March 2025

# Citi's 2025 Global Property CEO Conference

PHILLIPS EDISON & COMPANY®



# Safe Harbor and Non-GAAP Disclosures

**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. 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 presentation. 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 unlevered yield, 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 2024 Annual Report on Form 10-K, filed with the SEC on February 11, 2025, 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 and year to date December 31, 2024 and 2023, Same-Center NOI represents the NOI for the 270 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, 2022, 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

**Founded/IPO**
1991/
2021

**Nasdaq**
PECO

**ABR from Grocery-Anchored Centers**
96%

**Properties**
294

**Total GLA**
33.3M
Square Feet

**Leased Portfolio Occupancy**
98%

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 focused on high-quality *grocery-anchored* neighborhood shopping centers.

**Management Ownership**
8%

**Total Enterprise Value(1)**
$7.3B

**ABR from Necessity-Based Neighbors**
69%

**ABR from #1 or #2 Grocery Anchor by Sales**
84%

**Dividend Yield**
3.3%

**Portfolio Retention Rate**
89%










*Source:*
*Company data as of December 31, 2024; Dividend yield as of December 31, 2024 and is based on an annualized rate of $1.23 per share*
*1. For non-GAAP reconciliations, refer to the Company's latest quarterly financial supplement or Form 10-K*

# PECO's Focused and Differentiated Strategy

## Focused on High-Quality Grocery-Anchored Neighborhood Shopping Centers

### Key Elements of Our Strategy



- #1 or #2 grocery anchor by sales (84% of ABR)



- 96% of ABR from grocery-anchored neighborhood centers



- Right-sized centers averaging 113,000 SF with strategic locations in fast-growing markets



- 69% of 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

- 98% 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 repositioning projects
- Balance sheet and liquidity strength with trailing 12-month net debt / adj. EBITDA*re* of 5.0x[1]

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

*Source:*
*Company data as of December 31, 2024*
*1. For non-GAAP reconciliations, refer to the Company's latest quarterly financial supplement or Form 10-K*

# PECO Continues to Deliver Market-Leading Operating and Financial Results

## PECO is Committed to Long-Term Growth, and Management has Meaningful Skin in the Game

- PECO ranks **#2** among its peers for average Same-Center NOI growth from 2019 – 2024[1]
- PECO holds the **#2** position among its peers in terms of total comparable lease spreads in 2024[1][2]
- PECO ranks **#1** among its peers in renewal spreads in 2023 and 2024[1]
- PECO ranks **#1** among its peers in management ownership of the total Company[3]
- PECO holds the **#1** position among its peers in net asset acquisitions in 2023 and 2024[4]

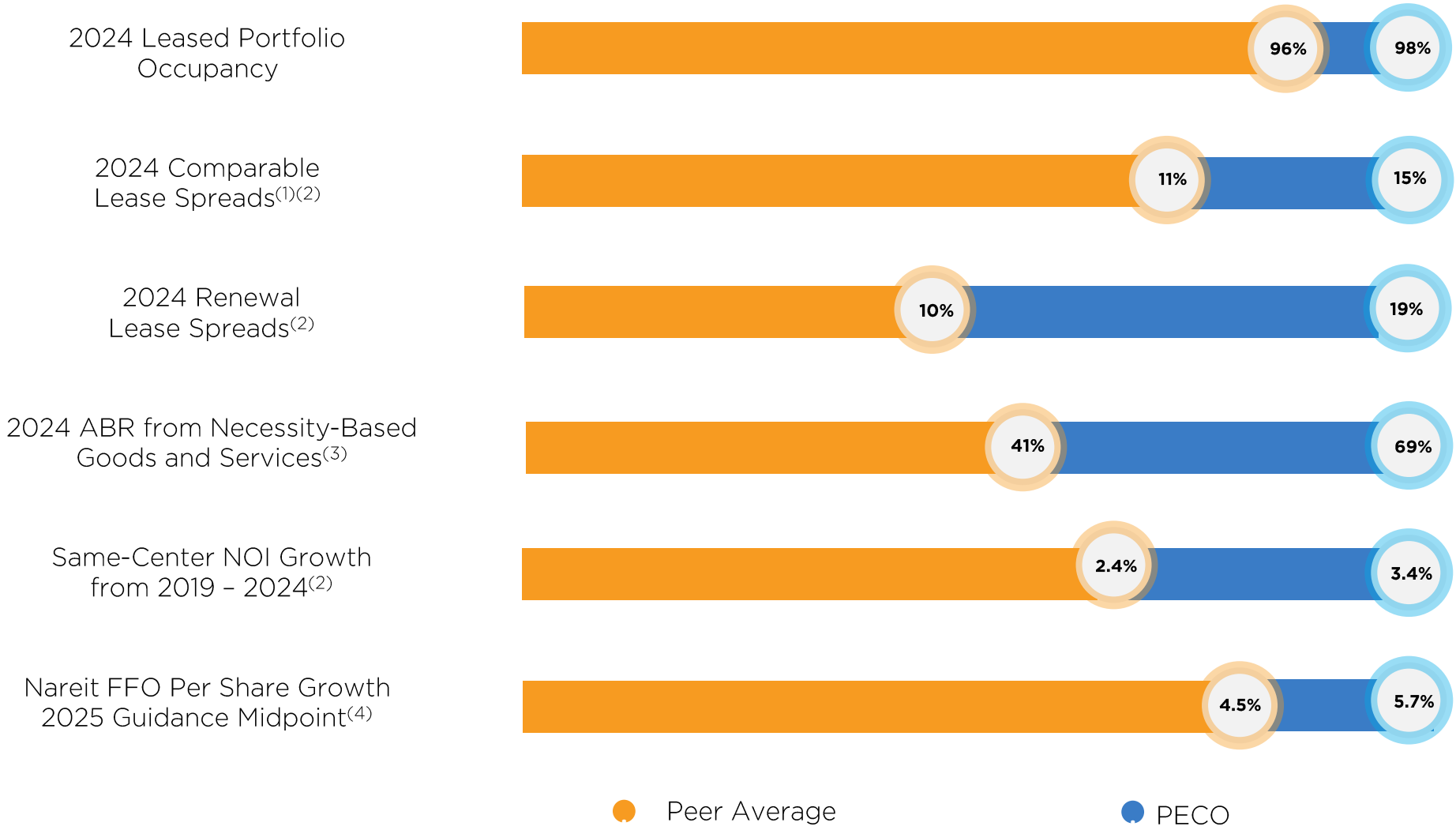
## PECO's Grocery-Anchored Portfolio Carries Low Risk with More Alpha, Less Beta

- PECO ranks **#1** among its peers in total leased occupancy in 2024
- PECO is among the **lowest levered** shopping center REITs
- PECO is Kroger's **#1** landlord, Publix's **#2**, and **#1** combined by count in 2023 and 2024
- PECO holds the **#1** position among its peers in percent of grocery-anchored centers in 2023 and 2024[5]
- PECO ranks **#1** among its peers in percent of ABR from necessity-based Neighbors in 2023 and 2024[6]

*Note:*
*Unless otherwise noted peers include BRX, KIM, KRG, REG, FRT and AKR*
*Sources:*
*As reported in PECO and Peer company filings unless otherwise noted*

1. *Other companies may define/calculate differently than PECO. Accordingly, such data for these companies and PECO may not be comparable*
2. *Includes exercise of options*
3. *As of March 31, 2024*
4. *Excludes M&A activity*
5. *Peer group include REG, BRX, KIM and KRG*
6. *Peer group includes BRX, KRG and IVT*

# PECO Continues to Deliver Market-Leading Operating and Financial Results




*Note:*
*Unless otherwise noted peers include BRX, KIM, KRG, REG, FRT and AKR*
*Sources:*
*As reported in December 31, 2024 PECO and Peer company filings unless otherwise noted*

1. *Includes exercise of options*
2. *Other companies may define/calculate differently than PECO. Accordingly, such data for these companies and PECO may not be comparable*
3. *Peer group includes BRX, KRG and IVT*
4. *Company filings as of December 31, 2024*

# PECO's Cycle-Tested Management Team

- Deep management team with an average 30 years of experience
- The PECO Team is focused on growing value, driving external growth, enhancing pricing power, expanding our (re)development pipeline and supporting our long-term growth initiatives
- The experience and talent on PECO's Team is significant, and we have experts in every aspect of the grocery-anchored real estate business



