



# Business Update

June 3, 2024

welltower

# Forward Looking Statements and Risk Factors

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 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 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, health emergencies (such as the COVID-19 pandemic) 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.

# Recent Highlights – *Since Previous Business Update on April 29, 2024*

## 2024 Guidance Update<sup>(1)</sup>

**Raised 2024 guidance range for normalized funds from operations (FFO) attributable to common stockholders to \$4.05 – \$4.17 per diluted share, driven largely by robust and accretive capital deployment activity**

*Previous 2024 FFO Guidance  
(April 29, 2024)  
**\$4.02 - \$4.15**  
per diluted share*



**Revised 2024 FFO Guidance  
(June 3, 2024)  
**\$4.05 - \$4.17**  
per diluted share**

**Midpoint of 2024 normalized FFO guidance range  
increased by \$0.025 per diluted share to \$4.11**

## Dividend Update

- Announced that the Board of Directors approved a 10% increase in the quarterly dividend to \$0.67 per diluted share reflecting Welltower's solid financial performance, low payout ratio owing to outsized levels of cash flow growth, and the Board's confidence in the Company's strong growth prospects going forward

## Holiday by Atria Portfolio Transition

- Reached an agreement with Atria Senior Living to transition 89 Holiday by Atria communities to six of Welltower's existing operating partners with strong operating acumen and deep expertise in their respective regions

## Seniors Housing Operating Portfolio Update

- Seniors housing fundamentals remain healthy entering peak leasing season
- Notable strength continues to be experienced in non-same store properties, with recently transitioned assets generating stronger than anticipated results

## Capital Deployment Update

- Since April 29, 2024 entered into agreements to close in excess of \$1.0 billion of investments, in addition to the previously announced \$2.8 billion closed or under contract<sup>(2)</sup>
- Capital deployment opportunity set continues to expand, with deal flow accelerating across all regions, property types, and up and down the capital stack

## Welltower Credit Rating Outlook Revised to Positive

- On May 22, 2024, S&P Global revised Welltower's credit rating outlook to positive from stable, citing strong seniors housing industry tailwinds, a materially strengthened balance sheet, and an expectation that key credit metrics will continue to improve going forward

1. See "Supplemental Financial Measures" at the end of this presentation for definitions and reconciliations of non-GAAP financial measures

2. Represents pro rata gross investments across acquisitions and loans and excludes development funding; \$2.8 billion of under contract investments previously disclosed on April 29, 2024

# Welltower's Unique Value Creation Flywheel

## Established Competitive Advantages Driving Sustainable Shareholder Value Creation

### Welltower Value-Add and Moat

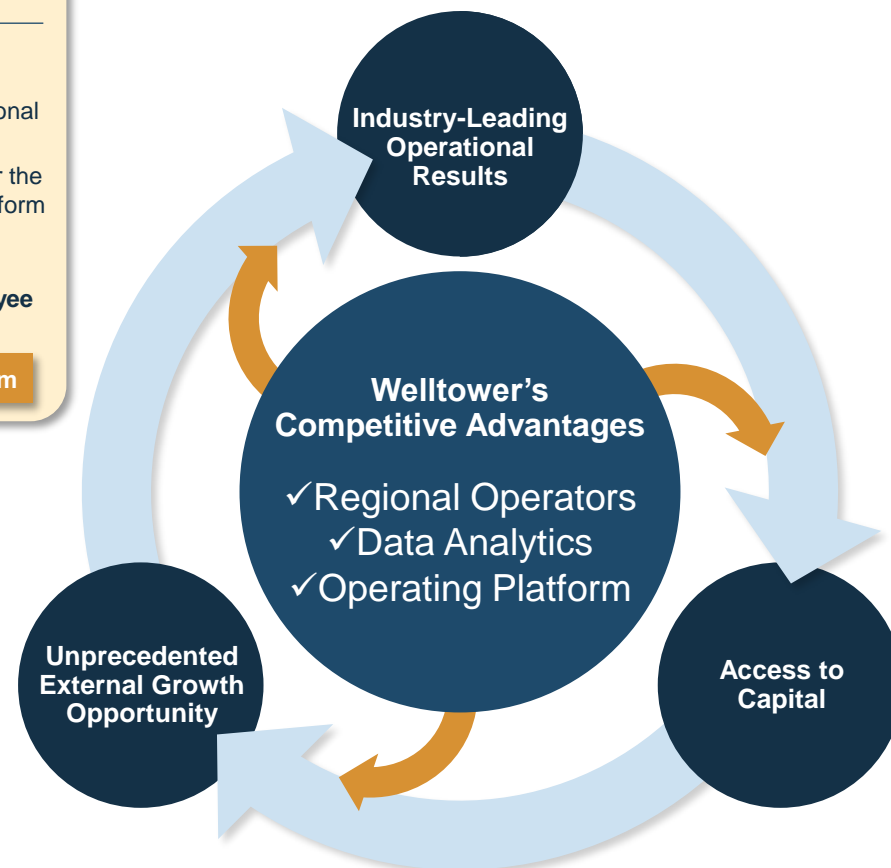
#### Best-in-class:

- Local & regional operators: Superior managers with significant regional density operating under highly aligned RIDEA 3.0/4.0 contracts
- Data analytics: Unparalleled data analytics platform developed over the past eight years informing both capital allocation and operating platform decisions
- Operating platform: Institutionalization of portfolio expected to drive further efficiencies while **improving both the resident and employee experience**

Properties are worth substantially more on Welltower's platform

### Capital Allocation

- Macroeconomic uncertainty and capital markets dislocation creating opportunities to acquire assets at increasingly attractive basis, going-in yields, and unlevered IRRs
- Granular approach to capital allocation provides opportunity to acquire assets at deep discounts to replacement cost while complementing Welltower's regional density strategy
- Completed nearly \$15.0 billion of investments since 4Q2020<sup>(1)</sup> at attractive high-single-digit to low-double-digit unlevered IRRs with potential for further upside from WELL platform enhancements



### Internal Growth

- Long-term demographic tailwinds and significant decline in new supply expected to drive continued outsized growth for extended period
- RevPOR growth (unit revenue) expected to continue to outpace ExpPOR growth (unit expense), resulting in further operating margin expansion
- Industry-leading results being driven by Welltower's superior micro-market locations, disciplined capital allocation strategy, and highly aligned partners with significant regional density

### Superior Ability to Capitalize the Opportunity

- Access to a plurality of capital sources including common equity, private equity, unsecured and secured debt, and exchangeable notes
- Ability to opportunistically pivot between each capital source based upon cost and availability
- Robust near-term available liquidity (including cash on hand, line of credit capacity, expected loan payoffs and disposition proceeds) can fully fund announced acquisitions

Welltower competes on Data Science, Operating Platform and Capital Allocation Capabilities - NOT cost of capital

# Societal & Technological Trends | Impact on Real Estate Sectors

*Precedent for Extended Period of Compounding Cash Flow Growth Driven by Shifting Secular Tailwinds*

THEME



REAL ESTATE SECTOR IMPACT



E-Commerce

Industrial / Logistics



Life Sciences

Lab Space



Operationalization of Real Estate

Self Storage / Single Family Rentals

Themes of the  
last 10 years



AGING OF THE POPULATION

HEALTH CARE

Theme of the  
next 10+ years

# Atria/Holiday Portfolio Transition

*Maximizing NOI Potential Through Regional Density Strategy*

# Executive Summary

- Welltower to transition 89 Holiday by Atria properties to six existing regional operators, including Arrow, Cogir US, Discovery, QSL, Sagora and StoryPoint
- As of June 3, 2024, 27 of the 89 properties have transitioned with the remaining 62 properties expected to transition in 3Q2024
- The transitions will create strong geographic density with best-in-class regional operating partners across the US that have a proven track record in markets where the properties are located (*see case studies on slides 13-17*)
- **Meaningful NOI growth is expected post-transition through occupancy upside and completion of portfolio-wide renovation program**

Operating Partners	Regional Densification Opportunity	Closing Status	Properties	Current Occupancy of Transitioning Properties
Sagora	Texas & Southern US	<b>Closed</b>	14	73%
StoryPoint	Midwest	<b>Closed</b>	13	74%
Arrow	Plains	~3Q2024	6	84%
Cogir US	Pacific Northwest	~3Q2024	20	77%
Discovery	California & Florida	~3Q2024	23	78%
QSL	Southeast	~3Q2024	13	78%



**Potential NOI upside of nearly \$47 million upon achievement of pre-COVID occupancy and margin<sup>(1)</sup>**  
**\$20 million+ of additional upside beyond pre-COVID stabilization if underwritten economics are achieved**

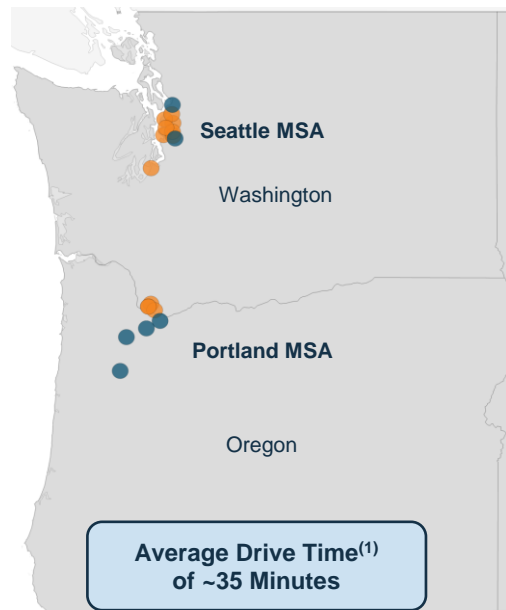
1. See slide 25 "Path to Recovery" for details regarding additional underlying assumptions



# Holiday Transitions | Regional Densification Illustration

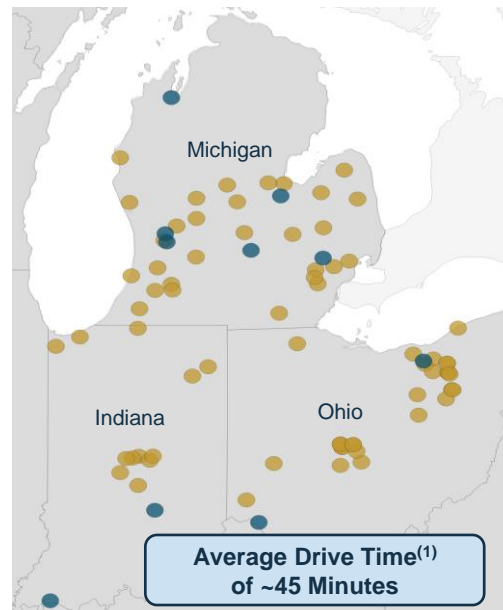
● New Communities  
● In-Place Communities

