



Investor Presentation

2nd Quarter 2019



Retail Opportunity Investments Corporation
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www.roireit.net

OVERVIEW



Seabridge Marketplace – Oxnard, CA

ROIC Today

NASDAQ Symbol	ROIC	Share Price (6/30/19)	\$17.13
Annual Dividend (2019E)	\$0.788	Dividend Yield	4.6%
Total Market Cap	\$3.6B	Debt/Total Market Cap	41%
Total # of shopping centers⁽¹⁾	88	Total Owned Square Footage	10.1M
Portfolio Lease rate	97.9%	Total # of Tenants	1,954

- ✓ Largest, grocery-anchored shopping center public REIT focused exclusively on the West Coast
- ✓ Investment grade debt ratings, stable outlook by Moody's and S&P Global Ratings
- ✓ Member of the S&P SmallCap 600 Index

Highly Experienced Team

- ✓ Focused exclusively on West Coast for over 25 years
- ✓ Focused exclusively on grocery-anchored sector for over 25 years
- ✓ Focused exclusively on executing the same strategy for over 25 years
- ✓ Unparalleled West Coast shopping center relationships and market knowledge
- ✓ Acquired \$6 billion of West Coast shopping centers (sold over \$4 billion)
- ✓ Senior executives have worked together as a team for over 18 years
- ✓ Successfully operated two public REITs:
 - Retail Opportunity Investments Corp. (2009 – present)
 - *grown from \$400mm to \$3.6 billion in total market cap to date*
 - Pan Pacific Retail Properties (1997 – 2006)
 - *grew from \$400mm IPO to \$4 billion in total market cap (sold in Oct. 2006)*

PORTFOLIO



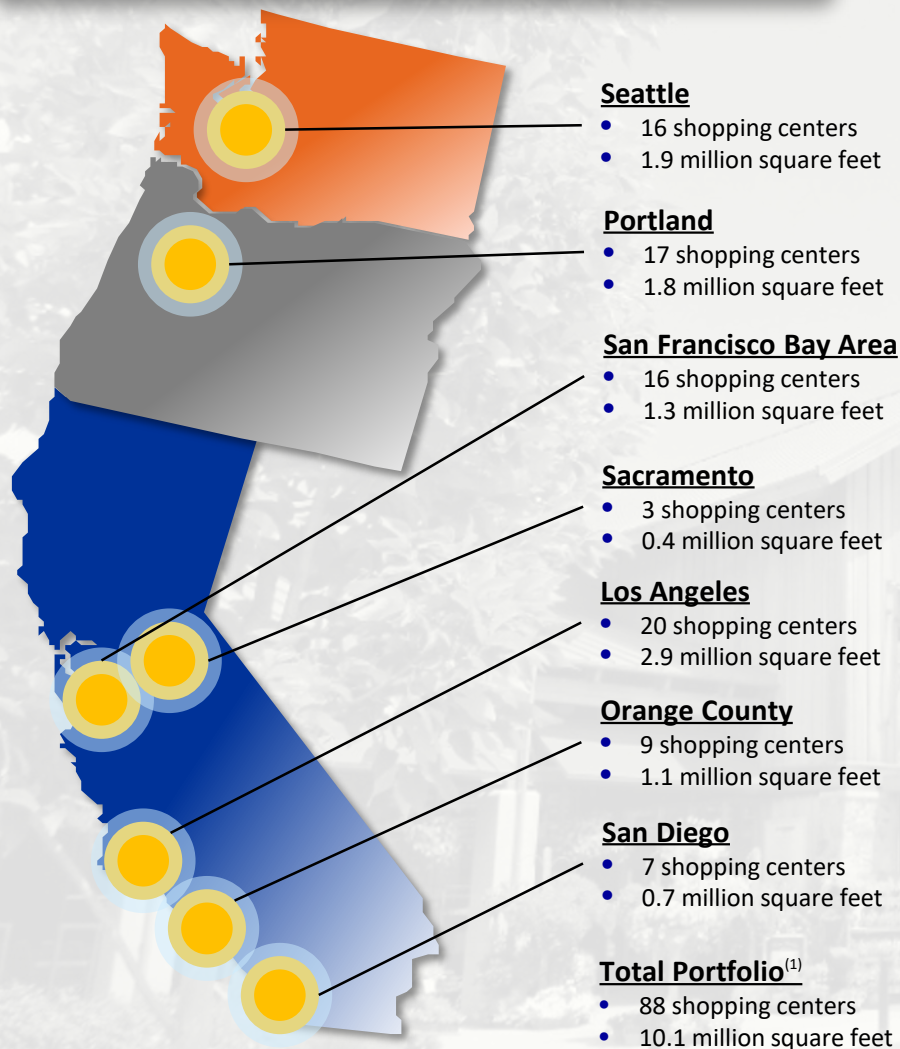
Happy Valley Town Center – Happy Valley, OR

