



The RMR Group Inc. Announces First Quarter Fiscal 2025 Financial Results

February 5, 2025

THE RMR GROUP INC. ANNOUNCES FIRST QUARTER FISCAL 2025 FINANCIAL RESULTS

Newton, MA (February 5, 2025). The RMR Group Inc. (Nasdaq: RMR) today announced its financial results for the fiscal quarter ended December 31, 2024.

Dividend

RMR has declared a quarterly dividend on its Class A Common Stock and Class B-1 Common Stock of \$0.45 per share to shareholders of record as of the close of business on January 27, 2025. This dividend will be paid on or about February 20, 2025.

Conference Call

A conference call to discuss RMR's fiscal first quarter results will be held on Thursday, February 6, 2025 at 10:00 a.m. Eastern Time. The conference call may be accessed by dialing (844) 481-2945 or (412) 317-1868 (if calling from outside the U.S. and Canada); a pass code is not required. A replay will be available for one week by dialing (877) 344-7529; the replay pass code is 7377332. A live audio webcast of the conference call will also be available in a listen-only mode on RMR's website, at www.rmrgroup.com. The archived webcast will be available for replay on RMR's website after the call. The transcription, recording and retransmission in any way are strictly prohibited without the prior written consent of RMR.

About The RMR Group

The RMR Group is a leading U.S. alternative asset management company, unique for its focus on commercial real estate (CRE) and related businesses. RMR's vertical integration is supported by over 1,000 real estate professionals in more than 35 offices nationwide who manage over \$40 billion in assets under management and leverage more than 35 years of institutional experience in buying, selling, financing and operating CRE. RMR benefits from a scalable platform, a deep and experienced management team and a diversity of direct real estate strategies across its clients. RMR is headquartered in Newton, MA and was founded in 1986. For more information, please visit www.rmrgroup.com.

"RMR's fiscal first quarter results were in-line with our expectations, which included net income per share of \$0.38, Adjusted Net Income per share of \$0.35 and Distributable Earnings per share of \$0.46. These financial results reflect continued cost containment efforts intended to offset the challenges facing our Managed Equity REITs that have adversely impacted our revenues."

"We ended the quarter with nearly \$150 million of cash on hand and in January, enhanced our financial flexibility by establishing a \$100 million credit facility to provide us further capacity to invest in our private capital growth initiatives."

Adam Portnoy,
President and Chief Executive Officer

WARNING REGARDING FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws that are subject to risks and uncertainties. These statements may include words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions. These forward-looking statements include, among others, statements about: RMR's business strategy; economic and industry conditions; the impact and opportunities for RMR and RMR's clients' businesses from business cycles in the U.S. real estate industry as well as economic and industry conditions, including interest rates; RMR's belief that it is possible to grow real estate based businesses in selected property types or geographic areas despite national trends; RMR's cash and cash equivalents, including their sufficiency to pursue a range of capital allocation strategies and fund RMR's operations and enhance its technology infrastructure and limit risk exposure; and RMR's sustainability practices.

Forward-looking statements reflect RMR's current expectations, are based on judgments and assumptions, are inherently uncertain and are subject to risks, uncertainties and other factors, which could cause RMR's actual results, performance or achievements to differ materially from expected future results, performance or achievements expressed or implied in those forward-looking statements. Some of the risks, uncertainties and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following:

The dependence of RMR's revenues on a limited number of clients; the variability of its revenues; risks related to supply chain constraints, commodity pricing and inflation, including inflation impacting wages and employee benefits; changing market conditions, practices and trends, which may adversely impact its clients and the fees RMR receives from them; potential terminations of the management agreements with its clients; uncertainty surrounding interest rates and sustained high interest rates, which may impact RMR's clients and significantly reduce RMR's revenues or impede its growth; RMR's dependence on the growth and performance of its clients; RMR's ability to obtain or create new clients for its business which is often dependent on circumstances beyond RMR's control; the ability of RMR's clients to operate their businesses profitably, optimize their capital structures and to grow and increase their market capitalizations and total shareholder returns; RMR's ability to successfully provide management services to its clients; RMR's ability to maintain or increase the distributions RMR pays to its shareholders; RMR's ability to successfully pursue and execute capital allocation and new business strategies; RMR's ability to prudently invest in its business to enhance its operations, services and competitive positioning; RMR's ability to successfully grow the RMR Residential business and realize RMR's expected returns on its investment within the anticipated timeframe; RMR's ability to successfully integrate acquired businesses and realize the expected returns on its investments; the ability of Tremont to identify and close suitable investments for RMR's private capital debt vehicle, or its Real Estate Lending Venture, and SEVN and to monitor, service and administer existing investments; RMR's ability to obtain additional capital from third party investors in its Real Estate Lending Venture in order to make additional investments and to increase potential returns; changes to RMR's operating leverage or client diversity; litigation risks; risks related to acquisitions, dispositions and other activities by or among its clients; allegations, even if untrue, of any conflicts of interest arising from RMR's management activities; RMR's ability to retain the services of its managing directors and other key personnel; RMR's and its clients' risks associated with RMR's and its clients' costs of compliance with laws and regulations, including securities regulations, exchange listing standards and other laws and regulations affecting public companies; and other matters.

These risks, uncertainties and other factors are not exhaustive and should be read in conjunction with other cautionary statements that are included in RMR's periodic filings. The information contained in RMR's filings with the Securities and Exchange Commission (SEC), including under the caption “Risk Factors” in its periodic reports, or incorporated therein, identifies important factors that could cause differences from the forward-looking statements in this presentation. RMR's filings with the SEC are available on the SEC's website at www.sec.gov.

You should not place undue reliance on forward-looking statements. Except as required by law, RMR does not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

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First Quarter Fiscal 2025 Financial Results

THE RMR GROUP INC.'S FIRST QUARTER FISCAL 2025 HIGHLIGHTS

Financial Highlights

- Assets Under Management of \$40.3 Billion
- Net income of \$14.1 million and net income attributable to The RMR Group Inc. of \$6.4 million, or \$0.38 per diluted share
- Adjusted Net Income Attributable to The RMR Group Inc. of \$5.8 million, or \$0.35 per diluted share, and Distributable Earnings of \$14.7 million, or \$0.46 per diluted share
- Adjusted EBITDA of \$20.9 Million and Adjusted EBITDA Margin of 42.1%

Secured Credit Facility

- In January 2025, RMR entered into a \$100 million senior secured revolving credit facility.
 - The initial maturity date of the credit facility is January 22, 2028 with a one-year extension at RMR's option.
 - The credit facility bears interest at a rate of SOFR plus a margin of 2.25% per annum. Unused amounts incur a fee of 0.50% per annum.

RMR Residential Joint Venture Investments

- In January 2025, RMR closed a joint venture acquisition of a residential community in Pompano Beach, FL and is under contract to close a joint venture acquisition of a residential community in Sunrise, FL with a scheduled closing in February 2025.
 - The aggregate all-in transaction value of these acquisitions is \$195.8 million.
 - RMR expects to raise an aggregate \$63.1 million in equity from institutional investors to capitalize these joint ventures and secure an aggregate \$122.4 million in mortgage financing.
 - RMR is the general partner of both joint ventures and expects to retain equity interests totaling \$10.3 million.
 - RMR is entitled to acquisition fees, ongoing property management fees and a carried interest if certain investment returns are met.

