SLB SALE LEASEBACK MARKET UPDATE

AUGUST 2026

Data through Q2’26

SLB

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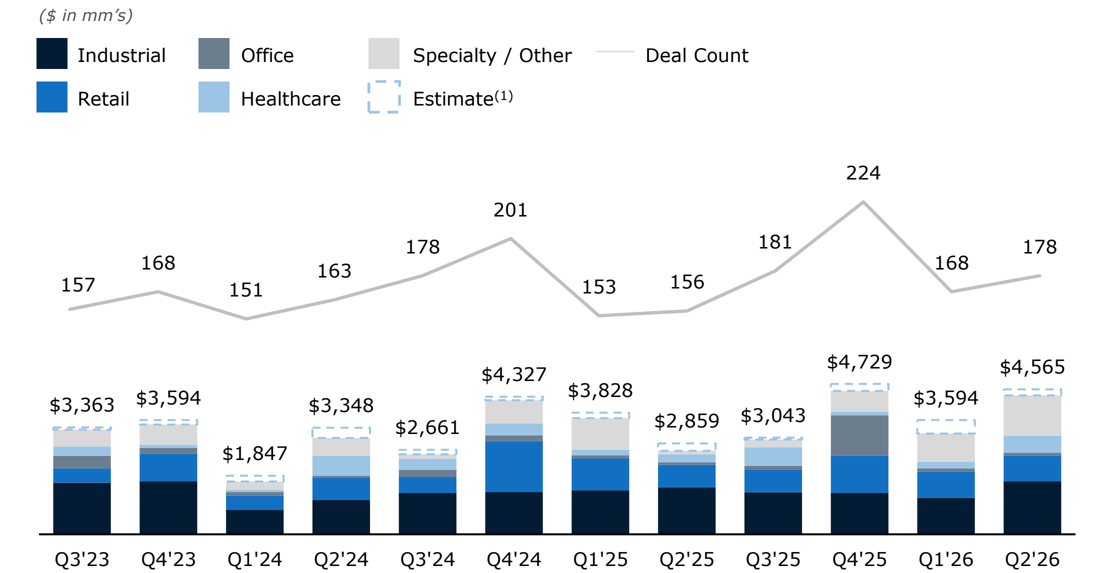
Sale Leaseback Market Activity

- Q2'26 recorded 178 transactions, the highest second-quarter count since Q2'22
- Paired with a strong Q1, the first half of 2026 reflects sustained momentum and the most active start to a year since 2022
- Sale leaseback dollar volume rose ~27% quarter over quarter to $4.6bn, driven largely by select portfolio transactions
- Transaction dollar volume was led by VICI's $1.1bn acquisition of a Golden Entertainment casino and hotel portfolio and W.P. Carey's $400mm acquisition of a GardenCore portfolio
- By transaction count, the industrial sector represented the largest share at 42%, which is in line with recent quarters
- The retail sector recorded the largest shift, declining three percentage points quarter over quarter to 39%, following an elevated deal count in Q1'26

SALE LEASEBACK HISTORICAL DEAL VOLUME

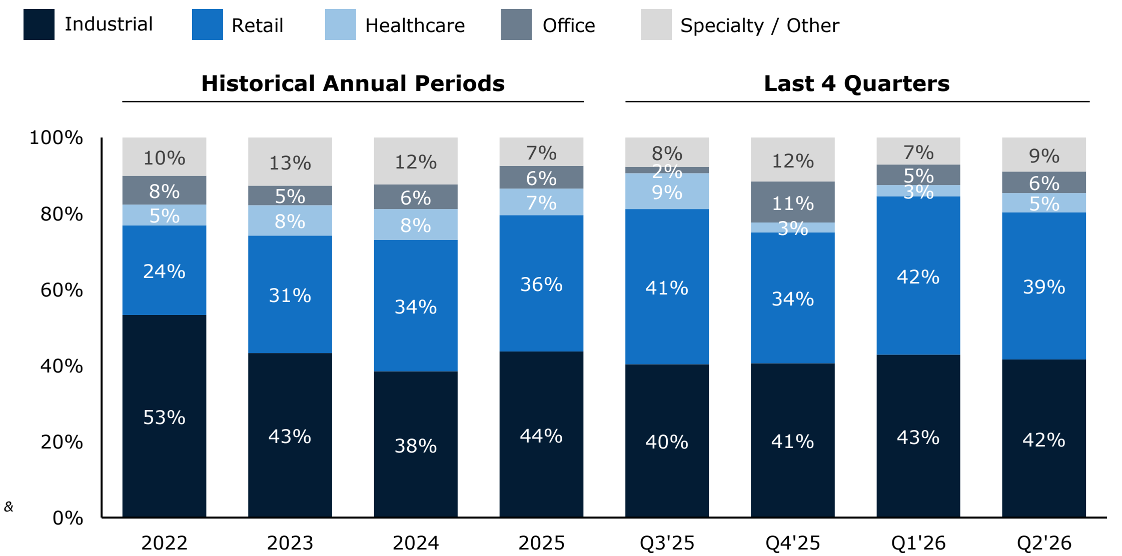


SELECT Q2'26 SALE LEASEBACKS BY SECTOR

($ in millions)

Sector	Tenant / Seller	Acquirer	# Prop	$
Specialty	GOLDEN ENTERTAINMENT	VICI	7	$1,160
Industrial	GardenCore	W. P. CAREY	43	$400
Health Care	*New Generation Health LLC*	CARETRUST	15	$350+
Industrial	WELLS	*Private Net Lease REIT*	15	$243

