
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

September 11, 2023
Date of Report (Date of earliest event reported)

Essential Properties Realty Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)

001-38530
(Commission File Number)

82-4005693
(IRS Employer Identification No.)

902 Carnegie Center Blvd., Suite 520
Princeton, New Jersey
(Address of principal executive offices)

08540
(Zip Code)

Registrant's telephone number, including area code: **(609) 436-0619**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common stock, \$0.01 par value	EPRT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Item 7.01 — Regulation FD Disclosure.

Investor Presentation

On September 11, 2023, Essential Properties Realty Trust, Inc. released a presentation that it intends to use from time to time in meetings with investors. A copy of the presentation is attached hereto as Exhibit 99.1.

The information set forth in this item 7.01 and in the attached Exhibit 99.1 is being "furnished" and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of Section 18, nor shall it be deemed incorporated by reference into any filing of the company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in any such filing.

Item 9.01 — Financial Statements and Exhibits.

(d) Exhibits. The following exhibit is being filed herewith:

Exhibit No.	Description
99.1	September 2023 Investor Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 11, 2023

ESSENTIAL PROPERTIES REALTY TRUST, INC.

By:

/s/ Mark E. Patten

Mark E. Patten

Executive Vice President, Chief Financial Officer, Treasurer and Secretary

Investor Presentation



September 2023

Disclaimer

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements can be identified by the use of words such as “expect,” “plan,” “will,” “estimate,” “project,” “intend,” “believe,” “guidance,” and other similar expressions that do not relate to historical matters. These forward-looking statements are subject to known and unknown risks and uncertainties that can cause actual results to differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, our continued ability to source new investments, risks associated with using debt and equity financing to fund our business activities (including refinancing and interest rate risks, changes in interest rates and/or credit spreads, changes in the price of our common shares, and conditions of the equity and debt capital markets, generally), unknown liabilities acquired in connection with acquired properties or interests in real-estate related entities, general risks affecting the real estate industry and local real estate markets (including, without limitation, the market value of our properties, the inability to enter into or renew leases at favorable rates, portfolio occupancy varying from our expectations, dependence on tenants’ financial condition and operating performance, and competition from other developers, owners and operators of real estate), the financial performance of our retail tenants and the demand for retail space, particularly with respect to challenges being experienced by general merchandise retailers, potential fluctuations in the consumer price index, risks associated with our failure to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended, and other additional risks discussed in our filings with the Securities and Exchange Commission. We expressly disclaim any responsibility to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Executive Summary

Continuing to Execute Our Strategy

Healthy Net Lease Portfolio ¹	<ul style="list-style-type: none">• Stable Portfolio: 99.9% leased; same-store rent growth has averaged 1.6% over the last four quarters• Strong Coverage: Unit-level coverage of 4.1x with ~99% of ABR required to report unit-level P&Ls• De-Minimis Near-Term Expirations: Only 3.3% of ABR expiring through 2026• Fungible & Diversified: Average asset size is \$2.4mm; Top 10 tenants represent just 17.5% of ABR
Well Positioned Balance Sheet And Liquidity	<ul style="list-style-type: none">• Balance Sheet Strength: Quarter-to-date, the company issued ~\$11mm of common equity under our ATM program, on a forward basis, and closed a new \$450mm 5.5-year term loan facility, generating substantial dry powder for investment pipeline and eliminating our only near-term debt maturity (\$200mm term loan due April 2024). The incremental initial funding of \$50mm has been swapped for an all-in rate of ~5.2%.• Low Leverage²: Proforma Net Debt / Annualized Adjusted EBITDAre of 4.2x at 2Q'23-end• Excellent Liquidity²: ~\$834mm of pro forma liquidity• Well-Laddered Low-Cost Debt³: Weighted average debt maturity is 5.2 years, and weighted average interest rate is 3.4%
Consistent & Disciplined External Growth	<ul style="list-style-type: none">• Investment Activity Remains Healthy at Attractive Cap Rates: With ~\$66mm of investments closed quarter-to-date⁴ and ~\$357mm of investments under PSA or LOI⁵, our closed and pending investments total ~\$423mm with 3Q'23 expected cash yield of ~7.6%• Accretive Capital Recycling: With ~\$15mm of dispositions closed quarter-to-date⁴ at 6.4% cash yield and ~\$26mm under PSA at 6.5% yield⁵, we continue to selectively recycle capital at attractive prices.

1. As of June 30, 2023.

2. Pro forma adjustments have been made to reflect 836,050 shares sold on a forward basis through our ATM Program as if they had been physically settled on June 30, 2023, and to reflect the closing of the new 5.5-year term loan facility.

3. As of September 1, 2023. Pro forma adjustments made to reflect the closing of the new 5.5-year term loan facility.

4. Completed investments and dispositions from July 1, 2023 through September 1, 2023. Includes transaction costs.

5. As of September 1, 2023, we were party to purchase and sale agreements, letters of intent or similar agreements relating to potential investments and purchase and sale agreements relating to potential dispositions. There can be no assurance that these investments and dispositions will be completed.

Investment Highlights

New Vintage Portfolio + External Growth Capacity = Compelling Investment Opportunity

<ul style="list-style-type: none">• Newly Assembled Portfolio of Net Lease Properties• Long Duration Leases with Strong Unit-Level Rent Coverage	14 Years Weighted Average Lease Term (WALT) ¹	4.1x Average Unit-Level Rent Coverage ¹
<ul style="list-style-type: none">• Focused on Service-Oriented and Experience-Based Tenants• Fungible and Smaller-Scale Single-Tenant Properties	93% % of Total Cash ABR from Service & Experiential Tenants ¹	\$2.4mm Average Investment per Property ¹
<ul style="list-style-type: none">• Differentiated, Disciplined and Proven Investment Strategy• Focused on Sale-Leasebacks with Middle-Market Companies	~\$247mm Average Quarterly Investment Level ²	99% % of 2Q'23 Investments Originated Sale-Leaseback Structure ³
<ul style="list-style-type: none">• Balance Sheet Positioned to Fund External Growth Opportunities• Long-Term History of Maintaining Conservative Leverage Profile	4.2x Net Debt to Annualized Adjusted EBITDA ⁴	31% Gross Debt to Undepreciated Assets ⁴
<ul style="list-style-type: none">• Senior Management Team with Extensive Net Lease Experience• Demonstrated Record of Growing Public REITs to Significant Scale	100+ Years Management's Collective Net Lease Experience	\$4.6B Undepreciated Gross Assets ¹

1. As of June 30, 2023.

2. Average quarterly investment activity represents the trailing eight quarter average as of June 30, 2023.

3. Based on Cash ABR as of June 30, 2023.

4. Pro forma adjustments have been made to reflect 836,050 shares sold on a forward basis through our ATM Program as if they had been physically settled on June 30, 2023.

