American Healthcare REIT

Dodge & Cox 2026 Stock Pitch Competition

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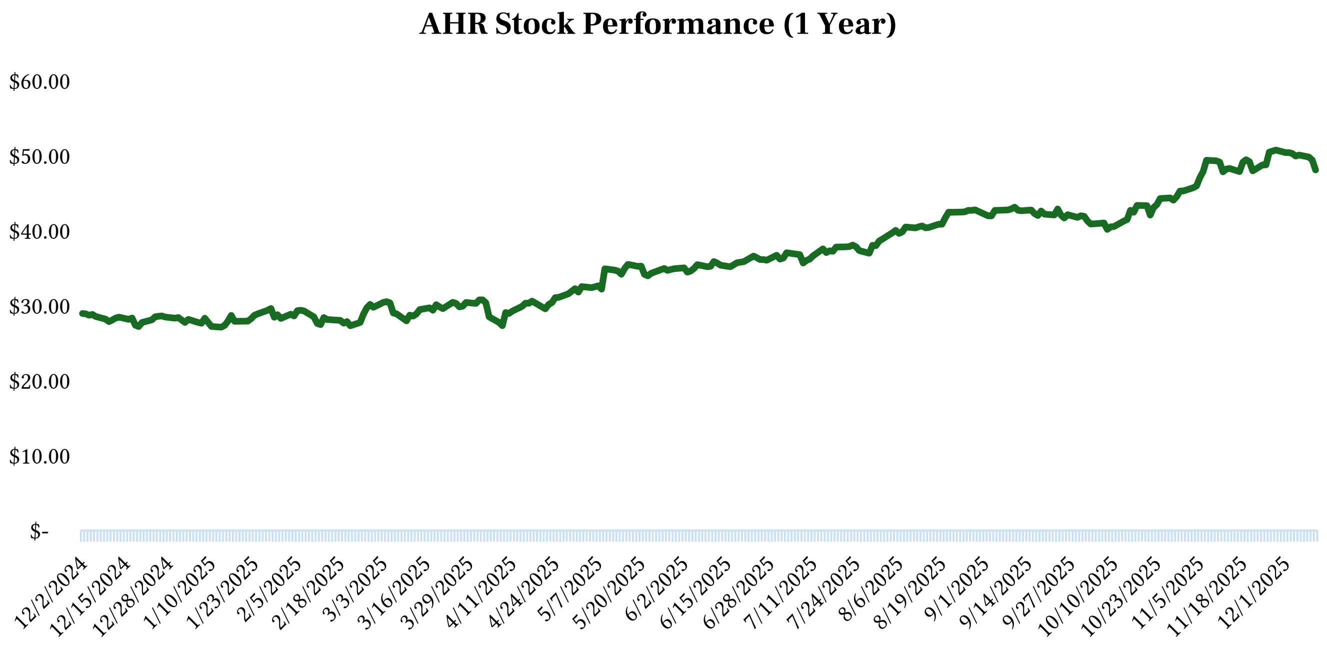
Recommendation

We recommend investors buy American Healthcare Reit (AHR) stock with a price target of $82.5, which represents 75.5% upside from current share price. We believe AHR deserves a premium multiple to healthcare REIT peers due to its RIDEA structure, private-pay mix, and internalized operating margins.

Main Thesis Points

- AHR acquired one of the highest-quality senior housing operating platforms in the U.S., anchored by Trilogy's superior occupancy, margins, and private-pay mix.
- AHR appears overvalued on near-term valuation metrics, but those measures underestimate its forward FFO growth and operating leverage.
- AHR is entering a multi-year earnings and Net Operating Income inflection, driven by gradual occupancy recovery, improving pricing power, and margin normalization post-COVID.
- Balance sheet de-risked through extended debt maturities, majority fixed-rate financing, and improving leverage metrics.
- As a hybrid RIDEA REIT, AHR controls both the land and the operator, Trilogy allowing it to internalize operating margins in addition to real estate returns. This vertical integration maximizes profit capture compared to peers.



Total Capitalization		
Share Price (as of 12/12/2025 closing)	$	47.25
Fully Diluted Shares Outstanding		188.3
Market Capitalization	$	8,897.2
Total Debt	$	1,550
Total Capitalization	$	10,447.2

Trading Statistics	
52-Week Range	$26.40 - $51.02
Dividend Yield	2.14%
Avg. Daily Volume (M)	1.714
Short Interest as a % of Float	7.52%

Summary Valuation	2024	2025
EV / Revenue	5.04x	4.63x
EV / EBITDA	27.3x	24.79x
P / E	NM	274.71x

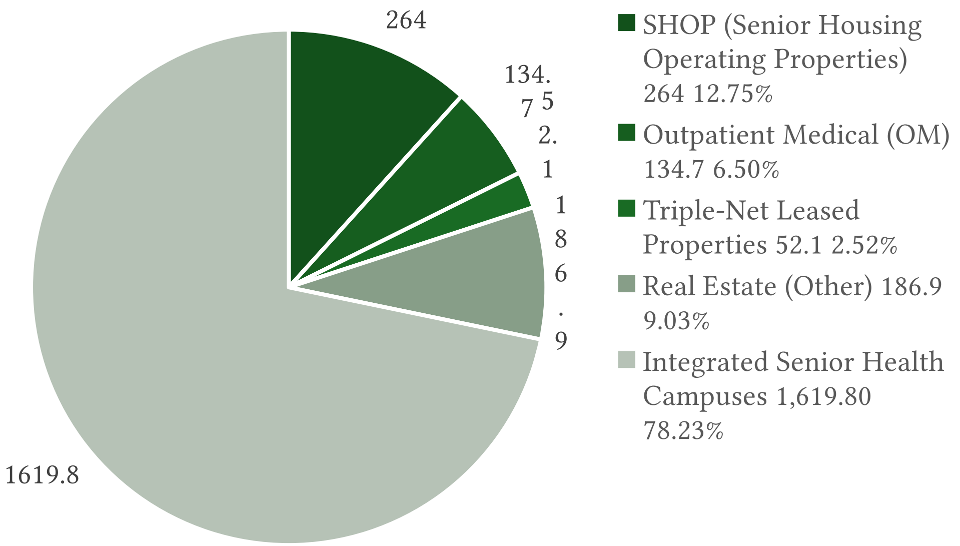
Business Model (AHR)

