

# Investor Highlights June 2018

# Legal Disclosures

## **Forward-Looking Statements**

Various statements contained in this presentation, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include projections and estimates concerning the timing and success of our strategies, plans or intentions. Forward-looking statements are generally accompanied by words such as “estimate,” “project,” “predict,” “believe,” “expect,” “intend,” “anticipate,” “potential,” “plan,” “goal” or other words that convey the uncertainty of future events or outcomes. We have based these forward-looking statements on our current expectations and assumptions about future events. These assumptions include, among others, our projections and expectations regarding: market trends in the single-family home rental industry and in the local markets where we operate, our ability to institutionalize a historically fragmented business model, our business strengths, our ideal tenant profile, the quality and location of our properties in attractive neighborhoods, the scale advantage of our national platform and the superiority of our operational infrastructure, the effectiveness of our investment philosophy and diversified acquisition strategy, our ability to grow our portfolio and to create a cash flow opportunity with attractive current yields and upside from increasing rents and cost efficiencies and our understanding of our competition and general economic, demographic and real estate conditions that may impact our business. While we consider these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control and could cause actual results to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation, June 4, 2018. We undertake no obligation to update any forward-looking statements to conform to actual results or changes in our expectations, unless required by applicable law. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of the Company in general, see the “Risk Factors” disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 and in the Company’s subsequent filings with the Securities and Exchange Commission.

## **Non-GAAP Financial Measures**

This presentation includes certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles (GAAP) because we believe they help investors understand our performance. Any non-GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by U.S. GAAP and may not be comparable to the calculation of similar measures of other companies.

## **Additional Information**

American Homes 4 Rent (NYSE: AMH) (“the Company”) has an effective registration statement (including a prospectus) with the SEC relating to offerings of its securities. Before you invest in any offering, you should read the prospectus in that registration statement and other documents the Company has filed with the SEC for more complete information about the Company and any such offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the Company will arrange to send such information if you request it by calling toll-free (855) 794-2447 or email [investors@ah4r.com](mailto:investors@ah4r.com).

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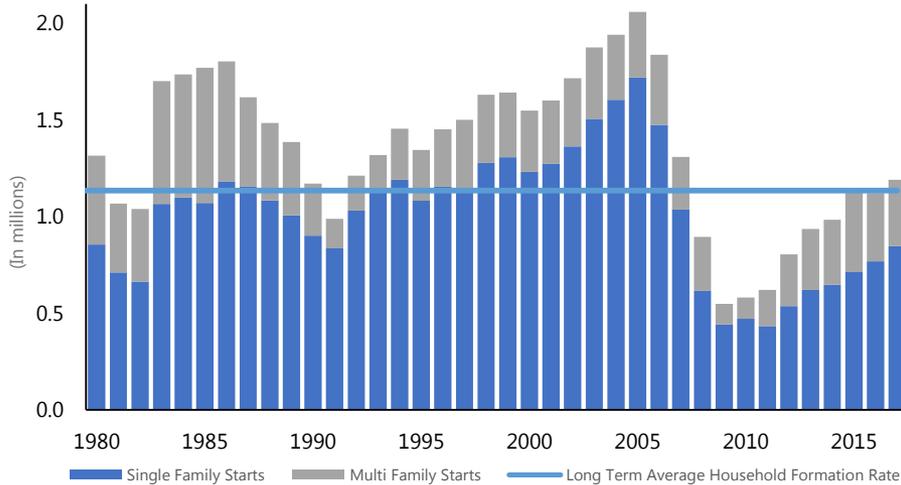
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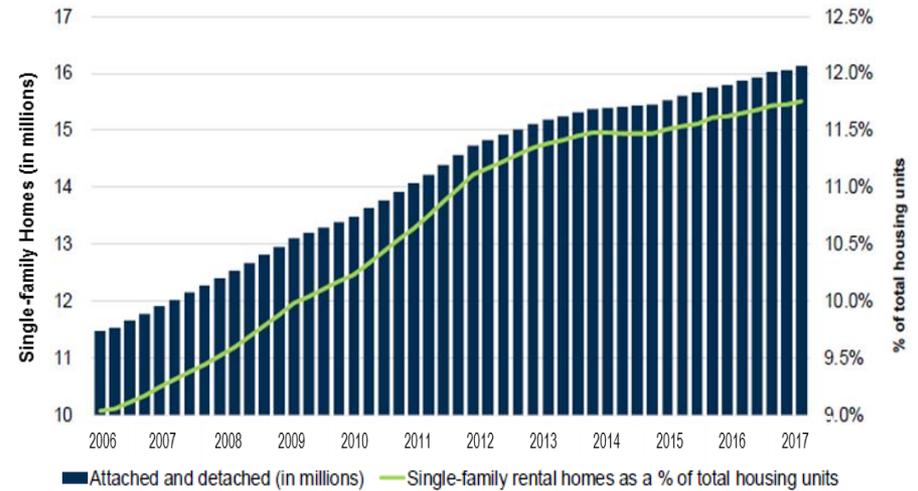
Atlanta, GA

# Macro Landscape Drives Strong Demand

## Household Formations Outpace Housing Supply <sup>(1)</sup>



## 10 Year Sequential Growth in Single-Family Rental Stock <sup>(2)</sup>



## Fundamental Shifts Support Single-Family Rental Demand <sup>(3)</sup>

- Accelerating demand for single-family rental housing supported by fundamental shifts in demographics and consumer preferences
- 39% of renters planning to rent their next residence expect to rent a single-family home instead of an apartment, townhouse or condo – an 8% increase since 2016
- Percentage of 30-year olds hitting life-stage milestones have fallen representing significant demand in the pipeline for single-family rental operators

## Strong AMH Profile

- Over 600,000 inbound sales calls to Las Vegas Leasing Call Center in 2017
- Nearly 28 million AMH website page views in 2017, a 20% increase over 2016
  - 30% year-over-year increase via mobile users illustrating the value and accessibility of our mobile platform
- 350,000 distinct automated access home showings in 2017

(1) Federal Reserve Bank of St. Louis Economic Data and U.S. Census Bureau. U.S. Census Bureau 1Q18.

