

Spirit Realty Capital, Inc.  
Form 10-Q  
November 05, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended September 30, 2014

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-36004

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SPIRIT REALTY CAPITAL, INC.  
(Exact name of registrant as specified in its charter)

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Maryland (State or other jurisdiction of incorporation or organization)	20-1676382 (I.R.S. Employer Identification Number)
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16767 North Perimeter Drive, Suite 210, Scottsdale, Arizona 85260 (Address of principal executive offices; zip code)	(480) 606-0820 (Registrant's telephone number, including area code)
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(Former name, former address and former fiscal year, if changed since last report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No   
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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

As of November 3, 2014, there were 398,566,183 shares of common stock, par value \$0.01, of Spirit Realty Capital, Inc. outstanding.

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## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements

## SPIRIT REALTY CAPITAL, INC.

## Condensed Consolidated Balance Sheets

(In Thousands, Except Share and Per Share Data)

	September 30, 2014 (Unaudited)	December 31, 2013
Assets		
Investments:		
Real estate investments:		
Land and improvements	\$2,503,857	\$2,330,510
Buildings and improvements	4,447,082	4,188,783
Total real estate investments	6,950,939	6,519,293
Less: accumulated depreciation	(723,777 )	(590,067 )
	6,227,162	5,929,226
Loans receivable, net	111,409	117,721
Intangible lease assets, net	599,875	618,121
Real estate assets under direct financing leases, net	56,654	58,760
Real estate assets held for sale, net	54,120	19,611
Net investments	7,049,220	6,743,439
Cash and cash equivalents	50,130	66,588
Deferred costs and other assets, net	156,485	129,597
Goodwill	291,421	291,421
Total assets	\$7,547,256	\$7,231,045
Liabilities and stockholders' equity		
Liabilities:		
Revolving credit facilities	\$125,436	\$35,120
Mortgages and notes payable, net	3,188,547	3,743,098
Convertible senior notes, net	693,845	—
Intangible lease liabilities, net	219,626	220,114
Accounts payable, accrued expenses and other liabilities	115,564	114,679
Total liabilities	4,343,018	4,113,011
Commitments and contingencies (see Note 8)		
Stockholders' equity:		
Common stock, \$0.01 par value; 399,039,782 shares issued; 398,566,183 outstanding shares at September 30, 2014 and 370,570,565 shares issued; 370,363,803 outstanding shares at December 31, 2013	3,990	3,706
Capital in excess of par value	4,211,235	3,859,823
Accumulated deficit	(1,005,434 )	(742,915 )
Accumulated other comprehensive loss	(691 )	(638 )
Treasury stock, at cost	(4,862 )	(1,942 )
Total stockholders' equity	3,204,238	3,118,034
Total liabilities and stockholders' equity	\$7,547,256	\$7,231,045
See accompanying notes.		

SPIRIT REALTY CAPITAL, INC.  
 Condensed Consolidated Statements of Operations  
 (In Thousands, Except Share and Per Share Data)  
 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues:				
Rentals	\$145,591	\$131,526	\$426,212	\$271,352
Interest income on loans receivable	1,805	1,796	5,463	4,037
Earned income from direct financing leases	837	708	2,521	708
Tenant reimbursement income	3,308	2,316	9,548	2,316
Interest income and other	754	501	4,312	1,816
Total revenues	152,295	136,847	448,056	280,229
Expenses:				
General and administrative	11,995	9,946	33,496	26,064
Finance restructuring costs	(11	) —	13,022	—
Merger costs	—	45,071	—	56,629
Property costs	5,357	5,067	17,215	6,334
Real estate acquisition costs	865	470	2,372	688
Interest	53,535	50,386	163,926	126,376
Depreciation and amortization	62,069	48,243	184,586	104,882
Impairments (recoveries)	12,727	—	42,061	(185
Total expenses	146,537			)