Key Attributes

- ✓ **Densely-populated, desirable West Coast metropolitan markets**
- ✓ **Shopping centers well-located in the heart of diverse communities**
- ✓ **Anchored by leading supermarkets tailored to community preferences**
- ✓ **Value retailers providing basic goods and services (always in demand)**
- ✓ **Longer-term leases to daily-necessity anchor retailers (stable cash flow base)**
- ✓ **Shorter-term leases to destination shop retailers (potential cash flow growth)**
- ✓ **Controlled pad build-out and expansion/densification potential**

Largest West Coast Grocery Anchored REIT

Leading Metro Markets

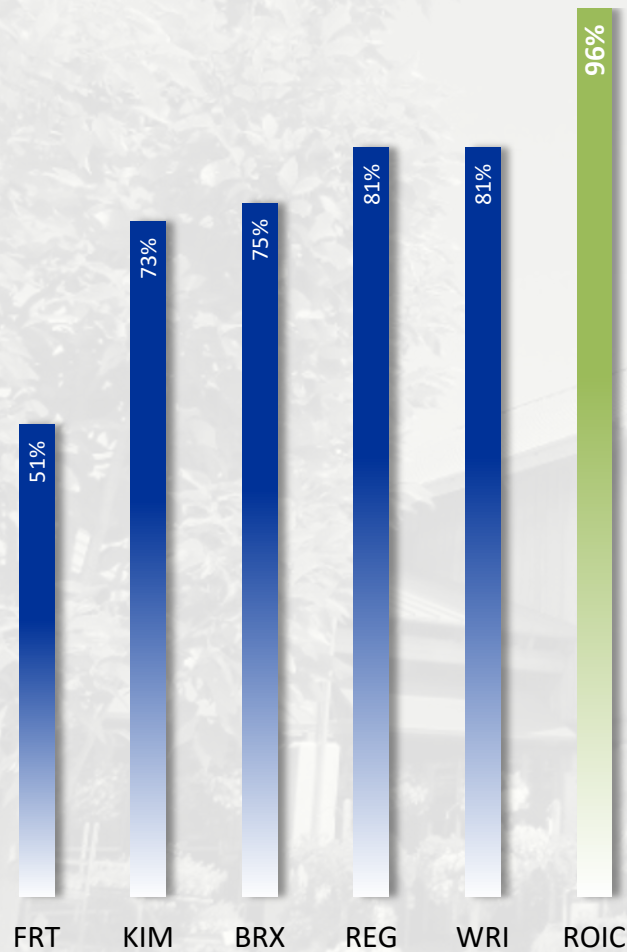


Strong Market Fundamentals

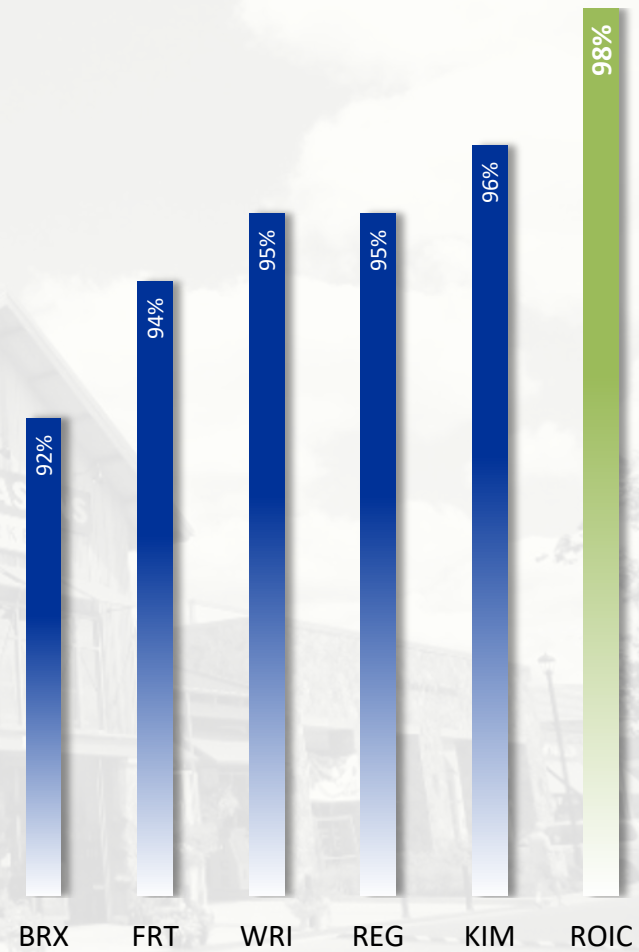
- **Densely populated, affluent demographics**
- **Above-average household income**
- **Solid employment growth**
- **High barriers to entry**
- **Limited new construction**
- **Occupancy steadily increasing**
- **Retail rents steadily increasing**