SALE LEASEBACK ACTIVITY BY PROPERTY SECTOR (BY DEAL COUNT)



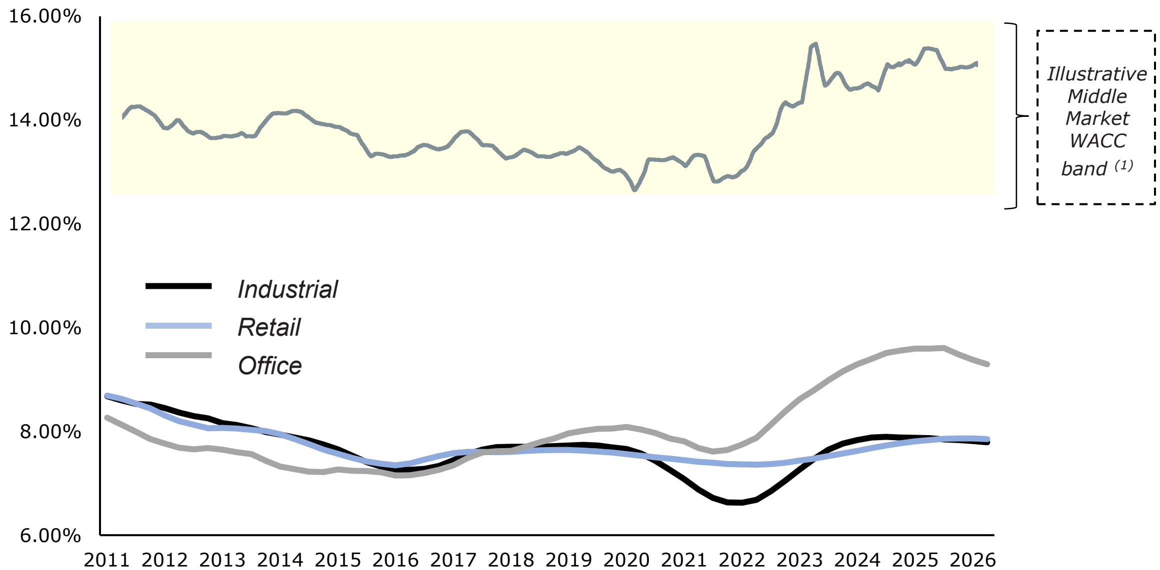
Source: The proprietary market analysis of SLB Capital Advisors analyzes data sourced from CoStar, public filings & public disclosures. The research, professional judgment, views and conclusions are exclusive to SLB Capital Advisors.

(1) For sale leasebacks with undisclosed sale prices, a median trading value has been ascribed to better estimate deal flow for the period. Note that transaction information may be updated in future reports due to lag in data reporting – information presented is the most up to date available.

Sale Leaseback Pricing Trends

- While the back half of the year into early Q1'26 saw continued moderate cap rate compression cap rates have inched upwards recently on the energy-led inflation shock and its impact on financing
- However despite moderate macro headlines, competitive processes continue to drive attractive pricing
- After beginning Q2'26 at 90, the BAML MOVE Index eased to a low of 65 by mid-June before spiking above 80 in late July following Fed Chair Warsh's July 29 meeting, whose departure from forward guidance unsettled markets; the index has since eased to the mid-70s (~75 as of 8/10/26), with volatility choppy but below Q1's extremes
- Sale leaseback cap rates remain well inside of companies' WACCs, and in many cases are still inside companies' current cost of debt financing, making the sale leaseback an incredibly attractive financing alternative

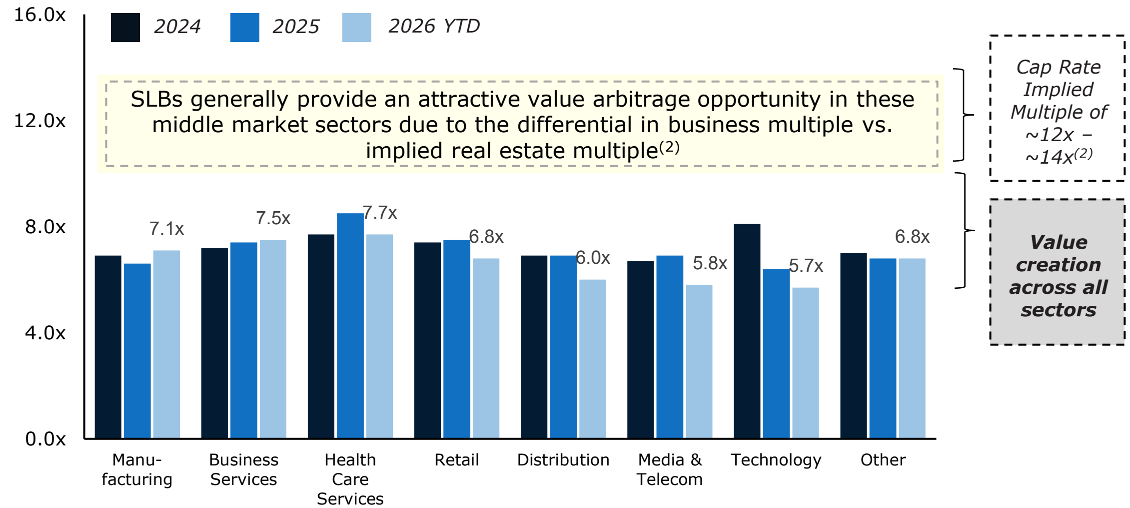
CAP RATE VS. ILLUSTRATIVE WACC



M&A Arbitrage Opportunity

- Per PitchBook, North American M&A activity retreated in Q2'26, with deal value falling to $787bn, down (26.9%) QoQ from Q1'26's record high of $1,040bn, though still up 29.0% YoY
- An estimated 4,476 M&A deals were announced in Q2'26, down (1.2%) QoQ, indicating deal volume remained relatively stable even as aggregate deal value pulled back sharply from Q1's record
- In the middle market, per GF Data, activity remained on par with Q1'26 however, the Q2'26 average LTM Adj. EBITDA transaction multiple declined to 7.0x from 7.3x in the first quarter; this leaves the first half average at 7.1x, a tenth of a turn below the average multiple in each of the prior two full years
- The multiple implied by average sale leaseback cap rates (i.e., 6.95% to 8.65%) implies a multiple of ~ 12x to ~14x and attractive sale leaseback value arbitrage opportunities across multiple industries, driven by the delta between business and real estate multiples

