



## STORE Capital Announces Fourth Quarter and Full Year 2018 Operating Results

*Affirms 2019 Guidance*

SCOTTSDALE, Ariz., February 21, 2019 – STORE Capital Corporation (NYSE: STOR, “STORE Capital” or the “Company”), an internally managed net-lease real estate investment trust (REIT) that invests in Single Tenant Operational Real Estate, today announced operating results for the fourth quarter and full year ended December 31, 2018.

### Highlights

#### For the quarter ended December 31, 2018:

- Total revenues of \$146.7 million
- Net income of \$56.6 million, or \$0.26 per basic and diluted share, including an aggregate net gain of \$14.7 million on dispositions of real estate
- AFFO of \$103.4 million, or \$0.48 per basic and diluted share
- Declared a regular quarterly cash dividend per common share of \$0.33
- Invested \$460.0 million in 75 properties at a weighted average initial cap rate of 8.0%
- Raised net proceeds of \$268.1 million from the sale of an aggregate of 9.2 million common shares under the Company’s at-the-market equity program
- Issued \$592.0 million of long-term fixed-rate notes, which included the inaugural issuance of \$378 million of AAA rated notes, under STORE’s Master Funding debt program in October 2018

#### For the year ended December 31, 2018:

- Total revenues of \$540.8 million
- Net income of \$217.0 million, or \$1.06 per basic and diluted share, including an aggregate net gain of \$45.5 million on dispositions of real estate
- AFFO of \$377.9 million, or \$1.85 per basic share and \$1.84 per diluted share
- Declared regular cash dividends per common share aggregating \$1.28 which included a 6.5% increase in the third quarter
- Invested \$1.63 billion in 418 properties at a weighted average initial cap rate of 7.9%
- Raised net proceeds of \$741.7 million from the sale of an aggregate of 27.1 million common shares under the Company’s at-the-market equity program
- Expanded the unsecured revolving credit facility to \$600 million and the accordion feature to \$800 million, raising maximum borrowing capacity to \$1.4 billion in February 2018
- Closed inaugural public debt offering, issuing \$350 million in aggregate principal amount of investment-grade senior unsecured notes in March 2018

## Management Commentary

“STORE posted new records in all key performance metrics in 2018, including real estate investment activity, AFFO and AFFO per share. We also delivered our fourth consecutive year of double-digit returns to our stockholders, in part due to our fourth dividend increase in as many years,” said Christopher Volk, Chief Executive Officer of STORE Capital. “During the year, we acquired 418 properties for a total of \$1.63 billion at sector leading average investment yields of 7.9%, further diversifying our tenant base to 434 customers across the United States. From a capital markets perspective, we strengthened our financing flexibility and reduced our cost of capital with the successful completion of our inaugural public unsecured note offering, together with the first-ever AAA rated real estate master funding issuance. In 2019, we look forward to building on these accomplishments to achieve another year of record financial performance that contributes to continued success for all of our stakeholders.”

## Financial Results

### *Total Revenues*

Total revenues were \$146.7 million for the fourth quarter of 2018, an increase of 22.1% from \$120.1 million for the fourth quarter of 2017.

Total revenues for 2018 were \$540.8 million, an increase of 19.4% from \$452.8 million for 2017. The increase was driven primarily by the growth in the size of STORE Capital’s real estate investment portfolio, which grew from \$6.2 billion in gross investment amount representing 1,921 property locations and 397 customers at December 31, 2017 to \$7.6 billion in gross investment amount representing 2,255 property locations and 434 customers at December 31, 2018.

### *Net Income*

Net income was \$56.6 million, or \$0.26 per basic and diluted share, for the fourth quarter of 2018, an increase from \$41.0 million, or \$0.21 per basic and diluted share, for the fourth quarter of 2017. Net income for the fourth quarter of 2018 includes an aggregate net gain on dispositions of real estate of \$14.7 million as compared to \$3.8 million for the same period in 2017.

Net income includes such items as gain or loss on dispositions of real estate and provisions for impairment, which can vary from quarter to quarter and impact net income and period-to-period comparisons.

