
PHILLIPS EDISON & COMPANY

# May 2023 Investor Presentation

Grocery Centered.
Community Focused.

# Safe Harbor and Non-GAAP Disclosures

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PECO | Nasdaq Listed

***PECO's Safe Harbor Statement***

This presentation 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. Phillips Edison & Company, Inc. (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. Such forward-looking statements can generally be identified by the Company's use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue," "seek," "objective," "goal," "strategy," "plan," "focus," "priority," "should," "could," "potential," "possible," "look forward," "optimistic," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this earnings release. Such statements include but are not limited to: (a) statements about the Company's plans, strategies, initiatives, and prospects; (b) statements about the Company's underwritten incremental yields; and (c) statements about the Company's future results of operations, capital expenditures, and liquidity. Such statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those projected or anticipated, including, without limitation: (i) changes in national, regional, or local economic climates; (ii) local market conditions, including an oversupply of space in, or a reduction in demand for, properties similar to those in the Company's portfolio; (iii) vacancies, changes in market rental rates, and the need to periodically repair, renovate, and re-let space; (iv) competition from other available shopping centers and the attractiveness of properties in the Company's portfolio to its tenants; (v) the financial stability of the Company's tenants, including, without limitation, their ability to pay rent; (vi) the Company's ability to pay down, refinance, restructure, or extend its indebtedness as it becomes due; (vii) increases in the Company's borrowing costs as a result of changes in interest rates and other factors; (viii) potential liability for environmental matters; (ix) damage to the Company's properties from catastrophic weather and other natural events, and the physical effects of climate change; (x) the Company's ability and willingness to maintain its qualification as a REIT in light of economic, market, legal, tax, and other considerations; (xi) changes in tax, real estate, environmental, and zoning laws; (xii) information technology security breaches; (xiii) the Company's corporate responsibility initiatives; (xiv) loss of key executives; (xv) the concentration of the Company's portfolio in a limited number of industries, geographies, or investments; (xvi) the economic, political, and social impact of, and uncertainty relating to, pandemics or other health crises; (xvii) the Company's ability to re-lease its properties on the same or better terms, or at all, in the event of non-renewal or in the event the Company exercises its right to replace an existing tenant; (xviii) the loss or bankruptcy of the Company's tenants; (xix) to the extent the Company is seeking to dispose of properties, the Company's ability to do so at attractive prices or at all; and (xx) the impact of inflation on the Company and on its tenants. Additional important factors that could cause actual results to differ are described in the filings made from time to time by the Company with the SEC and include the risk factors and other risks and uncertainties described in the Company's 2022 Annual Report on Form 10-K, filed with the SEC on February 21, 2023, as updated from time to time in the Company's periodic and/or current reports filed with the SEC, which are accessible on the SEC's website at www.sec.gov. Therefore, such statements are not intended to be a guarantee of the Company's performance in future periods. Except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

***Non-GAAP Disclosures***

The Company presents Same-Center NOI as a supplemental measure of its performance. The Company defines NOI as total operating revenues, adjusted to exclude non-cash revenue items, less property operating expenses and real estate taxes. For the three months ended March 31, 2023 and 2022, Same-Center NOI represents the NOI for the 263 properties that were wholly-owned and operational for the entire portion of all comparable reporting periods. The Company believes Same-Center NOI provides useful information to its investors about its financial and operating performance because it provides a performance measure of the revenues and expenses directly involved in owning and operating real estate assets and provides a perspective not immediately apparent from net income (loss). Because Same-Center NOI excludes the change in NOI from properties acquired or disposed of after December 31, 2021, it highlights operating trends such as occupancy levels, rental rates, and operating costs on properties that were operational for all comparable periods. Other REITs may use different methodologies for calculating Same-Center NOI, and accordingly, PECO's Same-Center NOI may not be comparable to other REITs. Same-Center NOI should not be viewed as an alternative measure of the Company's financial performance as it does not reflect the operations of its entire portfolio, nor does it reflect the impact of general and administrative expenses, depreciation and amortization, interest expense, other income (expense), or the level of capital expenditures and leasing costs necessary to maintain the operating performance of the Company's properties that could materially impact its results from operations. Nareit FFO is a non-GAAP financial performance measure that is widely recognized as a measure of REIT operating performance. The National Association of Real Estate Investment Trusts ("Nareit") defines FFO as net income (loss) computed in accordance with GAAP, excluding: (i) gains (or losses) from sales of property and gains (or losses) from change in control; (ii) depreciation and amortization related to real estate; and (iii) impairment losses on real estate and impairments of in-substance real estate investments in investees that are driven by measurable decreases in the fair value of the depreciable real estate held by the unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect Nareit FFO on the same basis. The Company calculates Nareit FFO in a manner consistent with the Nareit definition. Core FFO is an additional financial performance measure used by the Company as Nareit FFO includes certain non-comparable items that affect its performance over time. The Company believes that Core FFO is helpful in assisting management and investors with the assessment of the sustainability of operating performance in future periods, and that it is more reflective of its core operating performance and provides an additional measure to compare PECO's performance across reporting periods on a consistent basis by excluding items that may cause short-term fluctuations in net income (loss). To arrive at Core FFO, the Company adjusts Nareit FFO to exclude certain recurring and non-recurring items including, but not limited to: (i) depreciation and amortization of corporate assets; (ii) changes in the fair value of the earn-out liability; (iii) amortization of unconsolidated joint venture basis differences; (iv) gains or losses on the extinguishment or modification of debt and other; (v) other impairment charges; (vi) transaction and acquisition expenses; and (vii) realized performance income. Nareit FFO and Core FFO should not be considered alternatives to net income (loss) under GAAP, as an indication of the Company's liquidity, nor as an indication of funds available to cover its cash needs, including its ability to fund distributions. Core FFO may not be a useful measure of the impact of long-term operating performance on value if the Company does not continue to operate its business plan in the manner currently contemplated. Accordingly, Nareit FFO and Core FFO should be reviewed in connection with other GAAP measurements and should not be viewed as more prominent measures of performance than net income (loss) or cash flows from operations prepared in accordance with GAAP. The Company's Nareit FFO and Core FFO, as presented, may not be comparable to amounts calculated by other REITs. Nareit defines Earnings Before Interest, Taxes, Depreciation, and Amortization for Real Estate ("EBITDAre") as net income (loss) computed in accordance with GAAP before: (i) interest expense; (ii) income tax expense; (iii) depreciation and amortization; (iv) gains or losses from disposition of depreciable property; and (v) impairment write-downs of depreciable property. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect EBITDAre on the same basis. Adjusted EBITDAre is an additional performance measure used by the Company as EBITDAre includes certain non-comparable items that affect the Company's performance over time. To arrive at Adjusted EBITDAre, the Company excludes certain recurring and non-recurring items from EBITDAre, including, but not limited to: (i) changes in the fair value of the earn-out liability; (ii) other impairment charges; (iii) amortization of basis differences in the Company's investments in its unconsolidated joint ventures; (iv) transaction and acquisition expenses; and (v) realized performance income. The Company uses EBITDAre and Adjusted EBITDAre as additional measures of operating performance which allow it to compare earnings independent of capital structure, determine debt service and fixed cost coverage, and measure enterprise value. Additionally, the Company believes they are a useful indicator of its ability to support its debt obligations. EBITDAre and Adjusted EBITDAre should not be considered as alternatives to net income (loss), as an indication of the Company's liquidity, nor as an indication of funds available to cover its cash needs, including its ability to fund distributions. Accordingly, EBITDAre and Adjusted EBITDAre should be reviewed in connection with other GAAP measurements and should not be viewed as more prominent measures of performance than net income (loss) or cash flows from operations prepared in accordance with GAAP. The Company's EBITDAre and Adjusted EBITDAre, as presented, may not be comparable to amounts calculated by other REITs.

# PECO at a Glance

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| Founded/IPO | Nasdaq | ABR from Grocery Centers | Properties | Total GLA | Record Leased Occupancy |
|---|---|---|---|---|---|
| 1991/ 2021 | PECO | 97% | 275 | 31.5M Square Feet | 97.5% |

We create great omni-channel grocery-anchored shopping experiences and improve our communities one center at a time.

**Grocery Centered. Community Focused.**

We are an experienced owner and operator ***exclusively focused on grocery-anchored*** neighborhood shopping centers.

| Management Ownership | Total Enterprise Value | ABR from Necessity-Based Neighbors | ABR from #1 or #2 Grocery Anchor by Sales | Dividend Yield | Record Portfolio Retention Rate |
|---|---|---|---|---|---|
| 8% | $6.3B | 71% | 87% | 3.4% | 95% |




Data as of March 31, 2023

# Our Focused and Differentiated Strategy

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**_Exclusively Focused on Omni-Channel Grocery-Anchored Neighborhood Shopping Centers_**

## Key Elements of Our Strategy

- ✓ #1 or #2 grocery anchor by sales (87% of ABR)
- ✓ 97% of ABR from omni-channel grocery-anchored neighborhood centers
- ✓ Right-sized centers averaging 114,000 SF with strategic locations in fast-growing markets
- ✓ Ecommerce resistant: 71% ABR from necessity-based goods and services
- ✓ Last mile solution for necessity-based and essential retailers
- ✓ Targeted trade areas where leading grocers and small shop neighbors are successful

## Cycle-Tested and Resilient Advantage

- ✓ 97.5% record-high portfolio leased occupancy with continued strong Neighbor demand
- ✓ Experienced, cycle-tested team with local expertise and strong Neighbor relationships
- ✓ Strong-credit Neighbors and diversified mix
- ✓ Lack of distressed retailers in PECO's portfolio
- ✓ Growing pipeline of ground-up outparcel development and redevelopment opportunities
- ✓ Balance sheet and liquidity strength with trailing 12-month net debt / adj. EBITDA*re* of 5.3x

**Format Drives Results – PECO is Operating from a Position of Strength**

Data as of March 31, 2023

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# Grocery-Anchored Portfolio

# Grocery-Anchored Centers Benefit from Trends that Provide Strong Tailwinds

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## Necessity-Based

- Consumer staple goods and services that are indispensable for day-to-day living
  - 71% of PECO ABR from necessity-based goods and services retailers[1]
- Recession-resistant across multiple cycles
- Highly resilient with minimal exposure to distressed retailers; only 0.7% of occupancy loss in 2020

## High Traffic

- U.S. consumers visit grocery stores 1.6 times per week[2]
- Approximately 23,000 average total trips per week to each PECO center[3]
- We believe strong foot traffic benefits inline Neighbor sales and enhances our ability to increase rents

## Omni-Channel

- PECO centers are a critical component of our Neighbors' omni-channel strategies and provide an attractive last-mile solution
  - ~95% of portfolio with *Front Row To Go*™ curbside pick-up program[4]
  - ~91% of PECO grocers offer BOPIS option (Buy Online, Pick-Up In Store)[4]
- Economics of e-grocery delivery remain unattractive
- Grocer pickup sales are expected to grow at a 5-year nominal CAGR of 13.6%[5]

1. % of ABR as of March 31, 2023
2. The Food Marketing Institute: U.S. Grocery Shopper Trends 2022
3. According to Placer.ai, twelve months ended March 31, 2023
4. Estimate as of March 31, 2023
5. Brick Meets Click: 5-year Forecast

