



EARNINGS CALL TRANSCRIPT

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MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and thank you for standing by. Welcome to the Third Quarter 2025 Kite Realty Group Trust Earnings Conference Call. At this time, all participants are in a listen-only mode. After the speakers' presentation, there will be a question-and-answer session. [Operator Instructions] As a reminder, this conference call is being recorded.

I would now like to turn the conference over to Mr. Bryan McCarthy. Sir, please begin.

Bryan McCarthy

Senior Vice President-Corporate Marketing & Communications, Kite Realty Group

Thank you, and good morning, everyone. Welcome to Kite Realty Group's third quarter earnings call. Some of today's comments contain forward-looking statements that are based on assumptions of future events and are subject to inherent risks and uncertainties. Actual results may differ materially from these statements. For more information about the factors that can adversely affect the company's results, please see our SEC filings, including our most recent Form 10-K. Today's remarks also include certain non-GAAP financial measures. Please refer to yesterday's earnings press release available on our website for reconciliation of these non-GAAP performance measures to our GAAP financial results.

On the call with me today from Kite Realty Group are Chairman and Chief Executive Officer, John Kite; President and Chief Operating Officer, Tom McGowan; Executive Vice President and Chief Financial Officer, Heath Fear; Senior Vice President and Chief Accounting Officer, Dave Buell; and Senior Vice President, Capital Markets & Investor Relations, Tyler Henshaw. Given the number of participants on the call, we are limiting participants to one question and one follow-up. If you have additional questions, we ask that you please rejoin the queue.

I'll now turn the call over to John.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Thanks, Bryan. Good morning, everyone. The KRG team is executing on all fronts, driving occupancy higher, leasing space at strong spreads, embedding higher rent bumps, and optimizing the portfolio. Our outperformance underscores the strength of our operating platform that's allowing us to increase the midpoint of our NAREIT and core FFO per share guidance by \$0.02 and our same property NOI assumption by 50 basis points. Our efforts are positioning us for sustained value creation as we close out 2025. Our leased rate increased 60 basis points sequentially, driven by the continued demand for space across the portfolio. We believe the second quarter represented the low watermark in our leased rate.

As we've discussed in the past, we viewed the recent wave of bankruptcy-driven vacancy as a value creation opportunity to embed better growth, upgrade the tenant mix, and de-risk our cash flow. Through the re-leasing process, we've maintained our focus on establishing the groundwork for higher organic growth that will continue to pay dividends long after the occupancy stabilizes. Over the last two years, we've moved our embedded rent bumps to 178 basis points for the portfolio, which is a 20-basis-point increase from only 18 months ago.

In the third quarter, we executed seven new anchor leases with tenants including Whole Foods, Crate & Barrel, Nordstrom Rack, and Homesense. We've been proactive in diversifying our merchandising mix as 19 of the

anchor leases signed year-to-date have included 12 different retail concepts. On the small shop side, we are now within 70 basis points of our previous high watermark of 92.5% and have full confidence in surpassing prior levels. Activity this quarter included leases with CAVA, Kitchen Social, Diptyque, Rothys, and Free People. Our teams focus on curating a dynamic merchandising mix and driving traffic to our centers continues to elevate the portfolio.

We're making meaningful progress on the transactional front, highlighted by the recent sale of Humblewood, a center anchored by Michaels and DSW. This transaction reflects our ongoing commitment to driving organic growth and derisking the portfolio by recycling capital out of non-core, large-format assets. Our disposition pipeline totals approximately \$500 million across various stages of execution. We aim to complete the majority of these transactions by the end of the year. While there can be no assurances that all sales will close, our capital allocation discipline remains unchanged. Depending on the timing and mix of the assets ultimately sold, we intend to deploy the proceeds into some combination of 1031 acquisitions, debt reduction, share repurchases, and/or special dividends. In all instances, our objective will be to minimize any earnings dilution and maintain our leverage within our long-term range of low- to mid-5 times net debt to EBITDA.

Since our last earnings release, we have repurchased 3.4 million shares at an average price of \$22.35 for approximately \$75 million. The midpoint of our updated core FFO per share guidance implies a 9.2% FFO yield, and a 23% discount to our current consensus NAV on this activity, representing a compelling arbitrage to recycle capital out of our lower-growth assets into our own shares. Roughly half the funds for these buybacks were sourced from completed asset sales, including Humblewood and an outparcel disposition, with the remainder to be funded from future asset sales.

Our third quarter performance reinforces the growing strength of our platform and the powerful tenant demand fueling our business. We're energized by the opportunities ahead to generate durable, long-term growth. And as we finish the year, we will remain disciplined leasing space that delivers strong returns, redeploying capital out of lower-growth assets and elevating the overall quality of the portfolio. With a focused strategy and a deeply committed team, we are well-positioned to deliver sustained value for all of our stakeholders.

I'll now turn the call to Heath.

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

Thank you, and good morning. Our third quarter results reflect the collective strength and focus of the entire KRG organization. We've built meaningful momentum, driven by compelling tenant demand, disciplined execution, and a team that continues to deliver across every metric. As we turn toward the year-end, our goal was simple, finish 2025 strong and carry that same drive and conviction into 2026, where we see tremendous opportunity to further elevate our platform.

Turning to our results, KRG earned \$0.53 of NAREIT FFO per share and \$0.52 of core FFO per share. Both metrics benefited from a \$0.03 contribution associated with the sale of an out-lot to an apartment developer. As mentioned on our prior earnings call, this transaction was embedded in our original 2025 guidance and represents a strong example of unlocking value from an underutilized portion of one of our centers.

Same property NOI increased 2.1% year-over-year, driven primarily by a 2.6% increase in minimum rent. We recognized \$39 million of impairments this quarter, \$17 million of City Center, and \$22 million across the Carillon land and Carillon MOB. City Center is being remarketed and we're close to awarding the deal. The Carillon assets are under contract with different buyers, which shortened our hold period. Collectively, these charges reflect the gap between our carrying values and the respective estimated sale price.

