NON-GAAP FINANCIAL MEASURES

Quarter Ended March 31, 2020

welltower

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), Same Store NOI (SSNOI), Revenues per Occupied Room (REVPOR), Same Store REVPOR (SS REVPOR), 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.

Normalizing items include adjustments that are 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, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Net income (loss) attributable to common stockholders	$ 280,470	$ 137,762	$ 589,876	$ 224,324	$ 310,284
Depreciation and amortization	243,932	248,052	272,445	262,644	274,801
Impairments and losses (gains) on real estate dispositions, net	(167,409)	11,621	(552,154)	(11,966)	(234,997)
Noncontrolling interests[1]	(17,760)	(18,889)	31,347	(14,895)	(9,409)
Unconsolidated entities[2]	19,150	11,475	10,864	16,191	15,445
NAREIT FFO attributable to common stockholders	358,383	390,021	352,378	476,298	356,124
Normalizing items:					
Loss (gain) on derivatives and financial instruments, net	(2,487)	1,913	1,244	(5,069)	7,651
Loss (gain) on extinguishment of debt, net	15,719	—	65,824	2,612	—
Provision for loan losses	18,690	—	—	—	7,072
Incremental interest expense	—	—	—	—	5,871
Nonrecurring income tax benefits	—	—	—	(8,681)	—
Other impairment	—	—	—	—	32,268
Other expenses	8,756	21,628	6,186	16,042	6,292
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	504	12,575	1,031	(54,851)	4,041
Normalized FFO attributable to common stockholders	$ 399,565	$ 426,137	$ 426,663	$ 426,351	$ 419,319
Average common shares outstanding:					
Basic	391,474	404,607	405,023	405,974	410,306
Diluted	393,452	406,673	406,891	407,904	412,420
Net income (loss) attributable to common stockholders per share:					
Basic	$ 0.72	$ 0.34	$ 1.46	$ 0.55	$ 0.76
Diluted	$ 0.71	$ 0.34	$ 1.45	$ 0.55	$ 0.75
NAREIT FFO attributable to common stockholders per share:					
Diluted	$ 0.91	$ 0.96	$ 0.87	$ 1.17	$ 0.86
Normalized FFO attributable to common stockholders per share:					
Diluted	$ 1.02	$ 1.05	$ 1.05	$ 1.05	$ 1.02
NAREIT FFO Payout Ratio:					
Dividends per common share	$ 0.87	$ 0.87	$ 0.87	$ 0.87	$ 0.87
NAREIT FFO attributable to common stockholders per diluted share	$ 0.91	$ 0.96	$ 0.87	$ 1.17	$ 0.86
NAREIT FFO Payout Ratio	96%	91%	100%	74%	101%
Normalized FFO Payout Ratio:					
Dividends per common share	$ 0.87	$ 0.87	$ 0.87	$ 0.87	$ 0.87
Normalized FFO attributable to common stockholders per diluted share	$ 1.02	$ 1.05	$ 1.05	$ 1.05	$ 1.02
Normalized FFO Payout Ratio	85%	83%	83%	83%	85%
Other items:[3]					
Net straight-line rent and above/below market rent amortization[4]	$ (23,715)	$ (24,306)	$ (24,578)	$ (24,584)	$ (24,930)
Non-cash interest expenses[5]	5,900	1,390	2,454	1,282	2,823
Recurring cap-ex, tenant improvements, and lease commissions	(21,416)	(28,803)	(34,526)	(46,550)	22,616
Stock-based compensation[6]	7,529	6,403	5,008	4,547	6,822

(1) Represents noncontrolling interests' share of net FFO adjustments.
(2) Represents Welltower's share of net FFO adjustments from unconsolidated entities.
(3) Amounts presented net of noncontrolling interests' share and Welltower's share of unconsolidated entities.
(4) Excludes normalized other impairment.
(5) Excludes normalized incremental interest expense.
(6) Excludes certain severance related stock-based compensation recorded in other expense and incremental stock-based compensation expense.

