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Washington Prime Group Inc. (WPG)

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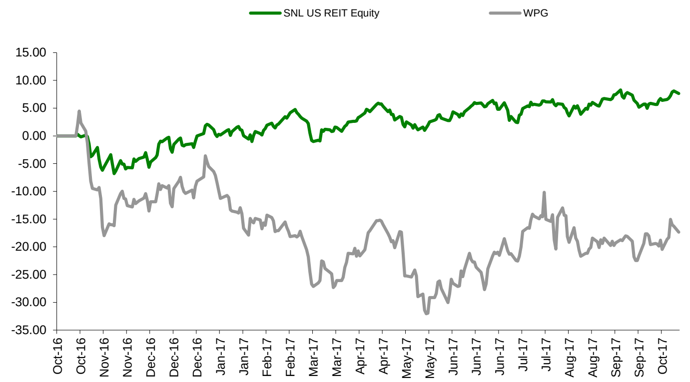
(614) 621-9000

Credit Ratings	Rating	Date	Direction	Watch
S&P	BBB-	10/26/2015	Downgrade	Outlook Stable
Moody's*	--	--	--	--
Fitch	--	--	--	--

*Senior Unsecured Rating

Current Market Information as of 10/16/2017		Closing Price ($):	8.56
Shares Outstanding (Shares)	185,764,506	Price Target	$ 13.00
52 week High - Low ($)	12.18 - 7.31	Price/ FFO (x)	4.3
Average Daily Volume (Shares)	2,545,278	Price/ LTM FFO (x)	4.6
Market Value ($M)	1,590.1	Price/ Trailing-four-quarter EPS (x	9.3
Total Capitalization ($M)	5,088.0	Prem./Disc to NAV (%)	-37.0
Total Enterprise Value ($M)	5,011.2	TEV/ Recurring EBITDA (x)	NA
10 Year T Note (%)	2.30	Implied Return	52%

Total Return

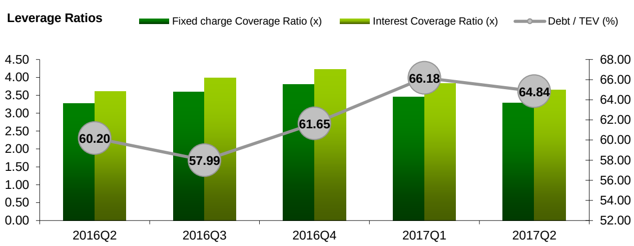


Insider Alignment as of 03/10/2017			
Title	**Name**	**Insider shares (Voting)**	**%**
Executive VP & CFO	Mark E. Yale	208,870	0.11
Director	Jacquelyn R. Soffer	114,783	0.06
--	Mark S. Ordan	55,332	0.03
Total Shares Held by Insiders		**474,416**	**0.26**

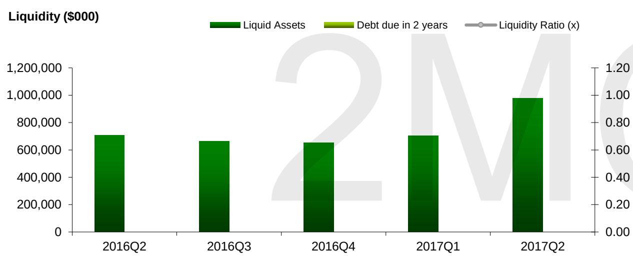
Note: If multiple insiders share controlling interest in a group of shares, they may both show ownership of those shares in insider ownership data.

