

AR AGREE REALTY CORPORATION

DEVELOP | ACQUIRE | PARTNER

ADC
Listed
NYSE
THE NEW YORK STOCK EXCHANGE



**April
2015**



Agree Realty Corporation (NYSE: ADC)

Net lease REIT focused on the acquisition and development of high quality retail properties

➤ **Our Company**

- \$870 million NYSE listed REIT headquartered in Bloomfield Hills, MI ⁽¹⁾
- 233 retail properties totaling approximately 4.7 million square feet in 39 states
- 54% investment grade tenants and 11.8 years average remaining lease term ⁽²⁾

➤ **Our History**

- Founded in 1971 as developer, owner and manager of retail properties
- IPO in 1994 to continue and expand business of predecessor company
- Formally launched acquisition platform in 2010 and joint venture capital solutions business in 2012

➤ **Our Business Plan**

- Expand and diversify our retail net lease portfolio
- Generate consistent, high quality earnings
- Increase dividends per share
- Maintain a conservative balance sheet

(1) Enterprise value based on \$32.97 share price as of March 31, 2015 and net debt as of March 31, 2015.

(2) Based on annualized base rent as of March 31, 2015.

Our Transformation

Disciplined growth and asset management has transformed Agree Realty's portfolio

Key Metrics

	January 2010	March 2015 ⁽¹⁾
Stock Price	\$23.29	\$32.97
Equity Market Cap	\$199 million	\$590 million
Enterprise Value	\$304 million	\$870 million
# of Properties	73	233
# of Retail Sectors	6	23+
# of States	16	39

Key Results

- **Robust Investment Activity**
 - \$490 million of high quality acquisitions and developments
 - Credit quality retailers under long-term net leases
- **Improved Earnings Quality**
 - Non-core asset sales
 - Over \$55 million of net proceeds
 - Reduced shopping center exposure by 53% ⁽²⁾
 - Enhanced portfolio diversification
 - Reduced top 3 tenant exposure from 70% to 28% ⁽²⁾ ⁽³⁾
 - Reduced Michigan exposure from 54% to 26% ⁽²⁾
- **Fortress Balance Sheet**
 - Raised \$385 million of equity and permanent debt capital
 - Maintained leverage below 40% debt / total capitalization and 5.5x debt / EBITDA

(1) Share price as of March 31, 2015. Share count and net debt as of March 31, 2015.

(2) Based on annualized base revenue.

(3) Top three tenants included Walgreens, Borders and Kmart in January 2010 and Walgreens, Wawa and CVS in March 2015.

Recent Highlights

Enhancing our portfolio and creating shareholder value

- **Invested a record \$165.3 million in 2014**
 - 82 properties at a weighted-average cap rate of 8.2% and with a weighted-average remaining lease term of 14.1 years
 - Leased to 34 tenants operating in 15 diverse retail sectors and located in 24 states

- **Continued momentum with \$59.7 million invested in Q1 2015**
 - 25 properties at a weighted-average cap rate of 8.1% and with a weighted-average remaining lease term of 13.0 years
 - Leased to leading brands and operators in e-commerce resistant retail sectors, including QSR, auto service, home furnishings, apparel, sporting goods, crafts & novelties and discount stores
 - On track to achieve 2015 target acquisition volume of \$175 - \$200 million

- **Declared 84th consecutive quarterly dividend in Q1 2015 – \$0.45 per share, or \$1.80 annualized**
 - Represents 5.5% current dividend yield and less than 80% AFFO payout ratio
 - Two dividend increases in 2014 totaled 9.8% on an annualized basis

