

Presenters

Ashley Curtis, Assistant Vice President, Investor Relations
Stephen Yalof, President and Chief Executive Officer
Michael Bilerman, Executive Vice President, Chief Financial Officer and Chief Investment Officer
Justin Stein, Executive Vice President, Chief Revenue Officer

Q&A Participants

Andrew Reale – Bank of America
Juan Sanabria – BMO Capital Markets
Sydney McEntee – Citi
Richard Hightower – Barclays
Hong Zhang – J. P. Morgan
Viktor Fediv – Scotiabank
Floris Van Dijkum – Ladenburg Thalmann
Harrison Slater – Goldman Sachs
Naishal Shah – Green Street
Omotayo Okusanya – Deutsche
Todd Thomas – KeyBanc

Ashley Curtis

Good morning. I'm Ashley Curtis, Assistant Vice President of Investor Relations, and I would like to welcome you to Tanger Inc.'s Fourth Quarter and Full Year 2025 conference call. Yesterday evening, we issued our earnings release as well as our supplemental information package and investor presentation. This information is available on our IR website, investors.tanger.com.

Please note, this call may contain forward-looking statements that are subject to numerous risks and uncertainties, and actual results could differ materially from those projected. We direct you to our filings with the Securities and Exchange Commission for a detailed discussion of these risks and uncertainties.

During the call, we will also discuss non-GAAP financial measures as defined by SEC Regulation G. Reconciliations of these non-GAAP measures to the most directly comparable GAAP financial measures are included in our earnings release and in our supplemental information.

This call is being recorded for rebroadcast for a period of time in the future. As such, it is important to note that management's comments include time-sensitive information that may only be accurate as of today's date, February 25, 2026.

At this time, all participants are in listen-only mode. Following management's prepared remarks, the call will be open for your questions. We request that everyone ask only one question and one follow-up question. If time permits, we're happy for you to requeue for additional questions.

On the call today will be Stephen Yalof, President and Chief Executive Officer; and Michael Bilerman, Chief Financial Officer and Chief Investment Officer. In addition, other members of our leadership team will be available for Q&A.

I will now turn the call over to Stephen Yalof. Please go ahead.

Stephen Yalof

Thank you, Ashley, and good morning. I'm pleased to report that Tanger delivered another strong quarter, capping off a productive year and positioning us for continued growth. These results demonstrate how our differentiated platform is powering our ability to drive sustained growth across our portfolio, supported by limited new retail development, consolidating department store business, and favorable demographic and economic trends in the markets and communities we serve. Fourth quarter Core FFO was \$0.63 per share, growing 17% over the prior year period, 9% for the full year and ahead of our guidance. We attribute this strong performance to our focused execution across all facets of our business, including record-breaking leasing production, the accretive integration of our recent acquisitions and disciplined expense management across our enterprise, which contributed to a robust Core FFO and Same Center NOI growth.

Turning to leasing. We achieved leasing volume over 3 million square feet, our highest annual production on record. Occupancy at year-end was 98.1%, a 70-basis point sequential increase, and we delivered another quarter of positive rent spreads and extended lease terms for both renewals and new deals. Tenant sales productivity remained high at \$473 per square foot, up 7% from the prior year, and OCR remains at 9.7%, providing additional runway for growth. We have proactively addressed our 2026 lease roll. And as of the end of January, we've addressed over 40% of the space scheduled to expire this year, providing an opportunity to focus on the tenanting opportunities, and center merchandising initiatives.

These metrics demonstrate the sustained retailer demand for our open-air outlet and lifestyle centers. We remain laser-focused on our core strategy of adding new uses and categories and replacing poorer performing tenants, allowing for continuous refreshment of our merchandising and offer. This strategy has served to deliver improved retailer sales performance and has been a significant driver of traffic growth, increased customer visit frequency at our centers, and NOI growth.

Favorable market conditions supported by both a lack of new retail center development and a consolidation in the department store business has contributed to strong leasing demand across our portfolio which we expect will continue. Growing local populations robust retailer open to buys and our focus on diversifying our tenant mix to meet our growing customer base, create a flywheel for sustained long-term growth across our portfolio.

During the holiday season, we saw positive traffic performance as we leverage print and digital channels to communicate retailer messaging, compelling value and offers, and community events. We anniversaried our successful proactive holiday selling season marketing campaign, highlighted by our “Everyday is Black Friday” promotion starting the first week of November. Our holiday social media marketing initiatives furthered our engagement with younger shoppers keeping everyday value pricing at their favorite brands across our platform. Additionally, this important cohort are increasingly discovering and engaging with our growing Tanger Club and loyalty platform to enjoy even better deals during their shopping visits.