Institutional Ownership			
Owner	**Shares**	**%**	**As of**
Vanguard Group Inc.	32,960,842	17.74	06/30/2017
BlackRock Inc.	24,651,964	13.27	06/30/2017
Massachusetts Financial Services Co.	11,348,091	6.11	06/30/2017
State Street Global Advisors Inc.	8,845,817	4.76	06/30/2017
FMR LLC	5,470,935	2.95	06/30/2017
Total - 346 Institutions	**174,865,957**	**95.82**	

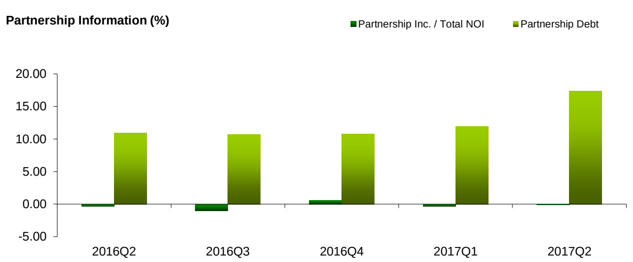
Current Dividend Information		% Change		
Dividend ($)	0.2500 –	0.00	Mst Rct Dividend Anncd Date	08/04/2017
Annual Dividend Rate ($)	1.0000 ▲	16.28	Mst Rct Ex-Dividend Date	08/30/2017
LTM Dividends Anncd ($)	1.0000		Most Recent Div Pay Date	09/15/2017
Current Dividend Yield (%)	11.68			
LTM Dividend Payout Ratio (%)	108.70			



Leverage Analysis	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Capitalization ($M)					
Implied Market Cap	2,467.0	2,730.5	2,296.0	1,916.6	1,846.2
Total Mezzanine Level Items	5.8	5.2	10.7	3.3	3.3
Total Preferred Equity	195.0	195.0	195.0	195.0	195.0
Noncontrolling Interest	1.1	1.1	1.1	1.1	1.1
Total Debt	3,510.4	3,543.6	3,506.4	3,484.6	3,000.5
Pref. OP-FASB 150/Fin 46 Adj.	0.0	0.0	0.0	0.0	0.0
Total Capitalization	**6,179.3**	**6,475.3**	**6,009.1**	**5,600.6**	**5,046.1**
(-) Cash & Cash Equivalents	63.4	57.8	59.4	94.5	76.8
Total Enterprise Value	**6,115.8**	**6,417.5**	**5,949.8**	**5,506.1**	**4,969.3**
Leverage Ratios (%)					
Debt/ Total Cap	56.81	54.72	58.35	62.22	59.46
Debt / TEV	60.20	57.99	61.65	66.18	64.84
Debt and Preferred/ TEV	63.26	60.92	64.88	69.50	68.38
Total Debt/ Gross Properties	54.08	54.76	56.14	55.59	51.44
Debt/ RE Value	67.73	64.65	69.79	74.46	72.06
Fixed charge Coverage Ratio (x)	3.28	3.60	3.80	3.45	3.29
Interest Coverage Ratio (x)	3.61	3.99	4.22	3.83	3.66
Debt/ EBITDA (x)	6.94	8.09	6.47	7.49	3.08
Debt/Assets	67.29	68.40	68.65	69.46	64.96
NOI/ Debt	15.60	15.68	16.67	15.56	17.11



Liquidity Analysis ($000)	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Cash and Equivalents	63,445	57,791	59,353	94,531	76,759
Revolving Credit Facilities	900,000	900,000	900,000	900,000	900,000
Revolving Credit Facilities Drawn	256,267	293,841	306,165	291,489	0
Liquid Assets	707,178	663,950	653,188	703,042	976,759
Debt Due this Fiscal Year	NA	NA	NA	NA	NA
Debt Due during Next Fiscal Year	NA	NA	NA	NA	NA
Debt Due this Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt Due during Next Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt due in 2 years	NA	NA	NA	NA	NA
Liquidity Ratio (x)	NA	NA	NA	NA	NA



Profitability Analysis (%)	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Implied Capitalization Rate	10.91	11.02	10.90	10.90	11.06
Rental NOI/ Avg Gross Pptys	8.39	8.57	9.19	8.66	8.49
Operating NOI/ Avg Gross Pptys	0.00	0.00	0.00	0.00	0.00
Total RE NOI/ Avg Gross Pptys	8.39	8.57	9.19	8.66	8.49
Partnership Income/ Total Revenue	-0.43	-1.25	0.75	-0.39	-0.15

