

# Q2 2021 Earnings Presentation

August 12, 2021



Imagine

# Disclaimer

## General

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The Company measures the success of its business in part by employing several key performance indicators that are not recognized under IFRS including net operating income (“NOI”), funds from operations (“FFO”), core funds from operations (“core FFO”), adjusted funds from operations (“AFFO”), and assets under management (“AUM”). These indicators

## Forward-Looking Statements

This presentation may contain forward-looking statements and information relating to expected future events and the Company’s financial and operating results and projections, including statements regarding the Company’s growth and performance goals and expectations, including, in particular, targeted returns, expected future performance, and growth projections, that involve risks and uncertainties. Such forward-looking information is typically indicated by the use of words such as “will”, “may”, “expects” or “intends”. The forward-looking statements and information contained in this presentation include statements regarding the Company’s strategic priorities; expected or targeted financial and operating performance including project timing, projected cash flow; projected NOI and other projected performance metrics; the ability of the Company to extend debt maturities and refinance debt; FFO growth and the potential drivers of that growth; expectations for the growth in the business; the availability and quantum of debt reduction opportunities and the Company’s ability to avail itself of them;; the Company’s future balance sheet composition; the anticipated quantum and availability of leverage to facility home acquisitions; the anticipated value of the Company’s assets and managed portfolios; the potential up-size of the Homebuilder Direct and SFR JV-2 JVs; the Company’s acquisition program and the anticipated pace, number and timing of home acquisitions; Tricon’s growth strategies and projections for its single-family rental business; and the Company’s capital raising targets and anticipated future investment vehicles. These statements reflect the Company’s current intentions and strategic plans however, the items noted may not occur in line with the Company’ expectations or at all. These statements are based on management’s current expectations, intentions and assumptions which management believes to be reasonable having regard to its understanding of prevailing market conditions and the current terms on which investment opportunities may be available

In regards to the strategic goals, targets and potential value creation opportunities presented herein, these are based on the assumed impact of the growth drivers, proposed

should not be considered an alternative to IFRS financial measures, such as net income. As non-IFRS financial measures do not have standardized definitions prescribed by IFRS, they are less likely to be comparable with other issuers or peer companies. A description of the non-IFRS measures used by the Company in measuring its performance is included in its Management Discussion and Analysis available on the Company’s website at [www.triconresidential.com](http://www.triconresidential.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

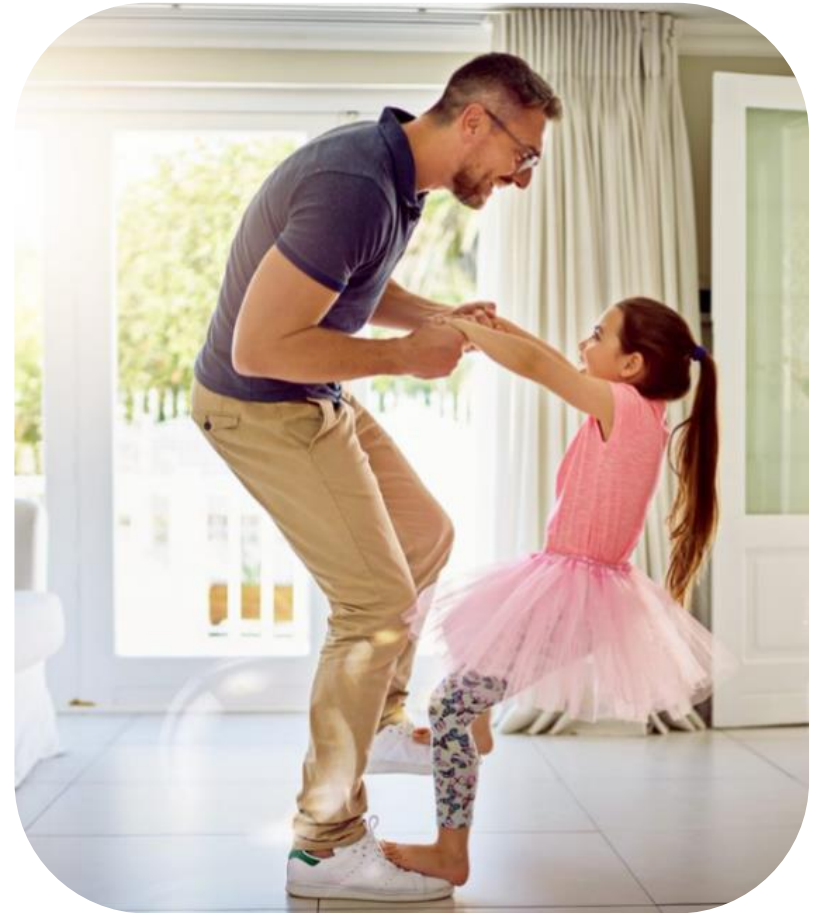
This presentation may contain information and statistics regarding the markets in which the Company and its investees operate. Some of this information has been obtained from market research, publicly available information, and industry publications. This information has been obtained from sources believed to be reliable, but the accuracy or completeness of such information has not been independently verified by the Company and cannot be guaranteed. Disclosure of past performance is not indicative of future result.

transactions or events, and sources of cash flow described, on the assumption that other drivers of performance will not deteriorate over the relevant period, and on the specific assumptions concerning performance and market conditions noted specifically herein. There can be no assurance that such growth drivers, transactions, events or cash flow will occur, be realized, or have their anticipated impact, and the assumptions underlying such statements are subject to known and unknown risks, including market risks, which may not be in the Company’s control, and therefore there can be no assurance that actual performance will align with the Company’s targets or that the value creation opportunities presented herein will be realized.

