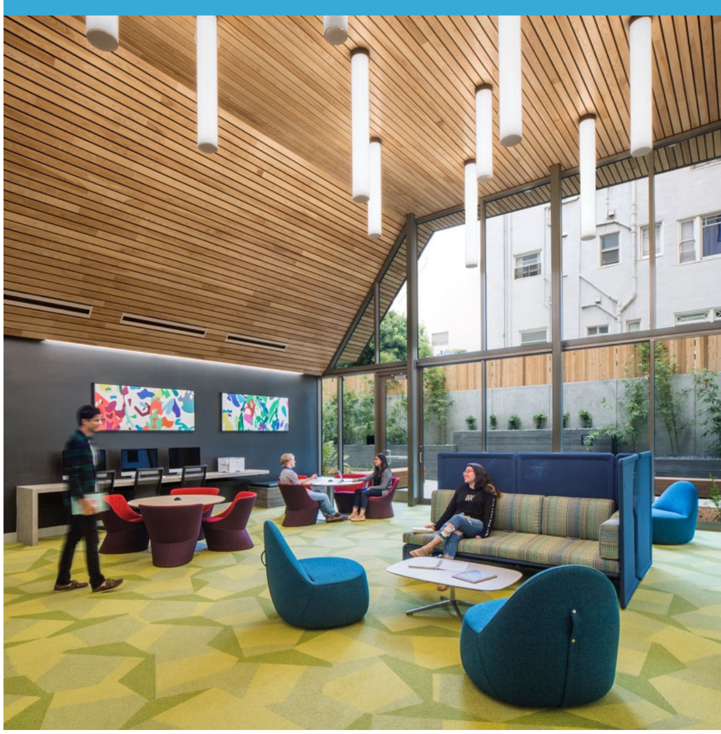
AMERICAN CAMPUS COMMUNITIES

Where students love living.®

# Quarterly Earnings Analyst Package Q2 2020

## July 20, 2020



**MEDIA** RELEASE

**American Campus Communities, Inc. Reports Second Quarter 2020 Financial Results**

AUSTIN, Texas--(BUSINESS WIRE)—July 20, 2020--American Campus Communities, Inc. (NYSE:ACC) today announced the following financial results for the quarter ended June 30, 2020.

**Highlights**

- Reported net loss attributable to ACC of $13.3 million or $0.10 per fully diluted share, versus net income of $10.4 million or $0.07 per fully diluted share in the second quarter 2019.

- Reported FFOM of $50.9 million or $0.37 per fully diluted share versus $77.4 million or $0.56 per fully diluted share in the second quarter prior year.

- Continued to implement the company's COVID-19 crisis response plan consistent with the eight principle objectives discussed on its first quarter earnings call, which are reiterated below in the COVID-19 update.

- Through its COVID-19 Resident Hardship Program, the company provided $8.6 million in direct financial relief to its residents suffering financial hardship and an additional $15.1 million in rent relief to students through its university partnerships. In addition to this $23.7 million of financial assistance, the company waived all late fees, online payment fees and did not pursue any financial related evictions.

- At the company's off-campus communities and on-campus 12-month ACE® apartment communities, on average 93.7 percent of residents made their rent payments during the quarter.

- Same store net operating income ("NOI") decreased by 20.9 percent versus the second quarter 2019. Revenues decreased 14.2 percent and operating expenses decreased 5.7 percent as compared to the prior year quarter. Same store revenue was impacted by approximately $30.6 million of rent relief, lost revenues from summer camps and conferences, increased uncollectible accounts, waived fees and other COVID related items.

- As of July 19 *The Chronicle of Higher Education* reported that 63 of the 68 universities served by the company's communities are planning for a return to in-person classes or a hybrid in-person model for Fall 2020, while only five are planning for primarily online classes.

- Delivered the first phase of the Disney College Program project on schedule and within budget. Due to the COVID-19 related temporary suspension of the Disney College Program, initial occupancy is expected upon reinstatement of the program.

- Issued $400.0 million of 10-year senior unsecured notes at a yield of 3.974 percent, with the proceeds used to repay borrowings under the company's revolving credit facility.

- Launched "Be safe. Be smart. Do your part.™" program, which includes a comprehensive review of cleaning products and procedures by a third-party hygiene and disinfectant specialist, that integrates enhanced cleaning standards, resident responsibility education and touchless preventative measures in the company's college communities across the country.

- Published an Environmental, Social, Governance (ESG) report outlining the company's year-in-review of successful activities and its continued commitment to healthy, sustainable environments conducive to academic achievement.

"Throughout this pandemic, we have strived to 'Do the right thing' by our stakeholders and continued to follow the eight principle objectives we laid out at the beginning of this crisis," said Bill Bayless, American Campus Communities CEO. "We are pleased with our progress in relation to all of these guiding principles. As we expected and communicated on the last earnings call, this quarter was significantly impacted by the short term financial impacts of the COVID pandemic, largely driven by our commitment to responsibly manage our business with compassion towards those residents and families who need financial assistance during these challenging times, with nearly $24 million in financial relief given during the quarter. While we anticipate that we will continue to have short term financial impacts, over the longer term we are pleased with the progress that we have made in our efforts associated with the Fall 2020 lease-up and our outreach to assist universities in their plans to return to some level of in-person curriculum delivery this fall. Although we don't expect a full return to normalcy in Fall 2020, universities are focused on the policies and procedures necessary to promote a safe environment in the delivery of their academic curriculum this fall, and our leasing trends and consumer sentiment at this time make us cautiously optimistic that we are on a path that many would have considered a best-case scenario at the outset of this pandemic."

**Second Quarter Operating Results**

Revenue for the 2020 second quarter totaled $185.5 million, versus $217.4 million in the second quarter 2019, and operating income for the quarter totaled $12.5 million compared to $37.8 million in the prior year second quarter. The decrease in revenue and operating income was primarily due to the impacts of COVID-19, including $32.4 million in rent abatements, early lease terminations, lost revenue from summer camps and conferences, increased uncollectible accounts and waived fee income, partially offset by a decrease in owned properties operating expenses of $5.0 million. Net loss for the 2020 second quarter totaled $13.3 million, or $0.10 per fully diluted share, compared with net income of $10.4 million, or $0.07 per fully diluted share for the same quarter in 2019.

FFO for the 2020 second quarter totaled $50.3 million, or $0.36 per fully diluted share, as compared to $76.2 million, or $0.55 per fully diluted share for the same quarter in 2019. FFOM for the 2020 second quarter was $50.9 million, or $0.37 per fully diluted share as compared to $77.4 million, or $0.56 per fully diluted share for the same quarter in 2019. A reconciliation of FFO and FFOM to net income is provided on page S-4.

NOI for same store properties was $87.3 million in the quarter, a decrease of 20.9 percent from $110.4 million in the 2019 second quarter. Same store property revenues decreased by 14.2 percent and same store property operating expenses decreased by 5.7 percent versus the prior year quarter. NOI for the total owned portfolio decreased 18.9 percent to $91.7 million for the quarter from $113.1 million in the comparable period of 2019. A reconciliation of same store NOI to total NOI is provided on page S-5.

**Academic Year 2020-2021 Preleasing Update**

As previously communicated, it is not the company's policy to provide interim preleasing updates; however, with the current circumstances surrounding COVID-19, the company believes it is important to continue providing periodic updates. As of July 17, 2020, the company's same store owned portfolio was 90.1 percent preleased for Academic Year 2020-2021 as compared to 93.5 percent preleased for the same date prior year.

"With a range of 5 to 11 weeks left in the leasing season, we are pleased to be over 90 percent preleased at our same store properties," said Jennifer Beese, American Campus Communities COO. "It is worth noting that at our four same store properties at universities that have announced primarily online classes, we are 90 percent pre-leased, with requests for re-let or cancellation representing a potential vacancy loss of only 5% at this time. This demonstrates the students' strong desire to be in the college environment with their peers, regardless of the curriculum delivery method. As we have seen leasing activity exceeding prior year levels over the last several weeks, we hope to further benefit from a supply reduction of over 55,000 on-campus beds in the markets we serve as a result of university plans to de-densify and hold quarantine beds offline."

**Portfolio Update**

Developments

During the quarter, the company completed the $61.6 million first phase of the Disney College Program development on schedule and within budget. Due to Walt Disney World® Resort being closed when construction was completed and the COVID-19 related temporary suspension of the Disney College Program, the phase was not occupied as originally scheduled. Walt Disney World® Resort continues to take a measured and phased approach to opening and is currently reviewing the timing for resuming the Disney College Program and the related occupancy of the company's project. The company continues construction on phases two through ten of the Disney College Program development. These core Class A assets are located on the campus of Walt Disney World® Resort and are expected to be completed as originally anticipated through 2023. Collectively, the Disney College Program development totals $614.6 million and the company still expects to meet its original targeted stabilized development yield of 6.8 percent in 2023.

Development projects on the University of Southern California Health Sciences and San Francisco State University campuses, totaling $171.2 million, are scheduled for delivery in August 2020 and remain on time and within budget. Due to university policies related to COVID-19, the company anticipates initial occupancy levels for these new developments to be below those initially anticipated but expects to meet the targeted stabilized development yields of 6.25 percent for Academic Year 2021-2022.

**Capital Markets and Balance Sheet Liquidity**

As previously announced, in June, the company issued $400.0 million of 10-year unsecured notes at a coupon rate of 3.875 percent and a yield of 3.974 percent. The company used the proceeds to repay borrowings under its revolving credit facility.

