

NON-GAAP FINANCIAL MEASURES

Quarter Ended December 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 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 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, health emergencies (such as the COVID-19 pandemic) 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				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net income (loss) attributable to common stockholders	\$ (3,728)	\$ 25,673	\$ 103,040	\$ 127,470	\$ 83,911
Depreciation and amortization	342,286	339,112	341,945	339,314	380,730
Impairments and losses (gains) on real estate dispositions, net	17,569	11,882	3,254	(63,714)	16,777
Noncontrolling interests ⁽¹⁾	(13,989)	(13,327)	(12,841)	(8,789)	(11,436)
Unconsolidated entities ⁽²⁾	15,847	22,722	30,784	24,843	21,877
NAREIT FFO attributable to common stockholders	357,985	386,062	466,182	419,124	491,859
Normalizing items:					
Loss (gain) on derivatives and financial instruments, net	258	930	1,280	2,885	(7,215)
Loss (gain) on extinguishment of debt, net	87	5	1	1	—
Provision for loan losses, net	10,469	777	2,456	4,059	2,517
Income tax benefits	(6,784)	(246)	—	—	(6,731)
Other impairment	—	—	—	12,309	4,333
Other expenses	24,954	22,745	11,069	38,220	36,307
Leasehold interest termination	—	—	(65,485)	—	—
Casualty losses, net of recoveries	7,377	4,487	3,568	1,014	1,038
Foreign currency loss (gain)	(1,090)	(227)	(345)	82	(1,139)
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	10,976	5,000	32,138	7,834	8,650
Normalized FFO attributable to common stockholders	\$ 404,232	\$ 419,533	\$ 450,864	\$ 485,528	\$ 529,619
Average diluted common shares outstanding:					
For net income (loss) purposes	483,305	494,494	501,970	525,138	552,380
For FFO purposes	486,419	494,494	501,970	525,138	552,380
Net income (loss) attributable to common stockholders per share:					
Diluted ⁽³⁾	\$ (0.01)	\$ 0.05	\$ 0.20	\$ 0.24	\$ 0.15
NAREIT FFO attributable to common stockholders per share:					
Diluted	\$ 0.74	\$ 0.78	\$ 0.93	\$ 0.80	\$ 0.89
Normalized FFO attributable to common stockholders per share:					
Diluted	\$ 0.83	\$ 0.85	\$ 0.90	\$ 0.92	\$ 0.96
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	\$ 0.74	\$ 0.78	\$ 0.93	\$ 0.80	\$ 0.89
NAREIT FFO Payout Ratio	82 %	78 %	66 %	76 %	69 %
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	\$ 0.83	\$ 0.85	\$ 0.90	\$ 0.92	\$ 0.96
Normalized FFO Payout Ratio	73 %	72 %	68 %	66 %	64 %
Other items: ⁽⁴⁾					
Net straight-line rent and above/below market rent amortization ⁽⁵⁾	\$ (26,539)	\$ (33,384)	\$ (30,336)	\$ (32,340)	\$ (39,296)
Non-cash interest expenses ⁽⁶⁾	6,167	5,878	6,574	7,191	7,609
Recurring cap-ex, tenant improvements, and lease commissions	(62,122)	(36,913)	(40,694)	(50,026)	(71,726)
Stock-based compensation	6,569	9,124	10,491	8,578	8,418

(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 Units and DownREIT Units.

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

(5) Excludes normalized other impairment.

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

FFO ANNUAL RECONCILIATIONS

(in thousands, except per share information)

	Year Ended				
	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Net income (loss) attributable to common stockholders	\$ 1,232,432	\$ 978,844	\$ 336,138	\$ 141,214	\$ 340,094
Depreciation and amortization	1,027,073	1,038,437	1,037,566	1,310,368	1,401,101
Impairments and losses (gains) on real estate dispositions, net	(719,908)	(952,847)	(184,268)	1,459	(31,801)
Noncontrolling interests ⁽¹⁾	(20,197)	(23,968)	(54,190)	(56,529)	(46,393)
Unconsolidated entities ⁽²⁾	57,680	62,096	85,476	81,560	100,226
NAREIT FFO attributable to common stockholders	1,577,080	1,102,562	1,220,722	1,478,072	1,763,227
Normalizing items:					
Loss (gain) on derivatives and financial instruments, net	(4,399)	11,049	(7,333)	8,334	(2,120)
Loss (gain) on extinguishment of debt, net	84,155	47,049	49,874	680	7
Provision for loan losses, net	18,690	94,436	7,270	10,320	9,809
Incremental interest expense	—	5,871	—	—	—
Income tax benefits	(8,681)	—	(6,298)	(6,784)	(6,977)
Other impairment	—	146,508	49,241	(620)	16,642
Other expenses	52,612	70,335	41,739	101,670	108,341
Lease termination and leasehold interest adjustment	—	—	760	(64,854)	(65,485)
Casualty losses, net of recoveries	—	—	5,786	10,391	10,107
Foreign currency loss (gain)	—	—	—	2,787	(1,629)
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	(40,741)	6,370	6,777	18,274	53,622
Normalized FFO attributable to common stockholders	\$ 1,678,716	\$ 1,484,180	\$ 1,368,538	\$ 1,558,270	\$ 1,885,544
Average common shares outstanding:					
Diluted	403,808	417,387	426,841	465,158	518,701
Net income (loss) attributable to common stockholders per share:					
Diluted ⁽³⁾	\$ 3.05	\$ 2.33	\$ 0.78	\$ 0.30	\$ 0.66
NAREIT FFO attributable to common stockholders per share:					
Diluted	\$ 3.91	\$ 2.64	\$ 2.86	\$ 3.18	\$ 3.40
Normalized FFO attributable to common stockholders per share:					
Diluted	\$ 4.16	\$ 3.56	\$ 3.21	\$ 3.35	\$ 3.64
NAREIT FFO Payout Ratio:					
Dividends per common share	\$ 3.48	\$ 2.7	\$ 2.44	\$ 2.44	\$ 2.44
NAREIT FFO attributable to common stockholders per diluted share	\$ 3.91	\$ 2.64	\$ 2.86	\$ 3.18	\$ 3.40
NAREIT FFO payout ratio	89 %	102 %	85 %	77 %	72 %
Normalized FFO Payout Ratio:					
Dividends per common share	\$ 3.48	\$ 2.7	\$ 2.44	\$ 2.44	\$ 2.44
Normalized FFO attributable to common stockholders per diluted share	\$ 4.16	\$ 3.56	\$ 3.21	\$ 3.35	\$ 3.64
Normalized FFO payout ratio	84 %	76 %	76 %	73 %	67 %
Other items: ⁽⁴⁾					
Net straight-line rent and above/below market rent amortization ⁽⁵⁾	\$ (97,183)	\$ (90,926)	\$ (77,464)	\$ (106,496)	\$ (135,356)
Non-cash interest expenses ⁽⁶⁾	11,026	11,545	21,599	21,805	27,252
Recurring cap-ex, tenant improvements, and lease commissions	(131,295)	(81,271)	(100,925)	(179,133)	(199,359)
Stock-based compensation	23,487	22,154	16,934	26,027	36,611

(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 other impairment.

