

# Investor Presentation

SECOND QUARTER 2022

FEDERAL  
1962

# Federal Realty Investment Trust

NYSE: FRT

- Fully integrated US retail real estate-based company focused on risk adjusted capital allocation
- Own, manage and re/develop urban, mixed-use properties and high-quality open air shopping centers in first-ring suburban locations
- 105 properties include:
  - ~3,100 commercial tenants
  - ~25 million square feet
  - ~3,400 residential units
- Strong balance sheet with BBB+/Baa1 ratings<sup>(1)</sup>
- Included in the S&P 500

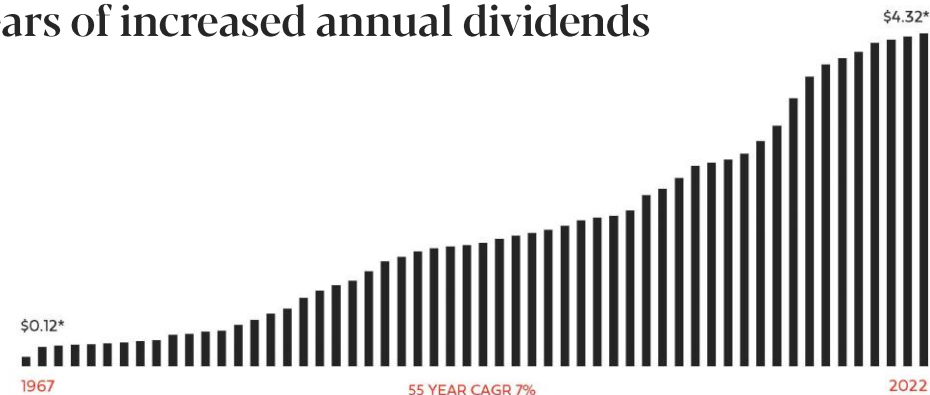
(1) The complete ratings reports can be accessed at [www.federalrealty.com](http://www.federalrealty.com).

\*4Q annualized dividend per share.

## Strategically selected 1<sup>st</sup> ring suburbs of 9 major metro markets with high-barriers



## THE LONGEST RECORD IN THE REIT INDUSTRY 55 consecutive years of increased annual dividends



# 2Q 2022 Overview

- Company record FFO per share of \$1.65
- 8.2% comparable POI growth over 2Q 2021
- Most productive comparable space leasing quarter on record; 132 signed leases for 562,111 square feet of comparable space
- ~\$700 million of redevelopment and expansions in process delivering over the next 3 years
- Increased 2022 FFO per share guidance
  - Guidance increase reflects 9.5% - 12.2% FFO per share growth over 2021

# Sector Leading Growth

## 2022 OVERVIEW

	Change v. Prior Year Quarter	Change Full Year 2022 v. Full Year 2021	
	2Q	2022 Expectation	Prior 2022 Expectation
<b><u>GAAP Based</u></b>			
Comparable POI	8.2%	5.5% - 7.0%	3.5% - 5.0%
Comparable POI excluding prior period rent collections and term fees	9.5%	7.5% - 9.0%	6.5% - 8.0%
<b><u>Cash Based</u></b>			
FRT Comparable POI	9%		
Peer Average Same-Store	3%		

# 2022 Guidance

## 2022 Guidance

	Current	Previous	
Earnings per diluted share	\$2.50 - \$2.65	\$2.36 - \$2.56	
NAREIT FFO per diluted share	\$6.10 - \$6.25	\$5.85 - \$6.05	Approximately 1 – 2 cents of increase driven by acquisition of The Shops at Pembroke Gardens and the office building adjacent to Hilton Village, balance is driven by 2Q22 outperformance and better than forecast outlook
<i>Growth over 2021</i>	<i>9.5% - 12%</i>	<i>5% - 9%</i>	

## Key Assumptions

	Current	Previous	
Comparable POI Growth	5.5% - 7.0%	3.5% - 5.0%	
Comparable POI Growth excluding prior period rents and term fees	7.5% - 9.0%	6.5% - 8.0%	
Expected Year-End Occupancy	92.5% - 93.0%	92.5% - 93.0%	
Equity to be issued	\$300 - \$400m	\$400 - \$500m	\$260 million pre-raised under forward agreements Additional \$400+ million of dispositions under consideration
Dispositions / Acquisitions	No additional assumed in guidance	No additional assumed in guidance	Current guidance includes previously announced acquisitions of Kingstowne Towne Center, The Shops at Pembroke Gardens and the office building adjacent to Hilton Village.

