)	(32,051)	(65,070)
Impairment losses – depreciable real estate, net of recoveries	10,868	18,494	31,992	28,211
Total FFO adjustments	<u>51,911</u>	<u>54,511</u>	<u>188,478</u>	<u>137,217</u>
FFO available to common stockholders	<u>\$ 110,445</u>	<u>\$ 82,491</u>	<u>\$ 446,661</u>	<u>\$ 395,337</u>
FFO per common share:				
Basic	<u>\$ 0.65</u>	<u>\$ 0.52</u>	<u>\$ 2.71</u>	<u>\$ 2.54</u>
Diluted	<u>\$ 0.65</u>	<u>\$ 0.52</u>	<u>\$ 2.71</u>	<u>\$ 2.53</u>
<u>Core Funds From Operations Reconciliation:</u>				
Net earnings available to common stockholders	\$ 58,534	\$ 27,980	\$ 258,183	\$ 258,120
Total FFO adjustments	<u>51,911</u>	<u>54,511</u>	<u>188,478</u>	<u>137,217</u>
FFO available to common stockholders	110,445	82,491	446,661	395,337
Excess of redemption value over carrying value of preferred share redemption	9,856	—	9,856	—
Retirement severance costs	—	270	—	1,013
Gain on sale of equity investments	—	—	(1,331)	—
Loss on early extinguishment of debt	—	18,240	—	18,240
Total Core FFO adjustments	<u>9,856</u>	<u>18,510</u>	<u>8,525</u>	<u>19,253</u>
Core FFO available to common stockholders	<u>\$ 120,301</u>	<u>\$ 101,001</u>	<u>\$ 455,186</u>	<u>\$ 414,590</u>
Core FFO per common share:				
Basic	<u>\$ 0.70</u>	<u>\$ 0.63</u>	<u>\$ 2.76</u>	<u>\$ 2.66</u>
Diluted	<u>\$ 0.70</u>	<u>\$ 0.63</u>	<u>\$ 2.76</u>	<u>\$ 2.65</u>

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

	Quarter Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Adjusted Funds From Operations (AFFO) Reconciliation:				
Net earnings available to common stockholders	\$ 58,534	\$ 27,980	\$ 258,183	\$ 258,120
Total FFO adjustments	51,911	54,511	188,478	137,217
Total Core FFO adjustments	9,856	18,510	8,525	19,253
Core FFO available to common stockholders	120,301	101,001	455,186	414,590
Straight-line accrued rent	(631)	124	(2,333)	(747)
Net capital lease rent adjustment	94	220	602	874
Below market rent amortization	(189)	(288)	(768)	(2,622)
Stock based compensation expense	2,932	2,641	10,737	9,282
Capitalized interest expense	(302)	(175)	(1,099)	(2,675)
Total AFFO adjustments	1,904	2,522	7,139	4,112
AFFO available to common stockholders	\$ 122,205	\$ 103,523	\$ 462,325	\$ 418,702
AFFO per common share:				
Basic	\$ 0.72	\$ 0.65	\$ 2.81	\$ 2.69
Diluted	\$ 0.71	\$ 0.65	\$ 2.80	\$ 2.68
Other Information:				
Rental income from operating leases ⁽¹⁾	\$ 167,805	\$ 152,915	\$ 650,112	\$ 602,131
Earned income from direct financing leases ⁽¹⁾	\$ 174	\$ 226	\$ 798	\$ 923
Percentage rent ⁽¹⁾	\$ 260	\$ 543	\$ 1,310	\$ 1,561
Real estate expense reimbursement from tenants ⁽¹⁾	\$ 4,924	\$ 5,143	\$ 16,789	\$ 16,784
Real estate expenses	(7,258)	(7,649)	(27,656)	(25,099)
Real estate expenses, net of tenant reimbursements	\$ (2,334)	\$ (2,506)	\$ (10,867)	\$ (8,315)
Amortization of debt costs	\$ 944	\$ 1,917	\$ 3,731	\$ 4,611
Scheduled debt principal amortization (excluding maturities)	\$ 145	\$ 138	\$ 567	\$ 538
Non-real estate depreciation expense	\$ 108	\$ 83	\$ 346	\$ 332

⁽¹⁾ The consolidated financial statements for the quarter and year ended December 31, 2019 and 2018 are presented under the new accounting standard, ASU 2016-02, "Leases (Topic 842)." For the quarter and year ended December 31, 2019, the aggregate of such amounts is \$173,163 and \$669,009, respectively, classified as rental income on the income statement summary. For the quarter and year ended December 31, 2018, the aggregate of such amounts is \$158,827 and \$621,399, respectively.

2020 Earnings Guidance (Unchanged from October 2019):

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.

