



# Driving the Future of Health Care Real Estate

Corporate Presentation | June 2018

welltower

# 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 real estate investment trust (“REIT”); the company’s ability to meet its earning guidance; and the company’s ability to access capital markets or other sources of funds.

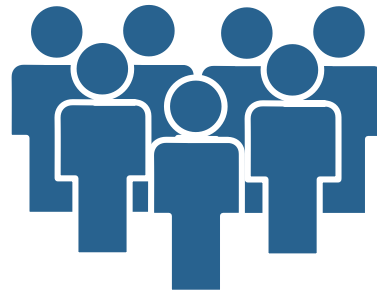
Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the company’s actual results to differ materially from the company’s expectations discussed in the forward-looking statements. This may be a result of various factors, including, but 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.

# Welltower At A Glance



**1,277**

TOTAL HEALTH CARE  
PROPERTIES <sup>(3)</sup>



**~198,000**

RESIDENTS<sup>(2)</sup>



**15,350,000**

OUTPATIENT  
MEDICAL VISITS<sup>(2)</sup>

**\$32.8B**  
Enterprise Value<sup>(1)</sup>

NYSE  
Symbol:  
**WELL**

**S&P**  
**500**

Dow Jones  
Sustainability  
Index

Moody's  
**Baa1**  
Stable

S&P  
**BBB+**  
Stable

Fitch  
**BBB+**  
Stable

1. Source: Bloomberg as of 3/31/2018.

2. Based on internal estimates derived from trailing twelve-month facility level data as of 3/31/2018.

3. Total health care properties excludes land parcels, loans, developments and properties held for sale.

# Real Estate Investment Trust (REIT) Overview

## LARGEST U.S. PUBLIC REAL ESTATE COMPANIES By ENTERPRISE VALUE<sup>(1)</sup>

Rank	Company	Sector	\$ (mm's)
1	Simon Property Group	Regional Malls	\$83,536
2	Prologis Inc.	Industrial	\$49,960
3	Public Storage	Self-Storage	\$38,778
4	General Growth Properties	Regional Malls	\$37,468
5	<b>welltower</b>	Health Care	\$32,839

1. Includes RMZ real estate companies. Source: Bloomberg as of 3/31/2018.

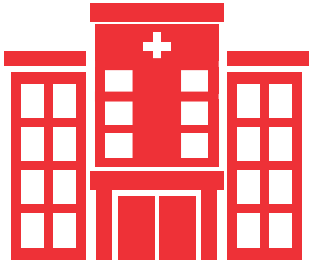
# Health Care Real Estate Landscape

\$ HIGHER AVERAGE COST LOWER AVERAGE COST \$

ACUTE CARE

POST-ACUTE CARE CONTINUUM

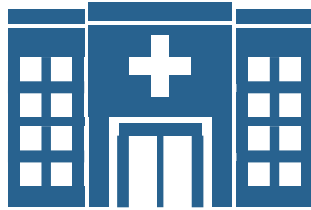
SENIOR HOUSING



Hospital



Long-Term  
Care Hospital



Inpatient  
Rehab Facility



Skilled Nursing  
(LTC)



Memory  
Care



Assisted  
Living



Independent  
Living

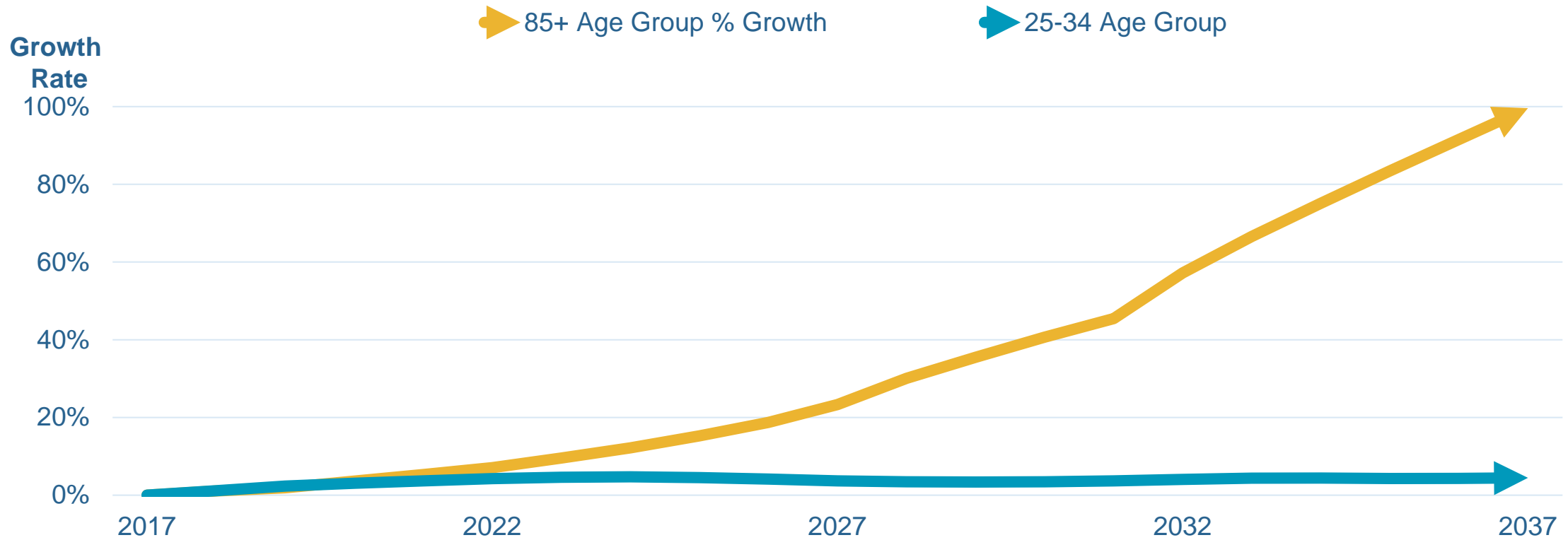
OUTPATIENT / MEDICAL OFFICE BUILDING



HOME

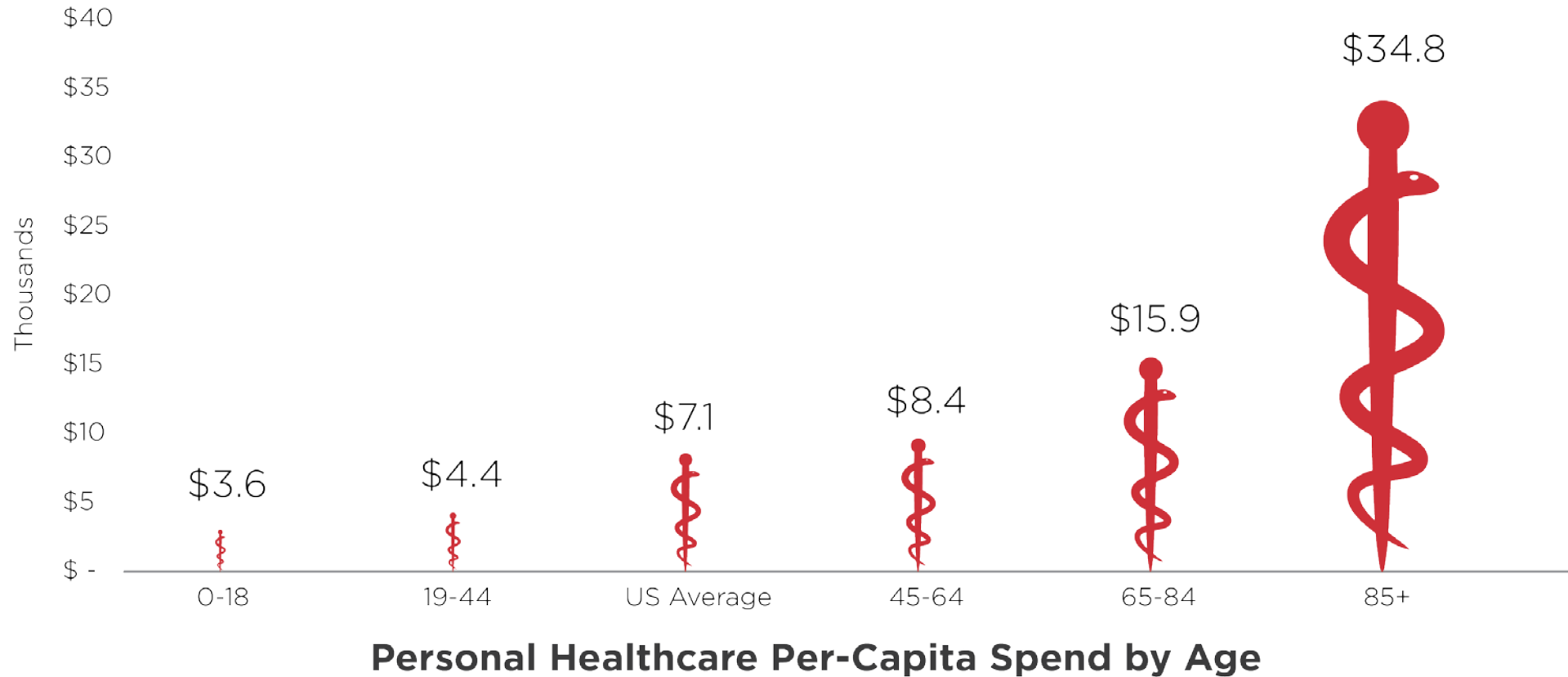


# Powerful Demographic Tailwinds



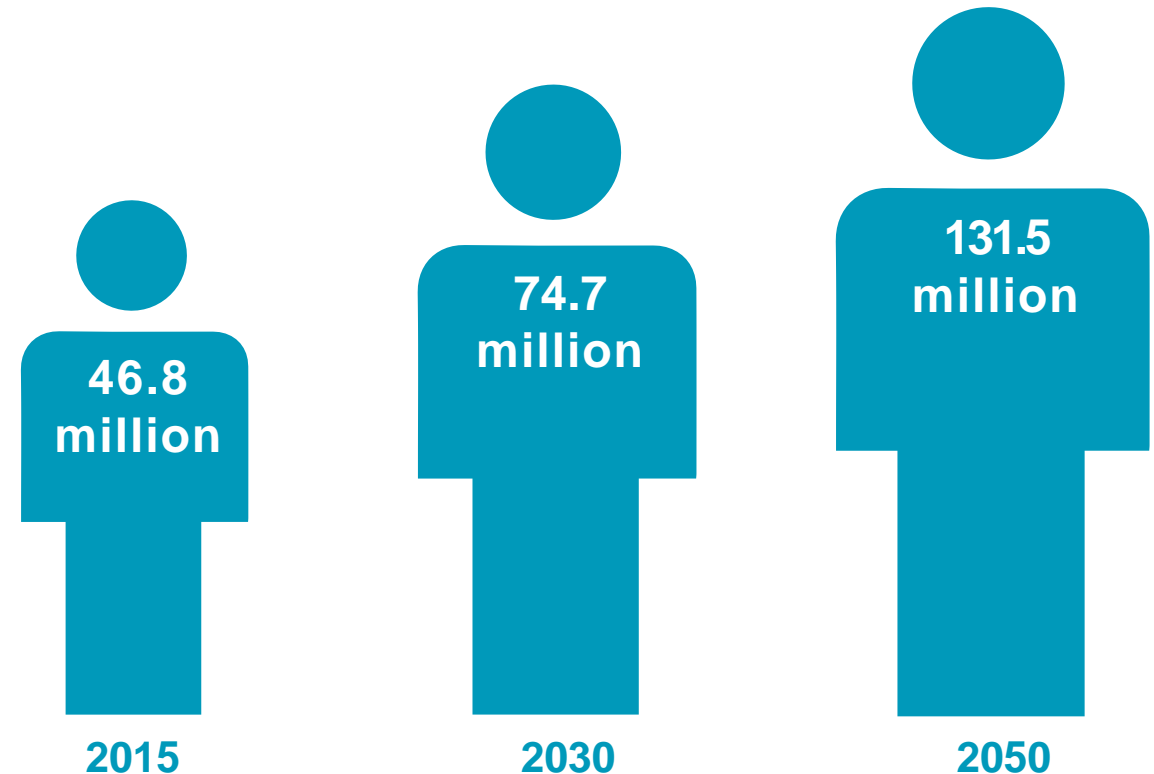
**85+ Population to Double in 20 Years**

