



els[®]
Equity LifeStyle Properties

Investor Presentation

June 2022

ELS at a Glance

ELS owns and operates the highest quality portfolio of manufactured home ("MH") communities, recreational vehicle ("RV") resorts, campgrounds and marinas in North America

1969
Year Founded

\$18.1B
Enterprise Value



446
Properties

~4,100
Employees

\$14.9B
Equity Market Value

35 + 1
States Canadian Province

7,423%
Total Return Since IPO⁽¹⁾

457%
Ten Year Total Return⁽¹⁾

169,984
Sites

- 1,710% S&P 500
- 1,824% Dow Jones Equity ALL REIT Index

- 292% S&P 500
- 172% Dow Jones Equity ALL REIT Index

89%
Revenue from Annual Sources

Notes: All data as of March 31, 2022

(1) Total return calculation assumes dividend reinvestment. Total returns through March 31, 2022. Source: S&P Global

ELS at a Glance

ELS owns and operates the highest quality portfolio of manufactured home ("MH") communities, recreational vehicle ("RV") resorts, campgrounds and marinas in North America

\$1.14B

Core Annual Revenue (2021)

\$1.64

Annualized Dividend per Common Share

9%

NFFO/Share CAGR⁽¹⁾⁽²⁾
(2006 - 2021)

11

Avg Years to Maturity⁽⁵⁾

4.2%

Avg Long-Term Core NOI Growth⁽³⁾

2.1%

Dividend Yield⁽⁴⁾

22%

Dividend/Share CAGR⁽²⁾
(2006 - 2021)

3.5%

Weighted Avg Interest Rate

Notes: All data as of March 31, 2022 unless otherwise specified

(1) See Non-GAAP Financial Measures at the end of the presentation for the reconciliation and definition of Normalized FFO.

(2) Adjusted for stock splits.

(3) Average quarterly growth from Q3 1998 through Q4 2021.

(4) Based on the stock price as of April 30, 2022.

(5) Debt Maturity as of April 30, 2022



MH Performance Update:

- Core MH base rental rate growth for April QTD is 5.3%
- Core Occupancy of 95.1% as of April 30, 2022

RV Performance Update:

- Core RV annual base rental rate growth for April QTD is 7.9%
- Memorial Day Weekend – Core RV total occupied sites were consistent with Memorial Day weekend of 2021



Notes: (1) Core Portfolio is defined based on properties owned and operated since January 1, 2021. The Core Portfolio may change from time-to-time depending on acquisitions, dispositions and significant transactions or unique situations.
(2) Compared to comparable period in 2021.
(3) The factors that affected our results for April QTD 2022 may not continue and therefore, our results for that period may not be indicative of our results for the full quarter or year.
(4) Excludes joint venture properties.

Track record of delivering superior total returns and dividend growth

1. Portfolio Composition

- High-quality properties located in retirement and vacation destinations
- Over 110 properties with lake, river, or ocean frontage
- Over 120 properties within 10 miles of coastal United States
- Over 70% of MH properties are age-restricted or have a resident base with an average age over 55

2. Business Model

- Own the land and lease developed sites to owners of manufactured homes, vacation cottages, RVs and boats
- Consistent results throughout the real estate cycle
- Strong customer demand with minimal new supply
- Innovative strategy driving external growth through new lines of business

3. Operating Platform

- Integrated operating platform focused on providing superior customer service to all residents and value creation for shareholders
- Focus on generating stable, predictable revenue
- Technology driven
- Digital marketing strategy

4. Balance Sheet

- Long term strategy focused on access to a variety of capital sources
- Well laddered maturities with average years to maturity of 11 years and weighted average interest rate of 3.5%
- Strong balance sheet with capacity to fund growth with debt and/or equity

5. Acquisitions / Development

- Robust acquisitions and development pipeline
- Focus on accretive and/or value add transactions
- History of entering new asset classes that fit the portfolio strategy

6. ESG

- Sustainability is at the core of Our Nature through Uniting People, Places & Purpose
- Commitment to sustainability supports the business model, minimizes environmental impacts, maintains a safe and healthy workplace and upholds a high standard of business ethics and conduct

7. Management Team

- Experienced executive management team with a track record of delivering results

Track Record

Consistent total returns that outperform the market

ITEM	IPO Year - 1993	2021
Properties	41	444
Sites	12,312	169,296
States	16	35
Net Income Per Share - Fully Diluted	\$0.15	\$1.43
FFO Per Share - Fully Diluted ⁽¹⁾	\$0.23	\$2.52
Normalized FFO Per Share - Fully Diluted ⁽¹⁾	\$0.23	\$2.53
Common Stock Price ⁽²⁾	\$3.22	\$87.66
Enterprise Value ⁽³⁾	\$296 million	\$20 billion
Dividend Paid Cumulative ⁽⁴⁾	-	\$16.24
Cumulative Total Return ⁽⁵⁾	-	8,474%
S&P 500 Total Return ⁽⁵⁾	-	1,797%

Notes: (1) See Non-GAAP Financial Measures at the end of the presentation for the reconciliation and definition of FFO and Normalized FFO. The 1993 amount was determined from amounts presented in the 1996 Form 10-K.

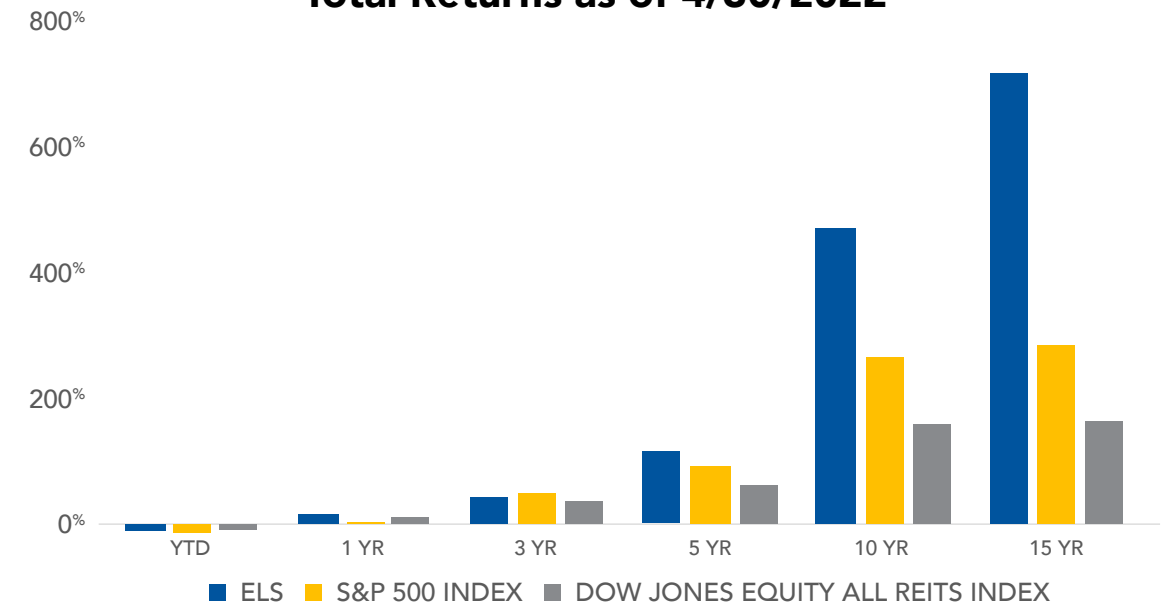
(2) The 1993 stock price is adjusted for stock splits; the 2021 price is the closing price as of December 31, 2021.

(3) The 2021 enterprise value as of December 31, 2021.

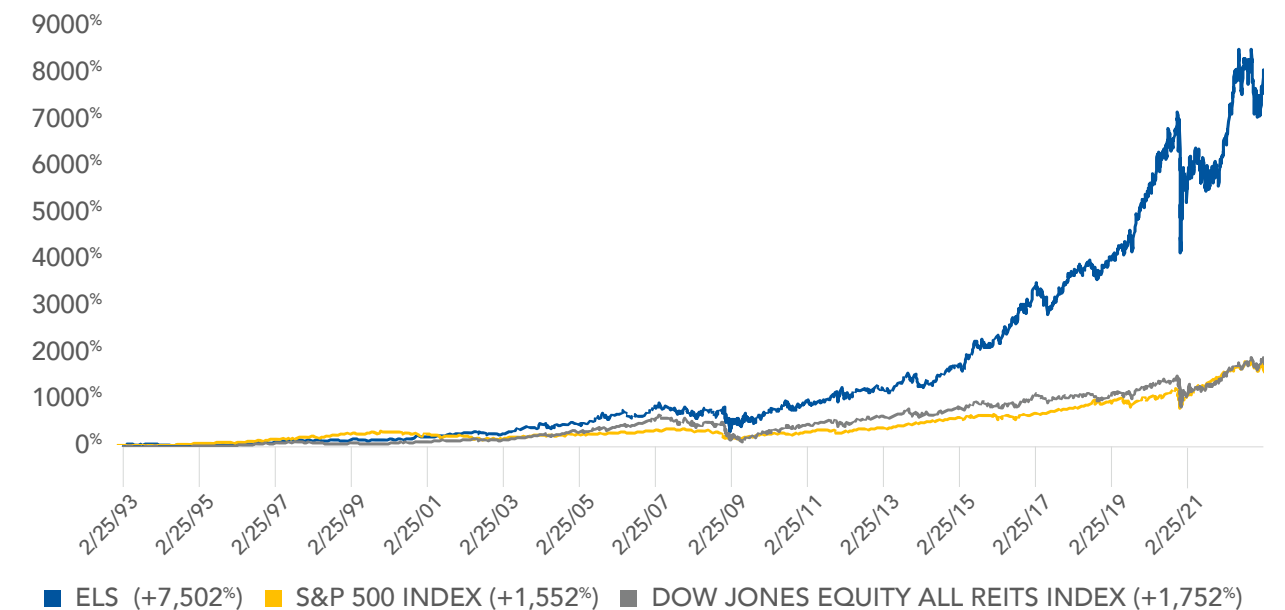
(4) Source: S&P Global. Includes dividends paid from IPO date of June 25, 1993 through December 31, 2021 and adjusted for stock splits.

(5) Source: S&P Global from IPO through December 31, 2021 (calculation assumes common dividend reinvestment).

Total Returns as of 4/30/2022



Total Return Performance Since IPO (%)



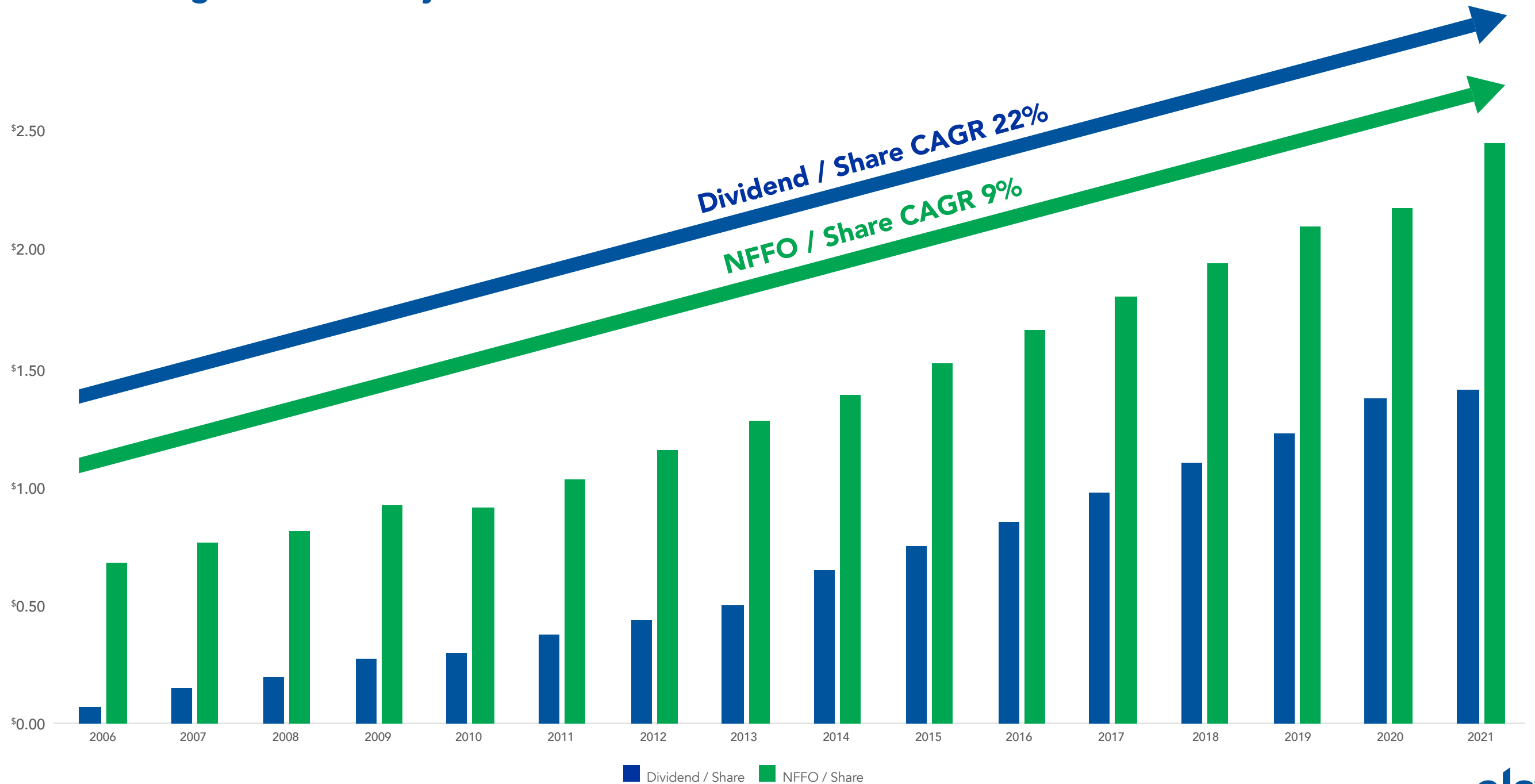
Notes: Source: S&P Global

(1) Total return calculation assumes dividend reinvestment.

(2) Total return through April 30, 2022.

Dividend and NFFO Growth

Time-tested through real estate cycle



Note: See Non-GAAP Financial Measures at the end of the presentation for the reconciliation and definition of Normalized FFO. Adjusted for stock splits.

