



Extra Space Storage Inc. Reports 2022 First Quarter Results

May 3, 2022

SALT LAKE CITY, May 3, 2022 /PRNewswire/ -- Extra Space Storage Inc. (NYSE: EXR) (the "Company"), a leading owner and operator of self-storage facilities in the United States and a member of the S&P 500, announced operating results for the three months ended March 31, 2022.



Highlights for the three months ended March 31, 2022:

- Achieved net income attributable to common stockholders of \$1.51 per diluted share, representing a 1.3% decrease compared to the same period in the prior year, which included a \$63.9 million gain.
- Achieved funds from operations attributable to common stockholders and unit holders ("FFO") of \$2.01 per diluted share. FFO, excluding adjustments ("Core FFO"), was also \$2.01 per diluted share, representing a 34.0% increase compared to the same period in the prior year.
- Increased same-store revenue by 21.7% and same-store net operating income ("NOI") by 27.6% compared to the same period in the prior year.
- Reported same-store occupancy of 94.5% as of March 31, 2022, compared to 95.3% as of March 31, 2021.
- Acquired 11 operating stores and three stores at completion of construction (a "Certificate of Occupancy store" or "C of O store") for a total cost of approximately \$225.0 million.
- In conjunction with joint venture partners, acquired two operating stores for a total cost of approximately \$42.5 million, of which the Company invested \$4.3 million.
- Originated \$137.7 million in mortgage and mezzanine bridge loans and sold \$41.0 million in mortgage bridge loans.
- Issued 0.2 million shares of common stock at a sales price of \$219.34 per share, resulting in net proceeds of \$41.0 million, in conjunction with the acquisition of two stores.
- Added 37 stores (gross) to the Company's third-party management platform. As of March 31, 2022, the Company managed 847 stores for third parties and 288 stores in joint ventures, for a total of 1,135 managed stores.
- Paid a quarterly dividend of \$1.50 per share, a 20% increase over the previous quarter's dividend and a 50% increase over the first quarter 2021 dividend.

Joe Margolis, CEO of Extra Space Storage Inc., commented: "We are off to an exceptional start in 2022, driven by high occupancy and strong pricing power, resulting in same-store revenue growth of 21.7% and same-store NOI growth of 27.6%, both all-time highs for Extra Space Storage. We achieved FFO growth of 34.0%, allowing us to increase our dividend 20% in the first quarter. Our first quarter performance, together with continuing strong fundamentals, position us very well for another great leasing season."

FFO Per Share:

The following table (unaudited) outlines the Company's FFO and Core FFO for the three months ended March 31, 2022 and 2021. The table also provides a reconciliation to GAAP net income attributable to common stockholders and earnings per diluted share for each period presented (amounts shown in thousands, except share and per share data):

	For the Three Months Ended March 31,			
	2022		2021	
		(per share) ¹		(per share) ¹
Net income attributable to common stockholders	\$ 203,579	\$ 1.51	\$ 202,998	\$ 1.53
Impact of the difference in weighted average number of shares – diluted ²		(0.09)		(0.08)
Adjustments:				
Real estate depreciation	62,692	0.44	55,815	0.40
Amortization of intangibles	2,766	0.02	693	—
Gain on real estate transactions	—	—	(63,883)	(0.46)
Unconsolidated joint venture real estate depreciation and amortization	3,853	0.03	2,505	0.02
Distributions paid on Series A Preferred Operating Partnership units	(572)	—	(572)	—
Income allocated to Operating Partnership and other noncontrolling interests	14,138	0.10	12,503	0.09
FFO	\$ 286,456	\$ 2.01	\$ 210,059	\$ 1.50
Adjustments:				
CORE FFO	\$ 286,456	\$ 2.01	\$ 210,059	\$ 1.50
Weighted average number of shares – diluted ³	142,798,058		140,014,387	

(1) Per share amounts may not recalculate due to rounding.

(2) Adjustment to account for the difference between the number of shares used to calculate earnings per share and the number of shares used to calculate FFO per share. Earnings per share is calculated using the two-class method, which uses a lower number of shares than the calculation for FFO per share and Core FFO per share, which are calculated assuming full redemption of all OP units as described in note (3).

