

# NON-GAAP FINANCIAL MEASURES

*Quarter Ended December 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 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, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Net income (loss) attributable to common stockholders	\$ 224,324	\$ 310,284	\$ 179,246	\$ 325,585	\$ 163,729
Depreciation and amortization	262,644	274,801	265,371	255,532	242,733
Impairments and losses (gains) on real estate dispositions, net	(11,966)	(234,997)	(80,712)	(460,991)	(176,147)
Noncontrolling interests <sup>(1)</sup>	(14,895)	(9,409)	(42,539)	48,559	(20,579)
Unconsolidated entities <sup>(2)</sup>	16,191	15,445	14,231	16,329	16,091
NAREIT FFO attributable to common stockholders	476,298	356,124	335,597	185,014	225,827
Normalizing items:					
Loss (gain) on derivatives and financial instruments, net	(5,069)	7,651	1,434	1,395	569
Loss (gain) on extinguishment of debt, net	2,612	—	249	33,004	13,796
Provision for loan losses	—	7,072	1,422	2,857	83,085
Incremental interest expense	—	5,871	—	—	—
Nonrecurring income tax benefits	(8,681)	—	—	—	—
Other impairment	—	32,268	1,842	112,398	—
Other expenses	16,042	6,292	19,411	11,544	33,088
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	(54,851)	4,041	1,000	6,399	(5,070)
Normalized FFO attributable to common stockholders	\$ 426,351	\$ 419,319	\$ 360,955	\$ 352,611	\$ 351,295
Average common shares outstanding:					
Basic	405,974	410,306	417,084	417,027	417,123
Diluted	407,904	412,420	419,121	418,987	418,753
Net income (loss) attributable to common stockholders per share:					
Basic	\$ 0.55	\$ 0.76	\$ 0.43	\$ 0.78	\$ 0.39
Diluted <sup>(3)</sup>	\$ 0.55	\$ 0.75	\$ 0.42	\$ 0.77	\$ 0.39
NAREIT FFO attributable to common stockholders per share:					
Diluted	\$ 1.17	\$ 0.86	\$ 0.80	\$ 0.44	\$ 0.54
Normalized FFO attributable to common stockholders per share:					
Diluted	\$ 1.05	\$ 1.02	\$ 0.86	\$ 0.84	\$ 0.84
NAREIT FFO Payout Ratio:					
Dividends per common share	\$ 0.87	\$ 0.87	\$ 0.61	\$ 0.61	\$ 0.61
NAREIT FFO attributable to common stockholders per diluted share	\$ 1.17	\$ 0.86	\$ 0.80	\$ 0.44	\$ 0.54
NAREIT FFO Payout Ratio	74 %	101 %	76 %	139 %	113 %
Normalized FFO Payout Ratio:					
Dividends per common share	\$ 0.87	\$ 0.87	\$ 0.61	\$ 0.61	\$ 0.61
Normalized FFO attributable to common stockholders per diluted share	\$ 1.05	\$ 1.02	\$ 0.86	\$ 0.84	\$ 0.84
Normalized FFO Payout Ratio	83 %	85 %	71 %	73 %	73 %
Other items: <sup>(4)</sup>					
Net straight-line rent and above/below market rent amortization <sup>(5)</sup>	\$ (24,584)	\$ (24,930)	\$ (25,627)	\$ (18,729)	\$ (21,640)
Non-cash interest expenses <sup>(6)</sup>	1,282	2,823	2,275	4,339	2,108
Recurring cap-ex, tenant improvements, and lease commissions	(46,550)	(22,616)	(17,579)	(19,443)	(21,634)
Stock-based compensation <sup>(7)</sup>	4,547	6,822	6,892	6,565	1,875

(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 incremental interest expense.

(7) Excludes certain severance related stock-based compensation recorded in other expense.

# FFO ANNUAL RECONCILIATIONS

(in thousands, except per share information)

