



**The can-doers  
The make-it-greaters  
The above and beyonders**

**These are Brookdale's Everyday Heroes.**

Investor Presentation  
May 5, 2020

# 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, including those related to the COVID-19 pandemic and the Company's outlook. 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 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 the response efforts of federal, state, and local government authorities, businesses, individuals and the Company, on the Company's business, results of operations, cash flow, and liquidity, and strategic initiatives; 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 family members, which may be adversely impacted by the pandemic; changes in reimbursement rates, methods or timing under governmental reimbursement programs including the Medicare and Medicaid programs; the impact of ongoing healthcare reform efforts; the effects of senior housing construction and development, oversupply and increased competition; disruptions in the financial markets, including those related to the pandemic, that affect the Company's ability to obtain financing or extend or refinance debt as it matures and the Company's financing costs; the risks associated with current global economic conditions, including changes related to the pandemic, and general economic factors such as inflation, the consumer price index, commodity costs, fuel and other energy costs, 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; the Company's ability to generate sufficient cash flow to cover required interest and long-term lease payments and to fund its planned capital projects, which may be adversely affected by the pandemic; the effect of the Company's indebtedness and long-term leases on its liquidity; the effect of the Company's non-compliance with any of its debt or lease agreements (including the financial 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 borrowing base calculations and the Company's consolidated fixed charge coverage ratio on availability under its revolving credit facility; increased competition for or a shortage of personnel, wage pressures resulting from increased competition, low unemployment levels, minimum wage increases and changes in overtime laws, and union activity; the Company's ability to obtain additional capital on terms acceptable to it; 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; delays in obtaining regulatory approvals; terminations of the Company's resident agreements and vacancies in the living spaces it leases, which may be adversely impacted by the pandemic; risks related to the implementation of the Company's strategy, including initiatives undertaken to execute on its strategic priorities and their effect on the Company's results; market conditions and capital allocation decisions that may influence the Company's determination from time to time whether to purchase any shares under its existing share repurchase program and the Company's ability to fund any repurchases; the Company's ability to maintain consistent quality control; and a decrease in the overall demand for senior housing, which may be adversely impacted by the pandemic; as well as other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission, 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 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 to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

# Brookdale at a Glance

## Senior Living Industry Leader

### OUR MISSION

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

### OUR VISION

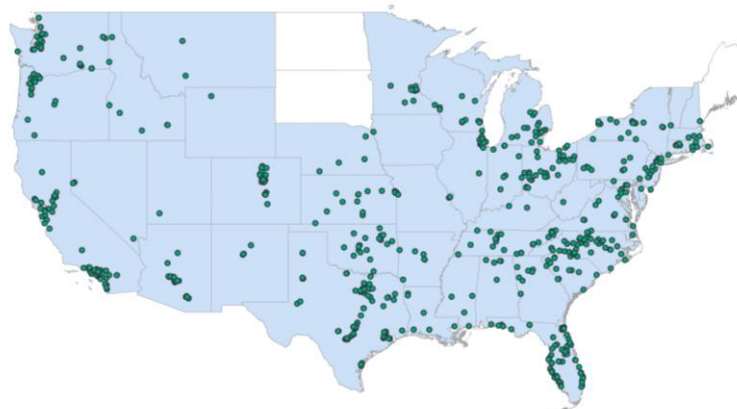
To be the nation's  
*First Choice* in senior living

