



Investor Presentation

4th 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 (12/31/19)	\$17.66
Annual Dividend (2019)	\$0.788	Dividend Yield	4.5%
Total Market Cap	\$3.7B	Debt/Total Market Cap	39%
Total # of shopping centers	88	Total Owned Square Footage	10.1M
Portfolio Lease rate	97.9%	Total # of Tenants	1,944

- ✓ **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 \$3.7 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



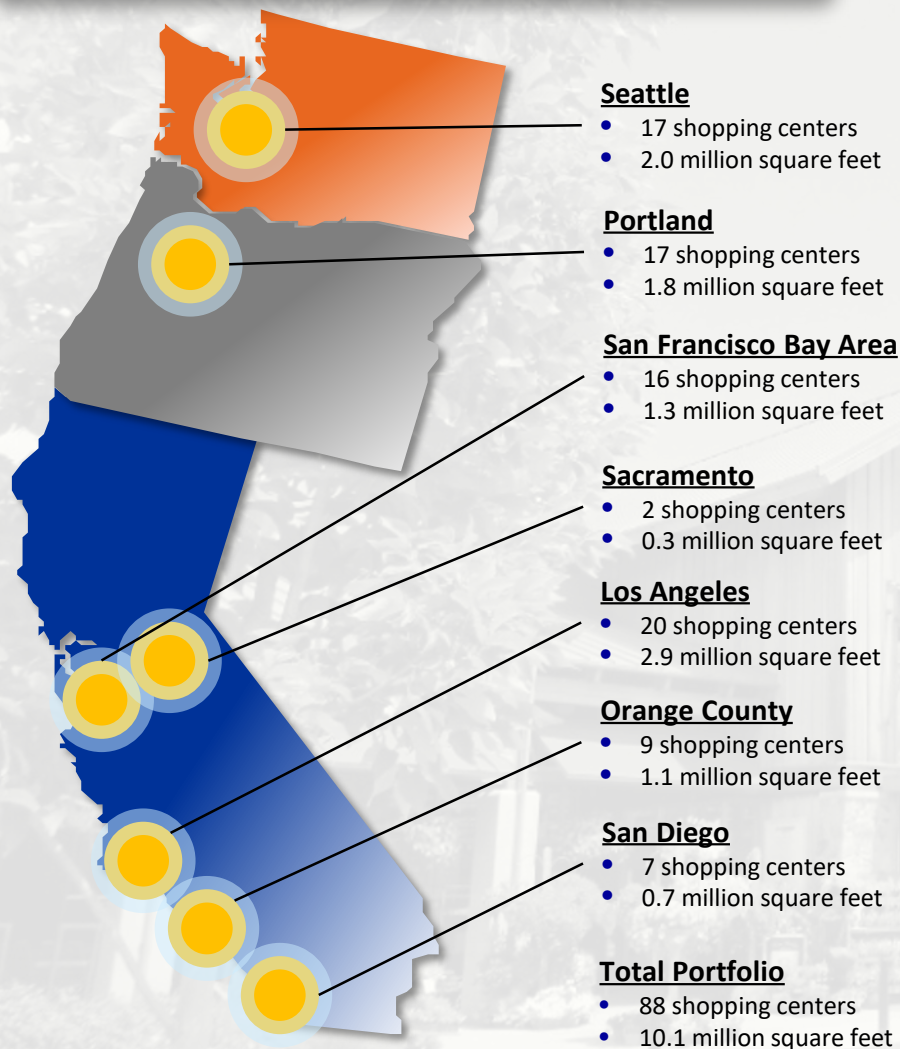
Happy Valley Town Center – Happy Valley, OR