	Year Ended					
	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	
Net income (loss) attributable to common stockholders	\$ 1,012,397	\$ 463,595	\$ 758,250	\$ 1,232,432	\$ 978,844	
Depreciation and amortization	901,242	921,720	950,459	1,027,073	1,038,437	
Impairments and losses (gains) on real estate dispositions, net	(326,840)	(219,767)	(299,996)	(719,908)	(952,847)	
Noncontrolling interests <sup>(1)</sup>	(71,527)	(60,018)	(69,193)	(20,197)	(23,968)	
Unconsolidated entities <sup>(2)</sup>	67,667	60,046	52,663	57,680	62,096	
NAREIT FFO attributable to common stockholders	1,582,939	1,165,576	1,392,183	1,577,080	1,102,562	
Normalizing items:						
Loss (gain) on derivatives and financial instruments, net	(2,448)	2,284	(4,016)	(4,399)	11,049	
Preferred stock redemption charge	—	9,769	—	—	—	
Loss (gain) on extinguishment of debt, net	17,214	37,241	16,097	84,155	47,049	
Provision for loan losses	10,215	62,966	—	18,690	94,436	
Incremental interest expense	—	2,634	—	—	5,871	
Incremental stock-based compensation expense	—	—	3,552	—	—	
Nonrecurring income tax benefits	(15,675)	9,438	—	(8,681)	—	
Other impairment	—	—	—	—	146,508	
Other expenses	54,908	177,776	112,898	52,612	70,335	
Additional other income	(16,664)	—	(14,832)	—	—	
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	7,228	86,589	4,595	(40,741)	6,370	
Normalized FFO attributable to common stockholders	\$ 1,637,717	\$ 1,554,273	\$ 1,510,477	\$ 1,678,716	\$ 1,484,180	
Average common shares outstanding:						
Basic	358,275	367,237	373,620	401,845	415,451	
Diluted	360,227	369,001	375,250	403,808	417,387	
Net income (loss) attributable to common stockholders per share:						
Basic	\$ 2.83	\$ 1.26	\$ 2.03	\$ 3.07	\$ 2.36	
Diluted <sup>(3)</sup>	\$ 2.81	\$ 1.26	\$ 2.02	\$ 3.05	\$ 2.33	
NAREIT FFO attributable to common stockholders per share:						
Diluted	\$ 4.39	\$ 3.16	\$ 3.71	\$ 3.91	\$ 2.64	
Normalized FFO attributable to common stockholders per share:						
Diluted	\$ 4.55	\$ 4.21	\$ 4.03	\$ 4.16	\$ 3.56	
NAREIT FFO Payout Ratio:						
Dividends per common share	\$ 3.44	\$ 3.48	\$ 3.48	\$ 3.48	\$ 2.70	
NAREIT FFO attributable to common stockholders per diluted share	\$ 4.39	\$ 3.16	\$ 3.71	\$ 3.91	\$ 2.64	
NAREIT FFO payout ratio	78 %	110 %	94 %	89 %	102 %	
Normalized FFO Payout Ratio:						
Dividends per common share	\$ 3.44	\$ 3.48	\$ 3.48	\$ 3.48	\$ 2.70	
Normalized FFO attributable to common stockholders per diluted share	\$ 4.55	\$ 4.21	\$ 4.03	\$ 4.16	\$ 3.56	
Normalized FFO payout ratio	76 %	83 %	86 %	84 %	76 %	
Other items: <sup>(4)</sup>						
Net straight-line rent and above/below market rent amortization <sup>(5)</sup>	\$ (106,098)	\$ (72,838)	\$ (72,854)	\$ (97,183)	\$ (90,926)	
Non-cash interest expenses <sup>(6)</sup>	4,014	13,042	13,423	11,026	11,545	
Recurring cap-ex, tenant improvements, and lease commissions	(66,701)	(68,120)	(88,408)	(131,295)	(81,271)	
Stock-based compensation <sup>(7)</sup>	24,591	17,721	23,186	23,487	22,154	

(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 incremental interest expense.

(7) Excludes certain severance related stock-based compensation recorded in other expense.

# Earnings Outlook Reconciliation

## Quarter Ending March 31, 2021

(in millions, except per share data)

	Current Outlook	
	Low	High
<u>FFO Reconciliation:</u>		
Net income attributable to common stockholders	\$ 102	\$ 123
Impairments and losses (gains) on real estate dispositions, net <sup>(1,2)</sup>	(53)	(53)
Depreciation and amortization <sup>(1)</sup>	248	248
NAREIT FFO and Normalized FFO attributable to common stockholders	\$ 297	\$ 318
Per share data attributable to common stockholders:		
Net income	\$ 0.24	\$ 0.29
NAREIT FFO and Normalized FFO	\$ 0.71	\$ 0.76
<u>Other items:</u> <sup>(1)</sup>		
Net straight-line rent and above/below market rent amortization	\$ (18)	\$ (18)
Non-cash interest expenses	3	3
Recurring cap-ex, tenant improvements, and lease commissions	(21)	(21)
Stock-based compensation	6	6

(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 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				
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Net income (loss)	\$ 240,136	\$ 329,380	\$ 159,216	\$ 394,978	\$ 155,278
Loss (gain) on real estate dispositions, net	(12,064)	(262,824)	(155,863)	(484,304)	(185,464)
Loss (income) from unconsolidated entities	(57,420)	3,692	(1,332)	5,981	(258)
Income tax expense (benefit)	(4,832)	5,442	2,233	2,003	290
Other expenses	16,042	6,292	19,411	11,544	33,088
Impairment of assets	98	27,827	75,151	23,313	9,317
Provision for loan losses	—	7,072	1,422	2,857	83,085
Loss (gain) on extinguishment of debt, net	2,612	—	249	33,004	13,796
Loss (gain) on derivatives and financial instruments, net	(5,069)	7,651	1,434	1,395	569
General and administrative expenses	26,507	35,481	34,062	31,003	27,848
Depreciation and amortization	262,644	274,801	265,371	255,532	242,733
Interest expense	131,648	142,007	126,357	124,851	121,173
Consolidated net operating income	600,302	576,821	527,711	402,157	501,455
NOI attributable to unconsolidated investments <sup>(1)</sup>	22,031	21,150	20,871	13,659	21,481
NOI attributable to noncontrolling interests <sup>(2)</sup>	(41,035)	(38,017)	(30,369)	(28,024)	(25,950)
Pro rata net operating income (NOI) <sup>(3)</sup>	\$ 581,298	\$ 559,954	\$ 518,213	\$ 387,792	\$ 496,986
Pro rata NOI:					
Seniors Housing Operating	\$ 239,508	\$ 239,457	\$ 179,544	\$ 175,378	\$ 163,574
Seniors Housing Triple-net	115,950	84,015	110,361	92,701	114,760
Outpatient Medical	124,186	135,426	127,840	118,421	116,448
Health System	43,016	42,798	42,426	42,425	42,425
Long-Term/Post-Acute Care	58,253	57,964	57,789	(42,381)	58,347
Corporate	385	294	253	1,248	1,432
Pro rata NOI <sup>(3)</sup>	\$ 581,298	\$ 559,954	\$ 518,213	\$ 387,792	\$ 496,986

