

EASTGROUP

PROPERTIES

2019

FIRST QUARTER

Conference Call

877-876-9173 | ID – EastGroup

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Supplemental Information

March 31, 2019

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FORWARD-LOOKING STATEMENTS

The statements and certain other information contained in this press release, which can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "should," "intends," "plans," "estimates" or "anticipates" and variations of such words or similar expressions or the negative of such words, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbors created thereby. These forward-looking statements reflect the Company's current views about its plans, intentions, expectations, strategies and prospects, which are based on the information currently available to the Company and on assumptions it has made. Although the Company believes that its plans, intentions, expectations, strategies and prospects as reflected in or suggested by those forward-looking statements are reasonable, the Company can give no assurance that such plans, intentions, expectations or strategies will be attained or achieved. Furthermore, these forward-looking statements should be considered as subject to the many risks and uncertainties that exist in the Company's operations and business environment. Such risks and uncertainties could cause actual results to differ materially from those projected. These uncertainties include, but are not limited to: changes in general economic conditions; the extent of customer defaults or of any early lease terminations; the Company's ability to lease or re-lease space at current or anticipated rents; the availability of financing; failure to maintain credit ratings with rating agencies; changes in the supply of and demand for industrial/warehouse properties; increases in interest rate levels; increases in operating costs; natural disasters, terrorism, riots and acts of war, and the Company's ability to obtain adequate insurance; changes in governmental regulation, tax rates and similar matters; attracting and retaining key personnel; other risks associated with the development and acquisition of properties, including risks that development projects may not be completed on schedule, development or operating costs may be greater than anticipated or acquisitions may not close as scheduled; and other risks detailed in the sections of the Company's most recent Forms 10-K and 10-Q filed with the SEC titled "Risk Factors." The Company assumes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
ASSETS		
Real estate properties	\$ 2,609,914	2,553,481
Development and value-add properties	264,526	263,664
	<u>2,874,440</u>	<u>2,817,145</u>
Less accumulated depreciation	(832,925)	(814,915)
	<u>2,041,515</u>	<u>2,002,230</u>
Unconsolidated investment	7,879	7,870
Cash	1,831	374
Other assets	120,421	121,231
	<u>120,421</u>	<u>121,231</u>
TOTAL ASSETS	<u>\$ 2,171,646</u>	<u>2,131,705</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Unsecured bank credit facilities	\$ 131,189	193,926
Unsecured debt	803,397	723,400
Secured debt	185,606	188,461
Accounts payable and accrued expenses	83,364	86,563
Other liabilities	46,616	34,652
Total Liabilities	<u>1,250,172</u>	<u>1,227,002</u>
EQUITY		
Stockholders' Equity:		
Common stock; \$.0001 par value; 70,000,000 shares authorized; 36,752,260 shares issued and outstanding at March 31, 2019 and 36,501,356 at December 31, 2018	4	4
Excess shares; \$.0001 par value; 30,000,000 shares authorized; no shares issued	-	-
Additional paid-in capital	1,245,660	1,222,547
Distributions in excess of earnings	(330,184)	(326,193)
Accumulated other comprehensive income	4,388	6,701
Total Stockholders' Equity	<u>919,868</u>	<u>903,059</u>
Noncontrolling interest in joint ventures	1,606	1,644
Total Equity	<u>921,474</u>	<u>904,703</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 2,171,646</u>	<u>2,131,705</u>

	Three Months Ended	
	March 31,	
	2019	2018
REVENUES		
Income from real estate operations	\$ 78,637	72,120
Other revenue	161	83
	<u>78,798</u>	<u>72,203</u>
EXPENSES		
Expenses from real estate operations	22,302	20,676
Depreciation and amortization	23,746	21,685
General and administrative	3,844	3,463
Indirect leasing costs	93	-
	<u>49,985</u>	<u>45,824</u>
OTHER INCOME (EXPENSE)		
Interest expense	(8,846)	(8,607)
Gain on sales of real estate investments	2,325	10,222
Other	242	754
	<u>22,534</u>	<u>28,748</u>
NET INCOME		
Net income attributable to noncontrolling interest in joint ventures	(5)	(35)
NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS	<u>22,529</u>	<u>28,713</u>
Other comprehensive income (loss) - cash flow hedges	(2,313)	3,606
TOTAL COMPREHENSIVE INCOME	<u>\$ 20,216</u>	<u>32,319</u>
 BASIC PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS		
Net income attributable to common stockholders	\$ 0.62	0.83
Weighted average shares outstanding	<u>36,465</u>	<u>34,689</u>
 DILUTED PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS		
Net income attributable to common stockholders	\$ 0.62	0.83
Weighted average shares outstanding	<u>36,526</u>	<u>34,736</u>

