

# NON-GAAP FINANCIAL MEASURES

*Quarter Ended March 31, 2023*

**welltower**



# FORWARD LOOKING STATEMENTS

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 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; uncertainty regarding the implementation and impact of the CARES Act and future stimulus or other COVID-19 relief legislation; 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.



# 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 Net Operating Income ("NOI"), In-Place NOI ("IPNOI"), Expenses per Occupied Room ("ExpPOR"), Same Store NOI ("SSNOI"), Revenues per Occupied Room ("RevPOR"), Same Store RevPOR ("SS RevPOR"), Same Store ExpPOR ("SS ExpPOR"), Funds From Operations attributable to common stockholders ("FFO"), Normalized FFO, 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.

The information in this supplemental information package should be read in conjunction with our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, earnings press releases/supplements and other information filed with, or furnished to, the Securities and Exchange Commission ("SEC").



# 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.

# FFO QUARTERLY RECONCILIATIONS

(in thousands, except per share information)

	Three Months Ended				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Net income (loss) attributable to common stockholders	\$ 61,925	\$ 89,785	\$ (6,767)	\$ (3,728)	\$ 25,673
Depreciation and amortization	304,088	310,295	353,699	342,286	339,112
Impairments and losses (gains) on real estate dispositions, net	(22,934)	3,532	3,292	17,569	11,882
Noncontrolling interests <sup>(1)</sup>	(14,753)	(13,173)	(14,614)	(13,989)	(13,327)
Unconsolidated entities <sup>(2)</sup>	19,309	19,150	27,253	15,847	22,722
NAREIT FFO attributable to common stockholders	347,635	409,589	362,863	357,985	386,062
Normalizing items:					
Loss (gain) on derivatives and financial instruments, net	2,578	(1,407)	6,905	258	930
Loss (gain) on extinguishment of debt, net	(12)	603	2	87	5
Provision for loan losses, net	(804)	165	490	10,469	777
Income tax benefits	—	—	—	(6,784)	(246)
Other impairment	—	(620)	—	—	—
Other expenses	26,069	35,166	15,481	24,954	22,745
Lease termination and leasehold interest adjustment	(8,457)	(56,397)	—	—	—
Casualty losses, net of recoveries	13	2,673	328	7,377	4,487
Foreign currency loss (gain)	—	1,840	2,037	(1,090)	(227)
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	1,260	3,002	3,036	10,976	5,000
Normalized FFO attributable to common stockholders	\$ 368,282	\$ 394,614	\$ 391,142	\$ 404,232	\$ 419,533
Average diluted common shares outstanding:					
For net income (loss) purposes	449,802	457,082	463,366	483,305	494,494
For FFO purposes	449,802	457,082	466,950	486,419	494,494
Net income (loss) attributable to common stockholders per share:					
Diluted <sup>(3)</sup>	\$ 0.14	\$ 0.20	\$ (0.01)	\$ (0.01)	\$ 0.05
NAREIT FFO attributable to common stockholders per share:					
Diluted	\$ 0.77	\$ 0.90	\$ 0.78	\$ 0.74	\$ 0.78
Normalized FFO attributable to common stockholders per share:					
Diluted	\$ 0.82	\$ 0.86	\$ 0.84	\$ 0.83	\$ 0.85
NAREIT FFO Payout Ratio:					
Dividends per common share	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61
NAREIT FFO attributable to common stockholders per diluted share	\$ 0.77	\$ 0.90	\$ 0.78	\$ 0.74	\$ 0.78
NAREIT FFO Payout Ratio	79 %	68 %	78 %	82 %	78 %
Normalized FFO Payout Ratio:					
Dividends per common share	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61	\$ 0.61
Normalized FFO attributable to common stockholders per diluted share	\$ 0.82	\$ 0.86	\$ 0.84	\$ 0.83	\$ 0.85
Normalized FFO Payout Ratio	74 %	71 %	73 %	73 %	72 %
Other items: <sup>(4)</sup>					
Net straight-line rent and above/below market rent amortization	\$ (20,014)	\$ (25,507)	\$ (33,816)	\$ (26,539)	\$ (33,384)
Non-cash interest expenses <sup>(5)</sup>	4,721	7,422	5,365	6,167	5,878
Recurring cap-ex, tenant improvements, and lease commissions	(32,466)	(39,558)	(44,987)	(62,122)	(36,913)
Stock-based compensation	7,445	5,900	6,115	6,569	9,124

(1) Represents noncontrolling interests' share of net FFO adjustments.

(2) Represents Welltower's share of net FFO adjustments from unconsolidated entities.

(3) Includes adjustment to the numerator for income (loss) attributable to OP unitholders.

(4) Amounts presented net of noncontrolling interests' share and Welltower's share of unconsolidated entities.

(5) Excludes normalized foreign currency loss (gain).

# Earnings Outlook Reconciliation

## Outlook Reconciliation: Year Ending December 31, 2023

(in millions, except per share data)

	Prior Outlook		Current Outlook	
	Low	High	Low	High
<u>FFO Reconciliation:</u>				
Net income attributable to common stockholders	\$ 280	\$ 369	\$ 283	\$ 358
Impairments and losses (gains) on real estate dispositions, net <sup>(1,2)</sup>	(30)	(30)	(19)	(19)
Depreciation and amortization <sup>(1)</sup>	1,402	1,402	1,391	1,391
NAREIT FFO attributable to common stockholders	\$ 1,652	\$ 1,741	\$ 1,655	\$ 1,730
Normalizing items, net <sup>(1,3)</sup>	—	—	33	33
Normalized FFO attributable to common stockholders	\$ 1,652	\$ 1,741	\$ 1,688	\$ 1,763
Diluted per share data attributable to common stockholders:				
Net income	\$ 0.57	\$ 0.75	\$ 0.57	\$ 0.72
NAREIT FFO	\$ 3.35	\$ 3.53	\$ 3.32	\$ 3.47
Normalized FFO	\$ 3.35	\$ 3.53	\$ 3.39	\$ 3.54
Other items: <sup>(1)</sup>				
Net straight-line rent and above/below market rent amortization	\$ (126)	\$ (126)	\$ (126)	\$ (126)
Non-cash interest expenses	23	23	24	24
Recurring cap-ex, tenant improvements, and lease commissions	(172)	(172)	(174)	(174)
Stock-based compensation	30	30	33	33

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

(2) Includes estimated gains on projected dispositions.

