



**NNN  
REIT™**

NYSE:NNN

**34**  
CONSECUTIVE ANNUAL  
DIVIDEND INCREASES

# Investor Update

Single Tenant Retail Property REIT with  
34 consecutive annual dividend increases

May 2024

*(All data as of March 31, 2024)*

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 the Company may not release revisions to these forward-looking statements to reflect changes after the Company has 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.



## ◆ Low Risk Strategy Generates Consistent Growth

◆ Strong Investment Grade Balance Sheet

◆ Long-Term Track Record of Success

◆ First Quarter 2024 Highlights

# Consistent and Simple 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
- ◆ Generate incremental earnings growth through disciplined acquisition approach with higher yields and less risk than other acquisition approaches
- ◆ 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

# Summary – Attributes, Advantages & Risk Mitigation



- ◆ High-quality portfolio produces consistent results
  - ◆ High occupancy through cycle
  - ◆ Strong lease renewal rates with very little capital expenditure (not buying-up rent)
  - ◆ Long-term, net leases add stability to operating results
  - ◆ Quality comes from sustainable rents (market rent is barometer)
- ◆ Balance sheet conservatism
  - ◆ In place long before 2008-09 and 2020 (no dilutive equity issuances needed)
  - ◆ Below-average leverage and strong liquidity to weather all environments
  - ◆ Unencumbered portfolio
  - ◆ No reliance on short-term debt to drive per share results
  - ◆ Fixed-rate debt focused to mitigate rising rate risks
- ◆ Existing scale provides
  - ◆ High diversification (3,500+ properties)
  - ◆ Top exposure to every single-tenant retail acquisition prospect in sector
  - ◆ Depth of market presence
  - ◆ Full access to capital markets
- ◆ Track record of annual dividend increases (34 years)

# Summary – Attributes, Advantages & Risk Mitigation



- ◆ Proven, tenured management team with domain expertise
  - ◆ Top five executives – average NNN tenure 22 years
  - ◆ Next 10 SVPs – average NNN tenure 21 years
- ◆ Sustainable model
  - ◆ Projections – no heroic assumptions (acquisitions volume, debt tenor, capital pricing, etc.)
  - ◆ Managed market expectations – not promising more than delivered in the past
- ◆ Market cycle tested over many years
  - ◆ Focused investment strategy (single-tenant retail) – no strategy drift into multiple property types
  - ◆ Operating results are consistent and predictable
  - ◆ Balance sheet never under stress
  - ◆ Management manages for the long-term
  - ◆ Generated 4.4% average annual Core FFO per share growth since 2017
- ◆ Above average total returns over 2-, 3-, 10-, 15-, 20-, 25- and 30-years with below average risk profile

# Retail Net Lease Strategy Generates a Reliable Income Stream with Low Volatility



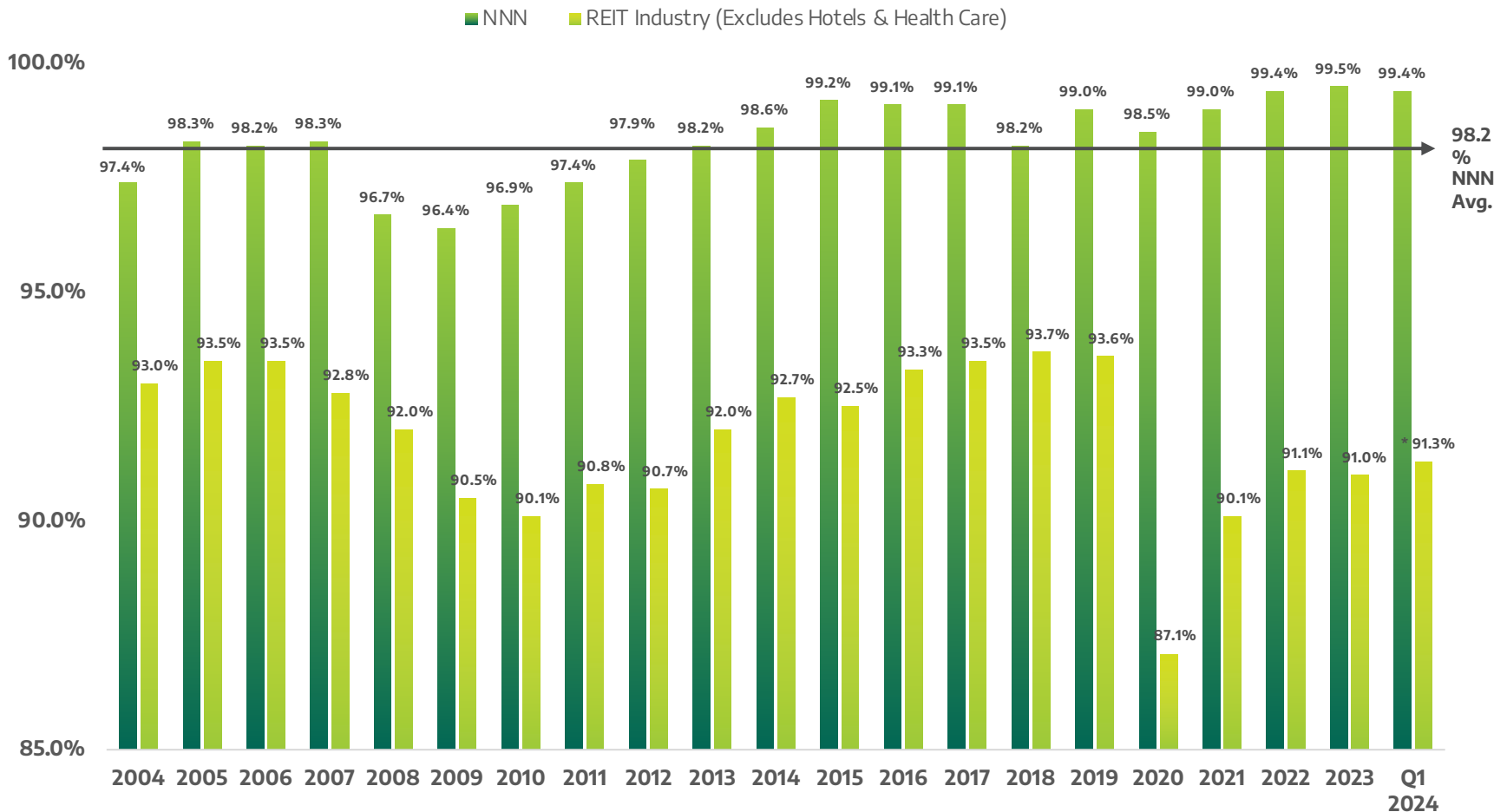
- ◆ Well-selected retail tenants provide stronger performance through various economic cycles than office, industrial or other tenant types
  - ◆ Main street locations provide strong market for replacement tenants and rent growth
  - ◆ Lower earnings volatility from higher occupancy (20-year low of 96.4%)
  - ◆ Retail properties more likely to renew lease at end of initial term
- ◆ 10-20-year initial lease terms; 10.0-year weighted average remaining lease term
- ◆ Only 5.7% of leases expire through YE 2025
- ◆ 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
  - ◆ \$10.4 billion total assets (gross book basis)
  - ◆ 3,546 properties (36.1 million SF) in 49 states
  - ◆ 385 national and regional retail tenants
  - ◆ Over 35 lines of trade
  - ◆ Top 20 tenants (48.3% of rent) average 1,587 stores each



