

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

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): March 28, 2016**

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**Phillips Edison Grocery Center REIT I, Inc.**  
(Exact name of registrant as specified in its charter)

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**Maryland**  
(State or other jurisdiction  
of incorporation)

**000-54691**  
(Commission  
File Number)

**27-1106076**  
(IRS Employer  
Identification No.)

**11501 Northlake Drive**  
**Cincinnati, Ohio 45249**  
(Address of principal executive offices, including zip code)

**(513) 554-1110**  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.****Item 7.01. Regulation FD Disclosure.**

As a reminder, Phillips Edison Grocery Center REIT I, Inc. (the “Company”) will host a conference call on Monday, March 28, 2016, at 4:00 pm Eastern Daylight Time. Participants can register for the conference by navigating to <http://dpre-register.com/10081661>. Callers who pre-register will be given dial-in instructions and a unique PIN to gain access to the call. Participants may pre-register at any time prior to the call and will immediately receive simple instructions via email. The call will also be automatically scheduled as an Outlook calendar event. Additionally, participants should register to view the accompanying webcast presentation by using the following link a few minutes prior to the call: <http://services.choruscall.com/links/peco160328a>. A copy of the webcast presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K, including Exhibit 99.1, is furnished to the Securities and Exchange Commission (“SEC”), and shall not be deemed to be “filed” with the SEC for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
99.1	Stockholder Presentation, dated March 28, 2016



## EXHIBIT INDEX

**Exhibit  
Number**

**Description of Exhibit**

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99.1

Stockholder Presentation, dated March 28, 2016



# Phillips Edison Grocery Center REIT I, Inc. Year End 2015 Results

# Agenda

R. Mark Addy - President and COO

Devin Murphy - CFO

Jeff Edison - Chairman and CEO

- Portfolio & Results
- Financials
- Strategy

# Forward-Looking Statement Disclosure

This presentation and the corresponding call may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements include, but are not limited to, statements related to the Company's expectations regarding the performance of its business, its financial results, its liquidity, capital resources and debt profile, the Company's estimated value per share of its common stock, the funding available under its share repurchase program and other non-historical statements. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "projects," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties, such as the risks that retail conditions may adversely affect our base rent and, subsequently, our income, and that our properties consist primarily of retail properties and our performance, therefore, is linked to the market for retail space generally, as well as other risks described under the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, as such factors may be updated from time to time in the Company's periodic filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation, the corresponding call and in the Company's filings with the SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

# Portfolio Highlights

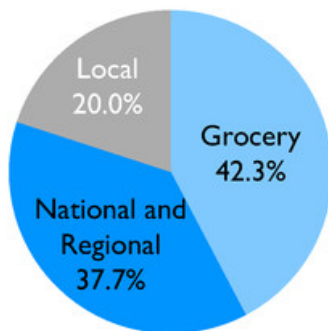
- **147** properties
- **28** states
- **23** leading grocery anchors
- **15.6 million** square feet
- **95.9%** occupied
- **80.0%** of rents from grocer, national and regional tenants



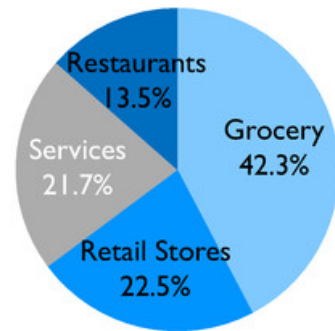


# 2015 Portfolio Results

**Annualized Effective Rent by Tenant Type**



**Annualized Effective Rent by Tenant Industry**



**Top 5 Grocers by Annualized Effective Rent**

Grocer	AER	# of Locations
Kroger	8.9%	37
Publix	8.1%	31
Albertsons-Safeway	4.5%	13
Ahold USA	3.5%	6
Giant Eagle	3.0%	7

We calculate annualized effective rent per square foot as monthly contractual rent as of December 31, 2015 multiplied by 12 months, less any tenant concessions, divided by leased square feet.