Portfolio Locations

The MH portfolio focuses on age-qualified communities in retirement destinations where our residents can be part of an active lifestyle



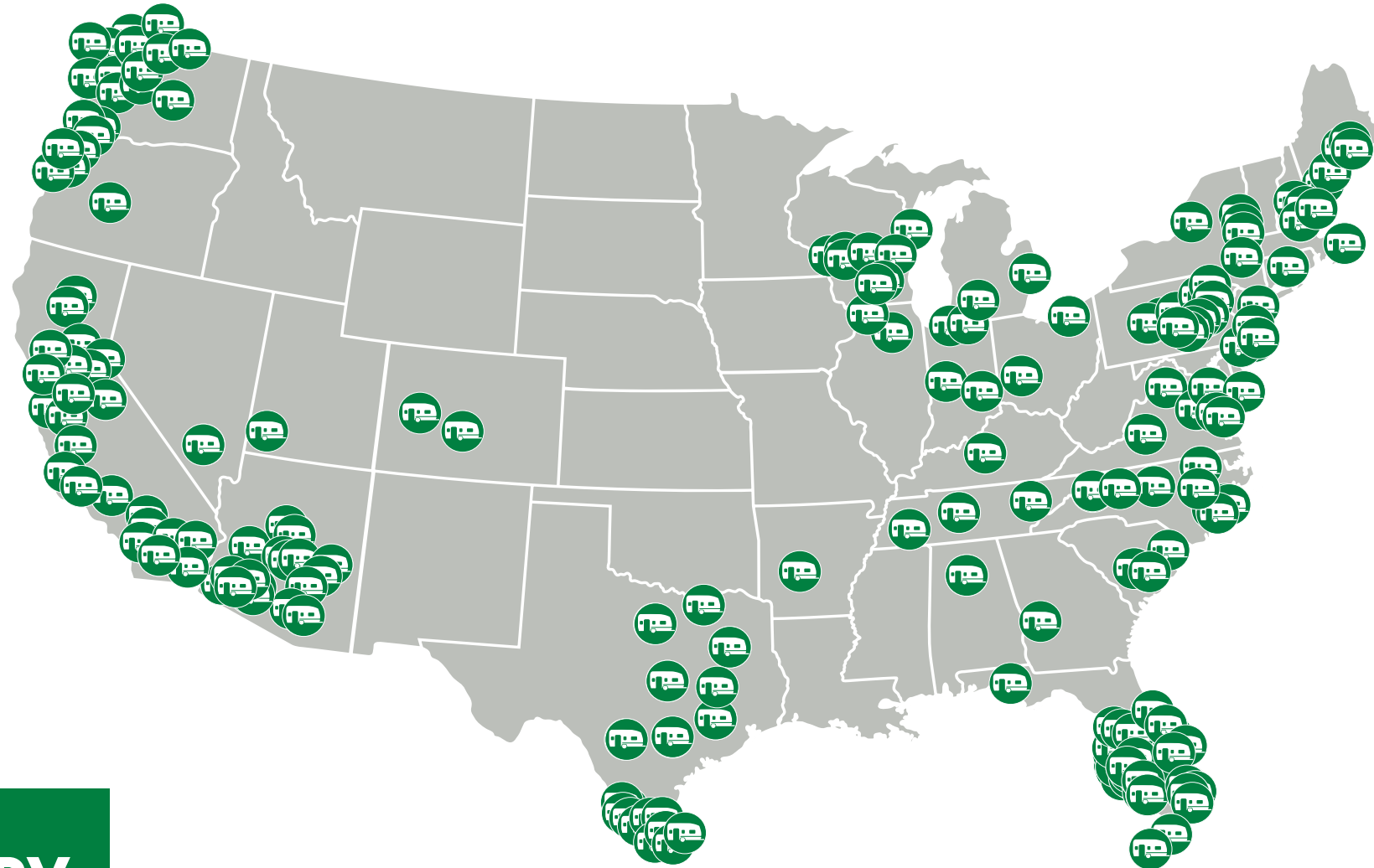
205 MH COMMUNITIES (46% of Portfolio)

- 75,200 sites



Portfolio Locations

The RV portfolio has over 200 resorts and campgrounds spread along the coast and in vacation desinations packed with family friendly amenities and activities



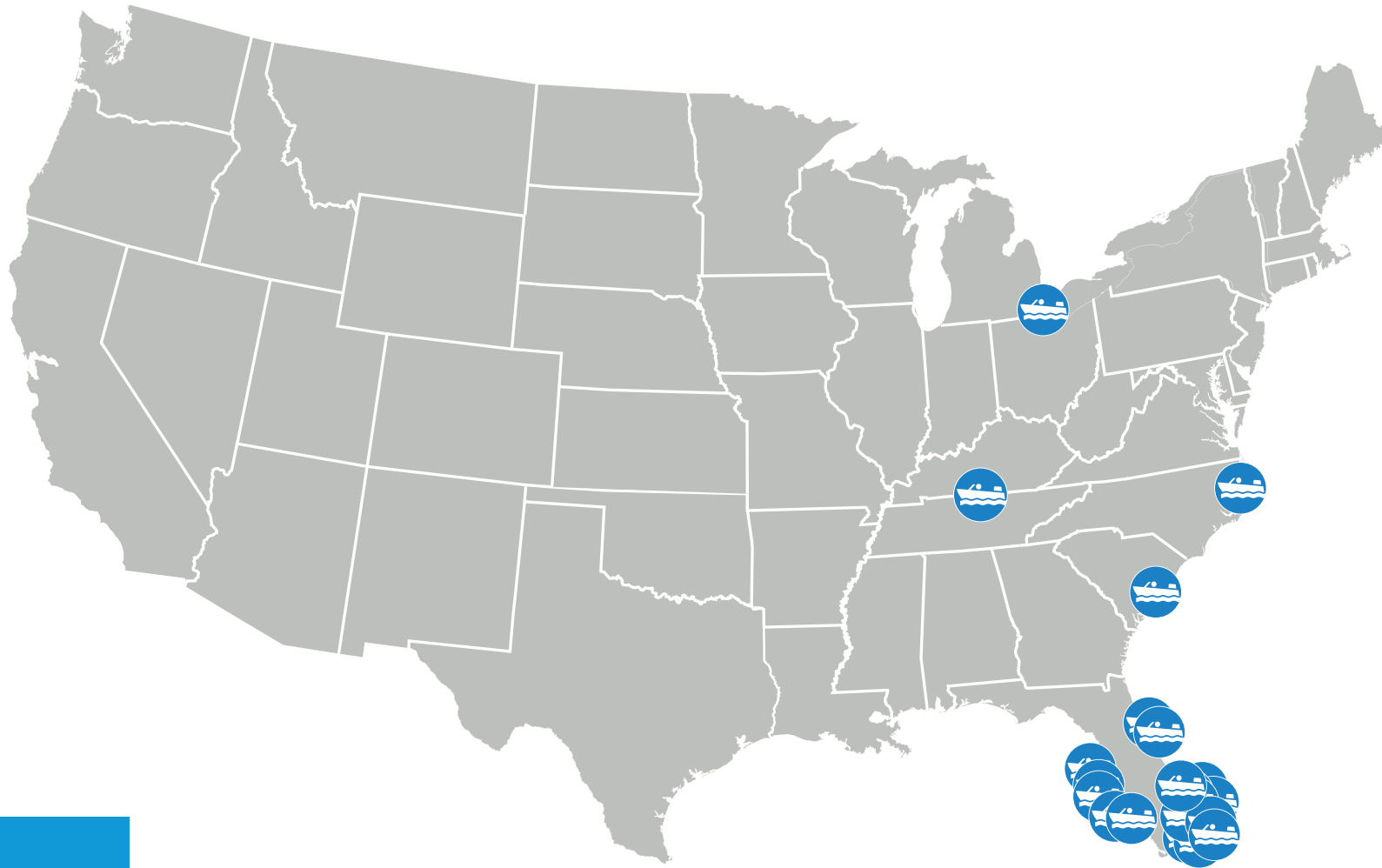
218 RV RESORTS (49% of Portfolio)

- 87,900 sites
 - Annual 34,000
 - Seasonal 12,700
 - Transient 15,700
 - Membership sites 25,500



Portfolio Locations

High quality marina portfolio located primarily along the southeast coast, ideal for year-round boating which generates stable annual slip revenue



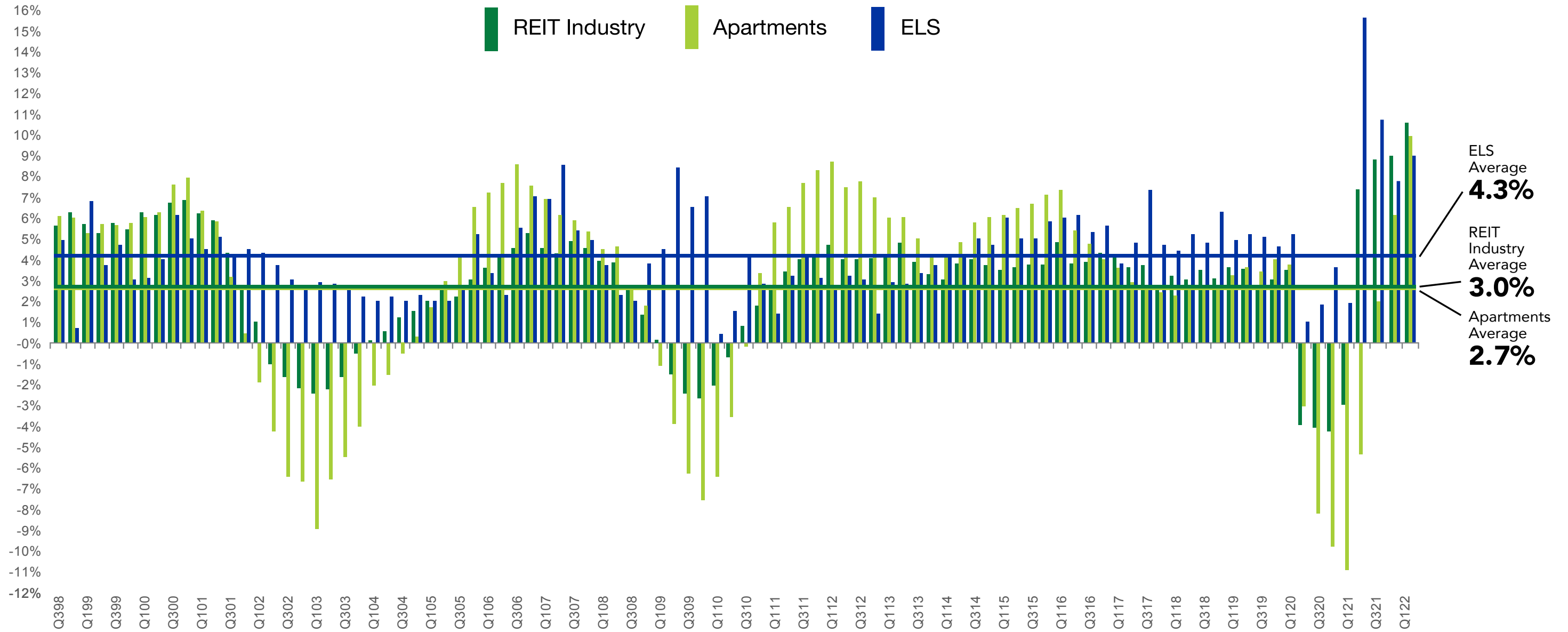
23 MARINAS (5% of Portfolio)

- 6,900 slips



Unique Business Model

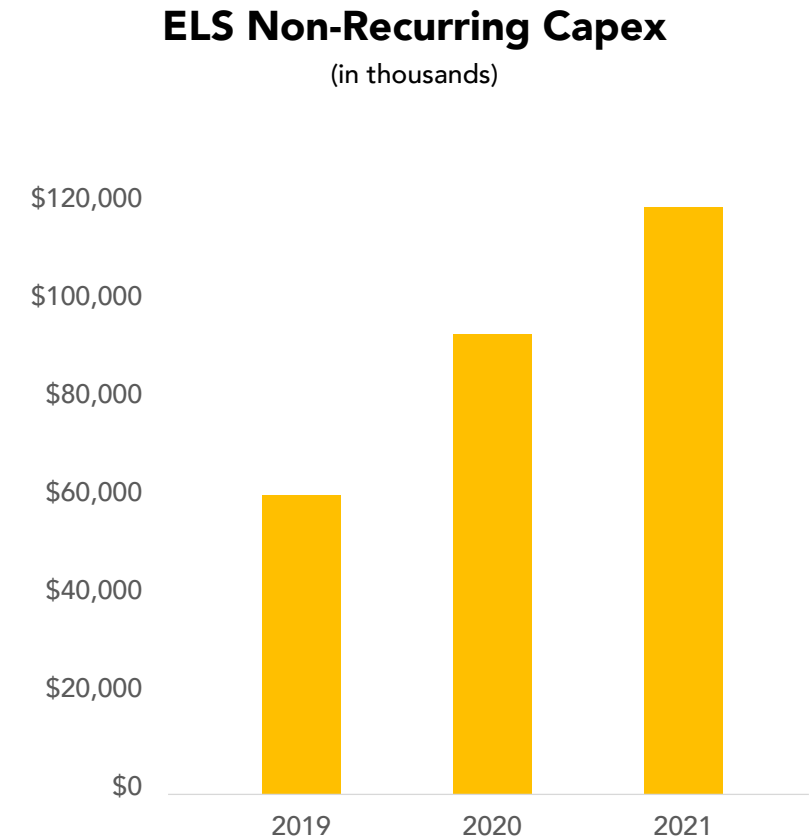
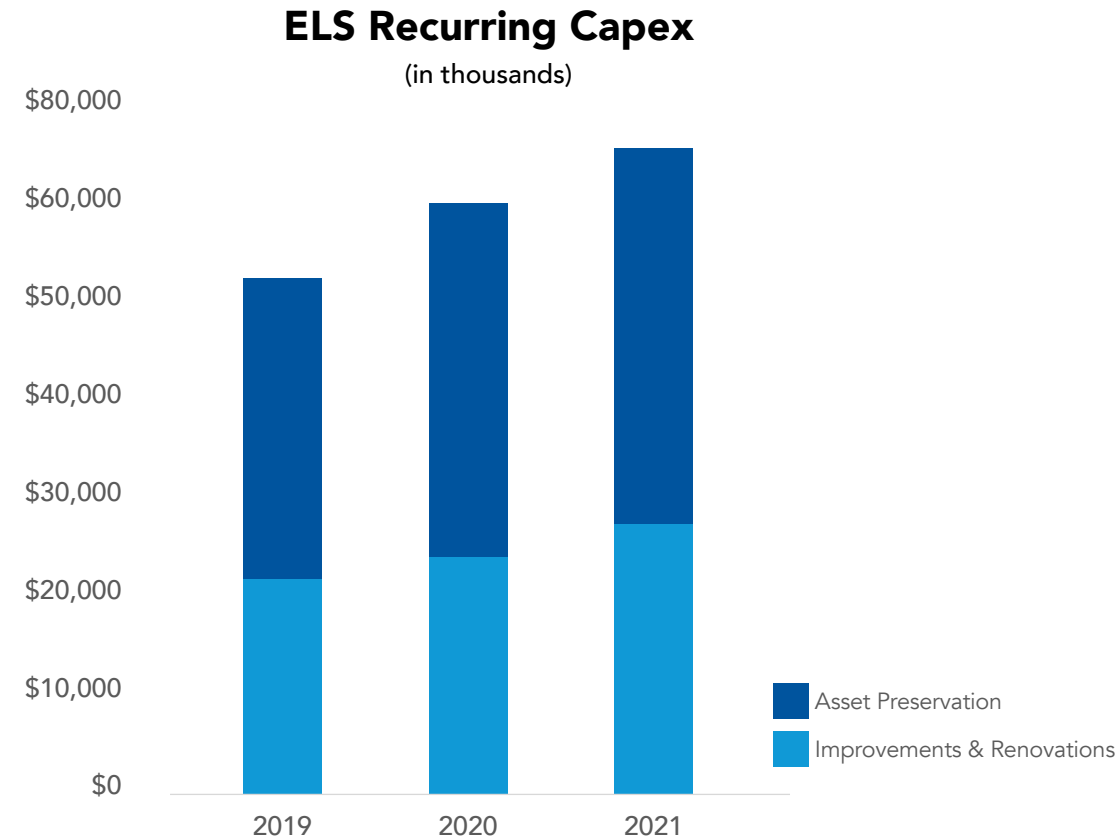
Drives sustained long-term outperformance



Note: Source for Same Store NOI data: Citi Investment Research, March 2022. Earliest quarter collected by Citi is third quarter of 1998. Data through Q1 2022. "Reit Industry" includes an index of REITs across a variety of asset classes, including regional malls, shopping centers, multifamily, student housing, manufactured homes, self storage, office, industrial, mixed office and specialty.

