# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 8-K

## CURRENT REPORT
**Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 8, 2017**

# LAMAR ADVERTISING COMPANY
**(Exact name of registrant as specified in its charter)**

| Delaware | 001-36756 | 72-1449411 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

**5321 Corporate Blvd.**
**Baton Rouge, Louisiana 70808**
**(Address of Principal Executive Offices) (Zip Code)**

**(225) 926-1000**
**(Registrant's telephone number, including area code)**

**N/A**
**(Former name or former address, if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 2.02 Results of Operations and Financial Condition.**

On August 8, 2017, Lamar Advertising Company announced via press release its results for the quarter ended June 30, 2017. A copy of Lamar's press release is hereby furnished to the Commission and incorporated by reference herein as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

| Exhibit No. | Description |
|---|---|
| 99.1 | Press Release of Lamar Advertising Company, dated August 8, 2017, reporting Lamar's financial results for the quarter ended June 30, 2017. |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 8, 2017

**LAMAR ADVERTISING COMPANY**

By: /s/ Keith A. Istre
Keith A. Istre
Treasurer and Chief Financial Officer

## EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| 99.1 | Press Release of Lamar Advertising Company, dated August 8, 2017, reporting Lamar's financial results for the quarter ended June 30, 2017. |

**Exhibit 99.1**

**5321 Corporate Boulevard**
**Baton Rouge, LA 70808**

**Lamar Advertising Company Announces**
**Second Quarter 2017 Operating Results**

*Three Month Results*

- Net revenue increased 2.5% to $397.1 million
- Net income was $92.4 million, an increase of 12.8%
- Adjusted EBITDA increased 3.1% to $181.9 million

*Three Month Acquisition-Adjusted Results*

- Acquisition-adjusted net revenue increased 1.7%
- Acquisition-adjusted EBITDA increased 2.4%

Baton Rouge, LA – August 8, 2017 - 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 second quarter ended June 30, 2017.

"Q2 came in largely as expected, and our team did a good job managing expenses," said CEO Sean Reilly. "However, due to what we now see as a sluggish ad environment for the rest of the year, we are reducing our full year 2017 AFFO per share guidance accordingly."

*Second Quarter Highlights*

- Consolidated expense growth was held to 1.1%
- Same unit digital revenue increased 2.3%
- National revenue increased 4.5%
- Local revenue increased 1.5%

**Second Quarter Results**

Lamar reported net revenues of $397.1 million for the second quarter of 2017 versus $387.5 million for the second quarter of 2016, a 2.5% increase. Operating income for the second quarter of 2017 increased $11.1 million to $128.2 million as compared to $117.1 million for the same period in 2016. Lamar recognized net income of $92.4 million for the second quarter of 2017 compared to net income of $81.9 million for same period in 2016. Net income per diluted share increased 11.9% to $0.94 from $0.84 for the three months ended June 30, 2017 and 2016, respectively.

Adjusted EBITDA for the second quarter of 2017 was $181.9 million versus $176.4 million for the second quarter of 2016, an increase of 3.1%.

Cash flow provided by operating activities was $160.3 million for the three months ended June 30, 2017, an increase of $0.8 million as compared to the same period in 2016. Free cash flow for the second quarter of 2017 was $119.2 million as compared to $112.1 million for the same period in 2016, a 6.3% increase.

For the second quarter of 2017, Funds From Operations, or FFO, was $140.9 million versus $130.2 million for the same period in 2016, an increase of 8.2%. Adjusted Funds From Operations, or AFFO, for the second quarter of 2017 was $136.5 million compared to $133.7 million for the same period in 2016, an increase of 2.1%. Diluted AFFO per share increased 1.5% to $1.39 for the three months ended June 30, 2017 as compared to $1.37 for the same period in 2016.

**Acquisition-Adjusted Three Months Results**

Acquisition-adjusted net revenue for the second quarter of 2017 increased 1.7% over Acquisition-adjusted net revenue for the second quarter of 2016. Acquisition-adjusted EBITDA for the second quarter of 2017 increased 2.4% as compared to Acquisition-adjusted EBITDA for the second quarter of 2016. Acquisition-adjusted net revenue and Acquisition-adjusted EBITDA include adjustments to the 2016 period for acquisitions and divestitures for the same time frame as actually owned in the 2017 period. See “Reconciliation of Reported Basis to Acquisition-Adjusted Results”, which provides reconciliations to GAAP for Acquisition-adjusted measures.