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

Earnings Outlook Reconciliation

Outlook Reconciliation: Year Ending December 31, 2024

(in millions, except per share data)

	Current Outlook	
	Low	High
<u>FFO Reconciliation:</u>		
Net income attributable to common stockholders	\$ 694	\$ 785
Impairments and losses (gains) on real estate dispositions, net ^(1,2)	(78)	(78)
Depreciation and amortization ⁽¹⁾	1,636	1,636
NAREIT FFO and Normalized FFO attributable to common stockholders	\$ 2,252	\$ 2,343
Diluted per share data attributable to common stockholders:		
Net income	\$ 1.21	\$ 1.37
NAREIT FFO and Normalized FFO	\$ 3.94	\$ 4.10
Other items: ⁽¹⁾		
Net straight-line rent and above/below market rent amortization	\$ (138)	\$ (138)
Non-cash interest expenses	36	36
Recurring cap-ex, tenant improvements, and lease commissions	(226)	(226)
Stock-based compensation	39	39

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

(2) Includes estimated gains on projected dispositions.

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. 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				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net income (loss)	\$ 1,798	\$ 28,635	\$ 106,342	\$ 134,722	\$ 88,440
Loss (gain) on real estate dispositions, net	4,423	(747)	2,168	(71,102)	1,783
Loss (income) from unconsolidated entities	4,650	7,071	40,332	4,031	2,008
Income tax expense (benefit)	(4,088)	3,045	3,503	4,584	(4,768)
Other expenses	24,954	22,745	11,069	38,220	36,307
Impairment of assets	13,146	12,629	1,086	7,388	14,994
Provision for loan losses, net	10,469	777	2,456	4,059	2,517
Loss (gain) on extinguishment of debt, net	87	5	1	1	—
Loss (gain) on derivatives and financial instruments, net	258	930	1,280	2,885	(7,215)
General and administrative expenses	41,319	44,371	44,287	46,106	44,327
Depreciation and amortization	342,286	339,112	341,945	339,314	380,730
Interest expense	140,391	144,403	152,337	156,532	154,574
Consolidated net operating income	579,693	602,976	706,806	666,740	713,697
NOI attributable to unconsolidated investments ⁽¹⁾	24,950	26,354	25,150	29,488	30,785
NOI attributable to noncontrolling interests ⁽²⁾	(27,523)	(25,057)	(24,262)	(22,838)	(22,402)
Pro rata net operating income (NOI) ⁽³⁾	\$ 577,120	\$ 604,273	\$ 707,694	\$ 673,390	\$ 722,080
Pro rata NOI:					
Seniors Housing Operating	\$ 228,664	\$ 248,763	\$ 276,907	\$ 288,290	\$ 305,589
Seniors Housing Triple-net	148,541	145,084	143,978	137,547	146,027
Outpatient Medical	123,557	126,213	127,444	131,305	137,762
Long-Term/Post-Acute Care	73,730	82,943	146,693	86,426	108,638
Corporate	2,628	1,270	12,672	29,822	24,064
Pro rata NOI ⁽³⁾	\$ 577,120	\$ 604,273	\$ 707,694	\$ 673,390	\$ 722,080

(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%.

NOI ANNUAL RECONCILIATIONS

(dollars in thousands)

	Year Ended				
	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Net income	\$ 1,330,410	\$ 1,038,852	\$ 374,479	\$ 160,568	\$ 358,139
Loss (gain) on real estate dispositions, net	(748,041)	(1,088,455)	(235,375)	(16,043)	(67,898)
Loss (income) from unconsolidated entities	(42,434)	8,083	22,933	21,290	53,442
Income tax expense (benefit)	2,957	9,968	8,713	7,247	6,364
Other expenses	52,612	70,335	41,739	101,670	108,341
Impairment of assets	28,133	135,608	51,107	17,502	36,097
Provision for loan losses, net	18,690	94,436	7,270	10,320	9,809
Loss (gain) on extinguishment of debt, net	84,155	47,049	49,874	680	7
Loss (gain) on derivatives and financial instruments, net	(4,399)	11,049	(7,333)	8,334	(2,120)
General and administrative expenses	126,549	128,394	126,727	150,390	179,091
Depreciation and amortization	1,027,073	1,038,437	1,037,566	1,310,368	1,401,101
Interest expense	555,559	514,388	489,853	529,519	607,846
Consolidated NOI	2,431,264	2,008,144	1,967,553	2,301,845	2,690,219
NOI attributable to unconsolidated investments ⁽¹⁾	87,333	77,161	83,025	96,114	111,777
NOI attributable to noncontrolling interests ⁽²⁾	(167,524)	(122,360)	(123,563)	(172,562)	(94,559)
Pro rata net operating income (NOI) ⁽³⁾	<u>\$ 2,351,073</u>	<u>\$ 1,962,945</u>	<u>\$ 1,927,015</u>	<u>\$ 2,225,397</u>	<u>\$ 2,707,437</u>
Pro rata NOI:					
Seniors Housing Operating	\$ 1,023,482	\$ 757,953	\$ 662,629	\$ 877,688	\$ 1,119,549
Seniors Housing Triple-net	490,909	443,812	513,583	588,726	572,636
Outpatient Medical	443,330	498,135	448,703	469,904	522,724
Long-Term/Post-Acute Care	389,897	259,818	298,206	286,715	424,700
Corporate	3,455	3,227	3,894	2,364	67,828
Pro rata NOI ⁽³⁾	<u>\$ 2,351,073</u>	<u>\$ 1,962,945</u>	<u>\$ 1,927,015</u>	<u>\$ 2,225,397</u>	<u>\$ 2,707,437</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 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)