# Portfolio Foot Traffic Remains Strong

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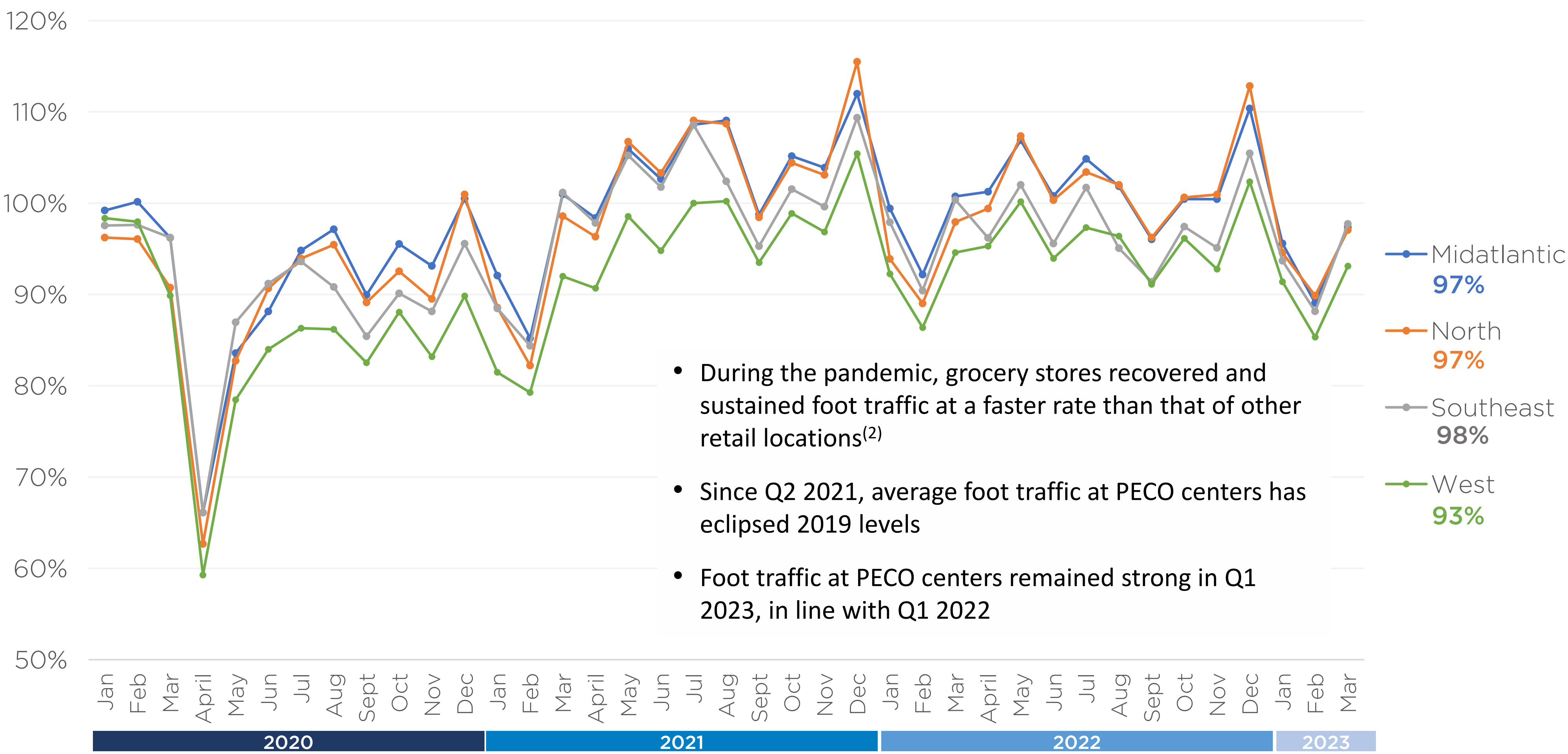
***Our Top Grocers Continue to Drive Strong Recurring Foot Traffic to Our Centers***

**PECO Portfolio Foot Traffic as a % of 2019 Foot Traffic (2020-Q1 2023)[1]**




- During the pandemic, grocery stores recovered and sustained foot traffic at a faster rate than that of other retail locations[2]
- Since Q2 2021, average foot traffic at PECO centers has eclipsed 2019 levels
- Foot traffic at PECO centers remained strong in Q1 2023, in line with Q1 2022

1. Placer.ai
2. CoStar Advisory Services March 2023

# Continued Outperformance Expected for Grocery-Anchored Shopping Centers

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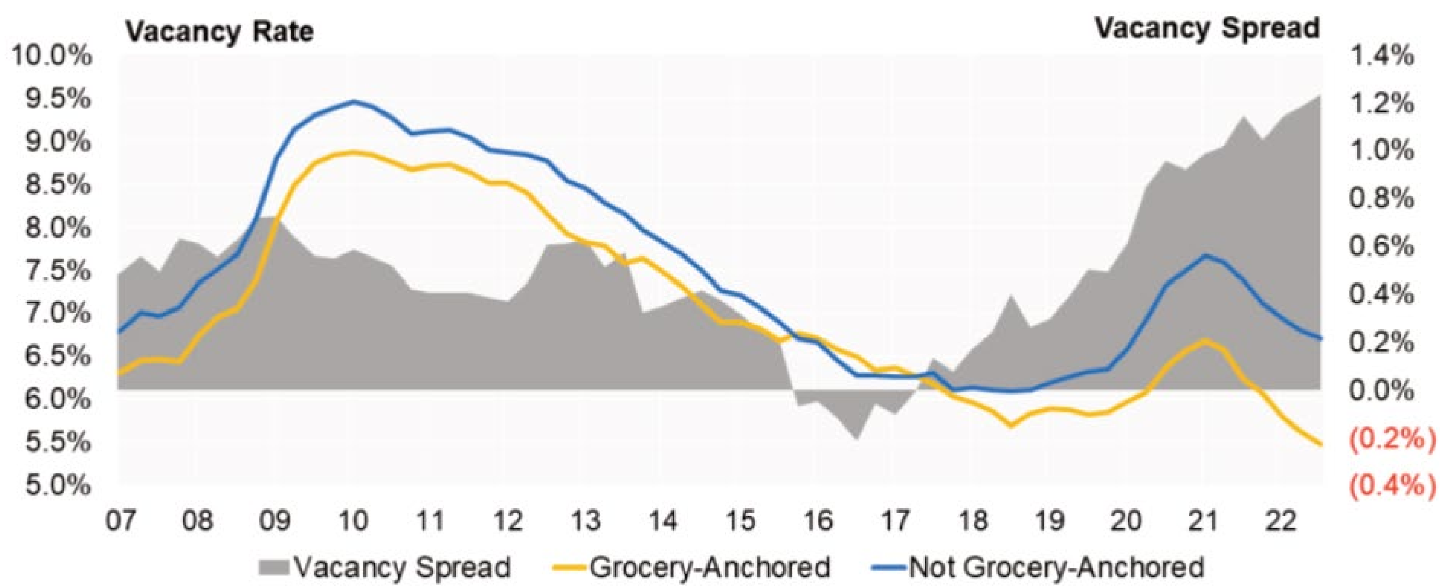
***Grocery-Anchored Centers are Well Positioned to Maintain Lower Vacancies Compared to Non-Grocery-Anchored Centers in 2023***

- Grocery stores and other forms of essential retail are among the most resilient retailers during recessions
- During the pandemic, grocery stores and pharmacies recovered and sustained foot traffic at a faster rate than that of other retail locations
- Since then, the vacancy spread between grocery-anchored and non-grocery-anchored centers has only increased
  - Today, the vacancy rate of grocery-anchored centers is 124 basis points lower than that of non-grocery-anchored centers
- Macroeconomic conditions are poised to benefit grocery-anchored centers
  - Given inflation pressures and recent increases in credit card debt, consumers are expected to cut back on discretionary spending
  - These spending patterns are expected to steer demand toward grocery-anchored centers
  - Grocery-anchored shopping centers are less exposed to competition from Ecommerce than other types of retail, making its brick-and-mortar space more essential to retailer sales performance




Source: CoStar Advisory Services January 2023

# New Store Openings Continue to Far Outpace Store Closings

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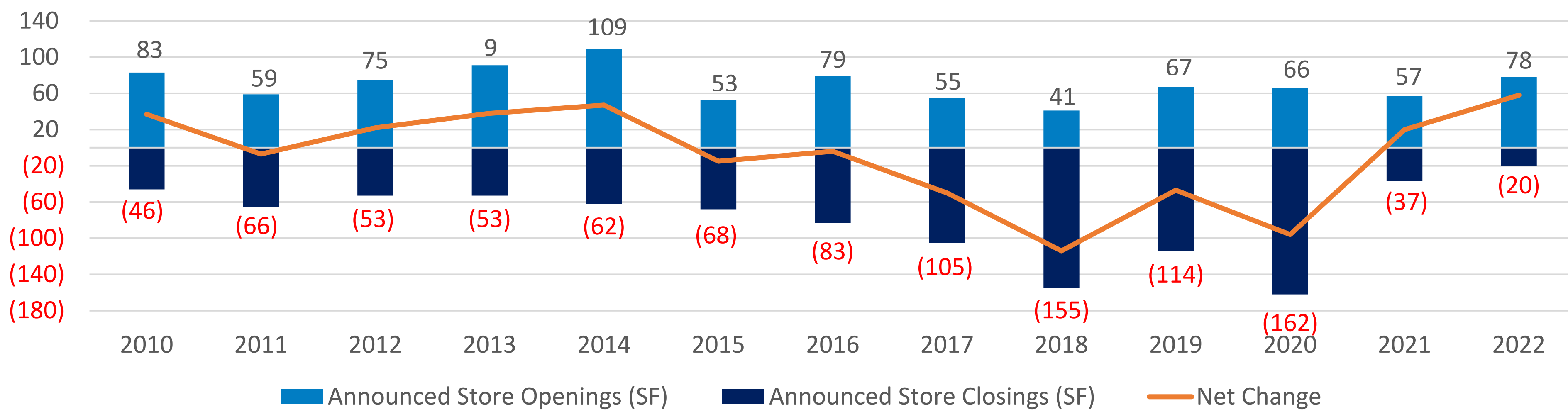
## *Announced Store Closures Remain Low Due to a Healthier Retail Market*

- In 2021 and 2022 combined, 57M SF have been announced for closure, and retailers have announced store openings of over 130M SF
- Store closures are not expected to return to pre-pandemic levels because the market is currently healthier now than before the pandemic
  - The spike in announced store closures in 2020 removed a significant amount of unproductive space from the market
  - Dozens of retailers filed for bankruptcy and either ceased operations or successfully shed unprofitable locations and excess debt
- Those retailers that remained saw sales and profitability skyrocket in 2021 as consumption grew at double-digit rates, further boosting their financial resiliency and pushing many to accelerate expansion plans
  - While headwinds from slowing consumption and higher operating costs will likely drive a slower year for growth in 2023, most national retailers enter the year with healthy balance sheets and rightsized store fleets, with only a handful of retailers on credit watchlists
- As such, the pace of closures is expected to remain muted relative to the peak closure years of 2018 through 2020




Source: CoStar Advisory Services January 2023

# Strategic Presence in Top Markets

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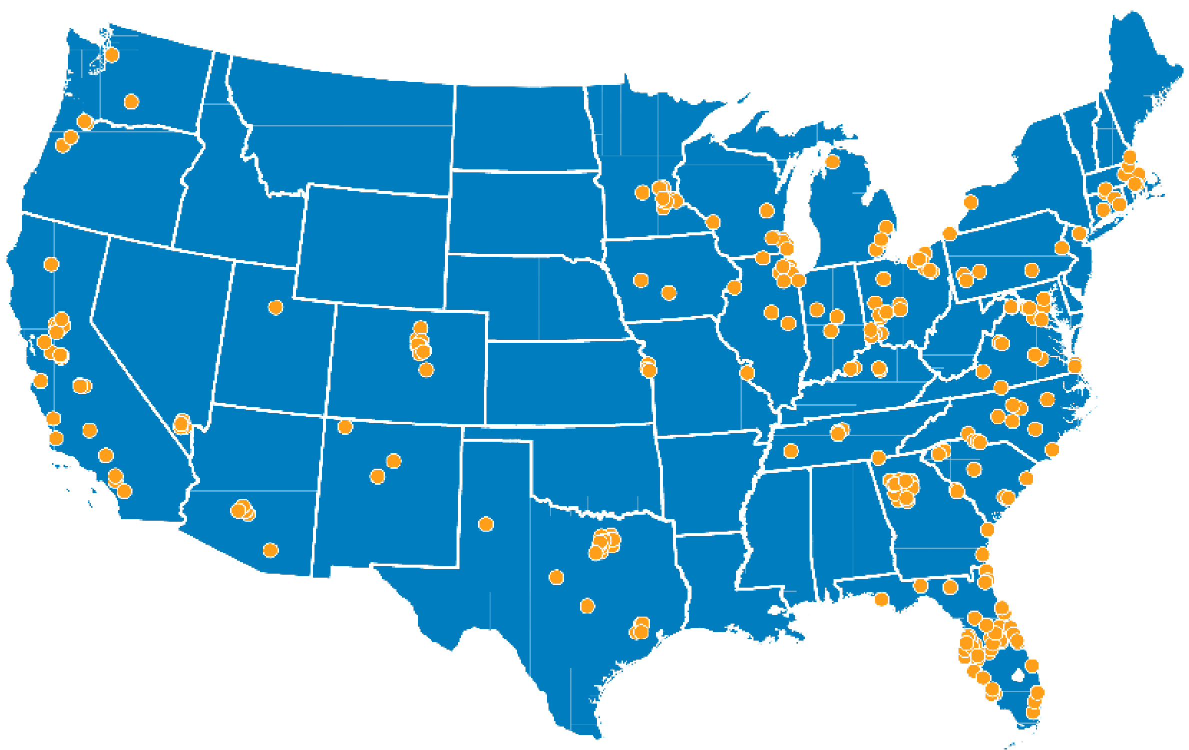
***Well-Positioned for Future Growth with Significant Presence in Sun Belt Markets and Growing U.S. Cities***

- ✓ **275** Properties Across **31** States
- ✓ **50% of ABR from Sun Belt Markets**[1]
- ✓ Strong Presence in **Fast-Growing U.S. Cities**[2]
- ✓ **Migration Trends Favor PECO's Top Markets**[3]



**Top 10 Markets**[1]

1. Atlanta
2. Dallas
3. Chicago
4. Sacramento
5. Denver
6. Minn. / St. Paul
7. Washington DC
8. Las Vegas
9. Tampa
10. Phoenix