SECTOR EBITDA MULTIPLES VS. IMPLIED REAL ESTATE MULTIPLES



Source: CoStar; Pitchbook; GF Data®; Permission to reprint or distribute any content copyrighted by GF Data® requires consent from GF Data Resources LLC; Kroll U.S. Equity Risk Premium January 2008-Present

(1) Historical all-in cost of debt based on GF Data. Historical Risk Premium per Kroll. Utilizes 10-year Treasury as risk free rate. β of 1.45. Small size premium of 4.0%. Represents 90-day smoothed WACC average. Note that while Treasury costs declined in Q2'25, the Kroll Historical Risk Premium increased in early Q2'25, offsetting treasury declines

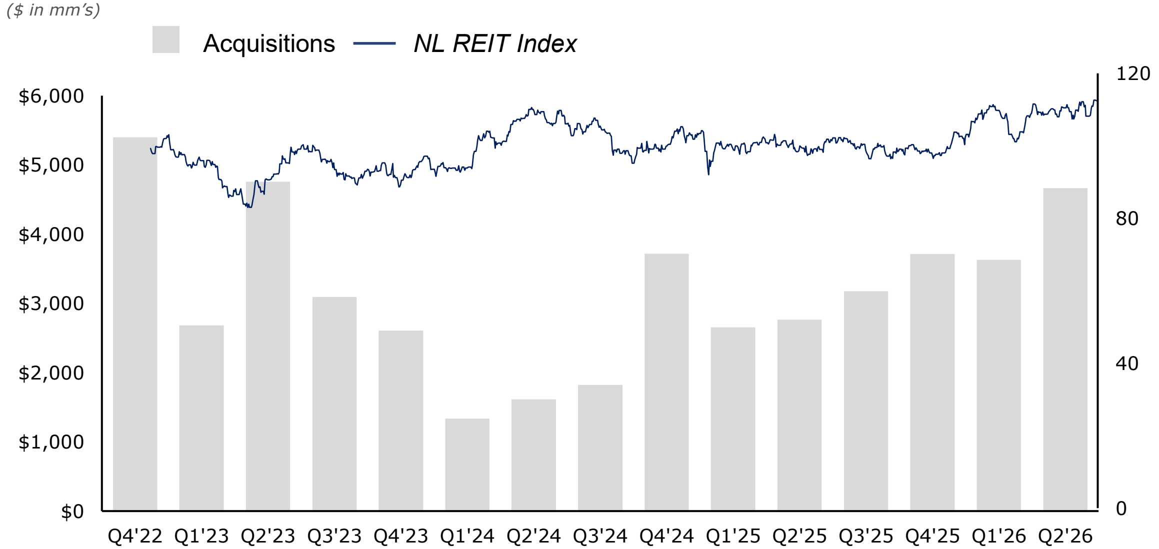
(2) Based on the inverse of the general real estate cap rate range of 6.95% – 8.65%

Net Lease ("NL") REIT Snapshot

- Acquisition volume by NL REITs in Q2'26 was $4.7bn, marking a 28.5% increase compared to Q1'26 ($3.6bn), and rose a substantial 68.9% compared to the same period last year
- Realty Income ($1,804mm), W.P. Carey Inc. ($706mm) and Agree Realty ($452mm)
- NL REITs conducted $1.3bn of equity offerings in Q2'26 ($1.0bn increase vs. Q1'26) up ~63% compared to Q2'25
- Post quarter close on 7/1/26, Blue Owl Capital announced it had closed its acquisition of Sila Realty Trust, a healthcare-focused net lease REIT
- While cap rates have remained stable thus far in 2026, public REITs remain active buyers and may create downward cap rate pressure
- Post quarter on 7/20/26, Brookfield Asset Management and Canada Pension Plan Investment Board announced they had entered a definitive merger agreement under which they will acquire LXP Industrial Trust for approximately $5.2bn

QUARTERLY NL REIT ACQUISITION ACTIVITY & NET LEASE INDEX[(1)(2)]

