W. P. CAREY

W. P. Carey Inc.
Capitalization & Leverage
2Q20

Investing for the long run®

Balance Sheet Progression

W. P. Carey remains committed to maintaining its credit rating, growing its pool of unencumbered assets and strengthening its balance sheet

- Since W. P. Carey was rated by S&P and Moody's in 2013, maturing mortgages have generally been paid off with proceeds from equity or unsecured notes and new acquisitions have been unencumbered

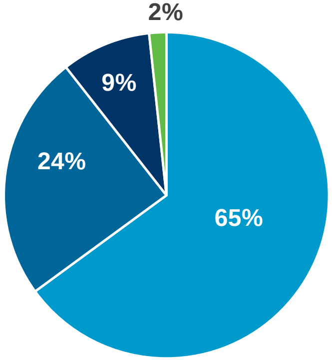
	December 2013 (1)	June 2020		% Change
Total mortgage debt	$3.1 billion	$1.4 billion	↓	(55%)
Secured debt as % of gross assets	35.9%	9.5%	↓	(26%)
Unencumbered net lease ABR (pro rata) (2)	$153 million	$836 million	↑	446%
Estimated unencumbered net lease asset value (3)	$2.0 billion	$11.1 billion	↑	446%
Unsecured credit rating	BBB- (S&P / stable) Baa2 (Moody's / stable)	BBB (S&P / stable) Baa2 (Moody's / stable)	↑	

(1) Pro forma for W. P. Carey's January 31, 2014 acquisition of Corporate Property Associates:16 – Global Incorporated.
(2) "ABR" represents pro rata contractual minimum annualized base rent (see definition in Disclosures at end).
(3) Unencumbered net lease asset value reflects ABR at a 7.50% capitalization rate, consistent with capitalization rate in the covenants governing the Senior Unsecured Notes.

Balance Sheet Overview

Capitalization (%)

Equity (1)	65%
Senior Unsecured Notes	24%
Mortgage Debt (pro rata)	9%
Unsecured Revolving Credit Facility / Term Loans	2%



Capital Markets and Balance Sheet

- June 2020: Issued 5,462,500 shares of equity through a forward offering, and settled 1,463,500 shares on June 29 for net proceeds of $100 MM.
- February 2020: Amended and restated $2.1B credit facility, consisting of $1.8B revolving line of credit, £150MM term loan, and a €96.5MM delayed draw term loan
- FY 2019: Reduced secured debt outstanding by $1.3B, primarily with proceeds from our ATM equity issuances and unsecured note offerings
- FY 2019: Issued $524MM of equity through our ATM program
- September 2019: Issued €500MM of 1.350% Senior Unsecured Notes due 2028 through European subsidiary
- June 2019: Issued $325MM of 3.85% Senior Unsecured Notes due 2029

Capitalization ($MM)

Capitalization ($MM)	6/30/20
Total Equity (1)	**$11,764**
Pro Rata Net Debt	
Senior Unsecured Notes USD	1,625
Senior Unsecured Notes EUR	2,800
Mortgage Debt, pro rata USD	1,189
Mortgage Debt, pro rata (EUR $388 / Other $43)	431
Unsecured Revolving Credit Facility USD	—
Unsecured Revolving Credit Facility (EUR — / Other $22)	22
Unsecured Term Loans (EUR $108 / GBP $184)	292
Total Pro Rata Debt	**$6,359**
Less: Cash and Cash Equivalents	(137)
Total Pro Rata Net Debt	**$6,222**
Enterprise Value	**$17,985**
Total Capitalization	**$18,122**

