

# Driving the Future of Health Care Real Estate

*Fixed Income Update*

December 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 160 basis points (bps) since the end of 3Q2020 from 78.4% to 76.8%<sup>(1)</sup>, with occupancy losses totaling 40bps in October, 70bps in November and 50bps month-to-date<sup>(1)</sup>
  - SHO portfolio spot occupancy is expected to end the fourth quarter approximately 200bps lower than September 30, 2020 as compared to our initial expectation, issued prior to the recent surge in global COVID-19 cases, for a decline of 75bps to 125bps
- **Lower than anticipated occupancy driven by a decline in move in activity resulting from a greater than expected increase in COVID-19 cases and shelter in place orders across our geographies**

## Rent Collections Update

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

## COVID-19 Vaccine Update

- Regulatory authorities across the US, UK, and Canada have granted authorization for usage of Pfizer/BioNTech's COVID-19 vaccine
- **UK seniors housing staff began receiving initial doses of the Pfizer vaccine during the week of December 7, 2020**
- **Distribution of COVID-19 vaccines in seniors housing communities across the US is expected to begin during the week of December 21, 2020<sup>(3)</sup>**

## Transaction Update

- **Announced on December 15, 2020 the disposition of a 24 asset OM portfolio for approximately \$550 million in value through a new joint venture partnership with Wafra Inc, a global alternative investment platform managing investments for sovereign institutions including Kuwait and other Gulf states**
  - First tranche of the transaction closed in November 2020 resulting in \$154 million in pro rata proceeds; second tranche expected to close in late-December or early-January
- Completed \$421 million of pro rata dispositions quarter-to-date at a 5.5% blended yield
- Expecting approximately \$500 million of acquisitions to be completed by year-end across stabilized and non-stabilized properties

