



# Investor Presentation

January 2021



# Disclaimer

## General

You are advised to read this disclaimer carefully before reading, accessing or making any other use of the information included herewith. These materials are not an offer or the solicitation of an offer to purchase any securities or make any investment. This presentation includes information about Tricon Residential Inc. and its subsidiaries and investees (together, the "Company") as of September 30, 2020, unless otherwise stated. These materials should be reviewed in conjunction with the Company's Financial Statements and Management Discussion and Analysis for the periods ending September 30, 2020 and are subject to the detailed information and disclaimers contained therein. All dollar amounts are expressed in U.S. Dollars unless otherwise stated.

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"), and adjusted funds from operations ("AFFO"). These indicators should not be considered an

## 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 refinanced debt; the ability to attract third-party investment; 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; operational improvements in the single-family rental and U.S. multi-family portfolios, including integration/internalization plans, and any associated impact on revenues or costs; and improvements to the Company's financial reporting.

In regards to the targets presented on pages 23 and 24: the 2022 Targets are based on the assumed impact of the growth drivers, proposed transactions, and sources of cash flow described throughout those pages and on the assumption that other drivers of performance will not deteriorate over the relevant period. There can be no assurance that such growth drivers, transactions or cash flow will occur, be realized, or have their

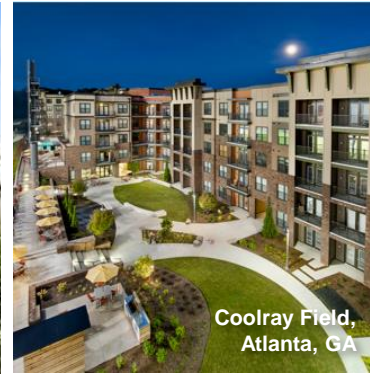
alternative to IFRS financial measures, such as net income. As non-IFRS financial measures do not have standardized definitions prescribed by IFRS, they are less likely to be comparable with other issuers or peer companies. A description of the non-IFRS measures used by the Company in measuring its performance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

anticipated impact and therefore no assurance that actual performance will align with the Company's targets. 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.

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.

Founded in 1988, Tricon is a rental housing company focused on the middle market demographic. Tricon owns and operates approximately 30,000 single-family rental homes and multi-family rental units in 21 markets across the United States and Canada, managed with an integrated technology-enabled operating platform



Note: The above photos may not be representative of all Tricon investment properties.

Our mission is to provide quality housing for families across North America and to generate strong risk-adjusted returns for our public and private investors

TSX: TCN



**1988** Founded

**2010** Listed (TSX)

**32** Years of Investing  
In Communities

**21,948** Single-Family  
Rental ("SFR")  
Homes

**7,789** Stabilized  
Multi-Family  
Rental Apartments

**3,739** Multi-Family  
Rental Apartments  
Under Development

**C\$2.2B** Market  
Capitalization

**2.4%** Dividend Yield  
(C\$0.07/Quarter)

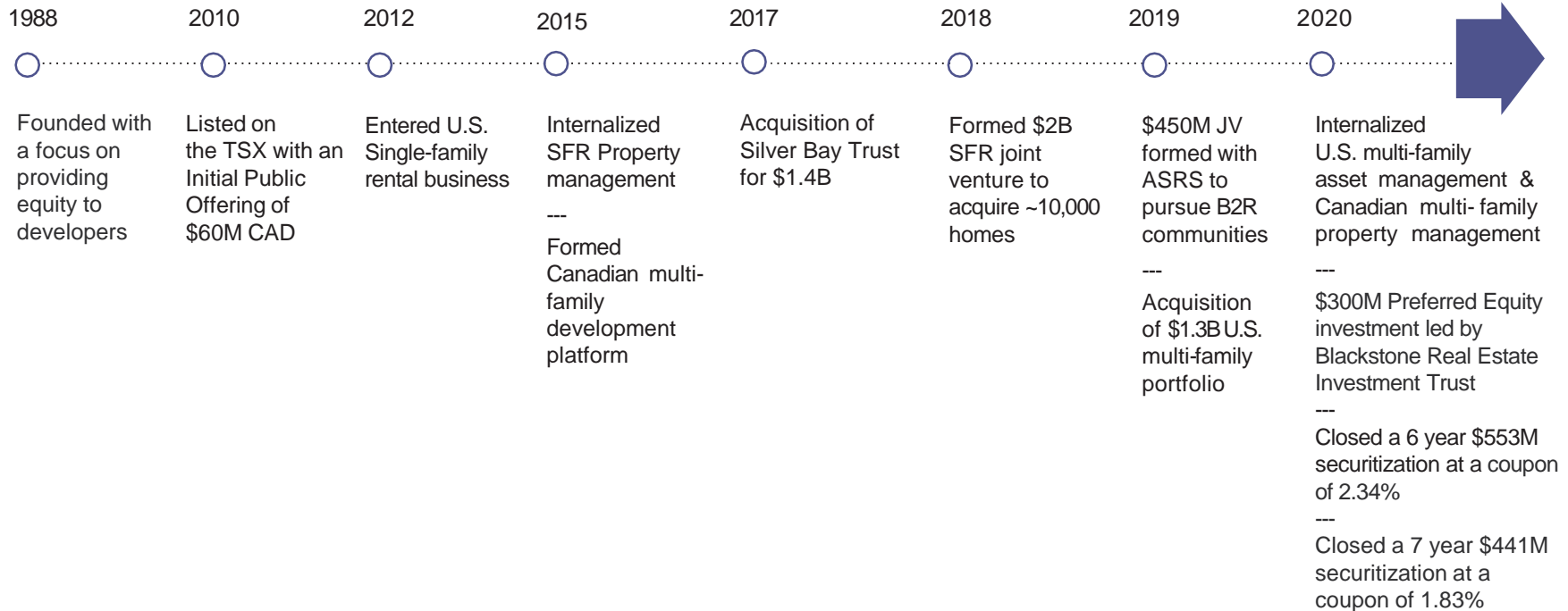
**18%<sup>1</sup>** Annualized Growth  
In Book Value Per  
Share Since Entering  
SFR In 2012

All data presented as at September 30<sup>th</sup>, 2020. Share price is as of December 31<sup>st</sup>, 2020. All figures in U.S. dollars unless otherwise indicated.

1. Annualized growth in book value per share is calculated based on CAD book value since Tricon entered the Single Family Rental sector in Q1 2012.



# Our Evolution as a Rental Housing Company



# Our Strategic Vision

Tricon generates predictable cash flow from rental assets and enhances its investment returns with contractual fees earned from managing third-party capital



## Predictable Rental Income

Generate recurring rental income from single-family and multi-family rental properties.