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



From 2004 – 2024, NNN's occupancy never fell below 96.4% while the REIT industry average never rose above 93.7%



\*REIT industry Average as of Q4 2023

# NNN's Acquisition Approach is Unique Because It Is More Difficult



## Acquisition quality over quantity requires selectivity, discipline and patience:

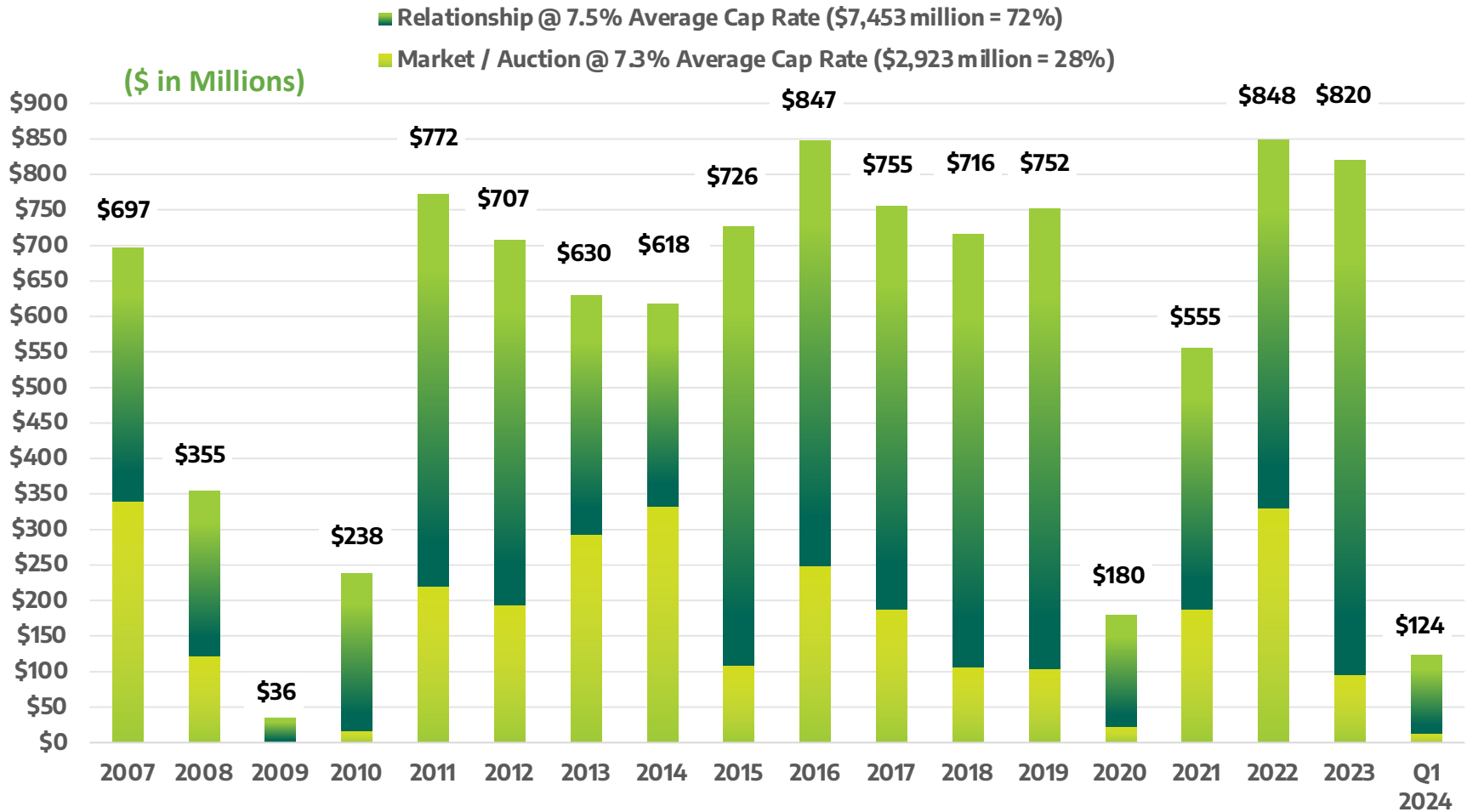
- ◆ Small transactions in areas of historical expertise (retail) rather than large portfolio transactions provides higher risk-adjusted returns
- ◆ Retail – NNN's historic expertise, generates higher and more consistent operating results vs. other net lease and non-net lease sectors
- ◆ Approximately 25 relationships with management teams of strong growing retail concepts
- ◆ Underwriting focuses on alternative uses upon future rollover and current tenant strength
  - ◆ Multiple credit upgrades after NNN's acquisition – resulting in 17.0% of tenants now investment grade rated
- ◆ Lease terms and conditions negotiated based on unique aspects of location and tenant's business and credit. Tenant “self selection” – unlikely to sign a long-term lease on questionable store

# NNN's Unique Acquisition Approach Generates Strong FFO Growth



- ◆ Less buyer competition:
  - ◆ Retail net lease market is very large, but with smaller properties
  - ◆ NNN's more focused relationship-based acquisition approach is more difficult and time consuming
  - ◆ Results in higher initial cap rates and built-in rent growth (see next slide)
- ◆ Careful targeting and underwriting of management and the future prospects of NNN's retail tenants are supported by:
  - ◆ Consistently high portfolio occupancy; and
  - ◆ Multiple credit upgrades realized by relationship tenants
- ◆ Consistently high portfolio occupancy results in less earnings volatility
- ◆ All of the above generate greater per share accretion from lower acquisition volumes and allows NNN to continue to acquire accretively, despite cap rate compression and increased interest rates