	4Q22	1Q23	2Q23	3Q23	4Q23	Y/o/Y
Seniors Housing Operating						
NOI	\$ 228,664	\$ 248,763	\$ 276,907	\$ 288,290	\$ 305,589	
Non-cash NOI on same store properties	(1,064)	(851)	(783)	(242)	(186)	
NOI attributable to non-same store properties	(35,860)	(40,174)	(40,724)	(48,306)	(67,994)	
Currency and ownership adjustments ⁽¹⁾	1,409	527	43	(677)	(416)	
Normalizing adjustment for government grants ⁽²⁾	(1,178)	(8)	(5,347)	(3,109)	(26)	
Normalizing adjustment for management fee ⁽³⁾	(4,317)	(4,299)	(4,718)	(888)	(702)	
Normalizing adjustment for casualty related expenses, net ⁽⁴⁾	4,626	4,380	1,617	13	825	
Other normalizing adjustments ⁽⁵⁾	44	—	—	422	858	
SSNOI	192,324	208,338	226,995	235,503	237,948	23.7%
Seniors Housing Triple-net						
NOI	148,541	145,084	143,978	137,547	146,027	
Non-cash NOI on same store properties	(9,274)	(12,005)	(9,663)	(9,150)	(4,731)	
NOI attributable to non-same store properties	(50,949)	(44,580)	(44,979)	(37,377)	(50,425)	
Currency and ownership adjustments ⁽¹⁾	371	(212)	(768)	(977)	(569)	
Other normalizing adjustments ⁽⁵⁾	—	—	—	—	297	
SSNOI	88,689	88,287	88,568	90,043	90,599	2.2%
Outpatient Medical						
NOI	123,557	126,213	127,444	131,305	137,762	
Non-cash NOI on same store properties	(5,369)	(4,875)	(4,484)	(4,333)	(5,262)	
NOI attributable to non-same store properties	(5,700)	(7,595)	(8,156)	(10,928)	(12,799)	
Currency and ownership adjustments ⁽¹⁾	2,692	2,947	2,235	760	5	
Normalizing adjustment for casualty related expenses, net ⁽⁴⁾	527	381	405	580	(729)	
Other normalizing adjustments ⁽⁵⁾	(64)	(558)	(76)	109	(65)	
SSNOI	115,643	116,513	117,368	117,493	118,912	2.8%
Long-Term/Post-Acute Care						
NOI	73,730	82,943	146,693	86,426	108,638	
Non-cash NOI on same store properties	(1,526)	(1,538)	(1,160)	(881)	(820)	
NOI attributable to non-same store properties	(53,250)	(61,910)	(125,838)	(65,524)	(87,889)	
Currency and ownership adjustments ⁽¹⁾	(16)	(22)	(33)	(36)	(12)	
Other normalizing adjustments ⁽⁵⁾	—	—	—	(122)	—	
SSNOI	18,938	19,473	19,662	19,863	19,917	5.2%
Corporate						
NOI	2,628	1,270	12,672	29,822	24,064	
NOI attributable to non-same store properties	(2,628)	(1,270)	(12,672)	(29,822)	(24,064)	
SSNOI	—	—	—	—	—	
Total						
NOI	577,120	604,273	707,694	673,390	722,080	
Non-cash NOI on same store properties	(17,233)	(19,269)	(16,090)	(14,606)	(10,999)	
NOI attributable to non-same store properties	(148,387)	(155,529)	(232,369)	(191,957)	(243,171)	
Currency and ownership adjustments ⁽¹⁾	4,456	3,240	1,477	(930)	(992)	
Normalizing adjustments, net	(362)	(104)	(8,119)	(2,995)	458	
SSNOI	\$ 415,594	\$ 432,611	\$ 452,593	\$ 462,902	\$ 467,376	12.5%

(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 the disposition of our ownership interest in three Seniors Housing Operating management company investments.

(4) Represents normalizing adjustment for casualty related expenses net of any insurance reimbursements.

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

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>
Three months ended December 31, 2023						
Revenues	\$ 1,287,666	\$ 152,689	\$ 192,822	\$ 111,936	\$ 30,021	\$ 1,775,134
Property operating expenses	<u>(982,077)</u>	<u>(6,662)</u>	<u>(55,060)</u>	<u>(3,298)</u>	<u>(5,957)</u>	<u>(1,053,054)</u>
NOI⁽¹⁾	305,589	146,027	137,762	108,638	24,064	722,080
Adjust:						
Interest income	(2,968)	(36,150)	(382)	(15,784)	—	(55,284)
Other income	(4,313)	(74)	(114)	(6)	(26,171)	(30,678)
Sold / held for sale	(7,657)	(1,369)	(890)	194	—	(9,722)
Non operational ⁽²⁾	3,446	18	(235)	(697)	—	2,532
Non In-Place NOI ⁽³⁾	(5,004)	(11,957)	(5,427)	(15,467)	2,107	(35,748)
Timing adjustments ⁽⁴⁾	<u>15,810</u>	<u>(139)</u>	<u>63</u>	<u>5,286</u>	<u>—</u>	<u>21,020</u>
Total adjustments	<u>(686)</u>	<u>(49,671)</u>	<u>(6,985)</u>	<u>(26,474)</u>	<u>(24,064)</u>	<u>(107,880)</u>
In-Place NOI	304,903	96,356	130,777	82,164	—	614,200
Annualized In-Place NOI	\$ 1,219,612	\$ 385,424	\$ 523,108	\$ 328,656	\$ —	\$ 2,456,800