THE RMR GROUP INC.'S FIRST QUARTER FISCAL 2025 FINANCIAL HIGHLIGHTS

(\$ in thousands, except per share amounts)	1Q'25		4Q'24		1Q'24	
		Per Share		Per Share		Per Share
GAAP Financial Measures						
Net Income	\$	14,108	\$	12,486	\$	15,526
Net Income Margin		29.8%		25.7%		33.4%
Net Income Attributable to The RMR Group Inc.	\$	6,380	\$	5,336	\$	6,997
		\$ 0.38		\$ 0.32		\$ 0.41
Non-GAAP Financial Measures						
Adjusted Net Income Attributable to The RMR Group Inc.	\$	5,840	\$	5,645	\$	8,279
		\$ 0.35		\$ 0.34		\$ 0.49
Adjusted EBITDA	\$	20,923	\$	21,849	\$	25,325
Adjusted EBITDA Margin		42.1%		43.4%		52.1%
Distributable Earnings	\$	14,720	\$	16,319	\$	16,683
		\$ 0.46		\$ 0.51		\$ 0.53
Distribution Payout Ratio		69.8%		63.3%		61.3%
Assets Under Management (AUM)						
AUM	\$	40,261,846	\$	40,860,325	\$	41,385,577
Perpetual Capital AUM	\$	27,780,038	\$	28,098,949	\$	28,226,306
Private Capital AUM	\$	12,481,808	\$	12,761,376	\$	13,159,271
Fee-Earning AUM	\$	27,038,387	\$	27,802,250	\$	29,136,580

All amounts in this presentation are unaudited. See Non-GAAP Financial Measures beginning on page 17 for disclosures and reconciliations to GAAP financial measures. See Notes & Definitions beginning on page 25 for notes and terms used throughout this presentation.

AUM BY SOURCE

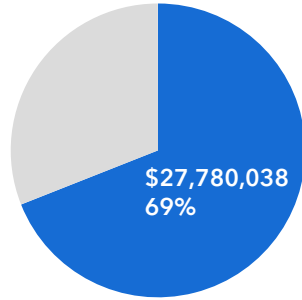
(\$ in thousands)

AUM

Fee-Earning AUM

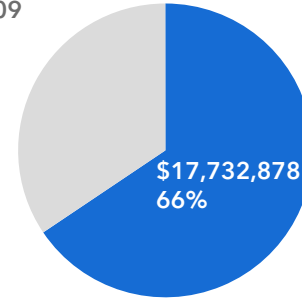
1Q'25

\$12,481,808
31%



\$40,261,846

\$9,305,509
34%

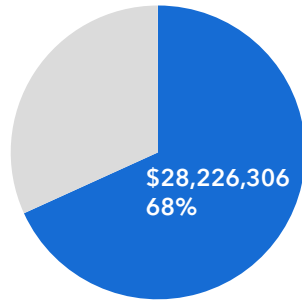


\$27,038,387

■ Perpetual Capital
■ Private Capital

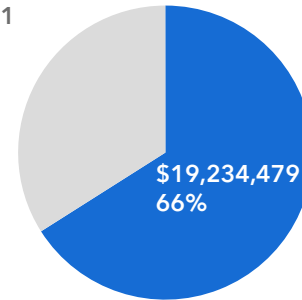
1Q'24

\$13,159,271
32%



\$41,385,577

\$9,902,101
34%



\$29,136,580

PERPETUAL CAPITAL AUM

(\$ in thousands)

	Commercial Real Estate Sector	AUM	Fee-Earning AUM
Service Properties Trust (NASDAQ: SVC)	Hotels & Net Leased Service-Focused Retail	\$ 11,381,133	\$ 6,254,869
Diversified Healthcare Trust (NASDAQ: DHC)	Medical Office, Life Science & Senior Living	7,671,448	3,605,263
Office Properties Income Trust (NASDAQ: OPI)	Office	5,454,782	2,696,349
Industrial Logistics Properties Trust (NASDAQ: ILPT)*	Industrial	2,645,533	4,549,255
Seven Hills Realty Trust (NASDAQ: SEVN)	Diversified	627,142	627,142
Total Perpetual Capital		\$ 27,780,038	\$ 17,732,878

* ILPT AUM excludes Mountain JV and ILPT Fee-Earning AUM includes Mountain JV.

PRIVATE CAPITAL AUM

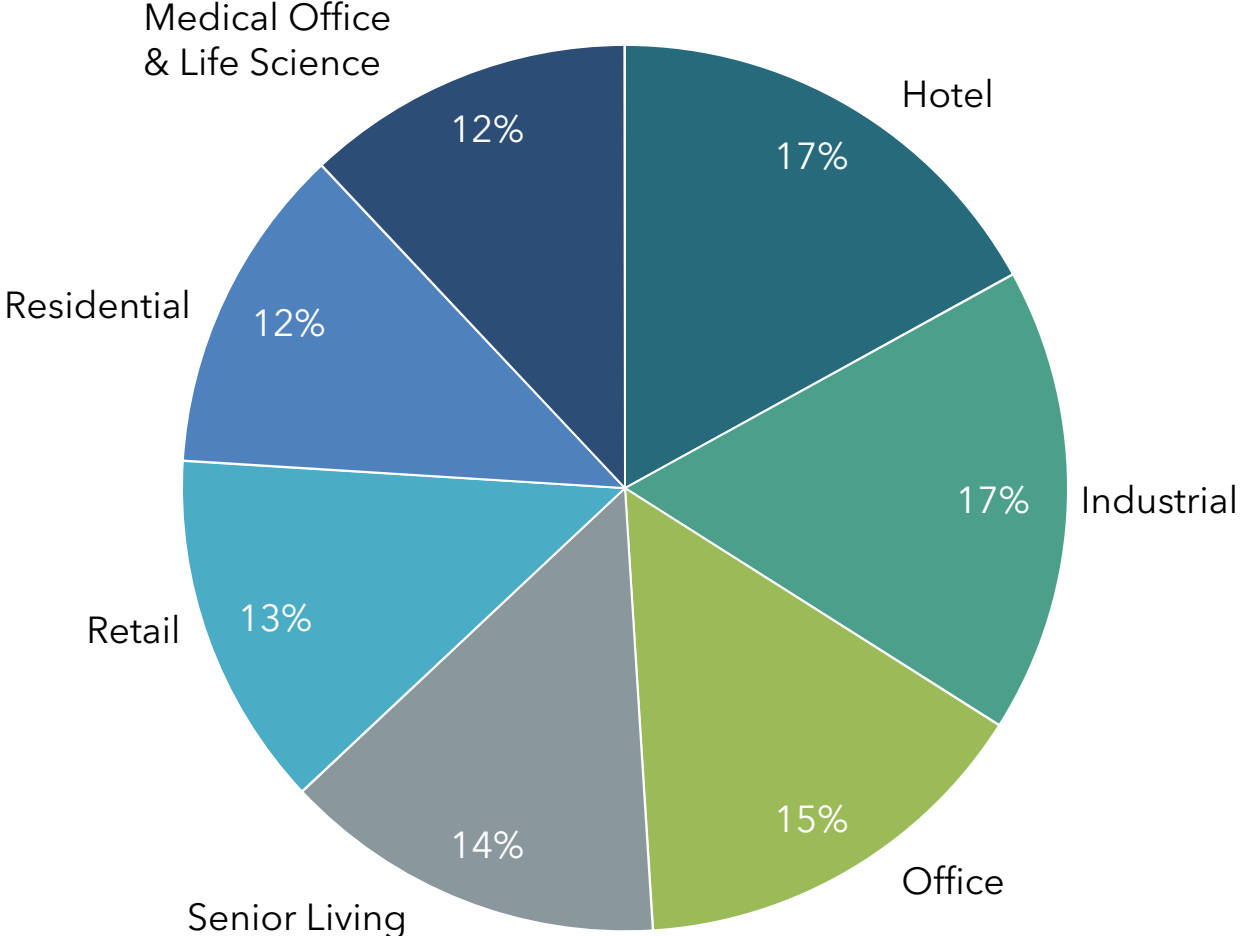
(\$ in thousands)

	Strategy	AUM	Fee-Earning AUM
Residential Real Estate Funds *	Value Add / Core Plus	\$ 4,782,061	\$ 4,782,061
Industrial Real Estate Funds **	Core Plus	3,954,291	896,600
Medical Office & Life Science Real Estate Funds	Core Plus	2,422,796	2,422,796
Hotel Real Estate (Sonesta)	Core	503,174	503,174
Senior Living Real Estate (AlerisLife)	Core	249,146	249,146
Other Real Estate	Core Plus	511,760	393,152
Private Credit (Diversified)	Value Add / Core Plus	58,580	58,580
Total Private Capital		\$ 12,481,808	\$ 9,305,509

* Residential Real Estate Funds includes two owned properties and 3rd party managed properties.

