



STAG
INDUSTRIAL

INVESTOR PRESENTATION
SUMMER / FALL 2017



West Columbia, SC: 176,400 SF

Clear Height: 28'
Year Built: 2009



Yorkville, WI: 98,140 SF

Clear Height: 28'
Year Built: 2006



Cedar Hill, TX: 420,000 SF

Clear Height: 36'
Year Built: 2000



Hampstead, MD: 1,035,249 SF

Clear Height: 32'
Year Built: 2000

STAG IS AN OWNER AND OPERATOR OF INDUSTRIAL REAL ESTATE

- Focused on the acquisition and operation of single-tenant industrial properties throughout the US

DIVERSE PORTFOLIO ⁽¹⁾

- Portfolio is broadly diversified across geography, industry, tenancy and lease term
 - 342 buildings across 37 states
 - 296 tenants with a well-laddered lease maturity schedule and a weighted average lease term of 4.8 years
 - Warehouse, distribution and light manufacturing facilities

ACTIVE ASSET MANAGEMENT PLATFORM ⁽¹⁾

- Achieved ~70% tenant retention in each of the last three years through active tenant relationship management
- Leased ~29 million square feet since IPO
- Active in-house engineering expertise with a dedicated Capital Projects Group
 - Completed ~\$37 million of capital projects since January 2016
 - Building expansions and asset repositioning
 - ~\$19 million completed / in progress since January 2016

**REAL ESTATE PLATFORM FOCUSED ON THE ACQUISITION AND OPERATION OF
SINGLE-TENANT INDUSTRIAL REAL ESTATE**

INDIVIDUAL SINGLE-TENANT PROPERTIES ARE PERSISTENTLY MISPRICED

- Binary risk of single-tenancy creates higher potential volatility in cash flows compared to multi-tenancy
 - Single-tenant buildings are either fully occupied or completely vacant
 - Investors apply higher risk premiums/discount rates when evaluating individual single-tenant assets
- The aggregation of binary risk cash flows with an emphasis on portfolio construction can mitigate correlation and the binary risk, creating cash flows with a less volatile profile
 - Investors apply relatively lower risk premiums/discount rates to relatively less volatile cash flows

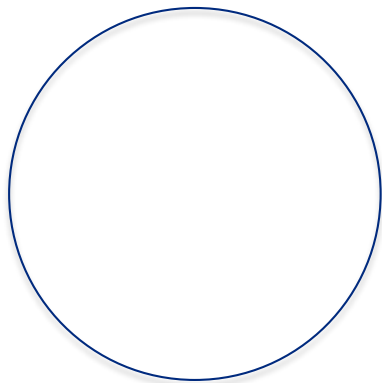
INDUSTRIAL REAL ESTATE PROVIDES THE BEST OPPORTUNITY

- U.S. industrial real estate features attractive characteristics for the aggregation of a portfolio of binary risk cash flows
 - Large, stable and developed market with ~\$1 trillion of fungible assets
 - Highly fragmented ownership with the largest participant owning less than 3% of stock
 - Smaller average investment size provides granular acquisition opportunity (\$5 - \$15 million average asset size)
 - Assets typically have relatively low individual correlation
 - Low capex and high retention relative to other real estate asset classes ⁽¹⁾

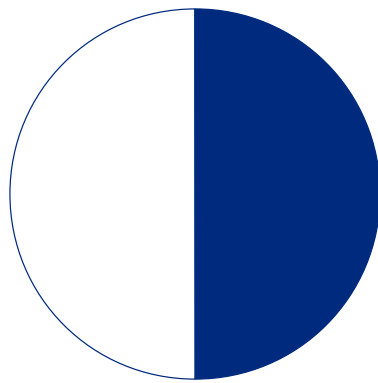
**ATTRACTIVE OPPORTUNITY SET TO CREATE VALUE THROUGH THOUGHTFUL
PORTFOLIO CONSTRUCTION**

LARGE TARGET MARKET

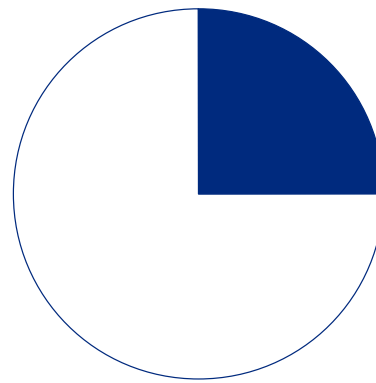
- U.S. industrial market is over \$1 trillion in total size ⁽¹⁾
- STAG's Target Assets: single-tenant industrial properties that meet our investment criteria



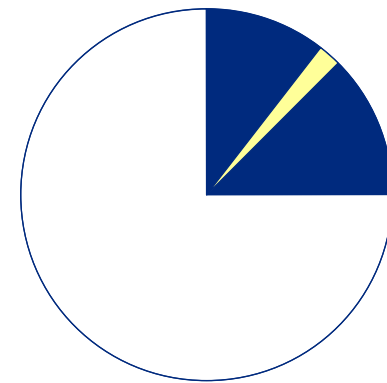
\$1 Trillion Total Industrial Market ⁽¹⁾