**Jeff Edison**
Chairman and Chief Executive Officer
PECO 33 Years
Industry 39 Years



**Bob Myers**
President
PECO 21 Years
Industry 27 Years



**John Caulfield**
Chief Financial Officer
PECO 10 Years
Industry 22 Years



**Tanya Brady**
Chief Legal and Administrative Officer
PECO 11 Years
Industry 31 Years



**Joe Schlosser**
Chief Operating Officer
PECO 20 Years
Industry 27 Years



**Ron Meyers**
Chief Leasing Officer
PECO 15 Years
Industry 25 Years

# How PECO Defines Quality

## Quality = SOAR

### IMPORTANT AND SUSTAINABLE MEASURES OF QUALITY IN PECO GROCERY-ANCHORED CENTERS




**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**

# PECO Delivers Regular Income and Strong Returns

**5.7%**
2025 Nareit FFO per Share Growth at Guidance Midpoint[1]

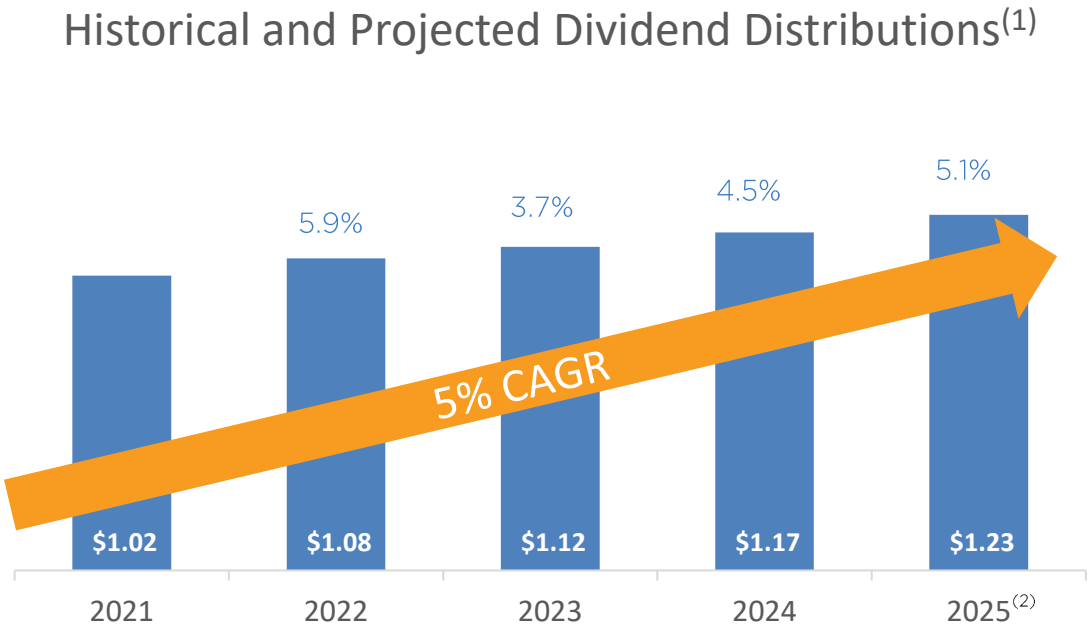
**5.1%**
2025 Core FFO per Share Growth at Guidance Midpoint[1]

**20.6%**
Dividend per Share Growth Since IPO[2][3]




*Sources:*
1. *Guidance provided as of February 6, 2025*
2. *Company filings as of December 31, 2024*
3. *Calculated from June 2021 through December 2024*
4. *For non-GAAP reconciliations, refer to the Company's latest quarterly financial supplement or Form 10-K*
5. *Multiple is based on share price at market close on December 31, 2024*
6. *Dividend yield as of December 31, 2024 and is based on an annualized rate of $1.23 per share*

# PECO's Delivers Sustainable Dividend Growth




Cumulative total shareholder return of **51.1%** since the IPO




*Source:*
1. *Annualized dividend rates are calculated based on the dividend rates effective from September to September for each year presented, except for 2021, which is calculated from October to October*
2. *Projection assumes a continuation of the current dividend and remains subject to various factors, including approval by the Board*

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# Grocery-Anchored Portfolio

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










## Necessity-Based

- Consumer staple goods and services that are indispensable for day-to-day living
  - 69% 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 and 1.8% of occupancy loss during the Global Financial Crisis

## High Foot Traffic

- U.S. consumers visit grocery stores 1.6 times per week on average[2]
- Approximately 32,000 average total trips per week to each PECO center[3]
- Approximately 500M total trips were made in the last 12 months to PECO centers[3]
- Strong foot traffic benefits inline Neighbor sales and enhances our ability to increase rents

## Omni-Channel

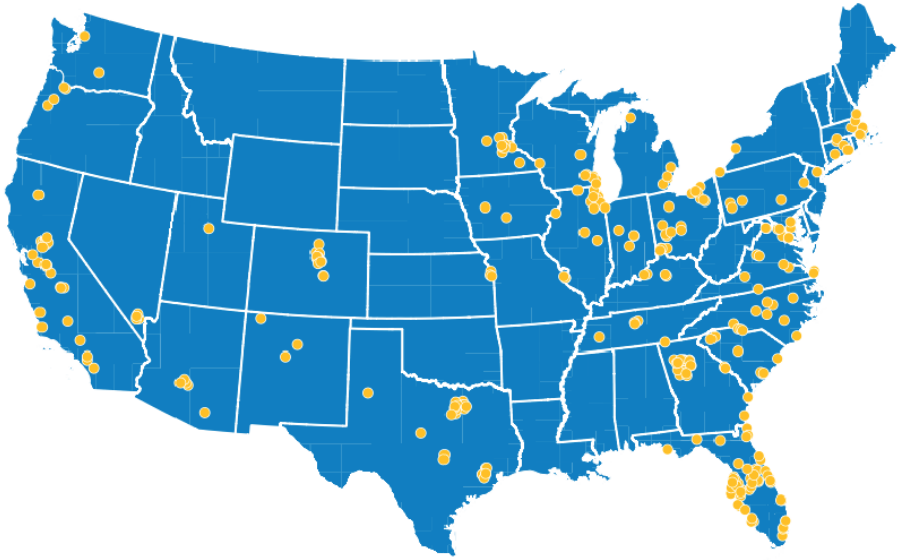
- PECO centers are a critical component of our Neighbors' omni-channel strategies and provide an attractive last-mile solution
  - ~94% of portfolio with *Front Row To Go™* curbside pick-up program[4]
  - ~91% of PECO grocers offer BOPIS option (Buy Online, Pick-Up In Store)[4]
- Online grocery orders fell 6% year over year in 2023[5]
- Grocer pickup sales are expected to grow at a 5-year nominal CAGR of 13.6%[6]

*Sources:*

1. *% of ABR as of December 31, 2024*
2. *The Food Industry Association U.S. Grocery Shopper Trends 2023*
3. *According to Placer.ai, twelve months ended December 31, 2024*
4. *Estimate as of December 31, 2024*
5. *Brick Meets Click / Mercatus Grocery Survey January 11, 2024*
6. *Brick Meets Click January 30, 2023: 2023 5-year Forecast*

# Strategic Presence in Suburban Markets

PECO is well-positioned for future growth with significant presence in Sun Belt states and growing U.S. cities



- 294 Properties Across 31 States
- Approximately 50% of ABR from Sun Belt States(1)
- Strong Presence in Growing U.S. Cities
- Migration Trends Favor PECO's Top Markets(2)

## TOP 10 MARKETS(1)

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

## TOP 10 STATES(1)

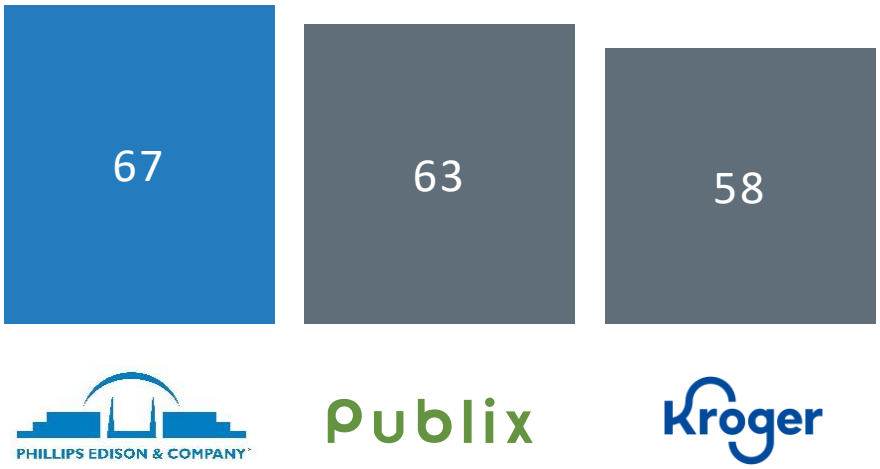
1. Florida
2. California
3. Texas
4. Georgia
5. Illinois
6. Colorado
7. Ohio
8. Virginia
9. Minnesota
10. Massachusetts

*Sources:*
1. *Based on total ABR in market for wholly-owned portfolio as of December 31, 2024*
2. *Placer.ai based on population growth in U.S. cities since 2018*

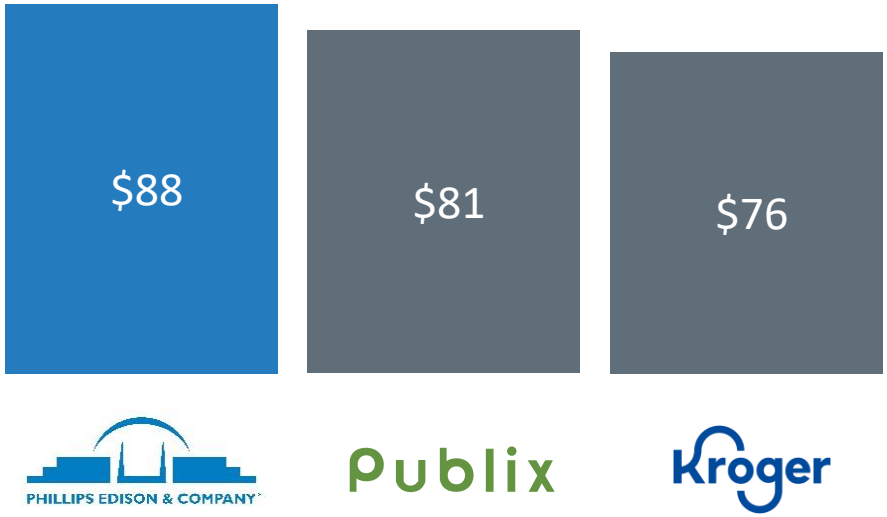
# PECO Aligns with Leading Grocer Demographics

