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Tricon Reports Strong Operational Results in Q1 2021; Launches New Growth Vehicles and Raises \$1 Billion of Equity from Third-Party Investors

Toronto, Ontario - May 12, 2021 - Tricon Residential Inc. (TSX: TCN) ("Tricon" or the "Company"), an owner and operator of single-family rental homes and multi-family rental apartments in the United States and Canada, announced today its consolidated financial results for the three months ended March 31, 2021. The Company also provided an update on recent operating trends. All financial information is presented in U.S. dollars unless otherwise indicated.

The Company reported strong operational and financial results in the first quarter, including the following highlights:

- Net income from continuing operations was \$41.9 million compared to a net loss of \$46.5 million in the prior year; diluted earnings per share from continuing operations was \$0.21 compared to a \$0.24 loss per share in the prior year;
- Core FFO per share increased by 30% year-over-year to \$0.13 (C\$0.16) driven by solid operating results in the single-family rental portfolio and improved investment performance in U.S. residential developments;
- Same home Net Operating Income ("NOI") for the single-family rental business grew by 4.1% year-over-year and same home NOI margin reached 66.7% as a result of continued revenue growth and controlled expense management. Excluding the impact of the Texas winter storm, NOI margin would have been 67.1%, representing a 4.9% increase year-over-year. Same home occupancy increased by 0.8% year-over-year to 97.3%, and blended rent growth was 6.6% (comprised of new lease rent growth of 12.3% and renewal rent growth of 4.1%);
- On March 23, 2021, the Company announced a new joint venture with Canada Pension Plan Investment Board ("CPP Investments") to invest up to C\$500 million of equity capital in build-to-core multi-family rental projects in the Greater Toronto Area;
- On March 31, 2021, the Company sold an 80% interest in its U.S. multi-family rental business to two institutional investors. The transaction generated gross sales proceeds of approximately \$432 million to Tricon, which strengthened the Company's balance sheet and reduced its proportionate leverage to 45.6% net debt to assets; and
- Subsequent to quarter-end, the Company announced a new joint venture ("Homebuilder Direct JV") with two leading institutional investors to acquire up to 5,000 newly built single-family rental homes from national and regional homebuilders, for a total purchasing potential of up to \$1.5 billion, including associated leverage.

"In the first quarter of 2021, Tricon delivered another period of solid operating performance and made significant progress on the various growth initiatives and debt reduction plans we promised our shareholders," said Gary Berman, President and CEO of Tricon. "With same home NOI growth

of 4.1% (4.9% excluding the impact of the Texas Freeze), our core single-family rental business continued to shine and benefit from long-term demographic tailwinds, including de-urbanization and de-densification trends that have accelerated during the pandemic. Demand for single-family rental homes is the strongest we have experienced since entering the business in 2012 and we believe the current rent growth, occupancy and margin trends can be sustained for many quarters to come. In addition to delivering industry-leading operating metrics, we are also growing our recurring cash flow by launching new investment vehicles and raising additional equity capital commitments from third-party investors. Between the syndication of our U.S. multi-family rental portfolio, our Canadian multi-family joint venture with CPP Investments, and our Homebuilder Direct single-family rental joint venture, we have already closed on \$1 billion of third-party equity capital year-to-date and are poised to expand our rental housing portfolio from 31,000 to ~40,000 units over the next few years. With ample balance sheet liquidity and significantly reduced leverage, Tricon is in a very strong position to continue its journey of building critical scale, generating attractive returns for our shareholders and private investors, and delivering a superior rental experience for our residents.”

Financial Highlights

For the three months ended March 31

(in thousands of U.S. dollars, except per share amounts which are in U.S. dollars, unless otherwise indicated)

	2021	2020
Financial highlights on a consolidated basis		
Net income (loss) from continuing operations, including:	\$ 41,904	\$ (46,533)
Fair value gain on rental properties	112,302	20,637
Income (loss) from investments in U.S. residential developments	6,659	(79,579)
Basic earnings (loss) per share attributable to shareholders of Tricon from continuing operations	0.21	(0.24)
Diluted earnings (loss) per share attributable to shareholders of Tricon from continuing operations	0.21	(0.24)
Net (loss) income from discontinued operations	(67,562)	6,028
Basic (loss) earnings per share attributable to shareholders of Tricon from discontinued operations	(0.34)	0.03
Diluted (loss) earnings per share attributable to shareholders of Tricon from discontinued operations	(0.35)	0.03
Dividends per share	\$ 0.07	\$ 0.07
Weighted average shares outstanding - basic	194,898,627	195,080,609
Weighted average shares outstanding - diluted	196,327,468	196,452,674
Non-IFRS⁽¹⁾ measures on a proportionate basis		
Core funds from operations ("Core FFO") ⁽²⁾	\$ 32,522	\$ 21,493
Adjusted funds from operations ("AFFO") ⁽²⁾	25,817	14,850
Core FFO per share ⁽³⁾	0.13	0.10
Core FFO per share (CAD) ^{(3),(4)}	0.16	0.13
AFFO per share ⁽³⁾	0.10	0.07
AFFO per share (CAD) ^{(3),(4)}	0.13	0.09

