NON-GAAP FINANCIAL MEASURES

Quarter Ended December 31, 2021

welltower

FORWARD LOOKING STATEMENTS

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

NON-GAAP FINANCIAL MEASURES

We believe that revenues, net income and net income attributable to common stockholders ("NICS"), as defined by U.S. generally accepted accounting principles ("U.S. GAAP"), are the most appropriate earnings measurements. However, we consider Net Operating Income ("NOI"), In-Place NOI ("IPNOI"), 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, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Net income (loss) attributable to common stockholders	$ 163,729	$ 71,546	$ 26,257	$ 179,663	$ 58,672
Depreciation and amortization	242,733	244,426	240,885	267,754	284,501
Impairments and losses (gains) on real estate dispositions, net	(176,147)	(35,512)	(20,976)	(118,464)	(9,316)
Noncontrolling interests[1]	(20,579)	(12,516)	(16,591)	(11,095)	(13,988)
Unconsolidated entities[2]	16,091	19,223	19,265	27,881	19,107
NAREIT FFO attributable to common stockholders	225,827	287,167	248,840	345,739	338,976
Normalizing items:					
Loss (gain) on derivatives and financial instruments, net	569	1,934	(359)	(8,078)	(830)
Loss (gain) on extinguishment of debt, net	13,796	(4,643)	55,612	(5)	(1,090)
Provision for loan losses, net	83,085	1,383	6,197	(271)	(39)
Nonrecurring income tax benefits	—	—	(6,298)	—	—
Other impairment	—	49,241	—	—	—
Other expenses	33,088	10,994	11,687	3,575	15,483
Leasehold interest adjustment	—	—	—	(640)	1,400
Casualty losses, net of recoveries	—	—	—	998	4,788
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	(5,070)	(12,164)	14,568	949	3,424
Normalized FFO attributable to common stockholders	$ 351,295	$ 333,912	$ 330,247	$ 342,267	$ 362,112
Average common shares outstanding:					
Basic	417,123	417,241	417,452	428,031	436,909
Diluted	418,753	419,079	419,305	429,983	438,719
Net income (loss) attributable to common stockholders per share:					
Basic	$ 0.39	$ 0.17	$ 0.06	$ 0.42	$ 0.13
Diluted[3]	$ 0.39	$ 0.17	$ 0.06	$ 0.42	$ 0.13
NAREIT FFO attributable to common stockholders per share:					
Diluted	$ 0.54	$ 0.69	$ 0.59	$ 0.80	$ 0.77
Normalized FFO attributable to common stockholders per share:					
Diluted	$ 0.84	$ 0.80	$ 0.79	$ 0.80	$ 0.83
NAREIT FFO Payout Ratio:					
Dividends per common share	$ 0.61	$ 0.61	$ 0.61	$ 0.61	$ 0.61
NAREIT FFO attributable to common stockholders per diluted share	$ 0.54	$ 0.69	$ 0.59	$ 0.80	$ 0.77
NAREIT FFO Payout Ratio	113 %	88 %	103 %	76 %	79 %
Normalized FFO Payout Ratio:					
Dividends per common share	$ 0.61	$ 0.61	$ 0.61	$ 0.61	$ 0.61
Normalized FFO attributable to common stockholders per diluted share	$ 0.84	$ 0.80	$ 0.79	$ 0.80	$ 0.83
Normalized FFO Payout Ratio	73 %	76 %	77 %	76 %	73 %
Other items:[4]					
Net straight-line rent and above/below market rent amortization[5]	$ (21,640)	$ (18,134)	$ (20,729)	$ (19,809)	$ (18,792)
Non-cash interest expenses[6]	2,108	3,635	4,714	6,223	7,027
Recurring cap-ex, tenant improvements, and lease commissions	(21,634)	(11,433)	(20,426)	(22,722)	(46,344)
Stock-based compensation[7]	1,875	5,381	4,129	4,479	2,945

