

# Driving the Future of Health Care Real Estate

*Corporate Presentation | September 2019*

**welltower**



# Forward Looking Statements

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

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause our actual results to differ materially from our 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; 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; our 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 our properties; our ability to re lease space at similar rates as vacancies occur; our 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 our properties; changes in rules or practices governing our financial reporting; the movement of U.S. and foreign currency exchange rates; our ability to maintain our qualification as a REIT; key management personnel recruitment and retention; and other risks described in our reports filed from time to time with the Securities and Exchange Commission. Finally, we undertake 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.

# Secular Themes

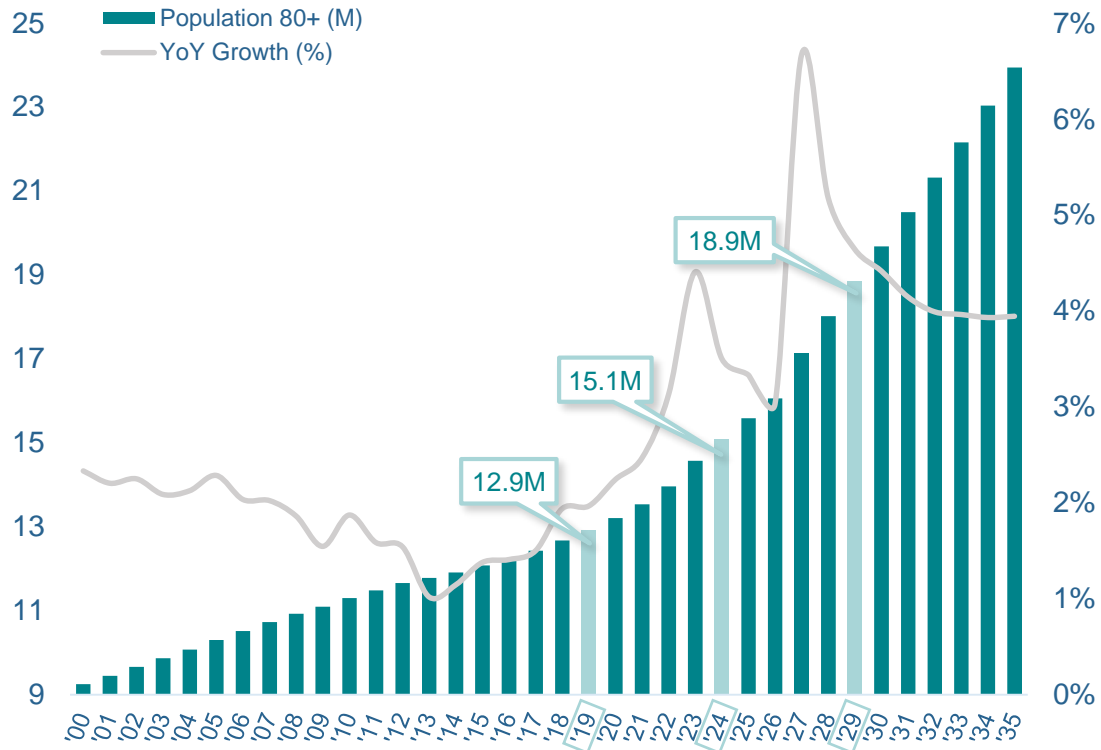
*The need for innovation and disruption*

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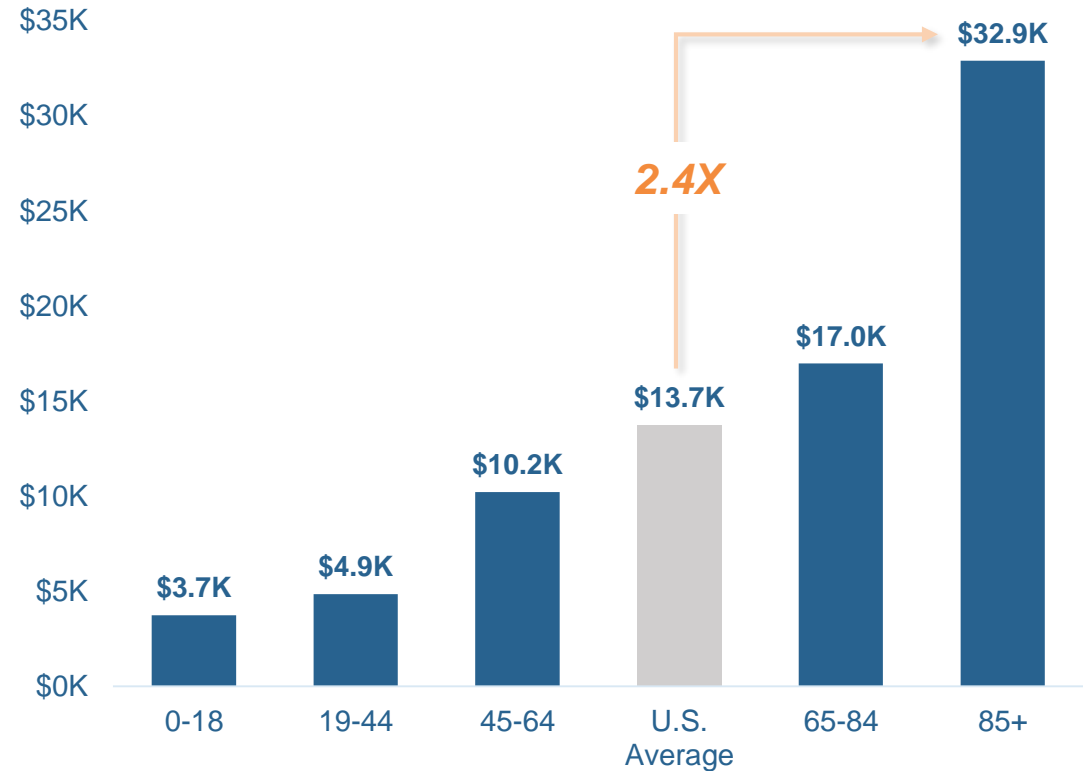
# Secular Theme | An Aging Population

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

## 80+ U.S. Population Growth<sup>(1)</sup>



## Personal Health Care Per-Capita Spend by Age<sup>(2)</sup>

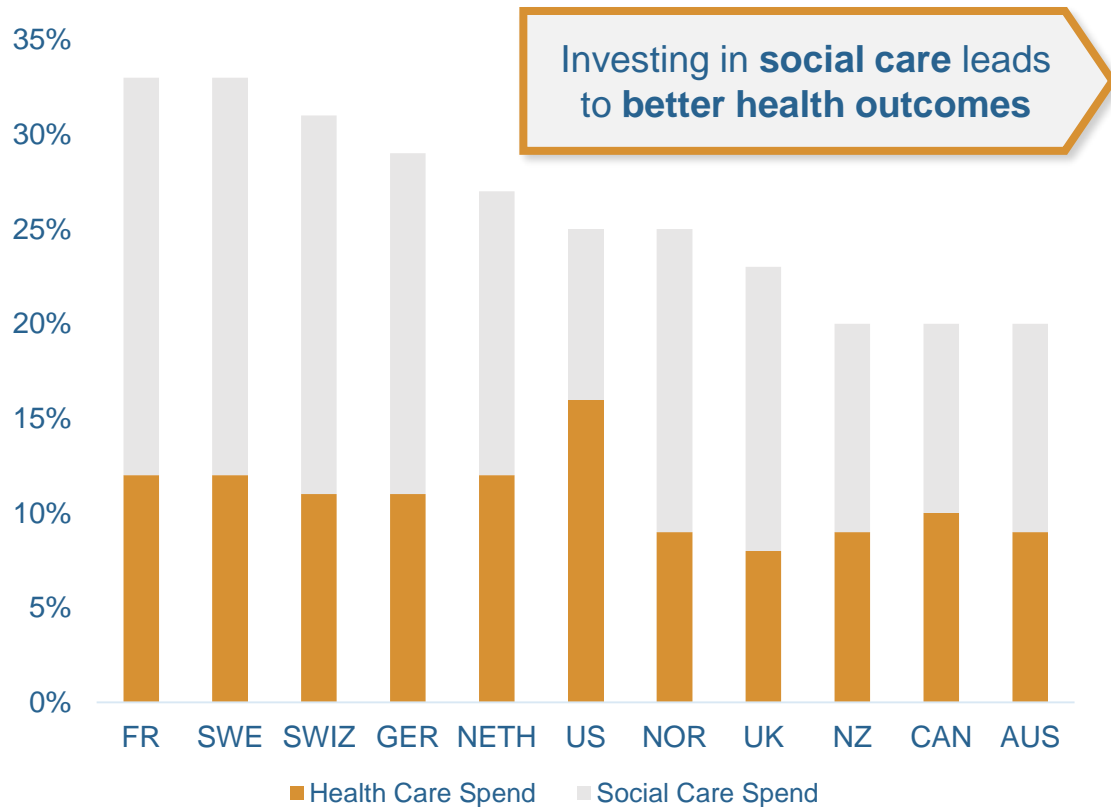


1. United States Census Bureau: *Projected Population by Single Year of Age, Sex, Race, Hispanic Origin and Nativity for the United States: 2016 to 2060*.  
 2. The Milken Institute: *National Health Expenditure, CMS. Data as of 9/30/2015*.

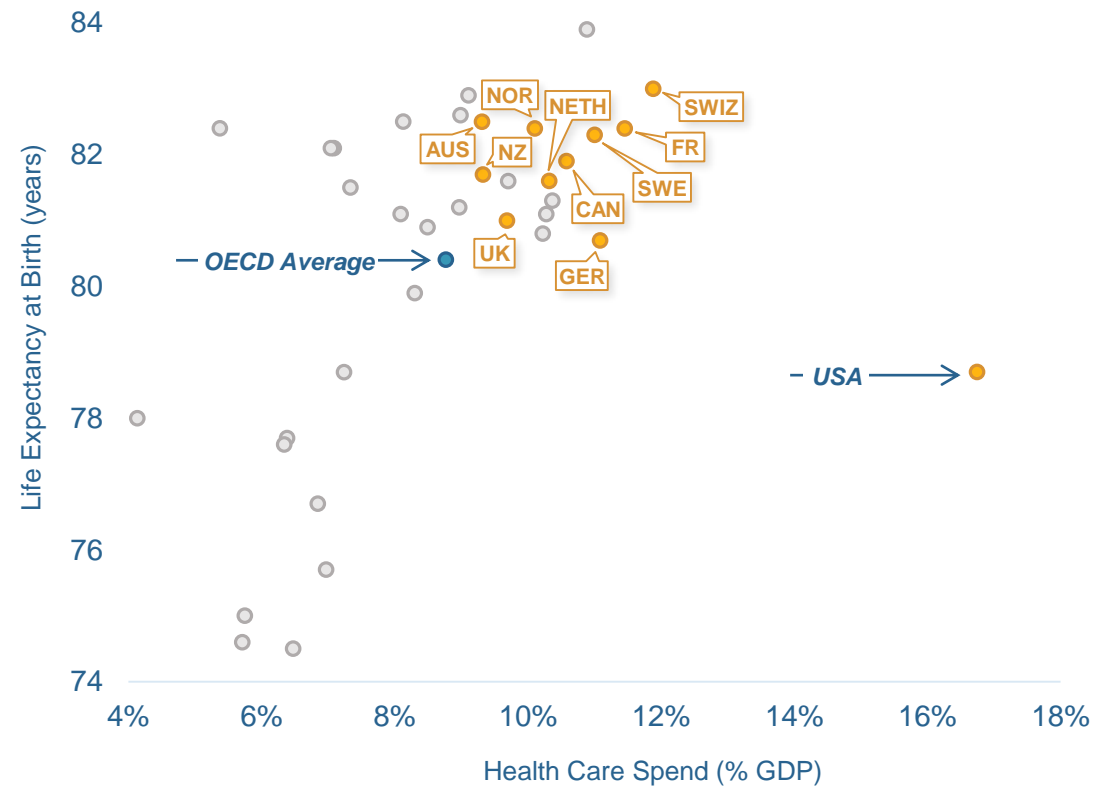
# Secular Theme | The Need for Value-Based Care