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

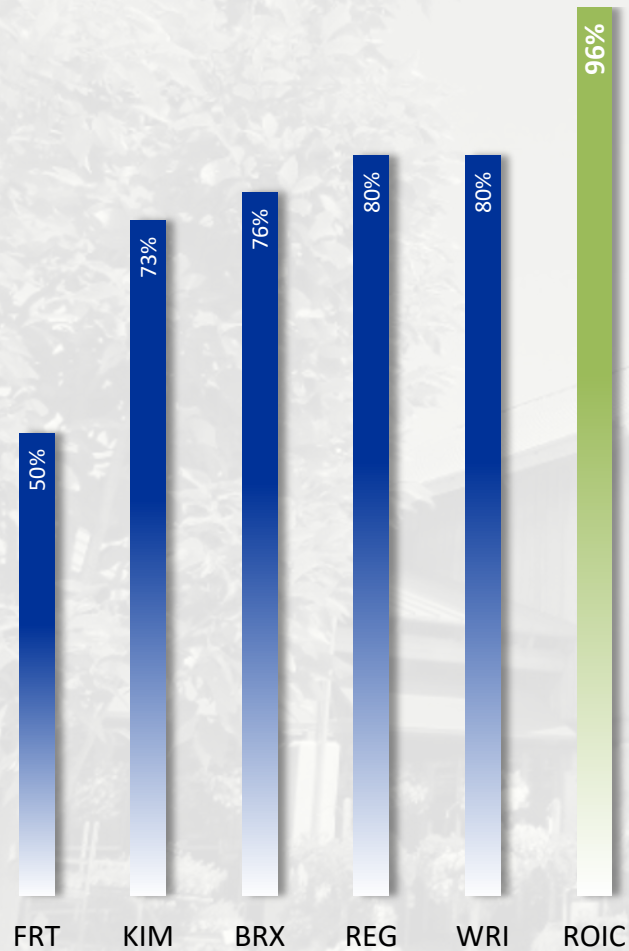


Strong Market Fundamentals

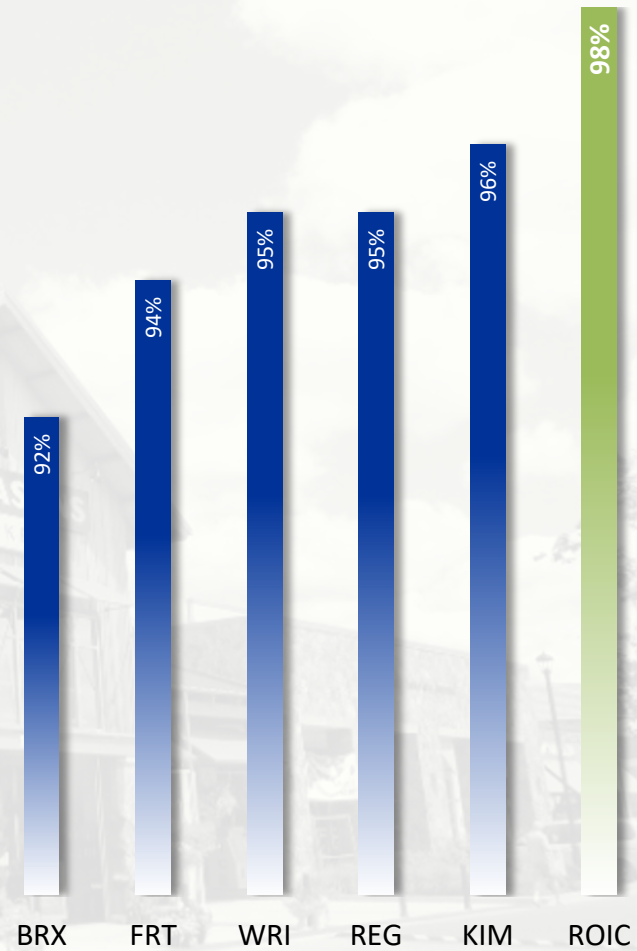
- **Densely populated, affluent demographics**
- **Above-average household income**
- **Solid employment growth**
- **High barriers to entry**
- **Limited new construction**
- **Occupancy steadily increasing**
- **Retail rents steadily increasing**

