CoreCivic

Investor Overview

Second Quarter 2019

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CoreCivic Operates at the Intersection of Government and Real Estate

CoreCivic is a diversified government-solutions REIT with the scale and differentiated expertise to solve the tough challenges that governments face in flexible, cost-effective ways.

Providing a broad range of solutions to government partners through three segments

Safety	Properties	Community
CoreCivic's historical core business, addresses the need for correctional facilities, including programming, recreational, courts, and administrative spaces	Leases mission-critical real estate to government tenants	Completes spectrum of correctional services by providing needed residential reentry facilities and non-residential services primarily to states and localities
EST. 1983	***EST. 2012***	***EST. 2013***

Prioritizes returning capital to shareholders

Dividend yield of

Increased Q1 2019 **10.6%** *69% AFFO Payout Ratio [2]*

as of August 23, 2019

Significantly above the FTSE NAREIT All Equity REITs avg. of ***3.75%*** as of June 30, 2019[1]

Experiencing Strong Year-over-Year Growth

	Year Ended December 31, 2018	Full Year 2019 Guidance[3] Low-End	High-End	YOY % Growth
Diluted EPS	$ 1.34	$ 1.56	$ 1.60	16%-19%
Adjusted Diluted EPS[3]	$ 1.45	$ 1.68	$ 1.72	16%-19%
Normalized FFO per diluted share[3]	$ 2.31	$ 2.58	$ 2.62	12%-13%
AFFO per diluted share[3]	$ 2.19	$ 2.53	$ 2.57	16%-17%
Adjusted EBITDA[3] *(in $ 000s)*	$ 395,952	$ 440,100	$ 443,850	11%-12%

1. *NAREIT REITWatch: July 2019*
2. *Based on mid-point of 2019 guidance. See Appendix.*
3. *Refer to the Appendix section for a reconciliation of these non-GAAP amounts to the per share amounts as reported under generally accepted accounting principles*

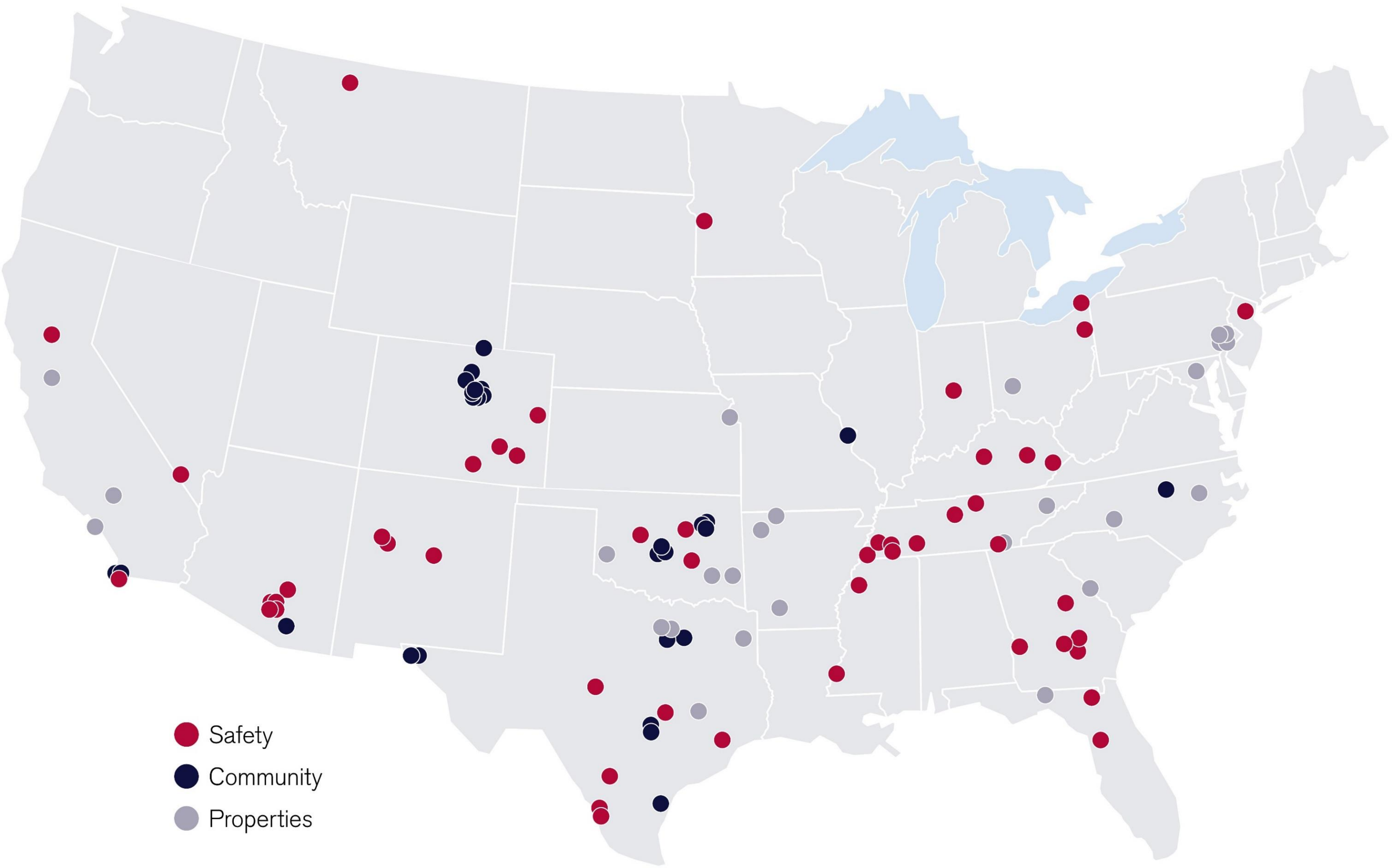
CoreCivic's Business Segments are Complementary

	Safety	Properties	Community
Customers	Government tenants ✓	✓	✓
2019 Business Mix(1) *(% of NOI)*	85%	10%	5%
Year-over-Year NOI Growth(1)	+ 8.3%	+ 56.4%	+ 28.9%
Industry Trends	Increasing demand from USMS & ICE, growing state prison infrastructure needs	Government entities require purpose-built facilities, find leasing property grants them added flexibility	States and localities place high value on providing alternatives to incarceration and reducing recidivism
Value Proposition	Critical infrastructure without available alternative capacity, flexible solutions tailored to government partners' needs	Facility design, construction and maintenance expertise. More efficient process for developing needed solutions	Broad rehabilitative expertise to deliver customized and flexible program offering, includes critical infrastructure
Core Competency	Ability to develop unique real estate solutions for government partners		

1. *Based on financial results for the six months ended June 30, 2019 and June 30, 2018*

Largest Private Owner of Real Estate Utilized by Government Agencies

Own 17M+ square feet of real estate used by government



SAFETY

- **14.7M** square feet
- **72,833** correctional/detention beds
- **85%** NOI in the second quarter of 2019
- **Currently activating 2 previously idle facilities**, representing **2,332** beds
- **512 bed expansion** near completion at the Otay Mesa Detention Center
- **6** remaining idle facilities, including **7,482** beds available for growth opportunities

PROPERTIES

- **2.3M** square feet
- **10%** NOI in the second quarter of 2019
- **400,544 sq. ft.** correctional facility under construction, opening in Q1 2020 and leased to Kansas Department of Corrections
- Large pipeline of M&A targets available in the market

COMMUNITY

- **0.7M** square feet
- **5,274** community corrections beds
- **5%** NOI in the second quarter of 2019
- **2nd Largest** community corrections provider