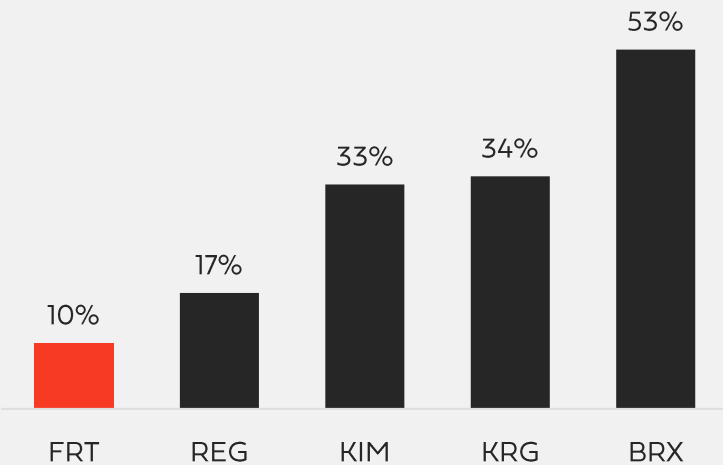
# Best-in-Class Demographics

HOUSEHOLD INCOMES MATTER IN AN INFLATIONARY ENVIRONMENT

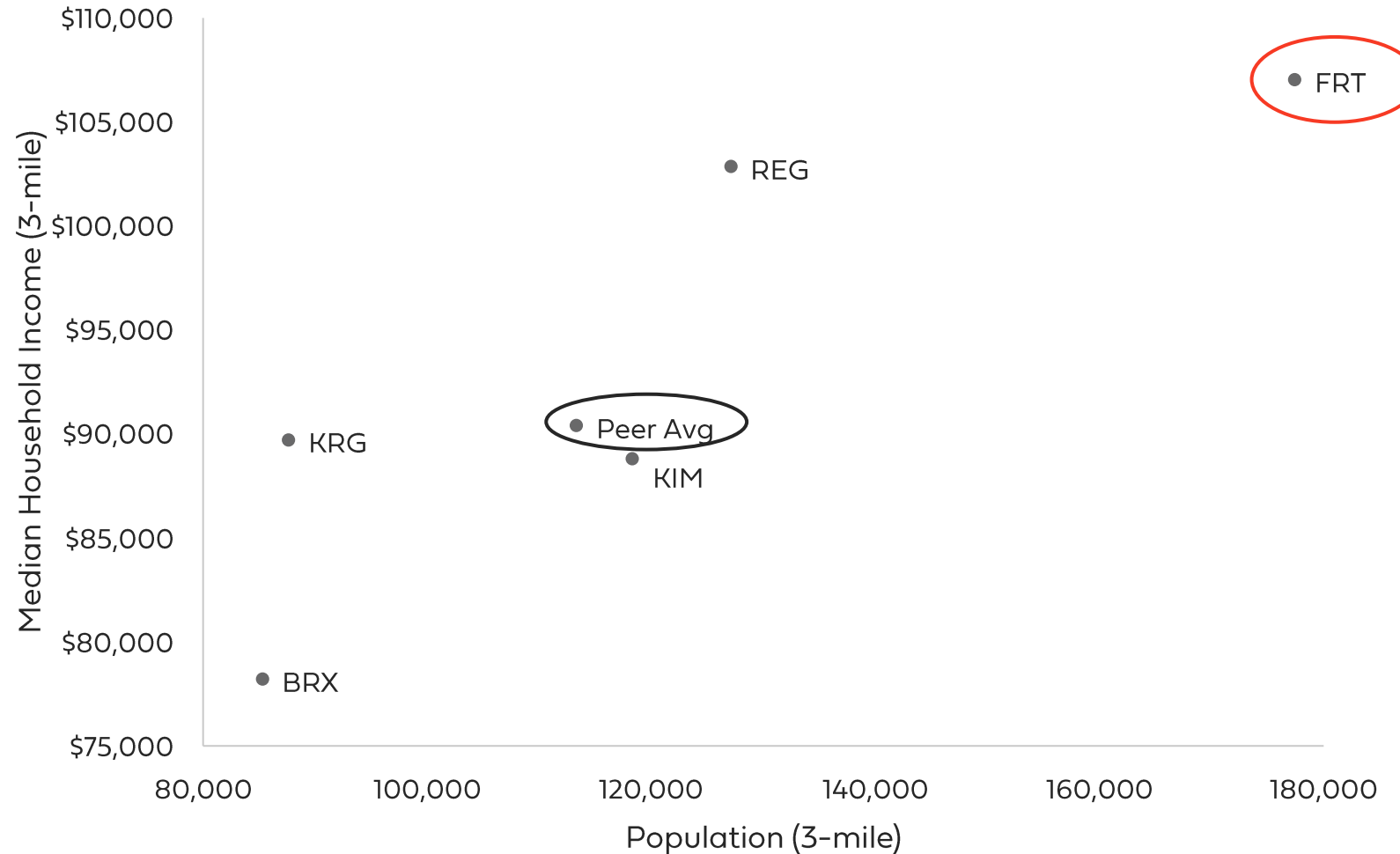
“Consumers are still spending, but headwinds are getting increasingly fierce.... [our] lower-income shoppers – those with household incomes of \$75,000 or less – are trading down to less expensive items while middle- and higher-income shoppers have been less affected by inflation.”

- Jeff Gennette  
Macy's CEO  
Wall Street Journal  
May 26, 2022

Percent of GLA with Median Household Income <\$75k



Source: ESRI as of August 2022, Company filings as of 6/30/22.



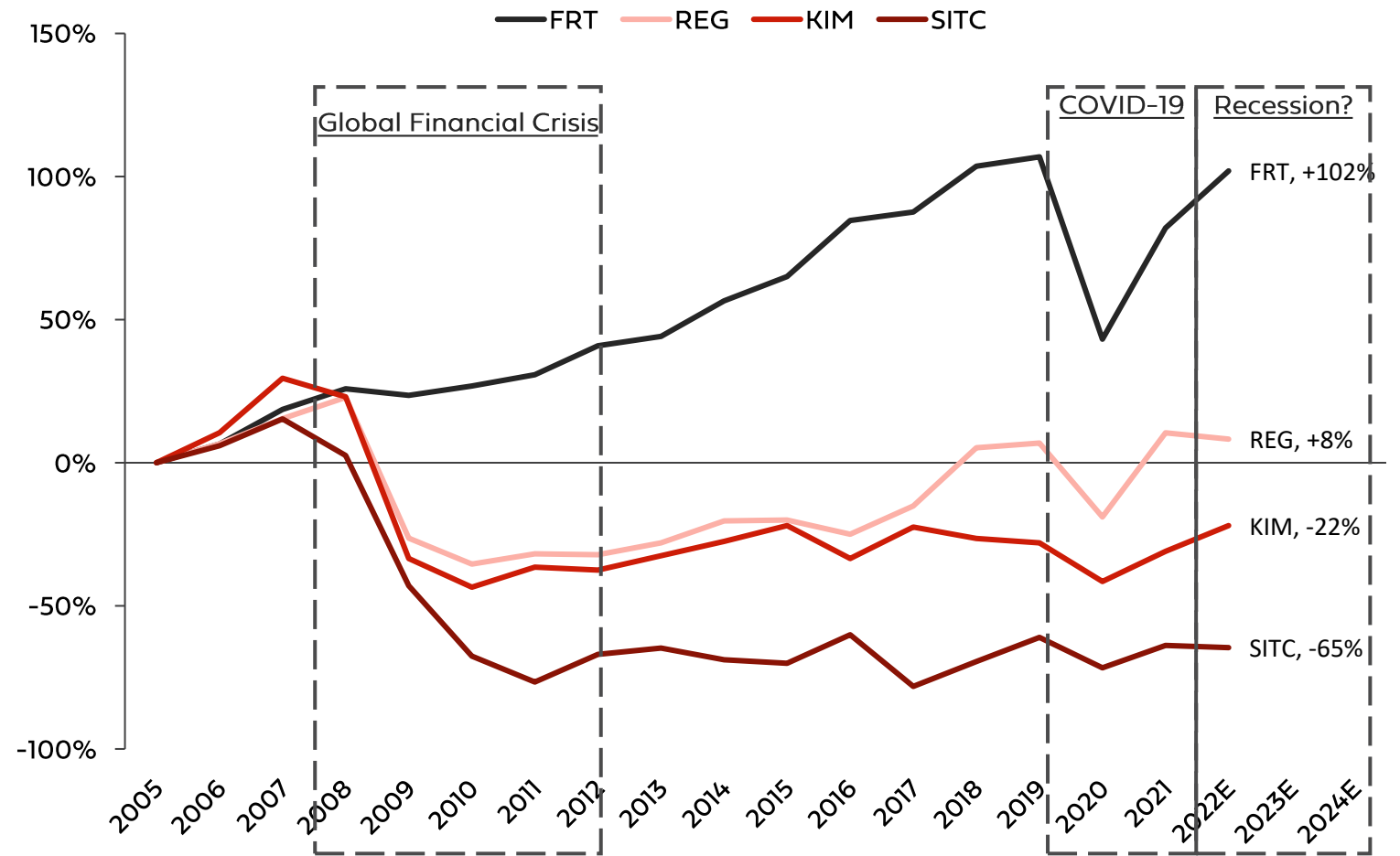
# Economic Cycle-Tested Business Plan

## TRACK RECORD MATTERS

- Business plan and balance sheet built to manage through various economic cycles
- History of managing through and outperforming during difficult times
- Demonstrated consistency, stability and conservatism over the years

Source: Company Filings, Bloomberg  
Note: Past performance not indicative of future performance. FRT 2019 excludes \$11.9 million accounting related charge for the buyout of the Kmart lease at Assembly Row Marketplace. BRX excluded due to insufficient data given IPO in 2013.