## Cogir US – Pacific Northwest



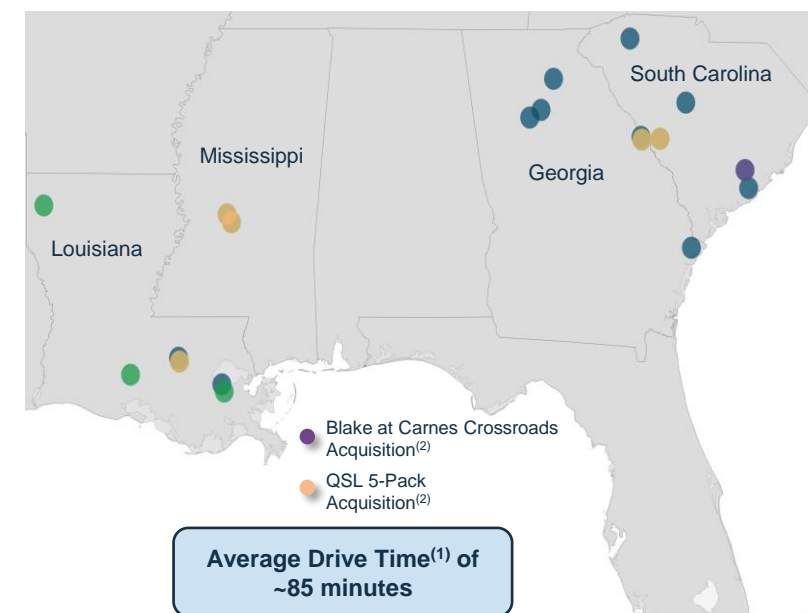
- The Welltower-Cogir US relationship began in 2018 and, pro forma for the Atria transitions, will expand to 45 communities
- Cogir maintains significant expertise in operating clusters of independent living assets in California and the Pacific Northwest
- Cogir has achieved strong post-COVID performance through a localized approach to leadership and operations, allowing the company to successfully expand into neighboring markets

## StoryPoint - Midwest



- The Welltower-StoryPoint relationship began in 2010 and, pro forma for the transitions, StoryPoint will operate 94 Welltower-owned communities
- StoryPoint has significant experience operating independent living assets proximate to each other across Midwest markets
- StoryPoint also has a strong history of integrating transition and acquisition properties into its management portfolio while fostering high-quality, consumer-focused brands

## QSL - Southeast



- The Welltower-QSL strategic partnership began in 2021 and pro forma for the transition assets, QSL will manage 25 Welltower-owned communities across the Southeast
- QSL's strong operating performance in recent years has resulted in an expansion of its Welltower-managed portfolio through both transitions and acquisitions, including the Blake at Carnes Cross Roads and a five-community portfolio acquired in October 2021 and December 2023, respectively. The Holiday assets are proximate to existing communities, which should drive additional revenue and expense synergies

***Creating clusters of communities managed by the same operator to capture significant synergies***

Note: See slides 13-17 for case studies reflecting success achieved through regional densification strategy

1. Represents the average time driving between each Holiday by Atria transition community and the closest in-place asset prior to the transition

2. See slide 17 for more information on the Blake at Carnes Cross Roads and the QSL 5-pack acquisitions

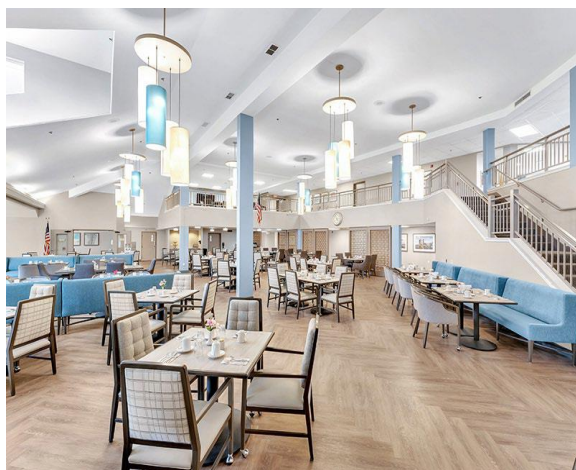


# Updated Holiday Per Unit Basis

Transition Assets	Properties	Units	Per Unit
Total Purchase Price	89	10,500	\$149,900
(+) Completed renovations			8,100
(+) In-process renovations			1,500
(+) Manager investment reimbursement/transition costs			4,700
<b>Basis at Transition</b>	<b>89</b>	<b>10,500</b>	<b>164,200</b>
(+) Expected post-transition renovation spend			6,700
<b>Expected All-In Basis After Capex</b>	<b>89</b>	<b>10,500</b>	<b>\$171,000</b>

***On target to deliver renovated portfolio at all-in basis significantly below replacement cost and comparable transactions***

***Portfolio expected to stabilize at an 8%+ yield on Welltower's all-in, after capex basis***



# Case Study | Hawaii Kai

*Prior Holiday Property Transition*

# Case Study | Hawaii Kai – Prior Holiday Property Transition

*Upside potential at premier Holiday property could fully fund portfolio renovations*

## Hawaii Kai Overview

- Hawaii Kai was selected during underwriting of the Holiday portfolio as an opportunity for substantive redevelopment
- Oakmont was identified by Welltower’s data science platform as the new operator of the property; the property was subsequently transitioned in December 2022
- Based on competition and demographics, the property, which is located in Honolulu, **scores better than 97% of WELL’s portfolio**
  - The site is unique among competitors given its ocean views, low density, and fee simple ownership. Additionally, ~25% of the units have front yards

Target Metrics	Amount
Units	372
ACU Score <sup>(1)</sup>	100 <sup>th</sup> percentile
Neighborhood Score	87 <sup>th</sup> percentile
Final Site Score	97 <sup>th</sup> percentile

## Upside Potential

- **Beyond the operator transition, several areas for further NOI upside also identified:**
  - Opportunity to add memory care units given acute shortage on the island
  - Execute value enhancing capex to increase curb appeal and drive higher rents
  - Additional targeted investments likely to include high-ROI projects to improve energy efficiency



1. Adjusted Competition Unit



# Case Study | Hawaii Kai Upside Potential

*Oakmont has brought best-in-class operational expertise; NOI substantially improved BEFORE value-add renovation*

Illustrative Hawaii Kai Performance and Per Unit Value Creation

	At Acquisition	1Q24 Annualized Results	Potential
Occupancy	76%	82%	95%
RevPOR	\$5,400	\$6,236	\$7,410
NOI (000s)	\$4,024	\$7,248	\$14,192
NOI Margin	22%	32%	45%

Expected Improvement over pre-COVID:  
44% RevPOR growth +  
~125% NOI growth

Net value creation from one property has the potential to essentially fund capex for the entire portfolio

Illustrative Value Creation Potential (000s)	
Units	372
Purchase Price	\$78,584
Potential Value (\$763k/unit exit price)	\$283,850
Value Creation	\$202,266
Renovation CapEx	\$46,500
Net Value Creation	\$158,766
Per 89 Transition Communities	\$1,784



# **Welltower Regional Density Case Studies**

*Deepening Relationships with Best-in-Class Local & Regional Operators*



# Case Studies | Regional Densification Strategy

## Data Science Driven Active Portfolio Management and Disciplined Capital Allocation Creating Regional Densification

- Welltower continues to take an active approach to portfolio management, **deepening relationships with leading operators in key markets and regions**, through data science driven asset management and value add initiatives
- Greater regional density also allows for an expansion of career growth opportunities for employees and improved retention
- Case studies herein detail our transition of assets to Cogir, StoryPoint, and QSL which reflect **our strategy of creating regional density with our strongest partners**
  - Additional upside expected over time through location-based operational synergies and the build out of the asset management platform

### Operator Transitions

#### Case Study 1

Slide 15

In 2021, Welltower transitioned management of four predominately memory care facilities in the Pacific Northwest to Cogir, **resulting in substantial NOI margin and occupancy improvement and outsized value creation**

### Portfolio Acquisition & Operator Transition

#### Case Study 2

#### Case Study 3

Slides 16 - 17

Welltower acquired a portfolio of seniors housing assets in Ohio and the Southeast, which were subsequently transitioned to StoryPoint and QSL, respectively, **resulting in significant NOI growth**

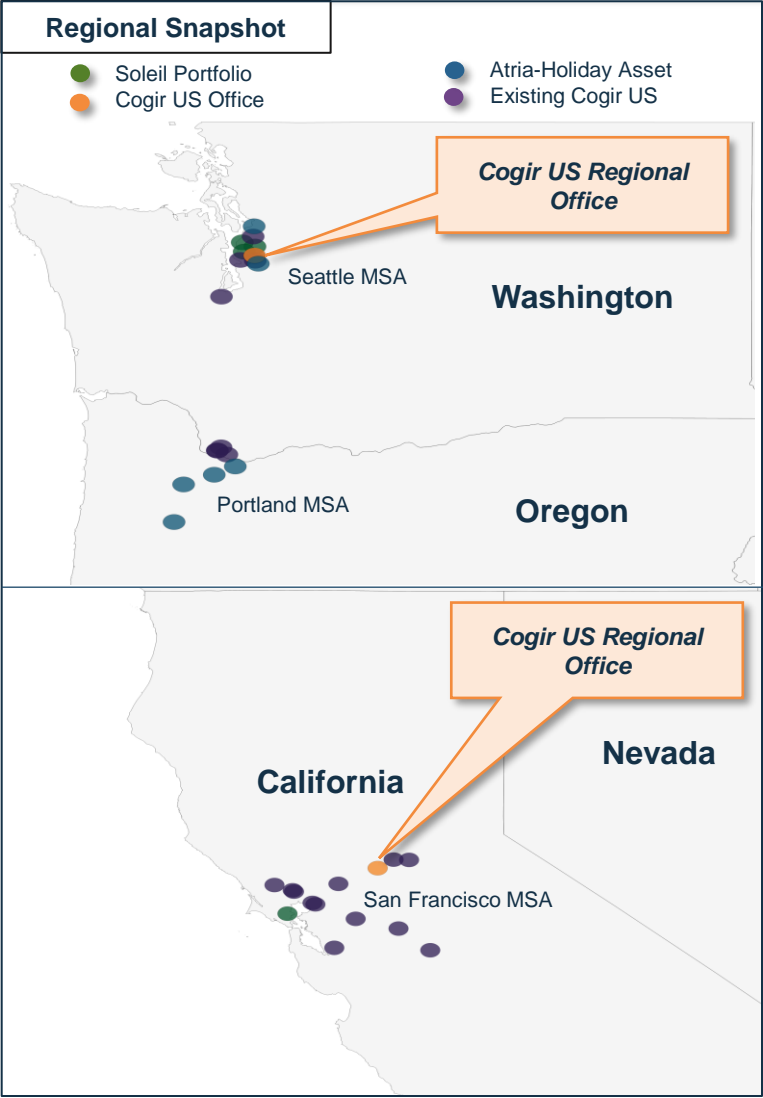
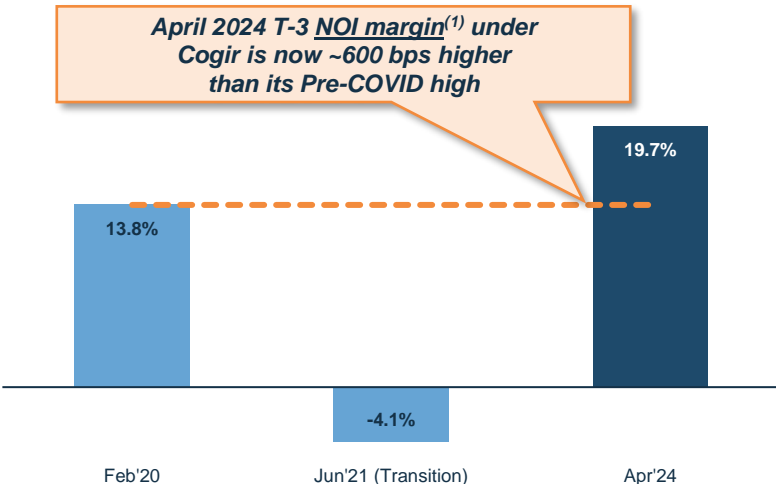
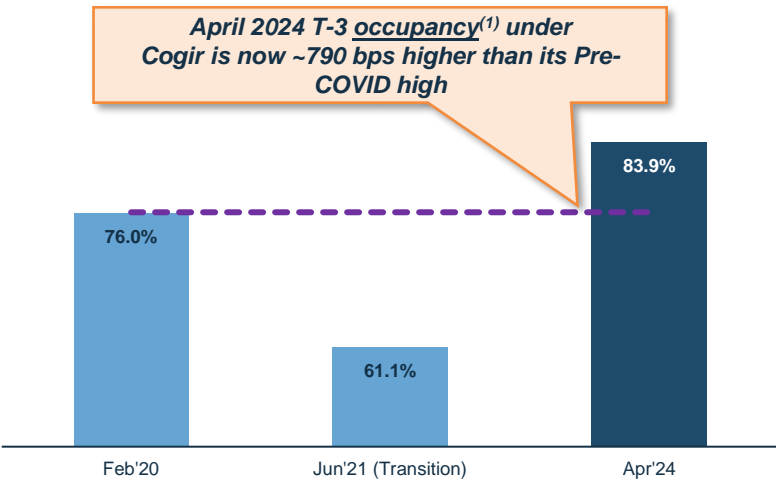


