
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20459

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report: **May 9, 2018**
(Date of earliest event reported)

LTC PROPERTIES, INC.
(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

1-11314
(Commission file number)

71-0720518
(I.R.S. Employer
Identification No)

2829 Townsgate Road, Suite 350
Westlake Village, CA 91361
(Address of principal executive offices)

(805) 981-8655
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. — Results of Operations and Financial Condition

On May 9, 2018, LTC Properties, Inc. announced the operating results for the three months ended March 31, 2018. The text of the press release and the supplemental information package are furnished herewith as Exhibits 99.1 and 99.2, respectively, and are specifically incorporated by reference herein.

The information in this Form 8-K and the related information in the exhibits attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section and shall not be incorporated by reference into any filing of LTC under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. — Financial Statements and Exhibits

- 99.1 [Press Release issued May 9, 2018.](#)
- 99.2 [LTC Properties, Inc. Supplemental Information Package for the period ending March 31, 2018.](#)

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

LTC PROPERTIES, INC.

Dated: May 9, 2018

By: /s/ WENDY L. SIMPSON
Wendy L. Simpson
Chairman, CEO & President

**FOR IMMEDIATE RELEASE**

For more information contact:
 Wendy L. Simpson
 Pam Kessler
 (805) 981-8655

**LTC REPORTS 2018 FIRST QUARTER RESULTS;
 SELLS PORTFOLIO OF SIX ASSISTED LIVING
 COMMUNITIES FOR \$67.5 MILLION**

WESTLAKE VILLAGE, CALIFORNIA, May 9, 2018— LTC Properties, Inc. (NYSE: LTC), a real estate investment trust that primarily invests in seniors housing and health care properties, today announced operating results for its first quarter ended March 31, 2018.

Net income available to common stockholders was \$20.3 million, or \$0.51 per diluted share, for the 2018 first quarter, compared with \$21.4 million, or \$0.54 per diluted share, for the same period in 2017. Funds from Operations ("FFO") was \$29.7 million for the 2018 first quarter, compared with \$30.8 million for the comparable 2017 period. FFO per diluted common share was \$0.75 and \$0.78 for the quarters ended March 31, 2018 and 2017, respectively.

The decrease in net income available to common stockholders, FFO and FFO per diluted common share was primarily due to a reduction in rental income related to properties sold in 2017 and a previously disclosed defaulted master lease that was placed on a cash basis, as well as higher interest expense resulting from an increase in net borrowings, partially offset by higher income from unconsolidated joint ventures and mezzanine loans.

During the first quarter of 2018, LTC funded \$7.4 million under an existing mortgage loan for the purchase of a 112-bed skilled nursing center in Michigan. The incremental funding bears interest at 8.7%, fixed for five years, and escalating by 2.25% thereafter.

Subsequent to March 31, 2018, LTC sold a portfolio of six assisted living and memory care communities for \$67.5 million. Known as the Sunrise Portfolio, the six communities, five assisted living and one memory care, span 320 units and five locations in Ohio and Pennsylvania. As a result of the transaction, LTC expects to recognize a net gain on sale of approximately \$48.0 million in the second quarter. The transaction was structured to close concurrent with the April 30 lease expiration. Rental revenue under this lease for the four months ended April 30, 2018 was approximately \$1.5 million.

Conference Call Information

LTC will conduct a conference call on Thursday, May 10, 2018, at 8:00 a.m. Pacific Time (11:00 a.m. Eastern Time), to provide commentary on its performance and operating results for the quarter ended March 31, 2018. The conference call is accessible by telephone and the internet. Telephone access will be available by dialing 877-510-2862 (domestically) or 412-902-4134 (internationally). To participate in the webcast, go to LTC's website at www.LTCreit.com 15 minutes before the call to download the necessary software.

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An audio replay of the conference call will be available from May 10 through May 24, 2018 and may be accessed by dialing 877-344-7529 (domestically) or 412-317-0088 (internationally) and entering conference number 10118453. Additionally, an audio archive will be available on LTC's website on the "Presentations" page of the "Investor Information" section, which is under the "Investors" tab. LTC's earnings release and supplemental information package for the current period will be available on its website on the "Press Releases" and "Presentations" pages, respectively, of the "Investor Information" section which is under the "Investors" tab.

About LTC

LTC is a self-administered real estate investment trust that primarily invests in seniors housing and health care properties primarily through sale-leaseback transactions, mortgage financing and structured finance solutions including mezzanine lending. At March 31, 2018, LTC had 203 investments located in 29 states comprising 105 assisted living communities, 97 skilled nursing centers and a behavioral health care hospital. Assisted living communities, independent living communities, memory care communities and combinations thereof are included in the assisted living property type. For more information on LTC Properties, Inc., visit the Company's website at www.LTCreit.com, or connect with us on Twitter @LTCreit and LinkedIn.

Forward Looking Statements

This press release includes statements that are not purely historical and are "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, including statements regarding the Company's expectations, beliefs, intentions or strategies regarding the future. All statements other than historical facts contained in this press release are forward looking statements. These forward looking statements involve a number of risks and uncertainties. Please see LTC's most recent Annual Report on Form 10-K, its subsequent Quarterly Reports on Form 10-Q, and its other publicly available filings with the Securities and Exchange Commission for a discussion of these and other risks and uncertainties. All forward looking statements included in this press release are based on information available to the Company on the date hereof, and LTC assumes no obligation to update such forward looking statements. Although the Company's management believes that the assumptions and expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. The actual results achieved by the Company may differ materially from any forward looking statements due to the risks and uncertainties of such statements.

(financial tables follow)

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	Three Months Ended March 31,	
	2018	2017
Revenues:		
Rental income	\$ 34,505	\$ 35,035
Interest income from mortgage loans	6,816	6,748
Interest and other income	489	839
Total revenues	41,810	42,622
Expenses:		
Interest expense	7,829	7,471
Depreciation and amortization	9,444	9,359
Provision (recovery) for doubtful accounts	8	(38)
Transaction costs	4	22
General and administrative expenses	4,797	4,740
Total expenses	22,082	21,554
Operating income	19,728	21,068
Income from unconsolidated joint ventures	631	445
Net income	20,359	21,513
Income allocated to participating securities	(88)	(97)
Net income available to common stockholders	\$ 20,271	\$ 21,416
Earnings per common share:		
Basic	\$ 0.51	\$ 0.54
Diluted	\$ 0.51	\$ 0.54
Weighted average shares used to calculate earnings per common share:		
Basic	39,451	39,366
Diluted	39,454	39,612
Dividends declared and paid per common share	\$ 0.57	\$ 0.57

Supplemental Reporting Measures

FFO, adjusted FFO ("AFFO"), and Funds Available for Distribution ("FAD") are supplemental measures of a real estate investment trust's ("REIT") financial performance that are not defined by U.S. generally accepted accounting principles ("GAAP"). Investors, analysts and the Company use FFO, AFFO and FAD as supplemental measures of operating performance. The Company believes FFO, AFFO and FAD are helpful in evaluating the operating performance of a REIT. Real estate values historically rise and fall with market conditions, but cost accounting for real estate assets in accordance with GAAP assumes that the value of real estate assets diminishes predictably over time. We believe that by excluding the effect of historical cost depreciation, which may be of limited relevance in evaluating current performance, FFO, AFFO and FAD facilitate like comparisons of operating performance between periods. Additionally the Company believes that normalized FFO, normalized AFFO and normalized FAD provide useful information because they allow investors, analysts and our management to compare the Company's operating performance on a consistent basis without having to account for differences caused by unanticipated items.

FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), means net income available to common stockholders (computed in accordance with 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. Normalized FFO represents FFO adjusted for certain items detailed in the reconciliations. The Company's computation of FFO may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or have a different interpretation of the current NAREIT definition from that of the Company; therefore, caution should be exercised when comparing our Company's FFO to that of other REITs.