(3) See Page 5 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.

# NOI QUARTERLY RECONCILIATIONS

(dollars in thousands)

	Three Months Ended				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Net income (loss)	\$ 65,751	\$ 95,672	\$ (2,653)	\$ 1,798	\$ 28,635
Loss (gain) on real estate dispositions, net	(22,934)	3,532	(1,064)	4,423	(747)
Loss (income) from unconsolidated entities	2,884	7,058	6,698	4,650	7,071
Income tax expense (benefit)	5,013	3,065	3,257	(4,088)	3,045
Other expenses	26,069	35,166	15,481	24,954	22,745
Impairment of assets	—	—	4,356	13,146	12,629
Provision for loan losses, net	(804)	165	490	10,469	777
Loss (gain) on extinguishment of debt, net	(12)	603	2	87	5
Loss (gain) on derivatives and financial instruments, net	2,578	(1,407)	6,905	258	930
General and administrative expenses	37,706	36,554	34,811	41,319	44,371
Depreciation and amortization	304,088	310,295	353,699	342,286	339,112
Interest expense	121,696	127,750	139,682	140,391	144,403
Consolidated net operating income	542,035	618,453	561,664	579,693	602,976
NOI attributable to unconsolidated investments <sup>(1)</sup>	20,142	23,648	27,374	24,950	26,354
NOI attributable to noncontrolling interests <sup>(2)</sup>	(34,999)	(82,804)	(27,236)	(27,523)	(25,057)
Pro rata net operating income (NOI) <sup>(3)</sup>	\$ 527,178	\$ 559,297	\$ 561,802	\$ 577,120	\$ 604,273
Pro rata NOI:					
Seniors Housing Operating	\$ 195,043	\$ 223,784	\$ 230,197	\$ 228,664	\$ 248,763
Seniors Housing Triple-net	148,360	149,269	142,556	148,541	145,084
Outpatient Medical	112,998	115,043	118,306	123,557	126,213
Long-Term/Post-Acute Care	70,209	70,181	72,595	73,730	82,943
Corporate	568	1,020	(1,852)	2,628	1,270
Pro rata NOI <sup>(3)</sup>	\$ 527,178	\$ 559,297	\$ 561,802	\$ 577,120	\$ 604,273

(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 and includes an adjustment to remove NOI related to certain leasehold properties.

(3) Represents Welltower's pro rata share of NOI. Includes amounts from investments sold or held for sale. NOI related to DownREITs included at 100%.



# CURRENT QUARTER SSNOI BY SEGMENT

(dollars in thousands at Welltower pro rata ownership)

	1Q22	2Q22	3Q22	4Q22	1Q23	Y/o/Y
<b>Seniors Housing Operating</b>						
NOI	\$ 195,043	\$ 223,784	\$ 230,197	\$ 228,664	\$ 248,763	
Non-cash NOI on same store properties	(1,865)	(1,187)	(1,324)	(1,277)	(1,301)	
NOI attributable to non-same store properties	(12,519)	(16,414)	(33,760)	(26,766)	(35,634)	
Currency and ownership adjustments <sup>(1)</sup>	(3,570)	(1,892)	(649)	610	(522)	
Normalizing adjustment for government grants <sup>(2)</sup>	(1,993)	(16,804)	(2,190)	(2,595)	(51)	
Normalizing adjustment for casualty related expenses, net <sup>(3)</sup>	(156)	2,010	1,607	5,515	5,049	
Other normalizing adjustments <sup>(4)</sup>	385	140	—	—	—	
SSNOI <sup>(5)</sup>	175,325	189,637	193,881	204,151	216,304	23.4%
<b>Seniors Housing Triple-net</b>						
NOI	148,360	149,269	142,556	148,541	145,084	
Non-cash NOI on same store properties	(7,727)	(13,320)	(10,878)	(10,378)	(12,561)	
NOI attributable to non-same store properties	(44,561)	(43,146)	(39,741)	(43,968)	(37,903)	
Currency and ownership adjustments <sup>(1)</sup>	(1,656)	(818)	295	371	(212)	
Other normalizing adjustments <sup>(4)</sup>	(213)	—	—	—	—	
SSNOI	94,203	91,985	92,232	94,566	94,408	0.2%
<b>Outpatient Medical</b>						
NOI	112,998	115,043	118,306	123,557	126,213	
Non-cash NOI on same store properties	(3,237)	(3,417)	(3,867)	(4,445)	(4,294)	
NOI attributable to non-same store properties	(1,989)	(4,483)	(5,731)	(9,329)	(11,676)	
Currency and ownership adjustments <sup>(1)</sup>	575	437	192	(153)	180	
Other normalizing adjustments <sup>(4)</sup>	(146)	166	(1,056)	—	(440)	
SSNOI	108,201	107,746	107,844	109,630	109,983	1.6%
<b>Long-Term/Post-Acute Care</b>						
NOI	70,209	70,181	72,595	73,730	82,943	
Non-cash NOI on same store properties	(840)	(725)	(1,654)	(1,526)	(1,538)	
NOI attributable to non-same store properties	(46,869)	(47,050)	(47,914)	(49,478)	(58,075)	
Currency and ownership adjustments <sup>(1)</sup>	(136)	(123)	(84)	(16)	(22)	
Other normalizing adjustments <sup>(4)</sup>	—	—	(327)	—	—	
SSNOI	22,364	22,283	22,616	22,710	23,308	4.2%
<b>Corporate</b>						
NOI	568	1,020	(1,852)	2,628	1,270	
NOI attributable to non-same store properties	(568)	(1,020)	1,852	(2,628)	(1,270)	
SSNOI	—	—	—	—	—	
<b>Total</b>						
NOI	527,178	559,297	561,802	577,120	604,273	
Non-cash NOI on same store properties	(13,669)	(18,649)	(17,723)	(17,626)	(19,694)	
NOI attributable to non-same store properties	(106,506)	(112,113)	(125,294)	(132,169)	(144,558)	
Currency and ownership adjustments <sup>(1)</sup>	(4,787)	(2,396)	(246)	812	(576)	
Normalizing adjustments, net	(2,123)	(14,488)	(1,966)	2,920	4,558	
SSNOI	\$ 400,093	\$ 411,651	\$ 416,573	\$ 431,057	\$ 444,003	11.0%

(1) Includes 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

(2) Represents normalizing adjustment related to amounts recognized related to the Health and Human Services Provider Relief Fund in the United States and similar programs in the United Kingdom and Canada.

