Lamar Advertising Company Announces Third Quarter Ended September 30, 2020 Operating Results

November 5, 2020
Three Month Results

- Net revenue was $386.1 million
- Net income was $62.8 million
- Adjusted EBITDA was $170.7 million

Nine Month Results

- Net revenue was $1.1 billion
- Net income was $134.7 million
- Adjusted EBITDA was $463.7 million

Baton Rouge, LA – November 5, 2020 - Lamar Advertising Company (Nasdaq: LAMR), a leading owner and operator of outdoor advertising and logo sign displays, announces the Company's operating results for the third quarter ended September 30, 2020.

"The rebound in our advertising revenue continued through the third quarter, buoyed by spending from local businesses and election-year political dollars. We were also pleased to see national accounts pick up their activity as the quarter went on," Chief Executive Sean Reilly said. "Given the sales recovery and our progress on expense savings, we are raising our guidance range for full-year diluted AFFO per share to $4.65 to $4.85."

Third Quarter Highlights

- Total operating expenses decreased 11.4%
- Adjusted EBITDA margin of 44.2%
- Total liquidity of $770.8 million as of September 30, 2020

Third Quarter Results
Lamar reported net revenues of $386.1 million for the third quarter of 2020 versus $457.8 million for the third quarter of 2019, a 15.7% decrease. Operating income for the third quarter of 2020 decreased $35.6 million to $105.9 million as compared to $141.4 million for the same period in 2019. Lamar recognized net income of $62.8 million for the third quarter of 2020 as compared to net income of $99.7 million for same period in 2019, a decrease of $37.0 million. Net income per diluted share was $0.62 and $0.99 for the three months ended September 30, 2020 and 2019, respectively.

Adjusted EBITDA for the third quarter of 2020 was $170.7 million versus $215.2 million for the third quarter of 2019, a decrease of 20.7%.

Cash flow provided by operating activities was $150.8 million for the three months ended September 30, 2020, a decrease of $20.1 million as compared to the same period in 2019. Free cash flow for the third quarter of 2020 was $127.2 million as compared to $138.2 million for the same period in 2019, an 8.0% decrease.

For the third quarter of 2020, funds from operations, or FFO, was $119.9 million versus $159.5 million for the same period in 2019, a decrease of 24.8%. Adjusted funds from operations, or AFFO, for the third quarter of 2020 was $133.4 million compared to $163.0 million for the same period in 2019, a decrease of 18.2%. Diluted AFFO per share decreased 18.5% to $1.32 for the three months ended September 30, 2020 as compared to $1.62 for the same period in 2019.

Acquisition-Adjusted Three Months Results
Acquisition-adjusted net revenue for the third quarter of 2020 decreased 15.5% as compared to acquisition-adjusted net revenue for the third quarter of 2019. Acquisition-adjusted EBITDA for the third quarter of 2020 decreased 20.1% as compared to acquisition-adjusted EBITDA for the third quarter of 2019. Acquisition-adjusted net revenue and acquisition-adjusted EBITDA include adjustments to the 2019 period for acquisitions and divestitures for the same

time frame as actually owned in the 2020 period. See “Reconciliation of Reported Basis to Acquisition-Adjusted Results”, which provides reconciliations to GAAP for acquisition-adjusted measures.

Nine Months Results
Lamar reported net revenues of $1.140 billion for the nine months ended September 30, 2020 versus $1.291 billion for the same period in 2019, an 11.7% decrease. Operating income for the nine months ended September 30, 2020 was $268.9 million as compared to $376.3 million for the same period in 2019. Lamar recognized net income of $134.7 million for the nine months ended September 30, 2020 as compared to net income of $269.4 million for the same period in 2019. Net income per diluted share decreased to $1.33 for the nine months ended September 30, 2020 as compared to $2.69 for the same period in 2019. In addition, adjusted EBITDA for the nine months ended September 30, 2020 was $463.7 million versus $569.2 million for the same period in 2019, an 18.5% decrease.