Differentiated Investment Strategy Based on Decades of Experience

Investment Discipline Refined Over Multiple Decades, Extensive Experience Through Various Credit Cycles

Service-oriented and experience-based businesses

- Strong performance in current economic environment
- Improving operating efficiencies
- Increasing store counts

Service-Oriented & Experience-Based Industries

- ✓ E-commerce resistant
- ✓ Profit centers essential to tenant's operations
- ✓ Customers must visit to receive service/experience

Small-scale, fungible net leased properties

- Greater re-let opportunities
- More liquid for asset recycling

Middle-market businesses

- Greater opportunity to be valued capital partner
- Limited alternative capital sources
- Attractive risk-adjusted returns

Sale-Leaseback Transactions - Middle-Market Tenants

- ✓ Longer lease term
- ✓ Unit-level financial reporting
- ✓ Contractual rent increases

Small-Scale Fungible Net Leased Properties

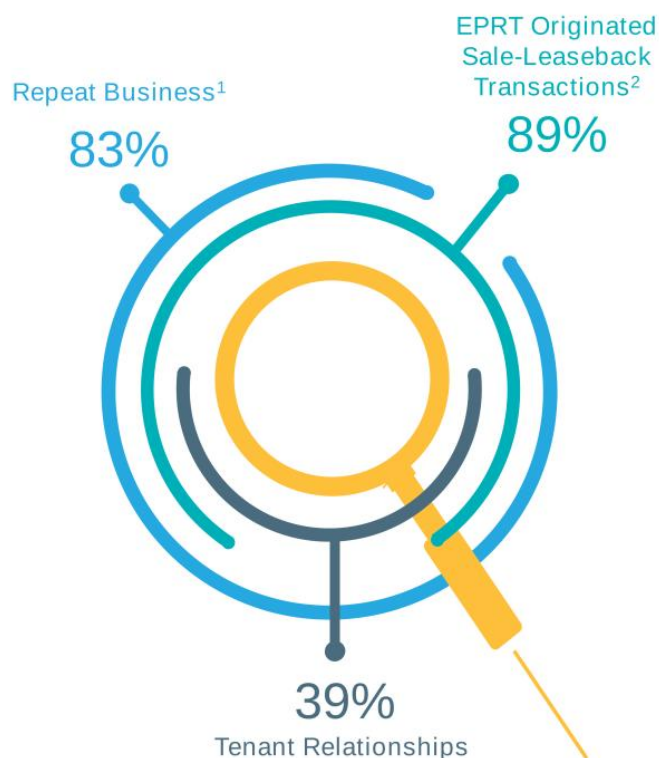
- ✓ Increases diversification
- ✓ Deeper pool of potential buyers
- ✓ Greater alternative uses



Relationship Based Strategy – Capital Provider of Choice

Actively Leveraging Our Relationships to Source New Investment Opportunities

Relationship-Based Sourcing



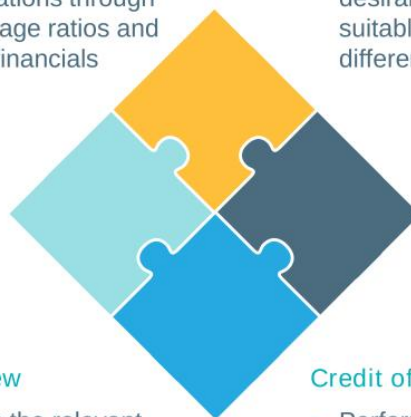
Underwriting Methodology

Unit-Level Profitability

- Evaluate the profitability of the business operated at our real estate locations through rent coverage ratios and historical financials

Real Estate Valuation

- Identify whether the underlying real estate is commercially desirable and suitable for use by different tenants



Industry View

- Determine the relevant competitive factors and long-term viability of the industry, avoiding industries subject to long-term functional obsolescence

Credit of the Tenant

- Perform detailed credit reviews of the financial condition of all proposed tenants to determine their financial strength and flexibility

1. Percentage of portfolio cash ABR as of June 30, 2023 that was acquired from parties who previously engaged in one or more transaction with a senior management team member. Exclusive of Initial Portfolio.
2. Percentage of portfolio cash ABR as of June 30, 2023 that was attributable to internally originated sale-leaseback transactions. Exclusive of Initial Portfolio.

Portfolio Review

EquipmentShare



New Vintage Portfolio Focused on Targeted Industries

Disciplined Investing Focused on Service-Oriented and Experience-Based Businesses with Unit-Level Reporting

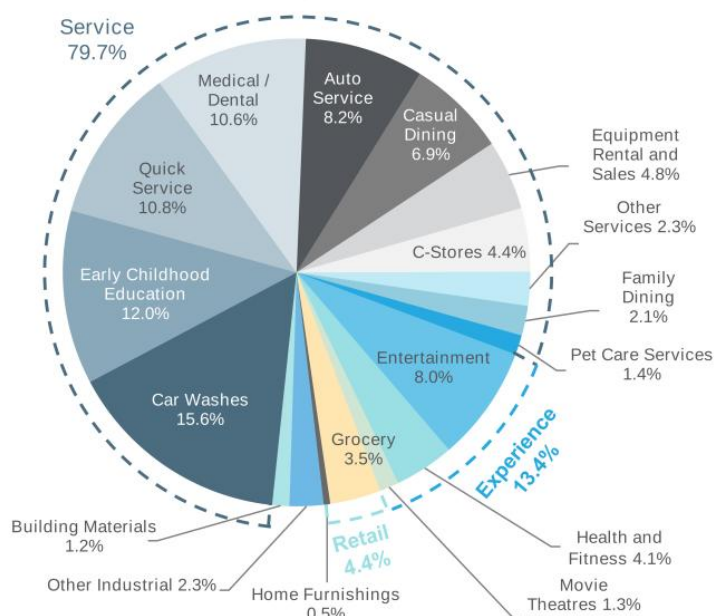
- **E-Commerce Resistant:** 93% of cash ABR comes from service-oriented and experience-based tenants
- **Focus on 16 Industries:** Results in greater sector expertise and more efficient asset management
- **Long WALT Limits Near-Term Cash Flow Erosion:** 3.3% of our ABR expires through 2026
- **Highly Transparent with No Legacy Issues:** 98.6% unit-level reporting; investment program started in June 2016

Portfolio Highlights

	June 30, 2023
Investment Properties (#) ¹	1,742
Square Footage (mm)	17.2
Tenants (#)	360
Industries (#)	16
States (#)	48
Weighted Average Remaining Lease Term (Years)	14.0
Master Leases (% of Cash ABR)	65.8%
Sale-Leaseback (% of Cash ABR) ^{2,3}	89.0%
Unit-Level Rent Coverage	4.1x
Unit-Level Financial Reporting (% of Cash ABR)	98.6%
Leased (%)	99.9%
Top 10 Tenants (% of Cash ABR)	17.5%
Average Investment Per Property (\$mm)	\$2.4

1. Includes 142 properties that secure mortgage loans receivable.
 2. Exclusive of Initial Portfolio.
 3. Includes investments in mortgage loans receivable made in support of sale-leaseback transactions.

Tenant Industry Diversification



Top 10 Tenant Concentration

Highly Diversified Portfolio by Tenant: Top 10 Tenants Represent only 17% of Total Cash ABR

Top 10 Tenants

Top 10 Tenants ¹	Properties ²	% of Cash ABR
 Equipment Share	40	3.6%
 festival	6	1.7%
 FIVE STAR	10	1.7%
 Carpool	77	1.7%
 Chicken N Pickle	6	1.7%
 WATERWATER	16	1.5%
 Accelerated Brands	12	1.4%
 Cadence	21	1.4%
 Mammoth Holdings	17	1.4%
 Mister	13	1.4%
Top 10 Tenants	218	17.5%
Total	1,742	100.0%

