



PHILLIPS EDISON & COMPANY®

A photograph of a Kroger Food & Pharmacy store. The building is constructed of red brick with large glass windows. The 'Kroger' logo is prominently displayed in large, blue, three-dimensional letters, with 'FOOD & PHARMACY' in smaller red letters below it. In the foreground, there are several large potted plants and flowers. A red carpeted path leads to the entrance. A few people are visible near the entrance, and a shopping cart is being pushed. A 'STOP' sign is visible near the entrance. The sky is blue with some clouds.

Fourth Quarter and Full Year 2020 Results Presentation

March 12, 2021



AGENDA

PREPARED REMARKS

JEFF EDISON - Chairman and CEO

Portfolio Overview

COVID-19 Update

2020 Highlights

JOHN CAULFIELD - CFO

Financial Results

Balance Sheet

JEFF EDISON - Chairman and CEO

Outlook

Liquidity Commentary

QUESTION AND ANSWER SESSION



FORWARD-LOOKING STATEMENT DISCLOSURE

Certain statements contained in this presentation for Phillips Edison & Company, Inc. (the “Company,” or “PECO”) 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”). 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 U.S. Securities and Exchange Commission (“SEC”). Such statements include, but are not limited to, (a) statements about PECO’s focus, plans, strategies, initiatives, and prospects; (b) statements about the COVID-19 pandemic, including its duration and potential or expected impact on PECO’s tenants, our business, and PECO’s estimated value per share; (c) statements about a reverse stock split, PECO’s distributions, share repurchase program, and dividend reinvestment program; and (d) statements about PECO’s future results of operations, capital expenditures, and liquidity. Such statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from those projected or anticipated, including, without limitation: (i) changes in national, regional, or local economic climates; (ii) local market conditions, including an oversupply of space in, or a reduction in demand for, properties similar to those in PECO’s portfolio; (iii) vacancies, changes in market rental rates, and the need to periodically repair, renovate, and re-let space; (iv) changes in interest rates and the availability of permanent mortgage financing; (v) competition from other available properties and the attractiveness of properties in PECO’s portfolio to PECO’s tenants; (vi) the financial stability of tenants, including the ability of tenants to pay rent; (vii) changes in tax, real estate, environmental, and zoning laws; (viii) the concentration of PECO’s portfolio in a limited number of industries, geographies, or investments; (ix) the effects of the COVID-19 pandemic, including on the demand for consumer goods and services and levels of consumer confidence in the safety of visiting shopping centers as a result of the COVID-19 pandemic; (x) the measures taken by federal, state, and local government agencies and tenants in response to the COVID-19 pandemic, including mandatory business shutdowns, “stay-at-home” orders and social distancing guidelines; (xi) the impact of the COVID-19 pandemic on PECO’s tenants and their ability to pay rent on time or at all, or to renew their leases and, in the case of non-renewal, PECO’s ability to re-lease the space at the same or more favorable terms or at all; (xii) the length and severity of the COVID-19 pandemic in the United States; (xiii) the pace of recovery following the COVID-19 pandemic given the current severe economic contraction and increase in unemployment rates; (xiv) PECO’s ability to implement cost containment strategies; (xv) PECO and its tenants’ ability to obtain loans under government programs; (xvi) PECO’s ability to pay down, refinance, restructure, or extend its indebtedness as it becomes due; (xvii) to the extent PECO was seeking to dispose of properties in the near term, significantly greater uncertainty regarding its ability to do so at attractive prices or at all; (xviii) the impact of the COVID-19 pandemic on PECO’s business, results of operations, financial condition, and liquidity; (xix) supply chain disruptions due to the COVID-19 pandemic; and (xx) any of the other risks included in PECO’s SEC filings. Therefore, such statements are not intended to be a guarantee of PECO’s performance in future periods.

See Part I, Item 1A. Risk Factors of our 2020 Annual Report on Form 10-K, to be filed with the SEC on or before March 31, 2021, and any subsequent filings for a discussion of some of the risks and uncertainties, although not all of the risks and uncertainties, that could cause actual results to differ materially from those presented in PECO’s forward-looking statements. Except as required by law, PECO does not undertake any obligation to update or revise any forward-looking statements contained in this presentation.



PECO'S NATIONAL PORTFOLIO

97.3%

GROCERY-ANCHORED

31.7 million

SQUARE FEET

94.7%

TOTAL LEASED OCCUPANCY

88.9%

INLINE OCCUPANCY

\$12.89 / sq ft

TOTAL PORTFOLIO ABR

\$20.61 / sq ft

TOTAL INLINE ABR

\$67,000

AVERAGE 3-MILE HOUSEHOLD INCOME*

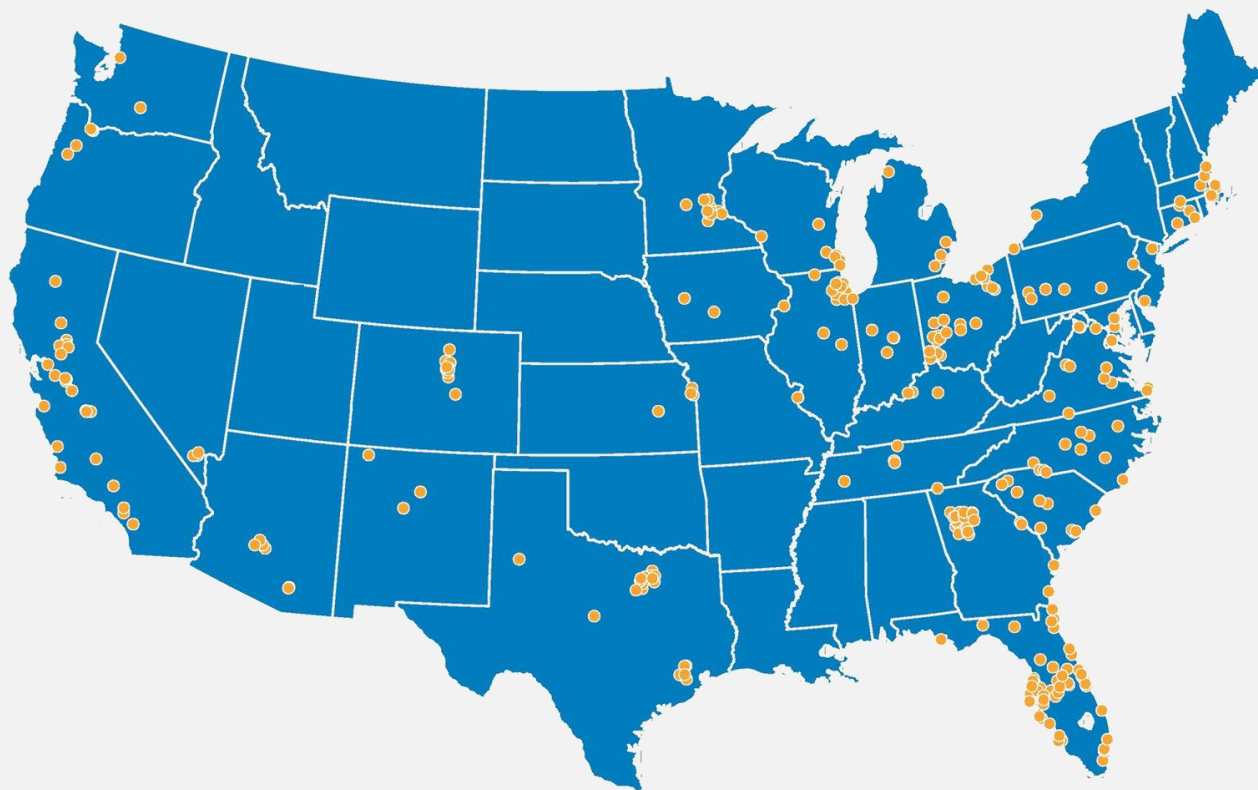
63,000

AVERAGE 3-MILE POPULATION*

76.3%

RENT FROM GROCER, NATIONAL
& REGIONAL NEIGHBORS*

Our national footprint of 283 wholly-owned shopping centers in 31 states is complemented by our local market expertise.



