NON-GAAP FINANCIAL MEASURES

Quarter Ended March 31, 2022

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				
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
Net income (loss) attributable to common stockholders	$ 71,546	$ 26,257	$ 179,663	$ 58,672	$ 61,925
Depreciation and amortization	244,426	240,885	267,754	284,501	304,088
Impairments and losses (gains) on real estate dispositions, net	(35,512)	(20,976)	(118,464)	(9,316)	(22,934)
Noncontrolling interests[1]	(12,516)	(16,591)	(11,095)	(13,988)	(14,753)
Unconsolidated entities[2]	19,223	19,265	27,881	19,107	19,309
NAREIT FFO attributable to common stockholders	287,167	248,840	345,739	338,976	347,635
Normalizing items:					
Loss (gain) on derivatives and financial instruments, net	1,934	(359)	(8,078)	(830)	2,578
Loss (gain) on extinguishment of debt, net	(4,643)	55,612	(5)	(1,090)	(12)
Provision for loan losses, net	1,383	6,197	(271)	(39)	(804)
Nonrecurring income tax benefits	—	(6,298)	—	—	—
Other impairment	49,241	—	—	—	—
Other expenses	10,994	11,687	3,575	15,483	26,069
Leasehold interest adjustment	—	—	(640)	1,400	(8,457)
Casualty losses, net of recoveries	—	—	998	4,788	13
Normalizing items attributable to noncontrolling interests and unconsolidated entities, net	(12,164)	14,568	949	3,424	1,260
Normalized FFO attributable to common stockholders	$ 333,912	$ 330,247	$ 342,267	$ 362,112	$ 368,282
Average common shares outstanding:					
Basic	417,241	417,452	428,031	436,909	447,379
Diluted	419,079	419,305	429,983	438,719	449,802
Net income (loss) attributable to common stockholders per share:					
Basic	$ 0.17	$ 0.06	$ 0.42	$ 0.13	$ 0.14
Diluted[3]	$ 0.17	$ 0.06	$ 0.42	$ 0.13	$ 0.14
NAREIT FFO attributable to common stockholders per share:					
Diluted	$ 0.69	$ 0.59	$ 0.80	$ 0.77	$ 0.77
Normalized FFO attributable to common stockholders per share:					
Diluted	$ 0.80	$ 0.79	$ 0.80	$ 0.83	$ 0.82
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	$ 0.69	$ 0.59	$ 0.80	$ 0.77	$ 0.77
NAREIT FFO Payout Ratio	88 %	103 %	76 %	79 %	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	$ 0.8	$ 0.79	$ 0.80	$ 0.83	$ 0.82
Normalized FFO Payout Ratio	76 %	77 %	76 %	73 %	74 %
Other items:[4]					
Net straight-line rent and above/below market rent amortization[5]	$ (18,134)	$ (20,729)	$ (19,809)	$ (18,792)	$ (20,014)
Non-cash interest expenses	3,635	4,714	6,223	7,027	4,721
Recurring cap-ex, tenant improvements, and lease commissions	(11,433)	(20,426)	(22,722)	(46,344)	(32,466)
Stock-based compensation[6]	5,381	4,129	4,479	2,945	7,441

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

Earnings Outlook Reconciliation

Outlook Reconciliation: Quarter Ending June 30, 2022

(in millions, except per share data)	Current Outlook			
	Low		High	
FFO Reconciliation:				
Net income attributable to common stockholders	$	94	$	117
Depreciation and amortization[1]		323		323
NAREIT FFO attributable to common stockholders	$	417	$	440
Normalizing items, net[1,2]		(39)		(39)
Normalized FFO attributable to common stockholders	$	378	$	401
Diluted per share data attributable to common stockholders:				
Net income	$	0.20	$	0.25
NAREIT FFO	$	0.90	$	0.95
Normalized FFO	$	0.82	$	0.87
Other items:[1]				
Net straight-line rent and above/below market rent amortization	$	(25)	$	(25)
Non-cash interest expenses		5		5
Recurring cap-ex, tenant improvements, and lease commissions		(39)		(39)
Stock-based compensation		6		6

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

(2) Primarily relates to the NHI lease termination in April.

