

Business Update

October 28, 2020

welltower

Forward Looking Statements

This document contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When Welltower uses words such as “may,” “will,” “intend,” “should,” “believe,” “expect,” “anticipate,” “project,” “pro forma,” “estimate” or similar expressions that do not relate solely to historical matters, Welltower is making forward-looking statements. Forward-looking statements 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 duration and scope of the COVID-19 pandemic; the impact of the COVID-19 pandemic on occupancy rates and on the operations of Welltower and its operators/tenants; actions governments take in response to the COVID-19 pandemic, including the introduction of public health measures and other regulations affecting Welltower’s properties and the operations of Welltower and its operators/tenants; the effects of health and safety measures adopted by Welltower and its operators/tenants related to the COVID-19 pandemic; increased operational costs as a result of health and safety measures related to COVID-19; the impact of the COVID-19 pandemic on the business and financial condition of operators/tenants and their ability to make payments to Welltower; disruptions to Welltower’s property acquisition and disposition activity due to economic uncertainty caused by COVID-19; general economic uncertainty in key markets as a result of the COVID-19 pandemic and a worsening of global economic conditions or low levels of economic growth; the status of capital markets, including availability and cost of capital; uncertainty from the expected discontinuance of LIBOR and the transition to any other interest rate benchmark; issues facing the health care industry, including compliance with, and changes to, regulations and payment policies, responding to government investigations and punitive settlements and operators’/tenants’ difficulty in cost effectively obtaining and maintaining adequate liability and other insurance; changes in financing terms; competition within the health care and seniors housing industries; negative developments in the operating results or financial condition of operators/tenants, including, but not limited to, their ability to pay rent and repay loans; Welltower’s ability to transition or sell properties with profitable results; the failure to make new investments or acquisitions as and when anticipated; natural disasters and other acts of God affecting Welltower’s properties; Welltower’s ability to re-lease space at similar rates as vacancies occur; Welltower’s ability to timely reinvest sale proceeds at similar rates to assets sold; operator/tenant or joint venture partner bankruptcies or insolvencies; the cooperation of joint venture partners; government regulations affecting Medicare and Medicaid reimbursement rates and operational requirements; liability or contract claims by or against operators/tenants; unanticipated difficulties and/or expenditures relating to future investments or acquisitions; environmental laws affecting Welltower’s properties; changes in rules or practices governing Welltower’s financial reporting; the movement of U.S. and foreign currency exchange rates; Welltower’s ability to maintain Welltower’s qualification as a REIT; key management personnel recruitment and retention; the impact of our senior leadership transition; and other risks described in Welltower’s reports filed from time to time with the SEC. Finally, 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

Seniors Housing Operating (SHO) Portfolio Update

- Total SHO portfolio occupancy declined approximately 150 basis points (bps) during 3Q2020 from 79.9% to 78.4% as compared to our outlook of -125bps to -175bps
- 3Q2020 same store net operating income⁽¹⁾ ("SS NOI") declined -27.3% as compared to 3Q2019 and moderated to -1.1% versus 2Q2020
- Month-to-date SHO portfolio occupancy declined by approximately 30bps through October 23, 2020

Rent Collections

- Triple-Net Portfolio: Collected 98% of rent due in 3Q2020, consistent with 2Q2020
- Outpatient Medical (OM): Collected or approved short term deferrals for over 99% of rent due in 3Q2020, consisting of 97% cash collections and 2% short-term deferrals

Investment Activity

- As previously announced, completed \$1.4 billion of pro rata dispositions in 3Q2020 at a 5.3% blended yield
 - Subsequent to quarter-end, closed on the previously announced disposition of the Northbridge SHO Portfolio for \$200 million
- Additional dispositions at compelling valuation levels may be completed prior to year-end
- Acquisition activity expected to increase in near-term through deployment of capital in stabilized and non-stabilized properties

Balance Sheet and Liquidity

- Near-term liquidity stands at \$5.2 billion as of October 26, 2020
 - Current cash balances total approximately \$2.2 billion⁽²⁾; revolving credit facility is undrawn with capacity of \$3.0 billion
 - Anticipate generating an additional \$214 million of proceeds from assets held for sale as of September 30, 2020, but not yet sold as of October 26, 2020
- Reported Net Debt/Adjusted EBITDA⁽¹⁾ of approximately 6.02x as of September 30, 2020

1. See Supplemental Financial Measures at the end of this presentation for reconciliation

2. Estimated cash balance of \$2.2 billion as of October 26, 2020, including cash and cash equivalents and IRC Section 1031 deposits

Welltower at a Glance

World's Largest Health and Wellness Real Estate Platform

~1,300
Senior Living
Communities⁽¹⁾

~22M sq. ft.
of Outpatient
Facilities⁽¹⁾

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



WELL
LISTED
NYSE

S&P 500

Baa1
MOODY'S

BBB+
S&P Global

BBB+
FitchRatings

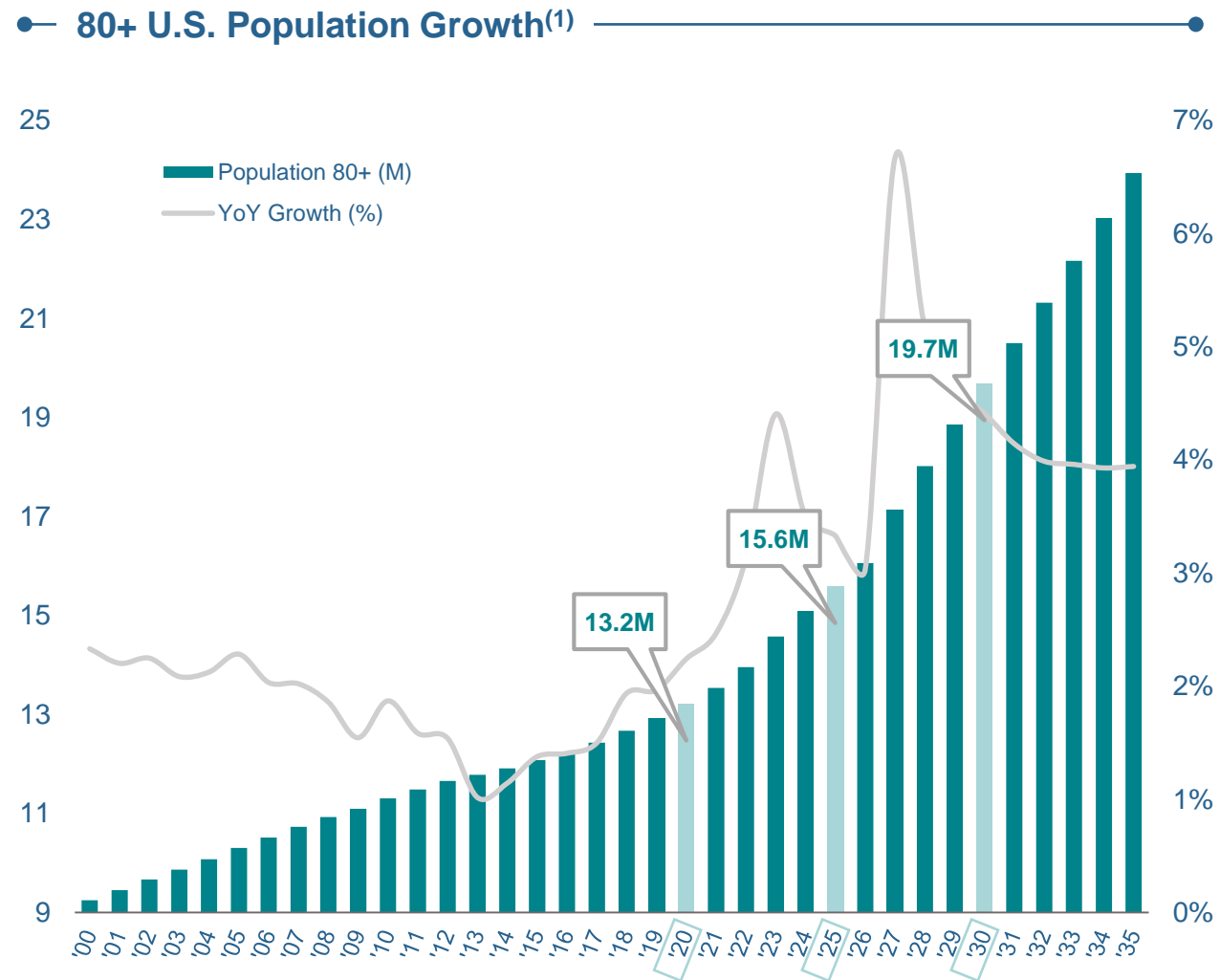


Welltower Purpose

*Addressing societal challenges through
reimagining and reinventing the built environment
for effective health and wellness care delivery*

