SUN

SUN COMMUNITIES, INC.


FRIENDLY VILLAGE OF SIMI – SIMI VALLEY, CA

# INVESTOR PRESENTATION

## FEBRUARY 2018

# FORWARD-LOOKING STATEMENTS

This presentation has been prepared for informational purposes only from information supplied by Sun Communities, Inc. (the "Company", "Sun") and from third-party sources indicated herein. Such third-party information has not been independently verified. The Company makes no representation or warranty, expressed or implied, as to the accuracy or completeness of such information.

This presentation contains various "forward-looking statements" within the meaning of the United States Securities Act of 1933, as amended, and the United States Securities Exchange Act of 1934, as amended, and we intend that such forward-looking statements will be subject to the safe harbors created thereby. For this purpose, any statements contained in this presentation that relate to expectations, beliefs, projections, future plans and strategies, trends or prospective events or developments and similar expressions concerning matters that are not historical facts are deemed to be forward-looking statements. Words such as "forecasts," "intends," "intend," "intended," "goal," "estimate," "estimates," "expects," "expect," "expected," "project," "projected," "projections," "plans," "predicts," "potential," "seeks," "anticipates," "anticipated," "should," "could," "may," "will," "designed to," "foreseeable future," "believe," "believes," "scheduled," "guidance" and similar expressions are intended to identify forward-looking statements, although not all forward looking statements contain these words. These forward-looking statements reflect our current views with respect to future events and financial performance, but involve known and unknown risks and uncertainties, both general and specific to the matters discussed in this presentation. These risks and uncertainties may cause our actual results to be materially different from any future results expressed or implied by such forward-looking statements. In addition to the risks disclosed under "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2017, and our other filings with the Securities and Exchange Commission from time to time, such risks and uncertainties include but are not limited to:

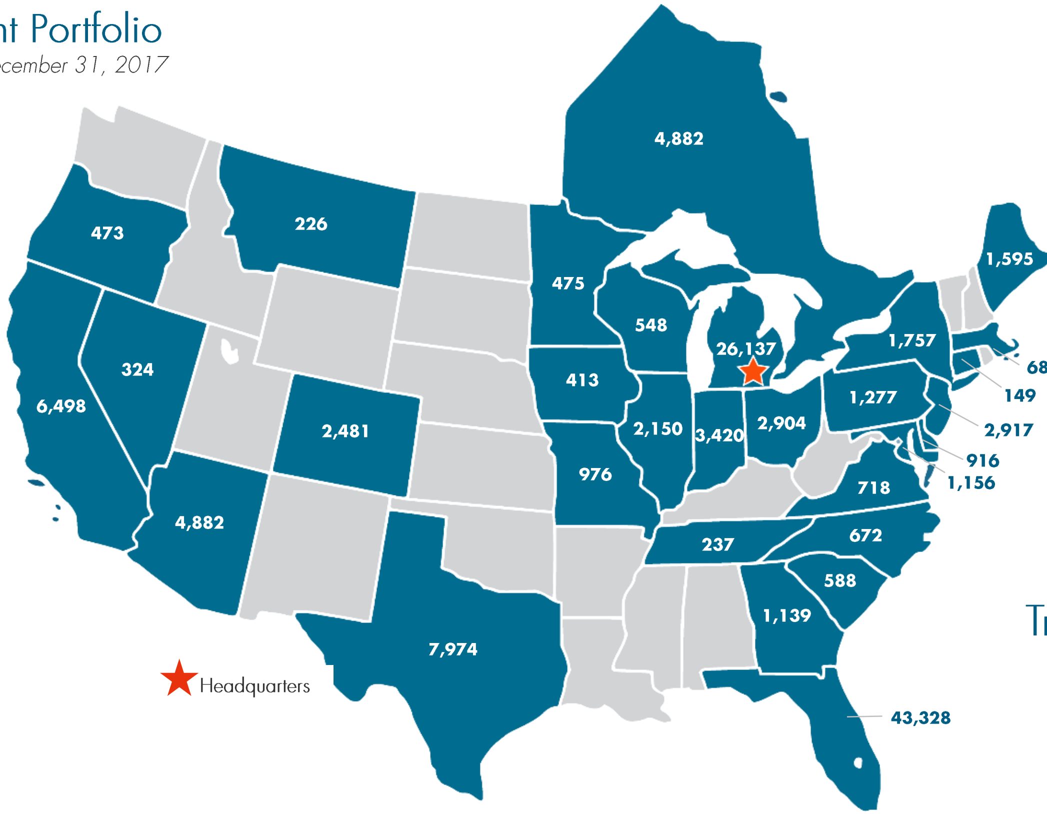
- changes in general economic conditions, the real estate industry and the markets in which we operate;
- difficulties in our ability to evaluate, finance, complete and integrate acquisitions, developments and expansions successfully;
- our liquidity and refinancing demands;
- our ability to obtain or refinance maturing debt;
- our ability to maintain compliance with covenants contained in our debt facilities;
- availability of capital;
- changes in foreign currency exchange rates, specifically between the U.S. dollar and Canadian dollar;
- our ability to maintain rental rates and occupancy levels;
- our failure to maintain effective internal control over financial reporting and disclosure controls and procedures;
- increases in interest rates and operating costs, including insurance premiums and real property taxes;
- risks related to natural disasters such as hurricanes, earthquakes, floods and wildfires;
- general volatility of the capital markets and the market price of shares of our capital stock;
- our failure to maintain our status as a REIT;
- changes in real estate and zoning laws and regulations;
- legislative or regulatory changes, including changes to laws governing the taxation of REITs;
- litigation, judgments or settlements;
- competitive market forces;
- the ability of manufactured home buyers to obtain financing; and
- the level of repossessions by manufactured home lenders.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made. We undertake no obligation to publicly update or revise any forward-looking statements included in this presentation, whether as a result of new information, future events, changes in our expectations or otherwise, except as required by law. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. All written and oral forward-looking statements attributable to us or persons acting on our behalf are qualified in their entirety by these cautionary statements.