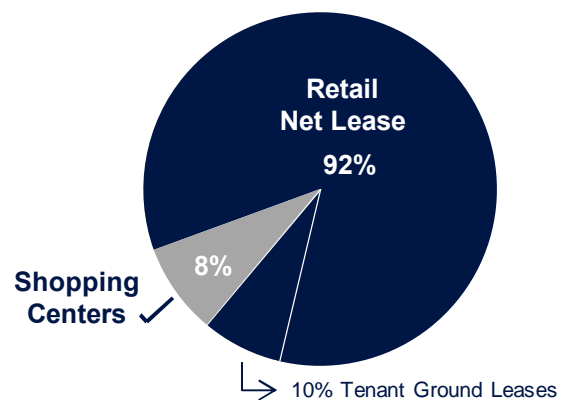
- **Announced the addition of Jerome Rossi to the Board of Directors in January 2015**
 - Former Group President at The TJX Companies
 - Oversaw real estate operations at TJ Maxx, HomeGoods, Marshalls and Sierra Trading Post

- **Raised \$76.8 million in a follow-on equity offering in December 2014**
 - Largest offering in Company history
 - Surpassed \$500 million equity market capitalization

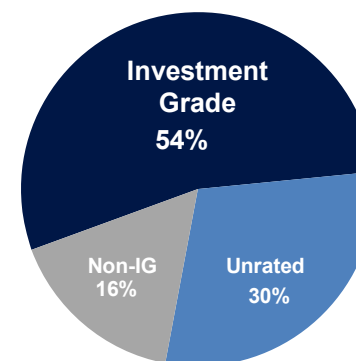
Stable Retail Portfolio

Retail net lease properties occupied by credit tenants under long term leases

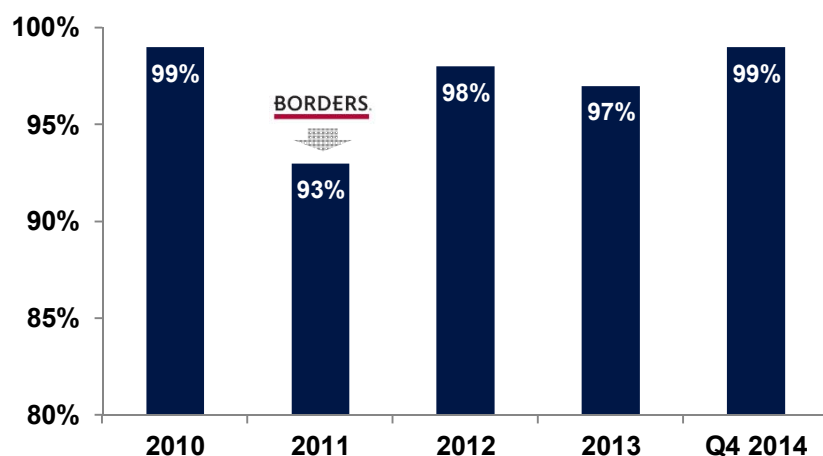
Asset Type ⁽¹⁾



Tenant Credit ⁽¹⁾

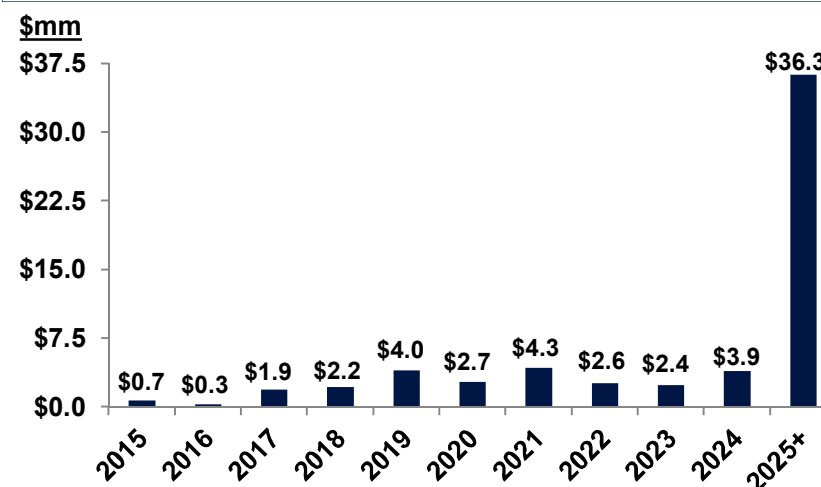


Occupancy



5-year Average Occupancy: 97%

Lease Expiration Schedule ⁽¹⁾



Weighted Average Lease Term: 11.8 years

(1) Based on annualized base rent as of March 31, 2015.