As John mentioned, we are raising the midpoint of our 2025 NAREIT and core FFO per share guidance by \$0.02 each. \$0.01 of the increase reflects outperformance in same property NOI while the other \$0.01 is driven by capital allocation activity, namely our recent stock repurchases. We're also increasing the midpoint of our same property NOI growth assumption by 50 basis points. The outperformance of same property NOI is primarily attributable to earlier than expected rent commencements and stronger specialty leasing income in the back half of 2025.

Our general bad debt assumption remains unchanged at 95 basis points of total revenues, representing the blend of actual bad debt experienced year-to-date and a continuing 100-basis-point reserve for total fourth quarter revenues. It's important to note that for our full year 2025 guidance contemplates the completion of approximately \$500 million of non-core asset sales in the latter part of the fourth quarter. Conversely, our guidance does not assume any deployment of the related proceeds. Given the anticipated timing of these transactions, any earnings impact from either the potential sales or potential redeployment of proceeds would be negligible in 2025.

We've consistently emphasized that the strength of our balance sheet provides us with tremendous flexibility of how we allocate capital. The recent share repurchase activity and the potential sale transactions that John mentioned are clear examples of that flexibility in action. Our balance sheet remains one of the strongest in the sector, giving us the capacity to pursue opportunities that enhance shareholder value while maintaining our financial discipline. We remain firmly committed to our long-term leverage target of low- to mid-5 times net debt to EBITDA, which continues to position us well for both stability and growth.

Lastly, our board of trustees has authorized an increase in our dividend to \$0.29 per share, which represents a 7.4% increase year-over-year. For many of our long-term investors, the dividend is a critical aspect of REIT investing, and we believe KRG's dividend is an extremely attractive risk-adjusted yield. Earlier in the year, we mentioned the possibility of a special dividend to occur in 2025. We still anticipate distributing a special dividend of up to \$45 million, but the size will ultimately be determined by our fourth quarter taxable income and the outcome and timing of our current disposition pipeline.

Thank you to our team for their relentless efforts to deliver strong results and create long-term value for all stakeholders. We look forward to seeing many of you over the next several weeks on the conference circuit.

Operator, this concludes our prepared remarks. Please open the line for questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] In order to facilitate as many questions as possible, we ask that you please limit your questions to one question and one follow-up. If you have additional questions you may re-enter the queue. Please standby while we compile the Q&A roster. Our first question or comment comes from the line of Cooper Clark from Wells Fargo. Your line is open.

Cooper Clark

Analyst, Wells Fargo Securities LLC

Q

Great. Thanks for taking the question. Hoping you could expand more on your earlier comments on the dispositions. Is it fair to assume that most of the volume is power centers, given your comments on previous calls? Also curious on cap rates and then benefits to the same store growth profile and underlying tenant credit moving forward.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Sure. Connor (sic) [Cooper] (00:11:46), yeah, I think it's fair to say that this is in line with the messaging that we've had in the past, which is that we're looking to kind of shrink that middle part of our portfolio, which would be those larger-format centers and power centers. So, yeah, I think that's kind of the direction that we're heading and that is what this particular group of assets is. In terms of pricing, we haven't released that in the past, and we'll got to get to the closing. But suffice to say, the activity should be well inside of what our implied cap rate is right now, which is what's happened historically.

That work for you, Cooper?

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

A

Cooper, this is Heath. I would also say that on the same store, listen, on net-net basis, the entire pool would be accretive to same store. But it all depends on which mix of assets we end up closing, so TBD on what it does to the 2025 same store.

Cooper Clark

Analyst, Wells Fargo Securities LLC

Q

Great. Thank you.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Thanks.

Operator: Thank you. Our next question or comment comes from the line of Andrew Reale from Bank of America. Your line is open.

Andrew Reale

Analyst, BofA Securities, Inc.

Q

Hi. Good morning. Thanks for taking my questions. I guess just sticking with the dispositions, I guess, just curious if you could – if we could dig a little deeper and you could give us an idea of just where occupancy is and what the exposure to watchlist retailers is like within the assets that are in the pipeline and then how much more volume beyond the \$500 million right now could you potentially look to sell?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Well, let me just start with, again, we're not – the occupancy – it's probably going to reflect the occupancy in the portfolio. I mean, these are stabilized properties. And then you should assume that because we're telling you that it's that kind of middle part of the larger-format centers, that there is exposure obviously to watchlist tenants. But that's going to be the case in any of those type of assets if they're in a larger-format power centers. So I think – what was the second part of that question, I'm sorry.

Andrew Reale

Analyst, BofA Securities, Inc.

Q

Just how much more volume beyond \$500 million could you potentially look to sell?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Yeah. Right now, I think we're very focused on just getting this closed. As we said, we anticipate a lot of this will happen by year-end, so we're quite busy on getting that done. And then we're going to go from there. We continue to want to improve the portfolio and continue to want to do a lot of work around this embedded rent growth. I mean, the fact that we've been able to increase our embedded rents by 20 basis points in 18 months is pretty fabulous. And we're already taking up towards the higher end of the peer group on embedded growth. So, that's really the focus, is to reposition the portfolio to deliver a better growth profile in the years ahead. And that's – a lot of that is because a lot of the growth that you've seen in the space since COVID is really just catch up of occupancy. And what we're looking to do is build growth without having to do that. So, we'll see how that plays out. But we're very – whatever, we're optimistic about that.

Andrew Reale

Analyst, BofA Securities, Inc.

Q

Okay. That's helpful. Thanks. And then if I could just ask a follow-up. As we start to really model out 2026, could you just go back and remind us of what the one-time items are that have impacted this year and kind of what those are worth on a per share basis?