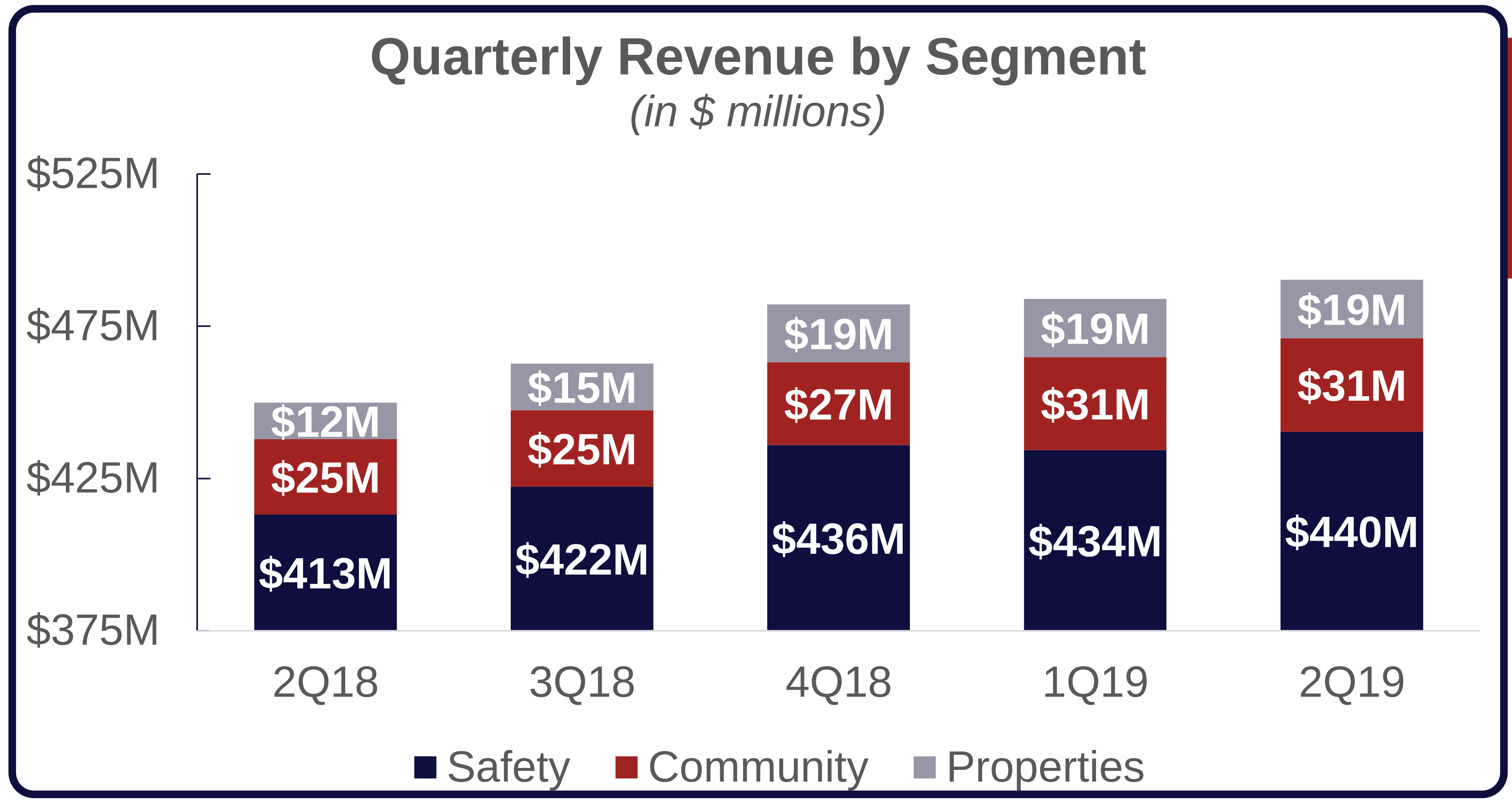
Investment Thesis

- Leader in government real estate solutions, with differentiated deal-origination and property management capabilities
- Complementary segment assets and operating strategies, combined with deep industry expertise, deliver stable cash flows
- Strong fundamentals driving revenue and cash flow growth, with multiple paths for additional organic growth
- Balance sheet conservatively positioned to support strategy and return cash to shareholders
- Strong and durable demand from government partners due to essential, mission-critical infrastructure and services along with a lack of viable alternative infrastructure
- Unprecedented corrections-industry commitment to rehabilitation and ESG transparency with the right leadership team to deliver life-changing rehabilitation and differentiated real estate solutions

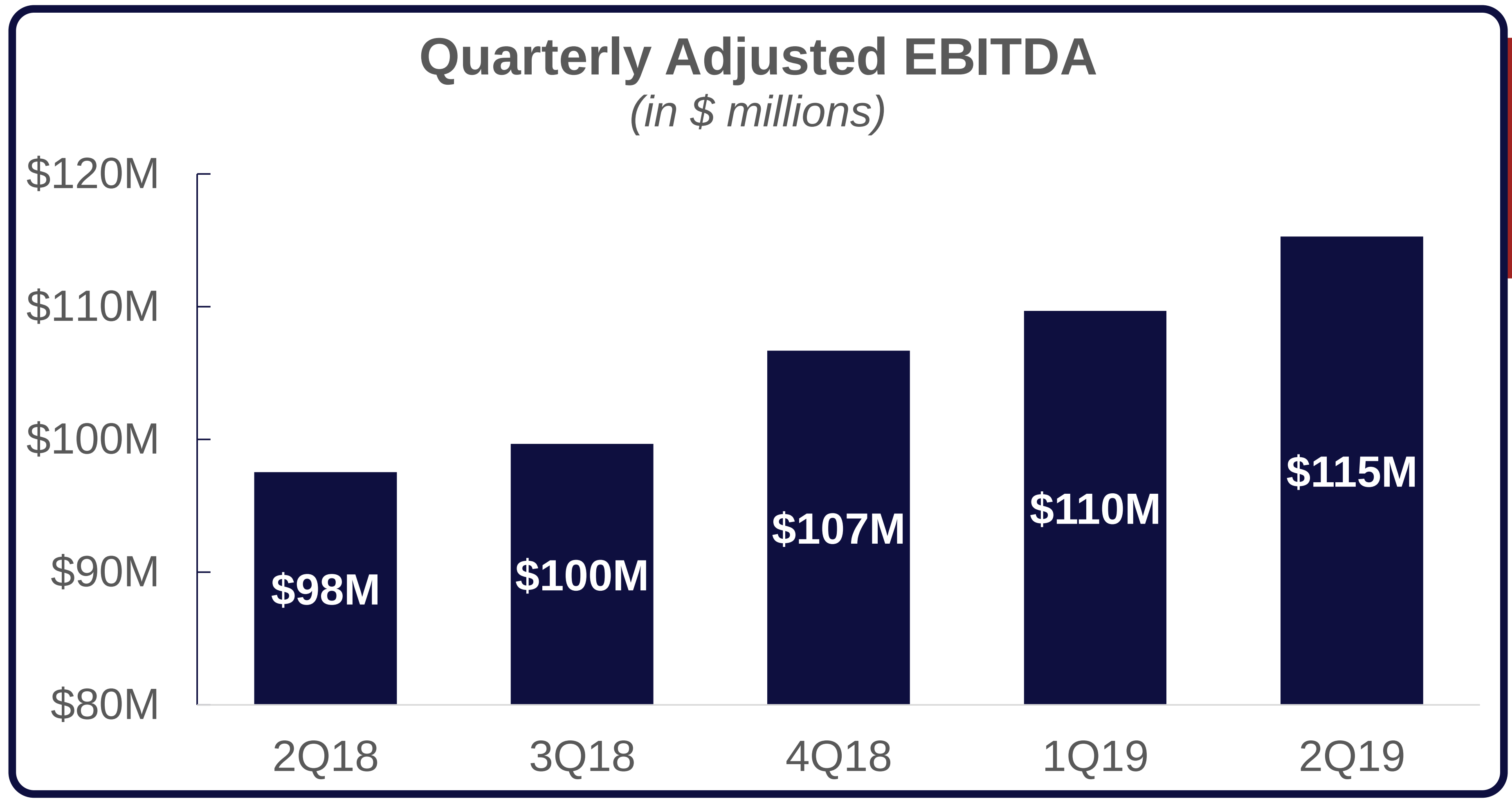
Well-positioned to be the core solutions provider at the intersection of government and real estate, delivering better outcomes than we believe government can on its own

