

EASTGROUP

PROPERTIES

2019

SECOND QUARTER

Conference Call

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Supplemental Information

June 30, 2019

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FORWARD-LOOKING STATEMENTS

The statements and certain other information contained in this press release, which can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "should," "intends," "plans," "estimates" or "anticipates" and variations of such words or similar expressions or the negative of such words, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbors created thereby. These forward-looking statements reflect the Company's current views about its plans, intentions, expectations, strategies and prospects, which are based on the information currently available to the Company and on assumptions it has made. Although the Company believes that its plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, the Company can give no assurance that such plans, intentions, expectations or strategies will be attained or achieved. Furthermore, these forward-looking statements should be considered as subject to the many risks and uncertainties that exist in the Company's operations and business environment. Such risks and uncertainties could cause actual results to differ materially from those projected. These uncertainties include, but are not limited to: changes in general economic conditions; the extent of customer defaults or of any early lease terminations; the Company's ability to lease or re-lease space at current or anticipated rents; the availability of financing; failure to maintain credit ratings with rating agencies; changes in the supply of and demand for industrial/warehouse properties; increases in interest rate levels; increases in operating costs; natural disasters, terrorism, riots and acts of war, and the Company's ability to obtain adequate insurance; changes in governmental regulation, tax rates and similar matters; attracting and retaining key personnel; other risks associated with the development and acquisition of properties, including risks that development projects may not be completed on schedule, development or operating costs may be greater than anticipated or acquisitions may not close as scheduled; and other risks detailed in the sections of the Company's most recent Forms 10-K and 10-Q filed with the SEC titled "Risk Factors." The Company assumes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
ASSETS		
Real estate properties	\$ 2,721,542	2,553,481
Development and value-add properties	285,525	263,664
	<u>3,007,067</u>	<u>2,817,145</u>
Less accumulated depreciation	(847,562)	(814,915)
	<u>2,159,505</u>	<u>2,002,230</u>
Unconsolidated investment	8,088	7,870
Cash	326	374
Other assets	127,461	121,231
	<u>127,461</u>	<u>121,231</u>
TOTAL ASSETS	<u>\$ 2,295,380</u>	<u>2,131,705</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Unsecured bank credit facilities	\$ 194,327	193,926
Unsecured debt	803,534	723,400
Secured debt	137,493	188,461
Accounts payable and accrued expenses	96,381	86,563
Other liabilities	54,743	34,652
Total Liabilities	<u>1,286,478</u>	<u>1,227,002</u>
EQUITY		
Stockholders' Equity:		
Common stock; \$.0001 par value; 70,000,000 shares authorized; 37,559,025 shares issued and outstanding at June 30, 2019 and 36,501,356 at December 31, 2018	4	4
Excess shares; \$.0001 par value; 30,000,000 shares authorized; no shares issued	-	-
Additional paid-in capital	1,337,042	1,222,547
Distributions in excess of earnings	(330,337)	(326,193)
Accumulated other comprehensive income	634	6,701
Total Stockholders' Equity	<u>1,007,343</u>	<u>903,059</u>
Noncontrolling interest in joint ventures	1,559	1,644
Total Equity	<u>1,008,902</u>	<u>904,703</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 2,295,380</u>	<u>2,131,705</u>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
REVENUES				
Income from real estate operations	\$ 81,783	73,720	160,420	145,840
Other revenue	318	1,165	479	1,248
	<u>82,101</u>	<u>74,885</u>	<u>160,899</u>	<u>147,088</u>
EXPENSES				
Expenses from real estate operations	22,922	21,453	45,224	42,129
Depreciation and amortization	27,291	22,808	51,037	44,493
General and administrative	4,506	3,740	8,350	7,203
Indirect leasing costs	103	-	196	-
	<u>54,822</u>	<u>48,001</u>	<u>104,807</u>	<u>93,825</u>
OTHER INCOME (EXPENSE)				
Interest expense	(8,846)	(8,842)	(17,692)	(17,449)
Gain on sales of real estate investments	9,081	-	11,406	10,222
Other	(565)	222	(323)	976
	<u>26,949</u>	<u>18,264</u>	<u>49,483</u>	<u>47,012</u>
NET INCOME				
Net income attributable to noncontrolling interest in joint ventures	4	(37)	(1)	(72)
NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS	<u>26,953</u>	<u>18,227</u>	<u>49,482</u>	<u>46,940</u>
Other comprehensive income (loss) - cash flow hedges	(3,754)	1,186	(6,067)	4,792
TOTAL COMPREHENSIVE INCOME	<u>\$ 23,199</u>	<u>19,413</u>	<u>43,415</u>	<u>51,732</u>
BASIC PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS				
Net income attributable to common stockholders	\$ 0.73	0.52	1.35	1.34
Weighted average shares outstanding	<u>36,944</u>	<u>35,196</u>	<u>36,705</u>	<u>34,944</u>
DILUTED PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS				
Net income attributable to common stockholders	\$ 0.73	0.52	1.35	1.34
Weighted average shares outstanding	<u>37,019</u>	<u>35,259</u>	<u>36,770</u>	<u>34,998</u>

	Three Months Ended June 30,		Six Months Ended June 30,		
	2019	2018	2019	2018	
NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC.					
COMMON STOCKHOLDERS					
	\$				
Depreciation and amortization	26,953	18,227	49,482	46,940	
Company's share of depreciation from unconsolidated investment	27,291	22,808	51,037	44,493	
Depreciation and amortization from noncontrolling interest	35	31	70	62	
(Gain) on sales of real estate investments	(46)	(44)	(93)	(88)	
(Gain) on sales of non-operating real estate	(9,081)	-	(11,406)	(10,222)	
(Gain) on sales of other assets	-	-	-	(86)	
	-	-	-	(427)	
FUNDS FROM OPERATIONS ("FFO") ATTRIBUTABLE TO COMMON STOCKHOLDERS	45,152	41,022	89,090	80,672	
(Gain) on casualties and involuntary conversion	(248)	(1,150)	(348)	(1,150)	
FFO EXCLUDING GAIN ON CASUALTIES AND INVOLUNTARY CONVERSION	\$ 44,904	39,872	88,742	79,522	
NET INCOME					
	\$				
Interest expense ⁽¹⁾	26,949	18,264	49,483	47,012	
Depreciation and amortization	8,846	8,842	17,692	17,449	
Company's share of depreciation from unconsolidated investment	27,291	22,808	51,037	44,493	
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ("EBITDA")	63,121	49,945	118,282	109,016	
(Gain) on sales of real estate investments	(9,081)	-	(11,406)	(10,222)	
(Gain) on sales of non-operating real estate	-	-	-	(86)	
(Gain) on sales of other assets	-	-	-	(427)	
EBITDA for Real Estate ("EBITDAre")	\$ 54,040	49,945	106,876	98,281	
DILUTED PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS					
Net income attributable to common stockholders	\$	0.73	0.52	1.35	1.34
FFO attributable to common stockholders	\$	1.22	1.16	2.42	2.31 ⁽²⁾
FFO Excluding Gain on Casualties and Involuntary Conversion attributable to common stockholders	\$	1.21	1.13	2.41	2.27
Weighted average shares outstanding for EPS and FFO purposes		37,019	35,259	36,770	34,998

⁽¹⁾ Net of capitalized interest of \$1,885 and \$1,401 for the three months ended June 30, 2019 and 2018, respectively; and \$3,921 and \$3,003 for the six months ended June 30, 2019 and 2018, respectively.