(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	
	4Q22	4Q23	4Q22	4Q23	4Q22	4Q23	4Q22	4Q23
SHO SS RevPOR Growth								
Consolidated SHO revenues	\$ 890,291	\$ 1,009,215	\$ 101,387	\$ 112,978	\$ 113,317	\$ 146,431	\$ 1,104,995	\$ 1,268,624
Unconsolidated SHO revenues attributable to WELL ⁽¹⁾	33,477	32,069	715	2,555	22,614	27,632	56,806	62,256
SHO revenues attributable to noncontrolling interests ⁽²⁾	(33,788)	(17,431)	(10,149)	(273)	(22,718)	(25,510)	(66,655)	(43,214)
SHO pro rata revenues ⁽³⁾	889,980	1,023,853	91,953	115,260	113,213	148,553	1,095,146	1,287,666
Non-cash and non-RevPOR revenues on same store properties	(1,808)	(1,068)	—	—	(214)	(314)	(2,022)	(1,382)
Revenues attributable to non-same store properties	(126,604)	(169,839)	(49,738)	(64,284)	(69,021)	(100,023)	(245,363)	(334,146)
Currency and ownership adjustments ⁽⁴⁾	19,034	251	919	(1,756)	36	(16)	19,989	(1,521)
Other normalizing adjustments ⁽⁵⁾	—	858	—	—	—	—	—	858
SHO SS RevPOR revenues ⁽⁶⁾	\$ 780,602	\$ 854,055	\$ 43,134	\$ 49,220	\$ 44,014	\$ 48,200	\$ 867,750	\$ 951,475
Avg. occupied units/month ⁽⁷⁾	47,733	49,555	1,864	1,967	6,176	6,454	55,773	57,976
SHO SS RevPOR ⁽⁸⁾	\$ 5,407	\$ 5,698	\$ 7,652	\$ 8,275	\$ 2,356	\$ 2,469	\$ 5,144	\$ 5,426
SS RevPOR YOY growth		5.4 %		8.1 %		4.8 %		5.5 %
SHO SSNOI Growth								
Consolidated SHO NOI	\$ 184,671	\$ 226,193	\$ 15,747	\$ 27,994	\$ 33,673	\$ 46,890	\$ 234,091	\$ 301,077
Unconsolidated SHO NOI attributable to WELL ⁽¹⁾	4,862	9,412	(305)	389	7,021	10,688	11,578	20,489
SHO NOI attributable to noncontrolling interests ⁽²⁾	(9,119)	(8,772)	(1,750)	(278)	(6,136)	(6,927)	(17,005)	(15,977)
SHO pro rata NOI ⁽³⁾	180,414	226,833	13,692	28,105	34,558	50,651	228,664	305,589
Non-cash NOI on same store properties	(1,064)	(154)	—	—	—	(32)	(1,064)	(186)
NOI attributable to non-same store properties	(11,372)	(21,246)	(6,384)	(15,348)	(18,104)	(31,400)	(35,860)	(67,994)
Currency and ownership adjustments ⁽⁴⁾	1,207	49	134	(457)	68	(8)	1,409	(416)
Normalizing adjustment for government grants ⁽⁹⁾	(70)	(26)	(433)	—	(675)	—	(1,178)	(26)
Normalizing adjustment for management fee ⁽¹⁰⁾	(4,218)	(702)	—	—	(99)	—	(4,317)	(702)
Normalizing adjustment for casualty related expenses ⁽¹¹⁾	4,626	825	—	—	—	—	4,626	825
Other normalizing adjustments ⁽⁵⁾	—	858	—	—	44	—	44	858
SHO pro rata SSNOI ⁽⁶⁾	\$ 169,523	\$ 206,437	\$ 7,009	\$ 12,300	\$ 15,792	\$ 19,211	\$ 192,324	\$ 237,948
SHO SSNOI growth		21.8 %		75.5 %		21.7 %		23.7 %
SHO SSNOI/Unit								
Trailing four quarters' SSNOI ⁽⁶⁾	\$ 797,081		\$ 40,145		\$ 71,558		\$ 908,784	
Average units in service ⁽¹²⁾	59,954		2,252		7,392		69,598	
SSNOI/unit in USD	\$ 13,295		\$ 17,826		\$ 9,680		\$ 13,058	
SSNOI/unit in local currency ⁽⁴⁾			£ 14,855		\$ 13,260			

(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/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 aggregate normalizing adjustments which are individually less than .50% of SSNOI growth.

(6) Represents SS SHO RevPOR revenues/SSNOI at Welltower pro rata ownership.

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

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

(9) 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.

(10) Represents normalizing adjustment related to the disposition of our ownership interest in three Seniors Housing Operating management company investments.

(11) Represents normalizing adjustment for casualty related expenses net of any insurance reimbursements.

(12) 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)

	1Q22	1Q23	2Q22	2Q23	3Q22	3Q23	4Q22	4Q23
SHO SS ExpPOR Growth								
Consolidated SHO property operating expenses	\$ 791,975	\$ 887,083	\$ 789,299	\$ 885,187	\$ 841,914	\$ 918,990	\$ 870,904	\$ 967,547
Unconsolidated SHO expenses attributable to WELL ⁽¹⁾	39,545	47,454	39,657	49,411	39,416	40,512	45,228	41,767
SHO expenses attributable to noncontrolling interests ⁽²⁾	(56,177)	(39,556)	(51,778)	(32,530)	(49,774)	(26,039)	(49,650)	(27,237)
SHO pro rata expenses ⁽³⁾	775,343	894,981	777,178	902,068	831,556	933,463	866,482	982,077
Non-cash expenses on same store properties	(416)	(389)	(181)	(219)	(207)	(233)	(219)	(160)
Expenses attributable to non-same store properties	(75,614)	(138,124)	(176,092)	(244,557)	(189,658)	(237,189)	(209,503)	(266,152)
Currency and ownership adjustments ⁽⁴⁾	1,689	(1,892)	9,320	(2,997)	14,864	(3,405)	18,580	(1,105)
Normalizing adjustment for government grants ⁽⁵⁾	1,993	51	13,061	5,352	—	—	1,178	26
Normalizing adjustment for management fee ⁽⁶⁾	—	—	—	—	3,216	—	4,317	702
Normalizing adjustment for casualty related expenses ⁽⁷⁾	156	(5,050)	—	—	(1,160)	(27)	(4,626)	(825)
Other normalizing adjustments ⁽⁸⁾	(385)	—	(1,546)	(1,610)	2,188	2,113	(44)	—
SHO SS expenses ⁽⁹⁾	\$ 702,766	\$ 749,577	\$ 621,740	\$ 658,037	\$ 660,799	\$ 694,722	\$ 676,165	\$ 714,563
Average occupied units/month ⁽¹⁰⁾	57,508	59,221	54,537	55,788	57,914	59,445	55,773	57,976
SHO SS ExpPOR ⁽¹¹⁾	\$ 4,130	\$ 4,278	\$ 3,811	\$ 3,943	\$ 3,772	\$ 3,864	\$ 4,008	\$ 4,075
SS ExpPOR YOY growth		3.6 %		3.5 %		2.4 %		1.7 %

(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 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 the disposition of our ownership interest in Seniors Housing Operating management company investments.

