
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 7, 2018



PHILLIPS EDISON GROCERY CENTER REIT II, INC.
(Exact name of registrant specified in its charter)

Maryland
(State or other jurisdiction
of incorporation or organization)

000-55438
(Commission
File Number)

61-1714451
IRS Employer
Identification No.

11501 Northlake Drive
Cincinnati, Ohio 45249
(Address of principal executive offices)

Registrant's telephone number, including area code: (513) 554-1110

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01. Other Events.

On or around August 10, 2018, Phillips Edison Grocery Center REIT II, Inc. (“PE REIT II”) will begin distributing to its stockholders a stockholder letter announcing, among other things, the upcoming distribution to stockholders of a joint proxy statement / prospectus. A copy of this letter is attached hereto as Exhibit 99.1 and is incorporated into this Current Report on Form 8-K by reference.

Additional Information and Where to Find It:

This communication does not constitute an offer to sell or a solicitation of an offer to buy any securities or a solicitation of any vote or approval. This communication is being made in respect of the proposed transaction involving Phillips Edison & Company, Inc. (“PECO”) and PE REIT II. The proposed transaction will be submitted to the stockholders of PECO and PE REIT II for their consideration. In connection with the proposed transaction, PECO has filed with the Securities and Exchange Commission (the “SEC”) on August 6, 2018 a registration statement on Form S-4 (the “Registration Statement”) that includes a joint proxy statement/prospectus and certain other documents regarding the proposed transaction. After the Registration Statement has been declared effective by the SEC, a definitive joint proxy statement/prospectus will be mailed to all stockholders. **STOCKHOLDERS ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** You may obtain copies of all documents filed with the SEC concerning the proposed transaction, free of charge, at the SEC’s website at www.sec.gov. In addition, stockholders may obtain free copies of the documents filed with the SEC by PE REIT II by going to PE REIT II’s website at www.grocerycenterREIT2.com.

Interests of Participants

Information regarding PE REIT II’s directors and executive officers is set forth in PE REIT II’s proxy statement for its 2017 annual meeting of stockholders and its Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which were filed with the SEC on May 19, 2017 and March 27, 2018, respectively. Information regarding PECO’s directors and executive officers is set forth in PECO’s proxy statement for its 2017 annual meeting of stockholders and its Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which were filed with the SEC on July 6, 2017 (as subsequently revised) and March 30, 2018, respectively. Additional information regarding persons who may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction will be contained in a definitive joint proxy statement/prospectus that will be mailed to all stockholders after the Registration Statement has been declared effective by the SEC.

Cautionary Statement Concerning Forward-Looking Statements:

Certain statements contained in this Current Report on Form 8-K may be considered forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including statements regarding the proposed transaction and the ability to consummate the proposed transaction and anticipated accretion, dividend coverage, dividends and other anticipated benefits of the proposed transaction. PE REIT II intends for all such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such statements include, in particular, statements about PE REIT II's plans, strategies, and prospects and are subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of PE REIT II's performance in future periods. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "pro forma," "may," "will," "would," "could," "should," "expect," "intend," "anticipate," "estimate," "believe," "continue," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this communication. PE REIT II makes no representation or warranty (express or implied) about the accuracy of any such forward-looking statements contained in this communication, and does not intend, and undertakes no obligation, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.****Exhibit**

No.	Description
99.1	Stockholder Letter

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PHILLIPS EDISON GROCERY CENTER REIT II, INC.

Dated: August 7, 2018

By: /s/ Devin I. Murphy
Devin I. Murphy
Chief Financial Officer

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Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1



Dear Fellow Shareholder,

I have important news to share with you regarding the future of Phillips Edison Grocery Center REIT II, Inc. ("REIT II") that will require action on your part.

On July 17, 2018, REIT II and Phillips Edison & Company, Inc. ("PECO") entered into an agreement to merge in a 100% stock-for-stock transaction (the "Proposed Transaction"). This agreement was entered into after a thorough due diligence and negotiation process conducted by an independent special committee of REIT II's board of directors, with the assistance of REIT II's advisors, and PECO's board of directors, with the assistance of PECO's advisors.

If the Proposed Transaction is consummated, the surviving company (the "Combined Company") will be a \$6.3 billion internally-managed non-traded real estate investment trust ("REIT"), exclusively focused on grocery-anchored shopping centers, that will own and operate 323 grocery-anchored shopping centers with more than 36.7 million square feet located across 33 states.

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REIT II will be mailing you a joint proxy statement/prospectus in the mail later this year – we ask that you review the materials, participate in the shareholder vote, and return your vote in a timely manner.

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Consistent with its long-term strategy, REIT II expects the Proposed Transaction to create meaningful operational and financial benefits, including:

