

BROOKDALE
SENIOR LIVING

Investor Presentation August 7, 2023

Forward-Looking Statements – Safe Harbor

Certain statements in this Investor Presentation 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 that are not historical statements of fact and those regarding the Company's intent, belief or expectations. 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, and include statements regarding the Company's expected financial and operational results. 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, it 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 have a material adverse effect on the Company's operations and future prospects or 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 on the nation's economy and debt and equity markets and the local economies in the Company's markets, and on the Company and the Company's business, results of operations, cash flow, revenue, expenses, liquidity, and its strategic initiatives, including plans for future growth, which will depend on many factors, some of which cannot be foreseen, including the pace and consistency of recovery from the pandemic and any resurgence or variants of the disease; the frequency and magnitude of legal actions and liability claims that may arise due to COVID-19 or the Company's response efforts; events which adversely affect the ability of seniors to afford resident fees, including downturns in the economy, housing market, consumer confidence, or the equity markets and unemployment among resident family members; changes in reimbursement rates, methods, or timing under governmental reimbursement programs including the Medicare and Medicaid programs; the effects of senior housing construction and development, lower industry occupancy, and increased competition; conditions of housing markets, regulatory changes, acts of nature, and the effects of climate change in geographic areas where the Company is concentrated; terminations of the Company's resident agreements and vacancies in the living spaces it leases; failure to maintain the security and functionality of the Company's information systems, to prevent a cybersecurity attack or breach, or to comply with applicable privacy and consumer protection laws, including HIPAA; the Company's ability to complete its capital expenditures in accordance with its plans; the Company's ability to identify and pursue development, investment, and acquisition opportunities and its ability to successfully integrate acquisitions; competition for the acquisition of assets; 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, and the Company's ability to identify and pursue any such opportunities in the future; risks related to the implementation of the Company's strategy, including initiatives undertaken to execute on the Company's strategic priorities and their effect on its results; limits on the Company's ability to use net operating loss carryovers to reduce future tax payments; delays in obtaining regulatory approvals; disruptions in the financial markets or decreases in the appraised values or performance of the Company's communities that affect the Company's ability to obtain financing or extend or refinance debt as it matures and the Company's financing costs; the Company's ability to generate sufficient cash flow to cover required interest, principal, and long-term lease payments and to fund its planned capital projects; the effect of any non-compliance with any of the Company's debt or lease agreements (including the financial or other covenants contained therein), including the risk of lenders or lessors declaring a cross default in the event of the Company's non-compliance with any such agreements and the risk of loss of the Company's property securing leases and indebtedness due to any resulting lease terminations and foreclosure actions; the effect of the Company's indebtedness and long-term leases on the Company's liquidity and its ability to operate its business; increases in market interest rates that increase the costs of the Company's debt obligations; the Company's ability to obtain additional capital on terms acceptable to it; departures of key officers and potential disruption caused by changes in management; increased competition for, or a shortage of, associates (including due to general labor market conditions), wage pressures resulting from increased competition, low unemployment levels, minimum wage increases and changes in overtime laws, and union activity; environmental contamination at any of the Company's communities; failure to comply with existing environmental laws; an adverse determination or resolution of complaints filed against the Company, including putative class action complaints; costs to respond to, and adverse determinations resulting from, government reviews, audits and investigations; the cost and difficulty of complying with increasing and evolving regulation; changes in, or its failure to comply with, employment-related laws and regulations; unanticipated costs to comply with legislative or regulatory developments; the risks associated with current global economic conditions and general economic factors such as inflation, the consumer price index, commodity costs, fuel and other energy costs, competition in the labor market, costs of salaries, wages, benefits, and insurance, interest rates, and tax rates; the impact of seasonal contagious illness or an outbreak of COVID-19 or other contagious disease in the markets in which the Company operates; actions of activist stockholders, including a proxy contest; as well as other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission, including those set forth 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 Investor Presentation. 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 forward-looking statements contained in this Investor Presentation to reflect any change in the Company's expectations with regard thereto or change in events, conditions, or circumstances on which any statement is based.

About Brookdale

BROOKDALE
SENIOR LIVING

Brookdale at a Glance

OUR MISSION

Enriching the Lives of those we serve with compassion, respect, excellence and integrity

