NEWS RELEASE

Invitation Homes Reports First Quarter 2022 Results

4/27/2022

DALLAS--(BUSINESS WIRE)-- Invitation Homes Inc. (NYSE: INVH) ("Invitation Homes" or the "Company"), the nation's premier single-family home leasing company, today announced its Q1 2022 financial and operating results.

First Quarter 2022 Highlights

- Year over year, total revenues increased 12.0% to $532 million, property operating and maintenance costs increased 8.3% to $182 million, net income available to common stockholders increased 61.3% to $92 million, and net income per diluted common share increased 51.0% to $0.15.
- Year over year, Core FFO per share increased 13.5% to $0.40, and AFFO per share increased 11.9% to $0.35.
- Same Store NOI increased 11.7% year over year on 9.4% Same Store Core Revenues growth and 4.5% Same Store Core Operating Expenses growth.
- Same Store Average Occupancy was 98.1%, down 30 basis points year over year.
- Same Store new lease rent growth of 14.8% and Same Store renewal rent growth of 9.7% drove Same Store blended rent growth of 10.9%, up 550 basis points year over year.
- Acquisitions by the Company and the Company's joint ventures totaled 822 homes for $341 million while dispositions totaled 147 homes for $54 million.
- As previously announced, the Company priced a public offering on March 25, 2022 of $600 million aggregate principal amount of 4.150% senior notes due in 2032 (the "Notes"). The Notes were priced at 99.739% of the principal amount and will mature on April 15, 2032. The offering closed subsequent to quarter end on April 5, 2022, with net proceeds used primarily to voluntarily prepay secured indebtedness and for general corporate purposes.
- As previously announced, the Company entered into an agreement with Rockpoint Group, L.L.C. (“Rockpoint”) in March 2022 to form a new joint venture partnership that will acquire homes in premium locations and at higher price points relative to the homes currently targeted by the Company and its previous venture with

Rockpoint. As of March 31, 2022, the new joint venture had not yet acquired any homes.

President & Chief Executive Officer Dallas Tanner comments:

"Our solid momentum continued through the start of this year with strong operating results and growth. Demand for our high-quality, well-located homes remains robust and continues to outpace available supply in our markets. These factors, combined with our premier resident experience, have contributed to record-high retention across our portfolio, and demonstrate to us that the choice and flexibility we offer our residents is highly desired. We believe our 10-year history of offering best-in-class service and continuously improving the resident experience has contributed significantly toward our outperformance, and we remain confident in our outlook and ability to execute throughout the year."

Financial Results

Net Income, FFO, Core FFO, and AFFO Per Share — Diluted(1)	Q1 2022	Q1 2021
Net income	$ 0.15	$ 0.10
FFO	0.38	0.32
Core FFO	0.40	0.36
AFFO	0.35	0.31

(1) See "Reconciliation of FFO, Core FFO, and AFFO," footnotes (1) and (2), for details on the treatment of convertible notes in each specific period presented in the table.

Net Income

Net income per share for Q1 2022 was $0.15, compared to net income per share of $0.10 for Q1 2021. Total revenues and total property operating and maintenance expenses for Q1 2022 were $532 million and $182 million, respectively, compared to $475 million and $168 million, respectively, for Q1 2021.

Core FFO

Year over year, Core FFO per share for Q1 2022 increased 13.5% to $0.40, primarily due to NOI growth and interest expense savings.

AFFO

Year over year, AFFO per share for Q1 2022 increased 11.9% to $0.35, primarily due to the increase in Core FFO per share described above.

Operating Results

Same Store Operating Results Snapshot

Number of homes in Same Store Portfolio:	75,493	
	Q1 2022	Q1 2021
Core Revenues growth (year over year)	9.4 %	
Core Operating Expenses growth (year over year)	4.5 %	
NOI growth (year over year)	11.7 %	
Average Occupancy	98.1 %	98.4 %
Bad debt % of gross rental revenues (1)	1.9 %	2.2 %
Turnover Rate	4.6 %	5.4 %
Rental Rate Growth (lease-over-lease):		
Renewals	9.7 %	4.3 %
New leases	14.8 %	8.0 %
Blended	10.9 %	5.4 %

(1) Invitation Homes reserves residents' accounts receivables balances that are aged greater than 30 days as bad debt, under the rationale that a resident's security deposit should cover approximately the first 30 days of receivables. For all resident receivables balances aged greater than 30 days, the amount reserved as bad debt is 100% of outstanding receivables from the resident, less the amount of the resident's security deposit on hand. For the purpose of determining age of receivables, charges are considered to be due based on the terms of the original lease, not based on a payment plan if one is in place. All rental revenues and other property income, in both Total Portfolio and Same Store Portfolio presentations, are reflected net of bad debt.