⁽²⁾ The Company initially reported FFO of \$2.32 per share during the six months ended June 30, 2018. In connection with the Company's adoption of the Nareit Funds from Operations White Paper - 2018 Restatement, the Company now excludes from FFO the gains and losses on sales of non-operating real estate and assets incidental to the Company's business and therefore adjusted the prior year results, including the Company's FFO for 2018, to conform to the updated definition of FFO. There was no impact to the three months ended June 30, 2018, as there were no sales during that period.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
NET INCOME	\$ 26,949	18,264	49,483	47,012
(Gain) on sales of real estate investments	(9,081)	-	(11,406)	(10,222)
(Gain) on sales of non-operating real estate	-	-	-	(86)
(Gain) on sales of other assets	-	-	-	(427)
Net loss on other	808	-	808	-
Interest income	(34)	(35)	(67)	(90)
Other revenue	(318)	(1,165)	(479)	(1,248)
Indirect leasing costs	103	-	196	-
Depreciation and amortization	27,291	22,808	51,037	44,493
Company's share of depreciation from unconsolidated investment	35	31	70	62
Interest expense ⁽¹⁾	8,846	8,842	17,692	17,449
General and administrative expense ⁽²⁾	4,506	3,740	8,350	7,203
Noncontrolling interest in PNOI of consolidated 80% joint ventures	(42)	(81)	(94)	(160)
PROPERTY NET OPERATING INCOME ("PNOI")	59,063	52,404	115,590	103,986
PNOI from 2018 and 2019 Acquisitions	(1,278)	(121)	(2,100)	(121)
PNOI from 2018 and 2019 Development and Value-Add Properties	(4,824)	(1,609)	(8,137)	(2,430)
PNOI from 2018 and 2019 Operating Property Dispositions	(129)	(415)	(416)	(987)
Other PNOI	79	118	125	219
SAME PNOI (Straight-Line Basis)	52,911	50,377	105,062	100,667
Net lease termination fee (income) from same properties	(766)	(8)	(906)	(139)
SAME PNOI EXCLUDING INCOME FROM LEASE TERMINATIONS (Straight-Line Basis)	52,145	50,369	104,156	100,528
Straight-line rent adjustment for same properties	(50)	(691)	(131)	(1,118)
Acquired leases — market rent adjustment amortization for same properties	(71)	(106)	(143)	(217)
SAME PNOI EXCLUDING INCOME FROM LEASE TERMINATIONS (Cash Basis)	\$ 52,024	49,572	103,882	99,193

⁽¹⁾ Net of capitalized interest of \$1,885 and \$1,401 for the three months ended June 30, 2019 and 2018, respectively; and \$3,921 and \$3,003 for the six months ended June 30, 2019 and 2018, respectively.

⁽²⁾ Net of capitalized development costs of \$1,416 and \$1,110 for the three months ended June 30, 2019 and 2018, respectively; and \$2,987 and \$2,233 for the six months ended June 30, 2019 and 2018, respectively.

	Six Months Ended June 30,	
	2019	2018
OPERATING ACTIVITIES		
Net income	\$ 49,483	47,012
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	51,037	44,493
Stock-based compensation expense	2,960	2,823
Net gain on sales of real estate investments and non-operating real estate	(11,406)	(10,308)
Gain on casualties and involuntary conversion on real estate assets	(100)	(1,150)
Changes in operating assets and liabilities:		
Accrued income and other assets	2,167	2,111
Accounts payable, accrued expenses and prepaid rent	3,792	(12,075)
Other	454	828
NET CASH PROVIDED BY OPERATING ACTIVITIES	98,387	73,734
INVESTING ACTIVITIES		
Development and value-add properties	(115,666)	(61,023)
Purchases of real estate	(62,068)	(27,660)
Real estate improvements	(16,963)	(16,126)
Net proceeds from sales of real estate investments and non-operating real estate	18,102	16,826
Proceeds from casualties and involuntary conversion on real estate assets	187	890
Repayments on mortgage loans receivable	19	1,958
Changes in accrued development costs	2,061	7,350
Changes in other assets and other liabilities	(10,514)	(5,240)
NET CASH USED IN INVESTING ACTIVITIES	(184,842)	(83,025)
FINANCING ACTIVITIES		
Proceeds from unsecured bank credit facilities	377,133	216,672
Repayments on unsecured bank credit facilities	(376,983)	(233,989)
Proceeds from unsecured debt	80,000	60,000
Repayments on unsecured debt	-	(50,000)
Repayments on secured debt	(51,085)	(5,570)
Debt issuance costs	(168)	(1,845)
Distributions paid to stockholders (not including dividends accrued)	(53,161)	(45,449)
Proceeds from common stock offerings	113,436	74,789
Proceeds from dividend reinvestment plan	109	112
Other	(2,874)	(5,193)
NET CASH PROVIDED BY FINANCING ACTIVITIES	86,407	9,527
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(48)	236
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	374	16
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 326	252
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest, net of amounts capitalized of \$3,921 and \$3,003 for 2019 and 2018, respectively	\$ 16,266	16,528
Cash paid for operating lease liabilities	636	-
NON-CASH OPERATING ACTIVITY		
Operating lease liabilities arising from obtaining right of use assets	\$ 15,435	-

	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2018	% Change	2019	2018	% Change
Annual Same Property Portfolio Analysis (Straight-Line Basis) ⁽¹⁾						
Square feet as of period end	36,762	36,762		36,762	36,762	
Average occupancy	96.6%	96.3%	0.3%	96.7%	96.3%	0.4%
Occupancy as of period end	96.6%	96.6%	0.0%	96.6%	96.6%	0.0%
Income from real estate operations	\$ 73,816	70,948	4.0%	\$ 146,830	141,253	3.9%
Less cash received for lease terminations	(887)	(12)		(1,055)	(153)	
Add straight-line rent write-offs for lease terminations	121	4		149	14	
Income excluding lease termination income	73,050	70,940	3.0%	145,924	141,114	3.4%
Expenses from real estate operations	(20,905)	(20,571)	1.6%	(41,768)	(40,586)	2.9%
PNOI excluding income from lease terminations	\$ 52,145	50,369	3.5%	\$ 104,156	100,528	3.6%