**Six Months Results**

Lamar reported net revenues of $743.4 million for the six months ended June 30, 2017 versus $726.1 million for the same period in 2016, a 2.4% increase. Operating income for the six months ended June 30, 2017 was $203.6 million as compared to $203.9 million for the same period in 2016. Lamar recognized net income of $134.2 million for the six months ended June 30, 2017 as compared to net income of $133.2 million for the same period in 2016. Net income per diluted share remained unchanged at $1.36 for the six months ended June 30, 2017 and 2016. In addition, Adjusted EBITDA for the six months ended June 30, 2017 was $310.2 million versus $306.6 million for the same period in 2016, a 1.2% increase.

**Liquidity**

As of June 30, 2017, Lamar had $452.8 million in total liquidity that consisted of $409.9 million available for borrowing under its revolving senior credit facility and approximately $42.9 million in cash and cash equivalents.

**Revised Guidance**

Due to current market conditions, the Company is revising its 2017 full year guidance for Earnings per share and AFFO per share. Net income per diluted share is expected to be between $3.09 and $3.19. Previous Diluted earnings per share guidance had been $3.13 to $3.28 per share. In addition, Lamar expects Diluted AFFO per share for 2017 to be between $4.90 and $5.00. Previous AFFO per share guidance had been $5.05 to $5.20 per share. See “Supplemental Schedules Unaudited REIT Measures and Reconciliations to 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 state of the economy and financial markets generally and the effect of the broader economy on the demand for advertising; (3) the continued popularity of outdoor advertising as an advertising medium; (4) our need for and ability to obtain additional funding for operations, debt refinancing or acquisitions; (5) our ability to continue to qualify as a Real Estate Investment Trust (“REIT”) and maintain our status as a REIT; (6) the regulation of the outdoor advertising industry by federal, state and local governments; (7) the integration of companies that we acquire and our ability to recognize cost savings or operating efficiencies as a result of these acquisitions; (8) changes in accounting principles, policies or guidelines; (9) changes in tax laws applicable to REITs or in the interpretation of those laws; (10) our ability to renew expiring contracts at favorable rates; (11) our ability to successfully implement our digital deployment strategy; and (12) 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, 2016, as supplemented by any risk factors contained in our Quarterly Reports on Form 10-Q. 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 EBITDA (earnings before interest, taxes, depreciation and amortization), Free Cash Flow, Funds From Operations (“FFO”), Adjusted Funds From Operations (“AFFO”), Diluted AFFO per share, Outdoor Operating Income and Acquisition-Adjusted Results. 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), gain (loss) on extinguishment of debt and investments, stock-based compensation, depreciation and amortization and gain or loss on disposition of assets and investments.
- 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 revenue and expense; (ii) stock-based compensation expense; (iii) non-cash portion of tax provision; (iv) non-real estate related depreciation and amortization; (v) amortization of deferred financing costs; (vi) loss on extinguishment of debt; (vii) non-recurring infrequent or unusual losses (gains); (viii) less maintenance capital expenditures; and (ix) 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 gain (loss) 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 assets or divested 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”.

Adjusted EBITDA, FFO, AFFO, Outdoor Operating Income and Acquisition-Adjusted Results are not intended to replace other performance measures determined in accordance with GAAP. Free Cash Flow, FFO nor AFFO 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. Rather, Adjusted EBITDA, Free Cash Flow, FFO, AFFO, Diluted AFFO per share, Outdoor Operating Income and Acquisition-Adjusted Results 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 and Diluted AFFO per share 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 divestures, 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, Outdoor Operating Income and Acquisition-Adjusted Results may not, however, be fully comparable to similarly titled measures used by other companies. Reconciliations of Adjusted EBITDA, FFO, AFFO, Outdoor Operating Income and Acquisition-Adjusted Results 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 Tuesday, August 8, 2017 at 8:00 a.m. central time. Instructions for the conference call and Webcast are provided below:

## Conference Call

| | |
|---|---|
| **All Callers:** | **1-334-323-0520 or 1-334-323-9871** |
| **Pass Code:** | **Lamar** |
| **Replay:** | **1-334-323-0140 or 1-877-919-4059** |
| **Pass Code:** | **96124574**<br>Available through Tuesday, August 15, 2017 at 11:59 p.m. eastern time |
| **Live Webcast:** | www.lamar.com |
| **Webcast Replay:** | www.lamar.com<br>Available through Tuesday, August 15, 2017 at 11:59 p.m. eastern time |
| Company Contact: | Buster Kantrow<br>Director of Investor Relations<br>(225) 926-1000<br>bkantrow@lamar.com |

## General Information

Founded in 1902, Lamar Advertising (Nasdaq: LAMR) is one of the largest outdoor advertising companies in North America, with more than 330,000 displays across the United States, Canada and Puerto Rico. Lamar offers advertisers a variety of billboard, interstate logo and transit 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 2,600 displays.

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

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Net revenues | $ 397,078 | $ 387,528 | $ 743,440 | $ 726,061 |
| Operating expenses (income) | | | | |
| Direct advertising expenses | 135,075 | 132,725 | 266,919 | 261,450 |
| General and administrative expenses | 63,723 | 63,287 | 133,572 | 127,717 |
| Corporate expenses | 16,363 | 15,124 | 32,700 | 30,311 |
| Stock-based compensation | 2,565 | 8,093 | 5,043 | 11,292 |
| Depreciation and amortization | 51,782 | 51,933 | 103,207 | 103,422 |
| Gain on disposition of assets | (607) | (705) | (1,643) | (12,032) |
| | 268,901 | 270,457 | 539,798 | 522,160 |
| Operating income | 128,177 | 117,071 | 203,642 | 203,901 |
| Other (income) expense | | | | |
| Interest income | — | (3) | (4) | (4) |
| Loss on extinguishment of debt | 71 | 56 | 71 | 3,198 |
| Interest expense | 31,979 | 31,299 | 63,462 | 61,367 |
| | 32,050 | 31,352 | 63,529 | 64,561 |
| Income before income tax expense | 96,127 | 85,719 | 140,113 | 139,340 |
| Income tax expense | 3,733 | 3,810 | 5,932 | 6,117 |
| Net income | 92,394 | 81,909 | 134,181 | 133,223 |
| Preferred stock dividends | 91 | 91 | 182 | 182 |
| Net income applicable to common stock | $ 92,303 | $ 81,818 | $ 133,999 | $ 133,041 |
| Earnings per share: | | | | |
| Basic earnings per share | $ 0.94 | $ 0.84 | $ 1.37 | $ 1.37 |
| Diluted earnings per share | $ 0.94 | $ 0.84 | $ 1.36 | $ 1.36 |
| Weighted average common shares outstanding: | | | | |
| - basic | 97,941,766 | 97,121,619 | 97,759,636 | 96,956,535 |
| - diluted | 98,442,860 | 97,731,467 | 98,276,283 | 97,523,379 |
| **OTHER DATA** | | | | |
| Free Cash Flow Computation: | | | | |
| Adjusted EBITDA | $ 181,917 | $ 176,392 | $ 310,249 | $ 306,583 |
| Interest, net | (30,704) | (30,017) | (60,835) | (58,702) |
| Current tax expense | (3,348) | (3,269) | (5,902) | (5,758) |
| Preferred stock dividends | (91) | (91) | (182) | (182) |
| Total capital expenditures | (28,600) | (30,894) | (47,836) | (51,513) |
| Free Cash Flow | $ 119,174 | $ 112,121 | $ 195,494 | $ 190,428 |

**OTHER DATA (continued):**

| | June 30, 2017 | December 31, 2016 |
|---|---|---|
| Selected Balance Sheet Data: | | |
| Cash and cash equivalents | $ 42,884 | $ 35,530 |
| Working capital | $ 124,769 | $ 36,929 |
| Total assets | $3,946,077 | $3,898,884 |
| Total debt, net of deferred financing costs (including current maturities) | $2,391,854 | $2,349,183 |
| Total stockholders' equity | $1,071,105 | $1,069,528 |