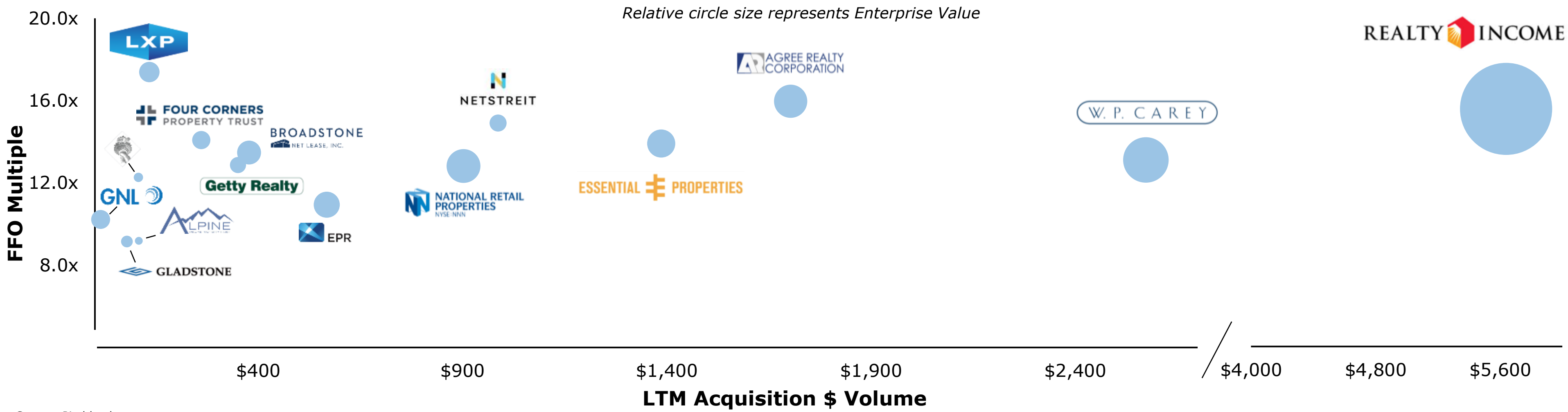
($ in mm's)



The NL REIT Index is a Price Weighted Index comprised of 16 publicly traded NL REITs

LTM ACQUISITION VOLUME VS. FFO MULTIPLE VS. ENTERPRISE VALUE[(3)]

Relative circle size represents Enterprise Value



Source: Pitchbook
(1) Note that this includes acquisition values from REITs that have been acquired by other REITs (e.g., VEREIT, SPIRIT), however excludes acquisition values for those that have been taken private (e.g., STORE), so as to present a like-for-like trend; however, as such, this chart understates REIT acquisition activity during each quarter
(2) Reflects price-weighted index beginning 7/4/2023
(3) Pricing as of 8/14/2026

Q2'2026 – Select Sale Leaseback Transactions

($ in millions)

TENANT / SELLER	ACQUIRER	# PROP.	$	DATE	STATE	SECTOR	DETAILS
Golden Entertainment	VICI	7	$1,160	4/28/2026	NV	Specialty	VICI Properties acquired a portfolio of 7 hotel and casino properties from Golden Entertainment for $1.1bn
GardenCore	W. P. Carey	43	$400	5/8/2026	Mult.	Industrial	W.P. Carey acquired a portfolio of 43 industrial properties from GardenCore for $400mm
New Generation Health LLC	CareTrust	15	$350+	4/21/2026	CA	Health Care	CareTrust REIT acquired a portfolio of 15 skilled nursing facilities from New Generation Health for $350mm+
Wells	Private Net Lease REIT	15	$243	4/23/2026	Mult.	Industrial	A private net lease REIT acquired a portfolio of 15 industrial properties from Wells for $243mm
Life Time	Realty Income / Morgan Stanley	5	$200	Apr-2026	Mult.	Retail	Realty Income and Morgan Stanley acquired a portfolio of 5 fitness centers from Life Time Fitness for $200mm(1)
GWFG Golden West Food Group	NMC New Mountain Capital	2	$87	5/8/2026	CA	Industrial	New Mountain Capital acquired 2 industrial food processing facilities from Golden West Food Group for $87mm
Family Dollar	NNN REIT	46	$75	6/18/2026	Mult.	Retail	NNN REIT acquired a portfolio of 46 retail stores from Family Dollar for $75mm
Whirlpool Corporation	W. P. Carey	1	$75	6/30/2026	OK	Industrial	W.P. Carey acquired an industrial property from Whirlpool Corporation for $75mm
FirstStudent	J.P.Morgan	23	$70+	5/8/2026	Mult.	Industrial	J.P. Morgan acquired a portfolio of 23 bus terminal properties from First Student for $70mm+
Boston Children's Hospital	Griffith / Barings	1	$62	6/3/2026	MA	Health Care	A JV between Griffith Properties and Barings acquired a hospital property from Boston Children's Hospital for $62mm

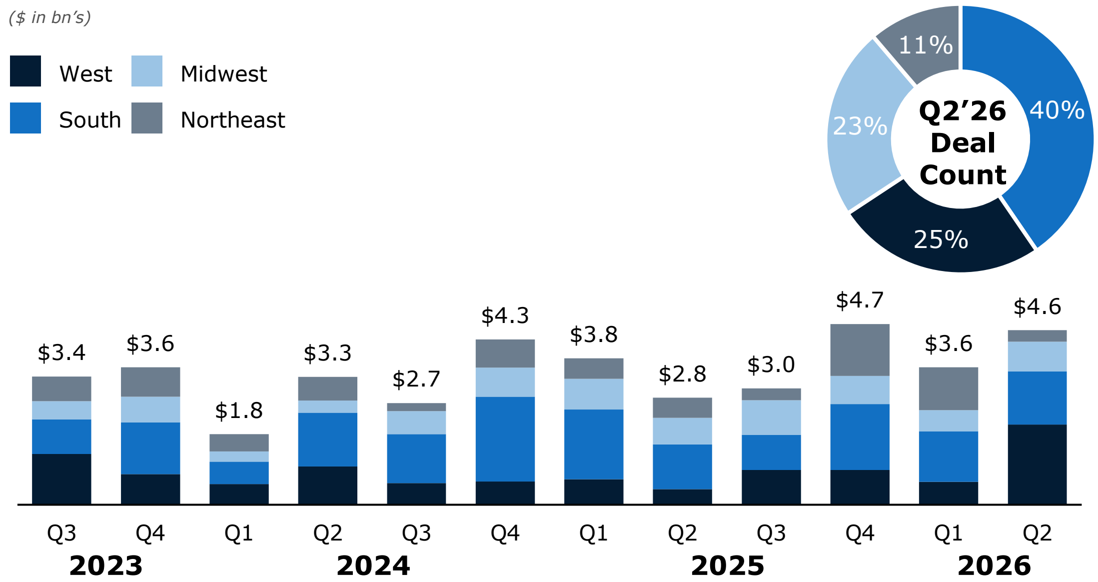
Source: SLB Capital Advisors research, Costar, public filings and other public disclosure (1) 3 assets sold to Realty Income, 2 to Morgan Stanley