Projected returns and financial performance are based in part on projected cash flows for incomplete projects as well as future company plans. Numerous factors, many of which are not in the Company’s control, and including known and unknown risks, general and local market conditions and general economic conditions (such as prevailing interest rates and rates of inflation) may cause actual performance and income to differ from current projections. Accordingly, although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information. If known or unknown risks materialize, or if any of the assumptions underlying the forward-looking statements prove incorrect, actual results may differ materially from management expectations as projected in such forward-looking statements. Examples of such risks are described in the Company’s continuous disclosure materials from time-to-time, as available on SEDAR at [www.sedar.com](http://www.sedar.com). The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

# Q2/21 Key Takeaways

- Long-term tailwinds support our Sun Belt middle-market strategy
- Single-family rental delivered another quarter of strong operating performance
- Acquired a record 1,504 single-family rental homes primarily through organic resale channels
- Growth initiatives supported by \$2 billion of third-party equity commitments announced year-to-date; path to 50,000 SFR homes in place
- Surpassed de-leveraging target significantly ahead of schedule



# Summary of Results

All dollar amounts are expressed in U.S. Dollars throughout the presentation unless otherwise stated

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## Headline Results

- Earnings per Diluted Share (from Continuing Operations) of \$0.72, compared to \$0.16 in the prior year; including a \$254M fair value gain on rental properties
- Core FFO per Diluted Share of \$0.14 (C\$0.17), +27% year-over-year
- Consolidated NOI of \$70.7M, +16% year-over-year
- Formed \$1.5B Homebuilder Direct Joint Venture
- Launched \$5.0B SFR JV-2 subsequent to quarter end
- Announced inclusion into the FTSE EPRA Nareit Global Developed Index
- Closed bought deal offering for gross proceeds \$166.7M (13,461,500 common shares at a price of C\$13.00)
- Reduced net debt to assets to 41.8% on a proportionate basis (vs. 45.6% in Q1/21)

# Summary of Results

All dollar amounts are expressed in U.S. Dollars throughout the presentation unless otherwise stated

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## Single-Family Rental

- Continued to grow single-family rental portfolio, with a record 1,504 homes acquired in Q2/21
- Increased Tricon's proportionate NOI by 10%, to \$54.1M
- Same home metrics include 5.5% NOI growth (6.1% excluding Texas storm impact), 66.6% NOI margin, 97.6% occupancy, 22.6% annualized turnover and 8.0% blended rent growth

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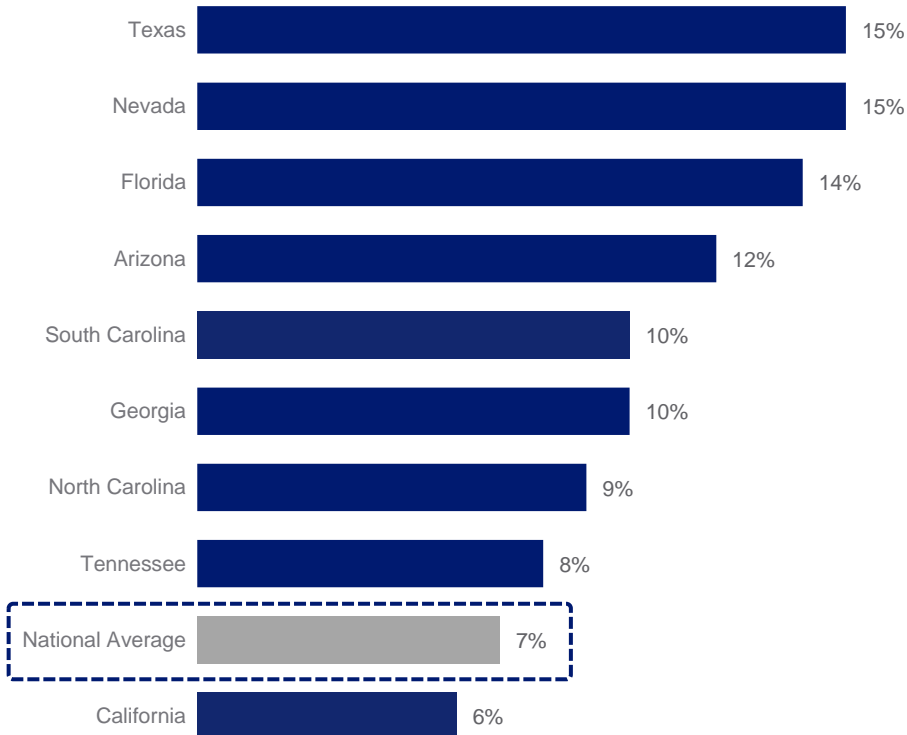
## Other Business Segments

- U.S. multi-family rental: operating metrics exceeded pre-pandemic levels including 5.9% same property NOI growth, 59.1% NOI Margin, 95.6% occupancy, 49.6% annualized turnover and 10.2% blended rent growth
- For-sale housing: distributed \$19.7M of cash to Tricon in the quarter (including performance fees)
- Canadian multi-family build-to-core: 4,600-unit development pipeline with The Taylor, West Don Lands (Blocks 3, 4, 7, 8 & 10), The Ivy and The James under construction

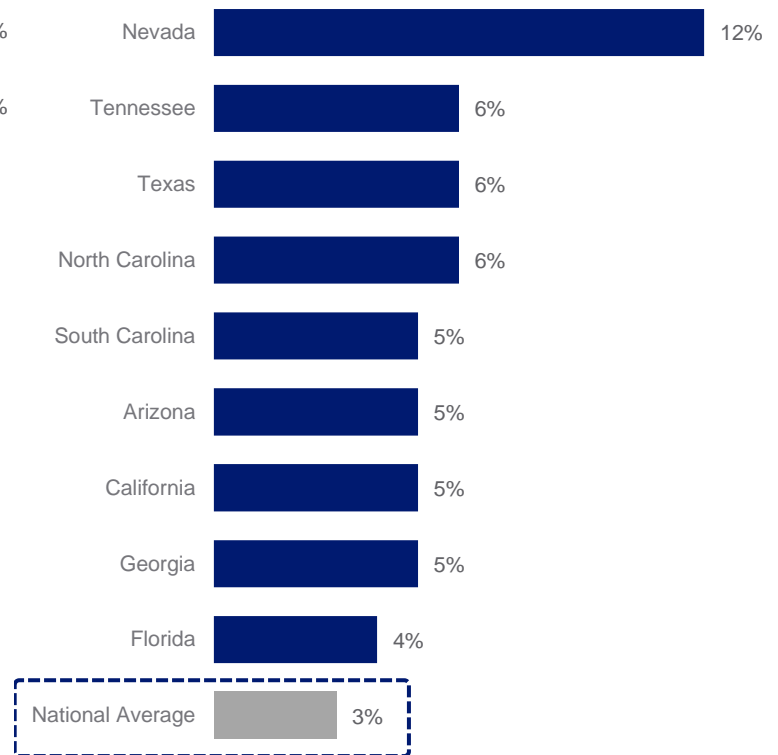
# Tricon's Sun Belt Markets are Outperforming

Tricon's key markets have outperformed the national average population growth over the long term, and exceeded the national average employment growth in the recent year.