FFO ANNUAL RECONCILIATIONS

(in thousands, except per share information)	Year Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2019
Net income (loss) attributable to common stockholders	$ 818,344	$ 1,012,397	$ 463,595	$ 758,250	$ 1,232,432
Depreciation and amortization	826,240	901,242	921,720	950,459	1,027,073
Impairments and losses (gains) on real estate dispositions, net	(278,167)	(326,840)	(219,767)	(299,996)	(719,908)
Noncontrolling interests[1]	(39,271)	(71,527)	(60,018)	(69,193)	(20,197)
Unconsolidated entities[2]	82,494	67,667	60,046	52,663	57,680
NAREIT FFO attributable to common stockholders	1,409,640	1,582,939	1,165,576	1,392,183	1,577,080
Normalizing items:					
Loss (gain) on derivatives and financial instruments, net	(58,427)	(2,448)	2,284	(4,016)	(4,399)
Preferred stock redemption charge	—	—	9,769	—	—
Loss (gain) on extinguishment of debt, net	34,677	17,214	37,241	16,097	84,155
Provision for loan losses	—	10,215	62,966	—	18,690
Incremental interest expense	—	—	2,634	—	—
Incremental stock-based compensation expense	—	—	—	3,552	—
Nonrecurring income tax benefits	(5,430)	(15,675)	9,438	—	(8,681)
Other expenses	157,852	54,908	177,776	112,898	52,612
Additional other income	(5,813)	(16,664)	—	(14,832)	—
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	(312)	7,228	86,589	4,595	(40,741)
Normalized FFO attributable to common stockholders	$ 1,532,187	$ 1,637,717	$ 1,554,273	$ 1,510,477	$ 1,678,716
Average common shares outstanding:					
Basic	348,240	358,275	367,237	373,620	401,845
Diluted	349,424	360,227	369,001	375,250	403,808
Net income (loss) attributable to common stockholders per share:					
Basic	$ 2.35	$ 2.83	$ 1.26	$ 2.03	$ 3.07
Diluted	$ 2.34	$ 2.81	$ 1.26	$ 2.02	$ 3.05
NAREIT FFO attributable to common stockholders per share:					
Diluted	$ 4.03	$ 4.39	$ 3.16	$ 3.71	$ 3.91
Normalized FFO attributable to common stockholders per share:					
Diluted	$ 4.38	$ 4.55	$ 4.21	$ 4.03	$ 4.16
NAREIT FFO Payout Ratio:					
Dividends per common share	$ 3.30	$ 3.44	$ 3.48	$ 3.48	$ 3.48
NAREIT FFO attributable to common stockholders per diluted share	$ 4.03	$ 4.39	$ 3.16	$ 3.71	$ 3.91
NAREIT FFO payout ratio	82%	78%	110%	94%	89%
Normalized FFO Payout Ratio:					
Dividends per common share	$ 3.30	$ 3.44	$ 3.48	$ 3.48	$ 3.48
Normalized FFO attributable to common stockholders per diluted share	$ 4.38	$ 4.55	$ 4.21	$ 4.03	$ 4.16
Normalized FFO payout ratio	75%	76%	83%	86%	84%
Other items:[3]					
Net straight-line rent and above/below market rent amortization	$ (119,950)	$ (106,098)	$ (72,838)	$ (72,854)	$ (97,183)
Non-cash interest expenses	4,654	4,014	13,042	13,423	11,026
Recurring cap-ex, tenant improvements, and lease commissions	(70,613)	(66,701)	(68,120)	(88,408)	(131,295)
Stock-based compensation[4]	30,844	24,591	17,721	23,186	23,487

(1) Represents noncontrolling interests' share of net FFO adjustments
(2) Represents Welltower's share of net FFO adjustments from unconsolidated entities.
(3) Amounts presented net of noncontrolling interests' share and Welltower's share of unconsolidated entities.
(4) Excludes certain severance related stock-based compensation recorded in other expense and incremental stock-based compensation expense.

NOI, IPNOI, SSNOI, REVPOR AND SS REVPOR

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 costs unrelated to property operations and transaction costs. These expenses include, but are not limited to, payroll and benefits, 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. It is calculated as the pro rata version of resident fees and services revenues per the income statement divided by average monthly occupied room days. SS REVPOR is used to evaluate the REVPOR performance of our properties under a consistent population which eliminates changes in the composition of our portfolio. It is based on the same pool of properties used for SSNOI and includes any revenue normalizations used for SSNOI. We use REVPOR and SS REVPOR 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, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Net income (loss)	$ 292,302	$ 150,040	$ 647,932	$ 240,136	$ 329,380
Loss (gain) on real estate dispositions, net	(167,409)	1,682	(570,250)	(12,064)	(262,824)
Loss (income) from unconsolidated entities	9,199	9,049	(3,262)	(57,420)	3,692
Income tax expense (benefit)	2,222	1,599	3,968	(4,832)	5,442
Other expenses	8,756	21,628	6,186	16,042	6,292
Impairment of assets	—	9,939	18,096	98	27,827
Provision for loan losses	18,690	—	—	—	7,072
Loss (gain) on extinguishment of debt, net	15,719	—	65,824	2,612	—
Loss (gain) on derivatives and financial instruments, net	(2,487)	1,913	1,244	(5,069)	7,651
General and administrative expenses	35,282	33,741	31,019	26,507	35,481
Depreciation and amortization	243,932	248,052	272,445	262,644	274,801
Interest expense	145,232	141,336	137,343	131,648	142,007
Consolidated net operating income	601,438	618,979	610,545	600,302	576,821
NOI attributable to unconsolidated investments(1)	21,827	21,518	21,957	22,031	21,150
NOI attributable to noncontrolling interests(2)	(41,574)	(42,559)	(42,356)	(41,035)	(38,017)
Pro rata net operating income (NOI)(3)	$ 581,691	$ 597,938	$ 590,146	$ 581,298	$ 559,954
Pro rata NOI:					
Seniors Housing Operating	$ 261,021	$ 272,484	$ 250,469	$ 239,508	$ 239,457
Seniors Housing Triple-net	111,544	108,807	113,359	115,950	84,015
Outpatient Medical	94,867	106,549	117,728	124,186	135,426
Health System	43,016	43,016	43,016	43,016	42,798
Long-Term/Post-Acute Care	69,212	66,755	64,862	58,253	57,964
Corporate	2,031	327	712	385	294
Pro rata NOI(3)	$ 581,691	$ 597,938	$ 590,146	$ 581,298	$ 559,954

(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 Welltower's pro rata share of NOI. Includes amounts from investments sold or held for sale.