We define AFFO as FFO excluding the effects of straight-line rent, amortization of lease inducement, effective interest income and deferred income from unconsolidated joint ventures. GAAP requires rental revenues related to non-contingent leases that contain specified rental increases over the life of the lease to be recognized evenly over the life of the lease. This method results in rental income in the early years of a lease that is higher than actual cash received, creating a straight-line rent receivable asset included in our consolidated balance sheet. At some point during the lease, depending on its terms, cash rent payments exceed the straight-line rent which results in the straight-line rent receivable asset decreasing to zero over the remainder of the lease term. Effective interest method, as required by GAAP, is a technique for calculating the actual interest rate for the term of a mortgage loan based on the initial origination value. Similar to the accounting methodology of straight-line rent, the actual interest rate is higher than the stated interest rate in the early years of the mortgage loan thus creating an effective interest receivable asset included in the interest receivable line item in our consolidated balance sheet and reduces down to zero when, at some point during the mortgage loan, the stated interest rate is higher than the actual interest rate. By excluding the non-cash portion of rental income, interest income from mortgage loans and income from unconsolidated joint ventures, investors, analysts and our management can compare AFFO between periods. Normalized AFFO represents AFFO adjusted for certain items detailed in the reconciliations.

We define FAD as AFFO excluding the effects of non-cash compensation charges, capitalized interest and non-cash interest charges. FAD is useful in analyzing the portion of cash flow that is available for distribution to stockholders. Investors, analysts and the Company utilize FAD as an indicator of common dividend potential. The FAD payout ratio, which represents annual distributions to common shareholders expressed as a percentage of FAD, facilitates the comparison of dividend coverage between REITs. Normalized FAD represents FAD adjusted for certain items detailed in the reconciliations.

While the Company uses FFO, Normalized FFO, AFFO, Normalized AFFO, FAD and Normalized FAD as supplemental performance measures of our cash flow generated by operations and cash available for distribution to stockholders, such measures are not representative of cash generated from operating activities in accordance with GAAP, and are not necessarily indicative of cash available to fund cash needs and should not be considered an alternative to net income available to common stockholders.

The following table reconciles GAAP net income available to common stockholders to each of NAREIT FFO attributable to common stockholders and normalized FFO attributable to common stockholders, as well as normalized AFFO and normalized FAD (unaudited, amounts in thousands, except per share amounts):

	Three Months Ended March 31,	
	2018	2017
GAAP net income available to common stockholders	\$ 20,271	\$ 21,416
Add: Depreciation and amortization	9,444	9,359
NAREIT FFO attributable to common stockholders	29,715	30,775
Less: Non-cash rental income	(2,900)	(2,340)
Less: Effective interest income from mortgage loans	(1,404)	(1,307)
Less: Deferred income from unconsolidated joint ventures	(31)	(47)
Adjusted FFO (AFFO)	25,380	27,081
Add: Non-cash compensation charges	1,376	1,259
Add: Non-cash interest related to earn-out liabilities	126	226
Less: Capitalized interest	(259)	(170)
Funds available for distribution (FAD)	\$ 26,623	\$ 28,396
NAREIT Basic FFO attributable to common stockholders per share	\$ 0.75	\$ 0.78
NAREIT Diluted FFO attributable to common stockholders per share	\$ 0.75	\$ 0.78
NAREIT Diluted FFO attributable to common stockholders	\$ 29,803	\$ 30,872
Weighted average shares used to calculate NAREIT diluted FFO per share attributable to common stockholders	39,603	39,612
Diluted AFFO	\$ 25,468	\$ 27,178
Weighted average shares used to calculate diluted AFFO per share	39,603	39,612
Diluted FAD	\$ 26,711	\$ 28,493
Weighted average shares used to calculate diluted FAD per share	39,603	39,612

LTC PROPERTIES, INC.
CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except per share)

	March 31, 2018 (unaudited)	December 31, 2017 (audited)
ASSETS		
Investments:		
Land	\$ 121,496	\$ 124,041
Buildings and improvements	1,236,605	1,262,335
Accumulated depreciation and amortization	(292,222)	(304,117)
Operating real estate property, net	1,065,879	1,082,259
Properties held-for-sale, net of accumulated depreciation: 2018—\$23,223; 2017—\$1,916	20,182	3,830
Real property investments, net	1,086,061	1,086,089
Mortgage loans receivable, net of loan loss reserve: 2018—\$2,351; 2017—\$2,255	233,383	223,907
Real estate investments, net	1,319,444	1,309,996
Notes receivable, net of loan loss reserve: 2018—\$166; 2017—\$166	16,402	16,402
Investments in unconsolidated joint ventures	30,289	29,898
Investments, net	1,366,135	1,356,296
Other assets:		
Cash and cash equivalents	3,784	5,213
Debt issue costs related to bank borrowings	540	810
Interest receivable	16,456	15,050
Straight-line rent receivable, net of allowance for doubtful accounts: 2018—\$726; 2017—\$814	68,017	64,490
Lease incentives	21,321	21,481
Prepaid expenses and other assets	2,877	2,230
Total assets	\$ 1,479,130	\$ 1,465,570
LIABILITIES		
Bank borrowings	\$ 120,500	\$ 96,500
Senior unsecured notes, net of debt issue costs: 2018—\$1,079; 2017—\$1,131	566,888	571,002
Accrued interest	4,114	5,276
Accrued incentives and earn-outs	9,041	8,916
Accrued expenses and other liabilities	21,724	25,228
Total liabilities	722,267	706,922
EQUITY		
Stockholders' equity:		
Common stock: \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2018—39,629; 2017—39,570	396	396

Capital in excess of par value	857,426	856,992
Cumulative net income	1,121,142	1,100,783
Cumulative distributions	(1,225,589)	(1,203,011)
Total LTC Properties, Inc. stockholders' equity	753,375	755,160
Non-controlling interests	3,488	3,488
Total equity	756,863	758,648
Total liabilities and equity	<u>\$ 1,479,130</u>	<u>\$ 1,465,570</u>



Supplemental Operating & Financial Data

March 2018



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Leadership



WENDY SIMPSON
Chairman, Chief Executive
Officer and President



PAM KESSLER
Executive Vice President,
CFO and Secretary



CLINT MALIN
Executive Vice President and
Chief Investment Officer



CECE CHIKHALE
Senior Vice President,
Controller and Treasurer



DOUG KOREY
Senior Vice President,
Managing Director of
Business Development



PETER LYEW
Vice President,
Director of Taxes



MANDI HOGAN
Vice President,
Marketing



GIBSON SATTERWHITE
Vice President,
Asset Management

Board of Directors

WENDY SIMPSON
Chairman

BOYD HENDRICKSON
Lead Independent Director

JAMES PIECZYNSKI
Nominating & Corporate
Governance Committee
Chairman

DEVRA SHAPIRO
Audit Committee Chairman

TIMOTHY TRICHE, MD
Compensation Committee Chairman

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Analyst Coverage



Analysts

JOHN KIM
BMO Capital Markets Corp

JOE FRANCE
Cantor Fitzgerald

DANIEL BERNSTEIN
CapitalOne

DOUG CHRISTOPHER
D.A.Davidson

PETER MARTIN
JMP Securities, LLC

JORDAN SADLER
KeyBanc Capital Markets, Inc

KARIN FORD
Mitsubishi - MUFG

RICH ANDERSON
Mizuho Securities USA Inc

MIKE CARROLL
RBC Capital Markets Corporation

CHAD VANACORE
Stifel, Nicolaus & Company, Inc

TODD STENDER
Wells Fargo Securities, LLC



Surrey Place
Bradenton, FL

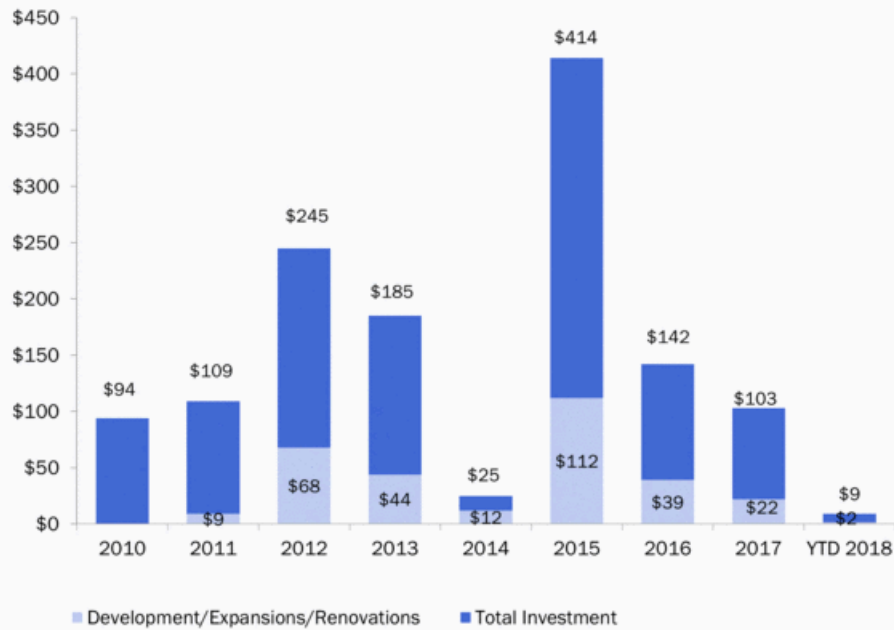
Any opinions, estimates, or forecasts regarding LTC's performance made by the analysts listed above do not represent the opinions, estimates, and forecasts of LTC or its management.

