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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **June 30, 2024**

OR

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

For the transition period from ______ to ______

Commission File Number: **001-40594**

PHILLIPS EDISON & COMPANY®

PHILLIPS EDISON & COMPANY, INC.
(Exact name of registrant as specified in its charter)

Maryland	**27-1106076**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
11501 Northlake Drive, Cincinnati, Ohio	**45249**
(Address of principal executive offices)	(Zip code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	**PECO**	**Nasdaq Global Select Market**

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

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

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

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
☑	☐	☐	☐	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

There were 122.5 million shares of the registrant's Common Stock, $0.01 par value per share, outstanding as of July 19, 2024.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2024 AND DECEMBER 31, 2023
(Condensed and Unaudited)
(In thousands, except per share amounts)

	June 30, 2024	December 31, 2023
ASSETS		
Investment in real estate:		
Land and improvements	$ 1,813,970	$ 1,768,487
Building and improvements	3,907,875	3,818,184
In-place lease assets	506,054	495,525
Above-market lease assets	74,835	74,446
Total investment in real estate assets	6,302,734	6,156,642
Accumulated depreciation and amortization	(1,655,987)	(1,540,551)
Net investment in real estate assets	4,646,747	4,616,091
Investment in unconsolidated joint ventures	24,129	25,220
Total investment in real estate assets, net	4,670,876	4,641,311
Cash and cash equivalents	7,058	4,872
Restricted cash	3,890	4,006
Goodwill	29,066	29,066
Other assets, net	196,041	186,411
Total assets	$ 4,906,931	$ 4,865,666
LIABILITIES AND EQUITY		
Liabilities:		
Debt obligations, net	$ 2,042,483	$ 1,969,272
Below-market lease liabilities, net	112,770	108,223
Accounts payable and other liabilities	118,120	116,461
Deferred income	18,158	18,359
Total liabilities	2,291,531	2,212,315
Commitments and contingencies (see Note 8)	—	—
Equity:		
Preferred stock, $0.01 par value per share, 10,000 shares authorized, zero shares issued and outstanding at June 30, 2024 and December 31, 2023	—	—
Common stock, $0.01 par value per share, 1,000,000 shares authorized, 122,408 and 122,024 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	1,224	1,220
Additional paid-in capital (“APIC”)	3,554,309	3,546,838
Accumulated other comprehensive income (“AOCI”)	11,356	10,523
Accumulated deficit	(1,287,271)	(1,248,273)
Total stockholders’ equity	2,279,618	2,310,308
Noncontrolling interests	335,782	343,043
Total equity	2,615,400	2,653,351
Total liabilities and equity	$ 4,906,931	$ 4,865,666

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Condensed and Unaudited)
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues:				
Rental income	$ 158,286	$ 148,980	$ 316,354	$ 296,708
Fees and management income	2,522	2,546	5,087	5,024
Other property income	707	611	1,376	1,469
Total revenues	161,515	152,137	322,817	303,201
Operating Expenses:				
Property operating	27,399	24,674	53,933	49,736
Real estate taxes	19,474	18,397	38,328	36,453
General and administrative	11,133	11,686	22,946	23,219
Depreciation and amortization	61,172	59,667	121,378	118,165
Total operating expenses	119,178	114,424	236,585	227,573
Other:				
Interest expense, net	(23,621)	(20,675)	(46,956)	(40,141)
(Loss) gain on disposal of property, net	(10)	75	(15)	1,017
Other expense, net	(1,720)	(904)	(2,649)	(1,659)
Net income	16,986	16,209	36,612	34,845
Net income attributable to noncontrolling interests	(1,715)	(1,758)	(3,671)	(3,775)
Net income attributable to stockholders	$ 15,271	$ 14,451	$ 32,941	$ 31,070
Earnings per share of common stock:				
Net income per share attributable to stockholders - basic and diluted (see Note 10)	$ 0.12	$ 0.12	$ 0.27	$ 0.26
Comprehensive income:				
Net income	$ 16,986	$ 16,209	$ 36,612	$ 34,845
Other comprehensive (loss) income:				
Change in unrealized value on interest rate swaps	(1,996)	6,562	909	63
Comprehensive income	14,990	22,771	37,521	34,908
Net income attributable to noncontrolling interests	(1,715)	(1,758)	(3,671)	(3,775)
Change in unrealized value on interest rate swaps attributable to noncontrolling interests	202	(712)	(92)	(8)
Reallocation of comprehensive income upon conversion of noncontrolling interests	6	28	16	1
Comprehensive income attributable to stockholders	$ 13,483	$ 20,329	$ 33,774	$ 31,126

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2024 AND 2023
(Condensed and Unaudited)
(In thousands, except per share amounts)

	Three Months Ended June 30, 2024 and 2023							
	Common Stock							
	Shares	Amount	APIC	AOCI	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at April 1, 2023	117,259	$ 1,172	$ 3,382,368	$ 15,181	$(1,186,074)	$ 2,212,647	$ 360,294	$ 2,572,941
Change in unrealized value on interest rate swaps	—	—	—	5,850	—	5,850	712	6,562
Common distributions declared, $0.2799 per share	—	—	—	—	(33,091)	(33,091)	—	(33,091)
Distributions to noncontrolling interests	—	—	—	—	—	—	(4,107)	(4,107)
Share-based compensation	20	—	1,270	—	—	1,270	1,964	3,234
Conversion of noncontrolling interests	164	2	4,126	28	—	4,156	(4,156)	—
Net income	—	—	—	—	14,451	14,451	1,758	16,209
Balance at June 30, 2023	117,443	$ 1,174	$ 3,387,764	$ 21,059	$(1,204,714)	$ 2,205,283	$ 356,465	$ 2,561,748
Balance at April 1, 2024	122,323	$ 1,223	$ 3,551,678	$ 13,144	$(1,266,541)	$ 2,299,504	$ 337,894	$ 2,637,398
Change in unrealized value on interest rate swaps	—	—	—	(1,794)	—	(1,794)	(202)	(1,996)
Common distributions declared, $0.2925 per share	—	—	—	—	(36,001)	(36,001)	—	(36,001)
Distributions to noncontrolling interests	—	—	—	—	—	—	(4,212)	(4,212)
Share-based compensation	25	—	1,168	—	—	1,168	2,057	3,225
Conversion of noncontrolling interests	60	1	1,463	6	—	1,470	(1,470)	—
Net income	—	—	—	—	15,271	15,271	1,715	16,986
Balance at June 30, 2024	122,408	$ 1,224	$ 3,554,309	$ 11,356	$(1,287,271)	$ 2,279,618	$ 335,782	$ 2,615,400

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Condensed and Unaudited)
(In thousands, except per share amounts)

	Six Months Ended June 30, 2024 and 2023							
	Common Stock							
	Shares	Amount	APIC	AOCI	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at January 1, 2023	117,126	$ 1,171	$ 3,383,978	$ 21,003	$(1,169,665)	$ 2,236,487	$ 360,946	$ 2,597,433
Change in unrealized value on interest rate swaps	—	—	—	55	—	55	8	63
Common distributions declared, $0.5598 per share	—	—	—	—	(66,119)	(66,119)	—	(66,119)
Distributions to noncontrolling interests	—	—	—	—	—	—	(8,180)	(8,180)
Share-based compensation	153	1	(340)	—	—	(339)	4,045	3,706
Conversion of noncontrolling interests	164	2	4,126	1	—	4,129	(4,129)	—
Net income	—	—	—	—	31,070	31,070	3,775	34,845
Balance at June 30, 2023	117,443	$ 1,174	$ 3,387,764	$ 21,059	$(1,204,714)	$ 2,205,283	$ 356,465	$ 2,561,748
Balance at January 1, 2024	122,024	$ 1,220	$ 3,546,838	$ 10,523	$(1,248,273)	$ 2,310,308	$ 343,043	$ 2,653,351
Issuance of common stock	46	—	—	—	—	—	—	—
Change in unrealized value on interest rate swaps	—	—	—	817	—	817	92	909
Common distributions declared, $0.585 per share	—	—	—	—	(71,939)	(71,939)	—	(71,939)
Distributions to noncontrolling interests	—	—	—	—	—	—	(8,355)	(8,355)
Share-based compensation	86	1	1,280	—	—	1,281	3,541	4,822
Conversion of noncontrolling interests	252	3	6,191	16	—	6,210	(6,210)	—
Net income	—	—	—	—	32,941	32,941	3,671	36,612
Balance at June 30, 2024	122,408	$ 1,224	$ 3,554,309	$ 11,356	$(1,287,271)	$ 2,279,618	$ 335,782	$ 2,615,400

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Condensed and Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 36,612	$ 34,845
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of real estate assets	120,487	117,068
Depreciation and amortization of corporate assets	891	1,097
Net amortization of above- and below-market leases	(2,989)	(2,490)
Amortization of deferred financing expenses	2,383	1,800
Amortization of debt and derivative adjustments	1,534	1,394
Loss (gain) on disposal of property, net	15	(1,017)
Straight-line rent	(4,439)	(5,824)
Share-based compensation	4,822	3,706
Return on investment in unconsolidated joint ventures	136	75
Other	(197)	(654)
Changes in operating assets and liabilities:		
Other assets, net	(11,083)	(10,042)
Accounts payable and other liabilities	(6,573)	(9,568)
Net cash provided by operating activities	141,599	130,390
CASH FLOWS FROM INVESTING ACTIVITIES:		
Real estate acquisitions	(116,211)	(69,464)
Capital expenditures	(30,886)	(47,617)
(Payments) proceeds from sale of real estate, net	(8)	7,089
Return of investment in unconsolidated joint ventures	1,081	1,130
Insurance proceeds for property damage claims	2,788	1,859
Net cash used in investing activities	(143,236)	(107,003)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facility	229,000	236,000
Payments on revolving credit facility	(363,000)	(147,000)
Proceeds from notes payable	341,698	—
Payments on mortgages and loans payable	(136,962)	(45,535)
Distributions paid	(60,015)	(66,321)
Distributions to noncontrolling interests	(7,014)	(7,964)
Net cash provided by (used in) financing activities	3,707	(30,820)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	2,070	(7,433)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:		
Beginning of period	8,878	17,349
End of period	$ 10,948	$ 9,916
RECONCILIATION TO CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	$ 7,058	$ 5,564
Restricted cash	3,890	4,352
Cash, cash equivalents, and restricted cash at end of period	$ 10,948	$ 9,916

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(Condensed and Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2024	2023
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 42,911	$ 36,643
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES:		
Right-of-use ("ROU") assets obtained in exchange for new lease liabilities	8	888
Accrued capital expenditures	4,424	6,684
Assumed other liabilities	225	—
Assumed debt obligations, net	—	9,615
Assumed below-market debt	—	444
Change in distributions payable	11,924	(202)
Change in distributions payable - noncontrolling interests	1,341	216

See notes to consolidated financial statements.

Phillips Edison & Company, Inc.
Notes to Consolidated Financial Statements
(Condensed and Unaudited)

1. ORGANIZATION

Phillips Edison & Company, Inc. ("we," the "Company," "PECO," "our," or "us") was formed as a Maryland corporation in October 2009. Substantially all of our business is conducted through Phillips Edison Grocery Center Operating Partnership I, L.P. (the "Operating Partnership"), a Delaware limited partnership formed in December 2009. We are a limited partner of the Operating Partnership, and our wholly-owned subsidiary, Phillips Edison Grocery Center OP GP I LLC, is the sole general partner of the Operating Partnership.

We are a real estate investment trust ("REIT") that invests primarily in omni-channel grocery-anchored neighborhood and community shopping centers that have a mix of creditworthy national, regional, and local retailers that sell necessity-based goods and services in strong demographic markets throughout the United States. In addition to managing our own shopping centers, our third-party investment management business provides comprehensive real estate and asset management services to two unconsolidated institutional joint ventures, Grocery Retail Partners I LLC ("GRP I") and Necessity Retail Partners ("NRP"), in which we have partial ownership interests, and one private fund (collectively, the "Managed Funds") as of June 30, 2024.

In July 2024, through a subsidiary, we entered into a joint venture agreement with an affiliate of Cohen & Steers Income Opportunities REIT, Inc. ("Cohen & Steers") targeting $300 million in total equity. We contributed $3.2 million for the purchase of one property at formation of the new joint venture, Necessity Retail Venture LLC ("NRV" or the "NRV joint venture"), in exchange for a 20% ownership interest in NRV. Cohen & Steers acquired an 80% ownership interest in NRV by contributing $12.9 million for the purchase of the one property.

In May 2024, we issued $350 million of 5.750% senior notes due 2034 at an issue price of 98.576% in an underwritten offering ("2024 Bond Offering"). The notes are fully and unconditionally guaranteed by us.

As of June 30, 2024, we wholly-owned 286 real estate properties. Additionally, we owned a 14% interest in GRP I, which owned 20 properties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Set forth below is a summary of the significant accounting estimates and policies that management believes are important to the preparation of our condensed consolidated interim financial statements. Certain of our accounting estimates are particularly important for an understanding of our financial position and results of operations and require the application of significant judgment by management. For example, significant estimates and assumptions have been made with respect to the useful lives of assets, remaining hold periods of assets, recoverable amounts of receivables, and other fair value measurement assessments required for the preparation of the consolidated interim financial statements. As a result, these estimates are subject to a degree of uncertainty.

There were no changes to our significant accounting policies during the six months ended June 30, 2024, except for those discussed below. For a full summary of our significant accounting policies, refer to our 2023 Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission ("SEC") on February 12, 2024.

Basis of Presentation and Principles of Consolidation—The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and with instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Readers of this Quarterly Report on Form 10-Q should refer to our audited consolidated financial statements for the year ended December 31, 2023, which are included in our 2023 Annual Report on Form 10-K. In the opinion of management, all normal and recurring adjustments necessary for the fair presentation of the unaudited consolidated financial statements for the periods presented have been included in this Quarterly Report. Our results of operations for the three and six months ended June 30, 2024 are not necessarily indicative of the operating results expected for the full year.

The accompanying consolidated financial statements include our accounts and the accounts of the Operating Partnership and its wholly-owned subsidiaries (over which we exercise financial and operating control). The financial statements of the Operating Partnership are prepared using accounting policies consistent with our accounting policies. All intercompany balances and transactions are eliminated upon consolidation.

Income Taxes—Our consolidated financial statements include the operations of wholly-owned subsidiaries that have jointly elected to be treated as taxable REIT subsidiary entities and are subject to U.S. federal, state, and local income taxes at regular corporate tax rates. We recognized federal, state, and local income tax expense of $0.5 million and $0.1 million for the three months ended June 30, 2024 and 2023, respectively, and $0.6 million and $0.2 million for the six months ended June 30, 2024 and 2023, respectively. We retained a full valuation allowance for our net deferred tax asset as of December 31, 2023. During the second quarter of 2024, we concluded that it was more likely than not that a significant portion of our net deferred tax asset will be realized. We reached this conclusion as certain of our taxable REIT subsidiary entities reported positive cumulative pre-tax earnings in recent years, and are projected to generate future pre-tax earnings. We have released $0.5 million of the valuation allowance for the three and six months ended June 30, 2024. Income tax expense for the quarter ended June 30, 2024 was reduced by an amount equal to the amount of the valuation allowance released during the quarter ended June 30, 2024. We anticipate that there will be a small valuation allowance at December 31, 2024 for certain state net operating losses that we do not believe will be realized. All income tax amounts are included in Other Expense, Net on our consolidated statements of operations and comprehensive income ("consolidated statements of operations").

