

COLD
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EARNINGS RELEASE & FINANCIAL SUPPLEMENT

Third Quarter 2019



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Corporate Profile

We are the world's largest publicly traded REIT focused on the ownership, operation and development of temperature-controlled warehouses. We are organized as a self-administered and self-managed REIT with proven operating, development and acquisition expertise. As of September 30, 2019, we operated a global network of 176 temperature-controlled warehouses encompassing over 1 billion cubic feet, with 158 warehouses in the United States, six warehouses in Australia, seven warehouses in New Zealand, two warehouses in Argentina and three warehouses in Canada.

Corporate Headquarters

10 Glenlake Parkway South Tower, Suite 600
 Atlanta, Georgia 30328
 Telephone: (678) 441-1400
 Website: www.americold.com

Senior Management

Fred W. Boehler: Chief Executive Officer, President and Trustee
 Marc J. Smernoff: Chief Financial Officer and Executive Vice President
 Carlos V. Rodriguez: Chief Operating Officer and Executive Vice President
 James A. Harron: Chief Investment Officer and Executive Vice President
 James C. Snyder, Jr.: Chief Legal Officer and Executive Vice President
 Sanjay Lal: Chief Information Officer and Executive Vice President
 Khara Julien: Chief Human Resources Officer and Executive Vice President
 David K. Stuver: Executive Vice President, Business Development and Supply Chain Solutions
 Thomas C. Novosel: Chief Accounting Officer and Senior Vice President

Board of Trustees

Mark R. Patterson: Chairman of the Board of Trustees
 George J. Alburger, Jr.: Trustee
 Kelly H. Barrett: Trustee
 Fred W. Boehler: Chief Executive Officer, President and Trustee
 Antonio F. Fernandez: Trustee
 James R. Heistand: Trustee
 Michelle M. MacKay: Trustee
 David J. Neithercut: Trustee
 Andrew P. Power: Trustee

Investor Relations

To request more information or to be added to our e-mail distribution list, please visit our website: www.americold.com
 (Please proceed to the Investors section)

Analyst Coverage

Firm	Analyst Name	Contact
Baird Equity Research	David B. Rodgers	216-737-7341
Bank of America Merrill Lynch	Joshua Dennerlein	646-855-1681
Berenberg Capital Markets	Nate Crossett	646-949-9030
Citi	Emmanuel Korchman	212-816-1382
J.P. Morgan	Michael W. Mueller	212-622-6689
Raymond James	William A. Crow	727-567-2594
RBC	Michael Carroll	440-715-2649
SunTrust Robinson Humphrey	Ki Bin Kim	212-303-4124

Stock Listing Information

The shares of Americold Realty Trust are traded on the New York Stock Exchange under the symbol "COLD".

Credit Ratings***DBRS Morningstar***

Credit Rating: BBB (Stable Outlook)

Fitch

Issuer Default Rating: BBB (Stable Outlook)

Moody's

Issuer Rating: Baa3 (Stable Outlook)

These credit ratings may not reflect the potential impact of risks relating to the structure or trading of the Company's securities and are provided solely for informational purposes. Credit ratings are not recommendations to buy, hold or sell any security, and may be revised or withdrawn at any time by the issuing rating agency at its sole discretion. The Company does not undertake any obligation to maintain the ratings or to advise of any change in ratings. Each agency's rating should be evaluated independently of any other agency's rating. An explanation of the significance of the ratings may be obtained from each of the rating agencies.

AMERICOLD REALTY TRUST ANNOUNCES THIRD QUARTER 2019 RESULTS

Atlanta, GA, November 7, 2019 - Americold Realty Trust (NYSE: COLD) (the “Company”), the world’s largest publicly traded REIT focused on the ownership, operation and development of temperature-controlled warehouses, today announced financial and operating results for the third quarter ended September 30, 2019.

Fred Boehler, President and Chief Executive Officer of Americold Realty Trust, stated, “The third quarter was strong, with total company revenue growth of 16.0%, total company NOI growth of 18.9%, and Core EBITDA growth of 21.6%. This growth was driven by contribution from our second quarter acquisitions, continued operating efficiency gains, and solid performance from our core same store portfolio. At the same time, we continue to benefit from our integration efforts to realize synergies as we implement our Americold Operating System and commercial business practices. Additionally, we continued to make steady progress on our five active expansion and development projects.”

“As we look ahead to the end of the year and into 2020, underlying supply and demand dynamics within our industry remain steady. We continue to see a wealth of potential opportunities. Our strong balance sheet supports our ability to execute a multi-pronged growth strategy, and we have demonstrated our ability to integrate new properties and portfolios efficiently and effectively. We remain committed to providing world class service to our existing and new customers, and driving stable cash flow growth and creating long term value for our shareholders.”

Third Quarter 2019 Highlights

- Total revenue of \$466.2 million, a 16.0% increase over the same quarter last year.
- Total NOI of \$120.7 million, an 18.9% increase over the same quarter last year.
- Core EBITDA of \$93.4 million, a 21.6% increase over the same quarter last year, or a 23.4% increase on a constant currency basis.
- Net income of \$27.1 million, or \$0.14 per diluted common share, compared to net income of \$24.5 million in the same quarter last year.
- Core FFO of \$59.1 million, or \$0.30 per diluted common share, compared to \$43.9 million in the same quarter last year.
- AFFO of \$52.4 million, or \$0.27 per diluted common share, compared to \$41.4 million in the same quarter last year.
- Global Warehouse segment revenue of \$365.6 million, a 23.0% increase over the same quarter last year.
- Global Warehouse segment NOI of \$113.4 million, a 21.1% increase over the same quarter last year.
- Global Warehouse segment same store revenue grew 2.0%, or 3.3% on a constant currency basis, with same store segment NOI improving 1.0%, or 2.3% on a constant currency basis.
- Sold minority interest in its China joint venture for approximately \$15.0 million in cash proceeds.
- Received Baa3/stable rating from Moody's, which reduced the Company's \$800 million Unsecured Revolver spread by 55 basis points to L+90, and its \$475 million Unsecured Term Loan A spread by 45 basis points to L+100

Year to Date 2019 Highlights

- Total revenue increased 9.3% to \$1,297.7 million.
- Total NOI increased 14.7% to \$340.5 million.
- Core EBITDA increased 16.2% to \$258.0 million for the year to date 2019, or a 17.8% increase on a constant currency basis.
- Net income of \$27.4 million, or \$0.15 per diluted common share, compared to net income of \$45.3 million for the same period of the prior year.
- Core FFO of \$155.1 million, or \$0.87 per diluted common share for the year to date 2019.
- AFFO of \$154.8 million, or \$0.87 per diluted common share for the year to date 2019.
- Global Warehouse segment revenue of \$993.4 million, a 14.0% increase over the prior period.
- Global Warehouse segment NOI increased 16.1% to \$318.0 million for the year to date 2019.
- Global Warehouse segment same store revenue grew 1.3%, or 3.2% on a constant currency basis, with same store segment NOI improving 2.1%, or 3.4% on a constant currency basis, for the year to date 2019.

Third Quarter 2019 Total Company Financial Results

Total revenue for the third quarter of 2019 was \$466.2 million, a 16.0% increase from the same quarter of the prior year. This growth was driven by the incremental revenue from the 2019 acquisitions, improvements in contractual rate escalations, growth in fixed commitment storage contracts, and one additional business day compared to the same quarter last year. Additionally, the launch of the Chicago expansion and the stabilization of the Middleboro, MA facility also contributed to this growth. These factors were partially offset by the translation impact of the strengthening US dollar.

For the third quarter of 2019, the Company reported net income of \$27.1 million, or \$0.14 per diluted share, compared to \$24.5 million for the same quarter of the prior year. Net income for the current quarter included \$4.3 million of gain from the sale of partially owned entities, and recognition of a \$7.8 million deferred tax benefit. Net income for the prior quarter included a \$3.7 million benefit related to refundable Alternative Minimum Tax credits that are no longer subject to limitation under the Tax Cut and Jobs Act.

Total NOI for the third quarter of 2019 was \$120.7 million, an increase of 18.9% from the same quarter of the prior year.

Core EBITDA was \$93.4 million for the third quarter of 2019, compared to \$76.8 million for the same quarter of the prior year. This reflects a 21.6% increase over prior year, or 23.4% on a constant currency basis, largely impacted by increased Core EBITDA from acquisitions. Additionally, Core EBITDA margin increased by 92 basis points to 20.0%. This growth and margin improvement was partially offset by higher health insurance costs related to an increase in high dollar claims, the translation impact of the strengthening US dollar, and startup costs related to its Chicago development project.

For the third quarter of 2019, Core FFO was \$59.1 million, or \$0.30 per diluted share, compared to \$43.9 million for same quarter of the prior year. The year-over-year increase is driven primarily by increased FFO as a result of acquisitions.

For the third quarter of 2019, AFFO was \$52.4 million, or \$0.27 per diluted share, compared to \$41.4 million for same quarter of the prior year. AFFO excludes certain expenses and income items that do not represent core expenses and income streams.

Please see the Company's supplemental financial information for the definitions and reconciliations of non-GAAP financial measures to the most comparable GAAP financial measures.

Third Quarter 2019 Global Warehouse Segment Results

For the third quarter of 2019, Global Warehouse segment revenues were \$365.6 million, an increase of \$68.4 million, or 23.0%, compared to \$297.2 million for the third quarter of 2018. This growth was driven by the incremental revenue from the 2019 acquisitions as well as the same revenue growth factors mentioned above.

Warehouse segment NOI was \$113.4 million for the third quarter of 2019, which reflects growth of 21.1%. The year-over-year growth was driven by incremental NOI from its 2019 acquisitions, the previously mentioned revenue trends, and disciplined power and facility related cost controls through the Americold Operating System. Global Warehouse segment margin was 31.0% for the third quarter of 2019, a 48 basis point decline compared to the same quarter of the prior year. The decrease in margin was primarily due to higher health insurance costs related to an increase in high dollar claims, the translation impact of the strengthening US dollar, and startup costs related to its Chicago development project.

The following tables summarize the global warehouse and same store financial results and metrics for the three and nine months ended September 30, 2019 and 2018:

	Three Months Ended September 30,			Change	
	2019 actual	2019 constant currency ⁽¹⁾	2018 actual	Actual	Constant currency
<i>Dollars in thousands</i>					
TOTAL WAREHOUSE SEGMENT					
<i>Number of total warehouses</i>	165		144	n/a	n/a
Global Warehouse revenues:					
Rent and storage	\$ 155,998	\$ 157,426	\$ 130,044	20.0 %	21.1%
Warehouse services	209,595	212,101	167,181	25.4 %	26.9%
Total revenues	\$ 365,593	\$ 369,527	\$ 297,225	23.0 %	24.3%
Global Warehouse contribution (NOI)	\$ 113,408	\$ 114,618	\$ 93,638	21.1 %	22.4%
Global Warehouse margin	31.0%	31.0%	31.5%	-48 bps	-49 bps
<i>Units in thousands except per pallet data</i>					
Global Warehouse rent and storage metrics:					
Average physical occupied pallets	2,857	2,857	2,439	17.1 %	n/a
Average economic occupied pallets	2,997	2,997	2,550	17.5 %	n/a
Average physical pallet positions	3,792	3,792	3,166	19.8 %	n/a
Physical occupancy percentage	75.3%	75.3%	77.0%	-169 bps	n/a
Economic occupancy percentage	79.0%	79.0%	80.6%	-152 bps	n/a
Total rent and storage revenues per physical occupied pallet	\$ 54.60	\$ 55.10	\$ 53.32	2.4 %	3.3%
Total rent and storage revenues per economic occupied pallet	\$ 52.06	\$ 52.53	\$ 50.99	2.1 %	3.0%
Global Warehouse same store services metrics:					
Throughput pallets	7,975	7,975	6,726	18.6 %	n/a
Total warehouse services revenues per throughput pallet	\$ 26.28	\$ 26.60	\$ 24.85	5.8 %	7.0%
SAME STORE WAREHOUSE					
<i>Number of same store warehouses</i>	138		138	n/a	n/a
Global Warehouse same store revenues:					
Rent and storage	\$ 128,956	\$ 130,388	\$ 127,120	1.4 %	2.6%
Warehouse services	169,070	171,561	165,065	2.4 %	3.9%
Total same store revenues	\$ 298,026	\$ 301,949	\$ 292,185	2.0 %	3.3%
Global Warehouse same store contribution (NOI)	\$ 92,681	\$ 93,883	\$ 91,754	1.0 %	2.3%
Global Warehouse same store margin	31.1%	31.1%	31.4%	-30 bps	-31 bps
<i>Units in thousands except per pallet data</i>					
Global Warehouse same store rent and storage metrics:					
Average physical occupied pallets	2,318	2,318	2,385	(2.8)%	n/a
Average economic occupied pallets	2,446	2,446	2,486	(1.6)%	n/a
Average physical pallet positions	3,090	3,090	3,098	(0.3)%	n/a
Physical occupancy percentage	75.0%	75.0%	77.0%	-196 bps	n/a
Economic occupancy percentage	79.2%	79.2%	80.2%	-108 bps	n/a
Same store rent and storage revenues per physical occupied pallet	\$ 55.62	\$ 56.24	\$ 53.30	4.4 %	5.5%
Same store rent and storage revenues per economic occupied pallet	\$ 52.71	\$ 53.30	\$ 51.13	3.1 %	4.2%
Global Warehouse same store services metrics:					
Throughput pallets	6,635	6,635	6,645	(0.1)%	n/a
Same store warehouse services revenues per throughput pallet	\$ 25.48	\$ 25.86	\$ 24.84	2.6 %	4.1%