Leading Grocery-Anchored & High Occupancy Portfolio

% of Portfolio Value
Anchored by Supermarkets⁽²⁾

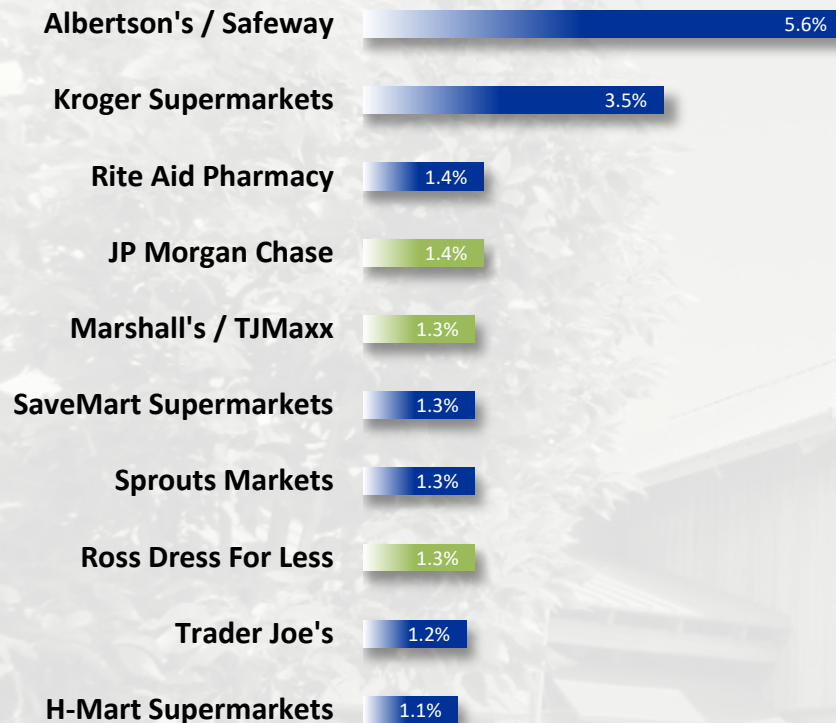


Portfolio Lease Rate⁽³⁾



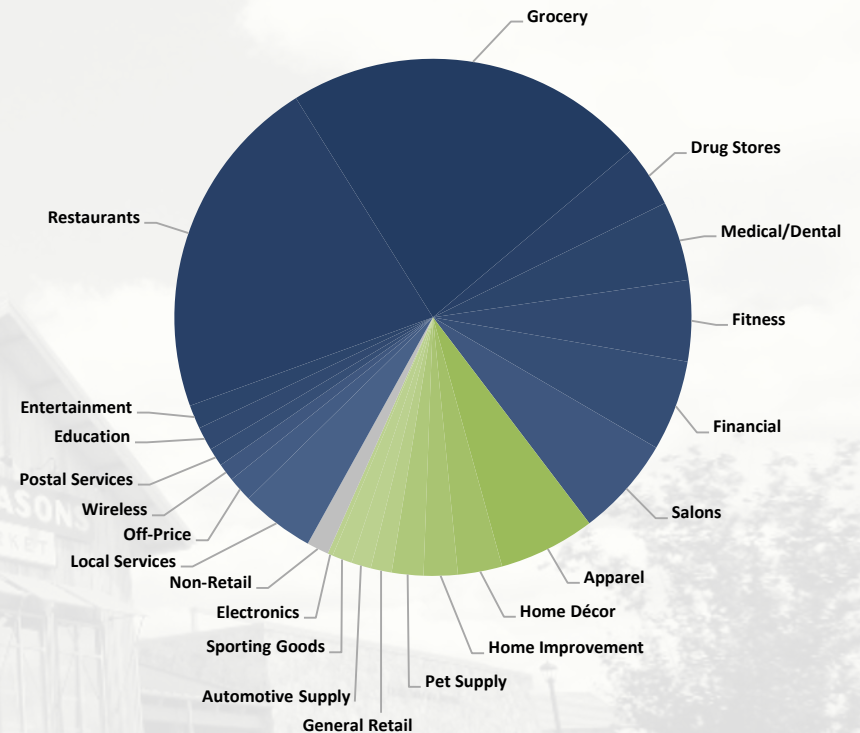
Broad Base of Daily-Necessity, Service & Destination Retailers