**Population Growth from 2010 to 2020 in Tricon's Key Markets<sup>1</sup>**



**Employment Growth from 2020 to 2021 in Tricon's Key Markets<sup>2</sup>**



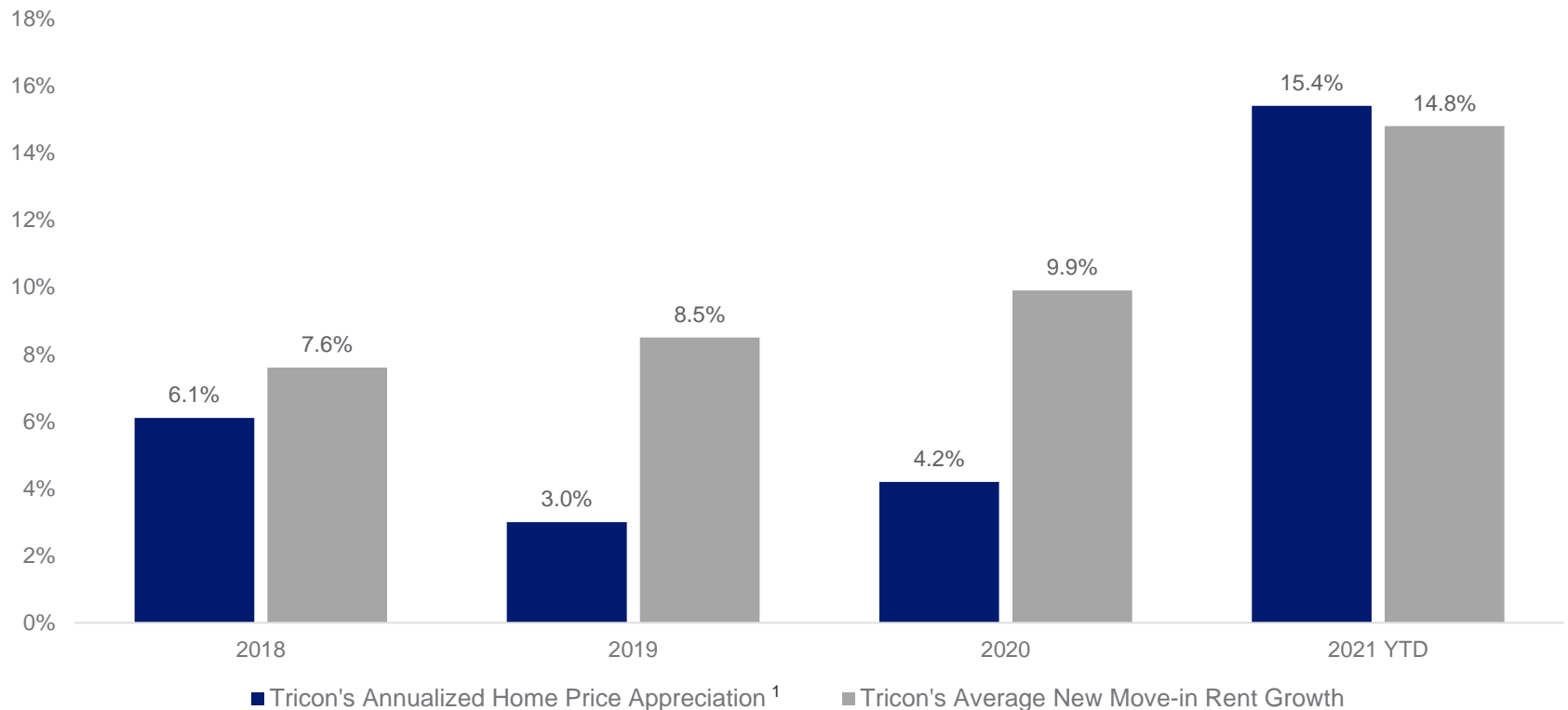
1. U.S. Census Data, April 2021.  
 2. U.S. Bureau of Labor Statistics, July 2021.



# Rent Growth is Keeping Pace with Home Price Appreciation

Tricon's new move-in rent growth has kept pace with or exceeded home price appreciation for the past four years, showing a high level of correlation and supporting a very strong long-term buying opportunity, even in instances of robust HPA.

### Tricon's SFR Portfolio Home Price Appreciation & Average New Move-in Rent Growth



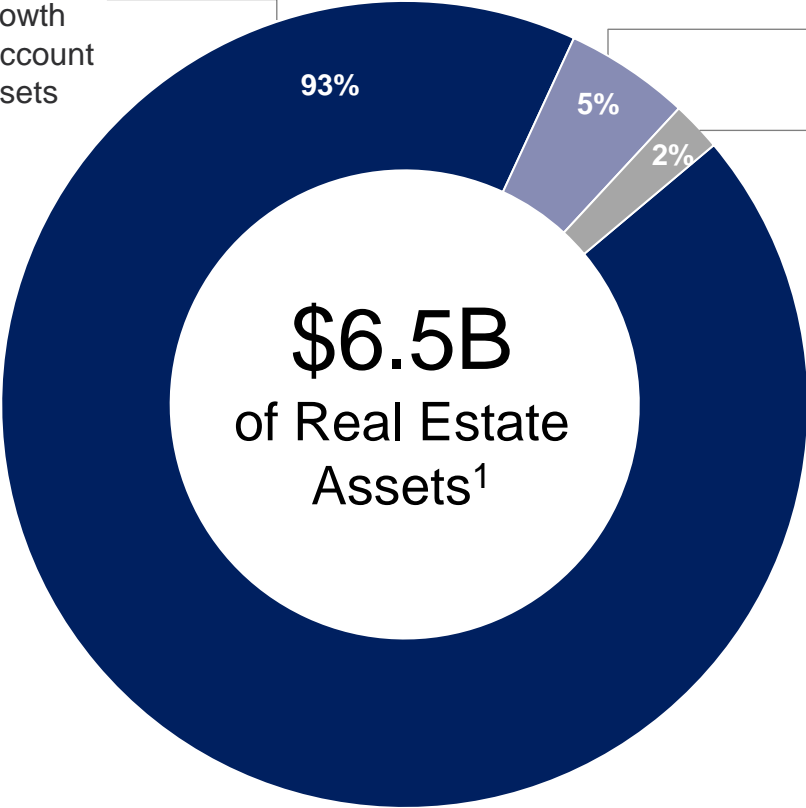
1. Includes capital expenditures.

