Fixed Income Update

3Q17

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Forward Looking Statements

This document contains “forward-looking” statements as that term is defined in the Private Securities Litigation Reform Act of 1995. When the company 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, it is making forward-looking statements. In particular, these forward-looking statements include, but are not limited to, those relating to the company’s opportunities to acquire, develop or sell properties; the company’s ability to close its anticipated acquisitions, investments or dispositions on currently anticipated terms, or within currently anticipated timeframes; the expected performance of the company’s operators/tenants and properties; the company’s expected occupancy rates; the company’s ability to declare and to make distributions to stockholders; the company’s investment and financing opportunities and plans; the company’s continued qualification as a REIT; the company’s ability to meet its earning guidance; and the company’s ability to access capital markets or other sources of funds.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the company’s actual results to differ materially from the company’s expectations discussed in the forward-looking statements. This may be a result of various factors, including, but not limited to: the status of the economy; the status of capital markets, including availability and cost of capital; issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators’/tenants’ difficulty in cost-effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care and seniors housing industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans; the company’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 the company’s properties; the company’s ability to re-lease space at similar rates as vacancies occur; the company’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 the company’s properties; changes in rules or practices governing the company’s financial reporting; the movement of U.S. and foreign currency exchange rates; the company’s ability to maintain its qualification as a REIT; key management personnel recruitment and retention; and other risks described in the company’s reports filed from time to time with the Securities and Exchange Commission. Finally, the company assumes no obligation to update or revise 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.

2017 Third Quarter Company Highlights

Balance Sheet Improvements:

- Extinguished $1.3 B of secured debt and preferred stock year to date at a blended average rate of 5.6%.
- Net debt to undepreciated book capitalization declined to 35.5% from 39.5% in 3Q16.
- Net debt to adjusted EBITDA improved to 5.19x from 5.65x in 3Q16.
- Seniors housing operating SSNOI grew 4.1% and SS REVPOR grew 3.9%

Note: Please see non-GAAP financial measures and reconciliations at the end of this presentation.

Significant Balance Sheet Strength

Moody's
Baa1
Stable

S&P
BBB+
Stable

Fitch
BBB+
Stable

RATIO	4Q13[2]	3Q17[2]	Improvement
NET DEBT / UNDEPRECIATED BOOK CAP [1]	42.5%	35.5%	↓ **700 bps**
NET DEBT / ENTERPRISE VALUE [1]	38.3%	29.0%	↓ **930 bps**
NET DEBT / ADJUSTED EBITDA [1]	6.1x	5.2x	↓ **0.9x**
ADJUSTED INTEREST COVERAGE	3.4x	4.5x	↑ **1.1x**
ADJUSTED FIXED CHARGE COVERAGE	2.7x	3.6x	↑ **0.9x**

1. Net debt represents total debt minus cash.
2. Represents three months ended 4Q13 and 3Q17. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

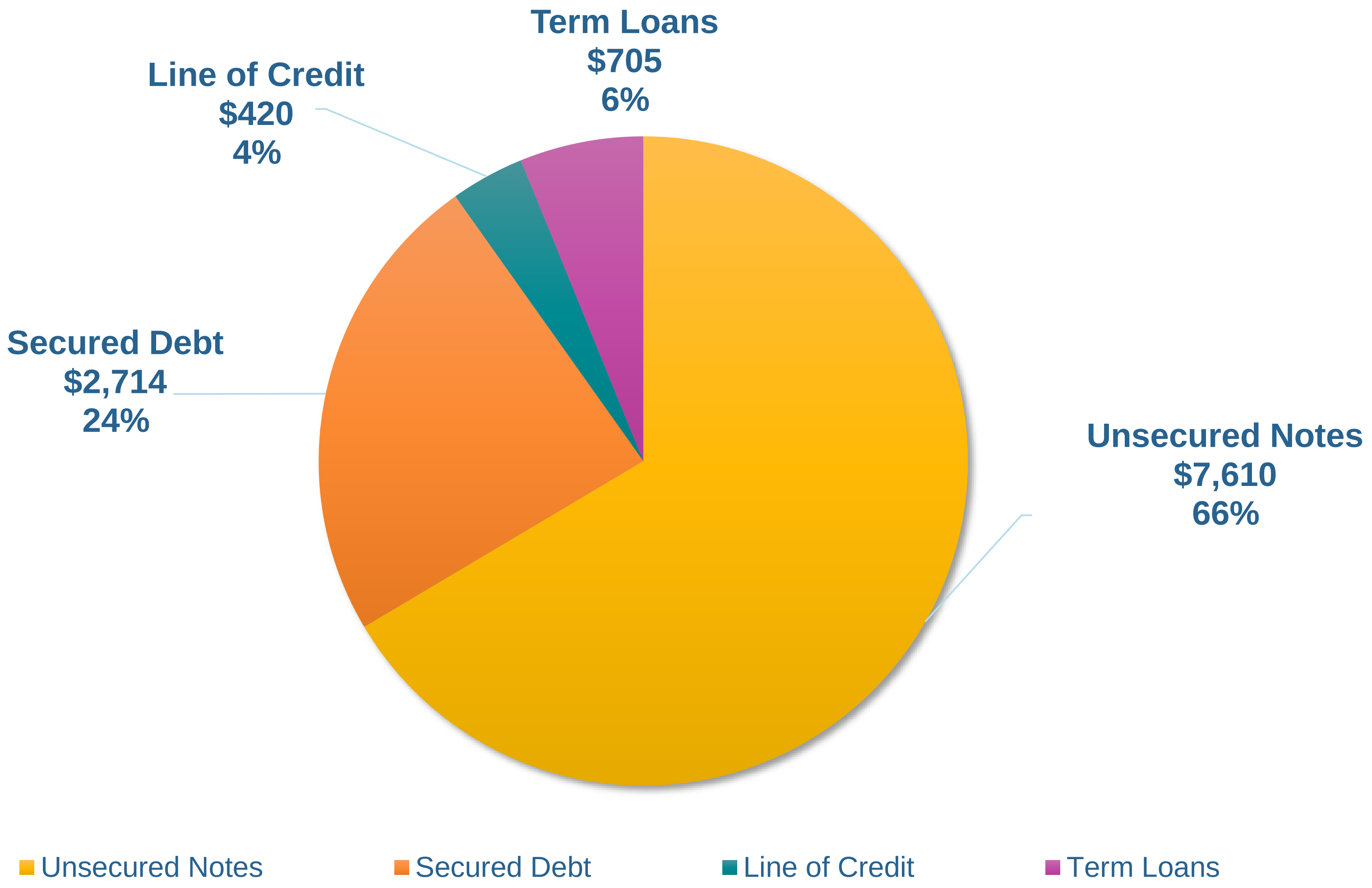
Strong Unsecured Debt Covenant Compliance