Net income for the year ended December 31, 2018 was \$217.0 million, or \$1.06 per basic and diluted share, an increase of 33.9% from \$162.0 million, or \$0.90 per basic and diluted share, for 2017. Net income for 2018 includes an aggregate net gain on dispositions of real estate of \$45.5 million as compared to \$39.6 million for 2017. Net income for 2018 included \$9.9 million of non-cash charges consisting of a \$2.1 million charge to interest expense for the accelerated amortization of deferred financing costs primarily related to the \$233.3 million prepayment of STORE Master Funding notes in the fourth quarter and an aggregate \$7.8 million of provisions for impairment. Net income for 2017 included \$20.0 million of non-cash charges consisting of a \$4.6 million charge to revenue related to the accelerated amortization of lease incentives, a \$2.0 million charge to interest expense related to the accelerated amortization of deferred financing costs associated with STORE Master Funding prepayments in 2017 and an aggregate \$13.4 million of provisions for impairment.

### ***Adjusted Funds from Operations (AFFO)***

AFFO increased 25.8% to \$103.4 million, or \$0.48 per basic and diluted share, for the fourth quarter of 2018, compared to AFFO of \$82.2 million, or \$0.43 per basic and diluted share, for the fourth quarter of 2017.

AFFO for 2018 was \$377.9 million, or \$1.85 per basic share and \$1.84 per diluted share, an increase of 23.5% from \$306.1 million, or \$1.71 per basic and diluted share, for 2017. The year-over-year increase in AFFO was primarily driven by additional rental revenues and interest income generated by the growth in the Company's real estate investment portfolio.

### ***Dividend Information***

As previously announced, STORE Capital declared a regular quarterly cash dividend per common share of \$0.33 for the fourth quarter of 2018. This dividend, totaling \$73.0 million, was paid on January 15, 2019 to stockholders of record on December 31, 2018. For the year ended December 31, 2018, the Company declared regular cash dividends per common share aggregating \$1.28 which included a 6.5% increase in the third quarter.

### **Real Estate Portfolio Highlights**

#### ***Investment Activity***

The Company originated \$460.0 million of gross investments representing 75 property locations during the fourth quarter of 2018, adding 13 net new customers. These investments had a weighted average initial cap rate of 8.0%. Total investment activity for the year was \$1.63 billion representing 418 property locations with a weighted average initial cap rate of 7.9%. The Company defines "initial cap rate" for property acquisitions as the initial annual cash rent divided by the purchase price of the property. STORE's leases customarily have lease escalations, most of which are tied to the consumer price index and subject to a cap. For acquisitions made in 2018, the weighted average annual lease escalation was 1.8%.

#### ***Disposition Activity***

During the year ended December 31, 2018, the Company sold 80 properties and recognized an aggregate net gain of \$45.5 million on the dispositions; 25 of these 80 properties were sold in the fourth quarter for an aggregate net gain of \$14.7 million. For the year ended December 31, 2018, proceeds from the dispositions of real estate aggregated \$251.4 million as compared to an aggregate original investment amount of \$227.8 million for the properties sold.

#### ***Portfolio***

At December 31, 2018, STORE Capital's real estate portfolio totaled \$7.6 billion representing 2,255 property locations. Approximately 95% of the portfolio represents commercial real estate properties subject to long-term leases, 5% represents mortgage loans and direct financing receivables primarily on commercial real estate buildings (located on land the Company owns and leases to its customers) and a nominal amount represents loans receivable secured by the tenants' other assets. As of December 31, 2018, the portfolio's annualized base rent and interest (based on rates in effect on December 31, 2018 for all lease and loan contracts) totaled \$614.5 million as compared to \$501.0 million a year ago. The weighted average non-cancelable remaining term of the leases at December 31, 2018 was approximately 14 years.

The Company's portfolio of real estate investments is highly diversified across customers, brand names or business concepts, industries and geography. The following table presents a summary of the portfolio.

