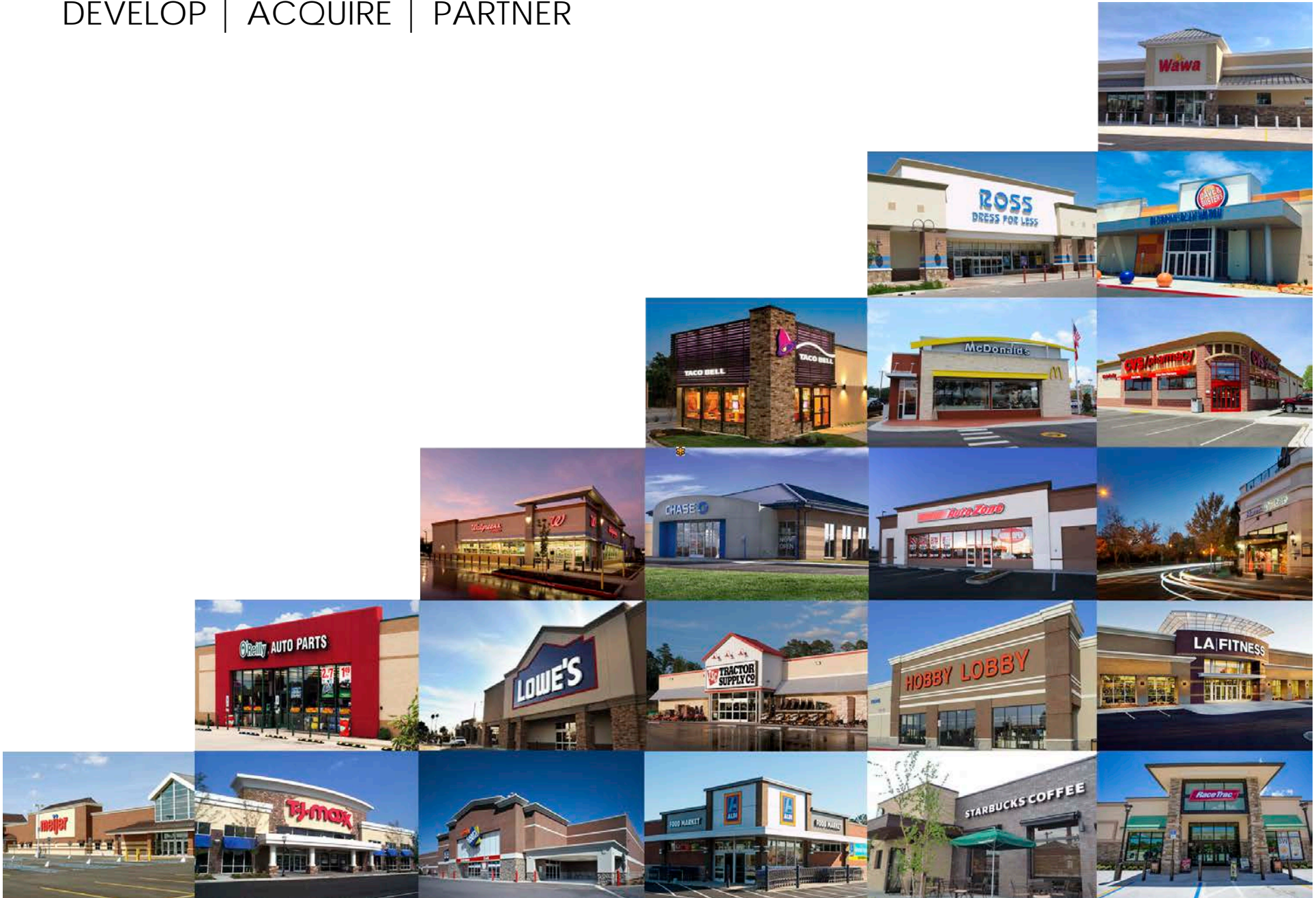


# AR AGREE REALTY CORPORATION

DEVELOP | ACQUIRE | PARTNER

**ADC**  
Listed  
**NYSE**  
THE NEW YORK STOCK EXCHANGE



# Safe Harbor

---

**This presentation contains certain statements that are the Company's and Management's hopes, intentions, beliefs, expectations, or projections of the future and might be considered forward-looking statements under Federal Securities laws. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. The Company's actual future results may differ significantly from the matters discussed in these forward-looking statements and we may not release revisions to these forward-looking statements to reflect changes after we've made the statements. Factors and risks that could cause actual results to differ materially from expectations are disclosed from time to time in greater detail in the Company's filings with the SEC including, but not limited to, the Company's report on Form 10-K, as well as Company press releases.**

# Agree Realty Corporation (NYSE: ADC)

---

**Retail net lease REIT focused on growth through the acquisition and development of high-quality retail properties**

## **Our Company**

- \$2.3 billion retail net lease REIT headquartered in Bloomfield Hills, MI and listed on the NYSE under ticker ADC
- 468 retail properties totaling approximately 9.2 million square feet in 44 states
- 46% investment grade tenants and 10.3 years average remaining lease term<sup>(1)</sup>
- Investment grade credit rating of Baa2 with a stable outlook from Moody's

## **Our History**

- 47 year operating history as a 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 Partner Capital Solutions ("PCS") business in 2012

## **Our Business Plan**

- Opportunistically expand and diversify our high-quality retail net lease portfolio through a refined and disciplined investment strategy
- Generate consistent and sustainable earnings growth
- Provide a reliable income stream through a growing dividend
- Maintain a conservative and flexible capital structure

As of May 31, 2018, unless noted.

(1) As of March 31, 2018.

# Recent Highlights

---

## Consistent execution has led to enhanced shareholder value

- **Completed forward equity offering for anticipated proceeds of approximately \$163 million**
- **Increased Q1 FFO per share by 9.3% to \$0.71, and AFFO per share by 7.8% to \$0.70**
- **Invested \$102.7 million in 39 high-quality retail net lease properties**
- **Five on-going development and PCS projects for total committed capital of \$24.1 million**
- **Disposed of six assets for total gross proceeds of \$20.5 million<sup>(1)</sup>**
- **Declared a quarterly dividend of \$0.54 per share, a 6.9% year-over-year increase**
- **Received investment grade credit rating of Baa2 with a stable outlook from Moody's**

(1) Includes a tenant's exercise of a purchase option totaling \$3.9 million.