(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, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Net income (loss) attributable to common stockholders	$ 463,595	$ 758,250	$ 1,232,432	$ 978,844	$ 336,138
Depreciation and amortization	921,720	950,459	1,027,073	1,038,437	1,037,566
Impairments and losses (gains) on real estate dispositions, net	(219,767)	(299,996)	(719,908)	(952,847)	(184,268)
Noncontrolling interests[1]	(60,018)	(69,193)	(20,197)	(23,968)	(54,190)
Unconsolidated entities[2]	60,046	52,663	57,680	62,096	85,476
NAREIT FFO attributable to common stockholders	1,165,576	1,392,183	1,577,080	1,102,562	1,220,722
Normalizing items:					
Loss (gain) on derivatives and financial instruments, net	2,284	(4,016)	(4,399)	11,049	(7,333)
Preferred stock redemption charge	9,769	—	—	—	—
Loss (gain) on extinguishment of debt, net	37,241	16,097	84,155	47,049	49,874
Provision for loan losses, net	62,966	—	18,690	94,436	7,270
Incremental interest expense	2,634	—	—	5,871	—
Incremental stock-based compensation expense	—	3,552	—	—	—
Nonrecurring income tax benefits	9,438	—	(8,681)	—	(6,298)
Other impairment	—	—	—	146,508	49,241
Other expenses	177,776	112,898	52,612	70,335	41,739
Leasehold interest adjustment	—	—	—	—	760
Casualty losses, net of recoveries	—	—	—	—	5,786
Additional other income	—	(14,832)	—	—	—
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	86,589	4,595	(40,741)	6,370	6,777
Normalized FFO attributable to common stockholders	$ 1,554,273	$ 1,510,477	$ 1,678,716	$ 1,484,180	$ 1,368,538
Average common shares outstanding:					
Basic	367,237	373,620	401,845	415,451	424,976
Diluted	369,001	375,250	403,808	417,387	426,841
Net income (loss) attributable to common stockholders per share:					
Basic	$ 1.26	$ 2.03	$ 3.07	$ 2.36	$ 0.79
Diluted[3]	$ 1.26	$ 2.02	$ 3.05	$ 2.33	$ 0.78
NAREIT FFO attributable to common stockholders per share:					
Diluted	$ 3.16	$ 3.71	$ 3.91	$ 2.64	$ 2.86
Normalized FFO attributable to common stockholders per share:					
Diluted	$ 4.21	$ 4.03	$ 4.16	$ 3.56	$ 3.21
NAREIT FFO Payout Ratio:					
Dividends per common share	$ 3.48	$ 3.48	$ 3.48	$ 2.70	$ 2.44
NAREIT FFO attributable to common stockholders per diluted share	$ 3.16	$ 3.71	$ 3.91	$ 2.64	$ 2.86
NAREIT FFO payout ratio	110 %	94 %	89 %	102 %	85 %
Normalized FFO Payout Ratio:					
Dividends per common share	$ 3.48	$ 3.48	$ 3.48	$ 2.70	$ 2.44
Normalized FFO attributable to common stockholders per diluted share	$ 4.21	$ 4.03	$ 4.16	$ 3.56	$ 3.21
Normalized FFO payout ratio	83 %	86 %	84 %	76 %	76 %
Other items:[4]					
Net straight-line rent and above/below market rent amortization[5]	$ (72,838)	$ (72,854)	$ (97,183)	$ (90,926)	$ (77,464)
Non-cash interest expenses[6]	13,042	13,423	11,026	11,545	21,599
Recurring cap-ex, tenant improvements, and lease commissions	(68,120)	(88,408)	(131,295)	(81,271)	(100,925)
Stock-based compensation[7]	17,721	23,186	23,487	22,154	16,934

(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

Outlook Reconciliation: Quarter Ending March 31, 2022

(in millions, except per share data)	Current Outlook	
	Low	High
FFO Reconciliation:		
Net income attributable to common stockholders	$ 78	$ 101
Impairments and losses (gains) on real estate dispositions, net[1,2]	(30)	(30)
Depreciation and amortization[1]	309	309
NAREIT FFO and Normalized FFO attributable to common stockholders	$ 357	$ 380
Diluted per share data attributable to common stockholders:		
Net income	$ 0.17	$ 0.22
NAREIT FFO and Normalized FFO	$ 0.79	$ 0.84
Other items:[1]		
Net straight-line rent and above/below market rent amortization	$ (20)	$ (20)
Non-cash interest expenses	5	5
Recurring cap-ex, tenant improvements, and lease commissions	(27)	(27)
Stock-based compensation	8	8

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

(2) Includes estimated gains on expected 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, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Net income (loss)	$ 155,278	$ 72,192	$ 45,757	$ 190,336	$ 66,194
Loss (gain) on real estate dispositions, net	(185,464)	(59,080)	(44,668)	(119,954)	(11,673)
Loss (income) from unconsolidated entities	(258)	(13,049)	7,976	15,832	12,174
Income tax expense (benefit)	290	3,943	(2,221)	4,940	2,051
Other expenses	33,088	10,994	11,687	3,575	15,483
Impairment of assets	9,317	23,568	23,692	1,490	2,357
Provision for loan losses, net	83,085	1,383	6,197	(271)	(39)
Loss (gain) on extinguishment of debt, net	13,796	(4,643)	55,612	(5)	(1,090)
Loss (gain) on derivatives and financial instruments, net	569	1,934	(359)	(8,078)	(830)
General and administrative expenses	27,848	29,926	31,436	32,256	33,109
Depreciation and amortization	242,733	244,426	240,885	267,754	284,501
Interest expense	121,173	123,142	122,341	122,522	121,848
Consolidated net operating income	501,455	434,736	498,335	510,397	524,085
NOI attributable to unconsolidated investments[1]	21,481	21,516	21,180	20,042	20,287
NOI attributable to noncontrolling interests[2]	(25,950)	(20,827)	(43,786)	(31,061)	(27,889)
Pro rata net operating income (NOI)[3]	$ 496,986	$ 435,425	$ 475,729	$ 499,378	$ 516,483
Pro rata NOI:					
Seniors Housing Operating	$ 163,574	$ 172,060	$ 143,751	$ 167,855	$ 178,963
Seniors Housing Triple-net	114,760	57,143	130,983	139,166	142,478
Outpatient Medical	116,448	109,398	114,330	111,207	113,768
Health System	42,425	42,425	46,500	46,140	47,376
Long-Term/Post-Acute Care	58,347	52,924	39,667	34,702	32,285
Corporate	1,432	1,475	498	308	1,613
Pro rata NOI[3]	$ 496,986	$ 435,425	$ 475,729	$ 499,378	$ 516,483

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

(2) Represents minority partners' interests in joint ventures where Welltower is the majority partner and includes an adjustment to remove NOI related to certain leasehold properties.

