

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**

Date of report: **February 19, 2020**
(Date of Earliest Event Reported)

REALTY INCOME CORPORATION

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

1-13374
(Commission File Number)

33-0580106
(IRS Employer Identification No.)

11995 El Camino Real, San Diego, California 92130
(Address of principal executive offices)

(858) 284-5000
(Registrant's telephone number, including area code)

N/A
(former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation 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:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Common Stock, \$0.01 Par Value	O	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 2.02 Results of Operations and Financial Condition

On February 19, 2020, Realty Income Corporation (the "Company") issued a press release setting forth its results of operations for the quarter and year ended December 31, 2019. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. This information, including the information contained in the press release, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not incorporated by reference into any of the Company's filings, whether made before or after the date hereof, regardless of any general incorporation language in any such filing.

Additionally, on February 19, 2020, the Company made available on its website a financial supplement containing operating and financial data of the Company ("Supplemental Operating and Financial Data") for the quarter and year ended December 31, 2019 and such Supplemental Operating and Financial Data is furnished as Exhibit 99.2 hereto. The Supplemental Operating and Financial Data included as Exhibit 99.2 to this report is being furnished pursuant to this Item 2.02 of Form 8-K and is also being furnished under Item 7.01—"Regulation FD Disclosure" of Form 8-K, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act and is not incorporated by reference into any of the Company's filings, whether made before or after the date hereof, regardless of any general incorporation language in any such filing.

Item 7.01 Regulation FD Disclosure.

On February 19, 2020, the Company made available on its website a financial supplement containing operating and financial data of the Company ("Supplemental Operating and Financial Data") for the quarter and year ended December 31, 2019 and such Supplemental Operating and Financial Data is furnished as Exhibit 99.2 hereto. The Supplemental Operating and Financial Data included as Exhibit 99.2 to this report is being furnished pursuant to this Item 7.01 of Form 8-K and is also being furnished under Item 2.02—"Results of Operations and Financial Condition" of Form 8-K, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act and is not incorporated by reference into any of the Company's filings, 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

99.1 [Press release dated February 19, 2020](#)

99.2 [Supplemental Operating and Financial Data for the quarter and year ended December 31, 2019](#)

104 The Form 8-K cover page, formatted in Inline Extensible Business Reporting Language and included as Exhibit 101

SIGNATURE

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.

Dated: February 19, 2020

REALTY INCOME CORPORATION

By: /s/ MICHAEL R. PFEIFFER

Michael R. Pfeiffer
Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

Press Release



REALTY INCOME ANNOUNCES OPERATING RESULTS FOR FOURTH QUARTER AND 2019

SAN DIEGO, CALIFORNIA, February 19, 2020...Realty Income Corporation (Realty Income, NYSE: O), The Monthly Dividend Company®, today announced operating results for the fourth quarter and year ended December 31, 2019. All per share amounts presented in this press release are on a diluted per common share basis unless stated otherwise.

COMPANY HIGHLIGHTS:

For the year ended December 31, 2019:

- Net income per share was \$1.38
- AFFO per share increased 4.1% to \$3.32, compared to 2018
- Invested \$3.7 billion in 789 properties and properties under development or expansion, including \$797.8 million in 18 properties in the United Kingdom (U.K.)
- Generated a rent recapture rate of 102.6% on re-leasing activity
- Dividends paid per common share increased 3.0%, compared to 2018
- Raised \$2.2 billion from the sale of common stock

For the quarter ended December 31, 2019:

- Net income per share was \$0.39
- AFFO per share increased 8.9% to \$0.86, compared to the quarter ended December 31, 2018
- Invested \$1.7 billion in 556 properties and properties under development or expansion, including \$221.0 million in five properties in the U.K.
- Generated a rent recapture rate of 106.2% on re-leasing activity
- Raised \$582.2 million from the sale of common stock

CEO Comments

"We are pleased to complete another year of strong operating results and favorable risk-adjusted returns for our shareholders, particularly in a year that marked the 50th anniversary of our company's founding and the 25th anniversary of our public listing," said Sumit Roy, Realty Income's President and Chief Executive Officer. "We successfully executed our strategy across all areas of the business, and I would like to thank our talented team for their hard work and dedication in pursuing our mission. We invested approximately \$3.7 billion in high-quality real estate during 2019, a record year for property-level acquisitions, including \$1.7 billion during the fourth quarter. We ended 2019 with portfolio occupancy of 98.6% while generating a rent recapture rate of approximately 103% on re-leasing activity during the year. To finance our investment activity, we raised over \$3.0 billion of capital during 2019 at favorable pricing, including approximately \$2.2 billion of equity. This month, we were added to the exclusive S&P 500 Dividend Aristocrats® index as an S&P 500 constituent that has raised its dividend every year for the last 25 consecutive years."

"Our investment pipeline, both domestic and international, remains robust, and we believe we will continue to enjoy excellent access to well-priced capital. Accordingly, we expect to invest \$2.25 billion to \$2.75 billion in 2020 based on current market conditions. Combined with the continued strength of our portfolio, we are introducing 2020 AFFO per share guidance of \$3.50 to \$3.56, representing annual growth of 5.4% to 7.2%."

Realty Income Corporation

11995 El Camino Real, San Diego, CA 92130

(858) 284-5000

Select Financial Results

The following summarizes our select financial results (dollars in millions, except per share data):

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Total revenue	\$ 397.5	\$ 342.6	\$ 1,491.6	\$ 1,327.8
Net income available to common stockholders ⁽¹⁾⁽²⁾	\$ 129.3	\$ 85.1	\$ 436.5	\$ 363.6
Net income per share ⁽²⁾	\$ 0.39	\$ 0.29	\$ 1.38	\$ 1.26
Funds from operations (FFO) available to common stockholders ⁽²⁾⁽³⁾	\$ 280.4	\$ 217.7	\$ 1,039.6	\$ 903.3
FFO per share ⁽²⁾	\$ 0.85	\$ 0.73	\$ 3.29	\$ 3.12
Adjusted funds from operations (AFFO) available to common stockholders ⁽³⁾	\$ 282.0	\$ 236.8	\$ 1,050.0	\$ 924.6
AFFO per share	\$ 0.86	\$ 0.79	\$ 3.32	\$ 3.19

⁽¹⁾ The calculation to determine net income for a real estate company includes provisions for impairment, gains on sales of real estate, and foreign currency gains and losses. These items can vary from quarter to quarter and can significantly impact net income and period to period comparisons.

⁽²⁾ Net income available to common stockholders and FFO in 2018 were impacted by a severance payment made to our former chief executive officer (CEO) in October 2018. The total value of cash, stock compensation and professional fees incurred as a result of this severance was \$28.3 million; however, the net amount, after incorporating accruals for the CEO compensation previous to this severance, was \$18.7 million, equivalent to \$0.06 per share.

⁽³⁾ The company considers FFO and AFFO to be appropriate supplemental measures of a Real Estate Investment Trust's (REIT's) operating performance. Realty Income defines FFO, a non-GAAP measure, consistent with the National Association of Real Estate Investment Trusts' (Nareit's) definition, as net income available to common stockholders, plus depreciation and amortization of real estate assets, plus impairments of real estate assets, and reduced by gains on property sales. AFFO further adjusts FFO for unique revenue and expense items, which the company believes are not as pertinent to the measurement of the company's ongoing operating performance. Presentation of the information regarding FFO and AFFO is intended to assist the reader in comparing the operating performance of different REITs, although it should be noted that not all REITs calculate FFO and AFFO in the same way, so comparisons with other REITs may not be meaningful. FFO and AFFO should not be considered as alternatives to reviewing our cash flows from operating, investing, and financing activities. In addition, FFO and AFFO should not be considered as measures of liquidity, our ability to make cash distributions, or our ability to pay interest payments. See the reconciliations of net income available to common stockholders to FFO and AFFO on pages seven and eight of this press release.

Dividend Increases

In December 2019, Realty Income announced the 89th consecutive quarterly dividend increase, which is the 104th increase in the amount of the dividend since the company's listing on the New York Stock Exchange (NYSE) in 1994. The annualized dividend amount as of December 31, 2019 was \$2.73 per share. The amount of monthly dividends paid per share increased 3.0% to \$2.711 in 2019, as compared to \$2.631 in 2018. The company distributed \$852.1 million in common dividends to shareholders in 2019, representing 81.2% of its AFFO of \$1.05 billion.

In January 2020, Realty Income announced an increase of the February 2020 annualized dividend to \$2.79 per share, as compared to the February 2019 annualized dividend amount of \$2.706, which represents an increase of 3.1%. The new monthly dividend amount of \$0.2325 per share was paid on February 14, 2020.

Real Estate Portfolio Update

As of December 31, 2019, Realty Income's portfolio consisted of 6,483 properties located in 49 U.S. states, Puerto Rico and the U.K., leased to 301 different commercial tenants doing business in 50 industries. The properties are primarily freestanding and leased under long-term, net lease agreements with a weighted average remaining lease term of 9.2 years. The company's portfolio of commercial real estate continues to perform well and provides dependable rental revenue supporting the payment of monthly dividends. As of December 31, 2019, portfolio occupancy was 98.6% with 94 properties available for lease out of the 6,483, as compared to 98.3% as of September 30, 2019 and 98.6% as of December 31, 2018.

Changes in Occupancy

Properties available for lease at September 30, 2019	102
Lease expirations	44
Re-leases to same tenant ⁽¹⁾	(25)
Re-leases to new tenant ⁽¹⁾⁽²⁾	(3)
Dispositions	(24)
Properties available for lease at December 31, 2019	94

⁽¹⁾ The annual new rent on these re-leases was \$6.457 million, as compared to the previous annual rent of \$6.079 million on the same properties, representing a rent recapture rate of 106.2% on the properties re-leased during the quarter ended December 31, 2019.

⁽²⁾ Re-leased to two new tenants after a period of vacancy, and one new tenant without vacancy.

Properties available for lease at December 31, 2018	80
Lease expirations	304
Re-leases to same tenant ⁽¹⁾	(199)
Re-leases to new tenant ⁽¹⁾⁽²⁾	(15)
Dispositions	(76)
Properties available for lease at December 31, 2019	94

⁽¹⁾ The annual new rent on these re-leases was \$54.978 million, as compared to the previous annual rent of \$53.605 million on the same properties, representing a rent recapture rate of 102.6% on the properties re-leased during the year ended December 31, 2019.

⁽²⁾ Re-leased to eight new tenants after a period of vacancy, and seven new tenants without vacancy.

Investments in Real Estate

The following table summarizes our acquisitions in the U.S. and U.K. for the periods indicated below:

	Number of Properties	Square Feet (in millions)	Investment (\$ in millions)	Weighted Average Lease Term (Years)	Initial Average Cash Lease Yield
Three months ended December 31, 2019					
Acquisitions - U.S. (in 42 states)	539	5.4	\$ 1,447.9	10.5	7.0%
Acquisitions - U.K. ⁽¹⁾	5	0.4	221.0	17.1	5.2%
Total Acquisitions	544	5.8	1,668.9	11.2	6.8%
Properties under Development - U.S.	12	0.3	20.6	13.5	7.1%
Total ⁽²⁾	556	6.1	\$ 1,689.5	11.2	6.8%
Year ended December 31, 2019					
Acquisitions - U.S. (in 45 states)	753	11.6	\$ 2,860.8	13.0	6.8%
Acquisitions - U.K. ⁽¹⁾	18	1.6	797.8	15.6	5.2%
Total Acquisitions	771	13.2	3,658.6	13.4	6.4%
Properties under Development - U.S.	18	0.5	56.6	15.1	7.3%
Total ⁽³⁾	789	13.7	\$ 3,715.2	13.5	6.4%

⁽¹⁾ Represents investments of £169.7 million Sterling during the quarter ended December 31, 2019 and £625.8 million Sterling during the year ended December 31, 2019 converted at the applicable exchange rate on the date of acquisition.