As of June 30, 2020, the company exhibited a healthy balance sheet with ample liquidity including approximately $31.0 million in cash and $813.5 million available on its unsecured revolving credit facility. The company has no remaining debt maturities in 2020 and approximately $150 million in planned development expenditures for the remainder of the year.

*At-The-Market (ATM) Share Offering Program*

The company did not sell any shares under the ATM during the quarter.

**COVID-19 Update**

As detailed on the company's first quarter earnings call, eight principle objectives were adopted as guidelines to follow during the pandemic:

1. Strive to maintain a healthy and academically oriented environment for the company's residents by adopting and implementing all CDC guidelines with regard to cleaning, sanitization, and social distancing as the company continues to deliver essential services, and ensure that the company's state of the art broadband service continues to be reliable to facilitate the delivery of online education as universities move to that medium to deliver classroom lectures.
2. Be compassionate and provide financial assistance and support to residents and their families who suffer a diminishment of income as a result of the COVID-19 crisis.
3. Strive to ensure that all American Campus Communities team members have a safe, healthy and productive work environment as they continue to deliver services to the company's residents and university partners and as they continue to construct and deliver the company's development projects.
4. Work with the company's P3 university partners to understand their individual unique challenges with regard to COVID-19 and assist them in implementing their plans and accomplishing their objectives. Anyone can be a good partner when things are going well – our goal is to demonstrate that we are a good partner in times of crisis such as this.
5. Attempt to limit all negative financial and operational impacts to the period directly associated with this crisis and work to prevent negative financial impacts from carrying forward into the company's stabilized business model or from negatively impacting long term valuations for the company's portfolio and sector.
6. Adapt the company's marketing and leasing strategies to successfully complete the fall lease-up and work collaboratively with all the universities the company serves in an attempt to return to a state of normalcy, stability and "business as usual" for the 2020-2021 academic year.
7. Ensure the necessary balance sheet liquidity to withstand the duration of the crisis.
8. Reflect on the challenges faced during this black swan event and take note of the lessons learned, in an effort to be better prepared for a future pandemic, to improve the company's future products, services and operational policies, as well as to advance and refine the company's investment and capital allocation strategies, transaction structures and underwriting standards.

As previously reported, in collaboration with its university partners, the company agreed to refund a portion of students' rent at certain on-campus ACE properties that primarily had lease terms which ended in May. The company refunded rent of approximately $15.1 million during the second quarter and anticipates approximately $1.5 to $2.5 million in rent refunds in the third quarter of 2020.

With regard to the company's off-campus properties and on-campus 12-month ACE apartment communities, an average of approximately 93.7 percent of residents made their rent payments during the quarter, representing a total rent delinquency of approximately $10.4 million. For July rent payments (the final payment for the substantial majority of Academic Year 2019-2020 leases), through July 20 the company estimates that approximately 89.2 percent of residents have made their July rent payments, which represents rent delinquency of approximately $5.7 million. This compares to 91.2 percent of residents who had made their June payment as of the same date prior month.

As previously announced, the company has formed a Resident Hardship Program to provide relief on a case-by-case basis to those residents and families who have endured financial hardship due to the COVID-19 pandemic. For the months of April through June, of the total $10.4 million in delinquent rent noted above, the company has granted approximately $8.6 million in rent relief to approximately 6,500 qualified residents.

## Supplemental Information and Earnings Conference Call

Supplemental financial and operating information, as well as this release, are available in the investor relations section of the American Campus Communities website, www.americancampus.com. In addition, the company will host a conference call to discuss second quarter results and the 2020 outlook on Tuesday, July 21, 2020 at 10:00 a.m. ET (9:00 a.m. CT). The conference call may be accessed by dialing 888-317-6003 passcode 5442836, or 412-317-6061 for international participants.

To listen to the live webcast, go to www.americancampus.com at least 15 minutes prior to the call so that required audio software can be downloaded. A replay of the conference call will be available beginning one hour after the end of the call until August 4, 2020 by dialing 877-344-7529 or 412-317-0088 conference number 10145060. Additionally, the replay will be available for one year at www.americancampus.com.

## Non-GAAP Financial Measures

The National Association of Real Estate Investment Trusts ("NAREIT") currently defines Funds from Operations ("FFO") as net income or loss attributable to common shares computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains or losses from depreciable operating property sales, impairment charges and real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We present FFO because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. We also believe it is meaningful to present a measure we refer to as FFO-Modified, or ("FFOM"), which reflects certain adjustments related to the economic performance of our on-campus participating properties and excludes property acquisition costs and other non-cash items, as we determine in good faith. FFO and FFOM should not be considered as alternatives to net income or loss computed in accordance with GAAP as an indicator of our financial performance or to cash flow from operating activities computed in accordance with GAAP as an indicator of our liquidity, nor are these measures indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions.

The company defines property net operating income ("NOI") as property revenues less direct property operating expenses, excluding depreciation, but including allocated corporate general and administrative expenses.

## About American Campus Communities

American Campus Communities, Inc. is the largest owner, manager and developer of high-quality student housing communities in the United States. The company is a fully integrated, self-managed and self-administered equity real estate investment trust (REIT) with expertise in the design, finance, development, construction management and operational management of student housing properties. As of June 30, 2020, American Campus Communities owned 166 student housing properties containing approximately 111,900 beds. Including its owned and third-party managed properties, ACC's total managed portfolio consisted of 201 properties with approximately 138,000 beds. Visit www.americancampus.com.

## Forward-Looking Statements

In addition to historical information, this press release contains forward-looking statements under the applicable federal securities law. These statements are based on management's current expectations and assumptions regarding markets in which American Campus Communities, Inc. (the "Company") operates, operational strategies, anticipated events and trends, the economy, and other future conditions. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. These risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward looking-statements include those related to the COVID-19 pandemic, about which there are still many unknowns, including the duration of the pandemic and the extent of its impact, and those discussed in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2019 under the heading "Risk Factors" and under the heading "Business - Forward-looking Statements" and subsequent quarterly reports on Form 10-Q. We undertake no obligation to publicly update any forward-looking statements, including our preleasing activity or expected full year 2020 operating results, whether as a result of new information, future events, or otherwise.

# Q2 Supplemental Package

## July 20, 2020

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AMERICAN CAMPUS COMMUNITIES

# Financial Highlights

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

| Operating Data | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | $ Change | % Change | 2020 | 2019 | $ Change | % Change |
| Total revenues | $ 185,547 | $ 217,371 | $ (31,824) | (14.6%) | $ 434,951 | $ 459,502 | $ (24,551) | (5.3%) |
| Operating income | 12,512 | 37,841 | (25,329) | (66.9%) | 127,998 | 96,840 | 31,158 | 32.2% |
| Net (loss) income attributable to ACC | (13,344) | 10,386 | (23,730) | (228.5%) | 67,511 | 40,026 | 27,485 | 68.7% |
| Net (loss) income per share - basic and diluted | (0.10) | 0.07 | | | 0.48 | 0.28 | | |
| Funds From Operations - ("FFO") [1] | 50,253 | 76,180 | (25,927) | (34.0%) | 146,188 | 174,557 | (28,369) | (16.3%) |
| FFO per share - diluted [1] | 0.36 | 0.55 | (0.19) | (34.5%) | 1.05 | 1.26 | (0.21) | (16.7%) |
| Funds From Operations - Modified ("FFOM") [1] | 50,912 | 77,369 | (26,457) | (34.2%) | 148,474 | 172,696 | (24,222) | (14.0%) |
| FFOM per share - diluted [1] | 0.37 | 0.56 | (0.19) | (33.9%) | 1.07 | 1.24 | (0.17) | (13.7%) |

| Market Capitalization and Unsecured Notes Covenants [2] | June 30, 2020 | December 31, 2019 |
|---|---|---|
| Debt to total market capitalization | 42.0% | 34.3% |
| Net debt to EBITDA [3] | 7.6x | 6.7x |
| Unencumbered asset value to total asset value | 83.3% | 82.5% |
| Total debt to total asset value | 40.9% | 39.8% |
| Secured debt to total asset value | 8.6% | 9.1% |
| Unencumbered asset value to unsecured debt | 258.2% | 269.5% |
| Interest coverage [3] | 3.3x | 3.8x |

1. Refer to page S-4 for a reconciliation to net income, the most directly comparable GAAP measure.
2. Refer to the definitions outlined on pages S-17 and S-18 for detailed definitions of terms appearing on this page.
3. Refer to calculations on page S-14, including a reconciliation to net income and interest expense, the most directly comparable GAAP measures.

