



Conference Call

Q2 2019

This material may contain forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to First Capital Realty Inc. (“Company”) or its management. The forward-looking statements are not historical facts but reflect the Company’s current beliefs and are based on information currently available to management. Certain material factors and assumptions were applied in providing these forward-looking statements, many of which are beyond our control.

Management believes that the forward-looking statements are based upon reasonable assumptions; however, management can give no assurance that actual results will be consistent with those expressed or implied in these forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied in these forward-looking statements. Additional information about the risks and uncertainties that could cause actual results to differ materially, and the material factors or assumptions that were applied in providing these forward-looking statements, are contained in our various securities filings, including our quarter end results press release dated July 31, 2019, our Management’s Discussion and Analysis for the year ended December 31, 2018 (“MD&A”) and our current Annual Information Form, all of which are available on SEDAR at www.sedar.com and on our website at www.fcr.ca.

You should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. These forward-looking statements are made as of July 31, 2019. Except as required by securities law, First Capital Realty Inc. undertakes no obligation to publicly update or revise any such statements whether to reflect new information, the occurrence of future events or circumstances, or otherwise.

This material references certain non-IFRS financial measures, including but not limited to FFO, FFO per share, NOI and NAV. These non-IFRS measures are further defined and discussed in the Company’s MD&A, which should be read in conjunction with this material and the conference call. Since these non-IFRS measures do not have standardized meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers. The Company uses and presents the above non-IFRS measures as management believes they are commonly accepted and meaningful financial measures of operating performance. Reconciliations of certain non-IFRS measures to their nearest IFRS measures are included in the Company’s MD&A. These non-IFRS measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS as measures of First Capital Realty’s operating performance.

All figures in this presentation are as of June 30, 2019 unless otherwise noted.

Opening Remarks

ADAM PAUL
PRESIDENT & CEO

Development Proposal
1-20, Avenue Road &
40-145 Yorkville Avenue

For more information on this project,
please contact the project manager at
416-922-1111 or visit our website at
www.firstcapital.com

416-922-1111

Q2 2019 Highlights

	Occupancy	Average Net Rental Rate	NAV per share
Key Metrics	96.8%	\$20.58	\$22.88
Year over Year Growth	↑ 50bps	↑ 3.1%	↑ 3.0%



Shops at King Liberty
Toronto, ON



Griffintown Centre
Montreal, QC

Financial Overview

KAY BREKKEN

EVP & CHIEF FINANCIAL OFFICER

Q2 2019 FFO Results



Q2 FFO per share of \$0.310

	Q2 2019	Q2 2018	Variance	% Change	YTD 2019	YTD 2018	Variance	% Change
FFO/share	\$0.310	\$0.321	(\$0.011)	(3.4%)	\$0.605	\$0.622	(\$0.017)	(2.7%)
FFO (\$ millions)	\$70.2	\$79.1	(\$8.9)	(11.3%)	\$145.9	\$153.1	(\$7.2)	(4.7%)

Major Contributors (YOY change in \$ millions)	Q2 2019 vs Q2 2018		YTD 2019 vs YTD 2018	
NOI: Same Property	\$1.7		\$6.3	
Acquisitions	1.9		3.0	
Dispositions	(2.0)		(3.4)	
Other Non-Same Property NOI	0.2		(0.5)	
		\$1.8		\$5.4
Other: Interest and Other Income	(\$1.1)		\$2.9	
Interest Expense	(6.1)		(8.4)	
G&A	(0.2)		(0.1)	
Other Gains (Losses) and (Expenses)	(2.9)		(6.2)	
Other ⁽¹⁾	(0.4)		(0.8)	
		(\$10.7)		(\$12.6)
Change in FFO		(\$8.9)		(\$7.2)



Leaside Village
Toronto, ON

(1) Comprised of amortization expense and abandoned transactions costs.

Q2 2019 Highlights – Operating Metrics

Q2 2019 Same Property NOI increase of 1.9%, YTD 2019 up 3.5%

Same Property NOI Growth	Q2 2019	Q2 2018 ⁽¹⁾	YTD 2019	YTD 2018 ⁽¹⁾
Same Property – Stable	0.9%	4.1%	2.7%	3.5%
Total Same Property	1.9%	4.2%	3.5%	3.5%
Total Same Property (excluding lease termination fees)	1.7%	3.2%	1.9%	3.0%

(1) Prior periods as reported; not restated to reflect current period property categories.