⁽²⁾ The tenants occupying the new properties operate in 26 industries, and are 100.0% retail, based on rental revenue. Approximately 47% of the rental revenue generated from acquisitions during the fourth quarter of 2019 is from investment grade rated tenants, their subsidiaries or affiliated companies.

⁽³⁾ The tenants occupying the new properties operate in 31 industries, and are 94.6% retail and 5.4% industrial, based on rental revenue. Approximately 36% of the rental revenue generated from acquisitions during 2019 is from investment grade rated tenants, their subsidiaries or affiliated companies.

Rent Increases

The following summarizes our same store rents on 4,811 properties under lease (dollars in millions):

	Quarter Ended December 31, 2019		Year Ended December 31, 2019		Increase	
	2019	2018	2019	2018	Three months	Twelve months
Rental Revenue	\$ 296.5	\$ 290.8	\$ 1,175.6	\$ 1,157.6	2.0%	1.6%

Property Dispositions

The following summarizes our property dispositions (dollars in millions):

	Quarter Ended December 31, 2019		Year Ended December 31, 2019	
	Properties sold	Net sales proceeds	Gain on sales of real estate	
Properties sold				93
Net sales proceeds		\$ 36.3	\$ 14.2	108.9
Gain on sales of real estate				30.0

Liquidity and Capital Markets**Equity Capital Raising**

During the quarter ended December 31, 2019, Realty Income raised \$582.2 million from the sale of common stock at a weighted average price of \$75.52 per share. During 2019, Realty Income raised \$2.2 billion from the sale of common stock at a weighted average price of \$72.40 per share.

Credit Facility

Realty Income has an unsecured revolving credit facility, which is comprised of a \$3.0 billion revolving credit facility, with an initial term that expires in March 2023 (subject to two six-month options to extend), and a \$250.0 million term loan due March 2024. The revolving credit facility also has a \$1.0 billion expansion feature. As of December 31, 2019, the balance of borrowings outstanding under our revolving credit facility was \$704.3 million.

Early Redemption of 5.75% Notes Due January 2021

In January 2020, we completed the early redemption on all \$250.0 million in principal amount of our outstanding 5.750% Notes due January 2021, plus accrued and unpaid interest. As a result of the early redemption, we will recognize an estimated \$9.8 million loss on extinguishment of debt during the first quarter of 2020.

2020 Earnings Guidance

We estimate AFFO per share for 2020 of \$3.50 to \$3.56. AFFO adjusts FFO for unique revenue and expense items, which are not as pertinent to the measurement of Realty Income's ongoing operating performance.

We estimate FFO per share for 2020 of \$3.45 to \$3.51, inclusive of a \$0.03 per share loss due to the early redemption of the 5.750% Notes due 2021. FFO per share for 2020 is based on a net income per share range of \$1.42 to \$1.48, plus estimated real estate depreciation and impairments of \$2.09 per share, and reduced by potential estimated gains on sales of investment properties of \$0.06 per share (in accordance with Nareit's definition of FFO).

Additional earnings guidance detail can be found in Realty Income's supplemental materials available on Realty Income's corporate website at www.realtyincome.com/investors/financial-information/quarterly-results.

Conference Call Information

In conjunction with the release of Realty Income's operating results, the company will host a conference call on February 20, 2020 at 11:30 a.m. PT to discuss the results. To access the conference, dial (877) 701-6180. When prompted, provide the conference ID 9079776.

A telephone replay of the conference call can also be accessed by calling (800) 585-8367 and entering the passcode 9079776. The telephone replay will be available through March 5, 2020. A live webcast will be available in listen-only mode by clicking on the webcast link on the company's home page or in the investors section at www.realtyincome.com.

A replay of the conference call webcast will be available approximately one hour after the conclusion of the live broadcast. The webcast replay will be available through March 5, 2020. No access code is required for this replay.

Supplemental Materials

Supplemental materials on fourth quarter and 2019 operating results are available on Realty Income's corporate website at www.realtyincome.com/investors/financial-information/quarterly-results.

About Realty Income

Realty Income, The Monthly Dividend Company®, is an S&P 500 company dedicated to providing stockholders with dependable monthly income. The company is structured as a REIT, and its monthly dividends are supported by the cash flow from over 6,400 real estate properties owned under long-term lease agreements with commercial tenants. To date, the company has declared 596 consecutive common stock monthly dividends throughout its 51-year operating history and increased the dividend 105 times since Realty Income's public listing in 1994 (NYSE: O). The company is a member of the S&P 500 Dividend Aristocrats® index. Additional information about the company can be obtained from the corporate website at www.realtyincome.com.

Forward-Looking Statements

Statements in this press release that are not strictly historical are "forward-looking" statements. Forward-looking statements involve known and unknown risks, which may cause the company's actual future results to differ materially from expected results. These risks include, among others, general economic conditions, domestic and foreign real estate conditions, tenant financial health, the availability of capital to finance planned growth, continued volatility and uncertainty in the credit markets and broader financial markets, changes in foreign currency exchange rates, property acquisitions and the timing of these acquisitions, charges for property impairments, and the outcome of any legal proceedings to which the company is a party, as described in the company's filings with the Securities and Exchange Commission. Consequently, forward-looking statements should be regarded solely as reflections of the company's current operating plans and estimates. Actual operating results may differ materially from what is expressed or forecast in this press release. The company undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date these statements were made.

Investor Contact:
Jonathan Pong, CFA, CPA
SVP, Capital Markets and Finance
(858) 284-5177

CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands, except per share amounts) (unaudited)

	Three Months Ended 12/31/19	Three Months Ended 12/31/18	Year Ended 12/31/19	Year Ended 12/31/18
REVENUE				
Rental (including reimbursable)	\$ 394,217	\$ 341,181	\$ 1,484,818	\$ 1,321,546
Other	3,312	1,395	6,773	6,292
Total revenue	397,529	342,576	1,491,591	1,327,838
 EXPENSES				
Depreciation and amortization	156,594	137,711	593,961	539,780
Interest	75,073	70,635	290,991	266,020
General and administrative	16,330	34,178	66,483	84,148
Property (including reimbursable)	25,253	17,732	88,585	66,326
Income taxes	1,736	1,607	6,158	5,340
Provisions for impairment	8,950	1,235	40,186	26,269
Total expenses	283,936	263,098	1,086,364	987,883
Gain on sales of real estate	14,168	5,825	29,996	24,643
Foreign currency and derivative gains, net	1,792	—	2,255	—
Net income	129,553	85,303	437,478	364,598
Net income attributable to noncontrolling interests	(256)	(231)	(996)	(984)
Net income available to common stockholders	\$ 129,297	\$ 85,072	\$ 436,482	\$ 363,614
 Funds from operations available to common stockholders (FFO)	\$ 280,396	\$ 217,743	\$ 1,039,591	\$ 903,257
Adjusted funds from operations available to common stockholders (AFFO)	\$ 281,986	\$ 236,813	\$ 1,050,015	\$ 924,558
 Per share information for common stockholders:				
Net income:				
Basic and Diluted	\$ 0.39	\$ 0.29	\$ 1.38	\$ 1.26
FFO:				
Basic and Diluted	\$ 0.85	\$ 0.73	\$ 3.29	\$ 3.12
AFFO:				
Basic	\$ 0.86	\$ 0.80	\$ 3.32	\$ 3.19
Diluted	\$ 0.86	\$ 0.79	\$ 3.32	\$ 3.19
 Cash dividends paid per common share	\$ 0.681	\$ 0.662	\$ 2.711	\$ 2.631

FUNDS FROM OPERATIONS (FFO)
(dollars in thousands, except per share amounts)

We define FFO, a non-GAAP measure, consistent with Nareit's definition, as net income available to common stockholders, plus depreciation and amortization of real estate assets, plus impairments of real estate assets, reduced by gains on real estate sales.

	Three Months Ended 12/31/19	Three Months Ended 12/31/18	Year Ended 12/31/19	Year Ended 12/31/18
Net income available to common stockholders	\$ 129,297	\$ 85,072	\$ 436,482	\$ 363,614
Depreciation and amortization	156,594	137,711	593,961	539,780
Depreciation of furniture, fixtures and equipment	(127)	(158)	(565)	(650)
Provisions for impairment	8,950	1,235	40,186	26,269
Gain on sales of real estate	(14,168)	(5,825)	(29,996)	(24,643)
FFO adjustments allocable to noncontrolling interests	(150)	(292)	(477)	(1,113)
FFO available to common stockholders	<u>\$ 280,396</u>	<u>\$ 217,743</u>	<u>\$ 1,039,591</u>	<u>\$ 903,257</u>
FFO allocable to dilutive noncontrolling interests	372	473	1,403	867
Diluted FFO	<u>\$ 280,768</u>	<u>\$ 218,216</u>	<u>\$ 1,040,994</u>	<u>\$ 904,124</u>
 FFO per common share:				
Basic and Diluted	\$ 0.85	\$ 0.73	\$ 3.29	\$ 3.12
Distributions paid to common stockholders	\$ 222,476	\$ 196,834	\$ 852,134	\$ 761,582
FFO available to common stockholders in excess of distributions paid to common stockholders	<u>\$ 57,920</u>	<u>\$ 20,909</u>	<u>\$ 187,457</u>	<u>\$ 141,675</u>
 Weighted average number of common shares used for FFO:				
Basic	328,565,734	297,730,206	315,837,012	289,427,430
Diluted	329,364,027	298,609,734	316,601,350	289,923,984

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

(dollars in thousands, except per share amounts)

We define AFFO as FFO adjusted for unique revenue and expense items, which the company believes are not as pertinent to the measurement of the company's ongoing operating performance. Most companies in our industry use a similar measurement to AFFO, but they may use the term "CAD" (for Cash Available for Distribution) or "FAD" (for Funds Available for Distribution).

	Three Months Ended 12/31/19	Three Months Ended 12/31/18	Year Ended 12/31/19	Year Ended 12/31/18
Net income available to common stockholders	\$ 129,297	\$ 85,072	\$ 436,482	\$ 363,614
Cumulative adjustments to calculate FFO ⁽¹⁾	151,099	132,671	603,109	539,643
FFO available to common stockholders	280,396	217,743	1,039,591	903,257
Executive severance charge ⁽²⁾	—	18,651	—	18,651
Amortization of share-based compensation	3,184	2,943	13,662	15,470
Amortization of deferred financing costs ⁽³⁾	1,283	1,119	4,754	3,991
Amortization of net mortgage premiums	(354)	(354)	(1,415)	(1,520)
Loss (gain) on interest rate swaps	694	331	2,752	(2,733)
Straight-line payments from cross-currency swaps ⁽⁴⁾	1,762	—	4,316	—
Leasing costs and commissions	(222)	(1,076)	(2,102)	(3,907)
Recurring capital expenditures	(224)	(555)	(801)	(1,084)
Straight-line rent	(8,940)	(6,480)	(28,674)	(24,687)
Amortization of above and below-market leases	6,109	4,427	19,336	16,852
Other adjustments ⁽⁵⁾	(1,702)	64	(1,404)	268
AFFO available to common stockholders	\$ 281,986	\$ 236,813	\$ 1,050,015	\$ 924,558
AFFO allocable to dilutive noncontrolling interests	378	487	1,442	901
Diluted AFFO	\$ 282,364	\$ 237,300	\$ 1,051,457	\$ 925,459
AFFO per common share:				
Basic	\$ 0.86	\$ 0.80	\$ 3.32	\$ 3.19
Diluted	\$ 0.86	\$ 0.79	\$ 3.32	\$ 3.19
Distributions paid to common stockholders	\$ 222,476	\$ 196,834	\$ 852,134	\$ 761,582
AFFO available to common stockholders in excess of distributions paid to common stockholders	\$ 59,510	\$ 39,979	\$ 197,881	\$ 162,976
Weighted average number of common shares used for AFFO:				
Basic	328,565,734	297,730,206	315,837,012	289,427,430
Diluted	329,364,027	298,609,734	316,601,350	289,923,984

⁽¹⁾ See FFO calculation on page seven for reconciling items.