Ratio	3Q17	Unsecured Notes Covenants (1)	Compliance
Secured Indebtedness to Total Assets	9.6%	< 40.0%	✓
Total Indebtedness to Total Assets	40.9%	< 60.0%	✓
Unsecured Debt to Unencumbered Assets	34.0%	<66.7%	✓
Minimum Interest Coverage Ratio(2)	4.4x	> 1.5x	✓

1. See, for example, Supplemental Indenture No. 12 dated 3/1/2016, which was filed with the SEC as an exhibit to HCN’s Form 8-K filed on 3/3/2016.
2. For the twelve months ending 9/30/2017. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

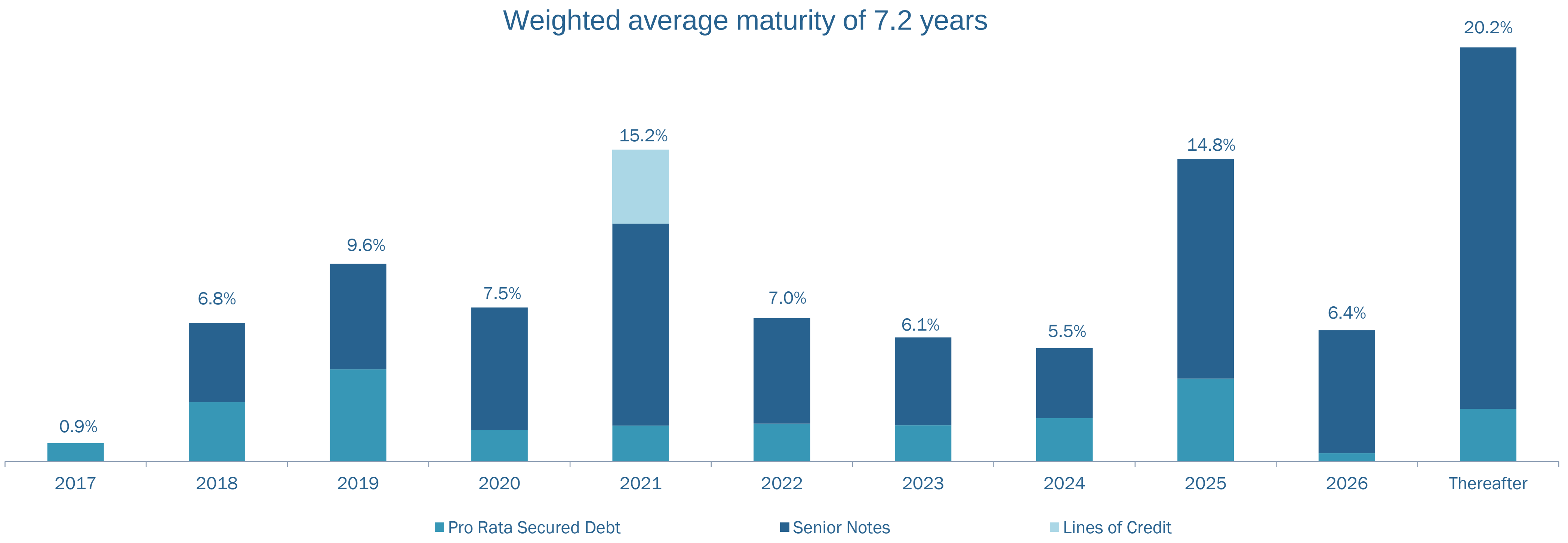
Debt Structure Summary

3Q17(1) ($Millions)



1. Data as of 9/30/17 and represents consolidated balance sheet data.

Balanced and Manageable Debt Maturity Profile



in millions	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Thereafter
Unsecured Debt	-	$450	$600	$697	$1,570	$600	$500	$400	$1,250	$700	$2,057
Pro Rata Secured Debt	$104	$338	$525	$179	$204	$216	$206	$246	$471	$46	$300
Total ($mm)	**$104**	**$788**	**$1,125**	**$876**	**$1,774**	**$816**	**$706**	**$646**	**$1,721**	**$746**	**$2,357**

Data as of 9/30/2017 in USD. Represents pro rata principal amounts due excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.