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

NOI ANNUAL RECONCILIATIONS

(dollars in thousands)

	Year Ended				
	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Net income	$ 540,613	$ 829,750	$ 1,330,410	$ 1,038,852	$ 374,479
Loss (gain) on real estate dispositions, net	(344,250)	(415,575)	(748,041)	(1,088,455)	(235,375)
Loss (income) from unconsolidated entities	83,125	641	(42,434)	8,083	22,933
Income tax expense (benefit)	20,128	8,674	2,957	9,968	8,713
Other expenses and transaction costs	177,776	112,898	52,612	70,335	41,739
Impairment of assets	124,483	115,579	28,133	135,608	51,107
Provision for loan losses, net	62,966	—	18,690	94,436	7,270
Loss (gain) on extinguishment of debt, net	37,241	16,097	84,155	47,049	49,874
Loss (gain) on derivatives and financial instruments, net	2,284	(4,016)	(4,399)	11,049	(7,333)
General and administrative expenses	122,008	126,383	126,549	128,394	126,727
Depreciation and amortization	921,720	950,459	1,027,073	1,038,437	1,037,566
Interest expense	484,622	526,592	555,559	514,388	489,853
Consolidated NOI	2,232,716	2,267,482	2,431,264	2,008,144	1,967,553
NOI attributable to unconsolidated investments(1)	87,121	87,525	87,333	77,161	83,025
NOI attributable to noncontrolling interests(2)	(117,199)	(139,798)	(167,524)	(122,360)	(123,563)
Pro rata net operating income (NOI)(3)	$ 2,202,638	$ 2,215,209	$ 2,351,073	$ 1,962,945	$ 1,927,015
Pro rata NOI:					
Seniors Housing Operating	$ 866,421	$ 972,022	$ 1,023,482	$ 757,953	$ 662,629
Seniors Housing Triple-net	629,733	530,765	449,660	401,837	469,770
Outpatient Medical	361,297	355,227	443,330	498,135	448,703
Health System	—	73,618	172,064	170,074	182,441
Long-Term/Post-Acute Care	344,088	281,790	259,082	131,719	159,578
Corporate	1,099	1,787	3,455	3,227	3,894
Pro rata NOI(3)	$ 2,202,638	$ 2,215,209	$ 2,351,073	$ 1,962,945	$ 1,927,015

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

(2) Represents minority partners' interests in joint ventures where Welltower is the majority partner and includes an adjustment to remove NOI related to certain leasehold properties.

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

CURRENT QUARTER SSNOI BY SEGMENT

(dollars in thousands at Welltower pro rata ownership)	4Q20	1Q21	2Q21	3Q21	4Q21	Y/o/Y
Seniors Housing Operating						
NOI	$ 163,574	$ 172,060	$ 143,751	$ 167,855	$ 178,963	
Non-cash NOI on same store properties	(381)	(877)	12,279	(94)	(35)	
NOI attributable to non-same store properties	(20,058)	(23,156)	(18,214)	(36,652)	(42,733)	
Currency and ownership adjustments(1)	1,062	(331)	(718)	38	149	
Normalizing adjustment for government grants(2)	(9,586)	(32,939)	(8,150)	(5,029)	(18,089)	
Normalizing adjustment for casualty related expenses, net(3)	—	—	1,192	1,386	3,942	
Other normalizing adjustments(4)	(378)	—	(886)	242	(484)	
SSNOI(5)	134,233	114,757	129,254	127,746	121,713	(9.3)%
Seniors Housing Triple-net						
NOI	114,760	57,143	130,983	139,166	142,478	
Non-cash NOI on same store properties	(3,748)	41,868	(1,940)	(1,694)	(157)	
NOI attributable to non-same store properties	(26,452)	(16,572)	(40,199)	(51,671)	(53,379)	
Currency and ownership adjustments(1)	1,224	288	325	15	422	
Other normalizing adjustments(4)	37	3,271	(2,878)	535	59	
SSNOI	85,821	85,998	86,291	86,351	89,423	4.2%
Outpatient Medical						
NOI	116,448	109,398	114,330	111,207	113,768	
Non-cash NOI on same store properties	(3,092)	(2,654)	(2,665)	(1,892)	(2,483)	
NOI attributable to non-same store properties	(7,476)	(5,673)	(11,961)	(8,623)	(9,446)	
Currency and ownership adjustments(1)	(5,695)	(1,140)	(55)	296	(240)	
Other normalizing adjustments(4)	(664)	(155)	(348)	(1,014)	294	
SSNOI	99,521	99,776	99,301	99,974	101,893	2.4%
Health System						
NOI	42,425	42,425	46,500	46,140	47,376	
Non-cash NOI on same store properties	(5,278)	(5,278)	(5,278)	(4,647)	(5,760)	
NOI attributable to non-same store properties	(1,361)	(1,361)	(5,436)	(5,051)	(4,845)	
SSNOI	35,786	35,786	35,786	36,442	36,771	2.8%
Long-Term/Post-Acute Care						
NOI	58,347	52,924	39,667	34,702	32,285	
Non-cash NOI on same store properties	(1,150)	(326)	(950)	(1,137)	(937)	
NOI attributable to non-same store properties	(34,685)	(30,436)	(16,445)	(11,274)	(8,968)	
Currency and ownership adjustments(1)	49	—	(55)	(10)	(8)	
Other normalizing adjustments(4)	—	169	—	—	—	
SSNOI	22,561	22,331	22,217	22,281	22,372	(0.8)%
Corporate						
NOI	1,432	1,475	498	308	1,613	
NOI attributable to non-same store properties	(1,432)	(1,475)	(498)	(308)	(1,613)	
SSNOI	—	—	—	—	—	
Total						
NOI	496,986	435,425	475,729	499,378	516,483	
Non-cash NOI on same store properties	(13,649)	32,733	1,446	(9,464)	(9,372)	
NOI attributable to non-same store properties	(91,464)	(78,673)	(92,753)	(113,579)	(120,984)	
Currency and ownership adjustments(1)	(3,360)	(1,183)	(503)	339	323	
Normalizing adjustments, net	(10,591)	(29,654)	(11,070)	(3,880)	(14,278)	
SSNOI	$ 377,922	$ 358,648	$ 372,849	$ 372,794	$ 372,172	(1.5)%

(1) Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.2657 and to translate UK properties at a GBP/USD rate of 1.38.