	Three Months Ended	
	March 31,	
	2019	2018
NET INCOME	\$ 22,534	28,748
(Gain) on sales of real estate investments	(2,325)	(10,222)
(Gain) on sales of non-operating real estate	-	(86)
(Gain) on sales of other	-	(427)
Interest income	(33)	(55)
Other revenue	(161)	(83)
Indirect leasing costs	93	-
Depreciation and amortization	23,746	21,685
Company's share of depreciation from unconsolidated investment	35	31
Interest expense ⁽¹⁾	8,846	8,607
General and administrative expense ⁽²⁾	3,844	3,463
Noncontrolling interest in PNOI of consolidated 80% joint ventures	(52)	(79)
PROPERTY NET OPERATING INCOME (PNOI)	56,527	51,582
PNOI from 2018 Acquisitions	(822)	-
PNOI from 2018 and 2019 Development Properties	(3,314)	(822)
PNOI from 2018 and 2019 Operating Property Dispositions	(23)	(299)
Other PNOI	47	102
SAME PNOI	52,415	50,563
Net lease termination fee (income) from same properties	(140)	(131)
SAME PNOI EXCLUDING INCOME FROM LEASE TERMINATIONS	\$ 52,275	50,432
NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC.		
COMMON STOCKHOLDERS	\$ 22,529	28,713
Depreciation and amortization	23,746	21,685
Company's share of depreciation from unconsolidated investment	35	31
Depreciation and amortization from noncontrolling interest	(47)	(44)
(Gain) on sales of real estate investments	(2,325)	(10,222)
(Gain) on sales of non-operating real estate	-	(86)
(Gain) on sales of other	-	(427)
FUNDS FROM OPERATIONS (FFO) ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 43,938	39,650
NET INCOME	\$ 22,534	28,748
Interest expense ⁽¹⁾	8,846	8,607
Depreciation and amortization	23,746	21,685
Company's share of depreciation from unconsolidated investment	35	31
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)	55,161	59,071
(Gain) on sales of real estate investments	(2,325)	(10,222)
(Gain) on sales of non-operating real estate	-	(86)
(Gain) on sales of other	-	(427)
EBITDA for Real Estate (EBITDAre)	\$ 52,836	48,336
DILUTED PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS		
Net income attributable to common stockholders	\$ 0.62	0.83
Funds from operations (FFO) attributable to common stockholders	\$ 1.20	1.14 ⁽³⁾
Weighted average shares outstanding for EPS and FFO purposes	36,526	34,736

⁽¹⁾ Net of capitalized interest of \$2,036 and \$1,602 for the three months ended March 31, 2019 and 2018, respectively.

⁽²⁾ Net of capitalized development costs of \$1,571 and \$1,123 for the three months ended March 31, 2019 and 2018, respectively.

⁽³⁾ The Company initially reported FFO of \$1.16 per share during the first quarter of 2018. In connection with the Company's adoption of the Nareit Funds from Operations White Paper - 2018 Restatement, the Company now excludes from FFO the gains and losses on sales of non-operating real estate and assets incidental to the Company's business and therefore adjusted the prior year results, including the Company's FFO for 2018, to conform to the updated definition of FFO.

	Three Months Ended March 31,	
	2019	2018
OPERATING ACTIVITIES		
Net income	\$ 22,534	28,748
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,746	21,685
Stock-based compensation expense	1,065	1,184
Net gain on sales of real estate investments and non-operating real estate	(2,325)	(10,308)
Gain on casualties and involuntary conversion	(100)	-
Changes in operating assets and liabilities:		
Accrued income and other assets	2,153	2,239
Accounts payable, accrued expenses and prepaid rent	(5,919)	(22,310)
Other	328	476
NET CASH PROVIDED BY OPERATING ACTIVITIES	41,482	21,714
INVESTING ACTIVITIES		
Development and value-add properties	(42,846)	(31,212)
Real estate improvements	(5,610)	(5,158)
Net proceeds from sales of real estate investments and non-operating real estate	3,679	16,826
Repayments on mortgage loans receivable	3	1,958
Changes in accrued development costs	701	8,713
Changes in other assets and other liabilities	(4,857)	(2,344)
NET CASH USED IN INVESTING ACTIVITIES	(48,930)	(11,217)
FINANCING ACTIVITIES		
Proceeds from unsecured bank credit facilities	144,635	91,387
Repayments on unsecured bank credit facilities	(207,497)	(85,634)
Proceeds from unsecured debt	80,000	-
Repayments on secured debt	(2,916)	(2,767)
Debt issuance costs	(153)	(88)
Distributions paid to stockholders (not including dividends accrued)	(26,787)	(22,736)
Proceeds from common stock offerings	24,400	14,466
Proceeds from dividend reinvestment plan	54	57
Other	(2,831)	(5,161)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	8,905	(10,476)
INCREASE IN CASH AND CASH EQUIVALENTS	1,457	21
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	374	16
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 1,831	37
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest, net of amounts capitalized of \$2,036 and \$1,602 for 2019 and 2018, respectively	\$ 6,646	7,141
Cash paid for operating lease liabilities	281	-
NON-CASH OPERATING ACTIVITY		
Operating lease liabilities arising from obtaining right of use assets	\$ 12,417	-

**Three Months Ended
March 31**

Same Property Portfolio Analysis (Straight-Line Basis) ⁽¹⁾

	2019	2018	% Change
Square feet as of period end	36,948	36,948	
Average occupancy	96.8%	96.4%	0.4%
Occupancy as of period end	96.9%	96.5%	0.4%
Income from real estate operations	\$ 73,390	70,678	3.8%
Less cash received for lease terminations	(168)	(141)	
Add straight-line rent write-offs for lease terminations	28	10	
Income excluding lease termination income	73,250	70,547	3.8%
Expenses from real estate operations	(20,975)	(20,115)	4.3%
PNOI excluding income from lease terminations	\$ 52,275	50,432	3.7%

Same Property Portfolio Analysis (Cash Basis) ⁽¹⁾

Income from real estate operations	\$ 73,263	70,103	4.5%
Less cash received for lease terminations	(168)	(141)	
Income excluding lease termination income	73,095	69,962	4.5%
Expenses from real estate operations	(20,975)	(20,069)	4.5%
PNOI excluding income from lease terminations	\$ 52,120	49,893	4.5%

⁽¹⁾ Includes properties which were included in the operating portfolio for the entire period from 1/1/18 through 3/31/19.