## Access to Strategic Capital

Raise third-party capital to enhance scale and improve operational efficiency, reduce balance sheet exposure to development activities, and drive return on equity with incremental fee income.

## Centralized Operating Platform

Leverage operating synergies and innovation across single-family and multi-family portfolios.

# Our New Purpose Statement and Guiding Principles

## Our Purpose Statement

**Imagine a world where housing unlocks life's potential**



## Our Guiding Principles

- Go above and beyond to enrich the lives of our residents
- Commit to and inspire excellence in everything we do
- Ask questions, embrace problems, thrive on the process of innovation
- Do what is right, not what is easy
- Elevate each other so together we leave an enduring legacy

# ESG Update – Our Commitment to Social Causes

**Our annual Founders' Day focused on themes of diversity, inclusion, and equality**

## Founders' Day 2020

- On September 23, 2020 we hosted our annual Founders' Day Celebration, a day to focus on our core principles and to reinforce our commitment to making a difference in our communities
- All Tricon employees participated in a series of fireside chat discussions with leaders from the Black North Initiative, Black Girls CODE and Red Door Shelter to bring awareness to their causes



**Wes Hall**  
Founder  
Black North Initiative



**Isis Miller**  
Community Events Manager  
Black Girls CODE



**Kirsten Cooney**  
Fundraising Coordinator  
Family Red Door Shelter





# ESG Update – Focus on Residents

Tricon engaged in several initiatives this quarter in support of our commitment to our residents

## Helping Residents in Times of Need

- The Resident Emergency Assistance Fund provides financial assistance for residents experiencing unexpected difficulties such as a health crisis, job loss, death or other catastrophic events including COVID-19



## Self Governing on Lease Renewals

- Recognizing that many of our residents may have faced financial pressures during the COVID-19 induced economic downturn, we offered our residents the option of renewing expiring rental contracts at nominal increases, if any

## Hurricane Zeta Response

- Tricon's operating team has been quick to respond to the families materially impacted by the recent storm, recognizing that the health and well-being of our residents and colleagues is always our priority. For four families that were most severely impacted, Tricon has taken the following actions:
  - Provided hotel accommodations for 10 days, with intention to extend further if necessary
  - Provided gift cards for relocation, clothes, and other essential items
  - Facilitated transfers to vacant homes and/or provided other concessions



# Tricon's Asset Composition

## 96% Rental Housing

- Recurring rental income
- Differentiated middle market focus

### Single-Family Rental (74%)

- Fair value of \$4.7B
- Current FFO run rate of \$116M

### Multi-Family Rental (22%)<sup>2</sup>

- Fair value of \$1.3B
- Current FFO run rate of \$26M

## 4% Residential Development

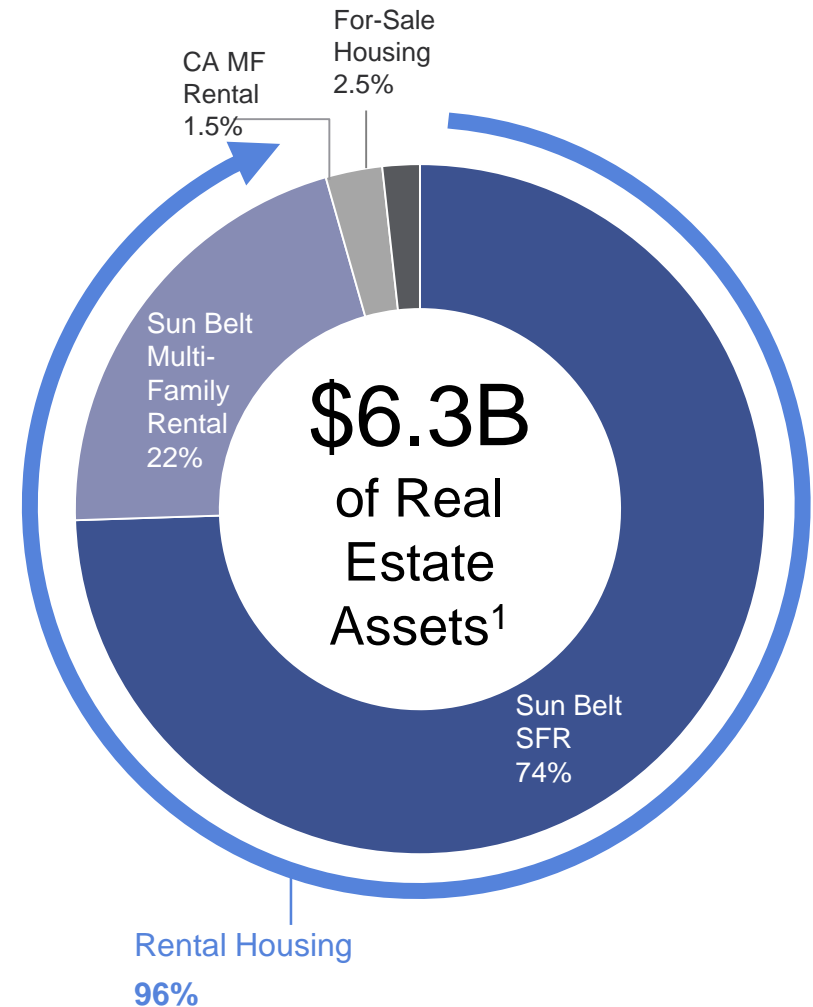
### For-Sale Housing (2.5%)

