PHILLIPS EDISON & COMPANY

Q2 2021 Investor Presentation

Grocery Centered.
Community Focused.

Disclaimer / Forward-Looking Disclosure

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Certain statements contained in this presentation of Phillips Edison & Company, Inc. (the "Company") other than historical facts may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in those acts. Such forward-looking statements can generally be identified by the Company's use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue," "seek," "objective," "goal," "strategy," "plan," "focus," "priority," "should," "could," "potential," "possible," "look forward," "optimistic," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this report is filed with the U.S. Securities and Exchange Commission ("SEC"). Such statements include, in particular, statements about the Company's plans, strategies, and prospects, and are subject to certain risks and uncertainties, including known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. These risks include, without limitation, (i) changes in national, regional, or local economic climates; (ii) local market conditions, including an oversupply of space in, or a reduction in demand for, properties similar to those in the Company's portfolio; (iii) vacancies, changes in market rental rates, and the need to periodically repair, renovate, and re-let space; (iv) changes in interest rates and the availability of permanent mortgage financing; (v) competition from other available properties and the attractiveness of properties in the Company's portfolio to its 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 the Company's portfolio in a limited number of industries, geographies, or investments; and (ix) any of the other risks included in the Company's SEC filings. Therefore, such statements are not intended to be a guarantee of the Company's performance in future periods.

Additional important factors that could cause actual results to differ are described in the filings made from time to time by the Company with the SEC and include the risk factors and other risks and uncertainties described in the Company's 2020 Annual Report on Form 10-K, filed with the SEC on March 12, 2021, and the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, filed on August 5, 2021, in each case as updated from time to time in the Company's periodic and/or current reports filed with the SEC, which are accessible on the SEC's website at www.sec.gov. Except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statements contained in this release.

Nasdaq: PECO
Key Stats as of August 11, 2021

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Market Capitalization	$3.8B
Total Enterprise Value	$5.6B
Total Shares Outstanding (Diluted)	126.6M shares
Share Price	$30.55 per share[(1)]
Dividend | Yield	$1.02 annualized dividend per share | 3.3% yield [(1)]
Public Float	15.4% of TSO (19.55 M shares)
Management Ownership	7%
First Day of Trading (Nasdaq)	July 15, 2021
IPO Details	Issued 19.55M shares at $28.00 per share generating $547.4M of gross proceeds IPO closed July 19, 2021; Overallotment fully exercised July 29, 2021
IPO Lock-Up	The lockup for PECO management, directors, associates, and existing shareholders expires on January 15, 2022[(2)]

Notes:
1. The share price of PECO's Common Stock as of market close on Wednesday, August 11, 2021. Dividends are not guaranteed and are determined periodically by the PECO Board of Directors.
2. PECO's Class B Common Stock will automatically convert into PECO's Nasdaq-listed Common Stock on January 15, 2022. Shares can be traded into the open market or transferred into a brokerage account the following business day, which is Tuesday, January 18, 2022.

Phillips Edison & Company: Our Mission Statement

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We Create Great Omni-Channel Grocery-Anchored Shopping Experiences and Improve Our Communities One Center at a Time

Grocery Centered.
Community Focused.

We are an experienced owner and operator exclusively focused on grocery-anchored neighborhood shopping centers over our 30-year history; we own and manage a portfolio of 294 properties, including 272 wholly-owned properties[1]

Notes:
1. As of June 30, 2021

Why Phillips Edison?

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DIFFERENTIATED FOCUSED STRATEGY: GROCERY-ANCHORED NEIGHBORHOOD SHOPPING CENTERS

INTEGRATED OPERATING PLATFORM

TARGETED PORTFOLIO

SUPERIOR FINANCIAL AND OPERATIONAL PERFORMANCE

Our Differentiated Strategy

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Exclusively Focused on Omni-Channel Grocery-Anchored Neighborhood Shopping Centers

Key Elements of Our Strategy

- ✓ #1 or #2 Grocery Anchor by Sales (86% of ABR)
- ✓ 96% of ABR from Omni-Channel Grocery-Anchored Centers
- ✓ Format Drives Results: Right-Sized Centers (113k SF Avg.) with Strategic Neighborhood Locations
- ✓ Ecommerce Resistant: 73% ABR Necessity-Based Goods and Services
- ✓ Last Mile Solution for Necessity-Based and Essential Retailers
- ✓ Targeted Trade Areas Where Leading Grocers and Small Shop Neighbors Are Successful

A Typical PECO Center: MetroWest Village

Our Assets Check All the Boxes

Why Grocery-Anchored Centers?

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Necessity-Based

- Consumer staple goods and services that are indispensable for day-to-day living
  - 73% of PECO ABR from necessity-based goods and services retailers [(1)]
- Recession-resistant across multiple cycles
- Highly resilient with minimal exposure to distressed retailers; < 1% of ABR from 15 largest retail bankruptcies of 2020 [(1)]

High Traffic

- U.S. consumers visit grocery stores 1.6 times per week [(2)]
- Over 19,000 average total trips per week to each PECO center [(3)]
- We believe strong foot traffic benefits inline Neighbor sales and enhances our ability to increase rents

Omni-Channel

- PECO centers are a critical component of our Neighbors' omni-channel strategies and provide an attractive last-mile solution
  - ~91% of portfolio with *Front Row To Go*™ curbside pick-up program [(4)]
  - ~87% of PECO grocers offer BOPIS option (Buy Online, Pick-Up In Store)[(4)]
- Economics of e-grocery delivery remain unattractive

Notes:
1. % of ABR as of 6/30/2021
2. The Food Marketing Institute; data as of 2019
3. During 2020
4. Estimate as of 3/31/2021

Why Grocery-Anchored Centers?
The Bright Spot in the U.S. Retail Landscape

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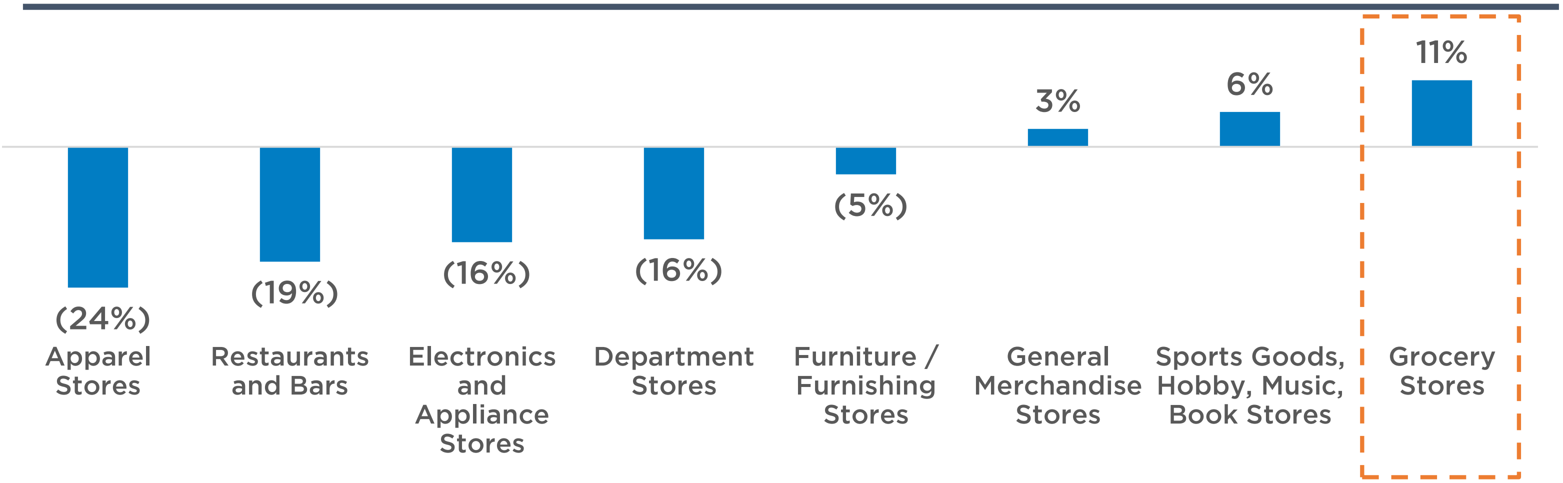
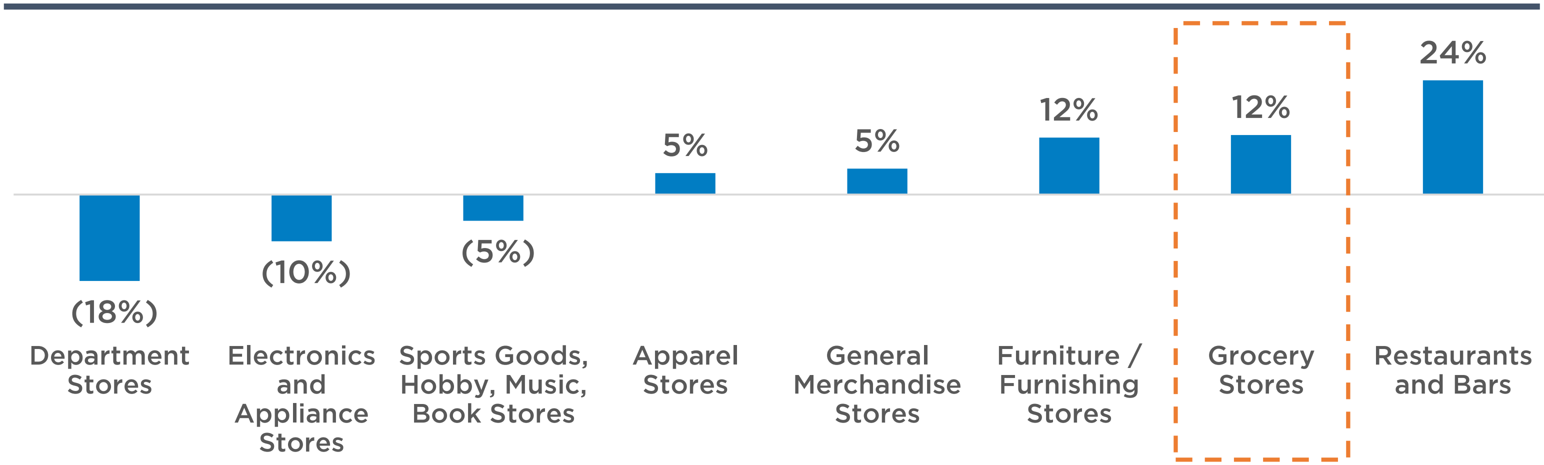
Grocery Demonstrated Strong Performance Both During COVID-19 and Throughout Years Before, Despite Upheaval Affecting Other Retail Segments