Estimated \$500 Billion Single-Tenant Asset Universe ⁽¹⁾



\$250 Billion Target Asset Universe ⁽¹⁾

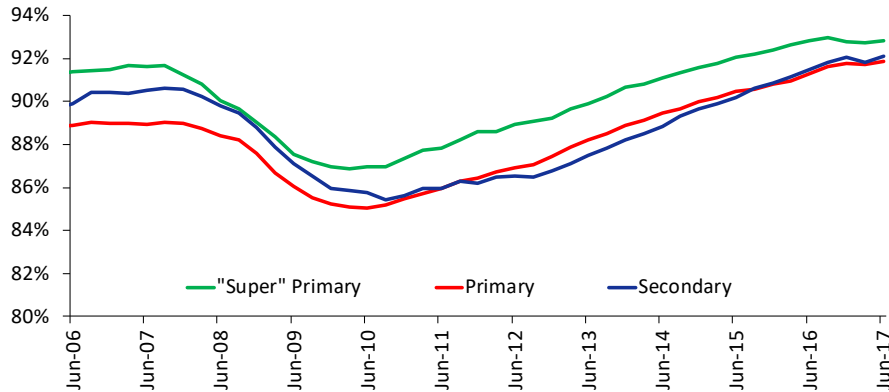


STAG's Share of Target Asset Universe is ~1%

LARGE SCALE OPPORTUNITY

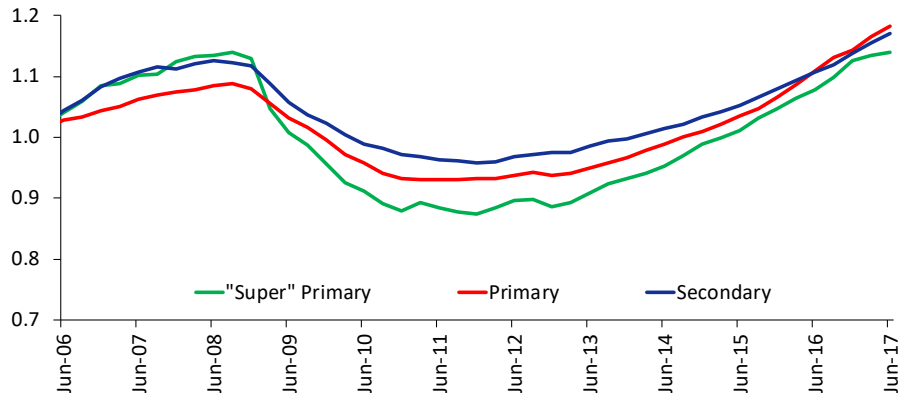
(1) Per CoStar, RCA and STAG management's estimates using publicly available data

WAREHOUSE OCCUPANCY (1)



- Historical Primary and Secondary market occupancy levels are similar
- Super Primary markets historically operate at an occupancy level above both Primary and Secondary markets

WAREHOUSE RENT GROWTH (INDEX: 2005 = 1) (1)

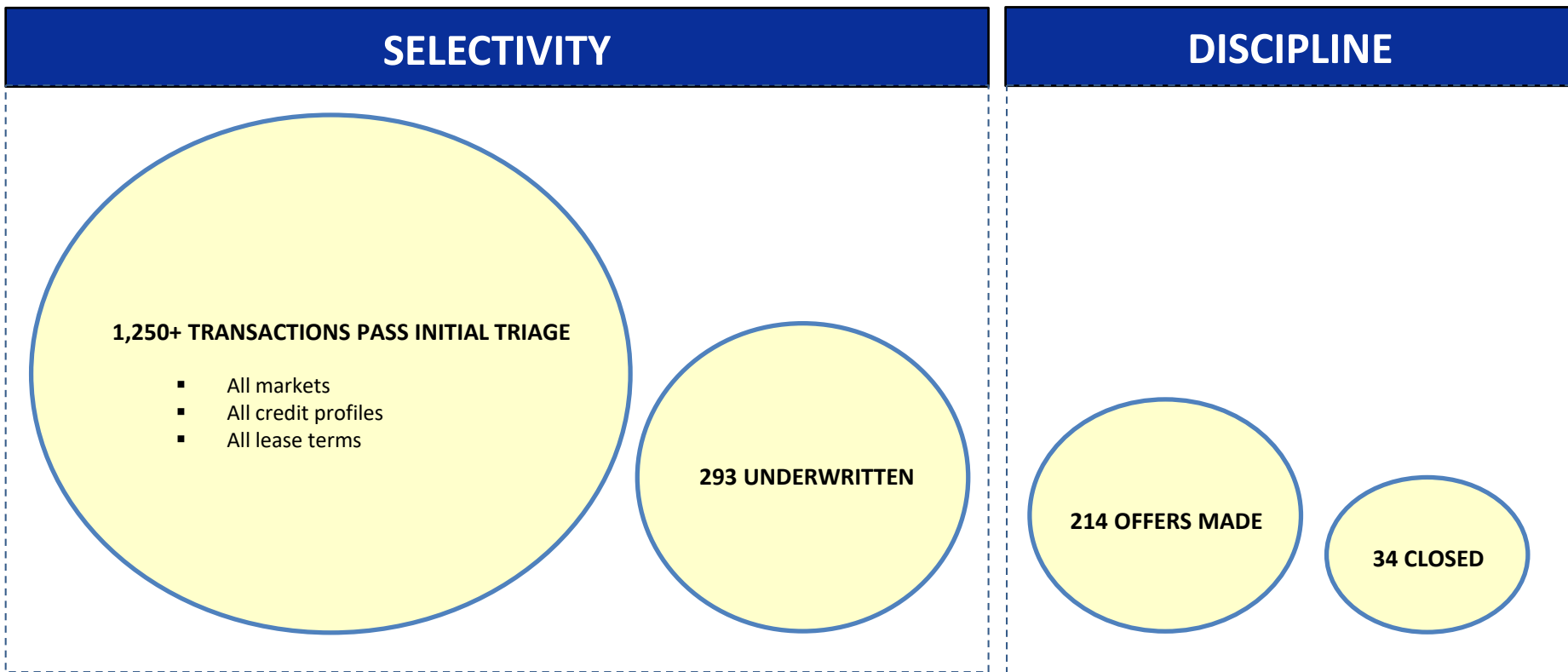


- Secondary market rent growth has performed in-line with Primary market rent growth over the past ten years
- Super Primary market rent growth has displayed greater volatility over the past ten years compared to Primary and Secondary markets