Strong Fundamental Growth of CoreCivic[(1)]

- Q2 2019 revenue growth from 7 new federal and state contracts awarded and activated since the beginning of 2018
- Activating 2 previously idled facilities for additional new contracts, representing 2,332 beds, which are expected to reach normalized occupancy by year end 2019
  - ➢ Activation to positively impact cash flows in 2020
  - ➢ Full utilization represents a 300 basis point improvement in portfolio-wide occupancy and adding $60-$70 million of annualized revenue
- 512-bed expansion of Otay Mesa Detention Center expected to be completed in the fourth quarter of 2019
  - ➢ Additional capacity expected to contribute to cash flow growth in 2020



9% year-over-year revenue growth



18% year-over-year Adj. EBITDA growth

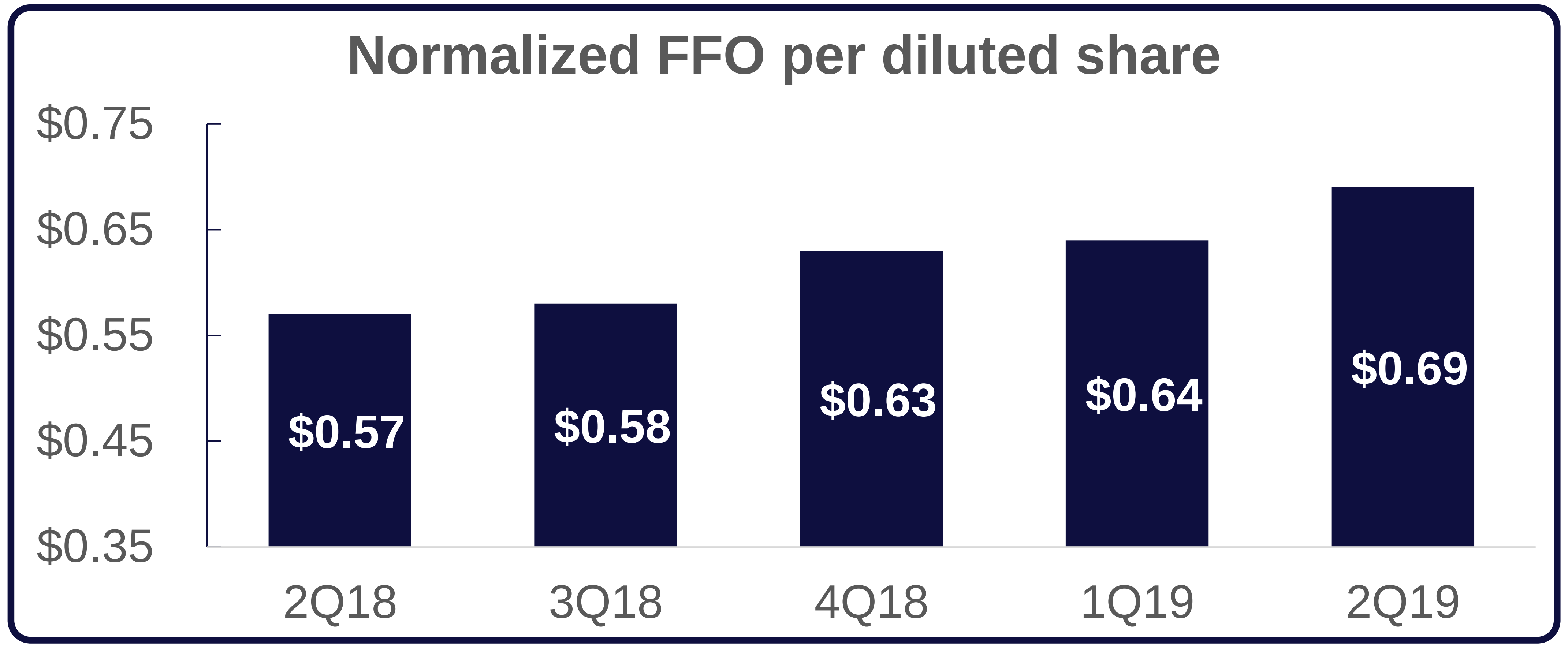
(1) Refer to the Appendix section for a reconciliation of these non-GAAP amounts to the per share amounts as reported under generally accepted accounting principles.

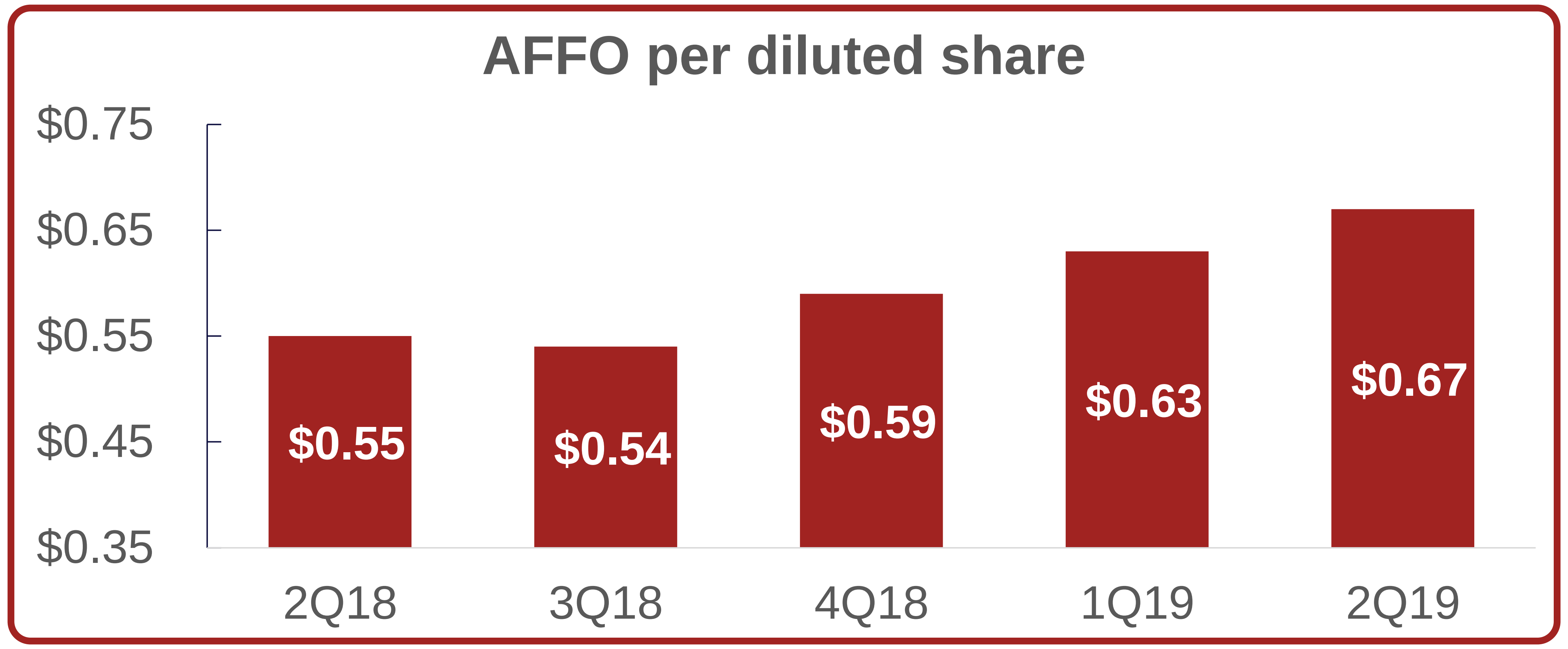
Revenue Growth Materializing in Cash Flow Growth(1)

Q2 2019 revenue growth of 9% compared with the prior year quarter has been leveraged into strong double-digit growth in Normalized FFO and AFFO per share

Q2 2019 Results

- Normalized FFO - $0.69 per share, a 21% year-over-year increase
- AFFO - $0.67 per share, a 22% year-over-year increase





(1) Refer to the Appendix section for a reconciliation of these non-GAAP amounts to the per share amounts as reported under generally accepted accounting principles.