U.S. Retail Sales – 2020 YoY Growth / (Decline)



Grocery Sales, Q1 '21 vs. Q1 '19: +14%

U.S. Retail Sales – 2015 Through 2019 Total Growth / (Decline)



Source: U.S. Census Bureau

Why Grocery-Anchored Centers?
Strongly Resistant to Ecommerce

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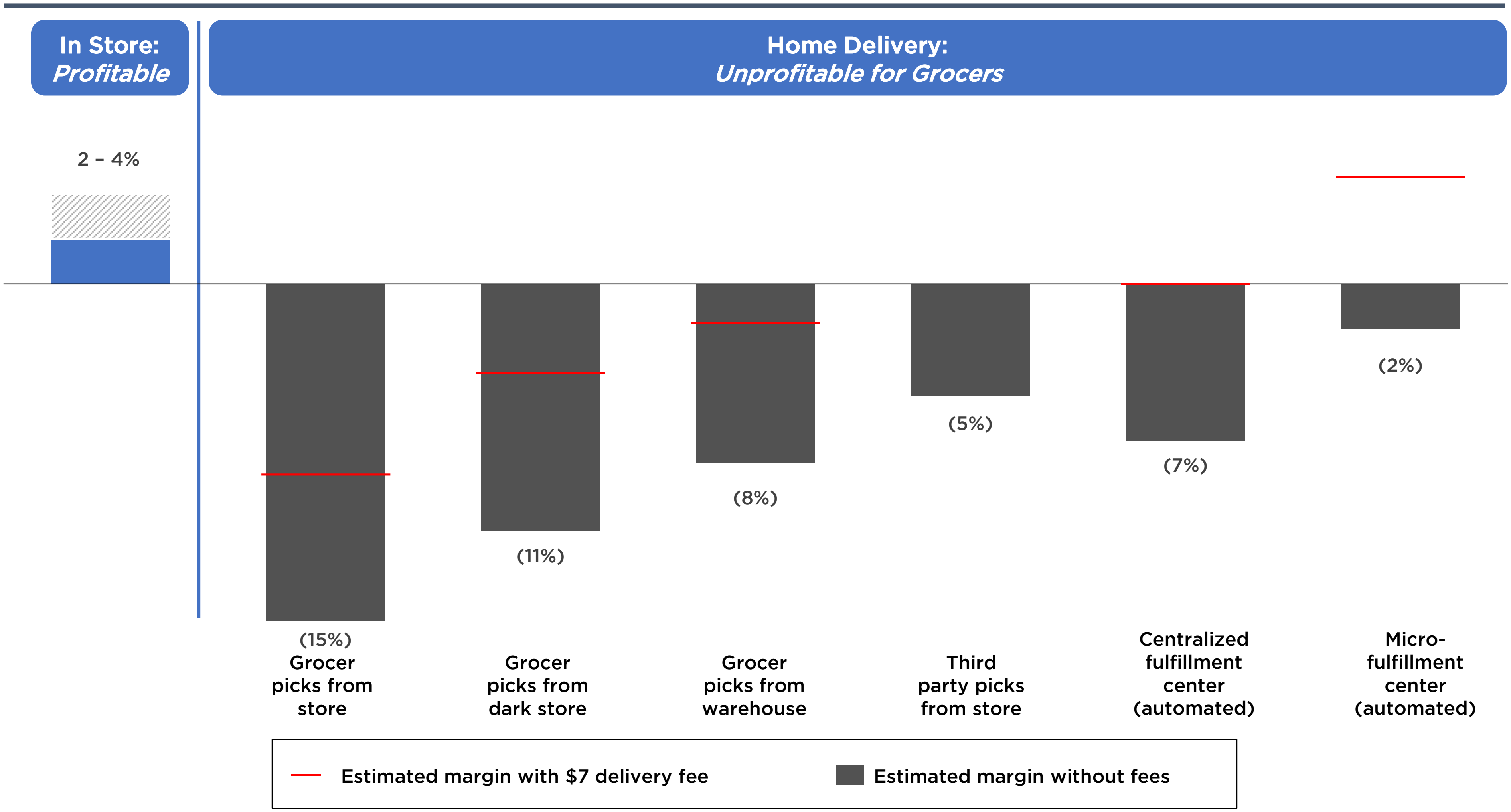
Grocery Home Delivery Is Uneconomical Across a Wide Range of Strategies – Brick & Mortar Remains Critical



Source: Bain & Company
Used with permission from Bain & Company (www.bain.com)

Focus on Targeted Trade Areas Across a Broad National Footprint

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Substantial Scale with a Targeted Trade Area Focus; ~50% of ABR from Sun Belt [1]