Strong Tenant Base

Best-in-class retailers operating in e-commerce resistant sectors

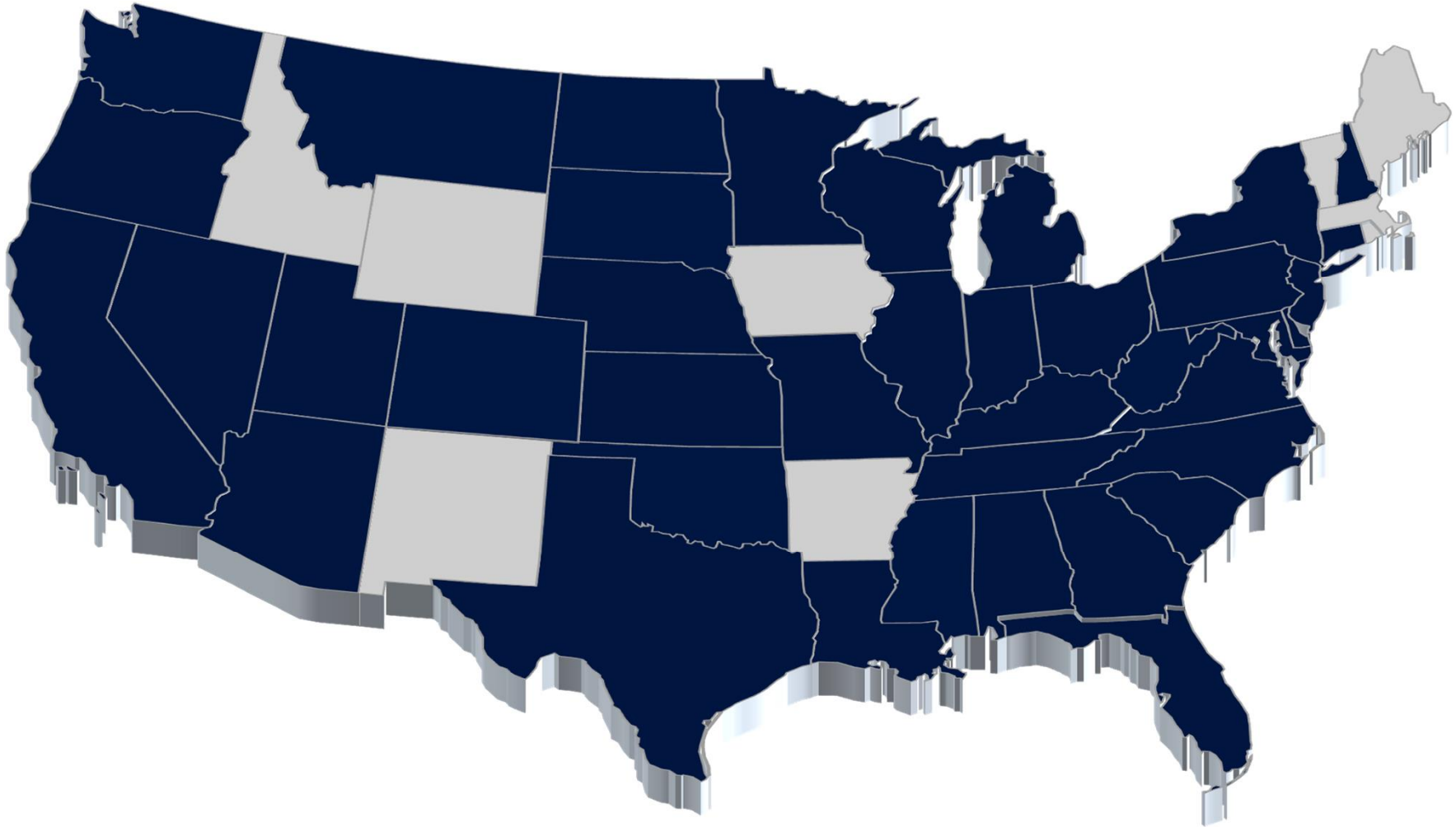
Top 10 Tenants	Credit Rating ⁽¹⁾	Retail Sector	ABR ⁽²⁾	% of Total ABR
	BBB	Pharmacy	\$12.4	20.2%
	BBB+	C-Store	2.5	4.0%
	BBB+	Pharmacy	2.5	4.0%
	AA	Big Box Discount	2.0	3.3%
	B	Sporting Goods	2.0	3.2%
	B	Pharmacy	2.0	3.2%
	A-	Home Improvement	1.8	3.0%
	n/a	Health & Fitness	1.7	2.8%
	CCC+	Big Box Discount	1.6	2.6%
 (Operated by Charter Foods North)	n/a	QSR	1.5	2.5%