⁽²⁾ The executive severance charge represents the incremental costs incurred upon our former CEO's departure in October 2018 per the reconciliation below:

Cash	\$ 9,817
Stock compensation	17,902
Professional fees	574
Total value of severance	28,293
Amount accrued for CEO compensation prior to separation	(9,642)
Incremental severance	\$ 18,651

⁽³⁾ Includes the amortization of costs incurred and capitalized upon issuance of our notes payable, assumption of our mortgages payable and issuance of our term loans. The deferred financing costs are being amortized over the lives of the respective notes payable, mortgages and term loans. No costs associated with our credit facility agreements or annual fees paid to credit rating agencies have been included.

⁽⁴⁾ Straight-line payments from cross-currency swaps represent quarterly payments in U.S. dollars received by us from counterparties in exchange for associated foreign currency payments. These USD payments are fixed and determinable for the duration of the associated hedging transaction.

⁽⁵⁾ Includes adjustments allocable to noncontrolling interests, obligations related to financing lease liabilities, and foreign currency gains and losses as a result of intercompany debt and remeasurement transactions.

HISTORICAL FFO AND AFFO
(dollars in thousands, except per share amounts)

<u>For the three months ended December 31,</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net income available to common stockholders	\$ 129,297	\$ 85,072	\$ 60,852	\$ 85,671	\$ 76,171
Depreciation and amortization, net of furniture, fixtures and equipment	156,467	137,553	126,915	117,580	105,537
Provisions for impairment	8,950	1,235	6,679	3,709	1,378
Gain on sales of real estate	(14,168)	(5,825)	(23,208)	(6,696)	(5,126)
FFO adjustments allocable to noncontrolling interests	(150)	(292)	(250)	(431)	(52)
 FFO	 \$ 280,396	 \$ 217,743	 \$ 170,988	 \$ 199,833	 \$ 177,908
FFO per diluted share	\$ 0.85	\$ 0.73	\$ 0.61	\$ 0.77	\$ 0.71
 AFFO	 \$ 281,986	 \$ 236,813	 \$ 215,312	 \$ 192,964	 \$ 170,023
AFFO per diluted share	\$ 0.86	\$ 0.79	\$ 0.76	\$ 0.75	\$ 0.68
Cash dividends paid per share	\$ 0.681	\$ 0.662	\$ 0.636	\$ 0.606	\$ 0.572
Weighted average diluted shares outstanding - FFO	329,364,027	298,609,734	282,023,488	259,010,432	249,508,956
Weighted average diluted shares outstanding - AFFO	329,364,027	298,609,734	282,428,692	259,010,432	249,508,956
 <u>For the year ended December 31,</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
Net income available to common stockholders	\$ 436,482	\$ 363,614	\$ 301,514	\$ 288,491	\$ 256,686
Depreciation and amortization, net of furniture, fixtures and equipment	593,396	539,130	498,231	449,196	408,404
Provisions for impairment	40,186	26,269	14,751	20,664	10,560
Gain on sales of real estate	(29,996)	(24,643)	(40,898)	(21,979)	(22,243)
FFO adjustments allocable to noncontrolling interests	(477)	(1,113)	(933)	(977)	(970)
 FFO	 \$ 1,039,591	 \$ 903,257	 \$ 772,665	 \$ 735,395	 \$ 652,437
FFO per diluted share	\$ 3.29	\$ 3.12	\$ 2.82	\$ 2.88	\$ 2.77
 AFFO	 \$ 1,050,015	 \$ 924,558	 \$ 838,638	 \$ 736,374	 \$ 647,028
AFFO per diluted share	\$ 3.32	\$ 3.19	\$ 3.06	\$ 2.88	\$ 2.74
Cash dividends paid per share	\$ 2.711	\$ 2.631	\$ 2.527	\$ 2.392	\$ 2.271
Weighted average diluted shares outstanding - FFO	316,601,350	289,923,984	273,936,752	255,822,679	235,891,368
Weighted average diluted shares outstanding - AFFO	316,601,350	289,923,984	274,024,934	255,822,679	235,891,368

REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except per share data) (unaudited)

December 31, 2019

December 31, 2018

ASSETS			
Real estate, at cost:			
Land	\$ 5,684,034	\$ 4,682,660	
Buildings and improvements	13,833,882	11,858,806	
Total real estate, at cost	19,517,916	16,541,466	
Less accumulated depreciation and amortization	(3,117,919)	(2,714,534)	
Net real estate held for investment	16,399,997	13,826,932	
Real estate held for sale, net	96,775	16,585	
Net real estate	16,496,772	13,843,517	
Cash and cash equivalents	54,011	10,387	
Accounts receivable	181,969	144,991	
Lease intangible assets, net	1,493,383	1,199,597	
Other assets, net	328,661	61,991	
Total assets	\$ 18,554,796	\$ 15,260,483	
LIABILITIES AND EQUITY			
Distributions payable	\$ 76,728	\$ 67,789	
Accounts payable and accrued expenses	177,039	133,765	
Lease intangible liabilities, net	333,103	310,866	
Other liabilities	262,221	127,109	
Line of credit payable	704,335	252,000	
Term loans, net	499,044	568,610	
Mortgages payable, net	410,119	302,569	
Notes payable, net	6,288,049	5,376,797	
Total liabilities	8,750,638	7,139,505	
Commitments and contingencies			
Stockholders' equity:			
Common stock and paid in capital, par value \$0.01 per share, 740,200,000 shares authorized, 333,619,106 shares issued and outstanding as of December 31, 2019 and 370,100,000 shares authorized, 303,742,090 shares issued and outstanding as of December 31, 2018	12,873,849	10,754,495	
Distributions in excess of net income	(3,082,291)	(2,657,655)	
Accumulated other comprehensive loss	(17,102)	(8,098)	
Total stockholders' equity	9,774,456	8,088,742	
Noncontrolling interests	29,702	32,236	
Total equity	9,804,158	8,120,978	
Total liabilities and equity	\$ 18,554,796	\$ 15,260,483	

Realty Income Performance vs. Major Stock Indices

	Realty Income		Equity		DJIA		S&P 500		NASDAQ	
	Dividend yield	Total return ⁽²⁾	Dividend yield	Total return ⁽³⁾	Dividend yield	Total return ⁽³⁾	Dividend yield	Total return ⁽³⁾	Dividend yield	Total return ⁽⁴⁾
10/18 to 12/31/1994	10.5%	10.8%	7.7%	0.0%	2.9%	(1.6%)	2.9%	(1.2%)	0.5%	(1.7%)
1995	8.3%	42.0%	7.4%	15.3%	2.4%	36.9%	2.3%	37.6%	0.6%	39.9%
1996	7.9%	15.4%	6.1%	35.3%	2.2%	28.9%	2.0%	23.0%	0.2%	22.7%
1997	7.5%	14.5%	5.5%	20.3%	1.8%	24.9%	1.6%	33.4%	0.5%	21.6%
1998	8.2%	5.5%	7.5%	(17.5%)	1.7%	18.1%	1.3%	28.6%	0.3%	39.6%
1999	10.5%	(8.7%)	8.7%	(4.6%)	1.3%	27.2%	1.1%	21.0%	0.2%	85.6%
2000	8.9%	31.2%	7.5%	26.4%	1.5%	(4.7%)	1.2%	(9.1%)	0.3%	(39.3%)
2001	7.8%	27.2%	7.1%	13.9%	1.9%	(5.5%)	1.4%	(11.9%)	0.3%	(21.1%)
2002	6.7%	26.9%	7.1%	3.8%	2.6%	(15.0%)	1.9%	(22.1%)	0.5%	(31.5%)
2003	6.0%	21.0%	5.5%	37.1%	2.3%	28.3%	1.8%	28.7%	0.6%	50.0%
2004	5.2%	32.7%	4.7%	31.6%	2.2%	5.6%	1.8%	10.9%	0.6%	8.6%
2005	6.5%	(9.2%)	4.6%	12.2%	2.6%	1.7%	1.9%	4.9%	0.9%	1.4%
2006	5.5%	34.8%	3.7%	35.1%	2.5%	19.0%	1.9%	15.8%	0.8%	9.5%
2007	6.1%	3.2%	4.9%	(15.7%)	2.7%	8.8%	2.1%	5.5%	0.8%	9.8%
2008	7.3%	(8.2%)	7.6%	(37.7%)	3.6%	(31.8%)	3.2%	(37.0%)	1.3%	(40.5%)
2009	6.6%	19.3%	3.7%	28.0%	2.6%	22.6%	2.0%	26.5%	1.0%	43.9%
2010	5.1%	38.6%	3.5%	27.9%	2.6%	14.0%	1.9%	15.1%	1.2%	16.9%
2011	5.0%	7.3%	3.8%	8.3%	2.8%	8.3%	2.3%	2.1%	1.3%	(1.8%)
2012	4.5%	20.1%	3.5%	19.7%	3.0%	10.2%	2.5%	16.0%	2.6%	15.9%
2013	5.8%	(1.8%)	3.9%	2.9%	2.3%	29.6%	2.0%	32.4%	1.4%	38.3%
2014	4.6%	33.7%	3.6%	28.0%	2.3%	10.0%	2.0%	13.7%	1.3%	13.4%
2015	4.4%	13.0%	3.9%	2.8%	2.6%	0.2%	2.2%	1.4%	1.4%	5.7%
2016	4.2%	16.0%	4.0%	8.6%	2.5%	16.5%	2.1%	12.0%	1.4%	7.5%
2017	4.5%	3.6%	3.9%	8.7%	2.2%	28.1%	1.9%	21.8%	1.1%	28.2%
2018	4.2%	15.2%	4.4%	(4.0%)	2.5%	(3.5%)	2.2%	(4.4%)	1.4%	(3.9%)
2019	3.7%	21.1%	3.7%	28.7%	2.4%	25.3%	1.9%	31.5%	1.1%	35.2%

Compound Average Annual Total Return ⁽⁵⁾

16.5%

10.8%

10.7%

10.1%

10.3%

Note: The dividend yields are calculated as annualized dividends based on the last dividend paid in applicable time period divided by the closing price as of period end. Dividend yield sources: Nareit website and Bloomberg, except for the 1994 NASDAQ dividend yield which was sourced from Datastream / Thomson Financial.

(1) FTSE Nareit US Equity REIT Index, as per Nareit website.

(2) Calculated as the difference between the closing stock price as of period end less the closing stock price as of previous period, plus dividends paid in period, divided by closing stock price as of end of previous period. Does not include reinvestment of dividends for the annual percentages.

(3) Includes reinvestment of dividends. Source: Nareit website and Factset.

(4) Price only index, does not include dividends as NASDAQ did not report total return metrics for the entirety of the measurement period. Source: Factset.

(5) The Compound Average Annual Total Return rates are calculated in the same manner for each period from Realty Income's NYSE listing on October 18, 1994 through December 31, 2019, and (except for NASDAQ) assume reinvestment of dividends. Past performance does not guarantee future performance. Realty Income presents this data for informational purposes only and makes no representation about its future performance or how it will compare in performance to other indices in the future.



SUPPLEMENTAL OPERATING & FINANCIAL DATA

Q4 2019

An S&P 500
company

S&P 500
Dividend Aristocrats®
index member

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This Supplemental Operating & Financial Data should be read in connection with the company's fourth quarter 2019 earnings press release (included as Exhibit 99.1 of the company's Current Report on Form 8-K, filed on February 19, 2020) as certain disclosures, definitions, and reconciliations in such announcement have not been included in this Supplemental Operating & Financial Data.