# Investment Strategy

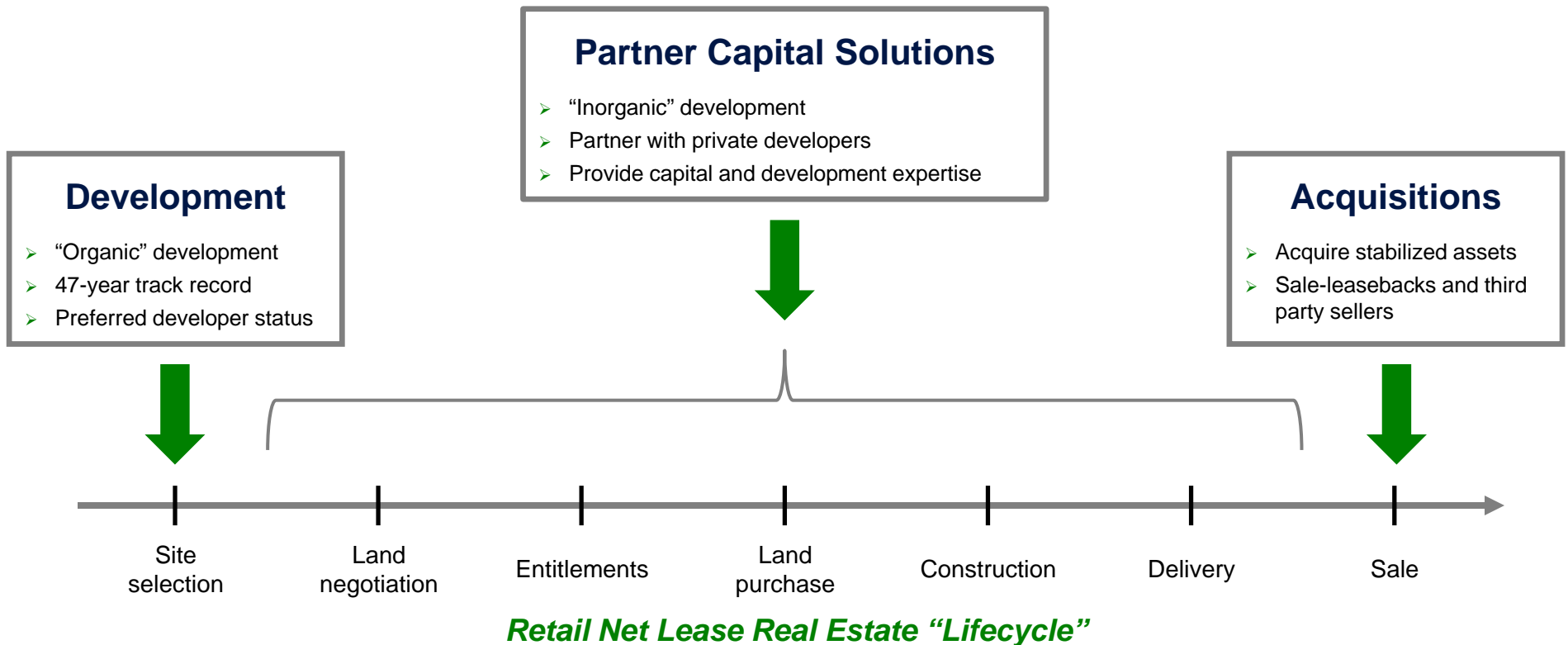


# Differentiated Real Estate Investment Strategy

Leverage real estate acumen and three investment platforms to identify best risk-adjusted retail net lease opportunities

ADC's synergistic investment platforms adhere to the same core principles while pursuing opportunities along the full spectrum of net lease asset origination

- Bottoms-up underwriting → real estate and residuals matter
- 100% retail properties → superior real estate + longer term leases
- National and super-regional retailers → superior real estate + credit enhancement
- Emphasis on tenant real estate solutions → long-term relationships and repeat business



# ADC's Unique Dual Capabilities

Emphasis on comprehensive real estate solutions drive multi-faceted partnerships

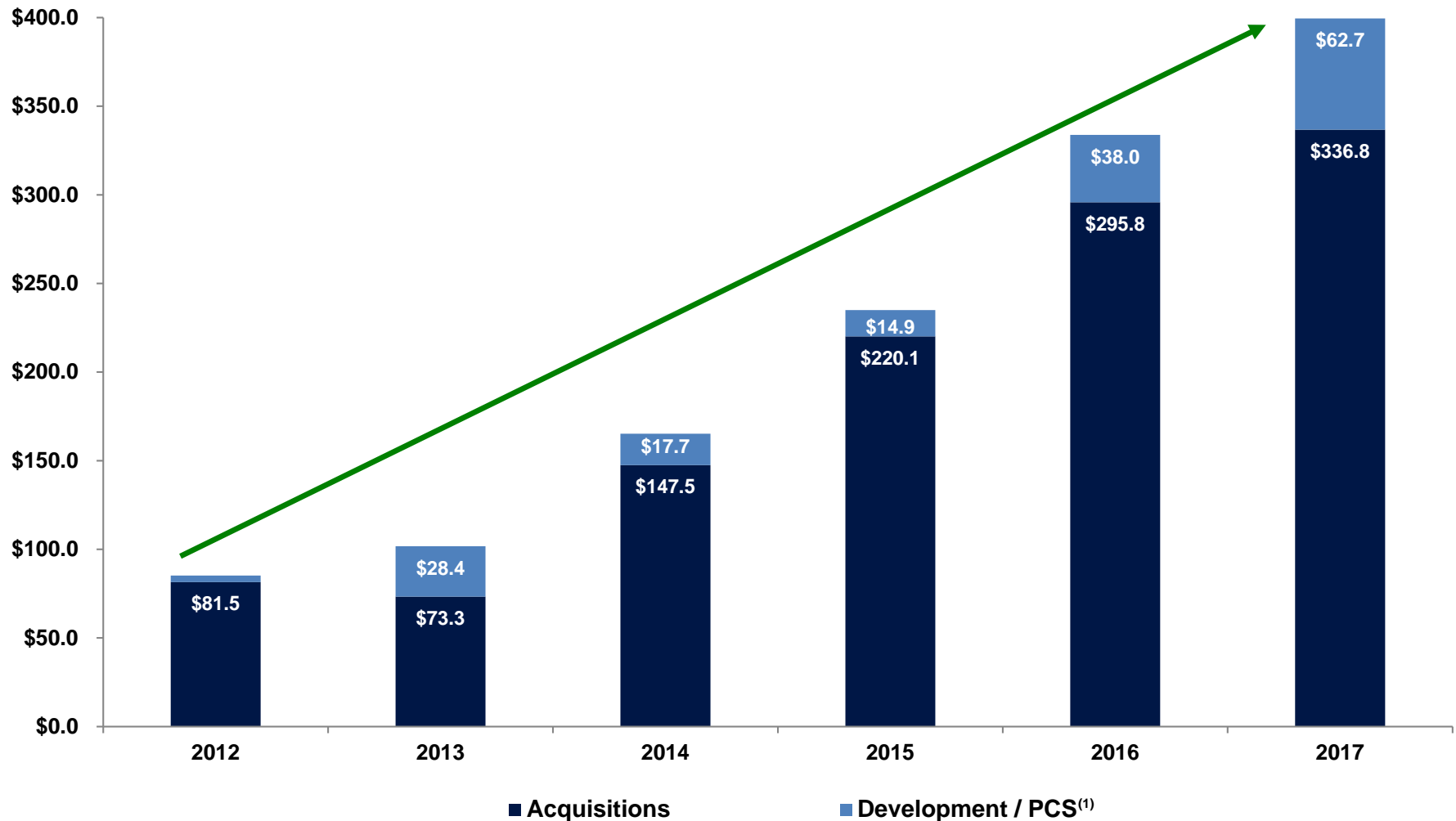


# Track Record of Execution

Since 2010, ADC has invested approximately \$1.6 billion in high-quality retail net lease properties