(3) Extra Space Storage LP (the "Operating Partnership") has outstanding preferred and common Operating Partnership units ("OP units"). These OP units can be redeemed for cash or, at the Company's election, shares of the Company's common stock. Redemption of all OP units for common stock has been assumed for purposes of calculating the weighted average number of shares — diluted, as presented above. The computation of weighted average number of shares — diluted, for FFO per share and Core FFO per share also includes the effect of share-based compensation plans.

Operating Results and Same-Store Performance:

The following table (unaudited) outlines the Company's same-store performance for the three months ended March 31, 2022 and 2021 (amounts shown in thousands, except store count data)¹:

	For the Three Months Ended March 31,		Percent Change
	2022	2021	
Same-store rental revenues ²	\$ 341,888	\$ 280,990	21.7%
Same-store operating expenses ²	84,857	79,480	6.8%
Same-store net operating income ²	\$ 257,031	\$ 201,510	27.6%
Same-store square foot occupancy as of quarter end	94.5%	95.3%	
Properties included in same-store	870	870	

(1) A reconciliation of net income to same-store net operating income is provided later in this release, entitled "Reconciliation of GAAP Net Income to Total Same-Store Net Operating Income."

(2) Same-store revenues, operating expenses and net operating income do not include tenant reinsurance revenue or expense.

Same-store revenues for the three months ended March 31, 2022 increased compared to the same periods in 2021 due to higher average rates to new and existing customers and higher late fees partially offset by lower occupancy.

Same-store expenses increased for the three months ended March 31, 2022 compared to the same period in 2021 due to increases in payroll, credit card processing fees, repairs and maintenance (snow removal) and insurance, partially offset by lower marketing expense.

Details related to the same-store performance of stores by metropolitan statistical area ("MSA") for the three months ended March 31, 2022 are provided in the supplemental financial information published on the Company's Investor Relations website at <https://ir.extraspace.com/>.

Investment and Property Management Activity:

The following table (unaudited) outlines the Company's acquisitions and developments that are closed, completed or under agreement (dollars in thousands):

	Closed through March 31, 2022		Closed/Completed Subsequent to March 31, 2022		Scheduled to Still Close/Complete in 2022		Total 2022	
	Stores	Price	Stores	Price	Stores	Price	Stores	Price
Wholly-Owned Investment								
Operating Stores	11	\$ 191,827	6	\$ 102,675	5	\$ 72,900	22	\$ 367,402
C of O and Development Stores ¹	3	33,202	1	11,000	5	52,287	9	96,489
EXR Investment in Wholly-Owned Stores	14	225,029	7	113,675	10	125,187	31	463,891
Joint Venture Investment								
EXR Investment in JV Acquisition of Operating Stores ¹	2	4,250	1	2,710	10	14,200	13	21,160
EXR Investment in JV Development and C of O ¹	—	—	—	—	2	11,180	2	11,180
EXR Investment in Joint Ventures	2	4,250	1	2,710	12	25,380	15	32,340
Total EXR Investment	16	\$ 229,279	8	\$ 116,385	22	\$ 150,567	46	\$ 496,231

(1) The locations of C of O and development stores and joint venture ownership interest details are included in the supplemental financial information published on the Company's Investor Relations website at <https://ir.extraspace.com/>.

The projected developments and acquisitions under agreement described above are subject to customary closing conditions and no assurance can be provided that these developments and acquisitions will be completed on the terms described, or at all.

Bridge Loans:

During the three months ended March 31, 2022, the Company originated \$137.7 million in bridge loans, and the Company has an additional \$248.2 million closed or under agreement to close in 2022. During the three months ended March 31, 2022, the Company sold \$41.0 million in bridge loans. The Company also sold a \$103.0 million note to a junior mezzanine lender (previously disclosed) and recognized the unamortized balance of a loan discount of \$1.5 million as interest income. Additional details related to the Company's loan activity and balances held are included in the supplemental financial information published on the Company's Investor Relations website at <https://ir.extraspace.com/>.

Dispositions:

The Company did not dispose of any properties during the three months ended March 31, 2022, and has two stores under agreement for sale for approximately \$41.0 million. The sales are subject to customary closing conditions, and no assurance can be provided that they will be completed on the terms described, or at all.

Property Management:

As of March 31, 2022, the Company managed 847 stores for third-party owners and 288 stores owned in joint ventures, for a total of 1,135 stores under management. The Company is the largest self-storage management company in the United States.