# 2015 Same-Center Net Operating Income

## Strong Same-Center NOI Growth\*

(in 000s)	2015	2014	\$ Change	% Change
<b>Revenues:</b>				
Rental income <sup>(1)</sup>	\$ 101,740	\$ 99,428	\$ 2,312	
Tenant recovery income	33,593	32,993	600	
Other property income	625	706	(81)	
	<u>135,958</u>	<u>133,127</u>	<u>2,831</u>	<u>2.1 %</u>
<b>Operating expenses:</b>				
Property operating expenses	22,052	23,771	(1,719)	
Real estate taxes	19,523	18,360	1,163	
	<u>41,575</u>	<u>42,131</u>	<u>(556)</u>	<u>(1.3)%</u>
<b>Total Same-Center NOI</b>	<b>\$ 94,383</b>	<b>\$ 90,996</b>	<b>\$ 3,387</b>	<b>3.7 %</b>

\*Represents 83 properties that we owned and operated prior to January 1, 2014.

<sup>(1)</sup> Excludes straight-line rental income and the net amortization of above- and below-market leases.

# Share Repurchase Program and FINRA Rule 15-02 Updates

- Declared estimated value per share of \$10.20 as of July 31, 2015\*
- Share Repurchase Program Status
- FINRA Rule 15-02 Update: will continue to be in compliance

\* Please note that the estimated value per share is not intended to represent an enterprise or liquidation value of our company. It is important to remember that the estimated value per share may not reflect the amount you would obtain if you were to sell your shares or if we liquidated our assets. Further, the estimated NAV per share is as of a moment in time, and the value of our shares and assets may change over time as a result of several factors including, but not limited to, future acquisitions or dispositions, other developments related to individual assets, and changes in the real estate and capital markets, and we do not undertake to update the estimated NAV per share to account for any such events. You should not rely on the estimated NAV per share as being an accurate measure of the then-current value of your shares in making a decision to buy or sell your shares, including whether to participate in our dividend reinvestment plan or our share repurchase program. For a description of the methodology and assumptions used to determine the estimated NAV per share, see Item 5 of our Annual Report on Form 10-K for the year ended December 31, 2015.

# Year End 2015 Financials

## *Growth in Income and MFFO Consistent with Portfolio Growth*

<i>(In 000s)</i>	Year Ended December 31	
	2015	2014
Net Income (Loss) Attributable to Stockholders	\$ 13,360	\$ (22,635)
Funds from Operations (FFO)	\$ 113,400	\$ 56,513
Modified Funds from Operations (MFFO)	\$ 112,729	\$ 94,552

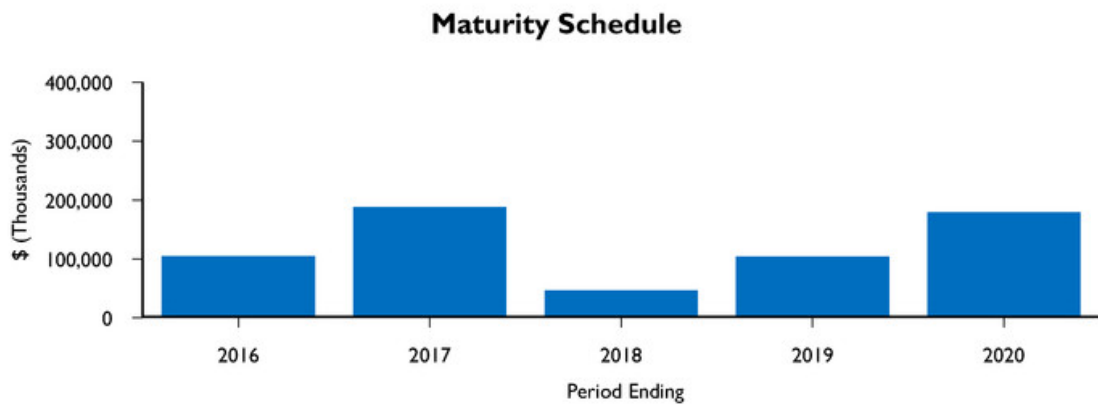
## *Prudent Debt Strategy*

- Leverage: **35.1%\***
- Weighted-Average Interest Rate: **3.5%**
- Weighted-Average Years to Maturity: **3.5**
- Fixed-rate debt: **81.8%**
- Variable-rate debt: **18.2%**

\*Calculated as total debt, less cash and cash equivalents, as a percentage of total real estate investments, including acquired intangible lease assets and liabilities at cost.