NOI, IPNOI, SSNOI, REVPOR AND SS REVPOR

We define NOI as total revenues, including tenant reimbursements, less property operating expenses. Property operating expenses represent costs associated with managing, maintaining and servicing tenants for our properties. These expenses include, but are not limited to, property-related payroll and benefits, property management fees paid to operators, marketing, housekeeping, food service, maintenance, utilities, property taxes and insurance. General and administrative expenses represent costs unrelated to property operations and transaction costs. These expenses include, but are not limited to, payroll and benefits, professional services, office expenses and depreciation of corporate fixed assets.

IPNOI represents NOI excluding interest income, other income and non-IPNOI and adjusted for timing of current quarter portfolio changes such as acquisitions, development conversions, segment transitions, dispositions and investments held for sale.

SSNOI is used to evaluate the operating performance of our properties using a consistent population which controls for changes in the composition of our portfolio. As used herein, same store is generally defined as those revenue-generating properties in the portfolio for the relevant year-over-year reporting periods. Acquisitions and development conversions are included in the same store amounts five full quarters after acquisition or being placed into service. Land parcels, loans and sub-leases, as well as any properties sold or classified as held for sale during the period, are excluded from the same store amounts. Redeveloped properties (including major refurbishments of a Seniors Housing Operating property where 20% or more of units are simultaneously taken out of commission for 30 days or more or Outpatient Medical properties undergoing a change in intended use) are excluded from the same store amounts until five full quarters post completion of the redevelopment. Properties undergoing operator transitions and/or segment transitions are also excluded from the same store amounts until five full quarters post completion of the operator transition or segment transition. In addition, properties significantly impacted by force majeure, acts of God or other extraordinary adverse events are excluded from same store amounts until five full quarters after the properties are placed back into service. SSNOI excludes non-cash NOI and includes adjustments to present consistent property ownership percentages and to translate Canadian properties and UK properties using a consistent exchange rate. Normalizers include adjustments that in management's opinion are appropriate in considering SSNOI, a supplemental, non-GAAP performance measure. None of these adjustments, which may increase or decrease SSNOI, are reflected in our financial statements prepared in accordance with U.S. GAAP. Significant normalizers (defined as any that individually exceed 0.50% of SSNOI growth per property type) are separately disclosed and explained in the relevant supplemental reporting package. We believe NOI, IPNOI and SSNOI provide investors relevant and useful information because they measure the operating performance of our properties at the property level on an unleveraged basis. We use NOI, IPNOI and SSNOI to make decisions about resource allocations and to assess the property level performance of our properties.

REVPOR represents the average revenues generated per occupied room per month at our Seniors Housing Operating properties. It is calculated as the pro rata version of resident fees and services revenues per the income statement divided by average monthly occupied room days. SS REVPOR is used to evaluate the REVPOR performance of our properties under a consistent population which eliminates changes in the composition of our portfolio. It is based on the same pool of properties used for SSNOI and includes any revenue normalizations used for SSNOI. We use REVPOR and SS REVPOR to evaluate the revenue-generating capacity and profit potential of our Seniors Housing Operating portfolio independent of fluctuating occupancy rates. They are also used in comparison against industry and competitor statistics, if known, to evaluate the quality of our Seniors Housing Operating portfolio.