DATA DOES NOT SUPPORT CONVENTIONAL WISDOM

(1) Source: CBRE; Super Primary markets are Chicago, Dallas, Los Angeles, Miami, Northern New Jersey, and Riverside; Primary markets contain greater than 200M SF; Secondary markets contain 25M – 200M SF

- Probabilistic Risk Assessment Model allows for evaluation of cash flows on a risk-neutral basis



- In 2016, acquired \$472 million (22% growth)⁽¹⁾ of industrial real estate at a weighted average Capitalization Rate of 7.9%

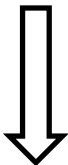
PLATFORM DESIGNED TO STREAMLINE ACQUISITION PROCESS WHILE EMPHASIZING INVESTMENT DISCIPLINE

(1) 2016 acquisition volume compared to Real Estate Cost Basis at Q4 2015

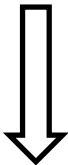
AGGREGATION REDUCES VOLATILITY

FREE CASH FLOW EXAMPLE

SINGLE ASSET

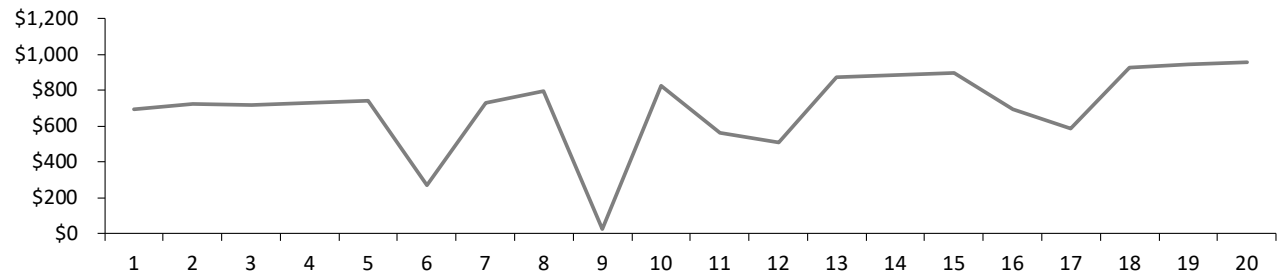


PORTFOLIO

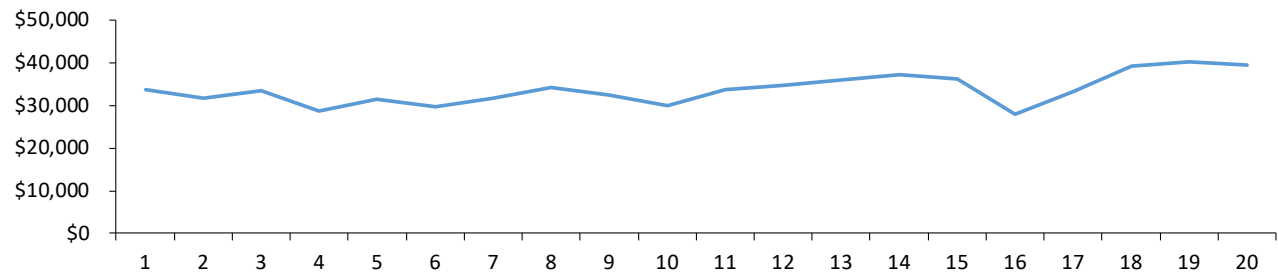


ENTERPRISE

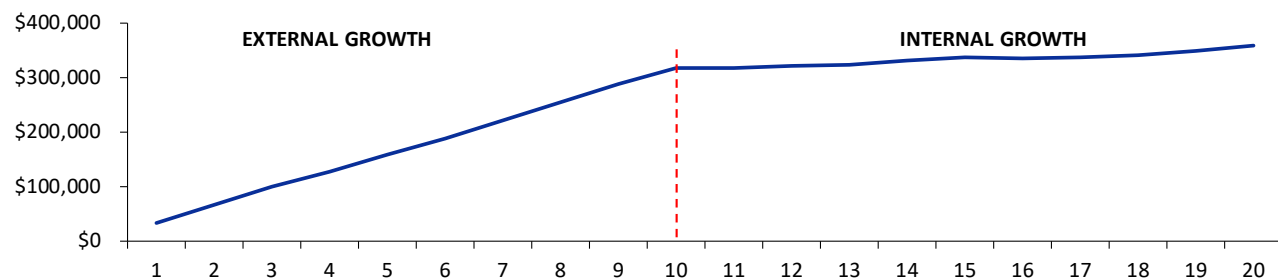
SINGLE-TENANT INDUSTRIAL ASSET ACQUISITION CASH FLOW (\$000s)



PORTFOLIO CASH FLOW - 2016 ACQUISITIONS (\$000s)