Business Overview

American Healthcare REIT Inc. is a self-managed real estate investment trust that acquires, owns and operates a diversified portfolio of clinical healthcare real estate properties, focusing primarily on medical office buildings, senior housing, skilled nursing facilities, hospitals and other healthcare-related facilities. AHR is in 36 states and the United Kingdom

4	291	124	70	78	19
DIVERSIFIED PROPERTY SEGMENTS	TOTAL CAMPUSES / PROPERTIES	INTEGRATED SENIOR HEALTH CAMPUSES	SENIOR HOUSING OPERATING PROPERTIES	OUTPATIENT MEDICAL PROPERTIES	TRIPLE-NET LEASED PROPERTIES

Revenue by Segment ($M)



Category	Key Metrics
Total Properties	**291 properties** (124 ISHC, 78 OM, 70 SHOP, 19 Triple-Net)
Total Square Footage	**~20.1 million sq. ft.**
Geographic Footprint	**~36 U.S. states** + U.K. + Isle of Man
Integrated Senior Health Campuses (Trilogy)	**124 campuses**
• Total Beds/Units	**12,657** (7,226 SNF beds; 5,431 senior housing units)
• Average Campus Age	**10.6 years**
• Total Average Occupancy	**88.80%**
SHOP (Senior Housing Operating Properties)	**70 properties**
• Same-Store Occupancy	**86.60%**
• Same-Store NOI Growth	**23.00%**
Outpatient Medical (OM)	**78 properties**
• Same-Store Occupancy	**91.70%**
• Consolidated GLA**	**4.0 million sq. ft.**
• Tenant Profile	**~90% multi-tenant**; **~75% on-campus/adjacent**
Triple-Net Leased Properties	**19 properties**
• Avg. SS Operator Occupancy	**88.90%**
Portfolio Operating Quality	**~90% portfolio occupancy**

American Healthcare REIT, Investor Presentation, Sept 2025

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Macroeconomic Overview

Inflation and Monetary Policy

- The United States has shifted toward a more accommodative monetary policy as inflation has cooled, and economic growth has slowed. The Federal Reserve cut its benchmark federal funds rate to approximately 3.50%–3.75% by late 2025.
- Looking ahead, the Federal Reserve is expected to pause rate reductions in early 2026 and maintain near current levels.
- Lower interest rates support REIT valuations by reducing borrowing costs, improving refinancing conditions, and stabilizing cap rates, which positively impacts net asset value (NAV) and funds from operations (FFO) growth.

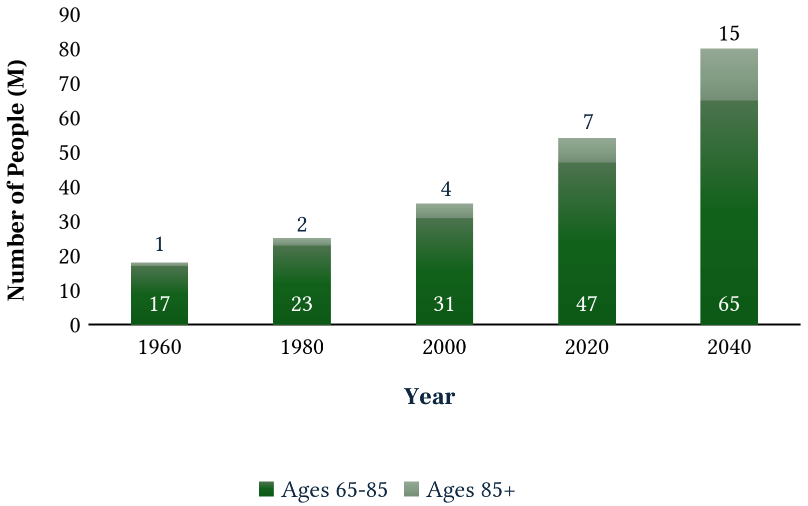
Healthcare Policy & Spending

- Changes to Medicare/Medicaid reimbursement and overall healthcare spending directly affect tenant profitability, occupancy rates, and AHR's rental income stability.

Industry Tailwinds

- Rapid growth of the 75+ population support increasing occupancy rates and demand for senior housing.
- New developments have been curtailed by rising construction costs ,and lender caution. Demand growth outplacing supply supports rent growth and margin expansion.
- Labor pressures that peaked post pandemic are now in an easing period.

Number of Older Americans

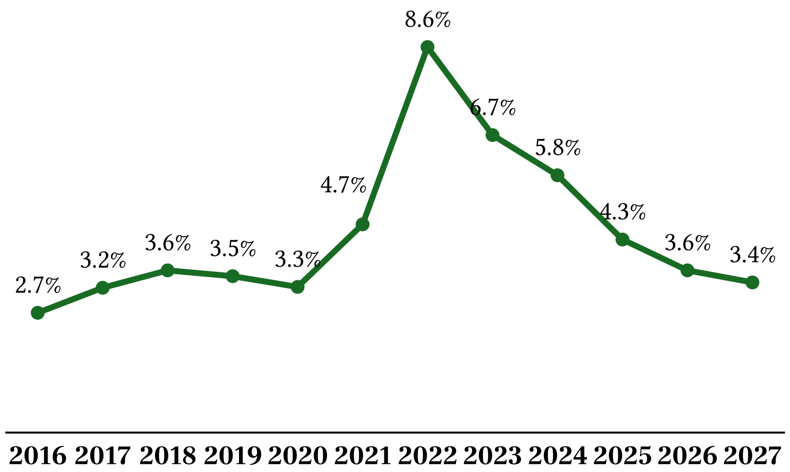


Source: U.S. Census Bureau (2004a, 2004b, 2004c).

Industry Headwinds

- Higher interests rates are pressuring REIT valuations through borrowing costs and slowing acquisition-driven growth.
- Performance of senior housing assets depends on operator execution creating variability in margins and cash flow for REITS with operating exposure.
- Certain Healthcare assets are exposed to changes in reimbursement policy and Medicaid.

Global Inflation Rate



Source: Statista, global inflation data.

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Risks

Tenant Financial Health

- We are dependent on tenants for our revenue, and lease defaults or terminations could reduce our ability to make distributions to our stockholders.
- Reimbursement rates from third-party payors, including Medicare and Medicaid, that do not rise as quickly, or at all, compared to the rate of inflation, could adversely affect our tenants' operations and ability to make rental payments to us or our profitability from operating facilities held in RIDEA structures.