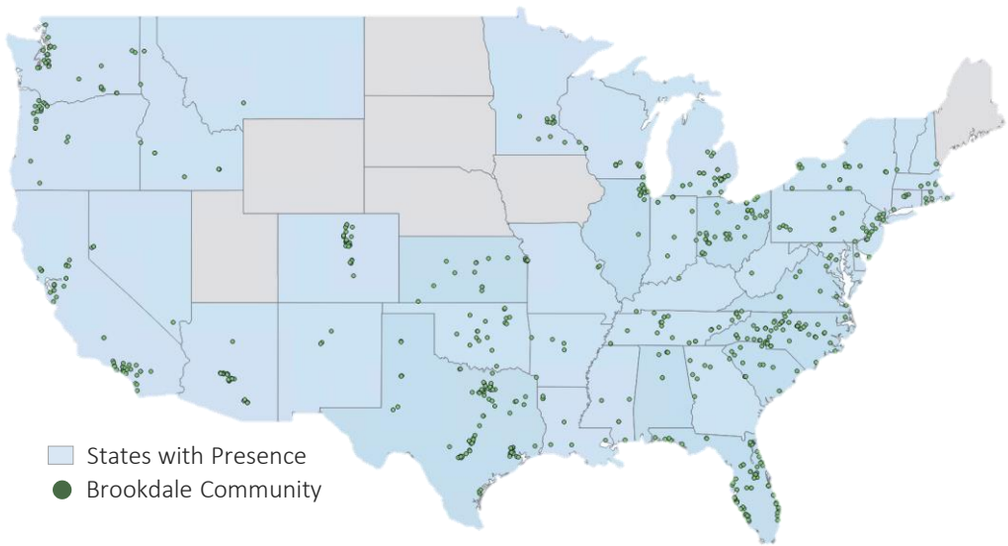
OUR VISION

To be the nation's ***First Choice*** in senior living

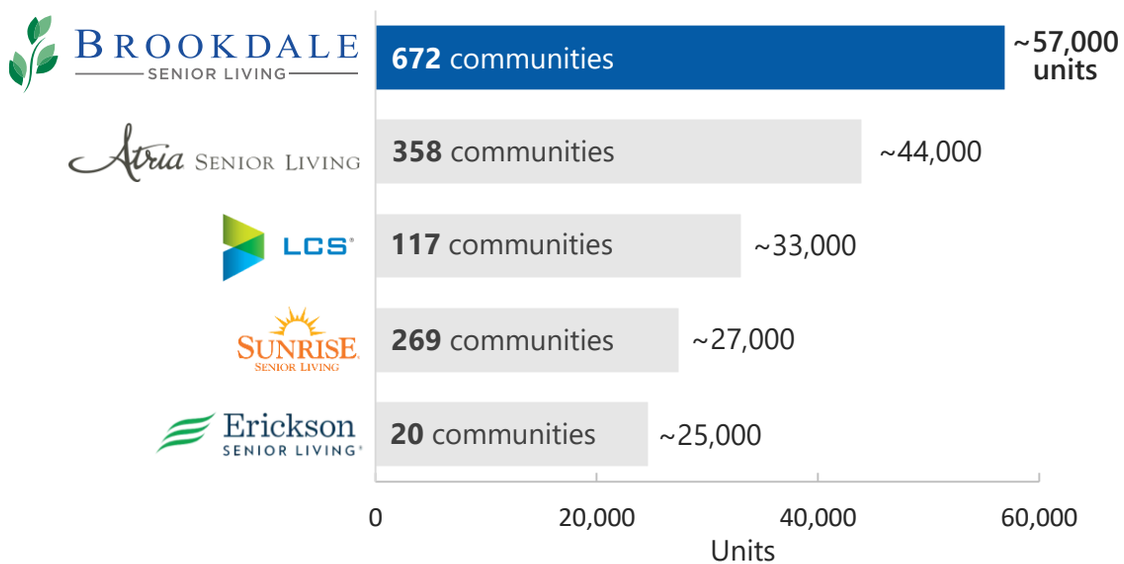
#1 provider of senior housing in the U.S.[1]

94% of senior housing resident fees are private pay[2]

672 Communities in 41 States[3]



Leader in Communities and Units Operated[4]



BROOKDALE SENIOR LIVING

Offers a Broad Continuum of Services



Ability to serve over 60,000 residents

BROOKDALE SENIOR LIVING

2023 Strategic Priorities

Get every available unit in service at the best profitable rate

- Increase number of seniors we serve through targeted efforts to further recover occupancy
- Implement appropriate pricing actions which consider inflationary pressures and competitive labor markets
- Improve labor productivity and reduce premium labor cost, while continuing to provide high quality care and maintaining regulatory compliance

Attract, engage, develop and retain the best associates

- Expand successful pilot programs that further support our associates and extend length of employment with Brookdale
- Ensure communities are staffed with engaged full- and part-time Brookdale associates and leaders who are united around our mission to serve our residents

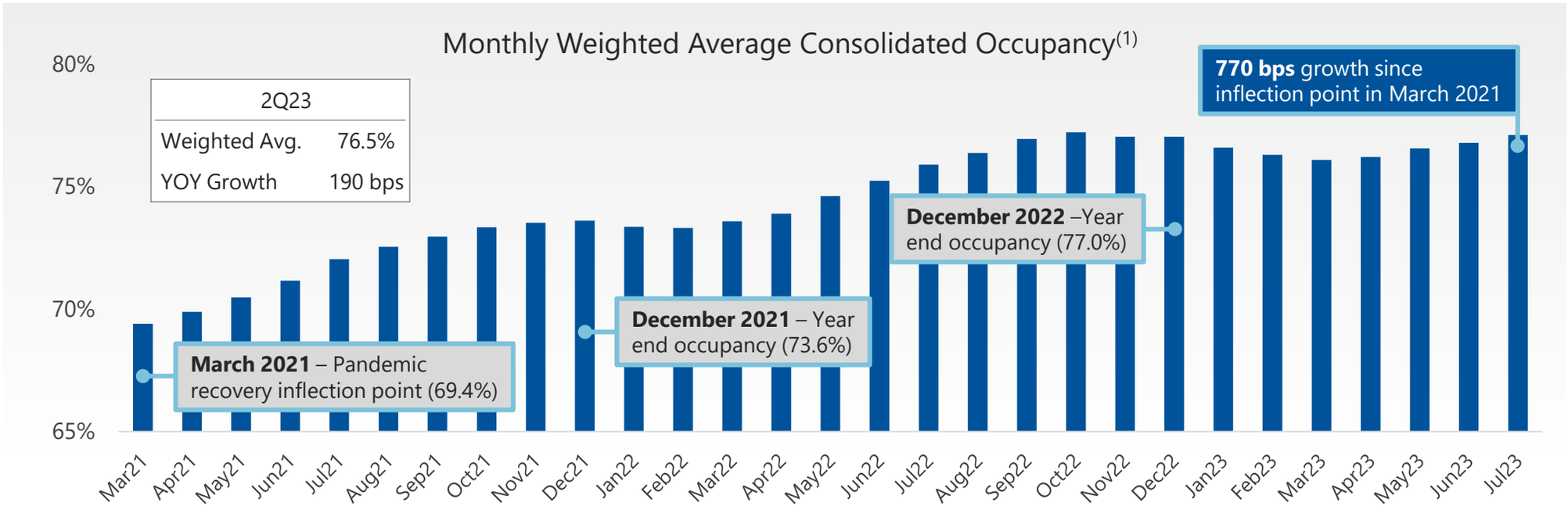
Earn resident and family trust and satisfaction by providing valued, high-quality care and personalized service

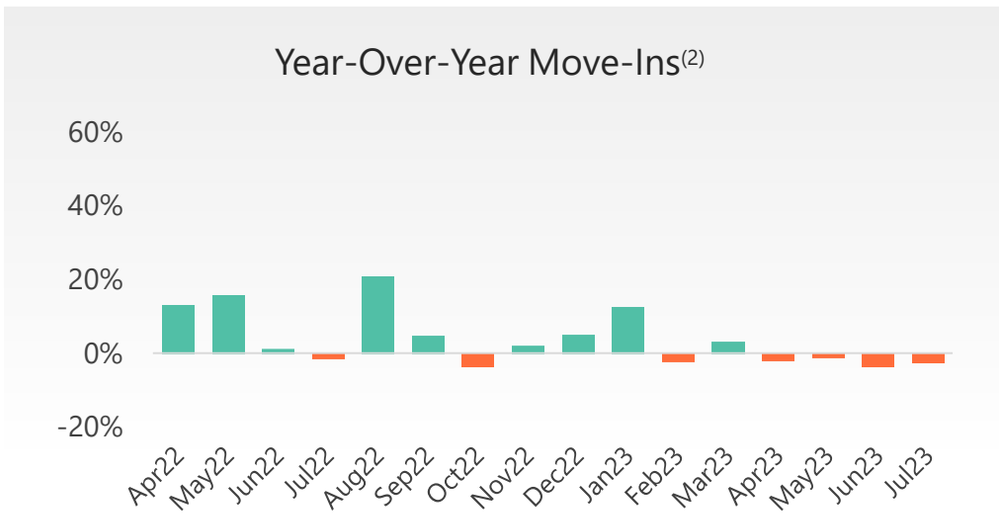
- Build relationships that create passionate advocates and generate referrals
- Strengthen associate engagement for an enhanced resident experience