# Consolidated Balance Sheets

## ($ in thousands)

| | June 30, 2020 (unaudited) | December 31, 2019 |
|---|---|---|
| **Assets** | | |
| Investments in real estate: | | |
| Owned properties, net | $ 6,659,939 | $ 6,694,715 |
| On-campus participating properties, net | 72,273 | 75,188 |
| Investments in real estate, net | 6,732,212 | 6,769,903 |
| Cash and cash equivalents | 31,011 | 54,650 |
| Restricted cash | 29,959 | 26,698 |
| Student contracts receivable, net | 9,194 | 13,470 |
| Operating lease right of use assets [1] | 459,110 | 460,857 |
| Other assets [1] | 253,024 | 234,176 |
| **Total assets** | **$ 7,514,510** | **$ 7,559,754** |
| **Liabilities and equity** | | |
| Liabilities: | | |
| Secured mortgage, construction and bond debt, net | $ 747,086 | $ 787,426 |
| Unsecured notes, net | 2,373,767 | 1,985,603 |
| Unsecured term loans, net | 199,297 | 199,121 |
| Unsecured revolving credit facility | 186,500 | 425,700 |
| Accounts payable and accrued expenses | 72,335 | 88,411 |
| Operating lease liabilities [2] | 482,492 | 473,070 |
| Other liabilities [2] | 161,091 | 157,368 |
| Total liabilities | 4,222,568 | 4,116,699 |
| Redeemable noncontrolling interests | 20,912 | 104,381 |
| Equity: | | |
| American Campus Communities, Inc. and Subsidiaries stockholders' equity: | | |
| Common stock | 1,375 | 1,373 |
| Additional paid in capital | 4,469,251 | 4,458,456 |
| Common stock held in rabbi trust | (3,951) | (3,486) |
| Accumulated earnings and dividends | (1,207,645) | (1,144,721) |
| Accumulated other comprehensive loss | (26,465) | (16,946) |
| Total American Campus Communities, Inc. and Subsidiaries stockholders' equity | 3,232,565 | 3,294,676 |
| Noncontrolling interests - partially owned properties | 38,465 | 43,998 |
| Total equity | 3,271,030 | 3,338,674 |
| **Total liabilities and equity** | **$ 7,514,510** | **$ 7,559,754** |

1. For purposes of calculating net asset value ("NAV") at June 30, 2020, the company excludes other assets of approximately $3.5 million related to net deferred financing costs on its revolving credit facility and the net value of in-place leases, as well as operating lease right of use assets disclosed above.
2. For purposes of calculating NAV at June 30, 2020, the company excludes other liabilities of approximately $41.8 million related to deferred revenue and fee income, as well as operating lease liabilities disclosed above.

# Consolidated Statements of Comprehensive Income

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

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | $ Change | 2020 | 2019 | $ Change |
| **Revenues** | | | | | | |
| Owned properties [1] | $ 177,186 | $ 203,156 | $ (25,970) | $ 409,277 | $ 427,575 | $ (18,298) |
| On-campus participating properties | 4,101 | 6,396 | (2,295) | 14,810 | 17,844 | (3,034) |
| Third-party development services | 1,290 | 3,607 | (2,317) | 3,345 | 6,778 | (3,433) |
| Third-party management services | 2,668 | 3,465 | (797) | 6,497 | 5,776 | 721 |
| Resident services | 302 | 747 | (445) | 1,022 | 1,529 | (507) |
| **Total revenues** | **185,547** | **217,371** | **(31,824)** | **434,951** | **459,502** | **(24,551)** |
| **Operating expenses (income)** | | | | | | |
| Owned properties | 85,749 | 90,763 | (5,014) | 178,223 | 182,932 | (4,709) |
| On-campus participating properties | 3,208 | 3,806 | (598) | 6,574 | 7,763 | (1,189) |
| Third-party development and management services | 4,977 | 4,513 | 464 | 11,184 | 8,699 | 2,485 |
| General and administrative [2] | 9,767 | 8,115 | 1,652 | 19,925 | 15,430 | 4,495 |
| Depreciation and amortization | 66,441 | 68,815 | (2,374) | 132,610 | 137,570 | (4,960) |
| Ground/facility leases | 2,893 | 3,236 | (343) | 6,962 | 6,785 | 177 |
| Loss (gain) from disposition of real estate | — | 282 | (282) | (48,525) | 282 | (48,807) |
| Provision for impairment | — | — | — | — | 3,201 | (3,201) |
| **Total operating expenses** | **173,035** | **179,530** | **(6,495)** | **306,953** | **362,662** | **(55,709)** |
| **Operating income** | **12,512** | **37,841** | **(25,329)** | **127,998** | **96,840** | **31,158** |
| **Nonoperating income (expenses)** | | | | | | |
| Interest income | 870 | 969 | (99) | 1,721 | 1,895 | (174) |
| Interest expense | (27,168) | (27,068) | (100) | (54,951) | (54,129) | (822) |
| Amortization of deferred financing costs | (1,255) | (1,218) | (37) | (2,542) | (2,350) | (192) |
| Loss from early extinguishment of debt [3] | — | — | — | (4,827) | — | (4,827) |
| **Total nonoperating expenses** | **(27,553)** | **(27,317)** | **(236)** | **(60,599)** | **(54,584)** | **(6,015)** |
| (Loss) income before income taxes | (15,041) | 10,524 | (25,565) | 67,399 | 42,256 | 25,143 |
| Income tax provision | (381) | (314) | (67) | (760) | (678) | (82) |
| **Net (loss) income** | **(15,422)** | **10,210** | **(25,632)** | **66,639** | **41,578** | **25,061** |
| Net loss (income) attributable to noncontrolling interests | 2,078 | 176 | 1,902 | 872 | (1,552) | 2,424 |
| **Net (loss) income attributable to ACC, Inc. and Subsidiaries common stockholders** | **$ (13,344)** | **$ 10,386** | **$ (23,730)** | **$ 67,511** | **$ 40,026** | **$ 27,485** |
| **Other comprehensive income (loss)** | | | | | | |
| Change in fair value of interest rate swaps and other | 282 | (8,593) | 8,875 | (9,519) | (14,387) | 4,868 |
| **Comprehensive (loss) income** | **$ (13,062)** | **$ 1,793** | **$ (14,855)** | **$ 57,992** | **$ 25,639** | **$ 32,353** |
| **Net (loss) income per share attributable to ACC, Inc. and Subsidiaries common stockholders** | | | | | | |
| **Basic and diluted** | **$ (0.10)** | **$ 0.07** | | **$ 0.48** | **$ 0.28** | |
| **Weighted-average common shares outstanding** | | | | | | |
| **Basic** | **137,613,560** | **137,268,696** | | **137,545,365** | **137,185,576** | |
| **Diluted** | **137,613,560** | **138,243,388** | | **138,652,106** | **138,198,134** | |

1. Refer to page S-5 for more detail regarding the impact of the COVID-19 pandemic on revenues for our same store portfolio.
2. General and administrative expenses for the six months ended June 30, 2020 include $1.1 million related to the settlement of a litigation matter.
3. Represents loss associated with the January 2020 redemption of the Company's $400 million 3.35% Senior Notes originally scheduled to mature in October 2020.

# Consolidated Statements of Funds from Operations ("FFO")

## (Unaudited, $ in thousands, except share and per share data)

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | $ Change | 2020 | 2019 | $ Change |
| Net (loss) income attributable to ACC, Inc. and Subsidiaries common stockholders | $ (13,344) | $ 10,386 | $ (23,730) | $ 67,511 | $ 40,026 | $ 27,485 |
| Noncontrolling interests' share of net (loss) income | (2,078) | (176) | (1,902) | (872) | 1,552 | (2,424) |
| Joint Venture ("JV") partners' share of FFO | | | | | | |
| JV partners' share of net loss (income) | 2,046 | 230 | 1,816 | 1,130 | (1,338) | 2,468 |
| JV partners' share of depreciation and amortization | (1,927) | (2,186) | 259 | (3,892) | (4,343) | 451 |
| | 119 | (1,956) | 2,075 | (2,762) | (5,681) | 2,919 |
| Loss (gain) from disposition of real estate | — | 282 | (282) | (48,525) | 282 | (48,807) |
| Elimination of provision for real estate impairment | — | — | — | — | 3,201 | (3,201) |
| Total depreciation and amortization | 66,441 | 68,815 | (2,374) | 132,610 | 137,570 | (4,960) |
| Corporate depreciation [1] | (885) | (1,171) | 286 | (1,774) | (2,393) | 619 |
| **FFO attributable to common stockholders and OP unitholders** | **50,253** | **76,180** | **(25,927)** | **146,188** | **174,557** | **(28,369)** |
| Elimination of operations of on-campus participating properties ("OCPPs") | | | | | | |
| Net loss (income) from OCPPs | 2,206 | 1,130 | 1,076 | (1,500) | (2,562) | 1,062 |
| Amortization of investment in OCPPs | (2,045) | (2,016) | (29) | (4,082) | (4,045) | (37) |
| | 50,414 | 75,294 | (24,880) | 140,606 | 167,950 | (27,344) |
| Modifications to reflect operational performance of OCPPs | | | | | | |
| Our share of net cashflow [2] | 254 | 828 | (574) | 1,114 | 1,710 | (596) |
| Management fees and other | 244 | 408 | (164) | 827 | 1,228 | (401) |
| Contribution from OCPPs | 498 | 1,236 | (738) | 1,941 | 2,938 | (997) |
| Elimination of loss from early extinguishment of debt [3] | — | — | — | 4,827 | — | 4,827 |
| Elimination of litigation settlement expense [4] | — | — | — | 1,100 | — | 1,100 |
| Elimination of FFO from property in receivership [5] | — | 839 | (839) | — | 1,808 | (1,808) |
| **Funds from operations-modified ("FFOM") attributable to common stockholders and OP unitholders** | **$ 50,912** | **$ 77,369** | **$ (26,457)** | **$ 148,474** | **$ 172,696** | **$ (24,222)** |
| **FFO per share - diluted** | **$ 0.36** | **$ 0.55** | | **$ 1.05** | **$ 1.26** | |
| **FFOM per share - diluted** | **$ 0.37** | **$ 0.56** | | **$ 1.07** | **$ 1.24** | |
| **Weighted-average common shares outstanding - diluted** | **139,220,414** | **138,873,418** | | **139,155,823** | **138,842,644** | |

1. Represents depreciation on corporate assets not added back for purposes of calculating FFO.
2. 50% of the properties' net cash available for distribution after payment of operating expenses, debt service (including repayment of principal) and capital expenditures which is included in ground/facility leases expense in the consolidated statements of comprehensive income (refer to page S-3). The decrease as compared to prior year is a result of the universities' decisions to provide rent abatements to tenants related to COVID-19.
3. Represents loss associated with the January 2020 redemption of the company's $400 million 3.35% Senior Notes originally scheduled to mature in October 2020.
4. Represents the settlement of a litigation matter that is included in general and administrative expenses in the accompanying consolidated statements of comprehensive income.
5. Represents FFO for an owned property that was transferred to the lender in July 2019 in settlement of the property's mortgage loan.