Annual Same Property Portfolio Analysis (Cash Basis) ⁽¹⁾						
Income from real estate operations	\$ 73,816	70,077	5.3%	\$ 146,705	139,809	4.9%
Less cash received for lease terminations	(887)	(12)		(1,055)	(153)	
Income excluding lease termination income	72,929	70,065	4.1%	145,650	139,656	4.3%
Expenses from real estate operations	(20,905)	(20,493)	2.0%	(41,768)	(40,463)	3.2%
PNOI excluding income from lease terminations	\$ 52,024	49,572	4.9%	\$ 103,882	99,193	4.7%

	Three Months Ended June 30,		
	2019	2018	% Change
Quarterly Same Property Portfolio Analysis (Straight-Line Basis) ⁽²⁾			
Square feet as of period end	37,242	37,242	
Average occupancy	96.5%	96.0%	0.5%
Occupancy as of period end	96.5%	96.3%	0.2%
Income from real estate operations	\$ 74,854	71,822	4.2%
Less cash received for lease terminations	(887)	(12)	
Add straight-line rent write-offs for lease terminations	121	4	
Income excluding lease termination income	74,088	71,814	3.2%
Expenses from real estate operations	(21,234)	(20,853)	1.8%
PNOI excluding income from lease terminations	\$ 52,854	50,961	3.7%

Quarterly Same Property Portfolio Analysis (Cash Basis) ⁽²⁾			
Income from real estate operations	\$ 74,795	70,799	5.6%
Less cash received for lease terminations	(887)	(12)	
Income excluding lease termination income	73,908	70,787	4.4%
Expenses from real estate operations	(21,234)	(20,776)	2.2%
PNOI excluding income from lease terminations	\$ 52,674	50,011	5.3%

⁽¹⁾ Includes properties which were included in the operating portfolio for the entire period from 1/1/18 through 6/30/19.

⁽²⁾ Includes properties which were included in the operating portfolio for the entire period from 4/1/18 through 6/30/19.

SELECTED INCOME STATEMENT INFORMATION

Straight-line (S/L) rent income adjustment	\$	1,821	1,499	2,619	2,518
Reserves for uncollectible S/L rent		(9)	(78)	(22)	(123)
Net straight-line rent adjustment		1,812	1,421	2,597	2,395
Cash received for lease terminations		966	12	1,134	153
Less S/L rent write-offs		(121)	(4)	(149)	(14)
Net lease termination fee income		845	8	985	139
Reserves for uncollectible cash rent		(175)	82	(291)	37
Stock-based compensation expense		(1,895)	(1,639)	(2,960)	(2,823)
Debt issuance costs amortization		(342)	(345)	(684)	(664)
Indirect leasing costs		(103)	-	(196)	-
Gain on casualties and involuntary conversion ⁽¹⁾		248	1,150	348	1,150
Acquired leases - market rent adjustment amortization		284	142	476	260
Assumed mortgages - fair value adjustment amortization		6	7	12	14

		Three Months Ended June 30,		Six Months Ended June 30,	
		2019	2018	2019	2018

(Items below represent increases or (decreases) in FFO)

\$	1,821	1,499	2,619	2,518
	(9)	(78)	(22)	(123)
	1,812	1,421	2,597	2,395
	966	12	1,134	153
	(121)	(4)	(149)	(14)
	845	8	985	139
	(175)	82	(291)	37
	(1,895)	(1,639)	(2,960)	(2,823)
	(342)	(345)	(684)	(664)
	(103)	-	(196)	-
	248	1,150	348	1,150
	284	142	476	260
	6	7	12	14

WEIGHTED AVERAGE COMMON SHARES

Weighted average common shares	36,944	35,196	36,705	34,944
BASIC SHARES FOR EARNINGS PER SHARE (EPS)	36,944	35,196	36,705	34,944
Potential common shares:				
Unvested restricted stock	75	63	65	54
DILUTED SHARES FOR EPS AND FFO	37,019	35,259	36,770	34,998

		Three Months Ended June 30,		Six Months Ended June 30,	
		2019	2018	2019	2018

	36,944	35,196	36,705	34,944
	36,944	35,196	36,705	34,944
	75	63	65	54
	37,019	35,259	36,770	34,998

⁽¹⁾ Included in *Other revenue* on the Consolidated Statements of Income and Comprehensive Income; included in FFO.

		Square Feet (SF)	Costs Incurred		Projected Total Costs	Anticipated		Wgt Avg %
			2nd Qtr 2019	Cumulative at 6/30/19		Conversion Date ⁽¹⁾	% Leased 7/23/19	
Lease-up								
Steele Creek V	Charlotte, NC	54,000	\$ 1,317	5,644	5,900	07/19	100%	
Broadmoor 2	Atlanta, GA	111,000	740	7,388	8,000	11/19	73%	
Settlers Crossing 1	Austin, TX	77,000	142	6,531	9,500	01/20	89%	
Settlers Crossing 2	Austin, TX	83,000	96	8,265	9,200	01/20	41%	
Parc North 5	Dallas, TX	100,000	504	8,477	9,200	02/20	58%	
Logistics Center 6 & 7 ⁽²⁾	Dallas, TX	142,000	12,765	12,765	16,100	04/20	68%	
Ten West Crossing 8	Houston, TX	132,000	451	8,801	10,900	04/20	49%	
Tri-County Crossing 1 & 2	San Antonio, TX	203,000	1,151	13,089	16,700	04/20	82%	
Eisenhower Point 7 & 8	San Antonio, TX	336,000	2,875	21,492	24,900	05/20	72%	
Airport Commerce Center 3	Charlotte, NC	96,000	1,384	8,202	8,500	06/20	65%	
Total Lease-up		1,334,000	21,425	100,654	118,900		70%	Wgt Avg %
Projected Stabilized Yield ⁽³⁾		7.6%						
Under Construction								
Eisenhower Point 9	San Antonio, TX	82,000	2,680	4,178	6,400	12/19	100%	
World Houston 45	Houston, TX	160,000	4,530	10,881	18,000	12/19	100%	
CreekView 121 5 & 6	Dallas, TX	139,000	3,307	10,977	14,900	08/20	29%	
Gateway 5	Miami, FL	187,000	2,814	19,350	22,400	09/20	0%	
Parc North 6	Dallas, TX	96,000	2,220	6,874	8,900	09/20	0%	
Steele Creek IX	Charlotte, NC	125,000	3,458	5,876	9,800	10/20	0%	
SunCoast 6	Ft Myers, FL	81,000	5,805	5,805	8,400	10/20	0%	
Horizon VIII & IX	Orlando, FL	216,000	9,445	9,445	18,800	11/20	53%	
World Houston 43	Houston, TX	86,000	3,517	3,517	7,300	11/20	0%	
Gilbert Crossroads A & B	Phoenix, AZ	140,000	4,245	4,245	15,600	12/20	0%	
Total Under Construction		1,312,000	42,021	81,148	130,500		30%	Wgt Avg %
Projected Stabilized Yield ⁽³⁾		7.2%						
		50% Wgt Avg %						
Prospective Development								
	Acres	Projected SF						
Phoenix, AZ ⁽⁴⁾	13	178,000	(3,114)	3,858				
Ft Myers, FL ⁽⁴⁾	31	407,000	(3,733)	9,766				
Miami, FL	43	463,000	2,400	29,593				
Orlando, FL ⁽⁴⁾	2	-	(4,967)	1,075				
Tampa, FL	8	32,000	-	1,560				
Atlanta, GA	10	100,000	92	840				
Jackson, MS	3	28,000	-	706				
Charlotte, NC	43	475,000	719	6,260				
Austin, TX	15	173,000	170	4,030				
Dallas, TX	39	516,000	327	11,442				
Houston, TX	113	1,635,000	13,868	25,910				
San Antonio, TX	53	826,000	350	8,683				
Total Prospective Development	373	4,833,000	6,112	103,723				
	373	7,479,000	\$ 69,558	285,525				

⁽¹⁾ Development properties will transfer from Development and Value-Add properties to the operating portfolio at the earlier of 90% occupancy or one year after shell completion. Value-Add properties will transfer at the earlier of 90% occupancy or one year after acquisition.