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

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

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

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

IPNOI RECONCILIATION

(in thousands at Welltower pro rata ownership)

	Seniors Housing Operating	Seniors Housing Triple-net	Outpatient Medical	Health System	Long-Term /Post-Acute Care	Corporate	Total
Three months ended December 31, 2021							
Revenues	$ 877,564	$ 150,714	$ 161,022	$ 47,440	$ 36,370	$ 3,548	$ 1,276,658
Property operating expenses	(698,601)	(8,236)	(47,254)	(64)	(4,085)	(1,935)	(760,175)
NOI[1]	**178,963**	**142,478**	**113,768**	**47,376**	**32,285**	**1,613**	**516,483**
Adjust:							
Interest income	(1,091)	(33,149)	(51)	—	(5,381)	—	(39,672)
Other income[2]	(2,026)	(1,068)	(5,256)	—	—	(3,548)	(11,898)
Sold / held for sale	55	(254)	(830)	(478)	(2,263)	—	(3,770)
Non operational[3]	2,028	1	11	—	—	—	2,040
Non In-Place NOI[4]	(3,727)	(3,897)	(3,395)	(6,372)	(939)	1,935	(16,395)
Timing adjustments[5]	6,219	3,508	2,151	—	—	—	11,878
Total adjustments	1,458	(34,859)	(7,370)	(6,850)	(8,583)	(1,613)	(57,817)
In-Place NOI	**180,421**	**107,619**	**106,398**	**40,526**	**23,702**	**—**	**458,666**
Annualized In-Place NOI	**$ 721,684**	**$ 430,476**	**$ 425,592**	**$ 162,104**	**$ 94,808**	**$ —**	**$ 1,834,664**

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

(2) Excludes amounts recognized in other income related to the Health and Human Services Provider Relief Fund in the US and similar programs in the UK and Canada.

(3) Primarily includes development properties and land parcels.

(4) Primarily represents non-cash NOI.

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

RECONCILIATIONS OF SHO SS REVPOR GROWTH, SSNOI GROWTH AND SSNOI/UNIT

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

	United States		United Kingdom		Canada		Total	
	4Q20	4Q21	4Q20	4Q21	4Q20	4Q21	4Q20	4Q21
SHO SS REVPOR Growth								
Consolidated SHO revenues	$ 525,649	$ 700,436	$ 83,204	$ 101,888	$ 106,167	$ 102,456	$ 715,020	$ 904,780
Unconsolidated SHO revenues attributable to WELL(1)	22,110	25,553	—	—	21,065	22,283	43,175	47,836
SHO revenues attributable to noncontrolling interests(2)	(23,588)	(41,095)	(8,085)	(11,625)	(23,482)	(22,332)	(55,155)	(75,052)
SHO pro rata revenues(3)	524,171	684,894	75,119	90,263	103,750	102,407	703,040	877,564
Non-cash revenues on same store properties	(851)	(562)	—	—	—	—	(851)	(562)
Revenues attributable to non-same store properties	(31,246)	(157,676)	(65,370)	(79,068)	(5,400)	(3,800)	(102,016)	(240,544)
Currency and ownership adjustments(4)	(216)	—	1,133	920	2,884	(406)	3,801	514
Normalizing adjustment for government grants(5)	—	(4,406)	—	—	—	—	—	(4,406)
Other normalizing adjustments(6)	(549)	—	—	(383)	—	—	(549)	(383)
SHO SS revenues(7)	491,309	522,250	10,882	11,732	101,234	98,201	603,425	632,183
Avg. occupied units/month(8)	26,197	27,279	450	471	11,543	10,936	38,190	38,686
SHO SS REVPOR(9)	$ 6,201	$ 6,330	$ 7,995	$ 8,235	$ 2,900	$ 2,969	$ 5,224	$ 5,403
SS REVPOR YOY growth		2.1 %		3.0 %		2.4 %		3.4 %
SHO SSNOI Growth								
Consolidated SHO NOI	$ 112,784	$ 133,486	$ 23,476	$ 22,595	$ 23,537	$ 24,294	$ 159,797	$ 180,375
Unconsolidated SHO NOI attributable to WELL(1)	4,351	4,425	—	—	8,831	6,288	13,182	10,713
SHO NOI attributable to noncontrolling interests(2)	(2,710)	(5,339)	(1,768)	(1,907)	(4,927)	(4,879)	(9,405)	(12,125)
SHO pro rata NOI(3)	114,425	132,572	21,708	20,688	27,441	25,703	163,574	178,963
Non-cash NOI on same store properties	(381)	(35)	—	—	—	—	(381)	(35)
NOI attributable to non-same store properties	(386)	(25,328)	(19,594)	(16,736)	(78)	(669)	(20,058)	(42,733)
Currency and ownership adjustments(4)	(37)	(3)	275	289	824	(137)	1,062	149
Normalizing adjustment for government grants(5)	(8,217)	(15,246)	—	(1,287)	(1,369)	(1,556)	(9,586)	(18,089)
Normalizing adjustment for casualty related expenses(10)	—	3,942	—	—	—	—	—	3,942
Other normalizing adjustments(6)	(378)	—	—	(484)	—	—	(378)	(484)
SHO pro rata SSNOI(7)	$ 105,026	$ 95,902	$ 2,389	$ 2,470	$ 26,818	$ 23,341	$ 134,233	$ 121,713
SHO SSNOI growth		(8.7)%		3.4 %		(13.0)%		(9.3)%
SHO SSNOI/Unit								
Trailing four quarters' SSNOI(7)		$ 385,599		$ 9,850		$ 98,021		$ 493,470
Average units in service(11)		34,896		720		13,996		49,612
SSNOI/unit in USD		$ 11,050		$ 13,681		$ 7,004		$ 9,947
SSNOI/unit in local currency(4)				£ 9,914		$ 8,866		