(3) Represents normalizing adjustment related to casualty related expenses net of any insurance reimbursements.

(4) Represents aggregate normalizing adjustments which are individually less than 0.50% of SSNOI growth per property type.

(5) SHO SSNOI includes expenses that are directly attributable to the COVID-19 pandemic net of any reimbursements exclusive of those included in (2) above.

# IPNOI RECONCILIATION

(in thousands at Welltower pro rata ownership)

	<u>Seniors Housing Operating</u>	<u>Seniors Housing Triple-net</u>	<u>Outpatient Medical</u>	<u>Long-Term /Post-Acute Care</u>	<u>Corporate</u>	<u>Total</u>
<b>Three months ended March 31, 2023</b>						
Revenues	\$ 1,143,744	\$ 153,001	\$ 185,190	\$ 86,983	\$ 5,147	\$ 1,574,065
Property operating expenses	(894,981)	(7,917)	(58,977)	(4,040)	(3,877)	(969,792)
<b>NOI<sup>(1)</sup></b>	<b>248,763</b>	<b>145,084</b>	<b>126,213</b>	<b>82,943</b>	<b>1,270</b>	<b>604,273</b>
Adjust:						
Interest income	(2,318)	(31,540)	(91)	(6,367)	—	(40,316)
Other income	(2,338)	(826)	(285)	(193)	(1,148)	(4,790)
Sold / held for sale	371	2	115	(1,857)	—	(1,369)
Non operational <sup>(2)</sup>	1,367	—	(265)	(84)	—	1,018
Non In-Place NOI <sup>(3)</sup>	(6,167)	(13,104)	(5,078)	(13,140)	(122)	(37,611)
Timing adjustments <sup>(4)</sup>	283	(27)	1,741	104	—	2,101
Total adjustments	(8,802)	(45,495)	(3,863)	(21,537)	(1,270)	(80,967)
<b>In-Place NOI</b>	<b>239,961</b>	<b>99,589</b>	<b>122,350</b>	<b>61,406</b>	<b>—</b>	<b>523,306</b>
<b>Annualized In-Place NOI</b>	<b>\$ 959,844</b>	<b>\$ 398,356</b>	<b>\$ 489,400</b>	<b>\$ 245,624</b>	<b>\$ —</b>	<b>\$ 2,093,224</b>

(1) Represents Welltower's pro rata share of NOI. See page 8 for more information.

(2) Primarily includes development properties and land parcels.

(3) Primarily represents non-cash NOI.

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

# RECONCILIATIONS OF SHO SS RevPOR GROWTH, SSNOI GROWTH AND SSNOI/UNIT

(dollars in thousands, except SS REVPOR and SSNOI/unit)

	United States		United Kingdom		Canada		Total	
	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23	1Q22	1Q23
<b>SHO SS RevPOR Growth</b>								
Consolidated SHO revenues	\$ 786,071	\$ 913,152	\$ 101,099	\$ 109,328	\$ 109,442	\$ 114,201	\$ 996,612	\$ 1,136,681
Unconsolidated SHO revenues attributable to WELL <sup>(1)</sup>	26,834	35,174	—	1,174	22,274	23,232	49,108	59,580
SHO revenues attributable to noncontrolling interests <sup>(2)</sup>	(43,901)	(18,432)	(9,367)	(11,234)	(22,473)	(22,851)	(75,741)	(52,517)
SHO pro rata revenues <sup>(3)</sup>	769,004	929,894	91,732	99,268	109,243	114,582	969,979	1,143,744
Non-cash and non-RevPOR revenues on same store properties	(2,404)	(1,981)	(5)	(27)	(30)	(340)	(2,439)	(2,348)
Revenues attributable to non-same store properties	(77,075)	(156,775)	(2,756)	(4,690)	(7,899)	(12,297)	(87,730)	(173,762)
Currency and ownership adjustments <sup>(4)</sup>	15,127	—	(9,385)	(1,113)	(7,619)	(1,298)	(1,877)	(2,411)
SHO SS revenues <sup>(5)</sup>	704,652	771,138	79,586	93,438	93,695	100,647	877,933	965,223
Avg. occupied units/month <sup>(6)</sup>	43,152	44,318	3,122	3,461	11,234	11,442	57,508	59,221
SHO SS RevPOR <sup>(7)</sup>	\$ 5,519	\$ 5,881	\$ 8,615	\$ 9,124	\$ 2,819	\$ 2,973	\$ 5,159	\$ 5,508
SS RevPOR YOY growth		6.6 %		5.9 %		5.5 %		6.8 %
<b>SHO SSNOI Growth</b>								
Consolidated SHO NOI	\$ 160,239	\$ 199,833	\$ 18,224	\$ 19,197	\$ 26,155	\$ 30,568	\$ 204,618	\$ 249,598
Unconsolidated SHO NOI attributable to WELL <sup>(1)</sup>	3,616	5,859	—	(558)	5,950	6,825	9,566	12,126
SHO NOI attributable to noncontrolling interests <sup>(2)</sup>	(12,801)	(5,560)	(1,345)	(1,962)	(4,866)	(5,438)	(19,012)	(12,960)
SHO pro rata NOI <sup>(3)</sup>	151,054	200,132	16,879	16,677	27,239	31,955	195,172	248,764
Non-cash NOI on same store properties	(1,873)	(1,296)	(4)	(4)	12	(1)	(1,865)	(1,301)
NOI attributable to non-same store properties	(9,639)	(30,907)	354	660	(3,363)	(5,387)	(12,648)	(35,634)
Currency and ownership adjustments <sup>(4)</sup>	6	20	(1,784)	(205)	(1,792)	(339)	(3,570)	(524)
Normalizing adjustment for government grants <sup>(8)</sup>	(582)	(51)	(416)	—	(995)	—	(1,993)	(51)
Normalizing adjustment for casualty related expenses <sup>(9)</sup>	(156)	5,068	—	—	—	(18)	(156)	5,050
Other normalizing adjustments <sup>(10)</sup>	385	—	—	—	—	—	385	—
SHO pro rata SSNOI <sup>(5)</sup>	\$ 139,195	\$ 172,966	\$ 15,029	\$ 17,128	\$ 21,101	\$ 26,210	\$ 175,325	\$ 216,304
SHO SSNOI growth		24.3 %		14.0 %		24.2 %		23.4 %
<b>SHO SSNOI/Unit</b>								
Trailing four quarters' SSNOI <sup>(5)</sup>		\$ 639,686		\$ 62,854		\$ 101,433		\$ 803,973
Average units in service <sup>(11)</sup>		55,809		4,397		14,341		74,547
SSNOI/unit in USD		\$ 11,462		\$ 14,295		\$ 7,073		\$ 10,785
SSNOI/unit in local currency <sup>(4)</sup>				£ 11,913		\$ 9,689		