U.S. Sale Leaseback Activity by Region | Last 12 Quarters

- The South continues to lead all regions in transaction count, with 72 deals representing 40% of the total count
- The West recorded the highest transaction by dollar volume at ~$2.1bn, largely driven by a large portfolio Casino transaction
- The South recorded the second highest transaction level by dollar volume at ~$1.4bn, followed by the Midwest at ~$0.8bn
- Despite a nearly flat transaction count, down only three deals from Q1’26, the Northeast posted the steepest quarter-over-quarter dollar volume decline at ~73%
- While transaction activity in Q2’26 continued to benefit from favorable momentum carried over from late 2025, recent geopolitical uncertainty and an increase in the 10-Year UST have moderately heightened investor caution, in non-core markets, however well-positioned opportunities still drive attractive pricing

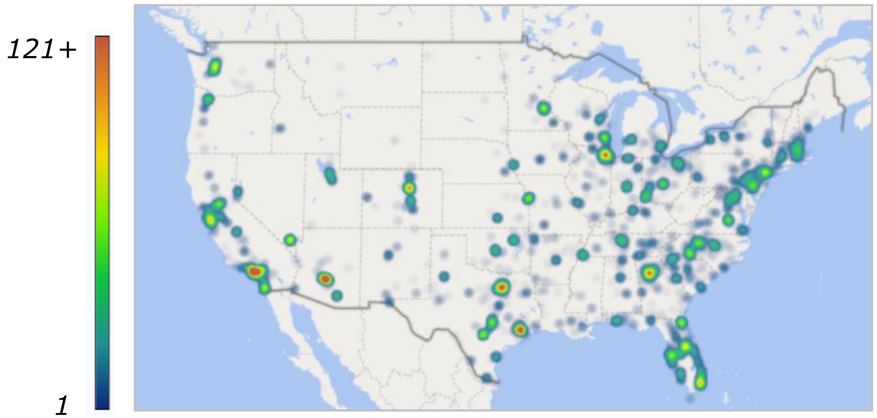
SALE LEASEBACK $ DEAL VOLUME BY GEOGRAPHY[1]

($ in bn’s)