Capital Expenditures

Continued investment in communities to enhance our resident and guest experience



Focus on updating Amenities



Focus on Expansion and Sustainability projects

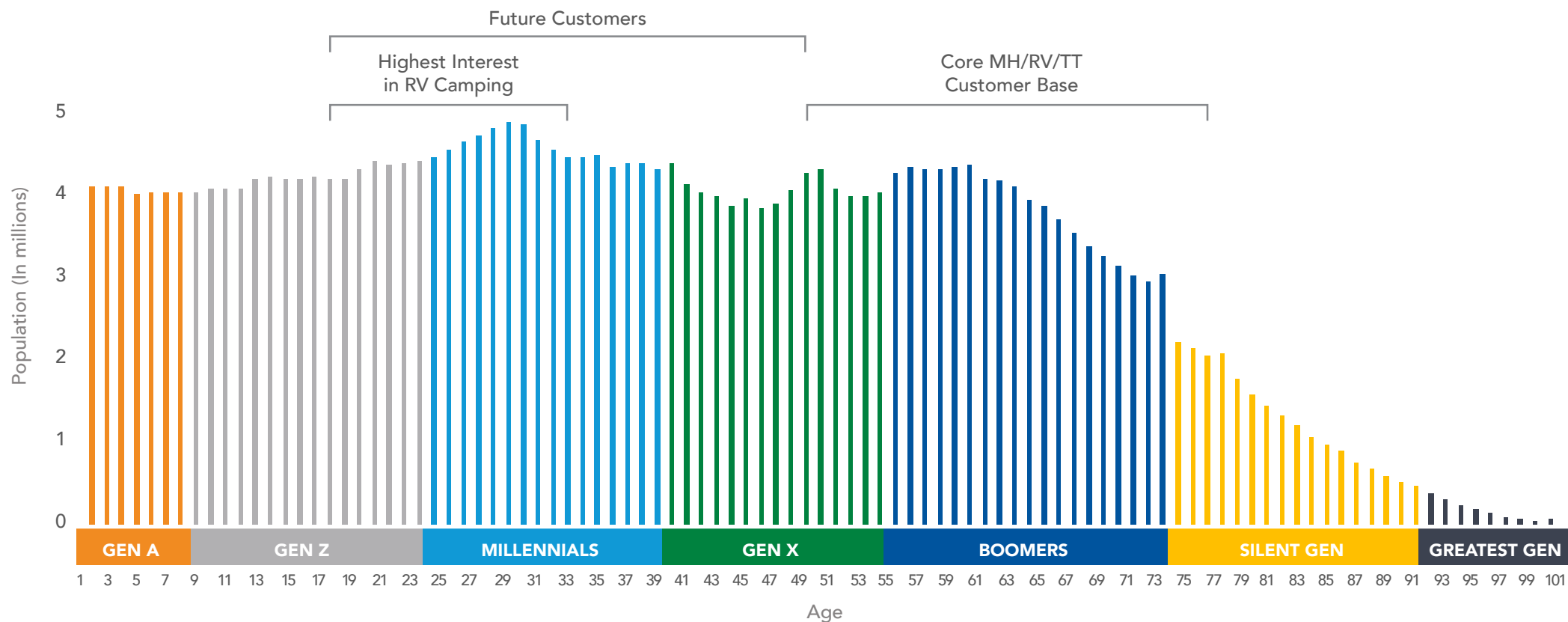


Demand Drivers - Unique Demographics

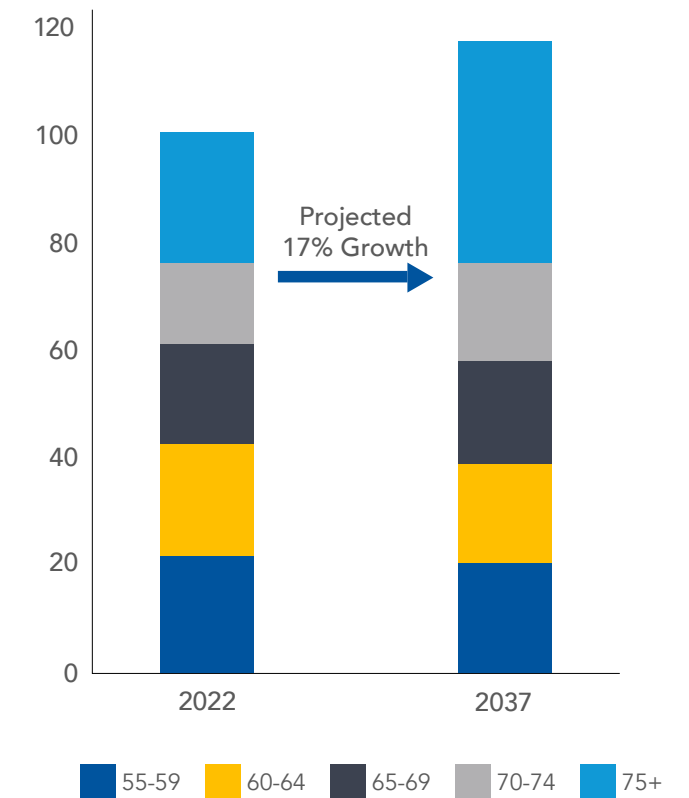
Unique customer demographics driven by baby boomers and a strong tailwind from future generations

- The population of people aged 55 and older in the U.S. is expected to grow 17% from 2022 to 2037
- Roughly 10,000 Baby Boomers will turn 65 every day through 2030
- Over 70% of ELS MH properties are age-restricted or have a resident base with an average age over 55
- Installed base of over 11 million RV owners in the U.S.

U.S. Population by Age and Generation



U.S. Population Over Age 55 (in millions)

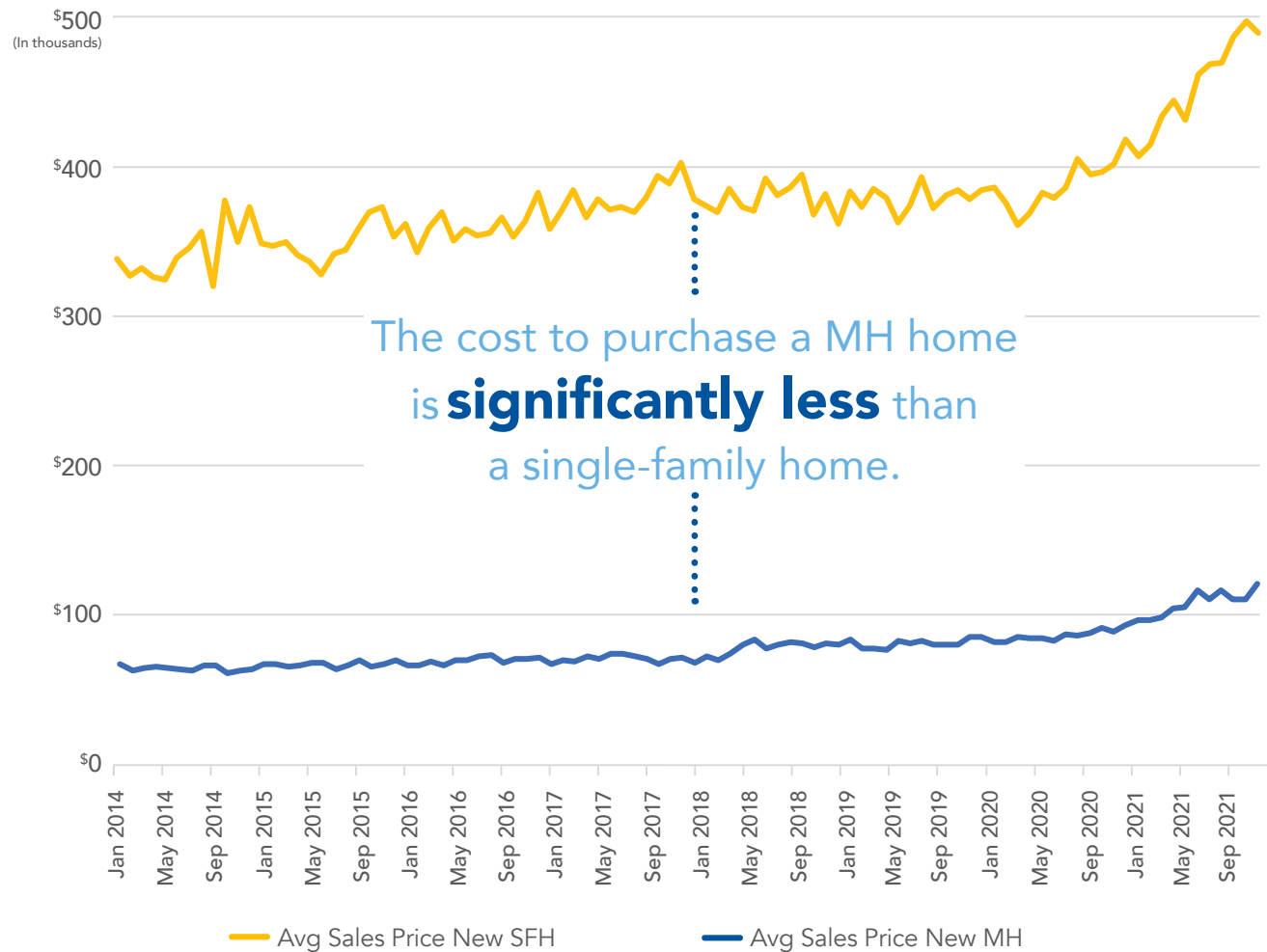


Note: Sources: US Census, Released September 2018, Pew Research Center 2010, RVIA.

Demand Drivers - Value Proposition

Whether buying or renting, manufactured homes provide greater value as compared to other housing options

Avg Sales Price - New Single Family Home ("SFH") vs New Manufactured Home



U.S. Housing shortage of 3.8 million SFH creates demand for

manufactured housing

ELS renters pay approximately **33% less per sq ft** than the average two bedroom rental in ELS submarkets

Buying a new MH vs Financing a new SFH

	MH	SFH	Difference in cost
Home Sale Price	\$108,400	\$452,800	-76%
Upfront Cost ⁽¹⁾	\$108,400	\$90,600	20%
Monthly Cost ⁽²⁾	\$725	\$1,835	-60%

Through December 2021, the average upfront cost of purchasing a new MH in full was approximately 20% higher than putting 20% down on a new SFH, but the ongoing monthly rental payment for the MH was approximately 60% lower than the SFH monthly mortgage payment. At ELS most homeowners do not have debt on their homes and over the past three years **ELS has financed only 2% of new home sales.**

Manufactured Home Construction Advantage:

- Controlled construction environment results in no weather delays
- Economies of scale to purchase materials in bulk
- Standardization of processes allows for efficient construction
- Centralized labor force allows for faster workforce training

Notes: Sources: U.S. Census Bureau, Freddie Mac, Moody's Analytics
 (1) Assumes MH is paid in full and the SFH has a 20% downpayment on a loan
 (2) Assumes SFH has a 30 year loan with a 4.5% interest rate

Demand Drivers - Lifestyle and Amenities

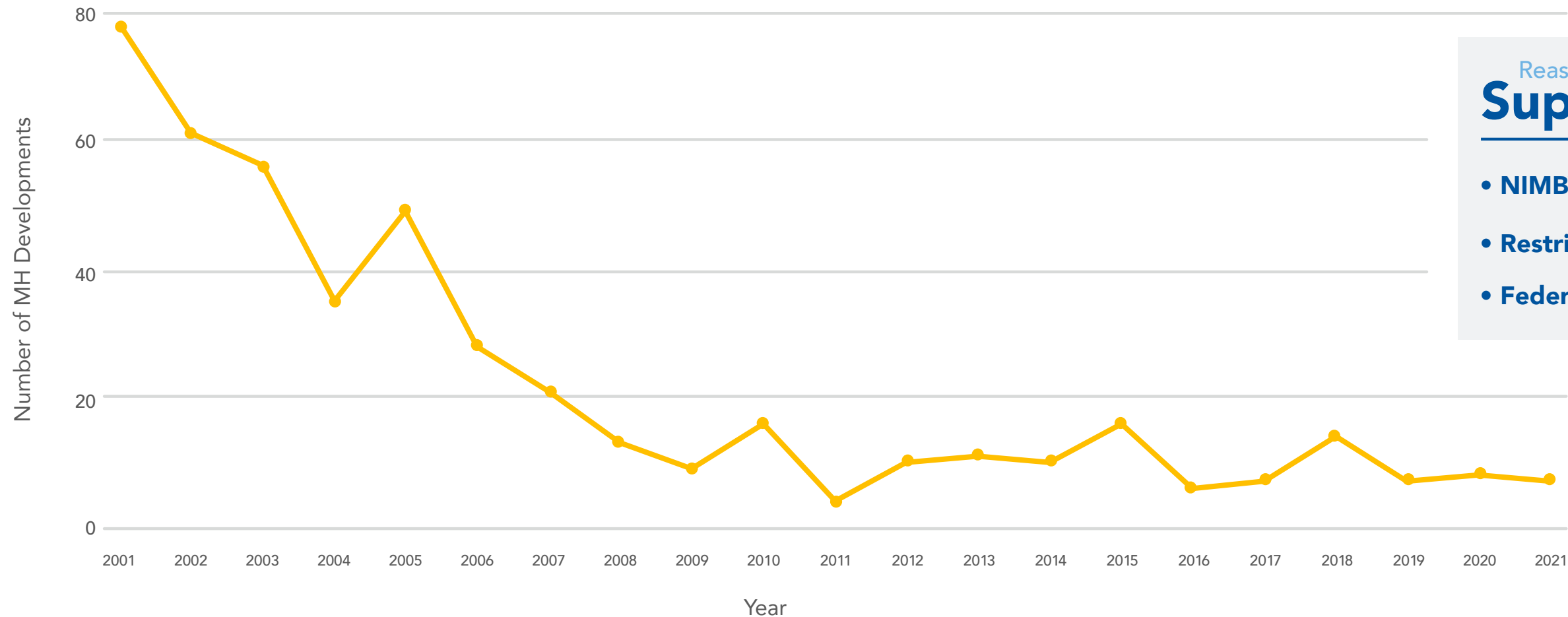
ELS communities and resorts have the amenities to build a thriving community where our residents and guests create memories together



Supply Constrained Asset Class

There has been limited MH development in the U.S. in the past 20 years
Growing demand coupled with almost no new supply is a strategic advantage for ELS

Manufactured Housing Developments in the U.S.



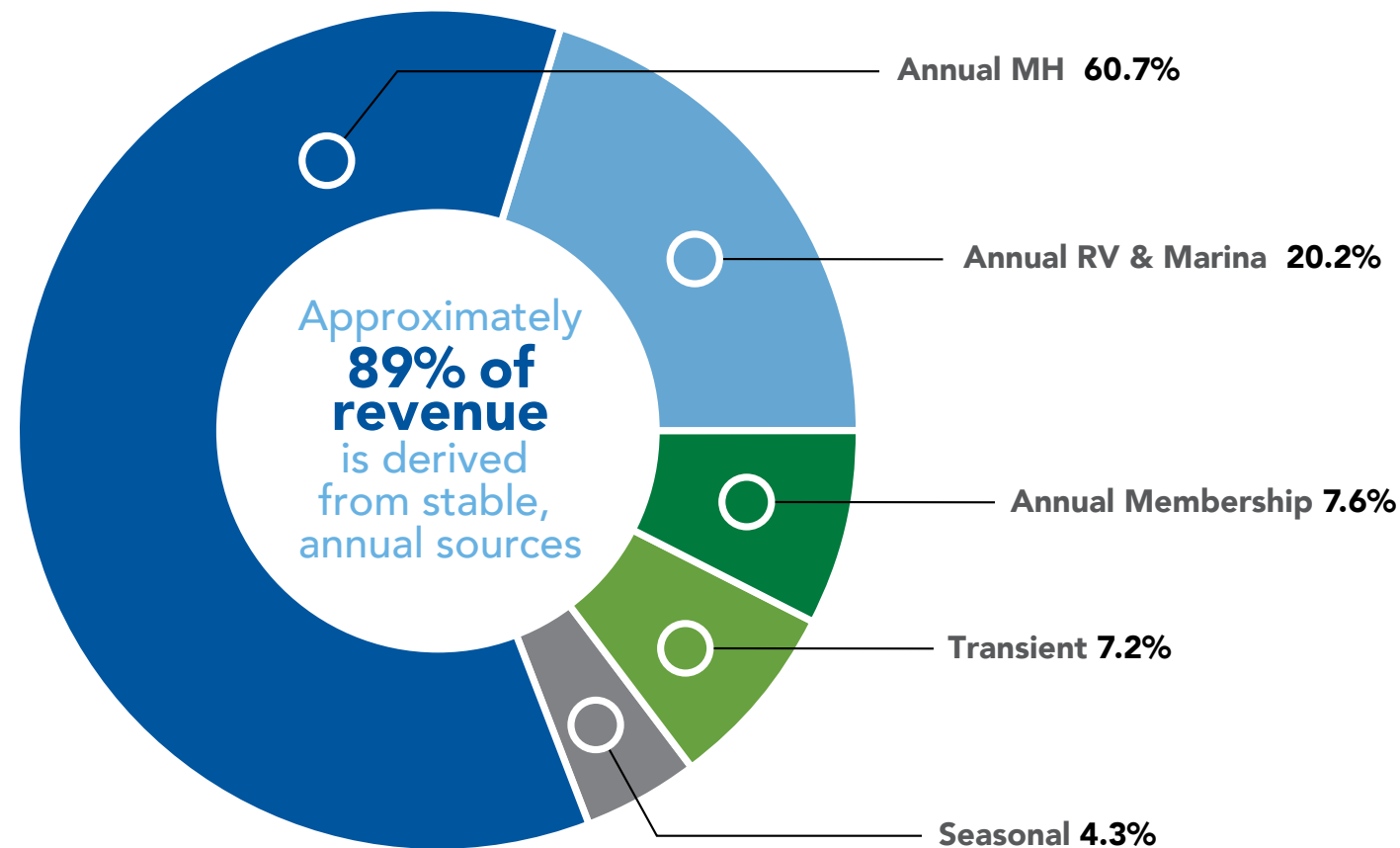
Reasons for the Supply Constraint

- **NIMBY** (Not in my backyard)
- **Restricted zoning & Regulations**
- **Federal planning vs Local planning**

Note: Source: Datacomp

Steady, Predictable Revenue Streams from High-Quality Occupancy

Property Operating Revenue Buckets



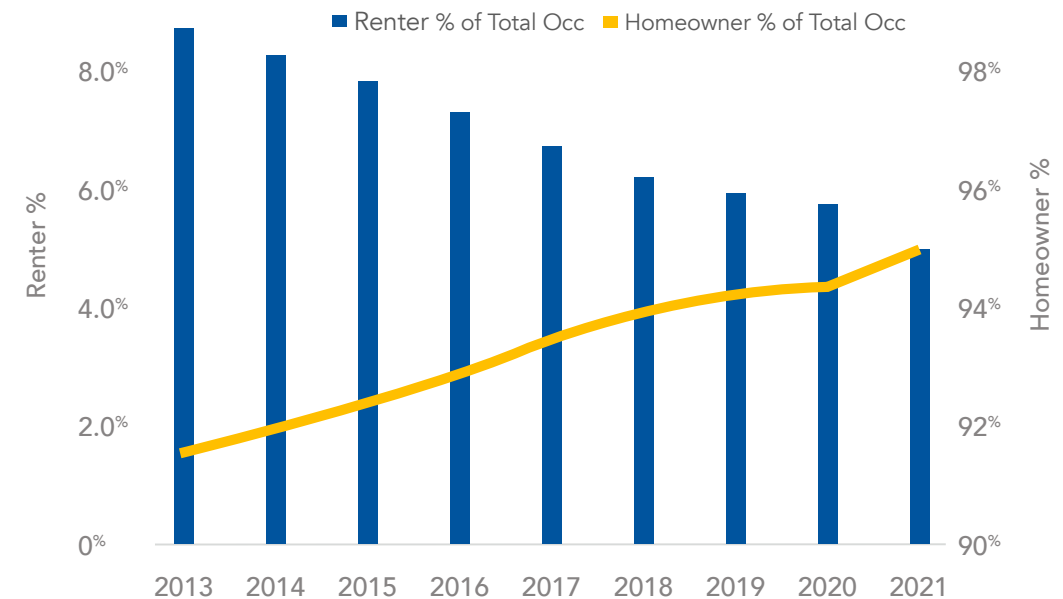
Note: (1) Property operating revenue buckets reflect trailing twelve months as of March 31, 2022.