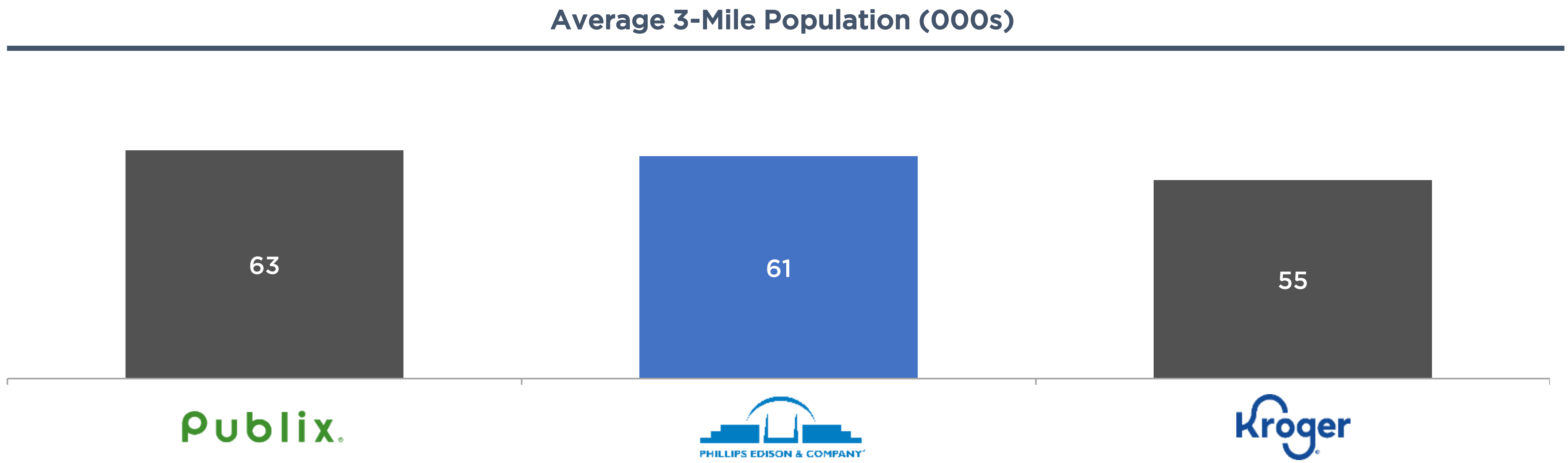
294 Properties Across 31 States

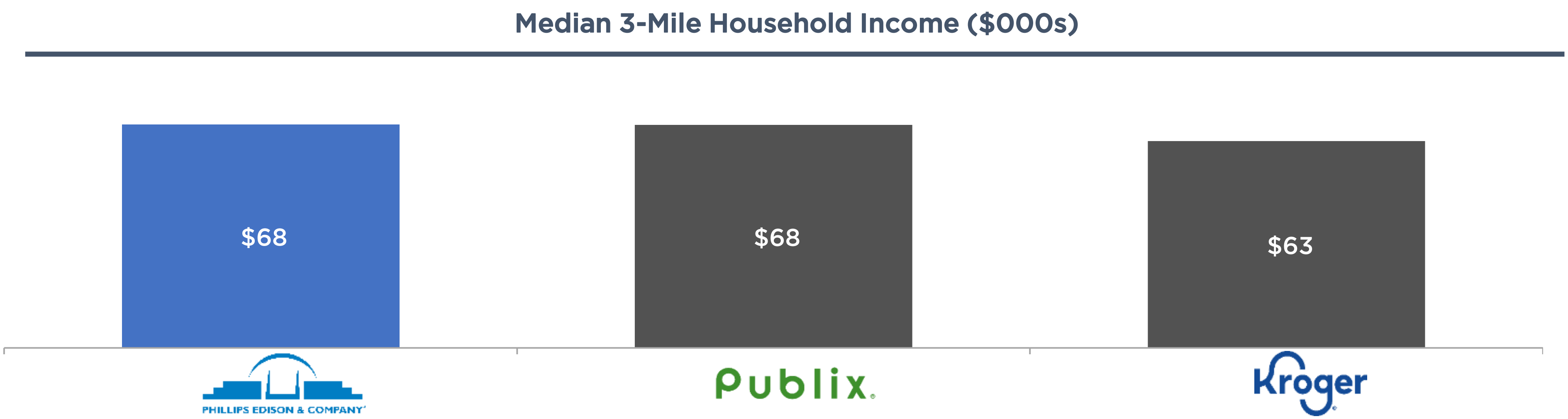
Top 10 Markets [2]

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

Notes:
1. Within respective format and trade area
2. As of 6/30/2021

Targeted Trade Areas
In Line with Leading Grocer Demographics





Source: Synergos Technologies, Inc.

Why Smaller Centers? Leasing Activity Concentrated in Smaller Spaces

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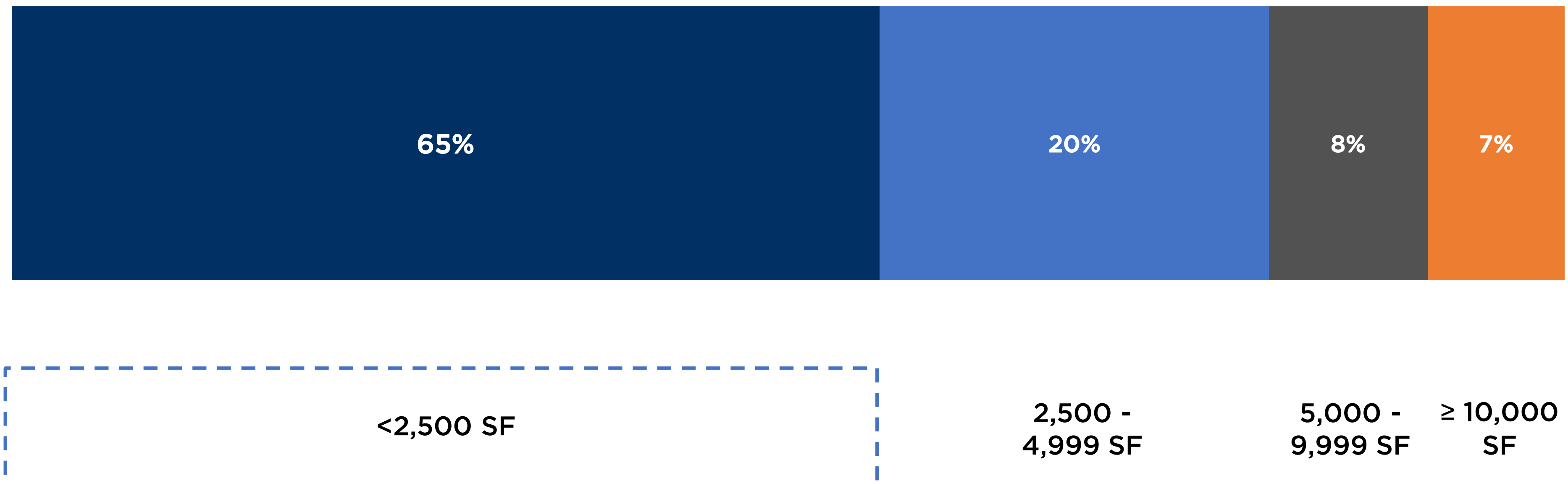
65% of Leasing Activity for Small Shops < 2,500 SF – Well Suited for PECO's Neighborhood and Community Centers

U.S. Strip Center Leasing Activity by Lease Count (2019, New Leases)



Source: CoStar; data for 2019

Why Smaller Centers? Strong Releasing Spreads, High Retention, and Lower Capex

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PECO's Strong NOI Growth is Driven by Strong Lease Renewal Spreads, Impressive Neighbor Retention Rates, and Low Capex Spending

Defensive Position of Grocery-Anchored Centers

High Retention Rates – 87% Avg. (2017-2020)

Focus on Optimizing Inline / Small Shop Tenant Mix

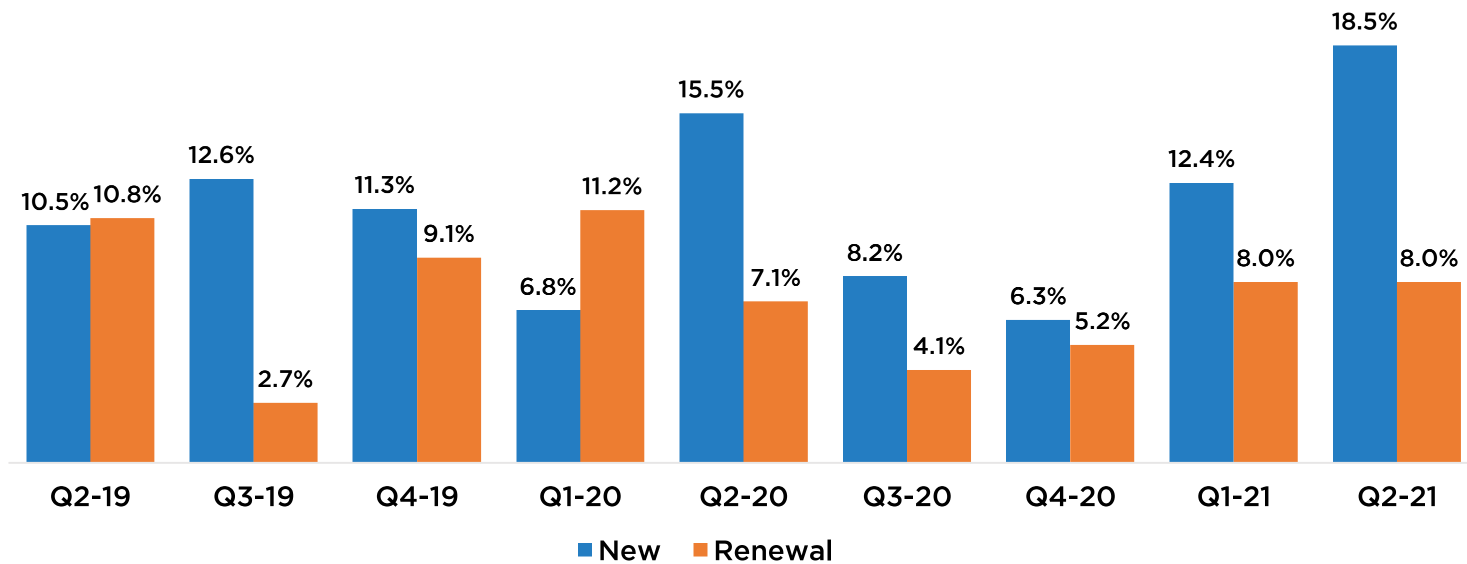
Low Capex Spend – 20% of NOI Avg. (2018-2020)