# Aging Population Drives Health Care Spending



# Dementia / Alzheimer's: Residential Memory Care is the Answer

- Alzheimer's Disease is the only "Top 10 Cause of Death" in the U.S. that cannot be prevented, slowed or cured
- Number of people with dementia globally will almost double every 20 years
- Total estimated worldwide cost of dementia care will be \$1 trillion by 2018

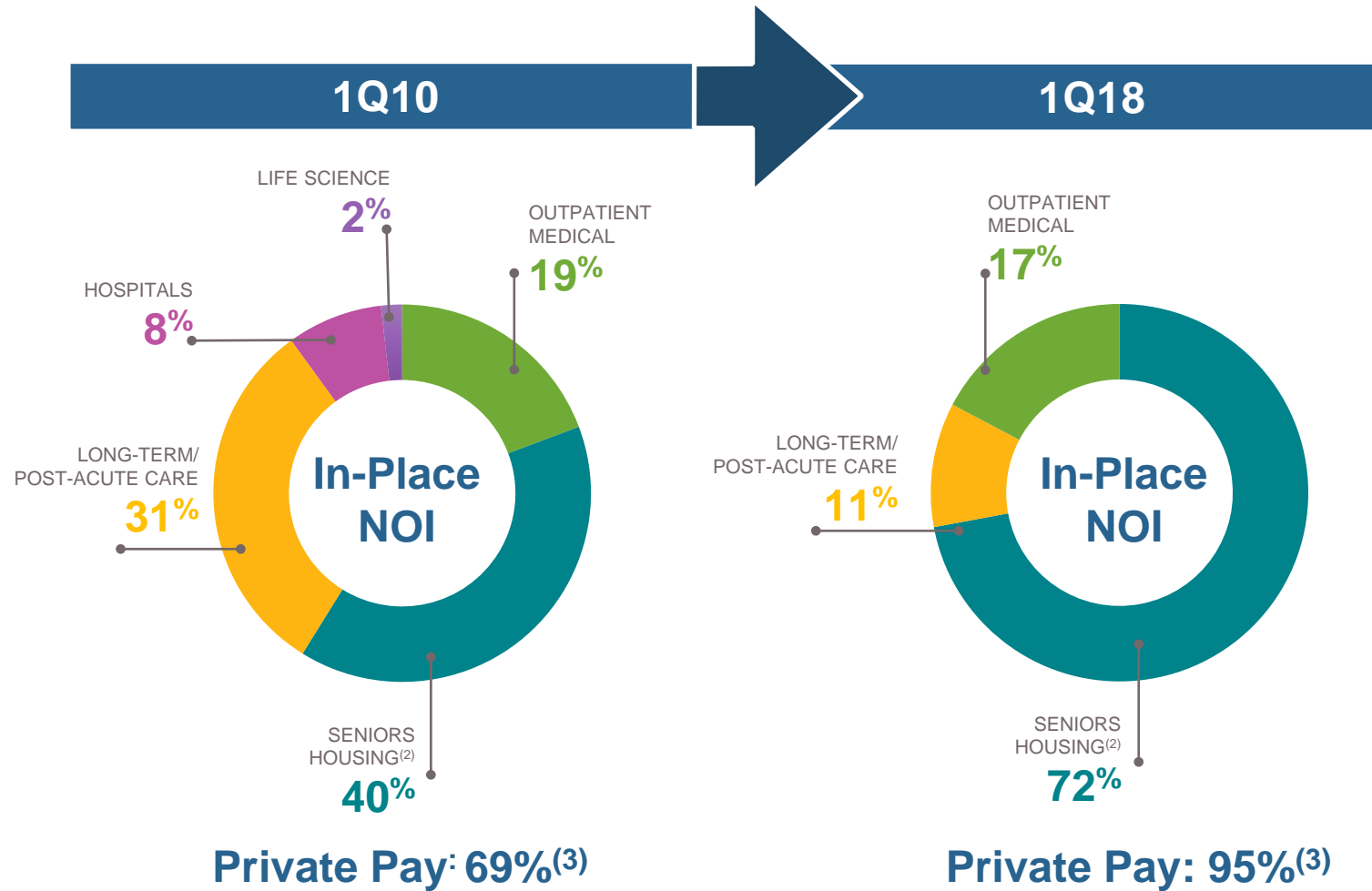




# Welltower's Unique Growth Platform



# Portfolio Transformation<sup>(1)</sup>



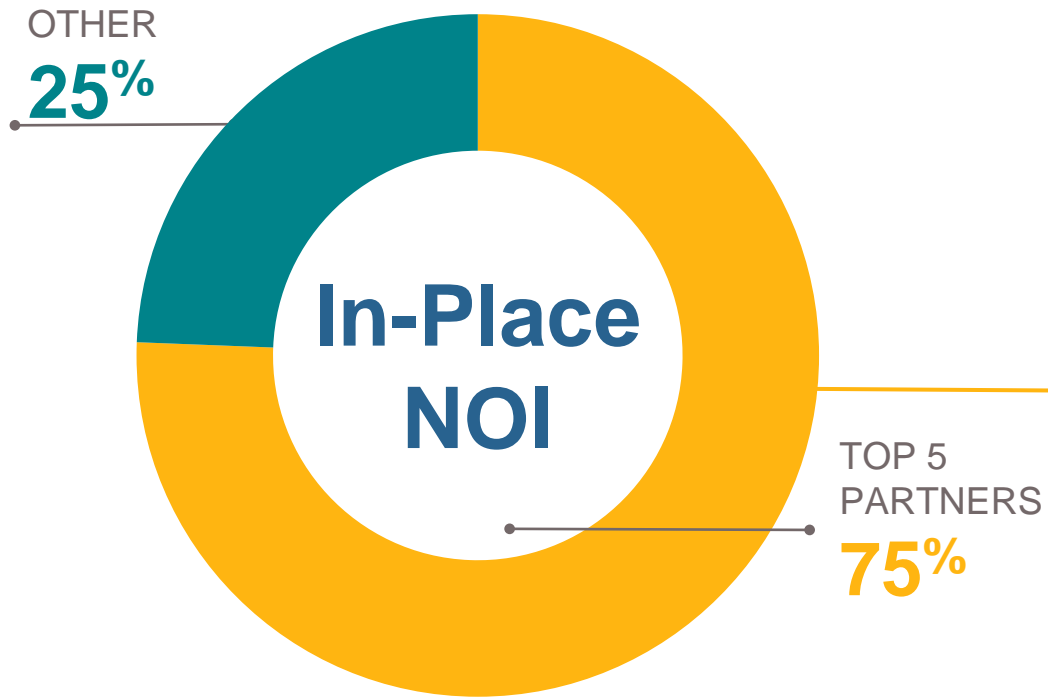
1. Based on In-Place NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.

3. Based on Facility Revenue Mix.

# SHO Partner Diversification<sup>(1)</sup>

## 1Q18 SHO Portfolio



1. Based on 1Q18 SHO annualized In-Place NOI. Numbers may not add up to 100 due to rounding. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

