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## FORWARD LOOKING STATEMENTS AND RISK FACTORS:

This Supplemental Information and other materials we have filed or may file with the Securities and Exchange Commission, as well as information included in oral statements made, or to be made, by our senior management contain certain “forward-looking” statements as that term is defined by the Private Securities Litigation Reform Act of 1995. All statements regarding our expected future financial position, results of operations, cash flows, funds from operations, continued performance improvements, ability to service and refinance our debt obligations, ability to finance growth opportunities, and similar statements including, without limitations, those containing words such as “may,” “will,” “believes,” “anticipates,” “expects,” “intends,” “estimates,” “plans,” and other similar expressions are forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results in future periods to differ materially from those projected or contemplated in the forward-looking. Such risks and uncertainties include, among other things, the impact of COVID-19 on our tenants and the risks which are described under the heading “Risk Factors” in Item 1A in our Form 10-K for the year ended December 31, 2019. In this Supplemental Information, we refer to non-GAAP financial measures. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is included in this presentation. Throughout this presentation, certain abbreviations and acronyms are used to simplify the format. A list of definitions is provided at the end of this presentation to clarify the meaning of any reference that may be ambiguous. Unless otherwise noted, all amounts are unaudited and are as of or for the quarter ended September 30, 2020.

## WE INVEST IN RELATIONSHIPS

**NATIONAL HEALTH INVESTORS, INC. (NYSE: NHI)**, is a real estate investment trust specializing in sale-leaseback, joint-venture, mortgage and mezzanine financing of need-driven and discretionary senior housing and medical investments. NHI's portfolio consists of independent, assisted and memory care communities, entrance-fee retirement communities, skilled nursing facilities, medical office buildings and specialty hospitals.

## LEADERSHIP



**Eric Mendelsohn**

President & CEO



**Kristin S. Gaines**

Chief Credit Officer



**Kevin Pascoe**

Chief Investment Officer



**John Spaid**

Chief Financial Officer



**David Travis**

Chief Accounting Officer



**Michelle Kelly**

SVP, Investments



**Dana Hambly**

VP, Investor Relations

### ANALYST COVERAGE

**Aaron Hecht**, JMP Securities  
**Connor Siversky**, Berenberg  
**Daniel Bernstein**, Capital One Securities, Inc.  
**John Kim**, BMO Capital Markets  
**Jordan Sadler**, KeyBanc Capital Markets  
**Michael Lewis**, Truist Securities  
**Omotayo Okusanya**, Mizuho Securities  
**Rich Anderson**, SMBC Nikko Securities America, Inc.  
**Steve Manaker**, Stifel  
**Todd Stender**, Wells Fargo