Revenue Collections Update

Revenues collected % of revenues due: (1)	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Pre-COVID Average (2)
Revenues collected in same month billed	91 %	92 %	92 %	92 %	96 %
Late collections of prior month billings	6 %	6 %	5 %	6 %	3 %
Total collections	97 %	98 %	97 %	98 %	99 %

(1) Includes both rental revenues and other property income. Rent is considered to be due based on the terms of the original lease, not based on a payment plan if one is in place. Security deposits retained to offset rents due are not included as revenue collected. See "Same Store Operating Results Snapshot," footnote (1), for detail on the Company's bad debt policy.
(2) Represents the period from October 2019 to March 2020.

Same Store NOI

For the Same Store Portfolio of 75,493 homes, Same Store NOI for Q1 2022 increased 11.7% year over year on Same Store Core Revenues growth of 9.4% and Same Store Core Operating Expenses growth of 4.5%.

Same Store Core Revenues

Same Store Core Revenues growth for Q1 2022 of 9.4% year over year was driven by a 8.3% increase in Average Monthly Rent, a 30 basis points year over year improvement in bad debt as a percentage of gross rental revenue, and a 47.1% increase in other income, net of resident recoveries.

Same Store Core Operating Expenses

Same Store Core Operating Expenses for Q1 2022 increased 4.5% year over year, driven by a 4.1% increase in Same Store fixed expense, an 18.9% increase in repairs and maintenance expense, net of resident recoveries, and a 11.8% increase in utilities and property administrative expenses, net of resident recoveries, partially offset by a 12.4% decline in turnover expenses, net of resident recoveries.

Investment Management Activity

Acquisitions for Q1 2022 totaled 822 homes for $341 million through diversified acquisition channels. This included 518 wholly owned homes for $218 million in addition to 304 homes for $123 million in the Company's joint ventures. Dispositions for Q1 2022 included 141 wholly owned homes for gross proceeds of $52 million and six homes for gross proceeds of $2 million in one of the Company's joint ventures.

As previously announced, the Company entered into an agreement with Rockpoint to form a new joint venture partnership (the "2022 Rockpoint JV") that will acquire homes in premium locations and at higher price points relative to the homes currently targeted by the Company and its previous venture with Rockpoint that the two companies announced in October 2020 (the "2020 Rockpoint JV"). The 2022 Rockpoint JV will be capitalized with a total equity commitment of $300 million, of which $50 million (16.7%) will be committed by Invitation Homes and $250 million (83.3%) will be committed by Rockpoint. A total of approximately $750 million (including debt) is expected to be deployed by the 2022 Rockpoint JV to acquire and renovate single-family homes in premium neighborhoods that command price points and rents that average 30%-60% higher than those targeted by Invitation Homes' traditional investment strategy. The 2022 Rockpoint JV will focus on top-quality submarkets within the Western US, Southeast US, Florida, and Texas. Invitation Homes will provide investment, asset management, and property management services, for which it will earn asset management and property management fees and have the opportunity to earn a promoted interest subject to certain performance thresholds. As of March 31, 2022, the 2022 Rockpoint JV had not yet acquired any homes.

As previously announced, the Company has agreed to invest $250 million with Pathway Homes, a new real estate company that provides unique opportunities for customers to identify and purchase a home whereby they are able to first lease and then, if they choose, purchase the home in the future. In addition to investing in the technology platform and homes for the startup and its real estate fund, Invitation Homes is providing maintenance and other services to all Pathway Homes. As of March 31, 2022, Invitation Homes had fully funded its $25 million capital commitment to the operating company and invested $29.7 million of its $225 million capital commitment in the real estate fund, which owned 46 homes at quarter end.

Balance Sheet and Capital Markets Activity

As of March 31, 2022, the Company had $1,467 million in available liquidity through a combination of unrestricted cash and undrawn capacity on its revolving credit facility. The Company's total indebtedness as of March 31, 2022 was $7,916 million, consisting of $4,450 million of unsecured debt and $3,466 million of secured debt. Net debt / TTM adjusted EBITDAre was 6.0x at March 31, 2022, down from 6.2x as of December 31, 2021.