SELECTED INCOME STATEMENT INFORMATION

	Three Months Ended March 31,	
	2019	2018
	<i>(Items below represent increases or decreases) in FFO)</i>	
Straight-line (S/L) rent income adjustment	\$ 798	1,019
Reserves for uncollectible S/L rent	(13)	(45)
Net straight-line rent adjustment	<u>785</u>	<u>974</u>
Cash received for lease terminations	168	141
Less S/L rent write-offs	(28)	(10)
Net lease termination fee income	<u>140</u>	<u>131</u>
Reserves for uncollectible cash rent	(116)	(45)
Stock-based compensation expense	(1,065)	(1,184)
Debt issuance costs amortization	(342)	(319)
Indirect leasing costs	(93)	-
Gain on casualties and involuntary conversion ⁽¹⁾	100	-
Acquired leases - market rent adjustment amortization	192	118
Assumed mortgages - fair value adjustment amortization	6	7

WEIGHTED AVERAGE COMMON SHARES

	Three Months Ended March 31,	
	2019	2018
Weighted average common shares	36,465	34,689
BASIC SHARES FOR EARNINGS PER SHARE (EPS)	<u>36,465</u>	<u>34,689</u>
Potential common shares:		
Unvested restricted stock	61	47
DILUTED SHARES FOR EPS AND FFO	<u>36,526</u>	<u>34,736</u>

⁽¹⁾ Included in *Other revenue* on the Consolidated Statements of Income and Comprehensive Income; included in FFO.

		Square Feet (SF)	Costs Incurred		Projected Total Costs	Anticipated		Wgt Avg %
			1st Qtr 2019	Cumulative at 3/31/19		Conversion Date ⁽¹⁾	% Leased 4/19/19	
Lease-up								
Falcon Field	Phoenix, AZ	96,000	\$ 157	8,389	9,400	05/19	57%	
Gateway 1	Miami, FL	200,000	3,497	23,738	25,600	05/19	100%	
Horizon XI	Orlando, FL	135,000	444	9,167	12,100	05/19	100%	
SunCoast 5	Ft Myers, FL	81,000	730	7,265	8,300	06/19	100%	
Broadmoor 2	Atlanta, GA	111,000	234	6,648	7,400	11/19	45%	
Settlers Crossing 1	Austin, TX	77,000	129	6,389	7,400	01/20	0%	
Settlers Crossing 2	Austin, TX	83,000	1,054	8,169	8,400	01/20	41%	
Parc North 5	Dallas, TX	100,000	1,020	7,973	9,200	02/20	58%	
Total Lease-up		883,000	7,265	77,738	87,800		69%	Wgt Avg %

Projected Stabilized Yield ⁽²⁾ 7.4%

Under Construction

Steele Creek V	Charlotte, NC	54,000	1,013	4,327	5,900	07/19	100%	
Eisenhower Point 9	San Antonio, TX	82,000	1,498	1,498	6,400	12/19	100%	
World Houston 45	Houston, TX	160,000	6,351	6,351	17,600	12/19	100%	
Ten West Crossing 8	Houston, TX	132,000	1,760	8,350	10,900	04/20	49%	
Tri-County Crossing 1 & 2	San Antonio, TX	203,000	3,043	11,938	14,600	04/20	19%	
Eisenhower Point 7 & 8	San Antonio, TX	336,000	5,527	18,617	24,900	05/20	55%	
Airport Commerce Center 3	Charlotte, NC	96,000	1,025	6,818	8,000	06/20	65%	
CreekView 121 5 & 6	Dallas, TX	139,000	2,065	7,670	14,900	07/20	0%	
Gateway 5	Miami, FL	187,000	16,536	16,536	22,400	08/20	0%	
Parc North 6	Dallas, TX	96,000	4,654	4,654	8,900	09/20	0%	
Steele Creek IX	Charlotte, NC	125,000	2,418	2,418	9,800	10/20	0%	
Total Under Construction		1,610,000	45,890	89,177	144,300		40%	Wgt Avg %

Projected Stabilized Yield ⁽²⁾ 7.3%

Prospective Development

	Acres	Projected SF						
Phoenix, AZ	24	318,000	163	6,972				
Ft Myers, FL	35	488,000	177	13,499				
Miami, FL ⁽³⁾	43	463,000	(9,138)	27,193				
Orlando, FL	14	216,000	323	6,042				
Tampa, FL	8	32,000	-	1,560				
Atlanta, GA	10	100,000	22	748				
Jackson, MS	3	28,000	-	706				
Charlotte, NC ⁽³⁾	43	475,000	(1,668)	5,541				
Austin, TX	15	180,000	118	3,860				
Dallas, TX ⁽³⁾	38	516,000	(1,077)	11,115				
Houston, TX ⁽³⁾	67	963,000	(4,397)	12,042				
San Antonio, TX ⁽³⁾	53	826,000	(716)	8,333				
Total Prospective Development	353	4,605,000	(16,193)	97,611				
	353	7,098,000	\$ 36,962	264,526			50%	Wgt Avg %

⁽¹⁾ Will transfer from Development and value-add properties to the operating portfolio at the earlier of 90% occupancy or one year after shell completion/value-add vacancy occurrence.

⁽²⁾ Weighted average yield based on property net operating income at 100% occupancy and rents computed on a straight-line basis.

⁽³⁾ Negative amounts represent land inventory costs transferred to *Under Construction*.