⁽²⁾ This value-add project was acquired by EastGroup on 4/23/19.

⁽³⁾ Weighted average yield based on property net operating income at 100% occupancy and rents computed on a straight-line basis.

⁽⁴⁾ Negative amounts represent land inventory costs transferred to *Under Construction*.

		Costs Incurred			Conversion Date	% Leased 7/23/19
		Square Feet (SF)	2nd Qtr 2019	Cumulative at 6/30/19		
<u>1st Quarter</u>		SF				
Siempre Viva	San Diego, CA	115,000	\$ -	14,142	01/19	100%
CreekView 121 3 & 4	Dallas, TX	158,000	370	15,909	03/19	100%
Horizon VI	Orlando, FL	148,000	24	12,258	03/19	100%
		<u>421,000</u>	<u>394</u>	<u>42,309</u>		
<u>2nd Quarter</u>						
Horizon XI	Orlando, FL	135,000	773	9,940	04/19	100%
Falcon Field	Phoenix, AZ	97,000	385	8,774	05/19	57%
Gateway 1	Miami, FL	200,000	797	24,535	05/19	100%
SunCoast 5	Ft Myers, FL	81,000	785	8,050	05/19	100%
		<u>513,000</u>	<u>2,740</u>	<u>51,299</u>		
Total Transferred to Real Estate Properties		<u>934,000</u>	<u>\$ 3,134</u>	<u>93,608</u>		
Projected Stabilized Yield ⁽¹⁾		<u><u>7.4%</u></u>			<u>96%</u>	Wgt Avg %

⁽¹⁾ Weighted average yield based on property net operating income at 100% occupancy and rents computed on a straight-line basis.

	Remainder of 2019	2020	2021	2022	2023	2024 and Beyond	Total	Average Years to Maturity
Unsecured debt (fixed rate)	\$ 75,000	105,000	40,000	75,000	115,000	395,000	805,000	4.6
<i>Weighted average interest rate</i>	2.85%	3.55%	2.34%	3.03%	2.96%	3.84%	3.44%	
Secured debt (fixed rate):								
Balloon payments	-	-	85,600	32,655	-	1,549	119,804	
Amortization	4,469	9,096	3,962	115	119	376	18,137	
	4,469	9,096	89,562	32,770	119	1,925	137,941	1.9
<i>Weighted average interest rate</i>	4.44%	4.43%	4.55%	4.09%	3.85%	3.85%	4.42%	
Total unsecured debt and secured debt	\$ 79,469	114,096	129,562	107,770	115,119	396,925	942,941	4.2
<i>Weighted average interest rate</i>	2.94%	3.62%	3.86%	3.35%	2.96%	3.84%	3.58%	
Unsecured debt and secured debt (fixed rate)							\$ 942,941	
Unsecured bank credit facilities (variable rate)								
\$45MM Line - 3.398% - matures 7/30/2022							30,880	
\$350MM Line - 3.398% - matures 7/30/2022							165,000	
Total carrying amount of debt							\$ 1,138,821	
Total unamortized debt issuance costs							(3,467)	
Total debt net of unamortized debt issuance costs							\$ 1,135,354	
Equity market capitalization								
Shares outstanding - common							37,559,025	
Price per share at quarter end							\$ 115.98	
Total equity market capitalization							\$ 4,356,096	
Total market capitalization (debt and equity) ⁽¹⁾							\$ 5,494,917	
Total debt / total market capitalization ⁽¹⁾							20.7%	

⁽¹⁾ Before deducting unamortized debt issuance costs

	Shares Issued and Sold ⁽¹⁾	Average Sales Price (Per Share)	Gross Proceeds	Offering-Related Fees and Expenses	Net Proceeds
1st Quarter	232,205	\$ 107.66	\$ 25,000	\$ (600)	\$ 24,400
2nd Quarter	790,052	113.91	89,995	(959)	89,036
TOTAL 2019	1,022,257	\$ 112.49	\$ 114,995	\$ (1,559)	\$ 113,436

⁽¹⁾ As of July 23, 2019, the Company had 3,672,609 shares authorized and remaining for issuance under its continuous common equity program.

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
EBITDAre for the period	\$ 54,040	106,876
Adjust for acquisitions as if owned for entire period	541	1,479
Adjust for development and value-add properties in lease-up or under construction	(387)	(395)
Adjust for properties sold during the period	(130)	(416)
Pro Forma EBITDAre	<u>\$ 54,064</u>	<u>107,544</u>
PRO FORMA EBITDAre – ANNUALIZED	<u>\$ 216,256</u>	<u>215,088</u>
Debt at June 30, 2019	\$ 1,135,354	1,135,354
Subtract development and value-add properties in lease-up or under construction	(181,802)	(181,802)
Adjusted Debt	<u>\$ 953,552</u>	<u>953,552</u>
ADJUSTED DEBT-TO-PRO FORMA EBITDAre RATIO	<u>4.41</u>	<u>4.43</u>

ACQUISITIONS

Date	Property Name	Location	Size	Purchase Price ⁽¹⁾
1st Quarter				
None				
2nd Quarter				
04/23/19	Logistics Center 6 & 7	Dallas, TX	142,000 SF	\$ 12,960 ⁽²⁾
05/20/19	Airways Business Center	Denver, CO	382,000 SF	48,327
05/31/19	Miramar Land	San Diego, CA	6.5 Acres	13,386
05/31/19	Northwest Crossing Land	Houston, TX	20.0 Acres	5,665
06/26/19	Grand West Crossing Land	Houston, TX	33.2 Acres	8,757
Total Acquisitions			524,000 SF 59.7 Acres	\$ 89,095

DISPOSITIONS

Date	Property Name	Location	Size	Gross Sales Price	Realized Gain
1st Quarter					
01/29/19	World Houston 5	Houston, TX	51,000 SF	\$ 3,808	2,325 ⁽³⁾
2nd Quarter					
05/20/19	Altamonte Commerce Center	Orlando, FL	186,000 SF	14,850	9,081 ⁽³⁾
Total Dispositions			237,000 SF	\$ 18,658	11,406

⁽¹⁾ Represents acquisition price plus closing costs.