1. As of December 11, 2020

2. Short-term deferrals primarily relate to lease enforcement moratoriums in several California jurisdictions

3. Source: Omnicare COVID-19 Vaccine Clinic Webinar, December 7, 2020; see slide 19 for further details

# Welltower at a Glance

*World's Largest Health and Wellness Real Estate Platform*

**~1,300**  
Senior Living  
Communities<sup>(1)</sup>

**~22M** sq. ft.  
of Outpatient  
Facilities<sup>(1)</sup>

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



**S&P 500**

**Baa1**  
MOODY'S

**BBB+**  
S&P Global

**BBB+**  
Fitch Ratings

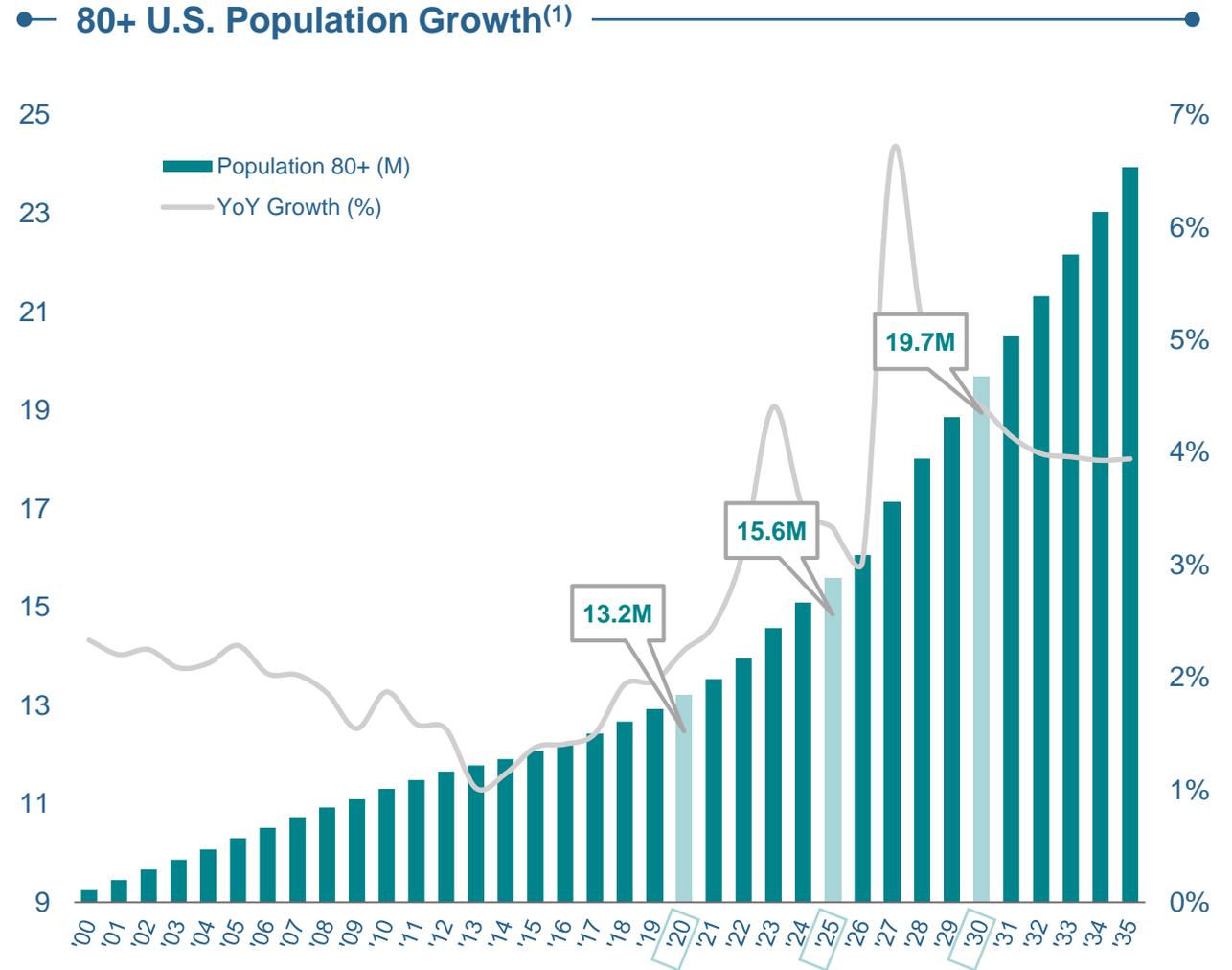
1. As of 9/30/2020



# Welltower Purpose

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

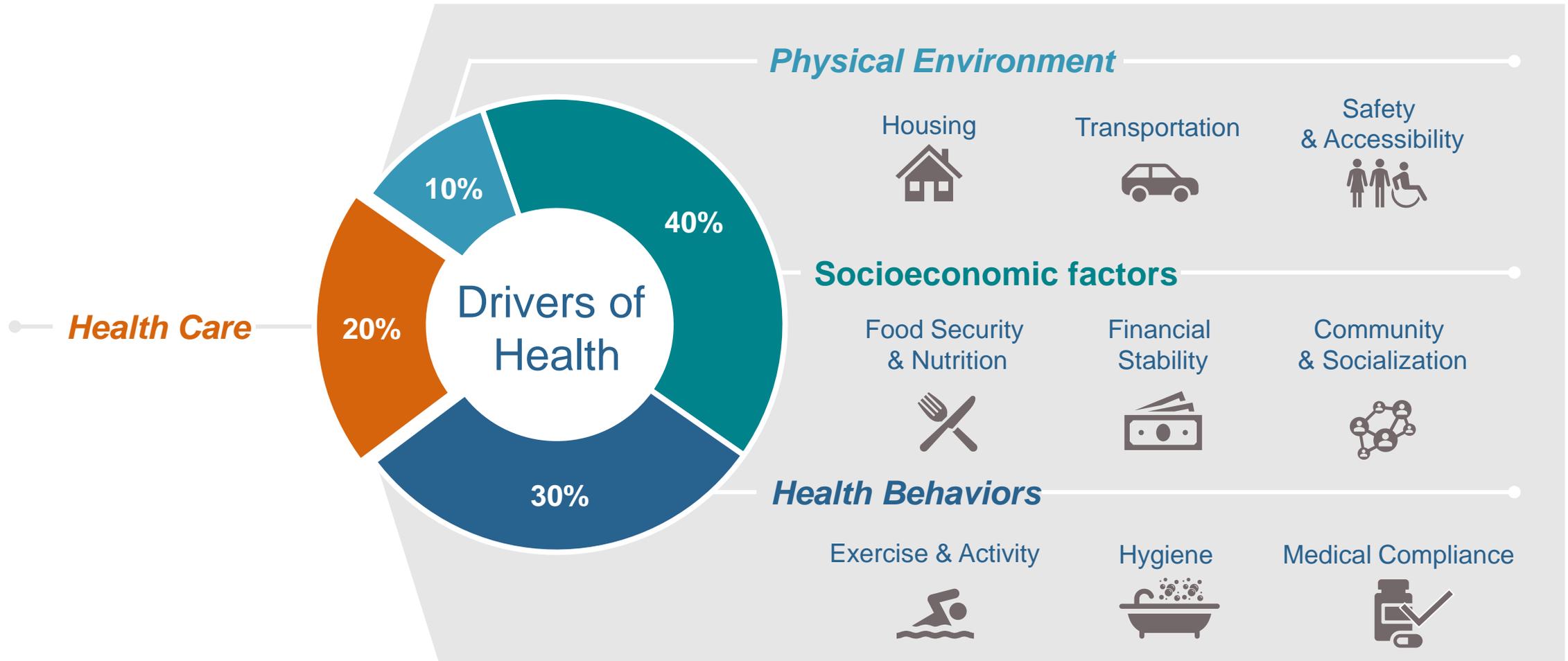
# Secular Theme | An Aging Population



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**<sup>(1)</sup>

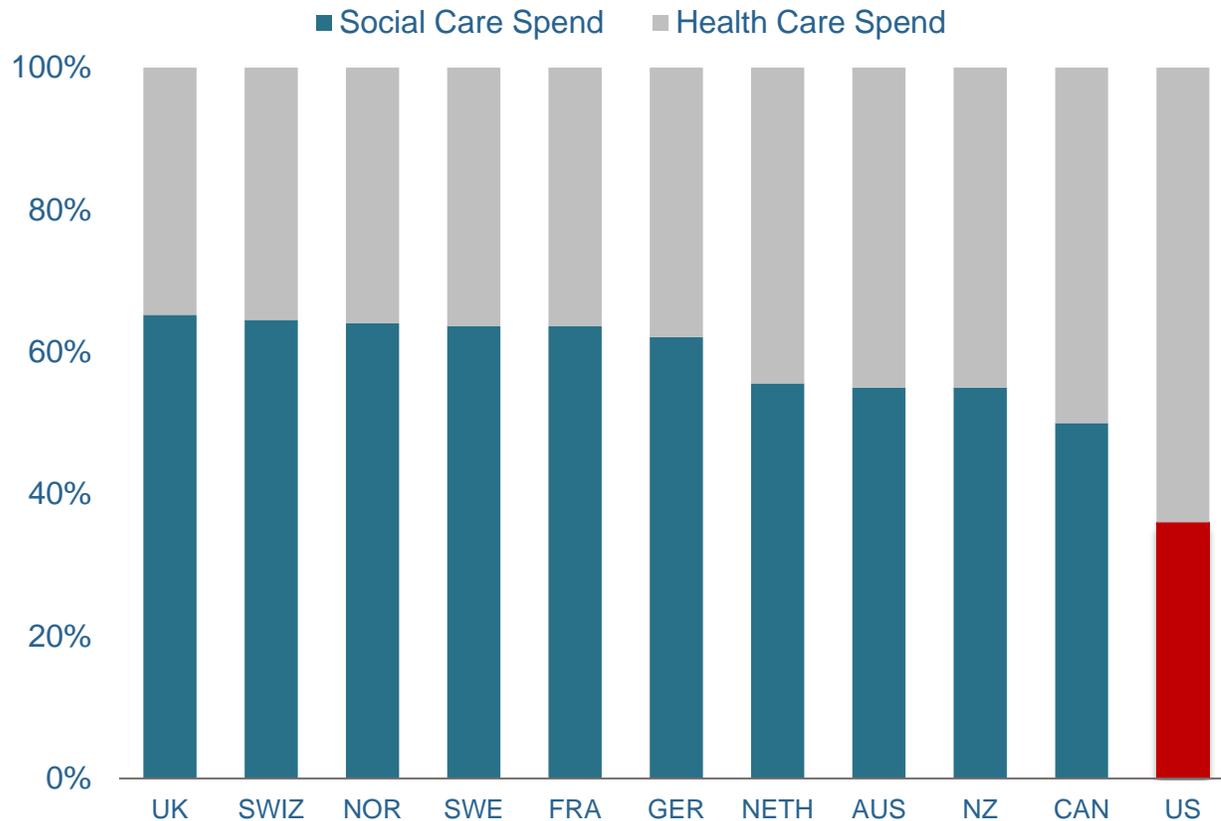


1. Source: Artiga, S., & Hinton, E. (2019, May 29). Beyond Health Care: The Role of Social Determinants in Promoting Health and Health Equity