Recently Issued or Adopted Accounting Pronouncements—There were no recently issued or adopted accounting pronouncements during the six months ended June 30, 2024 that impacted the Company.

3. LEASES

Lessor—The majority of our leases are largely similar in that the leased asset is retail space within our properties, and the lease agreements generally contain similar provisions and features, without substantial variations. All of our leases are currently classified as operating leases. Lease income related to our operating leases was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Rental income related to fixed lease payments[1]	$ 120,199	$ 111,080	$ 238,282	$ 219,944
Rental income related to variable lease payments[1][2]	35,084	33,829	73,261	69,592
Straight-line rent amortization[3]	1,832	3,148	3,825	5,591
Amortization of lease assets	1,553	1,249	2,959	2,465
Lease buyout income	205	74	451	429
Adjustments for collectibility[4]	(587)	(400)	(2,424)	(1,313)
Total rental income	$ 158,286	$ 148,980	$ 316,354	$ 296,708

(1) Includes rental income related to lease payments before assessing for collectibility.

(2) Variable payments are primarily related to tenant recovery income.

(3) Includes revenue adjustments to straight-line rent for tenants considered non-creditworthy.

(4) Includes general reserves as well as adjustments for tenants considered non-creditworthy for which we are recording revenue on a cash basis, per Accounting Standards Codification ("ASC") Topic 842, *Leases*.

Approximate future fixed contractual lease payments to be received under non-cancelable operating leases in effect as of June 30, 2024, assuming no new or renegotiated leases or option extensions on lease agreements, and including the impact of rent abatements and tenants who have been moved to the cash basis of accounting for revenue recognition purposes, are as follows (in thousands):

Year	Amount
Remaining 2024	$ 235,959
2025	458,773
2026	395,388
2027	327,469
2028	255,681
Thereafter	647,683
Total	$ 2,320,953

No single tenant comprised 10% or more of our aggregate annualized base rent ("ABR") as of June 30, 2024. As of June 30, 2024, our wholly-owned real estate investments in Florida and California represented 12.3% and 10.8% of our ABR, respectively. As a result, the geographic concentration of our portfolio makes it particularly susceptible to adverse weather or economic events in the Florida and California real estate markets.

4. REAL ESTATE ACTIVITY

Acquisitions—The following table summarizes our real estate acquisition activity (dollars in thousands):

	Six Months Ended June 30,	
	2024	2023
Number of properties acquired	4	4
Number of outparcels acquired[(1)(2)]	2	—
Contract price	$ 115,352	$ 78,650
Total price of acquisitions[(3)]	116,211	69,464

(1) Outparcels acquired are adjacent to shopping centers that we own.

(2) During the six months ended June 30, 2024, we acquired an outparcel adjacent to a property that is owned by our unconsolidated joint venture, GRP I. Therefore, the outparcel is an addition to our total property count.

(3) Total price of acquisitions includes closing costs less credits and assumed liabilities.

Subsequent to June 30, 2024, we acquired one property and one outparcel for $11.3 million.

The aggregate purchase price of the assets acquired during the six months ended June 30, 2024 and 2023 were allocated as follows (in thousands):

	June 30, 2024	June 30, 2023
ASSETS		
Land and improvements	$ 44,313	$ 25,084
Building and improvements	70,883	49,877
In-place lease assets	10,997	592
Above-market lease assets	503	7,112
Below-market debt	—	444
Total assets	126,696	83,109
LIABILITIES		
Debt obligations, net	—	9,615
Below-market lease liabilities	10,260	4,030
Other liabilities assumed	225	—
Total liabilities	10,485	13,645
Net assets acquired	$ 116,211	$ 69,464

The weighted-average amortization periods for in-place, above-market, and below-market lease intangibles and below-market debt acquired during the six months ended June 30, 2024 and 2023 are as follows (in years):

	June 30, 2024	June 30, 2023
Acquired in-place leases	11	12
Acquired above-market leases	12	8
Acquired below-market leases	15	18
Assumed below-market debt	—	2

Property Dispositions—We sold no properties during the six months ended June 30, 2024, but we recognized a minimal loss on disposal of property due to miscellaneous write-off activity and expenses related to previous and future potential dispositions. During the six months ended June 30, 2023, we sold one property and two outparcels at a contract price of $6.3 million, received $7.1 million in proceeds, and recognized a gain on disposal of property of $1.0 million which was primarily due to land acquired from us by local authorities.

5. OTHER ASSETS, NET

The following is a summary of Other Assets, Net outstanding as of June 30, 2024 and December 31, 2023 (in thousands):

	June 30, 2024	December 31, 2023
Other assets, net:		
Deferred leasing commissions and costs	$ 54,487	$ 53,379
Deferred financing expenses[1]	8,984	8,984
Office equipment, including capital lease assets, and other	25,091	24,073
Corporate intangible assets	6,686	6,686
Total depreciable and amortizable assets	95,248	93,122
Accumulated depreciation and amortization	(53,446)	(53,205)
Net depreciable and amortizable assets	41,802	39,917
Accounts receivable, net[2]	42,803	44,548
Accounts receivable - affiliates	1,029	803
Deferred rent receivable, net[3]	66,735	62,288
Derivative assets	12,686	12,669
Prepaid expenses and other	15,345	10,745
Investment in third parties	6,794	6,875
Investment in marketable securities	8,847	8,566
Total other assets, net	$ 196,041	$ 186,411

(1) Deferred financing expenses per the above table are related to our revolving credit facility, and as such we have elected to classify them as an asset rather than as a contra-liability.

(2) Net of $3.1 million and $1.9 million of general reserves for uncollectible amounts as of June 30, 2024 and December 31, 2023, respectively. Receivables that were removed for tenants considered to be non-creditworthy were $6.6 million and $6.0 million as of June 30, 2024 and December 31, 2023, respectively.

(3) Net of $5.2 million and $4.6 million of receivables removed as of June 30, 2024 and December 31, 2023, respectively, related to straight-line rent for tenants previously or currently considered to be non-creditworthy.

6. DEBT OBLIGATIONS

The following is a summary of the outstanding principal balances and interest rates, which includes the effect of derivative financial instruments, for our debt obligations as of June 30, 2024 and December 31, 2023 (dollars in thousands):

	Interest Rate[1]	June 30, 2024	December 31, 2023
Revolving credit facility	SOFR + 1.1%	$ 47,000	$ 181,000
Term loans[2]	3.3% - 6.6%	829,750	964,750
Senior unsecured notes due 2031	2.6%	350,000	350,000
Senior unsecured notes due 2034	5.8%	350,000	—
Secured loan facilities	3.4% - 3.5%	395,000	395,000
Mortgages	3.5% - 6.4%	93,865	95,677
Finance lease liability		171	308
Discount on notes payable		(14,424)	(6,302)
Assumed market debt adjustments, net		(396)	(858)
Deferred financing expenses, net		(8,483)	(10,303)
Total		$ 2,042,483	$ 1,969,272
Weighted-average interest rate[3]		4.2 %	4.2 %

(1) Interest rates are as of June 30, 2024.

(2) Our term loans carry an interest rate of the Secured Overnight Financing Rate (“SOFR”) plus a spread. While most of the rates are fixed through the use of swaps, a portion of these loans are not subject to a swap, and thus are still indexed to SOFR.

(3) Includes the effects of derivative financial instruments that were effective as of June 30, 2024 and December 31, 2023 (see Notes 7 and 12).

2024 Debt Activity—In May 2024, we completed the 2024 Bond Offering. The purchase price paid for the 5.750% notes due 2034 was 98.576% of the principal amount, resulting in gross proceeds of $345.0 million. The notes are fully and unconditionally guaranteed by us. In May 2024, we utilized proceeds from the 2024 Bond Offering to pay down $202 million of our revolving credit facility and $135 million of our $240 million term loan that is set to mature in November 2025.

Debt Allocation—The allocation of total debt between fixed-rate and variable-rate as well as between secured and unsecured, excluding market debt adjustments, discount on senior notes, and deferred financing expenses, net, and including the effects of derivative financial instruments as of June 30, 2024 and December 31, 2023 is summarized below (in thousands):

	June 30, 2024	December 31, 2023
As to interest rate[1]:		
Fixed-rate debt	$ 1,889,036	$ 1,540,985
Variable-rate debt	176,750	445,750
Total	$ 2,065,786	$ 1,986,735
As to collateralization:		
Unsecured debt	$ 1,576,750	$ 1,495,750
Secured debt	489,036	490,985
Total	$ 2,065,786	$ 1,986,735

(1) Fixed-rate debt includes, and variable-rate debt excludes, the portion of such debt that has been hedged by interest rate derivatives. As of June 30, 2024, $700 million in variable-rate debt is hedged to a fixed rate for a weighted-average period of 1 year (see Notes 7 and 12).

7. DERIVATIVES AND HEDGING ACTIVITIES

Risk Management Objective of Using Derivatives—We are exposed to certain risks arising from both our business operations and economic conditions. We principally manage our exposure to a wide variety of business and operational risks through management of our core business activities. We manage economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of our debt funding, and through the use of derivative financial instruments. Specifically, we enter into interest rate swaps to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. Our derivative financial instruments are used to manage differences in the amount, timing, and duration of our known or expected cash receipts and our known or expected cash payments principally related to our investments and borrowings.

Cash Flow Hedges of Interest Rate Risk—Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for our making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The changes in the fair value of derivatives designated, and that qualify, as cash flow hedges are recorded in AOCI and are subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. During the six months ended June 30, 2024 and 2023, such derivatives were used to hedge the variable cash flows associated with certain variable-rate debt. Amounts reported in AOCI related to these derivatives will be reclassified to Interest Expense, Net as interest payments are made on the variable-rate debt. During the next twelve months, we estimate that an additional $9.8 million will be reclassified from AOCI as a decrease to Interest Expense, Net.

In January 2024, we entered into an interest rate swap which has a notional amount of $150 million and swaps SOFR for a fixed rate of approximately 3.45% effective September 2024 and maturing December 2025.

The following is a summary of our interest rate swaps that were designated as cash flow hedges of interest rate risk as of June 30, 2024 and December 31, 2023 (dollars in thousands):

	June 30, 2024	December 31, 2023
Count	5	4
Notional amount[1]	$ 700,000	$ 700,000
Fixed SOFR	2.1% - 3.4%	2.1% - 3.4%
Maturity date	2024 - 2026	2024 - 2026
Weighted-average term (in years)	1.1	1.5

(1) Notional amount excludes interest rate swaps that were not effective as of June 30, 2024 and December 31, 2023.

The table below details the nature of the gain and loss recognized on interest rate derivatives designated as cash flow hedges in the consolidated statements of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Amount of gain recognized in Other Comprehensive Income	$ 2,524	$ 12,062	$ 9,978	$ 10,110
Amount of gain reclassified from AOCI into Interest Expense, Net	(4,520)	(5,500)	(9,069)	(10,047)

Credit-risk-related Contingent Features—We have agreements with our derivative counterparties that contain provisions where, if we default, or are capable of being declared in default, on any of our indebtedness, we could also be declared to be in default on our derivative obligations. As of June 30, 2024, there were no derivatives with a fair value in a net liability position, which would include accrued interest but exclude any adjustment for nonperformance risk related to these agreements.

8. COMMITMENTS AND CONTINGENCIES

Litigation—We are involved in various claims and litigation matters arising in the ordinary course of business, some of which involve claims for damages. Many of these matters are covered by insurance, although they may nevertheless be subject to deductibles or retentions. Although the ultimate liability for these matters cannot be determined, based upon information currently available, we believe the resolution of such claims and litigation will not have a material adverse effect on our consolidated financial statements.

Environmental Matters—In connection with the ownership and operation of real estate, we may potentially be liable for costs and damages related to environmental matters. In addition, we may own or acquire certain properties that are subject to environmental remediation. Depending on the nature of the environmental matter, the seller of the property, a tenant of the property, and/or another third party may be responsible for environmental remediation costs related to a property. Additionally, in connection with the purchase of certain properties, the respective sellers and/or tenants may agree to indemnify us against future remediation costs. We also carry environmental liability insurance on our properties that provides limited coverage for any remediation liability and/or pollution liability for third-party bodily injury and/or property damage claims for which we may be liable. We are not currently aware of any environmental matters that we believe are reasonably likely to have a material adverse effect on our consolidated financial statements.

Captive Insurance—Our captive insurance company, Silver Rock Insurance, Inc. ("Silver Rock"), provides general liability insurance, wind, reinsurance, and other coverage to us and our GRP I joint venture. We capitalize Silver Rock in accordance with applicable regulatory requirements.

Silver Rock establishes annual premiums based on the past loss experience of the insured properties. An independent third party was engaged to perform an actuarial estimate of projected future claims, related deductibles, and projected future expenses necessary to fund associated risk management programs. Premiums paid to Silver Rock may be adjusted based on this estimate, and such premiums may be reimbursed by tenants pursuant to specific lease terms.

As of June 30, 2024, we had four letters of credit outstanding totaling approximately $21.4 million to provide security for our obligations under Silver Rock's insurance and reinsurance contracts.

9. EQUITY

General—The holders of common stock are entitled to one vote per share on all matters voted on by stockholders, including one vote per nominee in the election of our Board of Directors (the "Board"). Our charter does not provide for cumulative voting in the election of directors.

At-the-Market Offering ("ATM")—In February 2022, we and the Operating Partnership entered into a sales agreement relating to the potential sale of shares of common stock pursuant to a continuous offering program. In accordance with the terms of the sales agreement, we could offer and sell shares of our common stock having an aggregate offering price of up to $250 million from time to time through our sales agents, or, if applicable, as forward sellers. During the three months ended June 30, 2024, no shares of our common stock were issued under this ATM program. During the six months ended June 30, 2024, we issued approximately 46,000 shares of our common stock at a gross weighted average price of $37.05 per share under this ATM program for net proceeds of $1.7 million, after approximately $17,000 in commissions. During the three and six months ended June 30, 2023, no shares of our common stock were issued under this ATM program.

In February 2024, we and the Operating Partnership entered into a new sales agreement relating to the potential sale of shares of common stock pursuant to a continuous offering program, which replaced the previous agreement. In accordance with the terms of the sales agreement, we may offer and sell shares of our common stock having an aggregate offering price of up to $250 million from time to time through our sales agents, or, if applicable, as forward sellers. During the three and six months ended June 30, 2024, we issued no shares of our common stock under this ATM program. As of June 30, 2024, approximately $250 million of common stock remained available for issuance under the current ATM program.