Cumulative change in Nareit FFO per share since 2005 vs. large-cap, national peers



# Economic Cycle-Tested Business Plan (cont.)

## Global Financial Crisis (2008 – 2012)

## COVID-19 Pandemic

We believe our outperformance in the Global Financial Crisis was driven by:

- Our sector-leading demographics → consumers in our markets were better able to absorb the recession’s impact
- The quality of our tenancy
- The quality of our assets
- The strength of our balance sheet

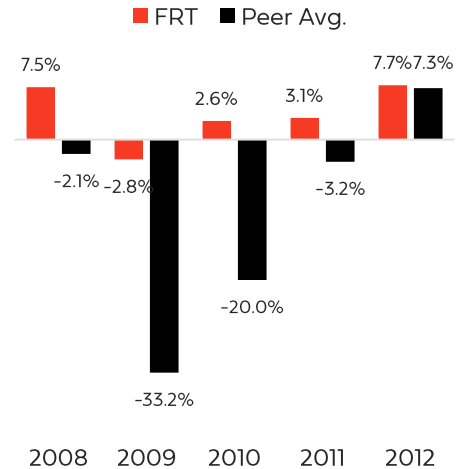
- Disproportionally affected by COVID-19 due to stricter and longer government shutdowns and mandates in our markets
- Resilient higher-demographic markets have led to a strong bounce back

During the Global Financial Crisis, we outperformed our peers in FFO per share growth, same-store growth, and leased rate, among various other metrics

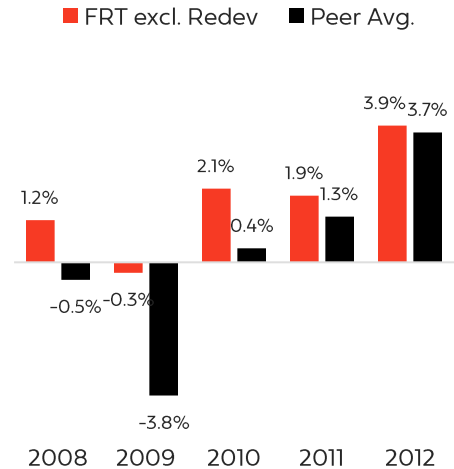
## Inflationary Environment with Potential Recession

- Inflation and recession risks expected to impact retail differently than COVID-19 pandemic
- Higher income demographic markets with higher income customers should be less impacted
- Demographics around our properties should support better performance through inflation and recession

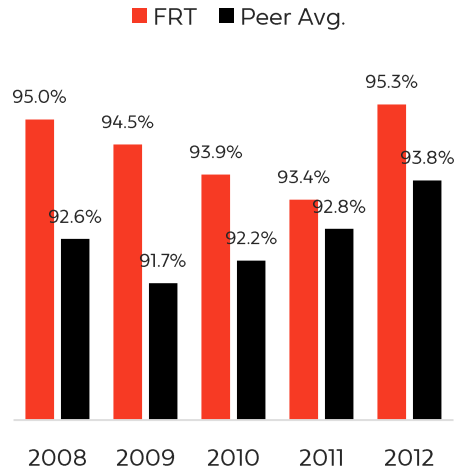
FFO Per Share Growth



Same-store growth



Leased Rate



Source: SEC filings.  
 Note: Peers include REG, KIM (US Shopping Centers), WRI (acquired by KIM), EQY (Acquired by REG), SITE (formerly DDR).



# Investment Highlights

FEDERAL REALTY INVESTMENT TRUST

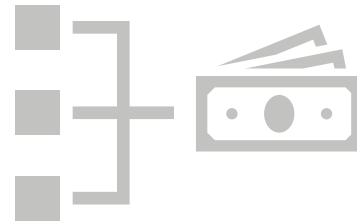
1 /



1<sup>st</sup> Ring  
Suburbs

Open air properties located in drivable first-ring suburbs of 9 major metropolitan markets, with high barriers to entry.

2 /



Diverse income stream by market, region, use, format, tenant & tenant category with contractual near-term upside.

3 /



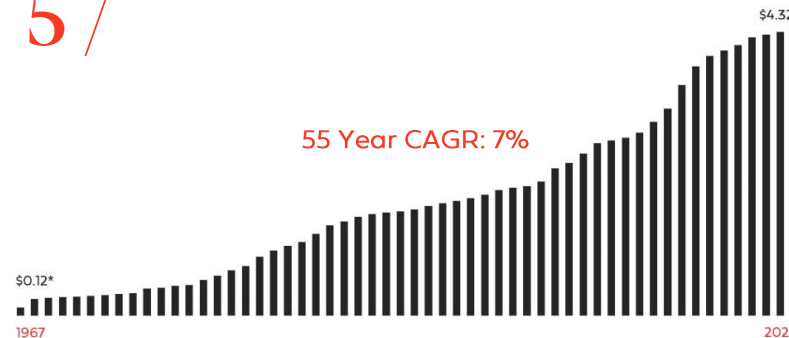
De-risked expansion pipeline of new product at established places in markets with significant demand drivers and job growth.

4 /



Strong balance sheet with ample liquidity and a visible path to pre-pandemic leverage metrics.

5 /



Tenured management team with dividend & growth track-record throughout various real estate and economic cycles.

6 /



Sustainable-minded company with a strong commitment to our tenants, communities, employees and stakeholders.

# 1<sup>st</sup> Ring Suburbs of 9 Strategic High-Barrier Markets

## PORTFOLIO OVERVIEW

- 105 open-air properties located in 1<sup>st</sup> ring suburbs of 9 major high-barrier markets
  - Drivable markets with public transit access
- 105 properties include:
  - ~3,100 commercial tenants
  - ~25 million commercial square feet on ~2,000 acres of land
  - ~3,400 residential units
- Best in class locations<sup>(1)</sup>
  - \$151,000 avg household income
  - 177,000 avg population
  - \$10+ billion of average spending power<sup>(2)</sup>
  - Highest barriers to entry

- (1) Source: ESRI as of August 2022. Calculated on a weighted-average basis. 3-mile radius.
- (2) Defined as average household income multiplied by number of households. 3-mile radius.
- (3) Physical structures that can be readily modified to highest and best use.
- (4) Landlord retains significant control over the properties with minimal tenant protection. The better the real estate, the more leverage the landlord has.



