

STAG Industrial, Inc.
Form 10-Q
August 06, 2014
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the Quarterly Period Ended June 30, 2014

OR

**o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the transition period from to .

Commission file number 1-34907

STAG INDUSTRIAL, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation or organization)

27-3099608
(IRS Employer
Identification No.)

One Federal Street, 23rd Floor
Boston, Massachusetts
(Address of principal executive offices)

02110
(Zip Code)

(617) 574-4777

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. Check one:

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common and preferred stock as of the latest practicable date.

	Class	Outstanding at August 1, 2014
Common Stock (\$0.01 par value)		55,274,255

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9.0 % Series A Cumulative Redeemable Preferred Stock (\$0.01 par value)	2,760,000
6.625 % Series B Cumulative Redeemable Preferred Stock (\$0.01 par value)	2,800,000

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	June 30, 2014	December 31, 2013
Assets		
Rental Property:		
Land	\$ 145,931	\$ 134,399
Buildings	944,057	871,422
Tenant improvements	39,625	36,994
Building and land improvements	46,454	36,231
Less: accumulated depreciation	(88,138)	(71,653)
Total rental property, net	1,087,929	1,007,393
Cash and cash equivalents	6,031	6,690
Restricted cash	6,525	6,806
Tenant accounts receivable, net	14,387	13,790
Prepaid expenses and other assets	4,687	2,594
Interest rate swaps	1,077	3,924
Deferred financing fees, net	6,245	5,467
Leasing commissions, net	3,607	3,542
Goodwill	4,923	4,923
Due from related parties	156	185
Deferred leasing intangibles, net of accumulated amortization of \$121,060 and \$95,201, respectively	214,586	214,967
Total assets	\$ 1,350,153	\$ 1,270,281
Liabilities and Equity		
Liabilities:		
Mortgage notes payable	\$ 223,331	\$ 225,591
Unsecured credit facility	35,500	80,500
Unsecured term loans	300,000	250,000
Accounts payable, accrued expenses and other liabilities	17,386	18,574
Interest rate swaps	412	
Tenant prepaid rent and security deposits	10,040	8,972
Dividends and distributions payable	6,003	5,166
Deferred leasing intangibles, net of accumulated amortization of \$5,373 and \$4,520, respectively	7,586	6,914
Total liabilities	600,258	595,717
Commitments and contingencies		
Equity:		
Preferred stock, par value \$0.01 per share, 10,000,000 shares authorized, Series A, 2,760,000 shares (liquidation preference of \$25.00 per share) issued and outstanding at June 30, 2014 and December 31, 2013	69,000	69,000
Series B, 2,800,000 shares (liquidation preference of \$25.00 per share) issued and outstanding at June 30, 2014 and December 31, 2013	70,000	70,000
Common stock, par value \$0.01 per share, 100,000,000 shares authorized, 55,153,982 and 44,764,377 shares issued and outstanding at June 30, 2014 and December 31, 2013,	551	447

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respectively

Additional paid-in capital	744,248	577,039
Common stock dividends in excess of earnings	(155,911)	(116,877)
Accumulated other comprehensive income	489	3,440
Total stockholders' equity	728,377	603,049
Noncontrolling interest	21,518	71,515
Total equity	749,895	674,564
Total liabilities and equity	\$ 1,350,153	\$ 1,270,281

The accompanying notes are an integral part of these consolidated financial statements.

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STAG Industrial, Inc.

Consolidated Statements of Operations

(unaudited, in thousands, except per share data)

**Three months ended June 30,
2014**

Six months ended June 30,