# Balance Sheet Asset Composition

Single-family rental is Tricon's core business and represents more than 90% of our assets

## Single-family Rental (93%)

Core balance sheet growth strategy expected to account for over 90% of our assets

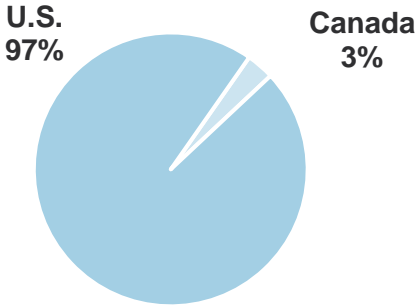


## Residential Development (5%)

Canadian multi-family build-to-core and U.S. single-family rental build-to-rent growth strategies, expected to remain near 5% of assets

## Multi-family Rental (2%)

Expected to remain below 5% of assets



Note: Refer to "General" and "Forward-Looking Statements" on Page 1.  
1. Total assets based on reported fair market value of consolidated assets as of Q2/21.



# SFR Acquisition Channels

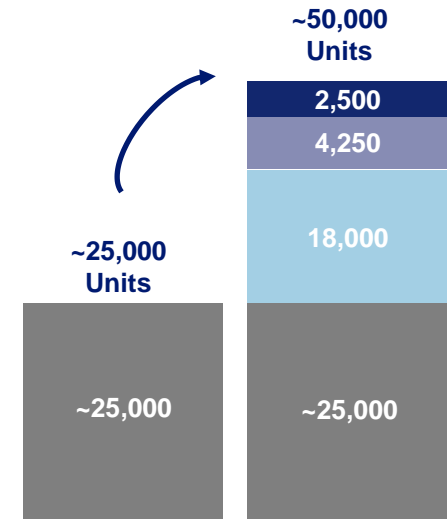
Tricon has expanded its single-family rental acquisition program across multiple channels and formed complementary joint ventures with third-party investors to scale faster

**Investment Vehicle**

- THPAS JV-1
- Homebuilder Direct JV
- SFR JV-2



**100%** growth projected over the next 3 years



Refer to the Forward-Looking Statements on Page 1

# SFR Growth Vehicles

Tricon has partnered with leading global real estate investors to form three complementary SFR joint ventures, each with a unique acquisition strategy that provides our residents with more housing options at an accessible price point.

	SFR JV-2	Homebuilder Direct JV	THPAS JV-1
Total Equity Commitment	\$1.40 – \$1.55B	\$300 – \$450M	\$450M
Tricon's Share of Equity Commitment	\$450M	\$100 – \$150M	\$50M
Total Anticipated Capitalization (Including projected property-level debt)	\$4.7 – \$5.2B	\$1.0 – \$1.5B	\$1.0B
Target # of Homes	17,000 – 19,000	3,500 – 5,000	~2,500
Target # of Homes / Year	5,700 – 6,500	1,200 – 1,700	~800
Primary Products / Acquisition Channels	<ul style="list-style-type: none"> <li>• Resale homes</li> <li>• Portfolios of existing homes</li> </ul>	<ul style="list-style-type: none"> <li>• Scattered new homes</li> <li>• Recently completed SFR communities (no investment in development)</li> </ul>	<ul style="list-style-type: none"> <li>• Development of dedicated single-family rental home communities</li> </ul>



Jacksonville, FL



Atlanta, GA



Trails at Culebra - San Antonio, TX

Refer to the Forward-Looking Statements on Page 1

# Expanded Acquisition Opportunity

Tricon's three active SFR joint ventures allow the company to have a broader acquisition "buy-box" in terms of target markets and price point, which should enable Tricon to more than double its organic acquisition volume to over 7,000 homes per year.

## 2018 – 2021 Acquisition Program

SFR JV-1

12 active markets

\$215K average acquisition cost<sup>1</sup> and \$1,535 average rent  
 ~5.5-6.0% blended acquisition cap rates  
 ~3,500 target organic acquisitions per year



## 2022 – 2025 Acquisition Program

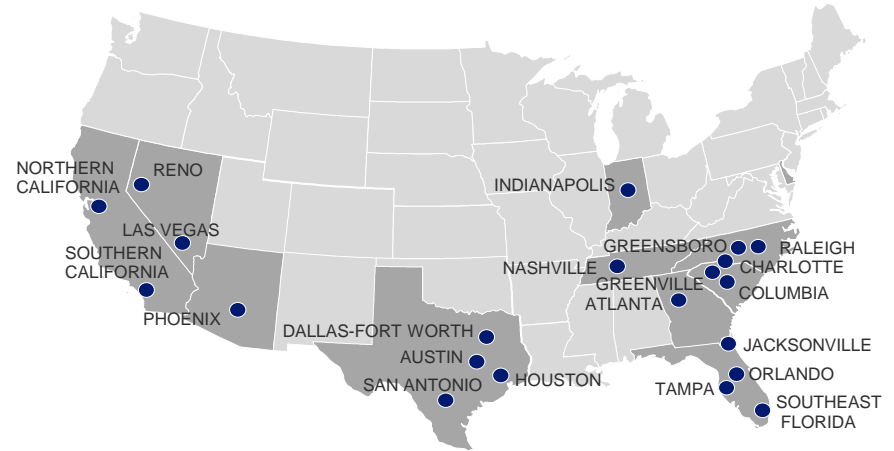
SFR JV-2

Homebuilder  
Direct JV

THPAS JV-1

21 active markets

\$315K average acquisition cost<sup>1</sup> and \$1,900 average rent  
 ~5.0-5.5% blended acquisition cap rates  
 7,000+ target organic acquisitions per year



1. Includes cost of renovations.

# ESG Update

Following the release of our inaugural ESG annual report in May 2021, Tricon engaged in several initiatives this quarter in support of our commitment to sustainability.

## Environmental

### First GRESB Submission

- In June 2021, Tricon completed its inaugural GRESB submission.
- Private results anticipated by Q4/21 will underpin the development and execution of our ESG strategy, with public results expected by Q4/22.