	Nine Months Ended September 30,			Change	
	2019 actual	2019 constant currency ⁽¹⁾	2018 actual	Actual	Constant currency
<i>Dollars in thousands</i>					
TOTAL WAREHOUSE SEGMENT					
<i>Number of total warehouses</i>	165		144	n/a	n/a
Global Warehouse revenues:					
Rent and storage	\$ 424,403	\$ 430,294	\$ 381,104	11.4 %	12.9%
Warehouse services	569,036	578,955	490,350	16.0 %	18.1%
Total revenues	\$ 993,439	\$ 1,009,249	\$ 871,454	14.0 %	15.8%
Global Warehouse contribution (NOI)	\$ 318,044	\$ 321,786	\$ 274,043	16.1 %	17.4%
Global Warehouse margin	32.0%	31.9%	31.4%	57 bps	44 bps
<i>Units in thousands except per pallet data</i>					
Global Warehouse rent and storage metrics:					
Average physical occupied pallets	2,622	2,622	2,423	8.2 %	n/a
Average economic occupied pallets	2,758	2,758	2,531	9.0 %	n/a
Average physical pallet positions	3,528	3,528	3,196	10.4 %	n/a
Physical occupancy percentage	74.3%	74.3%	75.8%	-146 bps	n/a
Economic occupancy percentage	78.2%	78.2%	79.2%	-99 bps	n/a
Total rent and storage revenues per physical occupied pallet	\$ 161.84	\$ 164.09	\$ 157.29	2.9 %	4.3%
Total rent and storage revenues per economic occupied pallet	\$ 153.88	\$ 156.02	\$ 150.59	2.2 %	3.6%
Global Warehouse same store services metrics:					
Throughput pallets	21,862	21,862	19,982	9.4 %	n/a
Total warehouse services revenues per throughput pallet	\$ 26.03	\$ 26.48	\$ 24.54	6.1 %	7.9%
SAME STORE WAREHOUSE					
<i>Number of same store warehouses</i>	137		137	n/a	n/a
Global Warehouse same store revenues:					
Rent and storage	\$ 373,396	\$ 379,287	\$ 371,013	0.6 %	2.2%
Warehouse services	492,734	502,629	483,862	1.8 %	3.9%
Total same store revenues	\$ 866,130	\$ 881,916	\$ 854,875	1.3 %	3.2%
Global Warehouse same store contribution (NOI)	\$ 274,743	\$ 278,464	\$ 269,200	2.1 %	3.4%
Global Warehouse same store margin	31.7%	31.6%	31.5%	23 bps	8 bps
<i>Units in thousands except per pallet data</i>					
Global Warehouse same store rent and storage:					
Average physical occupied pallets	2,253	2,253	2,337	(3.6)%	n/a
Average economic occupied pallets	2,383	2,383	2,440	(2.4)%	n/a
Average physical pallet positions	3,055	3,055	3,072	(0.6)%	n/a
Physical occupancy percentage	73.8%	73.8%	76.1%	-233 bps	n/a
Economic occupancy percentage	78.0%	78.0%	79.4%	-145 bps	n/a
Same store rent and storage revenues per physical occupied pallet	\$ 165.72	\$ 168.33	\$ 158.74	4.4 %	6.0%
Same store rent and storage revenues per economic occupied pallet	\$ 156.72	\$ 159.19	\$ 152.03	3.1 %	4.7%
Global Warehouse same store services:					
Throughput pallets	19,459	19,459	19,715	(1.3)%	n/a
Same store warehouse services revenues per throughput pallet	\$ 25.32	\$ 25.83	\$ 24.54	3.2 %	5.3%

⁽¹⁾ The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis are the effect of changes in foreign currency exchange rates relative to the comparable prior period.

(n/a = not applicable)

Fixed Commitment Rent and Storage Revenue

For the third quarter of 2019, \$244 million of the Company's rent and storage revenues were derived from customers with fixed commitment storage contracts. This compares to \$232 million for the second quarter of 2019 and \$215 million for the third quarter of 2018. The Company's recent acquisitions had a lower percentage of fixed committed contracts as a percentage of rent and storage revenue. On a combined pro forma basis, 40.0% of rent and storage revenues were generated from fixed commitment storage contracts.

Economic and Physical Occupancy

Contracts that contain fixed commitments are designed to ensure the Company's customers have space available when needed. At times, these customers may be paying for space that is not physically occupied. For the third quarter of 2019, economic occupancy for the total warehouse segment was 79.0% and warehouse segment same store pool was 79.2%, representing a 369 basis point and 414 basis point increase above physical occupancy, respectively. For the third quarter of 2019, physical occupancy for the total warehouse segment was 75.3% and warehouse segment same store pool was 75.0%.

Real Estate Portfolio

As of September 30, 2019, the Company's portfolio consists of 176 facilities, two less than what was reported as of the second quarter 2019. The Company ended the third quarter of 2019 with 165 facilities in its Global Warehouse segment portfolio and 11 facilities in its Third Party Managed segment portfolio. During the third quarter, the Company exited a leased facility in Heyburn, Idaho that was classified as non-same store. Additionally, the Company exited the operations of one of its Third Party Managed facilities in Crete, Nebraska. The same store population consists of 138 facilities as of September 30, 2019, which is unchanged from the second quarter of 2019. The remaining twenty-seven non-same store Warehouse facilities include the 24 facilities that were acquired in 2019, and three legacy facilities that are in various stages of operational stabilization.

Balance Sheet Activity and Liquidity

At September 30, 2019, the Company had total liquidity of approximately \$1.5 billion, including cash and capacity on its revolving credit facility and \$137 million and \$235 million of net proceeds from its September 2018 and April 2019 equity forwards, respectively. Total debt outstanding was \$1.9 billion (inclusive of \$174 million of capital leases/sale lease-backs and exclusive of unamortized deferred financing fees), of which 76% was in an unsecured structure. The Company has no material debt maturities until 2022, assuming the one-year extension option is exercised on its revolver. At quarter end, its net debt to pro forma Core EBITDA was approximately 4.1x. Of the Company's total debt outstanding, \$1.7 billion relates to real estate debt, which excludes sale-leaseback and capitalized lease obligations. The Company's real estate debt has a remaining weighted average term of 6.5 years and carries a weighted average contractual interest rate of 4.29%. As of September 30, 2019, 92% of the Company's total debt outstanding was at a fixed rate, inclusive of the \$225 million interest rate swap that was entered into during the third quarter of 2019.

Dividend

On August 22, 2019, the Company's Board of Trustees declared a dividend of \$0.20 per share for the third quarter of 2019, which was paid on October 15, 2019 to common shareholders of record as of September 30, 2019.

2019 Outlook

The Company updated guidance for full year 2019 as follows:

- Global warehouse segment same store revenue growth to range between 2 and 4 percent on a constant currency basis and same store NOI growth to be 100 to 200 basis points higher than the associated revenue. Given the higher than expected healthcare costs experienced year to date, the Company now expects same store NOI growth for this year to be in the bottom half of its stated range of 100 to 200 basis points higher than the associated revenue growth.
- Selling, general, and administrative expense, as a percentage of total revenue, is expected to range between 7.0 and 7.2 percent.
- Total recurring maintenance capital expenditures is now expected in the range of \$50 to \$60 million.
- Total expansion and development capital expenditures is expected to aggregate in a range of \$205 to \$215 million, which includes spending related to the Company's announced development projects.
- Anticipated AFFO payout ratio of 65 to 68 percent.
- Full year weighted average diluted share count of 180 to 184 million shares.

The Company's guidance is provided for informational purposes based on current plans and assumptions as is subject to change. The ranges for these metrics do not include the impact of acquisitions, dispositions, or capital markets activity beyond that which has been previously announced.

Investor Webcast and Conference Call

The Company will hold a webcast and conference call on Thursday, November 7, 2019 at 5:00 p.m. Eastern Time to discuss third quarter 2019 results. A live webcast of the call will be available via the Investors section of Americold Realty Trust's website at www.americold.com. To listen to the live webcast, please go to the site at least five minutes prior to the scheduled start time in order to register, download and install any necessary audio software. Shortly after the call, a replay of the webcast will be available for 90 days on the Company's website.

The conference call can also be accessed by dialing 1-877-407-3982 or 1-201-493-6780. The telephone replay can be accessed by dialing 1-844-512-2921 or 1-412-317-6671 and providing the conference ID# 13695203. The telephone replay will be available starting shortly after the call until November 21, 2019.

The Company's supplemental package will be available prior to the conference call in the Investors section of the Company's website at <http://ir.americold.com>.

About the Company

Americold is the world's largest publicly traded REIT focused on the ownership, operation and development of temperature-controlled warehouses. Based in Atlanta, Georgia, Americold owns and operates 176 temperature-controlled warehouses, with over 1 billion refrigerated cubic feet of storage, in the United States, Australia, New Zealand, Canada, and Argentina. Americold's facilities are an integral component of the supply chain connecting food producers, processors, distributors and retailers to consumers.

Non-GAAP Financial Measures

This press release contains non-GAAP financial measures, including FFO, core FFO, AFFO, EBITDA, Core EBITDA and same store segment revenue and contribution. A reconciliation from U.S. GAAP net income (loss) available to common shareholders to FFO, a reconciliation from FFO to core FFO and AFFO, and definitions of FFO, and core FFO are included within the supplemental. A reconciliation from U.S. GAAP net income (loss) available to common shareholders to EBITDA and Core EBITDA, a definition of Core EBITDA and definitions of net debt to Core EBITDA are included within the supplemental.

Forward-Looking Statements

This document contains statements about future events and expectations that constitute forward-looking statements. Forward-looking statements are based on our beliefs, assumptions and expectations of our future financial and operating performance and growth plans, taking into account the information currently available to us. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties that may cause our actual results to differ materially from the expectations of future results we express or imply in any forward-looking statements, and you should not place undue reliance on such statements. Factors that could contribute to these differences include adverse economic or real estate developments in our geographic markets or the temperature-controlled warehouse industry; general economic conditions; risks associated with the ownership of real estate and temperature-controlled warehouses in particular; defaults or non-renewals of contracts with customers; potential bankruptcy or insolvency of our customers; uncertainty of revenues, given the nature of our customer contracts; increased interest rates and operating costs; our failure to obtain necessary outside financing; risks related to, or restrictions contained in, our debt financing; decreased storage rates or increased vacancy rates; risks related to current and potential international operations and properties; our failure to realize the intended benefits from our recent acquisitions including synergies, or disruptions to our plans and operations or unknown or contingent liabilities related to our recent acquisitions; our failure to successfully integrate and operate acquired properties or businesses, including but not limited to: Cloverleaf Cold Storage, Lanier Cold Storage and PortFresh Holdings, LLC; difficulties in identifying properties to be acquired and completing acquisitions; acquisition risks, including the failure of such acquisitions to perform in accordance with projections; risks related to expansions of existing properties and developments of new properties, including failure to meet budgeted or stabilized returns in respect thereof; difficulties in expanding our operations into new markets, including international markets; our failure to maintain our status as a REIT; our operating partnership's failure to qualify as a partnership for federal income tax purposes; uncertainties and risks related to natural disasters and global climate change; possible environmental liabilities, including costs, fines or penalties that may be incurred due to necessary remediation of contamination of properties presently or previously owned by us; financial market fluctuations; actions by our competitors and their increasing ability to compete with us; labor and power costs; changes in real estate and zoning laws and increases in real property tax rates; the competitive environment in which we operate; our relationship with our employees, including the occurrence of any work stoppages or any disputes under our collective bargaining agreements; liabilities as a result

of our participation in multi-employer pension plans; losses in excess of our insurance coverage; the cost and time requirements as a result of our operation as a publicly traded REIT; changes in foreign currency exchange rates; the potential dilutive effect of our common share offerings; the impact of anti-takeover provisions in our constituent documents and under Maryland law, which could make an acquisition of us more difficult, limit attempts by our shareholders to replace our trustees and affect the price of our common shares of beneficial interest, \$0.01 par value per share, or our common shares; and risks related to our forward sale agreement entered into with Bank of America, N.A. in September 2018, as amended, or the 2018 forward sale agreement, and our forward sale agreement entered into with Bank of America, N.A. in April 2019, or the 2019 forward sale agreement, including substantial dilution to our earnings per share or substantial cash payment obligations.