	<u>2020 Guidance</u>
Net earnings per common share excluding any gains on disposition of real estate and impairment charges	\$1.70 - \$1.74 per share
Real estate depreciation and amortization per share	\$1.13 per share
Core FFO per share	\$2.83 - \$2.87 per share
AFFO per share	\$2.90 - \$2.94 per share
General and administrative expenses	\$42.0 - \$43.0 Million
Real estate expenses, net of tenant reimbursements	\$8.0 - \$9.0 Million
Acquisition volume	\$550 - \$650 Million
Disposition volume	\$80 - \$120 Million

National Retail Properties, Inc.
(in thousands)
(unaudited)

	December 31, 2019	December 31, 2018
Balance Sheet Summary		
Assets:		
Real estate:		
Accounted for using the operating method, net of accumulated depreciation and amortization	\$ 7,290,025	\$ 6,845,446
Accounted for using the direct financing method	4,204	8,069
Real estate held for sale	7,010	21,917
Cash and cash equivalents	1,112	114,267
Receivables, net of allowance of \$506 and \$2,273, respectively	2,874	3,797
Accrued rental income, net of allowance of \$1,842	28,897	25,387
Debt costs, net of accumulated amortization of \$15,574 and \$14,118, respectively	2,783	4,081
Other assets	97,962	80,474
Total assets	\$ 7,434,867	\$ 7,103,438
Liabilities:		
Line of credit payable	\$ 133,600	\$ —
Mortgages payable, including unamortized premium and net of unamortized debt costs	12,059	12,694
Notes payable, net of unamortized discount and unamortized debt costs	2,842,698	2,838,701
Accrued interest payable	18,250	19,519
Other liabilities	96,578	77,919
Total liabilities	3,103,185	2,948,833
Stockholders' equity of NNN	4,331,675	4,154,250
Noncontrolling interests	7	355
Total equity	4,331,682	4,154,605
Total liabilities and equity	\$ 7,434,867	\$ 7,103,438
Common shares outstanding	171,694	161,504
Gross leasable area, Property Portfolio (square feet)	32,460	30,487

National Retail Properties, Inc.

Debt Summary
As of December 31, 2019
(in thousands)
(unaudited)

<u>Unsecured Debt</u>	Principal	Principal, Net of Unamortized Discount	Stated Rate	Effective Rate	Maturity Date
Line of credit payable	\$ 133,600	\$ 133,600	L + 87.5 bps	2.788%	January 2022
Unsecured notes payable:					
2022	325,000	323,426	3.800%	3.985%	October 2022
2023	350,000	349,049	3.300%	3.388%	April 2023
2024	350,000	349,653	3.900%	3.924%	June 2024
2025	400,000	399,391	4.000%	4.029%	November 2025
2026	350,000	347,169	3.600%	3.733%	December 2026
2027	400,000	398,693	3.500%	3.548%	October 2027
2028	400,000	397,445	4.300%	4.388%	October 2028
2048	300,000	295,842	4.800%	4.890%	October 2048
Total	<u>2,875,000</u>	<u>2,860,668</u>			
Total unsecured debt	<u>\$ 3,008,600</u>	<u>\$ 2,994,268</u>			
Debt costs		\$ (26,932)			
Accumulated amortization		8,962			
Debt costs, net of accumulated amortization		<u>(17,970)</u>			
Notes payable, net of unamortized discount and unamortized debt costs ⁽¹⁾		<u>\$ 2,842,698</u>			

⁽¹⁾ Unsecured notes payable have a weighted average interest rate of 4.0% and a weighted average maturity of 8.3 years

<u>Mortgages Payable</u>	Principal Balance	Interest Rate	Maturity Date
Mortgage ⁽¹⁾	\$ 12,116	5.230%	July 2023
Debt costs		(147)	
Accumulated amortization		90	
Debt costs, net of accumulated amortization		<u>(57)</u>	
Mortgages payable, including unamortized premium and net of unamortized debt costs	<u>\$ 12,059</u>		

⁽¹⁾ Includes unamortized premium

National Retail Properties, Inc.
Property Portfolio

Top 20 Lines of Trade

Line of Trade	As of December 31,	
	2019 ⁽¹⁾	2018 ⁽²⁾
1. Convenience stores	18.2%	18.0%
2. Restaurants - full service	11.1%	11.4%
3. Automotive service	9.6%	8.6%
4. Restaurants - limited service	8.8%	8.9%
5. Family entertainment centers	6.7%	7.1%
6. Health and fitness	5.2%	5.6%
7. Theaters	4.7%	5.0%
8. Recreational vehicle dealers, parts and accessories	3.4%	3.4%
9. Automotive parts	3.1%	3.4%
10. Equipment rental	2.6%	1.9%
11. Home improvement	2.6%	2.2%
12. Wholesale clubs	2.5%	2.3%
13. Medical service providers	2.1%	2.2%
14. General merchandise	1.8%	1.6%
15. Home furnishings	1.7%	1.5%
16. Furniture	1.6%	1.7%
17. Travel plazas	1.6%	1.7%
18. Drug stores	1.6%	1.8%
19. Consumer electronics	1.5%	1.6%
20. Bank	1.3%	1.6%
Other	8.3%	8.5%
Total	100.0%	100.0%

Top 10 States

State	% of Total ⁽¹⁾	State	% of Total ⁽¹⁾
1. Texas	17.6%	6. North Carolina	4.5%
2. Florida	8.8%	7. Indiana	4.0%
3. Ohio	5.8%	8. Tennessee	3.8%
4. Illinois	5.0%	9. Virginia	3.6%
5. Georgia	4.5%	10. California	3.3%

⁽¹⁾ Based on the annualized base rent for all leases in place as of December 31, 2019.

