

welltower

Welltower [NYSE: WELL]

Binghamton Investment Fund | Real Estate Sector

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BUY : WELL

Price : \$93.82

PT : \$106.71

Upside : 12.08%

Industry Overview

Healthcare REITs

Healthcare REIT property's include senior living facilities, hospitals, medical office buildings, and nursing facilities

Cap rate was 4.4% this quarter, as a result of cap rate compression since the 10-year yield peaked in October

Industry's trading at a PE ratio of 524x (3-yr avg PE is 547x) and close to its 3-yr avg PS ratio of 4.9x

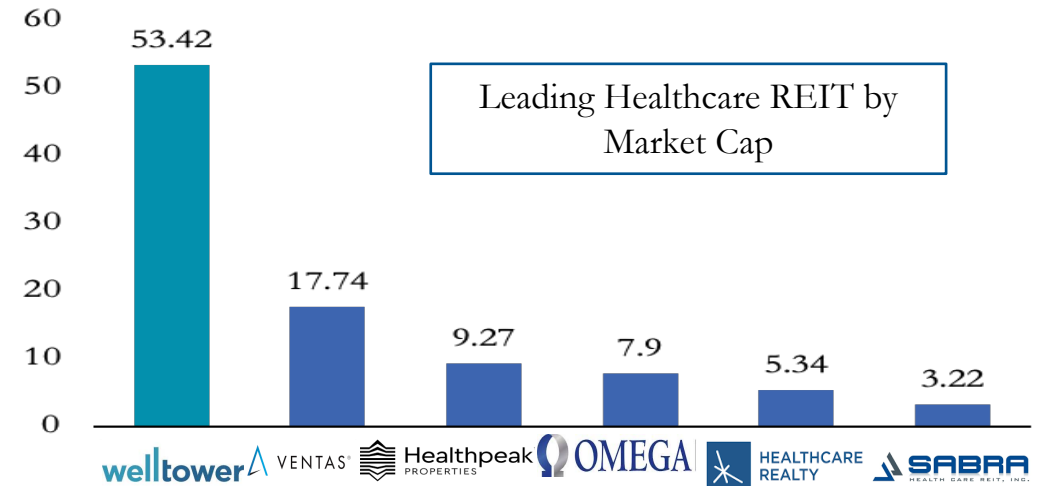
Industry Trends

Ongoing pressure from inflation and interest rates

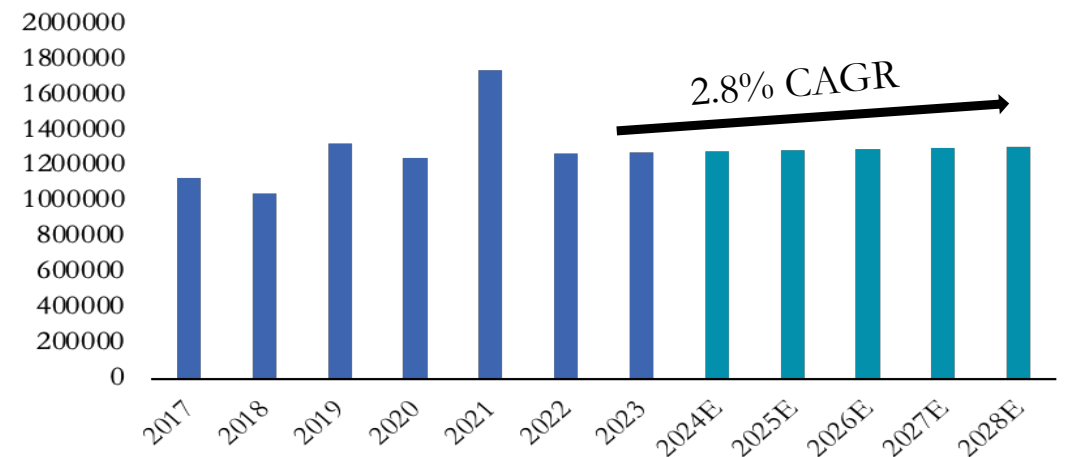
Increased demand for flexible and adaptable spaces

Modern sustainability practices add more costs to construction projects

Competitors by Market Cap (In Bn \$USD)



Market Growth (In MM \$USD)



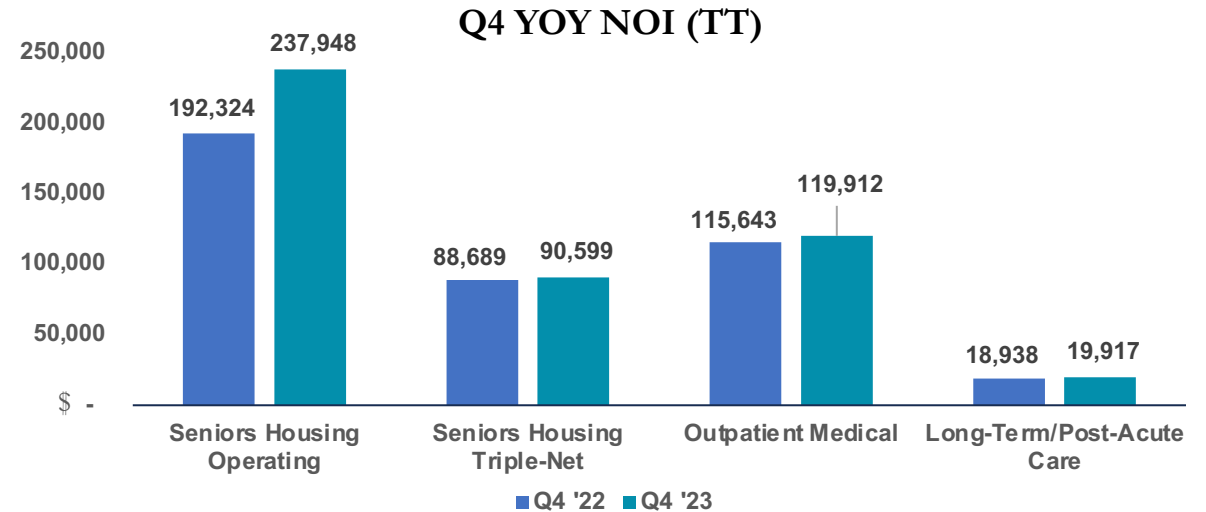
Market size is estimated to increase by \$333.01 B in the next 5 years

Company Overview

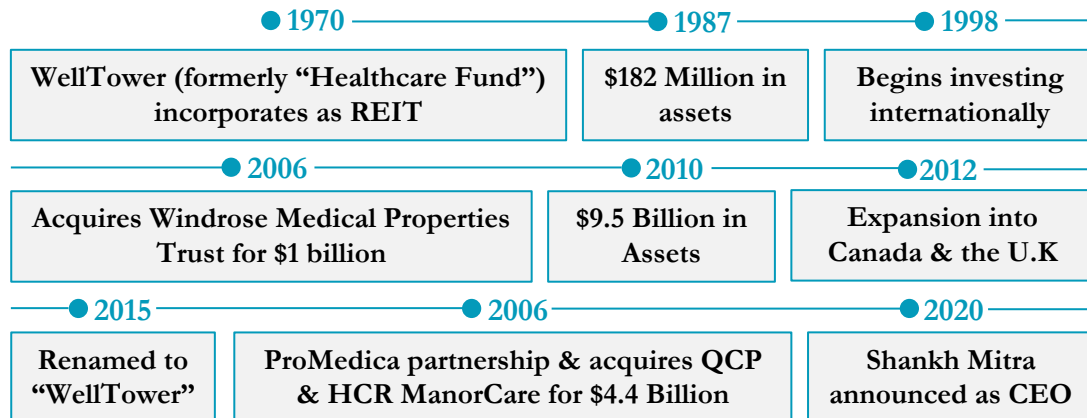
Portfolio Structure

	Senior Housing Operating	1000 Properties
	Senior Housing Triple-net	361 Properties
	Outpatient Medical	447 Properties
	Long Term/Post Acute Care	292 Properties

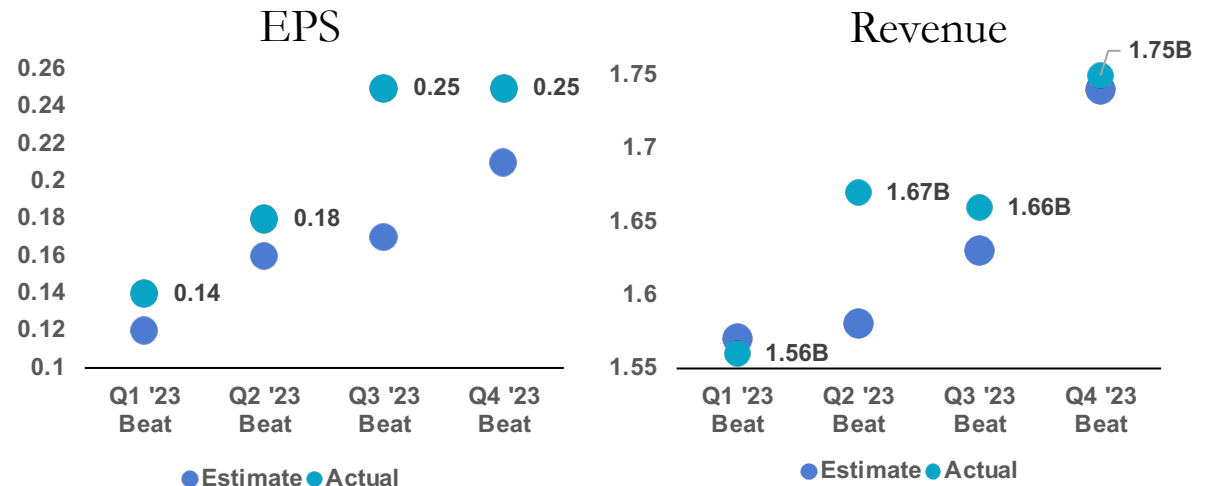
Segment Earnings Performance



Firm Timeline



EPS & Revenue Outperformance



Investment Thesis

Accelerated Aging Senior Population

By 2030, **21%** of the population will be 65+ years old. In just a decade, the U.S. senior population has grown over **38%**. Globally, the senior population will grow to **~17%** by 2050.