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Selected Cash Flow Data: | | | | |
| Cash flows provided by operating activities | $ 160,257 | $ 159,488 | $ 194,753 | $ 211,025 |
| Cash flows used in investing activities | $ (37,941) | $ (33,360) | $ (73,360) | $ (550,913) |
| Cash flows (used in) provided by financing activities | $(111,665) | $(112,888) | $ (114,837) | $ 358,115 |

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

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Reconciliation of Free Cash Flow to Cash Flows Provided by Operating Activities: | | | | |
| Cash flows provided by operating activities | $160,257 | $159,488 | $194,753 | $211,025 |
| Changes in operating assets and liabilities | (10,424) | (14,551) | 52,155 | 34,638 |
| Total capital expenditures | (28,600) | (30,894) | (47,836) | (51,513) |
| Preferred stock dividends | (91) | (91) | (182) | (182) |
| Other | (1,968) | (1,831) | (3,396) | (3,540) |
| Free cash flow | $119,174 | $112,121 | $195,494 | $190,428 |
| Reconciliation of Net Income to Adjusted EBITDA: | | | | |
| Net Income | $ 92,394 | $ 81,909 | $134,181 | $133,223 |
| Interest income | — | (3) | (4) | (4) |
| Loss on extinguishment of debt | 71 | 56 | 71 | 3,198 |
| Interest expense | 31,979 | 31,299 | 63,462 | 61,367 |
| Income tax expense | 3,733 | 3,810 | 5,932 | 6,117 |
| Operating Income | 128,177 | 117,071 | 203,642 | 203,901 |
| Stock-based compensation | 2,565 | 8,093 | 5,043 | 11,292 |
| Depreciation and amortization | 51,782 | 51,933 | 103,207 | 103,422 |
| Gain on disposition of assets | (607) | (705) | (1,643) | (12,032) |
| Adjusted EBITDA | $181,917 | $176,392 | $310,249 | $306,583 |
| Capital expenditure detail by category: | | | | |
| Billboards - traditional | $ 7,260 | $ 16,498 | $ 13,539 | $ 23,372 |
| Billboards - digital | 13,376 | 8,926 | 20,963 | 15,474 |
| Logo | 2,110 | 1,830 | 3,911 | 3,261 |
| Transit | 65 | 86 | 288 | 216 |
| Land and buildings | 3,132 | 1,655 | 4,514 | 5,548 |
| Operating equipment | 2,657 | 1,899 | 4,621 | 3,642 |
| Total capital expenditures | $ 28,600 | $ 30,894 | $ 47,836 | $ 51,513 |

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

| | Three months ended June 30, 2017 | 2016 | % Change |
|---|---|---|---|
| Reconciliation of Reported Basis to Acquisition-Adjusted Results (a): | | | |
| Net revenue | $397,078 | $387,528 | 2.5% |
| Acquisitions and divestitures | — | 2,904 | |
| Acquisition-adjusted results-net revenue | $397,078 | $390,432 | 1.7% |
| Reported direct advertising and G&A expenses | $198,798 | $196,012 | 1.4% |
| Acquisitions and divestitures | — | 1,600 | |
| Acquisition-adjusted results-direct advertising and G&A expenses | $198,798 | $197,612 | 0.6% |
| Outdoor operating income | $198,280 | $191,516 | 3.5% |
| Acquisitions and divestitures | — | 1,304 | |
| Acquisition-adjusted results-outdoor operating income | $198,280 | $192,820 | 2.8% |
| Reported corporate expenses | $ 16,363 | $ 15,124 | 8.2% |
| Acquisitions and divestitures | — | — | |
| Acquisition-adjusted results-corporate expenses | $ 16,363 | $ 15,124 | 8.2% |
| Adjusted EBITDA | $181,917 | $176,392 | 3.1% |
| Acquisitions and divestitures | — | 1,304 | |
| Acquisition-adjusted EBITDA | $181,917 | $177,696 | 2.4% |

