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

November 12, 2019
Date of Report (Date of earliest event reported)

Essential Properties Realty Trust, Inc.
(Exact name of registrant as specified in its charter)

Maryland	001-38530	82-4005693
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

902 Carnegie Center Blvd., Suite 520 Princeton, New Jersey	08540
(Address of principal executive offices)	(Zip Code)

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

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

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

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))

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 November 12, 2019, Essential Properties Realty Trust, Inc. (the "Company") released a presentation that it intends to use in upcoming meetings with institutional 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.

Exhibit No.	Description
99.1	Investor Presentation

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.

ESSENTIAL PROPERTIES REALTY TRUST, INC.

Date: November 12, 2019

By: /s/ Hillary P. Hai

Hillary P. Hai
Chief Financial Officer


Exhibit 99.1
ESSENTIAL PROPERTIES
SERVICE FIRST
AUTOMOTIVE CENTERS
CINEMARK
Investor Presentation – November 2019

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.

Investment Highlights

New Vintage Net Lease Portfolio with Strong External Growth Potential Creates a Compelling Investment Opportunity

Newly Assembled Portfolio of Single-Tenant Net Lease Properties with Long Duration Leases and Solid Unit-Level Rent Coverage	14.4 Years of Weighted Average Lease Term (WALT)[1]	2.9x Unit-Level Rent Coverage[1]
Experienced Senior Management Team with Track Record of Growing and Managing Public Net Lease Companies to Significant Scale	50+ Years of Collective Net Lease Experience	$1.9B of Undepreciated Gross Assets[1]
Small-Scale, Single-Tenant Properties Leased to Service-Oriented and Experienced-Based Businesses	93.5% Service and Experiential Cash ABR[2]	$2.0mm Average Investment Per Property
Disciplined and Proven Investment Strategy Targeting Growth via Sale-Leaseback Transactions with Middle-Market Companies	81.2% Internally-Originated Sale-Leasebacks[2,3]	$145mm Average Quarterly Investment Activity[4]
Balance Sheet Positioned to Fund External Growth Opportunities While Maintaining Conservative Long-Term Leverage Profile	4.8x Net Debt-to-Adjusted Annualized EBITDAre[1]	<6.0x Targeted Leverage

1. As of September 30, 2019.
2. Based on cash ABR as of September 30, 2019.
3. Exclusive of GE Seed Portfolio.
4. Average quarterly investment activity represents the trailing eight quarter average as of September 30, 2019.

Experienced and Proven Management Team

Senior Management Has Over 50+ Years of Collective Experience Managing and Investing in Net Lease Real Estate

Pete Mavoides
President & CEO

- **+20 years of experience in the single-tenant net lease industry and has overseen $8 billion of aggregate acquisitions**
- Previously served as President and Chief Operating Officer of Spirit Realty Capital (SRC) and was there from September 2011 to February 2015
- Helped transition SRC from a privately-held company with $3.2 billion of total assets to a public company with $8.0 billion of total assets
- Prior to SRC, served as President and Chief Executive Officer of Sovereign Investment Company and was there from May 2003 to January 2011

Gregg Seibert
Executive Vice President & COO

- **+25 years experience in the single-tenant net lease industry**
- Previously served as Executive Vice President and Chief Investment Officer of SRC and was there from September 2003 to May 2016
- Helped establish and implement SRC's investment sourcing, tenant underwriting, asset management and capital markets activities
- Prior to SRC, held positions as Vice President and Senior Vice President of Underwriting and Research as well as Senior Vice President of Acquisitions at Franchise Finance Corporation of America (FFCA)

Hillary Hai
CFO & Senior Vice President

- Previously served as Vice President and Director of Investments at SRC and was there from January 2013 to April 2016
- At SRC, underwrote and closed $1 billion of transactions
- Prior to SRC, worked at Lowe Enterprises Investors, a real estate investment firm, as an analyst
- Graduated with a BA from the University of California Los Angeles and obtained an MBA from the University of Michigan

Dan Donlan
Senior Vice President & Head of Capital Markets

- +12 years covering the single-tenant net lease REIT sector as a sell-side equity research analyst
- Previously worked at Ladenburg Thalmann & Co. as a Managing Director and senior REIT analyst
- Prior to Ladenburg, served as Vice President and senior REIT analyst at Janney Capital Markets
- Before Janney, was an associate analyst at BB&T Capital Markets
- Graduated with a BBA from the University of Notre Dame

Building Essential Properties

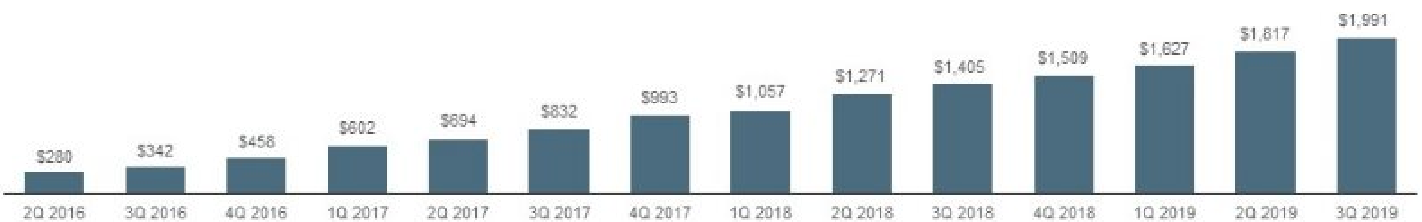
Long Standing Relationships Have Allowed the Portfolio to Scale Rapidly and Reliably with Proven Access to Capital

Our History

- **Feb 2016**: Partnered with Eldridge Industries to build net lease investment platform
- **Jun 2016**: Commenced investment activities with a $280mm portfolio acquisition of 262 net lease properties, consisting primarily of restaurants, that were sold as part of the liquidation of GE Capital, also known as the "GE Seed Portfolio
- **Aug 2016**: Began core investing activities and closed first sale-leaseback transaction
- **Dec 2016**: Closed on inaugural master funding ABS bonds, issuing $281mm of investment grade rated mortgage notes
- **Jun 2018**: Completed IPO raising gross proceeds of $494mm. Concurrent with the IPO, received an additional $125mm from Eldridge Industries in private placements of common stock and OP units
- **Mar 2019**: Raised $246mm in gross proceeds from the Company's first follow-on offering of common stock. Added to MSCI U.S. REIT Index (RMZ)
- **Apr 2019**: Upsized unsecured revolving credit facility to $400mm from $300mm and raised a $200mm five year unsecured term loan
- **Jul 2019**: Completed offering of $519mm of secondary shares owned by Eldridge Industries, which represented Eldridge's entire stake in EPRT
- **Aug 2019**: Filed inaugural $200mm ATM program raising $108mm in gross proceeds through October 2019
- **Oct 2019**: Added to the S&P SmallCap 600 Index
- **Nov 2019**: Investment Grade Rating of BBB- Assigned by Fitch Ratings

Cumulative Investment Activity[1]

($mm)