High Lease Renewal Spreads

Strong NOI Growth

- High retention rates of 87% from 2017-2020:
  - Neighbor turnover is low, less downtime
- Retention drives the need for less capex spend
  - Capex as a % of total NOI is only 20%

Cash Releasing Spreads (2017-2020 Average)



Sources: Company Filings

Why Smaller Centers?
Limited Exposure to High-Risk Retailer Categories

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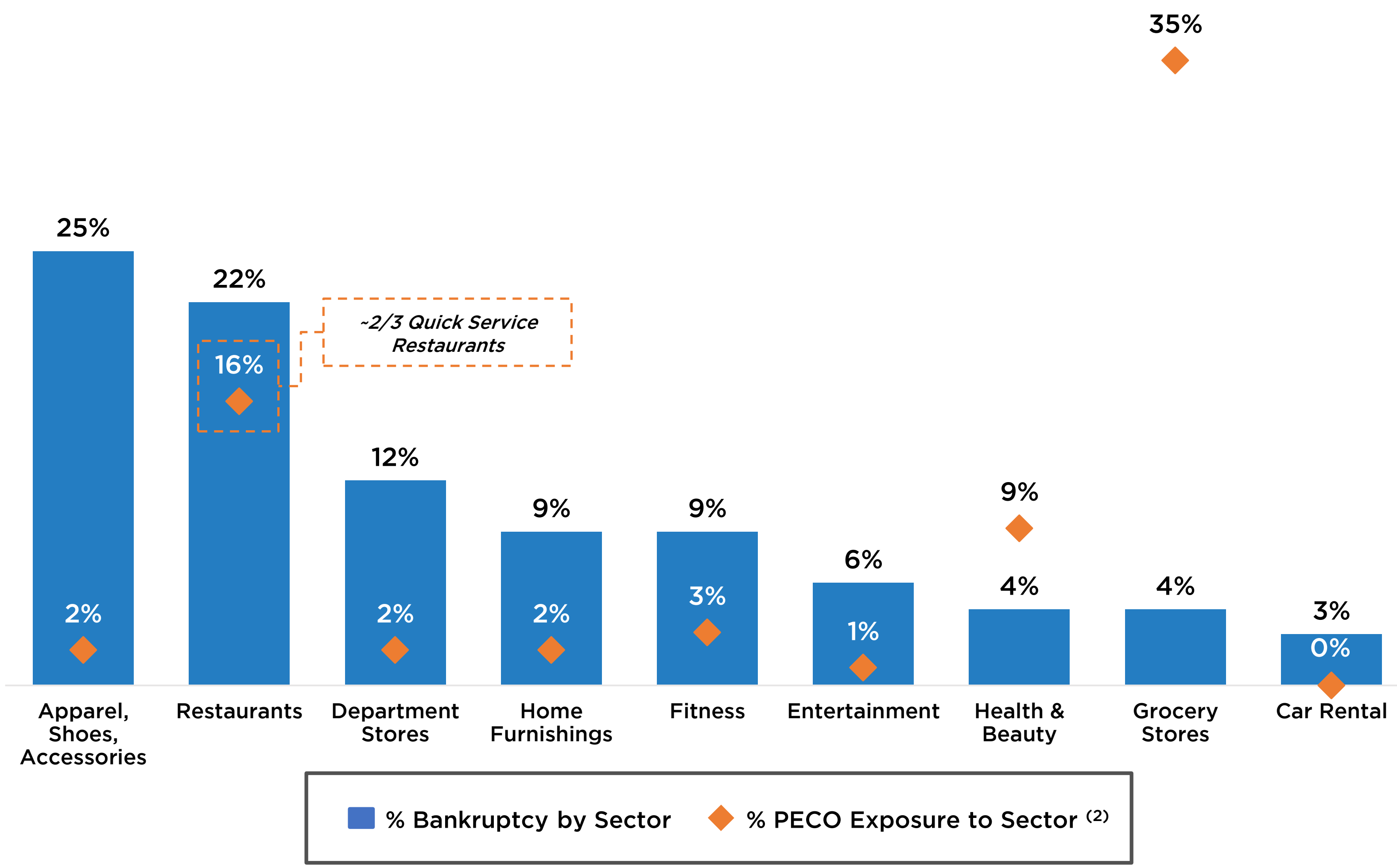
PECO's Portfolio Mix Ensures Ecommerce Resiliency and Limited Impact from Store Closures

- Grocery store bankruptcies were only 4% of COVID-era retailer bankruptcies and were heavily coastal market-focused (Fairway, Kings, etc.)
- PECO had exposure to zero bankrupt grocers during COVID-19
- Minimal exposure to worst-hit apparel category

COVID-19 U.S. Retailer Bankruptcies by Retail Sector (1)



Sources: JLL, Company Filings

Notes:
1. Excludes sectors with < 2% of COVID-19 bankruptcies; reflects % of major bankruptcies since mid-March 2020; as of 5/3/2021
2. % of ABR as of 6/30/2021

Why Retailers Succeed in PECO Shopping Centers

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How the PECO Platform Drives Success for Our Neighbors

- ✓ **Innovating the physical shopping experience** for omni-channel retailers: Front Row to Go, BOPIS, DashComm, data sharing
- ✓ **Recurring customer foot traffic** from top grocers benefits our inline Neighbors
- ✓ **Optimized merchandise mix** with inline Neighbors offering complementary necessity goods and services
- ✓ **Scaled for superior service to Neighbors:** experienced service providers, responsiveness, marketing tools, capital, and sophisticated solutions to Neighbor issues
- ✓ **Good value** for Neighbors with what we believe are lower average rents and occupancy costs than alternatives
- ✓ **High level of convenience** with centers within 3 miles of customers