**Portfolio At A Glance - As of December 31, 2018**

Investment property locations	2,255
States	49
Customers	434
Industries in which customers operate	106
Proportion of portfolio from direct origination	~80%
Contracts with STORE-preferred terms <sup>(1)</sup>	94%
Weighted average annual lease escalation <sup>(2)</sup>	1.8%
Weighted average remaining lease contract term	~14 years
Occupancy <sup>(3)</sup>	99.6%
Properties not operating but subject to a lease <sup>(4)</sup>	23
Investment locations subject to a ground lease	21
Investment portfolio subject to NNN leases*	98%
Investment portfolio subject to Master Leases <sup>(5)</sup>	91%
Average investment amount/replacement cost (new) <sup>(6)</sup>	81%
Locations subject to unit-level financial reporting	98%
Median unit fixed charge coverage ratio (FCCR)/4-Wall coverage ratio <sup>(7)</sup>	2.1x/2.5x
Contracts rated investment grade <sup>(8)</sup>	~75%

\* Based on annualized base rent and interest.

- <sup>(1)</sup> Represents the percentage of our lease contracts that were created by STORE or contain preferred contract terms such as unit-level financial reporting, triple-net lease provisions and, when applicable, master lease provisions.
- <sup>(2)</sup> Represents the weighted average annual escalation rate of the entire portfolio as if all escalations occurred annually. For escalations based on a formula including CPI, assumes the stated fixed percentage in the contract or assumes 1.5% if no fixed percentage is in the contract. For contracts with no escalations remaining in the current lease term, assumes the escalation in the extension term. Calculation excludes contracts representing less than 0.2% of annualized base rent and interest where there are no further escalations remaining in the current lease term and there are no extension options.
- <sup>(3)</sup> The Company defines occupancy as a property being subject to a lease or loan contract. As of December 31, 2018, eight of the Company's properties were vacant and not subject to a contract.
- <sup>(4)</sup> Represents the number of the Company's investment locations that have been closed by the tenant but remain subject to a lease.
- <sup>(5)</sup> Percentage of investment portfolio in multiple properties with a single customer subject to master leases. Approximately 84% of the investment portfolio involves multiple properties with a single customer, whether or not subject to a master lease.
- <sup>(6)</sup> Represents the ratio of purchase price to replacement cost (new) at acquisition.
- <sup>(7)</sup> STORE Capital calculates a unit's FCCR generally as the ratio of (i) the unit's EBITDAR, less a standardized corporate overhead expense based on estimated industry standards, to (ii) the unit's total fixed charges, which are its lease expense, interest expense and scheduled principal payments on indebtedness. The 4-Wall coverage ratio refers to a unit's FCCR before taking into account standardized corporate overhead expense. The weighted average unit FCCR and 4-Wall coverage ratios were 2.6x and 3.2x, respectively.
- <sup>(8)</sup> Represents the percentage of the Company's contracts that have a STORE Score that is investment grade. The Company measures the credit quality of its portfolio on a contract-by-contract basis using the STORE Score, which is a proprietary risk measure reflective of both the credit risk of the Company's tenants and the profitability of the operations at the properties. As of December 31, 2018, STORE Capital's tenants had a median tenant credit profile of approximately 'Ba2' as measured by Moody's Analytics RiskCalc rating scale. Considering the profitability of the operations at each of its properties and STORE's assessment of the likelihood that each of the tenants will choose to continue to operate at the properties in the event of their insolvency, the credit quality of its contracts, or STORE Score, is enhanced to a median of 'Baa2'.

## Capital Transactions

The Company established a \$750 million “at the market” equity distribution program, or ATM Program, in November 2018, and terminated its previous program. During the fourth quarter of 2018, the Company sold an aggregate of approximately 9.2 million common shares at a weighted average share price of \$29.57 and raised approximately \$268.1 million in net proceeds after the payment of sales agents’ commissions and offering expenses. For the year ended December 31, 2018, the Company sold approximately 27.1 million common shares at a weighted average share price of \$27.79 and raised approximately \$741.7 million in net proceeds after the payment of sales agents’ commissions and offering expenses.

In October 2018, certain of the Company’s consolidated special purpose entities issued the eighth series, Series 2018-1, of net-lease mortgage notes under the Company’s STORE Master Funding debt program, separated into four tranches as summarized below.

