UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (date of earliest event reported):October 30, 2019

TANGER FACTORY OUTLET CENTERS, INC.

(Exact name of registrant as specified in its charter)

North Carolina	1-11986	56-1815473
(State or other jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

3200 Northline Avenue, Suite 360, Greensboro, NC 27408
(Address of principal executive offices)
(336) 292-3010
(Registrant’s telephone number, including area code)

N/A
(former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, $0.01 par value	SKT	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.02 Results of Operations and Financial Condition

On October 30, 2019, Tanger Factory Outlet Centers, Inc. (the "Company") issued a press release announcing its results of operations and financial condition as of and for the quarter ended September 30, 2019. A copy of the Company's press release is hereby furnished as Exhibit 99.1 to this report on Form 8-K. The information contained in this report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specified otherwise.

Item 7.01 Regulation FD Disclosure

On October 30, 2019, the Company made publicly available on its website, www.tangeroutlet.com, certain supplemental operating and financial information for the quarter ended September 30, 2019. This supplemental operating and financial information is hereby attached to this current report as Exhibit 99.2. The information contained in this report on Form 8-K, including Exhibit 99.2, shall not be deemed "filed" with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specified otherwise. The information found on, or otherwise accessible through, the Company's website is not incorporated into, and does not form a part of, this current report on Form 8-K or any other report or document the Company files with or furnishes to the United States Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibits are included with this Report:

Exhibit No.	
99.1	Press release announcing the results of operations and financial condition of the Company as of and for the quarter ended September 30, 2019.
99.2	Supplemental operating and financial information of the Company as of and for the quarter ended September 30, 2019.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 30, 2019

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ James F. Williams
James F. Williams
Executive Vice President, Chief Financial Officer

EXHIBIT 99.1

News Release

TANGER REPORTS THIRD QUARTER RESULTS

Consolidated Portfolio 95.9% Occupied

Tenant Sales Increase

Raises Annual Guidance for Net Income, AFFO and Same Center NOI

Greensboro, NC, October 30, 2019, Tanger Factory Outlet Centers, Inc. (NYSE:SKT) today reported financial and operating results for the three and nine months ended September 30, 2019.

Third Quarter Results

- Net income available to common shareholders was $0.25 per share, or $23.2 million, compared to a net loss available to common shareholders of $0.24 per share, or $22.2 million, for the prior year period. The current year period is inclusive of a $0.02 per share dilutive impact related to assets sold in March 2019, net of interest expense savings related to the use of proceeds. The prior year period was impacted by a non-cash impairment charge totaling $49.7 million, or $0.51 per share, related to the Company's outlet center in Jeffersonville, Ohio.
- Funds from operations ("FFO") and adjusted funds from operations ("AFFO") available to common shareholders were both $0.58 per share, or $56.8 million, compared to $0.63 per share, or $61.9 million, for the prior year period. The current year period is inclusive of a $0.04 per share dilutive impact related to the asset sales discussed above.

Year-to-Date Results

- Net income available to common shareholders was $1.06 per share, or $98.6 million, compared to $0.25 per share, or $23.1 million, for the prior year period. The current year period is inclusive of a $0.42 per share dilutive impact related to the asset sales discussed above, including a gain on the sale of four outlet centers totaling $43.4 million, or $0.44 per share. The prior year period was impacted by a non-cash impairment charge discussed above totaling $49.7 million, or $0.51 per share.
- FFO available to common shareholders was $1.68 per share, or $164.2 million, compared to $1.83 per share, or $180.3 million, for the prior year period. The current year period is inclusive of a $0.07 per share dilutive impact related to the asset sales discussed above.
- AFFO available to common shareholders was $1.72 per share, or $168.6 million, compared to $1.83 per share, or $180.3 million, for the prior year period. AFFO excludes certain items that the Company does not consider indicative of its ongoing operating performance. The current year period is inclusive of a $0.07 per share dilutive impact related to the asset sales discussed above and excludes $4.4 million, or $0.04 per share, of general and administrative expense in the current year period for the accelerated recognition of compensation cost related to the planned retirement of an executive officer.

FFO and AFFO are widely accepted supplemental non-GAAP financial measures used in the real estate industry to measure and compare the operating performance of real estate companies. A complete reconciliation containing adjustments from GAAP net income to FFO and AFFO are included in this release. Per share amounts for net income, FFO and AFFO are on a diluted basis.

"Our third quarter results exceeded our AFFO and same center NOI expectations as we continue to focus on our priorities of leasing and providing shoppers with the brands and the value they seek," said Steven B. Tanger, Chief Executive Officer. "We have maintained a high 95.9% occupancy rate, reflecting the resilience and desirability of the outlet channel. Additionally, we have continued to increase traffic, as our targeted marketing programs and engaging on-site experiences helped to draw shoppers to our centers. Our tenant occupancy cost ratio remains lower than any of the mall REITs at 9.9%. We have also sustained a strong financial position, with no significant debt maturities in our consolidated portfolio until December 2023 and a low 3.5% weighted average interest rate. We have a 26-year historic commitment to paying a quarterly cash dividend. Our dividend remains well covered, as we expect to generate nearly $95 million of free cash flow over and above our dividend during 2019 and have nearly $600 million in unused line of credit capacity. As we move towards 2020, we remain focused on leasing to desired brands while creating the level of activity and excitement that drives shoppers to Tanger Centers."

Operating Metrics

The Company's key portfolio results were as follows:

- Consolidated portfolio occupancy rate was 95.9% on September 30, 2019, compared to 96.0% on June 30, 2019 and 96.4% on September 30, 2018
- Blended average rental rates increased 2.5% on a straight-line basis and decreased 2.0% on a cash basis for all renewals and re-tenanted leases that commenced during the trailing twelve months ended September 30, 2019

- Lease termination fees totaled $1.5 million for the first nine months of 2019, including $0.1 million for the third quarter of 2019, compared to $1.1 million for the first nine months of 2018, including $0.1 million for the third quarter of 2018
- Same center net operating income ("Same Center NOI") for the consolidated portfolio decreased 1.8% for the quarter and 0.8% year to date due primarily to the impact of tenant bankruptcies, lease modifications and store closures
- Average tenant sales productivity for the consolidated portfolio was $395 per square foot for the twelve months ended September 30, 2019, compared to $383 per square foot in the comparable prior year period
- Same center tenant sales performance for the overall portfolio increased 1.7% for the twelve months ended September 30, 2019 compared to the twelve months ended September 30, 2018
- Occupancy cost ratio for the trailing twelve months ended September 30, 2019 was 9.9%

Same Center NOI is a supplemental non-GAAP financial measure of operating performance. A complete definition of Same Center NOI and a reconciliation to the nearest comparable GAAP measure is included in this release.

Leasing Activity

Total commenced leases for the trailing twelve months ended September 30, 2019 that were renewed or re-leased for all terms included 345 leases, totaling approximately 1.7 million square feet. As of September 30, 2019, Tanger had lease renewals executed or in process for 74.2% of the space in the consolidated portfolio scheduled to expire during 2019 compared to 76.1% of the space scheduled to expire during 2018 that was executed or in process as of September 30, 2018.

Tanger recaptured approximately 195,000 square feet within its consolidated portfolio during the first nine months of 2019 related to bankruptcies and brand-wide restructurings by retailers, including 6,000 square feet in the third quarter. During the first nine months of 2018, approximately 123,000 square feet were recaptured, including 17,000 square feet during the third quarter.

Balance Sheet and Capital Market Activity

As of September 30, 2019:

- Total enterprise value was $3.1 billion
- Total outstanding floating rate debt was approximately $16 million, representing 1% of total consolidated debt outstanding, or less than 1% of total enterprise value
- Unused capacity under the Company's $600 million unsecured lines of credit was 99%, or $595.7 million
- Weighted average interest rate was 3.5% and weighted average term to maturity of outstanding consolidated debt, including extension options, was approximately 5.7 years
- Approximately 94% of the Company's consolidated square footage was unencumbered by mortgages
- Interest coverage ratio was 4.3 times for the first nine months of 2019
- FAD payout ratio was 71% for the first nine months of 2019

FAD payout ratio is a supplemental non-GAAP financial measure of operating performance. A definition of FAD payout ratio is included in this release.

Tanger has reduced its outstanding consolidated debt by $141.0 million since December 31, 2018.

During the first nine months of 2019, the Company repurchased approximately 1,209,000 common shares for total consideration of approximately $20.0 million, including approximately 651,000 common shares for total consideration of approximately $10.0 million during the third quarter. As of September 30, 2019, $80.0 million remains under the current repurchase authorization, which is valid through May 2021.

Tanger's priority uses of capital at this time include: reinvesting in its assets, paying its dividend, repurchasing its common shares opportunistically, and de-leveraging its balance sheet, while evaluating potential long-term opportunities for growth.

Guidance for 2019

The Company is raising its 2019 annual guidance. Management currently believes its net income, FFO and AFFO per share for 2019 will be as follows:

For the year ended December 31, 2019:	Current		Previous	
	Low Range	High Range	Low Range	High Range
Estimated diluted net income per share	**$1.26**	**$1.30**	**$1.24**	**$1.30**
Depreciation and amortization of real estate assets - consolidated and the Company's share of unconsolidated joint ventures	1.36	1.36	1.36	1.36
Gain on sale of assets	(0.44)	(0.44)	(0.44)	(0.44)
Foreign currency loss from sale of joint venture property	0.04	0.04	0.04	0.04
Other	0.01	0.01	0.01	0.01
Estimated diluted FFO per share	**$2.23**	**$2.27**	**$2.21**	**$2.27**
AFFO adjustment per share	0.04	0.04	0.04	0.04
Estimated diluted AFFO per share	**$2.27**	**$2.31**	**$2.25**	**$2.31**

Tanger's estimates reflect the following key assumptions:

- Increase in Same Center NOI guidance for the consolidated portfolio to a range of (1.40)% to (1.80)% from the previous range of (1.50)% to (2.25)%, which reflects the following:
    - Outperformance of the Company's forecast for the third quarter of 2019
    - Projected 2019 store closings related to tenant bankruptcies and restructurings of up to 225,000 square feet for the consolidated portfolio. This excludes the Dressbarn stores, which are expected to remain open through December 31, 2019, and assumes that recently announced footprint optimization plans by tenants, which remain fluid at this time, will not have a significant impact on 2019 occupancy or Same Center NOI.
    - Increase in projected average occupancy for the year to between 95.5% and 95.8%, from the previous range of 94.75% to 95.25%. This change reflects fewer than previously anticipated store closures and the contribution of Tanger's pop-up and temporary leasing program.
- Projected full-year lease termination fees (which are not included in Same Center NOI) of approximately $1.5 million for the consolidated portfolio
- Estimated incremental annual revenue of approximately $6.0 million, or $0.06 per share, from the straight-line recognition of fixed common area maintenance related to the implementation of the new lease standard effective January 1, 2019
- Increase in average general and administrative expense to between $12.3 million and $12.7 million for the fourth quarter of 2019 from the previous range of $12.0 million to $12.4 million. The implementation of the new lease standard is currently expected to result in incremental general and administrative expense of approximately $4.0 million to $5.0 million, or $0.04 to $0.05 per share, annually.
- Annual consolidated portfolio interest expense of $61.0 million to $63.0 million
- The Company's share of annual interest expense in the unconsolidated portfolio of $8.0 million to $8.5 million
- 2019 weighted average diluted common shares of approximately 92.8 million for earnings per share and 97.7 million for FFO per share
- Combined annual recurring capital expenditures and second generation tenant allowances of approximately $38 million to $40 million, compared to the previous range of $36 million to $40 million
- Does not include the impact of any financing activity, the sale of any outparcels, properties or joint venture interests, or the acquisition of any properties or joint venture partner interests

Third Quarter Conference Call

Tanger will host a conference call to discuss its third quarter results for analysts, investors and other interested parties on Thursday, October 31, 2019, at 8:00 a.m. Eastern Time. To access the conference call, listeners should dial 1-877-277-5113 and provide conference ID #4674518 to be connected to the Tanger Factory Outlet Centers Third Quarter 2019 Financial Results call. Alternatively, a live audio webcast of this call will be available to the public on Tanger's Investor Relations website, investors.tangeroutlets.com, hosted by S&P Global Market Intelligence. A telephone replay of the call will be available from October 31, 2019 at 11:00 a.m. through November 7, 2019 at 11:59 p.m. by dialing 1-855-859-2056, conference ID #4674518. An online archive of the webcast will also be available through November 7, 2019.