NOI ANNUAL RECONCILIATIONS

(dollars in thousands)

	Year Ended				
	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Net income	$ 888,549	$ 1,082,070	$ 540,613	$ 829,750	$ 1,330,410
Loss (gain) on real estate dispositions, net	(280,387)	(364,046)	(344,250)	(415,575)	(748,041)
Loss (income) from unconsolidated entities	21,504	10,357	83,125	641	(42,434)
Income tax expense (benefit)	6,451	(19,128)	20,128	8,674	2,957
Other expenses and transaction costs	157,157	54,908	177,776	112,898	52,612
Impairment of assets	2,220	37,207	124,483	115,579	28,133
Provision for loan losses	—	10,215	62,966	—	18,690
Loss (gain) on extinguishment of debt, net	34,677	17,214	37,241	16,097	84,155
Loss (gain) on derivatives and financial instruments, net	(58,427)	(2,448)	2,284	(4,016)	(4,399)
General and administrative expenses	147,416	155,241	122,008	126,383	126,549
Depreciation and amortization	826,240	901,242	921,720	950,459	1,027,073
Interest expense	492,169	521,345	484,622	526,592	555,559
Consolidated NOI	2,237,569	2,404,177	2,232,716	2,267,482	2,431,264
NOI attributable to unconsolidated investments[1]	76,661	66,534	87,121	87,525	87,333
NOI attributable to noncontrolling interests[2]	(72,217)	(107,235)	(117,199)	(139,798)	(167,524)
Pro rata net operating income (NOI)[3]	$ 2,242,013	$ 2,363,476	$ 2,202,638	$ 2,215,209	$ 2,351,073
Pro rata NOI:					
Seniors Housing Operating	$ 712,189	$ 802,001	$ 866,421	$ 972,022	$ 1,023,482
Seniors Housing Triple-net	622,646	654,925	629,733	530,765	449,660
Outpatient Medical	346,187	353,424	361,297	355,227	443,330
Health System	—	—	—	73,618	172,064
Long-Term/Post-Acute Care	537,197	548,463	344,088	281,790	259,082
Corporate	23,794	4,663	1,099	1,787	3,455
Pro rata NOI[3]	$ 2,242,013	$ 2,363,476	$ 2,202,638	$ 2,215,209	$ 2,351,073

(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 Welltower's pro rata share of NOI. Includes amounts from investments sold or held for sale.

CURRENT QUARTER SSNOI BY SEGMENT

(dollars in thousands at Welltower pro rata ownership)	1Q19	2Q19	3Q19	4Q19	1Q20	Y/o/Y
Seniors Housing Operating						
NOI	$ 261,021	$ 272,484	$ 250,469	$ 239,508	$ 239,457	
Non-cash NOI on same store properties	553	(90)	(3,866)	(795)	(839)	
NOI attributable to non-same store properties	(52,927)	(68,426)	(40,129)	(35,141)	(40,059)	
Currency and ownership adjustments(1)	2,106	1,879	1,521	817	1,272	
Normalizing adjustment for policy change(2)	(464)	(1,575)	294	(1,276)	(1,593)	
Normalizing adjustment for health insurance costs(3)	—	—	—	—	1,499	
Normalizing adjustment for insurance reimbursement(4)	(4,987)	—	—	—	—	
Normalizing adjustment for real estate taxes(5)	(2,492)	—	—	—	—	
Other normalizing adjustments(6)	(28)	96	(351)	216	(279)	
SSNOI(7)	202,782	204,368	207,938	203,329	199,458	(1.6)%
Seniors Housing Triple-net						
NOI	111,544	108,807	113,359	115,950	84,015	
Non-cash NOI on same store properties	(3,978)	(4,809)	(4,300)	(3,079)	22,334	
NOI attributable to non-same store properties	(18,380)	(14,764)	(20,188)	(22,144)	(14,471)	
Currency and ownership adjustments(1)	(97)	207	1,010	171	313	
Normalizing adjustment for development fee(8)	—	—	—	—	(511)	
Other normalizing adjustments(6)	(119)	274	50	64	0	
SSNOI	88,970	89,715	89,931	90,962	91,680	3.0%
Outpatient Medical						
NOI	94,867	106,549	117,728	124,186	135,426	
Non-cash NOI on same store properties	(2,505)	(2,043)	(1,808)	(2,422)	(1,974)	
NOI attributable to non-same store properties	(4,841)	(16,212)	(27,468)	(31,138)	(43,599)	
Currency and ownership adjustments(1)	(6,042)	(5,823)	(5,258)	(6,462)	(6,195)	
Other normalizing adjustments(6)	418	25	0	(856)	(32)	
SSNOI	81,897	82,496	83,194	83,308	83,626	2.1%
Health System						
NOI	43,016	43,016	43,016	43,016	42,798	
Non-cash NOI on same store properties	(7,184)	(7,184)	(6,858)	(6,694)	(6,670)	
NOI attributable to non-same store properties	(517)	(517)	(520)	(522)	(107)	
Other normalizing adjustments(6)	—	—	—	—	(221)	
SSNOI	35,315	35,315	35,638	35,800	35,800	1.4%
Long-Term/Post-Acute Care						
NOI	69,212	66,755	64,862	58,253	57,964	
Non-cash NOI on same store properties	(4,467)	(3,726)	(3,698)	(3,493)	(3,232)	
NOI attributable to non-same store properties	(22,751)	(20,665)	(18,542)	(11,821)	(11,260)	
Currency and ownership adjustments(1)	17	27	6	5	32	
Other normalizing adjustments(6)	379	377	255	—	—	
SSNOI	42,390	42,768	42,883	42,944	43,504	2.6%
Corporate						
NOI	2,031	327	712	385	294	
NOI attributable to non-same store properties	(2,031)	(327)	(712)	(385)	(294)	
SSNOI	—	—	—	—	—	
Total						
NOI	581,691	597,938	590,146	581,298	559,954	
Non-cash NOI on same store properties	(17,581)	(17,852)	(20,530)	(16,483)	9,619	
NOI attributable to non-same store properties	(101,447)	(120,911)	(107,559)	(101,151)	(109,790)	
Currency and ownership adjustments(1)	(4,016)	(3,710)	(2,721)	(5,469)	(4,578)	
Normalizing adjustments, net	(7,293)	(803)	248	(1,852)	(1,137)	
SSNOI	$ 451,354	$ 454,662	$ 459,584	$ 456,343	$ 454,068	0.6%