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

Health and Social Spending as % of GDP<sup>(1)</sup>



Healthcare Spend vs. Life Expectancy<sup>(2)</sup>

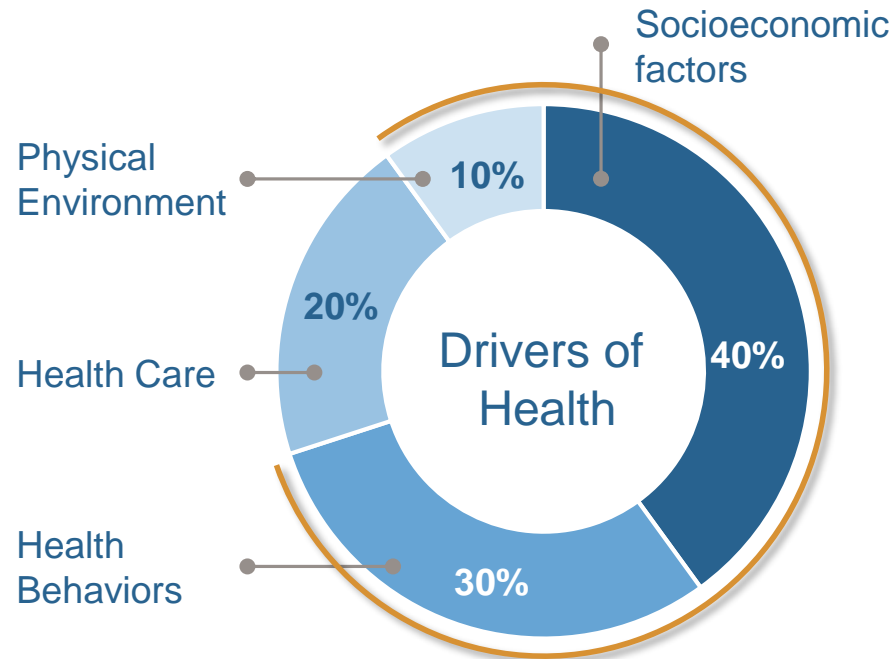


1. The Common Wealth Fund

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

# Secular Theme | Social Determinants of Health

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



Health & Medical Care



Hygiene



Food Security & Nutrition



Exercise & Activity



Transportation



Safety & Accessibility



Sleep



Community & Socialization



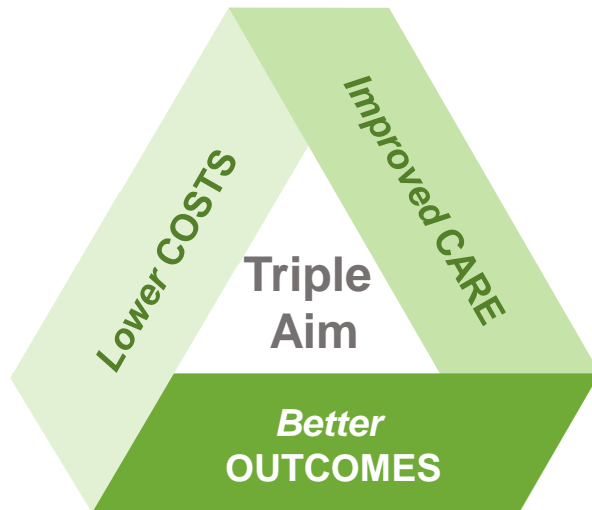
**Health** and **wellness** can be directly impacted by where you **live** and **age**

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

# Investment Theme | The Built Environment Must Change

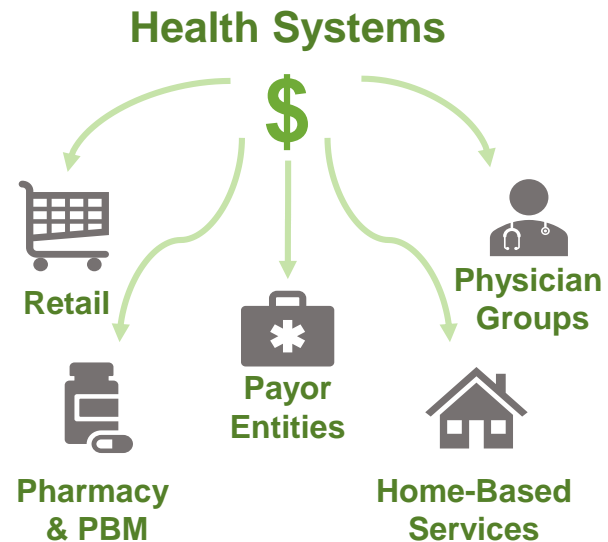
## Key Drivers of Change

*Fee-for-service model is ineffective, costly, and unsustainable given secular trends in demographics*



## Industry Response

*Vertically integrated care models increase care coordination, lower health costs and improve health outcomes*



## Growth Opportunity

*Changing capital needs present an opportunity in health care infrastructure, and the built environment must change to deliver wellness & consumer centered sites of care*



# Investment Thesis

*The built environment must be reimagined and reinvested  
to address the challenges of the aging population*

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# Investment Theme | The Health and Wellness Ecosystem

\$\$\$

RELATIVE COST OF CARE

\$

ACUTE CARE

POST-ACUTE CARE

SENIORS HOUSING



Hospital

Specialty  
Inpatient Care



Inpatient Rehab  
Facility

Long-Term  
Care Hospital

Skilled Nursing  
(LTC)



Memory  
Care

Assisted  
Living

Independent  
Living

Home

CONSUMER DRIVEN VENUES AND SERVICES



Outpatient Medical



Urgent Care



Digital  
Innovation



Home  
Health



Payor  
Programs



Virtual  
Health

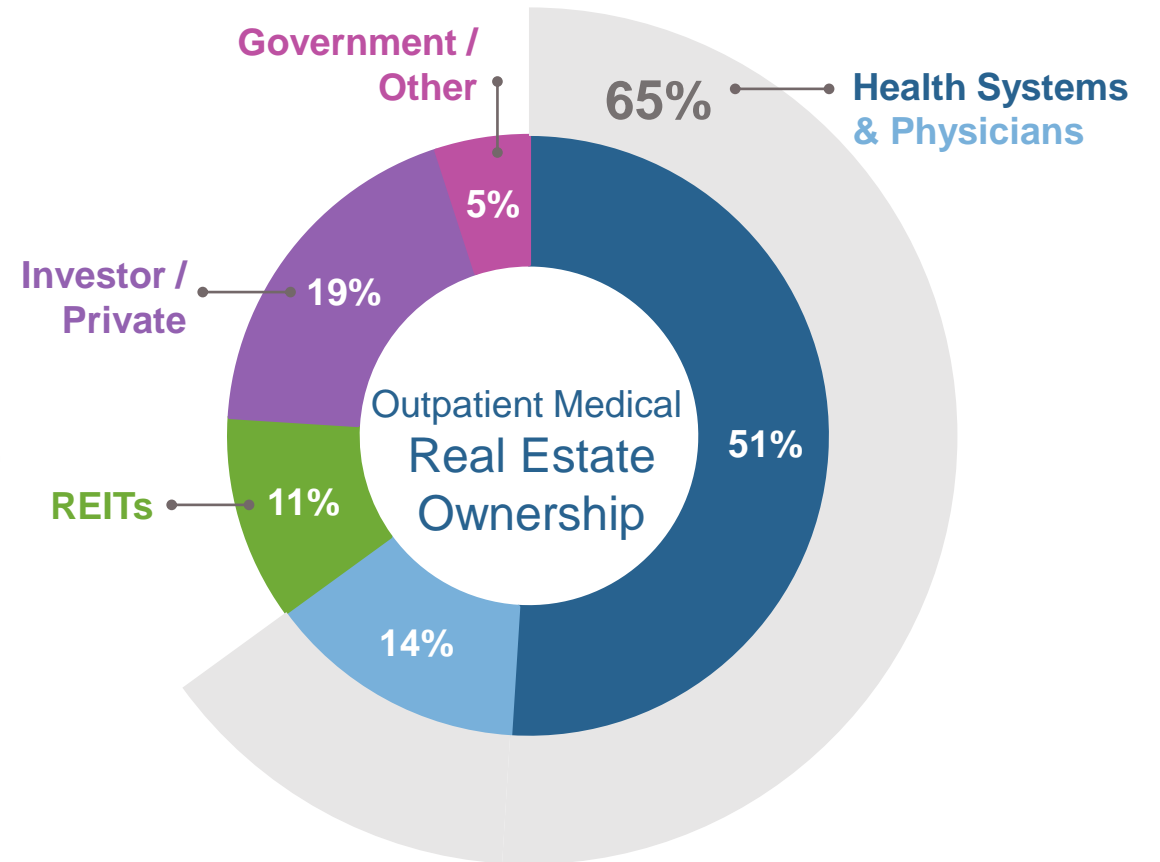


Retail  
Health

# Investment Theme | A \$1 Trillion Opportunity

Health system real estate offers significant investment opportunity to drive synergies across the health care continuum

	Properties	Total Value	Total Sq. Feet
Hospital	5,522	\$640B	1.6B
Outpatient	32,158	\$372B	1.3B
<b>TOTALS</b>	<b>37,680</b>	<b>\$1.0T</b>	<b>2.9B</b>



# The Welltower Platform

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# Welltower at a Glance

*World's largest health and wellness real estate platform*

**1,137**  
Senior Living  
Communities

**~22M** sq. ft.  
of Outpatient  
Facilities



**\$46B**  
Enterprise Value<sup>(1)</sup>

S&P **500**

Dow Jones  
**Sustainability**  
World Index

Bloomberg Gender  
Equality Index

*Strong Balance Sheet*  
**BBB+ / BBB+ / Baa1**

**67%**  
*5 yr total return*

1. Source: Bloomberg as of 6/30/2019.

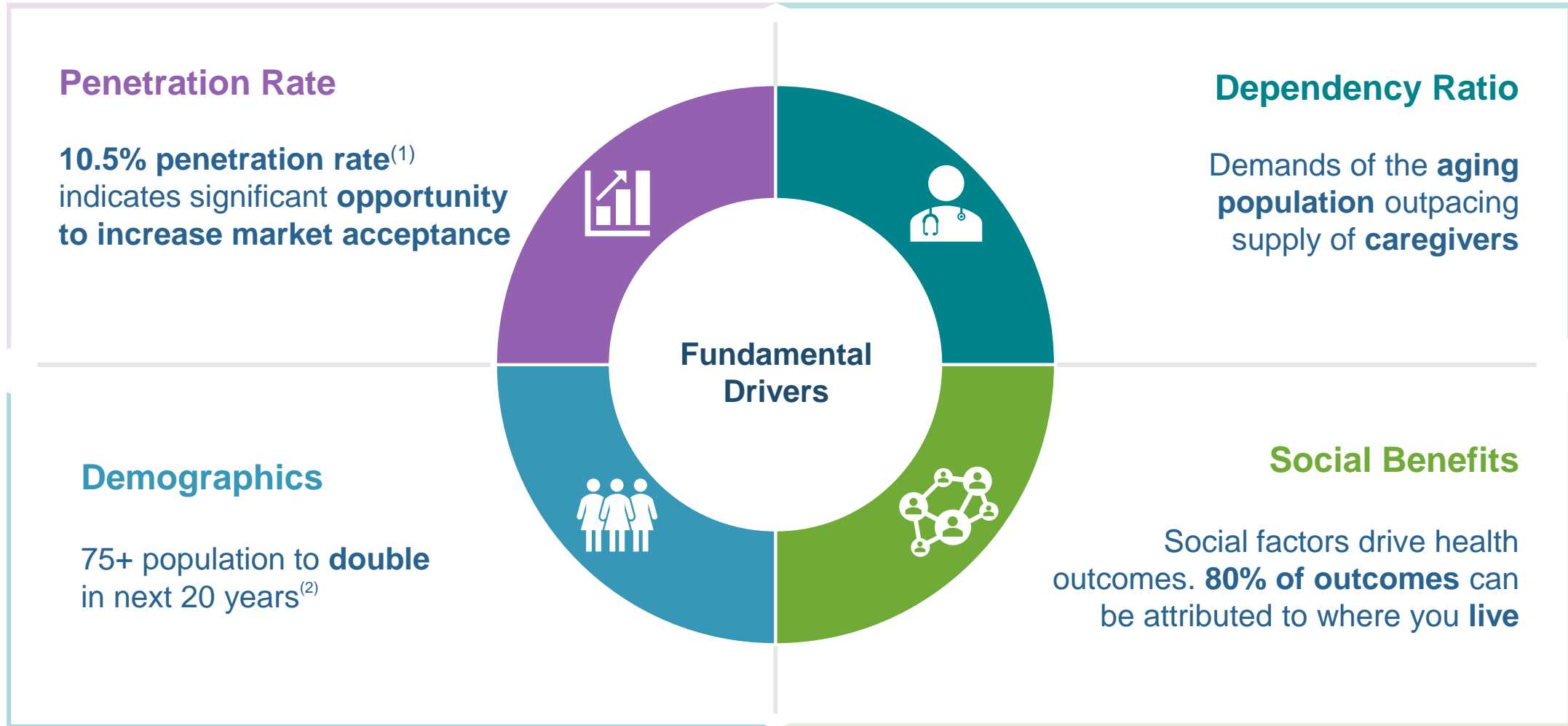
# Welltower Platform | Market Leading Strengths



