

Elme Communities - Historical Financial Analysis (FYE 12/31)	Fiscal Year Ended					YTD		LTM
	2020	2021	2022	2023	2024	9/30/24	9/30/25	9/30/25
<b>Revenue</b>	<b>294,118</b>	<b>169,151</b>	<b>209,380</b>	<b>227,911</b>	<b>241,935</b>	<b>4,642</b>	<b>4,486</b>	<b>241,779</b>
% YoY Growth		-0.0%	0.0%	0.0%	0.0%			
Cost of Goods Sold	69,127	66,915	81,437	87,938	97,562	23,937	24,240	97,865
<b>Gross Profit</b>	<b>224,991</b>	<b>102,236</b>	<b>127,943</b>	<b>139,973</b>	<b>144,373</b>	<b>(19,295)</b>	<b>(19,754)</b>	<b>143,914</b>
% Margin						(0.4%)	(0.4%)	0.1%
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
<b>Adjusted EBITDA</b>	<b>152,883</b>	<b>68,214</b>	<b>97,122</b>	<b>117,449</b>	<b>128,896</b>	<b>35,799</b>	<b>31,450</b>	<b>124,547</b>
% Margin						0.8%	0.7%	0.1%
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	0	4,109	712	569	1,410	1,410	0	0
Capital Expenditures	58,317	32,459	38,256	38,626	47,602	6,313	5,559	46,848
<b>Free Cash Flow</b>	<b>54,674</b>	<b>56,697</b>	<b>34,955</b>	<b>46,043</b>	<b>47,641</b>	<b>7,594</b>	<b>10,477</b>	<b>50,524</b>
Acq. / Disp.	152,889	744,035	(204,433)	(107,595)	0	5,272	0	(5,272)
Change in Debt	0	0	0	0	0			
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
<b>Change in Cash</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			
<b>Cash - End of Period</b>	<b>8,303</b>	<b>234,220</b>	<b>9,852</b>	<b>8,538</b>	<b>8,609</b>			
<b>Total Debt</b>	<b>987,370</b>	<b>496,946</b>	<b>552,359</b>	<b>679,345</b>	<b>698,953</b>	<b>682,539</b>	<b>705,061</b>	<b>705,061</b>
<b>Book Equity</b>	<b>1,320,787</b>	<b>1,316,755</b>	<b>1,263,488</b>	<b>1,154,060</b>	<b>1,081,797</b>	<b>1,136,116</b>	<b>1,062,922</b>	<b>1,062,922</b>
<b>Key Financial Ratios:</b>								
EBITDA / Int. Exp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Debt / EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Debt / Book Capital	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
Total Debt + Leases / EBITDA	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
Total Debt + Leases / Book Capital	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
EBITDAR / Interest + Rent								0.0

## 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.

### Comparables Analysis:

Elme Communities - Credit Comparable Analysis											
LTM								3-Year Average			
Ticker	LTM Rev	LTM EBTDA	EBTDA Mrgn %	EBTDAR				(FCF + Rents)	3Y Avg (TD+COL) EBTDA	3Y Avg (TD+COL) Tot Cap	3Y Avg (FCF+Rents) (TD+COL)
				(Int + Rents)	(Tot Debt + COL) EBTDA	(Net Debt + COL) EBTDA	(Tot Debt + COL) Tot Cap	(Tot Debt + COL)			
ELME	241779000.0	80100000.0	33.1%	3.1x	0.0x	-0.1x	0.0x	-	0.0x	0.0x	-
MAA	2197492000.0	1339112000.0	60.9%	7.7x	0.0x	-0.0x	0.0x	-	0.0x	0.0x	-
CPT	1559606000.0	835758000.0	53.6%	6.4x	4.5x	4.5x	0.4x	0.1x	3.4x	0.4x	0.0x
UDR	3365816000.0	1039545000.0	30.9%	1.4x	2.2x	2.2x	0.6x	0.4x	2.2x	0.6x	0.4x
IRT	640406000.0	255926000.0	40.0%	3.4x	0.0x	-0.2x	0.0x	-	0.0x	0.0x	-
AVERAGE	1601019800.0	710088200.0	43.7%	4.4x	1.3x	1.3x	0.2x	0.3x	1.1x	0.2x	0.2x
MEDIAN	1559606000.0	835758000.0	40.0%	3.4x	0.0x	-0.0x	0.0x	0.3x	0.0x	0.0x	0.2x