Investment & Acquisition Risk

- Investments and acquisitions in senior housing, SNFs, OM buildings, and other healthcare properties may not meet expectations. Challenges include unexpected costs, tenant-specific improvements, operational demands, integration difficulties, unfamiliar markets, regulatory hurdles, and supply chain or labor delays. These factors could reduce returns, hinder redevelopment, or lead to asset impairment.

Regulatory & Legal Risk

- Uncertainty from changing laws, government actions, or enforcement priorities may increase compliance costs.
- Conflicting regulations or legal challenges across jurisdictions could disrupt operations or limit strategic flexibility.
- A final rule is a regulation officially issued by a federal agency after review and public comment, which has the force of law. Tracking the number of final rules each year helps gauge overall regulatory activity and potential compliance risk.

Year	Final Rules
2009	3,503
2010	3,573
2011	3,807
2012	3,708
2013	3,659
2014	3,554
2015	3,410
2016	3,853
2017	3,281
2018	3,368

Office of the Federal Register (NARA), *Federal Register Statistic*

Industry Analysis

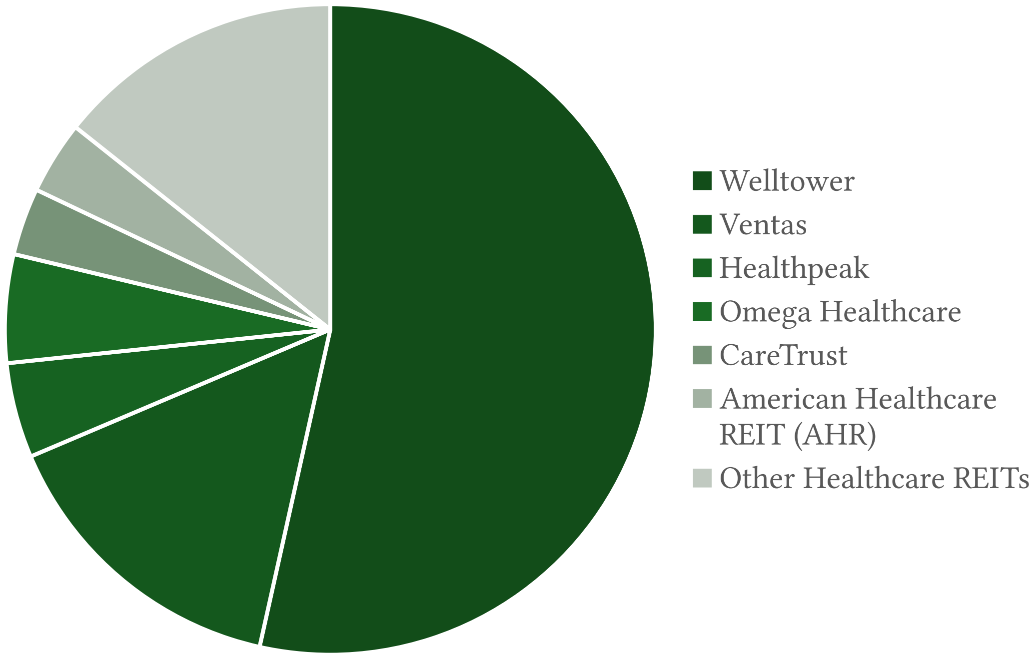
Industry Overview/Industry History and Trends

Healthcare REITs are Real Estate Investment Trusts focused on owning healthcare real estate such as hospitals, senior-living facilities, and medical offices. Cash flows are typically supported by long-term leases with built-in escalators, but performance varies widely based on property mix, tenant credit quality, and balance sheet strength.

Healthcare REITs first emerged in the 1980s as hospitals and care operators sold off real estate to fund expansion and operation. Medicare cuts in the late 90s caused the industry to diversify from skilled nursing facilities and over the past two decades growth has shifted towards medical office buildings, senior housing and research facilities.

Competitors

Industry Market Share by Company



Source: Yahoo Finance — Healthcare REITs sector data.

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AHR's Operational Moat

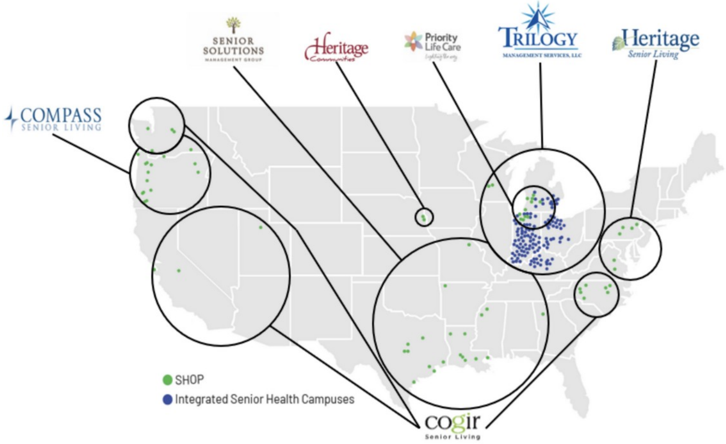
Private-pay mix:

- Lowers reliance on government reimbursement programs. More financially stable customers.
- Mitigates Government Risk. Revenue is insulated from political/audit risk, giving the Trilogy the flexibility to raise rates ahead of inflation.

From: Trilogy hs.com

Superior operator quality and culture

- High CMS ratings (71% of facilities rated 4–5 stars)
- Management retention well above industry averages Apprenticeship programs that serve as a pipeline.