		Costs Incurred			Conversion Date	% Leased 4/19/19
		Square Feet (SF)	1st Qtr 2019	Cumulative at 3/31/19		
<u>1st Quarter</u>		SF				
Siempre Viva	San Diego, CA	115,000	\$ 67	14,142	01/19	100%
CreekView 121 3 & 4	Dallas, TX	158,000	1,739	15,539	03/19	100%
Horizon VI	Orlando, FL	148,000	4,009	12,234	03/19	100%
		<u>421,000</u>	<u>5,815</u>	<u>41,915</u>		
Total Transferred to Real Estate Properties		<u>421,000</u>	<u>\$ 5,815</u>	<u>41,915</u>		
Projected Stabilized Yield ⁽¹⁾		<u>7.4%</u>			<u>100%</u>	Wgt Avg %

⁽¹⁾ Weighted average yield based on property net operating income at 100% occupancy and rents computed on a straight-line basis.

	Remainder of 2019	2020	2021	2022	2023	2024 and Beyond	Total	Average Years to Maturity
Unsecured debt (fixed rate)	\$ 75,000	105,000	40,000	75,000	115,000	395,000	805,000	4.9
<i>Weighted average interest rate</i>	2.85%	3.55%	2.34%	3.03%	2.96%	3.84%	3.44%	
Secured debt (fixed rate):								
Balloon payments	45,725	-	85,600	32,655	-	1,549	165,529	
Amortization	6,922	9,096	3,962	114	119	374	20,587	
	52,647	9,096	89,562	32,769	119	1,923	186,116	1.6
<i>Weighted average interest rate</i>	7.11%	4.43%	4.55%	4.09%	3.85%	3.85%	5.18%	
Total unsecured debt and secured debt	\$ 127,647	114,096	129,562	107,769	115,119	396,923	991,116	4.3
<i>Weighted average interest rate</i>	4.61%	3.62%	3.86%	3.35%	2.96%	3.84%	3.76%	
Unsecured debt and secured debt (fixed rate)							\$ 991,116	
Unsecured bank credit facilities (variable rate)								
\$45MM Line - 3.495% - matures 7/30/2022							2,868	
\$350MM Line - 3.491% - matures 7/30/2022							130,000	
Total carrying amount of debt							\$ 1,123,984	
Total unamortized debt issuance costs							(3,792)	
Total debt net of unamortized debt issuance costs							\$ 1,120,192	
Equity market capitalization								
Shares outstanding - common							36,752,260	
Price per share at quarter end							\$ 111.64	
Total equity market capitalization							\$ 4,103,022	
Total market capitalization (debt and equity) ⁽¹⁾							\$ 5,227,006	
Total debt / total market capitalization ⁽¹⁾							21.5%	

⁽¹⁾ Before deducting unamortized debt issuance costs

	Shares Issued and Sold ⁽¹⁾	Average Sales Price (Per Share)	Gross Proceeds	Offering-Related Fees and Expenses	Net Proceeds
1st Quarter	232,205	\$ 107.66	\$ 25,000	\$ (600)	\$ 24,400

⁽¹⁾ As of April 19, 2019, the Company had 4,462,661 shares authorized and remaining for issuance under its continuous common equity program.

	Three Months Ended March 31, 2019
EBITDAre for the period	\$ 52,836
Adjust for acquisitions as if owned for entire period	-
Adjust for development and value-add properties in lease-up or under construction	(64)
Adjust for properties sold during the period	(23)
Pro Forma EBITDAre	<u>\$ 52,749</u>
PRO FORMA EBITDAre – ANNUALIZED	<u>\$ 210,996</u>
Debt at March 31, 2019	\$ 1,120,192
Subtract development and value-add properties in lease-up or under construction	(166,915)
Adjusted Debt	<u>\$ 953,277</u>
ADJUSTED DEBT-TO-PRO FORMA EBITDAre RATIO	<u>4.52</u>

ACQUISITIONS

Date	Property Name	Location	Size	Purchase Price
1st Quarter				
None				

DISPOSITIONS

Date	Property Name	Location	Size	Gross Sales Price	Realized Gain
1st Quarter					
01/29/19	World Houston 5	Houston, TX	51,000 SF	\$ 3,808	2,325 ⁽¹⁾

⁽¹⁾ Included in *Gain on sales of real estate investments* on the Consolidated Statements of Income and Comprehensive Income; not included in FFO.

REAL ESTATE IMPROVEMENTS	Three Months Ended March 31,	
	2019	2018
Upgrade on Acquisitions	\$ 297	5
Tenant Improvements:		
New Tenants	2,917	1,793
Renewal Tenants	500	602
Other:		
Building Improvements	849	1,000
Roofs	1,596	978
Parking Lots	8	725
Other	284	503
TOTAL REAL ESTATE IMPROVEMENTS ⁽²⁾	\$ 6,451	5,606

CAPITALIZED LEASING COSTS (Principally Commissions) ⁽¹⁾

Development and Value-Add	\$ 1,572	762
New Tenants	1,630	925
Renewal Tenants	667	1,305
TOTAL CAPITALIZED LEASING COSTS	\$ 3,869	2,992

⁽¹⁾ Included in *Other Assets*.