Words such as “anticipates,” “believes,” “continues,” “estimates,” “expects,” “goal,” “objectives,” “intends,” “may,” “opportunity,” “plans,” “potential,” “near-term,” “long-term,” “projections,” “assumptions,” “projects,” “guidance,” “forecasts,” “outlook,” “target,” “trends,” “should,” “could,” “would,” “will” and similar expressions are intended to identify such forward-looking statements. Examples of forward-looking statements included in this document include, among others, statements about our expected expansion and development pipeline and our targeted return on invested capital on expansion and development opportunities. We qualify any forward-looking statements entirely by these cautionary factors. Other risks, uncertainties and factors, including those discussed under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 and our other reports filed with the Securities and Exchange Commission, could cause our actual results to differ materially from those projected in any forward-looking statements we make. We assume no obligation to update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Contacts:

Americold Realty Trust
Investor Relations
Telephone: 678-459-1959
Email: investor.relations@americold.com

Selected Quarterly Financial Data*In thousands, except per share amounts - unaudited*

	As of				
	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
Capitalization:					
Fully diluted common shares outstanding at quarter end ⁽¹⁾	194,586	194,640	152,458	152,006	151,557
Common stock share price at quarter end	\$37.07	\$32.42	\$30.51	\$25.54	\$25.02
Market value of common equity	\$7,213,303	\$6,310,229	\$4,651,494	\$3,882,233	\$3,791,956
Gross debt ⁽²⁾	\$1,883,986	\$1,897,734	\$1,522,396	\$1,524,664	\$1,551,440
Less: cash and cash equivalents	310,116	320,805	172,838	208,078	226,807
Net debt	\$1,573,870	\$1,576,929	\$1,349,558	\$1,316,586	\$1,324,633
Total enterprise value	\$8,787,173	\$7,887,158	\$6,001,052	\$5,198,819	\$5,116,589
Net debt / total enterprise value	17.9%	20.0%	22.5%	25.3%	25.9%
Net debt to pro forma Core EBITDA ⁽²⁾	4.12x	4.14x	4.41x	4.29x	4.40x

	Three Months Ended				
	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
Selected Operational Data:					
Warehouse segment revenues	\$365,593	\$338,231	\$289,615	\$305,458	\$297,225
Total revenues	466,182	438,460	393,079	415,817	402,010
Operating income ⁽³⁾	39,385	29,085	16,417	51,171	43,553
Net income (loss)	27,091	4,891	(4,629)	2,678	24,540
Total warehouse segment contribution (NOI) ⁽⁴⁾	113,408	113,817	90,819	100,491	93,638
Total segment contribution (NOI) ⁽⁴⁾	120,706	121,119	98,678	108,678	101,484

Selected Other Data:

Core EBITDA ⁽⁵⁾	93,369	93,617	71,057	84,675	76,814
Core funds from operations ⁽¹⁾	59,083	56,077	39,941	53,192	43,917
Adjusted funds from operations ⁽¹⁾	52,445	58,054	44,316	49,334	41,417

Earnings Measurements:

Net income (loss) per share - basic	\$0.14	\$0.03	\$(0.03)	\$0.02	\$0.17
Net income (loss) per share - diluted	\$0.14	\$0.03	\$(0.03)	\$0.02	\$0.17
Core FFO per diluted share ⁽¹⁾	\$0.30	\$0.30	\$0.26	\$0.35	\$0.30
AFFO per diluted share ⁽¹⁾	\$0.27	\$0.31	\$0.29	\$0.33	\$0.28
Dividend distributions declared per common share ⁽⁶⁾	\$0.20	\$0.20	\$0.20	\$0.19	\$0.19
Diluted AFFO payout ratio ⁽⁷⁾	74.1%	64.5%	69.0%	57.6%	67.9%

Portfolio Statistics:

Total global warehouses	176	178	155	155	156
Ending physical occupancy	75.3%	73.0%	74.6%	80.6%	77.0%
Ending economic occupancy	79.0%	76.8%	78.8%	83.7%	80.6%
Total global same-store warehouses	138	138	137	136	137

(1) See "Reconciliation of Net Income (Loss) to NAREIT FFO, Core FFO and AFFO"

	As of	
(2) Net Debt to Core EBITDA Computation	09/30/2019	12/31/2018
Total debt	\$ 1,870,236	\$ 1,510,721
Deferred financing costs	13,750	13,943
Gross debt	1,883,986	1,524,664
Adjustments:		
Less: cash and cash equivalents	310,116	208,078
Net debt	<u>\$ 1,573,870</u>	<u>\$ 1,316,586</u>
Core EBITDA - last twelve months	\$ 342,718	\$ 306,777
Core EBITDA from acquisitions (a)	39,374	—
Pro forma Core EBITDA - last twelve months	\$ 382,092	\$ 306,777
Pro Forma Net Debt to Core EBITDA	4.12x	4.29x

(a) Includes 7 months of Core EBITDA from acquisitions prior to Americold's ownership.

(3) Certain prior period amounts have been reclassified to conform to the current period presentation.**(4) Reconciliation of segment contribution (NOI)**

	Three Months Ended				
	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
Warehouse segment contribution (NOI)	\$ 113,408	\$ 113,817	\$ 90,819	\$ 100,491	\$ 93,638
Third-party managed segment contribution (NOI)	2,583	2,804	3,259	3,571	3,553
Transportation segment contribution (NOI)	4,640	4,206	4,356	4,407	4,148
Quarry segment contribution (NOI)	75	292	244	209	145
Total segment contribution (NOI)	<u>\$ 120,706</u>	<u>\$ 121,119</u>	<u>\$ 98,678</u>	<u>\$ 108,678</u>	<u>\$ 101,484</u>
Depreciation, depletion and amortization	(45,065)	(40,437)	(30,096)	(29,792)	(29,402)
Selling, general and administrative (3)	(32,476)	(32,669)	(31,117)	(27,646)	(27,323)
Acquisition, litigation and other	(3,780)	(17,964)	(8,493)	832	(1,194)
Loss from sale of real estate	—	(34)	—	(901)	(12)
Impairment of long-lived assets	—	(930)	(12,555)	—	—
U.S. GAAP operating income	<u>\$ 39,385</u>	<u>\$ 29,085</u>	<u>\$ 16,417</u>	<u>\$ 51,171</u>	<u>\$ 43,553</u>

(5) See "Reconciliation of Net Income (Loss) to EBITDA, EBITDAre, and Core EBITDA"**(6) Distributions per common share**

	Three Months Ended				
	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18
Distributions declared on common shares during the quarter	\$ 38,795	\$ 38,764	\$ 30,235	\$ 28,218	\$ 28,072
Common shares outstanding at quarter end	191,751	191,634	149,133	148,235	147,862
Distributions declared per common share of beneficial interest	<u>\$ 0.2000</u>	<u>\$ 0.2000</u>	<u>\$ 0.2000</u>	<u>\$ 0.1875</u>	<u>\$ 0.1875</u>

(7) Calculated as distributions declared on common shares divided by AFFO per fully diluted share

Financial Information

Americold Realty Trust and Subsidiaries
 Condensed Consolidated Balance Sheets (Unaudited)
(In thousands, except shares and per share amounts)

	September 30, 2019	December 31, 2018
Assets		
Property, plant, and equipment:		
Land	\$ 516,354	\$ 385,232
Buildings and improvements	2,612,087	1,849,749
Machinery and equipment	792,661	577,175
Assets under construction	105,917	85,983
	4,027,019	2,898,139
Accumulated depreciation and depletion	(1,192,126)	(1,097,624)
Property, plant, and equipment – net	2,834,893	1,800,515
Operating lease right-of-use assets	73,362	—
Accumulated depreciation – operating leases	(14,575)	—
Operating leases – net	58,787	—
Financing leases:		
Buildings and improvements	11,227	11,227
Machinery and equipment	72,217	49,276
	83,444	60,503
Accumulated depreciation – financing leases	(26,347)	(21,317)
Financing leases – net	57,097	39,186
Cash and cash equivalents	310,116	208,078
Restricted cash	6,872	6,019
Accounts receivable – net of allowance of \$6,042 and \$5,706 at September 30, 2019 and December 31, 2018, respectively	210,912	194,279
Identifiable intangible assets – net	288,232	25,056
Goodwill	310,640	186,095
Investments in partially owned entities	—	14,541
Other assets	64,642	58,659
Total assets	<u>\$ 4,142,191</u>	<u>\$ 2,532,428</u>
Liabilities and shareholders' equity		
Liabilities:		
Accounts payable and accrued expenses	314,173	253,080
Mortgage notes, senior unsecured notes and term loan – net of unamortized deferred financing costs of \$13,750 and \$13,943, in the aggregate, at September 30, 2019 and December 31, 2018, respectively	1,696,350	1,351,014
Sale-leaseback financing obligations	116,628	118,920
Financing lease obligations	57,258	40,787
Operating lease obligations	61,849	—
Unearned revenue	17,925	18,625
Pension and postretirement benefits	16,257	16,317
Deferred tax liability – net	14,385	17,992
Multi-employer pension plan withdrawal liability	8,787	8,938
Total liabilities	2,303,612	1,825,673
Shareholders' equity:		
Common shares of beneficial interest, \$0.01 par value – authorized 250,000,000 shares; 191,750,746 and 148,234,959 shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively	1,918	1,482
Paid-in capital	2,579,318	1,356,133
Accumulated deficit and distributions in excess of net earnings	(718,874)	(638,345)
Accumulated other comprehensive loss	(23,783)	(12,515)
Total shareholders' equity	<u>1,838,579</u>	<u>706,755</u>
Total liabilities and shareholders' equity	<u>\$ 4,142,191</u>	<u>\$ 2,532,428</u>

Americold Realty Trust and Subsidiaries
 Condensed Consolidated Statements of Operations (Unaudited)
(In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues:				
Rent, storage, and warehouse services	\$ 365,593	\$ 297,225	\$ 993,439	\$ 871,454
Third-party managed services	62,846	62,551	188,497	192,182
Transportation services	35,685	40,193	109,273	117,427
Other	2,058	2,041	6,512	6,755
Total revenues	466,182	402,010	1,297,721	1,187,818
Operating expenses:				
Rent, storage, and warehouse services cost of operations	252,185	203,587	675,395	597,411
Third-party managed services cost of operations	60,263	58,998	179,851	180,993
Transportation services cost of operations	31,045	36,045	96,071	106,099
Cost of operations related to other revenues	1,983	1,896	5,901	6,344
Depreciation, depletion and amortization	45,065	29,402	115,598	87,861
Selling, general and administrative	32,476	27,323	96,262	83,179
Acquisition, litigation and other	3,780	1,194	30,237	4,768
Loss (gain) from sale of real estate	—	12	34	(8,372)
Impairment of long-lived assets	—	—	13,485	747
Total operating expenses	426,797	358,457	1,212,834	1,059,030
Operating income	39,385	43,553	84,887	128,788
Other income (expense):				
Loss from investments in partially owned entities	(165)	(437)	(111)	(324)
Gain on sale of partially owned entities	4,297	—	4,297	—
Interest expense	(24,907)	(22,834)	(70,581)	(70,258)
Bridge loan commitment fees	—	—	(2,665)	—
Interest income	1,798	877	5,206	2,610
Loss on debt extinguishment and modifications	—	—	—	(21,385)
Foreign currency exchange (loss) gain, net	(43)	734	(66)	2,926
Other (expense) income, net	(249)	96	(1,007)	184
Income before income tax (expense) benefit	20,116	21,989	19,960	42,541
Income tax (expense) benefit:				
Current	(834)	3,063	(4,828)	672
Deferred	7,809	(512)	12,221	2,093
Total income tax benefit	6,975	2,551	7,393	2,765
Net income	<u>\$ 27,091</u>	<u>\$ 24,540</u>	<u>\$ 27,353</u>	<u>\$ 45,306</u>
Less distributions on preferred shares of beneficial interest - Series A	—	—	—	(1)
Less distributions on preferred shares of beneficial interest - Series B	—	—	—	(1,817)
Net income attributable to common shares of beneficial interest	<u>\$ 27,091</u>	<u>\$ 24,540</u>	<u>\$ 27,353</u>	<u>\$ 43,488</u>
Weighted average common shares outstanding – basic	<u>192,325</u>	<u>144,948</u>	<u>175,010</u>	<u>138,438</u>
Weighted average common shares outstanding – diluted	<u>197,363</u>	<u>147,626</u>	<u>178,970</u>	<u>141,191</u>
Net income per common share of beneficial interest - basic	<u>\$ 0.14</u>	<u>\$ 0.17</u>	<u>\$ 0.15</u>	<u>\$ 0.31</u>
Net income per common share of beneficial interest - diluted	<u>\$ 0.14</u>	<u>\$ 0.17</u>	<u>\$ 0.15</u>	<u>\$ 0.31</u>

Reconciliation of Net Income (Loss) to NAREIT FFO, Core FFO, and AFFO

(In thousands, except per share amounts - unaudited)

	Three Months Ended					
	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	YTD 19
Net income (loss)	\$ 27,091	\$ 4,891	\$ (4,629)	\$ 2,678	\$ 24,540	\$ 27,353
Adjustments:						
Real estate related depreciation and depletion	31,238	28,518	22,665	22,405	21,903	82,421
Net loss on sale of depreciable real estate	—	34	—	—	—	34
Net loss (gain) on asset disposals	7	—	138	913	(65)	145
Impairment charges on certain real estate assets	—	—	12,555	—	—	12,555
Real estate depreciation on China JV	232	269	289	398	292	790
NAREIT Funds from operations	\$ 58,568	\$ 33,712	\$ 31,018	\$ 26,394	\$ 46,670	\$ 123,298
Adjustments:						
Net loss (gain) on sale of non-real estate assets	212	167	(118)	110	(314)	261
Non-real estate impairment	—	930	—	—	—	930
Non-offering related equity issuance expenses ^(a)	(29)	(164)	1,511	(34)	605	1,318
Non-recurring public company implementation costs ^(b)	—	—	—	544	496	—
Acquisition, diligence and integration costs ^(c)	2,671	15,014	1,441	599	21	19,126
Stock-based compensation expense, IPO grants	777	556	607	1,433	845	1,940
Severance, reduction in workforce costs and equity acceleration ^(d)	1,031	2,641	4,293	(73)	73	7,965
Terminated site operations costs ^(e)	(90)	6	338	(1,870)	—	254
Litigation and other related settlement costs ^(f)	197	467	910	—	—	1,574
Loss on debt extinguishment, modifications and termination of derivative instruments	—	—	—	26,174	—	—
Foreign currency exchange loss (gain)	43	83	(60)	43	(734)	66
Excise tax settlement	—	—	—	(128)	—	—
Alternative Minimum Tax receivable from Tax Cuts & Jobs Act	—	—	—	—	(3,745)	—
Bridge loan commitment fees	—	2,665	—	—	—	2,665
Gain on sale of partially owned entities	(4,297)	—	—	—	—	(4,297)
Core FFO applicable to common shareholders	\$ 59,083	\$ 56,077	\$ 39,940	\$ 53,192	\$ 43,917	\$ 155,100
Adjustments:						
Amortization of deferred financing costs and pension withdrawal liability	1,526	1,522	1,456	1,414	1,532	4,504
Amortization of below/above market leases	38	38	38	37	38	114
Straight-line net rent	(150)	(151)	(137)	(86)	(62)	(438)
Deferred income taxes (benefit) expense	(7,809)	(3,352)	(1,060)	(1,059)	512	(12,221)
Stock-based compensation expense, excluding IPO grants	2,593	2,628	2,032	994	1,226	7,253
Non-real estate depreciation and amortization	13,828	11,919	7,431	7,387	7,499	33,178
Non-real estate depreciation and amortization on China JV	108	107	102	107	132	317
Recurring maintenance capital expenditures ^(g)	(16,772)	(10,734)	(5,487)	(12,652)	(13,377)	(32,993)
Adjusted FFO applicable to common shareholders	\$ 52,445	\$ 58,054	\$ 44,315	\$ 49,334	\$ 41,417	\$ 154,814