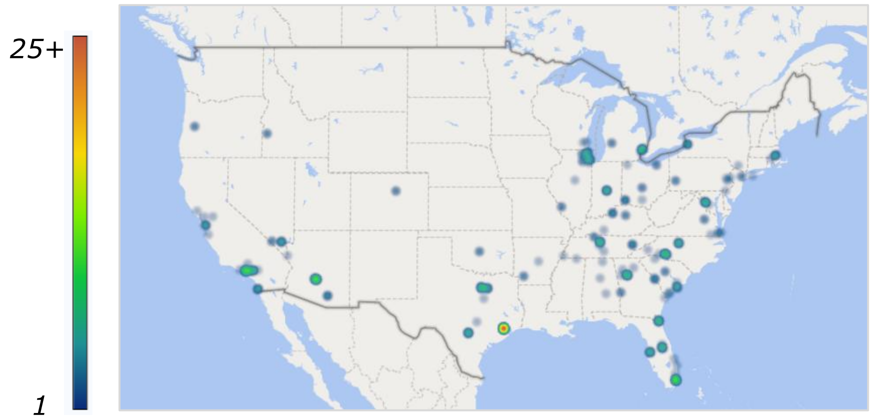


SALE LEASEBACK # DEAL VOLUME BY GEOGRAPHY

2018 - 2025



YTD 2026

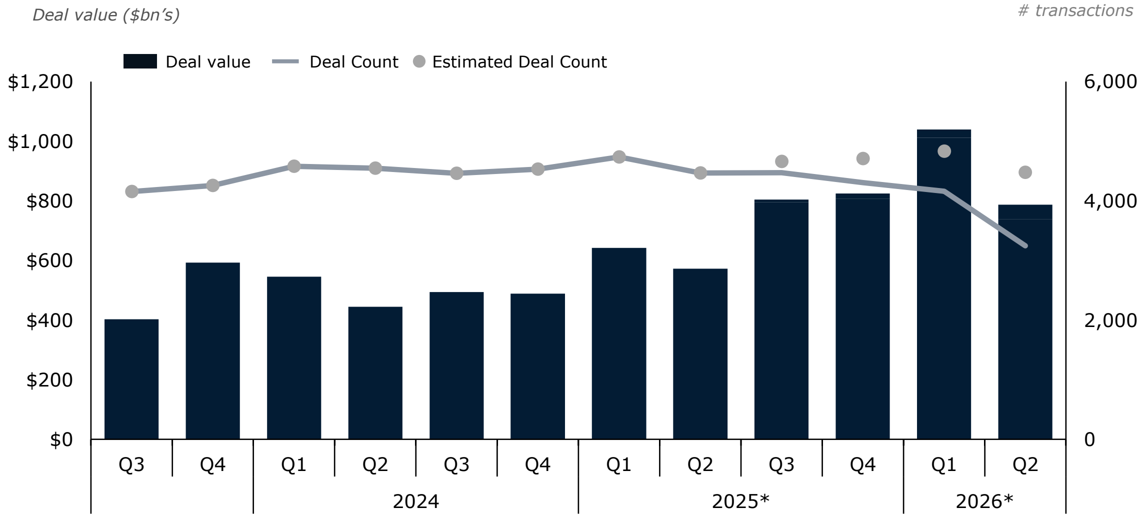


Source: Costar, public filings and other disclosures, and research and proprietary analysis and professional judgment, views and conclusions of SLB Capital Advisors
Note: If city not disclosed, map location defaults to state capital
(1) For sale leasebacks with undisclosed sale prices, a median trading value has been included to better estimate deal flow for the period

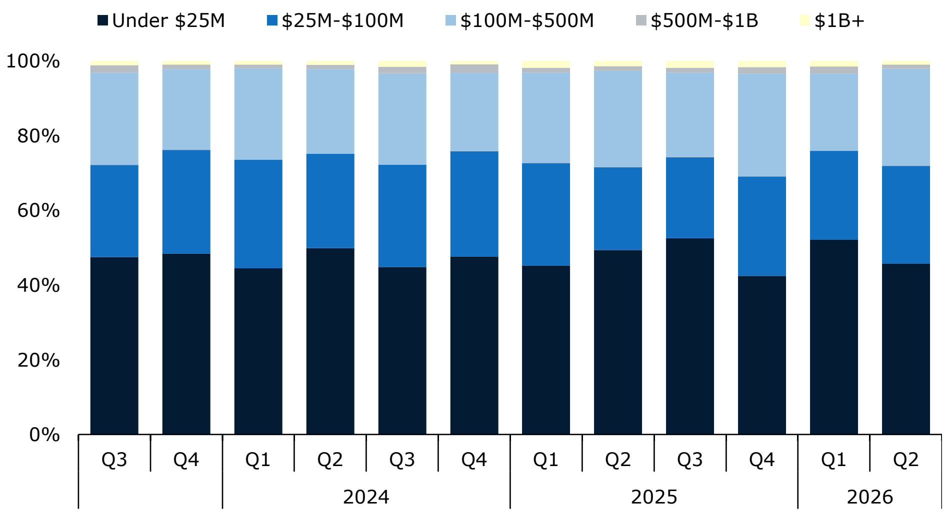
North American M&A Activity

- North American M&A activity declined in Q2'26, with total deal value down (24.3%) quarter-over-quarter, following Q1'26's record high of $1,040bn, to $787bn
  - Despite the QoQ decline, Q2'26's deal value represents a 37.4% increase over Q2'25
- Deal volume declined in Q2'26, with estimated total transactions decreasing by (7.3%) to 4,476 deals
- Notable Q2'26 deals included the $67bn acquisition of Dominion Energy by NextEra Energy, creating the world's largest electric utility business, and SpaceX's $60bn record-breaking acquisition of startup Anysphere, creator of Cursor
- The middle market has been relatively active in Q2 of 2026 – this quarter, 98% of transactions consummated were valued below $500mm EV and 72% of transactions were below $100mm EV

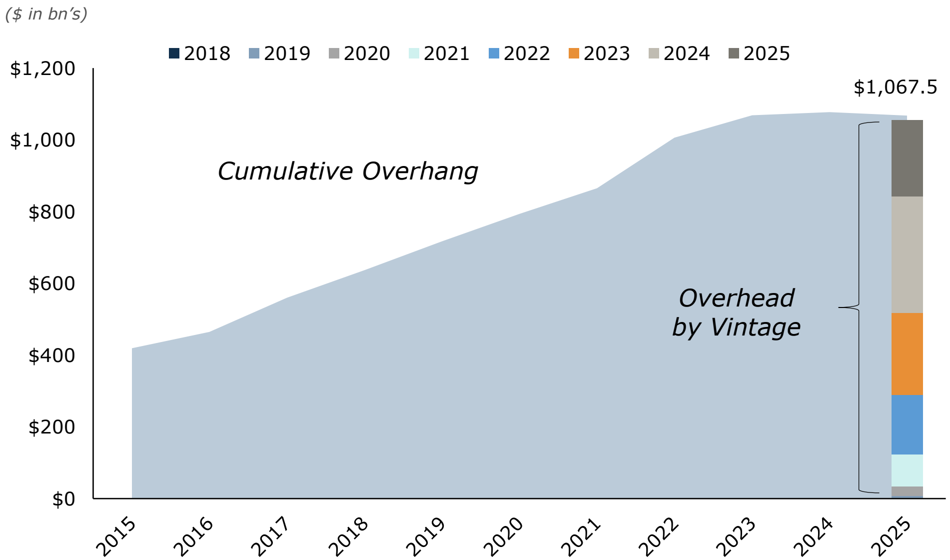
ANNUAL NORTH AMERICAN M&A ACQUISITION VOLUME



U.S. PRIVATE EQUITY M&A BY DEAL SIZE



U.S. PE CAPITAL OVERHANG



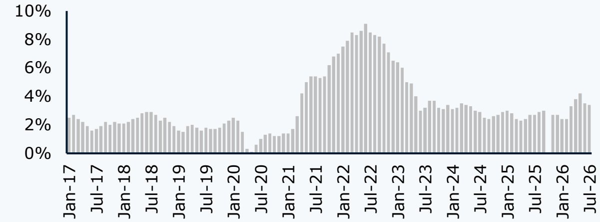
Sources: Pitchbook, Reuters
** denotes includes estimates*