(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, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Net income	\$ 1,082,070	\$ 540,613	\$ 829,750	\$ 1,330,410	\$ 1,038,852
Loss (gain) on real estate dispositions, net	(364,046)	(344,250)	(415,575)	(748,041)	(1,088,455)
Loss (income) from unconsolidated entities	10,357	83,125	641	(42,434)	8,083
Income tax expense (benefit)	(19,128)	20,128	8,674	2,957	9,968
Other expenses and transaction costs	54,908	177,776	112,898	52,612	70,335
Impairment of assets	37,207	124,483	115,579	28,133	135,608
Provision for loan losses	10,215	62,966	—	18,690	94,436
Loss (gain) on extinguishment of debt, net	17,214	37,241	16,097	84,155	47,049
Loss (gain) on derivatives and financial instruments, net	(2,448)	2,284	(4,016)	(4,399)	11,049
General and administrative expenses	155,241	122,008	126,383	126,549	128,394
Depreciation and amortization	901,242	921,720	950,459	1,027,073	1,038,437
Interest expense	521,345	484,622	526,592	555,559	514,388
Consolidated NOI	2,404,177	2,232,716	2,267,482	2,431,264	2,008,144
NOI attributable to unconsolidated investments <sup>(1)</sup>	66,534	87,121	87,525	87,333	77,161
NOI attributable to noncontrolling interests <sup>(2)</sup>	(107,235)	(117,199)	(139,798)	(167,524)	(122,360)
Pro rata net operating income (NOI) <sup>(3)</sup>	\$ 2,363,476	\$ 2,202,638	\$ 2,215,209	\$ 2,351,073	\$ 1,962,945
Pro rata NOI:					
Seniors Housing Operating	\$ 802,001	\$ 866,421	\$ 972,022	\$ 1,023,482	\$ 757,953
Seniors Housing Triple-net	654,925	629,733	530,765	449,660	401,837
Outpatient Medical	353,424	361,297	355,227	443,330	498,135
Health System	—	—	73,618	172,064	170,074
Long-Term/Post-Acute Care	548,463	344,088	281,790	259,082	131,719
Corporate	4,663	1,099	1,787	3,455	3,227
Pro rata NOI <sup>(3)</sup>	\$ 2,363,476	\$ 2,202,638	\$ 2,215,209	\$ 2,351,073	\$ 1,962,945

(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)

	4Q19	1Q20	2Q20	3Q20	4Q20	Y/o/Y
<b>Seniors Housing Operating</b>						
NOI	\$ 239,508	\$ 239,457	\$ 179,544	\$ 175,378	\$ 163,574	
Non-cash NOI on same store properties	(842)	(879)	(959)	(1,017)	(349)	
NOI attributable to non-same store properties	(23,254)	(25,746)	(16,799)	(13,378)	(8,291)	
Currency and ownership adjustments <sup>(1)</sup>	754	1,183	2,026	374	(561)	
Normalizing adjustment for government grants <sup>(2)</sup>	—	—	—	—	(11,797)	
Other normalizing adjustments <sup>(3)</sup>	(1,461)	469	(1,604)	(992)	(358)	
SSNOI <sup>(4)</sup>	214,705	214,484	162,208	160,365	142,218	(33.8)%
<b>Seniors Housing Triple-net</b>						
NOI	115,950	84,015	110,361	92,701	114,760	
Non-cash NOI on same store properties	(4,876)	1,871	(2,913)	17,626	(3,081)	
NOI attributable to non-same store properties	(21,827)	4,517	(21,230)	(23,393)	(24,703)	
Currency and ownership adjustments <sup>(1)</sup>	132	247	771	107	(269)	
Other normalizing adjustments <sup>(3)</sup>	(1,134)	(1,767)	713	(54)	(858)	
SSNOI	88,245	88,883	87,702	86,987	85,849	(2.7)%
<b>Outpatient Medical</b>						
NOI	124,186	135,426	127,840	118,421	116,448	
Non-cash NOI on same store properties	(2,915)	(2,291)	(1,752)	(2,029)	(1,542)	
NOI attributable to non-same store properties	(19,674)	(33,092)	(31,430)	(23,887)	(24,050)	
Currency and ownership adjustments <sup>(1)</sup>	(17,453)	(17,396)	(10,818)	(10,225)	(5,871)	
Normalizing adjustment for lease termination fees <sup>(5)</sup>	(845)	—	—	—	(14)	
Other normalizing adjustments <sup>(3)</sup>	(115)	(32)	(926)	(58)	(44)	
SSNOI	83,184	82,615	82,914	82,222	84,927	2.1%
<b>Health System</b>						
NOI	43,016	42,798	42,426	42,425	42,425	
Non-cash NOI on same store properties	(6,694)	(6,670)	(6,626)	(5,969)	(5,641)	
NOI attributable to non-same store properties	(530)	(108)	—	—	—	
Other normalizing adjustments <sup>(3)</sup>	8	(220)	—	—	—	
SSNOI	35,800	35,800	35,800	36,456	36,784	2.7%
<b>Long-Term/Post-Acute Care</b>						
NOI	58,253	57,964	57,789	(42,381)	58,347	
Non-cash NOI on same store properties	(3,654)	(3,393)	(3,553)	97,641	(3,591)	
NOI attributable to non-same store properties	(9,723)	(9,163)	(9,197)	(10,129)	(9,533)	
Currency and ownership adjustments <sup>(1)</sup>	5	32	84	21	(17)	
Normalizing adjustments for lease restructuring <sup>(6)</sup>	(565)	(565)	—	—	—	
Other normalizing adjustments <sup>(3)</sup>	6	—	—	—	—	
SSNOI	44,322	44,875	45,123	45,152	45,206	2.0%
<b>Corporate</b>						
NOI	385	294	253	1,248	1,432	
NOI attributable to non-same store properties	(385)	(294)	(253)	(1,248)	(1,432)	
SSNOI	—	—	—	—	—	
<b>Total</b>						
NOI	581,298	559,954	518,213	387,792	496,986	
Non-cash NOI on same store properties	(18,981)	(11,362)	(15,803)	106,252	(14,204)	
NOI attributable to non-same store properties	(75,393)	(63,886)	(78,909)	(72,035)	(68,009)	
Currency and ownership adjustments <sup>(1)</sup>	(16,562)	(15,934)	(7,937)	(9,723)	(6,718)	
Normalizing adjustments, net	(4,106)	(2,115)	(1,817)	(1,104)	(13,071)	
SSNOI	\$ 466,256	\$ 466,657	\$ 413,747	\$ 411,182	\$ 394,984	(15.3)%

