

The Palms at Laguna Niguel
460 Apartment Homes
Laguna Niguel, CA





SECOND QUARTER 2023 CREDIT UPDATE

ESSEX
PROPERTY TRUST, INC.

SELECTED RATIOS & CREDIT RATINGS

Public Bond Covenants[1] & Selected Credit Ratios						
	Q2 '23	**Q1 '23**	**Q4 '22**	**Q3 '22**	**Q2 '22**	**Covenant**
Debt to Total Assets	**34%**	34%	34%	35%	34%	< 65%
Secured Debt to Total Assets	**3%**	3%	3%	4%	4%	< 40%
Interest Coverage	**579%**	585%	579%	567%	553%	> 150%
Unsecured Debt Ratio [2]	**289%**	289%	287%	278%	284%	> 150%
Net Indebtedness to Adjusted EBITDAre [3][4]	**5.6X**	5.7X	5.6X	5.8X	5.8X	-
Unencumbered NOI to Adjusted Total NOI	**95%**	95%	95%	94%	94%	-

Credit Ratings

Agency	Rating	Outlook
Moody's	Baa1	Stable
S&P	BBB+	Stable

(1) Please refer to the Company's Public Bond Filings with the SEC for the definitions of the covenants.
(2) Unsecured Debt Ratio is unsecured assets (excluding investments in co-investments) divided by unsecured indebtedness.
(3) Net Indebtedness is total debt less unamortized premiums, debt issuance costs, unrestricted cash and cash equivalents, and marketable securities at pro rata share.
(4) Adjusted EBITDAre is reflected on a pro rata basis and excludes non-routine items in earnings and other adjustments as outlined on page S-18.1 of the supplemental financial information furnished as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the SEC on July 27, 2023.

SECOND QUARTER 2023 HIGHLIGHTS

- Reported Net Income per diluted share for the second quarter of 2023 of $1.55, compared to $0.87 in the second quarter of 2022. The increase is largely attributable to increased income from marketable securities and the Company's non-core co-investments.
- Grew Core FFO per diluted share by 2.4% compared to the second quarter of 2022, exceeding the midpoint of the guidance range by $0.08. The increase was primarily due to higher same-property revenues and lower property taxes in Washington.
- Same-property revenues and net operating income ("NOI") increased by 4.0% and 3.6%, respectively, compared to the second quarter of 2022. On a sequential basis, same-property revenues and NOI improved 1.4% and 2.4%, respectively.
- In April 2023, the Company acquired Hacienda at Camarillo Oaks, a 73-unit apartment home community located in Camarillo, CA for a total contract price of $23.1 million. The community is located within an existing Essex community and represents a value-add opportunity due to expected efficiencies from the Company's Property Collections operating model.
- Subsequent to quarter end, the Company closed $298.0 million in 10-year secured loans priced at a 5.08% fixed interest rate. The proceeds are intended to repay a majority of the Company's $400.0 million unsecured notes due in May 2024 at maturity and will be reinvested in short-term cash accounts until the notes are repaid.
- As of July 26, 2023, the Company's immediately available liquidity is approximately $1.6 billion.
- Revised full-year 2023 earnings guidance:

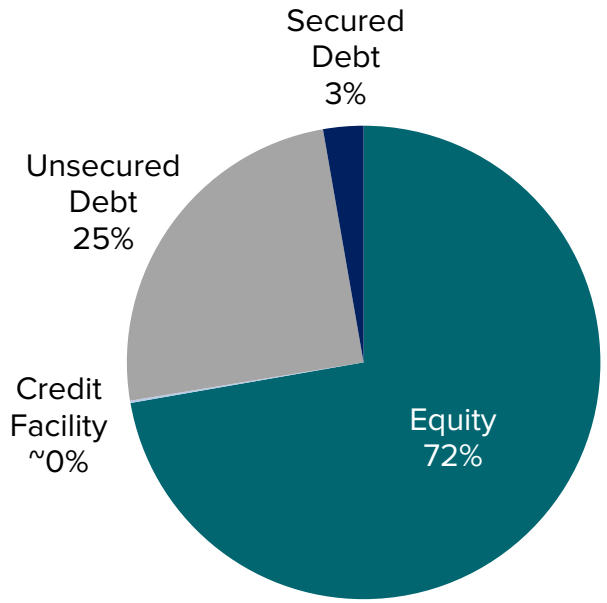
2023 Full-Year Guidance

	Previous Range	Previous Midpoint	**Revised Range**	**Revised Midpoint**	*Change at the Midpoint*
Per Diluted Share					
Net Income	$6.36 - $6.74	$6.55	**$6.74 - $6.98**	**$6.86**	***$0.31***
Total FFO	$14.74 - $15.12	$14.93	**$15.13 - $15.37**	**$15.25**	***$0.32***
Core FFO	$14.59 - $14.97	$14.78	**$14.88 - $15.12**	**$15.00**	***$0.22***
Same-Property Growth on a Cash-Basis [1]					
Revenues	3.25% - 4.75%	4.00%	**4.00% - 4.75%**	**4.38%**	***0.38%***
Operating Expenses	4.50% - 5.50%	5.00%	**3.75% - 4.25%**	**4.00%**	***(1.00%)***
NOI	2.30% - 4.90%	3.60%	**3.90% - 5.10%**	**4.50%**	***0.90%***

