
VON MAUR


DAVE & BUSTER'S
EAT DRINK PLAY WATCH


URBAN OUTFITTERS


AMERICAN EAGLE

PREIT®

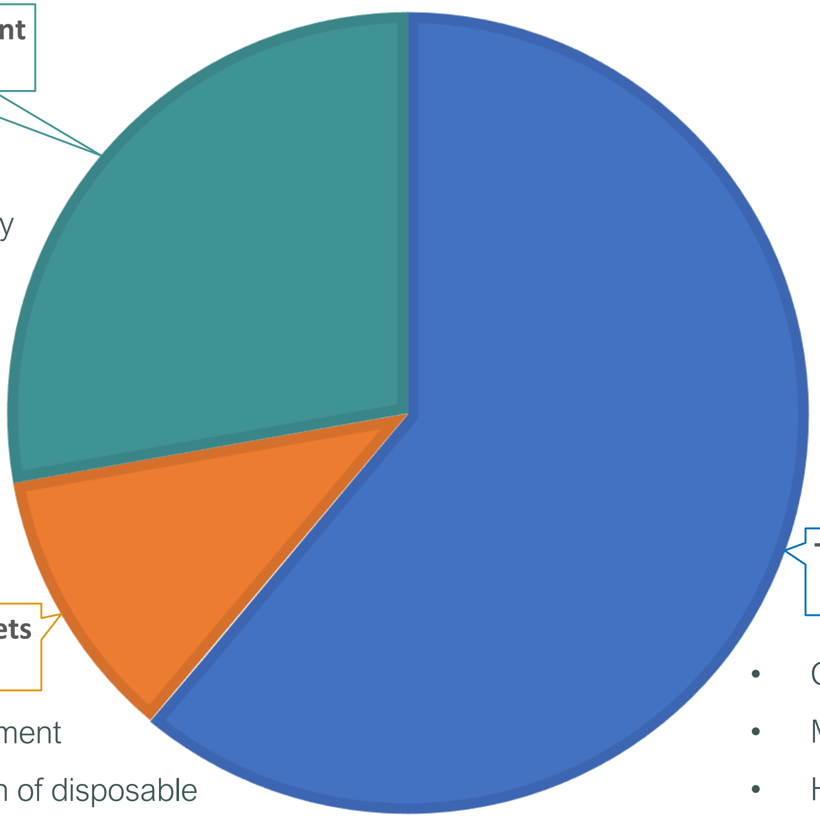
WE ARE A TRANSFORMED COMPANY

PREIT is an innovator at the forefront of shaping consumer experiences through the built environment. With concentrations in Philadelphia and Washington DC markets, our properties are located in densely-populated, high barrier-to-entry markets afforded with great opportunity to deliver a unique mix of retail, dining, living, working, staying, playing and engaging with the community, befitting the modern consumer lifestyle.

PREIT®

A NEW PREIT

A SAFE AND STRONG PORTFOLIO WITH MASS APPEAL



Market Dominant 28%

- Gaining market share
- Exclusive-to-region tenancy
- Capital City, Dartmouth, Woodland Malls

