LSEG STREETEVENTS

EDITED TRANSCRIPT

REG.OQ - Q2 2026 Regency Centers Corp Earnings Call

EVENT DATE/TIME: JULY 30, 2026 / 3:00PM GMT

OVERVIEW:

Company Summary

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

CORPORATE PARTICIPANTS

Christy McElroy *Regency Centers Corp - Senior Vice President of Capital Markets*

Lisa Palmer *Regency Centers Corp - President, Chief Executive Officer, Director*

Alan Roth *Regency Centers Corp - East Region President and Chief Operating Officer*

Nicholas Wibbenmeyer *Regency Centers Corp - West Region President and Chief Investment Officer*

Michael Mas *Regency Centers Corp - Chief Financial Officer, Executive Vice President*

CONFERENCE CALL PARTICIPANTS

Michael Goldsmith *UBS AG - Analyst*

James Feldman *Wells Fargo Securities LLC - Equity Analyst*

Andrew Reale *Bank of America - Analyst*

Ronald Kamdem *Morgan Stanley - Analyst*

Greg McGinniss *Scotiabank GBM - Equity Analyst*

Todd Thomas *Keybanc Capital Markets Inc - Analyst*

Michael Griffin *Evercore Inc - Analyst*

Floris Van Dijkum *Ladenburg Thalmann & Co Inc - Equity Analyst*

Craig Mailman *Citi Infrastructure Investments LLC - Analyst*

Michael Mueller *JPMorgan Chase & Co - Analyst*

Juan Sanabria *Bank of Montreal - Analyst*

Paulina Rojas *Green Street - Analyst*

Michael Gorman *BTIG LLC - Equity Analyst*

Omotayo Okusanya *Deutsche Bank AG - Analyst*

PRESENTATION

Operator

Greetings, and welcome to the Regency Centers Corporation second quarter 2026 earnings call. (Operator Instructions) Please note, this conference is being recorded.

I will now turn the conference over to your host, Christy McElroy. Please go ahead.

Christy McElroy - *Regency Centers Corp - Senior Vice President of Capital Markets*

Good morning, and welcome to Regency Centers' second quarter 2026 earnings conference call. Joining me today are Lisa Palmer, President and Chief Executive Officer; Mike Mas, Chief Financial Officer; Alan Roth, East Region President and Chief Operating Officer; and Nick Wibbenmeyer, West Region President and Chief Investment Officer.

As a reminder, today's discussion may contain forward-looking statements about the company's views of future business and financial performance, including forward earnings guidance and future market conditions. These are based on the current beliefs and expectations

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

of management and are subject to various risks and uncertainties. It is possible that actual results may differ materially from those suggested by these forward-looking statements we may make.

Factors and risks that could cause actual results to differ materially from these statements may be included in our presentation today and are described in more detail in our filings with the SEC, specifically in our most recent Form 10-K and 10-Q filings. In our discussion today, we will also reference certain non-GAAP financial measures. The comparable GAAP financial measures are included in this quarter's earnings materials, which are posted on our Investor Relations website.

Please note that we have also posted a presentation on our website with additional information, including disclosures related to forward earnings guidance. Our caution on forward-looking statements also applies to these presentation materials.

As a reminder, given the number of participants we have on the call today, we respectfully ask that you limit your questions to one. Please rejoin the queue if you have additional follow-up questions. Lisa?

Lisa Palmer - *Regency Centers Corp - President, Chief Executive Officer, Director*

Thank you, Christy. Good morning, everyone, and thank you for joining us. Our team delivered another excellent quarter, extending the positive momentum we've built over the past several years. We generated strong NOI and earnings growth driven by sustained operating fundamentals and a disciplined capital allocation strategy. These results reflect the quality of our portfolio, the strength of our platform and most importantly, the remarkable execution of our team.

Across our portfolio, leasing demand trends remain robust, supported by the strength of our tenant base and their continued expansion plans. Our grocery-anchored neighborhood and community centers continue to benefit from a durable tenant mix of necessity, service, convenience, and value retailers.

While the resilience of our consumer base is supported by the compelling demographic profile of the suburban trade areas we serve. We believe this positions us well to perform consistently through shorter-term periods of macro uncertainty as well as longer term across all economic cycles.

We also continue to execute on our capital allocation strategy with momentum across our entire investments platform, including development, redevelopment and acquisitions. Our national ground-up development program is one of Regency's most important differentiators.

In an environment of continued low new supply and a scarcity of high-quality available space, our ability to source, execute, and deliver successful projects across our target markets is not only a driver of meaningful NOI growth, it also creates value in ways that no one else in our sector is replicating.

Rather than relying solely on acquiring centers at market prices to drive external growth, we are building premier shopping centers and yields that represent substantial spreads to market cap rates. This platform and our ability to consistently drive value above our cost to build allows us to generate earnings accretion while also growing NAV.

Mike will go into more detail, but our favorable year-to-date performance and enhanced visibility into the second half of the year gives us the confidence to raise our full year forecast for same property and total NOI growth and we now expect core operating earnings per share growth to exceed 5%.