(2) Pub: Mar-18. JBREC estimates using 2019 Census figures and trending data from ACS/HVS. Source: U.S. Census Bureau ACS; John Burns Real Estate Consulting, LLC (Data; 4Q17, updated quarterly +)

(3) Source: John Burns Real Estate Consulting, LLC Mar-18 Report

# AMH At A Glance

**51,840** high-quality properties in **22 states** <sup>(1)</sup>  
~ **200,000** residents

Only **Investment Grade Rated** balance sheet in SFR sector

**6.2%** Same Home FY 2017 Core NOI after Capex growth

Approx. **\$250 million** of annual retained cash flow

**95.9%** Same-Home 1Q 2018 ending occupancy percentage

Average property age of **15 years** <sup>(1)</sup>



~ **1,200 employees**, <sup>(1)</sup> of which over 800 are field based or delivering customer service



**\$10.7 billion** total market capitalization <sup>(1)</sup>

Best-in-class call center and **proprietary technology**

Net debt to TTM Adjusted EBITDA of **5.1x** <sup>(1)</sup>

(1) As of March 31, 2018

# The AMH Strategy

## OPERATIONS STRATEGY

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- Optimize AMH's differentiated operating platform
- Balance centralized control and oversight, with local office touch
- Enhance operating efficiencies with innovative and proprietary technology solutions
- Management and execution of all stages of operational lifecycle with AMH internal personnel

## GROWTH STRATEGY

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- Accretively expand portfolio by investing in AMH's high growth markets and well diversified portfolio footprint
- Focus on high quality properties in desirable neighborhoods and highly rated school districts to attract ideal tenant profile: (1) high credit quality, (2) propensity to stay longer and (3) mentality to care for property as their "home"
- AMH Development and National Builder Programs add superior quality "built for rental" homes with highly attractive risk adjusted returns
- Opportunistic traditional foreclosure auction / MLS acquisition program

## BALANCE SHEET STRATEGY

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- Utilize investment grade cost of capital advantage over SFR peers
- Maintain flexible and conservative balance sheet, while optimizing capital stack
- Accretively reinvest retained cash flow into external growth initiatives

