

Credit Exposure Name:	Elme Communities	Public / Private:		Servicing Category:	
iRisk Parent Name:	ELME COMMUNITIES	Headquarters:		PruScore:	
Industry:		Region:		NAIC Designation:	
Real Assets Category:		MD:		S&P; / M / Fitch:	
Stat. Country:		Team Leader:		Other Ratings:	
Economic Risk Country:		Secondary:		Unqualified Audit:	
Valuation Country:		Analyst:			

Key Credit Merits	Key Credit Risks
Moderate leverage profile	Execution risk on portfolio sale and liquidation
Stable liquidity and access to revolving credit	Refinancing and transition risk
High occupancy, diversified multifamily portfolio	Geographic concentration in DC and Atlanta

Elme Communities - Capitalization Table					
Item	Amount	PPC Holdings	Coupon	Secured	Maturity
Cash and Equivalents	7,093				
Revolving Credit Facility	175,000	-	S + 80-150	N	2028
2023 Term Loan	125,000	-	S + 95	N	2026
Senior Unsecured Notes	50,000	-	7.25%	N	2028
Senior Unsecured Notes	350,000	-	3.44%	N	2030
(Less: Unamortized Debt Issue Costs)	-1,804	-	-	N	-
Total Debt	698,196				
Book Value of Equity	1,046,193				
Book Capitalization	1,744,389				
Market Value of Equity	-				
Market Capitalization	-				
LTM Adjusted EBITDA	-				
Market Value of RE Assets	-				
Unencumbered Assets	-				
Key Financial Ratios:					
Total Debt To Adj Ebitda	-				
Unencumbered Assets To Unsecured Debt	None				
Total Debt To Market Value Of Re Assets	None				
Total Debt To Market Capitalization	-				

Elme Communities - Historical Financial Analysis (FYE 03/31)	Fiscal Year Ended					YTD		LTM
	2020	2021	2022	2023	2024	03/31/24	03/31/25	03/31/25
Revenue	294,118	169,151	209,380	227,911	241,935	4,642	4,486	241,779
% YoY Growth	-	(42.5%)	23.8%	8.9%	6.2%	-	-	-
Cost of Goods Sold	69,127	66,915	81,437	87,938	97,562	23,937	24,240	97,865
Gross Profit	224,991	102,236	127,943	139,973	144,373	(19,295)	(19,754)	143,914
% Margin	-	-	-	-	-	(415.7%)	(440.3%)	59.5%
Operating Expenses	143,981	100,194	119,980	156,697	120,904	31,139	32,468	122,233
Adjustments	130,664	72,807	98,845	140,512	105,427	29,952	26,665	102,140
Adjusted EBITDA	152,883	68,214	97,122	117,449	128,896	35,799	31,450	124,547
% Margin	-	-	-	-	-	771.2%	701.1%	59.5%
Interest Expense	37,305	34,063	24,940	30,429	37,835	9,494	9,460	37,801
Taxes	-	-	-	-	-	-	-	-
Change in Working Capital	-	-	-	-	-	(387)	(4,669)	-
Other	-	4,109	712	569	1,410	1,410	-	-
Capital Expenditures	58,317	32,459	38,256	38,626	47,602	6,313	5,559	46,848
Free Cash Flow	54,674	56,697	34,955	46,043	47,641	7,594	10,477	50,524
Acq. / Disp.	152,889	744,035	(204,433)	(107,595)	-	5,272	-	(5,272)
Change in Debt	-	-	-	-	-	-	-	-
Equity / Dividends	(96,959)	(88,984)	(58,333)	(63,838)	(63,636)	15,911	15,898	(63,649)
Other	5,080	7,114	3,334	2,924	6,796	180	236	6,852
Change in Cash	-	-	-	-	-	-	-	-
Cash - End of Period	8,303	234,220	9,852	8,538	8,609	-	-	-
Total Debt	987,370	496,946	552,359	679,345	698,953	682,539	705,061	705,061
Book Equity	1,320,787	1,316,755	1,263,488	1,154,060	1,081,797	1,136,116	1,062,922	1,062,922
Key Financial Ratios:								
EBITDA / Int. Exp.	4.10x	2.00x	3.89x	3.86x	3.41x	3.77x	3.32x	3.29x
Total Debt / EBITDA	6.46x	7.29x	5.69x	5.78x	5.42x	19.07x	22.42x	5.66x
Total Debt / Book Capital	42.8%	27.4%	30.4%	37.1%	39.3%	37.5%	39.9%	39.9%
Total Debt + Leases / EBITDA	6.46x	7.29x	5.69x	5.78x	5.42x	19.07x	22.42x	5.66x
Total Debt + Leases / Book Capital	42.8%	27.4%	30.4%	37.1%	39.3%	37.5%	39.9%	39.9%
EBITDAR / Interest + Rent	-	-	-	-	-	-	-	3.29x

