



Fixed Income Update

November 2023

welltower

Forward Looking Statements and Risk Factors

This document contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When Welltower uses words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “pro forma,” “estimate” or similar expressions that do not relate solely to historical matters, Welltower is making forward-looking statements. Forward-looking statements, including statements related to the anticipated transactions involving certain ProMedica assets and Funds From Operations guidance, are not guarantees of future performance and involve risks and uncertainties that may cause Welltower’s actual results to differ materially from Welltower’s expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: the impact of the COVID-19 pandemic; the status of the economy; the status of capital markets, including availability and cost of capital; issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators’/tenants’ difficulty in cost effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care and seniors housing industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans; Welltower’s ability to transition or sell properties with profitable results; the failure to make new investments or acquisitions as and when anticipated; natural disasters and other acts of God affecting Welltower’s properties; Welltower’s ability to re-lease space at similar rates as vacancies occur; Welltower’s ability to timely reinvest sale proceeds at similar rates to assets sold; operator/tenant or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; liability or contract claims by or against operators/tenants; unanticipated difficulties and/or expenditures relating to future investments or acquisitions; environmental laws affecting Welltower’s properties; changes in rules or practices governing Welltower’s financial reporting; the movement of U.S. and foreign currency exchange rates; Welltower’s ability to maintain its qualification as a REIT; key management personnel recruitment and retention; and other risks described in Welltower’s reports filed from time to time with the SEC. Welltower undertakes no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise, or to update the reasons why actual results could differ from those projected in any forward-looking statements.

Welttower Overview

World's Largest Owner of Health Care Real Estate

S&P 500

Index Constituent

USD \$43B

Market Capitalization¹⁾

USD \$6.6B

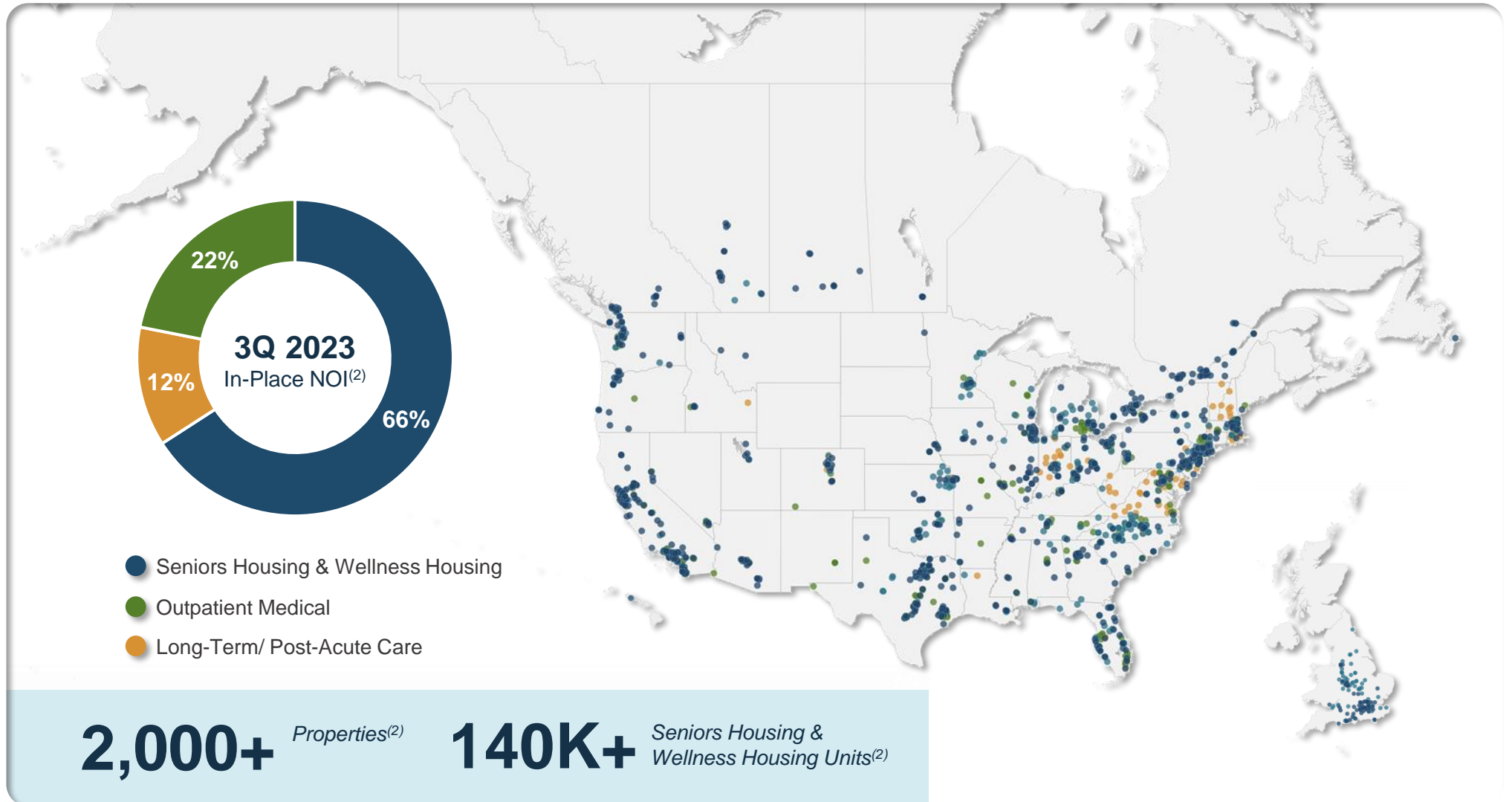
Total Liquidity³⁾

2.9%

Dividend Yield

53 Year

Company History



1. As of October 31, 2023
2. As of September 30, 2023
3. As of October 30, 2023

Welltower's Unique Value Creation Flywheel

Established Competitive Advantages Driving Sustainable Shareholder Value Creation

Welltower Value-Add and Moat

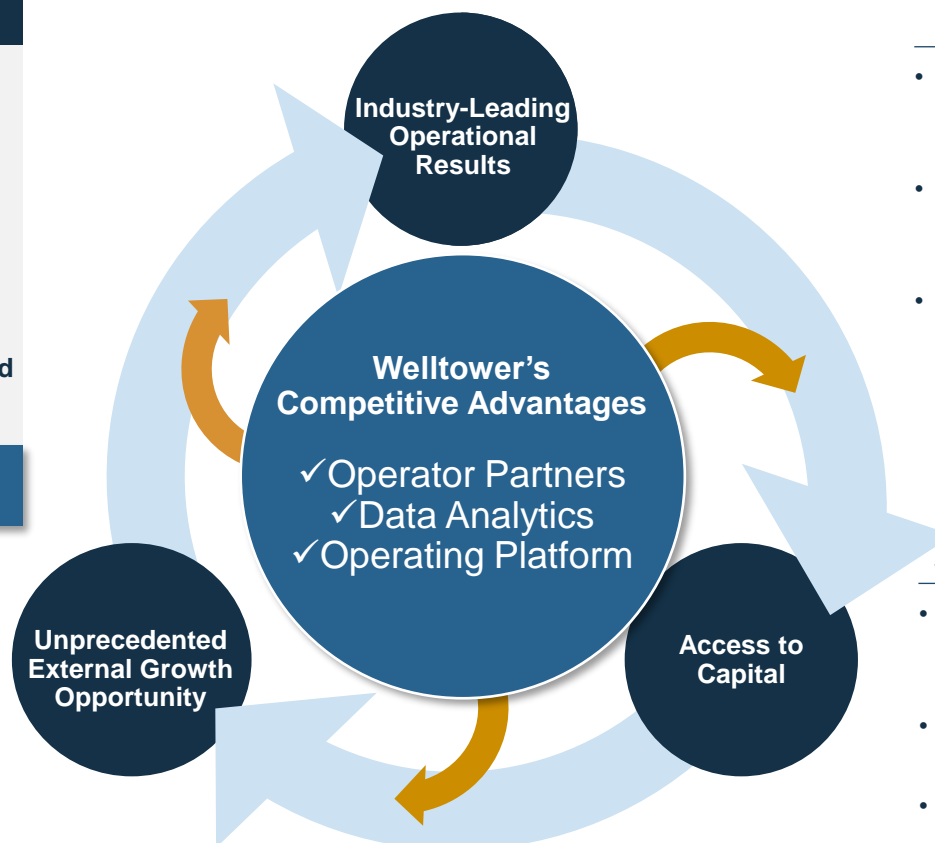
Elite:

- Local & regional operators: Superior managers with significant regional density operating under highly aligned RIDEA 3.0/4.0 contracts
- Data analytics: Unparalleled data analytics platform developed over the past eight years informing both capital allocation and operating platform decisions
- Operating platform: Institutionalization of portfolio expected to drive further efficiencies while **improving both the resident and employee experience**

Properties are worth substantially more on Welltower's platform

Capital Allocation

- Macroeconomic uncertainty and capital markets dislocation creating opportunities to acquire assets at increasingly attractive basis, going-in yields, and unlevered IRRs
- Granular approach to capital allocation provides opportunity to acquire assets at deep discounts to replacement cost while complementing Welltower's regional density strategy
- Disclosed agreements to purchase \$3 billion of properties expected to occur at attractive high-single-digit to low-double-digit unlevered IRRs without consideration of future operating platform upside or cap rate compression in a more stable financing market



Internal Growth

- Long-term demographic tailwinds and significant decline in new supply expected to drive continued outsized growth for extended period
- RevPOR growth (unit revenue) expected to continue to outpace ExpPOR growth (unit expense), resulting in further operating margin expansion
- Industry-leading results being driven by Welltower's superior micro-market locations, disciplined capital allocation strategy, and highly aligned partners with significant regional density

Superior Ability to Capitalize the Opportunity

- Access to a plurality of capital sources including common equity, private equity, unsecured and secured debt, and exchangeable notes
- Ability to opportunistically pivot between each capital source based upon cost and availability
- Robust near-term available liquidity (including cash on hand, line of credit capacity, expected loan payoffs and disposition proceeds) can fully fund announced acquisitions and 2024 debt maturities

Welltower competes on Data Science, Operating Platform and Capital Allocation Capabilities - NOT cost of capital

Recent Highlights

Recent Portfolio Highlights⁽¹⁾

Seniors Housing Operating (SHO) Portfolio Growth Continues to Exceed Expectations

26.1%

Net Operating Income Growth

Outsized revenue growth and moderating expense pressure resulting in fourth consecutive quarter of 20%+ NOI growth

- SHO portfolio SS NOI growth of 26.1% represents the second highest level achieved in Welltower's recorded history, with all three regions posting NOI growth of 25%+ in 3Q2023
- Improving demand-supply backdrop across all regions reflected through another quarter of extraordinary top-line growth
- Further normalization in the labor market and diminishing inflationary pressure across key expense items driving lower levels of expense growth
- Secular growth tailwinds propelling the seniors housing sector are set to accelerate, with exceptional levels of NOI growth expected to continue

220 bps

Occupancy Growth

Rapid occupancy and rate gains remain solid despite slowing macroeconomic conditions

- Year-over-year occupancy growth of 220 basis points (bps) and nearly 7% Revenue per Occupied Room (RevPOR or unit revenue) growth are amongst the highest levels achieved in the Company's recorded history
- Occupancy gains accelerated through the quarter, with September occupancy growth marking the highest monthly increase in the last two years; leading indicators of demand including inquiries, tours and conversion ratios remain strong and continue to trend above year-ago levels
- Full-year 2023 revenue growth outlook raised to 9.8%

2.4%

Unit Expense Growth

Expense headwinds continue to subside across virtually all major categories

- Expense per Occupied Room (ExpPOR or unit expense) growth of 2.4% represents the lowest level in the Company's recorded history
 - Compensation per occupied room (CompPOR) growth decelerated to 2.7% as occupancy growth drives scaling benefits
- ExpPOR growth expected to moderate further as inflationary pressures abate and as benefits from operating platform buildout begin to be realized

330 bps

Margin Expansion

Profitability improvement continues, marked by 330bps of margin expansion

- Spread between RevPOR and ExpPOR growth expanded further in 3Q2023 driving continued NOI margin recovery; portfolio margin remains significantly below pre-COVID levels
- **RevPOR growth is expected to continue to outpace ExpPOR growth, resulting in further operating margin recovery**

Revised 2023 Outlook

Unchanged as of October 30, 2023

Better-than-expected YTD SHO portfolio performance and capital activity driving 5.5c per share increase to FFO guidance midpoint

Revised 2023 SS NOI Outlook

Segment	Low	High
SHO	23.0%	26.0%
SH NNN	1.5%	2.5%
OM	2.5%	3.0%
LT/PAC	4.0%	5.0%
Total Portfolio	11.5%	13.5%



Normalized Funds from Operations Per Diluted Share Outlook

Revised Outlook: \$3.59 to \$3.63: midpoint = \$3.61

Previous Outlook issued September 2023: \$3.51 to \$3.60: midpoint = \$3.555

Seniors Housing Operating Portfolio - Outlook Assumptions

- **Revenue:** SS revenue growth of 9.8% driven by further occupancy gains and rate growth
 - Anticipate year-over-year occupancy growth of ~240 bps
 - Expect full year RevPOR growth of 6.7%, reflecting healthy levels of pricing power across all regions
- **Expense:** SS ExpPOR growth expected to decelerate in 4Q2023 following a further normalization of labor market conditions and continued abatement of broader inflationary pressures
- **NOI:** Positive revenue and expense trends are expected to drive SS SHO Portfolio NOI growth of 24.5% at the midpoint as compared to previous guidance midpoint of 22.5% and initial outlook in February 2023 of 19.5%