Diversification by Industry

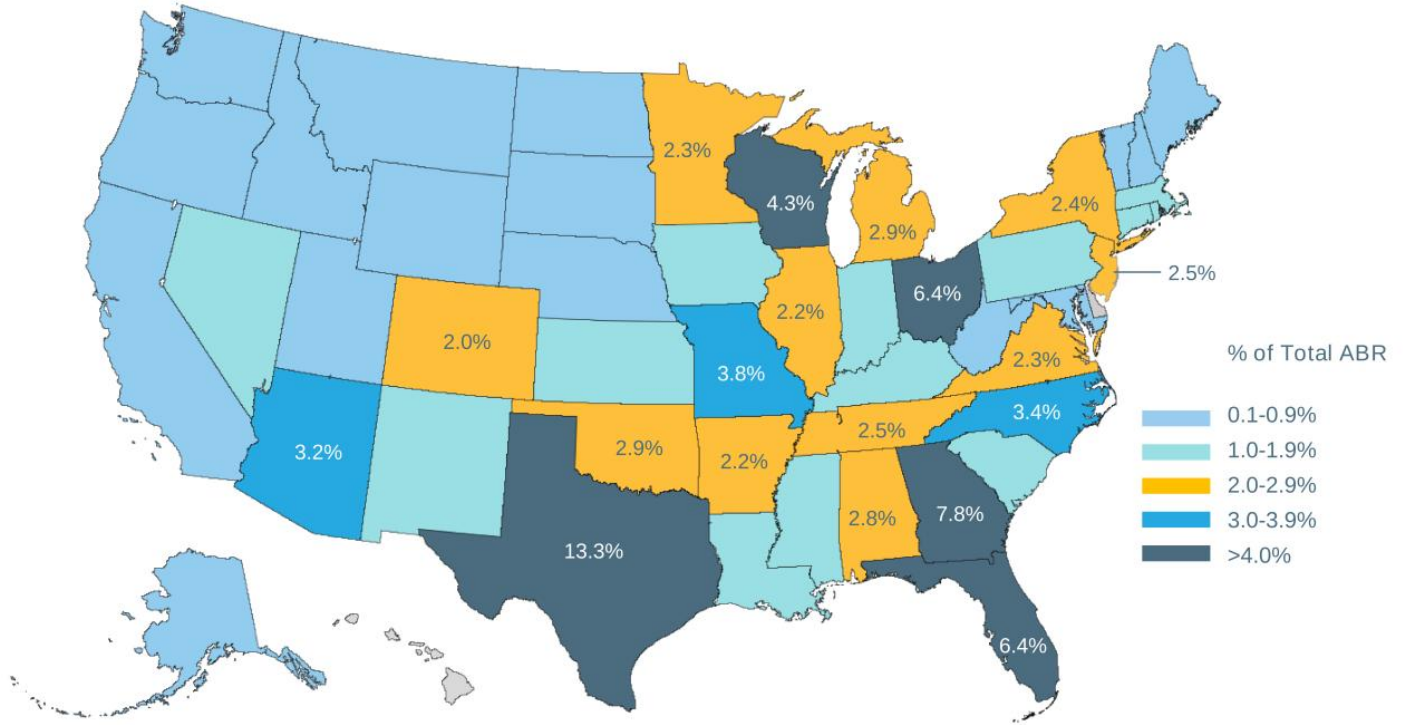
Tenant Industry	Type of Business	Cash ABR (\$'000s)	% of Cash ABR	# of Properties ²	Building SqFt	Rent Per SqFt ³
Car Washes	Service	\$ 51,190	15.6%	175	848,609	\$ 60.71
Early Childhood Education	Service	39,510	12.0%	175	1,872,795	21.10
Quick Service	Service	35,400	10.8%	398	1,106,549	31.88
Medical / Dental	Service	34,837	10.6%	200	1,423,365	24.48
Automotive Service	Service	26,990	8.2%	207	1,315,837	20.29
Casual Dining	Service	22,607	6.9%	104	748,330	29.48
Equipment Rental and Sales	Service	15,904	4.8%	63	1,049,428	14.47
Convenience Stores	Service	14,411	4.4%	129	496,240	30.38
Other Services	Service	7,691	2.3%	36	444,665	17.30
Family Dining	Service	6,743	2.1%	38	249,173	27.06
Pet Care Services	Service	4,486	1.4%	37	253,305	15.47
Service Subtotal		\$ 259,769	79.1%	1,562	9,808,294	\$26.35
Entertainment	Experience	26,275	8.0%	50	1,485,043	17.69
Health and Fitness	Experience	13,626	4.1%	34	1,321,388	9.25
Movie Theatres	Experience	4,366	1.3%	6	293,206	14.89
Experience Subtotal		\$ 44,267	13.4%	90	3,099,637	\$ 13.96
Grocery	Retail	11,566	3.5%	32	1,477,780	7.83
Home Furnishings	Retail	1,492	0.5%	3	176,809	8.44
Retail Subtotal		\$ 13,058	4.0%	35	1,654,589	\$ 7.89
Other Industrial	Industrial	7,713	2.3%	30	1,368,677	5.64
Building Materials	Industrial	3,855	1.2%	23	1,257,017	3.07
Industrial Subtotal		\$ 11,568	3.5%	53	2,625,694	\$ 4.41
Total		\$ 328,662	100.0%	1,740	17,188,214	\$ 18.96

1. Represents tenant, guarantor or parent company.
2. Property count includes 142 properties that secure mortgage loans receivable and excludes four vacant properties.
3. Calculation excludes properties with no annualized base rent and properties under construction.

Diversified Portfolio – Our Tenants Identify the Location of Opportunities

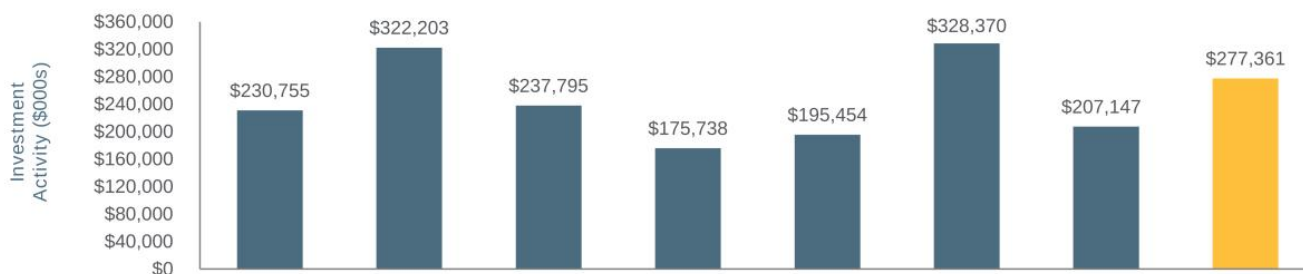
Geographical Diversity is an Output of our Strategy

- **Geographic Diversity** ~77% of Total Cash ABR comes from Top 19 States (States with >2.0% of our total ABR)
~50% of Total Cash ABR comes from Sunbelt states, as our tenants increasingly seek to expand their businesses in higher-growth markets



Established and Proven Investment Platform

Scalable Infrastructure – Consistent Investment Sourcing at Attractive Yields without Sacrificing Quality



Investments ¹	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23
Number of Transactions	31	55	23	23	27	39	24	29
Property Count	85	96	105	39	40	115	57	78
Average Investment per Unit (in 000s)	\$2,676	\$3,230	\$2,187	\$3,870	\$3,750	\$2,782	\$3,401	\$3,350
Cash Cap Rates ²	7.0%	6.9%	7.0%	7.0%	7.1%	7.5%	7.6%	7.4%
GAAP Cap Rates ³	7.9%	7.8%	7.8%	8.0%	8.2%	8.8%	9.0%	8.7%
Weighted Average Lease Escalation	1.6%	1.6%	1.4%	1.5%	1.6%	1.8%	2.0%	1.9%
Master Lease % ^{4,5}	80%	59%	83%	86%	68%	90%	86%	57%
Sale-Leaseback % ^{4,6}	84%	96%	100%	100%	89%	99%	100%	99%
Existing Relationship % ⁴	81%	89%	83%	79%	94%	95%	94%	66%
% of Financial Reporting ⁴	100%	98%	100%	100%	100%	100%	100%	100%
Rent Coverage Ratio	2.8x	3.0x	3.3x	2.7x	4.4x	3.2x	3.3x	3.9x
Lease Term Years	16.4	16.3	15.0	17.2	16.5	18.7	19.0	19.3

1. Includes investments in mortgage loans receivable.

2. Cash ABR for the first full month after the investment divided by the gross investment in the property plus transaction costs.

3. GAAP rent and interest income for the first twelve months after the investment divided by the gross investment in the property plus transaction costs.