(1) Represents Welltower's interests in joint ventures where Welltower is the minority partner.
(2) Represents minority partners' interests in joint ventures where Welltower is the majority partner and includes an adjustment to remove NOI related to certain leasehold properties. See page 16 for more information.
(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 1.2684 and to translate UK properties at a GBP/USD rate of 1.38.
(5) Represents normalizing adjustment related to amounts recognized related to the Health and Human Services Provider Relief Fund in the United States and similar programs in the United Kingdom and Canada.
(6) Represents aggregate normalizing adjustments which are individually less than .50% of SSNOI growth.
(7) Represents SS SHO revenues/SSNOI at Welltower pro rata ownership. See page 10 for more information.
(8) Represents average occupied units for SS properties related solely to referenced country on a pro rata basis.
(9) Represents pro rata SS average revenues generated per occupied room per month.
(10) Represents normalizing adjustment related to casualty related expenses net of any insurance reimbursements.
(11) 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, 2021			
	United States	United Kingdom	Canada	Total
Consolidated SHO revenues	$ 700,436	$ 101,888	$ 102,456	$ 904,780
Unconsolidated SHO revenues attributable to Welltower[1]	25,553	—	22,283	47,836
SHO revenues attributable to noncontrolling interests[2]	(41,095)	(11,625)	(22,332)	(75,052)
Pro rata SHO revenues[3]	684,894	90,263	102,407	877,564
SHO interest and other income	(7,397)	(84)	(43)	(7,524)
SHO revenues attributable to sold and held for sale properties	(135)	—	—	(135)
Currency and ownership adjustments[4]	—	2,137	(420)	1,717
SHO local revenues	677,362	92,316	101,944	871,622
Average occupied units/month	41,456	3,116	11,271	55,843
REVPOR/month in USD	$ 5,402	$ 9,795	$ 2,990	$ 5,160
REVPOR/month in local currency[4]		£ 7,098	$ 3,785	

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

(2) Represents minority partners' interests in joint ventures where Welltower is the majority partner and includes an adjustment to remove NOI related to certain leasehold properties. See page 16 for more information.

(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 1.2684 and to translate UK properties at a GBP/USD rate of 1.38.

EBITDA AND ADJUSTED EBITDA

We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and cash equivalents and restricted cash. We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The ratios are based on EBITDA and Adjusted EBITDA. EBITDA is defined as earnings (net income per income statement) before interest expense, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/losses/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, additional other income and other impairment charges. We believe that EBITDA and Adjusted EBITDA, along with net income, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. We primarily use these measures to determine our interest coverage ratio, which represents EBITDA and Adjusted EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA and Adjusted EBITDA divided by fixed charges. Fixed charges include total interest, secured debt principal amortization and preferred dividends. Our leverage ratios include net debt to Adjusted EBITDA, book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and restricted cash), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock. Our leverage ratios are defined as the proportion of net debt to total capitalization.

EBITDA AND ADJUSTED EBITDA QUARTERLY RECONCILIATIONS

(dollars in thousands)