⁽²⁾ Reconciliation of Total Real Estate Improvements to *Real Estate Improvements* on the Consolidated Statements of Cash Flows:

	Three Months Ended March 31,	
	2019	2018
Total Real Estate Improvements	\$ 6,451	5,606
Change in Real Estate Property Payables	(1,690)	(419)
Change in Construction in Progress	849	(29)
Real Estate Improvements on the Consolidated Statements of Cash Flows	\$ 5,610	5,158

Three Months Ended March 31, 2019	Number of Leases Signed	Square Feet Signed <small>(In Thousands)</small>	Weighted Average Term <small>(In Years)</small>	Rental Change Straight-Line Basis	Rental Change Cash Basis	PSF Tenant Improvement ⁽¹⁾	PSF Leasing Commission ⁽¹⁾	PSF Total Leasing Cost ⁽¹⁾
New Leases ⁽²⁾	40	843	4.8	11.2%	2.5%	\$ 4.13	\$ 2.22	\$ 6.35
Renewal Leases	45	796	3.1	17.5%	8.5%	0.60	1.05	1.65
Total/Weighted Average	85	1,639	4.0	14.2%	5.3%	\$ 2.42	\$ 1.65	\$ 4.07
					Per Year	\$ 0.61	\$ 0.41	\$ 1.02
Weighted Average Retention ⁽³⁾	60.3%							

	03/31/19	12/31/18	09/30/18	06/30/18	03/31/18
Percentage Leased	97.7%	97.3%	97.1%	97.0%	97.0%
Percentage Occupied	96.9%	96.8%	95.7%	96.4%	96.4%

⁽¹⁾ Per square foot (PSF) amounts represent total amounts for the life of the lease, except as noted for the Per Year amounts.

⁽²⁾ Does not include leases with terms less than 12 months and leases for first generation space on properties acquired or developed by EastGroup.

⁽³⁾ Calculated as square feet of renewal leases signed during the quarter / square feet of leases expiring during the quarter (not including early terminations or bankruptcies).

	Total Square Feet of Properties	% of Total	Annualized Base Rent ⁽¹⁾	% Leased	% Occupied	Lease Expirations in Square Feet		Same Property PNOI Change (excluding income from lease terminations)		Rental Change New and Renewal Leases ⁽³⁾	
						2019 ⁽²⁾	2020	QTR		QTR	
								Straight-Line Basis	Cash Basis ⁽⁴⁾	Straight-Line Basis	Cash Basis ⁽⁴⁾
Florida											
Tampa	4,177,000	10.5%	9.8%	95.8%	95.8%	402,000	981,000	3.2%	1.9%	27.5%	18.3%
Orlando	3,520,000	8.9%	9.5%	99.6%	99.3%	237,000	638,000	3.1%	6.2%	18.2%	5.1%
Jacksonville	2,273,000	5.7%	4.4%	98.9%	97.1%	368,000	515,000	2.3%	4.6%	38.3%	24.0%
Ft. Lauderdale	1,071,000	2.7%	3.3%	96.1%	94.5%	44,000	293,000	-8.1%	-7.2%	12.9%	6.9%
Ft. Myers	311,000	0.8%	1.0%	100.0%	100.0%	38,000	15,000	13.9%	12.9%	11.7%	8.2%
	11,352,000	28.6%	28.0%	97.7%	97.2%	1,089,000	2,442,000	2.1%	3.1%	23.7%	12.6%
Texas											
Dallas	3,728,000	9.4%	7.9%	99.2%	97.1%	74,000	601,000	2.5%	8.1%	13.2%	8.0%
Houston	5,497,000	13.9%	14.4%	97.1%	97.1%	270,000	509,000	2.4%	1.8%	-6.1%	-13.2%
San Antonio	3,042,000	7.7%	8.8%	97.1%	96.0%	297,000	463,000	4.5%	5.5%	12.1%	4.2%
Austin	743,000	1.9%	2.3%	100.0%	100.0%	105,000	91,000	8.7%	9.1%	17.9%	12.4%
El Paso	957,000	2.4%	1.7%	98.5%	97.3%	99,000	162,000	4.6%	1.8%	13.5%	4.7%
	13,967,000	35.3%	35.1%	97.9%	97.0%	845,000	1,826,000	3.4%	4.5%	3.0%	-4.0%
California											
San Francisco	1,045,000	2.6%	3.4%	100.0%	100.0%	285,000	116,000	6.9%	10.5%	N/A	N/A
Los Angeles ⁽⁵⁾	2,323,000	5.9%	7.3%	100.0%	100.0%	10,000	189,000	2.5%	4.1%	44.0%	28.0%
Fresno	398,000	1.0%	0.8%	100.0%	98.5%	107,000	126,000	9.4%	17.6%	26.1%	13.3%
San Diego	581,000	1.5%	1.2%	96.7%	92.5%	33,000	15,000	4.9%	8.6%	18.0%	17.0%
	4,347,000	11.0%	12.7%	99.6%	98.9%	435,000	446,000	4.4%	7.2%	39.2%	26.0%
Arizona											
Phoenix	2,404,000	6.1%	6.3%	99.0%	99.0%	232,000	429,000	4.3%	7.0%	16.9%	4.6%
Tucson	1,055,000	2.6%	2.5%	100.0%	100.0%	19,000	237,000	8.5%	4.7%	N/A	N/A
	3,459,000	8.7%	8.8%	99.3%	99.3%	251,000	666,000	5.2%	6.4%	16.9%	4.6%
Other Core											
Atlanta	779,000	2.0%	1.0%	73.0%	64.9%	19,000	73,000	-20.4%	-32.0%	-0.8%	-5.5%
Charlotte	3,131,000	7.9%	7.0%	100.0%	100.0%	254,000	598,000	5.8%	5.9%	20.3%	13.6%
Denver	504,000	1.3%	1.7%	94.6%	94.6%	11,000	54,000	22.1%	12.6%	2.4%	2.1%
Las Vegas	558,000	1.4%	1.7%	100.0%	100.0%	36,000	15,000	9.7%	10.9%	N/A	N/A
	4,972,000	12.6%	11.4%	95.2%	94.0%	320,000	740,000	6.4%	4.5%	7.2%	2.4%
Total Core Markets	38,097,000	96.2%	96.0%	97.8%	97.1%	2,940,000	6,120,000	3.7%	4.6%	15.0%	6.1%
Total Other Markets ⁽⁵⁾	1,504,000	3.8%	4.0%	94.2%	93.0%	203,000	172,000	3.1%	1.7%	-0.1%	-8.0%
Total Operating Properties	39,601,000	100.0%	100.0%	97.7%	96.9%	3,143,000	6,292,000	3.7%	4.5%	14.2%	5.3%

(1) Based on the Annualized Base Rent as of the reporting period for occupied square feet (without S/L Rent).