Reconciliation of Net Income (Loss) to NAREIT FFO, Core FFO, and AFFO (continued)

(In thousands except per share amounts - unaudited)

	Three Months Ended					
	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	YTD 19
NAREIT Funds from operations	\$ 58,568	\$ 33,712	\$ 31,018	\$ 26,394	\$ 46,670	\$ 123,298
Core FFO applicable to common shareholders	59,083	56,077	39,940	53,192	43,917	155,100
Adjusted FFO applicable to common shareholders	\$ 52,445	\$ 58,054	\$ 44,315	\$ 49,334	\$ 41,417	\$ 154,814
Reconciliation of weighted average and fully diluted shares:						
Weighted average basic shares for net income calculation	192,325	182,325	149,404	148,592	144,948	175,010
Dilutive stock options, unvested restricted stock units, equity forward contract	5,038	3,792	3,041	2,932	2,678	3,960
Weighted average dilutive shares	197,363	186,117	152,445	151,524	147,626	178,970
Common shares equivalents ^(h)	(2,777)	8,523	13	482	3,931	15,616
Fully diluted common shares outstanding ⁽ⁱ⁾	194,586	194,640	152,458	152,006	151,557	194,586
NAREIT FFO - basic per share	\$ 0.30	\$ 0.18	\$ 0.21	\$ 0.18	\$ 0.32	\$ 0.70
NAREIT FFO - diluted per share	0.30	0.18	0.20	0.17	0.32	0.69
NAREIT FFO - fully diluted per share	0.30	0.17	0.20	0.17	0.31	0.63
Core FFO - basic per share	0.31	0.31	0.27	0.36	0.30	0.89
Core FFO - diluted per share	0.30	0.30	0.26	0.35	0.30	0.87
Core FFO - fully diluted per share	0.30	0.29	0.26	0.35	0.29	0.80
Adjusted FFO - basic per share	0.27	0.32	0.30	0.33	0.29	0.88
Adjusted FFO - diluted per share	0.27	0.31	0.29	0.33	0.28	0.87
Adjusted FFO - fully diluted per share	\$ 0.27	0.30	\$ 0.29	\$ 0.32	\$ 0.27	\$ 0.80

- (a) Represents one-time costs and professional fees associated with secondary offerings on behalf of selling shareholders during the first quarter of 2019, and non-offering related expenses in connection with our IPO, our follow-on offering in September 2018, and our follow-on offering in April 2019.
- (b) Represents one-time costs associated with the implementation of financial reporting systems and processes needed to convert the organization to a public company.
- (c) Represents costs associated with mergers and acquisition activity including: advisory, legal, accounting, valuation and other professional or consulting fees. Acquisition expense includes key employee retention costs. Integration costs include pre- and post-acquisition costs of work performed to facilitate integration into the Company's "Americold Operating System" (AOS), information systems and processes. The majority of integration costs consist of professional service fees.
- (d) Represents certain contractual and negotiated severance and separation costs from exited former executives, reduction in headcount due to synergies achieved through acquisitions or operational efficiencies, reduction in workforce costs associated with exiting or selling non-strategic warehouses, and accelerated expense for stock awards that vest in advance of the original vesting date due to executive termination and trustee resignation.
- (e) Represents repair expenses incurred to return leased sites to their original physical state at lease inception in connection with the termination of the applicable underlying lease. Repair and maintenance expenses associated with our ordinary course operations are reflected as operating expenses on our statement of operations.
- (f) Represents costs associated with litigation charges outside of the normal course of business including professional service fees and settlement amounts.
- (g) Recurring maintenance capital expenditures include capital expenditures made to extend the life of, and provide future economic benefit from, our existing temperature-controlled warehouse network and its existing supporting personal property and information technology.
- (h) Fully diluted common share equivalents outstanding at each respective quarterly period end.
- (i) Assumes i) the exercise of all outstanding stock options and conversion of all outstanding restricted stock units at the beginning of the quarter, and ii) the follow-on public offering of 4 million common shares in Q3 18 and 42 million in Q2 19 were outstanding for the entire quarter.

Reconciliation of Net Income (Loss) to EBITDA, NAREIT EBITDAre, and Core EBITDA

(In thousands - unaudited)

	Three Months Ended					Trailing Twelve Months Ended
	Q3 19	Q2 19	Q1 19	Q4 18	Q3 18	Q3 19
Net income (loss)	\$ 27,091	\$ 4,891	\$ (4,629)	\$ 2,678	\$ 24,540	\$ 30,031
Adjustments:						
Depreciation, depletion and amortization	45,065	40,437	30,096	29,792	29,402	145,390
Interest expense	24,907	24,098	21,576	23,054	22,834	93,635
Income tax (benefit) expense	(6,975)	(906)	488	(853)	(2,551)	(8,246)
EBITDA	\$ 90,088	\$ 68,520	\$ 47,531	\$ 54,671	\$ 74,225	\$ 260,810
Adjustments:						
Net loss on sale of depreciable real estate	—	34	—	913	—	947
Adjustment to reflect share of EBITDAre of partially owned entities	519	592	615	250	265	1,976
NAREIT EBITDAre	\$ 90,607	\$ 69,146	\$ 48,146	\$ 55,834	\$ 74,490	\$ 263,733
Adjustments:						
Severance, reduction in workforce costs and equity acceleration ^(a)	1,031	2,641	4,294	(73)	73	7,893
Terminated site operations cost ^(b)	(90)	6	338	(1,870)	—	(1,616)
Non-offering related equity issuance expenses ^(c)	(29)	(164)	1,511	(34)	605	1,284
Non-recurring public company implementation costs ^(d)	—	—	—	544	496	544
Acquisition, diligence and integration costs ^(e)	2,671	15,014	1,441	599	21	19,725
Litigation and other related settlement costs ^(f)	197	467	910	—	—	1,574
Loss from investments in partially owned entities	165	68	(122)	745	437	856
Gain on sale of partially owned entities	(4,297)	—	—	—	—	(4,297)
Impairment of long-lived assets	—	930	12,555	—	—	13,485
Loss (gain) on foreign currency exchange	43	83	(60)	43	(734)	109
Stock-based compensation expense	3,372	3,185	2,639	2,429	2,070	11,625
Loss on debt extinguishment, modifications and termination of derivative instruments	—	—	—	26,174	—	26,174
Net loss (gain) on sale of non-real estate assets	218	168	20	534	(379)	940
Reduction in EBITDAre from partially owned entities	(519)	(592)	(615)	(250)	(265)	(1,976)
Bridge loan commitment fees	—	2,665	—	—	—	2,665
Core EBITDA	\$ 93,369	\$ 93,617	\$ 71,057	\$ 84,675	\$ 76,814	\$ 342,718

- (a) Represents certain contractual and negotiated severance and separation costs from exited former executives, reduction in headcount due to synergies achieved through acquisitions or operational efficiencies, reduction in workforce costs associated with exiting or selling non-strategic warehouses, and accelerated expense for stock awards that vest in advance of the original vesting date due to executive termination and trustee resignation.
- (b) Represents repair expenses incurred to return leased sites to their original physical state at lease inception in connection with the termination of the applicable underlying lease. Repair and maintenance expenses associated with our ordinary course operations are reflected as operating expenses on our statement of operations.
- (c) Represents one-time costs and professional fees associated with secondary offering on behalf of selling shareholders during the first quarter of 2019, and non-offering related expenses in connection with our IPO, our follow-on offering in September 2018, and our follow-on offering in April 2019.
- (d) Represents one-time costs associated with the implementation of financial reporting systems and processes needed to convert the organization to a public company.
- (e) Represents costs associated with mergers and acquisition activity including: advisory, legal, accounting, valuation and other professional or consulting fees. Acquisition expense includes key employee retention costs. Integration costs include pre- and post-acquisition costs of work performed to facilitate integration into the Company's AOS, information systems and processes. The majority of integration costs consist of professional service fees.
- (f) Represents costs associated with litigation charges outside of the normal course of business including professional service fees and settlement amounts.

Acquisition, Litigation, & Other

Dollars in thousands

The Company reported a new financial statement line referred to as “Acquisition, litigation and other” within our Statement of Operations during 2019 due to various material charges incurred in the current period, and reclassified certain costs from SG&A in the comparable prior periods to conform with the new presentation. This caption represents certain corporate costs that are highly variable from period to period and will be further detailed in our Quarterly Report on Form 10-Q.

Acquisition, litigation, and other	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Acquisition related costs	\$ 2,671	\$ 21	\$ 19,126	\$ 72
Litigation	197	—	1,574	—
Other:				
Severance, equity award modifications and acceleration	1,031	—	7,965	2,053
Non-offering related equity issuance expenses	(29)	604	1,318	1,846
Non-recurring public company implementation costs	—	496	—	658
Terminated site operations costs	(90)	73	254	139
Total other	912	1,173	9,537	4,696
Total acquisition, litigation, and other	\$ 3,780	\$ 1,194	\$ 30,237	\$ 4,768

Debt Detail and Maturities

(In thousands - unaudited)

As of September 30, 2019

Indebtedness:	Carrying Value	Contractual Interest Rate ⁽³⁾	Effective Interest Rate ⁽⁴⁾	Stated Maturity Date ⁽⁵⁾
Unsecured Debt				
2018 Senior Unsecured Revolving Credit Facility ⁽¹⁾⁽²⁾	\$ —	L+0.90%	0.36%	1/2022
2018 Senior Unsecured Term Loan A Facility ⁽²⁾⁽⁶⁾	475,000	L+1.00%	3.21%	1/2023
Series A 4.68% notes due 2026	200,000	4.68%	4.77%	1/2026
Series B 4.86% notes due 2029	400,000	4.86%	4.92%	1/2029
Series C 4.10% notes due 2030	350,000	4.10%	4.15%	1/2030
Total Unsecured Debt	\$ 1,425,000	4.04%	4.34%	7.1 years
2013 Mortgage Loans (15 cross-collateralized warehouses)				
Senior Note	183,100	3.81%	4.14%	5/2023
Mezzanine A	70,000	7.38%	7.55%	5/2023
Mezzanine B	32,000	11.50%	11.75%	5/2023
Total 2013 Mortgage Loans	\$ 285,100	5.55%	5.83%	3.6 years
Total Real Estate Debt	\$ 1,710,100	4.29%	4.59%	6.5 years
Sale-leaseback obligations	116,628			
Capitalized lease obligations	57,258			
Total Debt Outstanding	\$ 1,883,986			
Less: deferred financing costs	(13,750)			
Total Book Value of Debt	\$ 1,870,236			
Rate Type		% of Total		
Fixed	1,733,986	92%		
Variable	150,000	8%		
Total Debt Outstanding	\$ 1,883,986	100%		
Debt Type		% of Total		
Unsecured	1,425,000	76%		
Secured	458,986	24%		
Total Debt Outstanding	\$ 1,883,986	100%		

(1) Revolver maturity assumes one year extension option. The borrowing capacity as of September 30, 2019 is \$800 million less \$29.0 million of outstanding letters of credit. The effective interest rate shown represents deferred financing fees allocated over the \$800 million committed.

(2) L = one-month LIBOR.

(3) Interest rates as of September 30, 2019. At September 30, 2019, the one-month LIBOR rate on our Senior Unsecured Term Loan was 2.04%.

(4) The effective interest rates presented include the amortization of loan costs.

(5) Subtotals of stated maturity dates represent remaining weighted average life of the debt.

(6) On January 4, 2019, the Company entered into a swap agreement to set the LIBOR portion of interest expense on \$100 million of the Senior Unsecured Term Loan principal at a rate of 2.48%. This results in a fixed interest rate of 3.48% (2.48% + 1.00%) on \$100 million of the Senior Unsecured Term Loan principal. The swap is effective January 31, 2019 through January 31, 2024. On August 15, 2019, the Company entered into a swap agreement to set the LIBOR portion of interest expense on \$225 million of the Senior Unsecured Term Loan principal at a rate of 1.30%. This results in a fixed interest rate of 2.30% (1.30% + 1.00%) on \$225 million of the Senior Unsecured Term Loan principal. The swap is effective August 30, 2019 through August 30, 2024.