74%

2021 ELS MH New Home Sales Residents with a FICO score greater than 680

Since the housing crisis, ELS has steadily reduced the number of renters in our MH portfolio and increased homeowners. Renters typically stay less than three years, while homeowners stay approximately ten years contributing to a stable occupancy base. The rental program is utilized strategically to introduce residents to our communities.

Homeowner vs Renter % of Total Occupancy

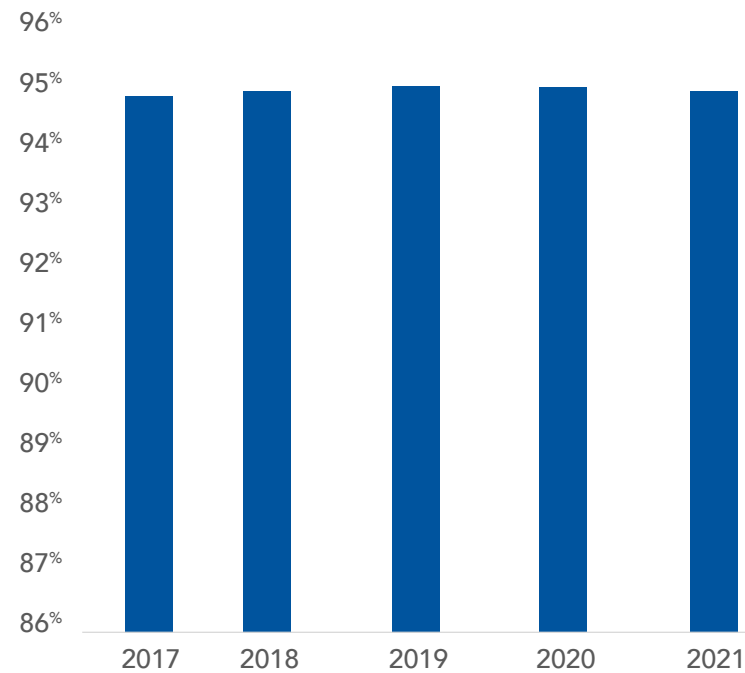


95.1%
Core MH Occupancy

Property Operations

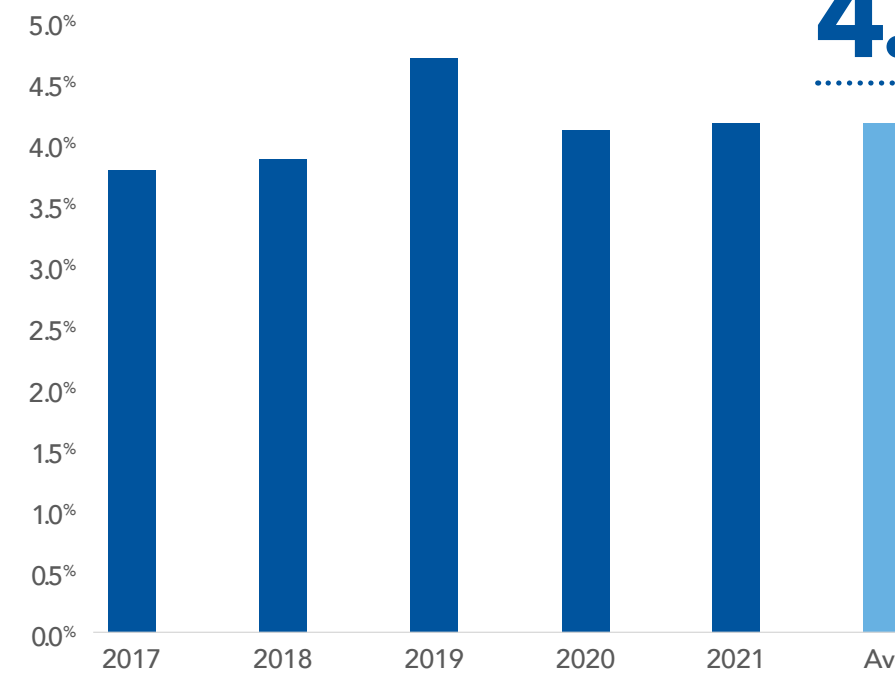
Best-in-class property operations platform drives consistent rate and occupancy increases

Core MH Occupancy %



54% of MH Communities are 98%+ Occupied

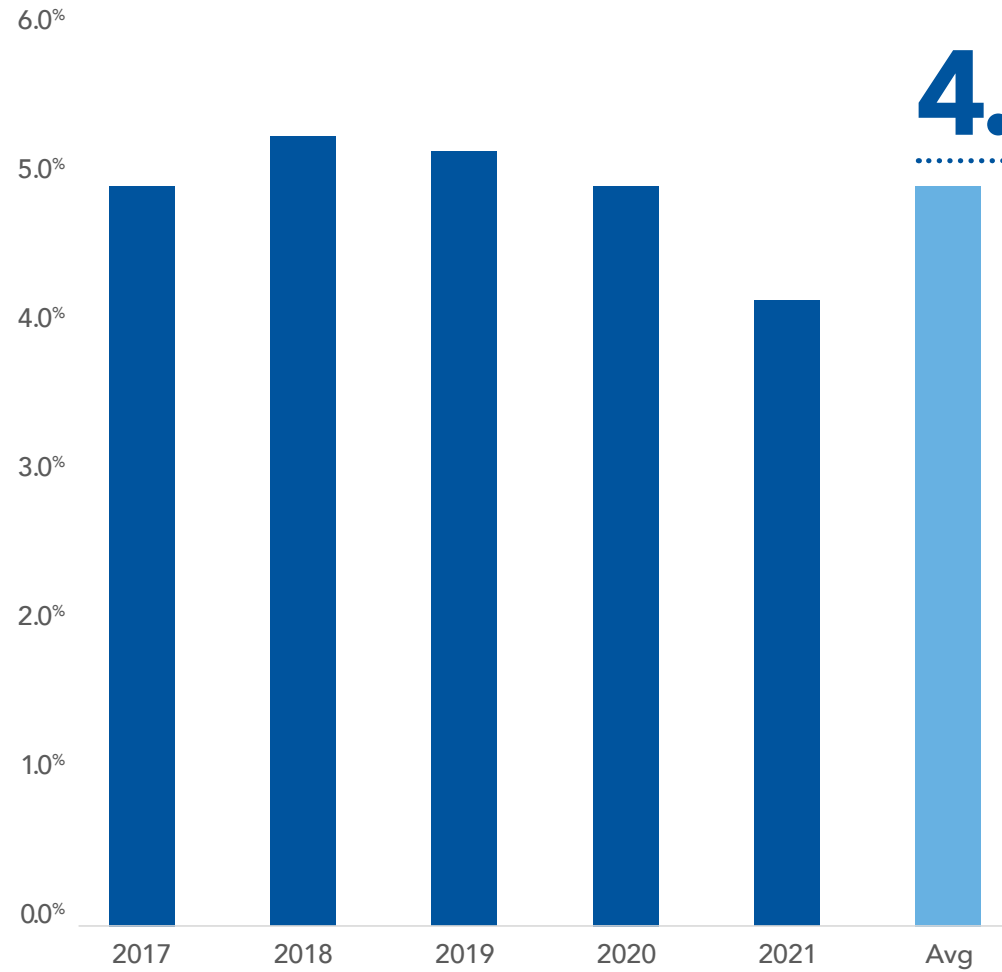
Core Base Rent Rate Growth



4.2% Average Core Base Rent Rate Growth over the past five years



Core RV Annual Rate Growth



4.9% Average Core RV Annual Rate Growth over the past five years

Impact of CPI on RV Leases:

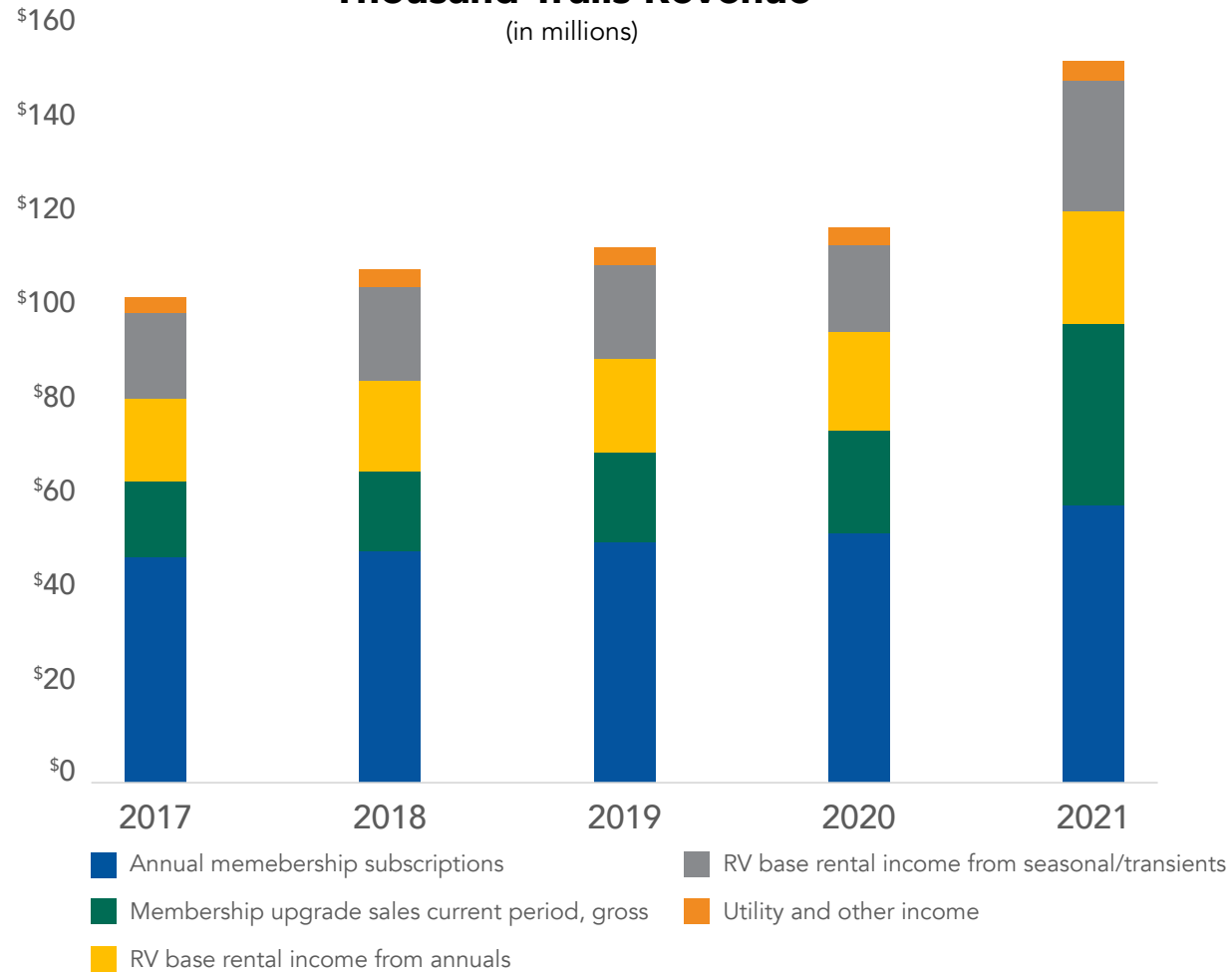
- RV Annual leases are all market leases and rates are determined on a market-by-market basis



Property Operations

Thousand Trails Revenue

(in millions)

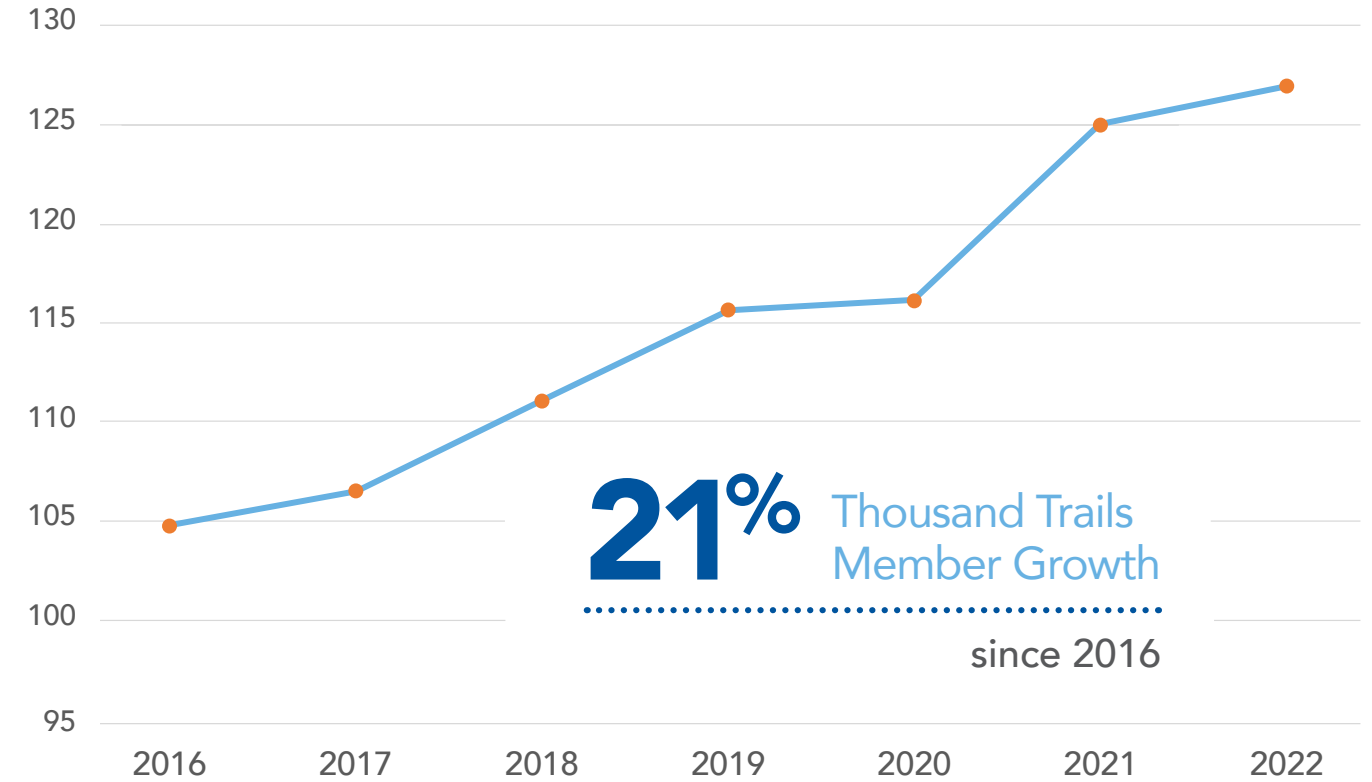


23%
of upgraded members

.....
have been with Thousand Trails
for at least 20 years

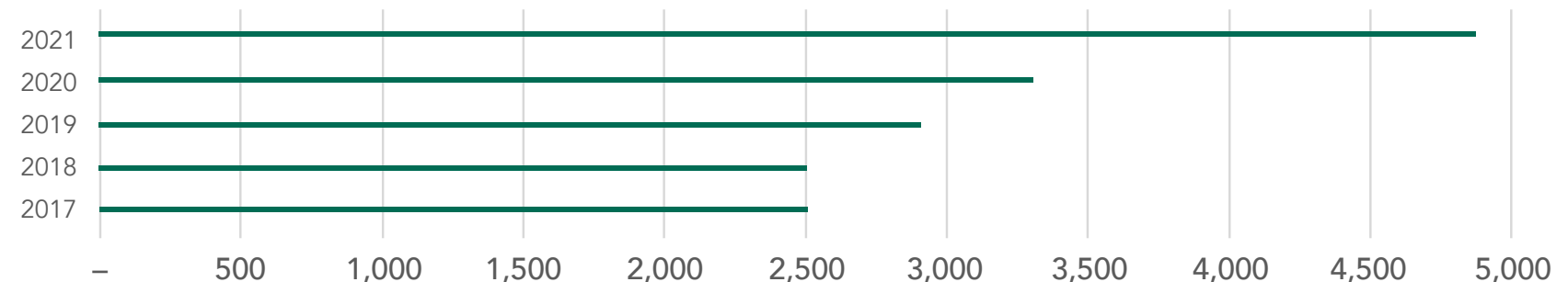
Thousand Trails Total Member Count

(in thousands)