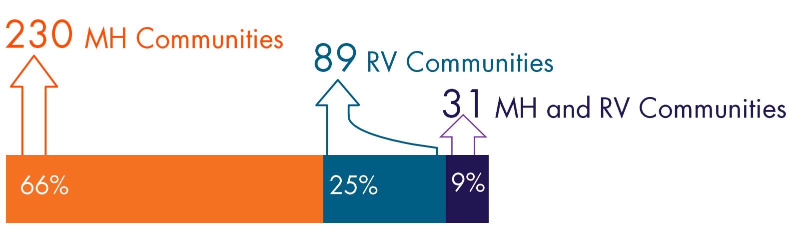
# SUN COMMUNITIES, INC. (NYSE: SUI) OVERVIEW

## Current Portfolio

*as of December 31, 2017*




*350* communities consisting of *~122,000* sites across *29* states and *Ontario, Canada*

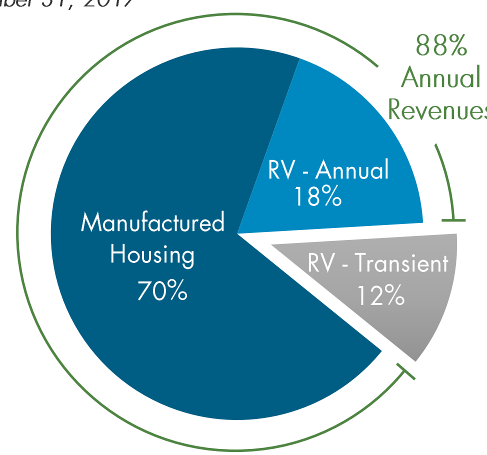



34%
Age-restricted communities

66%
All-age communities

## Trailing Twelve Months Rental Revenue

*as of December 31, 2017*



# 2017 Operating and Financial Highlights

## 4Q 2017 Highlights

| | Quarter Ended December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | % Change |
| Total Portfolio Revenue | $242.0mm | $218.6mm | 10.7% |
| Total Portfolio NOI | $134.7mm | $119.8mm | 12.4% |
| Same Community Revenue | $129.6mm | $121.8mm | 6.4% |
| Same Community NOI | $94.0mm | $87.9mm | 7.0% |
| EPS[1] | $0.09 | $(0.02) | 550.0% |
| Core FFO / Share[1,2] | $0.98 | $0.91 | 7.7% |


## Full Year 2017 Highlights

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2017 | 2016 | % Change |
| Total Portfolio Revenue | $982.6mm | $833.8mm | 17.9% |
| Total Portfolio NOI | $550.9mm | $466.9mm | 18.0% |
| Same Community Revenue | $533.9mm | $503.8mm | 6.0% |
| Same Community NOI | $382.2mm | $357.6mm | 6.9% |
| EPS[1] | $0.85 | $0.26 | 226.9% |
| Core FFO / Share[1,2] | $4.17 | $3.79 | 10.0% |
| Base Rent / Site[3] | $510 | $492 | 3.6% |
| MH & RV Blended Occupancy | 97.3% | 95.4% | 1.9% |

### 2017 Acquisitions:

- ~$150mm in 9 operating assets, adding ~2,700 sites, and 1 land parcel
  - 5 assets in California, 2 assets in Florida and 2 assets in the Midwest
  - Land parcel being developed into 840-site RV resort in Myrtle Beach, SC

*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 for additional information. Refer to information regarding non-GAAP financial measures in the attached Appendix.*
*1 Company information. Diluted.*
*2 Based on fully diluted shares of 83.262 million and 76.454 million for 4Q 2017 and 4Q 2016, respectively; and fully diluted shares of 80.996 million and 70.165 million for years ended 2017 and 2016, respectively.*
*3 Company information. Total same community portfolio.*

# 2018 Operating and Financial Guidance

## Same Community Portfolio

Number of Communities: 336

- Income from Real Property: 5.9% - 6.1%
- Total Property Operating Expenses: 3.2% - 3.4%
  - Real Estate Taxes: 4.8% - 5.2%
  - Property Operating & Maintenance: 2.7% - 2.9%
- NOI: 7.0% - 7.5%
- Weighted Average Monthly Rent Increase: 3.8%
- Same Community NOI Seasonality:

| 1Q18 | 2Q18 | 3Q18 | 4Q18 |
|---|---|---|---|
| 25.5% | 23.7% | 26.1% | 24.7% |

## Total Company

- Full-Year 2018 Net Income/diluted share: $1.26 - $1.42
- Full-Year 2018 Core FFO/share: $4.48 - $4.58
- Core FFO Seasonality:

| 1Q18 | 2Q18 | 3Q18 | 4Q18 |
|---|---|---|---|
| 24.9% | 23.1% | 27.9% | 24.1% |

## Other Considerations

- New Home Sales Volume: 500 – 560
- Pre-owned Home Sales Volume: 2,650 – 2,900
- Increase in Revenue Producing Sites: 2,700 – 2,900


Castaways RV Resort & Campground – Berlin, MD



*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 as well as Press Releases after December 31, 2017 for additional information. Refer to information regarding non-GAAP financial measures in the attached Appendix.*

# POWERING SUN'S GROWTH ENGINE

- Sun is the premiere owner and operator of manufactured home ("MH") and recreational vehicle ("RV") communities
- Strong cycle-tested record of operating, expanding and acquiring MH and RV communities dating back to 1975

## INTERNAL

### Contractual Rent Increases

- Weighted average monthly rent has historically increased by 2-4% annually
- 4Q17 weighted average monthly rent increase of 3.6%
- 2018 expected weighted average monthly rent increase of 3.8%

### MH Occupancy Gains

- 4Q17 MH occupancy of 94.6%
- 132 communities are 98%+ occupied
- Expect additional 250-300 bps of occupancy gains across MH portfolio to reach 98%

### Expansions

- Delivered ~2,100 expansion sites in 2017
- Expected to deliver ~1,350 expansion sites in 2018
- Over 6,500 sites available for expansion post-2018

### Transient Conversions

- ~15,900 transient RV sites in portfolio, a portion of which can be converted to annual leases over time
- 962 total conversions in 2017
- Conversions have historically increased revenues by 40-60% for the first full year after conversion

## EXTERNAL

### Acquisitions

- Historical three year average of ~$150mm in single asset acquisitions
- Purchased 9 operating properties in 2017, adding ~2,700 sites for ~$145mm
- High degree of visibility into acquisition pipeline

### Development

- Looking to start on 2-3 greenfield developments per year
- Targeting high single digit IRRs
- Projects underway in California, South Carolina and Colorado

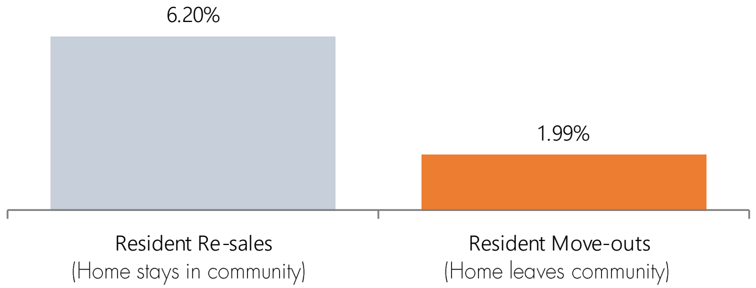


*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 for additional information.*

# SUN'S FAVORABLE REVENUE DRIVERS

- The average cost to move a home ranges from $4K-$10K, resulting in low move-out of homes
- Tenure of homes in our communities is 50[1] years
- Tenure of residents in our communities is approximately 12[1] years