Operations Overview

Revenue and Contribution by Segment

(In thousands - unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Segment revenues:				
Warehouse	\$ 365,593	\$ 297,225	\$ 993,439	\$ 871,454
Third-party managed	62,846	62,551	188,497	192,182
Transportation	35,685	40,193	109,273	117,427
Other	2,058	2,041	6,512	6,755
Total revenues	466,182	402,010	1,297,721	1,187,818
Segment contribution:				
Warehouse	113,408	93,638	318,044	274,043
Third-party managed	2,583	3,553	8,646	11,189
Transportation	4,640	4,148	13,202	11,328
Other	75	145	611	411
Total segment contribution	120,706	101,484	340,503	296,971
Reconciling items:				
Depreciation, depletion and amortization	(45,065)	(29,402)	(115,598)	(87,861)
Selling, general and administrative expense	(32,476)	(27,323)	(96,262)	(83,179)
(Loss) gain from sale of real estate	—	(12)	(34)	8,372
Acquisition, litigation and other	(3,780)	(1,194)	(30,237)	(4,768)
Impairment of long-lived assets	—	—	(13,485)	(747)
Loss from investments in partially owned entities	(165)	(437)	(111)	(324)
Gain from sale of partially owned entities	4,297	—	4,297	—
Interest expense	(24,907)	(22,834)	(70,581)	(70,258)
Bridge loan commitment fees	—	—	(2,665)	—
Interest income	1,798	877	5,206	2,610
Loss on debt extinguishment and modification	—	—	—	(21,385)
Foreign currency exchange (loss) gain	(43)	734	(66)	2,926
Other (expense) income, net	(249)	96	(1,007)	184
Income before income tax benefit	<u>\$ 20,116</u>	<u>\$ 21,989</u>	<u>\$ 19,960</u>	<u>\$ 42,541</u>

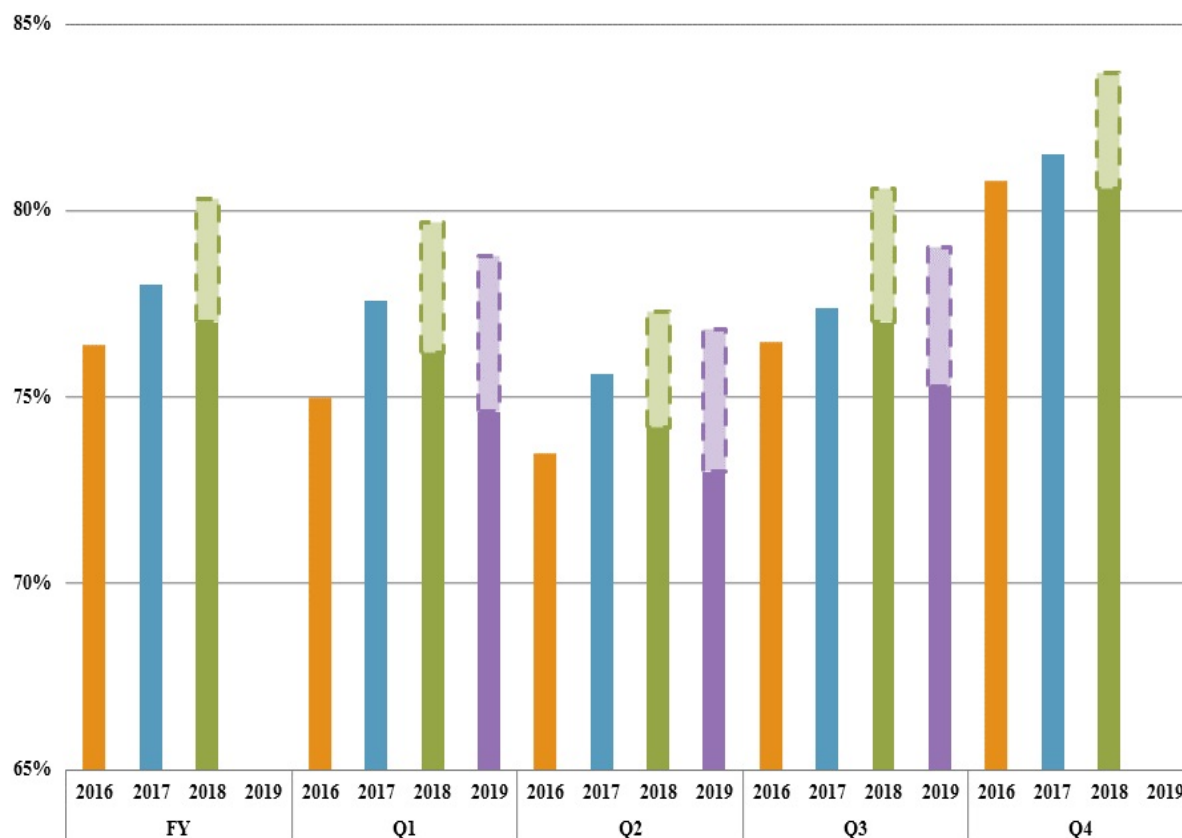
We view and manage our business through three primary business segments—warehouse, third-party managed and transportation. Our core business is our warehouse segment, where we provide temperature-controlled warehouse storage and related handling and other warehouse services. In our warehouse segment, we collect rent and storage fees from customers to store their frozen and perishable food and other products within our real estate portfolio. We also provide our customers with handling and other warehouse services related to the products stored in our buildings that are designed to optimize their movement through the cold chain, such as the placement of food products for storage and preservation, the retrieval of products from storage upon customer request, blast freezing, case-picking, kitting and repackaging and other recurring handling services.

Under our third-party managed segment, we manage warehouses on behalf of third parties and provide warehouse management services to several leading food retailers and manufacturers in customer-owned facilities, including some of our largest and longest-standing customers. We believe using our third-party management services allows our customers to increase efficiency, reduce costs, reduce supply-chain risks and focus on their core businesses. We also believe that providing third-party management services to many of our key customers underscores our ability to offer a complete and integrated suite of services across the cold chain.

In our transportation segment, we broker and manage transportation of frozen and perishable food and other products for our customers. Our transportation services include consolidation services (*i.e.*, consolidating a customer's products with those of other customers for more efficient shipment), freight under management services (*i.e.*, arranging for and overseeing transportation of customer inventory) and dedicated transportation services, each designed to improve efficiency and reduce transportation and logistics costs to our customers. We provide these transportation services at cost plus a service fee or, in the case of our consolidation services, we charge a fixed fee.

We also operate a limestone quarry on the land we own around our Carthage, Missouri warehouse, which contains substantial limestone deposits. We do not view the operation of the quarry as an integral part of our business.

Global Warehouse Physical and Economic Occupancy Trend



Note: Dotted lines represent incremental economic occupancy percentage.

We define average physical occupancy as the average number of occupied pallets divided by the estimated number of average physical pallet positions in our warehouses for the applicable period. We estimate the number of physical pallet positions by taking into account actual racked space and by estimating unracked space on an as-if racked basis. We base this estimate on the total cubic feet of each room within the warehouse that is unracked divided by the volume of an assumed rack space that is consistent with the characteristics of the relevant warehouse. On a warehouse by warehouse basis, rack space generally ranges from three to four feet depending upon the type of facility and the nature of the customer goods stored therein. The number of our pallet positions is reviewed and updated quarterly, taking into account changes in racking configurations and room utilization.

We define average economic occupancy as the aggregate number of physically occupied pallets and any additional pallets otherwise contractually committed for a given period, without duplication. We estimate the number of contractually committed pallet positions by taking into account actual pallet commitments specified in each customer's contract, and subtracting the physical pallet positions.

Historically, providers of temperature-controlled warehouse space have offered storage services to customers on an as-utilized, on-demand basis. We have entered into fixed storage commitments with certain customers which give us, among other things, additional clarity around the expected occupancy of our warehouses. As of September 30, 2019, we had entered into contracts featuring fixed storage commitments or leases with 127 of our customers in our warehouse segment. Customers with fixed storage provisions commit to occupy a certain number of pallets at a designated storage rate for the applicable portion of their contractual term, whether the customer elects to physically store goods in a warehouse or not. As a result, certain pallets in our warehouses may generate storage revenue pursuant to fixed storage commitments despite not being physically occupied. We refer to economic occupancy as the aggregate number of physically occupied pallets and any additional pallets otherwise contractually committed for a given period. To the extent that a customer with a fixed storage provision elects not to utilize all of its committed pallets in a particular warehouse, we have the flexibility to deploy those pallets to facilitate shorter-term customers that desire space on an as-utilized, on demand basis.

Global Warehouse Portfolio

Unaudited

Country / Region	# of warehouses	Cubic feet (in millions)	% of total cubic feet	Pallet positions (in thousands)	Average physical occupancy ⁽¹⁾	Revenues ⁽²⁾ (in millions)	Applicable segment contribution (NOI) ⁽²⁾⁽³⁾ (in millions)	Total customers ⁽⁴⁾
Owned / Leased ⁽⁵⁾								
United States								
Central	41	256.1	25 %	984.7	75 %	\$ 221.1	\$ 79.8	845
East	26	194.2	19 %	646.9	73 %	206.8	62.0	803
Southeast	47	245.6	24 %	678.8	77 %	211.6	63.4	791
West	37	230.0	23 %	985.4	70 %	207.6	77.7	696
United States Total / Average	151	925.9	92%	3,295.8	74%	\$ 847.1	\$ 282.9	2,388
International								
Australia	5	47.6	5 %	137.7	80 %	\$ 118.1	\$ 27.6	61
New Zealand	7	22.8	2 %	72.5	88 %	22.2	6.5	68
Argentina	2	9.7	1 %	21.6	76 %	6.0	1.0	57
International Total / Average	14	80.1	8%	231.8	82%	\$ 146.3	\$ 35.1	183
Owned / Leased Total / Average	165	1,006.0	100%	3,527.6	74%	\$ 993.4	\$ 318.0	2,571
Third-Party Managed								
United States	7	38.5	73 %	—	—	\$ 164.4	\$ 5.6	4
Australia ⁽⁶⁾	1	—	— %	—	—	10.6	1.9	1
Canada	3	14.3	27 %	—	—	13.6	1.2	2
Third-Party Managed Total / Average	11	52.8	100%	—	—	\$ 188.5	\$ 8.6	7
Portfolio Total / Average	176	1,058.8	100%	3,527.6	74%	\$ 1,181.9	\$ 326.6	2,572

(1) We define average physical occupancy as the average number of occupied pallets divided by the estimated number of average physical pallet positions in our warehouses for the nine months ended September 30, 2019. We estimate the number of physical pallet positions by taking into account actual racked space and by estimating unracked space on an as-if racked basis. We base this estimate on the total cubic feet of each room within the warehouse that is unracked divided by the volume of an assumed rack space that is consistent with the characteristics of the relevant warehouse. On a warehouse by warehouse basis, rack space generally ranges from three to four feet depending upon the type of facility and the nature of the customer goods stored therein. The number of our pallet positions is reviewed and updated quarterly, taking into account changes in racking configurations and room utilization.

(2) Nine months ended September 30, 2019.

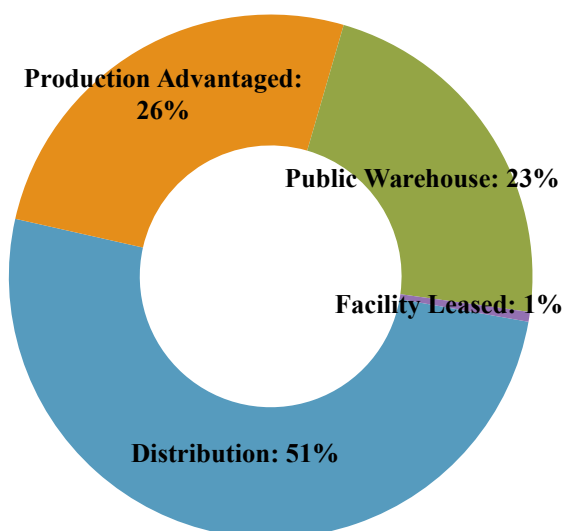
(3) We use the term “segment contribution (NOI)” to mean a segment’s revenues less its cost of operations (excluding any depreciation, depletion and amortization, impairment charges and corporate-level selling, general and administrative expenses). The applicable segment contribution (NOI) from our owned and leased warehouses and our third-party managed warehouses is included in our warehouse segment contribution (NOI) and third-party managed segment contribution (NOI), respectively.

(4) We serve some of our customers in multiple geographic regions and in multiple facilities within geographic regions. As a result, the total number of customers that we serve is less than the total number of customers reflected in the table above that we serve in each geographic region.

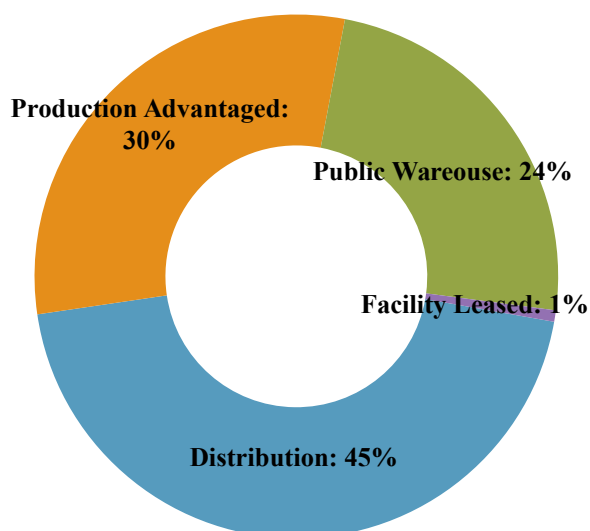
(5) As of September 30, 2019, we owned 131 of our U.S. warehouses and ten of our international warehouses, and we leased 20 of our U.S. warehouses and four of our international warehouses. As of September 30, 2019, seven of our owned facilities were located on land that we lease pursuant to long-term ground leases.