1. Includes transaction costs, lease incentives and amounts funded for construction in progress.

Key Accomplishments Since IPO

Consistent Execution of the Business Plan Articulated at the Time of the IPO

Maintained Investment Discipline While Generating Compelling Growth

- **Consistent Underwriting and Investment Growth:** Over the trailing 12 months[1], EPRT has invested ~$145mm on avg. per quarter at a 7.5% wgt. avg. cash cap rate with 76% of transactions being sale-leasebacks and 63% being subject to a master lease; WALT was 15.9 years, wgt. avg. rent coverage ratio was 3.2x, and avg. investment per property was $1.8mm
- **Compelling Growth Characteristics:** Management's 2020E AFFO per share guidance implies 13% growth over 2019 AFFO per share guidance at the midpoint

Active Asset Management and New Investment Activity Have Improved Portfolio Metrics

- **Top 10 Tenant Concentration Moderating:** Top 10 tenant exposure declined to 25.5% at 3Q 2019 vs. 35.0% at 3Q 2018
- **Steady Same-Store (SS) Rent Growth:** SS contractual rents have grown at 1.7%-1.9% yr/yr since coming public
- **Maintained Sector Leading WALT:** 14.4 year WALT at 3Q 2019 vs. 14.3 years at 3Q 2018
- **Sound Unit-Level Rent Coverage:** Portfolio unit-level rent coverage has remained between 2.8x-2.9x since coming public
- **Accretive Capital Recycling:** Since inception have sold $187mm of properties at a 6.6% wgt. avg. cash cap rate (only includes leased properties) vs. completed $1.7B[2] of investment activity at a wgt. avg. cap rate of 7.6%[2]

Demonstrated Access to Multiple Forms of Capital Since Coming Public

- **Completed First Follow-On Offering in March:** Raised $235mm in net proceeds from first follow-on offering in March
- **Credit Facility Expanded and Amended in April:** Increased revolving line of credit by $100mm to $400mm, extended maturity date to April 2024, added a $200mm five-year unsecured term loan, and lowered interest rate spread on facility
- **Repurchased ABS Notes in May:** Repurchased $200mm of ABS notes, which increased our wgt. avg. debt maturity to 4.68 years from 3.75 years, lowered our wgt. avg. interest rate to 3.89% from 4.35%, and reduced secured debt by 39%
- **Full Exit of Eldridge Industries in July:** Sold $519mm of secondary shares in July, representing the entire position of our initial capital sponsor, Eldridge Industries, which has greatly enhanced our public float and daily liquidity
- **Filed $200mm ATM Program in August:** Raised $108mm of gross proceeds since instituting ATM program

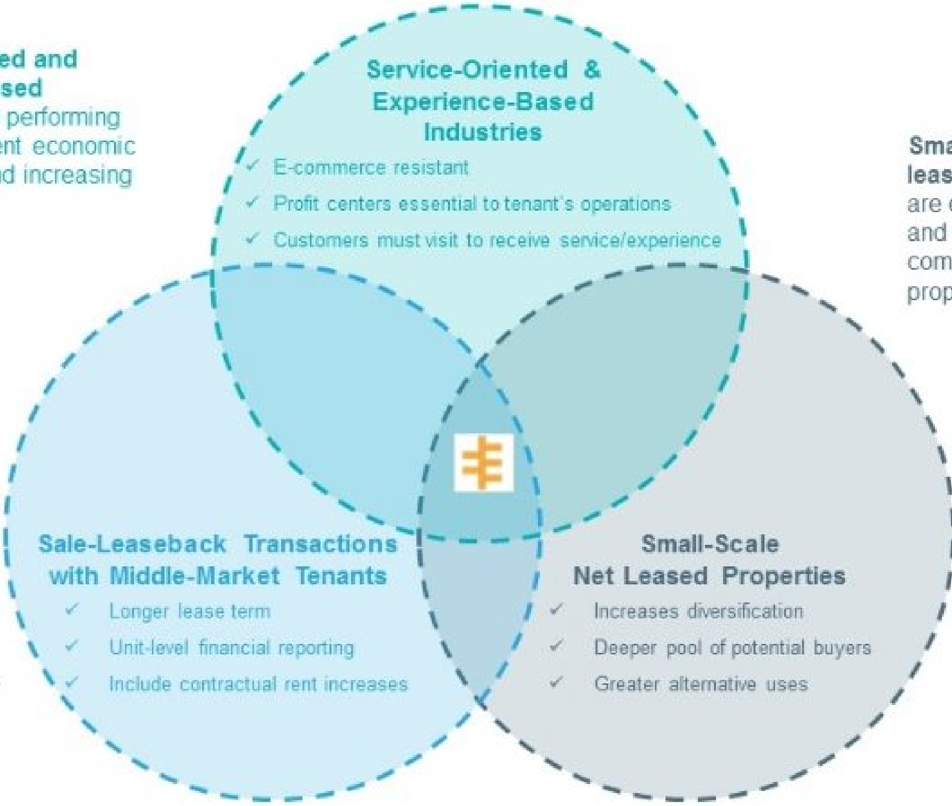
1. Trailing 12 months as of September 30, 2019.
2. Excludes the GE Seed portfolio purchase.

Targeted Investment Strategy Based on Decades of Experience

Management's Investment Discipline Has Been Refined Over Multiple Decades of Managing Assets Through Various Credit Cycles

Service-oriented and experience-based businesses are performing well in the current economic environment and increasing store counts

Small-scale net leased properties are easier to divest and re-let in comparison to larger properties



Access to growth capital for **middle-market businesses** is limited and results in attractive risk-adjusted returns

Seek to be the Capital Provider of Choice

Maintain Direct Relationships with Our Tenants and Actively Seek to Leverage Our Relationships to Identify New Investment Opportunities

Relationship-Based Sourcing

87.7%
Repeat Business Through Existing Senior Management Relationships[1]

81.2%
Internally Originated Sale-Leaseback Transactions[2]

44.5%
Tenant Relationships

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 September 30, 2019 that was acquired from parties who previously engaged in one or more transaction with a senior management team member. Exclusive of GE Seed Portfolio.
2. Percentage of portfolio cash ABR as of September 30, 2019 that was attributable to internally originated sale-leaseback transactions. Exclusive of GE Seed Portfolio.