# The Definition of a “Class A” Health Care Portfolio

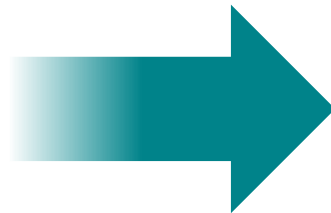
High Barrier to Entry Premier Markets



Best-In-Class Operating Partners



Active Portfolio Management



Midtown Manhattan Development



Merrill Gardens at the University, Seattle, WA



Chartwell Toronto Development



Welltower Outpatient Center, Beverly Hills, CA

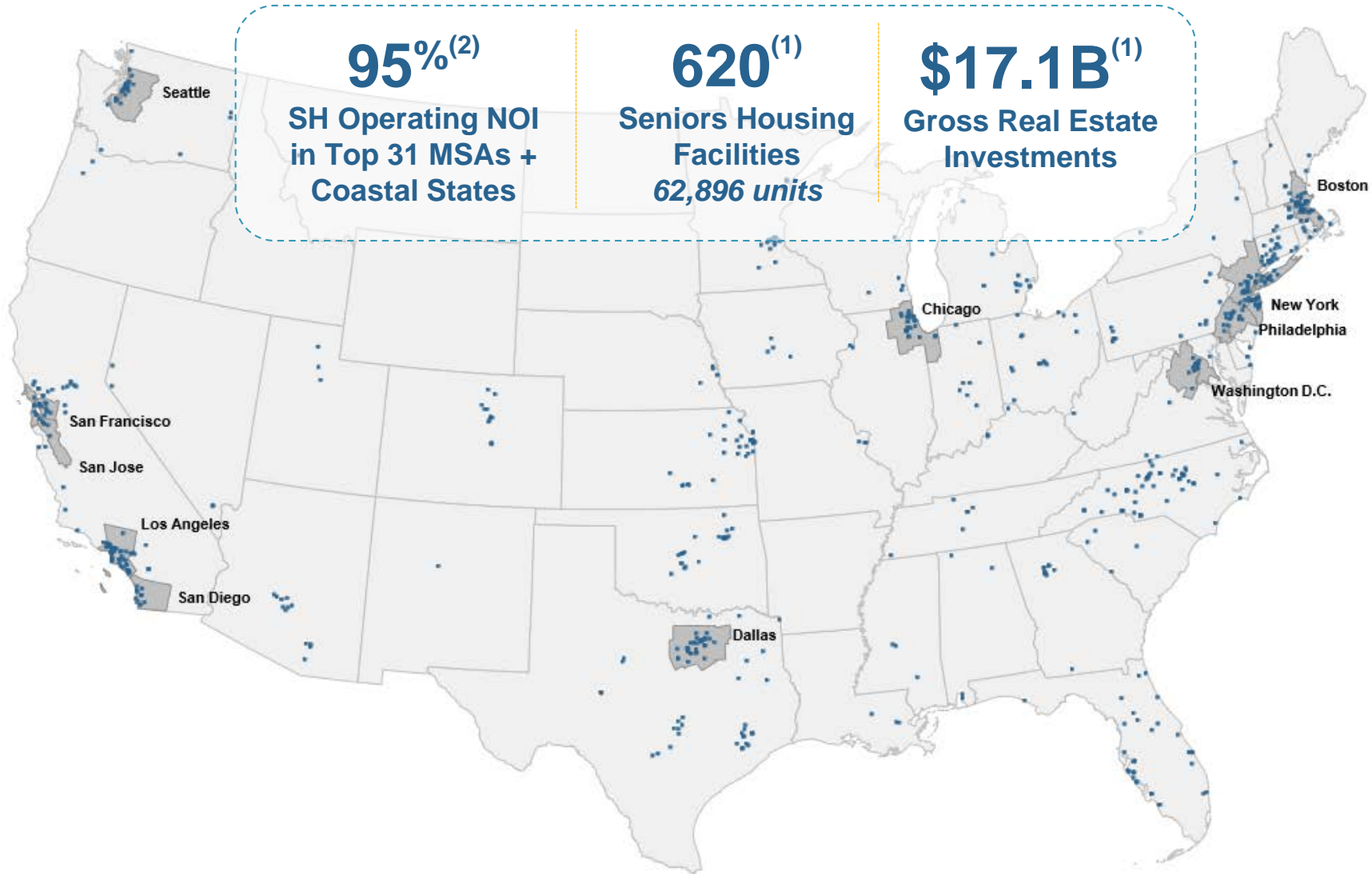


Sunrise Connecticut Avenue, Washington, D.C.

# Welltower Family of Brands



# U.S. Seniors Housing Portfolio: Major Urban Market Focus



## TOP US MARKETS<sup>(2)</sup> (% OF SH OPERATING NOI)

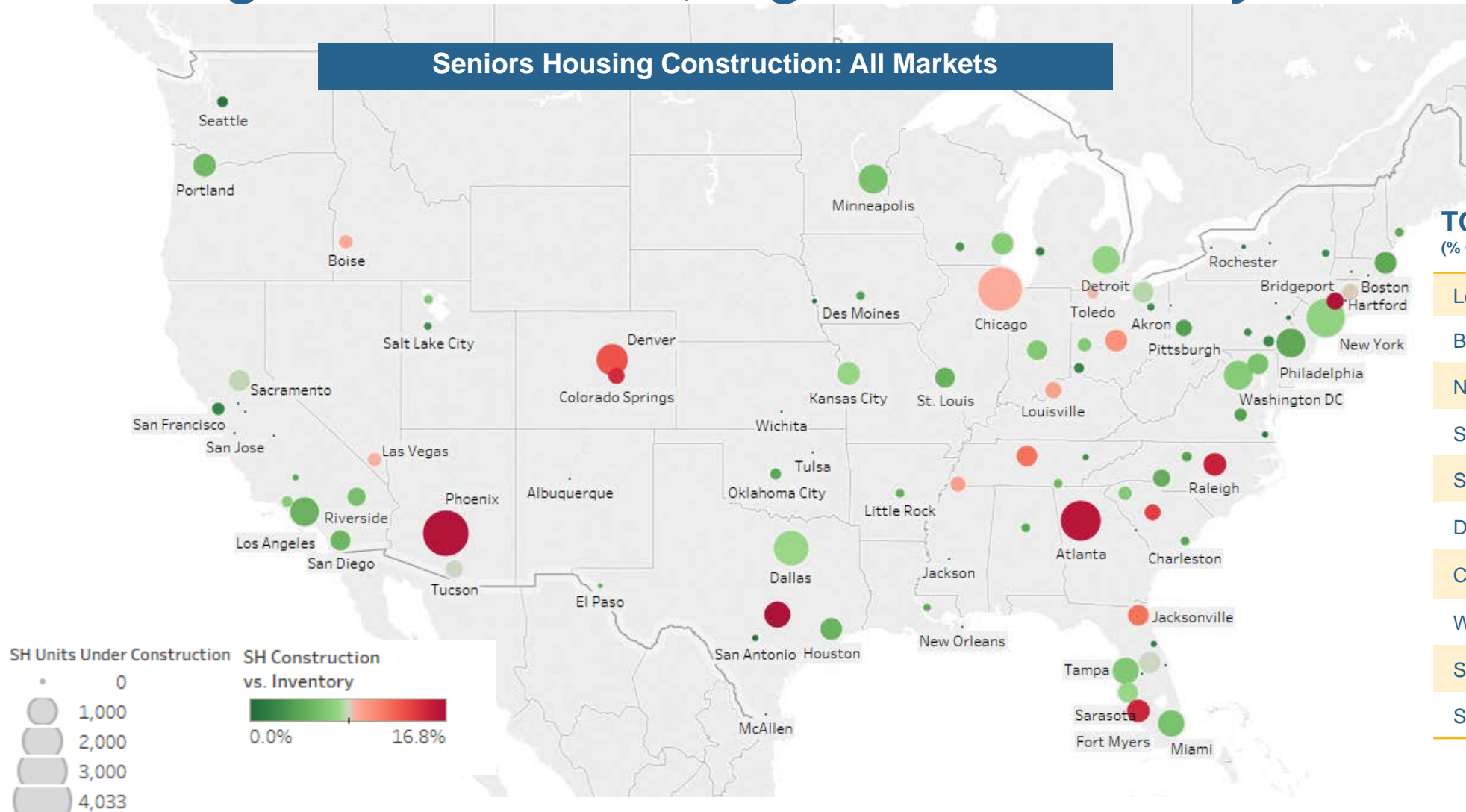
Los Angeles	15.6%
Boston	9.3%
New York	7.8%
San Francisco	5.0%
San Diego	4.2%
Dallas	4.0%
Chicago	3.3%
Washington, D.C.	3.3%
Seattle	2.9%
San Jose	2.5%

1. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties.

2. Data as of 3/31/2018. NOI data based on In-Place US SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

# Strategic Focus: Urban, High Barrier to Entry Markets

## Seniors Housing Construction: All Markets



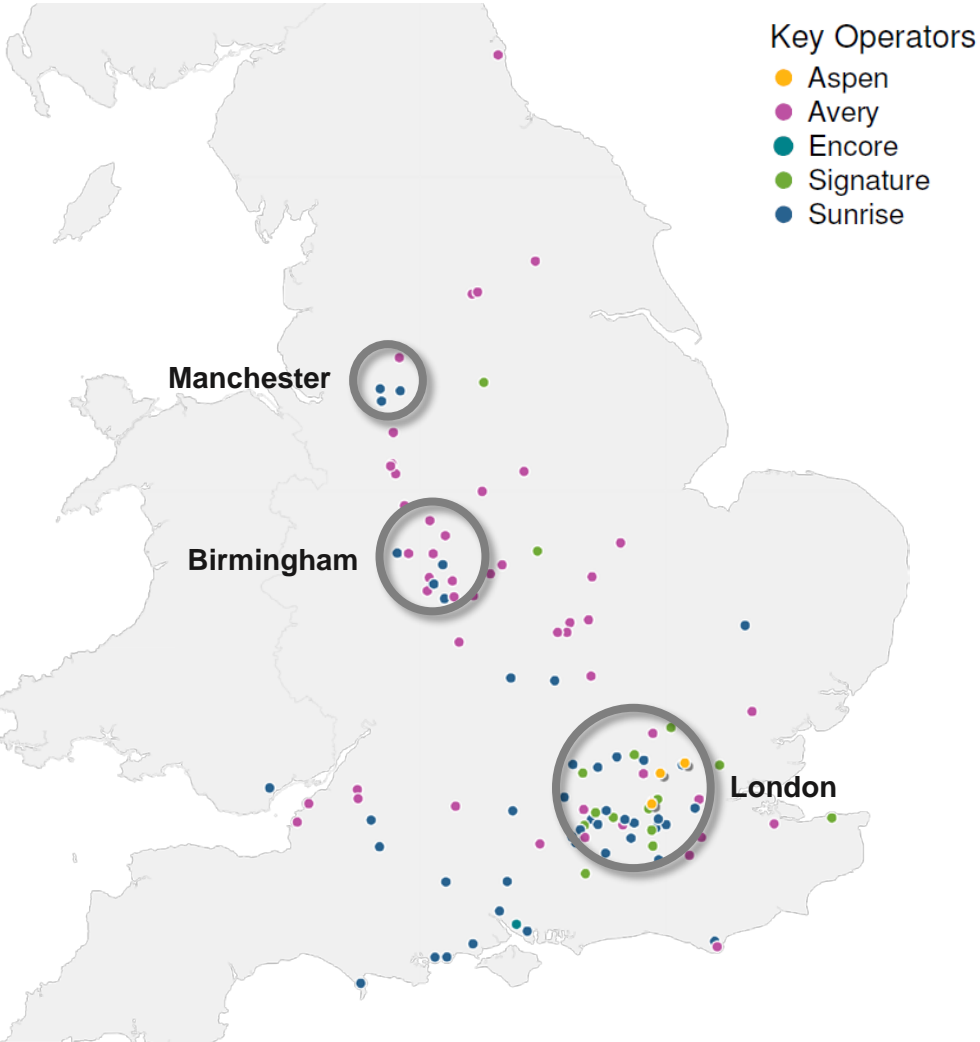
### TOP US MARKETS<sup>(1)</sup> (% OF SH OPERATING NOI)

Los Angeles	15.6%
Boston	9.3%
New York	7.8%
San Francisco	5.0%
San Diego	4.2%
Dallas	4.0%
Chicago	3.3%
Washington, D.C.	3.3%
Seattle	2.9%
San Jose	2.5%

