



BROOKDALE
— SENIOR LIVING —

Supplemental Information

4th Quarter 2020



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SAFE HARBOR



Certain statements in this Supplemental Information may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to various risks and uncertainties and include all statements regarding the Company's intent, expectations and assumptions related to the various pending and expected transactions outlined herein and any other statements that are not historical statements of fact. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "could," "would," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "believe," "project," "predict," "continue," "plan," "target," or other similar words or expressions. These forward-looking statements are based on certain assumptions and expectations, and the Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Although the Company believes that expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its assumptions or expectations will be attained, and actual results and performance could differ materially from those projected. Factors which could cause events or circumstances to differ from the forward-looking statements include, but are not limited to: the impacts of the COVID-19 pandemic, including the response efforts of federal, state, and local government authorities, businesses, individuals and the Company, on the Company's expected transactions; the Company's ability to complete pending or expected disposition, acquisition or other transactions on agreed upon terms or at all, including in respect of the satisfaction of closing conditions, the risk that regulatory approvals are not obtained or are subject to unanticipated conditions, and uncertainties as to the timing of closing, delays in obtaining regulatory approvals; disruptions in the financial markets, including those related to the pandemic; a decrease in the overall demand for senior housing, which may be adversely impacted by the pandemic; environmental contamination at any of the Company's communities; failure to comply with existing environmental laws; as well as other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission (SEC), including those contained in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in such SEC filings. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect management's views as of the date of this Supplemental Information. The Company cannot guarantee future results, levels of activity, performance or achievements, and, except as required by law, it expressly disclaims any obligation to release publicly any updates or revisions to any of these forward-looking statements to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based. This Supplemental Information should be read in conjunction with the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other information filed with the SEC.



COVID-19 Financial Impact

The COVID-19 pandemic adversely impacted the Company's occupancy and resident fee revenue during 2020 and resulted in incremental direct costs to prepare for and respond to the pandemic, including costs for: acquisition of additional personal protective equipment ("PPE"), medical equipment, and cleaning and disposable food service supplies; enhanced cleaning and environmental sanitation; increased employee-related costs, including labor, workers compensation, and health plan expense; increased expense for general liability claims; and COVID-19 testing of residents and associates where not otherwise covered by government payor or third-party insurance sources.

During the second, third, and fourth quarter of 2020, the Company accepted \$33.5 million, \$2.6 million, and \$73.7 million, respectively, of cash for grants pursuant to the Public Health and Social Services Emergency Fund (the "Provider Relief Fund"), which was expanded by the Coronavirus Aid, Relief, and Economic Security Act of 2020 ("CARES Act"). Grants are subject to the terms and conditions of the program, including that such funds may only be used to prevent, prepare for, and respond to COVID-19 and will reimburse only for healthcare related expenses or lost revenues that are attributable to COVID-19 and have not been reimbursed from other sources or that other sources are not obligated to reimburse. The Company recognized \$109.8 million of the Provider Relief Fund grants and \$5.9 million of other government grants in other operating income during 2020 based upon the Company's estimates of its satisfaction of the conditions of the grants during such period.

The Company's net cash provided by operating activities and Adjusted Free Cash Flow for 2020 also include the benefit of temporary liquidity relief provided pursuant to the CARES Act, including the following items.

- The Company received \$87.5 million under the Medicare Accelerated and Advance Payment Program, consisting of \$85.0 million and \$2.5 million received during the second quarter and third quarter of 2020, respectively. Under current legislation, recoupment of accelerated/advanced payments will begin one year after payments were issued, and payments will be recouped at a rate of 25% of Medicare payments for the first eleven months following the anniversary of issuance and at a rate of 50% of Medicare payments for the next six months. Any outstanding balance of accelerated/advanced payments will be due following such recoupment period.
- The Company elected to defer payment of the employer portion of social security payroll taxes incurred from March 27, 2020 through December 31, 2020. Under current legislation, one-half of such deferral amount will become due on each of December 31, 2021 and December 31, 2022. The Company utilized this deferral program to delay payment of \$72.7 million of the employer portion of payroll taxes, which includes deferred amounts of \$26.5 million, \$23.6 million, and \$22.6 million during the second, third, and fourth quarter of 2020, respectively.

The following tables present the known or estimated impacts related to the COVID-19 pandemic to the Company's consolidated and Senior Housing Same Community quarterly and full year 2020 results. The tables exclude the impact of any rate adjustments under government reimbursement programs. Presentations of these impacts are intended to aid investors in better understanding the factors and trends affecting the Company's performance and liquidity.

Estimated Impact on Consolidated Portfolio

(\$ in 000s)	4Q 2020							4Q 2020	Full Year 2020
	1Q 2020	2Q 2020	3Q 2020	Independent Living	Assisted Living and Memory Care	CCRCs	Health Care Services		
Estimated lost resident fee revenue ⁽¹⁾	\$ 5,800	\$ 63,600	\$ 91,600	\$ 18,500	\$ 65,400	\$ 16,600	\$ 19,600	\$ 120,100	\$ 281,100
Other operating income	—	26,693	10,765	11,727	60,497	6,067	—	78,291	115,749
Facility operating expense	10,000	60,594	24,479	3,095	20,598	4,425	2,343	30,461	125,534
Working capital benefit	—	118,671	20,151					21,393	160,215

Estimated Impact on Senior Housing: Same Community

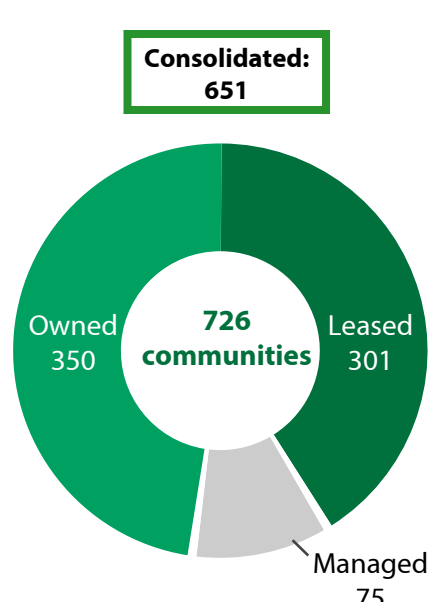
(\$ in 000s)	4Q 2020						4Q 2020 Same Community	Full Year 2020 Same Community
	1Q 2020 Same Community	2Q 2020 Same Community	3Q 2020 Same Community	Independent Living	Assisted Living and Memory Care	CCRCs		
Estimated lost resident fee revenue ⁽¹⁾	\$ 2,400	\$ 42,600	\$ 70,800	\$ 17,400	\$ 63,100	\$ 13,700	\$ 94,200	\$ 210,000
Other operating income	—	6,444	3,710	10,679	58,852	4,580	74,111	84,265
Facility operating expense	8,883	52,247	20,349	2,932	20,292	2,802	26,026	107,505

(1) Estimated lost resident fee revenue represents the difference between the actual resident fee revenue for the period and the Company's pre-COVID-19 expectations.

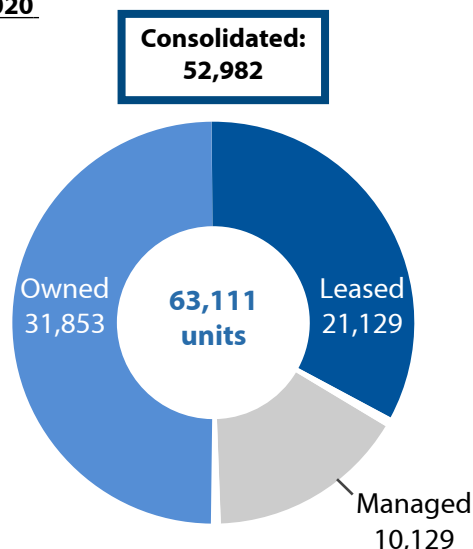


Overview

	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
(\$ in 000s)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	Better (B)/ (Worse) (W)	B/(W)
Resident fee revenue ⁽¹⁾	\$ 809,479	\$ 801,863	\$ 801,237	\$ 797,352	\$ 3,209,931	\$ 782,707	\$ 731,629	\$ 700,771	\$ 677,460	\$ 2,892,567	(15.0)%	(9.9)%
Management fee revenue	\$ 15,743	\$ 15,449	\$ 13,564	\$ 12,352	\$ 57,108	\$ 108,715	\$ 6,076	\$ 5,669	\$ 10,230	\$ 130,690	(17.2)%	128.8%
Other operating income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 26,693	\$ 10,765	\$ 78,291	\$ 115,749	NM	NM
Net income (loss) ⁽¹⁾	\$ (42,606)	\$ (56,055)	\$ (78,508)	\$ (91,323)	\$ (268,492)	\$ 369,497	\$ (118,420)	\$ (124,993)	\$ (44,139)	\$ 81,945	51.7%	NM
Net cash provided by (used in) operating activities	\$ (5,009)	\$ 64,128	\$ 69,211	\$ 88,082	\$ 216,412	\$ 57,479	\$ 151,840	\$ (77,169)	\$ 73,499	\$ 205,649	(16.6)%	(5.0)%
Adjusted EBITDA ^{(1) (2)}	\$ 116,583	\$ 104,036	\$ 80,447	\$ 100,103	\$ 401,169	\$ 185,069	\$ 44,733	\$ (64,019)	\$ 98,604	\$ 264,387	(1.5)%	(34.1)%
Adjusted EBITDA, excluding \$100.0 million management termination fee and \$119.2 million one-time cash lease payment	\$ 116,583	\$ 104,036	\$ 80,447	\$ 100,103	\$ 401,169	\$ 85,069	\$ 44,733	\$ 55,161	\$ 98,604	\$ 283,567	(1.5)%	(29.3)%
Adjusted Free Cash Flow	\$ (46,971)	\$ (16,369)	\$ (13,575)	\$ 511	\$ (76,404)	\$ 5,182	\$ 113,451	\$ (114,327)	\$ 19,875	\$ 24,181	NM	NM
Period end consolidated number of units	55,948	55,209	55,262	54,181	54,181	54,037	54,019	53,110	52,982	52,982	(2.2)%	(2.2)%



As of December 31, 2020



4Q 2020 weighted average occupancy (consolidated communities)

Occupancy Band	Community Count	% of Period End Communities
Greater than 95%	34	5%
90% > 95%	43	7%
85% > 90%	62	10%
80% > 85%	72	11%
75% > 80%	83	13%
70% > 75%	96	15%
Less than 70%	261	39%
Total	651	100%

Consolidated Portfolio Average Asset Age ~ 23 years

- (1) The 2019 periods presented include the non-recurring, non-cash revenue and expense associated with the Company's adoption of the lease accounting standard effective January 1, 2019. See page 25 for additional information.
- (2) Adjusted EBITDA for the first quarter and full year of 2020 includes the \$100.0 million management agreement termination fee payment received from Healthpeak Properties Inc. ("Healthpeak") related to the sale of Brookdale's interest in the entry fee CCRC venture, which closed on January 31, 2020. Adjusted EBITDA includes government grants recognized in other operating income during the respective periods as set forth on page 4. Adjusted EBITDA for the third quarter and full year of 2020 includes the \$119.2 million one-time cash lease payment made to Ventas, Inc. ("Ventas") in connection with the Company's lease restructuring transaction effective July 26, 2020 ("one-time cash lease payment").

Important Note Regarding Non-GAAP Financial Measures

- Adjusted EBITDA and Adjusted Free Cash Flow are financial measures that are not calculated in accordance with GAAP. See "Definitions" and "Non-GAAP Financial Measures" for the definitions of such measures and other important information regarding such measures, including reconciliations to the most comparable GAAP measures.