**Top 10 States**[1]

1. Florida
2. California
3. Georgia
4. Texas
5. Ohio
6. Colorado
7. Illinois
8. Virginia
9. Minnesota
10. Massachusetts

1. Based on total annualized base rent ("ABR") in market for wholly-owned portfolio as of March 31, 2023
2. October 2022 report from the Frank Hawkins Kenan Institute of Private Enterprise at the University of North Carolina at Chapel Hill
3. Placer.ai based on population growth in U.S. cities since 2018

# Sun Belt Markets Expected to Continue to Lead the Way for Rent Growth

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***PECO Has a Strong Presence Across 31 Sun Belt Markets – Sun Belt Markets Have Enjoyed Consistently Strong Demand from Local, Regional and National Retailers***


Source: CoStar Advisory Services January 2023

# Retailers Continue to Recognize the Benefits of Fast-Growing Markets

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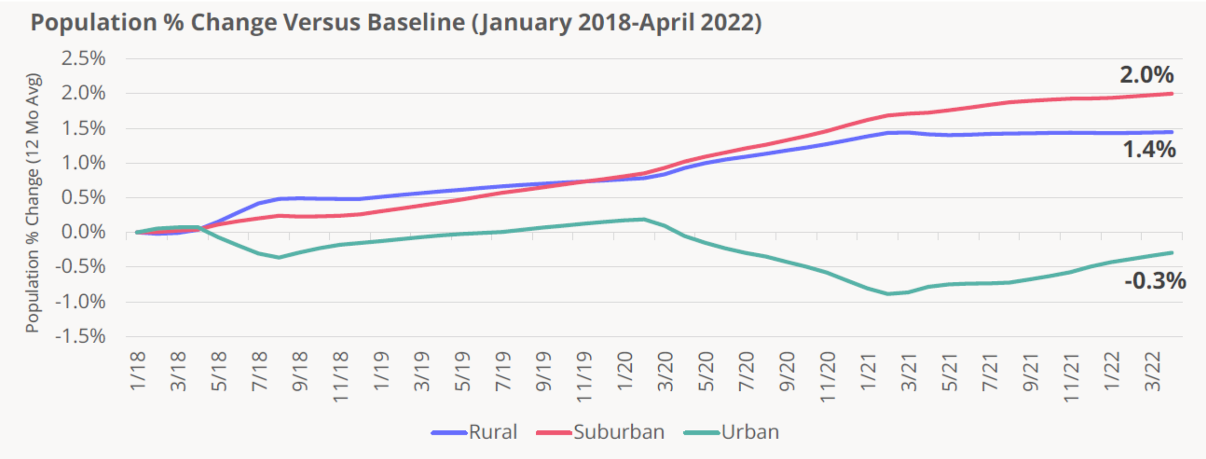
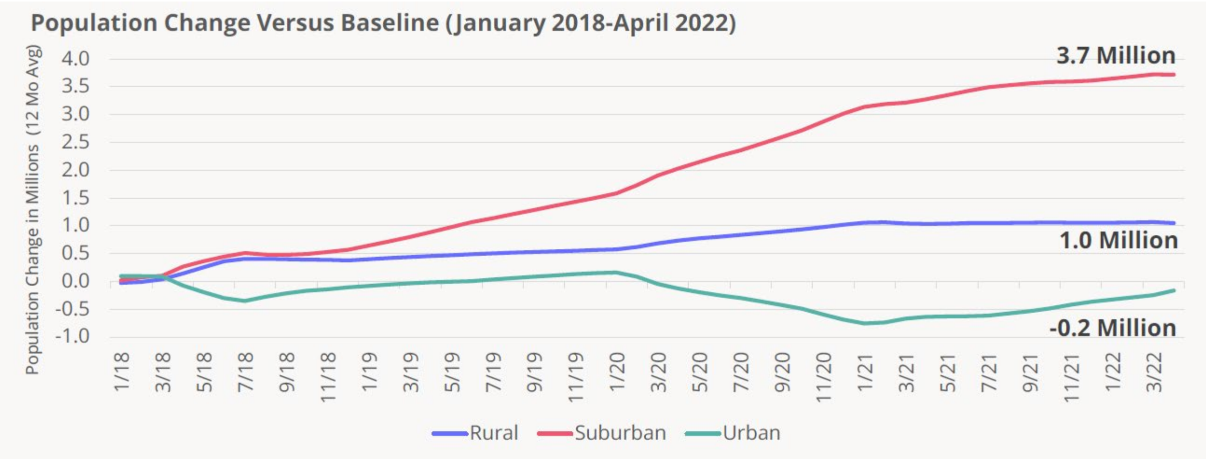
***Migration Changes Have Flipped the Script and Make Suburban Locations More Favorable to Retailers***




**Suburban Markets are Seeing Explosive Growth:** Half of the highest U.S. population growth areas are suburban markets with population under 500K

**Several Advantages for Retailers:**

- Comparable (if not superior) visit per location trends compared to larger MSAs
- Less competition
- Customer base diversification
- Access to labor ("employer of choice")
- Less expensive lease/buildout costs

**Expansion into Suburban Markets:** For chain retailers that have succeeded in smaller markets, it usually comes down to unique merchandise assortments that promote **higher visit frequency and large basket sizes**

Opening locations in suburban areas lets the retailer capitalize on reduced operating costs – and the foot traffic numbers show that **smaller locations are also bringing in more consumers per store**

Looking at Q2 2022 visits per venue indicates that the **suburban markets are continuing to outperform** urban ones

Source: Placer.ai

# Smart Retailers are Getting Ahead of the Secondary Market Trend

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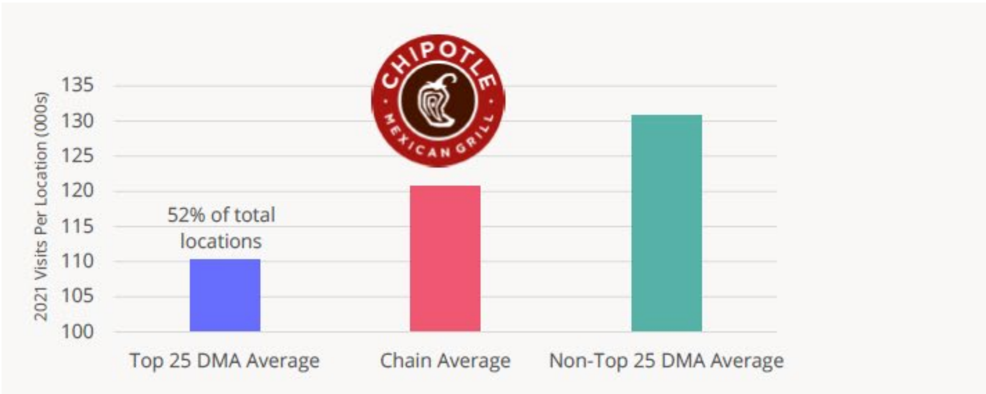
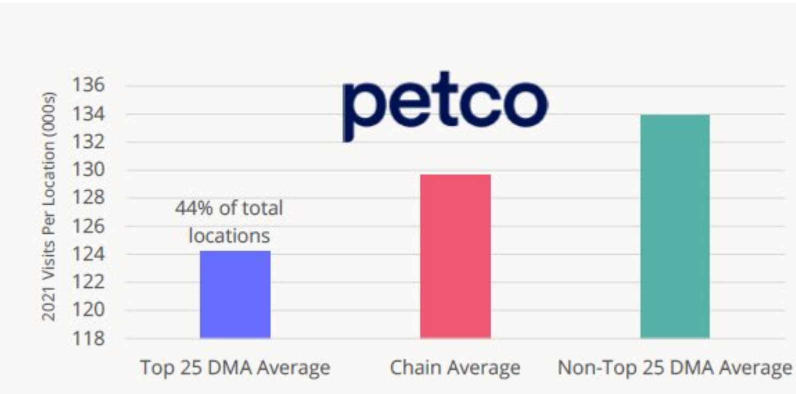
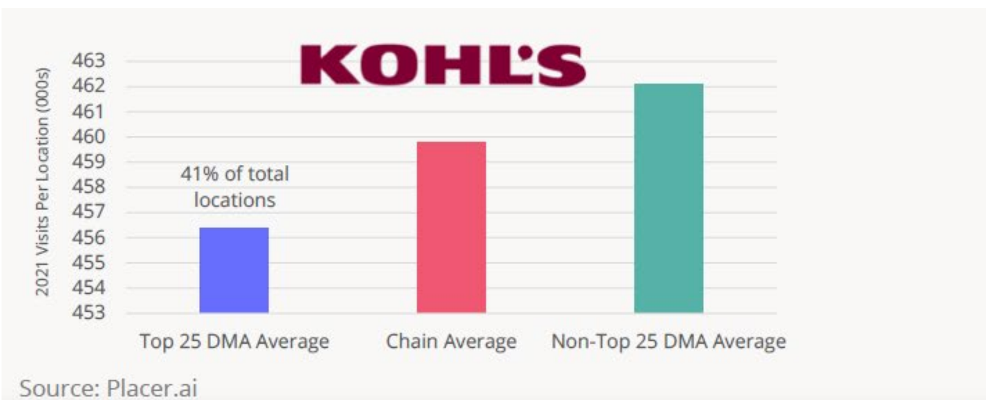
***Retailers Saw Higher Visits Per Location in Secondary Markets***



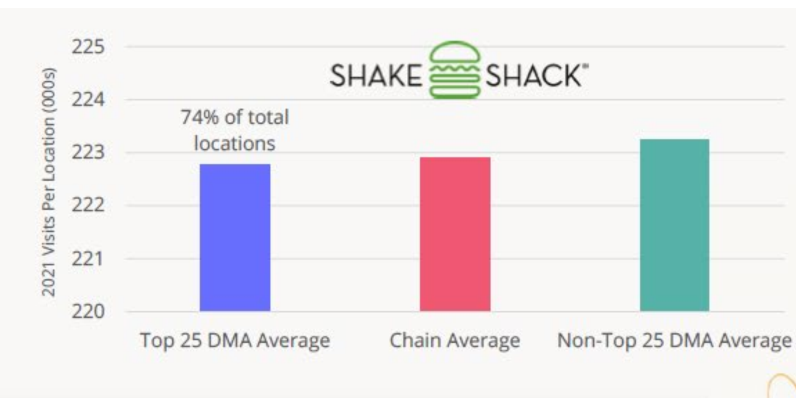

**Chipotle:** Raised its long-term store base target from 6,000 units to 7,000 because "smaller market locations have proven to deliver the same or better store-level economics as traditional locations"




**Petco:** Pet products represents a $7B total addressable market in secondary markets; "Neighborhood Farm & Pet Supply" format combines traditional pet supplies, livestock merchandise and services such as grooming




**Kohl's**: Planned openings for high-growth secondary markets in South Florida, Oklahoma City, North Carolina, Austin, San Antonio and Birmingham that collectively represent 10M households




**Fast Food:** Strength in secondary markets, combined with Chipotle's new suburban expansion plans incentivize other restaurant chains to expand into smaller cities

Source: Placer.ai

# Targeted Trade Areas Align with Leading Grocer Demographics

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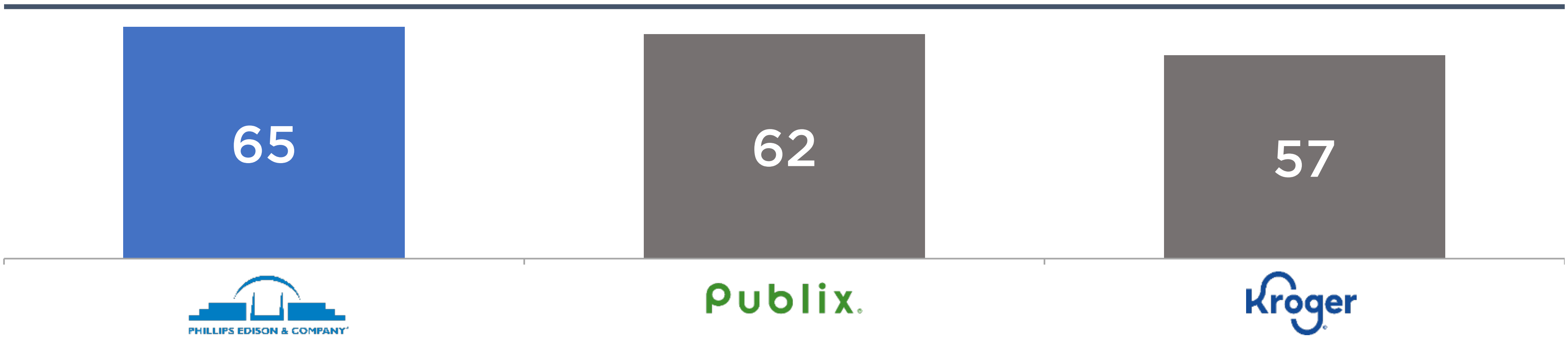
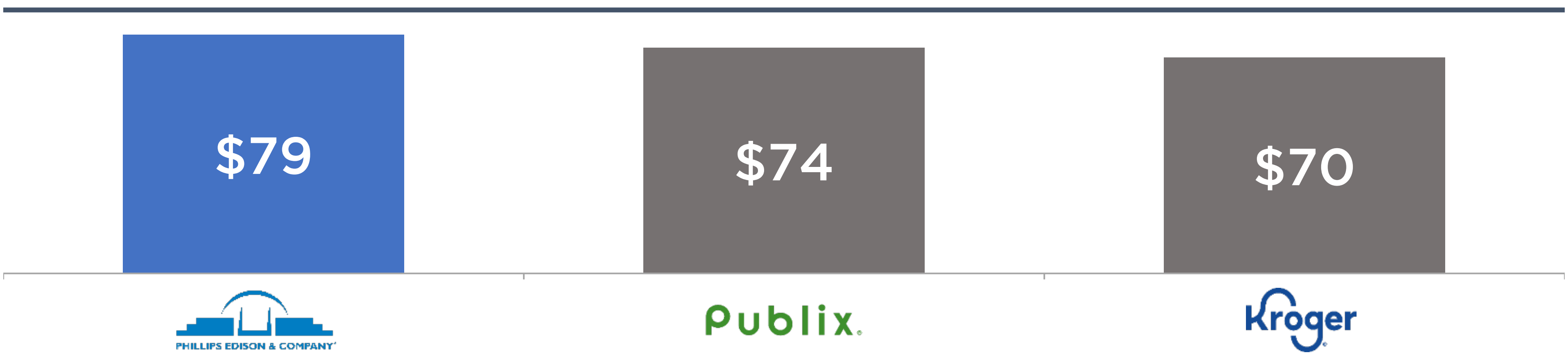
***Demand for Space Reinforces the Demographic Strength of Our Trade Areas***