Shops at King Liberty
Toronto, ON



One Bloor East
Toronto, ON

Q2 2019 Highlights – Operating Metrics

Q2 2019 strong lease renewal rate increases of 11.9% and 14.6%

	Q2 2019			Q2 2018	YTD 2019	YE 2018
<i>(GLA reported at FCR %)</i>	Total Same Property	Other Property Categories	Total Portfolio	Total Portfolio		
Renewal leasing (sq. ft.)	494,000	96,000	590,000	1,045,000	1,202,000	2,868,000
Renewal leasing (average rate psf)	\$19.71	\$26.31	\$20.78	\$17.76	\$19.62	\$18.58
Lease renewal rate increase (first year of renewal term)	12.7%	9.0%	11.9%	7.8%	11.3%	8.4%
Lease renewal rate increase (average rent in renewal term)			14.6%	10.4%	13.3%	10.9%



Yorkville Village
Toronto, ON



Mount Royal Village
Calgary, AB

Q2 2019 Highlights – Operating Metrics

Average Net Rental Rate grew 3.1% from Q2 2018

	Q2 2019			Q2 2018	YTD 2019	2018
<i>(GLA reported at FCR %)</i>	Total Same Property	Other Property Categories	Total Portfolio	Total Portfolio		
Developments coming online (sq. ft.)	N/A	71,000	71,000	78,000	81,000	283,000
Developments coming online occupied (average rate per occupied sq. ft.)	N/A	\$36.53	\$36.53	\$29.86	\$36.84	\$37.33
Average net rental rate per occupied square foot (entire portfolio)	\$20.32	\$21.76	\$20.58	\$19.96	\$20.58	\$20.24



Yorkville Village & Hazelton Hotel
Toronto, ON



Mount Royal West
Calgary, AB

Q2 2019 Highlights – Operating Metrics

Occupancy rate up 50 basis points from Q2 2018 to record level of 96.8%

	Q2 2019		Q2 2018		Q1 2019	
<i>(GLA reported at FCR %)</i>	Total Same Property	Total Portfolio	Total Same Property ⁽¹⁾	Total Portfolio	Total Same Property ⁽¹⁾	Total Portfolio
Gross Leasable Area (sq. ft.)	18,763,000	23,136,000	18,759,000	23,700,000	18,780,000	23,731,000
End of Period Occupancy	97.4%	96.8%	97.0%	96.3%	97.3%	96.8%
Average Occupancy	97.3%	96.7%	96.9%	96.2%	97.2%	96.6%

(1) Prior periods restated to reflect current property categories.

\$43.1 million during Q2 2019



Yorkville Village Assets
Toronto, ON



3080 Yonge Street
Toronto, ON



King High Line
Toronto, ON



Edmonton Brewery District
Edmonton, AB



Centre Commercial Wilderton
Montreal, QC

Q2 FFO per share of \$0.310 and YTD FFO of \$0.605

(\$ millions, except per share amounts)	Q2 2019	Q2 2018	Variance	YTD 2019	YTD 2018	Variance
Net operating income	\$116.8	\$115.0	\$1.8	\$233.5	\$228.2	\$5.3
Interest and other income	7.2	8.3	(1.1)	17.6	14.6	3.0
Interest expense	(44.5)	(38.4)	(6.1)	(84.4)	(75.9)	(8.5)
Corporate expenses	(7.8)	(7.6)	(0.2)	(15.9)	(15.8)	(0.1)
Abandoned transaction costs	(0.1)	-	(0.1)	(0.2)	(0.1)	(0.1)
Amortization expense	(0.9)	(0.6)	(0.3)	(1.8)	(1.1)	(0.7)
Other gains (losses) and (expenses)	(0.5)	2.4	(2.9)	(2.9)*	3.2	(6.1)
FFO	\$70.2	\$79.1	(\$8.9)	\$145.9	\$153.1	(\$7.2)
Weighted average diluted shares	226.4	246.2	(19.8)	241.2	246.0	(4.8)
FFO per share (diluted)	\$0.310	\$0.321	(\$0.011)	\$0.605*	\$0.622	(\$0.017)
FFO Payout Ratio	69.4%	67.0%	(2.4%)	71.1%	69.1%	(2.0%)

* Includes \$3.4M of transaction costs related to the Gazit secondary offering and \$0.8M of REIT conversion costs.

