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, 2022**

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: **000-54691**

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 116.7 million shares of the registrant's Common Stock, $0.01 par value per share, outstanding as of July 29, 2022.

TABLE OF CONTENTS

W PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2022 AND DECEMBER 31, 2021
(Condensed and Unaudited)
(In thousands, except per share amounts)

	June 30, 2022	December 31, 2021
ASSETS		
Investment in real estate:		
Land and improvements	$ 1,623,203	$ 1,586,993
Building and improvements	3,487,920	3,355,433
In-place lease assets	465,417	452,504
Above-market lease assets	70,842	68,736
Total investment in real estate assets	5,647,382	5,463,666
Accumulated depreciation and amortization	(1,216,331)	(1,110,426)
Net investment in real estate assets	4,431,051	4,353,240
Investment in unconsolidated joint ventures	28,096	31,326
Total investment in real estate assets, net	4,459,147	4,384,566
Cash and cash equivalents	24,657	92,585
Restricted cash	19,030	22,944
Goodwill	29,066	29,066
Other assets, net	162,712	138,050
Real estate investments and other assets held for sale	—	1,557
Total assets	$ 4,694,612	$ 4,668,768
LIABILITIES AND EQUITY		
Liabilities:		
Debt obligations, net	$ 1,877,107	$ 1,891,722
Below-market lease liabilities, net	108,323	107,526
Earn-out liability	—	52,436
Derivative liabilities	52	24,096
Deferred income	21,629	19,145
Accounts payable and other liabilities	92,856	97,229
Liabilities of real estate investments held for sale	—	288
Total liabilities	2,099,967	2,192,442
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, 2022 and December 31, 2021	—	—
Common stock, $0.01 par value per share, 1,000,000 shares authorized, 115,782 shares issued and outstanding at June 30, 2022; 650,000 shares authorized, 19,550 shares issued and outstanding at December 31, 2021	1,157	196
Class B common stock, $0.01 par value per share, zero shares authorized, issued, and outstanding at June 30, 2022; 350,000 shares authorized, 93,665 shares issued and outstanding at December 31, 2021	—	936
Additional paid-in capital ("APIC")	3,341,646	3,264,038
Accumulated other comprehensive income (loss) ("AOCI")	8,571	(24,819)
Accumulated deficit	(1,129,151)	(1,090,837)
Total stockholders' equity	2,222,223	2,149,514
Noncontrolling interests	372,422	326,812
Total equity	2,594,645	2,476,326
Total liabilities and equity	$ 4,694,612	$ 4,668,768

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, 2022 AND 2021
(Condensed and Unaudited)
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues:				
Rental income	$ 137,230	$ 130,335	$ 275,978	$ 257,958
Fees and management income	4,781	2,374	7,242	4,660
Other property income	505	361	1,459	833
Total revenues	142,516	133,070	284,679	263,451
Operating Expenses:				
Property operating	22,852	21,974	46,172	44,176
Real estate taxes	16,473	16,814	33,964	33,387
General and administrative	11,376	11,937	22,908	21,278
Depreciation and amortization	60,769	56,587	117,995	111,928
Impairment of real estate assets	—	1,056	—	6,056
Total operating expenses	111,470	108,368	221,039	216,825
Other:				
Interest expense, net	(17,127)	(19,132)	(35,326)	(39,195)
Gain on disposal of property, net	2,793	3,744	4,161	17,585
Other expense, net	(1,457)	(2,924)	(5,822)	(18,509)
Net income	15,255	6,390	26,653	6,507
Net income attributable to noncontrolling interests	(1,727)	(796)	(3,046)	(810)
Net income attributable to stockholders	$ 13,528	$ 5,594	$ 23,607	$ 5,697
Earnings per share of common stock:				
Net income per share attributable to stockholders - basic and diluted (see Note 10)	$ 0.12	$ 0.06	$ 0.21	$ 0.06
Comprehensive income:				
Net income	$ 15,255	$ 6,390	$ 26,653	$ 6,507
Other comprehensive income:				
Change in unrealized value on interest rate swaps	9,834	3,373	37,407	15,493
Comprehensive income	25,089	9,763	64,060	22,000
Net income attributable to noncontrolling interests	(1,727)	(796)	(3,046)	(810)
Change in unrealized value on interest rate swaps attributable to noncontrolling interests	(1,535)	(400)	(4,237)	(1,909)
Reallocation of comprehensive income (loss) upon conversion of noncontrolling interests	432	(10)	220	(10)
Comprehensive income attributable to stockholders	$ 22,259	$ 8,557	$ 56,997	$ 19,271

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2022 AND 2021
(Condensed and Unaudited)
(In thousands, except per share amounts)

	Three Months Ended June 30, 2022 and 2021									
	Common Stock		Class B Common Stock							
	Shares	Amount	Shares	Amount	APIC	AOCI	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at April 1, 2021	—	$ —	93,582	$ 2,807	$ 2,746,891	$ (41,695)	$ (1,023,155)	$ 1,684,848	$ 324,558	$ 2,009,406
Change in unrealized value on interest rate swaps	—	—	—	—	—	2,973	—	2,973	400	3,373
Common distributions declared, $0.255 per share	—	—	—	—	—	—	(24,056)	(24,056)	—	(24,056)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(3,460)	(3,460)
Share-based compensation	—	—	30	1	2,102	—	—	2,103	1,632	3,735
Conversion of noncontrolling interests	—	—	28	—	743	—	—	743	(743)	—
Reallocation of operating partnership interests	—	—	—	—	(56)	(10)	—	(66)	66	—
Net income	—	—	—	—	—	—	5,594	5,594	796	6,390
Balance at June 30, 2021	—	$ —	93,640	$ 2,808	$ 2,749,680	$ (38,732)	$ (1,041,617)	$ 1,672,139	$ 323,249	$ 1,995,388
Balance at April 1, 2022	113,819	$ 1,138	—	$ —	$ 3,276,151	$ (160)	$ (1,111,673)	$ 2,165,456	$ 372,213	$ 2,537,669
Issuance of common stock, net	1,860	18	—	—	62,947	—	—	62,965	—	62,965
Change in unrealized value on interest rate swaps	—	—	—	—	—	8,299	—	8,299	1,535	9,834
Common distributions declared, $0.27 per share	—	—	—	—	—	—	(31,006)	(31,006)	—	(31,006)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(4,113)	(4,113)
Share-based compensation	31	—	—	—	1,008	—	—	1,008	3,033	4,041
Conversion of noncontrolling interests	72	1	—	—	2,417	—	—	2,418	(2,418)	—
Reallocation of operating partnership interests	—	—	—	—	(877)	432	—	(445)	445	—
Net income	—	—	—	—	—	—	13,528	13,528	1,727	15,255
Balance at June 30, 2022	115,782	$ 1,157	—	$ —	$ 3,341,646	$ 8,571	$ (1,129,151)	$ 2,222,223	$ 372,422	$ 2,594,645

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Condensed and Unaudited)
(In thousands, except per share amounts)

	Six Months Ended June 30, 2022 and 2021									
	Common Stock		Class B Common Stock							
	Shares	Amount	Shares	Amount	APIC	AOCI	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance at January 1, 2021	—	$ —	93,279	$ 2,798	$ 2,739,358	$ (52,306)	$ (999,491)	$ 1,690,359	$ 325,570	$ 2,015,929
Dividend reinvestment plan ("DRIP")	—	—	280	8	7,360	—	—	7,368	—	7,368
Share repurchases	—	—	(24)	—	(123)	—	—	(123)	—	(123)
Change in unrealized value on interest rate swaps	—	—	—	—	—	13,584	—	13,584	1,909	15,493
Common distributions declared, $0.51 per share	—	—	—	—	—	—	(47,823)	(47,823)	—	(47,823)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(6,779)	(6,779)
Share-based compensation	—	—	77	2	2,427	—	—	2,429	2,416	4,845
Conversion of noncontrolling interests	—	—	28	—	743	—	—	743	(743)	—
Reallocation of operating partnership interests	—	—	—	—	(56)	(10)	—	(66)	66	—
Other	—	—	—	—	(29)	—	—	(29)	—	(29)
Net income	—	—	—	—	—	—	5,697	5,697	810	6,507
Balance at June 30, 2021	—	$ —	93,640	$ 2,808	$ 2,749,680	$ (38,732)	$ (1,041,617)	$ 1,672,139	$ 323,249	$ 1,995,388
Balance at January 1, 2022	19,550	$ 196	93,665	$ 936	$ 3,264,038	$ (24,819)	$ (1,090,837)	$ 2,149,514	$ 326,812	$ 2,476,326
Conversion of Class B common stock	93,665	936	(93,665)	(936)	—	—	—	—	—	—
Issuance of common stock, net	1,860	18	—	—	62,947	—	—	62,965	—	62,965
Change in unrealized value on interest rate swaps	—	—	—	—	—	33,170	—	33,170	4,237	37,407
Common distributions declared, $0.54 per share	—	—	—	—	—	—	(61,921)	(61,921)	—	(61,921)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(8,217)	(8,217)
Share-based compensation	102	1	—	—	1,475	—	—	1,476	5,711	7,187
Conversion of noncontrolling interests	605	6	—	—	19,730	—	—	19,736	(19,736)	—
Reallocation of operating partnership interests	—	—	—	—	(6,544)	220	—	(6,324)	6,324	—
Settlement of earn-out liability	—	—	—	—	—	—	—	—	54,245	54,245
Net income	—	—	—	—	—	—	23,607	23,607	3,046	26,653
Balance at June 30, 2022	115,782	$ 1,157	—	$ —	$ 3,341,646	$ 8,571	$ (1,129,151)	$ 2,222,223	$ 372,422	$ 2,594,645

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Condensed and Unaudited)
(In thousands)