Before I close, I'd also like to briefly mention our recently released corporate responsibility report, which highlights meaningful progress across our priorities. Corporate responsibility has long been a foundational strategy for our company. Its principles are deeply ingrained in our culture and day-to-day operations, and the initiatives continue to generate real cost savings and ancillary revenue growth.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

In summary, I'm energized by our business today and the opportunities ahead. Our high-quality portfolio located in the strongest suburban trade areas, our leading national development platform, our fortress balance sheet, and most importantly, again, the best team in the business all set us apart. I'm confident in our ability to deliver durable, sustainable growth and long-term value for our shareholders. Alan?

Alan Roth - *Regency Centers Corp - East Region President and Chief Operating Officer*

Thank you, Lisa, and good morning, everyone. We delivered another outstanding operating order, driving overall leased and shop occupancy to new highs, while maintaining robust rent growth, reflective of the fundamental strength across our portfolio. These positive results collectively contributed to Same Property NOI growth of 3.8% in the quarter with base rent reserving as the primary driver.

Our Same Property lease rate is now nearly 97% and as we are pushing both anchor and shop leasing higher, supported by continued strong tenant demand and a retention rate of 84%. This is a direct reflection of the favorable leasing environment coupled with limited availability of high-quality space. Commenced occupancy was also up 20 basis points in the quarter as we continue to successfully convert our SNO pipeline into rent-paying tenants.

Our pipeline of newly executed leases provides us with visibility of further upside in commenced occupancy, which will remain an important component of future Same Property NOI growth. Leasing is active and broad-based across nearly every category and region in which we operate. Grocers, health and wellness concepts, restaurants, personal services and value-oriented retailers continue to expand.

At the same time, quality space is in short supply, both within our portfolio and throughout our markets. providing our teams significant leverage in lease negotiations, and they are doing an excellent job capturing that opportunity.

This is translating into strong rent growth with cash rent spreads above 10% in the quarter, and GAAP spreads of nearly 20%. We also continue to successfully embed annual rent escalators into nearly all of our newly executed leases, one of the primary drivers of sustainable base rent growth well into the future. This fundamental backdrop is also supporting our ability to boost expense recoveries.

We are seeing our recovery rate benefit significantly from higher commenced occupancy as well as improved lease terms. We saw the power of this in the second quarter as we completed our expense reconciliations for the prior year, with market conditions and the quality of our leases driving success.

Building on some of Lisa's comments, our centers benefit from both trade up and trade down behavior, sitting at the intersection of convenience, offering value and everyday essentials. Tenant sales growth is widespread throughout the portfolio. Foot traffic is showing steady increases and accounts receivables remain below historical averages, confirming a very healthy tenant base.

Our team remains focused on capitalizing on strong tenant demand and favorable supply dynamics, creating opportunities to drive NOI higher, while further strengthening the merchandising quality in our portfolio. That combination of strong fundamentals and disciplined execution gives us confidence in our ability to continue driving NOI growth.

With that, I'll hand it over to Nick.

Nicholas Wibbenmeyer - *Regency Centers Corp - West Region President and Chief Investment Officer*

Thank you, Alan, and good morning, everyone. During the second quarter, we continued to build on the success of our investments platform, further extending our external growth trajectory. We made meaningful progress across development, redevelopment, and acquisition activity in addition to identifying future opportunities.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

LSEG DATA & ANALYTICS

Our new project pipelines remained particularly strong, providing a clear path to future growth. As a result, we've raised our eye level on new development and redevelopment projects and now expect starts in 2026 to approach $400 million. This truly is a unique story to Regency.

We have a visible external growth pipeline that results in real value creation on top of earnings accretion. It also allows us to approach acquisitions as opportunistic and strategic rather than as a required deployment of capital. This is especially valuable in environments like today with transaction markets that are extremely competitive and continue to compress cap rates.

Year-to-date, we've started more than $140 million of new projects. One of the highlights of which was the start of the Berkeley at Durbin Park during the second quarter. This $55 million ground-up project will be anchored by Whole Foods and T.J. Maxx located within a vibrant master plan community and a strong suburb of Jacksonville.

We're also making great progress executing on our $680 million in-process pipeline, for which we continue to expect blended returns of 9%. Leasing momentum for these projects has been outstanding with in-process development nearly 80% leased.

Beyond accelerated leasing, our team continues to partner with anchors to efficiently get stores open ahead of schedule and accelerate rent commencements. This includes the recent early openings of Trader Joe's at Golden Hills in Central California and Kroger at Westchester Plaza in Cincinnati. These are just a few great examples of the success and positive trends across our pipeline.

In closing, our ability to increasingly source new and exciting projects is a testament to the flywheel effect I've referred to in the past. We are excited about the opportunities in front of us as our recent successes, retailer relationships, development expertise and access to capital allow us to continue to be confident in our ability to drive sustainable and attractive external growth, creating significant value for our shareholders. Mike?