Distributions—In 2024, we declared and paid monthly distributions of $0.0975 per common share and Operating Partnership unit ("OP unit"), or $1.17 annualized, for each month beginning January 2024 through June 2024. Distributions paid to stockholders and OP unit holders of record subsequent to June 30, 2024 were as follows (dollars in thousands, excluding per share amounts):

Month	Date of Record	Date Distribution Paid	Monthly Distribution Rate	Cash Distribution
June	6/17/2024	7/2/2024	$ 0.0975	$ 13,237

Convertible Noncontrolling Interests—As of June 30, 2024 and December 31, 2023, we had approximately 13.7 million and 13.8 million outstanding non-voting OP units, respectively. Additionally, certain of our outstanding restricted share and performance share awards will result in the issuance of OP units upon vesting in future periods.

Under the terms of the Fourth Amended and Restated Agreement of Limited Partnership, OP unit holders may elect to cause the Operating Partnership to redeem their OP units. The Operating Partnership controls the form of the redemption, and may elect to redeem OP units for shares of our common stock, provided that the OP units have been outstanding for at least one year, or for cash. As the form of redemption for OP units is within our control, the OP units outstanding as of June 30, 2024 and December 31, 2023 are classified as Noncontrolling Interests within permanent equity on our consolidated balance sheets.

The table below is a summary of our OP unit activity for the three and six months ended June 30, 2024 and 2023 (dollars and shares in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
OP units converted into shares of common stock[(1)]	60	164	252	164
Distributions declared on OP units[(2)]	$ 4,212	$ 4,107	$ 8,355	$ 8,180

(1) OP units convert into shares of our common stock at a 1:1 ratio.

(2) Distributions declared on OP units are included in Distributions to Noncontrolling Interests on the consolidated statements of equity.

Share Repurchase Program—In August 2022, our Board approved a new share repurchase program of up to $250 million of common stock. The program may be suspended or discontinued at any time, and does not obligate us to repurchase any dollar amount or particular number of shares. No share repurchases have been made to date under this program.

10. EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed by dividing Net Income Attributable to Stockholders by the weighted-average number of shares of common stock outstanding for the period. Diluted EPS reflects the potential dilution that could occur from share equivalent activity.

The following table provides a reconciliation of the numerator and denominator of the earnings per share calculations (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net income attributable to stockholders - basic	$ 15,271	$ 14,451	$ 32,941	$ 31,070
Net income attributable to convertible OP units[(1)]	1,715	1,758	3,671	3,775
Net income - diluted	$ 16,986	$ 16,209	$ 36,612	$ 34,845
Denominator:				
Weighted-average shares - basic	122,391	117,304	122,306	117,264
OP units[(1)]	13,676	14,238	13,714	14,236
Dilutive restricted stock awards	372	345	436	504
Adjusted weighted-average shares - diluted	136,439	131,887	136,456	132,004
Earnings per common share:				
Basic and diluted income per share	$ 0.12	$ 0.12	$ 0.27	$ 0.26

(1) OP units include units that are convertible into common stock or cash, at the Operating Partnership's option. The Operating Partnership income or loss attributable to these OP units, which is included as a component of Net Income Attributable to Noncontrolling Interests on the consolidated statements of operations, has been added back in the numerator as these OP units were included in the denominator for all periods presented. OP units are allocated income on a consistent basis with the common stockholder and therefore have no dilutive impact to earnings per share of common stock.

11. RELATED PARTY TRANSACTIONS

Revenue—We have entered into agreements with the Managed Funds related to certain advisory, management, and administrative services we provide to their real estate assets in exchange for fees and reimbursement of certain expenses. Summarized below are amounts included in Fees and Management Income. The revenue includes the fees and reimbursements earned by us from the Managed Funds and other revenues that are not in the scope of ASC Topic 606, *Revenue from Contracts with Customers,* but that are included in this table for the purpose of disclosing all related party revenues (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Recurring fees[1]	$ 983	$ 974	$ 1,998	$ 1,986
Realized performance income[2]	—	—	—	75
Transactional revenue and reimbursements[3]	726	724	1,300	1,266
Insurance premiums[4]	813	848	1,789	1,697
Total fees and management income	$ 2,522	$ 2,546	$ 5,087	$ 5,024

(1) Recurring fees include asset management fees and property management fees.

(2) Realized performance income includes fees received related to the achievement of certain performance targets in our NRP joint venture.

(3) Transactional revenue includes items such as leasing commissions and construction management fees.

(4) Insurance premium income includes amounts for reinsurance from third parties not affiliated with us.

Tax Protection Agreement—Through our Operating Partnership, we are currently party to a tax protection agreement (the "2017 TPA") with certain partners that contributed property to our Operating Partnership on October 4, 2017, among them certain of our executive officers, including Jeffrey S. Edison, our Chairman and Chief Executive Officer, under which the Operating Partnership agreed to indemnify such partners for tax liabilities that could accrue to them personally related to our potential disposition of certain properties within our portfolio. The 2017 TPA will expire on October 4, 2027. On July 19, 2021, we entered into an additional tax protection agreement (the "2021 TPA") with certain of our executive officers, including Mr. Edison. The 2021 TPA carries a term of four years and will become effective upon the expiration of the 2017 TPA. As of June 30, 2024, the potential "make-whole amount" on the estimated aggregate amount of built-in gain subject to protection under the agreements is approximately $122.2 million. The protection provided under the terms of the 2021 TPA will expire in 2031. We have not recorded any liability related to the 2017 TPA or the 2021 TPA on our consolidated balance sheets for any periods presented, nor recognized any expense since the inception of the 2017 TPA, owing to the fact that any potential liability under the agreements is controlled by us and we believe we will either (i) continue to own and operate the protected properties or (ii) be able to successfully complete tax-deferred exchanges under Section 1031 of the Internal Revenue Code of 1986, as amended (unless there is a change in applicable law) or complete other tax-efficient transactions to avoid any liability under the agreements.

Other Related Party Matters— As of June 30, 2024, we were the limited guarantor of a $175 million mortgage loan secured by GRP I properties. Our guaranty for the GRP I debt is limited to being the non-recourse carveout guarantor and the environmental indemnitor. Further, we are also party to an agreement with GRP I in which any potential liability under such guarantee will be apportioned between us and GRP I based on our respective ownership percentages in the joint venture. We have no liability recorded on our consolidated balance sheets for the guaranty as of June 30, 2024 and December 31, 2023.

12. FAIR VALUE MEASUREMENTS

The following describes the methods we use to estimate the fair value of our financial and nonfinancial assets and liabilities:

Cash and Cash Equivalents, Restricted Cash, Accounts Receivable, and Accounts Payable—We consider the carrying values of these financial instruments to approximate fair value because of the short period of time between origination of the instruments and their expected realization.

Real Estate Investments—The purchase prices of the investment properties, including related lease intangible assets and liabilities, are allocated at estimated fair value based on Level 3 inputs, such as discount rates, capitalization rates, comparable sales, replacement costs, income and expense growth rates, and current market rents and allowances as determined by management.

Debt Obligations—We estimate the fair value of our revolving credit facility, term loans, secured portfolio of loans, and mortgages by discounting the future cash flows of each instrument at rates currently offered for similar debt instruments of comparable maturities by our lenders using Level 3 inputs. The discount rates used approximate current lending rates for loans or groups of loans with similar maturities and credit quality, assuming the debt is outstanding through maturity and considering the debt's collateral (if applicable). We have utilized market information, as available, or present value techniques to estimate the amounts required to be disclosed. We estimate the fair value of our senior unsecured notes by using quoted prices in active markets, which are considered Level 1 inputs.

The following is a summary of borrowings as of June 30, 2024 and December 31, 2023 (in thousands):

	June 30, 2024		December 31, 2023	
	Recorded Principal Balance[1]	Fair Value	Recorded Principal Balance[1]	Fair Value
Revolving credit facility	$ 47,000	$ 47,202	$ 181,000	$ 181,714
Term loans	823,021	835,229	956,132	970,238
Senior unsecured notes due 2031	344,055	286,087	343,698	284,865
Senior unsecured notes due 2034	341,521	348,537	—	—
Secured portfolio loan facilities	392,815	358,775	392,575	351,339
Mortgages[2]	94,071	92,907	95,867	94,966
Total	$ 2,042,483	$ 1,968,737	$ 1,969,272	$ 1,883,122

(1) As of June 30, 2024 and December 31, 2023, respectively, recorded principal balances include: (i) net deferred financing fees of $8.5 million and $10.3 million; (ii) assumed market debt adjustments of $0.4 million and $0.9 million; and (iii) notes payable discounts of $14.4 million and $6.3 million.

(2) Our finance lease liability is included in the mortgages line item, as presented.

Recurring and Nonrecurring Fair Value Measurements—Our marketable securities and interest rate swaps are measured and recognized at fair value on a recurring basis, while certain real estate assets and liabilities are measured and recognized at fair value as needed. Fair value measurements that occurred as of and during the six months ended June 30, 2024 and the year ended December 31, 2023 were as follows (in thousands):

	June 30, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Recurring						
Marketable securities[1]	$ 8,847	$ —	$ —	$ 8,566	$ —	$ —
Derivative assets[1][2]	—	12,686	—	—	12,669	—

(1) We record marketable securities and derivative assets in Other Assets, Net on our consolidated balance sheets.

(2) The fair values of the derivative assets exclude associated accrued interest receivable of $1.5 million and $1.7 million as of June 30, 2024 and December 31, 2023, respectively.

Marketable Securities—We estimate the fair value of marketable securities using Level 1 inputs. We utilize unadjusted quoted prices for identical assets in active markets that we have the ability to access.

Derivative Instruments—As of June 30, 2024 and December 31, 2023, we had interest rate swaps that fixed SOFR on portions of our unsecured term loan facilities.

All interest rate swap agreements are measured at fair value on a recurring basis. The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

To comply with the provisions of ASC Topic 820, *Fair Value Measurement*, we incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although we determined that the significant inputs used to value our derivatives fell within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our counterparties and our own credit risk utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by us and our counterparties. However, as of June 30, 2024 and December 31, 2023, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Real Estate Asset Impairment—Our real estate assets are measured and recognized at fair value, less costs to sell for held-for-sale properties, on a nonrecurring basis dependent upon when we determine an impairment has occurred. There were no impairment charges recorded during the three and six months ended June 30, 2024 and June 30, 2023.

On a quarterly basis, we employ a multi-step approach to assess our real estate assets for possible impairment and record any impairment charges identified. The first step is the identification of potential triggering events, such as significant decreases in occupancy or the presence of large dark or vacant spaces. If we observe any of these indicators for a shopping center, we then perform an additional screen test consisting of a years-to-recover analysis to determine if we will recover the net book value of the property over its remaining economic life based upon net operating income ("NOI") as forecasted for the current year. In the event that the results of this first step indicate a triggering event for a center, we proceed to the second step, utilizing an undiscounted cash flow model for the center to identify potential impairment. If the undiscounted cash flows are less than the net book value of the center as of the balance sheet date, we record an impairment charge based on the fair value determined in the third step. In performing the third step, we utilize market data such as capitalization rates and sales price per square foot on comparable recent real estate transactions to estimate the fair value of the real estate assets. We also utilize expected net sales proceeds to estimate the fair value of any centers that are actively being marketed for sale.

In addition to these procedures, we also review undeveloped or unimproved land parcels that we own for evidence of impairment and record any impairment charges as necessary. Primary impairment triggers for these land parcels are changes to our plans or intentions with regards to such properties, or planned dispositions at prices that are less than the current carrying values.

13. SUBSEQUENT EVENTS

In preparing the condensed and unaudited consolidated financial statements, we have evaluated subsequent events through the date of filing of this report on Form 10-Q for recognition and/or disclosure purposes. Based on this evaluation, we have determined that there were no events that have occurred that require recognition or disclosure, other than certain events and transactions that have been disclosed elsewhere in these consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our accompanying consolidated financial statements and notes thereto and the more detailed information contained in our 2023 Annual Report on Form 10-K, filed with the SEC on February 12, 2024. All references to "Notes" throughout this document refer to the footnotes to the consolidated financial statements in "Item 1. Financial Statements". See also "Cautionary Note Regarding Forward-Looking Statements" below.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q of Phillips Edison & Company, Inc. ("we," the "Company," "our," or "us") other than historical facts may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995 (collectively with the Securities Act and the Exchange Act, the "Acts"). These forward-looking statements are based on current expectations, estimates, and projections about the industry and markets in which we operate, and beliefs of, and assumptions made by, management of our company and involve uncertainties that could significantly affect our financial results. We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in the Acts. Such forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "can," "expect," "intend," "anticipate," "estimate," "believe," "continue," "possible," "initiatives," "focus," "seek," "objective," "goal," "strategy," "plan," "potential," "potentially," "preparing," "projected," "future," "long-term," "once," "should," "could," "would," "might," "uncertainty," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this report is filed with the SEC. Such statements include, but are not limited to: (a) statements about our plans, strategies, initiatives, and prospects; (b) statements about our underwritten incremental yields; and (c) statements about our 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 our 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 our portfolio to our tenants; (v) the financial stability of our tenants, including, without limitation, their ability to pay rent; (vi) our ability to pay down, refinance, restructure, or extend our indebtedness as it becomes due; (vii) increases in our borrowing costs as a result of changes in interest rates and other factors; (viii) potential liability for environmental matters; (ix) damage to our properties from catastrophic weather and other natural events, and the physical effects of climate change; (x) our ability and willingness to maintain our 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) our corporate responsibility initiatives; (xiv) loss of key executives; (xv) the concentration of our 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) our ability to re-lease our properties on the same or better terms, or at all, in the event of non-renewal or in the event we exercise our right to replace an existing tenant; (xviii) the loss or bankruptcy of our tenants; (xix) to the extent we are seeking to dispose of properties, our ability to do so at attractive prices or at all; and (xx) the impact of inflation on us and on our 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 our 2023 Annual Report on Form 10-K, filed with the SEC on February 12, 2024, as updated from time to time in our 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 our performance in future periods.

Except as required by law, we do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

KEY PERFORMANCE INDICATORS AND DEFINED TERMS

We use certain key performance indicators ("KPIs"), which include both financial and nonfinancial metrics, to measure the performance of our operations. We believe these KPIs, as well as the core concepts and terms defined below, allow our Board, management, and investors to analyze trends around our business strategy, financial condition, and results of operations in a manner that is focused on items unique to the retail real estate industry.

We do not consider our non-GAAP measures to be alternatives to measures required in accordance with GAAP. Certain non-GAAP measures should not be viewed as an alternative measure of our financial performance as they may not reflect the operations of our entire portfolio, and they may not 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 our shopping centers that could materially impact our results from operations. Additionally, certain non-GAAP measures should not be considered as an indication of our liquidity, nor as an indication of funds available to cover our cash needs, including our ability to fund distributions, and 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 in the manner currently contemplated. Accordingly, non-GAAP measures 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. Other REITs may use different methodologies for calculating similar non-GAAP measures, and accordingly, our non-GAAP measures may not be comparable to other REITs.

Our KPIs and terminology can be grouped into three key areas:

PORTFOLIO—Portfolio metrics help management to gauge the health of our centers overall and individually.

