|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Credit Exposure Name:** | STAG Industrial, Inc. | **Public / Private:** | - | **Servicing Category:** | - |
| **iRisk Parent Name:** | STAG INDUSTRIAL, INC. | **Headquarters:** | - | **PruScore:** | - |
| **Industry:** | - | **Region:** | - | **NAIC Designation:** | - |
| **Real Assets Category:** | - | **MD:** | - | **S&P / M / Fitch:** | - |
| **Stat. Country:** | - | **Team Leader:** | - | **Other Ratings:** | - |
| **Economic Risk Country:** | - | **Secondary:** | - | **Unqualified Audit:** | - |
| **Valuation Country:** | - | **Analyst:** | - |  |  |

|  |  |
| --- | --- |
| **Key Credit Merits** | **Key Credit Risks** |
| Diversified national industrial portfolio | Rising interest rate exposure |
| Well-laddered, mostly unsecured debt | Tenant credit/default risk |
| High occupancy, granular tenant base | Refinancing and capital market access |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **STAG Industrial, Inc. - Capitalization Table** | | | | | |
| **Item** | **Amount** | **PPC Holdings** | **Coupon** | **Secured** | **Maturity** |
| Cash and Equivalents | 15,879 |  |  |  |  |
| Revolving Credit Facility | 51,000 | - | S + 87.5 | N | 2029 |
| Unsecured Term Loan G | 300,000 | - | 1.80% | N | 2026 |
| Unsecured Term Loan A | 150,000 | - | 2.16% | N | 2027 |
| Unsecured Term Loan H | 187,500 | - | 3.35% | N | 2028 |
| Unsecured Term Loan I | 187,500 | - | 3.51% | N | 2028 |
| Unsecured Term Loan F | 200,000 | - | 4.83% | N | 2029 |
| Series B Unsecured Notes | 50,000 | - | 4.98% | N | 2026 |
| Series C Unsecured Notes | 80,000 | - | 4.42% | N | 2026 |
| Series E Unsecured Notes | 20,000 | - | 4.42% | N | 2027 |
| Series H Unsecured Notes | 100,000 | - | 4.27% | N | 2028 |
| Series L Unsecured Notes | 175,000 | - | 6.05% | N | 2029 |
| Series O Unsecured Notes | 350,000 | - | 5.50% | N | 2030 |
| Series M Unsecured Notes | 125,000 | - | 6.17% | N | 2031 |
| Series I Unsecured Notes | 275,000 | - | 2.80% | N | 2031 |
| Series K Unsecured Notes | 400,000 | - | 4.12% | N | 2032 |
| Series P Unsecured Notes | 100,000 | - | 5.82% | N | 2033 |
| Series J Unsecured Notes | 50,000 | - | 2.95% | N | 2033 |
| Series N Unsecured Notes | 150,000 | - | 6.30% | N | 2034 |
| Series Q Unsecured Notes | 100,000 | - | 5.99% | N | 2035 |
| United of Omaha Life Insurance Company | 4,212 | - | 3.71% | Y | 2039 |
| (Less: Debt Issuance Costs) | -11,187 | - | - | - | - |
| **Total Debt** | **3,055,212** |  |  |  |  |
| Book Value of Equity | 3,444,877 |  |  |  |  |
| **Book Capitalization** | **6,500,089** |  |  |  |  |
| ***Key Financial Ratios:*** | | | | | |
| Total Debt To Adj Ebitda | - |  |  |  |  |
| Total Debt To Market Capitalization | - |  |  |  |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **STAG Industrial, Inc. - Historical Financial Analysis** | **Fiscal Year Ended** | |  |  |  | **YTD** | | **LTM** |
| **Metric** | **2020** | **2021** | **2022** | **2023** | **2024** | **03/31/24** | **03/31/25** | **03/31/25** |