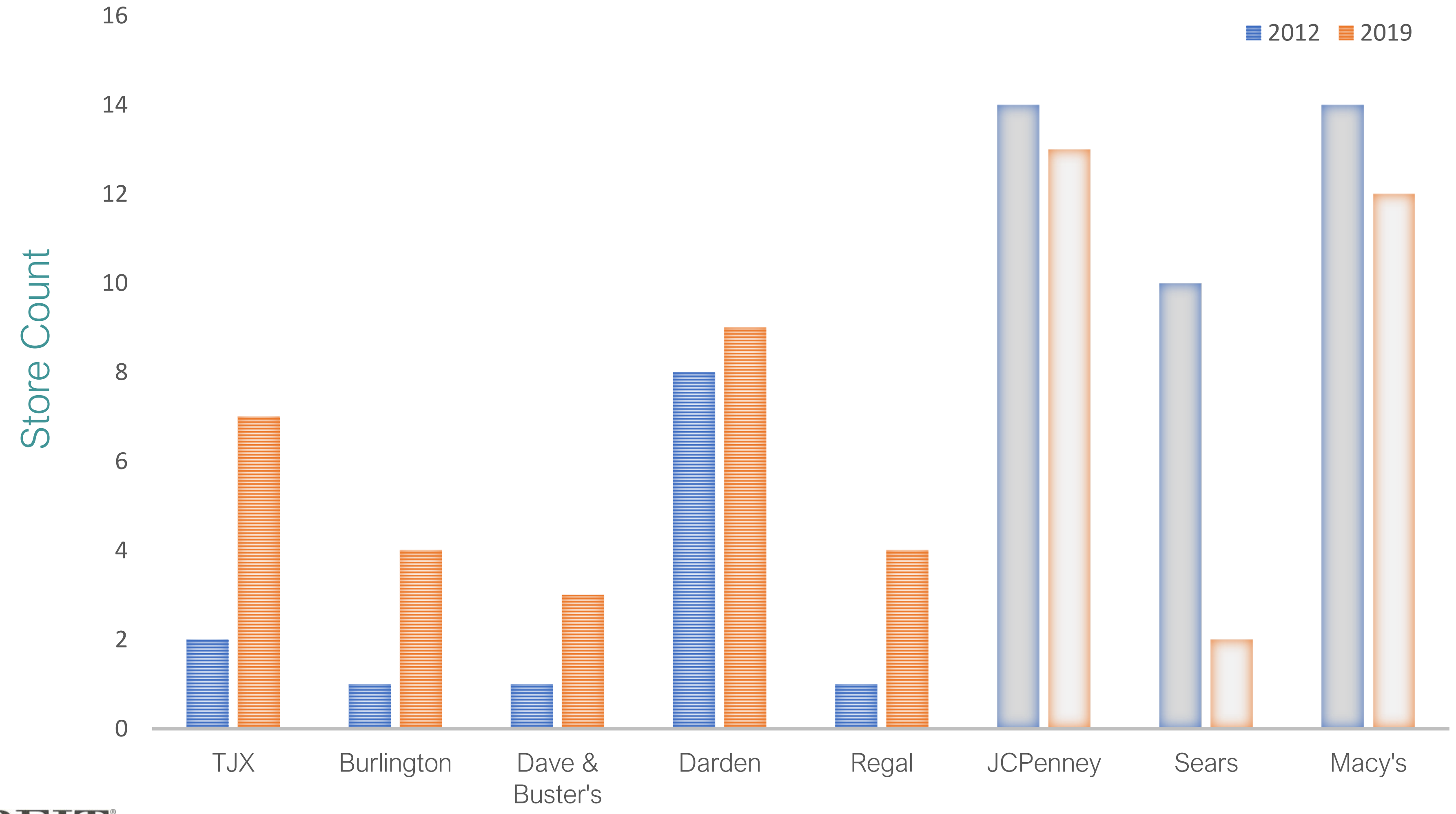
Military Markets 11%

- Low unemployment
- High proportion of disposable income

Top 10 MSA 61%

- Capture new tenant roll outs
- Multifamily densification opportunities
- High barrier-to-entry