# Cogir Case Study | Soleil Portfolio Transition

Transition of four assets to Cogir US has resulted in NOI margin and occupancy well above prior peak

- In mid-2021, Welltower transitioned the Soleil portfolio (“Soleil”) of four communities consisting of 196 units to Cogir in California and Washington state. The portfolio was transitioned due to Cogir’s strong regional density in the area and its proven ability to generate superior returns at transition assets
- Cogir US was selected to operate the portfolio due to its strong operational history in the Pacific Northwest, data-driven culture, and history of successfully improving operations at transitioned assets
- As of April 2024, the portfolio attained 83.9% occupancy and a 19.7% NOI margin (+790 bps and +600 bps higher than prior peak levels, respectively), representing superior operating metrics for a predominantly memory care portfolio
  - Cogir attributed performance to its regional density, which has enabled its operational teams to develop a deep understanding of local markets, and through active asset management
  - On-the-ground personnel teams at the communities excel at creating a positive resident experience and are supported by senior management teams working in close proximity to the properties

Soleil fits seamlessly within the existing Cogir US portfolio, allowing for increased operating efficiencies and continued growth in property-level fundamentals through greater regional density



1. T-3 NOI margin and occupancy represent the average of the trailing three months' operating results



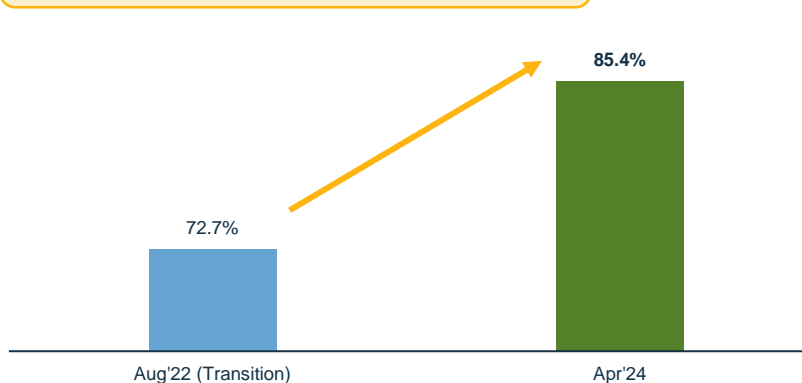
# StoryPoint Case Study | Danbury Portfolio Acquisition & Transition

Acquisition of 19 assets and concurrent transition to StoryPoint has resulted in material occupancy and NOI improvement

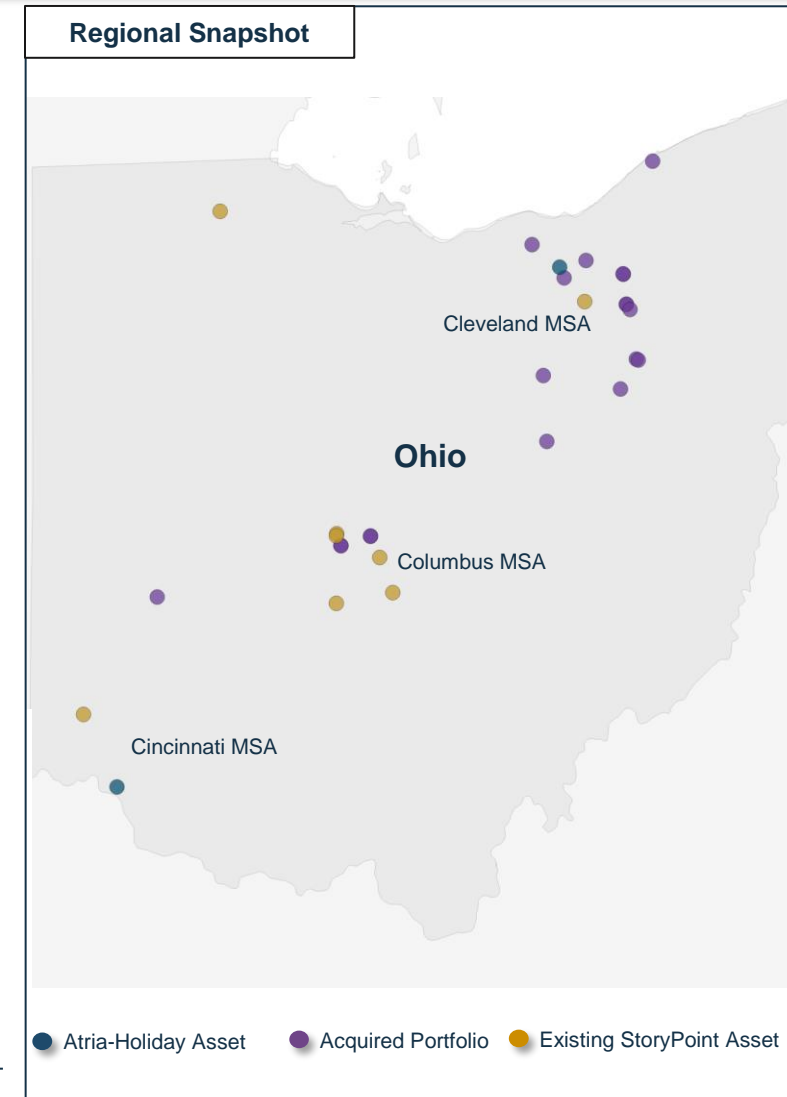
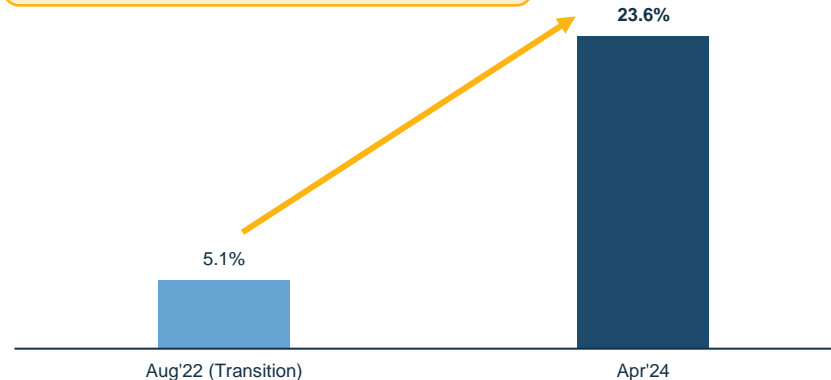
- In mid-2022, Welltower acquired the Danbury portfolio (“Danbury”) of 19 communities consisting of ~2,000 units, which were transitioned to StoryPoint Senior Living concurrent with closing
- StoryPoint was selected to operate Danbury due to its track record of success in operating properties in high-end Midwest micro-markets and integrating consumer-focused brands onto its management platform
- In its most recent reporting period, Danbury attained 85.4% occupancy and 23.6% NOI margin which was ~1,300 bps and ~1,800 bps higher, respectively, than its pre-transition period metrics
  - StoryPoint attributed the improved performance to strong execution by its transition team in integrating the assets into its broader portfolio and the significant operational synergies achieved due to the proximity of the Danbury portfolio to its existing managed assets in the region

The post-acquisition transition of the portfolio to StoryPoint has resulted in greater micromarket density, more efficient asset management, expense synergies, and ultimately incremental value for WELL

April 2024 T-3 Occupancy <sup>(1)</sup> is now ~1,300 bps higher than its pre-transition occupancy



April 2024 T-3 NOI Margin <sup>(1)</sup> is now ~1,800 bps higher than its pre-transition margin



1. T-3 NOI margin and occupancy represent the average of the trailing three months' operating results

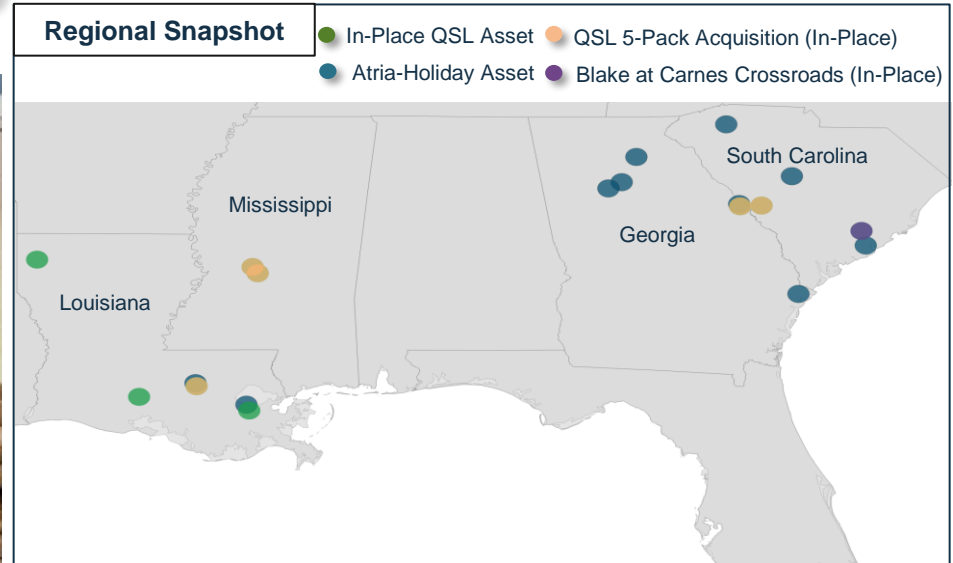
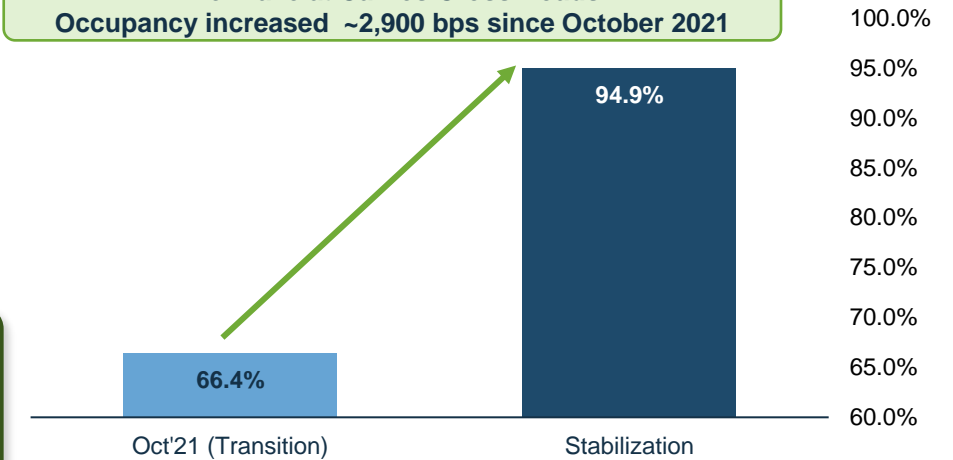
# QSL Case Study | Recent Acquisitions & Transitions

