



**NNN  
REIT™**

NYSE:NNN

**34**  
CONSECUTIVE ANNUAL  
DIVIDEND INCREASES

# Investor Update

November 2023

*(All data as of September 30, 2023)*

This presentation contains certain statements that are the Company's and Management's hopes, intentions, beliefs, expectations, or projections of the future and might be considered to be forward-looking statements under Federal Securities laws. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance, and involve risks and uncertainties. The Company's actual future results may differ significantly from the matters discussed in these forward-looking statements, and we may not release revisions to these forward-looking statements to reflect changes after we've made the statements. Factors and risks that could cause actual results to differ materially from expectations are disclosed from time to time in greater detail in the Company's filings with the SEC including, but not limited to, the Company's report on Form 10-K and Form 10-Q, as well as Company press releases.

# Multi-Year View



## MEASURED APPROACH

Deliberate  
Consistent  
Disciplined



CONSECUTIVE ANNUAL  
DIVIDEND INCREASES

ANNUAL REPORT | 2022

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## TOTAL SHAREHOLDER RETURN COMPARISON

(NNN = \$62.76 at December 31, 2022)

	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS	30 YEARS
<b>NATIONAL RETAIL PROPERTIES</b>	<b>6.0%</b>	<b>8.7%</b>	<b>10.2%</b>	<b>11.7%</b>	<b>10.7%</b>	<b>11.8%</b>
Indices:						
**NAREIT Equity REIT Index (FNREITF)	4.4%	7.1%	6.6%	9.4%	8.2%	9.8%
**Morning Stanley REIT Index (RMS-G)	3.7%	6.5%	6.2%	9.0%	7.8%	N/A
**S&P 500 Index (SPX)	9.4%	12.5%	8.8%	9.8%	7.6%	9.6%
**S&P 400 Index (SMID)	6.7%	10.8%	8.8%	10.6%	9.8%	11.1%

\*NNN is a member of this index

Source: Bloomberg

## VALUE OF \$1,000 INVESTMENT

(As of December 31, 2022)

	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS	30 YEARS
<b>NATIONAL RETAIL PROPERTIES</b>	<b>\$ 1,339</b>	<b>\$ 2,303</b>	<b>\$ 4,281</b>	<b>\$ 9,142</b>	<b>\$ 12,639</b>	<b>\$ 28,472</b>
Indices:						
**NAREIT Equity REIT Index (FNREITF)	\$ 1,242	\$ 1,986	\$ 2,623	\$ 6,041	\$ 7,107	\$ 16,432
**Morning Stanley REIT Index (RMS-G)	\$ 1,159	\$ 1,874	\$ 2,458	\$ 5,294	\$ 6,584	N/A
**S&P 500 Index (SPX)	\$ 1,567	\$ 3,259	\$ 3,539	\$ 6,463	\$ 6,285	\$ 15,772
**S&P 400 Index (SMID)	\$ 1,381	\$ 2,776	\$ 3,363	\$ 7,542	\$ 10,282	\$ 23,329

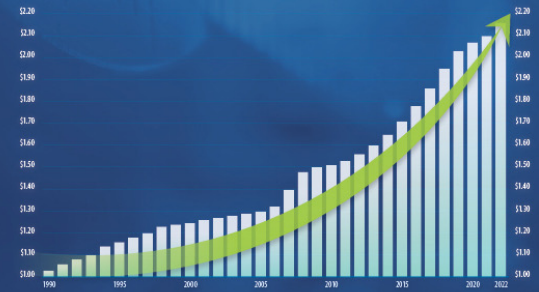
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## 2022 HIGHLIGHTS

- 33rd consecutive annual dividend increase
- Maintained dividend payout ratio of approximately 67% of AFFO
- \$847.7 million in property investments at 6.4% average cap rate
- 33 properties sold for \$65.2 million, producing \$17.4 million of gains on sale
- 99.4% occupancy, with a weighted average remaining lease term of 10.4 years
- 9.8% Core FFO per share growth
- Ended 2022 with \$933 million available on \$1.1 billion bank line and no material debt maturities due until 2024

## 33 CONSECUTIVE ANNUAL DIVIDEND INCREASES

Third longest streak of all public REITs and longer than 99% of all public companies





# Third Quarter 2023 Highlights



- ◆ Dividend Yield at September 30, 2023 of 6.3%
- ◆ Maintained high level of occupancy at 99.2%
- ◆ Invested \$212.5 million in property investments @ average 7.4% initial cash cap rate
- ◆ Sold 13 properties for \$49.0 million, producing \$20.0 million of gains on sales at a cap rate of 6.0%
- ◆ Maintained dividend payout ratio of 68% of AFFO
- ◆ Maintained significant balance sheet capacity and liquidity
- ◆ Ended the quarter with \$1.1 billion of availability on bank credit line and no debt maturities until 2024