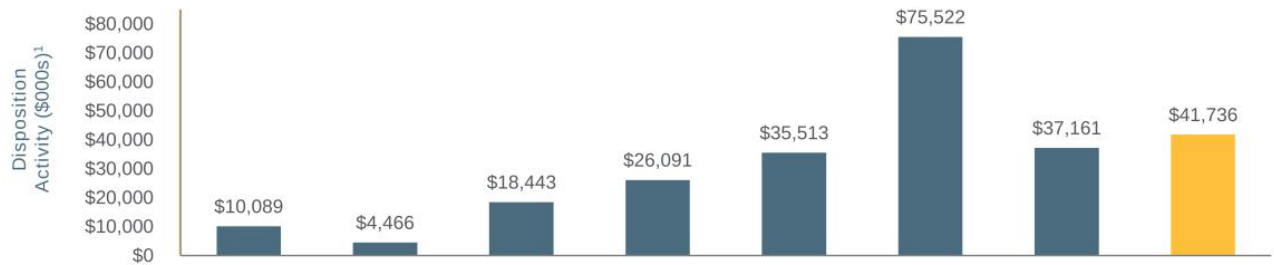
4. As a percentage of cash ABR for the quarter.

5. Includes investments in mortgage loans receivable collateralized by more than one property.

6. Includes investments in mortgage loans receivable made in support of sale-leaseback transactions.

Active Asset Management

Proactive Asset Management Mitigates Risk, Optimizes Accretive Capital Recycling and Risk-Adjusted Returns



Dispositions	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22	1Q'23	2Q'23
Realized Gain/(Loss) ^{1,2}	29.8% ⁵	7.5%	0.4%	38.6%	11.1%	7.2%	(2.1%)	(0.9%)
Cash Cap Rate on Leased Assets ³	6.5% ⁵	6.0%	7.1% ⁵	6.2%	6.2% ⁵	6.9%	6.1% ⁵	6.2% ⁵
Leased Properties Sold ⁴	11	2	6	8	12	25	17	14
Vacant Properties Sold ⁴	—	—	—	—	—	1	—	2
Rent Coverage Ratio	1.2x	0.0x	2.5x ⁵	1.1x	1.2x	2.1x	2.3x	2.2x

1. Includes the impact of transaction costs.

2. Gains/(losses) based on our initial purchase price.

3. Cash ABR at time of sale divided by gross sale price (excluding transaction costs) for the property.

4. Property count excludes dispositions of undeveloped land parcels or dispositions where only a portion of the owned parcel is sold.

5. Excludes properties sold pursuant to an existing tenant purchase option or properties purchased by the tenant.

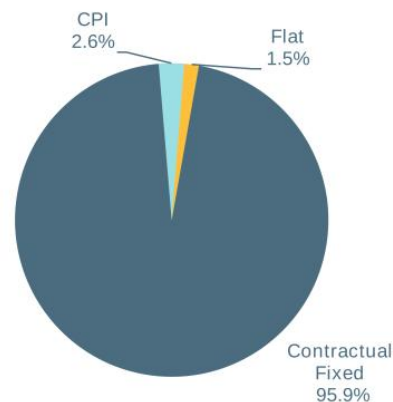
Leasing Summary

Consistent Contractual Rent Escalations Generate Dependable Internal Growth

Lease Escalation Frequency

Lease Escalation Frequency	% of Cash ABR	Weighted Average Annual Escalation Rate ^{1,2}
Annually	80.1%	1.7%
Every 2 years	1.2	1.5
Every 3 years	0.2	0.0
Every 4 years	0.2	1.0
Every 5 years	12.3	1.8
Other escalation frequencies	4.5	1.1
Flat	1.5	0.1
Total / Weighted Average	100.0%	1.6%

Lease Escalation Type



1. Based on cash ABR as of June 30, 2023.

2. Represents the weighted average annual escalation rate of the entire portfolio as if all escalations occur annually. For leases in which rent escalates by the greater of a stated fixed percentage or CPI, we have assumed an escalation equal to the stated fixed percentage in the lease. As any future increase in CPI is unknowable at this time, we have not included an increase in the rent pursuant to these leases in the weighted average annual escalation rate presented.

Same-Store Rent Growth

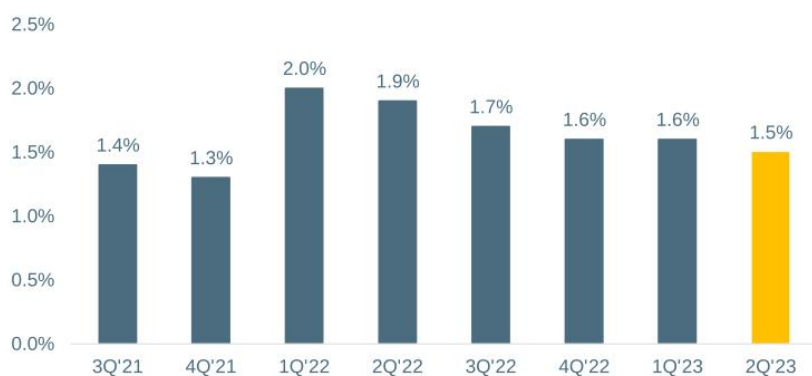
Alignment with Average Contractual Rent Bumps is Indicator of Limited Credit Loss Experience

Same-Store Portfolio Performance¹

Type of Business	Contractual Cash Rent (\$000s) ²		% Change
	2Q'22	2Q'23	
Service	\$ 49,819	\$ 50,673	1.7%
Experience	7,090	7,102	0.2%
Retail	2,775	2,812	1.3%
Industrial	1,565	1,590	1.6%
Total Same-Store Rent	\$ 61,249	\$ 62,178	1.5%



Trailing 8 Qtr. Avg. Same-Store Rent Growth¹



1. All properties owned, excluding new sites under construction, for the entire same-store measurement period, which is April 1, 2022 through June 30, 2023. The same-store portfolio for 2Q'23 is comprised of 1,429 properties and represents 76% of our total portfolio as measured by contractual cash rent and interest divided by our cash ABR at June 30, 2023.
 2. The amount of cash rent and interest our tenants are contractually obligated to pay per the in-place lease or mortgage as of June 30, 2023; excludes 1.) percentage rent that is subject to sales breakpoints per the lease and 2.) redevelopment properties in a free rent period.

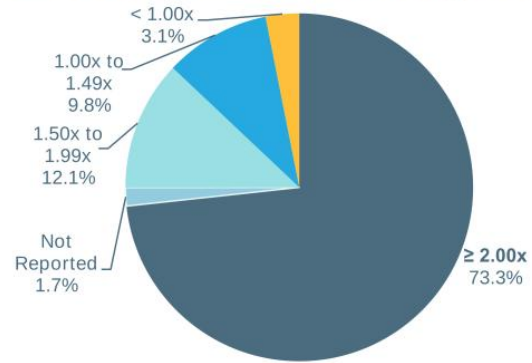
Disciplined Underwriting Leading to Healthy Portfolio Metrics

Virtually 100% Unit-Level Reporting Provides Timely Visibility into Tenant Health and Expansive Intellectual Capital

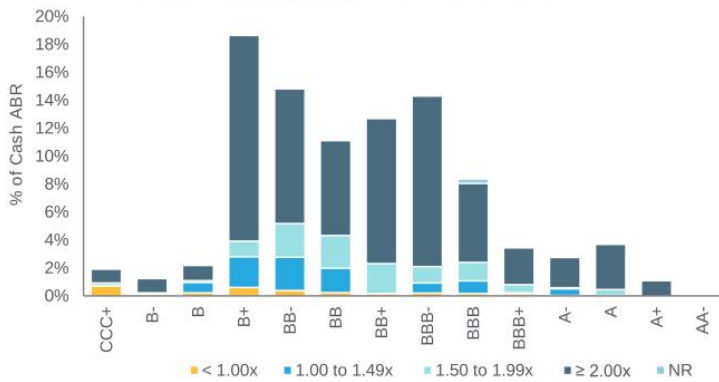
Tenant Financial Reporting Requirements

Reporting Requirements	% of Cash ABR
Unit-Level Financial Information	98.6%
Corporate-Level Financial Reporting	98.9%
Both Unit-Level and Corporate-Level Financial Information	98.3%
No Financial Information	0.8%

