



FOR IMMEDIATE RELEASE

April 25, 2018

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Welltower Reports First Quarter 2018 Results

Toledo, Ohio, April 25, 2018. **Welltower Inc. (NYSE:WELL)** today announced results for the quarter ended March 31, 2018. For the quarter, we generated net income attributable to common stockholders of \$1.17 per share and normalized FFO attributable to common stockholders of \$0.99 per share.

Quarterly Highlights

- Delivered \$137 million of pro rata development projects with an expected stabilized yield of 9.3%
- Funded \$476 million in pro rata new property acquisitions at a blended yield of 6.7%
- Generated \$987 million of pro rata proceeds from property sales and loan payoffs at a blended yield of 6.7%
- Reduced Net Debt to Undepreciated Book Capitalization to 35.3% from 35.8% at March 31, 2017

“In a challenging environment for seniors housing, we have delivered a quarter in line with expectations and with positive same store growth,” commented CEO Tom DeRosa. “We completed \$613 million of acquisitions and developments, including three of the previously announced rental CCRC communities in top markets managed by Sunrise Senior Living, and will continue to grow with our best-in-class partners through our relationship investing model.”

Capital Activity On March 31, 2018, we had \$203 million of cash and cash equivalents and \$2.1 billion of available borrowing capacity under our primary unsecured credit facility. During the quarter, we extinguished \$183 million of secured debt at a blended average interest rate of 5.8% and repaid our 2.25% \$450 million senior unsecured notes at par on maturity of March 15, 2018. In April 2018, we completed the issuance of 4.25% \$550 million senior unsecured notes maturing in April 2028. Simultaneous with the notes offering, we executed a \$550 million USD-to-GBP cross currency swap, resulting in an effective interest rate of 3.11%.

Dividend The Board of Directors declared a cash dividend for the quarter ended March 31, 2018 of \$0.87 per share. On May 23, 2018, we will pay our 188th consecutive quarterly cash dividend to stockholders of record on May 8, 2018. The Board of Directors also declared a quarterly cash dividend on the Series I Cumulative Convertible Perpetual Preferred Stock of \$0.8125 per share, payable July 16, 2018, to stockholders of record on June 29, 2018.

Post Quarter Investment Activity As announced earlier today, a newly formed strategic partnership between Welltower and ProMedica has jointly entered into a definitive agreement to acquire the real estate of Quality Care Properties, Inc. (“QCP”) simultaneous to ProMedica entering into a definitive agreement to acquire the operations of HCR ManorCare. Under the terms of the agreement, which have been unanimously approved by Welltower’s, ProMedica’s and QCP’s Boards of Directors, QCP’s shareholders will receive \$20.75 in cash for each share of QCP common stock. Welltower will also assume all outstanding QCP debt. The details of this agreement and an accompanying presentation deck can be found at www.welltower.com/investors.

Quarterly Investment and Disposition Activity We completed \$578 million of pro rata gross investments for the quarter including \$476 million in acquisitions/JVs, \$59 million in development funding and \$43 million in loans. 67% of these investments were completed with existing relationships. Acquisitions/JVs were comprised of five separate transactions at a blended yield of 6.7%. The development fundings are expected to yield 8.0% upon stabilization and the loans were made at a blended rate of 5.9%. We also placed six development projects into service totaling \$137 million at a blended stabilized yield of 9.3%. Also during the quarter, we completed total dispositions of \$987 million consisting of loan payoffs of \$92 million at an average yield of 7.2% and property sales of \$895 million at a blended yield on proceeds of 6.7%.

Notable Investments with Existing Operating Partners

Sunrise As previously announced, we expanded our relationship with Sunrise by entering into a definitive agreement to acquire a portfolio of four rental continuing care retirement communities located in the Washington D.C. (2), Miami, and Charlottesville MSAs. Welltower will acquire 100% of the landlord’s ownership interest for \$368 million and will transition the communities to a RIDEA structure with Sunrise continuing to manage the communities under an incentive-based management contract. The year one cap rate is 7.0%. We closed on one community in December 2017 for \$55 million and two communities in March 2018 for \$217 million. The remaining community is expected to close in the second quarter of 2018 at a price of \$96 million. Since our initial \$243 million acquisition in 2012, we have completed \$5.5 billion of follow-on pro rata investments with Sunrise.

Board of Zoning Adjustment
District of Columbia

CASE NO.19823

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