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## Tricon Capital Group Announces Strong 2015 Results and Dividend Increase

**Toronto, Ontario – March 9, 2016** – Tricon Capital Group Inc. (“Tricon” or the “Company”, TSX:TCN), a principal investor and asset manager focused on the residential real estate industry, today announced its consolidated financial results for the three months and year ended December 31, 2015. All of the financial information presented in this news release is in U.S. dollars unless otherwise indicated.

Key highlights include:

- Increased dividend by 8.3% to six and one half cents per share per quarter in Canadian dollars (C\$0.26 on an annualized basis);
- Assets Under Management (“AUM”) increased by 22% year-over-year to \$2.7 billion (C\$3.7 billion);
- Adjusted EBITDA increased by 11% year-over-year to \$109 million (C\$139 million);
- Tricon Housing Partners closed on the Viridian separate account and made an investment in a land development project in Phoenix, AZ subsequent to year-end;
- Tricon American Homes expanded its rental portfolio by 43% to 7,193 homes, and generated a full year operating margin of 60%;
- Tricon Lifestyle Communities acquired four parks in 2015 and an additional five parks subsequent to year-end for a total of ten parks and 2,474 rental pads;
- Tricon Luxury Residences advanced on two U.S. investments and one Canadian investment, and closed a second Canadian investment subsequent to year-end.

“With 98% of our balance sheet invested in the United States and the U.S. housing recovery gaining momentum over 2015, we recorded another strong year of growth with AUM up 22% and Book Value per Basic Share increasing 16% (39% in Canadian dollars) compared to 2014,” said Gary Berman, Tricon’s President and Chief Executive Officer. “Our recent entry into purpose built multi-family rental through our Tricon Luxury Residences vertical provides us with another avenue for growth and added diversification in our housing-centric investment strategy. Looking ahead, Tricon remains exceptionally well positioned for further growth across all our verticals with a strong balance sheet, ample liquidity and the upside we believe exists in our recent investments. Our decision to increase our dividend underscores our confidence in the future and the strength in our underlying business.”

## Financial Highlights

For the Periods Ended December 31	Three Months			Twelve Months		
	2015	2014	Variance	2015	2014	Variance
<b>Selected Financial Statement Information</b>						
Net Income	US\$ 28,741	US\$ 43,810	US\$(15,069)	US\$ 58,180	US\$ 99,250	US\$ (41,070)
Basic Earnings Per Share	0.27	0.48	(0.21)	0.60	1.09	(0.49)
Diluted Earnings Per Share	0.16	0.45	(0.29)	0.59	0.95	(0.36)
<b>Selected MD&amp;A Financial Information in U.S. Dollars</b>						
Adjusted EBITDA	US\$ 24,952	US\$ 34,828	US\$ (9,876)	US\$ 108,762	US\$ 97,910	US\$ 10,852
Adjusted Net Income	14,124	25,534	(11,410)	64,251	65,480	(1,229)
Adjusted Basic Earnings Per Share	0.13	0.28	(0.15)	0.67	0.72	(0.05)
Adjusted Diluted Earnings Per Share	0.12	0.23	(0.11)	0.56	0.60	(0.04)
Assets Under Management ("AUM")				US\$2,667,864	US\$2,189,256	US\$478,608
Weighted Average Basic Shares Outstanding	107,431,917	90,729,695	16,702,222	96,488,659	90,821,117	5,667,542
Weighted Average Diluted Shares Outstanding	122,736,950	109,642,585	13,094,365	114,474,851	109,756,765	4,718,086
<b>Selected MD&amp;A Financial Information in Canadian Dollars</b>						
Adjusted EBITDA	C\$ 33,316	C\$ 39,551	C\$ (6,235)	C\$ 139,052	C\$ 108,142	C\$ 30,910
Adjusted Net Income	18,858	28,996	(10,138)	82,145	72,323	9,822
Adjusted Basic Earnings Per Share	0.17	0.32	(0.15)	0.86	0.80	0.06
Adjusted Diluted Earnings Per Share	0.16	0.26	(0.10)	0.72	0.66	0.06
Assets Under Management				3,692,324	2,484,604	1,207,720
Dividends Per Share	C\$ 0.06	C\$ 0.06	-	C\$ 0.24	C\$ 0.24	-

For the year ended December 31, 2015, Net Income as recorded in the financial statements was \$58.2 million, compared to \$99.3 million for 2014, which includes a foreign exchange gain of \$20.4 million (\$52.3 million gain in 2014), as well as a fair value loss on derivative financial instruments of \$1.3 million related to the Company's convertible debentures (\$5.0 million gain in 2014).

Assets Under Management ("AUM") increased by \$479 million, or 22%, to \$2.7 billion (C\$3.7 billion) as at December 31, 2015, compared to \$2.2 billion (C\$2.5 billion) as at December 31, 2014. Separate account investments formed in 2015, along with acquisitions and fair value adjustments of the Tricon American Homes single-family rental home portfolio, were the primary drivers of the increase.

