



Canterfield Ocala  
Ocala, FL



# Supplemental Operating and Financial Data

March 31, 2017 *(Unaudited)*



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Executive Vice President and  
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**Doug Korey**  
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Business Development



**Peter Lyew**  
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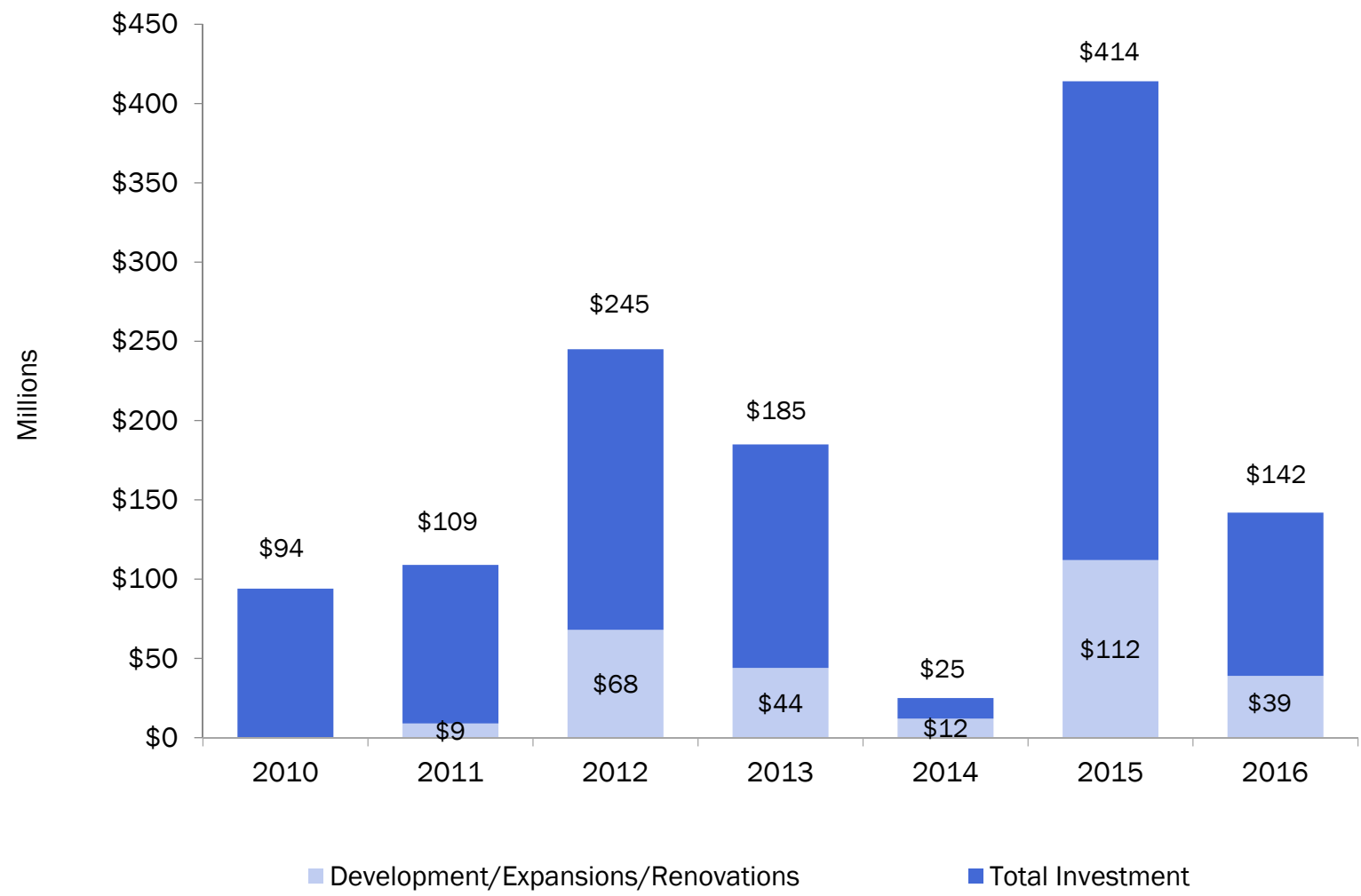
KeyBanc Capital Markets, Inc ..... Jordan Sadler  
Mitsubishi – MUFG ..... Karin Ford  
Mizuho Securities USA Inc ..... Rich Anderson  
RBC Capital Markets Corporation ..... Mike Carroll  
Stifel, Nicolaus & Company, Inc ..... Chad Vanacore  
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Any opinions, estimates, or forecasts regarding LTC's performance made by the analysts listed above do not represent the opinions, estimates, and forecasts of LTC or its management.





## \$1.2 Billion in Total Investments Underwritten



# Portfolio Overview

(dollar amounts in thousands)



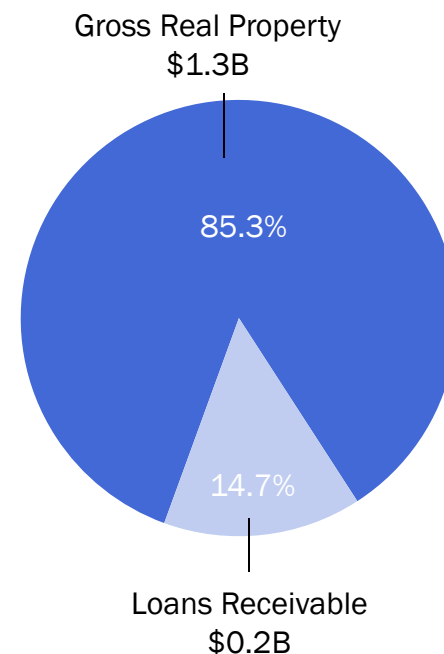
Type of Property	# of Properties	Gross Investments	% of Investments	Trailing Twelve Months Ended March 31, 2017		
				Rental Income <sup>(1)</sup>	Interest Income <sup>(1)</sup>	% of Revenues
Skilled Nursing <sup>(2)</sup>	97	\$ 799,298	52.2%	\$ 67,794	\$ 25,695	57.6%
Assisted Living	105	703,668	46.0%	67,543	350	41.8%
Under Development <sup>(3)</sup>	-	17,071	1.1%	-	-	-
Other <sup>(4)</sup>	1	11,422	0.7%	792	111	0.6%
<b>Total</b>	<b>203</b>	<b>\$ 1,531,459</b>	<b>100.0%</b>	<b>\$ 136,129</b>	<b>\$ 26,156</b>	<b>100.0%</b>

(1) Includes contractual rental income and interest income from mortgage loans and excludes rental income from properties sold and interest income from loans that paid off during the twelve months ended March 31, 2017.

(2) Historically, we had a property classification identified as range of care communities (or ROC) which consisted of properties providing skilled nursing and any combination of assisted living, independent living and/or memory care services. Since we only have seven ROC remaining and given that these properties derive materially all of their revenue from skilled nursing services, we elected to reclassify them into the SNF property classification.

(3) Includes three development projects consisting of two memory care communities with a total of 132 units and a skilled nursing center with 143 beds.

(4) Includes one behavioral health care hospital and four parcels of land.





# Real Estate Activities – Acquisitions and Loan Originations

(dollar amounts in thousands)



## Acquisitions

	Date	# of Properties	Property Type	# Beds/Units	Location	Operator	Date of Construction	Initial Cash Yield	Purchase Price	Additional Commitment <sup>(1)</sup>
2016	2/1	1	SNF	126 beds	Mansfield, TX	Fundamental	2015	8.50%	\$ 16,000	\$ -
	4/21	1	MC	60 units	Louisville, KY	Clarity Pointe	2016	8.00%	14,250	-
	4/29	2	MC	120 units	Wichita & Overland Park, KS	Anthem Memory Care	2011/2013	8.00%	25,000	750
	6/14	1	ALF/MC	70 units	Athens, GA	Thrive Senior Living	2016	8.00%	14,300	-
	9/30	1	UDP <sup>(2)(3)</sup>	143 beds	Union, KY	Carespring	2016-2018	8.50%	5,300	19,025
	10/28	1	UDP <sup>(2)</sup>	66 units	Oak Lawn, IL	Anthem Memory Care	2016-2018	9.00%	1,591	12,878
		<u>7</u>		<u>316 units/269 beds</u>					<u>\$ 76,441</u>	<u>\$ 32,653</u>

(1) Commitments may include capital improvement or development allowances for approved projects but excludes incentive payments and contingent payments. For a comprehensive list of our commitments, see our Quarterly Report on Form 10-Q.