## Social



### Indigenous Hub Ground Breaking

- In June 2021, construction began on Ontario's first purpose-built Indigenous Hub, a part of Tricon's West Don Lands project.
- The Hub will help meet critical health care, spiritual, employment, training and family support needs for the Indigenous community.

## Governance

### 30% Club & BlackNorth Initiative

- Tricon has met or exceeded commitments to both the 30% Club Canada campaign and BlackNorth Initiative's CEO pledge to increase gender diversity and black, indigenous and people of colour (BIPOC) representation at board and senior management levels.

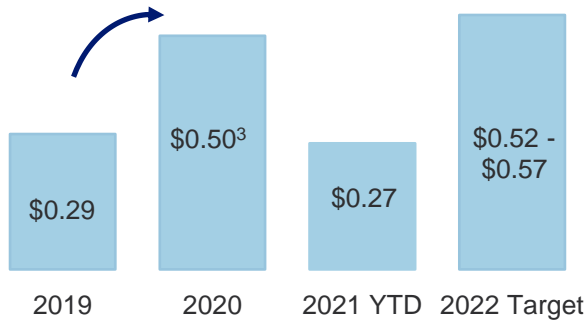


# Performance Dashboard<sup>1</sup>

## Grow FFO per Share

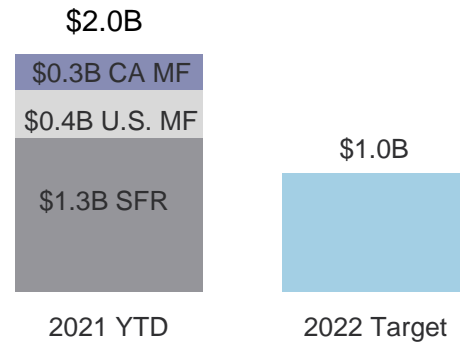
Target 10%+ compounded annual growth

72% increase year-over-year



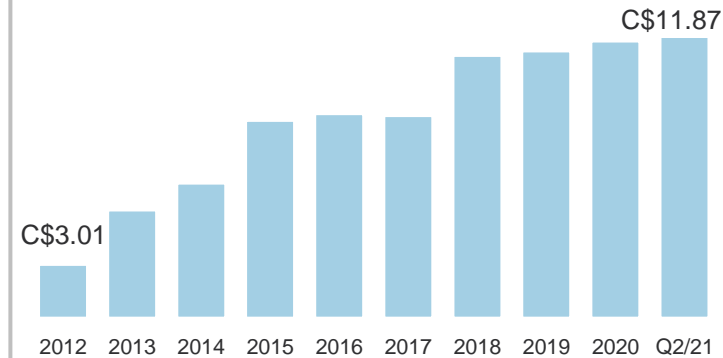
## ✓ Increase Third-Party AUM

Tricon has exceeded its target of raising \$1B of fee-bearing equity capital ahead of schedule, with \$2B raised year-to-date



## Grow Book Value per Share

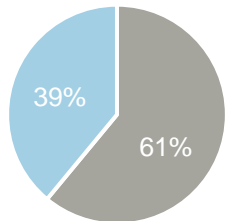
17% annualized growth since entering SFR in 2012



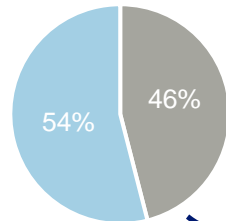
Book Value per Share does not fully capture the value from embedded growth in underlying investments or the Private Funds & Advisory business segment

## ✓ Reduce Leverage<sup>2</sup>

2019 Consolidated Leverage



Q2/21 Consolidated Leverage



■ Equity ■ Debt

Tricon has exceeded its leverage target of 50-55% net debt to assets on a consolidated basis, ahead of schedule

42% proportionate leverage

## ✓ Improve Reporting

- ✓ Adopt consolidated accounting
- ✓ Adopt more conventional company-wide real estate performance metrics, such as FFO / AFFO per share
- ✓ Enhance financial disclosure practices
- ✓ Adopt comprehensive ESG plan

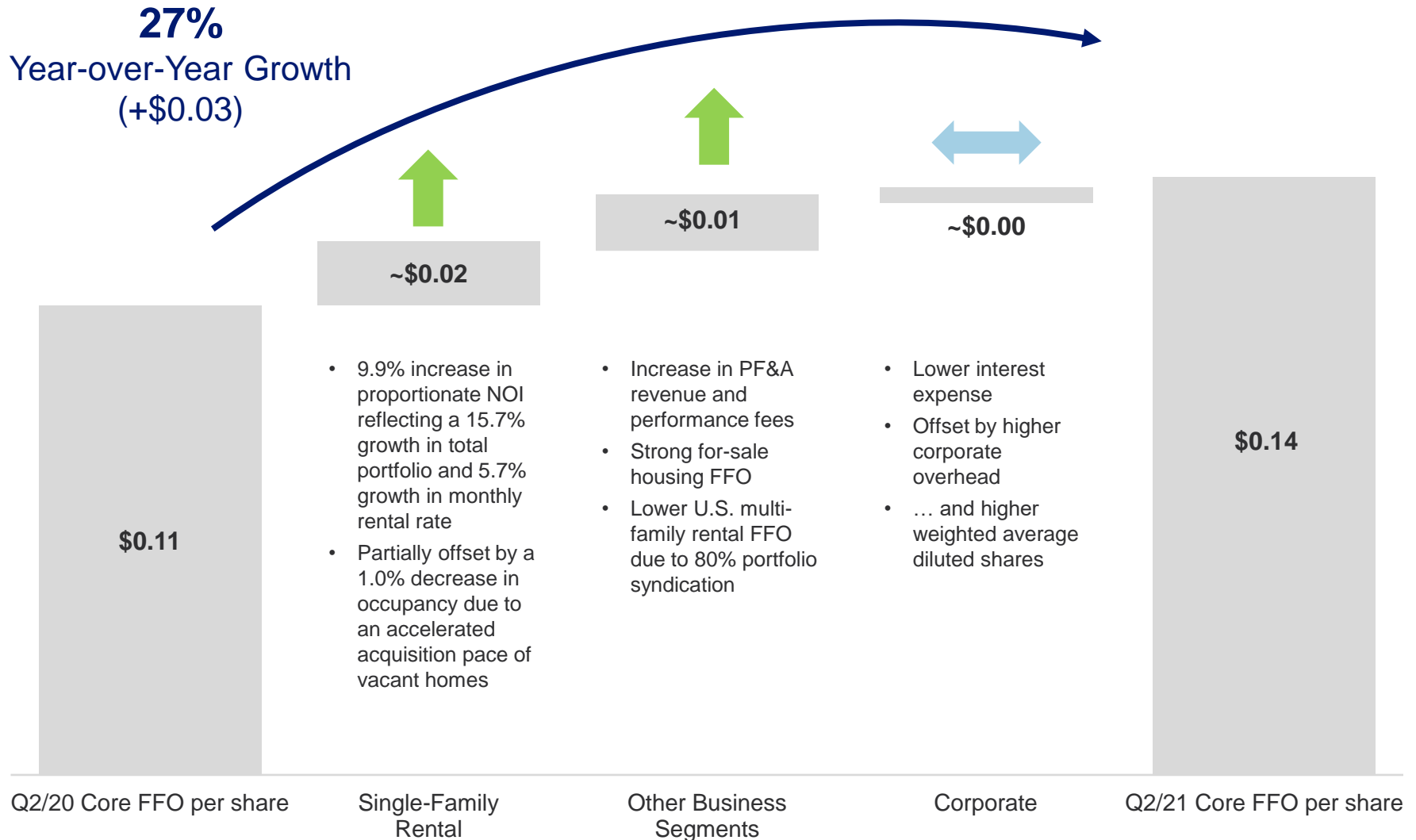
1. Refer to "General" and "Forward-Looking Statements" on Page 1, USD/CAD exchange rate used are 1.2470 at June 30, 2021.  
 2. All debt figures are presented net of cash and exclude Tricon's outstanding 5.75% convertible debentures.  
 3. The comparative period results have been recast to present the consolidated results in conformity with the current period presentation. Please refer to MD&A for further details.