## Average 3-Mile Population (000s)




## Average 3-Mile Median Household Income ($000s)




Source: Synergos Technologies, Inc. and Company filings as of March 31, 2023

# Our Grocery-Anchored Advantage

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***97% of Our Rents Come from Grocery-Anchored Centers***

**2.2%**
PECO Grocer Health Ratio[1]

**+8%**
U.S. Food At Home Spending YoY Growth[2]

**$665 | 5.4%**
PECO Grocer Sales PSF | Q1 2023 YoY Growth[3]

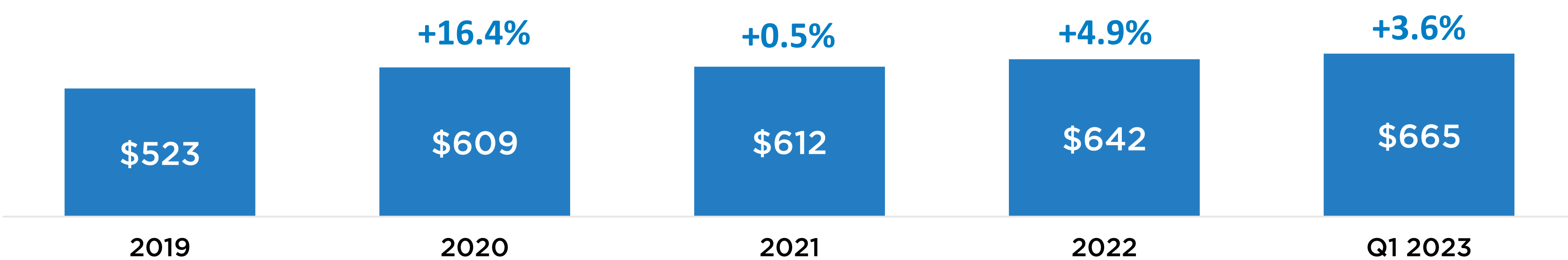



**87%**
PECO ABR from Grocers that are #1 or #2 in Sales by Market[4]

**+7.4%**
U.S. Food at Home Spending 5-Year CAGR[5]

**+8.3%**
2022 U.S. Grocery Sales Growth Through December[6]

***PECO Grocer Sales PSF Growth***




1. Based on the most recently reported sales data available
2. USDA through September 30, 2022
3. Includes all PECO grocers who reported sales PSF in both 2022 and 2023
4. Data as of March 31, 2023
5. Brick Meets Click: 5-year Forecast
6. Census Bureau

# Strength and Resiliency of Our Local Neighbors

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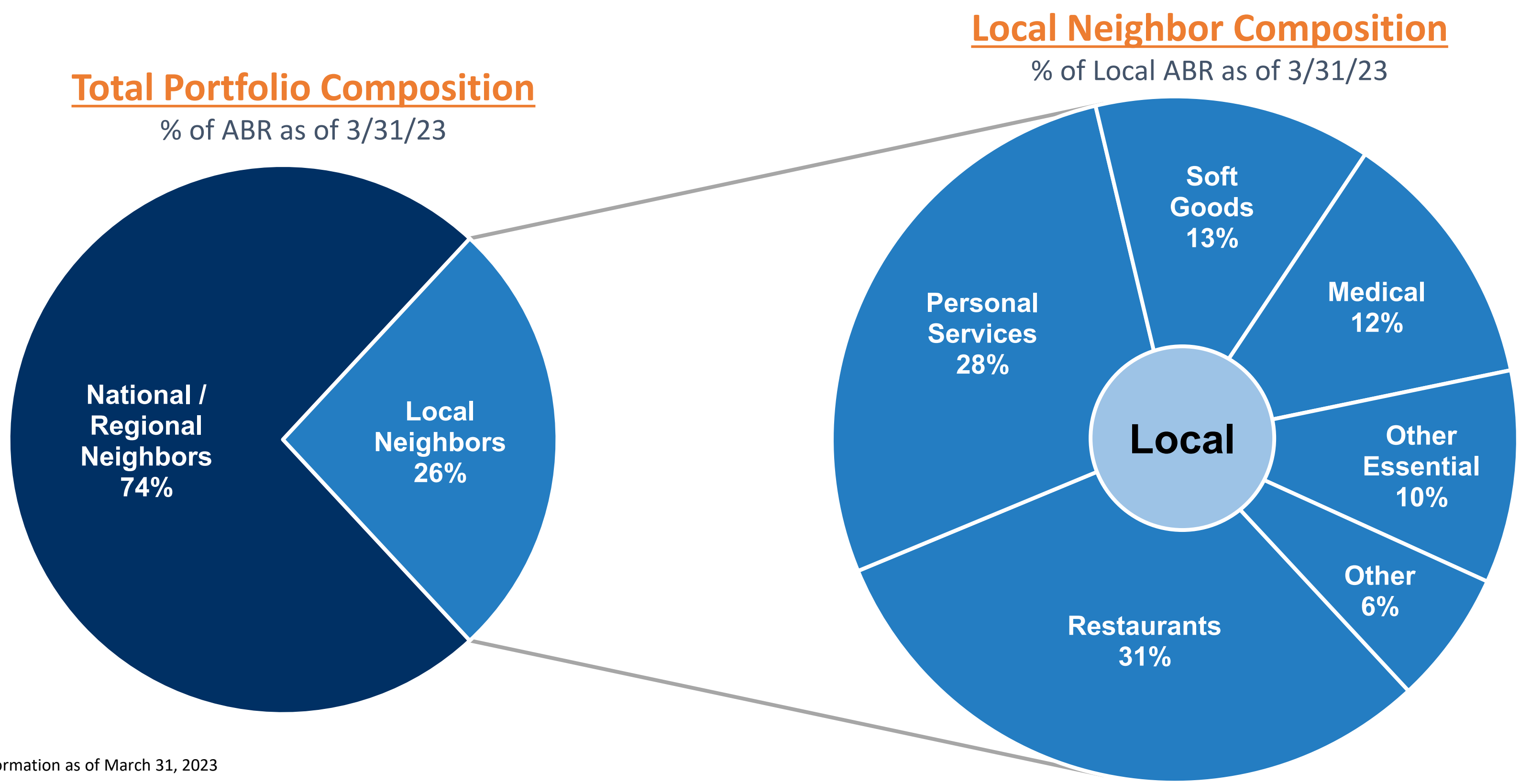
***Portfolio Occupancy Performance Reinforces the Strength of Our Inline and Local Neighbors***

**~26% of PECO's ABR is derived from Local Neighbors, comprised primarily of:**

- Restaurants including quick-service, fast casual and full-service
- Personal services including hair and nail salons
- Soft goods including home, apparel and accessories
- Medical including dentists, chiropractors and urgent care

**~63% of Local ABR is from necessity-based goods and services, with another 18% of Local ABR from full-service restaurants**




Source: Company information as of March 31, 2023

# Math Behind Our Local Neighbors

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## *Our Local Neighbors Offer Attractive Economics*

- ✓ Our inline Local Neighbors are resilient and have been in PECO's centers an **average of 8.8 years**
- ✓ This length of tenancy **compares favorably to the capital investment payback period of 10 months** for inline Local Neighbors
- ✓ Over the last three years, PECO has **retained 76.4%** of our inline Local Neighbors
- ✓ When PECO did replace these inline Local Neighbors, the average **releasing spread was 17%** on a trailing 12-month basis

Our inline Local Neighbors offer attractive economics, have high retention rates and achieve inline renewal spreads, while differentiating our centers and providing unique experiences



Source: Company information as of March 31, 2023

# Expansion with Local Neighbors

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## *PECO Has a Long Track Record of Identifying Strong Local Operators*


WestSide

Westside Children's Therapy opened their first location with us in 2020 at Baker Hill Station. They have since expanded to another PECO location at Heritage Plaza Station in Carol Stream, IL.


TotalMen's® PRIMARY CARE

Total Men's Primary Care executed their first lease with us in 2019 when they decided to expand into the Dallas-Fort Worth area. They opened locations at three additional PECO centers in Texas, Murphy Marketplace, Plano Station and Hickory Creek Plaza.

THE BACKYARD
KITCHEN & COCKTAILS

The Backyard executed their first lease with us in 2019. They have expanded, opening Yard Dawgs, a complementary sister location at Murphy Marketplace in Texas. They won Living Magazines' Best Patio & Bar Restaurant in 2021

# Highly Diversified Neighbor Mix Led by Top Grocers and Necessity-Based Retailers

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| Neighbor | | | Location Count | % ABR(1) |
|---|---|---|---|---|
| Kroger | Grocer | IG | 62 | 6.2% |
| Publix | Grocer | | 61 | 5.8% |
| Albertsons Safeway | Grocer | | 31 | 4.1% |
| Ahold Delhaize | Grocer | IG | 23 | 3.9% |
| Walmart | Grocer | IG | 13 | 2.0% |
| giant eagle | Grocer | | 10 | 1.6% |
| Sprouts Farmers Market | Grocer | | 14 | 1.5% |
| TJX | | IG | 18 | 1.4% |
| Raley's | Grocer | | 5 | 1.0% |
| Dollar Tree | | IG | 36 | 0.8% |

| Neighbor | | | Location Count | % ABR(1) |
|---|---|---|---|---|
| Supervalu | Grocer | | 5 | 0.7% |
| Subway | | | 66 | 0.6% |
| Lowe's | | IG | 4 | 0.5% |
| Anytime Fitness | | | 30 | 0.5% |
| Starbucks | | IG | 32 | 0.5% |
| Food 4 Less | Grocer | | 2 | 0.5% |
| Pet Supplies Plus | | | 19 | 0.5% |
| Kohl's | | | 4 | 0.5% |
| Office Depot | | | 8 | 0.5% |
| The UPS Store | | IG | 65 | 0.5% |
| **Total** | | | **508** | **33.6%** |

- Scale with 5K+ leases with 3K+ Neighbors
- Highly diversified with only 9 Neighbors with ABR exposure greater than 1.0%
- PECO's exposure to distressed retailers is limited and combined represents less than 2% of ABR
- Stability with fixed, contractual rents with bumps
- Security with weighted-average remaining lease term, assuming options, of 31.6 years for grocery anchors and 8.2 years for inline Neighbors

Grocer IG Investment Grade(2)

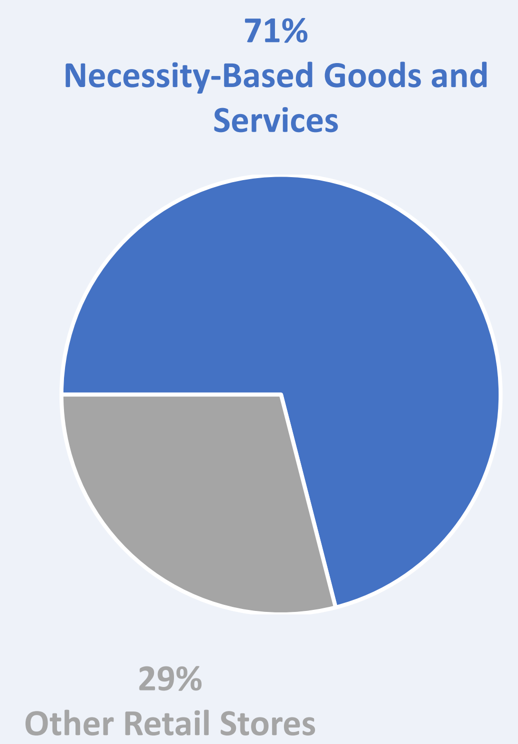
1. % of ABR as of March 31, 2023
2. Investment Grade ratings represent the credit rating of our Neighbors, their subsidiaries or affiliated companies. Actual ratings based on S&P or Moody's are used