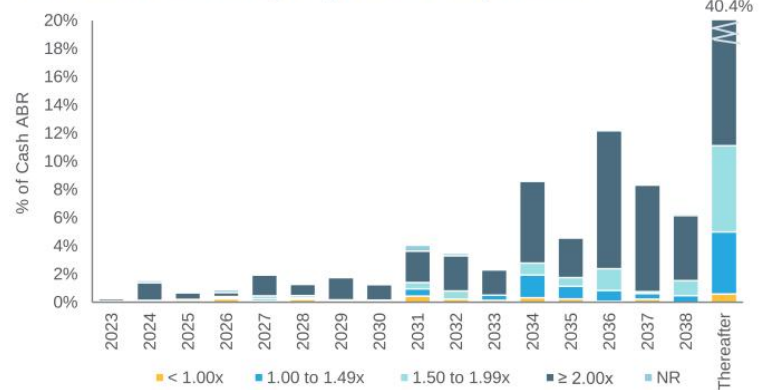
% of Cash ABR by Unit-Level Coverage Tranche¹



Unit-Level Coverage by Tenant Credit²



Unit-Level Coverage by Lease Expiration



Note: 'NR' means not reported.

1. Certain tenants, whose leases do not require unit-level financial reporting, provide the Company with unit-level financial information. The data shown includes unit-level coverage for these leases.

2. The chart illustrates the portions of annualized base rent as of June 30, 2023, attributable to leases with tenants having specified implied credit ratings based on their Moody's RiskCalc scores. Moody's equates the EDF scores generated using RiskCalc with a corresponding credit rating.

Chicken N Pickle

Leverage & Liquidity



Conservative and Flexible Debt Structure

100% Unsecured Debt – 100% Unencumbered Asset Base – Minimal Near-Term Debt Maturities – Investment Grade

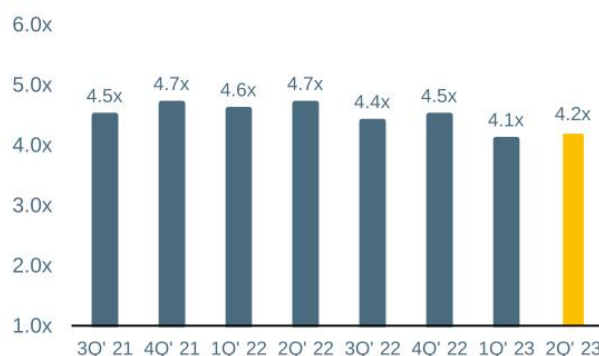
- **Well-Laddered Maturities¹:** Weighted average debt maturity of 5.2 years
- **Low-Cost Debt Structure¹:** Weighted average interest rate of 3.4%
- **100% Unsecured Balance Sheet:** Asset base is 100% unencumbered, with no secured debt
- **Flexible Debt Structure¹:** No debt maturities until February 2027³
- **Low Leverage²:** Proforma Net Debt / Annualized Adjusted EBITDAre of 4.2x at 2Q'23-end

Debt Maturity Schedule¹



Consistently Conservative Leverage

(Net Debt plus Annualized Adjusted EBITDA¹)



1. As of September 1, 2023. Pro forma adjustments made to reflect the closing of the new 5.5-year term loan facility.
 2. Pro forma adjustments have been made to reflect 836,050 shares sold on a forward basis through our ATM Program as if they had been physically settled on June 30, 2023.
 3. Excludes the undrawn Revolving Credit Facility which matures in 2026.

Strong Liquidity to Drive Leading AFFO/sh Growth

\$834mm of Liquidity¹ and Balance Sheet Capacity to Support External Growth Aspirations

Strong Liquidity to Near-Term Investment Opportunities

(\$000s)	2Q'23	Pro Forma 2Q'23 ¹
Cash	\$ 14.1	\$ 34.1
Unused Revolver Capacity	600.0	600.0
Undrawn Term Loan Funding	0.0	200.0
Forward Equity Sales - Unsettled	20.0	0
Total Available Liquidity	\$ 634.1	\$ 834.1



Consistently Strong Liquidity to Fund Growth (\$000s)



1. Pro forma adjustments have been made to reflect 836,050 shares sold on a forward basis through our ATM Program as if they had been physically settled on June 30, 2023 and the closing of the new 5.5-year Term loan facility

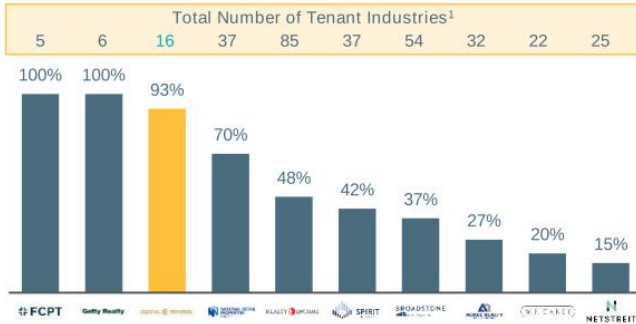


Peer Comparison

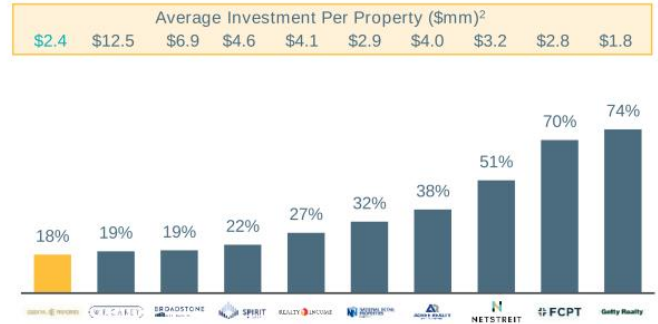
Differentiated Net Lease Investment Opportunity

Portfolio Mix and Underlying Fundamentals are Favorable Relative to Peers

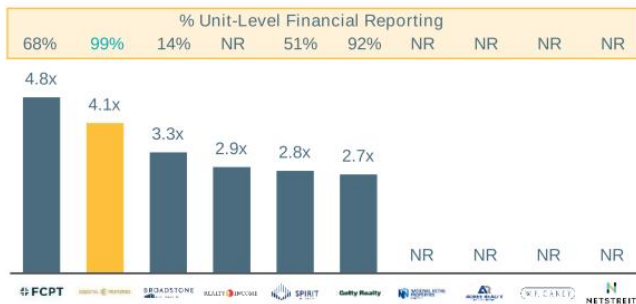
Service-Oriented & Experience-Based Industries (% of ABR)



Less Reliance on Top 10 Tenancy – Fungible Properties (% of ABR)



Strong Unit-Level Coverage³ & Transparency



Limited Intermediate-Term Lease Maturities (% of Rent Expiring through 2026)



Source: Public filings and press releases.

Note: Data based on most recent reported filings for period ending June 30, 2023, not adjusted for post quarter-end subsequent events. 'NR' means not reported. Companies may define service-oriented and experienced-based tenants differently, may calculate weighted average remaining lease term differently, may calculate unit-level coverage differently (including peers on a mean or median basis with EPRT representing a weighted average) and may calculate the percentage of their tenants reporting differently than EPRT. Accordingly, such data for these companies and EPRT may not be comparable.

1. Designations entitled "other" are counted as one industry, even though the "other" segment could represent multiple industries.

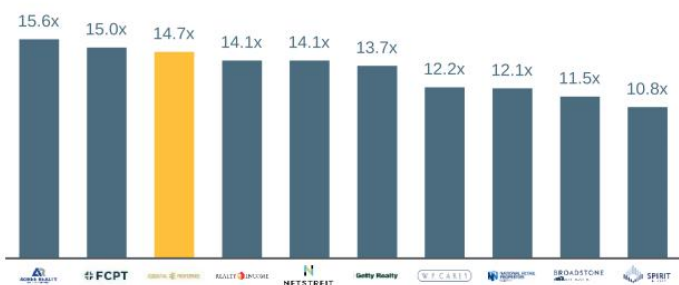
2. Investment value includes land and improvements, building and improvements, lease incentives, CIP, intangible lease assets, loans and direct financing lease receivables and real estate investments held for sale, all at cost.