About Tanger Factory Outlet Centers, Inc.

Tanger Factory Outlet Centers, Inc. (NYSE: SKT), is a publicly-traded REIT headquartered in Greensboro, North Carolina that presently operates and owns, or has an ownership interest in, a portfolio of 39 upscale outlet shopping centers. Tanger's operating properties are located in 20 states and in Canada, totaling approximately 14.3 million square feet, leased to over 2,900 stores which are operated by more than 510 different brand name companies. The Company has more than 38 years of experience in the outlet industry. Tanger Outlet Centers continue to attract more than 181 million visitors annually. Tanger is furnishing a Form 8-K with the Securities and Exchange Commission that includes a supplemental information package for the quarter ended September 30, 2019. For more information on Tanger Outlet Centers, call 1-800-4TANGER or visit the Company's website at www.tangeroutlets.com.

Safe Harbor Statement

This news release contains certain 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 and includes this statement for purposes of complying with the safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe the Company's future plans, strategies and expectations, are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project," "will," "forecast" or similar expressions, and include the Company's expectations regarding its financial results and the assumptions used to forecast such expected results, our leasing strategy and value proposition to retailers, uses of capital, liquidity, dividend payments, cash flows, filling vacant space and share repurchases.

You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other important factors which are, in some cases, beyond our control and which could materially affect our actual results, performance or achievements. Important factors which may cause actual results to differ materially from current expectations include, but are not limited to: 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; the relative illiquidity of real property investments; impairment charges affecting our properties; our dispositions of assets may not achieve anticipated results; competition for the acquisition and development of outlet centers, and our inability to complete outlet centers we have identified; environmental regulations affecting our business; risks associated with possible terrorist activity or other acts or threats of violence and threats to public safety; our dependence on rental income from real property; our dependence on the results of operations of our retailers; the fact that certain of our properties are subject to ownership interests held by third parties, whose interests may conflict with ours; risks related to uninsured losses; the risk that consumer, travel, shopping and spending habits may change; risks associated with our Canadian investments; risks associated with attracting and retaining key personnel; risks associated with debt financing; risks associated with our guarantees of debt for, or other support we may provide to, joint venture properties; the effectiveness of our interest rate hedging arrangements; uncertainty relating to the potential phasing out of LIBOR; our potential failure to qualify as a REIT; our legal obligation to make distributions to our shareholders; legislative or regulatory actions that could adversely affect our shareholders, including the recent changes in the U.S. federal income taxation of U.S. businesses; our dependence on distributions from the Operating Partnership to meet our financial obligations, including dividends; the risk of a cyber-attack or an act of cyber-terrorism and other important factors set forth under Item 1A - "Risk Factors" in the Company's and the Operating Partnership's Annual Report on Form 10-K for the year ended December 31, 2018, as may be updated or supplemented in the Company's Quarterly Reports on Form 10-Q and the Company's other filings with the SEC. Accordingly, there is no assurance that the Company's expectations will be realized. The Company 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 the Company makes or related subjects in the Company's Current Reports on Form 8-K that the Company files with the SEC.

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TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(Unaudited)

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Revenues:				
Rental revenues (1)	$ 115,050	$ 120,277	$ 347,389	$ 357,450
Management, leasing and other services (2)	1,356	1,239	3,943	3,580
Other revenues	2,588	2,720	6,524	6,452
Total revenues	118,994	124,236	357,856	367,482
Expenses:				
Property operating	39,149	39,653	118,252	119,817
General and administrative (3), (4)	12,292	10,752	40,910	32,861
Impairment charge	—	49,739	—	49,739
Depreciation and amortization	30,103	32,850	93,009	98,667
Total expenses	81,544	132,994	252,171	301,084
Other income (expense):				
Interest expense	(15,197)	(16,367)	(46,638)	(48,348)
Gain on sale of assets	—	—	43,422	—
Other income (expense) (5)	227	261	(2,966)	661
Total other income (expense)	(14,970)	(16,106)	(6,182)	(47,687)
Income (loss) before equity in earnings of unconsolidated joint ventures	**22,480**	**(24,864)**	**99,503**	**18,711**
Equity in earnings of unconsolidated joint ventures	2,329	1,833	5,604	6,233
Net income (loss)	**24,809**	**(23,031)**	**105,107**	**24,944**
Noncontrolling interests in Operating Partnership	(1,263)	1,172	(5,308)	(1,274)
Noncontrolling interests in other consolidated partnerships	—	—	(195)	278
Net income (loss) attributable to Tanger Factory Outlet Centers, Inc.	**23,546**	**(21,859)**	**99,604**	**23,948**
Allocation of earnings to participating securities	(305)	(313)	(1,030)	(889)
Net income (loss) available to common shareholders of Tanger Factory Outlet Centers, Inc.	**$ 23,241**	**$ (22,172)**	**$ 98,574**	**$ 23,059**
Basic earnings per common share:				
Net income (loss)	$ 0.25	$ (0.24)	$ 1.06	$ 0.25
Diluted earnings per common share:				
Net income (loss)	$ 0.25	$ (0.24)	$ 1.06	$ 0.25

(1) In connection with the adoption of ASC 842 on January 1, 2019, rental revenues includes base rentals, percentage rentals, and expense reimbursements for both periods presented. Additionally, for the three and nine months ended September 30, 2019, rental revenues is presented net of uncollectible tenant revenues and includes a straight-line rent adjustment of $1.6 million and $4.9 million, respectively, to record contractual payments received as consideration from certain executory costs on a straight-line basis.

(2) Upon adoption of ASC 842, expense reimbursements from joint ventures of $656,000 and $1.8 million, respectively, previously included in expense reimbursements for the three and nine months ended September 30, 2018, which are not related to leases, have been reclassified to management, leasing and other services on the consolidated statements of operations to conform to the current year presentation.

(3) Upon adoption of ASC 842, indirect internal leasing costs previously capitalized are now expensed. For the three and nine months ended September 30, 2019, lease costs of approximately $1.3 million and $3.5 million, respectively, were expensed as general and administrative expenses which would have been capitalized under the previous accounting standard.

(4) The nine months ended ended September 30, 2019 includes $4.4 million related to the accelerated recognition of compensation cost entitled to be received by the Company's President and Chief Operating Officer per the terms of a transition agreement executed in connection with his planned retirement.

(5) The nine months ended September 30, 2019 include a $3.6 million charge related to the foreign currency effect of the sale of the Bromont, Quebec property by the RioCan Canada joint venture.

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(Unaudited)

	September 30, 2019	December 31, 2018
Assets		
Rental property:		
Land	$ 267,642	$ 278,428
Buildings, improvements and fixtures	2,663,507	2,764,649
Construction in progress	—	3,102
	2,931,149	3,046,179
Accumulated depreciation	(991,441)	(981,305)
Total rental property, net	1,939,708	2,064,874
Cash and cash equivalents	4,664	9,083
Investments in unconsolidated joint ventures	94,415	95,969
Deferred lease costs and other intangibles, net	101,373	116,874
Operating lease right-of-use assets (1)	86,830	—
Prepaids and other assets	97,367	98,102
Total assets	**$ 2,324,357**	**$ 2,384,902**
Liabilities and Equity		
Liabilities		
Debt:		
Senior, unsecured notes, net	$ 1,138,115	$ 1,136,663
Unsecured term loan, net	347,253	346,799
Mortgages payable, net	84,738	87,471
Unsecured lines of credit, net	1,817	141,985
Total debt	1,571,923	1,712,918
Accounts payable and accrued expenses	73,932	82,676
Operating lease liabilities (1)	91,683	—
Other liabilities	88,619	83,773
Total liabilities	**1,826,157**	**1,879,367**
Commitments and contingencies		
Equity		
Tanger Factory Outlet Centers, Inc.:		
Common shares, $.01 par value, 300,000,000 shares authorized, 92,893,338 and 93,941,783 shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively	929	939
Paid in capital	771,868	778,845
Accumulated distributions in excess of net income	(272,481)	(272,454)
Accumulated other comprehensive loss	(27,372)	(27,151)
Equity attributable to Tanger Factory Outlet Centers, Inc.	**472,944**	**480,179**
Equity attributable to noncontrolling interests:		
Noncontrolling interests in Operating Partnership	25,256	25,356
Noncontrolling interests in other consolidated partnerships	—	—
Total equity	**498,200**	**505,535**
Total liabilities and equity	**$ 2,324,357**	**$ 2,384,902**

(1) In connection with the adoption of ASC 842 on January 1, 2019, operating lease right-of-use assets and operating lease liabilities were recorded.

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CENTER INFORMATION
(Unaudited)

	September 30,	
	2019	**2018**
Gross leasable area open at end of period (in thousands):		
Consolidated	12,048	12,923
Partially owned - unconsolidated	2,212	2,370
Total	**14,260**	**15,293**
Outlet centers in operation at end of period:		
Consolidated	32	36
Partially owned - unconsolidated	7	8
Total	**39**	**44**
States operated in at end of period (1)	19	22
Occupancy at end of period (1), (2)	95.9%	96.4%

(1) Excludes the centers in which the Company has ownership interests but are held in unconsolidated joint ventures.

(2) Excludes centers not yet stabilized at period end. The 2018 period excludes the Fort Worth outlet center (which opened during the fourth quarter of 2017).