Adjusted EBITDA and Adjusted Free Cash Flow



	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
(\$ in 000s)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Resident fee revenue	\$ 809,479	\$ 801,863	\$ 801,237	\$ 797,352	\$ 3,209,931	\$ 782,707	\$ 731,629	\$ 700,771	\$ 677,460	\$ 2,892,567	(15.0)%	(9.9)%
Management fee revenue	15,743	15,449	13,564	12,352	57,108	108,715	6,076	5,669	10,230	130,690	(17.2)%	128.8%
Other operating income	—	—	—	—	—	—	26,693	10,765	78,291	115,749	NM	NM
Facility operating expense	(586,094)	(590,246)	(615,717)	(598,438)	(2,390,495)	(588,482)	(606,034)	(570,530)	(576,813)	(2,341,859)	3.6%	2.0%
Combined Segment Operating Income	239,128	227,066	199,084	211,266	876,544	302,940	158,364	146,675	189,168	797,147	(10.5)%	(9.1)%
General and administrative expense ⁽¹⁾	(49,494)	(50,912)	(46,570)	(39,280)	(186,256)	(46,657)	(43,031)	(41,752)	(41,011)	(172,451)	(4.4)%	7.4%
Cash facility operating lease payments (see page 17)	(73,051)	(72,118)	(72,067)	(71,883)	(289,119)	(71,214)	(70,600)	(168,942)	(49,553)	(360,309)	31.1%	(24.6)%
Adjusted EBITDA ⁽²⁾	116,583	104,036	80,447	100,103	401,169	185,069	44,733	(64,019)	98,604	264,387	(1.5)%	(34.1)%
\$100.0 million management termination fee	—	—	—	—	—	(100,000)	—	—	—	(100,000)	NM	NM
\$119.2 million one-time cash lease payment	—	—	—	—	—	—	—	119,180	—	119,180	NM	NM
Adjusted EBITDA, excluding management termination fee and one-time cash lease payment	116,583	104,036	80,447	100,103	401,169	85,069	44,733	55,161	98,604	283,567	(1.5)%	(29.3)%
\$100.0 million management termination fee	—	—	—	—	—	100,000	—	—	—	100,000	NM	NM
\$119.2 million one-time cash lease payment	—	—	—	—	—	—	—	(119,180)	—	(119,180)	NM	NM
Transaction and Organizational Restructuring Costs	(461)	(634)	(3,910)	(5,002)	(10,007)	(1,981)	(3,368)	(6,250)	(1,778)	(13,377)	64.5%	(33.7)%
Interest expense, net (see page 17)	(59,302)	(59,029)	(58,749)	(57,132)	(234,212)	(53,590)	(48,623)	(48,209)	(47,130)	(197,552)	17.5%	15.7%
Payment of financing lease obligations	(5,453)	(5,500)	(5,549)	(5,740)	(22,242)	(5,087)	(4,677)	(4,548)	(4,556)	(18,868)	20.6%	15.2%
Changes in working capital ⁽³⁾	(43,405)	9,620	31,439	20,410	18,064	(53,902)	149,055	33,794	9,945	138,892	(51.3)%	NM
Other ⁽⁴⁾	(331)	1,602	1,868	3,482	6,621	(4,771)	(2,148)	(2,223)	(567)	(9,709)	NM	NM
Non-Development Capital Expenditures, net (see page 16)	(54,602)	(66,464)	(59,121)	(55,610)	(235,797)	(60,556)	(21,521)	(22,872)	(34,643)	(139,592)	37.7%	40.8%
Adjusted Free Cash Flow	\$ (46,971)	\$ (16,369)	\$ (13,575)	\$ 511	\$ (76,404)	\$ 5,182	\$113,451	\$ (114,327)	\$ 19,875	\$ 24,181	NM	NM

(1) Excluding non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs, see page 15.

(2) Adjusted EBITDA for the first quarter and full year 2020 includes the \$100.0 million management agreement termination fee payment received from Healthpeak related to the sale of Brookdale's interest in the entry fee CCRC venture, which closed on January 31, 2020. Adjusted EBITDA includes government grants recognized in other operating income during the respective periods as set forth on page 4. Adjusted EBITDA for the third quarter and full year of 2020 includes the \$119.2 million one-time cash lease payment.

(3) Excludes changes in prepaid insurance premiums financed with notes payable, and lessor capital expenditure reimbursements under operating leases and includes the working capital benefits related to CARES Act programs as set forth on page 4.

(4) Primarily consists of proceeds from property insurance and cash paid for state income taxes.



Adjusted EBITDA and Adjusted Free Cash Flow Distribution



	4Q 2020					
	Total	Senior Housing Owned Portfolio	Senior Housing Leased Portfolio	Health Care Services ⁽¹⁾	Management Services	Other ⁽²⁾
(\$ in 000s)						
Resident fee revenue	\$ 677,460	\$ 338,806	\$ 246,736	\$ 91,918	\$ —	\$ —
Management fee revenue	10,230	—	—	—	10,230	—
Other operating income	78,291	43,955	34,336	—	—	—
Facility operating expense	(576,813)	(286,816)	(197,909)	(92,088)	—	—
Combined Segment Operating Income	189,168	95,945	83,163	(170)	10,230	—
General and administrative expense (excluding non-cash stock-based compensation expense and transaction costs) ⁽³⁾	(41,011)	(17,511)	(12,753)	(4,910)	(5,837)	—
Cash facility operating lease payments	(49,553)	—	(48,120)	—	—	(1,433)
Adjusted EBITDA⁽⁴⁾	98,604	78,434	22,290	(5,080)	4,393	(1,433)
Transaction and Organizational Restructuring Costs	(1,778)	—	—	—	—	(1,778)
Interest expense, net	(47,130)	(36,172)	(11,452)	—	—	494
Payment of financing lease obligations	(4,556)	—	(4,464)	—	—	(92)
Changes in working capital ⁽⁵⁾	9,945	—	—	—	—	9,945
Other	(567)	100	—	—	—	(667)
Non-Development Capital Expenditures, net	(34,643)	(14,633)	(10,730)	—	—	(9,280)
Adjusted Free Cash Flow	\$ 19,875	\$ 27,729	\$ (4,356)	\$ (5,080)	\$ 4,393	\$ (2,811)

(1) Subsequent to the end of the quarter, the Company entered into definitive agreements with affiliates of HCA Healthcare, Inc., providing for the sale of 80% of the Company's equity in its Health Care Services segment, as further described in the press release issued on February 24, 2021.

(2) Primarily consists of changes in working capital, corporate capital expenditures, Transaction and Organizational Restructuring Costs, lease payments for corporate offices and information technology systems and equipment, cash paid for state income taxes, and interest income.

(3) G&A includes both direct, incremental costs attributable to the segment or portfolio and allocated costs; see page 15.

(4) Adjusted EBITDA for the fourth quarter of 2020 includes \$78.3 million of government grants recognized in other operating income.

(5) Excludes changes in prepaid insurance premiums financed with notes payable and lessor capital expenditure reimbursements under operating leases and includes \$21.4 million impact related to CARES Act programs for the fourth quarter of 2020.



Segment Overview

(\$ in 000s, except RevPAR and RevPOR)	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Total Senior Housing, Health Care Services, and Management Services												
Revenue ⁽¹⁾	\$ 825,222	\$ 817,312	\$ 814,801	\$ 809,704	\$ 3,267,039	\$ 891,422	\$ 737,705	\$ 706,440	\$ 687,690	\$ 3,023,257	(15.1)%	(7.5)%
Other operating income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 26,693	\$ 10,765	\$ 78,291	\$ 115,749	NM	NM
Combined Segment Operating Income	\$ 239,128	\$ 227,066	\$ 199,084	\$ 211,266	\$ 876,544	\$ 302,940	\$ 158,364	\$ 146,675	\$ 189,168	\$ 797,147	(10.5)%	(9.1)%
Combined Segment operating margin ⁽²⁾	29.0%	27.8%	24.4%	26.1%	26.8%	34.0%	20.7%	20.5%	24.7%	25.4%	(140) bps	(140) bps
Senior Housing (see page 9)												
Revenue	\$ 697,947	\$ 687,429	\$ 689,452	\$ 687,843	\$ 2,762,671	\$ 687,888	\$ 641,459	\$ 610,868	\$ 585,542	\$ 2,525,757	(14.9)%	(8.6)%
Other operating income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,698	\$ 4,873	\$ 78,291	\$ 92,862	NM	NM
Senior Housing Operating Income	\$ 215,212	\$ 202,450	\$ 180,742	\$ 196,045	\$ 794,449	\$ 203,346	\$ 142,596	\$ 139,544	\$ 179,108	\$ 664,594	(8.6)%	(16.3)%
Senior Housing operating margin ⁽²⁾	30.8%	29.5%	26.2%	28.5%	28.8%	29.6%	21.9%	22.7%	27.0%	25.4%	(150) bps	(340) bps
Number of communities (period end)	680	671	671	663	663	661	660	652	651	651	(1.8)%	(1.8)%
Period end number of units	55,948	55,209	55,262	54,181	54,181	54,037	54,019	53,110	52,982	52,982	(2.2)%	(2.2)%
Total Average Units	56,460	55,465	55,258	54,821	55,501	54,184	54,040	53,440	53,086	53,687	(3.2)%	(3.3)%
RevPAR	\$ 4,102	\$ 4,097	\$ 4,109	\$ 4,116	\$ 4,106	\$ 4,229	\$ 3,954	\$ 3,806	\$ 3,673	\$ 3,917	(10.8)%	(4.6)%
Weighted average unit occupancy	83.6%	83.5%	84.2%	84.5%	83.9%	83.2%	78.7%	75.3%	72.7%	77.5%	(1,180) bps	(640) bps
RevPOR	\$ 4,909	\$ 4,909	\$ 4,880	\$ 4,871	\$ 4,893	\$ 5,085	\$ 5,022	\$ 5,056	\$ 5,052	\$ 5,054	3.7%	3.3%
Health Care Services Segment (see page 14)												
Revenue	\$ 111,532	\$ 114,434	\$ 111,785	\$ 109,509	\$ 447,260	\$ 94,819	\$ 90,170	\$ 89,903	\$ 91,918	\$ 366,810	(16.1)%	(18.0)%
Other operating income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 16,995	\$ 5,892	\$ —	\$ 22,887	NM	NM
Segment Operating Income	\$ 8,173	\$ 9,167	\$ 4,778	\$ 2,869	\$ 24,987	\$ (9,121)	\$ 9,692	\$ 1,462	\$ (170)	\$ 1,863	NM	(92.5)%
Segment operating margin ⁽²⁾	7.3%	8.0%	4.3%	2.6%	5.6%	(9.6)%	9.0%	1.5%	(0.2)%	0.5%	(280) bps	(510) bps
Management Services Segment												
Segment Operating Income (comprised solely of management fees)	\$ 15,743	\$ 15,449	\$ 13,564	\$ 12,352	\$ 57,108	\$ 108,715	\$ 6,076	\$ 5,669	\$ 10,230	\$ 130,690	(17.2)%	128.8%
Resident fee revenue under management ⁽³⁾	\$ 321,952	\$ 294,114	\$ 275,796	\$ 259,437	\$ 1,151,299	\$ 184,145	\$ 131,558	\$ 116,576	\$ 107,817	\$ 540,096	(58.4)%	(53.1)%
Number of communities (period end) ⁽³⁾	164	138	123	100	100	80	77	74	75	75	(25.0)%	(25.0)%
Period end number of units ⁽³⁾	23,742	21,451	20,168	18,086	18,086	11,033	10,694	9,980	10,129	10,129	(44.0)%	(44.0)%
Total Average Units ⁽³⁾	25,047	22,464	20,730	18,836	21,769	13,325	10,905	10,446	10,062	11,184	(46.6)%	(48.6)%
Weighted average unit occupancy ⁽³⁾	82.9%	82.8%	83.4%	84.6%	83.3%	84.0%	78.0%	74.6%	72.1%	77.6%	(1,250) bps	(570) bps

(1) Excludes reimbursed costs on behalf of managed communities.

(2) Segment operating margin excluding other operating income was 17.8% (2Q20), 19.2% (3Q20), 16.1% (4Q20), and 22.5% (Full Year 20) for Total Senior Housing, Health Care Services, and Management Services; 20.7% (2Q20), 22.0% (3Q20), 17.2% (4Q20), and 22.6% (Full Year 20) for Senior Housing; and (8.1)% (2Q20), (4.9)% (3Q20), (0.2)% (4Q20), and (5.7)% (Full Year 20) for Health Care Services.

(3) Not included in consolidated reported amounts.