⁽²⁾ Based on the annualized base rent for all leases in place as of December 31, 2018.

National Retail Properties, Inc.
Property Portfolio

Top Tenants (≥ 2.0%)

Tenant	Properties	% of Total ⁽¹⁾
7-Eleven	140	5.0%
Mister Car Wash	116	4.6%
Camping World	47	4.2%
LA Fitness	30	3.7%
Flynn Restaurant Group (Taco Bell/Arby's)	204	3.5%
GPM Investments (Convenience Stores)	151	3.3%
AMC Theatres	20	3.0%
Couche-Tard (Pantry)	85	2.8%
BJ's Wholesale Club	11	2.5%
Sunoco	61	2.3%
Chuck E. Cheese's	53	2.1%

Lease Expirations⁽²⁾

	% of Total ⁽¹⁾	# of Properties	Gross Leasable Area ⁽³⁾		% of Total ⁽¹⁾	# of Properties	Gross Leasable Area ⁽³⁾
2020	1.7%	66	688,000	2026	4.5%	174	1,672,000
2021	3.5%	115	1,253,000	2027	7.1%	194	2,582,000
2022	5.5%	123	1,634,000	2028	4.5%	153	1,158,000
2023	2.9%	118	1,471,000	2029	3.0%	75	1,030,000
2024	3.7%	100	1,600,000	2030	3.7%	101	1,137,000
2025	5.3%	167	1,850,000	Thereafter	54.6%	1,698	15,743,000

⁽¹⁾ Based on the annual base rent of \$674,338,000, which is the annualized base rent for all leases in place as of December 31, 2019.

⁽²⁾ As of December 31, 2019, the weighted average remaining lease term is 11.2 years.

⁽³⁾ Square feet.

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

Section 3: EX-99.2 (EXHIBIT 99.2)

Exhibit 99.2



As of December 31, 2019

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Statements in this supplemental 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, risks related to the company’s status as a REIT and the profitability of the company’s taxable subsidiary. 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.

INCOME STATEMENT SUMMARY

(in thousands, except per share data)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Revenues:				
Rental income	\$ 173,163	\$ 158,827	\$ 669,009	\$ 621,399
Interest and other income from real estate transactions	213	149	1,478	1,262
	<u>173,376</u>	<u>158,976</u>	<u>670,487</u>	<u>622,661</u>
Operating expenses:				
General and administrative	10,127	8,267	37,651	34,248
Real estate	7,258	7,649	27,656	25,099
Depreciation and amortization	48,102	44,117	188,871	174,398
Impairment losses – real estate, net of recoveries	10,868	18,494	31,992	28,211
Retirement severance costs	—	270	—	1,013
	<u>76,355</u>	<u>78,797</u>	<u>286,170</u>	<u>262,969</u>
Gain on disposition of real estate	6,955	8,020	32,463	65,070
Earnings from operations	<u>103,976</u>	<u>88,199</u>	<u>416,780</u>	<u>424,762</u>
Other expenses (revenues):				
Interest and other income	(200)	(1,553)	(3,112)	(1,810)
Interest expense	30,307	34,940	120,023	115,847
Leasing transaction costs	83	—	261	—
Loss on early extinguishment of debt	—	18,240	—	18,240
	<u>30,190</u>	<u>51,627</u>	<u>117,172</u>	<u>132,277</u>
Net earnings	73,786	36,572	299,608	292,485
Earnings attributable to noncontrolling interests	—	(10)	(428)	(38)
Net earnings attributable to NNN	<u>\$ 73,786</u>	<u>\$ 36,562</u>	<u>\$ 299,180</u>	<u>\$ 292,447</u>

INCOME STATEMENT SUMMARY

(in thousands, except per share data)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Net earnings attributable to NNN	\$ 73,786	\$ 36,562	\$ 299,180	\$ 292,447
Series E preferred stock dividends	(911)	(4,097)	(13,201)	(16,387)
Series F preferred stock dividends	(4,485)	(4,485)	(17,940)	(17,940)
Excess of redemption value over carrying value of preferred shares redeemed	(9,856)	—	(9,856)	—
Net earnings available to common stockholders	<u>\$ 58,534</u>	<u>\$ 27,980</u>	<u>\$ 258,183</u>	<u>\$ 258,120</u>
Weighted average common shares outstanding:				
Basic	<u>170,763</u>	<u>159,193</u>	<u>164,688</u>	<u>155,745</u>
Diluted	<u>171,175</u>	<u>159,772</u>	<u>165,084</u>	<u>156,296</u>
Net earnings per share available to common stockholders:				
Basic	<u>\$ 0.34</u>	<u>\$ 0.17</u>	<u>\$ 1.56</u>	<u>\$ 1.65</u>
Diluted	<u>\$ 0.34</u>	<u>\$ 0.17</u>	<u>\$ 1.56</u>	<u>\$ 1.65</u>

FUNDS FROM OPERATIONS (FFO)