Other Gains (Losses) and (Expenses) – FFO

Q2 2019 Other Loss of \$0.5 million due to REIT conversion costs;

Q2 2018 Other Gain of \$2.4 million due to net gains on marketable securities

(\$ millions)	Q2 2019	Q2 2018	Variance	YTD 2019	YTD 2018	Variance
Realized gain (loss) on marketable securities	\$-	\$4.1	(\$4.1)	\$1.2	\$4.1	(\$3.0)
Unrealized gain (loss) on marketable securities	(0.2)	(1.4)	1.2	0.1	0.2	(0.1)
Net gain (loss) on prepayments of debt ⁽¹⁾	-	-	-	-	(0.7)	0.7
REIT conversion costs	(0.5)	(0.2)	(0.3)	(0.8)	(0.2)	(0.6)
Transaction costs ⁽²⁾	-	-	-	(3.4)	-	(3.4)
Other	0.2	(0.1)	0.3	-	(0.2)	0.2
Total OGLE for FFO	(\$0.5)	\$2.4	(\$2.9)	(\$2.9)	\$3.2	(\$6.1)

(1) Primarily non-cash losses on early redemption of convertible debentures

(2) Transaction costs related to Gazit secondary offering

YTD 2019 ACFO of \$123M

(\$ millions)	Q2 2019	Q2 2018	Variance	YTD 2019	YTD 2018	Variance
Cash provided by operating activities	\$43.1	\$51.4	(\$8.3)	\$92.0	\$96.8	(\$4.8)
Add (deduct):						
Working capital adjustments	32.7	20.7	12.0	40.2	27.9	12.3
Adjustment for equity accounted joint ventures	0.8	1.1	(0.3)	1.4	2.2	(0.8)
Revenue sustaining capital expenditures	(4.6)	(3.2)	(1.4)	(9.3)	(6.5)	(2.8)
Recoverable capital expenditures	(1.5)	(0.5)	(1.0)	(2.8)	(0.9)	(1.9)
Leasing costs on properties under development	0.4	0.4	–	0.8	0.8	–
Realized gain (loss) on sale of marketable securities	–	4.1	(4.1)	1.2	4.1	(2.9)
Non-controlling interest	–	–	–	(0.2)	(0.1)	(0.1)
ACFO	\$70.9	\$74.0	(\$3.1)	\$123.3	\$124.3	(\$1.0)
ACFO Payout Ratio*				81.6%	80.9%	(0.7%)

* Based on rolling four quarters: Cash dividends / ACFO

2019 Financing Activities



\$850 million of unsecured bank term loans to fund share repurchase

	Effective Rate	Term at Issuance	\$ Millions
YTD 2019 Activity:			
Total New Mortgages	3.4%	10.0	\$392.9
Mortgage Repayments	4.3%		(\$171.5)
Unsecured Bank Term Loans – Fixed	3.3%	5.0 – 7.0	\$550.0
Unsecured Bank Term Loans – Floating	2.9%	4.0	\$300.0
Share Repurchase	–		(\$741.6)
Equity Issued - Stock-based compensation	–		\$5.1
QTD Q3 Activity:			
Issuance of Series V Unsecured Debentures	3.5%	7.5	\$200.0
Repayment of Series L Unsecured Debentures at Maturity	5.6%		(\$150.0)