# 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<sup>(1)</sup>



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



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<sup>(1)</sup>



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

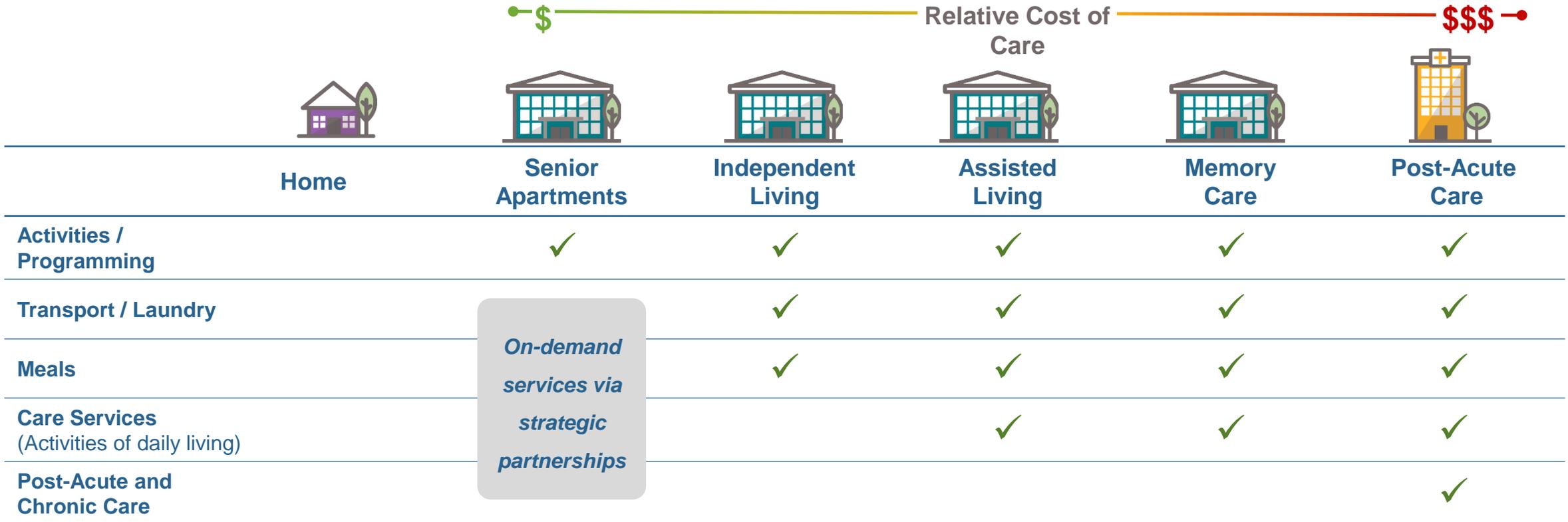
1. Based on In-Place NOI. See Supplemental Financial Measures at the end of this presentation for reconciliations



# 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

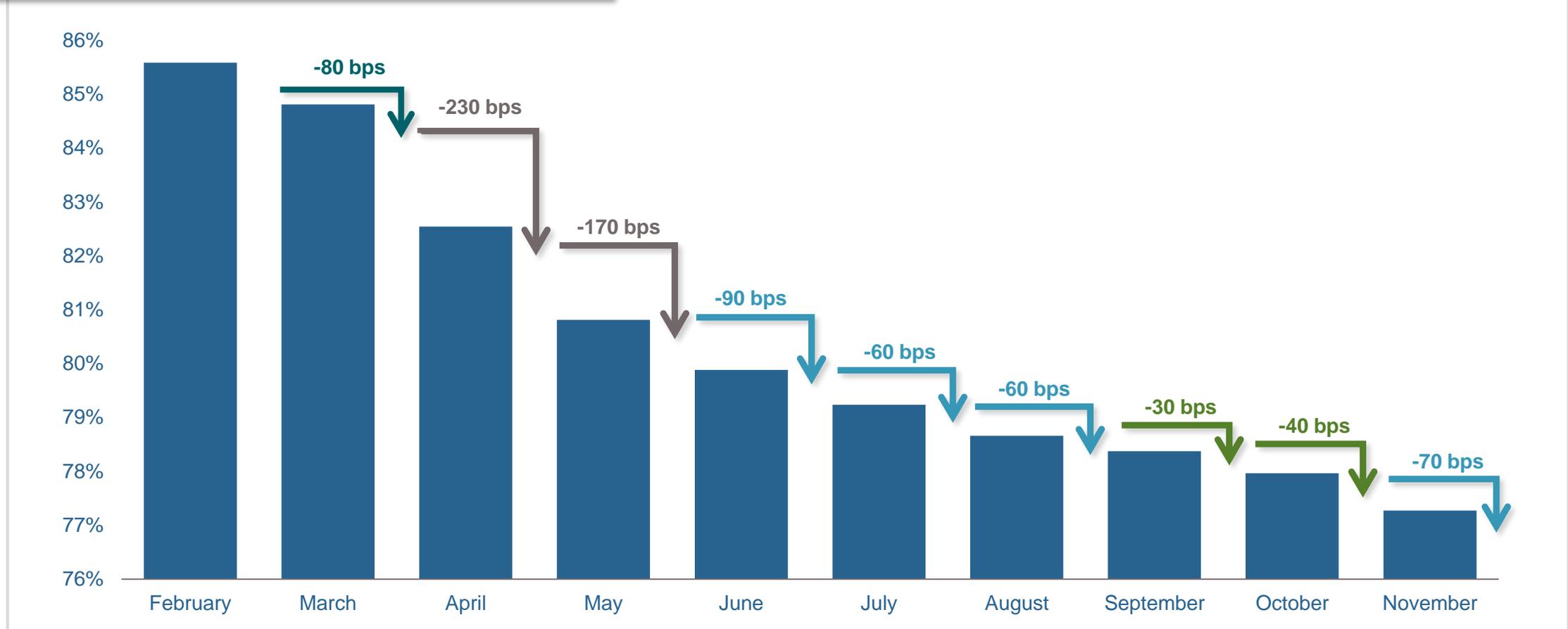
*Diversity Across Acuity, Geography and Operating Model*