Favorable Supply-Demand Set Up

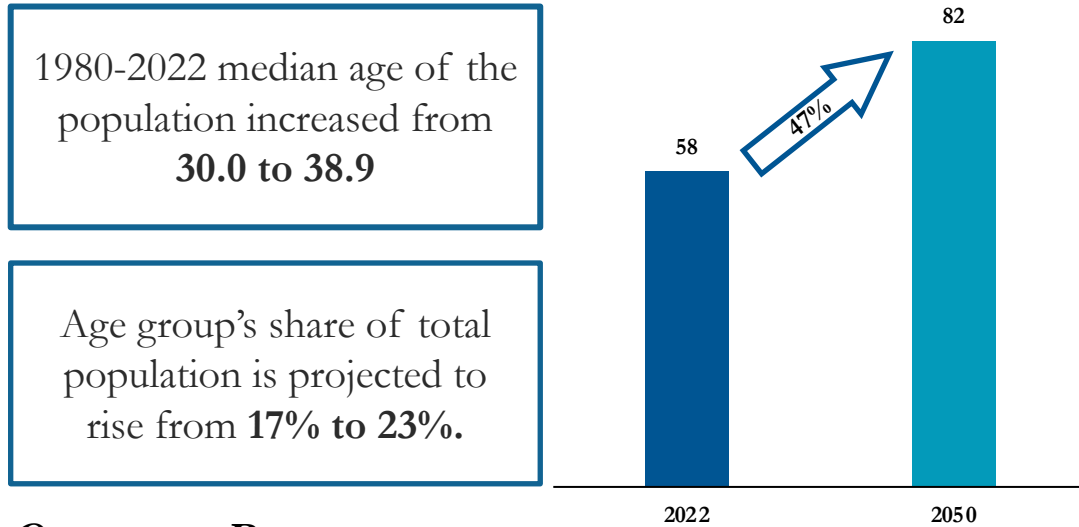
Driven by high inventory obsolescence and reduced construction activity, **muted supply will sustain occupancy growth and support pricing power**

Capital Deployment Opportunities

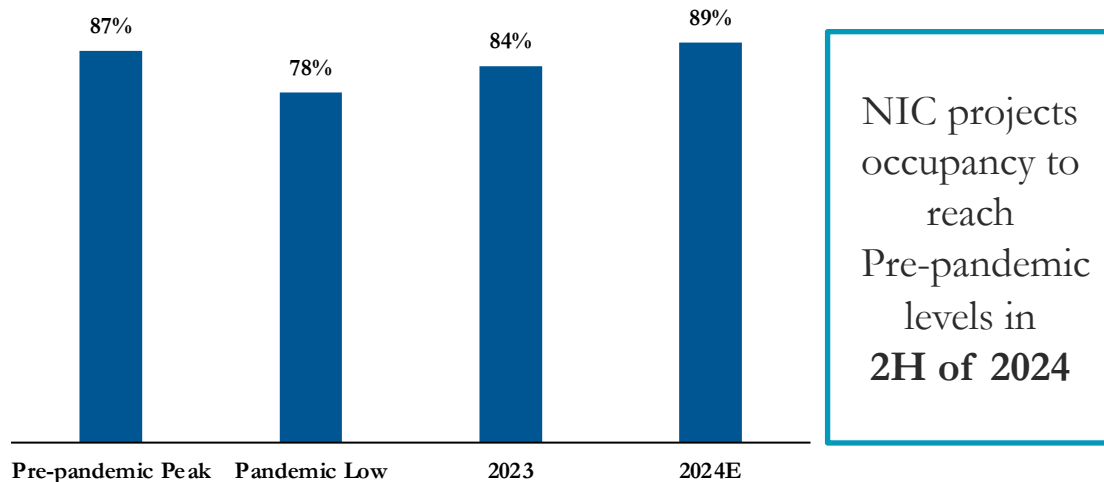
Welltower has maintained strong forecasted **guidance on increased expansion of senior housing portfolio by way of M&A**

Accelerated Aging Senior Population

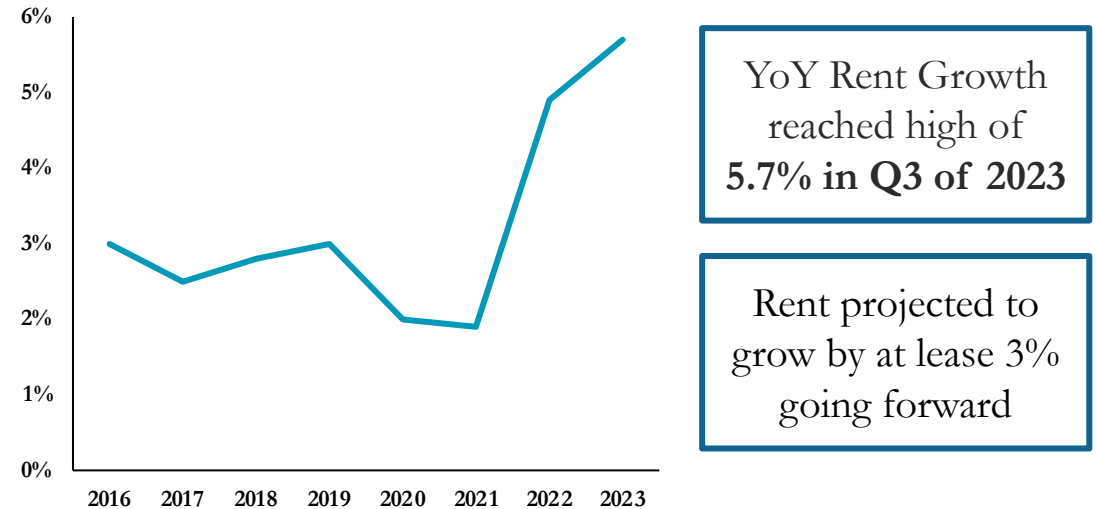
U.S. 65+ Years Population Growth (In MM)



Occupancy Recovery



Senior Housing Rent Growth (Q3 of all Years)



Senior Housing Absorption

In Q2 of 2020 lowest ever absorption rate for every 10 new senior housing units added 38 were back on market

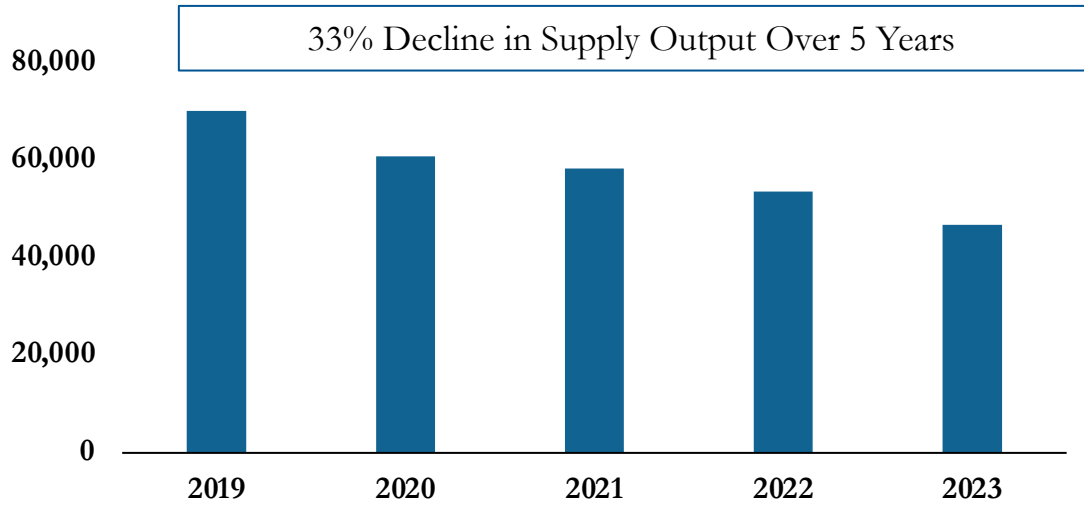
Absorption has beaten Inventory growth Q1 of 2021