## Resident Move-out Trends[1]



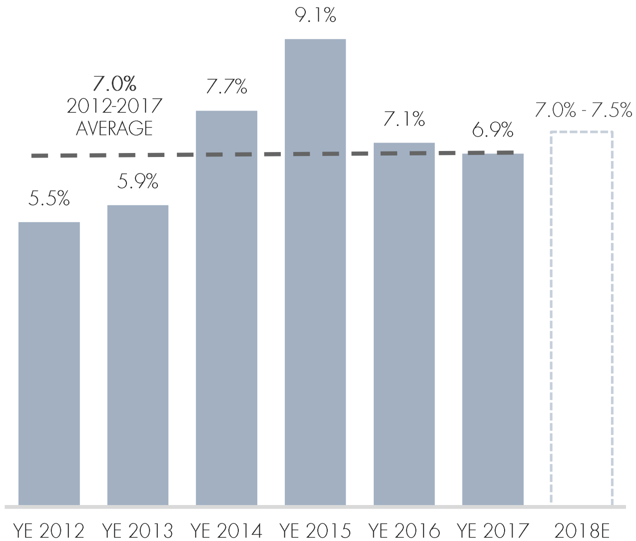


SUN COMMUNITIES, INC.

*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 for additional information. Refer to information regarding non-GAAP financial measures in the attached Appendix.*
*1 Three year average.*

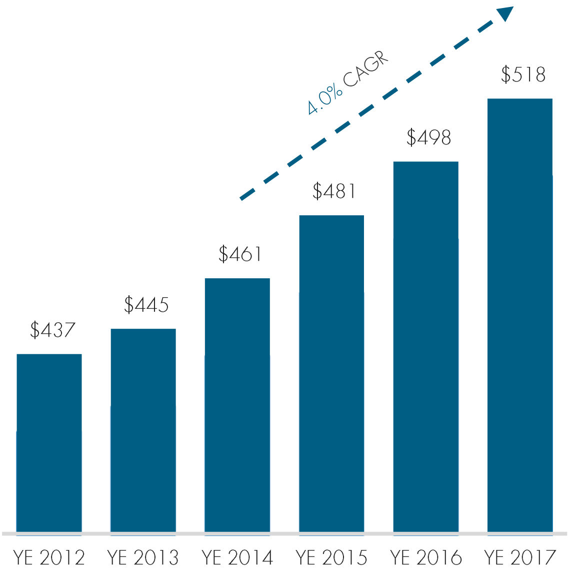
# Strong Same Community Performance

## NOI Growth Percentage



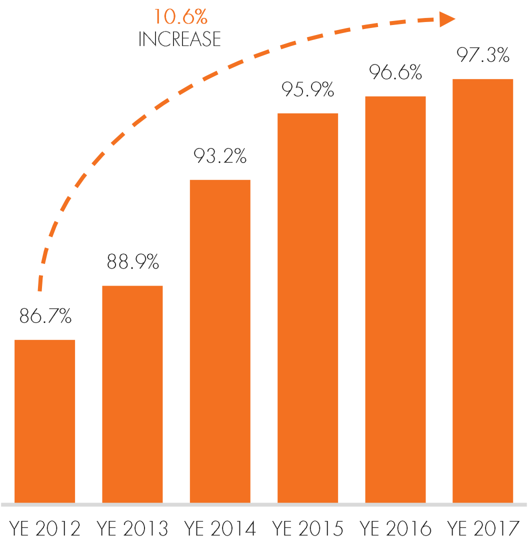

- Positive NOI growth for 18 consecutive years
- Low-annual resident turnover results in stability of income and occupancy

## Manufactured Home Weighted Average Monthly Rent per Site




- Strong and consistent rental rate growth creates a stable revenue stream that is recession-resistant

## Occupancy Percentage




- Occupancy gains are a function of Sun's integrated platform, which includes: leasing, sales, and financing

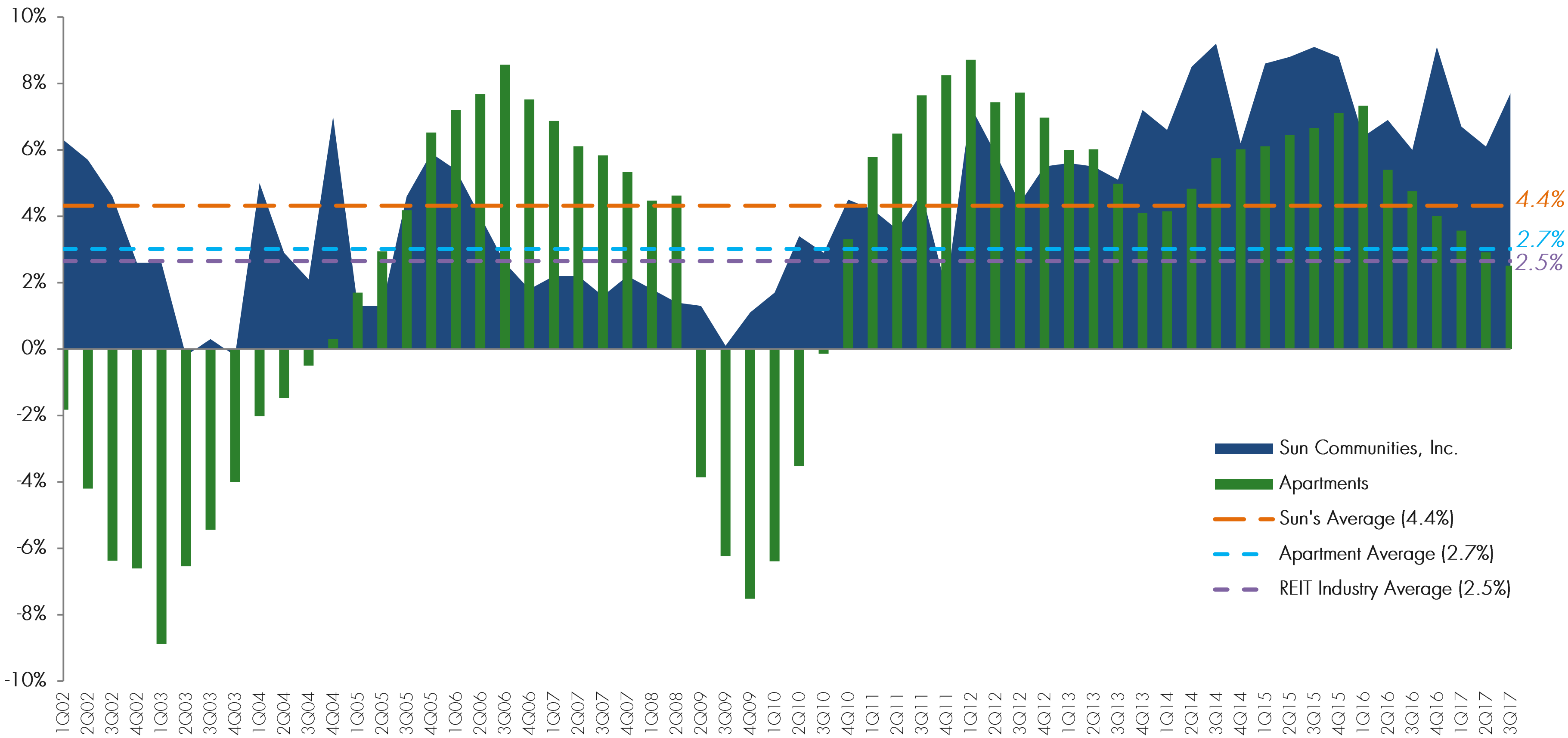


*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31st for the respective year for additional information. Refer to information regarding non-GAAP financial measures in the attached Appendix.*
*Note: Same community pool of assets changes annually. Same community pools included 136 communities in 2012, 231 communities in 2017 and includes 336 communities in 2018.*