(1) Non-IFRS measures are presented to illustrate alternative relevant measures to assess the Company's performance and ability to generate cash. Refer to Section 5 of Tricon's MD&A.

(2) Fair value gains recognized on equity-accounted investments in Canadian residential developments of \$5,099 and performance share unit (PSU) recovery of \$442 in the first quarter of 2020 have been removed from Core FFO to conform with the current period presentation. This change resulted in a \$5,541 decrease to Core FFO and AFFO in the comparative period.

(3) Core FFO per share and AFFO per share are calculated using the total number of weighted average potential dilutive shares outstanding, including the assumed conversion of convertible debentures and exchange of preferred units issued by

Tricon PIPE LLC, which was 248,103,423 and 212,934,511, respectively, for the three months ended March 31, 2021 and March 31, 2020.

(4) USD/CAD exchange rates used are 1.2660 at March 31, 2021 and 1.3449 at March 31, 2020.

Net income from continuing operations in the first quarter of 2021 was \$41.9 million compared to a \$46.5 million loss in the first quarter of 2020, and included:

- Revenue from single-family rental properties of \$98.5 million compared to \$87.7 million in the first quarter of 2020, reflecting a 9.1% year-over-year increase in portfolio size to 23,502 rental homes, combined with 4.4% growth in average effective monthly rent per home and a 0.8% increase in occupancy.
- Direct operating expenses of \$32.3 million compared to \$29.7 million in the first quarter of 2020 as a result of incremental costs of operating a larger single-family rental portfolio and a 4% increase in property taxes associated with property value appreciation, partially offset by a decrease in repairs, maintenance and turnover expense attributable to a lower resident turnover rate of 20.8% and improved resident recoveries.
- Income from investments in U.S. residential developments of \$6.7 million compared to a loss of \$79.6 million in the first quarter of 2020 as a result of substantially improved project performance in the current year; the comparative period included a one-time write-down due to rapidly deteriorating business fundamentals at the onset of the COVID-19 pandemic.
- Fair value gain on rental properties of \$112.3 million compared to \$20.6 million in the first quarter of 2020 reflecting significant home price appreciation in Tricon's core markets. The increase in home prices in Tricon's Sun Belt markets is underpinned by in-migration, de-densification and de-urbanization trends, as well as low mortgage interest rates, all of which have fuelled demand for suburban homes.

Net loss from discontinued operations was \$67.6 million compared to income of \$6.0 million in the first quarter of 2020, driven primarily by the non-cash loss related to a \$79.1 million goodwill derecognition. This goodwill was initially recognized when Tricon transitioned to a rental housing company on January 1, 2020 based on the difference in the tax bases and the fair values of the assets deemed to have been acquired on the transition day. The Company's sale of its 80% interest in the U.S. multi-family rental business on March 31, 2021 constituted a loss of control from an accounting perspective, and therefore, the entire balance sheet of the business and the associated goodwill on the corporate balance sheet were deconsolidated.

Core funds from operations ("Core FFO") for the first quarter of 2021 was \$32.5 million, an increase of \$11.0 million or 51% compared to \$21.5 million in the first quarter of 2020. The increase reflects favourable operating results from Tricon's growing single-family rental portfolio, including strong rent growth and higher occupancy, improved earnings from investment in U.S. residential developments and a decrease in interest expense.

Adjusted funds from operations ("AFFO") for the first quarter of 2021 was \$25.8 million, an increase of \$11.0 million or 74% compared to \$14.9 million in the first quarter of 2020. This growth in AFFO reflects the increase in Core FFO discussed above with no significant increase in recurring capital expenditures. Despite the 9.1% expansion in the single-family rental portfolio, recurring capital expenditures remained constant, driven by reduced turnover capital spending ensuing from lower resident turnover and a disciplined scoping process in capital projects.

Operating Highlights

Single-family rental operating metrics in the table below and throughout this news release reflect Tricon's proportionate share of the managed portfolio and exclude limited partners' interests in the SFR JV-1 portfolio.