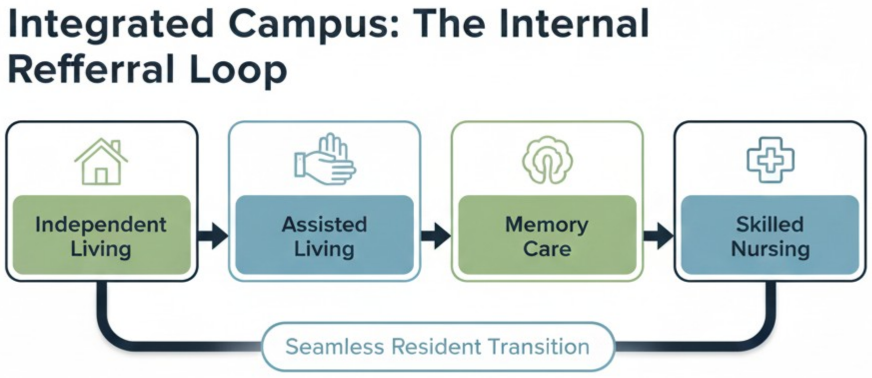


Density & Geographic Concentration Advantages:

- **Geographic density advantage reduces labor costs, improves staffing flexibility, and creates operational efficiencies that national peers cannot replicate.**

Built-In Referral Engine

- **Predictable, high-retention occupancy**
- **Lower customer acquisition costs** (internal referrals vs. external marketing)
- **Longer total stays per resident**
- **Higher revenue capture across the full continuum of care**



AHR Operator affiliations

- Trilogy Management Services
- Senior Solutions Management Group Priority Life Care,
- Compass Senior Living
- Cogir Senior Living
- Heritage Senior Living
- Heritage Communities

RIDEA structure:

- Opportunity for upside through increasing demand for senior housing

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Management

Danny Prosky - President & Ceo

- **25+ years in healthcare real estate - $10B+ in transactions**
- **Co-founder of American Healthcare Investors (AHI)**
- Previously **President & COO** of **Griffin-American Healthcare REIT II, III, and IV**
- Recognized as a **"Pioneer of Healthcare Real Estate"** by *Real Estate Forum* (2013).

Gabe Willhite - Chief Operating Officer

- 10+ years **healthcare real estate operations, legal strategy, and complex transactions**.
- Previously **EVP & General Counsel** for American Healthcare REIT and American Healthcare Investors (AHI)
- Served as **Legal Counsel at Sabal Financial (Oaktree Capital subsidiary)**
- Holds a **B.A. from USC** and a **J.D. from the University of Minnesota Law School**; member of the **California Bar**.

Brian Peay - Chief Financial Officer

- 30+ years of REIT and real-estate finance experience; leads AHR's **70-person specialized accounting team**.
- Former CFO of **Veritas Investments** (> $2B AUM) and long-time **EVP/CFO at Glenborough**, a NYSE-listed REIT.
- Directed **$450M equity raises**, **$300M convertible preferred**, and **$2.5B in acquisition financing**.
- Key leader in Glenborough's sale to Morgan Stanley, generating **16%+ annualized returns**, outperforming the REIT index by **5,000+ bps**.

Stefan Oh - Chief Investment Officer

- 25+ years in healthcare real estate investment
- Former EVP of Investments at AHR/AHI; previously led acquisitions for **Griffin-American REIT III & IV**.
- Previous director of asset management and acquisitions at **HCP (now PEAK)**, one of the largest U.S. healthcare REITs.
- Executed **$13.5B+ in healthcare real estate acquisitions** across career.
- Pepperdine graduate; **Certified Public Accountant**.

- Management compensation tied to **FFO / AFFO growth**
- Long-tenured executives
- Track record of prioritizing **balance-sheet stability before growth**

Experience

GRIFFIN-AMERICAN HEALTHCARE REIT III

Healthpeak™ PROPERTIES

SABAL

GLENBOROUGH REALTY TRUST

Veritas

Key Operating Metrics Drive the Earnings Inflection

Revenue ratios shift to high-margin operating assets

- Resident fees grew **$1.41B → $1.88B (2022–2024)**
- ISHC now **~86–88% of resident fee revenue**
- Earnings upside increases as occupancy recovers, without being capped by fixed lease structures.

Occupancy-Led Growth (Not Asset Expansion)

- Growth driven by **utilization of existing campuses**
- Incremental occupancy flows through at **high margins**
- Revenue growth doesn't depend on incremental capital, lowering execution and balance-sheet risk.

Early Margin Normalization

- Operating expenses stabilized near **~80% of revenue**
- Expense growth lagging revenue growth
- Fixed SG&A and ground lease costs benefit flow-through
- Margin expansion driven by utilization recovery rather than aggressive cost cutting

Income Statement ($M)	Historical		
Year	**2022E**	**2023E**	**2024E**
Revenues:			
Resident fees and services:	**1,412.2**	**1,668.7**	**1,883.8**
Integrated senior health campuses	1,254.7	1,481.9	1,619.8
SHOP	157.5	186.9	264.0
Real estate revenue:	**205.3**	**190.4**	**186.9**
OM	148.7	146.1	134.7
Triple-net leased properties	56.6	44.3	52.1
Grant income	**25.7**	**7.5**	**-**
Total Revenues	**1,643.2**	**1,866.6**	**2,070.7**
Property operating expenses	(1,281.5)	(1,502.3)	(1,653.9)
Ground Lease Rents	(59.7)	(57.5)	(53.2)
SG&A	(43.4)	(47.5)	(47.6)
Depreciation and amortization	(168.0)	(182.6)	(179.2)
Operating Income	**90.6**	**76.7**	**136.8**
Interest Income	-	-	-
Interest Expense	(106.0)	(163.2)	(127.7)
Non-Recurring Items	(58.8)	12.0	(36.1)
EBT	**(74.2)**	**(74.5)**	**(27.1)**
Income Tax	(0.6)	(0.7)	(1.7)
Income/(Losses) from Unconsolidated JV	1.4	(1.7)	(6.9)
Net Income	**(73.4)**	**(76.9)**	**(35.7)**

False Overvaluation Narrative

Why AHR looks overvalued

- GAAP P/E screens as elevated due to heavy depreciation and recent return to profitability
- Trailing earnings reflect post-merger normalization, not steady-state operations
- Short-term price appreciation exaggerates apparent valuation multiples

These Metrics lag operational recovery within operational REIT's

What the market is missing

FFO Growth Inflection

- Normalized FFO increased from ~$65M (2023) ⟶ ~$165M (2024)
- 2025E FFO growth ~**21% YoY**, leading healthcare REIT peers
- P/FFO multiple (~28x) reflects partial recovery, not full earnings power

Cash Flow Statement ($M) — Historical / Pro-Forma

Year	2022E	2023E	2024E	2025A	2026A	2027 A	2028 A	2029 A
Cash From Operations:								
Net Income (loss)	(73.4)	(76.9)	(35.7)	36.2	50.1	63.0	77.1	92.2
Depreciation & Amortization	168.0	182.6	179.2	173.9	176.5	179.2	181.9	184.7

Why growth is sustainable

Demographic Recovery Is Structural, Not Cyclical

- U.S. 80+ population grows **~120% from 2023–2050** (Census / NIC MAP)
- Growth accelerates after 2025, indicating demand tailwind is still early
- Senior housing demand rises with **age-driven care transitions**, not discretionary spending.