Leading Grocery-Anchored & High Occupancy Portfolio

% of Portfolio Value
Anchored by Supermarkets⁽¹⁾



Portfolio Lease Rate⁽²⁾



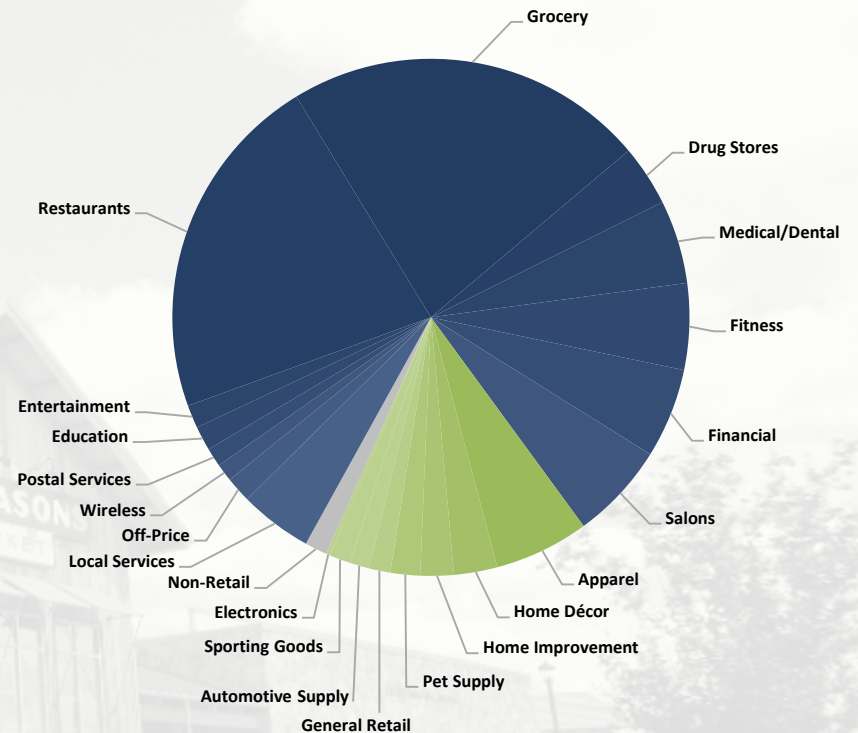
Broad Base of Daily-Necessity, Service & Destination Retailers