# 2007-2024 Acquisition Volume by Source

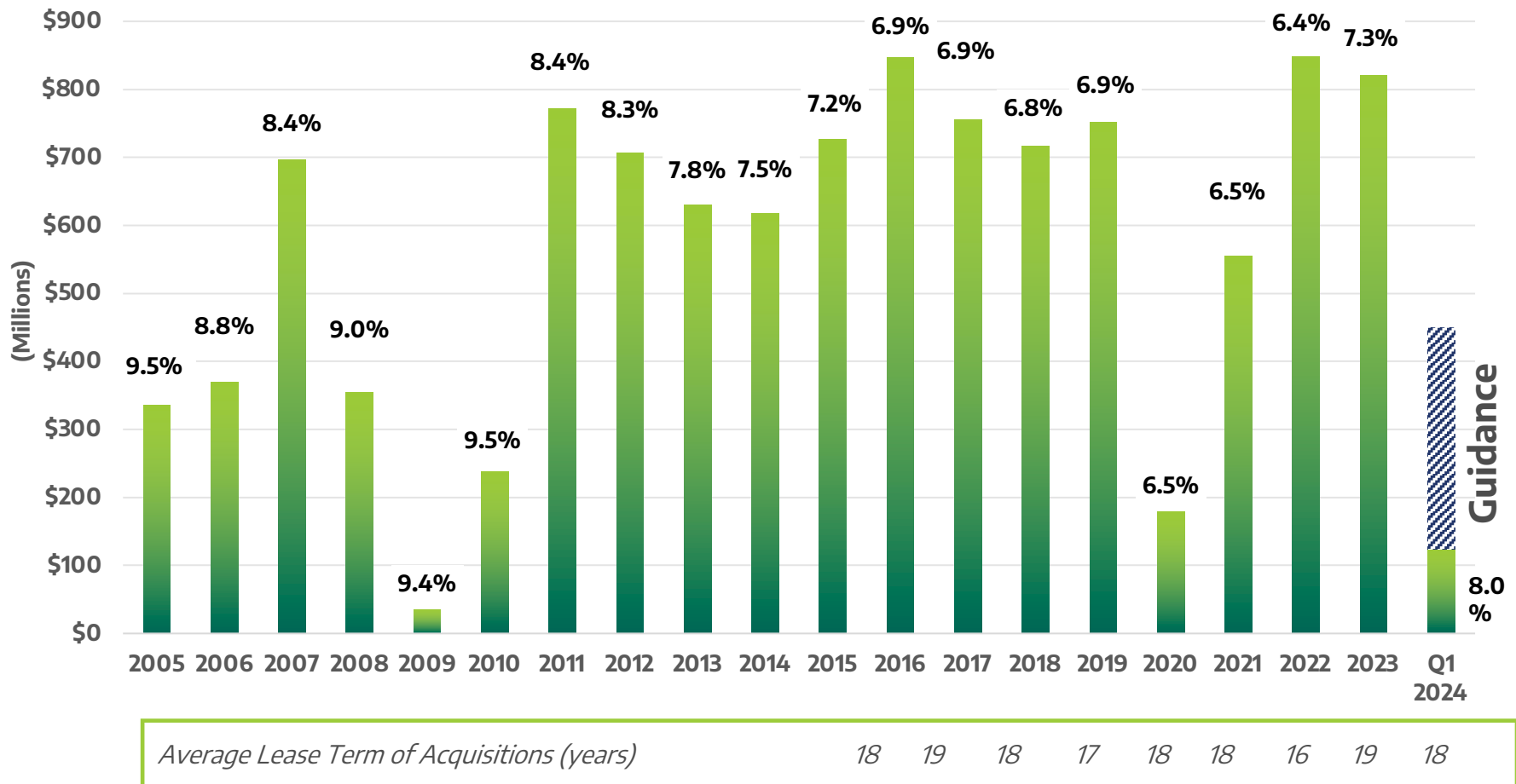


# NNN's Acquisition Volume vs. Other REIT Property Types



NNN has consistently generated strong acquisition volumes at significantly higher cap rates than other REIT property types

*Historical Acquisition Volume at Weighted Average Initial Cap Rates*



- ◆ **Low Risk Strategy Generates Consistent Growth**
- ◆ **Strong Investment Grade Balance Sheet**
- ◆ **Long-Term Track Record of Success**
- ◆ **First Quarter 2024 Highlights**

## Long-Term Balance Sheet Management Objectives

- ◆ Avoid financing risk (never need capital)
- ◆ Maintain access to capital & flexibility to take advantage of market opportunities and weather economic storms
- ◆ Reduce cost of capital – competitive advantage
- ◆ Longer duration capital reduces re-finance risks (vs. shorter duration capital)
- ◆ Unencumbered properties maximizes flexibility (leasing, selling, expanding, etc.) and lower debt service burden
- ◆ Maintain strong investment-grade debt ratings
- ◆ Stagger debt maturities
- ◆ Maintain bank credit line capacity to fund near-term debt maturities and acquisitions
- ◆ Asset dispositions are a source of capital – sector leading expertise
- ◆ In making capital allocation decisions, fully burden the cost of equity (expected return) to limit dilution and maximize per share accretion

# Strong Investment Grade Balance Sheet – Risk Management is a Core Competency



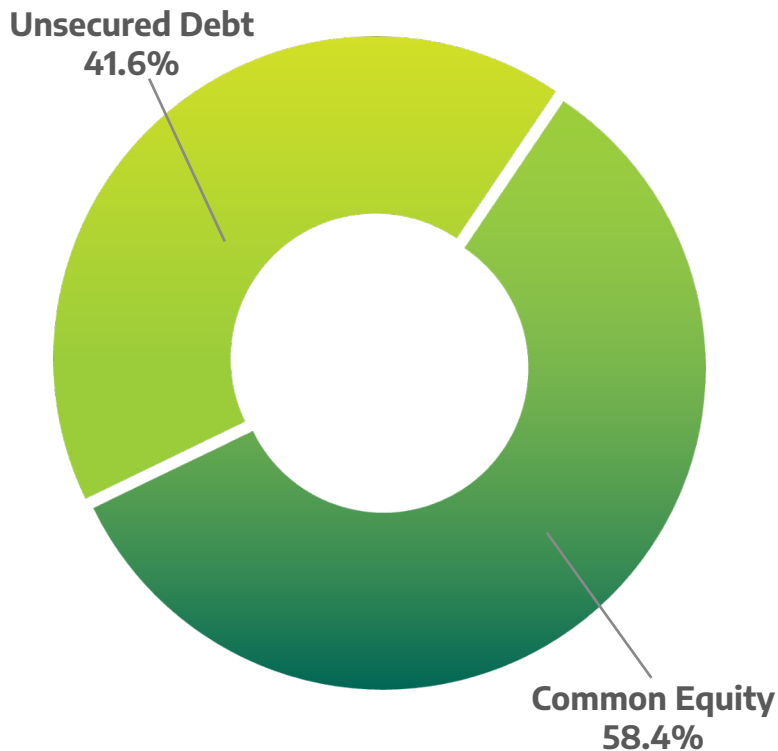
- ◆ Investment-grade debt rating (BBB+ / Baa1) supported by industry leading leverage ratios
- ◆ 100% of assets unencumbered – no secured debt
- ◆ Well-laddered debt maturities with 11.8-year weighted average debt maturity
- ◆ \$1.2 billion unsecured bank credit line (accordion to \$2.0 billion)
  - ◆ Balance of \$116.2 million as of 3/31/2024
  - ◆ Amendment in April 2024 – increased borrowing capacity, extended maturity date
  - ◆ Matures April 2028, plus two, six-month extensions at NNN’s option
  - ◆ Priced at SOFR + 87.5 bps
  - ◆ Weighted average outstanding balance past eight years \$73.5 million
- ◆ Raised \$21.5 million of common equity and generated \$18.5 million of property disposition proceeds in first quarter 2024



# Conservative Balance Sheet Management



*As of March 31, 2024 – Total Gross Book Assets*



- Unsecured Debt - \$4,346.1 million  
\*wtd. avg. maturity 11.8 yrs; wtd. avg. effective interest rate 4.0%
- Common Equity - \$6,097.6 million

