

# CAMDEN<sup>SM</sup>

Living Excellence



**Fixed Income Investor Presentation  
November 2018 Update**



# Disclaimer

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This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities and neither this presentation nor anything contained herein shall form the basis of any contract or commitment. In addition to historical information, this presentation contains forward-looking statements under the federal securities law. These statements are based on current expectations, estimates and projections about the industry and markets in which Camden (the "Company") operates, management's beliefs, and assumptions made by management. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties which are difficult to predict. Factors which may cause the Company's actual results or performance to differ materially from those contemplated by forward-looking statements are described under the heading "Risk Factors" in Camden's Annual Report on Form 10-K and in other filings with the Securities and Exchange Commission (SEC). Forward-looking statements made in this presentation represent management's opinions as of the date of this presentation, and the Company assumes no obligation to update or supplement these statements because of subsequent events.

# 3Q18 & Subsequent Highlights

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## Solid Operational Results

- Same property revenue growth + 3.1%
- Same property NOI growth + 3.8%
- FFO per diluted share of \$1.20
- AFFO per diluted share of \$1.00
- Commenced construction at Camden Buckhead, a 365-unit wholly-owned community in Atlanta, GA
- Acquired Camden Thornton Park, a 299-unit wholly-owned community in Orlando, FL

## Strong Leverage Metrics

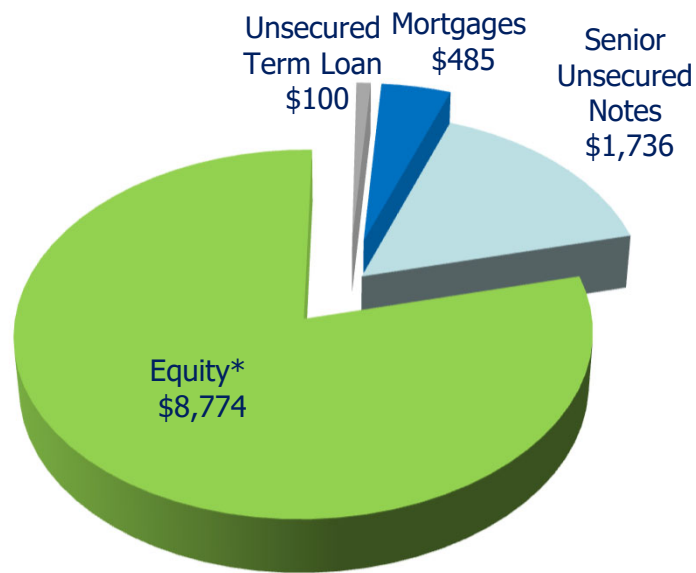
- 4.1x Net Debt-to-Annualized Adjusted EBITDA
- 5.5x Total Fixed Charge Coverage Ratio
- 4.8x Unencumbered Real Estate Assets (at Cost) to Unsecured Debt Ratio
- 10% Total Secured Debt to Total Asset Value
- Paid off \$175M Secured Floating Rate Notes & \$205M Secured Fixed Rate Notes on 10/01/2018
- Funded \$100M Three-Year Unsecured Floating Rate Term Loan on 10/01/2018
- Issued \$400M Ten-Year Senior Unsecured Notes on 10/04/2018

## Ample Liquidity (data as of 10/31/18)

- \$36M in cash and cash equivalent balances
- \$635M available under \$645M credit facilities
- \$313M equity issuance available under ATM program
- 90% of assets unencumbered

# Strong Capital Structure

(\$ in millions – as of 10/31/18)



**Total Market Capitalization = \$11 Billion**

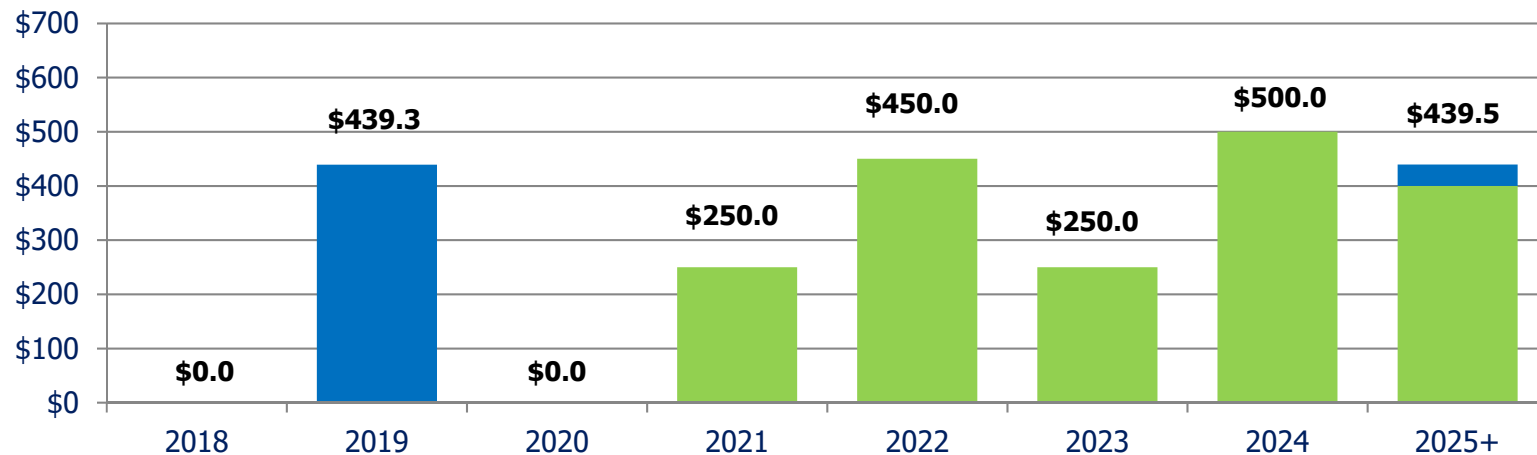
- 4.2x Net Debt-to-Annualized Adjusted EBITDA
- 4.2% weighted average interest rate on all debt
- 95.7% fixed rate debt
- 79.1% unsecured debt
- 5.0 years weighted average maturity of debt
- Manageable debt maturities over next several years