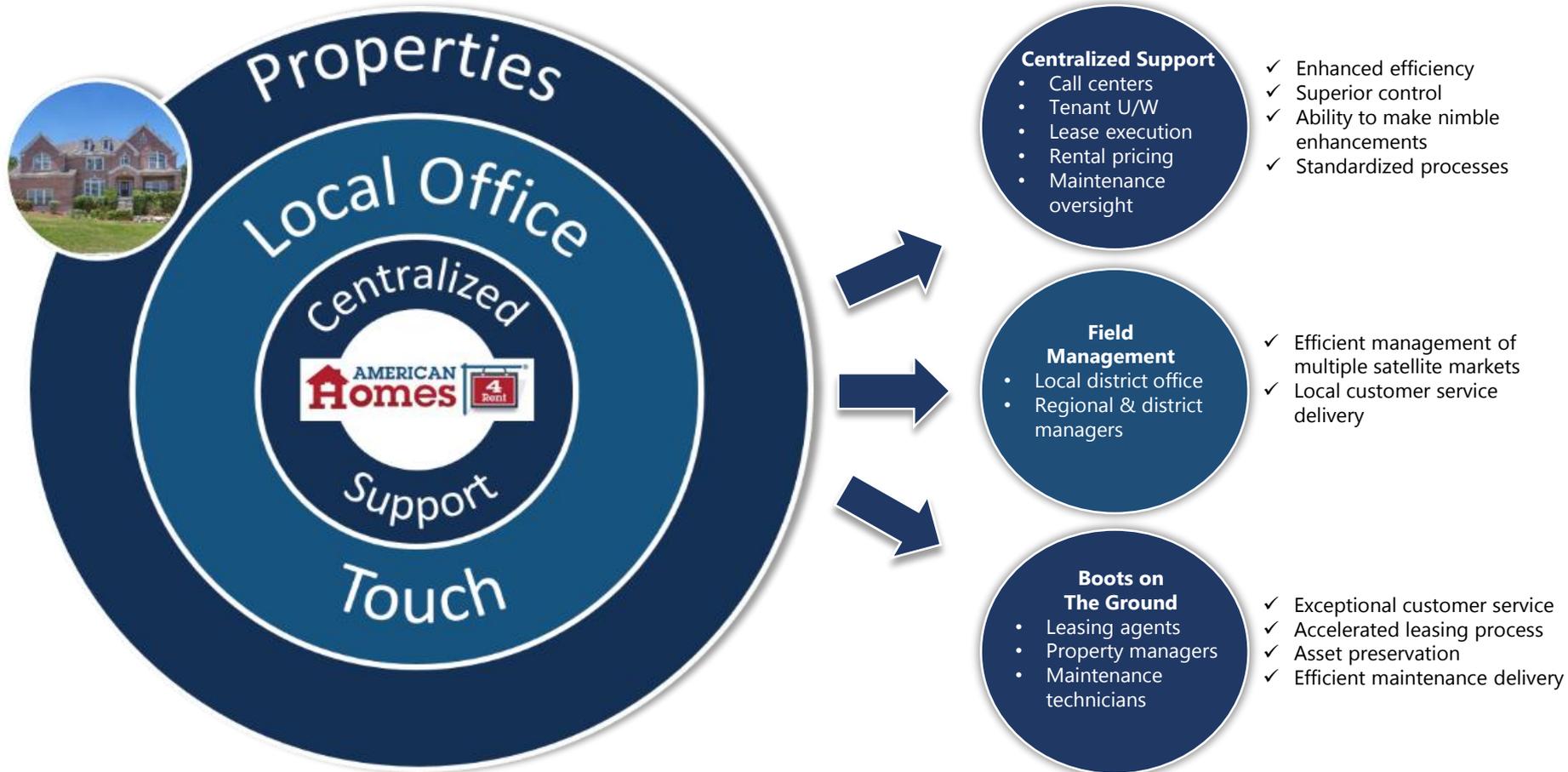
## SHAREHOLDER VALUE

- Industry leading cash flow margins and long-term operating advantage
- Strong Same-Home Core NOI after Capex growth of 6.2% and 12.1% for FY 2017 and FY 2016, respectively
- Alignment of interests with AMH founder and senior management who hold approximately \$1.8 billion of equity ownership<sup>(1)</sup>

(1) Based on closing stock price of \$20.08 on Friday, March 30, 2018. Common equity includes common shares and operating partnership units that are convertible into common shares.

# The AMH Operating Approach

Centralized approach differentiates AMH operating efficiency



# How we Invest

## 2018 Acquisition Outlook

- Expect to complete \$400 to \$600 million of total acquisitions comprised of the following channels:
  - ~ \$200 million in Traditional Foreclosure Auction/MLS purchases
  - ~ \$300 million from National Builder Program & AMH Development
- Bulk/Portfolio opportunities would be in addition to above channels

### Foreclosure Auction/MLS

- AMH personnel underwrite and inspect all homes acquired through foreclosure auction & MLS
- Create value through discount to replacement cost & renovations
- Additional scale leverages highly efficient operating platform
- 5% to 6% economic yields after CapEx

### Built for Rental

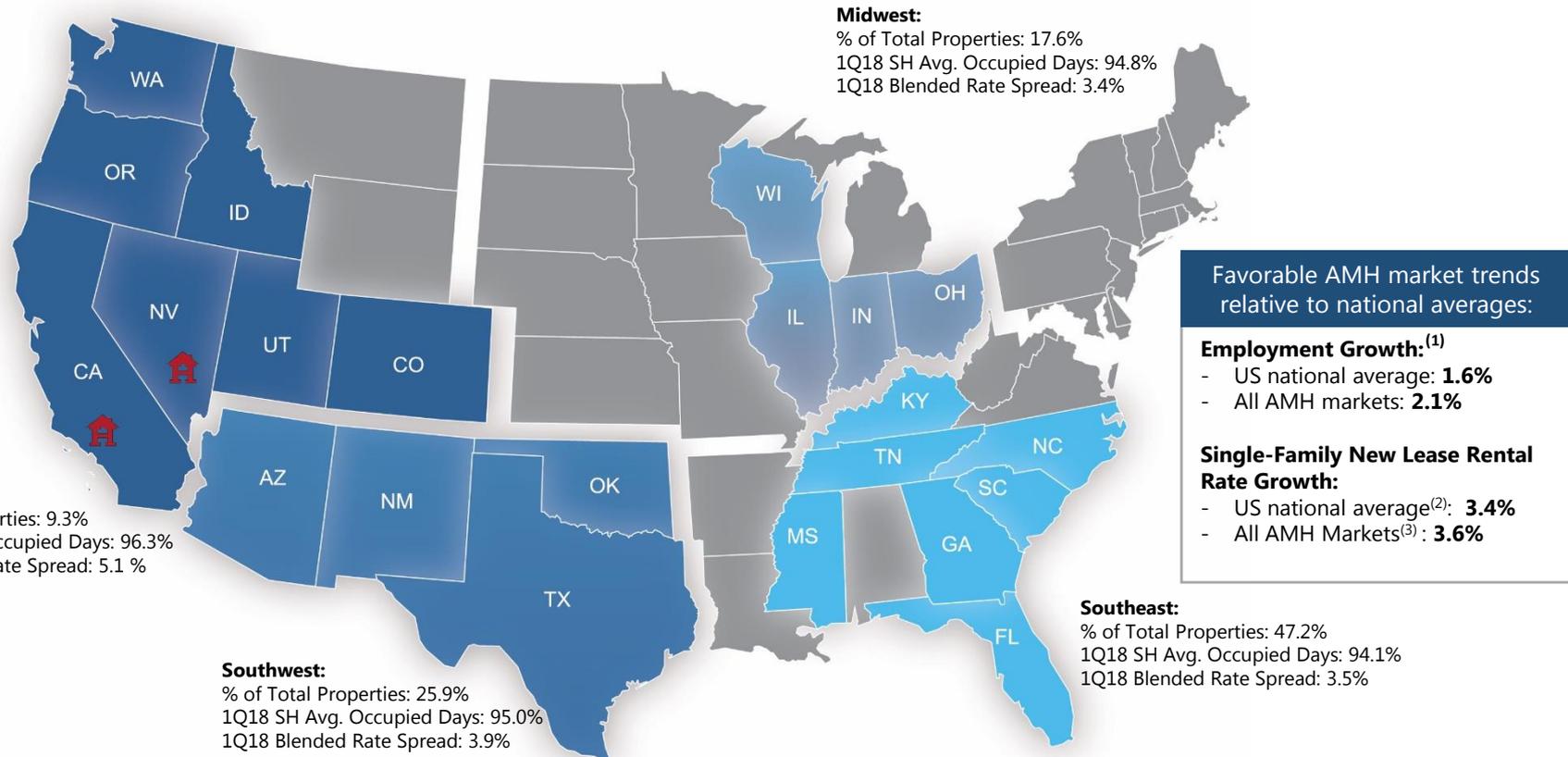
- Consists of: National Builder Program & AMH Development
- Newly built homes expected to have rental premium and lower expenditure levels
- Minimal development risk
- Premium stabilized investment returns: National Builder Program 50 bps yield premium, AMH Development 100+ bps yield premium

### Bulk/Portfolio Opportunities

- Further leverage mature and scalable operating platform
- Accretive cost synergy opportunities
- Integration risk mitigated by successful track record of portfolio acquisitions
- Bullish view on consolidation opportunities, but timing will be lumpy and unpredictable

# Where We Invest

Diversified footprint, comprised of high growth markets, ideally positioned for long-term sustainable growth and portfolio optimization flexibility



Note: Total properties percentage based on counts as of March 31, 2018.