Senior Housing Segments

	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
(\$ in 000s, except RevPAR and RevPOR)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Independent Living												
Revenue	\$ 135,694	\$ 135,951	\$ 136,874	\$ 136,039	\$ 544,558	\$ 135,862	\$ 130,278	\$ 125,762	\$ 120,696	\$ 512,598	(11.3)%	(5.9)%
Other operating income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 96	\$ 11,727	\$ 11,823	NM	NM
Segment Operating Income	\$ 52,876	\$ 51,459	\$ 49,414	\$ 49,992	\$ 203,741	\$ 51,414	\$ 41,038	\$ 42,438	\$ 47,923	\$ 182,813	(4.1)%	(10.3)%
Segment operating margin ⁽¹⁾	39.0%	37.9%	36.1%	36.7%	37.4%	37.8%	31.5%	33.7%	36.2%	34.9%	(50) bps	(250) bps
Number of communities (period end)	68	68	68	68	68	68	68	68	68	68	—%	—%
Period end number of units	12,430	12,460	12,511	12,514	12,514	12,537	12,534	12,534	12,534	12,534	0.2%	0.2%
Total Average Units	12,430	12,440	12,511	12,514	12,474	12,529	12,534	12,534	12,534	12,533	0.2%	0.5%
RevPAR	\$ 3,602	\$ 3,592	\$ 3,581	\$ 3,545	\$ 3,580	\$ 3,615	\$ 3,465	\$ 3,345	\$ 3,210	\$ 3,408	(9.4)%	(4.8)%
Weighted average unit occupancy	89.8%	89.1%	89.1%	88.7%	89.2%	87.1%	83.5%	80.0%	76.7%	81.8%	(1,200) bps	(740) bps
RevPOR	\$ 4,012	\$ 4,033	\$ 4,018	\$ 3,994	\$ 4,014	\$ 4,151	\$ 4,147	\$ 4,182	\$ 4,183	\$ 4,165	4.7%	3.8%
Assisted Living and Memory Care												
Revenue	\$ 458,526	\$ 450,225	\$ 452,474	\$ 454,713	\$ 1,815,938	\$ 457,479	\$ 432,156	\$ 408,695	\$ 392,946	\$ 1,691,276	(13.6)%	(6.9)%
Other operating income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 152	\$ 1,936	\$ 60,497	\$ 62,585	NM	NM
Segment Operating Income	\$ 140,699	\$ 133,144	\$ 116,856	\$ 127,937	\$ 518,636	\$ 132,001	\$ 87,708	\$ 87,152	\$ 121,740	\$ 428,601	(4.8)%	(17.4)%
Segment operating margin ⁽¹⁾	30.7%	29.6%	25.8%	28.1%	28.6%	28.9%	20.3%	21.2%	26.8%	24.4%	(130) bps	(420) bps
Number of communities (period end)	586	577	577	573	573	571	570	563	563	563	(1.7)%	(1.7)%
Period end number of units	36,944	36,175	36,177	35,956	35,956	35,789	35,744	35,124	35,126	35,126	(2.3)%	(2.3)%
Total Average Units	37,477	36,451	36,173	36,140	36,560	35,944	35,785	35,268	35,126	35,530	(2.8)%	(2.8)%
RevPAR	\$ 4,070	\$ 4,092	\$ 4,127	\$ 4,135	\$ 4,106	\$ 4,242	\$ 4,025	\$ 3,863	\$ 3,729	\$ 3,967	(9.8)%	(3.4)%
Weighted average unit occupancy	81.6%	82.1%	83.2%	83.6%	82.6%	81.9%	77.8%	74.4%	71.8%	76.5%	(1,180) bps	(610) bps
RevPOR	\$ 4,988	\$ 4,987	\$ 4,962	\$ 4,948	\$ 4,971	\$ 5,178	\$ 5,172	\$ 5,193	\$ 5,193	\$ 5,184	5.0%	4.3%
CCRCs												
Revenue	\$ 103,727	\$ 101,253	\$ 100,104	\$ 97,091	\$ 402,175	\$ 94,547	\$ 79,025	\$ 76,411	\$ 71,900	\$ 321,883	(25.9)%	(20.0)%
Other operating income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,546	\$ 2,841	\$ 6,067	\$ 18,454	NM	NM
Segment Operating Income	\$ 21,637	\$ 17,847	\$ 14,472	\$ 18,116	\$ 72,072	\$ 19,931	\$ 13,850	\$ 9,954	\$ 9,445	\$ 53,180	(47.9)%	(26.2)%
Segment operating margin ⁽¹⁾	20.9%	17.6%	14.5%	18.7%	17.9%	21.1%	15.6%	12.6%	12.1%	15.6%	(660) bps	(230) bps
Number of communities (period end)	26	26	26	22	22	22	22	21	20	20	(9.1)%	(9.1)%
Period end number of units	6,574	6,574	6,574	5,711	5,711	5,711	5,741	5,452	5,322	5,322	(6.8)%	(6.8)%
Total Average Units	6,553	6,574	6,574	6,167	6,467	5,711	5,721	5,638	5,426	5,624	(12.0)%	(13.0)%
RevPAR	\$ 5,232	\$ 5,081	\$ 5,012	\$ 5,168	\$ 5,123	\$ 5,496	\$ 4,572	\$ 4,477	\$ 4,385	\$ 4,738	(15.2)%	(7.5)%
Weighted average unit occupancy	82.9%	80.6%	80.4%	81.5%	81.3%	82.4%	74.0%	70.7%	69.2%	74.2%	(1,230) bps	(710) bps
RevPOR	\$ 6,312	\$ 6,305	\$ 6,234	\$ 6,341	\$ 6,298	\$ 6,669	\$ 6,181	\$ 6,332	\$ 6,334	\$ 6,389	(0.1)%	1.4%

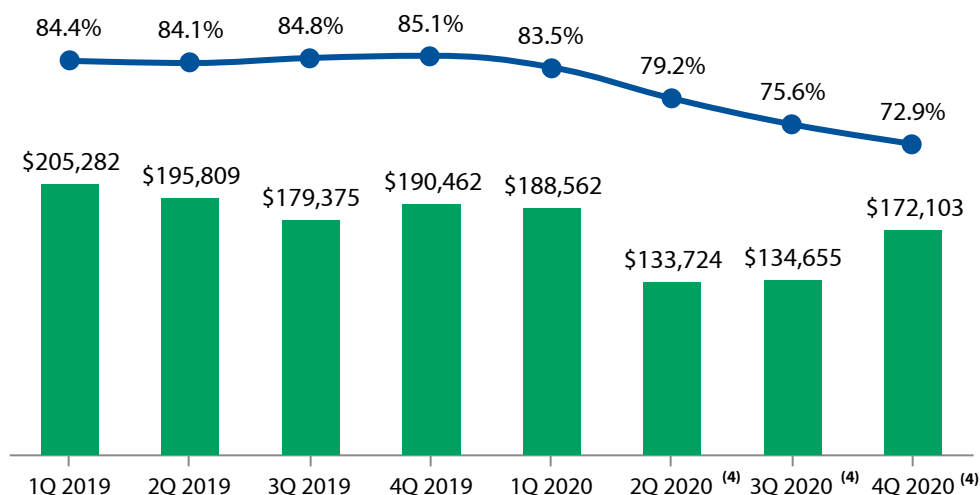
(1) Segment operating margin excluding other operating income was 31.5% (2Q20), 33.7% (3Q20), 30.0% (4Q20), and 33.4% (Full Year 20) for Independent Living; 20.3% (2Q20), 20.9% (3Q20), 15.6% (4Q20), and 21.6% (Full Year 20) for Assisted Living and Memory Care; and 5.4% (2Q20), 9.3% (3Q20), 4.7% (4Q20), and 10.8% (Full Year 20) for CCRCs.



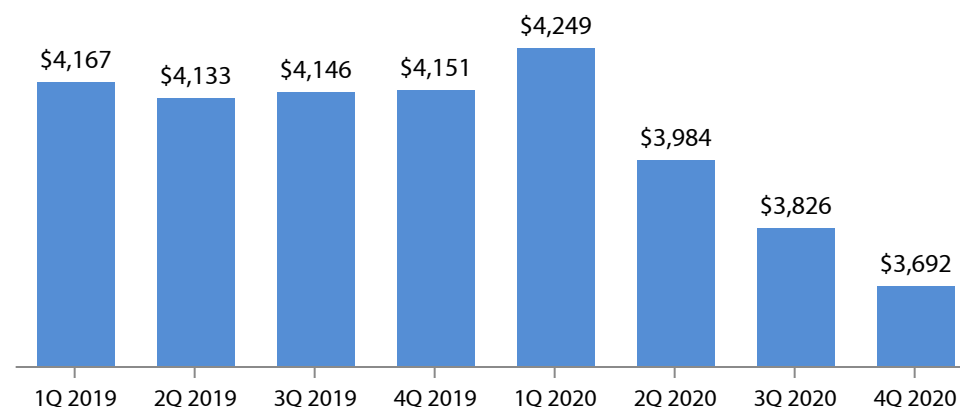
Senior Housing: Same Community⁽¹⁾

	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
(\$ in 000s, except RevPAR and RevPOR)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Revenue	\$ 615,284	\$ 610,422	\$ 612,501	\$ 613,145	\$ 2,451,352	\$ 627,630	\$ 588,401	\$ 565,106	\$ 545,392	\$ 2,326,529	(11.1)%	(5.1)%
Other operating income	—	—	—	—	—	—	6,444	3,710	74,111	84,265	NM	NM
Revenue and other operating income	615,284	610,422	612,501	613,145	2,451,352	627,630	594,845	568,816	619,503	2,410,794	1.0%	(1.7)%
Community Labor Expenses	(268,501)	(271,343)	(284,702)	(283,485)	(1,108,031)	(283,810)	(289,683)	(284,267)	(292,867)	(1,150,627)	(3.3)%	(3.8)%
Other facility operating expenses	(141,501)	(143,270)	(148,424)	(139,198)	(572,393)	(155,258)	(171,438)	(149,894)	(154,533)	(631,123)	(11.0)%	(10.3)%
Facility operating expenses ⁽²⁾	(410,002)	(414,613)	(433,126)	(422,683)	(1,680,424)	(439,068)	(461,121)	(434,161)	(447,400)	(1,781,750)	(5.8)%	(6.0)%
Same Community Operating Income	\$205,282	\$195,809	\$179,375	\$190,462	\$770,928	\$188,562	\$133,724	\$134,655	\$172,103	\$629,044	(9.6)%	(18.4)%
Same Community operating margin ⁽³⁾	33.4%	32.1%	29.3%	31.1%	31.4%	30.0%	22.5%	23.7%	27.8%	26.1%	(330) bps	(530) bps
Total Average Units	49,219	49,228	49,239	49,242	49,232	49,242	49,235	49,234	49,236	49,237	—%	—%
RevPAR	\$ 4,167	\$ 4,133	\$ 4,146	\$ 4,151	\$ 4,149	\$ 4,249	\$ 3,984	\$ 3,826	\$ 3,692	\$ 3,938	(11.1)%	(5.1)%
Weighted average unit occupancy	84.4%	84.1%	84.8%	85.1%	84.6%	83.5%	79.2%	75.6%	72.9%	77.8%	(1,220) bps	(680) bps
RevPOR	\$ 4,935	\$ 4,917	\$ 4,888	\$ 4,878	\$ 4,904	\$ 5,086	\$ 5,032	\$ 5,060	\$ 5,067	\$ 5,063	3.9%	3.2%

Same Community Operating Income / Weighted Average Occupancy⁽²⁾



Same Community RevPAR



(1) Same Community portfolio reflects 629 communities.

(2) Excludes hurricane and other natural disaster expense of \$2.6 million and \$2.8 million for the full year 2019 and 2020, respectively.

(3) Same Community operating margin excluding other operating income was 21.6% (2Q20), 23.2% (3Q20), 18.0% (4Q20), and 23.4% (Full Year 20) for the Same Community portfolio.

(4) Same Community Operating Income includes \$6.4 million (2Q20), \$3.7 million (3Q20), and \$74.1 million (4Q20) of government grants recognized in other operating income.