Top 10 Tenants



**80% of Top 10 Tenant ABR⁽³⁾
Derived from Daily-Necessity Retailers**

Portfolio Composition



**82% of Total ABR⁽³⁾ Derived From Daily-Necessity,
Service & Destination E-Commerce Resistant Retailers**

PERFORMANCE



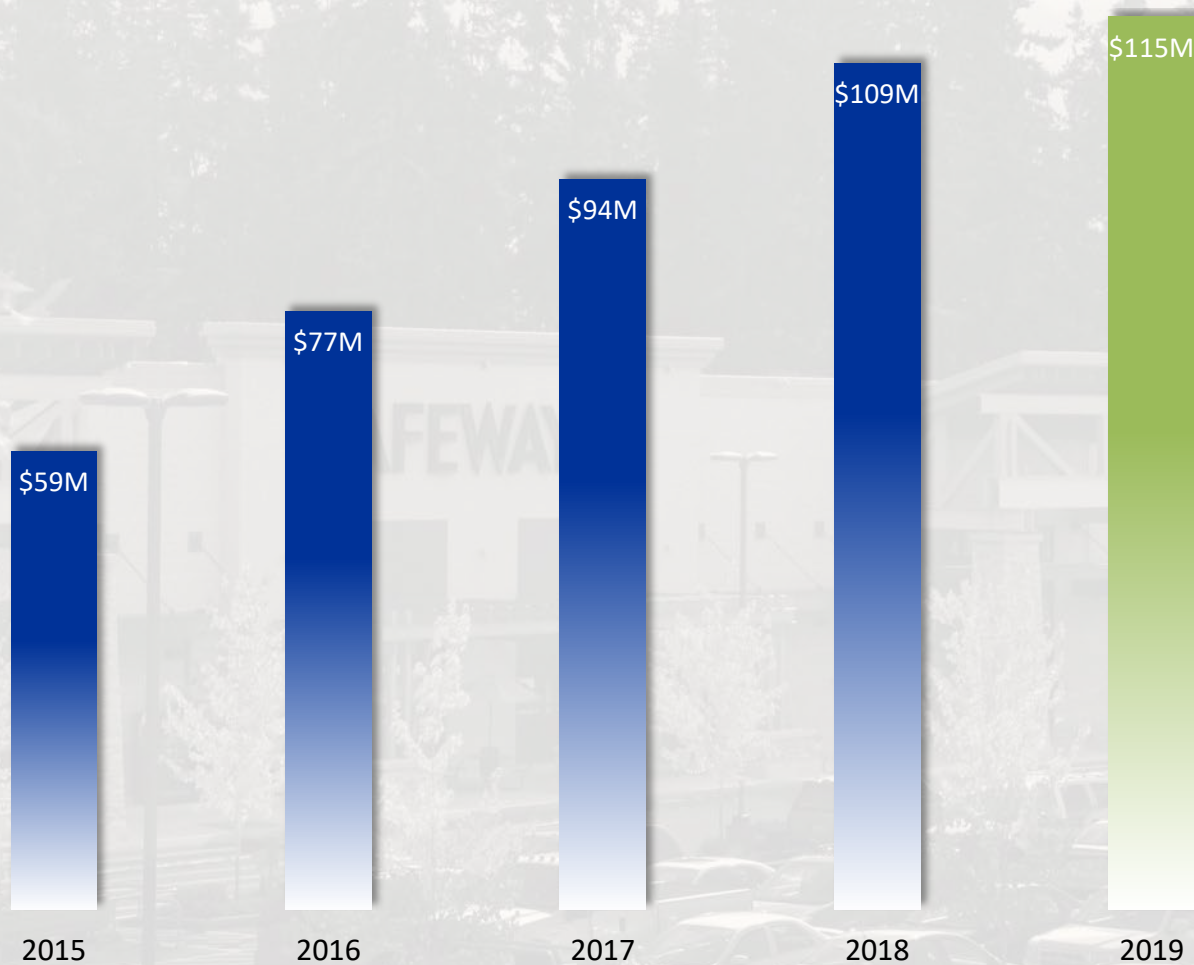
Canyon Crossing – Puyallup, WA

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**

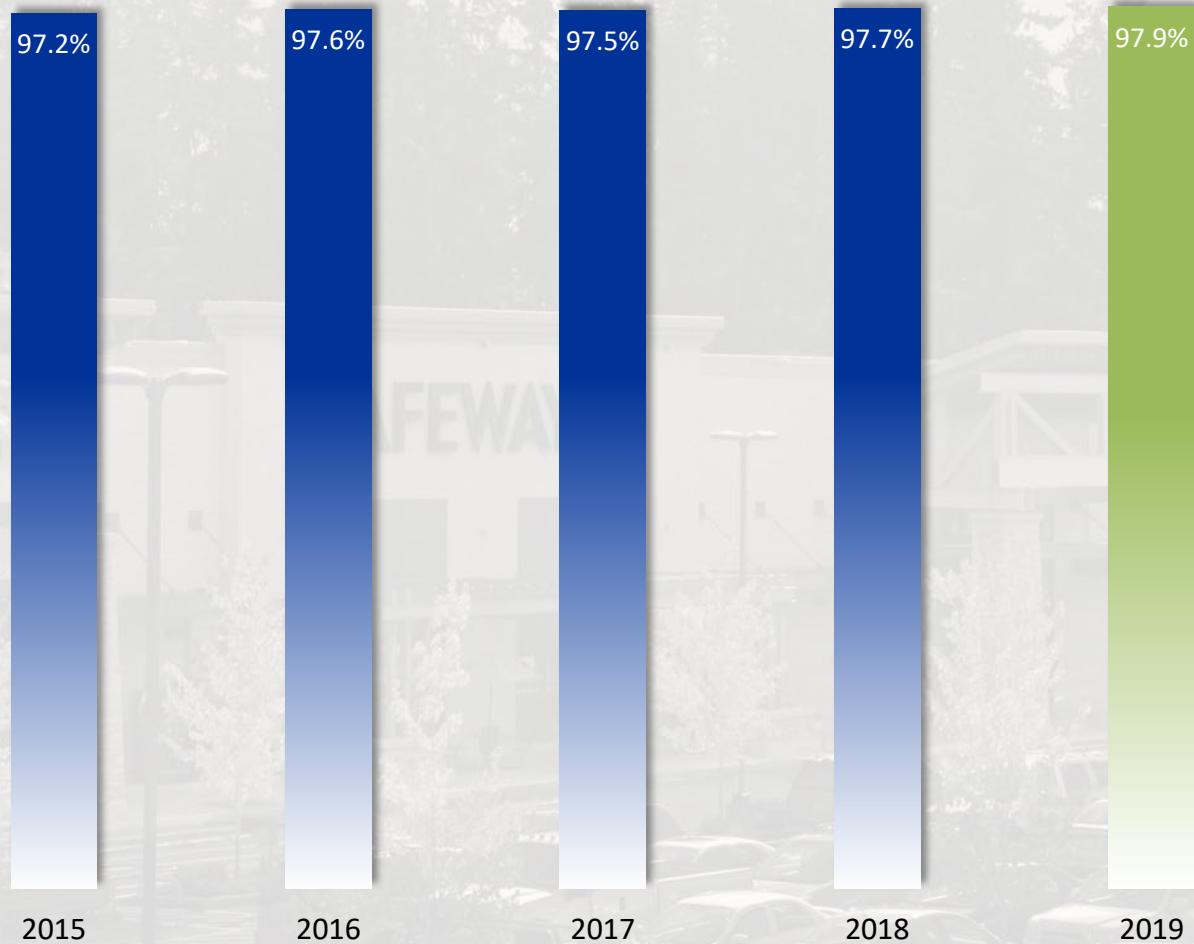
Consistent Growth Year After Year

GAAP Operating Income



