

**Triple-Net REIT Comp Sheets 9/5/2016**

- **REITs Rally On Job Report, Sector Underperforms.** The overall REIT sector gained 180 bps this past week and is +14.7% YTD. The triple-net sector underperformed, +130 bps for the week and is +32.8% YTD.
  - **Dividend Yield.** Triple-net REITs are trading at 16.8x 2017E FFO as compared to equity REITs trading at 18.0x. The current dividend yield for the sector is 4.58% vs. the REIT sector dividend yield of 3.65%. The 93 bps spread is 70 bps below the long-term average spread of 163 bps.
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- **Real Estate Receives Its Own GICS Classification.** As of the close on August 31, the real estate sector was separated from financials and became the 11th Global Industry Classification Standard (GICS) by S&P and MSCI. The changes will be implemented on September 16th.
  - **GPT Announces More Transactions.** Gramercy Property Trust (GPT, \$9.64, Buy) announced they have sold three more single-tenant office buildings in Princeton, New Jersey, Burlington, Massachusetts, and Bloomington, Minnesota as well as a single-tenant industrial property in Phoenix, Arizona for \$206.7 million or a 7.4% forward cash cap rate. The properties had a weighted average lease term of 10.1 years. The company has \$158.6 million of assets under contract with an additional \$117.8 million being marketed. If those sales close, total dispositions would be \$1.5 billion at a 6.8% cap rate, over 12 months ahead of the anticipated schedule. The company also announced two more acquisitions in the Chicago MSA for \$60.2 million or a 6.6% cash cap rate with a weighted average lease term of 17.2 years. An additional \$342.6 million of assets are under contract/LOI at a 6.75% cap rate with a weighted average lease term of 12.2 years. Total acquisitions are \$905.5 million at a 7.0% cap rate with a 12.4 year weighted average lease term.
  - **STOR receives Investment Grade Credit Rating From S&P.** Store Capital Corporation (STOR, \$29.64, Buy) received a BBB- credit rating from S&P with a positive outlook. STOR already obtained an investment grade rating from Fitch last November.

Priced as of close 9-2-2016.