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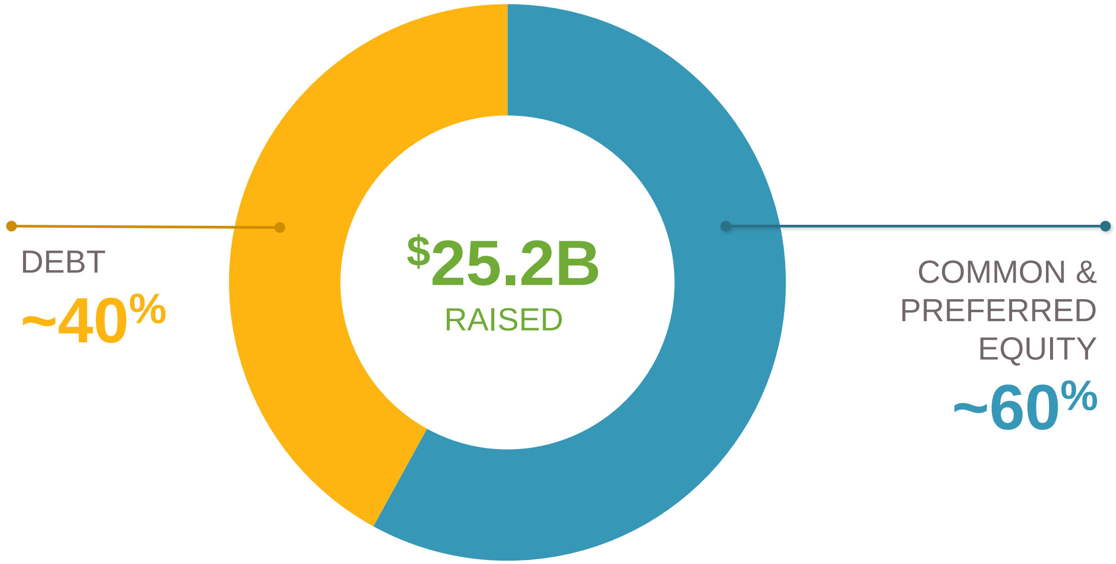
Prudent Capital Strategy

Capital Raised Since 2010



$3.0B
Unsecured Line of Credit

$2.8B[(1)]
Availability

1. Line balance as of 9/30/17 less cash and cash equivalents.

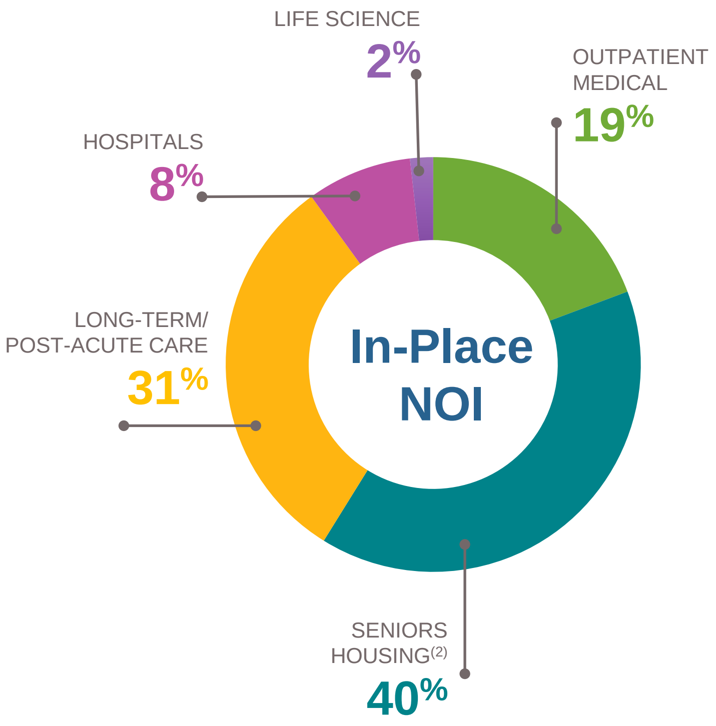
Diverse and unparalleled access to capital since 2010

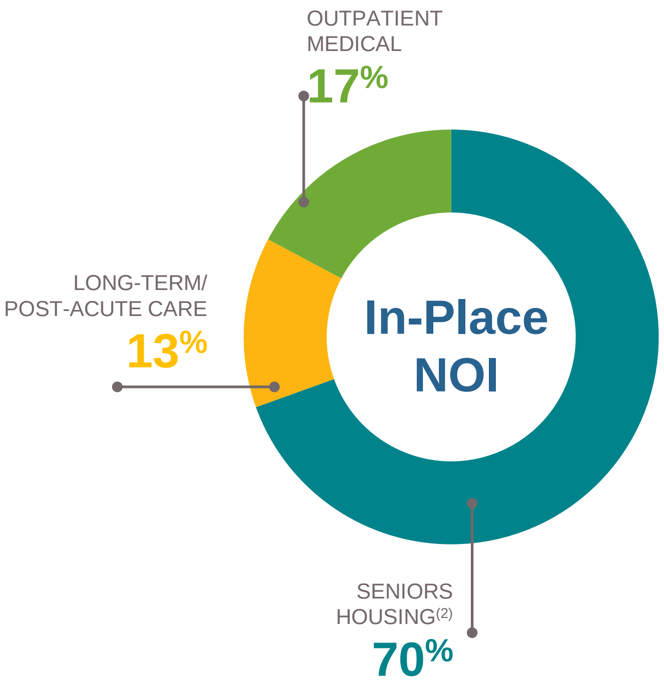
COMMON EQUITY	PREFERRED STOCK	DOMESTIC PUBLIC DEBT
11 follow-on offerings totaling $11B $1.7B in DRIP proceeds $784M ATM availability* **As of 9/30/17*	Two issues totaling $1B* **Redeemed Series J on March 7, 2017 for $288M.*	13 offerings totaling $7.4B with average tenor of 11 years* **Excludes convertibles*
INTERNATIONAL PUBLIC DEBT	**CREDIT FACILIY**	**SECURED DEBT**
2 GBP issues totaling USD $1.7B with average tenor of 17 years 1 CAD issuance of USD $226M	$3.7B facility *$3.0B revolver* *$0.7B in term loans (US and Canada)*	Only 8.2% of gross assets(1).
ASSET RECYCLING		
Received $8.2B proceeds from asset sales since 2010		