NOI QUARTERLY RECONCILIATIONS

(dollars in thousands)	Three Months Ended				
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
Net income (loss)	$ 72,192	$ 45,757	$ 190,336	$ 66,194	$ 65,751
Loss (gain) on real estate dispositions, net	(59,080)	(44,668)	(119,954)	(11,673)	(22,934)
Loss (income) from unconsolidated entities	(13,049)	7,976	15,832	12,174	2,884
Income tax expense (benefit)	3,943	(2,221)	4,940	2,051	5,013
Other expenses	10,994	11,687	3,575	15,483	26,069
Impairment of assets	23,568	23,692	1,490	2,357	—
Provision for loan losses, net	1,383	6,197	(271)	(39)	(804)
Loss (gain) on extinguishment of debt, net	(4,643)	55,612	(5)	(1,090)	(12)
Loss (gain) on derivatives and financial instruments, net	1,934	(359)	(8,078)	(830)	2,578
General and administrative expenses	29,926	31,436	32,256	33,109	37,706
Depreciation and amortization	244,426	240,885	267,754	284,501	304,088
Interest expense	123,142	122,341	122,522	121,848	121,696
Consolidated net operating income	434,736	498,335	510,397	524,085	542,035
NOI attributable to unconsolidated investments[(1)]	21,516	21,180	20,042	20,287	20,142
NOI attributable to noncontrolling interests[(2)]	(20,827)	(43,786)	(31,061)	(27,889)	(34,999)
Pro rata net operating income (NOI)[(3)]	$ 435,425	$ 475,729	$ 499,378	$ 516,483	$ 527,178
Pro rata NOI:					
Seniors Housing Operating	$ 172,060	$ 143,751	$ 167,855	$ 178,963	$ 195,043
Seniors Housing Triple-net	57,143	130,983	139,166	142,478	135,939
Outpatient Medical	109,398	114,330	111,207	113,768	112,998
Health System	42,425	46,500	46,140	47,376	51,208
Long-Term/Post-Acute Care	52,924	39,667	34,702	32,285	31,422
Corporate	1,475	498	308	1,613	568
Pro rata NOI[(3)]	$ 435,425	$ 475,729	$ 499,378	$ 516,483	$ 527,178

(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)	1Q21	2Q21	3Q21	4Q21	1Q22	Y/o/Y
Seniors Housing Operating						
NOI	$ 172,060	$ 143,751	$ 167,855	$ 178,963	$ 195,043	
Non-cash NOI on same store properties	(865)	12,268	(98)	(36)	(74)	
NOI attributable to non-same store properties	(19,399)	(13,548)	(29,810)	(35,210)	(51,575)	
Currency and ownership adjustments(1)	(186)	(998)	12	78	178	
Normalizing adjustment for government grants(2)	(32,457)	(8,130)	(4,998)	(18,051)	(1,304)	
Other normalizing adjustments(3)	770	1,094	1,337	3,757	(249)	
SSNOI(4)	119,923	134,437	134,298	129,501	142,019	18.4%
Seniors Housing Triple-net						
NOI	57,143	130,983	139,166	142,478	135,939	
Non-cash NOI on same store properties	(4,537)	(4,461)	(3,987)	(2,694)	(2,912)	
NOI attributable to non-same store properties	25,170	(52,410)	(59,664)	(61,300)	(50,186)	
Currency and ownership adjustments(1)	(233)	(515)	(237)	184	274	
Other normalizing adjustments(3)	(12)	405	535	59	(213)	
SSNOI	77,531	74,002	75,813	78,727	82,902	6.9%
Outpatient Medical						
NOI	109,398	114,330	111,207	113,768	112,998	
Non-cash NOI on same store properties	(2,656)	(2,675)	(1,901)	(2,493)	(2,096)	
NOI attributable to non-same store properties	(5,562)	(11,810)	(8,441)	(9,278)	(7,798)	
Currency and ownership adjustments(1)	(1,140)	(55)	296	(240)	64	
Other normalizing adjustments(3)	(155)	(348)	(1,014)	294	(537)	
SSNOI	99,885	99,442	100,147	102,051	102,631	2.7%
Health System						
NOI	42,425	46,500	46,140	47,376	51,208	
Non-cash NOI on same store properties	(5,278)	(5,278)	(4,647)	(5,760)	(7,418)	
NOI attributable to non-same store properties	(1,361)	(5,436)	(5,051)	(4,845)	(5,289)	
Currency and ownership adjustments(1)	2,237	2,237	2,278	2,298	568	
SSNOI	38,023	38,023	38,720	39,069	39,069	2.8%
Long-Term/Post-Acute Care						
NOI	52,924	39,667	34,702	32,285	31,422	
Non-cash NOI on same store properties	(326)	(950)	(1,137)	(937)	(1,026)	
NOI attributable to non-same store properties	(30,840)	(16,849)	(11,679)	(9,376)	(8,082)	
Currency and ownership adjustments(1)	(10)	(67)	(21)	(19)	(10)	
Other normalizing adjustments(3)	169	—	—	—	—	
SSNOI	21,917	21,801	21,865	21,953	22,304	1.8%
Corporate						
NOI	1,475	498	308	1,613	568	
NOI attributable to non-same store properties	(1,475)	(498)	(308)	(1,613)	(568)	
SSNOI	—	—	—	—	—	
Total						
NOI	435,425	475,729	499,378	516,483	527,178	
Non-cash NOI on same store properties	(13,662)	(1,096)	(11,770)	(11,920)	(13,526)	
NOI attributable to non-same store properties	(33,467)	(100,551)	(114,953)	(121,622)	(123,498)	
Currency and ownership adjustments(1)	668	(1,635)	50	3	1,074	
Normalizing adjustments, net	(31,685)	(6,979)	(4,140)	(13,941)	(2,303)	
SSNOI	$ 357,279	$ 365,468	$ 368,565	$ 369,003	$ 388,925	8.9%