Michael Mas - *Regency Centers Corp - Chief Financial Officer, Executive Vice President*

Thank you, Nick, and good morning, everyone. As you've heard from the team, Regency delivered impressive financial results in the second quarter, supported by execution across our operating and investment platforms.

We now have enhanced visibility into the second half of the year. And as you heard from Nick, we continue to grow our investment opportunity set and in-process development pipeline. All of this speaks to the power and durability of Regency's growth algorithm.

We combined the strong, stable organic performance of our high-quality portfolio with accelerating contribution from accretive capital allocation, focused on successful development and redevelopment projects and operating property acquisitions.

As a result, we are raising our full year outlook. We've increased same property NOI growth by 40 basis points at the midpoint, primarily due to higher commenced occupancy expectations supported by greater clarity around tenant activity in the second half in addition to higher expense recoveries following the completion of our annual reconciliation process.

Our revised outlook now reflects total NOI growth in the mid-6% area as well as core operating earnings per share growth exceeding 5%. I also want to highlight a few atypical items within NAREIT FFO, which are largely offsetting each other within our guidance ranges. These include a singular lease termination fee that will contribute to a higher level of term fees in the third quarter as well as a reduction to our noncash revenue outlook, largely related to lower below-market rent amortization and higher straight-line rent reserves.

Our A-rated balance sheet remains a competitive advantage with leverage comfortably within our target range of 5 to 5.5 times, along with strong and growing free cash flow and nearly full availability on our $1.5 billion revolving credit facility. This flexible financial and liquidity position provides us with attractive access to low-cost capital and supports our ability to fully fund our investment pipeline and pursue additional growth opportunities.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

Stepping back, everything that drives value for Regency is working in concert. Strong leasing fundamentals, consistent embedded rent growth and unmatched development-led external growth strategy, a healthy balance sheet and disciplined value-creating capital allocation position us for durable and attractive growth ahead. With that, we welcome your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Michael Goldsmith, UBS.

Michael Goldsmith - *UBS AG - Analyst*

Can you provide a little bit more clarity on the term fees. It looks like you're now expecting a larger one in the back half. So can you provide some more details around that -- how is that impacting your revised outlook? And then is that included or excluded from your Same Property NOI guidance.

Alan Roth - *Regency Centers Corp - East Region President and Chief Operating Officer*

Michael, it's Alan Roth. I'll let Mike answer the guidance side of it. Let me just start with one of our major EV operators decided that they were not going to open 11 of our locations as part of a package deal. Great operator, financially sound. They're going to continue to operate about 15 units within our portfolio.

And importantly, we are collecting rent through the end of this year. We got a termination fee of four years of rent out of that, and we are already engaged on 8 of those 11 locations for a backfill. So it was overall an exceptional transaction in terms of what's impacting the numbers. Guidance I'll let --

Michael Mas - *Regency Centers Corp - Chief Financial Officer, Executive Vice President*

Sure. Michael, it's a good opportunity to highlight the excellent disclosure on the reconciliation. If you look at page 6 of our slides, where you can see lease termination fees is not part of Regency's Same Property NOI metric. So that healthy $0.015 guide raise in the same property NOI line is excluding the positive deal that Alan just described. So the $0.015 is incorporated into our core operating earnings raise and FFO raise for the quarter.

But what I would like to highlight is that the raise in same property growth of 40 basis points at the midpoint, raising both the low and high end is really the material driver to our enhanced outlook. Great leasing activity enhanced visibility into average commenced occupancy going north from this point forward. And we had a great recovery season in the second quarter, and we think that, that expense recovery ratio will hold for the balance of the year.

Operator

Jamie Feldman, Wells Fargo.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

LSEG DATA & ANALYTICS

James Feldman - *Wells Fargo Securities LLC - Equity Analyst*

So you walked through a wide range of capital options to fund new investment you're comfortably in your target range for leverage. Can you just talk about how you do think about the different sources of capital, including OP units as we've seen some of your peers start to use a little bit more and especially as you find larger deals or if you want to find larger deals, how you think about the mix of capital sources?

Michael Mas - *Regency Centers Corp - Chief Financial Officer, Executive Vice President*

So everything here starts with free cash flow. And we were very consistent with how we think about sources and uses. Free cash flows in the area of $180 million, $190 million this year. We will leverage that neutral to our balance sheet.

I appreciate you noting where we are. We are at the lower end of our targeted range, 5 to 5.5 times. So we have some capacity there. And that levered free cash flow is the fundamental source for -- and driving our development business. So we can go confidently into that business and make commitments and deliver upon those commitments.

We do have excess levered free cash flow that we can deploy into acquisitions. And to the extent we find bigger transactions beyond that or to the extent we grow our development platform, we will consider other sources of capital.

We are very fortunate to have access to all types -- that could be JV capital, which we've deployed, and you can see in our results, that can be more debt capital. Again, I said we're at the low end of our leverage range, and that could be equity and we've raised equity in the past, and we will raise equity wisely going forward.