NON-GAAP SUPPLEMENTAL MEASURES

Funds From Operations

Funds From Operations ("FFO") is a widely used measure of the operating performance for real estate companies that supplements net income (loss) determined in accordance with GAAP. We determine FFO based on the definition set forth by the National Association of Real Estate Investment Trusts ("NAREIT"), of which we are a member. In December 2018, NAREIT issued "NAREIT Funds From Operations White Paper - 2018 Restatement" which clarifies, where necessary, existing guidance and consolidates alerts and policy bulletins into a single document for ease of use. NAREIT defines FFO as net income/(loss) available to the Company's common shareholders computed in accordance with generally accepted accounting principles in the United States ("GAAP"), excluding (i) depreciation and amortization related to real estate, (ii) gains or losses from sales of certain real estate assets, (iii) gains and losses from change in control, (iv) impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity and (v) after adjustments for unconsolidated partnerships and joint ventures calculated to reflect FFO on the same basis.

FFO is intended to exclude historical cost depreciation of real estate as required by GAAP which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization of real estate assets, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income.

We present FFO because we consider it an important supplemental measure of our operating performance. In addition, a portion of cash bonus compensation to certain members of management is based on our FFO or Adjusted Funds From Operations ("AFFO"), which is described in the section below. We believe it is useful for investors to have enhanced transparency into how we evaluate our performance and that of our management. In addition, FFO is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is also widely used by us and others in our industry to evaluate and price potential acquisition candidates. We believe that FFO payout ratio, which represents regular distributions to common shareholders and unit holders of the Operating Partnership expressed as a percentage of FFO, is useful to investors because it facilitates the comparison of dividend coverage between REITs. NAREIT has encouraged its member companies to report their FFO as a supplemental, industry-wide standard measure of REIT operating performance.

FFO has significant limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- FFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- FFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and FFO does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate FFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, FFO should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or our dividend paying capacity. We compensate for these limitations by relying primarily on our GAAP results and using FFO only as a supplemental measure.

Adjusted Funds From Operations

We present AFFO as a supplemental measure of our performance. We define AFFO as FFO further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance. These further adjustments are itemized in the table below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating AFFO you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of AFFO should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present AFFO because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we believe it is useful for investors to have enhanced transparency into how we evaluate management's performance and the effectiveness of our business strategies. We use AFFO when certain material, unplanned transactions occur as a factor in evaluating management's performance and to evaluate the effectiveness of our business strategies, and may use AFFO when determining incentive compensation.

AFFO has limitations as an analytical tool. Some of these limitations are:

- AFFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- AFFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and AFFO does not reflect any cash requirements for such replacements;
- AFFO does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- Other companies in our industry may calculate AFFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, AFFO should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using AFFO only as a supplemental measure.

Funds Available for Distribution

Funds Available for Distribution ("FAD") is a non-GAAP financial measure that we define as FFO, excluding corporate depreciation, amortization of finance costs, amortization of net debt discount (premium), amortization of share-based compensation, straight-line rent amounts, market rent amounts, less 2nd generation tenant allowances, capital improvement expenditures, and our share of the items listed above for our unconsolidated joint ventures. Investors, analysts and the Company utilize FAD as an indicator of common dividend potential. The FAD payout ratio, which represents regular distributions to common shareholders and unit holders of the Operating Partnership expressed as a percentage of FAD, facilitates the comparison of dividend coverage between REITs.

We believe that net income (loss) is the most directly comparable GAAP financial measure to FAD. FAD does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (loss) as an indication of our performance or to cash flows as a measure of liquidity or our ability to make distributions. Other companies in our industry may calculate FAD differently than we do, limiting its usefulness as a comparative measure.

Portfolio Net Operating Income and Same Center Net Operating Income

We present portfolio net operating income ("Portfolio NOI") and same center net operating income ("Same Center NOI") as supplemental measures of our operating performance. Portfolio NOI represents our property level net operating income which is defined as total operating revenues less property operating expenses and excludes termination fees and non-cash adjustments including straight-line rent, net above and below market rent amortization, impairment charges and gains or losses on the sale of assets recognized during the periods presented. We define Same Center NOI as Portfolio NOI for the properties that were operational for the entire portion of both comparable reporting periods and which were not acquired, or subject to a material expansion or non-recurring event, such as a natural disaster, during the comparable reporting periods.

We believe Portfolio NOI and Same Center NOI are non-GAAP metrics used by industry analysts, investors and management to measure the operating performance of our properties because they provide performance measures directly related to the revenues and expenses involved in owning and operating real estate assets and provide a perspective not immediately apparent from net income, FFO or AFFO. Because Same Center NOI excludes properties developed, redeveloped, acquired and sold; as well as non-cash adjustments, gains or losses on the sale of outparcels and termination rents; it highlights operating trends such as occupancy levels, rental rates and operating costs on properties that were operational for both comparable periods. Other REITs may use different methodologies for calculating Portfolio NOI and Same Center NOI, and accordingly, our Portfolio NOI and Same Center NOI may not be comparable to other REITs.

Portfolio NOI and Same Center NOI should not be considered alternatives to net income (loss) or as an indicator of our financial performance since they do not reflect the entire operations of our portfolio, nor do they reflect the impact of general and administrative expenses, acquisition-related expenses, interest expense, depreciation and amortization costs, other non-property income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations. Because of these limitations, Portfolio NOI and Same Center NOI should not be viewed in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Portfolio NOI and Same Center NOI only as supplemental measures.

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP SUPPLEMENTAL MEASURES
(in thousands, except per share)
(Unaudited)

Below is a reconciliation of net income to FFO and AFFO:

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Net income (loss)	**$ 24,809**	**$ (23,031)**	**$ 105,107**	**$ 24,944**
Adjusted for:				
Depreciation and amortization of real estate assets - consolidated	29,451	32,237	91,149	96,841
Depreciation and amortization of real estate assets - unconsolidated joint ventures	3,058	3,466	9,453	10,020
Impairment charge - consolidated	—	49,739	—	49,739
Foreign currency loss from sale of joint venture property	—	—	3,641	—
Gain on sale of assets	—	—	(43,422)	—
FFO	**57,318**	**62,411**	**165,928**	**181,544**
FFO attributable to noncontrolling interests in other consolidated partnerships	—	—	(195)	278
Allocation of earnings to participating securities	(481)	(560)	(1,502)	(1,571)
FFO available to common shareholders[(1)]	**$ 56,837**	**$ 61,851**	**$ 164,231**	**$ 180,251**
As further adjusted for:				
Compensation related to executive officer retirement [(2)]	$ —	$ —	$ 4,371	$ —
Impact of above adjustment to the allocation of earnings to participating securities	—	—	(35)	—
AFFO available to common shareholders [(1)]	**$ 56,837**	**$ 61,851**	**$ 168,567**	**$ 180,251**
FFO available to common shareholders per share - diluted[(1)]	**$ 0.58**	**$ 0.63**	**$ 1.68**	**$ 1.83**
AFFO available to common shareholders per share - diluted[(1)]	**$ 0.58**	**$ 0.63**	**$ 1.72**	**$ 1.83**
Weighted Average Shares:				
Basic weighted average common shares	92,514	93,109	92,999	93,349
Diluted weighted average common shares (for earnings per share computations)	**92,514**	**93,109**	**92,999**	**93,349**
Exchangeable operating partnership units	4,960	4,995	4,960	4,995
Diluted weighted average common shares (for FFO and AFFO per share computations)[(1)]	97,474	98,104	97,959	98,344

(1) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interests are exchanged for common shares of the Company. Each Class A common limited partnership unit is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status.

(2) Represents the accelerated recognition of compensation cost entitled to be received by the Company's President and Chief Operating Officer per the terms of a transition agreement executed in connection with his planned retirement.

Reconciliation of FFO to FAD (dollars and shares in thousands)

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
FFO available to common shareholders	**$ 56,837**	**$ 61,851**	**$ 164,231**	**$ 180,251**
Adjusted for:				
Corporate depreciation excluded above	652	613	1,860	1,826
Amortization of finance costs	749	748	2,246	2,280
Amortization of net debt discount (premium)	113	105	333	309
Amortization of equity-based compensation	3,571	3,769	14,371	10,814
Straight-line rent adjustments	(2,518)	(1,450)	(7,404)	(4,744)
Market rent adjustments	314	729	1,067	1,980
2nd generation tenant allowances	(9,121)	(3,262)	(15,171)	(11,588)
Capital improvements	(4,781)	(5,562)	(14,678)	(16,483)
Adjustments from unconsolidated joint ventures	(50)	(456)	(1,254)	(875)
FAD available to common shareholders (1)	**$ 45,766**	**$ 57,085**	**$ 145,601**	**$ 163,770**
Dividends per share	**$ 0.3550**	**$ 0.3500**	**$ 1.0600**	**$ 1.0425**
FFO payout ratio	**61%**	**56%**	**63%**	**57%**
FAD payout ratio	**76%**	**60%**	**71%**	**62%**
Diluted weighted average common shares (1)	**97,474**	**98,104**	**97,959**	**98,344**

(1) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interests are exchanged for common shares of the Company. Each Class A common limited partnership unit is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status.

Below is a reconciliation of net income to Portfolio NOI and Same Center NOI for the consolidated portfolio:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Net income (loss)	**$ 24,809**	**$ (23,031)**	**$ 105,107**	**$ 24,944**
Adjusted to exclude:				
Equity in earnings of unconsolidated joint ventures	(2,329)	(1,833)	(5,604)	(6,233)
Interest expense	15,197	16,367	46,638	48,348
Gain on sale of assets	—	—	(43,422)	—
Other non-operating (income) expense	(227)	(261)	2,966	(661)
Impairment charge	—	49,739	—	49,739
Depreciation and amortization	30,103	32,850	93,009	98,667
Other non-property expenses	160	457	491	832
Corporate general and administrative expenses	12,265	10,521	41,032	32,223
Non-cash adjustments (1)	(1,729)	(702)	(5,829)	(2,707)
Lease termination fees	(127)	(70)	(1,526)	(1,134)
Portfolio NOI	**78,122**	**84,037**	**232,862**	**244,018**
Non-same center NOI (2)	(82)	(4,579)	(4,190)	(13,505)
Same Center NOI	**$ 78,040**	**$ 79,458**	**$ 228,672**	**$ 230,513**

(1) Non-cash items include straight-line rent, above and below market rent amortization, straight-line rent expense on land leases and gains or losses on outparcel sales, as applicable.

(2) Excluded from Same Center NOI:

Outlet centers sold:	
Nags Head, Ocean City, Park City, and Williamsburg	March 2019

Exhibit 99.2

Tanger Factory Outlet Centers, Inc.

Supplemental Operating and Financial Data

September 30, 2019

Notice

For a more detailed discussion of the factors that affect our operating results, interested parties should review the Tanger Factory Outlet Centers, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

This Supplemental Portfolio and Financial Data is not an offer to sell or a solicitation to buy any securities of the Company. Any offers to sell or solicitations to buy any securities of the Company shall be made only by means of a prospectus.