(2) Square feet expiring during the remainder of the year, including month-to-month leases.

(3) Does not include leases with terms less than 12 months and leases for first generation space on properties acquired or developed by EastGroup.

(4) Excludes straight-line rent adjustments and amortization of above/below market rent intangibles.

(5) Includes the Company's share of its less-than-wholly-owned real estate investments.

LEASE EXPIRATION	Square Footage of Leases Expiring	% of Total SF	Annualized Current Base Rent of Leases Expiring (without S/L Rent)	% of Total Base Rent of Leases Expiring (without S/L Rent)
Vacancy	913,000	2.3%	\$ -	0.0%
2019 - remainder of year ⁽¹⁾	3,143,000	7.9%	20,285	8.8%
2020	6,292,000	15.9%	37,853	16.3%
2021	7,296,000	18.4%	44,403	19.2%
2022	6,070,000	15.3%	37,067	16.0%
2023	4,627,000	11.7%	28,233	12.2%
2024	4,972,000	12.6%	26,237	11.3%
2025	2,220,000	5.6%	12,864	5.6%
2026	1,246,000	3.2%	8,090	3.5%
2027	848,000	2.1%	5,817	2.5%
2028 and beyond	1,974,000	5.0%	10,619	4.6%
TOTAL	39,601,000	100.0%	\$ 231,468	100.0%

⁽¹⁾ Includes month-to-month leases.

Customer	# of Leases	Location	Total SF Leased	% of Total Portfolio	% of Total Annualized Base Rent ⁽¹⁾
1 The Chamberlain Group	2	Tucson, AZ	350,000	0.9%	1.1%
2 WNA Comet West, Inc.	1	Los Angeles, CA	411,000	1.0%	1.0%
3 Essendant Co.	1	Orlando, FL	404,000	1.0%	0.9%
4 Mattress Firm	1	Houston, TX	202,000		
	1	Tampa, FL	109,000		
	1	Jacksonville, FL	49,000		
	1	Ft. Myers, FL	25,000		
				1.0%	0.9%
5 Kuehne & Nagel, Inc.	2	Houston, TX	172,000		
	2	Charlotte, NC	106,000		
				0.7%	0.8%
6 Price Transfer	1	Los Angeles, CA	262,000	0.7%	0.8%
7 Iron Mountain Information Management, Inc.	2	Tampa, FL	184,000		
	2	Phoenix, AZ	59,000		
	1	Ft. Lauderdale, FL	45,000		
	1	Jacksonville, FL	40,000		
				0.8%	0.7%
8 Medtronic Inc.	1	Santa Barbara, CA	82,000	0.2%	0.7%
9 U.S. Postal Service	1	Houston, TX	110,000		
	1	New Orleans, LA	99,000		
	2	Tampa, FL	59,000		
				0.7%	0.6%
10 Arizona Nutritional Supplements LLC	2	Phoenix, AZ	228,000	0.6%	0.6%
	<hr/>		<hr/>	<hr/>	<hr/>
	26		2,996,000	7.6%	8.1%

⁽¹⁾ Calculation: Customer Annualized Base Rent as of 03/31/19 (without S/L Rent) / Total Annualized Base Rent (without S/L Rent).

Property	Industry Distribution Center II
Acquisition Date	November 23, 2004
Percent Leased	100%
Total Square Feet (100%)	309,000
Company Ownership	50%

Selected Financial Information

**EastGroup's
Basis in 50%
Ownership**

Balance Sheet Information as of March 31, 2019

ASSETS

Real estate properties	\$ 9,365
Less accumulated depreciation	(1,877)
	<u>7,488</u>
Other assets	465
TOTAL ASSETS	<u>\$ 7,953</u>

LIABILITIES AND EQUITY

Other liabilities	\$ 74
Equity	<u>7,879</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 7,953</u>

EastGroup's Net Investment at March 31, 2019 \$ 7,879 ⁽¹⁾

EastGroup's 50% Ownership

Three Months Ended

March 31,

	2019	2018
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Income Statement Information

Property NOI	\$ 244	217
Depreciation Expense	(35)	(31)
Equity in Earnings ⁽²⁾	<u>\$ 209</u>	<u>186</u>

Funds From Operations

	<u>\$ 244</u>	<u>217</u>
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⁽¹⁾ Presented as *Unconsolidated investment* on the Consolidated Balance Sheets.

⁽²⁾ Included in *Other* on the Consolidated Statements of Income and Comprehensive Income.

