Third Quarter 2024

FINANCIAL RESULTS

November 6, 2024



Safe Harbor Statement

Certain statements contained in this presentation, including statements relating to our plans and strategies, may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can generally be identified by Lineage's use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue," "seek," "objective," "goal," "strategy," "plan," "focus," "priority," "should," "could," "potential," "possible," "look forward," "optimistic," or other similar words. Such statements are subject to certain risks and uncertainties, including known and unknown risks, which could cause actual results to differ materially from those projected or anticipated, including, but not limited to: general business and economic conditions; continued volatility and uncertainty in the credit markets and broader financial markets, including potential fluctuations in the Consumer Price Index and changes in foreign currency exchange rates; other risks inherent in the real estate business, including customer defaults, potential liability relating to environmental matters, illiquidity of real estate investments and potential damages from natural disasters; the availability of suitable acquisitions and our ability to acquire properties or businesses on favorable terms; our success in implementing our business strategy and our ability to identify, underwrite, finance, consummate, integrate and manage diversifying acquisitions or investments; our ability to meet budgeted or stabilized returns on our development and expansion projects within expected time frames, or at all; our ability to manage our expanded operations, including expansion into new markets or business lines; our failure to realize the intended benefits from, or disruptions to our plans and operations or unknown or contingent liabilities related to, our recent and future acquisitions; our failure to successfully integrate and operate acquired or developed properties or businesses; our ability to renew significant customer contracts; the impact of supply chain disruptions, including the impact on labor availability, raw material availability, manufacturing and food production and transportation; difficulties managing an international business and acquiring or operating properties in foreign jurisdictions and unfamiliar metropolitan areas; changes in political conditions, geopolitical turmoil, political instability, civil disturbances, restrictive governmental actions or nationalization in the countries in which we operate; the degree and nature of our competition; our failure to generate sufficient cash flows to service our outstanding indebtedness; our ability to access debt and equity capital markets; continued increases and volatility in interest rates; increased power, labor or construction costs; changes in consumer demand or preferences for products we store in our warehouses; decreased storage rates or increased vacancy rates; labor shortages or our inability to attract and retain talent; changes in, or the failure or inability to comply with, government regulation; a failure of our information technology systems, systems conversions and integrations, cybersecurity attacks or a breach of our information security systems, networks or processes; our failure to maintain our status as a REIT for U.S. federal income tax purposes; changes in local, state, federal and international laws and regulations, including related to taxation, real estate and zoning laws, and increases in real property tax rates; the impact of any financial, accounting, legal or regulatory issues or litigation that may affect us; and other risks discussed in the Company's filings with the SEC, including our prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act of 1933, as amended. Therefore, such statements are not intended to be a guarantee of Lineage's performance in future periods. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Except as required by law, Lineage does not undertake any obligation to update or revise any forward-looking statements contained in this presentation.

Agenda

- Introduction to Lineage
- Q3 Highlights
- Capital Deployment
- Financial Results
- Business Segment Details
- Capital Structure
- 2024 Outlook
- Q&A



Lineage

Key Investment Highlights

Cold storage is the **critical infrastructure** of the food supply chain

Global leader in a fragmented industry with **powerful network benefits**

High-quality assets in **attractive locations**

Diversified across commodities, customers and geographies

Compounding growth supported by **operational excellence and enhanced by technology**

Significant external growth opportunities to deploy capital **at attractive returns**

Lineage at a Glance[1]

~3.0B
Cubic Feet

480+
Warehouses

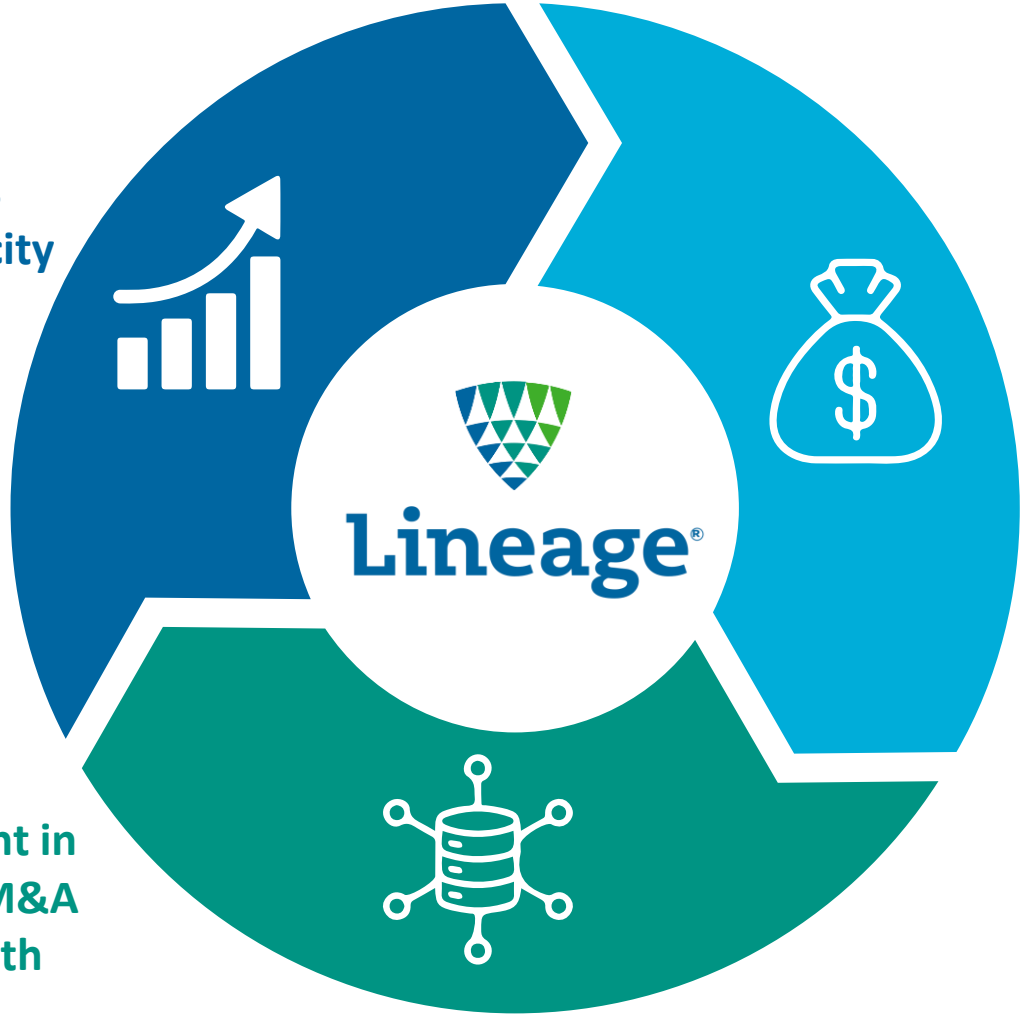
19
Countries

$1.3B
LTM Adj. EBITDA

1. As of September 30, 2024.

Lineage's Robust Flywheel of Growth

Increasing NOI and Same Warehouse Growth Yields Additional Investment Capacity

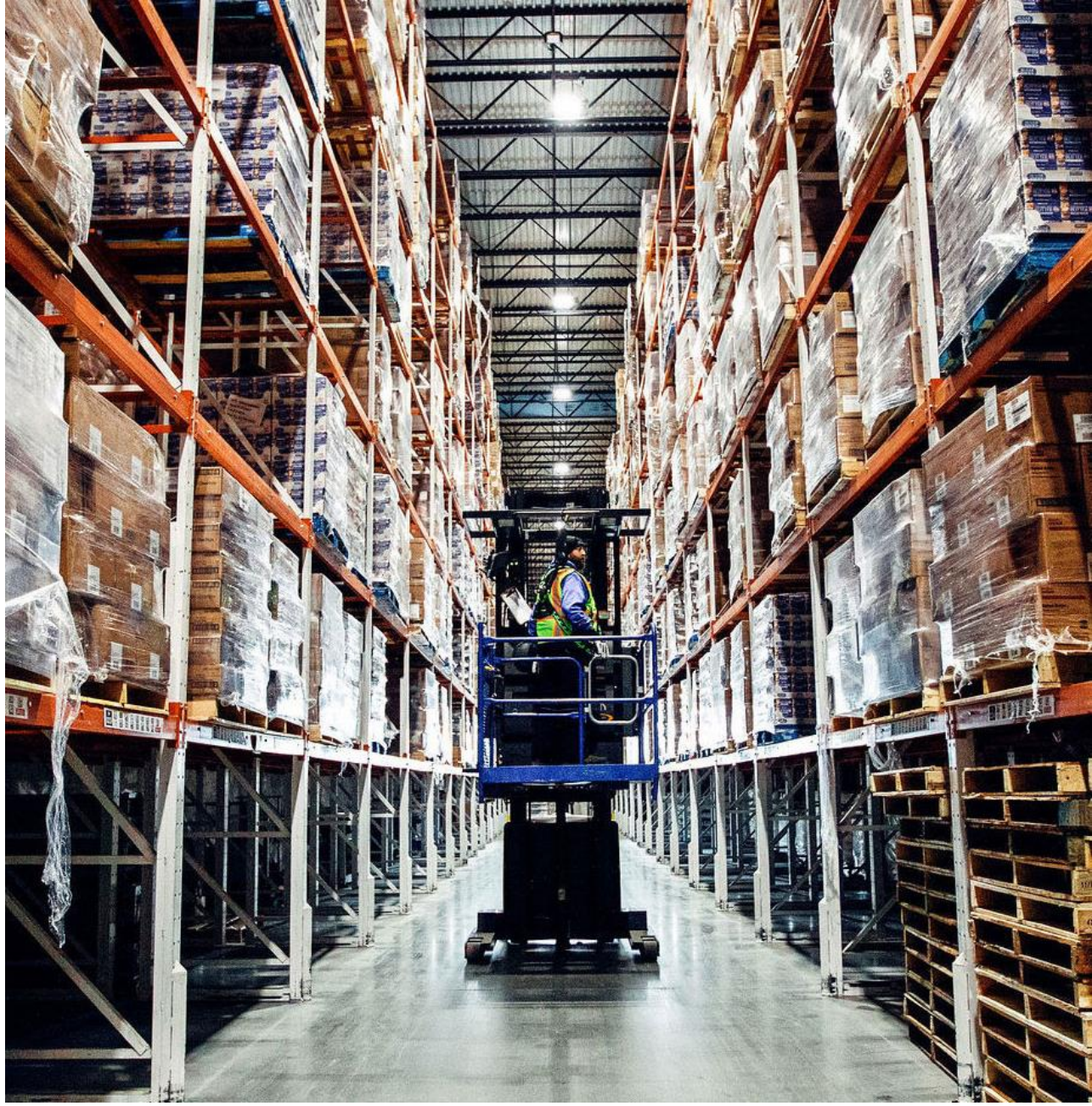


Strong Cash Flow and Tax-Efficient REIT Structure Creates Efficient Cost of Capital

Accretive Capital Deployment in Development Projects and M&A Supports Future NOI Growth