(1) Corporate credit ratings per S&P and/or Fitch.

(2) GAAP annualized base rent as of March 31, 2015. In \$ millions.

National Footprint

Acquiring and developing net lease
retail real estate across the United States



Focused Investment Strategy

High quality properties
net leased to industry leading retailers

➤ Net Lease Real Estate – Agree’s Approach

- 100% retail . superior real estate + longer term lease
- Target national & super-regional retailers
- Bottoms up underwriting . residuals matter
- Leverage real estate acumen & unique investment platforms

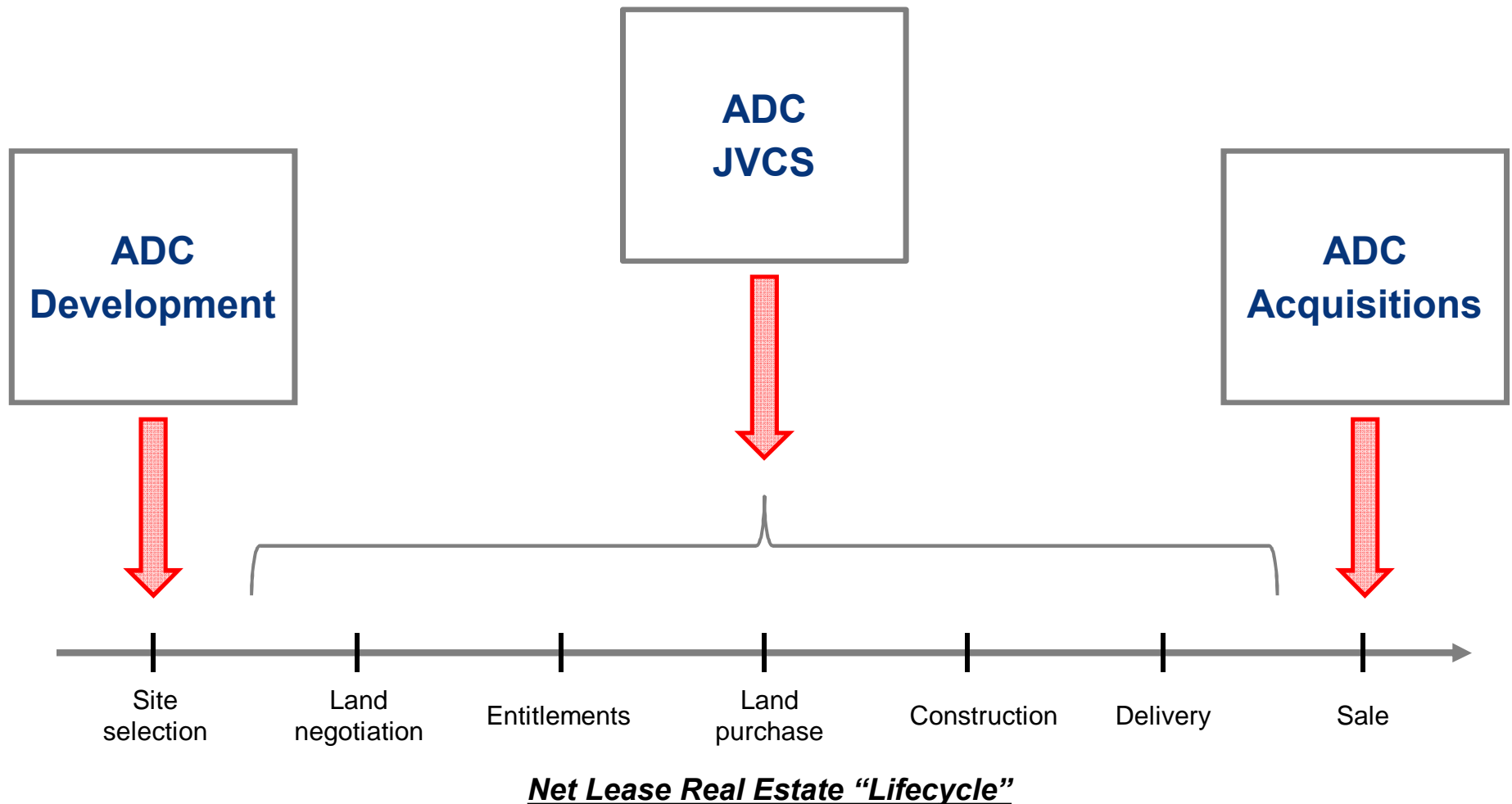
➤ External Growth Strategies

- *Acquisitions*
 - 2014 results: acquired 77 properties for an aggregate purchase price of \$147.5 million
 - “ 28 retail tenants operating across 15 e-commerce resistant sectors in 22 states
 - April 2010 - current: acquired 164 properties for an aggregate purchase price of over \$435 million
 - “ 63 retail tenants operating across 23 e-commerce resistant sectors in 37 states
- *Development & Joint Venture Capital Solutions (“JVCS”)*
 - 2014 results: delivered five properties for an aggregate investment of \$17.8 million
 - Preferred developer status with numerous national retailers
 - JVCS leverages ADC’s relationships, superior access to capital and development expertise