3. EPRT, GTY, O, and SRC coverage based on four-wall.

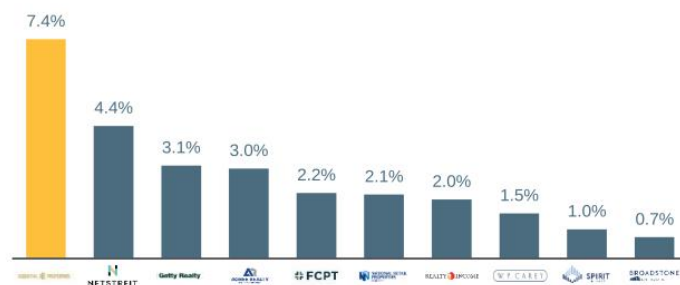
Relative Valuation, Growth and Leverage

Compelling Valuation, Projected AFFO/sh Growth Relative to Net Lease Peers, and Conservative Leverage

2023E AFFO per Share Multiple¹

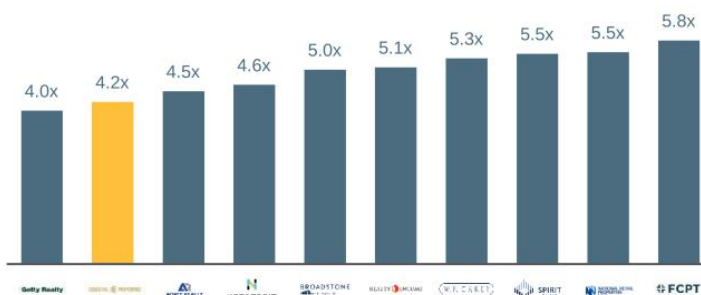


2023E AFFO per Share Growth²



Net Debt + Preferred / EBITDAre

(Net Debt plus Preferred-to-Annualized Adjusted EBITDAre³)



Source: Public filings, FactSet and SNL.

Note: Market data as of September 1, 2023.

1. 2023E AFFO per share multiple calculated using current price per share and FactSet mean 2023E AFFO per share estimates.

2. 2023E AFFO per share growth is calculated using FactSet mean 2023E AFFO per share estimates and 2022A AFFO per share.

3. Companies may define annualized adjusted EBITDAre differently, accordingly, data for these companies and EPRT may not be comparable.



Commitment to ESG

Environmental, Social and Governance

Strong Governance, Innovative Approach to Sustainability, Commitment to Diversity, Equity & Inclusion

Governance

- Leading governance practices, Board accountability, strong board diversity, required minimum stock ownership, published compensation clawback policy, and no hedging or pledging
- Industry recognized investor engagement and disclosure practices

Nareit

2023 Silver Winner of Investor CARE Award

The Forum of Executive Women

pwc

2020, 2021 and 2022 Champion of Board Diversity

EWNJ
EXECUTIVE WOMEN OF NEW JERSEY

2023 Corporate Board Gender Diversity Award

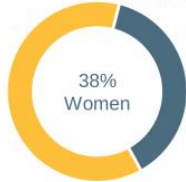
88% Independent



Low Tenure



Strong Diversity



Environmental

Implementing sustainability upgrades at our properties to positively impact our tenants' profitability and prospects for success

ESSENTIAL  SUSTAINABILITY

The EPRT Green Lease

Is now our standard lease form and it provides us with contractual rights to install sustainability improvements at our properties and receive annual utility billing/usage data.

Green Leases YTD in 2023

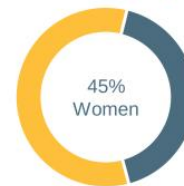


1. Measured by number of properties acquired

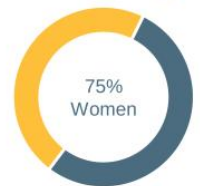
Social

- Providing dynamic work environment, rewarding work experience and career development for our team
- Providing positive work environment, valuing equal opportunity and fair employment practices
- Strive to offer our employees attractive and equitable compensation and healthy work/life balance
- Providing our employees with outlets to pursue professional development and civic engagement

Total Company



Non-Executive Management





Financials

Financial Summary – 2Q'23

Consolidated Statements of Operations

(in thousands, except share and per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues:				
Rental revenue ^{1,2}	\$ 81,819	\$ 67,089	\$ 159,991	\$ 133,201
Interest on loans and direct financing lease receivables	4,534	3,949	8,981	7,771
Other revenue, net	163	408	1,232	595
Total revenues	86,516	71,446	170,204	141,567
Expenses:				
General and administrative	7,585	7,026	16,169	15,089
Property expenses ³	1,144	828	1,987	1,837
Depreciation and amortization	24,742	22,074	48,567	42,387
Provision for impairment of real estate	802	6,258	1,479	10,193
Change in provision for loan losses	8	107	(22)	167
Total expenses	34,281	36,293	68,180	69,673
Other operating income:				
Gain on dispositions of real estate, net	12,547	10,094	17,461	11,752
Income from operations	64,782	45,247	119,485	83,646
Other (expense)/income:				
Loss on debt extinguishment ⁴	—	—	—	(2,138)
Interest expense	(12,071)	(9,190)	(24,204)	(18,350)
Interest income	448	30	1,086	48
Income before income tax expense	53,159	36,087	96,367	63,206
Income tax expense	159	275	311	576
Net income	53,000	35,812	96,056	62,630
Net income attributable to non-controlling interests	(198)	(159)	(358)	(278)
Net income attributable to stockholders	\$ 52,802	\$ 35,653	\$ 95,698	\$ 62,352
Basic weighted-average shares outstanding				
	150,492,454	131,271,882	147,466,087	129,068,197
Basic net income per share	\$ 0.35	\$ 0.27	\$ 0.65	\$ 0.48
Diluted weighted-average shares outstanding				
	151,522,350	132,019,501	148,776,458	129,983,198
Diluted net income per share	\$ 0.35	\$ 0.27	\$ 0.64	\$ 0.48

1. Includes contingent rent (based on a percentage of the tenant's gross sales at the leased property) of \$144, \$159, \$320 and \$315 for the three and six months ended June 30, 2023 and 2022, respectively.

2. Includes reimbursable income from the Company's tenants of \$750, \$501, \$1,341 and \$1,054 for the three and six months ended June 30, 2023 and 2022, respectively.

3. Includes reimbursable expenses from the Company's tenants of \$750, \$500, \$1,341 and \$1,054 for the three and six months ended June 30, 2023 and 2022, respectively.

4. During the six months ended June 30, 2022, includes debt extinguishment costs associated with the Company's restructuring of its credit and term loan facilities.