# 2015 Financials

## *Appropriately Laddered Maturities Flexibility from Unsecured Credit Facility*



# Investment Objectives

## *Our commitment to our investors:*

- Capital Preservation
- Distributions
- Growth



# Appendix



# Reconciliation of Non-GAAP Financials

We present Same-Center Net Operating Income ("Same-Center NOI") as a supplemental measure of our performance. We define Net Operating Income ("NOI") as total operating revenues less property operating expenses, real estate taxes, and non-cash revenue items. Same-Center NOI represents the NOI for the 83 properties that were operational for the entire portion of both comparable reporting periods and that were not acquired during or subsequent to the comparable reporting periods. We believe that NOI and Same-Center NOI provide useful information to our investors about our financial and operating performance because each 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. Because Same-Center NOI excludes the change in NOI from properties acquired after December 31, 2013, it highlights operating trends such as occupancy levels, rental rates, and operating costs on properties that were operational for both comparable periods. Other REITs may use different methodologies for calculating Same-Center NOI, and accordingly, our Same-Center NOI may not be comparable to other REITs.

Same-Center NOI should not be viewed as an alternative measure of our financial performance since it does not reflect the operations of our entire portfolio, nor does it reflect the impact of general and administrative expenses, acquisition expenses, interest expense, depreciation and amortization, other income, or the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties that could materially impact our results from operations.

The table below is a comparison of the Same-Center NOI for the year ended December 31, 2015 to the year ended December 31, 2014 (in thousands):

(in 000s)	2015	2014	\$ Change	% Change
<b>Revenues:</b>				
Rental income <sup>(1)</sup>	\$ 101,740	\$ 99,428	\$ 2,312	
Tenant recovery income	33,593	32,993	600	
Other property income	625	706	(81)	
	<u>135,958</u>	<u>133,127</u>	<u>2,831</u>	<u>2.1 %</u>
<b>Operating expenses:</b>				
Property operating expenses	22,052	23,771	(1,719)	
Real estate taxes	19,523	18,360	1,163	
	<u>41,575</u>	<u>42,131</u>	<u>(556)</u>	<u>(1.3)%</u>
<b>Total Same-Center NOI</b>	<b><u>\$ 94,383</u></b>	<b><u>\$ 90,996</u></b>	<b><u>\$ 3,387</u></b>	<b><u>3.7 %</u></b>

<sup>(1)</sup> Excludes straight-line rental income and the net amortization of above- and below-market leases.

# Reconciliation of Non-GAAP Financials

Below is a reconciliation of net income (loss) to Same-Center NOI for the year ended December 31, 2015 and 2014 (in thousands):

	2015	2014
Net income (loss)	\$ 13,561	\$ (22,635)
Adjusted to exclude:		
General and administrative expenses	15,829	8,632
Acquisition expenses	5,404	17,430
Vesting of Class B units for asset management services	—	27,853
Depreciation and amortization	101,479	79,160
Interest expense, net	32,390	20,360
Other income, net	(248)	(766)
Net amortization of above- and below-market leases	(821)	85
Straight-line rental income	(4,571)	(4,303)
NOI	163,023	125,816
Less: NOI from centers excluded from Same-Center	(68,640)	(34,820)
Total Same-Center NOI	\$ 94,383	\$ 90,996

## Funds from Operations and Modified Funds from Operations

Funds from operations ("FFO") is a non-GAAP performance financial measure that is widely recognized as a measure of REIT operating performance. We use FFO as defined by the National Association of Real Estate Investment Trusts ("NAREIT") to be net income (loss), computed in accordance with accounting principles generally accepted in the United States of America ("GAAP") excluding extraordinary items, as defined by GAAP, and gains (or losses) from sales of depreciable real estate property (including deemed sales and settlements of pre-existing relationships), plus depreciation and amortization on real estate assets and impairment charges, and after related adjustments for unconsolidated partnerships, joint ventures and noncontrolling interests. We believe that FFO is helpful to our investors and our management as a measure of operating performance because, when compared year to year, it reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, development activities, general and administrative expenses, and interest costs, which are not immediately apparent from net income.