During Q1 2022, the Company issued approximately 2.1 million shares of common stock under its at the market equity program at an average price of $41.02 per share. Total gross proceeds of approximately $85 million were used primarily to acquire homes. Subsequent to March 31, 2022, the Company issued approximately 0.4 million shares of common stock, generating gross proceeds of approximately $15 million in settlement of transactions in place as of March 31, 2022.

As previously announced, the Company settled on January 18, 2022, the remaining $141 million principal balance of its 3.5% Convertible Notes due January 15, 2022 (the "2022 Convertible Notes") with the issuance of an additional 6,216,261 shares of its common stock.

As previously announced, the Company priced a public offering on March 25, 2022 of $600 million aggregate principal amount of 4.150% senior notes due in 2032 (the "Notes"). The Notes were priced at 99.739% of the principal amount and will mature on April 15, 2032. The offering closed subsequent to quarter end on April 5, 2022, with net proceeds used primarily to voluntarily prepay secured indebtedness and for general corporate purposes.

Dividend

As previously announced on April 22, 2022, the Company's Board of Directors declared a quarterly cash dividend of $0.22 per share of common stock. The dividend will be paid on or before May 27, 2022, to stockholders of record as of the close of business on May 10, 2022.

FY 2022 Guidance

Full year 2022 guidance remains unchanged from initial guidance provided in February 2022, as outlined in the table below:

FY 2022 Guidance	FY 2022 Guidance
Core FFO per share — diluted	$1.62 - $1.70
AFFO per share — diluted	$1.38 - $1.46
Same Store Core Revenues growth	8.0% - 9.0%
Same Store Core Operating Expenses growth	5.5% - 6.5%
Same Store NOI growth	9.0% - 10.5%

Note: The Company does not provide guidance for the most comparable GAAP financial measures of net income (loss), total revenues, and property operating and maintenance expense, or a reconciliation of the forward-looking non-GAAP financial measures of Core FFO per share, AFFO per share, Same Store Core Revenues growth, Same Store Core Operating Expenses growth, and Same Store NOI growth to the comparable GAAP financial measures because it is 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, impairment on depreciated real estate assets, net (gain)/loss on sale of previously depreciated real estate assets, share-based compensation, casualty loss, non-Same Store revenues, and non-Same Store operating expenses. These items are uncertain, depend on various factors, and could have a material impact on the Company's GAAP results for the guidance period.

Earnings Conference Call Information

Invitation Homes has scheduled a conference call at 11:00 a.m. Eastern Time on April 28, 2022, to discuss results for the first quarter of 2022. The domestic dial-in number is 1-844-200-6205, and the international dial-in number is 1-929-526-1599. The access code is 196062. An audio webcast may be accessed at **www.invh.com**. A replay of the call will be available through May 26, 2022, and can be accessed by calling 1-866-813-9403 (domestic) or 1-929-458-6194 (international) and using the replay access code 479065, or by using the link at **www.invh.com**.

Supplemental Information

The full text of the Earnings Release and Supplemental Information referenced in this release are available on Invitation Homes' Investor Relations website at **www.invh.com**.

Glossary & Reconciliations of Non-GAAP Financial and Other Operating Measures

Financial and operating measures found in the Earnings Release and Supplemental Information include certain measures used by Invitation Homes management that are measures not defined under accounting principles generally accepted in the United States ("GAAP"). These measures are defined herein and, as applicable, reconciled to the most comparable GAAP measures.

