

Credit rating report



C-Stores

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
76	ConocoPhillips	COP	A-	Stable	A2	Stable
7-Eleven	7-Eleven, Inc.	SVNDF	A	Negative	Baa2	Stable
Circle K / Kangaroo	Alimentation Couche-Tard	ANCUF	BBB	Stable	Baa2	Stable
Shell Oil	Shell Oil Company	SHEL	A	Stable	Aa3	Stable
Pilot Flying J	Pilot Travel Centers LLC	N/A	BB+	Stable	Ba1	Stable

Automotive

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
Advance Auto Parts	Advance Auto Parts, Inc.	AAP	BBB-	Stable	Baa2	Stable
AutoZone	AutoZone, Inc.	AZO	BBB	Stable	Baa1	Stable
Bridgestone / Firestone	Bridgestone Corporation	BRDCY	A	Stable	A2	Stable
O'Reilly Automotive	O'Reilly Automotive, Inc.	ORLY	BBB	Stable	Baa1	Stable
Pep Boys	Icahn Enterprises L.P.	IEP	BB	Stable	Ba3	Stable

Banks

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
Bank of America	Bank of America N.A.	BAC	A+	Positive	Aa2	Stable
BankUnited	BankUnited N.A.	BKU	NR	NR	Baa1	Stable
Truist	Truist Financial Corporation	BBT	A-	Positive	A2	Stable
BMO Harris Bank	BMO Harris Bank, N.A.	BMO	A+	Stable	A1	Stable
Chase Bank	JPMorgan Chase Bank U.S. N.A.	JPM	A+	Positive	Aa1	Stable
PNC Bank	PNC Bank N.A.	PNC	A	Positive	A2	Stable
TD Bank	TD Bank N.A.	TD	AA-	Stable	Aa2	Stable
Capital One Bank	Capital One N.A.	COF	BBB+	Stable	A3	Stable
M&T Bank	M&T Bank Corporation	MTB	BBB+	Stable	A3	Stable

Casual Dining

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
Carrabba's	Bloomin' Brands	BLMN	BB-	Stable	Ba3	Stable
Chili's	Brinker International	EAT	BB-	Negative	Ba3	Positive
Darden Restaurants	Darden Restaurants, Inc.	DRI	BBB	Stable	Baa2	Stable
Bonefish Grill	OSI Restaurant Partners	N/A	BB-	Stable	NR	NR

QSR

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
Arby's / Dunkin / Sonic	IRB Holding Corporation	N/A	B+	Stable	B2	Negative
Burger King	Restaurant Brands International, Inc.	QSR	BB	Stable	NR	NR
Dairy Queen	Berkshire Hathaway	BRK.A	AA	Stable	Aa2	Stable
McDonald's	McDonald's Corporation	MCD	BBB+	Stable	Baa1	Stable
Starbucks	Starbucks Corporation	SBUX	BBB+	Stable	Baa1	Stable
Taco Bell /KFC Pizza Hut	Yum! Brands, Inc.	YUM	BB+	Stable	Ba2	Stable
Wendy's	The Wendy's Company	WEN	B+	Stable	B3	Stable

Big Box

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
Bed Bath & Beyond	Bed Bath & Beyond, Inc.	BBBY	D	Negative	Ca	Stable
Best Buy	Best Buy Co, Inc.	BBY	BBB+	Stable	A3	Stable
BJ's	BJ's Wholesale Club, Inc.	N/A	BB+	Stable	Ba1	Stable
Costco	Costco Wholesale Corporation	COST	A+	Stable	Aa3	Stable
Kohl's	Kohl's Corporation	KSS	BB+	Stable	Ba1	Stable
Lowe's	Lowe's Companies, Inc.	LOW	BBB+	Stable	Baa1	Stable
Walmart	Walmart Inc.	WMT	AA	Stable	Aa2	Stable
Petco Animal Supplies	Petco Health and Wellness Co. Inc.	WOOF	B+	Stable	B1	Stable
TJ Maxx	TJX Companies	TJX	A	Stable	A2	Stable
The Home Depot	The Home Depot, Inc.	HD	A	Stable	A2	Stable
Nordstrom Rack	Nordstrom Inc.	JWN	BB+	Negative	Ba1	Stable
Ross	Ross Stores Inc.	ROST	BBB+	Stable	A2	Stable
Burlington	Burlington Stores Inc.	BURL	BB+	Stable	NR	NR
Target	Target Corporation	TGT	A	Stable	B1	Stable
PetSmart	PetSmart LLC	PETM	B+	Stable	B1	Stable