(6) Constitutes non-refrigerated, or “ambient,” warehouse space. This facility contains 330,527 square feet of ambient space.

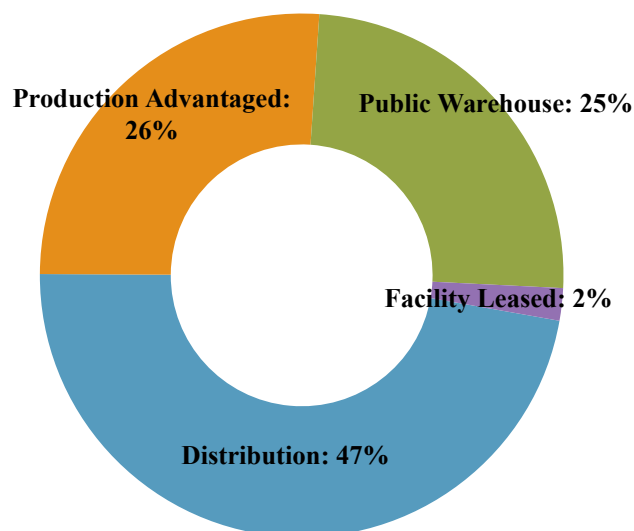
Warehouse Segment Revenues by Warehouse Type
 (Last Twelve Months Ended September 30, 2019)



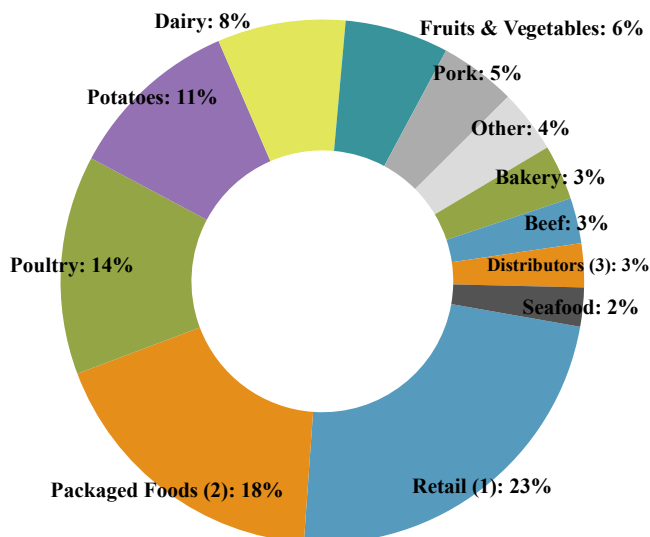
Warehouse Segment Contribution (NOI) by Warehouse Type
 (Last Twelve Months Ended September 30, 2019)



Warehouse Segment Cubic Ft by Warehouse Type
 (At September 30, 2019)



Warehouse Segment Revenues by Commodity Type
 (Last Twelve Months Ended September 30, 2019)



- (1) Retail reflects a broad variety of product types from retail customers.
 (2) Packaged foods reflects a broad variety of temperature-controlled meals and foodstuffs.
 (3) Distributors reflects a broad variety of product types from distributor customers.

Note: September 30, 2019 LTM Revenue pro forma 2019 acquisitions.
 Totals may not foot due to rounding.

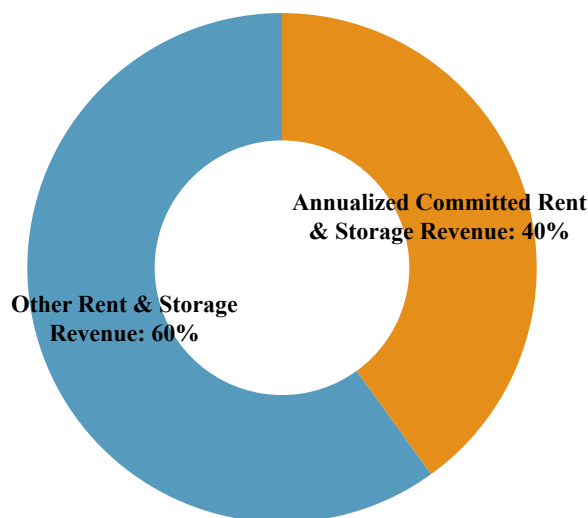
Fixed Commitment and Lease Maturity Schedules

Unaudited

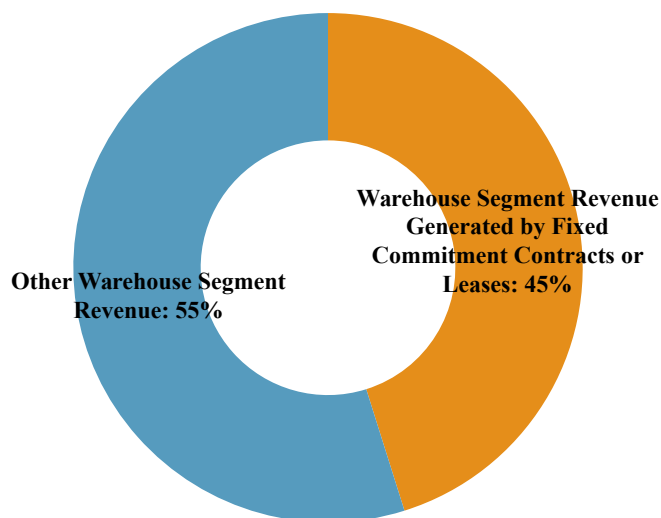
The following table sets forth a summary schedule of the expirations for any defined contracts featuring fixed storage commitments and leases in effect as of September 30, 2019. The information set forth in the table assumes no exercise of extension options under these contracts and leases.

Contract Expiration Year	Number of Contracts	Annualized Committed Rent & Storage Revenue (in thousands)	% of Total Warehouse Rent & Storage Segment Revenue for the Twelve Months Ended September 30, 2019	Total Warehouse Segment Revenue Generated by Contracts with Fixed Commitments & Leases for the Twelve Months Ended September 30, 2019 ⁽¹⁾ (in thousands)	Annualized Committed Rent & Storage Revenue at Expiration ⁽²⁾ (in thousands)
Month-to-Month	36	\$ 35,606	5.8 %	\$ 87,299	\$ 35,606
2019	21	16,514	2.7 %	27,307	15,965
2020	38	20,104	3.3 %	73,152	20,463
2021	40	39,240	6.4 %	171,197	39,950
2022	28	46,894	7.7 %	111,743	49,144
2023	23	38,647	6.3 %	89,604	41,327
2024	16	20,193	3.3 %	38,750	22,382
2025	1	1,558	— %	3,290	1,807
2026	2	7,302	1.2 %	9,691	7,510
2027	3	4,656	0.8 %	7,958	4,992
2028	1	1,080	— %	1,617	1,080
2029 and thereafter	3	12,166	2.0 %	26,786	14,337
Total	212	\$ 243,960	40.0 %	\$ 648,394	\$ 254,563

Total Warehouse Rent & Storage Revenue
(Last Twelve Months Ended September 30, 2019)



Total Warehouse Segment Revenue
(Last Twelve Months Ended September 30, 2019)



Note: September 30, 2019 LTM total revenue and rent and storage revenue pro forma 2019 acquisitions.

- (1) Represents monthly fixed storage commitments and lease rental payments under the relevant expiring defined contract and lease as of September 30, 2019, plus the weighted average monthly warehouse services revenues attributable to these contracts and leases for the last twelve months ended September 30, 2019, multiplied by 12.
- (2) Represents annualized monthly revenues from fixed storage commitments and lease rental payments under the defined contracts and relevant expiring leases as of September 30, 2019 based upon the monthly revenues attributable thereto in the last month prior to expiration, multiplied by 12.

The following table sets forth a summary schedule of the expirations of our facility leased warehouses and other leases pursuant to which we lease space to third parties in our warehouse portfolio, in each case, in place as of September 30, 2019. These leases had a weighted average remaining term of 36 months as of September 30, 2019.

Lease Expiration Year	No. of Leases Expiring	Annualized Rent ⁽¹⁾ (in thousands)	% of Total Warehouse Rent & Storage Segment Revenue for the Twelve Months Ended September 30, 2019	Leased Square Footage (in thousands)	% Leased Square Footage	Annualized Rent at Expiration ⁽²⁾ (in thousands)
Month-to-Month	3	\$ 305	0.1 %	31	1.4 %	\$ 305
2019	6	1,732	0.3 %	251	11.4 %	1,732
2020	15	3,980	0.7 %	435	19.7 %	4,017
2021	13	1,680	0.3 %	456	20.6 %	1,847
2022	4	1,235	0.2 %	132	6.0 %	1,275
2023	4	3,616	0.6 %	549	24.8 %	3,779
2024	3	768	0.1 %	174	7.9 %	805
2025 and thereafter	3	2,638	0.4 %	182	8.2 %	2,887
Total	51	\$ 15,954	2.6%	2,210	100%	\$ 16,647

Note: September 30, 2019 LTM rent and storage revenue pro forma 2019 acquisitions.

(1) Represents monthly rental payments under the relevant leases as of September 30, 2019, multiplied by 12.

(2) Represents monthly rental payments under the relevant leases in the calendar year of expiration, multiplied by 12.

Recurring Maintenance Capital Expenditures and Repair and Maintenance Expenses

We utilize a strategic and preventative approach to recurring maintenance capital expenditures and repair and maintenance expenses to maintain the high quality and operational efficiency of our warehouses and ensure that our warehouses meet the “mission-critical” role they serve in the cold chain.

Recurring Maintenance Capital Expenditures

The following table sets forth our recurring maintenance capital expenditures for the three and nine months ended September 30, 2019 and 2018.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
(In thousands, except per cubic foot amounts)				
Real estate	\$ 15,172	\$ 11,858	\$ 27,474	\$ 27,172
Personal property	1,081	583	2,805	1,702
Information technology	519	936	2,714	2,449
Total recurring maintenance capital expenditures	<u>\$ 16,772</u>	<u>\$ 13,377</u>	<u>\$ 32,993</u>	<u>\$ 31,323</u>
Total recurring maintenance capital expenditures per cubic foot	\$ 0.016	\$ 0.014	\$ 0.030	\$ 0.034

Repair and Maintenance Expenses

The following table sets forth our repair and maintenance expenses for the three and nine months ended September 30, 2019 and 2018.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
(In thousands, except per cubic foot amounts)				
Real estate	\$ 6,171	\$ 6,580	\$ 18,060	\$ 16,748
Personal property	7,879	8,125	23,899	23,927
Total repair and maintenance expenses	<u>\$ 14,050</u>	<u>\$ 14,705</u>	<u>\$ 41,959</u>	<u>\$ 40,675</u>
Repair and maintenance expenses per cubic foot	\$ 0.013	\$ 0.016	\$ 0.039	\$ 0.044

Growth and Expansion Capital Expenditures

The following table sets forth our growth and expansion capital expenditures for the three and nine months ended September 30, 2019 and 2018.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
(In thousands - unaudited)				
Acquisitions, net of cash acquired and adjustments	\$ (3,338)	\$ —	\$ 1,326,663	\$ —
Expansion and development initiatives	50,106	16,970	154,962	56,345
Information technology	1,147	995	3,198	2,548
Total growth and expansion capital expenditures	<u>\$ 47,915</u>	<u>\$ 17,965</u>	<u>\$ 1,484,823</u>	<u>\$ 58,893</u>

Global Warehouse Segment Financial Performance

The following table presents the operating results of our warehouse segment for the three months ended September 30, 2019 and 2018.

	Three Months Ended September 30,			Change	
	2019 actual	2019 constant currency ⁽¹⁾	2018 actual	Actual	Constant currency
(Dollars in thousands - unaudited)					
Rent and storage	\$ 155,998	\$ 157,426	\$ 130,044	20.0%	21.1%
Warehouse services	209,595	212,101	167,181	25.4%	26.9%
Total warehouse segment revenues	365,593	369,527	297,225	23.0%	24.3%
Power	26,356	26,556	20,920	26.0%	26.9%
Other facilities costs ⁽²⁾	29,529	29,818	26,392	11.9%	13.0%
Labor	162,014	163,984	130,598	24.1%	25.6%
Other services costs ⁽³⁾	34,286	34,551	25,677	33.5%	34.6%
Total warehouse segment cost of operations	252,185	254,909	203,587	23.9%	25.2%
Warehouse segment contribution (NOI)	<u>\$ 113,408</u>	<u>\$ 114,618</u>	<u>\$ 93,638</u>	21.1%	22.4%
Warehouse rent and storage contribution (NOI) ⁽⁴⁾	\$ 100,113	\$ 101,052	\$ 82,732	21.0%	22.1%
Warehouse services contribution (NOI) ⁽⁵⁾	\$ 13,295	\$ 13,566	\$ 10,906	21.9%	24.4%
Total warehouse segment margin	31.0%	31.0%	31.5%	-48 bps	-49 bps
Rent and storage margin ⁽⁶⁾	64.2%	64.2%	63.6%	56 bps	57 bps
Warehouse services margin ⁽⁷⁾	6.3%	6.4%	6.5%	-18 bps	-13 bps

(1) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis are the effect of changes in foreign currency exchange rates relative to the comparable prior period.