# Select Financial Metrics

For the three months ended June 30, 2021 (in thousands of U.S. dollars)	2021		2020 <sup>1</sup>		%Y/Y
<i>Financial highlights on a consolidated basis</i>					
Net income (loss), from continuing operations	\$	146,322	\$	30,165	385%
Diluted earnings (loss) per share from continuing operations	\$	0.72	\$	0.16	350%
		<b>2021</b>		<b>2020<sup>1</sup></b>	<b>%Y/Y</b>
<i>Non-IFRS measures on a proportionate basis</i>					
Core funds from operations (Core FFO)	\$	35,726	\$	24,199	48%
Adjusted funds from operations (AFFO)	\$	28,226	\$	18,316	54%
Core FFO per share	\$	0.14	\$	0.11	27%
AFFO per share	\$	0.11	\$	0.09	22%
Core FFO payout ratio		33%		41%	(19%)
AFFO payout ratio		42%		52%	(19%)
Weighted average shares outstanding – diluted		252,512		211,678	19%

1. The comparative period results have been recast to present the consolidated results in conformity with the current period presentation. Please refer to MD&A for further details.

# Core FFO per Share Growth

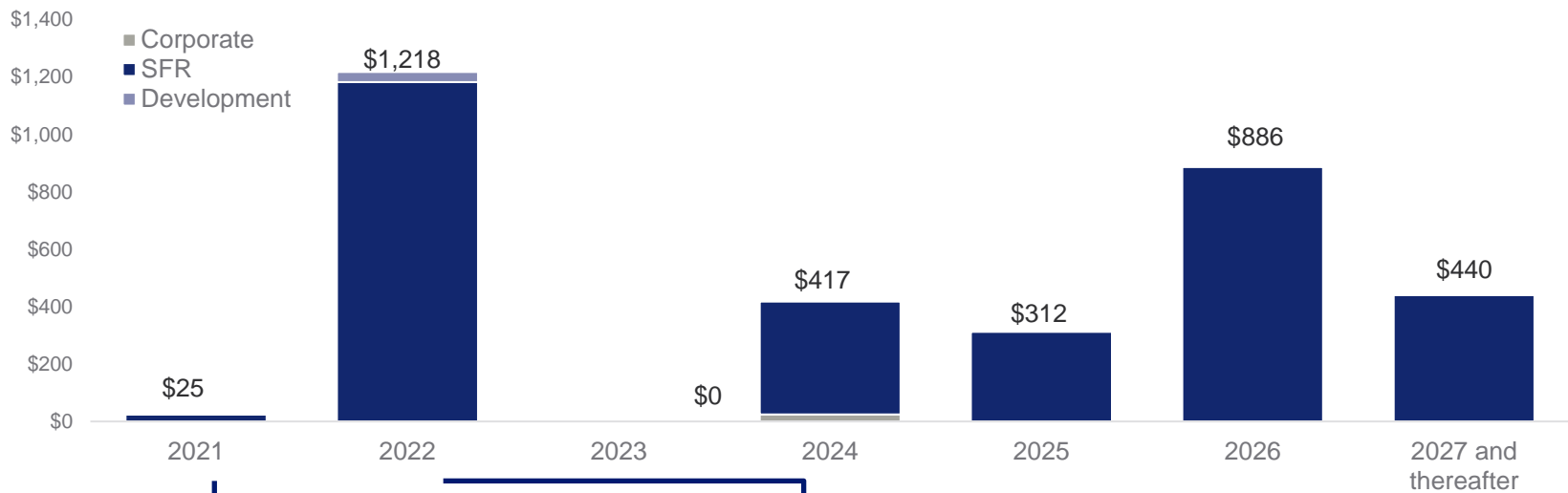




# Consolidated Debt Profile

Tricon has minimal debt maturing this year and continues to extend its debt maturity profile.

## Debt Maturity Schedule<sup>1</sup> (in millions of USD)



- \$25M SFR JV-1 Credit Facility – to be repaid with cash on hand

- \$221M SFR Term Loan
- \$458M 2017-1 SFR Securitization
- \$504M SFR JV-1 Warehouse Facilities

Blended rate of 3.09% with potential to be refinanced at lower prevailing interest rates beginning in Q3 2021

1. This assumes the exercise of all available extension options.

# Strong Liquidity Position

Tricon's current liquidity position, recurring cash flows and projected cash sources provide ample funding for near-term growth initiatives.