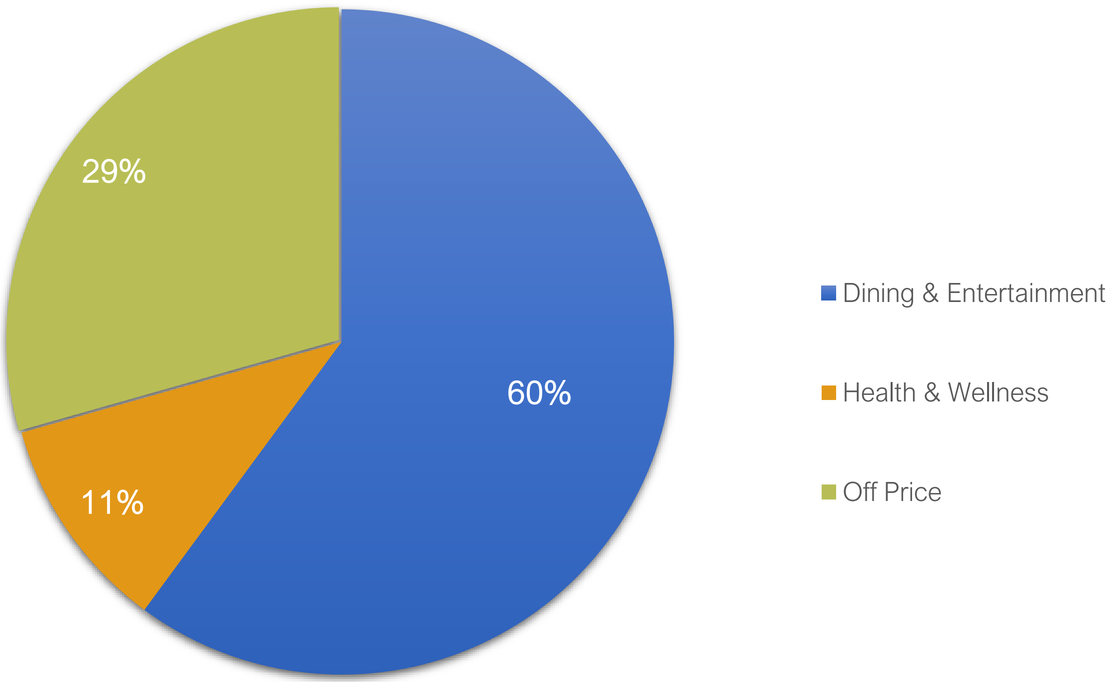
IMPROVED CREDIT UNDERLYING CASH FLOWS



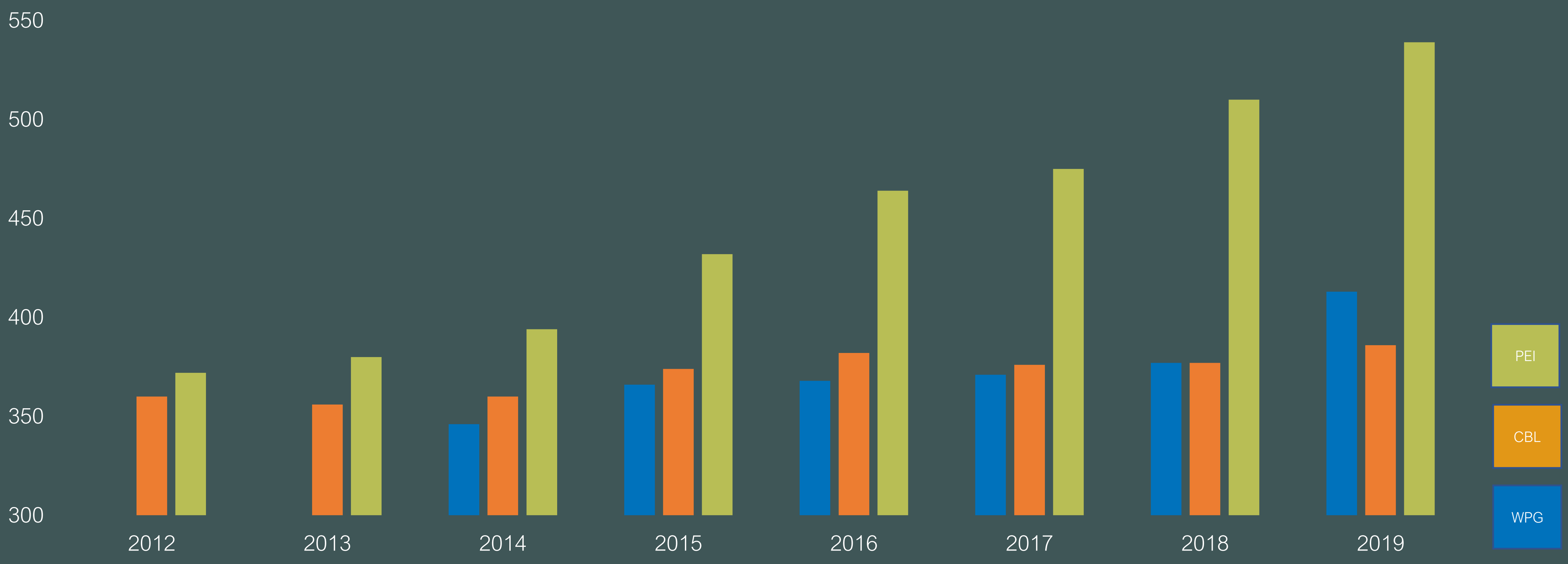
A REDEFINED TENANT MIX

47%

Non-Anchor Space Leased to Non-Retail Uses



Meaningful sales growth continues as portfolio improves



PREIT®

PREIT'S TRANSFORMATION…

HOW WE GOT HERE

1. A new Vision
2. Mandate to improve portfolio quality
3. Attracting the modern consumer
4. Completing major redevelopments
5. Pioneering Anchor repositioning
6. Stay and Dwell options