Our ability to grow NOI through multiple avenues is key to Tanger's sustained success. 2025 was a notable year for intensifying and upgrading our real estate through peripheral land activation, center renovations, and the strategic addition of food, beverage and entertainment uses. These initiatives contribute to the elevated dining and entertainment experience that our customers enjoy when they visit our centers. Better on-center experiences have proven to support our ability to attract more elevated brands than today's consumers demand.

Across our portfolio, we are experiencing substantial population growth as families and businesses relocate to our growing markets. This is fundamentally changing the customer base, which creates sustained demand and drives traffic throughout the week across all seasons and will continue to be a positive tailwind for our business.

The strong population in domestic tourism growth in many of our markets has been widely recognized as major attractions and economic drivers plant flags in our communities. Recent examples include the announced sphere development adjacent to our National Harbor Center in the Washington, DC MSA. The Kansas City Chiefs Stadium relocation to the Village West Entertainment District, home of our newly acquired Tanger Kansas City at Legends and the announced relocation and development of Space Force on the Redstone Arsenal campus in Huntsville, Alabama at the interchange shared by our Bridge Street Town Centre. These announcements only reinforce our center's positioning as the center of the thriving dynamic communities and offer long-term opportunities to invest additional capital, grow NOI and increase value for stakeholders.

We are making significant advancements in our tech initiatives, leveraging AI across our enterprise, enhancing operational efficiency, communicating with our shoppers and Tanger Club members and supporting our customer service programs. For example, our multilingual AI chatbot successfully handled more than half of our customer service interactions last year. Tanger's enhanced technology platform positions us to unlock even greater opportunities for innovation, transformation and actionable insights for the future.

We've strengthened our balance sheet by completing several post-year-end transactions, which addressed upcoming bond maturities, strengthened our liquidity position and mitigated refinancing costs. Our well-positioned balance sheet provides us the flexibility to reinvest in retenanting our existing

portfolio and align our assets with the growing opportunities in our markets, while pursuing selective external growth opportunities.

As the retail landscape continues to evolve, Tanger's value proposition remains highly relevant, combining desirable shopping and valued brands and experiences in thriving communities. We're creating the shopping destinations that resonate with the consumers of the future while delivering consistent value to our retailers, shoppers, and shareholders.

Finally, I'm very proud that Tanger was recently named by Newsweek as one of America's Greatest Workplaces for Culture, Belonging, and Community in 2026 as well as one of America's Greatest Workplaces for Women, which recognize companies that have made an inclusive workplace environment, the foundation of their organizational success. I want to thank our dedicated Tanger team members, retail partners, loyal shoppers, and shareholders for your continued support as we build on this momentum in 2026.

I'll now turn the call over to Michael to discuss our financial results, recent capital markets activity, and 2026 guidance in more detail.

Michael Bilerman

Thank you, Steve. We delivered Core FFO of \$0.63 per share in the fourth quarter, representing a 16.7% increase compared to the \$0.54 per share in the prior year period, and we ended 2025, delivering Core FFO of \$2.33 per share, up 9.4% and from the \$2.13 we produced in 2024. This growth was driven by solid Same Center NOI growth of 4.3% for the year, which reflects the success of our leasing, operating, and marketing strategies, along with contributions from our accretive external growth activity. Our full year results came in just above the high end of our recent guidance, a modestly higher same-center NOI growth, and better performance from our acquisitions.

Leasing activity across our portfolio continues to be positive, allowing us to capture total rent growth through a combination of improved base rents and increased tenant reimbursement. We also continue to grow the contribution from other revenues while remaining disciplined with cost management.

Our tenant watchlist remains at manageable levels, and we weren't surprised by the recently announced tenant bankruptcies which we believe provide attractive opportunities for remerchandising over time.

Turning to our balance sheet. We completed a number of significant capital markets transactions in early January raising and refinancing \$800 million of debt, which improved an already strong balance sheet by enhancing our liquidity, increasing our flexibility, extending our debt duration, lowering our pricing, expanding our bank group, and importantly, reducing risk. We thank our lenders and investors for their support.

So let me just spend a couple of minutes dealing these transactions and how they fit into our overall capital structure and forward liquidity. Now at the end of 2025, we had \$1.8 billion of pro rata debt with \$350 million of unsecured debt coming due this September at 3.125%. We also had \$44 million drawn

on our \$620 million lines of credit, and we had an overall debt duration of under three years. Pro forma for the upsized term loans and the exchangeable that we completed in January, the company now has over \$1 billion of immediate liquidity, which includes \$270 million of cash, another \$150 million available to us under delayed draws on the new term loans, and the full availability on our \$620 million lines of credit. This capacity provides us with significant financial flexibility to invest in our portfolio, explore external growth opportunities, and have the capital to repay the unsecured notes that mature in September. Through these transactions and assuming we pay off the September bonds and the Kansas City mortgage in 2027, we will have extended our debt duration by two years, locked in forward rates for the next five to seven years and lowered our weighted average interest rate by approximately 10 basis points.