In Q2 of 2023 highest ever absorption rate of 45:10

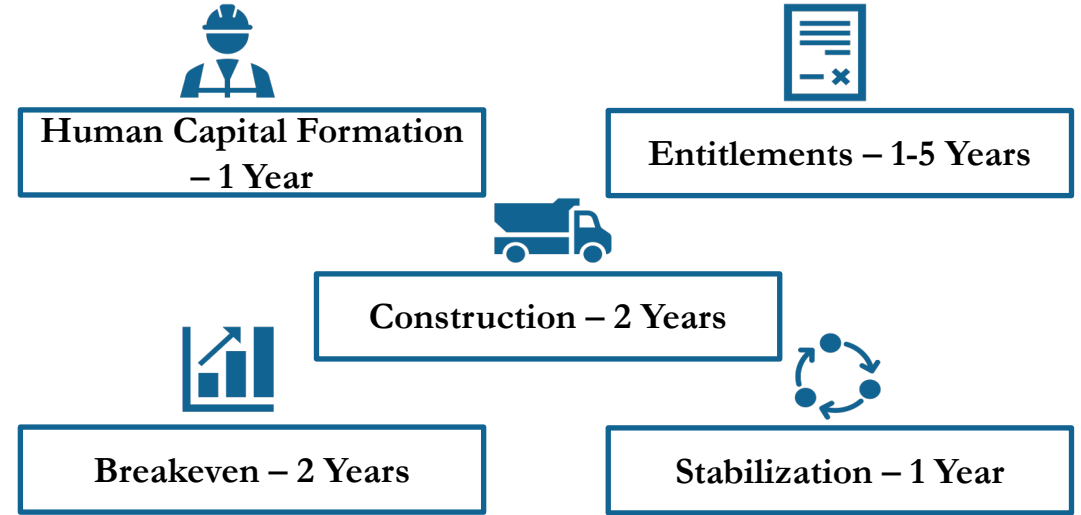
In Q3 of 2023 absorption of 28:10

Favorable Supply-Demand Set Up

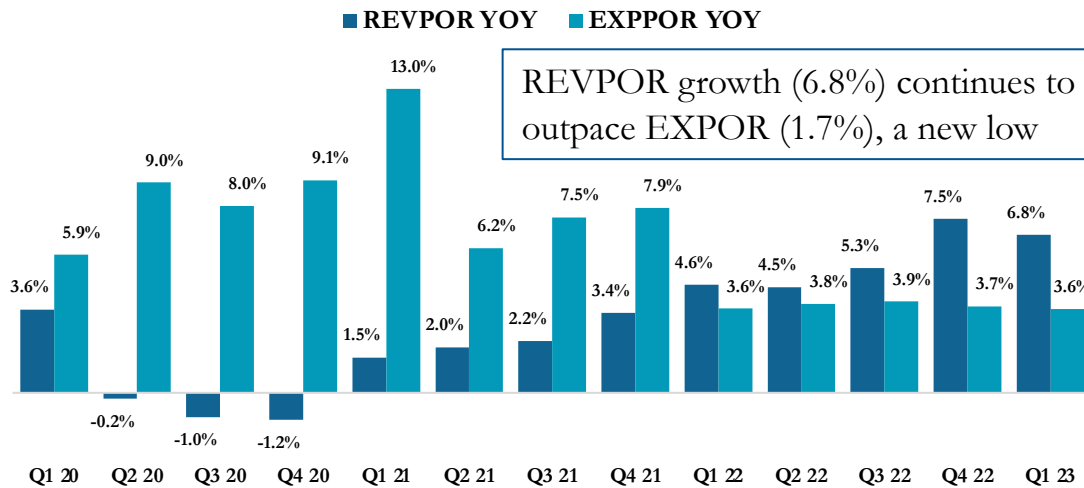
Senior Housing Units Under Construction



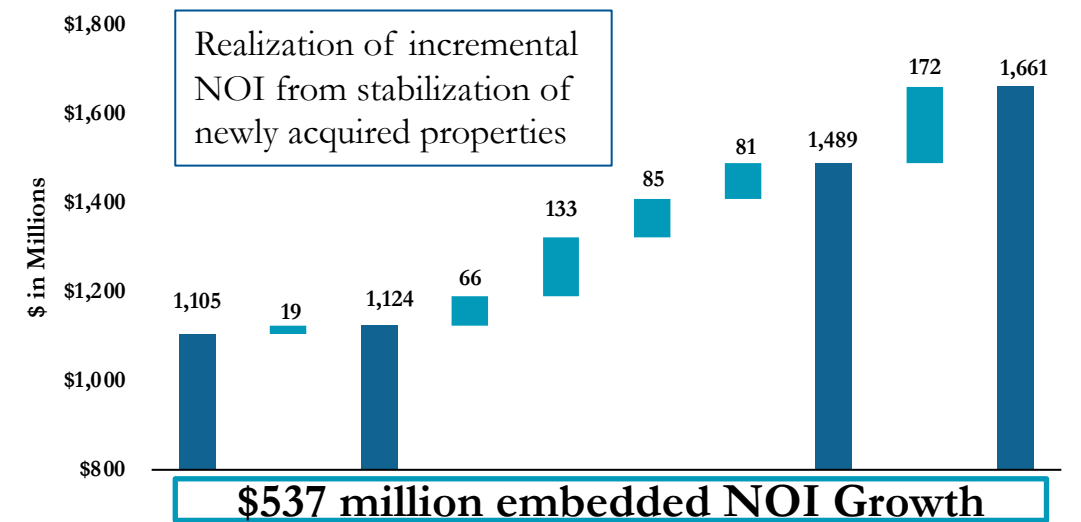
Seven Years until Stabilized Construction Timeline



Moderating EXPOR Driving Margin Expansion



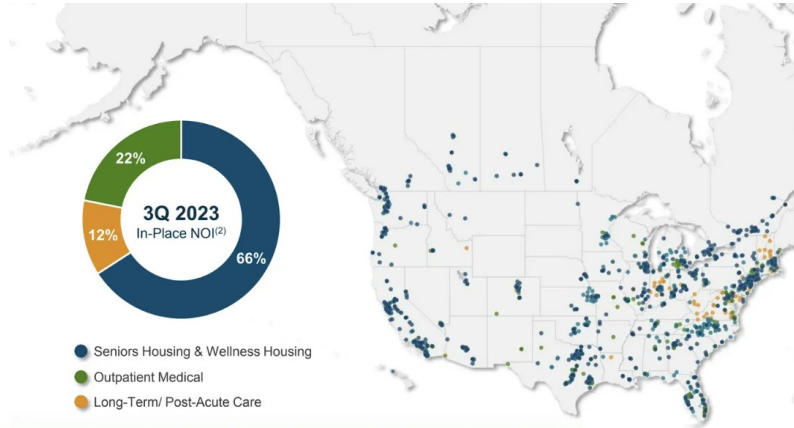
NOI Growth in return to Pre-COVID occupancy



Capital Deployment Opportunities

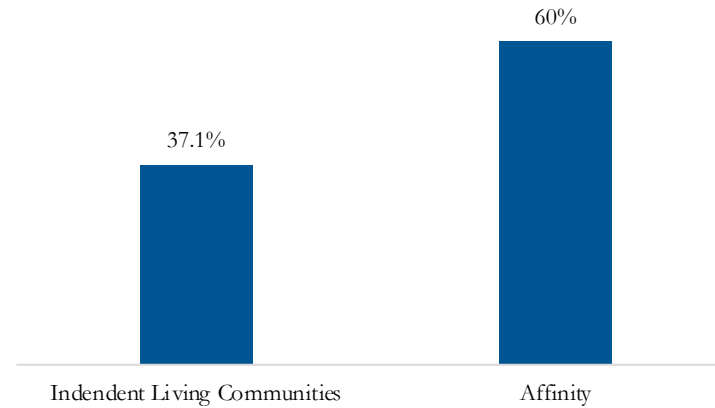
Synergies of Affinity Living Acquisition

\$960 Million deal to acquire 25 active adult communities, mainly in the Pacific Northwest and non-coastal US markets



Operating Margin Growth

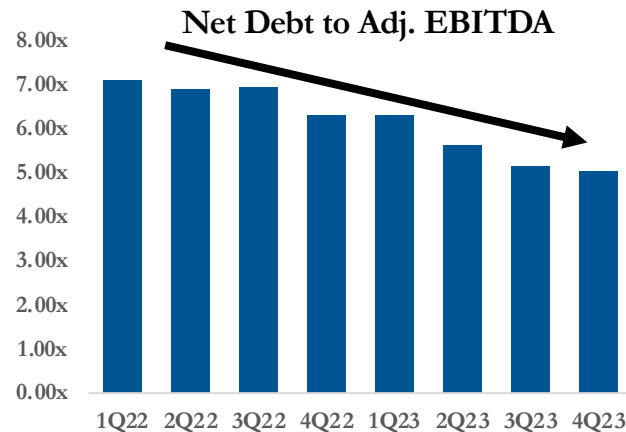
$$\text{Operating Margin} = \text{Operating Income} / \text{Revenue}$$



Operating Margin has increased through partnerships with active adult communities due to lower overhead costs

Organic Deleveraging Potential

The net debt to adjusted EBITDA ratio declined by 1.3x this past year, reflecting a decline of ~25% from its 1Q22 peak

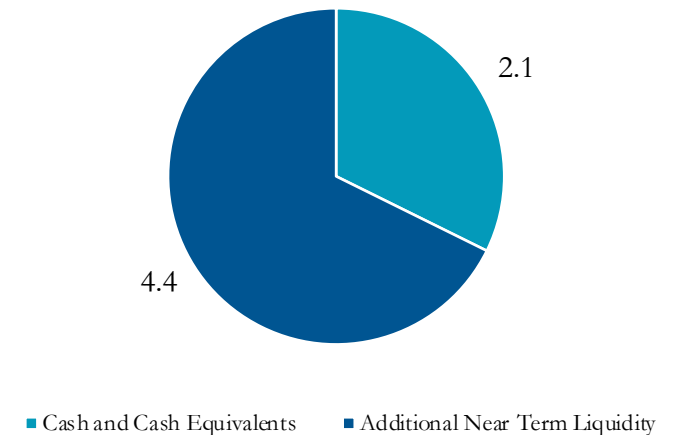


Variable rate debt has decreased to 8.7% of total debt from 16.0% at the end of 2022