Triple-Net REIT Valuation Table

Total Return Analysis

Capital Structure

Company	Ticker	Price <sup>1</sup>			Price Appreciation %			Total Return %			Div. Yld. (%)	Annual Div. (\$)	2016E Payout. Ratio	Eq. Pfd. Equity (\$MM)	Eq. Mkt. Cap. (\$MM)	Total Debt (\$MM)	Net Debt/TEV Ratio (%)	Cash (\$MM)	TEV (\$MM)	Fixed-Charge Covrge. Ratio	
		9/2/2016	52-Wk Range Low	52-Wk Range High	3-Mo <sup>1</sup>	TTM <sup>1</sup>	YTD <sup>1</sup>	3-Mo <sup>1</sup>	TTM <sup>1</sup>	YTD <sup>1</sup>											
Agree Realty Corp	(a) ADC	\$48.35	\$27.75	\$51.33	13.1%	71.9%	42.2%	14.3%	81.0%	45.4%	4.0%	\$1.92	76.0%	\$0	\$1,143	\$390	25.2%	\$6.0	\$1,527	3.7x	
EPR Properties	(a) EPR	\$79.58	\$49.24	\$84.67	11.2%	57.3%	36.2%	12.6%	66.7%	41.3%	4.8%	\$3.84	81.2%	\$346	\$5,233	\$2,115	27.4%	\$8.5	\$7,686	3.2x	
Four Corners Property Trust	FCPT	\$20.85	\$14.09	\$24.44	8.1%	N/A	-13.7%	9.4%	N/A	39.2%	4.7%	\$0.97	67.8%	\$0	\$1,247	\$393	22.3%	\$36.1	\$1,604	6.2x	
Getty Realty	GTY	\$23.72	\$15.16	\$24.24	15.5%	52.6%	38.3%	16.9%	63.2%	41.8%	4.2%	\$1.00	69.9%	\$0	\$801	\$302	27.0%	\$6.8	\$1,096	2.7x	
Gramercy Property	(a) GPT	\$9.64	\$6.34	\$10.03	7.3%	44.1%	24.9%	8.7%	51.3%	28.1%	4.6%	\$0.44	68.8%	\$88	\$4,076	\$2,157	32.1%	\$185.1	\$6,136	3.8x	
National Retail Properties	(a) NNN	\$50.82	\$33.62	\$53.60	10.6%	47.3%	26.9%	11.6%	53.3%	30.6%	3.6%	\$1.82	75.4%	\$575	\$7,420	\$2,139	21.1%	\$2.4	\$10,132	3.4x	
Realty Income	(a) O	\$66.27	\$43.15	\$72.30	7.7%	49.8%	28.4%	8.6%	56.1%	31.7%	3.6%	\$2.42	83.8%	\$409	\$17,095	\$4,971	22.0%	\$20.4	\$22,454	4.2x	
Select Income REIT	SIR	\$27.73	\$17.07	\$27.97	12.4%	51.5%	39.9%	14.5%	66.2%	49.8%	7.4%	\$2.04	81.6%	\$0	\$2,479	\$2,343	48.5%	\$10.8	\$4,811	4.2x	
Spirit Realty	SRC	\$13.33	\$8.89	\$13.97	15.9%	39.4%	33.0%	17.6%	48.9%	37.0%	5.3%	\$0.70	80.1%	\$0	\$6,394	\$3,636	36.1%	\$29.4	\$10,001	3.3x	
STORE Capital Corporation	(a) STOR	\$29.64	\$19.65	\$31.44	14.9%	48.3%	27.8%	16.0%	55.1%	30.3%	3.6%	\$1.08	65.1%	\$0	\$4,542	\$2,157	31.0%	\$118.5	\$6,581	3.0x	
VEREIT	(a) VER	\$10.45	\$6.68	\$11.09	8.1%	27.8%	31.9%	9.6%	36.2%	35.9%	5.3%	\$0.55	75.1%	\$1,071	\$10,452	\$6,864	37.2%	\$37.6	\$18,349	2.8x	
W.P. Carey & Co	WPC	\$66.52	\$51.12	\$72.89	2.1%	15.8%	12.7%	3.5%	23.3%	16.2%	5.9%	\$3.92	76.2%	\$0	\$7,033	\$4,642	38.9%	\$173.3	\$11,502	4.1x	
<b>Triple-Net Total/Avg.</b>					<b>9.4%</b>	<b>41.3%</b>	<b>27.9%</b>	<b>10.6%</b>	<b>49.0%</b>	<b>32.7%</b>	<b>4.6%</b>		<b>77.4%</b>				<b>30.0%</b>			<b>3.6x</b>	
<b>MSCI US REIT Index</b>								<b>7.3%</b>	<b>27.6%</b>	<b>14.7%</b>											