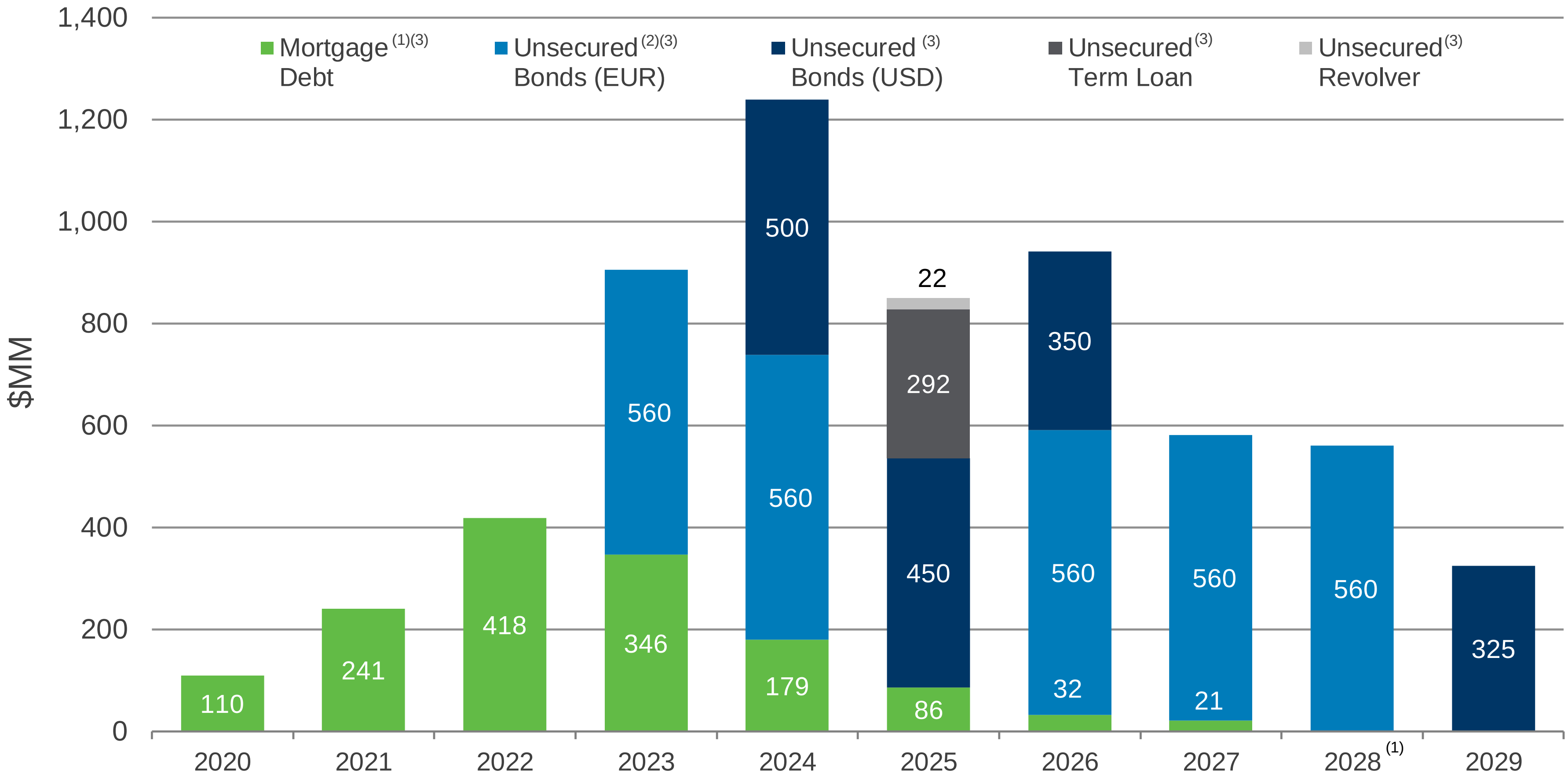
Leverage Metrics

Pro Rata Net Debt / Adjusted EBITDA (2)(4)	6.0x
Pro Rata Net Debt / Enterprise Value (1)(2)	34.6%
Total Consolidated Debt / Gross Assets (3)	40.7%
Weighted Average Interest Rate (pro rata)	3.2%
Weighted Average Debt Maturity (pro rata)	4.7 years

(1) Based on a closing stock price of $67.65 on June 30, 2020 and 173,890,427 common shares outstanding as of June 30, 2020.
(2) Pro rata net debt to enterprise value and pro rata net debt to Adjusted EBITDA are based on pro rata debt less consolidated cash and cash equivalents.
(3) Gross assets represent consolidated total assets before accumulated depreciation on real estate. Gross assets are net of accumulated amortization on in-place lease and above-market rent intangible assets.
(4) Adjusted EBITDA represents 2Q20 annualized Adjusted EBITDA, as reported in the Form 8-K filed with the SEC on July 31, 2020.

Debt Maturity Schedule

Principal at Maturity



	2020	2021	2022	2023	2024	2025	2026	2027	2028 (1)	2029
% of Total (4)	1.7%	3.9%	6.9%	14.9%	20.2%	13.9%	15.1%	9.3%	9.0%	5.1%
Interest Rate (4)	4.9%	5.0%	4.8%	2.7%	3.5%	3.1%	3.2%	2.2%	1.5%	3.9%

(1) Reflects pro rata balloon payments due at maturity. W. P. Carey has two additional fully amortizing mortgages due in 2028 ($10MM) and 2031 ($4MM).
(2) On February 20, 2020, we closed our fourth amended and restated credit facility, with a new borrowing capacity of $2.1 billion and the ability to increase up to $2.75 billion, subject to certain conditions in our credit agreement.
(3) Reflects amount due at maturity, excluding unamortized discount and unamortized deferred financing costs.
(4) Reflects the weighted average percentage of debt outstanding and the weighted average interest rate for each year based on the total outstanding balance.