Corporate Overview

Corporate Profile

Realty Income, The Monthly Dividend Company®, is an S&P 500 company dedicated to providing stockholders with dependable monthly dividends that increase over time. The monthly dividends are supported by the cash flow generated from real estate owned under long-term, net lease agreements with commercial tenants. For over 51 years, Realty Income has been acquiring and managing freestanding commercial properties that generate rental revenue under long-term, net lease agreements.

Portfolio Overview

At December 31, 2019, we owned a diversified portfolio of 6,483 properties located in 49 U.S. states, Puerto Rico and the United Kingdom (U.K.), with approximately 106.3 million square feet of leasable space. Our properties are leased to 301 different commercial tenants doing business in 50 separate industries. Approximately 83% of our quarterly rental revenue was generated from retail properties, 12% from industrial properties, and the remaining 5% from other property types. Our physical occupancy as of December 31, 2019 was 98.6%, with a weighted average remaining lease term of approximately 9.2 years. Annualized base rent on our leases as of December 31, 2019 is approximately \$1.553 billion.

Common Stock

Our Common Stock is traded on the New York Stock Exchange under the symbol "O".

December 31, 2019		
Closing price	\$ 73.63	
Shares and units outstanding	334,082,225	
Market value of common equity	\$ 24,598,474,000	
Total market capitalization	\$ 32,528,824,000	

Transfer Agent

Computershare
Phone: (877) 218-2434
Website: www.computershare.com

Senior Management

Sumit Roy, President & Chief Executive Officer

Michael R. Pfeiffer, EVP, Chief Administrative Officer, General Counsel and Secretary

Neil M. Abraham, EVP, Chief Strategy Officer

Mark E. Hagan, EVP, Chief Investment Officer

Benjamin N. Fox, EVP, Asset Management & Real Estate Operations

Credit Ratings

Moody's	A3	Stable Outlook
Standard & Poor's	A-	Stable Outlook
Fitch	BBB+	Stable Outlook

Dividend Information as of February 2020

- Current annualized dividend of \$2.79 per share
- Compound average annual dividend growth rate of approximately 4.6%
- 596 consecutive monthly dividends declared
- 89 consecutive quarterly dividend increases

Corporate Headquarters

11995 El Camino Real
San Diego, California 92130
Phone: (858) 284-5000

London Office

42 Brook St.
London, United Kingdom W1K 5DB
Phone: 020 3931 6856

Website: www.realtyincome.com

Consolidated Statements Of Income

(dollars in thousands, except per share amounts ⁽¹⁾)

REALTY INCOME
The Monthly Dividend Company®

	(unaudited)		(unaudited)	
	Three Months Ended		Year Ended	
	December 31,	2019	2018	December 31,
REVENUE				
Rental (including reimbursable) ⁽²⁾	\$ 394,217	\$ 341,181	\$ 1,484,818	\$ 1,321,546
Other	3,312	1,395	6,773	6,292
Total revenue	397,529	342,576	1,491,591	1,327,838
EXPENSES				
Depreciation and amortization	156,594	137,711	593,961	539,780
Interest	75,073	70,635	290,991	266,020
General and administrative	16,330	34,178	66,483	84,148
Property (including reimbursable)	25,253	17,732	88,585	66,326
Income taxes	1,736	1,607	6,158	5,340
Provisions for impairment	8,950	1,235	40,186	26,269
Total expenses	283,936	263,098	1,086,364	987,883
Gain on sales of real estate	14,168	5,825	29,996	24,643
Foreign currency and derivative gains, net	1,792	—	2,255	—
Net income	129,553	85,303	437,478	364,598
Net income attributable to noncontrolling interests	(256)	(231)	(996)	(984)
Net income available to common stockholders	\$ 129,297	\$ 85,072	\$ 436,482	\$ 363,614

Net income available to common stockholders per common share:

Basic and Diluted	\$ 0.39	\$ 0.29	\$ 1.38	\$ 1.26
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⁽¹⁾ Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars.

⁽²⁾ Includes rental revenue (reimbursable) of \$19,810 and \$11,776 for the three months ended December 31, 2019 and December 31, 2018, respectively, and \$69,085 and \$46,950 for the years ended December 31, 2019 and December 31, 2018, respectively. Unless otherwise specified, references to rental revenue in this document are exclusive of reimbursements from tenants for recoverable real estate taxes and operating expenses.

Funds From Operations (FFO)

(dollars in thousands, except per share amounts)



The following is a reconciliation of net income available to common stockholders (which we believe is the most comparable GAAP measure) to FFO. Also presented is information regarding distributions paid to common stockholders and the weighted average number of common shares used for the basic and diluted FFO per share computations.

We define FFO, a non-GAAP measure, consistent with the National Association of Real Estate Investment Trusts' (Nareit's) definition, as net income available to common stockholders, plus depreciation and amortization of real estate assets, plus impairments of depreciable real estate assets, and reduced by gains on property sales. Presentation of the information regarding FFO and AFFO (described on page 6) is intended to assist the reader in comparing the operating performance of different REITs, although it should be noted that not all REITs calculate FFO and AFFO in the same way, so comparisons with other REITs may not be meaningful. FFO and AFFO should not be considered as alternatives to reviewing our cash flows from operating, investing, and financing activities. In addition, FFO and AFFO should not be considered as measures of liquidity, of our ability to make cash distributions, or of our ability to pay interest payments.

	Three Months Ended		Year Ended	
	December 31, 2019	2018	December 31, 2019	2018
Net income available to common stockholders	\$ 129,297	\$ 85,072	\$ 436,482	\$ 363,614
Depreciation and amortization	156,594	137,711	593,961	539,780
Depreciation of furniture, fixtures and equipment	(127)	(158)	(565)	(650)
Provisions for impairment	8,950	1,235	40,186	26,269
Gain on sales of real estate	(14,168)	(5,825)	(29,996)	(24,643)
FFO adjustments allocable to noncontrolling interests	(150)	(292)	(477)	(1,113)
FFO available to common stockholders	\$ 280,396	\$ 217,743	\$ 1,039,591	\$ 903,257
FFO allocable to dilutive noncontrolling interests	372	473	1,403	867
Diluted FFO	\$ 280,768	\$ 218,216	\$ 1,040,994	\$ 904,124
FFO per common share:				
Basic and Diluted	\$ 0.85	\$ 0.73	\$ 3.29	\$ 3.12
Distributions paid to common stockholders	\$ 222,476	\$ 196,834	\$ 852,134	\$ 761,582
FFO available to common stockholders in excess of distributions paid to common stockholders	\$ 57,920	\$ 20,909	\$ 187,457	\$ 141,675
Weighted average number of common shares used for FFO:				
Basic	328,565,734	297,730,206	315,837,012	289,427,430
Diluted	329,364,027	298,609,734	316,601,350	289,923,984

Adjusted Funds From Operations (AFFO)

(dollars in thousands, except per share amounts)



The Monthly Dividend Company®

The following is a reconciliation of net income available to common stockholders (which we believe is the most comparable GAAP measure) to FFO and AFFO. Also presented is information regarding distributions paid to common stockholders and the weighted average number of common shares used for the basic and diluted AFFO per share computations.

We define AFFO as FFO adjusted for unique revenue and expense items, which the company believes are not as pertinent to the measurement of the company's ongoing operating performance. Most companies in our industry use a similar measurement to AFFO, but they may use the term "CAD" (for Cash Available for Distribution) or "FAD" (for Funds Available for Distribution).

	Three Months Ended		Year Ended	
	December 31,	2019	December 31,	2019
	2019	2018	2019	2018
Net income available to common stockholders	\$ 129,297	\$ 85,072	\$ 436,482	\$ 363,614
Cumulative adjustments to calculate FFO ⁽¹⁾	151,099	132,671	603,109	539,643
FFO available to common stockholders	280,396	217,743	1,039,591	903,257
Executive severance charge	—	18,651	—	18,651
Amortization of share-based compensation	3,184	2,943	13,662	15,470
Amortization of deferred financing costs	1,283	1,119	4,754	3,991
Amortization of net mortgage premiums	(354)	(354)	(1,415)	(1,520)
Loss (gain) on interest rate swaps	694	331	2,752	(2,733)
Straight-line payments from cross-currency swaps	1,762	—	4,316	—
Leasing costs and commissions	(222)	(1,076)	(2,102)	(3,907)
Recurring capital expenditures	(224)	(555)	(801)	(1,084)
Straight-line rent	(8,940)	(6,480)	(28,674)	(24,687)
Amortization of above and below-market leases	6,109	4,427	19,336	16,852
Other adjustments	(1,702)	64	(1,404)	268
AFFO available to common stockholders	\$ 281,986	\$ 236,813	\$ 1,050,015	\$ 924,558
AFFO allocable to dilutive noncontrolling interests	378	487	1,442	901
Diluted AFFO	\$ 282,364	\$ 237,300	\$ 1,051,457	\$ 925,459
AFFO per common share:				
Basic	\$ 0.86	\$ 0.80	\$ 3.32	\$ 3.19
Diluted	\$ 0.86	\$ 0.79	\$ 3.32	\$ 3.19
Distributions paid to common stockholders	\$ 222,476	\$ 196,834	\$ 852,134	\$ 761,582
AFFO available to common stockholders in excess of distributions paid to common stockholders	\$ 59,510	\$ 39,979	\$ 197,881	\$ 162,976
Weighted average number of common shares used for AFFO:				
Basic	328,565,734	297,730,206	315,837,012	289,427,430
Diluted	329,364,027	298,609,734	316,601,350	289,923,984

⁽¹⁾ See reconciling items for FFO presented under "Funds from Operations (FFO)."

Consolidated Balance Sheets

(dollars in thousands, except per share amounts) (unaudited)



	December 31, 2019	December 31, 2018
ASSETS		
Real estate, at cost:		
Land	\$ 5,684,034	\$ 4,682,660
Buildings and improvements	13,833,882	11,858,806
Total real estate, at cost	19,517,916	16,541,466
Less accumulated depreciation and amortization	(3,117,919)	(2,714,534)
Net real estate held for investment	16,399,997	13,826,932
Real estate held for sale, net	96,775	16,585
Net real estate	16,496,772	13,843,517
Cash and cash equivalents	54,011	10,387
Accounts receivable	181,969	144,991
Lease intangible assets, net	1,493,383	1,199,597
Other assets, net	328,661	61,991
Total assets	\$ 18,554,796	\$ 15,260,483
LIABILITIES AND EQUITY		
Distributions payable	\$ 76,728	\$ 67,789
Accounts payable and accrued expenses	177,039	133,765
Lease intangible liabilities, net	333,103	310,866
Other liabilities	262,221	127,109
Line of credit payable	704,335	252,000
Term loans, net	499,044	568,610
Mortgages payable, net	410,119	302,569
Notes payable, net	6,288,049	5,376,797
Total liabilities	8,750,638	7,139,505
Stockholders' equity:		
Common stock and paid in capital, par value \$0.01 per share, 740,200,000 shares authorized, 333,619,106 shares issued and outstanding as of December 31, 2019 and 370,100,000 shares authorized, 303,742,090 shares issued and outstanding as of December 31, 2018	12,873,849	10,754,495
Distributions in excess of net income	(3,082,291)	(2,657,655)
Accumulated other comprehensive loss	(17,102)	(8,098)
Total stockholders' equity	9,774,456	8,088,742
Noncontrolling interests	29,702	32,236
Total equity	9,804,158	8,120,978
Total liabilities and equity	\$ 18,554,796	\$ 15,260,483

Debt Summary

(dollars in thousands)