Table of Contents

Geographic Diversification
As of September 30, 2019
Consolidated Properties

State	# of Centers	GLA	% of GLA
South Carolina	5	1,600,362	13 %
New York	2	1,468,887	12 %
Georgia	3	1,121,579	9 %
Texas	3	1,001,357	8 %
Pennsylvania	3	1,000,556	8 %
Michigan	2	671,541	6 %
Delaware	1	557,353	5 %
Alabama	1	554,583	5 %
New Jersey	1	489,706	4 %
Tennessee	1	447,815	4 %
North Carolina	2	422,895	3 %
Ohio	1	411,867	3 %
Arizona	1	410,726	3 %
Florida	1	351,721	3 %
Missouri	1	329,861	3 %
Mississippi	1	324,716	3 %
Louisiana	1	321,066	3 %
Connecticut	1	311,508	3 %
New Hampshire	1	250,107	2 %
Total	**32**	**12,048,206**	**100 %**

Unconsolidated Joint Venture Properties

	# of Centers	GLA	Ownership %
Charlotte, NC	1	398,677	50.00 %
Ottawa, ON	1	357,213	50.00 %
Columbus, OH	1	355,245	50.00 %
Texas City, TX	1	352,705	50.00 %
National Harbor, MD	1	341,156	50.00 %
Cookstown, ON	1	307,779	50.00 %
Saint-Sauveur, QC	1	99,405	50.00 %
Total	**7**	**2,212,180**	
Grand Total	**39**	**14,260,386**	

Property Summary - Occupancy at End of Each Period Shown
Consolidated properties

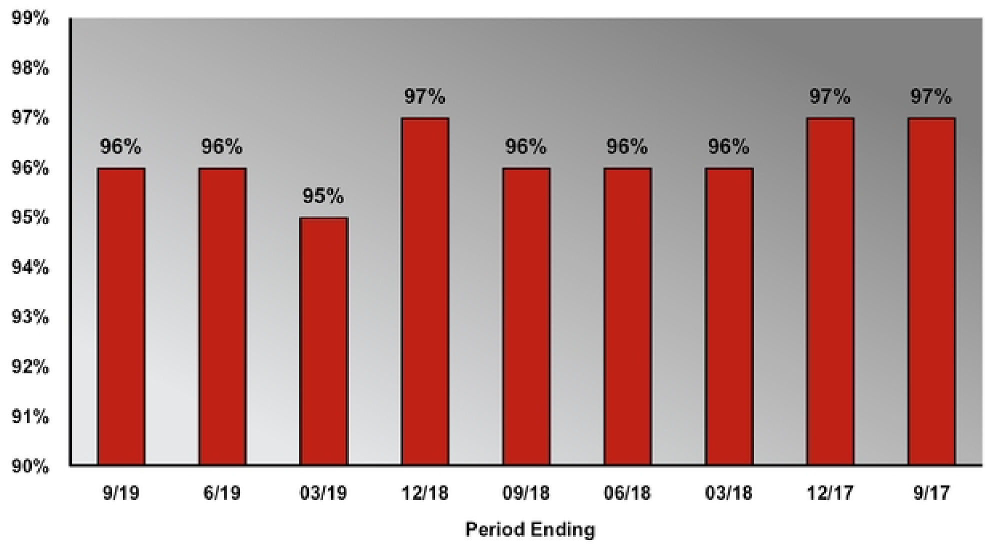
Location	Total GLA 9/30/19	% Occupied 9/30/19	% Occupied 6/30/19	% Occupied 9/30/18
Deer Park, NY	739,109	98%	97%	97%
Riverhead, NY	729,778	97%	96%	95%
Rehoboth Beach, DE	557,353	98%	98%	97%
Foley, AL	554,583	90%	92%	94%
Atlantic City, NJ	489,706	80%	78%	86%
San Marcos, TX	471,816	94%	92%	97%
Sevierville, TN	447,815	99%	99%	100%
Savannah, GA	429,089	96%	97%	97%
Myrtle Beach Hwy 501, SC	426,523	98%	99%	99%
Jeffersonville, OH	411,867	92%	94%	97%
Glendale, AZ (Westgate)	410,726	99%	95%	99%
Myrtle Beach Hwy 17, SC	403,425	100%	100%	99%
Charleston, SC	382,180	99%	99%	98%
Lancaster, PA	376,997	88%	95%	92%
Pittsburgh, PA	373,863	97%	98%	99%
Commerce, GA	371,408	97%	99%	99%
Grand Rapids, MI	357,103	96%	96%	95%
Fort Worth, TX	351,741	99%	96%	98%
Daytona Beach, FL	351,721	99%	99%	100%
Branson, MO	329,861	100%	100%	100%
Southaven, MS	324,716	98%	97%	93%
Locust Grove, GA	321,082	97%	97%	96%
Gonzales, LA	321,066	95%	94%	96%
Mebane, NC	318,886	100%	100%	99%
Howell, MI	314,438	93%	92%	95%
Mashantucket, CT (Foxwoods)	311,508	95%	94%	95%
Tilton, NH	250,107	97%	95%	94%
Hershey, PA	249,696	100%	100%	99%
Hilton Head II, SC	206,564	92%	97%	92%
Hilton Head I, SC	181,670	100%	100%	97%
Terrell, TX	177,800	97%	97%	95%
Blowing Rock, NC	104,009	88%	95%	96%
Nags Head, NC	N/A	N/A	N/A	98%
Ocean City, MD	N/A	N/A	N/A	96%
Park City, UT	N/A	N/A	N/A	98%
Williamsburg, IA	N/A	N/A	N/A	93%
Total	**12,048,206**	**96%**	**96%**	**96%** (1)

(1) Excludes the occupancy rate at our Fort Worth outlet center which opened during the fourth quarter of 2017 and has not yet stabilized.

Unconsolidated joint venture properties

Location	Total GLA 9/30/19	% Occupied 9/30/19	% Occupied 6/30/19	% Occupied 9/30/18
Charlotte, NC	398,677	99%	98%	99%
Ottawa, ON	357,213	97%	95%	94%
Columbus, OH	355,245	97%	94%	96%
Texas City, TX (Galveston/Houston)	352,705	96%	97%	95%
National Harbor, MD	341,156	97%	96%	95%
Cookstown, ON	307,779	98%	97%	100%
Saint-Sauveur, QC	99,405	96%	94%	96%
Bromont, QC	N/A	N/A	—%	80%
Total	**2,212,180**	**97%**	**96%**	**95%**

Portfolio Occupancy at the End of Each Period (1)



(1) Excludes unconsolidated outlet centers. See table on page 4.

Average Tenant Sales Per Square Foot by Outlet Center RankingAs of September 30, 2019[1]

Ranking [2]	12 Months SPSF	Period End Occupancy	Sq Ft (thousands)	% of Square Feet	% of Portfolio NOI [3]
Consolidated Centers					
Centers 1 - 5	$ 527	98 %	2,793	23 %	32%
Centers 6 - 10	$ 448	99 %	1,847	15 %	17%
Centers 11 - 15	$ 403	91 %	1,672	14 %	13%
Centers 16 - 20	$ 357	96 %	1,904	16 %	15%
Centers 21 - 26	$ 320	95 %	2,165	18 %	14%
Centers 27 - 32	$ 260	96 %	1,667	14 %	9%

Ranking [2]	Cumulative 12 Months SPSF	Cumulative Period End Occupancy	Cumulative Sq Ft (thousands)	Cumulative % of Square Feet	Cumulative % of Portfolio NOI [3]
Consolidated Centers					
Centers 1 - 5	$ 527	98 %	2,793	23 %	32%
Centers 1 - 10	$ 493	99 %	4,640	38 %	49%
Centers 1 - 15	$ 469	97 %	6,312	52 %	62%
Centers 1 - 20	$ 442	96 %	8,216	68 %	77%
Centers 1 - 26	$ 417	96 %	10,381	86 %	91%
Centers 1 - 32	$ 395	96 %	12,048	100 %	100%
Unconsolidated centers [4]	$ 441	97 %	1,448	n/a	n/a
Domestic centers [5]	$ 400	96 %	13,496	n/a	n/a

(1) Sales are based on reports for the trailing 12 months by retailers which have occupied outlet center stores for a minimum of 12 months. Sales per square foot are based on all stores less than 20,000 square feet in size. Centers are ranked by sales per square foot for the trailing twelve months ended September 30, 2019.

(2) Outlet centers included in each ranking group above are as follows (in alphabetical order):

Centers 1 - 5:	Deer Park, NY	Mebane, NC	Rehoboth Beach, DE	Riverhead, NY	Sevierville, TN	
Centers 6 - 10:	Branson, MO	Charleston, SC	Glendale, AZ (Westgate)	Locust Grove, GA	Myrtle Beach Hwy 17, SC	
Centers 11 - 15:	Atlantic City, NJ	Hershey, PA	Hilton Head I, SC	Lancaster, PA	Pittsburgh, PA	
Centers 16 - 20:	Gonzales, LA	Grand Rapids, MI	San Marcos, TX	Savannah, GA	Southaven, MS	
Centers 21 - 26:	Foley, AL	Fort Worth, TX	Hilton Head II, SC	Howell, MI	Mashantucket, CT (Foxwoods)	Myrtle Beach Hwy 501, SC
Centers 27 - 32:	Blowing Rock, NC	Commerce, GA	Daytona Beach, FL	Jeffersonville, OH	Terrell, TX	Tilton, NH

(3) Based on the Company's forecast of 2019 Portfolio NOI (see non-GAAP definitions), excluding centers not yet stabilized (none). The Company's forecast is based on management's estimates as of September 30, 2019 and may be considered a forward-looking statement which is subject to risks and uncertainties. Actual results could differ materially from those projected due to various factors including, but not limited to, the risks associated with general economic and real estate conditions. For a more detailed discussion of the factors that affect operating results, interested parties should review the Tanger Factory Outlet Centers, Inc. Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

(4) Includes domestic outlet centers open 12 full calendar months (in alphabetical order):

Unconsolidated: Charlotte, NC; Columbus, OH; National Harbor, MD; Texas City, TX (Galveston/Houston)

(5) Includes consolidated portfolio and domestic unconsolidated joint ventures

Top 25 Tenants Based on Percentage of Total Annualized Base Rent
As of September 30, 2019 (1)