Top 10 Tenants



**79% of Top 10 Tenant ABR⁽⁴⁾
Derived from Daily-Necessity Retailers**

Portfolio Composition



**82% of Total ABR⁽⁴⁾ Derived From Daily-Necessity,
Service & Destination Retailers**

PERFORMANCE



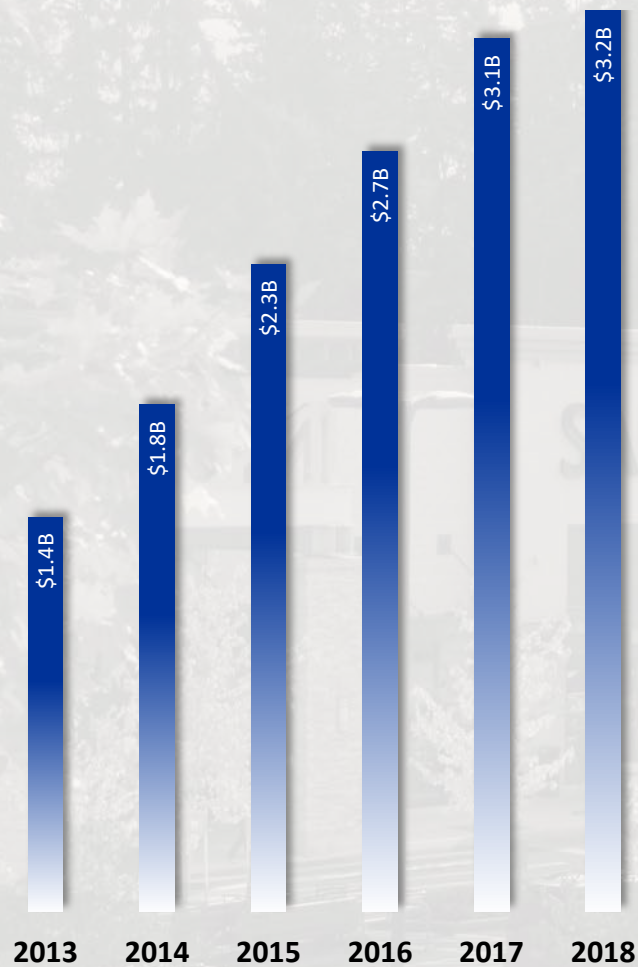
Canyon Crossing – Puyallup, WA

Long-standing, Successful Risk-Averse Strategy

- ✓ **Acquire well-located, established grocery-anchored shopping centers**
 - *off-market, privately owned, undermanaged properties*
 - *identifiable value-enhancement opportunities*
 - *priced below replacement cost*
- ✓ **Aggressive hands-on management and leasing of portfolio**
 - *maintain consistently high portfolio occupancy*
 - *proactively recapture and release underperforming space*
 - *release space with strong daily-necessity, service retailers*
- ✓ **Maintain conservative investment-grade financial position**
 - *large, diversified pool of unencumbered shopping centers*
 - *fixed-rate, long-term, unsecured debt*
 - *no preferred or convertible securities*
- ✓ **Deliver reliable cash dividends year after year**

Consistent Growth Year After Year

Total Undepreciated RE Assets⁽⁵⁾
(in billions at Year-End)