## Operator Diversification | Average Monthly Rent vs Average Portfolio Acuity



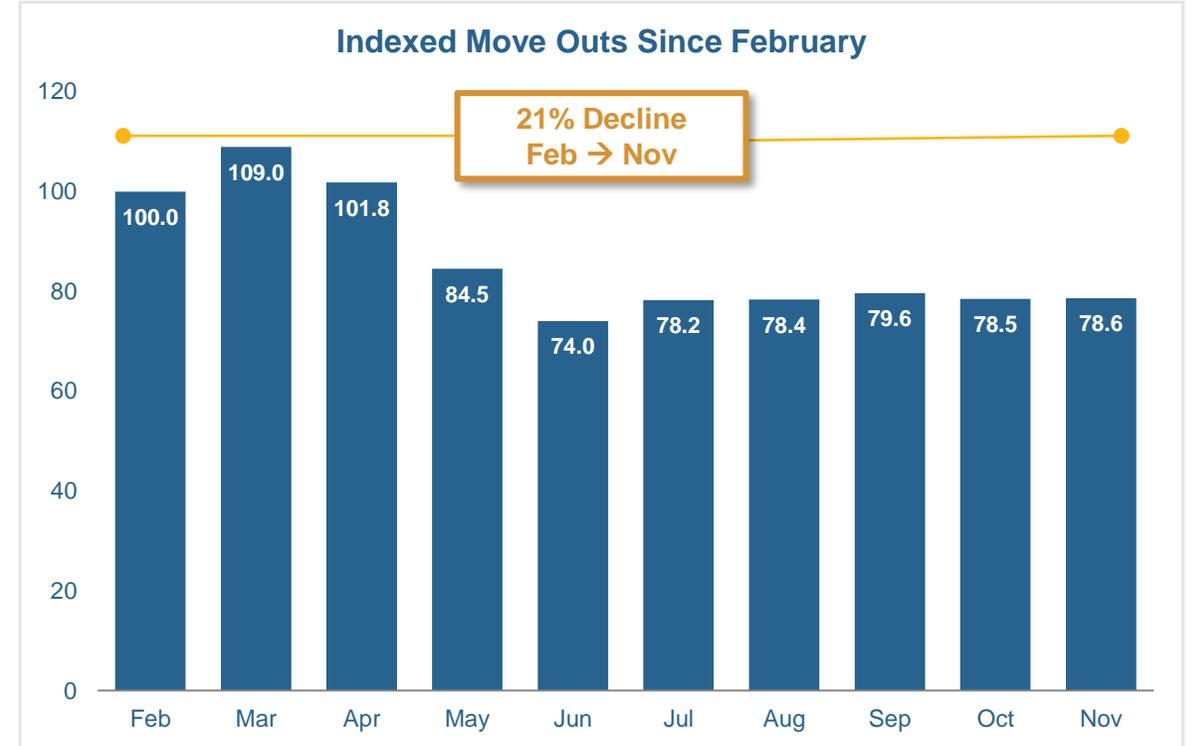
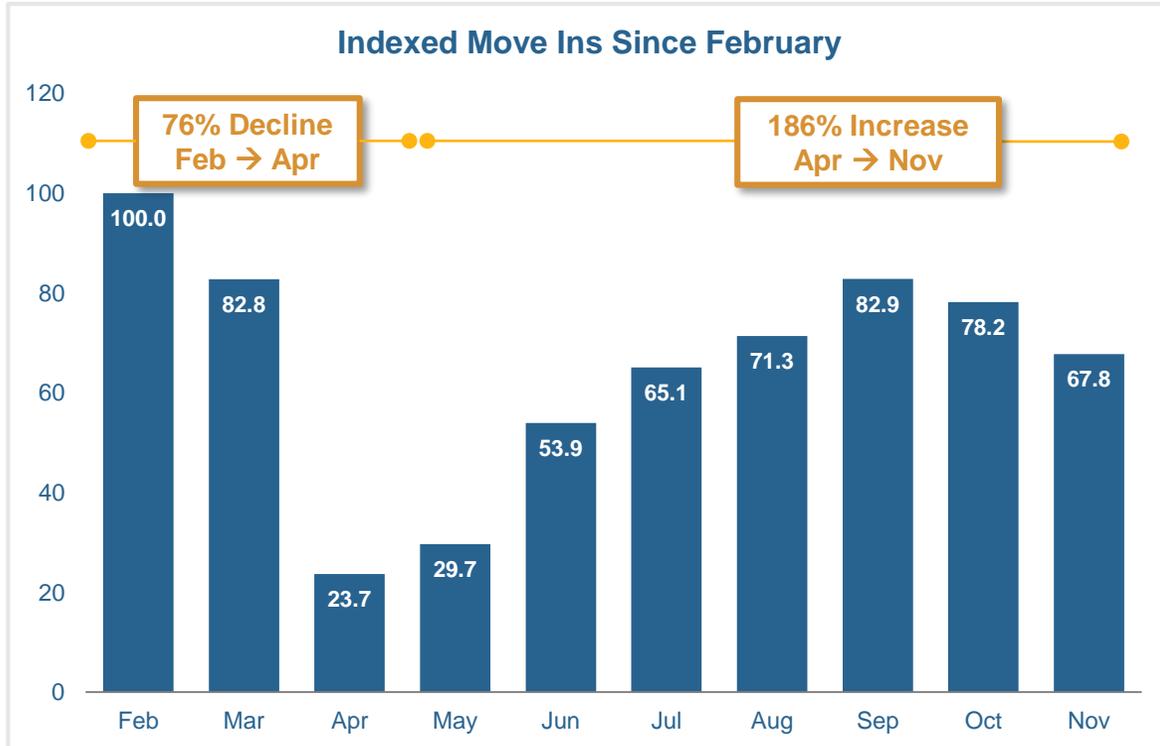
# SHO Portfolio | YTD Observations

## Total SHO Portfolio Month-End Occupancy<sup>(1)</sup>



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%; October – 78.0%; November – 77.3%

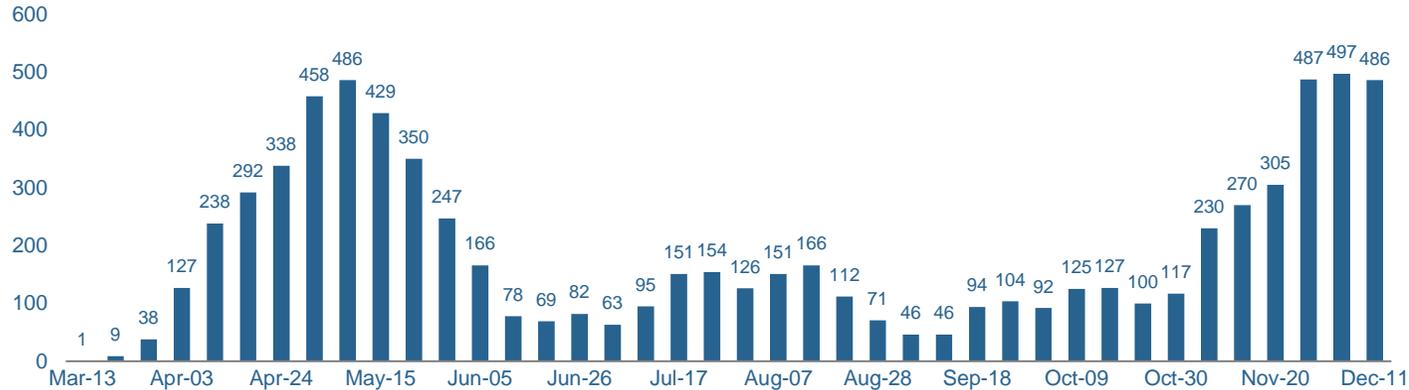
# SHO Portfolio | Move Ins & Move Outs<sup>(1)</sup>