(1) Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.32 and to translate UK properties at a GBP/USD rate of 1.30.
(2) Represents normalizing adjustment to reflect the application of consistent policies for all periods presented for one Seniors Housing Operating partner.
(3) Represents normalizing adjustment related to health insurance costs for prior periods for two Seniors Housing Operating properties.
(4) Represents normalizing adjustment related to insurance reimbursements for one Seniors Housing Operating property.
(5) Represents normalizing adjustment related to real estate taxes for one Seniors Housing Operating property.
(6) Represents aggregate normalizing adjustments which are individually less than 0.50% of SSNOI growth per property type.
(7) SHO SSNOI includes expenses that are directly attributable to the COVID-19 pandemic.
(8) Represents normalizing adjustement related to a development fee associated with one Seniors Housing Triple-net operator

IPNOI RECONCILIATION

(dollars in thousands at Welltower pro rata ownership)

	Seniors Housing Operating	Seniors Housing Triple-net	Outpatient Medical	Health System	Long-Term /Post-Acute Care	Corporate	Total
Three months ended March 31, 2020							
Revenues	$ 821,990	$ 92,378	$ 193,959	$ 42,818	$ 62,763	$ 294	$ 1,214,202
Property operating expenses	(582,533)	(8,363)	(58,533)	(20)	(4,799)	—	(654,248)
NOI[1]	**239,457**	**84,015**	**135,426**	**42,798**	**57,964**	**294**	**559,954**
Adjust:							
Interest income	(104)	(5,810)	(466)	—	(8,861)	—	(15,241)
Other income	(1,058)	(1,159)	(409)	—	(514)	(294)	(3,434)
Sold / held for sale	(1,931)	(524)	(8,279)	(108)	(63)	—	(10,905)
Developments / land	603	—	69	—	—	—	672
Non In-Place NOI[2]	(5,521)	27,754	(5,660)	(6,670)	(3,208)	—	6,695
Timing adjustments[3]	(783)	—	1,073	—	—	—	290
Total adjustments	(8,794)	20,261	(13,672)	(6,778)	(12,646)	(294)	(21,923)
In-Place NOI	**230,663**	**104,276**	**121,754**	**36,020**	**45,318**	**—**	**538,031**
Annualized In-Place NOI	**$ 922,652**	**$ 417,104**	**$ 487,016**	**$ 144,080**	**$ 181,272**	**$ —**	**$ 2,152,124**

(1) Represents Welltower's pro rata share of NOI. See page 7 for more information.

(2) Primarily represents non-cash NOI.

(3) 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 SSNOI/unit)

	United States		United Kingdom		Canada		Total	
	1Q19	1Q20	1Q19	1Q20	1Q19	1Q20	1Q19	1Q20
SHO SS REVPOR Growth								
Consolidated SHO revenues	$ 677,782	$ 655,185	$ 80,951	$ 85,524	$ 113,653	$ 110,419	$ 872,386	$ 851,128
Unconsolidated SHO revenues attributable to WELL(1)	23,466	23,264	—	—	20,281	21,132	43,747	44,396
SHO revenues attributable to noncontrolling interests(2)	(42,178)	(41,367)	(6,625)	(7,660)	(25,392)	(24,507)	(74,195)	(73,534)
SHO pro rata revenues(3)	659,070	637,082	74,326	77,864	108,542	107,044	841,938	821,990
Non-cash revenues on same store properties	(631)	(800)	(19)	—	—	—	(650)	(800)
Revenues attributable to non-same store properties	(199,230)	(158,662)	(13,087)	(13,467)	(4,253)	(2,872)	(216,570)	(175,001)
Currency and ownership adjustments(4)	5,901	—	(100)	967	1,086	2,062	6,887	3,029
Normalizing adjustment for policy change(5)	(464)	(1,593)	—	—	—	—	(464)	(1,593)
Normalizing adjustment for insurance reimbursement(6)	(2,813)	—	—	—	—	—	(2,813)	—
Other normalizing adjustments(7)	534	(796)	(184)	—	—	—	350	(796)
SHO SS revenues(8)	462,367	475,231	60,936	65,364	105,375	106,234	628,678	646,829
Avg. occupied units/month(9)	21,773	21,608	2,519	2,564	12,800	12,680	37,092	36,852
SHO SS REVPOR(10)	$ 7,177	$ 7,433	$ 8,176	$ 8,616	$ 2,782	$ 2,831	$ 5,728	$ 5,932
SS REVPOR YOY growth		3.6 %		5.4%		1.8 %		3.6 %
SHO SSNOI Growth								
Consolidated SHO NOI	$ 202,210	$ 185,133	$ 20,941	$ 20,317	$ 41,549	$ 37,807	$ 264,700	$ 243,257
Unconsolidated SHO NOI attributable to WELL(1)	8,475	7,072	—	—	7,964	7,882	16,439	14,954
SHO NOI attributable to noncontrolling interests(2)	(9,918)	(9,439)	(891)	(957)	(9,309)	(8,358)	(20,118)	(18,754)
SHO pro rata NOI(3)	200,767	182,766	20,050	19,360	40,204	37,331	261,021	239,457
Non-cash NOI on same store properties	568	(845)	(15)	2	—	4	553	(839)
NOI attributable to non-same store properties	(48,980)	(37,393)	(3,280)	(2,212)	(667)	(454)	(52,927)	(40,059)
Currency and ownership adjustments(4)	1,730	343	(27)	222	403	707	2,106	1,272
Normalizing adjustment for policy change(5)	(464)	(1,593)	—	—	—	—	(464)	(1,593)
Normalizing adjustment for health insurance costs(11)	—	1,499	—	—	—	—	—	1,499
Normalizing adjustment for insurance reimbursement(6)	(4,987)	—	—	—	—	—	(4,987)	—
Normalizing adjustment for real estate taxes(12)	(2,492)	—	—	—	—	—	(2,492)	—
Other normalizing adjustments(7)	2	(279)	(30)	—	—	—	(28)	(279)
SHO pro rata SSNOI(8)	$ 146,144	$ 144,498	$ 16,698	$ 17,372	$ 39,940	$ 37,588	$ 202,782	$ 199,458
SHO SSNOI growth		(1.1)%		4.0%		(5.9)%		(1.6)%
SHO SSNOI/Unit								
Trailing four quarters' SSNOI(8)		$ 589,491		$ 67,748		$ 157,854		$ 815,093
Average units in service(13)		25,239		3,091		14,216		42,546
SSNOI/unit in USD		$ 23,356		$ 21,918		$ 11,104		$ 19,158
SSNOI/unit in local currency(4)				£ 16,860		C$ 14,611		