| **Revenue** | **483,411** | **562,159** | **657,345** | **707,835** | **767,384** | **187,543** | **205,574** | **785,415** |
| ***% YoY Growth*** | - | 16.3% | 16.9% | 7.7% | 8.4% | - | - | - |
| Cost of Goods Sold | 89,359 | 107,986 | 125,701 | 139,596 | 154,828 | 39,071 | 43,678 | 159,435 |
| **Gross Profit** | **394,052** | **454,173** | **531,644** | **568,239** | **612,556** | **148,472** | **161,896** | **625,980** |
| ***% Margin*** | 81.5% | 80.8% | 80.9% | 80.3% | 79.8% | - | - | 79.7% |
| Operating Expenses | 262,416 | 290,206 | 328,144 | 330,631 | 349,578 | 84,942 | 87,778 | 352,414 |
| Adjustments | 87,127 | 139,722 | 205,697 | 193,891 | 267,026 | 67,709 | 10,178 | 209,495 |
| **Adjusted EBITDA** | **491,610** | **498,615** | **537,075** | **570,223** | **616,322** | **133,475** | **146,014** | **628,861** |
| ***% Margin*** | 101.7% | 88.7% | 81.7% | 80.6% | 80.3% | - | - | 79.7% |
| Interest Expense | 62,343 | 63,484 | 78,018 | 94,575 | 113,169 | 25,421 | 32,529 | 120,277 |
| Taxes | - | - | - | - | - | - | - | - |
| Change in Working Capital | 29,018 | 33,733 | 45,103 | 15,598 | 57,501 | 8,620 | 10,673 | 59,554 |
| *Other* | - | - | - | - | - | 563 | 572 | - |
| Capital Expenditures | 166,581 | 194,258 | 160,827 | 126,318 | 232,122 | 74,607 | 89,552 | 247,067 |
| **Free Cash Flow** | **238,181** | **296,651** | **276,278** | **283,236** | **309,847** | **30,555** | **13,988** | **293,280** |
| Acq. / Disp. | (388,401) | (1,023,051) | (286,436) | (198,389) | (498,243) | (43,599) | 27,089 | (427,555) |
| Change in Debt | 58,017 | 511,775 | 282,057 | 23,497 | 406,785 | 32,947 | 2,945 | 376,783 |
| Equity / Dividends | 214,216 | 461,269 | (212,064) | (198,082) | (107,642) | 68,654 | 70,960 | (105,336) |
| *Other* | - | - | - | - | - | 1,973 | 1,687 | - |
| **Change in Cash** | **8,475** | **2,857** | **3,593** | **(4,921)** | **15,525** | **-** | **-** | **-** |
| **Cash - End of Period** | **15,666** | **18,981** | **25,884** | **20,741** | **36,284** | **-** | **-** | **-** |
| **Total Debt** | **1,703,290** | **2,218,262** | **2,498,780** | **2,624,046** | **3,029,135** | **2,656,128** | **3,032,630** | **3,032,630** |
| **Book Equity** | **2,716,207** | **3,327,700** | **3,384,824** | **3,374,680** | **3,457,651** | **3,351,502** | **3,466,951** | **3,466,951** |
| ***Key Financial Ratios:*** | |  |  |  |  |  |  |  |
| EBITDA / Int. Exp. | 7.89x | 7.85x | 6.88x | 6.03x | 5.45x | 5.25x | 4.49x | 5.23x |
| Total Debt / EBITDA | 3.46x | 4.45x | 4.65x | 4.60x | 4.91x | 12.22x | 13.74x | 4.82x |
| Total Debt / Book Capital | 20.0% | 26.4% | 30.3% | 32.1% | 36.7% | 32.7% | 36.7% | 46.7% |
| Total Debt + Leases / EBITDA | 3.46x | 4.45x | 4.65x | 4.60x | 4.91x | 12.22x | 13.74x | 4.82x |
| Total Debt + Leases / Book Capital | 20.0% | 26.4% | 30.3% | 32.1% | 36.7% | 32.7% | 36.7% | 46.7% |
| EBITDAR / Interest + Rent | 4.98x | 4.85x | 4.35x | 3.97x | 3.51x | - | - | 5.23x |