About Invitation Homes

Invitation Homes is the nation's premier single-family home leasing company, meeting changing lifestyle demands by providing access to high-quality, updated homes with valued features such as close proximity to jobs and access to good schools. The company's mission, "Together with you, we make a house a home," reflects its commitment to providing homes where individuals and families can thrive and high-touch service that continuously enhances residents' living experiences.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which include, but are not limited to, statements related to the Company's expectations regarding the performance of the Company's business, its financial results, its liquidity and capital resources, and other non-historical statements. In some cases, you can identify these forward-looking statements by the use of words such as “outlook,” “guidance,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “projects,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties, including, among others, risks inherent to the single-family rental industry and the Company's business model, macroeconomic factors beyond the Company's control, competition in identifying and acquiring properties, competition in the leasing market for quality residents, increasing property taxes, homeowners’ association (“HOA”) fees, and insurance costs, the Company's dependence on third parties for key services, risks related to the evaluation of properties, poor resident selection and defaults and non-renewals by the Company's residents, performance of the Company's information technology systems, risks related to the Company's indebtedness, and risks related to the potential negative impact of the ongoing COVID-19 pandemic and geopolitical events on the Company’s financial condition, results of operations, cash flows, business, associates, and residents. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. The Company believes these factors include, but are not limited to, those described under Part I. Item 1A. “Risk Factors” of the Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the Securities and Exchange Commission (the "SEC"), as such factors may be updated from time to time in the Company's periodic filings with the SEC, which are accessible on the SEC’s website at **www.sec.gov**. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in the Company's other periodic filings. The forward-looking statements speak only as of the date of this press release, and the Company expressly disclaims any obligation or undertaking to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except to the extent otherwise required by law.

Consolidated Balance Sheets

($ in thousands, except shares and per share data)

	March 31, 2022 (unaudited)	December 31, 2021
Assets:		
Investments in single-family residential properties, net	$ 17,025,640	$ 16,935,322
Cash and cash equivalents	467,457	610,166
Restricted cash	215,692	208,692
Goodwill	258,207	258,207
Investments in unconsolidated joint ventures	162,433	130,395
Other assets, net	414,793	395,064
Total assets	$18,544,222	$18,537,846
Liabilities:		
Mortgage loans, net	$ 3,051,590	$ 3,055,853
Secured term loan, net	401,367	401,313
Unsecured notes, net	1,922,716	1,921,974
Term loan facility, net	2,479,935	2,478,122
Revolving facility	—	—
Convertible senior notes, net	—	141,397
Accounts payable and accrued expenses	175,553	193,633
Resident security deposits	168,008	165,167
Other liabilities	119,921	341,583
Total liabilities	8,319,090	8,699,042
Equity:		
Stockholders' equity		
Preferred stock, $0.01 par value per share, 900,000,000 shares authorized, none outstanding as of March 31, 2022 and December 31, 2021	—	—
Common stock, $0.01 par value per share, 9,000,000,000 shares authorized, 609,844,461 and 601,045,438 outstanding as of March 31, 2022 and December 31, 2021, respectively	6,098	6,010
Additional paid-in capital	11,093,786	10,873,539
Accumulated deficit	(836,494)	(794,869)
Accumulated other comprehensive loss	(80,534)	(286,938)
Total stockholders' equity	10,182,856	9,797,742
Non-controlling interests	42,276	41,062
Total equity	10,225,132	9,838,804
Total liabilities and equity	$18,544,222	$18,537,846

Consolidated Statements of Operations

($ in thousands, except shares and per share amounts)

	Q1 2022 (unaudited)	Q1 2021 (unaudited)
Revenues:		
Rental revenues	$ 483,995	$ 438,133
Other property income	46,204	36,321
Joint venture management fees	2,111	771

Total revenues	532,310	475,225
Expenses:		
Property operating and maintenance	182,269	168,373
Property management expense	20,967	15,842
General and administrative	17,639	16,950
Interest expense	74,389	83,406
Depreciation and amortization	155,796	144,501
Impairment and other	1,515	356
Total expenses	452,575	429,428
Gains (losses) on investments in equity securities, net	(3,032)	(3,140)
Other, net	594	230
Gain on sale of property, net of tax	18,026	14,484
Income (loss) from investments in unconsolidated joint ventures	(2,320)	351
Net income	93,003	57,722
Net income attributable to non-controlling interests	(388)	(355)
Net income attributable to common stockholders	92,615	57,367
Net income available to participating securities	(220)	(95)
Net income available to common stockholders — basic and diluted	$ 92,395	$ 57,272
Weighted average common shares outstanding — basic	606,410,225	567,375,502
Weighted average common shares outstanding — diluted	607,908,398	568,826,104
Net income per common share — basic	$ 0.15	$ 0.10
Net income per common share — diluted	$ 0.15	$ 0.10
Dividends declared per common share	$ 0.22	$ 0.17

Glossary and Reconciliations

Average Monthly Rent

Average monthly rent represents average monthly rental income per home for occupied properties in an identified population of homes over the measurement period, and reflects the impact of non-service rental concessions and contractual rent increases amortized over the life of the lease.