**Total Capitalization \$10.4 billion (gross book)**

Interest coverage ratio: 4.3x

Fixed-Charge coverage ratio: 4.3x

# Credit Metrics Summary

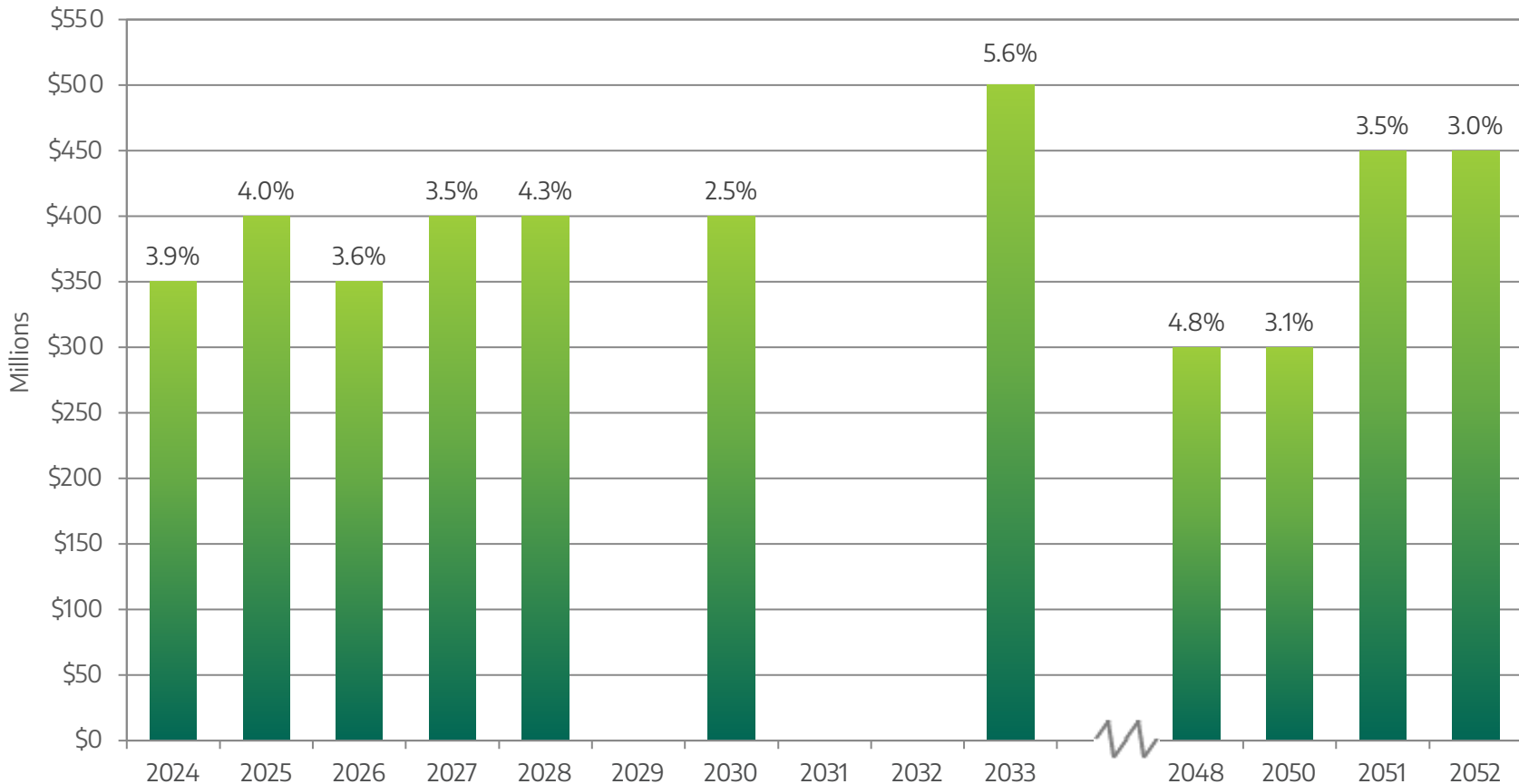


	2019	2020	2021	2022	2023	Q1 2024
<b>(Ratings: Moody's Baa1; S&amp;P BBB+)</b>						
Net Debt / Total assets (gross book)	35.3%	34.4%	39.9%	40.4%	42.0%	41.6%
Net Debt + preferred / Total assets (gross book)	39.3%	38.4%	39.9%	40.4%	42.0%	41.6%
Net Debt / EBITDA (last quarter annualized)	4.8	5.0	5.2	5.4	5.5	5.5
Net Debt + preferred / EBITDA (last quarter annualized)	5.3	5.6	5.2	5.4	5.5	5.5
EBITDA / Interest expense (cash)	5.0	4.6	4.7	4.7	4.5	4.3
EBITDA / Fixed charges (cash)	4.0	4.0	4.3	4.7	4.5	4.3
Unencumbered assets / Total assets (gross book)	99.7%	99.7%	99.8%	99.8%	100%	100%
Bank line weighted average usage (millions)	\$ 24	\$ 19	\$ -	\$ 39	\$ 170	\$ 116
Bank line usage (millions) (period end)	\$ 134	\$ -	\$ -	\$ 166	\$ 132	\$ 116
Bank line availability (millions) (period end)	\$ 766	\$ 900	\$ 1,100	\$ 934	\$ 968	\$ 984
<b>Capital Raised (millions):</b>						
Common equity, net	\$ 525	\$ 124	\$ 4	\$ 250	\$ 31	\$ 22
Preferred equity, net	\$ (288)	\$ -	\$ (345)	\$ -	\$ -	\$ -
Unsecured notes, gross	\$ -	\$ 700	\$ 900	\$ -	\$ 500	\$ -
Secured debt, gross	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property dispositions net proceeds	\$ 126	\$ 54	\$ 122	\$ 65	\$ 116	\$ 19
Retained AFFO (after all dividends)	\$ 129	\$ 75	\$ 168	\$ 188	\$ 187	\$ 51

# Well-Laddered Debt Maturities



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



\* Weighted average debt maturity of 11.9 years, including the bank line of credit, as amended in April 2024, which matures April 2028. The bank line of credit had a balance of \$116,200,000 as of March 31, 2024.

# Bank Credit Facility and Note Covenants



The following is a summary of key financial covenants for the Company's unsecured bank 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 SEC. These calculations, which are not based on U.S. GAAP measurements, are presented to investors to show that as of March 31, 2024, the Company believes it is in compliance with the covenants.