	Quarter Ended	Years Ended			
	3/31/2019	2018	2017	2016	2015
ASSETS/MARKET CAPITALIZATION					
Assets	\$ 2,171,646	2,131,705	1,953,221	1,825,764	1,661,904
Equity Market Capitalization	4,103,022	3,348,269	3,071,927	2,461,251	1,802,957
Total Market Capitalization (Debt and Equity) ⁽¹⁾	5,227,006	4,458,037	4,183,620	3,566,865	2,835,194
Shares Outstanding - Common	36,752,260	36,501,356	34,758,167	33,332,213	32,421,460
Price per share	\$ 111.64	91.73	88.38	73.84	55.61
FFO CHANGE					
FFO per diluted share ⁽²⁾	\$ 1.20	4.66	4.25	4.00	3.67
Change compared to same period prior year	5.3%	9.6%	6.3%	9.0%	6.1%
COMMON DIVIDEND PAYOUT RATIO					
Dividend distribution	\$ 0.72	2.72	2.52	2.44	2.34
FFO per diluted share ⁽²⁾	1.20	4.66	4.25	4.00	3.67
Dividend payout ratio	60%	58%	59%	61%	64%
COMMON DIVIDEND YIELD					
Dividend distribution	\$ 0.72	2.72	2.52	2.44	2.34
Price per share	111.64	91.73	88.38	73.84	55.61
Dividend yield	2.58%	2.97%	2.85%	3.30%	4.21%
FFO MULTIPLE					
FFO per diluted share ⁽²⁾	\$ 1.20	4.66	4.25	4.00	3.67
Price per share	111.64	91.73	88.38	73.84	55.61
Multiple	23.26	19.68	20.80	18.46	15.15
INTEREST & FIXED CHARGE COVERAGE RATIOS					
EBITDAre	\$ 52,836	200,788	180,214	166,463	153,451
Interest expense	8,846	35,106	34,775	35,213	34,666
Interest and fixed charge coverage ratios	5.97	5.72	5.18	4.73	4.43
DEBT-TO-EBITDAre RATIO					
Debt	\$ 1,120,192	1,105,787	1,108,282	1,101,333	1,027,909
EBITDAre	52,836	200,788	180,214	166,463	153,451
Debt-to-EBITDAre ratio	5.30	5.51	6.15	6.62	6.70
Adjusted debt-to-pro forma EBITDAre ratio	4.52	4.73	5.45	6.05	6.12
DEBT-TO-TOTAL MARKET CAPITALIZATION ⁽¹⁾	21.5%	24.9%	26.6%	31.0%	36.4%

⁽¹⁾ Before deducting unamortized debt issuance costs.

⁽²⁾ In connection with the Company's adoption of the Nareit Funds from Operations White Paper - 2018 Restatement, the Company now excludes from FFO the gains and losses on sales of non-operating real estate and assets incidental to the Company's business and therefore adjusted the prior years results to conform to the updated definition of FFO.

	Low Range		High Range	
	Q2 2019	Y/E 2019	Q2 2019	Y/E 2019
	<i>(In thousands, except per share data)</i>			
Net income attributable to common stockholders	\$ 19,150	85,894	20,628	89,608
Depreciation and amortization	24,049	95,960	24,049	95,960
Gain on sales of real estate investments	-	(2,325)	-	(2,325)
Funds from operations attributable to common stockholders	<u>\$ 43,199</u>	<u>179,529</u>	<u>44,677</u>	<u>183,243</u>
Diluted shares	36,939	37,131	36,939	37,131
Per share data (diluted):				
Net income attributable to common stockholders	\$ 0.52	2.31	0.56	2.41
Funds from operations attributable to common stockholders	1.17	4.84	1.21	4.94

The following assumptions were used for the mid-point:

Metrics	Revised Guidance for Year 2019	Initial Guidance for Year 2019	Actual for Year 2018
FFO per share	\$4.84 - \$4.94	\$4.79 - \$4.89	\$4.66 ⁽¹⁾
FFO per share increase over prior year period ⁽¹⁾	4.9%	3.9%	9.6%
Same PNOI growth (excluding income from lease terminations):			
Straight-line basis — annual same property pool	2.9% - 3.9% ⁽²⁾	2.4% - 3.4% ⁽²⁾	3.8%
Cash basis — annual same property pool ⁽³⁾	3.8% - 4.8% ⁽²⁾	3.5% - 4.5% ⁽²⁾	4.3%
Average month-end occupancy	96.4%	96.2%	96.1%
Lease termination fee income	\$765,000	\$450,000	\$294,000
Reserves for uncollectible rent	\$800,000	\$900,000	\$784,000
Development starts:			
Square feet	1.7 million	1.5 million	1.7 million
Projected total investment	\$160 million	\$141 million	\$148 million
Value-add property acquisitions	\$55 million	None	\$14 million
Operating property acquisitions	\$50 million	\$50 million	\$57 million
Operating property dispositions (Potential gains on dispositions are not included in the projections)	\$45 million	\$47 million	\$23 million
Unsecured debt closing in period	\$160 million at 4.5% weighted average interest rate	\$140 million at 4.8% weighted average interest rate	\$60 million at 3.93%
Common stock issuances	\$145 million	\$60 million	\$159 million
General and administrative expense	\$15.6 million	\$14.4 million	\$13.8 million

⁽¹⁾ The Company initially reported FFO of \$4.67 for the year 2018. In connection with the Company's adoption of the Nareit Funds from Operations White Paper - 2018 Restatement, the Company now excludes from FFO the gains and losses on sales of non-operating real estate and assets incidental to the Company's business and therefore adjusted the prior year results, including the Company's FFO for 2018, to conform to the updated definition of FFO.

⁽²⁾ Includes properties which have been in the operating portfolio since 1/1/18 and are projected to be in the operating portfolio through 12/31/19 (annual same property pool); includes 36,762,000 square feet.

⁽³⁾ Cash basis excludes straight-line rent adjustments and amortization of above/below market rent intangibles.

Listed below are definitions of commonly used real estate investment trust (“REIT”) industry terms. For additional information on REITs, please see the National Association of Real Estate Investment Trusts (“Nareit”) web site at www.reit.com.