# PECO's Portfolio Snapshot



| | | |
|---|---|---|
| **97%** | **97.5%** | **6.2% of ABR** |
| of ABR from Grocery-Anchored Centers | Leased Occupancy | Top Neighbor Exposure (Kroger) |
| **32.3%** | **2.2%** | **$665** |
| Grocer ABR of Total ABR | Grocer Health Ratio | Avg. Annual Grocer Sales per SF |
| **54%** | **$23.66** | **95%** |
| Inline ABR of Total ABR | Inline ABR/SF | Portfolio Retention Rate |

**ABR by Neighbor Composition[(1)]**




Portfolio statistics representative of wholly-owned portfolio as of March 31, 2023, unless otherwise noted

1. Includes pro rata share of unconsolidated JVs

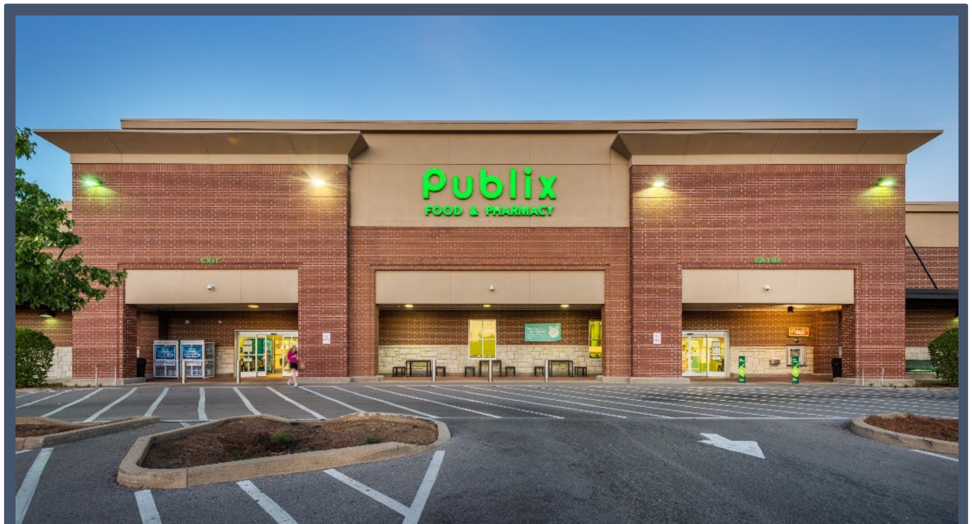

PHILLIPS EDISON & COMPANY

# Investments

# 2023 Acquisition Summary

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

***PECO Executed $79M of Accretive Acquisitions in Q1 2023 at a Weighted Average 6.3% Cap Rate***




Providence Commons
Mt. Juliet, TN


Village Shoppes at Windermere
Suwanee, GA

| 2023 Acquisitions YTD | Location | GLA | Purchase Price (in thousands) | Anchors |
|---|---|---|---|---|
| Providence Commons | Mt. Juliet, TN | 110,137 | $27,100 | Publix |
| Village Shoppes at Windermere | Suwanee, GA | 73,442 | $19,550 | Publix |
| Town Center at Jensen Beach | Jensen Beach, FL | 109,326 | $17,200 | Publix |
| Shops at Sunset Lakes | Miramar, FL | 70,288 | $14,800 | Publix |
| Total | | 363,193 | $78,650 | |

# Development and Redevelopment Activity Provide Long-Term Growth Opportunities

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

**_Continued Focus on Our Pipeline of Accretive Ground-Up Development and Redevelopment Projects_**

- **13 projects under active construction**
- Of these, **11** are being developed on land PECO already owned and **2** are being developed on adjacent land that we acquired
- Our total investment in these projects is estimated to be **$46M** with an **average estimated yield between 9% to 12%**
- **3** projects were stabilized during Q1 2023, and **we delivered over 74,000 SF** of space to our Neighbors, with **incremental NOI of approximately $0.93M annually**


**These Projects Provide Superior Risk-Adjusted Returns and Have Meaningful Impact on NOI Growth**


PHILLIPS EDISON & COMPANY

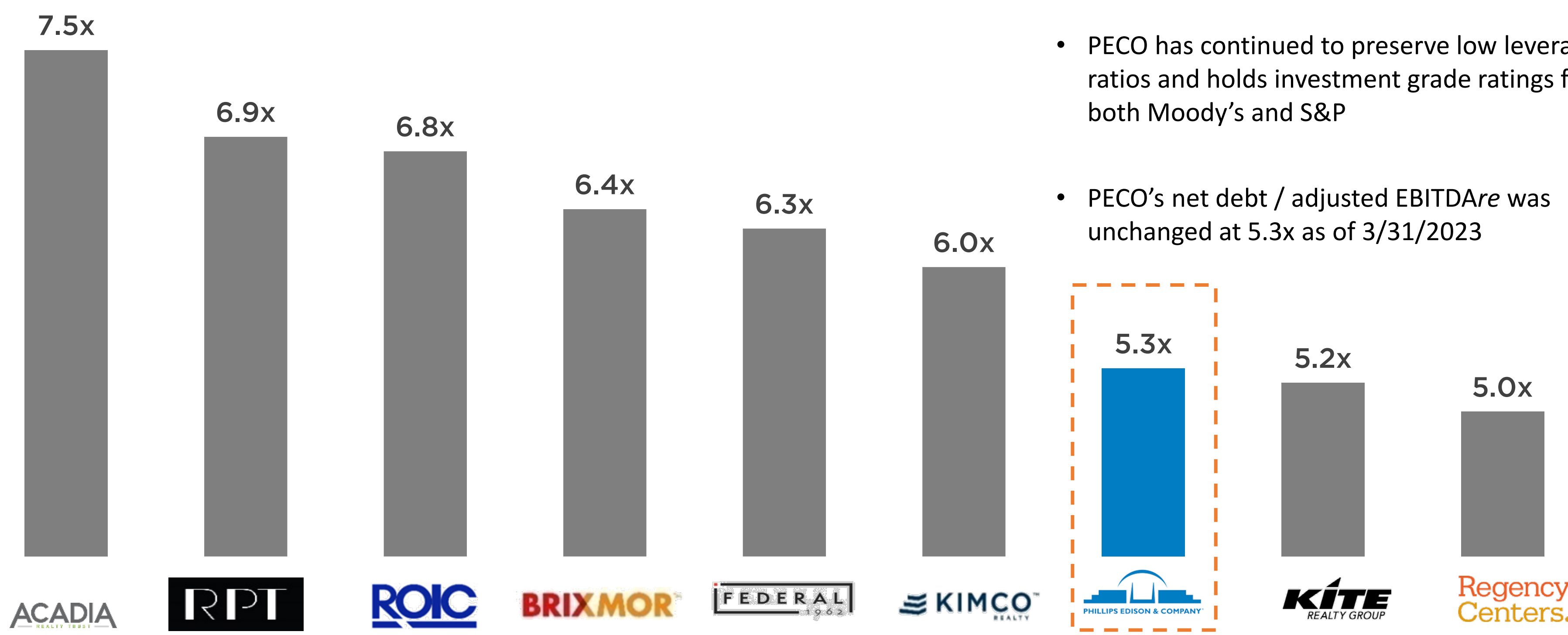
# Balance Sheet

# Peer Leverage Comparison

**PHILLIPS EDISON & COMPANY**
**PECO | Nasdaq Listed**

## *PECO is Among the Lowest Levered Shopping Center REITs*

**Net Debt / Adjusted EBITDA*re*, as of 12/31/2022[1]**




- PECO has continued to preserve low leverage ratios and holds investment grade ratings from both Moody's and S&P
- PECO's net debt / adjusted EBITDA*re* was unchanged at 5.3x as of 3/31/2023

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| S&P[2] | NA | NA | BBB- | BBB- | BBB+ | BBB+ | BBB- | BBB- | BBB+ |
| Moody's[2] | NA | NA | Baa2 | Baa3 | Baa1 | Baa1 | Baa3 | Baa3 | Baa1 |

1. As reported by peers in most recent quarterly filings (mix of LTM and LQA leverage); data based on company filings. Other companies may define/calculate net debt / EBITDA differently than PECO. Accordingly, such data for these companies and PECO may not be comparable. Please see Appendix at the back of this presentation for definitions, explanations and non-GAAP reconciliations
2. Long-term issuer ratings, as of April 30, 2023

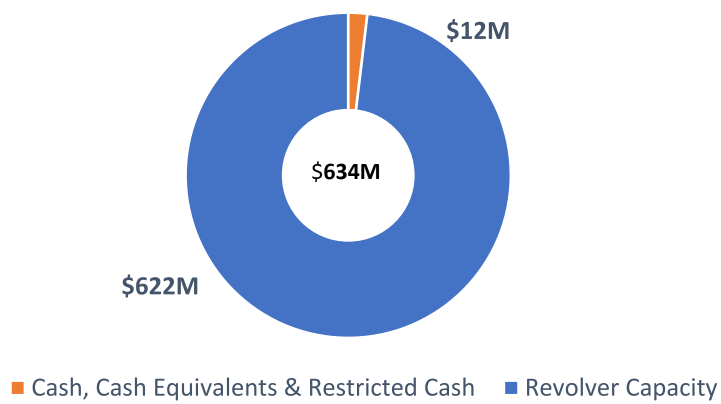
# Strong and Flexible Balance Sheet Position

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

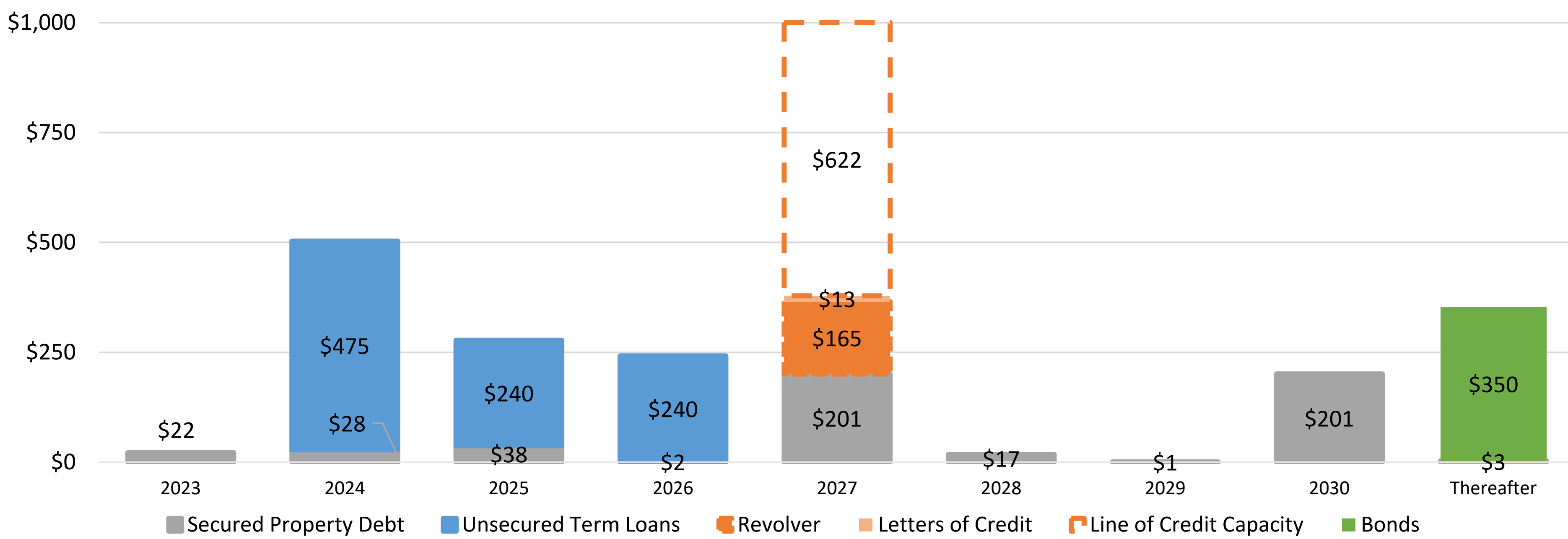
## *Investment Grade Balance Sheet Highlights*[1]

- Moody's: Baa3 (stable); S&P: BBB- (stable)
- Significant liquidity position of $634M
- Net debt / adjusted EBITDA*re* of 5.3x
- Approximately 83% of our assets are unencumbered
- Outstanding debt had a weighted average interest rate of 3.8% and a weighted average maturity of 4.1 years, and 82% of total debt was fixed rate debt
- Committed to long-term Core FFO per diluted share growth