Q3 Highlights

- Completed largest real estate IPO of all time; $5.1B of gross proceeds
- Used IPO proceeds to reduce debt, achieving investment grade credit ratings (BBB+ at Fitch, Baa2 at Moody's)
- Adj. EBITDA +5% YoY to $333M; AFFO +52% to $208M; AFFO/share +20% to $0.90
- Strong operational execution despite market headwinds
- Declared inaugural quarterly dividend, representing annualized rate of $2.11/share
- Deployed $355M of capital, including ColdPoint Logistics acquisition (closed November 1st); well-positioned to continue to execute on attractive pipeline of opportunities



Capital Deployment

Greenfields and Expansions

- Opened state-of-the-art, fully-automated Hazleton, PA facility
  - 60M people in a ~250-mile radius
  - Leverages proprietary, patented LinOS technology

Acquisitions

- Closed acquisition of Luik Natie for $66M on July 31st
  - Located in the Port of Antwerp-Bruges, Belgium – the second-largest port in Europe
  - Campus offers full suite of freezer, cooler, and transportation services
- Acquired ColdPoint Logistics on November 1st for $223M (profiled on next slide)

Hazleton, PA

27M cubic feet with 85K pallet positions

Adds to portfolio of over 80 fully and semi-automated buildings



Hazleton, PA

Luik Natie



Luik Natie, Port of Antwerp-Bruges

First acquisition after IPO

80% renewable energy

Case Study: Acquisition of ColdPoint Logistics

Company Overview

- Located in Edgerton, KS (Greater Kansas City), ColdPoint provides storage, handling, and select transportation and value-added services for both export and domestic accounts
- Acquisition expands Lineage's existing presence in strategic Kansas City market
- Enhances Lineage's ability to provide an efficient solution for customers along the protein corridor with direct access to major U.S. ports via onsite rail

21M	**621K**	**62K**
Cubic Feet	Square Feet	Pallet Positions
6 Years	**$223M**	**$16M**
Average Age	Purchase Price	2024E EBITDA[1]

Assessment of Strategic Fit

Criteria	Assessment
Attractive Location (Top MSA and/or Port)	✓
Core Cold Storage Warehousing Business	✓
Owned Real Estate	✓
High Quality, Modern Asset	✓
Financially Accretive	✓
Strong Management Team	✓

Location

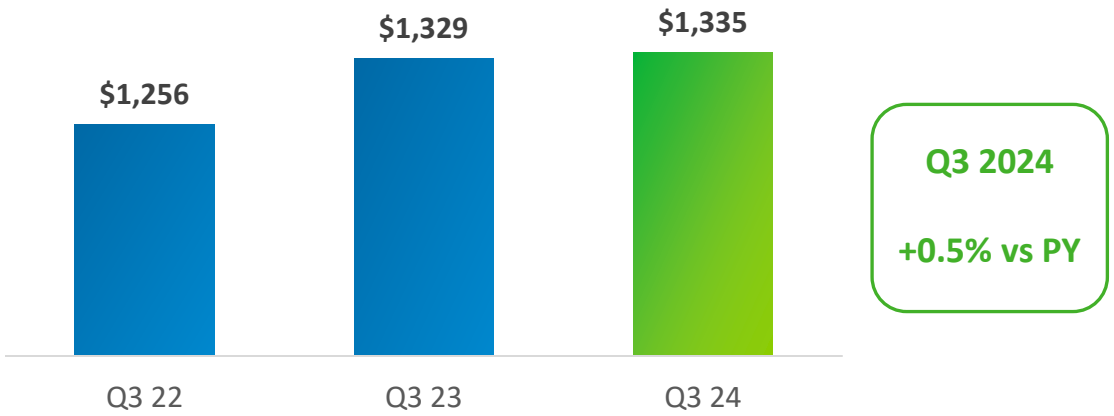




1. We are not able to provide forward-looking guidance for certain financial data that would make a reconciliation from the most comparable GAAP measure to non-GAAP financial measure for forward-looking EBITDA possible without unreasonable effort. This is due to unpredictable nature of relevant reconciling items from factors such as acquisitions, divestitures, impairments, natural disaster events, restructurings, debt issuances that have not yet occurred, or other events that are out of our control and cannot be forecasted. The impact of such adjustments could be significant.

Q3 2024 Financial Results

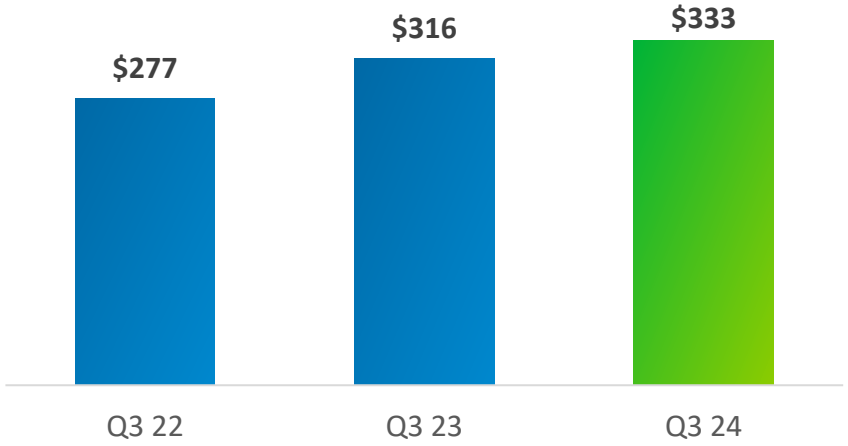
Total Revenue ($M)



Q3 2024

+0.5% vs PY

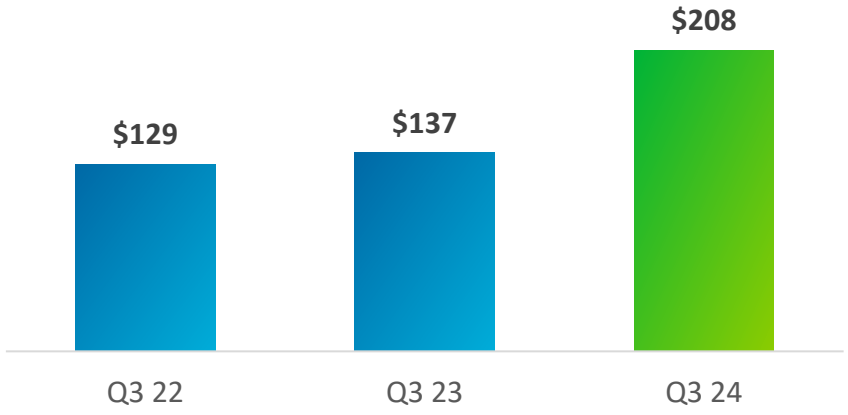
Adjusted EBITDA ($M)



Q3 2024

+5.4% vs PY

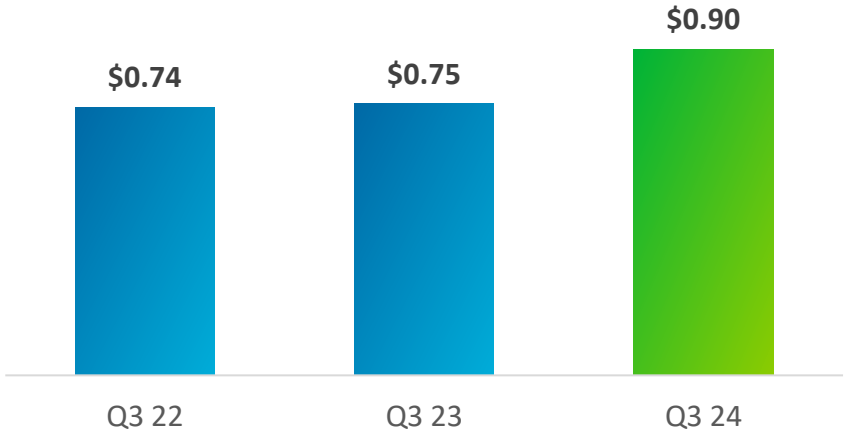
AFFO ($M)



Q3 2024

+51.8% vs PY

AFFO per share

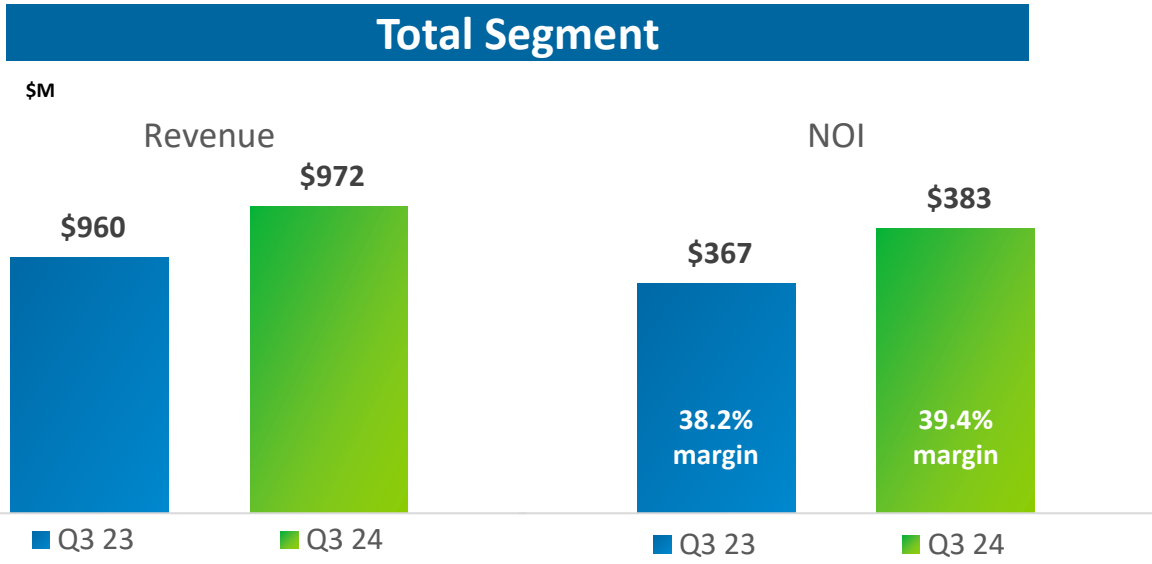


Q3 2024

+20.0% vs PY

Global Warehousing Segment

- Same Warehouse NOI +2.4%; compared to +11.0% in Q3 2023
- NOI margin +120 bps vs PY, driven by labor productivity and strong execution; controlling the controllables
- Industry continues to rebalance post-Covid and supply chain disruptions
- Occupancy stable sequentially but still under pressure from customer inventory rationalization
- Expect muted seasonal occupancy pickup in Q4
- Well positioned for strong operating leverage when industry dynamics improve