# Owned Properties Results of Operations [1]

## ($ in thousands)

| | Three Months Ended June 30, | | | | Six Months Ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | $ Change | % Change | 2020 | 2019 | $ Change | % Change |
| **Owned properties revenues** | | | | | | | | |
| Same store properties [2] | $ 169,366 | $ 197,400 | $ (28,034) | **(14.2%)** | $ 389,133 | $ 415,631 | $ (26,498) | **(6.4%)** |
| New properties | 8,122 | 222 | 7,900 | | 18,465 | 443 | 18,022 | |
| Sold and held for sale properties [3] | — | 6,281 | (6,281) | | 2,701 | 13,030 | (10,329) | |
| **Total revenues [4]** | **$ 177,488** | **$ 203,903** | **$ (26,415)** | **(13.0%)** | **$ 410,299** | **$ 429,104** | **$ (18,805)** | **(4.4%)** |
| **Owned properties operating expenses** | | | | | | | | |
| Same store properties [5] | $ 82,112 | $ 87,043 | $ (4,931) | **(5.7%)** | $ 170,225 | $ 175,163 | $ (4,938) | **(2.8%)** |
| New properties | 3,589 | 659 | 2,930 | | 6,880 | 1,184 | 5,696 | |
| Other [6] | 48 | 26 | 22 | | 101 | 135 | (34) | |
| Sold and held for sale properties [3,7] | — | 3,035 | (3,035) | | 1,017 | 6,450 | (5,433) | |
| **Total operating expenses** | **$ 85,749** | **$ 90,763** | **$ (5,014)** | **(5.5%)** | **$ 178,223** | **$ 182,932** | **$ (4,709)** | **(2.6%)** |
| **Owned properties net operating income** | | | | | | | | |
| Same store properties | $ 87,254 | $ 110,357 | $ (23,103) | **(20.9%)** | $ 218,908 | $ 240,468 | $ (21,560) | **(9.0%)** |
| New properties | 4,533 | (437) | 4,970 | | 11,585 | (741) | 12,326 | |
| Other [6] | (48) | (26) | (22) | | (101) | (135) | 34 | |
| Sold and held for sale properties [3,7] | — | 3,246 | (3,246) | | 1,684 | 6,580 | (4,896) | |
| **Total net operating income** | **$ 91,739** | **$ 113,140** | **$ (21,401)** | **(18.9%)** | **$ 232,076** | **$ 246,172** | **$ (14,096)** | **(5.7%)** |

1. Refer to page S-16 for detail of our store groupings.
2. The most significant impacts to our second quarter same store property revenues resulting from COVID-19 are as follows:
   - Approximately $15.1 million in rent refunds and/or early lease terminations was provided to tenants at our on-campus ACE properties and certain off-campus residence halls;
   - Approximately $8.3 million in rent was forgiven as part of our Resident Hardship Program for residents and families at our same store properties who experienced financial hardship due to COVID-19;
   - Approximately $7.2 million of the decrease as compared to the prior year was a result of lost summer camp and conference revenue, waived fees, an increase in the provision for uncollectible accounts resulting from rent delinquencies, and other items.
3. Includes properties sold in 2019 and 2020 and one property that was transferred to the lender in July 2019 in settlement of the property's mortgage loan.
4. Includes revenues that are reflected as Resident Services Revenue on the accompanying consolidated statements of comprehensive income.
5. Refer to page S-6 for detail of same store operating expenses.
6. Includes recurring professional fees related to the operation of the ACC / Allianz joint venture that are included in owned properties operating expenses in the consolidated statements of comprehensive income (refer to page S-3).
7. Does not include the allocation of payroll and other administrative costs related to corporate management and oversight.

# Same Store Owned Properties Operating Expenses [1 2]

## ($ in thousands, except per bed amounts)

| | Three Months Ended June 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2020 | | | | 2019 | | |
| | Total | Per Bed | % Change From Prior Year | % of Total Operating Expenses | Total | Per Bed | % of Total Operating Expenses |
| Property taxes | $ 22,508 | $ 244 | 6.3% | 27% | $ 21,172 | $ 229 | 24% |
| General & administrative and other | 16,060 | 174 | (12.4%) | 20% | 18,335 | 199 | 21% |
| Utilities | 15,547 | 169 | (12.4%) | 19% | 17,740 | 192 | 20% |
| Payroll | 16,267 | 177 | (5.5%) | 20% | 17,207 | 187 | 20% |
| Repairs and maintenance | 6,389 | 69 | 5.3% | 8% | 6,067 | 66 | 7% |
| Marketing | 2,572 | 28 | (40.1%) | 3% | 4,293 | 47 | 5% |
| Insurance | 2,769 | 30 | 24.2% | 3% | 2,229 | 24 | 3% |
| **Total same store owned operating expenses** | **$ 82,112** | **$ 891** | **(5.7%)** | **100%** | **$ 87,043** | **$ 944** | **100%** |
| **Same store owned beds** | **92,193** | | | | | | |

| | Six Months Ended June 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2020 | | | | 2019 | | |
| | Total | Per Bed | % Change From Prior Year | % of Total Operating Expenses | Total | Per Bed | % of Total Operating Expenses |
| Property taxes | $ 44,117 | $ 479 | 4.3% | 25% | $ 42,302 | $ 458 | 23% |
| General & administrative and other | 35,176 | 382 | (7.6%) | 21% | 38,064 | 413 | 22% |
| Utilities | 33,776 | 366 | (7.1%) | 20% | 36,373 | 395 | 21% |
| Payroll | 33,772 | 366 | 0.6% | 20% | 33,580 | 364 | 19% |
| Repairs and maintenance | 12,117 | 131 | (0.1%) | 7% | 12,134 | 132 | 7% |
| Marketing | 6,177 | 67 | (25.8%) | 4% | 8,325 | 90 | 5% |
| Insurance | 5,090 | 55 | 16.1% | 3% | 4,385 | 48 | 3% |
| **Total same store owned operating expenses** | **$ 170,225** | **$ 1,846** | **(2.8%)** | **100%** | **$ 175,163** | **$ 1,900** | **100%** |
| **Same store owned beds** | **92,193** | | | | | | |

1. Refer to the definition of operating expenses on page S-18 for a detailed description of items included in the various expense categories.
2. Refer to page S-16 for detail of our same store groupings.

# Seasonality of Operations [1]

## ($ in thousands, except per bed amounts)

| | Three Months Ended | | | | | |
|---|---|---|---|---|---|---|
| | June 30, 2019 | September 30, 2019 | December 31, 2019 | March 31, 2020 | June 30, 2020 | Total/Weighted Average- Last 12 Months |
| **2020 Same Store Properties** | | | | | | |
| Average number of owned beds | 92,193 | 92,193 | 92,193 | 92,193 | 92,193 | 92,193 |
| Average physical occupancy for the quarter | *88.7%* | *88.9%* | *97.4%* | *97.0%* | *85.1%* | *92.1%* |
| Rental revenue per occupied bed per month [2] | $ 746 | $ 750 | $ 783 | $ 777 | $ 700 | $ 754 |
| Rental revenue | $ 183,023 | $ 184,529 | $ 210,989 | $ 208,484 | $ 164,806 | $ 768,808 |
| Other income [3] | 14,377 | 17,035 | 13,339 | 11,283 | 4,560 | 46,217 |
| **Total revenue** | $ 197,400 | $ 201,564 | $ 224,328 | $ 219,767 | $ 169,366 | $ 815,025 |
| Property operating expenses | 87,043 | 106,526 | 90,237 | 88,113 | 82,112 | 366,988 |
| Net operating income | $ 110,357 | $ 95,038 | $ 134,091 | $ 131,654 | $ 87,254 | $ 448,037 |
| *Operating margin* | *55.9%* | *47.2%* | *59.8%* | *59.9%* | *51.5%* | *55.0%* |
| **2020 New Properties** | | | | | | |
| Average number of owned beds | — | 1,432 | 3,159 | 3,159 | 3,678 | 2,857 |
| Average physical occupancy for the quarter | *—%* | *95.0%* | *98.8%* | *97.7%* | *69.9%* | *88.7%* |
| Rental revenue per occupied bed per month [2] | $ — | $ 1,020 | $ 1,069 | $ 1,067 | $ 1,050 | $ 1,057 |
| Rental revenue | $ — | $ 4,163 | $ 10,010 | $ 9,876 | $ 8,101 | $ 32,150 |
| Other income [3] | 222 | 504 | 573 | 467 | 21 | 1,565 |
| **Total revenue** | $ 222 | $ 4,667 | $ 10,583 | $ 10,343 | $ 8,122 | $ 33,715 |
| Property operating expenses | 659 | 2,608 | 3,608 | 3,291 | 3,589 | 13,096 |
| Net operating (loss) income | $ (437) | $ 2,059 | $ 6,975 | $ 7,052 | $ 4,533 | $ 20,619 |
| *Operating margin* | | *44.1%* | *65.9%* | *68.2%* | *55.8%* | *61.2%* |
| **ALL PROPERTIES** | | | | | | |
| Average number of owned beds | 92,193 | 93,625 | 95,352 | 95,352 | 95,871 | 95,050 |
| Average physical occupancy for the quarter | *88.7%* | *89.0%* | *97.5%* | *97.0%* | *84.6%* | *92.0%* |
| Rental revenue per occupied bed per month [2] | $ 746 | $ 755 | $ 792 | $ 787 | $ 711 | $ 763 |
| Rental revenue | $ 183,023 | $ 188,692 | $ 220,999 | $ 218,360 | $ 172,907 | $ 800,958 |
| Other income [3] | 14,599 | 17,539 | 13,912 | 11,750 | 4,581 | 47,782 |
| **Total revenue** | $ 197,622 | $ 206,231 | $ 234,911 | $ 230,110 | $ 177,488 | $ 848,740 |
| Property operating expenses | 87,702 | 109,134 | 93,845 | 91,404 | 85,701 | 380,084 |
| Net operating income | $ 109,920 | $ 97,097 | $ 141,066 | $ 138,706 | $ 91,787 | $ 468,656 |
| *Operating margin* | *55.6%* | *47.1%* | *60.1%* | *60.3%* | *51.7%* | *55.2%* |
| **Sold, held for sale properties and other [4]** | | | | | | |
| Total revenue | $ 6,281 | $ 5,577 | $ 4,886 | $ 2,701 | $ — | $ 13,164 |
| Property operating expenses | 3,061 | 2,702 | 2,051 | 1,070 | 48 | 5,871 |
| Net operating income | $ 3,220 | $ 2,875 | $ 2,835 | $ 1,631 | $ (48) | $ 7,293 |