(1) Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.3160 and to translate UK properties at a GBP/USD rate of 1.30.

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

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

(5) Represents normalizing adjustment related to lease termination fees associated with Outpatient Medical tenants.

(6) Represents normalizing adjustment related to lease restructuring associated with one Long-Term/Post-Acute Care Triple-net lease.

# 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>Health System</u>	<u>Long-Term /Post-Acute Care</u>	<u>Corporate</u>	<u>Total</u>
<b>Three months ended December 31, 2020</b>							
Revenues	\$ 703,039	\$ 123,870	\$ 166,679	\$ 42,445	\$ 64,075	\$ 3,095	\$ 1,103,203
Property operating expenses	<u>(539,465)</u>	<u>(9,110)</u>	<u>(50,231)</u>	<u>(20)</u>	<u>(5,728)</u>	<u>(1,663)</u>	<u>(606,217)</u>
<b>NOI<sup>(1)</sup></b>	<b>163,574</b>	<b>114,760</b>	<b>116,448</b>	<b>42,425</b>	<b>58,347</b>	<b>1,432</b>	<b>496,986</b>
Adjust:							
Interest income	(313)	(6,763)	(4,226)	—	(9,794)	—	(21,096)
Other income	(1,136)	(1,503)	(1,472)	—	(9)	(3,095)	(7,215)
Sold / held for sale	(485)	(201)	(7,368)	—	76	—	(7,978)
Developments / land	952	—	150	—	—	—	1,102
Non In-Place NOI <sup>(2)</sup>	(2,614)	(4,107)	(3,129)	(5,641)	(3,585)	1,663	(17,413)
Timing adjustments <sup>(3)</sup>	<u>5,735</u>	<u>(7,133)</u>	<u>96</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,302)</u>
Total adjustments	<u>2,139</u>	<u>(19,707)</u>	<u>(15,949)</u>	<u>(5,641)</u>	<u>(13,312)</u>	<u>(1,432)</u>	<u>(53,902)</u>
<b>In-Place NOI</b>	<b>165,713</b>	<b>95,053</b>	<b>100,499</b>	<b>36,784</b>	<b>45,035</b>	<b>—</b>	<b>443,084</b>
<b>Annualized In-Place NOI</b>	<b><u>\$ 662,852</u></b>	<b><u>\$ 380,212</u></b>	<b><u>\$ 401,996</u></b>	<b><u>\$ 147,136</u></b>	<b><u>\$ 180,140</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 1,772,336</u></b>