New Contract Awards Drive Current and Future Growth

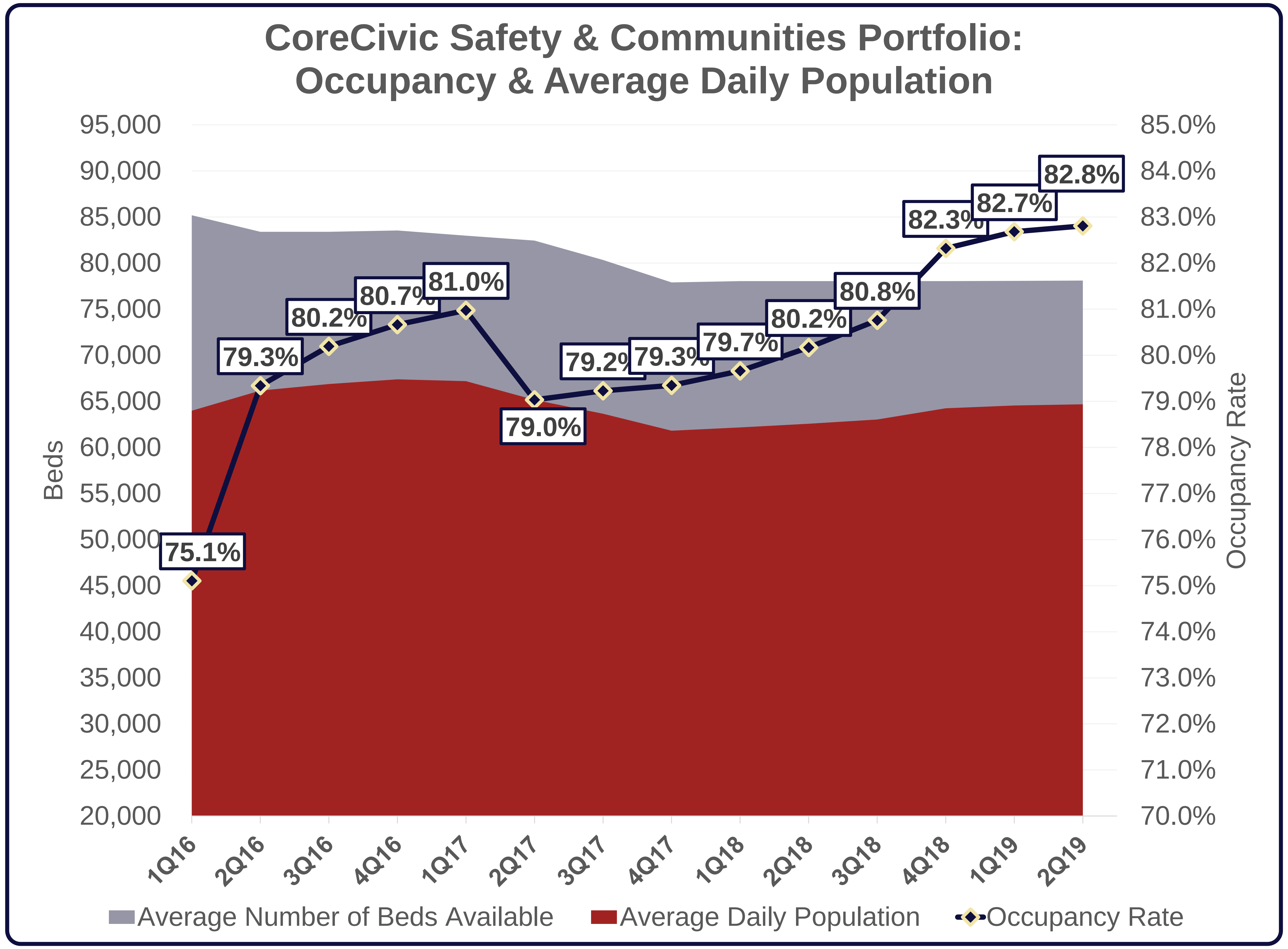
Date	Details
August 2019	Immigration and Customs Enforcement (ICE) enters into a new contract to house adult detainees at our 2,232-bed Adams County Correctional Center
August 2019	The state of Kansas enters into a new contract to house up to 600 offenders initially at our 1,896-bed Saguaro Correctional Facility in Arizona and other facilities by mutual agreement
May 2019	The U.S. Marshals Service (USMS) enters into a new contract to house inmates at our 1,422-bed Eden Detention Center in Texas
May 2019	Immigration and Customs Enforcement (ICE) enters into a new contract to house adult detainees at our 910-bed Torrance County Detention Facility in New Mexico
September 2018	The state of Vermont enters into a new contract to house up to 350 offenders at our 2,672-bed Tallahatchie County Correctional Facility in Mississippi
July 2018	ICE enters into a new contract to house adult detainees at our 3,060-bed La Palma Correctional Center in Arizona
June 2018	USMS enters into a new contract to house up to 1,350 offenders at our Tallahatchie County Correctional Facility
June 2018	The state of South Carolina enters into a new contract to house up to 48 offenders at our Tallahatchie County Correctional Facility
April 2018	Accepted approximately 100 offenders from the state of Wyoming at our Tallahatchie County Correctional Facility under an out-of-state contract not used since 2010
November 2017	The Commonwealth of Kentucky enters into a new contract for our 816-bed Lee Adjustment Center, reactivating a facility that was idled in 2015
April 2017	The state of Ohio enters into a new contract to house up to 996 offenders at our 2,016-bed Northeast Ohio Correctional Center

These 11 new contracts, awarded or activated since the start of 2018, represent a total of 11,884 beds across 8 CoreCivic facilities

New Contracts Leading to Increased Portfolio Occupancy

New state and federal contracts have materially improved occupancy since 2016, with ample additional capacity to meet future government needs

- Facility activation at Eden and Torrance expected to increase occupancy another 300 bps by the end of 2019
- Improved overall facility utilization despite 1150 basis point occupancy headwind (~8,600 beds) due to reduced demand from California and the Federal Bureau of Prisons since the beginning of 2016



Organic Growth Opportunity from Idle Correctional Capacity

As of June 30, 2019: 6 idle prison and detention facilities, including 7,482 beds

- **Currently Activating 2 Facilities**:
  - New federal contracts awarded in May 2019
  - Total of 2,332 previously idle beds in activation, normalizing operations in Q4 2019
- **Outlook**:
  - Strong pipeline of additional federal and state opportunities
  - Little to no capital deployment necessary
  - Available capacity is a competitive advantage vs. construction timeline for new facility

Facility	State	Design Capacity	Date Idled
Eden Detention Center	TX	1,422	*ACTIVATION IN PROGRESS*
Torrance County Detention Facility	NM	910	*ACTIVATION IN PROGRESS*
Total Previously Idle Beds in Activation		**2,332**	
Prairie Correctional Facility	MN	1,600	2010
Huerfano County Correctional Center	CO	752	2010
Diamondback Correctional Facility	OK	2,160	2010
Southeast Kentucky Correctional Facility	KY	656	2012
Marion Adjustment Center	KY	826	2013
Kit Carson Correctional Center	CO	1,488	2016
Total Idle Beds Not Currently Under Contract		**7,482**	

