



ACADEMY **DISTRIBUTION** CENTER

OPPORTUNITY SUMMARY



THE OFFERING

Jones Lang LaSalle (“JLL”) has been exclusively retained to offer qualified investors the opportunity to acquire the Academy Distribution Center (the “Property”), a 1.86 million square foot Class A, mission-critical distribution center conveniently situated in close proximity to every major metropolitan area in the Southeast. With 36’ clear heights and 200 interior dock doors, the Property represents the industry standard for distribution in the Southeast and is one of Academy’s primary distribution centers. Built in 2008, the Property was expanded approximately 600,000 square feet in 2013 per the Tenant’s request as they needed more capacity in this rapidly-growing region. Located in the Macon Metro Area, an MSA with around 230,000 people (the 5th largest MSA in GA), and in a CSA of over 420,000 people (the 4th largest in the state), the Property’s site provides it direct access to Atlanta (9th largest MSA in the US), Savannah (the largest single-terminal facility of its kind in North America and fastest growing port in the country), and other markets in the Southeast. The Property sits in a key midpoint between the thriving markets of Atlanta and Savannah.

Academy Distribution Center is 100% leased to Academy Ltd. on an absolute NNN lease. Academy is a sports, outdoor and lifestyle retailer with a broad assortment of hunting, fishing and camping equipment along with sports and leisure products, footwear and apparel. The Company operates 253 stores across 16 states and employs more than 23,000 team members. The Company generated approximately \$5.7 billion of revenues for the twelve months ended February 2, 2021. Academy has been controlled by an affiliate of Kohlberg Kravis Roberts & Co. LP (“KKR”) since 2011. Academy began offering public shares in October 2020 and is currently traded on the Nasdaq. The pricing of its initial public offering of 15.625MM shares was \$13 per share. The Company priced a secondary offering of common stock (and concurrent share repurchase) in May 2021 at \$32 per share. KKR retained approximately 55% ownership after the IPO. Since the IPO, Academy’s shares have nearly tripled and have produced a total return from the offering price of ~181%.

1.86M

**SQUARE-FOOT CLASS A
DISTRIBUTION CENTER**

100%

**LEASED TO
ACADEMY LTD.
(NASDAQ: ASO)**

OVERVIEW

Address	1 Academy Drive, Jeffersonville GA (Metro Macon)
Year Built	2008/2013
Rentable Building Area	1,861,086 SF
Office Space	22,333 SF (1.2% Office)
Warehouse/ Distribution	1,838,753 (98.8% W/D)
Clear Height	36'
Construction Type	Reinforced Concrete
Dock Doors	200 Interior Doors
Drive-Ins	2 Drive-in
Parking (auto/ trailer)	587 Cars & 399 Trucks
Acres	136 acres
Tenant	Academy Ltd.

INVESTMENT HIGHLIGHTS

BEST-IN-CLASS INDUSTRIAL FACILITY

Academy Distribution Center offers investors a chance to acquire best in class industrial product in a strategic midpoint between Atlanta and Savannah. The state-of-the-art distribution center is one of only three in the country and employs a unique inventory management system. This system uses some of the most advanced warehousing products in the industry to keep inventory stocked in all 253 stores and maintain the Company's "never out" commitment on key products.

LONG-TERM ABSOLUTE NET LEASE

The absolute triple net lease has over 17 years of term remaining and is a highly passive lease with the tenant responsible for all operating expenses, taxes, insurance, maintenance and capital expenditures, limited landlord exposure to additional capital risk. Furthermore, due to the contractual annual rent escalations of 2%, the Property offers investors the opportunity to capitalize on the growing and reliance cash flow and increasingly attractive unlevered cash-on-cash yields.

MISSION CRITICAL FACILITY

Academy has only three distribution centers to serve all their 253 stores (the other two located in Katy, TX and Cookeville, TN).. Each distribution center can only service up to 110 locations. Thus, with over 250 locations, Academy would not be able to cover their current store footprint without this strategic asset. Furthermore, this Property is the distribution center for all Academy's e-Commerce. **E-Commerce is a central pillar in the Company's plan for future growth, which means this Property will continue to be a mission-critical asset to the Company.**

ENTRENCHED TENANCY

The Property was built by the Tenant in order to best serve its stores and customers, and the Tenant has demonstrated its commitment to this location through the expansion and other capital improvements. The site was picked both due to high economic benefits granted by Twiggs County and the central location at the intersection of Interstate Highway 16 and US Highway 96, which puts it within a one-day's drive to the 68 retail stores the distribution center serves. The Tenant built out the Property to its specifications, particularly with the advanced warehousing infrastructure that allow the Company to keep its retail inventory effectively stocked, which results in stores with the highest per-store sales numbers in the industry.