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Execution of Growth Strategy



\$1.3 Billion in Total Investments Underwritten



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Portfolio Overview

(dollar amounts in thousands)

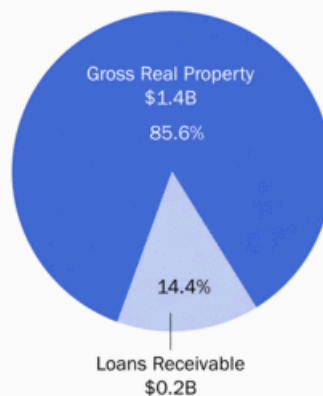


Type of Property	# of Properties	Gross Investments	% of Investments	Twelve Months Ended March 31, 2018		
				Rental Income ⁽¹⁾	Interest Income ⁽¹⁾	% of Revenues
Skilled Nursing	97	\$ 813,542	49.7%	\$ 68,509	\$ 26,821	58.3%
Assisted Living	105	784,229	47.9%	67,467	-	41.2%
Under Development ⁽²⁾	-	28,729	1.8%	-	-	-
Other ⁽³⁾	1	10,740	0.6%	876	-	0.5%
Total	203	\$ 1,637,240	100.0%	\$ 136,852	\$ 26,821	100.0%

(1) Includes 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, 2018.

(2) Includes three development projects consisting of a 66-unit memory care community in Illinois, a 143-bed skilled nursing center in Kentucky and a 110-unit independent living, assisted living and memory care community in Wisconsin.

(3) Includes three parcels of land held-for use and one behavioral health care hospital.



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Proforma Portfolio Overview ⁽¹⁾

(dollar amounts in thousands)



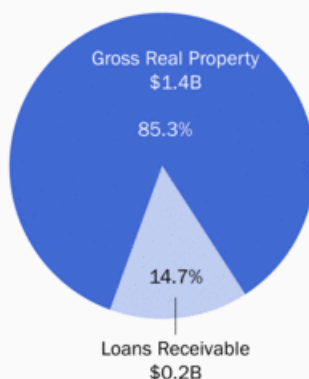
Type of Property	# of Properties	Gross Investments	% of Investments	Twelve Months Ended March 31, 2018		
				Rental Income ⁽²⁾	Interest Income ⁽²⁾	% of Revenues
Skilled Nursing	97	\$ 813,542	50.9%	\$ 68,509	\$ 26,821	59.9%
Assisted Living	99	746,570	46.7%	62,986	-	39.6%
Under Development ⁽³⁾	-	28,729	1.8%	-	-	-
Other ⁽⁴⁾	1	10,740	0.6%	876	-	0.5%
Total	197	\$ 1,599,581	100.0%	\$ 132,371	\$ 26,821	100.0%

(1) Proforma for the sale of six Sunrise properties subsequent to March 31, 2018.

(2) Includes 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, 2018.

(3) Includes three development projects consisting of a 66-unit memory care community in Illinois, a 143-bed skilled nursing center in Kentucky and a 110-unit independent living, assisted living and memory care community in Wisconsin.

(4) Includes three parcels of land held-for use and one behavioral health care hospital.



Real Estate Activities

Real Estate Activities – Acquisitions and Loan Originations

(dollar amounts in thousands)



Acquisitions

Date	# of Properties	Property Type	# Beds/Units	Location	Operator	Date of Construction	Contractual Initial Cash Yield	Purchase Price	Additional Commitment ⁽¹⁾
2017 6/16	2	ALF/MC/ILF	180 units	Clovis, CA	Frontier	2014/2016	7.00%	\$ 38,813	\$ -
6/23	1	MC	60 units	West Chester, OH	Thrive Senior Living	2017	- ⁽²⁾	15,650	-
10/31	1	ALF/MC	73 units	Kansas City, MO	Oxford Senior Living	2017	7.00%	16,555	-
12/13	1	UDP ⁽²⁾	110 units	Cedarburg, WI	Tealwood Senior Living	2017-2019	7.50%	800 ⁽⁴⁾	21,671 ⁽⁴⁾
12/22	1	ALF/MC	87 units	Spartanburg, SC	Affinity Living Group	1999	7.25%	10,000 ⁽⁴⁾	- ⁽⁴⁾
	<u>6</u>		<u>510 units</u>					<u>\$ 81,818</u>	<u>\$ 21,671</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 11 for development activities.
- (3) Transitioned two memory care communities in our portfolio from Clarity Pointe to Thrive. The Thrive master lease was amended and restated to include these two memory care communities, along with the property in West Chester, OH. The GAAP rent under the Thrive amended and restated master lease on six properties (four in lease-up and two stabilized) is approximately \$6,400 which represents a lease rate of 7.35% excluding future annual variable rent escalators.
- (4) LTC owns a 90% controlling interest in the partnership that owns the real estate and accounts for the partnership on a consolidated basis.

Loan Originations

Date	# of Properties	Property Type	# Beds/ Units	Location	Loan Type	Maturity Date	Operator	Origination	Total Funded to Date	2018 Revenue ⁽¹⁾	Stated Interest Rate
2018 3/1	1	SNF	112 beds	Sterling Heights, MI ⁽²⁾	Mortgage	Oct-45	Prestige Healthcare	\$ 9,100	\$ 7,400	\$ 53	8.66%

- (1) Represents year-to-date GAAP interest income.
- (2) We funded additional loan proceeds of \$7,400 under an existing mortgage loan and committed to fund \$1,700 in capital improvements. The loan is now secured by three SNF properties in Michigan. The above table represents the incremental details of the additional funding. See page 12 for the detail of remaining commitments for expansions and renovations.

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Real Estate Activities – Unconsolidated Joint Ventures

(dollar amounts in thousands)



“We plan to continue along the same path of meeting the needs of our operating partners through financing flexibility and creativity, while maintaining a steadfast focus on sound investing.”

Wendy Simpson | Chairman, CEO & President | LTC Properties



Merrill Hills Manor
Waukesha, WI

Commitment Year	Location	# of Projects	Operator	Property Type	Investment Type	Maturity Date	Return	# Beds/ Units	Investment Commitment	1Q18 Funding	Total Funded to Date	Remaining Commitment
2015	Peoria & Yuma, AZ	4	Senior Lifestyle	ALF/MC/ILF	Preferred Equity	N/A	15.00% ⁽¹⁾	585 units	\$ 25,650	\$ 380	\$ 23,393	\$ 2,257
2015	Ocala, FL	1	Canterfield	UDP-ALF/IL/MC	Mezzanine	Nov-20	15.00% ⁽²⁾	99 units	2,900	-	2,900	-
2016	Fort Myers, FL	1	Canterfield	UDP-ALF/MC	Mezzanine	Dec-23	15.00% ⁽²⁾	127 units	3,400	-	3,400	-
								<u>811 units</u>	<u>\$ 31,950</u>	<u>\$ 380</u>	<u>\$ 29,693</u>	<u>\$ 2,257</u>

- (1) Currently, 6% is paid in cash and 9% is deferred.
- (2) Currently, 10% is paid in cash and 5% is deferred.

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Real Estate Activities – De Novo Development

(dollar amounts in thousands)



Estimated Rent Inception Date	Commitment Year	Location	Operator	# of Projects	Property Type	Contractual Initial Cash Yield	# Beds/ Units	Investment Commitment ⁽¹⁾	1Q18 Funding	Total Capitalized Interest/Other	Total Project Basis to Date	Remaining Commitment ⁽²⁾
- ⁽³⁾	2016	Oak Lawn, IL	Anthem	1	MC	- ⁽³⁾	66 units	\$ 15,151	\$ 2,959	\$ 293	\$ 10,807	\$ 4,637
4Q18	2016	Union, KY	Carespring	1	SNF	8.50%	143 beds	24,325	1,788	538	13,402	11,461
2Q19	2017	Cedarburg, WI	Tealwood	1	ILF/ALF/MC	7.50%	110 units	22,471	1,493	56	4,520	18,007
Total				3		8.02%	176 units/143 beds	\$ 61,947	\$ 6,240	\$ 887	\$ 28,729	\$ 34,105

(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."