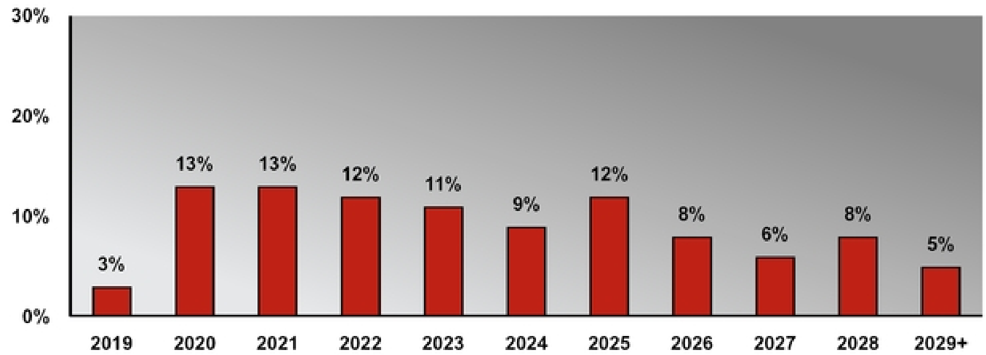
		Consolidated				Unconsolidated
Tenant	Brands	# of Stores	GLA	% of Total GLA	% of Total Annualized Base Rent (2)	# of Stores
Ascena Retail Group, Inc.	Dress Barn, Loft, Ann Taylor, Justice, Lane Bryant, roz & ALI	118	711,190	5.9%	6.3%	16
The Gap, Inc.	Gap, Banana Republic, Janie & Jack, Old Navy	96	947,819	7.9%	5.9%	19
PVH Corp.	Tommy Hilfiger, Van Heusen, Calvin Klein	62	391,131	3.2%	4.0%	14
Under Armour, Inc.	Under Armour, Under Armour Kids	30	231,911	1.9%	2.7%	6
Tapestry, Inc.	Coach, Kate Spade, Stuart Weitzman	45	214,702	1.8%	2.7%	11
Nike, Inc.	Nike, Converse, Hurley	39	423,215	3.5%	2.7%	11
American Eagle Outfitters, Inc.	American Eagle Outfitters, Aerie	38	262,597	2.2%	2.5%	7
G-III Apparel Group, Ltd.	Bass, Wilsons Leather, DKNY, Karl Lagerfeld Paris	42	197,357	1.6%	2.2%	5
Carter's, Inc.	Carters, OshKosh B Gosh	51	224,227	1.9%	2.2%	10
Michael Kors Holdings Limited	Michael Kors, Michael Kors Men's	28	136,816	1.1%	2.0%	5
Signet Jewelers Limited	Kay Jewelers, Zales, Jared Vault	51	117,204	1.0%	1.9%	8
Hanesbrands Inc.	Hanesbrands, Maidenform, Champion	36	176,907	1.5%	1.9%	2
Chico's, FAS Inc.	Chicos, White House/Black Market, Soma Intimates	44	127,631	1.1%	1.8%	6
Columbia Sportswear Company	Columbia Sportswear	19	148,145	1.2%	1.8%	3
Ralph Lauren Corporation	Polo Ralph Lauren, Polo Children, Polo Ralph Lauren Big & Tall	32	352,261	2.9%	1.8%	5
Adidas AG	Adidas, Reebok	27	168,478	1.4%	1.6%	9
Skechers USA, Inc.	Skechers	30	149,167	1.2%	1.6%	6
V. F. Corporation	The North Face, Vans, Timberland, Dickies	26	139,883	1.2%	1.6%	2
Caleres Inc.	Famous Footwear, Naturalizer, Allen Edmonds	33	167,481	1.4%	1.5%	11
Express Inc.	Express Factory	23	160,730	1.3%	1.5%	4
H&M Hennes & Mauritz L.P.	H&M	19	407,342	3.4%	1.5%	2
L Brands, Inc.	Bath & Body Works, Pink, Victoria's Secret	29	114,162	0.9%	1.5%	7
Levis	Levis	29	121,486	1.0%	1.4%	5
J. Crew Group, Inc.	J. Crew, J. Crew Men's	26	140,366	1.2%	1.4%	4
Rack Room Shoes, Inc.	Rack Room Shoes	22	129,699	1.1%	1.4%	2
Total of Top 25 tenants		**995**	**6,361,907**	**52.8%**	**57.4%**	**180**

(1) Excludes leases that have been entered into but which tenant has not yet taken possession, temporary leases and month-to-month leases.

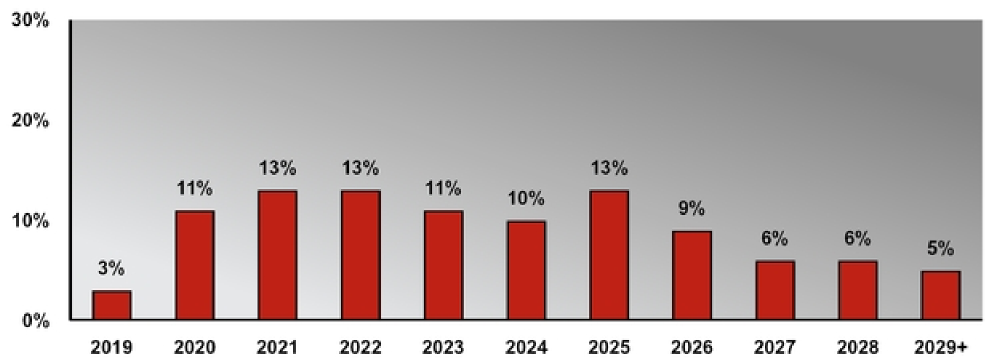
(2) Annualized base rent is defined as the minimum monthly payments due as of the end of the reporting period annualized, excluding periodic contractual fixed increases. Include rents which are based on a percentage of sales in lieu of fixed contractual rents.

Lease Expirations as of September 30, 2019

Percentage of Total Gross Leasable Area (1)



Percentage of Total Annualized Base Rent (1)



(1) Excludes unconsolidated outlet centers. See table on page 4.

Capital expenditures (in thousands)

	Nine months ended September 30, 2019	2018
Value-enhancing:		
New center developments and expansions	$ 6,913	$ 6,398
Other	1,377	1,419
	8,290	7,817
Recurring capital expenditures:		
Second generation tenant allowances	15,171	11,588
Operational capital expenditures	13,758	14,510
Major outlet center renovations	919	1,973
	29,848	28,071
Total additions to rental property-accrual basis	**38,138**	**35,888**
Conversion from accrual to cash basis	(2,930)	17,461
Total additions to rental property-cash basis	**$ 35,208**	**$ 53,349**

Leasing Activity

The tables below show changes in rent (base rent and common area maintenance ("CAM")) for leases including remerchandising projects in the consolidated portfolio for new stores that opened or renewals that started during the respective trailing twelve month periods:

Re-tenant(1)

Trailing twelve months ended:	# of Leases	Square Feet (in 000's)	Average Annual Straight-line Rent (psf)	Average Tenant Allowance (psf)(2)	Average Initial Term (in years)	Net Average Annual Straight-line Rent (psf)(3)
9/30/2019	106	520	$ 34.02	$ 42.35	8.41	$ 28.98
9/30/2018	99	478	$ 32.92	$ 63.74	7.86	$ 24.81

Renewal(1)

Trailing twelve months ended:	# of Leases	Square Feet (in 000's)	Average Annual Straight-line Rent (psf)	Average Tenant Allowance (psf)(2)	Average Initial Term (in years)	Net Average Annual Straight-line Rent (psf)(3)
9/30/2019	239	1,147	$ 34.02	$ 0.55	3.81	$ 33.88
9/30/2018	265	1,343	$ 29.79	$ 0.26	3.79	$ 29.72

Total(1)

Trailing twelve months ended:	# of Leases	Square Feet (in 000's)	Average Annual Straight-line Rent (psf)	Average Tenant Allowance (psf)(2)	Average Initial Term (in years)	Net Average Annual Straight-line Rent (psf)(3)
9/30/2019	345	1,667	$ 34.02	$ 13.59	5.24	$ 31.43
9/30/2018	364	1,821	$ 30.61	$ 16.93	4.86	$ 27.13

(1) Represents change in rent (base rent and CAM) for all leases for new stores that opened or renewals that started during the respective trailing twelve month periods within the consolidated portfolio, except for license agreements, seasonal tenants, and month-to-month leases.
(2) Includes landlord costs.
(3) Net average straight-line base rent is calculated by dividing the average tenant allowance costs per square foot by the average initial term and subtracting this calculated number from the average straight-line base rent per year amount. The average annual straight-line base rent disclosed in the table above includes all concessions, abatements and reimbursements of rent to tenants. The average tenant allowance disclosed in the table above includes landlord costs.

Leasing Activity[1]

All Lease Terms	TTM ended 9/30/2019	TTM ended 9/30/2018	Excluding Re-Merchanding TTM ended 9/30/2018 [2]
Re-tenanted Space:			
Number of leases	106	99	96
Gross leasable area	520,342	478,289	415,517
New initial rent per square foot	$ 31.09	$ 30.31	$ 32.32
Prior expiring rent per square foot	$ 33.06	$ 30.25	$ 32.31
Percent increase (decrease)	(5.9)%	0.2 %	— %
New straight-line rent per square foot	$ 34.02	$ 32.92	$ 35.26
Prior straight-line rent per square foot	$ 32.71	$ 29.98	$ 32.00
Percent increase	4.0 %	9.8 %	10.2 %
Renewed Space:			
Number of leases	239	265	265
Gross leasable area	1,146,943	1,342,779	1,342,779
New initial rent per square foot	$ 32.92	$ 28.89	$ 28.89
Prior expiring rent per square foot	$ 32.97	$ 29.15	$ 29.15
Percent increase (decrease)	(0.1)%	(0.9)%	(0.9)%
New straight-line rent per square foot	$ 34.02	$ 29.79	$ 29.79
Prior straight-line rent per square foot	$ 33.40	$ 28.46	$ 28.46
Percent increase	1.9 %	4.7 %	4.7 %
Total Re-tenanted and Renewed Space:			
Number of leases	345	364	361
Gross leasable area	1,667,285	1,821,068	1,758,296
New initial rent per square foot	$ 32.35	$ 29.27	$ 29.70
Prior expiring rent per square foot	$ 33.00	$ 29.44	$ 29.90
Percent increase (decrease)	(2.0)%	(0.6)%	(0.6)%
New straight-line rent per square foot	$ 34.02	$ 30.61	$ 31.09
Prior straight-line rent per square foot	$ 33.18	$ 28.86	$ 29.30
Percent increase	2.5 %	6.1 %	6.1 %

(1) For consolidated properties owned as of the period-end date. Represents change in rent (base rent and common area maintenance) for all leases for new stores that opened or renewals that started during the respective trailing twelve month periods, except for license agreements, seasonal tenants, and month-to-month leases.

(2) Excludes leases related to re-merchandising projects, all of which commenced during calendar 2017.