	Three Months Ended				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Net income (loss)	$ 155,278	$ 72,192	$ 45,757	$ 190,336	$ 66,194
Interest expense	121,173	123,142	122,341	122,522	121,848
Income tax expense (benefit)	290	3,943	(2,221)	4,940	2,051
Depreciation and amortization	242,733	244,426	240,885	267,754	284,501
EBITDA	519,474	443,703	406,762	585,552	474,594
Loss (income) from unconsolidated entities	(258)	(13,049)	7,976	15,832	12,174
Stock-based compensation[(1)]	7,380	5,576	4,757	4,535	2,944
Loss (gain) on extinguishment of debt, net	13,796	(4,643)	55,612	(5)	(1,090)
Loss (gain) on real estate dispositions, net	(185,464)	(59,080)	(44,668)	(119,954)	(11,673)
Impairment of assets	9,317	23,568	23,692	1,490	2,357
Provision for loan losses, net	83,085	1,383	6,197	(271)	(39)
Loss (gain) on derivatives and financial instruments, net	569	1,934	(359)	(8,078)	(830)
Other expenses[(1)]	27,583	10,799	11,059	3,519	15,483
Leasehold interest adjustment[(2)]	—	—	—	(640)	1,400
Casualty losses, net of recoveries[(3)]	—	—	—	998	4,788
Other impairment[(4)]	—	49,241	—	—	—
Total adjustments	(43,992)	15,729	64,266	(102,574)	25,514
Adjusted EBITDA	$ 475,482	$ 459,432	$ 471,028	$ 482,978	$ 500,108
Interest Coverage Ratios:					
Interest expense	$ 121,173	$ 123,142	$ 122,341	$ 122,522	$ 121,848
Capitalized interest	4,238	4,496	4,862	4,669	5,325
Non-cash interest expense	(1,739)	(2,991)	(3,972)	(5,461)	(5,082)
Total interest	$ 123,672	$ 124,647	$ 123,231	$ 121,730	$ 122,091
EBITDA	$ 519,474	$ 443,703	$ 406,762	$ 585,552	$ 474,594
Interest coverage ratio	4.20 x	3.56 x	3.30 x	4.81 x	3.89 x
Adjusted EBITDA	$ 475,482	$ 459,432	$ 471,028	$ 482,978	$ 500,108
Adjusted interest coverage ratio	3.84 x	3.69 x	3.82 x	3.97 x	4.10 x
Fixed Charge Coverage Ratios:					
Total interest	$ 123,672	$ 124,647	$ 123,231	$ 121,730	$ 122,091
Secured debt principal amortization	16,122	15,955	15,715	17,040	16,877
Total fixed charges	$ 139,794	$ 140,602	$ 138,946	$ 138,770	$ 138,968
EBITDA	$ 519,474	$ 443,703	$ 406,762	$ 585,552	$ 474,594
Fixed charge coverage ratio	3.72 x	3.16 x	2.93 x	4.22 x	3.42 x
Adjusted EBITDA	$ 475,482	$ 459,432	$ 471,028	$ 482,978	$ 500,108
Adjusted fixed charge coverage ratio	3.40 x	3.27 x	3.39 x	3.48 x	3.60 x
Net Debt Ratios:					
Total debt[(5)]	$ 13,905,822	$ 14,618,713	$ 13,572,816	$ 13,779,652	$ 14,242,637
Less: cash and cash equivalents and restricted cash	(2,021,043)	(2,558,822)	(808,705)	(362,645)	(346,755)
Net debt	$ 11,884,779	$ 12,059,891	$ 12,764,111	$ 13,417,007	$ 13,895,882
EBITDA Annualized	$ 2,077,896	$ 1,774,812	$ 1,627,048	$ 2,342,208	$ 1,898,376
Net debt to EBITDA ratio	5.72 x	6.80 x	7.84 x	5.73 x	7.32 x
Adjusted EBITDA Annualized	$ 1,901,928	$ 1,837,728	$ 1,884,112	$ 1,931,912	$ 2,000,432
Net debt to Adjusted EBITDA ratio	6.25 x	6.56 x	6.77 x	6.94 x	6.95 x

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

(2) Represents NOI associated with a leasehold portfolio interest relating to 26 properties assumed by a wholly-owned affiliate in conjunction with the Holiday Retirement transaction. Subsequent to the initial transaction, we purchased eight of the leased properties and one of the properties was sold by the landlord and removed from the lease. No rent will be paid in excess of net cash flow relating to the leasehold properties and therefore, the net impact has been excluded from Adjusted EBITDA.

(3) Represents casualty losses net of any insurance recoveries.

(4) Amounts relate to reserve for straight-line rent receivable balances for leases placed on cash recognition.

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

EBITDA AND ADJUSTED EBITDA ANNUAL RECONCILIATIONS

(dollars in thousands)

	Year Ended				
	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Net income	$ 540,613	$ 829,750	$ 1,330,410	$ 1,038,852	$ 374,479
Interest expense	484,622	526,592	555,559	514,388	489,853
Income tax expense (benefit)	20,128	8,674	2,957	9,968	8,713
Depreciation and amortization	921,720	950,459	1,027,073	1,038,437	1,037,566
EBITDA	1,967,083	2,315,475	2,915,999	2,601,645	1,910,611
Loss (income) from unconsolidated entities	83,125	641	(42,434)	8,083	22,933
Stock-based compensation[1]	19,102	27,646	25,047	28,318	17,812
Loss (gain) on extinguishment of debt, net	37,241	16,097	84,155	47,049	49,874
Loss (gain) on real estate dispositions, net	(344,250)	(415,575)	(748,041)	(1,088,455)	(235,375)
Impairment of assets	124,483	115,579	28,133	135,608	51,107
Provision for loan losses, net	62,966	—	18,690	94,436	7,270
Loss / (gain) on derivatives, net	2,284	(4,016)	(4,399)	11,049	(7,333)
Other expenses[1]	176,395	111,990	51,052	64,171	40,860
Leasehold interest adjustment[2]	—	—	—	—	760
Casualty losses, net of recoveries[3]	—	—	—	—	5,786
Other impairment[4]	—	—	—	146,508	49,241
Additional other income	—	(14,832)	—	—	—
Total adjustments	161,346	(162,470)	(587,797)	(553,233)	2,935
Adjusted EBITDA	$ 2,128,429	$ 2,153,005	$ 2,328,202	$ 2,048,412	$ 1,913,546
Interest Coverage Ratios:					
Interest expense	$ 484,622	$ 526,592	$ 555,559	$ 514,388	$ 489,853
Capitalized interest	13,489	7,905	15,272	17,472	19,352
Non-cash interest expense	(10,358)	(10,860)	(8,645)	(15,751)	(17,506)
Total interest	487,753	523,637	562,186	516,109	491,699
EBITDA	$ 1,967,083	$ 2,315,475	$ 2,915,999	$ 2,601,645	$ 1,910,611
Interest coverage ratio	4.03 x	4.42 x	5.19 x	5.04 x	3.89 x
Adjusted EBITDA	$ 2,128,429	$ 2,153,005	$ 2,328,202	$ 2,048,412	$ 1,913,546
Adjusted interest coverage ratio	4.36 x	4.11 x	4.14 x	3.97 x	3.89 x
Fixed Charge Coverage Ratios:					
Total interest	$ 487,753	$ 523,637	$ 562,186	$ 516,109	$ 491,699
Secured debt principal amortization	64,079	56,288	54,325	62,707	65,587
Preferred dividends	49,410	46,704	—	—	—
Total fixed charges	601,242	626,629	616,511	578,816	557,286
EBITDA	$ 1,967,083	$ 2,315,475	$ 2,915,999	$ 2,601,645	$ 1,910,611
Fixed charge coverage ratio	3.27 x	3.70 x	4.73 x	4.49 x	3.43 x
Adjusted EBITDA	$ 2,128,429	$ 2,153,005	$ 2,328,202	$ 2,048,412	$ 1,913,546
Adjusted fixed charge coverage ratio	3.54 x	3.44 x	3.78 x	3.54 x	3.43 x
Net Debt Ratios:					
Total debt[5]	$ 11,731,936	$ 13,297,144	$ 15,023,962	$ 13,905,822	$ 14,242,637
Less: cash and cash equivalents and restricted cash	(309,303)	(316,129)	(385,766)	(2,021,043)	(346,755)
Net debt	$ (297,571,064)	$ 12,981,015	$ 14,638,196	$ 11,884,779	$ 13,895,882
EBITDA	$ 1,967,083	$ 2,315,475	$ 2,915,999	$ 2,601,645	$ 1,910,611
Net debt to EBITDA ratio	5.84 x	5.65 x	5.05 x	4.59 x	7.27 x
Adjusted EBITDA	$ 2,128,429	$ 2,153,005	$ 2,328,202	$ 2,048,412	$ 1,913,546
Net debt to Adjusted EBITDA ratio	5.39 x	6.08 x	6.33 x	5.83 x	7.26 x