21% Thousand Trails
Member Growth
.....
since 2016

Thousand Trails Upgrade Sales



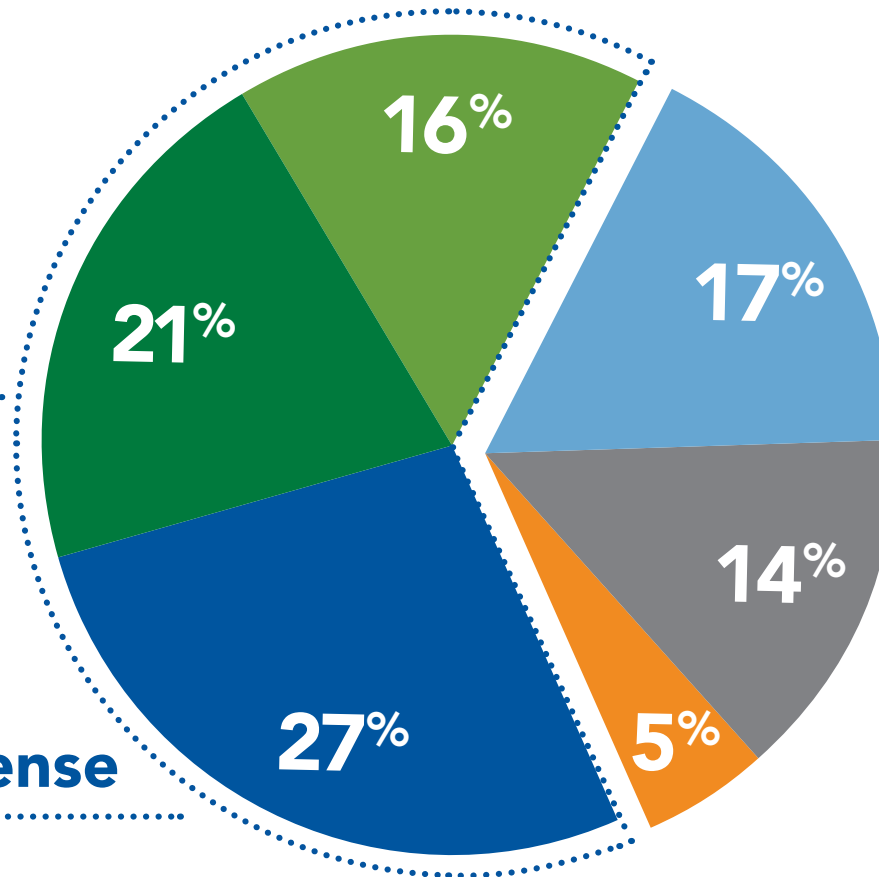
Note: 2022 data as of March 31, 2022

Consistent Expense Control

2021 Core Property Operating Expense

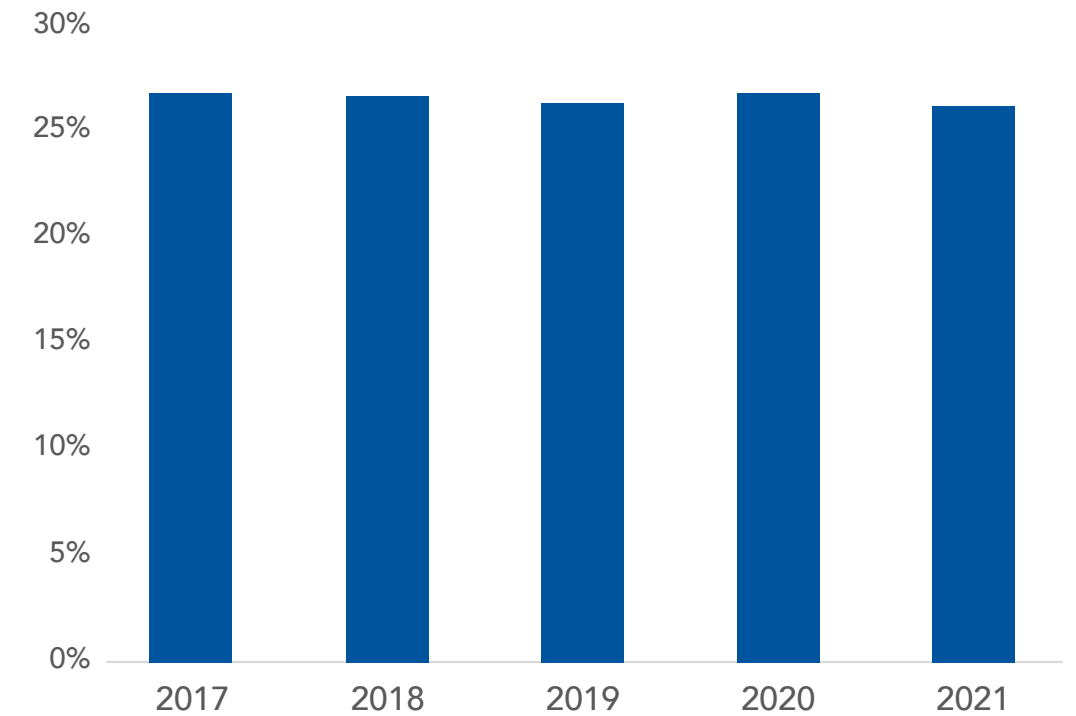
Approximately **64%** of Core Property Operating Expenses are from **Utilities, Payroll and R&M**

Utility Recovery Rate is approximately **45% of Utility Expense**



■ Utilities Expense ■ Payroll ■ R&M ■ Insurance & Other ■ Real Estate Taxes ■ Sales and Marketing

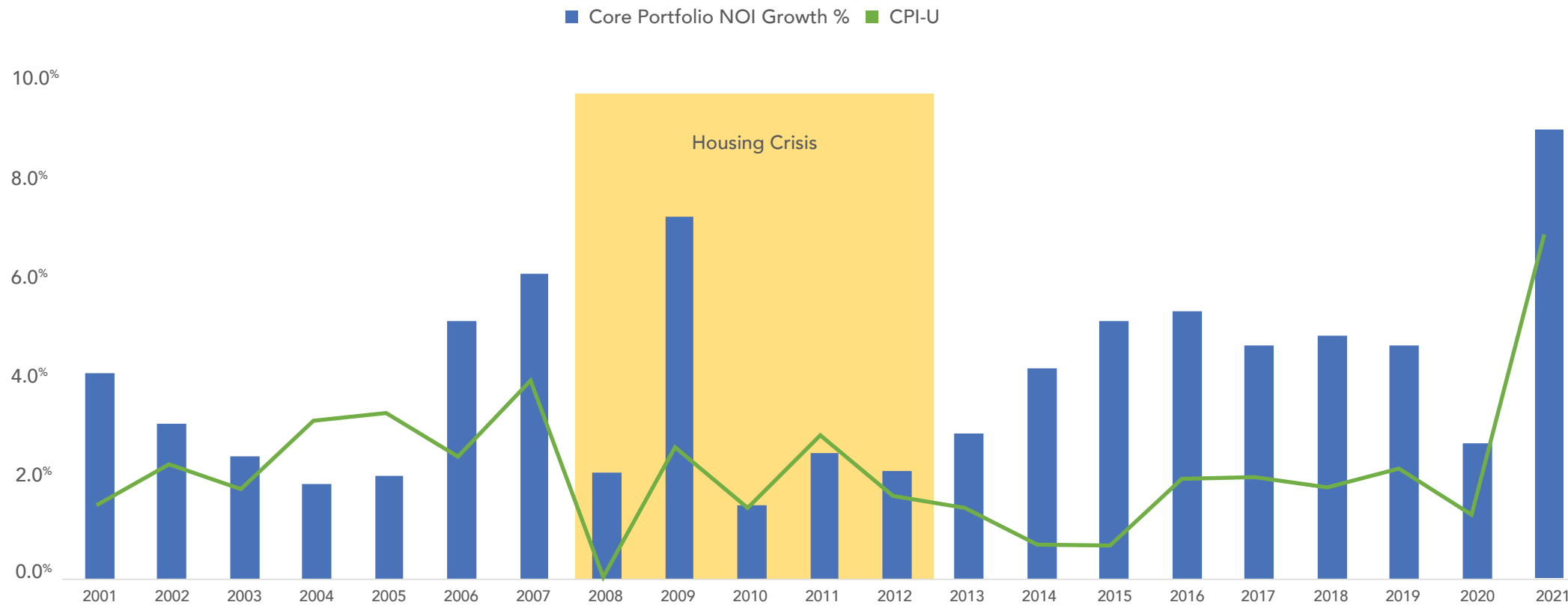
Core Utility, Payroll and R&M Expense as a % of Revenue



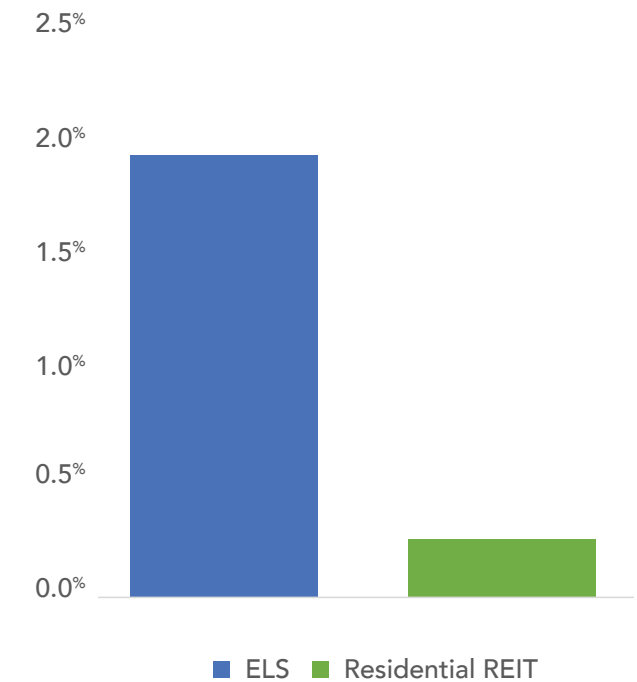
■ Utilities, Payroll and R&M

Stability through Economic Cycles

Historical Core Portfolio Growth Rate against CPI ⁽¹⁾⁽²⁾



Average Spread between Same Store NOI Growth vs CPI (2001-2021)⁽³⁾



	Avg. CPI	Avg. ELS Core Rev Growth	Avg. ELS Core Exp Growth	Avg. ELS Core NOI Growth
2001-2007	2.7%	4.1%	4.7%	3.8%
2008-2012	1.8%	2.3%	1.0%	3.3%
2013-2021	2.2%	4.8%	4.5%	5.1%

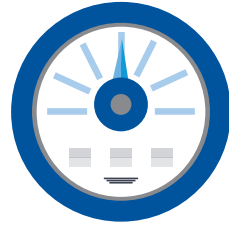
Notes: (1) The Core Portfolio for each year is defined as properties owned and operated for more than one year as of the start of that year. The Core Portfolio may change from time-to-time depending on acquisitions, dispositions and significant transactions or unique situations.

(2) See Non-GAAP Financial Measures at the end of the presentation for the definition of NOI.

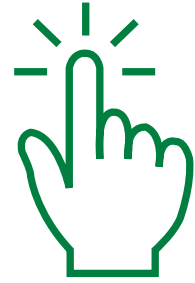
(3) Represents average spread between ELS Core Portfolio NOI growth and CPI growth from each year. Includes all publicly traded residential REITs (Multifamily, Single Family Rental, Student Housing) in S&P Global's coverage universe that had an enterprise value greater than \$4 billion and has same store NOI growth tracked by S&P Global as of February 18, 2022.

Technology and Innovation

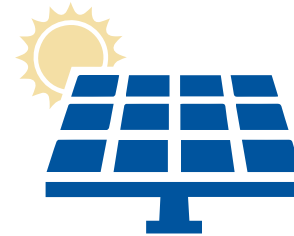
Utilizing the latest technology to drive operational efficiencies



Smart Meters



BOTS



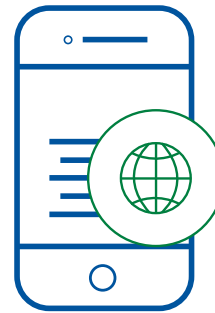
Solar Panels



Prop Tech



Digital signature



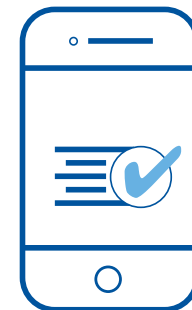
Online apps



Tech Investments



Cashless Transactions



Online Check-in

Digital Marketing Strategy – Social Media

Since January 2022, ELS has had over **1.3 Million** total engagements on social media channels



Click above to view  Stay Connected

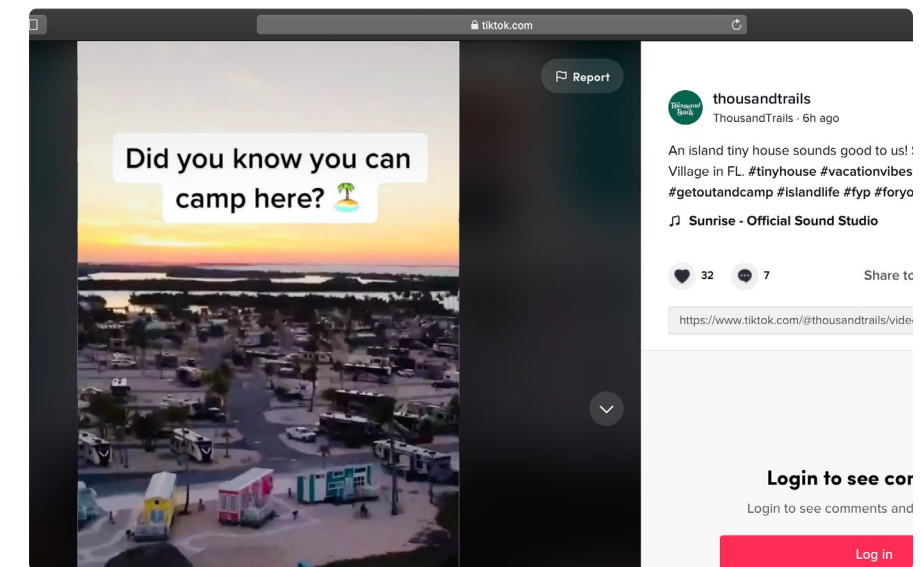
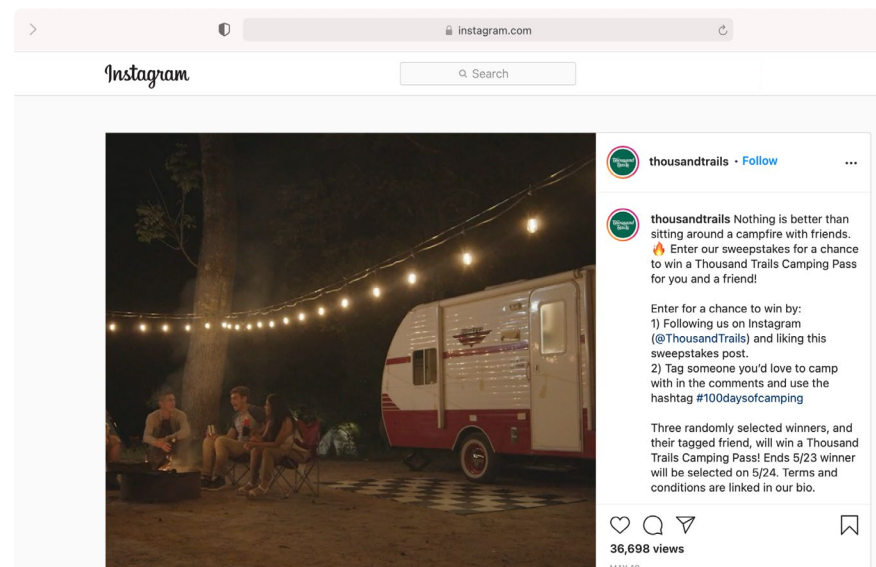
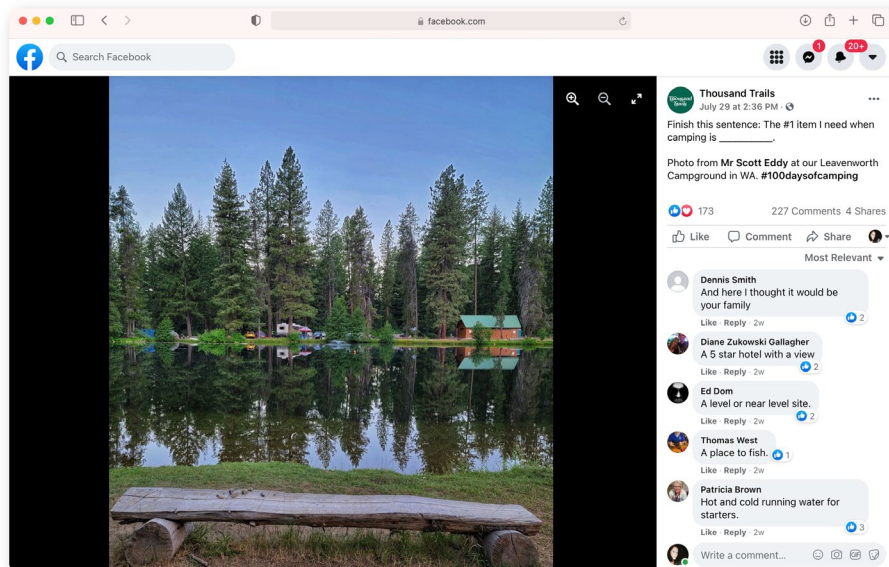


Click above to view  Lost-Time

Over 1.5 Million Total Followers

across social media channels

ELS has an engagement-focused social media strategy where we build meaningful interactions with existing and potential customers. These interactions build brand awareness and help drive sales and reservations.