1. Gross Assets represents total assets plus depreciation as of 9/30/17.

Portfolio Transformation[1]

1Q10 → **3Q17**





Private Pay Revenue: 69%[3]

Private Pay Revenue: 93%[3]

1. Based on In-Place NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.
2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.
3. Based on Facility Revenue Mix.

Financial Disclosures

Non-GAAP Financial Measures

Welltower Inc. believes 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, the company considers Net Operating Income (NOI), In-Place NOI (IPNOI), Same Store NOI (SSNOI), Revenues per Occupied Room (REVPOR), Same Store REVPOR (SS REVPOR), Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) and Adjusted EBITDA (A-EBITDA) to be useful supplemental measures of its operating performance. Excluding EBITDA and A-EBITDA, these supplemental measures are disclosed on a Welltower pro rata ownership basis.

Pro rata amounts are derived by reducing consolidated amounts for minority partners' noncontrolling ownership interests and adding Welltower's minority ownership share of unconsolidated amounts. Welltower does not control unconsolidated investments. While the company considers pro rata disclosures useful, they may not accurately depict the legal and economic implications of Welltower's joint venture arrangements and should be used with caution.

Welltower's 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. Welltower's 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 Welltower, 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.

NOI, IPNOI, SSNOI, REVPOR and SS REVPOR

Net operating income (NOI) is used to evaluate the operating performance of the company's properties. 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 seniors housing operating and outpatient medical 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 or transaction costs. These expenses include, but are not limited to, payroll and benefits, professional services, office expenses and depreciation of corporate fixed assets.

In-Place NOI (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.

Revenues per occupied room (REVPOR) is used to evaluate the revenue-generating capacity and profit potential of our seniors housing operating portfolio independent of fluctuating occupancy rates. It is calculated as total resident fees and services revenues divided by average monthly occupied room days. REVPOR is also used in comparison against industry and competitor statistics, if known, to evaluate the quality of our seniors housing operating portfolio.

Same store NOI (SSNOI) and same store REVPOR (SS REVPOR) are used to evaluate the performance of our properties under a consistent population which eliminates changes in the composition of our portfolio. For purposes of SSNOI and SS REVPOR, same store is generally defined as those revenue-generating properties in the portfolio for the relevant reporting periods. Land parcels, loans, sub-leases, major capital restructurings and entrance fee communities for periods prior to 1Q16 as well as any properties acquired, developed/re-developed, transitioned, sold or classified as held for sale during those periods are generally excluded from the same store amounts. Normalizers include adjustments and reclassifications that in management's opinion are appropriate in considering SSNOI or SS REVPOR, which are supplemental, non-GAAP performance measures. None of these adjustments or reclassifications, which may increase or decrease SSNOI, are reflected in our financial statements prepared in accordance with U.S. GAAP.

We believe NOI, IPNOI, SSNOI, REVPOR and SS REVPOR 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 these metrics to make decisions about resource allocations and to assess the property level performance of our properties.

Historical In-Place NOI Reconciliations

$s in thousands		Three months ended 9/30/17	
Net income	$	89,299	
Loss (gain) on real estate dispositions, net		(1,622)	
Loss (income) from unconsolidated entities		(3,408)	
Income tax expense (benefit)		669	
Other expenses		99,595	
Impairment of assets		-	
Provision for loan losses		-	
Loss (gain) on extinguishment of debt, net		-	
Loss (gain) on derivatives, net		324	
General and administrative expenses		29,913	
Depreciation and amortization		230,138	
Interest expense		122,578	
Consolidated net operating income	$	567,486	
NOI attributable to unconsolidated investments		22,431	
NOI attributable to noncontrolling interests		(30,538)	
Pro rata net operating income (NOI)	$	559,379	
Interest income		(20,188)	
Other income		(5,766)	
Held for sale & dispositions		(1,945)	
Non IP NOI		(13,725)	
Timing adjustments [2]		2,356	
In-Place NOI	$	520,111	
Annualized In-Place NOI	$	2,080,444	
In-Place NOI by country			
United States	$	432,607	83.2%
United Kingdom		43,058	8.3%
Canada		44,446	8.5%
Total In-Place NOI	$	520,111	100.0%
In-Place NOI by property type			
Long-Term/Post-Acute	$	67,388	13.0%
Seniors Housing Triple-Net		137,179	26.4%
Outpatient Medical		87,489	16.8%
Seniors Housing Operating		228,055	43.8%
Hospital		-	0.0%
Life Science		-	0.0%
Total In-Place NOI	$	520,111	100.0%

Notes:

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

$s in thousands		Three months ended 3/31/10	
Net income	$	31,694	
Loss (gain) on real estate dispositions, net		(6,718)	
Loss (income) from unconsolidated entities		(768)	
Income tax expense (benefit)		84	
Other expenses		-	
Loss (income) from discontinued operations, net		203	
Provision for loan losses		-	
Loss (gain) on extinguishment of debt, net		18,038	
Transaction costs		7,714	
General and administrative expenses		16,821	
Depreciation and amortization		43,387	
Interest expense		29,791	
Consolidated net operating income	$	140,246	
NOI attributable to unconsolidated investments		2,624	
NOI attributable to noncontrolling interests		-	
Pro rata net operating income (NOI)	$	142,870	
Interest income		(9,048)	
Other income		(996)	
Held for sale & dispositions		-	
Non IP NOI		(5,346)	
Timing adjustments		-	
In-Place NOI	$	127,480	
Annualized In-Place NOI	$	509,920	
In-Place NOI by country			
United States	$	127,480	100.0%
United Kingdom		-	0.0%
Canada		-	0.0%
Total In-Place NOI	$	127,480	100.0%
In-Place NOI by property type			
Long-Term/Post-Acute	$	39,638	31.1%
Seniors Housing Triple-Net		50,433	39.6%
Outpatient Medical		24,660	19.3%
Seniors Housing Operating		-	0.0%
Hospital		10,456	8.2%
Life Science		2,293	1.8%
Total In-Place NOI	$	127,480	100.0%

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In-Place NOI Concentration Reconciliations

$s in thousands at Welltower pro rata ownership	% of SHO by Country	% of SHO	Seniors housing operating	Seniors housing triple-net	Long-term/ post-acute	Outpatient medical	Total	% of Total	% of Country
Annualized three months ended September 30, 2017									
New York	8.0%	5.8%	$ 53,116	$ 68,928	$ 18,637	$ 4,831	$ 145,512	7.0%	8.4%
Los Angeles	14.9%	10.9%	99,289	2,646	-	23,938	125,873	6.1%	7.3%
Philadelphia	1.5%	1.1%	10,041	25,708	35,860	21,219	92,828	4.5%	5.4%
Boston	9.7%	7.0%	64,288	1,723	11,808	1,092	78,911	3.8%	4.6%
Dallas	4.0%	2.9%	26,337	16,996	5,257	28,663	77,253	3.7%	4.5%
Seattle	3.1%	2.3%	20,658	19,297	-	13,107	53,062	2.6%	3.1%
Chicago	4.2%	3.1%	27,983	11,555	5,239	3,403	48,180	2.3%	2.8%
San Francisco	4.9%	3.6%	32,573	11,963	-	-	44,536	2.1%	2.6%
Houston	1.6%	1.2%	10,695	4,107	-	23,915	38,717	1.9%	2.2%
Washington DC	3.2%	2.3%	20,993	3,797	8,661	-	33,451	1.6%	1.9%
San Diego	4.4%	3.2%	29,105	-	2,732	1,446	33,283	1.6%	1.9%
San Jose	2.6%	1.9%	17,180	-	-	1,660	18,840	0.9%	1.1%
Other Top 31 US MSAs and Coastal States	32.7%	23.8%	217,536	172,984	101,505	116,864	608,889	29.3%	35.2%
Other United States	5.2%	3.7%	34,456	133,384	72,892	90,360	331,092	15.8%	19.0%
Total United States	100.0%	72.8%	664,250	473,088	262,591	330,498	1,730,427	83.2%	100.0%
London	68.7%	6.1%	55,439	31,581	-	19,458	106,478	5.1%	61.8%
Other Southern England	21.6%	1.9%	17,440	27,944	-	-	45,384	2.2%	26.4%
Other United Kingdom	9.7%	0.9%	7,826	12,544	-	-	20,370	1.0%	11.8%
Total United Kingdom	100.0%	8.9%	80,705	72,069	-	19,458	172,232	8.3%	100.0%
Toronto	24.4%	4.5%	40,756	-	-	-	40,756	2.0%	22.9%
Montreal	12.3%	2.3%	20,568	-	-	-	20,568	1.0%	11.6%
Ottawa	11.6%	2.1%	19,456	-	-	-	19,456	0.9%	10.9%
Calgary	6.4%	1.2%	10,700	-	6,961	-	17,661	0.8%	9.9%
Vancouver	8.3%	1.5%	13,916	1,484	-	-	15,400	0.7%	8.7%
Other Top 10 Canadian MSAs	13.0%	2.4%	21,725	-	-	-	21,725	1.0%	12.2%
Remaining Canada	24.0%	4.3%	40,144	2,075	-	-	42,219	2.1%	23.8%
Total Canada	100.0%	18.3%	167,265	3,559	6,961	-	177,785	8.5%	100.0%
Total In-Place NOI [1]		100.0%	$ 912,220	$ 548,716	$ 269,552	$ 349,956	$ 2,080,444	100.0%	
% of Total			43.8%	26.4%	13.0%	16.8%	100.0%		
Sunrise Senior Living North America		26.9%	$ 245,464	$ -	$ -	$ -	$ 245,464	11.8%	
Sunrise Senior Living United Kingdom		9.0%	81,775	-	-	-	81,775	3.9%	
Brookdale Senior Living		2.2%	20,395	129,351	-	-	149,746	7.2%	
Genesis Healthcare		0.0%	-	1,560	144,200	-	145,760	7.0%	
Revera		13.5%	123,342	-	-	-	123,342	5.9%	
Benchmark Senior Living		10.8%	98,690	-	-	-	98,690	4.7%	
Brandywine Senior Living		0.0%	-	74,225	-	-	74,225	3.6%	
Belmont Village		8.0%	72,716	-	-	-	72,716	3.5%	
Senior Resource Group		7.7%	70,636	-	-	-	70,636	3.4%	
Sagora Senior Living		3.6%	33,017	19,779	-	-	52,796	2.5%	
Avery		0.0%	(1,069)	49,672	-	-	48,603	2.3%	
Remaining partners		18.3%	167,254	274,129	125,352	349,956	916,691	44.2%	
Total In-Place NOI [1]		100.0%	$ 912,220	$ 548,716	$ 269,552	$ 349,956	$ 2,080,444	100.0%	