(1) Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.2739 and to translate UK properties at a GBP/USD rate of 1.35.

(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.

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 March 31, 2022							
Revenues	$ 969,979	$ 143,360	$ 163,597	$ 51,243	$ 35,380	$ 3,183	$ 1,366,742
Property operating expenses	(774,936)	(7,421)	(50,599)	(35)	(3,958)	(2,615)	(839,564)
NOI[1]	**195,043**	**135,939**	**112,998**	**51,208**	**31,422**	**568**	**527,178**
Adjust:							
Interest income	(1,398)	(33,097)	(71)	—	(5,107)	—	(39,673)
Other income[2]	(3,007)	(1,471)	(3,238)	—	(234)	(3,183)	(11,133)
Sold / held for sale	276	30	—	(454)	(2,656)	—	(2,804)
Non operational[3]	1,258	—	67	—	(272)	—	1,053
Non In-Place NOI[4]	(6,401)	(5,680)	(3,073)	(8,289)	(840)	2,615	(21,668)
Timing adjustments[5]	558	161	2,038	627	—	—	3,384
Total adjustments	(8,714)	(40,057)	(4,277)	(8,116)	(9,109)	(568)	(70,841)
In-Place NOI	**186,329**	**95,882**	**108,721**	**43,092**	**22,313**	**—**	**456,337**
Annualized In-Place NOI	**$ 745,316**	**$ 383,528**	**$ 434,884**	**$ 172,368**	**$ 89,252**	**$ —**	**$ 1,825,348**

(1) Represents Welltower's pro rata share of NOI. See page 8 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	
	1Q21	1Q22	1Q21	1Q22	1Q21	1Q22	1Q21	1Q22
SHO SS REVPOR Growth								
Consolidated SHO revenues	$ 526,248	$ 786,071	$ 95,184	$ 101,099	$ 104,970	$ 109,442	$ 726,402	$ 996,612
Unconsolidated SHO revenues attributable to WELL[1]	22,008	26,834	—	—	21,206	22,274	43,214	49,108
SHO revenues attributable to noncontrolling interests[2]	(23,702)	(43,901)	(11,705)	(9,367)	(23,122)	(22,473)	(58,529)	(75,741)
SHO pro rata revenues[3]	524,554	769,004	83,479	91,732	103,054	109,243	711,087	969,979
Non-cash revenues on same store properties	(849)	(562)	—	—	—	—	(849)	(562)
Revenues attributable to non-same store properties	(30,443)	(208,311)	(63,175)	(69,174)	(5,099)	(11,544)	(98,717)	(289,029)
Currency and ownership adjustments[4]	161	—	368	147	(597)	(541)	(68)	(394)
SHO SS revenues[5]	493,423	560,131	20,672	22,705	97,358	97,158	611,453	679,994
Avg. occupied units/month[6]	26,647	29,177	746	802	11,086	10,929	38,479	40,908
SHO SS REVPOR[7]	$ 6,258	$ 6,488	$ 9,365	$ 9,568	$ 2,968	$ 3,004	$ 5,370	$ 5,618
SS REVPOR YOY growth		3.7 %		2.2 %		1.2 %		4.6 %
SHO SSNOI Growth								
Consolidated SHO NOI	$ 123,120	$ 162,292	$ 21,226	$ 18,224	$ 26,088	$ 26,168	$ 170,434	$ 206,684
Unconsolidated SHO NOI attributable to WELL[1]	4,612	3,617	—	—	7,291	5,973	11,903	9,590
SHO NOI attributable to noncontrolling interests[2]	(2,693)	(15,007)	(2,225)	(1,345)	(5,359)	(4,879)	(10,277)	(21,231)
SHO pro rata NOI[3]	125,039	150,902	19,001	16,879	28,020	27,262	172,060	195,043
Non-cash NOI on same store properties	(865)	(86)	—	—	—	12	(865)	(74)
NOI attributable to non-same store properties	(4,606)	(34,305)	(14,171)	(12,714)	(622)	(4,556)	(19,399)	(51,575)
Currency and ownership adjustments[4]	(80)	266	94	33	(200)	(121)	(186)	178
Normalizing adjustment for government grants[8]	(30,041)	(497)	—	—	(2,416)	(807)	(32,457)	(1,304)
Other normalizing adjustments[9]	770	(249)	—	—	—	—	770	(249)
SHO pro rata SSNOI[5]	$ 90,217	$ 116,031	$ 4,924	$ 4,198	$ 24,782	$ 21,790	$ 119,923	$ 142,019
SHO SSNOI growth		28.6 %		(14.7)%		(12.1)%		18.4 %
SHO SSNOI/Unit								
Trailing four quarters' SSNOI[5]		$ 426,375		$ 19,478		$ 94,402		$ 540,255
Average units in service[10]		37,257		1,203		13,995		52,455
SSNOI/unit in USD		$ 11,444		$ 16,191		$ 6,745		$ 10,299
SSNOI/unit in local currency[4]				£ 11,733		$ 8,538		