(1) Represents Welltower's pro rata share of NOI. See page 8 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	
	4Q19	4Q20	4Q19	4Q20	4Q19	4Q20	4Q19	4Q20
<b>SHO SS REVPOR Growth</b>								
Consolidated SHO revenues	\$ 635,783	\$ 525,649	\$ 85,203	\$ 83,204	\$ 112,472	\$ 106,167	\$ 833,458	\$ 715,020
Unconsolidated SHO revenues attributable to WELL <sup>(1)</sup>	22,511	22,110	—	—	21,607	21,065	44,118	43,175
SHO revenues attributable to noncontrolling interests <sup>(2)</sup>	(40,528)	(23,589)	(7,622)	(8,085)	(25,023)	(23,482)	(73,173)	(55,156)
SHO pro rata revenues <sup>(3)</sup>	617,766	524,170	77,581	75,119	109,056	103,750	804,403	703,039
Non-cash revenues on same store properties	(990)	(852)	—	—	—	—	(990)	(852)
Revenues attributable to non-same store properties	(68,569)	(47,345)	(11,614)	(12,398)	(2,266)	(2,788)	(82,449)	(62,531)
Currency and ownership adjustments <sup>(4)</sup>	227	—	244	(1,217)	323	(986)	794	(2,203)
Other normalizing adjustments <sup>(5)</sup>	(1,837)	(531)	4	—	—	—	(1,833)	(531)
SHO SS revenues <sup>(6)</sup>	546,597	475,442	66,215	61,504	107,113	99,976	719,925	636,922
Avg. occupied units/month <sup>(7)</sup>	28,126	24,781	2,592	2,324	12,823	11,863	43,541	38,968
SHO SS REVPOR <sup>(8)</sup>	\$ 6,425	\$ 6,343	\$ 8,446	\$ 8,750	\$ 2,762	\$ 2,786	\$ 5,467	\$ 5,404
SS REVPOR YOY growth		(1.3)%		3.6 %		0.9 %		(1.2)%
<b>SHO SSNOI Growth</b>								
Consolidated SHO NOI	\$ 179,947	\$ 112,784	\$ 21,286	\$ 23,476	\$ 41,220	\$ 23,537	\$ 242,453	\$ 159,797
Unconsolidated SHO NOI attributable to WELL <sup>(1)</sup>	7,529	4,351	—	—	8,962	8,831	16,491	13,182
SHO NOI attributable to noncontrolling interests <sup>(2)</sup>	(9,103)	(2,710)	(1,080)	(1,768)	(9,253)	(4,927)	(19,436)	(9,405)
SHO pro rata NOI <sup>(3)</sup>	178,373	114,425	20,206	21,708	40,929	27,441	239,508	163,574
Non-cash NOI on same store properties	(861)	(331)	18	(18)	1	—	(842)	(349)
NOI attributable to non-same store properties	(20,501)	(4,715)	(2,490)	(3,161)	(263)	(415)	(23,254)	(8,291)
Currency and ownership adjustments <sup>(4)</sup>	540	—	87	(318)	127	(243)	754	(561)
Normalizing adjustment for government grants <sup>(9)</sup>	—	(7,849)	—	(2,631)	—	(1,317)	—	(11,797)
Other normalizing adjustments <sup>(5)</sup>	(1,465)	(358)	4	—	—	—	(1,461)	(358)
SHO pro rata SSNOI <sup>(6)</sup>	\$ 156,086	\$ 101,172	\$ 17,825	\$ 15,580	\$ 40,794	\$ 25,466	\$ 214,705	\$ 142,218
SHO SSNOI growth		(35.2)%		(12.6)%		(37.6)%		(33.8)%
<b>SHO SSNOI/Unit</b>								
Trailing four quarters' SSNOI <sup>(6)</sup>	\$ 494,832		\$ 59,319		\$ 125,124		\$ 679,275	
Average units in service <sup>(10)</sup>	33,035		3,143		14,365		50,543	
SSNOI/unit in USD	\$ 14,979		\$ 18,873		\$ 8,710		\$ 13,440	
SSNOI/unit in local currency <sup>(4)</sup>			£ 14,518		\$ 11,461			

(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 8 for more information.

(4) Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.3160 and to translate UK properties at a GBP/USD rate of 1.30.

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

(6) Represents SS SHO revenues/SSNOI at Welltower pro rata ownership. See page 10 for more information.

(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 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 December 31, 2020			
	United States	United Kingdom	Canada	Total
Consolidated SHO revenues	\$ 525,649	\$ 83,204	\$ 106,167	\$ 715,020
Unconsolidated SHO revenues attributable to Welltower <sup>(1)</sup>	22,110	—	21,065	43,175
SHO revenues attributable to noncontrolling interests <sup>(2)</sup>	(23,589)	(8,085)	(23,482)	(55,156)
Pro rata SHO revenues <sup>(3)</sup>	524,170	75,119	103,750	703,039
SHO interest and other income	(1,419)	—	(30)	(1,449)
SHO revenues attributable to sold and held for sale properties	(3,209)	—	—	(3,209)
Currency and ownership adjustments <sup>(4)</sup>	—	(1,177)	(1,013)	(2,190)
SHO local revenues	519,542	73,942	102,707	696,191
Average occupied units/month	27,766	2,843	12,103	42,712
REVPOR/month in USD	\$ 6,186	\$ 8,599	\$ 2,806	\$ 5,389
REVPOR/month in local currency <sup>(4)</sup>		£ 6,615	\$ 3,693	

(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. See page 8 for more information.

(4) Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.3160 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 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 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.

# EBITDA AND ADJUSTED EBITDA QUARTERLY RECONCILIATIONS

(dollars in thousands)