Other Outlook Considerations

- Higher interest rates on floating rate debt and a stronger US dollar are expected to reduce 2023 Normalized FFO attributable to common stockholders per diluted share by ~\$0.20 vs. 2022
- General & Administrative expense expected to increase to \$176 – \$180 million with year-over-year increase resulting largely from growth in the Company's asset base and expanding asset management initiatives
- Earnings guidance includes only those acquisitions closed to date; no transitions or restructures beyond those announced to date are included

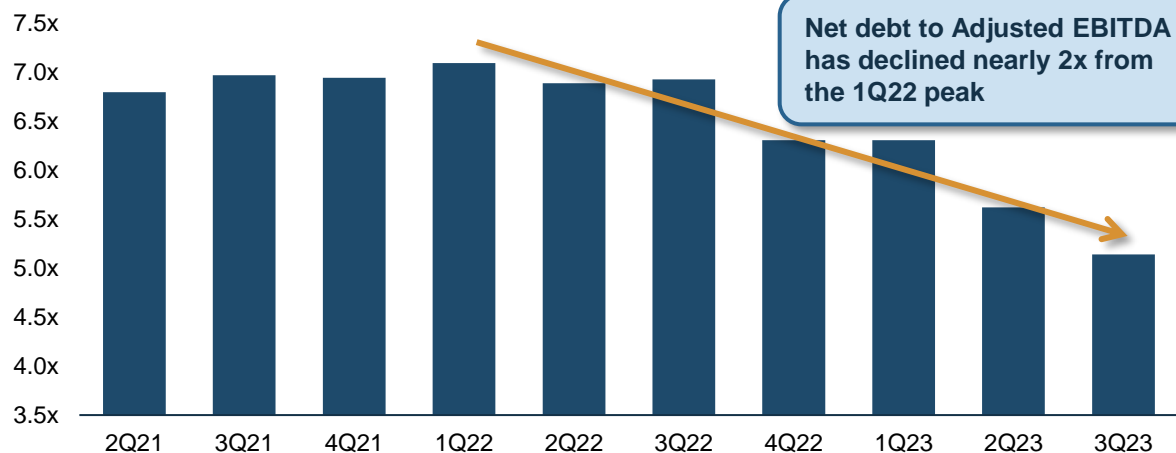
Balance Sheet Update

Recent Balance Sheet & Liquidity Highlights

Balance Sheet Highlights⁽¹⁾

- Strong portfolio performance is driving substantial EBITDA growth, which, along with prudent capitalization of transactions, is resulting in meaningful deleveraging of the balance sheet
 - Cash flow and credit metrics are expected to benefit from further outsized organic EBITDA growth
- **Over the past 12 months Net Debt to Adjusted EBITDA declined by approximately 1.8x to 5.14x as compared with September 30, 2022**
 - Net debt to consolidated enterprise value declined to 22.9% as of September 30, 2023
- Reduced variable rate debt to 12.2% of total debt as of September 30, 2023, as compared to 19.7% as of September 30, 2022
- Streamlined balance sheet and ownership structures through simplification of joint ventures

Net Debt to Adjusted EBITDA



Liquidity Highlights

- **Liquidity profile remains exceptional with \$6.6 billion in combined near-term available liquidity as of October 30, 2023**
- Unparalleled access to capital bolstered by large and diverse group of 31 financial institutions supporting the credit facility across multiple currencies
- **During the third quarter and in October, sourced approximately \$3.0 billion of attractively priced capital**
 - In the third quarter, completed \$1.6 billion of pro rata gross investments including acquisitions and loan and development funding, capitalized almost entirely with equity funding and proceeds from property dispositions and loan payoffs
 - Incremental capital will be used to fund accretive capital deployment opportunities, further bolster the balance sheet and strengthen already robust liquidity

Raised ~\$1.5 billion of proceeds via equity offering announced on November 6, 2023

Liquidity Profile as of October 30, 2023

Cash and Restricted Cash	\$2,000
Line of Credit Capacity	\$4,000
Expected Proceeds from Property Sales and Loan Payoffs ⁽²⁾	\$625
Total Near-Term Available Liquidity	\$6,625
Expected 2024 Senior Unsecured Bond Redemption	(\$1,350)
Available Liquidity Inclusive of 2024 Bond Redemption	\$5,275

1. See "Supplemental Financial Measures" at the end of this presentation for definitions and reconciliations of non-GAAP financial measures. See also the respective Supplemental Information Report for reconciliation of prior periods

2. Includes expected pro rata disposition proceeds as of September 30, 2023

Plurality of Capital Sources

Leveraging Efficient & Low-Cost Capital to Execute Investment Strategy

✓ Access to **secured and unsecured** debt financing

✓ Pivot between **multiple sources of capital** based upon cost and availability

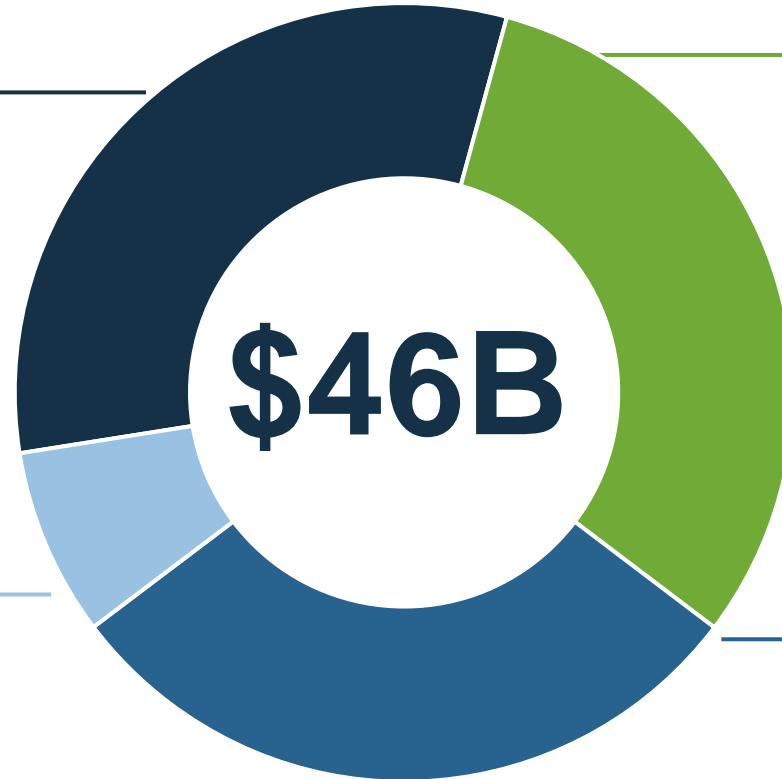
✓ **Recycle capital** to improve portfolio quality and capitalize on market inefficiencies

\$15B | PUBLIC EQUITY

- Efficiently raised via ATM & DRIP programs since 2015

\$4B | PRIVATE CAPITAL

- Capital raised via joint venture partnerships with institutional capital partners



\$14B | DEBT

- Unsecured debt issued since 2015 at average interest rate of ~3.4%
- Investment grade balance sheet (BBB+/Baa1)
- \$4 billion revolving credit facility at SOFR + 77.5bps

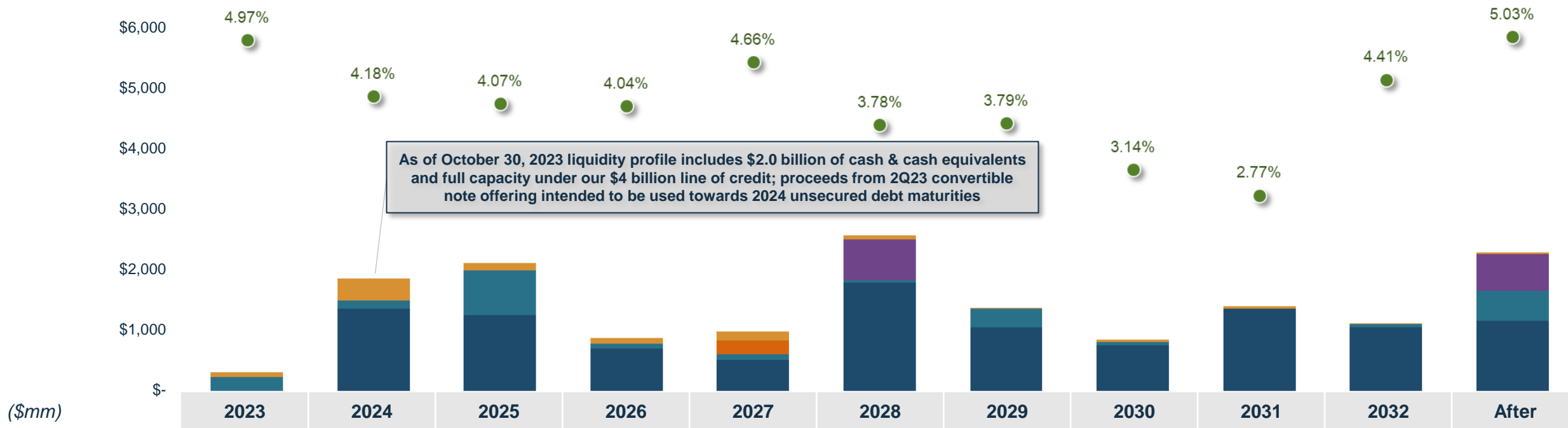
\$14B | DISPOSITIONS

- Asset sales completed since 2015
- Investments across multiple property types allow for opportunistic harvesting of assets, taking advantage of relative value

Well-Laddered Debt Maturity Schedule^(1,2,3)

Weighted Average Maturity of 5.8 Years

■ USD Unsecured
 ■ USD Secured
 ■ GBP Unsecured
 ■ GBP Secured
 ■ CAD Unsecured
 ■ CAD Secured
 ● Weighted Average Interest Rate



(\$mm)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	After
Unsecured Debt	-	1,350	1,260	700	1,906	2,457	1,050	750	1,350	1,050	1,760
Secured Debt	301	506	866	171	255	112	325	88	40	52	524
Total	301	1,856	2,126	871	2,161	2,569	1,375	838	1,390	1,102	2,284

1. As of September 30, 2023

2. Represents principal amounts due excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet

3. 2027 includes a \$1,000,000,000 unsecured term loan and a CAD \$250,000,000 unsecured term loan (approximately \$184,706,000 USD at September 30, 2023). The loans mature on July 19, 2026. The interest rates on the loans are adjusted SOFR + 0.85% for USD and CDOR + 0.85% for CAD. Both term loans may be extended for two successive terms of six months at our option.

3Q2023 Covenant Compliance⁽¹⁾

Unsecured Debt Covenant Compliance⁽²⁾

	3Q23	Covenant	Compliance
Secured Indebtedness to Total Assets	5.71%	<40.00%	✓
Total Indebtedness To Total Assets	38.89%	<60.00%	✓
Unencumbered Assets to Unsecured Debt	3.04x	>1.50x	✓
Fixed Charge Coverage Ratio	3.70x	>1.50x	✓

Line of Credit Covenant Compliance

	3Q23	Covenant	Compliance
Leverage Ratio	28.50%	<60.00%	✓
Fixed Charge Coverage Ratio	3.57x	>1.50x	✓
Unencumbered Assets to Unsecured Debt	26.93%	<60.00%	✓
Secured Debt Ratio	4.96%	<40.00%	✓
Total Equity Investments to Total Asset Value	3.24%	<25.00%	✓
Total Developments to Total Asset Value	3.47%	<35.00%	✓

1. Covenants calculated based on definitions that are specific to each respective credit agreement, which may differ from similar terms used in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Supplemental

2. Welltower's unsecured debt covenant definitions were recently updated to reflect market precedent for senior unsecured note issuances subsequent March 1, 2021. Covenant calculations based on updated definitions are as follows: Secured Indebtedness to Total Assets: 4.72%, Total Indebtedness to Total Assets: 32.11%, Unencumbered Assets to Unsecured Debt: 3.04x, Fixed Charge Coverage Ratio: 3.70x

Seniors Housing Trends

Seniors Housing | Product Overview

Seniors Housing Product Types

Independent Living

Assisted Living

Memory Care



Resident Profile

- **Low Acuity; good health and mobility**
- **Moderate Acuity; declining health and mobility**
- **High Acuity; declining health and cognitive impairment**



Services & Amenities

- Some dining options, activities, transportation
- All dining, group activities, laundry and housekeeping
- All dining, specialized care and Memory care trained staff, secured units



Care Needs

- Minimal assistance with activities of daily living (ADLs); third-party medical care when needed
- Some to full assistance with ADLs and care
- Complete assistance with ADLs, 24/7 care