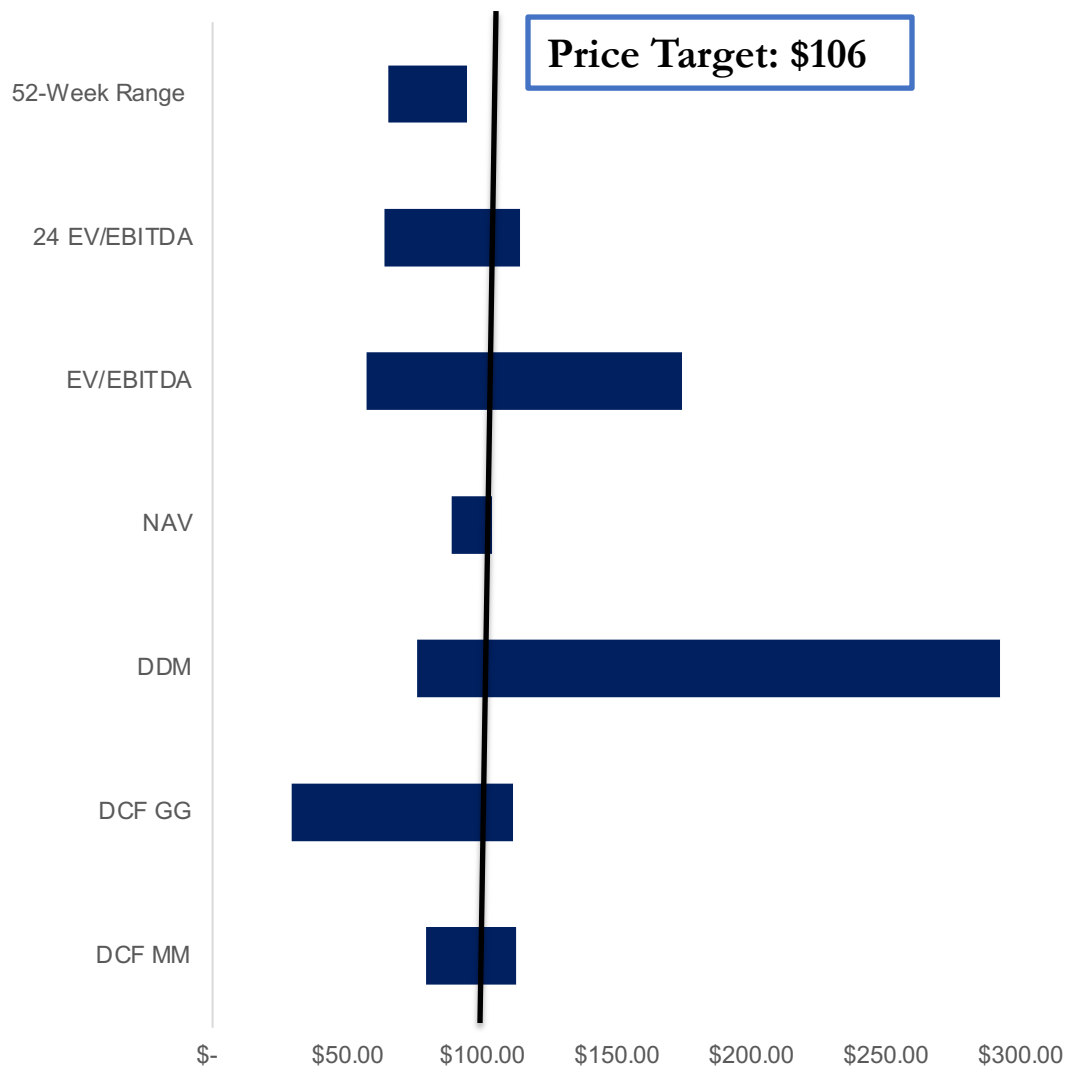
High Degree of Liquidity

The amount of cash and cash equivalents has more than tripled over the past year, allowing the company to see an ambitious expected increase in cash in the coming year.

Available Liquidity in Billions of USD



Football Field



Valuation

Multiple	Price	Weight	Weighted Price
DCF MM	\$ 96.51	20.00%	\$ 19.30
DDM	\$ 128.22	20.00%	\$ 25.64
NAV	\$ 88.87	20.00%	\$ 17.77
EV/EBITDA	\$ 113.30	20.00%	\$ 22.66
24 EV/EBITDA	\$ 106.65	20.00%	\$ 21.33
Price Target			\$ 106.71
Upside			12.08%

Analyst Ratings

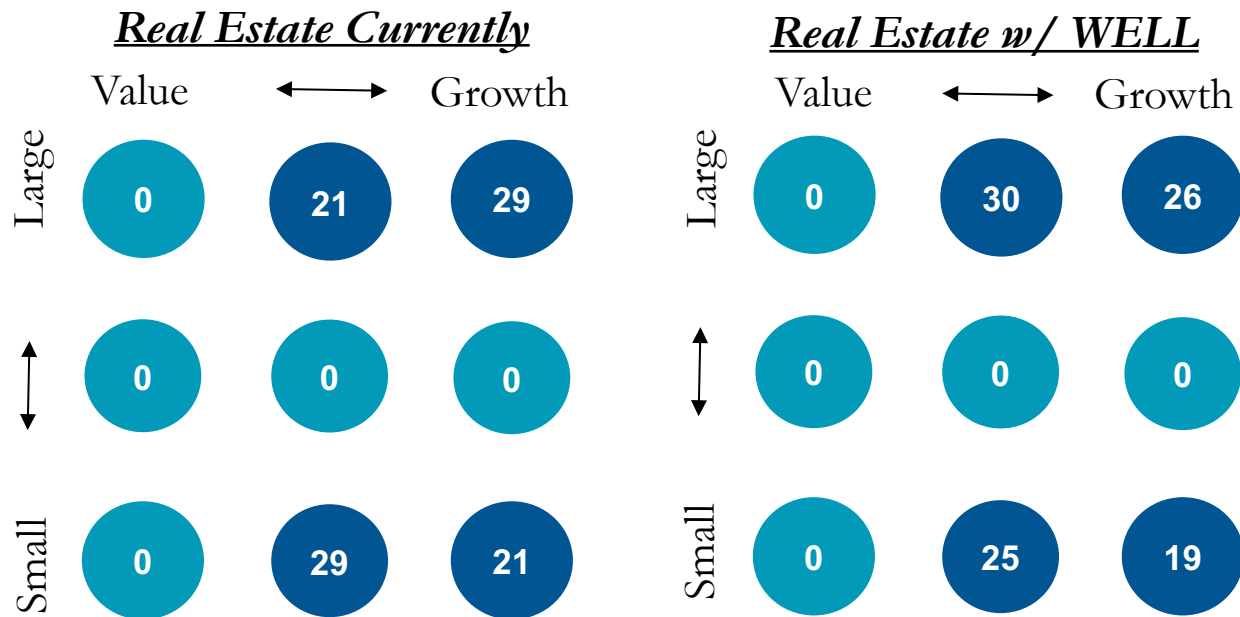
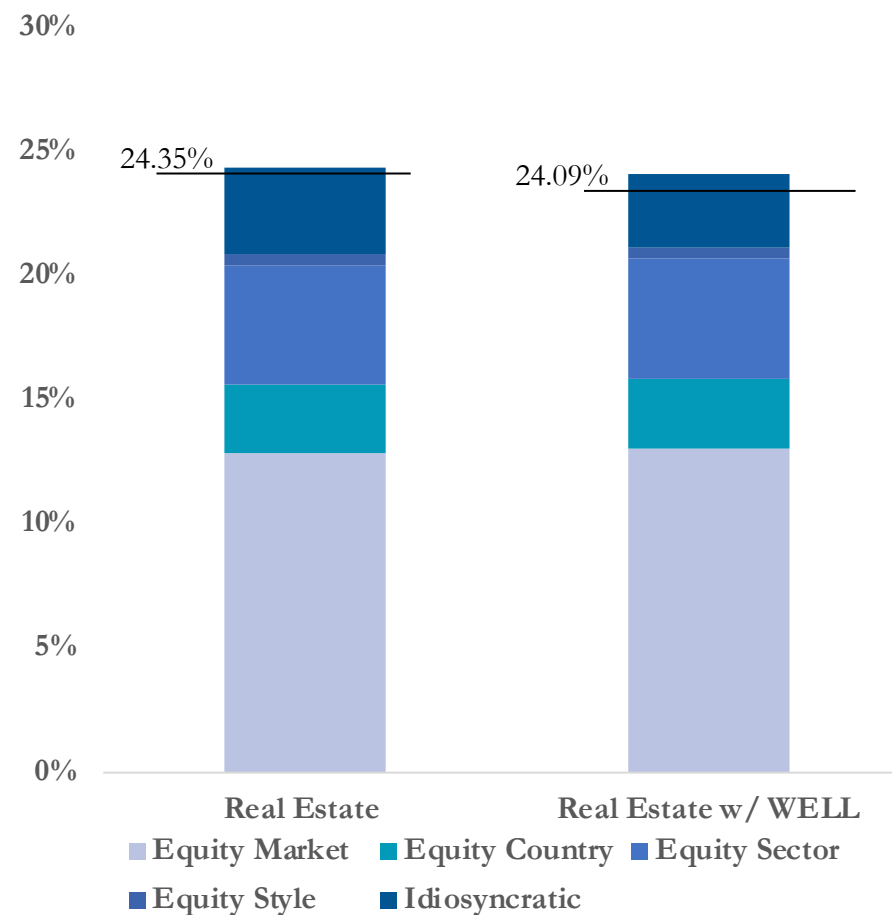
Deutsche Bank	\$115
Raymond James	\$110
JP Morgan	\$98
Mizuho Securities	\$98
Evercore ISI	\$95

Allocation With WELL

Real Estate w/ WELL		
AMT	American Tower Corp	26.01%
EQIX	Equinix	19.48%
COLD	Americold	25.39%
ADC	Agree Realty	18.78%
WELL	Welltower	10.33%

The overall risk of the Real Estate Portfolio will decrease **0.26%**, going from **24.35%** to **24.09%**.