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

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

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

(10) Represents average occupied units for SS properties.

(11) 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
SHO SS ExpPOR Growth								
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 ⁽¹⁾	31,311	39,518	33,678	39,509	27,469	34,099	30,546	40,160
SHO expenses attributable to noncontrolling interests ⁽²⁾	(48,221)	(54,510)	(31,555)	(51,630)	(49,838)	(44,457)	(56,350)	(44,582)
SHO pro rata expenses ⁽³⁾	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 ⁽⁴⁾	87	(572)	(1,111)	1,653	209	4,272	1,598	7,931
Normalizing adjustment for casualty related expenses ⁽⁵⁾	—	—	(1,824)	(1,259)	(1,130)	(945)	(4,442)	(2,735)
Normalizing adjustment for government grants ⁽⁶⁾	32,457	1,304	8,130	15,777	4,978	2,435	12,599	2,330
Normalizing adjustment for prior period allowance ⁽⁷⁾	—	—	(1,670)	—	—	—	—	—
Normalizing adjustment for management fee reduction ⁽⁸⁾	—	—	2,044	—	—	—	—	—
Other normalizing adjustments ⁽⁹⁾	(770)	249	356	—	(184)	—	(312)	—
SHO SS expenses ⁽¹⁰⁾	\$ 491,530	\$ 537,975	\$ 490,350	\$ 541,849	\$ 509,605	\$ 555,641	\$ 591,915	\$ 627,257
Average occupied units/month ⁽¹¹⁾	38,479	40,908	38,854	41,469	40,187	42,260	49,987	51,251
SHO SS ExpPOR ⁽¹²⁾	\$ 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 ⁽¹⁾	29,442	31,311	29,139	33,678	30,251	27,469	29,993	30,546
SHO expenses attributable to noncontrolling interests ⁽²⁾	(54,780)	(48,221)	(51,610)	(31,555)	(47,199)	(49,838)	(45,751)	(56,350)
SHO pro rata expenses ⁽³⁾	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 ⁽⁴⁾	7,223	106	11,878	(2,494)	712	(228)	2,740	368
Normalizing adjustment for casualty related expenses ⁽⁵⁾	—	—	—	(1,192)	—	(1,387)	—	(3,942)
Normalizing adjustment for government grants ⁽⁶⁾	—	33,770	—	9,327	—	5,166	9,586	13,680
Normalizing adjustment for prior period allowance ⁽⁷⁾	—	—	—	(1,527)	—	—	—	—
Normalizing adjustment for management fee reduction ⁽⁸⁾	—	—	—	2,058	—	—	—	—
Normalizing adjustment for policy change ⁽¹³⁾	—	—	(518)	—	—	—	—	—
Other normalizing adjustments ⁽⁹⁾	(1,658)	—	333	356	(254)	(98)	(171)	101
SHO SS expenses ⁽¹⁰⁾	\$ 526,518	\$ 512,671	\$ 530,008	\$ 514,608	\$ 506,340	\$ 528,506	\$ 469,192	\$ 510,470
Average occupied units/month ⁽¹¹⁾	44,023	38,056	42,583	39,074	40,736	39,716	38,190	38,686
SHO SS ExpPOR ⁽¹²⁾	\$ 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
SHO SS ExpPOR Growth								
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 ⁽¹⁾	27,308	29,442	26,084	29,139	26,502	30,245	27,627	29,993
SHO expenses attributable to noncontrolling interests ⁽²⁾	(54,077)	(54,780)	(55,565)	(51,610)	(53,061)	(47,194)	(53,737)	(45,751)
SHO pro rata expenses ⁽³⁾	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 ⁽⁴⁾	4,781	1,757	(1,673)	2,668	2,277	1,169	40	(1,642)
Normalizing adjustment for government grants ⁽⁵⁾	—	—	—	—	—	—	—	11,797
Normalizing adjustment for insurance reimbursement ⁽⁶⁾	2,174	—	—	—	—	—	—	—
Normalizing adjustment for health insurance costs ⁽⁷⁾	—	(1,499)	—	—	—	—	—	—
Normalizing adjustment for real estate taxes ⁽⁸⁾	2,492	—	—	—	—	—	—	—
Other normalizing adjustments ⁽⁹⁾	378	(517)	351	(519)	823	(518)	(372)	(173)
SHO SS expenses ⁽¹⁰⁾	\$ 425,896	\$ 447,371	\$ 467,671	\$ 488,862	\$ 493,743	\$ 488,181	\$ 505,220	\$ 494,704
Average occupied units/month ⁽¹¹⁾	37,092	36,852	42,724	40,839	43,271	39,705	43,541	38,968
SHO SS ExpPOR ⁽¹²⁾	\$ 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 ⁽¹⁾	26,759	27,308	26,469	26,084	26,559	26,502	27,475	27,627
SHO expenses attributable to noncontrolling interests ⁽²⁾	(54,063)	(54,077)	(53,853)	(55,565)	(51,693)	(53,061)	(52,233)	(53,737)
SHO pro rata expenses ⁽³⁾	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 ⁽⁴⁾	(4,856)	900	1,505	3,833	3,782	2,889	5,339	984
Normalizing adjustment for SH-NNN to SHO conversions ⁽¹³⁾	32,028	—	33,004	—	—	—	—	—
Normalizing adjustment for insurance reimbursement ⁽⁶⁾	—	2,174	—	—	—	—	—	—
Normalizing adjustment for real estate taxes ⁽⁸⁾	—	2,492	—	—	—	—	—	—
Other normalizing adjustments ⁽⁹⁾	(87)	(295)	(366)	—	245	—	712	(736)
SHO SS expenses ⁽¹⁰⁾	\$ 456,861	\$ 475,232	\$ 399,464	\$ 418,980	\$ 412,847	\$ 425,827	\$ 409,180	\$ 424,299
Average occupied units/month ⁽¹¹⁾	38,296	38,605	35,852	36,069	36,516	36,373	35,599	35,442
SHO SS ExpPOR ⁽¹²⁾	\$ 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 December 31, 2023			
	United States	United Kingdom	Canada	Total
Consolidated SHO revenues	\$ 1,009,215	\$ 112,978	\$ 146,431	\$ 1,268,624
Unconsolidated SHO revenues attributable to Welltower ⁽¹⁾	32,069	2,555	27,632	62,256
SHO revenues attributable to noncontrolling interests ⁽²⁾	(17,431)	(273)	(25,510)	(43,214)
Pro rata SHO revenues ⁽³⁾	1,023,853	115,260	148,553	1,287,666
SHO interest and other income	(3,888)	(38)	(3,176)	(7,102)
SHO revenues attributable to sold and held for sale properties	(2,677)	—	(25,113)	(27,790)
Currency and ownership adjustments ⁽⁴⁾	(2,312)	—	(778)	(3,090)
SHO local revenues	1,014,976	115,222	119,486	1,249,684
Average occupied units/month	57,920	3,995	14,604	76,519
RevPOR/month in USD	\$ 5,794	\$ 9,535	\$ 2,705	\$ 5,400
RevPOR/month in local currency ⁽⁴⁾		£ 7,946	\$ 3,705	