(2) See page 9 for development activities.

(3) Represents purchase of land and initial improvements.

## Loan Originations

	Date	# of Properties	Property Type	# Beds/ Units	Location	Loan Type	Maturity Date	Operator	Origination	Total Funded to Date	2017 YTD Revenue <sup>(1)</sup>	Stated Interest Rate
2016	4/29	2	SNF	216 beds	East Lansing, MI	Mortgage	Apr-20	Prestige Healthcare	\$ 12,250 <sup>(2)</sup>	\$ 8,117	\$ 189	9.4%
	8/31	2	SNF	146 beds	Albany & Florence, OR	Mezzanine	Sep-21	Regency Pacific	1,400 <sup>(3)</sup>	1,200	46	15.0%
	12/22	64	SNF	7,786 beds	Various states	Mezzanine	Nov-21	Genesis	12,500 <sup>(4)</sup>	12,500	343	LIBOR +11.75%
		<u>68</u>		<u>8,148 beds</u>					<u>\$ 26,150</u>	<u>\$ 21,817</u>	<u>\$ 578</u>	

(1) Represents year-to-date GAAP interest income.

(2) Represents the origination of a 4-year first mortgage loan for \$12,250, funding \$7,750 at closing with the remaining commitment of \$4,500 available for approved capital improvement projects. Additionally, we committed \$8,000 to be funded upon the properties achieving certain predetermined coverage thresholds.

(3) Represents a mezzanine loan secured by a second mortgage on two skilled nursing centers in Oregon.

(4) Represents a mezzanine loan on a portfolio of 64 skilled nursing centers located in eight states.

# Real Estate Activities – Joint Ventures

(dollar amounts in thousands)



## Joint Ventures

Commitment Year	Location	# of Projects	Property Type	Return	# Beds/ Units	Investment Commitment	1Q17 Funding	Total Funded to Date	Remaining Commitment
2015	Peoria & Yuma, AZ	4	ALF/MC/ILF	15.00% <sup>(1)</sup>	585 units	\$ 25,650	\$ 914	\$ 22,827	\$ 2,823
2015	Ocala, FL	1	UDP-ALF/IL/MC	15.00% <sup>(2)</sup>	99 units	2,900	-	2,900	-
2016	Fort Myers, FL	1	UDP-ALF/MC	15.00% <sup>(3)</sup>	127 units	3,400	-	-	3,400
					811 units	\$ 31,950	\$ 914	\$ 25,727	\$ 6,223

(1) Currently, 5% is paid in cash and 10% is deferred.

(2) Interest during construction was accrued. Currently, 10% is paid in cash and 5% is deferred.

(3) Conditions of funding have not been satisfied. Once funded, 10% will be paid in cash and 5% will be deferred.



Canterfield Ocala  
Ocala, FL



# Real Estate Activities – De Novo Development

(dollar amounts in thousands)



Estimated Rent/Interest Inception Date	Commitment Year	Location	# of Projects	Property Type	Approximate Initial Cash Yield	# Beds/ Units	Investment Commitment <sup>(1)</sup>	1Q17 Funding	Total Capitalized Interest/Other	Total Project Basis to Date	Remaining Commitment <sup>(2)</sup>
4Q17	2015	Glenview, IL	1	MC	9.00%	66 units	\$ 15,814	\$ 1,762	\$ 314	\$ 7,821	\$ 8,307
1Q18	2016	Oak Lawn, IL	1	MC	9.00%	66 units	14,469	495	44	2,775	11,738
4Q18	2016	Union, KY	1	SNF	8.50%	143 beds	24,325	502	131	6,475	17,981
<b>Total</b>			<b>3</b>		<b>8.78%</b>	<b>132 units/143beds</b>	<b>\$ 54,608</b>	<b>\$ 2,759</b>	<b>\$ 489</b>	<b>\$ 17,071</b>	<b>\$ 38,026</b>

(1) Includes purchase of land and initial improvement funding, if applicable, and development commitment.

(2) Remaining Commitment is calculated as follows: "Investment Commitment" less "Total Project Basis" plus "Total Capitalized Interest/Other".

# Real Estate Activities – Expansions & Renovations

(dollar amounts in thousands)



## Owned

Estimated Rent/Interest Inception Date	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Yield	Investment Commitment	1Q17 Funding	Total Funded to Date	Remaining Commitment
- (1)	2015	Renovation	Las Vegas, NV	1	OTH	8.50%	\$ 3,000	\$ -	\$ -	\$ 3,000
- (2)	2016	Renovation	Chesapeake, VA	1	SNF	9.00%	1,500	701	1,027	473
<b>Total</b>				<b>2</b>			<b>\$ 4,500</b>	<b>\$ 701</b>	<b>\$ 1,027</b>	<b>\$ 3,473</b>

## Mortgage Loans

Estimated Rent/Interest Inception Date	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Yield	Investment Commitment	1Q17 Funding	Total Funded to Date	Remaining Commitment
- (3)	2015	Expansion	Richmond, MI	1	SNF	9.41%	\$ 10,000	\$ 2,975	\$ 6,857	\$ 3,143
- (3)	2015	Expansion	Rochester Hills, MI	1	SNF	9.41%	10,000	229	735	9,265
- (4)	2015	Renovation	Farmington & Howell, MI	2	SNF	9.41%	5,000	461	1,025	3,975
- (4)	2016	Expansion	Grand Blanc, MI	1	SNF	9.41%	5,500 (5)	366	738	4,762
- (4)	2016	Renovation	East Lansing, MI	2	SNF	9.41%	4,500	352	367	4,133
<b>Total</b>				<b>7</b>			<b>\$ 35,000</b>	<b>\$ 4,383</b>	<b>\$ 9,722</b>	<b>\$ 25,278</b>

(1) Rent increases at each six month anniversary on amounts funded during that period.

(2) Rent increases upon each funding.

(3) Commitments are part of the total loan commitment secured by 15 properties in Michigan operated by Prestige Healthcare. Interest payment increases upon each funding.

(4) Interest payment increases upon each funding.

(5) Increased investment from \$1,500 to \$5,500 during 2Q16.





# Real Estate Activities – Lease-Up

(dollar amounts in thousands)



## Lease-Up

Date Opened <sup>(1)</sup>	Occupancy at 3/31/17	Commitment Year	Project Type	Location	# of Projects	Property Type	Approximate Initial Cash Yield	# Beds/Units	Total Investment
Sep-15	43%	2015	Acquisition <sup>(2)</sup>	Jacksonville, FL	1	MC	8.00%	60 units	\$ 14,250
Feb-16	31%	2014	Development	Burr Ridge, IL	1	MC	9.30%	66 units	12,248
Apr-16	77%	2016	Acquisition <sup>(2)</sup>	Louisville, KY	1	MC	8.00%	60 units	14,250
May-16	52%	2015	Development	Corpus Christi, TX	1	MC	8.75%	56 units	12,524
May-16	71%	2016	Acquisition <sup>(2)</sup>	Athens, GA	1	ALF/MC	8.00%	70 units	14,300
Jul-16	30%	2015	Development	Tinley Park, IL	1	MC	9.25%	66 units	11,887
Aug-16	35%	2015	Development	Murrieta, CA	1	MC	9.00%	66 units	12,606
Sep-16	48%	2015	Development	Murrells Inlet, SC	1	ALF/MC	8.75%	89 units	16,535
Nov-16	26%	2015	Development	Wichita, KS	1	ILF	7.43%	108 units	14,500
					<u>9</u>			<u>641 units</u>	<u>\$ 123,100</u>

(1) Represents date of Certificate of Occupancy.