Cash flow provided by operating activities decreased to $361.5 million for the nine months ended September 30, 2020, as compared to $408.0 million in the same period in 2019. Free cash flow for the nine months ended September 30, 2020 decreased 11.7% to $312.4 million as compared to $353.9 million for the same period in 2019.

For the nine months ended September 30, 2020, FFO was $309.6 million versus $423.8 million for the same period in 2019, a 26.9% decrease. AFFO for the nine months ended September 30, 2020 was $342.7 million compared to $416.0 million for the same period in 2019, a 17.6% decrease. Diluted AFFO per share decreased to $3.40 for the nine months ended September 30, 2020, as compared to $4.15 in the same period in 2019, a decrease of 18.1%.

Liquidity
As of September 30, 2020, Lamar had $770.8 million in total liquidity that consisted of $666.9 million available for borrowing under its revolving senior credit facility, $35.3 million available under the Accounts Receivable Securitization Program and approximately $68.6 million in cash and cash equivalents. There was $70.0 million and $122.5 million in borrowings outstanding under each of the Company’s revolving credit facility and Accounts Receivable Securitization Program as of September 30, 2020, respectively.

Recent Developments and COVID-19 Update
During the three months ended September 30, 2020 Lamar Media redeemed all of its outstanding $535.0 million 5% Senior Subordinated Notes due 2023. The redemption was funded through a combination of cash on hand, borrowings under our revolving credit facility, borrowings under our Accounts Receivable Securitization Program and proceeds received from the additional 4% Senior Notes issued August 17, 2020. The above transactions resulted in a net neutral total debt outstanding position for the Company.

Lamar continues to actively monitor the effects of the COVID-19 pandemic on our business, employees and the business of our advertisers. In response to the virus’s effect on the overall economy and decreased demand for outdoor advertising we have taken measures to reduce our operating costs and increase our liquidity. During the three months ended September 30, 2020, we saw an increase in revenues and customer activity across all divisions compared to the three months ended June 30, 2020, which has continued into the fourth quarter of 2020.

As we continue to actively monitor the situation, we may take further actions to alter our business operations as may be required by federal, state or local authorities, or that we determine are in the best interest of our employees, customers, partners and shareholders.

Revised Guidance
We are updating our revised 2020 guidance issued in August 2020 to reflect our expected recovery from the COVID-19 pandemic during the fourth quarter 2020. We now expect net income per diluted share for fiscal year 2020 to be between $1.99 and $2.16, with diluted AFFO per share between $4.65 and $4.85. See “Supplemental Schedules and Unaudited Reconciliations of Non-GAAP Measures” for a reconciliation to GAAP.

Forward-Looking Statements
This press release contains forward-looking statements, including statements regarding sales trends. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. These risks and uncertainties include, among others: (1) our significant indebtedness; (2) the severity and duration of the novel coronavirus (COVID-19) pandemic and its impact on our business, financial condition and results of operations; (3) the state of the economy and financial markets generally, including the impact caused by the novel coronavirus (COVID-19) pandemic and the effect of the broader

economy on the demand for advertising; (4) the continued popularity of outdoor advertising as an advertising medium; (5) our need for and ability to obtain additional funding for operations, debt refinancing or acquisitions; (6) our ability to continue to qualify as a Real Estate Investment Trust ("REIT") and maintain our status as a REIT; (7) the regulation of the outdoor advertising industry by federal, state and local governments; (8) the integration of companies and assets that we acquire and our ability to recognize cost savings or operating efficiencies as a result of these acquisitions; (9) changes in accounting principles, policies or guidelines; (10) changes in tax laws applicable to REITs or in the interpretation of those laws; (11) our ability to renew expiring contracts at favorable rates; (12) our ability to successfully implement our digital deployment strategy; and (13) the market for our Class A common stock. For additional information regarding factors that may cause actual results to differ materially from those indicated in our forward-looking statements, we refer you to the risk factors included in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2019, as supplemented by any risk factors contained in our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. We caution investors not to place undue reliance on the forward-looking statements contained in this document. These statements speak only as of the date of this document, and we undertake no obligation to update or revise the statements, except as may be required by law.