### DIVERSE SERVICE CONTINUUM



### 741 COMMUNITIES IN 45 STATES

States with Presence ● Brookdale Community



~ 65,000  
**RESIDENTS**

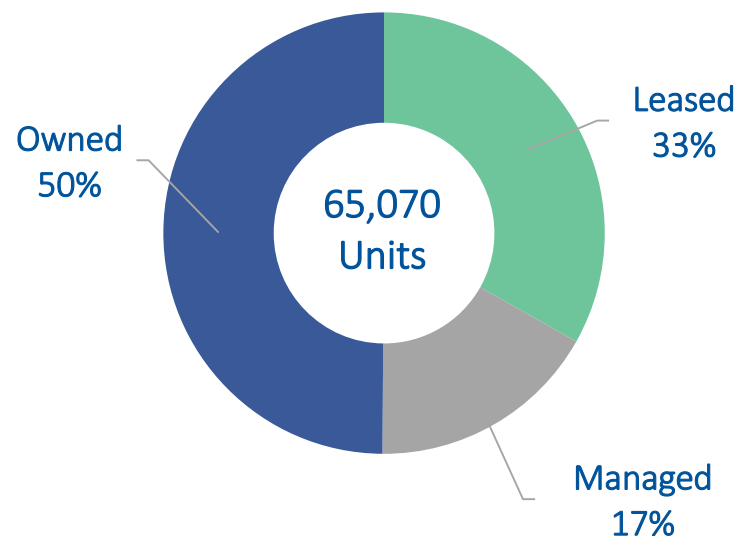
ABILITY TO SERVE



~ 20,000  
**PATIENTS/DAY**



~ 51,000  
**EMPLOYEES**



# Premier Senior Housing Provider

## #1

provider of Senior Housing  
in the U.S.<sup>(1)</sup>

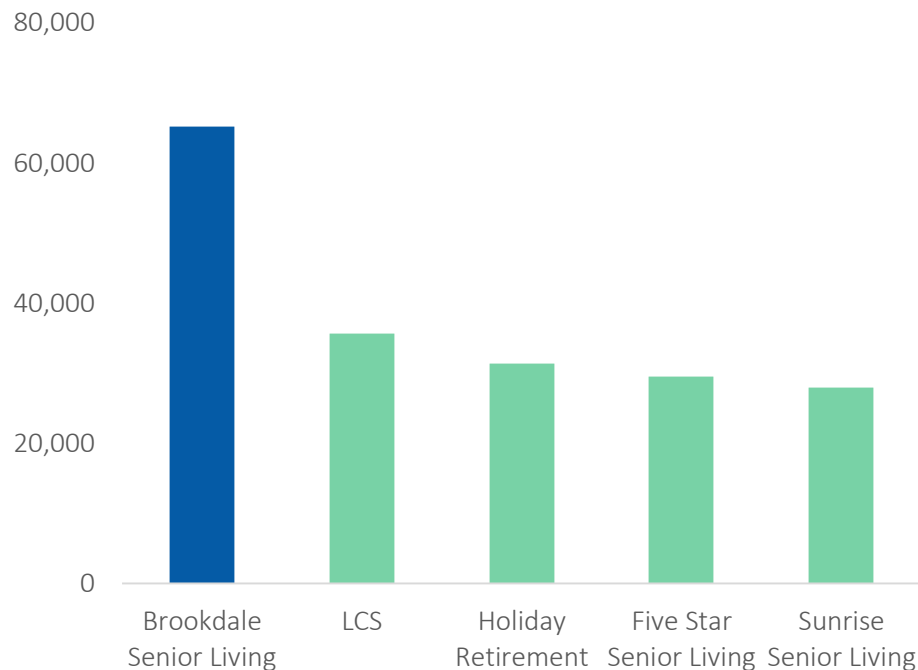
## 93%

Private Pay<sup>(2)</sup>

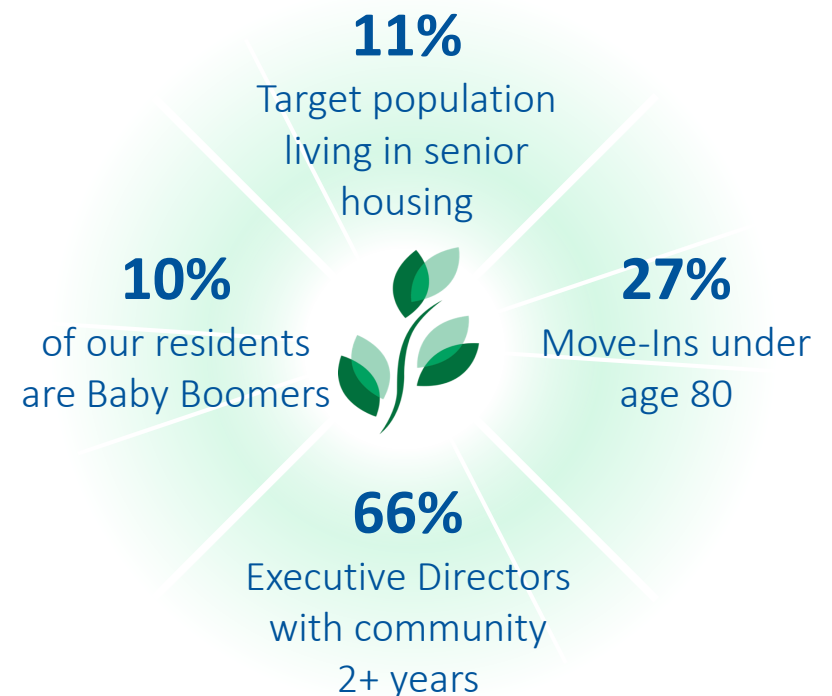
## 65%

of our target senior population lives  
within 20 minutes of a Brookdale  
community<sup>(3)</sup>

### BROOKDALE #1 IN UNITS OPERATED<sup>(4)</sup>



### FAVORABLE OPERATIONAL TRENDS<sup>(5)</sup>



(1) National Investment Center for Seniors Housing & Care (NIC) IL, AL, and MC units, NIC Supply Set 1Q2020

(2) Brookdale's Senior Housing segments' resident fees for the trailing 12 months ending March 31, 2019

(3) ESRI, Brookdale. Seniors population defined as age 75+ with an annual income of \$50,000 or greater and within the United States

(4) For Brookdale, actual units as of March 31, 2020; for peers, as self-reported and published by ASHA, 2019

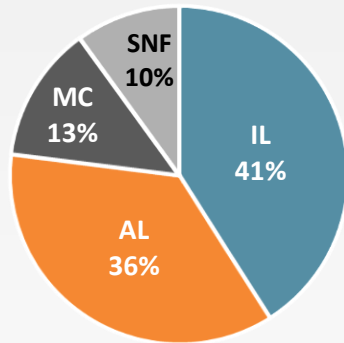
(5) NIC for target population living in senior housing; Brookdale's proprietary analysis for community statistics