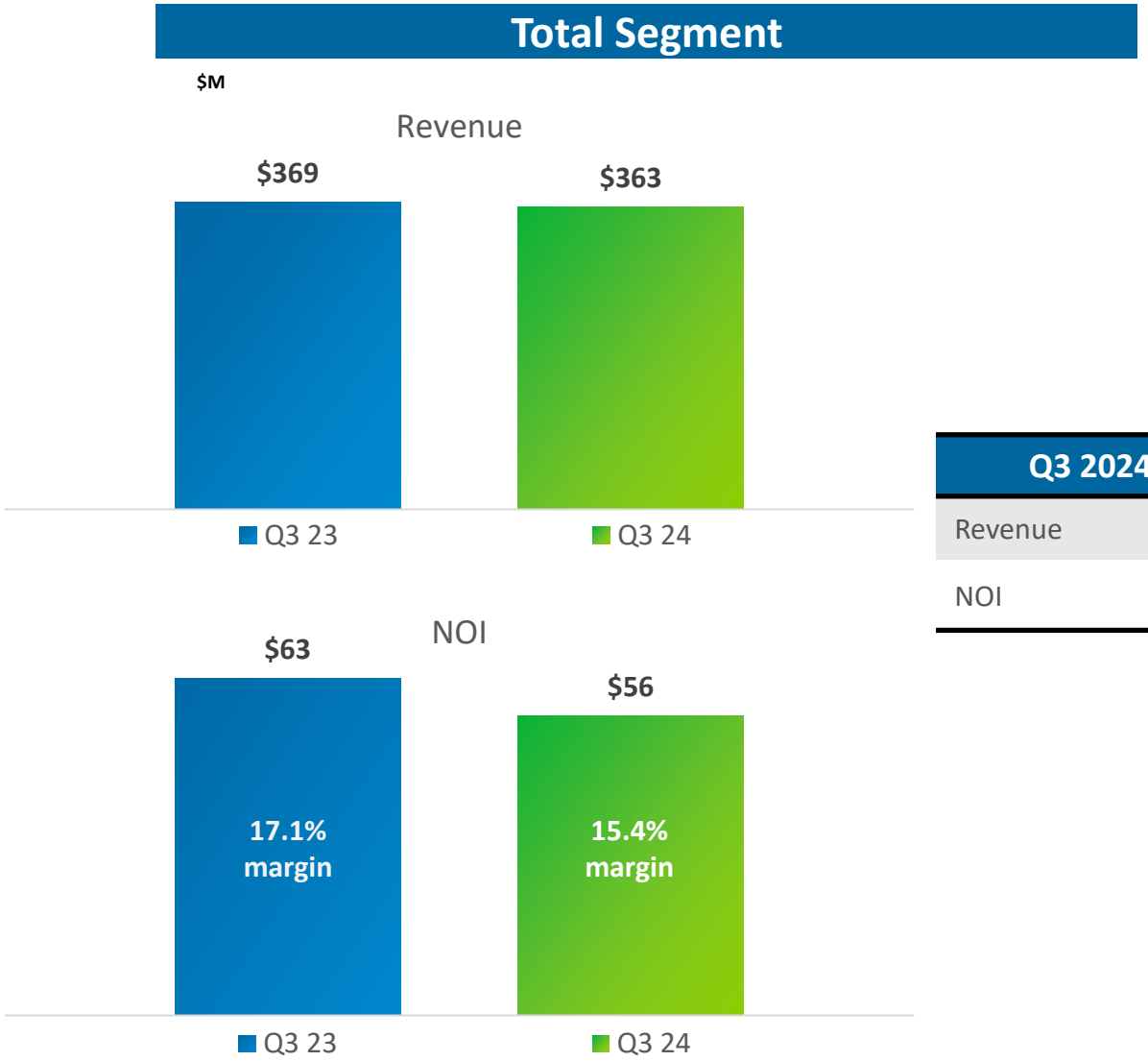
Q3 2024 vs PY	
Total Segment	+1.3%
Same Warehouse	(0.6)%

Q3 2024 vs PY	
Total Segment	+4.4%
Same Warehouse	+2.4%

Same Warehouse KPIs	Q3 2024	vs PY
Physical Occupancy	77.6%	(160) bps
Economic Occupancy	84.1%	(190) bps
Throughput Pallets	11.3M	(1.7)%

Global Integrated Solutions Segment

- Global Integrated Solutions offerings help drive benefits for Global Warehousing
- Challenging demand environment for transportation solutions due to lower volumes and excess capacity
- Similar environment expected for Q4



Q3 2024 vs PY	
Revenue	(1.6)%
NOI	(11.1)%

Capital Structure

- Used net proceeds from IPO to repay:
  - Remaining DDTL balance of $2.4B
  - Remaining ICE 5 CMBS balance of $1.3B
  - $1.2B of revolver balance
- Total debt outstanding of $5.0B; total debt and debt-like-obligations of $6.8B
- Leverage ratio of 4.9x
- ~4 years remaining weighted average term
- Weighted average interest rate of 2.7%
- Total liquidity of $2.1B[1], as of 9/30/2024:
  - ~$400M in available cash[1]
  - $1.7B capacity on revolving credit facility

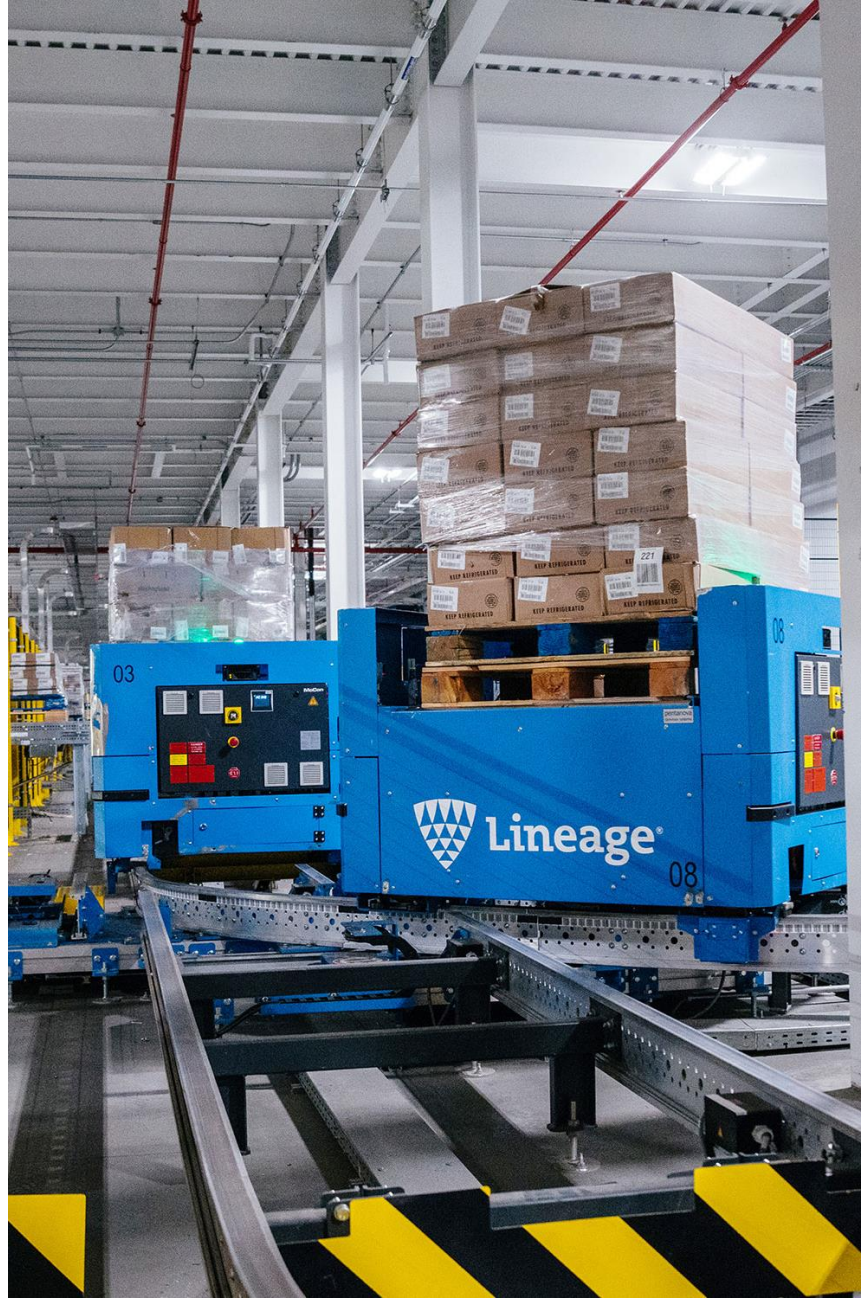
Net Debt to Adjusted EBITDA

	As of,
$M	Q3 2024
Total Debt	$5,014
Debt-like Obligations	$1,797
Gross Debt	**$6,811**
Cash and Equivalents	($409)
Net Debt	**$6,402**
LTM Adj. EBITDA	$1,299
Net Debt/ Adj. EBITDA	**4.9x**

1. Before acquisition of ColdPoint on November 1, which deployed $223M.

2024 Outlook

- FY 2024 AFFO/share: $3.16 - $3.20
- Q4 2024 Outlook
  - AFFO: $180M - $190M
  - AFFO/share: $0.70 - $0.74
  - Low Single-Digit Same WH NOI Growth (vs +9% PY comp)



Notes: Outlook excludes the impact of unannounced future acquisitions or developments. See "Non-GAAP Financial Measures" for additional information regarding these non-GAAP financial measures.

Q3 Summary



Increasing NOI and Same Warehouse Growth Yields Additional Investment Capacity

Strong Financial Growth: Adj. EBITDA +5% YoY to $333M; AFFO +52% to $208M; AFFO/share +20% to $0.90

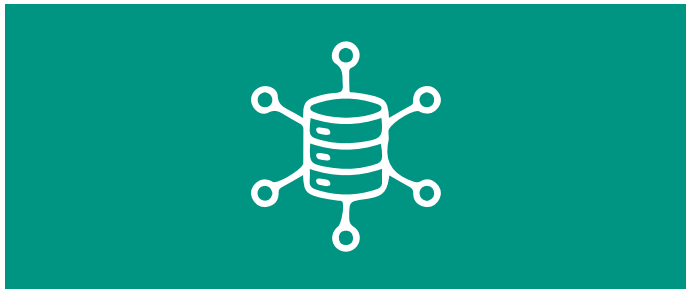
Strong operational execution across diverse market conditions



Strong Cash Flow and Tax-Efficient REIT Structure Creates Efficient Cost of Capital

Completed largest real estate IPO of all time; $5.1B of gross proceeds

Used IPO proceeds to reduce debt, achieving investment grade credit ratings (BBB+ at Fitch, Baa2 at Moody's)



Accretive Capital Deployment in Development Projects and M&A Supports Future NOI Growth

Deployed $355M of capital, including ColdPoint Logistics acquisition (closed November 1st)