Secular Theme | An Aging Population

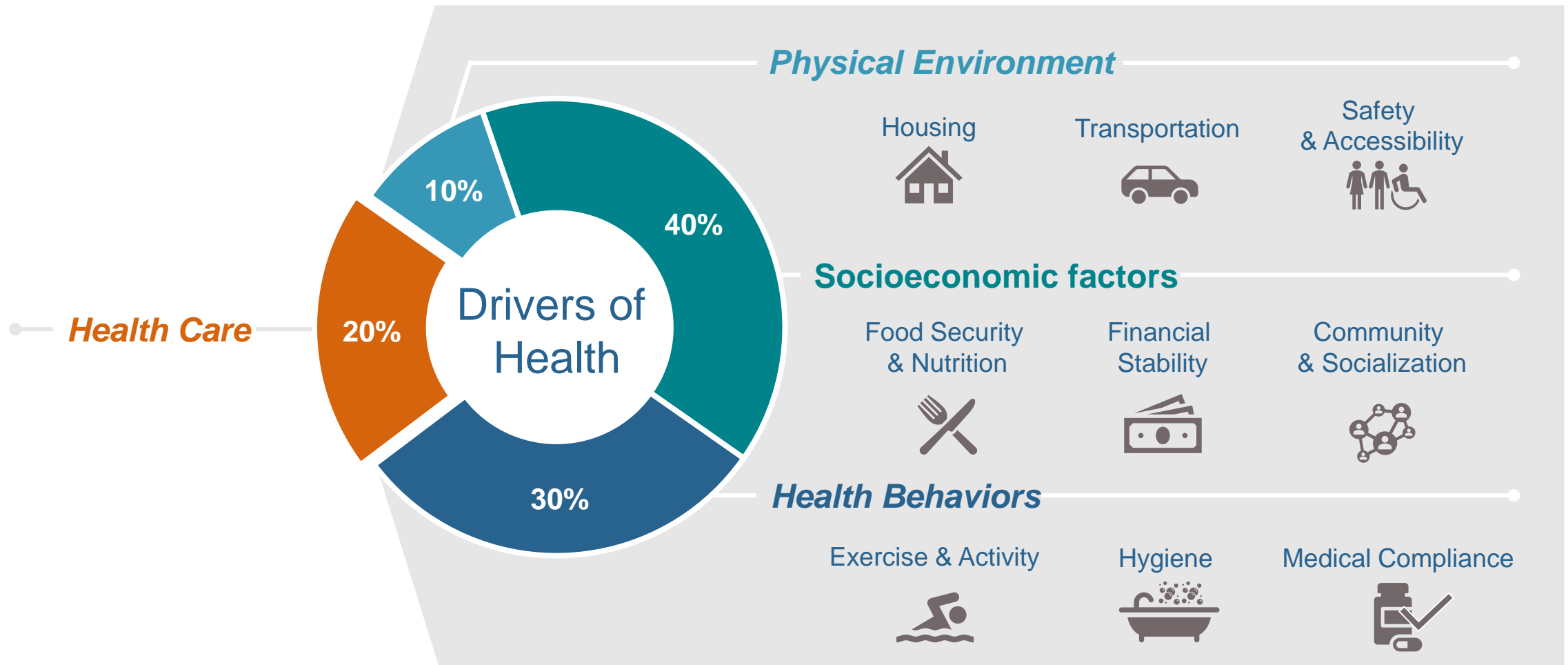
The Aging Population is **growing exponentially**, and **outspends** every other age cohort combined on health care



1. United States Census Bureau: *Projected Population by Single Year of Age, Sex, Race, Hispanic Origin and Nativity for the United States: 2018 to 2060*

Secular Theme | Social Determinants of Health

80% of an individual's health and wellness is influenced by **social determinants**⁽¹⁾

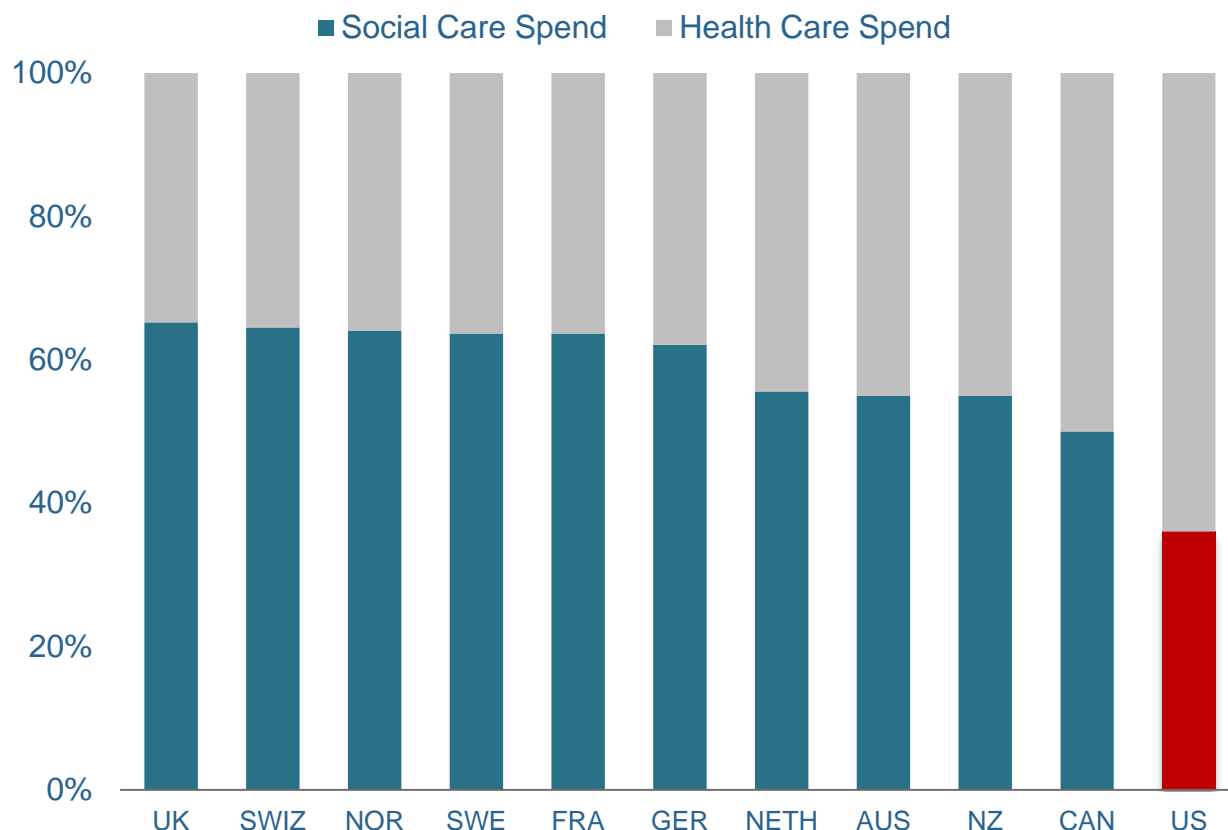


1. Source: Artiga, S., & Hinton, E. (2019, May 29). Beyond Health Care: The Role of Social Determinants in Promoting Health and Health Equity

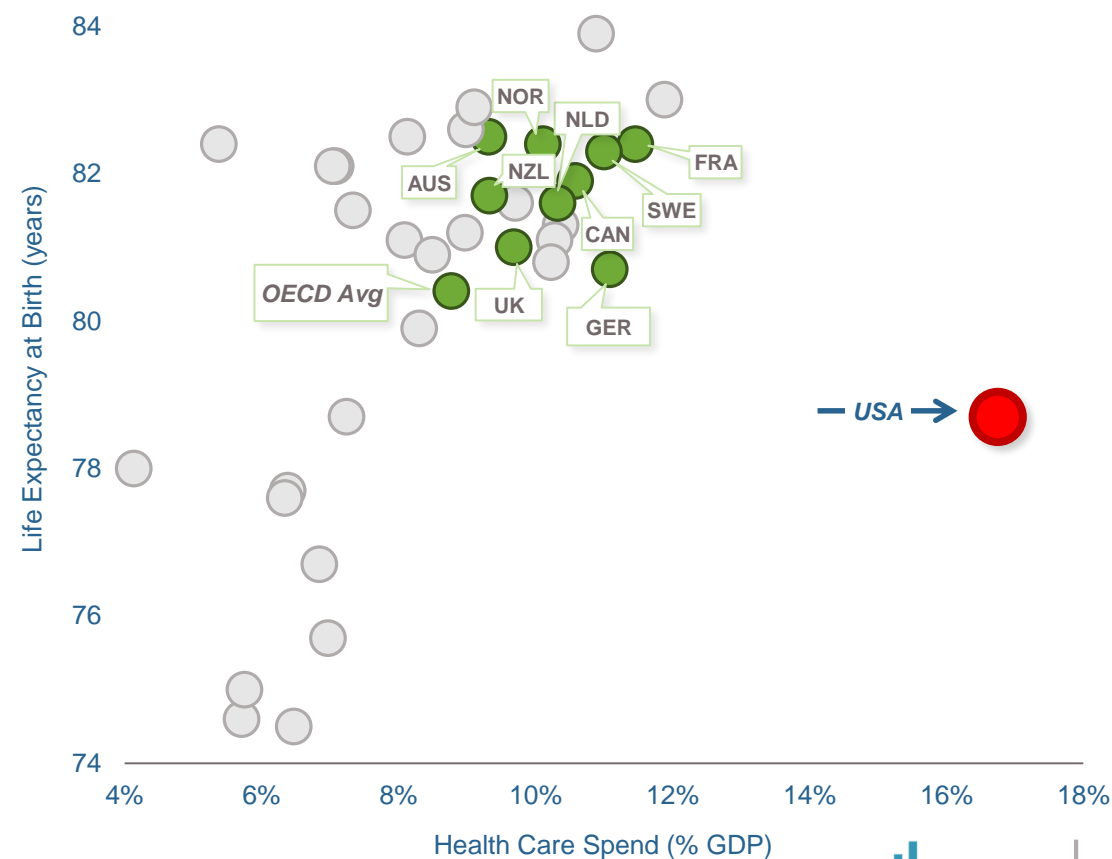
Secular Theme | The Need for Value-Based Care