Portfolio Risk



Potential Concerns

Availability of
financing

Strong balance sheet with
significant liquidity of
cash & receivables

Capital markets
(interest rates)

Expected rate cuts and
refinancing options in the
future

Availability of
workforce

9% increase in the nurse
workforce by 2030, and
stable 4% growth in
construction labor

Thank You!

Questions?

Appendix

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Appendix A: Balance Sheet

Welltower Balance Sheet (In Thousands)	2020	2021	2022	2023	2024	2025	2026	2027
Real property owned:								
Land and land improvements	\$ 3,440,650	\$ 3,968,430	\$ 4,249,834	\$ 4,697,824				
Buildings and improvements	28,024,971	31,062,203	33,651,336	37,796,553				
Acquired lease intangibles	1,500,030	1,789,628	1,945,458	2,166,470				
Real property held for sale, net of accumulated depreciation	216,613	134,097	133,058	372,883				
Construction in progress	487,742	651,389	1,021,080	1,304,441				
Less accumulated depreciation and amortization	(6,104,297)	(6,910,114)	(8,075,733)	(9,274,814)				
Net real property owned	27,565,709	30,695,633	32,925,033	37,063,357				
Right of use assets, net	465,866	522,796	323,942	350,969				
Real estate loans receivable, net of credit allowance	443,372	1,068,681	890,844	1,361,587				
Net real estate investments	28,474,947	32,287,110	34,139,819	38,775,913				
Other assets:								
Cash and cash equivalents	1,545,046	269,265	631,681	1,993,646				
Straight-line rent receivable	344,066	365,643	322,173	443,800	437,093	501,155	526,229	578,557
Receivables and other assets	629,031	803,453	1,140,838	1,011,518	1,205,587	1,321,842	1,419,000	1,542,862
Restricted cash	475,997	77,490	90,611	82,437				
Investments in unconsolidated entities	946,234	1,039,043	1,499,790	1,636,531	1,781,002	1,952,744	2,096,274	2,279,256
Goodwill	68,321	68,321	68,321	68,321				
Total other assets	4,008,695	2,623,215	3,753,414	5,236,253				
Total assets	32,483,642	34,910,325	37,893,233	44,012,166				
Liabilities:								
Unsecured credit facility and commercial paper	0	324,935	0	0				
Senior unsecured notes	11,420,790	11,613,758	12,437,273	13,552,222				
Secured debt	2,377,930	2,192,261	2,110,815	2,183,327				
Lease liabilities	418,266	545,944	415,824	383,230				
Accrued expenses and other liabilities	1,041,594	1,235,554	1,535,325	1,521,660	1,889,921	2,070,755	2,223,717	2,417,411
Total liabilities	15,258,580	15,912,452	16,499,237	17,640,439				
Redeemable noncontrolling interests	343,490	401,294	384,443	290,605				
Equity:								
Common stock	418,691	448,605	491,919	565,894				
Capital in excess of par value	20,823,145	23,133,641	26,742,750	32,741,949				
Treasury stock	(104,490)	(107,750)	(111,001)	(111,578)				
Cumulative net income	8,327,598	8,663,736	8,804,950	9,145,044				
Cumulative dividends	(13,343,721)	(14,380,915)	(15,514,097)	(16,773,773)				
Accumulated other comprehensive income (loss)	(148,504)	(121,316)	(119,707)	(163,160)				
Total Welltower Inc. stockholders' equity	15,972,719	17,636,001	20,294,814	25,404,376				
Noncontrolling interests	908,853	960,578	714,739	676,746				
Total equity	16,881,572	18,596,579	21,009,553	26,081,122				
Total liabilities and equity	\$ 32,483,642	\$ 34,910,325	\$ 37,893,233	\$ 44,012,166				

Appendix C: Cash Flow

Stormcat									
Cash Flow Statement (In Thousands)	2020	2021	2022	2023	2024	2025	2026	2027	2028
Operating activities:									
Net income	\$ 1,326,994	\$ 475,397	\$ 160,568	\$ 358,139					
Depreciation and amortization	1,038,437	1,037,566	1,310,368	1,401,101	1,271,176	1,511,688	1,677,816	1,811,892	1,952,643
% of CapEx	238%	148%	118%	91%	93%	94%	95%	98%	99%
Other amortization expenses	13,213	19,148	28,234	42,645					
Provision for loan losses, net	94,436	7,270	10,320	9,809					
Impairment of assets	135,608	51,107	17,502	36,097					
Stock-based compensation expense	28,318	17,812	26,149	37,199					
Loss (gain) on derivatives and financial instruments, net	11,049	(7,333)	8,334	(2,120)					
Loss (gain) on extinguishment of debt, net	47,049	49,874	680	7					
Loss (income) from unconsolidated entities	8,083	22,933	21,290	53,442					
Rental income less than (in excess of) cash received	60,254	(30,820)	(108,883)	(135,758)					
Amortization related to above (below) market leases, net	(1,870)	(3,536)	(1,693)	(529)					
Loss (gain) on real estate dispositions, net	(1,088,455)	(235,375)	(16,043)	(133,383)					
Distributions by unconsolidated entities	11,601	16,763	12,462	11,623					
Increase (decrease) in accrued expenses and other liabilities	22,764	77,554	50,857	(79,801)					
Decrease (increase) in receivables and other assets	(54,583)	(122,117)	(191,437)	3,390					
Net cash provided from (used in) operating activities	1,652,898	1,376,243	1,328,708	1,601,861					
Investing activities:									
Cash disbursed for acquisitions, net of cash acquired	(903,756)	(4,084,174)	(2,306,020)	(3,558,266)					
Cash disbursed for capital improvements to existing properties	(244,989)	(282,588)	(476,016)	(517,682)					
Cash disbursed for construction in progress	(201,336)	(417,963)	(631,737)	(1,014,935)					
Cap EX	(446,325)	(700,551)	(1,107,753)	(1,532,617)	(1,366,855)	(1,608,179)	(1,766,122)	(1,848,870)	(1,972,367)
% of Sales	10%	15%	19%	23%	19%	20%	21%	20%	20%
Capitalized interest	(17,472)	(19,352)	(30,491)	(50,699)					
Investment in loans receivable	(247,543)	(997,449)	(156,045)	(490,736)					
Principal collected on loans receivable	31,548	343,260	196,310	90,215					
Other investments, net of payments	7,726	(26,595)	(98,459)	(100,128)					
Contributions to unconsolidated entities	(411,154)	(396,020)	(502,171)	(343,498)					
Distributions by unconsolidated entities	48,195	286,772	37,571	149,753					
Proceeds from (payments on) derivatives	(13,319)	7,519	63,747	31,493					
Proceeds from sales of real property	4,300,028	1,070,322	199,496	96,741					
Net cash provided from (used in) investing activities	3,251,684	(432,094)	(1,397,795)	(2,149,476)					
Financing activities:									
Net increase (decrease) under unsecured credit facility and commercial paper		324,935		0					
Net increase (decrease) under unsecured credit facility and commercial paper	(1,587,597)		(324,935)						
Proceeds from issuance of senior unsecured notes	1,588,549	1,703,626	1,040,232	1,011,780					
Payments to extinguish senior unsecured notes	(566,248)	(1,533,752)	0	0					
Net proceeds from the issuance of secured debt	62,055	23,569	113,183	385,115					
Payments on secured debt	(694,995)	(197,618)	(457,180)	(741,856)					
Net proceeds from the issuance of common stock	595,313	2,348,201	3,667,854	6,010,129					
Repurchase of common stock	(7,656)	0	0	0					
Payments for deferred financing costs and prepayment penalties	(39,087)	(73,735)	(5,062)	(7,220)					
Contributions by noncontrolling interests	44,023	156,318	138,656	280,678					
Distributions to noncontrolling interests	(333,489)	(138,756)	(272,414)	(216,273)					
Cash distributions to stockholders	(1,119,232)	(1,035,906)	(1,131,527)	(1,260,578)					
Other financing activities	(22,494)	(9,218)	(7,530)	(13,128)					
Net cash provided from (used in) financing activities	(2,080,858)	1,567,664	2,761,277	5,448,647					
Effect of foreign currency translation on cash and cash equivalents and restricted cash	3,451	(1,009)	(10,633)	11,025					
Increase (decrease) in cash, cash equivalents and restricted cash	1,635,277	(1,674,288)	375,537	1,353,791					
Cash, cash equivalents and restricted cash at beginning of period	385,766	2,021,043	346,755	722,292					
Cash, cash equivalents and restricted cash at end of period	2,021,043	346,755	722,292	2,076,083					
Supplemental cash flow information:									
Interest paid	508,454	492,742	531,672	628,582					
Income taxes paid (received)	\$ 13,671	\$ (4,812)	\$ 3,435	\$ 7,682					

[1] Includes amounts attributable to redeemable noncontrolling interests.