1. JOE CORADINO BECOMES CEO

Joe Coradino became CEO in 2012, establishing a vision to improve the quality of the portfolio and Company performance and lead a revolution in the retail industry.

2. MANDATE TO IMPROVE PORTFOLIO QUALITY

Strategic Dispositions

In just five years, we strategically disposed of 18 mall properties – roughly **40%** of our past portfolio. Along with other non-core assets, this program generated over ***$885 million*** in gross proceeds, which was reinvested in redevelopment and remerchandising core assets.

Acquisition of Springfield Town Center

In March 2015, PREIT acquired the newly-renovated center. The strategic acquisition marked a milestone in the transformation of our portfolio and underscored the tremendous progress we made in improving portfolio quality. In 2019, the center generated $555 per square foot in sales;**18%** above our portfolio average in September 2015.

3. ATTRACTING THE MODERN CONSUMER

2017

The first LEGOLAND Discovery Center in Pennsylvania arrived at Plymouth Meeting Mall (one of only 9 locations in the US and only the 17th worldwide)

2019
2020

Digitally native brands:

Balsam Hill, Peloton, Stance and MORPHE at Cherry Hill Mall

Small business incubators:

Uniquely Philly at Fashion District Philadelphia

1776 Founders' Market at Cherry Hill

Instagrammable pop-up experience:

Candytopia at Fashion District Philadelphia

4. COMPLETING MAJOR REDEVELOPMENTS

2018 – Mall at Prince George's

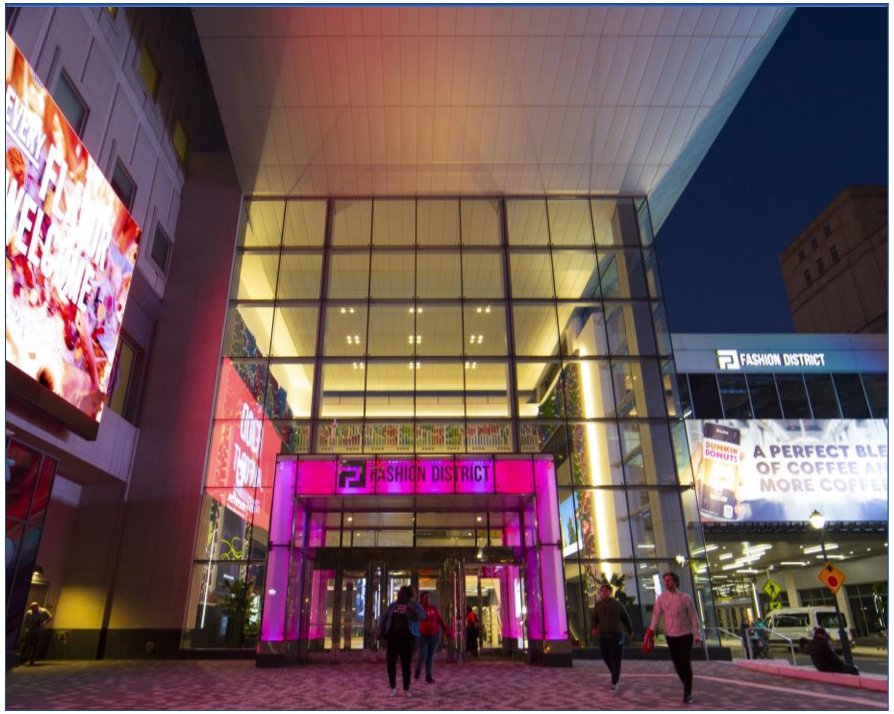
- **Description:** A full scale remerchandising reshaped the customer experience and cemented our place in the evolving Washington DC metro market. The new and improved property includes sought-after retail and dining venues such as ULTA Beauty, DSW, &pizza, Miller's Ale House and more.