Demand for space reinforces the demographic strength of our trade areas

## AVERAGE 3-MILE POPULATION (thousands)




## AVERAGE 3-MILE MEDIAN HOUSEHOLD INCOME (thousands)




*Sources:*
*Synergos Technologies, Inc, Calculated using KLI Retrieval as of December 31, 2024*

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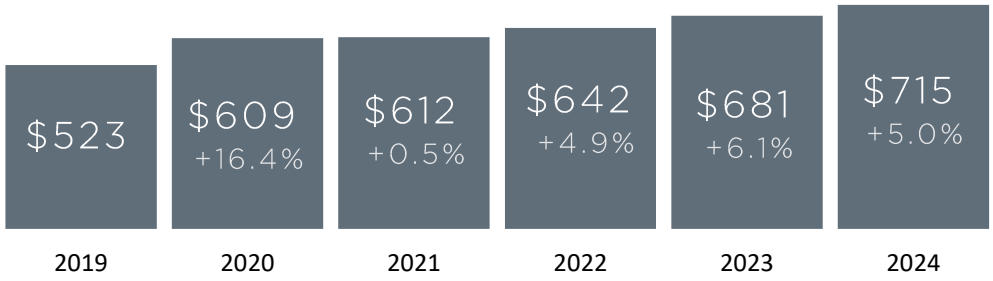
# PECO's Grocery-Anchored Advantage

96% of our rents come from grocery-anchored centers

## PECO GROCER SALES PSF GROWTH[4]




**+37%** Grocer Sales PSF Growth Since 2019

**2.3%**
PECO Grocer Health Ratio[1]

**84%**
PECO ABR from #1 or #2 Grocery Anchor by Sales[2]

**$11B**
Total Volume of Grocer Sales[3]

**$715**
PECO Grocer Sales PSF[4]

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

**+5.0%**
PECO 2024 Grocer Sales PSF Growth Over 2023[4]

*Sources:*
1. *Based on the most recently reported sales data available*
2. *Company data as of December 31, 2024*
3. *Most recently reported sales data reported by neighbors and 3rd party data sources*
4. *Includes PECO grocers who reported sales PSF in both 2023 through December 31, 2024*
5. *Brick Meets Click 2023 5-year Forecast*

# Local Neighbors

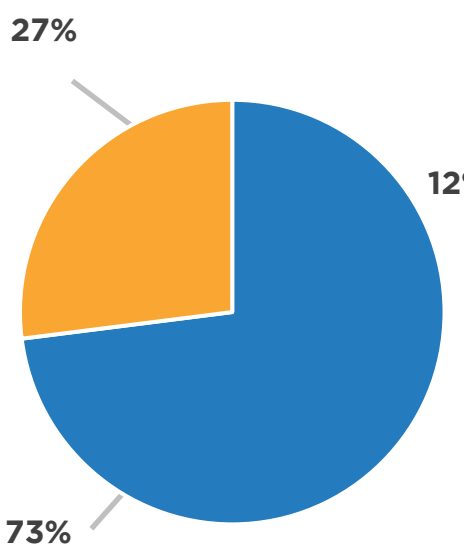
27% of PECO's ABR is derived from Local Neighbors, comprised primarily of:

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

~65% of Local ABR is from necessity-based goods and services, with another 19% of Local ABR from full-service restaurants

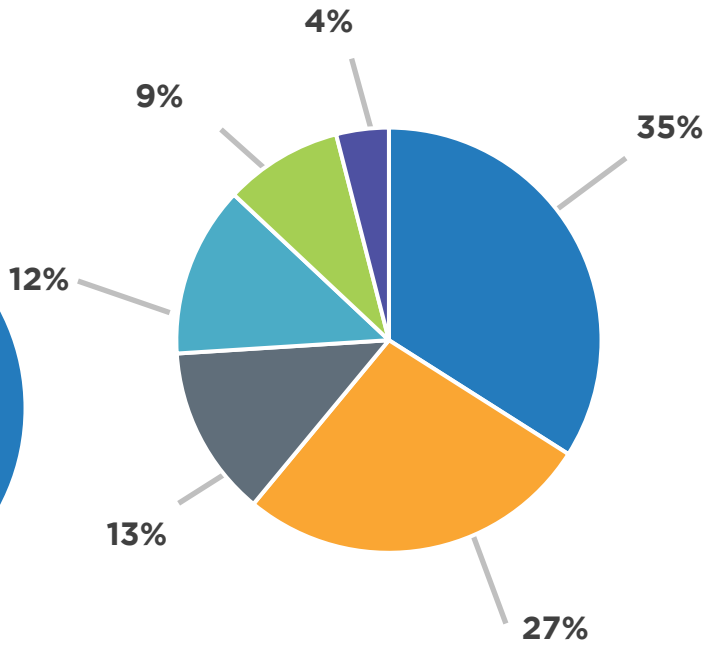
## TOTAL PORTFOLIO COMPOSITION

% of ABR as of 12/31/24




## LOCAL NEIGHBOR COMPOSITION

% of Local ABR as of 12/31/24




*Source:*
*Company data as of December 31, 2024*
*Total portfolio ABR; Includes the prorated portion owned through the Company's unconsolidated joint ventures.*

# Math Behind Local Neighbors

PECO's inline Local Neighbors offer attractive economics, have high retention rates and achieve above average inline renewal spreads

- Inline Local Neighbors are resilient and have been in PECO's centers an average of 10.1 years
- This length of tenancy compares favorably to the capital investment payback period of 10 months for inline Local Neighbors
- During 2024, PECO retained 82% of our Local Neighbors that were scheduled to expire
- For inline Local Neighbors, renewal rent spreads were 21.2% in 2024




*Source:*
*Company data as of December 31, 2024*

# Strong Local Neighbors

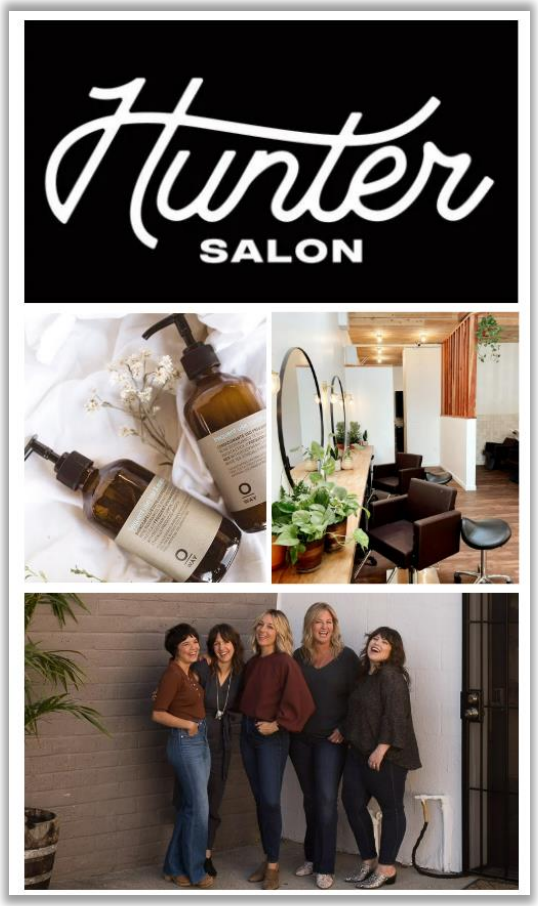
F.U.E.L SALON
**FOXRIDGE PLAZA**
CENTENNIAL, CO




SNIPS SALON
**NORMANDALE VILLAGE**
BLOOMINGTON, MN




HUNTER SALON
**VINEYARD CENTER**
TEMPLETON, CA



# Retailers Growing with PECO

**Dedicated Team Focused on Building Strong Connections with Leading and Expanding Neighbors**

## LOCAL

Coastal Animal Hospital
Coco Park Animal Hospital
The Backyard Kitchen & Cocktails
Ridgeside K9 Winchester
Total Med Solutions
Mango Crazy
First Choice Urgent Care

## RESTAURANTS

Nashville Hot Chicken
Wing Stop
Starbucks
Chick-fil-A
nekter Juice Bar
crumbl cookies
CAVA
Zaxby's
The Great Greek Mediterranean Grill
Swig
Dave's Hot Chicken
Chipotle Mexican Grill
Dunkin'

## HEALTH AND BEAUTY

Haircuts Plus Salon & Haircare
CosmoProf Division of Beauty Systems Grup LLC
Hand & Stone Massage and Facial Spa — Massage | Facials | Waxing
Sola Salons
Amazing Lash Studio
Salon Lofts
Ulta Beauty
Great Clips — It's Gonna Be Great

## MEDICAL ("MEDTAIL")

Carbon Health
Humana
NuSpine Chiropractic
PT Solutions Physical Therapy
allcare health
pediatrix Medical Group
Pearle Vision Est. 1961
Miracle-Ear
afc Urgent Care american family care

# Suburban Market Advantage

PECO's suburban markets offer retailers several advantages in today's environment

- Comparable, if not superior, visit-per-location trends compared to larger MSAs
- Less competition
- Greater diversification of their customer base
- Easier access to labor as an "employer of choice" within a market
- Less expensive build-out costs