Financial Summary – 2Q'23

Funds from Operations (FFO) and Adjusted Funds from Operations (AFFO)

(unaudited, in thousands except per share amounts)	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Net income	\$ 53,000	\$ 35,812	\$ 96,056	\$ 62,630
Depreciation and amortization of real estate	24,717	22,048	48,515	42,335
Provision for impairment of real estate	802	6,258	1,479	10,193
Gain on dispositions of real estate, net	(12,547)	(10,094)	(17,461)	(11,752)
Funds from Operations	65,972	54,024	128,589	103,406
Non-core expense (income) ¹	172	—	(704)	2,138
Core Funds from Operations	66,144	54,024	127,885	105,544
Adjustments:				
Straight-line rental revenue, net	(6,710)	(6,535)	(13,548)	(12,801)
Non-cash interest expense	615	689	1,434	1,350
Non-cash compensation expense	2,157	2,188	4,878	5,024
Other amortization expense	254	208	535	402
Other non-cash charges	2	104	(33)	160
Capitalized interest expense	(582)	(61)	(1,015)	(127)
Adjusted Funds from Operations	\$ 61,880	\$ 50,617	\$ 120,136	\$ 99,552
Net income per share ² :				
Basic	\$ 0.35	\$ 0.27	\$ 0.65	\$ 0.48
Diluted	\$ 0.35	\$ 0.27	\$ 0.64	\$ 0.48
FFO per share ² :				
Basic	\$ 0.44	\$ 0.41	\$ 0.87	\$ 0.80
Diluted	\$ 0.43	\$ 0.41	\$ 0.86	\$ 0.79
Core FFO per share ² :				
Basic	\$ 0.44	\$ 0.41	\$ 0.86	\$ 0.81
Diluted	\$ 0.44	\$ 0.41	\$ 0.86	\$ 0.81
AFFO per share ² :				
Basic	\$ 0.41	\$ 0.38	\$ 0.81	\$ 0.77
Diluted	\$ 0.41	\$ 0.38	\$ 0.81	\$ 0.76

1. During the three and six months ended June 30, 2023, includes \$0.2 million of severance expense and non-cash compensation expense in connection with the departure of one of our junior executives; during the six months ended June 30, 2023, includes \$0.9 million of insurance recovery income related to two properties; and during the six months ended June 30, 2022, includes our \$2.1 million loss on debt extinguishment.

2. Calculations exclude \$102, \$97, \$203 and \$187 from the numerator for the three and six months ended June 30, 2023 and 2022, respectively, related to dividends paid on unvested restricted stock awards and restricted stock units.

Financial Summary – 2Q'23

Consolidated Balance Sheets

(in thousands, except share and per share amounts)

	June 30, 2023	December 31, 2022
ASSETS	(unaudited)	(audited)
Investments:		
Real estate investments, at cost:		
Land and improvements	\$ 1,370,069	\$ 1,228,687
Building and improvements	2,684,807	2,440,630
Lease incentive	17,681	18,352
Construction in progress	59,570	34,537
Intangible lease assets	87,946	88,364
Total real estate investments, at cost	4,220,073	3,810,570
Less: accumulated depreciation and amortization	(318,862)	(276,307)
Total real estate investments, net	3,901,211	3,534,263
Loans and direct financing lease receivables, net	227,405	240,035
Real estate investments held for sale, net	4,617	4,780
Net investments	4,133,233	3,779,078
Cash and cash equivalents	14,108	62,345
Restricted cash	—	9,155
Straight-line rent receivable, net	92,135	78,587
Derivative assets	47,865	47,877
Rent receivables, prepaid expenses and other assets, net	25,481	22,991
Total assets	\$ 4,312,822	\$ 4,000,033
LIABILITIES AND EQUITY		
Unsecured term loans, net of deferred financing costs	\$ 1,026,053	\$ 1,025,492
Senior unsecured notes, net	395,566	395,286
Revolving credit facility	—	—
Intangible lease liabilities, net	11,399	11,551
Dividend payable	43,705	39,398
Derivative liabilities	657	2,274
Accrued liabilities and other payables	28,182	29,261
Total liabilities	1,505,562	1,503,262
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock, \$0.01 par value; 150,000,000 authorized; none issued and outstanding as of 6/30/23 and 12/31/22	—	—
Common stock, \$0.01 par value; 500,000,000 authorized; 155,172,501 and 142,379,655 issued and outstanding as of 6/30/23 and 12/31/22, respectively	1,552	1,424
Additional paid-in capital	2,863,857	2,563,305
Distributions in excess of cumulative earnings	(109,466)	(117,187)
Accumulated other comprehensive loss	42,785	40,719
Total stockholders' equity	2,798,728	2,488,261
Non-controlling interests	8,532	8,510
Total equity	2,807,260	2,496,771
Total liabilities and equity	\$ 4,312,822	\$ 4,000,033

Financial Summary – 2Q'23

GAAP Reconciliations to EBITDAre, GAAP NOI, Cash NOI and Estimated Run Rate Metrics

(unaudited, in thousands)	Three Months Ended June 30, 2023
Net income	\$ 53,000
Depreciation and amortization	24,742
Interest expense	12,071
Interest income	(448)
Income tax expense	159
EBITDA	89,524
Provision for impairment of real estate	802
Gain on dispositions of real estate, net	(12,547)
EBITDAre	77,779
Adjustment for current quarter re-leasing, acquisition and disposition activity ¹	4,370
Adjustment to exclude other non-core and non-recurring activity ²	833
Adjustment to exclude termination/prepayment fees and certain percentage rent ³	(53)
Adjusted EBITDAre - Current Estimated Run Rate	82,929
General and administrative	7,230
Adjusted net operating income ("NOI")	90,159
Straight-line rental revenue, net ¹	(8,652)
Other amortization expense	254
Adjusted Cash NOI	\$ 81,761
Annualized EBITDAre	\$ 311,116
Annualized Adjusted EBITDAre	\$ 331,716
Annualized Adjusted NOI	\$ 360,636
Annualized Adjusted Cash NOI	\$ 327,044

1. Adjustment made to reflect EBITDAre, NOI and Cash NOI as if all re-leasing activity, investments in and dispositions of real estate and loan repayments completed during the three months ended June 30, 2023 had occurred on April 1, 2023.

2. Adjustment is made to i) exclude non-core income and expense adjustments made in computing Core FFO, ii) exclude changes in our provision for credit losses, iii) exclude the write-off of receivables from prior periods and iv) eliminate the impact of seasonal fluctuation in certain non-cash compensation expense recorded in the period.

3. Adjustment excludes lease termination or loan prepayment fees and contingent rent (based on a percentage of the tenant's gross sales at the leased property) where payment is subject to exceeding a sales threshold specified in the lease, if any.

Financial Summary – 2Q'23

Market Capitalization, Debt Summary and Leverage Metrics

(dollars in thousands, except share and per share amounts)	June 30, 2023	Rate	Wtd. Avg. Maturity
Unsecured debt:			
April 2024 term loan ¹	\$ 200,000	2.9%	0.8 years
February 2027 term loan ¹	430,000	2.4%	3.6 years
January 2028 term loan ¹	400,000	4.6%	4.6 years
Senior unsecured notes due July 2031	400,000	3.1%	8.0 years
Revolving credit facility ²	—	—%	2.6 years
Total unsecured debt	<u>1,430,000</u>	3.3%	4.7 years
Gross debt	<u>1,430,000</u>		
Less: cash & cash equivalents	(14,108)		
Less: restricted cash available for future investment	—		
Net debt	<u>1,415,892</u>		
Equity:			
Preferred stock	—		
Common stock and OP units (155,726,348 shares @ \$23.54/share as of 6/30/23) ³	<u>3,665,798</u>		
Total equity	<u>3,665,798</u>		
Total enterprise value ("TEV")	<u>\$ 5,081,690</u>		
Pro forma adjustments to Net Debt and TEV:⁴			
Net debt	\$ 1,415,892		
Less: cash received — unsettled forward equity	(20,122)		
Pro forma net debt	<u>1,395,770</u>		
Total equity	<u>3,665,798</u>		
Common stock — unsettled forward equity (836,050 shares @ \$23.54/share as of 6/30/23)	<u>19,681</u>		
Pro forma TEV	<u>\$ 5,081,249</u>		
Gross Debt / Undepreciated Gross Assets	30.9%		
Net Debt / TEV	27.9%		
Net Debt / Annualized Adjusted EBITDAre	4.3x		
Pro Forma Gross Debt / Undepreciated Gross Assets	30.7%		
Pro Forma Net Debt / Pro Forma TEV	27.5%		
Pro Forma Net Debt / Annualized Adjusted EBITDAre	4.2x		

1. Rates presented for our term loans are fixed at the stated rates after giving effect to our interest rate swaps, applicable margin of 85bps and SOFR premium of 10bps.