COMPANY CASH FLOW (\$000s) ⁽¹⁾



DIVERSE PORTFOLIOS ARE VALUED GREATER THAN INDIVIDUAL ASSETS

(1) Illustrates cash flow from acquiring the 2016 portfolio every year for ten years, and then operating the aggregated portfolio (without further acquisitions) for the next ten years

SOUTHEAST PORTFOLIO SALE

ATLANTA - FOUR BUILDINGS / 981K SF



CHARLOTTE - TWO BUILDINGS / 589K SF



TOTAL - SIX BUILDINGS / 1.6M SF



- On November 14th, 2016 STAG sold a Southeast Portfolio of six industrial buildings located in Atlanta and Charlotte
 - Gross proceeds of \$81 million / \$51.61 PSF
 - 6.9% Capitalization Rate
 - Unlevered IRR of 15%

- These assets were acquired individually at a weighted average Capitalization Rate of 9.2%

- Profile of Southeast Portfolio assets are consistent with the characteristics of the broader STAG Operating Portfolio

CHARACTERISTICS	SOUTHEAST PORTFOLIO	REIT OPERATING PORTFOLIO ⁽²⁾
Number of Buildings	6	327
Square Feet	1.6 million	66.4 million
Average Building Size	261,593 SF	203,157 SF
WA Lease Term	4.2 years ⁽¹⁾	4.8 years
Average Clear Height	28.6'	27.5'

(1) Reflects exercising of lease termination option for one tenant

(2) As of Q2 2017; as defined in supplemental reporting package

OPPORTUNISTIC DISPOSITIONS

LOCATION	SOLD	BUILDING SIZE (SF)	PURCHASE PRICE (\$)	DISPOSITION PROCEEDS (\$)	PURCHASE PRICE (PSF)	DISPOSITION PROCEEDS (PSF)	UNLEVERED IRR
Gresham, OR	Q1 2016	420,690 SF	\$14.3 million	\$22.3 million	\$34 PSF	\$53 PSF	17%
Orangeburg, SC	Q1 2016	319,000 SF	\$4.6 million	\$8.8 million	\$14 PSF	\$28 PSF	38%
New Berlin, WI	Q2 2016	80,665 SF	\$4.3 million	\$5.9 million	\$53 PSF	\$73 PSF	22%
Georgetown, KY	Q4 2016	96,680 SF	\$3.8 million	\$5.2 million	\$40 PSF	\$54 PSF	13%
Pittsburgh, PA	Q4 2016	148,065 SF	\$7.4 million	\$9.3 million	\$50 PSF	\$63 PSF	10%
Chicago, IL	Q4 2016	87,380 SF	\$4.9 million	\$5.8 million	\$56 PSF	\$66 PSF	11%
Piscataway, NJ	Q3 2017	228,000 SF	\$10.3 million	\$17.8 million	\$46 PSF	\$74 PSF	18%

GRESHAM, OR



ORANGEBURG, SC



NEW BERLIN, WI



COMBINING A RELATIVE VALUE ACQUISITION STRATEGY AND AN INSTITUTIONAL REAL ESTATE OPERATING PLATFORM CREATES VALUE

PORTFOLIO DIVERSIFICATION

#	TENANT	ABR % ⁽¹⁾
1	General Services Admin.	2.7%
2	XPO Logistics	2.1%
3	Deckers Outdoor	1.6%
4	TriMas Corporation	1.5%
5	Solo Cup	1.5%
6	FedEx	1.0%
7	Generation Brands	1.0%
8	DHL	1.0%
9	Perrigo	0.9%
10	American Tire Distributors	0.9%
	Other	85.8%
Total		100.0%

#	INDUSTRY	ABR % ⁽¹⁾
1	Automotive	14.0%
2	Air Freight & Logistics	12.5%
3	Ind. Equip., Component & Metals	11.0%
4	Containers & Packaging	10.2%
5	Food & Beverages	8.4%
6	Retail	6.3%
7	Household Durables	5.2%
8	Personal Products	5.2%
9	Business Services	5.2%
10	Building Materials	3.9%
	Other	18.1%
Total		100.0%

FURTHER DIVERSITY IN AUTOMOTIVE CATEGORY ACROSS:	
Geography	14 states East, South, Midwest, West
OEM Relationships	Ford, Fiat-Chrysler, GM, BMW, Toyota, Hyundai, etc.
Auto Plant Relationships	Nine plants Jeep Cherokee, Ford 150, Ram 1500, Camaro, etc.
Supply Chain Participation	OEM, Tier 1 suppliers, Tier 2 suppliers, logistics providers, after market parts, etc.
Products	Exhaust systems, seating, engines, interior molding, fuel injectors, tires, suspension, etc.

FURTHER DIVERSITY IN AIR FREIGHT & LOGISTICS		
Direct Exposure:	ABR % ⁽¹⁾	Sample Tenant Client:
Food & Beverages	15.3%	Molson Coors, Mars, Treehouse
Ind. Equip. & Logistics	10.6%	United Technologies, 3M, Caterpillar
Healthcare	9.7%	Thermo Fisher, Bausch & Lomb
Aerospace & Defense	6.8%	Sikorsky
Other	6.7%	Dow / DuPont
Automotive	5.0%	BMW, Fiat-Chrysler, Ford, GM
Retail	4.7%	Walmart, Target, Ross
Household Durables	2.0%	Greenworks Tool, Bassett Furniture
Diversified (multiple clients)	39.3%	Starbucks, Lego
Total	100.0%	