(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.

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				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net income (loss)	\$ 1,798	\$ 28,635	\$ 106,342	\$ 134,722	\$ 88,440
Interest expense	140,391	144,403	152,337	156,532	154,574
Income tax expense (benefit)	(4,088)	3,045	3,503	4,584	(4,768)
Depreciation and amortization	342,286	339,112	341,945	339,314	380,730
EBITDA	480,387	515,195	604,127	635,152	618,976
Loss (income) from unconsolidated entities	4,650	7,071	40,332	4,031	2,008
Stock-based compensation	6,569	9,124	10,491	8,578	8,418
Loss (gain) on extinguishment of debt, net	87	5	1	1	—
Loss (gain) on real estate dispositions, net	4,423	(747)	2,168	(71,102)	1,783
Impairment of assets	13,146	12,629	1,086	7,388	14,994
Provision for loan losses, net	10,469	777	2,456	4,059	2,517
Loss (gain) on derivatives and financial instruments, net	258	930	1,280	2,885	(7,215)
Other expenses	24,954	22,745	11,069	38,220	36,307
Lease termination and leasehold interest adjustment ⁽¹⁾	—	—	(65,485)	—	—
Casualty losses, net of recoveries	7,377	4,487	3,568	1,014	1,038
Other impairment ⁽²⁾	—	—	—	12,309	4,333
Total adjustments	71,933	57,021	6,966	7,383	64,183
Adjusted EBITDA	\$ 552,320	\$ 572,216	\$ 611,093	\$ 642,535	\$ 683,159
Interest Coverage Ratios:					
Interest expense	\$ 140,391	\$ 144,403	\$ 152,337	\$ 156,532	\$ 154,574
Capitalized interest	9,762	10,335	11,870	13,947	14,547
Non-cash interest expense	(4,280)	(5,083)	(5,824)	(6,716)	(5,871)
Total interest	\$ 145,873	\$ 149,655	\$ 158,383	\$ 163,763	\$ 163,250
EBITDA	\$ 480,387	\$ 515,195	\$ 604,127	\$ 635,152	\$ 618,976
Interest coverage ratio	3.29 x	3.44 x	3.81 x	3.88 x	3.79 x
Adjusted EBITDA	\$ 552,320	\$ 572,216	\$ 611,093	\$ 642,535	\$ 683,159
Adjusted interest coverage ratio	3.79 x	3.82 x	3.86 x	3.92 x	4.18 x
Fixed Charge Coverage Ratios:					
Total interest	\$ 145,873	\$ 149,655	\$ 158,383	\$ 163,763	\$ 163,250
Secured debt principal amortization	13,989	14,942	13,839	12,865	12,430
Total fixed charges	\$ 159,862	\$ 164,597	\$ 172,222	\$ 176,628	\$ 175,680
EBITDA	\$ 480,387	\$ 515,195	\$ 604,127	\$ 635,152	\$ 618,976
Fixed charge coverage ratio	3.01 x	3.13 x	3.51 x	3.60 x	3.52 x
Adjusted EBITDA	\$ 552,320	\$ 572,216	\$ 611,093	\$ 642,535	\$ 683,159
Adjusted fixed charge coverage ratio	3.45 x	3.48 x	3.55 x	3.64 x	3.89 x
Net Debt Ratios:					
Total debt ⁽³⁾	\$ 14,661,552	\$ 15,074,320	\$ 16,040,530	\$ 15,899,420	\$ 15,815,226
Less: cash and cash equivalents and restricted cash	(722,292)	(638,796)	(2,299,069)	(2,686,711)	(2,076,083)
Net debt	\$ 13,939,260	\$ 14,435,524	\$ 13,741,461	\$ 13,212,709	\$ 13,739,143
EBITDA Annualized	\$ 1,921,548	\$ 2,060,780	\$ 2,416,508	\$ 2,540,608	\$ 2,475,904
Net debt to EBITDA ratio	7.25 x	7.00 x	5.69 x	5.20 x	5.55 x
Adjusted EBITDA Annualized	\$ 2,209,280	\$ 2,288,864	\$ 2,444,372	\$ 2,570,140	\$ 2,732,636
Net debt to Adjusted EBITDA ratio	6.31 x	6.31 x	5.62 x	5.14 x	5.03 x

(1) Primarily related to the gain associated with the loss of control and derecognition of leasehold interests in 7 properties.

(2) Represents the write off of straight-line rent receivables balances related to leases placed on cash recognition.