- Fair value of \$167M and projected to generate \$319M of cash over time

### Canadian Multi-Family (1.5%)

- Fair value of \$110M and projected to generate ~\$37M of NOI<sup>3</sup>

## Tricon's Balance Sheet Asset Mix



Note: Refer to "General" and "Forward-Looking Statements" on Page 1

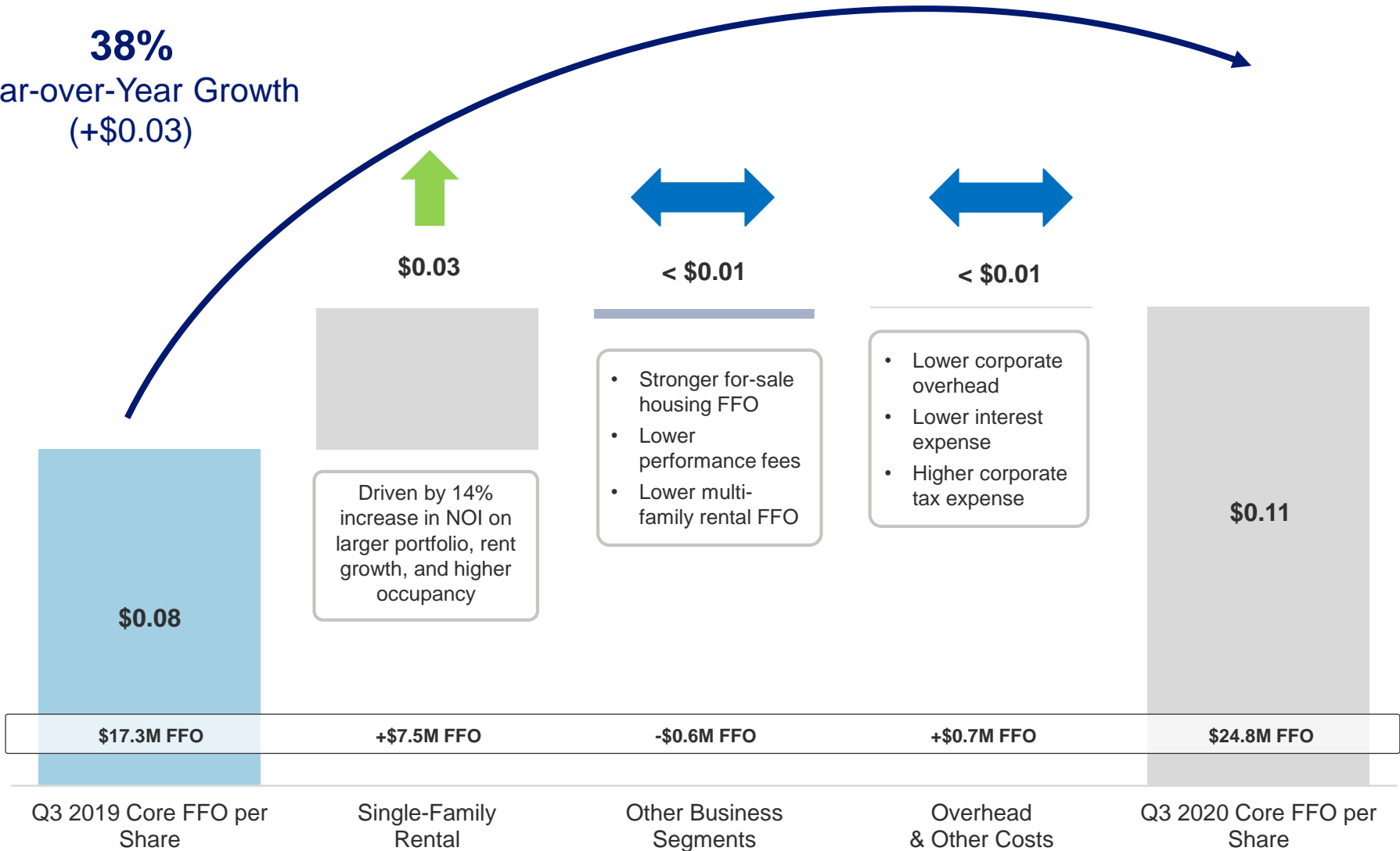
1. Total assets based on reported fair market value of consolidated assets as of Q3 2020

2. Includes U.S. Multi-Family portfolio and The Selby (Toronto)

3. Refers to Tricon's share of NOI upon stabilization assuming a 4.75% yield-on-cost (estimated costs based on current project plans)

# Q3 2020 Core FFO per Share Growth

**38%**  
Year-over-Year Growth  
(+\$0.03)

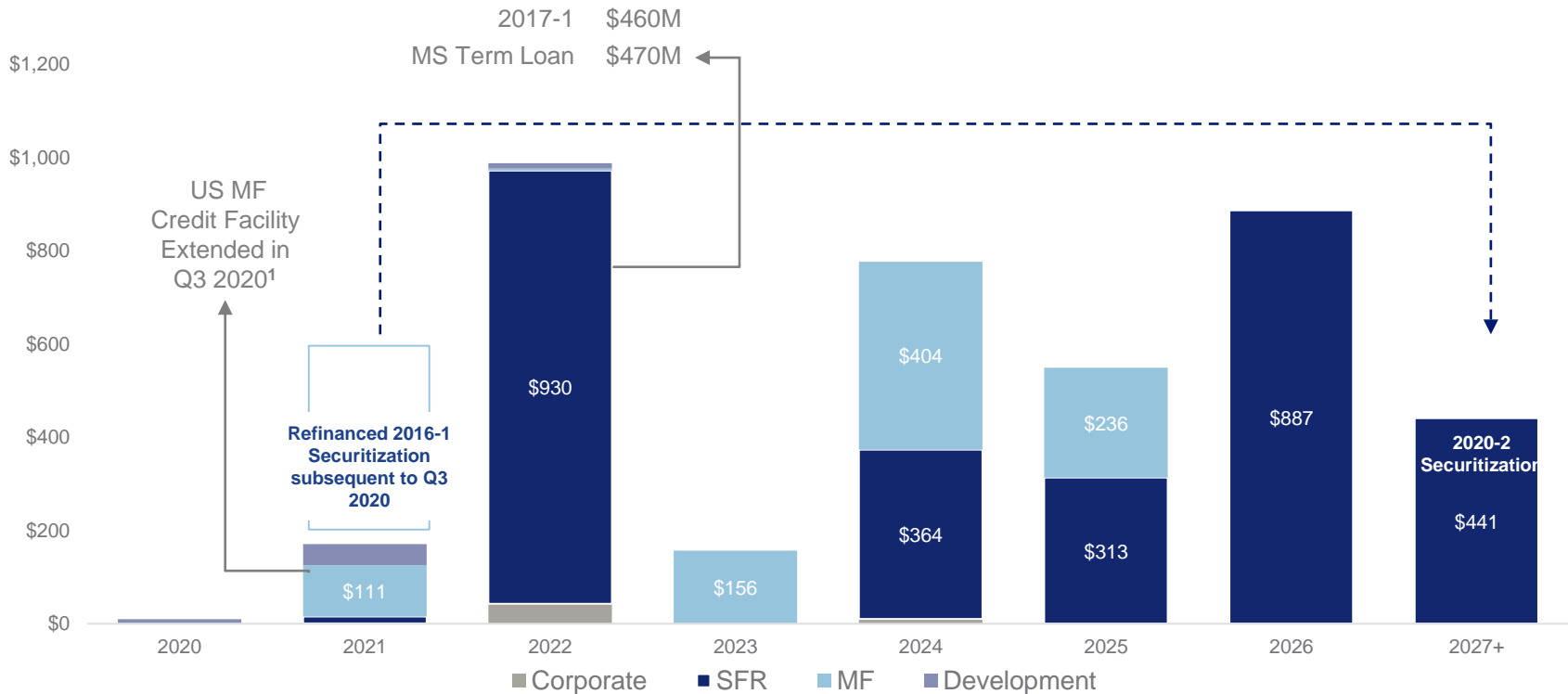


# Consolidated Debt Profile

## Debt Maturity Schedule

(including Tricon's extension options)