Now in terms of the deals, we first closed on \$550 million of unsecured term loans due in 2030 and 2033, which increased our total term loan capacity by \$225 million with \$150 million of that increased capacity on delayed draw features over the next four to seven months. Blended, these new term loans are priced at just over 100 basis points over SOFR at our current ratings grid, and we have swaps in place to fix this debt attractively. We were also able to remove the 10-basis point credit spread adjustment on the term loans and our lines of credit. At the closing in early January, we borrowed \$400 million of the \$550 million, which increased our term loan borrowings by \$75 million from year-end.

Second, we issued \$250 million of five-year exchangeable Senior Notes, which carry a coupon of 2.375%, while the conversion price was set at \$41.55 per share, which was up 22.5% from the close on January 7. The company entered into capped call transactions, which raised the effective conversion price to \$47.49 per share, or up 40% from the January 7 close. If we amortize the cost of the capped call and the transaction expenses into the coupon, the effective yield on the notes rises to the mid-3% range over the next five years. The \$250 million of par value notes are to be settled in cash with the premium above par paid in shares or cash at our option.

Overall, these refinancing moves underscore our long-term focus, positioning the balance sheet with conservative leverage metrics that provide the company with significant financial flexibility to support both our operational needs and our strategic growth initiatives to drive value for stakeholders. Our leverage remains below peers and our targets, providing additional capacity with Net Debt to Adjusted EBITDA at pro rata share of only 4.7 times at year-end, which is benefiting from our continued strong EBITDA growth and the retention of free cash flow after dividends with our growing dividend, only representing 61% of our funds available for distribution.

Pro forma for the financing transactions 100% of our debt is at fixed rates, inclusive of our swaps. And our pro forma weighted average interest rate stands at about 4% with a weighted average term to maturity of four years rising to five years, assuming the payoff of the September bonds in Kansas City Mortgage. Note that we've added a pro forma debt chart to our supplemental on page 18, and one in our investor presentation on page 15 to provide additional details.

Now turning to our inaugural guidance for 2026. We expect Core FFO per share in the range of \$2.41 and to \$2.49 a share, which is up over 5% at the midpoint, reflecting the continued organic growth and the contribution of our external growth activity. We expect strong Same Center NOI growth in the range of 2.25% to 4.25% with only Pinecrest and Kansas City remaining in the non-same center pool. In addition, as we've discussed, our quarterly Same Center NOI can vary given the timing of our operating expenses throughout the year against fixed CAM recoveries, which are more evenly distributed throughout the year. Also following usual seasonal patterns, our occupancy peaks at year-end and then rebuilds throughout the year. We expect recurring cap ex in the range of \$65 million to \$75 million which reflects the growing size of our portfolio, our focus on retenanting and reinvestment with cap ex overall remaining in the mid-teens as a percentage of NOI.

For additional details on our key assumptions, please see our release issued last night.

One housekeeping note. We do plan to file our 10-K tomorrow after the close, which will also be filed by the filing of an updated shelf, which reaches its three-year term in 2026, the resale agreement for our convert and we'll also be refiling our ATM, where no issuances have occurred since late 2024.

We are greatly looking forward to seeing many of you at upcoming events over the next few months. Please reach out to the respective firms, if you'd like to join and meet with us.

And with that, operator, I'd now like to open the call up for questions.

Q&A

Operator

(Operator Instructions)

Andrew Reale

Good morning. Thanks for taking my questions. First, you've previously highlighted success in recapturing underpaying space to bring in better use tenants. And it sounds like Saks would be no different this year. But with Saks potentially rejecting leases this year, how should we think about the '26 cap ex implications just in terms of timing and magnitude? And is a range of Saks outcomes fully contemplated in the cap ex guide?

Stephen Yalof

Andrew, I'll speak first to Saks' plan and strategy with those stores. They haven't rejected any of the leases. And we certainly don't anticipate them of doing so. I mean if they do, obviously, we've spoken about the fact that there's great upside for us long term.

With regard to how we plan the capital, Michael, you want to?

Michael Bilerman

Yes. I would say at this juncture, any spend, depending on if and when we get those stores back, we would underwrite there wouldn't be much cap ex this year, so that's not embedded in the \$65 million to \$75 million cap ex that we've given.

Andrew Reale

Okay. And then just a follow up. Just be curious to hear the latest from your conversations with retailers. First, if there's been anything on tariffs, just given some very recent headlines. And then second, how retailers might be thinking about sales and the promotional environment this year versus last. Thanks.