PECO's Strong Performance

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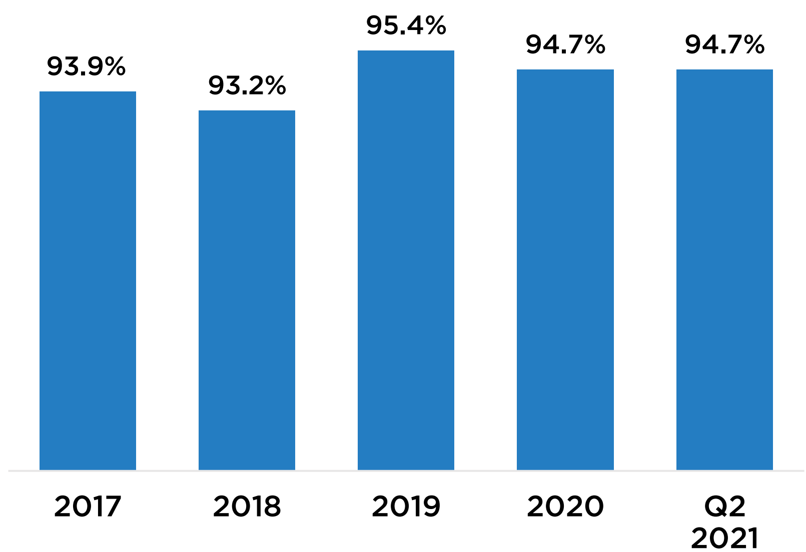
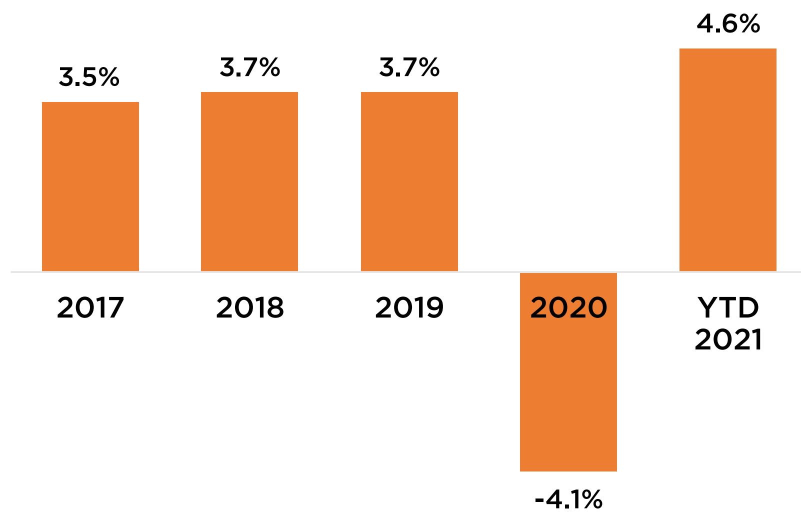
PECO's Differentiated Strategy Has Driven Its Strong Financial and Operational Performance

Leased Portfolio Occupancy[1]



Same-Center NOI Growth[2]



- PECO's high retention rates and focus on Neighbors that provide necessity-based goods and services resulted in only a 70-bps decline in occupancy through COVID-19
  - Inline occupancy[1]: 90.6%
  - Anchor occupancy[1]: 96.8%
  - Economic occupancy spread[1]: 60 bps

- PECO's high retention rates and focus on increasing occupancy, driving leasing spreads, executing redevelopment projects, and implementing rent bumps in new leases has driven strong NOI growth
- Same-center NOI was 4.5% higher than the comparable same-center NOI in Q2 2019, illustrating growth since prior to the onset of the COVID-19 pandemic

Notes:
1. As of June 30, 2021
2. Please see reconciliation tables in the appendix of this presentation for more details.

Portfolio Snapshot at June 30, 2021

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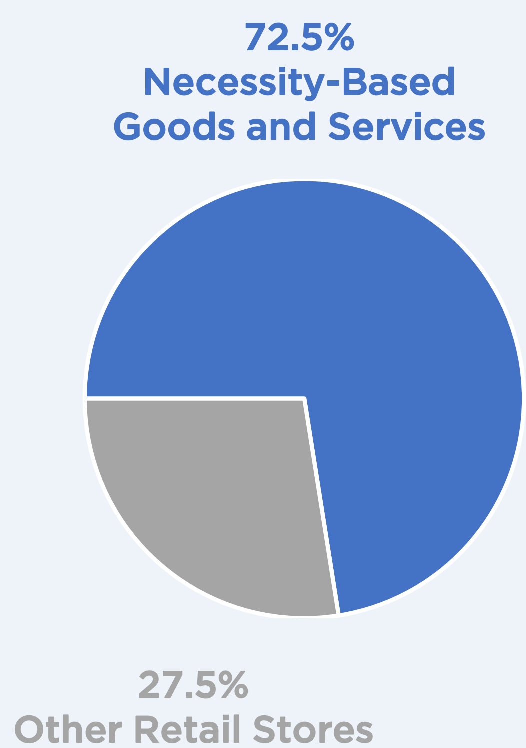
96%	of ABR from Grocery-Anchored Centers
94.7%	Leased Occupancy
< 7% of ABR	Top Neighbor Exposure
35.3%	Grocer ABR of Total ABR
2.4%	Grocer Health Ratio
$609	Avg. Annual Grocer Sales per sq. ft.
51.3%	Inline ABR of Total ABR
$21.10	Inline ABR/SF
98%	YTD 2021 Collections

ABR by Neighbor Composition (1)



Notes:
Portfolio statistics representative of wholly-owned portfolio as of 6/30/2021, unless otherwise noted
1. Includes pro rata share of unconsolidated JVs

Investment Grade Balance Sheet

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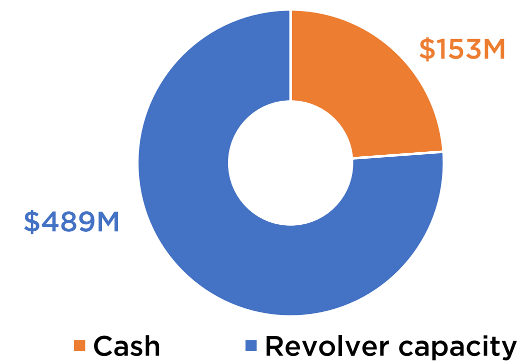
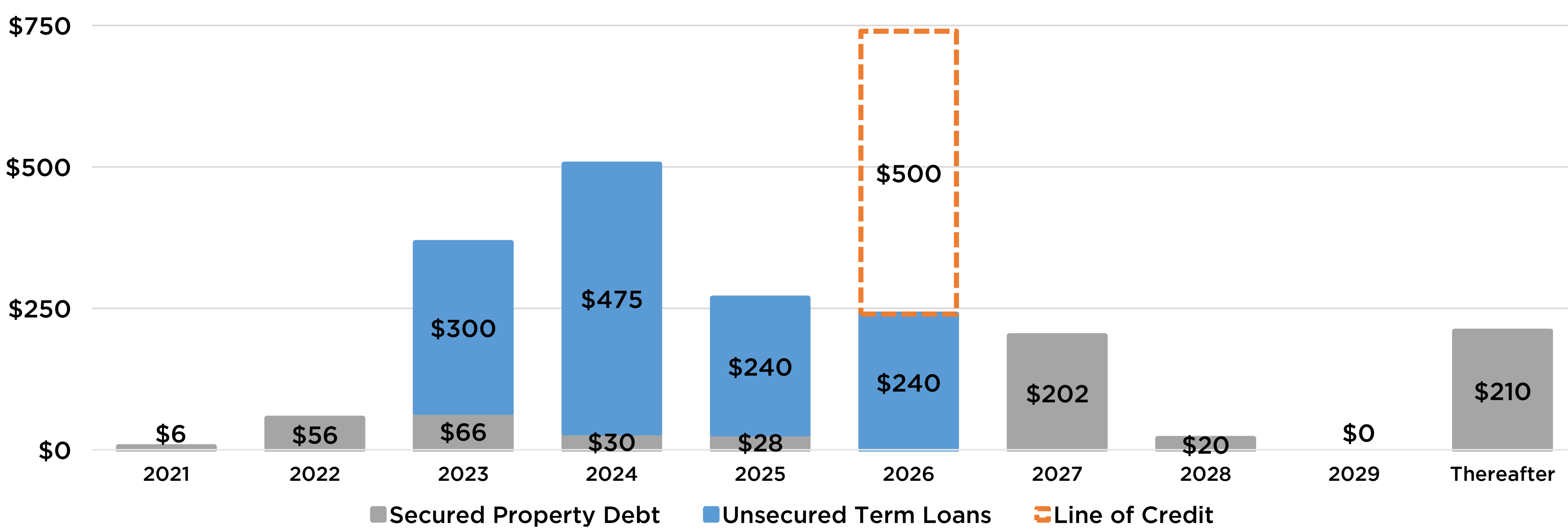
Key Highlights (1)

- Investment Grade Balance Sheet
  - Moody's: Baa3 (stable); S&P: BBB- (stable)
- Significant post-IPO liquidity position of $642M (2)
- Pro forma post-IPO net debt / adj. EBITDAre of 5.5x
- Pro forma credit profile:
  - Approximately 74% of NOI is unencumbered

Liquidity (2)



Maturity Ladder ($ Millions) (1)



Notes:
1. Adjusted Q2 2021 metrics include IPO proceeds and subsequent capital markets activity.
2. Revolver capacity as of June 30, 2021; cash adjusted for IPO proceeds and subsequent capital markets activity