## Significant expansion of QSL relationship following strong operational performance in Southeast clusters

- QSL has a strong history of integrating southeast based transition assets fluidly into their existing portfolio of properties
  - In October 2021, the Blake at Carnes Cross Roads in South Carolina was acquired and transitioned to QSL at 66.4% occupancy and reached 95% occupancy less than 15 months post transition
- Following QSL's rapid operational improvement at the Blake, Welltower transitioned to QSL a five-property portfolio which was acquired in December 2023.
  - The five-property portfolio consists of 481 units located in attractive micro-markets across the Southeast
  - The portfolio has outperformed with NOI ~18% higher than original underwriting

- Welltower is creating greater regional density with QSL, one of its strongest operating partners, through the recent 5-property portfolio acquisition/transition and the upcoming transition of the Southeast Holiday properties**
- With an average drive time of ~85 minutes between the QSL portfolio and the transition assets, Welltower has created clusters of communities through which significant operational synergies are expected to be achieved through more focused asset management and complementary product offerings

**The Blake at Carnes Cross Roads:  
Occupancy increased ~2,900 bps since October 2021**



# Seniors Housing Trends

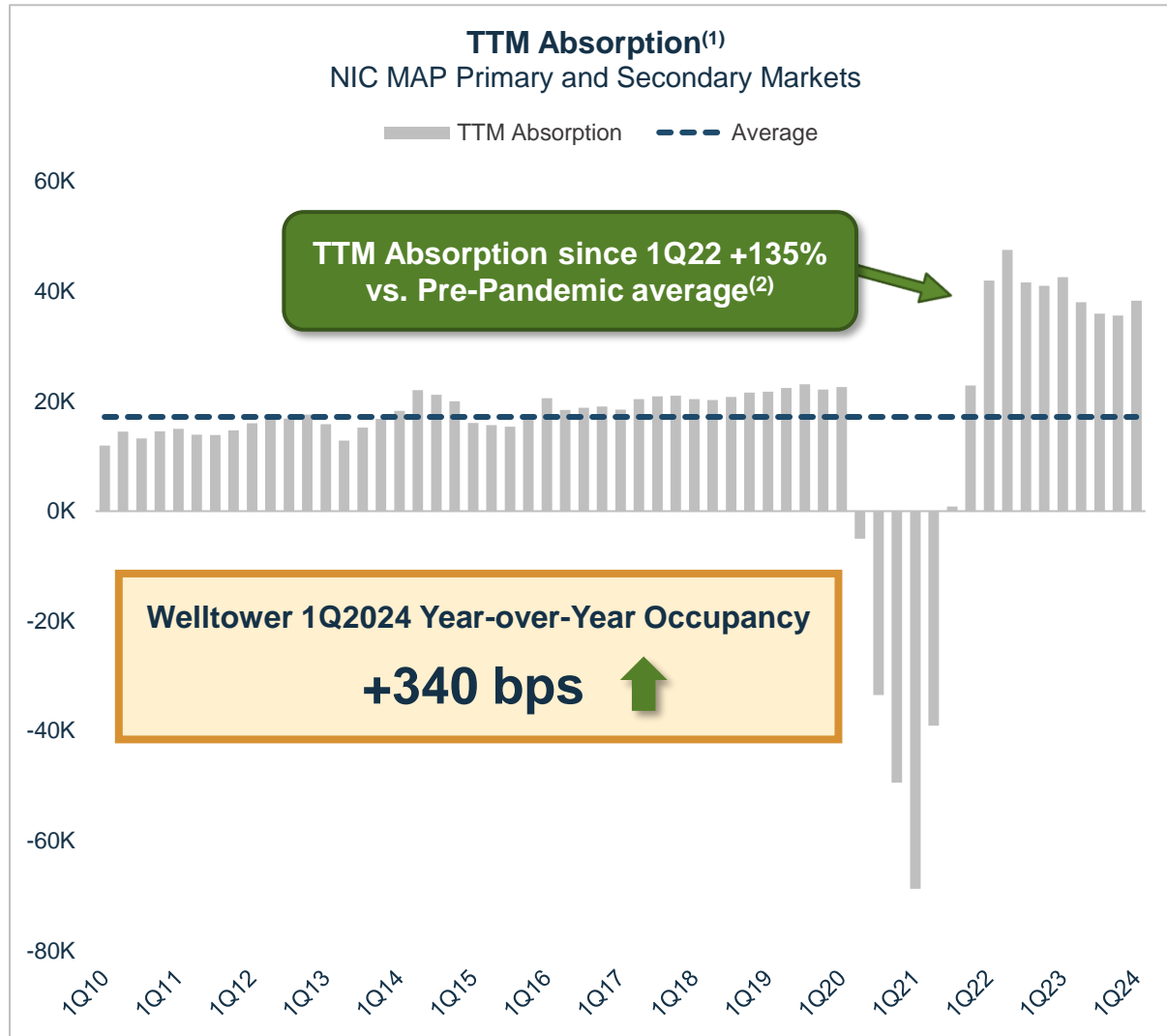
*(Unchanged since prior update)*



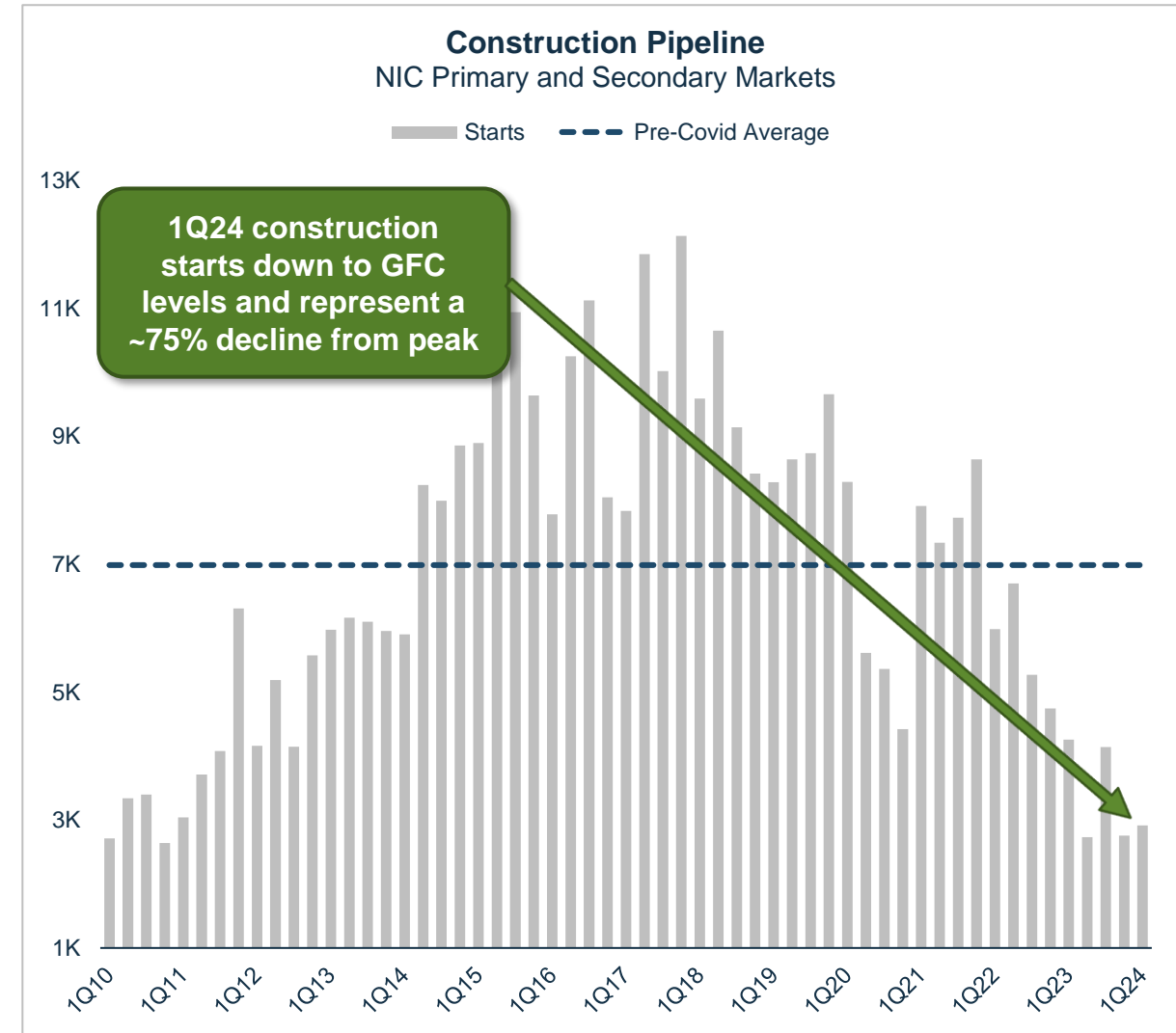
# Supply-Demand Imbalance Expected to Support Sustained Occupancy Growth in 2024+

Per previous business update issued April 29, 2024

## Seniors Housing Demand Remains Robust....



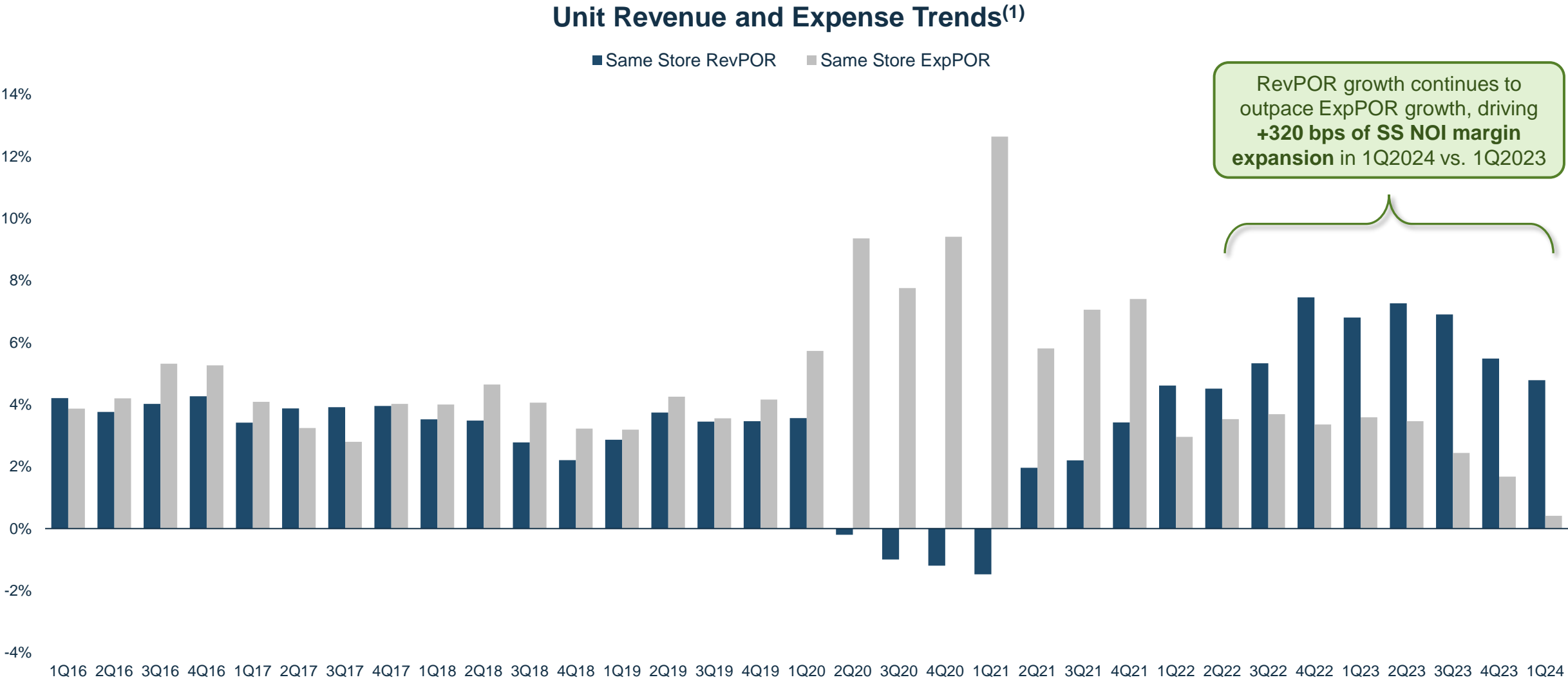
## ....While Supply Continues to Decline Rapidly