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 26,653	$ 6,507
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of real estate assets	116,169	109,995
Impairment of real estate assets	—	6,056
Depreciation and amortization of corporate assets	1,826	1,933
Net amortization of above- and below-market leases	(2,080)	(1,725)
Amortization of deferred financing expenses	1,622	2,448
Amortization of debt and derivative adjustments	1,207	739
Gain on disposal of property, net	(4,161)	(17,585)
Change in fair value of earn-out liability	1,809	18,000
Straight-line rent	(5,146)	(4,400)
Share-based compensation	7,187	4,845
Return on investment in unconsolidated joint ventures	1,242	1,533
Other	(100)	(519)
Changes in operating assets and liabilities:		
Other assets, net	(4,200)	900
Accounts payable and other liabilities	471	1,170
Net cash provided by operating activities	142,499	129,897
CASH FLOWS FROM INVESTING ACTIVITIES:		
Real estate acquisitions	(170,186)	(40,459)
Capital expenditures	(42,946)	(30,230)
Proceeds from sale of real estate, net	27,077	119,638
Investment in third parties	—	(3,000)
Return of investment in unconsolidated joint ventures	3,162	3,888
Investment in marketable securities	(3,000)	—
Net cash (used in) provided by investing activities	(185,893)	49,837
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facility	197,000	9,000
Payments on revolving credit facility	(149,000)	(9,000)
Payments on mortgages and loans payable	(68,557)	(66,237)
Distributions paid, net of DRIP	(61,979)	(48,308)
Distributions to noncontrolling interests	(8,877)	(7,931)
Proceeds from issuance of common stock, net of costs	62,965	—
Repurchases of Class B common stock	—	(77,765)
Other	—	(29)
Net cash used in financing activities	(28,448)	(200,270)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(71,842)	(20,536)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:		
Beginning of period	115,529	131,937
End of period	$ 43,687	$ 111,401
RECONCILIATION TO CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	$ 24,657	$ 22,205
Restricted cash	19,030	89,196
Cash, cash equivalents, and restricted cash at end of period	$ 43,687	$ 111,401

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Condensed and Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2022	2021
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 34,130	$ 36,845
SUPPLEMENTAL SCHEDULE OF NON-CASH ACTIVITIES:		
Settlement of earn-out liability	54,245	—
Right-of-use (“ROU”) assets obtained in exchange for new lease liabilities	—	239
Accrued capital expenditures	4,800	6,053
Change in distributions payable	(58)	(7,853)
Change in distributions payable - noncontrolling interests	(660)	(1,152)
Change in accrued share repurchase obligation	—	(77,642)
Distributions reinvested	—	7,368

See notes to consolidated financial statements.

Phillips Edison & Company, Inc.

Notes to Consolidated Financial Statements
(Condensed and Unaudited)
As of and for the period ended June 30, 2022

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, in which we have a partial ownership interest, and one private fund (collectively, the "Managed Funds") as of June 30, 2022.

As of June 30, 2022, we wholly-owned 269 real estate properties. Additionally, we owned a 14% interest in Grocery Retail Partners I LLC ("GRP I"), a joint venture that owned 20 properties.

In May 2022, we sold the final property in our joint venture with Necessity Retail Partners ("NRP"), in which we own a 20% interest. During the three and six months ended June 30, 2022, we recognized income of $2.5 million and $2.7 million, respectively, related to NRP's achievement of certain performance targets, which is included in Fees and Management Income in our consolidated statements of operations and comprehensive income ("consolidated statements of operations").

Underwritten Initial Public Offering—On July 19, 2021, we closed our underwritten initial public offering ("underwritten IPO"), through which we issued 19.6 million shares, including the underwriters' overallotment election, of a new class of common stock, $0.01 par value per share, at an initial price to the public of $28.00 per share. As a result of the underwritten IPO, we received gross proceeds of $547.4 million.

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, 2022, except for those discussed below. For a full summary of our significant accounting policies, refer to our 2021 Annual Report on Form 10-K, filed with the SEC on February 16, 2022.

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 of America ("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, 2021, which are included in our 2021 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, 2022 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.

The basis of presentation of our shares of common stock is described as follows:

- Reverse Stock Split—On July 2, 2021, our board of directors (the "Board") approved an amendment to our charter to effect a one-for-three reverse stock split. Concurrent with the reverse split, the Operating Partnership enacted a one-for-three reverse split of its outstanding Operating Partnership units ("OP units"). Unless otherwise indicated, the information in this Form 10-Q gives effect to the reverse stock and OP unit splits (see Note 9).

- Recapitalization—On June 18, 2021, our stockholders approved an amendment to our charter (the "Articles of Amendment") that effected a change of each share of our common stock outstanding at the time the amendment became effective into one share of a newly created class of Class B common stock (the "Recapitalization"). The Articles of Amendment became effective on July 2, 2021. Unless otherwise indicated, all information in this Form 10-Q gives effect to the Recapitalization and references to "shares" and per share metrics refer to our common stock and Class B common stock, collectively. Our Class B common stock automatically converted into our publicly traded common stock on January 18, 2022 (see Note 9). Prior to the conversion, we have presented common stock and Class B common stock as separate classes within our consolidated balance sheets and consolidated statements of equity. On May 5, 2022, we filed Articles Supplementary to our charter with the Maryland State Department of Assessments and Taxation in order to reclassify and designate all of the 350 million authorized shares of our Class B common stock, $0.01 par value per share, all of which were unissued at such time, as shares of our common stock, $0.01 par value per share. We no longer have Class B common stock authorized for issue.

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 an insignificant amount of federal, state, and local income tax expense for the three and six months ended June 30, 2022 and 2021, and we retain a full valuation allowance for our net deferred tax asset. All income tax amounts are included in Other Expense, Net on our consolidated statements of operations.

Newly Adopted Accounting Pronouncements—There were no newly adopted accounting pronouncements during the six months ended June 30, 2022 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,	
	2022	2021	2022	2021
Rental income related to fixed lease payments[1]	$ 103,163	$ 94,485	$ 204,673	$ 189,451
Rental income related to variable lease payments[1][2]	29,431	27,454	62,898	58,855
Straight-line rent amortization[3]	3,170	2,893	4,865	4,262
Amortization of lease assets	1,062	877	2,054	1,704
Lease buyout income	177	1,781	2,141	2,578
Adjustments for collectibility[4]	227	2,845	(653)	1,108
Total rental income	$ 137,230	$ 130,335	$ 275,978	$ 257,958

(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, 2022, 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 2022	$ 205,120
2023	395,127
2024	343,818
2025	287,289
2026	222,902
Thereafter	572,366
Total	$ 2,026,622

No single tenant comprised 10% or more of our aggregate annualized base rent ("ABR") as of June 30, 2022. As of June 30, 2022, our wholly-owned real estate investments in Florida and California represented 11.9% and 10.7% 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,	
	2022	2021
Number of properties acquired	4	2
Number of outparcels acquired[1]	1	3
Contract price	$ 169,342	$ 40,190
Total price of acquisitions[2]	170,186	40,459

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

(2) Total price of acquisitions includes closing costs and credits.

The aggregate purchase price of the assets acquired during the six months ended June 30, 2022 and 2021 were allocated as follows (in thousands):

	June 30, 2022	June 30, 2021
ASSETS		
Land and improvements	$ 44,191	$ 23,914
Building and improvements	116,087	13,990
In-place lease assets	14,346	4,155
Above-market lease assets	2,362	52
Total assets	176,986	42,111
LIABILITIES		
Below-market lease liabilities	6,800	1,652
Total liabilities	6,800	1,652
Net assets acquired	$ 170,186	$ 40,459

The weighted-average amortization periods for in-place, above-market, and below-market lease intangibles acquired during the six months ended June 30, 2022 and 2021 are as follows (in years):

	June 30, 2022	June 30, 2021
Acquired in-place leases	15	7
Acquired above-market leases	8	5
Acquired below-market leases	16	6

Property Dispositions—The following table summarizes our real estate disposition activity (dollars in thousands):

	Six Months Ended June 30,	
	2022	2021
Number of properties sold[1]	3	13
Number of outparcels sold[2]	2	1
Contract Price	$ 28,342	$ 125,247
Proceeds from sale of real estate, net[3]	27,077	119,638
Gain on sale of property, net[4]	4,161	18,713

(1) We retained an outparcel for one property sold during the six months ended June 30, 2021, and therefore the sale did not result in a reduction in our total property count.

(2) During the six months ended June 30, 2021, the one outparcel sale included the only remaining portion of a property we previously owned; therefore, the sale resulted in a reduction in our total property count.

(3) Total proceeds from sale of real estate, net includes closing costs and credits.

(4) During the six months ended June 30, 2021, Gain on Disposal of Property, Net on the consolidated statements of operations includes miscellaneous write-off activity, which is not included in gain on sale of property, net, presented above.

5. OTHER ASSETS, NET

The following is a summary of Other Assets, Net outstanding as of June 30, 2022 and December 31, 2021, excluding amounts related to assets classified as held for sale (in thousands):

	June 30, 2022	December 31, 2021
Other assets, net:		
Deferred leasing commissions and costs	$ 46,592	$ 44,968
Deferred financing expenses[1]	8,985	4,898
Office equipment, including capital lease assets, and other	27,219	24,823
Corporate intangible assets	6,705	6,706
Total depreciable and amortizable assets	89,501	81,395
Accumulated depreciation and amortization	(44,848)	(41,236)
Net depreciable and amortizable assets	44,653	40,159
Accounts receivable, net[2]	34,499	36,762
Accounts receivable - affiliates	630	711
Deferred rent receivable, net[3]	45,068	40,212
Derivative assets	12,698	—
Prepaid expenses and other	14,540	11,655
Investment in third parties	3,000	3,000
Investment in marketable securities	7,624	5,551
Total other assets, net	$ 162,712	$ 138,050

(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 $3.9 million and $3.5 million of general reserves for uncollectible amounts as of June 30, 2022 and December 31, 2021, respectively. Receivables that were removed for tenants considered to be non-creditworthy were $7.5 million and $9.2 million as of June 30, 2022 and December 31, 2021, respectively.