Senior Housing Segments: Same Community⁽¹⁾

(\$ in 000s, except RevPAR and RevPOR)	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Independent Living												
Revenue	\$ 126,822	\$ 126,563	\$ 126,823	\$ 125,521	\$ 505,729	\$ 127,944	\$ 122,716	\$ 118,384	\$ 113,156	\$ 482,200	(9.9)%	(4.7)%
Other operating income	—	—	—	—	—	—	—	96	10,679	10,775	NM	NM
Community Labor Expense	(44,502)	(45,748)	(46,498)	(46,552)	(183,300)	(46,297)	(47,588)	(46,094)	(46,917)	(186,896)	(0.8)%	(2.0)%
Other facility operating expense	(30,823)	(31,048)	(31,947)	(30,672)	(124,490)	(32,867)	(35,904)	(31,293)	(31,511)	(131,575)	(2.7) %	(5.7) %
Facility operating expense	(75,325)	(76,796)	(78,445)	(77,224)	(307,790)	(79,164)	(83,492)	(77,387)	(78,428)	(318,471)	(1.6) %	(3.5) %
Same Community Operating Income	\$ 51,497	\$ 49,767	\$ 48,378	\$ 48,297	\$ 197,939	\$ 48,780	\$ 39,224	\$ 41,093	\$ 45,407	\$ 174,504	(6.0)%	(11.8)%
Same Community operating margin	40.6%	39.3%	38.1%	38.5%	39.1%	38.1%	32.0%	34.7%	36.7%	35.4%	(180) bps	(370) bps
Total Average Units	11,680	11,690	11,703	11,706	11,695	11,706	11,703	11,703	11,703	11,704	—%	0.1%
RevPAR	\$ 3,619	\$ 3,609	\$ 3,612	\$ 3,574	\$ 3,604	\$ 3,643	\$ 3,495	\$ 3,372	\$ 3,223	\$ 3,433	(9.8)%	(4.7)%
Weighted average unit occupancy	89.5%	88.8%	89.4%	88.9%	89.2%	87.3%	83.8%	80.3%	76.8%	82.1%	(1,210) bps	(710) bps
RevPOR	\$ 4,043	\$ 4,063	\$ 4,043	\$ 4,020	\$ 4,042	\$ 4,174	\$ 4,169	\$ 4,201	\$ 4,197	\$ 4,185	4.4%	3.5%
Assisted Living and Memory Care												
Revenue	\$ 426,752	\$ 424,348	\$ 426,654	\$ 427,733	\$ 1,705,487	\$ 438,183	\$ 414,912	\$ 396,351	\$ 383,024	\$ 1,632,470	(10.5) %	(4.3) %
Other operating income	—	—	—	—	—	—	150	1,937	58,852	60,939	NM	NM
Community Labor Expense	(192,547)	(194,084)	(206,378)	(205,434)	(798,443)	(205,406)	(210,183)	(207,328)	(214,528)	(837,445)	(4.4) %	(4.9) %
Other facility operating expense	(95,593)	(97,307)	(101,161)	(93,497)	(387,558)	(106,642)	(119,310)	(104,042)	(107,593)	(437,587)	(15.1) %	(12.9) %
Facility operating expense	(288,140)	(291,391)	(307,539)	(298,931)	(1,186,001)	(312,048)	(329,493)	(311,370)	(322,121)	(1,275,032)	(7.8) %	(7.5) %
Same Community Operating Income	\$ 138,612	\$ 132,957	\$ 119,115	\$ 128,802	\$ 519,486	\$ 126,135	\$ 85,569	\$ 86,918	\$ 119,755	\$ 418,377	(7.0) %	(19.5) %
Same Community operating margin	32.5%	31.3%	27.9%	30.1%	30.5%	28.8%	20.6%	21.8%	27.1%	24.7%	(300) bps	(580) bps
Total Average Units	33,927	33,926	33,924	33,924	33,925	33,924	33,920	33,919	33,921	33,921	—%	—%
RevPAR	\$ 4,193	\$ 4,169	\$ 4,192	\$ 4,203	\$ 4,189	\$ 4,305	\$ 4,077	\$ 3,895	\$ 3,764	\$ 4,010	(10.4)%	(4.3)%
Weighted average unit occupancy	82.7%	82.7%	83.6%	84.0%	83.3%	82.4%	78.3%	74.6%	72.0%	76.8%	(1,200) bps	(650) bps
RevPOR	\$ 5,070	\$ 5,044	\$ 5,014	\$ 5,001	\$ 5,032	\$ 5,226	\$ 5,213	\$ 5,221	\$ 5,226	\$ 5,222	4.5%	3.8%
CCRCs												
Revenue	\$ 61,710	\$ 59,511	\$ 59,024	\$ 59,891	\$ 240,136	\$ 61,503	\$ 50,773	\$ 50,371	\$ 49,212	\$ 211,859	(17.8) %	(11.8) %
Other operating income	—	—	—	—	—	—	6,294	1,677	4,580	12,551	NM	NM
Community Labor Expense	(31,452)	(31,511)	(31,826)	(31,499)	(126,288)	(32,107)	(31,912)	(30,845)	(31,422)	(126,286)	0.2 %	— %
Other facility operating expense	(15,085)	(14,915)	(15,316)	(15,029)	(60,345)	(15,749)	(16,224)	(14,559)	(15,429)	(61,961)	(2.7) %	(2.7) %
Facility operating expense	(46,537)	(46,426)	(47,142)	(46,528)	(186,633)	(47,856)	(48,136)	(45,404)	(46,851)	(188,247)	(0.7) %	(0.9) %
Same Community Operating Income	\$ 15,173	\$ 13,085	\$ 11,882	\$ 13,363	\$ 53,503	\$ 13,647	\$ 8,931	\$ 6,644	\$ 6,941	\$ 36,163	(48.1) %	(32.4) %
Same Community Operating Margin	24.6%	22.0%	20.1%	22.3%	22.3%	22.2%	15.7%	12.8%	12.9%	16.1%	(940) bps	(620) bps
Total Average Units	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612	3,612	—%	—%
RevPAR	\$ 5,695	\$ 5,492	\$ 5,447	\$ 5,527	\$ 5,540	\$ 5,676	\$ 4,686	\$ 4,648	\$ 4,541	\$ 4,888	(17.8) %	(11.8) %
Weighted average unit occupancy	84.4%	82.0%	81.8%	82.4%	82.7%	82.1%	72.9%	70.0%	68.3%	73.3%	(1,410) bps	(940) bps
RevPOR	\$ 6,749	\$ 6,701	\$ 6,659	\$ 6,707	\$ 6,704	\$ 6,913	\$ 6,430	\$ 6,645	\$ 6,667	\$ 6,674	(0.6)%	(0.4)%

(1) Same Community portfolio reflects 64 Independent Living communities, 551 Assisted Living and Memory Care communities, and 14 CCRC communities.

(2) Same Community operating margin excluding other operating income was 32.0% (2Q20), 34.6% (3Q20), 30.7% (4Q20), and 34.0% (Full Year 20) for Independent Living; 20.6% (2Q20), 21.4% (3Q20), 15.9% (4Q20), and 21.9% (Full Year 20) for Assisted Living and Memory Care; and 5.2% (2Q20), 9.9% (3Q20), 4.8% (4Q20), and 11.1% (Full Year 20) for CCRCs.



Senior Housing Owned Portfolio⁽¹⁾



	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
(\$ in 000s, except RevPAR and RevPOR)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Revenue	\$ 380,691	\$ 375,900	\$ 377,451	\$ 373,793	\$1,507,835	\$ 402,397	\$ 376,140	\$ 356,105	\$ 338,806	\$1,473,448	(9.4)%	(2.3)%
Other operating income	—	—	—	—	—	—	7,156	3,317	43,955	54,428	NM	NM
Facility operating expense	(269,078)	(271,222)	(285,422)	(273,557)	(1,099,279)	(290,116)	(301,459)	(284,780)	(286,816)	(1,163,171)	(4.8)%	(5.8)%
Owned Portfolio Operating Income	\$111,613	\$104,678	\$ 92,029	\$100,236	\$ 408,556	\$112,281	\$ 81,837	\$ 74,642	\$ 95,945	\$ 364,705	(4.3)%	(10.7)%
Additional Information												
Interest expense: property level and corporate debt	\$ (45,643)	\$ (45,193)	\$ (44,344)	\$ (42,538)	\$ (177,718)	\$ (41,763)	\$ (38,974)	\$ (36,908)	\$ (36,172)	\$ (153,817)	15.0%	13.4%
Community level capital expenditures, net (see page 16)	\$ (24,967)	\$ (33,828)	\$ (33,144)	\$ (32,055)	\$ (123,994)	\$ (36,735)	\$ (12,011)	\$ (12,236)	\$ (14,633)	\$ (75,615)	54.4%	39.0%
Number of communities (period end)	338	336	336	330	330	355	355	350	350	350	6.1%	6.1%
Period end number of units	31,397	31,165	31,226	30,160	30,160	32,455	32,481	31,824	31,853	31,853	5.6%	5.6%
Total Average Units	31,840	31,262	31,222	30,784	31,277	32,513	32,461	32,137	31,851	32,240	3.5%	3.1%
RevPAR	\$ 3,969	\$ 3,976	\$ 3,982	\$ 3,984	\$ 3,978	\$ 4,125	\$ 3,862	\$ 3,694	\$ 3,540	\$ 3,807	(11.1)%	(4.3)%
Weighted average occupancy	82.4%	82.6%	83.2%	83.6%	83.0%	82.6%	78.0%	74.2%	71.5%	76.6%	(1,210) bps	(640) bps
RevPOR	\$ 4,815	\$ 4,812	\$ 4,783	\$ 4,764	\$ 4,794	\$ 4,997	\$ 4,944	\$ 4,978	\$ 4,950	\$ 4,968	3.9%	3.6%

Interest Coverage as of December 31, 2020 ⁽²⁾	1.8x
Net Debt as of December 31, 2020 (see page 18)	\$3,344,011

(1) The Company acquired 26 communities that were previously leased during the first quarter of 2020. The results of operations of the previously leased communities are included within the Senior Housing Owned Portfolio beginning in the first quarter of 2020. Prior quarters have not been recast.

(2) As of December 31, 2020, the interest coverage ratio excluding other operating income was 1.5x.



Senior Housing Leased Portfolio⁽¹⁾



	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
(\$ in 000s, except RevPAR and RevPOR)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Revenue	\$ 317,256	\$ 311,529	\$ 312,001	\$ 314,050	\$ 1,254,836	\$ 285,491	\$ 265,319	\$ 254,763	\$ 246,736	\$ 1,052,309	(21.4)%	(16.1)%
Other operating income	—	—	—	—	—	—	2,542	1,556	34,336	38,434	NM	NM
Facility operating expense	(213,657)	(213,757)	(223,288)	(218,241)	(868,943)	(194,426)	(207,102)	(191,417)	(197,909)	(790,854)	(9.3)%	(9.0)%
Leased Portfolio Operating Income	\$103,599	\$ 97,772	\$ 88,713	\$ 95,809	\$ 385,893	\$ 91,065	\$ 60,759	\$ 64,902	\$ 83,163	\$ 299,889	(13.2)%	(22.3)%
Additional Information												
One-time cash lease payment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (119,180)	\$ —	\$ (119,180)	NM	NM
Other cash facility lease payments on leased portfolio (see page 17)	\$ (93,129)	\$ (92,337)	\$ (92,337)	\$ (92,810)	\$ (370,613)	\$ (88,503)	\$ (85,623)	\$ (64,534)	\$ (64,036)	\$ (302,696)	31.0%	18.3%
Community level capital expenditures, net (see page 16)	\$ (18,419)	\$ (25,934)	\$ (22,162)	\$ (13,347)	\$ (79,862)	\$ (18,413)	\$ (1,727)	\$ (5,808)	\$ (10,730)	\$ (36,678)	19.6%	54.1%
Number of communities (period end)	342	335	335	333	333	306	305	302	301	301	(9.6)%	(9.6)%
Period end number of units	24,551	24,044	24,036	24,021	24,021	21,582	21,538	21,286	21,129	21,129	(12.0)%	(12.0)%
Total Average Units	24,620	24,203	24,036	24,037	24,224	21,671	21,579	21,303	21,235	21,447	(11.7)%	(11.5)%
RevPAR	\$ 4,274	\$ 4,254	\$ 4,273	\$ 4,286	\$ 4,271	\$ 4,384	\$ 4,091	\$ 3,977	\$ 3,874	\$ 4,083	(9.6)%	(4.4)%
Weighted average unit occupancy	85.0%	84.5%	85.4%	85.6%	85.1%	84.1%	79.7%	76.9%	74.5%	78.8%	(1,110)bps	(630)bps
RevPOR	\$ 5,028	\$ 5,032	\$ 5,004	\$ 5,005	\$ 5,017	\$ 5,215	\$ 5,136	\$ 5,166	\$ 5,199	\$ 5,179	3.9%	3.2%
Lease Coverage as of December 31, 2020, excluding the one-time cash lease payment ⁽²⁾										0.81x		
Pro-forma Lease Coverage (see page 24 for full year 2020 pro forma results)										0.96x		
Total operating and financing lease obligations as of December 31, 2020 (see page 29) ⁽³⁾										\$1,467,474		

Facility Lease Maturity Information as of December 31, 2020

Pro-forma Full Year 2020 (see page 24)

Initial lease maturities	Community count	Total units	Total cash facility lease payments
2021	37	1,637	\$ 15,276
2022	4	386	3,674
2023	—	—	—
2024	7	904	13,925
2025	121	10,290	101,666
Thereafter	132	7,912	117,839
Total	301	21,129	\$ 252,380

(1) The Company acquired 26 communities that were previously leased during the first quarter of 2020. The results of operations of the previously leased communities are included within the Senior Housing Owned Portfolio beginning in the first quarter of 2020. Prior quarters have not been recast.

(2) As of December 31, 2020, the lease coverage ratio, excluding both the one-time cash lease payment and other operating income, was 0.68x and including both the one-time cash lease payment and other operating income, was 0.58x.

(3) Amount recognized on consolidated balance sheet reflects the discounted future minimum lease payments and the residual value for financing lease obligations.