1. Refer to page S-16 for detail of our store groupings.
2. Rental revenue per occupied bed per month is calculated based upon our net student rental revenue earned during the respective quarter divided by average monthly occupied beds over the periods presented.
3. Other income is all income other than net student rent. This includes, but is not limited to, utility income, damages, parking income, summer conference rent, application and administration fees, income from retail tenants, and the provision for uncollectible accounts.
4. Includes properties sold during the periods presented and costs related to the operation of the ACC / Allianz joint venture as noted on page S-5.

# COVID-19 Leasing Update

## As of July 17, 2020

| SUMMARY | Leases as % of Design Beds | | | Design |
|---|---|---|---|---|
| | 2020 | 2019 | Variance | Beds |
| **2021 Same Store Owned Properties [1]** | | | | |
| Final Fall 2019 Occupancy of 98% or greater | 94.0% | 97.3% | (3.3%) | 63,222 |
| Final Fall 2019 Occupancy between 95% and 98% | 85.5% | 92.3% | (6.8%) | 13,305 |
| Final Fall 2019 Occupancy of less than 95% | 80.2% | 81.7% | (1.5%) | 18,825 |
| **Total 2021 Same Store Owned Properties** | **90.1%** | **93.5%** | **(3.4%)** | **95,352** |
| **2020 Development Deliveries [2]** | | | | |
| Currie Hall Phase II | 71.7% | **n/a** | **n/a** | 272 |
| Manzanita Square [3] | Property undergoing reconfiguration due to de-densification | | | 584 |
| **Total Owned Properties** | **89.5%** | **93.5%** | **(4.0%)** | **96,208** |

| DETAIL OF 2021 SAME STORE OWNED PROPERTIES LEASING ACTIVITY [1] | Last 3 Days | | Last 10 Days | | Last 20 days | | Leases as % of Design Beds | | | Design |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | Variance | Beds |
| **Open Market Leasing Properties [4]** | | | | | | | | | | |
| Applications | 371 | 232 | 1,158 | 947 | 2,536 | 2,134 | | | | |
| New Leases | 329 | 286 | 1,047 | 934 | 2,003 | 1,805 | 54.5% | 58.2% | (3.7%) | |
| Renewals | 94 | 29 | 272 | 119 | 603 | 338 | 34.8% | 35.4% | (0.6%) | |
| **Total** | **423** | **315** | **1,319** | **1,053** | **2,606** | **2,143** | **89.3%** | **93.6%** | **(4.3%)** | **80,674** |
| **Marketing and Licensing Agreement / Master Leased Properties [5]** | | | | | | | | | | |
| Applications | (7) | 40 | 60 | 1,491 | 54 | 1,231 | | | | |
| New Leases | 579 | 51 | 566 | 1,497 | 560 | 1,765 | 50.5% | 68.8% | (18.3%) | |
| Renewals | — | — | 1 | 5 | 1 | 23 | 44.1% | 24.5% | 19.6% | |
| **Total** | **579** | **51** | **567** | **1,502** | **561** | **1,788** | **94.6%** | **93.3%** | **1.3%** | **14,678** |
| **Total 2021 Same Store Owned Properties** | | | | | | | | | | |
| Applications | 364 | 272 | 1,218 | 2,438 | 2,590 | 3,365 | | | | |
| New Leases | 908 | 337 | 1,613 | 2,431 | 2,563 | 3,570 | 53.9% | 59.8% | (5.9%) | |
| Renewals | 94 | 29 | 273 | 124 | 604 | 361 | 36.2% | 33.7% | 2.5% | |
| **Total** | **1,002** | **366** | **1,886** | **2,555** | **3,167** | **3,931** | **90.1%** | **93.5%** | **(3.4%)** | **95,352** |

1. Refer to page S-16 for detail of our store groupings.
2. Excludes 1,627 beds at the Disney College Program Phases I and II as these beds do not follow the company's typical pre-leasing process.
3. Due to a university mandated de-densification of all on-campus housing, this property is expected to operate at a maximum occupancy of approximately 60 percent for the 2020 fall term with the possibility of returning to its full potential occupancy in the spring and summer terms of 2021.
4. Open market leasing properties are made up of off-campus properties and a portion of our on-campus ACE properties which are leased by the company directly to residents.
5. This group of properties is made up of a portion of our on-campus ACE properties which are leased via an assignment process by the university under a Marketing and Licensing Agreement or a Master Lease Agreement. Due to variability in the timing of the individual university's assignment process each year, the leasing velocity compared to the prior year can vary significantly throughout the leasing season.

# Investment Update

## ($ in thousands)

**DISPOSITIONS**

| Project | Location | Primary University Served | Beds | Closing Date | Sales Price | Extinguished Mortgage Debt |
|---|---|---|---|---|---|---|
| The Varsity | College Park, MD | University of Maryland | 901 | March 20, 2020 | $ 148,000 | $ — |

# Owned Development Update

## ($ in thousands)

**RECENTLY COMPLETED PROJECT**

| Project | Location | Primary University / Market Served | Project Type | Beds | Total Project Cost [1] | Construction Completed |
|---|---|---|---|---|---|---|
| Disney College Program Phase I | Orlando, FL | *Walt Disney World*® Resort | ACE | 778 | $ 61,600 | May 2020 |

**OWNED DEVELOPMENT PROJECTS UNDER CONSTRUCTION [2]**

| Project | Location | Primary University / Market Served | Project Type | Beds | Estimated Project Cost [1] | Total Costs Incurred as of June 30, 2020 [3] | Scheduled Completion |
|---|---|---|---|---|---|---|---|
| Disney College Program Phase II | Orlando, FL | *Walt Disney World*® Resort | ACE | 849 | $ 46,900 | $ 43,201 | August 2020 |
| Currie Hall Phase II | Los Angeles, CA | Univ. of Southern California | ACE | 272 | 42,000 | 38,487 | August 2020 |
| Manzanita Square | San Francisco, CA | San Francisco State Univ. | ACE | 584 | 129,200 | 119,331 | August 2020 |
| | | **SUBTOTAL - 2020 DELIVERIES** | | **1,705** | **$ 218,100** | **$ 201,019** | |
| Disney College Program Phases III-V [4] | Orlando, FL | *Walt Disney World*® Resort | ACE | 3,369 | $ 190,400 | $ 152,774 | Jan, May & Aug 2021 |
| | | **SUBTOTAL - 2021 DELIVERIES** | | **3,369** | **$ 190,400** | **$ 152,774** | |
| Disney College Program Phases VI-VIII [5] | Orlando, FL | *Walt Disney World*® Resort | ACE | 3,235 | $ 193,000 | $ 63,465 | Jan, May & Aug 2022 |
| | | **SUBTOTAL - 2022 DELIVERIES** | | **3,235** | **$ 193,000** | **$ 63,465** | |
| Disney College Program Phases IX-X [6] | Orlando, FL | *Walt Disney World*® Resort | ACE | 2,209 | $ 122,700 | $ 28,088 | Jan & May 2023 |
| | | **SUBTOTAL - 2023 DELIVERIES** | | **2,209** | **$ 122,700** | **$ 28,088** | |

1. In certain instances at ACE properties, the company agrees to construct spaces within the property that will ultimately be owned, managed, and funded by the universities or ground lessors. Such spaces include but are not limited to dining, childcare, retail, academic, and office facilities. Total and Estimated Project Cost excludes the costs of the construction of such facilities, as they will be reimbursed by the ground lessors.
2. Does not include land parcels in nine university markets totaling $55.9 million.
3. Includes $441.0 million in construction in progress ("CIP") and excludes $15.2 million of CIP balances related to ongoing renovation projects at operating properties. Total consolidated CIP as of June 30, 2020 was $456.2 million.
4. Phase III, with estimated project costs of $54.4 million and 984 beds, is scheduled for occupancy in January 2021. Phase IV, with estimated project costs of $84.5 million and 1,521 beds, is scheduled for occupancy in May 2021. Phase V, with estimated project costs of $51.5 million and 864 beds, is scheduled for occupancy in August 2021.
5. Phase VI, with estimated project costs of $61.3 million and 867 beds, is scheduled for occupancy in January 2022. Phase VII, with estimated project costs of $90.3 million and 1,632 beds, is scheduled for occupancy in May 2022. Phase VIII, with estimated project costs of $41.4 million and 736 beds, is scheduled for occupancy in August 2022.
6. Phase IX, with estimated project costs of $81.5 million and 1,473 beds, is scheduled for occupancy in January 2023. Phase X, with estimated project costs of $41.2 million and 736 beds, is scheduled for occupancy in May 2023.