- **Results:** Sales have grown 23% to $555 per square foot since 2016; Traffic has increased over 25%

- **Investment:** $33 million

- **Year of Stabilization**: 2019

September 2019 - Fashion District Philadelphia

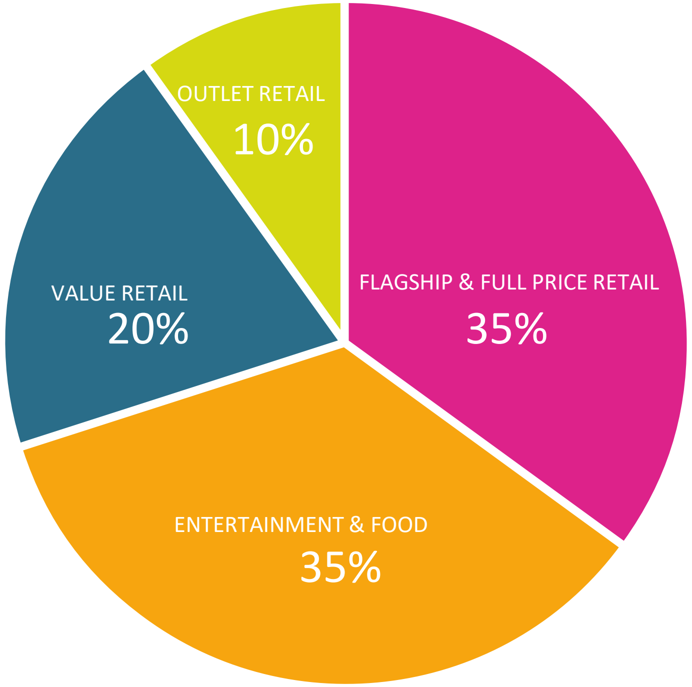


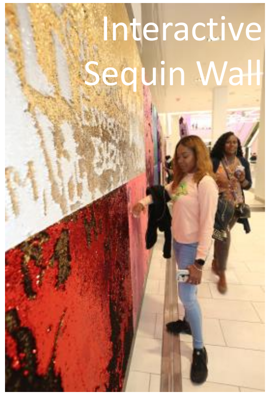
- **Description:** Philadelphia's newest shopping, dining, entertainment and cultural destination. Spanning three city blocks and approximately 900,000 square feet of space, this portfolio-defining project is poised to drive growth.
- **Results:** over 4.4 million customers have visited The District since opening. 87% leased or at lease.
- **Investment:** $210 million (PREIT Share)
- **Year of Stabilization**: 2021

Opening Soon kate spade NEW YORK · SEPHORA · DSW · STARBUCKS COFFEE · YOYOSO · clairdelune AMBIANCE · PRIMARK

Fashion District Philadelphia

The tenant mix of the future is here





October 2019 – Woodland Mall

- **Description:** October 2019 - Woodland Mall celebrated the opening of its expansion wing, featuring a lineup of in-demand tenants; many of which are exclusive and new-to-market including Von Maur, Urban Outfitters, Tricho Salon, Black Rock Bar & Grill and The Cheesecake Factory.
- **Results:** Traffic up
- **Investment:** $90 million
- **Year of Stabilization**: 2021

Opening Soon

SEPHORA | WHITE HOUSE BLACK MARKET | CHAMPS SPORTS | AÉROPOSTALE | windsor

5. FIRST TO COMPLETE ANCHOR REPOSITIONING

Recent mall transformations highlight PREIT's success in strategic remerchandising and redevelopment initiatives to bring best-in-class concepts to our properties.