⁽²⁾ Value-add property acquisition; buildings and tenant improvements are included in *Development and value-add properties* on the Consolidated Balance Sheets. The land is under a ground lease; therefore, no value was allocated to land for this transaction.

⁽³⁾ Included in *Gain on sales of real estate investments* on the Consolidated Statements of Income and Comprehensive Income; not included in FFO.

REAL ESTATE IMPROVEMENTS	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Upgrade on Acquisitions	\$ 58	34	355	39
Tenant Improvements:				
New Tenants	3,885	4,159	6,802	5,952
Renewal Tenants	1,027	714	1,527	1,316
Other:				
Building Improvements	1,939	1,627	2,788	2,627
Roofs	3,942	3,333	5,538	4,311
Parking Lots	477	250	485	975
Other	96	235	380	738
TOTAL REAL ESTATE IMPROVEMENTS ⁽²⁾	\$ 11,424	10,352	17,875	15,958

CAPITALIZED LEASING COSTS (Principally Commissions) ⁽¹⁾

Development and Value-Add	\$ 2,361	951	3,933	1,713
New Tenants	1,433	1,786	3,063	2,711
Renewal Tenants	1,863	842	2,530	2,147
TOTAL CAPITALIZED LEASING COSTS	\$ 5,657	3,579	9,526	6,571

⁽¹⁾ Included in *Other Assets*.

⁽²⁾ Reconciliation of Total Real Estate Improvements to *Real Estate Improvements* on the Consolidated Statements of Cash Flows:

	Six Months Ended June 30,	
	2019	2018
Total Real Estate Improvements	\$ 17,875	15,958
Change in Real Estate Property Payables	(997)	(488)
Change in Construction in Progress	85	656
Real Estate Improvements on the Consolidated Statements of Cash Flows	\$ 16,963	16,126

Three Months Ended June 30, 2019	Number of Leases Signed	Square Feet Signed <small>(In Thousands)</small>	Weighted Average Term <small>(In Years)</small>	Rental Change Straight-Line Basis	Rental Change Cash Basis	PSF Tenant Improvement ⁽¹⁾	PSF Leasing Commission ⁽¹⁾	PSF Total Leasing Cost ⁽¹⁾
New Leases ⁽²⁾	37	644	5.0	14.6%	8.7%	\$ 3.49	\$ 2.08	\$ 5.57
Renewal Leases	62	1,369	4.5	18.4%	8.0%	1.19	1.30	2.49
Total/Weighted Average	99	2,013	4.6	17.2%	8.2%	\$ 1.93	\$ 1.55	\$ 3.48
					Per Year	\$ 0.42	\$ 0.34	\$ 0.76

Weighted Average Retention ⁽³⁾ **80.7%**

Six Months Ended June 30, 2019	Number of Leases Signed	Square Feet Signed <small>(In Thousands)</small>	Weighted Average Term <small>(In Years)</small>	Rental Change Straight-Line Basis	Rental Change Cash Basis	PSF Tenant Improvement ⁽¹⁾	PSF Leasing Commission ⁽¹⁾	PSF Total Leasing Cost ⁽¹⁾
New Leases ⁽²⁾	77	1,487	4.9	12.6%	5.0%	\$ 3.85	\$ 2.16	\$ 6.01
Renewal Leases	107	2,165	4.0	18.1%	8.2%	0.97	1.21	2.18
Total/Weighted Average	184	3,652	4.3	15.8%	6.9%	\$ 2.15	\$ 1.60	\$ 3.75
					Per Year	\$ 0.50	\$ 0.37	\$ 0.87

Weighted Average Retention ⁽³⁾ **71.8%**

	06/30/19	03/31/19	12/31/18	09/30/18	06/30/18
Percentage Leased	97.5%	97.7%	97.3%	97.1%	97.0%
Percentage Occupied	96.5%	96.9%	96.8%	95.7%	96.4%

⁽¹⁾ Per square foot (PSF) amounts represent total amounts for the life of the lease, except as noted for the Per Year amounts.

⁽²⁾ Does not include leases with terms less than 12 months and leases for first generation space on properties acquired or developed by EastGroup.

⁽³⁾ Calculated as square feet of renewal leases signed during the quarter / square feet of leases expiring during the quarter (not including early terminations or bankruptcies).