Appendix D: Revenue Build

Welltower									
Income Statement (In Thousands)	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenues:									
Rental income	\$ 1,443,360	\$ 1,374,695	\$ 1,451,786	\$ 1,556,073	\$ 1,633,877	\$ 1,715,570	\$ 1,801,349	\$ 1,873,403	\$ 1,948,339
<i>%Growth Y/Y</i>		-5%	6%	7%	5%	5%	5%	4%	4%
Contract Revenue	\$ 3,162,607	\$ 3,367,420	\$ 4,408,829	\$ 5,081,922	\$ 5,590,114	\$ 6,205,027	\$ 6,701,429	\$ 7,371,572	\$ 7,740,150
<i>%Growth Y/Y</i>		6%	31%	15%	10%	11%	8%	10%	5%
Total revenues	4,605,967	4,742,115	5,860,615	6,637,995	7,223,991	7,920,597	8,502,778	9,244,975	9,688,489
<i>%Growth Y/Y</i>		3%	24%	13%	9%	10%	7%	9%	5%

Appendix E: DCF

WELLTOWER							
Discounted Cash Flow Analysis (in Thousands)							
Figures in Millions	2022	2023	2024E	2025E	2026E	2027E	2028E
EBIT	\$ 702,581.00	\$ 957,893.00	\$ 1,287,597.00	\$ 1,598,883.30	\$ 1,767,052.77	\$ 2,292,331.69	\$ 2,800,950.05
Less: Tax	\$ 7,247.00	\$ 10,249.46	\$ 131,479.10	\$ 183,453.58	\$ 207,573.92	\$ 303,610.16	\$ 401,891.29
Add: D&A	\$ 1,310,368	\$ 1,401,101	\$ 1,271,176	\$ 1,511,688	\$ 1,677,816	\$ 1,811,892	\$ 1,952,643
Less: CapEX	\$ 1,107,753	\$ 1,532,617	\$ 1,366,855	\$ 1,608,179	\$ 1,766,122	\$ 1,848,870	\$ 1,972,367
Less: Change in NWC	\$ 454,891	\$ 142,713	\$ (36,427)	\$ 171,223	\$ 112,801	\$ 165,478	\$ (231,959)
FCFF	\$ 673,414.54	\$ 1,096,865.16	\$ 1,147,715.68	\$ 1,358,371.53	\$ 1,786,266.05	\$ 2,611,293.93	
Period	0	1	2	3	4	5	
NPV FCFF	\$ 673,414.54	\$ 1,019,710.89	\$ 991,932.10	\$ 1,091,415.25	\$ 1,334,262.90	\$ 1,813,321.62	

WELL Valuations			
Gordon Growth Rate		Multiples Method	
Terminal Cash Flow	2,611,294	Terminal EBITA	4,753,594
WACC	7.57%	WACC	7.57%
Terminal Growth Rate	3.00%	EV/EBITDA	18.90x
Terminal Value	58,901,945	Terminal Value	89,851,433
PV of Terminal Value	40,902,393	PV of Terminal Value	62,394,181
Enterprise Value	47,153,036	Enterprise Value	68,644,824

Terminal Value (Growth)
Terminal Value (Multiple)

Cash Flows (growth)	2	3	4	5
Cash Flows (multiple)	2	3	4	5
PV of CF (growth)	2.00	3.00	4.00	5.00
PV of CF (multiple)	2.00	3.00	4.00	5.00

WACC	7.57%
Terminal Growth Rate	3.00%
Terminal Multiple (EV/EBIT)	18.90

Gordon Growth	
Enterprise Value	47,153,036
Less: Debt	15,735,549
Plus: Cash	1,993,646
Less: Minority Interest	
Equity Value	33,411,133
Diluted Shares Outstanding	568,878
Price Per Share	\$ 58.73

Terminal Multiple	
Enterprise Value	68,644,824
Less: Debt	15,735,549
Plus: Cash	1,993,646
Less: Minority Interest	
Equity Value	54,902,921
Diluted Shares Outstanding	568,878
Price Per Share	\$96.51

WACC	Gordon Growth Perpetuity Growth				
	2.00%	2.50%	3.00%	3.50%	4.00%
6.57%	61.78	71.37	83.64	99.91	122.53
7.07%	52.69	60.24	69.65	81.69	97.66
7.57%	45.24	51.32	58.73	67.96	79.79
8.07%	39.03	44.02	49.98	57.26	66.32
8.57%	33.78	37.92	42.82	48.68	55.82

WACC	Multiples Method				
	16.90	17.90	18.90	19.90	20.90
6.57%	89.59	95.67	101.75	107.83	113.91
7.07%	87.22	93.16	99.10	105.04	110.97
7.57%	84.91	90.71	96.51	102.31	108.12
8.07%	82.66	88.33	94.00	99.67	105.34
8.57%	80.47	86.01	91.55	97.09	102.63

Appendix F: Comparable Companies



Welltower																									
Comparable Companies Analysis																									
Name	Ticker	Mkt Cap (USD)	Price (f)	Shares	EV	EBIT	EBITDA	Revenue	Debt	FFO	FFO Per Share		2024E EBIT	2024E EBITDA	2024E Rev	2024E FFO Per Share	2024E FFO	P/FFO	LTM Multiples			Forward Multiples			
																			EV/EBIT	EV/EBITDA	EV/REV	2024E EV/EBIT	2024E EV/EBITDA	2024E EV/REV	2024E P/FFO
WELLTOWER INC	WELL	53,372,143.34	\$ 93.82	568,878,10	69,612,090	974,580	2,407,000	6,632,140	16,118,780	1,885,500	3.64		1,293,100.00	2,889,800.00	7,410,300.00	4.01	2,301,500.00	25.77x	71.43x	28.92x	10.50x	53.83x	24.09x	9.39x	23.40x
OMEGA HEALTHCARE INVESTORS	OHI	76,877.83	\$ 31.34	2,453.03	12,728,270	497,860	884,500	964,540	5,110,550	698,700	2.79		647,800.00	921,100.00	931,700.00	2.74	696,800.00	11.23x	25.57x	14.39x	13.20x	19.65x	13.82x	136.61x	11.44x
HEALTHCARE REALTY TRUST INC	HR	52,031.19	\$ 13.65	3,811.81	10,584,740	(13,420)	784,300	1,343,770	5,299,080	601,500	1.57		780,000.00	785,400.00	1,340,200.00	1.58	604,400.00	8.69x	-788.73x	13.50x	7.88x	13.57x	13.48x	78.98x	8.64x
MEDICAL PROPERTIES TRUST INC	MPW	22,082.58	\$ 3.69	5,984.44	13,500,940	(27,560)	327,760	87,180	10,064,240	951,100	1.59		740,700.00	1,076,100.00	1,247,300.00	1.26	726,900.00	2.32x	-489.87x	41.19x	154.86x	18.23x	12.55x	108.24x	2.93x
VENTAS INC	VTR	177,445.32	\$ 44.09	4,024.62	31,447,640	476,000	1,801,300	449,800	13,767,600	1,211,900	2.99		464,100.00	1,898,700.00	4,764,100.00	3.18	1,262,000.00	14.75x	66.07x	17.46x	69.91x	67.76x	16.56x	66.01x	13.86x
ALEXANDRIA REAL ESTATE EQUIT	ARE	211,834.12	\$ 121.07	1,749.68	37,181,000	1,600,000	1,827,500	2,885,700	12,020,570	1,532,300	8.97		6,956,000.00	16,546,000.00	30,983,000.00	9.47	1,631,200.00	13.50x	23.24x	20.35x	12.88x	5.35x	22.47x	120.00x	12.78x

	P/FFO	EV/EBITDA	EV/REV	2024E EV/EBIT	2024E EV/EBITDA	2024E EV/REV	2024E P/FFO
Min	2.32x	13.50x	7.88x	5.35x	12.55x	9.39x	2.93x
1Q	9.33x	15.16x	11.09x	14.73x	13.56x	69.25x	9.34x
Median	12.37x	18.90x	13.04x	18.94x	15.19x	93.61x	12.11x
3Q	14.43x	26.78x	55.74x	45.29x	20.99x	117.06x	13.59x
Max	14.75x	41.19x	154.86x	67.76x	22.47x	136.61x	13.86x
Mean	12.71x	22.63x	44.87x	29.73x	17.16x	86.54x	12.18x

	P/FFO	EV/EBITDA	EV/REV	2024E EV/EBIT	2024E EV/EBITDA	2024E EV/REV	2024E P/FFO
Min	\$ 7.69	\$ 57.10	\$ 91.83	\$ 12.16	\$ 63.73	\$ 122.37	\$ 11.85
1Q	\$ 30.92	\$ 64.13	\$ 129.33	\$ 33.49	\$ 68.89	\$ 902.09	\$ 37.78
Median	\$ 40.98	\$ 79.98	\$ 152.03	\$ 43.05	\$ 77.17	\$ 1,219.38	\$ 49.00
3Q	\$ 47.84	\$ 113.30	\$ 649.78	\$ 102.94	\$ 106.65	\$ 1,524.89	\$ 55.00
Max	\$ 48.87	\$ 174.29	\$ 1,805.43	\$ 164.02	\$ 114.15	\$ 1,779.55	\$ 56.09
Mean	\$ 42.13	\$ 95.77	\$ 523.13	\$ 67.58	\$ 87.17	\$ 1,127.29	\$ 49.26