(2) Property was newly constructed and purchased following issuance of final certificate of occupancy and licensure.

## Lease-Up History

Property	Location	Property Type	Project Type	# Beds/Units	Date Opened	Date Stabilized	# of months to Stabilization
Hillside Heights Rehabilitation Suites	Amarillo, TX	SNF	Redevelopment	120 beds	Jul 2013	Aug 2013	1
Highline Place	Littleton, CO	MC	Development	60 units	Jul 2013	Sep 2013	2
The Oxford Grand	Wichita, KS	ALF/MC	Development	77 units	Oct 2013	Sep 2014	11
Willowbrook Place	Littleton, CO	MC	Development	60 units	Aug 2014	Dec 2015	16
Mustang Creek Estates	Frisco, TX	ALF/MC	Development	80 units	Oct 2014	Dec 2015	14
Chelsea Place	Aurora, CO	MC	Development	48 units	Dec 2014	Mar 2016	15
Pavilion at Glacier Valley	Slinger, WI	SNF	Redevelopment	106 beds	Feb 2014	Feb 2016	24
Coldspring Transitional Care Center	Cold Spring, KY	SNF	Development	143 beds	Nov 2014	Jun 2016	19
Greenridge Place <sup>(1)</sup>	Westminster, CO	MC	Development	60 units	Feb 2015	Feb 2017	24

(1) Property meets the definition of stabilized but has not yet achieved the applicable occupancy threshold.

## Same Property Portfolio Statistics <sup>(1)</sup>

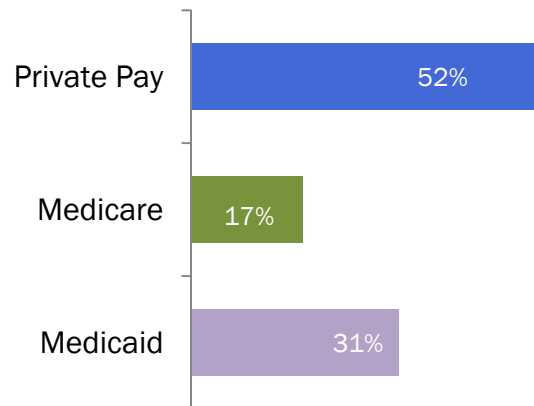
Owned Properties	Occupancy		Normalized EBITDARM Coverage		Normalized EBITDAR Coverage	
	4Q16	3Q16	4Q16	3Q16	4Q16	3Q16
Assisted Living	85.2%	85.5%	1.46	1.50	1.24	1.27
Skilled Nursing <sup>(2)</sup>	79.0%	78.5%	2.04	2.02	1.51	1.47

- (1) Information is for the trailing twelve months through December 31, 2016 and September 30, 2016 and is from property level operator financial statements which are unaudited and have not been independently verified by LTC.
- (2) Historically, we had a property classification identified as range of care communities (or ROC) which consisted of properties providing skilled nursing and any combination of assisted living, independent living and/or memory care services. Since we only have seven ROC remaining and given that these properties derive materially all of their revenue from skilled nursing services, we believe their reclassification as skilled nursing facilities (or SNF) provide a more appropriate and accurate reflection of portfolio performance.

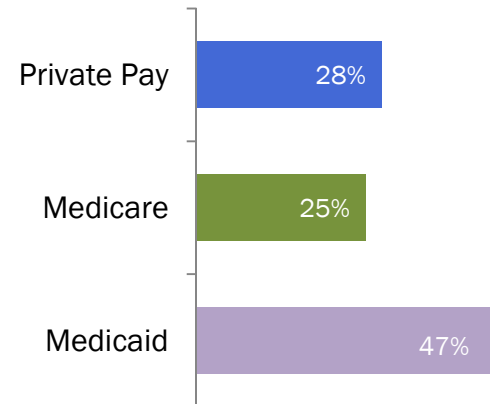
## Stabilized Property Portfolio

TTM Ended December 31, 2016

Total Portfolio Payor Source



SNF Portfolio Payor Source <sup>(2)</sup>



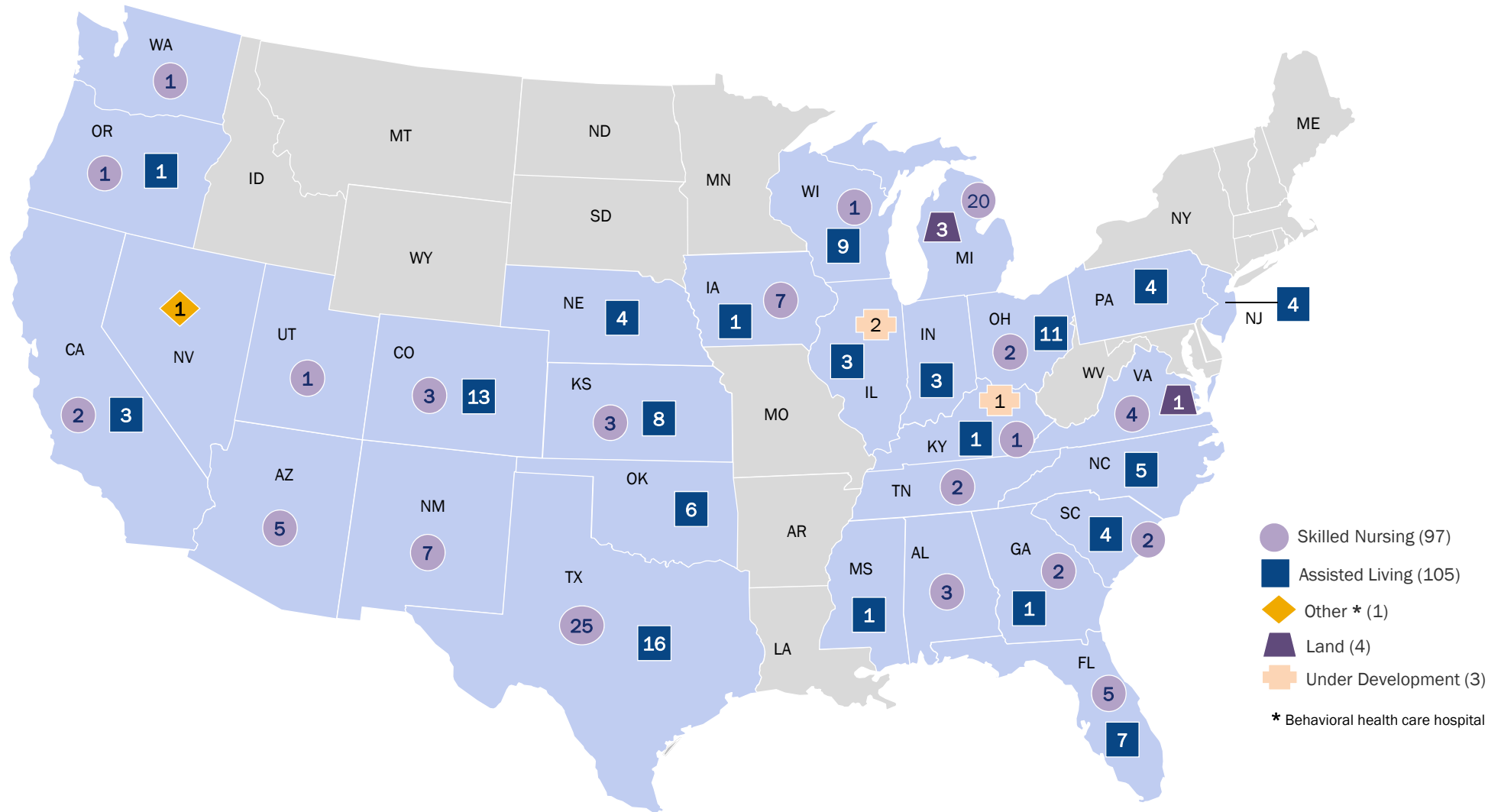


# Portfolio Diversification – Geography

(as of March 31, 2017)