Source: NIC MAP® Data Service data as of 3/31/2018

1. Data as of 3/31/2018. NOI data based on In-Place US SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

# UK Portfolio | Urban, High Barrier to Entry Markets



UK

**88%<sup>(3)</sup>**

SH Operating NOI in  
Greater London &  
Southern England

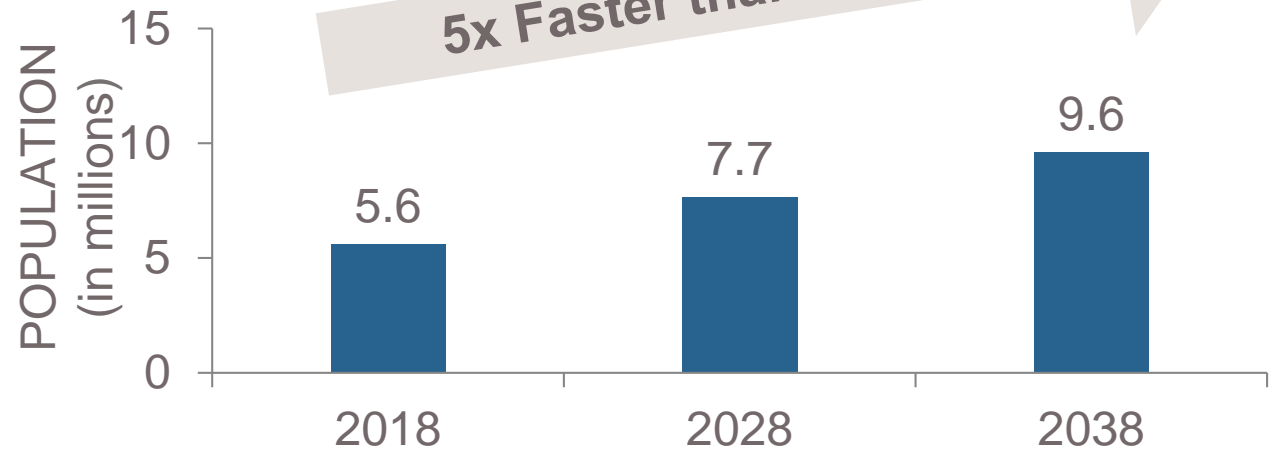
**106<sup>(2)</sup>**

Facilities

**\$3.1B<sup>(2)</sup>**

Gross Real Estate  
Investments

## 75+ POPULATION<sup>(1)</sup>



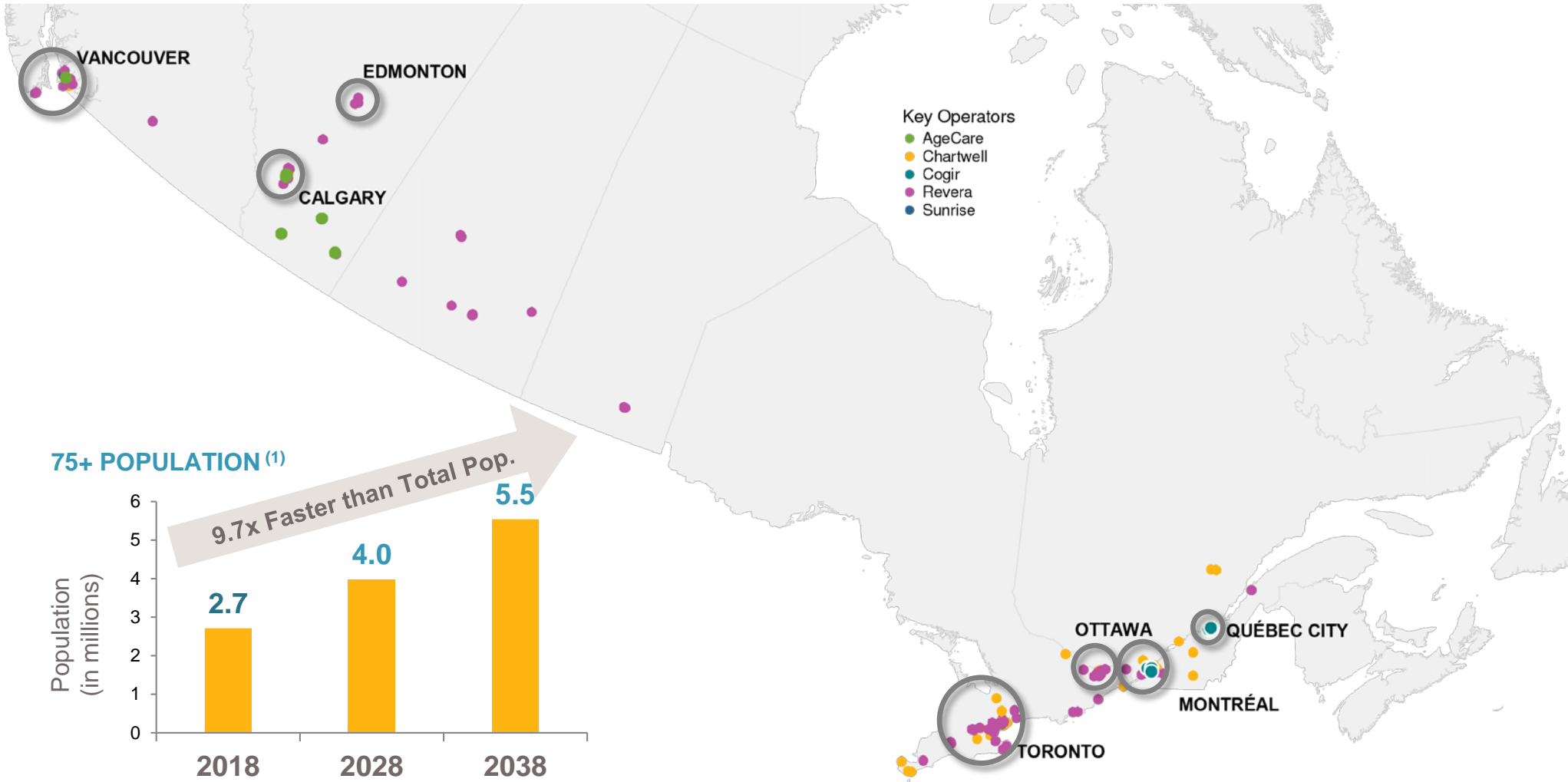
1. Source: Office for National Statistics.

2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties as of 3/31/2018.

3. Data as of 3/31/2018. NOI data based on In-Place UK SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.



# Canadian Portfolio | Urban, High Barrier to Entry Markets



**78%<sup>(3)</sup>**

SH Operating NOI in  
Top 10 Canadian  
MSAs

**150<sup>(2)</sup>**

Facilities

**\$3.0B<sup>(2)</sup>**

Gross Real Estate  
Investments

1. Canadian data, source: Statistics Canada.

2. Comprises Seniors Housing Triple-Net and Seniors Housing Operating properties as of 3/31/2018.

3. Data as of 3/31/2018. NOI data based on In-Place Canadian SH Operating NOI. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

# Urban Market Focus: Aging in Cities Survey

Welltower-commissioned survey reaffirms current city dwellers desire to age in place.

## Seniors Wanting to Stay in Their City

Boston	69%
Chicago	69%
Houston	66%
Los Angeles	67%
Miami	70%
New York City	65%
San Francisco	71%
Seattle	68%
Toronto	73%
Washington D.C.	68%



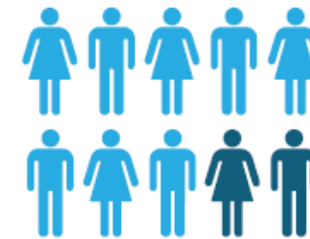
**54%**  
of Baby Boomers want options for aging in place



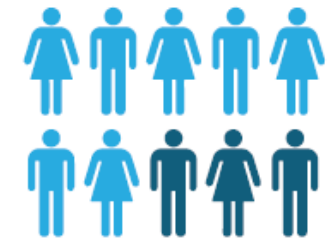
**61%**  
say high-quality health care is their highest overall priority



**66%**  
are concerned about dementia



**8/10** say it will be important to make new friends when they're 80+.



**7/10** say the ability to meet new people is a key factor in deciding where to live.

# Urban Market Focus: Midtown Manhattan Development



## DEMAND FACTORS

- Manhattan has a vast, highly under-served population of aging New Yorkers
- Current availability of assisted living is 5x less than national average
- Currently, only 70 fully licensed memory care beds in Manhattan
- >30,000 geriatric patients discharged annually to health care facilities
- Demographic trends point to significant elderly population growth
- Anticipated delivery: 2020; Anticipated opening: 2020

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SUNRISE.  
EAST  
56

Hines

# Urban Market Focus: The Sumach by Chartwell, Toronto



## DEMAND FACTORS

- New independent living community located in Regent Park neighborhood -- the “gold standard” for urban revitalization
- 12-story building with 332 units; 5,500 square feet of retail space
- Bistro-style restaurant for tenants and open to the public
- Services (e.g., medication management and administration) to be offered on an a la carte basis
- Anticipated delivery: Q2 2019

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 CHARTwell  
retirement residences

Daniels  
love where you live™

# Urban Market Focus: The Wandsworth



## DEMAND FACTORS

- Urban development to meet significant and growing demand in London market
- Assisted living & memory care community located in Wandsworth, London, UK
- 6 story building with 98 units; c. 70,000 square feet
- High end facilities offered onsite such as bistro restaurant, activities lounges, emporium and library
- Fully registered nursing community providing suite of care services
- Anticipated delivery: Q1 2020

