



Figure 65: SRC 3Q16 results preview

SRC	3Q15		2Q16		3Q16			2016			
	Actual	Actual	Actual	DBe	Cons	Pre 3Q Guide	Post 3Q Guide	DBe	Cons		
Earnings											
AFFO/sh	\$0.22	\$0.22		\$0.22	\$0.22	\$0.87 - \$0.89		\$0.89	\$0.88		
Operating Metrics											
Occupancy	96.5%	96.3%		94.6%				94.6%			
q/q ch	-20bp	-40bp		30bp				4bp			
y/y ch	50bp	-40bp		148bp				146bp			
Unit level rent coverage	2.9x	3.0x									
Acquisitions	159,761	165,000		474,600				815,182			
Avg cap rate on acquisitions	7.4%	7.6%		7.4%				7.5%			
Dispositions	81,950	138,166		64,000				383,441			

Note: consensus estimates are based on SNL compiled data as of 10/14/16

- Update on the deal pipeline and cap rate trends
- Update on Haggen; remaining store sales (3 sold and 4 in the market as of 2Q) with SRC previously confident that overall they would recapture at least \$40M in excess of initial Haggen investment; Update on the unsecured damages claim vs Haggen (\$21M claim which they expected to recover at a minimum of \$15M thereof).
- Update on Dallas on support staff hiring.
- Update on tenant watch list, with a focus on restaurant commentary
- Plans for the remaining 2017 CMBS maturities following a \$300MM private placement of 10-year 4.45% notes in August
- SRC typically initiates FFO guidance for the following fiscal year in 3Q. For AFFO, DB is at \$0.93 and consensus is at \$0.92

Source: Deutsche Bank, company data, Thomson