Balance Sheet:

During the three months ended March 31, 2022, the Company issued 0.2 million shares of common stock in a private placement at a sales price of \$219.34 per share, resulting in net proceeds of \$41.0 million, in conjunction with the acquisition of two stores.

During the three months ended March 31, 2022, the Company did not issue any shares on its ATM program, and it currently has \$800.0 million available for issuance.

As of March 31, 2022, the Company's percentage of fixed-rate debt to total debt was 80.4%. The weighted average interest rates of the Company's fixed and variable-rate debt were 3.2% and 1.6%, respectively. The combined weighted average interest rate was 2.8% with a weighted average maturity of approximately 5.6 years.

Dividends:

On March 31, 2022, the Company paid a first quarter common stock dividend of \$1.50 per share to stockholders of record at the close of business on March 15, 2022, an increase of 20% over the previous quarterly dividend and a 50% increase over the first quarter 2021 dividend.

Outlook:

The following table outlines the Company's current and initial FFO estimates and annual assumptions for the year ending December 31, 2022¹:

	Current Ranges for 2022 Annual Assumptions		Initial Ranges for 2022 Annual Assumptions (February 23, 2022)		Notes
	Low	High	Low	High	
	Core FFO	\$8.05	\$8.30	\$7.70	

Dilution per share from C of O and value add acquisitions	\$0.20	\$0.20	\$0.23	\$0.23	
Same-store revenue growth	13.00%	15.00%	10.50%	12.50%	Same-store pool of 870 stores
Same-store expense growth	6.50%	8.00%	6.00%	7.50%	Same-store pool of 870 stores
Same-store NOI growth	15.00%	18.00%	11.50%	14.50%	Same-store pool of 870 stores
Weighted average one-month LIBOR/SOFR	1.37% / 1.24%	1.37% / 1.24%	0.8% / N/A	0.8% / N/A	
Net tenant reinsurance income	\$152,500,000	\$154,500,000	\$153,500,000	\$155,500,000	
Management fees and other income	\$80,500,000	\$81,500,000	\$76,000,000	\$77,000,000	
Interest income	\$57,500,000	\$58,500,000	\$50,000,000	\$51,500,000	Includes dividends from JCAP preferred investment
General and administrative expenses	\$121,500,000	\$123,000,000	\$121,500,000	\$123,000,000	Includes non-cash compensation
Average monthly cash balance	\$40,000,000	\$40,000,000	\$60,000,000	\$60,000,000	
Equity in earnings of real estate ventures	\$41,500,000	\$42,500,000	\$36,500,000	\$37,500,000	Includes dividends from SmartStop preferred investment
Interest expense	\$196,500,000	\$198,500,000	\$183,500,000	\$185,500,000	
Income Tax Expense	\$22,000,000	\$23,000,000	\$21,500,000	\$22,500,000	Taxes associated with the Company's Taxable REIT subsidiary
Acquisitions	\$800,000,000	\$800,000,000	\$500,000,000	\$500,000,000	Represents the Company's investment
Bridge loans	\$150,000,000	\$150,000,000	\$120,000,000	\$120,000,000	Represents the Company's share of loans net of loan sales
Weighted average share count	143,000,000	143,000,000	143,000,000	143,000,000	Assumes redemption of all OP units for common stock

(1) A reconciliation of net income outlook to same-store net operating income outlook is provided later in this release entitled "Reconciliation of Estimated GAAP Net Income to Estimated Same-Store Net Operating Income." The reconciliation includes details related to same-store revenue and same-store expense outlooks. A reconciliation of net income per share outlook to funds from operations per share outlook is provided later in this release entitled "Reconciliation of the Range of Estimated GAAP Fully Diluted Earnings Per Share to Estimated Fully Diluted FFO Per Share."

FFO estimates for the year are fully diluted for an estimated average number of shares and OP units outstanding during the year. The Company's estimates are forward-looking and based on management's view of current and future market conditions. The Company's actual results may differ materially from these estimates.

Supplemental Financial Information:

Supplemental unaudited financial information regarding the Company's performance can be found on the Company's website at www.extraspace.com. Under the "Company Info" navigation menu on the home page, click on "Investor Relations," then under the "Financials & Stock Information" navigation menu click on "Quarterly Earnings." This supplemental information provides additional detail on items that include store occupancy and financial performance by portfolio and market, debt maturity schedules and performance of lease-up assets.