Synergistic Investment Platforms

Executing on the complete spectrum of net lease origination

Agree's Three Investment Platforms



Recent Acquisitions



**Bed Bath & Beyond / Old Navy
Dress Barn**
Grand Chute, WI



Sherwin Williams Portfolio
Florida (2) & Alabama (1)



**Academy Sports + Outdoors
Jo-Ann Fabrics / Orscheln**
Topeka, KS



Fidelity Investments
Novi, MI



Jiffy Lube Portfolio
Florida (3)



AutoZone Portfolio
14 properties, 6 states



Burger King Portfolio
North Dakota (6) & Minnesota (5)



24 Hour Fitness
Littleton, CO



Taco Bell Portfolio
Ohio (11) & Pennsylvania (2)



Giant Eagle
Ligonier, PA



Buffalo Wild Wings
Indianapolis, IN



Michaels / PetSmart
Anderson, SC

Recently Completed Development and JVCS Projects



Cash & Carry Smart Foodservice
Burlington, WA



Buffalo Wild Wings
St. Augustine, FL



T.J. Maxx / Ross Dress For Less / Petco
New Lenox, IL



McDonald's
East Palatka, FL



Wawa
St. Petersburg, FL

Growth-Oriented Balance Sheet

Strong balance sheet and access to capital provide capacity for growth

Select Credit Metrics ⁽¹⁾

Debt / Enterprise Value	32%
Debt / Recurring EBITDA	5.3x
Interest Coverage	4.8x
Fixed Charge Coverage	3.8x
Percent Fixed Rate Debt ⁽²⁾	100.0%
Weighted Average Debt Maturity ⁽²⁾	5.5 years
Weighted Average Interest Rate ⁽²⁾	4.0%