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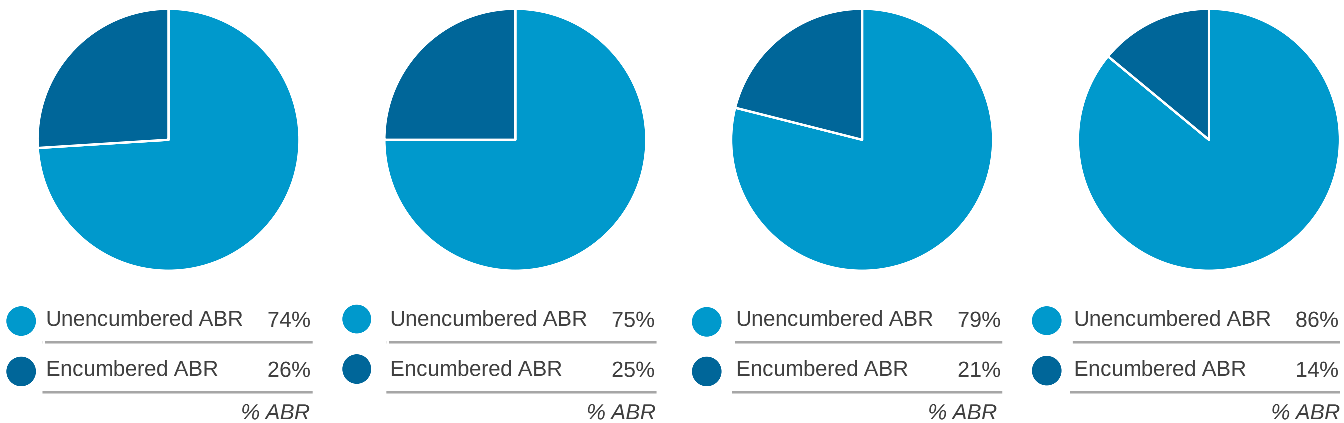
Unencumbered Pool

Unencumbered ABR Based on Scheduled Debt Maturity Repayments (1)

	As of June 30, 2020	As of Dec. 31, 2020	As of Dec. 31, 2021	As of Dec. 31, 2022
Unencumbered ABR	\$836MM	\$851MM	\$897MM	\$975MM

Analysis excludes potential future unencumbered acquisitions, dispositions and contractual rent increases



(1) Projection based on unencumbered ABR as of June 30, 2020 and excludes operating properties. Assumes that W. P. Carey will choose not to refinance maturing mortgages with mortgage debt and that such properties and associated ABR will become unencumbered, which may not occur.

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Unsecured Bond Covenants (1)

Investment grade balance sheet with Baa2/stable rating from Moody's and BBB/stable rating from S&P

Senior Unsecured Notes (2)

	Metric	Covenant	June 30, 2020
Total Leverage	Total Debt / Total Assets	≤ 60%	40.9%
Secured Debt Leverage	Secured Debt / Total Assets	≤ 40%	9.5%
Fixed Charge Coverage	Consolidated EBITDA / Annual Debt Service Charge	≥ 1.5x	5.1x
Maintenance of Unencumbered Asset Value	Unencumbered Assets / Total Unsecured Debt	≥ 150%	241.3%

(1) This is a summary of the key financial covenants for our Senior Unsecured Notes, along with estimated calculations of our compliance with those covenants at the end of the period presented. These ratios are not measures of our liquidity or performance and serve only to demonstrate our ability to incur additional debt, as permitted by the covenants governing the Senior Unsecured Notes.

(2) As of June 30, 2020, our Senior Unsecured Notes consisted of the following note issuances: (i) $500 million 4.6% senior unsecured notes due 2024, (ii) €500 million 2.0% senior unsecured notes due 2023, (iii) $450 million 4.0% senior unsecured notes due 2025, (iv) $350 million 4.25% senior unsecured notes due 2026 (v) €500 million 2.25% senior unsecured notes due 2024, (vi) €500 million 2.125% senior unsecured notes due 2027, (vii) €500 million 2.25% senior unsecured notes due 2026, (viii) €500 million 1.35% senior unsecured notes due 2028 and (ix) $325 million 3.85% senior unsecured notes due 2029.