(3) Net of $5.1 million and $4.7 million of receivables removed as of June 30, 2022 and December 31, 2021, 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 include the effect of derivative financial instruments, for our debt obligations as of June 30, 2022 and December 31, 2021 (dollars in thousands):

	Interest Rate[1]	June 30, 2022	December 31, 2021
Revolving credit facility	SOFR + 1.2%	$ 48,000	$ —
Term loans[2]	2.5% - 4.2%	955,000	955,000
Senior unsecured notes due 2031	2.6%	350,000	350,000
Secured loan facilities	3.4% - 3.5%	395,000	395,000
Mortgages	3.5% - 6.4%	146,419	213,316
Finance lease liability		690	766
Discount on notes payable		(7,343)	(7,680)
Assumed market debt adjustments, net		(1,472)	(1,530)
Deferred financing expenses, net		(9,187)	(13,150)
Total		$ 1,877,107	$ 1,891,722
Weighted-average interest rate[3]		3.2 %	3.3 %

(1) Interest rates are as of June 30, 2022.

(2) Our term loans carry an interest rate of LIBOR or 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 LIBOR or SOFR, as applicable.

(3) Includes the effects of derivative financial instruments (see Notes 7 and 12).

2022 Debt Activity—In May 2022, we amended our credit facility agreement (the "Amendment") to, among other things, increase the total amount available under our unsecured revolving credit facility from $500 million to $800 million. The unsecured revolving credit facility also 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. The unsecured revolving credit facility is scheduled to mature in January 2026, extendable at our option to January 2027. In addition to expanding the borrowing capacity, the Amendment replaces the London Interbank Offered Rate ("LIBOR") with the Secured Overnight Financing Rate ("SOFR") as the benchmark interest rate for the unsecured revolving credit facility and the two $240 million senior unsecured term loan tranches, maturing in November 2025 and July 2026.

During the six months ended June 30, 2022, we executed early repayments of $64.1 million in mortgage debt.

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, 2022 and December 31, 2021 is summarized below (in thousands):

	June 30, 2022	December 31, 2021
As to interest rate:		
Fixed-rate debt[1]	$ 1,647,109	$ 1,889,082
Variable-rate debt	248,000	25,000
Total	$ 1,895,109	$ 1,914,082
As to collateralization:		
Unsecured debt	$ 1,353,000	$ 1,305,000
Secured debt	542,109	609,082
Total	$ 1,895,109	$ 1,914,082

(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, 2022, $755.0 million in variable rate debt is hedged to a fixed rate for a weighted-average period of 2.1 years.

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, 2022 and 2021, 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 $6.9 million will be reclassified from AOCI as a decrease to Interest Expense, Net.

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, 2022 and December 31, 2021 (dollars in thousands):

		June 30, 2022	December 31, 2021
unt		4	5
tional amount	$	755,000	930,000
ed LIBOR[(1)]		1.3% - 2.9%	1.3% - 2.9%
turity date		2023-2025	2022 - 2025
ighted-average term (in years)		2.1	1.9

(1) In May 2022, we replaced LIBOR with SOFR as the benchmark interest rate for the two $240 million senior unsecured term loan tranches, maturing in November 2025 and July 2026. In accordance with ASC Topic 848, *Reference Rate Reform*, we elected not to dedesignate our LIBOR denominated interest rate swaps related to this hedged debt.

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,	
	2022	2021	2022	2021
Amount of gain (loss) recognized in Other Comprehensive Income	$ 7,080	$ (1,451)	$ 29,979	$ 5,814
Amount of loss reclassified from AOCI into Interest Expense, Net	2,754	4,824	7,428	9,679

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, 2022, the fair value of our derivatives in a net liability position, which included accrued interest but excluded any adjustment for nonperformance risk related to these agreements, was approximately $0.1 million. As of June 30, 2022, we had not posted any collateral related to these agreements and were not in breach of any agreement provisions. If we had breached any of these provisions, we could have been required to settle our obligations under the agreements at their termination value of $0.1 million.

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 aware of any environmental matters which we believe are reasonably likely to have a material 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 established 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, 2022, we had four letters of credit outstanding totaling approximately $11.2 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 the Board. Our charter does not provide for cumulative voting in the election of directors.

At-the-Market Offering ("ATM")—On February 10, 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 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 months ended June 30, 2022, we issued 1.9 million shares of our common stock under the ATM program for net proceeds of $63.0 million, after approximately $0.6 million in commissions. As of June 30, 2022, $186.3 million of common stock remained available for issuance under the ATM program.

In July 2022, we issued an additional 0.8 million shares of our common stock under the ATM program for net proceeds of $26.2 million, after approximately $0.3 million in commissions. We received a weighted-average price of $34.23 per share for the 2.6 million shares of common stock sold under the ATM program through July 2022.

Reverse Stock Split—On July 2, 2021, we effected a one-for-three reverse stock split. Concurrent with the reverse split, the Operating Partnership enacted a one-for-three reverse split of its outstanding OP units. Neither the number of authorized shares nor the par value of the common stock were impacted. As a result of the reverse split, every three shares of our common stock or OP units were automatically combined and converted into one issued and outstanding share of common stock or OP unit rounded to the nearest 1/100th share. The reverse stock split impacted all common stock and OP units proportionately and had no impact on any stockholder's percentage ownership of common stock.

Class B Common Stock—On June 18, 2021, our stockholders approved Articles of Amendment that effected the Recapitalization, wherein each share of our common stock outstanding at the time the amendment became effective was converted into one share of a newly created class of Class B common stock.

Our Class B common stock was identical to our common stock, except that it was not listed on a national securities exchange. Per the terms of the Recapitalization, on January 18, 2022, each share of our Class B common stock automatically converted into one share of our listed common stock.

On May 5, 2022, we filed Articles Supplementary to our charter with the Maryland State Department of Assessments and Taxation in order to reclassify and designate all of the 350 million authorized shares of our Class B common stock, $0.01 par value per share, all of which were unissued at such time, as shares of our common stock, $0.01 par value per share. We no longer have Class B common stock authorized for issue.

Underwritten IPO—On July 19, 2021, we completed an underwritten IPO and issued 17.0 million shares of common stock at an offering price to the public of $28.00 per share. We used a portion of the net proceeds to reduce our leverage and used the remaining amount to fund external growth with property acquisitions and for other general corporate uses. As part of the underwritten IPO, underwriters were granted an option exercisable within 30 days from July 14, 2021 to purchase up to an additional 2.6 million shares of common stock at the underwritten IPO price, less underwriting discounts and commissions. On July 29, 2021, the underwriters exercised their option. The underwritten IPO, including the underwriters' overallotment election, resulted in gross proceeds of $547.4 million.

Distributions—Distributions paid to stockholders and OP unit holders of record subsequent to June 30, 2022 were as follows (dollars in thousands, excluding per share amounts):

Month	Date of Record	Date Distribution Paid	Monthly Distribution Rate	Cash Distribution
June	6/15/2022	7/1/2022	$ 0.09	$ 11,595
July	7/15/2022	8/1/2022	0.09	11,768

On August 3, 2022, our Board authorized a distribution for August 2022 of $0.09 per share to the stockholders of record at the close of business on August 15, 2022. OP unit holders will receive distributions at the same rate as common stockholders, subject to certain withholdings.

Convertible Noncontrolling Interests—As of June 30, 2022 and December 31, 2021, we had approximately 14.6 million and 13.4 million outstanding 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, 2022 and December 31, 2021 are classified as Noncontrolling Interests within permanent equity on our consolidated balance sheets.

On January 18, 2022, we issued approximately 1.6 million OP units in full settlement of the earn-out liability (see note 12).

The table below is a summary of our OP unit activity for the three and six months ended June 30, 2022 and 2021 (dollars and shares in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
OP units converted into shares of common stock[(1)]	72	28	605	28
Distributions paid on OP units[(2)]	$ 4,113	$ 3,460	$ 8,217	$ 6,779

(1) Prior to the Recapitalization, OP units were converted to shares of common stock at a 1:1 ratio. From the Recapitalization through January 18, 2022, OP units were converted into shares of our Class B common stock at a 1:1 ratio. On January 18, 2022, each share of our Class B common stock automatically converted into one share of our listed common stock, and going forward, OP units will be converted into shares of our common stock at a 1:1 ratio.

(2) Distributions paid on OP units are included in Distributions to Noncontrolling Interests on the consolidated statements of equity and cash flows.

Dividend Reinvestment Plan and Share Repurchase Programs—On August 4, 2021, as a result of our underwritten IPO, our Board approved the termination of the DRIP and the original share repurchase program.

On August 3, 2022, our Board approved a new share repurchase program of up to $250.0 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.

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,	
	2022	2021	2022	2021
Numerator:				
Net income attributable to stockholders - basic	$ 13,528	$ 5,594	$ 23,607	$ 5,697
Net income attributable to convertible OP units[(1)]	1,727	796	3,046	810
Net income - diluted	$ 15,255	$ 6,390	$ 26,653	$ 6,507
Denominator:				
Weighted-average shares - basic	114,124	93,625	113,850	93,558
OP units[(1)]	14,551	13,381	14,553	13,368
Dilutive restricted stock awards	442	169	454	176
Adjusted weighted-average shares - diluted	129,117	107,175	128,857	107,102
Earnings per common share:				
Basic and diluted income per share	$ 0.12	$ 0.06	$ 0.21	$ 0.06

(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,	
	2022	2021	2022	2021
Recurring fees[1]	$ 995	$ 1,103	$ 2,070	$ 2,228
Realized performance income[2]	2,546	—	2,742	—
Transactional revenue and reimbursements[3]	447	461	841	929
Insurance premiums[4]	793	810	1,589	1,503
Total fees and management income	$ 4,781	$ 2,374	$ 7,242	$ 4,660

(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, construction management fees, and acquisition 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 has 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, 2022, the potential "make-whole amount" on the estimated aggregate amount of built-in gain subject to protection under the agreements is approximately $142.5 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, 2022, 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, 2022 and December 31, 2021.