<b>Class</b>	<b>Rating</b>	<b>Amount (in millions)</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>
Class A-1	AAA	\$ 150.0	3.96 %	Oct. 2024
Class A-2	AAA	228.0	4.29 %	Oct. 2027
Class A-3	A+	50.0	4.40 %	Oct. 2024
Class A-4	A+	164.0	4.74 %	Oct. 2027
Total		<u>\$ 592.0</u>		

The Series 2018-1 transaction marked the Company’s inaugural issuance of AAA rated notes. The net proceeds from the issuance were primarily used to pay down outstanding balances on the Company’s credit facility and to prepay, without penalty, the STORE Master Funding Series 2013-1 Class A-1 notes and the Series 2013-2 Class A-1 notes; these notes had an aggregate outstanding principal balance of \$233.3 million at the time of prepayment, were scheduled to mature in 2020 and bore interest rates of 4.16% and 4.37%, respectively.

In March 2018, the Company completed its first public debt offering, issuing \$350 million in aggregate principal amount of its unsecured, investment-grade rated 4.50% Senior Notes, due March 2028. The net proceeds from the issuance were primarily used to pay down amounts outstanding under the Company’s credit facility.

In February 2018, the Company expanded its unsecured revolving credit facility from \$500 million to \$600 million and the accordion feature from \$300 million to \$800 million for a total maximum borrowing capacity of \$1.4 billion. The amended credit facility matures in February 2022 and includes two six-month extension options, subject to certain conditions.

## 2019 Guidance

Affirming its 2019 guidance initially presented in November 2018, the Company currently expects 2019 AFFO per share to be within a range of \$1.90 to \$1.96, based on projected 2019 annual real estate acquisition volume, net of projected property sales, of approximately \$1.1 billion. This AFFO per share guidance equates to anticipated net income, excluding gains or losses on sales of property, of \$0.88 to \$0.91 per share, plus \$0.96 to \$0.98 per share of expected real estate depreciation and amortization, plus approximately \$0.06 to \$0.07 per share related to noncash items. The midpoint of our AFFO per share guidance is based on a weighted average initial cap rate on new acquisitions of 7.85% and target leverage in the range of 5½ to 6 times run-rate net debt to EBITDA. AFFO per share is sensitive to the timing and amount of real estate

acquisitions, property dispositions and capital markets activities during the year, as well as to the spread achieved between the lease rates on new acquisitions and the interest rates on borrowings used to finance those acquisitions.

### **Conference Call and Webcast**

A conference call and audio webcast with analysts and investors will be held later today at 12:00 p.m. Eastern Time / 10:00 a.m. Scottsdale, Arizona Time, to discuss fourth quarter and full year ended December 31, 2018 operating results and answer questions.

- Live conference call: 855-656-0920 (domestic) or 412-542-4168 (international)
- Conference call replay available through March 7, 2019: 877-344-7529 (domestic) or 412-317-0088 (international)
- Replay access code: 10128322
- Live and archived webcast: <http://ir.storecapital.com/webcasts>

### **About STORE Capital**

STORE Capital Corporation is an internally managed net-lease real estate investment trust, or REIT, that is the leader in the acquisition, investment and management of Single Tenant Operational Real Estate, which is its target market and the inspiration for its name. STORE Capital is one of the largest and fastest growing net-lease REITs and owns a large, well-diversified portfolio that consists of investments in 2,255 property locations, substantially all of which are profit centers, in 49 states. Additional information about STORE Capital can be found on its website at [www.storecapital.com](http://www.storecapital.com).

### **Forward-Looking Statements**

Certain statements contained in this press release that are not historical facts contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to the “safe harbor” created by those sections. Forward-looking statements can be identified by the use of words such as “estimate,” “anticipate,” “expect,” “believe,” “intend,” “may,” “will,” “should,” “seek,” “approximate” or “plan,” or the negative of these words and phrases or similar words or phrases. Forward-looking statements, by their nature, involve estimates, projections, goals, forecasts and assumptions and are subject to risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. For more information on risk factors for STORE Capital’s business, please refer to the periodic reports the Company files with the Securities and Exchange Commission from time to time. These forward-looking statements herein speak only as of the date of this press release and should not be relied upon as predictions of future events. STORE Capital expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein, to reflect any change in STORE Capital’s expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based, except as required by law.