Rest assured, what you'll see us acquire will be accretive to consistent growth, accretive to consistent quality and most importantly, accretive to whatever source of capital we deploy at that point in time.

Operator

Andrew Reale, Bank of America.

Andrew Reale - *Bank of America - Analyst*

I guess just to go back to the FFO reconciliation. You moved a small number of leases to cash basis in the first half. Just any color on what type of tenants those were -- and maybe if you're anticipating any more cash basis conversions in the back half?

Michael Mas - *Regency Centers Corp - Chief Financial Officer, Executive Vice President*

Sure. Thanks, Andrew. Yes, so the noncash line item, we did revise down this quarter, and there's really a couple of things going on there. As you mentioned, this is a normal part of the business. Tenants will move from accrual accounting to cash accounting.

As we know, what happens when that occurs is that whatever straight-line rent you've accrued to that point in time gets reversed, and that is what is occurring in this quarter.

To highlight that, there is one lease in particular that had an outsized impact on that outcome this quarter, and that's what we're -- that's really what's kind of driving our revised outlook for the year. By the way, just as an aside note, the lease that did convert to cash is current on their cash payments. So we're not losing any cash flow in our core operating earnings guidance.

The second element that's going on in the noncash line item is accelerated below market rent. So pardon me for getting technical. But the good news of retaining more tenants that were on our watchlist that we had provisioned for them departing or moving out is not occurring.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

What that also means is the below market rent that you would have accelerated the income is also not occurring. So that is revised out of our noncash outlook this quarter.

What does that really mean when you zoom out, Cash earnings are growing at Regency. We are retaining more tenants, average commenced occupancy continues to increase. That is also translating and amplifying through recovery income, and that is what's driving our core operating earnings guide increase of $0.03 at the midpoint.

All of those indications are very positive for our outlook, the noncash items are in FFO. And unfortunately, they have moved in the wrong direction on us. But those, again, are not impacting our net free cash flow number I mentioned earlier.

Operator

Ronald Kamdem, Morgan Stanley.

Ronald Kamdem - *Morgan Stanley - Analyst*

Staying on the presentation, the 94.5% sort of commenced occupancy, I think we've talked about sort of further upside from here. Just can you just tell us in terms of how high you think occupancy can go specifically in line occupancy and how you guys are sort of incentivizing the team to sort of keep driving that higher?

Alan Roth - *Regency Centers Corp - East Region President and Chief Operating Officer*

Ronald, good morning. It's Alan. Appreciate the question. I've had the luxury of saying records are meant to be broken for many quarters. So I've stopped saying that and really not guiding to any how far that runway can go. Our teams are focused on great operators on quality merchandising and they're going to continue to keep that pedal down.

When I look back at the last quarter of deals that were completed, there's a number of just great users out there that the power of the platform has come into fruition. Sourdough & Co. We signed four deals with them, in Oregon, Colorado, Georgia, sort of around the country where our teams are banding together on a great use there.

Everbowl, a couple of deals in North Carolina and California. That great concept that I say is new, maybe it's not that new, as Pop-up Bagels, again, multiple deals with them.

And then if you transition into like the fitness sector, you've got solid core who's been a strong staple for us and Pilates Addiction owned by the Sequel Brands. There's just some great retailers that the teams are executing on multiple deals around the country, leveraging the platform. So they're going to continue to press forward on great users without any expectation of where ultimately it can go.

From a commenced occupancy to answer that question, we're at roughly 240 basis point SNO spread today. And if you just look back at that historic stabilized number, it's 180 basis points-ish. So that gives a little bit of context in terms of where we think that can go in terms of future runway, which we certainly have.

Operator

Greg McGinnis, Scotiabank.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

Greg McGinniss - *Scotiabank GBM - Equity Analyst*

I was hoping you could give us some -- maybe a little bit of color on the acquisition environment, the availability of shopping centers that kind of fit your underwriting criteria cap rate trends and then your use of JVs to acquire those. Is there a dry capital in these structures or mandates to spend where we could see you continue to invest there?

Nicholas Wibbenmeyer - *Regency Centers Corp - West Region President and Chief Investment Officer*

Greg, this is Nick. We'll start first with just what we're seeing in the market. The market's very active in the transactions world, and we continue to see, especially private capital allocate towards grocery-anchor shopping centers for the same reason we're attracted to them.

And so as I said in my opening remarks, that is continuing to quarter-over-quarter compressed cap rates. And so I believe when we talked about this last quarter, I was talking mid-5s plus or minus, and we're now seeing some things trade starting with a 4. And so very aggressive capital from a core acquisition standpoint.

The blessing that we have given our business plan, as Mike already talked about is, first and foremost, we're focused on growing our development and redevelopment platform given the yields you can see that we're accomplishing there and feel really confident in our visibility to continue and execute the in process one and continuing to grow that pipeline.