	Total Square Feet of Properties		Annualized Base Rent ⁽¹⁾			Lease Expirations in Square Feet		Same Property PNOI Change (excluding income from lease terminations)				Rental Change New and Renewal Leases ⁽³⁾							
								QTR		YTD		QTR		YTD					
								Straight-Line Basis	Cash Basis ⁽⁴⁾	Straight-Line Basis	Cash Basis ⁽⁴⁾	Straight-Line Basis	Cash Basis ⁽⁴⁾	Straight-Line Basis	Cash Basis ⁽⁴⁾				
Florida																			
Tampa	4,177,000	10.4%	9.6%	95.2%	94.4%	239,000	946,000	1.8%	2.5%	2.5%	2.2%	13.0%	2.3%	15.0%	4.5%				
Orlando	3,469,000	8.6%	9.1%	100.0%	99.4%	65,000	580,000	3.5%	16.5%	3.5%	11.4%	27.0%	16.1%	23.4%	11.5%				
Jacksonville	2,273,000	5.6%	4.5%	99.0%	97.8%	84,000	635,000	-0.4%	-0.5%	0.9%	2.0%	17.1%	5.5%	22.0%	9.8%				
Miami/Ft. Lauderdale	1,271,000	3.1%	3.3%	97.9%	97.9%	34,000	314,000	11.6%	6.7%	1.2%	-0.6%	9.6%	6.1%	11.0%	6.4%				
Ft. Myers	392,000	1.0%	1.0%	100.0%	100.0%	16,000	16,000	4.7%	2.3%	9.1%	7.4%	27.5%	13.1%	20.6%	11.0%				
	11,582,000	28.7%	27.5%	97.8%	97.1%	438,000	2,491,000	3.0%	6.6%	2.6%	4.9%	17.4%	6.8%	19.1%	8.3%				
Texas																			
Dallas	3,728,000	9.3%	7.8%	98.5%	95.7%	9,000	561,000	5.7%	5.8%	4.1%	6.9%	13.5%	9.1%	13.3%	8.4%				
Houston	5,497,000	13.6%	14.3%	97.6%	96.3%	124,000	471,000	1.3%	1.9%	1.8%	1.9%	9.5%	4.4%	-0.5%	-7.0%				
San Antonio	3,042,000	7.6%	8.6%	96.7%	96.1%	111,000	399,000	-0.3%	0.7%	2.1%	3.1%	12.2%	3.9%	12.2%	4.0%				
Austin	743,000	1.8%	2.3%	100.0%	99.1%	81,000	91,000	7.4%	5.7%	8.1%	7.4%	18.7%	11.3%	18.1%	12.1%				
El Paso	957,000	2.4%	1.7%	99.0%	99.0%	74,000	162,000	4.3%	6.4%	4.5%	4.1%	16.7%	7.0%	15.8%	6.4%				
	13,967,000	34.7%	34.7%	97.9%	96.4%	399,000	1,684,000	2.4%	2.9%	2.9%	3.7%	11.8%	5.0%	7.1%	0.2%				
California																			
San Francisco	1,045,000	2.6%	3.3%	100.0%	100.0%	260,000	116,000	8.4%	10.4%	7.7%	10.4%	59.5%	43.7%	59.5%	43.7%				
Los Angeles ⁽⁵⁾	2,323,000	5.8%	7.5%	100.0%	100.0%	-	119,000	2.3%	4.4%	2.4%	4.2%	56.1%	41.9%	47.7%	32.1%				
Fresno	398,000	1.0%	0.7%	94.4%	94.4%	33,000	126,000	-2.3%	0.2%	3.4%	8.4%	14.6%	4.5%	15.8%	5.4%				
San Diego	581,000	1.4%	1.5%	100.0%	100.0%	-	48,000	10.3%	31.3%	7.6%	19.8%	24.5%	21.9%	20.0%	18.6%				
	4,347,000	10.8%	13.0%	99.5%	99.5%	293,000	409,000	4.6%	8.4%	4.5%	7.8%	44.0%	31.8%	41.1%	28.3%				
Arizona																			
Phoenix	2,502,000	6.2%	6.2%	96.1%	96.1%	205,000	407,000	3.3%	3.1%	3.8%	5.0%	10.0%	-0.1%	16.0%	4.0%				
Tucson	1,055,000	2.6%	2.5%	100.0%	98.6%	19,000	223,000	1.5%	0.7%	4.9%	2.7%	22.3%	11.1%	22.3%	11.1%				
	3,557,000	8.8%	8.7%	97.3%	96.8%	224,000	630,000	2.9%	2.6%	4.0%	4.5%	16.1%	5.4%	16.7%	4.8%				
Other Core																			
Atlanta	779,000	1.9%	1.1%	87.7%	75.1%	19,000	83,000	-0.9%	-22.7%	-10.6%	-27.3%	-26.7%	-19.0%	-5.2%	-7.7%				
Charlotte	3,131,000	7.8%	6.5%	96.4%	96.1%	29,000	519,000	0.4%	0.1%	3.1%	3.0%	13.3%	4.1%	15.0%	6.3%				
Denver	886,000	2.2%	2.8%	94.9%	94.9%	36,000	120,000	23.1%	22.2%	22.6%	17.5%	15.9%	3.0%	9.9%	2.6%				
Las Vegas	558,000	1.4%	1.7%	100.0%	100.0%	36,000	15,000	28.8%	30.7%	18.5%	20.0%	N/A	N/A	N/A	N/A				
	5,354,000	13.3%	12.1%	95.3%	93.3%	120,000	737,000	7.4%	5.3%	6.9%	4.9%	10.7%	2.3%	9.2%	2.4%				
Total Core Markets	38,807,000	96.3%	96.0%	97.6%	96.6%	1,474,000	5,951,000	3.5%	4.9%	3.6%	4.8%	17.6%	8.4%	16.4%	7.3%				
Total Other Markets ⁽⁵⁾	1,504,000	3.7%	4.0%	94.6%	94.3%	173,000	111,000	4.7%	5.1%	3.9%	3.4%	10.1%	4.5%	5.3%	-1.3%				
Total Operating Properties	40,311,000	100.0%	100.0%	97.5%	96.5%	1,647,000	6,062,000	3.5%	4.9%	3.6%	4.7%	17.2%	8.2%	15.8%	6.9%				

(1) Based on the Annualized Base Rent as of the reporting period for occupied square feet (without S/L Rent).

(2) Square Feet expiring during the remainder of the year, including month-to-month leases.

(3) Does not include leases with terms less than 12 months and leases for first generation space on properties acquired or developed by EastGroup.

(4) Excludes straight-line rent adjustments and amortization of above/below market rent intangibles.

(5) Includes the Company's share of its less-than-wholly-owned real estate investments.

LEASE EXPIRATION	Square Footage of Leases Expiring	% of Total SF	Annualized Current Base Rent of Leases Expiring (without S/L Rent)	% of Total Base Rent of Leases Expiring (without S/L Rent)
Vacancy	1,004,000	2.5%	\$ -	0.0%
2019 - remainder of year ⁽¹⁾	1,647,000	4.1%	11,629	4.9%
2020	6,062,000	15.0%	36,751	15.6%
2021	7,355,000	18.3%	45,044	19.1%
2022	6,333,000	15.7%	38,691	16.4%
2023	4,912,000	12.2%	29,846	12.7%
2024	5,495,000	13.6%	30,747	13.1%
2025	2,557,000	6.3%	14,722	6.3%
2026	1,593,000	4.0%	9,367	4.0%
2027	957,000	2.4%	6,061	2.6%
2028 and beyond	2,396,000	5.9%	12,549	5.3%
TOTAL	40,311,000	100.0%	\$ 235,407	100.0%

⁽¹⁾ Includes month-to-month leases.

Customer	# of Leases	Location	Total SF Leased	% of Total Portfolio	% of Total Annualized Base Rent ⁽¹⁾
1 The Chamberlain Group	2	Tucson, AZ	350,000		
	1	Charlotte, NC	11,000	0.9%	1.1%
2 WNA Comet West, Inc.	1	Los Angeles, CA	411,000	1.0%	1.0%
3 Essendant Co.	1	Orlando, FL	404,000	1.0%	0.9%
4 Oceaneering International, Inc.	4	Orlando, FL	350,000	0.9%	0.9%
5 Mattress Firm	1	Houston, TX	202,000		
	1	Tampa, FL	109,000		
	1	Jacksonville, FL	49,000		
	1	Ft. Myers, FL	25,000	1.0%	0.9%
6 Kuehne & Nagel, Inc.	2	Houston, TX	172,000		
	2	Charlotte, NC	106,000	0.7%	0.8%
7 Price Transfer	1	Los Angeles, CA	262,000	0.6%	0.8%
8 Iron Mountain Information Management, Inc.	2	Tampa, FL	184,000		
	2	Phoenix, AZ	59,000		
	1	Ft. Lauderdale, FL	45,000		
	1	Jacksonville, FL	40,000	0.8%	0.7%
9 Medtronic Inc.	1	Santa Barbara, CA	82,000	0.2%	0.7%
10 Arizona Nutritional Supplements LLC	2	Phoenix, AZ	228,000	0.6%	0.6%
	<u>27</u>		<u>3,089,000</u>	<u>7.7%</u>	<u>8.4%</u>

⁽¹⁾ Calculation: Customer Annualized Base Rent as of 06/30/19 (without S/L Rent) / Total Annualized Base Rent (without S/L Rent).