### CONTACT INFORMATION

**National Health Investors, Inc.**

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# PORTFOLIO OVERVIEW

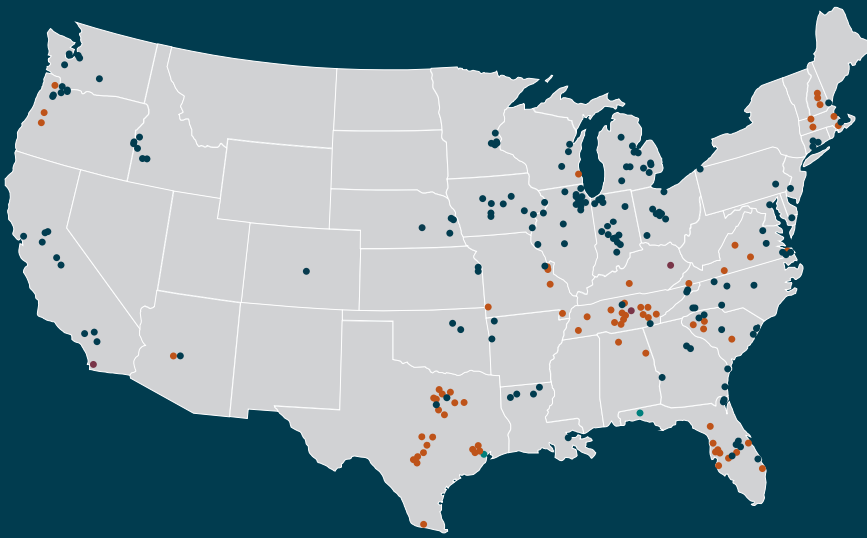
## HIGHLIGHTS

Diversified portfolio of exceptional healthcare properties

Conservatively managed balance sheet

Industry leading FFO growth

Strong growing dividend



## AS OF NOVEMBER 6, 2020

162 SENIOR HOUSING

75 SKILLED NURSING

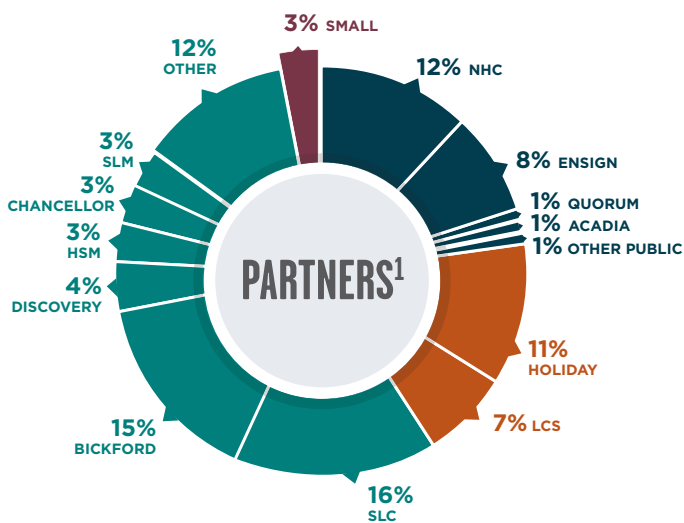
3 HOSPITAL

2 MEDICAL OFFICE

242  
PROPERTIES

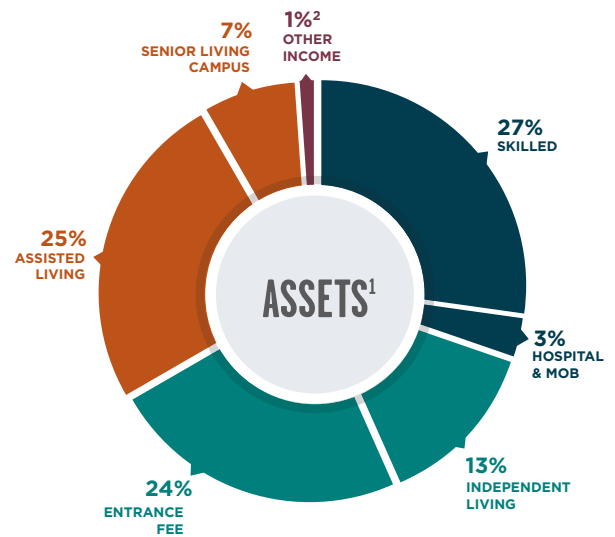
37  
OPERATING  
PARTNERS

34  
STATES



Regional 56%  
Public 23%

Small 3%  
National Private Chain 18%



Sr. Hsng. Need-Driven 32%  
Sr. Hsng. Discretionary 37%

Medical 30%

<sup>1</sup> Based on annualized cash revenue of \$300,311,000 in place at September 30, 2020.

<sup>2</sup> Other income consists primarily of revenue from non-mortgage notes receivable.

# PORTFOLIO SUMMARY

as of September 30, 2020 (dollars in thousands)

	Properties	Units/ Sq. Ft*	YTD GAAP Revenue	YTD Straight Line	YTD Cash Revenue	Full Year Impact	Annualized Cash Revenue
<b>Leases</b>							
Senior Housing - Need Driven							
Assisted Living	94	5,131	\$ 59,343	\$ 4,888	\$ 54,455	\$ 13,172	\$ 67,627
Senior Living Campus	14	1,976	18,042	1,711	16,331	5,042	21,373
Total Senior Housing - Need Driven	108	7,107	77,385	6,599	70,786	18,214	89,000
Senior Housing - Discretionary							
Independent Living	32	3,703	35,305	5,480	29,825	9,895	39,720
Entrance-Fee Communities	11	2,707	45,022	3,169	41,853	15,060	56,913
Total Senior Housing - Discretionary	43	6,410	80,327	8,649	71,678	24,955	96,633
Total Senior Housing	151	13,517	157,712	15,248	142,464	43,169	185,633
Medical Facilities							
Skilled Nursing	72	9,433	60,891	741	60,150	21,139	81,289
Hospitals	3	207	5,701	(475)	6,176	2,149	8,325
Medical Office Buildings	2	88,517*	500	1	499	168	667
Total Medical Facilities	77	9,640	67,092	267	66,825	23,456	90,281
Current Year Disposals <sup>1</sup>			272	(34)	306	(306)	—
Total Leases	228	23,157	225,076	15,481	209,595	66,319	275,914
Escrow funds received from tenants			7,190		7,190	(7,190)	—
Total Rental Income			232,266		216,785	59,129	275,914
<b>Mortgages and Other Notes Receivable</b>							
Senior Housing - Need Driven	9	495	4,081		4,081	1,706	5,787
Senior Housing - Discretionary	2	714	10,102		10,102	4,156	14,258
Skilled Nursing	4	270	474		474	150	624
Other Notes Receivable	—		3,252		3,252	476	3,728
Total Mortgage and Other Notes	15	1,479	17,909		17,909	6,488	24,397
Current Year Note Payoffs			1,038		1,038	(1,038)	—
Investment and Other Income			359		359	(359)	—
Total Revenue			\$ 251,572	\$ 15,481	\$ 236,091	\$ 64,220	\$ 300,311

<sup>1</sup> Includes eight properties acquired by Brookdale Senior Living under a purchase option and two properties sold to Bickford Senior Living financed by a mortgage from NHI.

# OPERATING PARTNERS

		Ownership	Market Focus	% of Revenue <sup>1</sup>
	Senior Living Communities owns and operates luxury retirement communities located in Connecticut, South Carolina, North Carolina, Florida, Georgia and Indiana.	Private	SHO	16%
	Bickford Senior Living manages or operates over 60 independent living, assisted living, and memory care branches throughout the country. They are also an experienced developer, constructing over 150 communities.	Private	SHO	15%
	Founded in 1971, National HealthCare Corporation (NYSE American: NHC) is a publicly traded operator, specializing in skilled nursing centers along with assisted and independent living facilities. NHC oversees more than 9,000 skilled nursing beds across 10 states, with properties located in the Southeastern, Northeastern, and Midwestern parts of the United States.	Public	SNF/SHO	12%
	Holiday Retirement is one of the largest providers of independent living communities in the U.S. Founded in 1971, they are a privately held company and currently operate more than 260 facilities.	Private	SHO	11%
	The Ensign Group, Inc.'s independent operating subsidiaries provide a broad spectrum of skilled nursing and assisted living services, physical, occupational and speech therapies and other rehabilitative and healthcare services at multiple locations across 13 states.	Public	SNF	8%
	Based in Des Moines, Iowa, and established in 1971, Life Care Services operates and develops continuing care retirement communities, stand-alone assisted living, memory care, and rental communities nationwide.	Private	SHO	7%
	For more than 25 years, Discovery Senior Living has become a recognized industry leader in developing, building and operating luxury, resort-style communities across the United States. Discovery provides more than 8,500 homes for seniors which include: villas, senior apartments, independent living, supervised independent living, assisted living and memory care homes.	Private	SHO	4%
	Chancellor Health Care is based in Windsor, California and formed in 1992. Chancellor operates on the full continuum of care and has more than 15 properties across 6 states, which include California, Colorado, Illinois, Maryland, Oregon, and Texas and serves over 750 seniors.	Private	SHO	3%
	Health Services Management is a non-profit formed in 2000. The Company operates more than 20 skilled nursing and assisted living facilities located in Florida, Indiana, Tennessee, and Texas.	NFP	SNF	3%
	Senior Living Management Corporation is based in Coconut Creek, Florida and operates assisted living, memory care and skilled nursing facilities in Florida, Georgia and Louisiana.	Private	SHO	3%

<sup>1</sup>Based on annualized cash revenue of \$300,311,000 for contracts in place at September 30, 2020.