Well positioned to continue to execute on attractive pipeline of opportunities

Compounding growth to drive shareholder value



Supplemental Financial and Operating Data

Consolidated Balance Sheets

(in millions, except par values)	September 30, 2024 (unaudited)	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 409	$ 68
Restricted cash	3	3
Accounts receivable, net	901	913
Inventories	175	171
Prepaid expenses and other current assets	111	101
Total current assets	**1,599**	**1,256**
Non-current assets:		
Property, plant, and equipment, net	10,665	10,571
Finance lease right-of-use assets, net	1,305	1,243
Operating lease right-of-use assets, net	659	724
Equity method investments	120	113
Goodwill	3,444	3,394
Other intangible assets, net	1,221	1,280
Other assets	243	290
Total assets	**$ 19,256**	**$ 18,871**
Liabilities, Redeemable Noncontrolling Interests, and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,276	$ 1,137
Accrued dividends and distributions	97	110
Deferred revenue	83	94
Current portion of long-term debt, net	39	24
Total current liabilities	**1,495**	**1,365**
Non-current liabilities:		
Long-term finance lease obligations	1,296	1,305
Long-term operating lease obligations	632	692
Deferred income tax liability	322	370
Long-term debt, net	4,955	8,958
Other long-term liabilities	434	159
Total liabilities	**9,134**	**12,849**
Commitments and contingencies (Note 17)		
Redeemable noncontrolling interests	39	349
Stockholders' equity:		
Common stock, $0.01 par value per share – 500 authorized shares; 228 issued and outstanding at September 30, 2024 and 162 issued and outstanding at December 31, 2023	2	2
Additional paid-in capital - common stock	10,744	5,961
Series A preferred stock, $0.01 par value per share – 100 authorized shares; no issued and outstanding shares at September 30, 2024 and less than 1 issued and outstanding shares, with an aggregate liquidation preference of $1 at December 31, 2023	-	1
Retained earnings (accumulated deficit)	(1,662)	(879)
Accumulated other comprehensive income (loss)	(58)	(34)
Total stockholders' equity	**9,026**	**5,051**
Noncontrolling interests	1,057	622
Total equity	**10,083**	**5,673**
Total liabilities, redeemable noncontrolling interests, and equity	**$ 19,256**	**$ 18,871**

Consolidated Statements of Income

(in millions, except per share amounts)	Three Months Ended September 30, 2024	2023	Nine Months Ended September 30, 2024	2023
			(unaudited)	
Net revenues	**$ 1,335**	**$ 1,329**	**$ 4,001**	**$ 4,008**
Cost of operations	897	899	2,672	2,694
General and administrative expense	143	122	394	361
Depreciation expense	156	137	478	402
Amortization expense	54	51	162	155
Acquisition, transaction, and other expense	592	19	612	45
Restructuring, impairment, and (gain) loss on disposals	8	4	23	11
Total operating expense	**1,850**	**1,232**	**4,341**	**3,668**
Income from operations	**(515)**	**97**	**(340)**	**340**
Other income (expense):				
Equity income (loss), net of tax	-	(2)	(3)	(2)
Gain (loss) on foreign currency transactions, net	14	(5)	5	(9)
Interest expense, net	(82)	(126)	(369)	(357)
Gain (loss) on extinguishment of debt	(6)	-	(13)	-
Other nonoperating income (expense), net	1	(19)	1	(19)
Total other income (expense), net	**(73)**	**(152)**	**(379)**	**(387)**
Net income (loss) before income taxes	**(588)**	**(55)**	**(719)**	**(47)**
Income tax expense (benefit)	(45)	(5)	(48)	(8)
Net income (loss)	**(543)**	**(50)**	**(671)**	**(39)**
Less: Net income (loss) attributable to noncontrolling interests	(58)	(11)	(78)	(13)
Net income (loss) attributable to Lineage, Inc.	**$ (485)**	**$ (39)**	**$ (593)**	**$ (26)**
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on foreign currency hedges and interest rate hedges	(46)	(10)	(56)	(29)
Foreign currency translation adjustments	115	(78)	29	(29)
Comprehensive income (loss)	**(474)**	**(138)**	**(698)**	**(97)**
Less: Comprehensive income (loss) attributable to noncontrolling interests	(50)	(21)	(81)	(20)
Comprehensive income (loss) attributable to Lineage, Inc.	**$ (424)**	**$ (117)**	**$ (617)**	**$ (77)**
Basic earnings (loss) per share	$ (2.44)	$ (0.26)	$ (3.54)	$ (0.30)
Diluted earnings (loss) per share	$ (2.44)	$ (0.26)	$ (3.54)	$ (0.30)
Weighted average common shares outstanding:				
Basic	210	162	178	162
Diluted	210	162	178	162

Consolidated Statements of Cash Flows

(in millions)	Nine Months Ended September 30, 2024 (unaudited)	2023 (unaudited)
Cash flows from operating activities:		
Net income (loss)	$ (671)	$ (39)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for credit losses	3	4
Impairment of long-lived and intangible assets	33	2
Gain on insurance recovery (see Note 17, Commitments and contingencies)	(29)	-
Loss on sale of a subsidiary (see Note 4, Business combinations, asset acquisitions, and divestitures)	-	21
Depreciation and amortization	640	557
(Gain) loss on extinguishment of debt, net	13	-
Amortization of deferred financing costs and above/below market debt	16	16
Stock-based compensation	171	19
(Gain) loss on foreign currency transactions, net	(5)	9
Deferred income tax	(71)	(48)
Vesting of Class D interests (see Note 2, Capital structure and noncontrolling interests)	185	-
One-time Internalization expense to Bay Grove (see Note 2, Capital structure and noncontrolling interests)	200	-
Other operating activities	15	3
Changes in operating assets and liabilities (excluding effects of acquisitions):	-	-
Accounts receivable	17	36
Prepaid expenses, other assets, and other long-term liabilities	(26)	(33)
Inventories	(4)	6
Accounts payable and accrued liabilities and deferred revenue	(51)	3
Right-of-use assets and lease obligations	10	9
Net cash provided by operating activities	**$ 446**	**$ 565**
Cash flows from investing activities:		
Acquisitions, net of cash acquired	$ (113)	$ (24)
Deposits on pending acquisitions	3	1
Purchase of property, plant, and equipment	(486)	(605)
Proceeds from sale of assets	6	13
Proceeds from insurance recovery on impaired long-lived assets	50	-
Other investing activity	4	(30)
Net cash used in investing activities	**$ (536)**	**$ (645)**

Consolidated Statements of Cash Flows (continued)

(in millions)	Nine Months Ended September 30, 2024 (unaudited)	2023 (unaudited)
Cash flows from financing activities:		
Capital contributions, net of equity raise costs	$ -	$ 142
Issuance of common stock in IPO, net of equity raise costs	4,879	-
Distributions to stockholders	(89)	-
Distributions to noncontrolling interests	(49)	(35)
Redemption of redeemable noncontrolling interests	(6)	-
Repurchase of common shares for employee income taxes on stock-based compensation	(46)	-
Financing fees	(45)	-
Proceeds from long-term debt	2,481	-
Repayments of long-term debt and finance leases	(7,087)	(72)
Payment of deferred and contingent consideration liabilities	(46)	(33)
Borrowings on revolving line of credit	3,804	825
Repayments on revolving line of credit	(3,264)	(813)
Redemption of units issued as stock compensation	(2)	(13)
Redemption of common stock	(25)	(3)
Redemption of OPEUs	(75)	-
Other financing activity	(2)	(8)
Net cash provided by (used in) financing activities	**$ 428**	**$ (10)**
Impact of foreign exchange rates on cash, cash equivalents, and restricted cash	3	0
Net increase (decrease) in cash, cash equivalents, and restricted cash	**341**	**(90)**
Cash, cash equivalents, and restricted cash at the beginning of the period	**$ 71**	**$ 202**
Cash, cash equivalents, and restricted cash at the end of the period	**$ 412**	**$ 112**
Supplemental disclosures of cash flow information:		
Cash paid for taxes	$ 30	$ 32
Cash paid for interest	454	446
Noncash activities:		
Purchases of property, plant, and equipment in Accounts payable and accrued liabilities	110	52
Assumption of put option liability	103	-
Accrued distributions to noncontrolling interests	10	11
Accrued declared common share dividends	87	-
Debt assumed on acquisitions	14	3
Net deferred and contingent consideration on acquisitions	12	9
Noncash capital contribution	0	(0)
Non-cash common stock issuances	1	-
Noncash capital contribution from noncontrolling interests	-	(2)
Equity raise costs	6	-

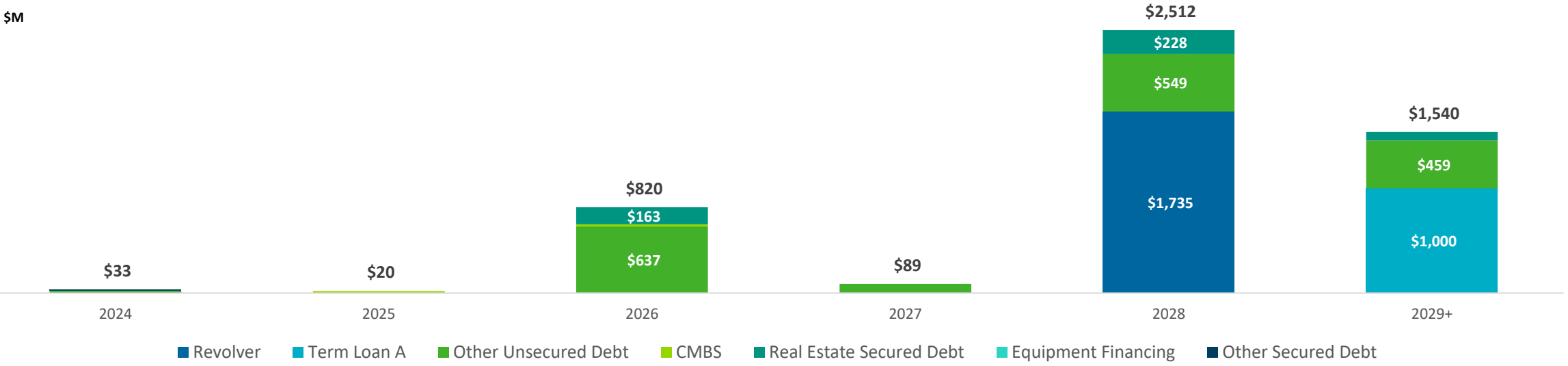
Debt Summary

DEBT DETAIL

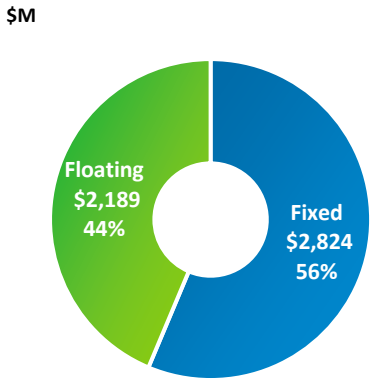
(in millions)	As of September 30, 2024 Balance	Contracted Interest Rate	Stated Maturity Date
Unsecured Revolving Credit Facility	$1,735	SOFR + 0.925%	2/15/2028
Unsecured Term Loan - Floating	1,000	SOFR + 0.925%	2/15/2029
Total Unsecured Loans	**$2,735**		
Private Placement (USD Tranches) – Series A and B	675	2.39%	Various
Private Placement (EUR Tranches) – Series C, D, G, H and I	691	2.06%	Various
Private Placement (GBP Tranches) – Series E and F	368	2.05%	Various
Fuentes	21	Various	Various
Total Unsecured Notes	**$1,755**		
Polar Chicago Real Estate	20	4.30%	6/6/2025
PFS Westfield Real Estate	20	4.78%	12/11/2026
Total CMBS	**$40**		
Every Bear	228	4.51%	10/10/2028
Richland (Incl. Expansion)	163	4.10%	1/1/2026
Cool Port	81	SOFR + 1.77%	3/5/2029
Other	9	Various	Various
Total Other Real Estate Secured Debt	**$481**		
Equipment Financing	9		Various
Total Debt	**$5,014**		
Finance Lease Obligations	1,462		
Failed sale-leaseback financing obligations	74		
Kloosterboer preference shares	261		
Total Debt and Debt-Like Obligations	**$6,811**		
Less: Cash and cash equivalents	(409)		
Net Debt	**$6,402**		