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

A

Yeah. It's around – today, it's around \$17 million of what we call recurring but unpredictable items. That's a combination of term fees and land sale gains.

Operator: Thank you. Our next question or comment comes from the line of Todd Thomas from KeyBanc Capital Markets. Mr. Thomas, your line is open.

Todd M. Thomas

Analyst, KeyBanc Capital Markets, Inc.

Q

Yeah. Hi. Thanks. I just wanted to ask about the guidance revision and maybe sort of an early look around 2026. The revision this quarter, there was a \$0.01 positive contribution from capital allocation activity. Heath, you said that's almost entirely due to stock buybacks, just given the timing of the transactions that you're talking about on the redeployment. But any considerations around 2026, I guess, vis-a-vis your comments around transacting in a manner that minimizes dilution, how we should maybe think about how all of this sort of plays out?

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

A

Yeah, Todd, I think it's too early. In February, we have a lot more visibility into what we'll actually do with the proceeds. As John said in his remarks, we've a menu of items. Obviously, one of the attractive ones now is the redeployment of capital into our share price based on where the implied yield is versus the implied yield of these assets that we're selling. So, again, it's really going to be depending on, are we going to close these things? What do we do with the proceeds? So, we'll have much more visibility in February, so thank you for your patience and we'll talk to you at the end of FY 2026.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Yeah. Only thing I would add to that, Todd, is you just got to remember that there's complexity in terms of the taxability associated with the sale, the gain or the loss. So, I think we have to let that develop and focus on getting this current batch closed. And then, as Heath said, we'll be in a much better position. But the real positive here is that there's a lot of opportunity for us to improve the portfolio, improve the growth, and there's a real demand for the type of products that we're looking to sell. And again, with the discount to NAV and the implied cap rate where we're at, this has been quite a good time to be doing this.

Todd M. Thomas

Analyst, KeyBanc Capital Markets, Inc.

Q

Okay. And then is this – the \$500 million number that you mentioned, is this intended to be a gross sales number or are you entertaining sort of a contribution to a joint venture vehicle where you might retain an interest in these assets at all? And can you sort of rank order today, sort of the redeployment opportunities that you discussed, whether acquisitions more share buybacks, how you think about that today?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Well, for the first part of the question, this particular pool that we're talking about of approximately \$500 million is all 100% sales. These are not any joint venture contributions in this. In terms of force ranking those multiple options, again, it all comes down to the timing, which assets, the taxability of those. And so, that will drive that first decision-making. But, again, the entire objective is to do what we've already done, which is to place the money in something that is either accretive or very, very minimally dilutive as it represents the entire balance sheet.

So, I think we're going to have to see where that goes. But with the yields that we're able to sell at and redeploy at, that's kind of our focus is the demand for the centers that we're selling is strong. And as we've said a couple of different times, in terms of redeploying into the stock, it was an easy decision. As we move down the road, that becomes more complex around taxes, etcetera.

Todd M. Thomas

Analyst, KeyBanc Capital Markets, Inc.

Q

Okay. Thank you.

Operator: Thank you. Our next question or comment comes from the line of Craig Mailman from Citi. Your line is open.

Craig Mailman

Analyst, Citigroup Global Markets, Inc.

Hey, guys. Just want to go to the City Center. That one was impaired, and as we think about it, you had mentioned that as one of the assets that you were recycling as part of the Legacy West transaction. I mean, does the further write-down of that change any of the accretion math that you guys put out in that Legacy West deal, maybe where should we think about the cap rate, for that deal? Is that north of the 10% cap and kind of the Carillon MOB and development land as well? I mean are these prices are coming in below your expectations, it seems like. Can you just talk about where yields are?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Sure. First part of your question, no, it is not going to impact the yields. I mean, this is a fairly de minimis – impact the yields as it regards to Legacy West. And if you remember, we kind of gave a range of what that sale might be. So, this would be de minimis, and it's really a result of kind of pulling the asset off the market, stabilizing some tenants that needed to be stabilized and putting it back out there. And so, in that regard, not an issue. Heath, do you want to hit the second part of that?

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

Can you please repeat, Craig? (00:20:57)

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Oh, sorry. Can you get the second part of the question again?

Craig Mailman

Analyst, Citigroup Global Markets, Inc.

Just what the yields are now on the impaired values for those sales.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Oh, the cap rate on the asset itself.

Craig Mailman

Analyst, Citigroup Global Markets, Inc.

Yeah.

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

I mean, one of them is a piece of land, one of them is our MOB, which is lightly occupied; and the other is City Center. I'd rather not give an exact cap rate on City Center. But needless to say, listen, the good news is on this Carillon sales, this is one of the ways that we're going to help minimize dilution. We're selling one asset potentially

that has no NOI [indiscernible] (00:21:30), and one that which is NOI light. So, again, we think these are all good developments and we'll keep you updated.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Yeah. And just to be clear on City Center, it's really not like a going in cap rate exercise. It's an IRR exercise for the buyer because there's a lot to do there, so it's not really relevant.

Craig Mailman

Analyst, Citigroup Global Markets, Inc.

Q

Okay. And then, John, I know, kind of to Todd's point, you kind of rank the capital uses for the \$500 million. I'm just kind of curious, just on buybacks specifically. I know you said it's complicated, but like, how do you weigh that FFO yield or AFFO yield versus the potential kind of impact of reducing liquidity for the stock and those other kind of non-financial issues that can also impact multiple going forward.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Yeah. I mean, obviously, everything we're doing here, we would anticipate that in the end, the multiple would be well above where it is today. And I'm extremely confident that two years from now, the stock is going to trade at a much higher, both multiple and price, than what we're buying the stock at today, Craig. So, yeah, I mean, there is complexity in the analysis and it's not all math. I mean, the math gives you the direction. But, yeah, you have to look at the market cap, the size of the business. But we're – these are relatively small numbers even if we were to deploy all of that into a buyback, which we're not going to.