# Favorable Unit Economics Driving Substantial Margin Expansion

Per previous business update issued April 29, 2024



1. Represents year-over year SS RevPOR and SS ExpPOR growth percentages. See 1Q24 Non-GAAP Financial Measures on Welltower's investor relations section on its website for more information

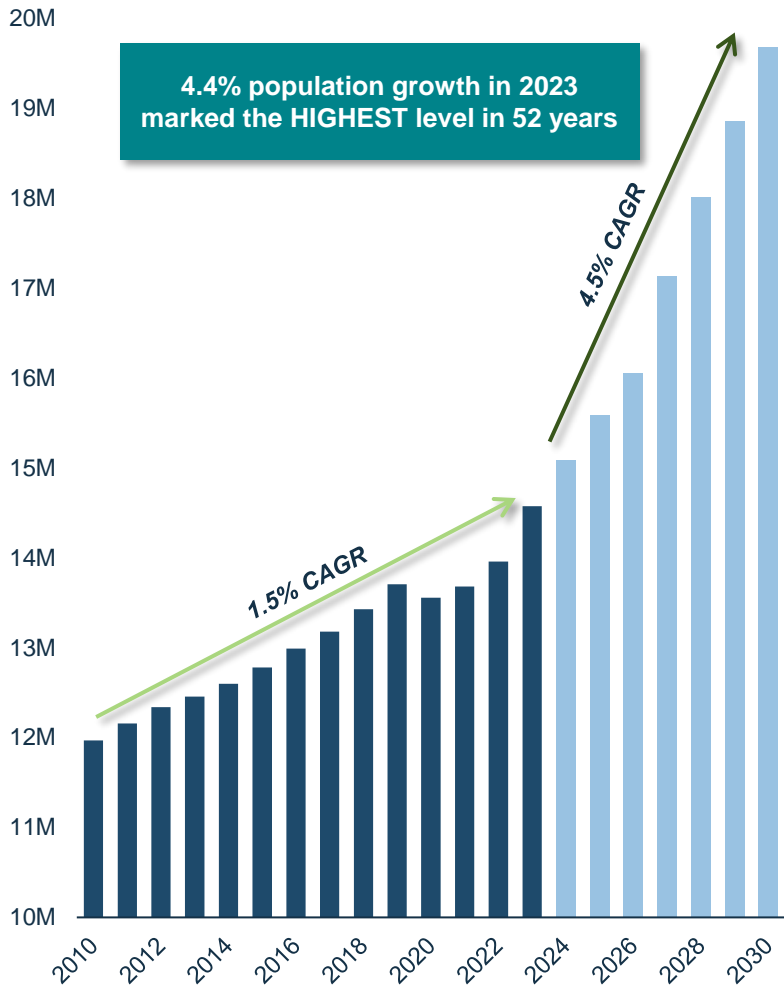


# Seniors Housing | Compelling Backdrop for Multi-Year Revenue Growth

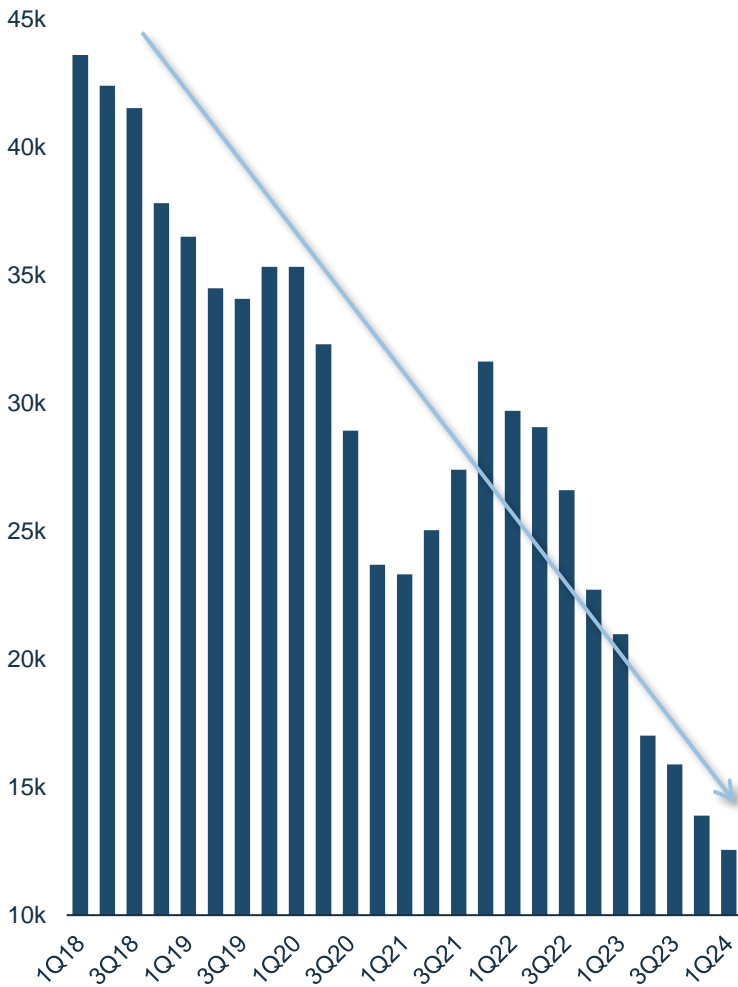
Per previous business update issued April 29, 2024

Accelerating 80+ Population Growth Coinciding with Diminishing New Supply & Improved Affordability

US 80+ Population Growth



Seniors Housing TTM Construction Starts



Seniors Housing Affordability  
Indexed Growth Since 2008



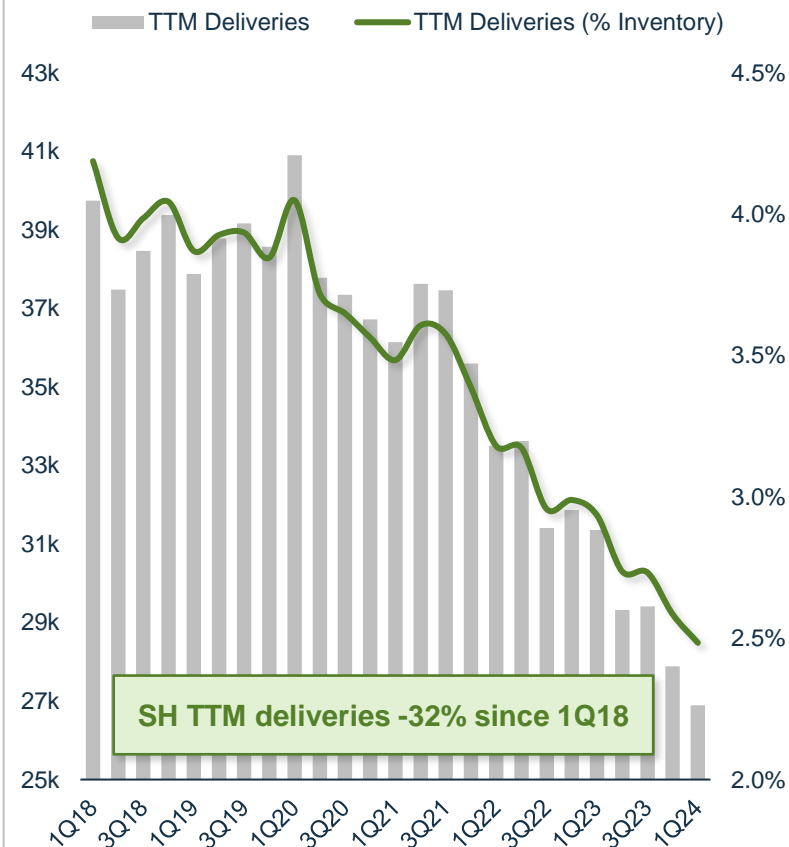


# Minimal New Supply in Coming Years Sets Stage For Multi-Year Occupancy Gains

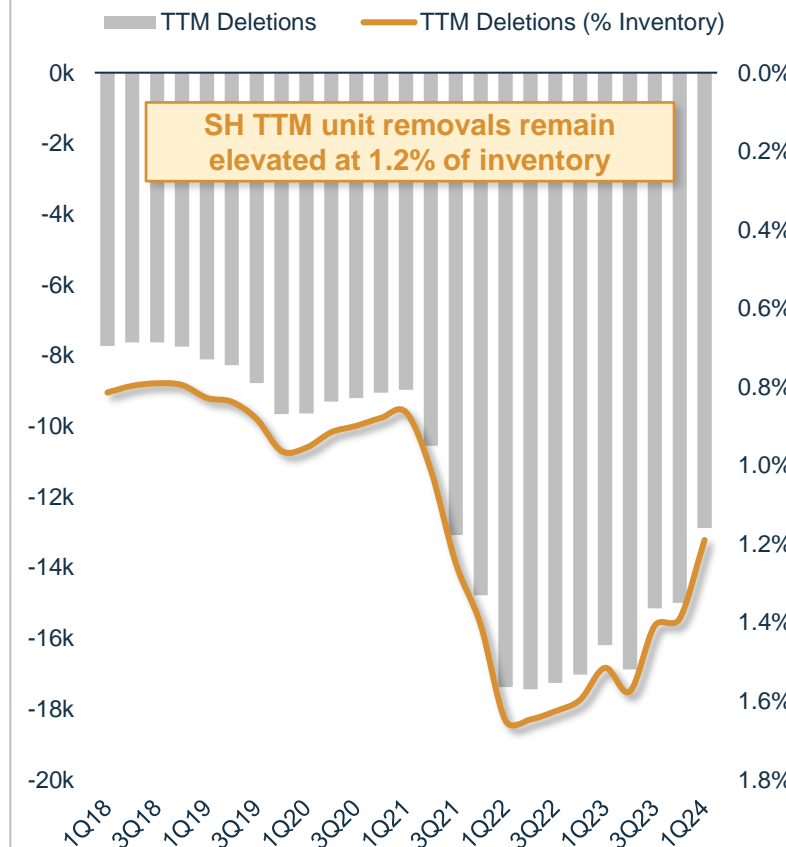
Per previous business update issued April 29, 2024

