

REIT/BASE

Tanger Factory Outlet Centers, Inc. (SKT)

Address	3200 Northline Avenue Suite 360 Greensboro, NC 27408 United States
Website	tangeroutlet.com
IR Contact	Cyndi Holt, Vice President, (336) 834-6892
Currency	USD
Sector	Regional Mall

Description Tanger Factory Outlet Centers, Inc. (SKT) specializes in the ownership, management and development of factory outlet retail centers in the United States and Canada. The company's portfolio consists of 32 wholly-owned properties and seven joint ventures with combined GLA of 14.3 million sf. Key tenants include The Gap (Banana Republic, Gap, Old Navy - 5.9% of base rent), Ascena Retail Group (Loft, Ann Taylor, Lane Bryant - 4.6%), PVH Corp. (Calvin Klein, Tommy Hilfiger, Van Heusen - 4.1%), Tapestry, Inc. (Coach, Kate Spade, Stuart Weitzman - 2.8%), and Under Armour (2.8%).

Tanger was taken public in 1993 with an initial portfolio of 17 properties, most of which it had self-developed over the preceding dozen years. Portfolio growth since then has included a mix of new locations, property expansions and select acquisitions. The company is currently in the pre-leasing stage for a proposed new center in Nashville that would be part of a 300-acre mixed-use complex.

Tanger has a total market capitalization of approximately \$3.0 billion and is a member of the S&P SmallCap 600 and Russell 2000 indexes.

Bond Ratings	Fitch	Moody's	S&P
	-	Baa1	BBB
	-	Negative	Stable

	2017 Annual	2018 Annual	2019 Annual	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Total Revenues	488.234	494.681	478.348	123.155	115.707	118.994	120.492
EBITDA	288.467	290.057	271.195	68.633	66.879	67.553	68.130
Interest Expense	64.825	64.821	61.672	16.307	15.134	15.197	15.034
EBITDA / Interest (x)	4.5	4.5	4.4	4.2	4.4	4.4	4.5
Fixed Charge Coverage (x)	3.2	3.7	3.6	3.7	3.6	3.4	3.9
Consolidated Debt	1,780.562	1,730.779	1,582.309	1,599.854	1,602.517	1,587.269	1,582.309
Total Market Capitalization	4,420.534	3,730.598	3,023.522	3,678.217	3,199.267	3,102.033	3,023.522
Debt / Total Market Cap.	40.3%	46.4%	52.3%	43.5%	50.1%	51.2%	52.3%
Debt / EBITDA (x)	6.2	6.0	5.8	5.8	6.0	5.9	5.8
Annualized Dividend Rate	\$1.37	\$1.40	\$1.42	\$1.40	\$1.42	\$1.42	\$1.42
Closing Stock Price	\$26.51	\$20.22	\$14.73	\$20.98	\$16.21	\$15.48	\$14.73
Annualized Dividend Yield	5.2%	6.9%	9.6%	6.7%	8.8%	9.2%	9.6%
Dividend Payout - AFFO	78.0%	70.8%	78.0%	72.0%	82.6%	85.7%	73.3%

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Tanger (SKT) - Income Statement

	2017 Annual	2018 Annual	2019 Annual	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Rental Revenues	333.838	338.000	463.946	119.954	112.385	115.050	116.557
Expense Reimbursements	142.817	145.356	-	-	-	-	-
Service Revenues	2.452	2.496	5.419	1.342	1.245	1.356	1.476
Mortgage Interest Income	-	-	-	-	-	-	-
Other Revenues	9.127	8.829	8.983	1.859	2.077	2.588	2.459
Total Revenues	488.234	494.681	478.348	123.155	115.707	118.994	120.492
Property Operating Expense	155.235	160.457	157.734	42.377	36.726	39.149	39.482
Property Taxes	-	-	-	-	-	-	-
Property Management	-	-	-	-	-	-	-
Service Expense	-	-	-	-	-	-	-
Other Expense	0.528	-	-	-	-	-	-
G & A	44.004	44.167	49.419	12.145	12.102	12.292	12.880
EBITDA	288.467	290.057	271.195	68.633	66.879	67.553	68.130
EBITDA Margin	59.1%	58.6%	56.7%	55.7%	57.8%	56.8%	56.5%
Depreciation & Amortization	127.744	131.722	123.314	31.760	31.146	30.103	30.305
Interest Expense	64.825	64.821	61.672	16.307	15.134	15.197	15.034
Income Taxes	-	-	-	-	-	-	-
Minority Interest	(3.874)	(1.908)	(4.873)	(3.510)	(0.730)	(1.263)	0.630
Equity Income	1.937	0.924	7.839	1.629	1.646	2.329	2.235
Interest & Other Income	2.724	0.864	0.880	0.224	0.224	0.227	0.205
Extraordinary Items	(35.626)	-	(8.012)	-	(8.012)	-	-
Other	-	-	-	-	-	-	-
RE Gain / (Loss)	6.943	(49.739)	5.812	43.422	-	-	(37.610)
Net Income	68.002	43.655	87.855	62.331	13.727	23.546	(11.749)
Preferred Stock Dividends	-	-	-	-	-	-	-
Other Adjustments	(1.209)	(1.211)	(1.336)	(0.611)	(0.114)	(0.305)	(0.306)
Net to Common	66.793	42.444	86.519	61.720	13.613	23.241	(12.055)