Utilizing available Safety and Community beds up to standard operating capacity could generate up to $0.85 of additional annualized EPS and AFFO per share[(1)]

1. *Refer to Appendix Section of this presentation for calculation and assumptions*

Growth from Replacing Outdated Prison Infrastructure

- Core competency: Efficient builders of essential infrastructure
  - ➢ There is an overwhelming criminal justice infrastructure need across the country
  - ➢ Our industry-first partnership to develop replacement correctional facility for Kansas is scheduled for completion in January 2020
- Additional $15-$20 billion of new criminal justice infrastructure investments needed to replace existing obsolete facilities
  - ➢ Alabama actively pursuing $900 million, 10,000+ bed prison replacement procurement
  - ➢ Wisconsin, Vermont, Idaho and Wyoming publicly expressed interest in exploring private sector solutions to address criminal justice infrastructure needs
- Availability of project-specific financing
  - ➢ No need to use substantial cash from operations or credit facility

Case Study: Lansing Correctional Facility

Lansing Correctional Facility – Lansing, Kansas

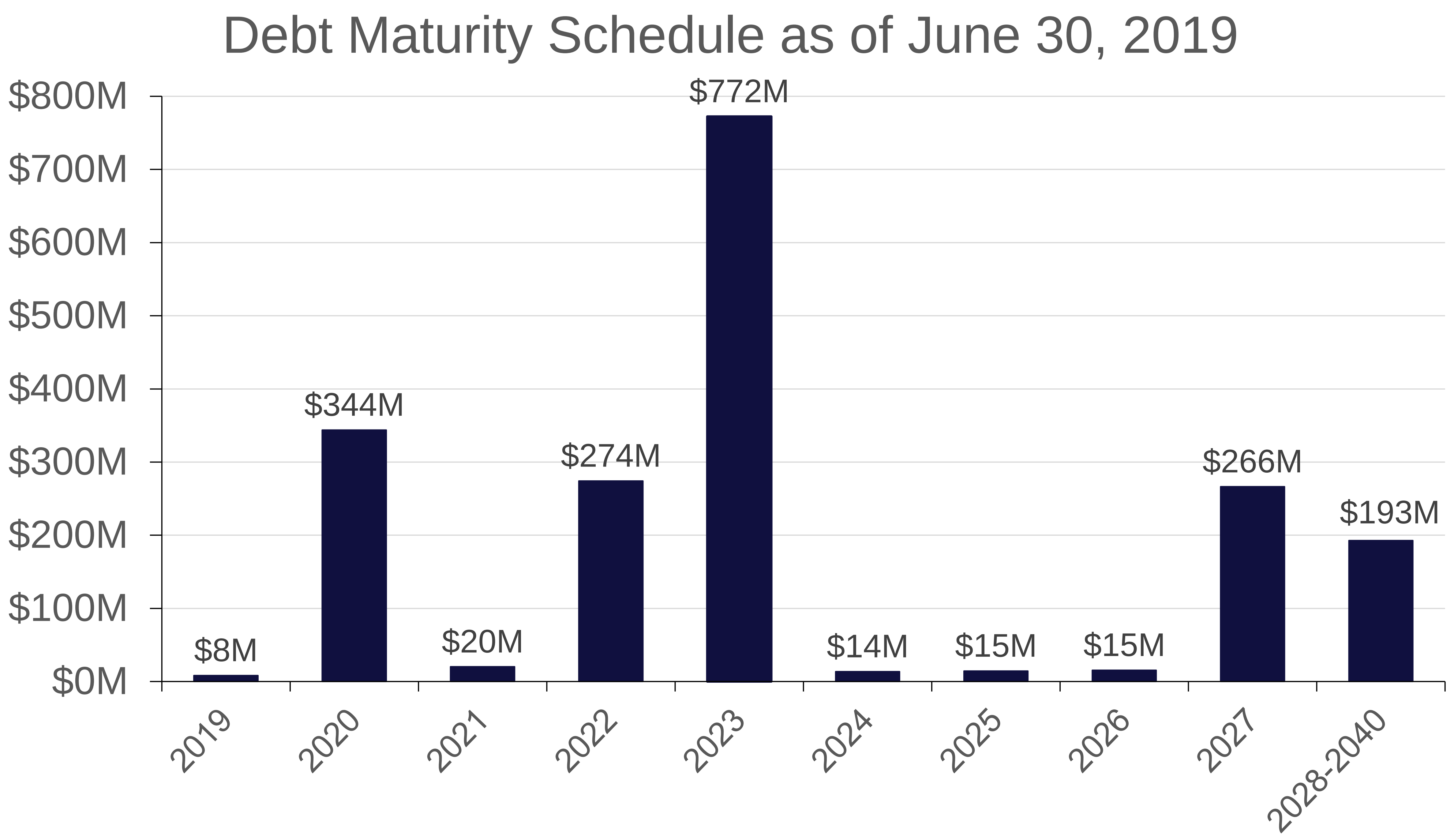
*2,432-bed, 400,544-square foot correctional facility – **UNDER CONSTRUCTION***

- ➢ **20-year lease agreement** with the Kansas Department of Corrections (KDOC), facility being developed by CoreCivic and leased to KDOC to provide the operations
- ➢ Lease agreement with KDOC to begin upon construction completion
  - ▪ Base-year lease rate: $14.9 million, including annual 1.94% rent escalator
- ➢ Replacing the state's largest correctional complex for adult male inmates, original sections of the facility date back to the 1860s
- ➢ Construction began in Q1 2018 with a completion date expected in Q1 2020.

Conservative Balance Sheet to Support Long Term Strategy

- Our low cost of capital is a competitive advantage
  - Weighted average cost of debt: **4.82%**
- Next significant maturity in April 2020
- Strong cash flow growth and very well-covered dividend allow for deleveraging, if necessary

S&P: BB   Moody's: Ba1   Fitch: BB



41.4% Debt/ Undepreciated Fixed Assets

3.6x Debt-to-Adjusted EBITDA[(1)]

5.2x Fixed Charge Coverage[(1)]

92% Unencumbered Fixed Assets

43.7% Debt to Total Market Capitalization

1. *Based on financial results for the six months ended June 30, 2019.*

Diversified Sources of Cash Flow Supports Credit Quality

CoreCivic has reduced dependence on BOP, California and low-margin managed-only contracts			
Entity	**Revenue % 2010**	**Revenue % Q2 2019**	**Variance**
Federal Bureau of Prisons *(correctional facilities)*	15%	5%	**(10%)**
California *(out-of-state populations)*	13%	1%	**(12%)**
Managed-Only	20%	8%	**(12%)**
Federal Law Enforcement *(USMS & ICE)*	28%	46%	**18%**
State, Local & Other Government Partners	24%	30%	**6%**
Community Segment	0%	6%	**6%**
Properties Segment	0%	4%	**4%**

Safety Segment

Diversifiers

Portfolio diversification has resulted in more predictable, long-term revenue streams backed by high credit quality government tenants

2019 Financial Guidance[1]

	2018 Actual Results	Full-Year 2019 Financial Guidance Low-End	Mid-Point	High-End
Diluted EPS	$ 1.34	$ 1.56	$ 1.58	$ 1.60
Adjusted Diluted EPS[2]	$ 1.45	$ 1.68	$ 1.70	$ 1.72
Normalized FFO per diluted share[2]	$ 2.31	$ 2.58	$ 2.60	$ 2.62
AFFO per diluted share[2]	$ 2.19	$ 2.53	$ 2.55	$ 2.57
Adjusted EBITDA[2] *(in $ 000s)*	$ 395,952	$ 440,100	$ 441,975	$ 443,850

Our updated guidance projects year-over-year AFFO per share growth of approximately 16%, and does not assume any impact from potential new contracts or M&A activity

(1) Guidance provided on August 5, 2019 – this slide does not constitute a reaffirmation or update of the guidance provided at that time.
(2) Refer to the Appendix section for a reconciliation of these non-GAAP amounts to the per share amounts as reported under generally accepted accounting principles.