Debt Summary

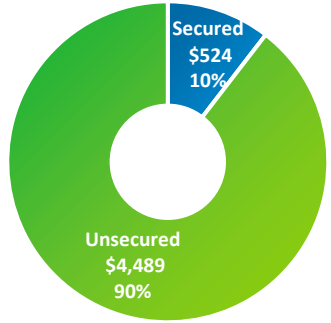
DEBT COMPOSITION



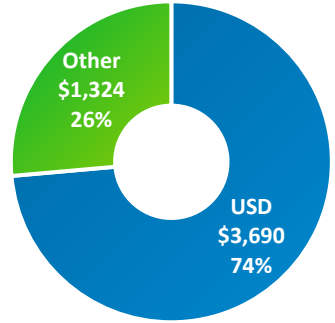
Fixed vs Floating



Secured vs Unsecured



By Currency



Note: As of September 30, 2024.

Debt Summary

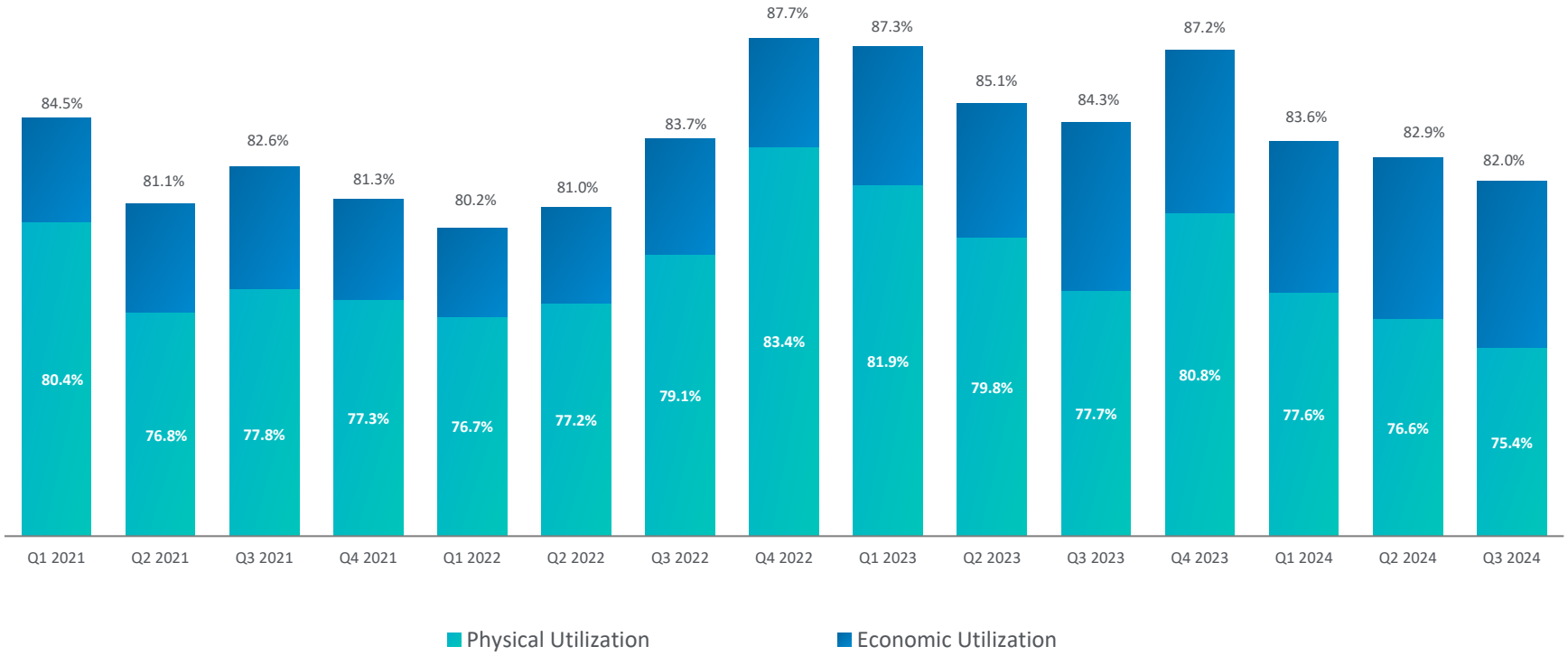
INTEREST EXPENSE SUMMARY

(in millions)	Current Rate	Maturity	Interest Expense Q3 2024
Revolver	S + 10bps + 0.775%	2/15/2028	$ 30
Term Loan A	S + 10bps + 0.925%	2/15/2029	17
Private Placement Notes	Various	Various	10
CMBS (ICE 5)	S + 1.97%	11/9/2025	10
Oakland Cool Port Financing	S + 1.76%	5/5/2029	1
Other Debt	4.36%	Various	8
Delayed Draw Term Loan	S + 1.70%	2/15/2025	11
Total Gross Interest Expense			**$ 87**
Gain on hedge instruments			(26)
Capitalized interest			(2)
Interest income			(7)
Amortization of deferred financing costs and other financing fees			7
Financial lease liabilities interest			23
Interest Expense, net			**$ 82**

Global Warehouse Segment

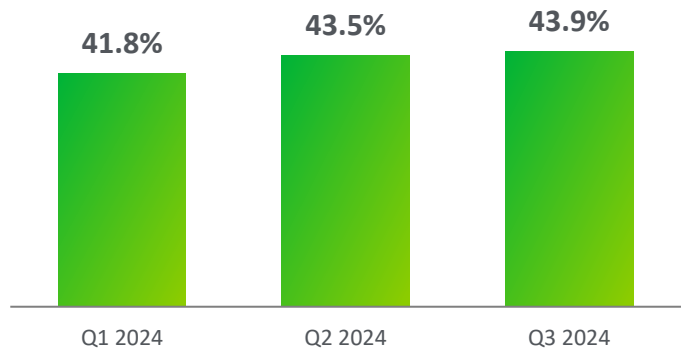
HISTORICAL UTILIZATION AND MINIMUM STORAGE GUARANTEES

Average Economic and Physical Occupancy in Our Global Warehousing Segment



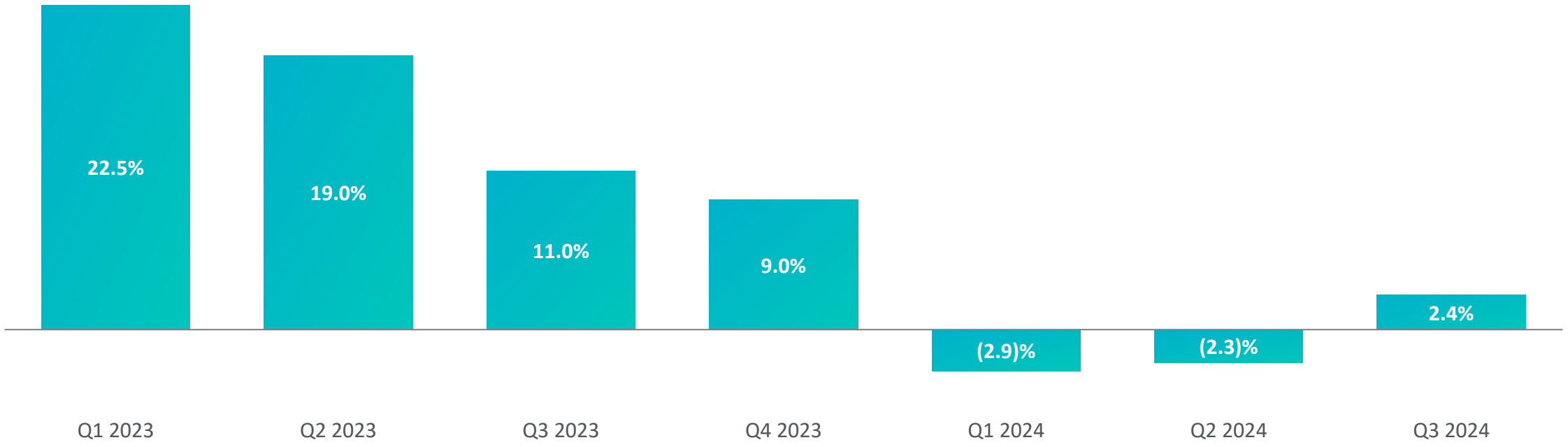
Contracts with Minimum Storage Guaranteed & Lease Revenue

(as % of Rent and Storage Revenue)



Global Warehouse Segment

HISTORICAL SAME WAREHOUSE NOI GROWTH – AS REPORTED



Global Warehouse Segment - Total

CONSOLIDATED FINANCIAL PERFORMANCE

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions except revenue per pallet)	2024	2023	Change	2024	2023	Change
Warehouse storage	$508	$515	(1.4)%	$1,534	$1,545	(0.7)%
Warehouse services	$464	$445	4.3%	$1,373	$1,337	2.7%
Total global warehousing segment revenues	**$972**	**$960**	**1.3%**	**$2,907**	**$2,882**	**0.9%**
Power	$58	$58	0.0%	$155	$156	(0.6)%
Labor[1]	$352	$352	0.0%	$1,062	$1,042	1.9%
Other warehouse costs[2]	$179	$183	(2.2)%	$538	$550	(2.2)%
Total global warehousing segment cost of operations	**$589**	**$593**	**(0.7)%**	**$1,755**	**$1,748**	**0.4%**
Global warehousing segment NOI	**$383**	**$367**	**4.4%**	**$1,152**	**$1,134**	**1.6%**
Total global warehousing segment margin	*39.4%*	*38.2%*	*120 bps*	*39.6%*	*39.3%*	*30 bps*
Number of warehouse sites	468	457		468	457	
Warehouse storage[3]						
Average economic occupancy						
Average occupied economic pallets (in thousands)	8,078	8,127	(0.6)%	8,121	8,214	(1.1)%
Economic occupancy percentage	82.0%	84.3%	(230) bps	82.8%	85.6%	(280) bps
Storage revenue per economic occupied pallet	$62.85	$63.36	(0.8)%	$188.87	$187.87	0.5%
Average physical occupancy						
Average physical occupied pallets (in thousands)	7,431	7,485	(0.7)%	7,504	7,656	(2.0)%
Average physical pallet positions (in thousands)	9,849	9,635	2.2%	9,803	9,597	2.1%
Physical occupancy percentage	75.4%	77.7%	(230) bps	76.5%	79.8%	(330) bps
Storage revenue per physical occupied pallet	$68.32	$68.79	(0.7)%	$204.39	$201.56	1.4%
Warehouse services[3]						
Throughput pallets (in thousands)	13,188	12,948	1.9%	39,239	38,437	2.1%
Warehouse services revenue per throughput pallet	$32.21	$31.31	2.9%	$32.08	$31.93	0.5%

1. Labor cost of operations excludes $1 million of stock-based compensation expense for the three months ended September 30, 2024. Excludes $1 million of stock-based compensation expense for the nine months ended September 30, 2024.
2. Includes real estate rent expense of $25 million and $24 million for the three months ended September 30, 2024 and 2023, respectively; and non-real estate rent expense (equipment lease and rentals) of $3 million and $5 million for the three months ended September 30, 2024 and 2023, respectively. Includes real estate rent expense of $75 million and $71 million for the nine months ended September 30, 2024 and 2023, respectively, and non-real estate rent expense (equipment lease and rentals) of $12 million and $16 million for the nine months ended September 30, 2024 and 2023, respectively.
3. Warehouse storage and warehouse services metrics exclude managed sites.