(2) Includes real estate rent expense of \$3.1 million and \$3.3 million for the third quarter 2019 and 2018, respectively.

(3) Includes non-real estate rent expense (equipment lease and rentals) of \$2.7 million and \$3.6 million for the third quarter of 2019 and 2018, respectively.

(4) Calculated as rent and storage revenues less power and other facilities costs.

(5) Calculated as warehouse services revenues less labor and other services costs.

(6) Calculated as warehouse rent and storage contribution (NOI) divided by warehouse rent and storage revenues.

(7) Calculated as warehouse services contribution (NOI) divided by warehouse services revenues.

The following table presents the operating results of our warehouse segment for the nine months ended September 30, 2019 and 2018.

	Nine Months Ended September 30,			Change	
	2019 actual	2019 constant currency ⁽¹⁾	2018 actual	Actual	Constant currency
(Dollars in thousands - unaudited)					
Rent and storage	\$ 424,403	\$ 430,294	\$ 381,104	11.4%	12.9%
Warehouse services	569,036	578,955	490,350	16.0%	18.1%
Total warehouse segment revenues	993,439	1,009,249	871,454	14.0%	15.8%
Power	61,738	62,816	55,665	10.9%	12.8%
Other facilities costs ⁽²⁾	83,545	84,964	79,305	5.3%	7.1%
Labor	443,346	451,797	390,052	13.7%	15.8%
Other services costs ⁽³⁾	86,766	87,886	72,389	19.9%	21.4%
Total warehouse segment cost of operations	675,395	687,463	597,411	13.1%	15.1%
Warehouse segment contribution (NOI)	<u>\$ 318,044</u>	<u>\$ 321,786</u>	<u>\$ 274,043</u>	16.1%	17.4%
Warehouse rent and storage contribution (NOI) ⁽⁴⁾	\$ 279,120	\$ 282,514	\$ 246,134	13.4%	14.8%
Warehouse services contribution (NOI) ⁽⁵⁾	\$ 38,924	\$ 39,272	\$ 27,909	39.5%	40.7%
Total warehouse segment margin	32.0%	31.9%	31.4%	57 bps	44 bps
Rent and storage margin ⁽⁶⁾	65.8%	65.7%	64.6%	118 bps	107 bps
Warehouse services margin ⁽⁷⁾	6.8%	6.8%	5.7%	115 bps	109 bps

- (1) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis are the effect of changes in foreign currency exchange rates relative to the comparable prior period.
- (2) Includes real estate rent expense of \$9.4 million and \$10.8 million for the nine months ended September 30, 2019 and 2018, respectively.
- (3) Includes non-real estate rent expense of \$8.7 million and \$10.3 million for the nine months ended September 30, 2019 and 2018, respectively.
- (4) Calculated as rent and storage revenues less power and other facilities costs.
- (5) Calculated as warehouse services revenues less labor and other services costs.
- (6) Calculated as warehouse rent and storage contribution (NOI) divided by warehouse rent and storage revenues.
- (7) Calculated as warehouse services contribution (NOI) divided by warehouse services revenues.

Same-store Financial Performance

The following table presents revenues, cost of operations, contribution (NOI) and margins for our same stores and non-same stores with a reconciliation to the total financial metrics of our warehouse segment for the three months ended September 30, 2019 and 2018.

	Three Months Ended September 30,			Change	
	2019 actual	2019 constant currency ⁽¹⁾	2018 actual	Actual	Constant currency
Number of same store warehouses	138		138	n/a	n/a
Same store revenues:	(Dollars in thousands - unaudited)				
Rent and storage	\$ 128,956	\$ 130,388	\$ 127,120	1.4 %	2.6 %
Warehouse services	169,070	171,561	165,065	2.4 %	3.9 %
Total same store revenues	298,026	301,949	292,185	2.0 %	3.3 %
Same store cost of operations:					
Power	20,525	20,725	20,578	(0.3)%	0.7 %
Other facilities costs	25,815	26,101	25,760	0.2 %	1.3 %
Labor	133,489	135,460	128,854	3.6 %	5.1 %
Other services costs	25,516	25,780	25,239	1.1 %	2.1 %
Total same store cost of operations	\$ 205,345	\$ 208,066	\$ 200,431	2.5 %	3.8 %
Same store contribution (NOI)	\$ 92,681	\$ 93,883	\$ 91,754	1.0 %	2.3 %
Same store rent and storage contribution (NOI) ⁽²⁾	\$ 82,616	\$ 83,562	\$ 80,782	2.3 %	3.4 %
Same store services contribution (NOI) ⁽³⁾	\$ 10,065	\$ 10,321	\$ 10,972	(8.3)%	(5.9)%
Total same store margin	31.1%	31.1%	31.4%	-30 bps	-31 bps
Same store rent and storage margin ⁽⁴⁾	64.1%	64.1%	63.5%	52 bps	54 bps
Same store services margin ⁽⁵⁾	6.0%	6.0%	6.6%	-69 bps	-63 bps
Number of non-same store warehouses	27		6	n/a	n/a
Non-same store revenues:					
Rent and storage	\$ 27,042	\$ 27,038	\$ 2,924	n/r	n/r
Warehouse services	40,525	40,540	2,116	n/r	n/r
Total non-same store revenues	67,567	67,578	5,040	n/r	n/r
Non-same store cost of operations:					
Power	5,831	5,831	342	n/r	n/r
Other facilities costs	3,714	3,717	632	n/r	n/r
Labor	28,525	28,524	1,744	n/r	n/r
Other services costs	8,770	8,771	438	n/r	n/r
Total non-same store cost of operations	\$ 46,840	\$ 46,843	\$ 3,156	n/r	n/r
Non-same store contribution (NOI)	\$ 20,727	\$ 20,735	\$ 1,884	n/r	n/r
Non-same store rent and storage contribution (NOI) ⁽²⁾	\$ 17,497	\$ 17,490	\$ 1,950	n/r	n/r
Non-same store services contribution (NOI) ⁽³⁾	\$ 3,230	\$ 3,245	\$ (66)	n/r	n/r
Total warehouse segment revenues	\$ 365,593	\$ 369,527	\$ 297,225	23.0 %	24.3 %
Total warehouse cost of operations	\$ 252,185	\$ 254,909	\$ 203,587	23.9 %	25.2 %
Total warehouse segment contribution	\$ 113,408	\$ 114,618	\$ 93,638	21.1 %	22.4 %

(1) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis is the effect of changes in foreign currency exchange rates relative to the comparable prior period.

(2) Calculated as rent and storage revenues less power and other facilities costs.

(3) Calculated as warehouse services revenues less labor and other services costs.

(4) Calculated as same store rent and storage contribution (NOI) divided by same store rent and storage revenues.

(5) Calculated as same store warehouse services contribution (NOI) divided by same store warehouse services revenues.

The following table presents revenues, cost of operations, contribution (NOI) and margins for our same stores and non-same stores with a reconciliation to the total financial metrics of our warehouse segment for the nine months ended September 30, 2019 and 2018.

	Nine Months Ended September 30,			Change	
	2019 actual	2019 constant currency ⁽¹⁾	2018 actual	Actual	Constant currency
Number of same store warehouses	137		137	n/a	n/a
Same store revenues:	(Dollars in thousands - unaudited)				
Rent and storage	\$ 373,396	\$ 379,287	\$ 371,013	0.6 %	2.2 %
Warehouse services	492,734	502,629	483,862	1.8 %	3.9 %
Total same store revenues	866,130	881,916	854,875	1.3 %	3.2 %
Same store cost of operations:					
Power	52,245	53,323	54,323	(3.8)%	(1.8)%
Other facilities costs	75,176	76,593	75,544	(0.5)%	1.4 %
Labor	391,766	400,217	384,706	1.8 %	4.0 %
Other services costs	72,200	73,319	71,102	1.5 %	3.1 %
Total same store cost of operations	\$ 591,387	\$ 603,452	\$ 585,675	1.0 %	3.0 %
Same store contribution (NOI)	\$ 274,743	\$ 278,464	\$ 269,200	2.1 %	3.4 %
Same store rent and storage contribution (NOI) ⁽²⁾	\$ 245,975	\$ 249,371	\$ 241,146	2.0 %	3.4 %
Same store services contribution (NOI) ⁽³⁾	\$ 28,768	\$ 29,093	\$ 28,054	2.5 %	3.7 %
Total same store margin	31.7%	31.6%	31.5%	23 bps	8 bps
Same store rent and storage margin ⁽⁴⁾	65.9%	65.7%	65.0%	88 bps	75 bps
Same store services margin ⁽⁵⁾	5.8%	5.8%	5.8%	4 bps	-1 bps
Number of non-same store warehouses	28		7	n/a	n/a
Non-same store revenues:					
Rent and storage	\$ 51,007	\$ 51,007	\$ 10,091	n/r	n/r
Warehouse services	76,302	76,326	6,488	n/r	n/r
Total non-same store revenues	127,309	127,333	16,579	n/r	n/r
Non-same store cost of operations:					
Power	9,493	9,493	1,342	n/r	n/r
Other facilities costs	8,369	8,371	3,761	n/r	n/r
Labor	51,580	51,580	5,346	n/r	n/r
Other services costs	14,566	14,567	1,287	n/r	n/r
Total non-same store cost of operations	\$ 84,008	\$ 84,011	\$ 11,736	n/r	n/r
Non-same store contribution (NOI)	\$ 43,301	\$ 43,322	\$ 4,843	n/r	n/r
Non-same store rent and storage contribution (NOI) ⁽²⁾	\$ 33,145	\$ 33,143	\$ 4,988	n/r	n/r
Non-same store services contribution (NOI) ⁽³⁾	\$ 10,156	\$ 10,179	\$ (145)	n/r	n/r
Total warehouse segment revenues	\$ 993,439	\$ 1,009,249	\$ 871,454	14.0 %	15.8 %
Total warehouse cost of operations	\$ 675,395	\$ 687,463	\$ 597,411	13.1 %	15.1 %
Total warehouse segment contribution	\$ 318,044	\$ 321,786	\$ 274,043	16.1 %	17.4 %

(1) The adjustments from our U.S. GAAP operating results to calculate our operating results on a constant currency basis is the effect of changes in foreign currency exchange rates relative to the comparable prior period.

(2) Calculated as rent and storage revenues less power and other facilities costs.

(3) Calculated as warehouse services revenues less labor and other services costs.

(4) Calculated as same store rent and storage contribution (NOI) divided by same store rent and storage revenues.

(5) Calculated as same store warehouse services contribution (NOI) divided by same store warehouse services revenues.

Same-store Key Operating Metrics

The following table provides certain operating metrics to explain the drivers of our same store performance for the three months ended September 30, 2019 and 2018.

	Three Months Ended September 30,		
	2019	2018	Change
Units in thousands except per pallet and site data - unaudited			
Number of same store warehouses	138	138	n/a
Same store rent and storage:			
Physical occupancy ⁽¹⁾			
Average physical occupied pallets	2,318	2,385	(2.8)%
Average physical pallet positions	3,090	3,098	(0.3)%
Physical occupancy percentage	75.0%	77.0%	-196 bps
Same store rent and storage revenues per physical occupied pallet	\$ 55.62	\$ 53.30	4.4 %
Constant currency same store rent and storage revenues per physical occupied pallet	\$ 56.24	\$ 53.30	5.5 %
Economic occupancy ⁽²⁾			
Average economic occupied pallets	2,446	2,486	(1.6)%
Economic occupancy percentage	79.2%	80.2%	-108 bps
Same store rent and storage revenues per economic occupied pallet	\$ 52.71	\$ 51.13	3.1 %
Constant currency same store rent and storage revenues per economic occupied pallet	\$ 53.30	\$ 51.13	4.2 %
Same store warehouse services:			
Throughput pallets	6,635	6,645	(0.1)%
Same store warehouse services revenues per throughput pallet	\$ 25.48	\$ 24.84	2.6 %
Constant currency same store warehouse services revenues per throughput pallet	\$ 25.86	\$ 24.84	4.1 %
Number of non-same store warehouses	27	6	n/a
Non-same store rent and storage:			
Physical occupancy ⁽¹⁾			
Average physical occupied pallets	539	54	n/r
Average physical pallet positions	702	68	n/r
Physical occupancy percentage	76.7%	79.6%	
Economic occupancy ⁽²⁾			
Average economic occupied pallets	550	64	n/r
Economic occupancy percentage	78.4%	94.3%	
Non-same store warehouse services:			
Throughput pallets	1,340	82	n/r

- (1) We define average physical occupancy as the average number of occupied pallets divided by the estimated number of average physical pallet positions in our warehouses for the applicable period. We estimate the number of physical pallet positions by taking into account actual racked space and by estimating unracked space on an as-if racked basis. We base this estimate on a formula utilizing the total cubic feet of each room within the warehouse that is unracked divided by the volume of an assumed rack space that is consistent with the characteristics of the relevant warehouse. On a warehouse by warehouse basis, rack space generally ranges from three to four feet depending upon the type of facility and the nature of the customer goods stored therein. The number of our pallet positions is reviewed and updated quarterly, taking into account changes in racking configurations and room utilization.
- (2) We define average economic occupancy as the aggregate number of physically occupied pallets and any additional pallets otherwise contractually committed for a given period, without duplication. We estimate the number of contractually committed pallet positions by taking into account actual pallet commitments specified in each customer's contract, and subtracting the physical pallet positions.

The following table provides certain operating metrics to explain the drivers of our same store performance for the nine months ended September 30, 2019 and 2018.