Notes:

(1) Please refer to "Historical In-Place NOI Reconciliations" for a reconciliation of In-Place NOI to net income.

SSNOI Reconciliations

(dollars in thousands)	Three Months Ended					
	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	Y/o/Y
Net income	$ 354,741	$ 351,108	$ 337,610	$ 203,441	$ 89,299	
Loss (gain) on real estate dispositions, net	(162,351)	(200,165)	(244,092)	(42,155)	(1,622)	
Loss (income) from unconsolidated entities	1,749	2,829	23,106	3,978	(3,408)	
Income tax expense (benefit)	(305)	(16,585)	2,245	(8,448)	669	
Other expenses	-	8,838	11,675	6,339	99,595	
Impairment of assets	9,705	13,187	11,031	13,631	-	
Provision for loan losses	-	10,215	-	-	-	
Loss (gain) on extinguishment of debt, net	-	17,204	31,356	5,515	-	
Loss (gain) on derivatives, net	(2,516)	68	1,224	736	324	
Transaction costs	19,842	9,704	-	-	-	
General and administrative expenses	36,828	32,807	31,101	32,632	29,913	
Depreciation and amortization	218,061	227,916	228,276	224,847	230,138	
Interest expense	129,699	126,360	118,597	116,231	122,578	
Consolidated NOI from continuing operations (1)	$ 605,453	$ 583,486	$ 552,129	$ 556,747	$ 567,486	
NOI attributable to unconsolidated investments	17,179	16,467	21,279	21,873	22,431	
NOI attributable to noncontrolling interests	(27,124)	(28,151)	(27,542)	(29,359)	(30,538)	
Pro rata net operating income (NOI)	$ 595,508	$ 571,802	$ 545,866	$ 549,261	$ 559,379	
Seniors Housing Triple-net						
NOI	$ 163,388	$ 162,540	$ 162,273	$ 155,741	$ 157,815	
Non-cash NOI on same store properties	(4,897)	(4,645)	(3,999)	(3,937)	(3,237)	
NOI attributable to non-same store properties	(36,804)	(35,357)	(35,716)	(30,309)	(32,271)	
Currency and ownership adjustments (2)	(3,803)	(3,148)	(1,877)	(444)	(663)	
Normalizing adjustments for rent reallocations (3)	186	62	-	-	-	
SSNOI	118,070	119,452	120,681	121,051	121,644	3.0%
Long-Term/Post-Acute Care						
NOI	145,933	115,631	89,316	87,925	88,494	
Non-cash NOI on same store properties	(10,215)	(9,871)	(7,515)	(6,514)	(7,631)	
NOI attributable to non-same store properties	(60,274)	(31,915)	(17,871)	(16,306)	(15,378)	
Currency and ownership adjustments (2)	(10,083)	(9,072)	(13)	13	(107)	
Normalizing adjustments for rent reallocations (3)	(1,936)	(1,133)	-	-	-	
SSNOI	63,425	63,640	63,917	65,118	65,378	3.1%
Seniors Housing Operating						
NOI	196,885	206,527	206,296	215,402	221,490	
Non-cash NOI on same store properties	1,167	(6)	34	377	4	
NOI attributable to non-same store properties	(7,773)	(19,951)	(18,664)	(17,572)	(20,538)	
Currency and ownership adjustments (2)	(1,755)	128	(170)	(197)	(3,459)	
Normalizing adjustment for technology costs (4)	1,319	-	-	-	196	
Other normalizing adjustments (5)	225	219	630	(118)	229	
SSNOI	190,068	186,917	188,126	197,892	197,922	4.1%
Outpatient Medical						
NOI	89,127	87,221	87,836	90,167	90,940	
Non-cash NOI on same store properties	(2,725)	(2,506)	(2,371)	(2,416)	(1,975)	
NOI attributable to non-same store properties	(3,660)	(880)	(2,322)	(4,180)	(4,661)	
Currency and ownership adjustments (2)	(267)	(239)	(306)	44	(226)	
Other normalizing adjustments (5)	(335)	(335)	(5)	(155)	-	
SSNOI	82,140	83,261	82,832	83,460	84,078	2.4%
Corporate & Land						
NOI	175	(117)	145	26	640	
NOI attributable to non-same store properties	(175)	117	(145)	(26)	(640)	
SSNOI	-	-	-	-	-	
Total						
NOI	$ 595,508	$ 571,802	$ 545,866	$ 549,261	$ 559,379	
Non-cash NOI on same store properties	(16,670)	(17,028)	(13,851)	(12,490)	(12,839)	
NOI attributable to non-same store properties	(108,686)	(87,986)	(74,718)	(68,393)	(73,488)	
Currency and ownership adjustments	(15,908)	(12,331)	(2,366)	(584)	(4,455)	
Normalizing adjustments, net	(541)	(1,187)	625	(273)	425	
SSNOI	$ 453,703	$ 453,270	$ 455,556	$ 467,521	$ 469,022	3.4%

Notes:

(1) Represents consolidated revenues less consolidated property operating expenses per Note 17 to Welltower's Form 10-K/10-Q for the respective period.