Stephen Yalof

Well, I think first of all, the last year ended very promotionally. I think when tariffs were announced in April, of last year. I think a lot of retailers, were strategic and the ones that were most nimble and able to move their distribution and their manufacturing around. So a great success of getting product into the stores. So much so that even in the fourth quarter, we saw an excess of inventory, particularly in our outlet channel.

We speak to our retailers frequently. We do our plan for 2026. A lot of that is informed by the growth strategies that the retailers have. Their open to buys, which don't seem to be decelerating by any stretch of the imagination. And we also speak to them with regard to what their sales expectations are going to be for that year so that we can work in concert with them because as you know, overage rent is an important part of our business, too.

Operator

The next question is from Juan Sanabria from BMO Capital Markets. Please proceed with your question.

Juan Sanabria

Hi good morning. Thanks for the time. Just hoping you guys could talk a little bit about the leasing trends, the spreads, if I look at the comparable numbers came down in '25, '24, but the cap ex spend for those leasing was pretty good and that like the term you're getting, the length of the leases has increased. I'm curious if the longer term is something you guys are proactively looking for something that retailers want given the limited amount of space available in the markets with little supply coming?

Stephen Yalof

Yes. Well, look, Juan, I would say that retenanting is clearly a far more profitable program for us than renewing leases. If you take a look at our trend over the last five years where we were renewing tenants at a rate of 95%. And this year, we'll renew tenants at a rate about 80% because that gives us a lot more opportunity to go after that renewal, which obviously brings more growth to our portfolio.

I have to remind us that we're operators, and every decision that we make is in service of long-term growth. And I think that's important to note as we think about the tenants that we choose to renew versus the tenants that we go to replace as we add new brands, entertainment, restaurants to diversify the mix of our properties, which just increases the utility over time.

Juan Sanabria

Thanks for that. And then just a follow up. Do you have any statistics you've talked about it historically on increasing -- trying to increase the length of stay of customer visits and adding the food and

beverage and entertainment component. But just wondering if there's any statistics you can share with regards to those metrics?

Stephen Yalof

Yes. We've mentioned in previous quarters that we're in the early innings. I think dwell times is what we're talking about, and that's a pretty important metric for us. We're starting to measure dwell time now. But when I say early innings, we have to create a baseline before we can figure out how to build upon that baseline. Anecdotally, we've got management teams at all of our shopping centers.

So we know when our parking lots are full. We know when customers are there for a long period of time. We just -- we live and breathe on those centers. Anecdotally, I can tell you that restaurants definitely add not only to the dwell time of the individual, the customers coming to visit us, but we see a lot of later business, too.

So we're increasing traffic at key times during the shopping day where we're seeing a lot more customers at night. And ultimately, the longer people stay in our centers, the more they'll spend and that will help us continue to drive sales through our platform.

Operator

The next question is from Craig Mailman of Citi. Please proceed with your question.

Sydney McEntee

Hi guys. It's Sydney McEntee on for Craig. Just curious on the acquisition side. Private capital continues to provide competition for available assets. Just what's been the volume of deals you guys have seen so far in 2026. And are the transactions you're looking at mainly marketed or off-market deals? Thanks.

Michael Bilerman

Thanks, Sydney. Our pipeline remains active. We're going to really lean into assets where we can create value. I think we're pleased with the assets that we've bought, and we have case studies now of how we can use our platform to create value. There are competition in the market. I think that is against a backdrop of very little retail new development and very positive retail fundamentals, which is good thing overall for the marketplace.

And then for us, it's really where we can find value in the two channels, whether it's outlet or open-air lifestyle centers, which we believe, gives us a competitive advantage and then the synergistic nature of these two verticals together, which through the acquisitions that we've done have really proven out the growth potential of our platform.

Sydney McEntee

Great. And then maybe one more for me. Just with the ongoing remerchandising efforts, I'm curious if you've continued to see like any shift in the customer demographic at some of your outlets? And then maybe just an update on consumer health overall today.

Stephen Yalof

Sure. I would say definitely. I think a lot of things are contributing to seeing a shift in consumer demographic. I think number one is our shopping centers with the population shifts and a lot more people moving into the markets where we have centers, we're seeing more families come and shop with us, and we're seeing a younger consumer, too.

And if you take a look at the brands and the categories that were really successful at the end of last year, family apparel, the health and beauty category. And a lot of those younger driven consumer brands. We've enhanced our digital marketing and our local marketing initiatives in such a way to really speak to that local customer, and the digital initiatives, whether it's the TikTok and the Instagram that we're using right now to get in front of our customers is really resonating with that much younger customer.