# EBITDARM LEASE COVERAGE

## NHI TOTAL PORTFOLIO

Property Type	SHO	SNF	HOSP	MOB	TOTAL
Properties	135	74	3	2	214
2Q19	1.20x	2.76x	1.83x	6.39x	1.68x
2Q20	1.13x	2.89x	2.31x	6.48x	1.69x

Property Class	Need Driven	Need Driven excl. Bickford	Discretionary	Discretionary excl. SLC & Holiday	Medical	Medical excl. NHC
Properties	96	49	39	4	79	37
2Q19	1.12x	1.16x	1.27x	1.94x	2.70x	1.86x
2Q20	1.10x	1.13x	1.17x	1.43x	2.86x	2.15x

Customers	NHC <sup>1</sup>	SLC	Bickford <sup>2</sup>	Holiday
Properties	42	9	47	26
2Q19	3.79x	1.10x	1.08x	1.20x
2Q20	3.81x	1.06x	1.06x	1.18x

## NHI SAME-STORE PORTFOLIO<sup>3</sup>

Property Type	SHO	SNF	HOSP	MOB	TOTAL
Properties	127	74	2	2	205
2Q19	1.20x	2.76x	1.48x	6.39x	1.68x
2Q20	1.13x	2.89x	1.62x	6.48x	1.67x

Property Class	Need Driven	Need Driven excl. Bickford	Discretionary	Discretionary excl. SLC & Holiday	Medical	Medical excl. NHC
Properties	89	42	38	3	78	36
2Q19	1.12x	1.17x	1.28x	1.98x	2.70x	1.82x
2Q20	1.09x	1.12x	1.17x	1.48x	2.84x	2.07x

Customers	NHC <sup>1</sup>	SLC	Bickford <sup>2</sup>	Holiday
Properties	42	9	47	26
2Q19	3.79x	1.10x	1.08x	1.20x
2Q20	3.81x	1.06x	1.06x	1.18x

All tables are based on the trailing 12 months and exclude transitioned properties under cash-flow based leases, loans, mortgages, development and lease up properties in operation less than 24 months, and assets held for sale. Coverage includes pro forma cash rent for stabilized acquisitions in the portfolio less than 24 months. These results include any amounts received and recognized by the operators from the HHS CARES Act Provider Relief Fund but do not include any funds received under the Paycheck Protection Program. Our operators may not consistently account for any pandemic relief funds received which can impact comparability among operators and across periods.

<sup>1</sup> NHC coverage is based on corporate level FCCR and includes 3 independent living facilities.

<sup>2</sup> Bickford had 5 properties roll into same-store calculation for 2Q20 data.

<sup>3</sup> Excludes properties that have transitioned operators in past 24 months.

# PURCHASE OPTIONS & LEASE MATURITIES

## Tenant Purchase Options (dollars in thousands)

Asset Type	Properties	Lease Expiration	1st Option Open Year	Option Type	Current Cash Rent (\$)	% of Total <sup>1</sup>
MOB	1	February 2025	Open	A	312	0.10%
HOSP	1	March 2025	Open	B	2,016	0.67%
HOSP	1	September 2027	2021	D	2,765	0.92%
HOSP	1	June 2022	2022	A	3,544	1.18%
SNF	7	August 2028	2025	C	3,638	1.21%
SHO	2	May 2035	2027	B	5,234	1.74%
SNF	1	September 2028	2028	C	472	0.16%
						5.98%

### Option Type:

- A. Greater of fixed base price or fair market value
- B. Fixed base price plus a specified share on any appreciation
- C. Fixed base price
- D. Fixed capitalization rate on lease revenue

<sup>1</sup> Based on annualized cash revenue of \$300,311,000 for contracts in place at September 30, 2020.

## Lease Maturities (annualized cash rent; dollars in thousands)

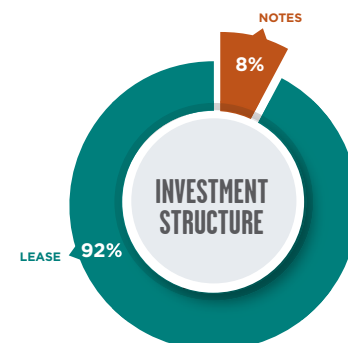
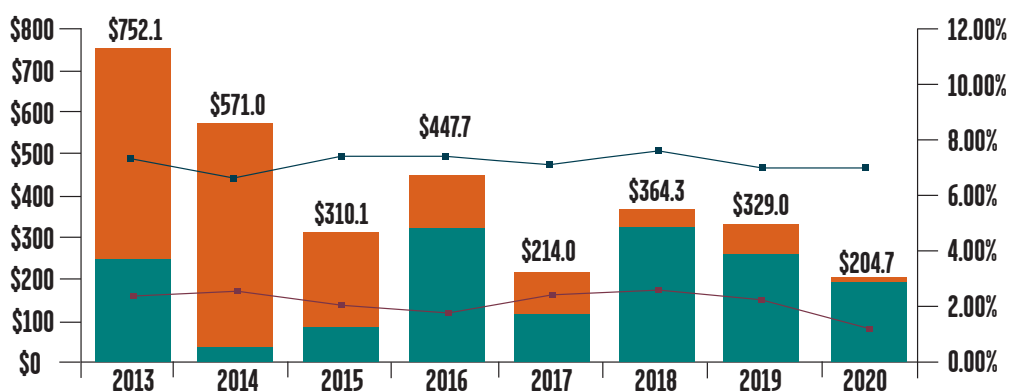
	Properties	SHO (\$)	SNF (\$)	Other (\$)	Total (\$)
2020	6	2,239	—	355	2,594
2021	7	827	1,286	—	2,113
2022	4	829	—	3,544	4,373
2023	15	11,986	3,155	—	15,141
2024	13	12,452	—	—	12,452
2025	3	517	—	2,328	2,845
2026	35	1,360	32,887	—	34,247
2027	5	13,432	—	2,765	16,197
2028	13	6,968	4,111	—	11,079
2029	31	57,047	13,618	—	70,665
Thereafter	96	77,976	26,231	—	104,207

# INVESTMENT RATIONALE

## WE INVEST IN RELATIONSHIPS, NOT JUST PROPERTIES

- FOCUSED ON GROWING WITH OUR 37 OPERATING PARTNERS AND SELECT NEW CUSTOMERS
- DIVERSIFIED INVESTMENT PLAN EMPHASIZING PRIVATE PAY SENIOR HOUSING PROPERTIES AND BEST-IN-CLASS SNF OPERATORS
- EXPERIENCED OPERATORS WITH PROVEN RECORD OF QUALITY CARE AND VALUE CREATION
- LOW LEVERAGE BALANCE SHEET AND STAGGERED LONG-TERM DEBT MATURITIES
- TARGET 60/40 EQUITY/DEBT FUNDING MIX

**Investment History\***  
(dollars in millions)



Existing Relationship      New Relationship  
10-Year Treasury      WAC

\*The average age of properties acquired since 2013-2020 is **15.8 years**. The total portfolio average age is **23.9 years**.