<i>Unit in thousands, except per pallet and site data - unaudited</i>	Nine Months Ended September 30,		Change
	2019	2018	
Number of same store warehouses	137	137	n/a
Same store rent and storage:			
Physical occupancy⁽¹⁾			
Average physical occupied pallets	2,253	2,337	(3.6)%
Average physical pallet positions	3,055	3,072	(0.6)%
Physical occupancy percentage	73.8%	76.1%	-233 bps
Same store rent and storage revenues per physical occupied pallet	\$ 165.72	\$ 158.74	4.4 %
Constant currency same store rent and storage revenues per physical occupied pallet	\$ 168.33	\$ 158.74	6.0 %
Economic occupancy⁽²⁾			
Average occupied economic pallets	2,383	2,440	(2.4)%
Economic occupancy percentage	78.0%	79.4%	-145 bps
Same store rent and storage revenues per economic occupied pallet	\$ 156.72	\$ 152.03	3.1 %
Constant currency same store rent and storage revenues per economic occupied pallet	\$ 159.19	\$ 152.03	4.7 %
Same store warehouse services:			
Throughput pallets	19,459	19,715	(1.3)%
Same store warehouse services revenues per throughput pallet	\$ 25.32	\$ 24.54	3.2 %
Constant currency same store warehouse services revenues per throughput pallet	\$ 25.83	\$ 24.54	5.2 %
Number of non-same store warehouses	28	7	n/a
Non-same store rent and storage:			
Physical occupancy⁽¹⁾			
Average physical occupied pallets	369	86	n/r
Average physical pallet positions	472	124	n/r
Physical occupancy percentage	78.1%	69.0%	
Economic occupancy⁽²⁾			
Average economic occupied pallets	375	90	n/r
Economic occupancy percentage	79.5%	72.7%	n/r
Non-same store warehouse services:			
Throughput pallets	2,403	267	n/r

- (1) We define average physical occupancy as the average number of occupied pallets divided by the estimated number of average physical pallet positions in our warehouses for the applicable period. We estimate the number of physical pallet positions by taking into account actual racked space and by estimating unracked space on an as-if racked basis. We base this estimate on a formula utilizing the total cubic feet of each room within the warehouse that is unracked divided by the volume of an assumed rack space that is consistent with the characteristics of the relevant warehouse. On a warehouse by warehouse basis, rack space generally ranges from three to four feet depending upon the type of facility and the nature of the customer goods stored therein. The number of our pallet positions is reviewed and updated quarterly, taking into account changes in racking configurations and room utilization.
- (2) We define average economic occupancy as the aggregate number of physically occupied pallets and any additional pallets otherwise contractually committed for a given period, without duplication. We estimate the number of contractually committed pallet positions by taking into account actual pallet commitment specified in each customer's contract, and subtracting the physical pallet positions.

External Growth and Capital Deployment

Recently Completed Expansion and Development Projects

Facility	Opportunity Type	Facility Type	Cubic Feet (in millions)	Pallet Positions (in thousands)	Cost of Expansion / Development		Completion Date
					Total Cost (in millions)	Return on Invested Capital	
Clearfield, UT	Expansion	Distribution	5.8	21	\$29.0	12-15%	Q4 2017
Middleboro, MA	Development	Production Advantaged	4.4	27	\$23.5	8-12%	Q3 2018
Rochelle, IL	Expansion	Distribution	15.7	54	\$89.3 ⁽¹⁾	12-15%	Q2 2019

Expansion and Development Projects In Process

Facility	Opportunity Type	Facility Type	Under Construction		Investment in Expansion / Development (in millions)			Expected Stabilized NOI Return on Invested Capital	Target Complete Date
			Cubic Feet (millions) ⁽²⁾	Pallet Positions (thousands) ⁽²⁾	Cost ⁽³⁾	Estimate to Complete	Total Estimated Cost		
Chesapeake, VA	Expansion	Public	4.5	12	\$20	\$6-\$7	\$26-\$27	10-12%	Q4 2019
North Little Rock, AR	Expansion	Public	3.2	12	\$17	\$2-\$3	\$19-\$20	10-12%	Q4 2019
Columbus, OH	Expansion	Public	1.5	5	\$3	\$4-\$5	\$7-\$8	14-15%	Q1 2020
Savannah, GA	New Build	Distribution	14.8	37	\$35 ⁽⁴⁾	\$35-\$40	\$70-\$75	10-15%	Q2 2020
Atlanta, GA	Expansion / Redevelopment	Distribution	18.3	60	\$16	\$110-\$120	\$126-\$136	10-15%	Q2 2021
Sydney, NSW	Build to Suit	Distribution			\$45.5 ⁽⁵⁾			10-15%	

2019 Acquisitions

Facility	City / State	No. of Facilities	Cubic Feet (in millions)	Pallet Positions (in thousands)	Acquisition Price (in millions)	Entry NOI Yield	Expected Stabilized NOI Return on Invested Capital	Date Purchased
PortFresh Holdings, LLC	Savannah, GA	1	4.3	6	\$20.0	7.0%	9-12%	1/31/2019
Cloverleaf Cold Storage ⁽⁶⁾	9 states	22	132.0	602	\$1,242.9	7.0%	7-8%	5/1/2019
Lanier Cold Storage	Georgia	2	14.4	51	\$82.6	7.9%	9-10%	5/1/2019

(1) Cost to date as of September 30, 2019. Total cost expected to be approximately \$92 - \$93 million. Remaining spend incurred reflects residual cost and retainage.

(2) Cubic feet and pallet positions are estimates while the facilities are under construction.

(3) Cost as of September 30, 2019.

(4) Includes \$15.9 million as part of the PortFresh Holdings, LLC acquisition completed during January 2019.

(5) In April 2019, the Company completed a land purchase in Sydney, Australia for \$45.5 million.

(6) Cloverleaf purchase price results in an approximate 7% NOI entry yield which is exclusive of SG&A expense.

2019 Guidance

The ranges for these metrics do not include the impact of acquisitions, dispositions, or capital markets activity beyond that which has been previously announced.

	As of Nov. 7, 2019	As of Aug. 8, 2019	As of May 7, 2019	As of Feb. 21, 2019
Warehouse segment same store revenue growth (constant currency)	2.0% - 4.0%	2.0% - 4.0%	2.0% - 4.0%	2.0% - 4.0%
Warehouse segment same store NOI growth (constant currency)	100 - 200 bps higher than associated revenue	100 - 200 bps higher than associated revenue	100 - 200 bps higher than associated revenue	100 - 200 bps higher than associated revenue
Selling, general, and administrative expense as % of total revenue	7.0% - 7.2%	7.0% - 7.2%	6.8% - 7.2%	6.8% - 7.2%
Total recurring maintenance capital expenditures	\$50mm - \$60mm	\$56mm - \$66mm	\$56mm - \$66mm	\$50mm - \$60mm
Total expansion and development capital expenditures ⁽¹⁾	\$205mm - \$215mm	\$220mm - \$250mm	\$275mm - \$350mm	\$225mm - \$325mm
AFFO payout ratio	65.0% - 68.0%	65.0% - 68.0%	67.0% - 70.0%	65.0% - 68.0%
Weighted average dilutive share count	180mm - 184mm	180mm - 184mm	182mm - 186mm	155mm - 157mm

- (1) Total expansion and development capital expenditures includes spending related to the Company's announced projects in Chicago, Savannah, Atlanta and Australia as well as the three expansions in North Little Rock, Columbus, and Chesapeake.

Notes and Definitions

We calculate funds from operations, or FFO, in accordance with the standards established by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT. NAREIT defines FFO as net income or loss determined in accordance with U.S. GAAP, excluding extraordinary items as defined under U.S. GAAP and gains or losses from sales of previously depreciated operating real estate assets, plus specified non-cash items, such as real estate asset depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We believe that FFO is helpful to investors as a supplemental performance measure because it excludes the effect of depreciation, amortization and gains or losses from sales of real estate, all of which are based on historical costs, which implicitly assumes that the value of real estate diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, FFO can facilitate comparisons of operating performance between periods and among other equity REITs.

We calculate core funds from operations, or Core FFO, as FFO adjusted for the effects of gain or loss on the sale of non-real estate assets, non-real estate asset impairment, non-offering related equity issuance expenses, non-recurring public company implementation costs, stock-based compensation expense for the IPO retention grants, severance, reduction in workforce costs and equity acceleration, acquisition, diligence and integration related costs, terminated site operations costs, bridge loan commitment fees, litigation and other related settlements, loss on debt extinguishment and modification, and foreign currency exchange gain or loss. We believe that Core FFO is helpful to investors as a supplemental performance measure because it excludes the effects of certain items which can create significant earnings volatility, but which do not directly relate to our core business operations. We believe Core FFO can facilitate comparisons of operating performance between periods, while also providing a more meaningful predictor of future earnings potential.

However, because FFO and Core FFO add back real estate depreciation and amortization and do not capture the level of recurring maintenance capital expenditures necessary to maintain the operating performance of our properties, both of which have material economic impacts on our results from operations, we believe the utility of FFO and Core FFO as a measure of our performance may be limited.

We calculate adjusted funds from operations, or Adjusted FFO, as Core FFO adjusted for the effects of amortization of financing costs, pension withdrawal liability and above or below market leases, straight-line net rent, provision or benefit from deferred income taxes, stock-based compensation expense from grants of stock options and restricted stock units under our equity incentive plans, excluding IPO grants, non-real estate depreciation, depletion or amortization (including in respect of the China JV), and recurring maintenance capital expenditures. We believe that Adjusted FFO is helpful to investors as a meaningful supplemental comparative performance measure of our ability to make incremental capital investments in our business and to assess our ability to fund distribution requirements from our operating activities.

FFO, Core FFO and Adjusted FFO are used by management, investors and industry analysts as supplemental measures of operating performance of equity REITs. FFO, Core FFO and Adjusted FFO should be evaluated along with U.S. GAAP net income and net income per diluted share (the most directly comparable U.S. GAAP measures) in evaluating our operating performance. FFO, Core FFO and Adjusted FFO do not represent net income or cash flows from operating activities in accordance with U.S. GAAP and are not indicative of our results of operations or cash flows from operating activities as disclosed in our consolidated statements of operations included in our annual and quarterly reports. FFO, Core FFO and Adjusted FFO should be considered as supplements, but not alternatives, to our net income or cash flows from operating activities as indicators of our operating performance. Moreover, other REITs may not calculate FFO in accordance with the NAREIT definition or may interpret the NAREIT definition differently than we do. Accordingly, our FFO may not be comparable to FFO as calculated by other REITs. In addition, there is no industry definition of Core FFO or Adjusted FFO and, as a result, other REITs may also calculate Core FFO or Adjusted FFO, or other similarly-captioned metrics, in a manner different than we do. The table above reconciles FFO, Core FFO and Adjusted FFO to net income, which is the most directly comparable financial measure calculated in accordance with U.S. GAAP.

We calculate EBITDA for Real Estate, or EBITDA_{RE}, in accordance with the standards established by the Board of Governors of NAREIT, defined as, earnings before interest expense, taxes, depreciation, depletion and amortization, gains or losses on disposition of depreciated property, including gains or losses on change of control, impairment write-downs of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustment to reflect share of EBITDA_{RE} of unconsolidated affiliates. EBITDA_{RE} is a measure commonly used in our industry, and we present EBITDA_{RE} to enhance investor understanding of our operating performance. We believe that EBITDA_{RE} provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and useful life of related assets among otherwise comparable companies.

We also calculate our Core EBITDA as EBITDA_{RE} further adjusted for impairment charges on intangible and long-lived assets, severance, reduction in workforce costs and equity acceleration, terminated site operations costs, non-offering related equity issuance expenses, non-recurring public company implementation costs, acquisition, diligence and integration related costs, bridge loan commitment fees, litigation and other related settlements, loss on debt extinguishment and modification, stock-based compensation expense, foreign currency exchange gain or loss, loss or gain on other asset disposals, loss or income on partially owned entities, gain on sale of partially owned entities and reduction in EBITDA_{RE} from partially owned entities. We believe that the presentation of Core EBITDA provides a measurement of our operations that is meaningful to investors because it excludes the effects of certain items that are otherwise included in EBITDA_{RE} but which we do not believe are indicative of our core business operations. EBITDA_{RE} and Core EBITDA are not measurements of financial performance under U.S. GAAP, and our EBITDA_{RE} and Core EBITDA may not be comparable to similarly titled measures of other companies. You should not consider our EBITDA_{RE} and Core EBITDA as alternatives to net income or cash flows from operating activities determined in accordance with U.S. GAAP. Our calculations of EBITDA_{RE} and Core EBITDA have limitations as analytical tools, including:

- these measures do not reflect our historical or future cash requirements for recurring maintenance capital expenditures or growth and expansion capital expenditures;
- these measures do not reflect changes in, or cash requirements for, our working capital needs;
- these measures do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;
- these measures do not reflect our tax expense or the cash requirements to pay our taxes; and
- although depreciation, depletion and amortization are non-cash charges, the assets being depreciated, depleted and amortized will often have to be replaced in the future and these measures do not reflect any cash requirements for such replacements.

We use Core EBITDA and EBITDA_{RE} as measures of our operating performance and not as measures of liquidity. The table on page 20 reconciles EBITDA, EBITDA_{RE} and Core EBITDA to net income, which is the most directly comparable financial measure calculated in accordance with U.S. GAAP.

All quarterly amounts and non-GAAP disclosures within this filing shall be deemed unaudited.