- Anchor space—We define an anchor space as a space greater than or equal to 10,000 square feet of gross leasable area ("GLA").
- ABR—We use ABR to refer to the monthly contractual base rent at the end of the period multiplied by twelve months.
- ABR Per Square Foot ("PSF")—This metric is calculated by dividing ABR 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.
- GLA—We use GLA to refer to the total occupied and unoccupied square footage of a building that is available for tenants (whom we refer to as a "Neighbor" or our "Neighbors") or other retailers to lease.
- Inline space—We define an inline space as a space containing less than 10,000 square feet of GLA.
- Leased Occupancy—This metric is 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.
- Underwritten incremental unlevered yield—This reflects the yield we target to generate from a project upon expected stabilization and is calculated as the estimated incremental NOI for a project at stabilization divided by its estimated net project investment. The estimated incremental NOI is the difference between the estimated annualized NOI we target to generate by a project upon stabilization and the estimated annualized NOI without the planned improvements. Underwritten incremental unlevered yield does not include peripheral impacts, such as lease rollover risk or the impact on the long-term value of the property upon sale or disposition. Actual incremental unlevered yields may vary from our underwritten incremental unlevered yield range based on the actual total cost to complete a project and its actual incremental NOI at stabilization.

LEASING—Leasing is a key driver of growth for our company.

- Comparable lease—We use this term to refer 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—This metric is calculated as the percentage increase or decrease in first-year ABR (excluding any free rent or escalations) on new or renewal leases (excluding options) where the lease was considered a comparable lease. This metric provides an indication of our ability to generate revenue growth through leasing activity.
- Cost of executing new leases—We use this term to refer to certain costs associated with new leasing, namely, leasing commissions, tenant improvement costs, and tenant concessions.
- Portfolio retention rate—This metric is 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.
- Recovery rate—This metric is calculated by dividing (i) total recovery income by (ii) total recoverable expenses during the period. A high recovery rate is an indicator of our ability to recover certain property operating expenses and capital costs from our Neighbors.

FINANCIAL PERFORMANCE—In addition to financial metrics calculated in accordance with GAAP, such as net income or cash flows from operations, we utilize non-GAAP metrics to measure our operational and financial performance. See "Non-GAAP Measures" below for further discussion on the following metrics.

- Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization for Real Estate ("Adjusted EBITDA*re*")—To arrive at Adjusted EBITDA*re*, we adjust EBITDA*re*, as defined below, to exclude certain recurring and non-recurring items 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.
- Core Funds From Operations Attributable to Stockholders and OP Unit Holders ("Core FFO")—To arrive at Core FFO, we adjust Nareit FFO, as defined below, 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. We believe Nareit FFO provides insight into our operating performance as it excludes certain items that are not indicative of such performance. Core FFO provides further insight into the sustainability of our operating performance and provides an additional measure to compare our performance across reporting periods on a consistent basis by excluding items that may cause short-term fluctuations in net income (loss).
- EBITDA*re*—The National Association of Real Estate Investment Trusts ("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.

- Equity Market Capitalization—We calculate equity market capitalization as the total dollar value of all outstanding shares using the closing price for the applicable date.
- Nareit FFO Attributable to Stockholders and OP Unit Holders ("Nareit FFO")—Nareit defines Funds From Operations ("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; (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; and (iv) adjustments for unconsolidated partnerships and joint ventures, calculated to reflect FFO on the same basis. We calculate Nareit FFO in a manner consistent with the Nareit definition.
- Net Debt—We calculate net debt as total debt, excluding discounts, market adjustments, and deferred financing expenses, less cash and cash equivalents.
- Net Debt to Adjusted EBITDA*re*—This ratio is 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—This ratio is calculated by dividing net debt by total enterprise value, as defined below. It provides insight into our capital structure and usage of debt.
- NOI—We calculate NOI 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).
- Same-Center—We use this term to refer to a property, or portfolio of properties, that have been owned and operational for the entirety of each reporting period (i.e., since January 1, 2023).
- Total Enterprise Value—We calculate total enterprise value as our net debt plus our equity market capitalization on a fully diluted basis.

OVERVIEW

We are a REIT and one of the nation's largest owners and operators of omni-channel grocery-anchored shopping centers. Our portfolio primarily consists of neighborhood centers anchored by the #1 or #2 grocer tenants by sales within their respective formats by trade area. Our Neighbors are a mix of national, regional, and local retailers that primarily provide necessity-based goods and services.

As of June 30, 2024, we owned equity interests in 306 shopping centers, including 286 wholly-owned shopping centers and 20 shopping centers owned through one unconsolidated joint venture, which comprised approximately 34.8 million square feet in 31 states. In addition to managing our shopping centers, our third-party investment management business provides comprehensive real estate management services to the Managed Funds.

2024 BOND OFFERING—In May 2024, we completed the 2024 Bond Offering. The purchase price paid for the 5.750% notes due 2034 was 98.576% of the principal amount, resulting in gross proceeds of $345.0 million. The notes are fully and unconditionally guaranteed by us.

PORTFOLIO AND LEASING STATISTICS—Below are statistical highlights of our wholly-owned portfolio as of June 30, 2024 and 2023 (dollars and square feet in thousands):

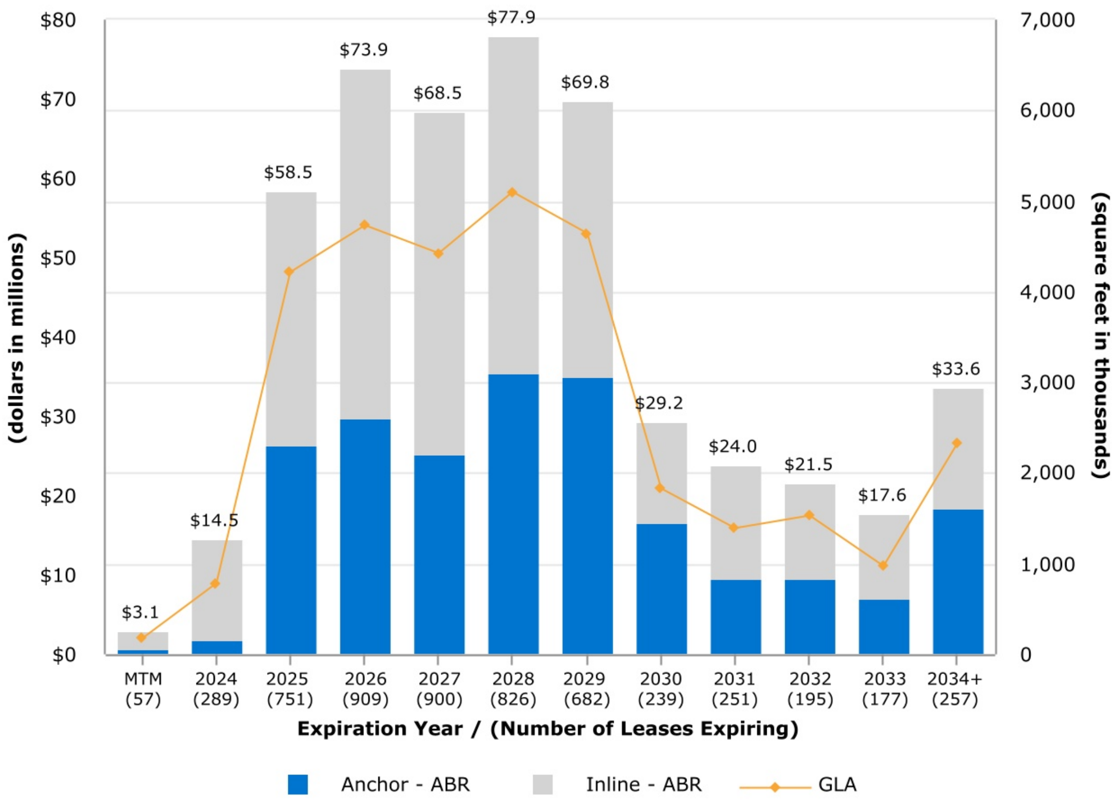
	June 30, 2024	June 30, 2023
Number of properties	286	274
Number of states	31	31
Total square feet	32,594	31,378
ABR	$ 487,536	$ 449,314
% ABR from omni-channel grocery-anchored shopping centers	97.0 %	97.4 %
Leased occupancy %:		
Total portfolio spaces	97.5 %	97.8 %
Anchor spaces	98.8 %	99.4 %
Inline spaces	95.1 %	94.8 %
Average remaining lease term (in years)[1]	4.4	4.5

(1) The average remaining lease term in years excludes future options to extend the term of the lease.

The following table details information for our unconsolidated joint venture as of June 30, 2024, which is the basis for determining the prorated information included in the subsequent tables (dollars and square feet in thousands):

	June 30, 2024			
Joint Venture	**Ownership Percentage**	**Number of Properties**	**ABR**	**GLA**
GRP I	14%	20	$ 32,147	2,213

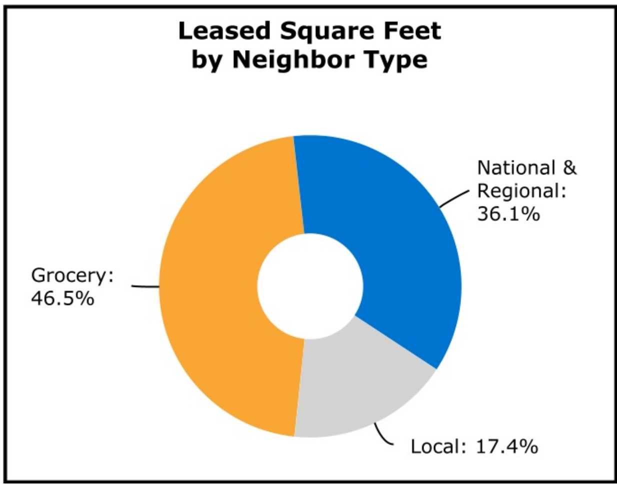
LEASE EXPIRATIONS—The following chart shows the aggregate scheduled lease expirations for our over 3,000 Neighbors, excluding our Neighbors who are occupying space on a temporary basis, after June 30, 2024 for each of the next ten years and thereafter for our wholly-owned properties and the prorated portion of those owned through our unconsolidated joint venture:

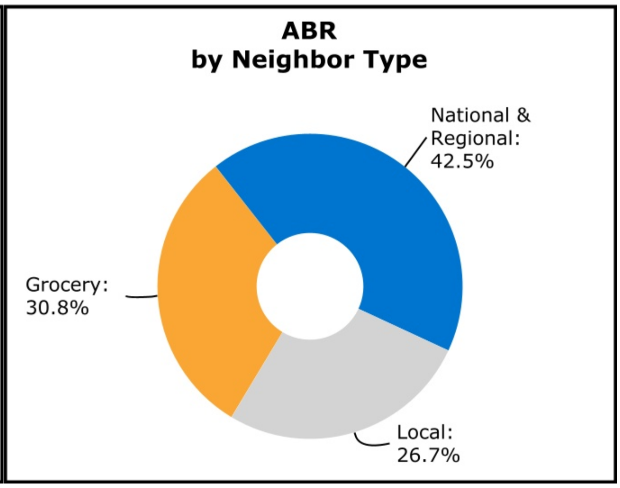


Our ability to create rental rate growth generally depends on our leverage during new and renewal lease negotiations with prospective and existing Neighbors, which typically occurs when occupancy at our centers is high or during periods of economic growth and recovery. Conversely, we may experience rental rate decline when occupancy at our centers is low or during periods of economic recession, as the leverage during new and renewal lease negotiations may shift to prospective and existing Neighbors.

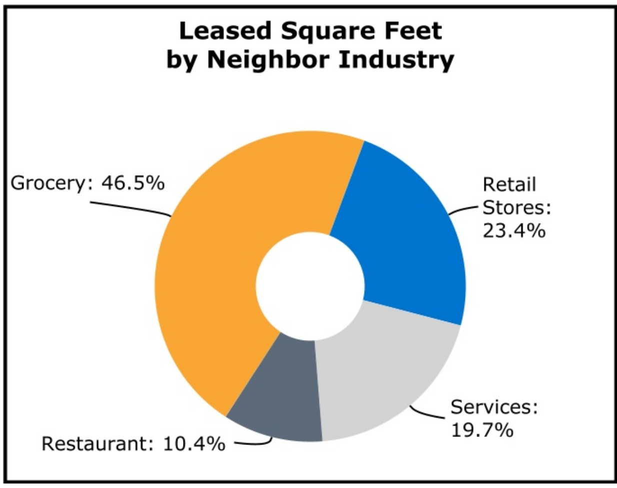
See "Results of Operations - Leasing Activity" below for further discussion of leasing activity.

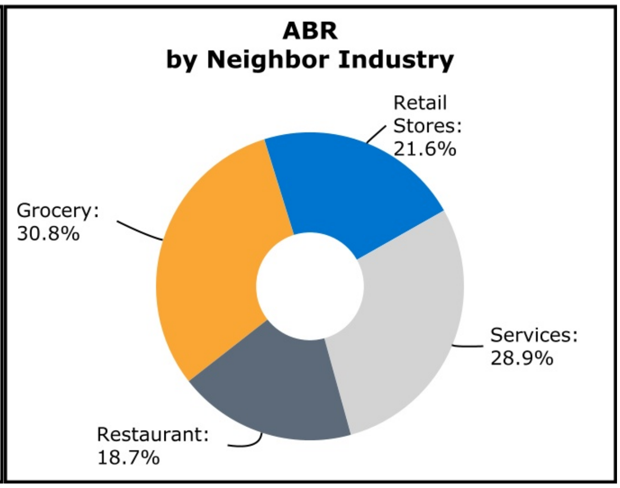
PORTFOLIO TENANCY—We define national Neighbors as those Neighbors that operate in at least three states. Regional Neighbors are defined as those Neighbors that have at least three locations in fewer than three states. The following charts present the composition of our portfolio, including our wholly-owned properties and the prorated portion of those owned through our unconsolidated joint venture, by Neighbor type as of June 30, 2024:





The following charts present the composition of our portfolio by Neighbor industry as of June 30, 2024:





NECESSITY-BASED GOODS AND SERVICES—We define "necessity-based goods and services" as goods and services that are indispensable, necessary, or common for day-to-day living, or that tend to be inelastic (i.e., those for which the demand does not change based on a consumer's income level). We estimate that approximately 70% of our ABR, including the pro rata portion attributable to properties owned through our unconsolidated joint venture, is generated from Neighbors providing necessity-based goods and services.

TOP 20 NEIGHBORS—The following table presents our top 20 Neighbors by ABR, including our wholly-owned properties and the prorated portion of those owned through our unconsolidated joint venture, as of June 30, 2024 (dollars and square feet in thousands):

Neighbor[1]	ABR	% of ABR	Leased Square Feet	% of Leased Square Feet	Number of Locations[2]
Kroger	$ 28,952	5.9 %	3,546	11.1 %	64
Publix	26,574	5.4 %	2,519	7.9 %	61
Albertsons	19,638	4.0 %	1,780	5.5 %	32
Ahold Delhaize	17,894	3.6 %	1,249	3.9 %	23
Walmart	8,952	1.8 %	1,770	5.5 %	13
Giant Eagle	7,390	1.5 %	759	2.4 %	10
Sprouts Farmers Market	6,732	1.4 %	421	1.3 %	14
TJX Companies	6,298	1.3 %	517	1.6 %	18
Raley's	4,599	0.9 %	288	0.9 %	5
Dollar Tree	4,166	0.9 %	391	1.2 %	39
UNFI (SuperValu)	3,476	0.7 %	336	1.0 %	5
Starbucks Corporation	3,411	0.7 %	72	0.2 %	36
Trader Joe's	2,727	0.5 %	122	0.4 %	9
Pet Supplies Plus	2,564	0.5 %	161	0.5 %	21
Subway Group	2,501	0.5 %	89	0.3 %	61
H-E-B	2,491	0.5 %	164	0.5 %	2
Lowe's	2,469	0.5 %	369	1.2 %	4
H&R Block, Inc.	2,417	0.5 %	95	0.3 %	56
United Parcel Service	2,401	0.5 %	84	0.3 %	67
Anytime Fitness, Inc.	2,366	0.5 %	136	0.4 %	28
Total	$ 158,018	32.1 %	14,868	46.4 %	568

(1) Neighbors are grouped by parent company and may represent multiple subsidiaries and banners.