## Multi-year Cash Commitments

Single-family rental acquisitions <sup>1</sup>	\$ ~ 600M
Build-to-rent development <sup>2</sup>	~40M
Canadian multi-family build-to-core <sup>3</sup>	~ 80M
<b>Total cash commitments</b>	<b>\$ ~ 720M</b>
	Over ~3 years

## Recurring Cash Flows

Q2/21 AFFO annualized run rate	\$ 113M
Annualized common + preferred dividend <sup>4</sup>	(58M)
<b>Annualized AFFO less dividends</b>	<b>\$ 55M</b>

Path to \$100M+ annually with in place growth plans

## Multi-year Cash Sources

Net cash projected from residential developments (1-5 years)	\$ 185M
Undrawn credit facility + unrestricted cash	571M
<b>Total cash sources</b>	<b>\$ 756M</b>

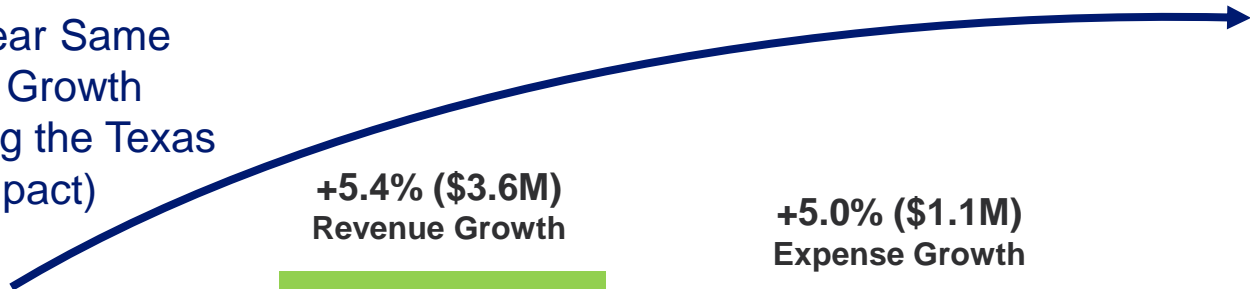
Refer to the Forward-Looking Statements on Page 1. This page reflects significant cash sources and commitments but may not reflect all sources and uses of cash.

1. Includes SFR JV-2 and Homebuilder Direct JV where Tricon has a 33% share.
2. Includes THPAS JV-1 where Tricon has an 11% share.
3. Includes existing Canadian multi-family build-to-core commitments where Tricon has an average 45% share.
4. Common share cash dividend represents total dividend of \$11.8M less dividend reinvestment plan of \$1.6M.

# Single-Family Rental – Q2/21 Same Home NOI Drivers

**5.5%**

Year-over-Year Same Home NOI Growth  
(6.1% excluding the Texas storm impact)



**+5.4% (\$3.6M)  
Revenue Growth**

**+5.0% (\$1.1M)  
Expense Growth**



5.0% increase in rental revenue

- 10 bps occupancy increase (to 97.6%)
- 5.4% higher average monthly rent (\$1,431 to \$1,509)
- Stable bad debt expense (1.7% of total revenue in Q2/21 vs. 1.6% in Q2/20)
- \$0.7M increase in ancillary fees and other revenue



- \$0.5M increase in property taxes due to higher assessed property values
- \$0.6M increase in repairs and maintenance largely driven by winter storm repairs
- Partially offset by \$0.5M reduction in turnover costs due to lower annualized turnover and more capital improvements
- Includes \$0.3M of Texas storm repair expense



Q2/20 NOI

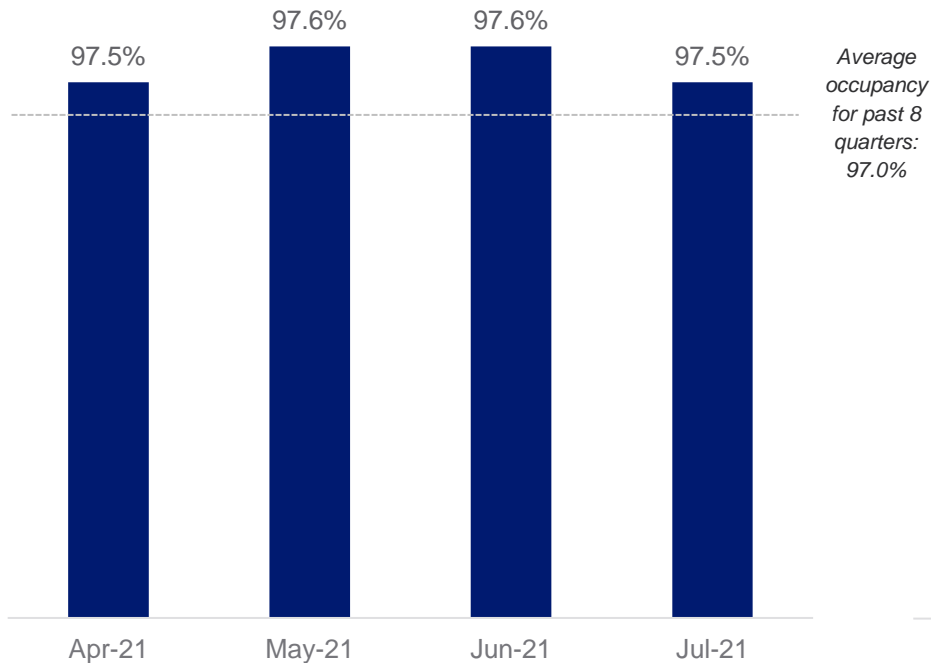
Revenues

Expenses

Q2/21 NOI

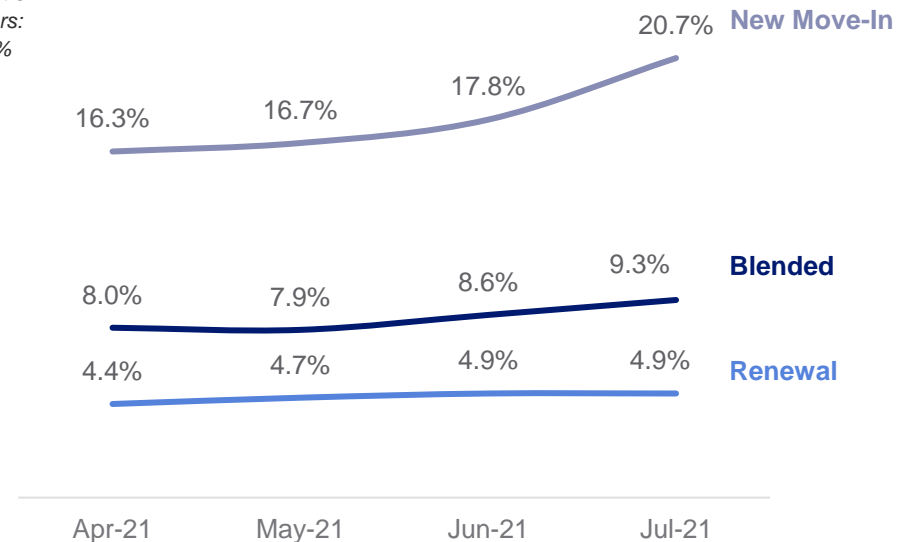
# Single-Family Rental – Post Q2/21 Operational Update