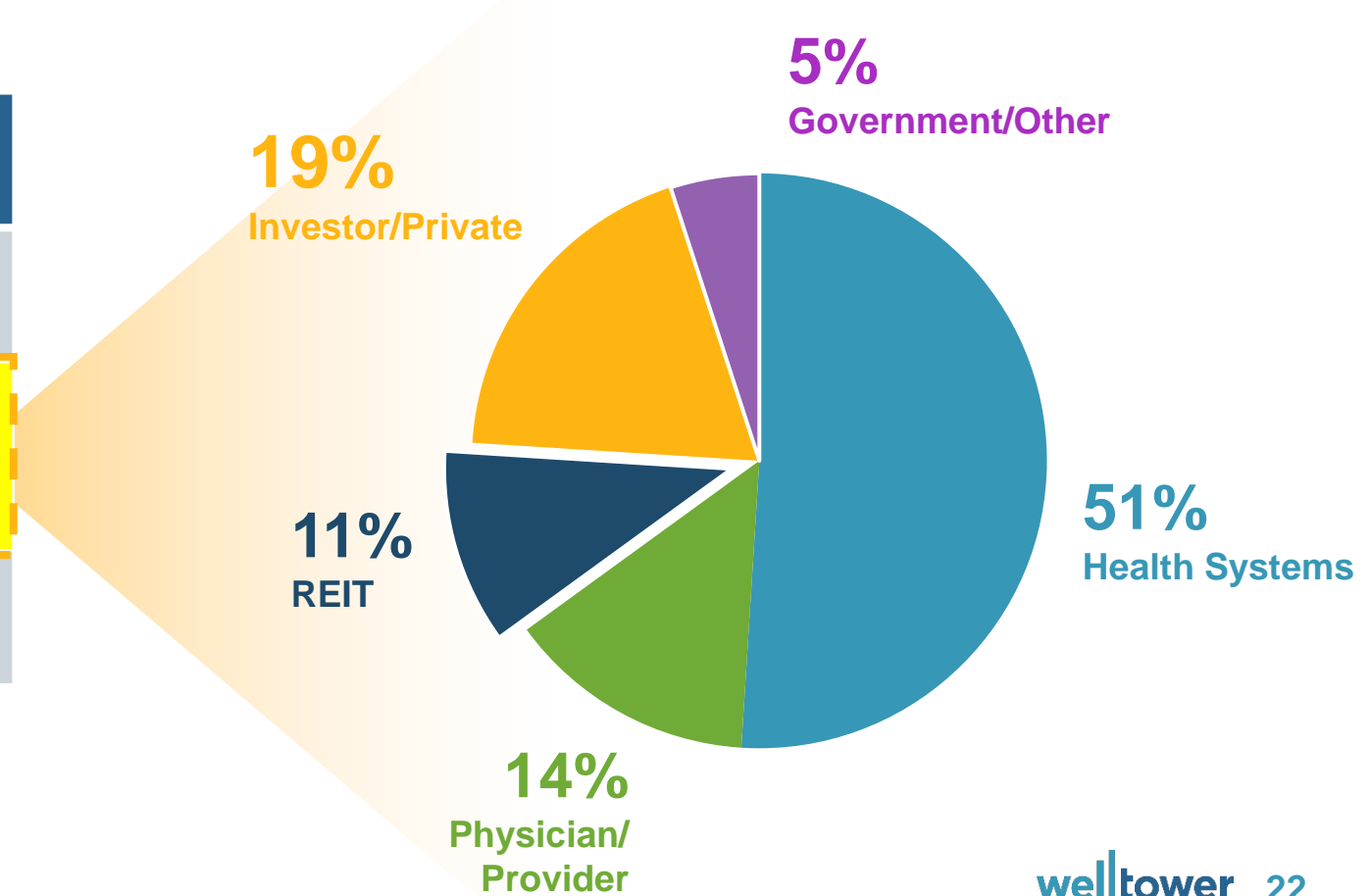
welltower

Signature  
setting the standard for senior care

# Outpatient Medical Growth Opportunity

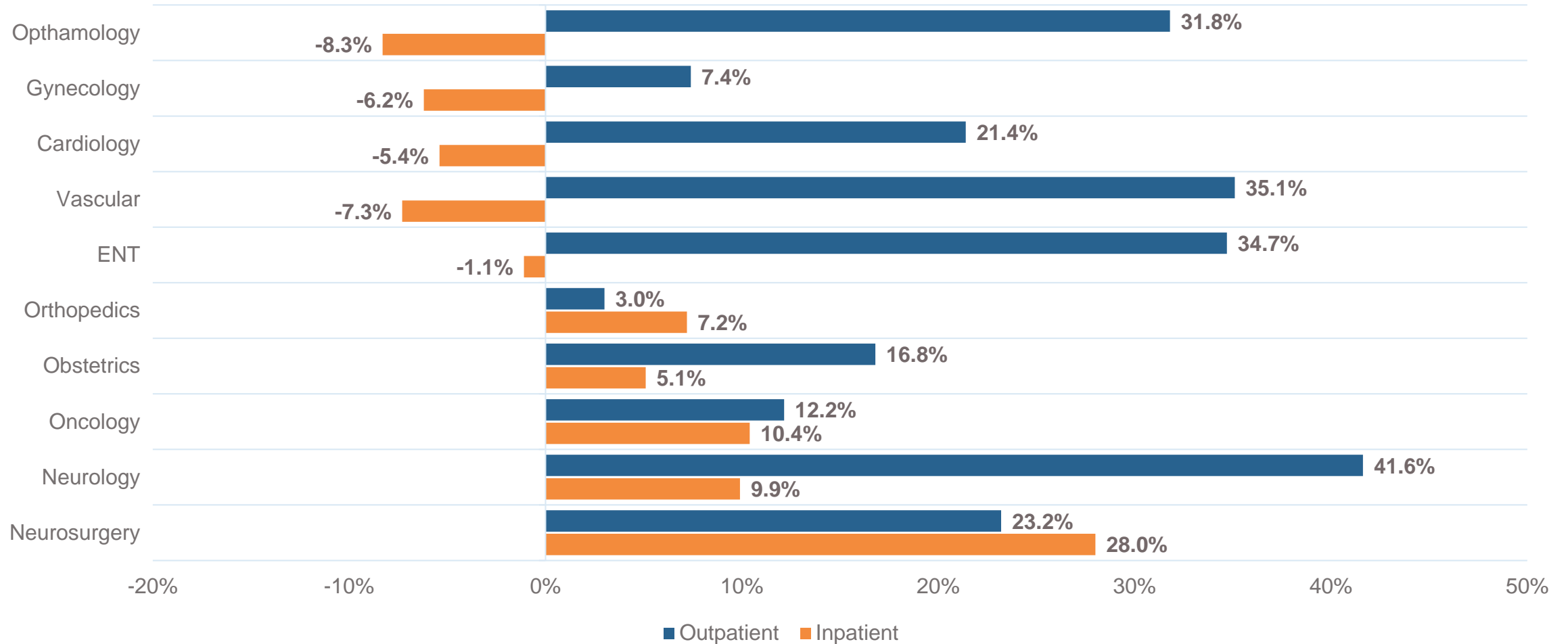
Health Systems & Physicians Currently Own ~65% of Outpatient Medical Real Estate

	Properties	Total Value	Total Sq. Feet
Hospital	5,461	\$626B	1.6B
<b>Outpatient</b>	<b>33,561</b>	<b>\$394B</b>	<b>1.6B</b>
TOTALS	39,022	\$1,020B	3.2B



# Procedures Driving Outpatient Medical Growth

Segment Demand Growth: 2017 - 2027



Source: Advisory Board Outpatient/Inpatient Volume Report as of 4/23/2018.

# Welltower's Full Service Outpatient Medical Group

Strategic Health Care Alliances & Innovative Care Delivery Models

**\$5.7B**

INVESTED IN 249  
PROPERTIES

**16.3M**

OUTPATIENT MEDICAL  
SQUARE FEET

**99%**

IN-HOUSE MANAGED  
PROPERTIES AS % OF SF<sup>(2)</sup>

**95%**

HEALTH SYSTEM  
AFFILIATED AS %  
OF CORE NOI<sup>(1)</sup>

Welltower proudly serves  
many of the nation's top  
health systems



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

2. Includes only multi-tenant properties.



# Transformational Retail & Health Care Real Estate Partnership

welltower



St. Joseph Health 

Mission Hospital

Mission Pacific Coast Recovery

A member of the St. Joseph Hoag Health alliance



SIMON



# Welltower & Johns Hopkins Strategic Alliance

**Strategic alliance supports modern, efficient health care infrastructure and innovative care**

- Measure quality of care outcomes in Assisted Living and Memory Care
- Educational programs for patients and care givers
- Evaluate market opportunities
- Deliver better care at a lower cost



**JOHNS HOPKINS**  
M E D I C I N E

## Welltower Footprint in JHM Markets Today

**104**  
PROPERTIES

**8,214<sup>(1)</sup>**  
RESIDENTS

- 50 Seniors Housing Communities
- 42 Post Acute Care Facilities
- 12 Outpatient Medical Buildings

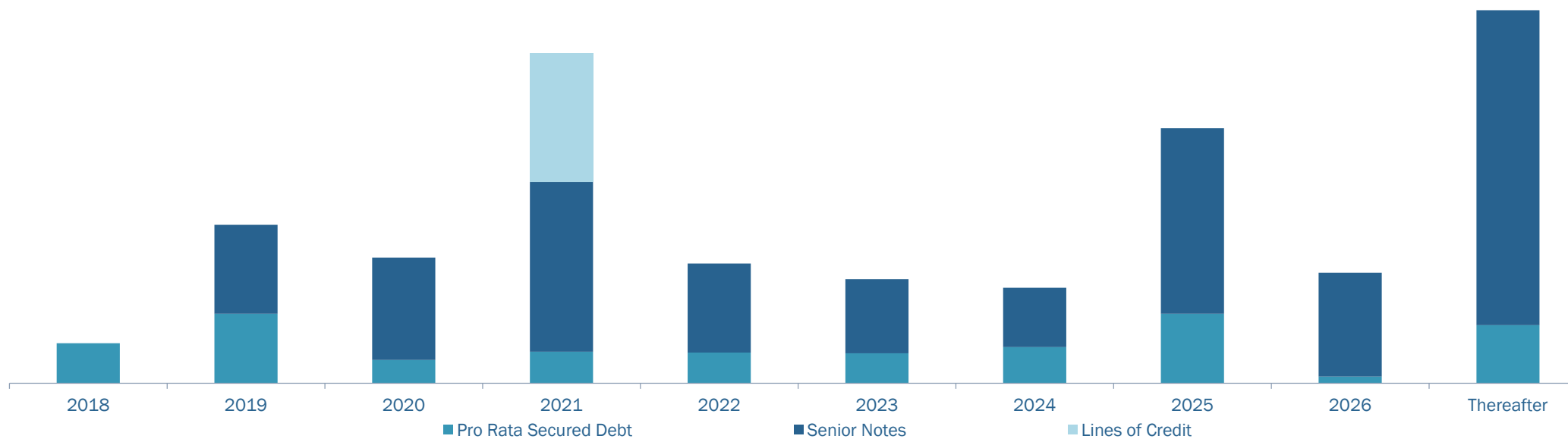
1. Based on internal estimates derived from trailing twelve-month facility level data

# Financial Summary



# Balanced and Manageable Debt Maturity Profile

Weighted average maturity of 7.1 years



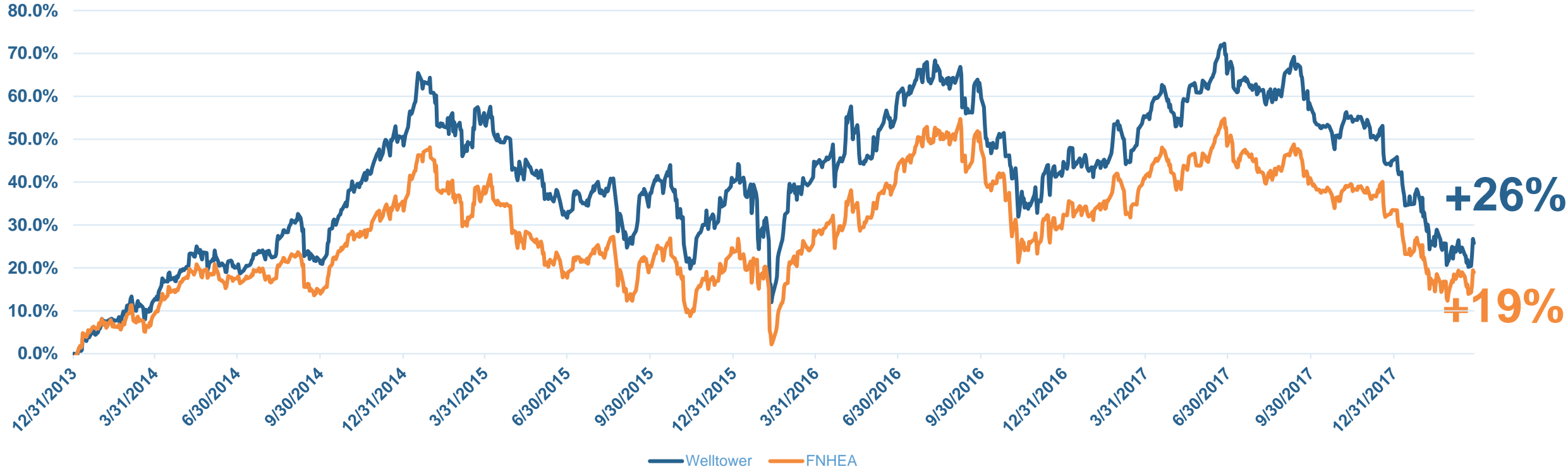
in millions	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Thereafter
Unsecured Debt	\$0	\$600	\$690	\$2,009	\$600	\$500	\$400	\$1,250	\$700	\$0	\$2,123
Pro Rata Secured Debt	\$270	\$468	\$157	\$213	\$207	\$202	\$244	\$468	\$45	\$163	\$229
<b>Total (\$mm)</b>	<b>\$270</b>	<b>\$1,068</b>	<b>\$847</b>	<b>\$2,222</b>	<b>\$807</b>	<b>\$702</b>	<b>\$644</b>	<b>\$1,718</b>	<b>\$745</b>	<b>\$163</b>	<b>\$2,352</b>

Data as of 3/31/2018 in USD. Represents pro rata principal amounts due and excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet.