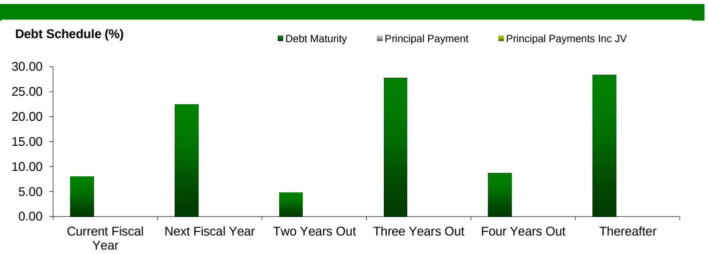
Partnership Information (%)	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Partnership Inc. / Total NOI	-0.37	-1.04	0.59	-0.33	-0.13
Partnership Revenue/ Revenue	-0.25	-0.70	0.39	-0.22	-0.09
Partnership Debt	10.91	10.68	10.75	11.91	17.37
Partnership Income/ Avg Partnerships	-0.43	-1.25	0.75	-0.39	-0.15

Debt Analysis (%)	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Tax-exempt Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Secured Debt/ Debt	47.66	47.07	46.15	46.23	47.24
Short-term Debt/ Debt	NA	NA	24.13	NA	NA
Long-term Debt/ Debt	NA	NA	75.87	NA	NA
Variable-rate Debt/ Debt	28.52	23.68	24.29	24.02	18.20
Fixed-rate Debt/ Debt	71.48	76.32	75.71	75.98	81.80
Hedged Debt/ Debt	23.93	29.35	29.50	29.70	34.56
Convertible Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Credit Lines Drawn/ Available	28.47	32.65	34.02	32.39	0.00

Same Store Analysis	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
Same Store NOI Change (%)	3.00	0.60	0.70	-0.70	-1.90
Same Store Rev % Chg (%)	1.30	1.20	0.80	1.60	0.20
Same Store Exp % Chg (%)	-2.00	2.30	1.10	6.60	4.90
Same-store REVPAR ($)	NA	NA	NA	NA	NA
Same-store ADR ($)	NA	NA	NA	NA	NA
Same Store Occupancy (%)	92.90	92.60	94.00	92.70	92.30

Debt Maturity Schedules for the Period 2017Q2

	Debt Maturity		Principal Payment		Principal Payments Inc JV	
	($000)	(%)	($000)	(%)	($000)	(%)
Total Debt	3,000,523		3,000,523		3,000,523	
Current Fiscal Year	239,100	7.97	NA	NA	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Next Fiscal Year	672,440	22.41	NA	NA	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Two Years Out	144,671	4.82	NA	NA	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Three Years Out	832,356	27.74	NA	NA	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Four Years Out	261,598	8.72	NA	NA	NA	NA
Avg Int Rate (%)	NA		NA		NA	
Thereafter	849,731	28.32	NA	NA	NA	NA
Avg Int Rate (%)	NA		NA		NA	