The US spends **the most per capita** on health care, yet achieves **significantly lower health outcomes**

Health Care vs Social Care Spend⁽¹⁾



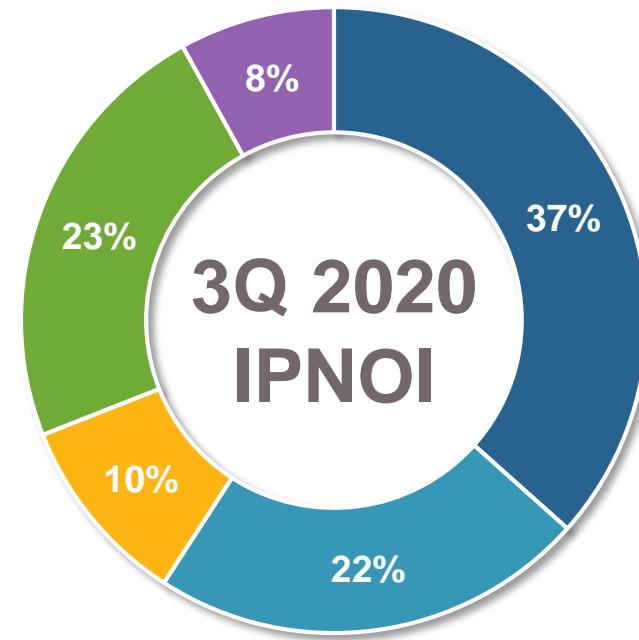
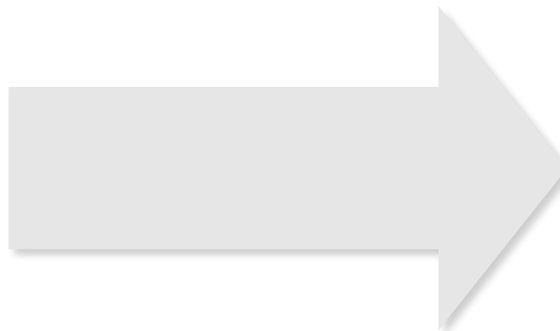
Health Care Spend vs. Life Expectancy⁽²⁾



1. OECD (2020), Health spending (indicator). doi: 10.1787/8643de7e-en (Accessed February 2, 2020)



2. Organization for Economic Cooperation and Development. Data as of 2017

Portfolio Composition⁽¹⁾



■ Seniors Housing Operating ■ Seniors Housing Triple-Net ■ Long-Term / Post-Acute Care ■ Outpatient Medical ■ Health System

1. Based on In-Place NOI. See Supplemental Financial Measures at the end of this presentation for reconciliations



“Nothing about what has happened in recent months has changed the trends on aging, care needs, or rise of dementia so the need for seniors housing is just as important as it has been.”

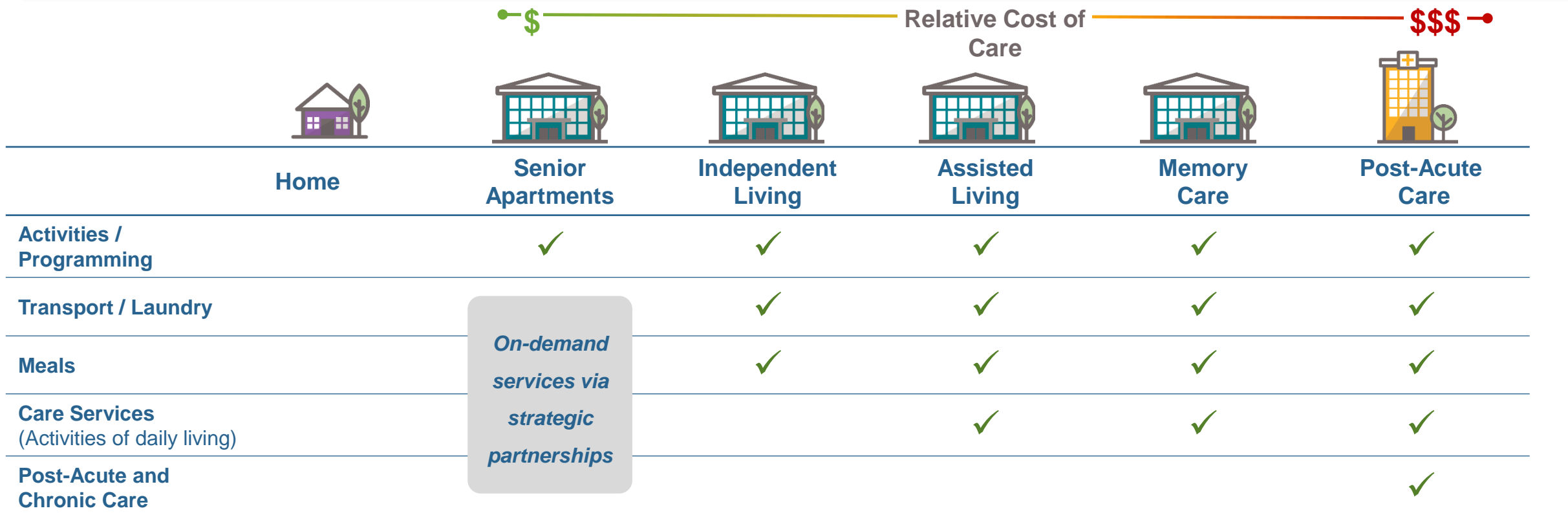
**Dr. Bruce Leff, Director of The Center for Transformative Geriatric Research
and Professor of Medicine at Johns Hopkins**



Seniors Housing Operating & Triple-Net Portfolio Update

Spectrum of Seniors Housing

Seniors housing has many forms across acuity and cost spectrums from addressing the needs of the active senior who is looking for a home that is purpose-built and affordable to higher acuity in high barrier to entry markets