(2) Number of locations excludes auxiliary leases with grocery anchors such as fuel stations, pharmacies, and liquor stores. Additionally, if a parent company has multiple subsidiaries or banners in a single shopping center, those subsidiaries are included as one location.

RESULTS OF OPERATIONS

KNOWN TRENDS AND UNCERTAINTIES—The economy continues to face inflation risk, which may negatively impact some of our Neighbors and increase our operating and construction costs. Substantially all of our leases contain provisions designed to mitigate the adverse effect of inflation, including requirements for Neighbors to pay their allocable share of operating expenses that includes common area maintenance, utilities, real estate taxes, insurance, and certain capital expenditures. Additionally, many of our leases are for terms of less than ten years, which allows us to target increased rents to current market rates upon renewal.

In addition to inflation, macroeconomic and geopolitical risks may create challenges that could negatively impact market conditions in the United States. Additionally, the policies implemented to address these risks, including raising interest rates, could result in adverse impacts on the United States economy, including a slowing of growth or potentially a recession.

SUMMARY OF OPERATING ACTIVITIES FOR THE THREE MONTHS ENDED JUNE 30, 2024 AND 2023

(Dollars in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Favorable (Unfavorable) Change $	Favorable (Unfavorable) Change %
Revenues:				
Rental income	$ 158,286	$ 148,980	$ 9,306	6.2 %
Fees and management income	2,522	2,546	(24)	(0.9)%
Other property income	707	611	96	15.7 %
Total revenues	161,515	152,137	9,378	6.2 %
Operating Expenses:				
Property operating	27,399	24,674	(2,725)	(11.0)%
Real estate taxes	19,474	18,397	(1,077)	(5.9)%
General and administrative	11,133	11,686	553	4.7 %
Depreciation and amortization	61,172	59,667	(1,505)	(2.5)%
Total operating expenses	119,178	114,424	(4,754)	(4.2)%
Other:				
Interest expense, net	(23,621)	(20,675)	(2,946)	(14.2)%
(Loss) gain on disposal of property, net	(10)	75	(85)	(113.3)%
Other expense, net	(1,720)	(904)	(816)	(90.3)%
Net income	16,986	16,209	777	4.8 %
Net income attributable to noncontrolling interests	(1,715)	(1,758)	43	2.4 %
Net income attributable to stockholders	$ 15,271	$ 14,451	$ 820	5.7 %

Our basis for analyzing significant fluctuations in our results of operations generally includes review of the results of our same-center portfolio, non-same-center portfolio, and revenues and expenses from our management activities. We define our same-center portfolio as the 270 properties that were owned and operational prior to January 1, 2023. We define our non-same-center portfolio as those properties that were not fully owned and operational in both periods owing primarily to real estate asset activity occurring after December 31, 2022, which includes one property disposed of and 15 properties acquired. Below are explanations of the significant fluctuations in the results of operations for the three months ended June 30, 2024 and 2023:

Rental Income increased $9.3 million primarily as follows:

- $2.7 million increase primarily related to our same-center portfolio as follows:
  - $4.6 million increase primarily due to a $0.45 increase in average minimum rent PSF and a 0.1% improvement in average occupancy; partially offset by
  - $1.3 million decrease due to the impact of lease straight-line rent adjustments;
  - $0.5 million decrease primarily due to an increase in amounts reserved for Neighbors identified as credit risks; and
  - $0.4 million decrease primarily due to a decrease in tenant recovery income.
- $6.6 million increase primarily related to our acquisition activity, net of dispositions.

Property Operating Expenses increased $2.7 million primarily as follows:

- $1.9 million increase from our same-center portfolio and corporate operating activities primarily due to higher compensation and insurance costs and an increase in common area maintenance spending; and
- $0.8 million increase primarily due to our acquisition activity, net of dispositions.

Real Estate Tax Expenses:

- The $1.1 million increase in real estate tax expenses is primarily due to our acquisition activity, net of dispositions.

Interest Expense, Net:

- The $2.9 million increase was primarily due to increased interest rates in 2024. Interest Expense, Net was comprised of the following (dollars in thousands):

	Three Months Ended June 30,	
	2024	2023
Interest on unsecured term loans and senior notes, net	$ 15,135	$ 11,538
Interest on secured debt	4,494	4,666
Interest on revolving credit facility, net	1,888	2,756
Non-cash amortization and other	2,105	1,724
Gain on extinguishment or modification of debt and other, net[1]	(1)	(9)
Interest expense, net	$ 23,621	$ 20,675
Weighted-average interest rate as of end of period	4.2 %	3.9 %
Weighted-average term (in years) as of end of period	4.8	3.9

(1) Includes defeasance fees related to early repayments of debt

Other Expense, Net:

- Other Expense, Net was comprised of the following (in thousands):

	Three Months Ended June 30,	
	2024	2023
Transaction and acquisition expenses	$ (1,146)	$ (1,261)
Federal, state, and local income tax expense	(464)	(119)
Equity in net (loss) income of unconsolidated investments	(26)	105
Other (loss) income	(84)	371
Other expense, net	$ (1,720)	$ (904)

SUMMARY OF OPERATING ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(Dollars in thousands)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Favorable (Unfavorable) Change $	Favorable (Unfavorable) Change %
Revenues:				
Rental income	$ 316,354	$ 296,708	$ 19,646	6.6 %
Fees and management income	5,087	5,024	63	1.3 %
Other property income	1,376	1,469	(93)	(6.3)%
Total revenues	322,817	303,201	19,616	6.5 %
Operating Expenses:				
Property operating	53,933	49,736	(4,197)	(8.4)%
Real estate taxes	38,328	36,453	(1,875)	(5.1)%
General and administrative	22,946	23,219	273	1.2 %
Depreciation and amortization	121,378	118,165	(3,213)	(2.7)%
Total operating expenses	236,585	227,573	(9,012)	(4.0)%
Other:				
Interest expense, net	(46,956)	(40,141)	(6,815)	(17.0)%
(Loss) gain on disposal of property, net	(15)	1,017	(1,032)	(101.5)%
Other expense, net	(2,649)	(1,659)	(990)	(59.7)%
Net income	36,612	34,845	1,767	5.1 %
Net income attributable to noncontrolling interests	(3,671)	(3,775)	104	2.8 %
Net income attributable to stockholders	$ 32,941	$ 31,070	$ 1,871	6.0 %

For details surrounding our basis for analyzing significant fluctuations in our results of operations as well as definitions related to our portfolio of real estate assets, please see "Summary of Operating Activities for the Three Months Ended June 30, 2024 and 2023" above. Below are explanations of the significant fluctuations in the results of operations for the six months ended June 30, 2024 and 2023:

Rental Income increased $19.6 million as follows:

- $6.5 million increase related to our same-center portfolio primarily as follows:
  - $9.3 million increase primarily due to a $0.48 increase in average minimum rent PSF and a 0.3% improvement in average occupancy; partially offset by
  - $1.6 million decrease due to the impact of lease straight-line rent adjustments;
  - $1.7 million decrease primarily due to an increase in amounts reserved for Neighbors identified as credit risks.
- $13.1 million increase primarily related to our acquisition activity, net of dispositions.

Property Operating Expenses increased $4.2 million primarily as follows:

- $2.5 million increase from our same-center portfolio and corporate operating activities primarily due to higher compensation costs and an increase in common area maintenance spending; and
- $1.7 million increase primarily due to our acquisition activity, net of dispositions.

Real Estate Tax Expenses:

- The $1.9 million increase in real estate tax expenses is primarily due to our acquisition activity, net of dispositions.

Interest Expense, Net:

- The $6.8 million increase was primarily due to higher interest rates in 2024. Interest Expense, Net was comprised of the following (dollars in thousands):

	Six Months Ended June 30,	
	2024	2023
Interest on unsecured term loans and senior notes, net	$ 28,792	$ 22,830
Interest on secured debt	9,000	9,554
Interest on revolving credit facility, net	5,047	4,324
Non-cash amortization and other	4,118	3,442
Gain on extinguishment or modification of debt and other, net[1]	(1)	(9)
Interest expense, net	$ 46,956	$ 40,141
Weighted-average interest rate as of end of period	4.2 %	3.9 %
Weighted-average term (in years) as of end of period	4.8	3.9

(1) Includes defeasance fees related to early repayments of debt

Other Expense, Net:

- Other Expense, Net was comprised of the following (in thousands):

	Six Months Ended June 30,	
	2024	2023
Transaction and acquisition expenses	$ (2,320)	$ (2,599)
Federal, state, and local income tax expense	(601)	(237)
Equity in net income of unconsolidated investments	3	195
Other income	269	982
Other expense, net	$ (2,649)	$ (1,659)

LEASING ACTIVITY—Below is a summary of leasing activity for our wholly-owned properties for the three months ended June 30, 2024 and 2023[(1)]:

	Total Deals		Inline Deals	
	2024	2023	2024	2023
New leases:				
Number of leases	93	94	84	91
Square footage (in thousands)	412	286	212	233
ABR (in thousands)	$ 8,749	$ 5,709	$ 6,347	$ 5,348
ABR PSF	$ 21.23	$ 19.98	$ 29.99	$ 22.98
Cost PSF of executing new leases	$ 33.03	$ 27.82	$ 50.32	$ 32.77
Number of comparable leases	41	33	37	32
Comparable rent spread	34.4 %	25.1 %	31.9 %	25.1 %
Weighted-average lease term (in years)	8.8	6.8	8.5	7.1
Renewals and options:				
Number of leases	184	191	165	170
Square footage (in thousands)	1,287	1,282	335	383
ABR (in thousands)	$ 18,947	$ 18,451	$ 9,398	$ 9,803
ABR PSF (all leases)	$ 14.72	$ 14.39	$ 28.05	$ 25.62
ABR PSF prior to renewals (all leases)	$ 13.24	$ 13.05	$ 23.79	$ 21.91
Percentage increase in ABR PSF (comparable leases only)	12.7 %	10.2 %	17.9 %	16.9 %
Cost PSF of executing renewals and options	$ 0.18	$ 0.44	$ 0.65	$ 1.26
Number of comparable leases[(2)]	147	143	143	139
Comparable rent spread[(2)]	20.5 %	17.7 %	19.7 %	18.9 %
Weighted-average lease term (in years)	5.7	5.0	4.5	4.3
Portfolio retention rate	88.7 %	93.8 %	84.8 %	86.3 %

(1) PSF amounts may not recalculate exactly based on other amounts presented within the table due to rounding.

(2) Excludes exercise of options.

Below is a summary of leasing activity for our wholly-owned properties for the six months ended June 30, 2024 and 2023[1]:

	Total Deals		Inline Deals	
	2024	2023	2024	2023
New leases:				
Number of leases	177	192	163	186
Square footage (in thousands)	667	550	382	424
ABR (in thousands)	$ 15,192	$ 11,858	$ 11,229	$ 10,349
ABR PSF	$ 22.76	$ 21.56	$ 29.40	$ 24.42
Cost PSF of executing new leases	$ 33.44	$ 31.22	$ 43.64	$ 35.62
Number of comparable leases	84	63	77	62
Comparable rent spread	31.9 %	26.1 %	34.3 %	26.2 %
Weighted-average lease term (in years)	8.7	8.1	8.3	7.1
Renewals and options:				
Number of leases	345	356	306	324
Square footage (in thousands)	2,339	2,083	636	707
ABR (in thousands)	$ 36,089	$ 32,362	$ 18,069	$ 18,131
ABR PSF (all leases)	$ 15.43	$ 15.53	$ 28.43	$ 25.64
ABR PSF prior to renewals (all leases)	$ 13.93	$ 14.07	$ 24.33	$ 22.10
Percentage increase in ABR PSF (comparable leases only)	11.4 %	10.4 %	16.6 %	16.0 %
Cost PSF of executing renewals and options	$ 0.21	$ 0.48	$ 0.72	$ 1.22
Number of comparable leases[2]	264	269	253	263
Comparable rent spread[2]	18.7 %	17.0 %	19.5 %	18.1 %
Weighted-average lease term (in years)	5.3	5.0	4.5	4.4
Portfolio retention rate	88.2 %	94.4 %	84.1 %	84.7 %

(1) PSF amounts may not recalculate exactly based on other amounts presented within the table due to rounding.

(2) Excludes exercise of options.

NON-GAAP MEASURES

See "Key Performance Indicators and Defined Terms" above for additional information related to the following non-GAAP measures.

SAME-CENTER NOI—Same-Center NOI is presented as a supplemental measure of our performance, as it highlights operating trends such as occupancy levels, rental rates, and operating costs for our same-center portfolio. Other REITs may use different methodologies for calculating Same-Center NOI, and accordingly, our Same-Center NOI may not be comparable to other REITs. For the three and six months ended June 30, 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.

Same-Center NOI should not be viewed as an alternative measure of our financial performance as it does not reflect the operations of our 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 our properties that could materially impact our results from operations.

The table below presents our Same-Center NOI (dollars in thousands):

	Three Months Ended June 30,		Favorable (Unfavorable)		Six Months Ended June 30,		Favorable (Unfavorable)	
	2024	2023	$ Change	% Change	2024	2023	$ Change	% Change
Revenues:								
Rental income[1]	$ 112,161	$ 107,542	$ 4,619		$ 224,917	$ 215,665	$ 9,252	
Tenant recovery income	34,384	35,196	(812)		70,482	70,682	(200)	
Reserves for uncollectibility[2]	(629)	(370)	(259)		(2,401)	(1,276)	(1,125)	
Other property income	694	595	99		1,297	1,443	(146)	
Total revenues	146,610	142,963	3,647	2.6 %	294,295	286,514	7,781	2.7 %
Operating expenses:								
Property operating expenses	22,584	21,142	(1,442)		45,774	43,562	(2,212)	
Real estate taxes	18,461	18,183	(278)		36,214	36,424	210	
Total operating expenses	41,045	39,325	(1,720)	(4.4)%	81,988	79,986	(2,002)	(2.5)%
Total Same-Center NOI	$ 105,565	$ 103,638	$ 1,927	1.9 %	$ 212,307	$ 206,528	$ 5,779	2.8 %

(1) Excludes straight-line rental income, net amortization of above- and below-market leases, and lease buyout income.

(2) Includes billings that will not be recognized as revenue until cash is collected or the Neighbor resumes regular payments and/or we deem it appropriate to resume recording revenue on an accrual basis, rather than on a cash basis.