Grocery

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
Acme / Albertson's	Albertsons Companies Inc.	N/A	BB	Under Review	Ba2	Under Review
Delhaize	Delhaize America LLC	DEG	NR	NR	Baa1	Stable
Kroger	The Kroger Company	KR	BBB	Stable	Baa1	Negative
Wegmans	Wegmans Food Markets, Inc.	N/A	BBB+	Stable	NR	NR
Whole Foods	Whole Foods Market, Inc.	AMZN	AA-	Stable	A1	Stable

Dollar Store

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
Dollar General	Dollar General Corporation	DG	BBB	Stable	Baa2	Stable
Dollar Tree / Family	Dollar Tree, Inc.	DLTR	BBB	Stable	Baa3	Positive

Pharmacy

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
CVS	CVS Health Corporation	CVS	BBB	Stable	Baa2	Stable
Rite Aid	Rite Aid Corporation	RAD	CCC+	Stable	Caa2	Stable
Walgreens	Walgreens Boots Alliance, Inc.	WBA	BBB	Stable	Baa3	Negative

Medical

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
DaVita Dialysis	DaVita Inc.	DVA	BB	Negative	Ba3	Stable
Fresenius Medical	Fresenius Medical Care AG & Co. KGaA	FME	BBB-	Negative	Baa3	Stable

Fitness

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
24 Hour Fitness	24 Hour Fitness Worldwide, Inc.	N/A	CCC-	Negative	NR	NR
LA Fitness	Fitness International, LLC	N/A	B-	Positive	B3	Stable
Equinox	Equinox Holdings, Inc.	N/A	CCC-	Negative	Caa3	Negative

General

Tenant	Parent Company	Ticker1	S&P2	S&P Outlook	Moody's	Moody's Outlook
AT&T	AT&T Inc.	T	BBB	Stable	Baa2	Stable
Builders FirstSource	Builders FirstSource Inc. & Formerly ProBuild	BLDR	BB	Stable	Ba1	Stable
FedEx	FedEx Corporation	FDX	BBB	Stable	Baa2	Stable
Sherwin-Williams	The Sherwin-Williams Company	SHW	BBB	Stable	Baa2	Stable
Verizon	Verizon Communications, Inc.	VZ	BBB+	Stable	Baa1	Stable



Listed Unrated Tenants

The unrated tenants on this list are private companies whose shares are listed on the stock exchange.



Tenant	Ticker	Locations	Founded	Net Income	Market Cap	Comments
Aaron's	AAN	1,242	1955	\$610.40 million	\$451.09 million	Consolidated revenues were \$593.4 million in the third quarter of 2022 compared with \$452.2 million in the prior-year quarter.
Applebee's / IHOP / Fuzzy's Taco Shop (owned by Dine Brands Global)	DIN	3,624	2008	\$89.55 million	\$1.2 billion	Total revenues for the first nine months of 2022 were \$701.4 million compared to \$666.5 million for the first nine months of 2021.
Chipotle	CMG	3,182	1993	\$.90 billion	\$41.35 billion	The company plans to open between 255 and 285 new locations in 2023 and said last month it is looking to hire 15,000 workers by this spring. 2022 revenue was reported at \$2.18 billion.
Cracker Barrel	CBRL	665	1969	\$131.90 million	\$2.40 billion	The Company reported total revenue of \$830.4 million for the fourth quarter of fiscal 2022, representing an increase of 5.9% compared to the fourth quarter of fiscal 2021.
Napa Auto Parts (owned by Genuine Parts)	GPC	9,600	1925	\$898.79 million	\$24.94 billion	Reflected in Genuine Parts' financial statements, which saw net sales hit a record \$16.6 billion over the first three quarters of the year, an 18% increase from the same point one year ago, while earnings hit \$6.53 per share, a 47% gain.
Tractor Supply Co.	TSCO	2,003	1938	\$997.10 million	\$25.79 billion	Net sales for the fourth quarter of 2022 increased 20.7% to \$4.01 billion from \$3.32 billion in the fourth quarter of 2021. The fourth quarter included an extra sales week as part of the Company's 53-week calendar in 2022, which represented 6.8 percentage points of the 20.7% sales growth.