## Keys to our Success

 **Dense Population<sup>(1)</sup>**  
177,000 People

 **Strong Household Incomes<sup>(1)</sup>**  
\$151,000

 **High Barriers to Entry**

 **Limited Competition**  
Low Retail GLA per capita

 **Flexible Property Format<sup>(3)</sup>**

 **Strong Landlord Friendly Leases<sup>(4)</sup>**

# Tenant Demand Drivers



## OPEN AIR FORMAT

- Flexible format
- Expanded outdoor seating and common area usage capabilities
- Attractive to tenants looking to reposition stores or formats
- Less capital intensive to reposition than alternative formats



## RELIABLE PARTNER TO OUR TENANTS

- Reputation of being a well-capitalized partner to our tenants
- Willingness to, track-record of, and balance sheet capabilities to invest in our properties
- Reinvestment in our properties through property improvement plans, ensuring our center remain dominant and relevant in the communities they serve



## FORWARD THINKING

- Evolving curbside pick-up program, "The Pick-Up"
- Comprehensive in-house tenant services program including tenant construction management, marketing support and property management
- Continual evolution of our assets through forward-focused, thoughtful remerchandising and reinvestment to attract the most relevant tenants



## MOST SOUGHT AFTER RETAIL REAL ESTATE

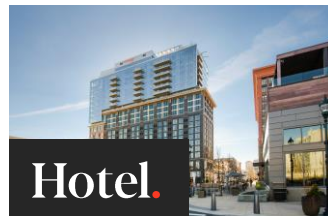
- Best locations in 1st ring suburbs with sector-leading demographics in some of the country's most desirable markets
- Dominant centers in their respective trade areas with continued investment in landscaping, placemaking, outdoor seating
- Integral part of the communities they serve

# Diversified Income Stream

Percent of 2022E POI by market<sup>(1)(2)</sup>



## By Use



Percent of 2022E POI by Format<sup>(1)</sup>

*Over 75% of our centers have a grocery component<sup>(3)</sup>*



**36%**  
**Mixed-Use**  
Santana Row



**25%**  
**Grocery-Anchored**  
Wildwood Shopping Center



**24%**  
**Super Regional**  
Plaza El Segundo



**10%**  
**Power Center**  
Federal Plaza



**5%**  
**Other**  
The Grove at Shrewsbury

Note: Property Operating Income (POI) defined as rental income and mortgage interest income, less rental expenses and real estate taxes

(1) Estimated based on budget as of 6/30/22. Final POI may differ from current estimate.

(2) 5% of POI from additional properties located outside these markets. Percentages may not sum to 100% due to rounding. / 12

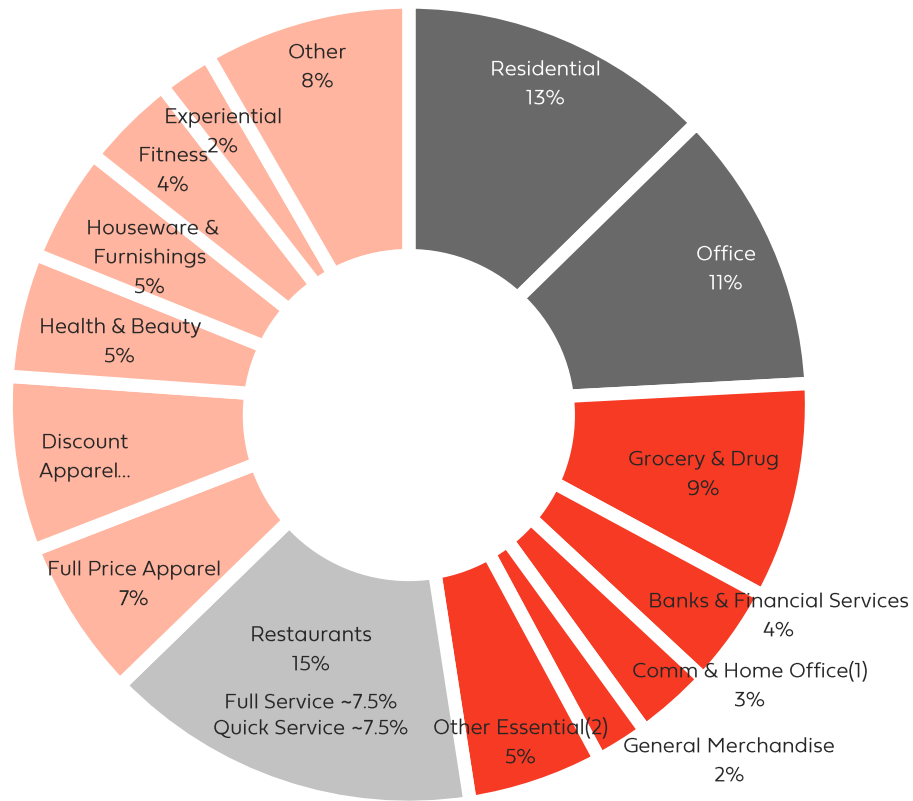
(3) Based on GLA. Includes current grocers, large format stores with grocery component and grocers with signed leases. Grocers in properties in all categories except "Other".

# Diversified Income Stream

## TENANT DIVERSIFICATION

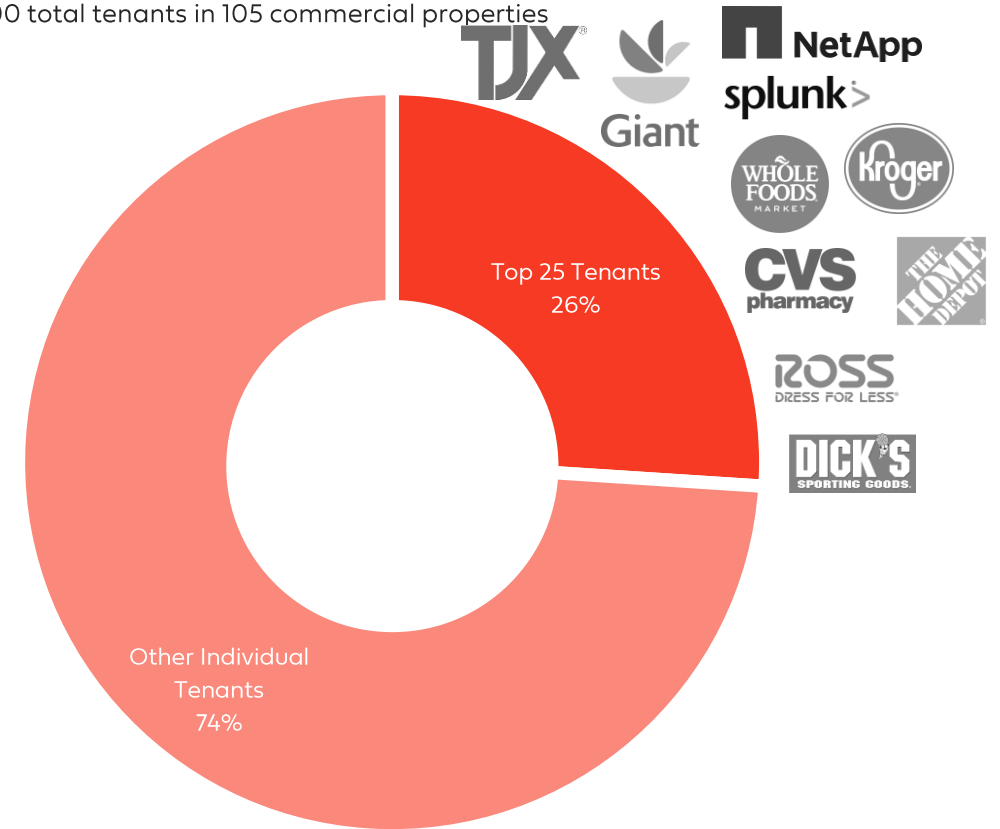
### By Category

- 24% of ABR comes from office & residential
- 23% of ABR comes from essential retail
- 15% of ABR comes from restaurants