# The Welltower Platform

## Seniors Housing

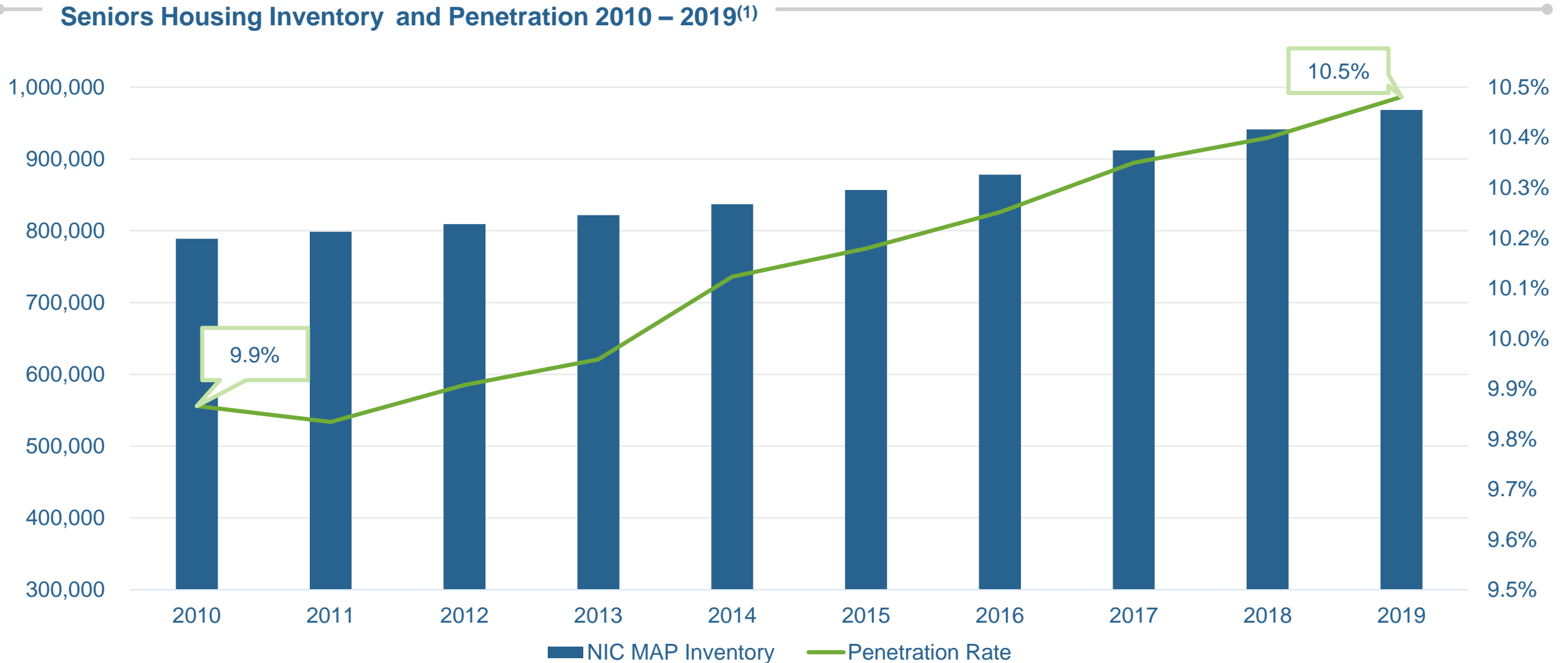
# Strong Case for Seniors Housing



1. Penetration rate calculated based on NIC MAP Occupancy and Inventory, 2Q19 and 80+ population.

2. Combined for US, CA, and UK. Sources: UK = ONS (Office for National Statistics) [www.ons.gov.uk](http://www.ons.gov.uk)-Canada = StatCan(Statistics Canada) [www.statcan.gc.ca](http://www.statcan.gc.ca)-US = US Census Bureau [www.census.gov](http://www.census.gov).

# Investment Theme | Growing Product Acceptance

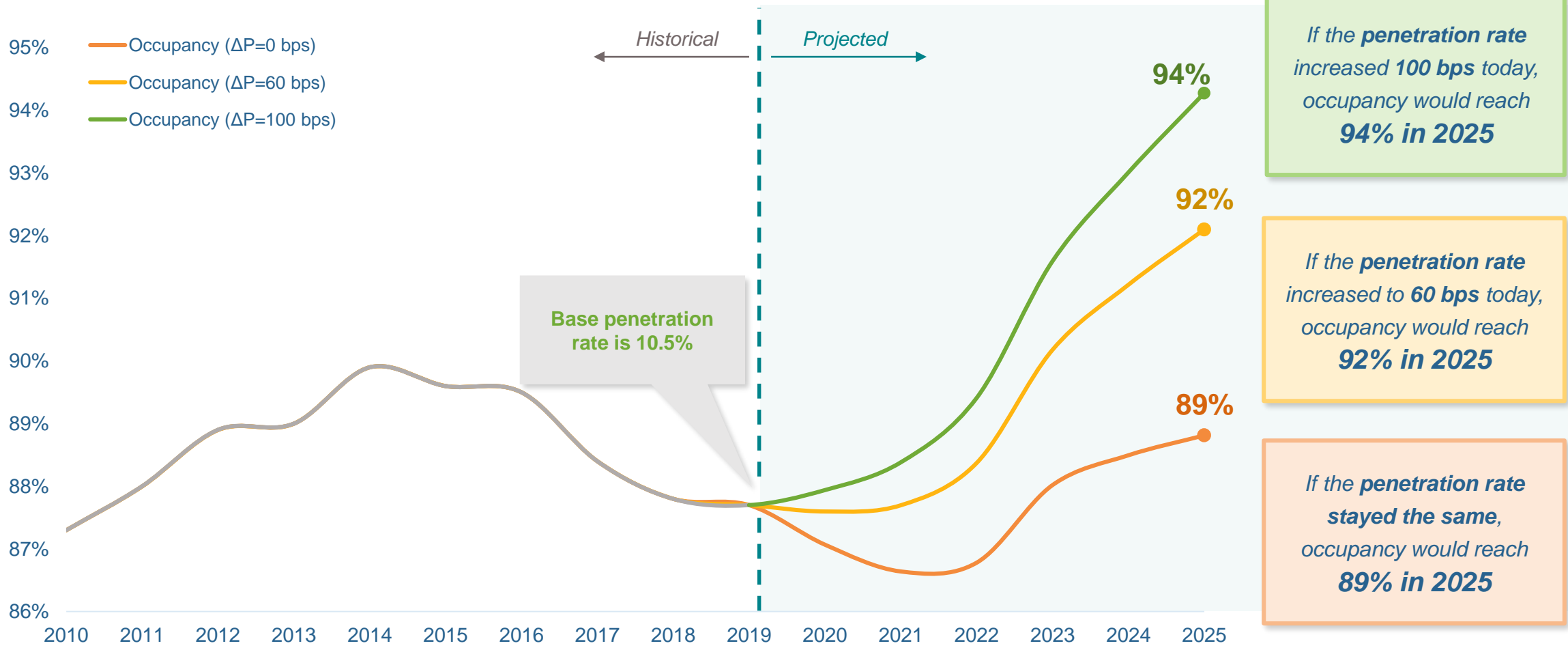


1. Source: NIC MAP Primary and Secondary Markets, 2Q19 and US Census Bureau, Population Division. Penetration rate calculated based on NIC MAP Occupancy and Inventory, 2Q19 and 80+ population.



# Investment Theme | National Senior Housing Outlook

## Occupancy and Penetration Rates : 2010 – 2025<sup>(1)</sup>



1. Source: US Census Bureau, Population Division for population; 1-year population estimates 2010-2018; projections based on national US Census population projections 2019-2025; Population estimates based on NIC Primary and Secondary Markets. Historical penetration rate calculated based on NIC MAP Occupancy and Inventory and 80+ population. Assumes 3% annual supply growth.

# The Strength of the Welltower Seniors Housing Platform



The Sumach by Chartwell | Toronto, CA



Balfour at Riverfront Park | Denver, CO

High Barrier to Entry  
Premier Markets

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Next Generation  
Physical Infrastructure

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47 Best-In-Class  
Operating Partners

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Innovative and  
Aligned Structuring  
*RIDEA 3.0*