# Improving Supply Environment

## SENIOR HOUSING MIX

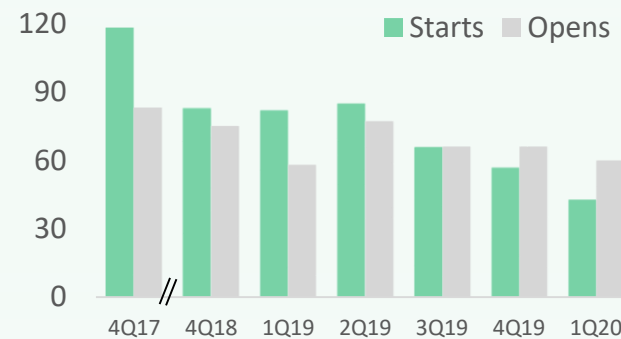
Industry<sup>(1)</sup>



## NEW STARTS AND OPENS

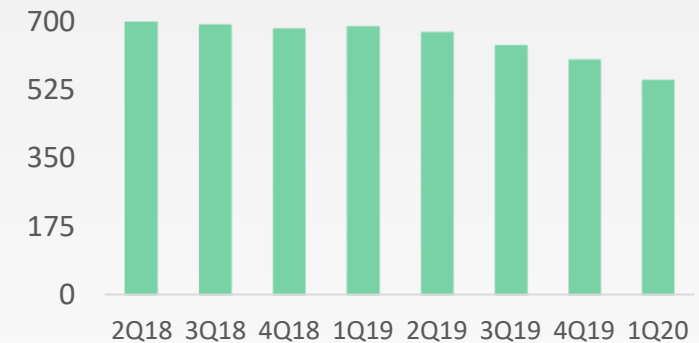
Number of Communities

Industry Supply Growth is Contracting from Cyclical Peak Levels

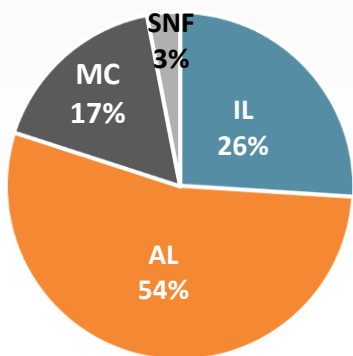


## TOTAL CONSTRUCTION PIPELINE

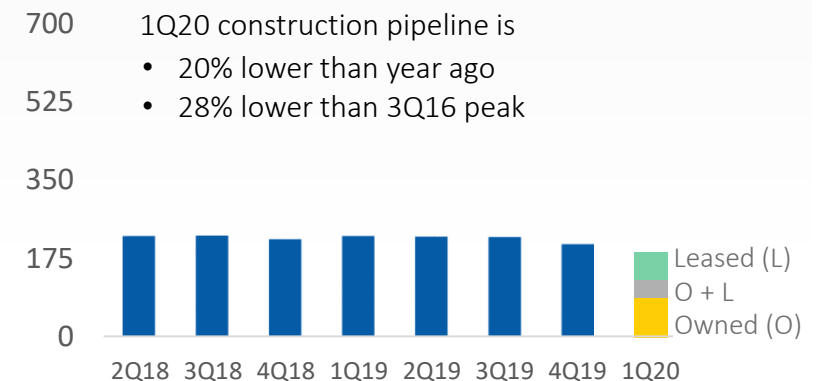
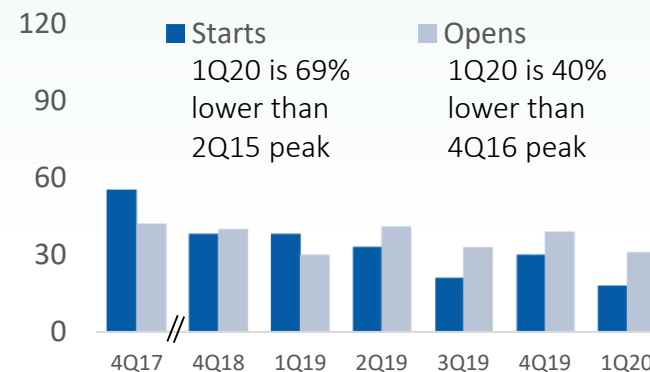
Number of Communities



Brookdale



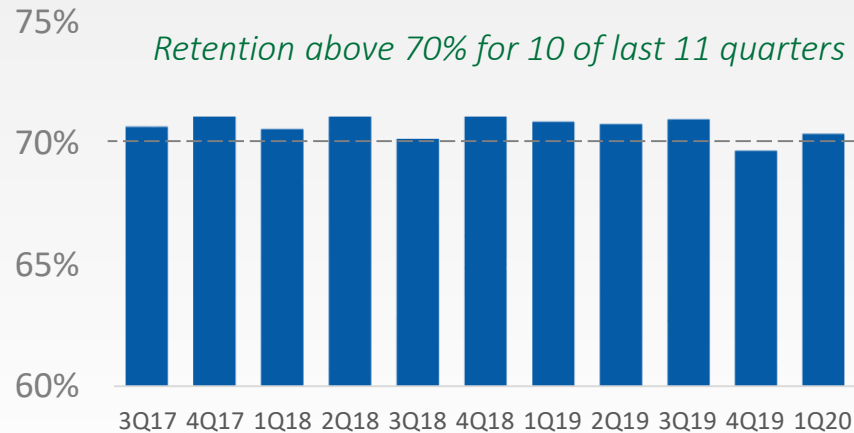
Shrinking Potential Impact on Owned and Leased Communities within 20 Minutes<sup>(2)</sup>



Competitive landscape is highly fragmented with 2,400+ operators.  
More than 90% operate five or fewer communities.