(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. See page 7 for more information.

(4) Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.32 and to translate UK properties at a GBP/USD rate of 1.30.

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

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

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

(8) Represents SS SHO revenues/SSNOI at Welltower pro rata ownership. See page 9 for more information.

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

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

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

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

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

SENIORS HOUSING OPERATING REVPOR

(dollars in thousands, except REVPOR)	Three months ended March 31, 2020			
	United States	United Kingdom	Canada	Total
Consolidated SHO revenues	$ 655,185	$ 85,524	$ 110,419	$ 851,128
Unconsolidated SHO revenues attributable to Welltower[1]	23,264	—	21,132	44,396
SHO revenues attributable to noncontrolling interests[2]	(41,367)	(7,660)	(24,507)	(73,534)
Pro rata SHO revenues[3]	637,082	77,864	107,044	821,990
SHO interest and other income	(993)	(20)	(149)	(1,162)
SHO revenues attributable to sold and held for sale properties	(9,789)	—	—	(9,789)
Currency and ownership adjustments[4]	—	1,167	2,125	3,292
SHO local revenues	626,300	79,011	109,020	814,331
Average occupied units/month	33,519	3,068	13,060	49,647
REVPOR/month in USD	$ 6,315	$ 8,704	$ 2,821	$ 5,543
REVPOR/month in local currency[4]		£ 6,695	C$ 3,712	

(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 1.32 and to translate UK properties at a GBP/USD rate of 1.30.

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 Internal Revenue Code ("IRC") Section 1031 deposits. We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The coverage ratios are based on EBITDA which stands for earnings (net income per income statement) before interest expense, income taxes, depreciation and amortization. Covenants in our senior unsecured notes contain financial ratios based on a definition of EBITDA that is specific to those agreements. Failure to satisfy these covenants could result in an event of default that could have a material adverse impact on our cost and availability of capital, which could in turn have a material adverse impact on our consolidated results of operations, liquidity and/or financial condition. Due to the materiality of these debt agreements and the financial covenants, we have defined Adjusted EBITDA to exclude unconsolidated entities and to include 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. 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 any IRC Section 1031 deposits), 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.

We believe that EBITDA and Adjusted EBITDA, along with net income and cash flow provided from operating activities, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. We primarily utilize them to measure 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.

EBITDA AND ADJUSTED EBITDA QUARTERLY RECONCILIATIONS

(dollars in thousands)