(3) During 2017, we issued a notice of default to Anthem resulting from Anthem's partial payment of minimum rent. Anthem operates one property under development and ten operational memory care communities under a master lease. We are currently not pursuing enforcement of our rights and remedies pertaining to known events of default under the master lease and our guarantees, with the stipulation that Anthem achieve certain levels of performance and pays an annual total amount of approximately \$5,200 toward their obligations of the master lease through December 31, 2018. We receive regular financial performance updates from Anthem and continue to monitor them closely.



Hamilton House Rendering
Cedarburg, WI

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Real Estate Activities – Expansions & Renovations

(dollar amounts in thousands)



Owned

Estimated Rent Inception Date	Commitment Year	Project Type	Location	Operator	# of Projects	Property Type	Contractual Initial Cash Yield	Investment Commitment	1Q18 Funding	Total Funded to Date	Remaining Commitment
- ⁽¹⁾	2017	Renovation	Spartanburg, SC	Affinity Living Group	1	ALF/MC	7.25%	\$ 1,500	\$ 90	\$ 90	\$ 1,410
- ⁽¹⁾	2017	Renovation	Las Vegas, NV	Fundamental	1	OTH	9.00%	5,550	133	523	5,027
Total					2			\$ 7,050	\$ 223	\$ 613	\$ 6,437

(1) Rent payment increases upon each funding.

Mortgage Loans

Estimated Interest Inception Date	Commitment Year	Project Type	Location	Operator	# of Projects	Property Type	Contractual Initial Cash Yield	Investment Commitment	1Q18 Funding	Total Funded to Date	Remaining Commitment
- ⁽¹⁾	2015	Expansion	Rochester Hills, MI	Prestige Healthcare	1	SNF	9.41%	\$ 10,000	\$ 149	\$ 1,157	\$ 8,843
- ⁽²⁾	2015	Renovation	Farmington & Howell, MI	Prestige Healthcare	2	SNF	9.41%	5,000	511	2,796	2,204
- ⁽²⁾	2016	Expansion	Grand Blanc, MI	Prestige Healthcare	1	SNF	9.41%	5,500	840	3,831	1,669
- ⁽²⁾	2016	Renovation	East Lansing, MI	Prestige Healthcare	2	SNF	9.41%	4,500	481	1,679	2,821
- ⁽²⁾	2018	Renovation	Sterling Heights, MI	Prestige Healthcare	1	SNF	8.66%	1,700	-	-	1,700
Total					7			\$ 26,700	\$ 1,981	\$ 9,463	\$ 17,237

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

(2) Interest payment increases upon each funding.

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Real Estate Activities – Lease-Up

(dollar amounts in thousands)



Lease-Up

Date Acquired	Date Opened ⁽¹⁾	Occupancy at 3/31/18	Development Commitment Year	Project Type	Location	Operator	# of Projects	Property Type	Contractual Initial Cash Yield	# of Units	Total Investment ⁽²⁾
Sep-15	Aug-16	65%	2015	Development	Murrieta, CA	Anthem ⁽³⁾	1	MC	- ⁽³⁾	66 units	\$ 12,904
May-15	Jul-16	55%	2015	Development	Tinley Park, IL	Anthem ⁽³⁾	1	MC	- ⁽³⁾	66 units	11,962
Oct-15	Dec-17	41%	2015	Development	Glenview, IL	Anthem ⁽³⁾	1	MC	- ⁽³⁾	66 units	13,532
							3			198 units	\$ 38,398
Jun-17	Sep-16	84%	N/A	Acquisition	Clovis, CA	Frontier	1	MC/ILF	7.00%	73 units	\$ 17,226
Jun-17	Nov-14	68%	N/A	Acquisition	Clovis, CA	Frontier	1	ALF	7.00%	107 units	21,669
							2			180 units	\$ 38,895
May-15	Nov-16	53%	2015	Development	Wichita, KS	Oxford Senior Living	1	ILF	7.43%	108 units	\$ 14,172
Oct-17	Aug-17	45%	N/A	Acquisition ⁽⁴⁾	Kansas City, MO	Oxford Senior Living	1	ALF/MC	7.00%	73 units	16,555
							2			181 units	\$ 30,727
Jun-16	May-16	91%	N/A	Acquisition ⁽⁴⁾	Athens, GA	Thrive Senior Living ⁽⁵⁾	1	ALF/MC		70 units	\$ 14,382
Feb-15	May-16	60%	2015	Development	Corpus Christi, TX	Thrive Senior Living ⁽⁵⁾	1	MC		56 units	11,847
Feb-15	Sep-16	71%	2015	Development	Murrells Inlet, SC	Thrive Senior Living ⁽⁵⁾	1	ALF/MC		89 units	16,265
Jun-17	Apr-17	58%	N/A	Acquisition ⁽⁴⁾	West Chester, OH	Thrive Senior Living ⁽⁵⁾	1	MC		60 units	15,909
							4		7.35% ⁽⁶⁾	275 units	\$ 58,403
							Total	11		834 units	\$ 166,423

(1) Represents date of Certificate of Occupancy.

(2) Total Investment for acquisitions include closing costs.

(3) See page 11 for Anthem disclosure.

(4) Properties were newly constructed and purchased following issuance of final certificate of occupancy and licensure.

(5) Transitioned two memory care communities in our portfolio from Clarity Pointe to Thrive. The Thrive master lease was amended and restated to include these two memory care communities, along with the property in West Chester, OH. The GAAP rent under the Thrive amended and restated master lease on six properties (four in lease-up and two stabilized) is approximately \$6,400 which represents a lease rate of 7.35% excluding future annual variable rent escalators.

Real Estate Activities – Lease-Up History



Lease-Up History

Property	Location	Operator	Property Type	Project Type	# Beds/Units	Date Acquired	Date Opened ⁽¹⁾	Date Stabilized	# of months to Stabilization
Highline Place	Littleton, CO	Anthem	MC	Development	60 units	May 2012	Jul 2013	Sep 2013	2
Willowbrook Place - Kipling	Littleton, CO	Anthem	MC	Development	60 units	Sep 2013	Aug 2014	Dec 2015	16
Chelsea Place	Aurora, CO	Anthem	MC	Development	48 units	Sep 2013	Dec 2014	Mar 2016	15
Greenridge Place	Westminster, CO	Anthem	MC	Development	60 units	Dec 2013	Feb 2015	Feb 2017	24
Harvester Place ⁽²⁾	Burr Ridge, IL	Anthem	MC	Development	66 units	Oct 2014	Feb 2016	Feb 2018	24
Coldspring Transitional Care Center	Cold Spring, KY	Carespring	SNF	Development	143 beds	Dec 2012	Nov 2014	Jun 2016	19
Hillside Heights Rehabilitation Suites	Amarillo, TX	Fundamental	SNF	Redevelopment	120 beds	Oct 2011	Jul 2013	Aug 2013	1
Pavilion at Glacier Valley	Slinger, WI	Fundamental	SNF	Redevelopment	106 beds	Feb 2015	Feb 2014	Feb 2016	24
Pavilion at Creekwood	Mansfield, TX	Fundamental	SNF	Acquisition	126 beds	Feb 2016	Jul 2015	Feb 2017	12
Mustang Creek Estates	Frisco, TX	Mustang Creek Mgmt	ALF/MC	Development	80 units	Dec 2012	Oct 2014	Dec 2015	14
The Oxford Grand	Wichita, KS	Oxford Senior Living	ALF/MC	Development	77 units	Oct 2012	Oct 2013	Sep 2014	11
Thrive at Deerwood	Jacksonville, FL	Thrive Senior Living	MC	Acquisition	60 units	Sep 2015	Jul 2015	Jul 2017	24
Thrive at Beckley Creek ⁽³⁾	Louisville, KY	Thrive Senior Living	MC	Acquisition	60 units	Apr 2016	Mar 2016	Mar 2018	24

(1) Represents date of Certificate of Occupancy.

(2) Property meets the definition of stabilized but has not yet achieved the applicable occupancy threshold. The occupancy for Burr Ridge, IL property at March 31, 2018 was 68%.