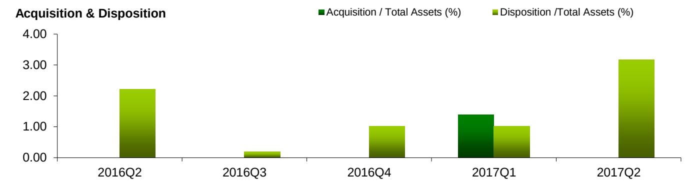


Source: SNL Financial

Property Analysis

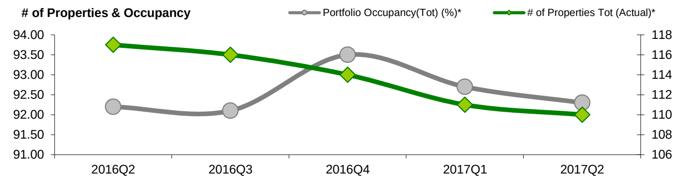
Property Financials	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2
# of Properties Tot (Actual)*	117	116	114	111	110
Portfolio Occupancy(Tot) (%)*	92.2	92.1	93.5	92.7	92.3
Total Acquisitions ($000)	0	0	0	70,000	0
Total Dispositions ($000)	115,300	10,100	52,200	51,000	146,400
Development Pipeline ($000)	NA	NA	NA	NA	NA
Development Cost Incurred ($000	NA	NA	NA	NA	NA
Net Property Investment ($000)	4,220,836	4,186,036	4,122,842	4,096,053	3,736,595
Gross Leasable Area (sq. ft.)	65,893,958	64,954,578	62,836,660	60,341,358	60,136,080
Acquisition / Total Assets (%)	0.00	0.00	0.00	1.40	0.00
Disposition /Total Assets (%)	2.21	0.19	1.02	1.02	3.17

* If total value is filed as NA for all periods by the company, it will give the individual portfolio level information.



Top 10 Markets*

Name	% of NOI	% of Rev.	% Change SS Occupancy %
None			



*Based on reported market exposure. SS here stands for Same Store

Top 10 Most Recent Acquisitions

Property Name	Portfolio Acq. Yes/No?	Acq. Date	Owned %	Price ($000)¹	Size (Owned Sq. Ft.)³
Arbor Hills	Yes	01/15/2015	51.00	4,200,000	44,571
Ashland Town Center	Yes	01/15/2015	100.00	4,200,000	433,683
Colonial Park Mall	Yes	01/15/2015	100.00	4,200,000	738,798
Dayton Mall	Yes	01/15/2015	100.00	4,200,000	1,442,750
Grand Central Mall	Yes	01/15/2015	100.00	4,200,000	846,254
Indian Mound Mall	Yes	01/15/2015	100.00	4,200,000	556,734
Land-Oklahoma City	Yes	01/15/2015	99.00	4,200,000	NA
Malibu Lumber Yard	Yes	01/15/2015	51.00	4,200,000	16,062
Merritt Square Mall	Yes	01/15/2015	100.00	4,200,000	811,260
Morgantown Commons	Yes	01/15/2015	100.00	4,200,000	230,843

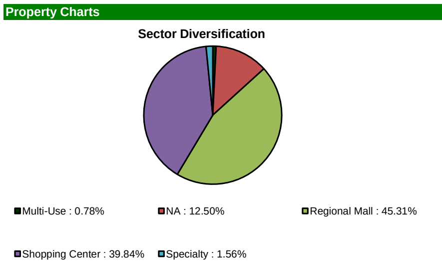
¹ If the transaction is a portfolio acquisition than the price will be a portfolio Acq. Price.

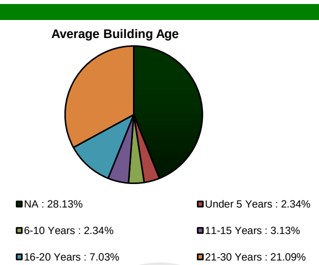
Top 10 Most Recent Dispositions

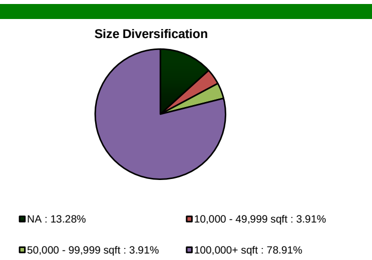
Property Name	Portfolio Dis. Yes/No?	Dis. Date	Owned %	Price ($000)²	Size (Owned Sq. Ft.)³
Valle Vista Mall	No	10/03/2017	100.00	40,000	650,573
Morgantown Commons	No	06/07/2017	100.00	6,700	230,843
Land-Indian Mound Mall	No	05/16/2017	100.00	800	NA
Gulf View Square	Yes	02/21/2017	100.00	42,000	756,098
River Oaks Center	Yes	02/21/2017	100.00	42,000	1,124,947
Virginia Center Commons	No	01/10/2017	100.00	9,000	774,619
River Valley Mall	No	12/29/2016	100.00	NA	521,678
Richmond Town Square	No	11/10/2016	100.00	7,300	1,011,473
Knoxville Center	No	08/19/2016	100.00	10,120	970,028
Scottsdale JV	No	08/17/2016	25.00	4,400	NA

² If the transaction is a portfolio sales than the price will be a portfolio disposition Price.