Post-COVID Occupancy Recovery Is Incomplete

- Senior housing occupancy remains **below pre-COVID equilibrium**
- Demand growth is outpacing new supply due to construction constraints

Operating Leverage Converts Demographics Into Earnings

- Fixed cost base (staffing, facilities, SG&A) largely in place
- Incremental residents drive **outsized NOI and FFO flow-through**

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What the market is pricing in

Market Sentiment

- The current valuation implies **steady AFFO per share growth**, rising from ~$0.78 to ~$1.81 by 2029
- Reflecting a **measured recovery**, not a return to peak-cycle profitability
- The market is pricing **execution risk and duration uncertainty**, rather than outright deterioration
- **AFFO per share grows ~15–20% CAGR through 2029**, driven by gradual occupancy recovery and operating leverage
- **No multiple expansion assumed** — valuation relies primarily on cash flow growth, not sentiment
- **Dividend growth remains conservative**, with payout implied to stay within AFFO coverage – Assuming 80%

	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
AFFO per share	**$0.57**	**$0.20**	**$0.73**	**$0.78**	**$1.11**	**$1.36**	**$1.58**	**$1.81**

AHR is trading at 62.2x 2025A P/AFFO.
As of 12/14/25

Our take

Recovery is treated as linear, not operational
Market-implied AFFO growth assumes **smooth progression**, but does not isolate:
- Occupancy normalization
- Rate increases vs. mix shifts
- Cost absorption as utilization improves
- Historical senior housing recoveries show **non-linear operating leverage** once occupancy crosses breakeven thresholds *(documented across post-GFC and post-COVID periods)*

Evidence-based counterpoints
- Historical post-shock recoveries (GFC, COVID) show margin acceleration once occupancy crosses ~85–88%
- Demand for senior housing is age and needs-driven, not income-elastic
- Staffing ratios and fixed operating costs create non-linear AFFO response to incremental occupancy
- Capital deployment history shows internal growth + selective acquisitions, not pure dilution

Applying an upper-range healthcare REIT multiple (~45×) to our 2029E AFFO per share of $1.81 implies a $81.5 price target, supported by AHR’s RIDEA structure and uncapped operating upside.

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Appx: Income Statement & FFO

Income Statement ($M)	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
Revenues:								
Resident fees and services:	**1,412.2**	**1,668.7**	**1,883.8**	**2,022.0**	**2,214.0**	**2,413.3**	**2,618.4**	**2,827.9**
Integrated senior health campuses	1,254.7	1,481.9	1,619.8	1,776.9	1,945.7	2,120.8	2,301.1	2,485.1
SHOP	157.5	186.9	264.0	245.1	268.4	292.5	317.4	342.8
Real estate revenue:	**205.3**	**190.4**	**186.9**	**240.8**	**263.7**	**287.4**	**311.9**	**336.8**
OM	148.7	146.1	134.7	177.6	194.5	212.0	230.0	248.4
Triple-net leased properties	56.6	44.3	52.1	63.2	69.2	75.5	81.9	88.4
Grant income	**25.7**	**7.5**	**-**	**14.9**	**16.3**	**17.8**	**19.3**	**20.9**
Total Revenues	**1,643.2**	**1,866.6**	**2,070.7**	**2,277.7**	**2,494.1**	**2,718.6**	**2,949.6**	**3,185.6**
Property operating expenses	(1,281.5)	(1,502.3)	(1,653.9)	(1,808.5)	(1,932.9)	(2,079.7)	(2,241.7)	(2,405.1)
Ground Lease Rents	(59.7)	(57.5)	(53.2)	(70.5)	(77.2)	(84.1)	(91.3)	(98.6)
SG&A	(43.4)	(47.5)	(47.6)	(52.4)	(54.9)	(57.1)	(59.0)	(60.5)
Depreciation and amortization	(168.0)	(182.6)	(179.2)	(186.2)	(188.9)	(191.6)	(194.3)	(197.0)
Operating Income	**90.6**	**76.7**	**136.8**	**160.1**	**240.2**	**306.1**	**363.4**	**424.3**
Interest Income	-	-	-	-	-	-	-	-
Interest Expense	(106.0)	(163.2)	(127.7)	(108.7)	(113.7)	(120.9)	(127.9)	(134.8)
Non-Recurring Items	(58.8)	12.0	(36.1)	-	-	-	-	-
EBT	**(74.2)**	**(74.5)**	**(27.1)**	**51.4**	**126.6**	**185.2**	**235.5**	**289.6**
Income Tax	(0.6)	(0.7)	(1.7)	(10.8)	(26.6)	(38.9)	(49.4)	(60.8)
Income/(Losses) from Unconsolidated JV	1.4	(1.7)	(6.9)	-	-	-	-	-
Net Income	**(73.4)**	**(76.9)**	**(35.7)**	**40.6**	**100.0**	**146.3**	**186.0**	**228.8**

FFO Model ($M)	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
Net Income	(73.4)	(76.9)	(35.7)	40.6	100.0	146.3	186.0	228.8
(Add) D&A	168.0	182.6	179.2	186.2	188.9	191.6	194.3	197.0
(Add) Impairments	54.6	13.9	45.7	-	-	-	-	-
(Less) Gains on property sales	(5.5)	(32.5)	(5.2)	-	-	-	-	-
FFO	**143.7**	**87.1**	**184.1**	**226.8**	**288.9**	**337.8**	**380.3**	**425.8**
(Less) Maintenance CapEx	(35.8)	(49.9)	(46.0)	(79.3)	(80.5)	(81.8)	(83.0)	(84.3)
AFFO	**107.9**	**37.2**	**138.1**	**147.5**	**208.3**	**256.1**	**297.3**	**341.5**
FDSO	188.3	188.3	188.3	188.3	188.3	188.3	188.3	188.3
AFFO per share	**$ 0.57**	**$ 0.20**	**$ 0.73**	**$ 0.78**	**$ 1.11**	**$ 1.36**	**$ 1.58**	**$ 1.81**