# RECENT INVESTMENTS

## Recent Lease Activity

(dollars in thousands)	Asset Class	Investment Type	Units/ Buildings <sup>1</sup>	Location	Yield	Total	Funded	Remaining
<b>Q3 2020</b>								
41 Management	SHO	Lease	43/1	WI	7.50%	\$ 12,300 <sup>2</sup>	\$ (12,300)	\$ —
<b>Q2 2020</b>								
Autumn Trace*	SHO	Lease	88/2	IN	7.25%	14,250	(14,250)	—
<b>Q1 2020</b>								
Life Care Services	EFC	JV	401/1	WA	6.75%	134,892	(134,892)	—
Bickford Senior Living	SHO	Lease	60/1	MI	8.00%	15,100 <sup>3</sup>	(15,100)	—
						\$ 176,542	\$ (176,542)	\$ —
<b>Q4 2019</b>								
41 Management	SHO	Lease	48/1	MN	7.23%	\$ 9,340	\$ (9,340)	\$ —
<b>Q3 2019</b>								
Bickford Senior Living	SHO	Lease	60/1	IL	8.00%	15,100 <sup>3</sup>	(15,100)	—
Cappella Living Solutions*	SHO	Lease	51/1	CO	7.25%	7,600	(7,600)	—
<b>Q2 2019</b>								
Discovery Senior Living	SHO	JV	596/6	PA, MD, IN	6.50%	127,917	(127,917)	—
Comfort Care Senior Living	SHO	Lease	133/2	MI	7.75%	24,300	(24,300)	—
<b>Q1 2019</b>								
Holiday Retirement	SHO	Lease	232/1	FL	6.71%	38,000	(38,000)	—
Wingate Healthcare*	SHO/SNF	Lease	267/1	MA	7.50%	52,200	(51,832)	368
						\$ 274,457	\$ (274,089)	\$ 368

## Recent Loan Origination and Other Development Activity

(dollars in thousands)	Asset Class	Investment Type	Units/ Buildings <sup>1</sup>	Location	Yield	Total	Funded	Remaining
<b>Q2 2020</b>								
Bickford Senior Living	SHO	Construction Loan	64/1	VA	9.00%	\$ 14,200	\$ (1,553)	\$ 12,647
Watermark Retirement	EFC	Working Capital Note	420/2	CT	7.50%	5,000	—	5,000
<b>Q1 2020</b>								
Timber Ridge OpCo	EFC	Working Capital Note	N/A	N/A	6.00%	5,000	—	5,000
Bickford Senior Living	SHO	Mortgage	56/2	IN	7.00%	4,000	(4,000)	—
						\$ 28,200	\$ (5,553)	\$ 22,647
<b>Q4 2019</b>								
41 Management	SHO	Second Mortgage	43/1	WI	13.00%	\$ 3,870	\$ (3,870)	\$ —
<b>Q3 2019</b>								
Discovery Senior Living	SHO	Senior Mortgage	74/1	IN	7.00%	6,423	(6,423)	—
Discovery Senior Living	SHO	Working Capital Note	N/A	N/A	6.50%	750	(750)	—
<b>Q2 2019</b>								
Senior Living Communities	EFC	Senior Note	248/1	SC	7.25%	32,700	(32,700)	—
41 Management*	AL	Construction Loan	53/1	WI	8.50%	10,800	(8,352)	2,268
						\$ 54,543	\$ (52,275)	\$ 2,268

## Other Loan and Development Commitments

Life Care Services	EFC	Senior Note	466/1	AZ	7.25%	\$ 118,800	\$ (91,256)	\$ 27,544
Life Care Services	EFC	Construction Loan	101/1	AZ	8.50%	61,200	(61,200)	—
Bickford Senior Living	SHO	Construction Loan	183/3	MI, VA	9.00%	42,900	(29,458)	13,442
Senior Living Communities	SHO	Revolving Credit	N/A	N/A	Variable	12,000	(6,170)	5,830
Ignite Medical Resorts*	SNF	Development Lease	144/1	WI	9.50%	25,350	(24,313)	1,037

\* Indicates new operating relationship

<sup>1</sup> Building count excludes renovations.

<sup>2</sup> Acquisition was partially funded with the cancellation of a \$3.87 million second mortgage due from 41 Management.

<sup>3</sup> Acquisition was partially funded with the cancellation of a \$14 million construction loan due from Bickford.

# CAPITALIZATION OVERVIEW

(dollar and share amounts in thousands)