EMPHASIS ON DIVERSIFICATION ENHANCES STABILITY OF PORTFOLIO CASH FLOWS

(1) As of Q2 2017

MARKET DIVERSIFICATION

#	MARKET ⁽¹⁾	STAG OWNERSHIP (000's SF)	# OF BUILDINGS	% OF SQUARE FEET	% OF ABR
1	Philadelphia	5,394	19	8.0%	9.5%
2	Chicago	5,610	34	8.3%	9.0%
3	Greenville/Spartanburg	3,776	21	5.6%	4.5%
4	Milwaukee/Madison	2,857	15	4.2%	3.7%
5	Cincinnati/Dayton	2,779	12	4.1%	3.6%
6	Charlotte	2,616	12	3.9%	3.5%
7	Detroit	1,820	12	2.7%	3.1%
8	West Michigan	1,796	10	2.7%	2.8%
9	Westchester/So. Connecticut	1,130	5	1.7%	2.5%
10	Cleveland	1,451	8	2.1%	2.3%
Subtotal		29,228	148	43.2%	44.5%
11 - 20		11,624	49	17.2%	18.7%
Other		26,824	145	39.6%	36.8%
Total		67,676	342	100%	100%

RELATIVE VALUE EXISTS ACROSS ALL INDUSTRIAL MARKETS

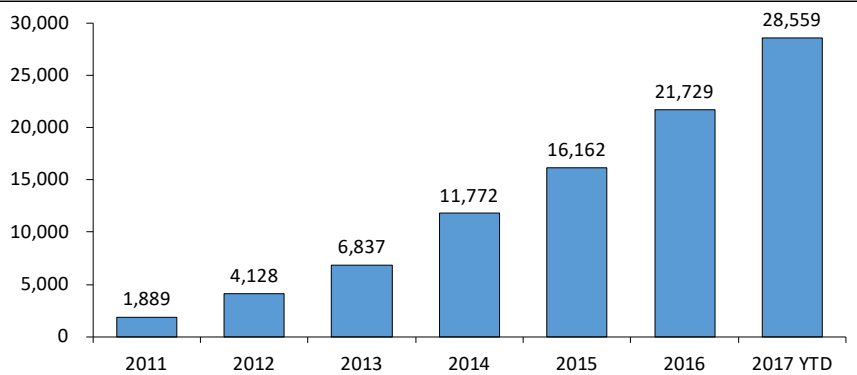
(1) As of Q2 2017; defined by CoStar

ASSET MANAGEMENT PLATFORM

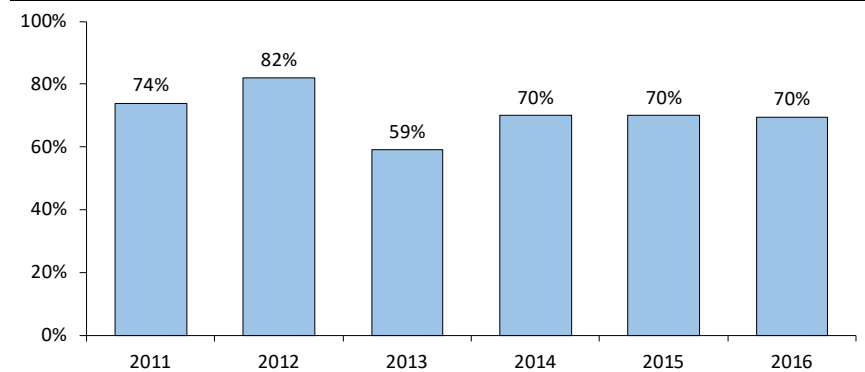
- STAG operates a comprehensive operating platform
 - Capable of addressing every physical aspect and tenant scenario related to industrial real estate ownership
 - Consistently outperform local market owners and operators at all points in the cycle

- In-house construction and engineering professionals oversee value-add capital projects including expansions, roof replacements, general site and tenant-specific work

CUMULATIVE LEASING ACTIVITY - SQUARE FEET (000) ⁽¹⁾



RETENTION



IN-HOUSE REAL ESTATE EXPERTS DIRECTLY MANAGE TENANT RELATIONSHIPS & LEVERAGE NETWORK OF LOCAL THIRD PARTIES

(1) Includes new, renewal and expansion leases executed

TENANTS ARE SIGNIFICANT ENTERPRISES WITH LARGE SPACE REQUIREMENTS

- Single-tenant industrial real estate focus generally results in larger tenant sizes compared to multi-tenant strategy
- In-depth, initial and ongoing quantitative and qualitative credit analysis by dedicated Credit Team
- Historical credit loss of less than 0.1% of revenues since IPO

TENANT PROFILE AS OF JUNE 30, 2017 ⁽¹⁾

Number of Tenants	296
Average Tenant Size (Square Feet)	214,978
Average Annualized Base Rental Revenue Per Square Foot	\$4.08
Average Annualized Base Rental Revenue Per Tenant	\$877,777

CREDIT PROFILE AS OF JUNE 30, 2017 ⁽¹⁾

Tenants Publicly Rated	55.8%
Tenants Rated Investment Grade	27.5%
Tenant Revenue > \$100 Million	85.5%
Tenant Revenue > \$1 Billion	59.9%