Consistently High Occupancy Year After Year

Year-end Portfolio Lease Rate⁽⁴⁾



Proactive Leasing Produces Strong Results

Consistently Leasing 2x Scheduled Expirations

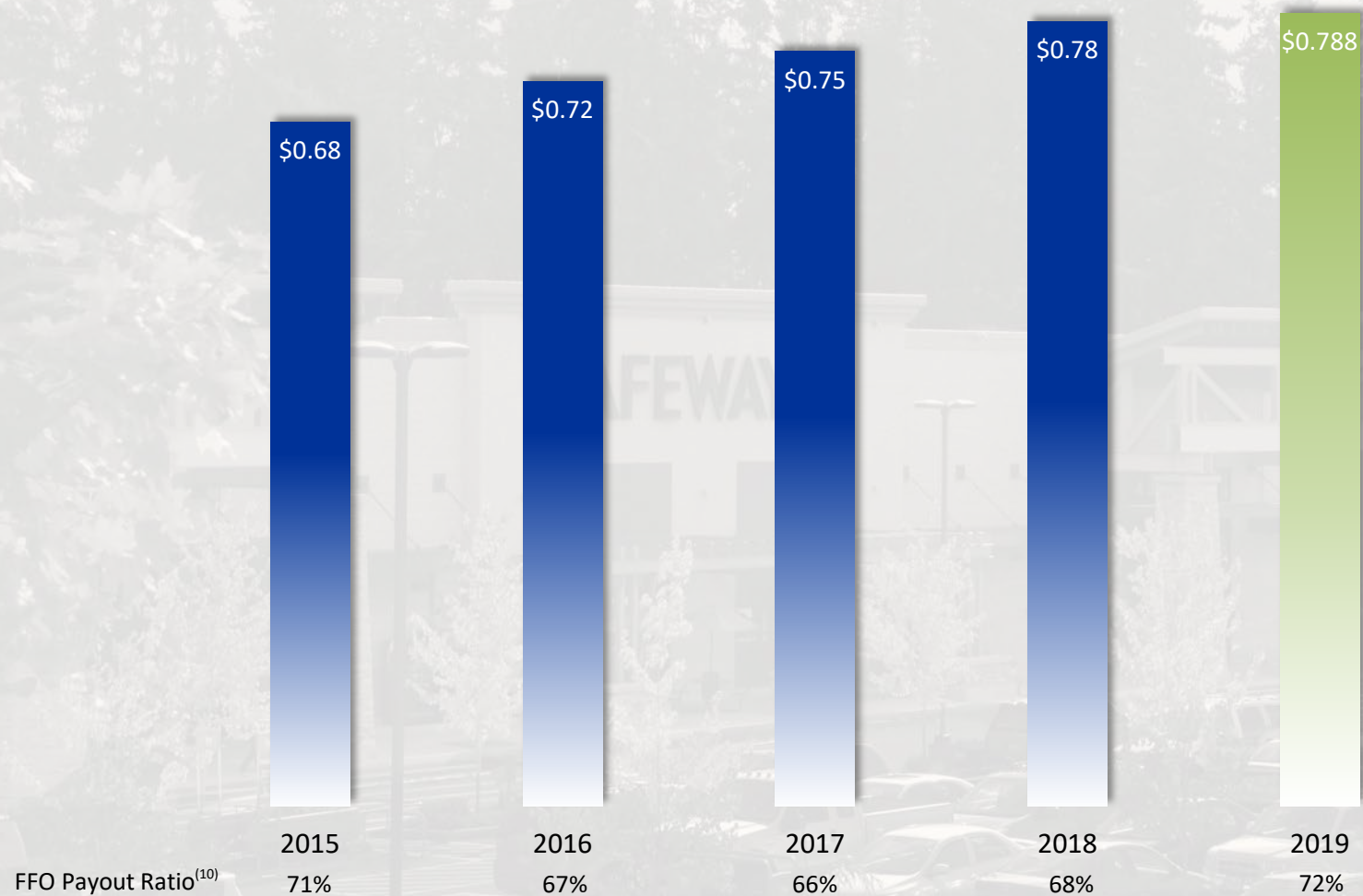


Hands-On Management Produces Consistent Growth

Growth Every Year in Key Operating & Leasing Metrics

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Increase in Same-center Net Operating Income ⁽⁷⁾	4.7% ✓	5.3% ✓	3.1% ✓	2.5% ✓	3.6% ✓
Increase in Same-space Releasing – New Leases ⁽⁸⁾	40.3% ✓	29.3% ✓	26.6% ✓	21.7% ✓	32.8% ✓
Increase in Releasing - Renewals ⁽⁹⁾	9.0% ✓	12.2% ✓	9.6% ✓	9.1% ✓	9.7% ✓

Reliable, Steady Dividends Year After Year

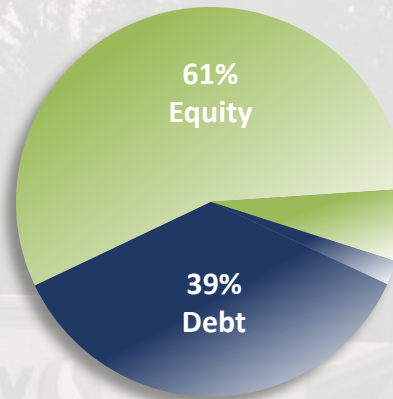


Conservative Financial Position

Well-Laddered Debt Maturity Schedule

	<u>\$ Maturing</u>	<u>% of Total</u>
2020	\$ 0.6M	0.0%
2021	0.7M	0.0%
2022	24.1M	1.7%
2023	250.7M	17.7%
2024	360.7M	25.4%
2025	333.3M	23.5%
2026	200.0M	14.1%
2027	250.0M	17.6%
2028	-----	-----
Total	\$1,420.1M	100%