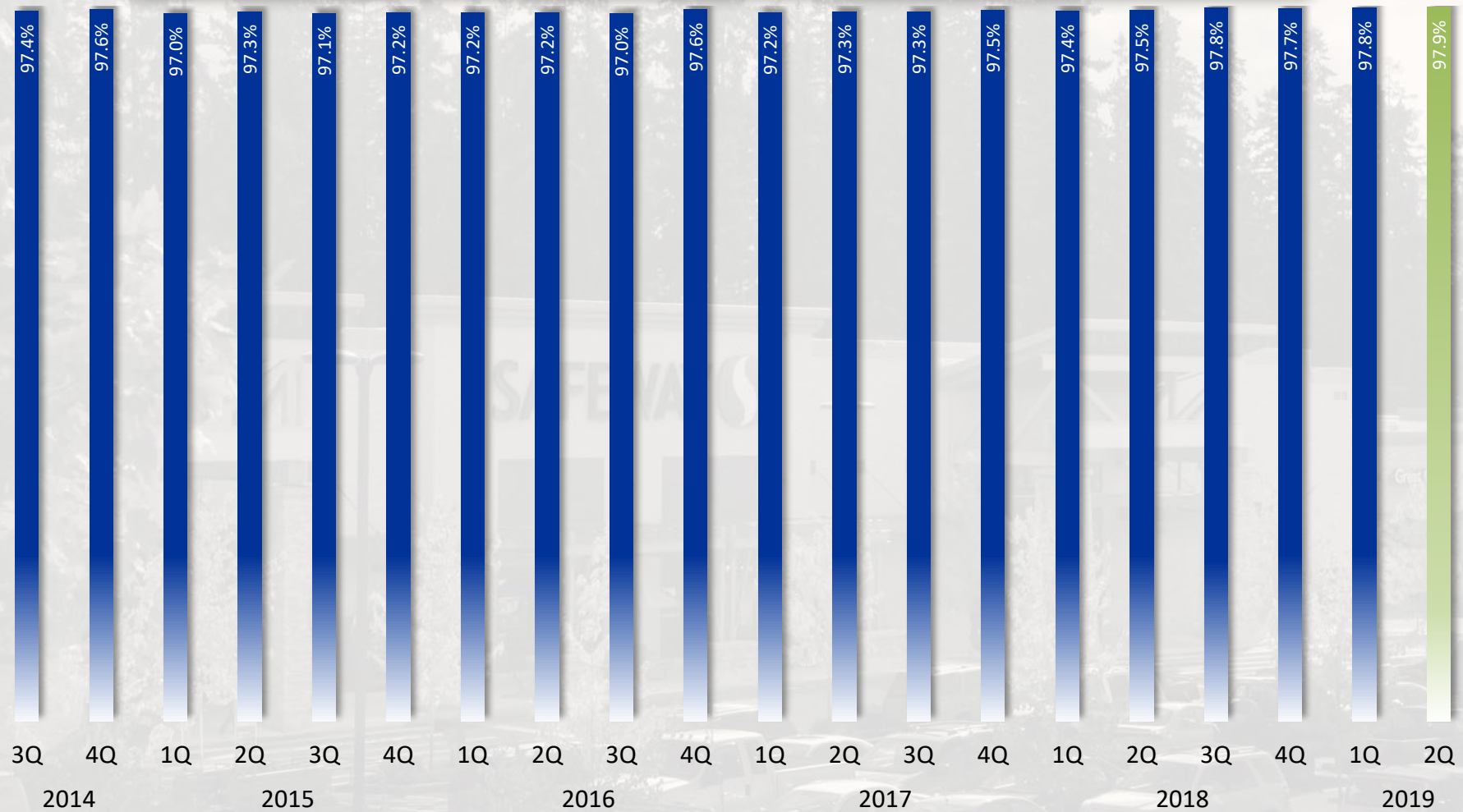


Total Revenues
(in millions)



