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Increased Scale and Operational Improvements Drive Solid Q3 2017 Results

Toronto, Ontario - November 8, 2017 - Tricon Capital Group Inc. (TSX: TCN), a principal investor and asset manager focused on the residential real estate industry, announced today its consolidated financial results for the three and nine months ended September 30, 2017. All of the financial information presented in this news release is expressed in U.S. dollars unless otherwise indicated.

Key operational and financial highlights for Q3 2017 include:

- Net income for the quarter increased year-over-year by 144% to \$57.5 million; basic and diluted earnings per share were \$0.43 and \$0.29, representing a year-over-year increase of 105% and 71%, respectively;
- Assets under management ("AUM") increased by 51% year-over-year to \$4.7 billion (C\$5.8 billion);
- Tricon American Homes ("TAH") reported investment income of \$57.0 million, including \$35.9 million of net operating income ("NOI") and \$63.0 million of fair value gains;
- TAH's year-over-year NOI increase of 158% was driven by the completion of the Silver Bay Realty Trust Corp. ("Silver Bay") acquisition and strong operational performance, including 96.1% occupancy, 4.6% blended rent growth, a 59.9% NOI margin (61.6% excluding hurricane impact), and an 87% increase in Core FFO year-over-year;
- TAH also reported strong same home portfolio NOI growth of 11.9% year-over-year;
- Tricon Housing Partners ("THP") investment income decreased by 23% to \$4.7 million year-over-year, reflecting a reduced investment balance due to significant distributions made in 2016 and 2017;
- Tricon Lifestyle Communities ("TLC") achieved a 49% increase in NOI and a 72% increase in Core FFO year-over-year;
- Adjusted EBITDA increased by 181% year-over-year to \$95.8 million; and
- Adjusted basic earnings per share increased 121% to \$0.42 and adjusted diluted earnings per share increased 118% to \$0.37 compared to the same period in the prior year.

"Tricon delivered record earnings results for Q3 driven by the first full quarter inclusion of the Silver Bay portfolio and solid operational results throughout our business," said Gary Berman, President and CEO of Tricon Capital. "Notwithstanding seasonal factors and the impacts of the recent hurricanes, TAH produced very strong operational results as robust demand for single-family rental homes, ongoing efforts to contain controllable expenses, and enhanced scale and acquisition synergies took hold. TAH's recently announced initiatives to optimize its portfolio and balance sheet should position it well for continued expansion as we head into next year. At the same time, our THP, TLR and TLC investment verticals continue to execute on their business plans and are poised to be meaningful sources of cash flow and value creation over the near term. With nine months behind us, 2017 is shaping up to be an exceptional year of earnings growth and operational achievements."

Financial Highlights

For the periods ended September 30 (in thousands of U.S. dollars, except per share amounts)	Three months		Nine months	
	2017	2016	2017	2016
Investment income - Tricon Housing Partners	\$ 4,737	\$ 6,123	\$ 16,973	\$ 17,452
Investment income - Tricon American Homes	57,043	20,653	67,358	46,642
Investment income - Tricon Lifestyle Communities	2,262	1,496	6,194	3,377
Investment income - Tricon Luxury Residences	1,663	605	6,441	3,312
Private Funds and Advisory revenue	5,965	6,983	18,068	18,772
Net income	57,512	23,617	43,624	50,796
Basic earnings per share	0.43	0.21	0.35	0.45
Diluted earnings per share	0.29	0.17	0.34	0.39
Dividends per share	C\$ 0.065	C\$ 0.065	C\$ 0.195	C\$ 0.195
For the periods ended September 30 (in thousands of U.S. dollars, except per share amounts)	Three months		Nine months	
	2017	2016	2017	2016
Non-IFRS measures				
Adjusted EBITDA	\$ 95,794	\$ 34,063	\$ 172,753	\$ 85,157
Adjusted net income	56,910	20,994	94,140	50,578
Adjusted basic earnings per share	0.42	0.19	0.76	0.45
Adjusted diluted earnings per share	0.37	0.17	0.70	0.43
Assets under management (AUM)		\$	4,665,398	\$ 3,096,739