### By Tenant

- No tenant greater than 2.85% of ABR
- Top 25 tenants only account for 26% of ABR
- ~3,100 total tenants in 105 commercial properties



Note: As of 6/30/22. Reflects aggregate, annualized in-place contractual (defined as rents billed on a cash basis without taking the impact of rent abatements into account) minimum rent for all occupied spaces and occupied residential units as of June 30 2022. Excludes redevelopment square footage not yet placed in service. – (“ABR”).

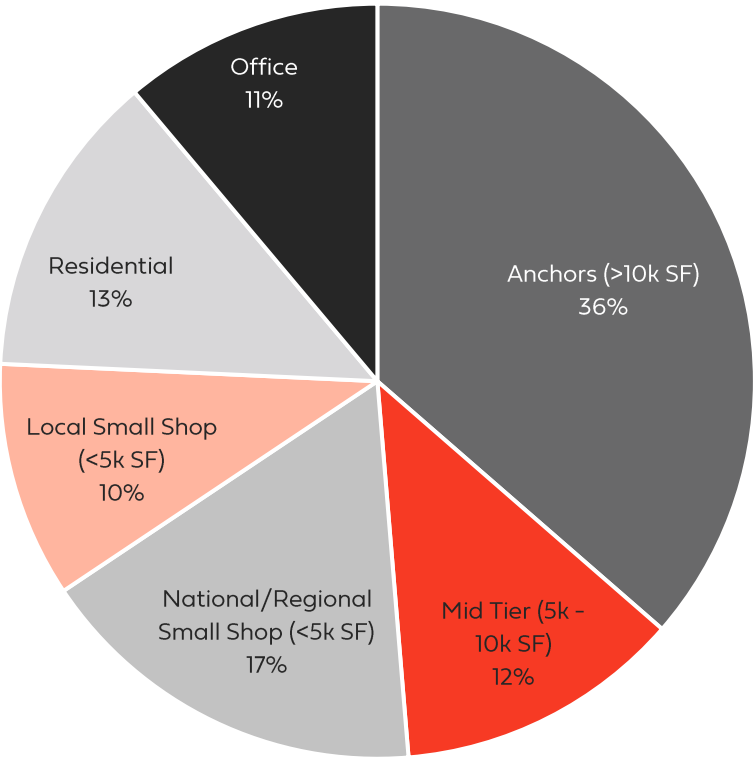
(1) Communications & Home Office includes: Telecommunications (<2%), Electronics (<2%) & Office Supply (<1%).

(2) Other Essential includes: Auto, Liquor, Home Improvement, Pets & Medical.

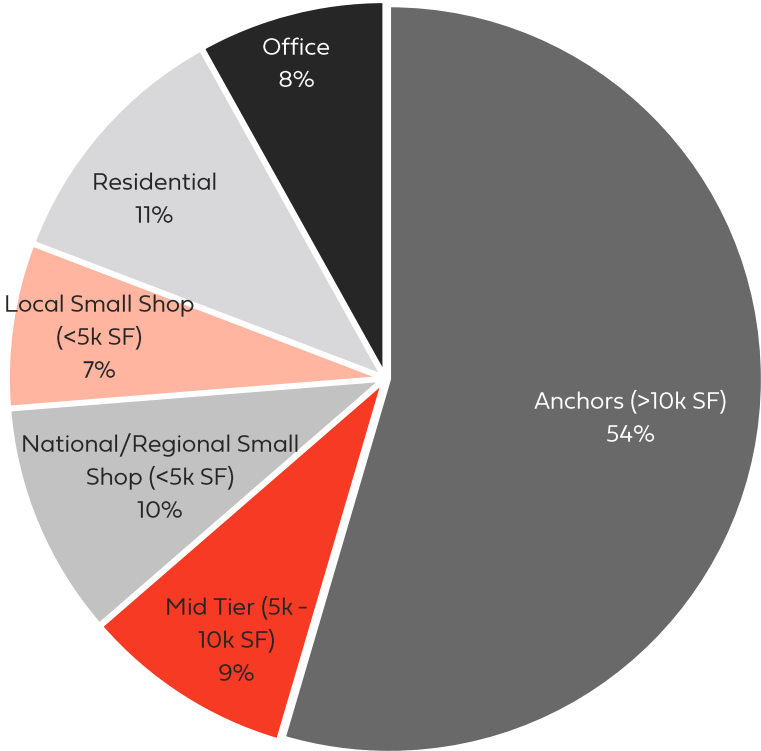
# Portfolio Composition

## TENANT DIVERSIFICATION

### Annualized Base Rent



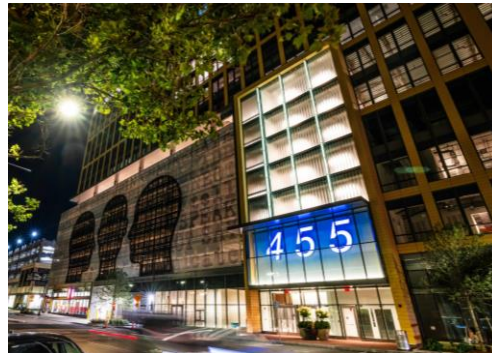
### GLA



Note: As of 6/30/22.