Use of Non-GAAP Financial Measures

The Company has presented the following measures that are not measures of performance under accounting principles generally accepted in the United States of America ("GAAP"): adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), free cash flow, funds from operations ("FFO"), adjusted funds from operations ("AFFO"), diluted AFFO per share, outdoor operating income, acquisition-adjusted results and acquisition-adjusted consolidated expense. Our management reviews our performance by focusing on these key performance indicators not prepared in conformity with GAAP. We believe these non-GAAP performance indicators are meaningful supplemental measures of our operating performance and should not be considered in isolation of, or as a substitute for their most directly comparable GAAP financial measures.

Our Non-GAAP financial measures are determined as follows:

- We define adjusted EBITDA as net income before income tax expense (benefit), interest expense (income), loss (gain) on extinguishment of debt and investments, stock-based compensation, depreciation and amortization, gain or loss on disposition of assets and investments, capitalized contract fulfillment costs, net and the impact of adopting FASB Accounting Standard Update No. 2016-02 Codified as ASC 842, Leases.
- Adjusted EBITDA margin is defined as adjusted EBITDA divided by net revenues.
- Free cash flow is defined as adjusted EBITDA less interest, net of interest income and amortization of deferred financing costs, current taxes, preferred stock dividends and total capital expenditures.
- We use the National Association of Real Estate Investment Trusts definition of FFO, which is defined as net income before gains or losses from the sale or disposal of real estate assets and investments and real estate related depreciation and amortization and including adjustments to eliminate unconsolidated affiliates and non-controlling interest.
- We define AFFO as FFO before (i) straight-line income and expense; (ii) impact of ASC 842 adoption; (iii) capitalized contract fulfillment costs, net (iv) stock-based compensation expense; (v) non-cash portion of tax provision; (vi) non-real estate related depreciation and amortization; (vii) amortization of deferred financing costs; (viii) loss on extinguishment of debt; (ix) non-recurring infrequent or unusual losses (gains); (x) less maintenance capital expenditures; and (xi) an adjustment for unconsolidated affiliates and non-controlling interest.
- Diluted AFFO per share is defined as AFFO divided by weighted average diluted common shares outstanding.
- Outdoor operating income is defined as operating income before corporate expenses, stock-based compensation, depreciation and amortization and loss (gain) on disposition of assets.
- Acquisition-adjusted results adjusts our net revenue, direct and general and administrative expenses, outdoor operating income, corporate expense and EBITDA for the prior period by adding to, or subtracting from, the corresponding revenue or expense generated by the acquired or divested assets before our acquisition or divestiture of these assets for the same time frame that those assets were owned in the current period. In calculating acquisition-adjusted results, therefore, we include revenue and expenses generated by assets that we did not own in the prior period but acquired in the current period. We refer to the amount of pre-acquisition revenue and expense generated by or subtracted from the acquired assets during the prior period that corresponds with the current period in which we owned the assets (to the extent within the period to which this report relates) as "acquisition-adjusted results".
- Acquisition-adjusted consolidated expense adjusts our total operating expense to remove the impact of stock-based compensation, depreciation and amortization, capitalized contract fulfillment costs, net and loss

(gain) on disposition of assets and investments. The prior period is also adjusted for the impact of adopting FASB Accounting Standard Update No. 2016-02 Codified as ASC 842, Leases and to include the expense generated by the acquired or divested assets before our acquisition or divestiture of such assets for the same time frame that those assets were owned in the current period.