New Vintage Portfolio is Focused on Targeted Industries

Our Portfolio is the Result of a Disciplined Adherence to Investing in Properties Leased to Service-Oriented and Experience-Based Businesses with Unit-Level Reporting

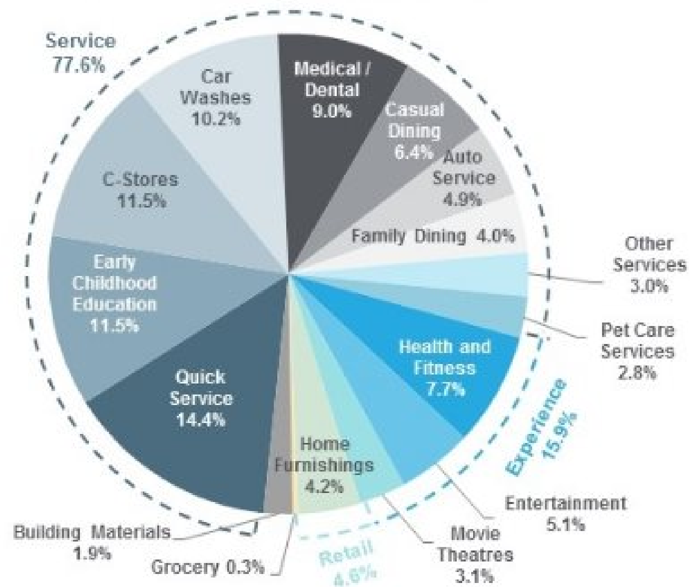
- **E-Commerce Resistant:** 93.5% of cash ABR comes from service-oriented and experience-based tenants
- **Focus on 16 Industries:** Results in greater sector expertise and more efficient asset management
- **14.4 Year WALT Limits Near-Term Cash Flow Erosion:** Only 3.1% of our cash ABR expires through 2023
- **Highly Transparent with No Legacy Issues:** 98.0% unit-level reporting; investment program started in June 2016

Portfolio Highlights

	September 30, 2019
Investment Properties (#)[1]	917
Square Footage (mm)	7.5
Tenants (#)	199
Industries (#)	16
States (#)	45
Weighted Average Remaining Lease Term (Years)	14.4
Master Leases (% of Cash ABR)	61.7%
Sale-Leaseback (% of Cash ABR)[2,3]	81.2%
Unit-Level Rent Coverage	2.9x
Unit-Level Financial Reporting (% of Cash ABR)	98.0%
Leased (%)	100.0%
Top 10 Tenants (% of Cash ABR)	25.5%
Average Investment Per Property ($mm)	$2.0
Average Transaction Size ($mm)[2]	$6.3

1. Includes one undeveloped land parcel and 75 properties that secure mortgage loans receivable.
2. Exclusive of GE Seed Portfolio.
3. Includes investments in mortgage loans receivable made in support of sale-leaseback transactions.

Tenant Industry Diversification



Top 10 Tenant Concentration

Essential Has 199 Tenants Across 917 Properties with the Top 10 Representing 192 Properties and 25.5% of Cash ABR

Top 10 Tenant Exposure

Top 10 Tenant[1]	Properties	% of Cash ABR
	74	3.7%
Mister	13	3.0%
Art Van	4	2.8%
amc	5	2.7%
	34	2.7%
ZIPS	12	2.3%
	13	2.3%
VASA	5	2.1%
R store	25	2.1%
Ladybird	7	2.0%
Top 10 Tenants	**192**	**25.5%**
Total	**917**	**100.0%**

Notes: Statistics as of September 30, 2019. Property count includes one undeveloped land parcel and 75 properties that secure mortgage loans receivable.
1. Represents tenant, guarantor or parent company.

Portfolio Built to Mitigate Specific Net Lease Investment Risk Factors

The Company Has Purposefully Developed Business Practices and Constructed a Portfolio Designed to Mitigate Key Identifiable Net Lease Risk Factors

Net Lease Risk Factor	Mitigation by Essential Properties
Challenged Retail Categories	No exposure to big-box apparel, electronics, sporting goods or other soft goods retailers
At-Risk Retail Categories	No exposure to pharmacy, dollar stores or discount retailers; de minimis exposure to grocers
Asset Concentration	No large office, manufacturing or high-dollar special-purpose properties; primarily target smaller asset size (average investment per property of $2.0 million) in service-based and experience-oriented industries
Tenant Concentration	No single tenant represents more than 4.0% of cash ABR
Industry Concentration	Focus on 16 industries allows balance of deep industry expertise and diversification, while avoiding at-risk categories
Opaque Credit Deterioration	98% of leases[1] obligate tenant to provide unit-level financial reporting
Lack of Organic Revenue Growth	98% of leases[1] provide for increases with 1.6% weighted average annual escalation rate[2] assuming 0.0% change in annual CPI
Low Rent Recapture at Expiration / Default	Focus on smaller-box properties with alternative uses and well-located real estate with at or below market rents

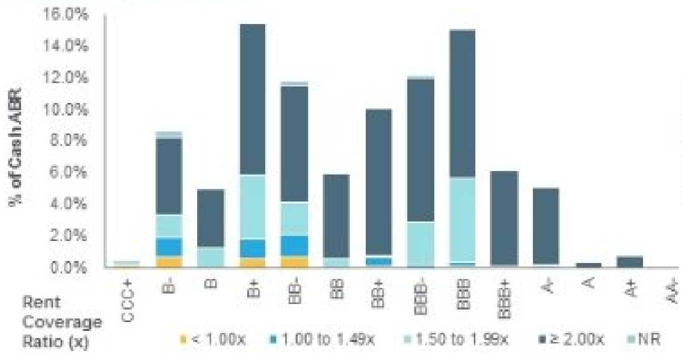
1. Based on cash ABR as of September 30, 2019.
2. Represents the weighted average annual escalation rate of the entire portfolio as if all escalations occur annually. For leases in which rent escalates by the greater of a stated fixed percentage or CPI, we have assumed an escalation equal to the stated 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.

Disciplined Underwriting Leading to Healthy Portfolio Metrics

98.0% of Unit-Level Reporting Provides (Near) Real-Time Tenant Visibility

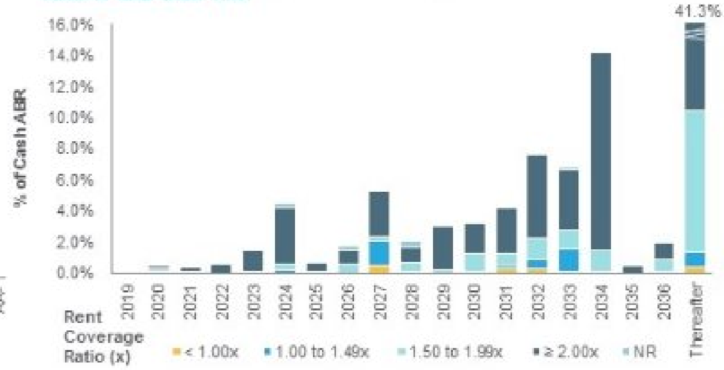
Healthy Rent Coverage Ratios[1]

Only 2.1% of cash ABR has less than 1.5x coverage and an implied credit rating lower than B



Long Weighted Remaining Lease Term

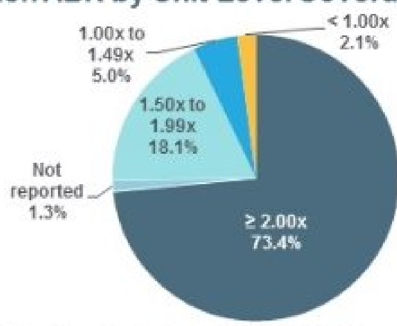
Only 0.6% of our expiring cash ABR through 2026 has a rent coverage ratio of less than 1.5x