# Consistent and Cycle Tested Internal Growth

- Sun's average same community NOI growth has exceeded REIT industry average by ~190 bps and the apartment sector's average by ~170 bps since 2002

## Same Community NOI Growth Percentage




SUN COMMUNITIES, INC.

*Source: Citi Investment research, September, 2017. "REIT Industry Average" includes an index of REITs across a variety of asset classes including: self storage; mixed office; regional malls; shopping centers; apartments; student housing; manufactured homes and specialty. Refer to information regarding non-GAAP financial measures of the attached Appendix.*

# Manufactured Housing VS. Multifamily

- Sun's manufactured homes provide nearly 15% more space at over 30% less cost per square foot

| | Sun's Manufactured Homes | VS. | Multifamily Housing |
|---|---|---|---|
| PRICE | $0.73 per sq. ft. | ✓ | $1.05 per sq. ft. |
| SQUARE FOOTAGE | 1,250[1] sq. ft. | ✓ | 1,100[2] sq. ft. |
| RENT | $917[1] per month | ✓ | $1,150[2] per month |

1 Source: Company information.
2 Source: The RentPath Network. Represents average rent for a 2 bedroom apartment in major metropolitan areas Sun operates in adjusted for inflation as of December, 2017.

# MANUFACTURED HOUSING VS. SINGLE FAMILY

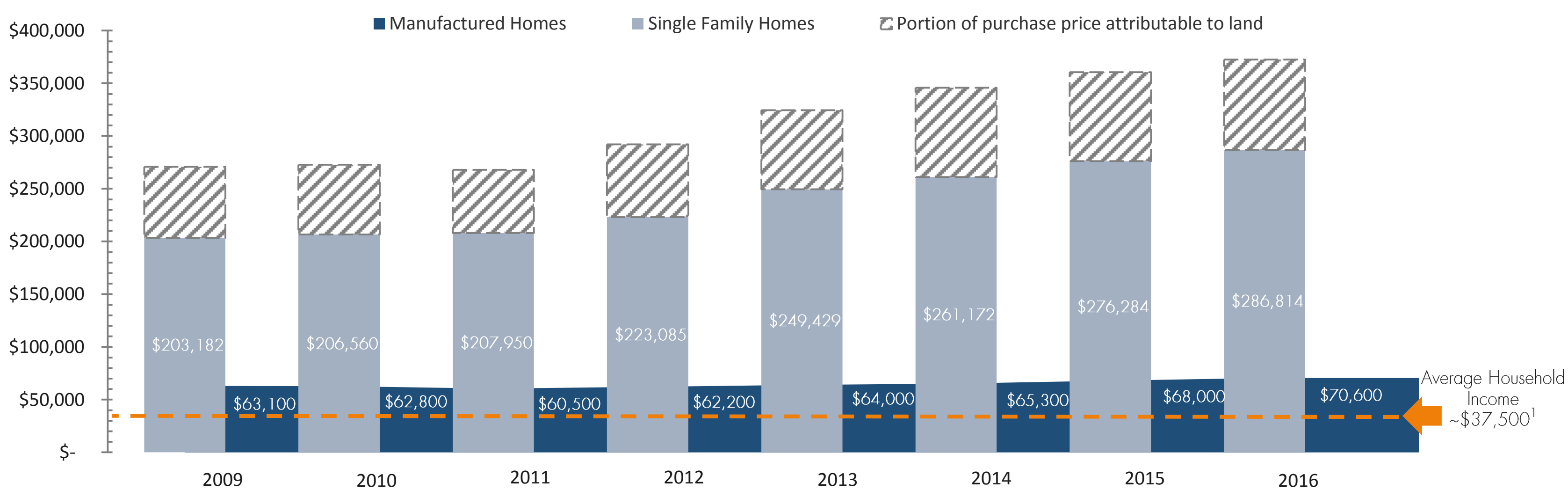
- Sun's communities offer affordable options in attractive locations

## Manufactured Homes

✓ *Average cost of a new Manufactured Home is **$70,600** or roughly 2 years median income*

## Single Family Homes

✓ *Average cost of Single Family is **$286,814** or roughly 8 years median income*




*Source: Manufactured Housing Institute, Quick Facts: "Trends and Information About the Manufactured Housing Industry, 2017."*
*1 Historical average from SUI community applications.*

# Expansions Provide Strong Growth and Attractive Returns

- Approximately 2,100 sites were delivered throughout 2017
- At the start of 2018, inventory of ~7,900 zoned and entitled sites available for expansion at ~60 properties in 16 states and Ontario, Canada
- A 100-site expansion at a $35,000 cost per site, is expected to lease up between 12-24 months, results in a 5-year unlevered IRR of 12% - 14%
- Expansion in communities with strong demand evidenced by occupancies >96% and continued strong demand

Ocean Breeze – Jensen Beach, FL



*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 for additional information.*

# Expansion Opportunities Supported by Rental Program

- Sun's rental program is a key onboarding and conversion tool for our communities

## Rental Program All-in 5-Year Unlevered IRR

- $42,000 initial investment in new home
- Weighted average monthly rental rate ~$900 x 12 = $10,800 (3% annual increases)
- Monthly operating expenses[1] +1 month vacancy factor $275 x 12 = $3,300 (3% annual increases)
- End of 5-year period sell the home and recoup 90% of original invoice price
- All-in 5-year unlevered IRR in the high teens


SUN COMMUNITIES, INC.

*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 for additional information.*
*1 Operating expenses include repairs and refurbishment, taxes and insurance, marketing, and commissions.*

# Extracting Value From Strategic Acquisitions


## Year-end Communities and Sites

- Since May 2011, Sun has acquired communities valued **in excess of $4.5 billion**, increasing its number of sites and communities by ~180%[1]

**2011**
159 communities
54,811 sites

**2012**
173 communities
63,697 sites

**2013**
188 communities
69,789 sites

**2014**
217 communities
79,554 sites

**2015**
231 communities
88,612 sites

**2016**
341 communities
117,376 sites

**2017**
350 communities
121,892 sites

SUN COMMUNITIES, INC.