## *Liquidity Strength*[1]




## *Well-Staggered Debt Maturity Profile ($M)*[1][2]




1. As of March 31, 2023. Revolver capacity is net of letters of credit
2. Includes option to extend revolver


PHILLIPS EDISON & COMPANY

# 2023 Earnings Guidance

# 2023 Earnings Guidance Summary

PHILLIPS EDISON & COMPANY

PECO | Nasdaq Listed

## *PECO's Full Year 2023 Earnings Guidance*

***All figures in millions, except per share data***

| | Initial 2023 Guidance | May 2023 Guidance Update | 2022 Actual |
|---|---|---|---|
| Net Income / Share | $0.47 - $0.52 | $0.47 - $0.52 | $0.42 |
| Nareit FFO / Share | $2.23 - $2.29 | $2.23 - $2.29 | $2.15 |
| Core FFO/ Share | $2.28 - $2.34 | $2.28 - $2.34 | $2.27 |
| Same-center NOI Growth | 3.0% - 4.0% | 3.0% - 4.0% | 4.5% |
| | | | |
| Acquisition activity, net | $200 - $300 | $200 - $300 | $226.5 |
| Development and redevelopment spend | $50 - $60 | $50 - $60 | $53.7 |
| Interest expense, net | $83 - $89 | $85 - $90 | $71.2 |
| G&A expense | $44 - $48 | $44 - $48 | $45.2 |
| Non-cash revenue items | $15 - $20 | $14 - $19 | $16.6 |
| Adjustments for uncollectibility | $3.5 - $4.5 | $3.5 - $4.5 | $2.0 |

- Nareit FFO / share growth of 5.1% at the midpoint
- Core FFO / share growth of 1.8% at the midpoint
- We expect same-center NOI growth to be aided by our 2022 leasing activity, driving increased occupancy and favorable rent spreads, and our development and redevelopment activity
- Average estimated yield between 9% to 12% on development and redevelopment activity
- We continue to monitor the debt capital markets for the right opportunity to extend our maturity profile

### Core FFO / Share Reconciliation

The following table provides a reconciliation of the range of PECO's 2023 estimated net income to estimated Nareit FFO and Core FFO:

| (Unaudited) | Low End | High End |
|---|---|---|
| Net income | $0.47 | $0.52 |
| Depreciation and amortization of real estate assets | $1.74 | $1.74 |
| Adjustments related to unconsolidated joint ventures | $0.02 | $0.02 |
| **Nareit FFO / share** | **$2.23** | **$2.29** |
| Depreciation and amortization of corporate assets | $0.02 | $0.02 |
| Transaction costs and other | $0.03 | $0.03 |
| **Core FFO / share** | **$2.28** | **$2.34** |

The Company does not provide a reconciliation for same-center NOI estimates on a forward-looking basis because it is unable to provide a meaningful or reasonably accurate calculation or estimation of certain reconciling items which could be significant to our results without unreasonable effort.


PHILLIPS EDISON & COMPANY

# Performance and Long-Term Growth

# How PECO Defines Quality

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

*PECO has 30+ Years of Experience in the Grocery-Anchored Shopping Center Industry and an Informed Perspective on what Drives Quality and Success at the Property Level*

## SOAR with PECO

**Important and Sustainable Measures of Quality in PECO Grocery-Anchored Centers**

### Spreads

PECO's strong new and renewal leasing spreads are driven by necessity-based goods and services that serve the essential needs of our communities

### Occupancy

PECO's record occupancy levels are driven by our focused and differentiated strategy of exclusively owning right-sized, grocery-anchored neighborhood shopping centers

### Advantages of the Market

PECO's portfolio focus on the #1 or #2 grocer is well-positioned in the market with significant presence in the Sun Belt and growing U.S. cities

### Retention

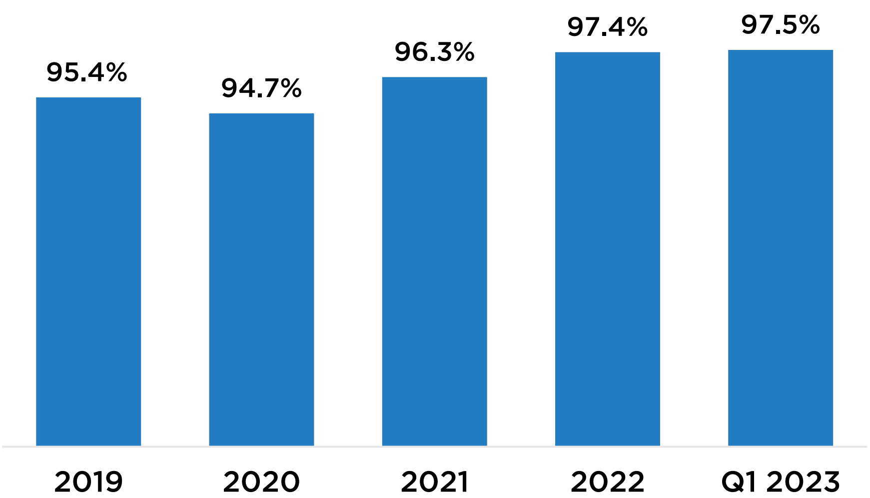
PECO retains a healthy and diverse mix of national, regional and local Neighbors who run successful businesses and support our ability to grow rents at attractive rates

# PECO's Strong Historical Performance

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

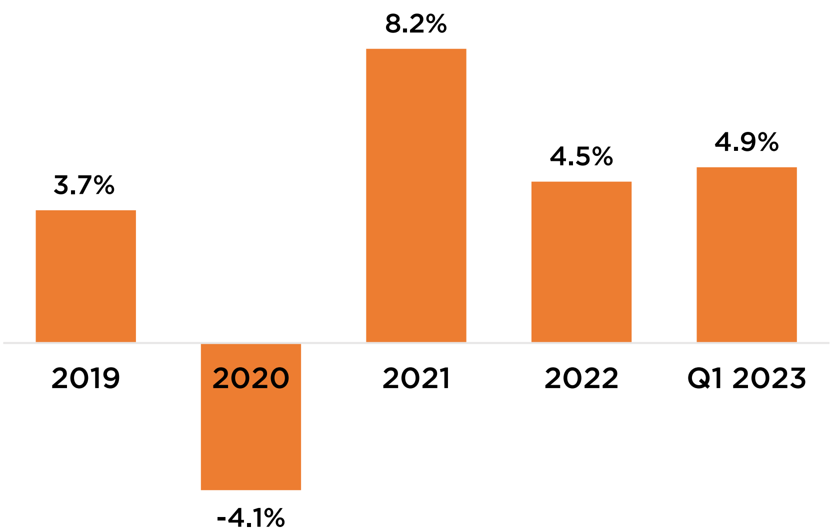
***Record Occupancy Levels are Driving Immediate, Measurable Growth in Our Financial Results***

## Leased Portfolio Occupancy




- PECO's leased portfolio occupancy has exceeded pre-COVID levels and increased to a record-high 97.5%
  - Inline occupancy: 94.3%
  - Anchor occupancy: 99.3%
  - Economic occupancy spread: 80 basis points

## Same-Center NOI Growth[1]




- PECO's high retention rates and focus on increasing occupancy, driving leasing spreads, executing redevelopment projects and implementing rent bumps in new leases has driven strong NOI growth

1. Please see reconciliation tables in the appendix of this presentation for more details.

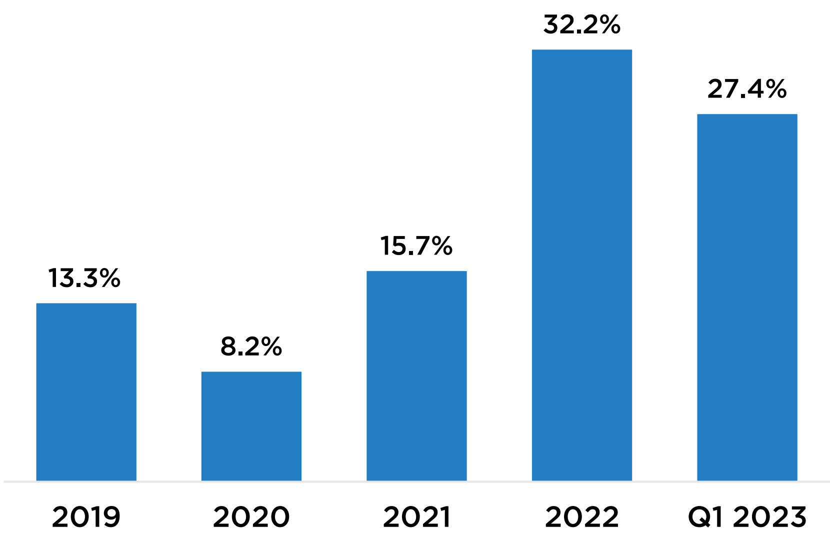
# PECO's Strong Historical Performance

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

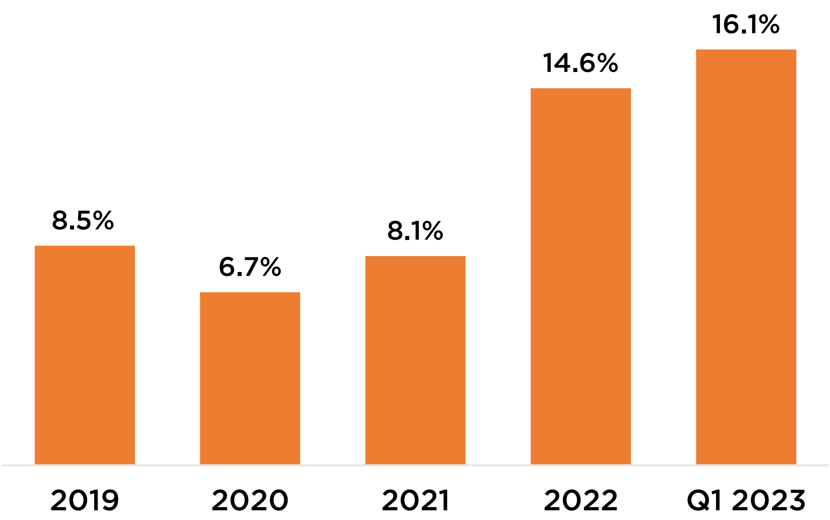
***Leasing Spreads Demonstrate PECO's Pricing Power and Sustainable Organic Growth***

## Comparable Leasing Spreads

### New Leases




### Renewals




- PECO's portfolio is at record high occupancy levels, and the resulting pricing power is driving leasing and renewal spreads significantly above previous levels

Data as of March 31, 2023

# Roadmap to Our Long-Term Growth

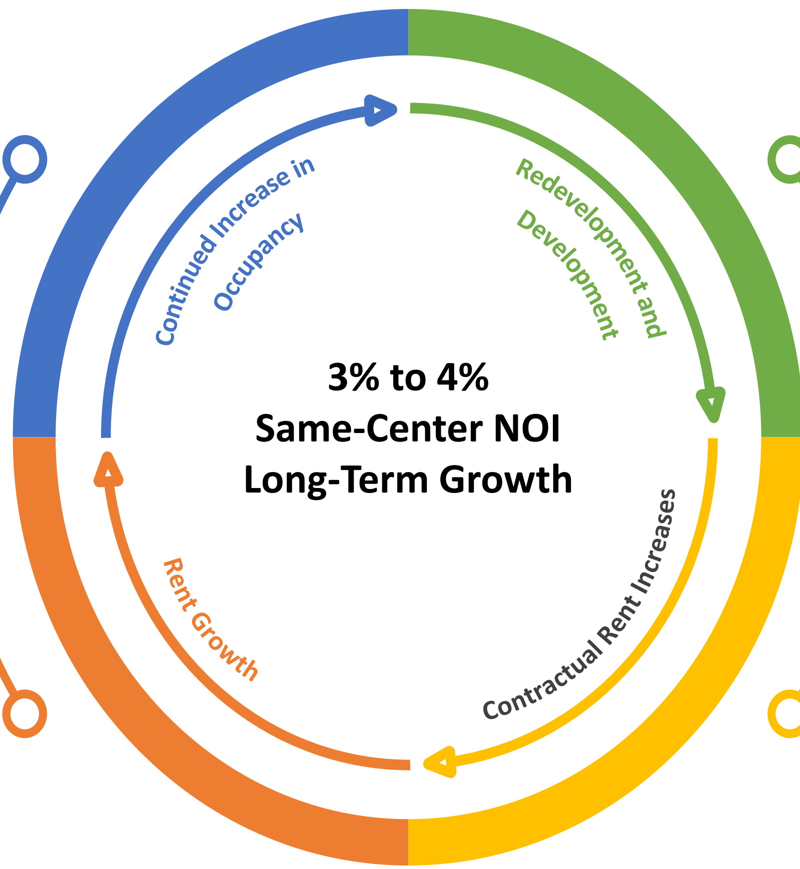
PHILLIPS EDISON & COMPANY

PECO | Nasdaq Listed

***PECO Remains Committed to Delivering Sustainable Organic Long-Term Growth and Value***

Continued increase in occupancy expected to contribute 50 to 100 bps of growth

Redevelopment and development activity expected to contribute 75 to 125 bps of growth




New and renewal spreads expected to contribute 100 to 125 bps of growth

Contractual rent increases expected to contribute 75 to 100 bps of growth


PHILLIPS EDISON & COMPANY

# Corporate Responsibility

# PECO's Approach to Corporate Responsibility



## ENERGY

**Being a responsible corporate citizen has always been integral to our strategy. Our approach has an emphasis on environmental stewardship, social responsibility, and corporate governance and compliance. We believe that our corporate responsibility initiatives are critical to our success and are focused on actions designed to have a long-term, positive impact for all stakeholders.**

> PECO's culture is fueled by the energy our team brings to work every day – to find creative solutions and create value for our centers, our investors, our communities and the greater world around us.