Consistently High Occupancy

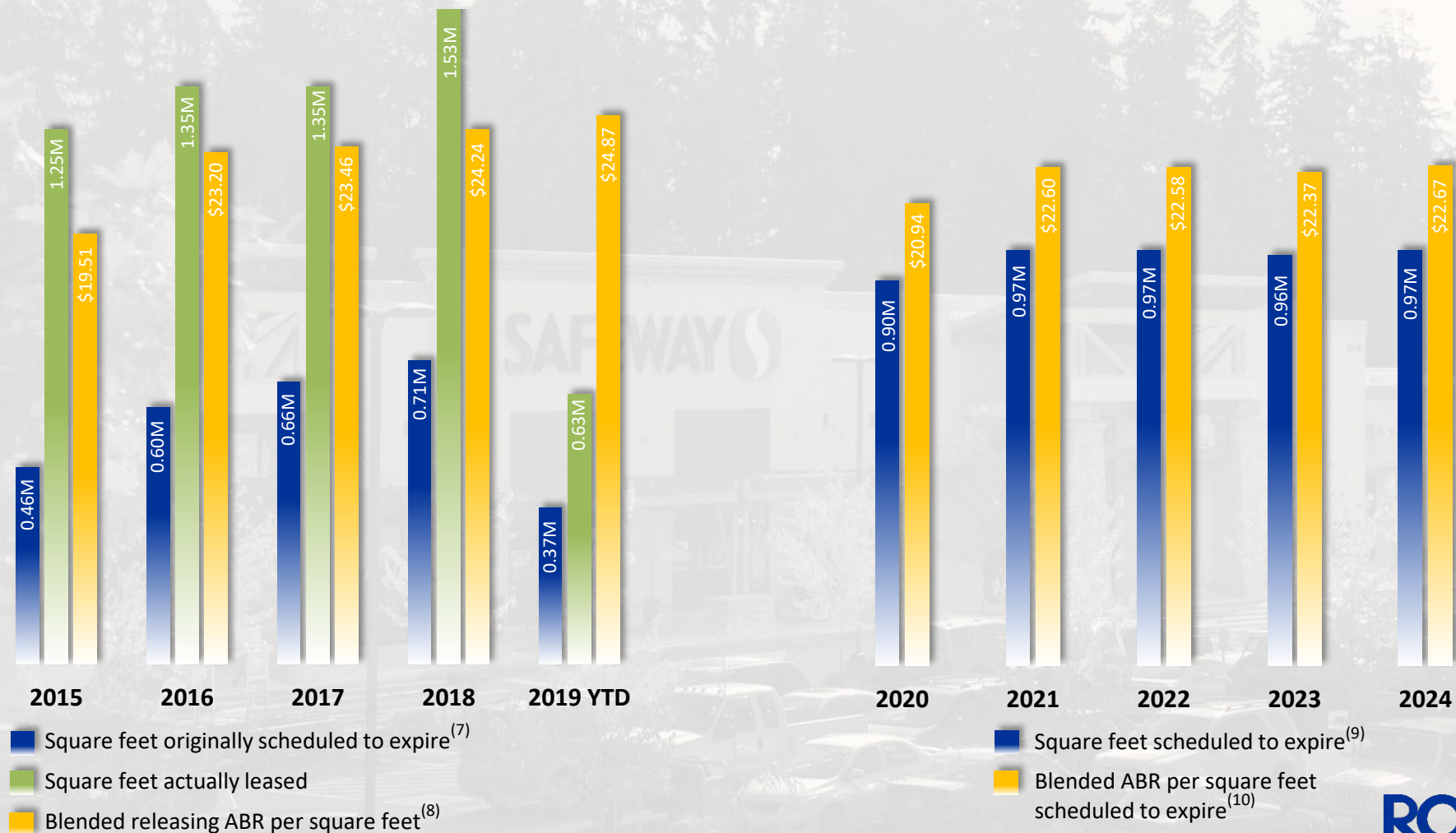
Portfolio Lease Rate: 20 Consecutive Quarters at/or Above 97%⁽⁶⁾