	Three Months Ended				
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Net income (loss)	$ 292,302	$ 150,040	$ 647,932	$ 240,136	$ 329,380
Interest expense	145,232	141,336	137,343	131,648	142,007
Income tax expense (benefit)	2,222	1,599	3,968	(4,832)	5,442
Depreciation and amortization	243,932	248,052	272,445	262,644	274,801
EBITDA	683,688	541,027	1,061,688	629,596	751,630
Loss (income) from unconsolidated entities	9,199	9,049	(3,262)	(57,420)	3,692
Stock-based compensation(1)	7,529	7,662	5,309	4,547	7,083
Loss (gain) on extinguishment of debt, net	15,719	—	65,824	2,612	—
Loss (gain) on real estate dispositions, net	(167,409)	1,682	(570,250)	(12,064)	(262,824)
Impairment of assets	—	9,939	18,096	98	27,827
Provision for loan losses	18,690	—	—	—	7,072
Loss (gain) on derivatives and financial instruments, net	(2,487)	1,913	1,244	(5,069)	7,651
Other expenses(1)	8,756	20,369	5,885	16,042	6,031
Other impairment(2)	—	—	—	—	32,268
Total adjustments	(110,003)	50,614	(477,154)	(51,254)	(171,200)
Adjusted EBITDA	$ 573,685	$ 591,641	$ 584,534	$ 578,342	$ 580,430
Interest Coverage Ratios:					
Interest expense	$ 145,232	$ 141,336	$ 137,343	$ 131,648	$ 142,007
Capitalized interest	2,327	3,929	4,148	4,868	4,746
Non-cash interest expense	(5,171)	(752)	(1,988)	(734)	(8,125)
Total interest	142,388	144,513	139,503	135,782	138,628
EBITDA	$ 683,688	$ 541,027	$ 1,061,688	$ 629,596	$ 751,630
Interest coverage ratio	4.80x	3.74x	7.61x	4.64x	5.42x
Adjusted EBITDA	$ 573,685	$ 591,641	$ 584,534	$ 578,342	$ 580,430
Adjusted interest coverage ratio	4.03x	4.09x	4.19x	4.26x	4.19x
Fixed Charge Coverage Ratios:					
Total interest	$ 142,388	$ 144,513	$ 139,503	$ 135,782	$ 138,628
Secured debt principal amortization	13,543	13,684	13,121	13,977	15,526
Total fixed charges	$ 155,931	$ 158,197	$ 152,624	$ 149,759	$ 154,154
EBITDA	$ 683,688	$ 541,027	$ 1,061,688	$ 629,596	$ 751,630
Fixed charge coverage ratio	4.38x	3.42x	6.96x	4.20x	4.88x
Adjusted EBITDA	$ 573,685	$ 591,641	$ 584,534	$ 578,342	$ 580,430
Adjusted fixed charge coverage ratio	3.68x	3.74x	3.83x	3.86x	3.77x
Net Debt Ratios:					
Total debt(3)	$ 12,791,022	$ 15,259,532	$ 13,798,266	$ 15,023,962	$ 14,073,418
Less: cash and cash equivalents(4)	(249,127)	(268,666)	(265,788)	(284,917)	(303,423)
Net debt	$ 12,541,895	$ 14,990,866	$ 13,532,478	$ 14,739,045	$ 13,769,995
EBITDA Annualized	$ 2,734,752	$ 2,164,108	$ 4,246,752	$ 2,518,384	$ 3,006,520
Net debt to EBITDA ratio	4.59x	6.93x	3.19x	5.85x	4.58x
Adjusted EBITDA Annualized	$ 2,294,740	$ 2,366,564	$ 2,338,136	$ 2,313,368	$ 2,321,720
Net debt to Adjusted EBITDA ratio	5.47x	6.33x	5.79x	6.37x	5.93x

(1) Certain severance-related costs are included in stock-based compensation and excluded from other expenses.

(2) Represents a write off of straight-line rent receivables recorded in rental income in conjunction with an amended lease.

(3) Amounts include unamortized premiums/discounts, fair value adjustments and lease liabilities related to financing leases. Operating lease liabilities related to ASC 842 adoption are excluded.

(4) Includes IRC section 1031 deposits, if any.

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EBITDA AND ADJUSTED EBITDA ANNUAL RECONCILIATIONS

(dollars in thousands)

	Year Ended				
	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Net income	$ 888,549	$ 1,082,070	$ 540,613	$ 829,750	$ 1,330,410
Interest expense	492,169	521,345	484,622	526,592	555,559
Income tax expense (benefit)	6,451	(19,128)	20,128	8,674	2,957
Depreciation and amortization	826,240	901,242	921,720	950,459	1,027,073
EBITDA	2,213,409	2,485,529	1,967,083	2,315,475	2,915,999
Loss (income) from unconsolidated entities	21,504	10,357	83,125	641	(42,434)
Stock-based compensation[1]	30,844	28,869	19,102	27,646	25,047
Loss (gain) on extinguishment of debt, net	34,677	17,214	37,241	16,097	84,155
Loss (gain) on real estate dispositions, net	(280,387)	(364,046)	(344,250)	(415,575)	(748,041)
Impairment of assets	2,220	37,207	124,483	115,579	28,133
Provision for loan losses	—	10,215	62,966	—	18,690
Loss / (gain) on derivatives, net	(58,427)	(2,448)	2,284	(4,016)	(4,399)
Other expenses[1]	151,562	50,631	176,395	111,990	51,052
Additional other income [2]	(2,144)	(16,664)	—	(14,832)	—
Total adjustments	(100,151)	(228,665)	161,346	(162,470)	(587,797)
Adjusted EBITDA	2,113,258	2,256,864	2,128,429	2,153,005	2,328,202
Interest Coverage Ratios:					
Interest expense	$ 492,169	$ 521,345	$ 484,622	$ 526,592	$ 555,559
Capitalized interest	8,670	16,943	13,489	7,905	15,272
Non-cash interest expense	(2,586)	(1,681)	(10,358)	(10,860)	(8,645)
Total interest	498,253	536,607	487,753	523,637	562,186
EBITDA	$ 2,213,409	$ 2,485,529	$ 1,967,083	$ 2,315,475	$ 2,915,999
Interest coverage ratio	4.44x	4.63x	4.03x	4.42x	5.19x
Adjusted EBITDA	$ 2,113,258	$ 2,256,864	$ 2,128,429	$ 2,153,005	$ 2,328,202
Adjusted interest coverage ratio	4.24x	4.21x	4.36x	4.11x	4.14x
Fixed Charge Coverage Ratios:					
Total interest	$ 498,253	$ 536,607	$ 487,753	$ 523,637	$ 562,186
Secured debt principal amortization	67,064	74,466	64,079	56,288	54,325
Preferred dividends	65,406	65,406	49,410	46,704	—
Total fixed charges	630,723	676,479	601,242	626,629	616,511
EBITDA	$ 2,213,409	$ 2,485,529	$ 1,967,083	$ 2,315,475	$ 2,915,999
Fixed charge coverage ratio	3.51x	3.67x	3.27x	3.70x	4.73x
Adjusted EBITDA	$ 2,113,258	$ 2,256,864	$ 2,128,429	$ 2,153,005	$ 2,328,202
Adjusted fixed charge coverage ratio	3.35x	3.34x	3.54x	3.44x	3.78x
Net Debt Ratios:					
Total debt[3]	$ 12,967,686	$ 12,358,245	$ 11,731,936	$ 13,297,144	$ 15,023,962
Less: cash and cash equivalents[4]	(484,754)	(557,659)	(249,620)	(215,376)	(284,917)
Net debt	$ 12,482,932	$ 11,800,586	$ 11,482,316	$ 13,081,768	$ 14,739,045
EBITDA	$ 2,213,409	$ 2,485,529	$ 1,967,083	$ 2,315,475	$ 2,915,999
Net debt to EBITDA ratio	5.64x	4.75x	5.84x	5.65x	5.05x
Adjusted EBITDA	$ 2,113,258	$ 2,256,864	$ 2,128,429	$ 2,153,005	$ 2,328,202
Net debt to Adjusted EBITDA ratio	5.91x	5.23x	5.39x	6.08x	6.33x