Health Care Services⁽¹⁾



	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
(\$ in 000s)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Revenue												
Home health	\$ 84,185	\$ 85,233	\$ 80,632	\$ 77,440	\$ 327,490	\$ 65,948	\$ 60,935	\$ 61,586	\$ 60,702	\$ 249,171	(21.6)%	(23.9)%
Hospice	21,722	23,184	25,258	26,062	96,226	23,182	23,849	22,997	25,439	95,467	(2.4)%	(0.8)%
Outpatient Therapy	5,625	6,017	5,895	6,007	23,544	5,689	5,386	5,320	5,777	22,172	(3.8)%	(5.8)%
Segment revenue	111,532	114,434	111,785	109,509	447,260	94,819	90,170	89,903	91,918	366,810	(16.1)%	(18.0)%
Other operating income	—	—	—	—	—	—	16,995	5,892	—	22,887	NM	NM
Revenue and other operating income	111,532	114,434	111,785	109,509	447,260	94,819	107,165	95,795	91,918	389,697	(16.1)%	(12.9)%
Facility operating expense	(103,359)	(105,267)	(107,007)	(106,640)	(422,273)	(103,940)	(97,473)	(94,333)	(92,088)	(387,834)	13.6%	8.2%
Segment Operating Income (Loss)	\$ 8,173	\$ 9,167	\$ 4,778	\$ 2,869	\$ 24,987	\$ (9,121)	\$ 9,692	\$ 1,462	\$ (170)	\$ 1,863	NM	(92.5)%
Segment operating margin ⁽²⁾	7.3%	8.0%	4.3%	2.6%	5.6%	(9.6)%	9.0%	1.5%	(0.2)%	0.5%	NM	(510) bps
Additional Information												
Home health average daily census	15,904	15,966	15,357	14,618	15,457	14,020	12,980	13,146	12,646	13,196	(13.5)%	(14.6)%
Hospice average daily census	1,428	1,540	1,642	1,704	1,580	1,698	1,646	1,666	1,622	1,658	(4.8)%	4.9%

(1) Subsequent to the end of the quarter, the Company entered into definitive agreements with affiliates of HCA Healthcare, Inc., providing for the sale of 80% of the Company's equity in its Health Care Services segment, as further described in the press release issued on February 24, 2021.

(2) Segment operating margin excluding other operating income was (8.1)% (2Q20), (4.9)% (3Q20), (0.2)% (4Q20), and (5.7)% (Full Year 20).



G&A Expense

Consolidated, unless otherwise noted

(\$ in 000s)

G&A expense allocations ⁽¹⁾

	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Senior Housing Owned Portfolio allocation	\$ 15,693	\$ 16,875	\$ 15,759	\$ 13,553	\$ 61,880	\$ 18,635	\$ 18,336	\$ 17,804	\$ 17,511	\$ 72,286	(29.2)%	(16.8)%
Senior Housing Leased Portfolio allocation	13,078	13,986	13,027	11,387	51,478	13,221	12,933	12,738	12,753	51,645	(12.0)%	(0.3)%
Health Care Services allocation	7,077	6,730	6,385	5,439	25,631	6,953	5,355	5,158	4,910	22,376	9.7%	12.7%
Management Services allocation	13,646	13,321	11,399	8,901	47,267	7,848	6,407	6,052	5,837	26,144	34.4%	44.7%
Subtotal G&A expense allocations	49,494	50,912	46,570	39,280	186,256	46,657	43,031	41,752	41,011	172,451	(4.4)%	7.4%
Non-cash stock-based compensation expense	6,356	6,030	5,929	4,711	23,026	5,957	6,119	6,136	2,535	20,747	46.2%	9.9%
Transaction and Organizational Restructuring Costs	461	634	3,910	5,002	10,007	1,981	3,368	6,250	1,778	13,377	64.5%	(33.7)%
General and administrative expense	\$ 56,311	\$ 57,576	\$ 56,409	\$ 48,993	\$ 219,289	\$ 54,595	\$ 52,518	\$ 54,138	\$ 45,324	\$ 206,575	7.5%	5.8%

	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Resident fee revenue	\$ 809,479	\$ 801,863	\$ 801,237	\$ 797,352	\$3,209,931	\$ 782,707	\$ 731,629	\$ 700,771	\$ 677,460	\$2,892,567	(15.0)%	(9.9)%
Other operating income	—	—	—	—	—	—	26,693	10,765	78,291	115,749	NM	NM
Resident fee revenue under management ⁽²⁾	321,952	294,114	275,796	259,437	1,151,299	184,145	131,558	116,576	107,817	540,096	(58.4)%	(53.1)%
Other operating income under management ⁽²⁾	—	—	—	—	—	—	8,066	1,497	1,548	11,111	NM	NM
Total (consolidated and under management)	\$1,131,431	\$1,095,977	\$1,077,033	\$1,056,789	\$4,361,230	\$ 966,852	\$ 897,946	\$ 829,609	\$ 865,116	\$3,559,523	(18.1)%	(18.4)%
Allocated G&A Expense as a Percentage of Resident Fee Revenue and Other Operating Income (Consolidated and Under Management)												
G&A expense (excluding non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs) ⁽³⁾	4.4%	4.6%	4.3%	3.7%	4.3%	4.8%	4.8%	5.1%	4.7%	4.8 %	(100) bps	(50) bps
Non-cash stock-based compensation expense	0.6%	0.6%	0.6%	0.4%	0.5%	0.6%	0.7%	0.7%	0.3%	0.6 %	10 bps	(10) bps
G&A expense (excluding Transaction and Organizational Restructuring Costs)	5.0%	5.2%	4.9%	4.1%	4.8%	5.5%	5.5%	5.8%	5.0%	5.4 %	(90) bps	(60) bps
Transaction and Organizational Restructuring Costs	—%	0.1%	0.4%	0.5%	0.2%	0.2%	0.4%	0.7%	0.2%	0.4 %	30 bps	(20) bps
G&A expense (including non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs) ⁽³⁾	5.0%	5.3%	5.2%	4.6%	5.0%	5.6%	5.9%	6.5%	5.2%	5.8 %	(60) bps	(80) bps

(1) G&A includes both direct, incremental costs attributable to the segment or portfolio and allocated costs. G&A allocations are calculated using a methodology which the Company believes matches the type of general and administrative cost with the community, segment, or portfolio. Some of the allocations are based on direct utilization and some are based on formulas such as unit proportion. G&A allocations presented herein exclude non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs.

(2) Not included in consolidated reported amounts.

(3) Excluding other operating income and other operating income under management: G&A expense (excluding non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs) as a percentage of resident fee revenue (consolidated and under management) was 5.0% (2Q20), 5.1% (3Q20), 5.2% (4Q20), and 5.0% (Full Year 20). G&A expense (including non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs) as a percentage of resident fee revenue (consolidated and under management) was 6.1% (2Q20), 6.6% (3Q20), 5.8% (4Q20), and 6.0% (Full Year 20), respectively.



Capital Expenditures

(\$ in 000s, except for community level capital expenditures, net, per weighted average unit)		2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Community level capital expenditures, including allocations													
Senior Housing Owned Portfolio		\$ 24,967	\$ 33,828	\$ 33,144	\$ 32,055	\$ 123,994	\$ 36,735	\$ 12,011	\$ 12,236	\$ 14,633	\$ 75,615	54.4%	39.0%
Senior Housing Leased Portfolio		18,419	25,934	22,162	13,347	79,862	18,413	1,727	5,808	10,730	36,678	19.6%	54.1%
Community level capital expenditures, net	(A)	43,386	59,762	55,306	45,402	203,856	55,148	13,738	18,044	25,363	112,293	44.1%	44.9%
Corporate capital expenditures (includes Health Care Services)		11,216	6,702	3,815	10,208	31,941	5,408	7,783	4,828	9,280	27,299	9.1%	14.5%
Non-Development Capital Expenditures, net		54,602	66,464	59,121	55,610	235,797	60,556	21,521	22,872	34,643	139,592	37.7%	40.8%
Development Capital Expenditures, net		5,269	5,354	8,054	5,918	24,595	3,900	2,923	3,090	3,754	13,667	36.6%	44.4%
Total capital expenditures, net		\$ 59,871	\$ 71,818	\$ 67,175	\$ 61,528	\$260,392	\$ 64,456	\$ 24,444	\$ 25,962	\$ 38,397	\$ 153,259	37.6%	41.1%
Lessor reimbursements: non-development capital expenditures		—	1,000	11,043	22,766	34,809	5,827	8,096	4,056	9,867	27,846		
Change in related payables		184	(10,576)	5,870	13,413	8,891	(898)	10,938	(2,191)	(3,083)	4,766		
Total cash paid for capital expenditures		\$ 60,055	\$ 62,242	\$ 84,088	\$ 97,707	\$304,092	\$ 69,385	\$ 43,478	\$ 27,827	\$ 45,181	\$ 185,871	53.8%	38.9%
Senior Housing Total Average Units	(B)	56,460	55,465	55,258	54,821	55,501	54,184	54,040	53,440	53,086	53,687	(3.2)%	(3.3)%
Community level capital expenditures, net, per weighted average unit	(A/B)	\$ 768	\$ 1,077	\$ 1,001	\$ 828	\$ 3,673	\$ 1,018	\$ 254	\$ 338	\$ 478	\$ 2,092	42.3 %	43.0 %



Cash Facility Lease Payments

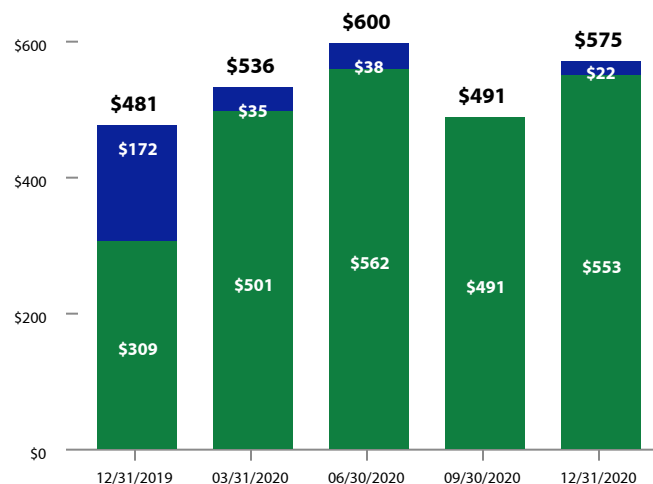
	2019					2020					4Q20 vs. 4Q19	Full Year 20 vs. 19
(\$ in 000s)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	B(W)	B(W)
Operating Lease Obligations												
Facility lease expense	\$ 68,668	\$ 67,689	\$ 67,253	\$ 66,056	\$ 269,666	\$ 64,481	\$ 62,379	\$ 51,620	\$ 45,553	\$ 224,033		
Operating lease expense adjustment	4,383	4,429	4,814	5,827	19,453	6,733	8,221	117,322	4,000	136,276		
Cash facility operating lease payments	73,051	72,118	72,067	71,883	289,119	71,214	70,600	168,942	49,553	360,309	31.1%	(24.6)%
Financing Lease Obligations												
Interest expense: financing lease obligations	16,743	16,649	16,567	16,394	66,353	13,282	11,892	11,908	11,452	48,534		
Payment of financing lease obligations	5,453	5,500	5,549	5,740	22,242	5,087	4,677	4,548	4,556	18,868		
Cash financing lease payments	22,196	22,149	22,116	22,134	88,595	18,369	16,569	16,456	16,008	67,402	27.7%	23.9%
Total cash facility lease payments ⁽¹⁾	\$ 95,247	\$ 94,267	\$ 94,183	\$ 94,017	\$377,714	\$ 89,583	\$ 87,169	\$185,398	\$ 65,561	\$ 427,711	30.3%	(13.2)%
One-time cash lease payment	—	—	—	—	—	—	—	(119,180)	—	(119,180)		
Total cash facility lease payments, excluding the one-time cash lease payment	\$ 95,247	\$ 94,267	\$ 94,183	\$ 94,017	\$377,714	\$ 89,583	\$ 87,169	\$ 66,218	\$ 65,561	\$ 308,531	30.3%	18.3%
Interest Expense Reconciliation to Income Statement												
Interest expense: financing lease obligations	16,743	16,649	16,567	16,394	66,353	13,282	11,892	11,908	11,452	48,534	30.1%	26.9%
Interest income	(3,084)	(2,813)	(2,162)	(1,800)	(9,859)	(1,455)	(2,243)	(607)	(494)	(4,799)	(72.6)%	(51.3)%
Interest expense: debt	45,643	45,193	44,344	42,538	177,718	41,763	38,974	36,908	36,172	153,817	15.0%	13.4%
Interest expense, net	59,302	59,029	58,749	57,132	234,212	53,590	48,623	48,209	47,130	197,552	17.5%	15.7%
Amortization of deferred financing costs and debt premium (discount)	\$ 979	\$ 986	\$ 1,167	\$ 1,138	\$ 4,270	\$ 1,315	\$ 1,556	\$ 1,730	\$ 1,827	\$ 6,428		
Interest income	3,084	2,813	2,162	1,800	9,859	1,455	2,243	607	494	4,799		
Interest expense per income statement	\$ 63,365	\$ 62,828	\$ 62,078	\$ 60,070	\$248,341	\$ 56,360	\$ 52,422	\$ 50,546	\$ 49,451	\$ 208,779	17.7%	15.9%

(1) Includes cash lease payments for leases of corporate offices and information technology systems and equipment.