# Recently Completed Redevelopments & Expansions

\$800 MILLION OF RECENTLY COMPLETED REDEVELOPMENT AND EXPANSION PROJECTS



**ASSEMBLY ROW PHASE 3**



**PIKE & ROSE PHASES 3**  
909 Rose Avenue



**COCOWALK**

<b>Project Description</b>	277k SF office 500 residential units 56k SF retail	212k SF office 7k SF retail	Entire shopping center redevelopment Construction of 107k SF office / retail building
<b>Location</b>	Somerville, MA Greater Boston	North Bethesda, MD Washington D.C.	Coconut Grove, FL Miami
<b>Cost</b>	\$465 - \$485 million	\$128 - \$135 million	\$110 - \$120
<b>Return</b>	6%	6% - 7%	6%
<b>Updated</b>	<ul style="list-style-type: none"> <li>Office: 93% leased</li> <li>Residential: 95% leased, stabilized occupancy expected in second half of 2022</li> <li>2023 Stabilization for Phase 3</li> </ul>	<ul style="list-style-type: none"> <li>100% leased</li> <li>2023 Stabilization</li> </ul>	<ul style="list-style-type: none"> <li>99% leased</li> <li>Stabilized</li> </ul>
<b>Certifications</b>	LEED Certified Gold	LEED Certified Gold Fitwel Certification	One CocoWalk LEED Certified Gold

# In-Process Mixed-Use Expansion Pipeline

**\$500 MILLION OF MIXED-USED EXPANSION PROJECTS IN PROCESS**

- Projects located in the 1<sup>st</sup> ring suburbs of major metro markets with significant demand drivers
  - Near job centers with continued growth
  - Drivable markets with public transit access
  - Established places
  - Amenitized environments
- Delivering desirable new product featuring:
  - New building systems including contactless and touchless entry
  - New HVAC / air quality systems
  - Outdoor spaces
  - Convenient parking
  - Amenitized walkable environment
- ~\$226 million of spend remaining on current phases over the next 3 years<sup>(1)</sup>



**PIKE & ROSE PHASE 4**  
915 Meeting Street



**ONE SANTANA WEST**

Project Description	266k SF office, 10k SF retail	376k SF office
<b>Location</b>	North Bethesda, MD Washington D.C.	San Jose, CA Silicon Valley
<b>Demand Drivers</b>	<ul style="list-style-type: none"> <li>▫ Government</li> <li>▫ Healthcare (NIH &lt;4 miles)</li> <li>▫ Biosciences</li> <li>▫ Medical technology</li> </ul>	<ul style="list-style-type: none"> <li>▫ Global center of technology</li> <li>▫ Data analytics</li> <li>▫ Social media</li> <li>▫ Cloud computing</li> </ul>
<b>Cost Remaining Spend<sup>(1)</sup></b>	\$185 - \$200 million \$118 million remaining spend	\$300 - \$315 million \$108 million remaining spend
<b>Projected POI</b>	6%	6%
<b>Update</b>	<ul style="list-style-type: none"> <li>▫ Office is 40% pre-leased to Choice Hotels</li> <li>▫ Pursuing LEED Gold Certification</li> </ul>	<ul style="list-style-type: none"> <li>▫ LEED Gold Certification in process</li> </ul>

(1) Assumes mid-point of expected total cost less costs to date.



# In Process Strategic Redevelopment Pipeline

\$220 MILLION OF STRATEGIC REDEVELOPMENT PROJECTS IN PROCESS

- 5 additional redevelopment projects underway in 2022, stabilizing over the next 3 years with more on the way
- ~\$98 million of remaining redevelopment spend over the next 3 years<sup>(1)</sup>



**DARIEN COMMONS | Darien, CT**  
75,000 SF of new retail, 122 apartments  
\$36 million remaining spend  
2023 Anticipated Stabilization



**HUNTINGTON | Huntington, NY**  
102,000 SF of redesigned retail  
\$56 million remaining spend  
2024 Anticipated Stabilization



**3 ADDITIONAL PROJECTS**  
Various stages  
\$6 million remaining spend

Note: Remaining spend assumes mid-point of expected total cost less costs to date. CocoWalk has achieved LEED Gold certification.  
(1) Assumes mid-point of expected total cost less costs to date.

# Entitlements

## PIPELINE OF ADDITIONAL DENSIFICATION OPPORTUNITIES

- ~1 million SF and 250+ residential units shovel ready (i.e. entitled and designed) expansions
  - Pike & Rose, Assembly Row and Santana Row
- ~2,000 residential units with design and entitlements in-process
  - Predominantly located on underutilized land at our shopping centers
- ~7 million SF and 2,000+ residential units of additional vested entitlements
  - Primarily in our mixed-use portfolio
- ~7 million SF (commercial + residential) of active major re-zonings in-process



Note: Entitlement information covers entirety of properties. There are no guarantees that we will be successful in obtaining any of the rezonings or entitlements that we are currently pursuing, that final entitlements actually obtained will be in the amounts reflected above or that we will utilize all or any of the entitlements that are currently vested or ultimately obtained.

# Acquisition of Kingstowne Towne Center



Source: ESRI as of August 1, 2022.

## Overview

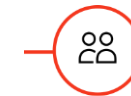
- Super regional shopping center
- Value creation through remerchandising & incremental capital investment over time
- 410,000 SF on 45 acres of land
- 95% leased
- \$200 million total purchase price
  - \$100 million closed in April 2022,
  - \$100 million closed in July 2022
- Comparable to Barracks Road with 2 grocers and other productive anchor tenants

## Location

Located in Virginia's Fairfax County near TSA's new headquarters, Kingstowne Towne Center is surrounded by 5,200 homes, four commercial office buildings, and a planned multifamily development, and is part of a one million-square-foot regional retail node that attracts approximately 8.3 million visits annually—amongst the most visited retail destinations in Virginia.

## Demographics\*

3-MILE RADIUS



**Population**  
124,052



**Avg HHI**  
\$159,576



**Households**  
47,266



**Median Age**  
39



**Median HHI**  
\$118,329



**College Educated**  
54%

"Kingstowne Towne Center has afforded us a rare opportunity to own 45 acres of land in one of the country's most desirable markets. The large property, which boasts attractive demographics and significant barriers to entry, is a valuable addition to our expanding Northern Virginia portfolio and further demonstrates our corporate commitment to investing in value-enhancing acquisitions."

– Jeff Berkes, President & COO

# Acquisition of The Shops at Pembroke Gardens



## Overview

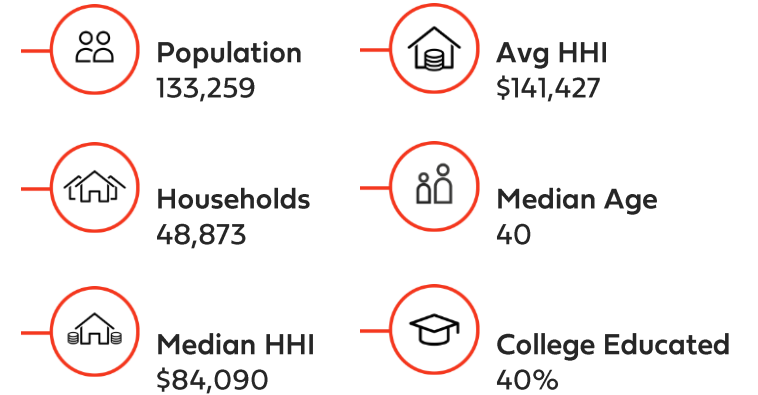
- Super regional shopping center
- Value creation through remerchandising, increasing rents & incremental capital investment over time
- 392,000 SF on 41 acres of land
- 90% occupied
- \$180.5 million total purchase price
- Comparable to Congressional Plaza and highly productive Tower Shops in Davie, Florida

