

**Management's Prepared Remarks
Third Quarter 2026 Conference Call
October 28, 2026**

Brendan Maiorana

Executive Vice President, Chief Financial Officer

If you have not received yesterday's earnings release or supplemental, they are both available on the Investors section of our website at highwoods.com. On today's call, our review will include non-GAAP measures, such as FFO, NOI and EBITDA. The release and supplemental include a reconciliation of these non-GAAP measures to the most directly comparable GAAP financial measures.

Forward-looking statements made during today's call are subject to risks and uncertainties. These risks and uncertainties are discussed at length in our press releases as well as our SEC filings. As you know, actual events and results can differ materially from these forward-looking statements and the Company does not undertake a duty to update any forward-looking statements.

Ted Klinck

President, Chief Executive Officer

This quarter's operating results reflect the strengthening fundamentals we have anticipated across our portfolio and our markets. Demand for high-quality office space continues to be strong while supply continues to shrink – a powerful combination. The lack of high-quality office space with limited-to-no new construction in the strongest BBDs across the Sun Belt is driving significant rent growth and higher occupancy in our portfolio. During the quarter, we posted GAAP rent growth of 29% and cash rent growth of 4% on over 1.2 million square feet of second generation leases and delivered the second highest second generation net effective rents in our Company's history. Further, our portfolio occupancy increased 130 basis points since the end of June and our leased rate is now over 90%. Strong lease economics, combined with a positive occupancy trajectory, bolsters our positive outlook for organic NOI growth over the foreseeable future.

In addition to our robust operating performance, we also made progress improving our portfolio quality during the quarter by selling \$85 million of non-core properties in Richmond, Atlanta and Raleigh. Year-to-date, we have sold \$386 million of properties at an average cap rate below 8%. This total is approximately \$150 million more than our original target at the beginning of the year. Plus, we continue to market additional non-core assets for sale and expect to close at least \$100 million more by year-end. These disposition proceeds provide us with meaningful dry powder for future investments. As we continue to recycle out of older, non-BBD located properties and invest in commute-worthy office buildings in the strongest locations across the southeast, we expect a corresponding increase in our long-term FFO and cash flow growth rates.

Turning to our financial results, we delivered FFO of \$0.89 per share and once again increased our outlook for the full year, which is now \$3.51 to \$3.70 per share. At the midpoint, this is 2½ cents higher than our prior outlook and 6½ cents higher than the beginning of the year. We are especially pleased with the increase in our outlook since the beginning of the year given 4 cents of higher-than-anticipated dilution due to increased disposition activity. With our strong operating results, our GAAP same property NOI outlook has also strengthened. These strong trends illustrate the quality of our portfolio and the health of our markets and give us confidence the gains we've made during the past several quarters will sustain into future periods.



As I mentioned earlier, our leasing performance was excellent in terms of both volume and economics. We once again posted strong net effective rents. In the past five quarters, we have recorded three of our four highest net effective rent quarters in our Company's history. New leasing volume was healthy with 300,000 square feet of new second generation deals, which helped drive the leased rate to 90.1%. Our high leased rate, combined with limited expirations and known move-outs, gives us confidence we'll continue to drive occupancy higher.

On the disposition front, we sold \$85 million of non-core properties in the third quarter. We sold a portfolio in Richmond for \$53 million, a building in our Century Center park in Atlanta for more than \$20 million and two buildings in Raleigh for nearly \$12 million. As reflected in our outlook, we expect to sell an additional \$100 to \$250 million of non-core assets by the end of the year. Going forward, we will continue to prune our portfolio and redeploy that capital into higher quality, more resilient investments.

Turning to development, we are finishing up our current development pipeline with 23 Springs, our \$460 million, 642,000 square foot office tower in Dallas' Uptown BBD where we have a 50% JV interest. 23 Springs is now 95% leased and projected to stabilize by the second quarter of next year. We expect to replenish our pipeline and have included \$100 to \$400 million of new development announcements in our outlook for the remainder of the year. To this end, we have received interest from build-to-suit and sizable anchor prospects for potential new projects, which is further evidence of the lack of available high-quality blocks across our markets. Companies are willing to pay premium rents, in many instances substantially more than current top-of-market rents, to secure the space they need to recruit and retain their talent. With construction timelines typically extending two to four years, any near-term development announcements will take time to show up in our financial results. However, in the current environment, we believe new development with manageable leasing risk presents attractive risk adjusted returns that will lead to higher FFO and cash flows, a faster growth rate and better-quality portfolio over the long run.

We remain active in identifying and evaluating potential acquisitions. To date, we haven't found opportunities with strong risk-adjusted returns like last year when we closed on nearly \$600 million of best-in-class properties across Dallas, Raleigh and Charlotte.