Key Covenants	Required	March 31, 2024
<b>Unsecured Bank Credit Facility:</b>		
Maximum leverage ratio	< 0.60	0.39
Maximum fixed charge coverage ratio	> 1.50	4.43
Maximum secured indebtedness ratio	< 0.40	—
Unencumbered asset value ratio	> 1.67	2.64
Unencumbered interest ratio	> 1.75	4.39
<b>Unsecured Notes:</b>		
Limitation on incurrence of total debt	≤ 60%	40.9%
Limitation on incurrence of secured debt	≤ 40%	—
Debt service coverage ratio	≥ 1.50	4.4
Maintenance of total unencumbered assets	≥ 150%	244%

- ◆ **Low Risk Strategy Generates Consistent Growth**
- ◆ **Strong Investment Grade Balance Sheet**
- ◆ **Long-Term Track Record of Success**
- ◆ **First Quarter 2024 Highlights**

# NNN Consistently Outperforms the REIT Industry and Major Indices



## Annual Total Return Comparison

For Periods Ending March 31, 2024

NNN Outperforms	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
(NNN = \$42.74 at 3/31/2024)									
<b>NNN REIT, Inc. (NNN)</b>	<b>2.3%</b>	<b>2.7%</b>	<b>4.0%</b>	<b>-0.3%</b>	<b>7.0%</b>	<b>12.4%</b>	<b>9.8%</b>	<b>12.3%</b>	<b>10.9%</b>

Indices

* NAREIT Equity REIT Index (FNERTR)	8.0%	-6.7%	2.5%	4.0%	6.9%	13.6%	7.6%	9.6%	9.4%
* Morgan Stanley REIT Index (RMS G)	10.4%	-5.6%	4.0%	4.1%	6.5%	13.5%	7.4%	9.4%	n/a
S&P 500 Index (SPX)	30.0%	9.5%	11.5%	15.0%	12.9%	15.6%	10.1%	7.8%	10.7%
* S&P 400 Index (MID)	23.4%	8.1%	6.9%	11.7%	10.0%	14.7%	10.0%	10.4%	11.7%
* Russell 1000 Index (RIY)	30.0%	9.1%	10.5%	14.7%	12.7%	15.6%	10.2%	8.0%	10.6%
* Russell 1000 Value Index (RLV)	20.3%	6.4%	8.1%	10.3%	9.0%	13.1%	8.3%	7.4%	9.6%
Russell 2000 Index (RTY)	19.7%	2.8%	-0.1%	8.1%	7.6%	12.9%	8.0%	8.4%	8.8%
Russell 2000 Value Index (RUJ)	18.8%	1.6%	2.2%	8.1%	6.9%	12.1%	7.4%	9.1%	9.3%

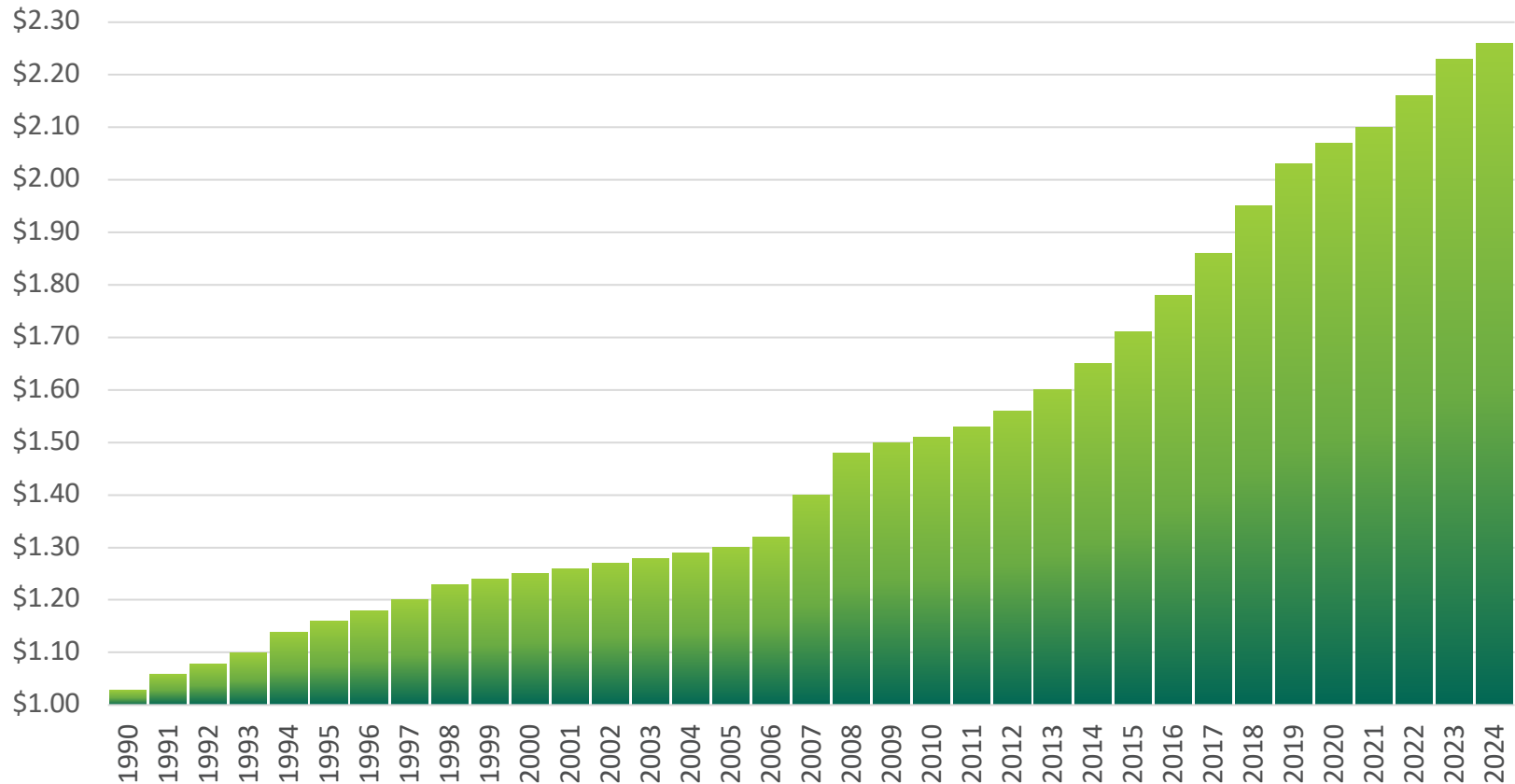
\* NNN is a member of this index (deleted from S&P 600 and added to S&P 400 in Dec. 2011; deleted from Russell 2000 and added to Russell 1000 in June 2012)

# Long-Term Dividend History



## 34 Consecutive Years of Annual Dividend Increases

Third longest of all public REITs



- ◆ **Low Risk Strategy Generates Consistent Growth**
  - ◆ **Strong Investment Grade Balance Sheet**
  - ◆ **Long-Term Track Record of Success**
- ◆ **First Quarter 2024 Highlights**



# Q1 2024 Highlights



- ◆ Dividend Yield at March 31, 2024 of 5.3%
- ◆ Maintained high level of occupancy at 99.4%
- ◆ Invested \$124.5 million in property investments, including the acquisition of 20 properties @ 8.0% initial cash cap rate, with a weighted average remaining lease term of 18 years
- ◆ Sold six properties for \$18.5 million, producing \$4.8 million of gains on sales at a cap rate of 6.4%
- ◆ Maintained dividend payout ratio of 67% of AFFO
- ◆ Funded 55% of acquisitions with free cash flow (\$50.6 million) and disposition proceeds (\$18.5 million)
- ◆ Maintained significant balance sheet capacity and liquidity
- ◆ Ended the quarter with \$983.8 million of availability on bank credit line