(3) Property meets the definition of stabilized but has not yet achieved the applicable occupancy threshold. Thrive began operating the Louisville, KY property on September 19, 2017 and occupancy at March 31, 2018 was 77%.

Proforma Portfolio Metrics

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Proforma Portfolio Metrics ⁽¹⁾



Same Property Portfolio Statistics ⁽²⁾

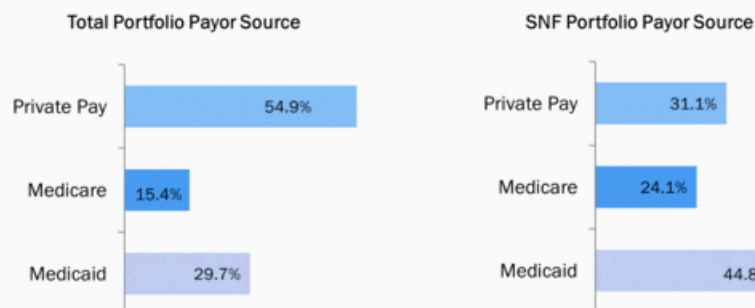
Owned Properties	Occupancy		Normalized EBITDARM Coverage		Normalized EBITDAR Coverage	
	4Q17	3Q17	4Q17	3Q17	4Q17	3Q17
Assisted Living	84.5%	83.9%	1.46	1.46	1.24	1.25
Skilled Nursing	78.4%	78.6%	1.83	1.89	1.33	1.38

(1) Proforma for the sale of six Sunrise properties.

(2) Information is for the trailing twelve months through December 31, 2017 and September 30, 2017 and is from property level operator financial statements which are unaudited and have not been independently verified by LTC.

Stabilized Property Portfolio

TTM Ended December 31, 2017



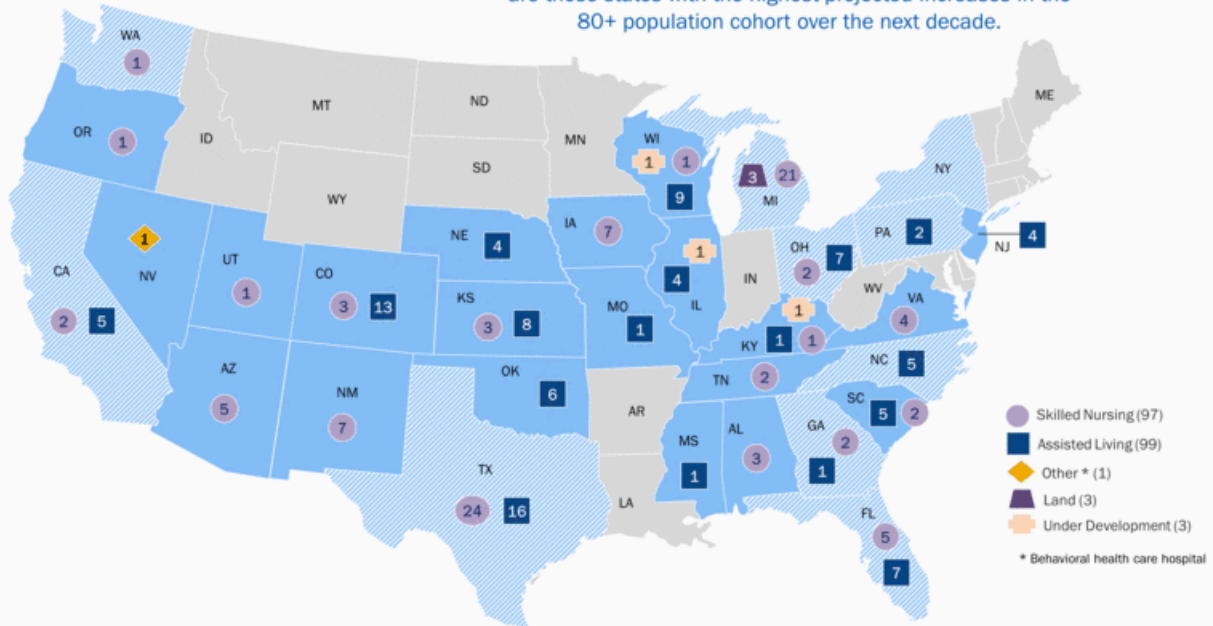
Proforma Portfolio Diversification – Geography ⁽¹⁾

(as of March 31, 2018)



197 Properties | 3 Development Projects | 3 Land Parcels | 29 States | 29 Operators

States in which we have the highest concentration of properties are those states with the highest projected increases in the 80+ population cohort over the next decade.



1) Proforma for the sale of six Sunrise properties subsequent to March 31, 2018.

Represents 10 states with the highest projected increases in the 80+ population cohort from year 2020 to year 2030
Source: The American Senior Housing Association, Winter 2018, Population Growth Forecast by State

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Proforma Portfolio Diversification – Geography ⁽¹⁾

(as of March 31, 2018, dollar amounts in thousands)

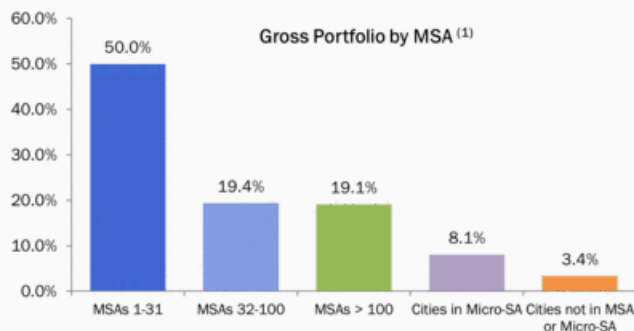


State ⁽²⁾	# of Props	SNF	%	ALF	%	UDP	%	OTH ⁽³⁾	%	Gross Investment	%
Texas	40	\$ 216,247	26.6%	\$ 50,804	6.8%	\$ -	-	\$ -	-	\$ 267,051	16.7%
Michigan	21	234,636	28.8%	-	-	-	-	943	8.8%	235,579	14.7%
Wisconsin	10	13,946	1.7%	112,474	15.1%	4,521	15.7%	-	-	130,941	8.2%
Colorado	16	8,044	1.0%	106,879	14.3%	-	-	-	-	114,923	7.2%
California	7	22,130	2.7%	80,124	10.7%	-	-	-	-	102,254	6.4%
Ohio	9	54,000	6.7%	31,989	4.3%	-	-	-	-	85,989	5.4%
Illinois	4	-	-	71,466	9.6%	10,807	37.6%	-	-	82,273	5.1%
Florida	12	35,362	4.4%	39,247	5.3%	-	-	-	-	74,609	4.7%
Kansas	11	14,112	1.7%	57,577	7.7%	-	-	-	-	71,689	4.5%
New Jersey	4	-	-	62,064	8.3%	-	-	-	-	62,064	3.9%
All Others	63	215,065	26.4%	133,946	17.9%	13,401	46.7%	9,797	91.2%	372,209	23.2%
Total	197	\$ 813,542	100.0%	\$ 746,570	100.0%	\$ 28,729	100.0%	\$ 10,740	100.0%	\$ 1,599,581	100.0%

(1) Proforma for the sale of six Sunrise properties subsequent to March 31, 2018.

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

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



(1) The MSA rank by population as of July 1, 2017, as estimated by the United States Census Bureau.
Proforma MSA for the sale of six Sunrise properties subsequent to March 31, 2018.

Approximately 69% of our properties are in the Top 100 MSAs

MSAs 1 - 31 • Population 20.3M – 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

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Proforma Portfolio Diversification – Operators ⁽¹⁾

(as of March 31, 2018, dollar amounts in thousands)



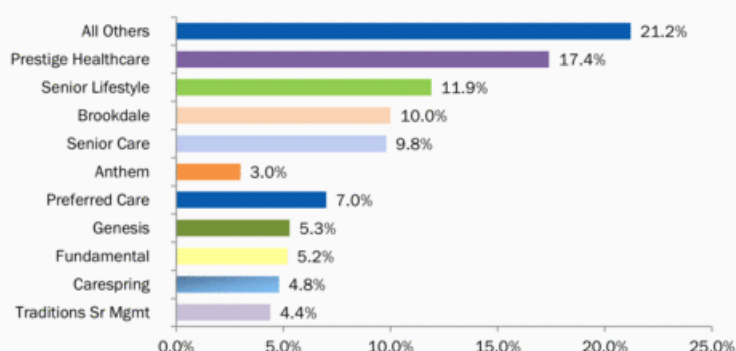
Operators	# of Properties	Annual Income ⁽²⁾	%	Gross Investment	%
Prestige Healthcare	23	\$ 27,934	17.4%	\$ 247,769	15.5%
Senior Lifestyle Corporation	23	19,133	11.9%	189,226	11.8%
Brookdale Senior Living	37	16,034	10.0%	126,991	8.0%
Senior Care Centers	11	15,756	9.8%	138,109	8.6%
Anthem Memory Care ⁽³⁾	10	4,824	3.0%	131,527	8.2%
Preferred Care	26	11,278	7.0%	86,998	5.5%
Genesis Healthcare	8	8,434	5.3%	54,864	3.4%
Fundamental	7	8,354	5.2%	75,175	4.7%
Carespring Health Care Management	3	7,635	4.8%	90,948	5.7%
Traditions Senior Management	5	7,056	4.4%	62,877	3.9%
All Others	44	33,925	21.2%	395,097	24.7%
	197	\$ 160,363	100.0%	\$ 1,599,581	100.0%

(1) Proforma for the sale of six Sunrise properties subsequent to March 31, 2018.