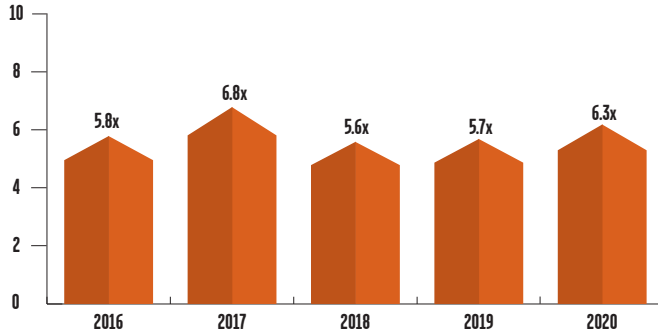
QUARTER ENDED / AS OF	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
<b>Balance Sheet Data</b>					
Gross cost of real estate assets	\$ 3,264,564	\$ 3,247,138	\$ 3,228,132	\$ 3,074,846	\$ 3,060,283
Total assets	3,139,273	3,166,971	3,167,835	3,042,235	3,019,360
Total liabilities	1,635,271	1,663,502	1,660,842	1,543,983	1,556,367
Total noncontrolling interests	10,953	11,110	11,435	621	627
Total stockholder's equity attributable to NHI	1,493,049	1,492,359	1,495,558	1,497,631	1,462,366
<b>Operating Data</b>					
Total revenue	\$ 84,301	\$ 84,174	\$ 83,076	\$ 82,195	\$ 81,682
Rental revenue - GAAP	77,821	77,917	76,527	75,404	75,247
Straight-line rents	5,086	5,218	5,177	5,830	5,720
Rental revenue - Cash <sup>1</sup>	68,728	71,069	69,797	67,981	67,919
Adjusted EBITDA <sup>2</sup>	77,012	78,594	76,836	76,952	77,232
Interest expense	12,892	13,557	14,140	14,374	14,661
General & administrative expense	2,785	3,032	4,311	3,611	2,802
Funds from operations per diluted common share	1.42	1.46	1.35	1.39	1.42
Normalized FFO per diluted common share	1.42	1.46	1.36	1.41	1.42
Normalized AFFO per diluted common share	1.34	1.35	1.29	1.30	1.32
Regular dividends declared per common share	1.1025	1.1025	1.1025	1.05	1.05
<b>Capitalization</b>					
Common shares outstanding at end of each period	44,729	44,650	44,650	44,587	43,956
Market value of equity at end of each period	\$ 2,695,817	\$ 2,711,148	\$ 2,211,068	\$ 3,632,949	\$ 3,621,535
Total debt	1,528,968	1,554,241	1,548,904	1,440,465	1,449,360
Secured debt	138,165	138,473	138,778	139,082	139,384
Net debt	1,486,770	1,507,388	1,502,855	1,435,250	1,443,478
Total market capitalization, including net debt	4,182,587	4,218,536	3,713,923	5,068,199	5,065,013
<b>Ratios</b>					
Interest coverage ratio	6.0x	5.8x	5.4x	5.4x	5.3x
Fixed charge coverage ratio	6.3x	6.0x	5.6x	5.6x	5.3x
Net debt to adjusted EBITDA (annualized)	4.8x	4.8x	4.7x	4.7x	4.5x
Net debt as a percentage of market capitalization	35.5%	35.7%	40.5%	28.3%	28.5%
Total Debt / Gross Assets	41.1%	41.7%	41.8%	40.5%	41.2%
Secured Debt / Gross Assets	3.7%	3.7%	3.7%	3.9%	4.0%
Dividend payout ratio for normalized FFO	77.6%	75.5%	81.1%	74.5%	73.9%
Dividend payout ratio for normalized AFFO	82.3%	81.7%	85.5%	80.8%	79.5%
<b>Portfolio Statistics</b>					
Number of properties (includes mortgages)	243	243	240	238	236
<b>Credit Ratings</b>					
Senior Unsecured Debt	BBB-	BBB-	Baa3		
Issuer	BBB-	BBB-	Baa3		
Outlook	Stable	Stable	Negative		

<sup>1</sup> Excludes escrow funds received from tenants.

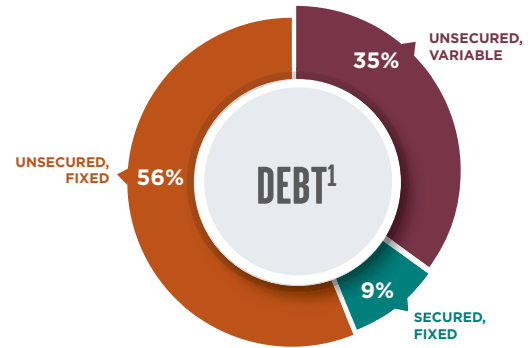
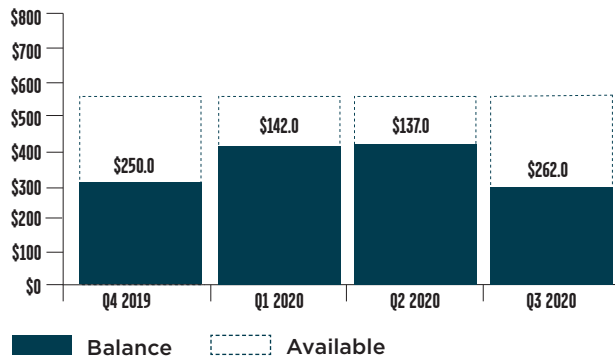
<sup>2</sup> The calculation of EBITDA includes GAAP interest expense, which excludes amounts capitalized during the period.

# CAPITAL STRUCTURE

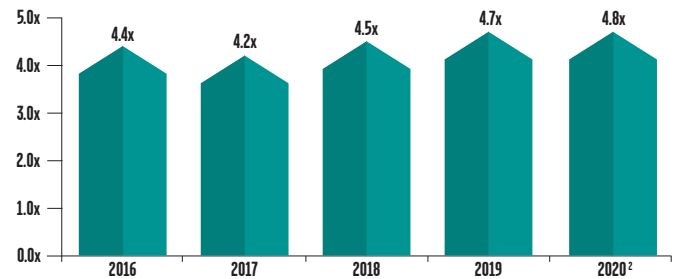
## Fixed Charge Coverage



## Revolver Liquidity (dollars in millions)



## Net Debt to Adjusted EBITDA



(dollars in thousands)

Amount

Rate<sup>3</sup>

% of Total

Maturity<sup>3</sup>

### Secured Debt

#### Fixed Rate

HUD Mortgage Loans	\$	42,721	4.04%	2.9%	17 years
Fannie Mae Mortgage Loans		95,444	3.94%	6.2%	5 years

**Total Secured Debt** 138,165

### Unsecured Debt

#### Fixed Rate

Term Loans		340,000	3.27% <sup>4</sup>	22.1%	3 years
Private Placement		400,000	4.15%	26.0%	4 years
Convertible Senior Notes		60,000	3.25%	3.9%	0.5 years
Revolving Credit Facility		60,000	2.81% <sup>4</sup>	3.9%	

#### Variable Rate

Revolving Credit Facility		228,000	1.35%	14.8%	1 year
Term Loans		310,000	1.77%	20.2%	2 years