** Industrial Real Estate Funds AUM includes Mountain JV and Industrial Real Estate Funds Fee-Earning AUM excludes Mountain JV.

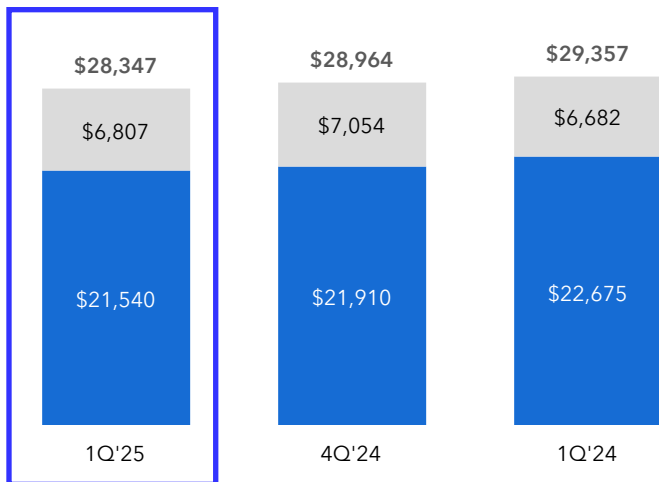
AUM BY COMMERCIAL REAL ESTATE SECTOR



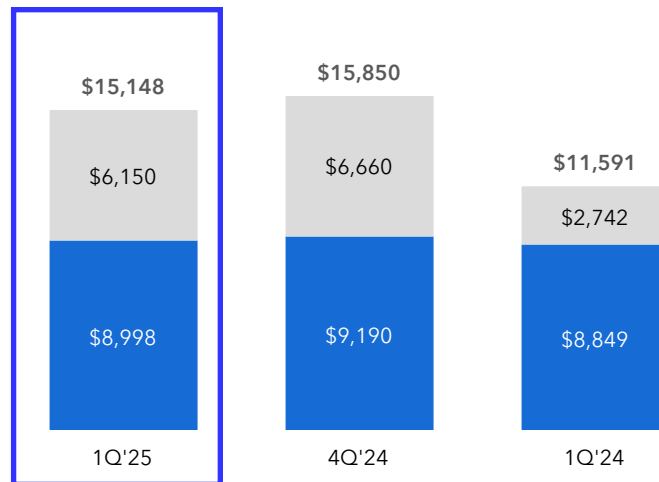
MANAGEMENT AND ADVISORY SERVICES REVENUES BY SOURCE

(\$ in thousands)

Base Business Management & Advisory Revenues

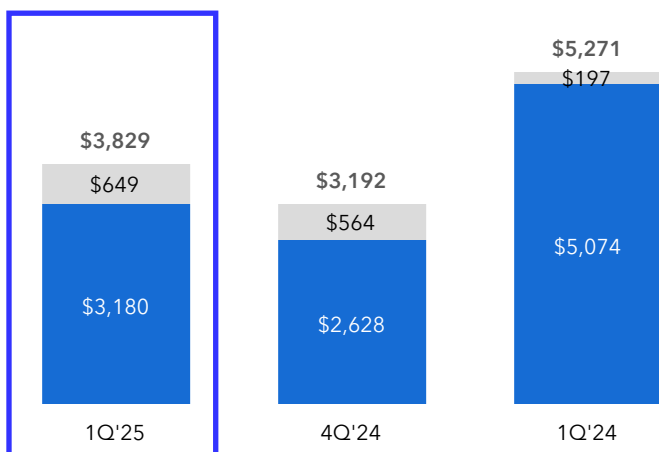


Base Property Management & Other Revenues

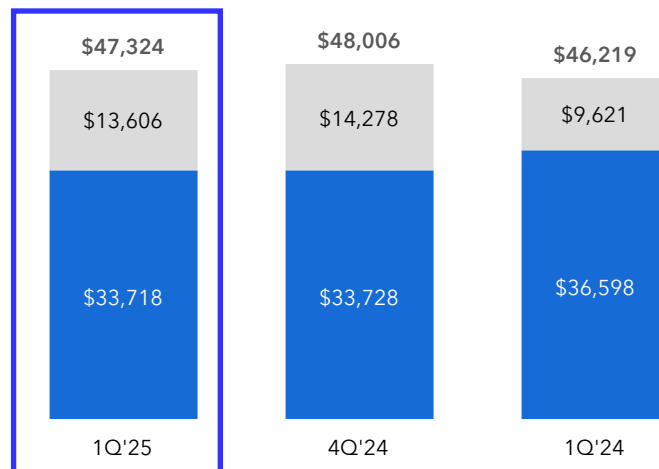


■ Perpetual Capital
■ Private Capital

Construction Supervision Revenues



Total Management & Advisory Services Revenues



WHOLLY OWNED REAL ESTATE AND LOANS HELD FOR INVESTMENT

Real Estate Loans			Real Estate Owned	
Location / Property Type	Revere, MA / Hotel	Wayne, PA / Industrial	Location / Property Type	Denver, CO / Multifamily
Principal Balance	\$40.0 million	\$18.6 million	Purchase Price	\$70.0 million ⁽²⁾
Maximum Maturity Date	July 1, 2029	July 18, 2029	Run Rate NOI	\$4.3 million
Coupon Rate	SOFR +3.95%	SOFR +4.25%	Financing	\$46.5 million, 5-year interest-only fixed mortgage at 5.34% (July 2029 maturity)
Secured Financing Facility⁽¹⁾	\$28.3 million	\$12.7 million	Run Rate Interest Expense	\$2.5 million
Coupon Rate	SOFR +2.90%	SOFR +2.85%		
Run Rate Net Income from Investment	\$1.5 million	\$0.7 million		
				

(1) Repurchase loans mature on the earlier of the underlying investment loan's maturity date or September 17, 2027.

(2) RMR owns 100% of this asset subject to ongoing syndication efforts.

GAAP RESULTS: CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(\$ in thousands)	1Q'25	4Q'24	1Q'24
Revenues:			
Management services ⁽¹⁾	\$ 46,183	\$ 46,878	\$ 45,094
Incentive fees	68	484	299
Advisory services	1,141	1,128	1,125
Total management, incentive and advisory services revenues	47,392	48,490	46,518
Income from loan investments, net	546	1,313	—
Rental property revenues	1,622	1,190	26
Reimbursable compensation and benefits	21,790	21,926	16,828
Reimbursable equity based compensation	(430)	4,262	2,327
Other reimbursable expenses	148,556	135,119	195,998
Total reimbursable costs	169,916	161,307	215,153
Total revenues	219,476	212,300	261,697
Expenses:			
Compensation and benefits	42,562	46,386	34,772
Equity based compensation	126	5,481	2,829
Separation costs	—	1,572	3,544
Total compensation and benefits expense	42,688	53,439	41,145
General and administrative	11,284	11,101	9,514
Other reimbursable expenses	148,556	135,119	195,998
Rental property expenses	426	305	12
Transaction and acquisition related costs	787	520	3,987
Depreciation and amortization	2,347	1,833	423
Total expenses	206,088	202,317	251,079
Operating income	13,388	9,983	10,618

Substantially all revenues are earned from related parties. Certain prior period amounts have been reclassified to conform to the current period presentation. See Notes & Definitions beginning on page 25.