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Tanger (SKT) - Balance Sheet

	2017 Annual	2018 Annual	2019 Annual	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Land	279.978	278.428	353.112	355.589	355.396	354.472	353.112
Buildings & Improvements	2,793.638	2,764.649	2,630.357	2,639.764	2,651.300	2,663.507	2,630.357
CWIP	14.854	3.102	-	-	-	-	-
Undeveloped Land	-	-	-	-	-	-	-
Property Held for Sale	-	-	-	-	-	-	-
Lease Intangibles	-	-	-	-	-	-	-
Accumulated Depreciation	(901.967)	(981.305)	(1,009.951)	(941.193)	(966.805)	(991.441)	(1,009.951)
Net Property	2,186.503	2,064.874	1,973.518	2,054.160	2,039.891	2,026.538	1,973.518
Cash	6.101	9.083	16.672	1.616	7.379	4.664	16.672
Restricted Cash	-	-	-	-	-	-	-
Mortgage Receivables	-	-	-	-	-	-	-
Notes & Securities	-	-	-	-	-	-	-
Equity Investments	119.436	95.969	94.691	97.654	96.299	94.415	94.691
Receivables	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-
Other Assets	228.065	214.976	200.330	200.394	200.199	198.740	200.330
Total Assets	2,540.105	2,384.902	2,285.211	2,353.824	2,343.768	2,324.357	2,285.211
Bank Revolver / CP	208.100	145.100	-	15.000	18.500	4.100	-
Bank Term Loan	325.000	350.000	350.000	350.000	350.000	350.000	350.000
Mortgage Debt	97.462	85.679	82.309	84.854	84.017	83.169	82.309
Senior Notes	1,150.000	1,150.000	1,150.000	1,150.000	1,150.000	1,150.000	1,150.000
Other Debt	-	-	-	-	-	-	-
Debt Adjustments	(16.911)	(17.861)	(12.536)	(17.070)	(16.208)	(15.346)	(12.536)
Total Debt	1,763.651	1,712.918	1,569.773	1,582.784	1,586.309	1,571.923	1,569.773
Payables & Accrued	90.416	82.676	79.562	87.536	60.324	73.932	79.562
Lease Liabilities	-	-	91.237	92.354	92.092	91.683	91.237
Other Liabilities	73.736	83.773	88.530	87.707	88.235	88.619	88.530
Preferred Stock	-	-	-	-	-	-	-
Common Equity	581.578	480.179	433.206	478.233	490.782	472.944	433.206
Minority Interest	30.724	25.356	22.903	25.210	26.026	25.256	22.903
Total Equity	612.302	505.535	456.109	503.443	516.808	498.200	456.109
Total Liabilities & Equity	2,540.105	2,384.902	2,285.211	2,353.824	2,343.768	2,324.357	2,285.211

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Tanger (SKT) - Capitalization

	2017 Annual	2018 Annual	2019 Annual	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Total Debt At Par	1,780.562	1,730.779	1,582.309	1,599.854	1,602.517	1,587.269	1,582.309
Preferred Stock	-	-	-	-	-	-	-
<u>Undepreciated Book Capital</u>	3,294.831	3,217.619	3,048.369	3,044.490	3,086.130	3,076.910	3,048.369
Debt / Undepr. Book Capital	54.0%	53.8%	51.9%	52.5%	51.9%	51.6%	51.9%
Debt + Pfd. / Undepr. Book Capital	54.0%	53.8%	51.9%	52.5%	51.9%	51.6%	51.9%
Total Debt At Par	1,780.562	1,730.779	1,582.309	1,599.854	1,602.517	1,587.269	1,582.309
Preferred Stock Par Value	-	-	-	-	-	-	-
<u>Total Market Capitalization</u>	4,420.534	3,730.598	3,023.522	3,678.217	3,199.267	3,102.033	3,023.522
Debt / Total Market Cap.	40.3%	46.4%	52.3%	43.5%	50.1%	51.2%	52.3%
Debt + Pfd. / Total Market Cap.	40.3%	46.4%	52.3%	43.5%	50.1%	51.2%	52.3%