Recent Capital Markets Activity

- **2014**
 - December: \$76.8 million follow-on equity offering
 - July: \$150.0 million Revolver
 - July: \$65.0 million unsecured 7 year term loan
- **2013**
 - November: \$48.8 million follow-on equity offering
 - September: \$35.0 million unsecured 7 year term loan
 - January: \$47.0 million follow-on equity offering

Investment Grade Balance Sheet Strategy

- Target long-term leverage of less than 40% debt / gross assets and less than 5.5x debt / recurring EBITDA
- Create and preserve sizeable unencumbered asset pool
- Stagger debt maturities with focus on longer terms
- Maintain liquidity and access to capital
- Continue to expand and diversify portfolio

(1) As of March 31, 2015. Enterprise value based on \$32.97 share price as of March 31, 2015.

(2) Excludes revolving credit facility.

Experienced and Driven Leadership



Rick Agree, Executive Chairman

- Served as Chairman and CEO of Agree Realty from its IPO in 1994 until 2012
- Founded Agree Realty's predecessor in 1971 and has personally overseen the development of over 8,000,000 square feet of retail space across the country



Joey Agree, President & Chief Executive Officer

- Oversees the direction and supervision of all operations of the Agree Realty
- Joined ADC in 2005 and served as President and COO from 2009 until 2012
- Named #30 in Their Thirties+ by DBusiness and #40 Under 40+ by Real Estate Forum Magazine and Crain's Detroit Business



Brian Dickman, Chief Financial Officer & Secretary

- Primarily responsible for corporate finance, capital markets, accounting, financial reporting, treasury and investor relations activities
- Former real estate investment banker at Lehman Brothers/Barclays and RBC Capital Markets



Laith Hermiz, Executive Vice President

- Primarily responsible for development, leasing and asset management activities
- Former VP of Development at Ramco-Gershenson and Managing Director at Joseph Freed & Associates



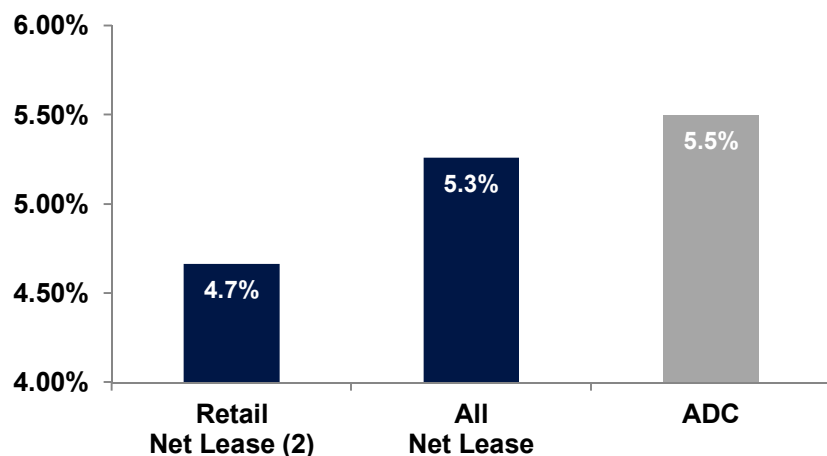
Kurt Beleck, Vice President of Operations

- Primarily responsible for due diligence and entitlement activities
- Registered Architect and Certified Development, Design and Construction Professional (CDP)
- Over 21 years of project management and real estate land development experience