Tricon reported net income of \$57.5 million or \$0.43 per basic share and \$0.29 per diluted share in Q3 2017 compared to net income of \$23.6 million or \$0.21 per basic share and \$0.17 per diluted share in Q3 2016. Net income for the quarter was driven by \$57.0 million of investment income from TAH, which is a result of strong operating results and home price appreciation for a significantly larger portfolio of homes compared to last year, partly offset by transaction costs related to TAH's third securitization transaction and higher interest expense. Corporate expenses were stable year-over-year as higher compensation expense, interest expense, and unrealized foreign exchange loss (from a stronger Canadian dollar) were offset by a \$13.5 million increase in the fair value of derivatives embedded in Tricon's two convertible debentures, as Tricon's share price declined during the quarter. Net income per basic and diluted share in the current period also reflects a higher number of shares outstanding as a result of equity and convertible debenture financings completed in conjunction with the Silver Bay acquisition.

Adjusted net income increased by 171% for Q3 2017 to \$56.9 million compared to \$21.0 million in Q3 2016. Adjusted basic and diluted earnings per share increased by 121% and 118% to \$0.42 and \$0.37 compared to \$0.19 and \$0.17, respectively, in Q3 2016. The increase in adjusted net income is primarily a result of higher TAH Adjusted EBITDA, offset by higher adjusted interest expense from incremental debt at TAH as a result of the Silver Bay acquisition, as well as higher adjusted income tax expense. Adjusted net income per basic and diluted share in the current period also reflects a higher number of shares outstanding as explained above.

Investment income - Tricon Housing Partners

Investment income from THP was \$4.7 million for the quarter, a decrease of \$1.4 million compared to \$6.1 million in Q3 2016. The decrease was largely a result of lower investment income from THP1 US, which generated significant distributions during 2016 and 2017 as investments matured and capital was returned.

Investment income - Tricon American Homes

Investment income from TAH was \$57.0 million for the quarter, an increase of \$36.4 million compared to \$20.7 million in Q3 2016. The increase was driven by fair value gains of \$63.0 million (compared to \$16.5 million in Q3 2016), reflecting the addition of Silver Bay homes acquired on May 9, 2017 (which were held at cost as of June 30, 2017), along with home price appreciation of 1.2% (4.8% annualized). Additionally, TAH recorded NOI of \$35.9 million (\$36.9 million excluding hurricane impact), an increase of 158%, driven by the acquisition of 9,054 homes from Silver Bay and disciplined expense management for repairs, maintenance and turnover activities. The NOI margin for the combined portfolio was 59.9% (61.6% excluding hurricane impact) compared to 58.7% in the prior year. Core FFO of \$10.1 million for Q3 2017 was 87% higher than the prior year, driven by a larger portfolio of homes and concurrent growth in net operating income, offset by higher interest expense on the higher outstanding debt balance incurred in relation to the Silver Bay acquisition financing.

On August 25, 2017, Hurricane Harvey made landfall as a Category 4 hurricane in Houston, followed by Hurricane Irma impacting Florida and Georgia. TAH reported meaningful damage to 43 out of approximately 8,200 homes owned in Houston, Florida and Atlanta combined. Based on the assessments completed to date, TAH estimates total property damage of \$4.1 million, of which \$1.0 million was expensed in the quarter for minor damage, and expects to spend an additional \$3.1 million on hurricane-related capital expenditures in the next two quarters. These amounts do not take into account any potential insurance proceeds.

On a same home basis, NOI increased by 11.9% from Q3 2016 as a result of blended rent growth of 4.6% and an occupancy increase to 97.2% from 94.9% last year. In addition, a reduction in resident turnover to 29.2% compared to 34.1% last year helped to reduce turnover expenses. Same home NOI margin also increased to 58.6% in Q3 2017 from 58.1% in Q3 2016. These same home metrics exclude \$0.3 million of non-recurring, storm-related incremental expenses.