Global Warehouse Segment – Same Warehouse

SAME WAREHOUSE FINANCIAL PERFORMANCE

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions except revenue per pallet)	2024	2023	Change	2024	2023	Change
Warehouse storage	$441	$455	(3.1)%	$1,325	$1,367	(3.1)%
Warehouse services	$402	$393	2.3%	$1,190	$1,189	0.1%
Total same warehouse revenues	**$843**	**$848**	**(0.6)%**	**$2,515**	**$2,556**	**(1.6)%**
Power	$50	$50	0.0%	$133	$136	(2.2)%
Labor	$306	$311	(1.6)%	$922	$923	(0.1)%
Other warehouse costs	$150	$158	(5.1)%	$449	$476	(5.7)%
Total same warehouse cost of operations	**$506**	**$519**	**(2.5)%**	**$1,504**	**$1,535**	**(2.0)%**
Same warehouse NOI	**$337**	**$329**	**2.4%**	**$1,011**	**$1,021**	**(1.0)%**
Total same warehouse margin	*40.0%*	*38.8%*	*120 bps*	*40.2%*	*39.9%*	*30 bps*
Number of warehouse sites	411	411		411	411	
Warehouse storage[1]						
Average economic occupancy						
Average occupied economic pallets (in thousands)	7,005	7,172	(2.3)%	7,038	7,286	(3.4)%
Economic occupancy percentage	84.1%	86.0%	(190) bps	84.3%	87.3%	(300) bps
Storage revenue per economic occupied pallet	$62.92	$63.50	(0.9)%	$188.22	$187.61	0.3%
Average physical occupancy						
Average physical occupied pallets (in thousands)	6,461	6,604	(2.2)%	6,499	6,772	(4.0)%
Average physical pallet positions (in thousands)	8,331	8,341	(0.1)%	8,350	8,342	0.1%
Physical occupancy percentage	77.6%	79.2%	(160) bps	77.8%	81.2%	(340) bps
Storage revenue per physical occupied pallet	$68.22	$68.95	(1.1)%	$203.81	$201.86	1.0%
Warehouse services[1]						
Throughput pallets (in thousands)	11,272	11,471	(1.7)%	33,586	34,259	(2.0)%
Warehouse services revenue per throughput pallet	$32.45	$31.29	3.7%	$32.34	$31.84	1.6%

1. Warehouse storage and warehouse services metrics exclude managed sites.

Global Warehouse Segment – Non-Same Warehouse

NON-SAME WAREHOUSE FINANCIAL PERFORMANCE

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions except revenue per pallet)	2024	2023	Change	2024	2023	Change
Warehouse storage	$67	$60	11.7%	$209	$178	17.4%
Warehouse services	$62	$52	19.2%	$183	$148	23.6%
Total non-same warehouse revenues	**$129**	**$112**	**15.2%**	**$392**	**$326**	**20.2%**
Power	$8	$8	0.0%	$22	$20	10.0%
Labor	$46	$41	12.2%	$140	$119	17.6%
Other warehouse costs	$29	$25	16.0%	$89	$74	20.3%
Total non-same warehouse cost of operations	**$83**	**$74**	**12.2%**	**$251**	**$213**	**17.8%**
Non-same warehouse NOI	**$46**	**$38**	**21.1%**	**$141**	**$113**	**24.8%**
Total non-same warehouse margin	*35.7%*	*33.9%*	*180 bps*	*36.0%*	*34.7%*	*130 bps*
Number of warehouse sites	57	46		57	46	
Warehouse storage[1]						
Average economic occupancy						
Average occupied economic pallets (in thousands)	1,073	955	12.4%	1,083	928	16.7%
Economic occupancy percentage	70.7%	73.8%	(310) bps	74.5%	73.9%	60 bps
Storage revenue per economic occupied pallet	$62.41	$62.36	0.1%	$193.11	$189.94	1.7%
Average physical occupancy						
Average physical occupied pallets (in thousands)	970	881	10.1%	1,005	884	13.7%
Average physical pallet positions (in thousands)	1,518	1,294	17.3%	1,453	1,255	15.8%
Physical occupancy percentage	63.9%	68.1%	(420) bps	69.2%	70.4%	(120) bps
Storage revenue per physical occupied pallet	$69.02	$67.62	2.1%	$208.10	$199.29	4.4%
Warehouse services[1]						
Throughput pallets (in thousands)	1,916	1,477	29.7%	5,653	4,178	35.3%
Warehouse services revenue per throughput pallet	$30.80	$31.44	(2.0)%	$30.49	$32.66	(6.6)%

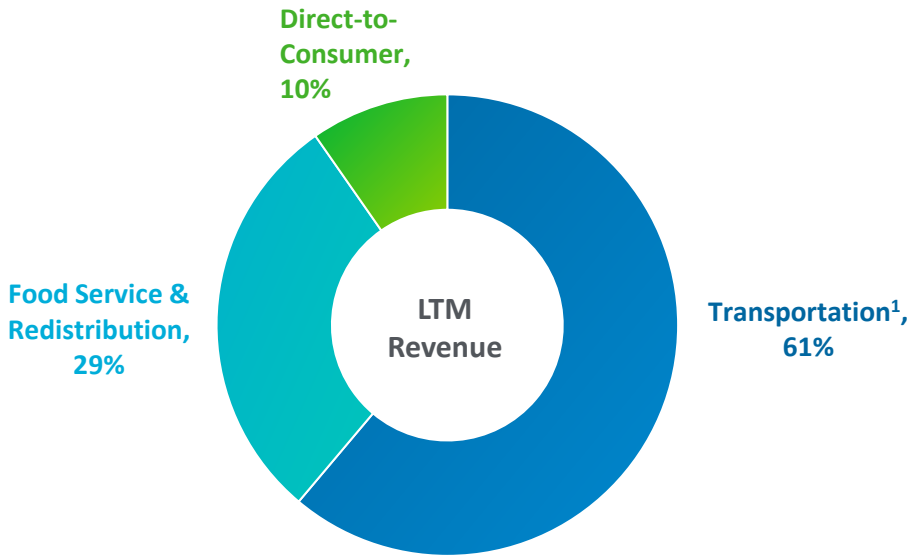
1. Warehouse storage and warehouse services metrics exclude managed sites.

Global Integrated Solutions Segment

CONSOLIDATED FINANCIAL PERFORMANCE

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in millions)	2024	2023	Change	2024	2023	Change
Global Integrated Solutions segment revenues	$363	$369	(1.6)%	$1,094	$1,126	(2.8)%
Global Integrated Solutions cost of operations	$307	$306	0.3%	$916	$946	(3.2)%
Global Integrated Solutions segment NOI	**$56**	**$63**	**(11.1)%**	**$178**	**$180**	**(1.1)%**
Global Integrated Solutions margin	15.4%	17.1%	(170) bps	16.3%	16.0%	30 bps

Global Integrated Solutions Breakdown



1. Includes railcar leasing.

Capital Expenditures

RECURRING MAINTENANCE CAPITAL EXPENDITURES

(in millions)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	YoY Change
Global warehousing	$34	$57	$20	$34	$38	11.8%
Global integrated solutions	$9	$9	$5	$4	$1	(88.9)%
Information technology and other	$7	$22	$5	$10	$6	(14.3)%
Recurring maintenance capital expenditures	**$50**	**$88**	**$30**	**$48**	**$45**	**(10.0)%**

INTEGRATION CAPITAL EXPENDITURES

(in millions)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	YoY Change
Global warehousing	$13	$15	$8	$10	$14	7.7%
Global integrated solutions	$3	$1	-	$1	-	-
Information technology and other	$1	-	$9	$4	$5	400.0%
Integration capital expenditures	**$17**	**$16**	**$17**	**$15**	**$19**	**11.8%**

EXTERNAL GROWTH CAPITAL EXPENDITURES, EXCLUDING ACQUISITIONS

(in millions)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	YoY Change
Greenfield and expansion expenditures	$56	$47	$36	$95	$66	17.9%
Energy and economic return initiatives	$23	$19	$22	$25	$24	4.3%
Information technology transformation and growth initiatives	$21	$19	$12	$15	$23	9.5%
External growth capital investments	**$100**	**$85**	**$70**	**$135**	**$113**	**13.0%**

TOTAL CAPITAL EXPENDITURES

(in millions)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	YoY Change
Recurring maintenance capital expenditures	$50	$88	$30	$48	$45	(10.0)%
Integration capital expenditures	$17	$16	$17	$15	$19	(9.5)%
External growth capital investments	$100	$85	$70	$135	$113	13.0%
Total capital expenditures	**$167**	**$189**	**$117**	**$198**	**$177**	**3.5%**

Capital Expenditures

GROWTH CAPITAL EXPENDITURES: GREENFIELD AND EXPANSION PROJECTS

Greenfield and Expansion Projects Completed Within The Last 36 Months and in Process

Project Vintage (Months)	Project Count	Square Feet (in millions)	Cubic Feet (in millions)	Pallet Positions (in thousands)	Total Cost (in millions)[1]	Remaining Spend (in millions)[2]	LTM NOI (in millions)	Estimated Stabilized NOI (in millions)	Stabilized NOI Achieved[3]	Estimated Stabilized ROIC[4]
25-36	10	1.2	86	243	$367	$0	$31	$34	91%	9%
13-24	9	1.3	57	202	396	3	23	43	52%	11%
1-12	4	0.9	53	155	274	14	(11)	32	(35)%	12%
1-36	**23**	**3.4**	**196**	**600**	**$1,037**	**$16**	**$43**	**$110**	**39%**	**11%**
In Process	**6**	**0.7**	**35**	**130**	**$325**	**$158**	**$(1)**	**$36**	**0%**	**11%**
Total	**29**	**4.1**	**230**	**730**	**$1,362**	**$174**	**$41**	**$145**	**28%**	**11%**

Notes: Values expressed in millions unless otherwise stated. Totals may not sum due to rounding.