## **Non-GAAP Financial Measures**

### **FFO and AFFO**

STORE Capital's reported results are presented in accordance with U.S. generally accepted accounting principles, or GAAP. The Company also discloses Funds from Operations, or FFO, and Adjusted Funds from Operations, or AFFO, both of which are non-GAAP measures. Management believes these two non-GAAP financial measures are useful to investors because they are widely accepted industry measures used by analysts and investors to compare the operating performance of REITs. FFO and AFFO do not represent cash generated from operating activities and are not necessarily indicative of cash available to fund cash requirements; accordingly, they should not be considered alternatives to net income as a performance measure or to cash flows from operations as reported on a statement of cash flows as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures.

The Company computes FFO in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT. NAREIT defines FFO as GAAP net income, excluding gains (or losses) from extraordinary items and sales of depreciable property, real estate impairment losses, and depreciation and amortization expense from real estate assets, including the pro rata share of such adjustments of unconsolidated subsidiaries.

To derive AFFO, the Company modifies the NAREIT computation of FFO to include other adjustments to GAAP net income related to certain non-cash revenues and expenses that have no impact on the Company's long-term operating performance, such as straight-line rents, amortization of deferred financing costs and stock-based compensation. In addition, in deriving AFFO, the Company excludes certain other costs not related to its ongoing operations, such as the amortization of lease-related intangibles.

FFO is used by management, investors and analysts to facilitate meaningful comparisons of operating performance between periods and among the Company's peers primarily because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. Management believes that AFFO provides more useful information to investors and analysts because it modifies FFO to exclude certain additional non-cash revenues and expenses such as straight-line rents, including construction period rent deferrals, and the amortization of deferred financing costs, stock-based compensation and lease-related intangibles as such items may cause short-term fluctuations in net income but have no impact on long-term operating performance. The Company believes that these costs are not an ongoing cost of the portfolio in place at the end of each reporting period and, for these reasons, the portion expensed is added back when computing AFFO. As a result, the Company believes AFFO to be a more meaningful measurement of ongoing performance that allows for greater performance comparability. Therefore, the Company discloses both FFO and AFFO and reconciles them to the most appropriate GAAP performance metric, which is net income. STORE Capital's FFO and AFFO may not be comparable to similarly titled measures employed by other companies.

### **Investor and Media Contacts:**

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**STORE Capital Corporation**  
**Condensed Consolidated Statements of Income**  
**(In thousands, except share and per share data)**

	<b>Three months ended</b>		<b>Year ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	(unaudited)		(unaudited)	(audited)
Revenues:				
Rental revenues	\$ 139,211	\$ 113,850	\$ 513,302	\$ 427,943
Interest income on loans and direct financing receivables	7,074	5,836	25,741	22,565
Other income	419	438	1,713	2,339
Total revenues	<u>146,704</u>	<u>120,124</u>	<u>540,756</u>	<u>452,847</u>
Expenses:				
Interest	35,964	28,540	129,061	120,478
Property costs	1,413	1,501	4,250	4,773
General and administrative	12,513	11,203	45,725	40,990
Depreciation and amortization	49,519	40,079	181,826	150,279
Provisions for impairment	5,202	1,500	7,810	13,440
Total expenses	<u>104,611</u>	<u>82,823</u>	<u>368,672</u>	<u>329,960</u>
Gain on dispositions of real estate	14,676	3,826	45,528	39,609
Income from operations before income taxes	56,769	41,127	217,612	162,496
Income tax expense	185	119	642	458
Net income	<u>\$ 56,584</u>	<u>\$ 41,008</u>	<u>\$ 216,970</u>	<u>\$ 162,038</u>
Net income per share of common stock - basic and diluted:	<u>\$ 0.26</u>	<u>\$ 0.21</u>	<u>\$ 1.06</u>	<u>\$ 0.90</u>
Weighted average common shares outstanding: Basic	<u>215,660,467</u>	<u>190,765,946</u>	<u>204,322,298</u>	<u>178,586,266</u>
Diluted	<u>216,477,667</u>	<u>191,302,717</u>	<u>204,933,292</u>	<u>178,656,676</u>
Dividends declared per common share	<u>\$ 0.33</u>	<u>\$ 0.31</u>	<u>\$ 1.28</u>	<u>\$ 1.20</u>