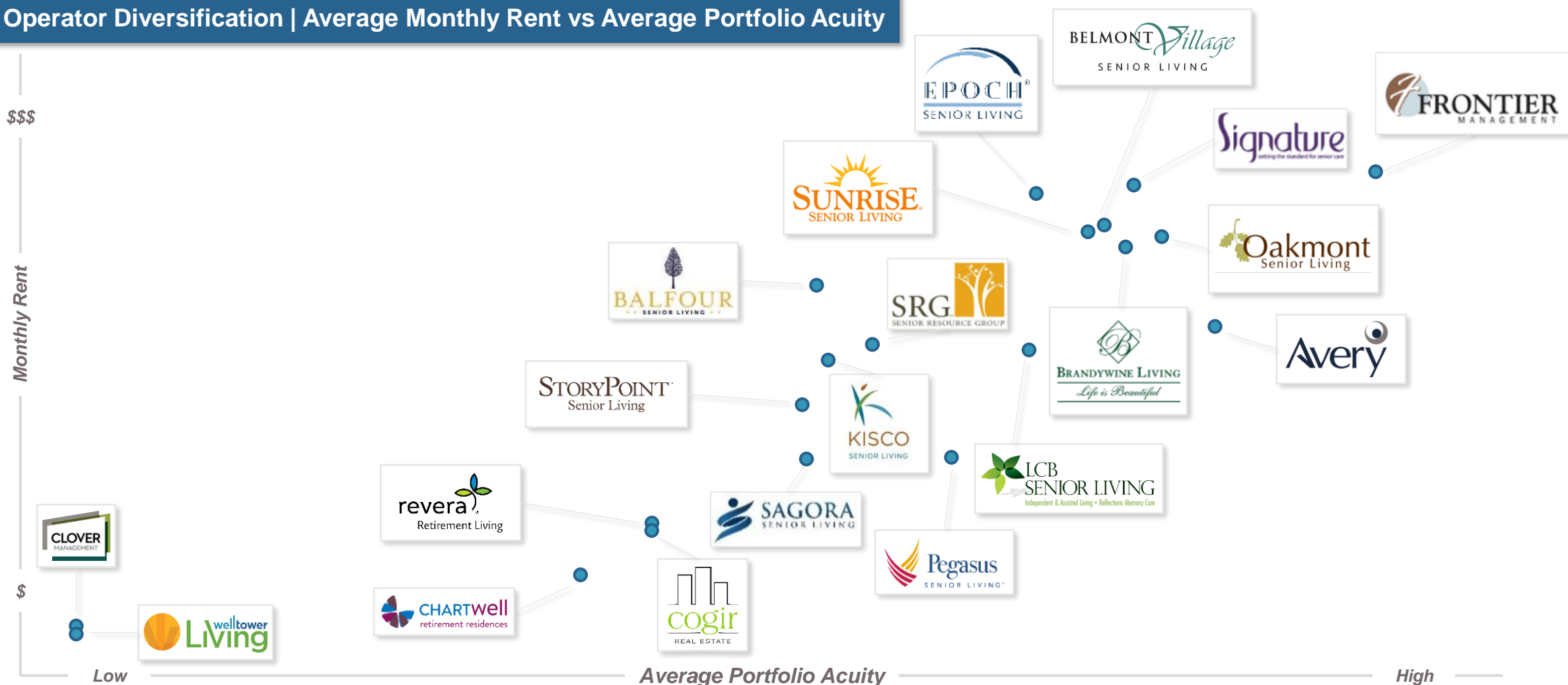
Select Welltower Operators



Seniors Housing Operator Platform | Power of Diversification

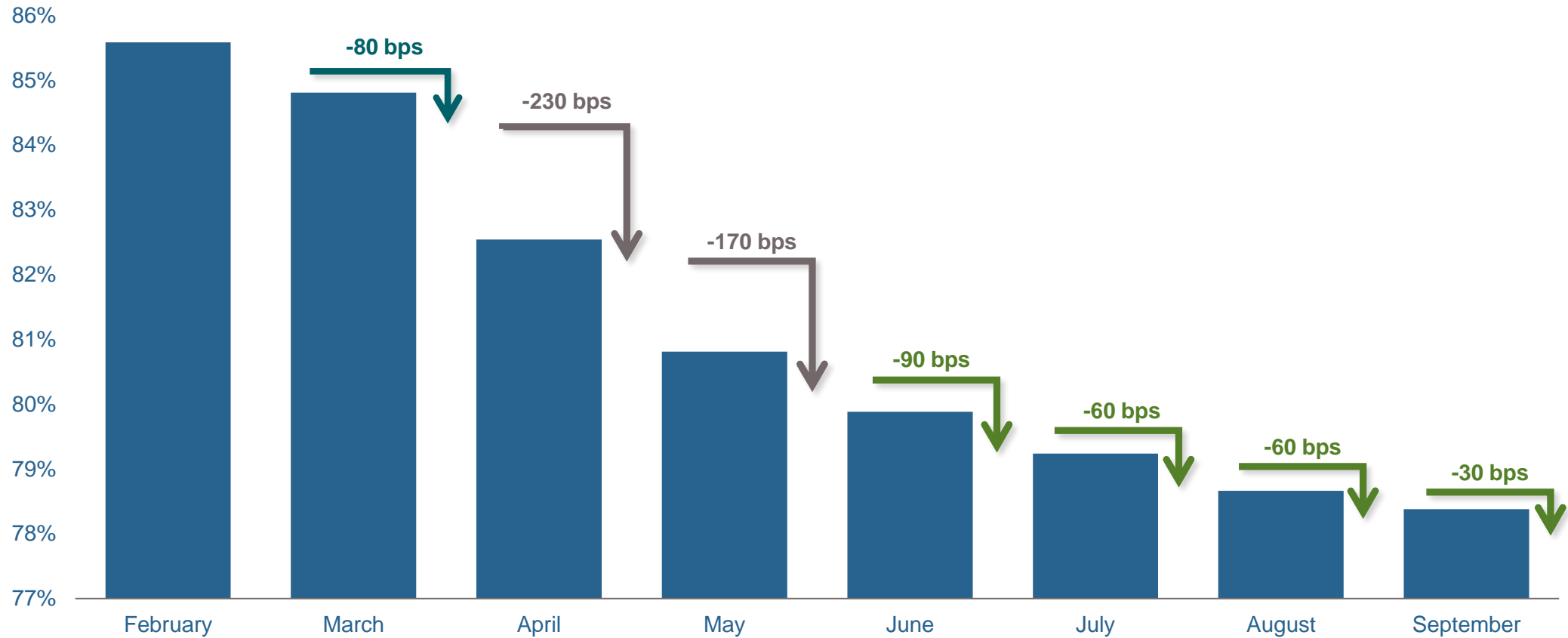
Diversity Across Acuity, Geography and Operating Model

Operator Diversification | Average Monthly Rent vs Average Portfolio Acuity



SHO Portfolio | YTD Observations

Total SHO Portfolio Month-End Occupancy^(1,2)



1. Occupancy represents approximate month end occupancy for all SHO properties in operation as of February 29, 2020, excluding only acquisitions, executed dispositions and development conversions since this date.

Approximate month end spot occupancy is as follows: February – 85.6%; March – 84.8%; April – 82.5%; May – 80.8%; June – 79.9%; July – 79.2%; August – 78.7%; September – 78.4%

2. Variances from prior 3Q business updates are due to the impact of portfolio dispositions and/or rounding, specifically the removal of properties in the SHO portfolio dispositions described in the 10/5/20 Business Update. If these properties had not been removed, monthly occupancy changes in 3Q would have been -66bps in July, -59bps in August, and -29bps in September versus the declines of -64bps, -58bps, and -29bps represented above

SHO Portfolio | 3Q2020 Observations

Revenues

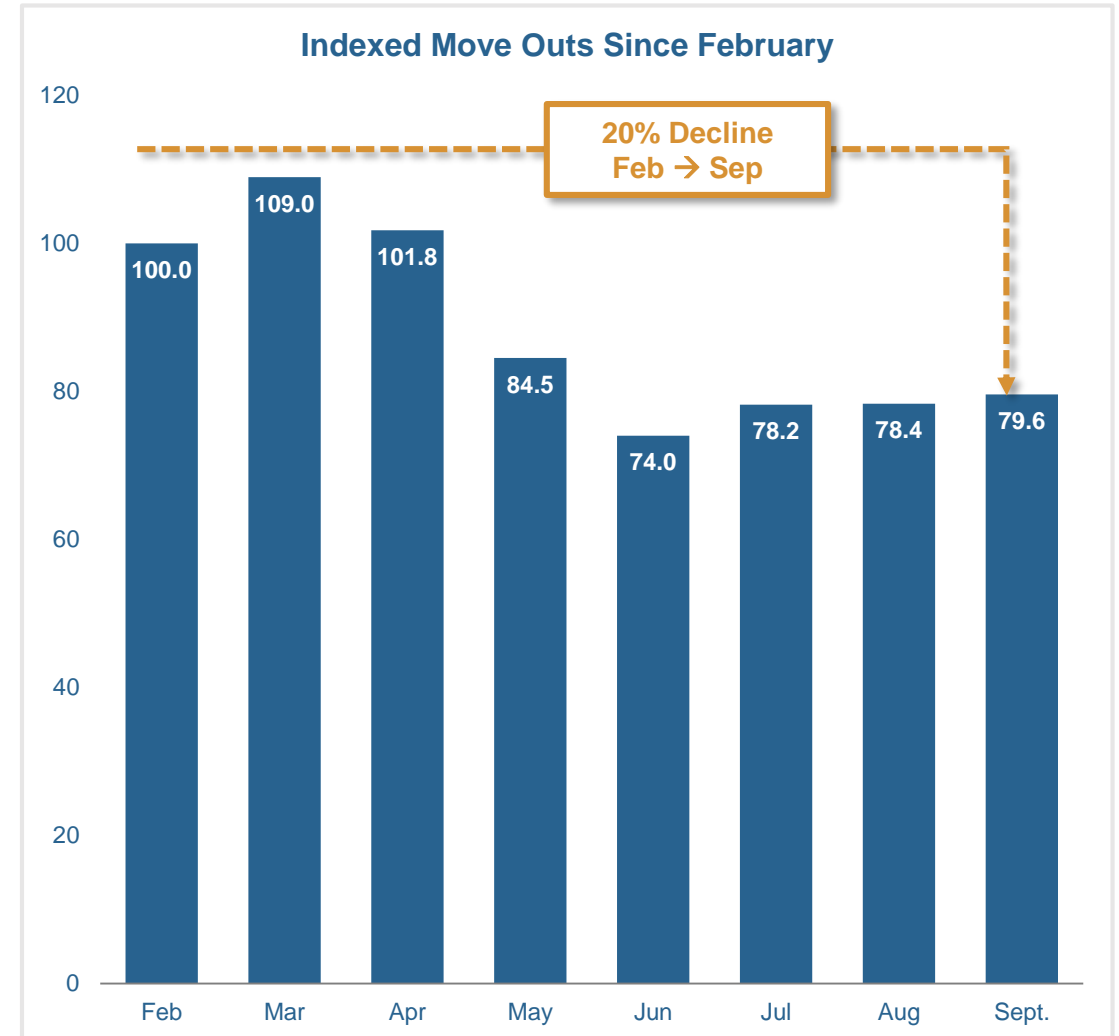
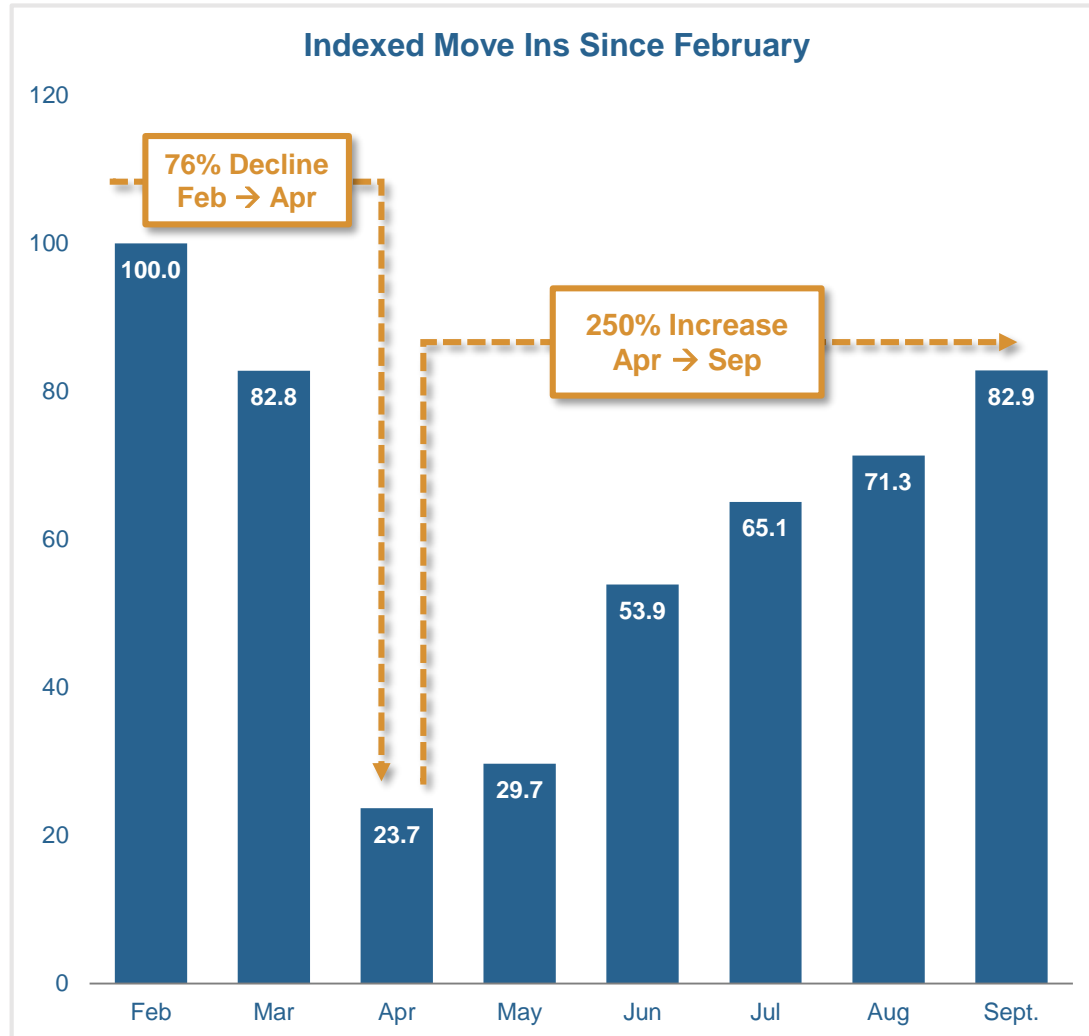
- SHO portfolio⁽¹⁾ spot occupancy declined approximately 150bps from June 30, 2020 to 78.4%
- SHO same store REVPOR⁽²⁾ declined 1.0% year-over-year in 3Q2020 as compared to 3Q2019 partially driven by a shift in acuity mix resulting from more muted occupancy declines across lower-acuity property types
 - Assisted Living properties increased 1.4% year-over-year in 3Q2020 vs 3Q2019
 - Independent Living properties declined 0.2% year-over-year in 3Q2020 vs 3Q2019
- As of September 30, 2020, 96% of SHO properties are accepting new residents, consistent with prior two months
- Move in activity increased 104% sequentially in 3Q2020 as compared to 2Q2020 but still declined by 39% on a year-over-year basis
- Move out activity declined 9% sequentially in 3Q2020 as compared to 2Q2020 and declined by 21% on a year-over-year basis