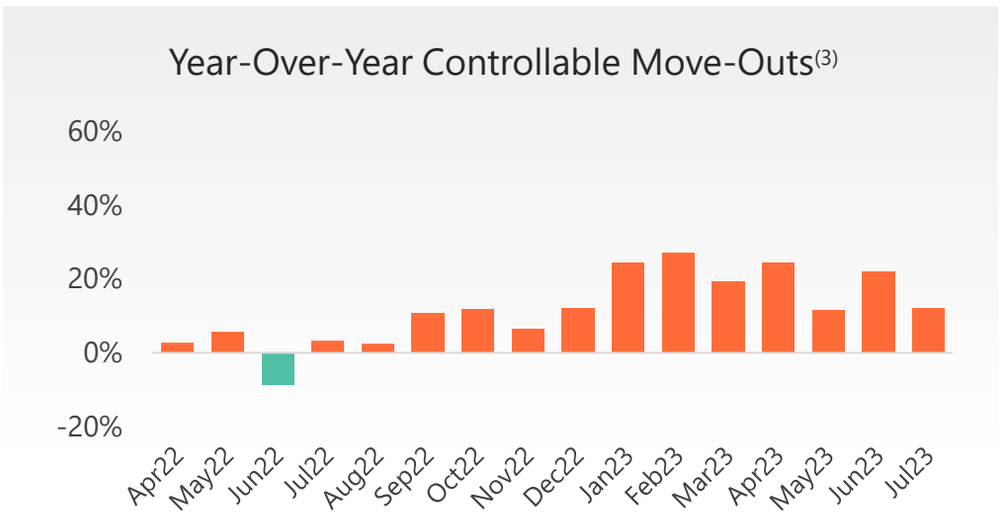
Recent Growth & Expectations

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Strong Revenue Recovery over Past Two Years



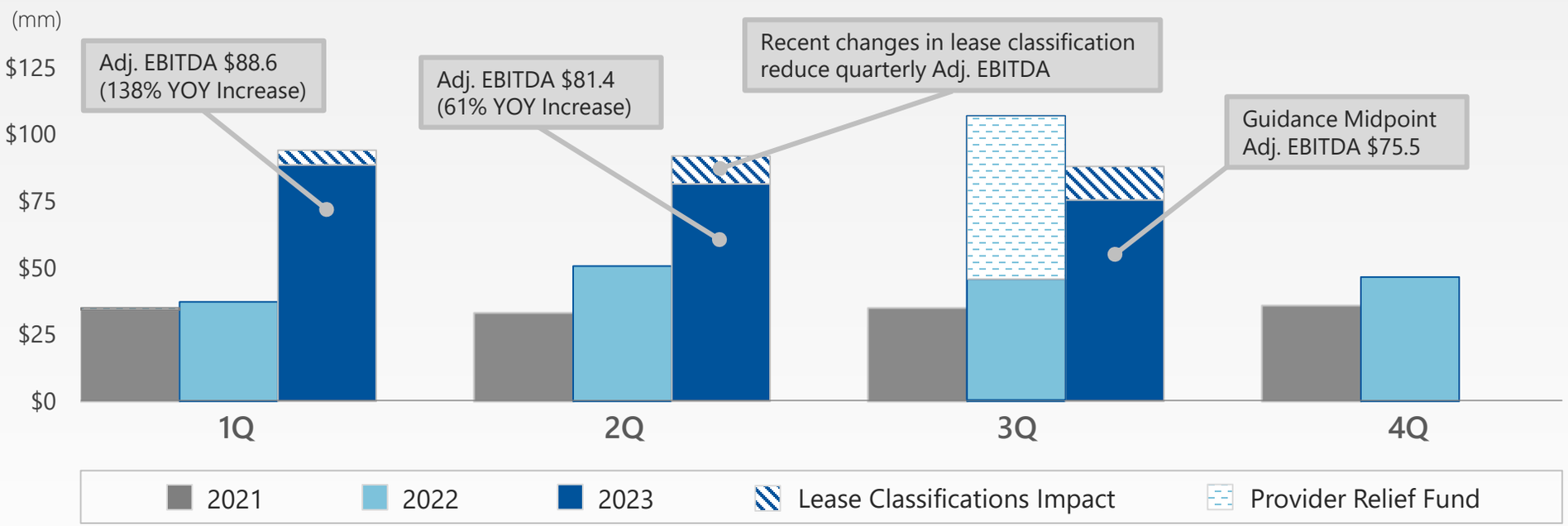




BROOKDALE SENIOR LIVING

Quality Adjusted EBITDA Growth

Execution of recovery strategy is delivering profitable and sustainable growth, even considering impact of recent changes in lease classification



	1Q			2Q			3Q			4Q		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Adjusted EBITDA *(Actual/Guidance Midpoint)*	35	37	89	33	51	81	35	107	76	36	47	TBA
Unfavorable lease classifications impact to Adjusted EBITDA (no impact to Adjusted Free Cash Flow)	-	-	5	-	-	10	-	-	13	-	-	13
Favorable Provider Relief Fund impact to Adjusted EBITDA	1	-	-	-	-	-	-	61	-	-	-	-