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, 2022 and December 31, 2021 (in thousands):

	June 30, 2022		December 31, 2021	
	Recorded Principal Balance[1]	Fair Value	Recorded Principal Balance[1]	Fair Value
Revolving credit facility	$ 48,000	$ 48,000	$ —	$ —
Term loans	947,110	955,976	943,127	955,919
Senior unsecured notes due 2031	342,657	271,058	342,320	344,099
Secured portfolio loan facilities	391,852	361,060	391,612	394,356
Mortgages[2]	147,488	147,547	214,663	221,741
Total	$ 1,877,107	$ 1,783,641	$ 1,891,722	$ 1,916,115

(1) As of June 30, 2022 and December 31, 2021, respectively, recorded principal balances include: (i) net deferred financing fees of $9.2 million and $13.2 million; (ii) assumed market debt adjustments of $1.5 million and $1.5 million; and (iii) notes payable discounts of $7.3 million and $7.7 million.

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

Recurring and Nonrecurring Fair Value Measurements—Our marketable securities, earn-out liability, 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, 2022 and the year ended December 31, 2021 were as follows (in thousands):

	June 30, 2022			December 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Recurring						
Marketable securities	$ 7,624	$ —	$ —	$ 5,551	$ —	$ —
Derivative assets[1]	—	12,698	—	—	—	—
Derivative liabilities	—	(52)	—	—	(24,096)	—
Earn-out liability	—	—	—	—	(52,436)	—
Nonrecurring						
Impaired real estate assets, net[2]	$ —	$ —	$ —	$ —	$ 24,000	$ —

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

(2) The carrying value of impaired real estate assets may have subsequently increased or decreased after the measurement date due to capital improvements, depreciation, or sale.

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, 2022 and December 31, 2021, we had interest rate swaps that fixed LIBOR 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, 2022 and December 31, 2021, 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.

Earn-out—As part of our acquisition of Phillips Edison Limited Partnership ("PELP") in 2017, an earn-out structure was established which gave PELP the opportunity to earn additional OP units based upon the potential achievement of certain performance targets subsequent to the acquisition. On January 11, 2022, we finalized the fair value of the earn-out liability based on our share price and issued approximately 1.6 million OP units in full settlement of the liability with a value of

$54.2 million. Changes in the fair value of the earn-out liability were recorded to Other Expense, Net in the consolidated statements of operations. We recorded no expense for the three months ended June 30, 2022 and $2.0 million in expense for the three months ended June 30, 2021. We recorded expense of $1.8 million and $18.0 million, respectively, for the six months ended June 30, 2022 and June 30, 2021.

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, 2022. During the three and six months ended June 30, 2021, we impaired assets that were under contract at a disposition price that was less than carrying value, or that had other operational impairment indicators. The valuation technique used for the fair value of all impaired real estate assets was the expected net sales proceeds, which we consider to be a Level 2 input in the fair value hierarchy.

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.

We recorded the following expense upon impairment of real estate assets (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Impairment of real estate assets	$ —	$ 1,056	$ —	$ 6,056

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 2021 Annual Report on Form 10-K, filed with the SEC on February 16, 2022. 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 the COVID-19 pandemic; (c) statements about our underwritten incremental yields; and (d) 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, the COVID-19 pandemic; (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 2021 Annual Report on Form 10-K, filed with the SEC on February 16, 2022, 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 ("FFO")—To arrive at Core FFO, we adjust Nareit FFO Attributable to Stockholders and OP Unit Holders, 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—Nareit defines FFO as net income (loss) computed in accordance with GAAP, excluding: (i) gains (or losses) from sales of property and gains (or losses) from change in control; (ii) depreciation and amortization related to real estate; (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, 2021).
- 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, 2022, we owned equity interests in 289 shopping centers, including 269 wholly-owned shopping centers and 20 shopping centers owned through one unconsolidated joint venture, which comprised approximately 33.1 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.

In May 2022, we sold the final property in our joint venture with NRP, in which we own a 20% interest. During the three and six months ended June 30, 2022, we recognized income of $2.5 million and $2.7 million, respectively, related to NRP's achievement of certain performance targets, which is included in Fees and Management Income in our consolidated statements of operations.

PORTFOLIO AND LEASING STATISTICS—Below are statistical highlights of our wholly-owned portfolio as of June 30, 2022 and 2021 (dollars and square feet in thousands):

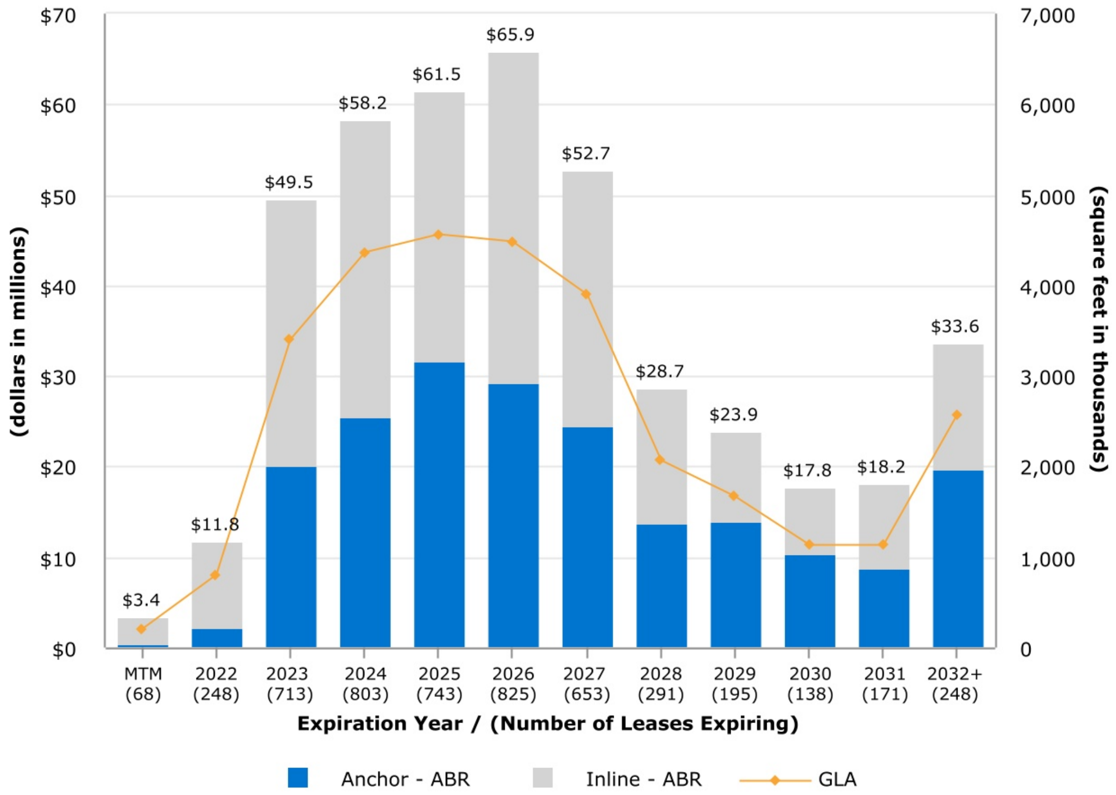
	June 30, 2022	June 30, 2021
Number of properties	269	272
Number of states	31	31
Total square feet	30,935	30,778
ABR	$ 421,019	$ 384,916
% ABR from omni-channel grocery-anchored shopping centers	97.2 %	96.0 %
Leased occupancy %:		
Total portfolio spaces	96.8 %	94.7 %
Anchor spaces	98.7 %	96.8 %
Inline spaces	93.2 %	90.6 %
Average remaining lease term (in years)(1)	4.6	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, 2022, which is the basis for determining the prorated information included in the subsequent tables (dollars and square feet in thousands):

	June 30, 2022			
Joint Venture	Ownership Percentage	Number of Properties	ABR	GLA
GRP I	14%	20	$ 30,308	2,210

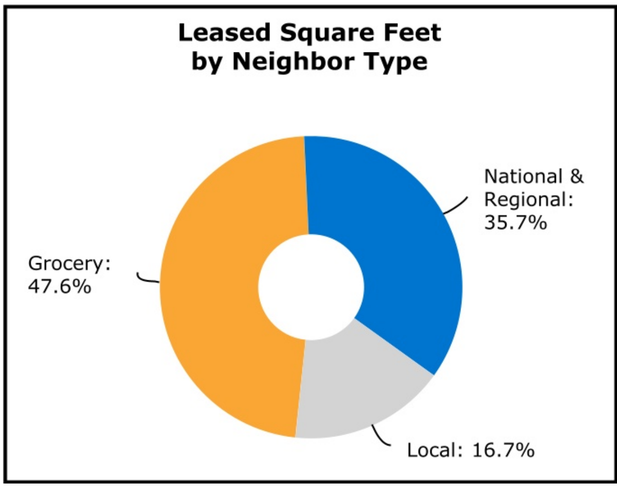
LEASE EXPIRATIONS—The following chart shows the aggregate scheduled lease expirations, excluding our Neighbors who are occupying space on a temporary basis, after June 30, 2022 for each of the next ten years and thereafter for our wholly-owned properties and the prorated portion of those owned through our unconsolidated joint venture:

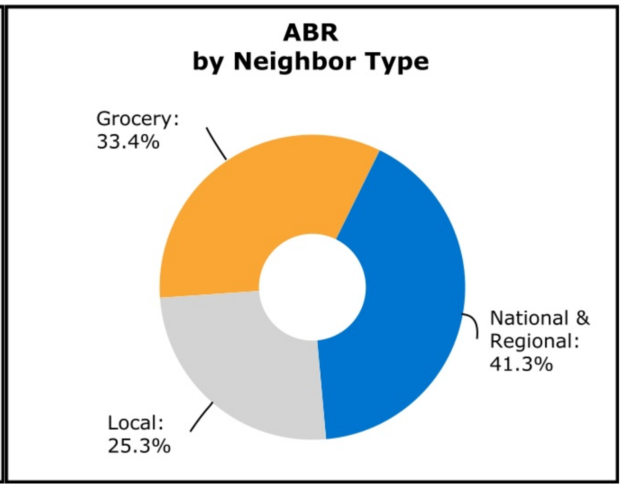


Our ability to create rental rate growth generally depends on our leverage during new and renewal lease negotiations with prospective and existing Neighbors, which typically occurs when occupancy at our centers is high or during periods of economic growth and recovery. Conversely, we may experience rental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

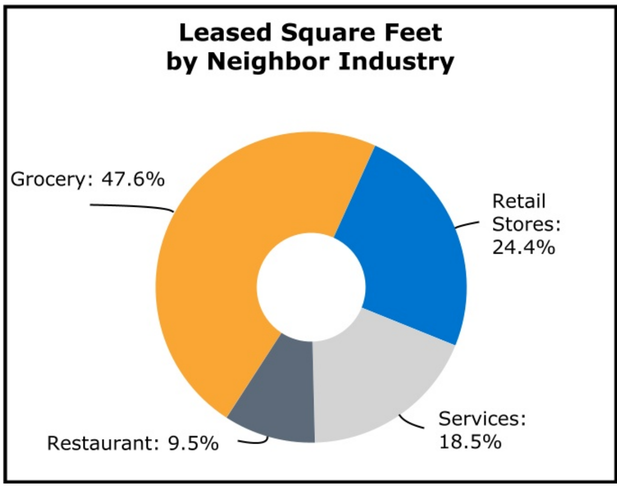
See “Results of Operations - Leasing Activity” below for further discussion of leasing activity.