Expenses

- Same store pro rata total expenses decreased 3.3% in 3Q2020 from 2Q2020 driven by lower COVID-related expenses and a reduction in controllable expenses commensurate with lower levels of occupancy
- Same Store SHO portfolio incurred approximately \$15 million in pro rata COVID-related property level expenses net of reimbursements in 3Q2020⁽³⁾
- COVID-related expenses have declined materially since peak levels reached in April, driven by lower labor and PPE costs

1. Occupancy represents approximate month end occupancy for SHO properties in operation as of February 29, 2020, excluding acquisitions, dispositions and development conversions since the start of the COVID-19 pandemic
2. Represents SHO same store portfolio. See Supplemental Financial Measures at the end of this presentation for reconciliations
3. Total SHO portfolio incurred approximately \$17 million of pro rata COVID-related property level expenses net of reimbursements in 3Q2020

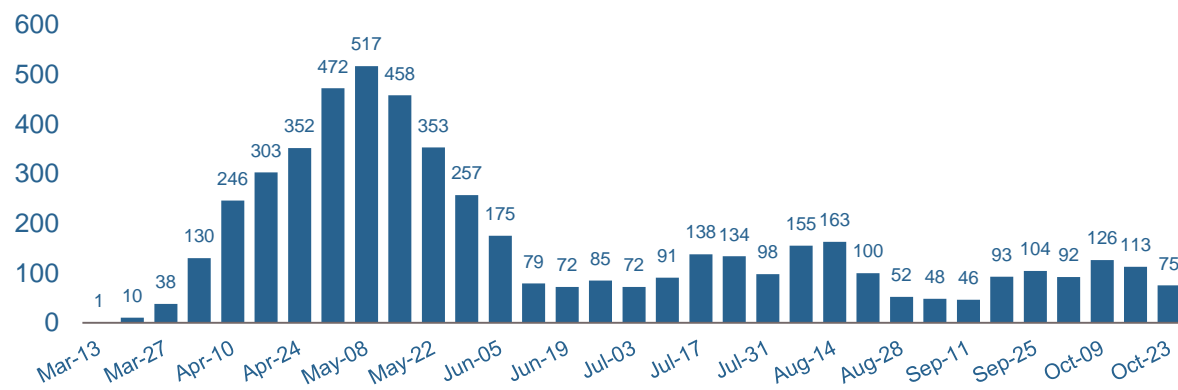
SHO Portfolio | Move Ins & Move Outs⁽¹⁾



1. September Move In & Move Out data has been updated since October 5, 2020 to reflect final data received from operators

SHO Portfolio | COVID-19 Impact⁽¹⁾

Resident COVID-19 Cases – Trailing Two Weeks

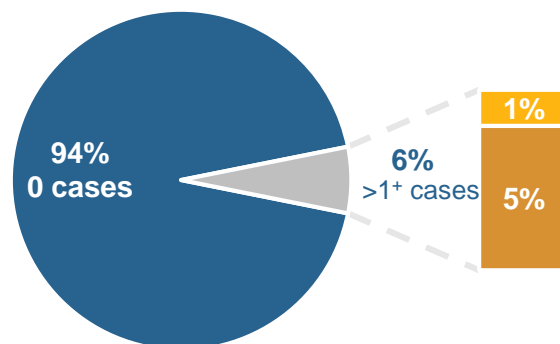


Properties with COVID-19 Cases – Trailing Two Weeks

94% of Properties Have Zero Reported Cases

Properties with:

- 0 cases : 522
- 1-2 cases : 28
- 3+ cases : 7



Operations Update

- Elevated cleaning and social distancing protocols remain in place to protect residents and staff
- An increasing number of SHO communities are removing restrictions related to indoor visitation and communal dining while still maintaining stringent safety protocols
- The number of in-person tours in communities throughout the portfolio has steadily increased
- In virtually all cases, new residents are tested for COVID-19 prior to move in and self-quarantined for 14 days

COVID-19 Impact

- 96% of communities are currently accepting new residents**, consistent with August 31, 2020 and July 31, 2020
- 85% decline in trailing two-week COVID case count** since peak in early-May 2020
- 94% of communities have zero reported COVID cases** on a TTW basis

1. All data presented as of October 23, 2020

SHO Portfolio | Near-Term Outlook

Revenues

- We anticipate SHO portfolio spot occupancy to end the fourth quarter approximately 75bps to 125bps lower than September 30, 2020
- Year-over-year occupancy declines in 4Q2020 expected to be more pronounced than in 3Q2020 given a stronger comparison period in 4Q2019
- SS REVPOR⁽¹⁾ growth is expected to be approximately flat through 4Q2020 as compared to 3Q2020

Expenses

- We anticipate total SHO portfolio expenses during 4Q2020 to increase slightly versus 3Q2020, with moderately lower COVID-related costs offset by higher expenses related to community re-openings and a seasonal increase in labor costs
- Certain COVID-related costs, including those related to heightened sanitation protocols and procurement of PPE and testing supplies, are expected to remain in-place for the foreseeable future

NOI Margins

- We anticipate SHO portfolio NOI margins to remain well below historical average in upcoming quarters resulting from lower levels of occupancy and persistence of COVID-related expenses

1. See Supplemental Financial Measures at the end of this presentation for definition

Triple-Net Portfolio Update

98% of rent due in 3Q20 collected in Triple-Net portfolio

	Triple-Net Coverages ⁽¹⁾			Operations	Financials
		2Q20	3Q20		
SH NNN	EBITDAR	1.04x	1.02x	Recent operational headwinds comparable to those experienced within the SHO portfolio	Near-term pressure on coverage ratios is expected as fundamental performance is anticipated to track that of SHO portfolio SH operators are expected to receive funding from HHS' Provider Relief Fund
	EBITDARM	1.20x	1.19x		
LT/PAC	EBITDAR	1.13x	1.12x	Occupancy levels have stabilized in recent months due primarily to a rebound in the volume of elective procedures. COVID-related expenses have also dissipated	Decline in operating margins resulting from challenges to payor mix and labor pressures Coverage inclusive of government support Genesis: revising revenue recognition to a cash-basis accounting method from a straight-line accounting method beginning 3Q2020
	EBITDARM	1.43x	1.42x		
Health System	EBITDAR	2.13x	2.83x	ProMedica experiencing similar fundamental trends as those recently witnessed in the broader seniors housing and post-acute care space	Rent current through October Coverage inclusive of government support
	EBITDARM	2.75x	3.24x		

1. Represents trailing twelve-month coverage metrics reported on a one-quarter lag for the stable portfolio. Please see our 2Q20 and 3Q20 Supplemental for further information on EBITDAR and EBITDARM coverage