In millions of U.S. dollars



## Improved Leverage Profile

Proforma for 2020-2 Securitization

|                            | Q2 2020 | Q3 2020 | Proforma |
|----------------------------|---------|---------|----------|
| Fixed Rate %               | 61%     | 77%     | 78%      |
| Avg. Int. Rate %           | 3.57%   | 3.37%   | 3.17%    |
| Avg. Debt Maturity (Years) | 3.0     | 3.4     | 4.0      |

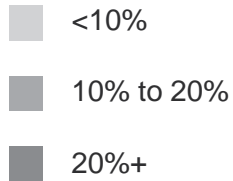
1. On November 10, 2020, Tricon closed a \$441 million securitization transaction collateralized by 3,319 wholly owned homes with a weighted average coupon of 1.83% and term to maturity of approximately seven years. The net proceeds after transaction expenses were used to repay Tricon's 2016-1 securitized financing and repatriate approximately \$59M for corporate debt reduction and single-family home acquisitions.



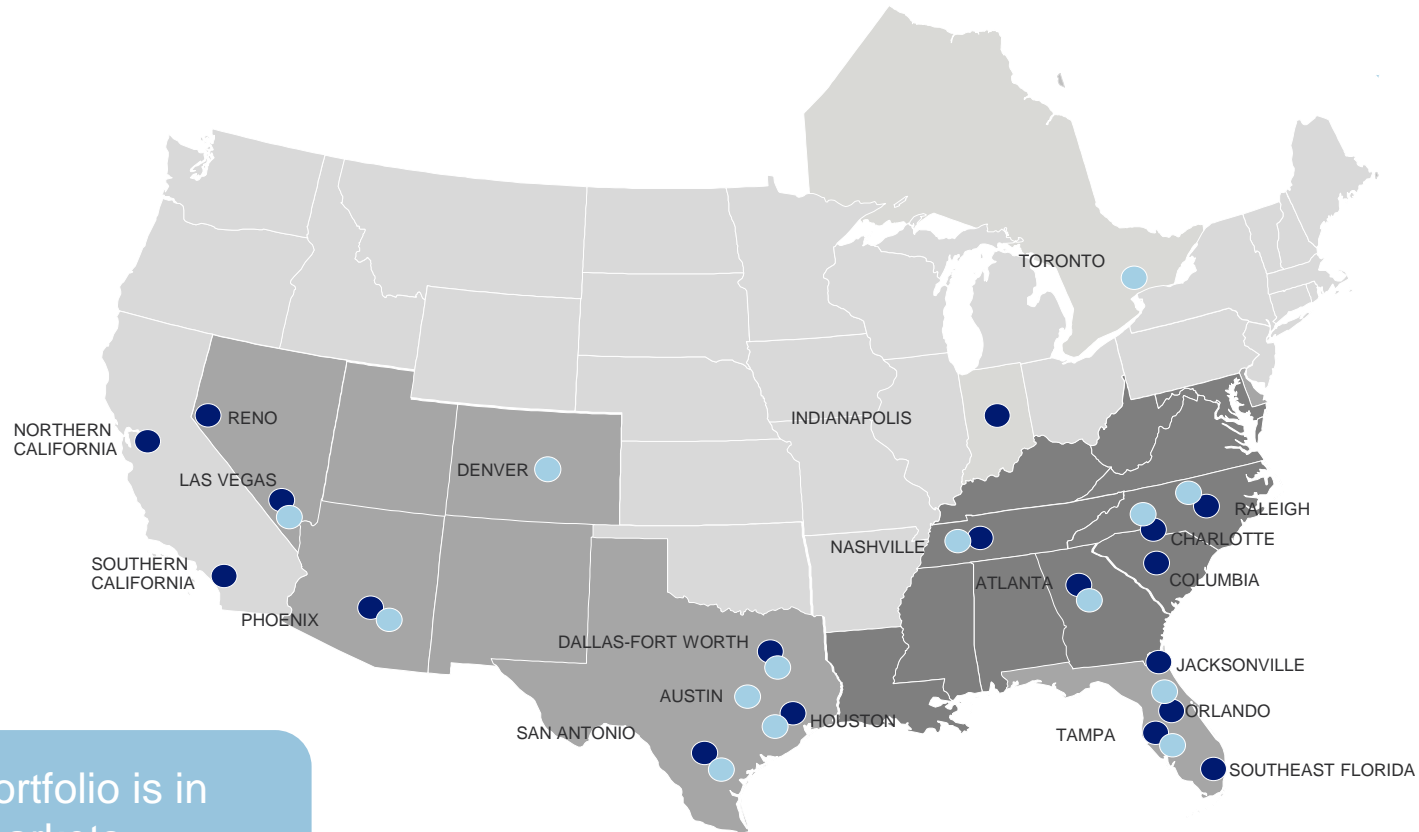
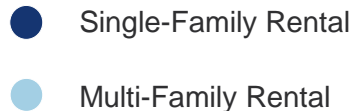
# The U.S. Sun Belt – A Vast Rental Housing Opportunity

The U.S. Sun Belt is home to about ~40% of all U.S. households, and is expected to see ~60% of the growth in U.S. households from 2016-2025