## Declining Deliveries Amplified by Elevated Level of Units Coming out of Service

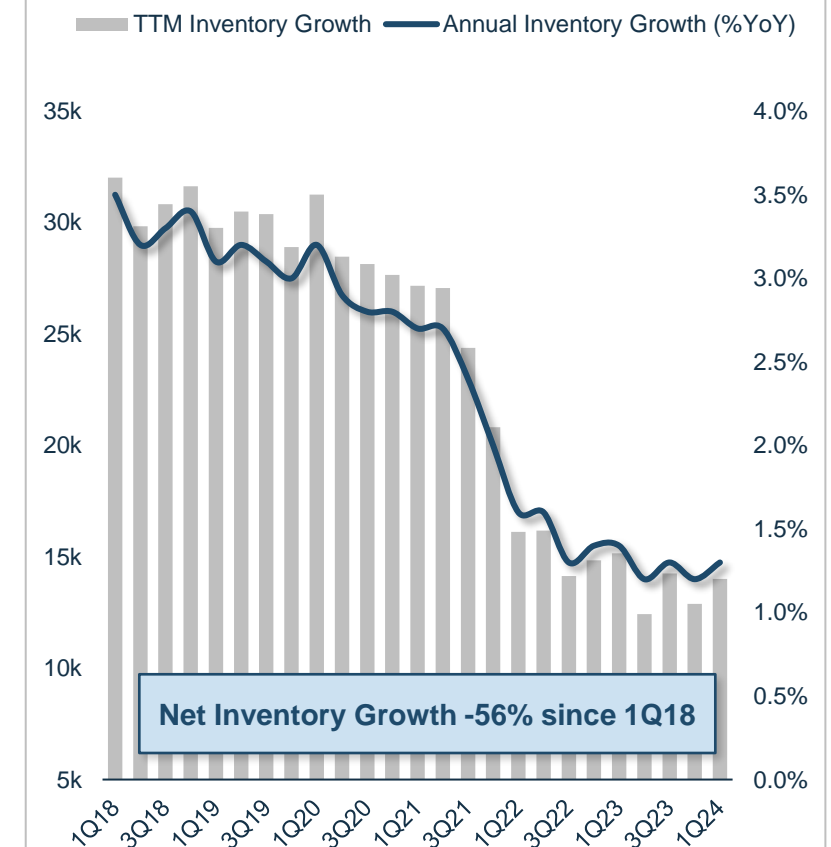
### Deliveries



### Obsolescence



### Net Inventory Growth



Declining Deliveries + High Inventory Obsolescence

Anemic Inventory Growth





# Muted Seniors Housing Supply Expected Through the End of the Decade

*Per previous business update issued April 29, 2024*

**Disruption in Construction Financing Market and Dismantling of Development Teams Expected to Result in Multi-Year Period of Diminished Supply**

**Surge in interest rates over the past 18 months has resulted in prohibitively expensive floating rate debt for developers, in rare instances in which construction financing is extended**

- Average spreads over SOFR range from 350 bps to >400 bps, implying a 9%-10%+ all-in cost for construction loans
- Stringent lending standards and greater capital reserve requirements are increasing capital charges and further raising the cost of construction financing
- Loan-to-cost ratios have declined to ~50%, requiring developers to provide greater upfront equity and pressuring levered IRRs
- Higher construction/financing costs and greater equity requirements causing many developers & construction lenders to meaningfully reduce activity
- Development platforms being dismantled given muted construction starts; need to rebuild human capital prior to development capital formation

**Developers Face Extended Timeline to Project Stabilization FOLLOWING Rebuilding of Development Teams AND Return of Construction Financing**



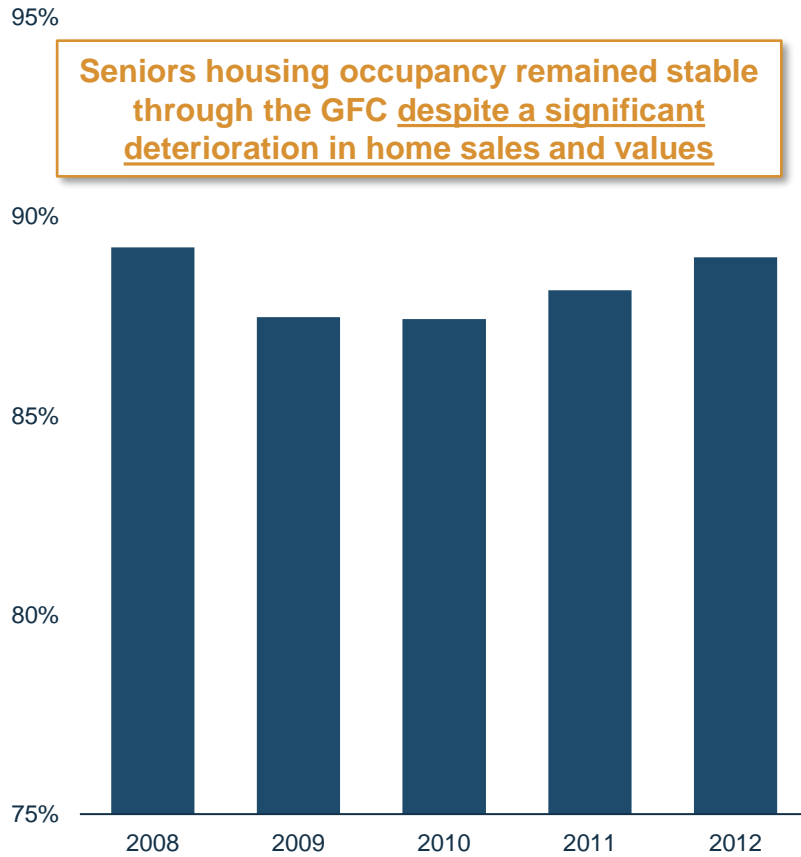
**Average time to stabilization totals approximately 7 years with many projects in high-barrier-to-entry markets taking significantly longer**

# Global Financial Crisis Case Study

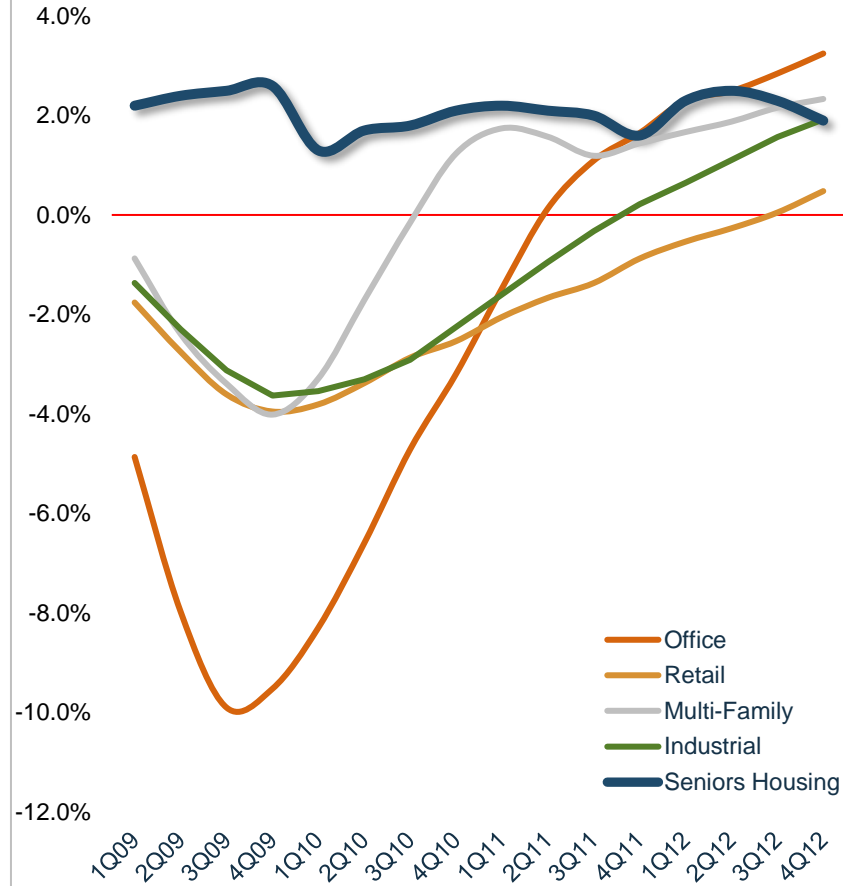
Per previous business update issued April 29, 2024