Welltower Support & Collaboration



COVID Testing

- Welltower continues to support its operators by identifying local, regional and national testing solutions to complement efforts made with local health system and health department testing resources
- Approximately 230,000 tests for residents and staff have been conducted in Welltower communities, as of October 21, 2020
- We continue to access the expertise of our partners at UCSF and Johns Hopkins to support our operators as they seek guidance related to testing matters



Personal Protective Equipment

Distributed approximately 1.7M units of PPE to over 25 senior housing and post-acute operators and three health systems



UCSF Clinical Innovation Center

Building on our 2+ year collaboration, we are leveraging UCSF to support our operators through the COVID Pandemic



Welltower Operator Forum

Welltower has hosted weekly sessions to provide best practice guidance on topics including testing, inter-facility transfers, use of PPE, therapeutics and the vaccine pipeline

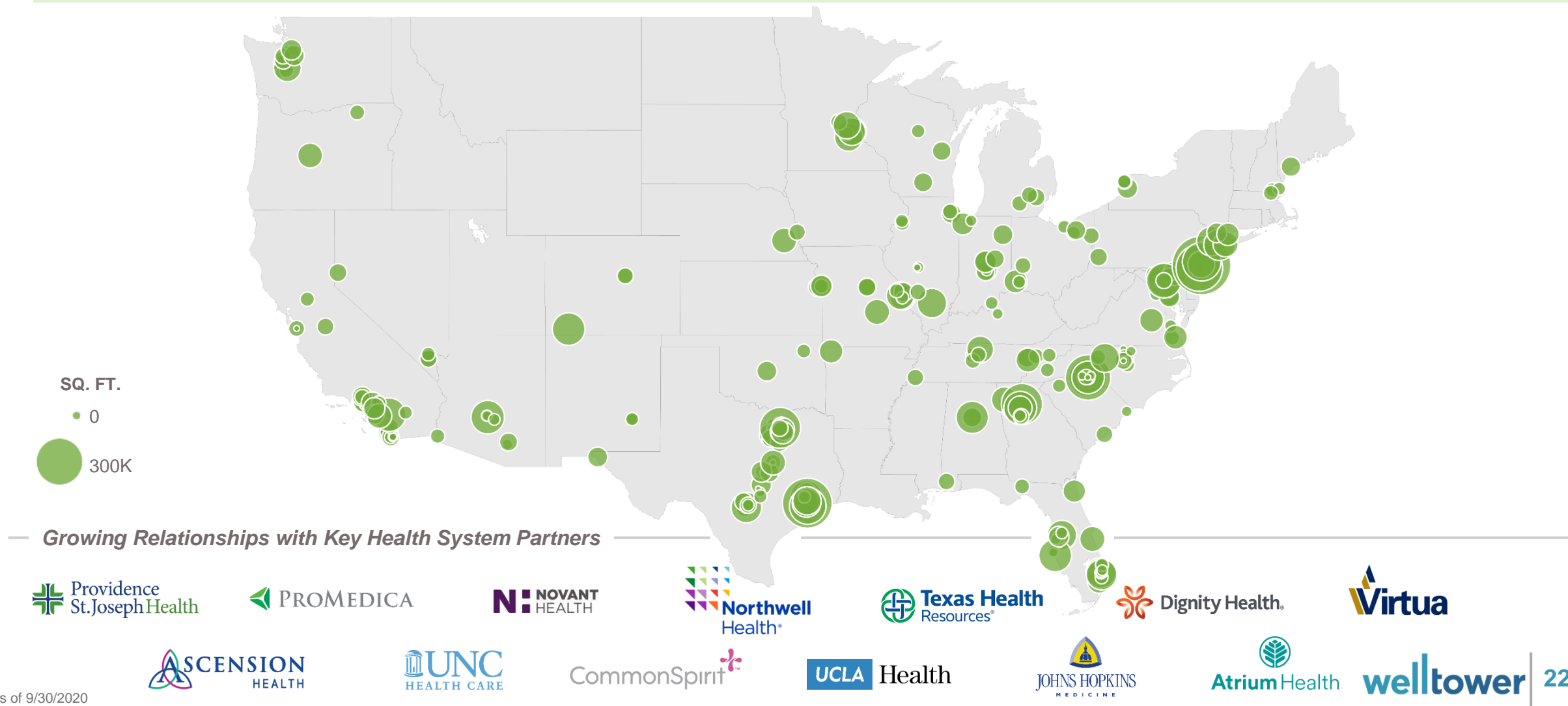


A photograph of a modern medical building with a light-colored, modular facade and large glass windows. The building features a prominent overhang above the entrance, which is illuminated from within. The entrance has glass doors and windows, showing a brightly lit interior. The building is set against a clear blue sky with some light clouds. In the foreground, there is a paved area and a grassy hill with some trees.

Outpatient Medical Portfolio Update

Outpatient Medical | Market Leading Platform

Diversified portfolio across geographies and health systems



Outpatient Medical | Update

Operations

- 93.6% portfolio occupancy at September 30, 2020
- All buildings are open and operating with enhanced maintenance and cleaning protocols

Financial

- Approximately 99% of rent due in 3Q2020 has been collected or had deferral requests approved by WELL
 - Deferred rent is generally expected to be collected by year-end 2020
 - 99% repayment rate of deferral plans billed to date
 - No abatements have been provided to date
- Tenant retention remains above historical averages, achieving a rate of approximately 88% year-to-date as of September 30, 2020
- New leasing velocity continues to be uneven due to COVID impact





Balance Sheet & Investments Update

Balance Sheet & Investment Highlights

Year-to Date 2020 Update

- Reported Net Debt/Adjusted EBITDA⁽¹⁾ of 6.02x as of September 30, 2020
- **Enhanced near-term liquidity to \$5.2 billion as of October 26, 2020**
 - Current cash balances total approximately \$2.2 billion⁽²⁾; revolving credit facility is undrawn with capacity of \$3.0 billion
 - Proceeds of \$214 million⁽³⁾ expected from assets held for sale as of September 30, 2020, but not yet sold as of October 26, 2020
- During the 3rd quarter we extinguished or defeased \$855 million of debt
 - \$426 million in unsecured bonds due 2023
 - \$140 million pay down of the term loan due 2022
 - \$289 million of secured debt
- As of October 23, 2020, completed approximately **\$3.3 billion in pro rata dispositions year-to-date at a yield of 5.4%**

Liquidity (\$M)	October 26, 2020
Cash and Cash Equivalents ⁽²⁾	\$2,200
Undrawn Line of Credit Capacity	\$3,000
Near-Term Liquidity	\$5,200
Expected Proceeds from Assets Held For Sale ⁽³⁾	\$214
Near-Term Liquidity + Expected Proceeds	\$5,414

Weighted Average Debt Maturity of 7.4 Years⁽⁴⁾

No material unsecured bond maturities before March 2023

Baa1
MOODY'S

BBB+
S&P Global

BBB+
FitchRatings

1. See Supplemental Financial Measures at the end of this presentation for reconciliation

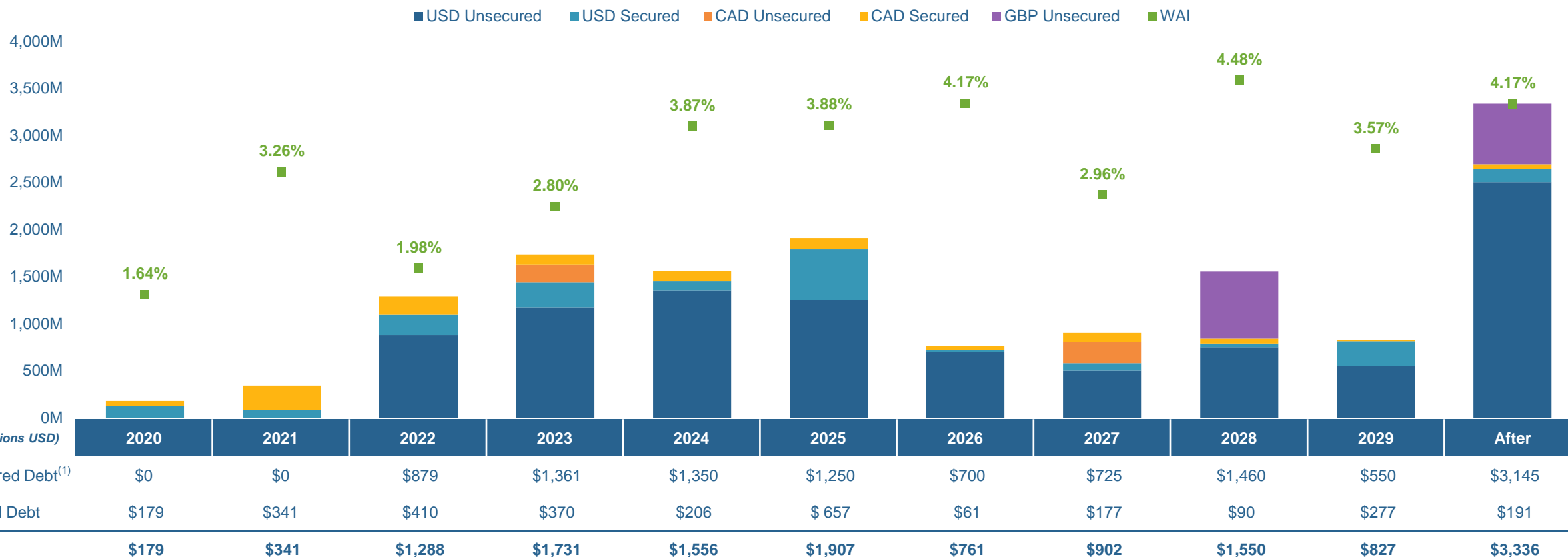
2. Estimated cash balance of \$2.2 billion as of October 26, 2020, including cash and cash equivalents and IRC Section 1031 deposits