Interactive virtual tours allow residents to preview the community and their future home

**Model Home
Virtual Tour**



**MH Property
Virtual Tour**



Digital Marketing Strategy – Online Check-In

Implemented online check-in functionality to enhance the customer experience



Play video to view the online check-in process

Benefits of Online Check-In for Customers:


- Less wait time at the front desk
- Reduced contact at check-in
- Expedited entry and can go straight to assigned sites
- Mobile friendly

Benefits of Online Check-In for Property Teams:

- Receive full visibility of customer reservation details prior to arrival
- Reduced processing time at front desk
- Allows for more time to focus on building relationships with customers
- Shorter lines and wait times at entrances

Digital Marketing Strategy – Online Travel Agencies

Building brand awareness and expanding reach to new customers through strategic partnerships with online travel agencies

 **Tripadvisor**
26 HALL OF FAME INDUCTEES | 54 TRAVELERS' CHOICE AWARDS



Booking.com

good sam

reserve america

Go CAMPING AMERICA

Expedia

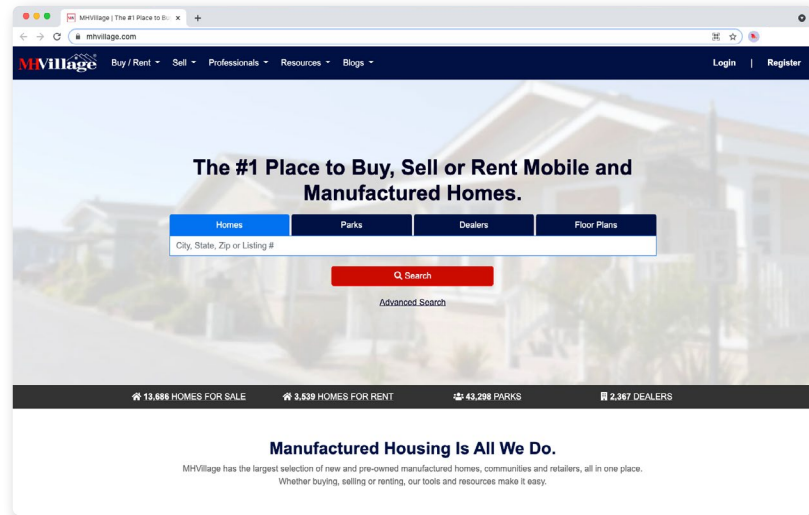
CAMPGROUND REVIEWS BY RVLIFE

the dyrt

Digital Marketing - MHVillage & Datacomp

MHVillage is the nation's premier online marketplace dedicated to buying and selling manufactured homes

Datacomp is the nation's leading provider of market-based valuations for manufactured homes and MH community market analysis



RETAINED CURRENT MANAGEMENT TEAM



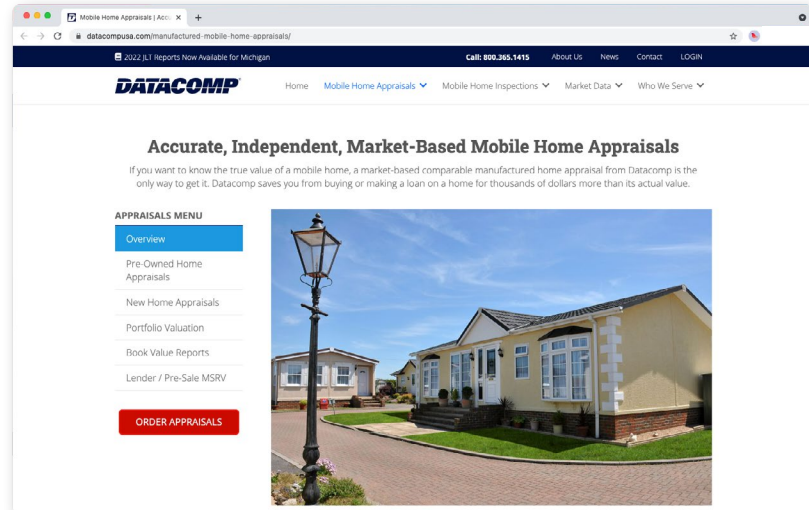
LEAD GENERATION (CONVERT SHOPPERS TO BUYERS)



MORE THAN 25 MILLION UNIQUE VISITORS ON MHVILLAGE ANNUALLY



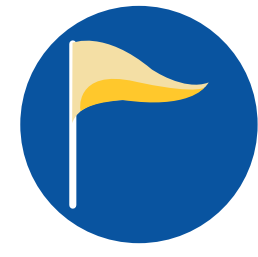
MORE THAN 80,000 HOMES ARE SOLD ON MHVILLAGE ANNUALLY



DIVERSE CUSTOMER BASE



DATACOMP IS THE PUBLISHER OF JLT MARKET REPORTS - THE INDUSTRY STANDARD FOR MH COMMUNITY MARKET ANALYSIS



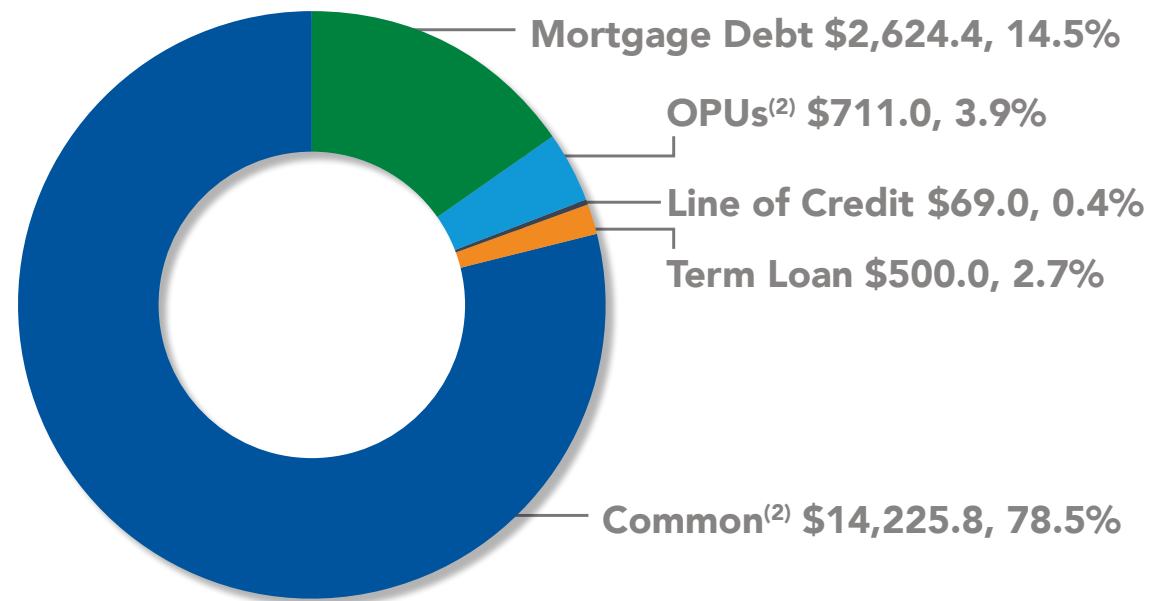
DATACOMP FOUNDED IN 1987 AND MHVILLAGE FOUNDED IN 2004

Capital Structure

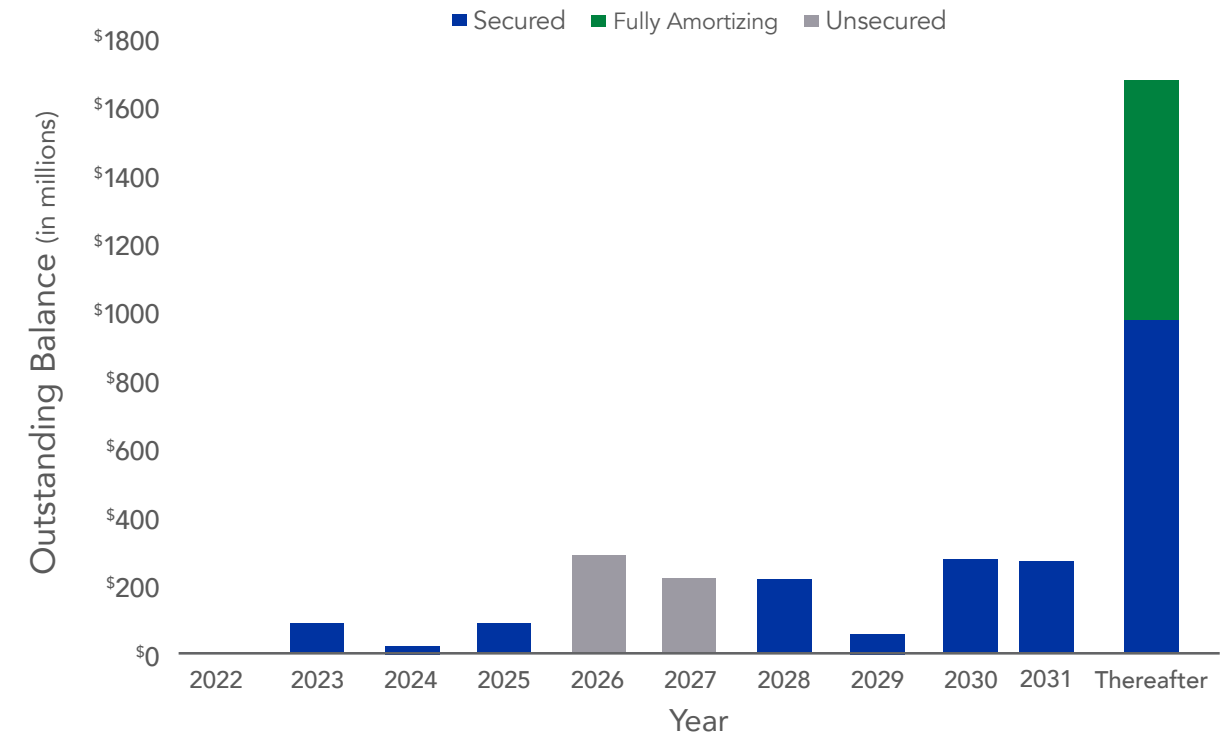
Balance sheet strategy supports long-term growth

As of March 31, 2022 (in millions)

- Total enterprise value is \$18.1 billion
- \$500 million line of credit
- Debt to enterprise value is 17.6%
- Total Debt/Adjusted EBITDAre is 5.2x⁽¹⁾



Debt Maturity as of April 30, 2022



11

Average Years to Maturity

3.5%

Weighted Average Interest Rate

15%

% of Debt that is Due Next 5 Years

22%

% of Debt that is Fully Amortizing

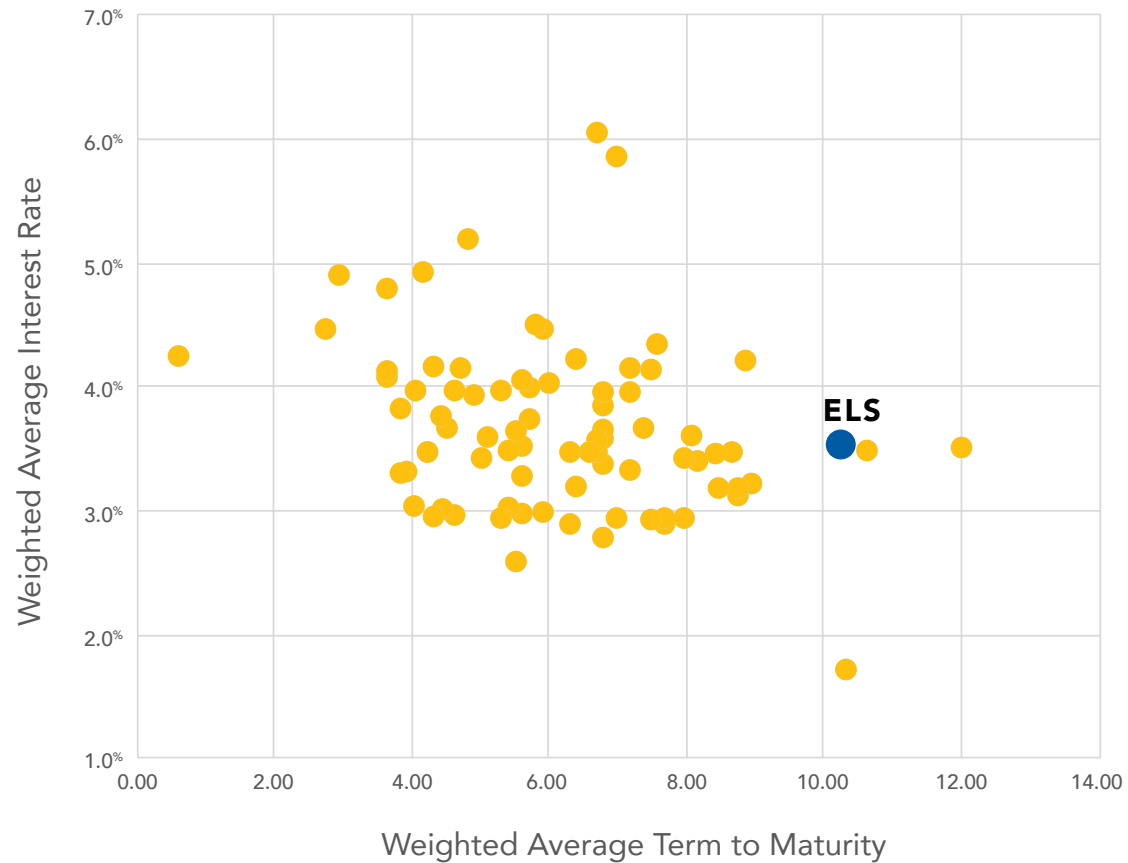
Notes: (1) As of March 31, 2022. See Non-GAAP Financial Measures at the end of the presentation for the definition and reconciliation of Adjusted EBITDAre.
(2) Based on the stock price as of March 31, 2022.