*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31st for the respective year.*
*[1] Includes 30 community dispositions realized in 2014 and 2015.*

# Case Study – Deerwood MH Community in Orlando, FL

## Deerwood | Orlando, FL

All-age MH community acquired in 2015 as part of $1.3bn Green Courte transaction

Purchase price: $43.5mm

Additional investment: $1.5mm

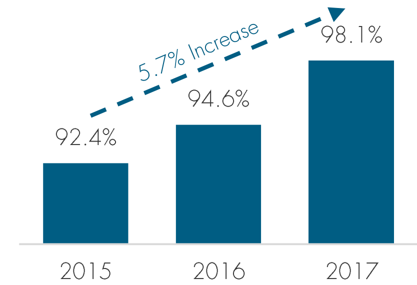
- Repaved roads
- Installed new street lights and road signs
- Remodeled sales office
- Renovated clubhouse and 2 pools
- Built new multi-sport court
- Enhanced landscaping
- Added playground

Increased occupancy from 92.4% to 98.1%

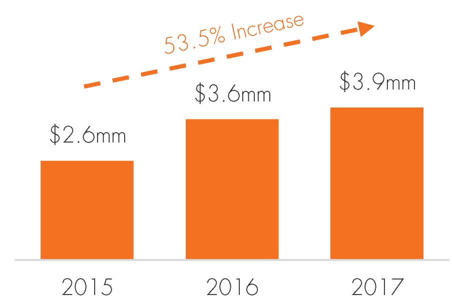
Increased NOI from $1.9mm to $3.1mm

Value created through application of Sun's proactive management systems and processes to accelerate occupancy and achieve outsized NOI growth

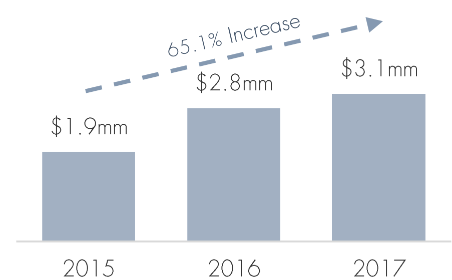
MH Occupancy




Revenue




NOI





SUN COMMUNITIES, INC.

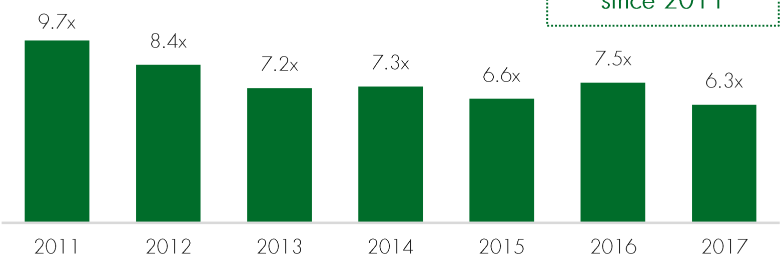
*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 for additional information. Refer to information regarding non-GAAP financial measures in the attached Appendix.*
*Note: Increases calculated using actual results without rounding.*

# Strategic Balance Sheet

- Balance sheet supports growth strategy
- Sun's annual mortgage maturities average 3.5% from 2018 - 2022

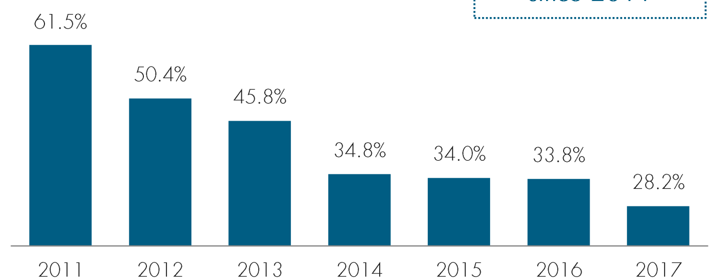
## Net Debt / EBITDA[1]

Reduced leverage by 3.4x turns since 2011




## Net Debt / TEV[2]

~33% reduction since 2011



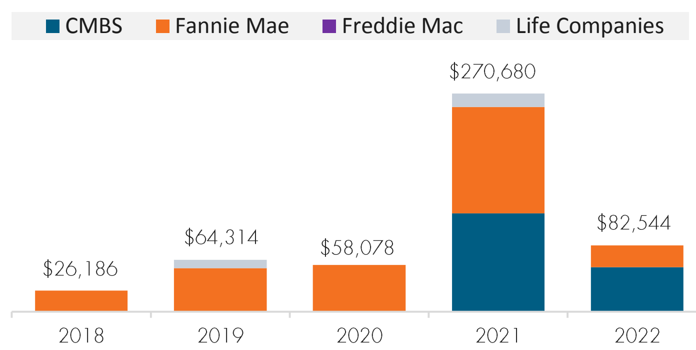

## Mortgage Debt Outstanding

*principal amounts in thousands*

| | Year Ended December 31, 2017 | |
|---|---|---|
| | Principal Outstanding[3] | WA Interest Rates |
| CMBS | $410,747 | 5.10% |
| Fannie Mae | $1,026,014 | 4.39% |
| Life Companies | $1,044,246 | 3.93% |
| Freddie Mac | $386,349 | 3.86% |
| Total | $2,867,356 | 4.25% |

## Mortgage Debt 5-Year Maturity Ladder

*amounts in thousands*




*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 for additional information.*

*1 The debt ratios are calculated using trailing 12 months recurring EBITDA for the period ended December 31, 2017. Refer to information regarding non-GAAP financial measures in the attached Appendix.*

*2 Total Enterprise Value includes common shares outstanding (per Supplemental), OP Units and Preferred OP Units, as converted, outstanding at the end of each respective period.*

*3 Includes premium / discount on debt and financing costs.*

Sun Communities, Inc.