Before I turn the call to Brian, I want to reiterate the priorities we are focused on to drive long-term value creation for our shareholders. First, we will continue to drive occupancy towards stabilized levels in our operating portfolio. Second, we will capture strong rent growth and attractive economics on second generation leasing. Third, we will recycle out of non-core, capex intensive assets in non-BBD locations and invest in properties with better cash flows and higher long-term growth rates. And fourth, we will do all of this while maintaining a strong and flexible balance sheet. We made meaningful progress on each of these priorities during the first three quarters of the year and believe we have an opportunity to significantly improve our growth rate, BBD mix and portfolio quality over the next few years. We believe the focus on these four areas, combined with a strong fundamental backdrop in our core BBDs due to healthy demand, limited new supply and increasing rents, will drive significant growth in cash flow and long-term value over the next several years.

Brian Leary

Executive Vice President, Chief Operating Officer

Kudos to our team for another standout quarter. Ted touched on the supply and demand setup in our BBDs, and the national data shows just how broad it has become. Major brokerage houses are now telling the same story. Nationally, CBRE reported a 10th consecutive quarter of positive net absorption, with vacancy declining for a fifth straight quarter to 18.2% and national asking rents growing 3.1% year-over-year, the fastest pace since 2016. JLL added that each of the past four quarters saw more leasing than any single quarter since 2019, with tenants now growing their footprints by an average of 13%. At



the same time, the office supply pipeline has all but dried up. CBRE projects 2026 will deliver 76% less square feet year-over-year and would represent the lowest year of deliveries since it began tracking in the year 1990. Piling on, JLL reported that 9.6 million square feet was removed from the national inventory this quarter alone and a total of more than 45 million square feet has been taken out service since late 2023, describing landlord leverage in the trophy and new-construction segments as “extreme.” The result is pricing power for what Cushman & Wakefield calls “workplaces that are driving engagement and facilitating employee development” or what Highwoods defines as commute-worthy environments and experiences. Amidst this backdrop, our team posted its largest quarterly leasing volume since 2024 and, coupled with greater renewal success and consistent new leasing, our occupancy gains continue to track ahead of our original guidance earlier this year.

Turning to our markets, three once again stood out: Charlotte, Dallas and Nashville.

In Charlotte, the flight to quality is turning into a scramble for space in the nation’s fastest growing city per the Census Bureau. Of the region’s 2.9 million people, approximately one million live in the City of Charlotte – almost doubling in size since 2000. CBRE reported the fourth consecutive quarter of positive net absorption, 456,000 square feet. And, for the second quarter in a row, every class of office posted occupancy gains. At the top of the market, what CBRE calls “prime” vacancy has dropped more than 650 basis points year-over-year to 7.7%, while asking rents, in turn, have climbed nearly 20%. With more than one million square feet of already-leased space set to take occupancy market-wide over the next year and new construction 78% pre-leased, Charlotte is essentially out of the very best space. Our Uptown and SouthPark portfolio is capturing that scarcity directly as evidenced by GAAP roll-ups of 77% and cash roll-ups of 19% during the quarter.

In Dallas, demand keeps getting stronger. Following nearly 920,000 square feet of absorption last quarter, CBRE reported more than one million square feet of positive net absorption in the third quarter. Demand is most concentrated in the BBDs we’ve built our Dallas strategy around. Preston Center posted the lowest vacancy in all of Dallas-Fort Worth at 5.2%, Uptown was among the market’s absorption leaders and average asking rents in both submarkets are now well above \$60 a square foot triple net.

Third, to Nashville, which was once again our leasing volume leader and where we signed 455,000 square feet across 24 deals in the third quarter. Fifteen of these represent 111,000 of new leasing, furthering the occupancy build back Nashville is achieving this year. Year-to-date, our Nashville team has now signed nearly one million square feet of leases, including more than 360,000 square feet across 41 new deals. The quarter was buoyed by two renewals, a 203,000 square foot commitment in Brentwood and a 77,000 square feet in the West End. At Westwood South in Brentwood, a building we’ve highlighted on recent calls, we signed 38,000 square feet of new leases in the quarter and are now 88% leased, up from 0% at the beginning of the year. Our leasing activity in Music City is happening amid the recurring refrain of a dwindling supply and development pipeline. Last quarter, we noted active construction was limited to 450,000 square feet. Today, CBRE notes that same pipeline has shrunk to just 60,000 square feet across the entire market, while prime asking rents rose nearly 8% in a single quarter to \$62 a square foot. With virtually nothing new on the way, commute-worthy space across our core BBDs of Downtown, West End, Brentwood and Cool Springs is becoming scarce, reinforcing the organic growth embedded in our Nashville portfolio and pipeline.