	Three Months Ended				
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Net income (loss)	\$ 240,136	\$ 329,380	\$ 159,216	\$ 394,978	\$ 155,278
Interest expense	131,648	142,007	126,357	124,851	121,173
Income tax expense (benefit)	(4,832)	5,442	2,233	2,003	290
Depreciation and amortization	262,644	274,801	265,371	255,532	242,733
EBITDA	629,596	751,630	553,177	777,364	519,474
Loss (income) from unconsolidated entities	(57,420)	3,692	(1,332)	5,981	(258)
Stock-based compensation <sup>(1)</sup>	4,547	7,083	7,290	6,565	7,380
Loss (gain) on extinguishment of debt, net	2,612	—	249	33,004	13,796
Loss (gain) on real estate dispositions, net	(12,064)	(262,824)	(155,863)	(484,304)	(185,464)
Impairment of assets	98	27,827	75,151	23,313	9,317
Provision for loan losses	—	7,072	1,422	2,857	83,085
Loss (gain) on derivatives and financial instruments, net	(5,069)	7,651	1,434	1,395	569
Other expenses <sup>(1)</sup>	16,042	6,031	19,013	11,544	27,583
Other impairment <sup>(2)</sup>	—	32,268	1,842	112,398	—
Total adjustments	(51,254)	(171,200)	(50,794)	(287,247)	(43,992)
Adjusted EBITDA	\$ 578,342	\$ 580,430	\$ 502,383	\$ 490,117	\$ 475,482
Interest Coverage Ratios:					
Interest expense	\$ 131,648	\$ 142,007	\$ 126,357	\$ 124,851	\$ 121,173
Capitalized interest	4,868	4,746	4,541	3,947	4,238
Non-cash interest expense	(734)	(8,125)	(1,914)	(3,973)	(1,739)
Total interest	\$ 135,782	\$ 138,628	\$ 128,984	\$ 124,825	\$ 123,672
EBITDA	\$ 629,596	\$ 751,630	\$ 553,177	\$ 777,364	\$ 519,474
Interest coverage ratio	4.64 x	5.42 x	4.29 x	6.23 x	4.20 x
Adjusted EBITDA	\$ 578,342	\$ 580,430	\$ 502,383	\$ 490,117	\$ 475,482
Adjusted interest coverage ratio	4.26 x	4.19 x	3.89 x	3.93 x	3.84 x
Fixed Charge Coverage Ratios:					
Total interest	\$ 135,782	\$ 138,628	\$ 128,984	\$ 124,825	\$ 123,672
Secured debt principal amortization	13,977	15,526	15,183	15,876	16,122
Total fixed charges	\$ 149,759	\$ 154,154	\$ 144,167	\$ 140,701	\$ 139,794
EBITDA	\$ 629,596	\$ 751,630	\$ 553,177	\$ 777,364	\$ 519,474
Fixed charge coverage ratio	4.20 x	4.88 x	3.84 x	5.52 x	3.72 x
Adjusted EBITDA	\$ 578,342	\$ 580,430	\$ 502,383	\$ 490,117	\$ 475,482
Adjusted fixed charge coverage ratio	3.86 x	3.77 x	3.48 x	3.48 x	3.40 x
Net Debt Ratios:					
Total debt <sup>(3)</sup>	\$ 15,023,962	\$ 14,073,418	\$ 14,543,485	\$ 13,889,030	\$ 13,905,822
Less: cash and cash equivalents <sup>(4)</sup>	(284,917)	(303,423)	(1,766,819)	(2,096,571)	(1,968,765)
Net debt	\$ 14,739,045	\$ 13,769,995	\$ 12,776,666	\$ 11,792,459	\$ 11,937,057
EBITDA Annualized	\$ 2,518,384	\$ 3,006,520	\$ 2,212,708	\$ 3,109,456	\$ 2,077,896
Net debt to EBITDA ratio	5.85 x	4.58 x	5.77 x	3.79 x	5.74 x
Adjusted EBITDA Annualized	\$ 2,313,368	\$ 2,321,720	\$ 2,009,532	\$ 1,960,468	\$ 1,901,928
Net debt to Adjusted EBITDA ratio	6.37 x	5.93 x	6.36 x	6.02 x	6.28 x

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

(2) Amounts relate to impairments of straight-line rent receivable deemed uncollectible.

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

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

# EBITDA AND ADJUSTED EBITDA ANNUAL RECONCILIATIONS

(dollars in thousands)

	Year Ended				
	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Net income	\$ 1,082,070	\$ 540,613	\$ 829,750	\$ 1,330,410	\$ 1,038,852
Interest expense	521,345	484,622	526,592	555,559	514,388
Income tax expense (benefit)	(19,128)	20,128	8,674	2,957	9,968
Depreciation and amortization	901,242	921,720	950,459	1,027,073	1,038,437
<b>EBITDA</b>	<b>2,485,529</b>	<b>1,967,083</b>	<b>2,315,475</b>	<b>2,915,999</b>	<b>2,601,645</b>
Loss (income) from unconsolidated entities	10,357	83,125	641	(42,434)	8,083
Stock-based compensation <sup>(1)</sup>	28,869	19,102	27,646	25,047	28,318
Loss (gain) on extinguishment of debt, net	17,214	37,241	16,097	84,155	47,049
Loss (gain) on real estate dispositions, net	(364,046)	(344,250)	(415,575)	(748,041)	(1,088,455)
Impairment of assets	37,207	124,483	115,579	28,133	135,608
Provision for loan losses	10,215	62,966	—	18,690	94,436
Loss / (gain) on derivatives, net	(2,448)	2,284	(4,016)	(4,399)	11,049
Other expenses <sup>(1)</sup>	50,631	176,395	111,990	51,052	64,171
Other impairment <sup>(2)</sup>	—	—	—	—	146,508
Additional other income	(16,664)	—	(14,832)	—	—
Total adjustments	(228,665)	161,346	(162,470)	(587,797)	(553,233)
<b>Adjusted EBITDA</b>	<b>\$ 2,256,864</b>	<b>\$ 2,128,429</b>	<b>\$ 2,153,005</b>	<b>\$ 2,328,202</b>	<b>\$ 2,048,412</b>
<b>Interest Coverage Ratios:</b>					
Interest expense	\$ 521,345	\$ 484,622	\$ 526,592	\$ 555,559	\$ 514,388
Capitalized interest	16,943	13,489	7,905	15,272	17,472
Non-cash interest expense	(1,681)	(10,358)	(10,860)	(8,645)	(15,751)
Total interest	536,607	487,753	523,637	562,186	516,109
EBITDA	\$ 2,485,529	\$ 1,967,083	\$ 2,315,475	\$ 2,915,999	\$ 2,601,645
Interest coverage ratio	4.63 x	4.03 x	4.42 x	5.19 x	5.04 x
Adjusted EBITDA	\$ 2,256,864	\$ 2,128,429	\$ 2,153,005	\$ 2,328,202	\$ 2,048,412
Adjusted interest coverage ratio	4.21 x	4.36 x	4.11 x	4.14 x	3.97 x
<b>Fixed Charge Coverage Ratios:</b>					
Total interest	\$ 536,607	\$ 487,753	\$ 523,637	\$ 562,186	\$ 516,109
Secured debt principal amortization	74,466	64,079	56,288	54,325	62,707
Preferred dividends	65,406	49,410	46,704	—	—
Total fixed charges	676,479	601,242	626,629	616,511	578,816
EBITDA	\$ 2,485,529	\$ 1,967,083	\$ 2,315,475	\$ 2,915,999	\$ 2,601,645
Fixed charge coverage ratio	3.67 x	3.27 x	3.70 x	4.73 x	4.49 x
Adjusted EBITDA	\$ 2,256,864	\$ 2,128,429	\$ 2,153,005	\$ 2,328,202	\$ 2,048,412
Adjusted fixed charge coverage ratio	3.34 x	3.54 x	3.44 x	3.78 x	3.54 x
<b>Net Debt Ratios:</b>					
Total debt <sup>(3)</sup>	\$ 12,358,245	\$ 11,731,936	\$ 13,297,144	\$ 15,023,962	\$ 13,905,822
Less: cash and cash equivalents <sup>(4)</sup>	(557,659)	(249,620)	(215,376)	(284,917)	(1,968,765)
Net debt	\$ 11,800,586	\$ 11,482,316	\$ 13,081,768	\$ 14,739,045	\$ 11,937,057
EBITDA	\$ 2,485,529	\$ 1,967,083	\$ 2,315,475	\$ 2,915,999	\$ 2,601,645
Net debt to EBITDA ratio	4.75 x	5.84 x	5.65 x	5.05 x	4.59 x
Adjusted EBITDA	\$ 2,256,864	\$ 2,128,429	\$ 2,153,005	\$ 2,328,202	\$ 2,048,412
Net debt to Adjusted EBITDA ratio	5.23 x	5.39 x	6.08 x	6.33 x	5.83 x