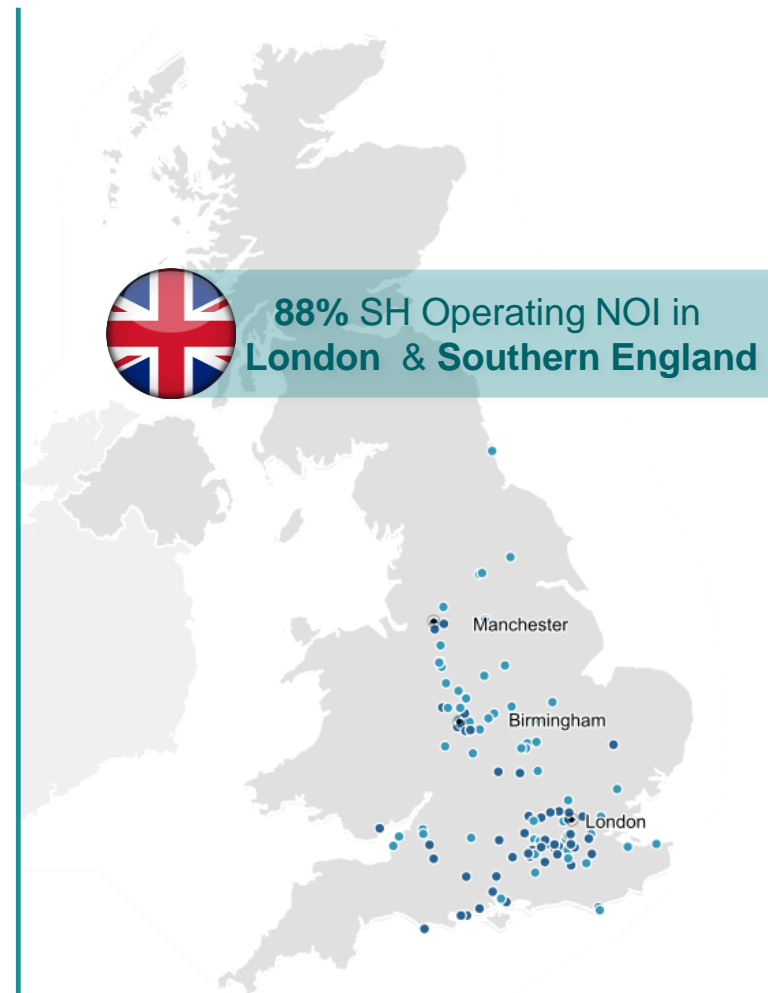
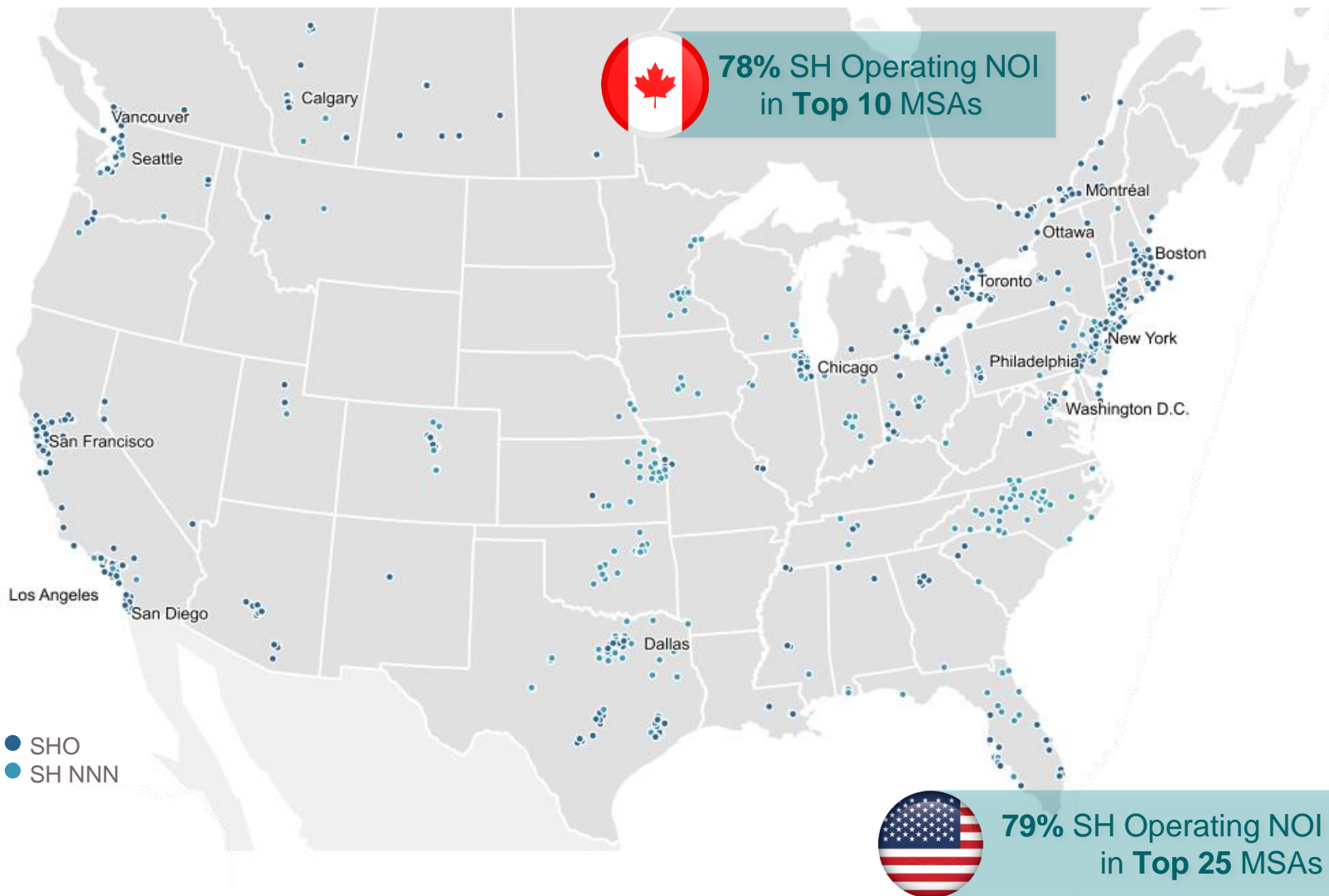


Brandywine Living at Alexandria, VA



Sunrise of Pleasanton | San Francisco, CA

# Seniors Housing Map | Urban, High Barrier to Entry



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

# Welltower Operator Platform



*Operators diversified across geographies and acuity mix*

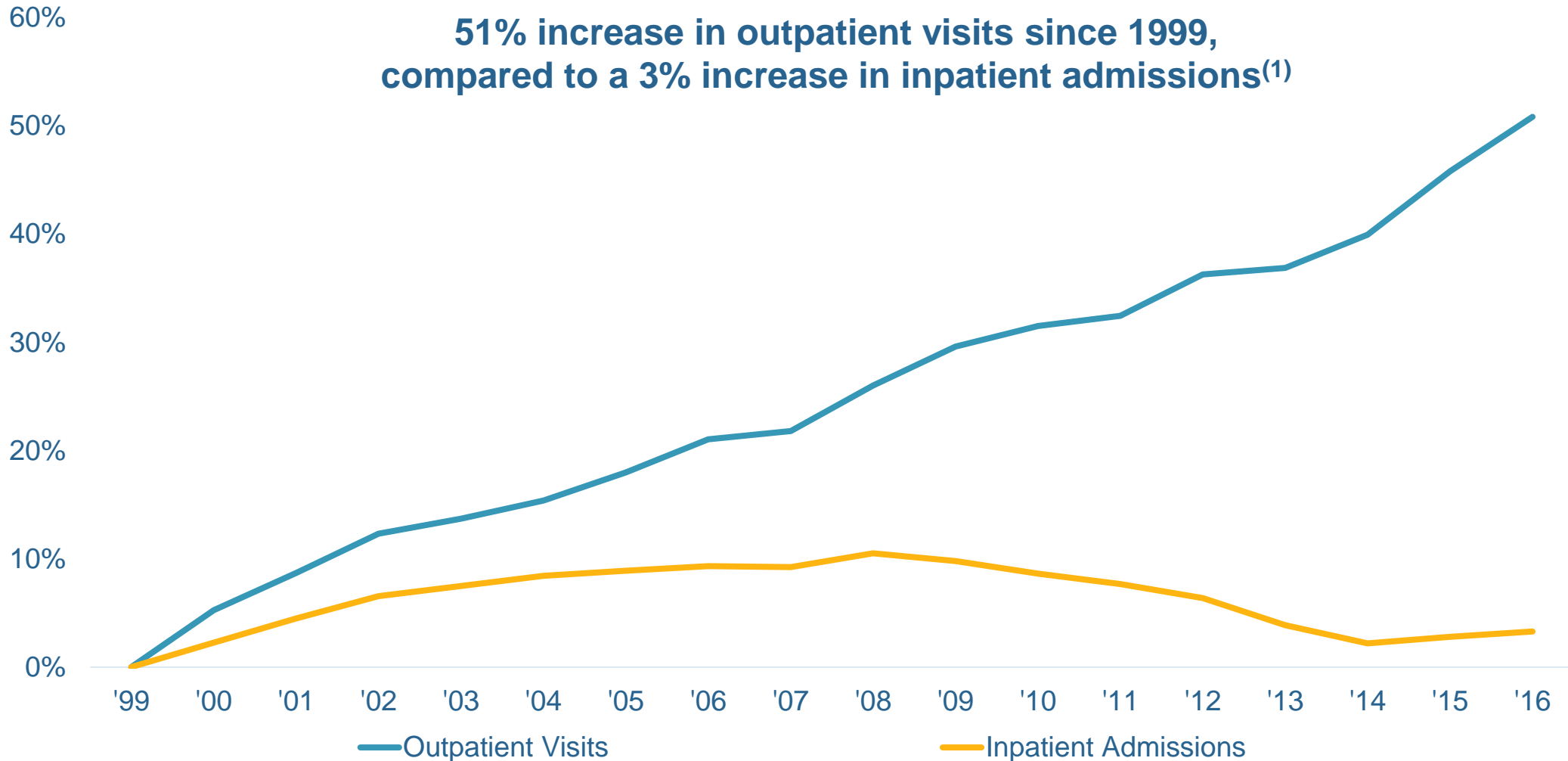
# RIDEA 3.0: Next Generation Management Contracts

*Maximizing Value of Real Estate, Aligning Interests and Protecting Downside*

Ownership Structure & Key Relationship Terms		
	Standard RIDEA Contract	RIDEA 3.0 Contract
<b>Real Estate Ownership</b>	Same Structure	Operator has <b>ownership stake in real estate</b> ✓
<b>Base Management Fee</b>	% of Revenues	Tied to <b>bottom line</b> with incentive fee based on <b>NOI</b> ✓
<b>Promote</b>	Some Partners	Promote at set intervals based on <b>CAGR NOI growth</b> ✓
<b>Termination Rights</b>	Non-performance-based	<b>Portfolio and community based</b> relative to budget ✓

# The Welltower Platform Outpatient Medical

# Investment Theme | Inpatient to Outpatient



1. Source: American Hospital Association 2018 Hospital Statistics Report; data represents the change in inpatient admissions and outpatient visits for Community Hospitals.

# Welltower Platform | What We Do – Outpatient Medical



Strategic Health System Partnerships

Integrated Real Estate Management Team

Predictive Market Analytics

Consumer-focused Care Settings



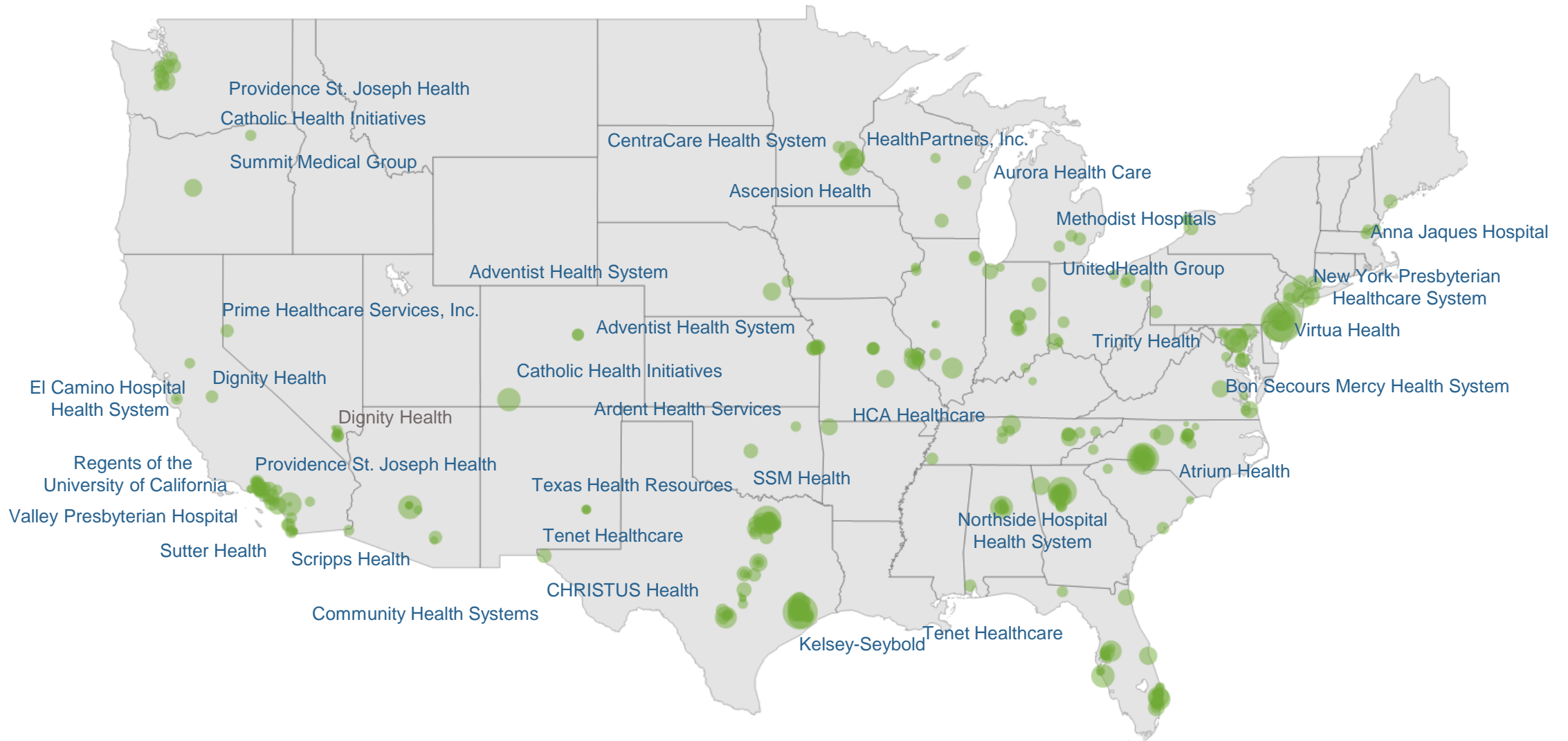


# Growing Relationships with Key Health System Partners



*Strategic Health Care Alliances & Innovative Care Delivery Models*

# Medical Office | Market Leading Platform



*Diversified portfolio across geographies and health systems*

# Case Study | Summit Medical Group



## Premier Multispecialty Medical Practice

*Largest physician-owned multispecialty medical practice in NJ with 800+ practitioners across over 80 specialties in 7 counties*