Adjusted EBITDA, FFO, AFFO, diluted AFFO per share, outdoor operating income, acquisition-adjusted results and acquisition-adjusted consolidated expense are not intended to replace other performance measures determined in accordance with GAAP. Free cash flow, FFO and AFFO do not represent cash flows from operating activities in accordance with GAAP and, therefore, these measures should not be considered indicative of cash flows from operating activities as a measure of liquidity or of funds available to fund our cash needs, including our ability to make cash distributions. Adjusted EBITDA, free cash flow, FFO, AFFO, diluted AFFO per share, outdoor operating income, acquisition-adjusted results and acquisition-adjusted consolidated expense are presented as we believe each is a useful indicator of our current operating performance. Specifically, we believe that these metrics are useful to an investor in evaluating our operating performance because (1) each is a key measure used by our management team for purposes of decision making and for evaluating our core operating results; (2) adjusted EBITDA is widely used in the industry to measure operating performance as it excludes the impact of depreciation and amortization, which may vary significantly among companies, depending upon accounting methods and useful lives, particularly where acquisitions and non-operating factors are involved; (3) adjusted EBITDA, FFO, AFFO, diluted AFFO per share and acquisition-adjusted consolidated expense each provides investors with a meaningful measure for evaluating our period-over-period operating performance by eliminating items that are not operational in nature and reflect the impact on operations from trends in occupancy rates, operating costs, general and administrative expenses and interest costs; (4) acquisition-adjusted results is a supplement to enable investors to compare period-over-period results on a more consistent basis without the effects of acquisitions and divestitures, which reflects our core performance and organic growth (if any) during the period in which the assets were owned and managed by us; (5) free cash flow is an indicator of our ability to service debt and generate cash for acquisitions and other strategic investments; (6) outdoor operating income provides investors a measurement of our core results without the impact of fluctuations in stock-based compensation, depreciation and amortization and corporate expenses; and (7) each of our Non-GAAP measures provides investors with a measure for comparing our results of operations to those of other companies.

Our measurement of adjusted EBITDA, FFO, AFFO, diluted AFFO per share, outdoor operating income, acquisition-adjusted results and acquisition-adjusted consolidated expense may not, however, be fully comparable to similarly titled measures used by other companies. Reconciliations of adjusted EBITDA, FFO, AFFO, diluted AFFO per share, outdoor operating income, acquisition-adjusted results and acquisition-adjusted consolidated expense to the most directly comparable GAAP measures have been included herein.

Conference Call Information
A conference call will be held to discuss the Company's operating results on Thursday, November 5, 2020 at 8:00 a.m. central time. Instructions for the conference call and Webcast are provided below:

Conference Call

All Callers: 1-334-777-6991 or 1-800-338-4880
Passcode: 65248056

Replay: 1-334-323-0140 or 1-877-919-4059
Passcode: 61368192
Available through Thursday, November 12, 2020 at 11:59 p.m. eastern time

Live Webcast: www.lamar.com

Webcast Replay: www.lamar.com
Available through Thursday, November 12, 2020 at 11:59 p.m. eastern time

Company Contact:
Buster Kantrow
Director of Investor Relations
(225) 926-1000
bkantrow@lamar.com

General Information
Founded in 1902, Lamar Advertising (Nasdaq: LAMR) is one of the largest outdoor advertising companies in North America, with over 357,500 displays across the United States and Canada. Lamar offers advertisers a variety of billboard, interstate logo, transit and airport advertising formats, helping both local businesses and national brands reach broad audiences every day. In addition to its more traditional out-of-home inventory, Lamar is proud to offer its customers the largest network of digital billboards in the United States with over 3,600 displays.

LAMAR ADVERTISING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Net revenues	$ 386,110	$ 457,786	$ 1,140,331	$ 1,290,985
Operating expenses (income)				
Direct advertising expenses	136,309	149,550	418,826	442,784
General and administrative expenses	63,039	77,370	208,651	230,569
Corporate expenses	16,092	15,681	49,171	48,388
Stock-based compensation	4,884	10,572	11,046	18,078
Impact of ASC 842 adoption (lease accounting standard)	—	1,099	—	3,029
Capitalized contract fulfillment costs, net	—	(1,680)	1,036	(9,984)
Depreciation and amortization	61,237	63,951	187,548	187,150
Gain on disposition of assets	(1,304)	(199)	(4,823)	(5,360)
Total operating expense	280,257	316,344	871,455	914,654
Operating income	105,853	141,442	268,876	376,331
Other expense (income)				
Loss on extinguishment of debt	7,051	—	25,235	—
Interest income	(248)	(168)	(617)	(553)
Interest expense	35,068	38,323	107,058	114,240
	41,871	38,155	131,676	113,687
Income before income tax expense (benefit)	63,982	103,287	137,200	262,644
Income tax expense (benefit)	1,224	3,578	2,520	(6,714)
Net income	62,758	99,709	134,680	269,358
Preferred stock dividends	91	91	273	273
Net income applicable to common stock	$ 62,667	$ 99,618	$ 134,407	$ 269,085
Earnings per share:				
Basic earnings per share	$ 0.62	$ 0.99	$ 1.33	$ 2.69
Diluted earnings per share	$ 0.62	$ 0.99	$ 1.33	$ 2.69
Weighted average common shares outstanding:				
- basic	100,812,570	100,329,262	100,722,859	100,019,765
- diluted	100,924,981	100,522,177	100,860,870	100,210,143