## Projected population growth from 2016-2025



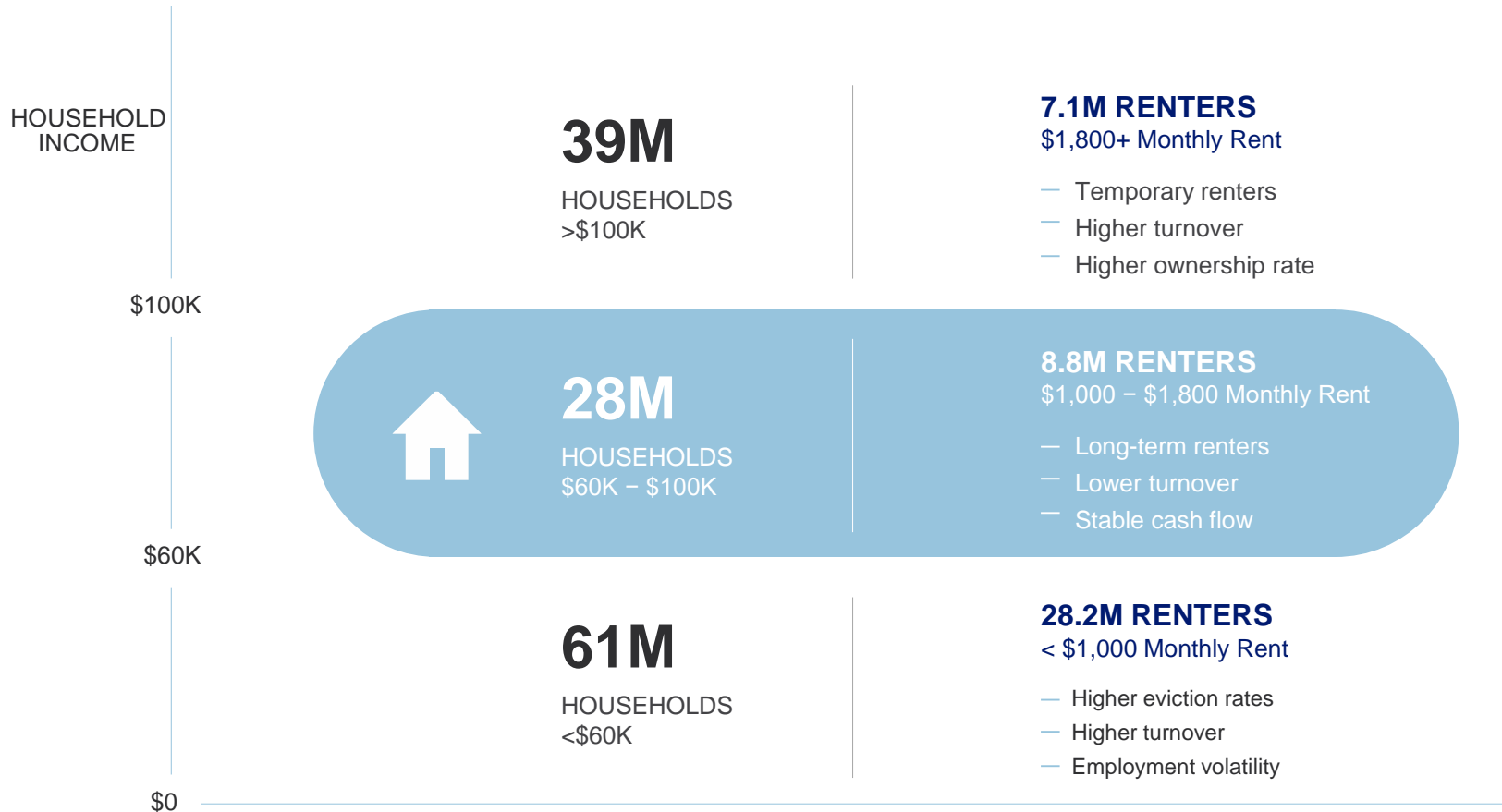
## Tricon's Rental Portfolio



**96%** of our rental portfolio is in the U.S. Sun Belt markets

# Tricon's Middle Market Focus

Tricon's U.S. rental strategy is focused on serving the middle market, an addressable market of almost 9 million households with strong long-term rentership fundamentals



Source: US Census Bureau, management estimates

# Our People

A dynamic, high-performing team of industry leaders and housing experts leading ~700 dedicated employees across Toronto, Orange Country, San Francisco, Houston, and other local field offices



**Gary Berman**  
President & CEO



**Wissam Francis**  
EVP & Chief Financial Officer



**David Berman**  
Executive Chairman  
& Co-Founder



**Geoff Matus**  
Co-Founder



**Jonathan Ellenzweig**  
Chief Investment Officer



**Kevin Baldrige**  
Chief Operating Officer



**Sherrie Suski**  
Chief People Officer



**David Veneziano**  
Chief Legal Officer



**Andy Carmody**  
Managing Director



**Andrew Joyner**  
Managing Director



**Wojtek Nowak**  
Managing Director,  
Capital Markets



**Evelyne Dubé**  
Managing Director,  
Private Funds



**John English**  
Head of Development



**Alan O'Brien**  
EVP, Operations



**Douglas Quesnel**  
Chief Accounting Officer



**Sandra Pereira**  
SVP, Head of Tax Services



**David Mark**  
Managing Director, Finance



**Gina McMullan**  
SVP, Corporate Reporting

# Our Single-Family Rental Portfolio

Tricon operates one of the largest portfolios of single-family rental homes in the U.S. Sun Belt

21,948  
Total Homes

1,627 SF  
Avg. Home Size

\$1,445  
Avg. Monthly Rent

\$0.89  
Avg. Monthly Rent / SF

1993  
Avg. Vintage

\$215,000  
Avg. Home Value

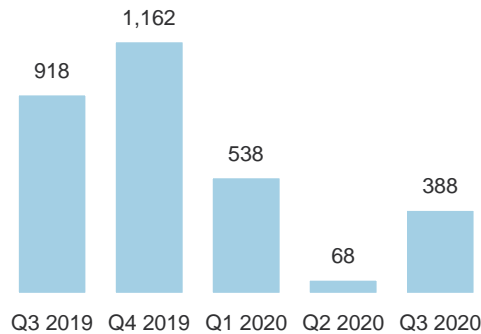


Note: Homes depicted may not represent all homes in the portfolio.



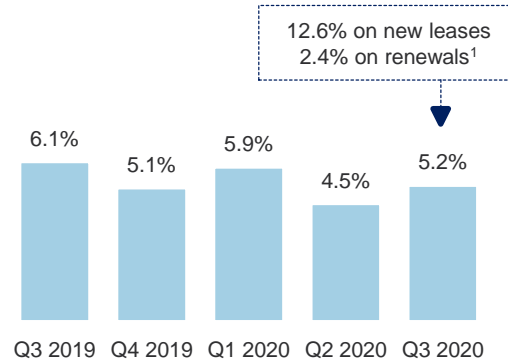
# Single-Family Rental: Key Performance Metrics

## Acquisitions



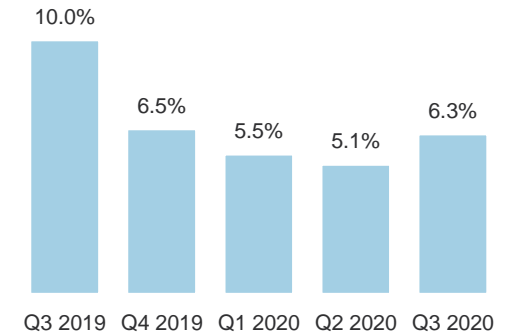
Acquisition program was on pause due to COVID-19 and resumed in mid-July