Transformative Debt Strategy

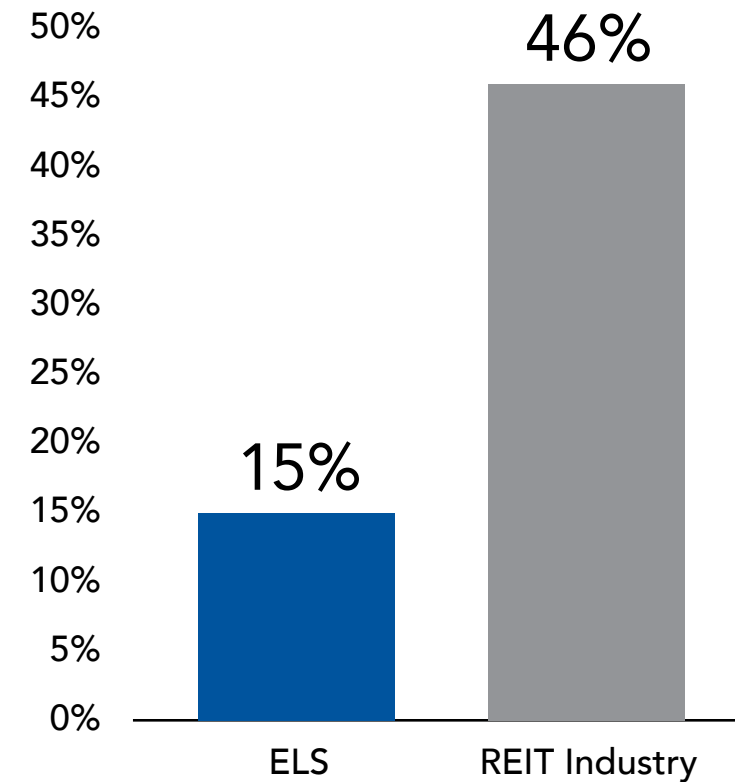
Weighted average term to maturity is approximately double the REIT average⁽¹⁾

Weighted average interest rate in line with the REIT average⁽²⁾

Term To Maturity Vs. Weighted Average Interest Rate



Debt Maturity Next Five Years⁽³⁾



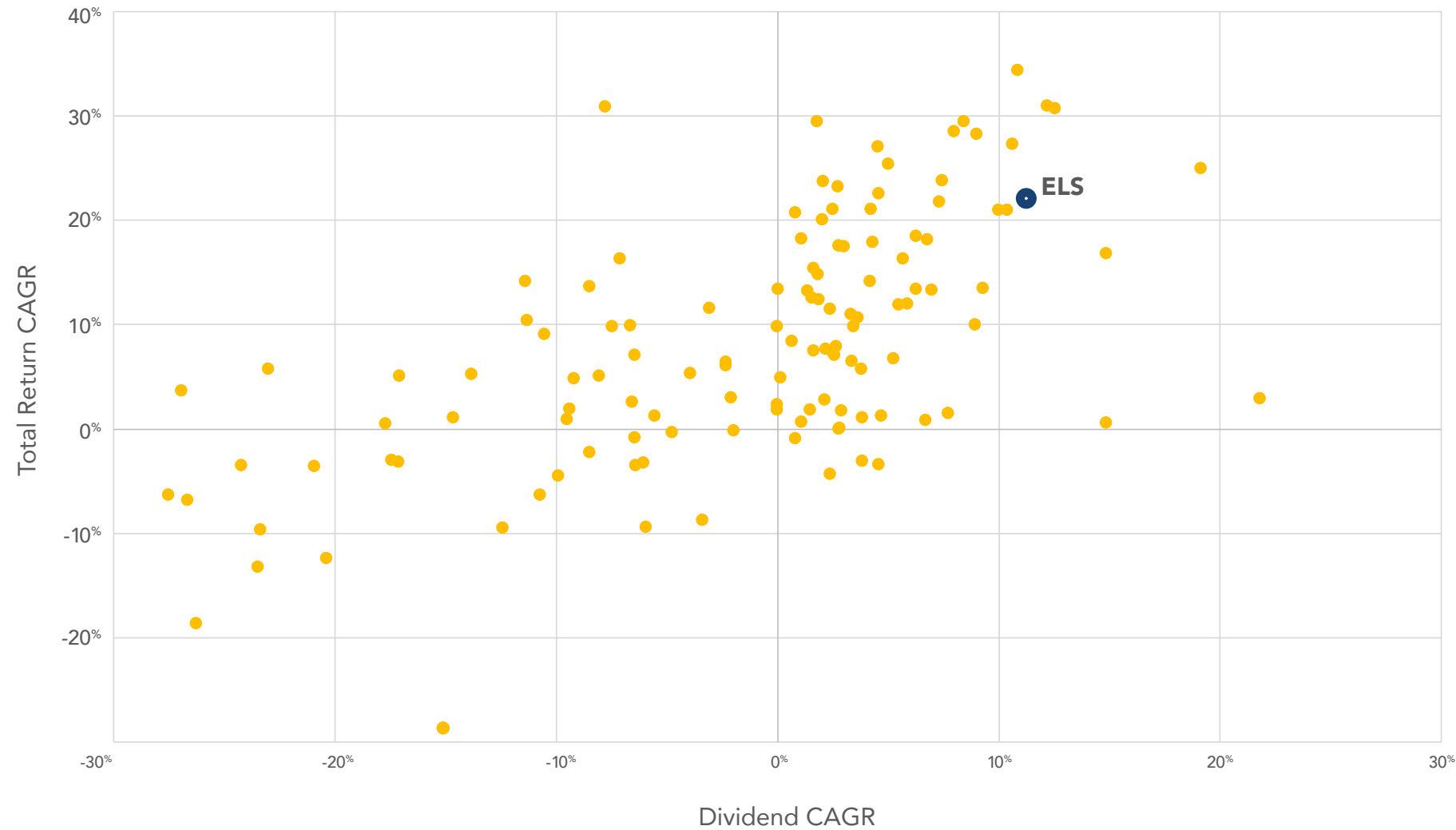
Notes: Source: S&P Global

(1) Includes all publicly traded U.S. Equity REITs in S&P Global's coverage universe that reported weighted average term to maturity for their most recent year as of April 2022.

(2) Includes all publicly traded U.S. Equity REITs in S&P Global's coverage universe that reported weighted average interest rate for their most recent year as of April 2022.

(3) Includes all publicly traded U.S. Equity REITs in S&P Global's coverage universe that disclosed a debt maturity schedule for their most recent quarter as of April 2022. ELS includes the announced April 2022 secured refinancing transaction.

5 Year Dividend CAGR and Total Return CAGR



Dividend Growth

5 year CAGR

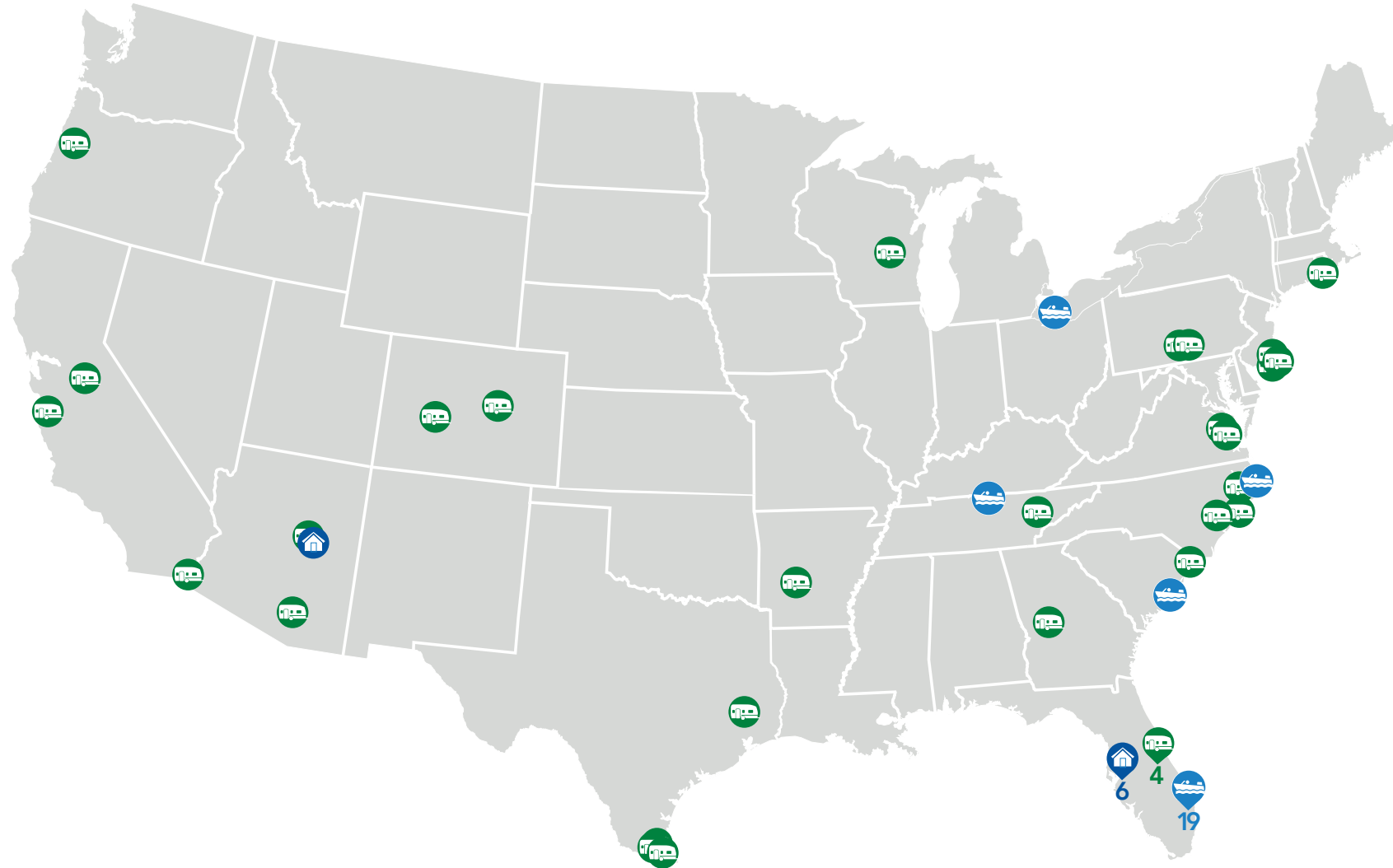
- ELS 11%⁽¹⁾
- REIT Average -2.7%⁽²⁾

Notes: (1) Compound annual growth rate through 2021.

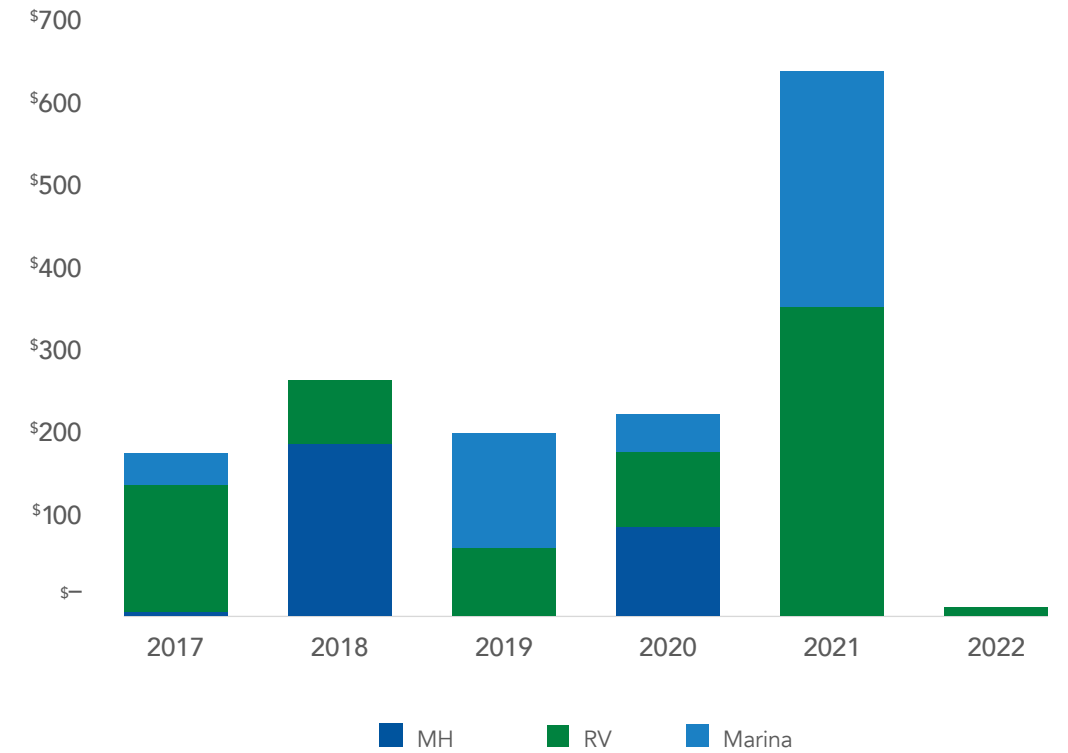
(2) Source: S&P Global; Includes all publicly traded U.S. Equity REITs in S&P Global's coverage universe that declared regular dividends during the period January 1, 2016 through December 31, 2021.

Acquisitions

ELS has a strong pipeline of external growth opportunities and a disciplined strategy focused on acquiring accretive properties



Property Acquisitions

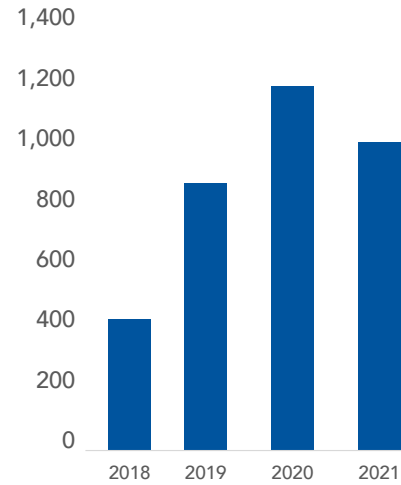


Over \$1 Billion Invested
in New Acquisitions Since 2017

Expansion

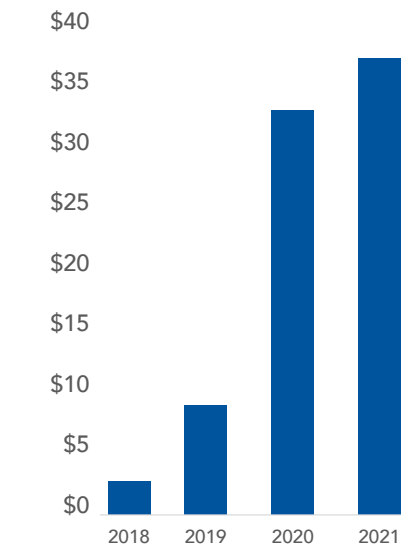
Expansions maximize returns by increasing the number of sites at communities with high demand with minimal increase to operating costs

Expansion Sites Added



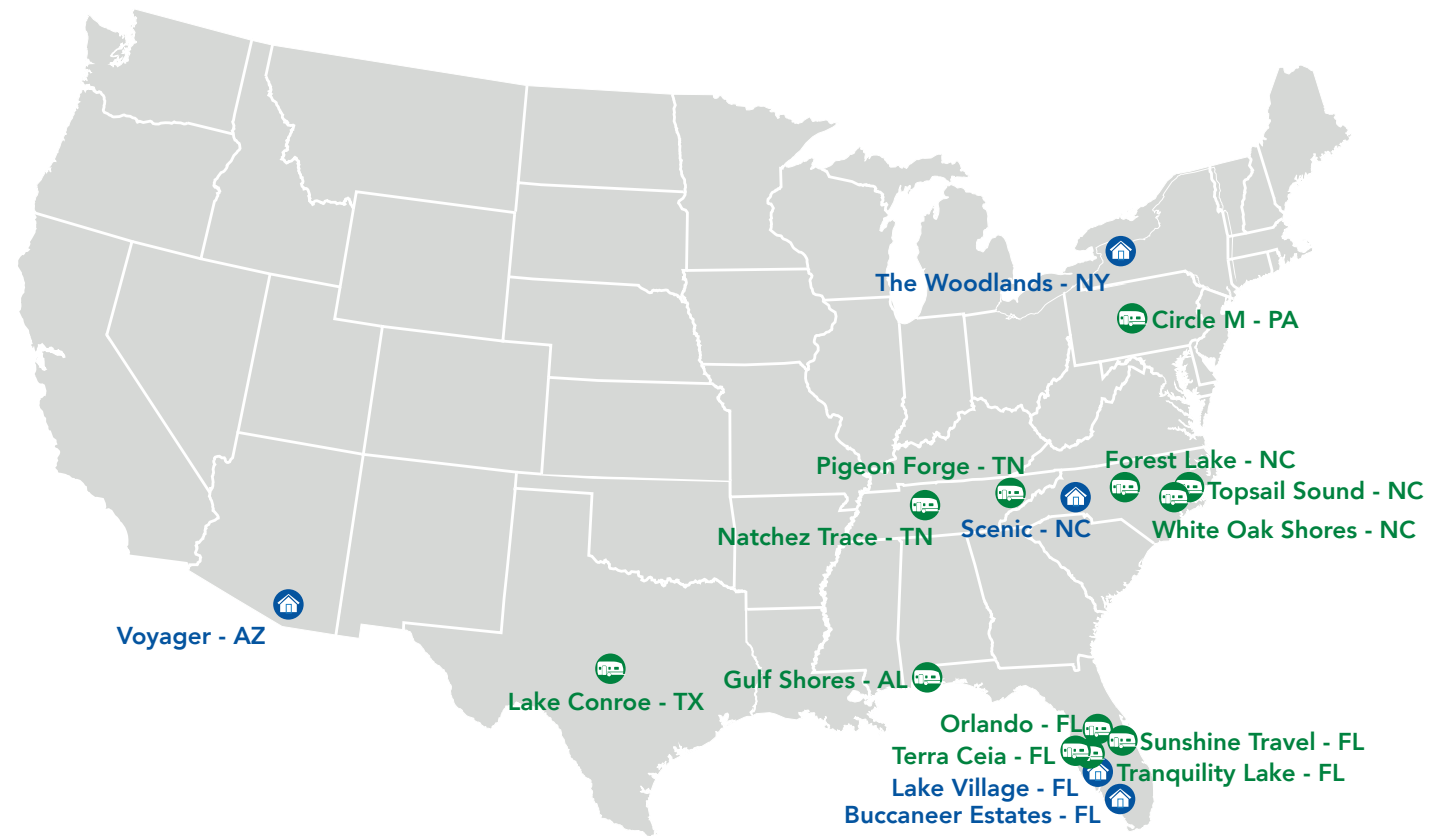
Land Purchases

(in millions)



8% - 12%
Expected Stabilized Yields⁽¹⁾

Planning for **~1,000**
expansion sites each year
through 2025



Monte Vista – Mesa, AZ
Completed Expansion Sites



2016



2021

Note: (1) This represents management's estimate based on facts known to management as of the date hereof. There is no guarantee that such yields will be realized at all, in these amounts or over what time table.