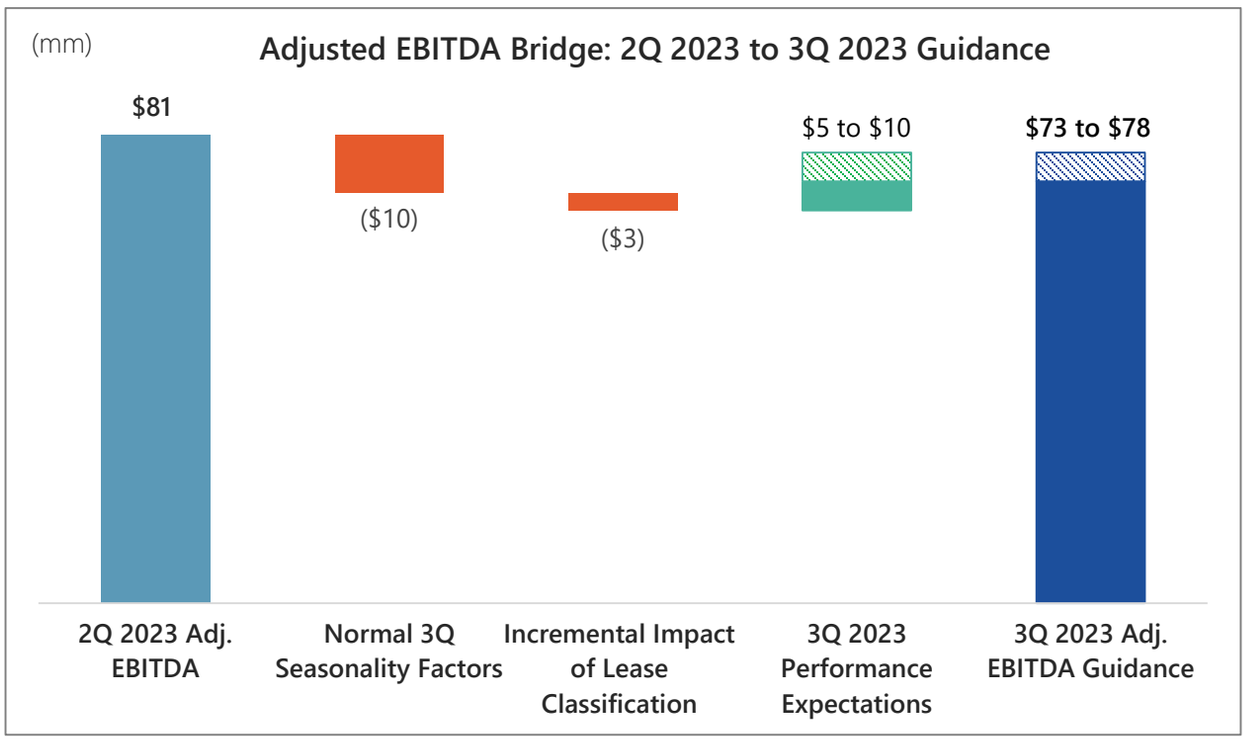
BROOKDALE SENIOR LIVING

Important Note Regarding Non-GAAP Financial Measures. Adjusted EBITDA is a financial measure that is not calculated in accordance with U.S. generally accepted accounting principles (GAAP). See the definition of, and important information regarding, such measure, including reconciliation to the most comparable GAAP financial measure, in the Appendix hereto.

2023 Third Quarter Guidance

	3Q 2023
RevPAR YOY Growth	10.0% to 10.5%
Adjusted EBITDA	$73 million to $78 million

Reconciliation of the non-GAAP financial measure included in the foregoing guidance to the most comparable GAAP financial measure is not available without unreasonable effort due to the inherent difficulty in forecasting the timing or amounts of items required to reconcile Adjusted EBITDA from the Company's net income (loss). Variability in the timing or amounts of items required to reconcile the measure may have a significant impact on the Company's future GAAP results.



Additional 3Q 2023 Assumptions

RevPAR	• Occupancy is expected to grow compared to the second quarter • Expect some RevPOR pressure
Normal 3Q Seasonality Factors	• See endnotes for seasonality factors
Non-Development Capital Expenditures	• Anticipate return to more normalized quarterly level
Cash Payments for Facility Operating Leases	• Approximately $65 million, including the full quarter impact of a recent change in lease classification

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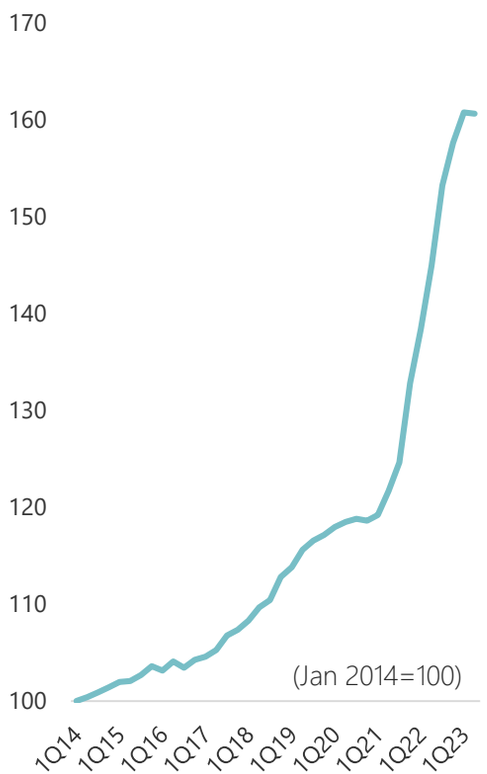
Long-Term Organic Growth Opportunity

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Supply Trends Support Accelerated Revenue Growth

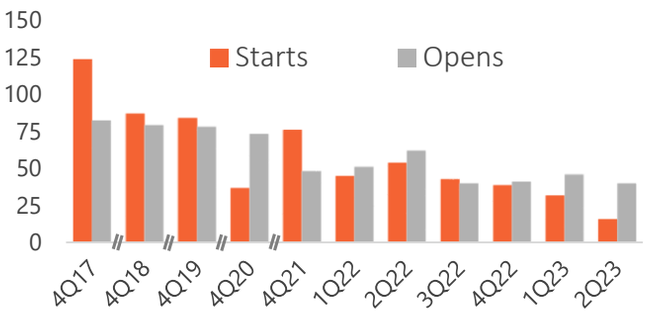
- Increasing material, labor, and financing costs have contributed to a slowdown in new construction.
- Lower starts and opens enable faster occupancy gains for existing communities.
- Inventory growth in 2022 was its lowest since 2014[1].

U.S. CONSTRUCTION COST[2]

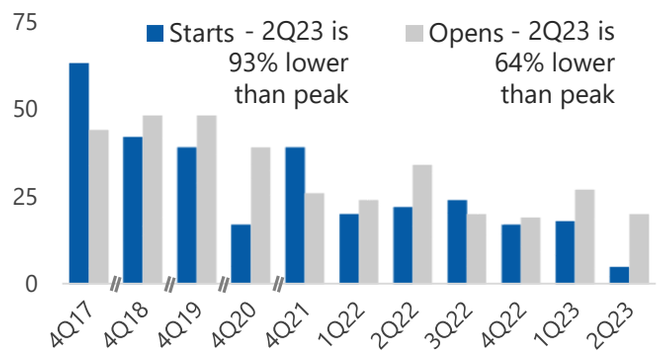


NEW STARTS AND OPENS[3]

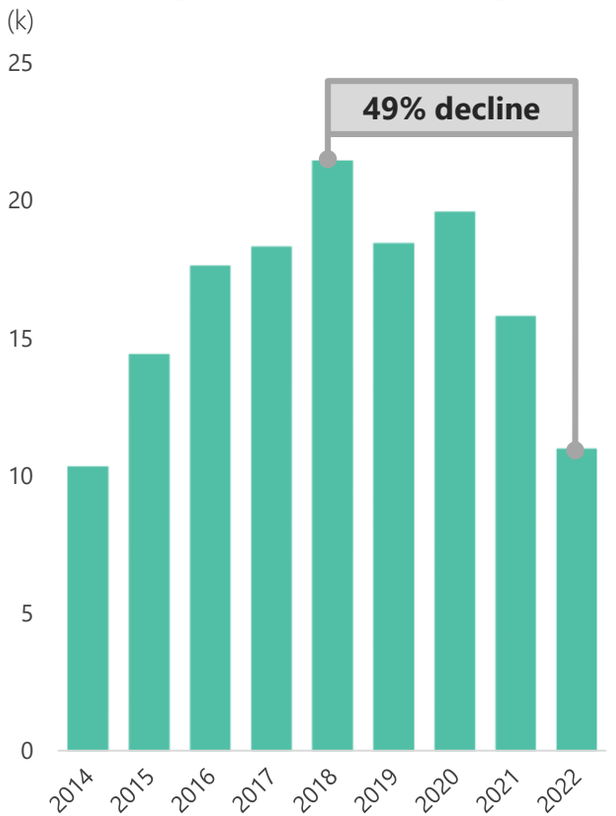
In NIC markets nationwide



Within 20 minutes of a Brookdale community



INVENTORY GROWTH IN NIC PRIMARY MARKETS[1]