3. Includes 3Q2020 assets held for sale of \$411 million as of September 30, 2020 less \$197 million related to dispositions closed subsequent to quarter end as of October 26, 2020

4. Represents September 30, 2020 data with pro forma adjustments to reflect the October 2020 extinguishment of \$124M of secured debt related to the September defeasances and October asset dispositions as if the transactions had occurred on September 30, 2020. Represents pro rata principal amounts due and excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet. Excludes lease liabilities relating to both finance and operating leases

Balanced and Manageable Debt Maturity Profile^(1,2)

Weighted Average Maturity of 7.4 years



1. Represents September 30, 2020 data with pro forma adjustments to reflect the October 2020 extinguishment of \$124M of secured debt related to the September defeasances and October asset dispositions as if the transactions had occurred on September 30, 2020. Represents pro rata principal amounts due and excluding unamortized premiums/discounts or other fair value adjustments as reflected on the balance sheet. Excludes lease liabilities relating to both finance and operating leases
2. Our unsecured commercial paper program and our unsecured revolving credit facility had a zero balance as of September 30, 2020. The unsecured revolving credit facility matures on July 19, 2022 (with an option to extend for two successive terms of six months each at our discretion). Available borrowing capacity of our unsecured revolving credit facility was \$3,000,000,000 as of September 30, 2020



Environmental, Social and Governance (ESG)

Sustainability Goals Publication and Advancement



10% reduction
in GHG emissions

10% reduction
in water use

10% reduction
in energy use

by 2025

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



8.5%

GHG Emissions reduction
over baseline

\$13.7M

Invested in
efficiency projects

239

Efficiency projects
implemented

84

LED retrofit projects
in 2019

\$1.8M

Estimated energy savings
from 2019 LED retrofits

367

LED retrofit projects
completed to date

Inaugural Green Bond | Effective Access to Capital



\$500M 7-Year note at 2.7%

- ✓ First U.S. health care REIT to issue Green Bond
- ✓ WELL's lowest coupon on 7-year note
- ✓ Demand 7.0x oversubscribed
- ✓ Over 100 investors consisting of high-quality asset managers, insurance funds, hedge funds, and central banks

Use of Proceeds:



Green Buildings



Water Efficiency



Energy Efficiency

Case Study in Green Buildings | Signature at Wandsworth Common

Welltower Building Certifications



10 LEED
certified properties



8 BREEAM Property
certifications



27 IREM Certified Sustainable
Property certifications



55 ENERGY STAR
certified properties

Green Building Spotlight | Signature at Wandsworth Common

Signature at Wandsworth Common is Welltower's latest development in the United Kingdom that is helping to meet the need for 2,000 additional assisted living and dementia care beds in the local area while adding 120+ jobs to the local economy.

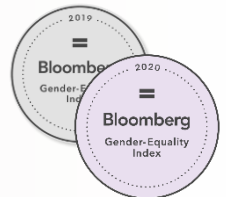
- “Excellent” BREEAM rating
- Combined heat and power units
- Photovoltaic roof panels
- Energy efficient technologies such as motion-sensor lighting
- Expected savings of 89 tons (35%) of regulated CO2 annually vs. baseline



Social | Solid Diversity and Inclusion Foundation



REPEATED EXTERNAL ADVOCATION AND RECOGNITION FOR DIVERSITY



Governance | Great Governance is Good Business



Female and Minority Leadership
on the Board of Directors⁽²⁾

ISS ESG Governance Score^(3,4)

Peers

7

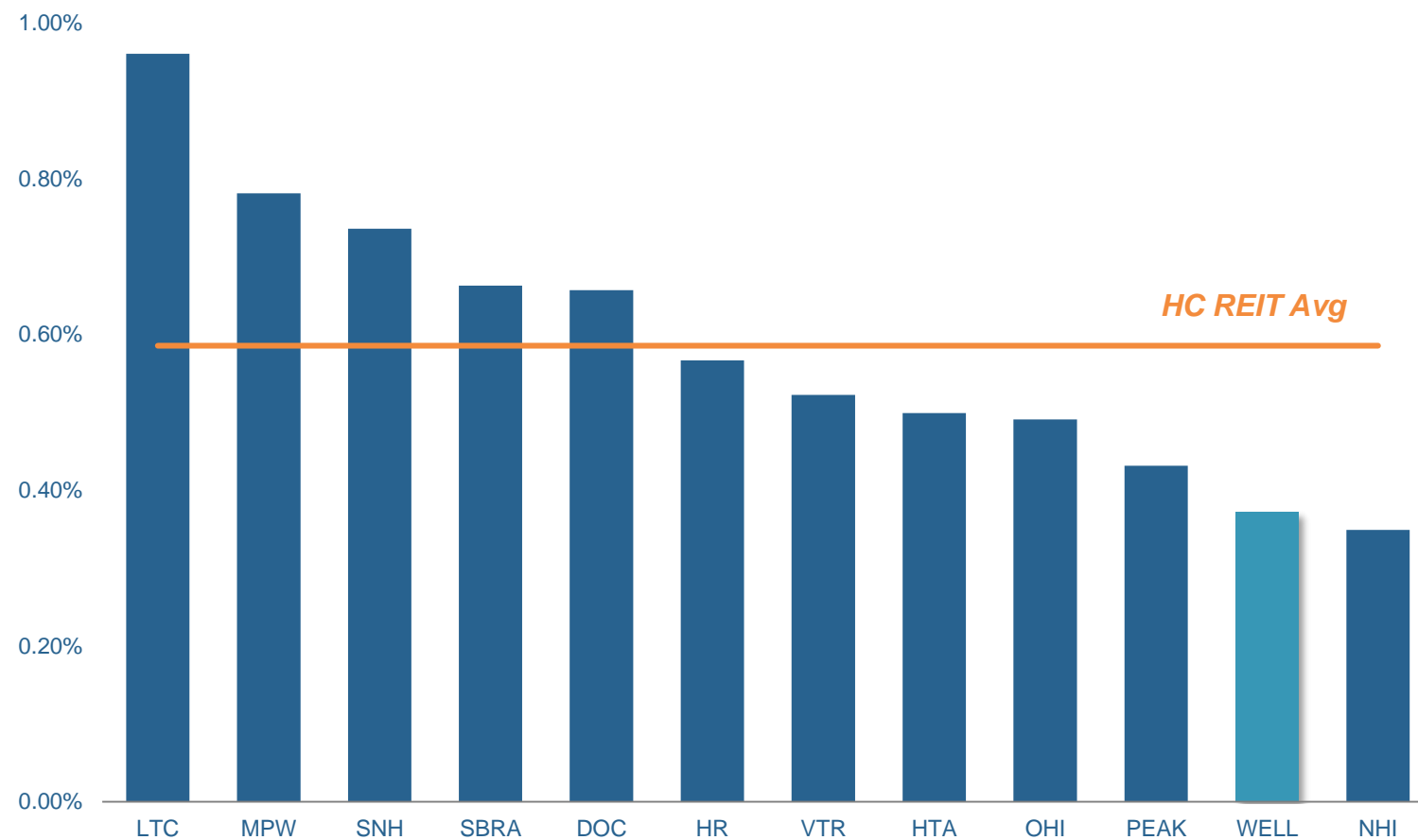
welltower

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Low Risk

High Risk

G&A as % of Enterprise Value⁽¹⁾



1. Peer G&A based on company filings for 1Q20 and 2Q20, annualized. Enterprise Value data as of 9/30/2020

2. Data as of 10/12/2020

3. ISS Governance Score is a weighted average of scores assigned for (a) board structure, (b) compensation, (c) shareholder rights and (d) audit as of 9/30/2020

4. Ventas (VTR), Healthpeak (PEAK), Crown Castle International (CCI), Equinix (EQIX), Iron Mountain (IRM), Weyerhaeuser Company (WY), American Tower Corporation (AMT), Boston Properties (BXP), Equity Residential (EQR), Prologis (PLD), Public Storage (PSA), Simon Property Group (SPG), Vornado Realty Trust (VNO), AvalonBay Communities (AVB), Alexandria Real Estate Equities (ARE)

Supplemental Financial Measures



Non-GAAP Financial Measures

We believe that revenues, net income and net income attributable to common stockholders ("NICS"), as defined by U.S. generally accepted accounting principles ("U.S. GAAP"), are the most appropriate earnings measurements. However, we consider EBITDA, Adjusted EBITDA, 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 our operating performance. Excluding EBITDA and Adjusted EBITDA, the supplemental measures are disclosed on our pro rata ownership basis.

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

Our supplemental reporting measures and similarly entitled financial measures are widely used by investors, equity and debt analysts and rating agencies in the valuation, comparison, rating and investment recommendations of companies. Our management uses these financial measures to facilitate internal and external comparisons to historical operating results and in making operating decisions. Additionally, these measures are utilized by the Board of Directors to evaluate management.

None of the supplemental reporting measures represent net income or cash flow provided from operating activities as determined in accordance with U.S. GAAP and should not be considered as alternative measures of profitability or liquidity. Finally, the supplemental reporting measures, as defined by us, may not be comparable to similarly entitled items reported by other real estate investment trusts or other companies. Multi-period amounts may not equal the sum of the individual quarterly amounts due to rounding.