Tenant Financial Reporting

Tenant Financial Reporting Requirements	% of Cash ABR
Unit-Level Financial Information	98.0%
Corporate-Level Financial Reporting	98.6%
Both Unit-Level and Corporate-Level Financial Information	97.7%
No Financial Information	1.1%

% of Cash ABR by Unit-Level Coverage Tranche[2]



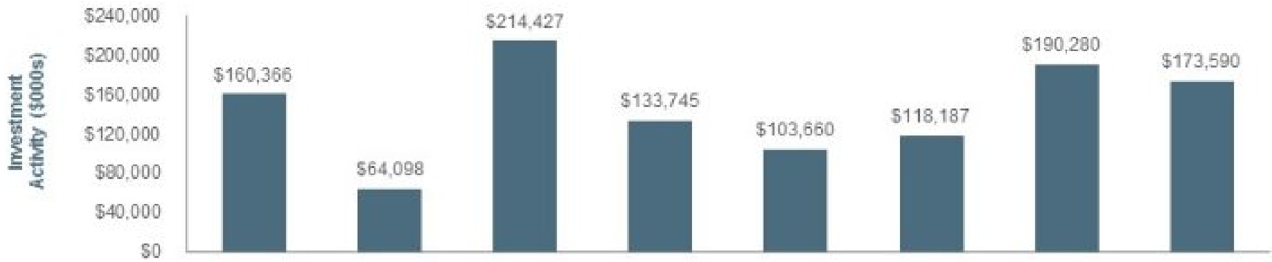
Note: Statistics as of September 30, 2019. 'NR' means not reported.

1. The chart illustrates the portions of annualized base rent as of September 30, 2019 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.
2. 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.

Established and Proven Investment Infrastructure

Scalable Platform Allows for Consistent and Attractive Investment Activity without Sacrificing Underwriting Standards and Investment Focus

Investment activity has **averaged ~$145mm per quarter** over the last eight quarters



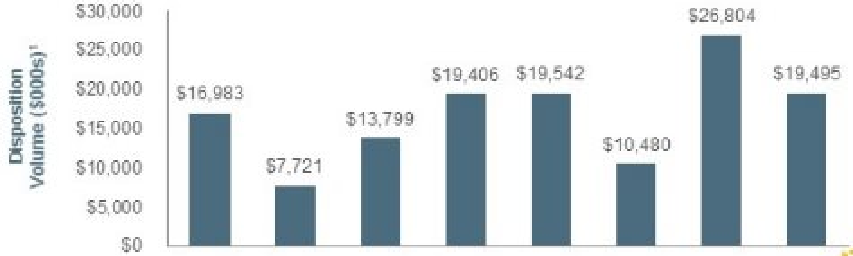
Investments	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019[6]	3Q 2019[7]
Number of Transactions	21	16	23	34	24	35	32	28
Property Count	90	28	86	62	39	51	91	139
Avg. Investment per Unit (in 000s)	$1,742	$2,195	$2,438	$2,042	$2,572	$2,303	$2,015	$1,174
Cash Cap Rates[1]	7.7%	7.8%	7.6%	7.6%	7.6%	7.5%	7.3%	7.5%
GAAP Cap Rates[2]	8.7%	8.3%	8.7%	8.5%	8.5%	8.4%	8.1%	8.2%
Master Lease %[3,4]	65%	33%	82%	58%	57%	47%	67%	73%
Sale-Leaseback %[3,5]	75%	68%	90%	77%	83%	78%	65%	88%
% of Financial Reporting[3]	100%	100%	96%	100%	90%	100%	100%	100%
Rent Coverage Ratio	3.1x	2.3x	2.4x	2.7x	2.8x	3.2x	3.2x	3.2x
Lease Term Years	15.5	14.1	17.2	16.1	16.6	15.1	15.3	16.6

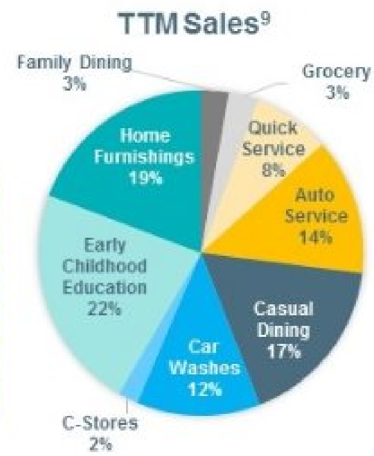
1. Cash ABR for the first full month after the investment divided by the purchase price for the property.
2. GAAP rent for the first twelve months after the investment divided by the purchase price for the property.
3. As a percentage of cash ABR for that particular quarter.
4. Includes investments in mortgage loan receivables collateralized by more than one property.
5. Includes investments in mortgage loans receivable made in support of sale-leaseback transactions.
6. Included three properties that secured $16.8 million of mortgage loans receivable.
7. Included 71 properties that secured $35.3 million of mortgage loans receivable.

Active Asset Management

Proactive Asset Management Mitigates Risk and Maximizes Risk-Adjusted Returns

- **Dispositions Have Traded at Attractive Cap Rates:** Since inception in 2016 through 3Q 2019, we have sold 137 properties for $187mm and achieved a weighted average cash cap rate of 6.6% on the sale of 97 leased properties[8]
- **Trailing 12-Month (TTM) Sales Came from a Diverse Mix of Industries:** No single industry was overrepresented among our dispositions in the trailing 12 month period, which we believe provides visibility into the value of our diverse portfolio





Dispositions	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019[7]	3Q 2019	Since Inception
Realized Gain/(Loss)[1,2]	15.9%	(1.7%)	9.7%[5]	(6.6%)[6]	0.4%	2.9%	1.3%	17.8%	4.5%[8]
Cash Cap Rate on Leased Assets[3]	6.4%	6.7%	7.1%[5]	6.8%[6]	6.9%	6.6%	7.0%	6.7%	6.6%[8]
Leased Properties Sold[4]	9	5	8	17	7	7	10	9	100
Vacant Properties Sold[4]	3	1	2	4	1	–	1	1	37
Rent Coverage Ratio	1.8x	0.8x	2.1x[5]	1.8x[6]	1.8x	1.8x	1.5x	1.1x	1.8x[8]

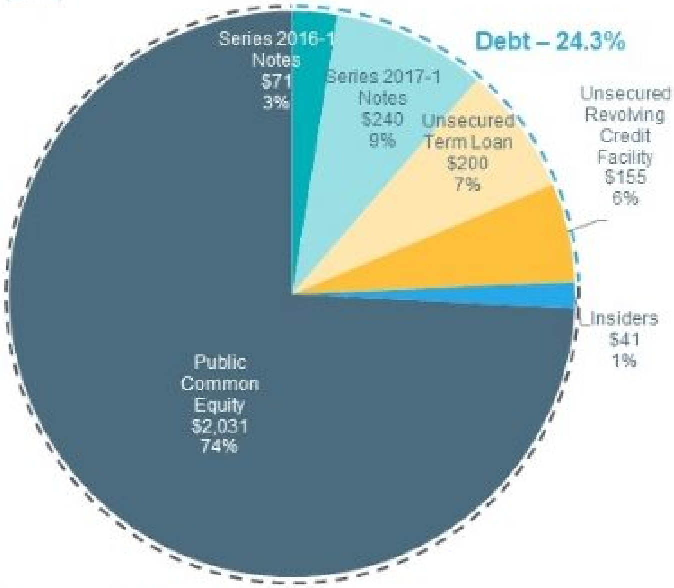
1. Net of transaction costs.
2. Gains/(losses) based on our aggregate allocated purchase price.
3. Cash ABR at time of sale divided by gross sale price (excluding transaction costs) for the property.
4. Property count excludes dispositions in which only a portion of the owned parcel is sold.
5. Excludes one property sold pursuant to an existing tenant purchase option.
6. Excludes the sale of one leasehold property.
7. Excludes the prepayment of two mortgage loans receivable for $4.6 million.
8. Excludes two leasehold properties and one property sold pursuant to an existing tenant purchase option.
9. Percentages are based on cash ABR; trailing 12 months (TTM) period ended September 30, 2019.