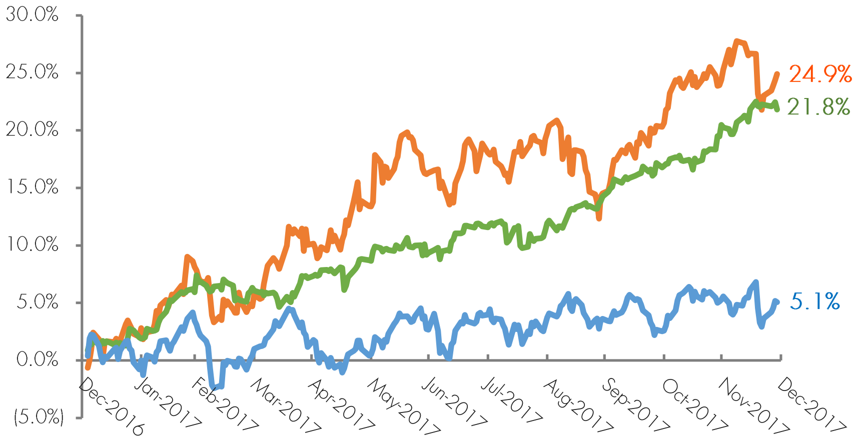
# APPENDIX


Riverside Club Golf & Marina – Ruskin, FL

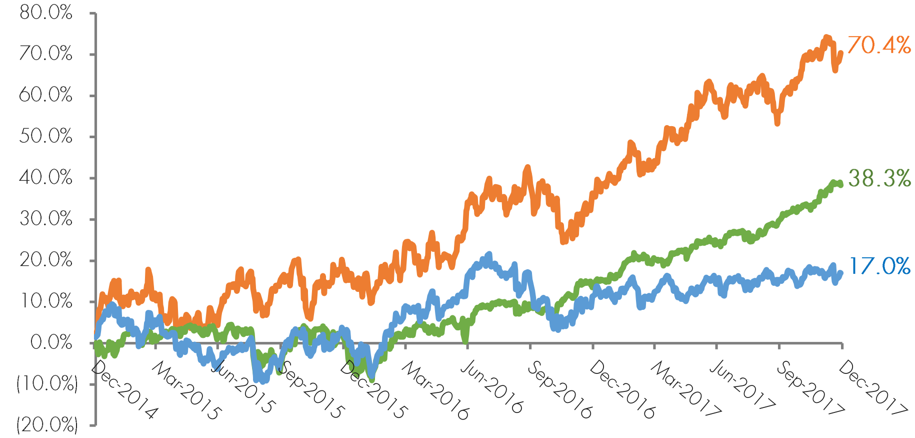
# STRATEGY-DRIVEN OUTPERFORMANCE

- Sun has significantly outperformed major REIT and broader market indices over the last ten years

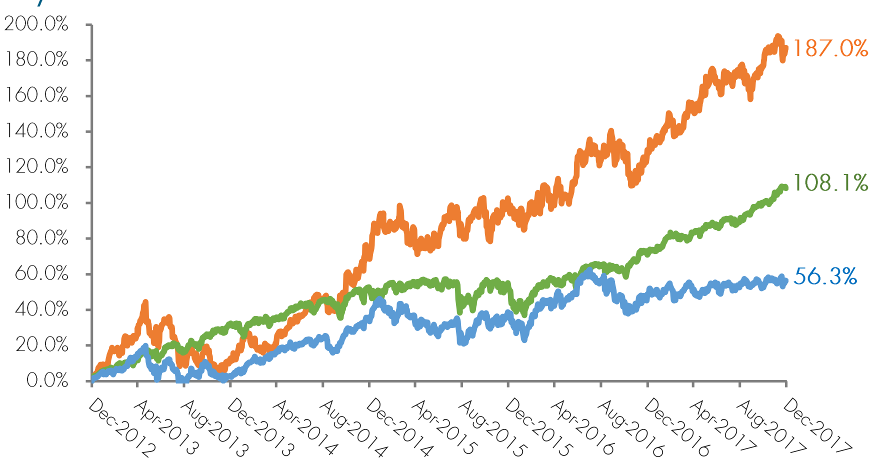
1 - year Total Return



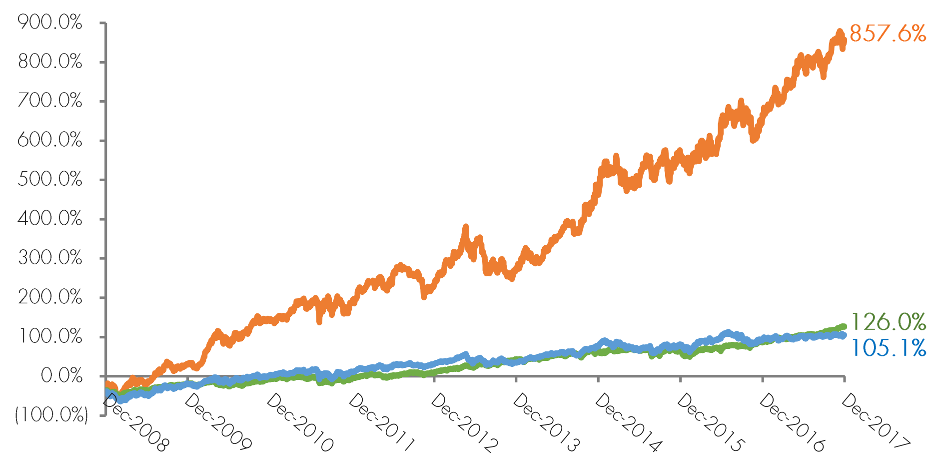

3 - year Total Return




5 - year Total Return




10 - year Total Return




Sun Communities, Inc. (SUI) — S&P 500 — MSCI US REIT (RMS)

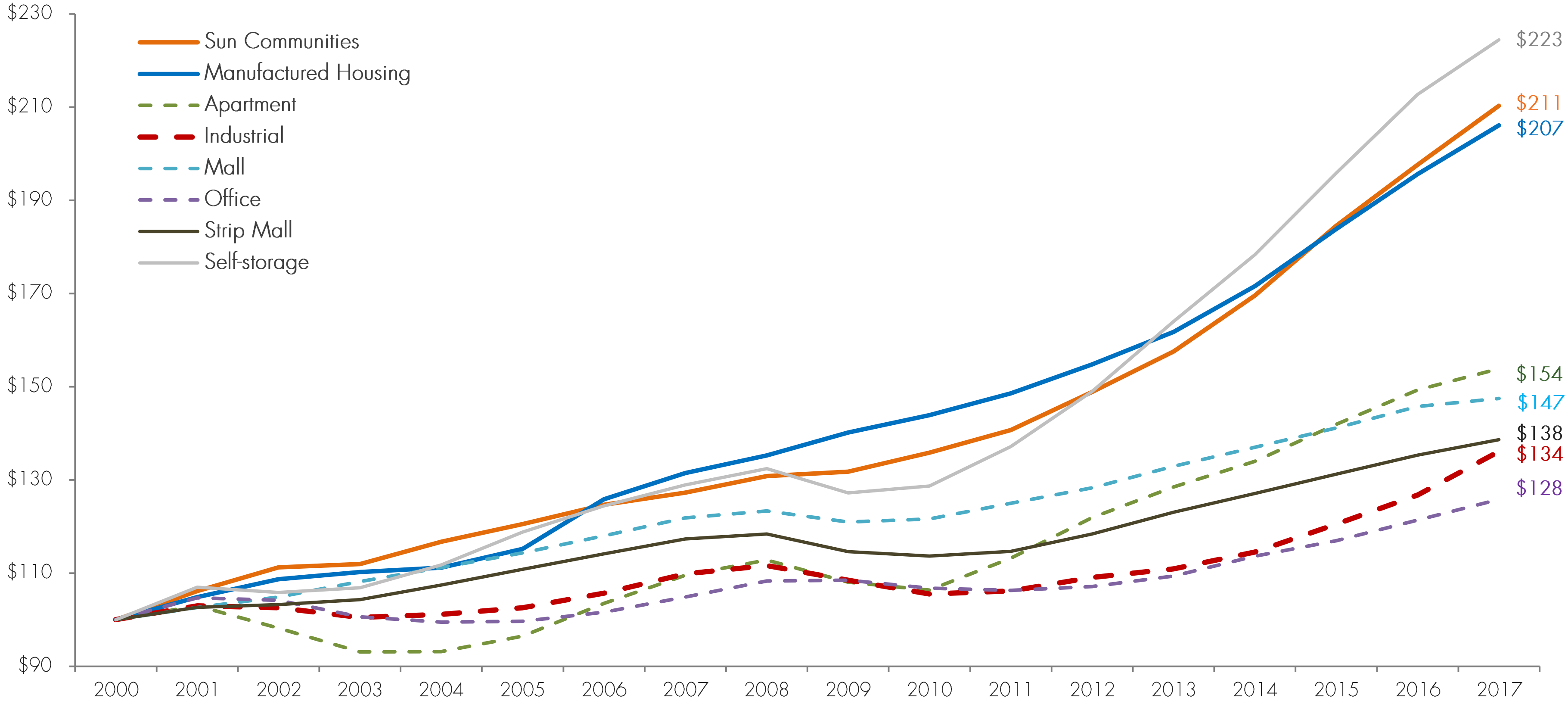
SUN COMMUNITIES, INC.