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Target Demographic is Growing

OPERATIONAL METRICS

17% of our residents are Baby Boomers

30% of our move-ins are under age 80

64% of our target senior population lives within 20 minutes of a Brookdale community[1]

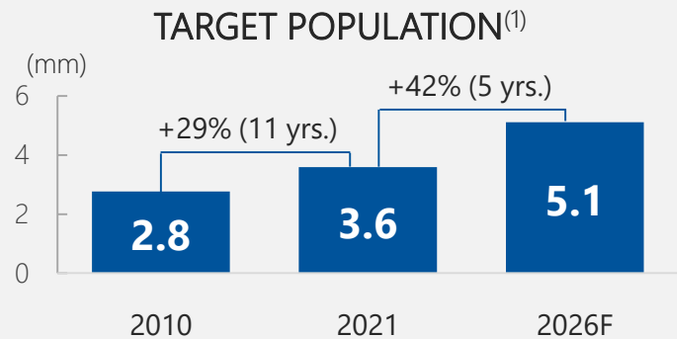
DEMOGRAPHIC TRENDS

~1 million new seniors enter target market age cohort every year through 2030[2]

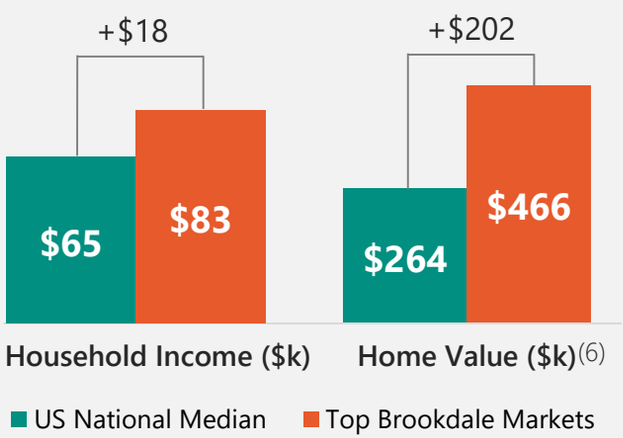
By 2029 adults age 64+ will exceed number of children[3]

70% of adults age 65+ develop severe need of long term services and support[4]

35% drop in ratio of unpaid caregivers to seniors by 2030[5]



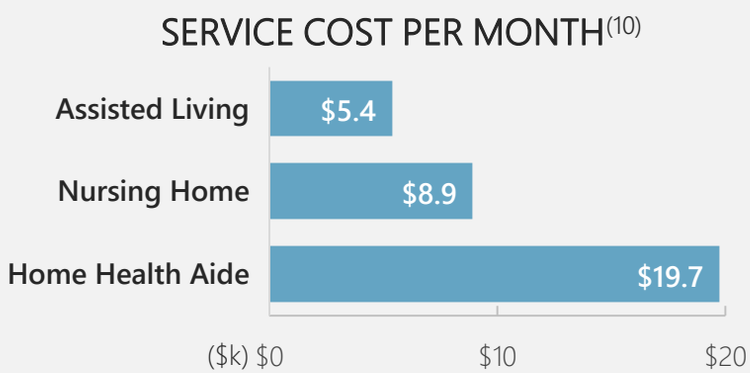
MARKET TRENDS



11% of target population living in senior housing[7] – room for growth

~3x home price appreciation in the US since 2000[8]

~80% of seniors age 75+ are homeowners[9]

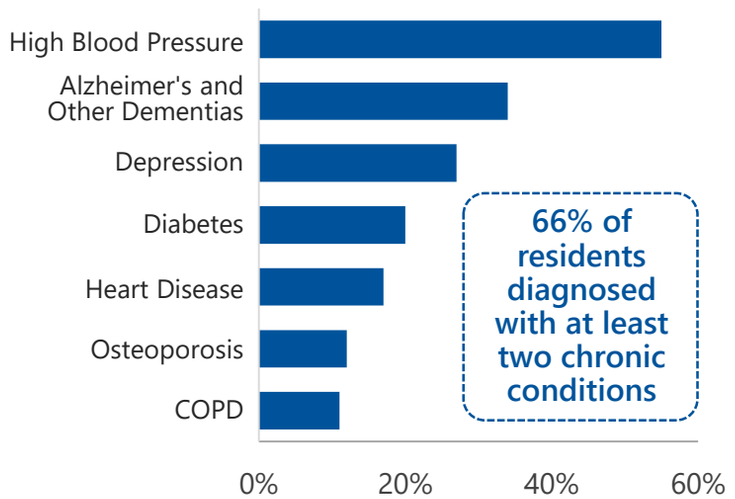


*Average cost of 24/7 care; home health does not include room & board

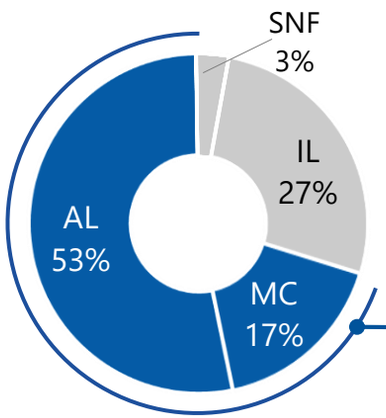
BROOKDALE SENIOR LIVING

Proven Leader Where Industry is Growing Fastest

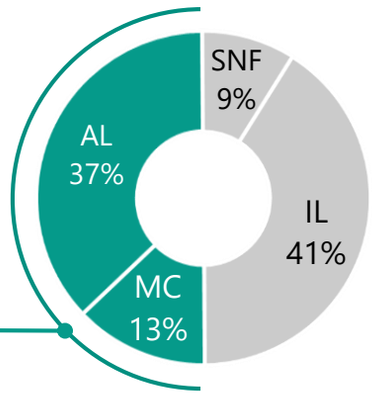
Higher Acuity Needs: Chronic conditions in residential care[1]



Brookdale Mix[2]



Industry Mix[2]