# Community Updates

## Executive and Health-Wellness Director Retention Rate<sup>(1)</sup>



## Clinical Service Differentiation

**75%**

Senior living industry residents currently are diagnosed with at least two **chronic conditions** <sup>(2)</sup>

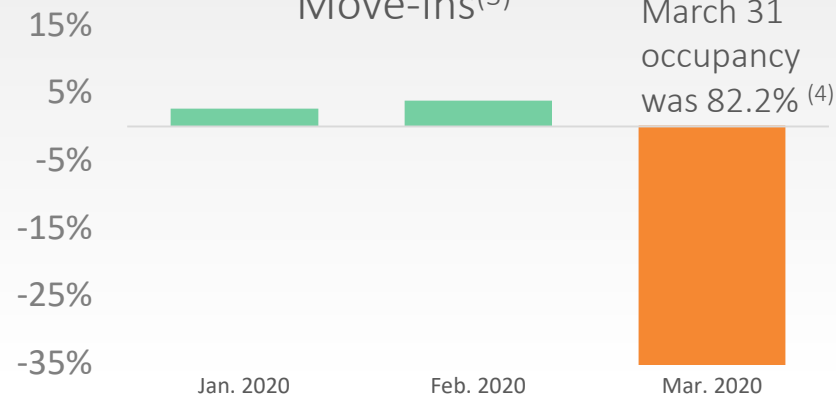
**6,600**

Brookdale Nurses

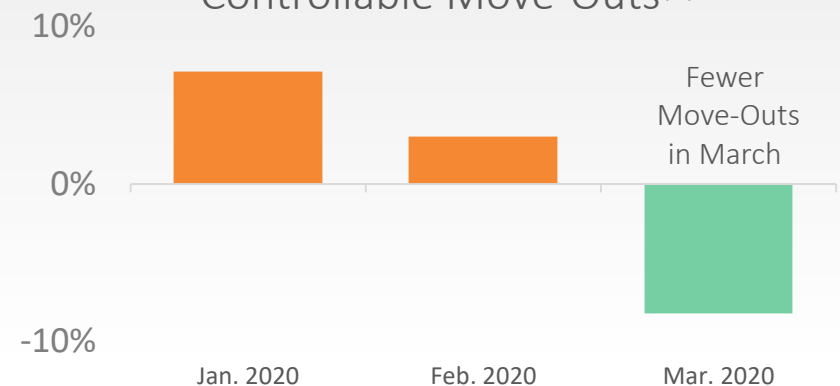
**200,000+**

Brookdale's Annual Nurse Training Hours

## Move-Ins<sup>(3)</sup>



## Controllable Move-Outs<sup>(3)</sup>



(1) Community Leadership consolidated comparable retention rates are based on a rolling 12-month average as of March 31, 2020.

(2) Argentum, *Getting to 2025: A Senior Living Roadmap*, April 2016 Executive Member Report

(3) Move-Ins and Move-Outs based on same community portfolio operated as of March 31, 2020. Metric is stated for the month of the current year compared to the same month of the prior year.

(4) Consolidated senior housing occupancy as of March 31, 2020

# Key Messages

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Our top priority is the health and safety of our residents, patients and associates.



Brookdale is a vital part of the healthcare system. The majority of our business is “needs based” and provides a quality and engaging environment for America’s seniors.



We remain confident in the long-term need of senior housing, despite the current global COVID-19 pandemic.

