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FOR IMMEDIATE RELEASE:

SITE Centers Reports First Quarter 2019 Operating Results

BEACHWOOD, OHIO, April 23, 2019 /Business Wire/ -- SITE Centers Corp. (NYSE: SITC) today announced operating results for the quarter ended March 31, 2019.

"Our focus on leasing and operations began to bear fruit in the first quarter of 2019, with same store NOI growth and, in turn, OFFO well above plan," commented David R. Lukes, president and chief executive officer. "Leasing is the most important component of SITE Centers' five-year plan and we remain excited about our momentum and prospects for growth in 2019."

Results for the Quarter

- First quarter net income attributable to common shareholders was $27.4 million, or $0.15 per diluted share, as compared to net loss of $62.5 million, or $0.34 per diluted share, in the year ago-period. The year-over-year increase in net income is primarily attributable to lower debt extinguishment charges, transaction costs and interest expense in 2019 partially offset by the dilutive impact of the spin-off of Retail Value Inc. ("RVI").
- First quarter operating funds from operations attributable to common shareholders ("Operating FFO" or "OFFO") was $58.7 million, or $0.32 per diluted share, compared to $97.8 million, or $0.53 per diluted share, in the year ago-period. The year-over-year decrease in OFFO is primarily attributable to the dilutive impact of the spin-off of RVI partially offset by lower interest expense and higher fee income.

Significant First Quarter Activity

- Sold five shopping centers for an aggregate sales price of $185.6 million, totaling $89.9 million at SITE Centers' share, including $12.4 million from the repayment of the Company's preferred equity investment in its two joint ventures with Blackstone.
- Entered into a management agreement with Column Financial, Inc., an affiliate of Credit Suisse, related to a portfolio of 83 properties anchored by Shopko. The Company's management of the assets is expected to generate a one-time $1.0 million fee, of which $0.5 million was recorded in the first quarter.
- Received a $1.8 million fee related to the refinancing of RVI's loan facility. The fee was excluded from OFFO.

Key Quarterly Operating Results

- Reported 2.0% same store net operating income growth on a pro rata basis for the quarter.
- Generated new leasing spreads of 23.2% and renewal leasing spreads of 7.9%, both on a pro rata basis, for the quarter and new leasing spreads of 21.6% and renewal leasing spreads of 7.0%, both on a pro rata basis, for the trailing twelve-month period.
- Reported a leased rate of 93.0% at March 31, 2019 on a pro rata basis, compared to 92.7% at December 31, 2018 and 93.6% at March 31, 2018. The 60 basis point decline year-over-year primarily is related to the bankruptcy of Toys "R" Us.
- Annualized base rent per occupied square foot on a pro rata basis was $17.92 at March 31, 2019, compared to $17.16 at March 31, 2018.

Guidance
The Company has updated its 2019 full year guidance for net income attributable to common shareholders and Operating FFO per share to include the impact of the first quarter operating results. Disposition and refinancing fees from RVI are excluded from guidance. The guidance update is as follows:

	FY2019E (original) Per Share – Diluted	FY2019E (revised) Per Share – Diluted
Net income attributable to common shareholders	$0.24 – $0.29	$0.25 – $0.30
Depreciation and amortization of real estate	0.77 – 0.79	0.83 – 0.85
Equity in net (income) of JVs	(0.04) – (0.05)	(0.02)
JVs' FFO	0.14 – 0.16	0.14 – 0.16
Gain on disposition of real estate (first quarter actual)	N/A	(0.09)
Impairment of real estate / reserve of preferred equity interests (first quarter actual)	N/A	0.01
FFO (NAREIT) and Operating FFO	$1.13 – $1.18	$1.14 – $1.19

Other key assumptions for 2019 guidance include:

	FY2019E (prior)	FY2019E (revised)
SSNOI	1% - 2%	1.25% – 2.00%
RVI fee income (excluding disposition/refinancing fees)	$23 – $25 million	$22 – $24 million
Joint Venture fee income	$20 – $24 million	$21 – $25 million
Interest income	$14 – $17 million	$14 – $17 million
General & administrative expenses	$62 million	$61 million

Financial Statement Presentation Change
On January 1, 2019, the Company adopted the accounting framework for leases, ASU No. 2016-02, Leases (“Topic 842”). The following is a summary of the presentation changes within the 2019 Consolidated Statement of Operations required by the adoption of the new standard:

- All income related to tenant leases is reflected in a single “Rental income” line item.
- The impact of bad debt is now a component of the single Rental income line item and is no longer a component of Operating and Maintenance expenses. This change is reflected in 2019 reporting periods but has not been made to 2018 historical results.
- Real estate taxes paid by certain major tenants directly to the taxing authority are no longer reflected in Rental Income and Real estate tax expense. This change is reflected in 2019 reporting periods but has not been made to 2018 historical results.