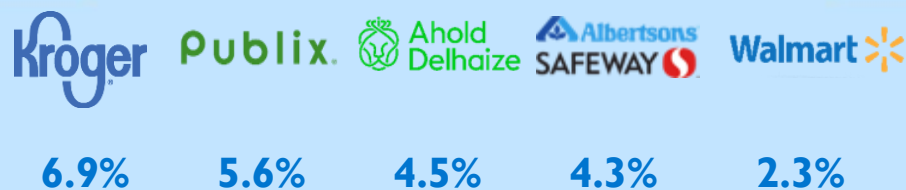
TOP 5 MARKETS*:

ATLANTA, CHICAGO, DALLAS, MINNEAPOLIS, DENVER

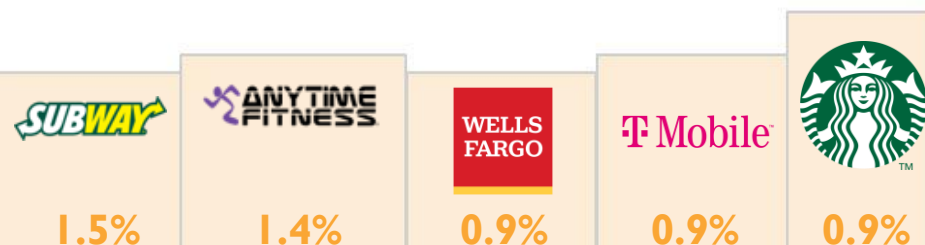


DIVERSE ROSTER OF NECESSITY- AND SERVICE-BASED NEIGHBORS

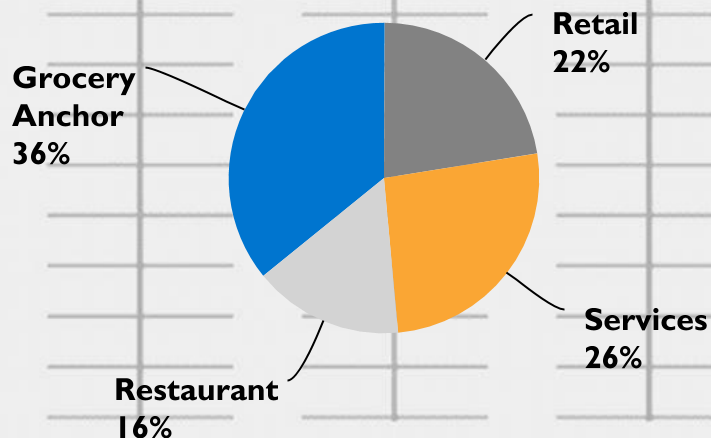
TOP 5 GROCERY ANCHORS & % OF TOTAL ABR*



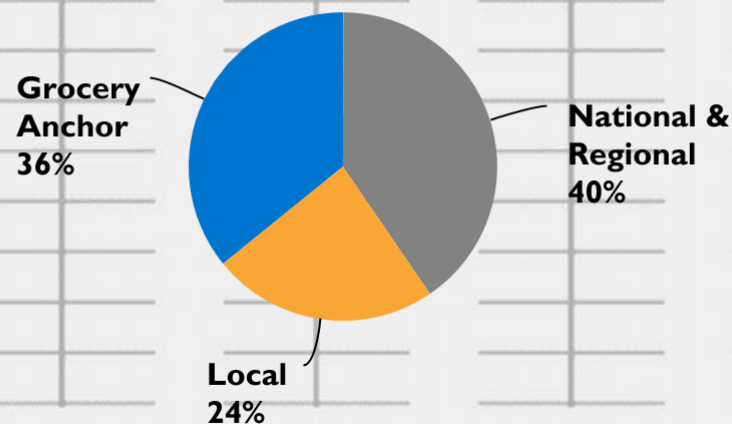
TOP 5 INLINE NEIGHBORS & % OF INLINE ABR*



ABR by Neighbor Industry*



ABR by Neighbor Type*





PECO'S RESILIENT PERFORMANCE DURING THE COVID-19 PANDEMIC

100% OF OUR CENTERS HAVE REMAINED OPEN THROUGHOUT THE PANDEMIC
98% OF OUR NEIGHBOR SPACES (99% OF OUR ABR) ARE OPEN FOR BUSINESS¹
LESS THAN 1% OF OUR NEIGHBORS CURRENTLY AFFECTED BY BANKRUPTCY

We currently have 79 projects completed or under construction to help our Neighbors:

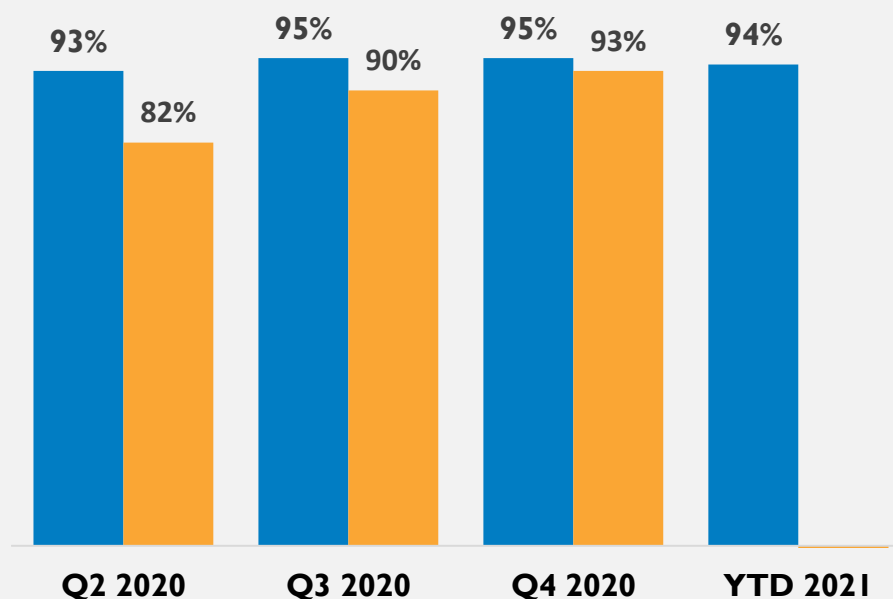
- Drive-thrus
- Walk-up windows
- Outdoor patios/dining spaces

This is in addition to 1,400 “Front Row To Go” parking spaces for easy pickup

Rent and Recoveries Collected^(2,3)

As a % of monthly billings

■ PECO ■ Peer Average



1. As of March 8, 2021.

2. Collections include monthly billings for rent and recoveries that were received through March 8, 2021.

3. Peers include: BRX, KIM, KRG, RPT, ROIC, RPAI, REG & VVRI. As of March 8, 2021. Peers have not all disclosed February collections data. Statistics are approximate and include pro rata ownership through joint ventures and exclude statistics related to properties that have since been disposed.