(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 and includes an adjustment to remove revenues and NOI related to certain leasehold properties.

(3) Represents SHO revenues/NOI 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/SSNOI at Welltower pro rata ownership.

(6) Represents average occupied units for SS properties related solely to referenced country on a pro rata basis.

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

(8) Represents normalizing adjustment for amounts recognized related to the Health and Human Services Provider Relief Fund in the United States and similar programs in the United Kingdom and Canada.

(9) Represents normalizing adjustment related to casualty related expenses net of any insurance reimbursement.

(10) Represents aggregate normalizing adjustments which are individually less than .50% of SSNOI growth.

(11) Represents average units in service for SS properties related solely to referenced country on a pro rata basis.

# RECONCILIATIONS OF SHO SS ExpPOR GROWTH

(dollars in thousands, except SS ExpPOR and units)

## SHO SS ExpPOR Growth

	<u>March 31, 2022</u>	<u>March 31, 2023</u>
Consolidated SHO property operating expenses	\$ 791,975	\$ 887,083
Unconsolidated SHO expenses attributable to WELL <sup>(1)</sup>	39,545	47,454
SHO expenses attributable to noncontrolling interests <sup>(2)</sup>	(56,177)	(39,556)
SHO pro rata expenses <sup>(3)</sup>	<u>775,343</u>	<u>894,981</u>
Non-cash expenses on same store properties	(416)	(389)
Expenses attributable to non-same store properties	(75,614)	(138,124)
Currency and ownership adjustments <sup>(4)</sup>	1,689	(1,892)
Normalizing adjustment for government grants <sup>(5)</sup>	1,993	51
Normalizing adjustment for casualty related expenses <sup>(6)</sup>	156	(5,050)
Other normalizing adjustments <sup>(7)</sup>	(385)	—
SHO SS expenses <sup>(8)</sup>	<u>\$ 702,766</u>	<u>\$ 749,577</u>
Average occupied units/month <sup>(9)</sup>	57,508	59,221
SHO SS ExpPOR <sup>(10)</sup>	<u>\$ 4,130</u>	<u>\$ 4,278</u>
SS ExpPOR YOY growth		3.6 %

(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 and includes an adjustment to remove property operating expenses related to certain leasehold properties.

(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 amounts recognized related to the Health and Human Services Provider Relief Fund in the United States and similar programs in the United Kingdom and Canada.

(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.

# RECONCILIATIONS OF SHO SS ExpPOR GROWTH (cont.)

(dollars in thousands, except SS ExpPOR and units)

	1Q21	1Q22	2Q21	2Q22	3Q21	3Q22	4Q21	4Q22
<b>SHO SS ExpPOR Growth</b>								
Consolidated SHO property operating expenses	\$ 555,968	\$ 789,928	\$ 582,361	\$ 789,299	\$ 666,610	\$ 841,914	\$ 724,405	\$ 870,904
Unconsolidated SHO expenses attributable to WELL <sup>(1)</sup>	31,311	39,518	33,678	39,509	27,469	34,099	30,546	40,160
SHO expenses attributable to noncontrolling interests <sup>(2)</sup>	(48,221)	(54,510)	(31,555)	(51,630)	(49,838)	(44,457)	(56,350)	(44,582)
SHO pro rata expenses <sup>(3)</sup>	539,058	774,936	584,484	777,178	644,241	831,556	698,601	866,482
Non-cash expenses on same store properties	16	(488)	(12,839)	(409)	(421)	(385)	106	(360)
Expenses attributable to non-same store properties	(79,318)	(237,454)	(87,220)	(251,091)	(138,088)	(281,292)	(116,235)	(246,391)
Currency and ownership adjustments <sup>(4)</sup>	87	(572)	(1,111)	1,653	209	4,272	1,598	7,931
Normalizing adjustment for casualty related expenses <sup>(5)</sup>	—	—	(1,824)	(1,259)	(1,130)	(945)	(4,442)	(2,735)
Normalizing adjustment for government grants <sup>(6)</sup>	32,457	1,304	8,130	15,777	4,978	2,435	12,599	2,330
Normalizing adjustment for prior period allowance <sup>(7)</sup>	—	—	(1,670)	—	—	—	—	—
Normalizing adjustment for management fee reduction <sup>(8)</sup>	—	—	2,044	—	—	—	—	—
Other normalizing adjustments <sup>(9)</sup>	(770)	249	356	—	(184)	—	(312)	—
SHO SS expenses <sup>(10)</sup>	\$ 491,530	\$ 537,975	\$ 490,350	\$ 541,849	\$ 509,605	\$ 555,641	\$ 591,915	\$ 627,257
Average occupied units/month <sup>(11)</sup>	38,479	40,908	38,854	41,469	40,187	42,260	49,987	51,251
SHO SS ExpPOR <sup>(12)</sup>	\$ 4,317	\$ 4,445	\$ 4,218	\$ 4,367	\$ 4,192	\$ 4,347	\$ 3,915	\$ 4,046
SS ExpPOR YOY growth		3.0 %		3.5 %		3.7 %		3.3 %