We also saw encouraging results in Atlanta and here at home in Raleigh. In Atlanta, we signed 111,000 square feet across 12 deals with cash roll-ups of 10% and GAAP roll-ups of 25% and in Raleigh, we signed 105,000 square feet across 15 deals, with GAAP rents up 15% and net effective rents above our portfolio average. With no new office construction underway in either Atlanta or the Triangle, our well-located assets in both markets are positioned to benefit.



In summary, with a commute-worthy portfolio, a vanishing supply picture and a trophy-asset team operating in the nation's most business-friendly states and markets, Highwoods is well positioned to keep delivering on occupancy gains, rental growth and long-term value creation.

Brendan Maiorana

Executive Vice President, Chief Financial Officer

In the third quarter, we delivered net income of \$31.8 million, or \$0.29 per share, and FFO of \$100.1 million, or \$0.89 per share. It was a relatively clean quarter as we did not record any land sale gains and there were no significant or unusual items to highlight.

Our balance sheet is in excellent shape. We made significant progress lowering our Debt-to-EBITDA ratio from 6.7x at the beginning of the year to 6.1x in the third quarter. We have nearly \$280 million of cash on hand and nothing drawn on our \$750 million revolving credit facility. During the quarter, we closed a \$56 million secured mortgage at our 50/50 Midtown East JV, repatriating over \$44 million from this recently stabilized development back to Highwoods. We also closed a \$370 million delayed draw secured mortgage at our 50/50 23 Springs joint venture, which refinanced an existing construction loan at the joint venture level and repatriated an additional \$55 million back to Highwoods. The only debt maturity we have between now and Q1'2028 is our March 2027 bond, which has a remaining balance of \$286 million. This debt can be repaid at par starting on December 1st of this year. Given our strong cash position, we don't anticipate a need to raise capital to address this maturity. We are working on one additional JV financing that we expect will close later this year or early next year, which will repatriate even more capital back to Highwoods and further strengthen our liquidity and unencumbered Debt/EBITDA ratio. Based on our current projections for NOI growth, we expect Debt/EBITDA to be modestly lower at year-end and continue to decline throughout 2027 assuming otherwise leverage-neutral investment activities. We agreed to sell 1,056,000 shares on a forward basis through our ATM program at an average gross price of \$32.24 per share for total net proceeds of \$33.5 million. Given our strong cash position and no balance outstanding on our revolving credit facility, we have not yet settled these forward sale agreements. We expect to use this dry powder as we deploy capital into future investments.

As Ted mentioned, our occupancy improved 130 basis points from the end of Q2, and our leased rate is now 90.1%, up 50 basis points sequentially. We tightened our year-end occupancy outlook to 87.0% to 88.0%, with the midpoint remaining at 87.5%. Given our significant backlog of signed but not yet commenced leases, we remain confident occupancy will move higher by year-end. As you know, for the past few years, we have set 300,000 square feet in new second generation leasing volume as a good quarterly marker for us to drive occupancy higher. Given our leased rate is now above 90% and we have a more manageable forward lease expiration schedule with limited large known move-outs, we expect new leasing volumes will moderate going forward. We expect to continue pushing occupancy higher in future years, although it will obviously be more difficult to replicate the 250 basis points of improvement we expect in 2026.

As Ted discussed, we had strong financial and operational results during the quarter with FFO of \$0.89 per share. Same property NOI growth, occupancy and rent growth are all trending better than we originally anticipated. As expected, cash flow has been below normalized levels during 2026 as we spend upfront leasing capital to build occupancy before realizing the benefit of higher cash revenues. This is a normal part of the office business cycle. As occupancy increases, free rent periods will burn off and leasing capex will normalize and ultimately result in a significant jump in free cash flow and dividend coverage more in line with our annual metrics earlier this decade.



Before I turn the call back to the operator for questions, I'd like to give some color on our financial outlook. We updated our 2026 FFO outlook to \$3.51 to \$3.70 per share, which is up 2½ cents per share at the midpoint since our prior outlook in July, and includes the possibility of \$0.14 per share of land sale gains at the high end and none at the low end. We have one possible transaction that could close prior to year-end and result in a large gain. At this point, it's difficult to know whether this transaction will close in 2026 or move into a future year. Excluding land sale gains already recorded this year, we've increased the midpoint of the outlook by 4½ cents. Stripping out all land sale gains, the midpoint of our outlook implies FFO of more than \$0.90 per share for the fourth quarter, which puts us in strong position as we head into 2027. Consistent with our typical practice, we plan to provide our 2027 FFO outlook in February at the same time that we report fourth quarter 2026 results. Our Q4 outlook obviously doesn't factor in the potential impact of any additional capital recycling activities. As Ted mentioned, we have \$100 to \$250 million of potential additional dispositions that could close by year-end.

Overall, given our implied FFO outlook for the end of 2026 combined with ample cash on hand available for future deployment, we're upbeat about the trajectory of FFO and cash flow for the foreseeable future.

