

Edgar Filing: Easterly Government Properties, Inc. - Form 10-Q

Easterly Government Properties, Inc.
Form 10-Q
November 05, 2018

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, 2018

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 001-36834

EASTERLY GOVERNMENT PROPERTIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State of Incorporation)

47-2047728
(IRS Employer Identification No.)

2101 L Street NW, Suite 650, Washington, D.C.
(Address of Principal Executive Offices)

20037
(Zip Code)

(202) 595-9500

(Registrant's telephone number, including area code)

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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 every Interactive Data File required to be submitted 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 such files). Yes No

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

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of October 31, 2018, the registrant had 60,818,841 shares of common stock, par value \$0.01 per share, outstanding.

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Easterly Government Properties, Inc.

Consolidated Balance Sheets (unaudited)

(Amounts in thousands, except share amounts)

	September 30, 2018	December 31, 2017
Assets		
Real estate properties, net	\$ 1,546,600	\$ 1,230,162
Cash and cash equivalents	6,922	12,682
Restricted cash	4,388	3,519
Deposits on acquisitions	7,225	750
Rents receivable	17,394	12,751
Accounts receivable	9,186	9,347
Deferred financing, net	2,636	945
Intangible assets, net	167,044	143,063
Interest rate swaps	6,958	4,031
Prepaid expenses and other assets	10,158	8,088
Total assets	\$ 1,778,511	\$ 1,425,338
Liabilities		
Revolving credit facility	33,000	99,750
Term loan facilities, net	248,413	99,202
Notes payable, net	173,752	173,692
Mortgage notes payable, net	210,388	203,250
Intangible liabilities, net	33,038	38,569
Accounts payable and accrued liabilities	38,618	19,786
Total liabilities	737,209	634,249
Equity		
Common stock, par value \$0.01, 200,000,000 shares authorized, 60,818,841 and 44,787,040 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively	 608	 448
Additional paid-in capital	1,015,603	740,546
Retained earnings	12,241	7,127
Cumulative dividends	(123,282)	(83,718)
Accumulated other comprehensive income	6,089	3,403
Total stockholders' equity	911,259	667,806
Non-controlling interest in Operating Partnership	130,043	123,283
Total equity	1,041,302	791,089
Total liabilities and equity	\$ 1,778,511	\$ 1,425,338

The accompanying notes are an integral part of these consolidated financial statements.

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Easterly Government Properties, Inc.

Consolidated Statements of Operations (unaudited)

(Amounts in thousands, except share and per share amounts)

	For the three months ended September 30,		For the nine months ended September 30,	
	2018	2017	2018	2017
Revenues				
Rental income	\$35,219	\$30,079	\$99,967	\$83,600
Tenant reimbursements	4,086	3,554	11,658	10,156
Other income	132	225	758	592
Total revenues	39,437	33,858	112,383	94,348
Operating expenses				
Property operating	7,780	6,718	21,563	18,904
Real estate taxes	4,228	3,452	11,773	9,166
Depreciation and amortization	16,109	13,950	45,331	40,091
Acquisition costs	300	206	1,023	1,194
Corporate general and administrative	3,614	2,920	10,696	9,506
Total expenses	32,031	27,246	90,386	78,861
Operating income	7,406	6,612	21,997	15,487