## Resilient Demand During GFC Driven By Needs-Based Nature of Seniors Housing

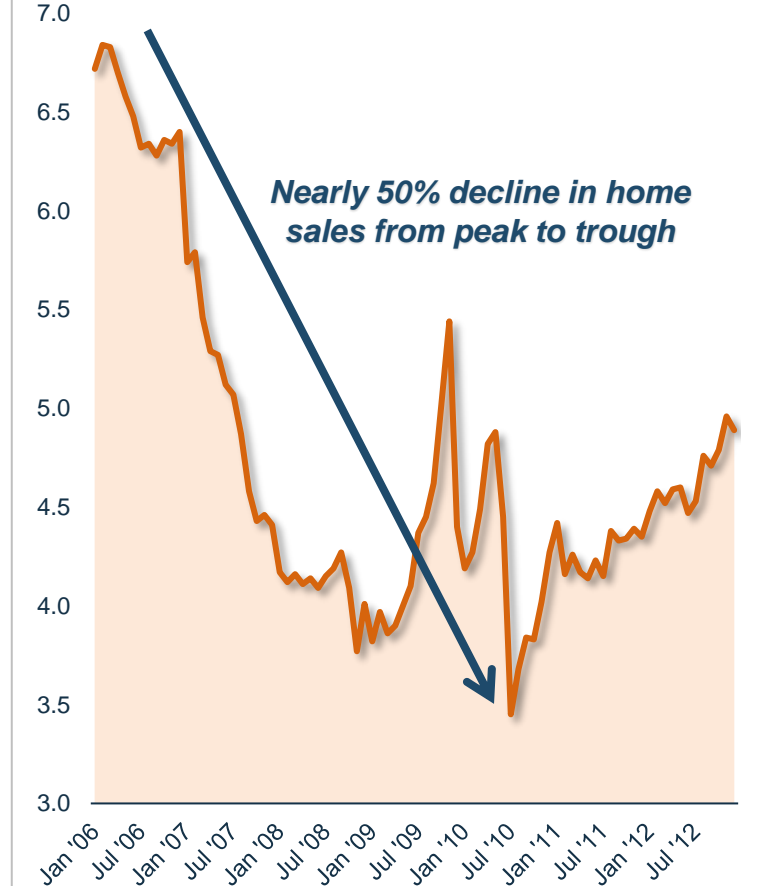
Seniors Housing Average Occupancy



TTM Market Rent Growth



Existing Home Sales

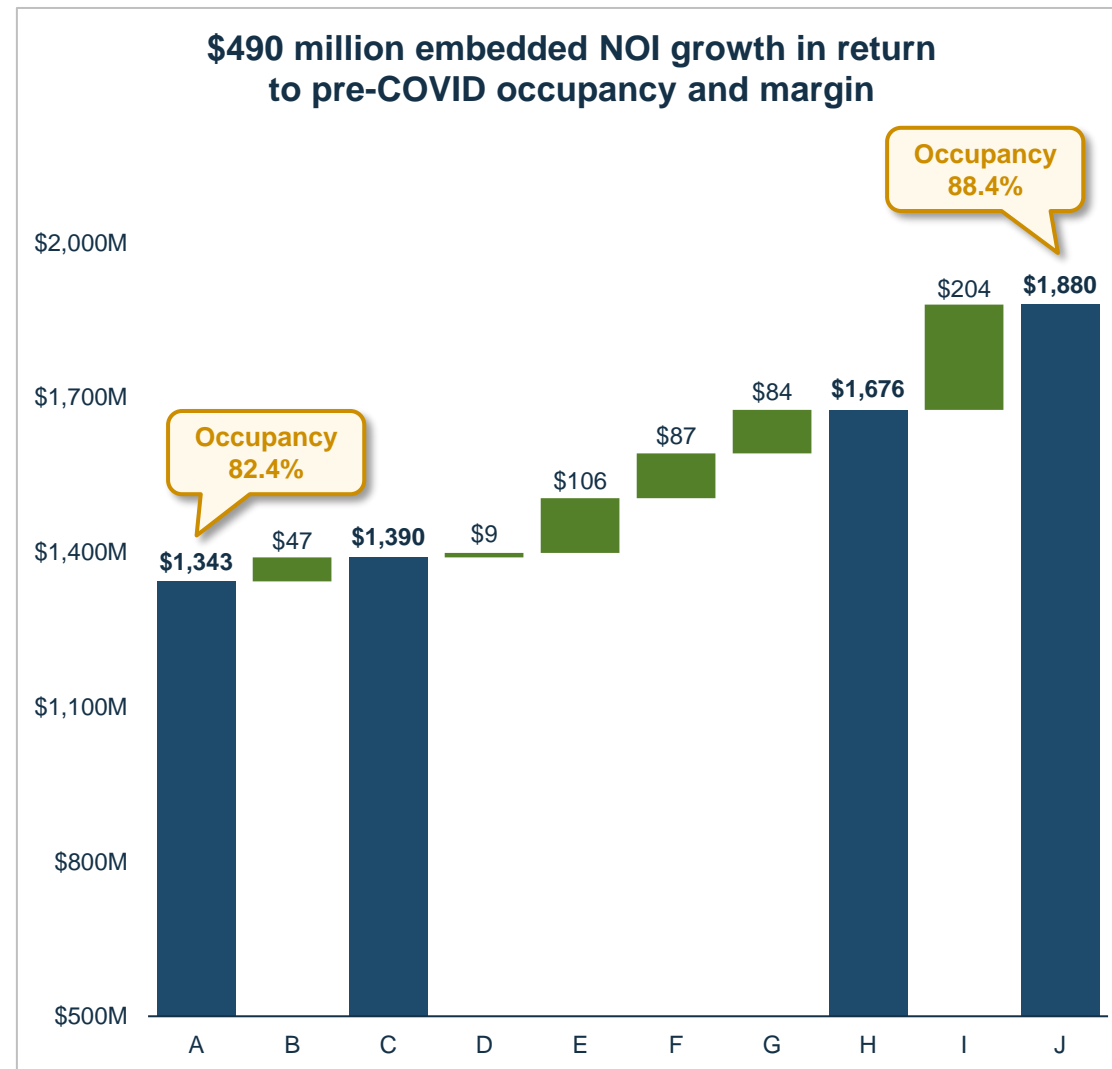


# SHO Portfolio | Path to Recovery

Per previous business update issued April 29, 2024

Category	NOI (\$M)
<b>A) 1Q24 Total Portfolio - IPNOI Portfolio<sup>(1)</sup></b>	<b>1,343</b>
B) Revera + Chartwell JV Ownership Increase + Announced NNN Conversion	47
<b>C) 1Q24 Total Portfolio – Adjusted IPNOI Portfolio</b>	<b>1,390</b>
D) 4Q19 Open Property Occupancy Recovery (ex. Transitions)	9
E) Transition Properties	106
F) Fill-Up Properties	87
G) Lease-Up of Acquisitions (4Q20-1Q24)	84
<b>H) 1Q24 Total Portfolio - Post COVID Recovery NOI</b>	<b>1,676</b>
I) Upside Assuming 1Q24 Realized RevPOR	204
<b>J) 1Q24 Total Portfolio - Post COVID Recovery NOI Assuming 1Q24 RevPOR</b>	<b>1,880</b>

A) 1Q24 Portfolio In-Place NOI
B) Adjustment to 1Q24 IPNOI to reflect increased ownership stake in properties owned in prior JVs with Revera and Chartwell and announced NNN Conversion <sup>(2)</sup>
C) Adjusted 1Q24 Portfolio In-Place NOI
D) Incremental NOI from return to 4Q19 NOI levels for properties open in 4Q19, excluding segment or operator transitions
E) Incremental NOI from properties open in 4Q19 that subsequently underwent operator or segment transitions
F) Incremental NOI from development properties delivered subsequent to 4Q19 and properties acquired subsequent to 4Q19 and prior to 4Q20. NOI stabilization assumes return to pre-COVID NOI for acquisition properties and underwritten stabilized NOI for development properties
G) Incremental NOI from stabilization of properties acquired between 4Q20 and 1Q24
H) 1Q24 portfolio post-COVID recovery NOI. Represents portfolio occupancy of 88.4% and operating margin of 31.1%
I) Incremental NOI assuming realized 1Q24 RevPOR for properties open in 4Q19 <sup>(3)</sup>
J) 1Q24 portfolio post-COVID recovery NOI based on 1Q24 realized RevPOR



**Potential for ADDITIONAL UPSIDE assuming return to PEAK OCCUPANCY of 91.2% in 4Q15**

1. Represents \$1,344 million of IPNOI in 1Q2024, excluding \$1 million of HHS. See "Supplemental Financial Measures" at the end of this presentation for definitions and reconciliations of non-GAAP financial measures

2. Categories D through G assume increased ownership stake in properties owned in prior joint ventures with Revera and Chartwell

3. Incremental NOI assumes realized 1Q24 RevPOR for properties open in 4Q19, including those within buckets D, E, and G

# Balance Sheet

# Plurality of Capital Sources

Per previous business update issued April 29, 2024

## Leveraging Efficient & Low-Cost Capital to Execute Investment Strategy

✓ Access to **secured and unsecured** debt financing

✓ Pivot between **multiple sources of capital** based upon cost and availability

✓ **Recycle capital** to improve portfolio quality and capitalize on market inefficiencies

### \$20B | PUBLIC EQUITY

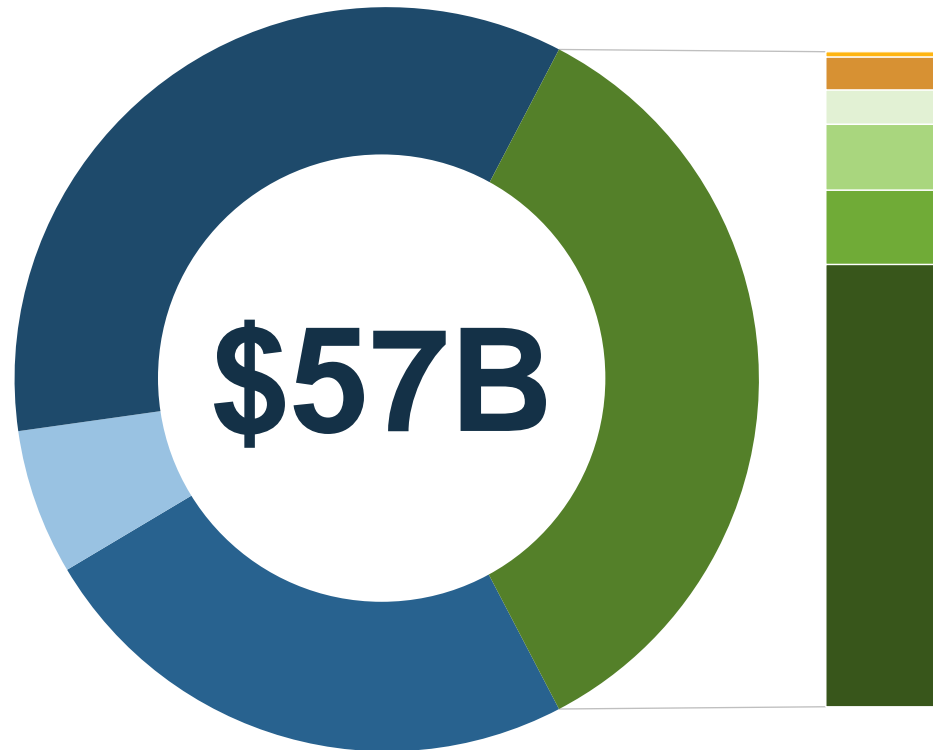
- Efficiently raised primarily via ATM & DRIP programs since 2015

### \$4B | PRIVATE CAPITAL

- Capital raised via joint venture partnerships with institutional capital partners

### \$14B | DISPOSITIONS

- Asset sales completed since 2015
- Investments across multiple property types allow for opportunistic harvesting of assets, taking advantage of relative value



### \$19B | DEBT

- Investment grade balance sheet (BBB+/Baa1) with access to a plurality of debt capital

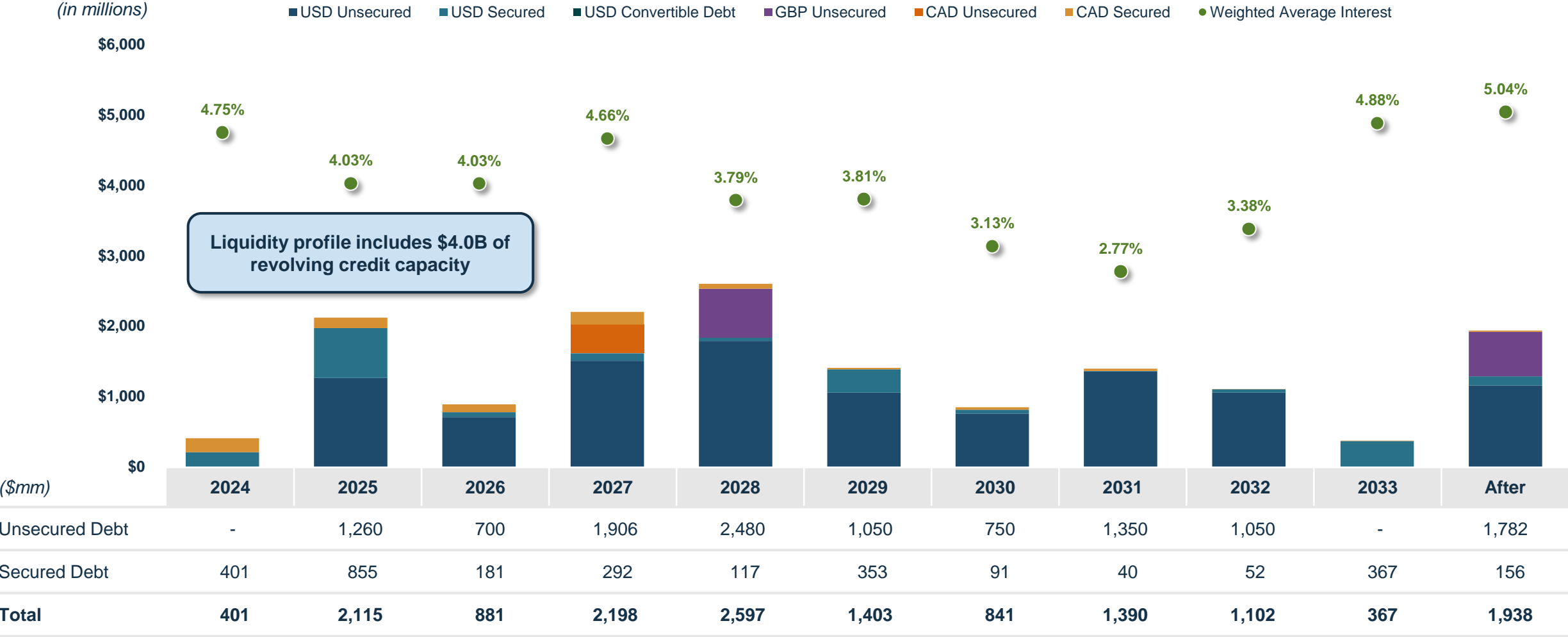
- GDP Denominated Secured Debt
- USD Term Loan
- Exchangeable Notes
- CAD Denominated Secured Debt
- USD Denominated Secured Debt
- Senior Unsecured Debt



# Well-Laddered Debt Maturity Schedule<sup>(1,2,3)</sup>

On May 22, 2024, S&P Global revised Welltower's credit rating outlook to positive from stable, citing strong seniors housing industry tailwinds, a materially strengthened balance sheet, and an expectation that key credit metrics will continue to improve going forward

## Weighted Average Maturity of 6.0 Years



1. As of March 31, 2024  
2. Represents principal amounts due excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet  
3. 2027 includes a \$1,000,000,000 unsecured term loan and a CAD \$250,000,000 unsecured term loan (approximately \$184,638,000 USD at March 31, 2024). The loans mature on July 19, 2026. The interest rates on the loans are adjusted SOFR + 0.85% for USD and CDOR + 0.85% for CAD. Both term loans may be extended for two successive terms of six months at our option.