(2) Includes annualized GAAP rent for leased properties except for Anthem as described below, 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, 2018.

(3) Anthem is currently being accounted for on a cash basis. Contractual annualized GAAP rent is \$11,963. See page 11 for Anthem disclosure.

Annual Income by Operator



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Portfolio Diversification - Top Ten Operator Profiles

(as of March 31, 2018)



Privately Held

SNF/ALF/ILF
Other Rehab

80 Properties

7 States



Privately Held

ALF/ILF/MC/SNF
Short Term Stays

178 Properties

25 States



NYSE: BKD

ALF/ILF/MC
Continuing Care

Approx 1,023 Properties

46 States



Privately Held

SNF/ALF/ILF/MC
Transitional Care & Rehab

107 Properties

2 States



Privately Held

Exclusively MC

11 Properties

4 States

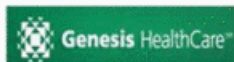


Privately Held

SNF/ALF/ILF
Specialty Care

108 Properties

12 States



NYSE: GEN

SNF/ALF
Senior Living

More than 450 Properties

30 States



Privately Held

SNF/MC
Hospitals & Other Rehab

100 Properties

10 States



Privately Held

SNF/ALF/ILF
Transitional Care

11 Properties

2 States



Privately Held

SNF/ALF/ILF

33 Properties

6 States

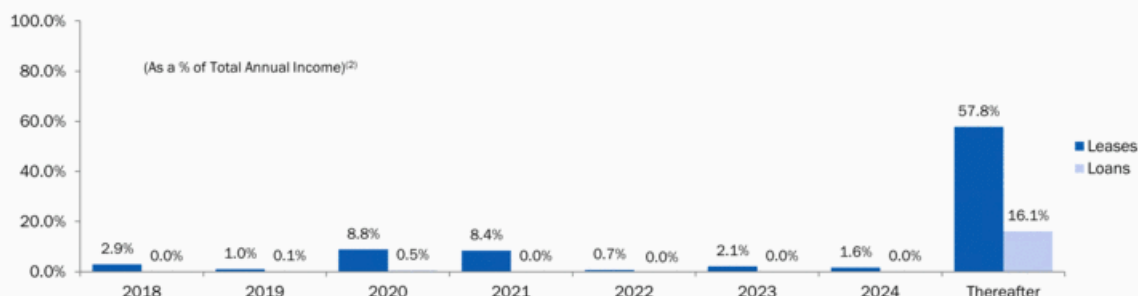
20

Proforma Portfolio Maturity⁽¹⁾

(as of March 31, 2018, dollar amounts in thousands)



Year	Rental Income ⁽²⁾	% of Total	Interest Income ⁽²⁾	% of Total	Annual Income ⁽²⁾	% of Total
2018	\$ 4,620	3.5%	\$ -	-	\$ 4,620	2.9%
2019	1,571	1.2%	122	0.4%	1,693	1.1%
2020	14,058	10.5%	828	3.1%	14,886	9.3%
2021	13,494	10.1%	-	-	13,494	8.4%
2022	1,175	0.9%	-	-	1,175	0.7%
2023	3,311	2.5%	-	-	3,311	2.1%
2024	2,630	2.0%	-	-	2,630	1.6%
Thereafter ⁽³⁾	92,683	69.3%	25,871	96.5%	118,554	73.9%
Total	\$ 133,542	100.0%	\$ 26,821	100.0%	\$ 160,363	100.0%



(1) Proforma for the sale of six Sunrise properties subsequent to March 31, 2018.

(2) Includes annualized GAAP rent for leased properties except for Anthem as described below, 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, 2018.

(3) Anthem is currently being accounted for on a cash basis. Contractual annualized GAAP rent is \$11,963. See page 11 for Anthem disclosure.

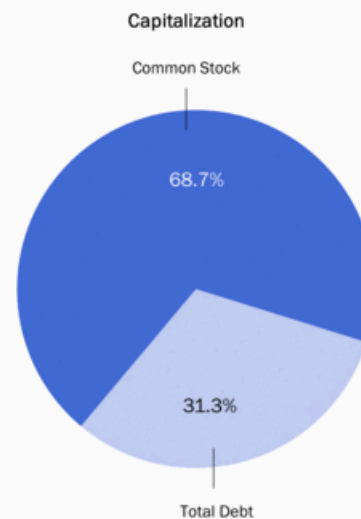
21

Enterprise Value

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



	At March 31, 2018	Capitalization
Debt		
Bank borrowings - weighted average rate 3.2%	\$ 120,500	
Senior unsecured notes - weighted average rate 4.5% ⁽¹⁾	566,888	
Total debt - weighted average rate 4.3%	687,388	31.3%
Equity		
	No. of shares	3/29/18 Closing Price
Common stock	39,628,835	\$ 38.00 ⁽²⁾
		1,505,896
Total Market Value		\$ 2,193,284
		100.0%
Less: Cash and cash equivalents	(3,784)	
Enterprise Value	\$ 2,189,500	
Debt to Enterprise Value	31.4%	
Debt to Annualized Normalized EBITDA ⁽³⁾	4.6x	



(1) Represents outstanding balance of \$567,967, net of debt issue costs of \$1,079. Rate includes amortization of debt issue cost.

(2) Closing price of our common stock as reported by the NYSE on March 29, 2018, the last trading day of first quarter 2018.

(3) See page 27 for reconciliation of annualized normalized EBITDA.

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Proforma Enterprise Value

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



At March 31, 2018

Capitalization

Debt

Bank borrowings - weighted average rate 3.6% ⁽¹⁾	\$	55,500	
Senior unsecured notes - weighted average rate 4.5% ⁽²⁾		566,888	
Total debt - weighted average rate 4.4%		622,388	29.2%

Equity

	No. of shares	3/29/18 Closing Price		
Common stock	39,628,835	\$ 38.00 ⁽³⁾	1,505,896	70.8%

Total Market Value

	\$	2,128,284	100.0%
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Less: Cash and cash equivalents (1,268)

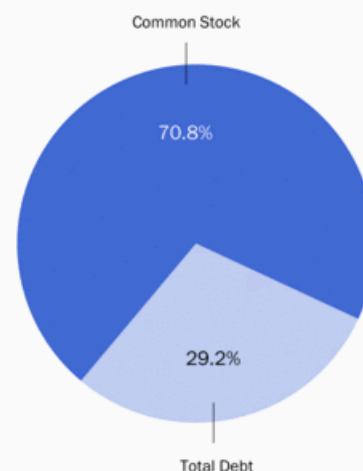
Enterprise Value

	\$	2,127,016
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Debt to Enterprise Value 29.3%

Debt to Annualized Normalized EBITDA⁽⁴⁾ 4.3x

Capitalization



- (1) Proforma includes the pay down of \$65,000 after the sale of six Sunrise properties. Subsequent to March 31, 2018, we have \$55,500 outstanding with \$544,500 available for borrowing.
 (2) Represents outstanding balance of \$567,967, net of debt issue costs of \$1,079. Rate includes amortization of debt issue cost.
 (3) Closing price of our common stock as reported by the NYSE on March 29, 2018, the last trading day of first quarter 2018.
 (4) See page 27 for reconciliation of annualized normalized EBITDA.