But then as Mike also said, we do have excess capital, as you alluded to, one part of that is our JV capital. And so very proud of our long-term partnership with State of Oregon. They have re-ups, so to speak, that capital commitment. And so there is quite a bit of availability still within that partnership. And we still have capacity on our balance sheet, as Mike talked to.

And so -- as you can see this quarter, we're still active in the transaction market, but we're going to be picky. We're going to make sure that they check all the boxes Mike spoke about earlier, which is we can fund them accretively, whether that's on balance sheet or with our partnerships and make sure that we like the quality of the asset from quality of the trade area, the quality of the tenants and importantly, the quality of the future growth.

And so when we see those opportunities, and again, we're very active in that world, we're just very particular to only pounce on those that check that box, and we're doing that very effectively.

Operator

Todd Thomas, KeyBanc Capital Markets.

Todd Thomas - *Keybanc Capital Markets Inc - Analyst*

I wanted to ask about the Kroger, Ahold Delhaize merger. I was wondering first, can you just discuss whether there's any geographic overlap across the banners there and if any potential formats, I guess, could be at risk longer term?

And then second, that combination there would create a new top tenant for the company, be almost 150 basis points more rent exposure than Publix. Just any considerations around that larger concentration and whether that creates any asset management sort of needs or opportunities.

Lisa Palmer - *Regency Centers Corp - President, Chief Executive Officer, Director*

Todd, it's Lisa. I think that you might be confusing Ahold with Giant Eagle. The merger is actually Kroger with Giant Eagle. And I'll let Alan touch on that.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

Alan Roth - *Regency Centers Corp - East Region President and Chief Operating Officer*

Yes, Todd, Giant Eagle is Pittsburgh based, and that is the announcement with Kroger, of which we don't own any Giant Eagles in our portfolio. And when you think about the 500 assets, the only overlap for us from a market perspective would be Columbus, Ohio.

And again, so it's super de minimis. I think there's maybe three Kroger centers that have sort of some trade area overlap there, but you're not the first. There's a lot of people that see Giant and assume the Giant that's in Maryland, which is the Ahold, as you mentioned, versus the Giant Eagle out of Pittsburgh.

So again, I don't think it's not much of a material thing for Regency.

Operator

Michael Griffin, Evercore ISI.

Michael Griffin - *Evercore Inc - Analyst*

Maybe sticking on that vein of grocers. One of your larger tenants had some cautious commentary in their recent earnings report around consumer sentiment. And I think it's maybe the lower-end consumers getting squeezed. Maybe that's not applicable within your footprint in Regency's portfolio. But do you have a sense has either grocer health or the outlook changed at all?

Are occupancy costs stable? And if you could just give us any insights there, that would be helpful.

Lisa Palmer - *Regency Centers Corp - President, Chief Executive Officer, Director*

This is Lisa, obviously. I appreciate the question. I know you've heard me say this before. I've been in the business a really long time, and the grocery business has always been extremely competitive through decades of my experience, and it continues to be so and even more so today. And the best physical locations with the better operators are going to continue to be critical to the entire grocery sector.

And you see that through all of their expansion plans, which both Alan and Nick talked about. We're seeing it in our development pipeline with those expansion plans.

I'll remind you that there was even more concern pre-COVID and then coming through COVID, a renewed appreciation for that physical location. And the grocers understand that they need to invest in every aspect of the business from an omnichannel standpoint, and we're seeing that happen.

We -- so from our perspective, specifically, we haven't seen anything in our portfolio or in our close relationships and conversations with our grocers that would give us any pause or change our view of grocery whatsoever. We are in active dialogue. And while it is a really, really competitive environment, we believe that operating with -- owning the best real estate, operating with the best grocer banners in those markets is a winning long-term strategy.

Operator

Floris Van Dijkum, Ladenburg Thalmann.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

Floris Van Dijkum - *Ladenburg Thalmann & Co Inc - Equity Analyst*

Congrats, solid -- solid quarter again. Maybe if you could talk -- you mentioned your fixed rent bumps that you're getting. I would imagine all your shop tenants have 3% or greater. Maybe talk a little bit about what you're seeing on the anchor side. How successful are you in getting annual rent bumps for your anchor tenants?

And are even grocers now willing to contemplate those leases? Obviously, those don't come up very often. But maybe if you can talk a little bit about your -- what's happening also on the anchor front in terms of pushing in -- pushing those escalators through to your tenants?

Alan Roth - *Regency Centers Corp - East Region President and Chief Operating Officer*

Floris, I appreciate the question. So yes, you're right, more than 80% of our new shop leases do have 3% or more and importantly, because we're leaning into the or more component for the quarter. Things have also certainly improved, to your point, on the anchor side. Is it having success on the annual escalators that we would all like to? No, I don't think the anchor side has transitioned as much as the -- certainly as the shop world has.

However, what we are experiencing is larger rent spreads than we were seeing before. And then there's many anchor tenants that may have had 10-year, even up to 20-year term flat rents. And in today's environment, you're getting those escalators in maybe five-year increments. So there's certainly improvement. We are leaning in where we can appropriately lean in but also being mindful of we want the best operator that is going to be right for our asset, right for the community and right for further merchandising.