Property	Industry Distribution Center II
Acquisition Date	November 23, 2004
Percent Leased	100%
Total Square Feet (100%)	309,000
Company Ownership	50%

**EastGroup's
Basis in 50%
Ownership**

Selected Financial Information

Balance Sheet Information as of June 30, 2019

ASSETS

Real estate properties	\$ 9,365
Less accumulated depreciation	(1,912)
	<u>7,453</u>
Other assets	692
TOTAL ASSETS	\$ 8,145

LIABILITIES AND EQUITY

Other liabilities	\$ 57
Equity	8,088
TOTAL LIABILITIES AND EQUITY	\$ 8,145

EastGroup's Net Investment at June 30, 2019

\$ 8,088 ⁽¹⁾

EastGroup's 50% Ownership

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Income Statement Information				
Property NOI	\$ 244	218	488	435
Depreciation Expense	(35)	(31)	(70)	(62)
Equity in Earnings ⁽²⁾	<u>\$ 209</u>	<u>187</u>	<u>418</u>	<u>373</u>
Funds From Operations	<u>\$ 244</u>	<u>218</u>	<u>488</u>	<u>435</u>

⁽¹⁾ Presented as *Unconsolidated investment* on the Consolidated Balance Sheets.

⁽²⁾ Included in *Other* on the Consolidated Statements of Income and Comprehensive Income.

	Quarter Ended	Years Ended			
	6/30/2019	2018	2017	2016	2015
ASSETS/MARKET CAPITALIZATION					
Assets	\$ 2,295,380	2,131,705	1,953,221	1,825,764	1,661,904
Equity Market Capitalization	4,356,096	3,348,269	3,071,927	2,461,251	1,802,957
Total Market Capitalization (Debt and Equity) ⁽¹⁾	5,494,917	4,458,037	4,183,620	3,566,865	2,835,194
Shares Outstanding - Common	37,559,025	36,501,356	34,758,167	33,332,213	32,421,460
Price per share	\$ 115.98	91.73	88.38	73.84	55.61
FFO CHANGE					
FFO per diluted share ⁽²⁾	\$ 1.22	4.66	4.25	4.00	3.67
Change compared to same period prior year	5.2%	9.6%	6.3%	9.0%	6.1%
COMMON DIVIDEND PAYOUT RATIO					
Dividend distribution	\$ 0.72	2.72	2.52	2.44	2.34
FFO per diluted share ⁽²⁾	1.22	4.66	4.25	4.00	3.67
Dividend payout ratio	59%	58%	59%	61%	64%
COMMON DIVIDEND YIELD					
Dividend distribution	\$ 0.72	2.72	2.52	2.44	2.34
Price per share	115.98	91.73	88.38	73.84	55.61
Dividend yield	2.48%	2.97%	2.85%	3.30%	4.21%
FFO MULTIPLE					
FFO per diluted share ⁽²⁾	\$ 1.22	4.66	4.25	4.00	3.67
Price per share	115.98	91.73	88.38	73.84	55.61
Multiple	23.77	19.68	20.80	18.46	15.15
INTEREST & FIXED CHARGE COVERAGE RATIOS					
EBITDAre	\$ 54,040	200,788	180,214	166,463	153,451
Interest expense	8,846	35,106	34,775	35,213	34,666
Interest and fixed charge coverage ratios	6.11	5.72	5.18	4.73	4.43
DEBT-TO-EBITDAre RATIO					
Debt	\$ 1,135,354	1,105,787	1,108,282	1,101,333	1,027,909
EBITDAre	54,040	200,788	180,214	166,463	153,451
Debt-to-EBITDAre ratio	5.25	5.51	6.15	6.62	6.70
Adjusted debt-to-pro forma EBITDAre ratio	4.41	4.73	5.45	6.05	6.12
DEBT-TO-TOTAL MARKET CAPITALIZATION ⁽¹⁾					
	20.7%	24.9%	26.6%	31.0%	36.4%
ISSUER RATINGS ⁽³⁾					
Moody's Investors Service	Issuer Rating Baa2	Outlook Stable			

⁽¹⁾ Before deducting unamortized debt issuance costs.

⁽²⁾ In connection with the Company's adoption of the Nareit Funds from Operations White Paper - 2018 Restatement, the Company now excludes from FFO the gains and losses on sales of non-operating real estate and assets incidental to the Company's business and therefore adjusted the prior years results to conform to the updated definition of FFO.

⁽³⁾ A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

	Low Range		High Range	
	Q3 2019	Y/E 2019	Q3 2019	Y/E 2019
	<i>(In thousands, except per share data)</i>			
Net income attributable to common stockholders	\$ 19,696	90,305	21,214	93,307
Depreciation and amortization	26,789	104,452	26,789	104,452
Gain on sales of real estate investments	-	(11,406)	-	(11,406)
Funds from operations attributable to common stockholders	<u>\$ 46,485</u>	<u>183,351</u>	<u>48,003</u>	<u>186,353</u>
Diluted shares	37,934	37,521	37,934	37,521
Per share data (diluted):				
Net income attributable to common stockholders	\$ 0.52	2.41	0.56	2.49
Funds from operations attributable to common stockholders	1.23	4.89	1.27	4.97

The following assumptions were used for the mid-point:

Metrics	Revised Guidance for Year 2019	April Earnings Release Guidance for Year 2019	Actual for Year 2018
FFO per share	\$4.89 - \$4.97	\$4.84 - \$4.94	\$4.66 ⁽¹⁾
FFO per share increase over prior year period ⁽¹⁾	5.8%	4.9%	9.6%
Same PNOI growth (excluding income from lease terminations):			
Straight-line basis — annual same property pool	3.1% - 3.9% ⁽²⁾	2.9% - 3.9% ⁽²⁾	3.8%
Cash basis — annual same property pool ⁽³⁾	4.0% - 4.8% ⁽²⁾	3.8% - 4.8% ⁽²⁾	4.3%
Average month-end occupancy	96.6%	96.4%	96.1%
Lease termination fee income	\$1,050,000	\$765,000	\$294,000
Reserves for uncollectible rent	\$765,000	\$800,000	\$784,000
Development starts:			
Square feet	2.1 million	1.7 million	1.7 million
Projected total investment	\$200 million	\$160 million	\$148 million
Value-add property acquisitions	\$70 million	\$55 million	\$14 million
Operating property acquisitions	\$75 million	\$50 million	\$57 million
Operating property dispositions (Potential gains on dispositions are not included in the projections)	\$45 million	\$45 million	\$23 million
Unsecured debt closing in period	\$190 million at 3.8% weighted average interest rate	\$160 million at 4.5% weighted average interest rate	\$60 million at 3.93%
Common stock issuances	\$265 million	\$145 million	\$159 million
General and administrative expense	\$15.8 million	\$15.6 million	\$13.8 million

⁽¹⁾ The Company initially reported FFO of \$4.67 for the year 2018. In connection with the Company's adoption of the Nareit Funds from Operations White Paper - 2018 Restatement, the Company now excludes from FFO the gains and losses on sales of non-operating real estate and assets incidental to the Company's business and therefore adjusted the prior year results, including the Company's FFO for 2018, to conform to the updated definition of FFO.