GAAP RESULTS: CONDENSED CONSOLIDATED STATEMENTS OF INCOME (CONTINUED)

(\$ in thousands)	1Q'25	4Q'24	1Q'24
Operating income	13,388	9,983	10,618
Change in fair value of Earnout liability ⁽²⁾	3,410	1,825	–
Interest income	1,556	1,734	3,508
Interest expense	(699)	(612)	(11)
(Loss) gain on investments	(1,071)	2,460	4,049
Income before income tax expense	16,584	15,390	18,164
Income tax expense	(2,476)	(2,904)	(2,638)
Net income	14,108	12,486	15,526
Net income attributable to noncontrolling interest in The RMR Group LLC	(7,722)	(7,163)	(8,531)
Net (income) loss attributable to noncontrolling interest in consolidated entities	(6)	13	2
Net income attributable to The RMR Group Inc.	\$ 6,380	\$ 5,336	\$ 6,997

Substantially all revenues are earned from related parties. Certain prior period amounts have been reclassified to conform to the current period presentation. See Notes & Definitions beginning on page 25.

GAAP RESULTS: EARNINGS PER COMMON SHARE

(amounts in thousands, except per share amounts)	1Q'25	4Q'24	1Q'24
Numerators:			
Net income attributable to The RMR Group Inc.	\$ 6,380	\$ 5,336	\$ 6,997
Less: income attributable to unvested participating securities	(105)	(79)	(85)
Net income attributable to The RMR Group Inc. used in calculating basic EPS	6,275	5,257	6,912
Effect of dilutive securities:			
Add back: income attributable to unvested participating securities	–	–	85
Add back: net income attributable to noncontrolling interest in The RMR Group LLC ⁽¹⁾	–	–	8,531
Add back: income tax expense	–	–	2,638
Less: income tax expense assuming redemption of noncontrolling interest's Class A Units for Class A Common Shares ⁽²⁾	–	–	(5,182)
Net income used in calculating diluted EPS	\$ 6,275	\$ 5,257	\$ 12,984
Denominators:			
Common shares outstanding	16,845	16,846	16,711
Less: unvested participating securities and incremental impact of weighted average	(232)	(281)	(203)
Weighted average common shares outstanding - basic	16,613	16,565	16,508
Effect of dilutive securities:			
Add: assumed redemption of noncontrolling interest's Class A Units for Class A Common Shares	–	–	15,000
Add: incremental unvested shares	–	–	4
Weighted average common shares outstanding - diluted	16,613	16,565	31,512
Net income attributable to The RMR Group Inc. per common share - basic	\$ 0.38	\$ 0.32	\$ 0.42
Net income attributable to The RMR Group Inc. per common share - diluted	\$ 0.38	\$ 0.32	\$ 0.41

See Notes & Definitions beginning on page 25.

GAAP RESULTS: CONDENSED CONSOLIDATED BALANCE SHEETS

(\$ in thousands)	December 31, 2024	September 30, 2024
Assets		
Cash and cash equivalents held by The RMR Group Inc.	\$ 24,398	\$ 23,189
Cash and cash equivalents held by The RMR Group LLC	123,182	118,410
Due from related parties	121,440	134,030
Prepaid and other current assets	13,369	9,789
Assets held for sale	8,656	8,700
Total current assets	291,045	294,118
Loans held for investment, net of allowance for credit losses of \$194 and \$343, respectively	57,887	56,221
Property and equipment, net of accumulated depreciation of \$4,318 and \$3,447, respectively	76,757	76,433
Due from related parties, net of current portion	6,155	9,350
Investments	26,454	23,733
Goodwill	71,761	71,761
Intangible assets, net of accumulated amortization of \$4,506 and \$3,719, respectively	19,168	20,299
Operating lease right of use assets	25,450	27,353
Deferred tax asset	14,346	15,163
Other assets, net of accumulated amortization of \$90,094 and \$87,740, respectively	103,709	106,063
Total assets	\$ 692,732	\$ 700,494
Liabilities and Equity		
Reimbursable accounts payable and accrued expenses	\$ 79,383	\$ 90,444
Accounts payable and accrued expenses	42,825	32,116
Operating lease liabilities	5,658	5,906
Liabilities held for sale	4,880	4,973
Total current liabilities	132,746	133,439
Mortgage note payable	45,219	45,149
Secured financing facility, net	41,027	41,109
Operating lease liabilities, net of current portion	20,352	22,147
Amounts due pursuant to tax receivable agreement, net of current portion	18,442	18,442
Other liabilities	13,202	20,791
Total liabilities	270,988	281,077
Total equity	421,744	419,417
Total liabilities and equity	\$ 692,732	\$ 700,494

Non-GAAP Financial Measures

RECONCILIATION OF ADJUSTED NET INCOME AND ADJUSTED NET INCOME PER DILUTED SHARE

The following table presents the impact of certain individually significant items on the financial results for the three months ended December 31, 2024, excluding the assumed redemption of the noncontrolling interest in The RMR Group LLC's 15,000,000 Class A Units as such redemption is anti-dilutive to earnings per share as presented on page 15.

Three Months Ended December 31, 2024: (amounts in thousands, except per share amounts)	Net Income Attributable to The RMR Group Inc.	Less: Income Attributable to Unvested Participating Securities	Net Income Used in Calculating Diluted EPS	Weighted Average Common Shares Outstanding - Diluted	Net Income Attributable to The RMR Group Inc. per Common Share - Diluted
Net income attributable to The RMR Group Inc.	\$ 6,380	\$ (105)	\$ 6,275	16,613	\$ 0.38
Incentive fees ⁽¹⁾	(26)	–	(26)	16,613	–
Loss on investments ⁽²⁾	407	(7)	400	16,613	0.02
Change in fair value of Earnout liability ⁽³⁾	(1,296)	21	(1,275)	16,613	(0.08)
Reversal of credit losses ⁽⁴⁾	(27)	–	(27)	16,613	–
Transaction and acquisition related costs ⁽⁵⁾	299	(5)	294	16,613	0.02
Technology transformation investments ⁽⁶⁾	103	(2)	101	16,613	0.01
Adjusted net income attributable to The RMR Group Inc.	<u>\$ 5,840</u>	<u>\$ (98)</u>	<u>\$ 5,742</u>	16,613	<u>\$ 0.35</u>

(1) Includes \$68 in incentive fees earned, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$32 and income tax expense of \$10 at a rate of approximately 14.9%.

(2) Includes \$1,071 in losses on The RMR Group Inc.'s investments in SEVN common shares and consolidation of Carroll MF VII, LLC, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$504 and income tax expense of \$160 at a rate of approximately 14.9%.

(3) Includes \$3,410 of change in fair value of Earnout liability, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$1,606 and income tax expense of \$508 at a rate of approximately 14.9%.

(4) Includes \$72 reversal of credit losses related to loans held for investment, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$34 and income tax expense of \$11 at a rate of approximately 14.9%.

(5) Includes \$787 of transaction and acquisition related costs, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$371 and income tax expense of \$117 at a rate of approximately 14.9%.

(6) Includes \$273 of technology transformation investments included in general and administrative expenses, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$129 and income tax expense of \$41 at a rate of approximately 14.9%.