Viewmont Mall

Scranton, PA

Former Anchor: Sears
New Anchor: DICK'S Sporting Goods, Field & Stream, Home Goods

Investment: $21 million

Year of Stabilization: 2018

Capital City Mall

Camp Hill, PA

Former Anchor: Sears
New Anchor: DICK'S Sporting Goods, Fine Wine & Spirits, Primanti Bros., Blaze Pizza

Investment: $29 million

Year of Stabilization: 2020

Magnolia Mall

Florence, SC

Former Anchor: Sears
New Anchor: Burlington, Home Goods, Five Below

Investment: $17 million

Year of Stabilization: 2019

Valley Mall
Hagerstown, MD

Former Anchor: Macy's, Bon-Ton, Sears
New Anchor: Onelife Fitness, Tilt, Belk, DICK's Sporting Goods (Opening 2020)

Investment: $43 million

Year of Stabilization: 2021

Willow Grove Park
Willow Grove, PA

Former Anchor: JCPenney
New Anchor: Studio Movie Grill (Opening 2020), Yard House, Entertainment/Fitness

Investment: $28 million

Year of Stabilization: 2021

Moorestown Mall

Moorestown, PA

Former Anchor: Macy's
New Anchor: HomeSense, Sierra, Five Below, Michael's (Opening 2020)

Investment: $42 million

Year of Stabilization: 2021

Plymouth Meeting Mall

Plymouth Meeting, PA

Former Anchor: Macy's
New Anchor: Miller's Ale House, Burlington, Edge Fitness, DICK's Sporting Goods, Michaels (Opening 2020)

Investment: $45 million

Year of Stabilization: 2021

2019 HOLIDAY RESULTS

Traffic and Sales continues to grow at redeveloped properties

Woodland Mall +21%

Plymouth Meeting Mall +21%

Jacksonville Mall +11%

Mall at Prince George's +10%

4.2%

Core Mall Holiday Sales Growth

Compared to NRF's 4.1%

6. STAY AND DWELL OPTIONS

High-priority densification program that will strengthen our assets, bringing a new audience of residents and overnight guests to our properties. This program will ultimately bring:

5,000-7,000 residential units across **8** properties

1,500-3,000 hotel rooms across **12** properties

$200 million+ in proceeds

ADDRESSES A CHANGING CONSUMER…

NON-RETAIL TENANT VISITS ARE ON THE RISE

- Among the non-retail tenants, F&B services is most popular. Over ***81%*** of shopping center patrons spent at one of these venues, including fast food, coffee/confectionery shops, full-service casual or fine dining, limited-service fast-casual dining and drinking establishments.
- Half of consumers want to see a greater number and variety of F&B service establishments.
- Among non-retail tenants, ***62%*** of consumers are driven to a shopping center by the leisure and entertainment venues.

THE CONSUMER OF THE FUTURE – GEN Z – APPRECIATES BRICKS

MILLENIALS:

Contrary to popular belief, *most millennials* (**82%**) prefer to shop in stores, according to a study by JLL.

GEN Z:

Although they are digital natives, Gen Z most often choose to shop in the physical store: **98%** of an NRF survey respondents globally said they typically make purchases in a store some or most of the time.

EXPERIENCES:

32.4% of Millennials think family-friendly entertainment options are important for a shopping center to have; Gen Z: 32.9%.

-The Future of Retail – JLL Research

THE VALUE OF A *PHYSICAL PRESENCE* IS BEING RECOGNIZED

Increase in digitally native brands:

- Over **1,700** stores operated by digitally native brands (analysis by Kevin Campos, a principal at venture capital firm Fifth Wall, and Thinknum Alternative Data.)
- Digital brands are expected to open another **850** stores by 2023, according to JLL Research, led by companies like Casper, Untuckit and Adore Me. (Forbes)

A study from CBRE that says in 2020 teens are *returning to the mall*. “Gen Z has tremendous spending power and will drive traffic back to the malls in 2020. Gen Z favors retailers where they can purchase online and are **FULFILLED** in store.” Brick and mortar is “**retail therapy**”, giving respite from being on phones constantly.

In fact, over 2019 Black Friday weekend:

87%

of weekend shoppers surveyed by NRF were under the age of 25 versus **69%** in 2018

61%

of shoppers between 18 and 24 years old shopped in-store compared with only **45%** in 2018

….OPERATING IN A DISRUPTED INDUSTRY

DEPARTMENT STORE DISRUPTION

PREIT has replaced 13 department stores in 2 years

Macy's to Close 125 Department Stores, Exit Weakest Malls
CEO says retailer couldn't solve woes of ailing shopping centers, plans to open smaller format stores outside of malls

THE WALL STREET JOURNAL. WSJ

Bon-Ton hits the end of the road as judge approves liquidation

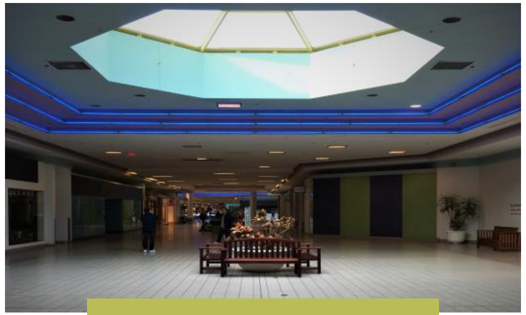
RETAIL DIVE

JC Penney is trying new things to stay afloat. But its stock is below $1 again and at risk of being delisted.