Leasing Activity[1]

Terms of More Than 12 Months	TTM ended 9/30/2019	TTM ended 9/30/2018	Excluding Re-Merchanding TTM ended 9/30/2018 [2]
Re-tenanted Space:			
Number of leases	105	97	94
Gross leasable area	517,592	455,442	392,670
New initial rent per square foot	$ 31.11	$ 31.35	$ 33.64
Prior expiring rent per square foot	$ 32.98	$ 30.28	$ 32.47
Percent increase (decrease)	(5.7)%	3.5 %	3.6 %
New straight-line rent per square foot	$ 34.05	$ 34.09	$ 36.76
Prior straight-line rent per square foot	$ 32.63	$ 30.13	$ 32.29
Percent increase	4.4 %	13.1 %	13.8 %
Renewed Space:			
Number of leases	209	211	211
Gross leasable area	1,007,057	1,103,411	1,103,411
New initial rent per square foot	$ 34.48	$ 30.31	$ 30.31
Prior expiring rent per square foot	$ 34.04	$ 29.06	$ 29.06
Percent increase	1.3 %	4.3 %	4.3 %
New straight-line rent per square foot	$ 35.73	$ 31.41	$ 31.41
Prior straight-line rent per square foot	$ 34.54	$ 28.46	$ 28.46
Percent increase	3.4 %	10.4 %	10.4 %
Total Re-tenanted and Renewed Space:			
Number of leases	314	308	305
Gross leasable area	1,524,649	1,558,853	1,496,081
New initial rent per square foot	$ 33.33	$ 30.62	$ 31.19
Prior expiring rent per square foot	$ 33.68	$ 29.42	$ 29.95
Percent increase	(1.0)%	4.1 %	4.1 %
New straight-line rent per square foot	$ 35.16	$ 32.19	$ 32.81
Prior straight-line rent per square foot	$ 33.89	$ 28.95	$ 29.47
Percent increase	3.7 %	11.2 %	11.4 %

(1) For consolidated properties owned as of the period-end date. Represents change in rent (base rent and common area maintenance) for leases for a term of more than 12 months for new stores that opened or renewals that started during the respective trailing twelve month periods.

(2) Excludes leases related to re-merchandising projects, all of which commenced during calendar 2017.

Consolidated Balance Sheets (dollars in thousands)

		September 30, 2019		December 31, 2018
Assets				
Rental property:				
Land	$	267,642	$	278,428
Buildings, improvements and fixtures		2,663,507		2,764,649
Construction in progress		—		3,102
		2,931,149		3,046,179
Accumulated depreciation		(991,441)		(981,305)
Total rental property, net		1,939,708		2,064,874
Cash and cash equivalents		4,664		9,083
Investments in unconsolidated joint ventures		94,415		95,969
Deferred lease costs and other intangibles, net		101,373		116,874
Operating lease right-of-use assets (1)		86,830		—
Prepaids and other assets		97,367		98,102
Total assets	**$**	**2,324,357**	**$**	**2,384,902**
Liabilities and Equity				
Liabilities				
Debt:				
Senior, unsecured notes, net	$	1,138,115	$	1,136,663
Unsecured term loan, net		347,253		346,799
Mortgages payable, net		84,738		87,471
Unsecured lines of credit, net		1,817		141,985
Total debt		1,571,923		1,712,918
Accounts payable and accrued expenses		73,932		82,676
Operating lease liabilities (1)		91,683		—
Other liabilities		88,619		83,773
Total liabilities		**1,826,157**		**1,879,367**
Commitments and contingencies				
Equity				
Tanger Factory Outlet Centers, Inc.:				
Common shares, $.01 par value, 300,000,000 shares authorized, 92,893,338 and 93,941,783 shares issued and outstanding at September 30, 2019 and December 31, 2018, respectively		929		939
Paid in capital		771,868		778,845
Accumulated distributions in excess of net income		(272,481)		(272,454)
Accumulated other comprehensive loss		(27,372)		(27,151)
Equity attributable to Tanger Factory Outlet Centers, Inc.		**472,944**		**480,179**
Equity attributable to noncontrolling interests:				
Noncontrolling interests in Operating Partnership		25,256		25,356
Noncontrolling interests in other consolidated partnerships		—		—
Total equity		**498,200**		**505,535**
Total liabilities and equity	**$**	**2,324,357**	**$**	**2,384,902**

(1) In connection with the adoption of ASC 842 on January 1, 2019, operating lease right-of-use assets and operating lease liabilities were recorded.

Consolidated Statements of Operations (in thousands, except per share data)

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Revenues:				
Rental revenues (1)	$ 115,050	$ 120,277	$ 347,389	$ 357,450
Management, leasing and other services (2)	1,356	1,239	3,943	3,580
Other revenues	2,588	2,720	6,524	6,452
Total revenues	118,994	124,236	357,856	367,482
Expenses:				
Property operating	39,149	39,653	118,252	119,817
General and administrative (3), (4)	12,292	10,752	40,910	32,861
Impairment charge	—	49,739	—	49,739
Depreciation and amortization	30,103	32,850	93,009	98,667
Total expenses	81,544	132,994	252,171	301,084
Other income (expense):				
Interest expense	(15,197)	(16,367)	(46,638)	(48,348)
Gain on sale of assets	—	—	43,422	—
Other income (expense) (5)	227	261	(2,966)	661
Total other income (expense)	(14,970)	(16,106)	(6,182)	(47,687)
Income (loss) before equity in earnings of unconsolidated joint ventures	**22,480**	**(24,864)**	**99,503**	**18,711**
Equity in earnings of unconsolidated joint ventures	2,329	1,833	5,604	6,233
Net income (loss)	**24,809**	**(23,031)**	**105,107**	**24,944**
Noncontrolling interests in Operating Partnership	(1,263)	1,172	(5,308)	(1,274)
Noncontrolling interests in other consolidated partnerships	—	—	(195)	278
Net income (loss) attributable to Tanger Factory Outlet Centers, Inc.	**23,546**	**(21,859)**	**99,604**	**23,948**
Allocation of earnings to participating securities	(305)	(313)	(1,030)	(889)
Net income (loss) available to common shareholders of Tanger Factory Outlet Centers, Inc.	**$ 23,241**	**$ (22,172)**	**$ 98,574**	**$ 23,059**
Basic earnings per common share:				
Net income (loss)	$ 0.25	$ (0.24)	$ 1.06	$ 0.25
Diluted earnings per common share:				
Net income (loss)	$ 0.25	$ (0.24)	$ 1.06	$ 0.25

(1) In connection with the adoption of ASC 842 on January 1, 2019, rental revenues includes base rentals, percentage rentals, and expense reimbursements for both periods presented. Additionally, for the three and nine months ended September 30, 2019, rental revenues is presented net of uncollectible tenant revenues and includes a straight-line rent adjustment of $1.6 million and $4.9 million, respectively, to record contractual payments received as consideration from certain executory costs on a straight-line basis.

(2) Upon adoption of ASC 842, expense reimbursements from joint ventures of $656,000 and $1.8 million, respectively, previously included in expense reimbursements for the three and nine months ended September 30, 2018, which are not related to leases, have been reclassified to management, leasing and other services on the consolidated statements of operations to conform to the current year presentation.

(3) Upon adoption of ASC 842, indirect internal leasing costs previously capitalized are now expensed. For the three and nine months ended September 30, 2019, lease costs of approximately $1.3 million and $3.5 million, respectively, were expensed as general and administrative expenses which would have been capitalized under the previous accounting standard.

(4) The nine months ended ended September 30, 2019 includes $4.4 million related to the accelerated recognition of compensation cost entitled to be received by the Company’s President and Chief Operating Officer per the terms of a transition agreement executed in connection with his planned retirement.

(5) The nine months ended September 30, 2019 include a $3.6 million charge related to the foreign currency effect of the sale of the Bromont, Quebec property by the RioCan Canada joint venture.

Components of Rental Revenues (in thousands)

As a lessor, substantially all of our revenues are earned from arrangements that are within the scope of Accounting Standards Codification Topic 842 "Leases" ("ASC 842"). We utilized the practical expedient in ASU 2018-11 to account for lease and non-lease components as a single component which resulted in all of our revenues associated with leases being recorded as rental revenues on the consolidated statements of operations. As a result of the adoption of ASC 842, the amounts disclosed in 2018 as base rentals, percentage rentals and expense reimbursements have been combined into rental revenues on the consolidated statements of operations to conform to the current year presentation. In addition, certain amounts previously included in expense reimbursements in 2018, which are not related to leases, have been reclassified to management, leasing and other services on the consolidated statements of operations. Also, uncollectible tenant revenues were previously recorded in general and and administrative expenses in 2018 and for the three and six months ended June 30, 2019 are recorded in rental revenues as a contra-revenue account. As a result of combining all components of a lease, all fixed contractual payments, including consideration received from certain executory costs, are now recognized on a straight-line basis. For the three and nine months ended September 30, 2019, we recorded an adjustment of $1.6 million and $4.9 million, respectively, in rental revenues in our consolidated statements of operations to record revenues from executory costs on a straight-line basis.

The table below provides details of the components included in rental revenues:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Rental revenues:				
Base rentals	$ 76,776	$ 81,418	$ 231,924	$ 240,542
Percentage rentals	3,413	3,210	6,996	6,666
Tenant expense reimbursements	33,214	34,743	101,741	106,003
Lease termination fees	127	70	1,526	1,134
Market rent adjustments	(221)	(615)	(771)	(1,639)
Straight-line rent adjustments	2,052	1,451	6,938	4,744
Uncollectible tenant revenues (1)	(311)	—	(965)	—
Rental revenues	$ 115,050	$ 120,277	$ 347,389	$ 357,450

(1) Uncollectible tenant revenues recorded in general and administrative expenses for the three and nine months ended September 30, 2018 were approximately $210,000 and $688,000, respectively.

Unconsolidated Joint Venture Information

The following table details certain information as of September 30, 2019, except for Net Operating Income ("NOI") which is for the nine months ended September 30, 2019, about various unconsolidated real estate joint ventures in which we have an ownership interest
(dollars in millions):

Joint Venture	Center Location	Tanger's Ownership %	Square Feet	Tanger's Share of Total Assets	Tanger's Share of NOI	Tanger's Share of Net Debt (1)
Charlotte	Charlotte, NC	50.0%	398,677	$ 40.0	$ 5.3	$ 49.8
Columbus	Columbus, OH	50.0%	355,245	40.0	3.9	42.5
Galveston/Houston	Texas City, TX	50.0%	352,705	20.7	3.2	39.9
National Harbor	National Harbor, MD	50.0%	341,156	42.1	3.7	47.2
RioCan Canada (2)	Various	50.0%	764,397	98.8	5.0	4.6
Total			**2,212,180**	**$ 241.6**	**$ 21.1**	**$ 184.0**

(1) Net of debt origination costs and premiums.

(2) Includes a 307,779 square foot outlet center in Cookstown, Ontario; a 357,213 square foot outlet center in Ottawa, Ontario; and a 99,405 square foot outlet center in Saint-Sauveur, Quebec. Tanger's share of NOI includes $172,000 for the Bromont, Quebec outlet center, which was sold in May 2019.