But I think the reality is, this is a point in time, we're taking advantage of an arbitrage that's very clear that, in the future, we'll be – we'll look back and say it was very smart, in my opinion. But it's also about the thematic around what the composition of our assets are going to be and what the embedded growth rate of our business will be because, again, a lot of companies have benefited in terms of short-term growth in the past four years. That's great, but you got to think, what's this business going to be in the next 10 years? And we're going to be positioned to be one of the best companies, for sure, and we're going to have one of the best growth profiles. And we already have one of the best balance sheets, which will continue. So, we will look at all of that and we will be very thoughtful around the impacts of these things. But against the backdrop of the business and the backdrop of the opportunity, we're – this is the perfect time to be doing what we're doing.

Craig Mailman

Analyst, Citigroup Global Markets, Inc.

Q

And I know it's a two-question limit, but maybe I'll slip a third one in here. I mean, you guys are really trying to arb this. Other REITs have tried this in the past, selling assets, buying back stock. I mean, at what point do you look to other ways to maximize value if the public markets don't want to recognize kind of the private market value of Kite, and maybe even some of your peers?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Well, let me start with we're not doing this to – it's a result of how we're changing the composition of the portfolio. So, it's not as though we said, hey, let's go put a stake in the ground that we want to buy back stock at a certain price to prove a point. That has absolutely nothing to do with it. What's happening here is we're changing the composition of the portfolio into a better, longer-term growth profile asset composition. As part of that, we have

proceeds that we have to distribute. This was the obvious thing to do at this point in time with those proceeds because of what we've talked about, the gap, the difference in the core FFO yield versus the assets that we sold, which we think we'll continue in the short-term, and then also just that extreme discount that happened to be there.

But going forward this is – we'll see how that plays out. This is about real estate and the results of those sales have to be deployed. It's not vice versa is the message I'm trying to get to you. So, the idea that other people have tried to do this, we have nothing to do with it. This is an individual exercise for a company improving its portfolio that happens to have an extremely good balance sheet that allows flexibility. I've seen this done in the past with leveraged balance sheets, that does not work. So, this is absolutely nothing like that. And again, we'll see where it goes. And because of the structure of a REIT sometimes you do have to pay out a special dividend. We haven't talked much about that, but we are anticipating doing that, and that's just part of being a REIT.

That would be on the lower end of what you're really trying to prioritize because of the use of capital. But by the same token, you're looking at a total return to the shareholder on an annual basis. And in the end, we want that to be a model going forward where our total return is a high number that entices shareholders. Right now, there's a lot of money being invested in other areas of the world. But when you look back at what we're doing right now, I think people will come back to the steady cash flow growth of REITs. So, I think, again, the timing of this is very good.

Craig Mailman

Analyst, Citigroup Global Markets, Inc.

Right. Appreciate the thoughts.

Q

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Thank you.

A

Operator: Thank you. Our next question or comment comes from the line of Michael Goldsmith from UBS. Your line is open.

Michael Goldsmith

Analyst, UBS Securities LLC

Good morning. Thanks a lot for taking my question. Probably a good sign that we've made it this far and we haven't touched on the watchlist for the full portfolio, so it feels like things have gotten a little bit better out there. Just trying to get your assessment, what you're seeing, what your watchlist is, what you're paying attention, and how that impacts the kind of the setup for 2026. Thanks.

Q

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Yeah. Sure. We think that the watchlist is in good shape, and I think most of what's happening now is becoming much more isolated into individual tenant names, more so than in the past when you have multiple tenants in trouble. And obviously, the crescendo of that was last year when you have multiple bankruptcies within 60 days. So now, we're down to a much more manageable probably situation where there are individual tenants that we're not going to name, that we're focused on, and we're focused on reducing exposure. And look, part of this entire conversation this morning has been about improving the quality of the portfolio and reducing exposure. And even if you're getting short-term lease up right now but you're remaining overly exposed, that will eventually come back

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to be a problem most likely. So, this is all one big exercise around improvement, self-improvement and better growth. So, I think that's coming.

But as it relates to the specifics around tenant credit watchlist, we always have them. The industry always has them. It's a natural evolution. And we said, look, when we got all these bankruptcies, there was a lot of people putting out lists and I've leased these many spaces in this period of time. That's not the exercise. The exercise that we engage in is how do we get the best tenant, the best merchandising mix with the best growth. If that takes 18 months instead of 9 months, fine, this business is going to be around a long time and it's going to be a very strong business for a long time.

Michael Goldsmith*Analyst, UBS Securities LLC*

Q

Got it. Thanks for that. And I'll follow that up with probably what you don't want to hear, though. Last quarter, you talked about 80% of the boxes recaptured were either leased or in active negotiations. Is there an update on that and can you just talk about the opportunities of those where you are kind of holding back as you think about merchandising or finding better economics with the tenants? Thanks.

John A. Kite*Chairman & Chief Executive Officer, Kite Realty Group*

A

Well, let me just give – Tom will give you an update on where we are on the progress, even though we just said that, that's not our focus. But he'll give you the update and we can take the second part after.

Michael Goldsmith*Analyst, UBS Securities LLC*

Q

Thanks for indulging me.

Thomas K. McGowan*President & Chief Operating Officer, Kite Realty Group*

A

Yeah. No problem. So, we always marked up 29 bankruptcy tenants in terms of that original list that we talked about. At this point, we're at about 83% that are leased, assumes NOI negotiations, etcetera. So, we have five other properties that are out there. We're meeting on them constantly. They're probably the more challenging of the original list. But we have confidence that we'll resolve those in due time and it gets a lot of attention, so no concern there.