OTHER DATA

Free Cash Flow Computation:				
Adjusted EBITDA	$ 170,670	$ 215,185	$ 463,683	$ 569,244
Interest, net	(33,231)	(36,813)	(101,974)	(109,675)
Current tax expense	(1,781)	(2,916)	(4,390)	(7,745)
Preferred stock dividends	(91)	(91)	(273)	(273)
Total capital expenditures	(8,359)	(37,120)	(44,633)	(97,680)
Free cash flow	$ 127,208	$ 138,245	$ 312,413	$ 353,871

Selected Balance Sheet Data:	September 30, 2020	December 31, 2019
Cash and cash equivalents	$ 68,628	$ 26,188
Working capital deficit	$ (192,121)	$ (362,639)
Total assets	$ 5,778,403	$ 5,941,155
Total debt, net of deferred financing costs (including current maturities)	$ 2,964,188	$ 2,980,118
Total stockholders' equity	$ 1,139,053	$ 1,180,306

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Selected Cash Flow Data:				
Cash flows provided by operating activities	$ 150,780	$ 170,921	$ 361,457	$ 407,970
Cash flows used in investing activities	$ 10,004	$ 172,674	$ 67,681	$ 309,819
Cash flows (used in) provided by financing activities	$ (249,361)	$ 7,845	$ (251,264)	$ (96,502)

SUPPLEMENTAL SCHEDULES
UNAUDITED RECONCILIATIONS OF NON-GAAP MEASURES
(IN THOUSANDS)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Reconciliation of Cash Flows Provided by Operating Activities to Free Cash Flow:				
Cash flows provided by operating activities	$ 150,780	$ 170,921	$ 361,457	$ 407,970
Changes in operating assets and liabilities	(14,011)	8,066	4,268	58,416
Total capital expenditures	(8,359)	(37,120)	(44,633)	(97,680)
Preferred stock dividends	(91)	(91)	(273)	(273)
Impact of ASC 842 adoption (lease accounting standard)	—	1,099	—	3,029
Capitalized contract fulfillment costs, net	—	(1,680)	1,036	(9,984)
Other	(1,111)	(2,950)	(9,442)	(7,607)
Free cash flow	$ 127,208	$ 138,245	$ 312,413	$ 353,871
Reconciliation of Net Income to Adjusted EBITDA:				
Net income	$ 62,758	$ 99,709	$ 134,680	$ 269,358
Loss on extinguishment of debt	7,051	—	25,235	—
Interest income	(248)	(168)	(617)	(553)
Interest expense	35,068	38,323	107,058	114,240
Income tax expense (benefit)	1,224	3,578	2,520	(6,714)
Operating income	105,853	141,442	268,876	376,331
Stock-based compensation	4,884	10,572	11,046	18,078
Impact of ASC 842 adoption (lease accounting standard)	—	1,099	—	3,029
Capitalized contract fulfillment costs, net	—	(1,680)	1,036	(9,984)
Depreciation and amortization	61,237	63,951	187,548	187,150
Gain on disposition of assets	(1,304)	(199)	(4,823)	(5,360)
Adjusted EBITDA	$ 170,670	$ 215,185	$ 463,683	$ 569,244
Capital expenditure detail by category:				
Billboards - traditional	$ 678	$ 11,894	$ 8,701	$ 34,587
Billboards - digital	2,620	14,461	19,422	40,498
Logo	1,853	3,249	5,398	7,153
Transit	817	497	2,672	2,293
Land and buildings	1,210	4,818	3,468	6,514
Operating equipment	1,181	2,201	4,972	6,635
Total capital expenditures	$ 8,359	$ 37,120	$ 44,633	$ 97,680