(in thousands, except per share data)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Net earnings available to common stockholders	\$ 58,534	\$ 27,980	\$ 258,183	\$ 258,120
Real estate depreciation and amortization:	47,998	44,037	188,537	174,076
Gain on disposition of real estate, net of noncontrolling interests	(6,955)	(8,020)	(32,051)	(65,070)
Impairment losses – depreciable real estate, net of recoveries	10,868	18,494	31,992	28,211
Total FFO adjustments	51,911	54,511	188,478	137,217
FFO available to common stockholders	\$ 110,445	\$ 82,491	\$ 446,661	\$ 395,337

FFO per common share:

Basic	\$ 0.65	\$ 0.52	\$ 2.71	\$ 2.54
Diluted	\$ 0.65	\$ 0.52	\$ 2.71	\$ 2.53

CORE FUNDS FROM OPERATIONS

(in thousands, except per share data)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Net earnings available to common stockholders	\$ 58,534	\$ 27,980	\$ 258,183	\$ 258,120
Total FFO adjustments	51,911	54,511	188,478	137,217
FFO available to common stockholders	110,445	82,491	446,661	395,337
Excess of redemption value over carrying value of preferred share redemption	9,856	—	9,856	—
Retirement severance costs	—	270	—	1,013
Gain on sale of equity investments	—	—	(1,331)	—
Loss on early extinguishment of debt	—	18,240	—	18,240
Total Core FFO adjustments	9,856	18,510	8,525	19,253
Core FFO available to common stockholders	\$ 120,301	\$ 101,001	\$ 455,186	\$ 414,590

Core FFO per common share:

Basic	\$ 0.70	\$ 0.63	\$ 2.76	\$ 2.66
Diluted	\$ 0.70	\$ 0.63	\$ 2.76	\$ 2.65

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

(in thousands, except per share data)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Net earnings available to common stockholders	\$ 58,534	\$ 27,980	\$ 258,183	\$ 258,120
Total FFO adjustments	51,911	54,511	188,478	137,217
Total Core FFO adjustments	9,856	18,510	8,525	19,253
Core FFO available to common stockholders	120,301	101,001	455,186	414,590
Straight-line accrued rent	(631)	124	(2,333)	(747)
Net capital lease rent adjustment	94	220	602	874
Below market rent amortization	(189)	(288)	(768)	(2,622)
Stock based compensation expense	2,932	2,641	10,737	9,282
Capitalized interest expense	(302)	(175)	(1,099)	(2,675)
Total AFFO adjustments	1,904	2,522	7,139	4,112
AFFO available to common stockholders	\$ 122,205	\$ 103,523	\$ 462,325	\$ 418,702
AFFO per common share:				
Basic	\$ 0.72	\$ 0.65	\$ 2.81	\$ 2.69
Diluted	\$ 0.71	\$ 0.65	\$ 2.80	\$ 2.68

OTHER INFORMATION

(in thousands)

(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Rental income from operating leases ⁽¹⁾	\$ 167,805	\$ 152,915	\$ 650,112	\$ 602,131
Earned income from direct financing leases ⁽¹⁾	\$ 174	\$ 226	\$ 798	\$ 923
Percentage rent ⁽¹⁾	\$ 260	\$ 543	\$ 1,310	\$ 1,561
Real estate expense reimbursement from tenants ⁽¹⁾	\$ 4,924	\$ 5,143	\$ 16,789	\$ 16,784
Real estate expenses	\$ (7,258)	\$ (7,649)	\$ (27,656)	\$ (25,099)
Real estate expenses, net of tenant reimbursements	\$ (2,334)	\$ (2,506)	\$ (10,867)	\$ (8,315)
Amortization of debt costs	\$ 944	\$ 1,917	\$ 3,731	\$ 4,611
Scheduled debt principal amortization (excluding maturities)	\$ 145	\$ 138	\$ 567	\$ 538
Non-real estate depreciation expense	\$ 108	\$ 83	\$ 346	\$ 332

⁽¹⁾ The condensed consolidated financial statements for the quarter and year ended December 31, 2019 and 2018 are presented under the new accounting standard, ASU 2016-02, "Leases (Topic 842)." For the quarter and year ended December 31, 2019, the aggregate of such amounts is \$173,163 and \$669,009, respectively, classified as rental income on the income statement summary. For the quarter and year ended December 31, 2018, the aggregate of such amounts is \$158,827 and \$621,399, respectively.