## Investment Activity

\$ in millions



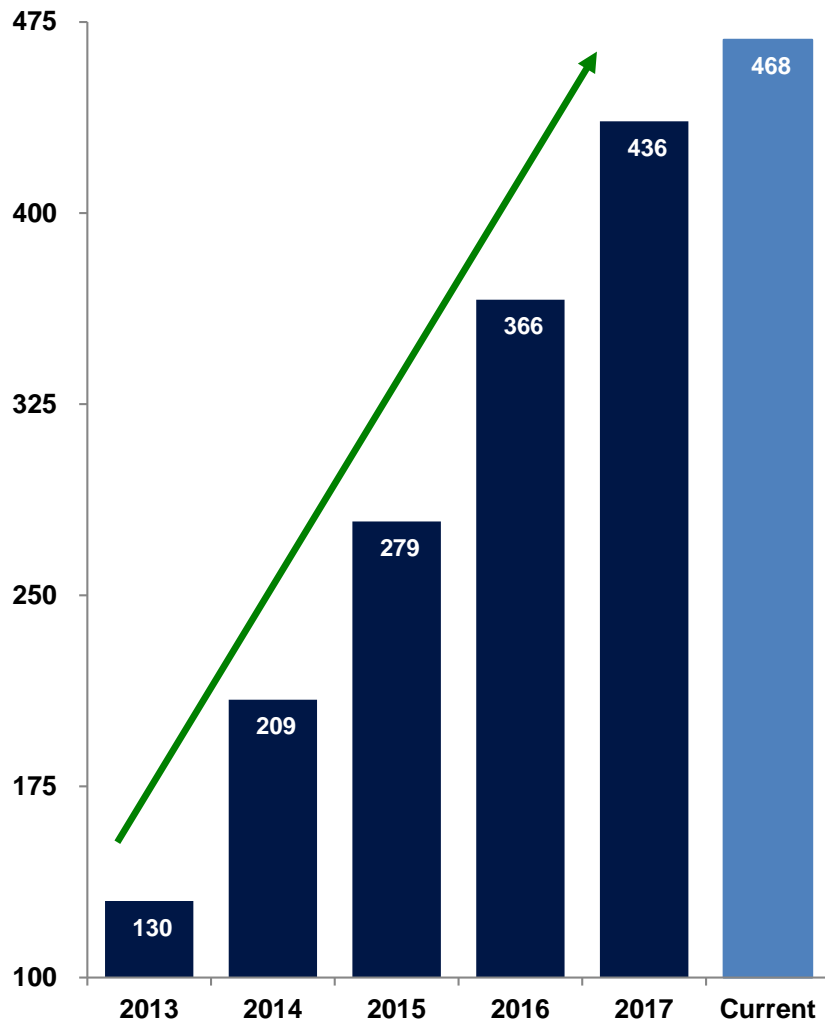
(1) Represents annual development and PCS activity, completed or commenced.



# Accelerating Growth

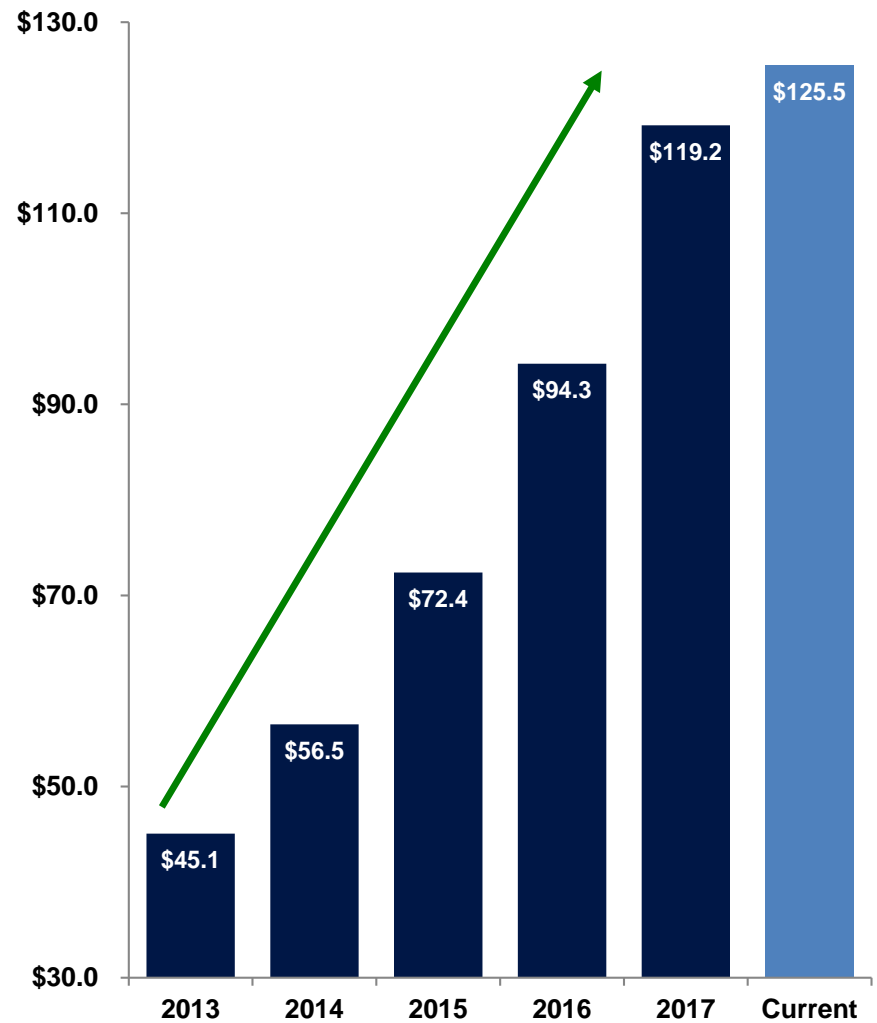
Established real estate capabilities and growing market presence driving increased investment opportunities

