

WEINGARTEN REALTY INVESTORS /TX/  
Form 10-Q  
May 03, 2019  
Table of Contents

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

FORM 10-Q  
(Mark One)

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

For the quarterly period ended March 31, 2019

or

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

For the transition period from [ ] to [ ]

Commission file number 1-9876

Weingarten Realty Investors

(Exact name of registrant as specified in its charter)

TEXAS

74-1464203

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

2600 Citadel Plaza Drive

P.O. Box 924133

Houston, Texas

77292-4133

(Address of principal executive offices)

(Zip Code)

(713) 866-6000

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of Each Class	Trading Symbols	Name of Each Exchange on Which Registered
Common Shares of Beneficial Interest, \$.03 par value	WRI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES/NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES/NO

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Emerging growth company

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

Exchange Act. "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES  NO

As of April 26, 2019, there were 128,646,150 common shares of beneficial interest of Weingarten Realty Investors, \$.03 par value, outstanding.

---

Table of Contents

TABLE OF CONTENTS

PART I.	Financial Information:	Page Number
Item 1.	<u>Financial Statements (unaudited):</u>	
	<u>Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2019 and 2018</u>	<u>3</u>
	<u>Condensed Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2019 and 2018</u>	<u>4</u>
	<u>Condensed Consolidated Balance Sheets as of March 31, 2019 and December 31, 2018</u>	<u>5</u>
	<u>Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2019 and 2018</u>	<u>6</u>
	<u>Condensed Consolidated Statements of Equity for the Three Months Ended March 31, 2019 and 2018</u>	<u>7</u>
	<u>Notes to Condensed Consolidated Financial Statements</u>	<u>8</u>
Item 2.	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>28</u>
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>42</u>
Item 4.	<u>Controls and Procedures</u>	<u>42</u>
PART II.	Other Information:	
Item 1.	<u>Legal Proceedings</u>	<u>42</u>
Item 1A.	<u>Risk Factors</u>	<u>42</u>
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>42</u>
Item 3.	<u>Defaults Upon Senior Securities</u>	<u>43</u>
Item 4.	<u>Mine Safety Disclosures</u>	<u>43</u>
Item 5.	<u>Other Information</u>	<u>43</u>
Item 6.	<u>Exhibits</u>	<u>43</u>
	<u>Signatures</u>	<u>44</u>
		<u>45</u>

Exhibit  
Index

2

---

Table of Contents

## PART I-FINANCIAL INFORMATION

## ITEM 1. Financial Statements

## WEINGARTEN REALTY INVESTORS

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2019	2018
Revenues:		
Rentals, net	\$119,826	\$129,148
Other	3,312	3,304
Total Revenues	123,138	132,452
Operating Expenses:		
Depreciation and amortization	33,972	38,095
Operating	24,248	23,270
Real estate taxes, net	16,131	17,639
Impairment loss	74	—
General and administrative	9,581	5,595
Total Operating Expenses	84,006	84,599
Other Income (Expense):		
Interest expense, net	(15,289 )	(14,672 )
Interest and other income (expense)	4,384	1,533
Gain on sale of property	17,787	109,045
Total Other Income	6,882	95,906
Income Before Income Taxes and Equity in Earnings of Real Estate Joint Ventures and Partnerships	46,014	143,759
Provision for Income Taxes	(177 )	(783 )
Equity in Earnings of Real Estate Joint Ventures and Partnerships, net	5,417	5,993
Net Income	51,254	148,969
Less: Net Income Attributable to Noncontrolling Interests	(1,588 )	(2,145 )
Net Income Attributable to Common Shareholders	\$49,666	\$146,824
Earnings Per Common Share - Basic:		
Net income attributable to common shareholders	\$.39	\$1.15
Earnings Per Common Share - Diluted:		
Net income attributable to common shareholders	\$.39	\$1.13
See Notes to Condensed Consolidated Financial Statements.		

Table of ContentsWEINGARTEN REALTY INVESTORS  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

(In thousands)

	Three Months Ended March 31,	
	2019	2018
Net Income	\$51,254	\$148,969
Cumulative effect adjustment of new accounting standards	—	(1,541 )
Other Comprehensive Income (Loss):		
Net unrealized gain on derivatives	—	1,379
Reclassification adjustment of derivatives and designated hedges into net income	(219 )	(3,633 )
Retirement liability adjustment	288	271
Total	69	(1,983 )
Comprehensive Income	51,323	145,445
Comprehensive Income Attributable to Noncontrolling Interests	(1,588 )	(2,145 )
Comprehensive Income Adjusted for Noncontrolling Interests	\$49,735	\$143,300
See Notes to Condensed Consolidated Financial Statements.		

Table of Contents

WEINGARTEN REALTY INVESTORS  
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except per share amounts)

	March 31, 2019	December 31, 2018
ASSETS		
Property	\$4,104,795	\$4,105,068
Accumulated Depreciation	(1,118,217 )	(1,108,188 )
Property, net *	2,986,578	2,996,880