	1Q20	1Q21	2Q20	2Q21	3Q20	3Q21	4Q20	4Q21
Consolidated SHO property operating expenses	\$ 607,871	\$ 555,968	\$ 595,513	\$ 582,361	\$ 567,704	\$ 666,610	\$ 555,223	\$ 724,405
Unconsolidated SHO expenses attributable to WELL <sup>(1)</sup>	29,442	31,311	29,139	33,678	30,251	27,469	29,993	30,546
SHO expenses attributable to noncontrolling interests <sup>(2)</sup>	(54,780)	(48,221)	(51,610)	(31,555)	(47,199)	(49,838)	(45,751)	(56,350)
SHO pro rata expenses <sup>(3)</sup>	582,533	539,058	573,042	584,484	550,756	644,241	539,465	698,601
Non-cash expenses on same store properties	82	(17)	110	(12,909)	216	(477)	(470)	(527)
Expenses attributable to non-same store properties	(61,662)	(60,246)	(54,837)	(63,495)	(45,090)	(118,711)	(81,958)	(197,811)
Currency and ownership adjustments <sup>(4)</sup>	7,223	106	11,878	(2,494)	712	(228)	2,740	368
Normalizing adjustment for casualty related expenses <sup>(5)</sup>	—	—	—	(1,192)	—	(1,387)	—	(3,942)
Normalizing adjustment for government grants <sup>(6)</sup>	—	33,770	—	9,327	—	5,166	9,586	13,680
Normalizing adjustment for prior period allowance <sup>(7)</sup>	—	—	—	(1,527)	—	—	—	—
Normalizing adjustment for management fee reduction <sup>(8)</sup>	—	—	—	2,058	—	—	—	—
Normalizing adjustment for policy change <sup>(13)</sup>	—	—	(518)	—	—	—	—	—
Other normalizing adjustments <sup>(9)</sup>	(1,658)	—	333	356	(254)	(98)	(171)	101
SHO SS expenses <sup>(10)</sup>	\$ 526,518	\$ 512,671	\$ 530,008	\$ 514,608	\$ 506,340	\$ 528,506	\$ 469,192	\$ 510,470
Average occupied units/month <sup>(11)</sup>	44,023	38,056	42,583	39,074	40,736	39,716	38,190	38,686
SHO SS ExpPOR <sup>(12)</sup>	\$ 4,042	\$ 4,553	\$ 4,160	\$ 4,402	\$ 4,109	\$ 4,400	\$ 4,062	\$ 4,363
SS ExpPOR YOY growth		12.6 %		5.8 %		7.1 %		7.4 %

(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 and includes an adjustment to remove property operating expenses related to certain leasehold properties.

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

(4) Includes where appropriate adjustments to reflect consistent property ownership percentages and foreign currency rates.

(5) Represents normalizing adjustment related to casualty related expenses net of any insurance reimbursements.

(6) Represents normalizing adjustment related to amounts recognized related to the Health and Human Services Provider Relief Fund in the United States and similar programs in the United Kingdom and Canada.

(7) Represents normalizing adjustment related to an allowance of prior period rent related to one Seniors Housing Operating lease.

(8) Represents normalizing adjustment related to a management fee reduction for one Seniors Housing Operating partner.

(9) Represents aggregate normalizing adjustments which are individually less than .50% of SSNOI growth.

(10) Represents SHO same store property operating expenses at Welltower pro rata ownership.

(11) Represents average occupied units for SS properties.

(12) Represents pro rata SS average expenses per occupied room per month.

(13) Represents normalizing adjustment to reflect the application of consistent policies for all periods presented for one Seniors Housing Operator.

# RECONCILIATIONS OF SHO SS ExpPOR GROWTH (cont.)

(dollars in thousands, except SS ExpPOR and units)

	1Q19	1Q20	2Q19	2Q20	3Q19	3Q20	4Q19	4Q20
<b>SHO SS ExpPOR Growth</b>								
Consolidated SHO property operating expenses	\$ 607,686	\$ 607,871	\$ 637,317	\$ 595,513	\$ 581,341	\$ 567,704	\$ 591,005	\$ 555,223
Unconsolidated SHO expenses attributable to WELL <sup>(1)</sup>	27,308	29,442	26,084	29,139	26,502	30,245	27,627	29,993
SHO expenses attributable to noncontrolling interests <sup>(2)</sup>	(54,077)	(54,780)	(55,565)	(51,610)	(53,061)	(47,194)	(53,737)	(45,751)
SHO pro rata expenses <sup>(3)</sup>	580,917	582,533	607,836	573,042	554,782	550,755	564,895	539,465
Non-cash expenses on same store properties	(1,203)	39	(779)	118	2,976	159	(148)	(503)
Expenses attributable to non-same store properties	(163,643)	(134,942)	(138,064)	(86,447)	(67,115)	(63,384)	(59,195)	(54,240)
Currency and ownership adjustments <sup>(4)</sup>	4,781	1,757	(1,673)	2,668	2,277	1,169	40	(1,642)
Normalizing adjustment for government grants <sup>(5)</sup>	—	—	—	—	—	—	—	11,797
Normalizing adjustment for insurance reimbursement <sup>(6)</sup>	2,174	—	—	—	—	—	—	—
Normalizing adjustment for health insurance costs <sup>(7)</sup>	—	(1,499)	—	—	—	—	—	—
Normalizing adjustment for real estate taxes <sup>(8)</sup>	2,492	—	—	—	—	—	—	—
Other normalizing adjustments <sup>(9)</sup>	378	(517)	351	(519)	823	(518)	(372)	(173)
SHO SS expenses <sup>(10)</sup>	\$ 425,896	\$ 447,371	\$ 467,671	\$ 488,862	\$ 493,743	\$ 488,181	\$ 505,220	\$ 494,704
Average occupied units/month <sup>(11)</sup>	37,092	36,852	42,724	40,839	43,271	39,705	43,541	38,968
SHO SS ExpPOR <sup>(12)</sup>	\$ 3,881	\$ 4,103	\$ 3,659	\$ 4,001	\$ 3,772	\$ 4,065	\$ 3,836	\$ 4,197
SS ExpPOR YOY growth		5.7 %		9.3 %		7.8 %		9.4 %

