

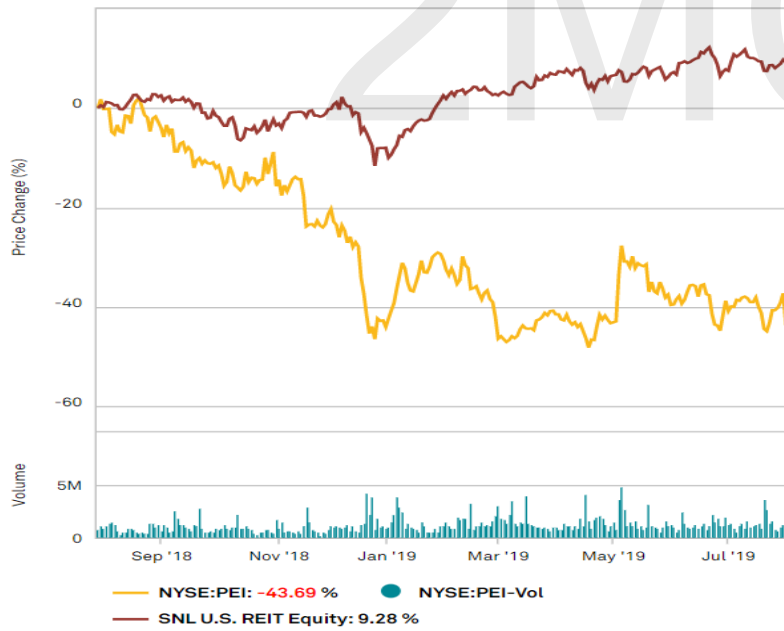


Pennsylvania Real Estate Investment Trust

Market Data as of 8/1/19

NYSE:PEI \$5.99 ▲ 0.17% \$0.01

Last (Delayed)	5.99	Volume	2,269,598
VWAP (Delayed)	5.96	Avg 3M Daily Volume	1,481,410
Open	5.98	Shares Out.	77,383,675 (4/30/2019)
Previous Close	5.98	Float (%)	85.20
Day High/Low	6.07 / 5.82	Inst. Ownership (%)	78.19
52 wk High/Low	11.05 / 5.46	Beta 3Y	0.96
Market Cap. (\$M)	463.1	Shares Sold Short	27,582,270
Implied Market Cap. (\$M)	475.2	Short Int/ShOut (%)	35.64



Financial Highlights

Source: S&P Capital IQ

Period Ended	6/30/2019
Total Assets (\$000)	2,374,933
Total Liabilities (\$000)	1,912,083
Total Equity (\$000)	462,850
Total Revenue (\$000)	351,664
Book Value per Share (\$)	6.06
Net Income (\$000)	(99,813)
EBITDA (\$000)	186,838
Return on Assets (%)	1.21
Return on Equity (%)	(19.56)

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Funds From Operations

YEAR	FFO (\$)
2017 A	1.67
2018 A	1.54
2019 E	1.26
2020 E	1.31

We added PEI to 2CHYP on a big price drop reaction to the 2Q19 results. Essentially, the market was too focused on the miss to see the bigger picture.

Yes. PEI missed in 2Q, but they massively beat in 1Q. They simply gave too narrow of a guidance which causes a high frequency of beats and misses. They should probably give a wider guidance, but this is remarkably irrelevant to the bigger picture. Quite simply, PEI is on the verge of becoming a growing REIT. Growing in same store NOI and growing in FFO/share.

This growth is slated to begin in 2020 as redevelopment deliveries crescendo and the 4.5 multiple at which PEI trades grossly undervalues a growth company. 2020 is not far off and I think the mispricing will be clear to the market in a matter of a few months.



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