The Monthly Dividend Company®

	Maturity Date as of December 31, 2019	Principal Balance as of December 31, 2019	% of Debt	Interest Rate as of December 31, 2019	Weighted Average Years until Maturity
Credit Facility					
Credit Facility ⁽¹⁾	March 24, 2023	\$ 704,335	8.9%	2.24% ⁽⁷⁾	3.2 years
Unsecured Term Loans					
Term Loan - Realty Income 2020 ⁽²⁾	June 30, 2020	250,000	3.2%	2.62%	0.5 years
Term Loan - Realty Income 2024 ⁽²⁾	March 24, 2024	250,000	3.2%	3.89% ⁽⁷⁾	4.2 years
		Principal amount	500,000	6.4%	3.25% ⁽⁷⁾
Deferred financing costs		Carrying value	(956)		2.4 years
			499,044		
Senior Unsecured Notes and Bonds					
5.750% Notes due 2021 ⁽³⁾	January 15, 2021	250,000	3.2%	5.75%	
3.250% Notes due 2022	October 15, 2022	950,000	11.9%	3.25%	
4.650% Notes due 2023	August 1, 2023	750,000	9.4%	4.65%	
3.875% Notes due 2024	July 15, 2024	350,000	4.4%	3.88%	
3.875% Notes due 2025	April 15, 2025	500,000	6.3%	3.88%	
4.125% Notes due 2026	October 15, 2026	650,000	8.1%	4.13%	
3.000% Notes due 2027	January 15, 2027	600,000	7.6%	3.00%	
3.650% Notes due 2028	January 15, 2028	550,000	6.9%	3.65%	
3.250% Notes due 2029	June 15, 2029	500,000	6.3%	3.25%	
2.730% Notes due 2034 ⁽⁴⁾	May 20, 2034	417,595	5.3%	2.73%	
5.875% Bonds due 2035	March 15, 2035	250,000	3.2%	5.88%	
4.650% Notes due 2047	March 15, 2047	550,000	6.9%	4.65%	
		Principal amount	6,317,595	79.5%	3.89% ⁽⁷⁾
Unamortized net premiums and deferred financing costs		Carrying value	(29,546)		8.3 years
			6,288,049		
Mortgages Payable					
27 mortgages on 92 properties	July 2020 - June 2032	408,420 ⁽⁵⁾	5.2%	4.93% ⁽⁷⁾	3.1 years
Unamortized net premiums and deferred financing costs		1,699			
		Carrying value	410,119		
		Total Debt \$	7,930,350 ⁽⁶⁾	100.0%	3.76% ⁽⁷⁾
		Fixed Rate \$	7,226,015	91.1%	
		Variable Rate \$	704,335	8.9%	

⁽¹⁾ We have a \$3.0 billion unsecured revolving credit facility bearing interest at LIBOR, plus 0.775% with an initial term that expires in March 2023. It includes, at our election, two six-month extension options, at a cost of 0.0625% of the facility commitment, or \$1.875 million per option. The credit facility also has a \$1.0 billion expansion option. As of December 31, 2019, the outstanding balance was \$704.3 million, including £169.2 million Sterling, leaving \$2.3 billion available on the credit facility.

⁽²⁾ Borrowings under the term loans have been swapped to fixed and bear interest at all-in rates of 2.62% and 3.89%, for the term loan due 2020 and the term loan due 2024, respectively.

⁽³⁾ In January 2020, we redeemed all \$250.0 million in principal amount of our 5.750% Notes due January 2021. As a result of the early redemption, we will recognize an estimated \$9.8 million loss on extinguishment of debt during the first quarter of 2020.

⁽⁴⁾ Represents the principal balance (in U.S. dollars) of the Sterling-denominated private placement of £315.0 million, which approximates \$417.6 million converted at the applicable exchange rate on December 31, 2019.

⁽⁵⁾ The mortgages payable are at fixed interest rates as of December 31, 2019.

⁽⁶⁾ Excludes non-cash unamortized net original issuance premiums recorded on the senior unsecured notes and bonds, non-cash unamortized net premiums recorded on the mortgages payable, and deferred financing costs on the term loans, notes and bonds, and mortgages payable.

⁽⁷⁾ The totals are calculated as the weighted average interest rate as of December 31, 2019 for each respective category. The credit facility includes £169.2 million Sterling borrowings with a weighted average interest rate of 1.53% at December 31, 2019.

Debt Maturities

as of December 31, 2019 (dollars in millions)



Debt Maturities

Year of Maturity	Credit Facility	Term Loans	Mortgages Payable	Senior Unsecured Notes and Bonds ⁽¹⁾	Total	Weighted Average Interest Rate ⁽²⁾
2020	\$ —	\$ 250.0	\$ 84.2	\$ —	\$ 334.2	3.21%
2021	—	—	68.8	250.0	318.8	5.72%
2022	—	—	111.8	950.0	1,061.8	3.43%
2023	704.3	—	20.6	750.0	1,474.9	4.64%
2024	—	250.0	112.2	350.0	712.2	3.97%
Thereafter	—	—	10.8	4,017.6	4,028.4	3.79%
Totals	\$ 704.3	\$ 500.0	\$ 408.4	\$ 6,317.6	\$ 7,930.3	

⁽¹⁾ In January 2020, we redeemed all \$250.0 million in principal amount of our outstanding 5.75% Notes due January 2021. As a result, we will recognize an estimated \$9.8 million loss on extinguishment of debt during the first quarter of 2020.

⁽²⁾ Weighted average interest rate for 2023 excludes the credit facility.

Mortgages Payable Maturities by Quarter

Year of Maturity	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total	Weighted Average Interest Rate
2020	\$ 1.7	\$ 1.7	\$ 13.0	\$ 67.8	\$ 84.2	4.98%
2021	18.7	18.2	31.0	0.9	68.8	5.61%
2022	0.9	10.5	62.2	38.2	111.8	4.97%
2023	0.9	6.5	12.4	0.8	20.6	4.44%
2024	0.8	0.8	0.9	109.7	112.2	4.47%
Thereafter	—	—	—	10.8	10.8	5.64%
Totals	\$ 23.0	\$ 37.7	\$ 119.5	\$ 228.2	\$ 408.4	

Capitalization & Financial Ratios

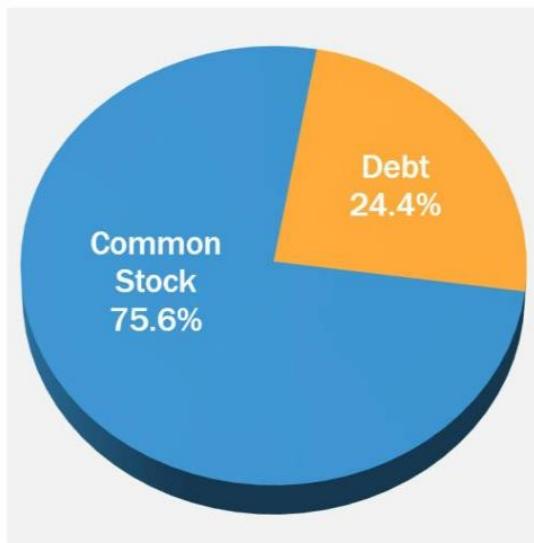
(dollars in thousands, except per share amounts)



Capitalization as of December 31, 2019

		Principal Balance	
Debt			
Credit Facility		\$ 704,335	
Unsecured Term Loans		500,000	
Senior Unsecured Notes and Bonds ⁽¹⁾		6,317,595	
Mortgages Payable		408,420	
Total Debt		\$ 7,930,350	
 Equity	 Shares / Units	 Stock Price	 Market Value
Common Stock (NYSE: "O")	333,619,106	\$ 73.63	\$ 24,564,375
Common Units	463,119	\$ 73.63	\$ 34,099
Total Equity			\$ 24,598,474
 Total Market Capitalization ⁽²⁾		\$ 32,528,824	
Debt/Total Market Capitalization ⁽²⁾			24.4%

Capital Structure as of December 31, 2019



⁽¹⁾ In January 2020, we redeemed all \$250.0 million in principal amount of our outstanding 5.75% Notes due January 2021.

⁽²⁾ Our enterprise value was \$32,474,813 (total market capitalization less cash on hand). The percentage for debt to enterprise value is materially consistent with that presented for total market capitalization.

Dividend Data

	2019	2018	Year-over-Year Growth Rate
Common Dividend Paid per Share	\$ 2.711	\$ 2.631	3.0%
AFFO per Share (diluted)	\$ 3.32	\$ 3.19	4.1%
AFFO Payout Ratio	81.7%	82.5%	

Liquidity as of December 31, 2019

Cash on Hand	\$ 54,011
Availability under Credit Facility	2,295,665
	\$ 2,349,676

Adjusted EBITDAre & Coverage Ratios

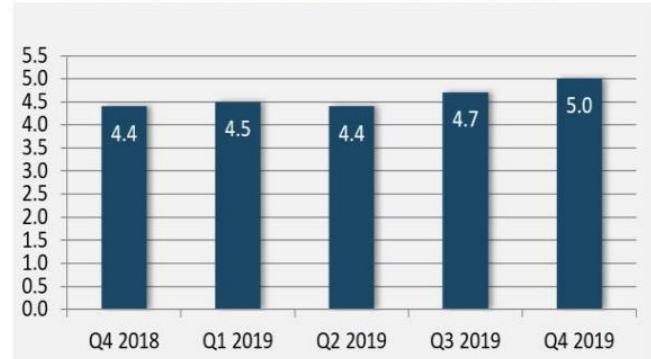
(dollars in thousands)



Reconciliation of Net Income to Adjusted EBITDAre ⁽¹⁾

	Three Months Ended	
	December 31, 2019	
Net income	\$ 129,553	
Interest	75,073	
Income taxes	1,736	
Depreciation and amortization	156,594	
Provisions for impairment	8,950	
Gain on sales of real estate	(14,168)	
Foreign currency and derivative gains, net ⁽²⁾	(1,792)	
Quarterly Adjusted EBITDAre	\$ 355,946	
 Annualized Adjusted EBITDAre	 \$ 1,423,784	
 Net Debt/Adjusted EBITDAre ⁽³⁾	 5.5	

Debt Service & Fixed Charge Coverage ⁽⁴⁾



⁽¹⁾ The National Association of Real Estate Investment Trust (Nareit) came to the conclusion that a Nareit-defined EBITDA metric for real estate companies (i.e., EBITDA for real estate, or EBITDAre) would provide investors with a consistent measure to help make investment decisions among REITs. Our definition of "Adjusted EBITDAre" is generally consistent with the Nareit definition, other than our adjustment to remove foreign currency and derivative gains and losses, as described below (which is consistent with our previous calculations of "Adjusted EBITDAre"). We define Adjusted EBITDAre, a non-GAAP financial measure, for the most recent quarter, as earnings (net income) before (i) interest expense, including non-cash loss (gain) on swaps, (ii) income and franchise taxes, (iii) real estate depreciation and amortization, (iv) impairment losses, (v) gain on sales of real estate and (vi) foreign currency and derivative gains, net. Our Adjusted EBITDAre may not be comparable to Adjusted EBITDAre reported by other companies or as defined by Nareit, and other companies may interpret or define Adjusted EBITDAre differently than we do. Management believes Adjusted EBITDAre to be a meaningful measure of a REIT's performance because it is widely followed by industry analysts, lenders and investors. Management also believes the use of an annualized quarterly Adjusted EBITDAre metric is meaningful because it represents the company's current earnings run rate for the period presented. The ratio of our total debt to our annualized quarterly Adjusted EBITDAre is also used to determine vesting of performance share awards granted to our executive officers. Adjusted EBITDAre should be considered along with, but not as an alternative to net income as a measure of our operating performance.

⁽²⁾ Includes foreign currency gains and losses as a result of intercompany debt and certain remeasurement transactions.

⁽³⁾ Our ratio of net debt-to-Adjusted EBITDAre, which is used by management as a measure of leverage, is calculated as net debt (which we define as total debt per the consolidated balance sheet, less cash and cash equivalents, divided by annualized quarterly Adjusted EBITDAre).