  

	1Q18	1Q19	2Q18	2Q19	3Q18	3Q19	4Q18	4Q19
Consolidated SHO property operating expenses	\$ 511,941	\$ 607,686	\$ 525,662	\$ 637,317	\$ 610,659	\$ 581,341	\$ 607,170	\$ 591,005
Unconsolidated SHO expenses attributable to WELL <sup>(1)</sup>	26,759	27,308	26,469	26,084	26,559	26,502	27,475	27,627
SHO expenses attributable to noncontrolling interests <sup>(2)</sup>	(54,063)	(54,077)	(53,853)	(55,565)	(51,693)	(53,061)	(52,233)	(53,737)
SHO pro rata expenses <sup>(3)</sup>	484,637	580,917	498,278	607,836	585,525	554,782	582,412	564,895
Non-cash expenses on same store properties	874	(1,203)	795	(779)	852	2,967	450	(164)
Expenses attributable to non-same store properties	(55,735)	(109,753)	(133,752)	(191,910)	(177,557)	(134,811)	(179,733)	(140,680)
Currency and ownership adjustments <sup>(4)</sup>	(4,856)	900	1,505	3,833	3,782	2,889	5,339	984
Normalizing adjustment for SH-NNN to SHO conversions <sup>(13)</sup>	32,028	—	33,004	—	—	—	—	—
Normalizing adjustment for insurance reimbursement <sup>(6)</sup>	—	2,174	—	—	—	—	—	—
Normalizing adjustment for real estate taxes <sup>(8)</sup>	—	2,492	—	—	—	—	—	—
Other normalizing adjustments <sup>(9)</sup>	(87)	(295)	(366)	—	245	—	712	(736)
SHO SS expenses <sup>(10)</sup>	\$ 456,861	\$ 475,232	\$ 399,464	\$ 418,980	\$ 412,847	\$ 425,827	\$ 409,180	\$ 424,299
Average occupied units/month <sup>(11)</sup>	38,296	38,605	35,852	36,069	36,516	36,373	35,599	35,442
SHO SS ExpPOR <sup>(12)</sup>	\$ 4,032	\$ 4,160	\$ 3,724	\$ 3,883	\$ 3,738	\$ 3,871	\$ 3,800	\$ 3,958
SS ExpPOR YOY growth		3.2 %		4.3 %		3.6 %		4.2 %

(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 and includes an adjustment to remove property operating expenses related to certain leasehold properties.

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

(4) Includes where appropriate adjustments to reflect consistent property ownership percentages and foreign currency rates.

(5) Represents normalizing adjustment related to amounts recognized related to the Health and Human Services Provider Relief Fund in the United States and similar programs in the United Kingdom and Canada.

(6) Represents normalizing adjustment related to insurance reimbursements for one Seniors Housing Operating property.

(7) Represents normalizing adjustment related to health insurance costs for prior periods for two Seniors Housing Operating properties.

(8) Represents normalizing adjustment related to real estate taxes for one Seniors Housing Operating property.

(9) Represents aggregate normalizing adjustments which are individually less than .50% of SSNOI growth.

(10) Represents SHO same store property operating expenses at Welltower pro rata ownership.

(11) Represents average occupied units for SS properties.

(12) Represents pro rata SS average expenses per occupied room per month.

(13) Represents normalizing adjustment to reflect the application of consistent policies for all periods presented for one Seniors Housing Operator.

# SHO RevPOR

(dollars in thousands, except RevPOR)

	Three months ended March 31, 2023			
	United States	United Kingdom	Canada	Total
Consolidated SHO revenues	\$ 913,152	\$ 109,328	\$ 114,201	\$ 1,136,681
Unconsolidated SHO revenues attributable to Welltower <sup>(1)</sup>	35,174	1,174	23,232	59,580
SHO revenues attributable to noncontrolling interests <sup>(2)</sup>	(18,432)	(11,234)	(22,851)	(52,517)
Pro rata SHO revenues <sup>(3)</sup>	929,894	99,268	114,582	1,143,744
SHO interest and other income	(13,722)	(66)	(439)	(14,227)
SHO revenues attributable to sold and held for sale properties	(1,119)	—	—	(1,119)
Currency and ownership adjustments <sup>(4)</sup>	(2,175)	(1,167)	(1,594)	(4,936)
SHO local revenues	912,878	98,035	112,549	1,123,462
Average occupied units/month	53,962	3,642	13,054	70,658
RevPOR/month in USD	<u>\$ 5,717</u>	<u>\$ 9,097</u>	<u>\$ 2,914</u>	<u>\$ 5,374</u>
RevPOR/month in local currency <sup>(4)</sup>		<u>£ 7,581</u>	<u>\$ 3,992</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 and includes an adjustment to remove revenues and NOI related to certain leasehold properties.

(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.



# 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. We primarily use these measures to determine our interest coverage ratio, which represents EBITDA and Adjusted EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA and Adjusted EBITDA divided by fixed charges. Fixed charges include total interest, secured debt principal amortization and preferred dividends. Our leverage ratios include net debt to Adjusted EBITDA, book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and restricted cash), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock. Our leverage ratios are defined as the proportion of net debt to total capitalization.