1. Total Cost is actual capex spend in addition to any forecasted capex spend subsequent to Go Live for projects that have gone live. Does not include third party costs.
2. Remaining Spend is total project cost less actual spend to date.
3. Percentage of last twelve months revenue less operating expenses divided by stabilized revenue less operating expenses.
4. Defined as stabilized revenue less operating expenses divided by total cost.

Repair and Maintenance Expenditures

(in millions)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	YoY Change
Global warehousing	$35	$39	$33	$36	$40	14.3%
Global integrated solutions	$14	$17	$14	$13	$13	(7.1)%
Repair and maintenance expenditures	**$49**	**$56**	**$47**	**$49**	**$53**	**8.2%**

Additional Modeling Support

(in millions)	Q3 2024	Expected Q4 2024
Weighted average common shares outstanding	210	
Partnership common units and OP Units help by Non-Company LPs	21	
Equity compensation and other unvested units	1	
Adjusted diluted weighted average common shares outstanding	**232**	**257**
Interest expense, net	**$82**	**$60**
Warehouse NOI impact from rooftop solar fire damage		**$(6)**

Global Warehouse Segment – Same Warehouse (Q3 2024 Pool)

SAME WAREHOUSE FINANCIAL PERFORMANCE - LAST SIX QUARTERS

	Three Months Ended					
(in millions except revenue per pallet)	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Warehouse storage	$457	$455	$454	$444	$440	$441
Warehouse services	398	393	390	393	395	402
Total same warehouse revenues	**$855**	**$848**	**$844**	**$837**	**$835**	**$843**
Power	$44	$50	$41	$41	$42	$50
Labor	308	311	313	308	309	306
Other warehouse costs	159	158	163	152	148	150
Total same warehouse cost of operations	**$511**	**$519**	**$517**	**$501**	**$499**	**$506**
Same warehouse NOI	**$344**	**$329**	**$327**	**$336**	**$336**	**$337**
Total same warehouse margin	*40.2%*	*38.8%*	*38.7%*	*40.1%*	*40.2%*	*40.0%*
Number of warehouse sites	411	411	411	411	411	411
Warehouse storage[1]						
Average economic occupancy						
Average economic occupied pallets (in thousands)	7,273	7,172	7,382	7,079	7,029	7,005
Economic occupancy percentage	87.1%	86.0%	88.5%	84.7%	84.1%	84.1%
Storage revenue per economic occupied pallet	$62.87	$63.50	$61.46	$62.69	$62.61	$62.92
Average physical occupancy						
Average physical occupied pallets (in thousands)	6,794	6,604	6,841	6,561	6,475	6,461
Average physical pallet positions (in thousands)	8,348	8,341	8,345	8,356	8,362	8,331
Physical occupancy percentage	81.4%	79.2%	82.0%	78.5%	77.4%	77.6%
Storage revenue per physical occupied pallet	$67.30	$68.95	$66.32	$67.63	$67.97	$68.22
Warehouse services[1]						
Throughput pallets (in thousands)	11,446	11,471	11,323	11,041	11,273	11,272
Warehouse services revenue per throughput pallet	$31.95	$31.29	$31.56	$32.66	$31.92	$32.45

Note: Same Warehouse figures based on the Q3 2024 Same Store asset pool.

1. Warehouse storage and warehouse services metrics exclude managed sites.

Appendix: Non-GAAP Reconciliations

Non-GAAP Reconciliations

NOI RECONCILIATION TO NET INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2023	2024	2023	2024
Net Income (Loss)	**$(50)**	**$(543)**	**$(39)**	**$(671)**
Stock-based compensation expense in cost of operations	-	1	-	1
General and administrative expense	122	143	361	394
Depreciation expense	137	156	402	478
Amortization expense	51	54	155	162
Acquisition, transaction, and other expenses	19	592	45	612
Restructuring, impairment, and (gain) loss on disposals	4	8	11	23
Equity (income) loss, net of Tax	2	-	2	3
(Gain) loss on foreign currency transactions, net	5	(14)	9	(5)
Interest expense, net	126	82	357	369
(Gain) loss on extinguishment of Debt	-	6	-	13
Other nonoperating (income) expense, net	19	(1)	19	(1)
Income tax expense (benefit)	(5)	(45)	(8)	(48)
NOI	**$430**	**$439**	**$1,314**	**$1,330**
Net revenues	$1,329	$1,335	$4,008	$4,001
NOI Margin[1]	*32.4%*	*32.9%*	*32.8%*	*33.2%*
NOI Growth[2]		*2.1%*		*1.2%*

Note: See "Non-GAAP Financial Measures" for additional information regarding these non-GAAP financial measures.

1. NOI Margin is calculated as NOI divided by revenues.
2. Reflects year-over-year growth for each respective period.

Non-GAAP Reconciliations

NOI RECONCILIATION TO NET INCOME - LAST SIX QUARTERS (Q3 2024 POOL)

	Three Months Ended					
(in millions)	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Net Income (Loss)	**$(8)**	**$(50)**	**$(57)**	**$(48)**	**$(80)**	**$(543)**
Stock-based compensation expense in cost of operations	-	-	-	-	-	1
General and administrative expense	124	122	141	124	127	143
Depreciation expense	136	137	150	158	164	156
Amortization expense	52	51	53	53	55	54
Acquisition, transaction, and other expenses	15	19	15	8	12	592
Restructuring, impairment, and (gain) loss on disposals	3	4	21	-	15	8
Equity (income) loss, net of Tax	-	2	1	2	1	-
(Gain) loss on foreign currency transactions, net	3	5	(13)	11	(2)	(14)
Interest expense, net	116	126	133	139	148	82
(Gain) loss on extinguishment of Debt	-	-	-	7	-	6
Other nonoperating (income) expense, net	-	19	-	-	-	(1)
Income tax expense (benefit)	-	(5)	(6)	(10)	7	(45)
NOI	**$441**	**$430**	**$438**	**$444**	**$447**	**$439**
NOI by Segment						
Global warehousing NOI	$381	$367	$375	$385	$384	$383
Global integrated solutions NOI	60	63	63	59	63	56
Total NOI	**$441**	**$430**	**$438**	**$444**	**$447**	**$439**
Global warehousing NOI						
Same warehouse NOI (Q3 2024 pool)	$344	$329	$327	$336	$336	$337
Non-same warehouse NOI	37	38	48	49	48	46
Total global warehousing NOI	**$381**	**$367**	**$375**	**$385**	**$384**	**$383**
Same store warehouses (Q3 2024 pool)	411	411	411	411	411	411

Notes: Same Warehouse figures based on the Q3 2024 Same Store asset pool. See "Non-GAAP Financial Measures" for additional information regarding these non-GAAP financial measures.

Non-GAAP Reconciliations

ADJUSTED EBITDA RECONCILIATION TO NET INCOME

	Three Months Ended September 30,		
(in millions)	2022	2023	2024
Net Income (loss)	**$(42)**	**$(50)**	**$(543)**
Adjustments:			
Depreciation and amortization expense	167	188	210
Interest expense, net	93	126	82
Income tax expense (benefit)	13	(5)	(45)
EBITDA	**$231**	**$259**	**$(296)**
Adjustments:			
Net loss (gain) on sale of real estate assets	-	5	2
Impairment write-downs on real estate property	-	1	4
Allocation of EBITDAre of noncontrolling interests	(2)	-	(1)
EBITDAre	**$229**	**$265**	**$(291)**
Adjustments:			
Net (gain) loss on sale of non-real estate assets	-	(1)	-
Other nonoperating (income) expense, net	(2)	19	(1)
Acquisition, restructuring, and other	26	20	470
Technology transformation	-	-	5
(Gain) loss on property destruction	-	-	(5)
Interest expense and tax expense from unconsolidated JVs	1	-	2
Depreciation and amortization expense from unconsolidated JVs	1	1	2
(Gain) loss on foreign currency transactions, net	16	5	(14)
Stock-based compensation expense	7	8	160
(Gain) loss on extinguishment of debt	(1)	-	6
Allocation adjustments of noncontrolling interests	-	(1)	(1)
Adjusted EBITDA	**$277**	**$316**	**$333**
Net revenues	$1,256	$1,329	$1,335
Adjusted EBITDA as a % of Revenue	*22.1%*	*23.8%*	*24.9%*
Adjusted EBITDA Growth		*14.1%*	*5.4%*

Note: See "Non-GAAP Financial Measures" for additional information regarding these non-GAAP financial measures.

Non-GAAP Reconciliations

ADJUSTED EBITDA RECONCILIATION TO NET INCOME – LAST TWELVE MONTHS (LTM)

	Three Months Ended				Twelve Months Ended
(in millions)	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024	September 30, 2024
Net Income (loss)	$(57)	$(48)	$(80)	$(543)	$(728)
Adjustments:					
Depreciation and amortization expense	203	211	219	210	843
Interest expense, net	133	139	148	82	502
Income tax expense (benefit)	(6)	(10)	7	(45)	(54)
EBITDA	**$273**	**$292**	**$294**	**$(296)**	**$563**
Adjustments:					
Net loss (gain) on sale of real estate assets	1	-	3	2	6
Impairment write-downs on real estate property	-	-	5	4	9
Allocation of EBITDAre of noncontrolling interests	(1)	(1)	-	(1)	(3)
EBITDAre	**$273**	**$291**	**$302**	**$(291)**	**$575**
Adjustments:					
Net (gain) loss on sale of non-real estate assets	5	(1)	(1)	-	3
Other nonoperating (income) expense, net	-	-	-	(1)	(1)
Acquisition, restructuring, and other	23	9	17	470	519
Technology transformation	-	3	7	5	15
(Gain) loss on property destruction	-	-	1	(5)	(4)
Interest expense and tax expense from unconsolidated JVs	1	-	2	2	5
Depreciation and amortization expense from unconsolidated JVs	1	1	2	2	6
(Gain) loss on foreign currency transactions, net	(13)	11	(2)	(14)	(18)
Stock-based compensation expense	6	5	6	160	177
(Gain) loss on extinguishment of debt	-	7	-	6	13
Impairment of intangible assets	7	-	-	-	7
Allocation adjustments of noncontrolling interests	2	1	-	(1)	2
Adjusted EBITDA	**$305**	**$327**	**$334**	**$333**	**$1,299**

Note: See "Non-GAAP Financial Measures" for additional information regarding these non-GAAP financial measures.