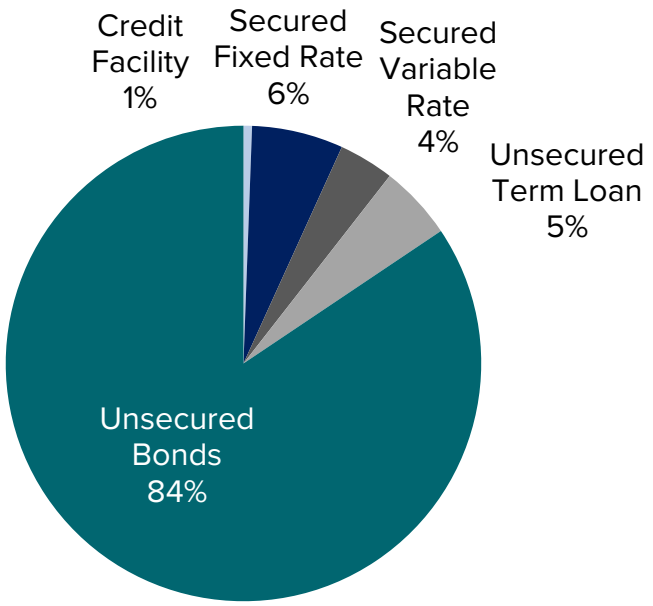
(1) The revised midpoint of the Company's same property revenues and NOI on a GAAP basis are 4.7% and 5.0%, respectively, representing a 0.3% and 0.9% increase to the Company's original guidance midpoints.

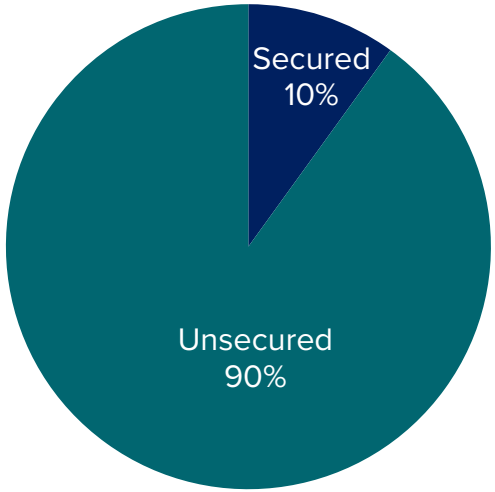
CAPITAL STUCTURE & LIQUIDITY PROFILE

$21.5 Billion Total Market Capitalization (1)



Debt Composition (1) (2)



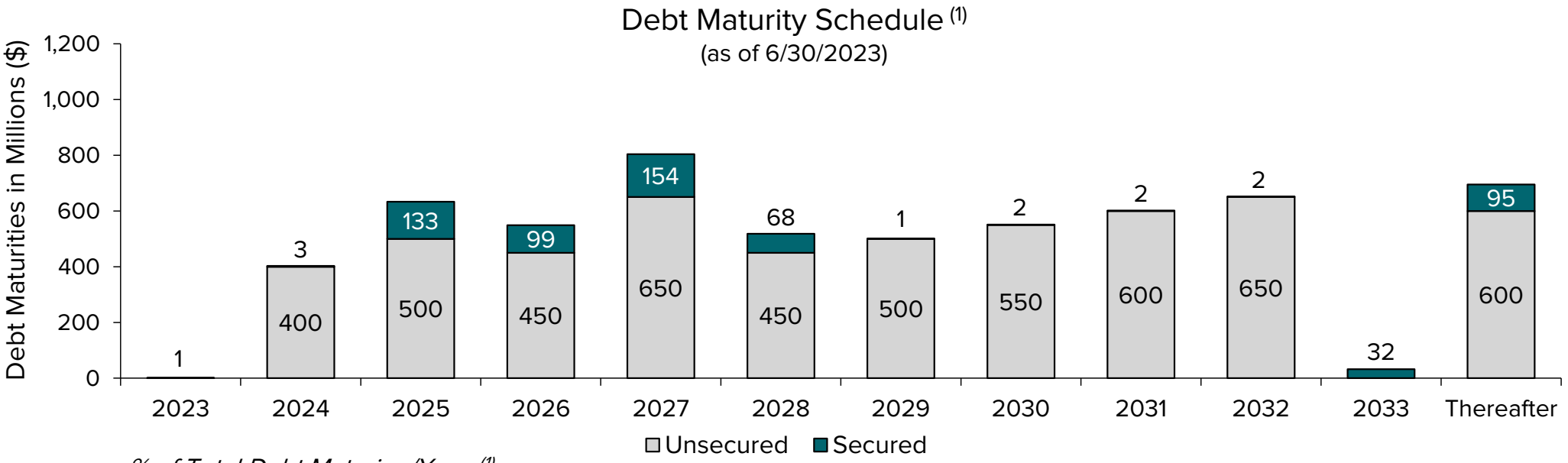


Liquidity Profile ($M)

	7/26/2023
Unsecured Credit Facility – Committed	$1,235
Balance Outstanding	$2
Undrawn Portion of Credit Facility	**$1,233**
Cash, Cash Equivalents & Marketable Securities	$327
Total Liquidity	**$1,560**

(1) As of 6/30/2023.
(2) Consolidated portfolio only.

MATURITY SCHEDULE



% of Total Debt Maturing/Year (1)

2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Thereafter
0.1%	6.8%	10.7%	9.2%	13.5%	8.7%	8.4%	9.3%	10.1%	11.0%	0.5%	11.7%

(1) Excludes lines of credit.

Q2 2023 Conference Call Webcast Information: July 28, 2023 at 10:00 am Pacific Time Dial-In Number – (877) 407-0784/www.essex.com Replay available online for 30 days/digitally for 7 days	Contact Information: Kyle Poirier, Vice President of Capital Markets (650) 655-7890 kpoirier@essex.com

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