Capitalization⁽¹¹⁾



Public Stockholders	56%
OP Unit Holders	5%
Unsecured Debt	37%
Secured Debt	2%



Unencumbered GLA	95%
Encumbered GLA	5%

SUMMARY



Country Club Village – San Ramon, CA

2019 Highlights

✓ Year 2019 Highlights

- \$48.8mm of net income attributable to common stockholders (\$0.42 per diluted share)
- \$138.1 million in Funds From Operations⁽¹⁰⁾ (\$1.10 per diluted share)
- 97.9% portfolio lease rate at year-end (6th consecutive year above 97%)
- 3.6% increase in same-center cash net operating income⁽⁷⁾ (2019 vs. 2018)
- 1.4 million square feet of leases executed (new and renewed)
- 32.8% increase in same-space cash rents on new leases (9.7% increase on renewals)
- \$74.1 million of property dispositions
- \$11.5 million grocery-anchored shopping center acquired
- \$34.2 million of common equity raised through ATM program
- \$72.6 million reduction in year-end principal debt outstanding (2019 vs. 2018)
- 94.1% of total debt effectively fixed-rate at year-end (no debt maturing in 2020 & 2021)
- 94.5% of portfolio's gross leasable area unencumbered at year-end
- \$0.788 per share in total cash dividends paid in 2019

✓ 4th Quarter 2019 Highlights

- \$10.2mm of net income attributable to common stockholders (\$0.09 per diluted share)
- \$35.3 million in Funds From Operations (\$0.28 per diluted share)
- \$11.5 million grocery-anchored shopping center acquired
- \$13.6 million property disposition
- 3.5% increase in same-center cash net operating income (4Q'19 vs. 4Q'18)
- 34.1% increase in same-space cash rents on new leases (6.2% increase on renewals)
- \$15.0 million of common equity raised through ATM program
- Lowered borrowing spread, extended maturities on credit facility and term loan
- 3.4 times interest coverage
- \$0.197 per share quarterly cash dividend paid
- \$0.20 per share quarterly cash dividend declared in 1Q'20

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**
 - *621% growth in total assets*
 - *sector leading operating metrics*
 - *228% annual dividend growth to date*
- ✓ **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. Source: 3rd party research as of 9/30/19.
2. Source: company press releases for 4Q 2019.
3. "ABR" definition: total monthly base rent (cash basis, annualized) in-place at period end.
4. "Portfolio Lease Rate" definition: all leases in-place at period end.
5. "Releasing Base Rent Increase" definition: the percent change in ABR per square foot (expired/replaced leases versus new and renewed leases) on a same-space comparative basis.
6. "Square feet originally scheduled to expire" definition: the total square footage scheduled to expire during the year (as of January 1st of each year), excluding renewal options.
7. "Increase in Same-Center Net operating Income" definition: the percent change in net operating income on a same-center comparative basis. ROIC reports same-center net operating income 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 02/18/20.
8. "Increase in Same-space Releasing - New Leases" definition: the percent change in ABR per square foot (expired/replaced leases versus leases signed with new tenants) on a same-space comparative basis.
9. "Increase in Releasing - Renewals" definition: the percent change in ABR per square foot on all renewed leases during period (prior ABR versus renewed ABR).
10. "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.
11. Percentages based on total market capitalization as of 12/31/19, calculated as follows: stock price multiplied by total shares outstanding (including operating partnership units) plus total principal debt outstanding.

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.