*Source: S&P Global as of December 31, 2017.*

# CONSISTENT NOI GROWTH

- Manufactured housing is one of the most recession-resistant sectors of the housing and commercial real estate sectors and has consistently outperformed multifamily in same community NOI growth since 2000

## NOI Growth






*Source: Citi Investment research, September, 2017. Refer to information regarding non-GAAP financial measures in this Appendix.*

# NON-GAAP TERMS DEFINED

Investors in and analysts following the real estate industry utilize funds from operations ("FFO"), net operating income ("NOI"), and recurring earnings before interest, tax, depreciation and amortization ("Recurring EBITDA") as supplemental performance measures. We believe FFO, NOI, and Recurring EBITDA are appropriate measures given their wide use by and relevance to investors and analysts. FFO, reflecting the assumption that real estate values rise or fall with market conditions, principally adjusts for the effects of GAAP depreciation/amortization of real estate assets. NOI provides a measure of rental operations and does not factor in depreciation/amortization and non-property specific expenses such as general and administrative expenses. Recurring EBITDA, a metric calculated as EBITDA exclusive of certain nonrecurring items, provides a further tool to evaluate ability to incur and service debt and to fund dividends and other cash needs. Additionally, FFO, NOI, and Recurring EBITDA are commonly used in various ratios, pricing multiples/yields and returns and valuation calculations used to measure financial position, performance and value.

FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as net income (loss) computed in accordance with GAAP, excluding gains or losses from sales of depreciable operating property, plus real estate-related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. The Company considers FFO to be a useful measure for reviewing comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets, impairment and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates).

FFO provides a performance measure that, when compared period over period, reflects the impact to operations from trends in occupancy rates, rental rates, and operating costs, providing perspective not readily apparent from net income (loss). Management believes that the use of FFO has been beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. FFO is computed in accordance with the Company's interpretation of standards established by 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 the Company. The Company also uses FFO excluding certain gain and loss items that management considers unrelated to the operational and financial performance of our core business ("Core FFO"). We believe that this provides investors with another financial measure of our operating performance that is more comparable when evaluating period over period results.

Because FFO excludes significant economic components of net income (loss) including depreciation and amortization, FFO should be used as an adjunct to net income (loss) and not as an alternative to net income (loss). The principal limitation of FFO is that it does not represent cash flow from operations as defined by GAAP and is a supplemental measure of performance that does not replace net income (loss) as a measure of performance or net cash provided by operating activities as a measure of liquidity. In addition, FFO is not intended as a measure of a REIT's ability to meet debt principal repayments and other cash requirements, nor as a measure of working capital. FFO only provides investors with an additional performance measure that, when combined with measures computed in accordance with GAAP such as net income (loss), cash flow from operating activities, investing activities and financing activities, provide investors with an indication of our ability to service debt and to fund acquisitions and other expenditures. Other REITs may use different methods for calculating FFO, accordingly, our FFO may not be comparable to other REITs.

NOI is derived from revenues minus property operating expenses and real estate taxes. NOI does not represent cash generated from operating activities in accordance with GAAP and should not be considered to be an alternative to net income (loss) (determined in accordance with GAAP) as an indication of the Company's financial performance or to be an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity; nor is it indicative of funds available for the Company's cash needs, including its ability to make cash distributions. The Company believes that net income (loss) is the most directly comparable GAAP measurement to NOI. Because of the inclusion of items such as interest, depreciation, and amortization, the use of net income (loss) as a performance measure is limited as these items may not accurately reflect the actual change in market value of a property, in the case of depreciation and in the case of interest, may not necessarily be linked to the operating performance of a real estate asset, as it is often incurred at a parent company level and not at a property level. The Company believes that NOI is helpful to investors as a measure of operating performance because it is an indicator of the return on property investment, and provides a method of comparing property performance over time. The Company uses NOI as a key management tool when evaluating performance and growth of particular properties and/or groups of properties. The principal limitation of NOI is that it excludes depreciation, amortization interest expense and non-property specific expenses such as general and administrative expenses, all of which are significant costs, therefore, NOI is a measure of the operating performance of the properties of the Company rather than of the Company overall.

EBITDA is defined as NOI plus other income, plus (minus) equity earnings (loss) from affiliates, minus general and administrative expenses. EBITDA includes EBITDA from discontinued operations. The Company believes that net income (loss) is the most directly comparable GAAP measurement to EBITDA.