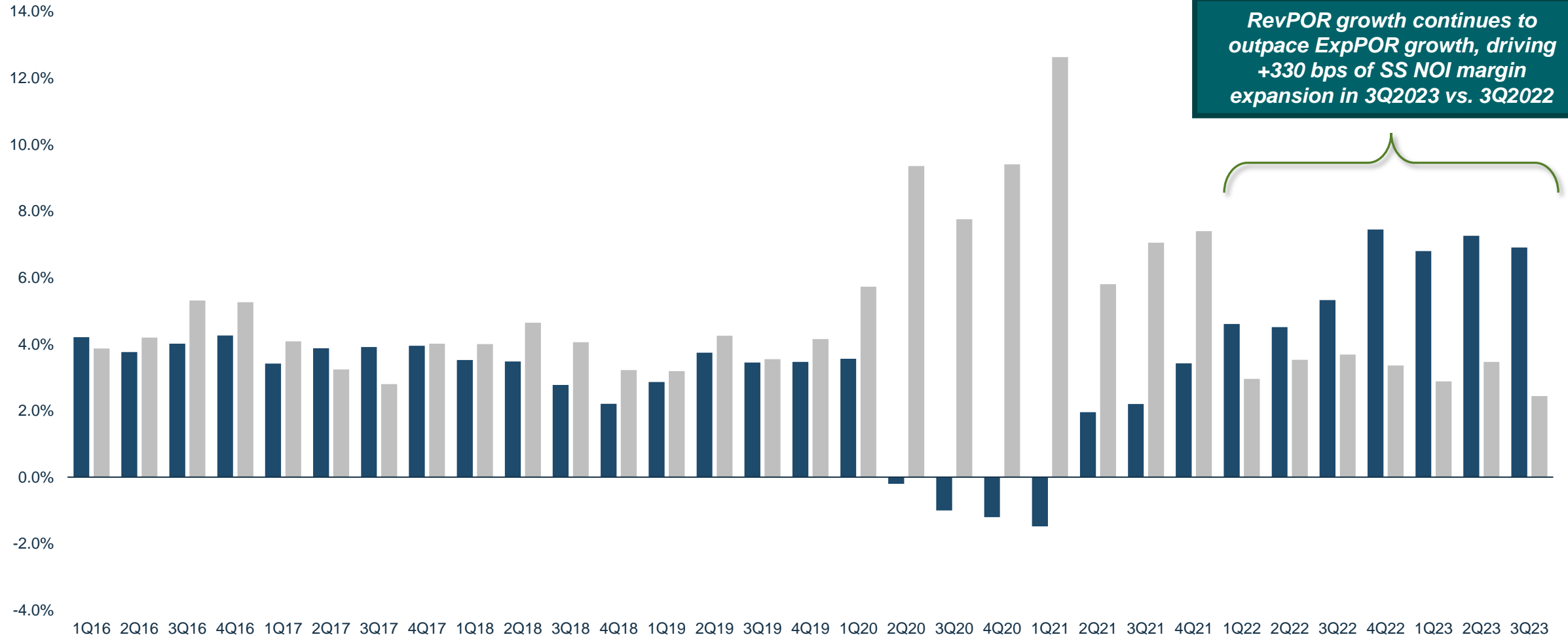
Product Offerings



Favorable Unit Economics Driving Substantial Margin Expansion

Unit Revenue and Expense Trends⁽¹⁾

■ Same Store RevPOR ■ Same Store ExpPOR

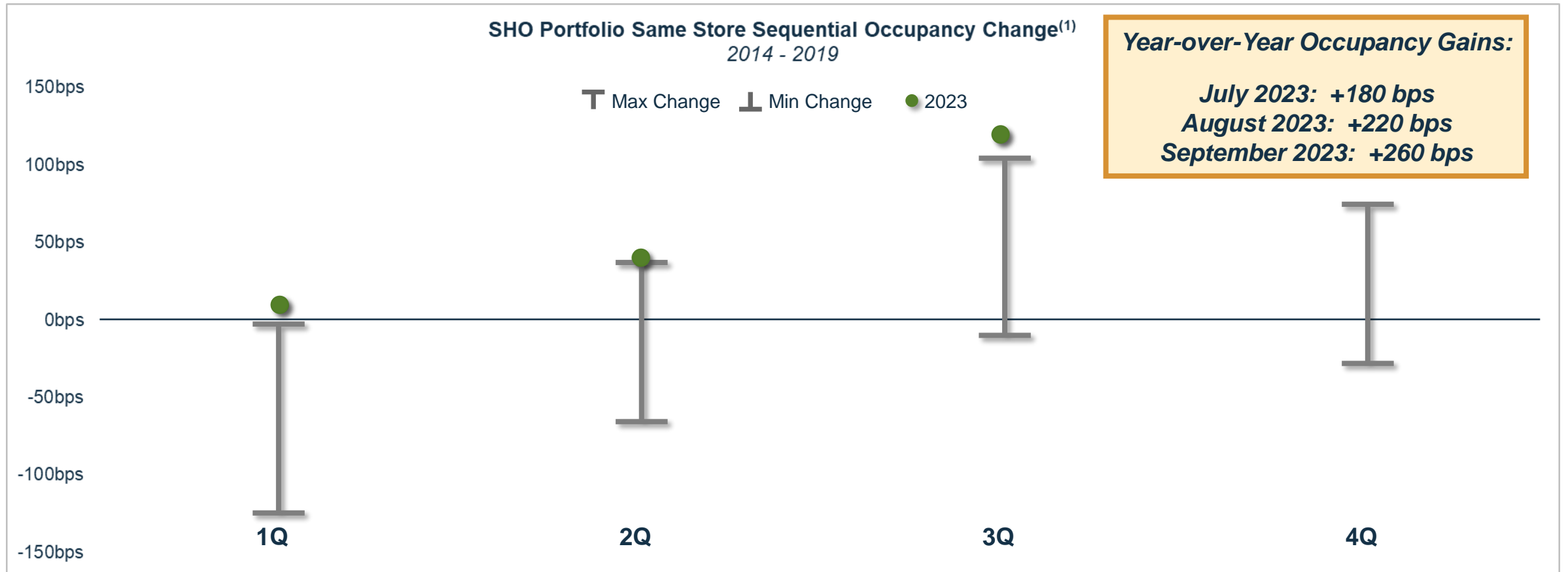


RevPOR growth continues to outpace ExpPOR growth, driving +330 bps of SS NOI margin expansion in 3Q2023 vs. 3Q2022

1. Represents year-over year SS RevPOR and SS ExpPOR growth percentages. See 3Q23 Non-GAAP Financial Measures on Welltower's investor relations section on its website for more information

Pre-COVID Occupancy Seasonality

Occupancy Gains Accelerating through 3Q2023 and Outpacing Historical Trends



1. Represents SHO same store portfolio each quarter at pro rata ownership; see each quarters respective Supplemental Information Report

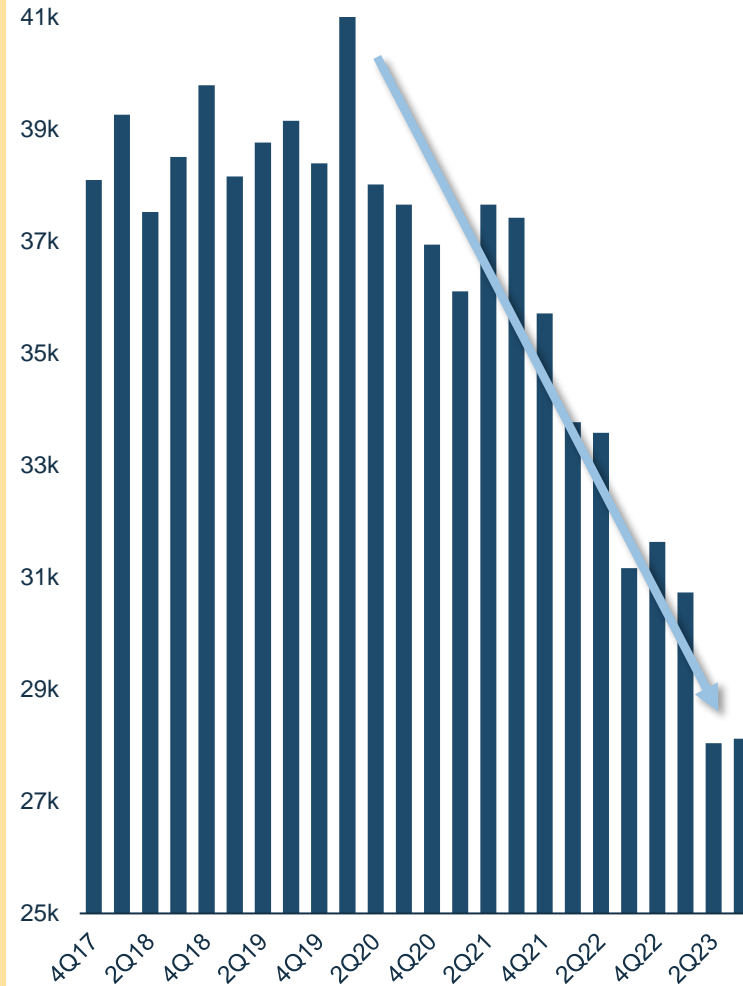
Seniors Housing | Compelling Backdrop for Multi-Year Revenue Growth

Accelerating 80+ Population Growth Coinciding with Diminishing New Supply & Improved Affordability