(1) Certain severance-related costs are included in stock-based compensation and excluded from other expenses.
(2) Normalizing items include adjustments for certain non-recurring or infrequent items.
(3) Amounts include unamortized premiums/discounts, fair value adjustments and lease liabilities related to financing leases. Operating lease liabilities related to ASC 842 adoption are excluded.
(4) Includes IRC section 1031 deposits, if any. 2015 also includes cash received from CPPIB joint venture buy-in subsequent to 12/31/2015.

EBITDA AND ADJUSTED EBITDA TRAILING TWELVE MONTHS RECONCILIATIONS

(dollars in thousands)

	Twelve Months Ended				
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Net income	$ 668,497	$ 651,264	$ 1,214,970	$ 1,330,410	$ 1,367,488
Interest expense	549,049	568,969	568,280	555,559	552,334
Income tax expense (benefit)	9,308	7,066	9,293	2,957	6,177
Depreciation and amortization	966,190	977,967	1,007,263	1,027,073	1,057,942
EBITDA	2,193,044	2,205,266	2,799,806	2,915,999	2,983,941
Loss (income) from unconsolidated entities	7,411	17,709	14,791	(42,434)	(47,941)
Stock-based compensation(1)	23,618	26,113	25,347	25,047	24,601
Loss (gain) on extinguishment of debt, net	20,109	19,810	81,596	84,155	68,436
Loss (gain) on real estate dispositions, net	(244,800)	(232,363)	(777,890)	(748,041)	(843,456)
Impairment of assets	87,394	92,701	104,057	28,133	55,960
Provision of loan losses	18,690	18,690	18,690	18,690	7,072
Loss (gain) on derivatives and financial instruments, net	670	10,043	2,296	(4,399)	5,739
Other expenses(1)	117,942	126,994	45,512	51,052	48,327
Other impairment(2)	—	—	—	—	32,268
Additional other income(3)	(14,832)	(4,027)	(4,027)	—	—
Total adjustments	16,202	75,670	(489,628)	(587,797)	(648,994)
Adjusted EBITDA	$ 2,209,246	$ 2,280,936	$ 2,310,178	$ 2,328,202	$ 2,334,947
Interest Coverage Ratios:					
Interest expense	$ 549,049	$ 568,969	$ 568,280	$ 555,559	$ 552,334
Capitalized interest	7,896	9,725	11,952	15,272	17,691
Non-cash interest expense	(11,852)	(10,888)	(11,218)	(8,645)	(11,599)
Total interest	545,093	567,806	569,014	562,186	558,426
EBITDA	$ 2,193,044	$ 2,205,266	$ 2,799,806	$ 2,915,999	$ 2,983,941
Interest coverage ratio	4.02x	3.88x	4.92x	5.19x	5.34x
Adjusted EBITDA	$ 2,209,246	$ 2,280,936	$ 2,310,178	$ 2,328,202	$ 2,334,947
Adjusted interest coverage ratio	4.05x	4.02x	4.06x	4.14x	4.18x
Fixed Charge Coverage Ratios:					
Total interest	$ 545,093	$ 567,806	$ 569,014	$ 562,186	$ 558,426
Secured debt principal amortization	55,584	55,129	54,342	54,325	56,308
Preferred dividends	35,028	23,352	11,676	—	—
Total fixed charges	635,705	646,287	635,032	616,511	614,734
EBITDA	$ 2,193,044	$ 2,205,266	$ 2,799,806	$ 2,915,999	$ 2,983,941
Fixed charge coverage ratio	3.45x	3.41x	4.41x	4.73x	4.85x
Adjusted EBITDA	$ 2,209,246	$ 2,280,936	$ 2,310,178	$ 2,328,202	$ 2,334,947
Adjusted fixed charge coverage ratio	3.48x	3.53x	3.64x	3.78x	3.80x

(1) Certain severance-related costs are included in stock-based compensation and excluded from other expenses.
(2) Represents a write off of straight-line rent receivables recorded in rental income in conjunction with an amended lease.
(3) Normalizing items include adjustments for certain non-recurring or infrequent items.