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Tanger (SKT) - Funds From Operations

	2017 Annual	2018 Annual	2019 Annual	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Net to Common	66.793	42.444	86.519	61.720	13.613	23.241	(12.055)
Real Estate Depreciation	125.621	129.281	120.856	31.148	30.550	29.451	29.707
Adjustment for (Gain) / Loss	2.078	56.919	(2.171)	(43.422)	3.641	-	37.610
Minority Interest Adjustments	3.609	2.329	4.678	3.315	0.730	1.263	(0.630)
JV Adjustments	13.857	13.314	12.512	3.130	3.265	3.058	3.059
Other FFO Adjustments	(0.734)	(0.940)	(0.655)	-	(0.296)	(0.176)	(0.183)
NAREIT FFO	211.224	243.347	221.739	55.891	51.503	56.837	57.508
Average Diluted Shares	99.549	98.303	97.766	98.264	98.147	97.474	97.192
FFO / Share	\$2.12	\$2.48	\$2.27	\$0.57	\$0.53	\$0.58	\$0.59
Dividend / Share	\$1.35	\$1.39	\$1.42	\$0.35	\$0.36	\$0.36	\$0.36
Dividend Payout - FFO	63.7%	56.3%	62.4%	61.5%	67.6%	60.9%	60.0%
NAREIT FFO	211.224	243.347	221.739	55.891	51.503	56.837	57.508
Preferred Stock Adjustments	-	-	-	-	-	-	-
Debt Retirement Adjustments	35.626	-	-	-	-	-	-
Transaction Costs	0.528	-	-	-	-	-	-
Other (Gains) / Losses	-	-	4.371	-	4.371	-	-
Other Adjustments	(2.082)	-	(0.035)	-	(0.035)	-	-
Recurring FFO	245.296	243.347	226.075	55.891	55.839	56.837	57.508
Recurring FFO / Share	\$2.46	\$2.48	\$2.31	\$0.57	\$0.57	\$0.58	\$0.59
Dividend Payout - Recurring FFO	54.9%	56.3%	61.2%	61.5%	62.4%	60.9%	60.0%
Recurring FFO	245.296	243.347	226.075	55.891	55.839	56.837	57.508
S/L Rent	(5.632)	(5.844)	(7.721)	(1.970)	(2.916)	(2.518)	(0.317)
Market Rent Adjustment	2.829	2.577	1.432	0.480	0.273	0.314	0.365
Recurring Capex	(67.509)	(45.809)	(40.736)	(6.197)	(10.230)	(14.241)	(10.068)
Other AFFO Adjustments	(2.440)	(0.780)	(1.662)	(0.406)	(0.798)	(0.050)	(0.408)
Adjusted FFO (AFFO)	172.544	193.491	177.388	47.798	42.168	40.342	47.080
AFFO / Share	\$1.73	\$1.97	\$1.81	\$0.49	\$0.43	\$0.41	\$0.48
Dividend Payout - AFFO	78.0%	70.8%	78.0%	72.0%	82.6%	85.7%	73.3%

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Tanger (SKT) - Capex

	2017 Annual	2018 Annual	2019 Annual	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Capitalized Interest	2.416	0.093	-	-	-	-	-
Tenant Improvements	20.905	15.729	18.189	2.974	3.076	9.121	3.018
Leasing Commissions	6.584	6.703	-	-	-	-	-
FF&E Reserve	-	-	-	-	-	-	-
Building Improvements	40.020	22.047	21.478	3.049	6.848	4.781	6.800
Other Capex / Adjustments	-	1.330	1.069	0.174	0.306	0.339	0.250
Total Recurring Capex	67.509	45.809	40.736	6.197	10.230	14.241	10.068
Recurring Capex / EBITDA	23.4%	15.8%	15.0%	9.0%	15.3%	21.1%	14.8%
Renovation / Expansion	-	10.581	10.449	0.994	3.702	3.594	2.159
Development Expenditures	-	-	-	-	-	-	-
Total Growth Capex	0.000	10.581	10.449	0.994	3.702	3.594	2.159
Total Capitalized Costs	69.925	56.483	51.185	7.191	13.932	17.835	12.227