Largest and most comprehensive care “hub” in hub-and-spoke platform, increasing the total WELL-owned, Summit-leased footprint to **500K sq.ft.**



Summit Berkeley Heights

Summit Florham Park



## 4-story, 130K RSF, 100% Master Leased to SMG

- Property located on **10.4 acres in Florham Park, NJ** (New York MSA)
- Houses over **30 specialties and services**, including ambulatory surgery, urgent care, geriatric services, imaging & radiology, and primary care.
- **Epicenter for Cancer Treatment:** comprehensive, next generation oncology services



# Case Study | Atrium Development - Charlotte, NC

**Consumer-oriented Class “A+” Health Care  
Anchored Mixed-Use**

Buildings to house  
**integrated specialty clinical practices**  
for Atrium Health including the  
**Sanger Heart and Vascular Institute**

Anticipated Delivery Q2 – Q3 2020



Two building, **5.5-acre multi-phase development** 100% master-leased by **Atrium Health (Moody’s: Aa3)**

Adjacent to Carolinas Medical Center campus with **286K sq. ft. of future development opportunities**

# Case Study | Providence St. Joseph - Mission Viejo, CA

## Innovative Care Delivery Model and Advanced Oncology Programs

Strategic joint venture with **Mission Hospital**, a 345-bed acute care hospital and member of the **Providence St. Joseph Health System**.



**104,500 RSF**, on-campus medical office building with 611-space parking structure built on a former parking lot at **The Shops at Mission Viejo**, a high-end mall owned by Simon Property Group

**Long term ground lease** with SPG,  
**100% master leased** by Mission Hospital

# Case Study | Johns Hopkins - Clinical Transformation



Clinical Network Expansion and Industry Leading Partnership with active dialog to develop **alternative sites of care** in collaboration with **Howard County General Hospital**



155K RSF in 2 MOBs  
on 30+ acres

216K RSF in 2 MOBs  
on 14 acres

Affiliated medical office buildings housing a variety of **private multi-specialty physician practices**, health system employed and **academic faculty practices**

# Welltower and ProMedica | Strategic Joint Venture

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Diversified portfolio positioned for **internal** and **external** growth, investment grade balance sheet and outstanding access to capital



# PROMEDICA

15<sup>th</sup> largest national health system with acute, post-acute and ambulatory care, 600K covered lives and 2,700 providers

## Innovative partnership creates \$7B, fully integrated care platform



50K

Employees across 30 states

450

Care communities  
*post-acute, assisted living, memory care, hospice and home health*

91%

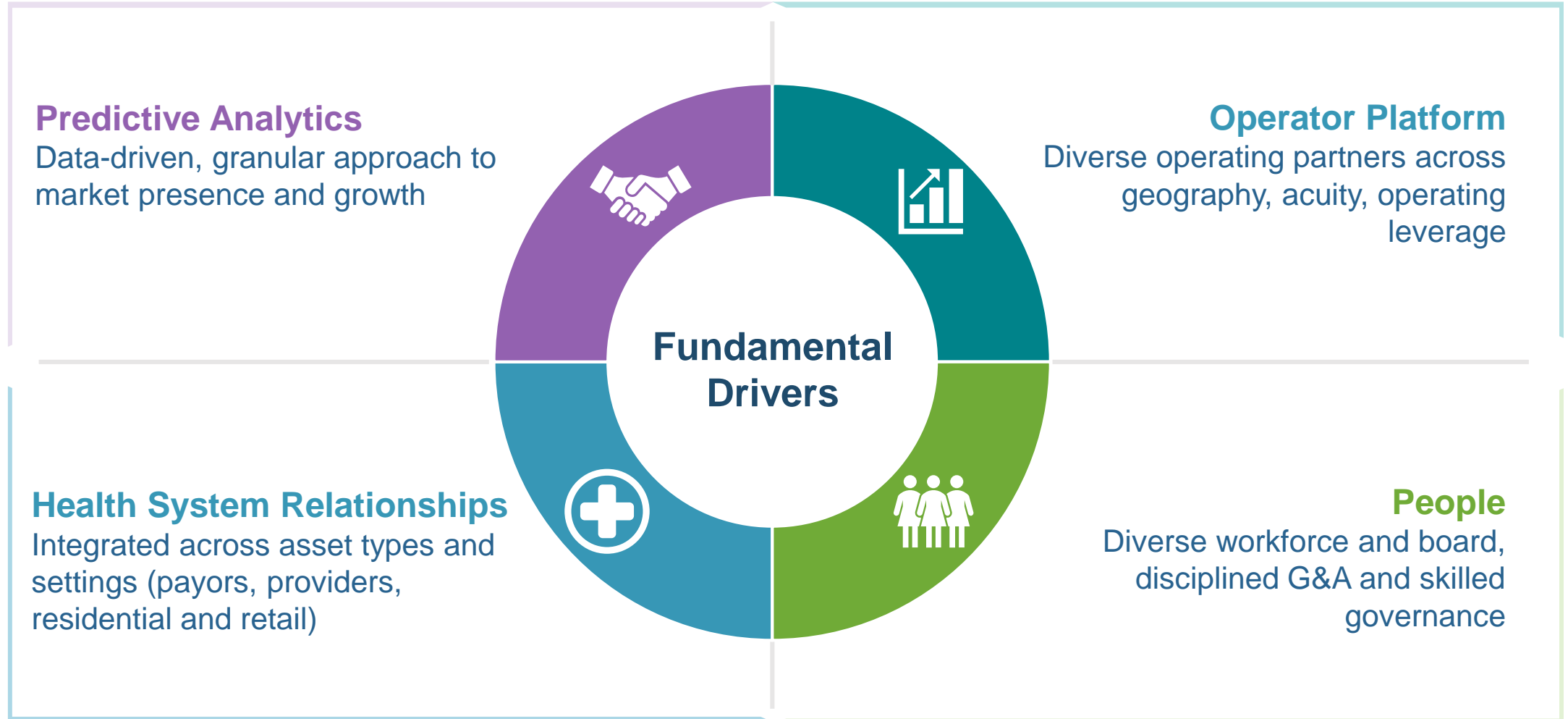
Properties with CMS 4 Star rating and above

# The Welltower Platform

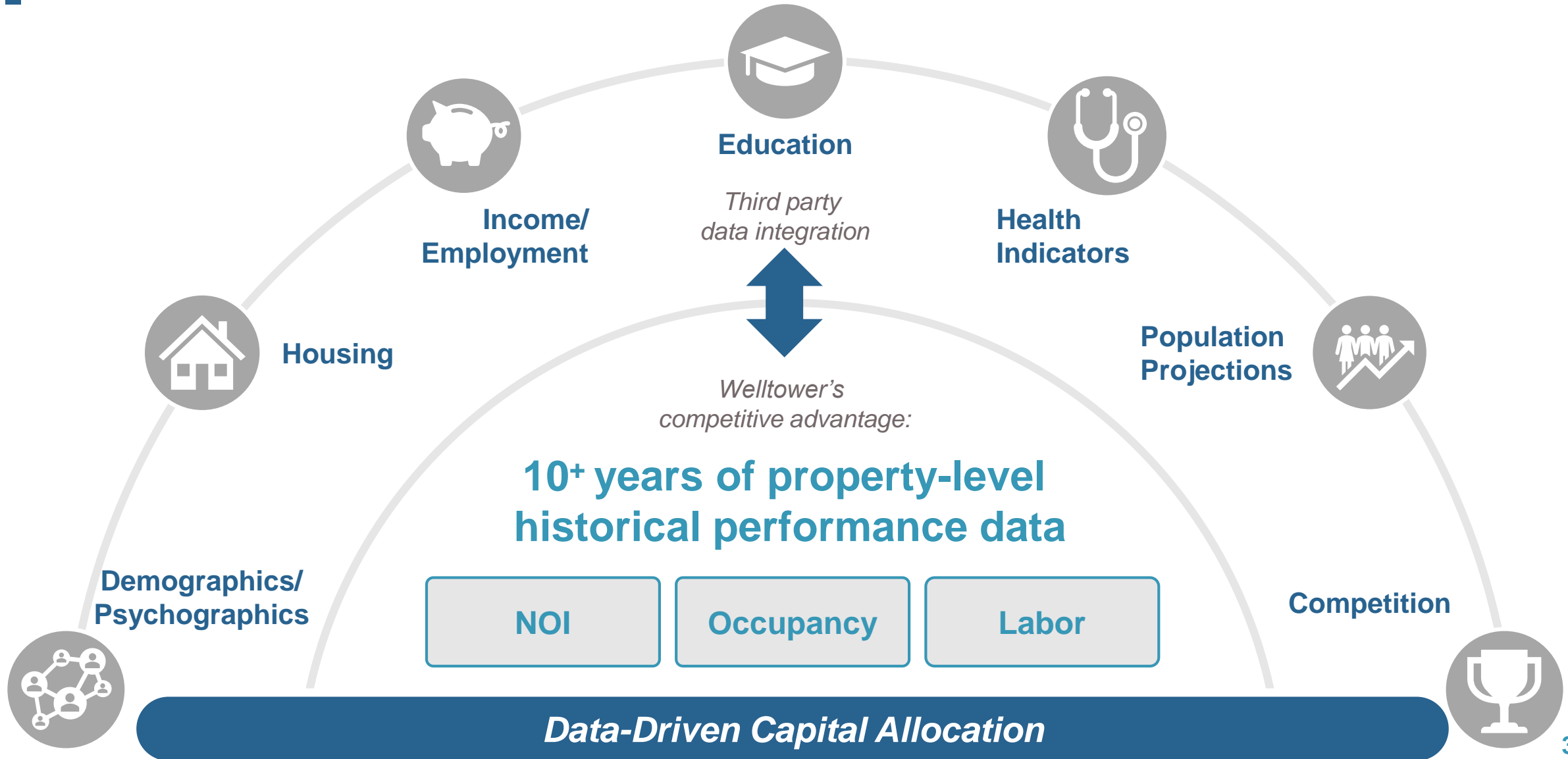
## Our Competitive Advantage



# Sustainable Competitive Advantage



# Business Insights | Integrating Operator & 3<sup>rd</sup> Party Data



# Micro Market Analysis | Looks can be deceiving

Demographic and Psychographic Analysis across 8.2 Million Micro Markets

## Demand Hex Grid with Competition Overlay

### Demographics

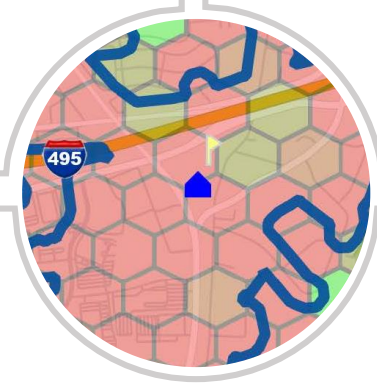
Housing, Affluence, Density,  
Economic Indicators