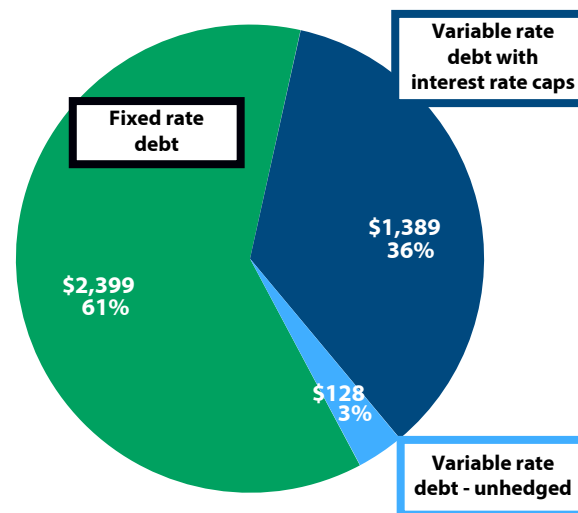
Capital Structure

Total Liquidity
(\$ in millions)



Line of credit available to draw
Cash and cash equivalents and marketable securities

Debt Structure⁽¹⁾
(\$ in millions)



As of December 31, 2020

	Weighted Rate
Fixed rate debt	4.28 %
Variable rate debt ⁽²⁾	2.49 %
Total debt	3.59 %

	Debt ⁽¹⁾⁽²⁾	
(\$ in millions)	Maturity⁽³⁾	Weighted Rate
2021	\$ 69	4.33 %
2022	348	3.57 %
2023	231	3.51 %
2024	301	4.30 %
2025	290	4.00 %
Thereafter	2,677	3.45 %
Total	\$ 3,916	3.59 %

- (1) Includes the carrying value of mortgage debt and other notes payable of which 98.2%, or \$3.8 billion, represented non-recourse property-level mortgage financings.
- (2) Reflects market rates as of December 31, 2020 and applicable cap rates for hedged debt.
- (3) Amount includes maturities and recurring monthly principal payments.
- (4) Leverage ratios include results of operations of communities disposed of through the disposition date.
- (5) Includes the \$100.0 million management agreement termination fee.
- (6) Includes the one-time cash lease payment.
- (7) Excludes operating lease obligations related to certain non-facility leases for which the related lease expense is included in Adjusted EBITDAR.

Leverage Ratios ⁽⁴⁾
(\$ in 000s)

Year Ended December 31, 2020

Annualized Leverage

Adjusted EBITDAR ⁽⁵⁾	(A)	\$ 624,696
Cash facility operating lease payments (see page 17)		(360,309)
Adjusted EBITDA ^{(5) (6)}		264,387
Cash financing lease payments (see page 17)		(67,402)
Adjusted EBITDA after cash financing lease payments ^{(5) (6)}	(B)	\$ 196,985

As of December 31, 2020

Debt	\$ 3,915,988
Cash and cash equivalents	(380,420)
Marketable securities	(172,905)
Restricted cash held as collateral against existing debt	(18,652)
Net Debt	(C) 3,344,011
Operating and financing lease obligations ⁽⁷⁾	1,483,641
Adjusted Net Debt	(D) \$ 4,827,652

17.0 x (C/B)

7.7 x (D/A)

Important Note Regarding Non-GAAP Financial Measures. Adjusted EBITDAR, Adjusted EBITDA, Adjusted EBITDA after cash financing lease payments, Net Debt, and Adjusted Net Debt are financial measures that are not calculated in accordance with GAAP. See "Definitions" and "Non-GAAP Financial Measures" for the definitions of such measures and other important information regarding such measures, including reconciliations to the most comparable GAAP measures.



Definitions

Adjusted EBITDA is a non-GAAP performance measure that the Company defines as net income (loss) excluding: benefit/provision for income taxes, non-operating income/expense items, and depreciation and amortization; and further adjusted to exclude income/expense associated with non-cash, non-operational, transactional, cost reduction or organizational restructuring items that management does not consider as part of the Company's underlying core operating performance and that management believes impact the comparability of performance between periods. For the periods presented herein, such other items include non-cash impairment charges, gain/loss on facility lease termination and modification, operating lease expense adjustment, amortization of deferred gain, change in future service obligation, non-cash stock-based compensation expense, and Transaction and Organizational Restructuring Costs.

Adjusted EBITDAR is a non-GAAP financial measure that the Company defines as Adjusted EBITDA before cash facility operating lease payments.

Adjusted Free Cash Flow is a non-GAAP liquidity measure that the Company defines as net cash provided by (used in) operating activities before: distributions from unconsolidated ventures from cumulative share of net earnings, changes in prepaid insurance premiums financed with notes payable, changes in operating lease liability for lease termination, cash paid/received for gain/loss on facility lease termination and modification, and lessor capital expenditure reimbursements under operating leases; plus: property insurance proceeds and proceeds from refundable entrance fees, net of refunds; less: Non-Development Capital Expenditures and payment of financing lease obligations.

Adjusted Net Debt is a non-GAAP financial measure that the Company defines as Net Debt, plus operating and financing lease obligations. Operating and financing lease obligations exclude operating lease obligations related to certain non-facility leases for which the related lease expense is included in Adjusted EBITDAR.

Combined Segment Operating Income is defined by the Company as resident fee and management fee revenue and other operating income of the Company, less facility operating expense. Combined Segment Operating Income does not include general and administrative expense or depreciation and amortization.

Community Labor Expense is a component of facility operating expense that includes regular and overtime salaries and wages, bonuses, paid-time-off and holiday wages, payroll taxes, contract labor, employee benefits, and workers compensation.

Development Capital Expenditures means capital expenditures for community expansions, major community redevelopment and repositioning projects, and the development of new communities. Amounts of Development Capital Expenditures are presented net of lessor reimbursements.

Interest Coverage is calculated based on the trailing-twelve months Owned Portfolio Operating Income adjusted for an implied 5% management fee and capital expenditures at \$350/unit, divided by the trailing-twelve months property level and corporate debt interest expense.

Lease Coverage is calculated based on the trailing-twelve months Leased Portfolio Operating Income, excluding resident fee revenue, other operating income, and facility operating expense of communities disposed during such period adjusted for an implied 5% management fee and capital expenditures at \$350/unit, divided by the trailing-twelve months cash facility lease payments for both operating leases and financing leases, excluding cash lease payments for leases of communities disposed during such period and the one-time cash lease payment to Ventas, corporate offices, and information technology systems and equipment, vehicles and other equipment.

Leased Portfolio Operating Income is defined by the Company as resident fee revenue and other operating income (excluding Health Care Services segment revenue), less facility operating expense for the Company's Senior Housing Leased Portfolio. Leased Portfolio Operating Income does not include general and administrative expense (unless otherwise noted) or depreciation and amortization.

Net Debt is a non-GAAP financial measure that the Company defines as the total of its debt (mortgage debt and other notes payable) and the outstanding balance on the line of credit, less unrestricted cash, marketable securities, and cash held as collateral against existing debt.

NM means not meaningful.

Non-Development Capital Expenditures is comprised of corporate and community-level capital expenditures, including those related to maintenance, renovations, upgrades, and other major building infrastructure projects for the Company's communities. Non-Development Capital Expenditures does not include capital expenditures for community expansions, major community redevelopment and repositioning projects, and the development of new communities (i.e., Development Capital Expenditures). Amounts of Non-Development Capital Expenditures are presented net of lessor reimbursements.

Owned Portfolio Operating Income is defined by the Company as resident fee revenue and other operating income (excluding Health Care Services segment revenue), less facility operating expense for the Company's Senior Housing Owned Portfolio. Owned Portfolio Operating Income does not include general and administrative expense or depreciation and amortization.

RevPAR, or average monthly senior housing resident fee revenue per available unit, is defined by the Company as resident fee revenue for the corresponding portfolio for the period (excluding Health Care Services segment revenue and entrance fee amortization, and, for the 2019 periods, the additional resident fee revenue recognized as a result of the application of the lease accounting standard under ASC 842), divided by the weighted average number of available units in the corresponding portfolio for the period, divided by the number of months in the period.



Definitions

RevPOR, or average monthly senior housing resident fee revenue per occupied unit, is defined by the Company as resident fee revenue for the corresponding portfolio for the period (excluding Health Care Services segment revenue and entrance fee amortization, and, for the 2019 periods, the additional resident fee revenue recognized as a result of the application of the lease accounting standard under ASC 842), divided by the weighted average number of occupied units in the corresponding portfolio for the period, divided by the number of months in the period.

Same Community information reflects operating results and data of a consistent population of communities by excluding the impact of changes in the composition of our portfolio of communities. The operating results exclude hurricane and natural disaster expense and related insurance recoveries, and for the 2019 periods, exclude the additional resident fee revenue and facility operating expense recognized as a result of the application of the lease accounting standard ASC 842. We define our same community portfolio as communities consolidated and operational for the full period in both comparison years. Consolidated communities excluded from the same community portfolio include communities acquired or disposed of since the beginning of the prior year, communities classified as assets held for sale, certain communities planned for disposition, certain communities that have undergone or are undergoing expansion, redevelopment, and repositioning projects, and certain communities that have experienced a casualty event that significantly impacts their operations.

Same Community Operating Income is defined by the Company as resident fee revenue and other operating income (excluding Health Care Services segment revenue and, for the 2019 periods, the additional resident fee revenue recognized as a result of application of the lease accounting standard under ASC 842), less facility operating expense (excluding hurricane and natural disaster expense and related insurance recoveries, and for the 2019 periods, the additional facility operating expense recognized as a result of application of the lease accounting standard under ASC 842) for the Company's Same Community portfolio. Same Community Operating Income does not include general and administrative expense or depreciation and amortization.

Segment Operating Income (Loss) is defined by the Company as segment revenue and other operating income less segment facility operating expense. Segment Operating Income (Loss) does not include general and administrative expense or depreciation and amortization. Management Services Segment Operating Income excludes revenue for reimbursements for which the Company is the primary obligor of costs incurred on behalf of managed communities, and there is no facility operating expense associated with the Management Services segment. See the Segment Information note to the Company's consolidated financial statements for more information regarding the Company's segments.

Senior Housing Leased Portfolio represents Brookdale leased communities and does not include owned or managed communities.

Senior Housing Operating Income is defined by the Company as segment revenue and other operating income less segment facility operating expense for the Company's Independent Living, Assisted Living and Memory Care, and CCRCs segments on an aggregate basis. Senior Housing Operating Income does not include general and administrative expense or depreciation and amortization.

Senior Housing Owned Portfolio represents Brookdale owned communities and does not include leased or managed communities.