Proactive Leasing Produces Strong Results

Successful Leasing Track Record

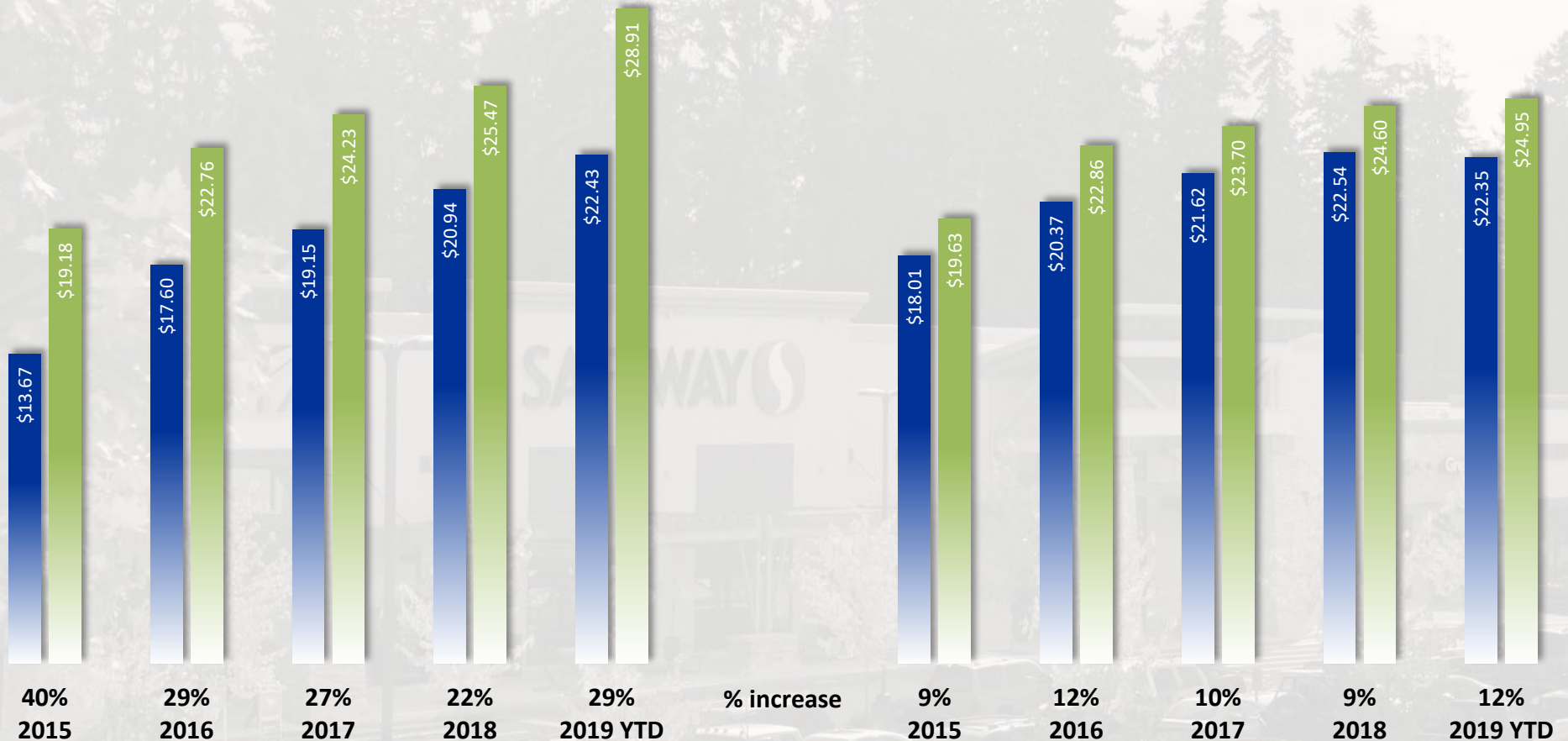
Significant Opportunity Going Forward



Proactive Leasing Produces Consistent Growth

Same-Space New Leases

Renewals



■ Prior ABR per square feet⁽¹¹⁾

■ New Initial ABR per square feet⁽¹²⁾

Reliable, Steadily Increasing Dividends Year After Year

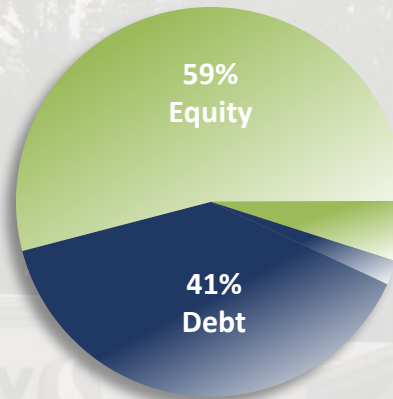


Conservative Financial Position

Well-Laddered Debt Maturity Schedule

	<u>\$ Maturing</u>	<u>% of Total</u>
2019	\$ 0.3M	0.0%
2020	0.6M	0.0%
2021	151.7M	10.2%
2022	324.1M	21.8%
2023	250.7M	16.9%
2024	276.7M	18.7%
2025	33.3M	2.2%
2026	200.0M	13.4%
2027	250.0M	16.8%
Total	<u>\$1,487.4M</u>	<u>100%</u>