# EBITDA AND ADJUSTED EBITDA QUARTERLY RECONCILIATIONS

(dollars in thousands)

	Three Months Ended				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Net income (loss)	\$ 65,751	\$ 95,672	\$ (2,653)	\$ 1,798	\$ 28,635
Interest expense	121,696	127,750	139,682	140,391	144,403
Income tax expense (benefit)	5,013	3,065	3,257	(4,088)	3,045
Depreciation and amortization	304,088	310,295	353,699	342,286	339,112
<b>EBITDA</b>	<b>496,548</b>	<b>536,782</b>	<b>493,985</b>	<b>480,387</b>	<b>515,195</b>
Loss (income) from unconsolidated entities	2,884	7,058	6,698	4,650	7,071
Stock-based compensation	7,442	5,901	6,115	6,569	9,124
Loss (gain) on extinguishment of debt, net	(12)	603	2	87	5
Loss (gain) on real estate dispositions, net	(22,934)	3,532	(1,064)	4,423	(747)
Impairment of assets	—	—	4,356	13,146	12,629
Provision for loan losses, net	(804)	165	490	10,469	777
Loss (gain) on derivatives and financial instruments, net	2,578	(1,407)	6,905	258	930
Other expenses	26,069	35,166	15,481	24,954	22,745
Lease termination and leasehold interest adjustment <sup>(1)</sup>	(8,457)	(56,397)	—	—	—
Casualty losses, net of recoveries	13	2,673	328	7,377	4,487
Other impairment <sup>(2)</sup>	—	(620)	—	—	—
<b>Total adjustments</b>	<b>6,779</b>	<b>(3,326)</b>	<b>39,311</b>	<b>71,933</b>	<b>57,021</b>
<b>Adjusted EBITDA</b>	<b>\$ 503,327</b>	<b>\$ 533,456</b>	<b>\$ 533,296</b>	<b>\$ 552,320</b>	<b>\$ 572,216</b>
<b>Interest Coverage Ratios:</b>					
Interest expense	\$ 121,696	\$ 127,750	\$ 139,682	\$ 140,391	\$ 144,403
Capitalized interest	5,479	6,387	8,863	9,762	10,335
Non-cash interest expense	(4,109)	(6,606)	(6,759)	(4,280)	(5,083)
<b>Total interest</b>	<b>\$ 123,066</b>	<b>\$ 127,531</b>	<b>\$ 141,786</b>	<b>\$ 145,873</b>	<b>\$ 149,655</b>
EBITDA	\$ 496,548	\$ 536,782	\$ 493,985	\$ 480,387	\$ 515,195
Interest coverage ratio	4.03 x	4.21 x	3.48 x	3.29 x	3.44 x
Adjusted EBITDA	\$ 503,327	\$ 533,456	\$ 533,296	\$ 552,320	\$ 572,216
Adjusted interest coverage ratio	4.09 x	4.18 x	3.76 x	3.79 x	3.82 x
<b>Fixed Charge Coverage Ratios:</b>					
Total interest	\$ 123,066	\$ 127,531	\$ 141,786	\$ 145,873	\$ 149,655
Secured debt principal amortization	15,968	14,382	13,775	13,989	14,942
<b>Total fixed charges</b>	<b>\$ 139,034</b>	<b>\$ 141,913</b>	<b>\$ 155,561</b>	<b>\$ 159,862</b>	<b>\$ 164,597</b>
EBITDA	\$ 496,548	\$ 536,782	\$ 493,985	\$ 480,387	\$ 515,195
Fixed charge coverage ratio	3.57 x	3.78 x	3.18 x	3.01 x	3.13 x
Adjusted EBITDA	\$ 503,327	\$ 533,456	\$ 533,296	\$ 552,320	\$ 572,216
Adjusted fixed charge coverage ratio	3.62 x	3.76 x	3.43 x	3.45 x	3.48 x
<b>Net Debt Ratios:</b>					
Total debt <sup>(3)</sup>	\$ 14,652,497	\$ 15,144,432	\$ 15,210,358	\$ 14,661,552	\$ 15,074,320
Less: cash and cash equivalents and restricted cash	(362,645)	(442,251)	(425,184)	(722,292)	(638,796)
Net debt	\$ 14,289,852	\$ 14,702,181	\$ 14,785,174	\$ 13,939,260	\$ 14,435,524
EBITDA Annualized	\$ 1,986,192	\$ 2,147,128	\$ 1,975,940	\$ 1,921,548	\$ 2,060,780
Net debt to EBITDA ratio	7.19 x	6.85 x	7.48 x	7.25 x	7.00 x
Adjusted EBITDA Annualized	\$ 2,013,308	\$ 2,133,824	\$ 2,133,184	\$ 2,209,280	\$ 2,288,864
Net debt to Adjusted EBITDA ratio	7.10 x	6.89 x	6.93 x	6.31 x	6.31 x

(1) Effective April 1, 2022, our leasehold interest relating to the master lease with National Health Investors ("NHI") for 17 properties assumed in conjunction with the Holiday Retirement acquisition was terminated as a result of the transition or sale of the properties by NHI. We recognized a gain of \$58,621,000 related to the termination of this lease in other income. The net impact of these leasehold properties inclusive of the gain has been excluded from Adjusted EBITDA.

(2) Primarily related to the release of previously reserved straight-line receivables.

(3) Includes unamortized premiums/discounts, other fair value adjustments and financing lease liabilities. Excludes operating lease liabilities related to ASC 842 adoption.