## Location

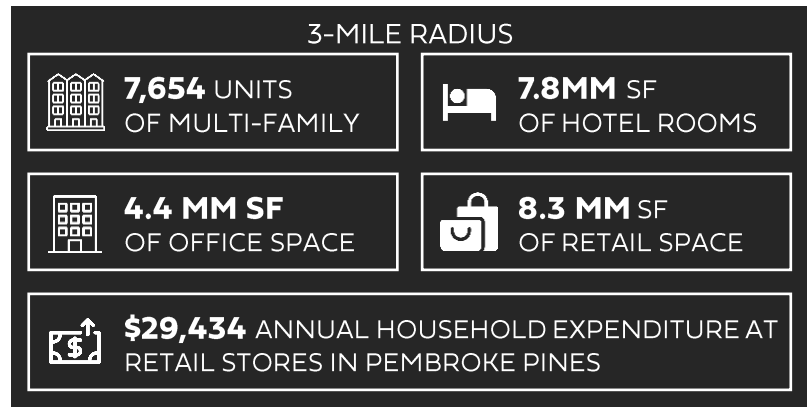
Located in Pembroke Pines in Broward County, FL. The property is adjacent to I-75 at the Pines Blvd. interchange, approximately 8 miles south of Federal's Tower Shops and 20 miles north of Federal's CocoWalk. I-75 is the longest interstate in Florida and the second busiest North/South route seeing 163,000 VPD on I-75 in front of the Property

## Demographics\*

3-MILE RADIUS



## Market Overview



Source: ESRI as of August 1, 2022 and Eastdil Secured.

# Strong Balance Sheet

## BALANCE SHEET SNAPSHOT

### Credit Ratings



The complete ratings report can be accessed at [www.federalrealty.com](http://www.federalrealty.com)

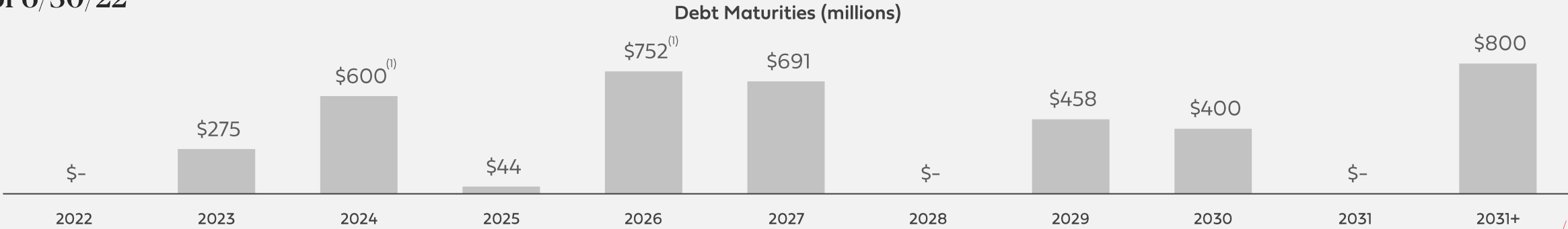
### Ample Liquidity

- Over \$1.2 billion of liquidity in cash and undrawn credit facility availability
  - \$1 billion undrawn credit facility availability
  - \$177 million of cash and cash equivalents as of 6/30/22
- \$450 million of non-core dispositions under consideration at sub-5% cap rate

### Balance Sheet Update

- 5.8x annualized net debt to EBITDA
  - Expect to be back to pre-COVID levels by late 2023
- Fixed charge coverage over 4x
  - Above our targeted levels
- 93% of total debt is fixed rate
- Free cash flow expected to return to pre-COVID levels in 2023

### Well-laddered debt maturity schedule as of 6/30/22



(1) Reflects exercise of two 1-year extension options on our \$300 million term loan which has an initial maturity in April 2024.

# Cycle-Tested Management Team

PROVEN ABILITY TO EXECUTE



**Don Wood**  
CEO  
Joined 1998<sup>(1)</sup>



**Dan Guglielmono**  
EVP, CFO & Treasurer  
Joined 2016



**Dawn Becker**  
EVP, General Counsel  
& Secretary  
Joined 1997



**Jeff Berkes**  
EVP, President & COO  
Joined 2000



**Wendy Seher**  
EVP, Eastern Region,  
President  
Joined 2002



**Jan Sweetnam**  
EVP, Western Region,  
President  
Joined 1997

## Executive Leadership

- Average 20+ years at Federal Realty and 26+ years of real estate experience with experience managing through difficult real estate and economic cycles.
- Lean and nimble corporate structure enables management to be closer to the real estate and the real estate decisions which can affect properties for decades.
- Proven ability to make smart, risk-adjusted capital allocation decisions throughout investment cycles