Operator

Craig Mailman, Citigroup.

Craig Mailman - *Citi Infrastructure Investments LLC - Analyst*

Lisa, I know you spent a lot of time discussing the differentiator that the development platform has been for Regency, and you guys are upping the starts this year to $400 million. I'm just kind of curious what the potential sustainability or acceleration is even from here to put capital to work and continue to drive the value.

And just kind of curious also with cap rates falling to below 5% in some instances, how does that change the replacement cost rent math for you guys or your risk appetite there? And does that free up more projects that may have been a little bit harder to pencil now that the kind of the exit value may be even better?

Lisa Palmer - *Regency Centers Corp - President, Chief Executive Officer, Director*

Craig, I appreciate the question. I'll just reiterate something that you even mentioned that I've said before, and I'll just -- and I will say it again, we have the best national development platform in the business. And I know you've heard Nick say and other members of our team, it's not an easy business. The reason for our success is the experience that we have of the team, the relationships that we have with locally as well as nationally and simply just the ability to execute.

And we have confidence that we're able to sustain, if not grow the levels at which we've been starting projects and deliveries that have come to the future for the past several years. And there's no question we continue to hear others have a difficult time making it pencil, but it's all of those things, cost of capital, relationships, experience that are enabling us to be successful. And I have 100% confidence that, that's going to continue into the foreseeable future.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

Operator

Mike Mueller, JPMorgan.

Michael Mueller - *JPMorgan Chase & Co - Analyst*

Just out of curiosity on the Berkeley development in your backyard. Is that something you've been pursuing for a while and get planned before? Or is it just more of a recent opportunity?

Nicholas Wibbenmeyer - *Regency Centers Corp - West Region President and Chief Investment Officer*

Yes, Mike, I appreciate the question. We've been working on that project now for several years. So that's why, as Lisa alluded to, these projects are not easy. They are complicated. They don't just sort of fall out of the sky like sometimes some acquisitions do.

These are blood, sweat and tears over an extended period of time. But similar to the story we've talked about in the past, it's a great master planned community. It's the entrance into this master planned community. We've been working with that owner for several years to come up with a site plan that works for us and works for them.

And obviously, bringing another Whole Foods to Jacksonville, bringing T.J. Maxx to St. Thomas County, we're just really excited about it.

So -- but again, a several year process. And I'd say that to just reinforce what Lisa just said on the last question, which is just why we're bullish about our ability to continue to deliver. We have a pipeline of projects we are currently working on that is very healthy. And we're not going to bat 1,000, but we feel really good about, similar to this one, ultimately bringing those things online in terms of starting them and then more importantly, delivering them as we've done time and time again. And so really excited about that project and excited about ones to come in the near future.

Lisa Palmer - *Regency Centers Corp - President, Chief Executive Officer, Director*

Thank you for asking the question. It gives me an opportunity to come over time and just reiterate because that project is a great example of each one of the things that I said.

One, fantastic team locally that is working on that project. Two, it wouldn't have happened without the relationships that we have in this market. And three, it wouldn't have happened without the relationship with Whole Foods.

And it's going to be an incredibly -- it's going to be a great center and one that we will own for a very long time.

Operator

Juan Sanabria, BMO Capital Markets.

Juan Sanabria - *Bank of Montreal - Analyst*

Just curious on the acquisition front, if you guys have studied or thinking about expanding the breadth of opportunities to maybe include non-anchored strips or maybe larger lifestyle or power centers just given the compression in grocery anchor. I suspect I know the answer, but curious on the thoughts and the rationale, just given the strength of the asset management team to take advantage of opportunities in those other kind of subcategories.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

Nicholas Wibbenmeyer - *Regency Centers Corp - West Region President and Chief Investment Officer*

Yes. Appreciate the question, Juan. As you can appreciate, yes, we're constantly looking at all opportunities across the spectrum of retail real estate. But we continue, as Mike said earlier and I said earlier, to really be particular. We like our formats.

We like grocery-anchored neighborhood shopping centers. We like best-in-class community shopping centers for the durability, for the merchandising and for what we believe is the long-term ability to grow rents in those shopping centers. And so that is our primary focus, as you've seen time and time again.

But we are looking at whether it be adding on to our existing centers as you saw us do here with Berkshire, a little strip center. And so we have bought those. We continue to look at those. And when they match our strategy and we can fund them accretively, we will move on those. As it relates to power centers, as we've talked about, the box business is a different business.

And so I don't think you're going to see us unless it's something very, very unusual moving into the power center business.

Operator

(Operator Instructions) Paulina Rojas, Green Street.

Paulina Rojas - *Green Street - Analyst*

This is a follow-up on JVs. Some of your JV deals maybe wonder how you think about the trade-offs of growing your JV partnership more aggressively, benefiting from the fee income to boost yields versus the complexities in general around partial ownership.