### Psychographics

Interests, Lifestyle, Values,  
Attitudes, Behaviors

ABILITY to pay

WILLINGNESS to pay



# Households in Target Demographic

Demand Analysis for a Target Property located  
in a **Top MSA** indicates **unfavorable** market conditions



# Micro Market Analysis | Beauty is in the eye of the beholder

Demographic and Psychographic Analysis across 8.2 Million Micro Markets

## Demand Hex Grid with Competition Overlay

### Demographics

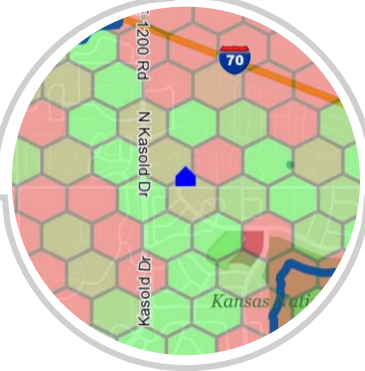
Housing, Affluence, Density,  
Economic Indicators

ABILITY to pay

### Psychographics

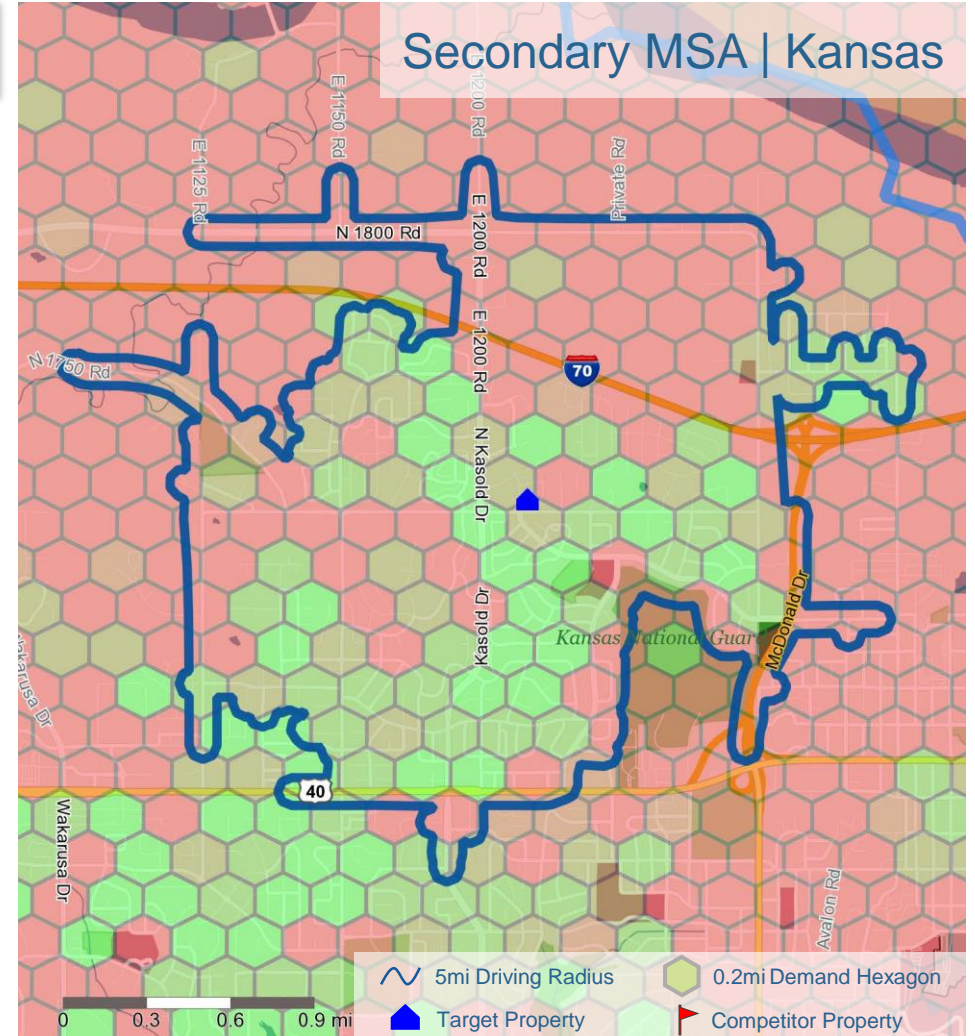
Interests, Lifestyle, Values,  
Attitudes, Behaviors

WILLINGNESS to pay

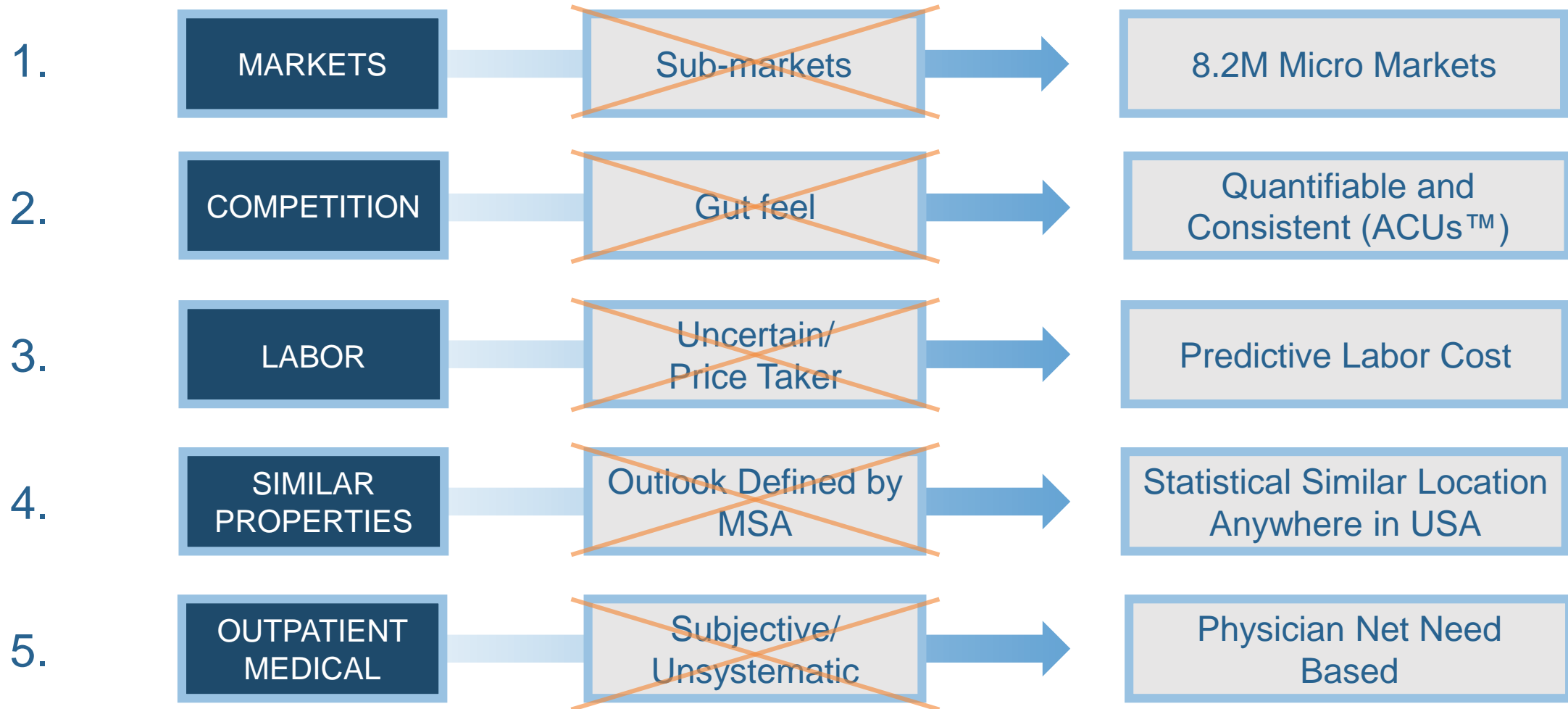


# Households in Target Demographic

Demand Analysis for a Target Property located in a **Secondary MSA** indicates **favorable** market conditions



# Business Insights | Key Takeaways



# Seniors Housing Operator Platform | Power of Diversification

## Diversity Across Platform

Acuity

AL, IL, MC

Geography

Micro Markets

Operating Leverage

RIDEA 3.0

## Operator Diversification across Acuity Spectrum

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Monthly Rent



\$\$

Low



Average Portfolio Acuity



High



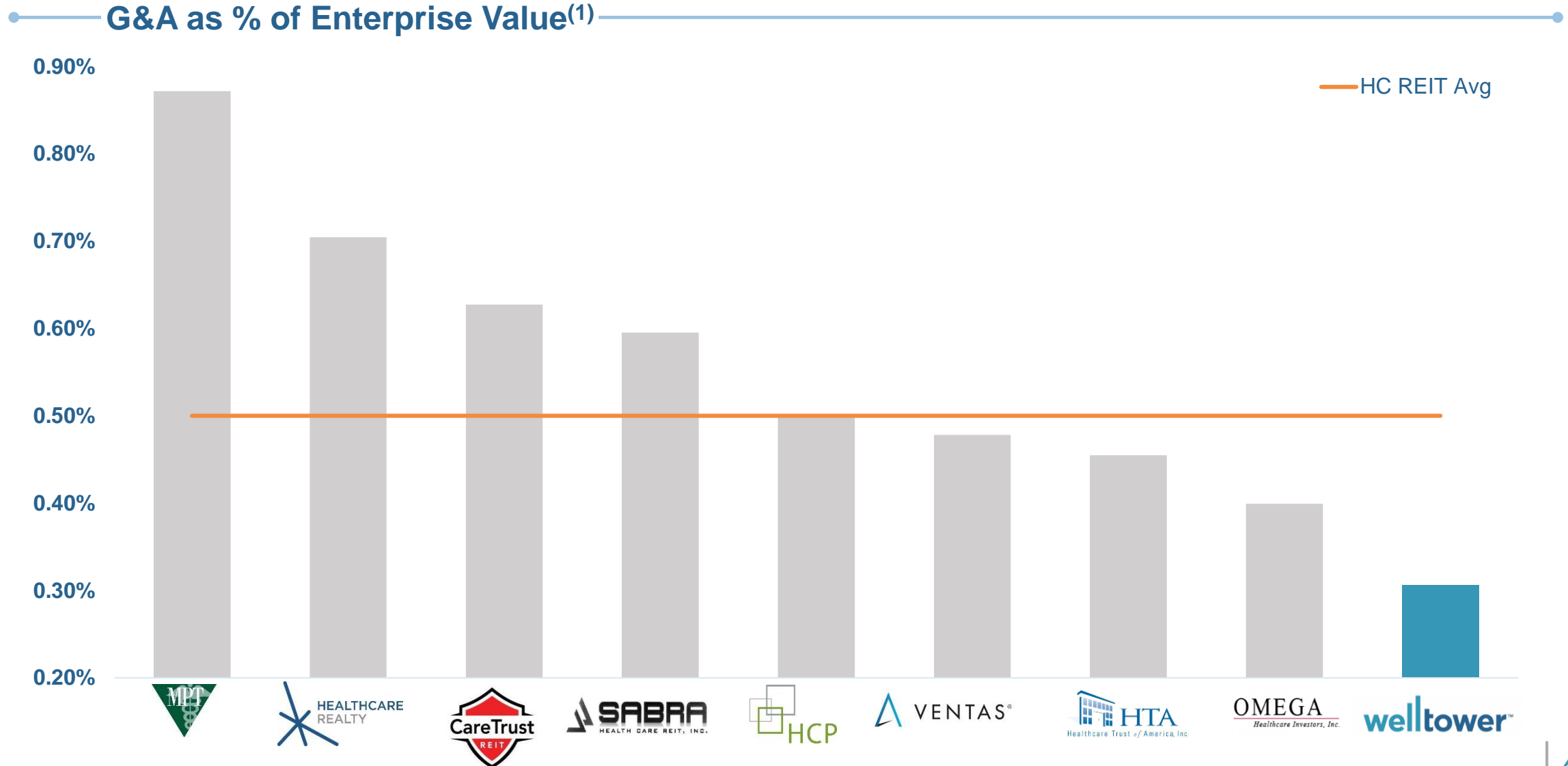
# People



This block contains four distinct logos and one central text box:

- Fortune World's Most Admired Companies**: A logo with the Fortune magazine name and a colorful bar chart.
- Bloomberg Gender-Equality Index 2019**: A circular logo with an equals sign and the text "2019", "Bloomberg", and "Gender-Equality Index".
- Ohio Diversity Council**: A logo featuring a stylized map of Ohio with a diversity icon and the text "OHIO DIVERSITY COUNCIL".
- Women's Empowerment Principles**: A logo with a globe and the text "EMPOWERMENT PRINCIPLES" and "EQUALITY MEANS BUSINESS".
- CEO ACTION FOR DIVERSITY & INCLUSION**: A central text box with the words "CEO ACTION" in a larger font and "FOR DIVERSITY & INCLUSION" below it.

# Efficient and Effective Corporate Structure



1. Source: Bloomberg as of 6/30/2019.



# Capitalizing the Opportunity

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# Performance Driven Financing Strategy

Superior Internal & External Growth



Significant & Stable Dividend Income



Investment Grade Balance Sheet



Outstanding Access To Capital



# Strategic Portfolio Optimization | Capital Recycling

## Capital Recycling 2014 – 2Q19<sup>(1)</sup>

**\$20B**

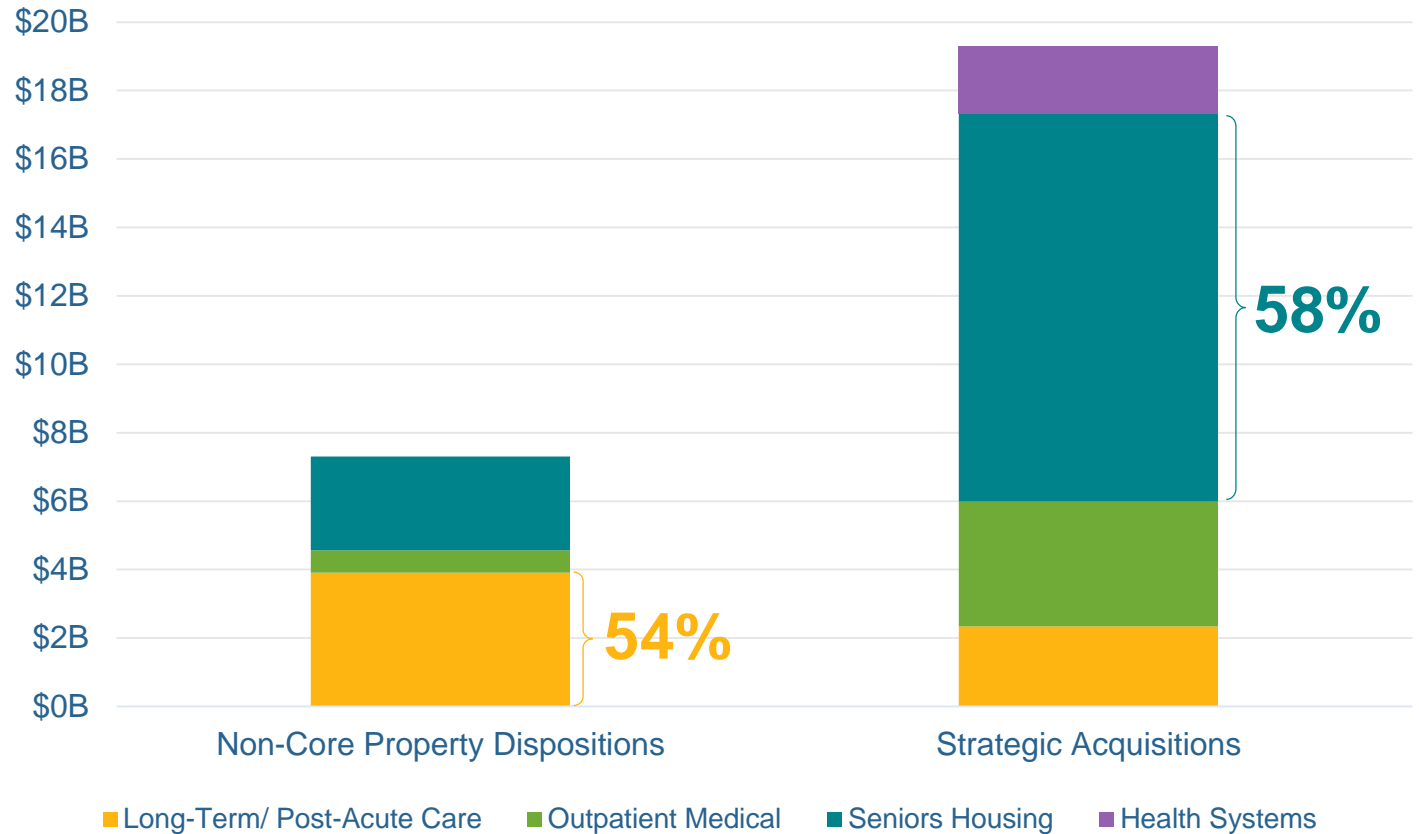
gross investments since 2014

**\$9B**

dispositions since 2014

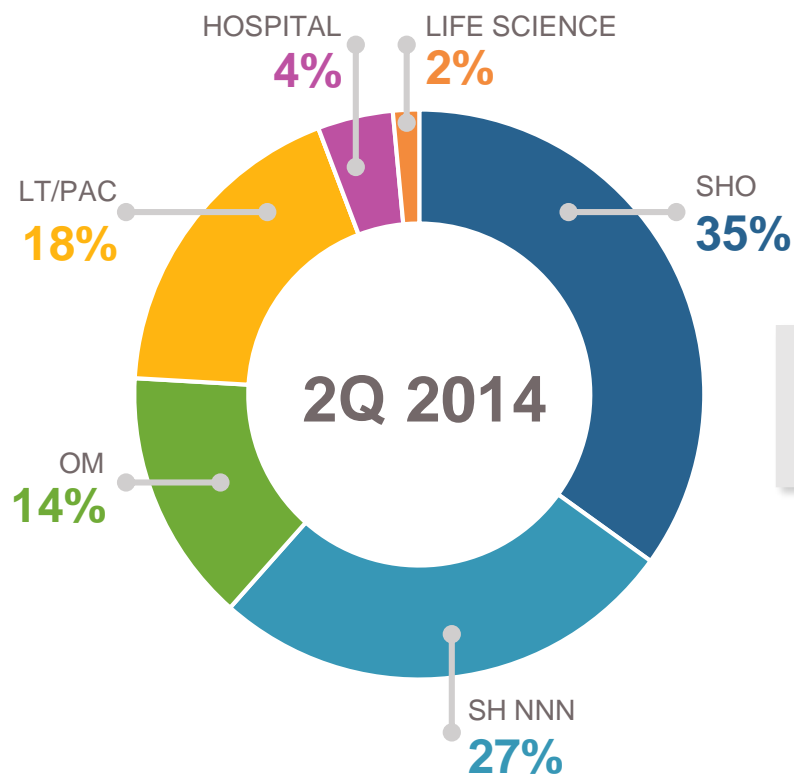
**\$7B**

invested in Outpatient Medical and Health Systems



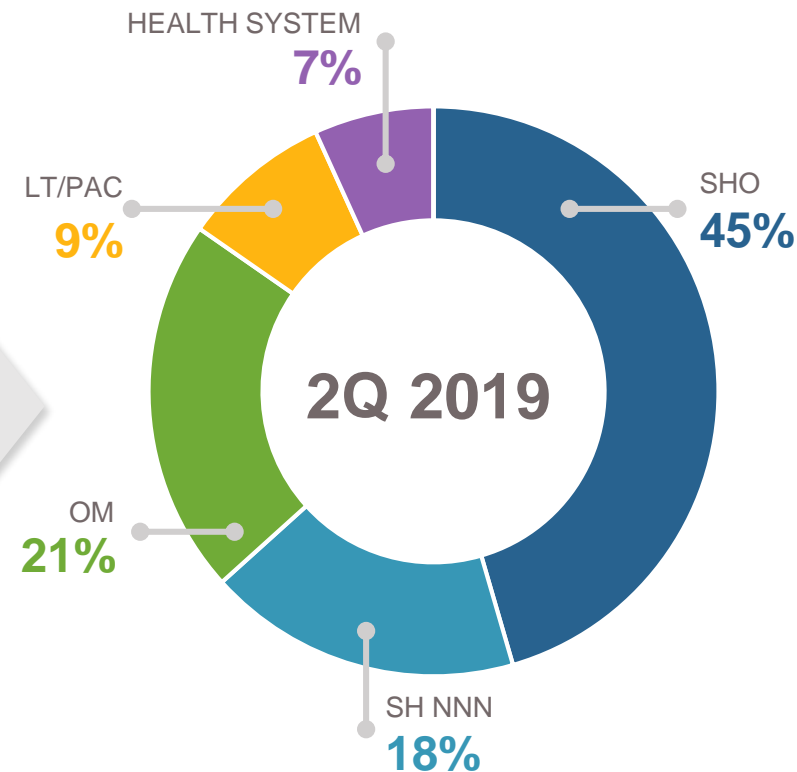
1. Investment amounts pro rata as of 6/30/2019.

# Portfolio Optimization Enhances Quality of Cash Flow<sup>(1)</sup>



Private Pay 87%<sup>(2)</sup>

Strategic Capital Deployment into  
Outpatient Medical & Health Systems



Private Pay 93%<sup>(3)</sup>

1. Based on In-Place NOI. See Supplemental Financial Measures at the end of this presentation for reconciliations.  
 2. Weighted estimate based on total revenues by property type.  
 3. Based on facility revenue mix.