Debt Outstanding Summary
As of September 30, 2019
(dollars in thousands)

	Total Debt Outstanding	Our Share of Debt	Stated Interest Rate	End of Period Effective Interest Rate(1)	Maturity Date (2)	Weighted Average Years to Maturity (2)
Consolidated Debt:						
Unsecured debt:						
Unsecured lines of credit(3)	$ 4,100	$ 4,100	LIBOR + 0.875%	2.9 %	10/28/2022	3.1
2023 Senior unsecured notes	250,000	250,000	3.875%	4.1 %	12/1/2023	4.2
2024 Senior unsecured notes	250,000	250,000	3.75 %	3.8 %	12/1/2024	5.2
2026 Senior unsecured notes	350,000	350,000	3.125 %	3.2 %	9/1/2026	6.9
2027 Senior unsecured notes	300,000	300,000	3.875 %	3.9 %	7/15/2027	7.8
Unsecured term loan	350,000	350,000	LIBOR + 0.90%	2.5 %	4/22/2024	4.6
Net debt discounts and debt origination costs	(16,915)	(16,915)				
Total net unsecured debt	**1,487,185**	**1,487,185**		**3.5 %**		**5.8**
Secured mortgage debt:						
Atlantic City, NJ	31,769	31,769	5.14% - 7.65%	5.1 %	11/15/2021 - 12/8/2026	5.4
Southaven, MS	51,400	51,400	LIBOR + 1.80%	4.2 %	4/29/2023	3.6
Debt premium and debt origination costs	1,569	1,569				
Total net secured mortgage debt	**84,738**	**84,738**		**4.5 %**		**4.3**
Total consolidated debt	**1,571,923**	**1,571,923**		**3.5 %**		**5.7**
Unconsolidated JV debt:						
Charlotte	100,000	50,000	4.27 %	4.3%	7/1/2028	8.8
Columbus	85,000	42,500	LIBOR + 1.65%	3.7%	11/28/2021	2.2
Galveston/Houston	80,000	40,000	LIBOR + 1.65%	3.7%	7/1/2022	2.8
National Harbor	95,000	47,500	4.63 %	4.6%	1/5/2030	10.3
RioCan Canada	9,146	4,573	5.75 %	4.2%	5/10/2020	0.6
Debt premium and debt origination costs	(1,219)	(609)				
Total unconsolidated JV net debt	**367,927**	**183,964**		**4.1 %**		**6.1**
Total	**$ 1,939,850**	**$ 1,755,887**		**3.6 %**		**5.8**

(1) The effective interest rate includes the impact of discounts and premiums and interest rate swap agreements, as applicable. See page 19 for additional details.

(2) Includes applicable extensions available at our option.

(3) The Company has unsecured lines of credit that provide for borrowings of up to $600.0 million. The unsecured lines of credit include a $20.0 million liquidity line and a $580.0 million syndicated line. A 15 basis point facility fee is due annually on the entire committed amount of each facility. The syndicated line may be increased up to $1.2 billion through an accordion feature in certain circumstances.

Summary of Our Share of Fixed and Variable Rate Debt
As of September 30, 2019
(dollars in thousands)

	Total Debt %	Our Share of Debt	End of Period Effective Interest Rate	Average Years to Maturity [1]
Consolidated:				
Fixed [2]	99%	$ 1,558,859	3.5%	5.7
Variable	1%	13,064	9.4%	3.4
	100%	1,571,923	3.5%	5.7
Unconsolidated Joint ventures:				
Fixed	55%	$ 101,591	4.4%	9.1
Variable	45%	82,373	3.7%	2.4
	100%	183,964	4.1%	6.1
Total:				
Fixed	95%	$ 1,660,450	3.6%	6.1
Variable	5%	95,437	4.2%	2.5
Total share of debt	**100%**	**$ 1,755,887**	**3.6%**	**5.8**

(1) Includes applicable extensions available at our option.

(2) The effective interest rate includes interest rate swap agreements that fix the base LIBOR rate at a weighted average of 1.7% on notional amounts aggregating $390.0 million as follows:

- (a) Interest rate swaps entered into in December 2017 to hedge our variable interest rate exposure on notional amounts aggregating $150.0 million. These interest rate swap agreements fix the base LIBOR rate at an average of 2.2% from August 14, 2018 through January 1, 2021.
- (b) Interest rate swaps entered into in April 2016 to hedge our variable interest rate exposure on notional amounts aggregating $175.0 million. These interest rate swap agreements fix the base LIBOR rate at an average of 1.03% through January 1, 2021,
- (c) In March 2018, the consolidated joint venture that owns the Tanger outlet center in Southaven, Mississippi, entered into an interest rate swap, effective March 1, 2018, that fixed the base LIBOR rate at 2.5% on a notional amount of $40.0 million through January 31, 2021.
- (d) In June 2019, we entered into a forward starting interest rate swap agreement, effective July 1, 2019, that fixed the base LIBOR rate at 1.75% on a notional amount of $25.0 million through February 1, 2024.

Future Scheduled Principal Payments (dollars in thousands)[1]
As of September 30, 2019

Year	Tanger Consolidated Payments	Tanger's Share of Unconsolidated JV Payments	Total Scheduled Payments
2019	$ 860	$ 78	$ 938
2020	3,566	4,495	8,061
2021	5,793	42,500	48,293
2022[2]	8,536	40,000	48,536
2023	306,168	1,031	307,199
2024	605,140	1,636	606,776
2025	1,501	1,710	3,211
2026	355,705	1,788	357,493
2027	300,000	1,869	301,869
2028	—	46,944	46,944
2029 & thereafter	—	42,522	42,522
	$ 1,587,269	**$ 184,573**	**$ 1,771,842**
Net debt discounts and debt origination costs	(15,346)	(609)	(15,955)
	$ 1,571,923	**$ 183,964**	**$ 1,755,887**

(1) Includes applicable extensions available at our option.
(2) Includes principal balance of $4.1 million outstanding under the Company's unsecured lines of credit.

Senior Unsecured Notes Financial Covenants[1]
As of September 30, 2019

	Required	Actual	Compliance
Total Consolidated Debt to Adjusted Total Assets	<60%	48%	Yes
Total Secured Debt to Adjusted Total Assets	<40%	3%	Yes
Total Unencumbered Assets to Unsecured Debt	>150%	199%	Yes
Consolidated Income Available for Debt Service to Annual Debt Service Charge	>1.5	5.0	Yes

(1) For a complete listing of all debt covenants related to the Company's Senior Unsecured Notes, as well as definitions of the above terms, please refer to the Company's filings with the Securities and Exchange Commission.

NON-GAAP SUPPLEMENTAL MEASURES

Funds From Operations

Funds From Operations ("FFO") is a widely used measure of the operating performance for real estate companies that supplements net income (loss) determined in accordance with GAAP. We determine FFO based on the definition set forth by the National Association of Real Estate Investment Trusts ("NAREIT"), of which we are a member. In December 2018, NAREIT issued "NAREIT Funds From Operations White Paper - 2018 Restatement" which clarifies, where necessary, existing guidance and consolidates alerts and policy bulletins into a single document for ease of use. NAREIT defines FFO as net income/(loss) available to the Company's common shareholders computed in accordance with generally accepted accounting principles in the United States ("GAAP"), excluding (i) depreciation and amortization related to real estate, (ii) gains or losses from sales of certain real estate assets, (iii) gains and losses from change in control, (iv) impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity and (v) after adjustments for unconsolidated partnerships and joint ventures calculated to reflect FFO on the same basis.

FFO is intended to exclude historical cost depreciation of real estate as required by GAAP which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization of real estate assets, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income.

We present FFO because we consider it an important supplemental measure of our operating performance. In addition, a portion of cash bonus compensation to certain members of management is based on our FFO or Adjusted Funds From Operations ("AFFO"), which is described in the section below. We believe it is useful for investors to have enhanced transparency into how we evaluate our performance and that of our management. In addition, FFO is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is also widely used by us and others in our industry to evaluate and price potential acquisition candidates. We believe that FFO payout ratio, which represents regular distributions to common shareholders and unit holders of the Operating Partnership expressed as a percentage of FFO, is useful to investors because it facilitates the comparison of dividend coverage between REITs. NAREIT has encouraged its member companies to report their FFO as a supplemental, industry-wide standard measure of REIT operating performance.

FFO has significant limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- FFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- FFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and FFO does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate FFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, FFO should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or our dividend paying capacity. We compensate for these limitations by relying primarily on our GAAP results and using FFO only as a supplemental measure.

Adjusted Funds From Operations

We present AFFO as a supplemental measure of our performance. We define AFFO as FFO further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance. These further adjustments are itemized in the table below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating AFFO you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of AFFO should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present AFFO because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we believe it is useful for investors to have enhanced transparency into how we evaluate management's performance and the effectiveness of our business strategies. We use AFFO when certain material, unplanned transactions occur as a factor in evaluating management's performance and to evaluate the effectiveness of our business strategies, and may use AFFO when determining incentive compensation.

AFFO has limitations as an analytical tool. Some of these limitations are:

- AFFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- AFFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and AFFO does not reflect any cash requirements for such replacements;
- AFFO does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- Other companies in our industry may calculate AFFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, AFFO should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using AFFO only as a supplemental measure.

Funds Available for Distribution

Funds Available for Distribution ("FAD") is a non-GAAP financial measure that we define as FFO, excluding corporate depreciation, amortization of finance costs, amortization of net debt discount (premium), amortization of share-based compensation, straight-line rent amounts, market rent amounts, less 2nd generation tenant allowances, capital improvement expenditures, and our share of the items listed above for our unconsolidated joint ventures. Investors, analysts and the Company utilize FAD as an indicator of common dividend potential. The FAD payout ratio, which represents regular distributions to common shareholders and unit holders of the Operating Partnership expressed as a percentage of FAD, facilitates the comparison of dividend coverage between REITs.

We believe that net income (loss) is the most directly comparable GAAP financial measure to FAD. FAD does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (loss) as an indication of our performance or to cash flows as a measure of liquidity or our ability to make distributions. Other companies in our industry may calculate FAD differently than we do, limiting its usefulness as a comparative measure.

Portfolio Net Operating Income and Same Center Net Operating Income

We present portfolio net operating income ("Portfolio NOI") and same center net operating income ("Same Center NOI") as supplemental measures of our operating performance. Portfolio NOI represents our property level net operating income which is defined as total operating revenues less property operating expenses and excludes termination fees and non-cash adjustments including straight-line rent, net above and below market rent amortization, impairment charges and gains or losses on the sale of assets recognized during the periods presented. We define Same Center NOI as Portfolio NOI for the properties that were operational for the entire portion of both comparable reporting periods and which were not acquired, or subject to a material expansion or non-recurring event, such as a natural disaster, during the comparable reporting periods.