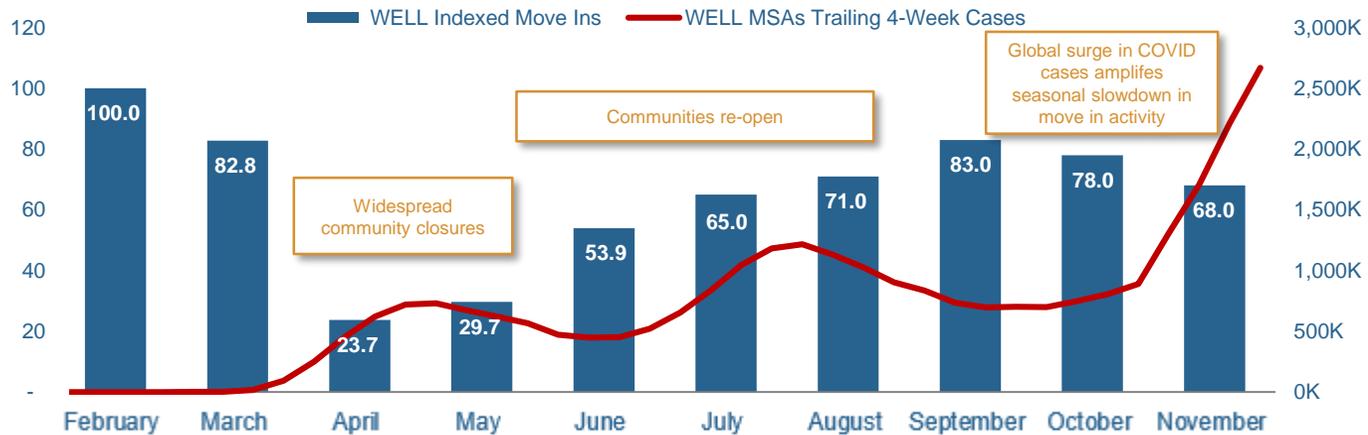
1. October Move Ins & Move Outs have been updated since the November 16, 2020 update to reflect final data received from operators. November represents preliminary data as reported by operators

# SHO Portfolio | COVID-19 Impact<sup>(1)</sup>

Resident COVID-19 Cases – Trailing Two Weeks<sup>(2)</sup>



WELL Indexed Move-Ins vs. Trailing Four Week MSA Case Counts



## Operations Update

- Operators continue to test new residents for COVID-19 prior to and post move-in and generally require a period of self-quarantine post move-in
- Where in-person visitation is permitted, stringent protocols are enforced
- Virtual tours continue to be utilized while in-person tours are offered on a more limited basis
- Elevated cleaning and PPE protocols remain in place

## COVID-19 Impact

- 95% of communities are currently accepting new residents, down from 96% as of mid-November
- 82% of communities have zero reported COVID-19 cases on a trailing two week (TTW) basis versus 90% in mid-November
- Resident COVID-19 cases on a TTW basis have risen to prior peak levels while MSA level case counts have far exceeded prior peak

1. All data presented as of December 11, 2020  
 2. Updated to reflect the removal of properties sold during the year, as of December 11, 2020

# SHO Portfolio | Near-Term Outlook<sup>(1)</sup>

## Revenues

- We now anticipate SHO portfolio spot occupancy to end the fourth quarter approximately 200bps lower than September 30, 2020, owing to a greater than expected increase in COVID-19 cases across our geographies
- Year-over-year occupancy declines in 4Q2020 expected to be more pronounced than in 3Q2020 given a stronger comparison period in 4Q2019
- SS REVPOR<sup>(2)</sup> growth is expected to be approximately flat through 4Q2020 as compared to 3Q2020

## Expenses

- We continue to anticipate total SHO portfolio expenses during 4Q2020 to increase versus 3Q2020
  - Quarter-to-date COVID-related costs are trending above initial expectations, attributable to the greater than anticipated increase in COVID cases across our geographies
  - A seasonal increase in expenses remains consistent with prior expectations
- 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. Excludes any funds received from HHS Provider Relief Fund  
2. See Supplemental Reporting Measures in our 3Q20 Supplemental for further information

# Triple-Net Portfolio Update

98% of rent due in October and November 2020 collected in Triple-Net portfolio

	Triple-Net Coverages <sup>(1)</sup>		Operations	Financials
	2Q20	3Q20		
SH NNN	EBITDAR	1.04x	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		
LT/PAC	EBITDAR	1.13x	Occupancy levels have recently stabilized but remain well below pre-COVID levels  While COVID-related expenses have moderated, operating margins remain under pressure resulting from challenges to payor mix and labor expenses	Coverage inclusive of government support  Genesis: revised revenue recognition to a cash-basis accounting method from a straight-line accounting method beginning 3Q2020
	EBITDARM	1.43x		
Health System	EBITDAR	2.13x	ProMedica experiencing similar fundamental trends as those recently witnessed in the broader seniors housing and post-acute care spaces	Rent current through December Coverage inclusive of government support
	EBITDARM	2.75x		

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

# COVID-19 Path to Recovery

## Vaccine Update since November 16, 2020

- UK's Medicines & Healthcare Products Regulatory Agency (MHRA) granted authorization for emergency use of Pfizer/BioNTech's vaccine on December 2, 2020
- US Food and Drug Administration (FDA) granted Emergency Use Authorization (EUA) to Pfizer/BioNTech on December 10, 2020
- FDA's Vaccines and Related Biological Products Advisory Committee is expected to review Moderna's EUA application on December 17, 2020
- AstraZeneca's Phase III trials demonstrated up to 90% effectiveness, supporting regulatory submission for emergency use in early 2021<sup>(1)</sup>

## Vaccine Distribution

- The National Academy of Medicine, tasked by the CDC and NIH for a framework on vaccine distribution, has prioritized high-risk healthcare workers (including seniors housing staff) and older seniors in congregate care settings in Phases 1a and 1b, respectively, for vaccine allocation<sup>(2)</sup>
- **UK seniors housing staff began receiving initial doses of the Pfizer vaccine during the week of December 7, 2020**
- **Currently anticipate the initial distribution of vaccine to SH communities on December 21, 2020 for Pfizer and December 28, 2020 for Moderna (pending successful EUA for Moderna)**

## Welltower Response

- Coordinating connections for SH operators with CVS/Omnicare and Walgreens on distribution of COVID-19 vaccine to Welltower communities
  - CVS and Walgreens have previously established protocols for the distribution of seasonal flu vaccine within our communities which will provide platform for rollout of potential COVID-19 vaccines
- Ongoing dialogue with the NIH Warp Speed team and pharmaceutical companies to monitor upcoming therapeutics
- Continued collaboration with UCSF and Johns Hopkins faculty to support operator planning and logistical preparation for upcoming vaccine distributions

1. <https://www.cidrap.umn.edu/news-perspective/2020/12/phase-3-trials-show-astrazeneca-covid-vaccine-has-90-efficacy>  
2. <https://www.nationalacademies.org/our-work/a-framework-for-equitable-allocation-of-vaccine-for-the-novel-coronavirus>

# Vaccine and Therapeutics Timeline



**2Q20** Welltower engaged in active dialogue with CVS/Omnicare, Walgreens, and academic partners on testing, vaccine distribution and therapeutics

**3Q20** Gilead granted EUA for Remdesivir<sup>(1)</sup>

**3Q20** Welltower engaged in active dialogue with the NIH's Warp Speed team to monitor potential vaccines and therapeutics