Appendix G: DDM

Welltower (NYSE:WELL)						
Discounted Dividend Model (\$ in Thousands)						
DPS	2.44					
Expected Market Return	10.00%					
Risk-Free Rate	4.08%					
Beta	0.87					
Cost of Equity	8.33%					
Period	1	2				
Growth Rate	11.34%	5.25%				
Length of Period	6 Years	Forever				
Year	1	2	3	4	5	6
DPS	2.716696	3.024769326	3.367778168	3.749684212	4.174898402	4.648331881
PV	2.507811415	2.577507416	2.649140377	2.722764131	2.798434003	2.87620686
Sum of PV of stage 1	16.1318642					
Final Year Dividend x 1+ stage 2 rate	4.892369304					
Terminal Value	167.2172932					
PV of terminal Value	112.0857358					
Sum of Present Values	128.22					

Appendix H: DDM Sensitivity Table

Cost of Equity	Perpetuity Dividend Growth Rate				
	4.25%	4.75%	5.25%	5.75%	6.25%
7.33%	131.86	155.51	190.55	247.77	358.03
7.83%	113.22	130.02	153.35	187.89	244.33
8.33%	99.14	111.65	128.22	151.22	185.29
8.83%	88.13	97.77	110.10	126.45	149.13
9.33%	79.28	86.92	96.42	108.59	124.71

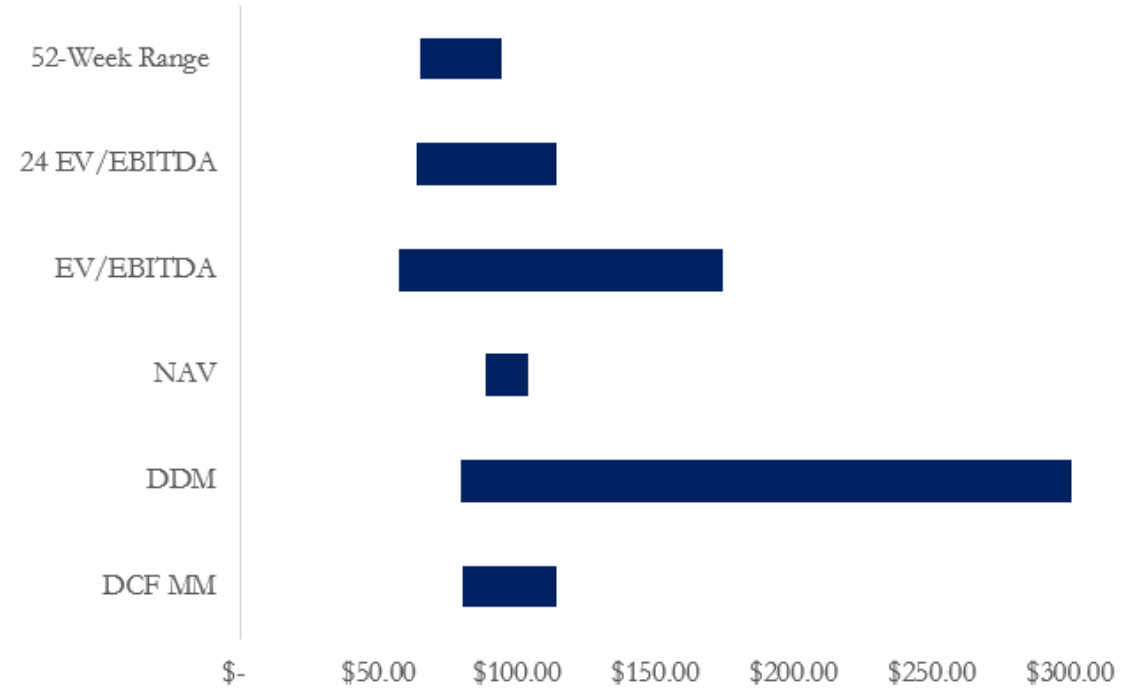
Appendix I: NAV

Welltower (NYSE: WELL)	
Net Asset Valuation (\$ in Thousands)	
Rental Income	1,556,073
General and Administrative expenses	179,091
Change in Receivables and other assets	(3,390)
Cash NOI	1,380,372
Adjust noi for acquisitions, construction, or purchases:	
Construction	(1,532,617)
Cash NOI	2,912,989
Cap rate	4.40%
Fair Market Value	66,204,295
Adjust for other investments and financing:	
Cash	1,993,646
Debt	17,640,439
NAV	50,557,502
Shares outstanding	568,880
NAV per share	\$ 88.87

Appendix J: Football Field

Football Field	Min	Spread	Max
DCF MM	\$ 80.47	\$ 33.44	\$ 113.91
DDM	\$ 79.28	\$ 278.74	\$ 358.03
NAV	\$ 88.87	\$ 14.92	\$ 103.79
EV/EBITDA	\$ 57.10	\$ 117.18	\$ 174.29
24 EV/EBITDA	\$ 63.73	\$ 50.42	\$ 114.15
52-Week Range	\$ 65.18	\$ 29.45	\$ 94.63

Multiple	Price	Weight	Weighted Price
DCF MM	\$ 96.51	20.00%	\$ 19.30
DDM	\$ 128.22	20.00%	\$ 25.64
NAV	\$ 88.87	20.00%	\$ 17.77
EV/EBITDA	\$ 113.30	20.00%	\$ 22.66
24 EV/EBITDA	\$ 106.65	20.00%	\$ 21.33
Price Target			\$ 106.71
Upside			12.08%



Appendix K: WACC

Welltower (NYSE:WELL)	
WACC	
Beta	0.72
Risk-Free Rate	4.08%
Expected Market Return	10.00%
Risk Premium	5.92%
Cost of Equity	8.33%
Pre-Tax Cost of Debt	6.33%
Tax Rate	21.00%
After-Tax Cost of Debt	5.00%
Market Capitalization	52,905,840,000
Debt Outstanding	15,735,500,000
Total Capitalization	68,641,340,000
Weight of Equity	77.08%
Weight of Debt	22.92%
WACC	7.57%

EBIT	\$350,047
Interest Expense	\$628,582
Interest Coverage Ratio	0.556883589
Damodaran Spread	2.25%
Risk-Free Rate	4.08%
Cost of Debt	6.33%

Current WELL Price	93
Shares Outstanding	568,880,000

Appendix L: NWC

Welltower									
<i>NWC (in Thousands)</i>	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E
Investments in and advances to unconsolidated entities	946,234	1,039,043	1,499,790	1,636,531	1,781,002	1,952,744	2,096,274	2,279,256	2,388,600
Revenue	4,605,967	4,742,115	5,860,615	6,637,995	7,223,991	7,920,597	8,502,778	9,244,975	9,688,489
<i>DSO</i>	75	80	93	90	90	90	90	90	90
Rent Recievable	344,066	365,643	322,173	443,800	437,093	501,155	526,229	578,557	602,962
<i>DSO</i>	27	28	20	24	22	23	23	23	23
Recievable and other assets	629,031	803,453	1,140,838	1,011,518	1,205,587	1,321,842	1,419,000	1,542,862	1,616,879
<i>DSO</i>	50	62	71	61	61	61	61	61	61
Total Current Assets	1,919,331	2,208,139	2,962,801	3,091,849	3,423,683	3,775,740	4,041,503	4,400,675	4,608,441
Accrued expenses and other liabilities	1,041,594	1,235,554	1,535,325	1,521,660	1,889,921	2,070,755	2,223,717	2,417,411	2,857,136
<i>As % of Revenue</i>	23%	26%	26%	26%	26%	26%	26%	26%	29%
Total Current Liabilities	1,041,594	1,235,554	1,535,325	1,521,660	1,889,921	2,070,755	2,223,717	2,417,411	2,857,136
NWC	877,737	972,585	1,427,476	1,570,189	1,533,762	1,704,985	1,817,786	1,983,264	1,751,306
Change in NWC		94,848	454,891	142,713	-36,427	171,223	112,801	165,478	-231,959

Leveraging Efficient & Low-Cost Capital to Execute Investment Strategy

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

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

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

\$18B | PUBLIC EQUITY

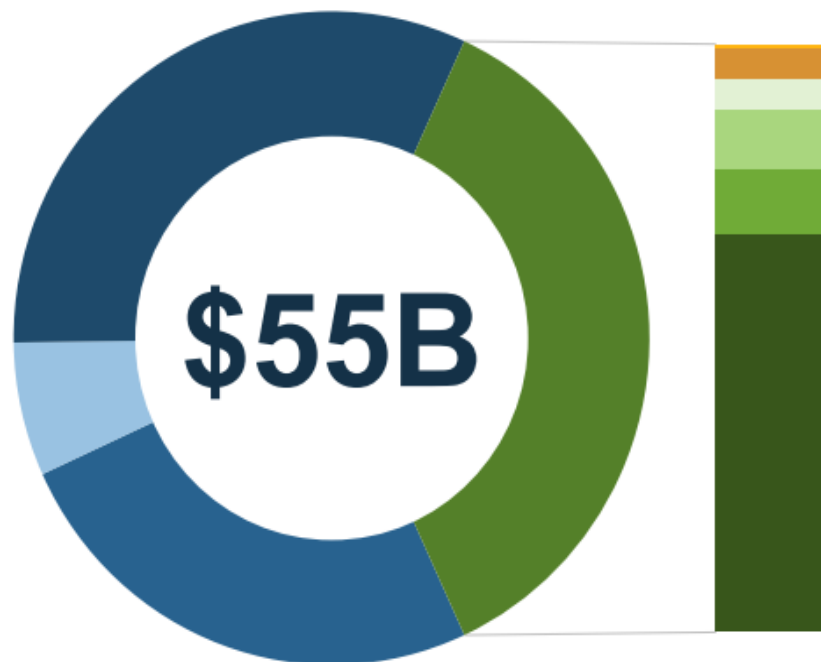
- Efficiently raised primarily via ATM & DRIP programs since 2015