The younger customer also likes our loyalty program. And we have a loyalty program that incents the customers to come back and shop with us more frequently and they're rewarded for doing so with additional discounts to their favorite brands. That's increasing traffic. We see a lot of younger consumers taking advantage of that as well.

Operator

The next question is from Rich Hightower of Barclays. Please proceed with your question.

Richard Hightower

Hey good morning guys. Michael, I think in the prepared comments, you gave us the sort of the sequential occupancy cadence for 2026, but just help us understand any other sort of variations seasonally that we should think about in terms of the modeling to get to the full year number? And the perennial question, what set of circumstances gets you to the high end versus the low end, if you don't mind. Thank you.

Michael Bilerman

Thanks, Rich. I'd say from an occupancy perspective, what we try to highlight is not every point of occupancy is worth the same. So you can't just assume we get to a certain occupancy or we drop a certain occupancy that it has a direct correlation one-for-one relative to NOI as evidenced last year during our numbers.

Now there is a cadence just given the seasonal nature where we do peak at the end of the year for the holidays and then typically in the first quarter where we do have most of our role. You look back at our long-term history, it's averaged about 150 basis points coming off of that fourth quarter. We talked about in the release, we're ahead of our '26 roll in renewals. We continue to see very strong demand, and we're at record leasing volumes.

In terms of the second part of your question, the Same Center NOI range of 2.25% to 4.25%. As part of NOI, there are variables related to sales, or RCD, our rent commencement dates, tenant credit, the downtime, our operating efficiency. And so when you roll spreads and timing all into the mix, each one

of those variables could have a positive or a negative impact, and we weight all of these variables to provide a range of about 200 basis points in same center that we feel very comfortable with at this juncture, knowing all of the things today that we know.

Richard Hightower

Okay. That's very helpful. I guess maybe bigger picture question, sort of a follow-up to a prior question as well. But as you think about potential future M&A on top of what you guys have already done in the last couple of years, I guess, we've heard anecdotes from certain peers in retail that they're having active conversations with retailers about specific centers that the retailer might want to expand to under different ownership. And I'm wondering if you have any sort of color on those sorts of conversations from Tanger's end?

Stephen Yalof

Look, I mentioned earlier that we are in conversations with our retailers all the time. I think our retailers have really gotten behind what we've done as an organization to grow our business, grow dwell time, how we market to the consumer. And because of that, when we pick up the phone and call a retailer and say, hey, this is a prospective shopping center that we're looking at, something that you're in or something that you're not in, what are your thoughts, we usually get positive feedback.

I think our brands are definitely rooting for us. They like the fact that we've gotten into that second vertical of lifestyle shopping centers, they believe and we've proven that we add value when we take ownership of those centers.

We've got a very clear strategy. We work well with our retailer partners. And I think they're supporting our growth. And when we mentioned a particular market that we're interested in, whether it's an acquisition, or even if there's a greenfield development opportunity across the country, we work closely with them to make sure that they're on board. So we're making really smart decisions from the very beginning of any transaction.

Operator

The next question is from Hong Zhang of JPMorgan Chase. Please proceed with your question.

Hong Zhang

Michael, I think you talked about cap ex being in the mid-teens this year. Is that something we should expect as kind of a run rate going forward? Or is there any room for your cap ex/TI/LC spend to fall given customer retention.

Michael Bilerman

Thanks, Hong. We expect it to continue in this mid-teens range, which is for our channel, much lower relative to others, right? So if you look at your models, up where 20% to 30% cap ex relative to NOI. And so we feel really good at our levels to be able to generate positive return on invested capital. And given a payout ratio of only 60%, be able to have that free cash flow to reinvest in our business.

Operator

The next question is from Greg McGinniss of Scotiabank. Please proceed with your question.

Viktor Fediv

This is Viktor Fediv for Greg McGinniss. So coming out of the holiday season and your kind of Black Friday, everyday campaign, what is your current read on the health of your consumer and overall profitability of your retail partners and potential expansion of them within your centers?

Stephen Yalof

Well, thanks for the question. As far as the health of the retailers, there has been no deceleration with regard to retailers and open to buys. We see the retailers are looking to expand but there's not a lot of new retail space being built across the country. And there's been a consolidation in department store business. We're seeing it most notably, Saks OFF 5TH. Brands need to expand. They're looking for places to expand a lot of our markets really support a lot of that growth and that planned growth. So we're definitely optimistic about open to buy and about the upside and opportunity that we have with the retailers.

With regard to the customer, look, particularly in our outlet space, we provide value every day. And I think in -- whether it's uncertainty caused by tariff noise in the marketplace or interest rates or inflation or pricing. I think that the customer is always going to think where can I get brands I want at the best possible price. And that's what we offer every day in the 38 outlet shopping centers across our portfolio, and we see that customer. That's why our traffic numbers were up as much as they were this year, particularly in the fourth quarter.