Growth Oriented Balance Sheet

Balance Sheet Primed for Growth

$2.7 Billion Total Capitalization[1]

($mm)



Common Equity – 75.7%

Selected Credit Ratios

	3Q 2019
Net Debt / Total Enterprise Value[1]	23.6%
Net Debt / Adjusted Annualized EBITDA*re*	4.8x

Long-Term Leverage Target:
<6.0x Net Debt-to-Annualized Adjusted EBITDA*re*

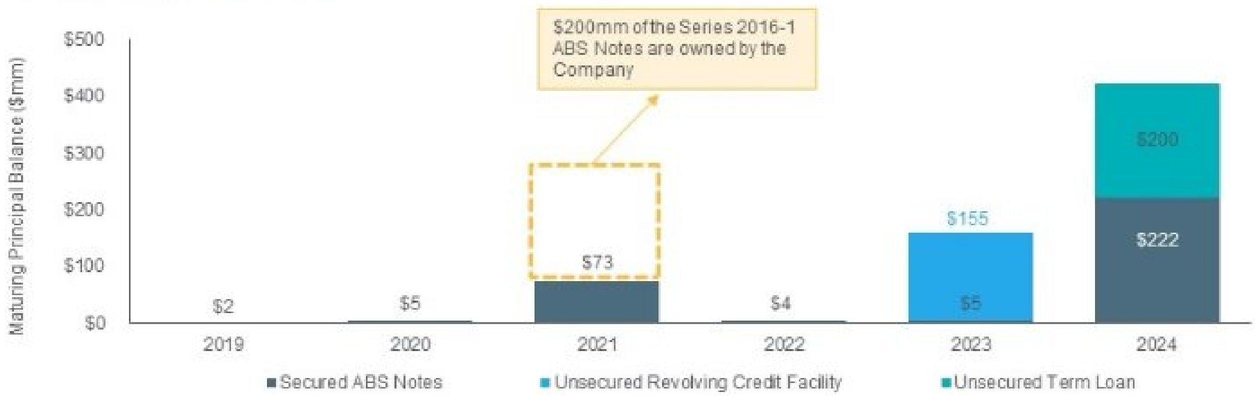
1. Share price of $25.82 as of November 8, 2019.

Debt Structure Allows for Capital Flexibility

No Significant Debt Maturities Until 2024

- **The Series 2016-1 notes:** Anticipated repayment date is November 2021, but the notes can be prepaid without penalty starting on **November 26, 2019**. On May 14, 2019, the Company repurchased $200 million of these notes, but the notes have not been retired. The $73 million of notes that are not owned by the Company have a weighted average interest rate of 4.69%.
- **The Series 2017-1 notes:** Anticipated repayment date is June 2024, but the notes can be prepaid without penalty starting on **November 26, 2021**. The weighted average interest rate on the notes is 4.16%.

Debt Maturity Schedule[1,2,3]



1. As of September 30, 2019.
2. Maturity figures for our secured debt are based off of our anticipated repayment schedule.
3. The Series 2016-1 notes mature in November 2046 but have an anticipated repayment date of November 2021. The Series 2017-1 notes mature in June 2047 but have an anticipated repayment date of June 2024. The Series 2016-1 notes can be prepaid without penalty starting on November 26, 2019. The Series 2017-1 notes can be prepaid without penalty starting on November 26, 2021.

Differentiated Net Lease Investment Opportunity

Essential's Portfolio Mix and Underlying Fundamentals are Favorable Relative to Peers

Service-Oriented & Experience-Based Tenant Profile (% of ABR)

Limited Immediate-Term Lease Maturities

(% of Rent Expiring through 2023)

Smaller-Scale Net Leased Properties

(Average Investment per Property ($mm))

Strong Unit-Level Coverage[2]

Source: Public filings.

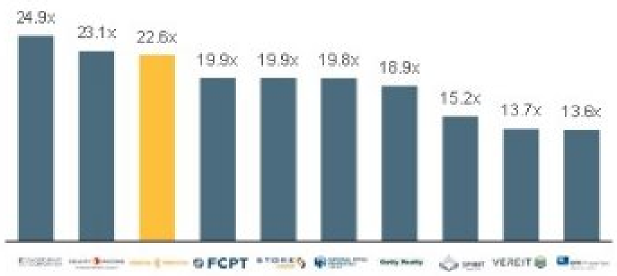
Note: Essential Properties data as of September 30, 2019. Public net lease REIT data as of most recent reported quarter. 'NR' means not reported. Companies may define service-oriented and experienced-based tenants differently, may calculate weighted average remaining lease term differently, may calculate 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. EPRT, GTY, NNN, O, SRC and STOR coverage based on four-wall; EPR and FCPT coverage based on EBITDAR.
3. NNN receives unit-level financials on 79% of tenants by ABR, but only discloses weighted average rent coverage for tenants that represent more than 2% of ABR. NNN unit-level coverage as of 2Q19. O receives unit-level financials on ~65% of retail tenants by ABR, which account for ~82% of total portfolio ABR.

Public Net Lease REIT Benchmarking

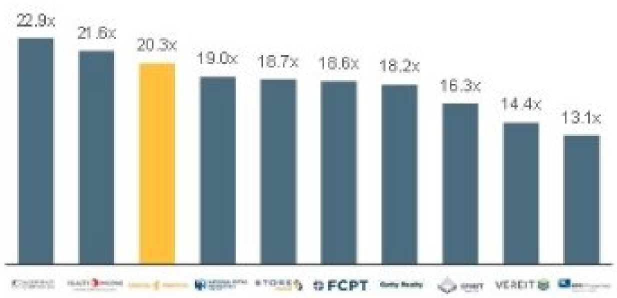
Despite Our Sector Leading AFFO Per Share Growth, Relative Valuation Remains Attractive

2019E AFFO per Share Multiple[1]

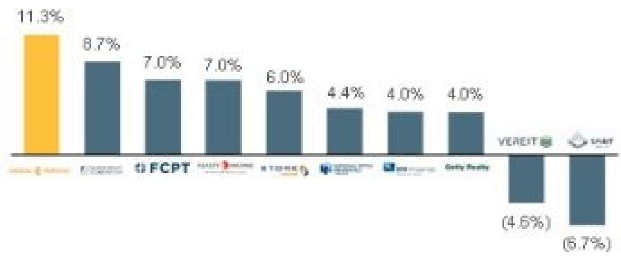


2019E AFFO per Share Growth[2]

2020E AFFO per Share Multiple[3]



2020E AFFO per Share Growth[4]



Source: Public filings, FactSet and SNL.
Note: Market data as of November 8, 2019.