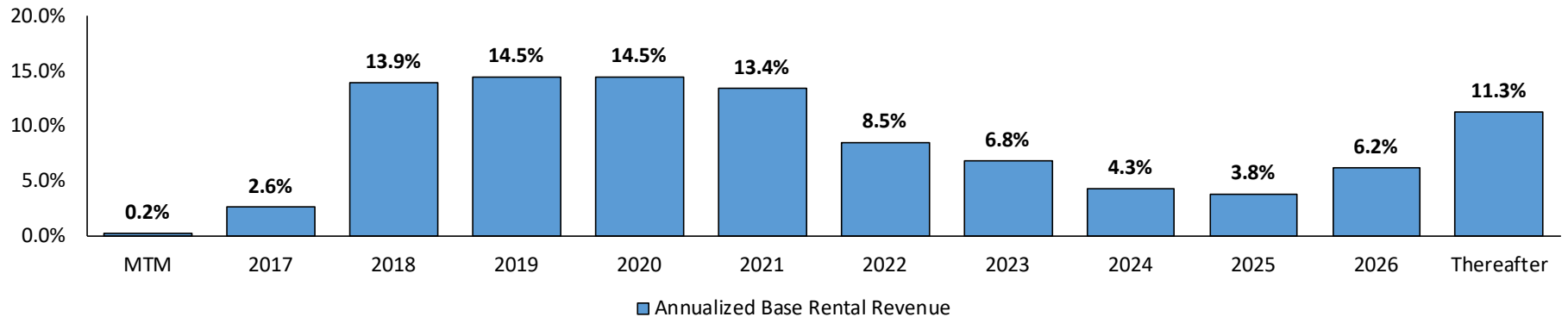
PORTFOLIO OF LARGE AND SOPHISTICATED TENANTS

(1) Based on Annualized Base Rental Revenue and the inclusion of tenants, guarantors, and / or non-guarantor parents

LEASE EXPIRATIONS

LEASE EXPIRATION SCHEDULE AS OF JUNE 30, 2017

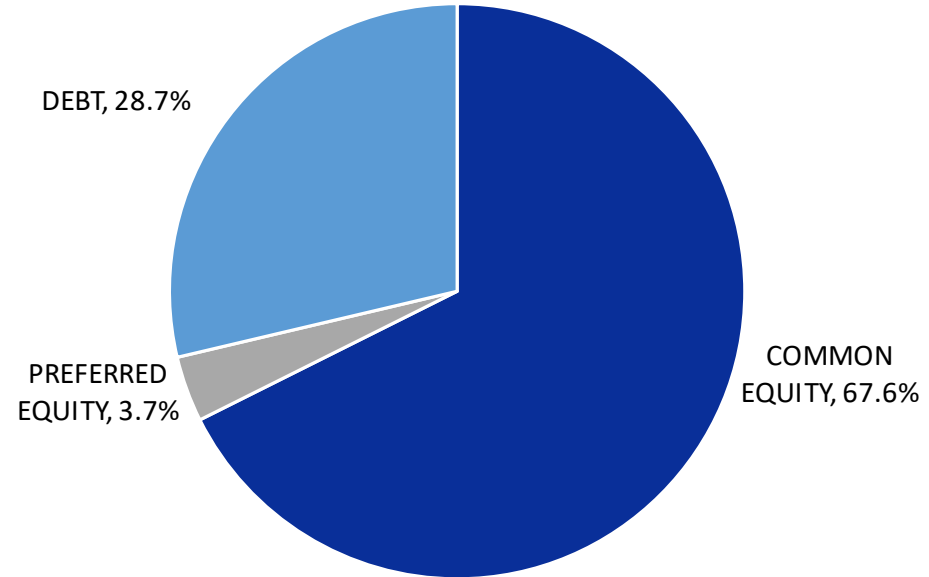
Lease Expiration Year	Number of Leases Expiring	Total Rentable SF	Annualized Base Rental Revenue	% of Total Annualized Base Rental Revenue
Available	N/A	4,042,128	N/A	N/A
MTM	5	182,388	\$568,150	0.2%
2017	15	1,523,877	6,676,441	2.6%
2018	56	9,183,635	36,142,744	13.9%
2019	55	9,393,033	37,746,905	14.5%
2020	44	8,928,712	37,687,920	14.5%
2021	49	8,188,145	34,902,763	13.4%
2022	42	5,137,960	22,104,266	8.5%
2023	22	5,095,801	17,740,123	6.8%
2024	12	2,802,081	11,184,268	4.3%
2025	13	2,334,842	9,733,205	3.8%
2026	19	4,247,652	16,126,810	6.2%
Thereafter	28	6,615,310	29,208,295	11.3%
Total / Weighted Average	360	67,675,564	\$259,821,890	100.0%



WELL-LADDERED EXPIRATION SCHEDULE

LIQUIDITY	
Liquidity	\$321 mm
CASH FLOW COVERAGE	
Net Debt / Run Rate Adj. EBITDA Annualized	5.0x
Fixed Charge Coverage Ratio	3.9x
Interest Coverage Ratio	5.2x
LEVERAGE	
Net Debt / Total Real Estate Cost Basis	38.9%
Debt / Total Enterprise Value	28.7%
INVESTMENT GRADE CREDIT RATING	
Fitch	BBB / Stable Outlook