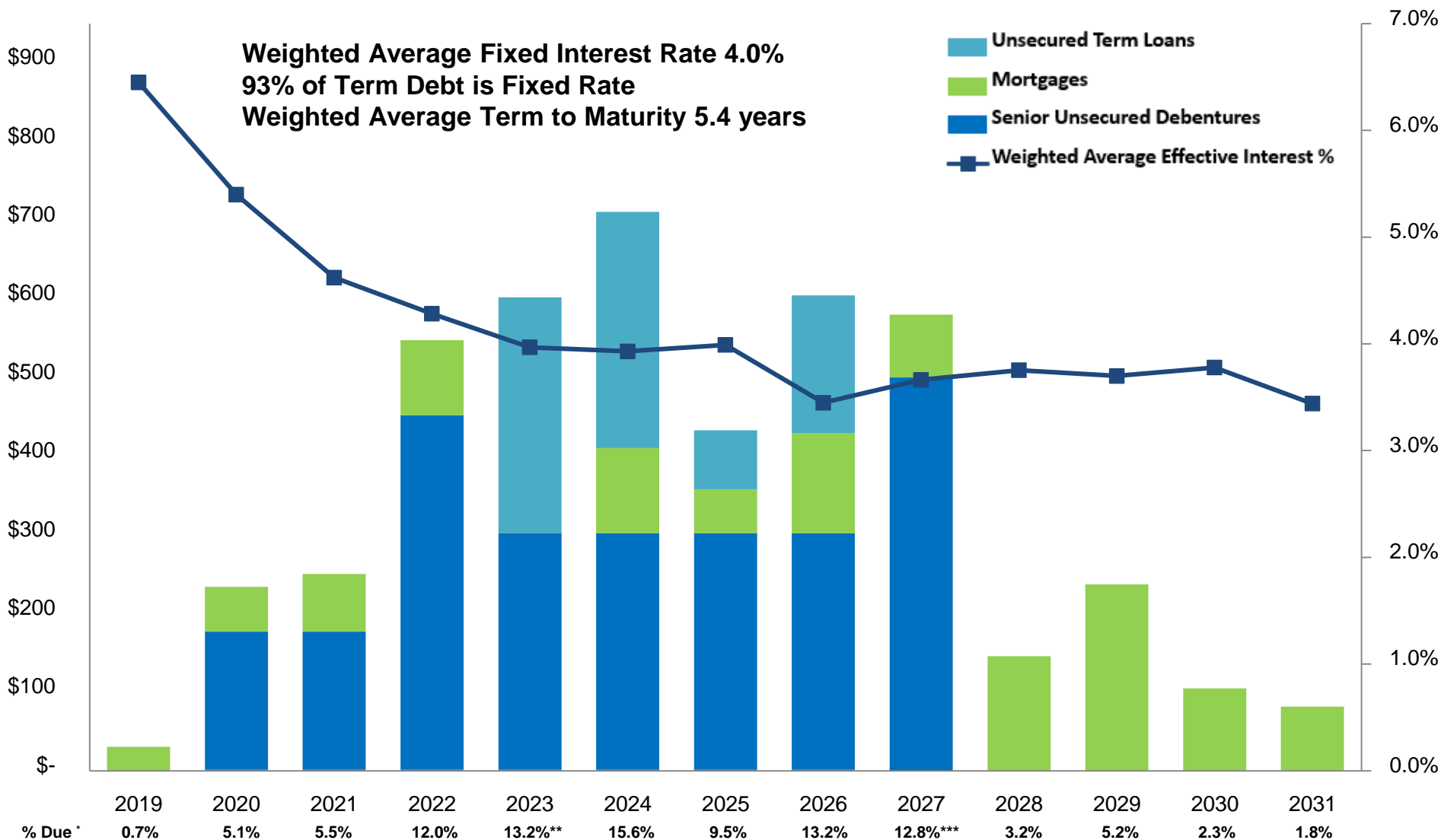
Unencumbered asset pool at \$7.0 billion

	Q2 2019	YE 2018
Unsecured revolving credit facility	\$800M	\$800M
Unsecured term loans	\$850M	—
Unencumbered assets (\$ billions)	\$7.0	\$7.3
Unencumbered assets to unsecured debt	2.0x	2.5x
Secured indebtedness to total assets	16.1%	14.0%
Net debt to total assets	48.9%	42.1%
Net debt to EBITDA ⁽¹⁾	10.9x	9.6x
EBITDA interest coverage ⁽¹⁾	2.5x	2.5x

67% of total assets

(1) EBITDA is calculated on a rolling four quarter basis.

Well-Staggered Term Debt Maturities (as at July 31, 2019)



* Percentage Due does not include scheduled principal amortization for mortgages

** Series O (\$200M) and Series P (\$250M) debentures mature on January 21, 2022 and December 5, 2022, respectively

*** Series V (\$200M) and Series U (\$300M) debentures mature on January 22, 2027 and July 12, 2027, respectively

The background image is a blue-tinted photograph of a city street. In the foreground, a large, dark sculpture of interlocking gears is mounted on a circular base with water spraying upwards. A woman in a white shirt and dark pants is walking across the street in the middle ground. In the background, there are multi-story brick buildings with many windows. One building has the word "WEST" written vertically on its side. There are also some cars and other pedestrians visible.

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Kay Brekken
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