# Appendix

# NNN Attributes



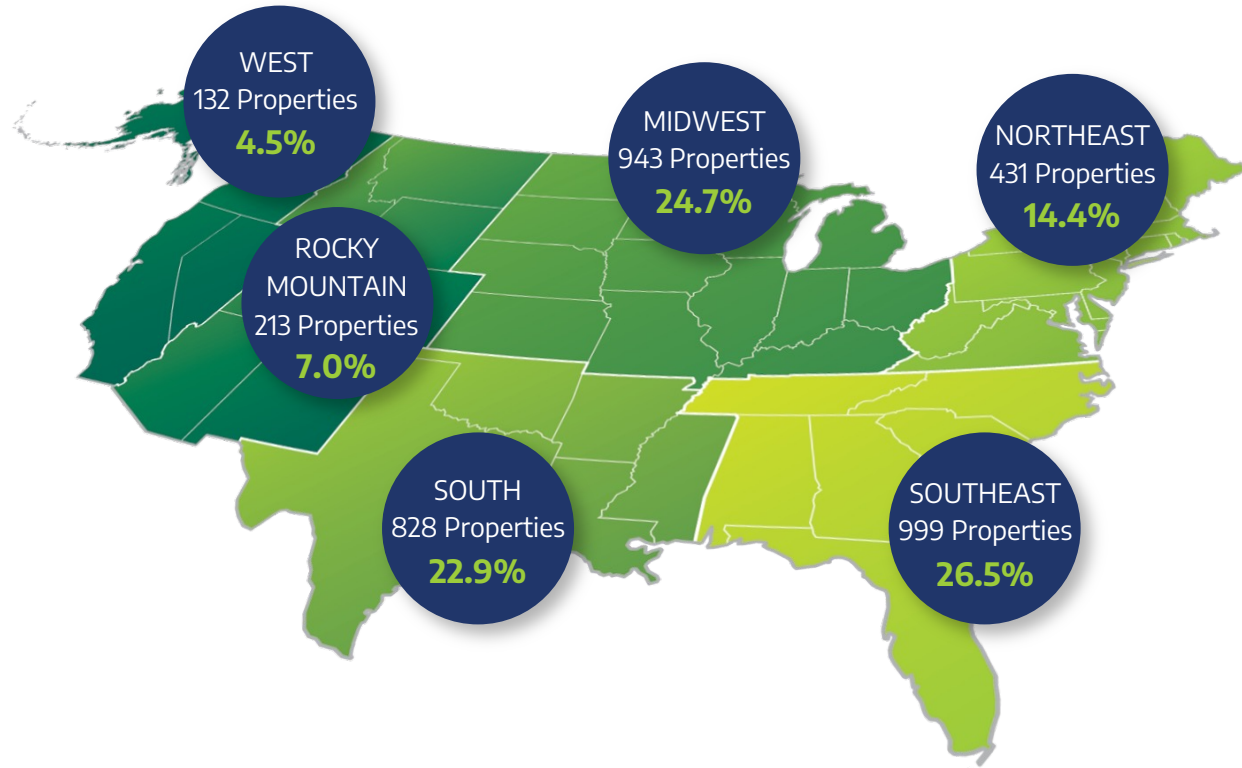
- ◆ Triple-net long-term leases
- ◆ Small properties – average \$3 million and average GLA of 11,000 square feet
- ◆ High land value per asset
- ◆ Net leases reduce volatility of returns – rent growth drops to bottom line
- ◆ Fragmented non-institutional competition; NNN is a clear leader
- ◆ Structured sale-leaseback acquisitions at great initial cap rates
- ◆ Excellent capital recycling track record
- ◆ Strong balance sheet with limited near-term maturities
- ◆ Solid earnings profile with lower risk
- ◆ 34 consecutive years of increased annual dividends while reducing payout ratio

# Diversification Reduces Risk

## Nationwide Reach

*(As a percentage of annual base rent – March 31, 2024)*

Properties 3,546  
 Tenants 385+  
 Lines of Trade 35+

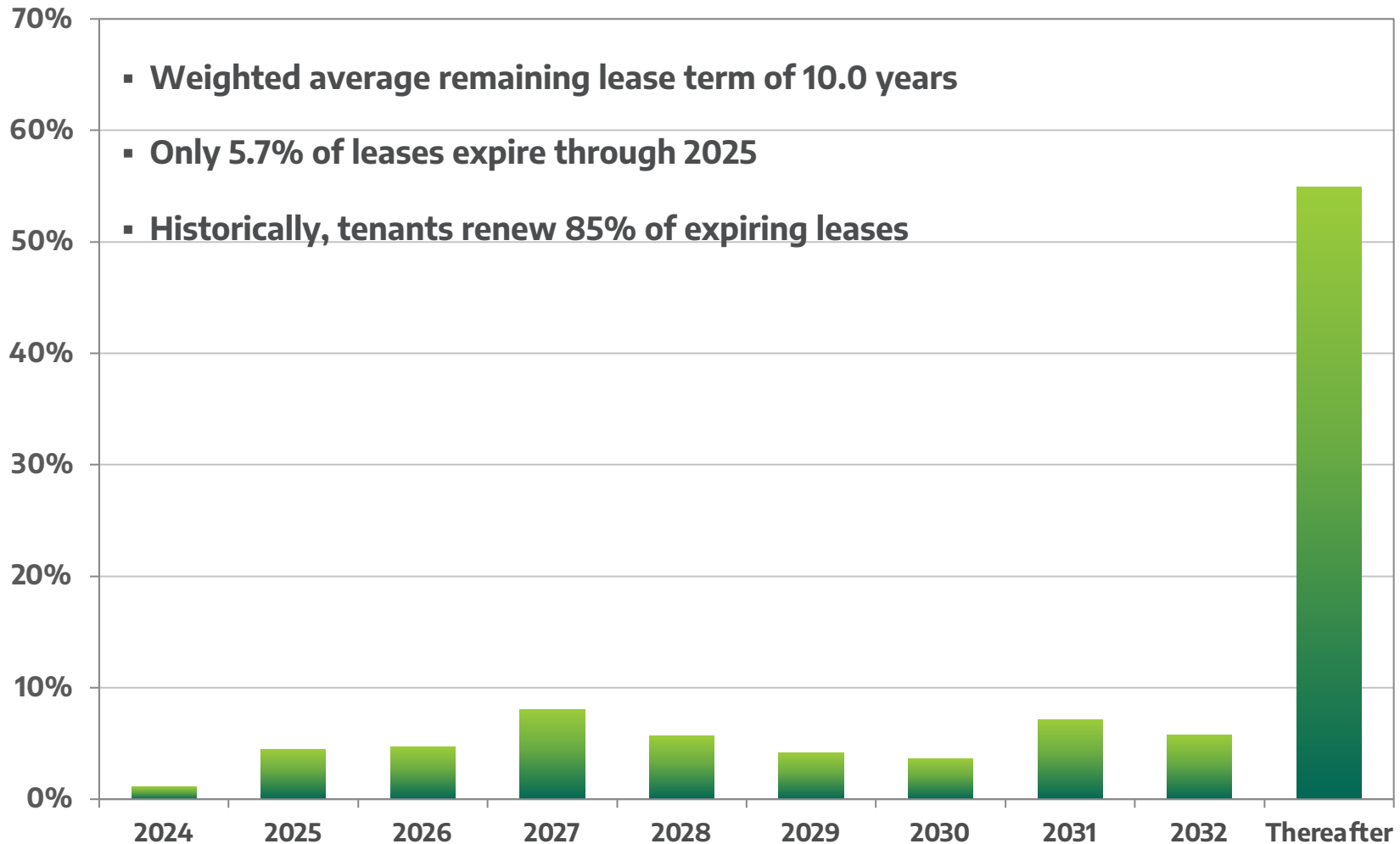


## Top States by Number of Properties

Texas 552  
 Florida 282  
 Ohio 195  
 Georgia 172  
 Illinois 168

# Lease Expirations

*(As a percentage of annual base rent – March 31, 2024)*



# Cost of Capital in Making Capital Allocation Decisions



## Driving Per Share Growth – Return on Equity Hurdles / Cost of Capital View Matters

*Differing Views on the Return on Equity in making Capital Allocation Decisions (all other variables the same)*