## Total Annual Return Since 2003<sup>(1)(2)</sup>

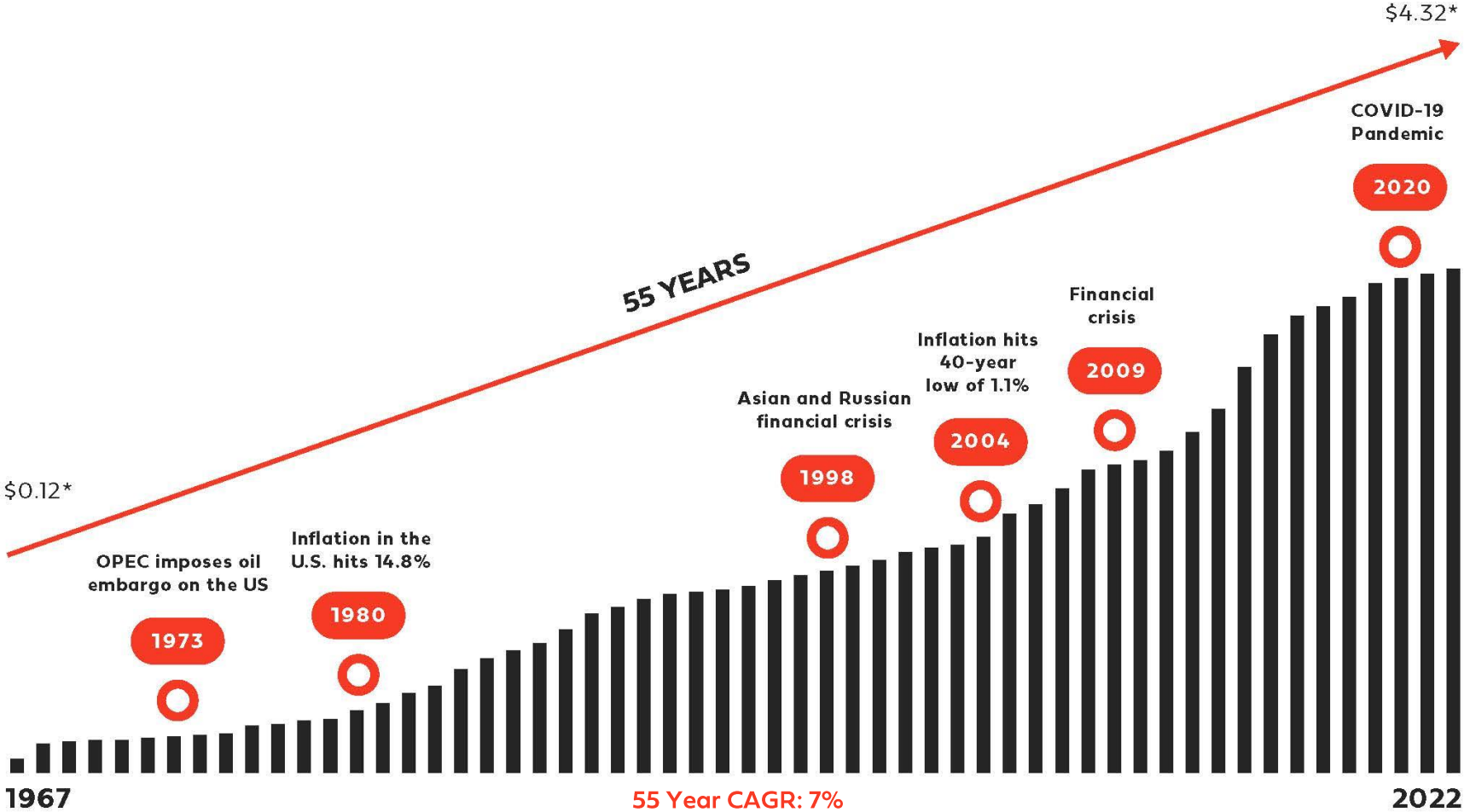


(1) Don Wood has been President and CEO since January 2003.

(2) Indices represent: S&P 500 Total Return Index, FTSE NAREIT Index, Bloomberg Shopping Center REIT Index. As of 12/31/21.

# 55 Consecutive Years of Increased Dividends

1 OF 44 PUBLICLY TRADED COMPANIES CONSIDERED A DIVIDEND KING



\*3Q annualized dividend per share

# Commitment to Sustainability

INVESTING IN OUR REAL ESTATE



**\$2.3B**

Total Investment



**5 M**

Total Square Footage

*Projected investment and building size for projects that have achieved or are expected to achieve LEED certification*

*Increasing our value through environmentally responsible real estate*



LEED Gold  
certification at  
One CocoWalk



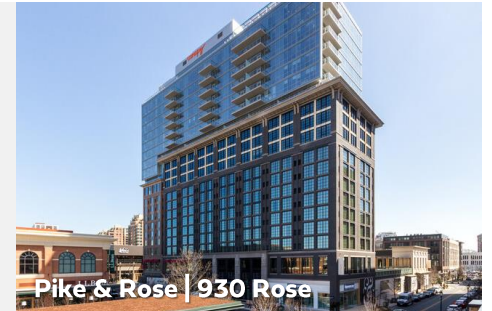
Fitwel certification  
at Federal's  
Corporate HQ at  
909 Rose



**GOLD**



**SILVER**



**CERTIFIED**



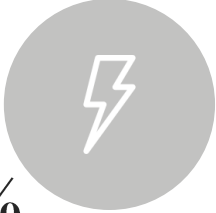
Representative examples.




# Commitment to Sustainability

## IMPROVING OPERATIONAL IMPACTS

### Our Progress



**39%**  
reduction in Scope 1 & 2  
GHG emissions<sup>(1)</sup>.



**13.6MW**  
of on-site  
solar capacity.

### Our Goal

- Achieve Net Zero for Scope 1 & 2 emissions by 2050.
- 15% reduction in landlord-controlled electric use by 2025<sup>(1)</sup>.

(1) Reductions as of 12/31/2021 against 2019 baseline.

### Recognition



### Reporting



# History of Strong Corporate Governance

COMMITMENT TO PRACTICES AND POLICIES THAT BEST SERVE OUR SHAREHOLDERS



**Don Wood**  
CEO of Federal Realty



**David Faeder**  
Non-Executive  
Chairman of the  
Board



**Gail Steinel**  
Audit Committee  
Chair



**Liz Holland**  
Compensation and  
Human Capital  
Management  
Committee Chair



**Mark Ordan**  
Nominating and  
Corporate Governance  
Committee Chair



**Nicole Lamb-Hale**



**Anthony Nader**

- Annual election of all Trustees
- Independent Audit, Compensation, and Nominating Committees
- Independent non-executive chairman of the Board since 2003
- Direct Board oversight of corporate responsibility and sustainability efforts
- Direct Board oversight of human resources policies and strategies
- Annual Board and individual Trustee evaluations
- Shareholder approval required to classify the Board
- Majority voting in uncontested elections
- Proxy access for shareholders
- No poison pill
- Pay-for-performance compensation philosophy
- Prohibition on hedging and pledging our stock
- Robust stock ownership requirements for Trustees and senior management
- Clawback policy in place

Note: More information about our Board, the Board's committees, and each of our trustees is available on Federal Realty's website.

# Safe Harbor and Non-GAAP Information

FEDERAL REALTY INVESTMENT TRUST

Certain matters included in this presentation may be forward looking statements within the meaning of federal securities laws. Actual future performance and results may differ materially from those included in forward looking statements. Please refer to our most recent annual report on Form 10K and quarterly report on Form 10Q filed with the SEC which include risk factors and other information that could cause actual results to differ from what is included in forward looking statements.

This presentation includes certain non-GAAP financial measures that the company considers meaningful measures of financial performance. Additional information regarding these non-GAAP measures, including reconciliations to GAAP, are included in documents we have filed with the SEC.

Definitions of terms not defined in this presentation can be found in our documents filed with the SEC.

# Appendix

## Reconciliation of FFO Guidance as of June 30, 2022

The following tables provide a reconciliation of the range of estimated earnings per diluted share to estimated FFO per diluted share for the full year 2022. Estimates do not include the impact from potential acquisitions or dispositions which have not closed as of July 31, 2022.

	<b>Full Year 2022 Guidance Range</b>	
	Low	High
Estimated net income available to common shareholders, per diluted share	\$ 2.50	\$ 2.65
Adjustments:		
Estimated depreciation and amortization	3.60	3.60
Estimated FFO per diluted share	<u>\$ 6.10</u>	<u>\$ 6.25</u>

## Reconciliation of Comparable Property POI to Cash Based Comparable Property POI as of June 30, 2022

	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>% Change</b>
Comparable Property POI <sup>(1)</sup>	\$ 162,757	\$ 150,418	8%
Less:			
Straight-Line Rent	(1,266)	(2,786)	
Amortization of In-Place Leases	(1,220)	(1,145)	
	<u>\$ 160,271</u>	<u>\$ 146,487</u>	<u>9%</u>

(1) See page 12 of our 1st quarter and 2nd quarter Form 8-K filings filed on May 5, 2022 and August 4, 2022, respectively, which include a reconciliation from Operating Income to Comparable Property POI.



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