Sale Leaseback Macro Issues

INFLATION

- The all items index for inflation increased 3.4% for the LTM ending July, after rising 3.5% for the LTM ending June
- The all items less food and energy index rose 2.5% over the LTM ending July
- The shelter index rose 0.1% in July and accounted for roughly two-thirds of the all items monthly increase, while the energy index declined 1.5% over the month; the food index rose 0.1% as the food at home index decreased 0.1% and the food away from home index rose 0.3%
- Increases were partially offset by the indexes for motor vehicle insurance, prescription drugs, and lodging away from home, which declined in July

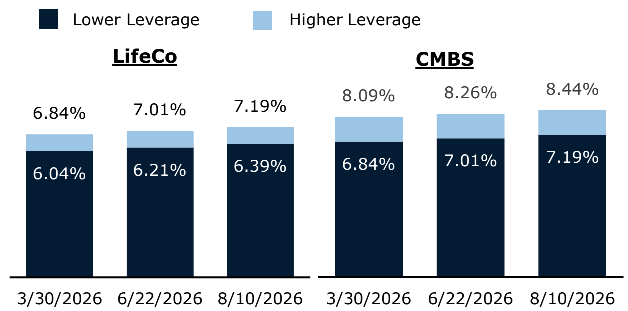
Consumer Price Index – 12m % Change



INTEREST RATE ENVIRONMENT

- The US10Y began Q2'26 at 4.35% (3/30/26), dipped to 4.26% in mid-April, rose to 4.67% by mid-May, then eased to 4.51% by quarter-end (6/22/26), ~16 bps higher; it has since climbed to a fresh high of 4.75% on 7/31/26, settling at ~4.72% as of 8/10/26, ~37 bps above the quarter's start
- In the LifeCo market, the average all-in rate (Multi-Family / Industrial) widened ~16 bps over Q2'26 (~6.44% to ~6.61%) and has risen further to ~6.79% as of 8/10/26, ~35 bps above where the quarter began
- The midpoint cost of CMBS financing rose in lockstep with LifeCo, widening ~16 bps over Q2'26 (7.47% to 7.63%) and reaching ~7.82% as of 8/10/26, a similarly sized ~35 bps move for the quarter
- Per KBRA, CMBS issuance totaled $37.4bn in Q2'26 across 51 deals, up from Q1'26's $32.9bn across 42 deals, with YTD volume swinging from a 12.4% YoY decline at Q1'26's end to an 18.1% YoY increase by Q2'26's end

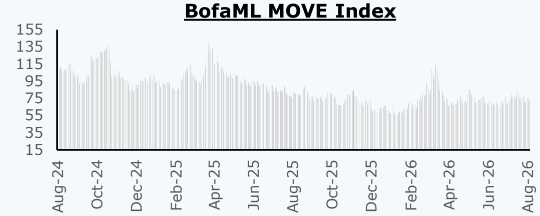
All-in Rates – Multi-Family / Industrial



TREASURY VOLATILITY

- The Bank of America Merrill Lynch MOVE Index tracks the volatility of US Treasury bonds, providing the market's expectation of how much bond prices will fluctuate in the near term, providing a gauge of risk and uncertainty in the fixed income market
- After beginning Q2'26 at 90, elevated from March's spike to 115, the MOVE Index fell to 65 by mid-June, settling in the low 70s by quarter-end; volatility remained choppy, dipping to the mid-60s in early July before spiking above 80 after Fed Chair Warsh's July 29 meeting, as his departure from forward guidance and ambiguous inflation commentary unsettled markets, before easing to mid-70s as of 8/10/26

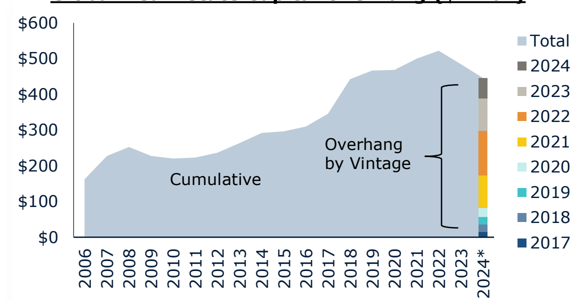
BofaML MOVE Index



CAPITAL OVERHANG

- Based on Pitchbook's most recent Global Real Estate report, ~$446bn is estimated to be available in dry powder allocated to real estate
- Real estate funds raised $86bn in 2024, split among 188 vehicles, noting a slow year for activity
- While fundraising was slower than in previous years, the slower deal environment provided a buffer for overall dry powder levels
- As activity picks up into the back half of 2026, overhang may abate

Global Real Estate Capital Overhang ($ in bn)



Sources: FRED, Federal Reserve Bank of St. Louis https://fred.stlouisfed.org, Bellwether, KBRA, Pitchbook

SLB Capital Advisors in the Media

SLB Capital Advisors is ***the*** source for information in the sale leaseback arena and regularly cited by media for views on a wide range of real estate and corporate finance topics