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

(2) Represents NOI associated with a leasehold portfolio interest relating to 26 properties assumed by a wholly-owned affiliate in conjunction with the Holiday Retirement transaction. Subsequent to the initial transaction, we purchased eight of the leased properties and one of the properties was sold by the landlord and removed from the lease. No rent will be paid in excess of net cash flow relating to the leasehold properties and therefore, the net impact has been excluded from Adjusted EBITDA.

(3) Represents casualty losses net of any insurance recoveries.

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

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

EBITDA AND ADJUSTED EBITDA TRAILING TWELVE MONTHS RECONCILIATIONS

(dollars in thousands)

	Twelve Months Ended				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Net income	$ 1,038,852	$ 781,664	$ 668,205	$ 463,563	$ 374,479
Interest expense	514,388	495,523	491,507	489,178	489,853
Income tax expense (benefit)	9,968	8,469	4,015	6,952	8,713
Depreciation and amortization	1,038,437	1,008,062	983,576	995,798	1,037,566
EBITDA	2,601,645	2,293,718	2,147,303	1,955,491	1,910,611
Loss (income) from unconsolidated entities	8,083	(8,658)	650	10,501	22,933
Stock-based compensation[1]	28,318	26,811	24,278	22,248	17,812
Loss (gain) on extinguishment of debt, net	47,049	42,406	97,769	64,760	49,874
Loss (gain) on real estate dispositions, net	(1,088,455)	(884,711)	(773,516)	(409,166)	(235,375)
Impairment of assets	135,608	131,349	79,890	58,067	51,107
Provision of loan losses, net	94,436	88,747	93,522	90,394	7,270
Loss (gain) on derivatives and financial instruments, net	11,049	5,332	3,539	(5,934)	(7,333)
Other expenses[1]	64,171	68,939	60,985	52,960	40,860
Leasehold interest adjustment[2]	—	—	—	(640)	760
Casualty losses, net of recoveries[3]	—	—	—	998	5,786
Other impairment[4]	146,508	163,481	161,639	49,241	49,241
Total adjustments	(553,233)	(366,304)	(251,244)	(66,571)	2,935
Adjusted EBITDA	$ 2,048,412	$ 1,927,414	$ 1,896,059	$ 1,888,920	$ 1,913,546
Interest Coverage Ratios:					
Interest expense	$ 514,388	$ 495,523	$ 491,507	$ 489,178	$ 489,853
Capitalized interest	17,472	17,222	17,543	18,265	19,352
Non-cash interest expense	(15,751)	(10,617)	(12,675)	(14,163)	(17,506)
Total interest	516,109	502,128	496,375	493,280	491,699
EBITDA	$ 2,601,645	$ 2,293,718	$ 2,147,303	$ 1,955,491	$ 1,910,611
Interest coverage ratio	5.04 x	4.57 x	4.33 x	3.96 x	3.89 x
Adjusted EBITDA	$ 2,048,412	$ 1,927,414	$ 1,896,059	$ 1,888,920	$ 1,913,546
Adjusted interest coverage ratio	3.97 x	3.84 x	3.82 x	3.83 x	3.89 x
Fixed Charge Coverage Ratios:					
Total interest	$ 516,109	$ 502,128	$ 496,375	$ 493,280	$ 491,699
Secured debt principal amortization	62,707	63,136	63,668	64,832	65,587
Total fixed charges	578,816	565,264	560,043	558,112	557,286
EBITDA	$ 2,601,645	$ 2,293,718	$ 2,147,303	$ 1,955,491	$ 1,910,611
Fixed charge coverage ratio	4.49 x	4.06 x	3.83 x	3.50 x	3.43 x
Adjusted EBITDA	$ 2,048,412	$ 1,927,414	$ 1,896,059	$ 1,888,920	$ 1,913,546
Adjusted fixed charge coverage ratio	3.54 x	3.41 x	3.39 x	3.38 x	3.43 x

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

(2) Represents NOI associated with a leasehold portfolio interest relating to 26 properties assumed by a wholly-owned affiliate in conjunction with the Holiday Retirement transaction. Subsequent to the initial transaction, we purchased eight of the leased properties and one of the properties was sold by the landlord and removed from the lease. No rent will be paid in excess of net cash flow relating to the leasehold properties and therefore, the net impact has been excluded from Adjusted EBITDA.