TAH also recently completed several transactions to refinance and optimize the portfolio of homes acquired through its merger transaction with Silver Bay. Specifically, TAH: (i) completed the sale of 1,523 non-core homes for total proceeds of approximately \$153 million; (ii) entered into a new \$347.6 million five-year term loan facility with Morgan Stanley Asset Funding Inc.; (iii) repaid all amounts outstanding under its floating rate securitized loan entered into in 2015; (iv) amended and restated its existing warehouse credit facility; and (v) completed a \$463 million single-family rental securitization transaction. Details of these transactions were disclosed in news releases issued on August 23 and October 24, 2017.

Investment Income - Tricon Lifestyle Communities

Investment income from TLC was \$2.3 million for the quarter, an increase of \$0.8 million compared to \$1.5 million in Q3 2016. NOI increased by 49% to \$1.9 million, as the portfolio expanded to 14 properties compared to eleven properties in Q3 2016. The increase in NOI was partially offset by higher interest expense from incremental financing associated with the property acquisitions. Core FFO for TLC was \$0.8 million, a 72% increase over the prior-year period. Tricon announced its intention to exit the TLC vertical as part of its business simplification strategy in Q1 2017. TLC has seen a significant level of buyer interest since the announcement and expects to conduct an orderly sales process in the first half of 2018.

Investment Income - Tricon Luxury Residences

Investment income from TLR was \$1.7 million for the quarter, an increase of \$1.1 million from Q3 2016. The investment income for Q3 2017 is mainly attributable to foreign exchange gains in TLR Canada due to the strengthening Canadian dollar. In Q1 2017, Tricon announced its intention to exit the TLR U.S. vertical as part of its business simplification strategy, and intends to monetize its interest in the two U.S. projects held as principal investments once they are completed and stabilized in the next 12 to 24 months.

Private Funds and Advisory

Revenue from Private Funds and Advisory (including contractual fees, general partner distributions and performance fees) for Q3 2017 was \$6.0 million, a \$1.0 million decrease from Q3 2016. Management fees decreased by \$0.5 million because of reduced fee revenue from THP1 US and THP2 US, as distributions from the funds resulted in lower investment balances. In addition, fee revenue from The Johnson Companies decreased by \$0.3 million year-over-year.

as stronger lot sales were more than offset by a change in sales mix toward smaller lots intended for entry-level homes, which in turn generated lower fees. Johnson's Houston communities experienced a brief downturn in third-party home sales activity as a result of Hurricane Harvey but very little to no direct damage at its THP-owned communities.

Quarterly Dividend and Subsequent Events

The Company announced a dividend of six and one half cents per share in Canadian dollars payable on or after January 15, 2018 to shareholders of record on December 31, 2017.

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 3% 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 Investor Information section of Tricon's website at www.triconcapital.com.

On October 4, 2017, the Company announced that the Toronto Stock Exchange approved its notice of intention to make a normal course issuer bid to repurchase up to 2,700,000 of its common shares during the twelve-month period from October 6, 2017 to October 5, 2018. Subsequent to quarter-end, the Company repurchased 941,400 of its common shares for C\$9.9 million.

Conference Call and Webcast

Management will host a conference call at 10 a.m. ET on Thursday, November 9, 2017 to discuss the Company's results. Please call (647) 427-2311 or (866) 521-4909 (conference ID # 95451674). The conference call will also be accessible via webcast, and a supplementary conference call presentation will be provided at www.triconcapital.com (Investor Information - Events). A replay of the conference call will be available from 1 p.m. ET on November 9, 2017 until midnight ET on November 16, 2017. To access the replay, call 1 (800) 585-8367 or (416) 621-4642 and use pass code 95451674.

The Company's Financial Statements and Management's Discussion and Analysis for the three and nine months ended September 30, 2017 are available on Tricon's website at www.triconcapital.com and have been filed on SEDAR (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 \$4.7 billion (C\$5.8 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 purpose-built rental apartments. 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 \$19 billion. More information about Tricon is available at 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 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. 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.

The Company has included herein certain supplemental measures of key performance, including, but not limited to, adjusted EBITDA, adjusted net income and adjusted earnings per share ("EPS"), as well as certain key indicators of the performance of our investees. We utilize these measures in managing our business, including performance measurement and capital allocation, and believe 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 6 and 7 of the Company's MD&A for the three and nine months ended September 30, 2017.