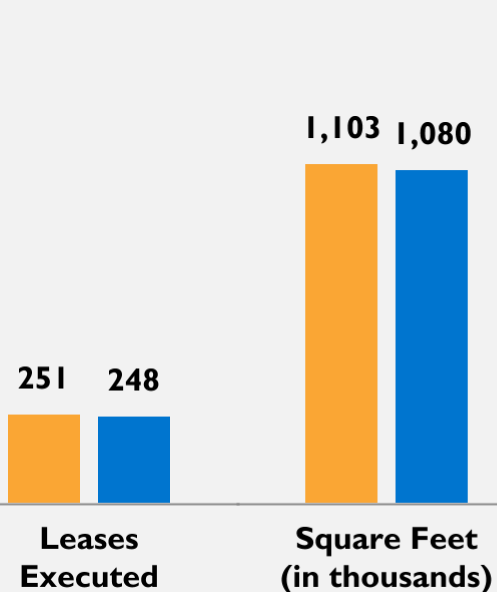


LEASING ACTIVITY ILLUSTRATES DEMAND FOR OUR BRICK-AND-MORTAR REAL ESTATE

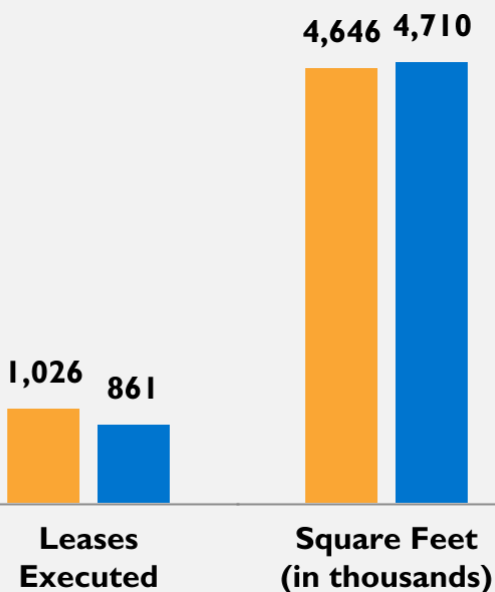
DEMAND FOR OUR WELL-LOCATED RETAIL SPACE HAS BEEN CONSISTENT EVEN DURING THE COVID-19 PANDEMIC

2019  2020 

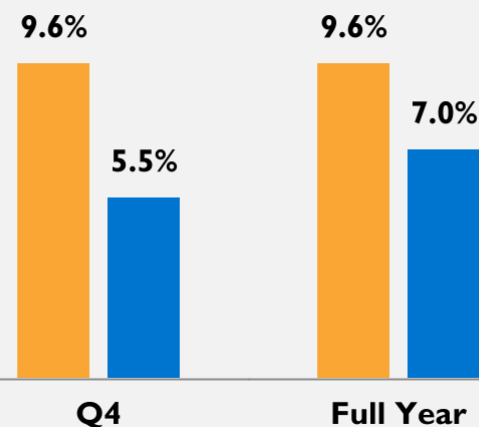
Fourth Quarter Leasing Activity



Full Year Leasing Activity



Comparable Leasing Spreads*





ADDITIONAL FULL YEAR 2020 HIGHLIGHTS

FULL YEAR 2020 HIGHLIGHTS (VS. 2019)

- Reported net income of \$5.5 million
- Same-center NOI decreased 4.1% to \$328.0 million
- Core FFO decreased 4.5% to \$220.4 million
- Core FFO per diluted share decreased to \$0.66 vs. \$0.70 last year
- Announced the resumption of monthly distributions at \$0.02833333 per share (or \$0.34 if annualized)
 - Distributions made in January 2021, February 2021 & March 2021
 - Declared for April 2021
- Completed a tender offer repurchasing approximately 13.5 million shares representing approximately 4% of equity outstanding for a total of approximately \$77.6 million



SAME-CENTER NOI⁽¹⁾ - FULL YEAR RESULTS

(in thousands)	Year Ended December 31,		Favorable (Unfavorable)	
	2020	2019	\$ Change	% Change
Revenues:				
Rental income ⁽²⁾	\$ 364,998	\$ 360,548	\$ 4,450	1.2 %
Tenant recovery income	122,835	120,870	1,965	1.6 %
Reserves for uncollectibility ⁽³⁾	(26,458)	(5,179)	(21,279)	NM
Other property income	2,609	2,552	57	2.2 %
Total revenues	463,984	478,791	(14,807)	(3.1)%
Operating expenses:				
Property operating expenses	70,270	70,208	(62)	(0.1)%
Real estate taxes	65,727	66,461	734	1.1 %
Total operating expenses	135,997	136,669	672	0.5 %
Total Same-Center NOI	\$ 327,987	\$ 342,122	\$ (14,135)	(4.1)%

1. Same-Center NOI represents the NOI for the 275 same-center properties that were wholly-owned and operational for the entire portion of both comparable reporting periods. For additional information, see PECO's reconciliation from Net Income (Loss) to NOI for real estate investments and Same-Center NOI in the appendix of this presentation.
2. Excludes straight-line rental income, net amortization of above- and below-market leases, and lease buyout income.
3. Includes billings that will not be recognized as revenue until cash is collected or the Neighbor resumes regular payments and/or is considered creditworthy.



FFO AND CORE FFO - FULL YEAR RESULTS

(in thousands, except per share amounts)	Year Ended December 31,		Favorable (Unfavorable)	
	2020	2019	\$ Change	% Change
Net income (loss)	\$ 5,462	\$ (72,826)	\$ 78,288	107.5 %
Adjustments ⁽¹⁾	216,219	289,836	(73,617)	(25.4)%
FFO Attributable to Stockholders and Convertible Noncontrolling Interests ⁽²⁾	221,681	217,010	4,671	2.2 %
Adjustments ⁽³⁾	(1,274)	13,856	(15,130)	(109.2)%
Core FFO	\$ 220,407	\$ 230,866	\$ (10,459)	(4.5)%
Diluted FFO Attributable to Stockholders and Convertible Noncontrolling Interests ⁽²⁾ /Share	\$ 0.66	\$ 0.66	\$ —	— %
Diluted Core FFO/Share	\$ 0.66	\$ 0.70	\$ (0.04)	(5.7)%