# Reconciliation of Non-GAAP Financials

Since the definition of FFO was promulgated by NAREIT, GAAP has expanded to include several new accounting pronouncements, such that management and many investors and analysts have considered the presentation of FFO alone to be insufficient. Accordingly, in addition to FFO, we use modified funds from operations ("MFFO"), which excludes from FFO the following items:

- acquisition fees and expenses;
- straight-line rent amounts, both income and expense;
- amortization of above- or below-market intangible lease assets and liabilities;
- amortization of discounts and premiums on debt investments;
- gains or losses from the early extinguishment of debt;
- gains or losses on the extinguishment of derivatives, except where the trading of such instruments is a fundamental attribute of our operations;
- gains or losses related to fair-value adjustments for derivatives not qualifying for hedge accounting;
- losses related to the vesting of Class B units issued to PE-NTR and our previous advisor, American Realty Capital II Advisors, LLC ("ARC"), in connection with asset management services provided; and
- adjustments related to the above items for joint ventures and noncontrolling interests and unconsolidated entities in the application of equity accounting.

We believe that MFFO is helpful in assisting management and investors with the assessment of the sustainability of operating performance in future periods and, in particular, after our acquisition stage is complete, because MFFO excludes acquisition expenses that affect operations only in the period in which the property is acquired. Thus, MFFO provides helpful information relevant to evaluating our operating performance in periods in which there is no acquisition activity.

# Reconciliation of Non-GAAP Financials

Neither FFO nor MFFO should be considered as an alternative to net income (loss) or income (loss) from continuing operations under GAAP, nor as an indication of our liquidity, nor is either of these measures indicative of funds available to fund our cash needs, including our ability to fund distributions. MFFO may not be a useful measure of the impact of long-term operating performance on value if we do not continue to operate our business plan in the manner currently contemplated. Accordingly, FFO and MFFO should be reviewed in connection with other GAAP measurements. FFO and MFFO should not be viewed as more prominent measures of performance than our net income or cash flows from operations prepared in accordance with GAAP. Our FFO and MFFO as presented may not be comparable to amounts calculated by other REITs.

The following section presents our calculation of FFO and MFFO and provides additional information related to our operations. As a result of the timing of the commencement of our initial public offering and our active real estate operations, FFO and MFFO are not relevant to a discussion comparing operations for the periods presented.

# Reconciliation of Non-GAAP Financials

(in 000s)

	2015	2014	2013
<b>Calculation of FFO</b>			
Net income (loss) attributable to stockholders	\$ 13,360	\$ (22,635)	\$ (12,404)
Add:			
Depreciation and amortization of real estate assets	101,522	79,160	30,512
Gain on sale of property	—	(12)	—
Noncontrolling interest	(1,482)	—	(5,312)
FFO attributable to common stockholders	<u>\$ 113,400</u>	<u>\$ 56,513</u>	<u>\$ 12,796</u>
<b>Calculation of MFFO</b>			
FFO attributable to common stockholders	\$ 113,400	\$ 56,513	\$ 12,796
Adjustments:			
Vesting of Class B units for asset management services	—	27,853	—
Acquisition expenses	5,404	17,430	18,772
Write-off of unamortized deferred financing fees	2,110	—	—
Net amortization of above- and below-market leases	(821)	85	536
Straight-line rental income	(4,571)	(4,303)	(1,995)
Amortization of market debt adjustment	(2,685)	(2,480)	(1,235)
Change in fair value of derivatives	(118)	(546)	(128)
Noncontrolling interest	10	—	236
MFFO attributable to common stockholders	<u>\$ 112,729</u>	<u>\$ 94,552</u>	<u>\$ 28,982</u>
<b>Earnings per common share:</b>			
Basic:			
Weighted-average common shares outstanding	183,678	179,280	70,227
Net income (loss) per share	\$ 0.07	\$ (0.13)	\$ (0.18)
FFO per share	0.62	0.32	0.18
MFFO per share	0.61	0.53	0.41
Diluted:			
Weighted-average common shares outstanding	186,394	179,280	70,227
Net income (loss) per share	\$ 0.61	\$ 0.32	\$ 0.18
FFO per share	0.61	0.32	0.18
MFFO per share	0.60	0.53	0.41



Thank You

[www.grocerycenterREIT1.com](http://www.grocerycenterREIT1.com)