John A. Kite*Chairman & Chief Executive Officer, Kite Realty Group*

A

The only thing I would add is if you pay attention to the names that we're putting out there in terms of the anchor leases that we just – even just in this quarter shows you that our focus is on quality and growth as opposed to just filling the space. And I think the fact that we've done this year 12 different retailers across or 12 different brands across 19 leases that we signed, again, our focus is that diversity, quality, and then look at the spreads and the returns on capital. That's why this takes a little more time, right. I mean, if you're going to be getting north of 20% returns on capital and same thing on spreads and speaking of spreads, in case nobody asked, I mean, look at our non-option renewal spreads. I mean, I know we're one of the few guys that gives the detail around that, but I think it was 13% or 12% – 12%, 13%.

Thomas K. McGowan

President & Chief Operating Officer, Kite Realty Group

Yeah.

A

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

That is a fabulous number, which reflects the strength of our portfolio first, and then, secondarily, the business that we're in. So, those things are important to that, too.

A

Thomas K. McGowan

President & Chief Operating Officer, Kite Realty Group

So, just to follow up on John, of the seven boxes that we executed this quarter, our spreads were 37% and return on cost 23%. So, as we look at the remainder of this portfolio, we're setting a high bar and being very, very careful.

A

Michael Goldsmith

Analyst, UBS Securities LLC

Thank you very much. Good luck in the fourth quarter.

Q

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Thank you.

A

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

Thank you.

A

Operator: Thank you. Our next question or comment comes from the line of Floris Van Dijkum from Ladenburg Thalmann. Your line is open.

Floris van Dijkum

Analyst, Ladenburg Thalmann

By the way, congrats on the share buybacks. That was, I think, astute. Just curious on the contemplated \$500 million of sales later on this year. The \$45 million special dividend, is that partly as a result of that or – the \$0.20 special dividend, is that a result of those sales or is that – could that number increase based on the closing of those dispositions later on this year?

Q

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

Yeah, Floris, that's related to the prior transactional activity, mostly the GIC transaction. And actually, the number I said up to \$45 million, that's the maximum it could be. If anything, some of the assets that may sell this year may have embedded losses, which would reduce that. So, just think about that \$45 million being the top side and then potentially going lower, depending on the mix of assets that we end up selling.

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John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Yeah. And those – in terms of when Heath says embedded losses, that's on a tax basis, not a book basis, just to be clear.

Floris van Dijkum

Analyst, Ladenburg Thalmann

Q

Right. Yeah. So, that gives you potential significant more powder for share buybacks, which is encouraging. One other thing, which I – we haven't really talked about Legacy West and I don't want to steal your thunder for the upcoming NAREIT. But as I look, the ABR in place seems to have increased by quite a bit since you first acquired it. Can you talk a little bit about what's happening at that asset in terms of rents and renewals and spreads?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Yeah, it's kind of – it's magical. It's a fabulous asset that had under market rents, particularly in the retail component. And it was the perfect timing to bring in a platform like ours that can drive those rents, drive value. We have a lot of great things going on there. But, obviously, we said it when we bought it, I think the average base rent was like \$65, I believe, in the retail. And we are well above that in all the new deals that we're doing. And we had – as we mentioned, Floris, we had the ability to access about 30% of that over the next three years since the acquisition to get to probably about a 20% mark-to-market, right. So, it is playing out exactly as we anticipated. It was the perfect combination of us and a fabulous partner that has the same kind of mentality we do and has been extremely supportive and we, of course, look to do more with them.

And the other thing, remember that we are a major player in the market, right. So, we have things going on that are multi-tiered when we're talking to these tenants in the sense that, we have other assets that we can cross lease against and we have other properties there that tenants want to get into. And so, there's this ability to have this virtuous cycle of repositioning and moving people around and different rent levels. So, look, we're extremely bullish on the micro, which is the property itself; and the macro, which is the market, one of the best in the country.

Floris van Dijkum

Analyst, Ladenburg Thalmann

Q

John, yeah, thank you, by the way. Just if I – if you indulge me one other little thing, maybe, Heath, if you could touch on the impact those \$500 million of sales, what's that going to do to your cruising speed of 178 basis points? How much could that increase by as a result of selling some of these lower-growth assets?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Well, first, I'm glad to hear you say cruising speed versus cruising altitude because that's been a debate in the company, so you just answered it. But go ahead, Heath.

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

A

So, Floris, the embedded bumps in that pool of assets is around 140 basis points, so it's going to increase – it's obviously going to improve our cruising speed. But the denominator is so large, so it'll be fairly modest. But again, it's all heading in the right direction. And then, as John said in his comments, I mean, to move our cruising speed

by 20 basis points in 18 months is just incredible. That's basically just being – that's basically getting better bumps in the small shops to the extent we can get better escalators in the anchors, which we're starting to get a little bit more modest improvement on. We see 2% around the corner. When we hit 2% and then better bumps, we're going to ask for 2.25%. So, we're just going to keep pushing on this. And again, this occupancy fuel growth that people are experiencing, it will come to an end. And at the end of the day, we'd rather be in a position where our cruising speed, to use your term, is higher than others. And that is part of this entire real estate exercise that we described on this call.

John A. Kite*Chairman & Chief Executive Officer, Kite Realty Group*

A

Yeah. I mean, that's the real message for us today is that this is a first step in a process of really focusing in on organic growth and when you have a balance sheet like ours and you have organic growth that's near the top of the space and the balance sheet that we have, then we're able to do other things, outside of the organic growth that can even add to that. So, that's really the goal. And I think we have – frankly, we have absolutely been, I think, the market leader in focusing [indiscernible] (00:38:17) on this embedded growth and fighting the fight that has to be fought in the trenches to get that and perhaps that's why the occupancy trailed a little bit, but then all of a sudden you see us gain like 60 points, I think, or 60 basis points...

Thomas K. McGowan*President & Chief Operating Officer, Kite Realty Group*

A

Yeah.