PUBLICATION	DATE	TITLE	SELECT EXCERPTS
SITE SELECTION	07/30/26	**The Reverse Build-to-Suit: A Capital-Efficient Path to New Facilities**	*"For companies weighing a major facility decision, the reverse build-to-suit is not a replacement for traditional financing so much as an additional, and often underappreciated, tool in the corporate capital toolkit," said Scott Merkle, Managing Partner at SLB Capital Advisors.*
TODAY'S GROCER	06/17/26	**Sale Leasebacks: A Financing Tool for Grocery Operators**	*"For grocery operators that own real estate, the current environment presents a compelling window… Operators that extract the most value from these transactions are those that approach them strategically, aligning lease terms with long-term operating needs, preserving flexibility for future growth or ownership transition, and working with advisors," said Malik Franklin, Partner at SLB Capital Advisors.*
DOW JONES	06/16/26	**Top Three Sale Leasebacks in 1Q Total Nearly $1 Billion – Market Talk**	*"The three largest sale-leaseback deals in the U.S. during this year's first three months had a combined value of nearly $1 billion, according to SLB Capital Advisors… In another deal, Essential Properties bought a collection of 69 restaurants from the Denny's chain for $146 million, SLB adds."*
WSJ	05/29/26	**Sale Leaseback Activity Rises — Market Talk**	*"After the market digested tariff-related headlines earlier in the year and [mergers-and-acquisitions] activity regained momentum... we saw a corresponding increase in sale leaseback transactions," SLB Managing Partner Scott Merkle says in a note, referring to the common use of sale leasebacks to finance buyouts or shore up target companies' finances. A significant number of sale leasebacks last year also involved companies that sold real estate as an alternative to traditional sources of capital, Merkle adds.*
THE EARNOUT	05/19/26	**Sale Leasebacks Re-Emerge as a Strategic Corporate Finance Tool**	*"Sale leasebacks allow companies to monetize real estate while continuing to operate their business from the same facilities. As M&A activity accelerates and balance sheets are actively optimized, the financing approach is increasingly being incorporated into broader transaction strategies."*
PERE	05/01/26	**Sale Leasebacks Gain Ground as Capital Pressures Mount**	*"The investor universe continues to have very strong demand," says Matt Wrobleski, partner at sale leaseback specialist SLB Capital Advisors. "The demand of sale-leasebacks is far outpacing the supply, a theme over the last two years that is continuing."*
Independent Banker Your source for community banking news	04/01/26	**Q&A: Bank-sale leasebacks**	*"The banking sector has seen a surge in sale-leaseback transactions over the past three years, particularly among regional and community banks. According to data from SLB Capital Advisors, the volume of sale-leasebacks initiated by financial institutions jumped from $125.3 million in 2023 to $255.6 million in 2024 and more than $825 million in 2025."*
ADVANCED MANUFACTURING.ORG sme MEDIA	02/06/26	**Sale Leasebacks Aid Manufacturer Resiliency**	*"Traditional sources of capital—bank debt, revolving credit facilities and equity raises—continue to play an important role. However, a less widely understood, yet highly effective, alternative is the sale leaseback. Manufacturers are particularly well positioned to use sale leasebacks given their historically high rates of real estate ownership, a prerequisite for this form of financing," said Malik Franklin, Partner at SLB Capital Advisors.*
MERGERS&ACQUISITIONS	01/28/26	**Why Sale Leasebacks Could Take Off Again**	*"A sale-leaseback can offer a cost of capital that is highly competitive relative to a straight debt refinance. In the middle market, if a company's leverage has ticked up above its comfort level, a sale-leaseback can be an effective tool to help de-lever," said Scott Merkle, Managing Partner at SLB Capital Advisors.*

SLB Capital Advisors Team

A dedicated team with a differentiated advisory perspective

The senior SLB team is a group of former investment bankers and M&A professionals with years of sale leaseback experience and a deep real estate capital markets and advisory track record.

Scott Merkle
Managing Partner

- 25 years of real estate experience across a wide range of disciplines
- Prior to co-founding SLB, Scott focused on sale leasebacks at Stan Johnson Company, a leading firm in the single tenant real estate space
- Previously at RBC Capital Markets, First Securities (predecessor to Wells Fargo)
- University of Virginia, B.S. in Commerce

Matt Wrobleski
Partner

- 20+ years of sale leaseback, real estate brokerage, capital markets, M&A and corporate development experience
- Previously at Stan Johnson Company and Leggett & Platt, Inc.
- University of Tulsa, M.B.A.
- Missouri Southern State University, B.S. in Computational Mathematics

Stephen Cheng
Partner

- 21+ years of experience in the real estate capital markets, including sale leasebacks, corporate finance, capital raising, JVs and M&A
- Previously at Stan Johnson Company, Oppenheimer & Co and RBC Capital Markets
- Harvard University, B.S. in Economics and Applied Mathematics

Malik Franklin
Partner

- 20+ years of experience in investment banking and real estate advisory
- Previously at Solaria, Northbridge, First Capital REIT, RBC, Bank of America Merrill Lynch and Salomon Smith Barney
- Tuck School of Business at Dartmouth, M.B.A.
- Dartmouth College, B.A. in Economics and Computer Science

Stewart Riggs
Partner

- 17 years of real estate and advisory experience, focused on sale leasebacks as well as single asset and portfolio dispositions
- Previously at Stan Johnson Company, LBMC and Ernst & Young
- Vanderbilt University, MAcc
- Harding University, B.B.A. in Accounting and Economics

Dave Rosenberg
Partner

- 15+ years of investment banking and real estate experience advising in M&A transactions, sale leasebacks and capital raising
- Previously at Santander, Janney Montgomery Scott, RBC Capital Markets and Pennsylvania REIT
- Duke University, M.B.A. | CFA Charterholder
- Davidson College, B.A. in English

Rowland Yang
Vice President

- 12+ years of experience in real estate private equity, investment banking and real estate brokerage
- Previously at Spear Street Capital, Stan Johnson Company and RBC Capital Markets
- The Wharton School of the University of Pennsylvania, M.B.A.
- Columbia University, B.A. in Economics

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