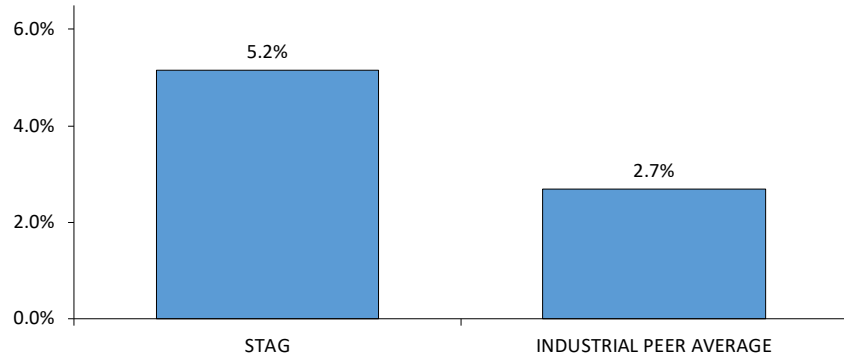
As of June 30, 2017



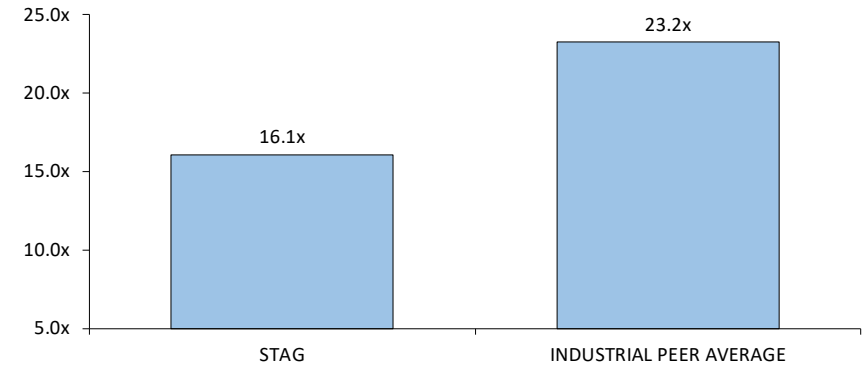
INVESTMENT GRADE BALANCE SHEET

COMPARATIVE EQUITY VALUATION METRICS

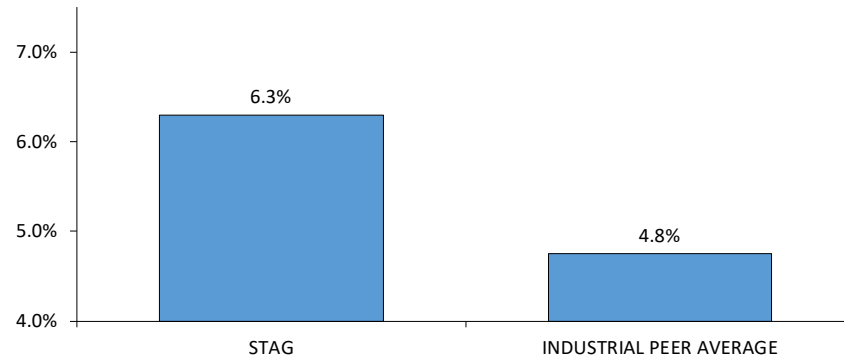
DIVIDEND YIELD ⁽¹⁾



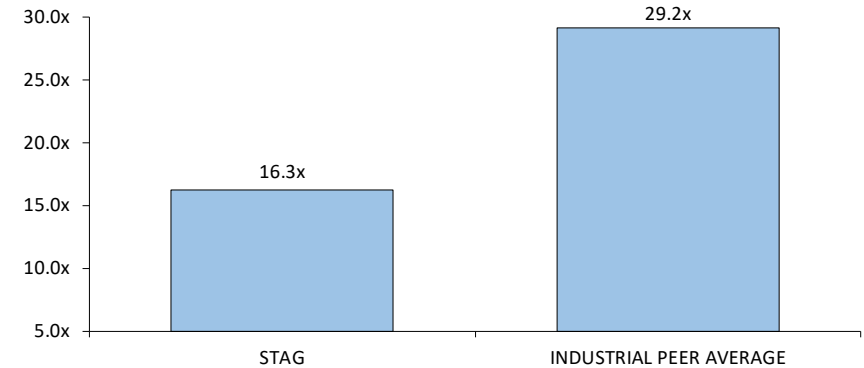
FFO MULTIPLE - 2017 FY ⁽³⁾



IMPLIED CAP RATE - Q2 2017 ⁽²⁾



AFFO MULTIPLE - 2017 FY ⁽³⁾



Peers consist of DCT, DRE, EGP, FR, LPT, PLD, REXR & TRNO

(1) Dividend Yield as of July 31, 2017

(2) Implied Cap Rate per Wall Street research as of July 31, 2017

(3) FFO and AFFO Multiple (including for STAG Industrial) incorporates published SNL Consensus FFO estimates based on closing share prices as of July 31, 2017

VALUE CREATION

- Large and persisting opportunity to acquire mispriced industrial real estate assets
- Focus on relative value leads to evaluation of all markets, all credit profiles and all lease terms
- Emphasis on diversification enhances value and stability of portfolio cash flows
- Comprehensive operating platform capable of addressing every physical aspect and tenant scenario related to real estate ownership
- Capitalized with an investment grade balance sheet



Winston Salem, NC: 385,000 SF

Clear Height: 40'
Year Built: 1996



El Paso, TX: 360,134 SF

Clear Height: 28'
Year Built: 1997

DELIVERING GROWTH AND INCOME TO OUR SHAREHOLDERS

DEFINITIONS

Acquisition Capital Expenditures: We define Acquisition Capital Expenditures as Recurring and Non-Recurring Capital Expenditures identified at the time of acquisition and underwritten to occur in the first 12 months. Acquisition Capital Expenditures also include new lease commissions and tenant improvements for space that was not occupied under the Company's ownership.