BALANCE SHEET

(in thousands)

(unaudited)

	December 31, 2019	December 31, 2018
Assets:		
Real estate:		
Accounted for using the operating method, net of accumulated depreciation and amortization	\$ 7,290,025	\$ 6,845,446
Accounted for using the direct financing method	4,204	8,069
Real estate held for sale	7,010	21,917
Cash and cash equivalents	1,112	114,267
Receivables, net of allowance of \$506 and \$2,273, respectively	2,874	3,797
Accrued rental income, net of allowance of \$1,842	28,897	25,387
Debt costs, net of accumulated amortization of \$15,574 and \$14,118, respectively	2,783	4,081
Other assets	97,962	80,474
Total assets	\$ 7,434,867	\$ 7,103,438
Liabilities:		
Line of credit payable	\$ 133,600	\$ —
Mortgages payable, including unamortized premium and net of unamortized debt costs	12,059	12,694
Notes payable, net of unamortized discount and unamortized debt costs	2,842,698	2,838,701
Accrued interest payable	18,250	19,519
Other liabilities	96,578	77,919
Total liabilities	3,103,185	2,948,833
Stockholders' equity of NNN	4,331,675	4,154,250
Noncontrolling interests	7	355
Total equity	4,331,682	4,154,605
Total liabilities and equity	\$ 7,434,867	\$ 7,103,438
Common shares outstanding	171,694	161,504
Gross leasable area, Property Portfolio (square feet)	32,460	30,487

DEBT SUMMARY

(in thousands)

As of December 31, 2019

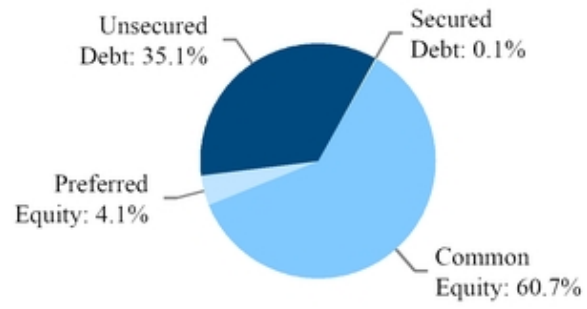
Unsecured Debt	Principal	Principal, Net of Unamortized Discount	Stated Rate	Effective Rate	Maturity Date
Line of credit payable	\$ 133,600	\$ 133,600	L + 87.5 bps	2.788%	January 2022
Unsecured notes payable:					
2022	325,000	323,426	3.800%	3.985%	October 2022
2023	350,000	349,049	3.300%	3.388%	April 2023
2024	350,000	349,653	3.900%	3.924%	June 2024
2025	400,000	399,391	4.000%	4.029%	November 2025
2026	350,000	347,169	3.600%	3.733%	December 2026
2027	400,000	398,693	3.500%	3.548%	October 2027
2028	400,000	397,445	4.300%	4.388%	October 2028
2048	300,000	295,842	4.800%	4.890%	October 2048
Total	2,875,000	2,860,668			
Total unsecured debt	<u>\$ 3,008,600</u>	<u>\$ 2,994,268</u>			
Debt costs		\$ (26,932)			
Accumulated amortization		8,962			
Debt costs, net of accumulated amortization		<u>(17,970)</u>			
Notes payable, net of unamortized discount and unamortized debt costs ⁽¹⁾		<u>\$ 2,842,698</u>			

⁽¹⁾ Unsecured notes payable have a weighted average interest rate of 4.0% and a weighted average maturity of 8.3 years

Mortgages Payable	Interest Rate	Maturity Date	Principal Balance
Mortgage ⁽¹⁾	5.230%	July 2023	\$ 12,116
Debt costs			(147)
Accumulated amortization			90
Debt costs, net of accumulated amortization			<u>(57)</u>
Mortgages payable, including unamortized premium and net of unamortized debt costs			<u>\$ 12,059</u>

⁽¹⁾ Includes unamortized premium

**Total Gross Book Assets
(S8,476.2 Million)**



CREDIT METRICS ⁽¹⁾

Ratings: Moody's Baa1; S&P BBB+; Fitch BBB+

	2015	2016	2017	2018	2019
Debt / Total assets (gross book)	33.2%	30.2%	35.3%	34.6%	35.3%
Debt + preferred / Total assets (gross book)	42.9%	43.9%	44.0%	42.6%	39.3%
Debt / EBITDA (last four quarters)	4.6	4.3	4.9	4.8	4.9
Debt + Pref Stock / EBITDA	5.9	6.2	6.1	5.9	5.5
EBITDA / Interest expense (cash)	4.6	4.8	4.7	4.8	5.0
EBITDA / Fixed charges (cash)	3.3	3.4	3.5	3.7	4.0

⁽¹⁾ Debt amounts used in calculation are net of cash balances.