203 Properties | 3 Development Projects | 4 Land Parcels | 29 States | 28 Operators



# Portfolio Diversification – Geography

(as of March 31, 2017, dollar amounts in thousands)

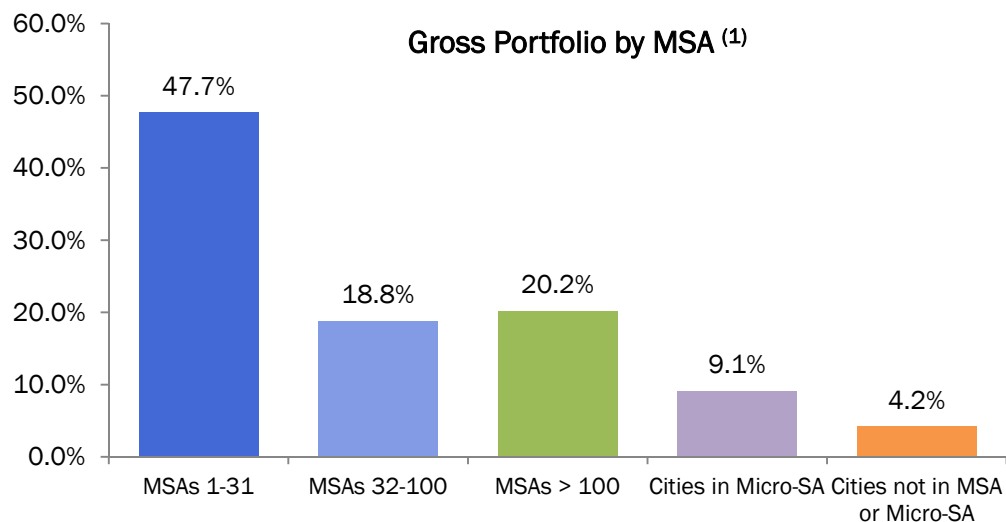


State <sup>(1)</sup>	# of Props	SNF <sup>(2)</sup>	%	ALF	%	UDP	%	OTH <sup>(3)</sup>	%	Gross Investment	%
Texas	41	\$ 218,475	27.3%	\$ 50,592	7.2%	\$ -	-	\$ -	-	\$ 269,067	17.6%
Michigan	20	218,524	27.3%	-	-	-	-	943	8.3%	219,467	14.3%
Wisconsin	10	13,946	1.7%	112,187	15.9%	-	-	-	-	126,133	8.2%
Colorado	16	8,044	1.0%	106,879	15.2%	-	-	-	-	114,923	7.5%
Ohio	13	54,000	6.8%	45,300	6.4%	-	-	-	-	99,300	6.5%
Florida	12	35,362	4.4%	39,247	5.6%	-	-	-	-	74,609	4.9%
Kansas	11	14,112	1.8%	57,071	8.1%	-	-	-	-	71,183	4.6%
Illinois	3	-	-	54,995	7.8%	10,596	62.1%	-	-	65,591	4.3%
California	5	22,130	2.8%	40,759	5.8%	-	-	-	-	62,889	4.1%
New Jersey	4	-	-	62,042	8.8%	-	-	-	-	62,042	4.1%
All Others	68	214,705	26.9%	134,596	19.2%	6,475	37.9%	10,479	91.7%	366,255	23.9%
<b>Total</b>	<b>203</b>	<b>\$ 799,298</b>	<b>100.0%</b>	<b>\$ 703,668</b>	<b>100.0%</b>	<b>\$ 17,071</b>	<b>100.0%</b>	<b>\$ 11,422</b>	<b>100.0%</b>	<b>\$ 1,531,459</b>	<b>100.0%</b>

(1) Due to master leases with properties in multiple states, revenue by state is not available.

(2) Historically, we had a property classification identified as range of care communities (or ROC) which consisted of properties providing skilled nursing and any combination of assisted living, independent living and/or memory care services. Since we only have seven ROC remaining and given that these properties derive materially all of their revenue from skilled nursing services, we elected to reclassify them into the SNF property classification.

(3) Includes one behavioral health care hospital and four parcels of land.



(1) The MSA rank by population as of July 1, 2016, as estimated by the United States Census Bureau.

Approximately 67% of our properties are in the Top 100 MSAs

MSAs 1 - 31

• Population 20.2M – 2.1M

MSAs 32 - 100

• Population 2.1M – 0.6M

MSAs > 100

• Population 0.5M – 55K

Cities in a Micro-SA

• Population 216K – 13K

Cities not in MSA

• Population less than 100K



# Portfolio Diversification – Operators

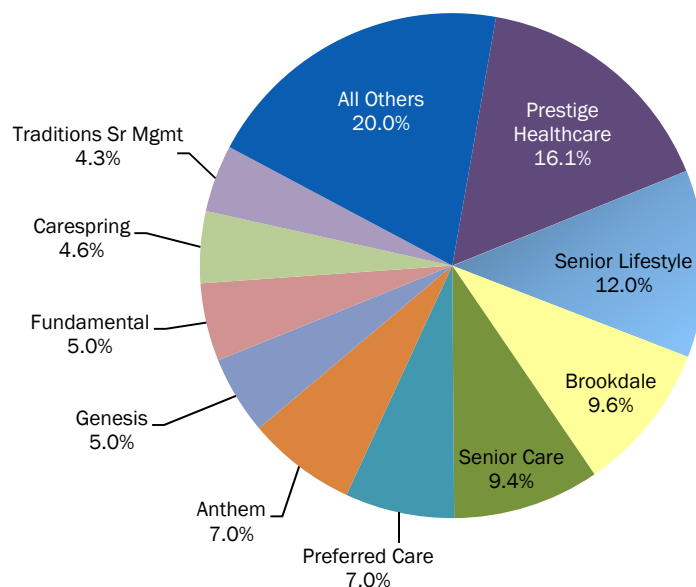
(as of March 31, 2017, dollar amounts in thousands)



Operators	# of Properties	Annual Income <sup>(1)</sup>	%	Gross Investment	%
Prestige Healthcare	22	\$ 26,802	16.1%	\$ 231,657	15.1%
Senior Lifestyle Corporation	27	19,973	12.0%	201,862	13.2%
Brookdale Senior Living	37	16,034	9.6%	126,991	8.3%
Senior Care Centers	11	15,756	9.4%	138,109	9.0%
Preferred Care	26	11,762	7.0%	86,343	5.6%
Anthem Memory Care	9	11,695	7.0%	113,978	7.4%
Genesis Healthcare	8	8,434	5.0%	54,864	3.6%
Fundamental	7	8,306	5.0%	74,652	4.9%
Carespring Health Care Management	3	7,635	4.6%	84,020	5.5%
Traditions Senior Management	5	7,167	4.3%	64,607	4.2%
All Others	48	33,358	20.0%	354,376	23.2%
	203	\$ 166,922	100.0%	\$ 1,531,459	100.0%

(1) Includes annualized GAAP rent for leased properties and trailing twelve months of interest income from mortgage loans excluding the interest income from loans that paid off during the twelve months ended March 31, 2017.