For the three months ended March 31

(in thousands of U.S. dollars, except percentages and units)

	2021	2020
SINGLE-FAMILY RENTAL		
Net operating income (NOI)	\$ 51,627	\$ 47,668
Same home net operating income (NOI) margin	66.7%	66.0%
Same home net operating income (NOI) margin, excluding storm impact ⁽¹⁾	67.1%	66.0%
Same home net operating income (NOI) growth	4.1%	N/A
Same home net operating income (NOI) growth, excluding storm impact ⁽¹⁾	4.9%	N/A
Same home bad debt as a percentage of revenue ⁽²⁾	2.1%	0.8%
Same home occupancy	97.3%	96.5%
Same home annualized turnover	20.6%	21.4%
Same home average quarterly rent growth - renewal	4.1%	5.1%
Same home average quarterly rent growth - new move-in	12.3%	6.9%
Same home average quarterly rent growth - blended	6.6%	5.6%
U.S. MULTI-FAMILY RENTAL		
Total suites managed	7,289	7,289
Net operating income (NOI)	\$ 16,224	\$ 17,085
Net operating income (NOI) margin	57.6%	59.8%
Bad debt as a percentage of revenue ⁽¹⁾	3.2%	1.7%
Occupancy	94.6%	94.4%
Annualized turnover	43.8%	47.5%
Average quarterly rent growth - renewals	3.5%	3.4%
Average quarterly rent growth - new move-in	2.4%	(1.7%)
Average quarterly rent growth - blended	2.9%	1.1%

(1) The same home NOI margin excludes the impact of a severe winter storm in Texas in Q1 2021.

(2) Bad debt is expressed as a percentage of gross revenue. Tricon reserves 100% of residents' accounts receivable balances that are older than 30 days as bad debt.

Single-family rental NOI was \$51.6 million for the three months ended March 31, 2021, an increase of \$4.0 million or 8.3% compared to the same period in 2020. Excluding the impact of the Texas winter storm, NOI and NOI growth would have been \$52.0 million and 9.0%, respectively. The variance in NOI is attributable to \$5.9 million growth in rental revenue reflecting the expansion of the portfolio (23,502 in Q1 2021 vs. 21,535 in Q1 2020) along with higher average rent and occupancy. This favourable change was partially offset by a \$0.8 million increase in direct operating expenses associated with the larger portfolio and normal course increases in property taxes, net of savings from lower resident turnover and improved resident recoveries.

Single-family rental same home NOI growth was 4.1% in the first quarter of 2021. Excluding the impact of the Texas winter storm, NOI growth would have been 4.9% year-over-year. The favourable variance in NOI was driven by an increase of \$3.3 million or 5.1% in rental revenue, reflecting a 4.3% higher average monthly rent (\$1,482 in Q1 2021 vs. \$1,421 in Q1 2020) as well as a 0.8% increase in occupancy, partially offset by an increase in bad debt expense. Same home operating expenses increased by 0.9% or \$0.2 million attributable to the reasons noted above.

U.S. multi-family rental NOI was \$16.2 million for the first quarter of 2021 (representing 90 days at 100% ownership interest) compared to \$17.1 million for the same period in 2020, a \$0.9 million or 5.0% decrease. The variance in NOI is partially attributable to a 1.3% decrease in revenue as a result of a 2.6% decrease in average monthly rent and incremental bad debt of \$0.4 million as collections have been impacted by the COVID-19 pandemic. Total operating expenses also increased by \$0.5 million or 4.3% as a result of normal course growth in property tax expense as well as increased utility costs with more residents working from home. The U.S. multi-family business experienced a positive shift in operational performance and sequential improvements over the fourth quarter of 2020, including a 1.0% increase in occupancy, a 61% reduction in concessions, as well as positive blended rent growth of 2.9%.

Investment Activity

The Company continued to grow its single-family rental portfolio by purchasing 762 single-family rental homes during the quarter, bringing its total managed portfolio to 23,535 homes. Management expects to acquire 1,000 homes or more in the second quarter of 2021 through its organic acquisition program, supplemented by direct purchases of newly-constructed single-family home ("build-to-rent") communities and individual homes from homebuilders.

Across Tricon's Canadian residential developments, construction continues to progress at The Taylor, West Don Lands (Block 8), The Ivy and The James, subject to public health regulations, and is largely funded by construction loans. During the quarter, the Company and its joint venture partners executed the ground lease at West Don Lands (Block 10), and construction is expected to commence at Block 10 and Blocks 3/4/7 in the coming months. By the summer of 2021, Tricon expects to have over 2,500 multi-family rental units under construction across its Canadian residential development portfolio.