Debt Covenants

As of December 31, 2019

The following is a summary of the key financial covenants for our senior unsecured notes and bonds, as defined and calculated per their terms. These calculations, which are not based on U.S. GAAP measurements, are presented to investors to show our ability to incur additional debt under the terms of our senior unsecured notes and bonds as well as to disclose our current compliance with such covenants, and are not measures of our liquidity or performance.

	Required	Actuals
Limitation on incurrence of total debt	≤ 60% of adjusted undepreciated assets	39.6%
Limitation on incurrence of secured debt	≤ 40% of adjusted undepreciated assets	2.1%
Debt service and fixed charge coverage (trailing 12 months) ⁽¹⁾	≥ 1.5x	5.0x
Maintenance of total unencumbered assets	≥ 150% of unsecured debt	256.9%

⁽¹⁾ Our debt service coverage ratio is calculated on a pro forma basis for the preceding four-quarter period on the assumptions that: (i) the incurrence of any Debt (as defined in the covenants) incurred by us since the first day of such four-quarter period and the application of the proceeds therefrom (including to refinance other Debt since the first day of such four quarter period), (ii) the repayment or retirement of any of our Debt since the first day of such four-quarter period, and (iii) any acquisition or disposition by us of any asset or group since the first day of such four quarters had in each case occurred on January 1, 2019, and subject to certain additional adjustments. Such pro forma ratio has been prepared on the basis required by that debt service covenant, reflects various estimates and assumptions and is subject to other uncertainties, and therefore does not purport to reflect what our actual debt service coverage ratio would have been had transactions referred to in clauses (i), (ii) and (iii) of the preceding sentence occurred as of January 1, 2019, nor does it purport to reflect our debt service coverage ratio for any future period. Our fixed charge coverage is calculated in the same manner as our debt service coverage, except that preferred stock dividends are also added to the denominator; since we redeemed our Class F preferred dividends in April 2017, our fixed charge coverage ratio is equivalent to our debt service coverage.

Investment Summary

(dollars in thousands)



The Monthly Dividend Company®

	Number of Properties	Investment	Cash Rents	Leasable Square Feet	Initial Average Cash Lease Yield ⁽¹⁾	Weighted Average Lease Term (Years)
Q1 2019	Acquisitions - U.S.	97 \$ 508,573	\$ 33,905	1,908,385	6.7%	17.0
	Properties under Development ⁽²⁾	8 10,919	785	349,752	7.2%	17.3
	Total Real Estate Investments	105 \$ 519,492	\$ 34,690	2,258,137	6.7%	17.0
Approximately 31% of the annualized revenue generated by these investments is from investment grade tenants ⁽³⁾						
Q2 2019	Acquisitions - U.S.	78 \$ 532,297	\$ 36,841	2,244,414	6.9%	14.8
	Acquisitions - U.K.	12 549,192	28,833	1,131,283	5.3%	14.8
	Total Acquisitions	90 \$ 1,081,489	\$ 65,674	3,375,697	6.1%	14.8
	Properties under Development ⁽²⁾	12 13,243	965	417,428	7.3%	15.9
Approximately 12% of the annualized revenue generated by these investments is from investment grade tenants ⁽³⁾						
Q3 2019	Acquisitions - U.S.	39 \$ 372,019	\$ 21,320	2,041,723	5.7%	15.1
	Acquisitions - U.K.	1 27,622	1,319	37,737	4.8%	20.6
	Total Acquisitions	40 \$ 399,641	\$ 22,639	2,079,460	5.7%	15.4
	Properties under Development ⁽²⁾	11 11,865	910	446,670	7.7%	15.0
	Total Real Estate Investments	51 \$ 411,506	\$ 23,549	2,526,130	5.7%	15.4
Approximately 56% of the annualized revenue generated by these investments is from investment grade tenants ⁽³⁾						
Q4 2019	Acquisitions - U.S.	539 \$ 1,447,917	\$ 101,491	5,435,901	7.0%	10.5
	Acquisitions - U.K.	5 221,032	11,471	414,656	5.2%	17.1
	Total Acquisitions	544 \$ 1,668,949	\$ 112,962	5,850,557	6.8%	11.2
	Properties under Development ⁽²⁾	12 20,558	1,463	266,073	7.1%	13.5
	Total Real Estate Investments	556 \$ 1,689,507	\$ 114,425	6,116,630	6.8%	11.2
Approximately 47% of the annualized revenue generated by these investments is from investment grade tenants ⁽³⁾						
YE 2019	Acquisitions - U.S.	753 \$ 2,860,806	\$ 193,557	11,630,423	6.8%	13.0
	Acquisitions - U.K.	18 797,846	41,623	1,583,676	5.2%	15.6
	Total Acquisitions	771 \$ 3,658,652	\$ 235,180	13,214,099	6.4%	13.4
	Properties under Development ⁽²⁾	18 56,585	4,123	522,173	7.3%	15.1
	Total Real Estate Investments	789 \$ 3,715,237	\$ 239,303	13,736,272	6.4%	13.5
Approximately 36% of the annualized revenue generated by these investments is from investment grade tenants ⁽³⁾						

⁽¹⁾ Cash capitalization rates are computed as contractual cash net operating income for the first twelve months following the acquisition date, divided by the total cost of the property (including all expenses borne by Realty Income).

⁽²⁾ Includes investments during the period in new development and development of existing properties. Cash rents noted reflect total cash rents to be received on this investment amount upon completion of the properties under development.

⁽³⁾ Refer to footnote 3 on page 16 for our definition of investment grade tenants.

Disposition Summary



The Monthly Dividend Company®

Net Cash
Capitalization
Rate⁽²⁾

	Number of Properties	Original Investment	Net Book Value	Net Proceeds ⁽¹⁾	
Q1 2019	Occupied	4	\$ 7,309	\$ 5,550	\$ 11,542 9.5%
	Vacant	14	22,654	8,764	9,813 —
	Total Real Estate Dispositions	18	\$ 29,963	\$ 14,314	\$ 21,355

The unlevered internal rate of return on properties sold during the first quarter was 5.4%

	Number of Properties	Original Investment	Net Book Value	Net Proceeds ⁽¹⁾	
Q2 2019	Occupied	2	\$ 16,637	\$ 13,122	\$ 15,572 7.9%
	Vacant	16	19,561	8,134	13,024 —
	Total Real Estate Dispositions	18	\$ 36,198	\$ 21,256	\$ 28,596

The unlevered internal rate of return on properties sold during the second quarter was 7.9%

	Number of Properties	Original Investment	Net Book Value	Net Proceeds ⁽¹⁾	
Q3 2019	Occupied	6	\$ 6,256	\$ 5,098	\$ 6,469 8.4%
	Vacant	21	35,005	14,673	15,080 —
	Total Real Estate Dispositions	27	\$ 41,261	\$ 19,771	\$ 21,549

The unlevered internal rate of return on properties sold during the third quarter was 7.6%

	Number of Properties	Original Investment	Net Book Value	Net Proceeds ⁽¹⁾	
Q4 2019	Occupied	5	\$ 10,719	\$ 8,282	\$ 14,416 6.8%
	Vacant	24	34,146	13,787	21,894 —
	Total Real Estate Dispositions	29	\$ 44,865	\$ 22,069	\$ 36,310

The unlevered internal rate of return on properties sold during the fourth quarter was 10.4%

	Number of Properties	Original Investment	Net Book Value	Net Proceeds ⁽¹⁾	
YE 2019	Occupied	17	\$ 40,921	\$ 32,052	\$ 47,999 8.1%
	Vacant	75	111,366	45,358	59,811 —
	Total Real Estate Dispositions	92	\$ 152,287	\$ 77,410	\$ 107,810

The unlevered internal rate of return on properties sold during 2019 was 8.3%

⁽¹⁾ Data excludes properties sold as a result of eminent domain activities. During the first quarter of 2019 we were awarded net proceeds of \$1,101,000 related to one eminent domain transaction.

⁽²⁾ Cash capitalization rates are computed as annualized current month contractual cash net operating income, divided by the net proceeds received upon sale of the property (including all expenses borne by Realty Income).

Development Pipeline

(dollars in thousands)



The Monthly Dividend Company®

Retail	Number of Properties	Investment to Date	Estimated Remaining Investment	Total Commitment	Percent Leased ⁽²⁾
New development ⁽¹⁾	4	\$ 6,265	\$ 12,636	\$ 18,901	100%
Development of existing properties	2	3,651	3,327	6,978	83%
	6	\$ 9,916	\$ 15,963	\$ 25,879	

Non-Retail	Number of Properties	Investment to Date	Estimated Remaining Investment	Total Commitment	Percent Leased ⁽²⁾
New development ⁽¹⁾	—	— \$	— \$	—	—%
Development of existing properties	—	—	—	—	—%
	—	\$ —	\$ —	—	

Total	Number of Properties	Investment to Date	Estimated Remaining Investment	Total Commitment	Percent Leased ⁽²⁾
New development ⁽¹⁾	4	\$ 6,265	\$ 12,636	\$ 18,901	100%
Development of existing properties	2	3,651	3,327	6,978	83%
	6	\$ 9,916	\$ 15,963	\$ 25,879	

For the year ended December 31, 2019, the Company had six development properties under construction (noted above) and 12 development properties completed during the year. Estimated total costs are approximately \$87.9 million.

⁽¹⁾ Includes build-to-suit developments and forward take-out commitments on development properties with leases in place.

⁽²⁾ Estimated rental revenue commencement dates on properties under development are between January 2020 and April 2021.

Tenant Diversification

Top 20 Tenants

Our 20 largest tenants based on percentage of total portfolio annualized rental revenue at December 31, 2019 include the following:

Tenant	Number of Leases	% of Revenue ⁽¹⁾	Investment Grade Ratings (S&P/Moody's/Fitch) ⁽³⁾
Walgreens	250	6.1%	BBB/Baa2/BBB
7-Eleven	403	4.8%	AA-/Baa1/-
Dollar General	752	4.4%	BBB/Baa2/-
FedEx	41	4.0%	BBB/Baa2/-
Dollar Tree / Family Dollar	550	3.5%	BBB-/Baa3/-
LA Fitness	58	3.4%	—
AMC Theatres	34	3.0%	—
Regal Cinemas (Cineworld)	42	2.9%	—
Walmart / Sam's Club	54	2.6%	AA/Aa2/AA
Sainsbury's	15	2.4%	—
Lifetime Fitness	14	2.1%	—
Circle K (Couche-Tard)	285	1.9%	BBB/Baa2/-
BJ's Wholesale Clubs	15	1.8%	—
CVS Pharmacy	88	1.7%	BBB/Baa2/-
Treasury Wine Estates	17	1.7%	—
Super America (Marathon)	161	1.6%	BBB/Baa2/BBB
Kroger	22	1.6%	BBB/Baa1/-
GPM Investments / Fas Mart	206	1.4%	—
TBC Corp	159	1.3%	A-/Baa1/-
Home Depot	17	1.2%	A/A2/A
Total	3,183	53.3%	

Weighted Average EBITDAR/Rent Ratio on Retail Properties

2.8x ⁽²⁾

Median EBITDAR/Rent Ratio on Retail Properties

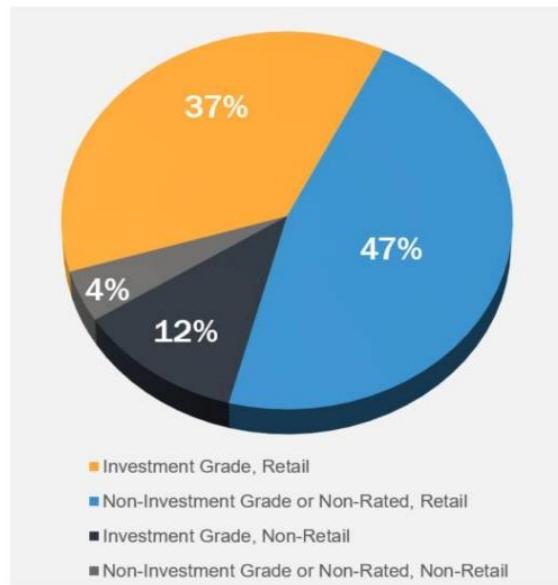
2.6x ⁽²⁾

⁽¹⁾ Amounts for each tenant are calculated independently, therefore, the individual percentages may not sum to the total.