\$4B | PRIVATE CAPITAL

- Capital raised via joint venture partnerships with institutional capital partners

\$14B | DISPOSITIONS

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



\$19B | DEBT

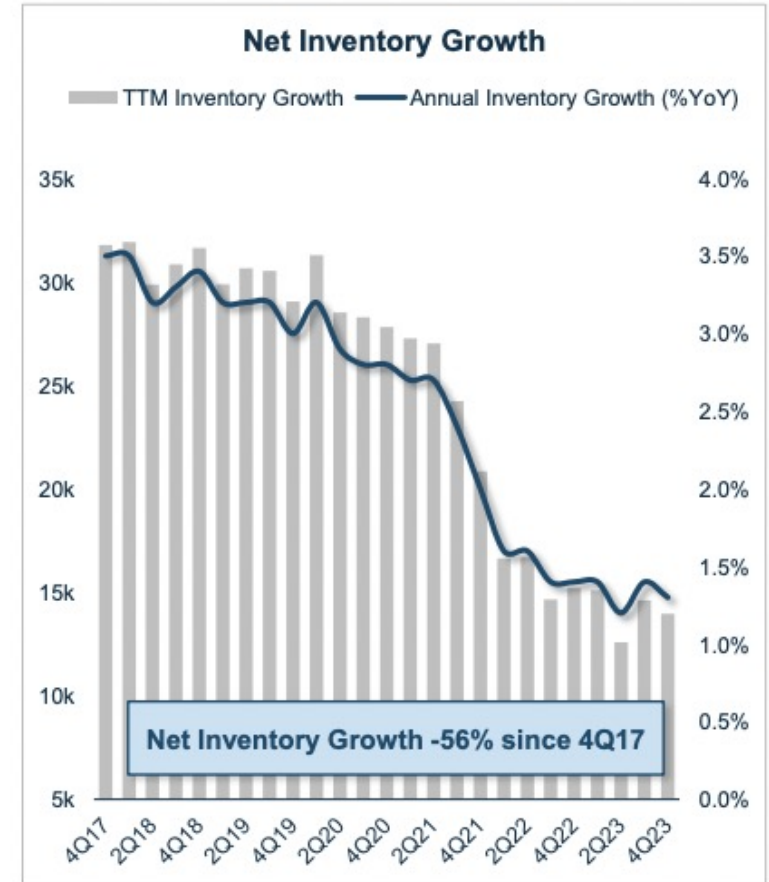
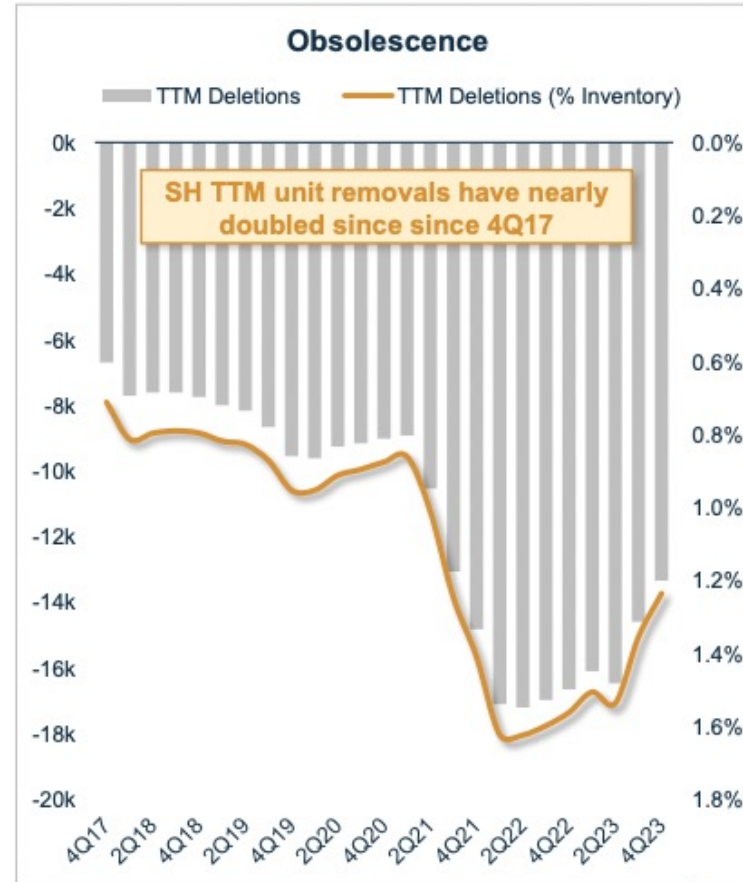
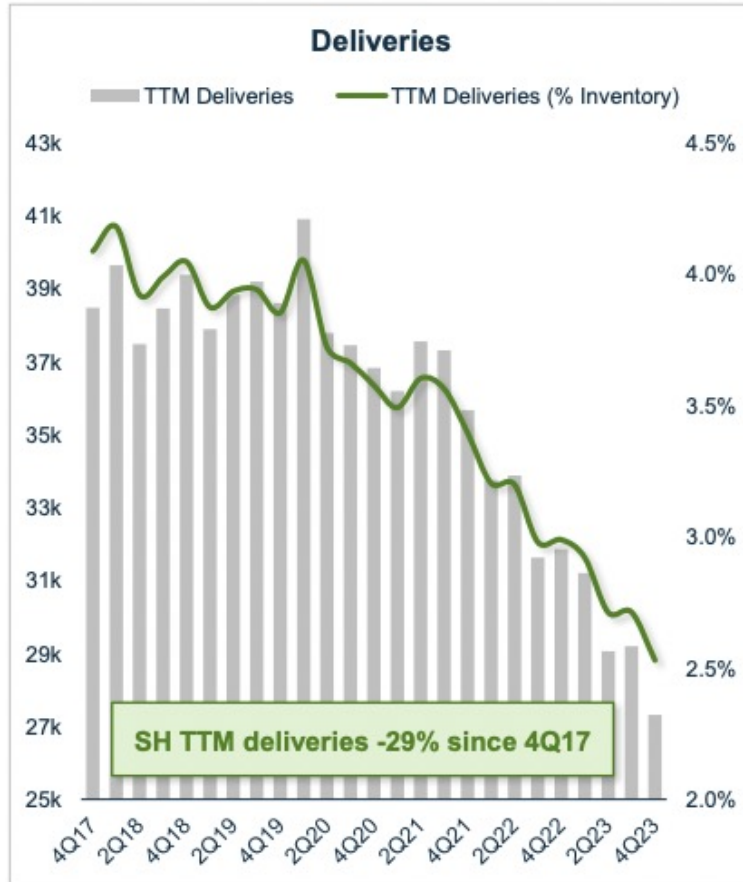
- Investment grade balance sheet (BBB+/Baa1) with access to a plurality of debt capital

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

Note: Data as of January 1, 2015 through December 31, 2023

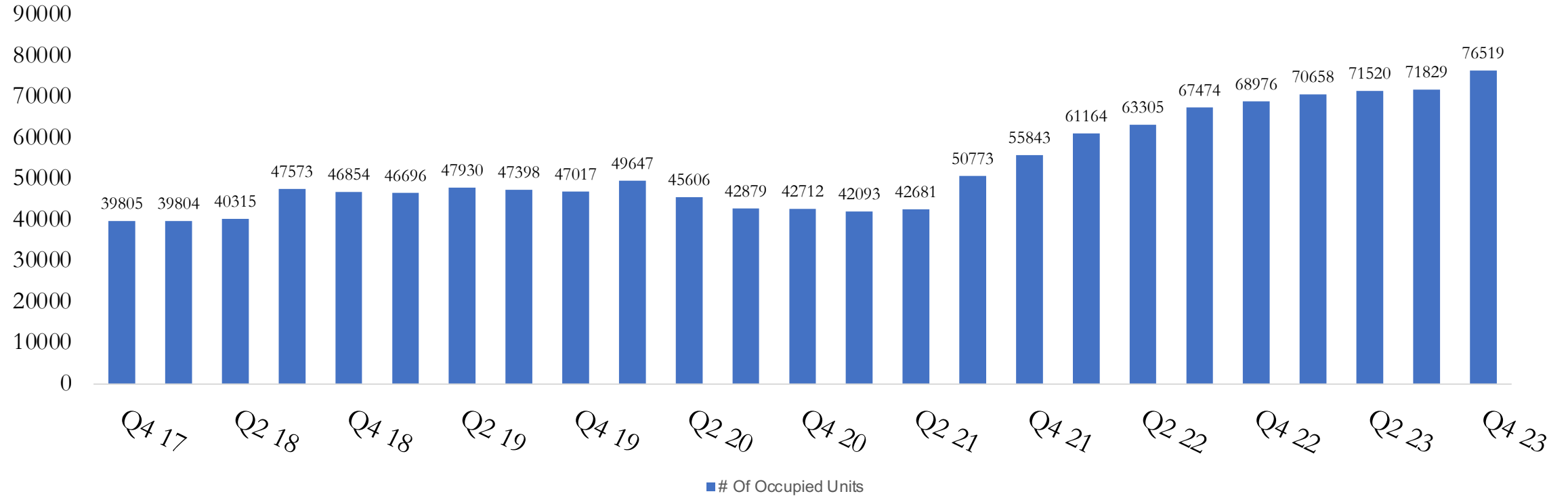
Appendix N: Support for Muted Supply

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



Appendix O: Unit Occupancy Growth

Of Occupied Units



■ # Of Occupied Units

Appendix P: SHO Performance