And I ask because we have seen other players in our space and also in other real estate industries scale this arm in an environment where, in general, acquisition yields are hard to find.

Lisa Palmer - *Regency Centers Corp - President, Chief Executive Officer, Director*

I'll start and Mike can color up if I miss anything. Paulina, as we've often said, when we think about JVs, we think about employing them for three reasons: access to capital, access to opportunity, access to expertise. So that probably -- that comes when it's a different use perhaps.

The other two, we don't -- we're not in a position to say where we need access to capital, never say never. We do appreciate the partners that we have, and we'll continue to invest in those partnerships, maintain those relationships.

If there ever is a need for access to capital, access to opportunity. And as we've been acquiring with Oregon, it does help us execute on these acquisitions on an accretive basis for the reasons that you mentioned.

And Oregon is a 20-plus year partner. We do still have capacity, and we will still continue to invest that capital that we have with them. To the extent of scaling further, that's something that we would always evaluate.

And again, if it checks one of those boxes, if it gives us access to opportunity, and that opportunity is going to check all the boxes that Nick and Mike mentioned. Is it accretive to earnings, is it accretive to future growth rate and accretive or equal to the quality of what we already own. That's how we think about it.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

Operator

Michael Gorman, BTG Pactual (sic - BTIG).

Michael Gorman - *BTIG LLC - Equity Analyst*

Lisa, you mentioned the corporate responsibility report. And obviously, Regency has seen significant growth in kind of renewable energy out of the portfolio in recent years. But maybe with the kind of the national conversation and local level pretty active around power generation and electricity bills.

I'm just curious what kind of the go-forward opportunity is to expand the solar program at Regency and how you think about that, not just from a corporate responsibility, but from an investment perspective, whether it's on the expense side of Regency or services you can provide to the tenants and the communities. Maybe just some color there on where that could go in the coming years.

Lisa Palmer - *Regency Centers Corp - President, Chief Executive Officer, Director*

I think I'll probably -- I'll let Alan hit those tactics, but I'll just reiterate that corporate responsibility is just, again, ingrained in our culture. You look at our values on our website, we live those, connecting to our communities, being responsible, striving for excellence, all fit our priorities as we think about corporate responsibility in which renewable energy and solar is part of that. The opportunity for that, though, I'm going to let Alan.

Alan Roth - *Regency Centers Corp - East Region President and Chief Operating Officer*

Yes, Mike, I would just expand upon, obviously, the corporate responsibility being certainly step one. A lot of our developments, we're incorporating that into right out of the ground, whether some municipalities requiring it or others that are not.

And then also thinking about it from an ancillary income perspective and not just solar, but there's a various amount of things that we're thinking about. It's not a small part of our business. I mean it's nearly $35 million a year of ancillary income, and it is growing.

And it's beyond just the solar, it's the EV revenues, it's fees, it's temp deals, it's different various marketing events. And so I think it's checking a lot of boxes and something that we remain keenly focused on.

Christy McElroy - *Regency Centers Corp - Senior Vice President of Capital Markets*

And I'll just add, we do continue to invest in our solar program. You see that in the growth that's within our corporate responsibility report. We are adding new projects this year. We're underwriting new projects for future years. We're having the most success in states like Connecticut and Massachusetts and California.

So we continue to grow that program.

Operator

Floris Van Dijkum, Ladenburg Polmann.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

Floris Van Dijkum - *Ladenburg Thalmann & Co Inc - Equity Analyst*

Thanks for taking my added question. More on the capital allocation front and development is really what your unique sauce in some ways, I would say, about Regency. And I think, Lisa, you mentioned a couple of times on the call as well. Maybe talk about -- you don't have -- you don't seem to have a big land pipeline. How do you tie up land?

Because when you do development, land presumably is one of the biggest swing factors in whether a project pencils or not. Can you maybe talk about your strategy regarding getting access to land? And how do you look at that as you build your future pipeline going forward?

Lisa Palmer - *Regency Centers Corp - President, Chief Executive Officer, Director*

Floris, I'm going to -- I will let Nick answer the question, but I just love that you open the door for me to just say it one more time. It really is a differentiator because we are allocating and investing our free cash flow in shopping centers that you would otherwise need to buy at market cap rates, and we're developing them at returns that are substantial spread to that. So it is -- it really provides us that visibility to future growth as we deliver these. So I appreciate you recognizing it and giving me another opportunity to say it.

Nicholas Wibbenmeyer - *Regency Centers Corp - West Region President and Chief Investment Officer*

Yes. And I'll just add to that, Floris. Specifically to your question, I appreciate you focused on that because if you do look at our land held, it's actually shrunk over the last couple of years as we've grown our development program. And that's really because we brought some land in that we had legacy land into production, and we haven't had to speculatively purchase land to grow the program.

And so specifically, we're being very, very efficient in our ability to more times than not, not close until the project from our perspective is very effectively derisked. And so that means entitlements in hand. That means pre-leasing with our anchor, especially and even shops in many cases, hard bids in hand. And so that we feel really, really good, not only about our going-in yield, as Lisa alluded, and you can see our ground-ups are 7% plus, but also delivering them at those yields.