# Rising Interest Rate & Inflation Update



- ◆ NNN 's multi-year approach keeps company well-positioned
  - Manage each year for current year and next few years
  - 39-year track record operating in all economic environments
- ◆ Conservative balance sheet management and strong liquidity
  - Long-term debt locked in at attractive fixed rates with reasonable repayment schedule
  - Attractive pricing on \$1.1 billion bank line of credit
- ◆ Currently investing at reasonable spreads; able to absorb tightening
- ◆ Higher inflation increases properties' value
  - Also makes rent a smaller percentage of tenants' revenues = easier to pay
- ◆ History has shown us that a steady, consistent income stream supporting mid-single-digit FFO growth per share and an increasing annual dividend positions NNN well for any economic environment

# Simple and Consistent Strategy



- ◆ Focus on single-tenant net lease retail properties
- ◆ Operate with multi-year strategy focus on per share results
- ◆ Sustain high occupancy and maximize value of existing real estate assets
- ◆ Maintain fully diversified portfolio
- ◆ Grow through internal portfolio growth and well underwritten acquisitions
- ◆ Utilize asset sales to manage risk, enhance value and partially finance new property acquisitions
- ◆ Preserve conservative balance sheet and financial flexibility through access to multiple sources of capital and unsecured debt
- ◆ Grow per share results mid-single digit percentage annually on a relatively leverage neutral basis
- ◆ Produce safe and growing dividends – 34 consecutive annual dividend increases

# Simple and Consistent Strategy



## NNN's Long-Term Retail Net Lease Strategy

- ◆ Creates a Solid Foundation of Highly Predictable Operating Income

## NNN's Disciplined Acquisition Approach

- ◆ Generates Steady Earnings Growth Through Higher Yields With Less Risk Than Development and Other Acquisitions Approaches
  - ◆ Strategy Generated 4.9% Average Annual Core FFO Per Share Growth Since 2016



# Strategy Generates Reliable Income Stream with Low Volatility



- ◆ Well-selected retail tenants provide stronger performance through various economic cycles than office, industrial or other tenant types
  - ◆ Main street locations provide strong market for replacement tenants and rent growth
  - ◆ Lower earnings volatility from higher occupancy (20-year low of 96.4%)
  - ◆ Retail properties more likely to renew lease at end of initial term
- ◆ 10-20-year initial lease terms; 10.2-year weighted average remaining lease term
- ◆ Only 2.0% of leases expire through YE 2024
- ◆ Tenants responsible for operating expenses, taxes, and capital expenditures – no CAM leakage
- ◆ No anchor or co-tenancy issues for tenants to leverage into reduced rent
- ◆ High Quality, Well-Diversified Portfolio
  - ◆ \$10.1 billion total assets (gross book basis)
  - ◆ 3,511 properties (35.8 million SF) in 49 states
  - ◆ 395+ national and regional retail tenants
  - ◆ Top 25 tenants (54.9% of rent) average 1,301 stores each

## Buy smart with extensive underwriting process up front

- ◆ Look for strong retail real estate locations
- ◆ For existing tenant AND future alternative tenant

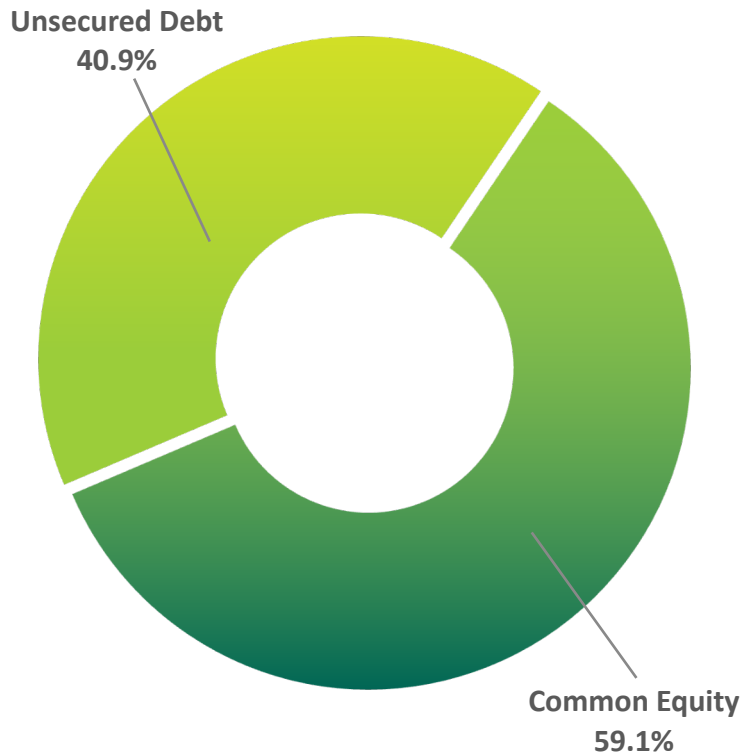
## NNN's Disciplined Acquisition Approach