CNBC

Sears closing: Former executive says retailer has been on "death spiral" for more than decade

CBS THIS MORNING



PHILLIPSBURG MALL

NITTANY MALL

BANKRUPTCIES AND STORE CLOSINGS

GYMBOREE
charlotte russe
TOPSHOP
charming charlie
Payless SHOESOURCE
dressbarn
EXPRESS
Pier 1 imports
FOREVER 21
THINGS REMEMBERED
Motherhood. MATERNITY
GameStop

CORESIGHT RESEARCH REPORTS

In the US, major retailers closed 9,275 stores and opened 4,454 stores during 2019.

The apparel sector (including footwear and accessories stores) led the casualty list in the US, with 5,727 closures in total.

ROADMAP TO IMPROVED SENTIMENT

ROADMAP TO IMPROVED INVESTOR SENTIMENT

1. Sector-wide improvement in fundamentals
2. Execute on operational plan proving Earnings Growth inflection point
3. Improve Balance Sheet stability and Cash Flow profile

PATH TO BALANCE SHEET IMPROVEMENT

BALANCE SHEET STABILITY PATHWAY

- Secure covenant relief from bank group
- Close on sale of outparcels
- Close on sale of hotel parcels
- Secure entitlements and close on multifamily land sales
- Close on sale/leaseback transaction
- Exceed business plan objectives to deliver earlier than projected organic de-levering

CAPITAL TRANSACTION OVERVIEW

Capital-raising initiatives to generate ~$200 million in Liquidity

Densification Land Sales

Multifamily

- 7 Properties
- 4 buyers
- **Total Proceeds:** $125 million
- **Net Liquidity:** $125 million
- **Leverage Reduction:** ~350 bps
- Closing Assumptions:
  - 4 properties 2020
  - 3 properties 2021
- **Guidance Assumption:** gains on sale for 4 properties scheduled to close in 2020 assumed in guidance

Hotels

- 2 Properties
- 2 buyers
- **Total Proceeds:** $3.8 million
- **Net Liquidity:** $3.8 million
- **Leverage Reduction:** ~10 bps
- Closing Assumptions:
  - 2 properties 2020
- **Guidance Assumption:** gains on sale assumed in guidance

Outparcels

- 10 Parcels
- 1 buyer
- **Total Proceeds:** $19 million
- **Net Liquidity:** $8 million
- **Leverage Reduction:** ~20 bps
- Closing Assumptions:
  - All parcels to close in 2020
- **Guidance Assumption:** associated NOI reduction backed out of Same store in both periods.

Sale/Leaseback

- 5 mid-tier properties (sales ranging from $410-$510 psf
- 1 buyer
- **Total Proceeds:** $154 million
- **Net Liquidity:** $57 million
- **Leverage Reduction:** ~185 bps
- **Guidance Assumption:** not assumed in 2020 guidance. Estimated $0.06 per share dilutive to FFO on annualized basis

2020 Expectations & Guidance Assumptions

2020 EARNINGS GUIDANCE & ASSUMPTIONS

	2020 Guidance Range			
(Estimates per diluted share)		Low		High
Net loss attributable to common shareholders	$	(0.68)	$	(0.43)
Depreciation and amortization, non-controlling interest and other		1.72		1.71
FFO per share	$	1.04	$	1.28
Adjustments		-		-
FFO per share, as adjusted	$	1.04	$	1.28

Same Store NOI, excluding termination revenue is expected to grow between 0.5% and 1.5% with wholly-owned properties in the range of (0.2%) to 0.8% and joint venture properties increasing between 4.7% and 6.0%;

Lease termination revenues of $1.0 to $2.0 million;