So we'll continue to drive traffic into our shopping centers through our marketing initiatives, where our social media campaigns. But I think the customer when they have the chance to vote, they vote to the cash register and looking for their favorite brands and value pricing. And again, if you want that, you shop Tanger.

Operator

The next question is coming from Floris Van Dijkum of Ladenberg. Please proceed with your question.

Floris Van Dijkum

Maybe if you guys -- could you update your temp tenancy? I know that historically, it's prior to, I guess, the retail organic was around 5%. It's been around 10% more recently. Has there been any movement? And where do you expect that's going to -- how that's going to trend? Because obviously, that also has an impact on your I think Michael talked about the profitability for occupancy. It's permanent occupancy twice as profitable as temp occupancy. If you can give some comments on the trajectory of your temp that would be great.

Stephen Yalof

Sure. Well, first of all, I think we continue to grow NOI. And we continue to grow our business, and you see it in our ability when we bring in new retailers as we continue to renew our existing tenants. But we get space back. We talked about Saks. We'll use it as an example.

Should some of those Saks spaces be rejected, we feel that our temp strategy in place, we can go ahead and fill those Saks boxes almost immediately and retain that cash flow while we think about a long-term strategy to replace that tenancy, whether it's to divide some of those up in order to add multiple tenants or if there's a big box retailer that we think we'd like to see in our shopping centers, that's going to add to the variety, the mix, and the overall long-term growth of that property.

So to us, short-term leasing is a really important strategy, that 10%-ish that you're talking about. I don't think that that's ever going to be -- it doesn't necessarily have to decrease in such a manner because there's always going to be flexible vacancy, strategic vacancy across our entire portfolio that when a retailer goes out, we're going to make sure that we've got a temp tenant that's going to come in and backfill it until that next retailer with the long-term lease comes in and backfills behind it. So I think we've been really successful using that as a strategy.

Just one last point to make, when we started here about five years ago, there were one or two people working in short-term leasing. So there wasn't -- it wasn't -- there wasn't that much of a focus. But now that we've sort of given the keys to the -- we made our General Managers of our shopping centers responsible for their P&Ls, they're making sure going out into their local markets, and they're doing a lot of that short-term leasing for us. A lot of those brands become future brands that we take across our portfolio. Giving us an opportunity to try new uses, give us the opportunity to pop up retailers, and give them an opportunity to be successful in our properties.

But by doing that, we've added 41 new leasing representatives in the short-term game alone. And that's always going to add to velocity, maintain our occupancies and keep them high. We say all the time, we love this, but I think our customers that shop our centers certainly know the difference between a closed store and open store. But some of these short-term tenants really provide a lot of utility to our centers, a lot of value to the customer, and we're going to continue to use that as a strategy. Thank you for that question, Floris.

Floris Van Dijkum

No worries. Maybe my follow-up just having walked the property last year in Kansas City, and obviously, there was rumors at the time that the chiefs might be moving there. What kind of investments do you foresee happening potentially at that center. Obviously, I think it's still a couple of years out before the stadium gets built, but what kind of opportunities do you see for Tanger in redoing the -- your Legends assets and repositioning that.

Stephen Yalof

When we purchased that shopping center, we did so with the mindset that we also had a capital plan that we're going to continue to invest in that center. And that investment already started. I think now

that the Kansas City Chiefs move and all of that infrastructure and all of that capacity that's going to move to the Kansas side of Kansas City. I think it only has -- our phones are ringing with retailers that are more anxious to come here that might not have been here before. We think that there's opportunity for our peripheral land for us to continue to develop and grow on that.

There is some development opportunity in that shopping center that we're going to take advantage of. And I think it's very top of mind. That's why we talked about it in our opening remarks, very top of mind for this company. We think it's a center -- a number of our centers that are -- have an outlet profile have also attracted nontraditional outlet retailers that see value in being where the consumer is and where the customer is going. And I think that the customer is only going to continue to grow and build in this market, and we're going to make sure that we bring that customer not only the value that they want, but the retailers they want, the experiences they want the food and beverage that they want across that portfolio.

And we see Legend as being not only a great buy that we made one of the great growth vehicles for this company going into the future.

Operator

The next question is from Caitlin Burrows of Goldman Sachs. Please proceed with your question.

Harrison Slater

This is Harrison Slater on for Caitlin. What does guidance assume for bad debt in 2026. To what extent does that incorporate sort of known versus the unknown headwinds at this point?

Michael Bilerman

Thanks, Harrison. So as I mentioned before, our guidance range contemplates a range of credit scenarios. It does take into account what we know today. So within that range, we've taken into account, we announced in different projections of how those will manifest themselves as well as a normal credit reserve.