Key Growth Drivers

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1. Re-Lease at Higher Rents
2. Lease-up Vacant Space
3. Built-in Rent Bumps
4. Redevelopment Opportunities (Targeting 9% – 11% Unlevered Yield [1])
5. Robust Acquisition Strategy
6. Platform Scaled for Growth
7. Investment Grade Balance Sheet Positioned for Growth
8. Demographic and Economic Tailwinds

Notes:
1. Range of underwritten incremental unlevered yields on development and redevelopment projects

Track Record of Successful Acquisitions

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Strong Track Record of Acquiring Material Volume of Strategically Aligned Centers

- **280** total acquisitions closed for **$4.7B** of value from 2012-2018
  - Equated to an annual acquisition pace of **40** centers valued at **$670M**

- More recently, ranked **#1** as the largest acquirer of neighborhood centers among peers from 2018-2020 (1) (2)

Source: JLL

Notes:
1. Includes all third-party acquisitions by all predecessor entities; excludes mergers between our predecessor entities
2. Includes all REITs with > 50% neighborhood and community centers and > $900M market cap

Large Addressable Market Provides Opportunity for External Growth

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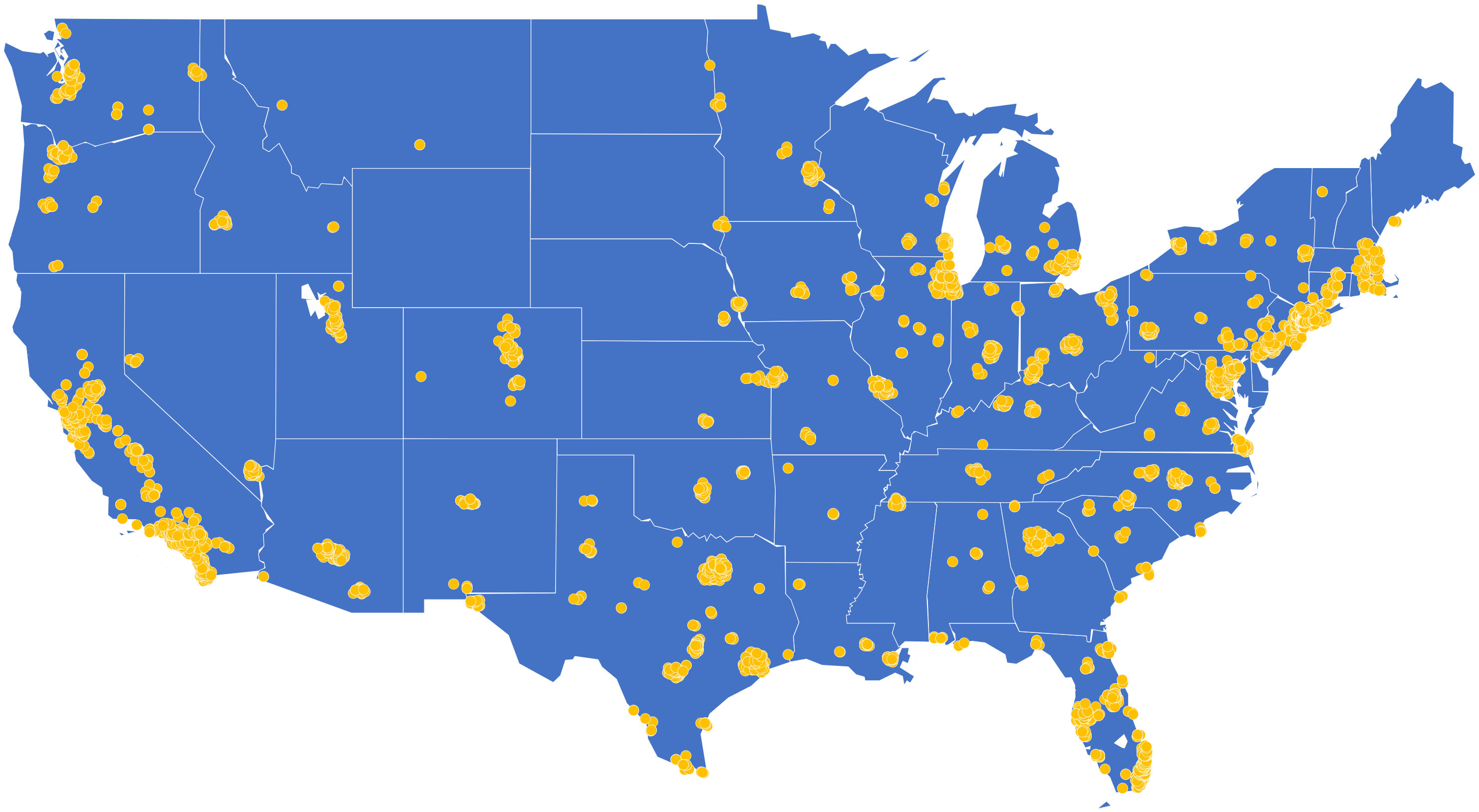
Complete Database of Identified Target Properties



Identified 5,800+ centers across the country that meet PECO's acquisition criteria

Format Drives Results:
Generating Superior Risk Adjusted Returns

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Higher Going-in Yields

Produce Stronger Growth

Lower Capex Required

SUPERIOR INVESTMENT RETURNS

Key Takeaways: Format Drives Results

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1. We own small format centers anchored by the #1 or #2 grocer in a given market
2. Our 294 centers are located in areas close to the end consumer; where America's leading grocers make money
3. Experienced, cycle-tested management team; owning 7% of the Company
4. Growth driven by our investment grade balance sheet and strong cash flow
5. Our brick and mortar centers support our Neighbors' omni-channel strategies and are complementary to Ecommerce ("BOPIS" and last mile delivery)
6. Strong economic environment supported by macro-economic tailwinds

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APPENDIX

Additional Materials

Experienced Leadership Team

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Deep Management Team with an Average of 29 Years of Experience

Executive Team

Jeff Edison
Chairman and Chief Executive Officer
37 Years of Experience
(31 Years PECO)

Devin Murphy
President
37 Years of Experience
(8 Years PECO)

Robert Myers
Chief Operating Officer
24 Years of Experience
(18 Years PECO)

John Caulfield
Chief Financial Officer
19 Years of Experience
(7 Years PECO)

Tanya Brady
General Counsel and Secretary
28 Years of Experience
(8 Years PECO)

Senior Vice Presidents

	Name	Position	Years of Experience / Years at PECO
	Brian Gibson	Finance	27 / 2
	Cherilyn Megill	Chief Marketing Officer	36 / 8
	David Wik	Acquisitions	22 / 11
	Eric Richter	Property Management	30 / 20
	Jennifer Robison	Chief Accounting Officer	24 / 7
	Joseph Hoffmann	Tax	32 / 3

	Name	Position	Years of Experience / Years at PECO
	Joseph Schlosser	Portfolio Management	24 / 17
	Keith Rummer	Chief HR Officer	27 / 9
	Kevin McCann	Chief Information Officer	35 / 1
	Ron Meyers	Leasing	22 / 12
	Tony Haslinger	Construction	26 / 8

Corporate Governance

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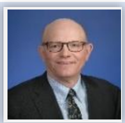
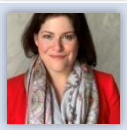
Experienced Board of Directors

	**Jeff Edison** *Chairman*	• Co-founded Phillips Edison & Company in 1991 • Previous roles at NationsBank's South Charles Realty, Morgan Stanley, and Taubman Centers
	**Leslie Chao** *Independent Director*	• Retired CEO and former President and CFO of Chelsea Property Group • Non-executive director of Value Retail PLC
	**Paul Massey** *Independent Director*	• Founder and former CEO of Massey Knakal Realty Services • Former director of Brookfield Office Properties
	**Stephen Quazzo** *Independent Director*	• Co-founder and CEO of Pearlmark Real Estate • Director of Marriott Vacations Worldwide
	**Elizabeth Fischer** *Independent Director*	• Former Managing Director at Goldman Sachs • Served as Co-head of Goldman Sachs' firmwide Women's Network
	**Greg Wood** *Independent Director*	• CFO, EVP of EnergySolutions, Inc. • Former CFO of Actian Corp., Silicon Graphics, Liberate Technologies, and InterTrust Technologies
	**Dr. John Strong** *Independent Director*	• Chairman and CEO of Bankers Financial Corporation • Former President and Managing Partner of Greensboro Radiology
	**Jane Silfen** *Independent Director*	• Founder of Mayfair Advisors LLC • VP at Mayfair Management, an independent multi-family office