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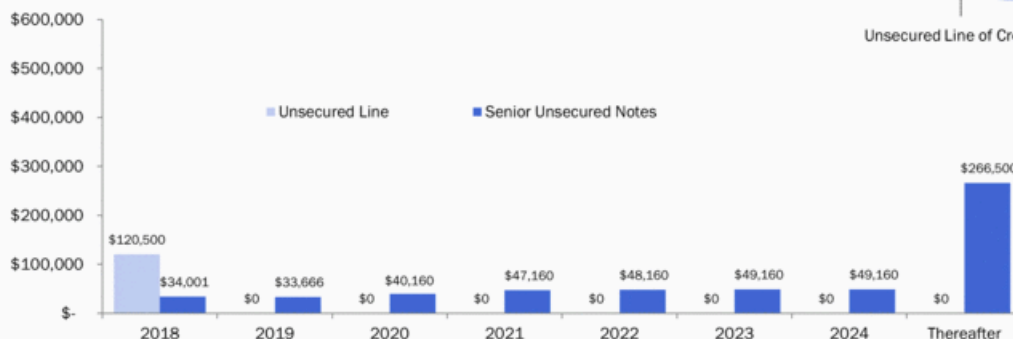
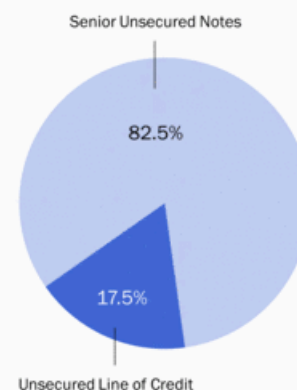
Debt Maturity

(as of March 31, 2018, dollar amounts in thousands)



Year	Unsecured Line of Credit ⁽¹⁾	Senior Unsecured Notes ⁽²⁾	Total	% of Total
2018	\$ 120,500	\$ 34,001	\$ 154,501	22.4%
2019	-	33,666	33,666	4.9%
2020	-	40,160	40,160	5.8%
2021	-	47,160	47,160	6.9%
2022	-	48,160	48,160	7.0%
2023	-	49,160	49,160	7.1%
2024	-	49,160	49,160	7.1%
Thereafter	-	266,500	266,500	38.8%
Total	\$ 120,500	\$ 567,967 ⁽³⁾	\$ 688,467 ⁽³⁾	100.0%

Debt Structure



- (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 22.

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Proforma Debt Maturity

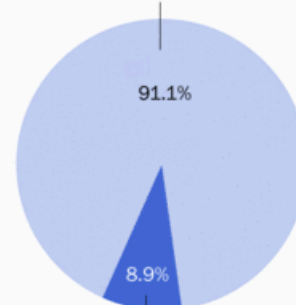
(as of March 31, 2018, dollar amounts in thousands)



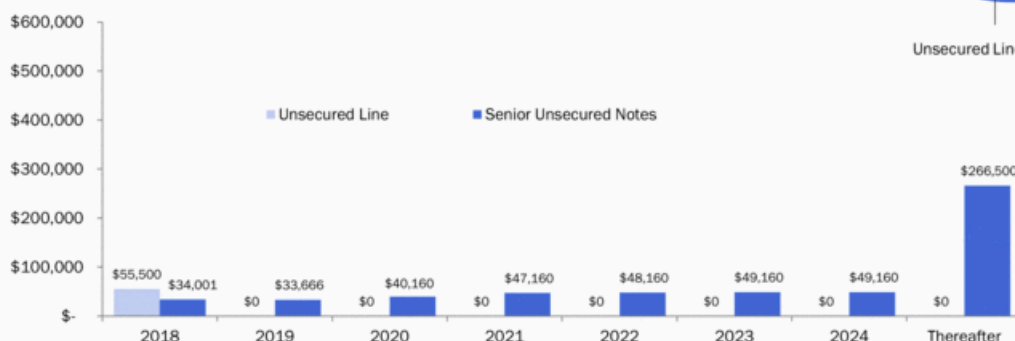
Year	Unsecured Line of Credit ⁽¹⁾	Senior Unsecured Notes ⁽²⁾	Total	% of Total
2018	\$ 55,500	\$ 34,001	\$ 89,501	14.4%
2019	-	33,666	33,666	5.4%
2020	-	40,160	40,160	6.4%
2021	-	47,160	47,160	7.6%
2022	-	48,160	48,160	7.7%
2023	-	49,160	49,160	7.9%
2024	-	49,160	49,160	7.9%
Thereafter	-	266,500	266,500	42.7%
Total	\$ 55,500	\$ 567,967 ⁽³⁾	\$ 623,467 ⁽³⁾	100.0%

Debt Structure

Senior Unsecured Notes



Unsecured Line of Credit



- (1) Total commitment under our unsecured revolving line of credit is \$600,000 which matures in October 2018, with a one-year extension option. Proforma includes the pay down of \$65,000 after the sale of six Sunrise properties. Subsequent to March 31, 2018, we have \$55,500 outstanding with \$544,500 available for borrowing.
- (2) Reflects scheduled principal payments.
- (3) Excludes debt issue costs which are included in the senior unsecured notes balance shown on page 23.

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Financial Data Summary

(dollar amounts in thousands)

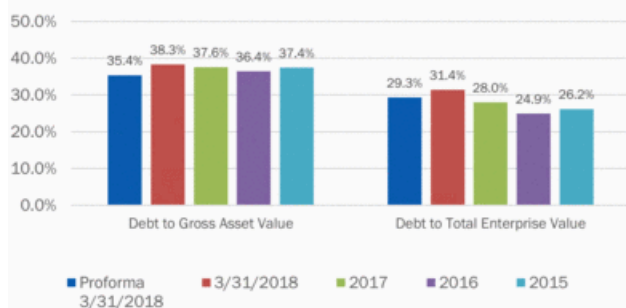


Balance Sheet and Leverage Ratios

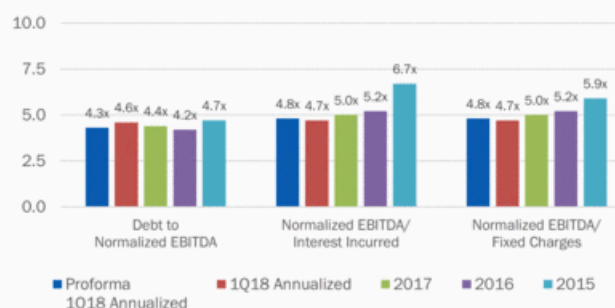
	Proforma ⁽¹⁾ 3/31/2018	3/31/18	12/31/17	12/31/16	12/31/15
Balance Sheet					
Gross real estate assets	\$1,599,581	\$1,637,240	\$1,618,284	\$1,533,679	\$1,418,405
Net real estate investments	1,303,092	1,319,444	1,309,996	1,255,503	1,164,950
Gross asset value	1,756,828	1,797,092	1,774,024	1,673,238	1,528,879
Total debt ⁽²⁾	622,388	687,388	667,502	609,391	571,872
Total liabilities	656,985	722,267	706,922	654,848	616,222
Total equity	803,188	756,863	758,648	740,048	659,202

- (1) Proforma for the sale of six Sunrise properties and paydown of \$65,000 with the sales proceeds.
- (2) Represents outstanding balance of gross bank borrowings and senior unsecured notes, net of debt issue costs.

Leverage Ratios



Coverage Ratios



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Financial Data Summary

(dollar amounts in thousands)



Reconciliation of Annualized Normalized EBITDA and Fixed Charges

	Proforma 1Q18 Annualized ⁽¹⁾⁽²⁾	1Q18 Annualized ⁽²⁾	For the Year Ended		
			12/31/17	12/31/16	12/31/15
Net income	\$ 127,761	\$ 81,436	\$ 87,340	\$ 85,115	\$ 73,081
Less: Gain on sale of real estate, net	(48,347)	-	(3,814)	(3,582)	(586)
Add: Impairment charges	-	-	1,880 ⁽³⁾	766 ⁽⁴⁾	2,250 ⁽⁵⁾
Add: Interest expense	29,469	31,316	29,949	26,442	17,497
Add: Depreciation and amortization	37,164	37,776	37,610	35,932	29,431
Adjusted EBITDA	146,047	150,528	152,965	144,673	121,673
Add: Non-recurring one-time items	-	-	-	-	937
Normalized EBITDA	\$ 146,047	\$ 150,528	\$ 152,965	\$ 144,673	\$ 122,610
Interest expense:	\$ 29,469	\$ 31,316	\$ 29,949	\$ 26,442	\$ 17,497
Add: Capitalized interest	1,036	1,036	908	1,408	827
Interest incurred	\$ 30,505	\$ 32,352	\$ 30,857	\$ 27,850	\$ 18,324
Interest incurred	\$ 30,505	\$ 32,352	\$ 30,857	\$ 27,850	\$ 18,324
Preferred stock dividend	-	-	-	-	2,454
Fixed Charges	\$ 30,505	\$ 32,352	\$ 30,857	\$ 27,850	\$ 20,778

(1) Proforma for the sale of six Sunrise properties and paydown of \$65,000 with the sales proceeds.