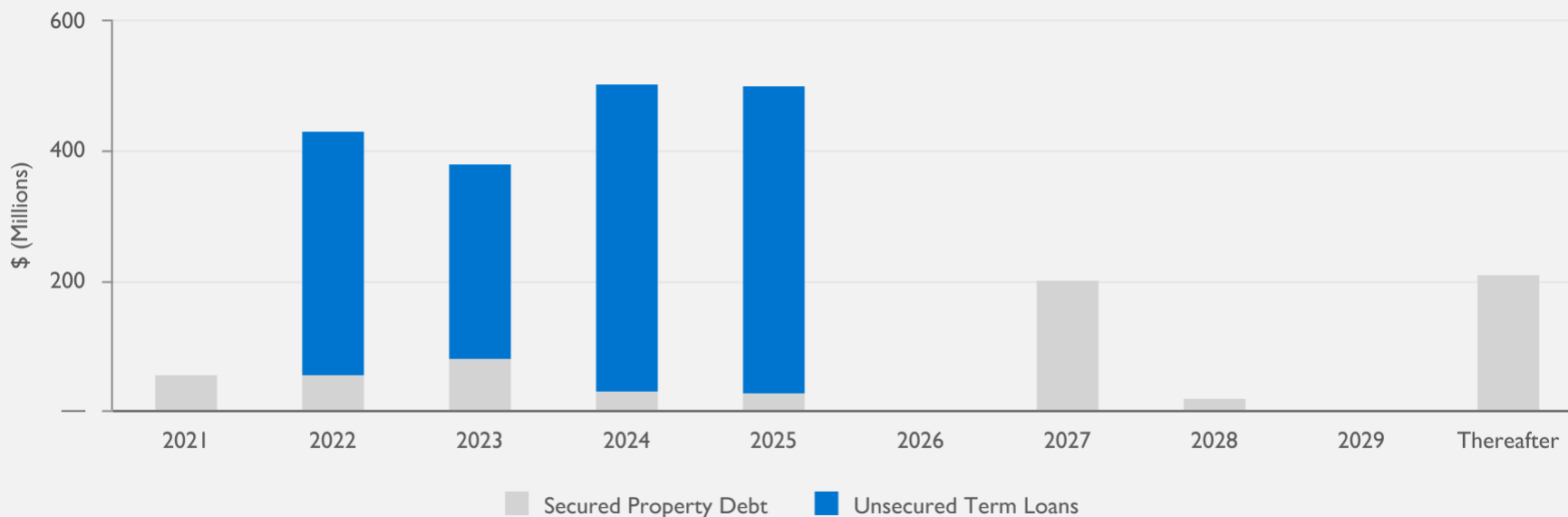
1. Adjustments include depreciation and amortization of real estate assets; adjustments for impairment losses on depreciable real estate; net gain/loss on disposal of property; adjustments related to unconsolidated joint ventures; and noncontrolling interests not convertible into common stock.
2. Convertible noncontrolling interests = Phillips Edison Grocery Center Operating Partnership I, L.P. operating partnership units ("OP units")
3. Adjustments include depreciation and amortization of corporate assets; change in fair value of earn-out liability; loss on extinguishment or modification of debt, net; amortization of unconsolidated joint venture basis differences; other impairment charges; and transaction and acquisition expenses.

* See Appendix for a complete reconciliation of Net Income (Loss) to FFO and Core FFO



DEBT PROFILE AND MATURITY LADDER

	December 31, 2020
Net Debt to Total Enterprise Value ⁽¹⁾	44.5%
Net Debt to Adjusted EBITDA ⁽²⁾	7.3x
Weighted-Average Interest Rate	3.1%
Weighted-Average Years to Maturity ⁽³⁾	4.1
Fixed-Rate Debt	74.8%
Approximate Availability Remaining on \$500M Line of Credit ⁽⁴⁾	\$490M

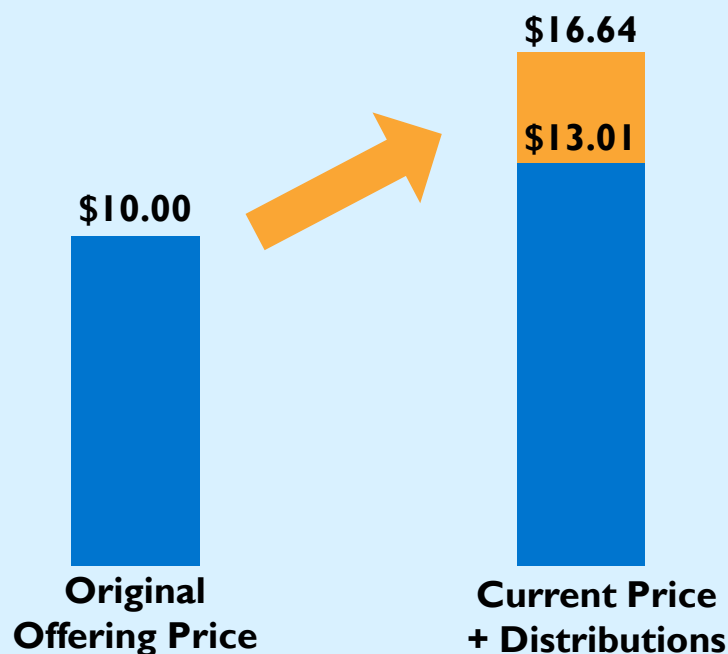


1. Inclusive of pro rata portion of net debt and cash and cash equivalents owned through joint ventures. Total equity value is calculated as the number of common shares and OP units outstanding multiplied by the estimated value per share ("EVPS") as of December 31, 2020. There were approximately 319.7 million diluted shares outstanding with an EVPS of \$8.75 as of December 31, 2020.
2. Adjusted EBITDA is based on a trailing twelve months. See our reconciliation from Net Income (Loss) to Adjusted EBITDA in the appendix of this presentation.
3. Excludes any extension options available.
4. Availability reduced by outstanding letters of credit.

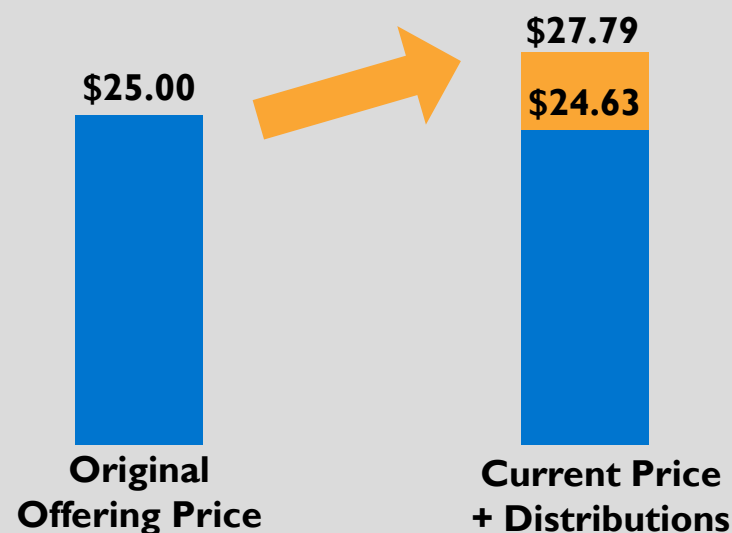


TOTAL RETURNS

Original PECO investors have seen a **total return between 30% and 66%** on their original investment, depending on investment timing and the treatment of distributions.⁽¹⁾



Original Phillips Edison Grocery Center REIT II investors have seen a **total return between -1% and 11%** on their original investment, depending on investment timing and the treatment of distributions.⁽²⁾