<sup>1</sup> Priced as of close, 9/2/16

(a) Stifel FFO estimates, all others are consensus estimates from SNL

Note: GPT FAD is adjusted to account for capital expenditures

Source: Stifel Estimates, SNL, FactSet, Company Reports

**Triple-Net REIT Valuation Table**  
**Cash Flow Analysis**

Company	Ticker	Price <sup>1</sup> 9/2/2016	FFO			Price/FFO			2015A P/FFO Rel. to Sector	2016E FFO Growth	2017E FFO Growth	2016E FFO Yield	FAD		Price/FAD		2016E FAD Payout	2017E FAD Payout	2017E FAD Yield
			2015A	2016E	2017E	2015A	2016E	2017E					2016E	2017E	2016E	2017E			
Agree Realty Corp	(a) ADC	\$48.35	\$2.39	\$2.52	\$2.82	20.2	19.2	17.1	106%	5.4%	11.9%	5.2%	\$2.53	\$2.84	19.1	17.1	76.0%	67.7%	5.9%
EPR Properties	(a) EPR	\$79.58	\$4.45	\$4.80	\$5.07	17.9	16.6	15.7	94%	7.9%	5.8%	6.0%	\$4.73	\$5.01	16.8	15.9	81.2%	76.7%	6.3%
Four Corners Property Trust	FCPT	\$20.85	\$1.51	\$1.31	\$1.35	13.8	15.9	15.5	73%	-13.2%	2.7%	6.3%	\$1.18	\$1.23	17.7	17.0	82.4%	78.9%	5.9%
Getty Realty	GTY	\$23.72	\$2.04	\$1.51	\$1.57	11.6	15.7	15.1	61%	-26.0%	4.0%	6.4%	\$1.43	\$1.50	16.6	15.8	69.9%	66.7%	6.3%
Gramercy Property	(a) GPT	\$9.64	\$0.61	\$0.75	\$0.79	15.8	12.9	12.2	83%	23.0%	5.3%	7.8%	\$0.64	\$0.73	15.1	13.2	68.8%	60.3%	7.6%
National Retail Properties	(a) NNN	\$50.82	\$2.22	\$2.36	\$2.54	22.8	21.5	20.0	120%	6.1%	7.5%	4.6%	\$2.41	\$2.59	21.0	19.6	75.4%	70.3%	5.1%
Realty Income	(a) O	\$66.27	\$2.77	\$2.85	\$3.04	24.0	23.3	21.8	126%	2.9%	7.0%	4.3%	\$2.89	\$3.07	23.0	21.6	83.8%	78.9%	4.6%
Select Income REIT	SIR	\$27.73	\$2.88	\$2.89	\$2.91	9.6	9.6	9.5	51%	0.5%	0.7%	10.4%	\$2.50	\$2.49	11.1	11.1	81.6%	81.9%	9.0%
Spirit Realty	SRC	\$13.33	\$0.82	\$0.87	\$0.92	16.3	15.2	14.4	85%	6.6%	5.6%	6.6%	\$0.87	\$0.92	15.3	14.6	80.1%	76.4%	6.9%
STORE Capital Corporation	(a) STOR	\$29.64	\$1.40	\$1.57	\$1.78	21.1	18.9	16.6	111%	11.7%	13.6%	5.3%	\$1.66	\$1.86	17.9	16.0	65.1%	58.2%	6.3%
VEREIT	(a) VER	\$10.45	\$0.63	\$0.77	\$0.73	16.6	13.5	14.3	87%	22.6%	-5.6%	7.4%	\$0.73	\$0.69	14.3	15.2	75.1%	79.7%	6.6%
W.P. Carey & Co	WPC	\$66.52	\$4.35	\$4.93	\$4.75	15.3	13.5	14.0	80%	13.4%	-3.7%	7.4%	\$5.15	\$5.25	12.9	12.7	76.2%	74.7%	7.9%
<b>Triple-Net Total/Avg.</b>						<b>17.1</b>	<b>16.3</b>	<b>15.5</b>		<b>5.1%</b>	<b>4.6%</b>	<b>6.5%</b>			<b>16.7</b>	<b>15.8</b>	<b>76.3%</b>	<b>72.5%</b>	<b>6.5%</b>
<b>Weighted Average</b>						<b>19.0</b>	<b>17.6</b>	<b>16.8</b>		<b>9.2%</b>	<b>3.8%</b>	<b>6.1%</b>			<b>17.7</b>	<b>16.9</b>	<b>77.6%</b>	<b>74.5%</b>	<b>6.2%</b>