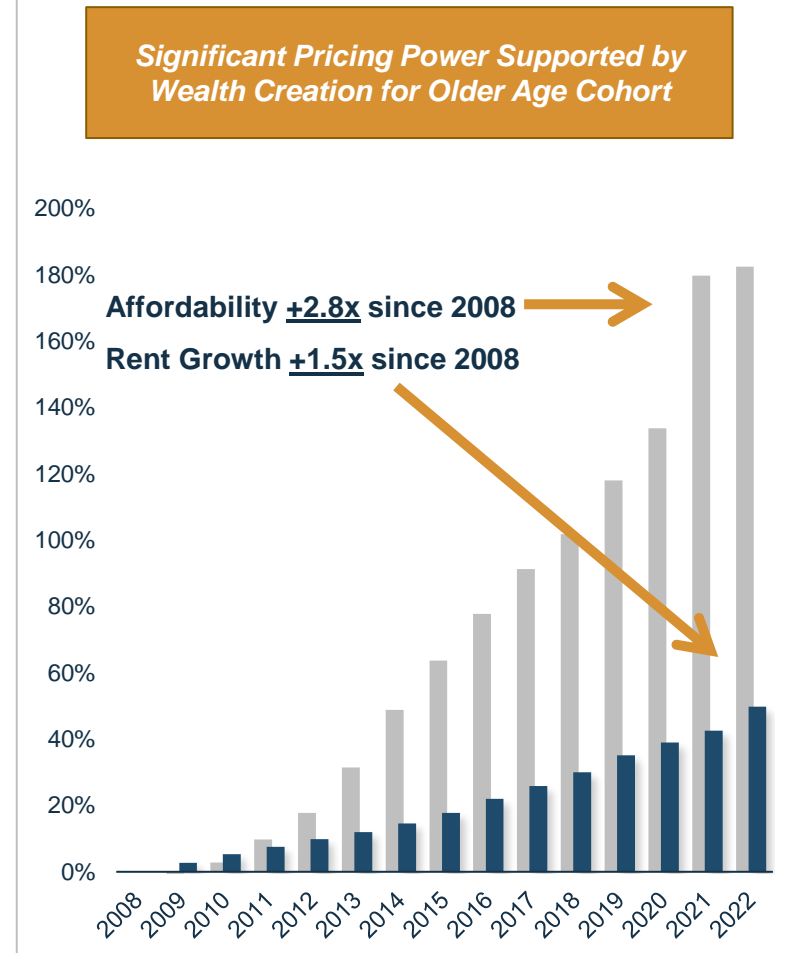
US 80+ Population Growth



Seniors Housing TTM Deliveries

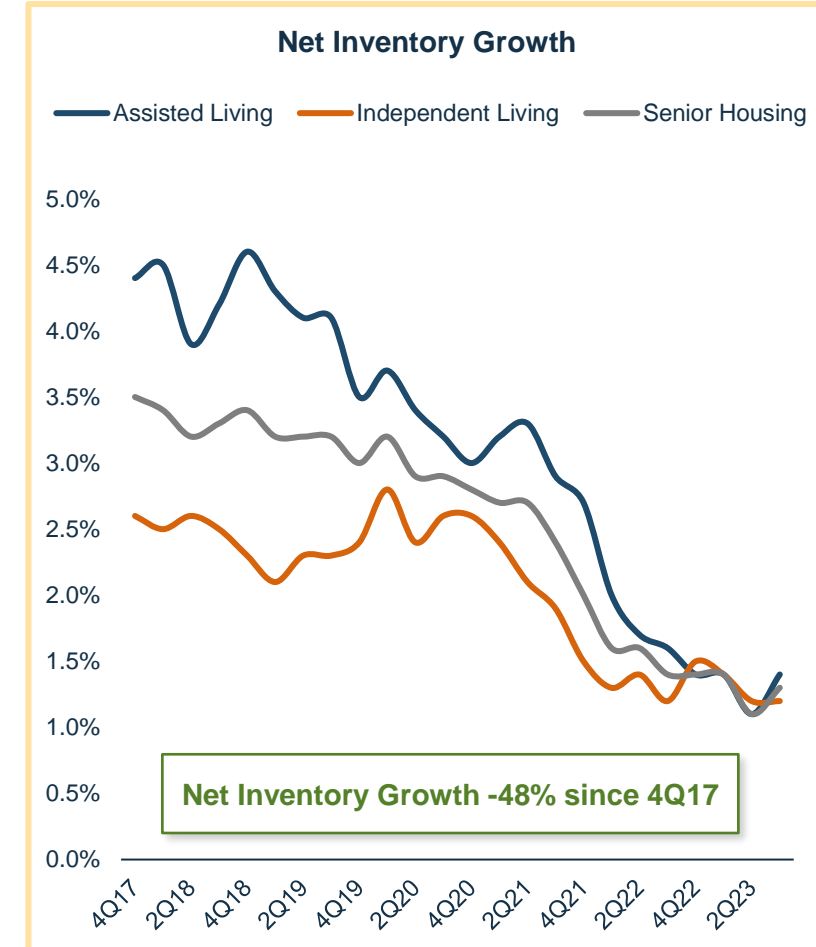
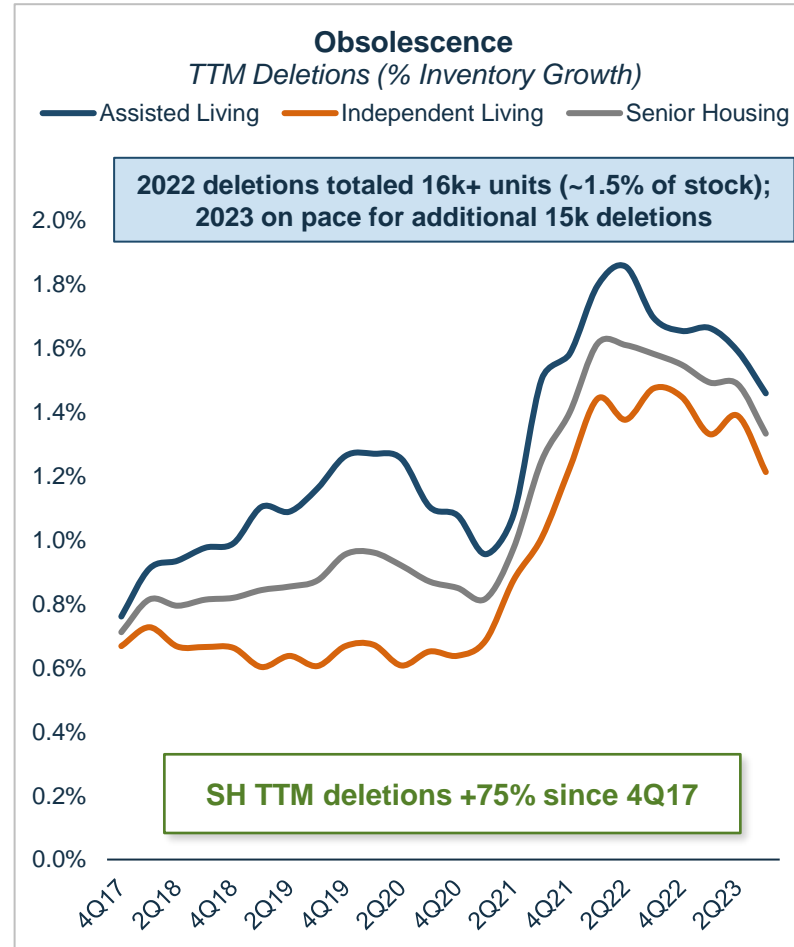
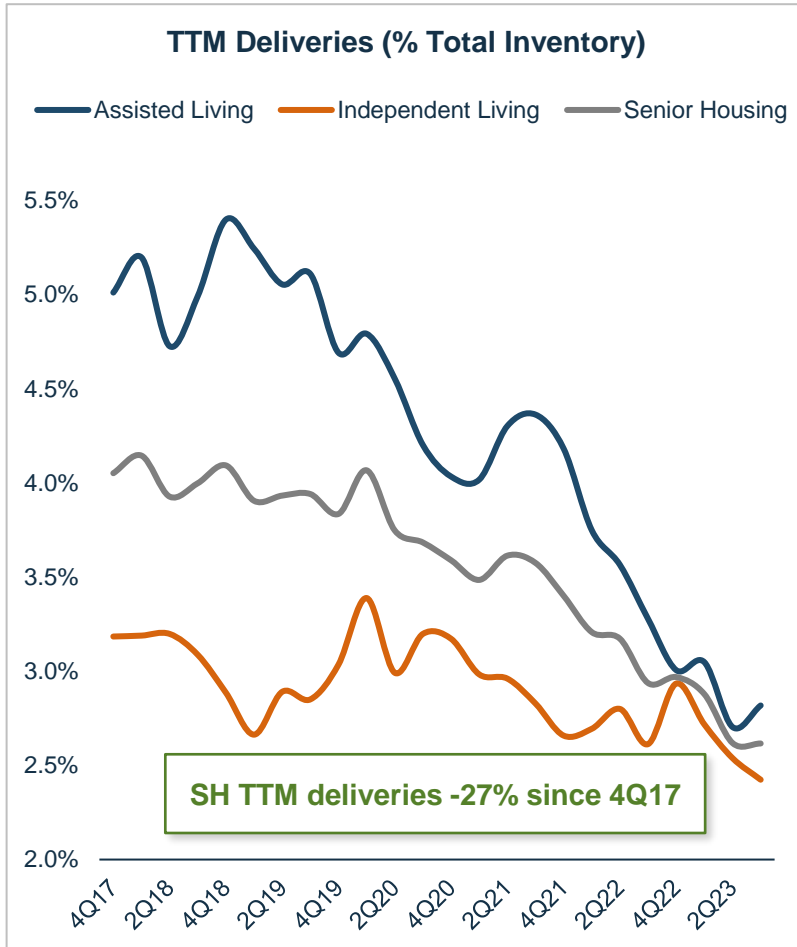


Seniors Housing Affordability
Indexed Growth Since 2008



Minimal New Supply in Coming Years Sets Stage For Multi-Year Occupancy Gains

Declining Deliveries Amplified by Elevated Level of Units Coming out of Service

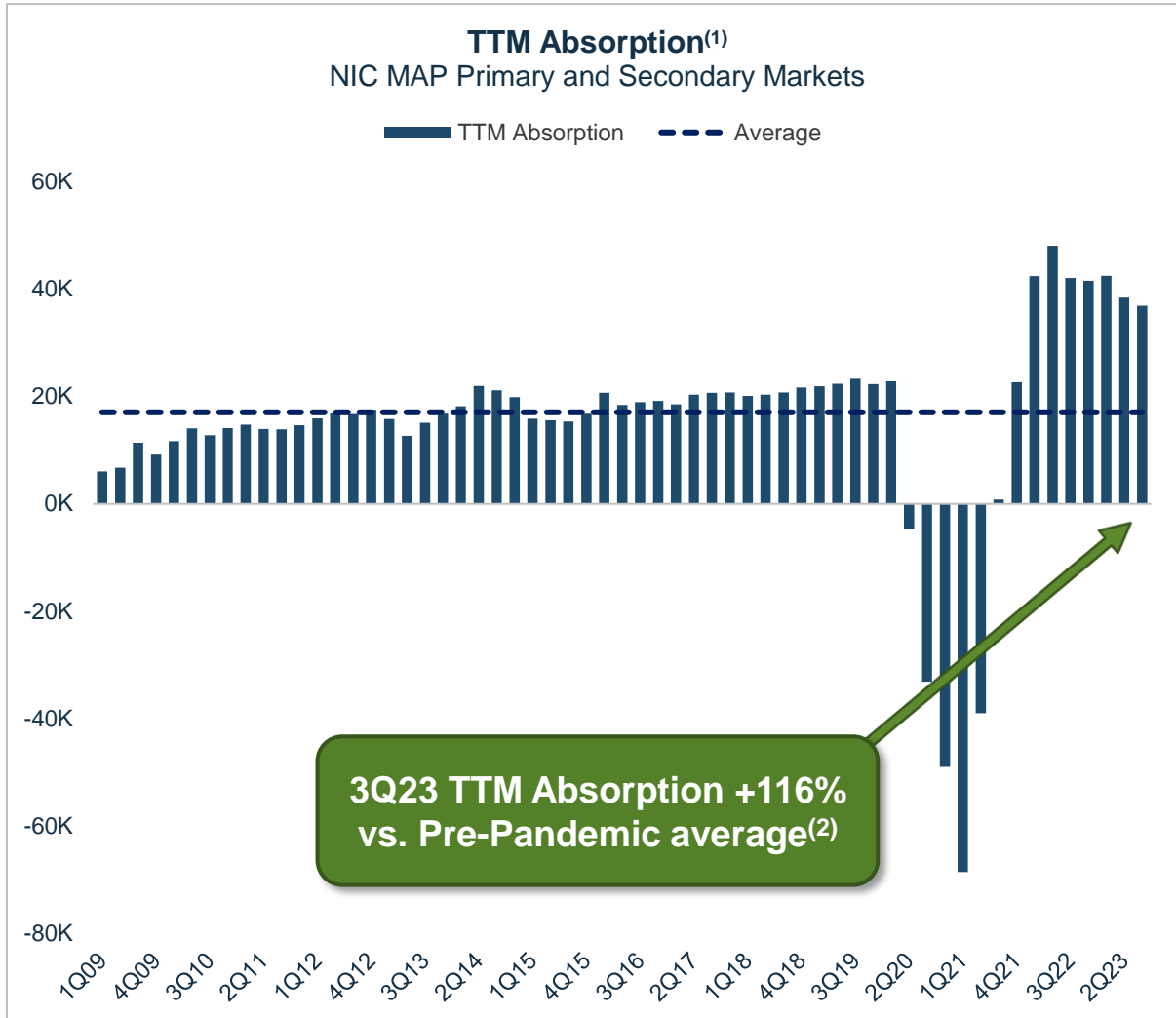


Declining Deliveries + High Inventory Obsolescence

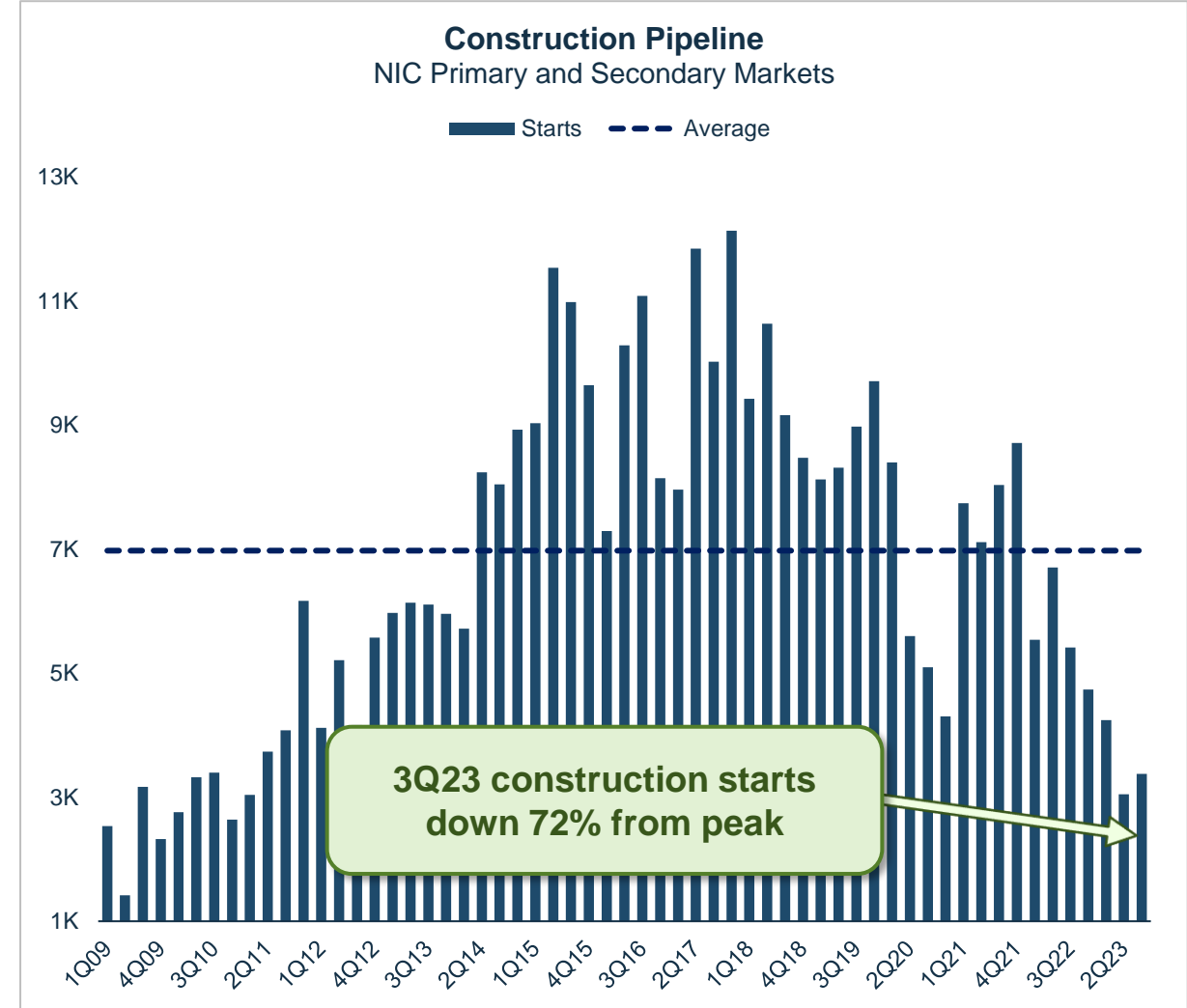
Plummeting Inventory Growth

Supply-Demand Imbalance Expected to Support Sustained Occupancy Growth in 2023+

Seniors Housing Demand Remains Robust....