Supplemental footnote support has been provided herein for comparability purposes. The Company’s Net income, Net operating income and Operating FFO were not impacted by these presentation changes.

About SITE Centers Corp.
SITE Centers is an owner and manager of open-air shopping centers that provide a highly-compelling shopping experience and merchandise mix for retail partners and consumers. The Company is a self-administered and self-managed REIT operating as a fully integrated real estate company, and is publicly traded on the New York Stock Exchange under the ticker symbol SITC. Additional information about the Company is available at https://www.sitecenters.com. To be included in the Company’s e-mail distributions for press releases and other investor news, please click here.

Conference Call and Supplemental Information
The Company will hold its quarterly conference call tomorrow at 9:00 a.m. Eastern Time. To participate with access to the slide presentation, please visit the Investor Relations portion of SITE's website, ir.sitecenters.com, or for audio only, dial 888-317-6003 (U.S.), 866-284-3684 (Canada) or 412-317-6061 (international) using pass code 7499934 at least ten minutes prior to the scheduled start of the call. A replay of the conference call will also be available at ir.sitecenters.com for one year after the call. A copy of the Company’s Supplemental package is available on the Company’s website.

Non-GAAP Measures
Funds from Operations (“FFO”) is a supplemental non-GAAP financial measure used as a standard in the real estate industry and is a widely accepted measure of real estate investment trust (“REIT”) performance. Management believes that both FFO and Operating FFO provide additional indicators of the financial performance of a REIT. The Company also believes that FFO and Operating FFO more appropriately measure the core operations of the Company and provide benchmarks to its peer group.

In December 2018, the National Association of Real Estate Investment Trusts ("NAREIT") issued *NAREIT Funds From Operations White Paper - 2018 Restatement* ("2018 FFO White Paper"). The purpose of the 2018 FFO White Paper was not to change the fundamental definition of FFO but to clarify existing guidance and to consolidate into a single document alerts and policy bulletins issued by NAREIT since the last FFO white paper was issued in 2002. The 2018 FFO White Paper was effective starting with first quarter 2019 reporting. The changes to the Company's calculation of FFO resulting from the adoption of the 2018 FFO White Paper relate to the exclusion of gains or losses on the sale of land as well as related impairments, gains or losses from changes in control and the reserve adjustment of preferred equity interests. The Company adopted changes in its calculation in 2019 on a retrospective basis.

FFO is generally defined and calculated by the Company as net income (loss) (computed in accordance with GAAP), adjusted to exclude (i) preferred share dividends, (ii) gains and losses from disposition of real estate property and related investments, which are presented net of taxes, (iii) impairment charges on real estate property and related investments including reserve adjustments of preferred equity interests, (iv) gains and losses from changes in control and (v) certain non-cash items. These non-cash items principally include real property depreciation and amortization of intangibles, equity income (loss) from joint ventures and equity income (loss) from non-controlling interests and adding the Company's proportionate share of FFO from its unconsolidated joint ventures and non-controlling interests, determined on a consistent basis. The Company's calculation of FFO is consistent with the definition of FFO provided by NAREIT. The Company calculates Operating FFO as FFO excluding certain non-operating charges, income and gains. Operating FFO is useful to investors as the Company removes non-comparable charges, income and gains to analyze the results of its operations and assess performance of the core operating real estate portfolio. Other real estate companies may calculate FFO and Operating FFO in a different manner.

In calculating the expected range for or amount of net (loss) income attributable to common shareholders to estimate projected FFO and Operating FFO for future periods, the Company does not include a projection of gain and losses from the disposition of real estate property, potential impairments and reserves of real estate property and related investments, debt extinguishment costs, hurricane-related activity, certain transaction costs or certain fee income. Other real estate companies may calculate expected FFO and Operating FFO in a different manner.