(1) Source: Bureau of Labor Statistics March 2018

(2) Source: JBREC Single Family Rent Index for the twelve months ended March 2018

(3) Actual new lease rental rate spreads as reported by the Company for the three months ended March 2018

# Operational Update

## Record High Occupancy Levels

- Strong demand & AMH initiative to increase occupancy drove 1Q18 leasing performance
- Highest ever reported Same-Home occupancy of 95.9% at Mar-2018
- Occupancy remains strong: **Same-Home occupancy** of 96.1% at Apr-2018 and **96.3%** at **May-2018**

## Strong Pricing Power

- High occupancy + spring leasing season = pricing power
- Maintained strong 1Q18 blended rate growth of 3.7%, while absorbing excess inventory
- Rental rate growth accelerating:
  - Apr-2018 blended spreads of 4.8% and new lease spreads of nearly 7%
  - **May-2018 blended spreads** of **5.2%** and **new lease spreads** of nearly **7%**

## Expenditures On-Track With Guidance

- 1Q18 expenditures elevated on non-comparable costs and cosmetic investments to stimulate leasing activity
- Full year expenditure guidance on track, as cosmetic investments ramp down mid 2Q18, vacant carrying costs decrease and expenditure efficiency initiatives continue

## 2018 Same-Home Outlook <sup>(1)</sup>

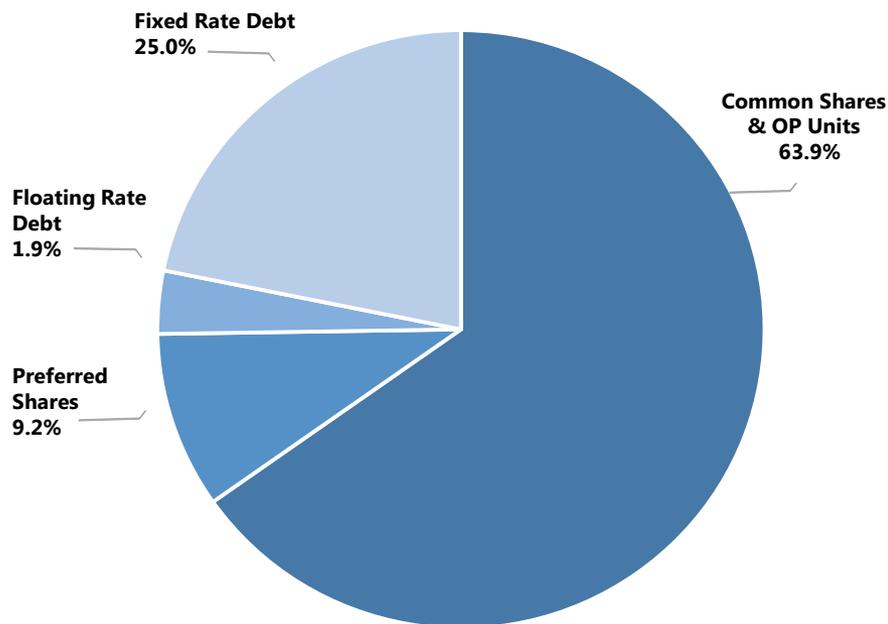
Average Occupied Days Percentage	94.5% - 95.5%
Core revenues growth	3.5% - 4.5%
Core property operating expense growth	4.0% - 5.0%
Core NOI after Capital Expenditures growth	3.0% - 4.0%
Core NOI margin	64.0% - 65.0%
Property tax expense growth	3.5% - 4.5%
Average R&M and turnover costs, net, plus Recurring Capital Expenditures per property	\$1,950 - \$2,100



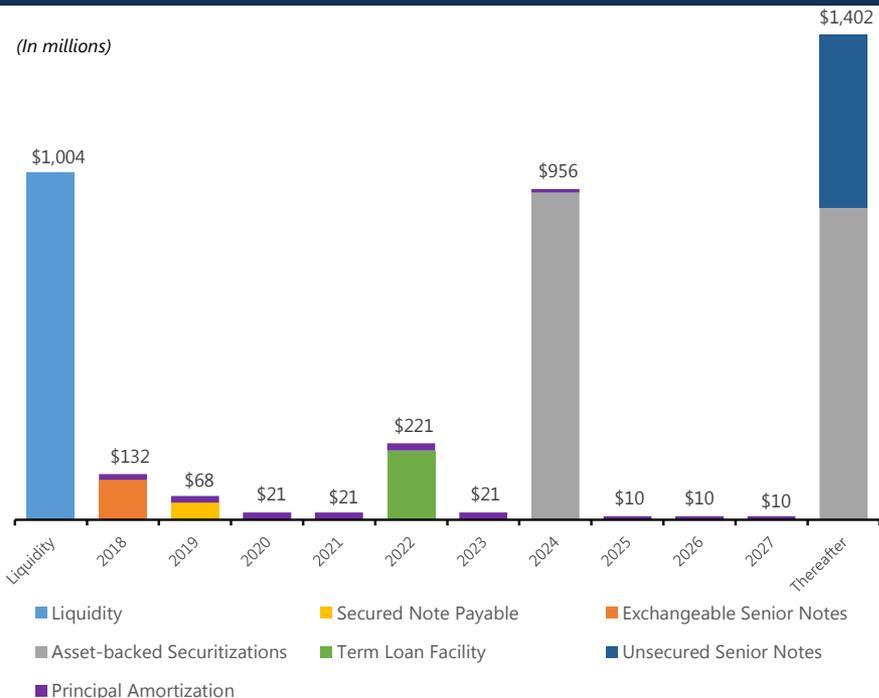
(1) Refer to Slide 22 for 2018 Same-Home Outlook disclosure