Average Occupancy

Average occupancy for an identified population of homes represents (i) the total number of days that the homes in such population were occupied during the measurement period, divided by (ii) the total number of days that the homes in such population were owned during the measurement period.

Core Operating Expenses

Core operating expenses for an identified population of homes reflect property operating and maintenance expenses, excluding any expenses recovered from residents.

Core Revenues

Core revenues for an identified population of homes reflects total revenues, net of any resident recoveries.

EBITDA, EBITDAre, and Adjusted EBITDAre

EBITDA, EBITDAre, and Adjusted EBITDAre are supplemental, non-GAAP measures often utilized to evaluate the performance of real estate companies. The Company defines EBITDA as net income or loss computed in accordance with accounting principles generally accepted in the United States (“GAAP”) before the following items: interest expense; income tax expense; depreciation and amortization; and adjustments for unconsolidated joint ventures. National Association of Real Estate Investment Trusts ("Nareit") recommends as a best practice that REITs that report an EBITDA performance measure also report EBITDAre. The Company defines EBITDAre, consistent with the Nareit definition, as EBITDA, further adjusted for gain on sale of property, net of tax and impairment on depreciated real estate investments. Adjusted EBITDAre is defined as EBITDAre before the following items: share-based compensation expense; severance; casualty (gains) losses, net; (gains) losses on investments in equity securities, net; and other income and expenses. EBITDA, EBITDAre, and Adjusted EBITDAre are used as supplemental financial performance measures by management and by external users of the Company's financial statements, such as investors and commercial banks. Set forth below is additional detail on how management uses EBITDA, EBITDAre, and Adjusted EBITDAre as measures of performance.

The GAAP measure most directly comparable to EBITDA, EBITDAre, and Adjusted EBITDAre is net income or loss. EBITDA, EBITDAre, and Adjusted EBITDAre are not used as measures of the Company's liquidity and should not be considered alternatives to net income or loss or any other measure of financial performance presented in accordance with GAAP. The Company's EBITDA, EBITDAre, and Adjusted EBITDAre may not be comparable to the EBITDA, EBITDAre, and Adjusted EBITDAre of other companies due to the fact that not all companies use the same definitions of EBITDA, EBITDAre, and Adjusted EBITDAre. Accordingly, there can be no assurance that the Company's basis for computing these non-GAAP measures is comparable with that of other companies. See below for a reconciliation of GAAP net income to EBITDA, EBITDAre, and Adjusted EBITDAre.

Funds from Operations (FFO), Core Funds from Operations (Core FFO), and Adjusted Funds from Operations (AFFO)

FFO, Core FFO, and Adjusted FFO are supplemental, non-GAAP measures often utilized to evaluate the performance of real estate companies. FFO is defined by Nareit as net income or loss (computed in accordance with GAAP) excluding gains or losses from sales of previously depreciated real estate assets, plus depreciation, amortization and impairment of real estate assets, and adjustments for unconsolidated joint ventures. In calculating per share amounts, Core FFO and AFFO reflect convertible debt securities in the form in which they were outstanding during the period.

The Company believes that FFO is a meaningful supplemental measure of the operating performance of its business because historical cost accounting for real estate assets in accordance with GAAP assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation and amortization. Because real estate values have historically risen or fallen with market conditions, management considers FFO an appropriate supplemental performance measure as it excludes historical cost depreciation and amortization, impairment on depreciated real estate investments, gains or losses related to sales of previously depreciated homes, as well non-controlling interests, from GAAP net income or loss.

The GAAP measure most directly comparable to Core FFO and Adjusted FFO is net income or loss. Core FFO and Adjusted FFO are not used as measures of the Company's liquidity and should not be considered alternatives to net income or loss or any other measure of financial performance presented in accordance with GAAP. The Company's Core FFO and Adjusted FFO may not be comparable to the Core FFO and Adjusted FFO of other companies due to the fact that not all companies use the same definition of Core FFO and Adjusted FFO. Accordingly, there can be no assurance that the Company's basis for computing this non-GAAP measures is comparable with that of other companies. See "Reconciliation of FFO, Core FFO, and Adjusted FFO" for a reconciliation of GAAP net income to FFO, Core FFO, and Adjusted FFO.