The Company also uses net operating income ("NOI"), a non-GAAP financial measure, as a supplemental performance measure. NOI is calculated as property revenues less property-related expenses. The Company believes NOI provides useful information to investors regarding the Company's financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level and, when compared across periods, reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and disposition activity on an unleveraged basis.

The Company presents NOI information herein on a same store basis or "SSNOI." The Company defines SSNOI as property revenues less property-related expenses, which exclude straight-line rental income (including reimbursements) and expenses, lease termination income in excess of lost rent, management fee expense, fair market value of leases and expense recovery adjustments. SSNOI also excludes activity associated with development and major redevelopment and includes assets owned in comparable periods (15 months for quarter comparisons). SSNOI excludes all non-property and corporate level revenue and expenses. Other real estate companies may calculate NOI and SSNOI in a different manner. The Company believes SSNOI provides investors with additional information regarding the operating performances of comparable assets because it excludes certain non-cash and non-comparable items as noted above.

FFO, Operating FFO, NOI and SSNOI do not represent cash generated from operating activities in accordance with GAAP, are not necessarily indicative of cash available to fund cash needs and should not be considered as alternatives to net income computed in accordance with GAAP, as indicators of the Company's operating performance or as alternatives to cash flow as a measure of liquidity. Reconciliations of these non-GAAP measures to their most directly comparable GAAP measures are included in this release and the accompanying financial supplement. Reconciliation of 2019 SSNOI projected growth target to the most directly comparable GAAP financial measure is not provided because the Company is unable to provide such reconciliation without unreasonable effort.

Safe Harbor

SITE Centers Corp. considers portions of the information in this press release to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, with respect to the Company's expectation for future periods. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. For this purpose, any statements contained herein that are not historical fact may be deemed to be forward-looking statements. There are a number of important factors that could cause our results to differ materially from those indicated by such forward-looking statements, including, among other factors, local conditions such as supply of space or a reduction in demand for real estate in the area; competition from other available space; dependence on rental income from real property; the loss of, significant downsizing of or bankruptcy of a major tenant and the impact of any such event on rental income from other tenants and our properties; redevelopment and construction activities may not achieve a desired return on investment; our ability to buy or sell assets on commercially reasonable terms; our ability to complete acquisitions or dispositions of assets under contract; our ability to secure equity or debt financing on commercially acceptable terms or at all; our ability to enter into definitive agreements with regard to our financing and joint venture arrangements and our ability to satisfy conditions to the completion of these arrangements; the termination of any joint venture arrangements or arrangements to manage real property; property damage, expenses related thereto and other business and economic consequences (including the potential loss of rental revenues) resulting from extreme weather conditions in locations where we own properties, and the ability to estimate accurately the amounts thereof; sufficiency and timing of any insurance recovery payments related to damages from extreme weather conditions; any change in strategy; our ability to maintain REIT status; and the finalization of the financial statements for the period ended March 31, 2019. For additional factors that could cause the results of the Company to differ materially from those indicated in the forward-looking statements, please refer to the Company's most recent report on Form 10-K for the year ended December 31, 2018. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

SITE Centers Corp.
Income Statement: Consolidated Interests

$ in thousands, except per share

		1Q19	1Q18
	Revenues:		
	Rental income (1)	$112,221	$203,766
	Other property revenues	1,469	1,191
	Business interruption income	0	2,000
		113,690	206,957
	Expenses:		
	Operating and maintenance (2)	18,841	33,026
	Real estate taxes	17,743	32,023
		36,584	65,049
	Net operating income	**77,106**	**141,908**
	Other income (expense):		
	Fee income (3)	17,332	8,111
	Interest income	4,521	5,341
	Interest expense	(21,726)	(44,040)
	Depreciation and amortization	(42,608)	(74,424)
	General and administrative (4)	(14,112)	(12,846)
	Other income (expense), net (5)	153	(61,607)
	Impairment charges	(620)	(30,444)
	Hurricane property loss	0	(750)
	Income (loss) before earnings from JVs and other	20,046	(68,751)
	Equity in net income of JVs	1,043	8,786
	Reserve of preferred equity interests	(1,099)	(3,961)
	Gain on disposition of real estate, net	16,377	10,011
	Tax (expense) benefit	(272)	18
	Net income (loss)	36,095	(53,897)
	Non-controlling interests	(305)	(256)
	Net income (loss) SITE Centers	**35,790**	**(54,153)**
	Preferred dividends	(8,383)	(8,383)
	Net income (loss) Common Shareholders	**$27,407**	**($62,536)**
	Weighted average shares – Basic – EPS (6)	**180,546**	**184,560**
	Assumed conversion of diluted securities	545	0
	Weighted average shares – Basic & Diluted – EPS (6)	**181,091**	**184,560**
	Earnings per common share – Basic (6)	**$0.15**	**$(0.34)**
	Earnings per common share – Diluted (6)	**$0.15**	**$(0.34)**
	Rental income:		
(1)	Minimum rents	$74,961	$136,917
	Ground lease minimum rents	5,018	9,970
	Percentage rent	1,376	1,808
	Recoveries	27,461	51,354
	Lease termination fees	2,587	521
	Ancillary rental income	1,259	3,196
	Bad debt	(441)	N/A
(2)	Bad debt (prior to adoption of Topic 842)	N/A	(97)
(3)	**Fee Income:**		
	JV and other fees	7,876	8,111
	RVI fees	6,556	0
	RVI disposition fees	1,100	0
	RVI refinancing fee	1,800	0
(4)	**General and administrative expenses:**		
	Internal leasing expenses	(1,945)	(1,196)
	Construction administrative costs (capitalized)	626	1,370