⁽²⁾ Based on an analysis of the most recently provided information from all retail tenants that provide such information. We do not independently verify the information we receive from our retail tenants.

Investment Grade Tenants ⁽³⁾:

Number of Leases	3,460
Percentage of Annualized Rents	49%



⁽³⁾ We define investment grade tenants as tenants with a credit rating of Baa3/BBB- or higher from one of the three major rating agencies (Moody's/S&P/Fitch). Approximately 49% of our annualized rental revenue is generated from properties leased to investment grade tenants, their subsidiaries or affiliated companies. Refer to page 22 for investment grade composition by property type.

Top 10 Industries⁽¹⁾

	Percentage of Rental Revenue (excluding reimbursable)					
	For the Quarter Ended		For the Year Ended			
	December 31, 2019	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Convenience stores	11.6%	11.9%	11.2%	9.6%	8.7%	9.2%
Drug stores	8.6	9.0	10.2	10.9	11.2	10.6
Dollar stores	7.3	7.3	7.5	7.9	8.6	8.9
Grocery stores	7.3	6.2	5.0	4.4	3.1	3.0
Health and Fitness	7.3	7.5	7.4	7.5	8.1	7.7
Theaters	6.7	6.3	5.5	5.0	4.9	5.1
Restaurants - quick service	6.2	6.2	5.7	5.1	4.9	4.2
Transportation services	4.4	4.6	5.0	5.4	5.5	5.4
Restaurants - casual dining	3.1	3.2	3.2	3.8	3.9	3.8
Home improvement	2.9	3.0	3.0	2.6	2.5	2.4

⁽¹⁾ The presentation of Top 10 Industries combines rental revenue contribution from U.S. and U.K. properties.



Industry Diversification

	For the Quarter Ended December 31, 2019	Percentage of Rental Revenue (excluding reimbursable)				
		For the Year Ended				
	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	
U.S.						
Aerospace	0.8%	0.8%	0.8%	0.9%	1.0%	1.1%
Apparel stores	1.1	1.1	1.3	1.6	1.9	2.0
Automotive collision services	1.1	1.1	0.9	1.0	1.0	1.0
Automotive parts	1.5	1.6	1.7	1.3	1.3	1.4
Automotive service	2.3	2.3	2.2	2.2	1.9	1.9
Automotive tire services	2.1	2.2	2.4	2.6	2.7	2.9
Beverages	2.1	2.3	2.5	2.7	2.6	2.7
Child care	2.3	2.3	1.7	1.8	1.9	2.0
Consumer appliances	0.4	0.5	0.5	0.5	0.5	0.6
Consumer electronics	0.3	0.3	0.3	0.3	0.3	0.3
Consumer goods	0.6	0.6	0.7	0.8	0.9	0.9
Convenience stores	11.6	11.9	11.2	9.6	8.7	9.2
Crafts and novelties	0.6	0.6	0.7	0.6	0.6	0.6
Diversified industrial	0.7	0.7	0.8	0.9	0.9	0.8
Dollar stores	7.3	7.3	7.5	7.9	8.6	8.9
Drug stores	8.6	9.0	10.2	10.9	11.2	10.6
Education	0.2	0.2	0.3	0.3	0.3	0.3
Electric utilities	0.1	0.1	0.1	0.1	0.1	0.1
Entertainment	0.4	0.4	0.4	0.4	0.5	0.5
Equipment services	0.4	0.4	0.4	0.4	0.6	0.5
Financial services	2.0	2.1	2.3	2.4	1.8	1.7
Food processing	0.8	0.6	0.5	0.6	1.1	1.2
General merchandise	2.7	2.5	2.3	2.0	1.8	1.7
Government services	0.7	0.8	0.9	1.0	1.1	1.2
Grocery stores	5.0	4.9	5.0	4.4	3.1	3.0
Health and beauty	0.2	0.3	0.2	*	*	*

* Less than 0.1%

Industry Diversification (Cont'd)

	For the Quarter Ended December 31, 2019	Percentage of Rental Revenue (excluding reimbursable)				
		Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Health and fitness	7.3	7.5	7.4	7.5	8.1	7.7
Health care	1.5	1.4	1.5	1.4	1.5	1.7
Home furnishings	0.7	0.7	0.8	0.9	0.8	0.9
Home improvement	2.9	3.0	3.0	2.6	2.5	2.4
Insurance	*	*	0.1	0.1	0.1	0.1
Jewelry	*	*	0.1	0.1	0.1	0.1
Machinery	0.1	0.1	0.1	0.1	0.1	0.1
Motor vehicle dealerships	2.1	1.9	1.9	2.1	1.9	1.6
Office supplies	0.2	0.2	0.2	0.2	0.3	0.3
Other manufacturing	0.6	0.6	0.7	0.8	0.8	0.7
Packaging	0.9	1.0	1.1	1.0	0.8	0.8
Paper	0.1	0.1	0.1	0.1	0.1	0.1
Pet supplies and services	0.6	0.5	0.5	0.6	0.6	0.7
Restaurants - casual dining	3.1	3.2	3.2	3.8	3.9	3.8
Restaurants - quick service	6.2	6.2	5.7	5.1	4.9	4.2
Shoe stores	0.2	0.3	0.5	0.6	0.7	0.7
Sporting goods	1.0	0.9	1.1	1.4	1.6	1.8
Telecommunications	0.5	0.5	0.6	0.6	0.6	0.7
Theaters	6.7	6.3	5.5	5.0	4.9	5.1
Transportation services	4.4	4.6	5.0	5.4	5.5	5.4
Wholesale clubs	2.6	2.7	3.0	3.3	3.6	3.8
Other	0.1	0.1	0.1	0.1	0.2	0.2
Total U.S.	97.7%	98.7%	100%	100%	100%	100%
U.K.						
Grocery stores	2.3	1.3	—	—	—	—
Theaters	*	*	—	—	—	—
Total U.K.	2.3%	1.3%	—%	—%	—%	—%
Totals	100%	100%	100%	100%	100%	100%

* Less than 0.1%

Geographic Diversification

(dollars in thousands)



The Monthly Dividend Company®

Location	Number of Properties	Percent Leased	Approximate Leasable Square Feet	Rental Revenue for the Quarter Ended December 31, 2019 ⁽¹⁾	Percentage of Rental Revenue
Alabama	228	98%	2,148,700	\$ 6,685	1.8%
Alaska	3	100	274,600	536	0.1
Arizona	152	100	2,081,700	7,751	2.1
Arkansas	102	100	1,183,200	2,743	0.7
California	226	99	6,423,600	32,641	8.7
Colorado	100	96	1,582,900	6,208	1.7
Connecticut	21	95	1,378,200	3,661	1.0
Delaware	19	100	101,400	670	0.2
Florida	430	98	4,632,000	20,480	5.5
Georgia	299	99	4,544,200	14,498	3.9
Idaho	14	93	103,200	403	0.1
Illinois	291	99	6,333,100	22,014	5.9
Indiana	204	99	2,565,600	9,710	2.6
Iowa	47	96	3,222,400	4,551	1.2
Kansas	122	97	2,256,800	6,078	1.6
Kentucky	93	100	1,826,100	5,012	1.3
Louisiana	138	97	1,910,000	5,815	1.6
Maine	27	100	277,800	1,306	0.4
Maryland	38	100	1,494,000	6,519	1.7
Massachusetts	58	95	896,100	3,883	1.0
Michigan	211	99	2,438,800	8,288	2.2
Minnesota	174	98	2,360,600	10,764	2.9
Mississippi	177	98	1,930,300	5,664	1.5
Missouri	188	96	3,023,000	9,283	2.5

⁽¹⁾ Includes rental revenue for all properties owned at December 31, 2019. Excludes revenue of \$354 from sold properties and rental revenue (reimbursable) of \$19,810.

Geographic Diversification (Cont'd)

(dollars in thousands)



Location	Number of Properties	Percent Leased	Approximate Leasable Square Feet	Rental Revenue for the Quarter Ended December 31, 2019 ⁽¹⁾	Percentage of Rental Revenue
Montana	12	100	89,100	\$ 544	0.1%
Nebraska	62	100	866,100	1,988	0.5
Nevada	24	96	1,196,900	2,153	0.6
New Hampshire	14	100	321,500	1,546	0.4
New Jersey	76	99	1,057,300	6,469	1.7
New Mexico	60	100	504,200	1,527	0.4
New York	135	99	2,918,200	16,243	4.3
North Carolina	199	100	3,305,300	11,029	2.9
North Dakota	8	100	126,900	237	0.1
Ohio	342	98	8,019,600	17,704	4.7
Oklahoma	190	99	2,368,200	8,099	2.2
Oregon	29	100	624,300	2,693	0.7
Pennsylvania	225	99	2,264,100	11,089	3.0
Rhode Island	3	100	158,000	815	0.2
South Carolina	180	96	1,816,800	9,244	2.5
South Dakota	23	100	258,500	582	0.2
Tennessee	259	99	3,819,700	11,404	3.0
Texas	798	100	11,447,300	40,996	11.0
Utah	23	100	949,700	2,313	0.6
Vermont	1	100	65,500	191	*
Virginia	215	99	3,156,700	10,313	2.8
Washington	50	98	913,400	3,626	1.0
West Virginia	35	100	519,000	1,554	0.4
Wisconsin	127	98	2,855,800	7,703	2.1
Wyoming	9	100	63,900	374	0.1
Puerto Rico	4	100	28,300	149	*
U.K.	18	100	1,570,500	8,305	2.3
Totals\Average	6,483	99%	106,273,100	\$ 374,053	100%

* Less than 0.1%

⁽¹⁾ Includes rental revenue for all properties owned at December 31, 2019. Excludes revenue of \$354 from sold properties and rental revenue (reimbursable) of \$19,810.

Property Type Composition

(dollars in thousands)

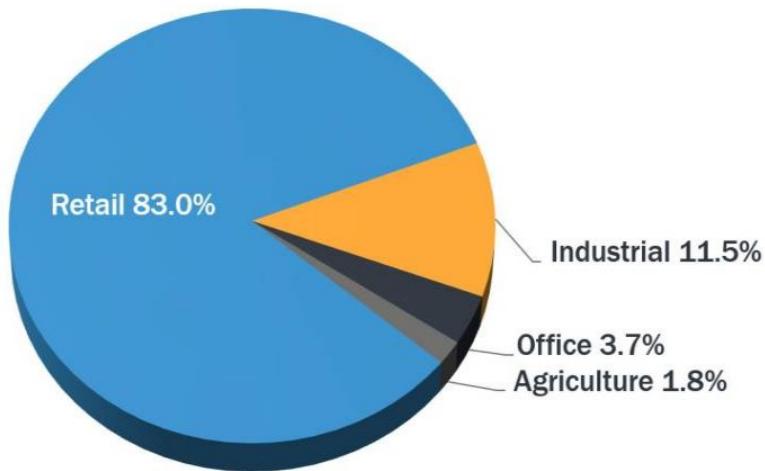
REALTY INCOME
The Monthly Dividend Company®

Property Type	Number of Properties	Approximate Leasable Square Feet ⁽¹⁾	Rental Revenue for the Quarter Ended December 31, 2019 ⁽²⁾	Percentage of Rental Revenue for the Quarter Ended December 31, 2019	Percentage of Annualized Revenue from Investment Grade Tenants ⁽³⁾
Retail	6,305	74,397,000 \$	310,499	83.0%	44.1%
Industrial	120	28,520,100	43,189	11.5	79.9
Office	43	3,171,500	13,657	3.7	86.5
Agriculture	15	184,500	6,708	1.8	—
Totals	6,483	106,273,100 \$	374,053	100.0%	

⁽¹⁾ Includes leasable building square footage. Excludes 3,300 acres of leased land categorized as agriculture at December 31, 2019.