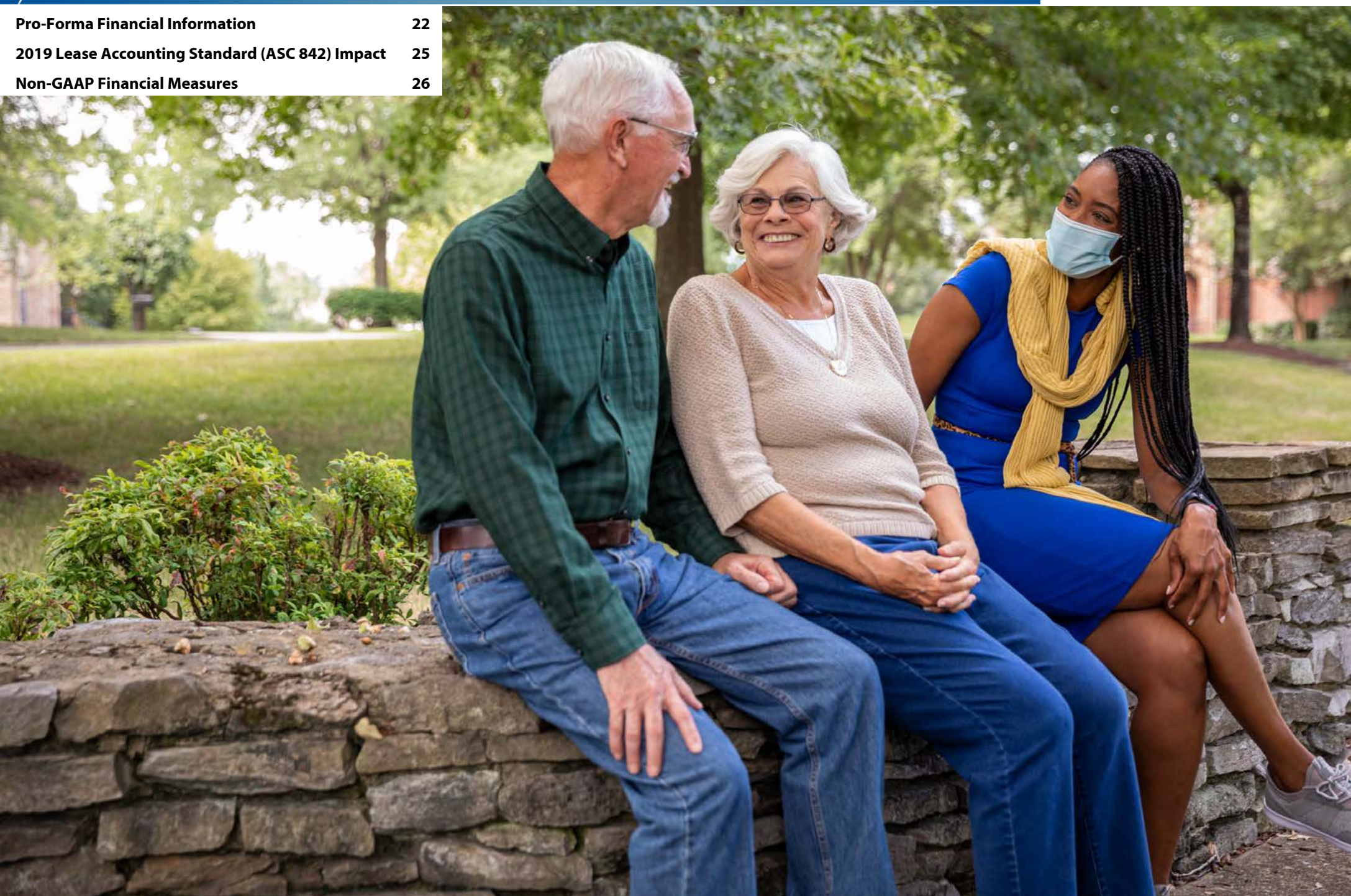
Total Average Units represents the average number of units operated during the period.

Transaction and Organizational Restructuring Costs are general and administrative expenses. Transaction costs include those directly related to acquisition, disposition, financing, and leasing activity, and stockholder relations advisory matters, and are primarily comprised of legal, finance, consulting, professional fees, and other third party costs. Organizational restructuring costs include those related to the Company's efforts to reduce general and administrative expense and its senior leadership changes, including severance.



Appendices

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2019 Lease Accounting Standard (ASC 842) Impact	25
Non-GAAP Financial Measures	26





Pro-Forma Financial Information

During the period of January 1, 2020 to December 31, 2020, the Company:

- terminated its triple-net lease obligations on an aggregate of 32 communities, including through the acquisition of 27 formerly leased communities and financed the acquisitions with \$263.0 million of non-recourse mortgage debt.
- modified the terms of the amended and restated master lease with Healthpeak.
- sold its equity interest in the unconsolidated entrance fee CCRC Venture.
- modified the terms of the master lease with Ventas and paid the one-time cash lease payment.
- disposed of an aggregate of seven owned communities, including five communities conveyed to Ventas and two communities sold.
- transitioned management agreements on 25 net communities.

During the next approximately 12 months, the Company additionally expects:

- to close on the disposition of three owned communities classified as held for sale as of December 31, 2020.
- termination of a substantial portion of its management arrangements as of December 31, 2020.

The pro-forma results on the following pages summarize the Company's actual consolidated results excluding the impact of transactions as follows:

- The pro-forma table for the fourth quarter of 2020 table on page 23 reflects the Company's actual consolidated results excluding the impact on those results assuming that the foregoing completed and expected transactions had closed on September 30, 2020.
- The pro-forma table for the 2020 full year table on page 24 reflects the Company's actual consolidated results excluding the impact on those results assuming that the foregoing completed and expected transactions had closed on December 31, 2019.

The pro-forma results on the following pages do not include adjustments for the pending sale of 80% of the Company's equity in its Health Care Services segment, as further described in the press release issued on February 24, 2021.

The closings of the various pending and expected transactions described above are, or will be, subject to the satisfaction of various conditions, including (where applicable) the receipt of regulatory approvals; however, there can be no assurance that the transactions will close or, if they do, when the actual closings will occur.



Pro-Forma Fourth Quarter 2020⁽¹⁾



<i>Consolidated</i> (\$ in 000s)	4Q20 Actual Results (A)	Amounts Attributable to Transactions Completed during 4Q20 (B)	Actual Results Net of Amounts Attributable to Completed Transactions (A+B)	Amounts Attributable to Transactions Completed or Expected to be Completed after December 31, 2020 (C)	Actual Results Net of Amounts Attributable to Completed and Pending Transactions (A+B+C)
Senior Housing weighted average units operated	53,086	(106)	52,980	(249)	52,731
Senior Housing resident fee revenue	\$ 585,542	\$ (1,733)	\$ 583,809	\$ (2,406)	\$ 581,403
Health Care Services resident fee revenue	91,918	—	91,918	—	91,918
Management fee revenue	10,230	(140)	10,090	(7,968)	2,122
Other operating income	78,291	—	78,291	—	78,291
Resident and management fee revenue and other operating income	765,981	(1,873)	764,108	(10,374)	753,734
Facility operating expense	(576,813)	1,578	(575,235)	3,316	(571,919)
General and administrative expense ⁽²⁾	(41,011)	—	(41,011)	—	(41,011)
Cash facility operating lease payments	(49,553)	654	(48,899)	—	(48,899)
Adjusted EBITDA ⁽³⁾	98,604	359	98,963	(7,058)	91,905
Transaction and Organizational Restructuring Costs	(1,778)	—	(1,778)	—	(1,778)
Interest expense, net	(47,130)	—	(47,130)	—	(47,130)
Payment of financing lease obligations	(4,556)	—	(4,556)	—	(4,556)
Changes in working capital ⁽⁴⁾	9,945	—	9,945	—	9,945
Other	(567)	—	(567)	—	(567)
Non-Development Capital Expenditures, net	(34,643)	11	(34,632)	117	(34,515)
Adjusted Free Cash Flow	\$ 19,875	\$ 370	\$ 20,245	\$ (6,941)	\$ 13,304

- (1) The pro-forma results do not include adjustments for the pending sale of 80% of the Company's equity in its Health Care Services segment, which remains subject to the satisfaction of various conditions, including the receipt of regulatory approvals, as further described in the press release issued on February 24, 2021.
- (2) Excludes non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs. Brookdale scales general and administrative expense following disposal of communities. This is reflected in actual results as they occur.
- (3) Adjusted EBITDA includes \$78.3 million of government grants recognized into other operating income during the fourth quarter of 2020.
- (4) The pro-forma adjustments do not include assumptions on the impact to changes in working capital.

Pro-Forma Full Year 2020⁽¹⁾

Consolidated (\$ in 000s)	Full Year Actual Results (A)	Amounts Attributable to Transactions Completed on or before December 31, 2020 (B)	Actual Results Net of Amounts Attributable to Completed Transactions (A+B)	Amounts Attributable to Transactions Completed or Expected to be Completed after December 31, 2020 (C)	Actual Results Net of Amounts Attributable to Completed and Pending Transactions (A+B+C=D)
Senior Housing weighted average units operated	53,687	(749)	52,938	(249)	52,689
Senior Housing resident fee revenue	\$ 2,525,757	\$ (34,574)	\$ 2,491,183	\$ (11,887)	\$ 2,479,296
Health Care Services resident fee revenue	366,810	—	366,810	—	366,810
Management fee revenue ⁽²⁾	130,690	(103,625)	27,065	(17,968)	9,097
Other operating income	115,749	—	115,749	—	115,749
Resident and management fee revenue and other operating income	3,139,006	(138,199)	3,000,807	(29,855)	2,970,952
Facility operating expense	(2,341,859)	33,005	(2,308,854)	13,948	(2,294,906)
General and administrative expense ⁽³⁾	(172,451)	—	(172,451)	—	(172,451)
Cash facility operating lease payments	(360,309)	166,108	(194,201)	—	(194,201)
Adjusted EBITDA ⁽⁴⁾	264,387	60,914	325,301	(15,907)	309,394
\$100.0 million management termination fee	(100,000)	100,000	—	—	—
\$119.2 million one-time cash lease payment	119,180	(119,180)	—	—	—
Adjusted EBITDA, excluding \$100.0 million management termination fee and \$119.2 million one-time cash lease payment	283,567	41,734	325,301	(15,907)	309,394
\$100.0 million management termination fee	100,000	(100,000)	—	—	—
\$119.2 million one-time cash lease payment	(119,180)	119,180	—	—	—
Transaction and Organizational Restructuring Costs	(13,377)	—	(13,377)	—	(13,377)
Interest expense, net	(197,552)	3,468	(194,084)	—	(194,084)
Payment of financing lease obligations	(18,868)	925	(17,943)	—	(17,943)
Changes in working capital ⁽⁵⁾	138,892	—	138,892	—	138,892
Other	(9,709)	—	(9,709)	—	(9,709)
Non-Development Capital Expenditures, net	(139,592)	1,888	(137,704)	485	(137,219)
Adjusted Free Cash Flow	\$ 24,181	\$ 67,195	\$ 91,376	\$ (15,422)	\$ 75,954
Cash facility operating and financing lease payments	\$ 427,711	\$ (169,496)	\$ 258,215	\$ —	\$ 258,215

- (1) The pro-forma results do not include adjustments for the pending sale of 80% of the Company's equity in its Health Care Services segment, which remains subject to the satisfaction of various conditions, including the receipt of regulatory approvals, as further described in the press release issued on February 24, 2021.
- (2) The Company expects management agreement termination fee revenue of approximately \$4.6 million in 2021. Such amount is not included within the Actual Results Net of Amounts Attributable to Completed and Pending Transactions.
- (3) Excludes non-cash stock-based compensation expense and Transaction and Organizational Restructuring Costs. Brookdale scales general and administrative expense following disposal of communities. This is reflected in actual results as they occur.
- (4) Adjusted EBITDA for 2020 includes the \$100.0 million management agreement termination fee payment received from Healthpeak related to the sale of Brookdale's interest in the entry fee CCRC venture, which closed on January 31, 2020, \$115.7 million of government grants recognized into other operating income and the \$119.2 million one-time cash lease payment.
- (5) The pro-forma adjustments do not include assumptions on the impact to changes in working capital.

Pro-forma (from column D above) Owned and Leased Specifically Identifiable Information, and Other	Senior Housing Owned Portfolio	Senior Housing Leased Portfolio	Health Care Services and Other	Pro-forma Total (from column D above)
Weighted average units operated	31,561	21,128	—	52,689
Senior Housing and Health Care Services revenue	\$ 1,443,310	\$ 1,035,986	\$ 366,810	\$ 2,846,106
Facility operating expense	\$ (1,133,304)	\$ (773,768)	\$ (387,834)	\$ (2,294,906)
Total cash facility lease payments and interest expense, net	\$ (152,812)	\$ (252,380)	\$ (1,036)	\$ (406,228)
Non-Development Capital Expenditures, net	\$ (74,562)	\$ (35,358)	\$ (27,299)	\$ (137,219)



2019 Lease Accounting Standard (ASC 842) Impact

The Company's adoption of the lease accounting standard, effective January 1, 2019, impacted the timing of the revenue and cost recognition associated with its residency agreements. For the full year 2019, the impact of the adoption and application to its residency agreements had a negative, non-recurring net impact of \$23.1 million to net income (loss) and Adjusted EBITDA, with no impact to net cash provided by (used in) operating activities or Adjusted Free Cash Flow.

To aid in comparability between periods, the following presentations in this Supplement exclude the negative, non-recurring net impact of adoption of the lease accounting standard: (i) the Company's results on a Same Community basis, (ii) RevPAR and RevPOR (other than as noted on this page), (iii) Interest Coverage, (iv) lease coverage, and (v) annualized leverage. All other presentations of the Company's 2019 results in this Supplement include the impact of the lease accounting standard effective January 1, 2019.