(2) Includes adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.334294 and to translate UK properties at a GBP/USD rate of

(3) Represents adjustments related to reallocation of property level rents due to dispositions within an existing master lease.

(4) Represents costs expensed by one operator related to implementation of new software.

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

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SHO Same Store Reconciliations

(dollars in thousands, except REVPOR & SSNOI/unit)	United States		United Kingdom		Canada		Total	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17
SHO SS REVPOR Growth:								
Consolidated SHO revenues (1)	$ 455,020	$ 518,883	$ 69,311	$ 73,176	$ 107,457	$ 111,818	$ 631,788	$ 703,877
Unconsolidated SHO revenues attributable to Welltower (2)	20,553	21,050	-	-	19,837	21,001	40,390	42,051
SHO revenues attributable to noncontrolling interests (3)	(28,638)	(30,822)	(3,392)	(4,761)	(25,147)	(26,324)	(57,177)	(61,907)
SHO pro rata revenues (4)	446,935	509,111	65,919	68,415	102,147	106,495	615,001	684,021
Non-cash revenues on same store properties	(9)	(289)	(41)	(20)	-	-	(50)	(309)
Revenues attributable to non-same store properties	(17,416)	(70,678)	(8,887)	(9,812)	(1,243)	(678)	(27,546)	(81,168)
Currency and ownership adjustments (5)	122	-	(2,797)	(2,703)	(2,251)	(6,481)	(4,926)	(9,184)
SHO SS revenues (6)	$ 429,632	$ 438,144	$ 54,194	$ 55,880	$ 98,653	$ 99,336	$ 582,479	$ 593,360
Avg. occupied units/month (7)	20,796	20,414	2,249	2,227	12,293	12,001	35,338	34,642
SHO SS REVPOR (8)	$ 6,830	$ 7,096	$ 7,967	$ 8,296	$ 2,653	$ 2,737	$ 5,450	$ 5,663
SS REVPOR YOY growth		3.9%		4.1%		3.2%		3.9%
SHO SSNOI Growth:								
Consolidated SHO NOI (1)	$ 139,822	$ 161,754	$ 19,597	$ 20,083	$ 40,076	$ 43,263	$ 199,495	$ 225,100
Unconsolidated SHO NOI attributable to Welltower (2)	8,619	8,054	-	-	8,231	8,864	16,850	16,918
SHO NOI attributable to noncontrolling interests (3)	(9,744)	(9,885)	(160)	(346)	(9,556)	(10,297)	(19,460)	(20,528)
SHO pro rata NOI (4)	138,697	159,923	19,437	19,737	38,751	41,830	196,885	221,490
Non-cash NOI on same store properties	1,208	24	(41)	(20)	-	-	1,167	4
NOI attributable to non-same store properties	(6,809)	(20,530)	(580)	190	(384)	(198)	(7,773)	(20,538)
Currency and ownership adjustments (5)	26	-	(923)	(913)	(858)	(2,546)	(1,755)	(3,459)
Other normalizing adjustments (9)	1,544	229	-	196	-	-	1,544	425
SHO pro rata SSNOI (6)	$ 134,666	$ 139,646	$ 17,893	$ 19,190	$ 37,509	$ 39,086	$ 190,068	$ 197,922
SHO SSNOI growth		3.7%		7.2%		4.2%		4.1%
SHO SSNOI/Unit:								
Trailing four quarters' SSNOI (4)		$ 543,486		$ 76,132		$ 151,239		$ 770,857
Average units in service (10)		23,166		2,586		13,242		38,994
SSNOI/unit in USD		$ 23,461		$ 29,440		$ 11,421		$ 19,769
SSNOI/unit in local currency (5)				£ 23,583		C $ 15,239		

Notes:

(1) Represents consolidated revenues or consolidated NOI (revenues less property operating expenses) per Note 17 to Welltower's Form 10-Q/K.

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

(3) Represents minority partners' interests in joint ventures where Welltower is the majority partner.

(4) Represents SHO revenues/NOI/SSNOI at Welltower pro rata ownership. See SSNOI Reconciliations for more information.

(5) Includes adjustments where appropriate to reflect consistent property ownership percentages, to translate UK properties at a GBP/USD rate of 1.24837 and to translate Canadian properties at a USD/CAD rate of 1.334294.

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

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

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

(9) Represents 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.

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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 IRC section 1031 deposits. We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The coverage ratios are based on EBITDA which stands for earnings (net income per income statement) before interest expense, income taxes, depreciation and amortization. Covenants in our senior unsecured notes contain financial ratios based on a definition of EBITDA that is specific to those agreements. Failure to satisfy these covenants could result in an event of default that could have a material adverse impact on our cost and availability of capital, which could in turn have a material adverse impact on our consolidated results of operations, liquidity and/or financial condition. Due to the materiality of these debt agreements and the financial covenants, we have defined A-EBITDA to exclude unconsolidated entities and to include adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, transactions costs, gains/losses/impairments on properties, gains/losses on derivatives and other non-recurring and/or non-cash income/charges. We believe that EBITDA and A-EBITDA, along with net income and cash flow provided from operating activities, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. We primarily utilize them to measure our interest coverage ratio, which represents EBITDA and A-EBITDA divided by total interest, and our fixed charge coverage ratio, which represents EBITDA and A-EBITDA divided by fixed charges. Fixed charges include total interest, secured debt principal amortization and preferred dividends. Our leverage ratios include net debt to A-EBITDA, book capitalization, undepreciated book capitalization and market capitalization. Book capitalization represents the sum of net debt (defined as total long-term debt less cash and cash equivalents and any IRC section 1031 deposits), total equity and redeemable noncontrolling interests. Undepreciated book capitalization represents book capitalization adjusted for accumulated depreciation and amortization. Market capitalization represents book capitalization adjusted for the fair market value of our common stock. Our leverage ratios are defined as the proportion of net debt to total capitalization.