Net Operating Income (NOI)

NOI is a non-GAAP measure often used to evaluate the performance of real estate companies. The Company defines NOI for an identified population of homes as rental revenues and other property income less property operating and maintenance expense (which consists primarily of property taxes, insurance, HOA fees (when applicable), market-level personnel expenses, repairs and maintenance, leasing costs, and marketing expense). NOI excludes: interest expense; depreciation and amortization; property management expense; general and administrative expense; impairment and other; gain on sale of property, net of tax; (gains) losses on investments in equity securities, net; other income and expenses; joint venture management fees; and income from investments in unconsolidated joint ventures.

The GAAP measure most directly comparable to NOI is net income or loss. NOI is not used as a measure of liquidity and should not be considered as an alternative to net income or loss or any other measure of financial performance presented in accordance with GAAP. The Company's NOI may not be comparable to the NOI of other companies due to the fact that not all companies use the same definition of NOI. Accordingly, there can be no assurance that the Company's basis for computing this non-GAAP measure is comparable with that of other companies.

The Company believes that Same Store NOI is also a meaningful supplemental measure of the Company's operating performance for the same reasons as NOI and is further helpful to investors as it provides a more consistent measurement of the Company's performance across reporting periods by reflecting NOI for homes in its Same Store Portfolio.

See below for a reconciliation of GAAP net income to NOI for the Company's total portfolio and NOI for its Same Store Portfolio.

Recurring Capital Expenditures or Recurring CapEx

Recurring Capital Expenditures or Recurring CapEx represents general replacements and expenditures required to preserve and maintain the value and functionality of a home and its systems as a single-family rental.

Rental Rate Growth

Rental rate growth for any home represents the percentage difference between the monthly rent from an expiring lease and the monthly rent from the next lease, and, in each case, reflects the impact of any amortized non-service rent concessions and amortized contractual rent increases. Leases are either renewal leases, where the Company's current resident chooses to stay for a subsequent lease term, or a new lease, where the Company's previous resident moves out and a new resident signs a lease to occupy the same home.

Revenue Collections

Revenue collections represent the total cash received in a given period for rental revenues and other property income (including receipt of late payments that were billed in prior months) divided by the total amounts billed in that period. When a payment plan is in place with a resident, amounts are considered to be billed at the time they would have been billed based on the terms of the original lease, not the terms of the payment plan. "Historical average" revenue collections as a percentage of billings refer to revenue collections as a percentage of billings for the period from October 2019 through and including March 2020.

Same Store / Same Store Portfolio

Same Store or Same Store portfolio includes, for a given reporting period, wholly owned homes that have been stabilized and seasoned, excluding homes that have been sold, homes that have been identified for sale to an owner occupant and have become vacant, homes that have been deemed inoperable or significantly impaired by casualty loss events or force majeure, homes acquired in portfolio transactions that are deemed not to have undergone renovations of sufficiently similar quality and characteristics as the existing Invitation Homes Same Store portfolio, and homes in markets that the Company has announced an intent to exit where the Company no longer operates a significant number of homes.

Homes are considered stabilized if they have (i) completed an initial renovation and (ii) entered into at least one post-initial renovation lease. An acquired portfolio that is both leased and deemed to be of sufficiently similar quality and characteristics as the existing Invitation Homes Same Store portfolio may be considered stabilized at the time of acquisition.

Homes are considered to be seasoned once they have been stabilized for at least 15 months prior to January 1st of the year in which the Same Store portfolio was established.

The Company believes presenting information about the portion of its portfolio that has been fully operational for the entirety of a given reporting period and its prior year comparison period provides investors with meaningful information about the performance of the Company's comparable homes across periods and about trends in its organic business.

Total Homes / Total Portfolio

Total homes or total portfolio refers to the total number of homes owned, whether or not stabilized, and excludes any properties previously acquired in purchases that have been subsequently rescinded or vacated. Unless otherwise indicated, total homes or total portfolio refers to the wholly owned homes and excludes homes owned in joint ventures.

Turnover Rate

Turnover rate represents the number of instances that homes in an identified population become unoccupied in a given period, divided by the number of homes in such population.