SUPPLEMENTAL SCHEDULES
UNAUDITED RECONCILIATIONS OF NON-GAAP MEASURES
(IN THOUSANDS)

	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Reconciliation of Reported Basis to Acquisition-Adjusted Results [a]:						
Net revenue	$ 386,110	$ 457,786	(15.7)%	$ 1,140,331	$ 1,290,985	(11.7)%
Acquisitions and divestitures	—	(694)		—	9,515	
Acquisition-adjusted net revenue	$ 386,110	$ 457,092	(15.5)%	$ 1,140,331	$ 1,300,500	(12.3)%
Reported direct advertising and G&A expenses [b]	$ 199,348	$ 226,920	(12.2)%	$ 627,477	$ 673,353	(6.8)%
Acquisitions and divestitures	—	899		—	8,540	
Acquisition-adjusted direct advertising and G&A expenses	$ 199,348	$ 227,819	(12.5)%	$ 627,477	$ 681,893	(8.0)%
Outdoor operating income	$ 186,762	$ 230,866	(19.1)%	$ 512,854	$ 617,632	(17.0)%
Acquisitions and divestitures	—	(1,593)		—	975	
Acquisition-adjusted outdoor operating income	$ 186,762	$ 229,273	(18.5)%	$ 512,854	$ 618,607	(17.1)%
Reported corporate expenses[b]	$ 16,092	$ 15,681	2.6%	$ 49,171	$ 48,388	1.6%
Acquisitions and divestitures	—	—		—	—	
Acquisition-adjusted corporate expenses	$ 16,092	$ 15,681	2.6%	$ 49,171	$ 48,388	1.6%
Adjusted EBITDA	$ 170,670	$ 215,185	(20.7)%	$ 463,683	$ 569,244	(18.5)%
Acquisitions and divestitures	—	(1,593)		—	975	
Acquisition-adjusted EBITDA	$ 170,670	$ 213,592	(20.1)%	$ 463,683	$ 570,219	(18.7)%

(a) Acquisition-adjusted net revenue, direct advertising and general and administrative expenses, outdoor operating income, corporate expenses and EBITDA include adjustments to 2019 for acquisitions and divestitures for the same time frame as actually owned in 2020.

(b) Does not include expenses (income) of $1,036 for the nine months ended September 30, 2020 and $(581) and $(6,955) for the three and nine months ended September 30, 2019, respectively, related to the impact of ASC 842 for lease accounting and capitalization contract fulfillment costs, net.

	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Reconciliation of Net Income to Outdoor Operating Income:						
Net income	$ 62,758	$ 99,709	(37.1)%	$ 134,680	$ 269,358	(50.0)%
Loss on extinguishment of debt	7,051	—		25,235	—	
Interest expense, net	34,820	38,155		106,441	113,687	
Income tax expense (benefit)	1,224	3,578		2,520	(6,714)	
Operating income	105,853	141,442	(25.2)%	268,876	376,331	(28.6)%
Corporate expenses	16,092	15,681		49,171	48,388	
Stock-based compensation	4,884	10,572		11,046	18,078	
Impact of ASC 842 adoption (lease accounting standard)	—	1,099		—	3,029	
Capitalized contract fulfillment costs, net	—	(1,680)		1,036	(9,984)	
Depreciation and amortization	61,237	63,951		187,548	187,150	
Gain on disposition of assets	(1,304)	(199)		(4,823)	(5,360)	
Outdoor operating income	$ 186,762	$ 230,866	(19.1)%	$ 512,854	$ 617,632	(17.0)%