# Investment Grade Balance Sheet

## Capital Structure



## Debt Maturity Schedule



## Credit Ratings & Ratios

Moody's Investor Service  
S&P Global Ratings

Baa3 / (Stable)  
BBB- / (Stable)

Net debt to Adjusted EBITDA 5.1x  
Debt and preferred shares to Adjusted EBITDA 7.6x  
Fixed charge coverage 3.0x  
Unencumbered Core NOI percentage 63.4%

## Balance Sheet Philosophy

- ✓ Maintain flexible investment grade balance sheet with diverse access to capital
- ✓ Continue optimizing capital stack and utilize investment grade rating to reduce cost of capital
- ✓ Expand sources of available capital as the Company and the SFR sector evolves and matures
- ✓ Prudent retention of operating cash flow

Note: Refer to Defined Terms and Non-GAAP Reconciliations in the Appendix, as well as the 1Q18 Supplemental Information Package, for definitions of metrics and reconciliations to GAAP.

# Strong Same-Home Performance

(Amounts in thousands, except property data)	1Q17	2Q17	3Q17	4Q17	1Q18
Number of Same-Home properties	38,828	38,828	38,828	38,828	38,828
Rents from single-family properties	\$ 165,728	\$ 167,350	\$ 167,585	\$ 168,910	\$ 171,312
Fees from single-family properties	1,992	2,077	2,222	1,976	1,990
Bad debt	(1,197)	(1,059)	(1,863)	(1,649)	(1,538)
<b>Core revenues</b> <sup>1</sup>	<b>\$ 166,523</b>	<b>\$ 168,368</b>	<b>\$ 167,944</b>	<b>\$ 169,237</b>	<b>\$ 171,764</b>
R&M and turnover costs, net	9,600	12,489	14,331	11,525	13,645
Property tax, insurance and HOA fees, net	34,381	34,127	34,153	34,689	34,898
Property management, net	12,651	12,824	12,582	12,321	13,373
<b>Core property operating expenses</b>	<b>\$ 56,632</b>	<b>\$ 59,440</b>	<b>\$ 61,066</b>	<b>\$ 58,535</b>	<b>\$ 61,916</b>
<b>Core net operating income ("Core NOI")</b> <sup>2</sup>	<b>109,891</b>	<b>108,928</b>	<b>106,878</b>	<b>110,702</b>	<b>109,848</b>
Core NOI margin	66.0%	64.7%	63.6%	65.4%	64.0%
Recurring Capital expenditures	5,336	6,983	8,413	5,941	6,054
<b>Core NOI after Capital Expenditures</b> <sup>3</sup>	<b>\$ 104,555</b>	<b>\$ 101,945</b>	<b>\$ 98,465</b>	<b>\$ 104,761</b>	<b>\$ 103,794</b>
Property Enhancing Capex – Resilient flooring	\$ --	\$ 606	\$ 1,016	\$ 1,524	\$ 1,337
<b>YOY growth in quarterly Core NOI after capex</b> <sup>(1) 3</sup>	<b>9.0%</b>	<b>7.4%</b>	<b>5.5%</b>	<b>1.5%</b>	<b>(0.7%)</b>
<b>Average R&amp;M, turnover, in-house maintenance and Recurring Capital Expenditures per property</b> <sup>4</sup>	<b>\$ 384</b>	<b>\$ 502</b>	<b>\$ 586</b>	<b>\$ 449</b>	<b>\$ 508</b>
					<b>Σ \$ 2,045</b>

## Operating Highlights

<sup>1</sup> Increasing revenues driven by solid rental rate increases and strong stabilized occupancy levels

<sup>2</sup> Platform maturation and continued expense controls lead to growing cash flows

<sup>3</sup> Strong twelve month Y-o-Y growth in Core NOI after capex

<sup>4</sup> Long-term sustainable expenditure levels resulting from platform maturation and operating efficiencies

Note: Refer to Defined Terms and Non-GAAP Reconciliations in the Appendix for definitions of metrics and reconciliations to GAAP.

(1) Year-over-year percentage growth comparisons based on quarterly same-home populations presented in the Company's supplemental for the respective period.

# Industry Leading Efficiency Metrics

<i>(Dollars in thousands)</i>	1Q17	2Q17	3Q17	4Q17	1Q18
<b>Adjusted EBITDA Margins</b>					
Total revenues, excluding tenant charge-backs	\$ 205,381	\$ 209,626	\$ 210,742	\$ 214,569	\$ 222,197
Property operating expenses, net	( 56,393)	( 59,715)	(63,110)	( 60,929)	( 66,353)
Property management expenses, net	( 15,600)	( 15,875)	( 15,770)	( 15,664)	( 17,437)
General & administrative expenses, net	( 8,774)	( 8,229)	( 7,826)	( 7,340)	(8,633)
Other expenses, net	( 629)	199	14	91	(127)
Adjusted EBITDA	\$ 123,985	\$ 126,006	\$ 124,050	\$ 130,727	\$ 129,647
<b>Margin</b>	<b>60.4 %</b>	<b>60.1 %</b>	<b>58.9 %</b>	<b>60.9 %</b>	<b>58.3 %</b>
Recurring Capital Expenditures	( 6,397)	( 8,342)	( 10,316)	( 7,501)	( 7,386)
Leasing costs	( 1,482)	( 1,919)	( 1,960)	( 2,029)	( 2,723)
Adjusted EBITDA after Capex & Leasing Costs	\$ 116,106	\$ 115,745	\$ 111,774	\$ 121,197	\$ 119,538
<b>Margin</b>	<b>56.5 %</b>	<b>55.2 %</b>	<b>53.0 %</b>	<b>56.5 %</b>	<b>53.8 %</b>
<b>Platform Efficiency Percentage</b>					
Rents & fees from single-family properties	\$ 203,711	\$ 207,338	\$ 210,333	\$ 213,368	\$ 220,856
Property management expenses, net	\$ 15,600	\$ 15,875	\$ 15,770	\$ 15,664	\$ 17,437
General & administrative expenses, net	8,774	8,229	7,826	7,340	8,633
Leasing costs	1,482	1,919	1,960	2,029	2,723
Total platform costs	\$ 25,856	\$ 26,023	\$ 25,556	\$ 25,033	\$ 28,793
<b>Platform Efficiency Percentage</b>	<b>12.7 %</b>	<b>12.6 %</b>	<b>12.2 %</b>	<b>11.7 %</b>	<b>13.0 %</b>