(a) Acquisition-adjusted net revenue, direct advertising and general and administrative expenses, outdoor operating income, corporate expenses and EBITDA include adjustments to 2016 for acquisitions and divestitures for the same time frame as actually owned in 2017.

| | Three months ended June 30, 2017 | 2016 |
|---|---|---|
| Reconciliation of Net Income to Outdoor Operating Income: | | |
| Net Income | $ 92,394 | $ 81,909 |
| Interest income | — | (3) |
| Loss on extinguishment of debt | 71 | 56 |
| Interest expense | 31,979 | 31,299 |
| Income tax expense | 3,733 | 3,810 |
| Operating Income | 128,177 | 117,071 |
| Corporate expenses | 16,363 | 15,124 |
| Stock-based compensation | 2,565 | 8,093 |
| Depreciation and amortization | 51,782 | 51,933 |
| Gain on disposition of assets | (607) | (705) |
| Outdoor Operating Income | $198,280 | $191,516 |

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

Adjusted Funds From Operations:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Net income | $ 92,394 | $ 81,909 | $ 134,181 | $ 133,223 |
| Depreciation and amortization related to real estate | 48,865 | 48,300 | 97,386 | 96,067 |
| Gain from disposition of real estate assets and investments | (568) | (207) | (1,407) | (11,474) |
| Adjustment for unconsolidated affiliates and non-controlling interest | 213 | 170 | 390 | 266 |
| Funds From Operations | $ 140,904 | $ 130,172 | $ 230,550 | $ 218,082 |
| Straight-line (income) expense | (58) | 327 | (95) | 277 |
| Stock-based compensation expense | 2,565 | 8,093 | 5,043 | 11,292 |
| Non-cash portion of tax provision | 385 | 541 | 30 | 359 |
| Non-real estate related depreciation and amortization | 2,917 | 3,633 | 5,821 | 7,355 |
| Amortization of deferred financing costs | 1,275 | 1,279 | 2,623 | 2,661 |
| Loss on extinguishment of debt | 71 | 56 | 71 | 3,198 |
| Capitalized expenditures—maintenance | (11,300) | (10,245) | (20,678) | (16,937) |
| Adjustment for unconsolidated affiliates and non-controlling interest | (213) | (170) | (390) | (266) |
| Adjusted Funds From Operations | $ 136,546 | $ 133,686 | $ 222,975 | $ 226,021 |
| Divided by weighted average diluted common shares outstanding | 98,442,860 | 97,731,467 | 98,276,283 | 97,523,379 |
| Diluted AFFO per share | $ 1.39 | $ 1.37 | $ 2.27 | $ 2.32 |

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

Projected Adjusted Funds From Operations

| | Year ended December 31, 2017 | |
|---|---|---|
| | Low | High |
| Net income | $ 304,000 | $ 314,000 |
| Depreciation and amortization related to real estate | 192,000 | 192,000 |
| Gain from disposal of real estate assets and investments | (3,000) | (3,000) |
| Adjustment for unconsolidated affiliates and non-controlling interest | 700 | 700 |
| Funds From Operations | $ 493,700 | $ 503,700 |
| Straight-line income | (500) | (500) |
| Stock-based compensation expense | 12,000 | 12,000 |
| Non-cash portion of tax provision | (600) | (600) |
| Non-real estate related depreciation and amortization | 14,000 | 14,000 |
| Amortization of deferred financing costs | 5,500 | 5,500 |
| Loss on extinguishment of debt | 100 | 100 |
| Capitalized expenditures—maintenance | (41,000) | (41,000) |
| Adjustment for unconsolidated affiliates and non-controlling interest | (700) | (700) |
| Adjusted Funds From Operations | $ 482,500 | $ 492,500 |
| Weighted average diluted shares outstanding | 98,500,000 | 98,500,000 |
| Diluted earnings per share | $ 3.09 | $ 3.19 |
| Diluted AFFO per share | $ 4.90 | $ 5.00 |

The guidance provided above is based on a number of assumptions that management believes to be reasonable and reflect our expectations as of August 2017. 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.