## Income Statement

* STAG's most recent fiscal year is FY2024 (ended Dec 31, 2024); the LTM period is the twelve months ended June 30, 2025 (LTM Q2 2025).
* Revenue for FY2024 was $767.4 million (up 8.4% YoY). Revenue for LTM Q2 2025 is $797.3 million (FY2024 revenue: $767.4M; Q1-2 2025: $413.2M; subtract Q1-2 2024: $377.3M; LTM revenue = FY24 + Q1-2 2025 - Q1-2 2024 ≈ $803.3M). Growth was primarily driven by: (1) contractual rental escalators and strong renewal leasing spreads (FY24 renewal cash rent change +29.8%, straight-line +44.5%), (2) acquisitions (32 buildings, $710M in FY24; additional 4 buildings, $67M in LTM through Q2 2025), and (3) modest development completions. FY2024 same store rental income grew 4.5%; acquisitions/dispositions contributed $20.7M to revenue in Q2 2025 and $31.5M for the first half of 2025.
* FY2024 net income was $193.3M, down 2.0% YoY, attributed to higher depreciation and interest expense, loss on impairment, partly offset by rental growth and disposition gains.
* In the LTM Q2 2025 period, net income was up to $241.1M (FY24 net income: $193.3M, Q1-2 2025: $144.4M, Q1-2 2024: $98.5M, LTM net income = $239.2M). LTM EBITDA and FFO also rose driven by higher revenue, gain on dispositions ($55.6M, 2 buildings in Q1-2 2025), but interest costs rose with higher net debt.
* EBITDA margins in FY2024 saw a slight decline: property expenses as % of rental income rose 30bps YoY (FY24 property expense $154.8M, 20.3% of rental income vs 20.0% in FY23), G&A rose 3.6% YoY, and interest rose 19.7% after new note issuances. LTM Q2 2025 property expense as % of rental income rose to 20.4%. Margin pressure is from insurance, real estate taxes, repairs/maintenance, offset by higher rent spreads.
* Key business drivers for margin include rent spreads (+26.1% cash average LTM), high occupancy (96.5%), growth from accretive acquisitions, and higher interest expense from new debt.

## Cash Flow Statement

* FY2024 Free Cash Flow (Net cash from operations less recurring capex and dividends): Operating cash flow $460.3M, capex $150.4M, recurring dividends/distributions $274.9M, FCF before dividends: $309.9M. LTM Q2 2025 FCF: Operating cash flow $227.4M (Q1-2 2025), annualized to $454.8M; capex Q1-2 $41.9M, annualized to $83.8M; trailing FCF estimate: $371.0M. Dividends/distributions paid in Q1-2 2025: $141.99M.
* Compared to FY2023, 2024 FCF rose (+$69.2M YoY), due to higher cash from operations, offset by higher capex. 2024 and LTM capex was higher due to acquisition-driven growth and development.
* Acquisitions: FY2024 completed 32 buildings for $710.3M; LTM Q2 2025 added 4 buildings ($67.2M; one in a JV). LTM also included new consolidated joint ventures (NC, NV, KY) but no large portfolio M&A. Dispositions: FY2024 sold 10 buildings ($126.5M proceeds, $32.3M gain). In LTM Q2 2025, sold 2 buildings ($72.6M proceeds, $55.6M gain).
* Dividend payouts: FY2024 common and OP unit dividends/distributions $270.0M, up slightly from $265.3M in FY2023 and $261.4M in FY2022. Dividends per share rose from $1.47 in 2023 to $1.48 in 2024; 2025 declared $0.37/share per quarter as of Q2, pacing $1.48/share annualized. LTM dividend payout ratio (vs. FFO): $270.0M/$458.2M ≈ 59%. Dividend growth has been steady but modest, tracking cash flow.
* Liquidity as of Q2 2025: $15.4M cash + $945.8M undrawn on the $1B revolver; total immediate liquidity $961.2M.
* Key capital allocation in FY24 and LTM included $710M+ in acquisitions, $126M+ debt paydown, and $1B+ new note proceeds. Interest expense is rising reflecting new notes and higher rates.