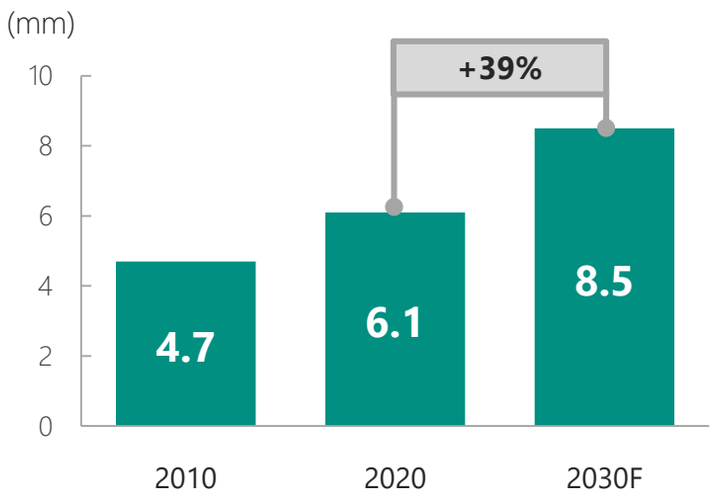


70%

50%

Brookdale is **+20%** higher in AL & MC

Higher Acuity Needs: Alzheimer's in the US[3]



Growing Senior Population | Fewer Caregivers | Ongoing Social Isolation Risk | Higher Acuity

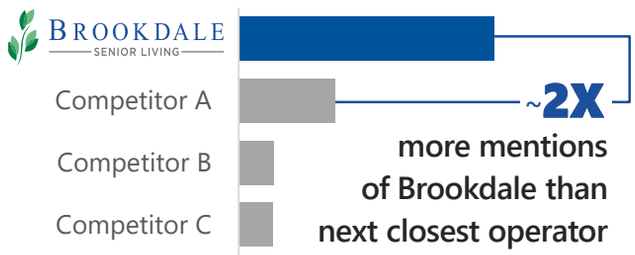
Brookdale is structured to serve the diverse healthcare and social engagement needs of seniors in their Brookdale homes

BROOKDALE SENIOR LIVING

Brookdale is Best Positioned to Care for Seniors

Leadership Position is Well Recognized

UNAIDED BRAND AWARENESS[1]





#1 in Customer Satisfaction among Assisted Living / Memory Care communities[2]



Earned most senior living community recognition by US News & World Report in 2022 and 2021

Strong Clinical Expertise

BROOKDALE HealthPlus



~10% of workforce are nurses



Industry-Leading Skill and Scale



Highly fragmented competitive landscape with ~2,500 operators, over 90% of which operate five or fewer communities.[3]

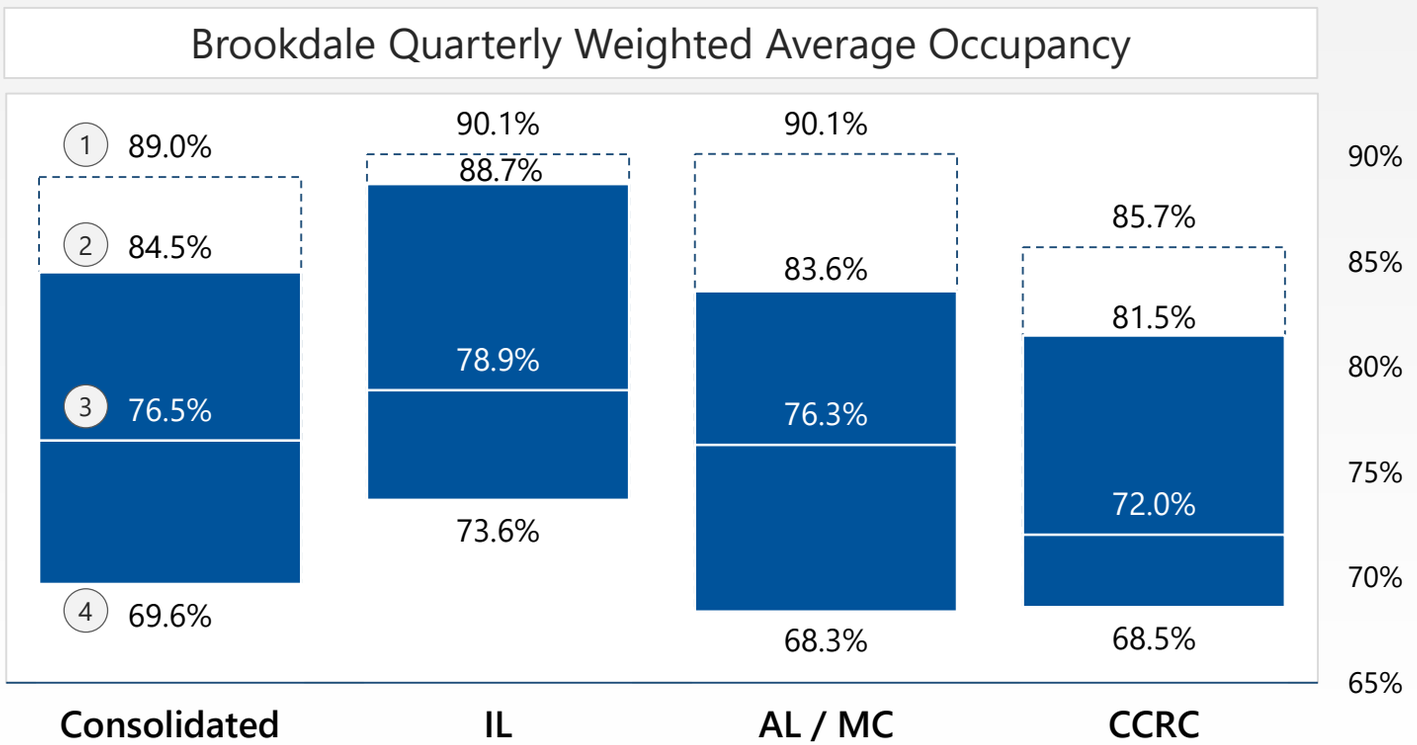




Robust Revenue Opportunity

- Returning to pre-pandemic occupancy of 84.5% would drive at least $295M of incremental revenue[1]
- Achieving our historic occupancy high of 89.0% would drive at least $465M of incremental revenue[1]

1. Historical high (4Q 2013)
2. Pre-pandemic (4Q 2019)
3. Current (2Q 2023)
4. Pandemic low (1Q 2021)



	Consolidated	IL	AL / MC	CCRC
Range of pre-pandemic segment operating margin[2]		37.4% - 43.4%	28.6% - 36.2%	17.9% - 24.9%

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Excellent Operating Income Potential

Returning to pre-pandemic occupancy and operating margin would deliver significant Operating Income Growth

Key Considerations

Represents **annualized revenue impact of returning to pre-pandemic (84.5%) or historical high (89.0%) occupancy** compared to 2Q 2023 occupancy based on 2Q 2023 RevPOR