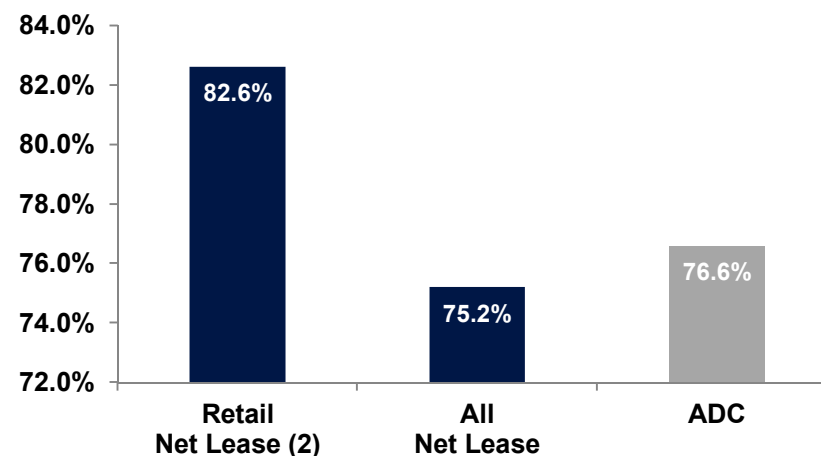
Attractive Relative Value

ADC offers a well covered dividend
and potential valuation upside

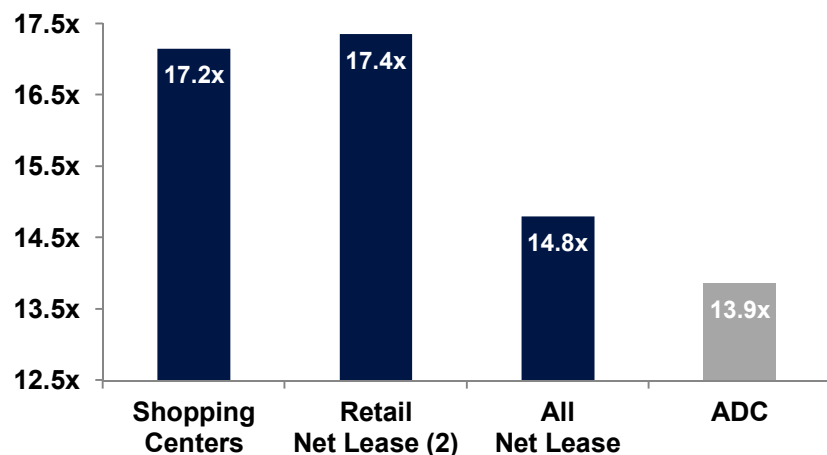
Current Dividend Yield ⁽¹⁾



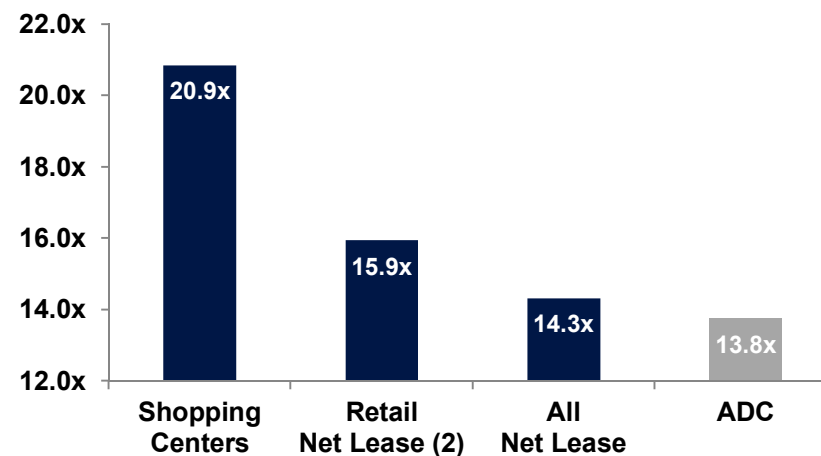
2015E AFFO Payout Ratio ⁽¹⁾



2015E FFO Multiple ⁽¹⁾



2015E AFFO Multiple ⁽¹⁾



(1) Per KeyBanc Capital Markets "The Leaderboard" as of March 27, 2015. Data is based on consensus earnings estimates per SNL Financial.

(2) Includes National Retail Properties, Realty Income, Spirit Realty Capital and STORE Capital.

Summary Investment Highlights

- **High quality portfolio of retail net lease assets**
- **Focused and disciplined investment approach**
- **Proven external growth strategies**
- **Strong balance sheet geared for additional growth**
- **Experienced management with track record of execution**
- **Attractive dividend with sustainable payout ratio**