Conference Call:

The Company will host a conference call at 1:00 p.m. Eastern Time on Wednesday, May 4, 2022, to discuss its financial results. To participate in the conference call, please dial 855-791-2026 or 631-485-4899 for international participants; audience passcode: 2638769. The conference call will also be available on the Company's investor relations website at <https://ir.extraspace.com>. To listen to a live broadcast, go to the site at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary audio software. A replay of the call will be available for 30 days on the Company's website in the Investor Relations section.

A replay of the call will also be available by telephone from 4:00 p.m. Eastern Time on May 4, 2022, until 4:00 p.m. Eastern Time on May 11, 2022. The replay dial-in numbers are 855-859-2056 or 404-537-3406 for international callers; passcode: 2638769.

Forward-Looking Statements:

Certain information set forth in this release contains "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include statements concerning the benefits of store acquisitions, developments, favorable market conditions, our outlook and estimates for the year and other statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, the competitive landscape, plans or intentions relating to acquisitions and developments and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "estimates," "expects," "may," "will," "should," "anticipates," or "intends," or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements. There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this release. Any forward-looking statements should be considered in light of the risks referenced in the "Risk Factors" section included in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Such factors include, but are not limited to:

- adverse changes in general economic conditions, the real estate industry and the markets in which we operate;
- failure to close pending acquisitions and developments on expected terms, or at all;
- the effect of competition from new and existing stores or other storage alternatives, which could cause rents and occupancy rates to decline;
- potential liability for uninsured losses and environmental contamination;
- the impact of the regulatory environment as well as national, state and local laws and regulations, including, without limitation, those governing real estate investment trusts ("REITs"), tenant reinsurance and other aspects of our business, which could adversely affect our results;
- disruptions in credit and financial markets and resulting difficulties in raising capital or obtaining credit at reasonable rates or at all, which could impede our ability to grow;
- impacts from the COVID-19 pandemic or the future outbreak of other highly infectious or contagious diseases, including reduced demand for self-storage space and ancillary products and services such as tenant reinsurance, and potential decreases in occupancy and rental rates and staffing levels, which could adversely affect our results;
- our reliance on information technologies, which are vulnerable to, among other things, attack from computer viruses and malware, hacking, cyberattacks and other unauthorized access or misuse, any of which could adversely affect our business and results;
- increases in interest rates;
- reductions in asset valuations and related impairment charges;
- our lack of sole decision-making authority with respect to our joint venture investments;
- the effect of recent or future changes to U.S. tax laws;
- the failure to maintain our REIT status for U.S. federal income tax purposes; and
- economic uncertainty due to the impact of natural disasters, war or terrorism, which could adversely affect our business plan.

All forward-looking statements are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to reflect events or circumstances after the date made or to reflect the occurrence of unanticipated events.

Definition of FFO:

FFO provides relevant and meaningful information about the Company's operating performance that is necessary, along with net income and cash flows, for an understanding of the Company's operating results. The Company believes FFO is a meaningful disclosure as a supplement to net income. Net income assumes that the values of real estate assets diminish predictably over time as reflected through depreciation and amortization expenses. The values of real estate assets fluctuate due to market conditions and the Company believes FFO more accurately reflects the value of the Company's real estate assets. FFO is defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT") as net income computed in accordance with U.S. generally accepted accounting principles ("GAAP"), excluding gains or losses on sales of operating stores and impairment write downs of depreciable real estate assets, plus depreciation and amortization related to real estate and after adjustments to record unconsolidated partnerships and joint ventures on the same basis. The Company believes that to further understand the Company's performance, FFO should be considered along with the reported net income and cash flows in accordance with GAAP, as presented in the Company's consolidated financial statements. FFO should not be considered a replacement of net income computed in accordance with GAAP.

For informational purposes, the Company also presents Core FFO. Core FFO excludes revenues and expenses not core to our operations and non-cash interest. Although the Company's calculation of Core FFO differs from NAREIT's definition of FFO and may not be comparable to that of other REITs and real estate companies, the Company believes it provides a meaningful

supplemental measure of operating performance. The Company believes that by excluding revenues and expenses not core to our operations and non-cash interest charges, stockholders and potential investors are presented with an indicator of our operating performance that more closely achieves the objectives of the real estate industry in presenting FFO. Core FFO by the Company should not be considered a replacement of the NAREIT definition of FFO. The computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently. FFO does not represent cash generated from operating activities determined in accordance with GAAP, and should not be considered as an alternative to net income as an indication of the Company's performance, as an alternative to net cash flow from operating activities as a measure of liquidity, or as an indicator of the Company's ability to make cash distributions.