John A. Kite*Chairman & Chief Executive Officer, Kite Realty Group*

A

...sequentially. And I think it shows you that the market is coming more to where we want to be. And if you look at the percentage of leases that we're signing in the small shop space at 3.5% and 4% annually, I mean, it's in the 60s percentage, like 60% of the deals we're doing. And then, 3% is table stakes, right. So, this is an indicator that this is a very good business to be in. There's not a lot of product, and there's certainly not a lot of owners that have the ability to deploy all those different goals into what they're doing.

Floris van Dijkum*Analyst, Ladenburg Thalmann*

Q

Thanks, John.

John A. Kite*Chairman & Chief Executive Officer, Kite Realty Group*

A

Thank you.

Operator: Thank you. Our next question or comment comes from the line of Alexander Goldfarb from Piper Sandler. Your line is open.

Alexander Goldfarb*Analyst, Piper Sandler & Co.*

Q

Hey. Good morning out there. Two questions. First is on the \$500 million of sales, just so I'm clear. I understand that there are different options that you're going to use the proceeds for buybacks, reinvestment, etcetera. But, overall, in – over shopping center's history, whenever we see large asset sales, it usually means that earnings

inevitably takes a step back until all of the proceeds are processed and whatever it's reinvested into can start to grow again. So, it does sound like this is an impact to 2026. Is that a fair way to look at it or your view is that this should be flat to 2026 and we shouldn't be thinking about the \$500 million having an earnings impact?

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

A

I mean, Alex, there's so many moving pieces and it depends on where is our share price going to be to the extent we're buying back stock. We're able to actually shield gains or does it have to go out as a special dividend because we're not going to do irresponsible acquisitions if we have a gain to shield. So, there are so many moving pieces, Alex. I'll just go back to what John said in his prepared remarks was we're going to do our best to minimize the earnings disruption. So again, we'll have much more information on that in February of next year.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

I think...

Alexander Goldfarb

Analyst, Piper Sandler & Co.

Q

Okay.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

...look, Alex, I'd just add, in the past, when we've done things like these, we've been very, very thoughtful around that particular issue. And it really depends on, everyone have different numbers. We have different numbers. You have different numbers. But in the end whatever happens in 2026 happens in 2026. But from that point forward, there is no question that whatever we're doing is going to create much better growth. But in the meantime, we'll do everything we can to minimize that. And unfortunately, some of that is driven by the taxability, right. When you're paying out a special, that's just money going out the door. So, the primary goal is to minimize that. But again, look, we're doing one right. We think we're going to do something towards the end of the year because we just – that was just the optionality of it. But from an NAV and from a future growth perspective, it's absolutely going to be better.

Alexander Goldfarb

Analyst, Piper Sandler & Co.

Q

Okay. And then just as another question along the portfolio lines, as – it sounds like you've reviewed your portfolio heavily and, obviously, we're seeing what's happening in the market in terms of supply, demand, and improvement across the industry. Is your view that this is and that going forward, dispositions will be more targeted in normal course or do you think there's a potential for another \$0.5-billion-plus-type portfolio transaction that could occur next year, meaning is there more culling on a large scale that you guys think that you need to do or you think that this really addresses the assets that you no longer want to have in the Kite portfolio?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

I mean, I think it's early right now to give any kind of finality answer to that. We're always reviewing, as you know, we're always deep diving and reviewing the portfolio. We're going through budgets right now. So, there's a lot going on in terms of the idea of what assets we want to hold long-term. But we have been clear that the idea is to

de-risk our exposure to certain areas of retail and – but then take that whatever proceeds that might create and have a better growth profile and have a better future growth profile. So, too early to say that, Alex, but it's always possible that we would do other dispositions of size. But, again, right now, we're just focused on just getting this done and figuring out the deployment.

Alexander Goldfarb

Analyst, Piper Sandler & Co.

Okay. And then if I could sneak in a third, that seems to be a trend. Heath...

[indiscernible] (00:43:20)

Alexander Goldfarb

Analyst, Piper Sandler & Co.

...on the bad debt, you guys have been, I think around 90 – 85, 90 bps year-to-date. But you're still at that 185 bps, I think, full year. I'm assuming that's just a plug like you don't intend to suddenly have 100 bps of bad debt in the fourth quarter, right?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Yeah. That's what in your numbers that we assume 100 bps in the fourth quarter. But, no, it's not – there's no special item there. It's just continuing the same, whatever you want to call that.

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

Yeah. It's consistent with the same assumption we have at the beginning of the year and throughout the course of the year. So it's 100 basis points.

Alexander Goldfarb

Analyst, Piper Sandler & Co.

Right. But you're not expecting like a bunch of tenants to suddenly go dark?

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

No. That is just us being conservative and basing it on historical norms of 75 to 100 basis points of growth.

Alexander Goldfarb

Analyst, Piper Sandler & Co.

Thank you. Awesome. Thank you, guys.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Thank you, bud (00:44:11)

Operator: Thank you. Our next question or comment comes from the line of Paulina Rojas from Green Street. Your line is open.

Paulina Alejandra Rojas Schmidt

Analyst, Green Street Advisors LLC

Q

Good morning, and it's great to see you're pursuing that arbitrage opportunity and trying to reshape the growth profile of the company. And looking at your same property NOI over the last 10 years, it's been around 2% or low-2%. So, I know this is a difficult question, but painting with broad brushes, if you layer in the initiatives that you have shared in this call plus the strong backdrop, how material do you think the upside to that same property NOI growth could be relative to that 2%, low-2% range that the company has experienced?

Heath R. Fear

Chief Financial Officer & Executive Vice President, Kite Realty Group

A

Yeah. So Paulina, I'm not sure if you attended our Four in '24 event in Naples, in February in Naples. And we have a slide in there where we thought, well, what are sort of the organic growth was. And holding occupancy aside, we said it was 2.5% to 3.5% based on bumps and spreads. Certainly, the bumps of the company obviously have improved as we suggested. So, looking out over a 10-year period, we have much lower embedded growth back then. So, based on the current progress we're seeing, maybe are getting closer to 2.75% to 3.75% on a forward basis. So, again, this is all about trying to improve the cruising speed of this real estate exercise, that's part of the number one priority is getting better growth.