# Third-Party Development Update

($ in thousands)

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | $ Change | 2020 | 2019 | $ Change |
| Development services revenue | $ 1,290 | $ 3,607 | $ (2,317) | $ 3,345 [1] | $ 6,778 | $ (3,433) |
| % of total revenue | 0.7% | 1.7% | | 0.8% | 1.5% | |

**CONTRACTED PROJECTS IN PROGRESS**

| Project | Location | Primary University Served | Beds | Total Fees | Fees Earned as of June 30, 2020 | Fees Earned in Current Year | Remaining Fees as of June 30, 2020 | Scheduled Completion |
|---|---|---|---|---|---|---|---|---|
| Prairie View A&M University Phase IX | Prairie View, TX | Prairie View A&M University | 540 | $ 2,500 | $ 2,071 | $ 339 | $ 429 | August 2020 |
| Dundee Residence Hall and Glasgow Dining Hall | Riverside, CA | University of California, Riverside | 820 | 5,000 | 4,242 | 662 | 758 | August 2020 |
| University of California - Riverside North District Phase I | Riverside, CA | University of California, Riverside | 1,502 | 6,700 | 4,363 | 529 | 2,337 | September 2021 |
| | | | **2,862** | **$ 14,200** | **$ 10,676** | **$ 1,530** | **$ 3,524** | |

**ON-CAMPUS AWARD PIPELINE [2]**

| Project | Location | Anticipated Financing Structure | Anticipated Commencement | Targeted Completion | Estimated Fees |
|---|---|---|---|---|---|
| Georgetown University - Capitol Campus Housing [3] | Washington, D.C. | Third-party | Q3 2020 | Summer 2022 | $3,000 |
| Concordia University Phase II [4] | Austin, TX | Third-party | Q4 2020 / Q1 2021 | Summer 2022 | $1,000 |
| Upper Hearst Development for the Goldman School of Public Policy [4] | Berkeley, CA | Third-party | Q2 / Q3 2021 | Summer 2023 | $3,000 |
| University of California Irvine Phase V [4] | Irvine, CA | Third-party | Q2 / Q3 2021 | Summer 2023 | $5,000 |
| MIT Family & Graduate Housing | Cambridge, MA | ACE | Q3 / Q4 2021 | Fall 2023 | N/A |
| Northeastern University - Phase II | Boston, MA | ACE | Q1 / Q2 2022 | Fall 2024 | N/A |
| Princeton University Lake Campus Graduate Housing | Princeton, NJ | TBD | TBD | TBD | TBD |
| University of California Berkeley Master Development [5] | Berkeley, CA | TBD | TBD | TBD | TBD |
| University of California Riverside Master Development [5] | Riverside, CA | Third-party | TBD | TBD | TBD |
| West Virginia University Master Development [5] | Morgantown, WV | TBD | TBD | TBD | TBD |
| Virginia Commonwealth University (Honors College) | Richmond, VA | TBD | TBD | TBD | TBD |

1. Includes $0.7 million of construction savings revenue related to one project delivered in Fall 2019.
2. These awards relate to speculative development projects that are subject to final determination of feasibility, negotiation, final award, procurement rules and other applicable law, execution and closing of definitive agreements on terms acceptable to the company, and fluctuations in the construction and financing markets. Anticipated commencement and fees are dependent upon the availability of project financing, which is affected by current capital market conditions.
3. As of June 30, 2020, the company has earned $1.0 million in pre-construction revenues related to the project.
4. Anticipated commencement and targeted completion dates for these projects have been delayed due to disruption associated with COVID-19.
5. These projects include multiple phases to be completed over several years. The full scope, transaction structure, feasibility, fees, and timing will be negotiated.

# Management Services Update

## ($ in thousands)

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | $ Change | 2020 | 2019 | $ Change |
| Management services revenue | $ 2,668 | $ 3,465 | $ (797) | $ 6,497 | $ 5,776 | $ 721 |
| % of total revenue | 1.4% | 1.6% | | 1.5% | 1.3% | |

**NEW / PENDING MANAGEMENT CONTRACTS**

| Project | Location | Primary University / Market Served | Approximate Beds | Stabilized Annual Fees [1] | Actual or Anticipated Commencement |
|---|---|---|---|---|---|
| The Oasis KGI Commons | Claremont, CA | Keck Graduate Institute | 419 | $ 235 | April 2020 |
| Nevada State College [2] | Henderson, NV | Nevada State College | 342 | 100 | August 2020 |
| Prairie View A&M University Phase IX | Prairie View, TX | Prairie View A&M University | 540 | 190 | August 2020 |
| Dundee Residence Hall and Glasgow Dining Hall | Riverside, CA | University of California, Riverside | 820 | 440 | September 2020 |
| University of California - Riverside North District Phase I | Riverside, CA | University of California, Riverside | 1,502 | 540 | September 2021 |
| | | | **3,623** | **$ 1,505** | |

**DISCONTINUED MANAGEMENT CONTRACTS**

| Project | Location | Primary University / Market Served | Beds | 2020 Fee Contribution Prior to Termination | Discontinued As Of |
|---|---|---|---|---|---|
| The Rixey | Arlington, VA | Marymount University | 531 | $ 4 | January 2020 |
| Spinner Place | Burlington, VT | University of Vermont | 312 | 17 | April 2020 |
| | | | **843** | **$ 21** | |

1. Stabilized annual fees are dependent upon the achievement of anticipated occupancy levels which may be impacted by COVID-19.
2. The stabilized annual fee amount does not include an initial operations fee of $140,000 earned from May 2019 through July 2020.

# Capital Structure as of June 30, 2020 [1]

## ($ in millions, except per share data)

**Market Capitalization & Unsecured Notes Covenants**

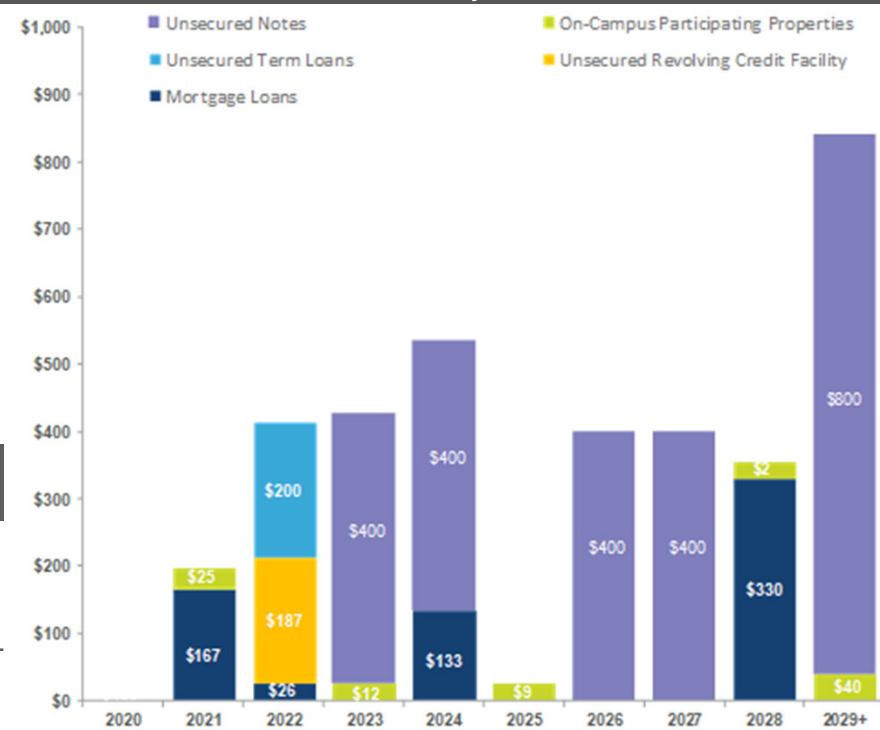
| | | |
|---|---|---|
| Total Debt [2] | $ | 3,531 |
| Total Equity Market Value [3] | | 4,868 |
| **Total Market Capitalization** | | 8,399 |
| Debt to Total Market Capitalization | | 42.0% |
| Net Debt to EBITDA [4] | | 7.6x |
| Total Asset Value [5] | $ | 8,634 |
| Unencumbered Asset Value | | 7,196 |
| Unencumbered Asset Value to Total Asset Value | | 83.3% |

| | Requirement | Current Ratio |
|---|---|---|
| Total Debt to Total Asset Value | ≤ 60% | 40.9% |
| Secured Debt to Total Asset Value | ≤ 40% | 8.6% |
| Unencumbered Asset Value to Unsecured Debt | > 150% | 258.2% |
| Interest Coverage [4] | > 1.5x | 3.3x |

| | Principal Outstanding [2] | Weighted Average Interest Rate | Average Term To Maturity |
|---|---|---|---|
| Mortgage Loans [6] | $ 656 | 4.4% [7] | 5.1 Yrs |
| Unsecured Revolving Credit Facility | 187 | 1.4% | 1.7 Yrs |
| Unsecured Term Loan | 200 | 2.5% | 2.0 Yrs |
| Unsecured Notes [8] | 2,400 | 3.7% | 6.7 Yrs |
| On-Campus Participating Properties | 88 | 4.8% | 12.8 Yrs |
| **Total/Weighted Average** | **$ 3,531** | **3.7%** | **6.0 Yrs** |