Adjusted Earnings before Interest, Taxes, Depreciation, and Amortization (Adjusted EBITDA), and Run Rate Adjusted EBITDA: We define Adjusted EBITDA as net income (loss) (computed in accordance with GAAP) before interest, tax, depreciation and amortization, property acquisition costs, gain on the sales of rental property, termination income, straight-line rent adjustments, non-cash compensation, intangible amortization in rental income, loss on impairments, loss on involuntary conversion, loss on extinguishment of debt, loss on incentive fee, and other non-recurring items.

We define Run Rate Adjusted EBITDA as Adjusted EBITDA plus incremental Adjusted EBITDA related to acquisitions acquired in each quarter for which a full quarter's results were not reflected less Adjusted EBITDA related to the quarter's dispositions. Run Rate Adjusted EBITDA does not reflect the Company's historical results and does not predict future results, which may be substantially different.

Adjusted EBITDA and Run Rate EBITDA should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, Adjusted EBITDA and Run Rate Adjusted EBITDA should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We believe that Adjusted EBITDA and Run Rate Adjusted EBITDA are helpful to investors as supplemental measures of the operating performance of a real estate company because they are direct measures of the actual operating results of our properties. We also use these measures in ratios to compare our performance to that of our industry peers.

Annualized Base Rental Revenue: We define Annualized Base Rental Revenue as the monthly base cash rent for the applicable property or properties (which is different from rent calculated in accordance with GAAP for purposes of our financial statements), multiplied by 12. If a tenant is in a free rent period the annualized rent is calculated based on the first contractual monthly base rent amount multiplied by 12.

Capitalization Rate: We define Capitalization Rate as the estimated weighted average cash capitalization rate, calculated by dividing (i) the Company's estimate of year one cash net operating income from the applicable property's operations stabilized for occupancy (post-lease-up for vacant properties), which does not include termination income, miscellaneous other income, capital expenditures, general and administrative costs, reserves, tenant improvements and leasing commissions, credit loss, or vacancy loss, by (ii) the purchase price plus estimated Acquisition Capital Expenditures. These capitalization rate estimates are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control, including those risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2016.

Core Based Statistical Area (CBSA): We define Core Based Statistical Area ("CBSA") as a U.S. geographic area defined by the Office of Management and Budget that consists of one or more counties (or equivalents) anchored by an urban center of at least 10,000 people plus adjacent counties that are socioeconomically tied to the urban center by commuting.

Enterprise Value: We define Enterprise Value as Equity Market Capitalization plus the liquidation value of our preferred stock plus the amounts outstanding under our unsecured credit facility, unsecured term loans, unsecured notes, and mortgage notes.

Funds from Operations (FFO), Core FFO, and Adjusted FFO (AFFO): We define FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts (“NAREIT”). FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment write-downs of depreciable real estate, real estate related depreciation and amortization (excluding amortization of deferred financing costs and fair market value of debt adjustment) and after adjustments for unconsolidated partnerships and joint ventures. Core FFO and AFFO exclude property acquisition costs, lease termination income, intangible amortization in rental income, loss on extinguishment of debt, loss on involuntary conversion, gain (loss) on swap ineffectiveness, loss on incentive fee, and non-recurring other expenses. AFFO also excludes non-rental property depreciation and amortization, straight-line rent adjustments, non-cash portion of interest expense, non-cash compensation expense and deducts recurring capital expenditures and lease renewal commissions and tenant improvements.

None of FFO, Core FFO or AFFO should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, and we believe that to understand our performance further, these measurements should be compared with our reported net income or net loss in accordance with GAAP, as presented in our consolidated financial statements. We use FFO as a supplemental performance measure because it is a widely recognized measure of the performance of REITs. FFO may be used by investors as a basis to compare our operating performance with that of other REITs. We and investors may use Core FFO and AFFO similarly as FFO.

However, because FFO, Core FFO and AFFO exclude, among other items, depreciation and amortization and capture neither the changes in the value of our buildings that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our buildings, all of which have real economic effects and could materially impact our results from operations, the utility of these measures as measures of our performance is limited. In addition, other REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs’ FFO. Similarly, our calculations of Core FFO and AFFO may not be comparable to similarly titled measures disclosed by other REITs.

Liquidity: We define Liquidity as the amount of aggregate undrawn nominal commitments the Company could immediately borrow under the Company’s unsecured debt instruments, consistent with the financial covenants, plus unrestricted cash balances.

Non-Recurring Capital Expenditures: We define Non-Recurring Capital Expenditures as capital items for upgrades or items that previously did not exist at a building or capital items which have a longer useful life, such as roof replacements.

Real Estate Cost Basis: We define Real Estate Cost Basis as the book value of rental property and deferred leasing intangibles, exclusive of the related accumulated depreciation and amortization.

Recurring Capital Expenditures: We define Recurring Capital Expenditures as capital items required to sustain existing systems and capital items which generally have a shorter useful life.

Renewal Lease: We define a Renewal Lease as a lease signed by an existing tenant to extend the term for twelve months or more, including (i) a renewal of the same space as the current lease at lease expiration, (ii) a renewal of only a portion of the current space at lease expiration and (iii) an early renewal or workout, which ultimately does extend the original term for twelve months or more.

Retention: We define Retention as the percentage determined by taking Renewal Lease square footage commencing in the period divided by square footage of leases expiring in the period. Neither the Renewal Leases nor leases expiring include Temporary Leases or License Agreements. Retention excludes leases associated with known vacates at the time of acquisition, leases with credit-related modifications, and early terminations.

Temporary Leases/License Agreements: We define a Temporary Lease or a License Agreement as any lease that is signed for an initial term of less than twelve months; this includes short-term new leases and short-term renewal leases.