CREDIT FACILITY AND NOTES COVENANTS

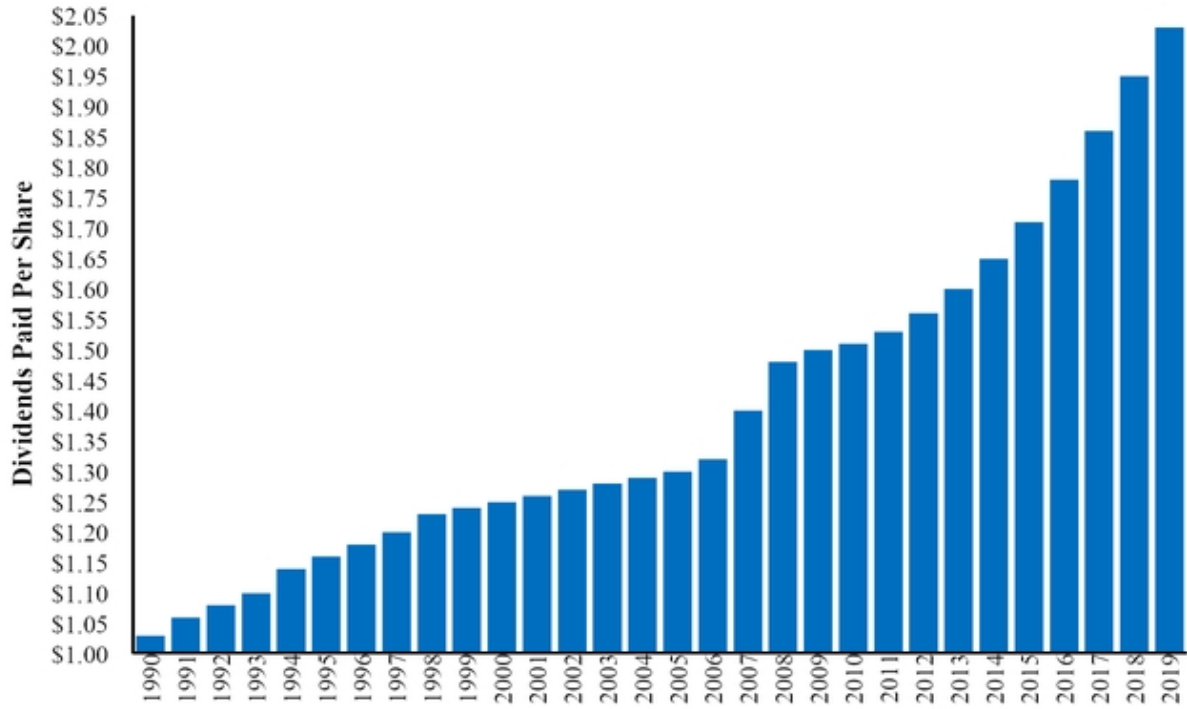
The following is a summary of key financial covenants for the company's unsecured credit facility and notes, as defined and calculated per the terms of the facility's credit agreement and the notes' governing documents, respectively, which are included in the company's filings with the Commission. These calculations, which are not based on U.S. GAAP measurements, are presented to investors to show that as of December 31, 2019, the company believes it is in compliance with the covenants.

Unsecured Credit Facility Key Covenants	Required	December 31, 2019
Maximum leverage ratio	< 0.60	0.34
Minimum fixed charge coverage ratio	> 1.50	4.39
Maximum secured indebtedness ratio	< 0.40	0.001
Unencumbered asset value ratio	> 1.67	3.02
Unencumbered interest ratio	> 1.75	5.36

Unsecured Notes Key Covenants	Required	December 31, 2019
Limitation on incurrence of total debt	≤ 60%	34.80%
Limitation on incurrence of secured debt	≤ 40%	0.14%
Debt service coverage ratio	≥ 1.50	5.01
Maintenance of total unencumbered assets	≥ 150%	287.80%

LONG-TERM DIVIDEND HISTORY

**30 Consecutive Years of Annual Dividend Increases
(One of only three publicly traded REITs)**



PROPERTY ACQUISITIONS

(dollars in thousands)

	Year Ended December 31,	
	2019	2018
Total dollars invested	\$ 752,497	\$ 715,572
Number of Properties	210	265
Gross leasable area (square feet)	3,164,000	2,167,000
Cash cap rate	6.9%	6.8%

PROPERTY DISPOSITIONS

(dollars in thousands)

	Year Ended December 31,					
	2019			2018		
	Occupied	Vacant	Total	Occupied	Vacant	Total
Number of properties	22	37	59	37	24	61
Gross leasable area (square feet)	318,000	795,000	1,113,000	552,000	134,000	686,000
Acquisition costs	\$ 70,590	\$ 105,312	\$ 175,902	\$ 90,384	\$ 31,366	\$ 121,750
Net book value	\$ 37,451	\$ 56,280	\$ 93,731	\$ 71,091	\$ 11,660	\$ 82,751
Net sale proceeds	\$ 58,396	\$ 67,798	\$ 126,194	\$ 133,804	\$ 13,842	\$ 147,646
Cash cap rate	5.9%	—	5.9%	5.1%	—	5.1%