Annual Income by Operator



# Portfolio Diversification - Top Ten Operator Profiles

(as of March 31, 2017)



Privately Held

SNF/ALF/ILF  
Other Rehab

68 Properties

7 States



Privately Held

ALF/ILF/MC/SNF  
Short Term Stays

178 Properties

28 States



NYSE: BKD

ALF/ILF/MC  
Continuing Care

Approx 1,055 Properties

47 States



Privately Held

SNF/ALF/ILF/MC  
Transitional Care & Rehab

107 Properties

2 States



Privately Held

SNF/ALF/ILF  
Specialty Care

110 Properties

12 States



Privately Held

Exclusively MC

10 Properties

4 States



NYSE: GEN

SNF/ALF  
Senior Living

Approx 500 Properties

34 States



Privately Held

SNF/MC  
Hospitals & Other Rehab

93 Properties

10 States



Privately Held

SNF/ALF/ILF  
Transitional Care

11 Properties

2 States



Privately Held

SNF/ALF/ILF

24 Properties

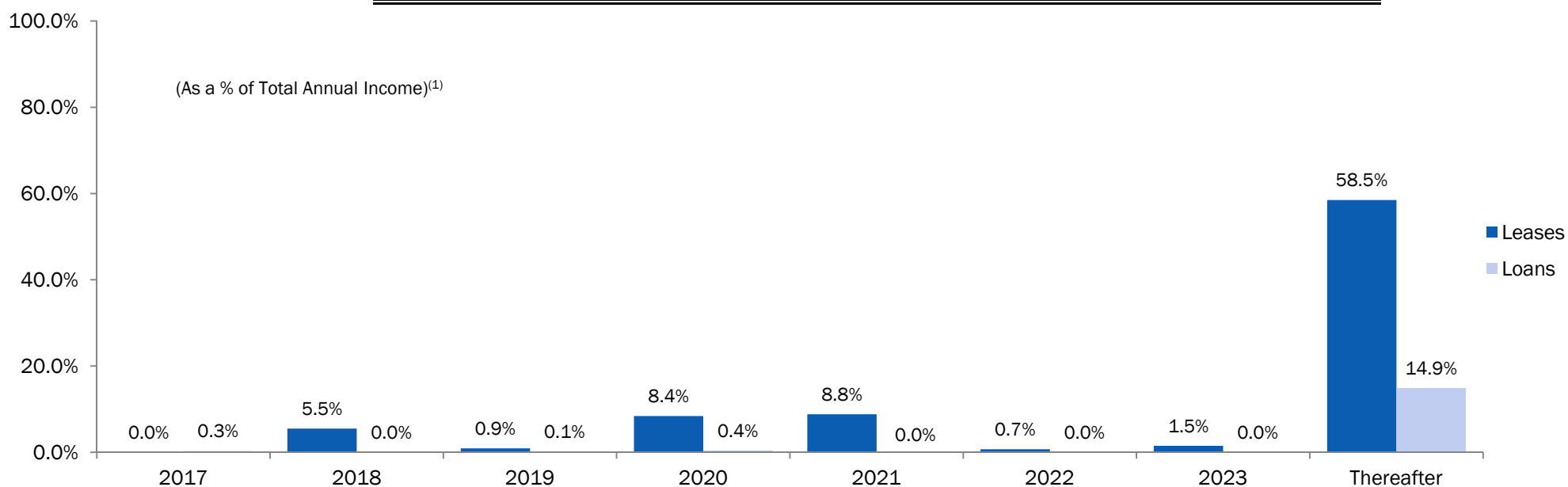
5 States

# Portfolio Maturity

(as of March 31, 2017, dollar amounts in thousands)



Year	Rental Income <sup>(1)</sup>	% of Total	Interest Income <sup>(1)</sup>	% of Total	Annual Income <sup>(1)</sup>	% of Total
2017	\$ -	-	\$ 461	1.8%	\$ 461	0.3%
2018	9,101	6.5%	-	-	9,101	5.5%
2019	1,571	1.1%	127	0.5%	1,698	1.0%
2020	14,058	10.0%	686	2.6%	14,744	8.8%
2021	14,702	10.4%	-	-	14,702	8.8%
2022	1,175	0.8%	-	-	1,175	0.7%
2023	2,539	1.8%	-	-	2,539	1.5%
Thereafter	97,620	69.4%	24,882	95.1%	122,502	73.4%
Total	\$ 140,766	100.0%	\$ 26,156	100.0%	\$ 166,922	100.0%



(1) Includes annualized GAAP rent for leased properties and trailing twelve months of interest income from mortgage loans excluding the interest income from loans that paid off during the twelve months ended March 31, 2017.



# Enterprise Value

(amounts in thousands, except per share amounts and number of shares)



At March 31, 2017

Capitalization

## Debt

Bank borrowings - weighted average rate	\$	-	
Senior unsecured notes - weighted average rate 4.5% <sup>(1)</sup>		597,873	
Total debt - weighted average rate 4.5%		597,873	24.0%

## Equity

	No. of shares	3/31/17 Closing Price		
Common stock	39,573,448	\$ 47.90 <sup>(2)</sup>	1,895,568	76.0%

## Total Market Value

\$	2,493,441	100%
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Less: Cash and cash equivalents (8,732)

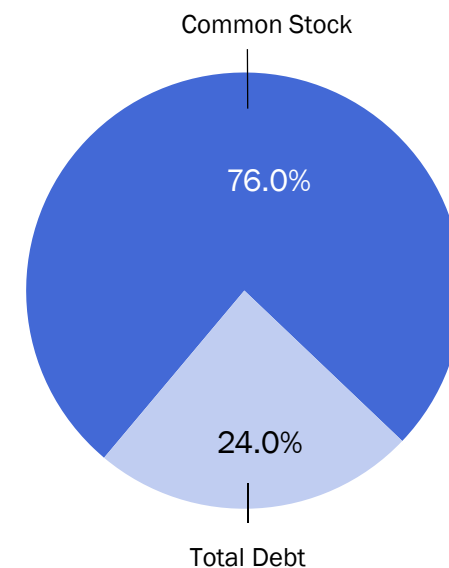
## Enterprise Value

\$	2,484,709
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Debt to Enterprise Value 24.1%

Debt to Annualized Normalized EBITDA <sup>(3)</sup> 3.9x

## Capitalization



Oxford Villa  
Wichita, KS

(1) Represents outstanding balance of \$599,133, net of debt issue costs of \$1,260. Rate includes amortization of debt issue cost.

(2) Closing price of our common stock as reported by the NYSE on March 31, 2017.

(3) See page 21 for reconciliation of annualized normalized EBITDA.

# Debt Maturity

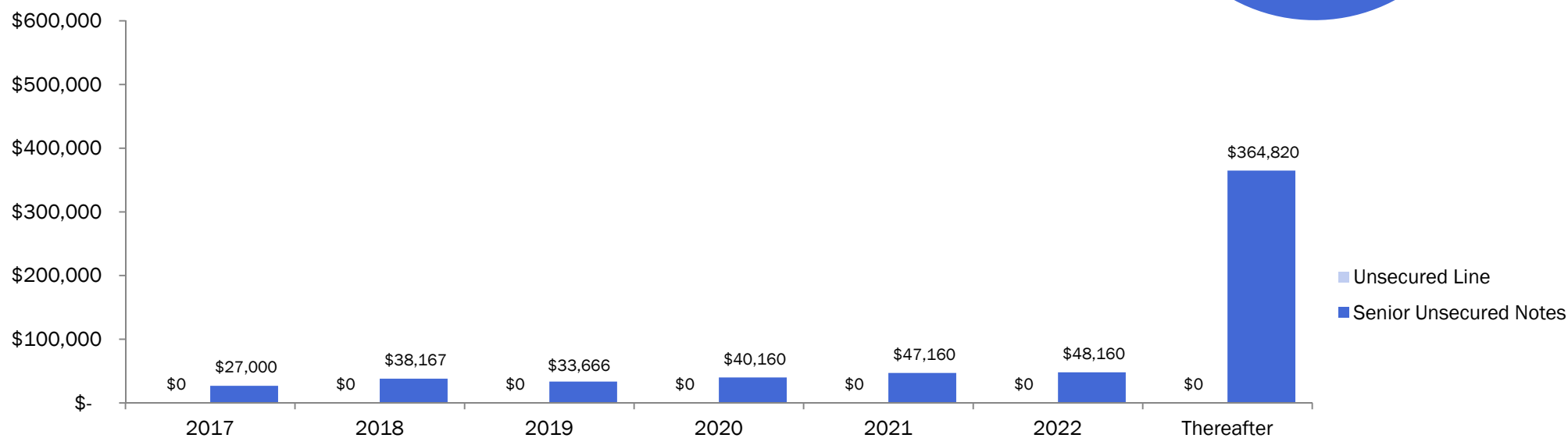
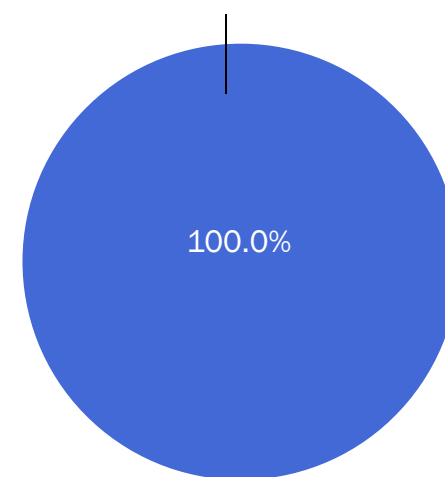
(as of March 31, 2017, dollar amounts in thousands)