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Tanger (SKT) - Key Credit Items

	2017 Annual	2018 Annual	2019 Annual	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Revolving Credit Facility	520.000	600.000	600.000	600.000	600.000	600.000	600.000
R/C Borrowings	(208.100)	(145.100)	-	(15.000)	(18.500)	(4.100)	-
L/C Holdback	(6.000)	(0.170)	(0.170)	(0.170)	(0.170)	(0.170)	(0.170)
Revolver Availability	305.900	454.730	599.830	584.830	581.330	595.730	599.830
Credit Line Usage	41.2%	24.2%	0.0%	2.5%	3.1%	0.7%	0.0%
Fixed Rate Debt	1,512.462	1,552.621	1,571.037	1,551.540	1,572.617	1,574.205	1,571.037
Variable Rate Debt	268.100	178.158	11.272	48.314	29.900	13.064	11.272
Fixed Rate Debt (%)	84.9%	89.7%	99.3%	97.0%	98.1%	99.2%	99.3%
Variable Rate Debt (%)	15.1%	10.3%	0.7%	3.0%	1.9%	0.8%	0.7%
Unsecured Debt	1,683.100	1,645.100	1,500.000	1,515.000	1,518.500	1,504.100	1,500.000
Secured Debt	97.462	85.679	82.309	84.854	84.017	83.169	82.309
Unsecured Debt (%)	94.5%	95.1%	94.8%	94.7%	94.8%	94.8%	94.8%
Secured Debt (%)	5.5%	5.0%	5.2%	5.3%	5.2%	5.2%	5.2%
Consolidated Debt	1,780.562	1,730.779	1,582.309	1,599.854	1,602.517	1,587.269	1,582.309
Share of JV Debt	176.367	184.663	184.573	184.686	184.702	184.573	184.573
Total Debt at Share	1,956.929	1,915.442	1,766.882	1,784.540	1,787.219	1,771.842	1,766.882
Bond Covenants							
Total Debt Leverage Ratio	51.0%	50.0%	48.0%	49.0%	49.0%	48.0%	48.0%
Secured Debt Leverage Ratio	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Debt Service Coverage (x)	5.0	5.2	5.0	5.1	5.0	5.0	5.0
Unencumbered Assets / Unsecured Debt	187.0%	189.0%	198.0%	196.0%	197.0%	199.0%	198.0%
Total Development Pipeline	-	-	-	-	-	-	-
Funded Amount	-	-	-	-	-	-	-
Unfunded Development Costs	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Notes	1) Revolving credit availability subject to compliance with financial covenants and other restrictions. 2) Fixed rate debt may include floating rate loans swapped to fixed. 3) Fixed/Floating and Unsecured/Secured percentages are based on consolidated debt balances only. 4) Development amounts are shown as SKT's share of total development.						

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Tanger (SKT) - Ratios

	2017 Annual	2018 Annual	2019 Annual	2019 Q1	2019 Q2	2019 Q3	2019 Q4
EBITDA / Interest (x)	4.5	4.5	4.4	4.2	4.4	4.4	4.5
EBITDA / Interest + Pfd. (x)	4.5	4.5	4.4	4.2	4.4	4.4	4.5
Fixed Charge Coverage (x)	3.2	3.7	3.6	3.7	3.6	3.4	3.9
Debt / Undepr. Book Capital	54.0%	53.8%	51.9%	52.5%	51.9%	51.6%	51.9%
Debt + Pfd. / Undepr. Book Capital	54.0%	53.8%	51.9%	52.5%	51.9%	51.6%	51.9%
Debt / Total Market Cap.	40.3%	46.4%	52.3%	43.5%	50.1%	51.2%	52.3%
Debt + Pfd. / Total Market Cap.	40.3%	46.4%	52.3%	43.5%	50.1%	51.2%	52.3%
Debt / EBITDA (x)	6.2	6.0	5.8	5.8	6.0	5.9	5.8
Net Debt / EBITDA (x)	6.2	5.9	5.8	5.8	6.0	5.9	5.7
Dividend Payout - FFO	63.7%	56.3%	62.4%	61.5%	67.6%	60.9%	60.0%
Dividend Payout - Recurring FFO	54.9%	56.3%	61.2%	61.5%	62.4%	60.9%	60.0%
Dividend Payout - AFFO	78.0%	70.8%	78.0%	72.0%	82.6%	85.7%	73.3%
Annualized Dividend Yield	5.2%	6.9%	9.6%	6.7%	8.8%	9.2%	9.6%
AFFO Earnings Yield	6.5%	9.7%	12.3%	9.3%	10.6%	10.7%	13.1%