Note: Refer to Defined Terms and Non-GAAP Reconciliations in the Appendix for definitions of metrics and reconciliations to GAAP.

# Defined Terms and Non-GAAP Reconciliations

## **Average Occupied Days Percentage**

The number of days a property is occupied in the period divided by the total number of days the property is owned during the same period. This calculation excludes properties identified for future sale as part of the Company's disposition program and properties classified as held for sale.

## **Core Net Operating Income ("Core NOI") and Same-Home Core NOI After Capital Expenditures**

Core NOI, which we also present separately for our Same-Home portfolio, is a supplemental non-GAAP financial measure that we define as core revenues, which is calculated as rents and fees from single-family properties, net of bad debt expense, less core property operating expenses, which is calculated as property operating and property management expenses, excluding noncash share-based compensation expense, expenses reimbursed by tenant charge-backs and bad debt expense. A property is classified as Same-Home if it has been stabilized longer than 90 days prior to the beginning of the earliest period presented under comparison and if it has not been classified as held for sale, identified for future sale or taken out of service as a result of a casualty loss.

Core NOI also excludes (1) noncash fair value adjustments associated with remeasuring our participating preferred shares derivative liability to fair value, (2) noncash gain or loss on conversion of shares or units, (3) gain or loss on early extinguishment of debt, (4) hurricane-related charges, net, (5) gain or loss on sales of single-family properties and other, (6) depreciation and amortization, (7) acquisition fees and costs expensed incurred with business combinations and the acquisition of individual properties, (8) noncash share-based compensation expense, (9) interest expense, (10) general and administrative expense, (11) other expenses and (12) other revenues. We believe Core NOI provides useful information to investors about the operating performance of our single-family properties without the impact of certain operating expenses that are reimbursed through tenant charge-backs. We further adjust Core NOI for our Same-Home portfolio by subtracting recurring capital expenditures to calculate Same-Home Core NOI After Capital Expenditures, which we believe provides useful information to investors because it more fully reflects our operating performance after the impact of all property-level expenditures, regardless of whether they are capitalized or expensed.

Core NOI and Same-Home Core NOI After Capital Expenditures should be considered only as supplements to net income or loss as a measure of our performance and should not be used as measures of our liquidity, nor are they indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions. Additionally, these metrics should not be used as substitutes for net income or loss or net cash flows from operating activities (as computed in accordance with GAAP).

# Defined Terms and Non-GAAP Reconciliations

The following are reconciliations of core revenues, core property operating expenses, Core NOI, Same-Home Core NOI and Same-Home Core NOI After Capital Expenditures to their respective GAAP metrics for the trailing five quarters (amounts in thousands):

	For the Three Months Ended				
	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
<b>Core revenues</b>					
Total revenues	\$ 233,754	\$ 237,008	\$ 246,836	\$ 242,801	\$ 258,004
Tenant charge-backs	(28,373)	(27,382)	(36,094)	(28,232)	(35,807)
Bad debt expense	(1,510)	(1,333)	(2,299)	(2,186)	(2,000)
Other revenues	(1,670)	(2,288)	(409)	(1,201)	(1,341)
Core revenues	202,201	206,005	208,034	211,182	218,856
Less: Non-Same-Home core revenues	35,678	37,637	40,090	41,945	47,092
Same-Home core revenues	<u>\$ 166,523</u>	<u>\$ 168,368</u>	<u>\$ 167,944</u>	<u>\$ 169,237</u>	<u>\$ 171,764</u>

	For the Three Months Ended				
	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
<b>Core property operating expenses</b>					
Property operating expenses	\$ 83,305	\$ 85,954	\$ 97,944	\$ 87,871	\$ 100,987
Property management expenses	17,478	17,442	17,447	17,345	18,987
Noncash share-based compensation - property management	(417)	(424)	(417)	(391)	(377)
Expenses reimbursed by tenant charge-backs	(28,373)	(27,382)	(36,094)	(28,232)	(35,807)
Bad debt expense	(1,510)	(1,333)	(2,299)	(2,186)	(2,000)
Core property operating expenses	70,483	74,257	76,581	74,407	81,790
Less: Non-Same-Home core property operating expenses	13,851	14,817	15,515	15,872	19,874
Same-Home core property operating expenses	<u>\$ 56,632</u>	<u>\$ 59,440</u>	<u>\$ 61,066</u>	<u>\$ 58,535</u>	<u>\$ 61,916</u>