Share of NOI from Fashion District included in Same Store NOI in Q4 2020;

Bankruptcy and store closings reserve of between $2.0 at the midpoint to $3.0 million at the low end of Same Store NOI guidance;

Land Sale Gains are expected to be between $14.4 and $28.8 million inclusive of the assumption that we close the hotel land sales and between two and four of the multifamily land sales in 2020;

Weighted average shares and OP units of 81.0 million for FFO and 77.0 million for Net (loss) income;

Capital expenditures in the range of $125 to $150 million, including redevelopment expenditures, recurring capital expenditures and tenant allowances; and

Our guidance does *not* incorporate the effects of the recently executed sale leaseback transaction, which are estimated to be approximately $0.06 dilutive to FFO per share on an annual basis.

Our guidance does *not* assume any other capital market transactions or costs associated with credit facility refinancing.

VALUE CREATION ROADMAP

1. Portfolio staged for continuous improvement
2. Growing earnings following spending cycle
3. Balance Sheet improvement in focus
4. Reduced reliance on traditional mall retail tenancy
5. Improved tenant credit profile

FORWARD LOOKING STATEMENT

This presentation, together with other statements and information publicly disseminated by us, contain certain “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans, strategies, anticipated events, trends and other matters that are not historical facts. When used, the words “anticipate,” “believe,” “estimate,” “target,” “goal,” ”expect,” “intend,” “may,” “plan,” “project,” “result,” “should,” “will,” and similar expressions, which do not relate solely to historical matters, are intended to identify forward looking statements. We caution investors that any forward-looking statements presented in this presentation and the documents that we may incorporate by reference into this document are based on management’s beliefs and assumptions made by, and currently available to management. These forward-looking statements reflect our current views about future events, achievements or results and are subject to risks, uncertainties and changes in circumstances that might cause future events, achievements or results to differ materially from those expressed or implied by the forward-looking statements. In particular, our business might be materially and adversely affected by uncertainties affecting real estate businesses generally as well as the following, among other factors:

Changes in the retail and real estate industries, including consolidation and store closings, particularly among anchor tenants; our ability to maintain and increase property occupancy, sales and rental rates, in light of the relatively high number of leases that have expired or are expiring in the next two years; increases in operating costs that cannot be passed on to tenants; current economic conditions and the state of employment growth and consumer confidence and spending, and the corresponding effects on tenant business performance, prospects, solvency and leasing decisions and on our cash flows, and the value and potential impairment of our properties; the effects of online shopping and other uses of technology on our retail tenants; risks related to our development and redevelopment activities; acts of violence at malls, including our properties, or at other similar spaces, and the potential effect on traffic and sales; our ability to identify and execute on suitable acquisition opportunities and to integrate acquired properties into our portfolio; our partnerships and joint ventures with third parties to acquire or develop properties concentration of our properties in the Mid-Atlantic region; changes in local market conditions, such as the supply of or demand for retail space, or other competitive factors; changes to our corporate management team and any resulting modifications to our business strategies; our ability to sell properties that we seek to dispose of or our ability to obtain prices we seek; potential losses on impairment of certain long-lived assets, such as real estate, or of intangible assets, such as goodwill, including such losses that we might be required to record in connection with any dispositions of assets; our substantial debt and liquidation preference of our preferred shares and our high leverage ratio; constraining leverage, unencumbered debt yield, interest and tangible net worth covenants under our principal credit agreements; our ability to refinance our existing indebtedness when it matures, on favorable terms or at all; our ability to raise capital, including through joint ventures or other partnerships, through sales of properties or interests in properties, through the issuance of equity or equity-related securities if market conditions are favorable, or through other actions; our short- and long-term liquidity position; potential dilution from any capital raising transactions or other equity issuances; and general economic, financial and political conditions, including credit and capital market conditions, changes in interest rates or unemployment.

Additional factors that might cause future events, achievements or results to differ materially from those expressed or implied by our forward-looking statements include those discussed herein and in our Annual Report on Form 10-K for the year ended December 31, 2018 in the section entitled “Item 1A. Risk Factors” and in our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2019 in the section entitled “Item 1A. Risk Factors.” We do not intend to update or revise any forward-looking statements to reflect new information, future events or otherwise.

THANK YOU