Adjusted Debt-to-Pro Forma EBITDAre Ratio: A ratio calculated by dividing a company’s adjusted debt by its pro forma EBITDAre. Debt is adjusted by subtracting the cost of development and value-add properties in lease-up or under construction. EBITDAre is further adjusted by adding an estimate of NOI for significant acquisitions as if the acquired properties were owned for the entire period, and by subtracting NOI from development and value-add properties in lease-up or under construction and from properties sold during the period. The Adjusted Debt-to-Pro Forma EBITDAre Ratio is a non-GAAP financial measure used to analyze the Company’s financial condition and operating performance relative to its leverage, on an adjusted basis, so as to normalize and annualize property changes during the period.

Cash Basis: The Company adjusts its GAAP reporting to exclude straight-line rent adjustments and amortization of above/below market rent intangibles.

Debt-to-EBITDAre Ratio: A ratio calculated by dividing a company’s debt by its EBITDAre; this non-GAAP measure is used to analyze the Company’s financial condition and operating performance relative to its leverage.

Debt-to-Total Market Capitalization Ratio: A ratio calculated by dividing a company’s debt by the total amount of a company’s equity (at market value) and debt.

Earnings Before Interest Taxes Depreciation and Amortization for Real Estate (“EBITDAre”): Earnings, defined as Net Income, excluding gains or losses from sales of real estate investments and non-operating real estate, plus interest, taxes, depreciation and amortization. EBITDAre is a non-GAAP financial measure used to measure the Company’s operating performance and its ability to meet interest payment obligations and pay quarterly stock dividends on an unleveraged basis.

Funds From Operations (“FFO”): FFO is the most commonly accepted reporting measure of a REIT’s operating performance, and the Company computes FFO in accordance with standards established by Nareit in the Nareit Funds from Operations White Paper — 2018 Restatement. It is equal to a REIT’s net income (loss) attributable to common stockholders computed in accordance with generally accepted accounting principles (“GAAP”), excluding gains and losses from sales of real estate property (including other assets incidental to the Company’s business) and impairment losses, adjusted for real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure used to evaluate the performance of the Company’s investments in real estate assets and its operating results.

Industrial Properties: Generally consisting of four concrete walls tilted up on a slab of concrete. An internal office component is then added. Business uses include warehousing, distribution, light manufacturing and assembly, research and development, showroom, office, or a combination of some or all of the aforementioned.

Leases Expiring and Renewal Leases Signed of Expiring Square Feet: Includes renewals during the period with terms commencing during the period and after the end of the period.

Percentage Leased: The percentage of total leasable square footage for which there is a signed lease, including month-to-month leases, as of the close of the reporting period. Space is considered leased upon execution of the lease.

Percentage Occupied: The percentage of total leasable square footage for which the lease term has commenced as of the close of the reporting period.

Property Net Operating Income (“PNOI”): *Income from real estate operations less Expenses from real estate operations* (including market-based internal management fee expense) plus the Company’s share of income and property operating expenses from its less-than-wholly-owned real estate investments. PNOI is a non-GAAP, property-level supplemental measure of performance used to evaluate the performance of the Company’s investments in real estate assets and its operating results.

Real Estate Investment Trust: A company that owns and, in most cases, operates income-producing real estate such as apartments, shopping centers, offices, hotels and warehouses. Some REITs also engage in financing real estate. The shares of most REITs are freely traded, usually on a major stock exchange. To qualify as a REIT, a company must distribute at least 90 percent of its taxable income to its stockholders annually. A company that qualifies as a REIT is permitted to deduct dividends paid to its stockholders from its corporate taxable income. As a result, most REITs remit at least 100 percent of their taxable income to their stockholders and therefore owe no corporate federal income tax. Taxes are paid by stockholders on the dividends received. Most states honor this federal treatment and also do not require REITs to pay state income tax.

Rental changes on new and renewal leases: Rental changes are calculated as the difference, weighted by square feet, of the annualized base rent due the first month of the new lease’s term and the annualized base rent of the rent due the last month of the former lease’s term. If free rent is given, then the first positive full rent value is used. Rental amounts exclude base stop amounts, holdover rent, and premium or discounted rent amounts. This calculation excludes leases with terms less than 12 months and leases for first generation space on properties acquired or developed by EastGroup.

Same Properties: Operating properties owned during the entire current and prior year reporting periods. Properties developed or acquired are excluded until held in the operating portfolio for both the current and prior year reporting periods. Properties sold during the current or prior year reporting periods are excluded.

- **Quarterly Same Property Pool:** Includes properties which were included in the operating portfolio for the entire period from January 1, 2018 through March 31, 2019. For first quarter results, the Quarterly Same Property Pool is the same as the Annual Same Property Pool.
- **Annual Same Property Pool:** Includes properties which were included in the operating portfolio for the entire period from January 1, 2018 through March 31, 2019.

Same Property Net Operating Income (“Same PNOI”): *Income from real estate operations less Expenses from real estate operations* (including market-based internal management fee expense), plus the Company’s share of income and property operating expenses from its less-than-wholly-owned real estate investments, for the same properties owned by the Company during the entire current and prior year reporting periods. Same PNOI is a non-GAAP, property-level supplemental measure of performance used to evaluate the performance of the Company’s investments in real estate assets and its operating results on a same property basis.

Straight-Lining: The process of averaging the customer’s rent payments over the life of the lease. GAAP requires real estate companies to “straight-line” rents.

Total Return: A stock’s dividend income plus capital appreciation over a specified period as a percentage of the stock price at the beginning of the period.

Value-Add Properties: Properties that are either acquired but not stabilized or can be converted to a higher and better use. Acquired properties meeting either of the following two conditions are considered value-add properties: (1) Less than 75% occupied as of the acquisition date (or will be less than 75% occupied within one year of acquisition date based on near term lease roll), or (2) 20% or greater of the acquisition cost will be spent to redevelop the property.