<sup>1</sup> Priced as of close, 9/2/16

(a) Stifel FFO estimates, all others are consensus estimates from SNL

Note: GPT/VER FAD is adjusted to account for capital expenditures

Source: Stifel Estimates, SNL, Company Reports

## Triple-Net REIT Valuation Table

### Valuation Analysis

Company	Rating	Ticker	Price <sup>1</sup> 2-Sep-16	Implied Cap Rate	2Q16 NAV	Sensitivity		
						NAV Cap Rate	Down 50 BPS	Up 50 BPS
Agree Realty Corporation	Buy	ADC	\$48.35	5.4%	\$42.14	6.00%	\$47.46	\$37.64
EPR Properties	Hold	EPR	\$79.58	6.1%	\$62.99	7.25%	\$69.70	\$57.14
Gramercy Property Trust	Buy	GPT	\$9.64	6.1%	\$8.17	6.75%	\$9.20	\$7.29
National Retail Properties	Buy	NNN	\$50.82	5.1%	\$38.00	6.25%	\$42.76	\$33.74
Realty Income	Buy	O	\$66.27	4.6%	\$45.81	6.00%	\$51.89	\$34.72
STORE Capital Corporation	Buy	STOR	\$29.64	5.7%	\$24.16	6.50%	\$27.30	\$21.48
VEREIT	Hold	VER	\$10.45	6.1%	\$9.05	6.60%	\$10.45	\$7.84
<b>Average</b>				5.4%				

<sup>1</sup> Priced as of close, 9/2/16

Source: Stifel Estimates, Company Reports

## Triple-Net REIT Valuation Table

### Balance Sheet Analysis

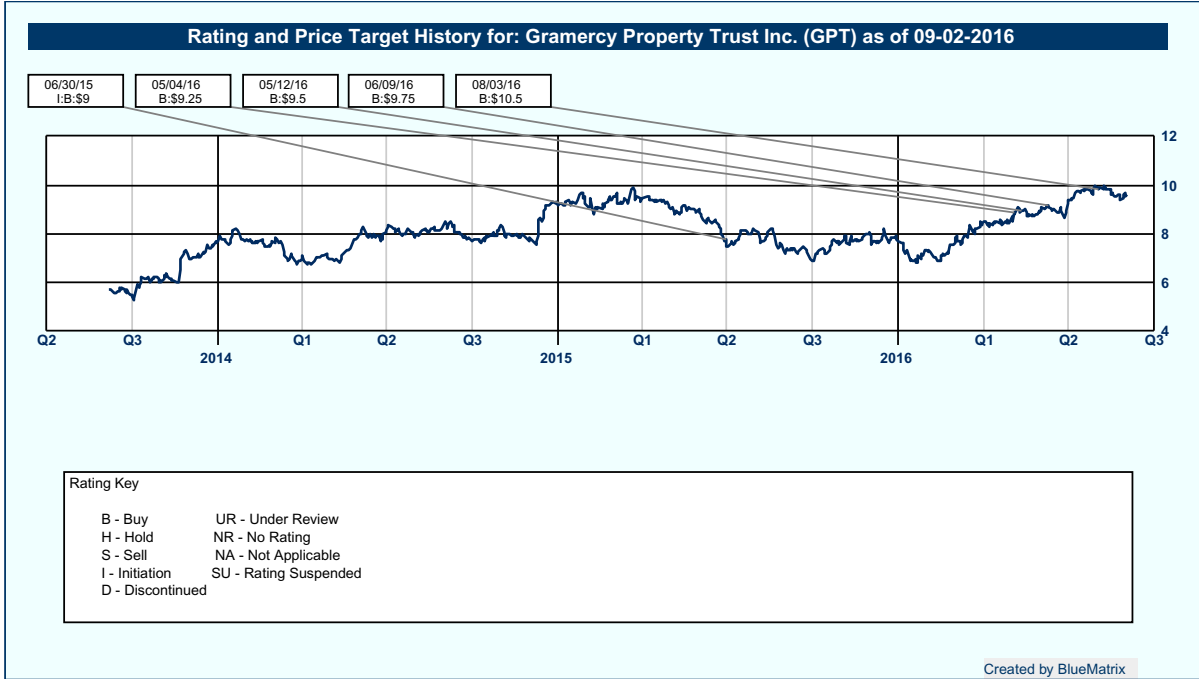
2Q16 REIT's	Price <sup>1</sup>	2016E FAD	Dividend	2016E FAD Payout	Fixed Charge Coverage	Line Size (\$MM)	Line Capacity (\$MM)	2016 Maturities (\$MM)	2016 Maturities as % of Total Debt	2017 Maturities (\$MM)	2017 Maturities as % of Total Debt	% of Fixed Rate Debt	Wtd Avg Interest Rate
<b>ADC</b>	\$48.35	\$2.53	\$1.92	76%	3.7x	\$200	\$200	\$0	0.0%	\$20	5.0%	100%	4.00%
<b>EPR</b>	\$79.58	\$4.73	\$3.84	81%	3.2x	\$650	\$303	\$43	2.0%	\$163	7.7%	85%	4.56%
<b>GPT</b>	\$9.64	\$0.64	\$0.44	69%	3.8x	\$850	\$680	\$32	1.5%	\$66	3.1%	81%	3.45%
<b>NNN</b>	\$50.82	\$2.41	\$1.82	75%	3.4x	\$650	\$650	\$0	0.0%	\$253	11.8%	93%	4.20%
<b>O</b>	\$66.27	\$2.89	\$2.42	84%	4.2x	\$2,000	\$1,488	\$280	5.6%	\$325	6.5%	89%	4.19%
<b>STOR</b>	\$29.64	\$1.66	\$1.08	65%	3.0x	\$500	\$500	\$15	0.7%	\$34	1.6%	100%	4.64%
<b>VER</b>	\$10.45	\$0.73	\$0.55	75%	2.8x	\$3,300	\$2,595	\$207	3.0%	\$421	6.1%	99%	3.90%