## Blended Rental Growth



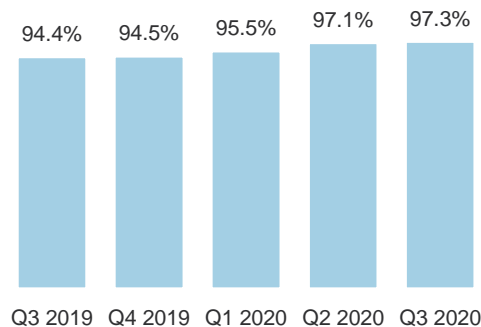
Benefitting from continued strong demand for institutional SFR from middle market households

## Same Home NOI Growth



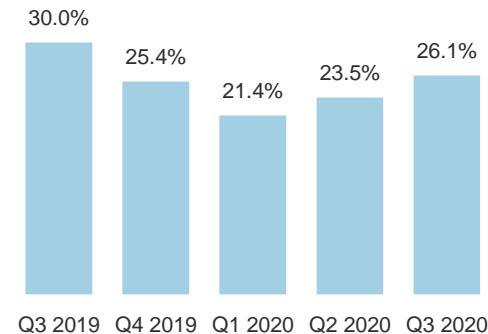
Strong revenue growth and savings from R&M internalization offsetting higher property tax expenses

## Occupancy



Targeting ~95% by balancing rent growth and time on market for vacant homes

## Annualized Turnover

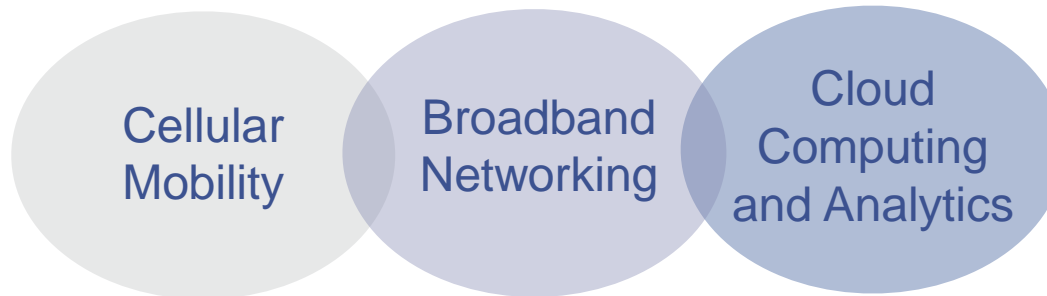


Focused on driving lower turnover by continually improving the resident experience

1. Reflects self-governing on lease renewals during the COVID-19 pandemic

# Industry Leading Technology Platform

Innovative technology is at the core of Tricon's single-family rental operations – from acquisition of homes to leasing and customer service



Proprietary TriAD platform filters over 1 million MLS listing/yr based on 90 point criteria with ability to issue a purchase agreement in under five minutes



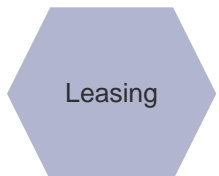
Balancing rent vs. occupancy and time on market



Coded lock boxes allow for secure and efficient showings at times that are convenient for the potential resident



3D imaging captures and documents key components of the home



Automated lease application, resident underwriting and rental payment options



TriOPS platform enables real-time data sharing by field staff and head office  
Mobile inventory management for maintenance techs  
Roof diagnosis using drones

# Our U.S. Multi-Family Rental Portfolio

Tricon owns a portfolio of high quality affordably priced suburban garden-style apartments in the U.S. Sun Belt

23

Properties

7,289

Total Units

966 SF

Avg. Unit Size

\$1,228

Avg. Monthly Rent

\$1.27

Avg. Monthly Rent / SF

2012

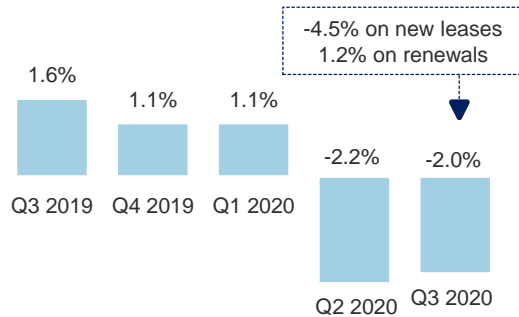
Avg. Vintage



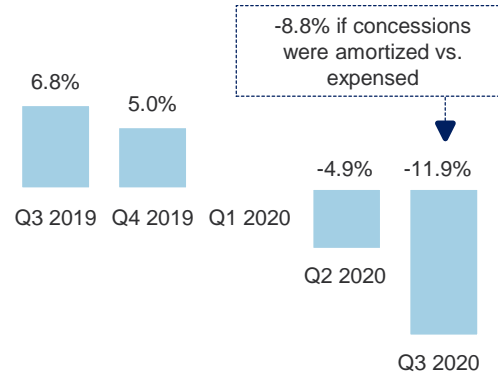
Note: Representative images are of select units and may not represent all properties.

# U.S. Multi-Family Rental: Key Performance Metrics

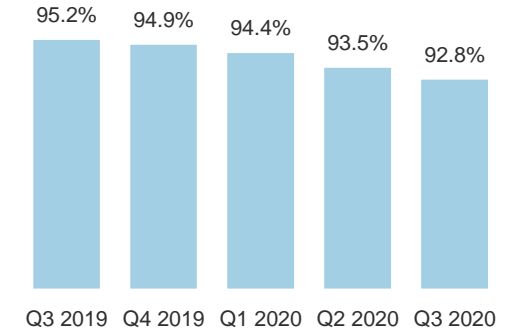
## Blended Rental Growth



## Same Property NOI Growth

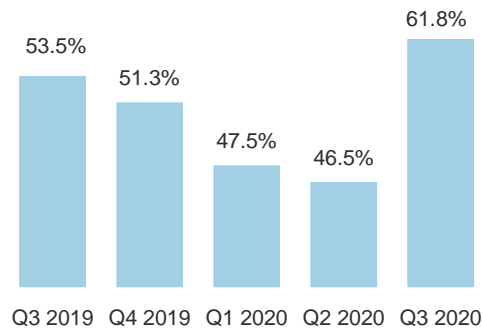


## Occupancy



Focused on driving occupancy since acquiring the portfolio in Q2/2019 and maintaining occupancy throughout current economic dimate

## Annualized Turnover



Targeting turnover below 50% by continually improving the resident experience

## Value-add Program

Plan to renovate the portfolio over time at a cost of ~\$2,500-\$6,000 per unit and projected average rent increase of \$50-\$100/month