I would say, our watchlist remains at very manageable levels. None of the recent bankruptcies were a surprise to us. And importantly, it creates long-term opportunities to grow NOI. And as Steve talked about, our temp strategy, in many cases, we're able to mitigate some of that exposure because we're able to backfill on a short-term basis, number one.

And then number two is the ability to grow over time by bringing in a new permanent tenant or working with the existing tenant to bring them along.

Harrison Slater

Got it. That's helpful. And then just a quick follow-up. Leasing spreads were lower in '25 than '24, in part due to tougher comps in the lease expirations. To what extent do you think tougher comps will continue to limit sort of reported leasing spreads and ultimately Same Store NOI growth.

Michael Bilerman

Thanks, Harrison. So I think when you look at our leasing spreads and when you look at page 12 in the supplemental, a greater percentage of our growth is coming from remerchandising, whether that's retenanting space, and you can see how we almost tripled the amount of square footage that we leased at almost 30% spreads with lower tenant allowances. But then what we're leasing on a noncomp basis where we're either replacing vacancy or a temp, and that added another 300,000 square feet, which has significant impact on NOI growth.

Sometimes metrics will contradict each other. We don't take metrics to the bank. What we think to the bank is cash flow and Same Center NOI growth, and all of that is supportive of where we stand. So -- we look to being able to drive the spreads, work with our retail partners to continue to grow the enterprise, keeping our renewals short and keeping the new deals attractive on a return on invested capital basis.

Operator

The next question is from Naishal Shah of Green Street. Please proceed with your question.

Naishal Shah

This is Naishal on for Vince today. So it feels like we have recently seen an uptick in retailer bankruptcies and store closures thus far in '26. Eddie Bauer another name that's been struggling. And it sounds like they may also close some locations. I was curious if you could provide their share of total portfolio GLA and their annualized base rent.

Michael Bilerman

Thanks. So none of the tenants that have announced are in our top 25. So each of them are small I mean, obviously, you can -- all of our centers are open, so you can go to those centers. And we have, I think, 14 Eddie Bauer stores in the portfolio. And as we just -- we've been talking about on the call, none of these are a surprise to us. This is typically the season post holiday where you see it. Our watch list remains at very manageable and low levels. And while we focus on these things, it's the opposite that we're really excited about, which is all the demand.

When we have record leasing activity, increasing occupancy the demand side of the equation is so much stronger than the bankruptcies and that's part of retail. It's the best thing that you constantly reinvent and we can't control people's capital structures or their margins, but we can drive traffic to our centers and do as much as we can do to help their performance.

Naishal Shah

That's helpful. And maybe just a quick follow up. So every quarter over the last year, the number of new lease deals signed has increased in the Tanger portfolio. And I was curious, is there a certain category of tenant from which you're seeing an increasing level of demand?

Justin Stein

Yes, this is Justin. So it's not one specific category. But like Steve mentioned earlier, the family category like all the Gap brands they're doing extremely well. The Athleisure brands are starting to do more deals

throughout our portfolio. And obviously, we love health and wellness. We also spoke a lot about our focus on food, beverage, and entertainment and activating and monetizing our peripheral land. And so I think you're going to start to see a lot more of that throughout our portfolio. I mean for those of you that went to NAREIT in December in Dallas, and you saw our peripheral strategy in action.

And when you walk that asset, you saw a Portillo, you saw the Crate barrel -- excuse me, the Cracker Barrel, 151 Coffee, and the Wagbar under construction. That's just one center where we're focusing on food beverage and entertainment. And I think you're going to start to see that category expand throughout our portfolio in multiple centers around the country.

Operator

The next question is from Tayo Okusanya of Deutsche Bank. Please proceed with your question.

Omotayo Okusanya

Yes. Good morning, everyone. Wanted to talk a little bit about the changes you've kind of been making over time for the loyalty program. I'm trying to understand a little bit more around how that kind of widening your customer base kind of getting younger customers, exactly how you're measuring that and how you see that kind of translating to better sales productivity at percentage?

Stephen Yalof

Well, thanks for the question. So first of all, the loyalty program is an opt-in program. And we reward our loyal customers with digital discounts and initiatives to come into the center, all of which have attribution. So when we send a digital coupon to a particular customer in our loyalty program, that customer then, once they come back to the shopping center and make that purchase in the store, we know via the attribution that they came back.

So it gives us an opportunity not only to our customer is speak to a customer in a way that they are interested in getting -- or consuming their shopping center information, rewarding them for their loyalty, so our rewards -- we don't have a product, but in the outlet channel, we're able to give additional discounts in partnership with the retailers, so that we can reward our customers with additional discounts and stackable discounts on top of the best deal that they can get in any particular store, our rewards gives them an opportunity to even do better.