**STORE Capital Corporation**  
**Condensed Consolidated Balance Sheets**  
**(In thousands, except share and per share data)**

	<b>December 31,</b>	
	<b>2018</b>	<b>2017</b>
	(unaudited)	(audited)
<b>Assets</b>		
Investments:		
Real estate investments:		
Land and improvements	\$ 2,280,280	\$ 1,898,342
Buildings and improvements	4,888,440	3,958,003
Intangible lease assets	85,148	87,402
Total real estate investments	7,253,868	5,943,747
Less accumulated depreciation and amortization	(585,913)	(426,931)
	6,667,955	5,516,816
Real estate investments held for sale, net	–	16,741
Loans and direct financing receivables	351,202	271,453
Net investments	7,019,157	5,805,010
Cash and cash equivalents	27,511	42,937
Other assets, net	67,303	51,830
Total assets	\$ 7,113,971	\$ 5,899,777
<b>Liabilities and stockholders' equity</b>		
Liabilities:		
Credit facility	\$ 135,000	\$ 290,000
Unsecured notes and term loans payable, net	916,720	570,595
Non-recourse debt obligations of consolidated special purpose entities, net	2,008,592	1,736,306
Dividends payable	72,954	60,068
Accrued expenses, deferred revenue and other liabilities	117,204	71,866
Total liabilities	3,250,470	2,728,835
Stockholders' equity:		
Common stock, \$0.01 par value per share, 375,000,000 shares authorized, 221,071,838 and 193,766,854 shares issued and outstanding, respectively	2,211	1,938
Capital in excess of par value	4,129,082	3,381,090
Distributions in excess of retained earnings	(267,651)	(214,845)
Accumulated other comprehensive (loss) income	(141)	2,759
Total stockholders' equity	3,863,501	3,170,942
Total liabilities and stockholders' equity	\$ 7,113,971	\$ 5,899,777

**STORE Capital Corporation**  
**Reconciliations of Non-GAAP Financial Measures**  
**(In thousands, except per share data)**

**Funds from Operations and Adjusted Funds from Operations**

	<b>Three months ended December 31,</b>		<b>Year ended December 31,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	(unaudited)		(unaudited)	
<b>Net income</b>	<b>\$ 56,584</b>	<b>\$ 41,008</b>	<b>\$ 216,970</b>	<b>\$ 162,038</b>
Depreciation and amortization of real estate assets	49,295	39,858	180,851	149,556
Provision for impairment of real estate	5,202	–	5,202	11,940
Gain on dispositions of real estate, net of tax <sup>(1)</sup>	(14,666)	(3,826)	(45,398)	(39,604)
<b>Funds from Operations</b>	<b>96,415</b>	<b>77,040</b>	<b>357,625</b>	<b>283,930</b>
Adjustments:				
Straight-line rental revenue, net:				
Fixed rent escalations accrued	(1,296)	(1,361)	(6,121)	(6,414)
Construction period rent deferrals	2,116	965	6,622	3,056
Amortization of:				
Equity-based compensation	2,659	2,051	8,608	7,931
Deferred financing costs and other <sup>(2)</sup>	3,578	1,851	9,549	9,978
Lease-related intangibles and costs <sup>(3)</sup>	601	573	2,433	7,043
Provision for loan losses	–	1,500	2,608	1,500
Capitalized interest	(681)	(415)	(2,641)	(1,243)
Gain on extinguishment of debt	–	–	(814)	–
Accrued severance costs	–	–	–	296
<b>Adjusted Funds from Operations</b>	<b>\$ 103,392</b>	<b>\$ 82,204</b>	<b>\$ 377,869</b>	<b>\$ 306,077</b>
Dividends declared to common stockholders	\$ 72,954	\$ 60,068	\$ 267,873	\$ 223,776
<b>Net income per share of common stock:</b> <sup>(4)</sup>				
Basic and Diluted	\$ 0.26	\$ 0.21	\$ 1.06	\$ 0.90
<b>FFO per share of common stock:</b> <sup>(4)</sup>				
Basic	\$ 0.45	\$ 0.40	\$ 1.75	\$ 1.59
Diluted	\$ 0.44	\$ 0.40	\$ 1.74	\$ 1.59
<b>AFFO per share of common stock:</b> <sup>(4)</sup>				
Basic	\$ 0.48	\$ 0.43	\$ 1.85	\$ 1.71
Diluted	\$ 0.48	\$ 0.43	\$ 1.84	\$ 1.71