(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 14 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 1.2739 and to translate UK properties at a GBP/USD rate of 1.35.

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

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

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

(8) Represents normalizing adjustment 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.

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

(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 March 31, 2022			
	United States	United Kingdom	Canada	Total
Consolidated SHO revenues	$ 786,071	$ 101,099	$ 109,442	$ 996,612
Unconsolidated SHO revenues attributable to Welltower[1]	26,834	—	22,274	49,108
SHO revenues attributable to noncontrolling interests[2]	(43,901)	(9,367)	(22,473)	(75,741)
Pro rata SHO revenues[3]	769,004	91,732	109,243	969,979
SHO interest and other income	(1,940)	(6)	(2,458)	(4,404)
SHO revenues attributable to sold and held for sale properties	(186)	—	—	(186)
Currency and ownership adjustments[4]	—	581	(596)	(15)
SHO local revenues	766,878	92,307	106,189	965,374
Average occupied units/month	45,842	3,218	12,104	61,164
REVPOR/month in USD	$ 5,654	$ 9,694	$ 2,965	$ 5,334
REVPOR/month in local currency[4]		£ 7,025	$ 3,753	

(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 14 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 1.2739 and to translate UK properties at a GBP/USD rate of 1.35.

EBITDA AND ADJUSTED EBITDA

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

EBITDA AND ADJUSTED EBITDA QUARTERLY RECONCILIATIONS

(dollars in thousands)