(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 ANNUAL RECONCILIATIONS

(dollars in thousands)

	Year Ended									
	December 31, 2019		December 31, 2020		December 31, 2021		December 31, 2022		December 31, 2023	
Net income	\$	1,330,410	\$	1,038,852	\$	374,479	\$	160,568	\$	358,139
Interest expense		555,559		514,388		489,853		529,519		607,846
Income tax expense (benefit)		2,957		9,968		8,713		7,247		6,364
Depreciation and amortization		1,027,073		1,038,437		1,037,566		1,310,368		1,401,101
EBITDA		2,915,999		2,601,645		1,910,611		2,007,702		2,373,450
Loss (income) from unconsolidated entities		(42,434)		8,083		22,933		21,290		53,442
Stock-based compensation		23,487		22,154		16,933		26,027		36,611
Loss (gain) on extinguishment of debt, net		84,155		47,049		49,874		680		7
Loss (gain) on real estate dispositions, net		(748,041)		(1,088,455)		(235,375)		(16,043)		(67,898)
Impairment of assets		28,133		135,608		51,107		17,502		36,097
Provision for loan losses, net		18,690		94,436		7,270		10,320		9,809
Loss (gain) on derivatives and financial instruments, net		(4,399)		11,049		(7,333)		8,334		(2,120)
Other expenses		52,612		70,335		41,739		101,670		108,341
Lease termination and leasehold interest adjustment ⁽¹⁾		—		—		760		(64,854)		(65,485)
Casualty losses, net of recoveries		—		—		5,786		10,391		10,107
Other impairment ⁽²⁾		—		146,508		49,241		(620)		16,642
Total adjustments		(587,797)		(553,233)		2,935		114,697		135,553
Adjusted EBITDA	\$	2,328,202	\$	2,048,412	\$	1,913,546	\$	2,122,399	\$	2,509,003
Interest Coverage Ratios:										
Interest expense	\$	555,559	\$	514,388	\$	489,853	\$	529,519	\$	607,846
Capitalized interest		15,272		17,472		19,352		30,491		50,699
Non-cash interest expense		(8,645)		(15,751)		(17,506)		(21,754)		(23,494)
Total interest		562,186		516,109		491,699		538,256		635,051
EBITDA	\$	2,915,999	\$	2,601,645	\$	1,910,611	\$	2,007,702	\$	2,373,450
Interest coverage ratio		5.19 x		5.04 x		3.89 x		3.73 x		3.74 x
Adjusted EBITDA	\$	2,328,202	\$	2,048,412	\$	1,913,546	\$	2,122,399	\$	2,509,003
Adjusted interest coverage ratio		4.14 x		3.97 x		3.89 x		3.94 x		3.95 x
Fixed Charge Coverage Ratios:										
Total interest	\$	562,186	\$	516,109	\$	491,699	\$	538,256	\$	635,051
Secured debt principal amortization		54,325		62,707		65,587		58,114		54,076
Preferred dividends		—		—		—		—		—
Total fixed charges		616,511		578,816		557,286		596,370		689,127
EBITDA	\$	2,915,999	\$	2,601,645	\$	1,910,611	\$	2,007,702	\$	2,373,450
Fixed charge coverage ratio		4.73 x		4.49 x		3.43 x		3.37 x		3.44 x
Adjusted EBITDA	\$	2,328,202	\$	2,048,412	\$	1,913,546	\$	2,122,399	\$	2,509,003
Adjusted fixed charge coverage ratio		3.78 x		3.54 x		3.43 x		3.56 x		3.64 x
Net Debt Ratios:										
Total debt ⁽³⁾	\$	15,023,962	\$	13,905,822	\$	14,242,637	\$	14,661,552	\$	15,815,226
Less: cash and cash equivalents and restricted cash		(385,766)		(2,021,043)		(346,755)		(722,292)		(2,076,083)
Net debt	\$	14,638,196	\$	11,884,779	\$	13,895,882	\$	13,939,260	\$	13,739,143
EBITDA	\$	2,915,999	\$	2,601,645	\$	1,910,611	\$	2,007,702	\$	2,373,450
Net debt to EBITDA ratio		5.05 x		4.59 x		7.27 x		6.94 x		5.79 x
Adjusted EBITDA	\$	2,328,202	\$	2,048,412	\$	1,913,546	\$	2,122,399	\$	2,509,003
Net debt to Adjusted EBITDA ratio		6.33 x		5.83 x		7.26 x		6.57 x		5.48 x

(1) Primarily related to the derecognition of leasehold interests and the gain recognized in other income.

(2) Represents the write off of straight-line rent receivables balances related to leases placed on cash recognition.

(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				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net income	\$ 160,568	\$ 123,452	\$ 134,122	\$ 271,497	\$ 358,139
Interest expense	529,519	552,226	576,813	593,663	607,846
Income tax expense (benefit)	7,247	5,279	5,717	7,044	6,364
Depreciation and amortization	1,310,368	1,345,392	1,377,042	1,362,657	1,401,101
EBITDA	2,007,702	2,026,349	2,093,694	2,234,861	2,373,450
Loss (income) from unconsolidated entities	21,290	25,477	58,751	56,084	53,442
Stock-based compensation	26,027	27,709	32,299	34,762	36,611
Loss (gain) on extinguishment of debt, net	680	697	95	94	7
Loss (gain) on real estate dispositions, net	(16,043)	6,144	4,780	(65,258)	(67,898)
Impairment of assets	17,502	30,131	31,217	34,249	36,097
Provision of loan losses, net	10,320	11,098	14,192	17,761	9,809
Loss (gain) on derivatives and financial instruments, net	8,334	5,751	9,373	5,353	(2,120)
Other expenses	101,670	98,346	74,249	96,988	108,341
Lease termination and leasehold interest adjustment ⁽¹⁾	(64,854)	(56,397)	(65,485)	(65,485)	(65,485)
Casualty losses, net of recoveries	10,391	14,865	15,760	16,446	10,107
Other impairment ⁽²⁾	(620)	(620)	—	12,309	16,642
Total adjustments	114,697	163,201	175,231	143,303	135,553
Adjusted EBITDA	\$ 2,122,399	\$ 2,189,550	\$ 2,268,925	\$ 2,378,164	\$ 2,509,003
Interest Coverage Ratios:					
Interest expense	\$ 529,519	\$ 552,226	\$ 576,813	\$ 593,663	\$ 607,846
Capitalized interest	30,491	35,347	40,830	45,914	50,699
Non-cash interest expense	(21,754)	(22,728)	(21,946)	(21,903)	(23,494)
Total interest	538,256	564,845	595,697	617,674	635,051
EBITDA	\$ 2,007,702	\$ 2,026,349	\$ 2,093,694	\$ 2,234,861	\$ 2,373,450
Interest coverage ratio	3.73 x	3.59 x	3.51 x	3.62 x	3.74 x
Adjusted EBITDA	\$ 2,122,399	\$ 2,189,550	\$ 2,268,925	\$ 2,378,164	\$ 2,509,003
Adjusted interest coverage ratio	3.94 x	3.88 x	3.81 x	3.85 x	3.95 x
Fixed Charge Coverage Ratios:					
Total interest	\$ 538,256	\$ 564,845	\$ 595,697	\$ 617,674	\$ 635,051
Secured debt principal amortization	58,114	57,088	56,545	55,635	54,076
Total fixed charges	596,370	621,933	652,242	673,309	689,127
EBITDA	\$ 2,007,702	\$ 2,026,349	\$ 2,093,694	\$ 2,234,861	\$ 2,373,450
Fixed charge coverage ratio	3.37 x	3.26 x	3.21 x	3.32 x	3.44 x
Adjusted EBITDA	\$ 2,122,399	\$ 2,189,550	\$ 2,268,925	\$ 2,378,164	\$ 2,509,003
Adjusted fixed charge coverage ratio	3.56 x	3.52 x	3.48 x	3.53 x	3.64 x

