

March 31, 2021



## **Tanger Announces Debt Reduction Plans Funded with Cash & ATM Proceeds**

**Issues 6.9 Million Shares under ATM Program at Average Price of \$19.02**

**Commences \$150 Million Redemption of Senior Notes due December 2023**

**Pays Down Unsecured Term Loan by \$25 Million**

GREENSBORO, N.C., March 31, 2021 /PRNewswire/ -- **Tanger Factory Outlet Centers, Inc.** (NYSE: SKT), a leading operator of upscale open-air outlet centers, announced today that, through March 30, 2021, it had sold 6.9 million shares of common stock under its at-the-market equity offering ("ATM") program at a weighted average price of \$19.02 per share, generating gross proceeds of approximately \$130.6 million. As of March 30, 2021, the Company's liquidity exceeds \$790 million, including \$600 million of undrawn lines of credit and more than \$190 million of cash.

Today, the Company also announced that its operating partnership, Tanger Properties Limited Partnership, issued a notice of partial redemption for \$150 million aggregate principal amount of its 3.875% senior notes due December 2023 (the "Notes"), of which \$250 million aggregate principal amount is currently outstanding. The early redemption is currently expected to occur on April 30, 2021. In addition, Tanger paid down \$25 million of borrowings under its \$350 million unsecured term loan on March 11, 2021. The interest rate for this portion of the term loan principal was 1.25%.

"Maintaining a strong and flexible balance sheet with low leverage has always been a priority for Tanger," said Stephen Yalof, President and Chief Executive Officer. "Since establishing the ATM program, our successful and opportunistic execution generated significant equity, which we plan to use to reduce our debt and enhance our balance sheet. This well-priced equity helps position us for long-term growth," he added.

The Company's net debt as reported at December 31, 2020 represented 7.1 times<sup>(1)</sup> its Adjusted EBITDA for the trailing twelve months ended December 31, 2020. Its year-end net debt, as adjusted to reflect the net ATM proceeds, represents approximately 6.5 times<sup>(1)</sup> its Adjusted EBITDA for the trailing twelve months ended December 31, 2020.

Tanger expects to take a charge in the second quarter of 2021, currently estimated to be approximately \$14.1 million, or \$0.14 per share, including an approximately \$13.0 million make-whole premium to be paid for the early redemption of the Notes and \$1.1 million in unamortized debt discount and loan costs. The charge will impact the Company's net income and FFO<sup>(1)</sup> but will have no impact on its Core FFO<sup>(1)</sup>. The Company currently

expects the 2021 net dilutive impact per share to be approximately \$0.12 for net income, \$0.18 for FFO and \$0.04 for Core FFO.

- (1) Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included at the end of this release.



### **About Tanger Factory Outlet Centers, Inc.**

Tanger Factory Outlet Centers, Inc. (NYSE: SKT) is a leading operator of upscale open-air outlet centers that owns, or has an ownership interest in, a portfolio of 36 centers. Tanger's operating properties are located in 20 states and in Canada, totaling approximately 13.6 million square feet, leased to over 2,500 stores operated by more than 500 different brand name companies. The Company has more than 40 years of experience in the outlet industry and is a publicly-traded REIT. For more information on Tanger Outlet Centers, call 1-800-4TANGER or visit the Company's website at [www.tangeroutlets.com](http://www.tangeroutlets.com).

### **Safe Harbor Statement**

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, impacts and timing of the debt reduction measures, our long-term growth, estimates of the impact on future net income, FFO and Core FFO from our expected charges, as well as other statements regarding plans, estimates, expectations, intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts.

These forward-looking statements are subject to risks and uncertainties. Actual results could differ materially from those projected due to various factors including, but not limited to, risks related to the impact of the COVID-19 pandemic on our tenants and on our business, financial condition, liquidity, results of operations and compliance with debt covenants; our inability to develop new outlet centers or expand existing outlet centers successfully; risks related to the economic performance and market value of our outlet centers; ability to

implement our strategy and risks related to our indebtedness and the availability and cost of capital and other important factors set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020. Accordingly, there is no assurance that Tanger's expectations will be realized. Tanger disclaims any intention or obligation to update the forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to refer to any further disclosures Tanger makes or related subjects in Tanger Current Reports on Form 8-K that it files with the SEC.

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Non-GAAP Reconciliations, in thousands unless otherwise noted

	<u>Twelve Months Ended 12/31/20</u>
<b>Net loss</b>	<b>(\$38,013)</b>
Adjusted to exclude:	
Interest expense	63,142
Depreciation and amortization	117,143
Impairment charges - consolidated	67,226
Impairment charge - unconsolidated joint ventures	3,091
Gain on sale of assets	(2,324)
Compensation related to voluntary retirement plan and executive officer retirement	573
Gain on sale of outparcel - unconsolidated joint ventures	(992)
<b>Adjusted EBITDA</b>	<b>\$209,846</b>
Total debt at 12/31/20	\$1,567,886
Less: Cash and cash equivalents at 12/31/20	(84,832)
<b>Net debt at 12/31/20</b>	<b>\$1,483,054</b>
ATM proceeds, net (through 3/30/21)	(129,005)
<b>Net debt at 12/31/20, as adjusted</b>	<b>\$1,354,049</b>
<b>Net debt to Adjusted EBITDA at 12/31/20</b>	<b>7.1 x</b>
<b>Net debt, as adjusted, to Adjusted EBITDA</b>	<b>6.5 x</b>
<b><u>Expected dilutive impact per share for the year ended December 31, 2021</u></b>	
Net income	\$0.12
Depreciation & amortization of real estate assets – consolidated and the Company's share of unconsolidated joint ventures	0.06
FFO	\$0.18
Early extinguishment of debt	(0.14)
Core FFO	\$0.04

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