Income Statement Assumptions	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
Revenue Growth Rate	--	13.6%	10.9%	**10.0%**	**9.5%**	**9.0%**	**8.5%**	**8.0%**
Resident fees and services (% of Rev.)	85.9%	89.4%	91.0%	88.8%	88.8%	88.8%	88.8%	88.8%
Integrated senior health campuses (% of Res. Fees	88.8%	88.8%	86.0%	87.9%	87.9%	87.9%	87.9%	87.9%
SHOP (% of Res. Fees)	11.2%	11.2%	14.0%	12.1%	12.1%	12.1%	12.1%	12.1%
Real estate revenues (% of Rev.)	12.5%	10.2%	9.0%	10.6%	10.6%	10.6%	10.6%	10.6%
OM (% of RE. Rev)	72.4%	76.7%	72.1%	73.8%	73.8%	73.8%	73.8%	73.8%
Triple-net leased properties (% of RE. Rev)	27.6%	23.3%	27.9%	26.2%	26.2%	26.2%	26.2%	26.2%
Grant income (% of Rev.)	1.6%	0.4%	0.0%	0.7%	0.7%	0.7%	0.7%	0.7%
Property operating expenses (% of Rev.)	78.0%	80.5%	79.9%	79.4%	77.5%	76.5%	76.0%	75.5%
Ground Lease Rents (% of Rev.)	3.6%	3.1%	2.6%	3.1%	3.1%	3.1%	3.1%	3.1%
SG&A (% of Rev.)	2.6%	2.5%	2.3%	2.3%	2.2%	2.1%	2.0%	1.9%
Tax Rate	0.8%	0.9%	6.3%	21.0%	21.0%	21.0%	21.0%	21.0%

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Appx: Balance Sheet & Cash Flow Statement

Balance Sheet ($M)	Historical			Pro-Forma				
Year	2022E	2023E	2024E	2025A	2026A	2027A	2028A	2029A
Assets:								
Real estate investments	3,581.6	3,425.4	3,366.6	3,417.8	3,469.7	3,522.4	3,575.9	3,630.2
Debt security investment	83.0	86.9	91.3	95.8	100.4	105.3	110.5	115.9
Cash and cash equivalents	65.1	43.4	76.7	40.0	40.0	40.0	40.0	40.0
Restricted cash	46.9	47.3	46.6	46.6	46.6	46.6	46.6	46.6
Accounts and other receivables	137.5	185.4	211.1	231.2	253.1	277.1	303.5	332.3
Identified intangible assets	236.3	180.5	161.5	145.4	129.2	113.1	96.9	80.8
Goodwill	231.6	234.9	234.9	234.9	234.9	234.9	234.9	234.9
Operating lease right-of-use assets	276.3	227.8	164.0	164.0	164.0	164.0	164.0	164.0
Other assets	128.5	146.1	135.3	135.3	135.3	135.3	135.3	135.3
Total assets	**4,786.7**	**4,578.0**	**4,488.1**	**4,510.9**	**4,573.3**	**4,638.7**	**4,707.6**	**4,779.9**
Liabilities:								
Mortgage loans payable	1,229.9	1,302.4	982.1	1,000.0	1,018.2	1,036.6	1,055.3	1,074.2
Lines of credit and term loan	1,281.8	1,224.0	688.5	740.0	829.1	919.9	1,013.0	1,109.1
Accounts payable and accrued liabilities	243.8	242.9	258.3	295.0	336.9	384.8	439.5	501.9
Identified intangible liabilities	10.8	6.1	3.0	2.7	2.4	2.1	1.8	1.5
Financing obligations	48.4	41.8	34.9	31.4	27.9	24.4	20.9	17.5
Operating lease liabilities	273.1	225.5	165.2	165.2	165.2	165.2	165.2	165.2
Security deposits, prepaid rent and other liabilities	49.6	76.1	51.9	53.6	55.3	57.0	58.9	60.8
Redeemable noncontrolling interests	81.6	33.8	0.2	-	-	-	-	-
Total liabilities	**3,219.0**	**3,152.6**	**2,184.1**	**2,287.9**	**2,435.0**	**2,590.1**	**2,754.6**	**2,930.1**
Equity								
Common stock	0.7	0.7	1.6	1.6	1.6	1.6	1.6	1.6
Additional paid-in capital	2,540.4	2,548.3	3,720.3	3,720.3	3,720.3	3,720.3	3,720.3	3,720.3
Accumulated deficit	(1,138.3)	(1,276.2)	(1,458.1)	(1,536.4)	(1,611.9)	(1,685.0)	(1,755.5)	(1,823.3)
Accumulated other comprehensive loss	(2.7)	(2.4)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
Non controlling interest	167.6	155.0	42.7	39.9	30.7	14.2	(10.9)	(46.2)
Total equity	**1,567.7**	**1,425.4**	**2,304.0**	**2,222.9**	**2,138.2**	**2,048.6**	**1,953.0**	**1,849.9**
Total liabilities & shareholders' equity	**4,786.7**	**4,578.0**	**4,488.1**	**4,510.9**	**4,573.2**	**4,638.7**	**4,707.6**	**4,779.9**

Cash Flow Statement ($M)	Historical			Pro-Forma				
Year	2022E	2023E	2024E	2025A	2026A	2027A	2028A	2029A
Cash From Operations:								
Net Income (loss)	(73.4)	(76.9)	(35.7)	36.2	55.8	73.9	92.6	111.8
Depreciation & Amortization	168.0	182.6	179.2	173.9	176.5	179.2	181.9	184.7
Amort. Of Intangibles				12.4	12.4	12.4	12.4	12.4
Changes in Net Working Capital				(18.3)	(21.7)	(25.6)	(30.2)	(35.5)
Total Cash From Operations				**204.2**	**223.0**	**239.8**	**256.7**	**273.3**
Cash From Investing:								
Acquisitions of real estate investments	(73.2)	(45.4)	(60.4)	(57.9)	(58.8)	(59.7)	(60.6)	(61.5)
Development & leasing CapEx	(71.5)	(99.8)	(91.9)	(158.7)	(161.1)	(163.5)	(166.0)	(168.5)
Debt security investment				(4.5)	(4.7)	(4.9)	(5.1)	(5.4)
Dispositions				25.2	25.6	26.0	26.4	26.8
Total Cash From Investing				**(195.8)**	**(198.9)**	**(202.1)**	**(205.3)**	**(208.6)**
Cash Flow From Financing:								
Net Revolver				51.5	89.1	90.8	93.1	96.1
Net mortgage debt issued				17.9	18.2	18.4	18.6	18.9
Equity Issuance				-	-	-	-	-
Dividends paid				(114.5)	(131.3)	(146.9)	(163.1)	(179.7)
Total Cash From Financing				**(45.1)**	**(24.0)**	**(37.7)**	**(51.4)**	**(64.7)**
Beginning Cash Balance				76.7	40.0	40.0	40.0	40.0
Net Change in Cash				(36.7)	-	-	-	-
Ending Cash Balance				**40.0**	**40.0**	**40.0**	**40.0**	**40.0**