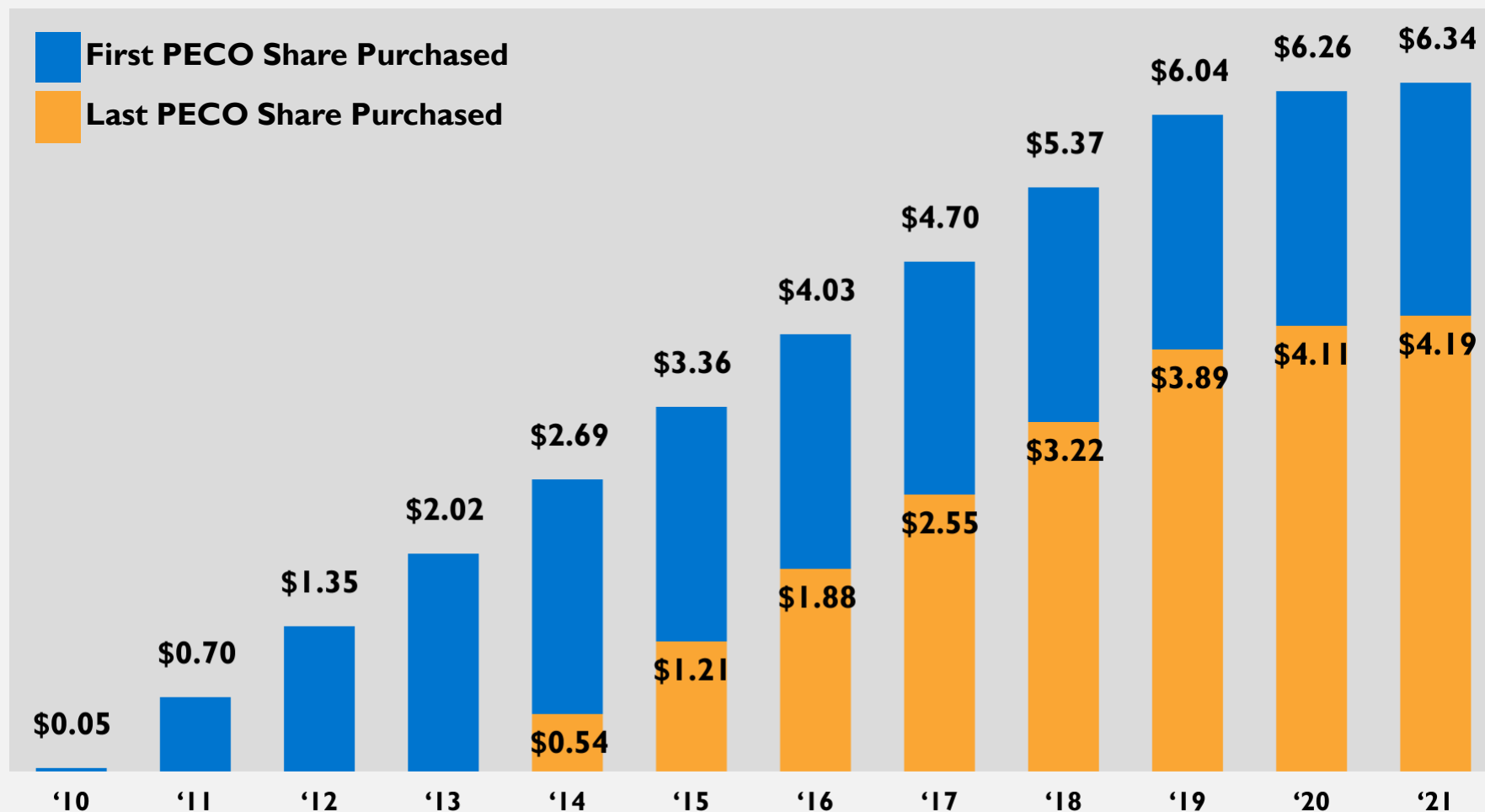


1. Assumes investment in PECO at \$10.00 per share at the end of the initial public offering, assuming distributions are taken in cash plus the current estimated value per share of \$8.75; and at the beginning of the offering, assuming distributions are reinvested plus the current estimated value per share of \$8.75.
2. Assumes investment in Phillips Edison Grocery Center REIT II, Inc. ("REIT II") at \$25.00 per share at the end of the initial public offering, assuming distributions are taken in cash plus the current estimated value per share of \$8.75; and at the beginning of the offering, assuming distributions are reinvested plus the current estimated value per share of \$8.75. Current price adjusted for merger into PECO where REIT II stockholders received 2.04 shares of PECO in exchange for each REIT II share.



STRONG TRACK RECORD OF STOCKHOLDER DISTRIBUTIONS

CUMULATIVE DISTRIBUTIONS PER SHARE





PECO: FOCUSED ON LONG-TERM GROWTH

1) GROCERY-ANCHORED CENTERS HAVE PROVEN RESILIENT

2) PECO'S FULLY-INTEGRATED PLATFORM OUT-PERFORMS

3) MAKE STRATEGIC INVESTMENTS TO DRIVE STOCKHOLDER VALUE

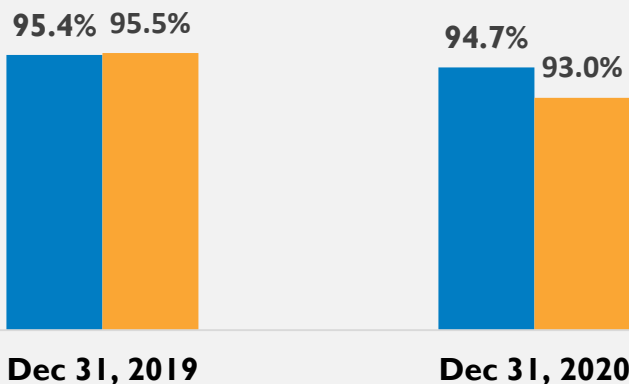
4) CAPITALIZE ON GROWTH OPPORTUNITIES



PECO: OUTPERFORMING PUBLIC PEERS

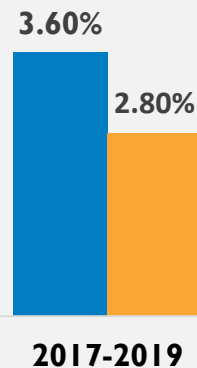
Leased Occupancy

■ PECO ■ Peer Average



Same Center NOI

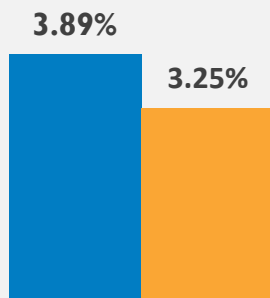
■ PECO ■ Peer Average



PECO 2020: -4.1%
Peer 2020 average: -8.2%

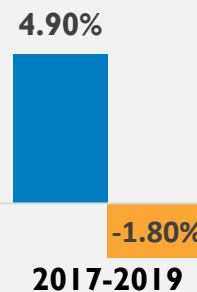
Current Dividend Yield⁽¹⁾

■ PECO ■ Peer Average



Core FFO Growth Per Share

■ PECO ■ Peer Average



PECO 2020: -5.7%
Peer 2020 average: -18.7%



POTENTIAL TAILWINDS ARE PRESENT

MICRO

- Strong financial performance pre-pandemic; resilient performance through 2020
- Leasing velocity showing positive signs
- Optimism around a return to 2019 levels