Capitalization⁽¹⁴⁾



Public Stockholders	54%
OP Unit Holders	5%
Unsecured Debt	39%
Secured Debt	2%



Unencumbered GLA	95%
Encumbered GLA	5%

SUMMARY



Country Club Village – San Ramon, CA

2Q 2019 Highlights

- ✓ \$7.6 million of net income attributable to common stockholders (\$0.07 per diluted share)
- ✓ \$32.6 million of Funds From Operations (FFO)⁽¹³⁾ (\$0.26 per diluted share)
- ✓ 97.9% portfolio lease rate at June 30, 2019 (20th consecutive quarter at or above 97%)
- ✓ 27.3% increase in same-space comparative cash rents on new leases (10.7% on renewals)
- ✓ 4.6% increase in same-center cash net operating income⁽¹⁵⁾ (2Q'19 vs. 2Q'18)
- ✓ \$13.5 million property disposition (\$30.5 million of property dispositions YTD)
- ✓ \$0.1970 per share quarterly cash dividend paid
- ✓ 2019 FFO guidance range reaffirmed (\$1.11 - \$1.15 per diluted share)
- ✓ Investment-grade ratings & stable outlook reaffirmed by Moody's and S&P

Key Takeaways

- ✓ **Only pure play West Coast shopping center REIT**
 - *largest public grocery-anchored shopping center portfolio on West Coast*
 - *located in the best, densely populated, affluent metropolitan markets*
 - *high barriers to entry, very limited new supply*
- ✓ **Highly experienced, focused management team**
 - *over 25 years focused exclusively on West Coast*
 - *unparalleled West Coast relationships and market knowledge*
 - *over 18 years experience leading public REITs*
- ✓ **Strong track record of performance since 2009 inception**
 - *644% growth in total assets*
 - *sector leading operating metrics*
 - *338% annual dividend growth to date⁽¹⁶⁾*
- ✓ **Poised to continue strong performance**
 - *highly-fragmented ownership on West Coast (majority privately-owned)*
 - *strong embedded growth within existing portfolio (below market leases)*
 - *potential ability to densify/enhance value of certain key shopping centers*

Footnotes & Disclosures

Footnotes

1. Excludes one shopping center currently under contract to be sold and redeveloped as multi-family.
2. Source: 3rd party research as of 6/30/19.
3. Source: company press releases for 2Q 2019.
4. "ABR" definition: total monthly base rent (cash basis, annualized) in-place at 6/30/19.
5. "Total Undepreciated RE Assets" definition: GAAP Real Estate Investments (net) plus accumulated depreciation.
6. "Portfolio Lease Rate" definition: all leases in-place at period end.
7. "SF originally scheduled to expire" definition: total square footage scheduled to expire during the year (as of January 1st of each year), excluding renewal options.
8. "Blended releasing ABR per SF" definition: average monthly initial base rent (cash basis, annualized) per square foot for all leases signed during year.
9. "SF scheduled to expire each year" definition: total square footage scheduled to expire during each year (as of 6/30/19), excluding renewal options.
10. "Blended ABR per SF scheduled to expire" definition: average monthly base rent (cash basis, annualized) per square foot for all leases scheduled to expire during each year (as of 6/30/19), excluding renewal options.
11. "Prior ABR per SF" definition: average base rent in final month (cash basis, annualized) per square foot prior to new leases being signed or existing leases being renewed.
12. "New Initial ABR per SF" definition: average initial monthly base rent (cash basis, annualized) per square foot for new leases signed or existing leases renewed.
13. "FFO Payout Ratio" definition: dividend divided by funds from operations ("FFO"). FFO is a widely-recognized non-GAAP financial measure for REITs that ROIC believes when considered with financial statements presented in accordance with GAAP, provides additional and useful means to assess its financial performance. ROIC reports FFO in accordance with the definition set forth by the National Association of Real Estate Investment Trusts. A reconciliation of GAAP net income to FFO is provided in ROIC's quarterly earnings press releases. For 2013 the ratio excludes a non-cash gain on consolidation of \$0.29.
14. Percentages based on total market capitalization as of 6/30/19, calculated as follows: stock price multiplied by total shares outstanding (including operating partnership units) plus total principal debt outstanding.
15. Same-center net operating income is on a cash basis. A reconciliation of GAAP net income to same-center net operating income is provided in ROIC's year-end earnings press release dated 7/24/19.
16. Based on actual dividends paid each year, except for 2019 which is based on ROIC's current quarterly dividend annualized.

Disclosures

Past performance may not be indicative of future results. Additionally, certain information contained herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of ROIC to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Information regarding such risks is described in ROIC's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and ROIC's Quarterly Reports on Form 10-Q. Forward-looking statements are based on estimates as of the date of this presentation. ROIC disclaims any obligation to publicly release the results of any revisions to these forward-looking statements reflecting new estimates, events or circumstances after the date of this presentation. For further information, please refer to ROIC's filings with the Securities and Exchange Commission, which can be found on its website: www.roireit.net.