## OUR CORNERSTONES

*Passion – Courage – Partnership – Trust*  
are more important than ever

# Protecting our Residents, Patients and Associates

- ✓ In January, our community preparations started for COVID-19. Reinforced strong flu and other infectious disease prevention and control protocols.
- ✓ Expanded for COVID-19 specific protocols as U.S. Center of Disease and Control and World Health Organization provided new recommendations.
- ✓ Led industry by sharing our best practices with peers and public. See: [www.brookdalenews.com/how-brookdale-is-responding-to-covid-19-virus.htm](http://www.brookdalenews.com/how-brookdale-is-responding-to-covid-19-virus.htm)
- ✓ Frequent communication with residents, their appointed family members, patients and associates as we moved from preparation, to limiting access, to full visitor restriction.
- ✓ Emphasized protection of our associates. We started with personal and community hygiene, progressed to social distancing and then to use of personal protection equipment.
- ✓ Expanding resident and associate testing nationwide.

Our team has been on the cutting edge of healthcare in senior living and advocating for government support for the industry



# Focus on What Matters Most

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**Health and well-being of our residents, patients & associates are our top priorities.**

- ✓ **Personal protection equipment (PPE)** initial supplies ordered:
  - 2.7 M N-95 masks
  - 14.1 M surgical masks
  - 1.5 M isolation gowns
  - 0.6 M cloth masks
- ✓ **Health screening in March**
  - Residents' temperature & pulse oximeter checked ~4 M times
  - Associates' temperature checked ~3 M times
- ✓ **Dining:** residents moved to social distancing for meals
  - Served ~2 M meals to residents in their rooms in March
- ✓ **Sanitization** initial supplies ordered:
  - 1.9 M ounces hand sanitizer
  - 1,448 gallons yellow peroxide
- ✓ **Associate compassion programs:** to bolster funds available to associates in need
  - All members of the executive leadership team and some board members made donations to the programs
  - Our CEO donated 2+ months' salary equivalent

# Government Relief

\$ in Mil	Stimulus Program	Repayment Terms	Notes
\$ 29	Public Health and Social Services Emergency Fund	TBD	A
\$ 85	Medicare Accelerated and Advance Payment Program	4 – 7 months after issuance	B
\$ 76 (estimate)	Payroll Tax Deferral Program	½ Dec. 31 2021 ½ Dec. 31 2022	C
\$ 2 (estimate)	Medicare 2% sequestration suspension for 2020	-	D
TBD	Employee Retention Credit	-	E

Notes: Data as of April 30, 2020. The Company continues to seek further government-sponsored financial relief.

- A. Grants from the Public Health and Social Services Emergency Fund administered by the Department of Health and Human Services ("HHS"), which was expanded by the CARES Act to provide grants or other funding mechanisms to eligible health care providers for health care related expenses or lost revenues attributable to COVID-19. The amount of the grants we received was based primarily on our relative share of aggregate 2019 Medicare fee-for-service reimbursements, and the grants are primarily related to home health, hospice, outpatient therapy, and skilled nursing care provided through our Health Care Services and CCRCs segments. Grants received 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 health care related expenses or lost revenues that are attributable to COVID-19. We continue to evaluate the terms, conditions, and permitted uses associated with the grants, including requirements of HHS, and are in the process of determining what portions of these grants that we will be able to retain and use.
- B. The Accelerated and Advance Payment Program, administered by the Centers for Medicare & Medicaid Services ("CMS"), was temporarily expanded by the CARES Act. Under the program, we have requested acceleration/advancement of 100% of our Medicare payment amount for a 3-month period. Repayments of accelerated/advanced payments are required to begin 120 days after their issuance through offsets of new Medicare claims, and all accelerated/advanced payments are due 210 days following their issuance.
- C. Under the CARES Act, we may elect to defer payment of the employer portion of social security payroll taxes incurred from March 27, 2020 to December 31, 2020. One-half of such deferral amount will become due on each of December 31, 2021 and December 31, 2022.
- D. The CARES Act temporarily suspended the 2% Medicare sequestration for the period May 1, 2020 to December 31, 2020, which will primarily benefit our Health Care Services segment.
- E. We are evaluating our eligibility to claim the employee retention tax credit under the CARES Act for certain of our associates. The refundable tax credit is available to employers that fully or partially suspend operations during any calendar quarter in 2020 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings due to COVID-19, and is equal to 50% of qualified wages paid after March 12, 2020 through December 31, 2020 to qualified employees, with a maximum credit of \$5,000 per employee. Qualified employees are those who are not providing services as a result of such orders of a government authority. There can be no assurances that we will qualify for the program, or the amount of any refundable tax credit that will be available.