# Our Canadian Multi-Family Rental Portfolio

In Canada, Tricon is developing a premier portfolio of build-to-core rental apartments

500

Suites in Lease-up

3,739

Suites Under  
Development

C\$3.81

Avg. Monthly Rent / SF

\$1.58B

Cost to Complete<sup>1</sup>

~45%

Tricon  
Ownership



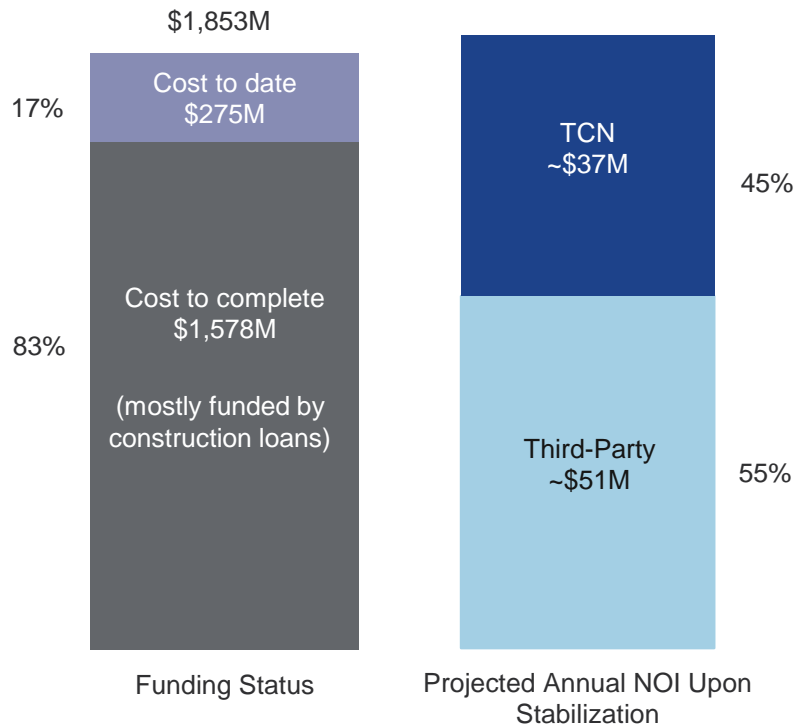
Note: Images are renderings.

1. Based on current project plans and Tricon's underwriting assumptions. Total projected construction cost of \$1.9 billion with remaining \$1.6 billion mostly funded by construction loans

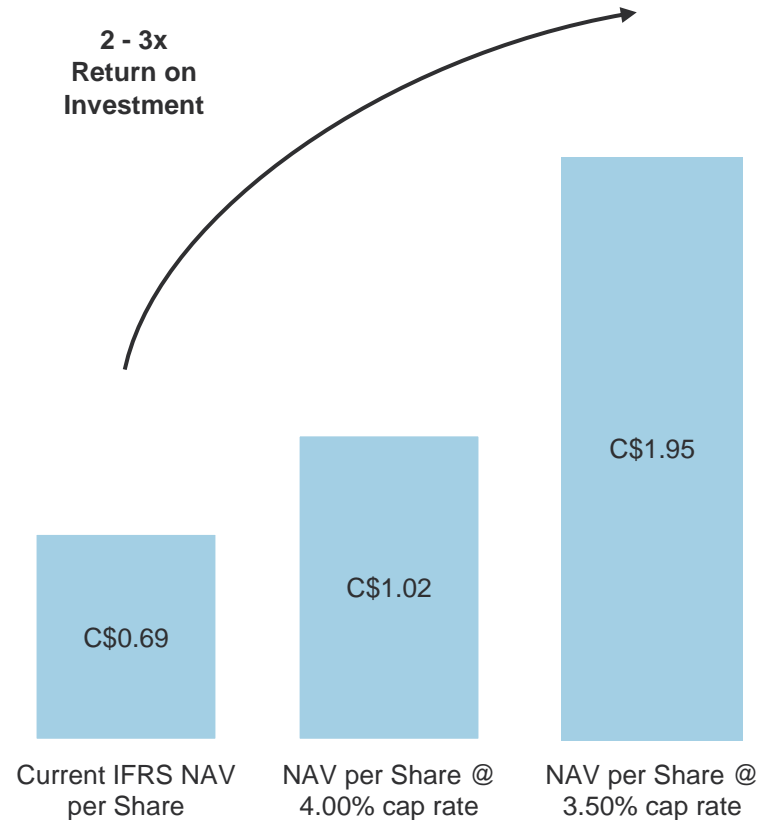
# Value Creation - Canadian Multi-Family Rental

The Canadian Multi-Family Development portfolio is projected to be a significant source of value creation for Tricon's shareholders upon stabilization

## Development Status & Projected NOI<sup>1</sup>



## Illustrative Value Creation upon Stabilization<sup>1</sup>

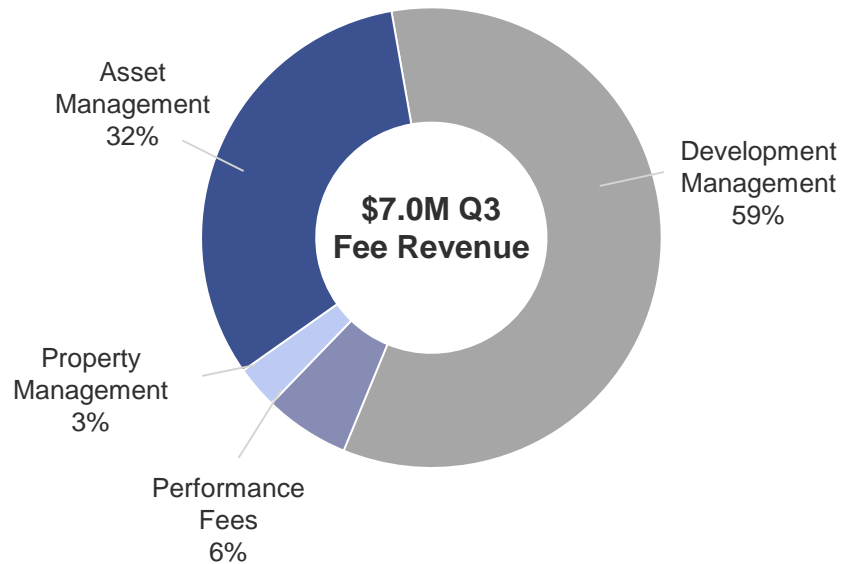


1. Calculated on a total portfolio basis excluding The Selby and based on target development yield of 4.75% on cost, with assumed financing of 65% loan-to-cost, and cap rates of 3.50-4.00% representing illustrative cap rates for the downtown Toronto Class A multi-family market. Tricon's equity stake in the portfolio is approximately 30%. There can be no assurance that actual performance will align with these projections