Represents a return to **midpoint of each segment's range of pre-pandemic operating margin** at current segment mix

Operating margin expansion expected primarily through:

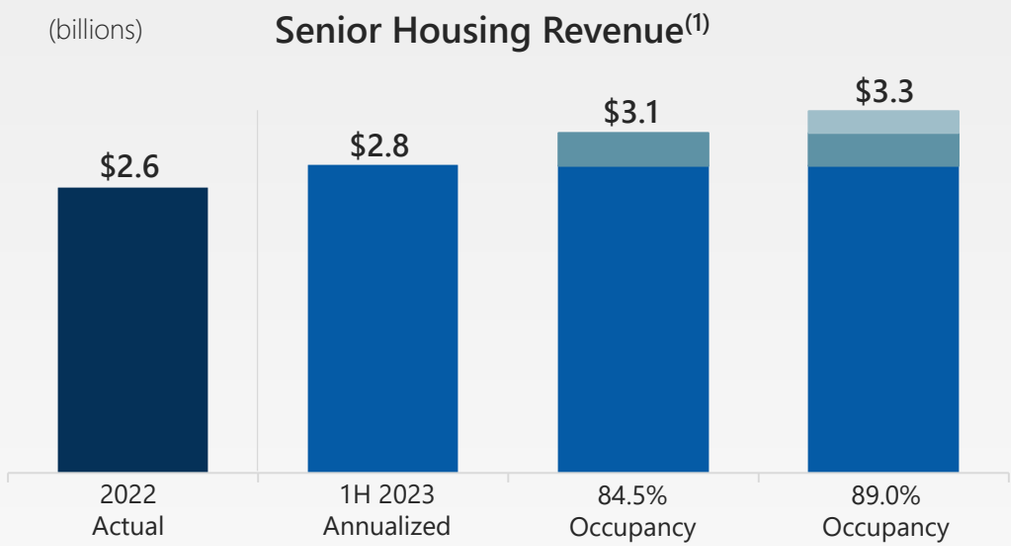
1) Continued workforce stabilization including lower turnover, reduced onboarding expenses, and improved productivity
2) Leverage of fixed costs through occupancy growth

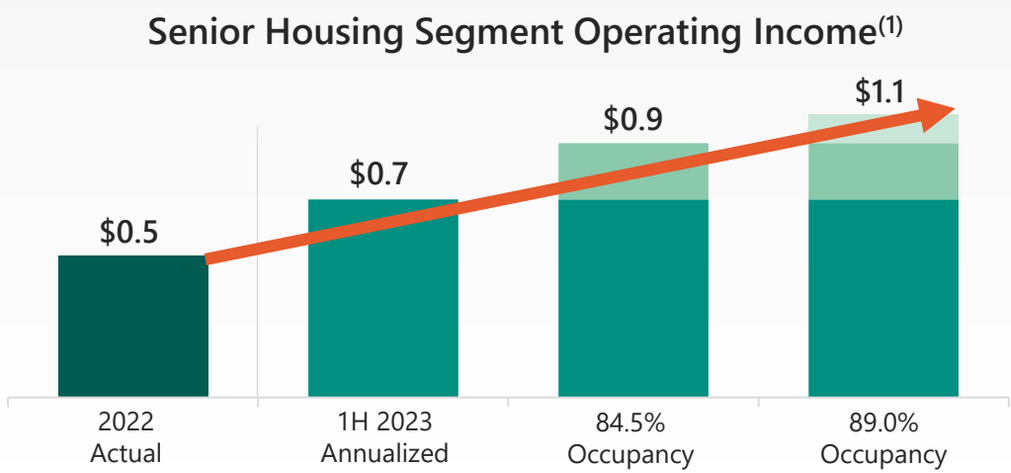
2022 Actual

1H 2023 Annualized

Estimated incremental impact of increasing occupancy to 84.5%

Estimated incremental impact of increasing occupancy to 89.0%





Additional opportunity for growth as rate potential surpasses inflation in future years

BROOKDALE SENIOR LIVING

Strong Growth in 2023 and Beyond



Key Drivers of Growth

- Significant organic growth opportunity by driving a powerful pandemic recovery in the highly-rated, lower-cost care setting
- Positioned for outsized benefit through positive supply tailwind and dramatic growth in target senior population
- Premier senior housing operator with continued top-brand leadership and broad continuum of services including strong clinical & care capabilities and high-quality health and wellness platform
- Able to significantly expand margins through executing on key strategic priorities
- Significant real estate value underpins business

Significant growth opportunity from continued pandemic recovery and improved fixed cost leverage including productivity improvements

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Appendix & Endnotes

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Appendix

Definition

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 revenue for private duty services provided to seniors living outside of the Company's communities and entrance fee amortization), 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.

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 revenue for private duty services provided to seniors living outside of the Company's communities and entrance fee amortization), 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.

Non-GAAP Financial Measures

This Investor Presentation contains the financial measure Adjusted EBITDA, which is not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"). Presentation of this non-GAAP financial measure is intended to aid investors in better understanding the factors and trends affecting the Company's performance. However, investors should not consider this non-GAAP financial measure as a substitute for financial measures determined in accordance with GAAP, including net income (loss) or income (loss) from operations. Investors are cautioned that amounts presented in accordance with the Company's definitions of this non-GAAP financial measure 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 this non-GAAP financial measure from the most comparable financial measure determined in accordance with GAAP and to review the information under "Non-GAAP Financial Measures" in the Company's earnings release dated August 7, 2023 for additional information regarding the Company's use and the limitations of such non-GAAP financial measure.

Non-GAAP Financial Measures

Adjusted EBITDA — Definition and Reconciliation

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 operating lease termination, operating lease expense adjustment, non-cash stock-based compensation expense, gain/loss on sale of communities, and transaction and organizational restructuring costs. Transaction costs include those directly related to acquisition, disposition, financing, and leasing activity, 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.

The table below reconciles quarterly Adjusted EBITDA from net income (loss).