# EBITDA AND ADJUSTED EBITDA TRAILING TWELVE MONTHS RECONCILIATIONS

(dollars in thousands)

	Twelve Months Ended				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Net income	\$ 368,038	\$ 417,953	\$ 224,964	\$ 160,568	\$ 123,452
Interest expense	488,407	493,816	510,976	529,519	552,226
Income tax expense (benefit)	9,783	15,069	13,386	7,247	5,279
Depreciation and amortization	1,097,228	1,166,638	1,252,583	1,310,368	1,345,392
EBITDA	1,963,456	2,093,476	2,001,909	2,007,702	2,026,349
Loss (income) from unconsolidated entities	38,866	37,948	28,814	21,290	25,477
Stock-based compensation	18,994	20,766	22,402	26,027	27,709
Loss (gain) on extinguishment of debt, net	54,505	(504)	(497)	680	697
Loss (gain) on real estate dispositions, net	(199,229)	(151,029)	(32,139)	(16,043)	6,144
Impairment of assets	27,539	3,847	6,713	17,502	30,131
Provision of loan losses, net	5,083	(949)	(188)	10,320	11,098
Loss (gain) on derivatives and financial instruments, net	(6,689)	(7,737)	7,246	8,334	5,751
Other expenses	56,814	80,293	92,199	101,670	98,346
Lease termination and leasehold interest adjustment <sup>(1)</sup>	(7,697)	(64,094)	(63,454)	(64,854)	(56,397)
Casualty losses, net of recoveries	5,799	8,472	7,802	10,391	14,865
Other impairment <sup>(2)</sup>	—	(620)	(620)	(620)	(620)
Total adjustments	(6,015)	(73,607)	68,278	114,697	163,201
Adjusted EBITDA	\$ 1,957,441	\$ 2,019,869	\$ 2,070,187	\$ 2,122,399	\$ 2,189,550
Interest Coverage Ratios:					
Interest expense	\$ 488,407	\$ 493,816	\$ 510,976	\$ 529,519	\$ 552,226
Capitalized interest	20,335	21,860	26,054	30,491	35,347
Non-cash interest expense	(18,624)	(21,258)	(18,679)	(21,754)	(22,728)
Total interest	490,118	494,418	518,351	538,256	564,845
EBITDA	\$ 1,963,456	\$ 2,093,476	\$ 2,001,909	\$ 2,007,702	\$ 2,026,349
Interest coverage ratio	4.01 x	4.23 x	3.86 x	3.73 x	3.59 x
Adjusted EBITDA	\$ 1,957,441	\$ 2,019,869	\$ 2,070,187	\$ 2,122,399	\$ 2,189,550
Adjusted interest coverage ratio	3.99 x	4.09 x	3.99 x	3.94 x	3.88 x
Fixed Charge Coverage Ratios:					
Total interest	\$ 490,118	\$ 494,418	\$ 518,351	\$ 538,256	\$ 564,845
Secured debt principal amortization	65,600	64,267	61,002	58,114	57,088
Total fixed charges	555,718	558,685	579,353	596,370	621,933
EBITDA	\$ 1,963,456	\$ 2,093,476	\$ 2,001,909	\$ 2,007,702	\$ 2,026,349
Fixed charge coverage ratio	3.53 x	3.75 x	3.46 x	3.37 x	3.26 x
Adjusted EBITDA	\$ 1,957,441	\$ 2,019,869	\$ 2,070,187	\$ 2,122,399	\$ 2,189,550
Adjusted fixed charge coverage ratio	3.52 x	3.62 x	3.57 x	3.56 x	3.52 x

(1) Effective April 1, 2022, our leasehold interest relating to the master lease with National Health Investors ("NHI") for 17 properties assumed in conjunction with the Holiday Retirement acquisition was terminated as a result of the transition or sale of the properties by NHI. We recognized a gain of \$58,621,000 related to the termination of this lease in other income. The net impact of these leasehold properties inclusive of the gain has been excluded from Adjusted EBITDA.

(2) Primarily related to the release of previously reserved straight-line receivables.

# CAPITALIZATION RATIOS QUARTERLY

(Amounts in thousands, except share price)

	As of				
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
<b>Book capitalization:</b>					
Unsecured credit facility and commercial paper	\$ 299,968	\$ 354,000	\$ 654,715	\$ —	\$ —
Long-term debt obligations <sup>(1)</sup>	14,352,529	14,790,432	14,555,643	14,661,552	15,074,320
Cash & cash equivalents and restricted cash	(367,043)	(442,251)	(425,184)	(722,292)	(638,796)
Total net debt	14,285,454	14,702,181	14,785,174	13,939,260	14,435,524
Total equity and noncontrolling interest <sup>(2)</sup>	19,178,026	19,873,913	20,457,650	21,393,996	21,596,155
Book capitalization	\$ 33,463,480	\$ 34,576,094	\$ 35,242,824	\$ 35,333,256	\$ 36,031,679
Net debt to book capitalization ratio	42.7 %	42.5 %	42.0 %	39.5 %	40.1 %
<b>Undepreciated book capitalization:</b>					
Total net debt	\$ 14,285,454	\$ 14,702,181	\$ 14,785,174	\$ 13,939,260	\$ 14,435,524
Accumulated depreciation and amortization	7,215,622	7,437,779	7,687,077	8,075,733	8,417,151
Total equity and noncontrolling interest <sup>(2)</sup>	19,178,026	19,873,913	20,457,650	21,393,996	21,596,155
Undepreciated book capitalization	\$ 40,679,102	\$ 42,013,873	\$ 42,929,901	\$ 43,408,989	\$ 44,448,830
Net debt to undepreciated book capitalization ratio	35.1 %	35.0 %	34.4 %	32.1 %	32.5 %
<b>Market capitalization:</b>					
Common shares outstanding	453,948	463,369	472,517	490,509	496,295
Period end share price	\$ 96.14	\$ 82.35	\$ 64.32	\$ 65.55	\$ 71.69
Common equity market capitalization	\$ 43,642,561	\$ 38,158,437	\$ 30,392,293	\$ 32,152,865	\$ 35,579,389
Total net debt	14,285,454	14,702,181	14,785,174	13,939,260	14,435,524
Noncontrolling interests <sup>(2)</sup>	1,282,450	1,317,733	1,288,343	1,099,182	1,148,000
Enterprise value	\$ 59,210,465	\$ 54,178,351	\$ 46,465,810	\$ 47,191,307	\$ 51,162,913
Net debt to market capitalization ratio	24.1 %	27.1 %	31.8 %	29.5 %	28.2 %

(1) Amounts include senior unsecured notes, secured debt and lease liabilities related to financing leases, as reflected on our 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.