Property Charts

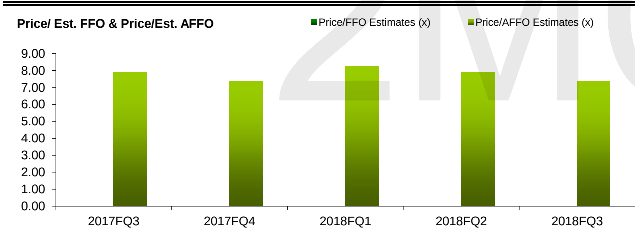


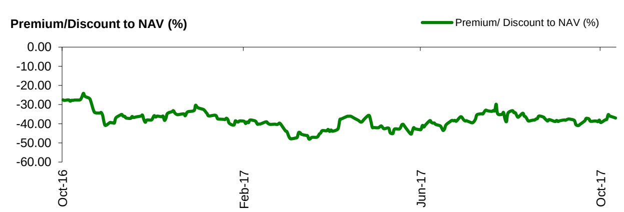




NA = Not Available

Estimates Data





Estimates Information	2017FQ3	2017FQ4	2018FQ1	2018FQ2	2018FQ3
FFO Estimates					
FactSet Mean FFO Estimate ($)	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT
FactSet High FFO Estimate ($)	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT
FactSet Low FFO Estimate ($)	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT
FactSet No. of FFO Estimates (Actual)	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT
Closing Price ($)	8.56	8.56	8.56	8.56	8.56
Price/FFO Estimates (x)	NA	NA	NA	NA	NA
AFFO Estimates					
SNL Mean AFFO Estimate ($)	0.27	0.29	0.26	0.27	0.29
SNL High AFFO Estimate ($)	0.28	0.30	0.26	0.27	0.29
SNL Low AFFO Estimate ($)	0.26	0.28	0.26	0.27	0.29
SNL No. of AFFO Estimates (Actual)	2	2	1	1	1
Price/AFFO Estimates (x)	7.93	7.38	8.23	7.93	7.38
EBITDA Estimates					
FactSet Mean EBITDA Estimate ($000)	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT
FactSet High EBITDA Estimate ($000)	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT
FactSet Low EBITDA Estimate ($000)	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT
FactSet No. of EBITDA Estimates (Actual)	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT	DEFUNCT
Shares Outstanding (Shares)	185,764,506	185,764,506	185,764,506	185,764,506	185,764,506
Total Enterprise Value ($M)	5,011.2	5,011.2	5,011.2	5,011.2	5,011.2
Price/ Est. EBITDA per Share (x)	NA	NA	NA	NA	NA
Current TEV/ Est. EBITDA (x)	NA	NA	NA	NA	NA

NAV	Consensus Estimate	Median	High	Low	Std Dev
NAV per Share ($)	13.59	13.59	16.61	10.57	4.27
Price/ NAV	0.63	0.63	0.52	0.81	
Premium/Discount to NAV (%)	-37.01	-37.01	-48.46	-19.02	
Number of NAV per Share Estimates (actual)	2				

Commentary:

Washington Prime Group is battling a challenging fundamental environment as are most of its peers. We are bullish on retail generally as I think the headwinds are fully or more than fully priced in, but I still prefer to pick and choose the best of retail. While some retail REITs are getting caught up in what wall street wants which is overly focused on sales per square foot, WPG is taking a more functional approach. They analyze their assets case by case and take action appropriately. In some cases it makes sense to keep the low sales per square foot asset due to its profitablity and in others it makes sense to sell the high sales per square foot asset due to the price it can fetch in the market. This rational approach, in my opinion, will help WPG maximize value and come out of this challenging environment with strong FFO.