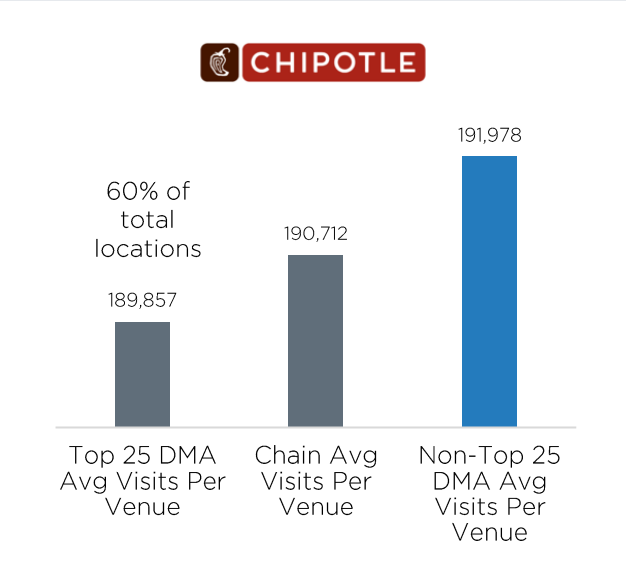
Migration changes have flipped the script and make suburban locations more favorable to retailers

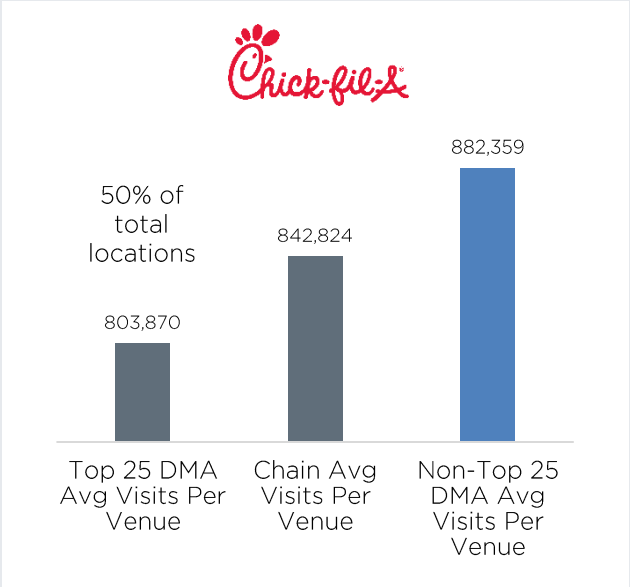


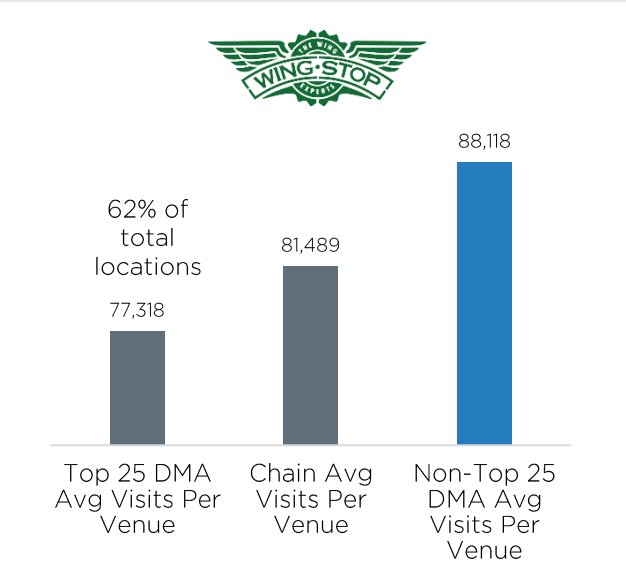
*Source: Placer.ai*

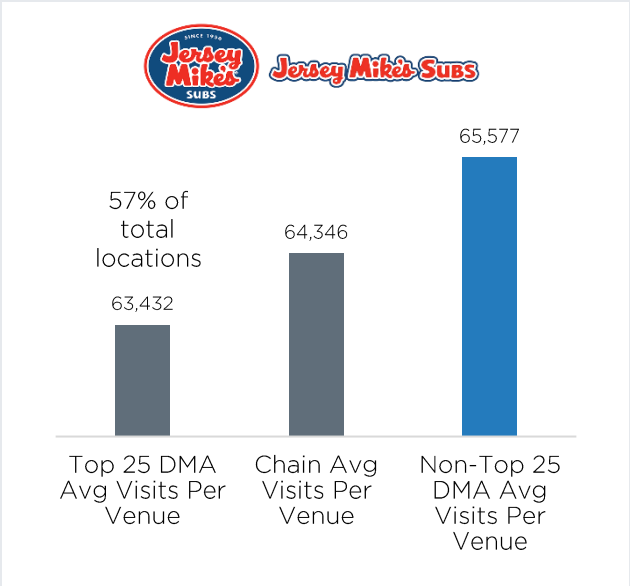
# Suburban Market Advantage

- National retailers are raising long-term store base targets in PECO markets
- Several national retailers are seeing increased average visits per venue in smaller markets, as compared to average visits in Top 25 DMAs
- PECO market locations have proven to deliver the same or better store-level economics as traditional locations




*Note:*
*Trailing twelve months visits per month by market size (February 2024 – January 2025)*

*Source:*
*Placer.ai – updated as of January 31, 2025*

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

| Neighbor | | | Location Count | % ABR[1] |
|---|---|---|---|---|
| Kroger | 🛒 | IG | 64 | 5.7% |
| Publix | 🛒 | | 61 | 5.2% |
| Albertsons / Safeway | 🛒 | | 32 | 3.8% |
| Ahold Delhaize | 🛒 | IG | 23 | 3.5% |
| Walmart | 🛒 | IG | 13 | 1.7% |
| giant eagle | 🛒 | | 10 | 1.4% |
| TJX | | IG | 20 | 1.4% |
| Sprouts Farmers Market | 🛒 | | 14 | 1.2% |
| Raley's | 🛒 | | 5 | 0.9% |
| Dollar Tree | | IG | 42 | 0.8% |

| Neighbor | | | Location Count | % ABR[1] |
|---|---|---|---|---|
| Starbucks | | IG | 38 | 0.7% |
| Big Y | 🛒 | | 3 | 0.7% |
| UNFI | 🛒 | | 5 | 0.7% |
| Trader Joe's | 🛒 | | 9 | 0.5% |
| Subway | | | 65 | 0.5% |
| planet fitness | | | 10 | 0.5% |
| Pet Supplies Plus | | | 22 | 0.5% |
| The UPS Store | | IG | 71 | 0.5% |
| H&R Block | | IG | 58 | 0.5% |
| Great Clips | | | 75 | 0.5% |
| **Total** | | | **640** | **31.2%** |

- Scale with 5K+ leases with 3K+ Neighbors
- Highly diversified with only 8 Neighbors with ABR exposure greater than 1.0%
- The top 10 Neighbors currently on PECO's watch list represent less than 2% of ABR
- Stability with fixed, contractual rents with bumps
- Security with weighted-average remaining lease term, assuming options, of 30.8 years for grocery anchors and 7.9 years for inline Neighbors

*Sources:*

1. *% of ABR as of December 31, 2024*
2. *Investment Grade ratings represent the credit rating of the Company's Neighbors, their subsidiaries or affiliated companies. Actual ratings based on S&P or Moody's are used*

🛒 Grocer IG Investment Grade[2]

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# Investments

# Strong Acquisition Volume

## 2024 Acquisition Summary

| 2024 Acquisitions | Location | GLA | Contract Price *(in thousands)* | Grocery Anchor | Leased Occupancy at Acquisition | Leased Occupancy as of December 31, 2024 |
|---|---|---|---|---|---|---|
| Shoppes at Lake Mary | Lake Mary, FL | 74,234 | $26,100 | Publix | 95.7% | 100.0% |
| Memorial at Kirkwood | Houston, TX | 104,887 | 27,775 | N/A | 97.0% | 100.0% |
| Loganville Crossing | Loganville, GA | 149,133 | 32,500 | Kroger | 97.9% | 100.0% |
| Walden Park | Austin, TX | 90,888 | 26,700 | Super Target | 100.0% | 98.0% |
| Ridgeview Marketplace | Colorado Springs, CO | 22,759 | 10,100 | King Soopers | 90.0% | 96.1% |
| Des Peres Corners[1] | Des Peres, MO | 120,673 | 7,680 | Schnucks | 87.7% | 87.7% |
| Lemont Plaza | Lemont, IL | 119,013 | 16,650 | Pete's Fresh Market | 96.6% | 96.6% |
| Rue de France | Edina, MN | 63,079 | 26,400 | N/A | 92.3% | 92.4% |
| Bethel Shopping Center | Bethel, CT | 101,205 | 30,500 | Big Y | 91.0% | 96.0% |
| Shops at Cross Creek | Fulshear, TX | 24,188 | 10,950 | N/A | 100.0% | 100.0% |
| Harpers Station | Cincinnati, OH | 229,060 | 32,300 | Fresh Thyme | 78.3% | 78.3% |
| Lakeland Village Center | Houston, TX | 83,542 | 28,000 | N/A | 93.5% | 93.5% |
| South Point Plaza[2] | Tempe, AZ | 49,332 | 3,969 | Fry's Food Stores | 95.0% | 95.0% |
| Northpark Plaza | Westminster, CO | 52,192 | 19,350 | King Soopers | 87.9% | 87.9% |
| Four Development Land Parcels | N/A | N/A | 6,677 | N/A | N/A | N/A |
| **Total** | | **1,284,185** | **$305,651** | | **93.1%** | **94.4%** |