- 1. Actively Positions Company for a Liquidity Event:** The Proposed Transaction, which will result in an internally managed REIT of significant scale, is an important step towards a full cycle liquidity event for REIT II shareholders.
- 2. Maintains Exclusive Grocery Focus:** Two complementary portfolios are combined to create a high-quality portfolio comprising 323 grocery-anchored shopping centers with more than 36.7 million square feet located across 33 states with an emphasis on necessity-based retailers, which have proven to be internet resistant and recession resilient. This portfolio will benefit from greater geographic, grocery-anchor, and tenant diversification.
- 3. No Internalization or Disposition Fees Paid:** REIT II will not pay any internalization or disposition fees in connection with the Proposed Transaction.
- 4. FFO Accretive from Termination of Asset Management Fees and Improved Financial Growth Profile:** The Proposed Transaction is anticipated to be accretive to REIT II's funds from operations ("FFO") on a run-rate basis after 2018, as a result of the termination of the advisory agreement between REIT II and PECO in addition to the Combined Company's growth profile. REIT II will no longer pay any acquisition, asset management, or disposition fees to PECO; in 2017, REIT II paid \$13.9 million in advisory agreement fees. Additionally, PECO's investment management business provides multiple avenues for future growth.
- 5. Maintains Distribution Coverage and Strong Balance Sheet:** We believe that pro forma FFO of the Combined Company would have fully covered the Combined Company's pro forma total distributions for the first quarter of 2018. Additionally, on a pro forma basis, the Combined Company's leverage would have been 42.5% on a Net Debt/Total Enterprise Value basis, and the Combined Company's total debt would have been 86.8% fixed-rate with an average duration of 4.7 years, in each case, as of March 31, 2018.

6. Efficient Integration: We expect a seamless integration process as PECO has managed REIT II's assets and enterprise since inception.

Regular Distributions

Upon the closing of the Proposed Transaction, we expect the PECO board of directors to authorize PECO to continue making monthly distributions totaling \$0.67 per share per year.

Transaction Closing – Shareholder Vote

We will be mailing you a joint proxy statement/prospectus in which we will provide you with relevant and important information and we will solicit your vote on the Proposed Transaction. Your response and approval is critical to a timely closing of the Proposed Transaction.

The closing of the Proposed Transaction, which we expect to take place in the fourth quarter of 2018, is subject to the satisfaction of customary conditions, including approval from our shareholders.

For More Information on the Proposed Transaction

The SEC filings, press release, investor presentation, and conference call replay discussing the Proposed Transaction can be found on our website at <http://www.grocerycenterreit2.com/investors>.

Shareholders with operations-related questions are encouraged to contact DST, our transfer agent, by calling 888-518-8073.

Questions related to the Proposed Transaction can be directed to our Director of Investor Relations, Michael Koehler, at (513) 338-2743 or by emailing mkoehler@phillipsedison.com.

Annual Report

Enclosed in this mailing is our annual report, Form 10-K, for your review.

We remain committed to maximizing shareholder value, which has been our guiding principle since our founding and I am excited about the future of our company. On behalf of the REIT II board of directors and the entire management team, I thank you for your investment in REIT II.

Sincerely,



David W. Garrison
Chair of the Special Committee of REIT II's board of directors

Stay up to date on the most recent Phillips Edison Grocery Center REIT II news – sign up for email updates at <http://www.grocerycenterreit2.com/investors>.

Additional Information and Where You Can Find It

PECO filed on August 6, 2018 a registration statement on Form S-4 (the “Registration Statement”) in connection with the Proposed Transaction. After the Registration Statement has been declared effective by the SEC, a definitive joint proxy statement/prospectus will be mailed to all stockholders. For a reconciliation of the financial information presented in this letter, please see the Registration Statement and the definitive joint proxy statement/prospectus that will be mailed to all stockholders after the Registration Statement has been declared effective by the SEC. Investors are urged to read carefully the definitive joint proxy statement/prospectus and other relevant materials because they contain important information about the Proposed Transaction. Investors may obtain free copies of these documents and other documents filed by PECO or REIT II with the SEC through the website maintained by the SEC at www.sec.gov. Investors may obtain free copies of the documents filed with the SEC by PECO by going to PECO’s corporate website at www.phillipsedison.com or by directing a written request to: Phillips Edison & Company, Inc., 11501 Northlake Drive, Cincinnati, OH 45249, Attention: Investor Relations. Investors may obtain free copies of documents filed with the SEC by REIT II by going to REIT II’s corporate website at www.grocerycenterreit2.com or by directing a written request to: Phillips Edison Grocery Center REIT II, Inc., 11501 Northlake Drive, Cincinnati, OH 45249, Attention: Investor Relations. Investors are urged to read the definitive joint proxy statement/prospectus and the other relevant materials before making any voting decision with respect to the Proposed Transaction.

PECO and its directors and executive officers and REIT II and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of each of PECO and REIT II in connection with the Proposed Transaction. Information regarding the interests of these directors and executive officers in the Proposed Transaction will be included in the definitive joint proxy statement/prospectus referred to above. Additional information regarding certain of these persons and their beneficial ownership of PECO common stock is also set forth in the Definitive Proxy Statement for PECO’s 2017 Annual Meeting of Stockholders, which has been filed with the SEC. Additional information regarding certain of these persons and their beneficial ownership of REIT II’s common stock is set forth in the Definitive Proxy Statement for REIT II’s 2017 Annual Meeting of Stockholders, which has been filed with the SEC.

Forward-Looking Statements

Certain statements contained in this press release may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including statements regarding the transaction and the ability to consummate the transaction and anticipated earnings, distribution coverage, distributions and other anticipated benefits of the transaction. We intend for all such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable. Such statements include, in particular, statements about the anticipated benefits of the business combination transaction involving PECO and REIT II, including future financial and operating results, and the Combined Company’s plans, objectives, expectations, intentions and prospects and are subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of PECO’s performance in future periods. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as “pro forma,” “may,” “will,” “would,” “could,” “should,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue,” or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. PECO makes no representation or warranty (express or implied) about the accuracy of any such forward-looking statements contained in this release, and does not intend, and undertakes no obligation, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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