....While Supply Continues to Decline Rapidly

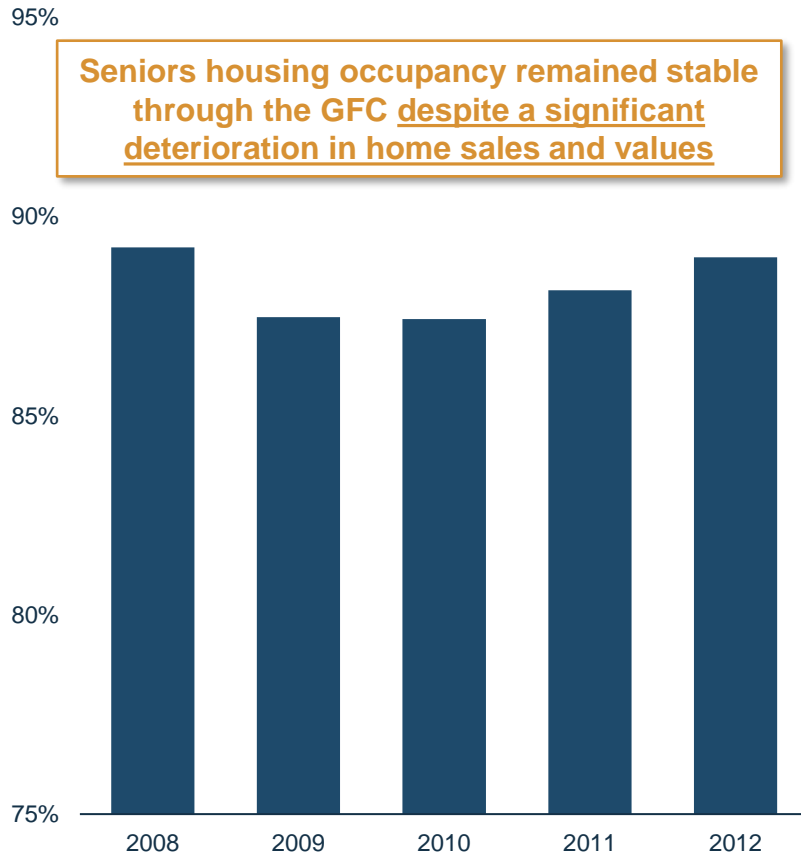


1. Source: National Investment Center for Seniors Housing & Care
2. Pre-pandemic average from 1Q09-1Q20

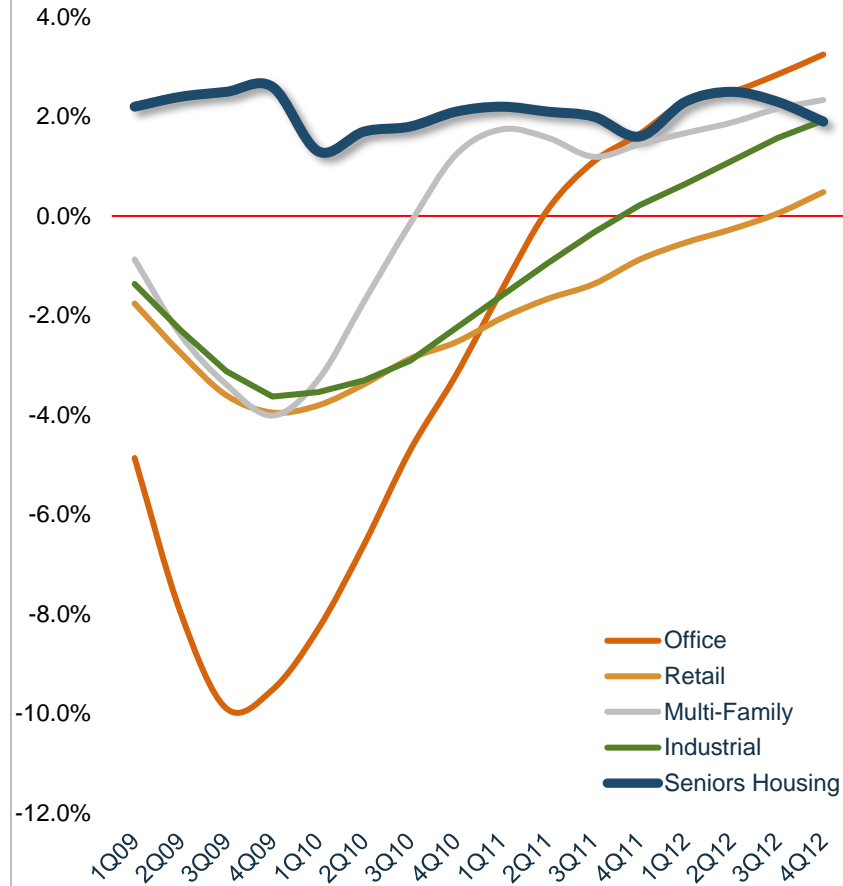
Global Financial Crisis Case Study

Resilient Demand During GFC Driven By Needs-Based Nature of Seniors Housing

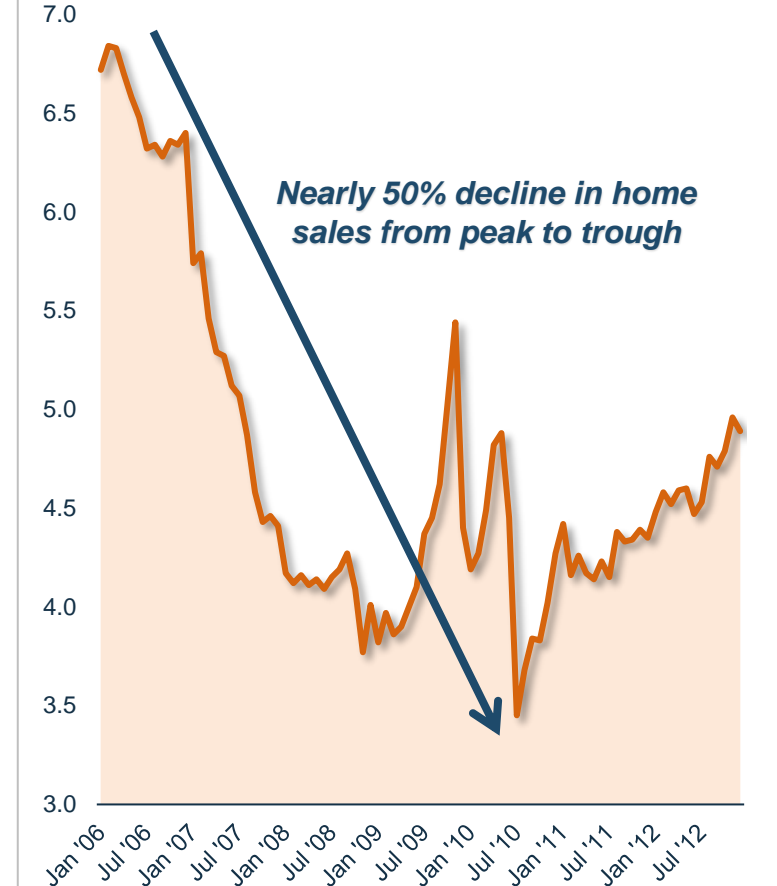
Seniors Housing Average Occupancy



TTM Market Rent Growth



Existing Home Sales

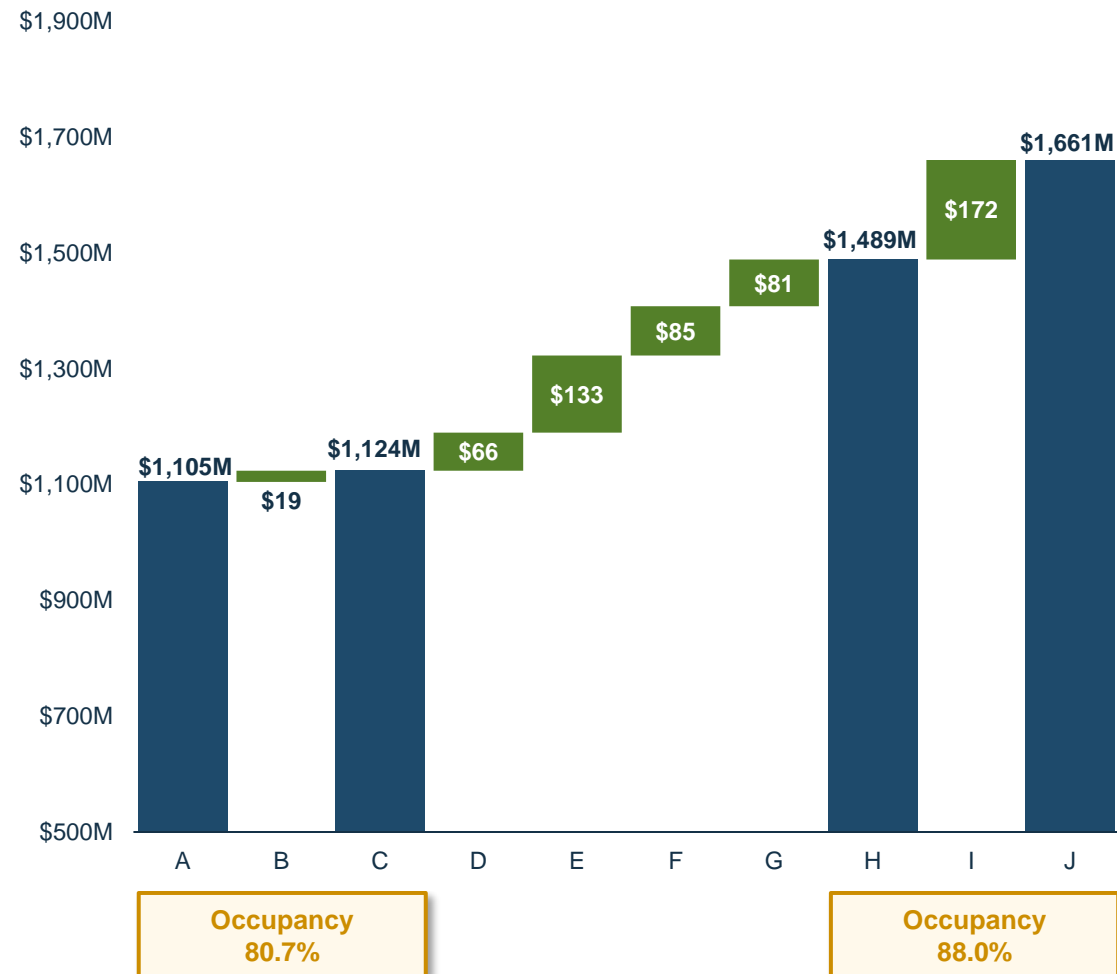


SHO Portfolio | Path to Recovery

Category	NOI (\$M)
A) 3Q23 Total Portfolio - IPNOI Portfolio ⁽¹⁾	1,105
B) Revera JV Ownership Increase	19
C) 3Q23 Total Portfolio – Adjusted IPNOI Portfolio	1,124
D) 4Q19 Open Property Occupancy Recovery (ex. Transitions)	66
E) Transition Properties	133
F) Fill-Up Properties	85
G) Lease-Up of COVID Class Acquisitions (4Q20-3Q23)	81
H) 3Q23 Total Portfolio - Post COVID Recovery NOI	1,489
I) Upside Assuming 3Q23 Realized RevPOR	172
J) 3Q23 Total Portfolio - Post COVID Recovery NOI Assuming 3Q23 RevPOR	1,661

A) 3Q23 Portfolio In-Place NOI
B) Adjustment to 3Q23 IPNOI to reflect increased ownership stake in properties owned in prior JV with Revera ⁽²⁾
C) Adjusted 3Q23 Portfolio In-Place NOI
D) Incremental NOI from return to 4Q19 NOI levels for properties open in 4Q19, excluding segment or operator transitions
E) Incremental NOI from properties open in 4Q19 that subsequently underwent operator or segment transitions
F) Incremental NOI from development properties delivered subsequent to 4Q19 and properties acquired subsequent to 4Q19 and prior to 4Q20. NOI stabilization assumes return to pre-COVID NOI for acquisition properties and underwritten stabilized NOI for development properties
G) Incremental NOI from stabilization of properties acquired between 4Q20 and 3Q23
H) 3Q23 portfolio post-COVID recovery NOI. Represents portfolio occupancy of 88.0% and operating margin of 30.9%
I) Incremental NOI assuming realized 3Q23 RevPOR for properties open in 4Q19 ⁽³⁾
J) 3Q23 portfolio post-COVID recovery NOI based on 3Q23 realized RevPOR

\$537 million embedded NOI growth in return to pre-COVID occupancy and margin



Potential for ADDITIONAL UPSIDE assuming return to PEAK OCCUPANCY of 91.2% in 4Q15

1. See "Supplemental Financial Measures" at the end of this presentation for definitions and reconciliations of non-GAAP financial measures