**PECO Expects to Drive Value in these Assets Through Occupancy Increases and Rent Growth, as well as Potential Future Development of Ground-Up Outparcel Retail Spaces**

*Source:*
*Company data as of December 31, 2024*
1. *Acquisition through the Company's Necessity Retail Venture LLC joint venture. Contract price shown at PECO 20% share*
2. *Acquisition through the Company's Neighborhood Grocery Catalyst Fund LLC joint venture. Contract price shown at PECO 31% share*

# Strong Acquisition Volume

| 2025 Acquisition Summary | | | | |
|---|---|---|---|---|
| **2025 Acquisitions** | **Location** | **GLA** | **Contract Price** *(in thousands)* | **Grocery Anchor** |
| Oak Grove Shoppes[1] | Altamonte Springs, FL | 142,103 | $8,020 | Publix |
| Irmo Station | Irmo, SC | 99,440 | 19,050 | Kroger |
| **Total** | | **241,543** | **$27,070** | |

- PECO currently has over **$150M** in acquisitions under contract or negotiation, expected to close in Q1 and early Q2
- Targeting **$350M to $450M** in acquisitions per year on-balance-sheet
- PECO has successfully managed **10 investment vehicles** over its 30+ year history

*Source:*
*Company data as of February 25, 2025*
1. *Acquisition through the Company's Necessity Retail Venture LLC joint venture. Contract price shown at PECO 20% share*

# Ground-Up Development and Repositioning Activity

**Continued Focus on Our Pipeline of Accretive Ground-Up Development and Redevelopment Projects**

- **13 projects under active construction** which are being developed on land PECO already owned and **1 project under active construction** on land that PECO recently acquired(1)
- Our total investment in these projects is estimated to be **$41M** with an **average estimated yield between 9% and 12%**(1)
- **15** projects were stabilized in 2024, and **we have delivered over 305,000 SF** of space to our Neighbors, with **incremental NOI of approximately $5.3M annually**







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

*Source:*
1. *As of December 31, 2024*




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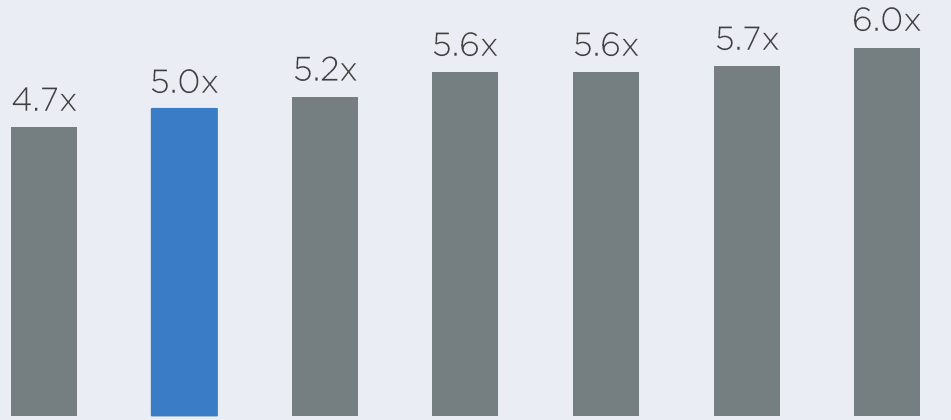
# Balance Sheet

# PECO is Among the Lowest Levered Shopping Center REITs

- PECO has continued to preserve low leverage ratios and holds investment grade ratings from Moody's and S&P
- PECO holds a 'BBB' rating from S&P
- PECO holds a 'Baa2' rating from Moody's
- PECO has a long-term target leverage level of approximately mid-5x

## Net Debt / Adjusted EBITDAre[(1)]

***As of December 31, 2024***




| | KITE REALTY GROUP | PHILLIPS EDISON & COMPANY | Regency Centers. | KIMCO REALTY | FEDERAL 1962 | BRIXMOR Property Group | ACADIA |
|---|---|---|---|---|---|---|---|
| S&P[(2)] | BBB | BBB | A- | BBB+ | BBB+ | BBB | NA |
| Moody's[(2)] | Baa2 | Baa2 | A3 | Baa1 | Baa1 | Baa2 | NA |

*Sources:*

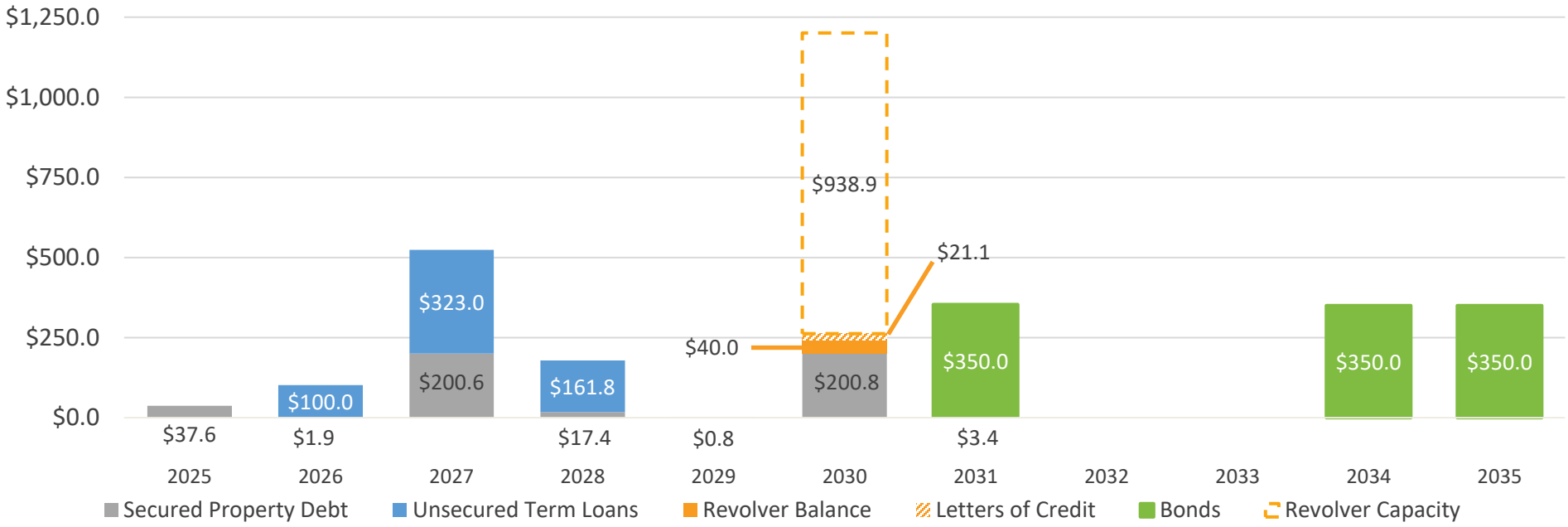
1. *As reported in December 31, 2024 quarterly filings (mix of TTM and LQA leverage); data based on Company filings. Other companies may define/calculate net debt / EBITDA differently than PECO. Accordingly, such data for these companies and PECO may not be comparable. For non-GAAP reconciliations, refer to the Company's latest quarterly financial supplement or Form 10-K*
2. *Long-term issuer ratings, as of February 26, 2025*

# PECO's Strong and Flexible Balance Sheet Position

## Investment Grade Balance Sheet Highlights[1]

- S&P: BBB; Moody's: Baa2
- Significant liquidity position of $948M
- Net debt / adjusted EBITDA*re* of 5.0x[2]
- Approximately 86% of our assets are unencumbered
- As of December 31, 2024 our outstanding debt had a:
  - Weighted average interest rate of 4.3%
  - Weighted average maturity of 5.8 years
  - Fixed rate debt of 93% of total debt
- Closed on $350M bond offering on May 13, 2024
- Closed on $350M bond offering on September 12, 2024

## PECO has a Well-Laddered Debt Maturity Profile ($M)[1]




*Source:*
1. *Pro forma as of December 31, 2024. Revolver capacity is net of letters of credit. Reflects the amended revolver and includes options to extend both the revolver and term loans*
2. *For non-GAAP reconciliations, refer to the Company's latest quarterly financial supplement or Form 10-K*

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# 2025 Earnings Guidance

# 2025 Earnings Guidance Summary

***PECO's Full Year 2025 Earnings Guidance – Provided as of February 6, 2025***

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

| 2025 Guidance | |
|---|---|
| Net Income / Share | $0.54 - $0.59 |
| Nareit FFO / Share | $2.47 - $2.54 |
| Core FFO / Share | $2.52 - $2.59 |
| Same-Center NOI Growth | 3.00% - 3.50% |
| | |
| Acquisitions, gross[1] | $350.0 - $450.0 |
| Interest expense, net | $111.0 - $121.0 |
| G&A expense | $45.0 - $49.0 |
| Non-cash revenue items[2] | $18.0 - $20.0 |
| Adjustments for collectibility | $4.0 - $8.0 |

- Nareit FFO / share growth of 5.7% at the midpoint
- Core FFO / share growth of 5.1% at the midpoint
- We expect same-center NOI growth to be aided by PECO's 2024 leasing activity, favorable rent spreads and PECO's development and redevelopment activity