**Variable Rate Debt as % of Total Debt [9]** **5.4%**

**Debt Maturity Schedule**




**Weighted Average Interest Rate Of Debt Maturing Each Year**

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029+ |
|---|---|---|---|---|---|---|---|---|---|---|
| Fixed Rate Debt | N/A | 5.4% | 2.9% | 3.8% | 4.2% | N/A | 3.7% | 3.6% | 4.1% | 3.4% |
| Total Debt | N/A | 5.2% | 2.1% | 3.9% | 4.2% | 7.6% | 3.7% | 3.6% | 4.1% | 3.4% |

1. Refer to the definitions outlined on pages S-17 and S-18 for detailed definitions of terms appearing on this page.
2. Excludes net unamortized debt premiums related to mortgage loans assumed in connection with acquisitions of $4.0 million, unamortized original issue discount on unsecured notes of $6.1 million, and unamortized deferred financing costs of $22.2 million.
3. Based on share price of $34.96 and fully diluted share count of 139,236,542 as of June 30, 2020. Assumes conversion of 503,717 common and preferred Operating Partnership units and 1,100,734 unvested restricted stock awards.
4. Refer to calculations on page S-14, including a reconciliation to net income and interest expense, the most directly comparable GAAP measures.
5. Excludes accumulated depreciation of $1.6 billion, receivables and intangible assets, net of accumulated amortization, of $62.7 million, and lease-related right of use assets of $459.1 million.
6. Includes $330.0 million of mortgage debt related to the ACC / Allianz joint venture of which the company has a 55% interest.
7. Including the amortization of net debt premiums related to mortgage loans assumed in connection with property acquisitions, the effective interest rate for fixed rate mortgage loans is 3.9%.
8. In June 2020, the company closed a $400 million offering of 10-year senior unsecured notes with a coupon of 3.875%. Proceeds were used to repay borrowings under its revolving credit facility.
9. The company's variable rate debt consists of the unsecured revolving credit facility and $2.6 million of mortgage debt at one of our on-campus participating properties.

# Interest Coverage [1]

## ($ in thousands)

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | September 30, 2019 | December 31, 2019 | March 31, 2020 | June 30, 2020 | Last Twelve Months |
| Net income (loss) attributable to ACC, Inc. and Subsidiaries common stockholders | $ 20,223 | $ 24,720 | $ 80,855 | $ (13,344) | $ 112,454 |
| Net (loss) income attributable to noncontrolling interests | (887) | 1,128 | 1,206 | (2,078) | (631) |
| Interest expense | 28,303 | 28,855 | 27,783 | 27,168 | 112,109 |
| Income tax provision | 305 | 524 | 379 | 381 | 1,589 |
| Depreciation and amortization | 68,930 | 68,546 | 66,169 | 66,441 | 270,086 |
| Amortization of deferred financing costs | 1,315 | 1,347 | 1,287 | 1,255 | 5,204 |
| Share-based compensation | 3,104 | 3,003 | 3,988 | 4,439 | 14,534 |
| Provision for impairment | — | 14,013 | — | — | 14,013 |
| (Gain) loss on extinguishment of debt, net | (20,992) | — | 4,827 | — | (16,165) |
| Gain from disposition of real estate | — | (229) | (48,525) | — | (48,754) |
| **Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA")** | **$ 100,301** | **$ 141,907** | **$ 137,969** | **$ 84,262** | **$ 464,439** |
| Pro-forma adjustments to EBITDA [2] | | | | | (5,933) |
| **Adjusted EBITDA** | | | | | **$ 458,506** |
| Interest Expense from consolidated statement of comprehensive income | $ 28,303 | $ 28,855 | $ 27,783 | $ 27,168 | $ 112,109 |
| Amortization of mortgage debt premiums/discounts | 1,212 | 1,233 | 1,411 | 1,000 | 4,856 |
| Capitalized interest | 3,072 | 2,669 | 3,246 | 3,396 | 12,383 |
| Change in accrued interest payable | (2,013) | 2,942 | 2,886 | (3,638) | 177 |
| **Cash Interest Expense** | **$ 30,574** | **$ 35,699** | **$ 35,326** | **$ 27,926** | **$ 129,525** |
| Pro-forma adjustments to Cash Interest Expense [2] | | | | | 11,394 |
| **Adjusted Interest Expense** | | | | | **$ 140,919** |
| **Interest Coverage** | | | | | **3.3x** |

1. Refer to pages S-17 and S-18 for detailed definitions of terms appearing on this page.
2. Adjustment to reflect all acquisitions, development deliveries, dispositions, debt repayments, and debt refinancings as if such transactions had occurred on the first day of the 12 month period presented.

# Capital Allocation – Long Term Funding Plan (2020-2023)

($ in millions)

**Sources and Uses for Development - As of June 30, 2020**

| **Estimated Capital Uses:** | Estimated Project Cost | Total Costs Incurred | Remaining Capital Needs |
|---|---|---|---|
| Development and Presale Development Pipeline [1] | | | |
| 2020 Developments Underway or Expected to Start in Current Year | $ 171 | $ 158 | $ 13 |
| Disney Internships & College Program Housing | | | |
| Phase II (2020 delivery) | 47 | 43 | 4 |
| Phases III-V (2021 deliveries) | 190 | 153 | 37 |
| Phases VI-VIII (2022 deliveries) | 193 | 63 | 130 |
| Phases IX-X (2023 deliveries) | 123 | 28 | 95 |
| **Total** | $ 724 | $ 445 | **$ 279** |

| **Estimated Sources through 2023:** | Capital Sources |
|---|---|
| Cash and Cash Equivalents as of June 30, 2020 | $ 31 |
| Estimated Cash Flow Available for Investment - through 2023 [2] | 286 |
| Anticipated Debt (Repayment) / Funding - through 2023 [3] | (415) to (215) |
| Anticipated Capital Recycling and/or Equity Funding - through 2023 [3] | 377 to 177 |
| **Total** | **$ 279** |

**Selected Credit Metrics [4]**

| **Credit Metric:** | **June 30, 2020** | **Pro Forma [5]** |
|---|---|---|
| Total Debt to Total Asset Value | 40.9% | 35.1% - 38.1% |
| Net Debt to EBITDA [6] | 7.6x | 5.8x - 6.3x |

**Note:** This analysis demonstrates anticipated funding for the developments currently committed, underway, or with expected starts in the current year. As future developments commence, they are expected to be funded via additional dispositions, joint ventures, free cash available for investment, and capital market transactions. For purposes of calculating the pro forma Net Debt to EBITDA ratio, EBITDA has been normalized for the COVID-19 related impacts on revenue and operating expenses during the second quarter and assumes the underwritten EBITDA for the development properties being delivered in 2020 and beyond.

1. Includes owned development projects under construction and management's Estimated Project Cost for future development deliveries that are expected to commence construction during the current year, as disclosed on page S-10.
2. Available cash flow is derived from disclosures in our 2019 Form 10-K and is calculated as net cash provided by operating activities of $370.4 million, excluding changes in working capital of $8.7 million plus interest rate swap related items of $12.0 million, less dividend payments of $258.6 million, less principal payments on debt of $11.9 million, less recurring capital expenditures of $21.5 million. Calculation results in available cash flow for investment in 2019 of $81.7 million, which is then annualized over the remaining 14 quarters through the end of 2023. The global disruption associated with the COVID-19 pandemic could have a material impact on the company's future cash flows and liquidity position, the magnitude of which is uncertain. Therefore, no assurances can be made that future cash flows will be consistent with historical levels.
3. Reflects the company's current anticipated capital sources to fund committed developments through 2023. The actual mix of capital sources may vary based on prevailing capital market conditions and the company's balance sheet management strategy.
4. Refer to definitions outlined on pages S-17 and S-18 for detailed definitions of terms appearing on this page.
5. Ratios represent the pro forma impact of development deliveries and funding alternatives assumed in the Sources and Uses table. The lower end of the pro forma leverage ranges assumes remaining capital needs in excess of debt are funded with equity, while the higher end assumes remaining needs in excess of debt are funded with dispositions. Actual ratios will vary based on the timing of construction funding, future cash flow available for investment, and the ultimate mix of sources from debt, equity, joint ventures, or dispositions.
6. Refer to page S-14 for a reconciliation of EBITDA to net income, the most directly comparable GAAP measure.

# Detail of Property Groupings

## As of June 30, 2020

| | 2020 Grouping | | | | 2021 Grouping | | | |
|---|---|---|---|---|---|---|---|---|
| | Same Store Properties | | New Properties | | Same Store Properties | | New Properties | |
| | # of Properties | Design Beds | # of Properties | Design Beds | # of Properties | Design Beds | # of Properties | Design Beds |
| Properties Purchased or Developed Prior to January 1, 2019 | 152 | 92,193 | | | 152 | 92,193 | | |
| 2019 Development Deliveries | | | 5 | 3,159 | 5 | 3,159 | | |
| 2020 Development Deliveries [1] | | | 3 | 2,483 | | | 3 | 2,483 |
| 2021 Development Deliveries [1] | | | — | 3,369 | | | — | 3,369 |
| 2022 Development Deliveries [1] | | | — | 3,235 | | | — | 3,235 |
| 2023 Development Deliveries [1] | | | — | 2,209 | | | — | 2,209 |
| **Total Owned Properties** | **152** | **92,193** | **8** | **14,455** | **157** | **95,352** | **3** | **11,296** |

| | |
|---|---|
| **Grand Total # of Owned Properties (All Groupings)** | **160** |
| **Grand Total Owned Design Beds (All Groupings)** | **106,648** |

**Note on Property Portfolio**: When disclosing our number of properties and design beds as of a certain date, we include all properties that are owned and operating as of that date, as well as properties that are under construction and anticipated to open for operations in future years. Properties that are in our development pipeline but have not yet commenced construction are not included.