2. Categories D through G assume increased ownership stake in properties owned in prior joint venture with Revera

3. Incremental NOI assumes realized 3Q23 RevPOR for properties open in 4Q19, including those within buckets D, E, and G

Outpatient Medical

Outpatient Medical | Welltower Portfolio Overview



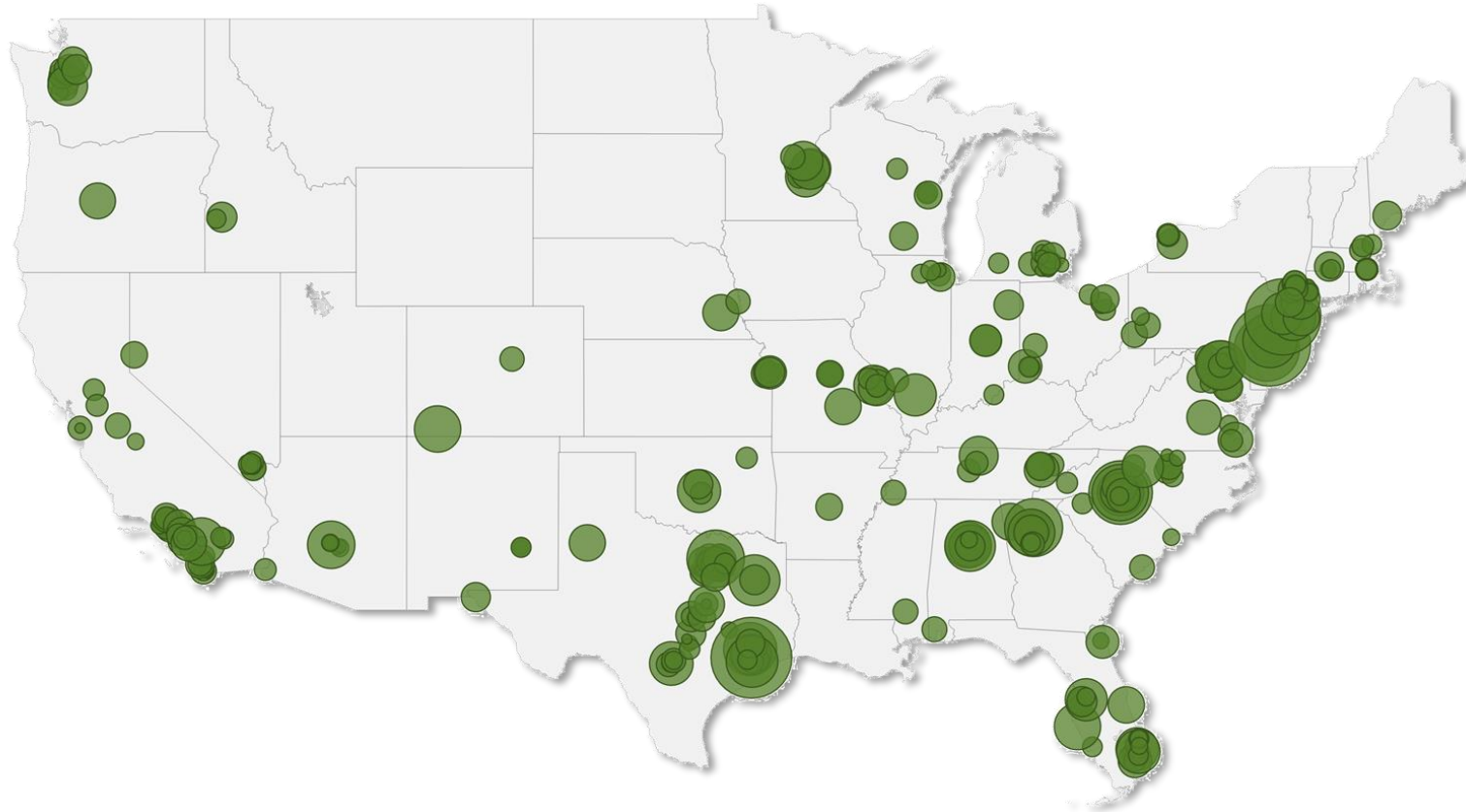
Secular shift in delivery of healthcare



Demand-driven demographic tailwind



Superior data analytics platform

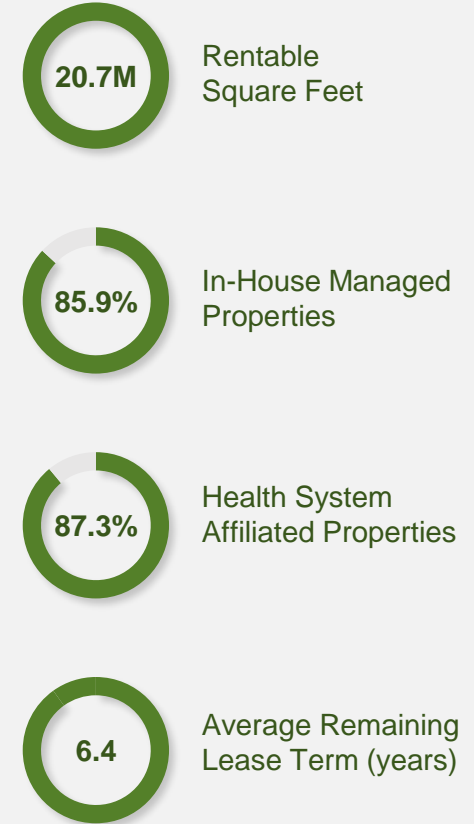


Strategic Health System Partnerships

Integrated Real Estate Management Team

Consumer-focused Care Settings

Predictive Market Analytics



Investment Theme | Shift to Outpatient Care Settings

Drivers of Change



TECHNOLOGY
& INNOVATION

Advances in medical procedures and clinical innovation ease the migration to outpatient settings



CONSUMER
PREFERENCE

Consumer demand for improved care delivery and value necessitates a change in care delivery settings



POPULATION
HEALTH

Providers, clinicians, and payors seek ways to serve broader populations effectively and affordably



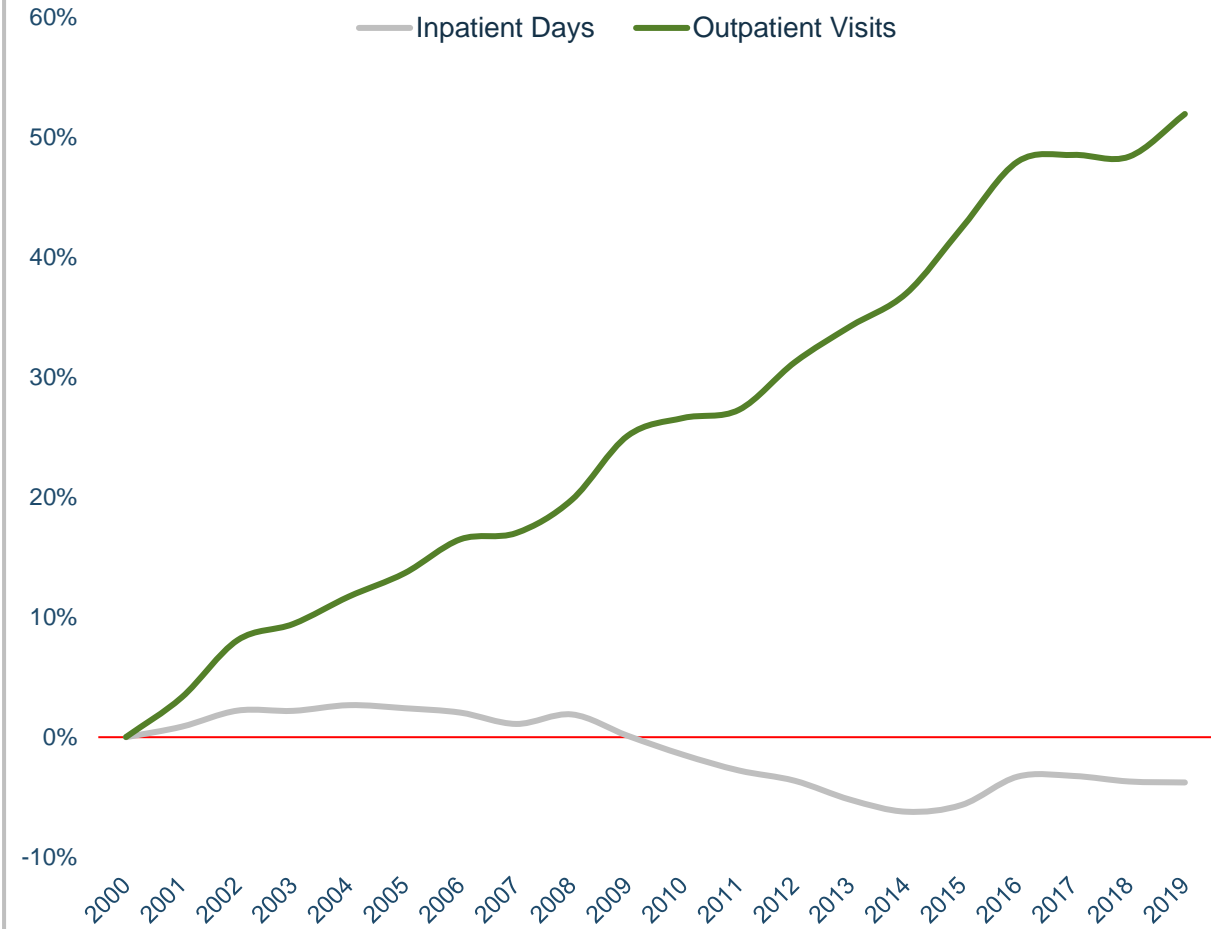
PAYOR
PRICES

Value-based care promotes new incentives for providers and payors to determine the lowest-cost sites of care

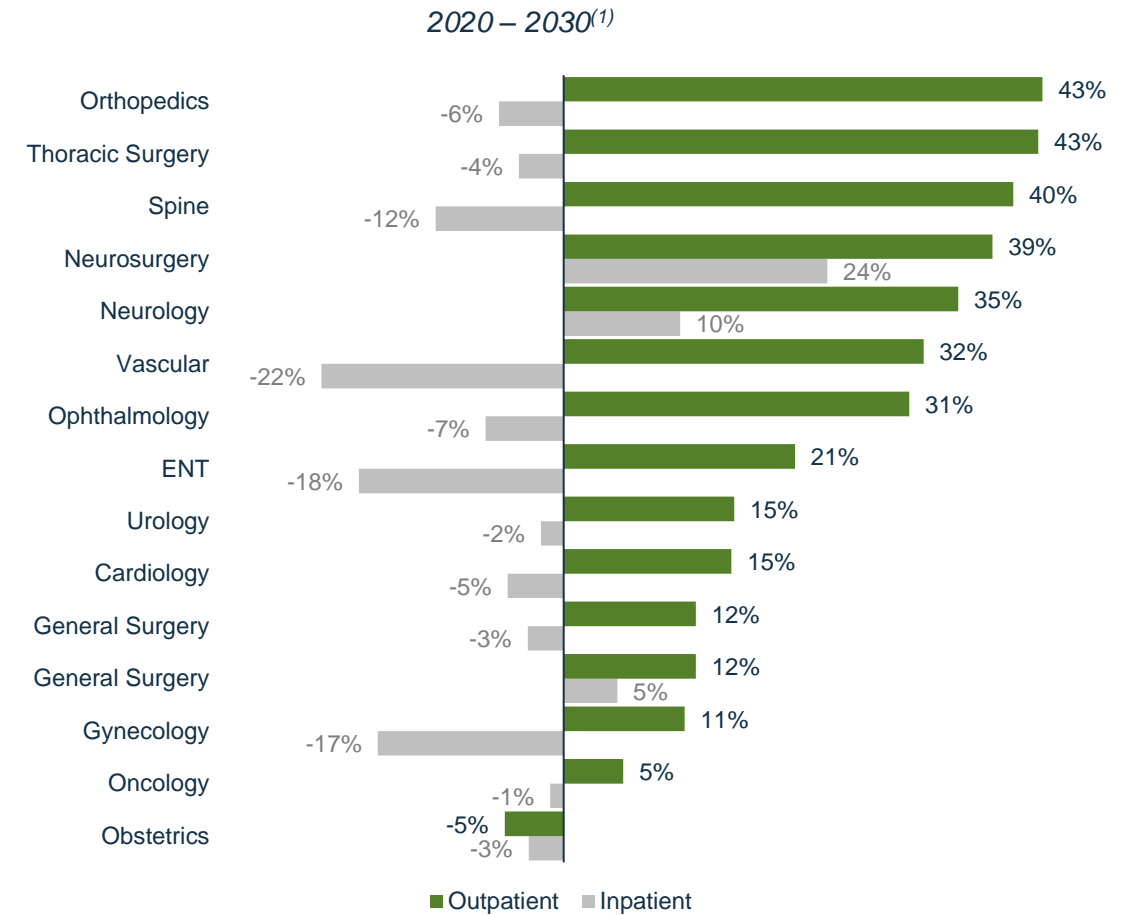


Outpatient Medical | Unprecedented and Ongoing Shift in Delivery of Healthcare

Indexed Patient Visit Volume by Care Setting⁽¹⁾



Forecasted Patient Visit Volume Growth by Care Setting



Evolving Technology, Consumer and Payor Trends Driving Transition to Outpatient Care Settings

Capital Allocation

Acquisitions Since 4Q2020

Capital Deployment Volume⁽¹⁾

\$11.6B GROSS INVESTMENTS



- ✓ Initial yield of 6.1%; Stable yield of approximately 7.9%
- ✓ Low last-dollar exposure and innovative structure offer downside protection
- ✓ Expected to generate high-single-digit to mid-teens unlevered IRRs to WELL

Granular & Off-Market Transactions

139 Total Transactions
425 OM and SH Properties Acquired
43K Seniors Housing Units Acquired



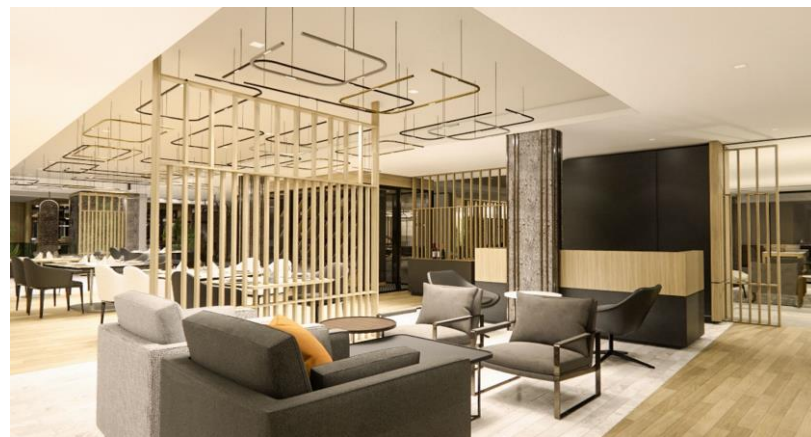
- ✓ Predictive analytics and exclusive operator relationships used to execute off-market investments
- ✓ Maximizing risk-adjusted return to WELL through creative investments across the capital stack
- ✓ Debt investments offer equity upside in form of warrants and/or bargain purchase options
- ✓ Acquisitions executed at an average investment of \$24 million per property