# Defined Terms and Non-GAAP Reconciliations

	For the Three Months Ended				
	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Net income	\$ 11,796	\$ 15,066	\$ 19,097	\$ 30,533	\$ 21,525
Remeasurement of participating preferred shares	5,410	1,640	(8,391)	(1,500)	(1,212)
Loss on early extinguishment of debt	-	6,555	-	-	-
Hurricane-related charges, net	-	-	10,136	(2,173)	-
Gain on sale of single-family properties and other, net	(2,026)	(2,454)	(1,895)	(451)	(2,256)
Depreciation and amortization	73,953	72,716	74,790	75,831	79,303
Acquisition fees and costs expensed	1,096	1,412	1,306	809	1,311
Noncash share-based compensation expense - property management	417	424	417	391	377
Interest expense	31,889	28,392	26,592	25,747	29,301
General and administrative expense	9,295	8,926	8,525	7,986	9,231
Other expenses	1,558	1,359	1,285	803	827
Other revenues	(1,670)	(2,288)	(409)	(1,201)	(1,341)
Tenant charge-backs	28,373	27,382	36,094	28,232	35,807
Expenses reimbursed by tenant charge-backs	(28,373)	(27,382)	(36,094)	(28,232)	(35,807)
Bad debt expense excluded from operating expenses	1,510	1,333	2,299	2,186	2,000
Bad debt expense included in revenues	(1,510)	(1,333)	(2,299)	(2,186)	(2,000)
<b>Core NOI</b>	<b>131,718</b>	<b>131,748</b>	<b>131,453</b>	<b>136,775</b>	<b>137,066</b>
Less: Non-Same-Home Core NOI	21,827	22,820	24,575	26,073	27,218
<b>Same-Home Core NOI</b>	<b>109,891</b>	<b>108,928</b>	<b>106,878</b>	<b>110,702</b>	<b>109,848</b>
Same-Home capital expenditures	5,336	6,983	8,413	5,941	6,054
<b>Same-Home Core NOI After Capital Expenditures</b>	<b>\$ 104,555</b>	<b>\$ 101,945</b>	<b>\$ 98,465</b>	<b>\$ 104,761</b>	<b>\$ 103,794</b>

# Defined Terms and Non-GAAP Reconciliations

## Credit Metrics

We present the following selected metrics because we believe they are helpful as supplemental measures in assessing the Company's ability to service its financing obligations and in evaluating balance sheet leverage against that of other real estate companies. The tables below reconcile these metrics, which are calculated in part based on several non-GAAP financial measures (amounts in thousands).

### Debt and Preferred Shares to Adjusted EBITDA

	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Total Debt	\$ 2,999,587	\$ 2,480,787	\$ 2,382,871	\$ 2,517,216	\$ 2,871,649
Preferred securities at liquidation value	975,405	1,133,781	1,259,477	986,986	987,988
Total Debt and preferred shares	\$ 3,974,992	\$ 3,614,568	\$ 3,642,348	\$ 3,504,202	\$ 3,859,637
Adjusted EBITDA - TTM	\$ 477,578	\$ 487,562	\$ 496,105	\$ 504,768	\$ 510,430
Debt and Preferred Shares to Adjusted EBITDA	8.3 x	7.4 x	7.3 x	6.9 x	7.6 x

### Fixed Charge Coverage

	For the Trailing Twelve Months Ended Mar 31, 2018
Interest expense per income statement	\$ 110,032
Less: noncash interest expense related to acquired debt	(3,609)
Less: amortization of discount, loan costs and cash flow hedge	(7,416)
Add: capitalized interest	7,489
Cash interest	106,496
Dividends on preferred shares	61,728
Fixed charges	\$ 168,224
Adjusted EBITDA	\$ 510,430
Fixed Charge Coverage	3.0 x

# Defined Terms and Non-GAAP Reconciliations

## Net Debt to Adjusted EBITDA

	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Total Debt	\$ 2,999,587	\$ 2,480,787	\$ 2,382,871	\$ 2,517,216	\$ 2,871,649
Less: cash and cash equivalents	(495,802)	(67,325)	(243,547)	(46,156)	(203,883)
Less: asset-backed securitization certificates	(25,666)	(25,666)	(25,666)	(25,666)	(25,666)
Less: restricted cash related to securitizations	(63,147)	(56,058)	(46,166)	(46,203)	(46,384)
Net debt	\$ 2,414,972	\$ 2,331,738	\$ 2,067,492	\$ 2,399,191	\$ 2,595,716
Adjusted EBITDA - TTM	\$ 477,578	\$ 487,562	\$ 496,105	\$ 504,768	\$ 510,430
Net Debt to TTM Adjusted EBITDA	5.1 x	4.8 x	4.2 x	4.8 x	5.1 x

## Unencumbered Core NOI Percentage

	For the Three Months Ended Mar 31, 2018
Unencumbered Core NOI	\$ 86,947
Core NOI	\$ 137,066
Unencumbered Core NOI Percentage	63.4%

# Defined Terms and Non-GAAP Reconciliations

## **EBITDA / Adjusted EBITDA / Adjusted EBITDA after Capex and Leasing Costs / Adjusted EBITDA Margin / Adjusted EBITDA after Capex and Leasing Costs Margin**

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. EBITDA is a non-GAAP financial measure and is used by us and others as a supplemental measure of performance. Adjusted EBITDA is a supplemental non-GAAP financial measure calculated by adjusting EBITDA for (1) acquisition fees and costs expensed incurred with business combinations and the acquisition of individual properties, (2) net gain or loss on sales / impairment of single-family properties and other, (3) noncash share-based compensation expense, (4) hurricane-related charges, net, (5) gain or loss on early extinguishment of debt, (6) gain or loss on conversion of shares and units and (7) noncash fair value adjustments associated with remeasuring our participating preferred shares derivative liability to fair value. Adjusted EBITDA after Capex and Leasing Costs is a supplemental non-GAAP financial measure calculated by adjusting Adjusted EBITDA for (1) recurring capital expenditures and (2) leasing costs. Adjusted EBITDA Margin is a supplemental non-GAAP financial measure calculated as Adjusted EBITDA divided by total revenues, net of tenant charge-backs. Adjusted EBITDA after Capex and Leasing Costs Margin is a supplemental non-GAAP financial measure calculated as Adjusted EBITDA after Capex and Leasing costs divided by total revenues, net of tenant charge-backs. We believe these metrics provide useful information to investors because they exclude the impact of various income and expense items that are not indicative of operating performance.