**FFO / Share Reconciliation**

The following table provides a reconciliation of the range of PECO's 2025 estimated net income to estimated Nareit FFO and Core FFO:

| (Unaudited) | Updated Guidance Low End | Updated Guidance High End |
|---|---|---|
| **Net income per common share** | $0.54 | $0.59 |
| Depreciation and amortization of real estate assets | $1.90 | $1.92 |
| Adjustments related to unconsolidated joint ventures | $0.03 | $0.03 |
| **Nareit FFO per common share** | **$2.47** | **$2.54** |
| Depreciation and amortization of corporate assets | $0.01 | $0.01 |
| Transaction costs and other | $0.04 | $0.04 |
| **Core FFO per common share** | **$2.52** | **$2.59** |

*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.*

1. *Includes the prorated portion owned through the Company's unconsolidated joint ventures*
2. *Represents straight-line rental income and net amortization of above- and below-market leases*




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# Performance and Long-Term Growth

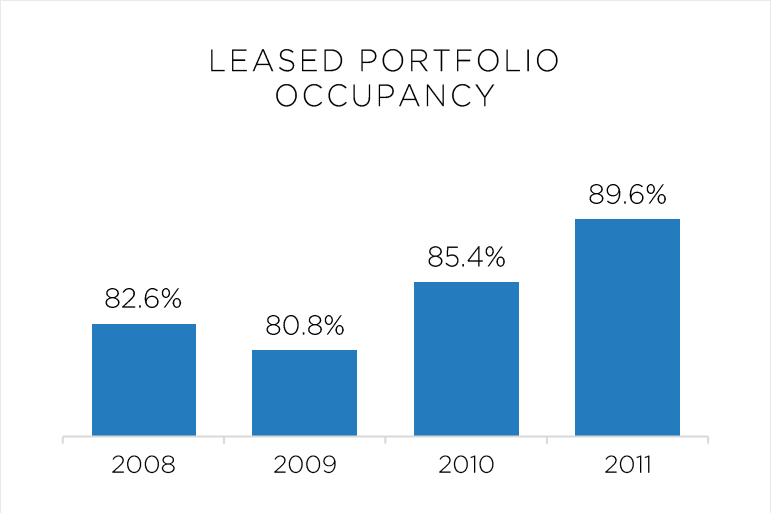
# PECO's Cycle-Tested Performance

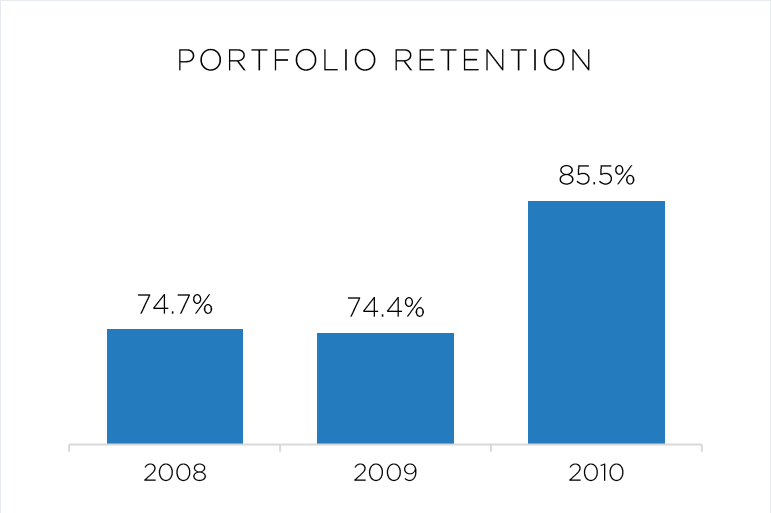
Performance following the 2008 Global Financial Crisis highlights the resiliency of PECO's grocery-anchored portfolio

For the 29 centers PECO still owns:

- NOI decreased 270 bps in 2010 and recovered to pre-GFC levels by 2011
- Leased occupancy declined 180 bps in 2009 and fully recovered by 2010
- Retention fully recovered by 2010

## LEADING PERFORMANCE



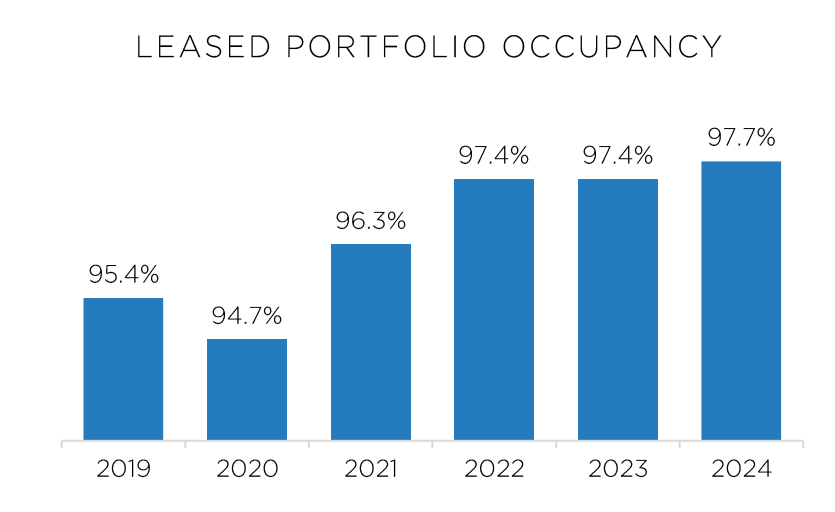

*Sources:*
*Company data*

# PECO's Cycle-Tested Performance

PECO's grocery-anchored portfolio demonstrated further resilience during 2020 and the pandemic-induced downturn

- PECO lost 70 basis points of occupancy during the peak of the pandemic
- Leased occupancy fully recovered by mid-year 2021

## LEADING PERFORMANCE




PECO's grocery-anchored neighborhood shopping centers have proven to be resilient in multiple market cycles

*Sources:*
*Company data*

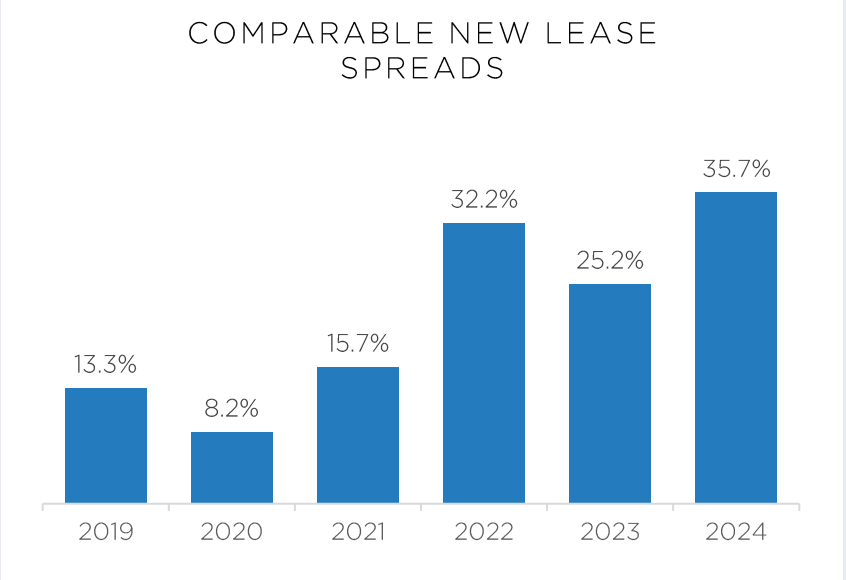
# Strong Operating Environment

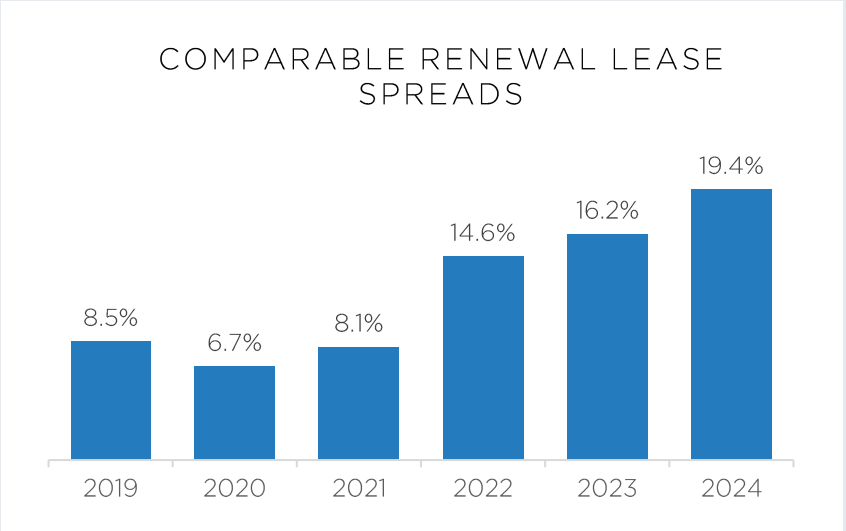
Leasing spreads demonstrate PECO's pricing power and sustainable organic growth

PECO's portfolio occupancy levels have remained strong, and the resulting pricing power is driving new leasing and renewal spreads significantly above previous levels