**Total Unsecured Debt** 1,398,000

**Subtotal** 1,536,165 2.96% 100.0% 3 years

**Note Discounts** (1,179)

**Unamortized Loan Costs** (6,018)

**Total Debt** \$ 1,528,968

<sup>1</sup> Excludes impact of unamortized discounts and loan costs

<sup>2</sup> Annualized, see page 18 for reconciliation

<sup>3</sup> Weighted average

<sup>4</sup> Fixed using derivative rate swaps, which mature in 2021

# SELECT DEBT COVENANTS

## Select Credit Facility and Private Placement Covenants<sup>1</sup>

Credit Facility	Requirement	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Leverage ratio	<= 60%	44%	43%	43%	41%	41%
Unencumbered leverage ratio	<= 60%	48%	48%	48%	42%	42%
Secured leverage ratio	<= 30%	4%	4%	4%	4%	4%
Fixed charge coverage ratio	>= 1.75	5.68	5.49	5.27	5.24	5.58
Tangible net worth	\$965MM + 75% of future equity proceeds	Pass	Pass	Pass	Pass	Pass
Private Placement	Requirement	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Leverage ratio	<= 60%	44%	43%	43%	41%	41%
Unencumbered leverage ratio	<= 60%	48%	48%	48%	42%	42%
Secured leverage ratio	<= 30%	4%	4%	4%	4%	4%
Fixed charge coverage ratio	>= 2.00	4.98	4.86	4.67	4.62	4.89
Tangible net worth	\$650MM + 85% of future equity proceeds	Pass	Pass	Pass	Pass	Pass

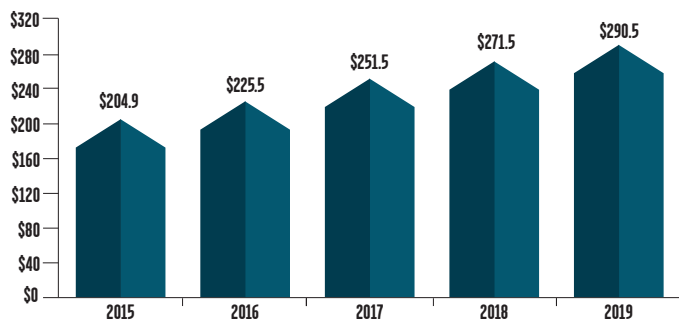
<sup>1</sup> These calculations are made in accordance with the respective debt agreements and may be different than other metrics presented.

# FINANCIAL

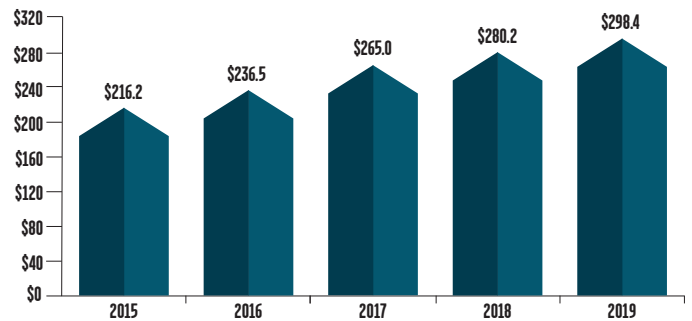
## A DISCIPLINED APPROACH TO VALUE CREATION

- STEADY REVENUE AND CASH FLOW GROWTH
- STRONG RELATIVE LONG-TERM PERFORMANCE
- CONSISTENT DIVIDEND GROWTH AND HEALTHY PAYOUT RATIO

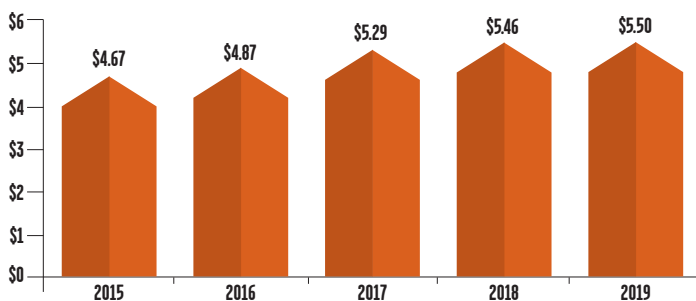
Cash NOI: 9.1% CAGR (dollars in millions)



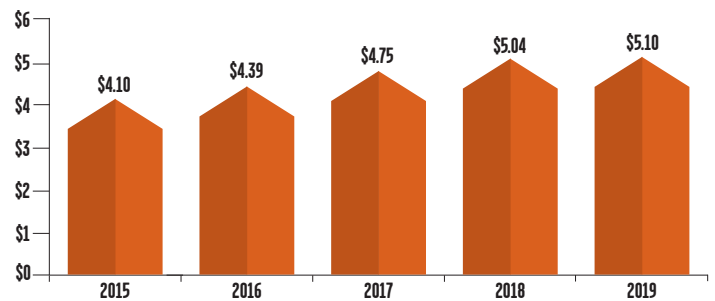
Adjusted EBITDA: 8.4% CAGR (dollars in millions)