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Cautionary Statement Concerning Forward-Looking Statements

Certain of the matters discussed in this communication constitute forward-looking statements within the meaning of the Securities Act of 1933 and the Exchange Act of 1934, both as amended by the Private Securities Litigation Reform Act of 1995. The forward-looking statements include, among other things, statements regarding the intent, belief or expectations of W. P. Carey and can be identified by the use of words such as “may,” “will,” “should,” “would,” “assume,” “outlook,” “seek,” “plan,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “forecast” and other comparable terms. These forward-looking statements include, but are not limited to, statements regarding: our corporate strategy and estimated or future economic performance and results, including our expectations surrounding the impacts of the novel coronavirus (“COVID-19”) pandemic on our business, tenants, and prospects; our future capital expenditure and leverage levels, debt service obligations, and plans to fund our liquidity needs; and prospective statements regarding our access to the capital markets, including our credit ratings, our “at-the-market” program (“ATM Program”), and settlement of our forward equity offering.

These statements are based on the current expectations of the management of W. P. Carey. It is important to note that W. P. Carey’s actual results could be materially different from those projected in such forward-looking statements. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Other unknown or unpredictable risks and uncertainties, like the risks related to effects of pandemics and global outbreaks of contagious diseases or the fear of such outbreaks, like the current COVID-19 pandemic and those additional factors discussed in reports filed with the Securities and Exchange Commission (the “SEC”) by us under the heading “Risk Factors”, could also have material adverse effects on future results, performance or achievements of W. P. Carey. Discussions of some of these other important factors and assumptions are contained in W. P. Carey’s filings with the SEC and are available at the SEC’s website at http://www.sec.gov, including Part II, Item 1A. Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 and Part I, Item 1A. Risk Factors in W. P. Carey’s Annual Report on Form 10-K for the year ended December 31, 2019. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this communication may not occur. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this communication, unless noted otherwise. Except as required under the federal securities laws and the rules and regulations of the SEC, W. P. Carey does not undertake any obligation to release publicly any revisions to the forward-looking statements to reflect events or circumstances after the date of this communication or to reflect the occurrence of unanticipated events.

All data presented herein is as of June 30, 2020 unless otherwise noted.

Amounts may not sum to totals due to rounding.

Past performance does not guarantee future results.

Disclosures

The following non-GAAP financial measures are used in this presentation

EBITDA and Adjusted EBITDA

We believe that EBITDA is a useful supplemental measure to investors and analysts for assessing the performance of our business segments because (i) it removes the impact of our capital structure from our operating results and (ii) it is helpful when comparing our operating performance to that of companies in our industry without regard to such items, which can vary substantially from company to company. Adjusted EBITDA as disclosed represents EBITDA, modified to include other adjustments to GAAP net income for certain non-cash charges, such as impairments, non-cash rent adjustments and unrealized gains and losses from our hedging activity. Additionally, we exclude gains and losses on sale of real estate, which are not considered fundamental attributes of our business plans and do not affect our overall long-term operating performance. We exclude these items from adjusted EBITDA as they are not the primary drivers in our decision-making process. Adjusted EBITDA reflects adjustments for unconsolidated partnerships and jointly owned investments. Our assessment of our operations is focused on long-term sustainability and not on such non-cash and non-core items, which may cause short-term fluctuations in net income but have no impact on cash flows. We believe that adjusted EBITDA is a useful supplemental measure to investors and analysts, although it does not represent net income that is computed in accordance with GAAP. Accordingly, adjusted EBITDA should not be considered as an alternative to net income or as an indicator of our financial performance. EBITDA and adjusted EBITDA as calculated by us may not be comparable to similarly titled measures of other companies.

Other Metrics

Pro Rata Metrics

This supplemental package contains certain metrics prepared under the pro rata consolidation method. We refer to these metrics as pro rata metrics. We have a number of investments, usually with our affiliates, in which our economic ownership is less than 100%. Under the full consolidation method, we report 100% of the assets, liabilities, revenues and expenses of those investments that are deemed to be under our control or for which we are deemed to be the primary beneficiary, even if our ownership is less than 100%. Also, for all other jointly owned investments, which we do not control, we report our net investment and our net income or loss from that investment. Under the pro rata consolidation method, we present our proportionate share, based on our economic ownership of these jointly owned investments, of the assets, liabilities, revenues and expenses of those investments. Multiplying each of our jointly owned investments' financial statement line items by our percentage ownership and adding or subtracting those amounts from our totals, as applicable, may not accurately depict the legal and economic implications of holding an ownership interest of less than 100% in our jointly owned investments.

ABR

ABR represents contractual minimum annualized base rent for our net-leased properties and reflects exchange rates as of June 30, 2020. If there is a rent abatement, we annualize the first monthly contractual base rent following the free rent period. ABR is not applicable to operating properties and is presented on a pro rata basis.