# Consistently Outperforming Peers

Welltower  
NAREIT Health Care Index

## Total Returns<sup>(1)</sup>



**15.2%** Average Annual Return Since Inception <sup>(1)</sup>

**6.58%** Dividend Yield <sup>(2)</sup>

1. Data as of 3/31/2018, adjusted for stock splits. Total return assumes reinvestment of dividends.

2. Data as of 4/27/18. The 2018 dividend represents the approved dividend rate for 2018, subject to quarterly review by the Board of Directors.

# Performance Driven Strategy

welltower



Investment in the  
"Silver Economy" &  
Aging



Best-in-Class  
Real Estate &  
Operating  
Partners



Superior Internal  
& External Growth



Significant and  
Stable Dividend  
Income



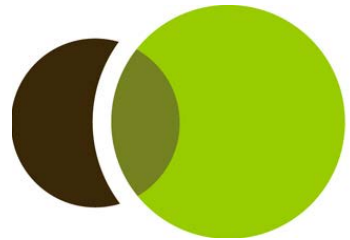
Investment Grade  
Balance Sheet &  
Outstanding Access to  
Capital

# Appendix



# Recognized For Sustainable Business Practices

Listed to the 2018 RobecoSam Sustainability Yearbook:  
**Industry Mover Designation**



**ROBECOSAM**  
Sustainability Award  
Industry Mover 2018

EPA **Green Power Partner** for  
Consumption of Renewable  
Energy across Portfolio



Building  
Certifications



LEED: 14



Energy Star: 57

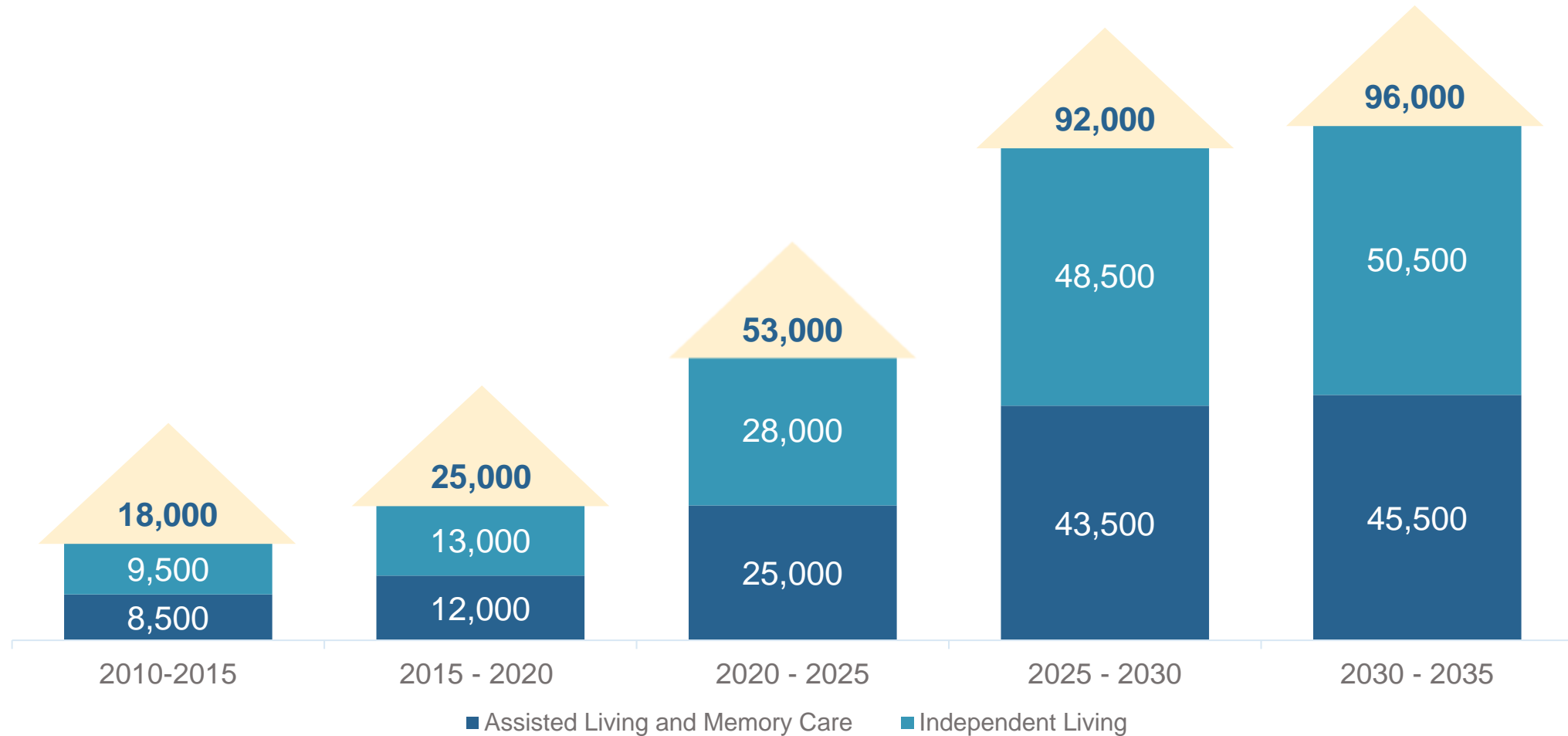


BREEAM: 7



# Strong Growth in Projected Demand for Seniors Housing

PROJECTED ANNUAL DEMAND GROWTH FOR SENIORS HOUSING UNITS



Source: American Seniors Housing Association: A Projection of U.S. Seniors Housing Demand 2015-2040. Summer 2016 Brief.

# Growth Platform Driving the Future of Health Care Delivery

## welltower Portfolio Mix<sup>(1)</sup>



### 72% Seniors Housing<sup>(2)</sup> (Independent Living, Assisted Living & Memory Care)

- Invest in top metro markets with high barriers to entry, concentrated along U.S. coastlines
- Strategic partnerships with best-in-class, privately held operators
- Scale that drives efficiencies across assisted living and memory care platforms
- Increased NOI and operational upside from partnership management philosophy

### 11% Long-Term, Post-Acute Care

- Selective investments in higher acuity/higher impact skilled nursing facilities (e.g., Powerback model)
- Right size exposure to NOI and balance sheet

### 17% Outpatient Medical

- Full service outpatient medical group overseeing 16.3M square feet of space
- 94.8%<sup>(3)</sup> affiliated with health systems as a percentage of NOI
- Growing MOB portfolio at the forefront of evolving care delivery

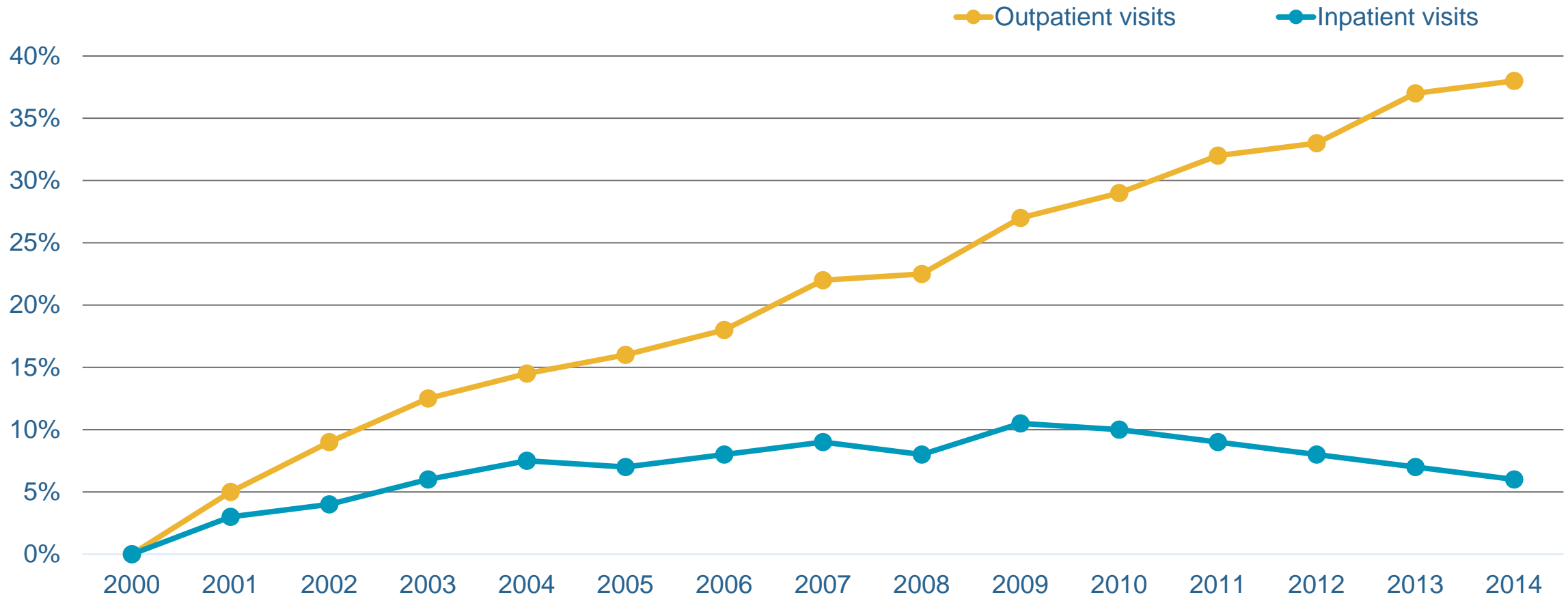
Capital-efficient,  
sustainable  
growth supporting  
long-term stable  
income.