Definition of Same-Store:

The Company's same-store pool for the periods presented consists of 870 stores that are wholly-owned and operated and that were stabilized by the first day of the earliest calendar year presented. The Company considers a store to be stabilized once it has been open for three years or has sustained average square foot occupancy of 80.0% or more for one calendar year. The Company believes that by providing same-store results from a stabilized pool of stores, with accompanying operating metrics including, but not limited to occupancy, rental revenue (growth), operating expenses (growth), net operating income (growth), etc., stockholders and potential investors are able to evaluate operating performance without the effects of non-stabilized occupancy levels, rent levels, expense levels, acquisitions or completed developments. Same-store results should not be used as a basis for future same-store performance or for the performance of the Company's stores as a whole.

About Extra Space Storage Inc.:

Extra Space Storage Inc., headquartered in Salt Lake City, Utah, is a self-administered and self-managed REIT and a member of the S&P 500. As of March 31, 2022, the Company owned and/or operated 2,130 self-storage stores in 41 states and Washington, D.C. The Company's stores comprise approximately 1.5 million units and approximately 164.2 million square feet of rentable space. The Company offers customers a wide selection of conveniently located and secure storage units across the country, including boat storage, RV storage and business storage. The Company is the second largest owner and/or operator of self-storage stores in the United States and is the largest self-storage management company in the United States.

Extra Space Storage Inc. Condensed Consolidated Balance Sheets (In thousands, except share data)

	March 31, 2022	December 31, 2021
	(Unaudited)	
Assets:		
Real estate assets, net	\$ 8,940,724	\$ 8,834,649
Real estate assets - operating lease right-of-use assets	236,961	227,949
Investments in unconsolidated real estate entities	475,291	457,326
Investments in debt securities and notes receivable	694,107	719,187
Cash and cash equivalents	65,978	71,126
Restricted cash	6,688	5,068
Other assets, net	172,001	159,172
	<u>\$</u>	<u>\$</u>
Total assets	<u>10,591,750</u>	<u>10,474,477</u>
Liabilities, Noncontrolling Interests and Equity:		
Notes payable, net	\$ 1,293,563	\$ 1,320,755
Unsecured term loans, net	1,742,459	1,741,926
Unsecured senior notes, net	2,756,644	2,360,066
Revolving lines of credit	220,000	535,000
Operating lease liabilities	242,842	233,356
Cash distributions in unconsolidated real estate ventures	64,506	63,582
Accounts payable and accrued expenses	136,856	142,285
Other liabilities	256,716	291,531
	<u>6,713,586</u>	<u>6,688,501</u>
Commitments and contingencies		
Noncontrolling Interests and Equity:		
Extra Space Storage Inc. stockholders' equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.01 par value, 500,000,000 shares authorized, 134,251,076 and 133,922,305 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	1,343	1,339
Additional paid-in capital	3,329,608	3,285,948
Accumulated other comprehensive income (loss)	6,457	(42,546)
Accumulated deficit	(127,193)	(128,245)
Total Extra Space Storage Inc. stockholders' equity	3,210,215	3,116,496
Noncontrolling interest represented by Preferred Operating Partnership units, net	256,051	259,110
Noncontrolling interests in Operating Partnership, net and other noncontrolling interests	411,898	410,370
	<u>3,878,164</u>	<u>3,785,976</u>
	<u>\$</u>	<u>\$</u>
Total liabilities, noncontrolling interests and equity	<u>10,591,750</u>	<u>10,474,477</u>

Consolidated Statement of Operations for the Three Months Ended March 31, 2022 and 2021 (In thousands, except share and per share data) - Unaudited