(3) Represents casualty losses net of any insurance recoveries.

(4) Amounts relate to reserve for straight-line rent receivable balances for leases placed on cash recognition.

CAPITALIZATION RATIOS QUARTERLY

(Amounts in thousands, except share price)	As of				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Book capitalization:					
Unsecured credit facility and commercial paper	$ —	$ —	$ —	$ 290,996	$ 324,935
Long-term debt obligations[1]	13,905,822	14,618,713	13,572,816	13,488,656	13,917,702
Cash & cash equivalents and restricted cash	(2,021,043)	(2,558,822)	(808,705)	(362,645)	(346,755)
Total net debt	11,884,779	12,059,891	12,764,111	13,417,007	13,895,882
Total equity and noncontrolling interest[2]	17,225,062	17,046,932	17,243,208	18,172,111	18,997,873
Book capitalization	$ 29,109,841	$ 29,106,823	$ 30,007,319	$ 31,589,118	$ 32,893,755
Net debt to book capitalization ratio	40.8 %	41.4 %	42.5 %	42.5 %	42.2 %
Undepreciated book capitalization:					
Total net debt	$ 11,937,057	$ 12,105,557	$ 12,808,895	$ 13,417,007	$ 13,895,882
Accumulated depreciation and amortization	6,104,297	6,212,432	6,415,676	6,634,061	6,910,114
Total equity and noncontrolling interest[2]	17,225,062	17,046,932	17,243,208	18,172,111	18,997,873
Undepreciated book capitalization	$ 35,266,416	$ 35,364,921	$ 36,467,779	$ 38,223,179	$ 39,803,869
Net debt to undepreciated book capitalization ratio	33.8 %	34.2 %	35.1 %	35.1 %	34.9 %
Market capitalization:					
Common shares outstanding	417,401	417,520	422,562	435,274	447,239
Period end share price	$ 64.62	$ 71.63	$ 83.10	$ 82.40	$ 85.77
Common equity market capitalization	$ 26,972,453	$ 29,906,958	$ 35,114,902	$ 35,866,578	$ 38,359,689
Total net debt	11,884,779	12,059,891	12,764,111	13,417,007	13,895,882
Noncontrolling interests[2]	1,252,343	1,248,054	1,322,762	1,308,908	1,361,872
Enterprise value	$ 40,109,575	$ 43,214,903	$ 49,201,775	$ 50,592,493	$ 53,617,443
Net debt to market capitalization ratio	29.6 %	27.9 %	25.9 %	26.5 %	25.9 %

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

(2) Includes 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, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Book capitalization:					
Unsecured credit facility and commercial paper	$ 719,000	$ 1,147,000	$ 1,587,597	$ —	$ 324,935
Long-term debt obligations[1]	11,012,936	12,150,144	13,436,365	13,905,822	13,917,702
Cash & cash equivalents and restricted cash	(309,303)	(316,129)	(385,766)	(2,021,043)	(346,755)
Total net debt	11,422,633	12,981,015	14,638,196	11,884,779	13,895,882
Total equity non controlling interest[3]	15,300,646	16,010,645	16,982,504	17,225,062	18,997,873
Book capitalization	$ 26,723,279	$ 28,991,660	$ 31,620,700	$ 29,109,841	$ 32,893,755
Net debt to book capitalization ratio	42.7 %	44.8 %	46.3 %	40.8 %	42.2 %
Undepreciated book capitalization:					
Total net debt	$ 11,422,633	$ 12,981,015	$ 14,638,196	$ 11,884,779	$ 13,895,882
Accumulated depreciation and amortization	4,838,370	5,499,958	5,715,459	6,104,297	6,910,114
Total equity and noncontrolling interest[2]	15,300,646	16,010,645	16,982,504	17,225,062	18,997,873
Undepreciated book capitalization	$ 31,561,649	$ 34,491,618	$ 37,336,159	$ 35,214,138	$ 39,803,869
Net debt to undepreciated book capitalization ratio	36.2 %	37.6 %	39.2 %	33.8 %	34.9 %
Market capitalization:					
Common shares outstanding	371,732	383,675	410,257	417,401	447,239
Period end share price	$ 63.77	$ 69.41	$ 81.78	$ 64.62	$ 85.77
Common equity market capitalization	$ 23,705,350	$ 26,630,882	$ 33,550,817	$ 26,972,453	$ 38,359,689
Total net debt	11,422,633	12,981,015	14,638,196	11,884,779	13,895,882
Noncontrolling interests[2]	877,498	1,378,311	1,442,060	1,252,343	1,361,872
Preferred stock	718,503	718,498	—	—	—
Enterprise value	$ 36,723,984	$ 41,708,706	$ 49,631,073	$ 40,109,575	$ 53,617,443
Net debt to market capitalization ratio	31.1 %	31.1 %	29.5 %	29.6 %	25.9 %

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

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