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

(2) Amounts relate to impairments of straight-line rent receivable deemed uncollectible.

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

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



# EBITDA AND ADJUSTED EBITDA TRAILING TWELVE MONTHS RECONCILIATIONS

(dollars in thousands)

	Twelve Months Ended				
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Net income	\$ 1,330,410	\$ 1,367,488	\$ 1,376,664	\$ 1,123,710	\$ 1,038,852
Interest expense	555,559	552,334	537,355	524,863	514,388
Income tax expense (benefit)	2,957	6,177	6,811	4,846	9,968
Depreciation and amortization	1,027,073	1,057,942	1,075,261	1,058,348	1,038,437
EBITDA	2,915,999	2,983,941	2,996,091	2,711,767	2,601,645
Loss (income) from unconsolidated entities	(42,434)	(47,941)	(58,322)	(49,079)	8,083
Stock-based compensation <sup>(1)</sup>	25,047	24,601	24,229	25,485	28,318
Loss (gain) on extinguishment of debt, net	84,155	68,436	68,685	35,865	47,049
Loss (gain) on real estate dispositions, net	(748,041)	(843,456)	(1,001,001)	(915,055)	(1,088,455)
Impairment of assets	28,133	55,960	121,172	126,389	135,608
Provision of loan losses	18,690	7,072	8,494	11,351	94,436
Loss (gain) on derivatives and financial instruments, net	(4,399)	5,739	5,260	5,411	11,049
Other expenses <sup>(1)</sup>	51,052	48,327	46,971	52,630	64,171
Other impairment <sup>(2)</sup>	—	32,268	34,110	146,508	146,508
Total adjustments	(587,797)	(648,994)	(750,402)	(560,495)	(553,233)
Adjusted EBITDA	\$ 2,328,202	\$ 2,334,947	\$ 2,245,689	\$ 2,151,272	\$ 2,048,412
<b>Interest Coverage Ratios:</b>					
Interest expense	\$ 555,559	\$ 552,334	\$ 537,355	\$ 524,863	\$ 514,388
Capitalized interest	15,272	17,691	18,303	18,102	17,472
Non-cash interest expense	(8,645)	(11,599)	(12,761)	(14,746)	(15,751)
Total interest	562,186	558,426	542,897	528,219	516,109
EBITDA	\$ 2,915,999	\$ 2,983,941	\$ 2,996,091	\$ 2,711,767	\$ 2,601,645
Interest coverage ratio	5.19 x	5.34 x	5.52 x	5.13 x	5.04 x
Adjusted EBITDA	\$ 2,328,202	\$ 2,334,947	\$ 2,245,689	\$ 2,151,272	\$ 2,048,412
Adjusted interest coverage ratio	4.14 x	4.18 x	4.14 x	4.07 x	3.97 x
<b>Fixed Charge Coverage Ratios:</b>					
Total interest	\$ 562,186	\$ 558,426	\$ 542,897	\$ 528,219	\$ 516,109
Secured debt principal amortization	54,325	56,308	57,807	60,562	62,707
Total fixed charges	616,511	614,734	600,704	588,781	578,816
EBITDA	\$ 2,915,999	\$ 2,983,941	\$ 2,996,091	\$ 2,711,767	\$ 2,601,645
Fixed charge coverage ratio	4.73 x	4.85 x	4.99 x	4.61 x	4.49 x
Adjusted EBITDA	\$ 2,328,202	\$ 2,334,947	\$ 2,245,689	\$ 2,151,272	\$ 2,048,412
Adjusted fixed charge coverage ratio	3.78 x	3.80 x	3.74 x	3.65 x	3.54 x

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

(2) Amounts relate to impairments of straight-line rent receivable deemed uncollectible.