# Continued Portfolio Optimization

*Strategic Acquisitions with Next-Gen Operators into High Quality Urban Seniors Housing*



*Aligning with Premier Care Providers by Financing New Models of Health Care Delivery*






# Superior Access to Unsecured Debt Capital

Balance sheet anchored by laddered debt maturities across major international currencies

## WELL 10-Yr Benchmark Spread Over US 10-Yr Treasury



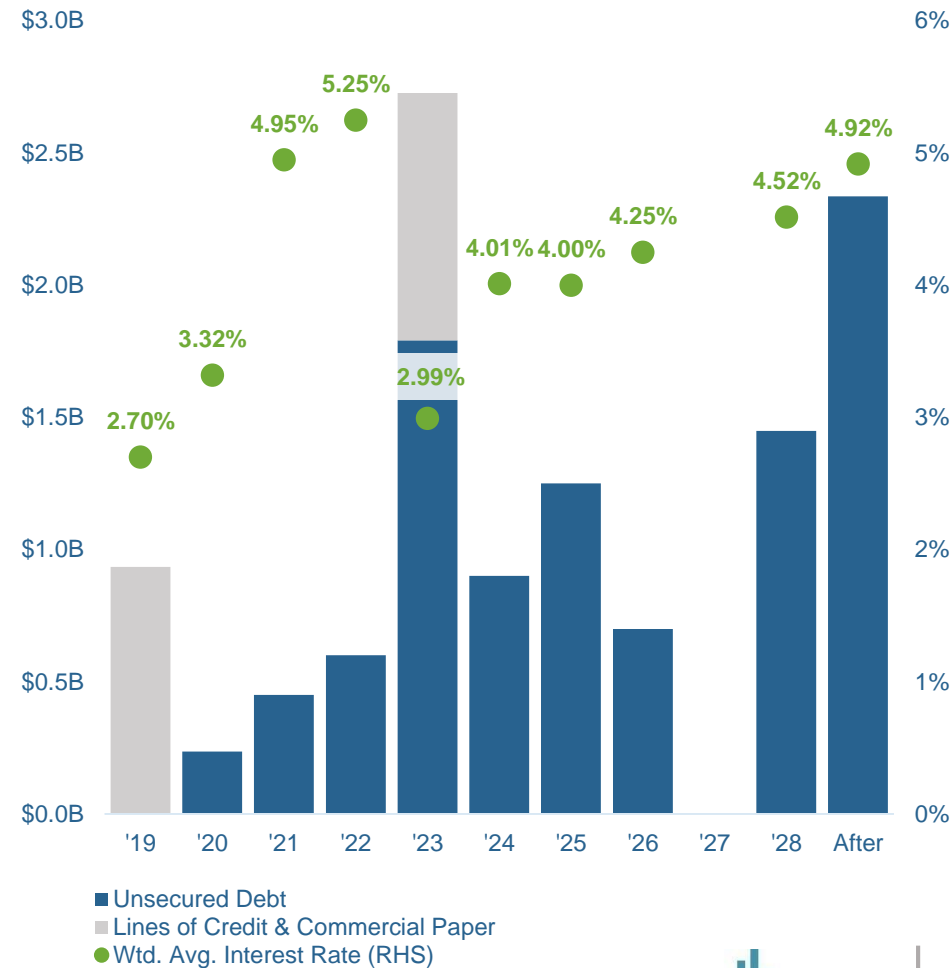
## Diversification Across Geographies and Currencies<sup>(1)</sup>

	Amount Outstanding	Years to Maturity	Coupon
	\$7.45B	8.6	4.4%
	£1.05B	12.3	4.7%
	C\$300M	1.4	3.4%

1. Excludes term loans.

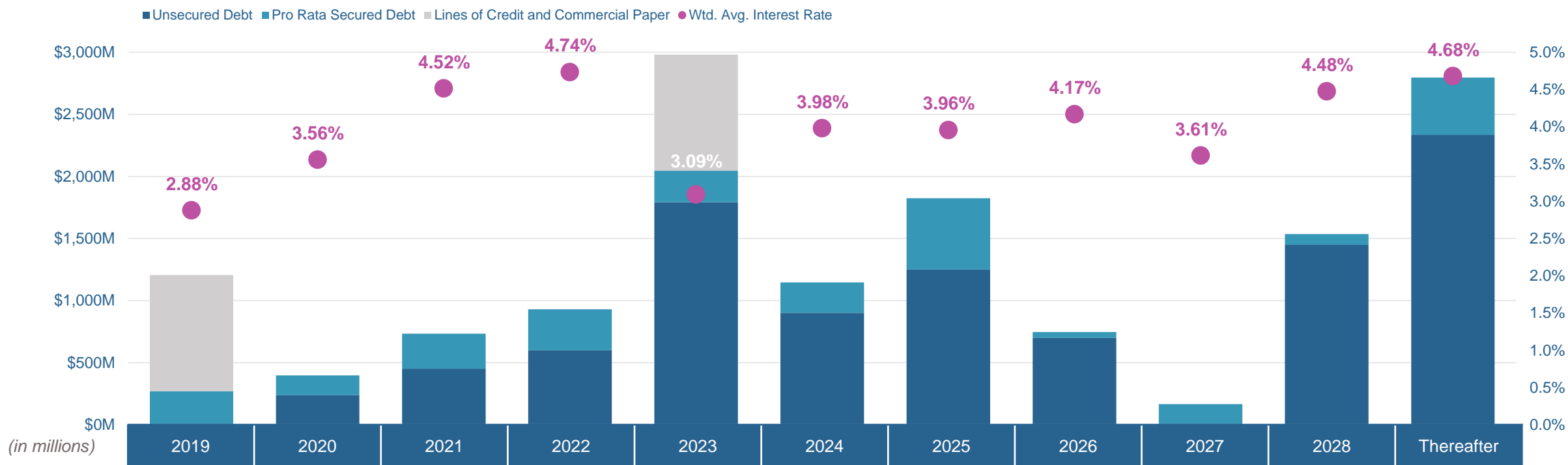
2. Includes term loans except for the 2020 maturity, which is adjusted for the subsequent of the \$1 billion unsecured term loan facility.

## Unsecured Debt Maturity Profile<sup>(2)</sup>



# Balanced and Manageable Debt Maturity Profile<sup>(1)</sup>

Weighted Average Maturity of 6.9 years<sup>(2,3)</sup>



Unsecured Debt	-	\$237	\$450	\$600	\$1,791	\$900	\$1,250	\$700	-	\$1,449	\$2,335
Pro Rata Secured Debt	\$269	\$160	\$283	\$329	\$255	\$246	\$574	\$47	\$165	\$87	\$461
Lines of Credit & Commercial Paper	\$935	-	-	-	\$935	-	-	-	-	-	-
<b>Total</b>	<b>\$1,204</b>	<b>\$397</b>	<b>\$733</b>	<b>\$929</b>	<b>\$2,981</b>	<b>\$1,146</b>	<b>\$1,824</b>	<b>\$747</b>	<b>\$165</b>	<b>\$1,536</b>	<b>\$2,796</b>

1. Data as of 6/30/2019 in USD. 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. The 2019 maturity reflects the \$935,000,000 in principal outstanding on our unsecured commercial paper program as of June 30, 2019. The 2023 maturity reflects the \$935,000,000 in principal outstanding on our unsecured revolving credit facility that matures on July 19, 2022 (with an option to extend for two successive terms of six months each at our discretion). If the commercial paper was refinanced using the unsecured revolving credit facility, the weighted average years to maturity of our combined debt would be 7.2 years with extensions.
3. The 2020 maturity is adjusted for the subsequent of the \$1 billion unsecured term loan facility.

# Current Portfolio - 5 Year Cash Flow Growth Model

	Bucket	Assumptions	Total Growth	Annual Growth	Incremental NOI
1	Total Stable Portfolio Growth	Stable portfolio generates 2.5% unlevered annual growth	19.1%	3.6%	\$281M
2	SHO Occ. Stabilization	SHO portfolio leases up from current occupancy of 87.2% to 91.5% stabilized	4.6%	0.9%	\$68M
3	Brookdale Transition Assets	Transition assets budgeted occupancy and performance at stabilization	2.9%	0.6%	\$43M
4	Development Lease-Up	Incremental NOI from SHO properties that have been open for less than two years	2.7%	0.5%	\$53M
5	Construction In Progress	WELL pro rata development funding to-date at projected stabilized yield	2.0%	0.4%	\$29M
<b>Portfolio Annualized Return</b>			<b>31.3%</b>	<b>6.0%</b>	<b>\$474M</b>
6	Dividend Yield	Based on current dividend yield		4.5%	
<b>Total Embedded Return</b>				<b>10.5%</b>	



# Current Portfolio - 5 Year Cash Flow Growth Model

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6	Dividend Yield	Based on current dividend yield		4.5%	
<b>Total Embedded Return</b>				<b>10.5%</b>	
7	Acquisition Pipeline	\$1.5B in acquisitions at a 7.0% yield relative to current cost of capital		1.7%	\$25M
8	Development Pipeline	\$350M in developments at a stabilized yield of 7.8% relative to current cost of capital		0.6%	\$9M
<b>Total Annualized Return</b>				<b>12.8%</b>	

# 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, the company considers Net Operating Income (NOI) and In-Place NOI (IPNOI) to be useful supplemental measures of our operating performance. These supplemental measures are disclosed on our pro rata ownership basis.

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

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

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



# NOI and IPNOI

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.

We believe NOI and IPNOI 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

(dollars in thousands)

	2Q19	2Q14	Annualized In-Place NOI by property type	2Q19	
Net income (loss)	\$ 150,040	\$ 87,854	Seniors Housing Operating	\$ 959,304	45.5 %
Loss (gain) on real estate dispositions, net	1,682	(13,079)	Seniors Housing Triple-Net	375,768	17.8 %
Loss (income) from unconsolidated entities	9,049	11,516	Outpatient Medical	450,076	21.3 %
Income tax expense (benefit)	1,599	1,569	Health System	143,200	6.8 %
Other expenses	21,628	—	Long-Term/Post-Acute Care	180,004	8.6 %
Impairment of assets	9,939	—	Total In-Place NOI	\$ 2,108,352	100.0 %
Loss (income) from discontinued operations, net	—	(264)			
Loss (gain) on extinguishment of debt, net	—	531		<b>2Q14</b>	
Loss (gain) on derivatives and financial instruments, net	1,913	351	Seniors Housing Operating	\$ 645,896	34.9 %
Transaction costs	—	7,040	Seniors Housing Triple-Net	492,376	26.6 %
General and administrative expenses	33,741	51,660	Outpatient Medical	265,588	14.4 %
Depreciation and amortization	248,052	214,449	Long-Term/Post-Acute Care	338,816	18.3 %
Interest expense	141,336	121,065	Hospital	79,100	4.3 %
Consolidated net operating income	618,979	482,692	Life Science	27,500	1.5 %
NOI attributable to unconsolidated investments and noncontrolling interests <sup>(1)</sup>	(21,041)	9,136		<b>1,849,276</b>	100.0 %
Pro rata net operating income (NOI)	\$ 597,938	\$ 491,828			
Adjust:					
Interest income	\$ (17,356)	\$ (8,933)			
Other income	(3,153)	(2,023)			
Sold / held for sale	(40,759)	(3,270)			
Developments / land	379	—			
Non In-Place NOI <sup>(2)</sup>	(22,548)	(22,189)			
Timing adjustments <sup>(3)</sup>	12,587	6,906			
In-Place NOI	527,088	462,319			
Annualized In-Place NOI	\$ 2,108,352	\$ 1,849,276			

(1) Represents Welltower's combined interests in joint ventures where Welltower is the minority partner and the minority partners' interests when Welltower is the majority partner.

(2) Primarily represents non-cash NOI.

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

# In-Place NOI Concentration Reconciliations

(dollars in thousands at Welltower pro rata ownership)

	2Q19 Annualized	
	Seniors Housing Operating	% of SHO by Country
Los Angeles	\$ 104,433	14.4%
New York	91,624	12.6%
San Francisco	38,197	5.3%
Washington D.C.	37,648	5.2%
Dallas	33,350	4.6%
San Diego	31,087	4.3%
Seattle	27,787	3.8%
Chicago	21,152	2.9%
Boston	20,017	2.8%
San Jose	18,612	2.6%
Other Top 25 US MSAs	146,075	20.1%
Remaining United States	155,286	21.4%
Total United States	\$ 725,268	100.0%
Toronto	\$ 38,144	24.1%
Calgary	7,508	4.7%
Montréal	27,884	17.6%
Ottawa	17,440	11.0%
Vancouver	11,684	7.4%
Edmonton	4,288	2.7%
Québec	7,440	4.7%
Winnipeg	5,832	3.7%
Hamilton	2,164	1.4%
Kitchener	1,628	1.0%
Remaining Canada	34,076	21.7%
Total Canada	\$ 158,088	100.0%
Greater London	\$ 48,260	63.5%
Other Southern England	18,732	24.7%
Other United Kingdom	8,956	11.8%
Total United Kingdom	\$ 75,948	100.0%
Total In-Place NOI <sup>(1)</sup>	\$ 959,304	

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