(2) Gain on sale of real assets, impairment charges and non-recurring one-time items were not annualized.

(3) In conjunction with our negotiations to transition two properties to another operator in our portfolio, we wrote off \$1,880 of straight-line rent and other receivables related to these two properties.

(4) Impairment charge related to an asset sold in 2017.

(5) Impairment charge related to an asset sold in 2015.

Non-Cash Revenue Components

	1Q18	2Q18 ⁽¹⁾	3Q18 ⁽¹⁾	4Q18 ⁽¹⁾	1Q19 ⁽¹⁾
Straight-line rent	\$ 3,440	\$ 2,096	\$ 1,105	\$ 718	\$ 696
Amort of lease inducement	(540)	(549)	(549)	(549)	(549)
Effective Interest	1,404	1,432	1,426	1,367	1,329
Net	\$ 4,304	\$ 2,979	\$ 1,982	\$ 1,536	\$ 1,476

(1) For leases and loans in place at March 31, 2018, assuming no renewals, modification or replacement, and no new investments are added to our portfolio and excludes straight-line rent under the Anthem master lease which is in default and currently being accounted for on a cash basis. See page 11 for Anthem disclosure.

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Income Statement Data

(amounts in thousands, except per share amounts)



	Three Months Ended March 31,	
	2018	2017
	(unaudited)	
Revenues		
Rental income	\$ 34,505	\$ 35,035
Interest income from mortgage loans	6,816	6,748
Interest and other income	489	839
Total revenues	41,810	42,622
Expenses		
Interest expense	7,829	7,471
Depreciation and amortization	9,444	9,359
Provision (recovery) for doubtful accounts	8	(38)
Transaction costs	4	22
General and administrative expenses	4,797	4,740
Total expenses	22,082	21,554
Operating Income	19,728	21,068
Income from unconsolidated joint ventures	631	445
Net Income	20,359	21,513
Income allocated to participating securities	(88)	(97)
Net income available to common stockholders	\$ 20,271	\$ 21,416
Earnings per common share:		
Basic	\$0.51	\$0.54
Diluted	\$0.51	\$0.54
Weighted average shares used to calculate earnings per common share:		
Basic	39,451	39,366
Diluted	39,454	39,612
Dividends declared and paid per common share	\$0.57	\$0.57

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Consolidated Balance Sheets

(amounts in thousands, except per share amounts)



	March 31, 2018 (unaudited)	December 31, 2017 (audited)		March 31, 2018 (unaudited)	December 31, 2017 (audited)
ASSETS			LIABILITIES		
Investments:			Bank borrowings		
Land	\$ 121,496	\$ 124,041	Senior unsecured notes, net of debt issue costs: 2018 - \$1,079; 2017 - \$1,131	\$ 120,500	\$ 96,500
Buildings and improvements	1,236,605	1,262,335	Total Debt	566,888	571,002
Accumulated depreciation and amortization	(292,222)	(304,117)		687,388	667,502
Operating real estate property, net	1,065,879	1,082,259			
Properties held-for-sale, net of accumulated depreciation:			Accrued interest	4,114	5,276
2018 - \$23,223; 2017 - \$1,916	20,182	3,830	Accrued incentives and earn-outs	9,041	8,916
Real property investments, net	1,086,061	1,086,089	Accrued expenses and other liabilities	21,724	25,228
Mortgage loans receivable, net of loan loss reserve: 2018 - \$2,351; 2017 - \$2,255	233,383	223,907	Total liabilities	722,267	706,922
Real estate investments, net	1,319,444	1,309,996			
Notes receivable, net of loan loss reserve:			EQUITY		
2018 - \$166; 2017 - \$166	16,402	16,402	Stockholders' equity:		
Investments in unconsolidated joint ventures	30,289	29,898	Common stock ⁽¹⁾	396	396
Investments, net	1,366,135	1,356,296	Capital in excess of par value	857,426	856,992
Other assets:			Cumulative net income	1,121,142	1,100,783
Cash and cash equivalents	3,784	5,213	Cumulative distributions	(1,225,589)	(1,203,011)
Debt issue costs related to bank borrowings	540	810	Total stockholders' equity	753,375	755,160
Interest receivable	16,456	15,050			
Straight-line rent receivable, net of allowance for doubtful accounts: 2018 - \$726; 2017 - \$814	68,017	64,490	Non-controlling interests	3,488	3,488
Lease incentives	21,321	21,481			
Prepaid expenses and other assets	2,877	2,230	Total equity	756,863	758,648
Total assets	\$ 1,479,130	\$ 1,465,570	Total liabilities and equity	\$ 1,479,130	\$ 1,465,570

(1) Common stock of \$0.01 par value; 60,000 shares authorized; shares issued and outstanding: 2018 - 39,629; 2017 - 39,570

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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,	
	2018	2017
GAAP net income available to common stockholders	\$ 20,271	\$ 21,416
Add: Depreciation and amortization	9,444	9,359
NAREIT FFO attributable to common stockholders	29,715	30,775
Less: Non-cash rental income	(2,900)	(2,340)
Less: Effective interest income from mortgage loans	(1,404)	(1,307)
Less: Deferred income from unconsolidated joint ventures	(31)	(47)
Adjusted FFO (AFFO)	25,380	27,081
Add: Non-cash compensation charges	1,376	1,259
Add: Non-cash interest related to earn-out liabilities	126	226
Less: Capitalized interest	(259)	(170)
Funds available for distribution (FAD)	\$ 26,623	\$ 28,396
NAREIT Diluted FFO attributable to common stockholders per share	\$0.75	\$0.78

Reconciliation of FFO Per Share

For the three months ended March 31,

Normalized FFO/AFFO/FAD attributable to common stockholders

Effect of dilutive securities:

Participating securities

Diluted normalized FFO/AFFO/FAD assuming conversion

Shares for basic FFO/AFFO/FAD per share

Effect of dilutive securities:

Stock options

Performance based stock units (MSU)

Participating securities

Shares for diluted normalized FFO/AFFO/FAD per share

FFO		AFFO		FAD	
2018	2017	2018	2017	2018	2017
\$ 29,715	\$ 30,775	\$ 25,380	\$ 27,081	\$ 26,623	\$ 28,396
88	97	88	97	88	97
\$ 29,803	\$ 30,872	\$ 25,468	\$ 27,178	\$ 26,711	\$ 28,493
39,451	39,366	39,451	39,366	39,451	39,366
3	11	3	11	3	11
-	75	-	75	-	75
149	160	149	160	149	160
39,603	39,612	39,603	39,612	39,603	39,612

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Glossary

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 Communities ("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 Communities ("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 and other notes.

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 Communities ("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 certain circumstances, the Company strategically allocates 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.

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Glossary

Micro Metropolitan 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 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).

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 and the Prestige Healthcare mortgage loan portfolio. Our SPP is comprised of stabilized properties occupied and operated throughout the duration of the quarter-over-quarter comparison periods presented (excluding assets sold and assets held-for-sale). Accordingly, a property must be occupied and stabilized for a minimum of 15 months 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, or issuance of certificate of occupancy for properties acquired in lease-up.

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

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Company

Founded in 1992, LTC Properties, Inc. (LTC) is a self-administered real estate investment trust (REIT) investing in seniors housing and health care properties primarily through sale-leaseback transactions, mortgage financing and structured finance solutions including preferred equity and mezzanine lending. LTC's portfolio encompasses Skilled Nursing Facilities (SNF), Assisted Living Communities (ALF), Independent Living Communities (ILF), Memory Care Communities (MC) and combinations thereof. Our main objective is to build and grow a diversified portfolio that creates and sustains shareholder value while providing our stockholders current distribution income. To meet this objective, we seek properties operated by regional operators, ideally offering upside and portfolio diversification (geographic, operator, property type and investment vehicle). For more information, visit 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, 2017 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 27 and 30 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.