Value Proposition to Federal Partners – Mission-Critical Infrastructure

Value Proposition to Immigration and Customs Enforcement (ICE) and the U.S. Marshals Service (USMS)

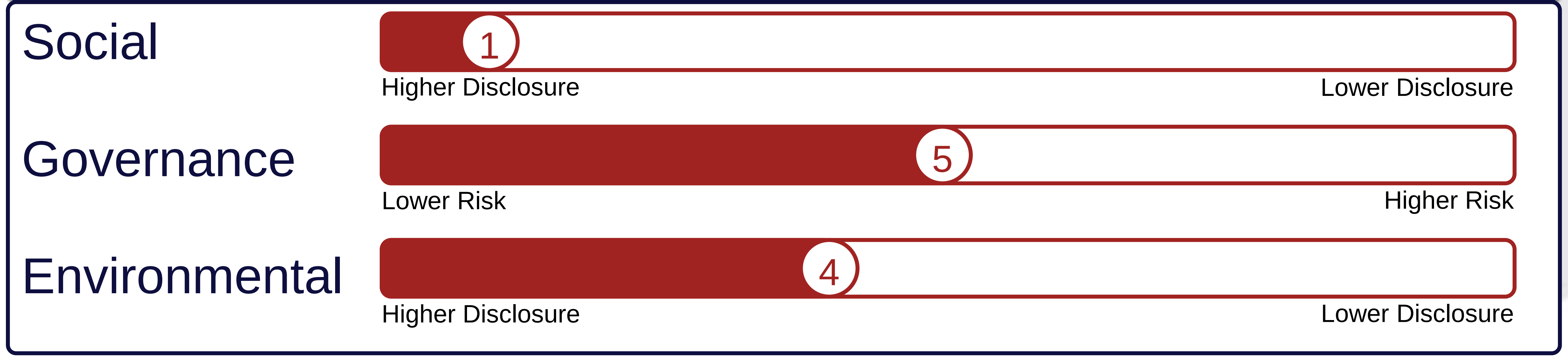
- ➢ **Essential Infrastructure** to carry out mission of ICE and USMS:
  - ICE cares for approximately 55,000 detainees daily and government-owned infrastructure only has capacity for approximately 3,000 detainees, **capacity for 52,000 detainees is outsourced**
  - USMS houses approximately 62,000 detainees daily and government-owned infrastructure has capacity for less than 10,000 detainees, **capacity for over 50,000 detainees is outsourced**
  - We estimate USMS & ICE would need Congressional appropriations for upwards of $25 billion to construct alternative capacity
- ➢ **Flexible Capacity** to respond to ever-changing immigration patterns:
  - Using contracted detention capacity allows ICE & USMS to respond to increased needs quickly, while also preventing taxpayers to be saddled with expensive, excess detention facilities if capacity demands diminish
  - Location needs change based on priorities for enforcement and varying trends in different jurisdictions
  - It is difficult for government agencies to react quickly to emergent real estate needs due to the appropriations process
- ➢ **Appropriate Setting** for civil detainees:
  - Lack of ICE and USMS owned infrastructure means alternative capacity to private facilities are local jails
  - Local jails often can't meet Performance-Based National Detention Standards (PBNDS) for ICE and federal detentions standards for USMS
  - Local jails often co-mingle ICE or USMS populations with their jail populations

Contracting with CoreCivic for real estate solutions and detention services allows ICE & USMS to focus on their core law-enforcement missions to promote homeland security and public safety

Unprecedented Commitment to ESG within the Corrections Industry

- CoreCivic released its first Environmental, Social and Governance (ESG) report in May 2019
- We are the first company in our industry to release an ESG Report, demonstrating an unprecedented commitment to transparency and accountability
- The report details how the company is helping to tackle the national crisis of recidivism and provides quantified evidence of progress against this and other important benchmarks we initially made in 2014
- Initial primary focus was on Social-related metrics and increased transparency is already improving market perception:

ISS Corporate Solutions Quality Score – August 2019[1]



To view CoreCivic's ESG Report click the report image or visit our website for more information: http://www.corecivic.com/news/corecivics-first-ever-esg-report-shows-more-progress-toward-unprecedented-reentry-goals

(1) Source: ISS Corporate Solutions

Industry-Leading Commitment to Rehabilitation and Combating Recidivism

- Board and management committed to leadership in all stages of the rehabilitation cycle
- Documented success in combatting recidivism
- Governance: Board has the right expertise and diverse set of experiences to execute long-term strategy
  - Bona fides in corrections, rehabilitation, property acquisition, law, civil rights, staffing, and general management

GO FURTHER
Life is worth the journey.
CoreCivic

Developed by CoreCivic's Reentry Services team, Go Further is an evidence-based process that unites our staff and those in plans for successful reentry. After careful assessment, a life plan is developed to address certain deficits and potential barriers to reentry such as: educational needs, substance use disorders and life skills needs.

BAN THE BOX

In October 2017, we made unprecedented commitments to advocate for a range of government policies that will help former inmates successfully reenter society, including "Ban the Box" legislation.

1,600+	High school equivalency (HSE) certificates in 2018
50%+	Growth since 2014
4,712	Industry-recognized certificates (IRCs) in 2018
~25%	Growth since 2014

Our ESG program will improve over time, helping us identify new and expanded goals that will transform our Safety, Community and Properties segments – improving our ability to better the public good

Highly Qualified, Proven Management Team

Damon T. Hininger
President and Chief Executive Officer

- 25+ years of corrections experience
- Began at CoreCivic in 1992 as Correctional Officer
- Active in community: United Way, Nashville Chamber of Commerce, Boy Scouts

David Garfinkle
EVP and Chief Financial Officer

- Began at CoreCivic in 2001
- Former experience in REITs, public accounting and holds CPA certification

Tony Grande
EVP and Chief Development Officer

- Began at CoreCivic in 2003
- Assists in finding solutions to tough government challenges
- Formerly served as Tennessee's Commissioner of Economic and Community Development

Patrick Swindle
EVP and Chief Corrections Officer

- Began at CoreCivic in 2007
- Prior experience in sell-side equity research

Lucibeth Mayberry
EVP, Real Estate

- Began at CoreCivic in 2003
- Responsible for the full range of real-estate services, including acquisitions, design & construction, and maintenance
- Prior experience in legal and business development

David Churchill
SVP, Human Resources

- Began at CoreCivic in 2012
- Has over 30 years of experience in human recourses, talent management, and organizational development.