Non-GAAP Reconciliations

ADJUSTED FFO RECONCILIATION TO NET INCOME

(in millions)	Three Months Ended September 30, 2022	2023	2024
Net Income (loss)	$(42)	$(50)	$(543)
Adjustments:			
Real estate depreciation	81	82	89
In-place lease intangible amortization	2	2	1
Net loss (gain) on sale of real estate assets	-	4	2
Impairment write-downs on real estate property	-	-	4
Real estate depreciation, (gain) loss on sale of real estate and real estate impairments on unconsolidated JVs	1	1	1
Allocation of noncontrolling interests	(3)	-	-
FFO	**$39**	**$39**	**$(446)**
Adjustments:			
Net (gain) loss on sale of non-real estate assets	-	(1)	-
Finance lease ROU asset amortization - real estate related	18	18	17
Other nonoperating (income) expense, net	(2)	19	(1)
Acquisition, restructuring, and other	26	19	473
Technology transformation	-	-	5
(Gain) Loss from property destruction	-	-	(5)
(Gain) loss on foreign currency transactions, net	16	5	(14)
(Gain) loss on extinguishment of debt	(1)	-	6
Core FFO	**$96**	**$99**	**$35**
Adjustments:			
Non-real estate depreciation and amortization	73	81	93
Finance lease ROU asset amortization - non-real estate	3	5	8
Amortization of deferred financing costs	5	4	5
Amortization of debt discount / premium	(1)	-	1
Deferred income taxes expense (benefit)	(24)	(16)	(47)
Straight line net operating rent	-	2	(1)
Amortization of above market leases	1	-	-
Stock-based compensation expense	7	9	160
Recurring maintenance capital expenditures	(33)	(48)	(45)
Allocation related to unconsolidated JVs	-	1	1
Allocation of noncontrolling interests	2	-	(2)
Adjusted FFO	**$129**	**$137**	**$208**
Reconciliation of weighted average common shares outstanding:			
Weighted average common shares outstanding	150	162	210
Partnership common units and OP units held by Non-Company LPs	20	20	21
Equity compensation and other unvested units	-	-	1
Adjusted diluted weighted average common shares outstanding	**175**	**182**	**232**
Adjusted FFO per diluted common share	**$0.74**	**$0.75**	**$0.90**

Note: See "Non-GAAP Financial Measures" for additional information regarding these non-GAAP financial measures.

Non-GAAP Reconciliations

NET DEBT RECONCILIATION

(in millions)	As of September 30, 2024
Total debt, net	**$4,994**
Finance lease obligations	1,462
Failed sale-leaseback financing obligations	74
Kloosterboer preference shares	261
Total debt and debt-like obligations	**$6,791**
Deferred financing costs	18
Above/below market debt, net	2
Gross debt	**$6,811**
Less: Cash and cash equivalents	409
Net debt	**$6,402**
Adjusted EBITDA (for the twelve months ended)	$1,299
Net debt to Adjusted EBITDA	4.9x

Note: See "Non-GAAP Financial Measures" for additional information regarding these non-GAAP financial measures.

Non-GAAP Financial Measures

We use the following non-GAAP financial measures as supplemental performance measures of our business: segment NOI, FFO, Core FFO, Adjusted FFO, EBITDA, EBITDAre, Adjusted EBITDA, and net debt. We also use same warehouse and non-same warehouse metrics.

We calculate total segment NOI as our total revenues less our cost of operations (excluding any depreciation and amortization, general and administrative expense, stock-based compensation expense, restructuring and impairment expense, gain and loss on sale of assets, and acquisition, transaction, and other expense. We use segment NOI to evaluate our segments for purposes of making operating decisions and assessing performance in accordance with ASC 280, Segment Reporting. We believe segment NOI is helpful to investors as a supplemental performance measure to net income because it assists both investors and management in understanding the core operations of our business. There is no industry definition of segment NOI and, as a result, other REITs may calculate segment NOI or other similarly-captioned metrics in a manner different than we do.

We calculate "same warehouse NOI" as revenues for the same warehouse population less its cost of operations (excluding any depreciation and amortization, general and administrative expenses, stock-based compensation expense, restructuring and impairment expense, gains and losses on sale of assets, and acquisition, transaction, and other expense). We evaluate the performance of the warehouses we own, lease, or manage using a "same warehouse" analysis, and we believe that same warehouse NOI is helpful to investors as a supplemental performance measure because it includes the operating performance from the population of properties that is consistent from period to period, thereby eliminating the effects of changes in the composition of our warehouse portfolio on performance measures.

We calculate EBITDA for Real Estate, or EBITDAre, in accordance with the standards established by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT, defined as earnings before interest income or expense, taxes, depreciation and amortization, net loss or gain on sale of real estate, net of withholding taxes, impairment write-downs on real estate property, and adjustments to reflect our share of EBITDAre of partially owned entities. EBITDAre is a measure commonly used in our industry, and we present EBITDAre to enhance investor understanding of our operating performance. We believe that EBITDAre provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles, and useful life of related assets among otherwise comparable companies

We also calculate our Adjusted EBITDA as EBITDAre further adjusted for the effects of gain or loss on the sale of non-real estate assets, gain or loss on the destruction of property (net of insurance proceeds), other nonoperating income or expense, acquisition, restructuring, and other expense, foreign currency exchange gain or loss, stock-based compensation expense, loss or gain on debt extinguishment and modification, impairment of investments in non-real estate, technology transformation, and reduction in EBITDAre from partially owned entities. We believe that the presentation of Adjusted EBITDA provides a measurement of our operations that is meaningful to investors because it excludes the effects of certain items that are otherwise included in EBITDAre but which we do not believe are indicative of our core business operations. EBITDAre and Adjusted EBITDA are not measurements of financial performance under GAAP, and our EBITDAre and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. You should not consider our EBITDAre and Adjusted EBITDA as alternatives to net income or cash flows from operating activities determined in accordance with GAAP. Our calculations of EBITDAre and Adjusted EBITDA have limitations as analytical tools, including the following:

- these measures do not reflect our historical or future cash requirements for maintenance capital expenditures or growth and expansion capital expenditures;
- these measures do not reflect changes in, or cash requirements for, our working capital needs;
- these measures do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;
- these measures do not reflect our tax expense or the cash requirements to pay our taxes; and
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and these measures do not reflect any cash requirements for such replacements.

We use EBITDA, EBITDAre and Adjusted EBITDA as measures of our operating performance and not as measures of liquidity.

(continued on following slide)

Non-GAAP Financial Measures

(continued)

We calculate funds from operations, or FFO, in accordance with the standards established by the Board of Governors of the NAREIT. NAREIT defines FFO as net income or loss determined in accordance with GAAP, excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated operating real estate assets, plus specified non-cash items, such as real estate asset depreciation and amortization, in-place lease intangible amortization, real estate asset impairment, and our share of reconciling items for partially owned entities. We believe that FFO is helpful to investors as a supplemental performance measure because it excludes the effect of depreciation, amortization, and gains or losses from sales of real estate, all of which are based on historical costs, which implicitly assumes that the value of real estate diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, FFO can facilitate comparisons of operating performance between periods and among other equity REITs.

We calculate core funds from operations, or Core FFO, as FFO adjusted for the effects of gain or loss on the sale of non-real estate assets, gain or loss on the destruction of property (net of insurance proceeds), finance lease ROU asset amortization real estate, non-real estate impairments, acquisition, restructuring and other, other nonoperating income or expense, loss on debt extinguishment and modifications and the effects of gain or loss on foreign currency exchange. We also adjust for the impact attributable to non-real estate impairments on unconsolidated joint ventures and natural disaster. We believe that Core FFO is helpful to investors as a supplemental performance measure because it excludes the effects of certain items which can create significant earnings volatility, but which do not directly relate to our core business operations. We believe Core FFO can facilitate comparisons of operating performance between periods, while also providing a more meaningful predictor of future earnings potential.

However, because FFO and Core FFO add back real estate depreciation and amortization and do not capture the level of recurring maintenance capital expenditures necessary to maintain the operating performance of our properties, both of which have material economic impacts on our results from operations, we believe the utility of FFO and Core FFO as a measure of our performance may be limited.

We calculate adjusted funds from operations, or Adjusted FFO, as Core FFO adjusted for the effects of amortization of deferred financing costs, amortization of debt discount/premium amortization of above or below market leases, straight-line net operating rent, provision or benefit from deferred income taxes, stock-based compensation expense from grants under our equity incentive plans, non-real estate depreciation and amortization, non-real estate finance lease ROU asset amortization, and recurring maintenance capital expenditures. We also adjust for Adjusted FFO attributable to our share of reconciling items of partially owned entities. We believe that Adjusted FFO is helpful to investors as a meaningful supplemental comparative performance measure of our ability to make incremental capital investments in our business and to assess our ability to fund distribution requirements from our operating activities.

FFO, Core FFO, Adjusted FFO, and Adjusted FFO per diluted share are used by management, investors and industry analysts as supplemental measures of operating performance of equity REITs. FFO, Core FFO, Adjusted FFO, and Adjusted FFO per diluted share should be evaluated along with GAAP net income and net income per diluted share (the most directly comparable GAAP measures) in evaluating our operating performance. FFO, Core FFO, and Adjusted FFO do not represent net income or cash flows from operating activities in accordance with GAAP and are not indicative of our results of operations or cash flows from operating activities as disclosed in our condensed consolidated financial statements included elsewhere in this Quarterly Report. FFO, Core FFO, and Adjusted FFO should be considered as supplements, but not alternatives, to our net income or cash flows from operating activities as indicators of our operating performance. Moreover, other REITs may not calculate FFO in accordance with the NAREIT definition or may interpret the NAREIT definition differently than we do. Accordingly, our FFO may not be comparable to FFO as calculated by other REITs. In addition, there is no industry definition of Core FFO or Adjusted FFO and, as a result, other REITs may also calculate Core FFO or Adjusted FFO, or other similarly-captioned metrics, in a manner different than we do.

We are not able to provide forward-looking guidance for certain financial data that would make a reconciliation from the most comparable GAAP measure to non-GAAP financial measure for forward-looking Adjusted FFO per share possible without unreasonable effort. This is due to unpredictable nature of relevant reconciling items from factors such as acquisitions, divestitures, impairments, natural disaster events, restructurings, debt issuances that have not yet occurred, or other events that are out of our control and cannot be forecasted. The impact of such adjustments could be significant.

We calculate net debt as our gross debt (defined as total debt, net plus finance lease obligations, failed sale-leaseback financing obligations, deferred financing costs, above/below market debt, net and the Kloosterboer preference shares), less cash and cash equivalents. Adjusted net debt to Adjusted EBITDA is calculated using adjusted net debt as of period end divided by Adjusted EBITDA for the twelve months then ended. We use this ratio to evaluate our capital structure and financial leverage. This ratio is also commonly used in our industry, and we believe it provides investors, lenders and rating agencies a meaningful supplemental measure of our ability to repay and service our debt obligations. Other REITs may also calculate this ratio or other similarly-captioned metrics in a manner different than we do.

Thank you

CONTACT

Evan Barbosa
VP, Investor Relations
ir@onelineage.com