⁽²⁾ Includes properties which have been in the operating portfolio since 1/1/18 and are projected to be in the operating portfolio through 12/31/19 (annual same property pool); includes 36,391,000 square feet.

⁽³⁾ Cash basis excludes straight-line rent adjustments and amortization of market rent intangibles for acquired leases.

Listed below are definitions of commonly used real estate investment trust (“REIT”) industry terms. For additional information on REITs, please see the National Association of Real Estate Investment Trusts (“Nareit”) web site at www.reit.com.

Adjusted Debt-to-Pro Forma EBITDAre Ratio: A ratio calculated by dividing a company’s adjusted debt by its pro forma EBITDAre. Debt is adjusted by subtracting the cost of development and value-add properties in lease-up or under construction. EBITDAre is further adjusted by adding an estimate of NOI for significant acquisitions as if the acquired properties were owned for the entire period, and by subtracting NOI from development and value-add properties in lease-up or under construction and from properties sold during the period. The Adjusted Debt-to-Pro Forma EBITDAre Ratio is a non-GAAP financial measure used to analyze the Company’s financial condition and operating performance relative to its leverage, on an adjusted basis, so as to normalize and annualize property changes during the period.

Cash Basis: The Company adjusts its GAAP reporting to exclude straight-line rent adjustments and amortization of market rent intangibles for acquired leases. The cash basis is an indicator of the rents charged to customers by the Company during the periods presented and is useful in analyzing the embedded rent growth in the Company’s portfolio.

Debt-to-EBITDAre Ratio: A ratio calculated by dividing a company’s debt by its EBITDAre; this non-GAAP measure is used to analyze the Company’s financial condition and operating performance relative to its leverage.

Debt-to-Total Market Capitalization Ratio: A ratio calculated by dividing a company’s debt by the total amount of a company’s equity (at market value) and debt.

Earnings Before Interest Taxes Depreciation and Amortization for Real Estate (“EBITDAre”): Earnings, defined as Net Income, excluding gains or losses from sales of real estate investments and non-operating real estate, plus interest, taxes, depreciation and amortization. EBITDAre is a non-GAAP financial measure used to measure the Company’s operating performance and its ability to meet interest payment obligations and pay quarterly stock dividends on an unleveraged basis.

Funds From Operations (“FFO”): FFO is the most commonly accepted reporting measure of a REIT’s operating performance, and the Company computes FFO in accordance with standards established by Nareit in the Nareit Funds from Operations White Paper — 2018 Restatement. It is equal to a REIT’s net income (loss) attributable to common stockholders computed in accordance with generally accepted accounting principles (“GAAP”), excluding gains and losses from sales of real estate property (including other assets incidental to the Company’s business) and impairment losses, adjusted for real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure used to evaluate the performance of the Company’s investments in real estate assets and its operating results.

FFO Excluding Gain on Casualties and Involuntary Conversion: A reporting measure calculated as FFO (as defined above), adjusted to exclude gain on casualties and involuntary conversion. The Company believes that the exclusion of gain on casualties and involuntary conversion presents a more meaningful comparison of operating performance.

Industrial Properties: Generally consisting of four concrete walls tilted up on a slab of concrete. An internal office component is then added. Business uses include warehousing, distribution, light manufacturing and assembly, research and development, showroom, office, or a combination of some or all of the aforementioned.

Leases Expiring and Renewal Leases Signed of Expiring Square Feet: Includes renewals during the period with terms commencing during the period and after the end of the period.

Percentage Leased: The percentage of total leasable square footage for which there is a signed lease, including month-to-month leases, as of the close of the reporting period. Space is considered leased upon execution of the lease.

Percentage Occupied: The percentage of total leasable square footage for which the lease term has commenced as of the close of the reporting period.

Property Net Operating Income (“PNOI”): *Income from real estate operations less Expenses from real estate operations* (including market-based internal management fee expense) plus the Company’s share of income and property operating expenses from its less-than-wholly-owned real estate investments. PNOI is a non-GAAP, property-level supplemental measure of performance used to evaluate the performance of the Company’s investments in real estate assets and its operating results.

Real Estate Investment Trust: A company that owns and, in most cases, operates income-producing real estate such as apartments, shopping centers, offices, hotels and warehouses. Some REITs also engage in financing real estate. The shares of most REITs are freely traded, usually on a major stock exchange. To qualify as a REIT, a company must distribute at least 90 percent of its taxable income to its stockholders annually. A company that qualifies as a REIT is permitted to deduct dividends paid to its stockholders from its corporate taxable income. As a result, most REITs remit at least 100 percent of their taxable income to their stockholders and therefore owe no corporate federal income tax. Taxes are paid by stockholders on the dividends received. Most states honor this federal treatment and also do not require REITs to pay state income tax.

Rental changes on new and renewal leases: Rental changes are calculated as the difference, weighted by square feet, of the annualized base rent due the first month of the new lease’s term and the annualized base rent of the rent due the last month of the former lease’s term. If free rent is given, then the first positive full rent value is used. Rental amounts exclude base stop amounts, holdover rent, and premium or discounted rent amounts. This calculation excludes leases with terms less than 12 months and leases for first generation space on properties acquired or developed by EastGroup.

Same Properties: Operating properties owned during the entire current and prior year reporting periods. Properties developed or acquired are excluded until held in the operating portfolio for both the current and prior year reporting periods. Properties sold during the current or prior year reporting periods are excluded.

- **Quarterly Same Property Pool:** Includes properties which were included in the operating portfolio for the entire period from April 1, 2018 through June 30, 2019.
- **Annual Same Property Pool:** Includes properties which were included in the operating portfolio for the entire period from January 1, 2018 through June 30, 2019.

Same Property Net Operating Income (“Same PNOI”): *Income from real estate operations less Expenses from real estate operations* (including market-based internal management fee expense), plus the Company’s share of income and property operating expenses from its less-than-wholly-owned real estate investments, for the same properties owned by the Company during the entire current and prior year reporting periods. Same PNOI is a non-GAAP, property-level supplemental measure of performance used to evaluate the performance of the Company’s investments in real estate assets and its operating results on a same property basis.

Same PNOI Excluding Income from Lease Terminations: Same PNOI (as defined above), adjusted to exclude income from lease terminations. The Company believes it is useful to evaluate Same PNOI Excluding Income from Lease Terminations on both a straight-line and cash basis.

Straight-Lining: The process of averaging the customer’s rent payments over the life of the lease. GAAP requires real estate companies to “straight-line” rents.

Total Return: A stock’s dividend income plus capital appreciation/depreciation over a specified period as a percentage of the stock price at the beginning of the period.

Value-Add Properties: Properties that are either acquired but not stabilized or can be converted to a higher and better use. Acquired properties meeting either of the following two conditions are considered value-add properties: (1) Less than 75% occupied as of the acquisition date (or will be less than 75% occupied within one year of acquisition date based on near term lease roll), or (2) 20% or greater of the acquisition cost will be spent to redevelop the property.