Retention rate remained strong at 89% in 2024

## LEADING PERFORMANCE

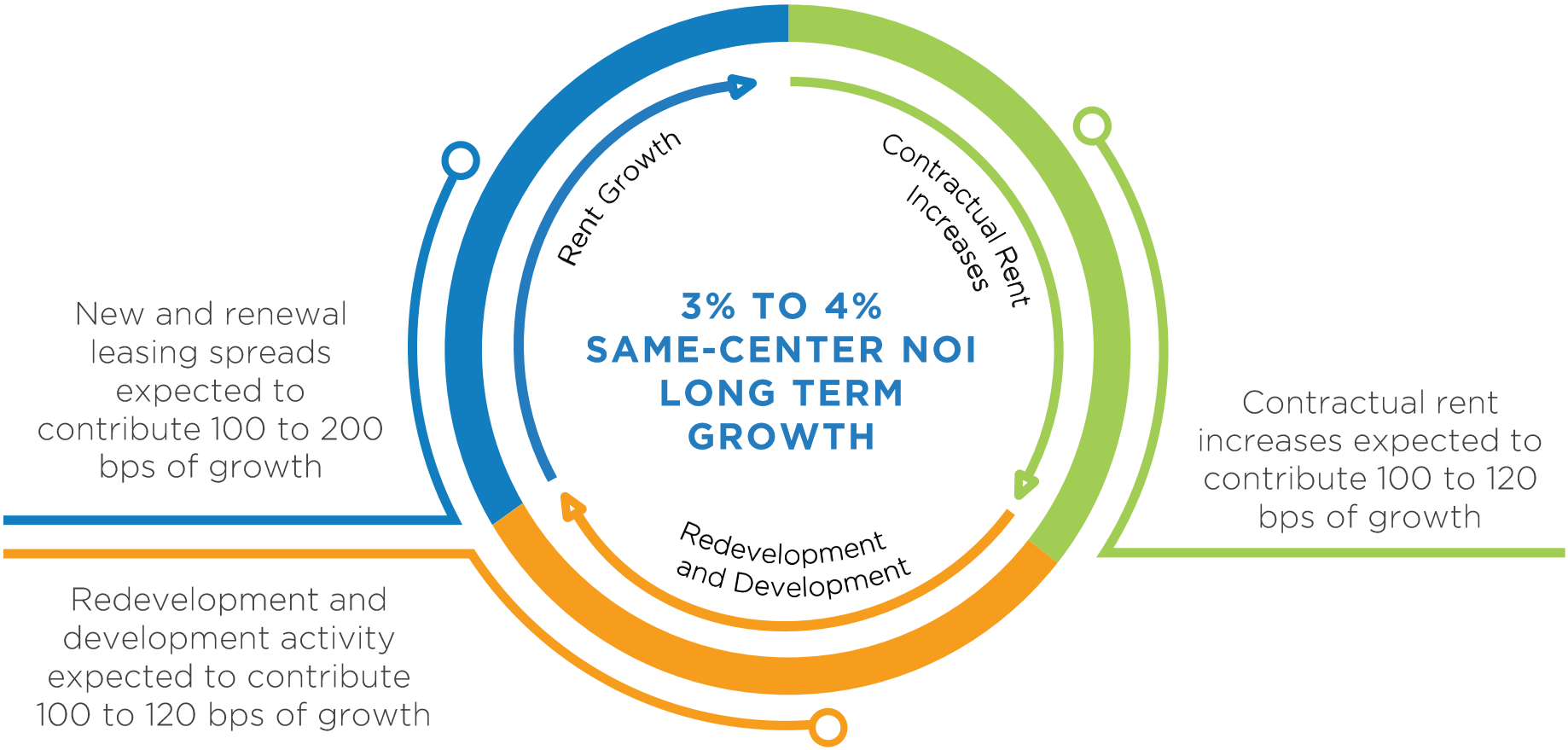



*Source:*
*Company data as of December 31, 2024*

# Long Term Growth Beyond Occupancy

**When Occupancy is No Longer a Driver of Growth, We Believe Our Portfolio Can Still Deliver 3% to 4% Same-Center NOI Growth Long Term**

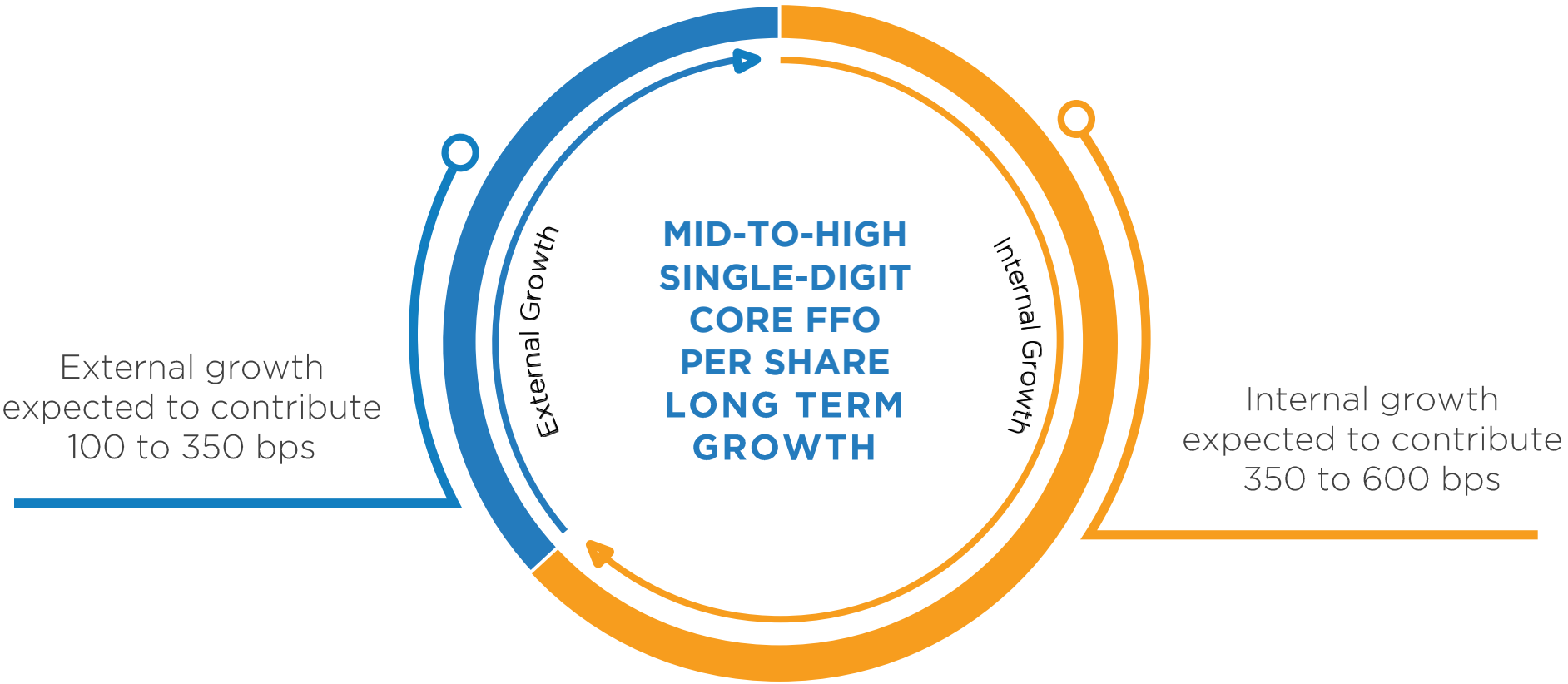



**PECO continues to believe that we can grow same-center inline occupancy another 100 to 150 basis points**

*Source:*
*Company data*

# Roadmap to Our Long Term Growth

**PECO's Long Term Core FFO Per Share Growth will be Driven by Effective Internal and External Growth**




**The PECO team continues to believe we can deliver even higher AFFO growth long term**

*Source:*
*Company data*

# PECO's Investments Enhance Long-Term Value

**We Invest in Opportunities that are Accretive to Earnings and our Long-Term Growth Profile. We Believe our IRRs are Meaningfully Above our Cost of Capital.**

## PECO's investment strategy is supported by:

**Ample Free Cash Flow** | **Leverage Capacity** | **Access to Capital**

### SOURCES OF CAPITAL

- Investment Management
- Free Cash Flow
- Common Equity
- Debt
- Dispositions

### USES OF CAPITAL

- Acquisitions
- Development/ Redevelopment
- Distributions
- Capital Expenditures