(1) Primarily relates to the derecognition of leasehold interests and the gain recognized in other income.

(2) Represents the write off or recovery of straight-line rent receivable balances relating to leases placed on cash recognition.

CAPITALIZATION RATIOS QUARTERLY

(Amounts in thousands, except share price)

	As of				
	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Book capitalization:					
Unsecured credit facility and commercial paper	\$ —	\$ —	\$ —	\$ —	\$ —
Long-term debt obligations ⁽¹⁾	14,661,552	15,074,320	16,040,530	15,899,420	15,815,226
Cash & cash equivalents and restricted cash	(722,292)	(638,796)	(2,299,069)	(2,686,711)	(2,076,083)
Total net debt	13,939,260	14,435,524	13,741,461	13,212,709	13,739,143
Total equity and noncontrolling interest ⁽²⁾	21,393,996	21,596,155	22,193,114	23,818,619	26,371,727
Book capitalization	\$ 35,333,256	\$ 36,031,679	\$ 35,934,575	\$ 37,031,328	\$ 40,110,870
Net debt to book capitalization ratio	39.5 %	40.1 %	38.2 %	35.7 %	34.3 %
Undepreciated book capitalization:					
Total net debt	\$ 13,939,260	\$ 14,435,524	\$ 13,741,461	\$ 13,212,709	\$ 13,739,143
Accumulated depreciation and amortization	8,075,733	8,417,151	8,599,622	8,868,627	9,274,814
Total equity and noncontrolling interest ⁽²⁾	21,393,996	21,596,155	22,193,114	23,818,619	26,371,727
Undepreciated book capitalization	\$ 43,408,989	\$ 44,448,830	\$ 44,534,197	\$ 45,899,955	\$ 49,385,684
Net debt to undepreciated book capitalization ratio	32.1 %	32.5 %	30.9 %	28.8 %	27.8 %
Market capitalization:					
Common shares outstanding	490,509	496,295	508,159	532,268	564,241
Period end share price	\$ 65.55	\$ 71.69	\$ 80.89	\$ 81.92	\$ 90.17
Common equity market capitalization	\$ 32,152,865	\$ 35,579,389	\$ 41,104,982	\$ 43,603,395	\$ 50,877,611
Total net debt	13,939,260	14,435,524	13,741,461	13,212,709	13,739,143
Noncontrolling interests ⁽²⁾	1,099,182	1,148,000	988,673	864,583	967,351
Enterprise value	\$ 47,191,307	\$ 51,162,913	\$ 55,835,116	\$ 57,680,687	\$ 65,584,105
Net debt to market capitalization ratio	29.5 %	28.2 %	24.6 %	22.9 %	20.9 %

(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.

CAPITALIZATION RATIOS ANNUAL

(Amounts in thousands, except share price)

	As of				
	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Book capitalization:					
Unsecured credit facility and commercial paper	\$ 1,587,597	\$ —	\$ 324,935	\$ —	\$ —
Long-term debt obligations ⁽¹⁾	13,436,365	13,905,822	13,917,702	14,661,552	15,815,226
Cash & cash equivalents and restricted cash	(385,766)	(2,021,043)	(346,755)	(722,292)	(2,076,083)
Total net debt	14,638,196	11,884,779	13,895,882	13,939,260	13,739,143
Total equity and noncontrolling interest ⁽³⁾	16,982,504	17,225,062	18,997,873	21,393,996	26,371,727
Book capitalization	\$ 31,620,700	\$ 29,109,841	\$ 32,893,755	\$ 35,333,256	\$ 40,110,870
Net debt to book capitalization ratio	46.3 %	40.8 %	42.2 %	39.5 %	34.3 %
Undepreciated book capitalization:					
Total net debt	\$ 14,638,196	\$ 11,884,779	\$ 13,895,882	\$ 13,939,260	\$ 13,739,143
Accumulated depreciation and amortization	5,715,459	6,104,297	6,910,114	8,075,733	9,274,814
Total equity and noncontrolling interest ⁽²⁾	16,982,504	17,225,062	18,997,873	21,393,996	26,371,727
Undepreciated book capitalization	\$ 37,336,159	\$ 35,214,138	\$ 39,803,869	\$ 43,408,989	\$ 49,385,684
Net debt to undepreciated book capitalization ratio	39.2 %	33.8 %	34.9 %	32.1 %	27.8 %
Market capitalization:					
Common shares outstanding	410,257	417,401	447,239	490,509	564,241
Period end share price	\$ 81.78	\$ 64.62	\$ 85.77	\$ 65.55	\$ 90.17
Common equity market capitalization	\$ 33,550,817	\$ 26,972,453	\$ 38,359,689	\$ 32,152,865	\$ 50,877,611
Total net debt	14,638,196	11,884,779	13,895,882	13,939,260	13,739,143
Noncontrolling interests ⁽²⁾	1,442,060	1,252,343	1,361,872	1,099,182	967,351
Preferred stock	—	—	—	—	—
Enterprise value	\$ 49,631,073	\$ 40,109,575	\$ 53,617,443	\$ 47,191,307	\$ 65,584,105
Net debt to market capitalization ratio	29.5 %	29.6 %	25.9 %	29.5 %	20.9 %

(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.