RECONCILIATION OF ADJUSTED NET INCOME AND ADJUSTED NET INCOME PER DILUTED SHARE

The following table presents the impact of certain individually significant items on the financial results for the three months ended September 30, 2024, excluding the assumed redemption of the noncontrolling interest in The RMR Group LLC's 15,000,000 Class A Units as such redemption is anti-dilutive to earnings per share as presented on page 15.

Three Months Ended September 30, 2024: (amounts in thousands, except per share amounts)	Net Income Attributable to The RMR Group Inc.	Less: Income Attributable to Unvested Participating Securities	Net Income Used in Calculating Diluted EPS	Weighted Average Common Shares Outstanding - Diluted	Net Income Attributable to The RMR Group Inc. per Common Share - Diluted
Net income attributable to The RMR Group Inc.	\$ 5,336	\$ (79)	\$ 5,257	16,565	\$ 0.32
Incentive fees ⁽¹⁾	(180)	3	(177)	16,565	(0.01)
Gain on investments ⁽²⁾	(914)	14	(900)	16,565	(0.05)
Certain compensation adjustments, net of reimbursements ⁽³⁾	960	(14)	946	16,565	0.06
Separation costs ⁽⁴⁾	585	(9)	576	16,565	0.03
Change in fair value of Earnout liability ⁽⁵⁾	(678)	10	(668)	16,565	(0.04)
Provision for credit losses ⁽⁶⁾	223	(3)	220	16,565	0.01
Transaction and acquisition related costs ⁽⁷⁾	193	(3)	190	16,565	0.01
Technology transformation investments ⁽⁸⁾	120	(2)	118	16,565	0.01
Adjusted net income attributable to The RMR Group Inc.	<u>\$ 5,645</u>	<u>\$ (83)</u>	<u>\$ 5,562</u>	16,565	<u>\$ 0.34</u>

(1) Includes \$484 in incentive fees earned, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$228 and income tax expense of \$76 at a rate of approximately 15.7%.

(2) Includes \$2,460 in gains on The RMR Group Inc.'s investments in SEVN common shares, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$1,159 and income tax expense of \$387 at a rate of approximately 15.7%.

(3) Includes \$2,241 of certain compensation adjustments related to annual bonus estimates, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$1,056 and income tax expense of \$225 at a rate of approximately 10.0%, including the effect of certain limitations on tax deductible compensation.

(4) Includes \$1,572 of separation costs, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$740 and income tax expense of \$247 at a rate of approximately 15.7%.

(5) Includes \$1,825 of change in fair value of Earnout liability, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$860 and income tax expense of \$287 at a rate of approximately 15.7%.

(6) Includes \$602 of provision for credit losses related to loans held for investment, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$284 and income tax expense of \$95 at a rate of approximately 15.7%.

(7) Includes \$520 of transaction and acquisition related costs, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$245 and income tax expense of \$82 at a rate of approximately 15.7%.

(8) Includes \$323 of technology transformation investments included in general and administrative expenses, adjusted to reflect amounts attributable to the noncontrolling interest in The RMR Group LLC of \$152 and income tax expense of \$51 at a rate of approximately 15.7%.

RECONCILIATION OF ADJUSTED NET INCOME AND ADJUSTED NET INCOME PER DILUTED SHARE

The following table presents the impact of certain individually significant items on the financial results for the three months ended December 31, 2023 assuming the redemption of the noncontrolling interest in The RMR Group LLC's 15,000,000 Class A Units is dilutive to earnings per share as presented on page 15.

Three Months Ended December 31, 2023: (amounts in thousands, except per share amounts)	Net Income Attributable to The RMR Group Inc.	Add: Net Income Attributable to Noncontrolling Interest in The RMR Group LLC ⁽¹⁾	Add: Income Tax Expense	Income Before Income Tax Expense	Less: Estimated Income Tax Expense ⁽²⁾	Net Income Used in Calculating Diluted EPS	Weighted Average Common Shares Outstanding - Diluted	Net Income Attributable to The RMR Group Inc. per Common Share - Diluted
Net income attributable to The RMR Group Inc.	\$ 6,997	\$ 8,531	\$ 2,638	\$ 18,164	\$ (5,182)	\$ 12,982	31,512	\$ 0.41
Incentive fees	(115)	(141)	(43)	(299)	85	(214)	31,512	(0.01)
Gain on investments	(1,546)	(1,915)	(588)	(4,049)	1,155	(2,894)	31,512	(0.09)
Separation costs	1,353	1,676	515	3,544	(1,011)	2,533	31,512	0.08
Transaction and acquisition related costs	1,522	1,886	579	3,987	(1,137)	2,850	31,512	0.09
Technology transformation investments	68	85	26	179	(51)	128	31,512	0.01
Adjusted net income attributable to The RMR Group Inc.	\$ 8,279	\$ 10,122	\$ 3,127	\$ 21,526	\$ (6,141)	\$ 15,385	31,512	\$ 0.49

(1) Net loss attributable to noncontrolling interest in consolidated entities is not adjusted when calculating diluted earnings per share.

(2) Estimated income tax expense assumes the hypothetical conversion of the noncontrolling interest in The RMR Group LLC and the resulting consolidated entity's estimated tax rate of approximately 28.5% for the three months ended December 31, 2023.

RECONCILIATION OF EBITDA AND ADJUSTED EBITDA FROM NET INCOME

(\$ in thousands)	1Q'25	4Q'24	1Q'24
Net income	\$ 14,108	\$ 12,486	\$ 15,526
Income tax expense	2,476	2,904	2,638
Depreciation and amortization	2,347	1,833	423
Interest expense ⁽¹⁾	43	81	11
EBITDA	18,974	17,304	18,598
Other asset amortization	2,354	2,354	2,354
Operating expenses paid in the form of The RMR Group Inc.'s common shares	556	1,219	502
Separation costs	–	1,572	3,544
Transaction and acquisition related costs	787	520	3,987
Change in fair value of Earnout liability	(3,410)	(1,825)	–
(Reversal of) provision for credit losses	(72)	602	–
Straight line office rent	(140)	(115)	(89)
Loss (gain) on investments	1,071	(2,460)	(4,049)
Certain compensation adjustments, net of reimbursements	–	2,241	–
Distributions from investments	598	598	598
Technology transformation investments	273	323	179
Incentive fees	(68)	(484)	(299)
Adjusted EBITDA	\$ 20,923	\$ 21,849	\$ 25,325

See Notes & Definitions beginning on page 25.

CALCULATION OF NET INCOME MARGIN, ADJUSTED EBITDA MARGIN, DISTRIBUTABLE EARNINGS AND DISTRIBUTABLE EARNINGS PER SHARE

(amounts in thousands, except per share amounts)	1Q'25	4Q'24	1Q'24
Calculation of Net Income Margin:			
Total management and advisory services revenues	\$ 47,392	\$ 48,490	\$ 46,518
Net income	\$ 14,108	\$ 12,486	\$ 15,526
Net Income Margin	29.8%	25.7%	33.4%
Calculation of Adjusted EBITDA Margin:			
Contractual management and advisory fees (excluding incentive fees, if any) ⁽¹⁾	\$ 49,678	\$ 50,360	\$ 48,573
Adjusted EBITDA	\$ 20,923	\$ 21,849	\$ 25,325
Adjusted EBITDA Margin	42.1%	43.4%	52.1%
Calculation of Distributable Earnings:			
Adjusted EBITDA	\$ 20,923	\$ 21,849	\$ 25,325
Less: Tax distributions to members ⁽²⁾	(6,203)	(5,530)	(8,642)
Distributable Earnings	\$ 14,720	\$ 16,319	\$ 16,683
Class A and Class B-1 Common Share Distributions	\$ 7,581	\$ 7,526	\$ 6,684
Class A Units Distributions	4,800	4,800	4,800
Total Distributions	\$ 12,381	\$ 12,326	\$ 11,484
Calculation of Distributable Earnings per Share:			
Distributable Earnings	\$ 14,720	\$ 16,319	\$ 16,683
Distributable Earnings Shares Outstanding	31,845	31,846	31,711
Distributable Earnings per Share	\$ 0.46	\$ 0.51	\$ 0.53

See Notes & Definitions beginning on page 25.