Same-Center NOI Reconciliation—Below is a reconciliation of Net Income to NOI and Same-Center NOI (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	$ 16,986	$ 16,209	$ 36,612	$ 34,845
Adjusted to exclude:				
Fees and management income	(2,522)	(2,546)	(5,087)	(5,024)
Straight-line rental income[1]	(2,072)	(3,284)	(4,437)	(5,864)
Net amortization of above- and below-market leases	(1,570)	(1,262)	(2,989)	(2,490)
Lease buyout income	(205)	(74)	(451)	(429)
General and administrative expenses	11,133	11,686	22,946	23,219
Depreciation and amortization	61,172	59,667	121,378	118,165
Interest expense, net	23,621	20,675	46,956	40,141
Loss (gain) on disposal of property, net	10	(75)	15	(1,017)
Other expense, net	1,720	904	2,649	1,659
Property operating expenses related to fees and management income	319	711	1,345	1,026
NOI for real estate investments	108,592	102,611	218,937	204,231
Less: Non-same-center NOI[2]	(3,027)	1,027	(6,630)	2,297
Total Same-Center NOI	$ 105,565	$ 103,638	$ 212,307	$ 206,528
Period-end Same-Center Leased Occupancy %			97.8 %	97.9 %

(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.

NAREIT FFO AND CORE FFO—Nareit FFO is a non-GAAP financial performance measure that is widely recognized as a measure of REIT operating performance. Core FFO is an additional financial performance measure used by us as Nareit FFO includes certain non-comparable items that affect our performance over time. We believe that Core FFO is helpful in assisting management and investors with assessing the sustainability of our operating performance in future periods.

Nareit FFO and Core FFO should not be considered alternatives to net income (loss) under GAAP, as an indication of our liquidity, nor as an indication of funds available to cover our cash needs, including our ability to fund distributions. Core FFO 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, 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. Our Nareit FFO and Core FFO, as presented, may not be comparable to amounts calculated by other REITs.

The following table presents our calculation of Nareit FFO and Core FFO (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Calculation of Nareit FFO Attributable to Stockholders and OP Unit Holders				
Net income	$ 16,986	$ 16,209	$ 36,612	$ 34,845
Adjustments:				
Depreciation and amortization of real estate assets	60,711	59,115	120,487	117,068
Loss (gain) on disposal of property, net	10	(75)	15	(1,017)
Adjustments related to unconsolidated joint ventures	661	645	1,310	1,343
Nareit FFO attributable to stockholders and OP unit holders	$ 78,368	$ 75,894	$ 158,424	$ 152,239
Calculation of Core FFO Attributable to Stockholders and OP Unit Holders				
Nareit FFO attributable to stockholders and OP unit holders	$ 78,368	$ 75,894	$ 158,424	$ 152,239
Adjustments:				
Depreciation and amortization of corporate assets	461	552	891	1,097
Transaction and acquisition expenses	1,146	1,261	2,320	2,599
Gain on extinguishment or modification of debt and other, net	(1)	(9)	(1)	(9)
Amortization of unconsolidated joint venture basis differences	2	7	5	8
Realized performance income[1]	—	—	—	(75)
Core FFO attributable to stockholders and OP unit holders	$ 79,976	$ 77,705	$ 161,639	$ 155,859
Nareit FFO/Core FFO Attributable to Stockholders and OP Unit Holders per diluted share				
Weighted-average shares of common stock outstanding - diluted	136,439	131,887	136,456	132,004
Nareit FFO attributable to stockholders and OP unit holders per share - diluted	$ 0.57	$ 0.58	$ 1.16	$ 1.15
Core FFO attributable to stockholders and OP unit holders per share - diluted	$ 0.59	$ 0.59	$ 1.18	$ 1.18

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

EBITDA*re* AND ADJUSTED EBITDA*re*—We use EBITDA*re* and Adjusted EBITDA*re* as additional measures of operating performance which allow us to compare earnings independent of capital structure, determine debt service and fixed cost coverage, and measure enterprise value. Additionally, we believe they are a useful indicator of our ability to support our debt obligations.

EBITDA*re* and Adjusted EBITDA*re* should not be considered as alternatives to net income (loss), as an indication of our liquidity, nor as an indication of funds available to cover our cash needs, including our ability to fund distributions. Accordingly, EBITDA*re* and Adjusted EBITDA*re* 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. Our EBITDA*re* and Adjusted EBITDA*re*, as presented, may not be comparable to amounts calculated by other REITs.

The following table presents our calculation of EBITDA*re* and Adjusted EBITDA*re* (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,
	2024	2023	2024	2023	2023
Calculation of EBITDA*re*					
Net income	$ 16,986	$ 16,209	$ 36,612	$ 34,845	$ 63,762
Adjustments:					
Depreciation and amortization	61,172	59,667	121,378	118,165	236,443
Interest expense, net	23,621	20,675	46,956	40,141	84,232
Loss (gain) on disposal of property, net	10	(75)	15	(1,017)	(1,110)
Federal, state, and local tax expense	464	119	601	237	438
Adjustments related to unconsolidated joint ventures	934	918	1,862	1,884	3,721
EBITDA*re*	$ 103,187	$ 97,513	$ 207,424	$ 194,255	$ 387,486
Calculation of Adjusted EBITDA*re*					
EBITDA*re*	$ 103,187	$ 97,513	$ 207,424	$ 194,255	$ 387,486
Adjustments:					
Impairment of investment in third parties	—	—	—	—	3,000
Transaction and acquisition expenses	1,146	1,261	2,320	2,599	5,675
Amortization of unconsolidated joint venture basis differences	2	7	5	8	17
Realized performance income[1]	—	—	—	(75)	(75)
Adjusted EBITDA*re*	$ 104,335	$ 98,781	$ 209,749	$ 196,787	$ 396,103

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

LIQUIDITY AND CAPITAL RESOURCES

GENERAL—Aside from standard operating expenses, we expect our principal cash demands to be for:

- investments in real estate;
- cash distributions to stockholders;
- redevelopment and repositioning projects;
- capital expenditures and leasing costs; and
- principal and interest payments on our outstanding indebtedness.

We expect our primary sources of liquidity to be:

- operating cash flows;
- borrowings from our unsecured revolving credit facility and proceeds from debt financings;
- proceeds from any equity offering activities;
- proceeds received from the disposition of properties; and
- available, unrestricted cash and cash equivalents.

At this time, we believe our current sources of liquidity are sufficient to meet our short- and long-term cash demands.

ATM Program—In February 2022, we and the Operating Partnership entered into a sales agreement relating to the potential sale of shares of common stock pursuant to a continuous offering program. In accordance with the terms of the sales agreement, we could offer and sell shares of our common stock having an aggregate offering price of up to $250 million from time to time through our sales agents, or, if applicable, as forward sellers. During the three months ended June 30, 2024, no shares of our common stock were issued under this ATM program. During the six months ended June 30, 2024, we issued approximately 46,000 shares of our common stock at a gross weighted average price of $37.05 per share under this ATM program for net proceeds of $1.7 million, after approximately $17,000 in commissions. During the three and six months ended June 30, 2023, no shares of our common stock were issued under this ATM program.

In February 2024, we and the Operating Partnership entered into a new sales agreement relating to the potential sale of shares of common stock pursuant to a continuous offering program, which replaced the previous agreement. In accordance with the terms of the sales agreement, we may offer and sell shares of our common stock having an aggregate offering price of up to $250 million from time to time through our sales agents, or, if applicable, as forward sellers. During the three and six months ended June 30, 2024, we issued no shares of our common stock under this ATM program. As of June 30, 2024, approximately $250 million of common stock remained available for issuance under the current ATM program.

DEBT—The following table summarizes information about our debt as of June 30, 2024 and December 31, 2023 (dollars in thousands):

	June 30, 2024	December 31, 2023
Total debt obligations, gross	$ 2,065,786	$ 1,986,735
Weighted-average interest rate	4.2 %	4.2 %
Weighted-average term (in years)	4.8	3.9
Revolving credit facility capacity[1]	$ 800,000	$ 800,000
Revolving credit facility availability[2]	731,554	606,550

(1) The revolving credit facility matures in January 2026, extendable at our option to January 2027. In addition, the revolving credit facility includes an accordion feature that permits us to increase our aggregate borrowing capacity thereunder to up to $1 billion, subject to the satisfaction of certain conditions.

(2) Net of any outstanding balance and letters of credit.

In May 2024, we completed the 2024 Bond Offering. The purchase price paid for the 5.750% notes due 2034 was 98.576% of the principal amount, resulting in gross proceeds of $345.0 million. The notes are fully and unconditionally guaranteed by us.

Debt Obligation Guarantees—At June 30, 2024, the Operating Partnership had issued and outstanding its 2.625% and 5.750% senior notes. The obligations of the Operating Partnership to pay principal, premiums, if any, and interest on the 2.625% and 5.750% senior notes are fully and unconditionally guaranteed by us on a senior basis. As a result of the amendments to SEC Rule 3-10 of Regulation S-X, subsidiary issuers of obligations guaranteed by the parent are not required to provide separate financial statements, provided that: (i) the subsidiary obligor is consolidated into the parent company's consolidated financial statements; (ii) the parent guarantee is "full and unconditional"; and (iii) subject to certain exceptions as set forth below, the alternative disclosure required by Rule 13-01 of Regulation S-X is provided, which includes narrative disclosure and summarized financial information. We meet the conditions of this requirement and thus, are not presenting separate financial statements. Furthermore, as permitted under Rule 13-01(a)(4)(vi) of Regulation S-X, we have excluded the summarized financial information for the Operating Partnership because the assets, liabilities, and results of operations of the Operating Partnership are not materially different than the corresponding in our consolidated financial statements, and management believes such summarized financial information would be repetitive and would not provide incremental value to investors.

FINANCIAL LEVERAGE RATIOS—We believe our net debt to Adjusted EBITDA*re*, net debt to total enterprise value, and debt covenant compliance as of June 30, 2024 allow us access to future borrowings as needed in the near term. The following table presents our calculation of net debt and total enterprise value, inclusive of our prorated portion of net debt and cash and cash equivalents owned through our unconsolidated joint ventures, as of June 30, 2024 and December 31, 2023 (in thousands):

	June 30, 2024	December 31, 2023
Net debt:		
Total debt, excluding discounts, market adjustments, and deferred financing expenses	$ 2,090,144	$ 2,011,093
Less: Cash and cash equivalents	7,267	5,074
Total net debt	$ 2,082,877	$ 2,006,019
Enterprise value:		
Net debt	$ 2,082,877	$ 2,006,019
Total equity market capitalization[1][2]	4,451,504	4,955,480
Total enterprise value	$ 6,534,381	$ 6,961,499

(1) Total equity market capitalization is calculated as diluted shares multiplied by the closing market price per share, which includes 136.1 million and 135.8 million diluted shares as of June 30, 2024 and December 31, 2023, respectively, and the closing market price per share of $32.71 and $36.48 as of June 30, 2024 and December 31, 2023, respectively.

(2) Fully diluted shares include common stock and OP units.

The following table presents our calculation of net debt to Adjusted EBITDA*re* and net debt to total enterprise value as of June 30, 2024 and December 31, 2023 (dollars in thousands):

	June 30, 2024	December 31, 2023
Net debt to Adjusted EBITDA*re* - annualized*:*		
Net debt	$ 2,082,877	$ 2,006,019
Adjusted EBITDA*re* - annualized[1]	409,065	396,103
Net debt to Adjusted EBITDA*re* - annualized	5.1x	5.1x
Net debt to total enterprise value:		
Net debt	$ 2,082,877	$ 2,006,019
Total enterprise value	6,534,381	6,961,499
Net debt to total enterprise value	31.9%	28.8%

(1) Adjusted EBITDA*re* is based on a trailing twelve month period. See "Non-GAAP Measures - EBITDA*re* and Adjusted EBITDA*re*" above for a reconciliation to Net Income.

CAPITAL EXPENDITURES AND REDEVELOPMENT ACTIVITY—We make capital expenditures during the course of normal operations, including maintenance capital expenditures and tenant improvements, as well as value-enhancing anchor space repositioning and redevelopment, ground-up outparcel development, and other accretive projects.

During the six months ended June 30, 2024 and 2023, we had gross capital spend of $30.9 million and $47.6 million, respectively. Below is a summary of our capital spending activity, excluding leasing commissions, on a cash basis (in thousands):

	Six Months Ended June 30,	
	2024	2023
Capital expenditures for real estate:		
Capital improvements	$ 4,648	$ 9,790
Tenant improvements	13,347	12,848
Redevelopment and development	7,348	20,444
Total capital expenditures for real estate	25,343	43,082
Corporate asset capital expenditures	513	493
Capitalized indirect costs[1]	2,242	2,183
Total capital spending activity[2]	$ 28,098	$ 45,758

(1) Amount includes internal salaries and related benefits of personnel who work directly on capital projects as well as capitalized interest expense.

(2) Amounts reported are net of insurance proceeds of $2.8 million and $1.9 million for property damage claims for the six months ended June 30, 2024 and 2023, respectively.

We anticipate that obligations related to capital improvements, as well as redevelopment and development, in 2024 can be met with cash flows from operations, cash flows from dispositions, or borrowings on our unsecured revolving credit facility.

Generally, we expect our development and redevelopment projects to stabilize within 24 months. Our underwritten incremental unlevered yields on development and redevelopment projects are expected to range between 9%-12%. Our current in process projects represent an estimated total investment of $38.4 million. Actual incremental unlevered yields may vary from our underwritten incremental unlevered yield range based on the actual total cost to complete a project and its actual incremental annual NOI at stabilization. See "Key Performance Indicators and Defined Terms" above for further information.

REAL ESTATE ACQUISITION ACTIVITY—We actively monitor the commercial real estate market for properties that have future growth potential, are located in attractive demographic markets, and support our business objectives. The following table highlights our property acquisitions (dollars in thousands):

	Six Months Ended June 30,	
	2024	2023
Number of properties acquired	4	4
Number of outparcels acquired[(1)(2)]	2	—
Contract price	$ 115,352	$ 78,650
Total price of acquisitions[(3)]	116,211	69,464

(1) Outparcels acquired are adjacent to shopping centers that we own.

(2) During the six months ended June 30, 2024, we acquired an outparcel adjacent to a property that is owned by our unconsolidated joint venture, GRP I. Therefore, the outparcel is an addition to our total property count.

(3) Total price of acquisitions includes closing costs less credits and assumed liabilities.

Subsequent to June 30, 2024, we acquired one property and one outparcel for $11.3 million.

Property Dispositions—We sold no properties during the six months ended June 30, 2024, but we recognized a minimal loss on disposal of property due to miscellaneous write-off activity and expenses related to previous and future potential dispositions. During the six months ended June 30, 2023, we sold one property and two outparcels at a contract price of $6.3 million, received $7.1 million in proceeds, and recognized a gain on disposal of property of $1.0 million which was primarily due to land acquired from us by local authorities.

DISTRIBUTIONS—In 2024, we declared and paid monthly distributions of $0.0975 per common share and OP unit, or $1.17 annualized, for each month beginning January 2024 through June 2024.