And the two parts of the portfolio that we're really migrating towards, we told you, which is the lifestyle and mixed use. The embedded escalators in that part of the business is anywhere between 2.25% and 2.5%. And then in the smaller format grocery side of the business, which we also really like, that growth is anywhere between, you know, 1.75% and 2% based on your composition of shops and anchors. So, we're really pushing to sort of divest ourselves of the middle part of the portfolio. I just described you that pool that we're looking at is 1.4%. So, it's a great question and we appreciate you looking backwards. I will tell you, over the last [ph] five years, it's been 2.9% (00:46:32). But as we mentioned, that was – some of that was occupancy fuel. So, again, the whole point of this exercise is to improve that long-term cruising speed.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Yeah. I mean, I would just add, I think that it is important that we look at where we were, and that's a real big part of why we want to kind of change the composition as to where we're going to go, which is more important than where we were. And obviously, over the last four years, I think it's four years where we averaged that kind of close to 4%. And we've had some ups and downs in the occupancy over that period of time as well. And I think that was the point I was trying to make, Paulina, is that I think if you look at the entire sector and you look at this kind of short-term focus on same store NOI growth. And by the way, everybody it is not a ubiquitous equation in the sense that everyone defines it a little bit differently.

So, it makes it very difficult for you guys, which is why we're more focused on something that you can't massage, what is your embedded rent growth and what is your core and NAREIT FFO growth going to stabilize at in the future, and what is your total return to your shareholder on an annual basis, which, by the way, part of that is the dividend yield. And we've continued to raise the dividend pretty healthy. And we have spent a lot of capital in the last two years, and just TI and LC and continue to produce significant cash even after that fact. So, I think we are basically saying that we feel very good about the future. But, obviously, there's a few steps in between as we are positioning ourselves for that.

Paulina Alejandra Rojas Schmidt

Analyst, Green Street Advisors LLC

Q

My second question is you have in your presentation, you highlight a very active quarter in terms of leasing activity with grocers.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Yes.

Paulina Alejandra Rojas Schmidt

Analyst, Green Street Advisors LLC

I believe based on your numbers, [ph] your 79% of ABR (00:48:56) coming from grocery-anchored centers. Do you have a target in mind for this figure or you don't even think about a target at all?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

No, I mean, I don't think there's a target that's driving the decision-making around the leasing side of that. When we add a grocer to a shopping center that previously didn't have one, like many of those examples, it changes the composition of the shopper, right, and it creates more day-to-day activity at the property. One of the key things that we look at in the neighborhood grocery-anchored shopping center is, what is the growth rate in that shopping center. And if you're too pivoted towards the grocer in terms of your NOI, it's tough to grow your – it's tough to get embedded growth better than like less than 2%. It's tough. It's tough to get better than 1.5%. So, the composition of the shops and the grocer are a factor.

But I think the meaning of that slide is just to show the demand that's out there. And of course, there is a certain segment of the investment community that just only wants grocery. We're not – that's not our goal because, you don't ever want, in my personal opinion, over expose yourself for one thing because there was a time where people only wanted [ph] Kmart (00:50:28). Well, that didn't work out too good. So, I think we're much more focused on this diversity of our portfolio that creates this embedded rent growth that is going to exceed the space, right, that's our goal. So, it's more meaningful than just trading to a grocer. But, obviously, when you can put a Trader Joe's into what was a Bed Bath & Beyond or Whole Foods into what was a Big Lots, that's a pretty good day.

Paulina Alejandra Rojas Schmidt

Analyst, Green Street Advisors LLC

Thank you.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Thank you very much.

Operator: Thank you. Our next question or comment comes from the line of Hongliang Zhang from JPMorgan. Your line is open.

Hongliang Zhang

Analyst, JPMorgan

Yeah. Hey, guys, I think your non – sorry, your tenant-related capital expenditure spend trended down pretty significantly this quarter. Was that just related to timing and how should we think about the spend going forward?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Yeah. You're talking sequentially?

A

Hongliang Zhang

Analyst, JPMorgan

Yeah, sequentially.

Q

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Yeah. Yeah. Yeah. It's just timing – it's a timing thing of signing a lease before you spend the money.

A

Hongliang Zhang

Analyst, JPMorgan

Okay. How should we think about – so it sounds like the spend will basically revert back to where it's been earlier this year going forward.

Q

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Yeah. I mean, I think you should think about it on an annual basis. I would not look at it on a quarterly basis. That's – there's too much timing factored into that. But if you look at it annually, we spent around \$110 million or so on TI and LC in the last couple of years, and that's going to probably be slightly higher next year, and then go into 2027. And that was the point I was making, is that total CapEx in 2025, we probably spent \$165 million when you include maintenance CapEx and some development spend. And we're still producing – we're still paying a dividend with a nice yield and producing free cash flow. And our balance sheet remains fabulous, right. So the combination of being able to produce this cash, self-fund the regrowth of the assets, and then self-fund future growth from development is really, really strong.

A

And we're seeing more opportunities on that development side, by the way. And I don't think there's anybody in the publicly traded space that has longer experience than us in the development business. So, we know when to lean into that and when to lean out of that. And so, we're feeling very good about the free cash flow that we're able to generate out of the business to then redeploy into that growth.

Hongliang Zhang

Analyst, JPMorgan

Got it. Thanks.

Q

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Thank you.

A

Operator: Thank you. Our next question or comment comes from the line of Alec Feygin from Baird. Your line is open.

Alec Feygin

Analyst, Robert W. Baird & Co., Inc.