ACADEMY'S STRONG AND IMPROVING CREDIT PROFILE

The Company raised over \$200MM in its initial public offering in October 2020 and is currently traded on the Nasdaq under the ticker ASO. Since the IPO, Academy's shares have nearly tripled. As a result of the IPO, Academy has recast its balance sheet over the past year, utilizing its strong sales results to reduce overall leverage. Academy used its robust FCF generation to delever considerably in 2020. Management has indicated that it will continue to delever the balance sheet for the foreseeable future. On the operations side, in 2020, Academy notably grew share and brand recognition in non-legacy markets, which should drive a higher run-rate sales base in these geographies. The Company gained over 3MM new customers and deepened its relationships with existing customers. Since 2019, the Company's pretax income has increased 767% and e-Commerce sales have increased 300%, highlighting both the Company's and the omnichannel platform's profitability.



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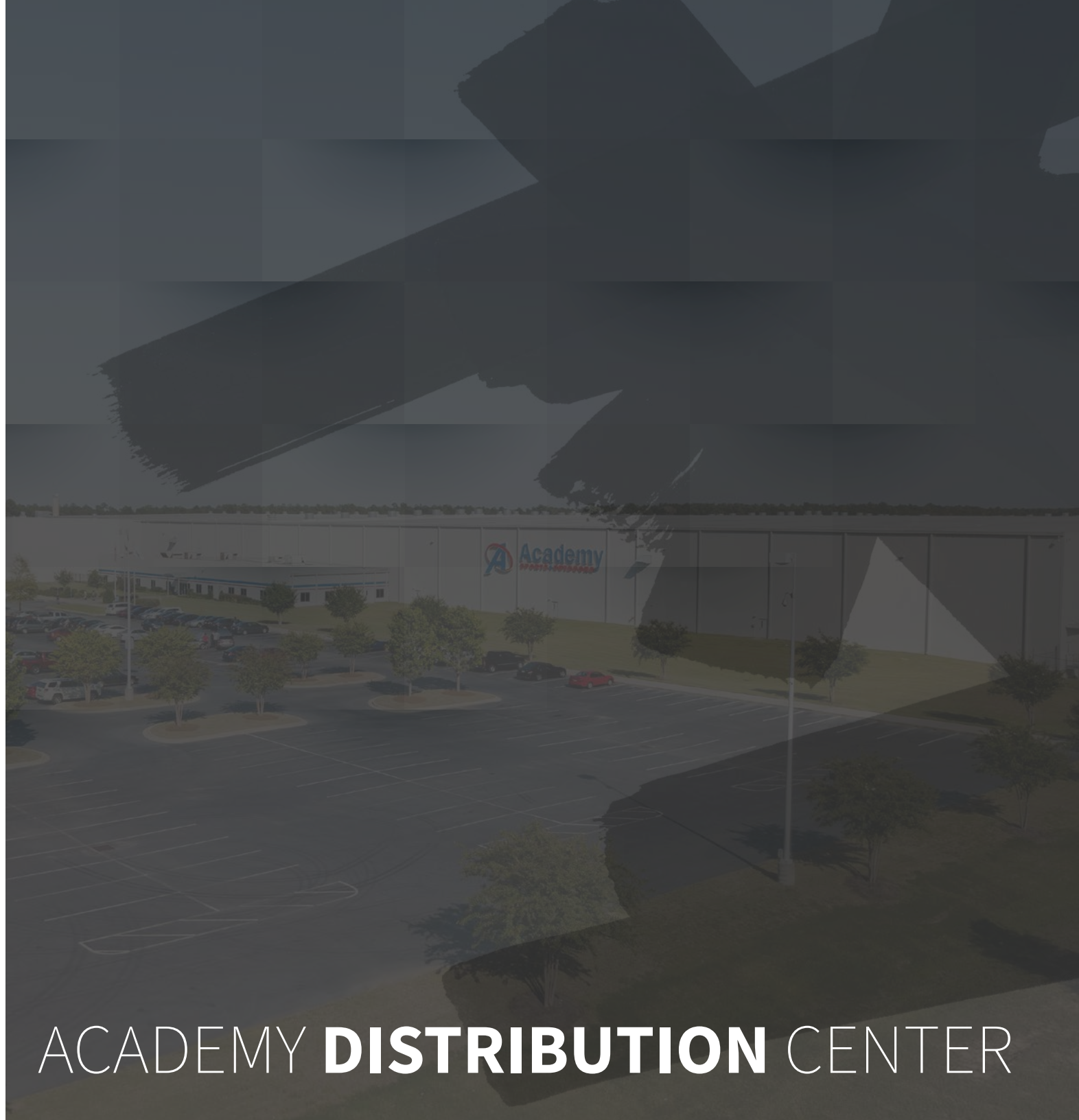
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