Cole Carter
General Counsel

- Began at CoreCivic in 1992 as Academic Instructor
- President of CoreCivic Cares Fund
- Juris Doctor – Nashville School of Law

Variety of experience and unwavering commitment to rehabilitation and combating recidivism

Diverse Board of Directors with Relevant Expertise

Mark A. Emkes
- Chairman of the Board
- Former Executive, Bridgestone
- Joined: 2014

Donna M. Alvarado
- Founder and President, Aguila International
- Joined: 2003

Robert J. Dennis
- Chairman and CEO, Genesco
- Joined: 2013

Damon T. Hininger
- President and CEO, CoreCivic
- Joined: 2009

Stacia Hylton
- Principal, LS Advisory
- Former Director, US Marshals
- Joined: 2016

Harley G. Lappin
- Previous EVP, CoreCivic
- Former Director, Federal BOP
- Joined: 2018

Anne L. Mariucci
- Career in real estate
- Former President, Del Webb Corp.
- Joined: 2011

Thurgood Marshall, Jr.
- Partner, Morgan, Lewis & Bockius LLP
- Joined: 2002

Devin I. Murphy
- CFO, Treasurer and Secretary, Phillips Edison & Company
- Joined: 2018

Charles L. Overby
- Former CEO, Freedom Forum
- Joined: 2001

John R. Prann, Jr.
- Former CEO, Katy Industries
- Joined: 2000

Experience in executive leadership, real estate, rehabilitation, corrections, media, legal, government affairs, and technology

Appendix

Utilizing Available Capacity Drives Earnings Growth

	Total Beds Available at June 30, 2019	Average Margin[1]	Estimated Potential Annual Incremental EBITDA
CoreCivic Safety - Vacant Facility Capacity[2]	9,814	$ 22.01	$ 78,842,241
CoreCivic Safety - Operating Facilities with > 100 beds available[3]	2,519	$ 22.01	20,236,764
Total CoreCivic Safety Available Capacity	12,333		$ 99,079,005
CoreCivic Community - Facilities with > 100 beds available[3]	859	$ 17.22	5,399,073
Total Potential Annual Incremental EBITDA			$ 104,478,078

- Filling available beds up to standard operating capacity at the margins we achieved in the three months ended June 30, 2019, could generate up to $0.85 of additional EPS and Adjusted Funds From Operations per diluted share
- Carrying an inventory of owned beds provides a competitive advantage in capturing new business – no long construction lead times
- Cash operating costs of vacant beds we own is very manageable at approximately $1,000 per bed per year

Note: The above table is for illustrative purposes only and represents potential EBITDA contribution of CoreCivic Safety and CoreCivic Community facility contracts. Actual results could differ. Other contractual arrangements, such as leasing a company-owned facility to a government organization that provides for the operations, could result in different EBITDA contribution rates given the varied risks associated with such a contract.

(1) Average margin is based on margins achieved in the six months ended June 30, 2019.

(2) Bed count includes the Eden Detention Center and Torrance County Detention Facility, which are currently being activated under new federal contracts, because these facilities were not occupied in the second quarter of 2019. Actual margins for all vacant beds may be lower than those historically achieved, particularly if we lease the capacity and do not provide operational services.

(3) Actual margins for these beds may differ from those historically achieved, particularly for management contracts with tiered per diems or at facilities that have achieved stabilized occupancy and, therefore, fixed costs.

Reconciliation to Adjusted Diluted EPS

($ in thousands, except per share amounts)

	For the Quarter Ended June 30, 2019	For the Quarter Ended June 30, 2018	For the Six Months Ended June 30, 2019	For the Six Months Ended June 30, 2018
Net income	**$ 48,578**	$ 39,197	**$ 97,918**	$ 76,974
Special items:				
Expenses associated with debt refinancing transactions	**-**	1,016	**-**	1,016
Expenses associated with mergers and acquisitions	**438**	821	**874**	1,339
Start-up expenses	**2,687**	-	**2,687**	-
Asset impairments	**4,706**	1,580	**4,706**	1,580
Diluted adjusted net income	**$ 56,409**	$ 42,614	**$ 106,185**	$ 80,909
Weighted average common shares outstanding - basic	**119,080**	118,546	**119,026**	118,501
Effect of dilutive securities:				
Stock options	**51**	92	**43**	96
Restricted stock-based awards	**131**	10	**112**	29
Weighted average shares and assumed conversions - diluted	**119,262**	118,648	**119,181**	118,626
Adjusted Diluted Earnings Per Share	**$ 0.47**	$ 0.36	**$ 0.89**	$ 0.68

Calculation of FFO, Normalized FFO and AFFO

($ in thousands, except per share amounts)

	For the Quarter Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	**$ 48,578**	$ 39,197	**$ 97,918**	$ 76,974
Depreciation and amortization of real estate assets	**26,503**	24,921	**53,102**	49,329
Impairment of real estate assets	**4,428**	1,580	**4,428**	1,580
Gain on sale of real estate assets	**(287)**	-	**(287)**	-
Funds From Operations	**$ 79,222**	$ 65,698	**$ 155,161**	$ 127,883
Expenses associated with debt refinancing transactions	**-**	1,016	**-**	1,016
Expenses associated with mergers and acquisitions	**438**	821	**874**	1,339
Start-up expenses	**2,687**	-	**2,687**	-
Goodwill and other impairments	**278**	-	**278**	-
Normalized Funds From Operations	**$ 82,625**	$ 67,535	**$ 159,000**	$ 130,238
Maintenance capital expenditures on real estate assets	**(8,459)**	(6,677)	**(15,004)**	(13,448)
Stock-based compensation	**4,256**	3,980	**8,068**	7,466
Amortization of debt costs	**855**	814	**1,712**	1,705
Other non-cash revenue and expenses	**893**	(887)	**1,650**	(1,640)
Adjusted Funds From Operations	**$ 80,170**	$ 64,765	**$ 155,426**	$ 124,321
Normalized Funds From Operations Per Diluted Share	**$ 0.69**	$ 0.57	**$ 1.33**	$ 1.10
Adjusted Funds From Operations Per Diluted Share	**$ 0.67**	$ 0.55	**$ 1.30**	$ 1.05

Calculation of FFO, Normalized FFO and AFFO – 5 Quarter Trend

($ in thousands, except per share amounts)

	For the Quarter Ended				
	6/30/2019	3/31/2019	12/31/2018	9/30/2018	6/30/2018
Net income	$ 48,578	$ 49,340	$ 41,239	$ 40,994	$ 39,197
Depreciation and amortization of real estate assets	26,503	26,599	26,982	25,460	24,921
Impairment of real estate assets	4,428	-	-	-	1,580
Gain on sale of real estate assets	(287)	-	-	-	-
Funds From Operations	$ 79,222	$ 75,939	$ 68,221	$ 66,454	$ 65,698
Expenses associated with debt refinancing transactions	-	-	-	-	1,016
Charges associated with adoption of tax reform	-	-	-	1,024	-
Expenses associated with mergers and acquisitions	438	436	763	994	821
Contingent consideration for acquisition of businesses	-	-	6,085	-	-
Start-up expenses	2,687	-	-	-	-
Goodwill and other impairments	278	-	-	-	-
Normalized Funds From Operations	$ 82,625	$ 76,375	$ 75,069	$ 68,472	$ 67,535
Maintenance capital expenditures on real estate assets	(8,459)	(6,545)	(9,275)	(7,557)	(6,677)
Stock-based compensation	4,256	3,812	3,374	2,292	3,980
Amortization of debt costs	855	857	857	857	814
Other non-cash revenue and expenses	893	757	644	494	(887)
Adjusted Funds From Operations	$ 80,170	$ 75,256	$ 70,669	$ 64,558	$ 64,765
Normalized Funds From Operations Per Diluted Share	$ 0.69	$ 0.64	$ 0.63	$ 0.58	$ 0.57
Adjusted Funds From Operations Per Diluted Share	$ 0.67	$ 0.63	$ 0.59	$ 0.54	$ 0.55

Calculation of NOI

($ in thousands)