# of Properties<sup>(1)</sup>



Annualized Base Rent ("ABR")

\$ in millions



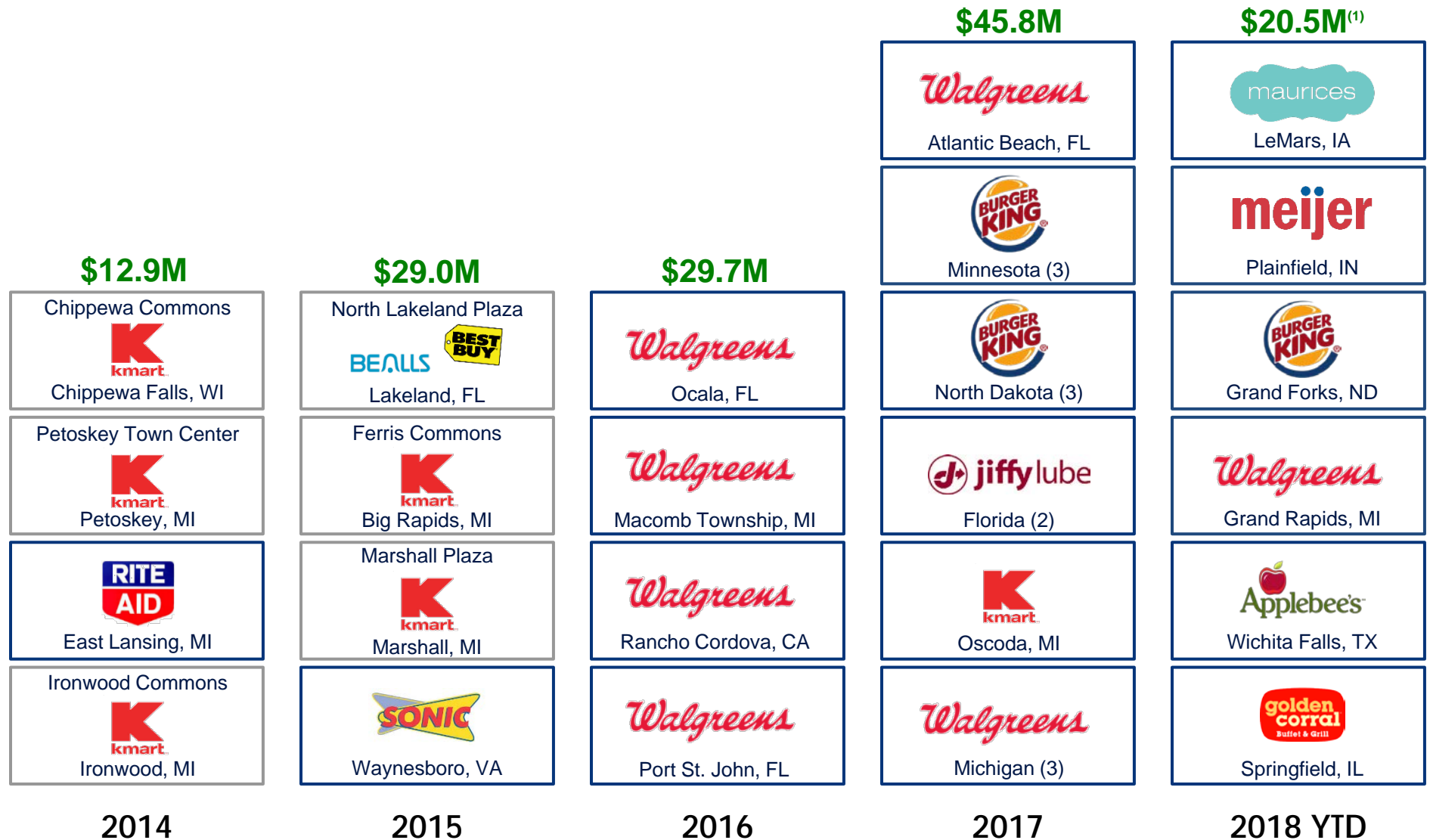
As of March 31, 2018, unless noted.

(1) As of May 31, 2018.

# Active Portfolio Management

Our focus on real estate fundamentals guides non-core asset sales and capital recycling

**Total Dispositions 2010-2018: \$182 million<sup>(1)</sup>**



As of March 31, 2018.

(1) Includes Meijer's exercise of a purchase option totaling \$3.9 million.

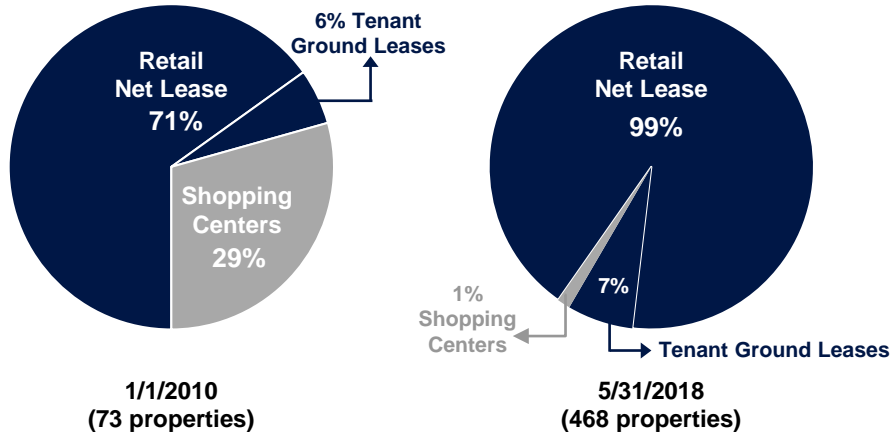
# Portfolio Summary



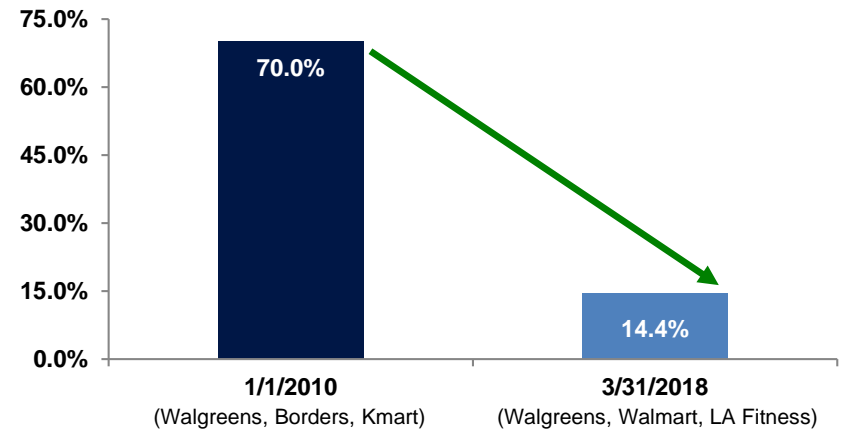
# Portfolio Transformation

Execution has led to increased portfolio diversification and improved quality of rental income