1. Based on In-Place NOI for 1Q18. 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. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

# Outpatient Will Continue to Dominate Care Delivery



**36% increase in total outpatient visits since 1999,  
compared with 6% rise in inpatient visits**

# Superior Assets Lead to Superior Operating Results

## Outpatient Medical

	Welltower <sup>(1)</sup>	Outpatient Medical Peers <sup>(2)</sup>
<b>Occupancy</b>	94%	91%
<b>Average Property Size</b> <i>Square Feet</i>	65,405	64,803
<b>Health System Affiliation<sup>(3)</sup></b>	95%	95%
<b>NOI Margin</b>	68%	65%
<b>NOI per Square Foot</b> <i>Annualized</i>	\$22.77	\$18.31
<b>Lease Expirations<sup>(4)</sup></b> <i>Through 2021</i>	32%	51%
<b>In-house Managed<sup>(5)</sup></b>	99%	<i>Data Not Available</i>

1. Data as of 3/31/2018. Please see non-GAAP financial measures and reconciliations at the end of this presentation.

2. Data obtained from publicly available documents for the following peers: HCP, HR, HTA, VTR. Peer data is as of 3/31/2018.

3. Welltower percentage based on NOI. Peers based on square feet.

4. Based on occupied square feet.

5. As a percentage of square feet. Includes only multi-tenant properties.

# Superior Assets Lead to Superior Operating Results

## Post-Acute and Long-Term Care

	WELLTOWER PAC/LTC <sup>(1)</sup>	HC REIT Peers <sup>(2)</sup>	Public Operators <sup>(3)</sup>	Industry Benchmarks <sup>(4)</sup>
<b>Property Age</b> <i>Years</i>	18	36	32	39
<b>Occupancy</b>	82%	82%	82%	82%
<b>Quality Mix</b> <i>Private &amp; Medicare Revenue %</i>	66% <sup>(5)</sup>	44%	50%	45%
<b>EBITDARM Coverage</b>	1.83x <sup>(5)</sup>	1.53x	<i>Data Not Available</i>	<i>Data Not Available</i>
<b>EBITDARM per Bed</b> <i>Annual</i>	\$23,041 <sup>(5)</sup>	\$15,564	\$13,669	<i>Data Not Available</i>

1. Welltower data as of 12/31/2017 for stable portfolio. EBITDARM Coverage and EBITDARM per bed figures represent trailing twelve months results. EBITDARM represents earnings before interest, taxes, depreciation, amortization, rent and management fees. The company uses unaudited, periodic financial information provided solely by tenants/borrowers to calculate EBITDARM and has not independently verified the information.

2. Average TTM 4Q17 results obtained from publicly available documents for the following peers: OHI, VTR (SNF only), QCP, LTC and SBRA. Quality mix excludes SBRA.

3. Average TTM 4Q17 results obtained from publicly available documents for the following publicly traded skilled nursing operators: GEN, DVCR, ENSG, and NHC. Quality mix excludes NHC.

4. Property age per 4Q17 NIC MAP for Majority NC Properties in the primary and secondary markets; occupancy and quality mix per NIC Skilled Nursing Data Report, September 30, 2017 and reported in days. Quality Mix derived by Weight of Revenue per Patient Day [1-(Medicaid PPD Mix \* Revenue PPD)] per NIC Skilled Nursing Data report as of September 30, 2017.

5. Per page 1 and 7 of 1Q18 Supplement.

# Superior Assets Lead to Superior Operating Results

	US Seniors Housing				UK Seniors Housing	
	Welltower US RIDEA <sup>(1)</sup>	HC REIT Peers <sup>(2)</sup>	Public Operators <sup>(3)</sup>	Industry Benchmarks	Welltower UK RIDEA <sup>(1)</sup>	Industry Benchmarks
<b>Property Age</b> <i>Years</i>	14	19 <sup>(4)</sup>	20 <sup>(4)</sup>	21 <sup>(5)</sup>	10	20 <sup>(9)</sup>
<b>Housing Value</b> <i>Median</i>	\$532,062	\$244,284 <sup>(4)</sup>	\$216,911 <sup>(4)</sup>	\$209,770 <sup>(6)</sup>	£473,565	£289,612 <sup>(10)</sup>
<b>Household Income</b> <i>Median</i>	\$91,619	\$64,663 <sup>(4)</sup>	\$61,049 <sup>(4)</sup>	\$61,045 <sup>(6)</sup>	<i>Data Not Available</i>	<i>Data Not Available</i>
<b>REVPOR</b> <i>Monthly</i>	\$7,125	\$4,044 <sup>(7)</sup>	\$4,267 <sup>(7)</sup>	\$4,668 <sup>(5)</sup>	£6,465	£3,241 <sup>(11)</sup>
<b>SSREVPOR Growth</b> <i>Year-over-year</i>	3.7%	2.7% <sup>(7)</sup>	2.0% <sup>(7)</sup>	2.6% <sup>(5)</sup>	1.7%	7.4% <sup>(11)</sup>
<b>SSNOI per Unit</b> <i>Annual</i>	\$22,925	\$11,809 <sup>(7)</sup>	\$12,262 <sup>(7)</sup>	\$17,827 <sup>(8)</sup>	£22,412	£8,045 <sup>(11)</sup>
<b>SSNOI Growth</b> <i>Year-over-year</i>	1.0%	(2.1%) <sup>(7)</sup>	(3.2%) <sup>(7)</sup>	<i>Data Not Available</i>	(-5.5%)	<i>Data Not Available</i>

# Detailed Footnotes

1. Data as of 3/31/2018 for properties included in the seniors housing operating segment. Property age, housing value and household income are NOI-weighted as of December 31, 2017. The median housing value and household income is used for the US, and the average housing value and household income is used for the UK. Housing value, household income and population growth are based on a 3-mile radius. Growth figures represent average performance of Welltower's same store portfolio. REVPOR is based on total 1Q18 results. Please see non-GAAP financial measures and reconciliations at the end of this presentation.
2. Average Trailing 4 quarters as of 12/31/2017 results for the following peers: HCP, SNR, SNH, SBRA, and VTR. Housing value and household income are based on 5-mile radius median data.
3. Average Trailing 4 quarters as of 12/31/2017 results for the following publicly traded seniors housing operators: BKD, CSU and FVE. Housing value and household income are based on 5-mile radius median data.
4. Derived or obtained from BofAML research reports, NIC, Claritas, and/or publicly available documents.
5. Per NIC 4Q17 Majority AL properties in primary and secondary markets.
6. US Median per Claritas 2018.
7. Derived or obtained from publicly available documents as of 4Q17.
8. The State of Seniors Housing 2017. Represents 2016 results.
9. Property age per LaingBuisson, Care of Older People 28th Edition.
10. UK Average, CACI 2017 CI.
11. Knight Frank 2017 Care Homes Trading Performance Review and assumes a 5% management fee.

# 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), and Same Store REVPOR (SS REVPOR) to be useful supplemental measures of its operating performance. 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. 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.

SSNOI is used to evaluate the operating performance of our properties under a consistent population which eliminates 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. Land parcels, loans, and sub-leases as well as any properties acquired, developed/redeveloped (including major refurbishments where 20% or more of units are simultaneously taken out of commission for 30 days or more), sold or classified as held for sale during that period are excluded from the same store amounts. Properties undergoing operator transitions and/or segment transitions (except triple-net to seniors housing operating with the same operator) are also excluded from the same store amounts. 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 the company's 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.

REVPOR represents the average revenues generated per occupied room per month at the company's seniors housing operating properties. It is calculated as our pro rata version of total resident fees and services revenues from 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. The company uses REVPOR and SS REVPOR to evaluate the revenue-generating capacity and profit potential of its 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 the company's seniors housing operating portfolio.

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 3/31/18	
Net income	\$	453,555
Loss (gain) on real estate dispositions, net		(338,184)
Loss (income) from unconsolidated entities		2,429
Income tax expense (benefit)		1,588
Other expenses		3,712
Impairment of assets		28,185
Loss (gain) on extinguishment of debt, net		11,707
Loss (gain) on derivatives and financial instruments, net		(7,173)
General and administrative expenses		33,705
Depreciation and amortization		228,201
Interest expense		122,775
Consolidated net operating income	\$	540,500
NOI attributable to unconsolidated investments		21,620
NOI attributable to noncontrolling interests		(31,283)
Pro rata net operating income (NOI)	\$	530,837
Interest income		(14,647)
Other income		(3,008)
Held for sale & dispositions		(13,001)
Developments & land		212
Non IPNOI <sup>(1)</sup>		(15,229)
Timing adjustments <sup>(2)</sup>		6,235
In-Place NOI	\$	491,399
Annualized In-Place NOI	\$	1,965,596
In-Place NOI by country		
United States	\$	402,036 81.9%
United Kingdom		43,924 8.9%
Canada		45,439 9.2%
Total In-Place NOI	\$	491,399 100.0%
In-Place NOI by property type		
Long-Term/Post-Acute	\$	52,393 10.7%
Seniors Housing Triple-Net		132,077 26.9%
Outpatient Medical		84,976 17.3%
Seniors Housing Operating		221,953 45.1%
Hospital		- 0.0%
Life Science		- 0.0%
Total In-Place NOI	\$	491,399 100.0%
Notes:		
(1) Primarily represents non-cash NOI		
(2) 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
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		-
Developments & land		-
Non IPNOI <sup>(1)</sup>		(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%