Adjusted EBITDA increased by \$10.9 million or 11% to \$108.8 million for 2015, compared to \$97.9 million for 2014. The increase was primarily driven by higher investment income and fair value adjustments at Tricon American Homes and growth in Tricon Lifestyle Communities investment income, offset by a decrease in investment income in Tricon Housing Partners.

Adjusted Net Income, which excludes non-recurring and non-cash items, decreased by \$1.2 million or 2% to \$64.3 million for 2015, compared to \$65.5 million for 2014. Higher Total Interest Expense and Total Tax Expense in 2015 more than offset the increase in Adjusted EBITDA year-over-year.

Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share decreased by 7% to \$0.67 and \$0.56, respectively, for 2015, compared to \$0.72 and \$0.60 in 2014. In Q3 2015, the Company completed a bought deal share offering of approximately 13.2 million common shares (for gross proceeds of C\$150 million), and deployed the net proceeds into new investment opportunities that are expected to be accretive to earnings per share over time.

As a result of the strong appreciation of the U.S. dollar against the Canadian dollar over 2015, in Canadian dollar terms, AUM, Adjusted EBITDA, Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share increased 49%, 29%, 8%, and 9%, respectively, for the full year compared to 2014.

## **Operational Highlights**

### ***Principal Investments***

#### **Tricon Housing Partners (“THP”)**

THP generated \$67.6 million of cash distributions to Tricon in 2015 as investments were realized. These cash distributions contributed to a lower investment balance and lower investment income of \$26.7 million in 2015, compared to \$46.7 million in 2014. The decrease in Investment Income was also driven by lower valuation gains on investments compared to the prior year, when various projects attained significant development milestones that positively affected their valuations. Lastly, and to a lesser extent, Investment Income decreased as a result of a change in cash flow expectations due to downward business plan revisions in THP3 Canada during 2015. These decreases were offset by Investment Income stemming from newly added separate accounts and side-cars in 2014 and 2015.

During the year, THP closed a \$141.4 million investment in an existing active 2,083-acre master planned community in Dallas-Fort Worth, Texas known as Viridian. The investment was made in a new separate account through which THP committed to invest \$25.4 million and an institutional investor committed the remaining \$116.0 million.

Subsequent to year-end, THP closed on a \$15.0 million land development investment in Queen Creek, a fast growing submarket within the southeast valley of Phoenix, Arizona. The investment is being made in conjunction with a long-standing development partner of Tricon on an 85/15 ownership basis (THP/Developer).

#### **Tricon American Homes (“TAH”)**

TAH Investment Income increased by \$13.5 million or 79% to \$30.6 million for 2015, from \$17.1 million for 2014. In Q4 2015, TAH Investment Income increased by \$4.2 million or 97% to \$8.4 million, compared to \$4.3 million for Q4 2014.

The results reflect growth of 43% in the rental home portfolio to 7,193 homes as at December 31, 2015, compared to 5,030 homes as at December 31, 2014, as well as in-place occupancy improving to 88% from 84% over the same period, and rental growth of 3.1%. This was offset by an Operating Margin decrease to 60% in 2015, compared to 63% for 2014. The decrease was primarily attributable to an increase in property taxes as a percentage of revenue, to 13.8% in 2015 compared to 11.3% in 2014, as a result of owning more homes in jurisdictions with high property tax rates, such as Texas.

The fair value of the Company’s investment in TAH increased by \$51.9 million in the year ended December 31, 2015, compared to a \$33.5 million increase in 2014.

TAH expects to continue expanding its portfolio in 2016 by acquiring approximately 400 net new homes per quarter.

## **Tricon Lifestyle Communities (“TLC”)**

TLC Investment Income was \$2.3 million for the twelve months ended December 31, 2015, compared to \$0.1 million for 2014.

The increase reflects growth in the portfolio to 1,119 pads as at December 31, 2015, compared to 314 pads as at December 31, 2014, as well as improved in-place occupancy of 89% compared to 88% at year-end 2014. Operating Margin also increased to 63% in 2015, compared to 62% for the period from August 27 (when the first property was acquired) to December 31, 2014, as a result of a shift in the portfolio mix towards parks with additional utility reimbursement within their lease agreements.

On October 30, 2015, TLC acquired a portfolio of three age-restricted communities (“Springhaven”, “Brookhaven” and “Sunhaven”) in the Phoenix MSA. The portfolio comprises 34.9 acres of land and 613 residential pads, of which 87% were occupied as at December 31, 2015. All three manufactured housing communities are Park Model 55+ age-restricted communities that have the potential to be improved over time through a capital expenditure program.

On January 11, 2016, TLC purchased a portfolio of five age-restricted manufactured housing communities located in the Phoenix MSA for a total purchase price of \$34.3 million. The portfolio is comprised of 1,355 residential pads located in established residential submarkets. The five manufactured housing communities are all three-star communities with an average occupancy of 60%, total operating margin of 54% and average gross rent of \$379 per pad. TLC plans to increase occupancy and rent over time and improve the star classification through upgrading the infrastructure and amenities, improving the home quality and rebranding the communities.

This transaction increases TLC’s portfolio size to 2,474 residential pads with approximately \$85 million of Assets Under Management.