Year	Unsecured Line of Credit <sup>(1)</sup>	Senior Unsecured Notes <sup>(2)</sup>	Total	% of Total
2017	\$ -	\$ 27,000	\$ 27,000	4.5%
2018	-	38,167	38,167	6.4%
2019	-	33,666	33,666	5.6%
2020	-	40,160	40,160	6.7%
2021	-	47,160	47,160	7.9%
2022	-	48,160	48,160	8.0%
Thereafter	-	364,820	364,820	60.9%
Total	\$ -	\$ 599,133	\$ 599,133 <sup>(3)</sup>	100.0%

## Debt Structure

Senior Unsecured Notes



(1) Total commitment under our unsecured revolving line of credit is \$600,000 which matures in October 2018, with a one-year extension option.

(2) Reflects scheduled principal payments.

(3) Excludes debt issue costs which are included in the senior unsecured notes balance shown on page 18.

# Financial Data Summary

(dollar amounts in thousands)



## Balance Sheet, Leverage Ratios and Coverage Ratios

		For the Year Ended		
	1Q17 Annualized	12/31/16	12/31/15	12/31/14
<b><u>Balance Sheet</u></b>				
Gross real estate assets	\$1,531,459	\$1,533,679	\$1,418,405	\$1,117,167
Net real estate assets	1,244,018	1,255,503	1,164,950	892,179
Gross asset value	1,679,197	1,673,238	1,528,879	1,189,758
Total debt <sup>(1)</sup>	597,873	609,391	571,872	280,584
Total liabilities	638,450	654,848	616,222	304,649
Preferred stock	-	-	-	38,500
Total equity	753,140	740,048	659,202	660,121
<b><u>Leverage Ratios</u></b>				
Debt to gross asset value	35.6%	36.4%	37.4%	23.6%
Debt to total enterprise value	24.1%	24.9%	26.2%	15.4%
<b><u>Coverage Ratios</u></b>				
Debt to normalized EBITDA	3.9x	4.2x	4.7x	2.6x
Normalized EBITDA / interest incurred	5.0x	5.2x	6.7x	7.3x
Normalized EBITDA / fixed charges	5.0x	5.2x	5.9x	6.0x

(1) Represents outstanding balance of gross bank borrowings and senior unsecured notes, net of debt issue costs.



# Financial Data Summary

(dollar amounts in thousands)



## Reconciliation of Annualized Normalized EBITDA and Fixed Charges

	1Q17 Annualized	For the Year Ended		
		12/31/16	12/31/15	12/31/14
Net income	\$ 86,052	\$ 85,115	\$ 73,081	\$ 73,399
Less: Gain on sale of real estate, net	-	(3,582)	(586)	(4,959)
Add: Impairment on real estate for sale	-	766 <sup>(1)</sup>	2,250 <sup>(2)</sup>	-
Add: Interest expense	29,884	26,442	17,497	13,128
Add: Depreciation and amortization	37,436	35,932	29,431	25,529
Adjusted EBITDA	153,372	144,673	121,673	107,097
Add back/(deduct):				
Non-recurring one-time items	-	-	937	-
Normalized EBITDA	\$ 153,372	\$ 144,673	\$ 122,610	\$ 107,097
Interest expense:	\$ 29,884	\$ 26,442	\$ 17,497	\$ 13,128
Add: Capitalized interest	680	1,408	827	1,506
Interest incurred	\$ 30,564	\$ 27,850	\$ 18,324	\$ 14,634
Interest incurred	\$ 30,564	\$ 27,850	\$ 18,324	\$ 14,634
Preferred stock dividend	-	-	2,454	3,273
Fixed Charges	\$ 30,564	\$ 27,850	\$ 20,778	\$ 17,907

(1) Subsequent to December 31, 2016, we entered into a contingent purchase and sale agreement to sell an 85-unit ROC community in Texas for \$1,200. Accordingly, we recorded an impairment charge of \$766 to write the property down to its estimated sale price at December 31, 2016.

(2) In 1Q16, we sold a 48-unit assisted living community and recorded an impairment charge of \$2,250 to write the property down to the sale price.

## Non-Cash Revenue Components

	1Q17 <sup>(1)</sup>	2Q17 <sup>(1)</sup>	3Q17 <sup>(1)</sup>	4Q17 <sup>(1)</sup>	1Q18 <sup>(1)</sup>
Straight-line rent	\$ 2,867	\$ 2,408	\$ 1,900	\$ 1,625	\$ 1,424
Amort of lease inducement	(527)	(559)	(559)	(559)	(558)
Effective Interest	1,307	1,401	1,395	1,397	1,391
Net	\$ 3,647	\$ 3,250	\$ 2,736	\$ 2,463	\$ 2,257

(1) For leases and loans in place at March 31, 2017, assuming no renewals, modification or replacement, and no new investments are added to our portfolio.

# Income Statement Data

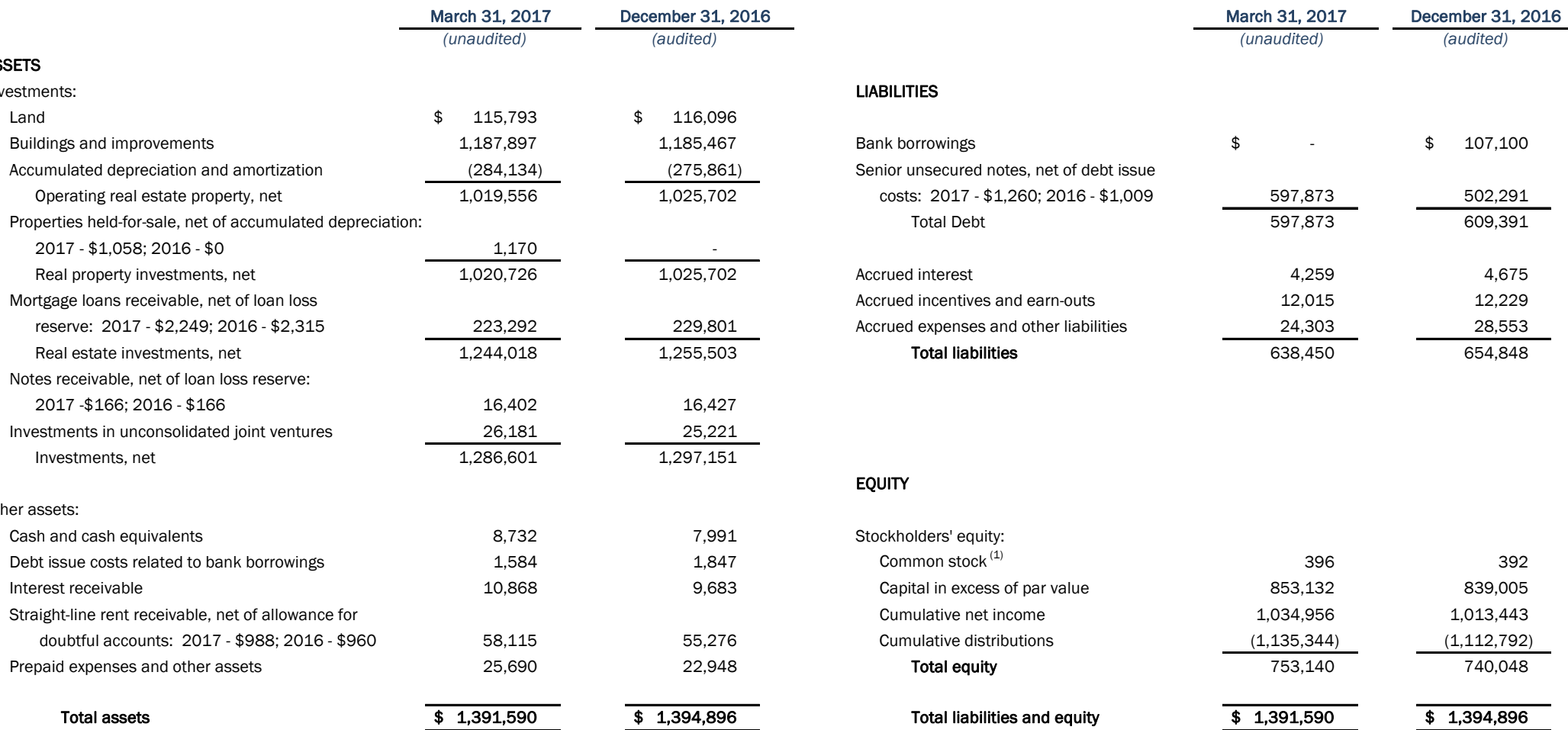
(amounts in thousands, except per share amounts)