	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Change	2020	2019	% Change
Reconciliation of Total Operating Expense to Acquisition-Adjusted Consolidated Expense:						
Total operating expense	$ 280,257	$ 316,344	(11.4)%	$ 871,455	$ 914,654	(4.7)%
Gain on disposition of assets	1,304	199		4,823	5,360	
Depreciation and amortization	(61,237)	(63,951)		(187,548)	(187,150)	
Impact of ASC 842 adoption (lease accounting standard)	—	(1,099)		—	(3,029)	
Capitalized contract fulfillment costs, net	—	1,680		(1,036)	9,984	
Stock-based compensation	(4,884)	(10,572)		(11,046)	(18,078)	
Acquisitions and divestitures	—	899		—	8,540	
Acquisition-adjusted consolidated expense	$ 215,440	$ 243,500	(11.5)%	$ 676,648	$ 730,281	(7.3)%

SUPPLEMENTAL SCHEDULES
UNAUDITED REIT MEASURES
AND RECONCILIATIONS TO GAAP MEASURES
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Adjusted Funds From Operations:				
Net income	$ 62,758	$ 99,709	$ 134,680	$ 269,358
Depreciation and amortization related to real estate	58,431	59,742	178,884	175,920
Gain from disposition of real estate assets	(1,324)	(164)	(4,422)	(5,048)
Non-cash tax benefit for REIT converted assets	—	—	—	(17,031)
Adjustment for unconsolidated affiliates and non-controlling interest	67	207	456	561
Funds from operations	$ 119,932	$ 159,494	$ 309,598	$ 423,760
Straight-line expense (income)	882	(1)	2,615	(217)
Impact of ASC 842 adoption (lease accounting standard)	—	1,099	—	3,029
Capitalized contract fulfillment costs, net	—	(1,680)	1,036	(9,984)
Stock-based compensation expense	4,884	10,572	11,046	18,078
Non-cash portion of tax provision	(557)	662	(1,870)	2,572
Non-real estate related depreciation and amortization	2,806	4,209	8,664	11,230
Amortization of deferred financing costs	1,589	1,342	4,467	4,012
Loss on extinguishment of debt	7,051	—	25,235	—
Capitalized expenditures—maintenance	(3,124)	(12,492)	(17,616)	(35,888)
Adjustment for unconsolidated affiliates and non-controlling interest	(67)	(207)	(456)	(561)
Adjusted funds from operations	$ 133,396	$ 162,998	$ 342,719	$ 416,031
Divided by weighted average diluted common shares outstanding	100,924,981	100,522,177	100,860,870	100,210,143
Diluted AFFO per share	$ 1.32	$ 1.62	$ 3.40	$ 4.15

SUPPLEMENTAL SCHEDULES
AND UNAUDITED RECONCILIATIONS OF NON-GAAP MEASURES
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

Revised projected 2020 Adjusted Funds From Operations:

	Year ended December 31, 2020	
	Low	High
Net income	$ 201,200	$ 217,700
Depreciation and amortization related to real estate	237,600	237,600
Gain from disposition of real estate assets and investments	(6,000)	(6,000)
Adjustment for unconsolidated affiliates and non-controlling interest	700	700
Funds From Operations	$ 433,500	$ 450,000
Straight-line expense	3,000	3,000
Capitalized contract fulfillment costs, net	1,000	1,000
Stock-based compensation expense	14,500	18,000
Non-cash portion of tax provision	(2,000)	(2,000)
Non-real estate related depreciation and amortization	12,400	12,400
Amortization of deferred financing costs	6,000	6,000
Loss on extinguishment of debt	25,300	25,300
Capitalized expenditures—maintenance	(24,000)	(24,000)
Adjustment for unconsolidated affiliates and non-controlling interest	(700)	(700)
Adjusted Funds From Operations	$ 469,000	$ 489,000
Weighted average diluted shares outstanding	100,900,000	100,900,000
Diluted earnings per share	$ 1.99	$ 2.16
Diluted AFFO per share	$ 4.65	$ 4.85

The guidance provided above is based on a number of assumptions that management believes to be reasonable and reflects our expectations as of November 2020. Actual results may differ materially from these estimates as a result of various factors, and we refer to the cautionary language regarding "forward-looking statements" included in the press release when considering this information.