NOI, IPNOI, SSNOI, REVPOR & SS REVPOR

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

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

SSNOI is used to evaluate the operating performance of our properties 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 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.

REVPOR represents the average revenues generated per occupied room per month at our 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. We use 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 our 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.

In-Place NOI Reconciliations

(dollars in thousands)

	3Q20	3Q18
Net income (loss)	\$ 394,978	\$ 84,226
Loss (gain) on real estate dispositions, net	(484,304)	(24,723)
Loss (income) from unconsolidated entities	5,981	(344)
Income tax expense (benefit)	2,003	1,741
Other expenses	11,544	88,626
Impairment of assets	23,313	6,740
Provision for loan losses	2,857	—
Loss (gain) on extinguishment of debt, net	33,004	4,038
Loss (gain) on derivatives and financial instruments, net	1,395	8,991
General and administrative expenses	31,003	28,746
Depreciation and amortization	255,532	243,149
Interest expense	124,851	138,032
Consolidated net operating income	402,157	579,222
NOI attributable to unconsolidated investments ⁽¹⁾	13,659	22,247
NOI attributable to noncontrolling interests ⁽²⁾	(28,024)	(37,212)
Pro rata net operating income (NOI)	\$ 387,792	\$ 564,257
Adjust:		
Interest income	\$ (16,750)	\$ (14,622)
Other income	(6,029)	(3,754)
Sold / held for sale	(15,364)	(9,401)
Developments / land	916	641
Non In-Place NOI ⁽³⁾	103,114	(15,839)
Timing adjustments ⁽⁴⁾	—	12,023
In-Place NOI	453,679	533,305
Annualized In-Place NOI	\$ 1,814,716	\$ 2,133,220

(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 represents non-cash NOI.

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

In-Place NOI by property type	3Q20	% of Total
Seniors Housing Operating	\$ 664,244	36.6 %
Seniors Housing Triple-Net	409,032	22.5 %
Outpatient Medical	416,268	22.9 %
Health System	145,824	8.0 %
Long-Term/Post-Acute Care	179,348	10.0 %
Total In-Place NOI	\$ 1,814,716	100.0 %

In-Place NOI by property type	3Q18	% of Total
Seniors Housing Operating	\$ 1,021,020	47.9 %
Seniors Housing Triple-Net	395,720	18.5 %
Outpatient Medical	343,504	16.1 %
Health System	143,204	6.7 %
Long-Term/Post-Acute Care	229,772	10.8 %
Total In-Place NOI	\$ 2,133,220	100.0 %

SSNOI Reconciliation

(dollars in thousands)

	3Q20	3Q19	% growth YOY	2Q20	% growth QOQ
Net income (loss)	\$ 394,978	\$ 647,932		\$ 159,216	
Loss (gain) on real estate dispositions, net	(484,304)	(570,250)		(155,863)	
Loss (income) from unconsolidated entities	5,981	(3,262)		(1,332)	
Income tax expense (benefit)	2,003	3,968		2,233	
Other expenses	11,544	6,186		19,411	
Impairment of assets	23,313	18,096		75,151	
Provision for loan losses	2,857	—		1,422	
Loss (gain) on extinguishment of debt, net	33,004	65,824		249	
Loss (gain) on derivatives and financial instruments, net	1,395	1,244		1,434	
General and administrative expenses	31,003	31,019		34,062	
Depreciation and amortization	255,532	272,445		265,371	
Interest expense	124,851	137,343		126,357	
Consolidated NOI	402,157	610,545		527,711	
NOI attributable to unconsolidated investments ⁽¹⁾	13,659	21,957		20,871	
NOI attributable to noncontrolling interests ⁽²⁾	(28,024)	(42,356)		(30,369)	
Pro rata NOI	387,792	590,146		518,213	
Non-cash NOI attributable to same store properties	107,005	(21,807)		(15,059)	
NOI attributable to non-same store properties	(68,696)	(79,348)		(75,426)	
Currency and ownership adjustments ⁽³⁾	(4,127)	(8,761)		(2,126)	
Other adjustments ⁽⁴⁾	(1,049)	(1,539)		(1,707)	
Same Store NOI (SSNOI)	\$ 420,925	\$ 478,691	(12.1)%	\$ 423,895	(0.7)%
Seniors Housing Operating	160,610	220,777	(27.3)%	162,462	(1.1)%
Seniors Housing Triple-net	95,893	95,953	(0.1)%	96,647	(0.8)%
Outpatient Medical	84,879	84,078	1.0%	85,929	(1.2)%
Health System	36,456	35,638	2.3%	35,800	1.8%
Long-Term/Post-Acute Care	43,087	42,245	2.0%	43,057	0.1%
Total SSNOI	\$ 420,925	\$ 478,691	(12.1)%	\$ 423,895	(0.7)%

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

(4) Includes other adjustments described in the 3Q20 Supplemental Information package.

SHO REVPOR Growth Reconciliation

(dollars in thousands, except SS REVPOR)

SHO SS REVPOR Growth

Consolidated SHO revenues

Unconsolidated SHO revenues attributable to WELL⁽¹⁾

SHO revenues attributable to noncontrolling interests⁽²⁾

SHO pro rata revenues⁽³⁾

Non-cash revenues on same store properties

Revenues attributable to non-same store properties

Currency and ownership adjustments⁽⁴⁾

Other normalizing adjustments⁽⁵⁾

SHO SS revenues⁽⁶⁾

Avg. occupied units/month⁽⁷⁾

SHO SS REVPOR⁽⁸⁾

SS REVPOR YOY growth

	3Q20	3Q19
\$	742,065	\$ 835,496
	42,568	42,936
	(58,500)	(73,181)
	726,133	805,251
	(849)	(904)
	(76,611)	(94,446)
	1,627	3,816
	(1,509)	803
	648,791	714,520
	39,705	43,271
\$	5,402	\$ 5,459
	(1.0) %	

(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 1.32 and to translate UK properties at a GBP/USD rate of 1.30.

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

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

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

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

SHO SS REVPOR Growth Reconciliation (cont.)

(dollars in thousands, except SS REVPOR)

	Assisted Living ⁽¹⁾		Independent Living ⁽¹⁾		Total	
	3Q20	3Q19	3Q20	3Q19	3Q20	3Q19
SHO SS revenues ⁽²⁾	\$ 444,365	\$ 500,215	\$ 204,426	\$ 214,305	\$ 648,791	\$ 714,520
Avg. occupied units/month ⁽³⁾	18,174	20,744	21,531	22,527	39,705	43,271
SHO SS REVPOR ⁽⁴⁾	\$ 8,084	\$ 7,972	\$ 3,139	\$ 3,145	\$ 5,402	\$ 5,459
SS REVPOR YOY growth	1.4 %		(0.2)%		(1.0)%	

(1) Properties are classified between Assisted Living and Independent Living by predominant unit type.

(2) Represents SS SHO revenues at Welltower pro rata ownership. See previous page for reconciliation.

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

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



EBITDA and Adjusted EBITDA

We measure our credit strength both in terms of leverage ratios and coverage ratios. The leverage ratios indicate how much of our balance sheet capitalization is related to long-term debt, net of cash and Internal Revenue Code (“IRC”) Section 1031 deposits. We expect to maintain capitalization ratios and coverage ratios sufficient to maintain a capital structure consistent with our current profile. The ratios are based on EBITDA and Adjusted EBITDA. EBITDA is defined as earnings (net income per income statement) before interest expense, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding unconsolidated entities and including adjustments for stock-based compensation expense, provision for loan losses, gains/losses on extinguishment of debt, gains/losses/impairments on properties, gains/losses on derivatives and financial instruments, other expenses, additional other income and other impairment charges. We believe that EBITDA and Adjusted EBITDA, along with net income, are important supplemental measures because they provide additional information to assess and evaluate the performance of our operations. Our leverage ratios include net debt to Adjusted EBITDA. Net debt is defined as total long-term debt, excluding operating lease liabilities, less cash and cash equivalents and any IRC Section 1031 deposits.

Net Debt to Adjusted EBITDA

(dollars in thousands)

	Three Months Ended September 30, 2020
Net income	\$ 394,978
Interest expense	124,851
Income tax expense (benefit)	2,003
Depreciation and amortization	255,532
EBITDA	777,364
Loss (income) from unconsolidated entities	5,981
Stock-based compensation expense	6,565
Loss (gain) on extinguishment of debt, net	33,004
Loss (gain) on real estate dispositions, net	(484,304)
Impairment of assets	23,313
Provision for loan losses	2,857
Loss (gain) on derivatives and financial instruments, net	1,395
Other expenses	11,544
Other Impairments	112,398
Adjusted EBITDA	\$ 490,117

Lines of credit and commercial paper ⁽¹⁾
Long-term debt obligations ⁽¹⁾
Cash and cash equivalents ⁽²⁾
Net debt
Adjusted EBITDA
Adjusted EBITDA annualized
Net debt to Adjusted EBITDA ratio

	Three Months Ended September 30, 2020
\$	—
	13,889,030
	(2,096,571)
	11,792,459
	490,117
\$	1,960,468
	6.02 x

(1) Amounts include unamortized premiums/discounts, fair value adjustments and lease liabilities related to financing leases. Operating lease liabilities related to ASC 842 adoption are excluded.

(2) Inclusive of \$381 million of IRC section 1031 deposits and \$112 million of restricted cash related to secured debt that was defeased in September and subsequently extinguished in October.

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