## **Tricon Luxury Residences (“TLR”)**

TLR Investment Income for the three months and twelve months ended December 31, 2015 was \$0.3 million, a result of a fair value increase recognized on The Selby, a TLR Canada project located in Toronto. At December 31, 2015, TLR valued the land of The Selby using a third-party appraisal and recorded all development expenses at cost.

On February 18, 2016, TLR Canada closed its second development opportunity in downtown Toronto, a 36-storey tower located immediately south of King Street West on Spadina Avenue. Tricon has partnered with a major Canadian pension plan to form a C\$42.7 million separate account on an 80/20 basis (Investor/Tricon).

During the second half of 2015, TLR U.S. closed two development projects located in Dallas, Texas (“The McKenzie” and “Canals at Grand Park II”). The McKenzie started construction in Q4 2015, with the demolition of existing buildings and preparation of the site for excavation. Construction of Canals at Grand Park II is expected to commence in June 2016.

These four TLR investments represent total equity commitments of \$125.8 million, including \$62.1 million from Tricon.

### ***Private Funds and Advisory***

Private Funds and Advisory AUM increased by 5% or \$54 million to \$1,175 million, compared to \$1,121 million as at December 31, 2014. The increase was attributed to the closing of two separate account investments, Viridian (THP) and The Selby (TLR), offset by distributions from maturing funds and separate account investments.

In 2015, Tricon's private investment vehicles distributed \$238.0 million to limited partners (including \$67.6 million to Tricon). Additionally, several of the Canadian investment vehicles are in harvest mode and are close to repaying all capital and generating performance fees for the Company.

Contractual Fees decreased by \$0.4 million or 2% to \$23.9 million for 2015, compared to \$24.3 million for 2014. The decrease was primarily due to lower invested capital as distributions were made to investors in legacy private investment vehicles, as well as higher one-time commitment fees in 2014. This was offset by an increase in fees received from new separate accounts and sidecars, Johnson and Tricon Development Group. In 2015, Tricon's 50.1% ownership in Johnson earned Adjusted EBITDA of \$3.0 million, or a 16% unlevered return on the initial investment.

### **Subsequent Events**

Subsequent to year-end, the Company has acquired 244,520 of its common shares under its normal-course issuer bid at a weighted average price of C\$8.18 per common share for a total purchase of C\$2.0 million.

### **Quarterly Dividend**

The Company announced a dividend of six and one half cents per share in Canadian dollars payable on April 15, 2016, to shareholders of record on March 31, 2015. This represents an increase of one half cent, or 8.3%, to the dividend that has been paid by the Company each quarter since its initial public offering.

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 5% discount from the market price. 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 Investor Information section of Tricon's website at [www.triconcapital.com](http://www.triconcapital.com).

### **Conference Call and Webcast**

Management will host a conference call at 10 a.m. ET on March 10, 2016, to discuss the Company's results. Please call 1-647-788-4901 or 1-877-201-0168 (conference ID 46300460). The conference call will also be accessible via webcast at [www.triconcapital.com](http://www.triconcapital.com) (Investor Information – Events). A replay of the conference call will be available from 1 p.m. ET on March 10, 2016 until

midnight ET on March 17, 2016. To access the replay, call 1-855-859-2056 or 404-537-3406 and use pass code 46300460.

The Company's Financial Statements and Management's Discussion and Analysis are available on Tricon's website at [www.triconcapital.com](http://www.triconcapital.com) and have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)). The financial information therein is presented in U.S. dollars.

### **About Tricon Capital Group Inc.**

Tricon is a principal investor and asset manager focused on the residential real estate industry in North America with approximately \$2.7 billion (C\$3.7 billion) of assets under management. Tricon owns, or manages on behalf of third-party investors, a portfolio of investments in land and homebuilding assets, single-family rental homes, manufactured housing communities and multi-family development projects. Our business objective is to invest for investment income and capital appreciation through our Principal Investment business and to earn fee income through our Private Funds and Advisory business. Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately \$17 billion. More information about Tricon is available at [www.triconcapital.com](http://www.triconcapital.com).

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*This news release may contain forward-looking statements relating to expected future events and financial and operating results and projections of the Company. Such statements may include statements regarding the Company's growth and investment opportunities, investment performance and ongoing cash distributions from investments, project timelines, and the pace of TAH's acquisition of single-family rental homes. 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, investee business plans, and the Company's 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](http://www.sedar.com). 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. 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.*

*In this and other earnings releases and investor conference calls, as a complement to results provided in accordance with IFRS, the Company also discloses and discusses certain non-IFRS financial measures, including but not limited to AUM, Adjusted Revenue, Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings per Share and Net Operating Income. These non-IFRS measures are further defined and discussed in Tricon's Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2015, which should be read in conjunction with this news release. Since these non-IFRS measures do not have standardized meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers. Management believes these non-IFRS measures are meaningful financial measures of operating performance. A reconciliation of net income and such non-IFRS measures is included in the Company's MD&A. These non-IFRS measures should not be construed as alternatives to net income or other financial information determined in accordance with IFRS as measures of Tricon's performance.*