<sup>1</sup> Priced as of close, 9/2/16

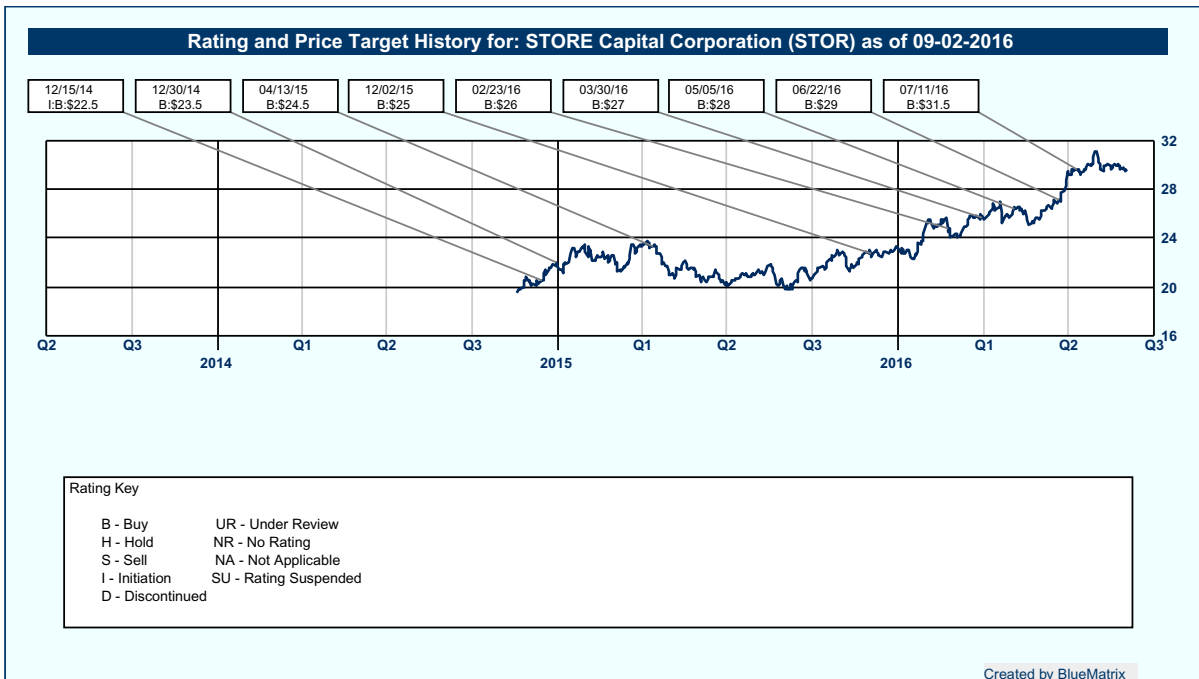
Source: Stifel Estimates, Company Reports

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For a price chart with our ratings and any applicable target price changes for GPT go to <http://sf.bluematrix.com/bluematrix/Disclosure?ticker=GPT>



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