In March 2021, Tricon announced a new joint venture with CPP Investments focused on a build-to-core rental apartment strategy in the Greater Toronto Area. The joint venture will provide up to C\$500 million of equity capital, including up to C\$350 million from CPP Investments (70%) and up to C\$150 million from Tricon (30%), allowing for the expected development of 2,000 to 3,000 units at a gross development cost of approximately C\$1.4 billion, including leverage.

Subsequent to quarter-end, on May 10, 2021, the joint venture closed on its first investment, a 1.8-acre development site in Toronto's Downtown East neighbourhood, which will consist of two towers totalling 870 units. The total development cost is expected to be approximately C\$600 million, including approximately C\$192 million of equity capital contributed from the joint venture, of which Tricon's share is 30%.

Subsequent to quarter-end, on May 10, 2021, the Company announced a new single-family rental joint venture ("Homebuilder Direct JV") with Pacific Life Insurance Company and an existing global investor to acquire newly built single-family rental homes. The joint venture will have an initial equity capitalization of \$300 million (one-third from each partner), with the partners having the option to increase their commitment up to \$150 million each, for a total peak target commitment of \$450 million or up to \$1.5 billion of purchasing potential when including associated leverage. This will enable the joint venture to acquire approximately 5,000 new single-family homes, primarily from national and regional homebuilders, including both scattered site homes and finished build-to-rent communities.

Tricon has now closed on \$1 billion of third-party investor equity commitments year-to-date, achieving its target of raising \$1 billion of third-party capital by 2022, well ahead of schedule.

Balance Sheet and Liquidity

As at March 31, 2021, Tricon's proportionate debt (excluding convertible debentures) was \$2.5 billion compared to proportionate total assets of \$5.1 billion (\$2.2 billion net debt and \$4.8 billion assets, excluding cash).

Tricon's liquidity consists of a \$500 million corporate credit facility with approximately \$481 million of undrawn capacity as at March 31, 2021. The Company also had approximately \$295 million of unrestricted cash on hand, resulting in total liquidity of \$776 million compared to \$529 million as at December 31, 2020.

The sale of an 80% interest in the U.S. multi-family rental portfolio resulted in total cash proceeds of \$431.6 million to Tricon. The Company used a portion of the proceeds to repay \$182.6 million of debt (including \$107.6 million of its U.S. multi-family credit facility and \$75.0 million of the corporate credit facility) and reduced its proportionate leverage by 970 basis points to 45.6% net debt to assets from 55.3% at December 31, 2020, enhancing its balance sheet flexibility. This transaction further reduced our proportionate leverage following our September 2020 issuance of exchangeable preferred units to a syndicate of investors led by Blackstone Real Estate Income Trust. The Company intends to use the remaining proceeds from these transactions to further reduce in-place debt and for general corporate purposes.

The sale of the U.S. multi-family rental portfolio also lowered Tricon's weighted average interest rate by 0.17% to 2.95% compared to 3.12% in Q4 2020. The transaction reduced the weighted average time to maturity of its debt to 3.4 years as at March 31, 2021 (a decrease of 0.3 years from the previous quarter), given the multi-family rental properties borrowings had a weighted average maturity of 3.7 years.

Post Q1 Operational Update

In light of the ongoing COVID-19 pandemic, the Company is providing a more current update on its rental operations.

Single-family rental

As of the end of April, Tricon had collected 98% of rents billed in Q1 2021 across its single-family rental business. The Company continues to collect April rents and expects the percentage collected to increase. The same home occupancy for April increased nominally to 97.5%. Average blended rent growth for the same home portfolio in April was 8.0%, driven by 16.3% and 4.4% growth on new move-ins and renewals, respectively.

	January 2021	February 2021	March 2021	April 2021⁽¹⁾
Same home				
Average rent growth - renewal	4.0%	3.9%	4.3%	4.4%
Average rent growth - new move-in	10.6%	12.4%	13.6%	16.3%
Average rent growth - blended	6.0%	6.2%	7.4%	8.0%
Occupancy	97.3%	97.3%	97.3%	97.5%
Total portfolio				
Percentage of billings collected as of April 30, 2021	98%	98%	97%	95%
Billings collected as a percentage of historical average	99%	98%	98%	98%

(1) April results are preliminary since the Company continues to collect April rents. Accordingly, the number is subject to upward adjustments.

(2) As of April 30, 2021, the Company had collected 98% of all Q1 billings, representing 98% of historical collections.