Balance Sheet Assumptions	Historical			Pro-Forma				
Year	2022E	2023E	2024E	2025A	2026A	2027A	2028A	2029A
Debt security investment (% Growth)	--	4.7%	5.1%	4.9%	4.9%	4.9%	4.9%	4.9%
Accounts and Other Receivables (% Rev.)	8.4%	9.9%	10.2%	9.5%	9.5%	9.5%	9.5%	9.5%
Accounts Payable and Accrued Liabilities (% OpEx)	15.7%	13.6%	13.4%	14.2%	14.2%	14.2%	14.2%	14.2%
Security deposits, prepaid rent and other liabilities (% Rev.)	3.0%	4.1%	2.5%	3.2%	3.2%	3.2%	3.2%	3.2%
Net Working Capital			(99.1)	(117.4)	(139.1)	(164.7)	(194.9)	(230.4)
Change in Net Working Capital				(18.3)	(21.7)	(25.6)	(30.2)	(35.5)

American Healthcare REIT

Appx: Schedules

Real Estate Roll-Forward Schedule

	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
Beginning Balance				3,366.6	3,417.8	3,469.7	3,522.4	3,575.9
(Add) Acquisitions of Real estate investments				57.9	58.8	59.7	60.6	61.5
(Add) Capital expenditures				158.7	161.1	163.5	166.0	168.5
(Add) Capitalized leasing costs				33.7	34.2	34.7	35.2	35.8
(Less) Depreciation				(173.9)	(176.5)	(179.2)	(181.9)	(184.7)
(Less) Assest sales (NBV)				(25.2)	(25.6)	(26.0)	(26.4)	(26.8)
(Less) Impairments				-	-	-	-	-
Ending Balance				**3,417.8**	**3,469.7**	**3,522.4**	**3,575.9**	**3,630.2**
Acquisitions (% RE Inv.)	2.0%	1.3%	1.8%	1.7%	1.7%	1.7%	1.7%	1.7%
Depreciation (% RE Inv.)	--	5.1%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Capex (% Rev.)	4.4%	5.3%	4.4%	4.7%	4.7%	4.7%	4.7%	4.7%
Capitalized leasing costs (% RE Inv.)				1.0%	1.0%	1.0%	1.0%	1.0%
NBV of assets sold (% RE Inv.)				0.8%	0.8%	0.8%	0.8%	0.8%

Mortgage Debt Schedule

	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
Beginning Balance				982.1	1,000.0	1,018.2	1,036.6	1,055.3
(Add) New mortgage borrowings				57.9	58.8	59.7	60.6	61.5
(Less) Scheduled amortization				(14.7)	(15.0)	(15.3)	(15.5)	(15.8)
(Less) Paydown from dispositions				(25.2)	(25.6)	(26.0)	(26.4)	(26.8)
Ending Balance				**1,000.0**	**1,018.2**	**1,036.6**	**1,055.3**	**1,074.2**
LTV (%)				100%	100%	100%	100%	100%
Amortization (% Morg. Bal)				2%	2%	2%	2%	2%

Lines of Credit and Term Loan Schedule

	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
Beginning revolver balance				688.5	740.0	829.1	919.9	1,013.0
(Add) Draws				51.5	89.1	90.8	93.1	96.1
(Less) Repayments				-	-	-	-	-
Ending revolver balance				**740.0**	**829.1**	**919.9**	**1,013.0**	**1,109.1**
Minimum Cash Balance				40.0	40.0	40.0	40.0	40.0

Equity Roll-Forward

	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
Beginning Equity				(1,458.1)	(1,536.4)	(1,611.9)	(1,685.0)	(1,755.5)
(Add) Net Income				36.2	55.8	73.9	92.6	111.8
(Add) Equity Issuance				-	-	-	-	-
(Less) Dividends				(114.5)	(131.3)	(146.9)	(163.1)	(179.7)
Ending Balance				(1,536.4)	(1,611.9)	(1,685.0)	(1,755.5)	(1,823.3)
AFFO				143.14	164.10	183.68	203.91	224.57
Target Payout Ratio				80%	80%	80%	80%	80%

Interest Expense Schedule

	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
Revolver Amount				688.5	740.0	829.1	919.9	1,013.0
Revolver Interest Rate (%)	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
Revolver Interest Expense				**53.7**	**57.7**	**64.7**	**71.8**	**79.0**
Mortgage Debt Amount				982.1	1,000.0	1,018.2	1,036.6	1,055.3
Mortgage Debt Interest Rate (%)	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
Mortgage Debt Expense				**55.0**	**56.0**	**57.0**	**58.1**	**59.1**
Total Interest Expense				**108.7**	**113.7**	**121.7**	**129.8**	**138.1**

Intangible Assets Schedule

	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
Beginning Balance				161.5	145.4	129.2	113.1	96.9
(Less) Amortization				(16.2)	(16.2)	(16.2)	(16.2)	(16.2)
Ending Balance				**145.4**	**129.2**	**113.1**	**96.9**	**80.8**

Intangible Liabilities Schedule

	Historical			Pro-Forma				
Year	**2022E**	**2023E**	**2024E**	**2025A**	**2026A**	**2027A**	**2028A**	**2029A**
Intangible Liabilities Beginning Balance				3.0	2.7	2.4	2.1	1.8
(Less) Amortization				(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Ending Balance				**2.7**	**2.4**	**2.1**	**1.8**	**1.5**
Financial Obligations Beginning Balance				34.9	31.4	27.9	24.4	20.9
(Less) Amortization				(3.5)	(3.5)	(3.5)	(3.5)	(3.5)
Ending Balance				**31.4**	**27.9**	**24.4**	**20.9**	**17.5**

American Healthcare REIT

Appx: Discounted Cash Flow Analysis (Downside / Asset-Only Valuation)

DCF reflects a conservative real-estate–only cash flow and excludes embedded operating leverage from RIDEA structures.