We believe Portfolio NOI and Same Center NOI are non-GAAP metrics used by industry analysts, investors and management to measure the operating performance of our properties because they provide performance measures directly related to the revenues and expenses involved in owning and operating real estate assets and provide a perspective not immediately apparent from net income, FFO or AFFO. Because Same Center NOI excludes properties developed, redeveloped, acquired and sold; as well as non-cash adjustments, gains or losses on the sale of outparcels and termination rents; it highlights operating trends such as occupancy levels, rental rates and operating costs on properties that were operational for both comparable periods. Other REITs may use different methodologies for calculating Portfolio NOI and Same Center NOI, and accordingly, our Portfolio NOI and Same Center NOI may not be comparable to other REITs.

Portfolio NOI and Same Center NOI should not be considered alternatives to net income (loss) or as an indicator of our financial performance since they do not reflect the entire operations of our portfolio, nor do they reflect the impact of general and administrative expenses, acquisition-related expenses, interest expense, depreciation and amortization costs, other non-property income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations. Because of these limitations, Portfolio NOI and Same Center NOI should not be viewed in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Portfolio NOI and Same Center NOI only as supplemental measures.

Non-GAAP Pro Rata Balance Sheet and Income Statement Information

The pro rata balance sheet and pro rata income statement information is not, and is not intended to be, a presentation in accordance with GAAP. The pro rata balance sheet and pro rata income statement information reflect our proportionate economic ownership of each asset in our portfolio that we do not wholly own. These assets may be found in the table earlier in this report entitled, "Unconsolidated Joint Venture Information." The amounts in the column labeled "Pro Rata Portion Unconsolidated Joint Ventures" were derived on a property-by-property basis by applying to each financial statement line item the ownership percentage interest used to arrive at our share of net income or loss during the period when applying the equity method of accounting. A similar calculation was performed for the amounts in the column labeled "Pro Rata Portion Noncontrolling interests."

We do not control the unconsolidated joint ventures and the presentations of the assets and liabilities and revenues and expenses do not represent our legal claim to such items. The operating agreements of the unconsolidated joint ventures generally provide that partners may receive cash distributions (1) quarterly, to the extent there is available cash from operations, (2) upon a capital event, such as a refinancing or sale or (3) upon liquidation of the venture. The amount of cash each partner receives is based upon specific provisions of each operating agreement and vary depending on factors including the amount of capital contributed by each partner and whether any contributions are entitled to priority distributions. Upon liquidation of the joint venture and after all liabilities, priority distributions and initial equity contributions have been repaid, the partners generally would be entitled to any residual cash remaining based on the legal ownership percentage shown in the table found earlier in this report entitled “Unconsolidated Joint Venture Information”.

We provide pro rata balance sheet and income statement information because we believe it assists investors and analysts in estimating our economic interest in our unconsolidated joint ventures when read in conjunction with the Company’s reported results under GAAP. The presentation of pro rata financial information has limitations as an analytical tool. Some of these limitations include:

- The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage determined when applying the equity method of accounting and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses; and
- Other companies in our industry may calculate their pro rata interest differently than we do, limiting the usefulness as a comparative measure.

Because of these limitations, the pro rata balance sheet and income statement information should not be considered in isolation or as a substitute for our financial statements as reported under GAAP. We compensate for these limitations by relying primarily on our GAAP results and using the pro rata balance sheet and income statement information only supplementally.

Reconciliation of Net Income to FFO and AFFO (dollars and shares in thousands)

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Net income (loss)	**$ 24,809**	**$ (23,031)**	**$ 105,107**	**$ 24,944**
Adjusted for:				
Depreciation and amortization of real estate assets - consolidated	29,451	32,237	91,149	96,841
Depreciation and amortization of real estate assets - unconsolidated joint ventures	3,058	3,466	9,453	10,020
Impairment charge - consolidated	—	49,739	—	49,739
Foreign currency loss from sale of joint venture property	—	—	3,641	—
Gain on sale of assets	—	—	(43,422)	—
FFO	**57,318**	**62,411**	**165,928**	**181,544**
FFO attributable to noncontrolling interests in other consolidated partnerships	—	—	(195)	278
Allocation of earnings to participating securities	(481)	(560)	(1,502)	(1,571)
FFO available to common shareholders [(1)]	**$ 56,837**	**$ 61,851**	**$ 164,231**	**$ 180,251**
As further adjusted for:				
Compensation related to executive officer retirement [(2)]	—	—	4,371	—
Impact of above adjustment to the allocation of earnings to participating securities	—	—	(35)	—
AFFO available to common shareholders [(1)]	**$ 56,837**	**$ 61,851**	**$ 168,567**	**$ 180,251**
FFO available to common shareholders per share - diluted[(1)]	**$ 0.58**	**$ 0.63**	**$ 1.68**	**$ 1.83**
AFFO available to common shareholders per share - diluted[(1)]	**$ 0.58**	**$ 0.63**	**$ 1.72**	**$ 1.83**

Weighted Average Shares:

	Three months 2019	Three months 2018	Nine months 2019	Nine months 2018
Basic weighted average common shares	92,514	93,109	92,999	93,349
Diluted weighted average common shares (for earnings per share computations)	**92,514**	**93,109**	**92,999**	**93,349**
Exchangeable operating partnership units	4,960	4,995	4,960	4,995
Diluted weighted average common shares (for FFO and AFFO per share computations)[(1)]	**97,474**	**98,104**	**97,959**	**98,344**

(1) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interests are exchanged for common shares of the Company. Each Class A common limited partnership unit is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status.

(2) Represents the accelerated recognition of compensation cost entitled to be received by the Company's President and Chief Operating Officer per the terms of a transition agreement executed in connection with his planned retirement.

Reconciliation of FFO to FAD (dollars and shares in thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
FFO available to common shareholders	**$ 56,837**	**$ 61,851**	**$ 164,231**	**$ 180,251**
Adjusted for:				
Corporate depreciation excluded above	652	613	1,860	1,826
Amortization of finance costs	749	748	2,246	2,280
Amortization of net debt discount (premium)	113	105	333	309
Amortization of equity-based compensation	3,571	3,769	14,371	10,814
Straight-line rent adjustments	(2,518)	(1,450)	(7,404)	(4,744)
Market rent adjustments	314	729	1,067	1,980
2nd generation tenant allowances	(9,121)	(3,262)	(15,171)	(11,588)
Capital improvements	(4,781)	(5,562)	(14,678)	(16,483)
Adjustments from unconsolidated joint ventures	(50)	(456)	(1,254)	(875)
FAD available to common shareholders (1)	**$ 45,766**	**$ 57,085**	**$ 145,601**	**$ 163,770**
Dividends per share	**$ 0.3550**	**$ 0.3500**	**$ 1.0600**	**$ 1.0425**
FFO payout ratio	**61%**	**56%**	**63%**	**57%**
FAD payout ratio	**76%**	**60%**	**71%**	**62%**
Diluted weighted average common shares (1)	**97,474**	**98,104**	**97,959**	**98,344**

(1) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interests are exchanged for common shares of the Company. Each Class A common limited partnership unit is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status.

Reconciliation of Net Income to Portfolio NOI and Same Center NOI for the consolidated portfolio (in thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Net income (loss)	**$ 24,809**	**$ (23,031)**	**$ 105,107**	**$ 24,944**
Adjusted to exclude:				
Equity in earnings of unconsolidated joint ventures	(2,329)	(1,833)	(5,604)	(6,233)
Interest expense	15,197	16,367	46,638	48,348
Gain on sale of assets	—	—	(43,422)	—
Other non-operating (income) expense	(227)	(261)	2,966	(661)
Impairment charge	—	49,739	—	49,739
Depreciation and amortization	30,103	32,850	93,009	98,667
Other non-property expenses	160	457	491	832
Corporate general and administrative expenses	12,265	10,521	41,032	32,223
Non-cash adjustments (1)	(1,729)	(702)	(5,829)	(2,707)
Lease termination fees	(127)	(70)	(1,526)	(1,134)
Portfolio NOI	**78,122**	**84,037**	**232,862**	**244,018**
Non-same center NOI (2)	(82)	(4,579)	(4,190)	(13,505)
Same Center NOI	**$ 78,040**	**$ 79,458**	**$ 228,672**	**$ 230,513**

(1) Non-cash items include straight-line rent, above and below market rent amortization, straight-line rent expense on land leases and gains or losses on outparcel sales, as applicable.

(2) Excluded from Same Center NOI:

Outlet centers sold:	
Nags Head, Ocean City, Park City, and Williamsburg	March 2019

Non-GAAP Pro Rata Balance Sheet Information as ofSeptember 30, 2019 (in thousands)

		Non-GAAP Pro Rata Portion Unconsolidated Joint Ventures (1)
Assets		
Rental property:		
Land	$	45,073
Buildings, improvements and fixtures		236,397
Construction in progress		2,457
		283,927
Accumulated depreciation		(63,429)
Total rental property, net		**220,498**
Cash and cash equivalents		8,211
Deferred lease costs and other intangibles, net		3,579
Prepaids and other assets		9,292
Total assets	**$**	**241,580**
Liabilities and Owners' Equity		
Liabilities		
Mortgages payable, net	$	183,964
Accounts payable and accruals		7,394
Total liabilities		**191,358**
Owners' equity		**50,222**
Total liabilities and owners' equity	**$**	**241,580**

(1) The carrying value of our investments in unconsolidated joint ventures as reported in our Consolidated Balance Sheet differs from our pro rata share of the net assets shown above due to adjustments to the book basis, including intercompany profits on sales of services that are capitalized by the unconsolidated joint ventures. The differences in basis totaled $3.9 million as of September 30, 2019 and are being amortized over the various useful lives of the related assets.

Non-GAAP Pro Rata Statement of Operations Informationyear to date September 30, 2019 (in thousands)

	Non-GAAP Pro Rata Portion	
	Noncontrolling Interests	Unconsolidated Joint Ventures
Revenues:		
Rental revenues	$ —	$ 34,631
Other revenues	—	413
Total revenues	**—**	**35,044**
Expense:		
Property operating	—	13,890
General and administrative	—	86
Depreciation and amortization	—	9,400
Total expenses	**—**	**23,376**
Other income (expense):		
Interest expense	—	(6,165)
Other income (expenses)	(195)	153
Total other income (expense)	**$ (195)**	**$ (6,012)**
Net income (loss)	**$ (195)**	**$ 5,656**

The table below provides details of the components included in our share of rental revenuesyear to date September 30, 2019 (in thousands)

	Non-GAAP Pro Rata Portion	
	Noncontrolling Interests	Unconsolidated Joint Ventures
Rental revenues:		
Base rentals	$ —	$ 19,608
Percentage rentals	—	1,605
Tenant expense reimbursements	—	12,770
Lease termination fees	—	301
Market rent adjustments	—	(52)
Straight-line rent adjustments	—	445
Uncollectible tenant revenues	—	(46)
Rental revenues	$ —	$ 34,631

Investor Information

Tanger Outlet Centers welcomes any questions or comments from shareholders, analysts, investment managers, media and prospective investors. Please address all inquiries to our Investor Relations Department.

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