Unlisted Unrated Tenants

The unrated tenants on this list are private companies whose shares are not listed on the stock exchange.



Tenant	Locations	Founded	Comments
ALDI	1,900	1948	Owned by a German company who also owns Trader Joe's
Ashley Furniture	1,000	1970	No. 1 furniture retailer in the U.S.
Aspen Dental	800	1964	Owned by PE companies, American Securities, Leonard Green & Partners, and Ares Capital
Bass Pro Shops	177	1972	Merged with Cabela's in 2017
Bojangles'	757	1977	Acquired by Durational Capital Management and the Jordan Company
Captain D's	539	1969	Privately owned fast casual seafood chain
Chick-fil-A	2,400	1946	Has the highest sales per location of any QSR restaurant
Church's Chicken	1,500	1952	Private fast food chain with locations in 25 global markets
Giant Eagle	474	1931	One of the nation's largest food retailers and distributors with approximately \$8.9 billion in annual sales
Hardee's	1,944	1960	Owned by CKE Restaurants Holdings
Hobby Lobby	900	1972	One-stop-shop for craft supplies
PDQ	75	2011	Florida based fast-casual chain
Publix Super Markets	1,239	1930	The largest employee-owned grocery chain in the U.S.
RaceTrac	670	1934	Gas station and convenience store. 39th largest privately owned US company
Royal Farms	205	1959	Privately owned gas station and c-store. Actively expanding in Maryland, Delaware, Virginia, and Pennsylvania
Save Mart Companies	207	1952	Family-owned operating under: The Save Mart, S-Mart Foods, Lucky, Lucky California, FoodMaxx, and MaxxValue
Sheetz	600	1952	Family-owned and operated convenience stores open 24/7. 59th largest privately owned U.S. company
Steak 'n Shake	628	1934	Steak 'n Shake Operations, Inc. is a wholly owned subsidiary of Biglari Holdings Inc.
Tilted Kilt	47	2003	Privately owned Celtic-themed sports bar and franchise restaurant chain
Wawa	850	1964	Privately owned gas station and convenience stores. 25th largest privately owned U.S. company
Wegmans	101	1916	Privately owned supermarket chain
Zaxby's	900	1990	Fast-casual chicken chain headquartered in Athens, GA

Chart Rating Tiers

Moody's		S&P		FITCH		DBRS		TIER GRADE			
Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term				
Aaa	P-1	AAA	A-1+	AAA	F1+	AAA	R-1H	PRIME			
Aa1		AA+		AA+		AA(high)					
Aa2		AA		AA		AA	R-1M	HIGH GRADE			
Aa3		AA-		AA-		AA(low)					
A1	P-2	A+	A-1	A+	F1	A(high)	R-1L	UPPER MEDIUM GRADE			
A2		A		A		A					
A3		A-		A-		A(low)					
Baa1		BBB+		BBB+					R-2H		
Baa2	P-3	BBB	A-3	BBB	F3	BBB	R-2M	LOWER MEDIUM GRADE			
Baa3		BBB-		BBB-		BBB(low)	R-2L, R-3				
Ba1		BB+		BB+							
Ba2	Not prime	BB	B	BB	B	BB	R-4	NON-INVESTMENT GRADE SPECULATIVE			
Ba3		BB-		BB-		BB(low)					
B1		B+		B+		B(high)					
B2		B		B		B					
B3		B-		B-		B(low)					
Caa1		CCC+		C		CCC			C	C	CCC
Caa2	CCC	CCC									
Caa3	CCC-	CCC(low)									
Ca	CC	CC	CC		CC						
	C	CC	CC		CC		CC				
		CC	CC		CC		CC				
		C	C	C	C						
C	D	/	DDD	/	D	D	D	IN DEFAULT			
			DD								
			D								