# In-Place NOI Concentration Reconciliations

\$s in thousands at Welltower pro rata ownership	% of SHO		Seniors housing operating	Seniors housing triple-net	Long-term/post-acute	Outpatient medical	Total	% of Total	% of Country
	by Country	% of SHO							
Annualized three months ended March 31, 2018									
New York	7.8%	5.6%	\$ 49,914	\$ 74,041	\$ 12,934	\$ 8,460	\$ 145,349	7.4%	9.0%
Los Angeles	15.6%	11.3%	100,065	2,691	-	25,785	128,541	6.5%	8.0%
Philadelphia	1.4%	1.0%	8,688	20,300	28,168	22,853	80,009	4.1%	5.0%
Dallas	4.0%	2.9%	25,852	17,348	3,758	29,184	76,142	3.9%	4.7%
Boston	9.3%	6.7%	59,866	1,757	4,758	1,144	67,525	3.4%	4.2%
Seattle	2.9%	2.1%	18,849	16,173	-	13,682	48,704	2.5%	3.0%
San Francisco	5.0%	3.6%	32,088	12,141	-	-	44,229	2.3%	2.8%
Houston	1.8%	1.3%	11,242	4,173	-	25,058	40,473	2.1%	2.5%
Chicago	3.3%	2.4%	21,154	11,576	1,446	2,136	36,312	1.8%	2.3%
Washington DC	3.3%	2.4%	21,027	7,690	5,752	-	34,469	1.8%	2.1%
San Diego	4.2%	3.0%	26,835	-	2,820	1,631	31,286	1.6%	1.9%
San Jose	2.5%	1.8%	16,099	-	-	1,748	17,847	0.9%	1.1%
Other Top 31 US MSAs and Coastal States	33.7%	24.4%	216,278	156,088	74,778	132,024	579,168	29.5%	36.0%
Other United States	5.2%	3.7%	33,312	121,000	68,260	55,516	278,088	14.1%	17.4%
Total United States	100.0%	72.2%	641,269	444,978	202,674	319,221	1,608,142	81.9%	100.0%
London	65.0%	5.5%	48,855	35,686	-	20,683	105,224	5.4%	59.9%
Other Southern England	23.2%	2.0%	17,412	30,148	-	-	47,560	2.4%	27.1%
Other United Kingdom	11.8%	1.0%	8,946	13,970	-	-	22,916	1.1%	13.0%
Total United Kingdom	100.0%	8.5%	75,213	79,804	-	20,683	175,700	8.9%	100.0%
Toronto	24.6%	4.8%	42,218	-	-	-	42,218	2.1%	23.2%
Montreal	16.6%	3.2%	28,521	-	-	-	28,521	1.5%	15.7%
Ottawa	11.1%	2.1%	18,940	-	-	-	18,940	1.0%	10.4%
Calgary	5.8%	1.1%	9,896	-	6,898	-	16,794	0.9%	9.2%
Vancouver	7.0%	1.4%	11,992	1,472	-	-	13,464	0.7%	7.4%
Other Top 10 Canadian MSAs	13.2%	2.6%	22,695	-	-	-	22,695	1.2%	12.5%
Remaining Canada	21.7%	4.1%	37,068	2,054	-	-	39,122	1.8%	21.6%
Total Canada	100.0%	19.3%	171,330	3,526	6,898	-	181,754	9.2%	100.0%
Total In-Place NOI <sup>(1)</sup>			\$ 887,812	\$ 528,308	\$ 209,572	\$ 339,904	\$ 1,965,596	100.0%	
	% of Total		45.1%	26.9%	10.7%	17.3%	100.0%		
Sunrise Senior Living North America	27.5%		\$ 243,824	\$ -	\$ -	\$ -	\$ 243,824	12.4%	
Sunrise Senior Living United Kingdom	8.6%		76,239	-	-	-	76,239	3.9%	
Brookdale Senior Living	2.1%		18,570	131,684	-	-	150,254	7.6%	
Revera	13.3%		118,321	-	-	-	118,321	6.0%	
Genesis HealthCare	0.0%		-	-	101,529	-	101,529	5.2%	
Benchmark Senior Living	10.2%		90,852	-	-	-	90,852	4.6%	
Brandywine Senior Living	0.0%		-	74,123	-	-	74,123	3.8%	
Senior Resource Group	8.1%		71,927	-	-	-	71,927	3.7%	
Belmont Village	7.6%		67,722	-	-	-	67,722	3.4%	
Avery	0.1%		732	53,997	-	-	54,729	2.8%	
Sagora Senior Living	3.8%		33,492	20,906	-	-	54,398	2.8%	
Remaining partners	18.7%		166,133	247,598	108,043	339,904	861,678	43.8%	
Total In-Place NOI <sup>(1)</sup>	100.0%		\$ 887,812	\$ 528,308	\$ 209,572	\$ 339,904	\$ 1,965,596	100.0%	

Notes:

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

# SHO REVPOR Reconciliation

Dollars in thousands, except REVPOR	Three months ended 3/31/18			
	CA	UK	US	Total
Consolidated SHO revenues	\$ 113,936	\$ 79,037	\$ 544,194	\$ 737,167
Unconsolidated SHO revenues attributable to Welltower <sup>(1)</sup>	20,692	-	22,203	42,895
SHO revenues attributable to noncontrolling interests <sup>(2)</sup>	(26,082)	(5,712)	(42,110)	(73,904)
SHO pro rata revenues	108,546	73,325	524,287	706,158
SHO interest and other income	(194)	(26)	(1,008)	(1,228)
SHO revenues attributable to held for sale properties	-	(1,341)	(5,859)	(7,200)
Adjustment for standardized currency rates <sup>(3)</sup>	1,260	(2,136)	-	(876)
SHO local revenues	\$ 109,612	\$ 69,822	\$ 517,420	\$ 696,854
Average occupied units/month	12,557	2,704	24,543	39,804
REVPOR/month in USD	\$ 2,950	\$ 8,728	\$ 7,125	\$ 5,917
REVPOR/month in local currency <sup>(3)</sup>	C\$ 3,688	£ 6,465		

Notes:

(1) Represents Welltower's interest in joint venture properties in which Welltower is the minority partner.

(2) Represents minority partner's interest in joint venture properties in which Welltower is the majority partner.

(3) Based on GBP/USD rate of 1.35:1 and USD/CAD rate of 1.25:1.

# SHO Same Store Reconciliations

	United States		United Kingdom		Canada		Total	
	1Q17	1Q18	1Q17	1Q18	1Q17	1Q18	1Q17	1Q18
<b>(dollars in thousands, except REVPOR &amp; SSNOI/unit)</b>								
<b>SHO SS REVPOR Growth:</b>								
Consolidated SHO revenues <sup>(1)</sup>	\$ 498,943	\$ 544,194	\$ 65,939	\$ 79,037	\$ 106,985	\$ 113,936	\$ 671,867	\$ 737,167
Unconsolidated SHO revenues attributable to Welltower <sup>(2)</sup>	22,110	22,203	-	-	19,792	20,692	41,902	42,895
SHO revenues attributable to noncontrolling interests <sup>(3)</sup>	(29,344)	(42,110)	(3,441)	(5,712)	(25,022)	(26,082)	(57,807)	(73,904)
SHO pro rata revenues <sup>(4)</sup>	491,709	524,287	62,498	73,325	101,755	108,546	655,962	706,158
Non-cash revenues on same store properties	(80)	(235)	(19)	(21)	-	-	(99)	(256)
Revenues attributable to non-same store properties	(11,548)	(18,301)	(11,425)	(15,010)	(3,607)	(6,043)	(26,580)	(39,354)
Currency and ownership adjustments <sup>(5)</sup>	4,128	-	4,574	(1,730)	5,746	1,151	14,448	(579)
SH-NNN to SHO conversions <sup>(6)</sup>	11,866	-	-	-	-	-	11,866	-
SHO SS revenues <sup>(7)</sup>	\$ 496,075	\$ 505,751	\$ 55,628	\$ 56,564	\$ 103,894	\$ 103,654	\$ 655,597	\$ 665,969
Avg. occupied units/month <sup>(8)</sup>	24,382	23,970	2,160	2,159	12,035	11,725	38,577	37,854
SHO SS REVPOR <sup>(9)</sup>	\$ 6,876	\$ 7,131	\$ 8,704	\$ 8,854	\$ 2,918	\$ 2,988	\$ 5,744	\$ 5,946
SS REVPOR YOY growth		3.7%		1.7%		2.4%		3.5%
<b>SHO SSNOI Growth:</b>								
Consolidated SHO NOI <sup>(1)</sup>	\$ 150,421	\$ 163,010	\$ 19,133	\$ 18,955	\$ 39,888	\$ 43,261	\$ 209,442	\$ 225,226
Unconsolidated SHO NOI attributable to Welltower <sup>(2)</sup>	8,938	8,144	-	-	7,604	7,993	16,542	16,137
SHO NOI attributable to noncontrolling interests <sup>(3)</sup>	(10,065)	(9,491)	(173)	(385)	(9,450)	(9,965)	(19,688)	(19,841)
SHO pro rata NOI <sup>(4)</sup>	149,294	161,663	18,960	18,570	38,042	41,289	206,296	221,522
Non-cash NOI on same store properties	260	(679)	(19)	(21)	-	1	241	(699)
NOI attributable to non-same store properties	(3,204)	(4,950)	(1,710)	(697)	(1,181)	(2,072)	(6,095)	(7,719)
Currency and ownership adjustments <sup>(5)</sup>	893	-	1,543	(525)	2,155	443	4,591	(82)
SH-NNN to SHO conversions <sup>(10)</sup>	7,020	-	-	-	-	-	7,020	-
Other normalizing adjustments <sup>(11)</sup>	253	100	-	406	-	60	253	566
SHO pro rata SSNOI <sup>(7)</sup>	\$ 154,516	\$ 156,134	\$ 18,774	\$ 17,733	\$ 39,016	\$ 39,721	\$ 212,306	\$ 213,588
SHO SSNOI growth		1.0%		-5.5%		1.8%		0.6%
<b>SHO SSNOI/Unit:</b>								
Trailing four quarters' SSNOI <sup>(4)</sup>		\$ 641,254		\$ 76,668		\$ 160,209		\$ 878,131
Average units in service <sup>(12)</sup>		27,972		2,534		13,072		43,578
SSNOI/unit in USD		\$ 22,925		\$ 30,256		\$ 12,256		\$ 20,151
SSNOI/unit in local currency <sup>(5)</sup>			£	22,412	C	\$	15,320	
<b>Notes:</b>								
(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 1.35 and to translate Canadian properties at a USD/CAD rate of 1.25.								
(6) Represents the performance of certain properties that were converted from SH-NNN to SHO with the same operator. Amounts represent revenue-only component of unaudited operating results provided by the operator and were not a component of WELL earnings.								
(7) Represents SS SHO revenues/NOI at Welltower pro rata ownership.								
(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 the performance of certain properties that were converted from SH-NNN to SHO with the same operator. Amounts represent unaudited operating results provided by the operator and were not a								
(11) Represents aggregate normalizing adjustments which are individually less than .50% of SSNOI growth.								
(12) Represents average units in service for SS properties related solely to referenced country on a pro rata basis.								

# Outpatient Medical NOI Reconciliations

\$s in thousands, except per square foot	Three months ended		
	3/31/2018		
	Total	Non Core <sup>(1)</sup>	Core
OM revenues	\$ 126,979	\$ (611)	\$ 126,368
OM property operating expenses	(41,010)	73	(40,937)
OM Core NOI	\$ 85,969	\$ (538)	\$ 85,431
OM Core NOI margin			67.6%
OM Core NOI			\$ 85,431
Less: In-Place NOI adjustments			(455)
OM In-Place NOI			84,976
OM In-Place NOI Annualized			\$ 339,904
OM Core NOI			\$ 85,431
Less: Interest Income			(12)
OM Core Rental NOI			\$ 85,419
Total square feet			16,330,391
Less: loans, development, held for sale			(513,094)
Pro rata adjustments <sup>(2)</sup>			(813,984)
Pro rata rental square feet			15,003,313
OM Core Rental NOI per square foot annualized			\$ 22.77
OM Core Rental NOI			\$ 85,419
Non health system affiliated NOI			(4,468)
OM health system affiliated Core NOI			\$ 80,951
OM health system affiliated Core NOI %			94.8%
Notes:			
Unless otherwise noted, amounts presented on Welltower pro rata ownership basis and excludes assets sold or held for sale. See "Historical In-Place NOI Reconciliations" and "In-Place NOI Concentration Reconciliations" for reconciliation to net income.			
(1) Represents amounts from assets held for sale and non-core other income.			
(2) Represents amounts attributable to joint venture partners, both unconsolidated and noncontrolling.			