Governance Highlights

- ✓ Seasoned 10+ year SEC filer with a well-established corporate governance structure
- ✓ Opted out of provisions of MUTA that would allow us to stagger our board without prior shareholder approval
- ✓ Opted out of Maryland control share acquisition statute
- ✓ No Stockholder Rights Plan [1]
- ✓ 88% independent and 38% diverse
- ✓ 65% of independent director retainer in stock
- ✓ 7% ownership by officers and directors

Notes:
1. Any future adoption is subject to shareholder approval or ratification within 12 months of adoption if board determines it is in our best interest to adopt plan without prior approval

Our Commitment to ESG

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We Are Committed to Making a Difference in Our Communities

Environmentally-Friendly Asset Management

Reducing energy consumption through LED lighting retrofits both internally and externally

- LED retrofits at 195 centers

Reducing water consumption with low flow fixtures and smart irrigation controls

Increasing use of sustainable resources such as solar panels and electric car ports

- EV charging available at 47 centers

Reducing waste through increased recycling at our 294 centers as well as at our corporate offices

Numerous Social Programs for Our Communities and Our Associates

PECO NOW Networking Opportunity for Women

PECO MORE MULTICULTURAL OPPORTUNITIES, RESOURCES & EDUCATION

PECO COMMUNITY PARTNERSHIP

PECO UNIVERSITY

PECOI COLLEGE RECRUITING

INNOVATION LAB

PECO ASSOCIATE ASSISTANCE FUND

THE EDISON FOUNDATION

Strong and Diversified Neighbor Mix

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Top 20 Neighbors Dominated by Grocers and Other Necessity and Service-Based Businesses

Neighbor			Location Count	% ABR [1]
Kroger	Grocer	IG	59	6.6%
Publix	Grocer		56	5.7%
Ahold Delhaize	Grocer	IG	23	4.4%
Albertsons Safeway	Grocer		29	4.3%
Walmart	Grocer	IG	13	2.3%
giant eagle	Grocer		11	1.9%
TJX		IG	15	1.3%
Sprouts Farmers Market	Grocer		11	1.3%
Raley's	Grocer		4	1.0%
Dollar Tree		IG	39	0.9%

Neighbor			Location Count	% ABR [1]
Supervalu	Grocer		5	0.8%
Subway			79	0.7%
Anytime Fitness			35	0.7%
Schnucks	Grocer		4	0.7%
Southeastern Grocers	Grocer		7	0.6%
Lowe's		IG	4	0.6%
Kohl's		IG	4	0.6%
Food 4 Less	Grocer		2	0.6%
Save Mart	Grocer		5	0.6%
petco			11	0.5%
Total				**36.1%**

Grocer   IG Investment Grade [2]

Notes:
1. % of ABR as of 6/30/2021
2. Investment Grade ratings represent the credit rating of our Neighbors, their subsidiaries or affiliated companies. Actual ratings based on S&P or Moody's are used

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APPENDIX

Non-GAAP Reconciliations

Non-GAAP Measures

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We present Same-Center NOI as a supplemental measure of our performance. We define NOI as total operating revenues, adjusted to exclude non-cash revenue items, less property operating expenses and real estate taxes.

We believe Same-Center NOI provides useful information to our investors 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). Because Same-Center NOI excludes the change in NOI from shopping centers acquired or disposed of outside the reporting periods, it highlights operating trends such as occupancy levels, rental rates, and operating costs on shopping centers that were operational for both comparable periods. Other REITs may use different methodologies for calculating Same-Center NOI, and accordingly, our Same-Center NOI may not be comparable to other REITs.

Same-Center NOI should not be viewed as an alternative measure of our financial performance 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 shopping centers that could materially impact our results from operations.

We also present Same-Center NOI (Adjusted for Transactions), which is Same-Center NOI presented as if the PELP Transaction (1) and the Merger (2) had occurred on January 1 of the earliest comparable period in each presentation. This perspective allows us to evaluate Same-Center NOI growth over each comparable period. Same-Center NOI (Adjusted for Transactions) is not necessarily indicative of what actual Same-Center NOI and growth would have been if the PELP Transaction and the Merger had occurred on January 1 of the earliest comparable period in each presentation.

Notes:
1. "PELP Transaction" means the October 2017 transaction pursuant to which we internalized our management structure through the acquisition of certain real estate assets and the third-party investment management business of Phillips Edison Limited Partnership in exchange for OP units and cash
2. "Merger" refers to the November 2018 merger with Phillips Edison Grocery Center REIT II, Inc., a public non-traded REIT that was advised and managed by us

Non-GAAP Measures (Cont'd)

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

	Three Months Ended June 30,			Six Months Ended June 30,	
	2021	2020	2019	2021	2020
Net income	$ 6,390	$ (6,413)	$ (42,172)	$ 6,507	$ 4,786
Adjusted to exclude:					
Fees and management income	(2,374)	(2,760)	(3,051)	(4,660)	(4,925)
Straight-line rental income (expense) [1]	(2,970)	948	(2,819)	(4,392)	(1,364)
Net amortization of above- and below-market leases	(887)	(795)	(1,091)	(1,725)	(1,583)
Lease buyout income	(1,781)	(214)	(223)	(2,578)	(308)
General and administrative expenses	11,937	9,806	13,540	21,278	20,546
Depreciation and amortization	56,587	56,370	59,554	111,928	112,597
Impairment of real estate assets	1,056	-	25,199	6,056	-
Interest expense, net	19,132	22,154	25,758	39,195	44,929
(Gain) loss on disposal of property, net	(3,744)	541	1,266	(17,585)	2,118
Other expense (income), net	2,924	500	10,573	18,509	(9,369)
Property operating expenses related to fees and management income	1,306	891	1,531	2,122	1,528
NOI for real estate investments	87,576	81,028	88,065	174,655	168,955
Less: Non-same-center NOI [2]	(129)	(1,656)	(5,689)	(1,551)	(3.531)
Total Same-Center NOI	**$ 87,705**	**$ 79,372**	**$ 82,376**	**$ 173,104**	**$ 165,424**
Less: Centers not included in 2019 Same-Center [3]	(2,195)		(585)		
Total Same-Center NOI – Adjusted for 2019[3]	**$ 85,510**		**$ 81,791**		

Notes:
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
3. When comparing Same-Center NOI for the three months ended June 30, 2021 and 2019, Same-Center NOI represents the NOI for the properties that were wholly-owned and operational for the entire portion of both comparable reporting periods. Same-Center NOI when comparing the three months ended June 30, 2021 and 2019 excludes the change in NOI from properties acquired or disposed of after March 31, 2019.

Non-GAAP Measures (Cont'd)

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

	Year Ended December 31,	
	2020	2019
Net income	$ 5,462	$ (72,826)
Adjusted to exclude:		
Fees and management income	(9,820)	(11,680)
Straight-line rental income [1]	(3,356)	(9,079)
Net amortization of above- and below-market leases	(3,173)	(4,185)
Lease buyout income	(1,237)	(1,166)
General and administrative expenses	41,383	48,525
Depreciation and amortization	224,679	236,870
Impairment of real estate assets	2,423	87,393
Interest expense, net	85,303	103,174
Gain on disposal of property, net	(6,494)	(28,170)
Other (income) expense, net	(9,245)	676
Property operating expenses related to fees and management income	6,098	6,264
NOI for real estate investments	**332,023**	**355,796**
Less: Non-same-center NOI [2]	(4,036)	(13,674)
Total Same-Center NOI	**$ 327,987**	**$ 342,122**

Notes:
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 (Cont'd)

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

	Year Ended December 31,	
	2019	2018
Net (loss) income	$ (72,826)	$ 46,975
Adjusted to exclude:		
Fees and management income	(11,680)	(32,926)
Straight-line rental income	(9,079)	(5,173)
Net amortization of above- and below-market leases	(4,185)	(3,949)
Lease buyout income	(1,166)	(519)
General and administrative expenses	48,525	50,412
Depreciation and amortization	236,870	191,283
Impairment of real estate assets	87,393	40,782
Interest expense, net	103,174	72,642
Gain on sale or contribution of property, net	(28,170)	(109,300)
Other	676	4,720
Property operating expenses related to fees and management income	6,264	17,503
NOI for real estate investments	**355,796**	**272,450**
Less: Non-same-center NOI [1]	(16,175)	(44,194)
NOI from same-center properties acquired in the Merger, prior to acquisition	-	99,387
Total Same-Center NOI (Adjusted for Transactions)	**$ 339,621**	**$ 327,643**