### NNN's View

#### “Economic / Expected Return Cost of Equity”

Dividend Yield	5.5%
Dividend per share growth	3.5%
FFO per share growth	4.0%

	Weighting	Cost	Wtd Avg
Debt *	40%	5.75%	2.30%
Common Equity	60%	8.50%	5.10%
	100.0%		7.40%

Reflects a focus on per share value creation

Promotes selectivity

\*Ten+ year, fixed rate debt only

### Other REITs' View

#### “Cash / Accounting Cost of Equity”

(inverse of FFO multiple driven)

	Weighting	Cost	Wtd Avg
Debt *	40%	5.75%	2.30%
Common Equity	60%	6.50%	3.90%
	100.0%		6.20%

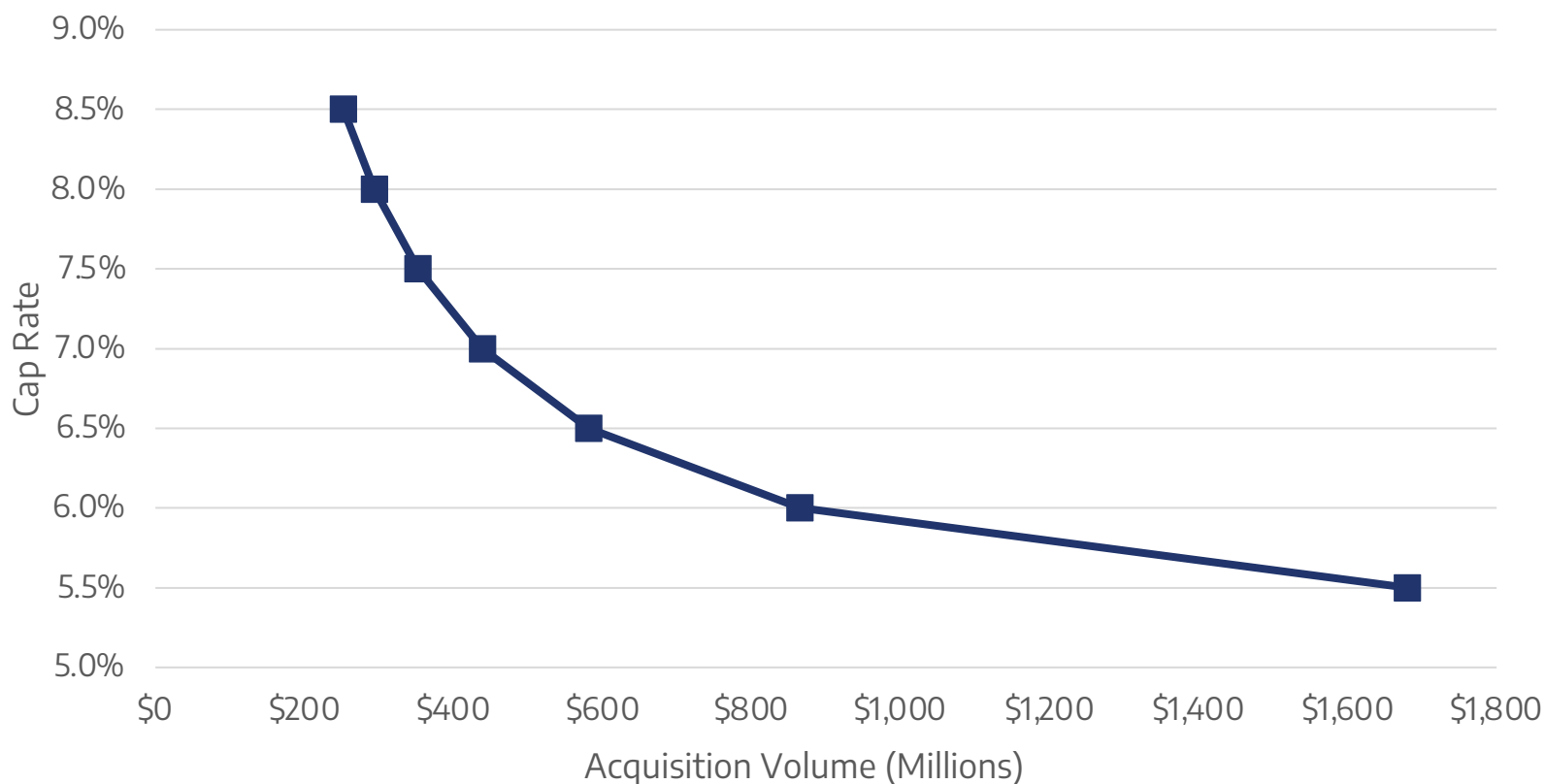
Supports a focus on asset growth

Promotes lower return acquisitions

# Accretion Curve



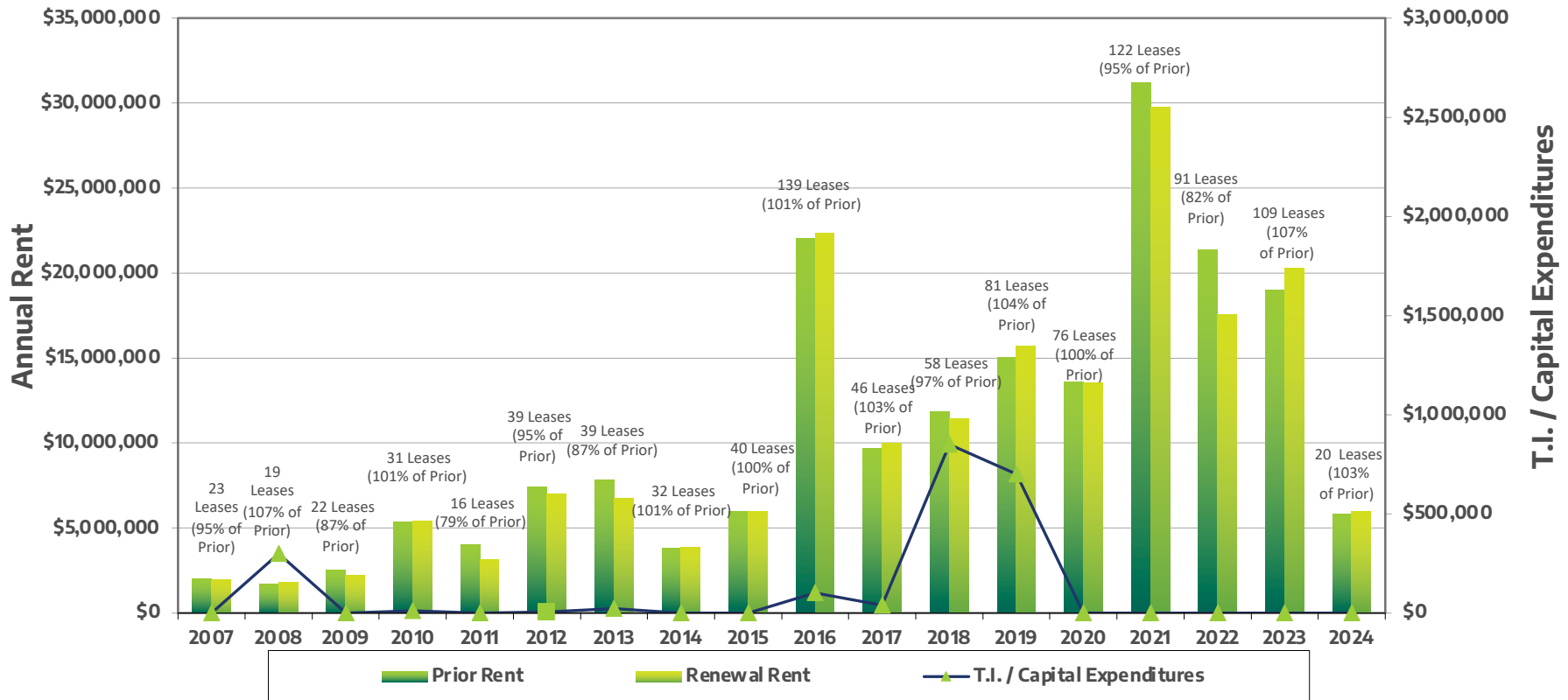
## Per Share Accretion Equivalents For Varying Acquisition Volume and Cap Rates (Leverage Neutral)



# Historical Lease Renewals



## Lease Expirations within 18 Months as of March 31, 2024



- ◆ 2007 through 2023:
  - ◆ 83% of leases renewed – 983 leases out of 1,180 (230 tenants)
  - ◆ 67% above prior rent, 25% below prior rent and 8% at prior rent
  - ◆ 97% (\$179.1 million) of prior rent (\$184.7 million) – excluding 61 outliers, 102% of prior rent
  - ◆ \$2.0 million of T.I./capital expenditures – not inclined to “buy” higher rent



# Top 20 Lines of Trade



As of March 31, 2024

Line of Trade	% Base Rent <sup>(1)</sup>	# of Properties	# of Tenants	# of States
1. Automotive service	16.3%	638	35	35
2. Convenience stores	16.2%	660	31	31
3. Restaurants – full service	8.6%	413	74	38
4. Restaurants – limited service	8.5%	615	56	37
5. Family entertainment centers	6.7%	96	7	25
6. RV dealers, parts and accessories	4.6%	62	6	24
7. Health and fitness	4.4%	33	4	18
8. Theaters	4.1%	33	5	16
9. Equipment rental	2.9%	98	3	25
10. Wholesale clubs	2.5%	13	1	6
11. Automotive parts	2.4%	143	5	33
12. Drug stores	2.3%	64	4	20
13. Home improvement	2.2%	49	9	20
14. Furniture	2.0%	75	11	21
15. Medical service providers	1.8%	82	27	22
16. General merchandise	1.4%	72	13	19
17. Consumer electronics	1.3%	17	2	14
18. Home furnishings	1.3%	13	3	10
19. Travel plazas	1.3%	24	4	5
20. Pet supplies and services	1.1%	53	12	28
Other	8.1%	293	94	39
<b>Total</b>	<b>100.0%</b>	<b>3,546</b>		

<sup>(1)</sup> Based on the annual base rent of \$831,010,000, which is the annualized base rent for all leases in place as of March 31, 2024

# Top 20 Tenants



As of March 31, 2024

	Tenant	# of Properties	% of Base Rent <sup>(1)</sup>
1.	7-Eleven	138	4.4%
2.	Mister Car Wash	121	4.1%
3.	Camping World	47	3.8%
4.	Dave & Buster's	32	3.5%
5.	LA Fitness	28	3.0%
6.	GPM Investments (Convenience Stores)	150	2.9%