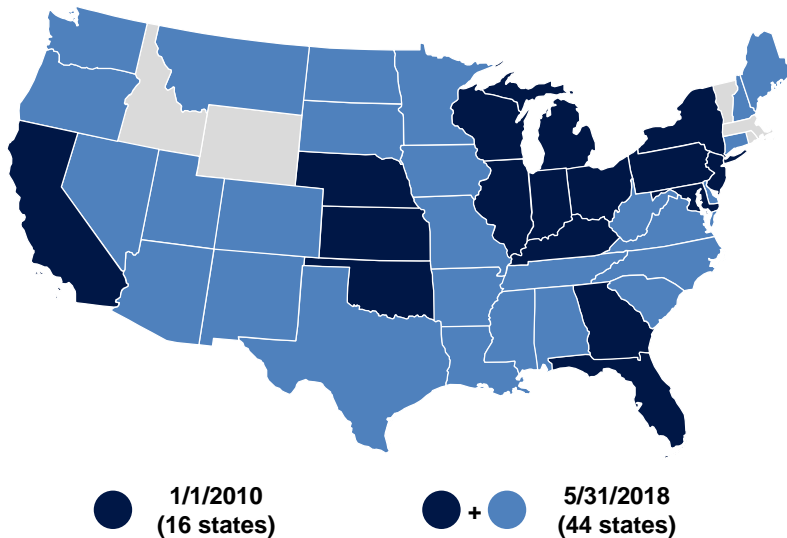
## Property Type (% ABR)



## Top 3 Tenant Concentration (% ABR)



## Geographic Diversification



## Retail Sector Exposure




1/1/2010	Current
✓ Pharmacy	✓ Pharmacy
✓ Bookstores	✓ QSRs
✓ General Merchandise	✓ Health & Fitness
✓ Casual Dining	✓ Grocery Stores
✓ Financial Services	✓ Off-Price Retail
✓ Auto Parts	✓ Warehouse Clubs
	✓ Apparel
	✓ Convenience Stores
	✓ Casual Dining
	✓ Specialty Retail
	✓ Home Improvement
	✓ Theaters
	✓ Auto Parts
	✓ Financial Services
	✓ Health Services
	✓ Tire & Auto Service
	✓ Entertainment Retail
	✓ Crafts & Novelties
	✓ Dollar Stores
	✓ Pet Supplies
	✓ General Merchandise
	✓ Discount Stores
	✓ Sporting Goods
	✓ Home Furnishings
	✓ Office Supplies
	✓ Consumer Electronics
	✓ Farm & Rural Supply
	✓ Shoes




# Portfolio Transformation

## January 2015

## Current

### Top Sectors

	Pharmacy	29.7%
	QSRs	7.5%
	Apparel	6.1%

	Pharmacy	11.6%
	Tire & Auto Service	7.7%
	Grocery	7.7%

### Top Tenants

	21.9%
	4.4%
	4.4%

	7.6%
	3.4%
	3.4%

### # of Properties

209 properties

468 properties<sup>(1)</sup>

### Enterprise Value

\$0.8 billion

\$2.3 billion<sup>(1)</sup>

As of March 31, 2018, unless noted.

(1) As of May 31, 2018.

# Portfolio Snapshot

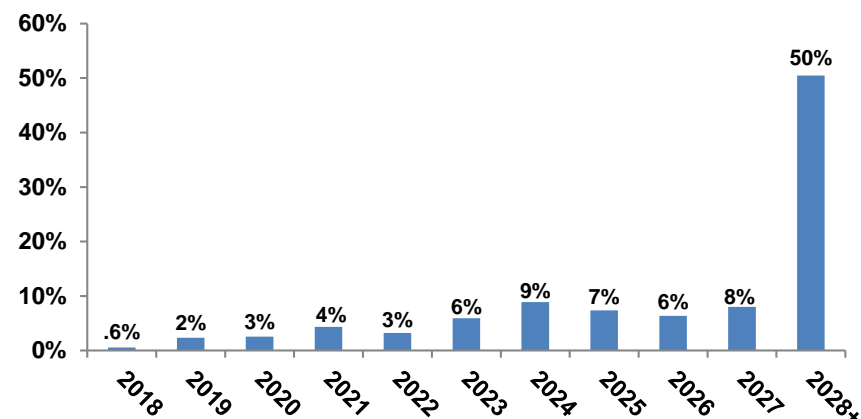
## Tenants

<i>\$ in millions</i> Tenant / Concept	Annualized Base Rent <sup>(1)</sup>	% of Total
Walgreens	\$9.6	7.6%
Walmart	4.2	3.4%
LA FITNESS	4.2	3.4%
TJX	4.2	3.4%
LOWE'S	4.2	3.4%
CVS pharmacy	3.3	2.6%
Mister CAR WASH	3.1	2.5%
Wawa	2.7	2.1%
HOBBY LOBBY	2.6	2.1%
DOLLAR GENERAL	2.6	2.1%
Smart & Final	2.5	2.0%
AMC THEATRES	2.4	1.9%
AutoZone	2.3	1.8%
PETSMART	2.2	1.8%
TSC TRACTOR SUPPLY CO	2.2	1.7%
Michaels	2.1	1.6%
DAVE & BUSTER'S	2.1	1.6%
Academy SPORTS+OUTDOORS	2.0	1.6%
BELLE TIRE	1.9	1.5%
DOLLAR TREE	1.9	1.5%
Other	63.3	50.4%
<b>Total</b>	<b>\$125.5</b>	<b>100.0%</b>

As of March 31, 2018.

(1) Based on GAAP annualized base rent.