And there are different levels of -- in our loyalty program. There's the entry level, and then there was a level where if you've achieved a certain amount of sales in any particular year, then you're entitled to a number of different services as well as additional discounts. So I just think the gamification of loyalty is really important, particularly to a younger consumer because they're not only looking for their favorite brands, but they're looking for the best possible price.

And when you go to one of our shopping centers and you see a number of young consumers walking around with a bunch of bags from their favorite stores, what's as important to them is look what I just bought at this store is, look, how much I got for the money that I spent. And I think that, that's a really important part of the conversation, particularly in our outlet yet.

Omotayo Okusanya

Is there any data out there just about how membership in general is growing and whether it's like the 18 to 25 age group that's growing faster. So just anything you can give us about how that's performing?

Stephen Yalof

Nothing I'm prepared to share on the call right now, but we certainly have the data. We track the data. We communicate with these customers. I mean it's a data-driven program, perhaps in the coming quarters, we'll give some more information on loyalty. It's a great question. But I'm still unfortunately not prepared to share anything that have in front of me right now.

Operator

The next question is from Todd Thomas of KeyBanc Capital Markets. Please proceed with your question.

Todd Thomas

All right. Thanks. I wanted to go back to the operating results in the quarter and sorry if I missed this, but what specifically drove the beat in the quarter versus guidance, which drove full year results above the high end of the range. I know there's a lot of seasonality in the business in general in the fourth quarter in particular, but just curious if you could sort of highlight exactly where the beat versus your budget was?

Michael Bilerman

Thanks, Todd. So coming out of the third quarter, we had updated guidance of FFO of \$2.28 to \$2.32 and Same Center NOI of 3.50% to 4.25%. We ended at \$2.33 a Same Center NOI of 4.3%. So the NOI came in basically at the high end, just a tick higher. And a lot of that had to do with the performance in the fourth quarter from a revenue perspective as we -- sales drove our percentage rent and the leasing activity driving our base rents as well as our recoveries.

The other upside that we got relative to our expectations, was just the performance of the acquisitions that were in the non-same center pool. And so we got a little bit more FFO out of that bucket, Kansas City Pinecrest, and Little Rock, which all contributed to that end of year performance.

Todd Thomas

Okay. And then I wanted to ask about the sort of the bankruptcies or some of the tenants that have been discussed on the call. We've seen the results of bankruptcy-related lease auctions over time. And in the last few years, we've seen a lot of tenants stepping up at these auctions. Demand has been fairly strong in some instances. So whether Saks or otherwise, how would lease auctions -- how would that process work and the approval process work in your portfolio? Is it any different than it would be in the traditional portfolio and would Tanger be active or aggressive in lease auctions to retain control, just given sort of a below market rents in some cases?

Stephen Yalof

I think the answer is yes. I mean, look, we want to control our real estate. We want to make the leasing decisions, we make the merchandising decisions. I think as operators of shopping sectors, I think we've proven that we're probably best when we're in control of the property that we have. I think a lot of the leases, particularly those Saks leases that you're talking about, sure, there's value in those leases. And the leases were written in such a way that definitely give the Saks creditor some control.

So at the end of the day, if those leases get rejected, we'll see that as a great opportunity for us. If they don't get rejected and they get bought at auction by retailers, then we'll be looking forward to working with these new retailers and bringing them into our property.

Michael Bilerman

And Todd, the other part, just thinking about bankruptcy relative to our portfolio, we have a small tenant portfolio. We got over 3,000 stores, 16 million square feet. Our average tenant size is 5,000. So outside, we don't have a lot of big boxes, you shopped our centers the Saks situation is unique in that regard where most of the other bankruptcies, as you've seen over the last number of years, we're able to manage through that.

Those leases generally don't have a lot of term with them. So those don't really happen and we're able to re-lease this space either on a temp basis or then a perm basis and continue to drive NOI. So these bankruptcies are not creating a headwind. It creates more headlines than actual impact.

Todd Thomas

Okay. But are there certain restrictions around the auction process and tenant stepping up? I would assume in an outlet center -- or value-oriented center, there are certain restrictions. I mean how does that work in your portfolio, yes, can you just kind of run through that process a little bit and how it might differ?

Stephen Yalof

Todd, it boiled down to lease quality. And really, it's the acquiring retailer will stand in the shoes of the exiting retailer, and we'll have to live with the terms of those leases with regard to the term, the rent and given the use clause. So if there's consistency in the use clause, that's one thing. If there's inconsistency between what the user wants to do with that space and the use clause, then that creates some of that conflict you're talking about.

Operator

There are currently no additional questions. Thank you for your participation. You may disconnect your lines and have a wonderful day.