Significant Discount to Replacement Cost

\$200K / unit Avg. Last Dollar Basis US & CA transactions
£45K / unit Avg. Last Dollar Basis UK transactions



- ✓ Investments made at significant discount to replacement cost offer enhanced downside protection
- ✓ Limited recent market transactions priced above replacement cost serves to further curtail new supply



1. Includes pro rata gross investments across acquisitions and loans since October 1, 2020 through October 30, 2023 and excludes development funding

Macroeconomic Backdrop to Boost Near-Term Capital Deployment and Long-Term Fundamentals

Scarcity of Equity and Debt Capital

Equity

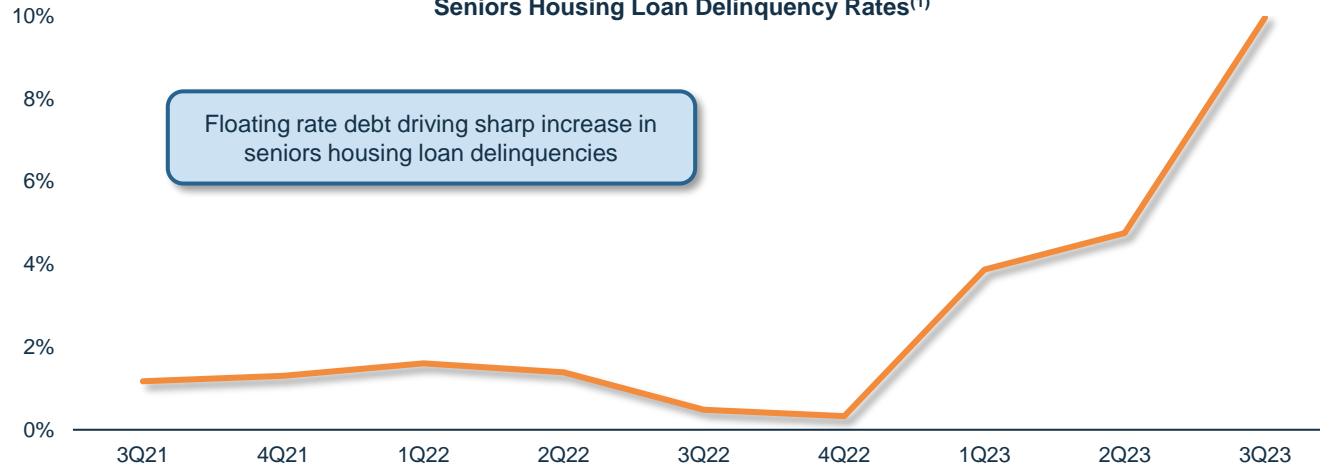
- Outflows from private equity funds and private REITs have persisted given immediate desire for liquidity
- Denominator effect from large institutional investors overallocated to real estate resulting in greater disposition activity
- Larger equity contributions required from prospective buyers as banks have grown increasingly stringent through lower LTVs, higher DSCRs, and greater recourse requirements

Debt

- Increased capital requirements from regulators have led to a decline in new loan originations as banks look to preserve liquidity
 - Increasing desire to reduce commercial real estate exposure through loan sales
 - Rise in interest rates is further lowering DSCRs and reducing debt proceeds

Fannie Mae and Freddie Mac's origination volumes have greatly diminished, while life insurance companies and debt funds have largely remained on the sidelines

Seniors Housing Loan Delinquency Rates⁽¹⁾

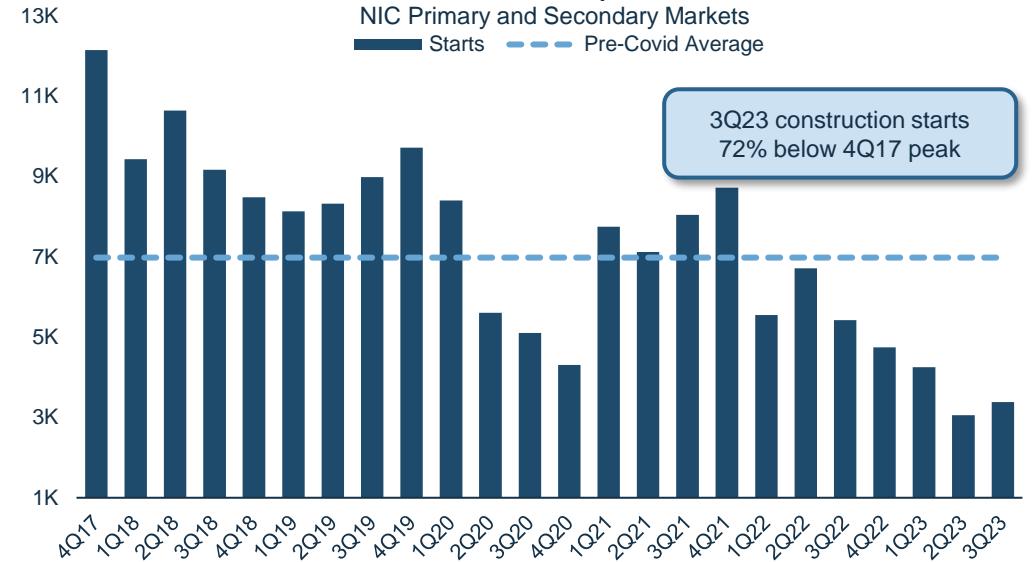


Multi-Year Period of Muted Supply Expected

Surge in interest rates over the past 18 months has resulted in prohibitively expensive floating-rate debt for developers

- Average spreads over SOFR range from 350 bps to >400 bps, implying a 9%-10%+ all-in cost for construction loans
- Stricter capital reserve requirements are increasing capital charges and making construction financing (and consequently development) uneconomical
- Loan-to-cost ratios have declined to ~50%, requiring developers to provide greater upfront equity and pressuring levered IRRs
- **Death of construction financing and dramatically higher construction and financing costs (if loans are extended) are causing most developers to meaningfully curtail activity**

Construction Pipeline⁽²⁾



1. Source: Fannie Mae
2. Source: National Investment Center for Seniors Housing & Care

Supplemental Financial Measures

|| Non-GAAP Financial Measures

We believe that revenues, net income and net income attributable to common stockholders ("NICS"), as defined by U.S. generally accepted accounting principles ("U.S. GAAP"), are the most appropriate earnings measurements. However, we consider Funds from Operations ("FFO"), Normalized FFO, Net Operating Income ("NOI"), In-Place NOI ("IPNOI"), Same Store NOI ("SSNOI"), RevPOR, ExpPOR, Same Store RevPOR ("SS RevPOR"), Same Store ExpPOR ("SS ExpPOR"), EBITDA and Adjusted EBITDA to be useful supplemental measures of our operating performance. Excluding EBITDA and Adjusted EBITDA these supplemental measures are disclosed on our pro rata ownership basis.

Pro rata amounts are derived by reducing consolidated amounts for minority partners' noncontrolling ownership interests and adding our minority ownership share of unconsolidated amounts. We do not control unconsolidated investments. While we consider pro rata disclosures useful, they may not accurately depict the legal and economic implications of our joint venture arrangements and should be used with caution.

Our supplemental reporting measures and similarly entitled financial measures are widely used by investors, equity and debt analysts and rating agencies in the valuation, comparison, rating and investment recommendations of companies. Our management uses these financial measures to facilitate internal and external comparisons to historical operating results and in making operating decisions. Additionally, these measures are utilized by the Board of Directors to evaluate management.

None of the supplemental reporting measures represent net income or cash flow provided from operating activities as determined in accordance with U.S. GAAP and should not be considered as alternative measures of profitability or liquidity. Finally, the supplemental reporting measures, as defined by us, may not be comparable to similarly entitled items reported by other real estate investment trusts or other companies. Multi-period amounts may not equal the sum of the individual quarterly amounts due to rounding.

|| FFO and Normalized FFO

Historical cost accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time as evidenced by the provision for depreciation. However, since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient. In response, the National Association of Real Estate Investment Trusts ("NAREIT") created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation from net income. FFO attributable to common stockholders, as defined by NAREIT, means net income attributable to common stockholders, computed in accordance with U.S. GAAP, excluding gains (or losses) from sales of real estate and impairments of depreciable assets, plus real estate depreciation and amortization, and after adjustments for unconsolidated entities and noncontrolling interests. Normalized FFO attributable to common stockholders represents FFO adjusted for certain items detailed in the reconciliations and described in our earnings press releases for the relevant periods.

We believe that Normalized FFO attributable to common stockholders is a useful supplemental measure of operating performance because investors and equity analysts may use this measure to compare our operating performance between periods or to other REITs or other companies on a consistent basis without having to account for differences caused by unanticipated and/or incalculable items.

Earnings Outlook Reconciliation

(in millions, except per share data)

	Year Ended December 31, 2023			
	Prior Outlook		Current Outlook	
	Low	High	Low	High
<u>FFO Reconciliation:</u>				
Net income attributable to common stockholders	\$ 385	\$ 431	\$ 468	\$ 489
Impairments and losses (gains) on real estate dispositions, net ^(1,2)	(20)	(20)	(124)	(124)
Depreciation and amortization ⁽¹⁾	1,406	1,406	1,422	1,422
NAREIT FFO attributable to common stockholders	\$ 1,771	\$ 1,817	\$ 1,766	\$ 1,787
Normalizing items, net ^(1,3)	18	18	85	85
Normalized FFO attributable to common stockholders	\$ 1,789	\$ 1,835	\$ 1,851	\$ 1,872
<u>Diluted per share data attributable to common stockholders:</u>				
Net income	\$ 0.75	\$ 0.84	\$ 0.91	\$ 0.95
NAREIT FFO	\$ 3.47	\$ 3.56	\$ 3.43	\$ 3.47
Normalized FFO	\$ 3.51	\$ 3.60	\$ 3.59	\$ 3.63
<u>Other items:⁽¹⁾</u>				
Net straight-line rent and above/below market rent amortization	\$ (126)	\$ (126)	\$ (131)	\$ (131)
Non-cash interest expenses	27	27	28	28
Recurring cap-ex, tenant improvements, and lease commissions	(177)	(177)	(184)	(184)
Stock-based compensation	37	37	37	37

1. Amounts presented net of noncontrolling interests' share and Welltower's share of unconsolidated entities.

2. Includes estimated gains on projected dispositions.

3. See our earnings press release for more information.

NOI, IPNOI, SSNOI, RevPOR, ExpPOR, SS RevPOR & SS ExpPOR

We define NOI as total revenues, including tenant reimbursements, less property operating expenses. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees paid to operators, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent general overhead costs that are unrelated to property operations and unallocable to the properties, or transaction costs. These expenses include, but are not limited to, payroll and benefits related to corporate employees, professional services, office expenses and depreciation of corporate fixed assets.

IPNOI represents NOI excluding interest income, other income and non-IPNOI and adjusted for timing of current quarter portfolio changes such as acquisitions, development conversions, segment transitions, dispositions and investments held for sale.

SSNOI is used to evaluate the operating performance of our properties using a consistent population which controls for changes in the composition of our portfolio. As used herein, same store is generally defined as those revenue-generating properties in the portfolio for the relevant year-over-year reporting periods. Acquisitions and development conversions are included in the same store amounts five full quarters after acquisition or being placed into service. Land parcels, loans and sub-leases, as well as any properties sold or classified as held for sale during the period, are excluded from the same store amounts. Redeveloped properties (including major refurbishments of a Seniors Housing Operating property where 20% or more of units are simultaneously taken out of commission for 30 days or more or Outpatient Medical properties undergoing a change in intended use) are excluded from the same store amounts until five full quarters post completion of the redevelopment. Properties undergoing operator transitions and/or segment transitions are also excluded from the same store amounts until five full quarters post completion of the operator transition or segment transition. In addition, properties significantly impacted by force majeure, acts of God or other extraordinary adverse events are excluded from same store amounts until five full quarters after the properties are placed back into service. SSNOI excludes non-cash NOI and includes adjustments to present consistent property ownership percentages and to translate Canadian properties and UK properties using a consistent exchange rate. Normalizers include adjustments that in management's opinion are appropriate in considering SSNOI, a supplemental, non-GAAP performance measure. None of these adjustments, which may increase or decrease SSNOI, are reflected in our financial statements prepared in accordance with U.S. GAAP. Significant normalizers (defined as any that individually exceed 0.50% of SSNOI growth per property type) are separately disclosed and explained in the relevant supplemental reporting package. We believe NOI, IPNOI and SSNOI provide investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use NOI, IPNOI and SSNOI to make decisions about resource allocations and to assess the property level performance of our properties.

RevPOR represents the average revenues generated per occupied room per month at our Seniors Housing Operating properties and ExpPOR represents the average expenses per occupied room per month at our Seniors Housing Operating properties. These metrics are calculated as the pro rata version of resident fees and services revenues or property operating expenses per the income statement divided by average monthly occupied room days. SS RevPOR and SS ExpPOR are used to evaluate the RevPOR and ExpPOR performance of our properties under a consistent population, which eliminates changes in the composition of our portfolio. They are based on the same pool of properties used for SSNOI and includes any revenue or expense normalizations used for SSNOI. We use RevPOR, ExpPOR, SS RevPOR and SS ExpPOR to evaluate the revenue-generating capacity and profit potential of our Seniors Housing Operating portfolio independent of fluctuating occupancy rates. They are also used in comparison against industry and competitor statistics, if known, to evaluate the quality of our Seniors Housing Operating portfolio.