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Tanger (SKT) - Portfolio Stats

	2017 Annual	2018 Annual	2019 Annual	2019 Q1	2019 Q2	2019 Q3	2019 Q4
# States / Districts	22	22	19	20	20	19	19
# Consolidated Properties	36	36	32	32	32	32	32
# JV Properties	8	8	7	8	7	7	7
# Development Properties	-	-	-	-	-	-	-
Total Properties	44	44	39	40	39	39	39
Portfolio Square Feet (MMs)	15.300	15.294	14.260	14.418	14.257	14.260	14.260
Portfolio Occupancy	97.3%	96.8%	97.0%	95.4%	96.0%	95.9%	97.0%
Largest Tenant	7.7%	6.8%	5.9%	7.0%	6.5%	6.3%	5.9%
Top-5 Tenants	24.6%	23.6%	20.2%	22.1%	21.9%	21.6%	20.2%
Same Property NOI Growth	1.4%	(1.3%)	(0.7%)	(0.5%)	(0.1%)	(1.8%)	(0.4%)
Notes	1) Portfolio occupancy is for consolidated properties only. 2) Portfolio square feet includes JV's at 100%. Excludes development properties, if any. 3) Tenant concentration based on percentage of GLA. 4) Same-store NOI growth is for consolidated properties only.						

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Tanger (SKT) - Dividend Summary

	2017 Annual	2018 Annual	2019 Annual	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Q4 Dividend	0.3425	0.3500	0.3550	-	-	-	0.3550
Q3 Dividend	0.3425	0.3500	0.3550	-	-	0.3550	0.3550
Q2 Dividend	0.3425	0.3500	0.3550	-	0.3550	0.3550	0.3550
Q1 Dividend	0.3250	0.3425	0.3500	0.3500	0.3500	0.3500	0.3500
Special Dividend	-	-	-	-	-	-	-
Total Dividends	\$1.35	\$1.39	\$1.42	\$0.35	\$0.71	\$1.06	\$1.42
Total Regular Dividends	\$1.35	\$1.39	\$1.42	\$0.35	\$0.71	\$1.06	\$1.42
Annualized Dividend Rate	\$1.37	\$1.40	\$1.42	\$1.40	\$1.42	\$1.42	\$1.42
Closing Stock Price	\$26.51	\$20.22	\$14.73	\$20.98	\$16.21	\$15.48	\$14.73
Annualized Dividend Yield	5.2%	6.9%	9.6%	6.7%	8.8%	9.2%	9.6%
Equity Returns							
Opening Stock Price	\$35.78	\$26.51	\$20.22	\$22.00	\$23.49	\$22.88	\$20.22
Closing Stock Price	\$26.51	\$20.22	\$14.73	\$20.98	\$16.21	\$15.48	\$14.73
LTM Price Return	(25.9%)	(23.7%)	(27.2%)	(4.6%)	(31.0%)	(32.3%)	(27.2%)
LTM Dividends	\$1.35	\$1.39	\$1.42	\$1.40	\$1.41	\$1.41	\$1.42
Opening Stock Price	\$35.78	\$26.51	\$20.22	\$22.00	\$23.49	\$22.88	\$20.22
LTM Dividend Return	3.8%	5.3%	7.0%	6.4%	6.0%	6.2%	7.0%
LTM Total Return	(22.1%)	(18.5%)	(20.2%)	1.7%	(25.0%)	(26.2%)	(20.2%)

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Tanger (SKT) - Securities

Type	Amount	Coupon	Maturity Date	Description
R/C Facility	0.000	L + 87.5	2021-10-29	\$600 million unsecured revolving credit facility with one-year extension option (2022 final). Bank of America - Administrative Agent.
Term Loan	350.000	L+90	2024-04-22	Wells Fargo - Administrative Agent.
Senior Notes	250.000	3.875%	2023-12-01	-
Senior Notes	250.000	3.750%	2024-12-01	-
Senior Notes	350.000	3.125%	2026-09-01	Includes \$100 million reopen +153.
Senior Notes	300.000	3.875%	2027-07-15	-
Mortgage	51.400	-	2023-04-29	Secured by Southaven, MS.
Mortgage	30.909	-	2026-12-08	Atlantic City, NJ.
Total	1,582.309			