MACRO

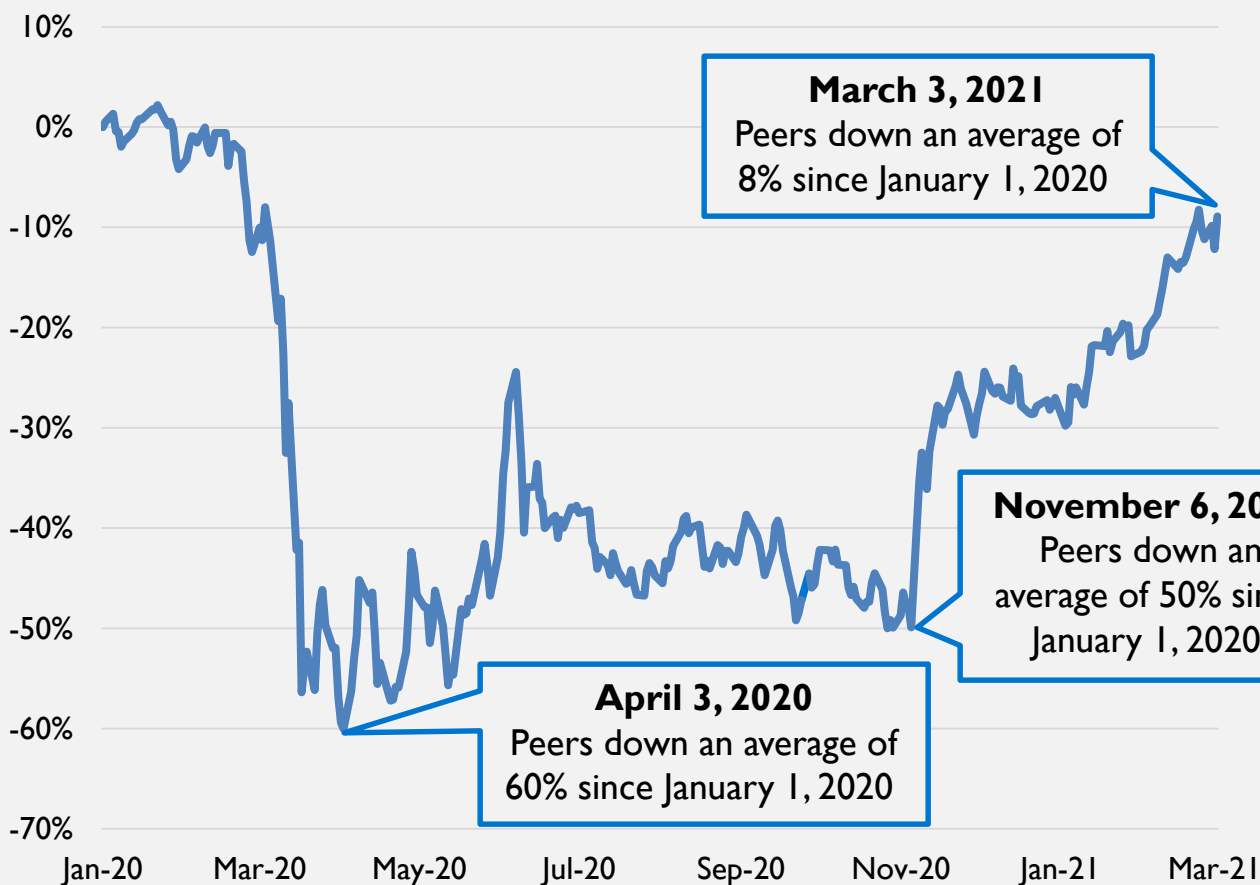
- Migration of people to suburbs and the Sunbelt
- Shift to work-from-home in the suburbs
- Emergence of supporting local businesses
- Amazon has committed to brick and mortar
- Retailer evolution to omnichannel
 - BOPIS continues to gain popularity (buy online, pick-up in store)
 - Neighborhood centers facilitate last mile delivery



IMPROVED PERFORMANCE OF OUR PUBLICLY TRADED PEERS' EQUITY

Average Share Price of Public Peers

Since January 1, 2020



PEER PREMIUM / DISCOUNT TO NAV⁽¹⁾

Range	(3.8)% - 7.6%
Median	4.8%
Mean	3.9%

- Our peers are trading at a median premium to NAV of 4.8%
- Positive trading performance attributed to vaccine developments, new economic stimulus programs, and optimism around a robust economic recovery



LIQUIDITY COMMENTARY

- Public markets have improved greatly since November 2020
- Positive movement could open up liquidity as options become more attractive
- Committed to providing liquidity at a reasonable value

ESTIMATED VALUE PER SHARE (“EVPS”) UPDATE

- We expect to update our EVPS in May 2021 when we report our Q1 2021 financials
- The updated EVPS will be based on our March 31, 2021 financials
- Timing is consistent with years past
- Hopeful to see a positive increase in the EVPS in May

EQUITY UPDATE

- The previously announced one-for-four reverse stock split has been delayed



QUESTION AND ANSWER SESSION

IF YOU ARE LOGGED INTO THE WEBCAST YOU CAN SUBMIT A QUESTION BY TYPING IT IN THE TEXT BOX AND CLICKING “SUBMIT QUESTION”

A screenshot of the Phillips Edison webcast interface. The top left features the Phillips Edison logo and the text "PHILLIPS EDISON". Below this are tabs for "Slides" and "Support". The main content area on the left shows a slide with a photograph of a building and a large orange arrow pointing to a text box with the text "TYPE YOUR QUESTION HERE". Below the text box is a white box with the text "PHILLIPS EDISON & COMPANY". On the right side of the interface, there is a video player with a speaker icon and a progress bar showing "00:00". Below the video player is a "Slide Navigation" section with instructions: "Use the drop down box, arrows or expand thumbnail images to navigate through the slide presentation." Below this is a text input field and two buttons: "Submit Question" and "Clear". At the bottom left, it says "©2018 Phillips Edison & Company". At the bottom right, it says "powered by CHORUSCALL".



FOR MORE INFORMATION

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INVESTORS AND NIGO SERVICING: (888) 518-8073

PECO ADVISOR SERVICES: (833) 347-5717

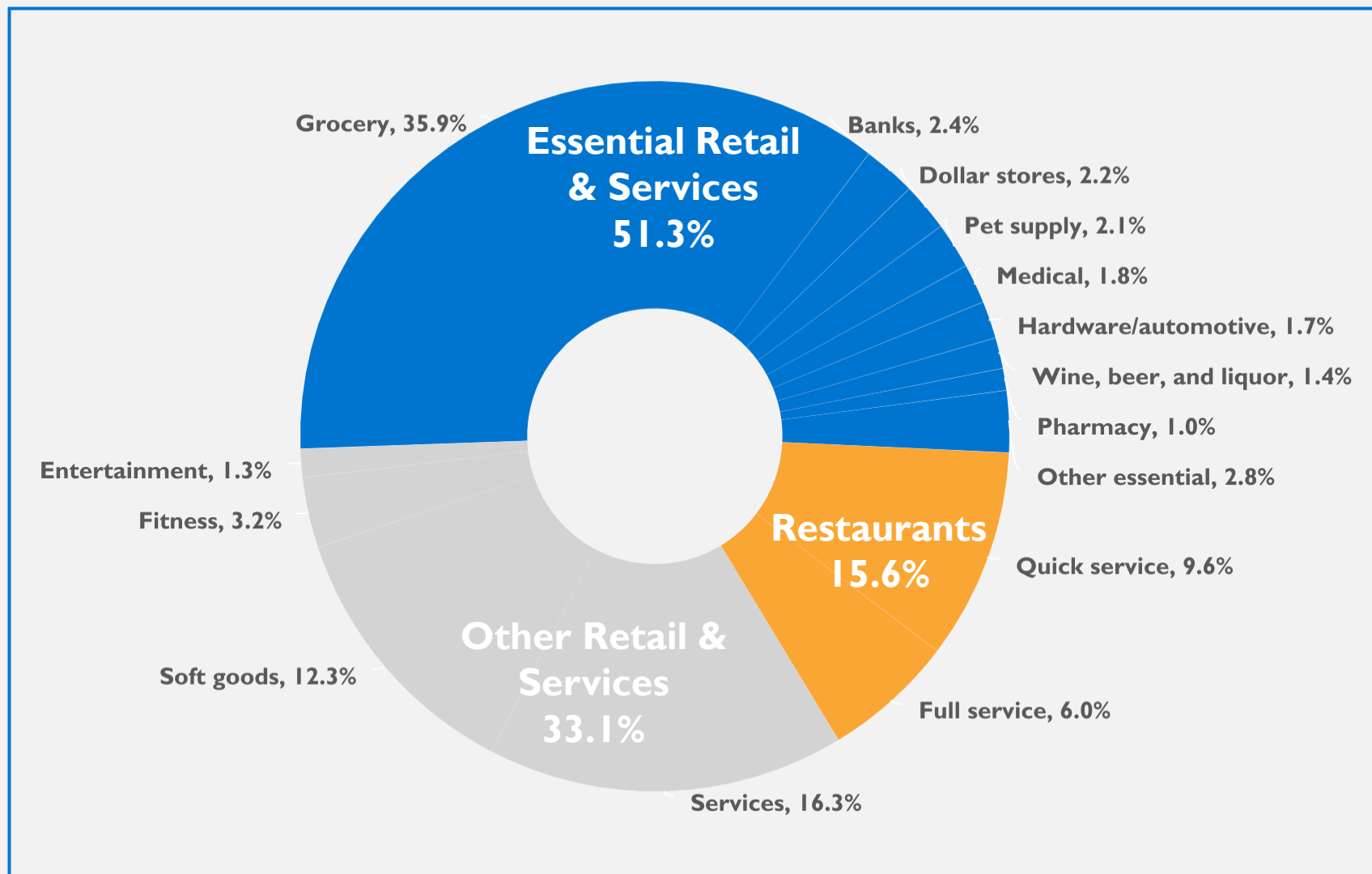
PECO uses, and intends to continue to use, its Investors website, which can be found at www.phillipsedison.com/investors, as a means of disclosing material nonpublic information and for complying with its disclosure obligations under Regulation FD.