- ◆ Less money invested allows us to offer lower rent to retailer
- ◆ Lower rent = lower occupancy costs for retailer
  - ◆ As a result, retailer more likely to afford rent at that location
- ◆ Lower rent = easier to re-lease property without reduction in rent
- ◆ Contractual rent increases built into the lease

# Conservative Balance Sheet Management



*As of September 30, 2023 – Total Gross Book Assets*



- Unsecured Debt - \$4,128.9 million**  
\*wtd. avg. maturity 12.6 yrs; wtd. avg. effective interest rate 3.9%
- Common Equity - \$5,976.0 million**

**Total Capitalization \$10.1 billion (gross book)**

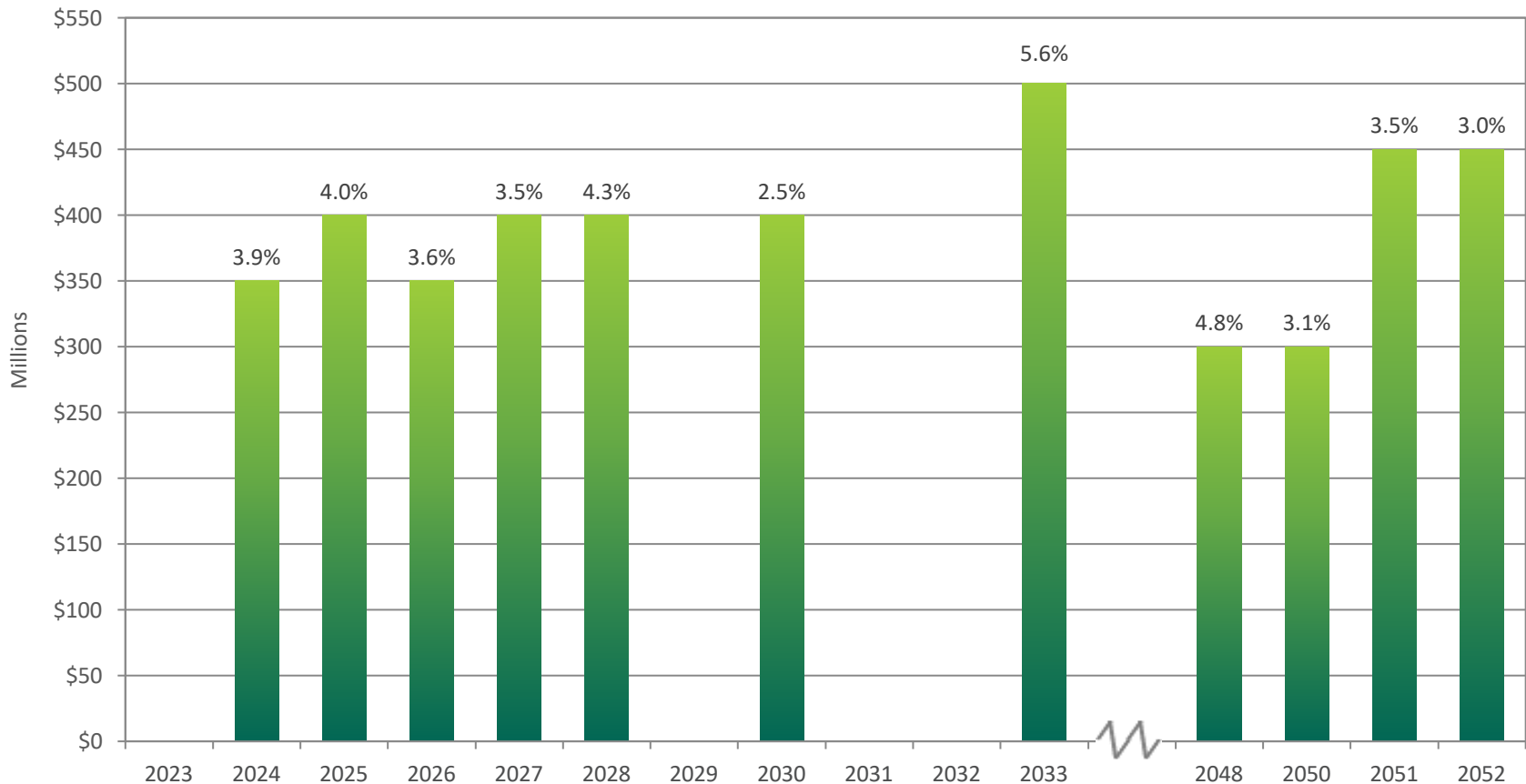
Interest coverage ratio: 4.6x

Fixed-Charge coverage ratio: 4.6x

# Well-Laddered Debt Maturities



## NNN's Low Leverage Balance Sheet Strategy is Enhanced by its Well-Laddered Debt Maturities\*



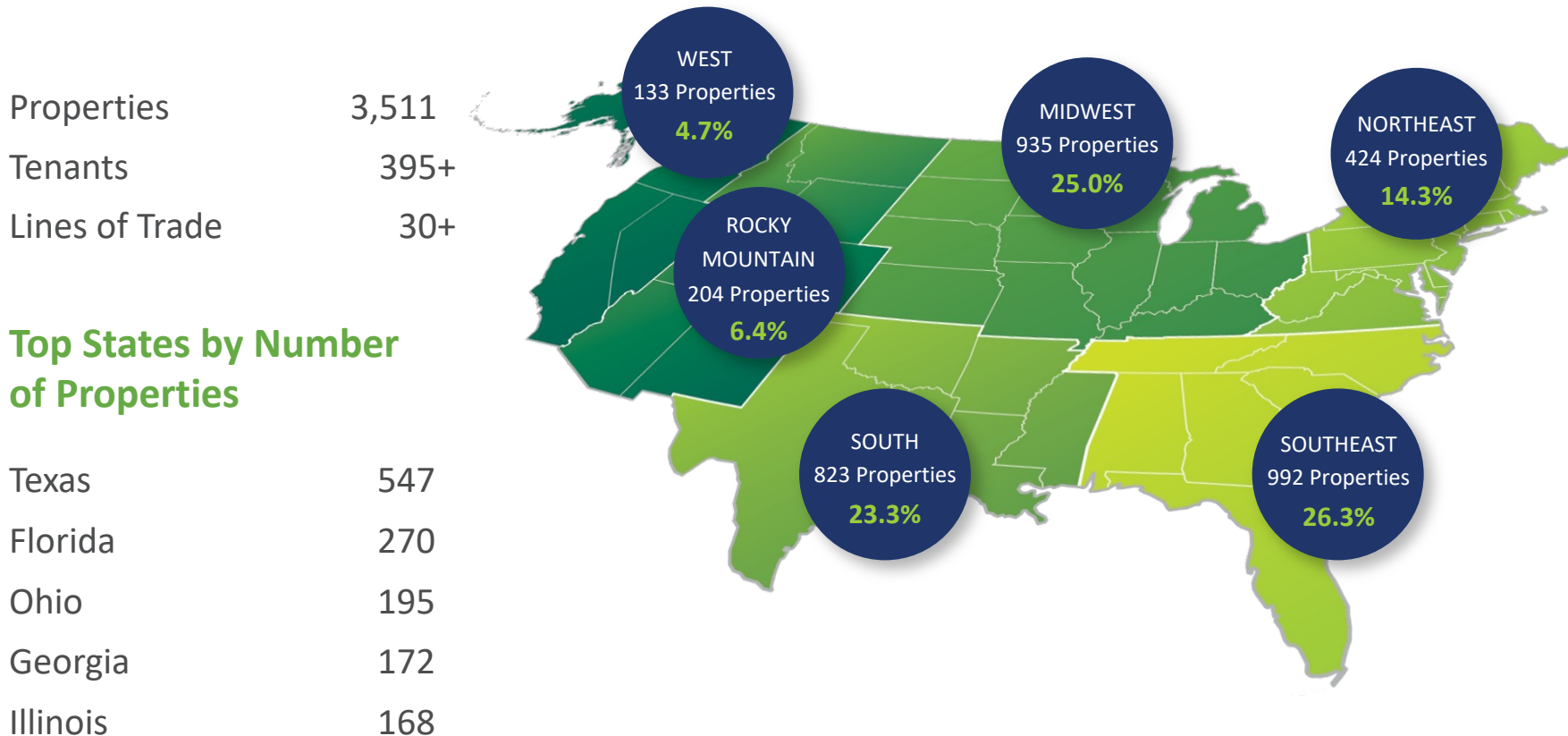
\* Weighted average debt maturity of 12.6 years as of September 30, 2023