# Defined Terms and Non-GAAP Reconciliations

The following is a reconciliation of net income, determined in accordance with GAAP, to EBITDA, Adjusted EBITDA, Adjusted EBITDA after Capex and Leasing Costs, Adjusted EBITDA Margin and Adjusted EBITDA after Capex and Leasing Costs Margin for the trailing five quarters (amounts in thousands):

	For the Three Months Ended				
	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Net income	\$ 11,796	\$ 15,066	\$ 19,097	\$ 30,533	\$ 21,525
Interest expense	31,889	28,392	26,592	25,747	29,301
Depreciation and amortization	73,953	72,716	74,790	75,831	79,303
EBITDA	117,638	116,174	120,479	132,111	130,129
Noncash share-based compensation - general and administrative	521	697	699	646	598
Noncash share-based compensation - property management	417	424	417	391	377
Acquisition fees and costs expensed	1,096	1,412	1,306	809	1,311
Net (gain) loss on sale / impairment of single-family properties and other	(1,097)	(896)	(596)	443	(1,556)
Hurricane-related charges, net	-	-	10,136	(2,173)	-
Loss on early extinguishment of debt	-	6,555	-	-	-
Remeasurement of participating preferred shares	5,410	1,640	(8,391)	(1,500)	(1,212)
Adjusted EBITDA	\$ 123,985	\$ 126,006	\$ 124,050	\$ 130,727	\$ 129,647
Recurring capital expenditures	(6,397)	(8,342)	(10,316)	(7,501)	(7,386)
Leasing costs	(1,482)	(1,919)	(1,960)	(2,029)	(2,723)
Adjusted EBITDA after Capex and Leasing Costs	\$ 116,106	\$ 115,745	\$ 111,774	\$ 121,197	\$ 119,538
Total revenues	\$ 233,754	\$ 237,008	\$ 246,836	\$ 242,801	\$ 258,004
Less: tenant charge-backs	(28,373)	(27,382)	(36,094)	(28,232)	(35,807)
Total revenues, net of tenant charge-backs	\$ 205,381	\$ 209,626	\$ 210,742	\$ 214,569	\$ 222,197
Adjusted EBITDA Margin	60.4%	60.1%	58.9%	60.9%	58.3%
Adjusted EBITDA after Capex and Leasing Costs Margin	56.5%	55.2%	53.0%	56.5%	53.8%

# Defined Terms and Non-GAAP Reconciliations

## Platform Efficiency Percentage

Management costs, including (1) property management expenses, net of tenant charge-backs and excluding noncash share-based compensation expense, (2) general and administrative expense, excluding noncash share-based compensation expense and (3) leasing costs, as a percentage of total portfolio rents and fees.

<i>(In Thousands)</i>	For the Three Months Ended				
	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Property management expenses	\$ 17,478	\$ 17,442	\$ 17,447	\$ 17,345	\$ 18,987
Less: tenant charge-backs	(1,461)	(1,143)	(1,260)	(1,290)	(1,173)
Less: noncash share-based compensation - property management	(417)	(424)	(417)	(391)	(377)
Property management expenses, net	15,600	15,875	15,770	15,664	17,437
General and administrative expense	9,295	8,926	8,525	7,986	9,231
Less: noncash share-based compensation - general and administrative	(521)	(697)	(699)	(646)	(598)
General and administrative expense, net	8,774	8,229	7,826	7,340	8,633
Leasing costs	1,482	1,919	1,960	2,029	2,723
Platform costs	\$ 25,856	\$ 26,023	\$ 25,556	\$ 25,033	\$ 28,793
Rents from single-family properties	\$ 201,107	\$ 204,648	\$ 207,490	\$ 210,778	\$ 218,023
Fees from single-family properties	2,604	2,690	2,843	2,590	2,833
Total portfolio rents and fees	\$ 203,711	\$ 207,338	\$ 210,333	\$ 213,368	\$ 220,856
Platform Efficiency Percentage	12.7%	12.6%	12.2%	11.7%	13.0%

# Defined Terms and Non-GAAP Reconciliations

## **Property Enhancing Capex**

Includes elective capital expenditures to enhance the operating profile of a property, such as investments to increase future revenues or reduce maintenance expenditures.

## **Recurring Capital Expenditures**

For our Same-Home portfolio, includes replacement costs and other capital expenditures recorded during the period that are necessary to help preserve the value and maintain functionality of our properties. For our total portfolio, we calculate recurring capital expenditures by multiplying (a) current period actual recurring capital expenditures per Same-Home property by (b) our total number of properties, excluding non-stabilized properties, properties identified for future sale as part of the Company's disposition program and properties classified as held for sale.

## **2018 Same-Home Outlook Disclosure**

The Company does not provide guidance for the most comparable GAAP financial measures of net income or loss, total revenues and property operating expenses, or a reconciliation of the above-listed forward-looking non-GAAP financial measures to the comparable GAAP financial measures because we are unable to reasonably predict certain items contained in the GAAP measures, including non-recurring and infrequent items that are not indicative of the Company's ongoing operations. Such items include, but are not limited to, net gain or loss on sales and impairment of single-family properties, casualty loss, Non-Same-Home revenues, Non-Same-Home property operating expenses and noncash fair value adjustments associated with remeasuring our participating preferred shares derivative liability to fair value. These items are uncertain, depend on various factors and could have a material impact on our GAAP results for the guidance period.