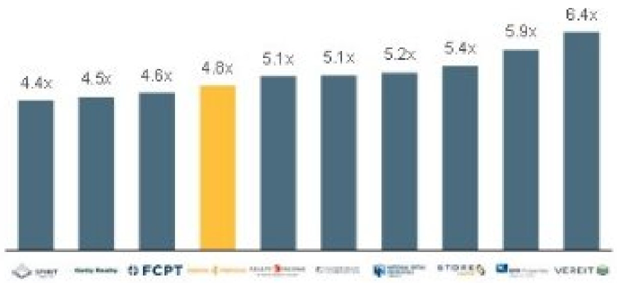
1. 2019E AFFO per share multiple calculated based on current price per share and FactSet mean 2019E AFFO per share estimates. EPRT 2019E AFFO per share multiple based on management's 2019E AFFO per share guidance midpoint of $1.14.
2. For comparison purposes to post-IPO EPRT, 2019E AFFO per share growth is calculated using FactSet mean 2019E AFFO per share estimates and the annualized sum of actual 3Q and 4Q 2018 AFFO per share. EPRT 2019E AFFO per share growth is calculated using management's 2019E AFFO per share guidance midpoint of $1.14.
3. 2020E AFFO per share multiple calculated using current price per share and FactSet mean 2020E AFFO per share estimates.
4. 2020E AFFO per share growth is calculated using FactSet mean 2020E AFFO per share estimates and FactSet mean 2019E AFFO per share estimates. EPRT's 2019E AFFO per share value is based on management's 2019E AFFO per share guidance midpoint of $1.14.

Public Net Lease REIT Benchmarking

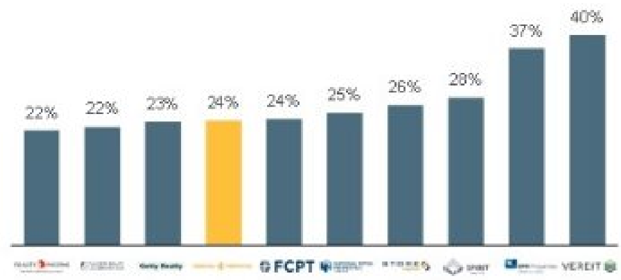
Essential's Low Leverage and Healthy Payout Ratio Underscore Capacity for Growth

Net Debt + Preferred / EBITDAre

(Net Debt plus Preferred-to-Adjusted Annualized EBITDAre[1])

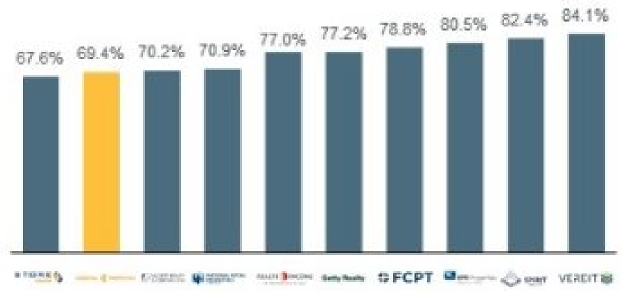


Net Debt + Preferred / Enterprise Value



Dividend Yield[2]

2020E AFFO Payout Ratio[3]



Source: Public filings, FactSet and SNL.
Note: Market data as of November 8, 2019. Companies may define adjusted annualized EBITDAre differently. Accordingly, such data for these companies and EPRT may not be comparable.

1. Adjusted annualized EBITDAR of public net lease REITs is for the most recently reported three months ended, as adjusted for subsequent events. ADC, EPR, EPRT, SRC and STOR include adjustments for intra-quarter acquisition and disposition activity.
2. Dividend yield calculated based on current price per share and declared dividend per share, annualized, for the most recent quarter.
3. 2020E AFFO payout ratio calculated based on current annualized dividend per share over consensus FactSet mean 2020E AFFO per share estimates.

Implied Cap Rate and NAV Analysis

Solid Upside Potential Given Relative Valuation

Implied Nominal Cap Rate – Sensitivity Analysis

(unaudited, in thousands)	Three Months Ended, September 30, 2019				
Adjusted net operating income ("NOI")[1]	$37,816				
Straight-line rental revenue, net[1]	(3,086)				
Other amortization and non-cash charges	292				
Adjusted Cash NOI	35,022				
Annualized Adjusted Cash NOI	140,088				
Applied Cap Rate	5.25%	5.00%	4.75%	4.50%	4.25%
Implied Real Estate Value	**$2,668,343**				
Net Debt	(639,348)				
Prepaid expenses and other assets, net of deferred financing costs[2]	14,557				
Dividend payable	(17,652)				
Accrued liabilities and other payables	(17,316)				
Total Net Equity	**$2,008,584**				
Fully Diluted Shares Outstanding	80,227				
Price Per Share	**$25.04**	**$26.70**	**$28.54**	**$30.58**	**$32.86**

Not adjusted for contractual rent bumps, which equate to ~1.6% per annum

Peer Benchmarking

	Implied Cap Rate[3]	Applied Cap Rate[4]	Prem / (Disc) to NAV[5]
	4.5%	6.1%	42.9%
	4.5%	6.1%	45.2%
	5.1%	6.2%	24.8%
ESSENTIAL PROPERTIES	5.1%	6.9%	48.8%
STORE	5.3%	6.8%	39.0%
FCPT	5.3%	5.7%	8.3%
Getty Realty	6.0%	6.9%	19.2%
	6.0%	6.7%	14.5%
VEREIT	6.4%	6.8%	4.3%
	7.0%	7.4%	7.5%
Average	**5.5%**	**6.5%**	**25.5%**

Source: Public filings, FactSet and SNL.
Note: Market data as of November 8, 2019. Companies may define adjusted cash NOI differently. Accordingly, such data for these companies and EPRT may not be comparable.
1. This adjustment is made as to reflect NOI as if all acquisitions and dispositions of real estate investments made during the three months ended September 30, 2019, had occurred on July 1, 2019.
2. Adjusted to exclude $3.8mm of deferred financing costs related to our revolving credit facility.
3. Implied nominal cap rate calculated based on adjusted cash NOI for the most recently reported three months, as adjusted for subsequent events, annualized.
4. Consensus Applied Cap Rate per SNL.
5. Premium/(discount) to SNL mean NAV per share calculated based on current price per share and mean NAV per share estimate per SNL.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Appendix

Leasing Summary

Same-Store Analysis

Defined Terms

Same-Store Portfolio:
All properties owned, excluding new sites under construction, for the entire same-store measurement period, which is July 1, 2018 through September 30, 2019. The same-store portfolio for 3Q 2019 is comprised of **538 properties** and represented **60%** of our current portfolio as measured by contractual cash rent divided by our cash ABR at September 30, 2019.