In-Place NOI Reconciliations

(dollars in thousands)	3Q23	In-Place NOI by property type	3Q23	% of Total
Net income (loss)	\$ 134,722	Seniors Housing Operating	\$ 1,105,180	48 %
Loss (gain) on real estate dispositions, net	(71,102)	Seniors Housing Triple-net	413,312	18 %
Loss (income) from unconsolidated entities	4,031	Outpatient Medical	504,484	22 %
Income tax expense (benefit)	4,584	Long-Term/Post-Acute Care	<u>282,036</u>	12 %
Other expenses	38,220	Total In-Place NOI	\$ 2,305,012	100 %
Impairment of assets	7,388			
Provision for loan losses, net	4,059			
Loss (gain) on extinguishment of debt, net	1			
Loss (gain) on derivatives and financial instruments, net	2,885			
General and administrative expenses	46,106			
Depreciation and amortization	339,314			
Interest expense	<u>156,532</u>			
Consolidated net operating income	666,740			
NOI attributable to unconsolidated investments ⁽¹⁾	29,488			
NOI attributable to noncontrolling interests ⁽²⁾	<u>(22,838)</u>			
Pro rata net operating income (NOI)	673,390			
Adjust:				
Interest income	(46,530)			
Other income	(33,982)			
Sold / held for sale	(5,478)			
Non operational ⁽³⁾	1,115			
Non In-Place NOI ⁽⁴⁾	(23,384)			
Timing adjustments ⁽⁵⁾	<u>11,122</u>			
In-Place NOI	<u>576,253</u>			
Annualized In-Place NOI	<u>\$ 2,305,012</u>			

1. Represents Welltower's interests in joint ventures where Welltower is the minority partner.

2. Represents minority partners' interests in joint ventures where Welltower is the majority partner.

3. Primarily includes development properties and land parcels.

4. Primarily represents non-cash NOI.

5. Represents timing adjustments for current quarter acquisitions, construction conversions and segment or operator transitions.

SSNOI Reconciliation

(dollars in thousands)

	Three Months Ended September 30,		% growth YOY
	2022	2023	
Net income (loss)	\$ (2,653)	\$ 134,722	
Loss (gain) on real estate dispositions, net	(1,064)	(71,102)	
Loss (income) from unconsolidated entities	6,698	4,031	
Income tax expense (benefit)	3,257	4,584	
Other expenses	15,481	38,220	
Impairment of assets	4,356	7,388	
Provision for loan losses, net	490	4,059	
Loss (gain) on extinguishment of debt, net	2	1	
Loss (gain) on derivatives and financial instruments, net	6,905	2,885	
General and administrative expenses	34,811	46,106	
Depreciation and amortization	353,699	339,314	
Interest expense	139,682	156,532	
Consolidated NOI	561,664	666,740	
NOI attributable to unconsolidated investments ⁽¹⁾	27,374	29,488	
NOI attributable to noncontrolling interests ⁽²⁾	(27,236)	(22,838)	
Pro rata NOI	561,802	673,390	
Non-cash NOI attributable to same store properties	(16,045)	(14,036)	
NOI attributable to non-same store properties	(134,532)	(190,461)	
Currency and ownership adjustments ⁽³⁾	2,746	(1,513)	
Other adjustments ⁽⁴⁾	(5,758)	(1,489)	
Same Store NOI (SSNOI)	<u>\$ 408,213</u>	<u>\$ 465,891</u>	<u>14.1%</u>
Seniors Housing Operating	189,440	238,882	26.1%
Seniors Housing Triple-net	86,573	89,929	3.9%
Outpatient Medical	113,344	117,217	3.4%
Long-Term/Post-Acute Care	18,856	19,863	5.3%
Total SSNOI	<u>\$ 408,213</u>	<u>\$ 465,891</u>	<u>14.1%</u>

1. Represents Welltower's interests in joint ventures where Welltower is the minority partner.

2. Represents minority partners' interests in joint ventures where Welltower is the majority partner.

3. Includes adjustments to reflect consistent property ownership percentages and foreign currency exchange rates for properties in the U.K. and Canada.

4. Includes other adjustments described in the respective Supplemental Information package.

SHO RevPOR Growth Reconciliation

(dollars in thousands, except SS RevPOR and units)

	September 30, 2022	September 30, 2023
SHO SS RevPOR Growth		
Consolidated SHO revenues	\$ 1,072,600	\$ 1,203,899
Unconsolidated SHO revenues attributable to WELL ⁽¹⁾	53,953	59,550
SHO revenues attributable to noncontrolling interests ⁽²⁾	(64,800)	(41,696)
SHO pro rata revenues ⁽³⁾	1,061,753	1,221,753
Non-cash and non-RevPOR revenues on same store properties	(960)	(1,054)
Revenues attributable to non-same store properties	(225,646)	(283,502)
Currency and ownership adjustments ⁽⁴⁾	14,688	(4,644)
SHO SS revenues ⁽⁵⁾	\$ 849,835	\$ 932,553
SHO SS revenue YOY growth		9.7 %
Average occupied units/month ⁽⁶⁾	57,914	59,445
SHO SS RevPOR ⁽⁷⁾	\$ 4,851	\$ 5,187
SS RevPOR YOY growth	—	6.9 %

1. Represents Welltower's interests in joint ventures where Welltower is the minority partner.

2. Represents minority partners' interests in joint ventures where Welltower is the majority partner.

3. Represents SHO revenues at Welltower pro rata ownership.

4. Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.37 and to translate UK properties at a GBP/USD rate of 1.20.

5. Represents SS SHO RevPOR revenues at Welltower pro rata ownership.

6. Represents average occupied units for SS properties on a pro rata basis.

7. Represents pro rata SS average revenues generated per occupied room per month.

SHO SS ExpPOR Growth Reconciliation

(dollars in thousands, except SS ExpPOR and units)

	<u>September 30, 2022</u>	<u>September 30, 2023</u>
SHO SS ExpPOR Growth		
Consolidated SHO property operating expenses	\$ 841,914	\$ 918,990
Unconsolidated SHO expenses attributable to WELL ⁽¹⁾	39,416	40,512
SHO expenses attributable to noncontrolling interests ⁽²⁾	<u>(49,774)</u>	<u>(26,039)</u>
SHO pro rata expenses ⁽³⁾	831,556	933,463
Non-cash expenses on same store properties	(207)	(233)
Expenses attributable to non-same store properties	(189,658)	(237,189)
Currency and ownership adjustments ⁽⁴⁾	14,864	(3,405)
Normalizing adjustment for management fee ⁽⁵⁾	3,216	—
Normalizing adjustment for casualty related expenses ⁽⁶⁾	(1,160)	(27)
Other normalizing adjustments ⁽⁷⁾	<u>2,188</u>	<u>2,113</u>
SHO SS expenses ⁽⁸⁾	\$ 660,799	\$ 694,722
Average occupied units/month ⁽⁹⁾	<u>57,914</u>	<u>59,445</u>
SHO SS ExpPOR ⁽¹⁰⁾	<u>\$ 3,772</u>	<u>\$ 3,864</u>
SS ExpPOR YOY growth		2.4 %

1. Represents Welltower's interests in joint ventures where Welltower is the minority partner.

2. Represents minority partners' interests in joint ventures where Welltower is the majority partner.

3. Represents SHO property operating expenses at Welltower pro rata ownership.

4. Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.37 and to translate UK properties at a GBP/USD rate of 1.20.

5. Represents normalizing adjustment related to the disposition of our ownership interest in two Seniors Housing Operating management company investments.

6. Represents normalizing adjustment related to casualty related expenses net of any insurance reimbursements.

7. Represents aggregate normalizing adjustments which are individually less than .50% of SSNOI growth.

8. Represents SHO same store property operating expenses at Welltower pro rata ownership.

9. Represents average occupied units for SS properties.

10. Represents pro rata SS average expenses per occupied room per month.

SHO SSNOI Growth Reconciliation

(dollars in thousands)

	United States		United Kingdom		Canada		Total	
	3Q22	3Q23	3Q22	3Q23	3Q22	3Q23	3Q22	3Q23
SHO SSNOI Growth								
Consolidated SHO NOI	\$ 182,251	\$ 226,086	\$ 17,956	\$ 21,443	\$ 30,479	\$ 37,380	\$ 230,686	\$ 284,909
Unconsolidated SHO NOI attributable to WELL ⁽¹⁾	7,442	8,459	—	900	7,095	9,679	14,537	19,038
SHO NOI attributable to noncontrolling interests ⁽²⁾	(7,883)	(8,565)	(1,767)	(268)	(5,376)	(6,824)	(15,026)	(15,657)
SHO pro rata NOI ⁽³⁾	181,810	225,980	16,189	22,075	32,198	40,235	230,197	288,290
Non-cash NOI on same store properties	(326)	230	(20)	—	(3)	—	(349)	230
NOI attributable to non-same store properties	(21,819)	(28,292)	(8,935)	(11,033)	(5,234)	(6,988)	(35,988)	(46,313)
Currency and ownership adjustments ⁽⁴⁾	926	23	164	(571)	(1,266)	(691)	(176)	(1,239)
Normalizing adjustment for management fee ⁽⁵⁾	(3,125)	—	—	—	(91)	—	(3,216)	—
Normalizing adjustment for casualty related expenses ⁽⁶⁾	1,160	27	—	—	—	—	1,160	27
Other normalizing adjustments ⁽⁷⁾	(2,430)	(2,113)	242	—	—	—	(2,188)	(2,113)
SHO pro rata SSNOI ⁽⁸⁾	\$ 156,196	\$ 195,855	\$ 7,640	\$ 10,471	\$ 25,604	\$ 32,556	\$ 189,440	\$ 238,882
SHO SSNOI growth		25.4 %		37.1 %		27.2 %		26.1 %

1. Represents Welltower's interests in joint ventures where Welltower is the minority partner.

2. Represents minority partners' interests in joint ventures where Welltower is the majority partner.

3. Represents SHO revenues at Welltower pro rata ownership.

4. Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.37 and to translate UK properties at a GBP/USD rate of 1.20.

5. Represents normalizing adjustment related to the disposition of our ownership interest in two Seniors Housing Operating management company investments.

6. Represents normalizing adjustment for casualty related expenses net of any insurance reimbursements.

7. Represents aggregate normalizing adjustments which are individually less than .50% of SSNOI growth.

8. Represents SS SHO SSNOI at Welltower pro rata ownership.

EBITDA and Adjusted EBITDA

We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and cash equivalents and restricted cash. We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The ratios are based on EBITDA and Adjusted EBITDA. EBITDA is defined as earnings (net income per income statement) before interest expense, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/losses/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, additional other income and other impairment charges. We believe that EBITDA and Adjusted EBITDA, along with net income, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. Our leverage ratios include net debt to Adjusted EBITDA. Net debt is defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and restricted cash.

We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios which include net debt to consolidated enterprise value, indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and restricted cash. We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. Net debt is defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and restricted cash. Consolidated enterprise value represents the sum of net debt, the fair market value of our common stock and noncontrolling interests.

Net Debt to Adjusted EBITDA

(dollars in thousands)

	Three Months Ended	
	September 30,	September 30,
	2023	2022
Net income	\$ 134,722	\$ (2,653)
Interest expense	156,532	139,682
Income tax expense (benefit)	4,584	3,257
Depreciation and amortization	339,314	353,699
EBITDA	635,152	493,985
Loss (income) from unconsolidated entities	4,031	6,698
Stock-based compensation expense	8,578	6,115
Loss (gain) on extinguishment of debt, net	1	2
Loss (gain) on real estate dispositions, net	(71,102)	(1,064)
Impairment of assets	7,388	4,356
Provision for loan losses, net	4,059	490
Loss (gain) on derivatives and financial instruments, net	2,885	6,905
Other expenses	38,220	15,481
Casualty losses, net of recoveries	1,014	328
Other impairments ⁽¹⁾	12,309	—
Adjusted EBITDA	<u>\$ 642,535</u>	<u>\$ 533,296</u>

	Three Months Ended	
	September 30,	September 30,
	2023	2022
Total debt ⁽²⁾	\$ 15,899,420	\$ 15,210,358
Cash and cash equivalents and restricted cash	(2,686,711)	(425,184)
Net debt	13,212,709	14,785,174
Adjusted EBITDA	642,535	533,296
Adjusted EBITDA annualized	<u>\$ 2,570,140</u>	<u>\$ 2,133,184</u>
Net debt to Adjusted EBITDA ratio	<u>5.14 x</u>	<u>6.93 x</u>

1. Represents the write off of straight-line rent receivable balances for leases placed on cash recognition.

2. Amounts include unamortized premiums/discounts, other fair value adjustments and financing lease liabilities. Excludes operating lease liabilities related to ASC 842 of \$299,933,000 and \$301,001,000 for the three months ended September 30, 2023 and 2022, respectively.

Net Debt to Consolidated Enterprise Value

(in thousands, except share price)

	<u>Three Months Ended</u>
	<u>September 30, 2023</u>
Common shares outstanding	532,268
Period end share price	\$ 81.92
Common equity market capitalization	\$ 43,603,395
Total debt ⁽¹⁾	\$ 15,899,420
Cash and cash equivalents and restricted cash	(2,686,711)
Net debt	\$ 13,212,709
Noncontrolling interests ⁽²⁾	864,583
Consolidated enterprise value	\$ 57,680,687
Net debt to consolidated enterprise value	22.9 %

1. Amounts include senior unsecured notes, secured debt and lease liabilities related to finance leases, as reflected on our consolidated balance sheets. Operating lease liabilities related to the ASC 842 adoption are excluded.

2. Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests as reflected on our consolidated balance sheets.