	Three Months Ended				
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
Net income (loss)	$ 72,192	$ 45,757	$ 190,336	$ 66,194	$ 65,751
Interest expense	123,142	122,341	122,522	121,848	121,696
Income tax expense (benefit)	3,943	(2,221)	4,940	2,051	5,013
Depreciation and amortization	244,426	240,885	267,754	284,501	304,088
EBITDA	443,703	406,762	585,552	474,594	496,548
Loss (income) from unconsolidated entities	(13,049)	7,976	15,832	12,174	2,884
Stock-based compensation(1)	5,576	4,757	4,535	2,944	7,445
Loss (gain) on extinguishment of debt, net	(4,643)	55,612	(5)	(1,090)	(12)
Loss (gain) on real estate dispositions, net	(59,080)	(44,668)	(119,954)	(11,673)	(22,934)
Impairment of assets	23,568	23,692	1,490	2,357	—
Provision for loan losses, net	1,383	6,197	(271)	(39)	(804)
Loss (gain) on derivatives and financial instruments, net	1,934	(359)	(8,078)	(830)	2,578
Other expenses(1)	10,799	11,059	3,519	15,483	26,066
Leasehold interest adjustment(2)	—	—	(640)	1,400	(8,457)
Casualty losses, net of recoveries(3)	—	—	998	4,788	13
Other impairment(4)	49,241	—	—	—	—
Total adjustments	15,729	64,266	(102,574)	25,514	6,779
Adjusted EBITDA	$ 459,432	$ 471,028	$ 482,978	$ 500,108	$ 503,327
Interest Coverage Ratios:					
Interest expense	$ 123,142	$ 122,341	$ 122,522	$ 121,848	$ 121,696
Capitalized interest	4,496	4,862	4,669	5,325	5,479
Non-cash interest expense	(2,991)	(3,972)	(5,461)	(5,082)	(4,109)
Total interest	$ 124,647	$ 123,231	$ 121,730	$ 122,091	$ 123,066
EBITDA	$ 443,703	$ 406,762	$ 585,552	$ 474,594	$ 496,548
Interest coverage ratio	3.56 x	3.30 x	4.81 x	3.89 x	4.03 x
Adjusted EBITDA	$ 459,432	$ 471,028	$ 482,978	$ 500,108	$ 503,327
Adjusted interest coverage ratio	3.69 x	3.82 x	3.97 x	4.10 x	4.09 x
Fixed Charge Coverage Ratios:					
Total interest	$ 124,647	$ 123,231	$ 121,730	$ 122,091	$ 123,066
Secured debt principal amortization	15,955	15,715	17,040	16,877	15,968
Total fixed charges	$ 140,602	$ 138,946	$ 138,770	$ 138,968	$ 139,034
EBITDA	$ 443,703	$ 406,762	$ 585,552	$ 474,594	$ 496,548
Fixed charge coverage ratio	3.16 x	2.93 x	4.22 x	3.42 x	3.57 x
Adjusted EBITDA	$ 459,432	$ 471,028	$ 482,978	$ 500,108	$ 503,327
Adjusted fixed charge coverage ratio	3.27 x	3.39 x	3.48 x	3.60 x	3.62 x
Net Debt Ratios:					
Total debt(5)	$ 14,618,713	$ 13,572,816	$ 13,779,652	$ 14,242,637	$ 14,652,497
Less: cash and cash equivalents and restricted cash	(2,021,043)	(2,558,822)	(808,705)	(362,645)	(367,043)
Net debt	$ 12,597,670	$ 11,013,994	$ 12,970,947	$ 13,879,992	$ 14,285,454
EBITDA Annualized	$ 1,774,812	$ 1,627,048	$ 2,342,208	$ 1,898,376	$ 1,986,192
Net debt to EBITDA ratio	7.10 x	6.77 x	5.54 x	7.31 x	7.19 x
Adjusted EBITDA Annualized	$ 1,837,728	$ 1,884,112	$ 1,931,912	$ 2,000,432	$ 2,013,308
Net debt to Adjusted EBITDA ratio	6.86 x	5.85 x	6.71 x	6.94 x	7.10 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 TRAILING TWELVE MONTHS RECONCILIATIONS

(dollars in thousands)