APPENDIX





PECO PORTFOLIO AND NEIGHBOR DETAILS BY ABR





NON-GAAP MEASURES

PECO presents Same-Center NOI as a supplemental measure of its performance. PECO defines NOI as total operating revenues, adjusted to exclude non-cash revenue items, less property operating expenses and real estate taxes. For the three months and years ended December 31, 2020 and 2019, Same-Center NOI represents the NOI for the 275 properties that were wholly-owned and operational for the entire portion of both comparable reporting periods. PECO believes Same-Center NOI provides useful information to its investors about PECO's financial and operating performance because it provides a performance measure of the revenues and expenses directly involved in owning and operating real estate assets and provides a perspective not immediately apparent from net income (loss). Because Same-Center NOI excludes the change in NOI from properties acquired or disposed of after December 31, 2018, it highlights operating trends such as occupancy levels, rental rates, and operating costs on properties that were operational for both comparable periods. Other REITs may use different methodologies for calculating Same-Center NOI, and accordingly, PECO's Same-Center NOI may not be comparable to other REITs.

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



NON-GAAP MEASURES

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

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net (loss) income	\$ (12,754)	\$ 4,861	\$ 5,462	\$ (72,826)
Adjusted to exclude:				
Fees and management income	(2,314)	(2,602)	(9,820)	(11,680)
Straight-line rental income ⁽¹⁾	(192)	(1,974)	(3,356)	(9,079)
Net amortization of above- and below-market leases	(779)	(919)	(3,173)	(4,185)
Lease buyout income	(265)	(78)	(1,237)	(1,166)
General and administrative expenses	11,242	10,238	41,383	48,525
Depreciation and amortization	55,987	57,850	224,679	236,870
Impairment of real estate assets	2,423	12,767	2,423	87,393
Interest expense, net	19,986	27,023	85,303	103,174
Loss (gain) on disposal of property, net	2,122	(17,267)	(6,494)	(28,170)
Other expense (income), net	320	(800)	(9,245)	676
Property operating expenses related to fees and management income	3,512	1,093	6,098	6,264
NOI for real estate investments	79,288	90,192	332,023	355,796
Less: Non-same-center NOI ⁽²⁾	(335)	(2,880)	(4,036)	(13,674)
Total Same-Center NOI	\$ 78,953	\$ 87,312	\$ 327,987	\$ 342,122

1. Includes straight-line rent adjustments for Neighbors deemed to be non-creditworthy.

2. Includes operating revenues and expenses from non-same-center properties which includes properties acquired or sold and corporate activities.



NON-GAAP MEASURES

Funds from Operations and Core Funds from Operations

FFO is a non-GAAP performance financial measure that is widely recognized as a measure of REIT operating performance. The National Association of Real Estate Investment Trusts (“Nareit”) defines FFO as net income (loss) computed in accordance with GAAP, excluding gains (or losses) from sales of property and gains (or losses) from change in control, plus depreciation and amortization, and after adjustments for impairment losses on real estate and impairments of in-substance real estate investments in investees that are driven by measurable decreases in the fair value of the depreciable real estate held by the unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. PECO calculates FFO Attributable to Stockholders and Convertible Noncontrolling Interests in a manner consistent with the Nareit definition, with an additional adjustment made for noncontrolling interests that are not convertible into common stock.

Core FFO is an additional performance financial measure used by PECO as FFO includes certain non-comparable items that affect PECO’s performance over time. PECO believes that Core FFO is helpful in assisting management and investors with the assessment of the sustainability of operating performance in future periods. PECO believes it is more reflective of its core operating performance and provides an additional measure to compare its performance across reporting periods on a consistent basis by excluding items that may cause short-term fluctuations in net income (loss). To arrive at Core FFO, PECO adjusts FFO attributable to stockholders and convertible noncontrolling interests to exclude certain recurring and non-recurring items including, but not limited to, depreciation and amortization of corporate assets, changes in the fair value of the earn-out liability, amortization of unconsolidated joint venture basis differences, gains or losses on the extinguishment or modification of debt, other impairment charges, and transaction and acquisition expenses.

FFO, FFO Attributable to Stockholders and Convertible Noncontrolling Interests, and Core FFO should not be considered alternatives to net income (loss) under GAAP, as an indication of PECO’s liquidity, nor as an indication of funds available to cover PECO’s cash needs, including its ability to fund distributions. Core FFO may not be a useful measure of the impact of long-term operating performance on value if PECO does not continue to operate its business plan in the manner currently contemplated.

Accordingly, FFO, FFO Attributable to Stockholders and Convertible Noncontrolling Interests, 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. PECO’s FFO, FFO Attributable to Stockholders and Convertible Noncontrolling Interests, and Core FFO, as presented, may not be comparable to amounts calculated by other REITs.



NON-GAAP MEASURES

The table below presents PECO's calculation of FFO, FFO Attributable to Stockholders and Convertible Noncontrolling Interests⁽¹⁾, and Core FFO and provides additional information related to its operations (in thousands, except per share amounts):

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Calculation of FFO Attributable to Stockholders and Convertible Noncontrolling Interests				
Net (loss) income	\$ (12,754)	\$ 4,861	\$ 5,462	\$ (72,826)
Adjustments:				
Depreciation and amortization of real estate assets	54,450	56,522	218,738	231,023
Impairment of real estate assets	2,423	12,767	2,423	87,393
Loss (gain) on disposal of property, net	2,122	(17,267)	(6,494)	(28,170)
Adjustments related to unconsolidated joint ventures	(208)	(420)	1,552	(128)
FFO attributable to the Company	46,033	56,463	221,681	217,292
Adjustments attributable to noncontrolling interests not convertible into common stock	—	(8)	—	(282)
FFO attributable to stockholders and convertible noncontrolling interests	\$ 46,033	\$ 56,455	\$ 221,681	\$ 217,010
Calculation of Core FFO				
FFO attributable to stockholders and convertible noncontrolling interests	\$ 46,033	\$ 56,455	\$ 221,681	\$ 217,010
Adjustments:				
Depreciation and amortization of corporate assets	1,537	1,328	5,941	5,847
Change in fair value of earn-out liability	—	—	(10,000)	(7,500)
Other impairment charges	359	—	359	9,661
Amortization of unconsolidated joint venture basis differences	616	976	1,883	2,854
(Gain) loss on extinguishment or modification of debt, net	(69)	2,238	4	2,238
Transaction and acquisition expenses	328	202	539	598
Other	—	1	—	158
Core FFO	\$ 48,804	\$ 61,200	\$ 220,407	\$ 230,866
FFO Attributable to Stockholders and Convertible Noncontrolling Interests per share and Core FFO per share				
FFO attributable to stockholders and convertible noncontrolling interests per share - diluted	\$ 0.14	\$ 0.17	\$ 0.66	\$ 0.66
Core FFO per share - diluted ⁽²⁾	\$ 0.15	\$ 0.19	\$ 0.66	\$ 0.70