# Diversification Reduces Risk



## Nationwide Reach

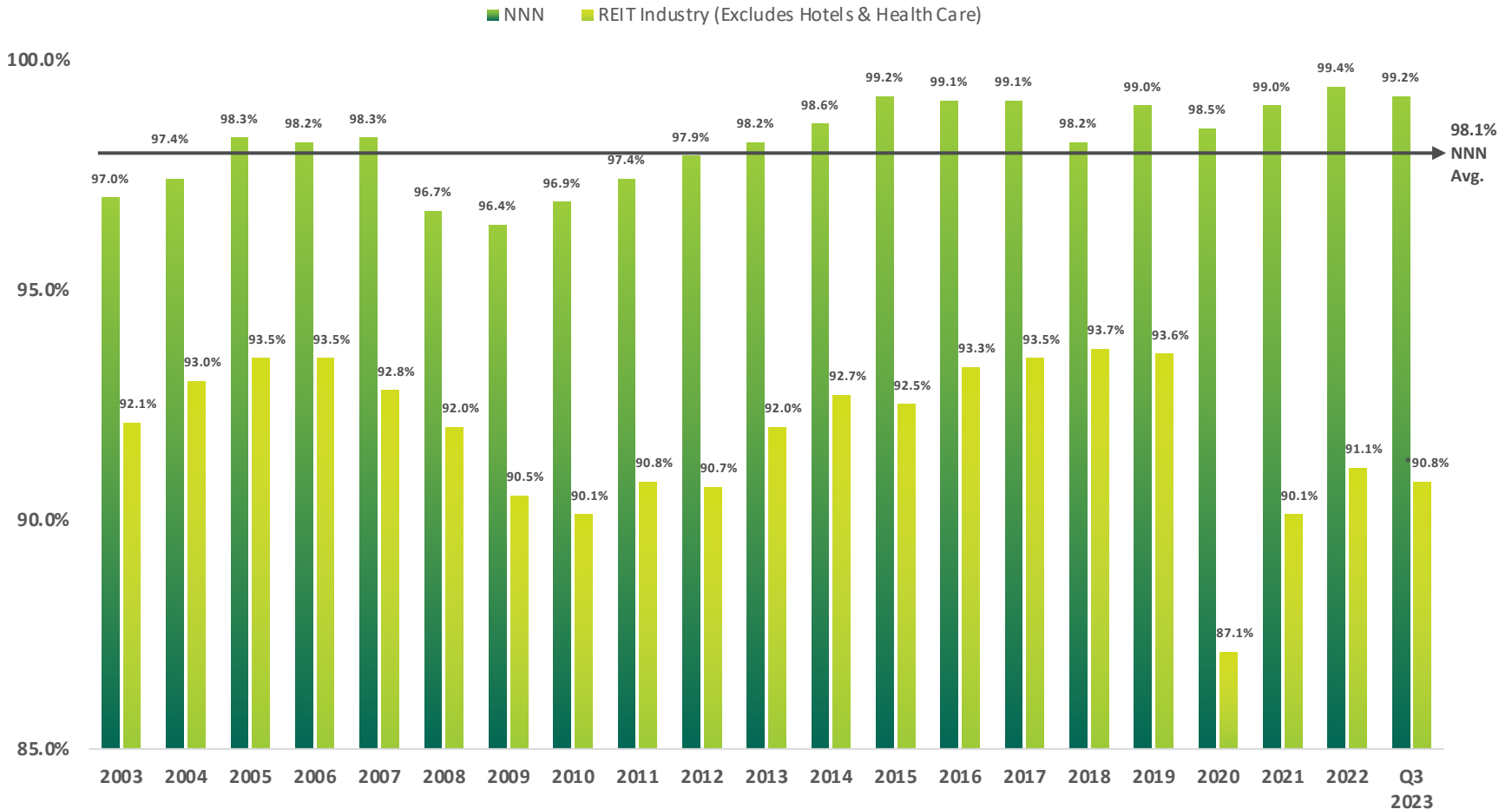
*(As a percentage of annual base rent – September 30, 2023)*



# NNN's Strategy Results in Higher Occupancy and Less Volatility



From 2003 – Q3 2023, NNN's occupancy never fell below 96.4% while the REIT industry average never rose above 93.7%