## Lease Expirations



## Retail Sectors

<i>\$ in millions</i> Tenant Sector	Annualized Base Rent <sup>(1)</sup>	% of Total
Pharmacy	\$14.6	11.6%
Tire & Auto Service	9.7	7.7%
Grocery Stores	9.7	7.7%
Off-Price Retail	7.0	5.5%
Health & Fitness	6.9	5.5%
Restaurants – Quick Service	6.6	5.3%
Home Improvement	5.8	4.6%
Convenience Stores	5.6	4.5%
Crafts and Novelties	5.0	3.9%
Auto Parts	4.9	3.9%
Specialty Retail	4.3	3.4%
General Merchandise	4.3	3.4%
Theater	3.8	3.0%
Warehouse Clubs	3.7	3.0%
Health Services	3.4	2.7%
Farm and Rural Supply	3.4	2.7%
Dollar Stores	3.3	2.6%
Home Furnishings	3.2	2.6%
Sporting Goods	3.2	2.5%
Other	17.3	13.8%
<b>Total</b>	<b>\$125.5</b>	<b>100.0%</b>

# Walmart Portfolio Breakdown

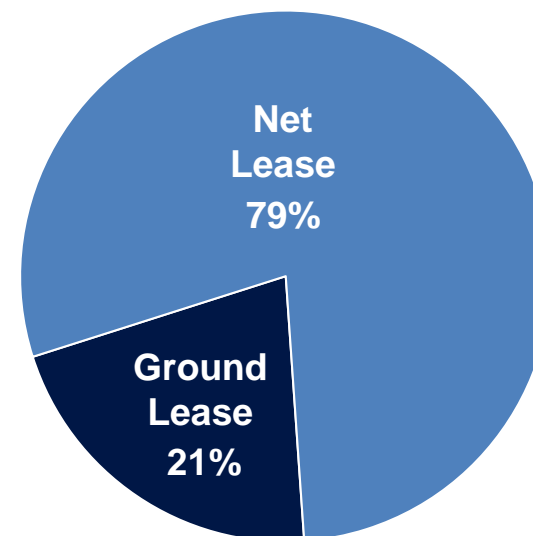
## Top Tenants

\$ in millions

Tenant / Concept	# of Assets	ABR <sup>(1)</sup>	% of Total
<i>Walgreens</i>	26	\$9.6	7.6%
<b>Walmart </b>	<b>4</b>	<b>\$4.2</b>	<b>3.4%</b>
<i>LA   FITNESS</i>	5	\$4.2	3.4%
<i>TJX</i>	11	\$4.2	3.4%
<i>LOWE'S</i>	5	\$4.2	3.4%
<i>CVS pharmacy™</i>	10	\$3.3	2.6%
<i>Mister CAR WASH</i>	10	\$3.1	2.5%
<i>Wawa</i>	9	\$2.7	2.1%

- Diversified portfolio comprised of Walmart Supercenter, Neighborhood Market and Sam's Club
- Two turnkey and two ground leases
- High-performing Sam's Club paying % rent in Brooklyn, Ohio recently exercised five-year extension
- Supercenter in Hazard, Kentucky built into side of mountain with limited competition

## Walmart Lease Type (% ABR)



As of March 31, 2018.

(1) Based on GAAP annualized base rent.



# Portfolio Breakdown

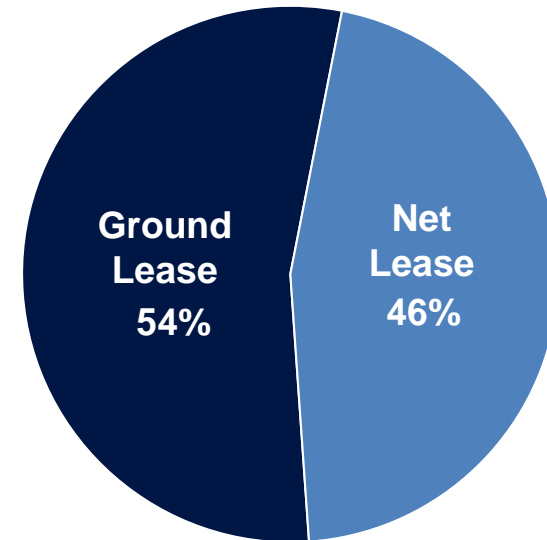
## Top Tenants

\$ in millions

Tenant / Concept	# of Assets	ABR <sup>(1)</sup>	% of Total
<i>Walgreens</i>	26	\$9.6	7.6%
<i>Walmart</i>	4	\$4.2	3.4%
<i>LA   FITNESS</i>	5	\$4.2	3.4%
<i>TJX</i>	11	\$4.2	3.4%
<b>Lowe's</b>	<b>5</b>	<b>\$4.2</b>	<b>3.4%</b>
<i>CVS pharmacy</i>	10	\$3.3	2.6%
<i>Mister CAR WASH</i>	10	\$3.1	2.5%
<i>Wawa</i>	9	\$2.7	2.1%

- Diversified portfolio comprised of three full size prototypes on ground leases and two turnkey small format Orchard Supply Hardware stores
- Orchard Supply Hardware stores located in Silicon Valley and SE Florida
- Weighted-average remaining lease term of 13 years

## Lowe's Lease Type (% ABR)



As of March 31, 2018.


(1) Based on GAAP annualized base rent.



# Wawa Portfolio Breakdown

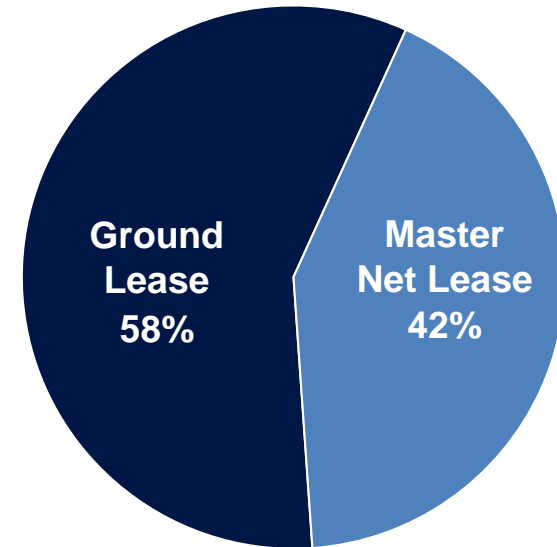
## Top Tenants

\$ in millions

Tenant / Concept	# of Assets	ABR <sup>(1)</sup>	% of Total
<i>Walgreens</i>	26	\$9.6	7.6%
<b>Walmart</b> 	4	\$4.2	3.4%
<b>LA   FITNESS</b>	5	\$4.2	3.4%
<b>TJX</b>	11	\$4.2	3.4%
<b>LOWE'S</b>	5	\$4.2	3.4%
<b>CVS pharmacy</b>	10	\$3.3	2.6%
<i>Mister CAR WASH</i>	10	\$3.1	2.5%
<b>Wawa</b>	9	\$2.7	2.1%

- Geographically diverse portfolio comprised of six ground leases and a three-store master lease
- Industry-leading gas and convenience store operator founded in 1803
- Investment-grade credit rating
- ADC developed five of the nine properties

## Wawa Lease Type (% ABR)



As of March 31, 2018.

(1) Based on GAAP annualized base rent.