Q

Hey. Thank you for taking my question. So, the anchor opening was a big driver in the third quarter. Just kind of curious what percentage looking into next year and even 2027 of the total anchor leases coming due have renewal options and what are the expectations for those anchor retentions in 2026?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Sure. I don't have that percentage in front of me right now. I mean, suffice to say, the great majority of our anchors have options. It comes down to the timing of are they out of options, right, that's generally what happens. There's almost no anchor that doesn't have options. I will say when you compare the non-option renewal spread to the option renewal spread, it would indicate it'd be better if we gave less options. That's part of the push/pull of our industry and another area that we lean into probably harder than others and are getting very good success with limiting that. But bottom line is the great – almost no anchor, does a flat term without an option it just comes down to the percentage of anchors expiring in that particular year and whether or not you're at the end.

And in the case of the grocers, frankly, often what happens is they don't wait for that to happen. You're negotiating something with them prior to that. And a lot of times, you might be rebuilding the store as well, which we're doing in a couple of instances.

Thomas K. McGowan

President & Chief Operating Officer, Kite Realty Group

A

So we are finding many retailers inquiring with us about when do you have expirations with various boxes. So, we're seeing a lot of activity on that front as well.

Alec Feygin

Analyst, Robert W. Baird & Co., Inc.

Q

Do you expect any change in the retention rate looking into next year?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Yeah. I mean, as I said earlier, we're entering our budget process right now, which is an intense bottoms up every single property, every single space. And we'll talk to you about that after that. But I think we intend to have a successful season with budgeting.

Alec Feygin

Analyst, Robert W. Baird & Co., Inc.

Q

Sounds good. Thank you.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Thank you.

Operator: Thank you. Our next question or comment comes from the line of Kenneth Billingsley from Compass Point Research & Trading. Your line is open.

Ken Billingsley

Analyst, Compass Point Research & Trading LLC

Q

Hi. Good morning. I wanted to follow-up [ph] what you talked about the (00:55:40) anchor that you signed year-to-date that had new format and specifically just looking at small shop occupancy, [indiscernible] (00:55:49) you have more upside opportunity than peers. Are they 12 new formats that you're looking at, is this a trend across the whole portfolio to help improve and drive better small shop occupancy and is this a shift to upgrade retailers or are you modifying the retail mix at the properties due to a shift in consumer demand?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

I just want to be clear. You mentioned anchors, but you're talking about small shops. Is there – I just want to understand the question a little better.

Ken Billingsley

Analyst, Compass Point Research & Trading LLC

Q

Essentially, you talked about 12 of the 19 anchors you signed had new formats. I believe that's what you said at the beginning of the call...

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Yeah. Yeah.

Ken Billingsley

Analyst, Compass Point Research & Trading LLC

Q

...and I was...

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

...different brands. Yes.

Ken Billingsley

Analyst, Compass Point Research & Trading LLC

Q

So – okay. I was just curious is – I mean, obviously, you're always trying to upgrade the retailers that are coming in, but is this – is some of this a reflection of shifting consumer demand of what they expect to see at the properties? And so, essentially, are you doing that to help drive an improvement in small shop occupancy?

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

No. I think what we're trying to say is that, I think this business went through a period of time and then certain people made their lives easier by saying, I'm going to go do – I've got 15 empty spaces. I'm going to do seven deals with one guy and another eight deals with another guy, just to make your life easier. What we're saying is, we're trying to diversify the anchor tenant mix to do what you said, which is to drive more interest in our shopping centers, but also to decouple from any one anchor too much exposure. So – and then the result of that is it makes a better shopping center, which, of course, it does make – it puts you in a better position to generate higher growth in the small shops because these things are symbiotic. They work together. There is a symmetry there. So, it is – it's really not part and parcel. You want to have the strongest possible lineup you can have, but you also

want to have diversity so that the consumer, who we don't talk about enough because that's the ultimate customer, wants to go to our property over somebody else.

Thomas K. McGowan

President & Chief Operating Officer, Kite Realty Group

A

Only thing I'd add is some of this relates to the quality of our assets. And when you think about – you think about Southlake, you think about Legacy West, Loudoun, and others, the diversity is really coming from a higher quality of tenancy, someone like a Crate & Barrel, a new deal with Adidas. So, these are some of the names that we weren't necessarily doing in the past. But this diversity is getting buoyed by this strength as well.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

And just carry on that, that's a great point. And not only does it happen at those individual properties that Tom mentioned, but now we're able to spread this deeper pool of retailers across our whole portfolio. And frankly, these retailers want to work with strong landlords that have the ability to work with them in multiple locations, right. So, it's kind of a virtuous cycle of tenant demand, if you will.

Ken Billingsley

Analyst, Compass Point Research & Trading LLC

Q

And when you say the new format, are these new to you or just new into the locations that...

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

No, no, these are – it depends on how you classify new format. Just to be clear, what we're talking about are brands, not size of store or anything of that nature. These are just multiple different brands like the difference between a Crate & Barrel and a TJ Maxx, for example. Those are different brands, and the formats aren't changing. The sizes aren't changing. The space is the space. And our objective is to diversify those brands.

Ken Billingsley

Analyst, Compass Point Research & Trading LLC

Q

Okay. Got it. So these are 12 new brands to your mix.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Correct.

Ken Billingsley

Analyst, Compass Point Research & Trading LLC

Q

Okay. Excellent. Thank you.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

A

Thank you.

Operator: Thank you. I'm showing no additional questions in the queue at this time. I'd like to turn the conference back over to Mr. John Kite for any closing remarks.

John A. Kite

Chairman & Chief Executive Officer, Kite Realty Group

Well, I just want to take the time to thank everybody for joining. And as Heath said, we're really looking forward to seeing everybody quite soon, talking more about all the good things happening at KRG. Have a great day.

Operator: Ladies and gentlemen, thank you for participating in today's conference. This concludes the program. You may now disconnect. Everyone, have a wonderful day.

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