7.	Flynn Restaurant Group (Taco Bell/Arby's)	204	2.7%
8.	AMC Theatres	20	2.7%
9.	BJ's Wholesale Club	13	2.5%
10.	Mavis Tire Express Services	140	2.2%
11.	Couche-Tard (Pantry)	92	2.2%
12.	Sunoco	61	2.0%
13.	Walgreens	49	1.9%
14.	Chuck E. Cheese	53	1.8%
15.	United Rentals	49	1.6%
16.	Frisch's Restaurants	68	1.6%
17.	Fikes (Convenience Stores)	58	1.5%
18.	Life Time Fitness	3	1.3%
19.	Bob Evans	106	1.3%
20.	Best Buy	16	1.3%

<sup>(1)</sup> Based on the annual base rent of \$831,010,000, which is the annualized base rent for all leases in place as of March 31, 2024

# NNN Acquisitions Approach has Multiple Advantages



- ◆ Acquiring properties directly from tenants produces more efficient pricing and higher initial returns
- ◆ NNN assess discrete risks vs.
  - ◆ More risks/unknowns in value-add, development, or
  - ◆ Typical lower yielding real estate investment
- ◆ Each deal is structured based on its unique characteristics:
  - ◆ Real estate attributes
  - ◆ Tenant corporate credit analysis
  - ◆ Asset (store) level data

# NNN Approach to Net Lease Acquisitions

## Due Diligence and Determination of Proceeds & Terms

- ◆ The chart to the right summarizes our areas of focus, which: a) determine our interest in a transaction, and b) drive our specific negotiation of the terms, rates, and proceeds of each deal
- ◆ This sale-leaseback approach to acquisitions produces multiple advantages for NNN versus many of our REIT peers, and particularly our shopping center / mall REIT competitors
- ◆ Our ability to assess these discrete risks in a single-tenant, sale-leaseback transaction has allowed us to execute transactions with very efficient pricing, higher initial returns and more stable cash flows versus the higher and greater unknowns associated with: a) value-add investing, b) new construction / development transactions, and / or, c) lower-yielding, core retail investment strategies



# NNN's Disposition Approach



## NNN's proven disposition strategy strengthens portfolio quality and long-term earnings by reinvesting at higher return rates

- ◆ Since 2005, sold 842 properties generating net proceeds over \$2.3 billion
- ◆ Disposition expertise provides ability to sell properties:
  - ◆ That do not meet hold criteria
  - ◆ To better control tenant and line of trade concentrations
  - ◆ Making NNN a more attractive buyer
  - ◆ Enhances acquisitions returns via higher effective cap rate on retained properties
- ◆ Keeps NNN apprised of market valuation and concept demands trends

# 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





800-NNN-REIT  
[www.nnnreit.com](http://www.nnnreit.com)