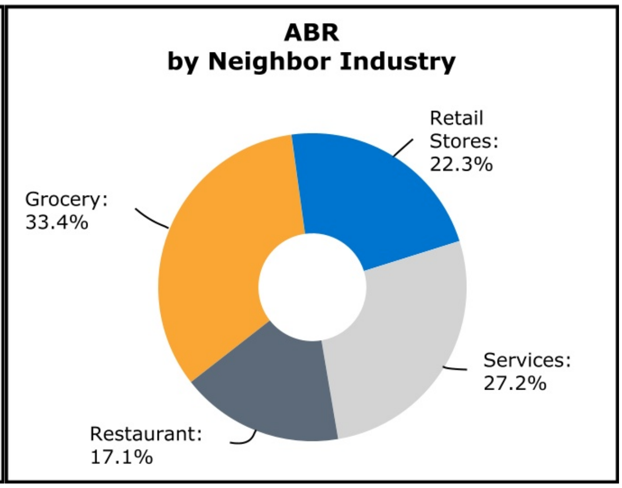
PORTFOLIO TENANCY—We define national Neighbors as those Neighbors that operate in at least three states. Regional Neighbors are defined as those Neighbors that have at least three locations in fewer than three states. The following charts present the composition of our portfolio, including our wholly-owned properties and the prorated portion of those owned through our unconsolidated joint venture, by Neighbor type as of June 30, 2022:





The following charts present the composition of our portfolio by Neighbor industry as of June 30, 2022:





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 71% 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, 2022 (dollars and square feet in thousands):

Neighbor[1]	ABR	% of ABR	Leased Square Feet	% of Leased Square Feet	Number of Locations[2]
Kroger	$ 27,423	6.4 %	3,366	11.1 %	61
Publix	23,623	5.6 %	2,314	7.6 %	57
Albertsons	18,232	4.3 %	1,709	5.6 %	31
Ahold Delhaize	17,662	4.2 %	1,249	4.1 %	23
Walmart	8,933	2.1 %	1,770	5.9 %	13
Giant Eagle	7,810	1.8 %	828	2.7 %	12
Sprouts Farmers Market	6,494	1.5 %	421	1.4 %	14
TJX Companies	6,030	1.4 %	516	1.7 %	18
Raley's	3,884	0.9 %	253	0.8 %	4
Dollar Tree	3,454	0.8 %	329	1.1 %	36
SUPERVALU	3,244	0.8 %	336	1.1 %	5
Subway Group	2,574	0.6 %	100	0.3 %	71
Lowe's	2,469	0.6 %	369	1.2 %	4
Anytime Fitness, Inc.	2,405	0.6 %	150	0.5 %	31
Kohl's Corporation	2,241	0.5 %	365	1.2 %	4
Office Depot	2,237	0.5 %	179	0.6 %	8
Food 4 Less (PAQ)	2,215	0.5 %	118	0.4 %	2
Save Mart	2,174	0.5 %	258	0.9 %	5
Starbucks Corporation	2,136	0.5 %	49	0.2 %	30
Petco Animal Supplies, Inc.	2,136	0.5 %	127	0.4 %	11
Total	$ 147,376	34.6 %	14,806	48.8 %	440

(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, in the event that 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 COVID-19 pandemic resulted in reduced revenues beginning with the second quarter of 2020 through early 2021. Our collections returned to pre-COVID levels during the second half of 2021 and have continued through the first half of 2022. As of June 30, 2022, our Neighbors currently being accounted for on a cash basis represented approximately 5.0% of portfolio ABR. We believe our collections have stabilized, which will reduce volatility in our earnings during 2022 as compared to 2021.

Due to changing economic conditions and supply chain limitations, there has been an increase in wages and costs for materials. The resulting increased inflation may negatively impact some of our Neighbors and increase our operating and construction costs. Additionally, macroeconomic and geopolitical risks may create challenges that cause current market conditions in the United States to worsen. 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, 2022 AND 2021

(Dollars in thousands)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Favorable (Unfavorable) Change $	Favorable (Unfavorable) Change %[1]
Revenues:				
Rental income	$ 137,230	$ 130,335	$ 6,895	5.3 %
Fees and management income	4,781	2,374	2,407	101.4 %
Other property income	505	361	144	39.9 %
Total revenues	142,516	133,070	9,446	7.1 %
Operating Expenses:				
Property operating	22,852	21,974	(878)	(4.0)%
Real estate taxes	16,473	16,814	341	2.0 %
General and administrative	11,376	11,937	561	4.7 %
Depreciation and amortization	60,769	56,587	(4,182)	(7.4)%
Impairment of real estate assets	—	1,056	1,056	NM
Total operating expenses	111,470	108,368	(3,102)	(2.9)%
Other:				
Interest expense, net	(17,127)	(19,132)	2,005	10.5 %
Gain on disposal of property, net	2,793	3,744	(951)	(25.4)%
Other expense, net	(1,457)	(2,924)	1,467	50.2 %
Net income	15,255	6,390	8,865	138.7 %
Net income attributable to noncontrolling interests	(1,727)	(796)	(931)	(117.0)%
Net income attributable to stockholders	$ 13,528	$ 5,594	$ 7,934	141.8 %

(1) Line items that result in a percent change that exceed certain limitations are considered not meaningful ("NM") and indicated as such.

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 255 properties that were owned and operational prior to January 1, 2021. We define our non-same-center portfolio as those properties that were not fully owned and operational in both periods owing to real estate asset activity occurring after December 31, 2020, which includes 26 properties disposed of and 13 properties acquired. Below are explanations of the significant fluctuations in the results of operations for the three months ended June 30, 2022 and 2021:

Rental Income increased $6.9 million primarily as follows:

- $2.2 million increase related to our same-center portfolio as follows:
  - $3.1 million increase primarily due to a $0.37 increase in average minimum rent PSF and a 1.6% improvement in average occupancy owing largely to the strength of our leasing results during 2021; and
  - $1.4 million increase owing largely to an increase in recoverable income attributable to the 1.6% improvement in average occupancy and lower reserves for common area maintenance as compared to 2021; offset by
  - $2.2 million decrease primarily due to the stabilization of collections in 2022 compared to the recovery of prior year income in 2021 and the reversal of reserves for uncollectibility from 2020 resulting from the recovery of our portfolio in the wake of the COVID-19 pandemic.
- $4.7 million increase primarily related to our acquisition and disposition activity.

Fees and Management Income:

- The $2.4 million increase in fees and management income was primarily due to the achievement of certain performance targets related to our joint venture with NRP.

Property Operating Expenses:

- The $0.9 million increase in property operating expenses was largely related to our same-center portfolio and corporate operating activities primarily as follows:
  - $1.2 million increase in recoverable expenses attributed to higher common area maintenance costs, as compared to 2021; offset by
  - $0.5 million decrease in compensation expenses due to decreases in performance-based compensation, as compared to 2021.

Real Estate Tax Expenses:

- The $0.3 million decrease in real estate tax expenses is primarily due to the impact of favorable real estate tax reassessments and appeals.

General and Administrative Expenses decreased $0.6 million primarily as follows:

- $1.6 million decrease in compensation expense owing largely to a decrease in performance- and service-based compensation of approximately $0.8 million and $0.4 million, respectively; and
- $0.3 million decrease primarily due to lower third-party consultant and custodial costs; offset by
- $1.0 million increase primarily due to increases in technology-related costs and travel and conference expenses; and
- $0.5 million increase primarily due to an increase in directors and officers insurance as a result of our becoming a publicly traded company.

Depreciation and Amortization:

- The $4.2 million increase in depreciation and amortization is primarily due to the execution of our acquisition strategy and investment in improvements to our Neighbor spaces.

Impairment of Real Estate Assets:

- The $1.1 million decrease in impairment of real estate assets was due to assets that were sold during 2021 at a disposition price that was less than the carrying value.

Interest Expense, Net:

- The $2.0 million decrease was primarily due to net repayments of debt outstanding in 2021, partially offset by higher average interest rates in 2022. Interest Expense, Net was comprised of the following (dollars in thousands):

	Three Months Ended June 30,	
	2022	2021
Interest on unsecured term loans and senior notes, net	$ 9,512	$ 10,573
Interest on secured debt	5,147	6,246
Interest on revolving credit facility, net	521	207
Non-cash amortization and other	1,818	1,687
Loss on extinguishment or modification of debt and other, net[1]	129	419
Interest expense, net	$ 17,127	$ 19,132
Weighted-average interest rate as of end of period	3.2 %	2.9 %
Weighted-average term (in years) as of end of period	4.9	3.7

[1] Includes defeasance fees related to early repayments of debt.