CAPITALIZATION RATIOS QUARTERLY

(Amounts in thousands, except share price)	As of				
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Book capitalization:					
Unsecured credit facility and commercial paper	$ 419,293	$ 1,869,188	$ 1,334,586	$ 1,587,597	$ 844,985
Long-term debt obligations[1]	12,371,729	13,390,344	12,463,680	13,436,365	13,228,433
Cash & cash equivalents[2]	(249,127)	(268,666)	(265,788)	(284,917)	(303,423)
Total net debt	12,541,895	14,990,866	13,532,478	14,739,045	13,769,995
Total equity[3]	16,498,376	16,452,806	16,696,070	16,982,504	17,495,696
Book capitalization	$ 29,040,271	$ 31,443,672	$ 30,228,548	$ 31,721,549	$ 31,265,691
Net debt to book capitalization ratio	43.2%	47.7%	44.8%	46.5%	44.0%
Undepreciated book capitalization:					
Total net debt	$ 12,541,895	$ 14,990,866	$ 13,532,478	$ 14,739,045	$ 13,769,995
Accumulated depreciation and amortization	5,670,111	5,539,435	5,769,843	5,715,459	5,910,979
Total equity[3]	16,498,376	16,452,806	16,696,070	16,982,504	17,495,696
Undepreciated book capitalization	$ 34,710,382	$ 36,983,107	$ 35,998,391	$ 37,437,008	$ 37,176,670
Net debt to undepreciated book capitalization ratio	36.1%	40.5%	37.6%	39.4%	37.0%
Market capitalization:					
Common shares outstanding	403,740	405,254	405,758	410,257	417,391
Period end share price	$ 77.6	$ 81.53	$ 90.65	$ 81.78	$ 45.78
Common equity market capitalization	$ 31,330,224	$ 33,040,359	$ 36,781,963	$ 33,550,817	$ 19,108,160
Total net debt	12,541,895	14,990,866	13,532,478	14,739,045	13,769,995
Noncontrolling interests[3]	1,419,885	1,458,351	1,430,005	1,442,060	1,362,913
Enterprise value	$ 45,292,004	$ 49,489,576	$ 51,744,446	$ 49,731,922	$ 34,241,068
Net debt to market capitalization ratio	27.7%	30.3%	26.2%	29.6%	40.2%

(1) Amounts include senior unsecured notes, secured debt and lease liabilities related to financing leases as reflected on our Consolidated Balance Sheet. Operating lease liabilities related to the ASC 842 adoption are excluded.

(2) Inclusive of IRC Section 1031 deposits, if any.

(3) Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests as reflected on our Consolidated Balance Sheet.

CAPITALIZATION RATIOS ANNUAL

(Amounts in thousands, except share price)	As of				
	December 31, 2015	**December 31, 2016**	**December 31, 2017**	**December 31, 2018**	**December 31, 2019**
Book capitalization:					
Unsecured credit facility and commercial paper	$ 835,000	$ 645,000	$ 719,000	$ 1,147,000	$ 1,587,597
Long-term debt obligations[(1)]	12,132,686	11,713,245	11,012,936	12,150,144	13,436,365
Cash & cash equivalents[(2)]	(484,754)	(557,659)	(249,620)	(215,376)	(284,917)
Total net debt	12,482,932	11,800,586	11,482,316	13,081,768	14,739,045
Total equity non controlling interest[(3)]	15,358,968	15,679,906	15,300,646	16,010,645	16,982,504
Book capitalization	$ 27,841,900	$ 27,480,492	$ 26,782,962	$ 29,092,413	$ 31,721,549
Net debt to book capitalization ratio	44.8%	42.9%	42.9%	45.0%	46.5%
Undepreciated book capitalization:					
Total net debt	$ 12,482,932	$ 11,800,586	$ 11,482,316	$ 13,081,768	$ 14,739,045
Accumulated depreciation and amortization	3,796,297	4,093,494	4,838,370	5,499,958	5,715,459
Total equity and noncontrolling interest[(3)]	15,358,968	15,679,906	15,300,646	16,010,645	16,982,504
Undepreciated book capitalization	$ 31,638,197	$ 31,573,986	$ 31,621,332	$ 34,592,371	$ 37,437,008
Net debt to undepreciated book capitalization ratio	39.5%	37.4%	36.3%	37.8%	39.4%
Market capitalization:					
Common shares outstanding	354,778	362,602	371,732	383,675	410,257
Period end share price	$ 68.03	$ 66.93	$ 63.77	$ 69.41	$ 81.78
Common equity market capitalization	$ 24,135,547	$ 24,268,952	$ 23,705,350	$ 26,630,882	$ 33,550,817
Total net debt	12,482,932	11,800,586	11,482,316	13,081,768	14,739,045
Noncontrolling interests[(3)]	768,408	873,512	877,498	1,378,311	1,442,060
Preferred stock	1,006,250	1,006,250	718,503	718,498	—
Enterprise value	$ 38,393,137	$ 37,949,300	$ 36,783,667	$ 41,809,459	$ 49,731,922
Net debt to market capitalization ratio	32.5%	31.1%	31.2%	31.3%	29.6%

(1) Amounts include senior unsecured notes, secured debt and lease liabilities related to financing leases as reflected on our Consolidated Balance Sheet. Operating lease liabilities related to the ASC 842

(2) Inclusive of IRC Section 1031 deposits, if any. 2015 also includes cash received from CPPIB joint venture buy-in subsequent to 12/31/15.

(3) Includes amounts attributable to both redeemable noncontrolling interests and noncontrolling interests as reflected on our Consolidated Balance Sheet.