DISTRIBUTION PAYOUT RATIO FOR THE RMR GROUP LLC

(amounts in thousands, except per share amounts)	1Q'25	4Q'24	1Q'24
The RMR Group LLC Shareholders (ownership percentage):			
The RMR Group Inc.	52.9%	52.9%	52.7%
ABP Trust	47.1%	47.1%	47.3%
Total	100.0%	100.0%	100.0%
Calculation of Distribution Payout Ratio for The RMR Group LLC:			
Adjusted EBITDA	\$ 20,923	\$ 21,849	\$ 25,325
Adjustments to reconcile Adjusted EBITDA to Adjusted EBITDA attributable to The RMR Group LLC:			
The RMR Group Inc. franchise tax expense and interest income	(122)	(269)	(132)
Adjusted EBITDA attributable to The RMR Group LLC	20,801	21,580	25,193
Less: Tax distributions to members	(6,203)	(5,530)	(8,642)
Distributable Earnings attributable to The RMR Group LLC	\$ 14,598	\$ 16,050	\$ 16,551
Distributions Per Common Share to The RMR Group LLC Shareholders	\$ 0.32	\$ 0.32	\$ 0.32
Shares outstanding on Record Date	31,846	31,725	31,711
Distributions from The RMR Group LLC	\$ 10,191	\$ 10,152	\$ 10,148
Distribution Payout Ratio for The RMR Group LLC	69.8%	63.3%	61.3%

See Notes & Definitions beginning on page 25.

NON-GAAP FINANCIAL MEASURES

RMR presents certain “non-GAAP financial measures” within the meaning of the applicable rules of the SEC, including Adjusted Net Income Attributable to The RMR Group Inc., Adjusted Net Income Attributable to The RMR Group Inc. per diluted share, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Distributable Earnings. The GAAP financial measure that is most directly comparable to Adjusted Net Income Attributable to The RMR Group Inc. is net income attributable to The RMR Group Inc. The GAAP financial measure that is most directly comparable to Adjusted Net Income Attributable to The RMR Group Inc. per diluted share is net income attributable to The RMR Group Inc. per diluted share. The GAAP financial measure that is most directly comparable to EBITDA, Adjusted EBITDA and Distributable Earnings is net income and the GAAP financial measure that is most directly comparable to Adjusted EBITDA Margin is net income margin, which represents net income divided by total revenues, excluding reimbursable costs.

These non-GAAP financial measures do not represent net income, net income attributable to The RMR Group Inc., net income attributable to The RMR Group Inc. per diluted share or cash generated by operating activities determined in accordance with GAAP, and should not be considered alternatives to net income, net income attributable to The RMR Group Inc., net income attributable to The RMR Group Inc. per diluted share or net income margin determined in accordance with GAAP, as indicators of RMR’s financial performance or as measures of its liquidity. Other asset management businesses may calculate these non-GAAP measures differently than RMR does.

- **Adjusted Net Income Attributable to The RMR Group Inc.** RMR calculates Adjusted Net Income Attributable to The RMR Group Inc. and Adjusted Net Income Attributable to The RMR Group Inc. per diluted share as net income attributable to The RMR Group Inc. and net income attributable to The RMR Group Inc. per diluted share, respectively, excluding the effects of certain individually significant items occurring or impacting its financial results during the quarter that are not expected to be regularly occurring, relate to a special project or initiatives or relate to gains or losses. RMR provides Adjusted Net Income Attributable to The RMR Group Inc. and Adjusted Net Income Attributable to The RMR Group Inc. per diluted share for supplemental informational purposes in order to enhance the understanding of RMR’s condensed consolidated statements of income and to facilitate a comparison of RMR’s current operating performance with its historical operating performance.
- **Distributable Earnings** is calculated as Adjusted EBITDA less tax distributions to members and is considered to be an appropriate measure of RMR’s operating performance, along with net income attributable to The RMR Group Inc. RMR believes that Distributable Earnings provides useful information to investors because by excluding amounts payable for tax obligations, it increases comparability between periods and more accurately reflects earnings that may be available for distribution to shareholders. Distributable Earnings is among the factors RMR’s Board of Directors considers when determining shareholder dividends.
 - **Distributable Earnings per Share** calculations are based on end of period shares outstanding and includes 15,000,000 Redeemable Class A Units of The RMR Group LLC which are paired with RMR Inc’s. Class B-2 common shares outstanding; actual dividends are paid to shareholders as of the applicable record date.
 - **Distribution Payout Ratio** is calculated as distributions to shareholders from The RMR Group LLC divided by Distributable Earnings attributable to The RMR Group LLC.
- **EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin** are supplemental measures used to assess operating performance, along with net income, net income attributable to The RMR Group Inc. and net income margin. RMR believes that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin provide useful information to investors because by excluding the effects of certain amounts, such as non-cash items or non-recurring gains and losses, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin may facilitate a comparison of current operating performance with RMR’s historical operating performance and with the performance of other asset management businesses. RMR also believes that providing Adjusted EBITDA Margin may help investors assess RMR’s performance of its business by providing the margin that Adjusted EBITDA represents to its contractual management and advisory fees (excluding incentive fees, if any).

Notes & Definitions

NOTES

Notes to page 11 - MANAGEMENT AND ADVISORY SERVICES REVENUES BY SOURCE

The following tables present revenues by client and exclude incentive fees earned from SEVN of \$68, \$484 and \$299 during the three months ended December 31, 2024, September 30, 2024 and December 31, 2023.

(\$ in thousands)	1Q'25	4Q'24	1Q'24
BASE BUSINESS MANAGEMENT & ADVISORY REVENUES			
DHC	\$ 4,285	\$ 4,436	\$ 3,807
ILPT	5,918	5,983	5,878
OPI	2,987	2,800	3,320
SVC	7,209	7,563	8,545
SEVN	1,141	1,128	1,125
Total Perpetual Capital	21,540	21,910	22,675
AlerisLife	1,400	1,357	1,382
Sonesta	2,224	2,515	2,223
RMR Residential	154	154	21
Other private entities	3,029	3,028	3,056
Total Private Capital	6,807	7,054	6,682
Total Base Business Management & Advisory Revenues	\$ 28,347	\$ 28,964	\$ 29,357
BASE PROPERTY MANAGEMENT & OTHER REVENUES			
DHC	\$ 1,345	\$ 1,373	\$ 1,458
ILPT	3,222	3,199	3,039
OPI	2,907	3,090	3,447
SVC	1,508	1,513	896
SEVN	16	15	9
Total Perpetual Capital	8,998	9,190	8,849
RMR Residential	4,525	4,501	626
Other private entities	1,625	2,159	2,116
Total Private Capital	6,150	6,660	2,742
Total Base Property Management & Other Revenues	\$ 15,148	\$ 15,850	\$ 11,591

NOTES (CONTINUED)