<sup>(1)</sup> For the three months ended December 31, 2018, includes \$10,000 and for the years ended December 31, 2018 and 2017, includes \$130,000 and \$5,000, respectively, of income tax expense associated with gains recognized on the dispositions of certain properties.

<sup>(2)</sup> For the three months ended December 31, 2018, includes \$1.7 million and for the years ended December 31, 2018 and 2017, includes \$2.1 million and \$2.0 million, respectively, of accelerated amortization of deferred financing costs primarily related to the prepayment of debt.

<sup>(3)</sup> For the year ended December 31, 2017, includes a \$4.6 million charge related to accelerated amortization of lease incentives associated with terminated lease contracts.

<sup>(4)</sup> Under the two-class method, earnings attributable to unvested restricted stock are deducted from earnings in the computation of per share amounts where applicable.

**STORE Capital Corporation**  
**Investment Portfolio**  
**December 31, 2018**

***Real Estate Portfolio Information***

As of December 31, 2018, STORE Capital's total investment in real estate and loans approximated \$7.6 billion, representing investments in 2,255 property locations, substantially all of which are profit centers for its customers. The Company's real estate portfolio is highly diversified. The following tables summarize the diversification of the real estate portfolio based on the percentage of base rent and interest, annualized based on rates in effect on December 31, 2018, for all leases, loans and direct financing receivables in place as of that date.

***Diversification by Customer***

STORE Capital has a diverse customer base. At December 31, 2018, the Company's property locations were operated by 434 customers. The largest single customer represented 2.7% of annualized base rent and interest and the top ten customers totaled 18.1% of annualized base rent and interest. The following table identifies STORE Capital's ten largest customers as of December 31, 2018:

<b>Customer</b>	<b>% of Annualized Base Rent and Interest</b>	<b>Number of Properties</b>
AVF Parent, LLC (Art Van Furniture)	2.7 %	23
Mills Fleet Farm Group LLC	2.4	8
Bass Pro Group, LLC (Cabela's)	2.2	9
American Multi-Cinema, Inc. (AMC/Carmike/Starplex)	1.7	14
Stratford School, Inc. (Elementary and middle schools)	1.6	17
Cadence Education, Inc. (Early childhood/elementary education)	1.6	32
Zips Holdings, LLC	1.6	42
US LBM Holdings, LLC (Building materials distribution)	1.5	46
CWGS Group, LLC (Camping World/Gander Outdoors)	1.5	19
Dufresne Spencer Group Holdings, LLC (Ashley Furniture HomeStore)	1.3	16
All other (424 customers)	81.9	2,029
Total	100.0 %	2,255

**STORE Capital Corporation**  
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***Diversification by Concept***

STORE Capital's customers operate their businesses under a wide range of brand names or business concepts. Of the more than 600 concepts represented in the Company's investment portfolio as of December 31, 2018, the largest single concept represented 2.4% of annualized base rent and interest and the top ten concepts totaled 16.0% of annualized base rent and interest. The following table identifies the top ten customer business concepts as of December 31, 2018:

<u>Customer Business Concept</u>	<u>% of Annualized Base Rent and Interest</u>	<u>Number of Properties</u>
Fleet Farm	2.4 %	8
Ashley Furniture HomeStore	2.2	25
Cabela's	2.0	8
Art Van Furniture	1.9	16
Zips Car Wash	1.6	42
Big R Stores	1.5	24
Stratford School	1.2	4
AMC Theaters	1.1	10
Popeyes Louisiana Kitchen	1.1	63
Applebee's	1.0	35
All other (600 concepts)	84.0	2,020
Total	100.0 %	2,255

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***Diversification by Industry***