	Twelve Months Ended				
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
Net income	$ 781,664	$ 668,205	$ 463,563	$ 374,479	$ 368,038
Interest expense	495,523	491,507	489,178	489,853	488,407
Income tax expense (benefit)	8,469	4,015	6,952	8,713	9,783
Depreciation and amortization	1,008,062	983,576	995,798	1,037,566	1,097,228
EBITDA	2,293,718	2,147,303	1,955,491	1,910,611	1,963,456
Loss (income) from unconsolidated entities	(8,658)	650	10,501	22,933	38,866
Stock-based compensation(1)	26,811	24,278	22,248	17,812	19,681
Loss (gain) on extinguishment of debt, net	42,406	97,769	64,760	49,874	54,505
Loss (gain) on real estate dispositions, net	(884,711)	(773,516)	(409,166)	(235,375)	(199,229)
Impairment of assets	131,349	79,890	58,067	51,107	27,539
Provision of loan losses, net	88,747	93,522	90,394	7,270	5,083
Loss (gain) on derivatives and financial instruments, net	5,332	3,539	(5,934)	(7,333)	(6,689)
Other expenses(1)	68,939	60,985	52,960	40,860	56,127
Leasehold interest adjustment(2)	—	—	(640)	760	(7,697)
Casualty losses, net of recoveries(3)	—	—	998	5,786	5,799
Other impairment(4)	163,481	161,639	49,241	49,241	—
Total adjustments	(366,304)	(251,244)	(66,571)	2,935	(6,015)
Adjusted EBITDA	$ 1,927,414	$ 1,896,059	$ 1,888,920	$ 1,913,546	$ 1,957,441
Interest Coverage Ratios:					
Interest expense	$ 495,523	$ 491,507	$ 489,178	$ 489,853	$ 488,407
Capitalized interest	17,222	17,543	18,265	19,352	20,335
Non-cash interest expense	(10,617)	(12,675)	(14,163)	(17,506)	(18,624)
Total interest	502,128	496,375	493,280	491,699	490,118
EBITDA	$ 2,293,718	$ 2,147,303	$ 1,955,491	$ 1,910,611	$ 1,963,456
Interest coverage ratio	4.57 x	4.33 x	3.96 x	3.89 x	4.01 x
Adjusted EBITDA	$ 1,927,414	$ 1,896,059	$ 1,888,920	$ 1,913,546	$ 1,957,441
Adjusted interest coverage ratio	3.84 x	3.82 x	3.83 x	3.89 x	3.99 x
Fixed Charge Coverage Ratios:					
Total interest	$ 502,128	$ 496,375	$ 493,280	$ 491,699	$ 490,118
Secured debt principal amortization	63,136	63,668	64,832	65,587	65,600
Total fixed charges	565,264	560,043	558,112	557,286	555,718
EBITDA	$ 2,293,718	$ 2,147,303	$ 1,955,491	$ 1,910,611	$ 1,963,456
Fixed charge coverage ratio	4.06 x	3.83 x	3.50 x	3.43 x	3.53 x
Adjusted EBITDA	$ 1,927,414	$ 1,896,059	$ 1,888,920	$ 1,913,546	$ 1,957,441
Adjusted fixed charge coverage ratio	3.41 x	3.39 x	3.38 x	3.43 x	3.52 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				
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
Book capitalization:					
Unsecured credit facility and commercial paper	$ —	$ —	$ 290,996	$ 324,935	$ 299,968
Long-term debt obligations[1]	14,618,713	13,572,816	13,488,656	13,917,702	14,352,529
Cash & cash equivalents and restricted cash	(2,558,822)	(808,705)	(362,645)	(346,755)	(367,043)
Total net debt	12,059,891	12,764,111	13,417,007	13,895,882	14,285,454
Total equity and noncontrolling interest[2]	17,046,932	17,243,208	18,172,111	18,997,873	19,178,026
Book capitalization	$ 29,106,823	$ 30,007,319	$ 31,589,118	$ 32,893,755	$ 33,463,480
Net debt to book capitalization ratio	41.4 %	42.5 %	42.5 %	42.2 %	42.7 %
Undepreciated book capitalization:					
Total net debt	$ 12,059,891	$ 12,764,111	$ 13,417,007	$ 13,895,882	$ 14,285,454
Accumulated depreciation and amortization	6,212,432	6,415,676	6,634,061	6,910,114	7,215,622
Total equity and noncontrolling interest[2]	17,046,932	17,243,208	18,172,111	18,997,873	19,178,026
Undepreciated book capitalization	$ 35,319,255	$ 36,422,995	$ 38,223,179	$ 39,803,869	$ 40,679,102
Net debt to undepreciated book capitalization ratio	34.1 %	35.0 %	35.1 %	34.9 %	35.1 %
Market capitalization:					
Common shares outstanding	417,520	422,562	435,274	447,239	453,948
Period end share price	$ 71.63	$ 83.10	$ 82.40	$ 85.77	$ 96.14
Common equity market capitalization	$ 29,906,958	$ 35,114,902	$ 35,866,578	$ 38,359,689	$ 43,642,561
Total net debt	12,059,891	12,764,111	13,417,007	13,895,882	14,285,454
Noncontrolling interests[2]	1,248,054	1,322,762	1,308,908	1,361,872	1,282,450
Enterprise value	$ 43,214,903	$ 49,201,775	$ 50,592,493	$ 53,617,443	$ 59,210,465
Net debt to market capitalization ratio	27.9 %	25.9 %	26.5 %	25.9 %	24.1 %

(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.