**4Q20** Pfizer announces 90% efficacy rate for its COVID-19 vaccine; anticipates 50 million doses available by YE 2020 with an additional 1.3 billion doses by YE 2021<sup>(2)</sup>

**4Q20** Eli Lilly granted EUA for monoclonal antibody therapy, bamlanivimab<sup>(3)</sup>

**4Q20** Moderna and AstraZeneca announce 94.5% and 90% efficacy rate, respectively, for COVID-19 vaccines<sup>(4,5)</sup>

**4Q20** EUA granted for Pfizer vaccine and distribution begins in the UK, US, and Canada<sup>(6)</sup>

**4Q20** UK SH staff begin to receive initial doses of the Pfizer vaccine during week of December 7, 2020

**4Q20** Vaccine distribution from Pfizer and Moderna expected to begin on December 21<sup>st</sup> and 28<sup>th</sup>, respectively, in US seniors housing communities

**4Q20** Johnson & Johnson expected to release clinical trial results by YE 2020 or early 2021

**2021** Expansion of Phase 1 & initial Phase 2-4 vaccine distribution<sup>(7)</sup>

- WELL Engagement
- Ongoing
- Anticipated Future Event

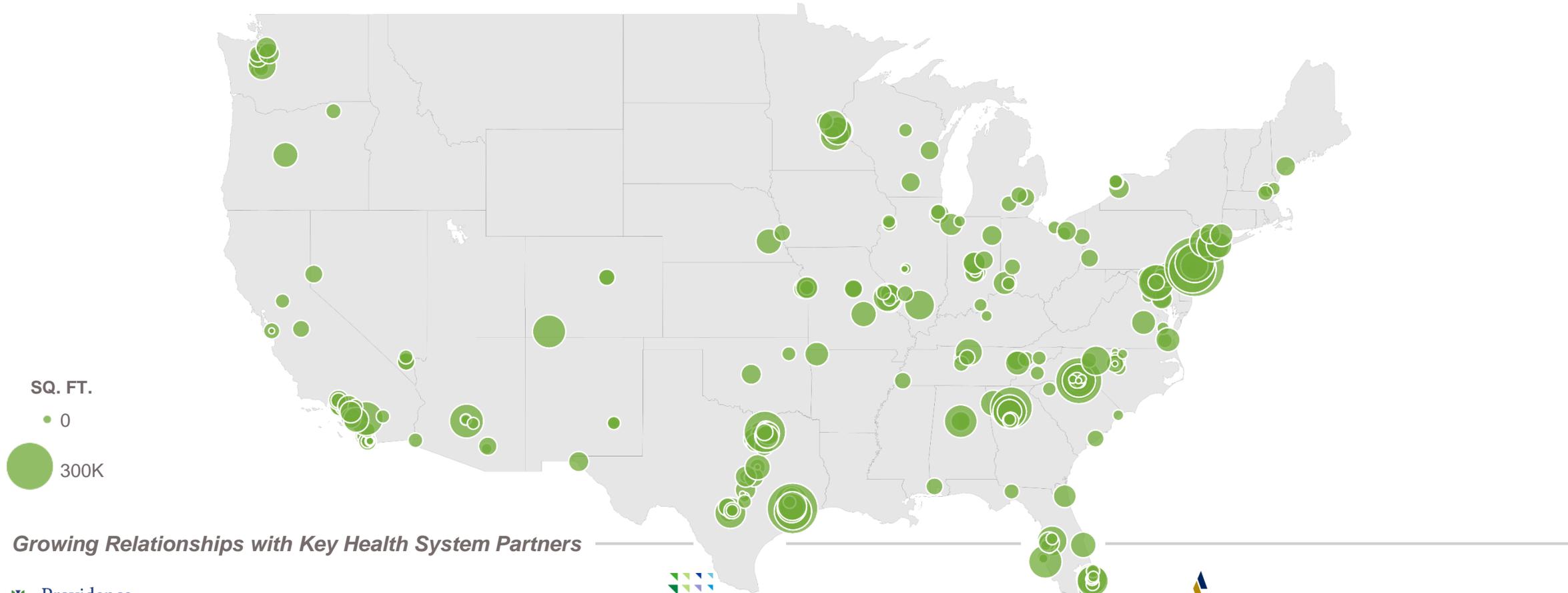
1. <https://www.fda.gov/news-events/press-announcements/covid-19-update-fda-broadens-emergency-use-authorization-veklury-remdesivir-include-all-hospitalized>  
 2. <https://investors.pfizer.com/investor-news/press-release-details/2020/Pfizer-and-BioNTech-Announce-Vaccine-Candidate-Against-COVID-19-Achieved-Success-in-First-Interim-Analysis-from-Phase-3-Study/default.aspx>  
 3. <https://www.fda.gov/news-events/press-announcements/coronavirus-covid-19-update-fda-authorizes-monoclonal-antibody-treatment-covid-19>  
 4. <https://investors.modernatx.com/news-releases/news-release-details/modernas-covid-19-vaccine-candidate-meets-its-primary-efficacy>  
 5. <https://www.cidrap.umn.edu/news-perspective/2020/12/phase-3-trials-show-astrazeneca-covid-vaccine-has-90-efficacy>  
 6. <https://www.fda.gov/news-events/press-announcements/fda-takes-key-action-fight-against-covid-19-issuing-emergency-use-authorization-first-covid-19>  
 7. <https://www.nationalacademies.org/our-work/a-framework-for-equitable-allocation-of-vaccine-for-the-novel-coronavirus>

A photograph of a modern outpatient medical building. The building features a prominent white, rectangular overhang structure that extends over the entrance area. The entrance is characterized by large glass windows and glass doors, through which the interior of the building is visible. The building's facade is composed of light-colored, rectangular panels. The sky is a clear blue with some light clouds. In the foreground, there is a paved area, possibly a parking lot or walkway, and a grassy hillside with some trees in the background.

# Outpatient Medical Portfolio Update

# Outpatient Medical | Market Leading Platform

*Diversified portfolio across geographies and health systems*



SQ. FT.  
● 0  
● 300K

## Growing Relationships with Key Health System Partners



# Outpatient Medical | Update

## Operations

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

## Financial

- Approximately 99% of rent due quarter-to-date has been collected or had deferral requests approved by WELL
  - 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 87% year-to-date as of November 30, 2020
- New leasing velocity continues to be uneven due to COVID impact





# Investments & Balance Sheet Update

# Investment & Balance Sheet Highlights

## Wafra Inc. Outpatient Medical Disposition

# Wafra

- **\$542.5 million transaction price** for 24 OM buildings across 14 states
- WELL to retain 20% interest and retain property and asset management responsibilities
- **Pro rata proceeds to WELL of \$434 million<sup>(1)</sup>**
- First tranche consisting of 12 assets closed in late-November 2020 for \$154 million in pro rata proceeds to WELL; second tranche consisting of 12 assets expected to close in late-December 2020 or early-January 2021 for \$280 million in pro rata proceeds to WELL
- Additional \$18 million of proceeds expected from exercise of right of first refusal (ROFR) on one asset