## Corporate Responsibility Overview

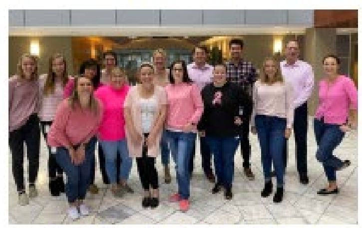
We are always working to provide safe, clean and environmentally friendly shopping centers that enhance the neighborhoods in which they are located. We are constantly looking for ways – both big and small – to positively impact the communities in which we live and work.

### Environmental Stewardship

We believe that sustainable business practices fit with our core value of "Do The Right Thing" while at the same time being in the best interests of all our stakeholders by having a positive impact on our properties and the communities in which they are located. Our sustainability initiatives include energy efficiency, alternative power sources, water conservation, sustainable design and waste management, among others. Through these initiatives, we continue to make progress towards mitigating the environmental impact of our shopping centers.

### Social Responsibility

PECO's culture is driven by our team's connection to each other and the communities in which we live and work. PECO's social efforts are aligned under the mission of "space for all". In building space for all, we strive to cultivate neighborhoods and a workplace where diverse perspectives and experiences are welcomed and respected and where all people should be able to bring their best selves and unleash their full potential. Associate-led business resource groups such as PECO MORE (Multicultural Opportunities, Resource and Education), PECO NOW (Networking Opportunities for Women), and PECO Community Partnership give our team opportunities to effect positive change within our Company, our industry and our communities. As a result of our commitment to our associates, PECO has been named a "Top Place to Work" by Enquirer Media (publisher of The Cincinnati Enquirer) for five straight years.



Pink Celebration for Breast Cancer Awareness Month in Cincinnati, OH

### Corporate Governance & Compliance

PECO has an established commitment to conducting business with integrity. One of our core values is: "Do the Right Thing." This core value is embedded in our culture and reflected in our commitment to conducting all of our activities in accordance with the highest ethical standards and in compliance with all legal and regulatory requirements.

# Environmental Stewardship

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

## *Environmentally-Friendly Asset Management*

Reducing energy consumption through LED lighting retrofits

- LED retrofits at 249 centers

Reducing water consumption with low flow fixtures and smart irrigation controls

Increasing use of solar panels and EV charging stations at our centers

- 186 EV charging stations installed
- 17 solar roofs installed

Reducing waste through increased recycling at all PECO centers and corporate offices

**PECO's Environmental Stewardship**

In our ongoing commitment to sustainability, we can highlight the following achievements during 2022:

- ✓ Completion of the retrofit of 92% of our portfolio to LED, which puts us well ahead of our goal to retrofit 100% of our portfolio by 2025
- ✓ 17 solar panels installed at our centers producing over 4.5MW of solar energy
- ✓ Over 55M gallons of water conserved through the implementation of xeriscaping and our "Smart Water Control Program," which in turn has generated cost savings of approximately $0.9M
- ✓ Establishment of a new waste diversion program aimed at achieving a 25% total diversion rate at eligible properties by 2030
- ✓ Completing the installation of an additional 30 electric vehicle (EV) charging stations at our centers such that we now provide EV charging amenities at 22% of our properties; well ahead of our goal of installing EV amenities at 50% of our eligible properties by 2030
- ✓ Achieved Gold Recognition from the 2022 Green Lease Leaders Program, organized by the Institute for Market Transformation and the U.S. Department of Energy's Better Buildings Alliance, in recognition of our industry-leading efforts in our standard lease agreements to spur collaboration on energy efficiency, decarbonization, cost savings, health and a range of other environmental and social issues

# Social Responsibility

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

**Numerous Social Programs for Our Communities and Our Associates**

**Social Responsibility**

Our culture is driven by our team's connection to each other and the communities in which we live and work. Our associates are one of our most valuable resources, and we strive to have an outstanding culture that is collaborative, inclusive and that provides significant opportunities for professional and personal development. Our local teams and property managers are passionate about the Neighbors whom they work with daily and engaging with the shoppers at our centers and the local surrounding communities. Their passion for their work and the communities where we operate helps drive great shopping experiences at our centers and improve the communities in which they are located.

The Company is committed to a culture that is inclusive and that supports a sense of belonging amongst associates. We refer to this commitment as Building Space For All. In building space for all, we strive to cultivate a workplace where diverse perspectives and experiences are welcomed and respected, and where our people feel encouraged to discuss diversity, equity and inclusion.

# Recognition and Partnerships

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

TOP WORK PLACES

ALWAYS KEEP LEARNING.
THINGS CONSTANTLY CHANGE, AND THE BEST WAY TO BE SUCCESSFUL IS THROUGH CONSTANTLY LEARNING.

HAVE FUN & GET IT DONE.
WE KNOW WHEN IT'S TIME TO WORK HARD AND WORK SMART, BUT MOST IMPORTANTLY WE KNOW WHEN IT'S TIME TO HAVE FUN!

DO THE RIGHT THING.
WE DO THE RIGHT THING, EVEN IF IT ISN'T ALWAYS THE EASY THING.

THINK BIG. ACT SMALL.
WE HAVE BIG DREAMS AND GOALS THAT WE'LL ACHIEVE BY WORKING TOGETHER AS A FAMILY AND PRESERVING OUR SMALL COMPANY MENTALITY.

## *In 2022 PECO was Named a Top Place to Work for the 6th Year in a Row*

Cincinnati.com
The Enquirer

**TOP WORK PLACE**
Cincinnati Enquirer

GlobeSt.com

**INFLUENCES IN CRE - MARKETING & COMMUNICATIONS: PECO**
Marketing Team
GlobeSt.com

2021 HEALTHIEST EMPLOYERS FINALIST

**2021 HEALTHIEST EMPLOYERS OF GREATER CINCINNATI**
**FINALIST**
Healthiest Employers

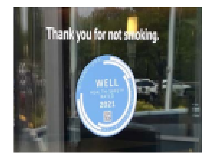
**MEDICAL MUTUAL'S PILLAR AWARD FOR COMMUNITY SERVICE**
PECO Community Partnership

ICSC

**GOLD WINNER**
**Innovation - PECO Rewards Program**
ICSC MAXI Awards

ICSC

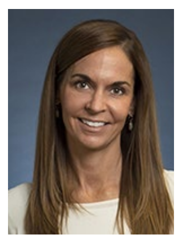
**GOLD WINNER**
**Impact - Connecting Businesses with Omni-Channel Resources**
ICSC MAXI Awards



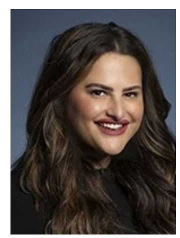

**WELL HEALTH SAFETY RATING AWARD**
PECO Cincinnati Office

Bob Myers
**CINCINNATI 300**
Cincinnati Magazine

Tanya Brady
**2022 BEST BOSS**
GlobeSt. / Real Estate Forum



Erin Majors
**WOMEN IN REAL ESTATE***
Connect CRE



Marissa Visconsi
**'10 under 40' Retail Real Estate Rising Star**
Chain Store Age

Cassandra Burnham
**WOMEN OF INFLUENCE**
GlobeSt.com

Eric Richter
**RETAIL INFLUENCERS**
GlobeSt.com

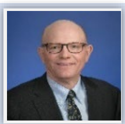
*Chicago and Midwestern Region

# Corporate Governance

PHILLIPS EDISON & COMPANY

PECO | Nasdaq Listed

## *Experienced Board of Directors*



**Jeff Edison**
Chairman

- Co-founded Phillips Edison & Company in 1991
- Previous roles at NationsBank's South Charles Realty, Morgan Stanley and Taubman Centers

**Leslie Chao**
Independent Director

- Retired CEO and former President and CFO of Chelsea Property Group
- Non-executive director of Value Retail PLC

**Stephen Quazzo**
Independent Director

- Co-founder and CEO of Pearlmark Real Estate
- Director of Marriott Vacations Worldwide

**Elizabeth Fischer**
Independent Director

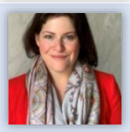
- Former Managing Director at Goldman Sachs
- Served as Co-head of Goldman Sachs' firmwide Women's Network

**Greg Wood**
Independent Director

- CFO, EVP of EnergySolutions, Inc.
- Former CFO of Actian Corp., Silicon Graphics, Liberate Technologies and InterTrust Technologies

**Dr. John Strong**
Independent Director

- Chairman and CEO of Bankers Financial Corporation
- Former President and Managing Partner of Greensboro Radiology



**Jane Silfen**
Independent Director

- Founder of Mayfair Advisors LLC
- VP at Mayfair Management, an independent single-family office

## *Governance Highlights*

✓ Seasoned 10+ year SEC filer with a well-established corporate governance structure

✓ Opted out of provisions of MUTA that would allow us to stagger our board without prior shareholder approval

✓ Opted out of Maryland control share acquisition statute

✓ No Stockholder Rights Plan [1]

✓ 65% of independent director retainer in stock

✓ 8% ownership by officers and directors

Notes:
1. Any future adoption is subject to shareholder approval or ratification within 12 months of adoption if board determines it is in our best interest to adopt plan without prior approval

# Experienced Leadership Team

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

## *Deep Management Team with an Average of 30 Years of Experience*

### Executive Team

**Jeff Edison**
*Chairman and Chief Executive Officer*
38 Years of Experience
(32 Years PECO)

**Devin Murphy**
*President*
38 Years of Experience
(9 Years PECO)

**Robert Myers**
*Chief Operating Officer*
25 Years of Experience
(20 Years PECO)

**John Caulfield**
*Chief Financial Officer*
21 Years of Experience
(9 Years PECO)

**Tanya Brady**
*General Counsel and Secretary*
29 Years of Experience
(9 Years PECO)

### Senior Vice Presidents

| | Name | Position | Years of Experience / Years at PECO |
|---|---|---|---|
|  | **Aaron Morris** | Finance | 19 / 13 |
|  | **Cherilyn Megill** | Chief Marketing Officer | 37 / 9 |
|  | **David Wik** | Acquisitions | 23 / 12 |
|  | **Eric Richter** | Property Management | 31 / 21 |
|  | **Jennifer Robison** | Chief Accounting Officer | 25 / 8 |
|  | **Joseph Hoffmann** | Tax | 33 / 4 |

| | Name | Position | Years of Experience / Years at PECO |
|---|---|---|---|
|  | **Joseph Schlosser** | Portfolio Management | 24 / 17 |
|  | **Keith Rummer** | Chief People Officer | 28 / 10 |
|  | **Kevin McCann** | Chief Information Officer | 36 / 2 |
|  | **Ron Meyers** | Leasing | 23 / 13 |
|  | **Tony Haslinger** | Construction | 27 / 9 |
|  | **Greg Clough** | Development and Redevelopment | 31 / 15 |

# Glossary of Terms

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

**Anchor space:** A space greater than or equal to 10,000 square feet of gross leasable area (GLA).

**Annualized base rent (ABR):** Refers to the monthly contractual base rent as of the end of the applicable reporting period multiplied by twelve months.

**ABR per square foot (PSF):** ABR divided by leased GLA. Increases in ABR PSF can be an indication of our ability to create rental rate growth in our centers, as well as an indication of demand for our spaces, which generally provides us with greater leverage during lease negotiations.

**Comparable lease:** Refers to a lease with consistent terms that is executed for substantially the same space that has been vacant less than twelve months.

**Comparable rent spread:** Calculated as the percentage increase or decrease in first-year ABR (excluding any free rent or escalations) on new, renewal and option leases where the lease was considered a comparable lease. This metric provides an indication of our ability to generate revenue growth through leasing activity.

**EBITDA*re*, and Adjusted EBITDA*re* (collectively, "EBITDAre metrics"):** Nareit defines EBITDA*re* as net income (loss) computed in accordance with GAAP before: (i) interest expense; (ii) income tax expense; (iii) depreciation and amortization; (iv) gains or losses from disposition of depreciable property; and (v) impairment write-downs of depreciable property. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect EBITDA*re* on the same basis. To arrive at Adjusted EBITDA*re*, we exclude certain recurring and non-recurring items from EBITDA*re*, including, but not limited to: (i) changes in the fair value of the earn-out liability; (ii) other impairment charges; (iii) amortization of basis differences in our investments in our unconsolidated joint ventures; (iv) transaction and acquisition expenses; and (v) realized performance income. We use EBITDA*re* and Adjusted EBITDA*re* as additional measures of operating performance which allow us to compare earnings independent of capital structure and evaluate debt leverage and fixed cost coverage.