	For the Three Months Ended March 31,	
	2022	2021
Revenues:		
Property rental	\$ 379,808	\$ 303,593
Tenant reinsurance	43,797	39,619
Management fees and other income	19,957	15,645
Total revenues	<u>443,562</u>	<u>358,857</u>
Expenses:		
Property operations	103,542	92,367
Tenant reinsurance	7,042	7,161
General and administrative	29,762	23,540
Depreciation and amortization	67,906	58,599
Total expenses	<u>208,252</u>	<u>181,667</u>
Gain on real estate transactions	—	63,883
Income from operations	235,310	241,073
Interest expense	(42,538)	(40,695)
Interest income	18,989	12,304
Income before equity in earnings and dividend income from unconsolidated real estate ventures and income tax expense	211,761	212,682
Equity in earnings and dividend income from unconsolidated real estate entities	9,097	6,956
Income tax expense	<u>(3,141)</u>	<u>(4,137)</u>
Net income	217,717	215,501
Net income allocated to Preferred Operating Partnership noncontrolling interests	(4,333)	(3,680)

Net income allocated to Operating Partnership and other noncontrolling interests	(9,805)	(8,823)
Net income attributable to common stockholders	\$ 203,579	\$ 202,998
Earnings per common share		
Basic	\$ 1.52	\$ 1.54
Diluted	\$ 1.51	\$ 1.53
Weighted average number of shares		
Basic	134,180,175	132,007,556
Diluted	141,581,862	139,676,548
Cash dividends paid per common share	\$ 1.50	\$ 1.00

Reconciliation of GAAP Net Income to Total Same-Store Net Operating Income — for the Three Months Ended March 31, 2022 and 2021 (In thousands) - Unaudited

	For the Three Months Ended March 31,	
	2022	2021
Net Income	\$ 217,717	\$ 215,501
Adjusted to exclude:		
Gain on real estate transactions	—	(63,883)
Equity in earnings and dividend income from unconsolidated real estate entities	(9,097)	(6,956)
Interest expense	42,538	40,695
Depreciation and amortization	67,906	58,599
Income tax expense	3,141	4,137
General and administrative	29,762	23,540
Management fees, other income and interest income	(38,946)	(27,949)
Net tenant insurance	(36,755)	(32,458)
Non same-store rental revenue	(37,920)	(22,603)
Non same-store operating expense	18,685	12,887
Total same-store net operating income	\$ 257,031	\$ 201,510
Same-store rental revenues	341,888	280,990
Same-store operating expenses	84,857	79,480
Same-store net operating income	\$ 257,031	\$ 201,510

Reconciliation of the Range of Estimated GAAP Fully Diluted Earnings Per Share to Estimated Fully Diluted FFO Per Share — for the Year Ending December 31, 2022 - Unaudited

	For the Year Ending December 31, 2022	
	Low End	High End
Net income attributable to common stockholders per diluted share	\$ 5.70	\$ 5.95
Income allocated to noncontrolling interest - Preferred Operating Partnership and Operating Partnership	0.37	0.37
Fixed component of income allocated to non-controlling interest - Preferred Operating Partnership	(0.02)	(0.02)
Net income attributable to common stockholders for diluted computations	6.05	6.30
Adjustments:		
Real estate depreciation	1.84	1.84
Amortization of intangibles	0.05	0.05
Unconsolidated joint venture real estate depreciation and amortization	0.11	0.11
Funds from operations attributable to common stockholders	8.05	8.30
Core funds from operations attributable to common stockholders	\$ 8.05	\$ 8.30

Reconciliation of Estimated GAAP Net Income to Estimated Same-Store Net Operating Income — for the Year Ending December 31, 2022 (In thousands) - Unaudited

	For the Year Ending December 31, 2022	
	Low	High
Net Income	\$ 863,000	\$ 902,800
Adjusted to exclude:		
Equity in earnings of unconsolidated joint ventures	(41,500)	(42,500)
Interest expense	198,500	196,500
Depreciation and amortization	280,000	280,000
Income tax expense	23,000	22,000
General and administrative	123,000	121,500
Management fees and other income	(80,500)	(81,500)
Interest income	(57,500)	(58,500)
Net tenant reinsurance income	(152,500)	(154,500)
Non same-store rental revenues	(180,000)	(180,000)
Non same-store operating expenses	78,000	78,000
Total same-store net operating income¹	\$ 1,053,500	\$ 1,083,800
Same-store rental revenues ¹	1,392,000	1,417,000
Same-store operating expenses ¹	338,500	333,200
Total same-store net operating income¹	\$ 1,053,500	\$ 1,083,800

(1) Estimated same-store rental revenues, operating expenses and net operating income are for the Company's 2022 same-store pool of 870 stores.

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