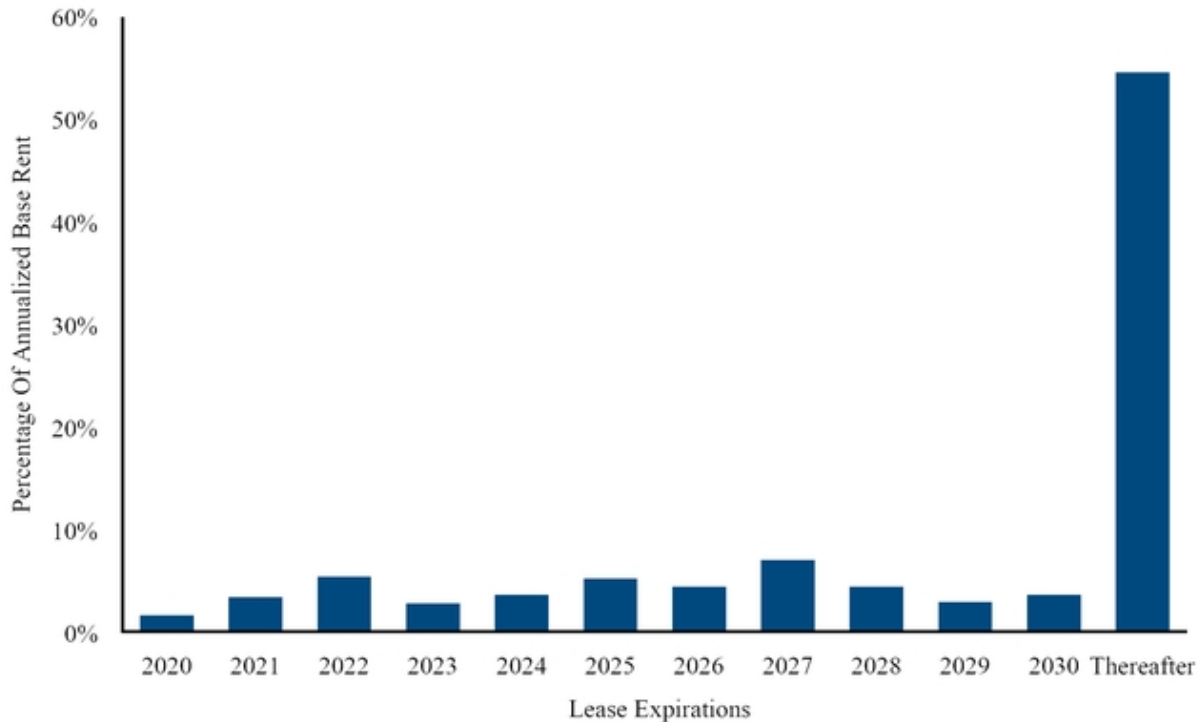
LEASE EXPIRATIONS

	% of Total ⁽¹⁾	# of Properties	Gross Leasable Area ⁽²⁾		% of Total ⁽¹⁾	# of Properties	Gross Leasable Area ⁽²⁾
2020	1.7%	66	688,000	2026	4.5%	174	1,672,000
2021	3.5%	115	1,253,000	2027	7.1%	194	2,582,000
2022	5.5%	123	1,634,000	2028	4.5%	153	1,158,000
2023	2.9%	118	1,471,000	2029	3.0%	75	1,030,000
2024	3.7%	100	1,600,000	2030	3.7%	101	1,137,000
2025	5.3%	167	1,850,000	Thereafter	54.6%	1,698	15,743,000

⁽¹⁾ Based on the annual base rent of \$674,338,000, which is the annualized base rent for all leases in place as of December 31, 2019.

⁽²⁾ Square feet.

**Lease Expirations as a Percentage of Annualized Base Rent
(weighted average remaining lease term is 11.2 years)**



TOP 20 LINES OF TRADE

Line of Trade	As of December 31, 2019		As of December 31, 2018	
	% of Total ⁽¹⁾	Properties	% of Total ⁽²⁾	Properties
1. Convenience stores	18.2%	657	18.0%	617
2. Restaurants - full service	11.1%	458	11.4%	453
3. Automotive service	9.6%	358	8.6%	291
4. Restaurants - limited service	8.8%	530	8.9%	498
5. Family entertainment centers	6.7%	98	7.1%	98
6. Health and fitness	5.2%	35	5.6%	35
7. Theaters	4.7%	33	5.0%	33
8. Recreational vehicle dealers, parts and accessories	3.4%	38	3.4%	36
9. Automotive parts	3.1%	161	3.4%	179
10. Equipment rental	2.6%	80	1.9%	59
11. Home improvement	2.6%	48	2.2%	38
12. Wholesale clubs	2.5%	11	2.3%	9
13. Medical service providers	2.1%	84	2.2%	84
14. General merchandise	1.8%	75	1.6%	59
15. Home furnishings	1.7%	20	1.5%	18
16. Furniture	1.6%	45	1.7%	44
17. Travel plazas	1.6%	27	1.7%	27
18. Drug stores	1.6%	36	1.8%	37
19. Consumer electronics	1.5%	17	1.6%	17
20. Bank	1.3%	59	1.6%	70
Other	8.3%	248	8.5%	267
Total	100.0%	3,118	100.0%	2,969

⁽¹⁾ Based on the annualized base rent for all leases in place as of December 31, 2019.

⁽²⁾ Based on the annualized base rent for all leases in place as of December 31, 2018.