EBITDA/A-EBITDA Reconciliations

Dollars in thousands	Three Months Ended December 31, 2013	Three Months Ended September 30, 2016	Three Months Ended September 30, 2017
Net income	$ 25,696	$ 354,741	$ 89,299
Interest expense [1]	124,485	129,699	122,578
Income tax expense (benefit)	435	(305)	669
Depreciation and amortization [1]	243,380	218,061	230,138
EBITDA	393,996	702,196	442,684
Loss (income) from unconsolidated entities	4,659	1,749	(3,408)
Stock-based compensation	3,527	5,401	6,790
Provision for loan losses	2,110	-	-
Loss (gain) on extinguishment of debt	3,467	-	-
Loss/impairment (gain) on properties, net	8,064	(152,646)	(1,622)
Loss (gain) on derivatives	6	(2,516)	324
Other expenses and transaction costs [2]	15,693	19,842	98,214
Adjusted EBITDA	$ 431,522	$ 574,026	$ 542,982
Interest Coverage Ratio:			
Interest expense [1]	$ 124,485	$ 129,699	$ 122,578
Non-cash interest expense	(264)	(543)	(3,199)
Capitalized interest	2,003	4,766	2,545
Total interest	126,224	133,922	121,924
Adjusted EBITDA	$ 431,522	$ 574,026	$ 542,982
Interest coverage ratio - adjusted	3.4x	4.3x	4.5x
Fixed Charge Coverage Ratio:			
Total interest [1]	$ 126,224	$ 133,922	$ 121,924
Secured debt principal amortization	16,312	18,151	15,300
Preferred dividends	16,531	16,352	11,676
Total fixed charges	159,067	168,425	148,900
Adjusted EBITDA	$ 431,522	$ 574,026	$ 542,982
Fixed charge coverage ratio - adjusted	2.7x	3.4x	3.6x
Net Debt to Adjusted EBITDA Ratio:			
Total debt	$ 10,652,014	$ 13,430,888	$ 11,521,592
Less: cash and cash equivalents [3]	(158,780)	(456,420)	(250,776)
Net debt	10,493,234	12,974,468	11,270,816
Adjusted EBITDA annualized	$ 1,726,088	$ 2,296,104	$ 2,171,928
Net debt to adjusted EBITDA ratio	6.08x	5.65x	5.19x

Notes:

(1) 2013 includes amounts related to properties sold or classified as held for sale.

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

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

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A-EBITDA Reconciliation

Dollars in thousands	Twelve Months Ended September 30, 2017	
Net income	$	981,458
Interest expense		483,765
Income tax expense (benefit)		(22,119)
Depreciation and amortization		911,180
Loss (income) from unconsolidated entities		26,505
Stock-based compensation		24,710
Provision for loan losses		10,215
Loss (gain) on extinguishment of debt, net		54,074
Loss/impairment (gain) on sales of properties, net		(450,185)
Loss (gain) on derivatives, net		2,351
Other expenses & transaction costs		131,915
Additional other income		(4,853)
Adjusted EBITDA	$	2,149,016
Interest Coverage Ratio:		
Interest expense	$	483,765
Non-cash interest expense		(8,041)
Capitalized interest		14,866
Total interest		490,590
Adjusted EBITDA	$	2,149,016
Interest coverage ratio		4.4x

Capitalization Ratios

Dollars in thousands	12/31/2013	9/30/2016	9/30/2017
Net Debt to Undepreciated Book Capitalization:			
Line of credit	$ 130,000	$ 1,350,000	$ 420,000
Long-term debt obligations	10,522,014	12,080,888	11,101,592
Cash and cash equivalents [1]	(158,780)	(456,420)	(250,776)
Net debt	10,493,234	12,974,468	11,270,816
Accumulated depreciation and amortization	2,386,658	4,243,038	4,826,418
Total equity[2]	11,791,370	15,657,768	15,631,412
Undepreciated book capitalization	$ 24,671,262	$ 32,875,274	$ 31,728,646
Net debt to undepreciated book capitalization ratio	42.5%	39.5%	35.5%
Net Debt to Enterprise Value:			
Outstanding common stock (000s)	289,564	362,425	370,342
Period end share price	$ 53.57	$ 74.77	$ 70.28
Common equity market capitalization	$ 15,511,943	27,098,517	26,027,636
Net debt	10,493,234	12,974,468	11,270,816
Preferred stock	1,017,361	1,006,250	718,503
Noncontrolling interests [2]	376,787	867,923	901,487
Enterprise value	$ 27,399,325	$ 41,947,158	$ 38,918,442
Net debt to enterprise value ratio	38.3%	30.9%	29.0%

Notes:

(1) Inclusive of IRC section 1031 deposits.

(2) Includes all noncontrolling interests (redeemable and permanent).