NFFO Per Share: 4.2% CAGR

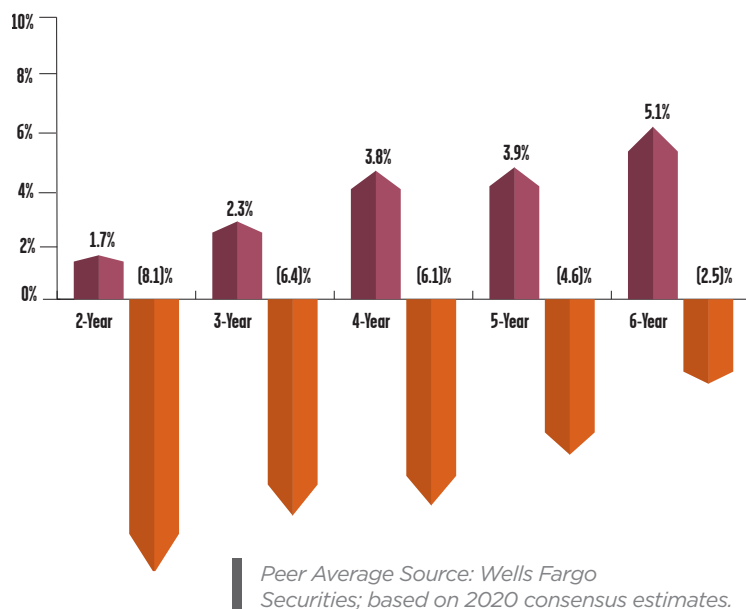


AFFO Per Share: 5.6% CAGR

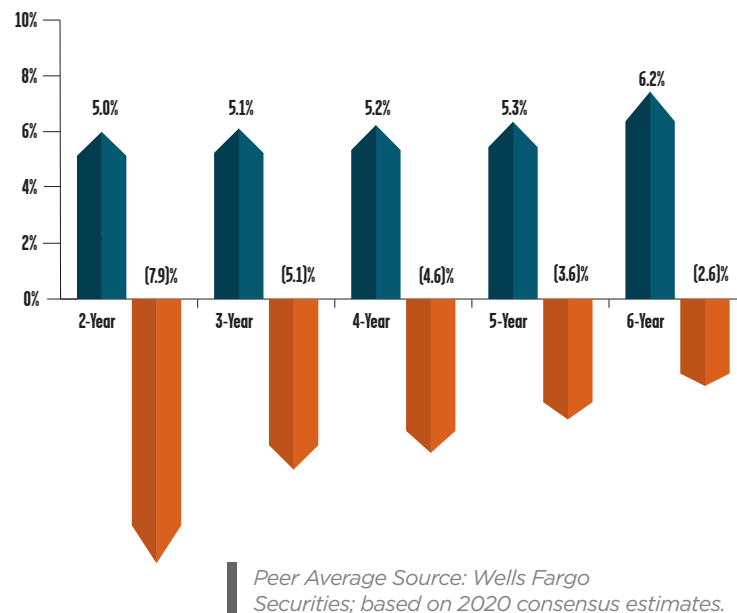


# PERFORMANCE

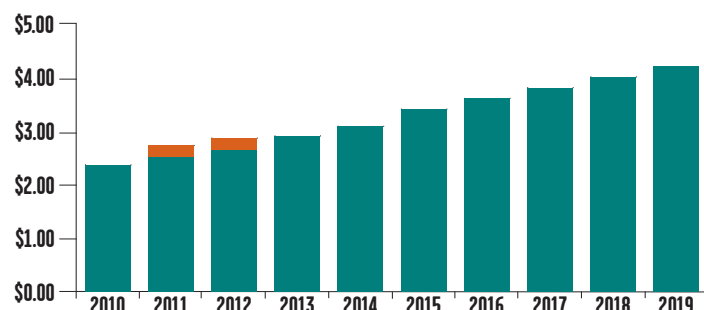
Normalized FFO / Share (CAGR) NHI vs Peer Avg



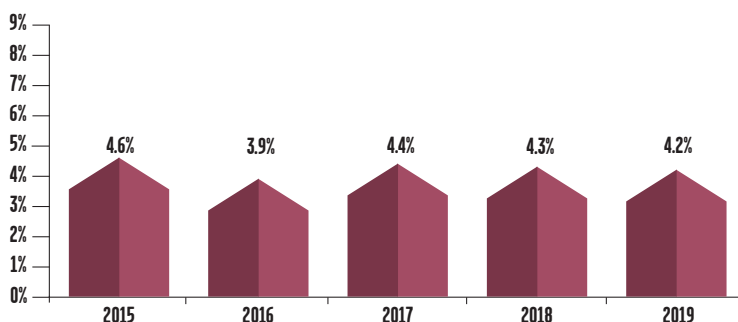
Dividends / Share (CAGR) NHI vs Peer Avg



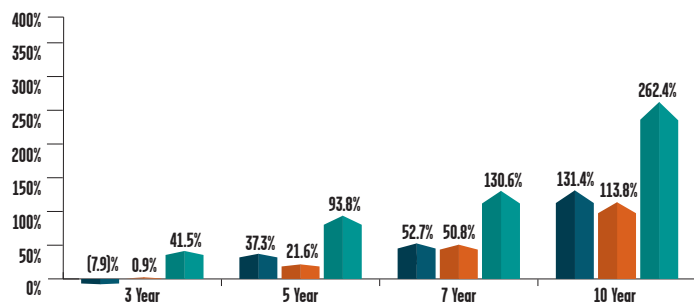
Dividends Regular Special



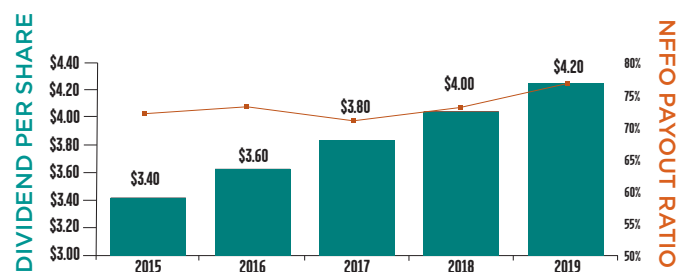
General & Administrative Cost as % of Total Revenue



Total Return NHI MSCI US REIT Index S&P 500 TR Index



Regular Dividends and Payout Ratio



# BALANCE SHEETS

(in thousands, except share and per share amounts)

	September 30, 2020		December 31, 2019	
Assets	(unaudited)			
Real estate properties				
Land	\$	220,423	\$	213,617
Buildings and improvements		3,041,613		2,836,673
Construction in progress		2,528		24,556
		3,264,564		3,074,846
Less accumulated depreciation		(576,605)		(514,453)
Real estate properties, net		2,687,959		2,560,393
Mortgage and other notes receivable, net		287,282		340,143
Cash and cash equivalents		42,198		5,215
Straight-line rent receivable		92,418		86,044
Assets held for sale, net		—		18,420
Other assets		29,416		32,020
Total Assets	\$	3,139,273	\$	3,042,235
Liabilities and Stockholders' Equity				
Debt	\$	1,528,968	\$	1,440,465
Accounts payable and accrued expenses		32,144		26,313
Dividends payable		49,314		46,817
Lease deposit liabilities		10,638		10,638
Deferred income		14,207		19,750
Total Liabilities		1,635,271		1,543,983
Commitments and Contingencies				
National Health Investors Stockholders' Equity:				
Common stock, \$0.01 par value; 100,000,000 and 60,000,000 shares authorized; 44,729,157 and 44,587,486 shares issued and outstanding		447		446
Capital in excess of par value		1,510,804		1,505,948
Cumulative dividends in excess of net income		(9,337)		(5,331)
Accumulated other comprehensive loss		(8,865)		(3,432)
Total National Health Investors Stockholders' Equity		1,493,049		1,497,631
Noncontrolling interests		10,953		621
Total Equity		1,504,002		1,498,252
Total Liabilities and Stockholders' Equity	\$	3,139,273	\$	3,042,235