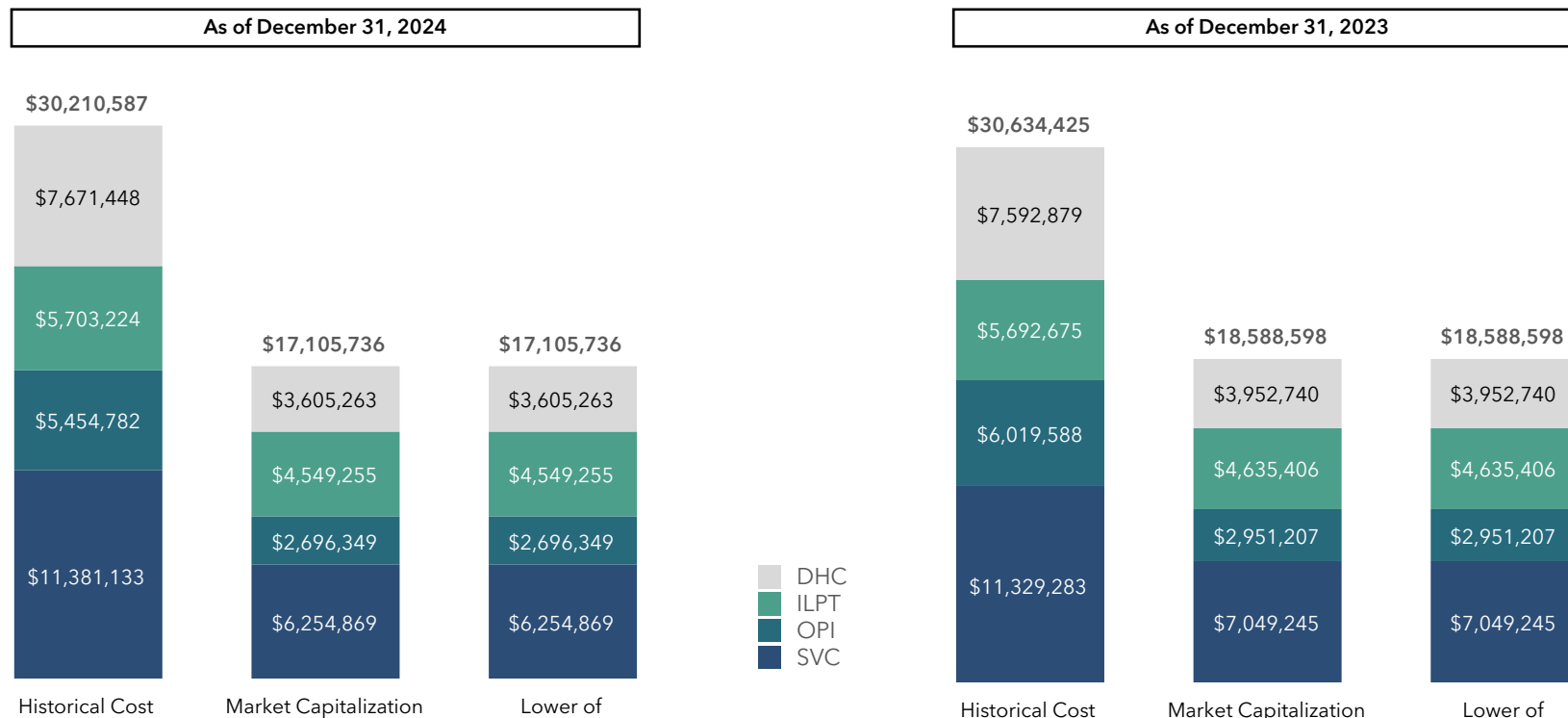
Notes to page 11 - MANAGEMENT AND ADVISORY SERVICES REVENUES BY SOURCE (CONTINUED)

(\$ in thousands)	1Q'25	4Q'24	1Q'24
CONSTRUCTION SUPERVISION REVENUES			
DHC	\$ 964	\$ 450	\$ 1,056
ILPT	170	119	124
OPI	652	519	1,712
SVC	1,389	1,540	2,182
SEVN	5	-	-
Total Perpetual Capital	3,180	2,628	5,074
RMR Residential	486	417	67
Other private entities	163	147	130
Total Private Capital	649	564	197
Total Construction Supervision Fees	\$ 3,829	\$ 3,192	\$ 5,271
TOTAL MANAGEMENT & ADVISORY SERVICES REVENUES			
DHC	\$ 6,594	\$ 6,259	\$ 6,321
ILPT	9,310	9,301	9,041
OPI	6,546	6,409	8,479
SVC	10,106	10,616	11,623
SEVN	1,162	1,143	1,134
Total Perpetual Capital	33,718	33,728	36,598
AlerisLife	1,400	1,357	1,382
Sonesta	2,224	2,515	2,223
RMR Residential	5,165	5,072	714
Other private entities	4,817	5,334	5,302
Total Private Capital	13,606	14,278	9,621
Total Management & Advisory Services Revenues	\$ 47,324	\$ 48,006	\$ 46,219

NOTES (CONTINUED)

Notes to page 13 and 14 - GAAP RESULTS: CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(1) Management services revenues include base business management fees earned from the Managed Equity REITs that are calculated monthly based upon the lower of (i) the average historical cost of each REIT's properties, and (ii) each REIT's average market capitalization. The information presented in the charts below is as of December 31, 2024 and 2023 and may differ from the basis on which base business management fees are calculated (\$ in thousands):



(2) The purchase price for RMR's acquisition of MPC Partnership Holdings LLC (RMR Residential) included an Earnout of up to an additional \$20 million subject to the deployment of remaining capital commitments in investment funds managed by RMR Residential prior to the end of such funds investment period. For the three months ended December 31, 2024 and September 30, 2024, RMR recognized a change in the fair value of the Earnout liability.

NOTES (CONTINUED)

Notes to page 15 - GAAP RESULTS: EARNINGS PER COMMON SHARE

RMR calculates earnings per share (EPS) using the two-class method. As such, earnings attributable to unvested participating shares are excluded from earnings before calculating per share amounts. In addition, diluted EPS includes the assumed issuance of Class A common shares pursuant to RMR's equity compensation plan using the treasury stock method and the issuance of Class A common shares related to the assumed redemption of the noncontrolling interest in The RMR Group LLC's 15,000,000 Class A Units using the if-converted method. In computing the dilutive effect that the assumed redemption would have on EPS, net income available to holders of Class A common shares would increase due to the elimination of the noncontrolling interest, offset by any tax effect. The assumed redemption of the 15,000,000 Class A Units was dilutive to earnings per share for the three months ended December 31, 2023 and was anti-dilutive to earnings per share for the three months ended December 31, 2024 and September 30, 2024.

- (1) Net loss attributable to noncontrolling interest in consolidated entities is not adjusted when calculating diluted earnings per share.
- (2) Income tax expense assumes the hypothetical conversion of the noncontrolling interest's Class A Units, which results in an estimated tax rate of 28.5% for the three months ended December 31, 2023.

Notes to page 21 - RECONCILIATION OF EBITDA AND ADJUSTED EBITDA FROM NET INCOME

- (1) Interest expense excludes amounts related to private capital initiatives.