# **Supplemental Financial Measures**



# || 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.

# Earnings Outlook Reconciliation

(in millions, except per share data)

	Year Ended December 31, 2024			
	Prior Outlook		Current Outlook	
	Low	High	Low	High
<u>FFO Reconciliation:</u>				
Net income attributable to common stockholders	\$ 879	\$ 957	\$ 868	\$ 940
Impairments and losses (gains) on real estate dispositions, net <sup>(1,2)</sup>	(154)	(154)	(154)	(154)
Depreciation and amortization <sup>(1)</sup>	1,638	1,638	1,653	1,653
NAREIT FFO attributable to common stockholders	2,363	2,441	2,367	2,439
Normalizing items, net <sup>(1,3)</sup>	29	29	55	55
Normalized FFO attributable to common stockholders	\$ 2,392	\$ 2,470	\$ 2,422	\$ 2,494
 Diluted per share data attributable to common stockholders:				
Net income	\$ 1.48	\$ 1.61	\$ 1.45	\$ 1.57
NAREIT FFO	\$ 3.97	\$ 4.10	\$ 3.96	\$ 4.08
Normalized FFO	\$ 4.02	\$ 4.15	\$ 4.05	\$ 4.17
Normalized FFO midpoint		\$ 4.085		\$ 4.11
 Other items: <sup>(1)</sup>				
Net straight-line rent and above/below market rent amortization	\$ (138)	\$ (138)	\$ (138)	\$ (138)
Non-cash interest expenses	48	48	48	48
Recurring cap-ex, tenant improvements, and lease commissions	(235)	(235)	(235)	(235)
Stock-based compensation	40	40	40	40

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

(2) Includes estimated gains on projected dispositions.

(3) See our earnings press release for more information. Also includes incremental expense expected to be recognized in the quarter beyond what has been accrued in conjunction with the termination of a property management agreement.

# NOI, IPNOI, SSNOI, RevPOR, ExpPOR, SS RevPOR & SS ExpPOR

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 general overhead costs that are unrelated to property operations and unallocable to the properties. These expenses include, but are not limited to, payroll and benefits related to corporate employees, 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. No reconciliation of the forecasted range for SSNOI on a combined basis or by property type is included in this release because we are unable to quantify certain amounts that would be required to be included in the comparable GAAP financial measure without unreasonable efforts, and we believe such reconciliations would imply a degree of precision that could be confusing or misleading to investors.

RevPOR represents the average revenues generated per occupied room per month at our Seniors Housing Operating properties and ExpPOR represents the average expenses per occupied room per month at our Seniors Housing Operating properties. These metrics are calculated as the pro rata version of resident fees and services revenues or property operating expenses per the income statement divided by average monthly occupied room days. SS RevPOR and SS ExpPOR are used to evaluate the RevPOR and ExpPOR performance of our properties under a consistent population, which eliminates changes in the composition of our portfolio. They are based on the same pool of properties used for SSNOI and includes any revenue or expense normalizations used for SSNOI. We use RevPOR, ExpPOR, SS RevPOR and SS ExpPOR 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.

# In-Place NOI Reconciliations

(dollars in thousands)

	<b>March 31, 2024</b>
Net income (loss)	\$ 131,634
Loss (gain) on real estate dispositions, net	(4,707)
Loss (income) from unconsolidated entities	7,783
Income tax expense (benefit)	6,191
Other expenses	14,131
Impairment of assets	43,331
Provision for loan losses, net	1,014
Loss (gain) on extinguishment of debt, net	6
Loss (gain) on derivatives and financial instruments, net	(3,054)
General and administrative expenses	53,318
Depreciation and amortization	365,863
Interest expense	<u>147,318</u>
Consolidated net operating income	762,828
NOI attributable to unconsolidated investments <sup>(1)</sup>	32,090
NOI attributable to noncontrolling interests <sup>(2)</sup>	<u>(22,796)</u>
Pro rata net operating income (NOI)	772,122
Adjust:	
Interest income	(56,869)
Other income	(27,068)
Sold / held for sale	(8,384)
Non-operational <sup>(3)</sup>	1,921
Non In-Place NOI <sup>(4)</sup>	(30,882)
Timing adjustments <sup>(5)</sup>	<u>1,610</u>
In-Place NOI	<u>652,450</u>
Annualized In-Place NOI	<u><u>\$ 2,609,800</u></u>

<b>In-Place NOI by property type</b>	<b>March 31, 2024</b>	<b>% of Total</b>
Seniors Housing Operating	\$ 1,344,032	51 %
Seniors Housing Triple-net	407,064	16 %
Outpatient Medical	526,384	20 %
Long-Term/Post-Acute Care	332,320	13 %
Total In-Place NOI	<u><u>\$ 2,609,800</u></u>	<u><u>100 %</u></u>

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

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

(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.

# SSNOI Reconciliation

(dollars in thousands)

	March 31, 2024	March 31, 2023	% growth YOY
Net income (loss)	\$ 131,634	\$ 28,635	
Loss (gain) on real estate dispositions, net	(4,707)	(747)	
Loss (income) from unconsolidated entities	7,783	7,071	
Income tax expense (benefit)	6,191	3,045	
Other expenses	14,131	22,745	
Impairment of assets	43,331	12,629	
Provision for loan losses	1,014	777	
Loss (gain) on extinguishment of debt, net	6	5	
Loss (gain) on derivatives and financial instruments, net	(3,054)	930	
General and administrative expenses	53,318	44,371	
Depreciation and amortization	365,863	339,112	
Interest expense	147,318	144,403	
Consolidated NOI	762,828	602,976	
NOI attributable to unconsolidated investments <sup>(1)</sup>	32,090	26,354	
NOI attributable to noncontrolling interests <sup>(2)</sup>	(22,796)	(25,057)	
Pro rata NOI <sup>(3)</sup>	772,122	604,273	
Non-cash NOI attributable to same store properties	(11,530)	(28,727)	
NOI attributable to non-same store properties	(222,298)	(101,335)	
Currency and ownership adjustments <sup>(4)</sup>	(713)	3,779	
Other adjustments <sup>(5)</sup>	1,558	(545)	
Same Store NOI (SSNOI)	<u>\$ 539,139</u>	<u>\$ 477,445</u>	<u>12.9%</u>
Seniors Housing Operating	266,907	212,749	25.5%
Seniors Housing Triple-net	93,740	90,310	3.8%
Outpatient Medical	119,184	116,879	2.0%
Long-Term/Post-Acute Care	59,308	57,507	3.1%
Total SSNOI	<u>\$ 539,139</u>	<u>\$ 477,445</u>	<u>12.9%</u>

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

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

(3) Represents Welltower's pro rata share of NOI.

(4) Includes adjustments to reflect consistent property ownership percentages and foreign currency exchange rates for properties in the U.K. and Canada.

(5) Includes other adjustments described in the 1Q24 Supplemental Information package.

# SHO RevPOR Growth Reconciliation

(dollars in thousands, except SS RevPOR and units)

## SHO SS RevPOR Growth

	March 31, 2023	March 31, 2024
Consolidated SHO revenues	\$ 1,136,681	\$ 1,366,760
Unconsolidated SHO revenues attributable to WELL <sup>(1)</sup>	59,581	63,581
SHO revenues attributable to noncontrolling interests <sup>(2)</sup>	(52,518)	(43,523)
SHO pro rata revenues <sup>(3)</sup>	1,143,744	1,386,818
Non-cash and non-RevPOR revenues on same store properties	(1,935)	(1,295)
Revenues attributable to non-same store properties	(239,416)	(381,958)
Currency and ownership adjustments <sup>(4)</sup>	6,049	(1,317)
SHO SS RevPOR revenues <sup>(5)</sup>	\$ 908,442	\$ 1,002,248
Average occupied units/month <sup>(6)</sup>	57,143	59,502
SHO SS RevPOR <sup>(7)</sup>	\$ 5,373	\$ 5,630
SS RevPOR YOY growth		4.8 %
SHO SS RevPOR revenue adjustment for leap year <sup>(8)</sup>	\$ 3,093	
SHO SS RevPOR total revenues adjusted for leap year <sup>(5)</sup>	\$ 911,535	
Average occupied units/month <sup>(6)</sup>	57,143	
SHO SS RevPOR adjusted for leap year <sup>(7)</sup>	\$ 5,332	
SS RevPOR YOY growth adjusted for leap year		5.6 %

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

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

(3) Represents SHO revenues at Welltower pro rata ownership.

(4) Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.36 and to translate UK properties at a GBP/USD rate of 1.25.

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

(6) Represents average occupied units for SS properties on a pro rata basis.

(7) Represents pro rata SS average revenues generated per occupied room per month, and adjusted, where applicable, for consistent number of days per quarter.

(8) Represents adjustment for one incremental day for operators that bill daily.



# SHO SS ExpPOR Growth Reconciliation

(dollars in thousands, except SS ExpPOR and units)

## SHO SS ExpPOR Growth

Consolidated SHO property operating expenses

Unconsolidated SHO expenses attributable to WELL<sup>(1)</sup>

SHO expenses attributable to noncontrolling interests<sup>(2)</sup>

SHO pro rata expenses<sup>(3)</sup>

Non-cash expenses on same store properties

Expenses attributable to non-same store properties

Currency and ownership adjustments<sup>(4)</sup>

Normalizing adjustment for management fee<sup>(5)</sup>

Normalizing adjustment for casualty related expenses<sup>(6)</sup>

Other normalizing adjustments<sup>(7)</sup>

SHO SS expenses<sup>(8)</sup>

SHO SS expense YOY growth

Average occupied units/month<sup>(9)</sup>

SHO SS ExpPOR<sup>(10)</sup>

SS ExpPOR YOY growth

SHO SS ExpPOR expense adjustment for leap year<sup>(11)</sup>

SHO SS ExpPOR total expenses adjusted for leap year<sup>(8)</sup>

Average occupied units/month<sup>(9)</sup>

SHO SS ExpPOR adjusted for leap year<sup>(10)</sup>

SS ExpPOR YOY growth adjusted for leap year

	March 31, 2023	March 31, 2024
\$	883,784	\$ 1,019,347
	47,455	41,799
	(36,258)	(26,164)
	894,981	1,034,982
	(257)	(212)
	(204,263)	(295,851)
	5,692	(943)
	4,298	—
	(3,931)	(1,945)
	—	198
\$	696,520	\$ 736,229
		5.7 %
	57,143	59,502
\$	4,119	\$ 4,136
		0.4 %
\$	4,288	
\$	700,808	
	57,143	
\$	4,099	
		0.9 %

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

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

(3) Represents SHO property operating expenses at Welltower pro rata ownership.

(4) Includes where appropriate adjustments to reflect consistent property ownership percentages, to translate Canadian properties at a USD/CAD rate of 1.36 and to translate UK properties at a GBP/USD rate of 1.25.

(5) Represents normalizing adjustment related to the disposition of our ownership interest in two Seniors Housing Operating management company investments.

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

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

(8) Represents SHO same store property operating expenses at Welltower pro rata ownership.

(9) Represents average occupied units for SS properties.

(10) Represents pro rata SS average expenses per occupied room per month, and adjusted, where applicable, for consistent number of days per quarter.

(11) Represents estimate of one incremental day of variable expenses.





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