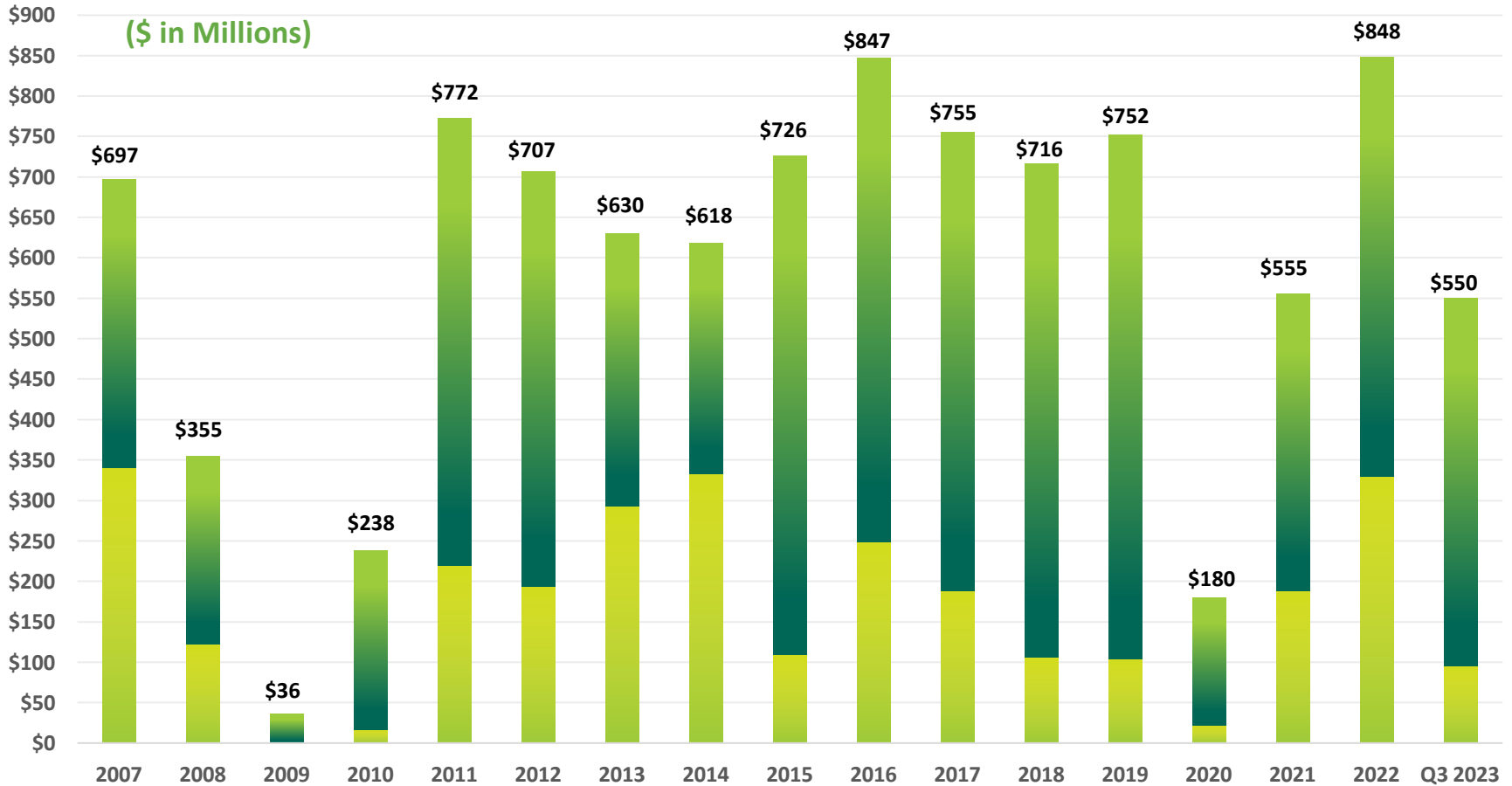


\*REIT industry Average as of Q2 2023

# 2007-2023 Acquisition Volume by Source

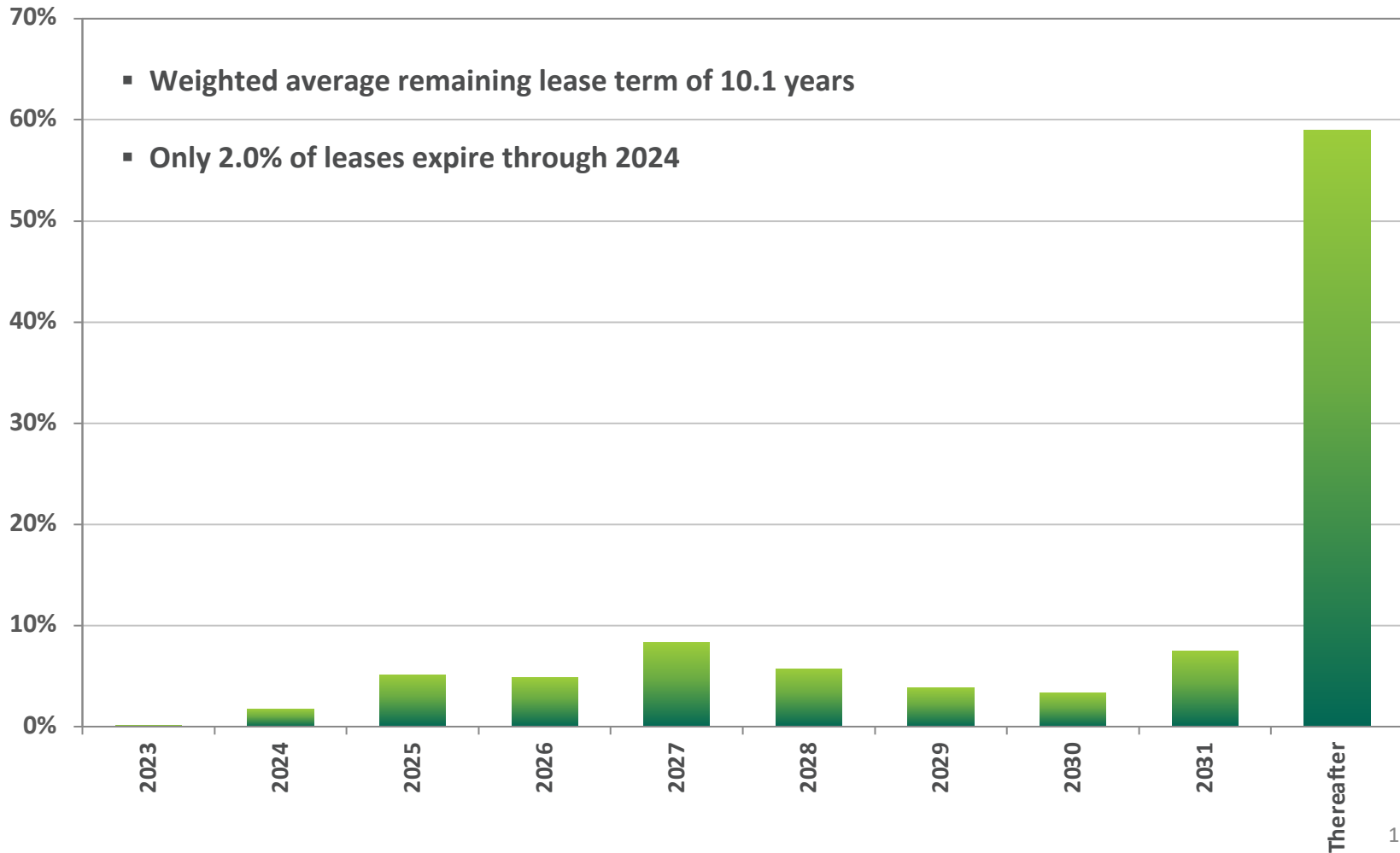


■ Market / Auction @ 7.3% Average Cap Rate (\$2,910 million = 29%)
 ■ Relationship @ 7.5% Average Cap Rate (\$7,072 million = 71%)



# Lease Expirations

*(As a percentage of annual base rent – September 30, 2023)*





# Great People in a Supportive Culture



**10 years**  
is the average tenure  
of an NNN employee

Average tenure of  
Senior Leadership is  
**21 years**



Proud to be a member of the 2023 GEI,  
committed to driving accountability through  
data transparency.

## Learning & Development



- ◆ Degreed learning platform available 24/7 to associates with endless content from leading sources
- ◆ Virtual conferences
- ◆ Professional webinars
- ◆ Cross training / job shadowing

## Educational Seminars

- ◆ Cyber Security
- ◆ Women Talk Money & Financial Planning
- ◆ Vitality Health and Wellness
- ◆ Emotional Well-being
- ◆ Healthcare Consumerism