# Net Income / (Loss) to FFO Reconciliation

| *(amounts in thousands except per share data)* | Three Months Ended December 31, | | Year Ended December 31, | | |
|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2015 |
| Net income / (loss) attributable to Sun Communities, Inc. common stockholders | $ 7,438 | $ (1,600) | $ 65,021 | $ 17,369 | $ 137,325 |
| Adjustments: | | | | | |
| Depreciation and amortization | 72,068 | 62,351 | 262,211 | 221,576 | 178,048 |
| Amounts attributable to noncontrolling interests | 825 | (296) | 4,535 | (41) | 9,644 |
| Preferred return to preferred OP units | 570 | 604 | 2,320 | 2,462 | 2,612 |
| Preferred distribution to Series A-4 preferred stock | 441 | - | 2,107 | - | - |
| Gain on disposition of properties, net | - | - | - | - | (125,376) |
| Gain on disposition of assets, net | (4,733) | (3,487) | (16,075) | (15,713) | (10,125) |
| FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities | $ 76,609 | $ 57,572 | $ 320,119 | $ 225,653 | $ 192,128 |
| Adjustments: | | | | | |
| Transaction costs | 2,811 | 4,023 | 9,801 | 31,914 | 17,803 |
| Other acquisition related costs | 98 | 1,861 | 2,810 | 3,328 | - |
| Income from affiliate transactions | - | - | - | (500) | (7,500) |
| Catastrophic weather related charges, net | 228 | 1,172 | 8,352 | 1,172 | - |
| Loss of earnings - catastrophic weather related | 292 | - | 292 | - | - |
| Preferred stock redemption costs | - | - | - | - | 4,328 |
| Loss on extinguishment of debt | 5,260 | 1,127 | 6,019 | 1,127 | 2,800 |
| Other (income) / expense, net | (3,642) | 4,676 | (8,982) | 4,676 | - |
| Debt premium write-off | (905) | (839) | (1,343) | (839) | - |
| Ground lease intangible write-off | 898 | - | 898 | - | - |
| Deferred tax expense / (benefit) | 163 | (400) | (582) | (400) | 1,000 |
| Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities excluding certain items | $ 81,812 | $ 69,192 | $ 337,384 | $ 266,131 | $ 210,559 |
| Weighted average common shares outstanding - basic | 78,633 | 72,277 | 76,084 | 65,856 | 53,686 |
| Weighted average common shares outstanding - fully diluted | 83,262 | 76,454 | 80,996 | 70,165 | 57,979 |
| FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities per share - fully diluted | $ 0.92 | $ 0.75 | $ 3.95 | $ 3.22 | $ 3.31 |
| Core FFO attributable to Sun Communities, Inc. common stockholders and dilutive convertible securities per share excluding certain items - fully diluted | $ 0.98 | $ 0.91 | $ 4.17 | $ 3.79 | $ 3.63 |

SUN COMMUNITIES, INC.

*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 for additional information.*

# NET INCOME / (LOSS) TO NOI RECONCILIATION

*(amounts in thousands)*

| | Three Months Ended December 31, | | Year Ended December 31, | | |
|---|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** | **2015** |
| Net income / (loss) attributable to Sun Communities, Inc., common stockholders | $ 7,438 | $ (1,600) | $ 65,021 | $ 17,369 | $ 137,325 |
| Other revenues | (6,287) | (5,691) | (24,874) | (21,150) | (18,157) |
| Home selling expenses | 3,066 | 2,504 | 12,457 | 9,744 | 7,476 |
| General and administrative | 18,523 | 17,177 | 74,711 | 64,087 | 47,455 |
| Transaction costs | 2,811 | 4,023 | 9,801 | 31,914 | 17,803 |
| Depreciation and amortization | 71,817 | 62,205 | 261,536 | 221,770 | 177,637 |
| Loss on extinguishment of debt | 5,260 | 1,127 | 6,019 | 1,127 | 2,800 |
| Interest expense | 32,116 | 31,430 | 130,242 | 122,315 | 110,878 |
| Catastrophic weather related charges, net | 228 | 1,172 | 8,352 | 1,172 | - |
| Other (income) / expense, net | (3,642) | 4,676 | (8,982) | 4,676 | - |
| Gain on disposition of properties, net | - | - | - | - | (125,376) |
| Current tax expense | 313 | 116 | 446 | 683 | 158 |
| Deferred tax expense / (benefit) | 163 | (400) | (582) | (400) | 1,000 |
| Income from affiliate transactions | - | - | - | (500) | (7,500) |
| Preferred return to preferred OP units | 1,099 | 1,213 | 4,581 | 5,006 | 4,973 |
| Amounts attributable to noncontrolling interests | 876 | (310) | 5,055 | 150 | 10,054 |
| Preferred stock distributions | 929 | 2,198 | 7,162 | 8,946 | 13,793 |
| Preferred stock redemption costs | - | - | - | - | 4,328 |
| NOI/Gross Profit | $ 134,710 | $ 119,840 | $ 550,945 | $ 466,909 | $ 384,647 |

| | Three Months Ended December 31, | | Year Ended December 31, | | |
|---|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** | **2015** |
| Real Property NOI | $ 118,067 | $ 107,256 | $ 479,662 | $ 403,337 | $ 335,567 |
| Rental Program NOI | 23,623 | 20,863 | 92,382 | 85,086 | 83,232 |
| Home Sales NOI / Gross Profit | 8,974 | 6,903 | 32,294 | 30,087 | 20,787 |
| Ancillary NOI / Gross Profit | 73 | 254 | 10,440 | 9,999 | 7,013 |
| Site rent from Rental Program (included in Real Property NOI) | (16,027) | (15,436) | (63,833) | (61,600) | (61,952) |
| NOI / Gross Profit | $ 134,710 | $ 119,840 | $ 550,945 | $ 466,909 | $ 384,647 |



*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 for additional information.*

# Net Income / (Loss) to Recurring EBITDA Reconciliation

*(amounts in thousands)*

| | Three Months Ended December 31, | | Year Ended December 31, | | |
|---|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** | **2015** |
| Net income / (loss) attributable to Sun Communities, Inc., common stockholders | $ 7,438 | $ (1,600) | $ 65,021 | $ 17,369 | $ 137,325 |
| Interest | 32,116 | 31,430 | 130,242 | 122,315 | 110,878 |
| Depreciation and amortization | 71,817 | 62,205 | 261,536 | 221,770 | 177,637 |
| Loss on extinguishment of debt | 5,260 | 1,127 | 6,019 | 1,127 | 2,800 |
| Transaction costs | 2,811 | 4,023 | 9,801 | 31,914 | 17,803 |
| Catastrophic weather related charges, net | 228 | 1,172 | 8,352 | 1,172 | - |
| Other (income) / expense, net | (3,642) | 4,676 | (8,982) | 4,676 | - |
| Gains on disposition of properties, net | - | - | - | - | (125,376) |
| Current tax expense | 313 | 116 | 446 | 683 | 158 |
| Deferred tax expense / (benefit) | 163 | (400) | (582) | (400) | 1,000 |
| Income from affiliate transactions | - | - | - | (500) | (7,500) |
| Preferred return to preferred OP units | 1,099 | 1,213 | 4,581 | 5,006 | 4,973 |
| Amounts attributable to noncontrolling interests | 876 | (310) | 5,055 | 150 | 10,054 |
| Preferred stock distributions | 929 | 2,198 | 7,162 | 8,946 | 13,793 |
| Preferred stock redemption costs | - | - | - | - | 4,328 |
| Recurring EBITDA | $ 119,408 | $ 105,850 | $ 488,651 | $ 414,228 | $ 347,873 |



*Source: Company information. Refer to Sun Communities, Inc. Form 10-K and Supplemental for the year ended December 31, 2017 for additional information.*