1. Convertible noncontrolling interests = Phillips Edison Grocery Center Operating Partnership I, L.P. OP units.

2. Restricted stock awards were dilutive to FFO Attributable to Stockholders and Convertible Noncontrolling Interests per share and Core FFO per share for the three months and years ended December 31, 2020 and 2019, and, accordingly, their impact was included in the weighted-average common shares used in their respective per share calculations. For the three months ended December 31, 2020 and for the year ended December 31, 2019, restricted stock units had an anti-dilutive effect upon the calculation of earnings per share and thus were excluded.



NON-GAAP MEASURES

(in thousands, except per share amounts)	Three Months Ended December 31,		Favorable (Unfavorable)	
	2020	2019	\$ Change	% Change
Net (loss) income	\$ (12,754)	\$ 4,861	\$ (17,615)	(362.4)%
Adjustments ⁽¹⁾	58,787	51,594	7,193	13.9 %
FFO Attributable to Stockholders and Convertible Noncontrolling Interests	46,033	56,455	(10,422)	(18.5)%
Adjustments ⁽²⁾	2,771	4,745	(1,974)	(41.6)%
Core FFO	\$ 48,804	\$ 61,200	\$ (12,396)	(20.3)%
Diluted FFO Attributable to Stockholders and Convertible Noncontrolling Interests/Share	\$ 0.14	\$ 0.17	\$ (0.03)	(17.6)%
Diluted Core FFO/Share	\$ 0.15	\$ 0.19	\$ (0.04)	(21.1)%

1. Adjustments include depreciation and amortization of real estate assets, adjustments for impairment losses on depreciable real estate, net gain/loss on disposal of property, adjustments related to unconsolidated joint ventures, and noncontrolling interests not convertible into common stock.
2. Adjustments include depreciation and amortization of corporate assets; change in fair value of earn-out liability; loss on extinguishment or modification of debt, net; amortization of unconsolidated joint venture basis differences; other impairment charges; and transaction and acquisition expenses.



NON-GAAP MEASURES

Earnings Before Interest, Taxes, Depreciation, and Amortization for Real Estate (“EBITDAre”) and Adjusted EBITDAre

Nareit defines EBITDAre as net income (loss) computed in accordance with GAAP before (i) interest expense, (ii) income tax expense, (iii) depreciation and amortization, (iv) gains or losses from disposition of depreciable property, and (v) impairment write-downs of depreciable property. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect EBITDAre on the same basis.

Adjusted EBITDAre is an additional performance measure used by PECO as EBITDAre includes certain non-comparable items that affect PECO’s performance over time. To arrive at Adjusted EBITDAre, PECO excludes certain recurring and non-recurring items from EBITDAre, including, but not limited to: (i) changes in the fair value of the earn-out liability; (ii) other impairment charges; (iii) amortization of basis differences in PECO’s investments in its unconsolidated joint ventures; and (iv) transaction and acquisition expenses.

PECO has included the calculation of EBITDAre to better align with publicly traded REITs. PECO uses EBITDAre and Adjusted EBITDAre as additional measures of operating performance which allow PECO to compare earnings independent of capital structure, determine debt service and fixed cost coverage, and measure enterprise value. Additionally, PECO believes they are a useful indicator of PECO’s ability to support its debt obligations. EBITDAre and Adjusted EBITDAre should not be considered as alternatives to net income (loss), as an indication of PECO’s liquidity, nor as an indication of funds available to cover PECO’s cash needs, including its ability to fund distributions. Accordingly, EBITDAre and Adjusted EBITDAre should be reviewed in connection with other GAAP measurements, and should not be viewed as more prominent measures of performance than net income (loss) or cash flows from operations prepared in accordance with GAAP. PECO’s EBITDAre and Adjusted EBITDAre, as presented, may not be comparable to amounts calculated by other REITs.



NON-GAAP MEASURES

The following table presents PECO's calculation of EBITDAre and Adjusted EBITDAre and provides additional information related to its operations (in thousands):

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Calculation of EBITDAre				
Net (loss) income	\$ (12,754)	\$ 4,861	\$ 5,462	\$ (72,826)
Adjustments:				
Depreciation and amortization	55,987	57,850	224,679	236,870
Interest expense, net	19,986	27,023	85,303	103,174
Loss (gain) on disposal of property, net	2,122	(17,267)	(6,494)	(28,170)
Impairment of real estate assets	2,423	12,767	2,423	87,393
Federal, state, and local tax expense	109	268	491	785
Adjustments related to unconsolidated joint ventures	193	173	3,355	2,571
EBITDAre	\$ 68,066	\$ 85,675	\$ 315,219	\$ 329,797
Calculation of Adjusted EBITDAre				
EBITDAre	\$ 68,066	\$ 85,675	\$ 315,219	\$ 329,797
Adjustments:				
Change in fair value of earn-out liability	—	—	(10,000)	(7,500)
Other impairment charges	359	—	359	9,661
Transaction and acquisition expenses	328	202	539	598
Amortization of unconsolidated joint venture basis differences	616	976	1,883	2,854
Adjusted EBITDAre	\$ 69,369	\$ 86,853	\$ 308,000	\$ 335,410



NON-GAAP MEASURES

The following table presents PECO's calculation of net debt and total enterprise value, inclusive of PECO's prorated portion of net debt and cash and cash equivalents owned through joint ventures as of December 31, 2020 and 2019 (dollars in thousands):

	December 31, 2020	December 31, 2019
Net debt:		
Total debt, excluding market adjustments and deferred financing expenses	\$ 2,345,620	\$ 2,421,520
Less: Cash and cash equivalents	104,952	18,376
Total net debt	\$ 2,240,668	\$ 2,403,144
Enterprise value:		
Total net debt	\$ 2,240,668	\$ 2,403,144
Total equity value ⁽¹⁾	2,797,234	3,682,161
Total enterprise value	\$ 5,037,902	\$ 6,085,305

1. Total equity value is calculated as the number of common shares and OP units outstanding multiplied by the EVPS at the end of the period. There were 319.7 million diluted shares outstanding with an EVPS of \$8.75 as of December 31, 2020 and 331.7 million diluted shares outstanding with an EVPS of \$11.10 as of December 31, 2019.



NON-GAAP MEASURES

The following table presents our calculation of net debt to Adjusted EBITDAre and net debt to total enterprise value as of December 31, 2020 and 2019 (dollars in thousands):

	December 31, 2020	December 31, 2019
Net debt to Adjusted EBITDAre - annualized:		
Net debt	\$ 2,240,668	\$ 2,403,144
Adjusted EBITDAre - annualized ⁽¹⁾	308,000	335,410
Net debt to Adjusted EBITDAre - annualized	7.3 x	7.2 x
Net debt to total enterprise value		
Net debt	\$ 2,240,668	\$ 2,403,144
Total enterprise value	5,037,902	6,085,305
Net debt to total enterprise value	44.5 %	39.5 %

I. Adjusted EBITDAre is annualized based on trailing twelve months.