## Same Home Average Occupancy<sup>1</sup>



Sustaining consistent near-record occupancy throughout the pandemic

## Same Home Average Rent Growth<sup>1</sup>

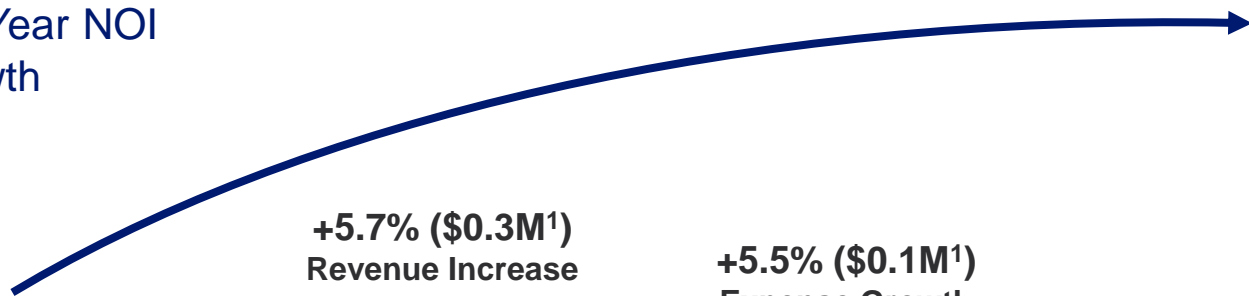


Re-leasing spreads driven by strong market demand, limited supply of homes and loss-to-lease while continuing to self-govern on renewals

1. Metrics reflect Tricon's proportionate share of the managed portfolio and exclude limited partners' interests in the SFR JV-1 portfolio.

# U.S. Multi-Family Rental – Q2/21 NOI Drivers

+5.9%  
Year-over-Year NOI  
Growth



**+5.7% (\$0.3M<sup>1</sup>)  
Revenue Increase**



**+5.5% (\$0.1M<sup>1</sup>)  
Expense Growth**



Q2/20 NOI

- 210 bps increase in occupancy (to 95.6%)
- Offset by 1.1% lower average monthly rent (\$1,240 to \$1,226)
- Slightly higher bad debt expense (2.0% of total revenue in Q2/21 vs. 1.8% in Q2/20)
- \$0.1M increase in fees from ancillary services

Revenues

- \$0.1M increase driven by expenses returning to pre-pandemic levels, including deferred maintenance activities

Expenses






Q2/21 NOI

The comparative period results have been recast to present the results in conformity with the current period presentation. Please refer to MD&A for further details.

1. Represents Tricon's proportionate share of revenue and expenses.

# Value Creation Opportunity

Tricon's U.S. multi-family portfolio and residential developments represent a meaningful source of potential value creation for shareholders.

	Strategy	Investment Vehicles	IFRS Book Value <sup>1</sup>	Value Creation Opportunity
	<b>Stabilized U.S. Multi-family</b> <ul style="list-style-type: none"> <li>Explore operating synergies with SFR</li> <li>Enhance scale of operations</li> <li>Provide complementary Sun Belt residential offering to third-party investors</li> </ul>	\$1.3B JV (incl. debt) with two institutional investors (20% Tricon)	\$121M (C\$0.72 / share)	~\$185M value assuming 4.00% cap rate <sup>3</sup> (C\$1.10 / share)
	<b>Canadian Multi-family Development</b> <ul style="list-style-type: none"> <li>Provide exposure and scale to high-growth Toronto residential market to third-party investors</li> </ul>	C\$500M JV with CPP Investments <sup>5</sup> (30% Tricon) + separate accounts	\$202M <sup>2</sup> (C\$1.20 / share)	~\$560M value upon stabilization (C\$3.30 / share) <sup>4</sup>
	<b>U.S. Residential Development</b> <ul style="list-style-type: none"> <li>Harvest legacy for-sale housing investments</li> </ul>	Commingled funds + separate accounts	\$154M (C\$0.91 / share)	\$295M net distributions expected (C\$1.75 / share)

**Total**

\$478M current value  
(C\$2.83 / share)

\$1.0B potential value  
(C\$6.15 / share)

**2X+ value creation opportunity**

Refer to "General" and "Forward-Looking Statements" on Page 1, USD/CAD exchange rate used are 1.2470 at June 30, 2021.

- Reflects book value per basic share outstanding as of Q2/21.
- Current IFRS NAV includes development properties and The Selby.
- Valuation based on Tricon's proportionate share of in-place NOI as of Q2/21; cap rate represents current market stabilized cap rate for the portfolio's Sun Belt markets as per Green Street Real Estate Analytics, July 2021.
- Assumes development yield of 4.75% on cost and market stabilized cap rate for downtown Class A multi-family assets. NAV per share is based on 209M basic shares outstanding. The CPP JV currently only includes the Queen & Ontario project.

# Positioned for Sustainable Growth



## **Vast Growth Opportunity**

1,500+ acquisitions in Q2, on track for 2,000+ acquisitions in Q3 and clear path to growing SFR to 50,000 units over three years.

## **Well Capitalized Business Plan**

Strong balance sheet liquidity position combined with strategic third-party capital will allow Tricon to enhance scale and operational efficiency, reduce balance sheet exposure to development activities, and drive return on equity for its shareholders.

## **Tech-Enabled Operating Platform**

Committed to improving the resident experience through a centralized, technology-enabled operating platform and innovative approach to rental housing.





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**Gary Berman**  
President and  
Chief Executive Officer

**Wissam Francis**  
Executive Vice President  
and Chief Financial Officer

**Wojtek Nowak**  
Managing Director,  
Capital Markets