Gain on Disposal of Property, Net:

- The $1.0 million decrease was primarily related to the sale of one property and two outparcels with a net gain of $2.8 million during the three months ended June 30, 2022, as compared to the sale of seven properties (in addition to other property-related miscellaneous disposals and write-offs) with a net gain of $3.7 million during the three months ended June 30, 2021 (see Note 4).

Other Expense, Net:

- The $1.5 million decrease was primarily related to a 2021 charge in connection with the change in the fair value of our earn-out liability, which was settled in January 2022, combined with an increase from equity in income of our unconsolidated joint ventures, partially offset by an increase in transaction and acquisition expenses owing largely to the amortization of the restricted stock units awarded at the time of our underwritten IPO and a decrease in the value of our investment in marketable securities. Other Expense, Net was comprised of the following (in thousands):

	Three Months Ended June 30,	
	2022	2021
Increase in fair value of earn-out liability (see Note 12)	$ —	$ (2,000)
Equity in net income of unconsolidated joint ventures	1,228	87
Transaction and acquisition expenses	(2,035)	(934)
Federal, state, and local income tax expense	(97)	(165)
Other	(553)	88
Other expense, net	$ (1,457)	$ (2,924)

SUMMARY OF OPERATING ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021

	Six Months Ended June 30,		Favorable (Unfavorable) Change	
(Dollars in thousands)	2022	2021	$	%[1]
Revenues:				
Rental income	$ 275,978	$ 257,958	$ 18,020	7.0 %
Fee and management income	7,242	4,660	2,582	55.4 %
Other property income	1,459	833	626	75.2 %
Total revenues	284,679	263,451	21,228	8.1 %
Operating Expenses:				
Property operating	46,172	44,176	(1,996)	(4.5)%
Real estate taxes	33,964	33,387	(577)	(1.7)%
General and administrative	22,908	21,278	(1,630)	(7.7)%
Depreciation and amortization	117,995	111,928	(6,067)	(5.4)%
Impairment of real estate assets	—	6,056	6,056	NM
Total operating expenses	221,039	216,825	(4,214)	(1.9)%
Other:				
Interest expense, net	(35,326)	(39,195)	3,869	9.9 %
Gain on disposal of property, net	4,161	17,585	(13,424)	(76.3)%
Other expense, net	(5,822)	(18,509)	12,687	68.5 %
Net income	26,653	6,507	20,146	NM
Net income attributable to noncontrolling interests	(3,046)	(810)	(2,236)	NM
Net income attributable to stockholders	$ 23,607	$ 5,697	$ 17,910	NM

(1) Line items that result in a percent change that exceed certain limitations are considered not meaningful ("NM") and indicated as such.

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, 2022 and 2021" above. Below are explanations of the significant fluctuations in the results of operations for the six months ended June 30, 2022 and 2021:

Rental Income increased $18.0 million as follows:

- $10.5 million increase related to our same-center portfolio primarily as follows:
  - $9.0 million increase primarily due to a $0.37 increase in average minimum rent per square foot and a 1.4% improvement in average occupancy; and
  - $3.1 million increase owing largely to an increase in recoverable income attributed to an increase in common area maintenance spending and lower reserves for common area maintenance, as compared to 2021, and the 1.4% improvement in average occupancy; offset by
  - $1.7 million decrease primarily due to the stabilization of collections in 2022 compared to the recovery of prior year income in 2021 and the reversal of reserves for uncollectibility from 2020 resulting from the recovery of our portfolio in the wake of the COVID-19 pandemic.
- $7.6 million increase primarily related to our acquisition and disposition activity.

Fees and management income:

- The $2.6 million increase in fees and management income was primarily due to the achievement of certain performance targets related to our joint venture with NRP.

Property Operating Expenses increased $2.0 million primarily as follows:

- $1.4 million increase related to our same-center portfolio and corporate operating activities as follows:
  - $1.9 million increase attributable to higher common area maintenance costs, as compared to 2021; and
  - $0.6 million increase primarily due to higher insurance expenses attributed to higher market rates and an increase in claims and claim development; offset by
  - $0.4 million decrease in compensation expenses due to decreases in performance-based compensation, as compared to 2021.
- $0.5 million increase primarily due to our acquisition activity.

Real Estate Tax Expenses:

- The $0.6 million increase in real estate tax expenses is primarily due to our acquisition activity.

General and Administrative Expenses increased $1.6 million primarily as follows:

- $1.2 million increase primarily due to an increase in directors and officers insurance as a result of our becoming a publicly traded company; and
- $1.0 million increase primarily due to increases in overhead attributed to technology-related costs and travel and conference expenses; offset by
- $0.5 million decrease in compensation expense owing largely to lower performance-based compensation.

Depreciation and Amortization:

- The $6.1 million increase in depreciation and amortization is primarily due to the execution of our acquisition strategy and investment in improvements to our Neighbor spaces.

Impairment of Real Estate Assets:

- The $6.1 million decrease in impairment of real estate assets was due to assets that were sold during 2021 at a disposition price that was less than the carrying value.

Interest Expense, Net:

- The $3.9 million decrease was primarily due to net repayments of debt outstanding in 2021, partially offset by higher average interest rates in 2022. Interest Expense, Net was comprised of the following (dollars in thousands):

	Six Months Ended June 30,	
	2022	2021
Interest on unsecured term loans and senior notes, net	$ 19,428	$ 21,206
Interest on secured debt	10,678	13,026
Interest on revolving credit facility, net	768	435
Non-cash amortization and other	3,423	3,418
Loss on extinguishment or modification of debt and other, net[1]	1,029	1,110
Interest expense, net	$ 35,326	$ 39,195
Weighted-average interest rate as of end of period	3.2 %	2.9 %
Weighted-average term (in years) as of end of period	4.9	3.7

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

Gain on Disposal of Property, Net:

- The $13.4 million decrease was primarily related to the sale of three properties and two outparcels with a net gain of $4.2 million during the six months ended June 30, 2022, as compared to the sale of 13 properties and one outparcel (as well as other property-related miscellaneous disposals and write-offs) with a net gain of $17.6 million during the six months ended June 30, 2021 (see Note 4).

Other Expense, Net:

- The $12.7 million decrease was primarily related to a 2021 charge in connection with the change in the fair value of our earn-out liability, which was settled in January 2022, combined with an increase from equity in income of our unconsolidated joint ventures, partially offset by an increase in transaction and acquisition expenses owing largely to the amortization of the restricted stock units awarded at the time of our underwritten IPO and a decrease in the value of our investment in marketable securities. Other Expense, Net was comprised of the following (in thousands):

	Six Months Ended June 30,	
	2022	2021
Increase in fair value of earn-out liability (see Note 12)	$ (1,809)	$ (18,000)
Equity in net income of unconsolidated joint ventures	1,174	801
Transaction and acquisition expenses	(4,080)	(1,075)
Federal, state, and local income tax expense	(194)	(331)
Other	(913)	96
Other expense, net	$ (5,822)	$ (18,509)

LEASING ACTIVITY—Below is a summary of leasing activity for our wholly-owned properties for the three months ended June 30, 2022 and 2021[1]:

	Total Deals		Inline Deals	
	2022	2021	2022	2021
New leases:				
Number of leases	105	124	98	121
Square footage (in thousands)	404	341	225	278
ABR (in thousands)	$ 7,479	$ 6,338	$ 5,479	$ 5,816
ABR PSF	$ 18.51	$ 18.57	$ 24.40	$ 20.94
Cost PSF of executing new leases	$ 35.10	$ 31.01	$ 35.18	$ 29.30
Number of comparable leases	38	57	37	55
Comparable rent spread	39.0 %	18.5 %	24.5 %	19.0 %
Weighted-average lease term (in years)	9.0	7.2	7.6	6.8
Renewals and options:				
Number of leases	160	174	141	159
Square footage (in thousands)	1,225	1,049	290	333
ABR (in thousands)	$ 15,132	$ 12,895	$ 7,290	$ 7,306
ABR PSF	$ 12.35	$ 12.30	$ 25.17	$ 21.95
ABR PSF prior to renewals	$ 11.49	$ 11.55	$ 22.46	$ 20.08
Percentage increase in ABR PSF	7.5 %	6.5 %	12.1 %	9.3 %
Cost PSF of executing renewals and options[2]	$ 0.55	$ 0.89	$ 0.75	$ 1.11
Number of comparable leases[3]	120	155	118	148
Comparable rent spread[3]	14.4 %	8.0 %	13.4 %	9.4 %
Weighted-average lease term (in years)	5.5	5.4	4.2	4.0
Portfolio retention rate	92.1 %	85.5 %	85.3 %	79.5 %

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

(2) During the third quarter of 2021, we refined our calculation of cost PSF of executing renewals and options to better align with actual costs incurred. Prior period amounts have been adjusted to reflect costs on the same basis.

(3) Excludes exercise of options.

Below is a summary of leasing activity for our wholly-owned properties for the six months ended June 30, 2022 and 2021[1]:

	Total Deals		Inline Deals	
	2022	2021	2022	2021
New leases:				
Number of leases	197	277	186	268
Square footage (in thousands)	661	808	411	619
ABR (in thousands)	$ 12,421	$ 14,458	$ 9,800	$ 12,421
ABR PSF	$ 18.80	$ 17.89	$ 23.86	$ 20.06
Cost PSF of executing new leases	$ 32.69	$ 28.51	$ 34.37	$ 28.00
Number of comparable leases	72	127	70	125
Comparable rent spread	36.6 %	15.3 %	25.8 %	15.3 %
Weighted-average lease term (in years)	8.1	7.7	7.5	6.5
Renewals and options:				
Number of leases	312	337	287	306
Square footage (in thousands)	1,744	2,027	613	645
ABR (in thousands)	$ 24,379	$ 24,367	$ 14,592	$ 14,375
ABR PSF	$ 13.98	$ 12.02	$ 23.81	$ 22.30
ABR PSF prior to renewals	$ 12.84	$ 11.27	$ 21.14	$ 20.54
Percentage increase in ABR PSF	8.8 %	6.6 %	12.7 %	8.6 %
Cost PSF of executing renewals and options[2]	$ 0.58	$ 0.71	$ 0.81	$ 1.34
Number of comparable leases[3]	248	291	244	281
Comparable rent spread[3]	14.6 %	8.0 %	14.0 %	8.7 %
Weighted-average lease term (in years)	5.1	4.9	4.0	4.0
Portfolio retention rate	90.6 %	87.2 %	81.6 %	79.9 %

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

(2) During the third quarter of 2021, we refined our calculation of cost PSF of executing renewals and options to better align with actual costs incurred. Prior period amounts have been adjusted to reflect costs on the same basis.