SITE Centers Corp.
Income Statement: Consolidated Interests

$ in thousands

		1Q19	1Q18
(5)	**Other income (expense), net**		
	Transaction and other expense, net	163	(5,175)
	Debt extinguishment costs, net	(10)	(56,432)

(6) Prior periods presented have been adjusted to reflect the Company's one-for-two reverse stock split.

SITE Centers Corp.
Reconciliation: Net Income (Loss) to FFO and Operating FFO and Other Financial Information

$ in thousands, except per share

	1Q19	1Q18
Net income (loss) attributable to Common Shareholders	**$27,407**	**($62,536)**
Depreciation and amortization of real estate	40,957	72,859
Equity in net income of JVs	(1,043)	(8,786)
JVs' FFO	7,975	7,170
Non-controlling interests	28	53
Impairment of real estate	620	30,444
Reserve of preferred equity interests	1,099	3,961
Gain on disposition of real estate, net	(16,377)	(10,011)
FFO attributable to Common Shareholders	**$60,666**	**$33,154**
RVI disposition and refinancing fees	(2,900)	0
Mark-to-market adjustment (PRSUs)	899	0
Hurricane property loss, net	0	2,535
Debt extinguishment, transaction, net	22	61,607
Joint ventures - debt extinguishment, other	14	454
Total non-operating items, net	(1,965)	64,596
Operating FFO attributable to Common Shareholders	**$58,701**	**$97,750**
Weighted average shares & units – Basic: FFO & OFFO (1)	180,690	184,735
Assumed conversion of dilutive securities (1)	545	8
Weighted average shares & units – Diluted: FFO & OFFO (1)	**181,235**	**184,743**
FFO per share – Basic (1)	**$0.34**	**$0.18**
FFO per share – Diluted (1)	**$0.33**	**$0.18**
Operating FFO per share – Basic & Diluted (1)	**$0.32**	**$0.53**
Common stock dividends declared, per share (1)	**$0.20**	**$0.19**
Capital expenditures (SITE Centers share):		
Development and redevelopment costs	6,849	20,474
Maintenance capital expenditures (2)	1,398	521
Tenant allowances and landlord work	8,311	9,418
Leasing commissions	843	897
Certain non-cash items (SITE Centers share):		
Straight-line rent	316	(380)
Straight-line fixed CAM	201	0
Amortization of (above)/below-market rent, net	1,196	1,843
Straight-line ground rent (expense) income	(420)	(50)
Debt fair value and loan cost amortization	(1,122)	(2,473)
Capitalized interest expense	271	323
Stock compensation expense	(1,855)	(1,692)
Non-real estate depreciation expense	(1,558)	(1,523)

(1) Prior periods presented have been adjusted to reflect the Company's one-for-two reverse stock split.