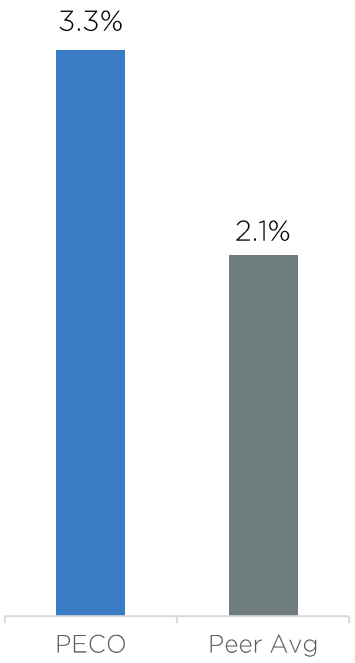




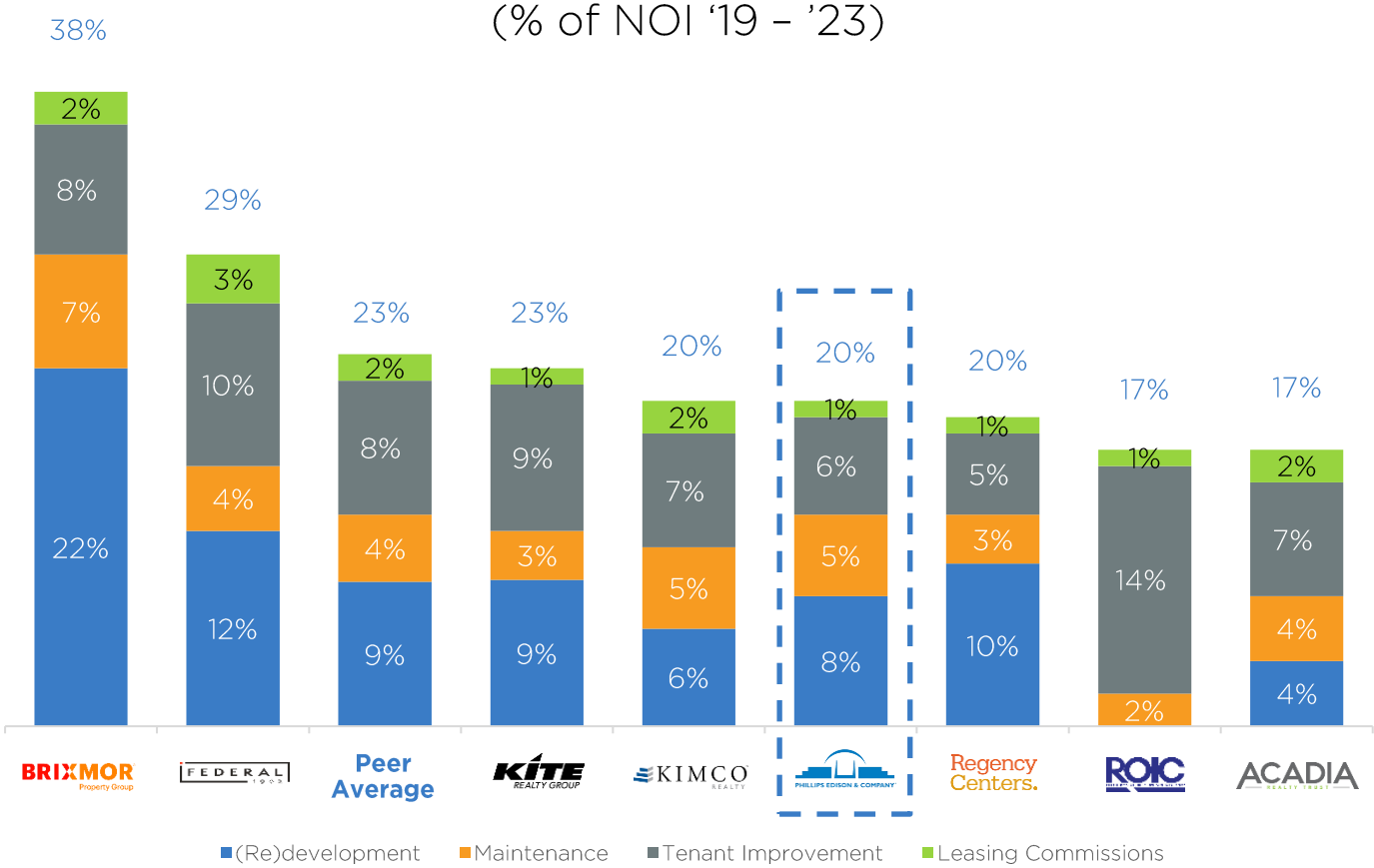
# PECO Delivers Higher Same-Center NOI Growth Over Time with Lower Capex

**Over the Last 5 Years, PECO's Capex was Lower than the Peer Average While Outperforming on Same-Center NOI Growth**

## SAME-CENTER NOI GROWTH 2019-2023[1][2]




## CAPITAL EXPENDITURES[3]
(% of NOI '19 – '23)



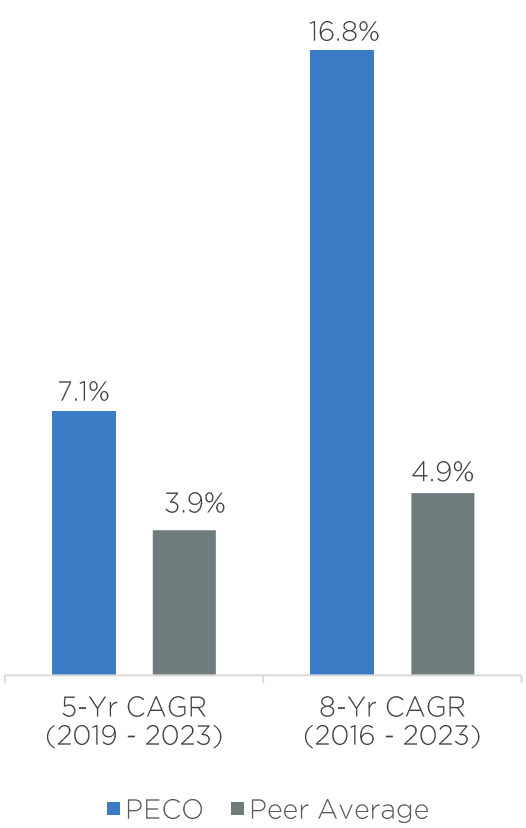

*Sources:*
1. *As reported in annual filings. Other companies may define/calculate differently than PECO. Accordingly, such data for these companies and PECO may not be comparable*
2. *For non-GAAP reconciliations, refer to the Company's quarterly financial supplement or Form 10-K*
3. *Green Street Strip Center Insights - April 2024*

*Note:*
*Unless otherwise noted peers include REG, ROIC, BRX, KIM, KRG, FRT and AKR*

# Maximizing AFFO Growth and Free Cash Flow Generation

**We Leverage Our Strong Portfolio to Maximize Rent Growth with Efficient Leasing Capital, Ultimately Driving Sector-Leading AFFO Growth**

## AFFO CAGR




## PECO's Strategic Approach to Leasing Capital Helps to Drive AFFO Growth Outperformance

- PECO has a long-term track record of outperformance in AFFO growth vs. its peers
- We aim to maximize rent growth while intentionally investing leasing capital
- There are ample opportunities in our portfolio to increase rent either through renewals or replacing existing neighbors
- Space in grocery-anchored shopping centers is in high demand due to lack of new supply
- PECO's total recurring capex remained consistent at approximately 13% of NOI as of December 31, 2024, which is at the lower end of the peer set
- This strategy allows us to drive sector-leading AFFO growth while maximizing free cash flow
- Lower capital spend relative to Core FFO contributes to faster AFFO growth, especially in inline spaces with lower capital investment costs

*Source:*
*As reported in S&P Global Capital IQ Pro*
*Note:*
*Peers include REG, ROIC, BRX, KIM, KRG, FRT and AKR*

# PECO's Long Term Targets



**Same-Center NOI Growth of 3% to 4%**



**$350M to $450M in Acquisitions Annually**



**Mid-to-High-Single-Digit Core FFO per Share Growth and Higher AFFO Growth**

# Long Term Targets: External Growth



**$350M to $450M in acquisitions per year on-balance-sheet**



**9%+ Unlevered IRR**

PECO has the capabilities and leverage capacity to acquire more if attractive opportunities materialize

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# Corporate Responsibility

# Corporate Responsibility and Sustainability

Our Corporate Responsibility and Sustainability Program is based on the four pillars set forth below and is overseen by our Board of Directors through the Nominating and Governance Committee, reflecting PECO's comprehensive approach to strong governance.

GRESB

TOP WORK PLACES

GREEN LEASE LEADER




## PECO Cultural Advantage (PECO XP)

- Ownership Mindset
- Transparency & Communication
- Engagement & Retention
- Health, Wellness & Benefits
- Learning
- Career Development
- Space For All™
- Recognition



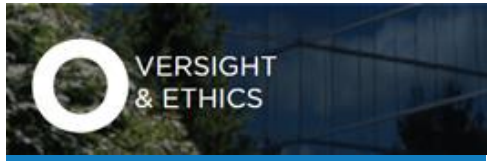

## Maximizing Resources Efficiencies & Mitigating Impact of Risks

- Greenhouse Gas Emissions
- Resource Efficiency
- Renewable Energy
- Water Conservation
- Waste Management
- Building Certifications
- Data Management
- Climate Risk Assessment




## Improving Our Communities, One Shopping Center at a Time

- Supporting Local Entrepreneurs
- Connecting Residents to Necessity-Based Goods & Services
- Providing Jobs & Opportunities for Social Connection
- Enhancing Community through Re/Development Projects
- Creating Significant Economic Impact




## Strong Corporate Governance

- Culture of Integrity & Ethical Conduct
- Relationship of Trust & Respect with Stakeholders
- Sound & Ethical Decision-Making
- Internal Control Frameworks
- Independent Oversight & Review
- Enterprise Risk Management & Mitigation
- Transparent Reporting
- Regular Engagement with Stakeholders

*Source:*
*www.phillipsedison.com/corporate-responsibility*

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# Appendix

# Glossary of Terms

**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.

**Cap rate:** Estimated in-place NOI for the property divided by the property's contractual purchase or sale price

**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, "EBITDA*re* 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.

**(Re)development:** 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, 2023).

**Sun Belt states:** Consists of 15 states: Alabama, Arizona, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, Nevada, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee and Texas.

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