# High-Quality Retail Real Estate = Stronger Residual Values

# TJX

Michaels

PETSMART

Secaucus, New Jersey

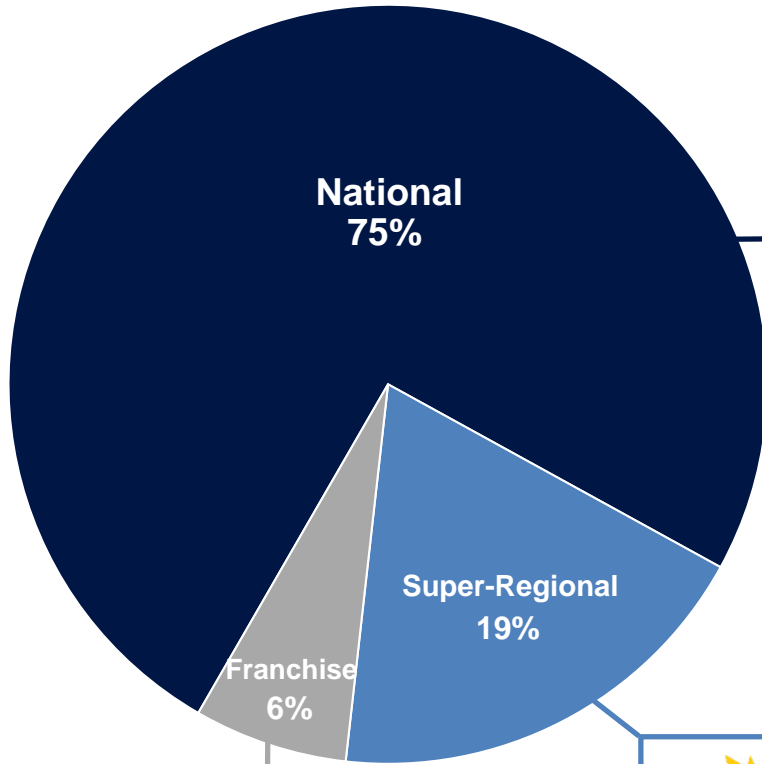
- \$43 million multi-tenant transaction
- 57% of GAAP ABR from TJX Companies
- Five-mile daytime population density of 1.8 million
- More than 230,000 vehicles per day
- Part of a 3.5 million square foot mixed-use project



# National and Super-Regional Retailers

Industry leading brands and retailers operating in e-commerce resistant sectors

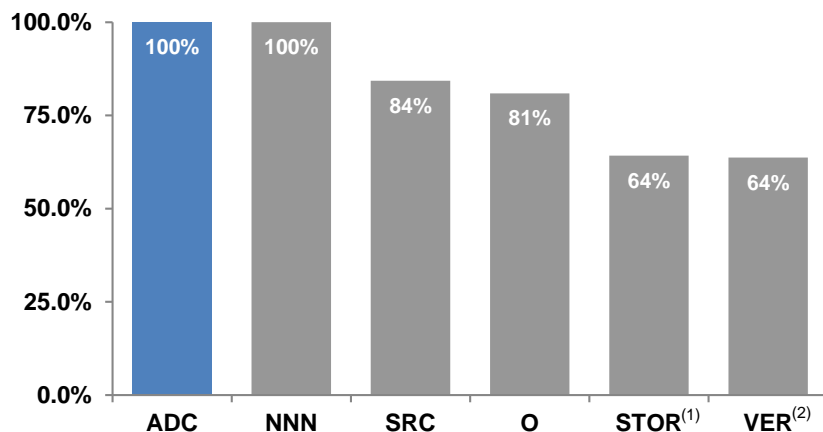
Retail Tenant Type (% ABR)



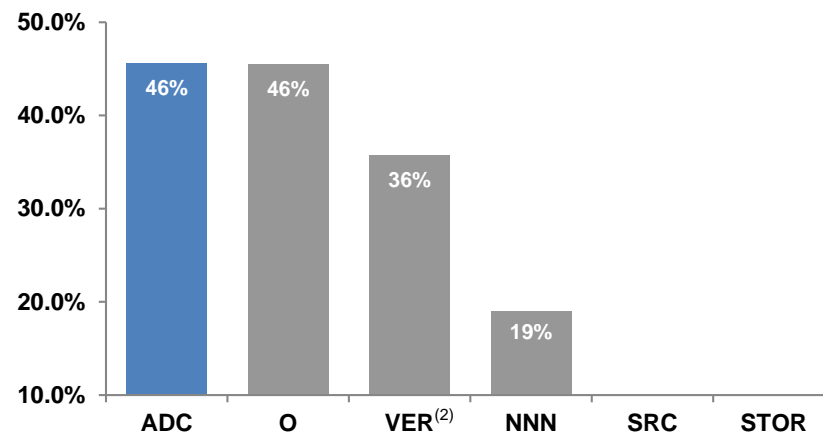
# Leading, Pure-Play Retail Net Lease REIT

Diversified portfolio of high-quality retail properties occupied by superior credit tenants under long-term leases

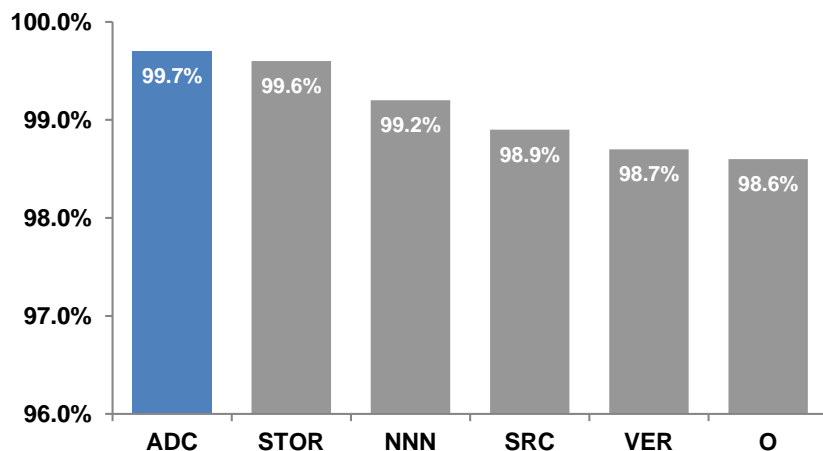
### Retail % of Total Portfolio



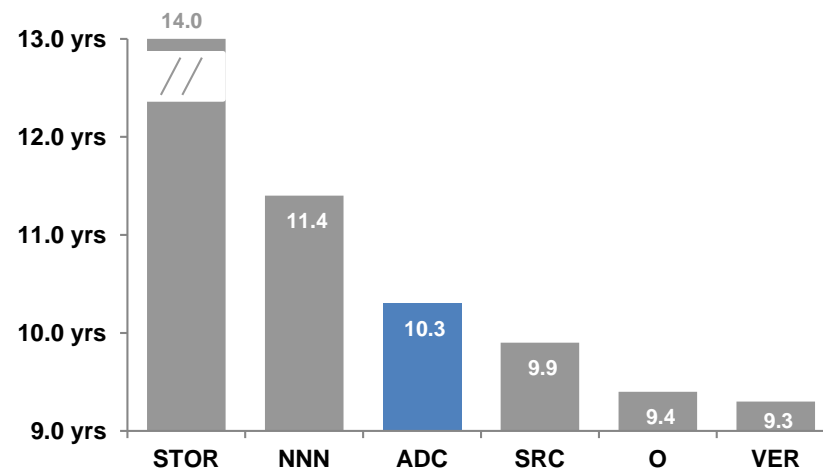
### Investment Grade Retail Tenants



### Occupancy



### Weighted-Average Lease Term



ADC data as of March 31, 2018. Peer data from first quarter 2018 supplemental or company SEC filings.