⁽²⁾ Includes rental revenue for all properties owned at December 31, 2019. Excludes revenue of \$354 from sold properties and rental revenue (reimbursable) of \$19,810.

⁽³⁾ Refer to footnote 3 on page 16 for our definition of investment grade tenants.



Same Store Rental Revenue

(dollars in thousands)



Fourth Quarter 2019

Same Store Rental Revenue

Number of Properties	4,811
Square Footage	83,399,809
Q4 2019	\$ 296,477
Q4 2018	\$ 290,785
Increase (in dollars)	\$ 5,692
Increase (percent)	2.0%

2019

Same Store Rental Revenue

Number of Properties	4,811
Square Footage	83,399,809
2019	\$ 1,175,576
2018	\$ 1,157,576
Increase (in dollars)	\$ 18,000
Increase (percent)	1.6%

Same Store Pool Defined

For purposes of determining the properties used to calculate our same store rental revenue pool, we include all properties that we owned for the entire year-to-date period, for both the current and prior year except for properties during the current or prior year that were:

- (i) vacant at any time,
- (ii) under development or redevelopment, or
- (iii) involved in eminent domain and rent was reduced.

Rental revenue amounts presented in our same store rent calculation exclude straight-line rent, the amortization of above and below-market leases and reimbursements from tenants for recoverable real estate taxes and operating expenses.

Same Store Rental Revenue for All Properties Owned ⁽¹⁾

Number of Properties	4,951
2019	\$ 1,210,200
2018	\$ 1,193,346
Increase (in dollars)	\$ 16,854
Increase (percent)	1.4%

⁽¹⁾ Includes revenue generated from all properties owned continuously from January 1, 2018 through December 31, 2019.

Same Store Rental Revenue (Cont'd)

(dollars in thousands)



Same Store Rental Revenue by Property Type

Fourth Quarter 2019

Property Type	Quarter Ended December 31, 2019	Quarter Ended December 31, 2018	Net Change	% Change by Property Type
Retail	\$ 241,345	\$ 236,113	\$ 5,232	2.2 %
Industrial	36,014	35,543	471	1.3 %
Agriculture	5,604	5,535	69	1.2 %
Office	13,514	13,594	(80)	(0.6)%
Total	\$ 296,477	\$ 290,785	\$ 5,692	2.0 %

2019

Property Type	Year Ended December 31, 2019	Year Ended December 31, 2018	Net Change	% Change by Property Type
Retail	\$ 956,070	\$ 939,839	\$ 16,231	1.7 %
Industrial	143,686	141,532	2,154	1.5 %
Agriculture	22,295	22,019	276	1.3 %
Office	53,525	54,186	(661)	(1.2)%
Total	\$ 1,175,576	\$ 1,157,576	\$ 18,000	1.6 %

Occupancy

By Property

Occupied Properties	6,389
Total Properties	6,483
Occupancy	98.6%

By Square Footage

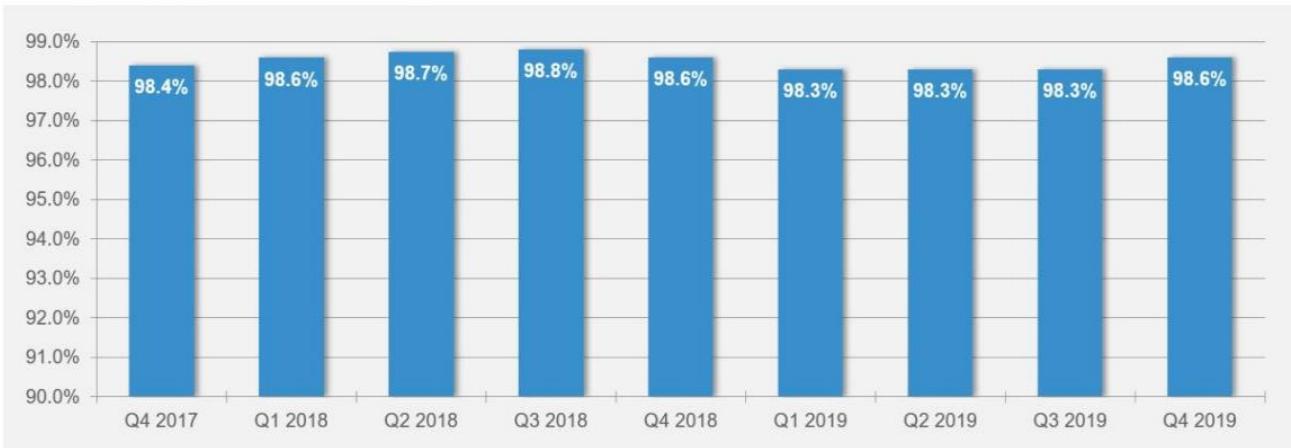
Occupied Square Footage	104,419,847
Total Square Footage	106,273,208
Occupancy	98.3%

By Rental Revenue (Economic Occupancy)

Quarterly Cash Rental Revenue	\$ 367,145,274
Quarterly Cash Vacant Rental Revenue ⁽¹⁾	\$ 4,718,685
Occupancy	98.7%

⁽¹⁾ Based on contractual monthly rents received immediately preceding the date of vacancy.

Occupancy by Number of Properties



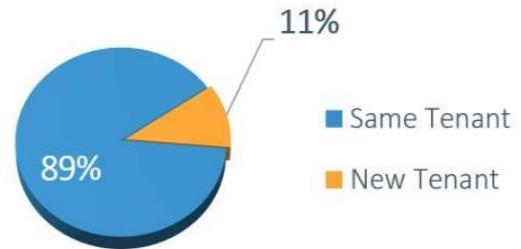
Leasing Activity

(dollars in thousands)

Q4 2019	Re-leased to New Tenant			Re-leasing Totals
	Re-leased to Same Tenant	Without Vacancy	After a Period of Vacancy	
Prior Cash Rents \$	5,680	\$ 106	\$ 293	\$ 6,079
New Cash Rents* \$	6,125	\$ 122	\$ 210	\$ 6,457
Recapture Rate	107.8%	115.1%	71.7%	106.2%
Number of Leases	25	1	2	28
Average Months Vacant	—	—	35.5	2.5
Lease Incentives ⁽¹⁾ \$	—	—	—	—

*Percentage of Total Annualized Portfolio Rental Revenue: 0.4%

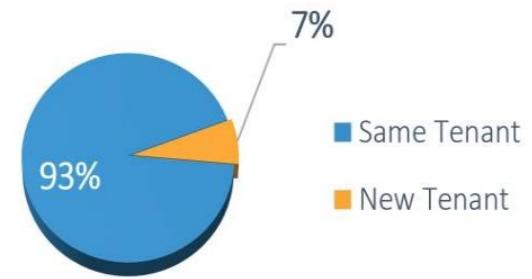
Allocation Based on Number of Leases



2019	Re-leased to New Tenant			Re-leasing Totals
	Re-leased to Same Tenant	Without Vacancy	After a Period of Vacancy	
Prior Cash Rents \$	51,754	\$ 744	\$ 1,107	\$ 53,605
New Cash Rents* \$	53,196	\$ 610	\$ 1,172	\$ 54,978
Recapture Rate	102.8%	82.0%	105.9%	102.6%
Number of Leases	199	7	8	214
Average Months Vacant	—	—	17.7	0.7
Lease Incentives ⁽¹⁾ \$	—	—	—	—

*Percentage of Total Annualized Portfolio Rental Revenue: 3.5%

⁽¹⁾Lease incentives are defined as capital outlays made on behalf of a tenant that are specific to the tenant's use and benefit, and are not capitalized as improvements to the property.



Lease Expirations

(dollars in thousands)



Our leases have a weighted average remaining lease term of approximately 9.2 years.

Year	Total Portfolio ⁽¹⁾		Approx. Leasable Sq. Feet	Rental Revenue for the Quarter Ended December 31, 2019	% of Rental Revenue			
	Expiring Leases							
	Retail	Non-Retail						
2020	223	12	2,569,200	\$ 9,679	2.6%			
2021	326	16	5,281,900	15,098	4.0			
2022	417	23	9,516,900	21,500	5.8			
2023	557	23	10,344,900	31,139	8.3			
2024	415	16	7,039,400	22,182	5.9			
2025	394	16	7,298,300	26,700	7.1			
2026	330	4	5,101,200	16,768	4.5			
2027	560	5	6,702,600	23,018	6.2			
2028	436	14	10,227,400	24,697	6.6			
2029	520	7	9,490,100	25,230	6.8			
2030	221	14	4,242,700	20,081	5.4			
2031	322	25	6,294,400	28,717	7.7			
2032	133	4	3,723,100	13,965	3.7			
2033	284	1	3,486,200	17,731	4.7			
2034	312	1	4,375,500	27,451	7.4			
2035 - 2044	834	5	8,667,100	49,604	13.3			
Totals	6,284	186	104,360,900	\$ 373,560	100.0%			

⁽¹⁾This table sets forth the timing of remaining lease term expirations in our portfolio and their contribution to rental revenue for the quarter ended December 31, 2019. The lease expirations for leases under construction are based on the estimated date of completion of those projects. Excludes revenue of \$493 from expired leases, \$354 from sold properties, and rental revenue (reimbursable) of \$19,810 at December 31, 2019. Leases on our multi-tenant properties are counted separately in the table above.

Earnings Guidance

We estimate FFO per share for 2020 of \$3.45 to \$3.51, inclusive of a \$0.03 per share loss due to the early redemption of the 5.750% Notes due 2021. We estimate AFFO per share for 2020 of \$3.50 to \$3.56, an increase of 5% to 7% over 2019 AFFO per share of \$3.32. Summarized below are approximate estimates of the key components of the company's 2020 earnings guidance:

Net income per share	\$1.42 to \$1.48
Real estate depreciation and impairments per share	\$2.09
Gains on sales of properties per share	(\$0.06)
FFO per share	\$3.45 to \$3.51
AFFO per share	\$3.50 to \$3.56
Same store rent growth	1.0%
Occupancy	98%
G&A expenses (% of revenues) ⁽¹⁾⁽²⁾	5.0%
Property expenses (non-reimbursable) (% of revenues) ⁽¹⁾	1.5%
Income tax expenses	\$10 to \$13 million
Acquisition volume	\$2.25 to \$2.75 billion
Disposition volume	\$200 to \$225 million

2020 Guidance	
Net income per share	\$1.42 to \$1.48
Real estate depreciation and impairments per share	\$2.09
Gains on sales of properties per share	(\$0.06)
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Same store rent growth	1.0%
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Income tax expenses	\$10 to \$13 million
Acquisition volume	\$2.25 to \$2.75 billion
Disposition volume	\$200 to \$225 million

⁽¹⁾ Excludes tenant reimbursement revenue.

⁽²⁾ Cash G&A (which excludes stock-based compensation expense) as a percentage of rental revenue, excluding reimbursements, is expected to be approximately 4% in 2020.

Forward-looking statements involve known and unknown risks, which may cause the company's actual future results to differ materially from expected results. These risks include, among others, general economic conditions, domestic and foreign real estate conditions, tenant financial health, the availability of capital to finance planned growth, continued volatility and uncertainty in the credit markets and broader financial markets, changes in foreign currency exchange rates, property acquisitions and the timing of these acquisitions, charges for property impairments, and the outcome of any legal proceedings to which the company is a party, as described in the company's filings with the Securities and Exchange Commission. Consequently, forward-looking statements should be regarded solely as reflections of the company's current operating plans and estimates. Actual operating results may differ materially from what is expressed or forecast in this Supplemental Operating & Financial Data. The company undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date these statements were made.

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