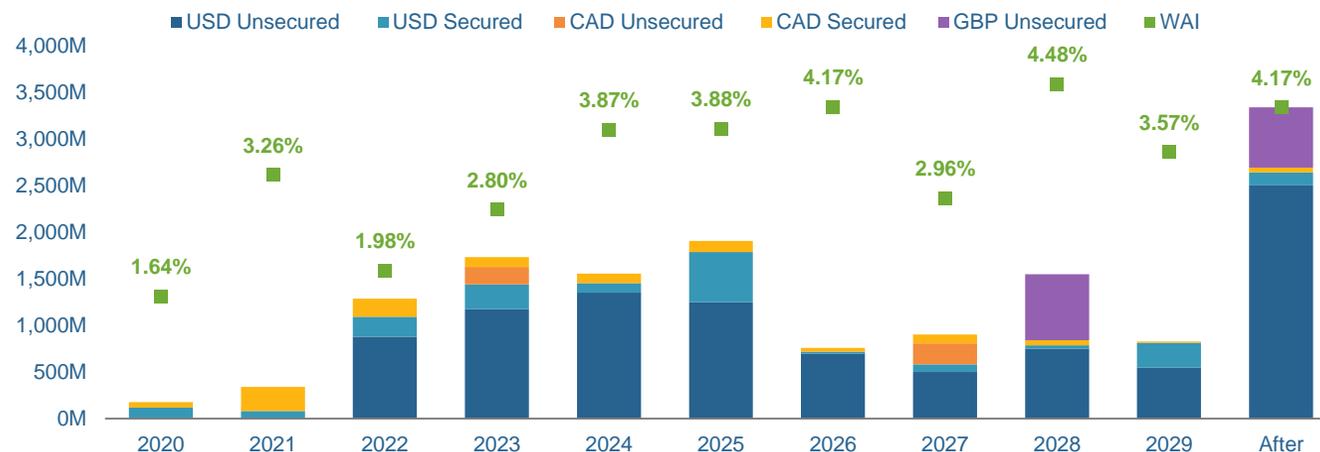
**Baa1**  
MOODY'S

**BBB+**  
S&P Global

**BBB+**  
FitchRatings

- Near-term liquidity of approximately \$5.0 billion<sup>(2)</sup> as of December 11, 2020
- Reported Net Debt/Adjusted EBITDA<sup>(3)</sup> of 6.02x as of September 30, 2020
- Weighted Average Debt Maturity of 7.4 Years<sup>(4)</sup>
- No material unsecured bond maturities before March 2023

### Weighted Average Maturity of 7.4 years<sup>(4,5)</sup>



1. Net of a retained 20% ownership in the portfolio  
 2. Includes estimated cash balance of \$2.0 billion as of December 11, 2020, including cash and cash equivalents and IRC Section 1031 deposit and \$3.0 billion capacity under Welltower's revolving credit facility  
 3. See Supplemental Financial Measures at the end of this presentation for reconciliation  
 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  
 5. 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

# Diverse and Unparalleled Access to Capital

## Capital Raised Since 2015

STRATEGIC DISPOSITIONS & EQUITY  
(COMMON and PREFERRED)

~62%



**\$28B**  
RAISED<sup>(1)</sup>

DEBT  
~38%

### Credit Facility

**\$3.7B**

\$3.0B revolver + \$700M  
in term loans

### COVID Liquidity Facility

**\$860M facility**

2-year term loan at L+120

### Public Debt

	Total Debt	Weighted Avg. Interest	Weighted Avg. Maturity
	\$8.3B	3.78%	7.8 years
	£1.05B	4.66%	11.0 years
	C\$300M	2.95%	6.3 years

1. Gross proceeds

# 3Q2020 Covenant Compliance<sup>(1)</sup>

Unsecured Debt Covenant Compliance			
	3Q2020	Covenant	Compliance
Secured Indebtedness to Total Assets	7.6%	<40.0%	✓
Total Indebtedness to Total Assets	43.7%	<60.0%	✓
Unsecured Debt to Unencumbered Assets	38.2%	<66.7%	✓
Fixed Charge Coverage Ratio	5.31x	>1.50x	✓

Line of Credit Covenant Compliance			
	3Q2020	Covenant	Compliance
Leverage Ratio	35.3%	<60.0%	✓
Fixed Charge Coverage Ratio	3.53x	>1.50x	✓
Unencumbered Assets to Unsecured Debt	33.2%	<60.0%	✓
Secured Debt Ratio	8.8%	<30%	✓
Total Equity Investments to Total Asset Value	2.1%	<25%	✓
Total Developments to Total Asset Value	2.6%	<35%	✓

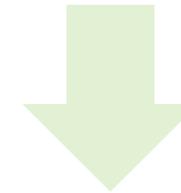
1. Covenants calculated based on definitions that are specific to each respective credit agreement, which may differ from similar terms used in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Supplemental

# Leading Asset Liquidity



**\$58M Pro Rata TTM NOI**

*Generated from top 10 unencumbered assets*



**5.0% cap rate**

**\$1.16B**

*Asset value*



**65% LTV**

**\$755M**

*Proceeds available*



# Environmental, Social & Governance (ESG)

## Sustainability Goals Publication and Advancement



10% reduction  
in GHG emissions

10% reduction  
in water use

10% reduction  
in energy use

by 2025<sup>(1)</sup>

1. Reduction Goals Established 2018

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

**ENERGY STAR  
AWARD 2020**  
PARTNER OF THE YEAR

**EPA  
GREEN  
POWER  
PARTNERSHIP**

**ISS QualityScore**  
ENVIRONMENTAL  
Highest Rating By  
INSTITUTIONAL SHAREHOLDER SERVICES

**ROBECOSAM  
Sustainability Award**  
Industry Mover 2018

As of December 31<sup>st</sup>, 2019

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

- FORTUNE**  
THE WORLD'S MOST ADMIRABLE COMPANIES
- CEO ACTION FOR DIVERSITY & INCLUSION**
- ISS QualityScore** SOCIAL 1  
Highest Rating By INSTITUTIONAL SHAREHOLDER SERVICES
- AMERICA'S MOST RESPONSIBLE COMPANIES** 2020  
Newsweek, statista
- CR 100 BEST CORPORATE CITIZENS 2019**
- WOMEN'S EMPOWERMENT PRINCIPLES**  
EQUALITY MEANS BUSINESS
- Bloomberg Gender-Equity Index** 2019 = 2020

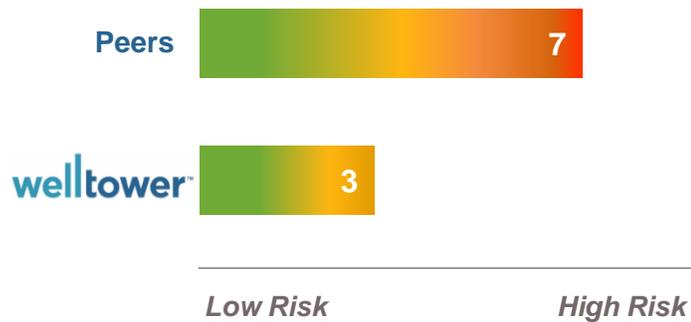
1. Updated representation as of 12/10/2020