U.S. multi-family rental

In the U.S. multi-family rental business, same property occupancy for April improved to 95.2%. As of April 30, 2021, the Company had collected 96% of April rents. Average blended rent growth for the same property portfolio also increased in April to 7.5%, driven by 9.5% and 4.9% growth on new move-ins and renewals, respectively.

Same property	January 2021	February 2021	March 2021	April 2021⁽¹⁾
Average rent growth - renewal	2.8%	3.5%	4.0%	4.9%
Average rent growth - new move-in	(0.4%)	0.8%	5.3%	9.5%
Average rent growth - blended	1.1%	2.0%	4.7%	7.5%
Occupancy	94.6%	94.5%	94.9%	95.2%
Percentage of billings collected as of April 30, 2021	98%	98%	97%	96%
Billings collected as a percentage of historical average	98%	98%	97%	98%

(1) April results are preliminary since the Company continues to collect April rents. Accordingly, the number is subject to upward adjustments.

(2) As of April 30, 2021, the Company had collected 98% of all Q1 billings, representing 98% of historical collections.

Quarterly Dividend

The Company announced a dividend of seven cents per common share in Canadian dollars payable on or after July 15, 2021 to shareholders of record on June 30, 2021.

Tricon's dividends are designated as eligible dividends for Canadian tax purposes in accordance with subsection 89(14) of the *Income Tax Act* (Canada), and any applicable corresponding provincial and territorial legislation. Tricon has a Dividend Reinvestment Plan ("DRIP") which allows eligible shareholders of the Company to reinvest their cash dividends in additional common shares of the Company. Common shares issued pursuant to the DRIP in connection with the announced dividend will be issued from treasury at a 1% discount from the market price, as defined in the DRIP. Participation in the DRIP is optional and shareholders who do not participate in the plan will continue to receive cash dividends. A complete copy of the DRIP is available in the Investors section of Tricon's website at www.triconresidential.com.

Conference Call and Webcast

Management will host a conference call at 10 a.m. ET on Thursday, May 13, 2021 to discuss the Company's results. Please call (833) 302-1892 or (236) 714-3860 (Conference ID # 7579714). The conference call will also be accessible via webcast at www.triconresidential.com (Investors - News & Events). A replay of the call will be available from 1 pm ET on May 13, 2021, until midnight ET on June 11, 2021. To access the replay, call (800) 585-8367 or (416) 621-4642, followed by passcode 7579714.

This press release should be read in conjunction with the Company's Financial Statements and Management's Discussion and Analysis (the "MD&A") for the three months ended March 31, 2021, which are available on Tricon's website at www.triconresidential.com and have been filed on SEDAR (www.sedar.com). The financial information therein is presented in U.S. dollars.

About Tricon Residential Inc.

Tricon Residential is an owner and operator of a growing portfolio of over 31,000 single-family rental homes and multi-family rental apartments in the United States and Canada with a primary focus on the U.S. Sun Belt. Our commitment to enriching the lives of our residents and local communities underpins Tricon's culture and business philosophy. We strive to continuously improve the resident experience through our technology-enabled operating platform and innovative approach to rental housing. At Tricon Residential, we imagine a world where housing unlocks life's potential. For more information visit www.triconresidential.com.

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This news release may contain forward-looking statements pertaining to expected future events, financial and operating results, and projections of the Company (including statements related to targeted financial performance and leverage; and expected formation of new investment vehicles and the benefits to the Company of such transactions). Such forward-looking information and statements involve risks and uncertainties and are based on management's current expectations, intentions and assumptions in light of its understanding of relevant current market conditions, its business plans, and its prospects. If unknown risks arise, 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, available on SEDAR at www.sedar.com. Accordingly, although the Company believes that its 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. 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.

The Company has included herein certain supplemental measures of key performance, including, but not limited to, net operating income ("NOI"), funds from operations ("FFO"), core funds from operations ("Core FFO"), adjusted funds from operations ("AFFO"), Core FFO per share and AFFO per share, as well as certain key indicators of its operating performance. The Company utilizes these measures in managing its business, including performance measurement and capital allocation, and believes that providing these performance measures on a supplemental basis is helpful to investors in assessing the overall performance of the Company's business. However, these measures are not recognized under IFRS. Because non-IFRS measures do not have standardized meanings prescribed by IFRS, Tricon's use of these measures may not be comparable to similar measures reported by other issuers and they should not be construed as alternatives to net income (loss) or cash flow from the Company's activities, determined in accordance with IFRS, in measuring the Company's performance. The definition, calculation and reconciliation of the non-IFRS measures used herein are provided in Sections 4 and 5 of the Company's MD&A for the three months ended March 31, 2021, which is available on SEDAR at www.sedar.com.