# CAPITALIZATION RATIOS QUARTERLY

(Amounts in thousands, except share price)

	As of				
	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
<b>Book capitalization:</b>					
Unsecured credit facility and commercial paper	\$ 1,587,597	\$ 844,985	\$ —	\$ —	\$ —
Long-term debt obligations <sup>(1)</sup>	13,436,365	13,228,433	14,543,485	13,889,030	13,905,822
Cash & cash equivalents <sup>(2)</sup>	(284,917)	(303,423)	(1,766,819)	(2,096,571)	(1,968,765)
Total net debt	14,739,045	13,769,995	12,776,666	11,792,459	11,937,057
Total equity and noncontrolling interest <sup>(3)</sup>	16,982,504	17,495,696	17,263,672	17,291,155	17,225,062
Book capitalization	\$ 31,721,549	\$ 31,265,691	\$ 30,040,338	\$ 29,083,614	\$ 29,162,119
Net debt to book capitalization ratio	46.5 %	44.0 %	42.5 %	40.5 %	40.9 %
<b>Undepreciated book capitalization:</b>					
Total net debt	\$ 14,739,045	\$ 13,769,995	\$ 12,776,666	\$ 11,792,459	\$ 11,937,057
Accumulated depreciation and amortization	5,715,459	5,910,979	6,001,177	6,002,775	6,104,297
Total equity and noncontrolling interest <sup>(3)</sup>	16,982,504	17,495,696	17,263,672	17,291,155	17,225,062
Undepreciated book capitalization	\$ 37,437,008	\$ 37,176,670	\$ 36,041,515	\$ 35,086,389	\$ 35,266,416
Net debt to undepreciated book capitalization ratio	39.4 %	37.0 %	35.4 %	33.6 %	33.8 %
<b>Market capitalization:</b>					
Common shares outstanding	410,257	417,391	417,302	417,305	417,401
Period end share price	\$ 81.78	\$ 45.78	\$ 51.75	\$ 55.09	\$ 64.62
Common equity market capitalization	\$ 33,550,817	\$ 19,108,160	\$ 21,595,379	\$ 22,989,332	\$ 26,972,453
Total net debt	14,739,045	13,769,995	12,776,666	11,792,459	11,937,057
Noncontrolling interests <sup>(3)</sup>	1,442,060	1,362,913	1,215,532	1,183,281	1,252,343
Enterprise value	\$ 49,731,922	\$ 34,241,068	\$ 35,587,577	\$ 35,965,072	\$ 40,161,853
Net debt to market capitalization ratio	29.6 %	40.2 %	35.9 %	32.8 %	29.7 %

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

(3) Includes all noncontrolling interests (redeemable and permanent) as reflected on our balance sheets.

# CAPITALIZATION RATIOS ANNUAL

(Amounts in thousands, except share price)

	As of				
	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
<b>Book capitalization:</b>					
Unsecured credit facility and commercial paper	\$ 645,000	\$ 719,000	\$ 1,147,000	\$ 1,587,597	\$ —
Long-term debt obligations <sup>(1)</sup>	11,713,245	11,012,936	12,150,144	13,436,365	13,905,822
Cash & cash equivalents <sup>(2)</sup>	(557,659)	(249,620)	(215,376)	(284,917)	(1,968,765)
Total net debt	11,800,586	11,482,316	13,081,768	14,739,045	11,937,057
Total equity non controlling interest <sup>(3)</sup>	15,679,906	15,300,646	16,010,645	16,982,504	17,225,062
Book capitalization	\$ 27,480,492	\$ 26,782,962	\$ 29,092,413	\$ 31,721,549	\$ 29,162,119
Net debt to book capitalization ratio	42.9 %	42.9 %	45.0 %	46.5 %	40.9 %
<b>Undepreciated book capitalization:</b>					
Total net debt	\$ 11,800,586	\$ 11,482,316	\$ 13,081,768	\$ 14,739,045	\$ 11,937,057
Accumulated depreciation and amortization	4,093,494	4,838,370	5,499,958	5,715,459	6,104,297
Total equity and noncontrolling interest <sup>(3)</sup>	15,679,906	15,300,646	16,010,645	16,982,504	17,225,062
Undepreciated book capitalization	\$ 31,573,986	\$ 31,621,332	\$ 34,592,371	\$ 37,437,008	\$ 35,266,416
Net debt to undepreciated book capitalization ratio	37.4 %	36.3 %	37.8 %	39.4 %	33.8 %
<b>Market capitalization:</b>					
Common shares outstanding	362,602	371,732	383,675	410,257	417,401
Period end share price	\$ 66.93	\$ 63.77	\$ 69.41	\$ 81.78	\$ 64.62
Common equity market capitalization	\$ 24,268,952	\$ 23,705,350	\$ 26,630,882	\$ 33,550,817	\$ 26,972,453
Total net debt	11,800,586	11,482,316	13,081,768	14,739,045	11,937,057
Noncontrolling interests <sup>(3)</sup>	873,512	877,498	1,378,311	1,442,060	1,252,343
Preferred stock	1,006,250	718,503	718,498	—	—
Enterprise value	\$ 37,949,300	\$ 36,783,667	\$ 41,809,459	\$ 49,731,922	\$ 40,161,853
Net debt to market capitalization ratio	31.1 %	31.2 %	31.3 %	29.6 %	29.7 %

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

(3) Includes all noncontrolling interests (redeemable and permanent) as reflected on our balance sheets.