## Balance Sheet

* As of June 30, 2025 (LTM end): Total assets $6,825.1M. Total debt was $2,987.2M principal ($51.0M on revolver, $1,025M term loans, $1,975M unsecured notes, $4.2M mortgage), with $1.0B revolver capacity, $945.8M available.
* LTM leverage: Total Debt + Capitalized Operating Leases / EBITDAR = ($3,055M debt + $34.4M operating lease liability) / LTM EBITDAR ($520.3M, see note) ≈ 5.9x (see calculation assumptions below). FY2024 ended with $2,987.2M debt and leverage of 5.6x. Assumption: EBITDAR = EBITDA (add back G&A, interest, taxes, property/non-property expense) + rent expense; capitalized lease is operating lease liability $34.4M. LTM interest expense $126.9M, estimated cash rent ~$9M/yr (from property expense notes), EBITDAR approx $520M.
* There was a leverage increase in the LTM due to $550M of new notes in Q2 2025 (Series O/Q/P), offset by paydown of $458M (net) on the revolver, and $125M of notes matured.
* Book equity at 6/30/25: $3,520.7M, with $15.4M cash and full revolver capacity ($1B) less $51M drawn, yielding $945.8M available. Liquidity (cash + undrawn revolver): $961.2M at LTM end.
* No significant changes to property or intangible value other than regular amortization; development pipeline not yet capitalized as of Q2 2025.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ESG Factor** | **Risk Rating** | **ESG Factor** | **Risk Rating** | **ESG Factor** | **Risk Rating** |
| **Climate Regulation** | \* | **Product Safety** | \* | **Board Composition** | \* |
| **Climate Change** | \* | **Workplace Safety** | \* | **Succession planning** | \* |
| **Habitat** | \* | **Health & Wellness** | \* | **Data Security** | \* |
| **Sustainability** | \* | **Stakeholder Engagement** | \* | **Labor Relations** | \* |
| **Blended Score** | \* | **Max Factor Score** | \* | **Aggregate Risk** | \* |
| **ESG Engagement** | \* | \* | \* | \* | \* |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **STAG Industrial, Inc. - Credit Comparable Analysis** | | | | | | | | | | | |
|  | **LTM** | |  |  |  |  |  |  |  |  |  |
| **Ticker** | **LTM Rev (000s)** | **LTM EBITDA (000s)** | **EBITDA Mrgn %** | **EBITDAR (Int + Rents)** | **(Tot Debt + COL) EBITDAR** | **(Net Debt + COL) EBITDAR** | **(Tot Debt + COL) Tot Cap** | **(FCF + Rents) (Tot Debt + COL)** | **3-Year Average Total Debt + COL / EBITDAR** | **3-Year Average Total Debt + COL / Total Cap** | **3-Year Average FCF + Rents / Total Debt + COL** |
| *STAG INDUSTRIAL, INC.* | 785415.0 | 659818.0 | 84.0% | 2.93x | 3.74x | 3.69x | 0.47x | -0.08x | 3.90x | 0.45x | -0.02x |
| *FIRST INDUSTRIAL REALTY TRUST INC* | 684443.0 | 451495.0 | 66.0% | - | 0.02x | 0.02x | 1.04x | - | 0.04x | 0.01x | - |
| *REXFORD INDUSTRIAL REALTY, INC.* | 1896955.0 | 690552.0 | 36.4% | 2.76x | 3.68x | 3.13x | 0.28x | 0.10x | 3.46x | 0.25x | 0.14x |
| *PROLOGIS, INC.* | 8384654.0 | 6511678.0 | 77.7% | 4.62x | 0.23x | 0.15x | 0.03x | 1.51x | 3.72x | 0.34x | 0.09x |
| *ELME COMMUNITIES* | 241779.0 | 80100.0 | 33.1% | 3.12x | 0.00x | -0.05x | 0.00x | - | 0.00x | 0.00x | - |
| **AVERAGE** | **2398649.0** | **1678728.0** | **59.4%** | **3.36x** | **1.54x** | **1.39x** | **0.36x** | **0.51x** | **2.23x** | **0.21x** | **0.07x** |
| **MEDIAN** | **785415.0** | **659818.0** | **66.0%** | **3.02x** | **0.23x** | **0.15x** | **0.28x** | **0.10x** | **3.46x** | **0.25x** | **0.09x** |

|  |  |  |
| --- | --- | --- |
| **STAG Industrial, Inc. - Covenant Summary** | | |
| **3/31/2025** | | |
| **Term** | **Covenant Level** | **Reported** |
| **Maximum Leverage Ratio** | \* | \* |
| **Unconsolidated Affiliates / Total Asset Value** | \* | \* |
| **Total Marketable Securities, etc. / Total Asset Value** | \* | \* |
| **Minimum Fixed Charge Coverage Ratio** | \* | \* |
| **Maximum Secured Indebtedness** | \* | \* |
| **Maximum Unencumbered Leverage Ratio** | \* | \* |
| **Additional Covenants / Baskets** | | |
| **Unimprovement Land / Unencumbered Pool Value** | \* | \* |
| **Development, JVs, etc. / Unencumbered Pool Value** | \* | \* |

Note: '\*' indicates the data source are private.