Reconciliation of FFO, Core FFO, and AFFO

($ in thousands, except shares and per share amounts) (unaudited)

FFO Reconciliation	Q1 2022	Q1 2021
Net income available to common stockholders	$ 92,395	$ 57,272
Net income available to participating securities	220	95
Non-controlling interests	388	355
Depreciation and amortization on real estate assets	153,640	142,784
Impairment on depreciated real estate investments	101	431
Net gain on sale of previously depreciated investments in real estate	(18,026)	(14,484)
Depreciation and net gain on sale of investments in unconsolidated joint ventures	500	(232)
FFO	$ 229,218	$ 186,221

Core FFO Reconciliation	Q1 2022	Q1 2021
FFO	$ 229,218	$ 186,221
Non-cash interest expense, including the Company's share from unconsolidated joint ventures	6,470	8,618
Share-based compensation expense	6,646	5,814
Severance expense	18	114
Casualty (gains) losses, net	1,414	(75)
Losses on investments in equity securities, net	3,032	3,140

Core FFO	$ 246,798	$ 203,832

AFFO Reconciliation	Q1 2022	Q1 2021
Core FFO	$ 246,798	$ 203,832
Recurring capital expenditures, including the Company's share from unconsolidated joint ventures	(32,830)	(24,475)
Adjusted FFO	$ 213,968	$ 179,357
Net income available to common stockholders		
Weighted average common shares outstanding — diluted (1)	607,908,398	568,826,104
Net income per common share — diluted (1)	$ 0.15	$ 0.10
FFO		
Numerator for FFO per common share — diluted(1)	$ 229,218	$ 190,565
Weighted average common shares and OP Units outstanding — diluted (1)	610,704,093	587,813,663
FFO per share — diluted (1)	$ 0.38	$ 0.32
Core FFO and Adjusted FFO		
Weighted average common shares and OP Units outstanding — diluted (2)	610,704,093	572,667,335
Core FFO per share — diluted (2)	$ 0.40	$ 0.36
AFFO per share — diluted (2)	$ 0.35	$ 0.31

(1) On January 18, 2022, the Company settled the remaining $141 million principal balance of its 2022 Convertible Notes with the issuance of an additional 6,216,261 shares of its common stock. For the period subsequent to conversion, shares issued in connection with any settled conversions of the 2022 Convertible Notes are included within weighted shares outstanding and therefore impact diluted per share information. For the period prior to conversion, and in accordance with GAAP and Nareit guidelines, net income per share — diluted and FFO per share — diluted include the effect of shares issuable in respect of the 2022 Convertible Notes if such shares are dilutive to the calculation.

For Q1 2021 and Q1 2022, the effect of the shares issuable in respect of the 2022 Convertible Notes was anti-dilutive to net income per share and dilutive to FFO per share. As such, Q1 2021 and Q1 2022 net income per share are not adjusted for conversion of the 2022 Convertible Notes. Q1 2021 FFO per share considers the dilutive effect of the 2022 Convertible Notes by removing the related interest expense from the numerator and increasing the denominator to include shares issuable on conversion of the 2022 Convertible Notes. The effect of the 2022 Convertible Notes is not material to FFO per share for Q1 2022.

(2) Core FFO and AFFO per share reflect the 2022 Convertible Notes in the form in which they were outstanding during each period. As such, Core FFO and AFFO per share do not treat the outstanding 2022 Convertible Notes as if converted for the period prior to the January 18, 2022 conversion date.

Reconciliation of Total Revenues to Same Store Core Revenues, Quarterly

(in thousands) (unaudited)

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Total revenues (Total Portfolio)	$ 532,310	$ 520,225	$ 509,532	$ 491,633	$ 475,225
Joint venture management fees	(2,111)	(1,753)	(1,354)	(1,015)	(771)
Total portfolio resident recoveries	(28,762)	(26,967)	(27,972)	(26,076)	(24,740)
Total Core Revenues (Total Portfolio)	501,437	491,505	480,206	464,542	449,714
Non-Same Store Core Revenues	(33,569)	(30,137)	(27,818)	(25,429)	(22,116)
Same Store Core Revenues	$ 467,868	$ 461,368	$ 452,388	$ 439,113	$ 427,598

Reconciliation of Property Operating and Maintenance Expenses to Same Store Core Operating Expenses, Quarterly

(in thousands) (unaudited)

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Property operating and maintenance expenses (Total Portfolio)	$182,269	$177,883	$184,484	$175,422	$168,373
Total Portfolio resident recoveries	(28,762)	(26,967)	(27,972)	(26,076)	(24,740)
Core Operating Expenses (Total Portfolio)	153,507	150,916	156,512	149,346	143,633
Non-Same Store Core Operating Expenses	(11,418)	(9,842)	(8,737)	(8,673)	(7,605)
Same Store Core Operating Expenses	$142,089	$141,074	$147,775	$140,673	$136,028