Thrive at Prince Creek  
Murrells Inlet, SC

	Three Months Ended March 31,	
	2017	2016
	<i>(unaudited)</i>	
<b>Revenues</b>		
Rental income	\$ 35,035	\$ 31,880
Interest income from mortgage loans	6,748	6,578
Interest and other income	839	146
Total revenues	<u>42,622</u>	<u>38,604</u>
<b>Expenses</b>		
Interest expense	7,471	6,000
Depreciation and amortization	9,359	8,561
(Recovery) provision for doubtful accounts	(38)	84
Transaction costs	22	90
General and administrative expenses	4,740	4,283
Total expenses	<u>21,554</u>	<u>19,018</u>
Operating Income	21,068	19,586
Income from unconsolidated joint ventures	445	272
<b>Net Income</b>	<u>21,513</u>	<u>19,858</u>
Income allocated to participating securities	(97)	(101)
Net income available to common stockholders	<u>\$ 21,416</u>	<u>\$ 19,757</u>
<b>Earnings per common share:</b>		
Basic	\$0.54	\$0.53
Diluted	<u>\$0.54</u>	<u>\$0.53</u>
<b>Weighted average shares used to calculate earnings per common share:</b>		
Basic	39,366	37,446
Diluted	<u>39,612</u>	<u>37,459</u>
Dividends declared and paid per common share	<u>\$0.57</u>	<u>\$0.54</u>

## (amounts in thousands, except per share amounts)



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# Funds from Operations

(unaudited, amounts in thousands, except per share amounts)



## Reconciliation of FFO, AFFO, and FAD

	Three Months Ended March 31,	
	2017	2016
GAAP net income available to common stockholders	\$ 21,416	\$ 19,757
Add: Depreciation and amortization	9,359	8,561
NAREIT FFO attributable to common stockholders	30,775	28,318
Less: Non-cash rental income	(2,340)	(2,317)
Less: Effective interest income from mortgage loans	(1,307)	(1,262)
Less: Deferred income from unconsolidated joint ventures	(47)	-
Adjusted FFO (AFFO)	27,081	24,739
Add: Non-cash compensation charges	1,259	990
Add: Non-cash interest related to earn-out liabilities	226	149
Less: Capitalized interest	(170)	(686)
<b>Funds available for distribution (FAD)</b>	<b>\$ 28,396</b>	<b>\$ 25,192</b>
NAREIT Diluted FFO attributable to common stockholders per share	\$0.78	\$0.76

## Reconciliation of FFO Per Share

For the three months ended March 31, 2017

Normalized FFO/AFFO/FAD attributable to common stockholders

Effect of dilutive securities:

Participating securities

Series C cumulative preferred

Diluted normalized FFO/AFFO/FAD assuming conversion

	FFO		AFFO		FAD	
	2017	2016	2017	2016	2017	2016
<b>Normalized FFO/AFFO/FAD attributable to common stockholders</b>	<b>\$ 30,775</b>	<b>\$ 28,318</b>	<b>\$ 27,081</b>	<b>\$ 24,739</b>	<b>\$ 28,396</b>	<b>\$ 25,192</b>
Effect of dilutive securities:						
Participating securities	97	101	97	101	97	101
Series C cumulative preferred	-	-	-	-	-	-
<b>Diluted normalized FFO/AFFO/FAD assuming conversion</b>	<b>\$ 30,872</b>	<b>\$ 28,419</b>	<b>\$ 27,178</b>	<b>\$ 24,840</b>	<b>\$ 28,493</b>	<b>\$ 25,293</b>
<b>Shares for basic FFO/AFFO/FAD per share</b>	<b>39,366</b>	<b>37,446</b>	<b>39,366</b>	<b>37,446</b>	<b>39,366</b>	<b>37,446</b>
Effect of dilutive securities:						
Stock options	11	13	11	13	11	13
Performance based stock units (MSU)	75	-	75	-	75	-
Participating securities	160	181	160	181	160	181
<b>Shares for diluted normalized FFO/AFFO/FAD per share</b>	<b>39,612</b>	<b>37,640</b>	<b>39,612</b>	<b>37,640</b>	<b>39,612</b>	<b>37,640</b>

**Adjusted Funds From Operations ("AFFO"):** FFO excluding the effects of straight-line rent, amortization of lease inducement, effective interest income and deferred income from unconsolidated joint ventures.

**Assisted Living Properties ("ALF"):** The ALF portfolio consists of assisted living, independent living, and/or memory care properties. (See Independent Living and Memory Care) Assisted living properties are seniors housing properties serving elderly persons who require assistance with activities of daily living, but do not require the constant supervision skilled nursing properties provide. Services are usually available 24 hours a day and include personal supervision and assistance with eating, bathing, grooming and administering medication. The facilities provide a combination of housing, supportive services, personalized assistance and health care designed to respond to individual needs.

**Contractual Lease Rent:** Rental revenue as defined by the lease agreement between us and the operator for the lease year.

**EBITDA:** Earnings before interest, taxes, depreciation and amortization.

**Funds Available for Distribution ("FAD"):** AFFO excluding the effects of non-cash compensation charges, capitalized interest and non-cash interest charges.

**Funds From Operations ("FFO"):** As defined by the National Association of Real Estate Investment Trusts ("NAREIT"), net income available to common stockholders (computed in accordance with U.S. GAAP) excluding gains or losses on the sale of real estate and impairment write-downs of depreciable real estate plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

**GAAP Lease Yield:** GAAP rent divided by the sum of the purchase price and transaction costs.

**GAAP Rent:** Total rent we will receive as a fixed amount over the initial term of the lease and recognized evenly over that term. GAAP rent recorded in the early years of a lease is higher than the cash rent received and during the later years of the lease, the cash rent received is higher than GAAP rent recognized. GAAP rent is commonly referred to as straight-line rental income.

**Gross Asset Value:** The carrying amount of total assets after adding back accumulated depreciation and loan loss reserves, as reported in the company's consolidated financial statements.

**Gross Investment:** Original price paid for an asset plus capital improvements funded by LTC, without any depreciation deductions. Gross Investment is commonly referred to as undepreciated book value.

**Independent Living Properties ("ILF"):** Seniors housing properties offering a sense of community and numerous levels of service, such as laundry, housekeeping, dining options/meal plans, exercise and wellness programs, transportation, social, cultural and recreational activities, on-site security and emergency response programs. Many offer on-site conveniences like beauty/barber shops, fitness facilities, game rooms, libraries and activity centers. ILFs are also known as retirement communities or seniors apartments.

**Interest Income:** Represents interest income from mortgage loans.

**Licensed Beds/Units:** The number of beds and/or units that an operator is authorized to operate at seniors housing and long-term care properties. Licensed beds and/or units may differ from the number of beds and/or units in service at any given time.