AHR Discounted Cash Flow Analysis ($M)

Year	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Revenue	1,643.2	1,866.6	2,070.7	2,277.7	2,494.1	2,718.6	2,949.6	3,185.6
Operating Expenses	(1,552.6)	(1,789.9)	(1,933.9)	(2,117.6)	(2,253.8)	(2,412.5)	(2,586.3)	(2,761.3)
EBIT	**90.6**	**76.7**	**136.8**	**160.1**	**240.2**	**306.1**	**363.4**	**424.3**
Income Taxes	(0.6)	(0.7)	(1.7)	(10.8)	(26.6)	(38.9)	(49.4)	(60.8)
NOPAT	**90.0**	**76.0**	**135.1**	**149.3**	**213.7**	**267.2**	**313.9**	**363.5**
Plus: D&A	168.0	182.6	179.2	173.9	176.5	179.2	181.9	184.7
Plus: Amortization of Intangibles				12.4	12.4	12.4	12.4	12.4
Less: Capex	(71.5)	(99.8)	(91.9)	(158.7)	(161.1)	(163.5)	(166.0)	(168.5)
Less: Change in net working capital				(18.3)	(21.7)	(25.6)	(30.2)	(35.5)
Unlevered Free Cash Flow				**158.6**	**219.8**	**269.6**	**312.0**	**356.5**
Present Value Unlevered				**158.3**	**211.1**	**249.2**	**277.6**	**305.2**
WACC	7.99%							
Period				0.05				
Midyear Convention Period				0.02	0.52	1.02	1.52	2.02
Discount Factor				1.00	0.96	0.92	0.89	0.86

Implied Price Sensitivity Analysis

Perpetuity Growth Method

WACC	2.50%	2.75%	3.00%	3.25%	3.50%
5.99%	$ 47.65	$ 51.61	$ 56.22	$ 61.69	$ 68.25
6.99%	$ 35.89	$ 38.22	$ 40.83	$ 43.80	$ 47.19
7.99%	$ 28.43	$ 29.96	**$ 31.64**	$ 33.49	$ 35.55
8.99%	$ 23.29	$ 24.36	$ 25.52	$ 26.79	$ 28.17
9.99%	$ 19.53	$ 20.33	$ 21.18	$ 22.09	$ 23.07

Exit Multiple Method

WACC	13.63x	14.63x	15.63x	16.63x	17.63x
5.99%	$ 33.43	$ 36.01	$ 38.60	$ 41.19	$ 43.78
6.99%	$ 32.76	$ 35.30	$ 37.84	$ 40.38	$ 42.92
7.99%	$ 32.12	$ 34.61	**$ 37.10**	$ 39.59	$ 42.09
8.99%	$ 31.49	$ 33.94	$ 36.38	$ 38.83	$ 41.27
9.99%	$ 30.88	$ 33.28	$ 35.68	$ 38.08	$ 40.48

WACC Sensitivity Analysis

Cost of Equity

Debt-To-Total Capitalization	6.39%	7.39%	8.39%	9.39%	10.39%
12.84%	6.30%	7.17%	8.04%	8.91%	9.78%
13.84%	6.29%	7.15%	8.01%	8.87%	9.74%
14.84%	6.28%	7.13%	**7.99%**	8.84%	9.69%
15.84%	6.27%	7.12%	7.96%	8.80%	9.64%
16.84%	6.27%	7.10%	7.93%	8.76%	9.59%

Pre-Tax Cost of Debt

Debt-To-Total Capitalization	5.14%	6.14%	7.14%	8.14%	10.14%
12.84%	7.84%	7.94%	8.04%	8.14%	8.34%
13.84%	7.79%	7.90%	8.01%	8.12%	8.34%
14.84%	7.75%	7.87%	**7.99%**	8.10%	8.34%
15.84%	7.71%	7.83%	7.96%	8.08%	8.33%
16.84%	7.66%	7.80%	7.93%	8.06%	8.33%

Total Capitalization

Share Price (as of 12/12/2025 closing)	$ 47.25
Fully Diluted Shares Outstanding	188.3
Market Capitalization	$ 8,897.2
Total Debt	$ 1,550
Total Capitalization	$ 10,447.2

WACC

Debt-To-Total Capitalization	14.84%
Cost of Equity	8.39%
After-Tax Cost of Debt	5.64%
WACC	7.99%

Cost of Equity

Risk Free Rate	4.05%
Beta	0.73
Expected Market Return	10.00%
Cost of Equity	8.39%

Cost of Debt

Weight of Revolver	70.10%
Revolver Rate	*7.80%*
Weight of Mortgage Debt	29.90%
Mortgage Debt Rate	*5.60%*
Cost of Debt	7.14%
Tax Rate	21.00%
After-Tax Cost of Debt	5.64%

Calculation of REIT Value

Perpetuity Growth Method		Exit Multiple Method	
Perpetuity Growth Rate	3.00%	Exit Multiple (EV/EBITDA)	15.63x
Terminal Year UFCF	356.5	Terminal Year EBITDA	548.2
WACC	7.99%	WACC	7.99%
Terminal Value	7,366.1	**Terminal Value**	8,568.5
PV of Terminal Value	6,305.5	PV of Terminal Value	7,334.8
Sum of PV of UFCF	1,201.4	SUM of PV of UFCF	1,201.4
Enterprise Value	7,506.9	**Enterprise Value**	8,536.2
Equity Bridge		Equity Bridge	
Implied Enterprise Value	7,506.9	Implied Enterprise Value	8,536.2
Less: Net Debt	(1,550.0)	Less: Net Debt	(1,550.0)
Equity Value	5,956.9	**Equity Value**	6,986.2
FDSO	188.3	FDSO	188.3
Implied Share Price	$ 31.64	**Implied Share Price**	$ 37.10