To maintain our qualification as a REIT, we must make aggregate annual distributions to our stockholders of at least 90% of our REIT taxable income (which is computed without regard to the dividends paid deduction or net capital gain, and which does not necessarily equal net income or loss as calculated in accordance with GAAP). We generally will not be subject to U.S. federal income tax on the income that we distribute to our stockholders each year due to meeting the REIT qualification requirements. However, we may be subject to certain state and local taxes on our income, property, or net worth and to federal income and excise taxes on our undistributed income.

We have not established a minimum distribution level, and our charter does not require that we make distributions to our stockholders.

CASH FLOW ACTIVITIES—As of June 30, 2024, we had cash and cash equivalents and restricted cash of $10.9 million, a net cash increase of $2.1 million during the six months ended June 30, 2024.

Below is a summary of our cash flow activity (dollars in thousands):

	Six Months Ended June 30,			
	2024	2023	$ Change	% Change
Net cash provided by operating activities	$ 141,599	$ 130,390	$ 11,209	8.6 %
Net cash used in investing activities	(143,236)	(107,003)	(36,233)	(33.9)%
Net cash provided by (used in) financing activities	3,707	(30,820)	34,527	112.0 %

OPERATING ACTIVITIES—Our net cash provided by operating activities was primarily impacted by the following:

- ***Property operations***—Most of our operating cash comes from rental and tenant recovery income received less property operating expenses, real estate taxes, and general and administrative costs paid. Property operations during the six months ended June 30, 2024 were positively impacted by a $5.8 million, or 2.8%, improvement in Same-Center NOI as compared to the same period in 2023. During the six months ended June 30, 2024, we had a net cash outlay of $17.7 million from changes in working capital as compared to a net cash outlay of $19.6 million during the same period in 2023.

INVESTING ACTIVITIES—Our net cash used in investing activities was primarily impacted by the following:

- ***Real estate acquisitions***—During the six months ended June 30, 2024, our acquisitions resulted in a total cash outlay of $116.2 million, as compared to a total cash outlay of $69.5 million during the same period in 2023.

- ***Capital expenditures***—We invest capital into leasing our properties and maintaining or improving the condition of our properties. During the six months ended June 30, 2024, we paid $30.9 million for capital expenditures, a decrease of $16.7 million over the same period in 2023.

FINANCING ACTIVITIES—Our net cash provided by (used in) financing activities was primarily impacted by the following:

- ***Debt borrowings and payments***—During the six months ended June 30, 2024, we had $70.7 million in net borrowings primarily as a result of our 2024 Bond Offering, net repayments under our revolving credit facility and our partial pay down of an outstanding term loan. During the six months ended June 30, 2023, we had $43.5 million in net borrowings of debt primarily as a result of our borrowings under our revolving credit facility and early repayments of mortgage loans.

- ***Distributions to stockholders and OP unit holders***—Cash used for distributions to common stockholders and OP unit holders decreased $7.3 million for the six months ended June 30, 2024 as compared to the same period in 2023, primarily due to the timing of 2024 distribution payments, partially offset by an increase in shares of common stock outstanding as a result of issuances under the ATM program and our distribution rate increase.

CRITICAL ACCOUNTING ESTIMATES

"Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates" of our 2023 Annual Report on Form 10-K, filed with the SEC on February 12, 2024, contains a description of our critical accounting estimates, including those relating to the valuation of real estate assets and rental income. There have been no significant changes to our critical accounting estimates during 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes from the quantitative and qualitative disclosures about market risk disclosed in "Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk" of our 2023 Annual Report on Form 10-K filed with the SEC on February 12, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) and Rule 15d-15(b) under the Exchange Act, our management, with the participation of our Principal Executive Officer and Principal Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) as of June 30, 2024. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) were effective as of June 30, 2024, at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2024, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

◆ PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are party to legal proceedings, which arise in the ordinary course of our business. We are not currently involved in any legal proceedings for which we are not covered by our liability insurance or the outcome is reasonably likely to have a material impact on our results of operations or financial condition, nor are we aware of any such legal proceedings contemplated by governmental authorities.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors and other risks and uncertainties as described in "Part I, Item 1A. Risk Factors" of our 2023 Annual Report on Form 10-K filed with the SEC on February 12, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

UNREGISTERED SALE OF SECURITIES—During the three months ended June 30, 2024, we issued an aggregate of approximately 60,000 shares of common stock in redemption of approximately 60,000 ownership units of Phillips Edison Grocery Center Operating Partnership I, L.P. These shares of common stock were issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended. We relied on the exemption under Section 4(a)(2) based upon factual representations received from the limited partners who received the shares of common stock.

SHARE REPURCHASES—On August 3, 2022, our Board of Directors approved a new share repurchase program of up to $250 million of common stock. The program may be suspended or discontinued at any time, and does not obligate us to repurchase any dollar amount or particular number of shares. No share repurchases have been made to date under this program. The table below summarizes repurchases of our common stock made during the three months ended June 30, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plan or Program (in thousands)
April 1, 2024 - April 30, 2024	—	$ —	—	$ 250,000
May 1, 2024 - May 31, 2024[1]	330	33.07	—	250,000
June 1, 2024 - June 30, 2024[1]	404	32.00	—	250,000

[1] Represents common shares surrendered to us to satisfy statutory minimum tax withholding obligations associated with the vesting of restricted stock awards under our equity-based compensation plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Ex.		Description	Reference
3.1		Fifth Articles of Amendment and Restatement of Phillips Edison & Company, Inc., as amended	Form 10-Q, filed May 5, 2022, Exhibit 3.1
3.2		Fifth Amended and Restated Bylaws of Phillips Edison & Company, Inc.	Form 8-K, filed July 19, 2021, Exhibit 3.1
4.1		Second Supplemental Indenture, dated as of May 13, 2024, by and among Phillips Edison Grocery Center Operating Partnership I, L.P., as issuer, Phillips Edison & Company, Inc., as guarantor, and U.S. Bank Trust Company National Association, as trustee.	Form 8-K, filed May 13, 2024, Exhibit 4.2
10.1	*	Form of Time-Based LTIP Unit Award Agreement (Directors)**	
22.1	*	List of Issuers of Guaranteed Securities	
31.1	*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
31.2	*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
32.1	*	Certification of Principal Executive Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002	
32.2	*	Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002	
101.INS		Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	
101.SCH		Inline XBRL Taxonomy Extension Schema Document	
101.CAL		Inline XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF		Inline XBRL Taxonomy Definition Linkbase Document	
101.LAB		Inline XBRL Taxonomy Extension Label Linkbase Document	
101.PRE		Inline XBRL Taxonomy Extension Presentation Linkbase Document	
104		Cover Page Interactive Data File (formatted as inline XBRL and contained in exhibit 101)	

*Filed herewith

**Compensatory Plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILLIPS EDISON & COMPANY, INC.

Date: July 26, 2024	By:	*/s/ Jeffrey S. Edison*
		Jeffrey S. Edison
		Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
Date: July 26, 2024	By:	*/s/ John P. Caulfield*
		John P. Caulfield
		Executive Vice President, Chief Financial Officer, and Treasurer (Principal Financial Officer)

Exhibit 10.1

TIME-BASED LTIP UNIT AWARD AGREEMENT (DIRECTORS)

Pursuant to the Phillips Edison & Company, Inc. 2020 Omnibus Incentive Plan (the "Plan"), and the Fourth Amended and Restated Limited Partnership Agreement, as amended (the "LP Agreement"), of Phillips Edison Grocery Center Operating Partnership I, L.P. (the "Partnership"), Phillips Edison & Company, Inc. (the "Company"), through its wholly owned subsidiary, Phillips Edison Grocery Center OP GP I LLC, as general partner of the Partnership, hereby grants an award of the number of Class B Units (as defined in the LP Agreement, hereinafter, "LTIP Units") set forth on Exhibit A hereto (an "Award") to the Grantee set forth on Exhibit A having the rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption and conversion set forth herein and in the LP Agreement. Capitalized terms in this award agreement (this "Agreement") shall have the meaning specified in the Plan, unless a different meaning is specified herein.

1. Restrictions on Transfer of Award.

(a) Except as otherwise permitted by the Committee, none of the LTIP Units granted hereunder nor any of the OP Units of the Partnership into which such LTIP Units may be converted (the "OP Units") shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of, or encumbered, whether voluntarily or by operation of law (each such action a "Transfer") and the right to exchange all or a portion of the OP Units for cash or, at the option of the Partnership, for shares of Common Stock, par value $0.01 per share (the "Common Stock") of the Company (the "Exchange Right") may not be exercised with respect to the OP Units, provided that, at any time after the date that (x) the LTIP Units vest and (y) is two (2) years after the effective date of the grant, (i) LTIP Units or OP Units may be Transferred to the Grantee's Family Members (as defined below) by gift or domestic relations order, provided that the transferee agrees in writing with the Company and the Partnership to be bound by all the terms and conditions of this Agreement and that subsequent Transfers shall be prohibited except those in accordance with this Section 1 and (ii) the Exchange Right may be exercised with respect to OP Units, and OP Units may be Transferred to the Partnership or the Company in connection with the exercise of the Exchange Right, in accordance with and to the extent otherwise permitted by the terms of the LP Agreement. Additionally, all Transfers of LTIP Units or OP Units must be in compliance with all applicable securities laws (including, without limitation, the Securities Act) and the applicable terms and conditions of the LP Agreement. In connection with any Transfer of LTIP Units or OP Units, the Partnership may require the Grantee to provide an opinion of counsel, satisfactory to the Partnership, that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer of LTIP Units or OP Units not in accordance with the terms and conditions of this Section 1 shall be null and void, and the Partnership shall not reflect on its records any change in record ownership of any LTIP Units or OP Units as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer of any LTIP Units or OP Units. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

(b) For purposes of this Agreement, "Family Member" of a Grantee, means the Grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Grantee's household (other than a tenant of the Grantee), a trust in which these persons (or the Grantee) own more than 50 percent of the beneficial interest, a foundation in which these persons (or the Grantee) control the management of assets, and any other entity in which these persons (or the Grantee) own more than 50 percent of the voting interests.

2. Vesting of LTIP Units. The LTIP Units shall vest as set forth on Exhibit A attached hereto. The Committee may at any time accelerate the vesting schedule specified in this Section 2.

3. Termination of Service. Except as otherwise provided on Exhibit A, if the Grantee's Continuous Status as a Participant terminates for any reason prior to the satisfaction of the vesting conditions set forth in Section 2 above, any LTIP Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of the Grantee's successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested LTIP Units.

4. Effectiveness of Award. The Grantee shall be admitted as a partner of the Partnership with beneficial ownership of the LTIP Units that have vested pursuant to Exhibit A and Section 2 of this Agreement on such date and the Grantee shall have all the rights of a Limited Partner of the Partnership with respect to such LTIP Units, as set forth in the LP Agreement.

5. Distributions. Distributions on the LTIP Units shall be paid to the Grantee pursuant to Section 16.2(a) of the LP Agreement.

6. Rights with Respect to LTIP Units. Without duplication with the provisions of Article 15 of the Plan, if (a) the Company shall at any time be involved in a merger, consolidation, dissolution, liquidation, reorganization, exchange of shares, sale of all or substantially all of the assets or capital stock of the Company or a transaction similar thereto, (b) any stock dividend, stock split, reverse stock split, stock combination, reclassification, recapitalization, or other similar change in the capital structure of the Company, or any distribution to holders of

Common Stock other than ordinary cash dividends, shall occur or (c) any other event shall occur which in the judgment of the Committee necessitates action by way of adjusting the terms of the Agreement, then and in that event, the Committee shall take such action as shall be necessary to maintain the Grantee's rights hereunder so that they are substantially proportionate to the rights existing under this Agreement prior to such event, including, but not limited to, adjustments in the number of LTIP Units then subject to this Agreement and substitution of other awards under the Plan or otherwise. The Grantee shall have the right to vote the LTIP Units if and when voting is allowed under the LP Agreement, regardless of whether vesting has occurred.

7. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Committee set forth in Section 4.3 of the Plan. In the event of a conflict between the terms of the Plan and the terms of this Agreement, the terms of the Agreement shall control.

8. Tax Withholding. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to the Federal Insurance Contributions Act withholding with respect to the LTIP Units granted hereunder, the Grantee will pay to the Company or, if appropriate, any of its Subsidiaries, or make arrangements satisfactory to the Committee regarding the payment of, any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

9. Tax Matters; Section 83(b) Election. The Grantee may make an election to include in gross income in the year of transfer the LTIP Units hereunder pursuant to Section 83(b) of the Internal Revenue Code substantially in the form attached hereto as Exhibit B and to the extent so elected to supply the necessary information in accordance with the regulations promulgated thereunder.

10. Section 409A of the Code. If any compensation provided by this Agreement may result in the application of Section 409A of the Code, the Company shall, in consultation with the Grantee, modify the Agreement in the least restrictive manner necessary in order to, where applicable, (a) exclude such compensation from the definition of "deferred compensation" within the meaning of such Section 409A or (b) comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and to make such modifications, in each case, without any diminution in the value of the benefits granted hereby to the Grantee.

11. Investment Representation; Registration. The Grantee hereby makes the covenants, representations and warranties set forth on Exhibit C attached hereto as of the Grant Date and as of the Vesting Date. All of such covenants, warranties and representations shall survive the execution and delivery of this Agreement by the Grantee. The Grantee shall immediately notify the Partnership upon discovering that any of the representations or warranties set forth on Exhibit C was false when made or have, as a result of changes in circumstances, become false. The Partnership will have no obligation to register under the Securities Act any of the LTIP Units or any other securities issued pursuant to this Agreement or upon conversion or exchange of the LTIP Units into other limited partnership interests of the Partnership or shares of capital stock of the Company.

12. No Obligation to Continue Service. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee's service and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the service of the Grantee at any time.

13. No Limit on Other Compensation Arrangements. Nothing contained in this Agreement shall preclude the Company from adopting or continuing in effect other or additional compensation plans, agreements or arrangements, and any such plans, agreements and arrangements may be either generally applicable or applicable only in specific cases or to specific persons.

14. Status of LTIP Units under the Plan. The LTIP Units are both issued as equity securities of the Partnership and granted as "Other Stock-Based Awards" under the Plan. The Company will have the right at its option, as set forth in the LP Agreement, to issue Common Stock in exchange for OP Units into which LTIP Units may have been converted pursuant to the LP Agreement, subject to certain limitations set forth in the LP Agreement, and such Common Stock, if issued, will be issued under the Plan. The Grantee acknowledges that the Grantee will have no right to approve or disapprove such election by the Company.

15. Severability. If any term or provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or under any applicable law, rule or regulation, then such provision shall be construed or deemed amended to conform to applicable law (or if such provision cannot be so construed or deemed amended without materially altering the purpose or intent of this Agreement and the grant of LTIP Units hereunder, such provision shall be stricken as to such jurisdiction and the remainder of this Agreement and the award hereunder shall remain in full force and effect).

16. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning this Award.

17. Legend. The records of the Partnership and any other documentation evidencing the LTIP Units shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such LTIP Units are subject to restrictions as set forth herein, in the Plan and in the LP Agreement.

18. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (a) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (b) waives any privacy rights the Grantee may have with respect to the Relevant Information; (c) authorizes the Relevant Companies to store and transmit such information in electronic form; and (d) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. The Relevant Information will only be used in accordance with applicable law.

19. Amendment; Modification. This Agreement may only be modified or amended in a writing signed by the parties hereto, provided that the Grantee acknowledges that the Plan may be amended or discontinued in accordance with Article 16 thereof and that this Agreement may be amended or canceled by the Committee, on behalf of the Company and the Partnership, for the purpose of satisfying changes in law or for any other lawful purpose, so long as no such action shall adversely affect the Grantee's rights under this Agreement without the Grantee's written consent. No promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, with respect to the subject matter hereof, have been made by the parties which are not set forth expressly in this Agreement. The failure of the Grantee or the Company or the Partnership to insist upon strict compliance with any provision of this Agreement, or to assert any right the Grantee or the Company or the Partnership, respectively, may have under this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

20. Complete Agreement. This Agreement (together with those agreements and documents expressly referred to herein, for the purposes referred to herein) embody the complete and entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any and all prior promises, assurances, commitments, agreements, undertakings or representations, whether oral, written, electronic or otherwise, and whether express or implied, which may relate to the subject matter hereof in any way.

21. Law Governing. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MARYLAND, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAW WHICH COULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF MARYLAND.

22. Headings. Section, paragraph and other headings and captions are provided solely as a convenience to facilitate reference. Such headings and captions shall not be deemed in any way material or relevant to the construction, meaning or interpretation of this Agreement or any term or provision hereof.

23. Counterparts. This Agreement may be executed in two or more separate counterparts, each of which shall be an original, and all of which together shall constitute one and the same agreement.

24. Successors and Assigns. The rights and obligations created hereunder shall be binding on the Grantee and his heirs and legal representatives and on the successors and assigns of the Partnership.

25. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee by hand or at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have caused this Award Agreement to be executed as of the _________ day of _____________, 20__.

PHILLIPS EDISON & COMPANY, INC.

By: ________________________________

Name:

Title:

PHILLIPS EDISON GROCERY CENTER OPERATING PARTNERSHIP I, L.P

By: PHILLIPS EDISON GROCERY CENTER OP GP I LLC, Its General Partner

By: ________________________________

Name:

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: ________________________________

____

Grantee's Signature

Grantee's name:

____

<u>Exhibit A</u>

Name of Grantee:	______________________________
No. of LTIP Units Granted:	______________________________
Grant Date:	______________________________

1. <u>Vesting of LTIP Units</u>. So long as Grantee's Continuous Status as a Participant has not theretofore terminated, one hundred percent (100%) of the LTIP Units will become vested and nonforfeitable on the earlier of (i) the date of the next annual meeting of the Company's stockholders following the Grant Date that is at least 50 weeks after the immediately preceding year's annual meeting of the Company's stockholders, and (ii) the first anniversary of the Grant Date (the "<u>Vesting Date</u>").

2. <u>Termination of Service as a result of Death, Disability, or Change in Control</u>. If (i) the Grantee's Continuous Status as a Participant terminates by reason of death or Disability or (ii) a Change in Control occurs, all outstanding unvested LTIP Units shall become 100% vested upon such cessation of the Grantee's Continuous Status as a Participant or the occurrence of the Change in Control, as applicable.

3. <u>Other Terminations</u> In the event of a termination of the Grantee's Continuous Status as a Participant for any reason, except as otherwise specified in Section 2 of this <u>Exhibit A</u> above, Section 3 of the Agreement shall apply.

EXHIBIT B

ELECTION TO INCLUDE IN GROSS INCOME IN YEAR OF

TRANSFER OF PROPERTY PURSUANT TO SECTION 83(B)

OF THE INTERNAL REVENUE CODE

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, Treasury Regulations Section 1.83-2 promulgated thereunder, and Rev. Proc. 2012-29, 2012-28 IRB, 06/26/2012, to include in gross income as compensation for services the excess (if any) of the fair market value of the property described below over the amount paid for such property.

1. The name, address and taxpayer identification number of the undersigned are:

   Name: ______________________________________ (the "Taxpayer")

   Address: _____________________________________

   Social Security No./Taxpayer Identification No.: ____________________

   Taxable Year: Calendar Year ____

2. Description of property with respect to which the election is being made:

   The election is being made with respect to _________ Class B Units ("LTIP Units") in Phillips Edison Grocery Center Operating Partnership I, L.P. (the "Partnership").

3. The date on which the LTIP Units were transferred to the undersigned is _________________________.

4. Nature of restrictions to which the LTIP Units are subject:

   (a) With limited exceptions, until the LTIP Units vest, the Taxpayer may not transfer in any manner any portion of the LTIP Units without the consent of the Partnership.

   (b) The Taxpayer's LTIP Units vest in accordance with the vesting provisions described in the Schedule attached hereto. Unvested LTIP Units are forfeited in accordance with the vesting provisions described in the Schedule attached hereto.

5. The fair market value at time of transfer (determined without regard to any restrictions other than a nonlapse restriction as defined in Treasury Regulations Section 1.83-3(h)) of the LTIP Units with respect to which this election is being made was $0 per LTIP Unit.

6. The amount paid by the Taxpayer for the LTIP Units was $0 per LTIP Unit.

7. The amount to include in gross income is $0.

The undersigned taxpayer will file this election with the Internal Revenue Service office with which taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. A copy of the election also will be furnished to the person for whom the services were performed. Additionally, the undersigned will include a copy of the election with his or her income tax return for the taxable year in which the property is transferred. The undersigned is the person performing the services in connection with which the property was transferred.

Dated: __________________

Name: ___________________________

Schedule to Section 83(b) Election - Vesting Provisions of LTIP Units

Subject to the Taxpayer’s continued service through the vesting date, the Class B Units (“LTIP Units”) will vest on the earlier of (i) the date of the next annual meeting of the Phillips Edison & Company, Inc. stockholders following the grant date that is at least 50 weeks after the immediately preceding year’s annual meeting of the Company’s stockholders, and (ii) the first anniversary of the grant date. Unvested LTIP Units are subject to forfeiture upon the Taxpayer’s termination of service.

<u>EXHIBIT C</u>

GRANTEE'S COVENANTS, REPRESENTATIONS AND WARRANTIES

The Grantee hereby represents, warrants and covenants as follows:

(a) The Grantee has received and had an opportunity to review the following documents (the "<u>Background Documents</u>"):

(i) The latest Proxy Statement for the annual meeting of stockholders;

(ii) The Company's Report on Form 10-K for the fiscal year most recently ended;

(iii) The Company's Form 10-Q for the most recently ended quarter if one has been filed by the Company with the Securities and Exchange Commission since the filing of the Form 10-K described in clause (iv) above;

(iv) Each of the Company's Current Report(s) on Form 8-K, if any, filed since the end of the fiscal year most recently ended for which a Form 10-K has been filed by the Company;

(v) The Agreement of Limited Partnership of Phillips Edison Grocery Center Operating Partnership I, L.P., as then amended;

(vi) The Phillips Edison & Company, Inc. 2020 Omnibus Incentive Plan; and

(vii) The Company's Articles of Incorporation, as then amended.

The Grantee also acknowledges that any delivery of the Background Documents and other information relating to the Company and the Partnership prior to the determination by the Partnership of the suitability of the Grantee as a holder of Class B Units ("<u>LTIP Units</u>") shall not constitute an offer of LTIP Units until such determination of suitability shall be made.

(b) The Grantee hereby represents and warrants that

(i) The Grantee either (A) is an "accredited investor" as defined in Rule 501(a) under the Securities Act, or (B) by reason of the business and financial experience of the Grantee, together with the business and financial experience of those persons, if any, retained by the Grantee to represent or advise him or her with respect to the grant to him or her of LTIP Units, the potential conversion of LTIP Units into OP Units of the Partnership ("<u>OP Units</u>") and the potential redemption of such OP Units for shares of Common Stock ("<u>Shares</u>"), has such knowledge, sophistication and experience in financial and business matters and in making investment decisions of this type that the Grantee (I) is capable of evaluating the merits and risks of an investment in the Partnership and potential investment in the Company and of making an informed investment decision, (II) is capable of protecting his or her own interest or has engaged representatives or advisors to assist him or her in protecting his or her its interests, and (III) is capable of bearing the economic risk of such investment.

(ii) The Grantee understands that (A) the Grantee is responsible for consulting his or her own tax advisors with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local or other taxing jurisdiction to which the Grantee is or by reason of the award of LTIP Units may become subject, to his or her particular situation; (B) the Grantee has not received or relied upon business or tax advice from the Company, the Partnership or any of their respective employees, agents, consultants or advisors, in their capacity as such; (C) the Grantee provides or will provide services to the Partnership on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Partnership, as the Grantee believes to be necessary and appropriate to make an informed decision to accept this Award of LTIP Units; and (D) an investment in the Partnership and/or the Company involves substantial risks. The Grantee has been given the opportunity to make a thorough investigation of matters relevant to the LTIP Units and has been furnished with, and has reviewed and understands, materials relating to the Partnership and the Company and their respective activities (including, but not limited to, the Background Documents). The Grantee has been afforded the opportunity to obtain any additional information (including any exhibits to the Background Documents) deemed necessary by the Grantee to verify the accuracy of information conveyed to the Grantee. The Grantee confirms that all documents, records, and books pertaining to his or her receipt of LTIP Units which were requested by the Grantee have been made available or delivered to the Grantee. The Grantee has had an opportunity to ask questions of and receive answers from the Partnership and the Company, or from a person or persons acting on their behalf, concerning the terms and conditions of the LTIP Units. **The Grantee has relied upon, and is making its decision solely upon, the Background Documents and other written information provided to the Grantee by the Partnership or the Company.** The Grantee did not receive any tax, legal or financial advice from the Partnership or the Company and, to the extent it deemed necessary, has consulted with its own advisors in connection with its evaluation of the Background Documents and this Agreement and the Grantee's receipt of LTIP Units.

(iii) The LTIP Units to be issued, the OP Units issuable upon conversion of the LTIP Units and any Shares issued in connection with the redemption of any such OP Units will be acquired for the account of the Grantee for investment only and not with a current view to, or with any intention of, a distribution or resale thereof, in whole or in part, or the grant of any participation therein, without prejudice, however, to the Grantee's right (subject to the terms of the LTIP Units, the Plan and this Agreement) at all times to sell or otherwise dispose of all or any part of his or her LTIP Units, OP Units or Shares in compliance with the Securities Act, and applicable state securities laws, and subject, nevertheless, to the disposition of his or her assets being at all times within his or her control.

(iv) The Grantee acknowledges that (A) neither the LTIP Units to be issued, nor the OP Units issuable upon conversion of the LTIP Units, have been registered under the Securities Act or state securities laws by reason of a specific exemption or exemptions from registration under the Securities Act and applicable state securities laws and, if such LTIP Units or OP Units are represented by certificates, such certificates will bear a legend to such effect, (B) the reliance by the Partnership and the Company on such exemptions is predicated in part on the accuracy and completeness of the representations and warranties of the Grantee contained herein, (C) such LTIP Units, or OP Units, therefore, cannot be resold unless registered under the Securities Act and applicable state securities laws, or unless an exemption from registration is available, (D) there is no public market for such LTIP Units and OP Units and (E) neither the Partnership nor the Company has any obligation or intention to register such LTIP Units or the OP Units issuable upon conversion of the LTIP Units under the Securities Act or any state securities laws or to take any action that would make available any exemption from the registration requirements of such laws, except, that, upon the redemption of the OP Units for Shares, the Company currently intends to issue such Shares under the Plan and pursuant to a Registration Statement on Form S-8 under the Securities Act, to the extent that (I) the Grantee is eligible to receive such Shares under the Plan at the time of such issuance and (II) the Company has filed an effective Form S-8 Registration Statement with the Securities and Exchange Commission registering the issuance of such Shares. The Grantee hereby acknowledges that because of the restrictions on transfer or assignment of such LTIP Units acquired hereby and the OP Units issuable upon conversion of the LTIP Units which are set forth in the Partnership Agreement and this Agreement, the Grantee may have to bear the economic risk of his or her ownership of the LTIP Units acquired hereby and the OP Units issuable upon conversion of the LTIP Units for an indefinite period of time.

(v) The Grantee has determined that the LTIP Units are a suitable investment for the Grantee.

(vi) No representations or warranties have been made to the Grantee by the Partnership or the Company, or any officer, director, shareholder, agent, or affiliate of any of them, and the Grantee has received no information relating to an investment in the Partnership or the LTIP Units except the information specified in this Paragraph (b).

(c) So long as the Grantee holds any LTIP Units, the Grantee shall disclose to the Partnership in writing such information as may be reasonably requested with respect to ownership of LTIP Units as the Partnership may deem reasonably necessary to ascertain and to establish compliance with provisions of the Code, applicable to the Partnership or to comply with requirements of any other appropriate taxing authority.

(d) The Grantee may make an election under Section 83(b) of the Code with respect to the LTIP Units awarded hereunder, and to the extent so elected has delivered with this Agreement a completed, executed copy of the election form attached to this Agreement as Exhibit B. To the extent so elected, the Grantee agrees to file the election (or to permit the Partnership to file such election on the Grantee’s behalf) within thirty (30) days after the Award of the LTIP Units hereunder with the IRS Service Center at which such Grantee files his or her personal income tax returns, and to file a copy of such election with the Grantee’s U.S. federal income tax return for the taxable year in which the LTIP Units are awarded to the Grantee.

(e) The address set forth on the signature page of this Agreement is the address of the Grantee’s principal residence, and the Grantee has no present intention of becoming a resident of any country, state or jurisdiction other than the country and state in which such residence is sited.

(f) The representations of the Grantee as set forth above are true and complete to the best of the information and belief of the Grantee, and the Partnership shall be notified promptly of any changes in the foregoing representations.

Exhibit 22.1

List of Issuers of Guaranteed Securities

As of June 30, 2024, the following subsidiary was the issuer of the Senior Notes due 2031 and Senior Notes due 2034 guaranteed by Phillips Edison & Company, Inc.

Name of Subsidiary	Jurisdiction of Organization
Phillips Edison Grocery Center Operating Partnership I, L.P.	Delaware

Exhibit 31.1

Certification pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Jeffrey S. Edison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Phillips Edison & Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 26, 2024

/s/ Jeffrey S. Edison

Jeffrey S. Edison
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, John P. Caulfield, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Phillips Edison & Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 26, 2024

/s/ John P. Caulfield

John P. Caulfield
Executive Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)

Exhibit 32.1

Certification pursuant to 18 U.S.C. Section 1350,
as Adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Phillips Edison & Company, Inc. (the "Registrant") for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jeffrey S. Edison, Chief Executive Officer of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: July 26, 2024

/s/ Jeffrey S. Edison

Jeffrey S. Edison
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification pursuant to 18 U.S.C. Section 1350,
as Adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Phillips Edison & Company, Inc. (the “Registrant”) for the quarter ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, John P. Caulfield, Chief Financial Officer of the Registrant, hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: July 26, 2024

/s/ John P. Caulfield

John P. Caulfield
Executive Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)