The business concepts of STORE Capital's customers are diversified across more than 100 industries within the service, retail and manufacturing sectors of the U.S. economy. The following table summarizes these industries, by sector, into 74 industry groups as of December 31, 2018:

<b>Customer Industry Group</b>	<b>% of Annualized Base Rent and Interest</b>	<b>Number of Properties</b>	<b>Building Square Footage (in thousands)</b>
<b>Service:</b>			
Restaurants – full service	11.2 %	403	2,719
Restaurants – limited service	5.8	395	1,040
Early childhood education	5.9	185	2,082
Health clubs	5.3	76	2,267
Movie theaters	4.8	38	1,879
Family entertainment	4.0	38	1,290
Automotive repair and maintenance	3.8	139	643
Pet care	3.5	157	1,539
Lumber and construction materials wholesalers	2.9	105	4,375
Medical and dental	2.2	59	618
Behavioral health	1.7	38	603
Career education	1.6	7	584
Elementary and secondary schools	1.4	6	278
Equipment sales and leasing	1.2	19	619
Metal and mineral merchant wholesalers	1.0	20	1,698
Wholesale automobile auction	1.0	6	224
All other service (19 industry groups)	7.5	149	6,008
Total service	64.8	1,840	28,466
<b>Retail:</b>			
Furniture	5.5	54	3,224
Farm and ranch supply	4.3	41	3,914
Hunting and fishing	2.2	9	758
Recreational vehicle dealers	1.6	21	954
Used car dealers	1.2	19	229
Home furnishings	0.7	5	691
New car dealers	0.7	8	236
All other retail (9 industry groups)	2.2	51	2,102
Total retail	18.4	208	12,108
<b>Manufacturing:</b>			
Metal fabrication	3.9	57	6,894
Plastic and rubber products	2.5	30	3,855
Furniture manufacturing	2.0	12	3,688
Electronics equipment	1.4	10	1,060
Aerospace product and parts	0.8	11	992
Chemical products	0.8	9	820
Automotive parts and accessories	0.8	12	1,533
All other manufacturing (16 industry groups)	4.6	66	5,849
Total manufacturing	16.8	207	24,691
<b>Total</b>	100.0 %	2,255	65,265

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***Diversification by Geography***

STORE Capital's portfolio is also highly diversified by geography, as the Company's property locations can be found in every state except Delaware. The following table details the top ten geographical locations of the properties as of December 31, 2018:

<b>State</b>	<b>% of Annualized Base Rent and Interest</b>	<b>Number of Properties</b>
Texas	11.6 %	232
Florida	6.2	137
Illinois	6.2	140
Ohio	5.5	134
Georgia	5.3	140
Michigan	4.4	79
California	4.3	40
Tennessee	4.2	100
Arizona	4.0	71
Minnesota	3.7	75
All other (39 states) <sup>(1)</sup>	44.6	1,107
Total	100.0 %	2,255

<sup>(1)</sup> Includes one property in Ontario, Canada which represents 0.3% of annualized base rent and interest.

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***Contracts and Expirations***

The Company focuses on long-term, triple-net leases with built-in lease escalators and uses master leases, where appropriate. As of December 31, 2018, 98% of the Company's investment portfolio was subject to triple-net leases. Where the Company owns multiple properties leased to a single customer, 91% of this portion of the investment portfolio was subject to master leases. Leases and loans representing approximately 16.1% of the annualized base rent and interest will expire in the next ten years (before 2029). The following table sets forth the schedule of lease, loan and direct financing receivable expirations as of December 31, 2018:

<u>Year of Lease Expiration or Loan Maturity</u> <sup>(1)</sup>	<u>% of Annualized Base Rent and Interest</u>	<u>Number of Properties</u> <sup>(2)</sup>
2019	0.8 %	18
2020	0.7	13
2021	0.6	7
2022	0.4	7
2023	1.0	26
2024	0.7	15
2025	1.5	23
2026	2.1	54
2027	3.5	64
2028	4.8	79
Thereafter	83.9	1,941
Total	100.0 %	2,247

<sup>(1)</sup> Expiration year of contracts in place as of December 31, 2018, excluding any tenant renewal option periods.

<sup>(2)</sup> Excludes eight properties which were vacant and not subject to a lease as of December 31, 2018.