(3) 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, 2022 and 2021, Same-Center NOI represents the NOI for the 255 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)	
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
Revenues:								
Rental income[1]	$ 94,169	$ 89,516	$ 4,653		$ 188,562	$ 179,141	$ 9,421	
Tenant recovery income	28,375	26,818	1,557		59,772	56,921	2,851	
Reserves for uncollectibility[2]	256	2,783	(2,527)		(515)	1,221	(1,736)	
Other property income	439	286	153		1,186	751	435	
Total revenues	123,239	119,403	3,836	3.2 %	249,005	238,034	10,971	4.6 %
Operating expenses:								
Property operating expenses	18,337	17,043	(1,294)		38,105	35,756	(2,349)	
Real estate taxes	15,213	16,331	1,118		31,650	32,341	691	
Total operating expenses	33,550	33,374	(176)	(0.5)%	69,755	68,097	(1,658)	(2.4)%
Total Same-Center NOI	$ 89,689	$ 86,029	$ 3,660	4.3 %	$ 179,250	$ 169,937	$ 9,313	5.5 %

(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,	
	2022	2021	2022	2021
Net income	$ 15,255	$ 6,390	$ 26,653	$ 6,507
Adjusted to exclude:				
Fees and management income	(4,781)	(2,374)	(7,242)	(4,660)
Straight-line rental income[1]	(3,319)	(2,970)	(5,128)	(4,392)
Net amortization of above- and below-market leases	(1,078)	(887)	(2,080)	(1,725)
Lease buyout income	(176)	(1,781)	(2,141)	(2,578)
General and administrative expenses	11,376	11,937	22,908	21,278
Depreciation and amortization	60,769	56,587	117,995	111,928
Impairment of real estate assets	—	1,056	—	6,056
Interest expense, net	17,127	19,132	35,326	39,195
Gain on disposal of property, net	(2,793)	(3,744)	(4,161)	(17,585)
Other expense, net	1,457	2,924	5,822	18,509
Property operating expenses related to fees and management income	1,287	1,306	2,357	2,122
NOI for real estate investments	95,124	87,576	190,309	174,655
Less: Non-same-center NOI[2]	(5,435)	(1,547)	(11,059)	(4,718)
Total Same-Center NOI	$ 89,689	$ 86,029	$ 179,250	$ 169,937

(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, Nareit FFO Attributable to Stockholders and OP Unit Holders, 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, Nareit FFO Attributable to Stockholders and OP Unit Holders, 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, Nareit FFO Attributable to Stockholders and OP Unit Holders, and Core FFO, as presented, may not be comparable to amounts calculated by other REITs.

The following table presents our calculation of Nareit FFO Attributable to Stockholders and OP Unit Holders and Core FFO (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Calculation of Nareit FFO Attributable to Stockholders and OP Unit Holders				
Net income	$ 15,255	$ 6,390	$ 26,653	$ 6,507
Adjustments:				
Depreciation and amortization of real estate assets	59,849	55,654	116,169	109,995
Impairment of real estate assets	—	1,056	—	6,056
Gain on disposal of property, net	(2,793)	(3,744)	(4,161)	(17,585)
Adjustments related to unconsolidated joint ventures	(1,186)	537	(481)	(100)
Nareit FFO attributable to stockholders and OP unit holders	$ 71,125	$ 59,893	$ 138,180	$ 104,873
Calculation of Core FFO				
Nareit FFO attributable to stockholders and OP unit holders	$ 71,125	$ 59,893	$ 138,180	$ 104,873
Adjustments:				
Depreciation and amortization of corporate assets	920	933	1,826	1,933
Change in fair value of earn-out liability	—	2,000	1,809	18,000
Transaction and acquisition expenses	2,035	934	4,080	1,075
Loss on extinguishment or modification of debt and other, net	129	419	1,029	1,110
Amortization of unconsolidated joint venture basis differences	175	79	219	825
Realized performance income[1]	(2,546)	—	(2,742)	—
Core FFO	$ 71,838	$ 64,258	$ 144,401	$ 127,816
Nareit FFO Attributable to Stockholders and OP Unit Holders/Core FFO per diluted share				
Weighted-average shares of common stock outstanding - diluted	129,117	107,175	128,857	107,102
Nareit FFO attributable to stockholders and OP unit holders per share - diluted	$ 0.55	$ 0.56	$ 1.07	$ 0.98
Core FFO per share - diluted	$ 0.56	$ 0.60	$ 1.12	$ 1.19

(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,
	2022	2021	2022	2021	2021
Calculation of EBITDA*re*					
Net income	$ 15,255	$ 6,390	$ 26,653	$ 6,507	$ 17,233
Adjustments:					
Depreciation and amortization	60,769	56,587	117,995	111,928	221,433
Interest expense, net	17,127	19,132	35,326	39,195	76,371
Gain on disposal of property, net	(2,793)	(3,744)	(4,161)	(17,585)	(30,421)
Impairment of real estate assets	—	1,056	—	6,056	6,754
Federal, state, and local tax expense	97	165	194	331	327
Adjustments related to unconsolidated joint ventures	(885)	(535)	134	597	1,431
EBITDA*re*	$ 89,570	$ 79,051	$ 176,141	$ 147,029	$ 293,128
Calculation of Adjusted EBITDA*re*					
EBITDA*re*	$ 89,570	$ 79,051	$ 176,141	$ 147,029	$ 293,128
Adjustments:					
Change in fair value of earn-out liability	—	2,000	1,809	18,000	30,436
Transaction and acquisition expenses	2,035	934	4,080	1,075	5,363
Amortization of unconsolidated joint venture basis differences	175	79	219	825	1,167
Realized performance income[(1)]	(2,546)	—	(2,742)	—	(675)
Adjusted EBITDA*re*	$ 89,234	$ 82,064	$ 179,507	$ 166,929	$ 329,419

(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;
- proceeds received from the disposition of properties;
- borrowings from our unsecured revolving credit facility and proceeds from debt financings;
- proceeds from any ATM offering activities;
- distributions received from our unconsolidated joint ventures; 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.

IMPACT OF THE UNDERWRITTEN IPO—On July 19, 2021, we closed our underwritten IPO, from which we received gross proceeds of $547.4 million. The underwritten IPO has allowed us access to forms of capital not previously available to us as follows:

- In October 2021, we settled the registered offering of $350 million aggregate principal amount of 2.625% senior notes, which resulted in gross proceeds of $345.4 million.
- In February 2022, we filed an automatically effective shelf registration statement on Form S-3 providing for the public offering and sale, from time to time, by us of our preferred stock, common stock, debt securities, depository shares, warrants, right, units, and guarantees of debt securities and by the Operating Partnership of its debt securities, in each case in unlimited amounts.
- In connection with our February 2022 Form S-3 filing, we commenced the ATM program through which we may offer and sell shares of our common stock having an aggregate offering price of up to $250 million. During the three months ended June 30, 2022, we issued 1.9 million shares of our common stock under the ATM program for net proceeds of $63.0 million, after approximately $0.6 million in commissions. As of June 30, 2022, $186.3 million of common stock remained available for issuance under the ATM program. In July 2022, we issued an additional 0.8 million shares of our common stock under the ATM program for net proceeds of $26.2 million, after approximately $0.3 million in commissions. We received a weighted-average price of $34.23 per share for the 2.6 million shares of commons stock sold under the ATM program through July 2022.

DEBT—The following table summarizes information about our debt as of June 30, 2022 and December 31, 2021 (dollars in thousands):

	June 30, 2022	December 31, 2021
Total debt obligations, gross	$ 1,895,109	$ 1,914,082
Weighted-average interest rate	3.2 %	3.3 %
Weighted-average term (in years)	4.9	5.2
Revolving credit facility capacity[1]	$ 800,000	$ 500,000
Revolving credit facility availability[2]	740,706	489,329

(1) The revolving credit facility matures in January 2026, extendable at our option to January 2027. In addition, the revolving credit facility also 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 2022, we amended our credit facility agreement to, among other things, increase the total amount available under our unsecured revolving credit facility from $500 million to $800 million. The unsecured revolving credit facility also 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. The unsecured revolving credit facility is scheduled to mature in January 2026, extendable at our option to January 2027. In addition to expanding the borrowing capacity, the Amendment replaces LIBOR with SOFR as the benchmark interest rate for the unsecured revolving credit facility and the two $240 million senior unsecured term loan tranches, maturing in November 2025 and July 2026.

The 2.625% senior notes issued by the Operating Partnership pursuant to an effective registration statement in October 2021 were, and debt securities of the Operating Partnership registered under our automatically effective shelf registration statement on Form S-3 filed in February 2022 will be, fully and unconditionally guaranteed by us. At June 30, 2022, the Operating Partnership had issued and outstanding its 2.625% senior notes. The obligations of the Operating Partnership to pay principal, premiums, if any, and interest on the 2.625% 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, 2022 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, 2022 and December 31, 2021 (in thousands):

	June 30, 2022	December 31, 2021
Net debt:		
Total debt, excluding discounts, market adjustments, and deferred financing expenses	$ 1,919,467	$ 1,941,504
Less: Cash and cash equivalents	25,072	93,109
Total net debt	$ 1,894,395	$ 1,848,395
Enterprise value:		
Net debt	$ 1,894,395	$ 1,848,395
Total equity market capitalization[1][2]	4,354,726	4,182,996
Total enterprise value	$ 6,249,121	$ 6,031,391

(1) Total equity market capitalization is calculated as diluted shares multiplied by the closing market price per share, which includes 130.3 million and 126.6 million diluted shares as of June 30, 2022 and December 31, 2021, respectively, and the closing market price per share of $33.41 and $33.04 as of June 30, 2022 and December 31, 2021, respectively.