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

Non-GAAP Measures (Cont'd)

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

	Year Ended December 31,	
	2018	2017
Net income (loss)	$ 46,975	$ (41,718)
Adjusted to exclude:		
Fees and management income	(32,926)	(8,156)
Straight-line rental income	(5,173)	(3,766)
Net amortization of above- and below-market leases	(3,949)	(1,984)
Lease buyout income	(519)	(1,321)
General and administrative expenses	50,412	36,878
Transaction expenses	3,331	15,713
Vesting of Class B units	-	24,037
Termination of affiliate arrangements	-	5,454
Depreciation and amortization	191,283	130,671
Impairment of real estate assets	40,782	-
Interest expense, net	72,642	45,661
Gain on sale or contribution of property, net	(109,300)	(1,760)
Other	1,389	(881)
Property operating expenses related to fees and management income	17,503	5,579
NOI for real estate investments	**272,450**	**204,407**
Less: Non-same-center NOI [(1)]	(35,456)	(27,286)
NOI from same-center properties acquired in the PELP Transaction, prior to acquisition	-	38,354
NOI from same-center properties acquired in the Merger, prior to acquisition	88,463	98,392
Total Same-Center NOI (Adjusted for Transactions)	**$ 325,457**	**$ 313,867**

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

Non-GAAP Measures (Cont'd)

PHILLIPS EDISON & COMPANY
PECO | Nasdaq Listed

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

	Year Ended December 31,	
	2017	2016
Net (loss) income	$ (41,718)	$ 9,043
Adjusted to exclude:		
Fees and management income	(8,156)	-
Straight-line rental income	(3,766)	(3,512)
Net amortization of above-and below-market leases	(1,984)	(1,208)
Lease buyout income	(1,321)	(583)
General and administrative expenses	36,348	31,804
Transaction expenses	15,713	-
Vesting of Class B units	24,037	-
Termination of affiliate arrangements	5,454	-
Acquisition expenses	530	5,803
Depreciation and amortization	130,671	106,095
Interest expense, net	45,661	32,458
Other	(2,336)	(5,990)
Property operating expenses related to fees and management income	5,386	-
NOI for real estate investments	**204,519**	**173,910**
Less: Non-same-center NOI [1]	(34,443)	(20,015)
NOI from same-center properties acquired in the PELP Transaction, prior to acquisition	34,756	44,061
Total Same-Center NOI (Adjusted for Transactions)	**$ 204,832**	**$ 197,956**

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

Non-GAAP Measures (Cont'd)

PHILLIPS EDISON & COMPANY
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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 us as EBITDAre includes certain non-comparable items that affect our performance over time. To arrive at Adjusted EBITDAre, we exclude certain recurring and non-recurring items from EBITDAre, including, but not limited to: (i) changes in the fair value of the liability; (ii) other impairment charges; (iii) amortization of basis differences in our investments in our unconsolidated joint ventures; and (iv) transaction and acquisition expenses.

We use EBITDAre and Adjusted EBITDAre 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. EBITDAre and Adjusted EBITDAre 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, 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. Our EBITDAre and Adjusted EBITDAre, as presented, may not be comparable to amounts calculated by other REITs.

Non-GAAP Measures (Cont'd)

PHILLIPS EDISON & COMPANY
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The following table presents the Company's calculation of EBITDAre and Adjusted EBITDAre and provides additional information related to its operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,
	2021	2020	2021	2020	2020
Calculation of EBITDAre					
Net income (loss)	$ 6,390	$ (6,413)	$ 6,507	$ 4,786	$ 5,462
Adjustments:					
Depreciation and amortization	56,587	56,370	111,928	112,597	224,679
Interest expense, net	19,132	22,154	39,195	44,929	85,303
(Gain) loss on disposal of property, net	(3,744)	541	(17,585)	2,118	(6,494)
Impairment of real estate assets	1,056	—	6,056	—	2,423
Federal, state, and local tax expense	165	180	331	209	491
Adjustments related to unconsolidated joint ventures	(535)	1,391	597	2,568	3,355
EBITDAre	**$ 79,051**	**$ 74,223**	**$ 147,029**	**$ 167,207**	**$ 315,219**
Calculation of Adjusted EBITDAre					
EBITDAre	$ 79,051	$ 74,223	$ 147,029	$ 167,207	$ 315,219
Adjustments:					
Change in fair value of earn-out liability	2,000	—	18,000	(10,000)	(10,000)
Transaction and acquisition expenses	934	14	1,075	59	539
Amortization of unconsolidated joint venture basis differences	79	254	825	721	1,883
Other impairment charges	—	—	—	—	359
Adjusted EBITDAre	**$ 82,064**	**$ 74,491**	**$ 166,929**	**$ 157,987**	**$ 308,000**

Non-GAAP Measures (Cont'd)

PHILLIPS EDISON & COMPANY

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Financial Leverage Ratios

The Company's net debt to Adjusted EBITDAre, net debt to total enterprise value, and debt covenant compliance as of June 30, 2021 allows the Company access to future borrowings as needed in the near term. The following table presents the Company's calculation of net debt and total enterprise value, inclusive of its prorated portion of net debt and cash and cash equivalents owned through its joint ventures, as of June 30, 2021 and December 31, 2020 (in thousands):

	June 30, 2021 (As Adjusted)[2]	June 30, 2021	December 31, 2020
Net debt:			
Total debt, excluding market adjustments and deferred financing expenses	$ 1,906,754	$ 2,272,268	$ 2,345,620
Less: Cash and cash equivalents	153,902	22,633	104,952
Total net debt	**$ 1,752,852**	**$ 2,249,635**	**$ 2,240,668**
Enterprise value:			
Net debt	$ 1,752,852	$ 2,249,635	$ 2,240,668
Total equity value[1]	3,543,624	3,386,803	2,797,234
Total enterprise value	**$ 5,296,476**	**$ 5,636,438**	**$ 5,037,902**

Notes:

1. Total equity value is calculated as the number of common shares and OP units outstanding multiplied by the EVPS as of June 30, 2021 and December 31, 2020, respectively. There were 107.0 million diluted shares outstanding with an EVPS of $31.65 as of June 30, 2021 and 106.6 million diluted shares outstanding with an EVPS of $26.25 as of December 31, 2020.
2. In July, the Company entered into a new credit facility comprised of a revolving credit facility and two unsecured term loan tranches (the "Refinancing"). In connection with this activity PECO paid off a term loan due in 2025. In addition to this activity, the Company used underwritten IPO proceeds to retire a term loan due in 2022. Total Net Debt has been adjusted as though the Refinancing, underwritten IPO, and retirement of the term loan using the underwritten IPO proceeds had occurred as of June 30, 2021.

Non-GAAP Measures (Cont'd)

PHILLIPS EDISON & COMPANY
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The following table presents the calculation of net debt to Adjusted EBITDAre and net debt to total enterprise value as of June 30, 2021 and December 31, 2020 (dollars in thousands):

	June 30, 2021 (As Adjusted)[2]	June 30, 2021	December 31, 2020
Net debt to Adjusted EBITDAre - annualized:			
Net debt	$ 1,752,852	$ 2,249,635	$ 2,240,668
Adjusted EBITDAre - annualized[1]	316,307	316,942	308,000
Net debt to Adjusted EBITDAre - annualized	**5.5x**	**7.1x**	**7.3x**
Net debt to total enterprise value			
Net debt	$ 1,752,852	$ 2,249,635	$ 2,240,668
Total enterprise value	5,296,476	5,636,438	5,037,902
Net debt to total enterprise value	**33.1%**	**39.9%**	**44.5%**

Notes:

1. Adjusted EBITDAre is based on a trailing twelve month period.
2. In July, the Company entered into the Refinancing. In connection with this activity PECO paid off a term loan due in 2025. In addition to this activity, the Company used underwritten IPO proceeds to retire a term loan due in 2022. Total Net Debt has been adjusted as though the Refinancing, underwritten IPO, and retirement of the term loan using the underwritten IPO proceeds had occurred as of June 30, 2021.