	For the Quarter Ended June 30, 2019	For the Quarter Ended June 30, 2018	For the Six Months Ended June 30, 2019	For the Six Months Ended June 30, 2018
Revenue				
Safety	**$ 440,410**	$ 413,208	**$ 874,728**	$ 817,706
Community	**30,706**	24,718	**61,272**	49,518
Properties	**19,143**	12,001	**38,255**	23,616
Other	**35**	2	**103**	5
Total revenues	**$ 490,294**	$ 449,929	**$ 974,358**	$ 890,845
Operating Expenses				
Safety	**$ 316,995**	$ 298,469	**$ 633,590**	$ 594,972
Community	**23,086**	18,757	**46,582**	38,124
Properties	**5,495**	3,172	**11,147**	6,286
Other	**103**	141	**192**	308
Total operating expenses	**$ 345,679**	$ 320,539	**$ 691,511**	$ 639,690
Net Operating Income				
Safety	**$ 123,415**	$ 114,739	**$ 241,138**	$ 222,734
Community	**7,620**	5,961	**14,690**	11,394
Properties	**13,648**	8,829	**27,108**	17,330
Other	**(68)**	(139)	**(89)**	(303)
Total Net Operating Income	**$ 144,615**	$ 129,390	**$ 282,847**	$ 251,155
Net income	**$ 48,578**	$ 39,197	**$ 97,918**	$ 76,974
Income tax expense	**1,972**	2,428	**4,456**	4,363
Other (income) expense	**(258)**	33	**(254)**	(10)
Interest expense, net	**20,662**	19,038	**42,098**	38,074
General and administrative	**33,364**	27,538	**62,809**	52,509
Depreciation and amortization	**35,591**	38,560	**71,114**	76,649
Expenses associated with debt refinancing transactions	**-**	1,016	**-**	1,016
Asset impairments	**4,706**	1,580	**4,706**	1,580
Total Net Operating Income	**$ 144,615**	$ 129,390	**$ 282,847**	$ 251,155

Calculation of EBITDA and Adjusted EBITDA

($ in thousands)

	For the Quarter Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Net income	**$ 48,578**	$ 39,197	**$ 97,918**	$ 76,974
Interest expense	**21,316**	19,455	**43,226**	38,730
Depreciation and amortization	**35,591**	38,560	**71,114**	76,649
Income tax expense	**1,972**	2,428	**4,456**	4,363
EBITDA	**$ 107,457**	$ 99,640	**$ 216,714**	$ 196,716
Expenses associated with debt refinancing transactions	**-**	1,016	**-**	1,016
Expenses associated with mergers and acquisitions	**438**	821	**874**	1,339
Depreciation expense associated with STFRC lease(1)	**-**	(4,102)	**-**	(8,159)
Interest expense associated with STFRC lease(1)	**-**	(1,424)	**-**	(2,906)
Start-up expenses	**2,687**	-	**2,687**	-
Asset impairments	**4,706**	1,580	**4,706**	1,580
Adjusted EBITDA	**$ 115,288**	$ 97,531	**$ 224,981**	$ 189,586

(1) In 2018, a portion of the rent payment to the third party lessor of the South Texas Family Residential Center (STFRC) was treated as depreciation and interest expense for GAAP accounting purposes, similar to capital lease accounting. We deducted such amounts in our calculation of Adjusted EBITDA to better reflect cash flows associated with the facility's operations. Upon adoption of ASU 2016-02, "Leases (Topic 842)", effective January 1, 2019, all rental payments associated with this lease are classified as operating expenses.

Reconciliation to 2019 Guidance

($ in thousands, except per share amounts)	Third Quarter 2019 Low	Third Quarter 2019 High	Full-Year 2019 Low	Full-Year 2019 High	Full-Year 2018 Actual
Net income	$ 39,500	$ 41,500	$ 186,350	$ 191,100	$ 159,207
Expenses associated with debt refinancing transactions	-	-	-	-	1,016
Charges associated with adoption of tax reform	-	-	-	-	1,024
Expenses associated with mergers and acquisitions	1,000	1,000	2,500	2,500	3,096
Contingent consideration for acquisition of businesses	-	-	-	-	6,085
Asset impairments	-	-	4,700	4,700	1,580
Start-up expenses	4,000	4,000	6,800	6,800	-
Adjusted net income	$ 44,500	$ 46,500	$ 200,350	$ 205,100	$ 172,008
Net income	$ 39,500	$ 41,500	$ 186,350	$ 191,100	$ 159,207
Depreciation and amortization of real estate assets	27,000	27,000	107,250	107,250	101,771
Impairment of real estate assets	-	-	4,400	4,400	1,580
Gain on sale of real estate assets	-	-	(300)	(300)	-
Funds From Operations	$ 66,500	$ 68,500	$ 297,700	$ 302,450	$ 262,558
Expenses associated with debt refinancing transactions	-	-	-	-	1,016
Charges associated with adoption of tax reform	-	-	-	-	1,024
Expenses associated with mergers and acquisitions	1,000	1,000	2,500	2,500	3,096
Contingent consideration for acquisition of businesses	-	-	-	-	6,085
Start-up expenses	4,000	4,000	6,800	6,800	-
Goodwill and other impairments	-	-	300	300	-
Normalized Funds from Operations	$ 71,500	$ 73,500	$ 307,300	$ 312,050	$ 273,779
Maintenance capital expenditures on real estate assets	(7,500)	(8,000)	(30,500)	(30,500)	(30,280)
Stock-based compensation and non-cash interest	5,350	5,350	20,250	20,250	13,132
Other non-cash revenue and expenses	1,500	1,500	5,000	5,000	2,917
Adjusted Funds From Operations	$ 70,850	$ 72,350	$ 302,050	$ 306,800	$ 259,548
Diluted EPS	$ 0.33	$ 0.35	$ 1.56	$ 1.60	$ 1.34
Adjusted EPS	$ 0.37	$ 0.39	$ 1.68	$ 1.72	$ 1.45
FFO per diluted share	$ 0.56	$ 0.57	$ 2.50	$ 2.54	$ 2.21
Normalized FFO per diluted share	$ 0.60	$ 0.62	$ 2.58	$ 2.62	$ 2.31
AFFO per diluted share	$ 0.59	$ 0.61	$ 2.53	$ 2.57	$ 2.19
Net income	$ 39,500	$ 41,500	$ 186,350	$ 191,100	$ 159,207
Interest expense	21,500	21,000	86,750	86,250	82,129
Depreciation and amortization	36,500	36,500	144,000	144,000	156,501
Income tax expense	2,250	1,750	9,000	8,500	8,353
EBITDA	$ 99,750	$ 100,750	$ 426,100	$ 429,850	$ 406,190
Expenses associated with debt refinancing transactions	-	-	-	-	1,016
Expenses associated with mergers and acquisitions	1,000	1,000	2,500	2,500	3,096
Contingent consideration for acquisition of businesses	-	-	-	-	6,085
Start-up expenses	4,000	4,000	6,800	6,800	-
Depreciation expense associated with STFRC lease	-	-	-	-	(16,453)
Interest expense associated with STFRC lease	-	-	-	-	(5,562)
Asset impairments	-	-	4,700	4,700	1,580
Adjusted EBITDA	$ 104,750	$ 105,750	$ 440,100	$ 443,850	$ 395,952

Note: We announced EPS, Adjusted EPS, FFO, Normalized FFO and AFFO per diluted share guidance for the third quarter and full-year 2019 in our Second Quarter 2019 Financial Results news release on August 5, 2019. This slide sets forth the guidance given at that time. This does not constitute a reaffirmation or update of the guidance provided at that time.

Investment Thesis

- Leader in government real estate solutions, with differentiated deal-origination and property management capabilities
- Complementary segment assets and operating strategies, combined with deep industry expertise, deliver stable cash flows
- Strong fundamentals driving revenue and cash flow growth, with multiple paths for additional organic growth
- Balance sheet conservatively positioned to support strategy and return cash to shareholders
- Strong and durable demand from government partners due to essential, mission-critical infrastructure and services along with a lack of viable alternative infrastructure
- Unprecedented corrections-industry commitment to rehabilitation and ESG transparency with the right leadership team to deliver life-changing rehabilitation and differentiated real estate solutions

Well-positioned to be the core solutions provider at the intersection of government and real estate, delivering better outcomes than we believe government can on its own