Global Corporate Average Cumulative Default Rates

		Years														
S&P	Moody's	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
AAA	Aaa	0.00	0.03	0.13	0.24	0.34	0.45	0.50	0.58	0.64	0.79	0.72	0.75	0.78	0.83	0.89
AA+	Aa1	0.00	0.05	0.05	0.09	0.14	0.19	0.25	0.30	0.35	0.41	0.46	0.52	0.58	0.64	0.70
AA	Aa2	0.02	0.06	0.11	0.20	0.130	0.40	0.48	0.55	0.62	0.68	0.74	0.80	0.86	0.91	0.96
AA-	Aa3	0.03	0.08	0.16	0.23	0.30	0.40	0.46	0.51	0.55	0.60	0.66	0.71	0.73	0.77	0.81
A+	A1	0.05	0.08	0.18	0.30	0.39	0.48	0.58	0.68	0.80	0.93	1.04	1.17	1.31	1.47	1.62
A	A2	0.05	0.13	0.21	0.32	0.44	0.57	0.73	0.87	1.01	1.15	1.28	1.40	1.52	1.63	1.76
A-	A3	0.05	0.15	0.24	0.34	0.48	0.63	0.83	0.98	1.10	1.20	1.30	1.42	1.54	1.65	1.74
BBB+	Baa1	0.09	0.25	0.45	0.64	0.85	1.09	1.28	1.49	1.75	1.99	2.21	2.36	2.53	2.75	2.98
BBB	Baa2	0.15	0.41	0.72	1.09	1.48	1.85	2.18	2.50	2.80	3.10	3.40	3.64	3.86	4.09	4.34
BBB-	Baa3	0.23	0.66	1.23	1.87	2.53	3.13	3.63	4.10	4.48	4.83	5.20	5.52	5.81	6.26	6.60
BB+	Ba1	0.31	0.94	1.69	2.44	3.19	3.95	4.59	5.06	5.62	6.18	6.57	7.03	7.50	7.85	8.39
BB	Ba2	0.60	1.88	3.35	4.81	6.19	7.47	8.57	9.56	10.45	11.24	11.90	12.52	13.09	13.57	14.08
BB-	Ba3	0.92	2.86	4.89	6.97	8.79	10.54	12.02	13.41	14.53	15.48	16.22	16.96	17.67	18.34	18.97
B+	B1	1.94	5.31	8.64	11.48	13.73	15.46	17.02	18.37	19.60	20.73	21.70	22.39	23.13	23.80	24.45
B	B2	3.18	7.46	11.26	14.30	16.67	18.59	20.10	21.34	22.45	23.50	24.40	25.10	25.75	26.35	26.92
B-	B3	5.89	12.59	17.88	21.56	24.26	26.23	27.69	28.84	29.65	30.34	31.41	32.10	32.71	33.34	33.77
CCC/C	Caa1/Ca	26.55	36.74	41.80	44.74	46.91	47.95	49.08	49.82	50.48	51.05	51.49	51.92	52.45	52.91	52.97

Investment Grade	0.08	0.23	0.40	0.61	0.83	1.05	1.26	1.45	1.63	1.81	1.98	2.13	2.27	2.40	2.55
Speculative Grade	3.60	6.97	9.86	12.23	14.16	15.75	17.06	18.16	19.14	20.04	20.80	21.44	22.05	22.58	23.09
All Rated	1.50	2.93	4.17	5.22	6.10	6.83	7.45	7.97	8.43	8.86	9.23	9.54	9.84	10.10	10.36

Source: S&P

Let's connect.

Jonathan Hipp
Principal, Head of U.S. Net Lease Group
D 703 787 4725
C 571 926 2009
jonathan.hipp@avisonyoung.com

SUBSCRIBE

**AVISON
YOUNG**