Contractual Cash Rent:
The amount of cash rent our tenants are contractually obligated to pay per the in-place lease as of September 30, 2019; excludes percentage rent that is subject to sales breakpoints per the lease.

Same-Store Portfolio Performance

Type of Business	Contractual Cash Rent ($000s) 3Q 2019	3Q 2018	% Change
Service	$ 15,849	$ 15,559	1.9%
Experience	2,883	2,850	1.2%
Retail	1,418	1,400	1.3%
Industrial	674	661	2.0%
Total Same-Store Rent	**$ 20,824**	**$ 20,469**	**1.7%**
- Property Operating Expense[1]	230	202	13.8%
Total Same-Store NOI	**$ 20,594**	**$ 20,267**	**1.6%**

1. Excludes reimbursable property operating expenses.

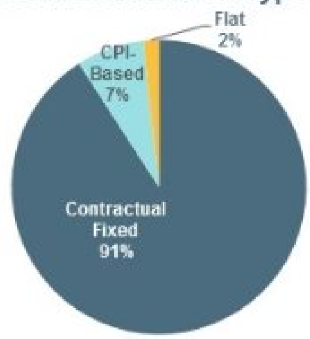
Leasing Summary

Lease Escalations

Lease Escalation Frequency

Lease Escalation Frequency	% of Cash ABR	Weighted Average Annual Escalation Rate[1,2]
Annually	77.6%	1.7%
Every 2 years	2.7	1.4
Every 3 years	0.3	1.2
Every 4 years	0.6	0.8
Every 5 years	13.9	1.3
Other escalation frequencies	3.1	1.4
Flat	1.7	NA
Total / Weighted Average	**100.0%**	**1.6%**

Lease Escalation Type



- Leases contributing 98% of cash ABR provided for base rent escalation, generally ranging from 1.0% to 4.0% annually, with a weighted average annual escalation rate of 1.6%, which assumes 0.0% change in annual CPI
- 7% of contractual rent escalations by cash ABR are CPI-based, while 91% are based on fixed percentage or scheduled increases
- 73% of cash ABR derived from flat leases is attributable to leases that provide for contingent rent based on a percentage of the tenant's gross sales at the leased property

1. Based on cash ABR as of September 30, 2019.
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.

Financial Summary – 3Q 2019

Consolidated Statements of Operations

(in thousands, except share and per share data)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues:				
Rental revenue[1,2]	$ 34,958	$ 25,496	$ 97,842	$ 67,119
Interest on loans and direct financing leases	940	220	1,669	379
Other revenue	393	26	641	75
Total revenues	36,291	25,742	100,152	67,573
Expenses:				
Interest	7,207	6,563	20,074	23,474
General and administrative[3]	7,530	3,529	16,455	9,872
Property expenses[4]	442	494	2,334	1,221
Depreciation and amortization	11,141	8,763	30,367	22,842
Provision for impairment of real estate	—	770	1,921	3,526
Total expenses	26,320	20,119	71,151	60,935
Other operating income:				
Gain on dispositions of real estate, net	4,087	1,455	8,237	5,100
Income from operations	14,058	7,078	37,238	11,738
Other (loss)/income:				
Loss on repurchase of secured borrowings[5]	—	—	(4,353)	—
Interest	114	655	723	719
Income before income tax expense	14,172	7,733	33,608	12,457
Income tax expense	66	26	209	143
Net income	14,106	7,707	33,399	12,314
Net income attributable to non-controlling interests	(861)	(2,383)	(6,076)	(2,482)
Net income attributable to stockholders and members	$ 13,245	$ 5,324	$ 27,323	$ 9,832

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Period from June 25, 2018 to September 30, 2018
Basic weighted-average shares outstanding	72,483,932	42,364,754	58,375,745	42,237,460
Basic net income per share	$ 0.18	$ 0.12	$ 0.46	$ 0.13
Diluted weighted-average shares outstanding	77,612,949	61,472,675	73,021,273	61,342,278
Diluted net income per share	$ 0.18	$ 0.12	$ 0.45	$ 0.13

1. Includes contingent rent (based on a percentage of the tenant's gross sales at the leased property) of $142, $194, $717 and $877 for the three and nine months ended September 30, 2019 and 2018, respectively.
2. Includes reimbursable income from our tenants of $238, $7, $1,179 and $32 for the three and nine months ended September 30, 2019 and 2018, respectively.
3. Includes non-recurring expenses of $2,473 for costs and charges incurred in connection with the Eldridge secondary offering and $275 for a provision for potential settlement of litigation during the three and nine months ended September 30, 2019.
4. Includes reimbursable expenses from our tenants of $238, $7, $1,179 and $32 for the three and nine months ended September 30, 2019 and 2018, respectively.
5. Includes premium paid on repurchase of notes issued under our Master Trust Funding Program of $1,400, the write-off of $2,853 of deferred financing costs related to the repurchased notes and $100 of legal costs related to the repurchase.

Financial Summary – 3Q 2019

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

(unaudited, in thousands except per share amounts)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Net income	$ 14,106	$ 7,707	$ 33,399	$ 12,314
Depreciation and amortization of real estate	11,117	8,762	30,295	22,839
Provision for impairment of real estate	—	770	1,921	3,526
Gain on dispositions of real estate, net	(4,087)	(1,455)	(8,237)	(5,100)
Funds from Operations	21,136	15,784	57,378	33,579
Other non-recurring expenses[1]	2,748	—	7,101	—
Core Funds from Operations	23,884	15,784	64,479	33,579
Adjustments:				
Straight-line rental revenue, net	(2,982)	(2,198)	(8,879)	(5,715)
Non-cash interest expense	610	817	2,135	1,982
Non-cash compensation expense	1,051	1,051	3,524	1,398
Other amortization and non-cash charges	296	193	743	400
Capitalized interest expense	(95)	(78)	(165)	(214)
Transaction costs	—	32	—	58
Adjusted Funds from Operations	$ 22,784	$ 15,601	$ 61,837	$ 31,488
Net income per share[2]:				
Basic	$ 0.18	$ 0.12	$ 0.46	
Diluted	$ 0.18	$ 0.12	$ 0.45	
FFO per share[2]:				
Basic	$ 0.27	$ 0.25	$ 0.79	
Diluted	$ 0.27	$ 0.25	$ 0.78	
Core FFO per share[2]:				
Basic	$ 0.31	$ 0.25	$ 0.89	
Diluted	$ 0.31	$ 0.25	$ 0.88	
AFFO per share[2]:				
Basic	$ 0.29	$ 0.25	$ 0.85	
Diluted	$ 0.29	$ 0.25	$ 0.84	

1. Includes non-recurring expenses of $2,473 for costs and charges incurred in connection with the Eldridge secondary offering and $275 for a provision for potential settlement of litigation during the three and nine months ended September 30, 2019 and our $4,353 loss on repurchase of secured borrowings during the nine months ended September 30, 2019.
2. Calculations exclude $111, $155 and $378 from the numerator for the three months ended September 30, 2019 and 2018 and the nine months ended September 30, 2019, respectively, related to dividends paid on unvested restricted share awards and restricted share units.