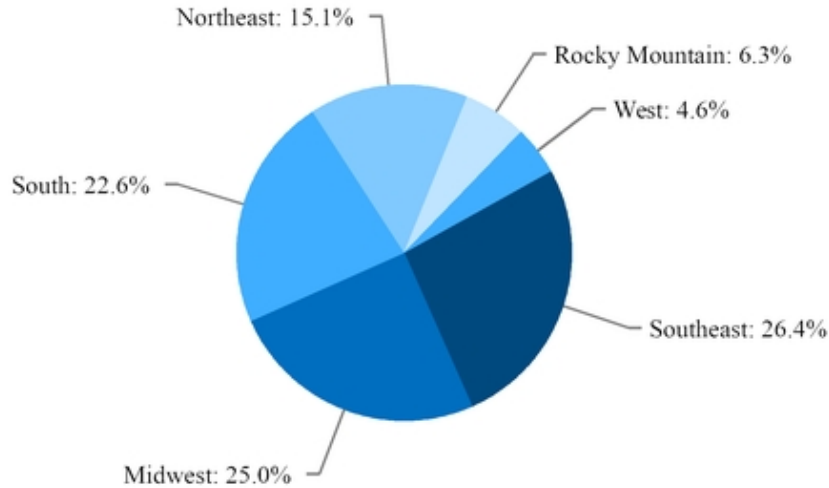
TOP 10 STATES

State	% of Total ⁽¹⁾	Properties	State	% of Total ⁽¹⁾	Properties
1. Texas	17.6%	502	6. North Carolina	4.5%	156
2. Florida	8.8%	230	7. Indiana	4.0%	146
3. Ohio	5.8%	199	8. Tennessee	3.8%	142
4. Illinois	5.0%	142	9. Virginia	3.6%	117
5. Georgia	4.5%	151	10. California	3.3%	65

⁽¹⁾ Based on the annualized base rent for all leases in place as of December 31, 2019.

PORTFOLIO BY REGION

As a percentage of annual base rent - December 31, 2019



TOP TENANTS

Creditworthy Retailers

- 18% of annual base rent is from tenants with investment grade rated debt
- 65% of annual base rent is from tenants that are publicly traded and/or have rated debt
- Top 25 tenants (58% of annual base rent) operate an average of 1,100 stores each

Top Tenants (≥2.0%)	Properties	% of Total ⁽¹⁾
7-Eleven	140	5.0%
Mister Car Wash	116	4.6%
Camping World	47	4.2%
LA Fitness	30	3.7%
Flynn Restaurant Group (Taco Bell/Arby's)	204	3.5%
GPM Investments (Convenience Stores)	151	3.3%
AMC Theatres	20	3.0%
Couche-Tard (Pantry)	85	2.8%
BJ's Wholesale Club	11	2.5%
Sunoco	61	2.3%
Chuck E. Cheese's	53	2.1%

	Rent Coverage (With Corp. Overhead)	Fixed Charge Coverage
Range	1.8x - 8.7x	1.3x - 5.3x
Average	3.5x	2.2x
Weighted average	3.7x	2.1x

⁽¹⁾ Based on the annual base rent of \$674,338,000, which is the annualized base rent for all leases in place as of December 31, 2019.

SAME STORE RENTAL INCOME

(dollars in thousands)

Same Store Rental Income – Properties (Cash Basis) ⁽¹⁾

Number of properties		2,615
Year ended December 31, 2019	\$	562,307
Year ended December 31, 2018	\$	561,578
Decrease (in dollars)	\$	729
Change (percent)		0.1%

⁽¹⁾ Includes all properties owned for current and prior year period excluding any properties under development or re-development.

LEASING DATA

(dollars in thousands)

Year Ended December 31, 2019	Renewals With Same Tenant ⁽¹⁾	Vacancy Re-lease To New Tenant	Re-leasing Totals
Number of leases	81	23	104
Prior cash rents	\$ 15,029	\$ 3,673	\$ 18,702
New cash rents	\$ 15,701	\$ 2,902	\$ 18,603 ⁽²⁾
New rents / prior rents	104.5%	79.0%	99.5%
Tenant improvements	\$ 700	\$ 3,268	\$ 3,968

⁽¹⁾ Long-term renewal rate for the period of 2010 through 2019 was 84.3%.

⁽²⁾ Represents 2.8% of total annualized base rent as of December 31, 2019.

OTHER PROPERTY PORTFOLIO DATA

As of December 31, 2019

Tenant Financials

	# of Properties	% of Annual Base Rent
Property Level Financial Information	2,622	80%
Tenant Corporate Financials	2,431	78%

Rent Increases

	% of Annual Base Rent			
	Annual	Five Year	Other	Total
CPI – Based	34%	45%	1%	80%
Fixed Rate	3%	11%	1%	15%
No increases	—	—	5%	5%
	37%	56%	7%	100%

Lease Structure

- 92% of the company's annual base rent is from NNN leases
- 95% of the company's annual base rent is from NNN leases and NN leases (with roof warranty)

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.

	2020 Guidance
Net earnings per common share excluding any gains on disposition of real estate and impairment charges	\$1.70 - \$1.74 per share
Real estate depreciation and amortization per share	\$1.13 per share
Core FFO per share	\$2.83 - \$2.87 per share
AFFO per share	\$2.90 - \$2.94 per share
General and administrative expenses	\$42.0 - \$43.0 Million
Real estate expenses, net of tenant reimbursements	\$8.0 - \$9.0 Million
Acquisition volume	\$550 - \$650 Million
Disposition volume	\$80 - \$120 Million

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Section 9: EX-99.1 (EXHIBIT 99.1)

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Section 10: EX-99.2 (EXHIBIT 99.2)

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