	2021				2022				2023	
(in millions)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net income (loss)	$ (108.3)	$ (83.6)	$ 174.3	$ (81.7)	$ (100.0)	$ (84.3)	$ (28.4)	$ (25.7)	$ (44.6)	$ (4.5)
Provision (benefit) for income taxes	0.8	(0.8)	15.3	(23.4)	(2.0)	1.2	(0.3)	(0.5)	0.6	0.3
Equity in (earnings) loss of unconsolidated ventures	0.5	(13.9)	1.5	1.5	4.9	2.4	2.0	1.4	0.6	1.2
Loss (gain) on debt modification and extinguishment, net	-	-	-	1.9	-	-	-	1.4	-	-
Non-operating loss (gain) on sale of assets, net	(1.1)	0.1	(288.4)	0.6	0.3	(1.0)	0.1	-	-	(0.9)
Other non-operating (income) loss	(1.7)	(3.1)	(0.7)	(0.7)	-	0.3	(1.9)	(10.3)	(3.2)	(3.2)
Interest expense	48.6	49.1	49.4	48.1	43.4	48.2	49.9	63.3	59.7	54.4
Interest income	(0.4)	(0.3)	(0.3)	(0.3)	(0.1)	(0.8)	(2.2)	(3.9)	(5.3)	(6.1)
Income (loss) from operations	(61.6)	(52.5)	(48.9)	(54.0)	(53.5)	(34.0)	19.2	25.7	7.8	41.2
Depreciation and amortization	83.9	83.6	84.6	85.6	85.7	86.6	86.9	88.2	84.9	84.4
Asset impairment	10.7	2.1	0.6	9.6	9.1	2.6	5.7	12.3	-	0.5
Loss (gain) on sale of communities, net	-	-	-	-	-	-	-	(73.9)	-	(36.3)
Loss (gain) on facility operating lease termination, net	-	-	-	(2.0)	-	-	-	-	-	-
Operating lease expense adjustment	(4.7)	(5.3)	(6.3)	(7.0)	(8.3)	(8.3)	(8.7)	(9.6)	(10.8)	(11.6)
Non-cash stock-based compensation expense	4.8	4.5	3.6	3.4	3.9	3.6	3.4	3.6	3.1	3.0
Transaction and organizational restructuring costs	1.9	0.7	1.0	0.2	0.3	0.2	0.4	0.3	3.6	0.2
Adjusted EBITDA	$ 35.0	$ 33.1	$ 34.6	$ 35.8	$ 37.2	$ 50.7	$ 106.9	$ 46.6	$ 88.6	$ 81.4
Government grants and credits	$ (10.7)	$ (1.3)	$ (0.1)	$ (0.2)	$ (0.4)	$ (8.4)	$ (66.8)	$ (4.9)	$ (2.3)	$ (4.1)

Endnotes

Slide	Reference
4	1. National Investment Center for Seniors Housing & Care (NIC) IL, AL, and MC units, NIC Supply Set 2Q 2023 2. Brookdale's Senior Housing segments' resident fees for the trailing 12 months ending June 30, 2023 3. As of June 30, 2023 4. For Brookdale, units as of June 30, 2023 rounded to nearest thousand; for peers, units reported in "2022 ASHA 50 Operators" American Seniors Housing Association, August 2022, also rounded to nearest thousand
5	1. Services vary by community; some services require physician referral 2. Healthcare professionals rounding in our communities
8	1. Weighted average shown is based on units occupied 2. Based on same community portfolio; metric is stated for the month of the year shown compared to the same month in the prior year 3. Based on same community portfolio; metric is stated as a percentage of resident count for the respective month shown compared to the same calculation for the prior year month
12	1. NICMAP Trends 4Q 2022 2. U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: Final Demand: Final Demand Construction (PPIFDC), retrieved from FRED, Federal Reserve Bank of St. Louis; July 2023 3. NIC Supply Set 2Q 2023; NIC data subject to future revision; industry data does not include Brookdale
13	1. ESRI, Brookdale proprietary analysis; target population defined as age 75+ with $50,000+ income and within the United States 2. "Projected Population by Single Year of Age, Sex, Race, and Hispanic Origin for the United States: 2016 to 2060" US Census Bureau, Population Division, September 2018; target market age cohort defined as 75+ 3. "Projected Population by Single Year of Age, Sex, Race, and Hispanic Origin for the United States: 2016 to 2060" US Census Bureau, Population Division, September 2018 4. "What is the Lifetime Risk of Needing and Receiving Long-Term Services and Supports?" Office of Disability, Aging and Long-Term Care Policy, HHS, April 2019 5. "Projected Population by Single Year of Age, Sex, Race, and Hispanic Origin for the United States: 2016 to 2060" US Census Bureau, Population Division, September 2018; caregiver ratio defined as proportion of adults age 80+ compared to those age 45-64 6. ESRI, Brookdale proprietary analysis; Brookdale Weighted Averages include median household income and median home value based on households within 20-minute drive time of Consolidated Brookdale communities in the top 25 Brookdale markets (CBSA) by NOI, weighted by annualized NOI per CBSA 7. NICMAP Data Service; individuals age 75+ in seniors housing in all markets, all regions; 2Q 2023 8. S&P Dow Jones Indices LLC, S&P/Case-Shiller U.S. National Home Price Index (CSUSHPINSA); retrieved from FRED; Federal Reserve Bank of St. Louis; January 2023 9. "Homeownership Rates for the United States, by Age of Householder and by Family Status: 1982 to 2021" US Census Bureau, Current Population Survey/Housing Vacancy Survey, March 2022 10. For Assisted Living, Brookdale average monthly RevPOR for AL and MC units in 2021; for Nursing Home and Home Health Aide, 2021 median national costs for nursing home private room and home health aide calculated per month and rounded to nearest hundred, from "Cost of Care Trends & Insights" Genworth Cost of Care Survey 2004-2021, February 2022
14	1. "Residential Care Community Resident Characteristics: United States, 2018" National Center for Health Statistics, CDC, September 2021 2. National Investment Center for Seniors Housing & Care (NIC) IL, AL, and MC units, NIC Supply Set 2Q 2023 3. "2021 Alzheimer's Disease Facts and Figures" Alzheimer's Association, 2021; in publication seniors are defined as age 65 and older
15	1. Online surveys sent to national survey panel participants in top 10 markets, including senior living prospects and their influencers from November 9 to December 5, 2022 2. J.D. Power 2022 U.S. Senior Living Satisfaction Study; tied in 2022; for J.D. Power award information visit jdpower.com/awards 3. NIC Supply Set 2Q 2023; NIC data subject to future revision; industry data does not include Brookdale
16	1. Incremental revenue estimates represent annualized revenue impact of returning to pre-pandemic or historical high occupancy (compared to 2Q 2023 occupancy) based on 2Q 2023 RevPOR and total average units 2. Represents the low to high range of pre-pandemic full-year operating margin for Brookdale consolidated communities during years 2014-2019
17	1. Excludes other operating income

Endnotes

Normal Seasonality Sequential View				
	1Q	2Q	3Q	4Q
Occupancy Sequential Change	Lower due to increased incidence and severity of flu	Begins to turn positive towards end of quarter	Historically highest sequential growth period of the year	Remains flat to slightly positive to third quarter
Labor (Annual Merit Increase)		Full-quarter impact of community associates merit increase		
Utilities	Seasonally high		Seasonally high	
2023 Number of work days[(1)]	90	91	92	92
2023 Number of weekend days and holidays[(2)]	26	27	29	29

(1) Facility operating expenses, such as labor, food and supplies trend higher due to increased number of working days

(2) Historically, labor cost trends higher with number of holidays and weekend days