Notes to page 22 - CALCULATION OF NET INCOME MARGIN, ADJUSTED EBITDA MARGIN, DISTRIBUTABLE EARNINGS AND DISTRIBUTABLE EARNINGS PER SHARE

- (1) Contractual management and advisory fees are the base business management fees, property management fees and advisory fees RMR or its subsidiaries earns pursuant to its management agreements. These amounts are calculated pursuant to the contractual formulas and do not deduct other asset amortization of \$2,354 for each of the three month periods presented, required to be recognized as a reduction to management services revenues in accordance with GAAP.
- (2) Under The RMR Group LLC operating agreement, The RMR Group LLC is required to make quarterly pro rata cash distributions to RMR and its noncontrolling interest based on each entity's estimated tax liabilities and respective ownership percentages. Estimated tax liabilities are determined quarterly on a cumulative basis. As such, there may be fluctuations from quarter to quarter to account for prior periods where pro rata cash distributions were more or less than amounts determined cumulatively through a particular quarter. For each of the three month periods presented, The RMR Group LLC made required quarterly tax distributions as follows:

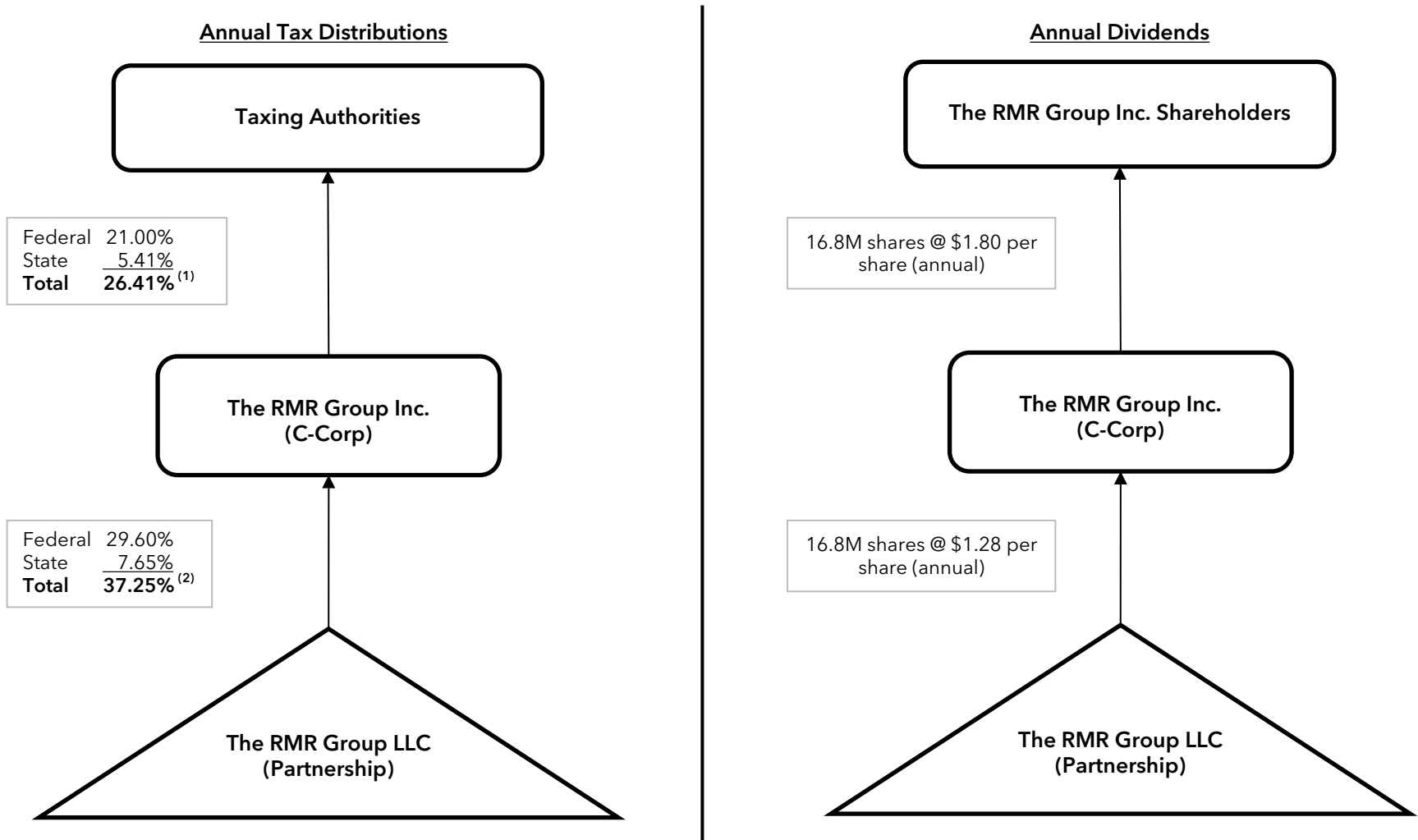
(\$ in thousands)	1Q'25 ^(a)	4Q'24 ^(a)	1Q'24 ^(a)
The RMR Group LLC tax distributions to The RMR Group Inc.	\$ 3,341	\$ 2,953	\$ 4,550
The RMR Group LLC tax distributions to noncontrolling interest	2,862	2,577	4,092
Total tax distributions to members from The RMR Group LLC	\$ 6,203	\$ 5,530	\$ 8,642

- (a) Tax distributions for the three months ended December 31, 2024, September 30, 2024 and December 31, 2023 exclude \$26, \$200 and \$10, respectively, to The RMR Group Inc. and \$24, \$180 and \$10, respectively, to the noncontrolling interest related to incentive fees earned from SEVN.

NOTES (CONTINUED)

Notes to page 23 - DISTRIBUTION PAYOUT RATIO FOR THE RMR GROUP LLC

The following illustrative diagram presents certain tax and distribution information pertaining to The RMR Group LLC and The RMR Group Inc.



Note: Cash and cash equivalents held by The RMR Group Inc. is \$24.4 million at December 31, 2024.

(1) Represents RMR Inc.'s current federal and state income tax rate.

(2) Represents the current maximum federal and state tax rate applicable to The RMR Group LLC's members.

DEFINITIONS

- **Annualized NOI** refers to annualized income from rental property revenues less annualized rental property expenses. Annualized NOI excludes interest expense and depreciation and amortization expense of the rental property.
- **Assets Under Management (AUM)** All references in this presentation to AUM on, or as of, a date are calculated at a point in time.
 - **AUM** is calculated as: (i) the historical cost of real estate and related assets, excluding depreciation, amortization, impairment charges or other non-cash reserves, of the Managed Equity REITs and certain Private Capital clients, plus (ii) the gross book value of real estate assets, property and equipment of AlerisLife and Sonesta, excluding depreciation, amortization, impairment charges or other non-cash reserves, plus (iii) the carrying value of loans held for investment and real estate owned by SEVN, plus (iv) the fair value of RMR Residential, both owned and third-party managed assets. Upon deconsolidation from a Managed Equity REIT, the respective real estate and related assets are characterized as Private Capital and their historical cost represents the fair value of the real estate at the time of deconsolidation.
 - **Fee-Earning AUM** is calculated (i) monthly for the Managed Equity REITs, based upon the lower of the average historical cost of each REIT's properties and its average market capitalization, plus (ii) for all other clients, Fee-Earning AUM equals AUM and includes amounts that may differ from the measures used for purposes of calculating fees under the terms of the respective management agreements.

For additional information on the calculation of AUM for purposes of the fee provisions of the business management agreements, see RMR's Annual Report on Form 10-K for the fiscal year ended September 30, 2024, filed with the SEC. RMR's SEC filings are available at the SEC website: www.sec.gov.

- **GAAP** refers to U.S. generally accepted accounting principles.
- **Managed Equity REITs** refers to Diversified Healthcare Trust (DHC), Industrial Logistics Properties Trust (ILPT), Office Properties Income Trust (OPI) and Service Properties Trust (SVC).
- **Mountain JV** refers to Mountain Industrial REIT LLC, a joint venture in which ILPT owns a majority interest (and accordingly is presented in ILPT's consolidated results).
- **Perpetual Capital** refers to capital with an indefinite duration, which may be terminated under certain conditions, and includes the Managed Equity REITs and Seven Hills Realty Trust (SEVN).
- **Private Capital** consists of AlerisLife Inc. (AlerisLife), Sonesta International Hotels Corporation (Sonesta), residential real estate RMR manages through RMR Residential and other private capital vehicles including ABP Trust and other private entities that own commercial real estate. Some of the Managed Equity REITs own minority interests in certain of these entities.
- **Private Credit (Diversified)** consists of loans held for investment that were originated by our Real Estate Lending Venture.