**Memory Care Properties ("MC"):** Seniors housing properties offering specialized options for seniors with Alzheimer's disease and other forms of dementia. These facilities offer dedicated care and specialized programming for various conditions relating to memory loss in a secured environment that is typically smaller in scale and more residential in nature than traditional assisted living facilities. These facilities have staff available 24 hours a day to respond to the unique needs of their residents.

**Metropolitan Statistical Areas ("MSA"):** Based on the U.S. Census Bureau, MSA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A metro area contains a core urban area of 50,000 or more population.

**Mezzanine:** In 2015 the Company strategically decided to allocate a portion of its capital deployment toward mezzanine loans to grow relationships with operating companies that have not typically utilized sale leaseback financing as a component of their capital structure. Mezzanine financing sits between senior debt and common equity in the capital structure, and typically is used to finance development projects or value-add opportunities on existing operational properties. We seek market-based, risk-adjusted rates of return typically between 12-18% with the loan term typically between four to eight years. Security for mezzanine loans can include all or a portion of the following credit enhancements; secured second mortgage, pledge of equity interests and personal/corporate guarantees. Mezzanine loans can be recorded for GAAP purposes as either a loan or joint venture depending upon specifics of the loan terms and related credit enhancements.

**Micropolitan Statistical Areas ("Micro-SA"):** Based on the U.S. Census Bureau, Micro-SA is a geographic entity defined by the Office of Management and Budget (OMB) for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. A micro area contains an urban core of at least 10,000 (but less than 50,000) population.

**Mortgage Loan:** Mortgage financing is provided on properties based on our established investment underwriting criteria and secured by a first mortgage. Subject to underwriting, additional credit enhancements may be required including, but not limited to, personal/corporate guarantees and debt service reserves. When possible, LTC attempts to negotiate a purchase option to acquire the property at a future time and lease the property back to the borrower.

**Net Real Estate Assets:** Gross real estate investment less accumulated depreciation. Net Real Estate Asset is commonly referred to as Net Book Value ("NBV").

**Non-cash Rental Income:** Straight-line rental income and amortization of lease inducement.

**Non-cash Compensation Charges:** Vesting expense relating to stock options and restricted stock.

**Normalized AFFO:** AFFO adjusted for non-recurring, infrequent or unusual items.

**Normalized EBITDAR Coverage:** The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, and rent divided by the operator's contractual lease rent. Management fees are imputed at 5% of revenues.

**Normalized EBITDARM Coverage:** The trailing twelve month's earnings from the operator financial statements adjusted for non-recurring, infrequent, or unusual items and before interest, taxes, depreciation, amortization, rent, and management fees divided by the operator's contractual lease rent.



**Normalized FAD:** FAD adjusted for non-recurring, infrequent or unusual items.

**Normalized FFO:** FFO adjusted for non-recurring, infrequent or unusual items.

**Occupancy:** The weighted average percentage of all beds and/or units that are occupied at a given time. The calculation uses the trailing twelve months and is based on licensed beds and/or units which may differ from the number of beds and/or units in service at any given time.

**Operator Financial Statements:** Property level operator financial statements which are unaudited and have not been independently verified by us.

**Payor Source:** LTC revenue by operator underlying payor source for the period presented. LTC is not a Medicaid or a Medicare recipient. Statistics represent LTC's rental revenues times operators' underlying payor source revenue percentage. Underlying payor source revenue percentage is calculated from property level operator financial statements which are unaudited and have not been independently verified by us.

**Private Pay:** Private pay includes private insurance, HMO, VA, and other payors.

**Purchase Price:** Represents the fair value price of an asset that is exchanged in an orderly transaction between market participants at the measurement date. An orderly transaction is a transaction that assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets; it is not a forced transaction (for example, a forced liquidation or distress sale).

**Range of Care ("ROC"):** Range of care properties consist of properties providing skilled nursing and any combination of assisted living, independent living and/or memory care services.

**Rental Income:** Represents GAAP rent net of amortized lease inducement cost.

**Same Property Portfolio ("SPP"):** Same property statistics allow for the comparative evaluation of performance across a consistent population of LTC's leased property portfolio. Our SPP is comprised of stabilized properties owned and operated throughout the duration of the quarter-over-quarter comparison periods presented (excluding assets sold and assets held-for-sale). Accordingly, a leased property must be owned and stabilized for a minimum of 15 months if it is an acquired property, or 27 months if it is a development project, to be included in our SPP.

**Skilled Nursing Properties ("SNF"):** Seniors housing properties providing restorative, rehabilitative and nursing care for people not requiring the more extensive and sophisticated treatment available at acute care hospitals. Many SNFs provide ancillary services that include occupational, speech, physical, respiratory and IV therapies, as well as sub-acute care services which are paid either by the patient, the patient's family, private health insurance, or through the federal Medicare or state Medicaid programs.

**Stabilized:** Properties are generally considered stabilized upon the earlier of achieving certain occupancy thresholds (e.g. 80% for SNFs and 90% for ALFs) and, as applicable, 12 months from the date of acquisition or, in the event of a de novo development, redevelopment, major renovations or addition, 24 months from the date the property is first placed in or returned to service.

**Under Development Properties ("UDP"):** Development projects to construct seniors housing properties.



## Company

Founded in 1992, LTC Properties, Inc. ("LTC") is a self-administered real estate investment trust that primarily invests in seniors housing and health care properties through facility lease transactions, mortgage loans, and other investments. Our primary objectives are to create, sustain and enhance stockholder equity value and provide current income for distribution to stockholders through real estate investments in seniors housing and health care properties managed by experienced operators. Our primary seniors housing and health care property types include skilled nursing centers (or SNF), assisted living communities (or ALF), independent living communities (or ILF), memory care communities (or MC), and combinations thereof. To meet these objectives, we attempt to invest in properties that provide opportunity for additional value and current returns to our stockholders and diversify our investment portfolio by geographic location, operator, property type and form of investment. For more information on LTC, visit the Company's website at [www.LTCreit.com](http://www.LTCreit.com).

## Forward-Looking Statements

This supplemental information contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, adopted pursuant to the Private Securities Litigation Reform Act of 1995. Statements that are not purely historical may be forward-looking. You can identify some of the forward-looking statements by their use of forward-looking words, such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates" or "anticipates," or the negative of those words or similar words. Forward-looking statements involve inherent risks and uncertainties regarding events, conditions and financial trends that may affect our future plans of operation, business strategy, results of operations and financial position. A number of important factors could cause actual results to differ materially from those included within or contemplated by such forward-looking statements, including, but not limited to, the status of the economy, the status of capital markets (including prevailing interest rates), and our access to capital; the income and returns available from investments in health care related real estate, the ability of our borrowers and lessees to meet their obligations to us, our reliance on a few major operators; competition faced by our borrowers and lessees within the health care industry, regulation of the health care industry by federal, state and local governments, changes in Medicare and Medicaid reimbursement amounts (including due to federal and state budget constraints), compliance with and changes to regulations and payment policies within the health care industry, debt that we may incur and changes in financing terms, our ability to continue to qualify as a real estate investment trust, the relative illiquidity of our real estate investments, potential limitations on our remedies when mortgage loans default, and risks and liabilities in connection with properties owned through limited liability companies and partnerships. For a discussion of these and other factors that could cause actual results to differ from those contemplated in the forward-looking statements, please see the discussion under "Risk Factors" and other information contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and in our publicly available filings with the Securities and Exchange Commission. We do not undertake any responsibility to update or revise any of these factors or to announce publicly any revisions to forward-looking statements, whether as a result of new information, future events or otherwise.

## Non-GAAP Information

This supplemental information contains certain non-GAAP information including adjusted EBITDA, normalized EBITDA, FFO, normalized FFO, normalized AFFO, normalized FAD, normalized interest coverage ratio, and normalized fixed charges coverage ratio. A reconciliation of this non-GAAP information is provided on pages 23, 26, and 27 of this supplemental information, and additional information is available under the "Non-GAAP Financial Measures" subsection under the "Selected Financial Data" section of our website at [www.LTCreit.com](http://www.LTCreit.com).