**Equity market capitalization:** The total dollar value of all outstanding shares using the closing price for the applicable date.

**Grocer health ratio:** Amount of annual rent and expense recoveries paid by the Neighbor as a percentage of gross sales. Low grocer health ratios provide us with the knowledge to manage our rents effectively while seeking to ensure the financial stability of our grocery anchors.

**Gross leasable area (GLA):** The total occupied and unoccupied square footage of a building that is available for Neighbors or other retailers to lease.

**Inline space:** A space containing less than 10,000 square feet of GLA.

**Leased occupancy:** Calculated as the percentage of total GLA for which a lease has been signed regardless of whether the lease has commenced or the Neighbor has taken possession. High occupancy is an indicator of demand for our spaces, which generally provides us with greater leverage during lease negotiations.

**Net Debt:** Total debt, excluding discounts, market adjustments and deferred financing expenses, less cash and cash equivalents.

**Net debt to adjusted EBITDA*re***: Calculated by dividing net debt by Adjusted EBITDA*re* (included on an annualized basis within the calculation). It provides insight into our leverage rate based on earnings and is not impacted by fluctuations in our equity price.

**Net debt to total enterprise value:** Ratio is calculated by dividing net debt by total enterprise value. It provides insight into our capital structure and usage of debt.

**Net operating income (NOI):** Calculated as total operating revenues, adjusted to exclude non-cash revenue items, less property operating expenses and real estate taxes. NOI provides insight about our financial and operating performance because it provides a performance measure of the revenues and expenses directly involved in owning and operating real estate assets and provides a perspective not immediately apparent from net income (loss).

**Portfolio retention rate:** Calculated by dividing (i) the total square feet of retained Neighbors with current period lease expirations by (ii) the total square feet of leases expiring during the period. The portfolio retention rate provides insight into our ability to retain Neighbors at our shopping centers as their leases approach expiration. Generally, the costs to retain an existing Neighbor are lower than costs to replace with a new Neighbor.

**Redevelopment:** Larger scale projects that typically involve substantial demolition of a portion of the shopping center to accommodate new retailers. These projects typically are accompanied with new construction and site infrastructure costs.

**Same-Center:** Refers to a property, or portfolio of properties, that has been owned and operational for the entirety of each reporting period (i.e., since January 1, 2021).

**Total enterprise value:** Net debt plus equity market capitalization on a fully diluted basis.


PHILLIPS EDISON & COMPANY

APPENDIX

# Non-GAAP Reconciliations

# Non-GAAP Measures

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

Below is a reconciliation of Net Income to NOI for real estate investments and Same-Center NOI (in thousands):

| | Three Months Ended March 31, | |
|---|---|---|
| | 2023 | 2022 |
| Net income | $ 18,636 | $ 11,398 |
| Adjusted to exclude: | | |
| Fees and management income | (2,478) | (2,461) |
| Straight-line rental income[1] | (2,580) | (1,809) |
| Net amortization of above- and below-market leases | (1,228) | (1,002) |
| Lease buyout income | (355) | (1,965) |
| General and administrative expenses | 11,533 | 11,532 |
| Depreciation and amortization | 58,498 | 57,226 |
| Interest expense, net | 19,466 | 18,199 |
| Gain on disposal of property, net | (942) | (1,368) |
| Other expense, net | 755 | 4,365 |
| Property operating expenses related to fees and management income | 315 | 1,070 |
| **NOI for real estate investments** | **$ 101,620** | **$ 95,185** |
| Less: Non-same-center NOI[2] | (3,004) | (1,137) |
| **Total Same-Center NOI** | **$ 98,616** | **$ 94,048** |

**Notes:**
1. Includes straight-line rent adjustments for Neighbors deemed to be non-creditworthy
2. Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities

# Non-GAAP Measures

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

Below is a reconciliation of Net Income to NOI for real estate investments and Same-Center NOI (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | 2022 | 2021 |
| Net income | $ 54,529 | $ 17,233 |
| Adjusted to exclude: | | |
| Fees and management income | (11,541) | (10,335) |
| Straight-line rental income[1] | (12,265) | (9,404) |
| Net amortization of above- and below-market leases | (4,324) | (3,581) |
| Lease buyout income | (2,414) | (3,485) |
| General and administrative expenses | 45,235 | 48,820 |
| Depreciation and amortization | 236,224 | 221,433 |
| Impairment of real estate assets | 322 | 6,754 |
| Interest expense, net | 71,196 | 76,371 |
| Gain on disposal of property, net | (7,517) | (30,421) |
| Other expense, net | 12,160 | 34,361 |
| Property operating expenses related to fees and management income | 3,046 | 4,855 |
| **NOI for real estate investments** | **$ 384,651** | **$ 352,601** |
| Less: Non-same-center NOI[2] | (23,408) | (6,917) |
| **Total Same-Center NOI** | **$ 361,243** | **$ 345,684** |

**Notes:**
1. Includes straight-line rent adjustments for Neighbors deemed to be non-creditworthy
2. Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities

# Non-GAAP Measures (Cont'd)

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

Below is a reconciliation of Net Income to NOI for real estate investments and Same-Center NOI (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | 2021 | 2020 |
| Net income | $ 17,233 | $ 5,462 |
| Adjusted to exclude: | | |
| Fees and management income | (10,335) | (9,820) |
| Straight-line rental income[1] | (9,404) | (3,356) |
| Net amortization of above- and below-market leases | (3,581) | (3,173) |
| Lease buyout income | (3,485) | (1,237) |
| General and administrative expenses | 48,820 | 41,383 |
| Depreciation and amortization | 221,433 | 224,679 |
| Impairment of real estate assets | 6,754 | 2,423 |
| Interest expense, net | 76,371 | 85,303 |
| Gain on disposal of property, net | (30,421) | (6,494) |
| Other expense (income), net | 34,361 | (9,245) |
| Property operating expenses related to fees and management income | 4,855 | 6,098 |
| **NOI for real estate investments** | **$ 352,601** | **$ 332,023** |
| Less: Non-same-center NOI[2] | (5,833) | (11,646) |
| **Total Same-Center NOI** | **$ 346,768** | **$ 320,377** |

**Notes:**
1. Includes straight-line rent adjustments for Neighbors for whom revenue is being recorded on a cash basis
2. Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities

# Non-GAAP Measures (Cont'd)

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

Below is a reconciliation of Net (Loss) Income to NOI for real estate investments and Same-Center NOI (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | 2020 | 2019 |
| Net income (loss) | $5,462 | $(72,826) |
| Adjusted to exclude: | | |
| Fees and management income | (9,820) | (11,680) |
| Straight-line rental income [1] | (3,356) | (9,079) |
| Net amortization of above- and below-market leases | (3,173) | (4,185) |
| Lease buyout income | (1,237) | (1,166) |
| General and administrative expenses | 41,383 | 48,525 |
| Depreciation and amortization | 224,679 | 236,870 |
| Impairment of real estate assets | 2,423 | 87,393 |
| Interest expense, net | 85,303 | 103,174 |
| Gain on disposal of property, net | (6,494) | (28,170) |
| Other (income) expense, net | (9,245) | 676 |
| Property operating expenses related to fees and management income | 6,098 | 6,264 |
| **NOI for real estate investments** | **332,023** | **355,796** |
| Less: Non-same-center NOI [2] | (4,036) | (13,674) |
| **Total Same-Center NOI** | **$327,987** | **$342,122** |

**Notes:**
1. Includes straight-line rent adjustments for Neighbors for whom revenue is being recorded on a cash basis
2. Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities

# Non-GAAP Measures (Cont'd)

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

Below is a reconciliation of Net (Loss) Income to NOI for real estate investments and Same-Center NOI (in thousands):

| | Year Ended December 31, | |
|---|---|---|
| | 2019 | 2018 |
| Net (loss) income | $(72,826) | $46,975 |
| Adjusted to exclude: | | |
| Fees and management income | (11,680) | (32,926) |
| Straight-line rental income | (9,079) | (5,173) |
| Net amortization of above- and below-market leases | (4,185) | (3,949) |
| Lease buyout income | (1,166) | (519) |
| General and administrative expenses | 48,525 | 50,412 |
| Depreciation and amortization | 236,870 | 191,283 |
| Impairment of real estate assets | 87,393 | 40,782 |
| Interest expense, net | 103,174 | 72,642 |
| Gain on sale or contribution of property, net | (28,170) | (109,300) |
| Other | 676 | 4,720 |
| Property operating expenses related to fees and management income | 6,264 | 17,503 |
| **NOI for real estate investments** | **355,796** | **272,450** |
| Less: Non-same-center NOI [1] | (16,175) | (44,194) |
| NOI from same-center properties acquired in the Merger, prior to acquisition | - | 99,387 |
| **Total Same-Center NOI (Adjusted for Transactions)** | **$339,621** | **$327,643** |

**Notes:**
1. Includes straight-line rent adjustments for Neighbors for whom revenue is being recorded on a cash basis
2. Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities

# Non-GAAP Measures (Cont'd)

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

The following table presents the Company's calculation of EBITDA*re* and Adjusted EBITDA*re* and provides additional information related to its operations (in thousands):

| | Three Months Ended March 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 |
| Calculation of EBITDA*re* | | | | |
| Net income | $ 18,636 | $ 11,398 | $54,529 | $17,233 |
| Adjustments: | | | | |
| Depreciation and amortization | 58,498 | 57,226 | 236,224 | 221,433 |
| Interest expense, net | 19,466 | 18,199 | 71,196 | 76,371 |
| Gain on disposal of property, net | (942) | (1,368) | (7,517) | (30,421) |
| Impairment of real estate assets | — | — | 322 | 6,754 |
| Federal, state, and local tax expense | 118 | 97 | 806 | 327 |
| Adjustments related to unconsolidated joint ventures | 966 | 1,019 | 1,987 | 1,431 |
| **EBITDA*re*** | **$ 96,742** | **$ 86,571** | **$357,547** | **$293,128** |
| Calculation of Adjusted EBITDA*re* | | | | |
| EBITDA*re* | $ 96,742 | $ 86,571 | $357,547 | $293,128 |
| Adjustments: | | | | |
| Change in fair value of earn-out liability | — | 1,809 | 1,809 | 30,436 |
| Transaction and acquisition expenses | 1,338 | 2,045 | 10,551 | 5,363 |
| Amortization of unconsolidated joint venture basis differences | 1 | 44 | 220 | 1,167 |
| Realized performance income[1] | (75) | (196) | (2,742) | (675) |
| **Adjusted EBITDA*re*** | **$ 98,006** | **$ 90,273** | **$367,385** | **$329,419** |

**Notes:**
1. Realized performance income includes fees received related to the achievement of certain performance targets in our NRP joint venture.

# Non-GAAP Measures (Cont'd)

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

*Financial Leverage Ratios*

The following table presents the Company's calculation of net debt and total enterprise value, inclusive of the Company's prorated portion of net debt and cash and cash equivalents owned through its unconsolidated joint ventures, as of March 31, 2023 and December 31, 2022 (in thousands):

| | March 31, 2023 | December 31, 2022 |
|---|---|---|
| Net debt: | | |
| Total debt, excluding discounts, market adjustments, and deferred financing expenses | $ 2,007,436 | $ 1,937,142 |
| Less: Cash and cash equivalents | 6,784 | 5,740 |
| **Total net debt** | **$ 2,000,652** | **$ 1,931,402** |
| | | |
| Enterprise value: | | |
| Net debt | $ 2,000,652 | $ 1,931,402 |
| Total equity market capitalization(1)(2) | 4,291,389 | 4,178,204 |
| **Total enterprise value** | **$ 6,292,041** | **$ 6,109,606** |

1) Total equity market capitalization is calculated as diluted shares multiplied by the closing market price per share, which includes 131.6 million and 131.2 million diluted shares as of March 31, 2023 and December 31, 2022, respectively, and the closing market price per share of $32.62 and $31.84 as of March 31, 2023 and December 31, 2022, respectively.
2) Fully diluted shares include common stock and OP units.

| | March 31, 2023 | December 31, 2022 |
|---|---|---|
| Net debt to Adjusted EBITDA*re* - annualized: | | |
| Net debt | $ 2,000,652 | $ 1,931,402 |
| Adjusted EBITDA*re* - annualized(1) | 375,118 | 367,385 |
| **Net debt to Adjusted EBITDAre - annualized** | **5.3x** | **5.3x** |
| | | |
| Net debt to total enterprise value: | | |
| Net debt | $ 2,000,652 | $ 1,931,402 |
| Total enterprise value | 6,292,041 | 6,109,606 |
| **Net debt to total enterprise value** | **31.8 %** | **31.6 %** |

**Notes:**
1. Adjusted EBITDA*re* is based on a trailing twelve month period.