Income Statement

- Investment income grew 6% in FY24, driven by strong market performance in the Washington, D.C. metro area due to favorable demand-supply dynamics (54% less construction since 3Q22) and limited availability of value-oriented housing. Same-store lease growth stood at 2.3% in FY24, with strong occupancy of 95%. Market tailwinds were offset by oversupply in the Atlanta housing market (expected to improve by FY26) and delinquency-related occupancy pressure (~2% of revenue in 4Q24 due to higher-than-expected delinquencies). These are being addressed via improved processes and eviction timelines.
- In YTD period, Elme continued to see strong investment income growth of ~3%, driven by similar market dynamics. Despite high exposure to Washington, D.C., only 7.2% of jobs are non-DoD federal agency jobs, minimizing DOGE risk.
- The Fund generated \$118.0M EBITDA in FY24, with margins contracting 130bps due to higher utility and administrative costs. EBITDA margins declined 30bps in LTM period.

Cash Flow Statement

- Elme generated strong FCF of \$47.6M in FY24 (~4% YoY growth), supported by topline growth and favorable changes in working capital, despite 24% higher capex.
- Elme completed 500 full renovations in 2024 (17% ROI) and launched Phase 1 of Wi-Fi initiative (7 communities). In Q1, 88 property renovations were completed. Elme continues capex with focus on targeting growth communities.
- No M&A; activity in FY24 or 1Q25.
- Elme paid out \$66.6M in dividends in FY24, consistent with past payouts.

Balance Sheet

- Elme maintains disciplined balance sheet with leverage of 5.9x and unencumbered portfolio.
- Fund maintains a balanced maturity schedule and ample liquidity (\$9.0M cash and \$182.0M revolver availability as of April 29, 2025).
- Ended 1Q25 with ample liquidity.
- In 3Q24, downsized bank facility from \$700M to \$500M due to non-usage; \$70M outstanding as of April 29, 2025.

ESG Factor	Risk Rating	ESG Factor	Risk Rating	ESG Factor	Risk Rating
Climate Regulation	*	Product Safety	*	Board Composition	*
Climate Change	*	Workplace Safety	*	Succession planning	*
Habitat	*	Health & Wellness	*	Data Security	*
Sustainability	*	Stakeholder Engagement	*	Labor Relations	*
Blended Score	*	Max Factor Score	*	Aggregate Risk	*
ESG Engagement	*		*		*

Comparables Analysis:

Elme Communities - Credit Comparable Analysis												
LTM								3-Year Average				
Ticker	LTM Rev (000s)	LTM EBITDA (000s)	EBITDA Mrgn %	EBITDAR		(Tot Debt + COL) EBITDAR	(Net Debt + COL) EBITDAR	(Tot Debt + COL) Tot Cap	(FCF + Rents)	3Y Avg (TD+COL) EBITDAR	3Y Avg (TD+COL) Tot Cap	3Y Avg (FCF+Ren ts) (TD+COL)
				(Int + Rents)					(Tot Debt + COL)			
Elme Communities	241779.0	80100.0	33.1%	3.12x	0.00x	-0.05x	0.00x	-	0.00x	0.00x	-	
MID AMERICA APARTMENT COMMUNITIES INC.	2197492.0	1339112.0	60.9%	7.73x	0.00x	-0.04x	0.00x	-	0.00x	0.00x	-	
CAMDEN PROPERTY TRUST	1559606.0	835758.0	53.6%	6.38x	4.47x	4.51x	0.44x	0.11x	3.35x	0.42x	0.00x	
UDR, Inc.	3365816.0	1039545.0	30.9%	1.44x	2.21x	2.17x	0.58x	0.42x	2.21x	0.55x	0.41x	
INDEPENDENCE REALTY TRUST, INC.	640406.0	255926.0	40.0%	3.42x	0.00x	-0.19x	0.00x	-	0.00x	0.00x	-	
AVERAGE	1601019.0	710088.0	43.7%	4.42x	1.34x	1.28x	0.20x	0.27x	1.11x	0.19x	0.21x	
MEDIAN	1559606.0	835758.0	40.0%	3.42x	0.00x	-0.04x	0.00x	0.27x	0.00x	0.00x	0.21x	

Elme Communities - Covenant Summary		
3/31/2025		
Term	Covenant Level	Reported
Maximum Leverage Ratio	*	*
Unconsolidated Affiliates / Total Asset Value	*	*
Total Marketable Securities, etc. / Total Asset Value	*	*
Minimum Fixed Charge Coverage Ratio	*	*
Maximum Secured Indebtedness	*	*
Maximum Unencumbered Leverage Ratio	*	*
Additional Covenants / Baskets		
Unimprovement Land / Unencumbered Pool Value	*	*
Development, JVs, etc. / Unencumbered Pool Value	*	*

Note: '*' indicates the data source for these data is yet to be configured.