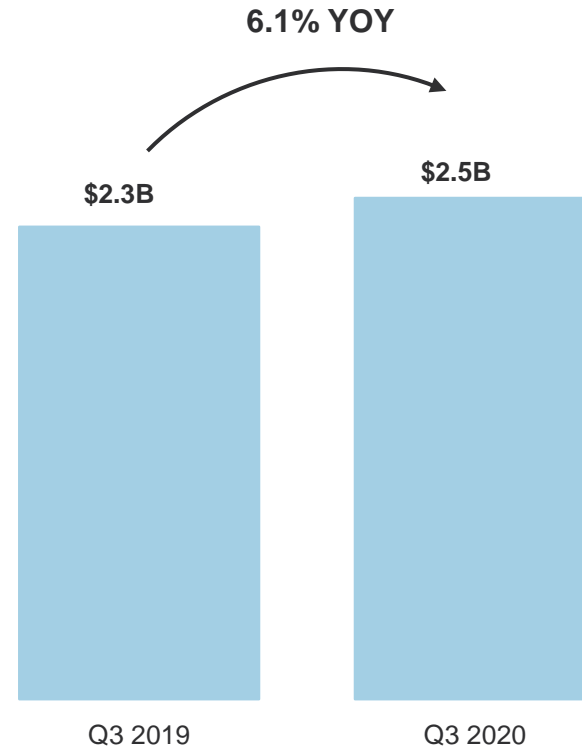
# Private Funds and Advisory

Through its private funds and advisory business, Tricon earns fees from managing third-party capital co-invested in its real estate assets

Fee Revenue by Segment (Q3 2020)<sup>1</sup>



PF&A AUM Growth



1. Property management fees and asset management fees paid by the single-family rental business segment, along with certain development management fees paid by Canadian development properties, are eliminated upon consolidation and are excluded from revenue from private funds and advisory services

# Our Key Priorities<sup>1</sup>

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## Grow FFO per Share

- Provide stable, predictable income for shareholders by focusing on defensive rental housing
  - Target 10%+ compounded annual growth rate in FFO per Share over three years
- 

## Increase Third-Party AUM

- Raise third-party capital in all our businesses to enhance scale, improve operational efficiency, and drive return on equity with incremental fee income
  - Add new third-party equity capital commitments of ~\$1B over three years
- 

## Grow Book Value per Share

- Build shareholder value by deploying our free cash flow into accretive growth opportunities focused on rental housing
- 

## Reduce Leverage

- Minimize corporate-level debt while maintaining prudent and largely non-recourse leverage at the business segment or asset level
  - Pursue consolidated leverage target of 50-55% net debt to assets
- 

## Improve Reporting

- Adopt financial disclosure practices that reduce complexity and improve comparability of results with real estate peers
- 

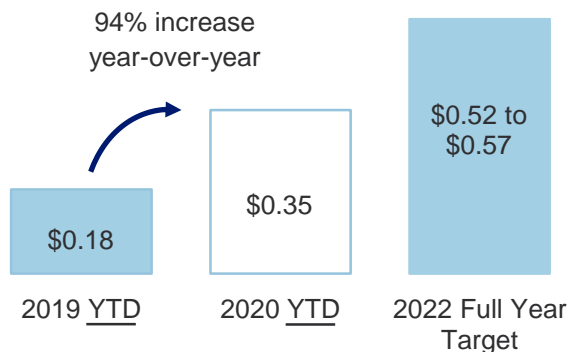
1. Refer to the Forward-Looking Statements on page 1.



# Performance Dashboard<sup>1</sup>

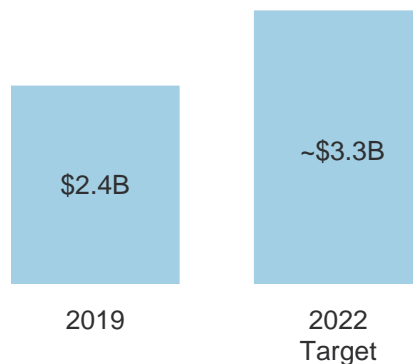
## Grow FFO per Share

Target 10%+ compounded annual growth



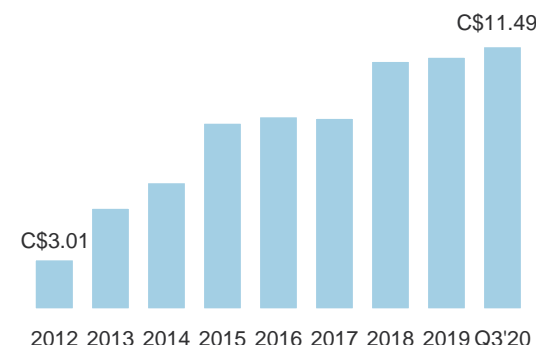
## Increase Third-Party AUM

Target raising ~\$1.0B in fee-bearing capital over the next 3 years



## Grow Book Value per Share

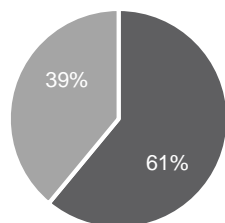
18% annualized growth since entering SFR in 2012



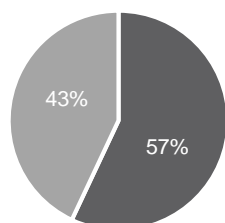
Book Value per Share does not fully capture the value from embedded growth in underlying investments

## Reduce Leverage<sup>2</sup>

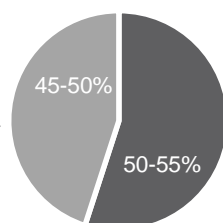
2019 Consolidated Leverage



Current Consolidated Leverage



Targeted Consolidated Leverage of 50-55%



■ Equity ■ Debt

Working towards syndication of the U.S. Multi-Family Rental portfolio

## 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 rates used are 1.33 at September 30, 2020

2. All debt figures are presented net of cash and exclude Tricon's outstanding 5.75% convertible debentures

# Upcoming Catalysts<sup>1</sup>



Syndication of U.S. multi-family portfolio

Reduce leverage

Raise third-party capital across all residential strategies

Grow single-family rental portfolio

Cash generation from legacy for-sale housing assets

Construction and stabilization of Canadian multi-family developments

1. Refer to the Forward-Looking Statements on Page 1



[triconresidential.com](http://triconresidential.com)

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