(2) Fully diluted shares include common stock and OP units as of June 30, 2022 and Class B common stock, common stock, and OP units as of December 31, 2021.

The following table presents our calculation of net debt to Adjusted EBITDA*re* and net debt to total enterprise value as of June 30, 2022 and December 31, 2021 (dollars in thousands):

	June 30, 2022	December 31, 2021
Net debt to Adjusted EBITDA*re* - annualized:		
Net debt	$ 1,894,395	$ 1,848,395
Adjusted EBITDA*re* - annualized[1]	341,997	329,419
Net debt to Adjusted EBITDA*re* - annualized	5.5x	5.6x
Net debt to total enterprise value:		
Net debt	$ 1,894,395	$ 1,848,395
Total enterprise value	6,249,121	6,031,391
Net debt to total enterprise value	30.3%	30.6%

(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, 2022 and 2021, we had capital spend of $42.9 million and $30.2 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,	
	2022	2021
Capital expenditures for real estate:		
Capital improvements	$ 4,822	$ 3,101
Tenant improvements	11,924	9,557
Redevelopment and development	22,590	15,658
Total capital expenditures for real estate	39,336	28,316
Corporate asset capital expenditures	2,085	1,007
Capitalized indirect costs[1]	1,525	907
Total capital spending activity	$ 42,946	$ 30,230

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

We anticipate that obligations related to capital improvements, as well as redevelopment and development, in 2022 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 10%-12%. Our current in process projects represent an estimated total investment of $59.5 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.

ACQUISITION ACTIVITY—We are actively monitoring the commercial real estate market for properties that have future growth potential, are located in attractive demographic markets, and support our business objectives. We expect to continue to make strategic acquisitions during the remainder of 2022. The following table highlights our property acquisitions (dollars in thousands):

	Six Months Ended June 30,	
	2022	2021
Number of properties acquired	4	2
Number of outparcels acquired[1]	1	3
Contract price	$ 169,342	$ 40,190
Total price of acquisitions[2]	170,186	40,459

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

(2) Total price of acquisitions includes closing costs and credits.

DISPOSITION ACTIVITY—We continually evaluate our portfolio of assets for opportunities to make strategic dispositions of assets that no longer meet our growth and investment objectives or assets that have stabilized in order to capture their value. The following table highlights our property dispositions (dollars in thousands):

	Six Months Ended June 30,	
	2022	2021
Number of properties sold[1]	3	13
Number of outparcels sold[2]	2	1
Contract price	$ 28,342	$ 125,247
Proceeds from sale of real estate, net[3]	27,077	119,638
Gain on sale of property, net[4]	4,161	18,713

(1) We retained an outparcel for one property sold during the six months ended June 30, 2021, and therefore the sale did not result in a reduction in our total property count.

(2) During the six months ended June 30, 2021, the one outparcel sale included the only remaining portion of a property we previously owned; therefore, the sale resulted in a reduction in our total property count.

(3) Total proceeds from sale of real estate, net includes closing costs and credits.

(4) During the six months ended June 30, 2021, Gain on Disposal of Property, Net on the consolidated statements of operations includes miscellaneous write-off activity, which is not included in gain on sale of property, net, presented above.

DISTRIBUTIONS—We paid 2022 monthly distributions of $0.09 per share, or $1.08 annualized, for each month beginning January 2022 through July 2022. On August 3, 2022, our Board authorized a distribution for August 2022 of $0.09 per share to the stockholders of record at the close of business on August 15, 2022. OP unit holders will receive distributions at the same rate as common stockholders, subject to certain withholdings.

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, 2022, we had cash and cash equivalents and restricted cash of $43.7 million, a net cash decrease of $71.8 million during the six months ended June 30, 2022.

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

	Six Months Ended June 30,			
	2022	2021	$ Change	% Change[1]
Net cash provided by operating activities	$ 142,499	$ 129,897	$ 12,602	9.7 %
Net cash (used in) provided by investing activities	(185,893)	49,837	(235,730)	NM
Net cash used in financing activities	(28,448)	(200,270)	171,822	85.8 %

(1) Line items that result in a percent change that exceed certain limitations are considered not meaningful ("NM") and indicated as such.

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

- ***Property operations and working capital***—Most of our operating cash comes from rental and tenant recovery income and is offset by property operating expenses, real estate taxes, and general and administrative costs. The increase in property operations was primarily due to a $9.3 million, or 5.5%, improvement in same center NOI as compared to the same period in 2021, and the execution of our acquisition strategy. During the six months ended June 30, 2022, we had a net cash outlay of $3.7 million from changes in working capital as compared to a net cash inflow of $2.1 million during the same period in 2021. This change was primarily driven by higher bonus payments, lower receivables collections due to the stabilization of collections in 2022 compared to the recovery of prior year receivables in 2021, and the timing of interest payments, partially offset by the timing of real estate tax payments.

- ***Fee and management income***—We also generate operating cash from our third-party investment management business, pursuant to various management and advisory agreements between us and the Managed Funds. Our fee and management income was $7.2 million for the six months ended June 30, 2022, an increase of $2.6 million as compared to the same period in 2021. The increase in fees and management income was primarily due to our joint venture with NRP from which we recognized income of $2.7 million related to NRP's achievement of certain performance targets.

- ***Cash paid for interest***—During the six months ended June 30, 2022, we paid $34.1 million for interest, a decrease of $2.7 million over the same period in 2021, primarily due to our debt activity in 2021, including early repayments of debt outstanding.

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

- ***Real estate acquisitions***—During the six months ended June 30, 2022, our acquisitions resulted in a total cash outlay of $170.2 million, as compared to a total cash outlay of $40.5 million during the same period in 2021.

- ***Real estate dispositions***—During the six months ended June 30, 2022, our dispositions resulted in a net cash inflow of $27.1 million, as compared to a net cash inflow of $119.6 million during the same period in 2021.

- ***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, 2022, we paid $42.9 million for capital expenditures, an increase of $12.7 million over the same period in 2021, primarily due to an increase in tenant improvements owing largely to our leasing volume during 2022 and 2021.

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

- ***Debt borrowings and payments***—During the six months ended June 30, 2022, we had $20.6 million in net repayment of debt primarily as a result of early repayments of mortgage loans, partially offset by our net borrowings under our revolving credit facility. During the six months ended June 30, 2021, we had net payments of $66.2 million, primarily as a result of early repayments of mortgage loans.

- ***Distributions to stockholders and OP unit holders***—Cash used for distributions to common stockholders and OP unit holders increased $14.6 million for the six months ended June 30, 2022 as compared to the same period in 2021, primarily due to an increase in shares of common stock outstanding as a result of our underwritten IPO.
- ***Issuance of common stock—***During the six months ended June 30, 2022, we issued 1.9 million shares of our common stock under the ATM program for net proceeds of $63.0 million, after approximately $0.6 million in commissions.
- ***Share repurchases***—Cash outflows for share repurchases decreased by $77.8 million for the six months ended June 30, 2022 as compared to the same period in 2021, primarily as a result of a tender offer which was settled in January 2021.

CRITICAL ACCOUNTING ESTIMATES

"Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates" of our 2021 Annual Report on Form 10-K, filed with the SEC on February 16, 2022, 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 policies during 2022.

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 2021 Annual Report on Form 10-K filed with the SEC on February 16, 2022.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

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) under the Exchange Act) as of June 30, 2022. 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) under the Exchange Act) were effective as of June 30, 2022.

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2022, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

W 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 2021 Annual Report on Form 10-K filed with the SEC on February 16, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

UNREGISTERED SALE OF SECURITIES—During the three months ended June 30, 2022, we issued an aggregate of approximately 72,000 shares of common stock in redemption of approximately 72,000 OP units. 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—We did not have a publicly announced repurchase plan in effect during the three months ended June 30, 2022. The table below summarizes other repurchases of our common stock made during the three months ended June 30, 2022:

Period	Total Number of Shares Repurchased	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 Repurchased Under the Program
April 2022	—	$ —	—	N/A
May 2022[1]	3,150	34.99	—	N/A
June 2022	—	—	—	N/A

[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 which were repurchased at an aggregate purchase price of approximately $0.1 million (average price of $34.99 per share).

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
10.1		Credit Agreement among Phillips Edison Grocery Center Operating Partnership I, L.P., Phillips Edison & Company, Inc., the lenders party thereto, and PNC Bank, National Association as administrative agent, dated July 2, 2021	Form 8-K, filed July 2, 2021, Exhibit 10.1
10.2		First Amendment to the Credit Agreement among Phillips Edison Grocery Center Operating Partnership I, L.P., Phillips Edison & Company, Inc., the lenders party thereto, and PNC Bank, National Association as administrative agent, dated May 20, 2022.	Form 8-K, filed May 20, 2022, Exhibit 10.1
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

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: August 4, 2022	By:	*/s/ Jeffrey S. Edison* **Jeffrey S. Edison** *Chairman of the Board and Chief Executive Officer (Principal Executive Officer)*
Date: August 4, 2022	By:	*/s/ John P. Caulfield* **John P. Caulfield** *Executive Vice President, Chief Financial Officer, and Treasurer (Principal Financial Officer)*

Exhibit 22.1

List of Issuers of Guaranteed Securities

As of June 30, 2022, the following subsidiary was the issuer of the Senior Notes due 2031 guaranteed by Phillips Edison and 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: August 4, 2022

/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: August 4, 2022

/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, 2022, 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: August 4, 2022

/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, 2022, 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: August 4, 2022

/s/ John P. Caulfield

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