The following table presents the impact of adoption of the lease accounting standard to the Company's quarterly and full year 2019 results from its application to the Company's residency agreements and costs related thereto for the senior housing portfolio. For the quarterly impact of the adoption for each senior housing segment, see the supplemental information furnished as Exhibit 99.2 to the Current Reports on Form 8-K filed with the SEC on May 6, 2019, August 5, 2019, November 5, 2019, and February 18, 2020.

	1Q 2019	2Q 2019	Q3 2019	4Q 2019	Full Year 2019			
	Total Senior Housing	Total Senior Housing	Total Senior Housing	Total Senior Housing	Total Senior Housing	Independent Living	Assisted Living and Memory Care	CCRCs
<i>(\$ in 000s, except RevPAR and RevPOR)</i>								
Resident fee revenue	\$ 2,780	\$ 5,299	\$ 7,958	\$ 10,383	\$ 26,420	\$ 8,725	\$ 14,686	\$ 3,009
Facility operating expense	9,210	11,826	13,955	14,533	49,524	12,661	31,560	5,303
Net income (loss) and Adjusted EBITDA	(6,430)	(6,527)	(5,997)	(4,150)	(23,104)	(3,936)	(16,874)	(2,294)
Foregoing impact is offset within working capital	6,430	6,527	5,997	4,150	23,104	3,936	16,874	2,294
Adjusted Free Cash Flow	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
RevPAR - Including impact of ASC 842	\$ 4,118	\$ 4,129	\$ 4,157	\$ 4,180	\$ 4,146	\$ 3,638	\$ 4,139	\$ 5,161
RevPAR - Excluding impact of ASC 842	4,102	4,097	4,109	4,116	4,106	3,580	4,106	5,123
RevPOR - Including impact of ASC 842	\$ 4,929	\$ 4,948	\$ 4,937	\$ 4,946	\$ 4,940	\$ 4,080	\$ 5,012	\$ 6,346
RevPOR - Excluding impact of ASC 842	4,909	4,909	4,880	4,871	4,893	4,014	4,971	6,298



Non-GAAP Financial Measures



This Supplemental Information contains the financial measures Adjusted EBITDA, Adjusted EBITDAR, Adjusted EBITDA after cash financing lease payments, Adjusted Free Cash Flow, Net Debt, and Adjusted Net Debt (each as defined in the “Definitions” section), which are not calculated in accordance with U.S. GAAP (“GAAP”). Presentations of these non-GAAP financial measures are intended to aid investors in better understanding the factors and trends affecting the Company’s performance and liquidity. However, investors should not consider these non-GAAP financial measures as a substitute for financial measures determined in accordance with GAAP, including net income (loss), income (loss) from operations, net cash provided by (used in) operating activities, short-term debt, long-term debt less current portion, or current portion of long-term debt. Investors are cautioned that amounts presented in accordance with the Company’s definitions of these non-GAAP financial measures may not be comparable to similar measures disclosed by other companies because not all companies calculate non-GAAP measures in the same manner. Investors are urged to review the reconciliations set forth in this Appendix of these non-GAAP financial measures from the most comparable financial measures determined in accordance with GAAP and to review the information under “Reconciliations of Non-GAAP Financial Measures” in the Company’s earnings release dated February 24, 2021 for additional information regarding the Company’s use and the limitations of such non-GAAP financial measures.



Non-GAAP Financial Measures (continued)



Adjusted EBITDA Reconciliation

(\$ in 000s)	2019					2020				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Net income (loss)	\$ (42,606)	\$ (56,055)	\$ (78,508)	\$ (91,323)	\$ (268,492)	\$ 369,497	\$ (118,420)	\$ (124,993)	\$ (44,139)	\$ 81,945
Provision (benefit) for income taxes	679	633	(1,800)	(1,781)	(2,269)	(15,828)	8,504	14,884	(2,208)	5,352
Equity in (earnings) loss of unconsolidated ventures	526	991	2,057	970	4,544	1,008	(438)	293	1,244	2,107
Loss (gain) on debt modification and extinguishment, net	67	2,672	2,455	53	5,247	(19,181)	157	7,917	211	(10,896)
Loss (gain) on sale of assets, net	702	(2,846)	(579)	(4,522)	(7,245)	(372,839)	1,029	(2,209)	(513)	(374,532)
Other non-operating (income) loss	(2,988)	(3,199)	(3,763)	(4,815)	(14,765)	(2,662)	(988)	(948)	(1,050)	(5,648)
Interest expense	63,365	62,828	62,078	60,070	248,341	56,360	52,422	50,546	49,451	208,779
Interest income	(3,084)	(2,813)	(2,162)	(1,800)	(9,859)	(1,455)	(2,243)	(607)	(494)	(4,799)
Income (loss) from operations	16,661	2,211	(20,222)	(43,148)	(44,498)	14,900	(59,977)	(55,117)	2,502	(97,692)
Depreciation and amortization	96,888	94,024	93,550	94,971	379,433	90,738	93,154	87,821	87,513	359,226
Asset impairment	391	3,769	2,094	43,012	49,266	78,226	10,290	8,213	10,579	107,308
Loss (gain) on facility lease termination and modification, net	209	1,797	—	1,382	3,388	—	—	—	(2,303)	(2,303)
Operating lease expense adjustment	(4,383)	(4,429)	(4,814)	(5,827)	(19,453)	(6,733)	(8,221)	(117,322)	(4,000)	(136,276)
Non-cash stock-based compensation expense	6,356	6,030	5,929	4,711	23,026	5,957	6,119	6,136	2,535	20,747
Transaction and Organizational Restructuring Costs	461	634	3,910	5,002	10,007	1,981	3,368	6,250	1,778	13,377
Adjusted EBITDA ^{(1) (2)}	\$ 116,583	\$ 104,036	\$ 80,447	\$ 100,103	\$ 401,169	\$ 185,069	\$ 44,733	\$ (64,019)	\$ 98,604	\$ 264,387
\$100.0 million management termination fee	—	—	—	—	—	(100,000)	—	—	—	(100,000)
\$119.2 million one-time cash lease payment	—	—	—	—	—	—	—	119,180	—	119,180
Adjusted EBITDA, excluding \$100.0 million management termination fee and \$119.2 million cash lease payment	\$ 116,583	\$ 104,036	\$ 80,447	\$ 100,103	\$ 401,169	\$ 85,069	\$ 44,733	\$ 55,161	\$ 98,604	\$ 283,567

(1) The 2019 periods presented include the non-recurring, non-cash impact associated with the Company's adoption of the lease accounting standard effective January 1, 2019. See page 25 for additional information.

(2) Adjusted EBITDA for the first quarter and full year of 2020 includes the \$100.0 million management agreement termination fee payment received from Healthpeak related to the sale of Brookdale's interest in the entry fee CCRC venture, which closed on January 31, 2020. Adjusted EBITDA for the second quarter, third quarter, fourth quarter, and full year of 2020 includes \$26.7 million, \$10.8 million, \$78.3 million, and \$115.7 million of government grants recognized in other operating income during the respective period, and for the third quarter and full year of 2020 includes the one-time cash lease payment.



Non-GAAP Financial Measures (continued)



Adjusted EBITDAR; Adjusted EBITDA; and Adjusted EBITDA after Cash Financing Lease Payments Reconciliations⁽¹⁾

(\$ in 000s)	Full Year 2020
Net income (loss)	\$ 81,945
Provision (benefit) for income taxes	5,352
Equity in (earnings) loss of unconsolidated ventures	2,107
Loss (gain) on debt modification and extinguishment, net	(10,896)
Loss (gain) on sale of assets, net	(374,532)
Other non-operating (income) loss	(5,648)
Interest expense	208,779
Interest income	(4,799)
Income (loss) from operations	(97,692)
Depreciation and amortization	359,226
Asset impairment	107,308
Loss (gain) on facility lease termination and modification, net	(2,303)
Facility lease expense	224,033
Non-cash stock-based compensation expense	20,747
Transaction and Organizational Restructuring Costs	13,377
Adjusted EBITDAR	\$ 624,696
Facility lease expense	(224,033)
Operating lease expense adjustment	(136,276)
Adjusted EBITDA	\$ 264,387
Interest expense: financing lease obligations	(48,534)
Payment of financing lease obligations	(18,868)
Adjusted EBITDA after cash financing lease payments	\$ 196,985

(1) Includes the \$100.0 million management agreement termination fee payment received from Healthpeak and the \$119.2 million one-time cash lease payment.



Non-GAAP Financial Measures (continued)



Net Debt and Adjusted Net Debt Reconciliations

(\$ in 000s)	As of December 31, 2020
Long-term debt (including current portion)	\$ 3,915,988
Cash and cash equivalents	(380,420)
Marketable securities	(172,905)
Cash held as collateral against existing debt	(18,652)
Net Debt	3,344,011
Operating and financing lease obligations	1,528,962
Operating lease obligations related to certain non-facility leases for which the related lease expense is included in Adjusted EBITDAR	(45,321)
Adjusted Net Debt	\$ 4,827,652
Adjusted Net Debt to Adjusted EBITDAR	7.7 x
Net Debt to Adjusted EBITDA after cash financing lease payments	17.0 x
Operating and financing lease obligations	\$ 1,528,962
Operating lease obligations related to certain non-facility leases for which the related lease expense is included in Adjusted EBITDAR	(45,321)
Operating lease obligations related to corporate office and information technology leases	\$ (16,167)
Operating and financing lease obligations for Senior Housing Leased Portfolio	\$ 1,467,474



Non-GAAP Financial Measures (continued)



Adjusted Free Cash Flow Reconciliation

(\$ in 000s)	2019					2020				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Net cash provided by (used in) operating activities	\$ (5,009)	\$ 64,128	\$ 69,211	\$ 88,082	\$ 216,412	\$ 57,479	\$ 151,840	\$ (77,169)	\$ 73,499	\$ 205,649
Net cash provided by (used in) investing activities	(100,073)	19,774	(70,056)	(75,184)	(225,539)	(247,927)	(47,483)	(48,554)	(81,147)	(425,111)
Net cash provided by (used in) financing activities	(16,636)	(87,443)	(8,755)	(26,560)	(139,394)	347,250	(40,726)	96,668	(20,279)	382,913
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ (121,718)	\$ (3,541)	\$ (9,600)	\$ (13,662)	\$ (148,521)	\$ 156,802	\$ 63,631	\$ (29,055)	\$ (27,927)	\$ 163,451
Net cash provided by (used in) operating activities	\$ (5,009)	\$ 64,128	\$ 69,211	\$ 88,082	\$ 216,412	\$ 57,479	\$ 151,840	\$ (77,169)	\$ 73,499	\$ 205,649
Distributions from unconsolidated ventures from cumulative share of net earnings	(749)	(781)	(858)	(1,084)	(3,472)	—	—	(766)	—	(766)
Changes in prepaid insurance premiums financed with notes payable	18,842	(6,752)	(6,215)	(5,875)	—	17,434	(5,770)	(5,841)	(5,823)	—
Changes in liabilities for lessor capital expenditure reimbursements under operating leases	—	(1,000)	(11,043)	(19,262)	(31,305)	(4,088)	(6,421)	(3,131)	(8,602)	(22,242)
Non-development capital expenditures, net	(54,602)	(66,464)	(59,121)	(55,610)	(235,797)	(60,556)	(21,521)	(22,872)	(34,643)	(139,592)
Payment of financing lease obligations	(5,453)	(5,500)	(5,549)	(5,740)	(22,242)	(5,087)	(4,677)	(4,548)	(4,556)	(18,868)
Adjusted Free Cash Flow ⁽¹⁾	\$ (46,971)	\$ (16,369)	\$ (13,575)	\$ 511	\$ (76,404)	\$ 5,182	\$ 113,451	\$ (114,327)	\$ 19,875	\$ 24,181

(1) The first quarter of 2020 includes the \$100.0 million management agreement termination fee payment received from Healthpeak related to the sale of Brookdale's interest in the entry fee CCRC venture, which closed on January 31, 2020. The second quarter of 2020 includes \$85.0 million of accelerated/advanced Medicare payments received, \$34.2 million of Provider Relief Funds and other government grants accepted, and \$26.5 million of the employer portion of payroll taxes deferred in the second quarter of 2020. The third quarter of 2020 includes the one-time cash lease payment of \$119.2 million, and includes \$2.5 million of accelerated/advanced Medicare payments received, \$4.4 million of Provider Relief Funds and other government grants accepted, and \$23.6 million of employer portion of payroll taxes deferred in the third quarter of 2020. The fourth quarter of 2020 includes \$77.2 million of Provider Relief Funds and other government grants accepted and \$22.6 million of employer portion of payroll taxes deferred in the fourth quarter of 2020.