# Governance | Great Governance is Good Business

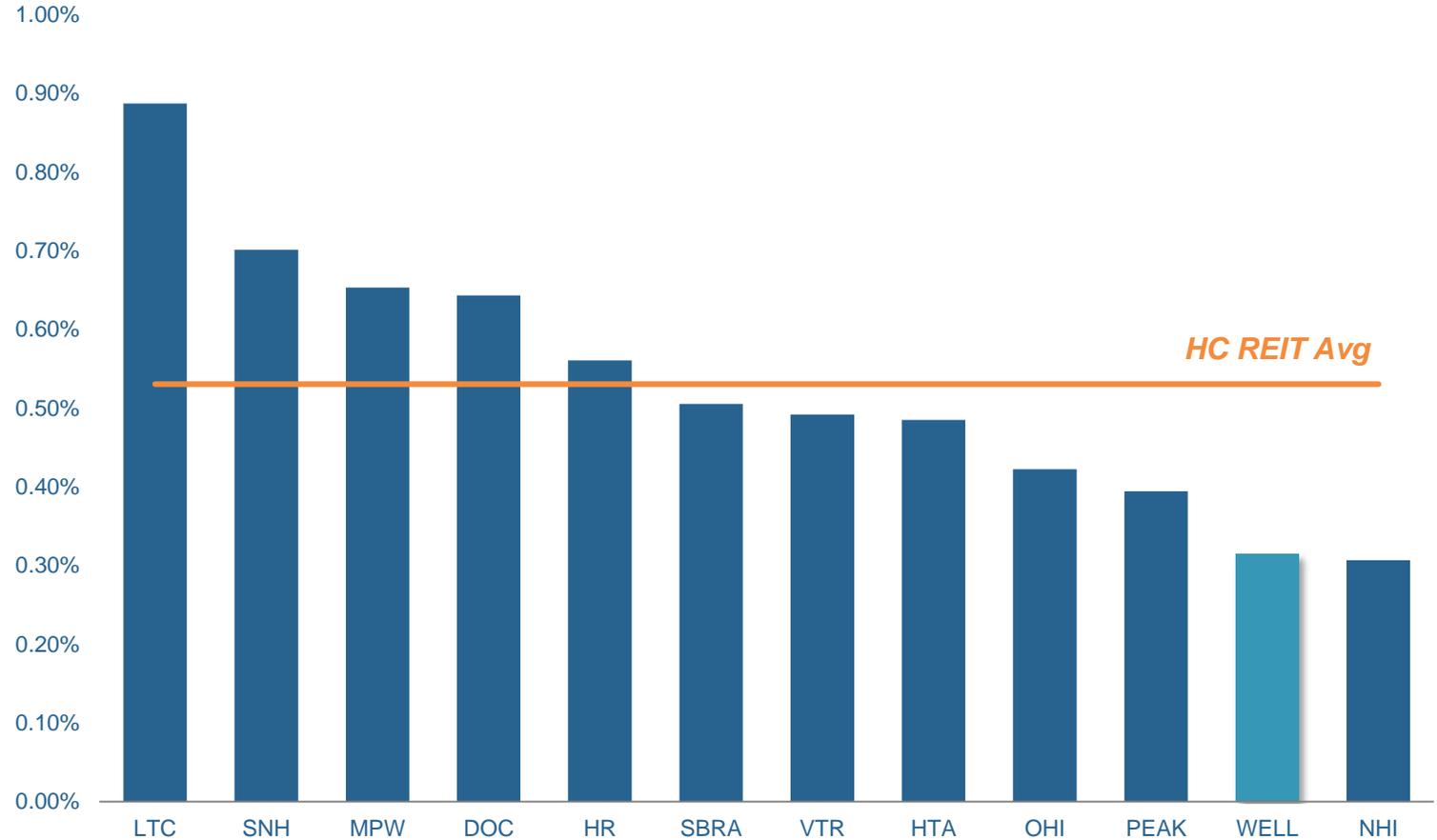


Female and Minority Leadership on the Board of Directors<sup>(2)</sup>

## ISS ESG Governance Score<sup>(3,4)</sup>



G&A as % of Enterprise Value<sup>(1)</sup>



1. Peer G&A based on company filings (trailing four quarters). Enterprise Value data as of 12/11/2020

2. Data as of 12/10/2020

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 11/1/2020

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") and In-Place NOI ("IPNOI") 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

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.

# In-Place NOI Reconciliations

(dollars in thousands)

	<u>3Q20</u>	<u>3Q18</u>
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	<u>402,157</u>	<u>579,222</u>
NOI attributable to unconsolidated investments <sup>(1)</sup>	13,659	22,247
NOI attributable to noncontrolling interests <sup>(2)</sup>	(28,024)	(37,212)
Pro rata net operating income (NOI)	<u>\$ 387,792</u>	<u>\$ 564,257</u>
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 <sup>(3)</sup>	103,114	(15,839)
Timing adjustments <sup>(4)</sup>	—	12,023
In-Place NOI	<u>453,679</u>	<u>533,305</u>
Annualized In-Place NOI	<u>\$ 1,814,716</u>	<u>\$ 2,133,220</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 represents non-cash NOI.

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

<u>In-Place NOI by property type</u>	<u>4Q20</u>	<u>% of Total</u>
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	<u>\$ 1,814,716</u>	<u>100.0 %</u>

<u>In-Place NOI by property type</u>	<u>3Q18</u>	<u>% of Total</u>
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	<u>\$ 2,133,220</u>	<u>100.0 %</u>



# 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)

	<b>Three Months Ended September 30, 2020</b>		<b>Three Months Ended September 30, 2020</b>
Net income	\$ 394,978	Lines of credit and commercial paper <sup>(1)</sup>	\$ —
Interest expense	124,851	Long-term debt obligations <sup>(1)</sup>	13,889,030
Income tax expense (benefit)	2,003	Cash and cash equivalents <sup>(2)</sup>	(2,096,571)
Depreciation and amortization	255,532	Net debt	11,792,459
EBITDA	777,364	Adjusted EBITDA	490,117
Loss (income) from unconsolidated entities	5,981	Adjusted EBITDA annualized	\$ 1,960,468
Stock-based compensation expense	6,565	Net debt to Adjusted EBITDA ratio	6.02 x
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		

(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.

**welltower**

The image features the Welltower logo, which consists of the word "welltower" in a white, lowercase, sans-serif font. The logo is centered horizontally and positioned in the lower half of the frame. The background is a solid dark blue color. In the bottom right corner, there is a white diagonal line that separates the dark blue area from a teal-colored triangular shape.