Reconciliation of Net Income to Same Store NOI, Quarterly

(in thousands) (unaudited)

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net income available to common stockholders	$ 92,395	$ 74,476	$ 69,108	$ 60,242	$ 57,272
Net income available to participating securities	220	67	69	96	95
Non-controlling interests	388	328	318	350	355
Interest expense	74,389	79,121	79,370	80,764	83,406
Depreciation and amortization	155,796	151,660	150,694	145,280	144,501
Property management expense	20,967	20,173	17,886	17,696	16,950
General and administrative	17,639	19,668	19,369	19,828	15,842
Impairment and other	1,515	3,046	4,294	980	356
Gain on sale of property, net of tax	(18,026)	(14,558)	(13,047)	(17,919)	(14,484)
Losses on investments in equity securities, net	3,032	3,597	(4,319)	7,002	3,140
Other, net	(594)	2,654	1,508	1,903	(230)
Joint venture management fees	(2,111)	(1,753)	(1,354)	(1,015)	(771)
(Income) loss from investments in unconsolidated joint ventures	2,320	2,110	(202)	(11)	(351)
NOI (Total Portfolio)	347,930	340,589	323,694	315,196	306,081
Non-Same Store NOI	(22,151)	(20,295)	(19,081)	(16,756)	(14,511)
Same Store NOI	$ 325,779	$ 320,294	$ 304,613	$ 298,440	$ 291,570

Reconciliation of Net Income to EBITDA, EBITDAre, and Adjusted EBITDAre

(in thousands, unaudited)

			Trailing Twelve Months (TTM) Ended	
	Q1 2022	Q1 2021	March 31, 2022	December 31, 2021
Net income available to common stockholders	$ 92,395	$ 57,272	$ 296,221	$ 261,098
Net income available to participating securities	220	95	452	327
Non-controlling interests	388	355	1,384	1,351
Interest expense	74,389	83,406	313,644	322,661
Interest expense in unconsolidated joint ventures	592	74	1,727	1,209
Depreciation and amortization	155,796	144,501	603,430	592,135
Depreciation and amortization of real estate assets in unconsolidated joint ventures	638	104	1,838	1,304
EBITDA	324,418	285,807	1,218,696	1,180,085
Gain on sale of property, net of tax	(18,026)	(14,484)	(63,550)	(60,008)
Impairment on depreciated real estate investments	101	431	320	650
Net gain on sale of investments in unconsolidated joint ventures	(130)	(336)	(844)	(1,050)
EBITDAre	306,363	271,418	1,154,622	1,119,677
Share-based compensation expense	6,646	5,814	28,002	27,170
Severance	18	114	961	1,057
Casualty (gains) losses, net	1,414	(75)	9,515	8,026
(Gains) losses on investments in equity securities, net	3,032	3,140	9,312	9,420
Other, net	(594)	(230)	5,471	5,835
Adjusted EBITDAre	$316,879	$280,181	$ 1,207,883	$ 1,171,185

Reconciliation of Net Debt / Trailing Twelve Months (TTM) Adjusted EBITDAre

(in thousands, except for ratio) (unaudited)

	As of March 31, 2022	As of December 31, 2021
Mortgage loans, net	$ 3,051,590	$ 3,055,853
Secured term loan, net	401,367	401,313
Unsecured notes, net	1,922,716	1,921,974
Term loan facility, net	2,479,935	2,478,122
Revolving facility	—	—
Convertible senior notes, net	—	141,397
Total Debt per Balance Sheet	7,855,608	7,998,659
Retained and repurchased certificates	(158,908)	(159,110)
Cash, ex-security deposits and letters of credit (1)	(511,490)	(649,722)
Deferred financing costs, net	47,334	50,146
Unamortized discounts on note payable	13,143	13,605
Net Debt (A)	$ 7,245,687	$ 7,253,578
	For the Trailing Twelve Months (TTM) Ended March 31, 2022	For the Trailing Twelve Months (TTM) Ended December 31, 2021
Adjusted EBITDAre (B)	$ 1,207,883	$ 1,171,185
Net Debt / TTM Adjusted EBITDAre (A / B)	6.0x	6.2x

(1) Represents cash and cash equivalents and the portion of restricted cash that excludes security deposits and letters of credit

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