Financial Summary – 3Q 2019

Consolidated Balance Sheets

(in thousands, except share and per share amounts)	September 30, 2019 (unaudited)		December 31, 2018 (audited)	
ASSETS				
Investments:				
Real estate investments, at cost:				
Land and improvements	$	547,549	$	420,848
Building and improvements		1,117,702		885,656
Lease incentive		4,831		2,794
Construction in progress		10,229		1,325
Intangible lease assets		74,973		66,421
Total real estate investments, at cost		1,755,284		1,377,044
Less: accumulated depreciation and amortization		(79,482)		(51,855)
Total real estate investments, net		1,675,802		1,325,189
Loans and direct financing lease receivables, net		62,505		17,505
Net investments		1,738,307		1,342,694
Cash and cash equivalents		23,446		4,236
Restricted cash		2,776		12,003
Straight-line rent receivable, net		22,592		14,255
Prepaid expenses and other assets, net		18,357		7,712
Total assets	$	1,805,478	$	1,380,900
LIABILITIES AND EQUITY				
Secured borrowings, net of deferred financing costs	$	305,702	$	506,116
Unsecured term loan, net of deferred financing costs		199,144		—
Revolving credit facility		155,000		34,000
Intangible lease liabilities, net		9,635		11,616
Dividend payable		17,652		13,189
Accrued liabilities and other payables		17,316		4,938
Total liabilities		704,449		569,859
Commitments and contingencies		—		—
Stockholders' equity:				
Preferred stock, $0.01 par value; 150,000,000 authorized; none issued and outstanding as of September 30, 2019 and December 31, 2018		—		—
Common stock, $0.01 par value; 500,000,000 authorized; 79,672,970 and 43,749,092 issued and outstanding as of September 30, 2019 and December 31, 2018, respectively		796		431
Additional paid-in capital		1,120,300		569,407
Distributions in excess of cumulative earnings		(22,733)		(7,659)
Accumulated other comprehensive income		(5,001)		—
Total stockholders' equity		1,093,362		562,179
Non-controlling interests		7,667		248,862
Total equity		1,101,029		811,041
Total liabilities and equity	$	1,805,478	$	1,380,900

Financial Summary – 3Q 2019

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

(unaudited, in thousands)		Three Months Ended September 30, 2019
Net income	$	14,106
Depreciation and amortization		11,141
Interest expense		7,207
Interest income		(114)
Income tax expense		66
EBITDA		32,406
Provision for impairment of real estate		—
Gain on dispositions of real estate, net		(4,087)
EBITDAre		28,319
Adjustment for current quarter investment and disposition activity[1]		2,355
Adjustment to exclude other non-recurring expenses[2]		2,748
Adjustment to exclude lease termination fees and certain percentage rent[3]		(388)
Adjusted EBITDAre - Current Estimated Run Rate		33,034
General and administrative		4,782
Adjusted net operating income ("NOI")		37,816
Straight-line rental revenue, net[1]		(3,086)
Other amortization and non-cash charges		292
Adjusted Cash NOI	$	35,022
Annualized EBITDAre	$	113,276
Annualized Adjusted EBITDAre	$	132,136
Annualized Adjusted NOI	$	151,264
Annualized Adjusted Cash NOI	$	140,088

1. These adjustments are made to reflect EBITDAre, NOI and Cash NOI as if all investments in and dispositions of real estate made during the three months ended September 30, 2019 had occurred on July 1, 2019.
2. Adjustment includes certain non-recurring expenses recorded within general and administrative expenses in our consolidated statement of operations, including $2,473 of costs and charges incurred in connection with the Eldridge secondary offering and a $275 provision for potential settlement of litigation.
3. Adjustment excludes 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.

Financial Summary – 3Q 2019

Market Capitalization, Debt Summary and Leverage Metrics

(dollars in thousands, except share and per share amounts)	September 30, 2019	Rate	Maturity[1]
Secured debt:			
Series 2016-1, Class A	$ 53,283	4.45%	2.2 years
Series 2016-1, Class B	17,243	5.43%	2.2 years
Series 2017-1, Class A	224,375	4.10%	4.7 years
Series 2017-1, Class B	15,669	5.11%	4.7 years
Total secured debt	310,570	4.28%	4.2 years
Unsecured debt:			
Term loan	200,000	3.26%	4.5 years
Revolving credit facility[2]	155,000	LIBOR plus 1.25% to 1.85%	3.5 years
Total unsecured debt	355,000	3.28%	4.1 years
Gross debt	665,570	3.75%	4.1 years
Less: cash & cash equivalents	(23,446)		
Less: restricted cash deposits held for the benefit of lenders	(2,776)		
Net debt	639,348		
Equity:			
Preferred stock	—		
Common stock & OP units (80,226,817 shares @ $22.91/share as of 9/30/19)[3]	1,761,367		
Total equity	1,761,367		
Total enterprise value ("TEV")	$ 2,400,715		
Net Debt / TEV	26.6%		
Net Debt / Annualized Adjusted EBITDAre	4.8x		

1. Maturity figures for our secured debt are based off of our anticipated repayment schedule. The Series 2016-1 notes mature in November 2046 but have an anticipated repayment date of November 2021. The Series 2017-1 notes mature in June 2047 but have an anticipated repayment date of June 2024.
2. Our revolving credit facility provides a maximum aggregate initial original principal amount of up to $400 million and includes an accordion feature to increase, subject to certain conditions, the maximum availability of the facility by up to $200 million.
3. Common equity & units as of September 30, 2019, based on 79,672,970 common shares outstanding (including unvested restricted share awards) and 553,847 OP units held by non-controlling interests.

Glossary

Supplemental Reporting Measures and Other Terms

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 measures. We believe these non-GAAP financial measures are accepted 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 we believe 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 excluding from NAREIT defined FFO 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 potential 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 may include items like 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, nor do they 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 and Other Terms

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 are not measures of financial performance under GAAP. You should not consider EBITDA and EBITDAre as alternatives to net income or cash flows from operating activities determined in accordance with GAAP. 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 deposits held for the benefit of lenders.

We believe excluding cash and cash equivalents and restricted cash deposits held for the benefit of lenders from gross debt, 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 and Other Terms

Adjusted EBITDAre / Adjusted NOI / Adjusted Cash NOI

We further adjust EBITDAre, NOI and Cash NOI i) based on an estimate calculated as if all acquisition 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, such as our loss on repurchase of secured borrowings and iii) to eliminate the impact of 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 properties owned as of the end of the current quarter. You should not unduly rely on these metrics 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.

GE Seed Portfolio

GE seed 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 acquisition 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 acquisition or disposition divided by the purchase or sale price, as applicable, for the property.