(2) LED lighting program	568	0

SITE Centers Corp.
Balance Sheet: Consolidated Interests

$ in thousands

	At Period End	
	1Q19	**4Q18**
Assets:		
Land	$861,730	$873,548
Buildings	3,215,366	3,251,030
Fixtures and tenant improvements	450,636	448,371
	4,527,732	4,572,949
Depreciation	(1,197,944)	(1,172,357)
	3,329,788	3,400,592
Construction in progress and land	55,634	54,917
Real estate, net	3,385,422	3,455,509
Investments in and advances to JVs	126,602	139,732
Investment in and advances to affiliate (1)	224,070	223,985
Receivable – preferred equity interests, net	176,120	189,891
Cash	9,611	11,087
Restricted cash	2,062	2,563
Notes receivable	19,675	19,675
Receivables and straight-line (2)	60,951	67,335
Intangible assets, net (3)	88,719	77,419
Other assets, net	22,791	19,135
Total Assets	**4,116,023**	**4,206,331**
Liabilities and Equity:		
Revolving credit facilities	40,000	100,000
Unsecured debt	1,646,496	1,646,007
Unsecured term loan	49,676	49,655
Secured debt	87,992	88,743
	1,824,164	1,884,405
Dividends payable	44,636	45,262
Other liabilities (4)	194,257	203,662
Total Liabilities	**2,063,057**	**2,133,329**
Preferred shares	525,000	525,000
Common shares	18,472	18,471
Paid-in capital	5,545,295	5,544,220
Distributions in excess of net income	(3,988,996)	(3,980,151)
Deferred compensation	7,954	8,193
Other comprehensive income	(1,077)	(1,381)
Common shares in treasury at cost	(56,703)	(44,278)
Non-controlling interests	3,021	2,928
Total Equity	**2,052,966**	**2,073,002**
Total Liabilities and Equity	**$4,116,023**	**$4,206,331**

(1) Preferred investment in RVI	$190,000	$190,000
Receivable from RVI	34,070	33,985
(2) Straight-line rents receivable	30,628	31,098
(3) Operating lease right of use assets (related to adoption of Topic 842)	21,962	0
(4) Operating lease liabilities (related to adoption of Topic 842)	40,303	0
Below-market leases, net	48,856	50,332

SITE Centers Corp.

Reconciliation of Net Income (Loss) Attributable to SITE to Same Store NOI (1)

$ in thousands

			At SITE Centers Share (Non-GAAP)	
	1Q19	1Q18	1Q19	1Q18
GAAP Reconciliation:				
Net income (loss) attributable to SITE Centers	**$35,790**	**($54,153)**	**$35,790**	**($54,153)**
Fee income	(17,332)	(8,111)	(17,332)	(8,111)
Interest income	(4,521)	(5,341)	(4,521)	(5,341)
Interest expense	21,726	44,040	21,726	44,040
Depreciation and amortization	42,608	74,424	42,608	74,424
General and administrative	14,112	12,846	14,112	12,846
Other expense, net	(153)	61,607	(153)	61,607
Impairment charges	620	30,444	620	30,444
Hurricane property and impairment loss	0	750	0	750
Equity in net income of joint ventures	(1,043)	(8,786)	(1,043)	(8,786)
Reserve of preferred equity interests	1,099	3,961	1,099	3,961
Tax expense (benefit)	272	(18)	272	(18)
Gain on disposition of real estate	(16,377)	(10,011)	(16,377)	(10,011)
Income from non-controlling interests	305	256	305	256
Consolidated NOI	**77,106**	**141,908**	**77,106**	**141,908**
SITE Centers' consolidated JV	0	0	(444)	(398)
Consolidated NOI, net of non-controlling interests	**77,106**	**141,908**	**76,662**	**141,510**
Net income from unconsolidated joint ventures	**6,666**	**23,405**	**774**	**8,452**
Interest expense	25,656	24,243	4,429	3,749
Depreciation and amortization	39,504	39,677	6,167	5,181
Impairment charges	12,267	16,910	2,453	846
Preferred share expense	5,459	6,508	273	325
Other expense, net	5,456	7,421	996	1,289
Gain on disposition of real estate, net	(15,966)	(38,020)	(1,555)	(7,448)
Unconsolidated NOI	**79,042**	**80,144**	**13,537**	**12,394**
Total Consolidated + Unconsolidated NOI	**156,148**	**222,052**	**90,199**	**153,904**
Less: Non-Same Store NOI adjustments	(12,508)	(80,255)	(8,594)	(73,887)
Total SSNOI	**$143,640**	**$141,797**	**$81,605**	**$80,017**
SSNOI % Change	**1.3%**		**2.0%**	

(1) Excludes major redevelopment activity.