(1) Excludes Early Childhood Education, Career Education, Behavioral Health, Elementary and Secondary Schools, Lumber Wholesalers, Wholesale Automobile Auction and All Other Service Industries, as disclosed.

(2) Excludes Office, Industrial and Distribution, as disclosed.

# Embedded Redevelopment Opportunities

## Mount Pleasant, Michigan

- Legacy shopping center located on main retail corridor across from Central Michigan University's campus
- Kmart Cash ABR: \$175K gross
- Represents 25% of GAAP ABR expiring in 2018
- Executed new 15-year net lease with Hobby Lobby; rent anticipated to commence in 2019



## Frankfort, Kentucky

- Legacy shopping center located in Frankfort's dominant retail trade area
- Kmart Cash ABR: \$165K net
- 5-acre site
- Represents 24% of GAAP ABR expiring in 2018
- Negotiations underway with several leading retailers



# Development and PCS Projects

9 projects completed or on-going totaling \$50.8 million

## Under Construction



**Mister Car Wash**  
Orlando, FL



**Camping World**  
Grand Rapids, MI



**Mister Car Wash**  
Tavares, FL



**Burlington Coat Factory**  
Nampa, ID



**ALDI**  
Chickasha, OK

## Recently Completed



**Art Van Furniture**  
Canton, MI



**Burger King**  
North Ridgeville, OH



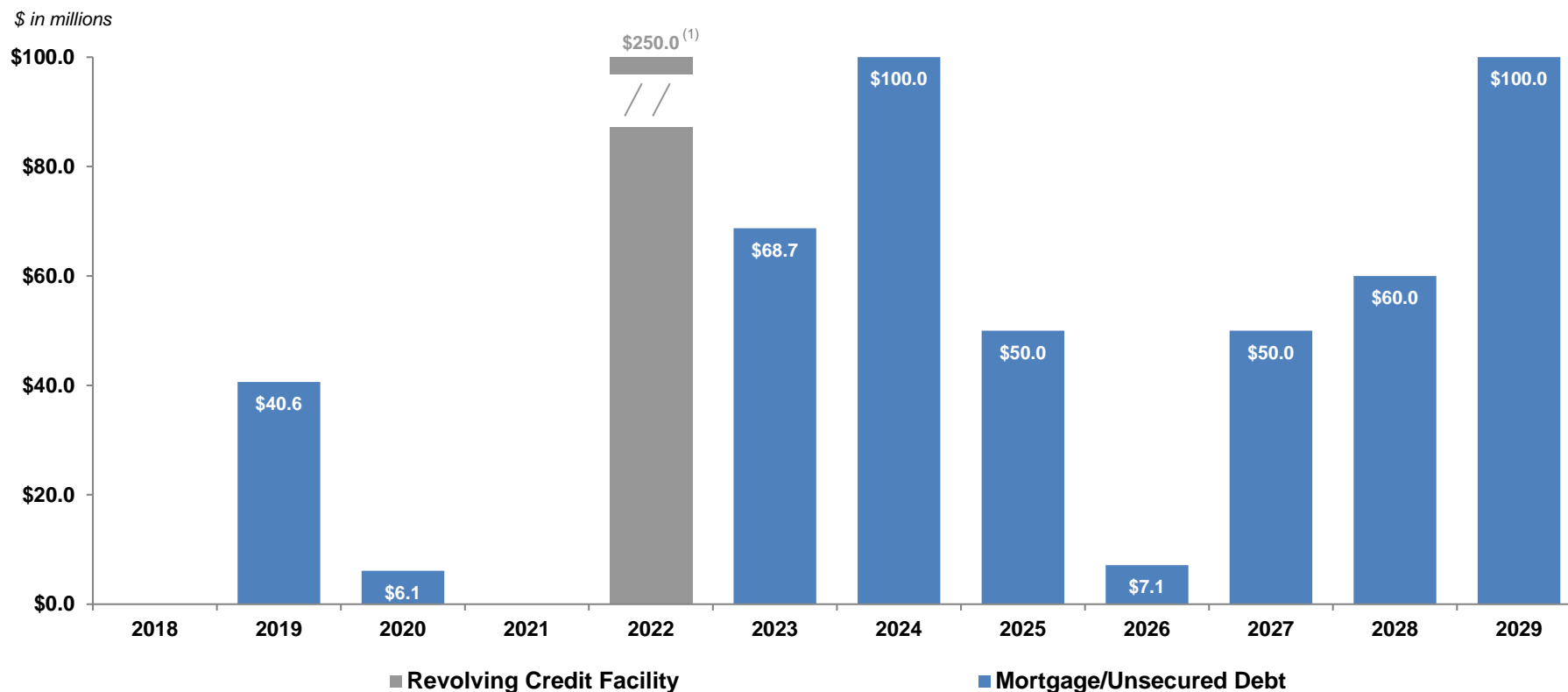
**Mister Car Wash (2)**  
Bernalillo, NM & Urbandale, IA

# Financial Overview



# Capital Structure, Credit Metrics

## Debt Maturities



## Capitalization Statistics<sup>(2)</sup>

Equity Market Capitalization	\$1.7B
Total Enterprise Value	\$2.3B

## Credit Metrics

Fixed Charge Coverage Ratio	4.2x
Net Debt / Recurring EBITDA	4.8x
Total Debt to Total Enterprise Value	27%
Moody's Credit Rating <sup>(2)</sup>	Baa2

As of March 31, 2018, unless noted.

(1) Reflects the total commitments under the Company's \$250 million Revolving Credit Facility; assuming two 6-month extension options are exercised.

(2) As of May 31, 2018.



# Investment Summary Highlights

---

- **Investment grade credit rating**
- **Highest-quality retail real estate**
- **Most secure cash flows**
- **Strongest balance sheet**
- **Proven track record of execution**
- **Consistent dividend growth**
- **Robust growth trajectory**



DEVELOP | ACQUIRE | PARTNER