2. Our revolving credit facility provides a maximum aggregate initial original principal amount of up to \$600 million and includes an accordion feature to increase, subject to certain conditions, the maximum availability of the facility by up to \$600 million. Borrowings bear interest at Term SOFR plus applicable margin of 77.5bps and SOFR premium of 10bps.

3. Common stock and OP units as of June 30, 2023, based on 155,172,501 common shares outstanding and 553,847 OP units held by non-controlling interests.

4. Pro forma adjustments have been made to reflect 836,050 shares sold on a forward basis through the Company's ATM Program as if they had been physically settled on June 30, 2023.

Glossary



Glossary

Supplemental Reporting Measures

FFO, Core FFO and AFFO

Our reported results are presented in accordance with U.S. generally accepted accounting principles ("GAAP"). We also disclose funds from operations ("FFO"), core funds from operations ("Core FFO") and adjusted funds from operations ("AFFO"), each of which is a non-GAAP financial measure. We believe these non-GAAP financial measures are industry measures used by analysts and investors to compare the operating performance of REITs.

We compute FFO in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as GAAP net income or loss adjusted to exclude extraordinary items (as defined by GAAP), net gain or loss from sales of depreciable real estate assets, impairment write-downs associated with depreciable real estate assets and real estate-related depreciation and amortization (excluding amortization of deferred financing costs and depreciation of non-real estate assets), including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO is used by management, and may be useful to investors and analysts, to facilitate meaningful comparisons of operating performance between periods and among our peers primarily because it excludes the effect of real estate depreciation and amortization and net gains and losses on sales (which are dependent on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions).

We compute Core FFO by adjusting FFO, as defined by NAREIT, to exclude certain GAAP income and expense amounts that we believe are infrequent and unusual in nature and/or not related to our core real estate operations. Exclusion of these items from similar FFO-type metrics is common within the equity REIT industry, and management believes that presentation of Core FFO provides investors with a metric to assist in their

evaluation of our operating performance across multiple periods and in comparison to the operating performance of our peers, because it removes the effect of unusual items that are not expected to impact our operating performance on an ongoing basis. Core FFO is used by management in evaluating the performance of our core business operations. Items included in calculating FFO that may be excluded in calculating Core FFO include items like certain transaction related gains, losses, income or expense or other non-core amounts as they occur.

To derive AFFO, we modify the NAREIT computation of FFO to include other adjustments to GAAP net income related to certain items that we believe are not indicative of our operating performance, including straight-line rental revenue, non-cash interest expense, non-cash compensation expense, other amortization and non-cash charges, capitalized interest expense and transaction costs. Such items may cause short-term fluctuations in net income but have no impact on operating cash flows or long-term operating performance. We believe that AFFO is an additional useful supplemental measure for investors to consider to assess our operating performance without the distortions created by non-cash and certain other revenues and expenses.

FFO, Core FFO and AFFO do not include all items of revenue and expense included in net income, they do not represent cash generated from operating activities, and they 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 cash flows from operations as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures. Additionally, our computation of FFO, Core FFO and AFFO may differ from the methodology for calculating these metrics used by other equity REITs and, therefore, may not be comparable to similarly titled measures reported by other equity REITs.

Glossary

Supplemental Reporting Measures

We also present our earnings before interest, taxes and depreciation and amortization for real estate ("EBITDA"), EBITDA further adjusted to exclude gains (or losses) on sales of depreciable property and real estate impairment losses ("EBITDAre"), net debt, net operating income ("NOI") and cash NOI ("Cash NOI"), all of which are non-GAAP financial measures. We believe these non-GAAP financial measures are accepted industry measures used by analysts and investors to compare the operating performance of REITs.

EBITDA and EBITDAre

We compute EBITDA as earnings before interest, income taxes and depreciation and amortization. In 2017, NAREIT issued a white paper recommending that companies that report EBITDA also report EBITDAre. We compute EBITDAre in accordance with the definition adopted by NAREIT. NAREIT defines EBITDAre as EBITDA (as defined above) excluding gains (or losses) from the sales of depreciable property and real estate impairment losses. We present EBITDA and EBITDAre as they are measures commonly used in our industry and we believe that these measures are useful to investors and analysts because they provide important supplemental information concerning our operating performance, exclusive of certain non-cash and other costs. We use EBITDA and EBITDAre as measures of our operating performance and not as measures of liquidity.

EBITDA and EBITDAre do not include all items of revenue and expense included in net income, they do not represent cash generated from operating activities and they 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 cash flows from operations as a liquidity measure and should be considered in addition to, and not in lieu of, GAAP financial measures. Additionally, our computation of EBITDA and EBITDAre may differ from the methodology for calculating these metrics used by other equity REITs and, therefore,

may not be comparable to similarly titled measures reported by other equity REITs.

Net Debt

We calculate our net debt as our gross debt (defined as total debt plus net deferred financing costs on our secured borrowings) less cash and cash equivalents and restricted cash available for future investment.

We believe excluding cash and cash equivalents and restricted cash available for future investment, all of which could be used to repay debt, provides an estimate of the net contractual amount of borrowed capital to be repaid, which we believe is a beneficial disclosure to investors and analysts.

NOI and Cash NOI

We compute NOI as total revenues less property expenses. NOI excludes all other items of expense and income included in the financial statements in calculating net income or loss. Cash NOI further excludes non-cash items included in total revenues and property expenses, such as straight-line rental revenue and other amortization and non-cash charges. We believe NOI and Cash NOI provide useful and relevant information because they reflect only those income and expense items that are incurred at the property level and present such items on an unlevered basis.

NOI and Cash NOI are not measurements of financial performance under GAAP. You should not consider our NOI and Cash NOI as alternatives to net income or cash flows from operating activities determined in accordance with GAAP. Additionally, our computation of NOI and Cash NOI may differ from the methodology for calculating these metrics used by other equity REITs and, therefore, may not be comparable to similarly titled measures reported by other equity REITs.

Glossary

Supplemental Reporting Measures

Adjusted EBITDAre / Adjusted NOI / Adjusted Cash NOI

We further adjust EBITDAre, NOI and Cash NOI i) based on an estimate calculated as if all re-leasing, investment and disposition activity that took place during the quarter had been made on the first day of the quarter, ii) to exclude certain GAAP income and expense amounts that we believe are infrequent and unusual in nature and iii) to eliminate the impact of lease termination or loan prepayment fees and contingent rental revenue from our tenants which is subject to sales thresholds specified in the lease. We then annualize these estimates for the current quarter by multiplying them by four, which we believe provides a meaningful estimate of our current run rate for all investments as of the end of the current quarter. You should not unduly rely on these measures, as they are based on assumptions and estimates that may prove to be inaccurate. Our actual reported EBITDAre, NOI and Cash NOI for future periods may be significantly less than these estimates of current run rates.

Cash ABR

Cash ABR means annualized contractually specified cash base rent in effect as of the end of the current quarter for all of our leases (including those accounted for as direct financing leases) commenced as of that date and annualized cash interest on our mortgage loans receivable as of that date.

Rent Coverage Ratio

Rent coverage ratio means the ratio of tenant-reported or, when unavailable, management's estimate based on tenant-reported financial information, annual EBITDA and cash rent attributable to the leased property (or properties, in the case of a master lease) to the annualized base rental obligation as of a specified date.

Initial Portfolio

Initial Portfolio means our acquisition of a portfolio of 262 net leased properties on June 16, 2016, consisting primarily of restaurants, that were being sold as part of the liquidation of General Electric Capital Corporation for an aggregate purchase price of \$279.8 million (including transaction costs).

GAAP Cap Rate

GAAP Cap Rate means annualized rental income computed in accordance with GAAP for the first full month after investment divided by the purchase price, as applicable, for the property.

Cash Cap Rate

Cash Cap Rate means annualized contractually specified cash base rent for the first full month after investment or disposition divided by the purchase or sale price, as applicable, for the property.