\*Based on closing share price of \$90.27 on 10/31/18

# Manageable Debt Maturities

Future scheduled maturities excluding Unsecured Credit Facilities (as of 10/31/18)

(\$ in millions)



Percentage of Total Maturities	-	18.9%	-	10.7%	19.3%	10.7%	21.5%	18.9%
Weighted Average Interest Rate	-	5.2%	-	4.8%	3.2%	5.1%	4.0%	3.8%

■ Unsecured Debt   ■ Secured Debt

# Covenants, Ratios, & Ratings

Unsecured Bond Covenants & Ratios	3Q18	2Q18	1Q18	4Q17	Covenant
Total Consolidated Debt to Total Asset Value	27%	27%	27%	27%	≤ 60%
Total Secured Debt to Total Asset Value	10%	10%	11%	11%	≤ 40%
Total Unencumbered Asset Value to Total Unsecured Debt	495%	504%	500%	498%	≥ 150%
Consolidated Income Available for Debt Service to Total Annual Service Charges	529%	534%	523%	524%	> 150%
Net Debt-to-Annualized Adjusted EBITDA	4.1x	4.0x	4.0x	3.5x	-
Total Fixed Charge Coverage Ratio	5.5x	5.5x	5.4x	5.5x	-
Unencumbered NOI to Total NOI	77.1%	76.9%	76.7%	76.5%	-

Credit Agency	Credit Rating	Outlook
Moody's	A3	Stable
Fitch	A-	Stable
S&P	BBB+	Positive

## Non-GAAP Financial Measures Definitions & Reconciliations

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This document contains certain non-GAAP financial measures management believes are useful in evaluating an equity REIT's performance. Camden's definitions and calculations of non-GAAP financial measures may differ from those used by other REITs, and thus may not be comparable. The non-GAAP financial measures should not be considered as an alternative to net income as an indication of our operating performance, or to net cash provided by operating activities as a measure of our liquidity. For further definitions please see the Company's 3Q18 Earnings Release and Supplemental Information dated October 25, 2018, and the Company's filings with the Securities and Exchange Commission.

### **FFO**

The National Association of Real Estate Investment Trusts ("NAREIT") currently defines FFO as net income (computed in accordance with accounting principles generally accepted in the United States of America ("GAAP")), excluding gains (or losses) associated with the sale of previously depreciated operating properties, real estate depreciation and amortization, impairments of depreciable assets, and adjustments for unconsolidated joint ventures. Our calculation of diluted FFO also assumes conversion of all potentially dilutive securities, including certain non-controlling interests, which are convertible into common shares. We consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions of operating properties, and depreciation, FFO can assist in the comparison of the operating performance of a company's real estate investments between periods or to different companies.

### **Adjusted FFO**

In addition to FFO, we compute Adjusted FFO ("AFFO") as a supplemental measure of operating performance. AFFO is calculated utilizing FFO less recurring capital expenditures which are necessary to help preserve the value of and maintain the functionality at our communities. Our definition of recurring capital expenditures may differ from other REITs, and there can be no assurance our basis for computing this measure is comparable to other REITs.

### **Adjusted EBITDA**

Adjusted EBITDA is defined by the Company as earnings before interest, taxes, depreciation and amortization, including net operating income from discontinued operations, excluding equity in (income) loss of joint ventures, (gain) loss on sale of unconsolidated joint venture interests, gain on acquisition of controlling interest in joint ventures, gain on sale of operating properties including land, net of tax, loss on early retirement of debt and income (loss) allocated to non-controlling interests. The Company considers Adjusted EBITDA to be an appropriate supplemental measure of operating performance to net income attributable to common shareholders because it represents income before non-cash depreciation and the cost of debt, and excludes gains or losses from property dispositions.

### **Net Operating Income (NOI)**

NOI is defined by the Company as total property income less property operating and maintenance expenses less real estate taxes. The Company considers NOI to be an appropriate supplemental measure of operating performance to net income attributable to common shareholders because it reflects the operating performance of our communities without allocation of corporate level property management overhead or general and administrative costs.

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