# Near-Term Capital Preservation

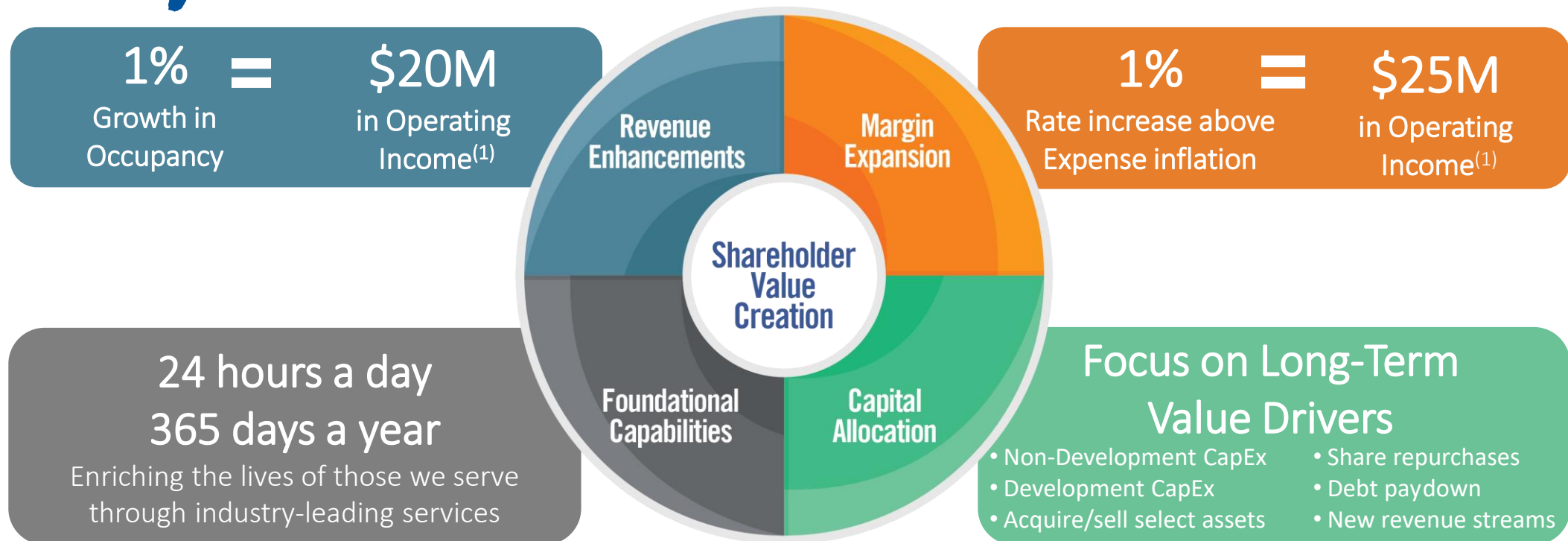
## ✓ Liquidity:

- Drew line of credit
- Suspended share repurchases
- Reduced elective CapEx projects

## ✓ Reducing expenses:

- Marketing efforts scaled back
- Events and non-essential travel
- Assessing further actions

# Long-Term Shareholder Value Creation



1) This represents an illustrative scenario on a trailing 12-month basis as of March 31, 2020 for consolidated senior housing communities, rounded to the nearest \$5 million; the results of an actual 1% change may vary by quarter