So it's one thing to plan about those yields. It's another thing to bring them online, which we're doing very effectively. And so to your point, we have to work with the seller and control the real estate through contracts. And so that's how we continue to work with master plan developers and other sellers. We explain it in the process, and they share in some of that risk, so to speak, to maximize their land value and put it into production.

So -- really proud of the team. And again, it goes back to Lisa reiterated, just those relationships. The success we have in the market, the relationships we have with the grocers, when we sit down with the seller, we're transparent. We tell them what's ahead of us collectively, and our track record speaks for itself.

Operator

Jamie Feldman, Wells Fargo.

James Feldman - *Wells Fargo Securities LLC - Equity Analyst*

Great. Along those lines, just thinking about some of the other construction costs, can you just give us the state of affairs of what construction costs are doing across your markets for the major pieces of your projects?

And then if you don't mind, medical and fitness has been growing in the portfolio. What are your thoughts on how large that could get in terms of total ABR and the credit quality of those types of tenants?

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

Nicholas Wibbenmeyer - *Regency Centers Corp - West Region President and Chief Investment Officer*

Thank you, Jamie. We'll sneak in two questions. I'll take the first and then have Alan take the second. So the first in terms of cost, as you've alluded to, look, it's volatile. There's no question.

Fuel prices today are very volatile. At the time we've been on this call, I haven't checked, but for all I know they've gone up or down 10%. But the really good news about our team, and as I just talked about in the previous question, our derisking of these projects is, look, we've been doing this for a very long time, forget about even decades, just look over the last five or six years, and we've dealt with major supply chain issues as we were building shopping centers coming out of COVID.

Then came the tariff impact and the potential impact of that on our projects. And now here we are dealing with fuel price volatility. And so it's not a fun part of the construction business, but it is just the reality of the construction business that volatility is always part of it. And so -- our teams do an excellent job of, again, bidding the majority of these costs before we even start to try to derisk it.

But then carrying appropriate contingencies and cost escalation to deal with the unknowns. They always happen. We don't know what they are. That's why they are unknowns, but we have appropriately underwritten contingencies, which is why you've seen the vast majority of our projects come in on time and on budget. And we're not going to bat 1,000.

So every now and then, there's a little bit of an impact. But if you look at a blended basis, we're winning more than we're losing in terms of our underwriting and why we continue to feel confident as much as it's not fun dealing with volatility that even through volatility, we can perform at the numbers we're showing you all.

Alan Roth - *Regency Centers Corp - East Region President and Chief Operating Officer*

Jamie, on your medical and fitness question, we are at about 12% of ABR, and that is up 200 basis points over the last roughly five years. So we certainly are leaning in more. I would tell you the medical tenants certainly tend to be stickier -- and it's something that has become a bigger part of the open-air shopping center arena.

From a fitness standpoint, look, healthy living is a very real mindset in today's environment. And so again, we feel really comfortable and really confident in having fitness as something that the consumer and our communities want.

And it's just really about aligning with the right operators. So again, I don't have a specific target, but it is something that we are clearly leaning a bit more into.

Operator

Tayo Okusanya, Deutsche Bank.

Omotayo Okusanya - *Deutsche Bank AG - Analyst*

Lisa, while I recognize that the focus from an external growth perspective is on the development side. Curious how you're thinking on the acquisition front. It's been a while since you've done a large deal. Curious how you're thinking about further consolidation amongst the public names in the space or if the strategy there is really more to be selective finding kind of onesies and twosies where they kind of fit your bill.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.

Lisa Palmer - *Regency Centers Corp - President, Chief Executive Officer, Director*

I appreciate the question, Tayo. We are always active. And I will remind you that last year, it wasn't a merger, but we did acquire a large portfolio in Southern California, which was funded very accretively.

So we are constantly evaluating the entire market whether -- and it's just that we approach it the same way, and we have always said that, whether it's a single asset, a portfolio of assets like we acquired last year or whether we're looking at a company. And we have the balance sheet to act, and we have the team to capitalize on those opportunities.

When they are presented, we will be aggressive and we will act offensively.

Operator

And this now concludes our question-and-answer session. I would like to turn the floor back over to Lisa Palmer for closing comments.

Lisa Palmer - *Regency Centers Corp - President, Chief Executive Officer, Director*

Thank you all for your time today and happy Thursday.

Operator

Ladies and gentlemen, thank you for your participation. This does conclude today's teleconference. You may disconnect your lines and have a wonderful day.

DISCLAIMER

LSEG reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES LSEG OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2026, LSEG. All Rights Reserved.

©2026 LSEG. All rights reserved. Republication or redistribution of LSEG content, including by framing or similar means, is prohibited without the prior written consent of LSEG. 'LSEG' and the LSEG logo are registered trademarks of LSEG and its affiliated companies.