ENVIRONMENTAL PERFORMANCE REPORT



85+

LED RETROFIT PROJECTS



13,600+

SMART METERS



LOGGERHEAD
MARINELIFE CENTER
PARTNERSHIP



125+ ENERGY STAR®
CERTIFIED HOMES



100,000+ KWH

PRODUCED FROM
ON-SITE SOLAR, AVOIDING 17 METRIC
TONS OF CO2E



100K

COMMIT TO PLANTING 100,000
TREES IN COLLABORATION WITH
AMERICAN FORESTS

Our Sustainability Strategy is in Our Nature: Uniting People, Places & Purpose

Lake George Escape RV Resort
Lake George, NY



SPOTLIGHT: LAKE GEORGE ESCAPE RV RESORT WETLANDS RESTORATION PROJECT

At Lake George Escape RV Resort, a 576-site campground in upstate New York, we completed a \$1 million wetland restoration project in September of 2020.

The wetland remediation project restored and enhanced the wetlands throughout the approximately 175-acre campground, restoring part of a large stream and wetland complex in and around the shores of the beautiful Schroon River.


The restoration project included an overhaul of natural habitats, the replacement of bridges, a significant number of plantings around the shoreline and a back-to-nature experience around the Schroon River for guests of Lake George Escape and visitors to the area.

At ELS, we are proud of the diversity of our guests and residents and are committed to preserving the unique personality and character of each of our properties. We believe that embracing and fostering this in everything we do is what sets ELS apart.


To us, diversity includes celebrating differences in education, opinions, culture, ethnicity, race, sex, gender identity and expression, nation of origin, age, languages spoken, veteran status, color, religion, disability, sexual orientation and beliefs.

We are especially proud that women represent not only more than 50% of our workforce but also more than 50% of our management positions. Also, as our guest and resident base spans generations, so does our workforce with an average team member age of 49.


SPOTLIGHT: DIVERSITY, EQUITY AND INCLUSION AT ELS

58% 


WOMEN IN MANAGEMENT



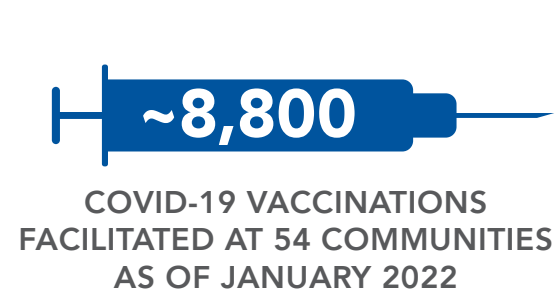
SIGNED
CEO **ACTION** FOR
DIVERSITY & INCLUSION™



EXPANDED DEI-RELATED
LEARNING CURRICULUM

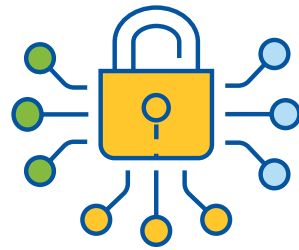


RECRUITMENT AND
DEVELOPMENT EFFORTS





ADOPTED VENDOR CODE OF CONDUCT



FORMED CYBER SECURITY ADVISORY BOARD AND SECURITY INCIDENT RESPONSE TEAM



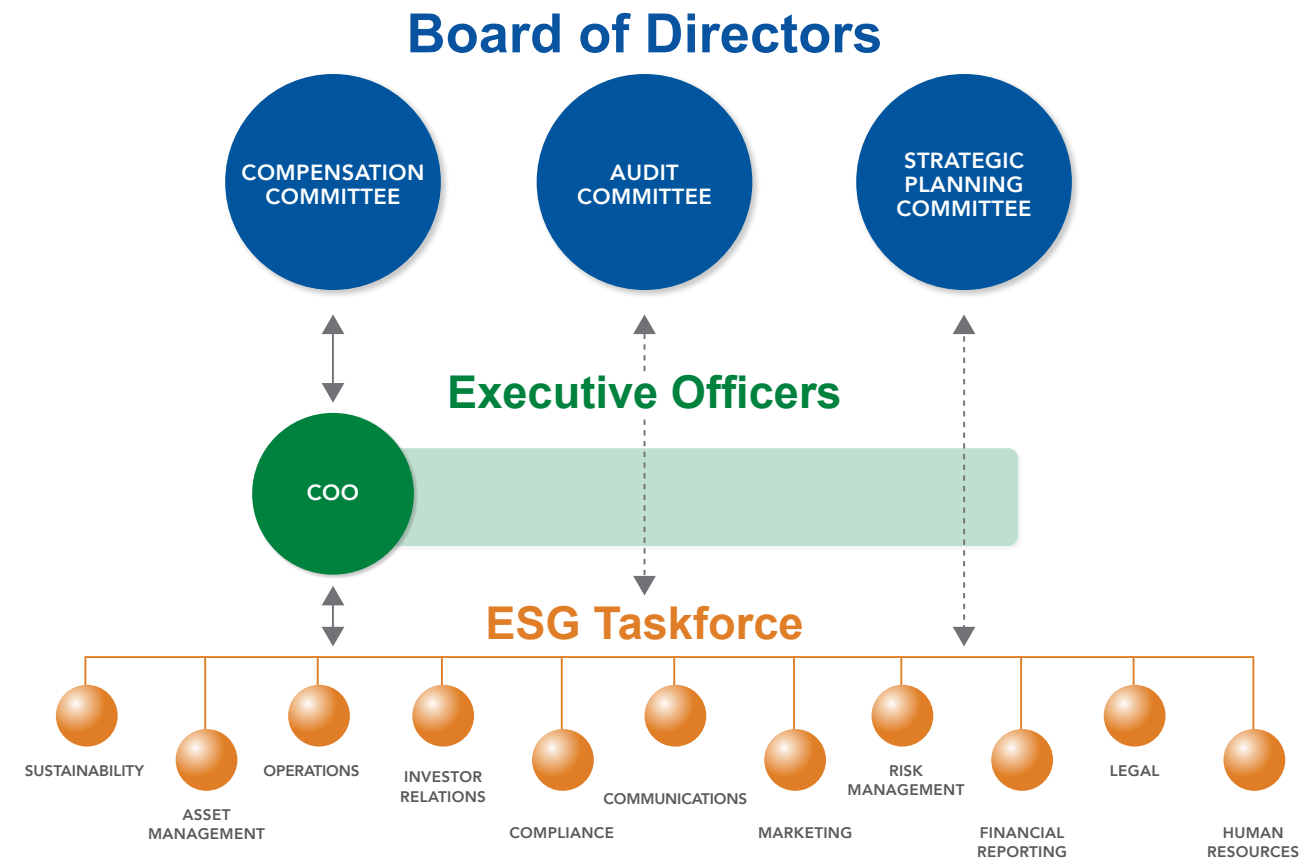
PUBLISHED ANTI-CORRUPTION COMPLIANCE POLICY



PUBLISHED ECONOMIC SANCTIONS AND ANTI-MONEY LAUNDERING LAWS COMPLIANCE POLICY

At ELS, sustainability is embedded in all aspects of the Company. With a dedicated Sustainability team, we are committed to incorporating ESG principles into our business operations in collaboration with heads of departments.

The ESG Taskforce is comprised of a diverse cross-section of employees to ensure we capture all aspects of Our Nature.



Experienced Executive Management Team

Long tenure leadership in the MH, RV, and marina industry

Marguerite Nader

President and CEO

29 Years

Paul Seavey

EVP and CFO

28 Years

Patrick Waite

EVP and COO

29 Years

David Eldersveld

EVP, CLO and Secretary

7 Years

Larisa Drake

EVP, CMO and Sales

9 Years

Forward Looking Statement

Under the Private Securities Litigation Reform Act of 1995:

The forward-looking statements contained in this presentation are subject to certain economic risks and uncertainties described under the heading “Risk Factors” in our most recent Annual Report on Form 10-K, as modified or supplemented by subsequently filed Quarterly Reports on Form 10-Q. See our 2021 Annual Report for the full text of our forward-looking statements. We assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

Non-GAAP Financial Measures

Net Income to FFO and Normalized FFO Reconciliation (in millions)

	2016	2017	2018	2019	2020	2021
Net income available for common stockholder	\$164.0	\$189.9	\$212.6	\$279.1	\$228.3	\$262.5
Income allocated to common OP units	13.9	12.8	13.8	16.8	13.1	13.5
Deferral of right-to-use contracts + sales revenue and commission, net	2.9	3.8	6.6	9.2	10.4	20.0
Depreciation and amortization	122.1	125.2	139.0	153.4	155.9	189.5
Gain on unconsolidated joint ventures	–	–	–	–	(1.2)	–
Gain on real estate	–	–	–	(52.5)	–	0.1
FFO available for common stock and OP unit holders	302.9	331.7	372.0	406.0	406.4	485.6
Change in fair value of contingent consideration asset	–	–	–	–	–	–
Transaction costs	1.2	0.7	–	–	–	0.6
Early debt retirement	–	2.7	1.1	2.0	10.8	2.8
Litigation settlement, net	2.4	–	–	–	–	–
Insurance proceeds due to catastrophic weather event and other, net ⁽¹⁾	–	–	(5.2)	(6.2)	–	–
Preferred stock original issuance costs	–	0.8	–	–	–	–
COVID-19 expenses	–	–	–	–	1.4	–
Normalized FFO available for common stock and OP unit holders	\$306.5	\$335.9	\$367.9	\$401.8	\$418.7	\$489.0

Note: (1) Includes \$6.2 million and \$6.7 million of insurance recovery revenue from reimbursement for capital expenditures related to Hurricane Irma for the years ended December 31, 2019 and 2018 respectively. Also includes \$1.6 million related to settlement of a previously disclosed civil investigation by certain Californian District attorney for the year ended December 31, 2018.

Non-GAAP Financial Measures

This presentation contains certain non-GAAP measures used by management that we believe are helpful in understanding our business, as further discussed in the paragraphs below. We believe investors should review these non-GAAP measures, along with GAAP net income and cash flow from operating activities, investing activities and financing activities, when evaluating an equity REIT's operating performance. Our definitions and calculations of these non-GAAP financial and operating measures and other terms may differ from the definitions and methodologies used by other REITs and, accordingly, may not be comparable. These non-GAAP financial and operating measures do not represent cash generated from operating activities in accordance with GAAP, nor do they represent cash available to pay distributions and should not be considered as an alternative to net income, determined in accordance with GAAP, as an indication of our financial performance, or to cash flows from operating activities, determined in accordance with GAAP, as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make cash distributions.

FUNDS FROM OPERATIONS (FFO). We define FFO as net income, computed in accordance with GAAP, excluding gains or losses from sales of properties, depreciation and amortization related to real estate, impairment charges and adjustments to reflect our share of FFO of unconsolidated joint ventures. Adjustments for unconsolidated joint ventures are calculated to reflect FFO on the same basis. We compute FFO in accordance with our interpretation of standards established by the National Association of Real Estate Investment Trusts ("NAREIT"), which may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do. We receive non-refundable upfront payments from membership upgrade contracts. In accordance with GAAP, the non-refundable upfront payments and related commissions are deferred and amortized over the estimated membership upgrade contract term. Although the NAREIT definition of FFO does not address the treatment of non-refundable upfront payments, we believe that it is appropriate to adjust for the impact of the deferral activity in our calculation of FFO.

NORMALIZED FUNDS FROM OPERATIONS (NORMALIZED FFO). We define Normalized FFO as FFO excluding non-operating income and expense items, such as gains and losses from early debt extinguishment, including prepayment penalties and defeasance costs, and other miscellaneous non-comparable items.

Normalized FFO presented herein is not necessarily comparable to Normalized FFO presented by other real estate companies due to the fact that not all real estate companies use the same methodology for computing this amount.

We believe that FFO and Normalized FFO are helpful to investors as supplemental measures of the performance of an equity REIT. We believe that by excluding the effect of gains or losses from sales of properties, depreciation and amortization related to real estate and impairment charges, which are based on historical costs and which may be of limited relevance in evaluating current performance, FFO can facilitate comparisons of operating performance between periods and among other equity REITs. We further believe that Normalized FFO provides useful information to investors, analysts and our management because it allows them to compare our operating performance to the operating performance of other real estate companies and between periods on a consistent basis without having to account for differences not related to our normal operations. For example, we believe that excluding the early extinguishment of debt, and other miscellaneous non-comparable items from FFO allows investors, analysts and our management to assess the sustainability of operating performance in future periods because these costs do not affect the future operations of the properties. In some cases, we provide information about identified non-cash components of FFO and Normalized FFO because it allows investors, analysts and our management to assess the impact of those items.

Non-GAAP Financial Measures Continued

INCOME FROM PROPERTY OPERATIONS, EXCLUDING DEFERRALS AND PROPERTY MANAGEMENT (NOI).

We define Income from property operations, excluding deferrals and property management as rental income, membership subscriptions and upgrade sales, utility and other income less property and rental home operating and maintenance expenses, real estate taxes, sales and marketing expenses, excluding property management and the GAAP deferral of membership upgrade sales upfront payments and membership sales commissions, net. For comparative purposes, we present bad debt expense within Property operating, maintenance and real estate taxes in the current and prior periods. We believe that this Non-GAAP financial measure is helpful to investors and analysts as a measure of the operating results of our properties.

EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTIZATION FOR REAL ESTATE (EBITDAre) AND ADJUSTED EBITDAre.

We define EBITDAre as net income or loss excluding interest income and expense, income taxes, depreciation and amortization, gains or losses from sales of properties, impairments charges, and adjustments to reflect our share of EBITDAre of unconsolidated joint

ventures. We compute EBITDAre in accordance with our interpretation of the standards established by NAREIT, which may not be comparable to EBITDAre reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than we do. We receive non-refundable upfront payments from membership upgrade contracts. In accordance with GAAP, the non-refundable upfront payments and related commissions are deferred and amortized over the estimated customer life. Although the NAREIT definition of EBITDAre does not address the treatment of non-refundable upfront payments, we believe that it is appropriate to adjust for the impact of the deferral activity in our calculation of EBITDAre. We define Adjusted EBITDAre as EBITDAre excluding non-operating income and expense items, such as gains and losses from early debt extinguishment, including prepayment penalties and defeasance costs, and other miscellaneous non-comparable items. We believe that EBITDAre and Adjusted EBITDAre may be useful to an investor in evaluating our operating performance and liquidity because the measures are widely used to measure the operating performance of an equity REIT.

Consolidated Net Income to EBITDAre and Adjusted EBITDAre Reconciliations (in millions)

	Trailing Twelve Months as of March 2022
Consolidated net income	\$294.1
Interest income	(7.0)
Membership upgrade sales upfront payments, deferred, net	21.7
Membership sales commissions, deferred, net	(4.2)
Real estate depreciation and amortization	192.4
Other depreciation and amortization	3.1
Interest and related amortization	109.9
Adjustments to our share of EBITDAre of unconsolidated joint ventures	2.6
EBITDAre	612.6
Early debt retirement	1.3
Transaction costs	0.6
Adjusted EBITDAre	\$614.5

els[®]