**2020:** The 2020 same store grouping represents properties owned and operating for both of the entire calendar years ended December 31, 2020 and 2019. This same store grouping will be used for purposes of presenting our 2020 same store operating results.

**2021:** The 2021 same store grouping represents properties owned and operating for both of the entire calendar years ended December 31, 2021 and 2020. This same store grouping will be used for purposes of presenting our 2021 same store operating results.

1. The Disney College Program project will be delivered in multiple phases over several years with initial deliveries expected in 2020 and full development completion in 2023. All phases are counted as one property in the table above. In May 2020, 778 beds were delivered as a part of the completion of Phase I of the development.

# Definitions

| | |
|---|---|
| ACE | The company's American Campus Equity program, whereby the company enters into long-term ground/facility lease agreements with Universities to invest our capital and to develop, own, and operate on-campus student housing communities. Properties under this structure are considered to be owned and are included in the company's consolidated financial statements. |
| Adjusted EBITDA* | EBITDA, including pro forma adjustments to reflect acquisitions, development deliveries, and dispositions as if such transactions had occurred on the first day of the 12-month period presented. |
| Adjusted Interest Expense* | Interest Expense, including pro forma adjustments to reflect acquisitions, development deliveries, dispositions, debt repayments, and debt refinancings as if such transactions had occurred on the first day of the 12-month period presented. |
| Cash | Cash and cash equivalents, determined on a consolidated basis in accordance with GAAP. |
| Cash Interest Expense* | Consolidated interest expense calculated in accordance with GAAP, plus amounts which have been deducted and minus amounts which have been added for, without duplication: (i) the amortization of mark-to-market premiums/discounts on mortgage loans assumed in connection with acquisitions; (ii) capitalized interest; and (iii) the change in accrued interest during the period presented. |
| Design Beds | Total beds based on the original property design, generally as specified in the construction documents. |
| EBITDA* | Consolidated net income calculated in accordance with GAAP, plus amounts which have been deducted and minus amounts which have been added for, without duplication: (i) interest expense; (ii) provision for income taxes; (iii) depreciation, amortization and all other non-cash items; (iv) provision for gains and losses; (v) noncontrolling interests; and (vi) extraordinary and other non-recurring items, as we determine in good faith. |
| Funds from Operations ("FFO") | Determined based on the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). Calculated as consolidated net income or loss attributable to common shares computed in accordance with GAAP, excluding gains or losses from depreciable operating property sales, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Also excludes non-cash impairment charges. |
| FFO Modified ("FFOM") | FFO modified to reflect certain adjustments related to the economic performance of our on-campus participating properties, the elimination of real estate transaction costs, and other items, as we determine in good faith, that do not reflect our core operations on a comparative basis. The company believes it is meaningful to eliminate the FFO generated from the on-campus participating properties and instead to reflect the company's 50% share of the properties' net cash flow and management and development fees received, as this measure better reflects the economic benefit derived from the company's involvement in the operation of these properties. |
| GAAP | Accounting principles generally accepted in the United States of America. |
| Interest Coverage* | Adjusted EBITDA / Adjusted Interest Expense. |
| Net Debt* | Total Debt less Cash. |
| Net Debt to EBITDA* | Net Debt divided by Adjusted EBITDA. |
| Net Operating Income "NOI" | Property revenues less direct property operating expenses, excluding depreciation, but including an allocation of costs related to corporate management and oversight. |

* These definitions are provided for purposes of calculating the company's unsecured notes covenants and other key ratios.

# Definitions

| | |
|---|---|
| On-campus Participating Properties | A transaction structure whereby the company enters into long-term ground/facility lease agreements with Universities to develop, construct, and operate student housing communities. Under the terms of the leases, title to the constructed facilities is held by the University/lessor and such lessor receives 50% of net cash flows, as defined, on an annual basis through the term of the lease. |
| Operating Expenses | General & administrative and other expenses include security costs, shuttle costs, and property-level general and administrative costs as well as an allocation of costs related to corporate management and oversight. Also includes acquisition integration costs, food service, and other miscellaneous expenses.<br><br>Utilities expense represents gross expenses prior to any recoveries from tenants, which are reflected in owned properties revenues.<br><br>Payroll expense includes payroll and related expenses for on-site personnel including general managers, maintenance staff, and leasing staff.<br><br>Repairs and maintenance expense includes general maintenance costs such as interior painting, routine landscaping, pest control, fire protection, snow removal, elevator maintenance, roof and parking lot repairs, and other miscellaneous building repair costs. Also includes costs related to the annual turn process.<br><br>Marketing expense includes costs related to property marketing campaigns associated with our ongoing leasing efforts. |
| Physical Occupancy | Occupied beds, including staff accommodations, divided by Design Beds. |
| Rentable Beds | Design Beds less beds used by on-site staff. |
| Same Store Grouping | Properties owned and operating for both of the entire annual periods presented, which are not conducting or planning to conduct substantial development, redevelopment, or repositioning activities, and are not classified as held for sale as of the current period-end. Includes the full operating results of properties owned through joint ventures in which the company has a controlling financial interest and which are consolidated for financial reporting purposes. |
| Secured Debt* | The portion of Total Debt that is secured by a mortgage, trust, deed of trust, deed to secure indebtedness, pledge, security interest, assignment of collateral, or any other security agreement. |
| Total Asset Value* | Undepreciated book value of real estate assets and all other assets, excluding receivables, intangibles, and right of use assets, of our consolidated subsidiaries, all determined in accordance with GAAP. |
| Total Debt* | Total consolidated debt calculated in accordance with GAAP, including finance leases and excluding mark-to-market premiums/discounts on mortgage loans assumed in connection with acquisitions, the original issued discount on unsecured notes, and deferred financing costs. |
| Total Equity Market Value | Fully diluted common shares times the company's stock price at period-end. |
| Unencumbered Asset Value* | The sum of (i) the undepreciated book value of real estate assets which are not subject to secured debt; and (ii) all other assets, excluding accounts receivable and intangibles, for such properties. Does not include assets of unconsolidated joint ventures. |
| Unsecured Debt* | The portion of Total Debt that is not Secured Debt. |

* These definitions are provided for purposes of calculating the company's unsecured notes covenants and other key ratios.

# Investor Information

### Executive Management

| | |
|---|---|
| Bill Bayless | Chief Executive Officer |
| Jim Hopke | President |
| Jennifer Beese | Chief Operating Officer |
| Daniel Perry | Chief Financial Officer |
| William Talbot | Chief Investment Officer |
| Kim Voss | Chief Accounting Officer |

### Research Coverage

| | | | |
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| Michael Bilerman / Nick Joseph | Citigroup Equity Research | (212) 816-1383 / (212) 816-1909 | michael.bilerman@citi.com / nicholas.joseph@citi.com |
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| Jordan Sadler / Austin Wurschmidt | KeyBanc Capital Markets | (917) 368-2280 / (917) 368-2311 | jsadler@key.com / awurschmidt@key.com |
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American Campus Communities, Inc. is followed by the analysts listed above. Please note that any opinions, estimates or forecasts regarding American Campus Communities, Inc.'s performance made by such analysts are theirs alone and do not represent the opinions, forecasts or predictions of the company or its management. American Campus Communities, Inc. does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations.

### Corporate Headquarters

| | |
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### Investor Relations

| | |
|---|---|
| Ryan Dennison | (512) 732-1000 |
| SVP, Capital Markets and Investor Relations | rdennison@americancampus.com |

# Forward-looking Statements and Non-GAAP Financial Measures

In addition to historical information, this press release contains forward-looking statements under the applicable federal securities law. These statements are based on management's current expectations and assumptions regarding markets in which American Campus Communities, Inc. (the "Company") operates, operational strategies, anticipated events and trends, the economy, and other future conditions. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. These risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward looking-statements include those related to the COVID-19 pandemic, about which there are still many unknowns, including the duration of the pandemic and the extent of its impact, and those discussed in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2019 under the heading "Risk Factors" and under the heading "Business - Forward-looking Statements" and subsequent quarterly reports on Form 10-Q. We undertake no obligation to publicly update any forward-looking statements, including our expected 2020 operating results, whether as a result of new information, future events, or otherwise.

This presentation contains certain financial information not derived in accordance with United States generally accepted accounting principles ("GAAP"). These items include earnings before interest, tax, depreciation and amortization ("EBITDA"), net operating income ("NOI"), funds from operations ("FFO") and FFO-Modified ("FFOM"). Refer to Definitions for a detailed explanation of terms appearing in the supplement. The Company presents this financial information because it considers each item an important supplemental measure of its operating performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. These measures should not be considered as alternatives to net income or loss computed in accordance with GAAP as an indicator of the Company's financial performance or to cash flow from operating activities computed in accordance with GAAP as an indicator of its liquidity, nor are these measures indicative of funds available to fund its cash needs, including its ability to pay dividends or make distributions.

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