## Community Engagement



350+ service hours annually

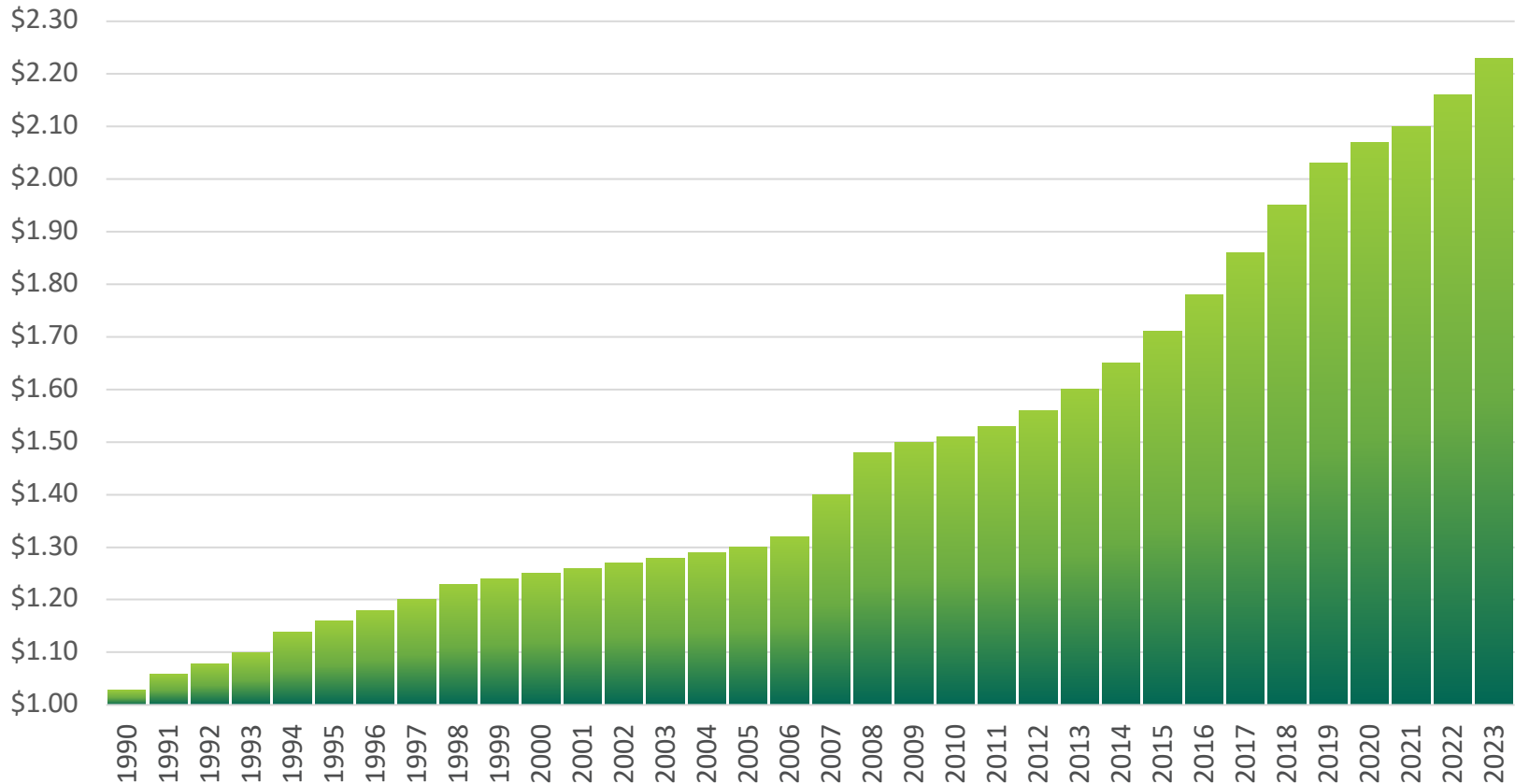


# Long-Term Dividend History



## 34 Consecutive Years of Annual Dividend Increases

Third longest of all public REITs and 97% of all NYSE-listed companies



# NNN Consistently Outperforms the REIT Industry and Major Indices



## Annual Total Return Comparison

For Periods Ending September 30, 2023

NNN Outperforms	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
(NNN = \$35.34 at 9/30/2023)									
<b>NNN REIT, Inc. (NNN)</b>	<b>-6.8%</b>	<b>-5.0%</b>	<b>5.9%</b>	<b>0.0%</b>	<b>5.8%</b>	<b>8.0%</b>	<b>9.6%</b>	<b>10.3%</b>	<b>10.2%</b>

Indices

* NAREIT Equity REIT Index (FNERTR)	-1.7%	-9.3%	2.7%	2.8%	6.2%	6.1%	7.9%	8.6%	8.6%
* Morgan Stanley REIT Index (RMS G)	3.2%	-7.2%	5.7%	2.8%	5.9%	5.9%	7.7%	8.5%	n/a
S&P 500 Index (SPX)	21.7%	1.4%	10.1%	9.9%	11.9%	11.3%	9.7%	7.9%	9.8%
* S&P 400 Index (MID)	15.5%	-1.1%	12.0%	6.0%	8.9%	10.3%	9.9%	10.3%	10.8%
* Russell 1000 Index (RIY)	21.2%	0.2%	9.5%	9.6%	11.6%	11.3%	9.8%	8.1%	9.7%
* Russell 1000 Value Index (RLV)	14.4%	0.7%	11.0%	6.2%	8.4%	8.6%	8.2%	7.4%	8.8%
Russell 2000 Index (RTY)	8.9%	-8.8%	7.1%	2.4%	6.6%	8.1%	8.1%	8.0%	8.1%
Russell 2000 Value Index (RUJ)	7.8%	-5.8%	13.3%	2.6%	6.2%	7.1%	7.7%	8.3%	8.7%

\* NNN is a member of this index (deleted from S&P 600 and added to S&P 400 in Dec. 2011; deleted from Russell 2000 and added to Russell 1000 in June 2012)



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