# STATEMENTS OF INCOME

(in thousands, except share and per share amounts)

Quarter Ended September 30,	2020		2019	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
<b>Revenues</b>				
Rental income	\$	77,821	\$	75,247
Interest income and other		6,480		6,435
		84,301		81,682
<b>Expenses</b>				
Depreciation		20,836		19,695
Interest		12,892		14,661
Legal		241		40
Franchise, excise and other taxes		164		121
General and administrative		2,785		2,802
Taxes and insurance on leased properties		4,187		1,608
Loan and realty (gains) losses		(193)		—
		40,912		38,927
Loss from equity method investment		(728)		—
Net income		42,661		42,755
Less: net (income) loss attributable to noncontrolling interests		(66)		3
Net income attributable to common stockholders	\$	42,595	\$	42,758
 Weighted average common shares outstanding:				
Basic		44,661,650		43,505,332
Diluted		44,662,403		43,861,089
 Earnings per common share:				
Net income attributable to common stockholders - basic	\$	0.95	\$	0.98
Net income attributable to common stockholders - diluted	\$	0.95	\$	0.97

# FFO, AFFO & FAD

(in thousands, except share and per share amounts)

Quarter Ended September 30,	2020		2019	
Net income attributable to common stockholders	\$	42,595	\$	42,758
Elimination of certain non-cash items in net income:				
Depreciation		20,836		19,695
Depreciation related to noncontrolling interests		(210)		(22)
<b>NAREIT FFO attributable to common stockholders</b>		<b>63,221</b>		<b>62,431</b>
Normalizing items		—		—
<b>Normalized FFO attributable to common stockholders</b>		<b>63,221</b>		<b>62,431</b>
Straight-line rent revenue, net		(5,086)		(5,720)
Straight-line lease revenue, net, related to noncontrolling interests		29		6
Amortization of lease incentives		250		224
Amortization of original issue discount		102		197
Amortization of debt issuance costs		871		708
Equity method investment adjustments, net		568		—
Note receivable credit loss expense		(193)		—
<b>Normalized AFFO attributable to common stockholders</b>		<b>59,762</b>		<b>57,846</b>
Equity method investment capital expenditure		(105)		—
Equity method investment non-refundable fees received		156		—
Non-cash share-based compensation		457		477
<b>Normalized FAD attributable to common stockholders</b>	\$	<b>60,270</b>	\$	<b>58,323</b>

## BASIC

Weighted average common shares outstanding		44,661,650		43,505,332
NAREIT FFO attributable to common stockholders per share	\$	1.42	\$	1.44
Normalized FFO attributable to common stockholders per share	\$	1.42	\$	1.44
Normalized AFFO attributable to common stockholders per share	\$	1.34	\$	1.33

## DILUTED

Weighted average common shares outstanding		44,662,403		43,861,089
NAREIT FFO attributable to common stockholders per share	\$	1.42	\$	1.42
Normalized FFO attributable to common stockholders per share	\$	1.42	\$	1.42
Normalized AFFO attributable to common stockholders per share	\$	1.34	\$	1.32

## PAYOUT RATIOS

Regular dividends per common share	\$	1.1025	\$	1.05
Normalized FFO payout ratio per diluted common share		77.6%		73.9%
Normalized AFFO payout ratio per diluted common share		82.3%		79.5%

# RECONCILIATIONS

(dollars in thousands)

Quarter Ended September 30,

## Adjusted EBITDA Reconciliation

	2020		2019	
<b>Net Income</b>	\$	42,661	\$	42,755
Interest expense		12,892		14,661
Franchise, excise, and other taxes		164		121
Depreciation		20,836		19,695
NHI's share of EBITDA adjustments for unconsolidated entities		652		—
Note receivable credit loss expense		(193)		—
<b>Adjusted EBITDA</b>	\$	77,012	\$	77,232
Interest expense at contractual rates	\$	10,129	\$	14,308
Interest rate swap payments, net		1,778		(410)
Principal Payments		308		590
<b>Fixed Charges</b>	\$	12,215	\$	14,488
Fixed Charge Coverage		6.3x		5.3x

## Net Debt to Adjusted EBITDA

Consolidated Total Debt	\$	1,528,968
Less cash and cash equivalents		(42,198)
<b>Consolidated Net Debt</b>	\$	1,486,770
Adjusted EBITDA	\$	77,012
Annualizing Adjustment		231,036
Annualized impact of recent investments		—
	\$	308,048
Consolidated Net Debt to Adjusted EBITDA		4.8x

## Cash NOI

	QTD 2020		QTD 2019		YTD 2020		YTD 2019	
Rental Income	\$	77,821	\$	75,247	\$	232,266	\$	218,777
Straight-line rent income		(5,086)		(5,720)		(15,481)		(16,255)
Taxes and insurance on leased properties		(4,007)		(1,608)		(7,190)		(4,205)
Amortization of lease incentives		250		224		735		607
Lease payments received from tenants	\$	68,978	\$	68,143	\$	210,330	\$	198,924
Interest income and other		6,480		6,435		19,306		17,109
Amortization of commitment fees and discounts		(156)		(134)		(610)		(394)
<b>Cash NOI</b>	\$	75,302	\$	74,444	\$	229,026	\$	215,639
Period over Period increase (\$)	\$	858			\$	13,387		
Period over Period increase (%)		1.15%				6.21%		

# GLOSSARY

## ANNUALIZED REVENUES

The term Annualized Revenue refers to the amount of revenue that our portfolio would generate if all leases and mortgages were in effect for the twelve-month calendar year, regardless of the commencement date, maturity date, or renewals. Therefore, annualized revenue is used for financial analysis purposes, and is not indicative of actual or expected results.

## ADJUSTED EBITDA & EBITDARM

We consider Adjusted EBITDA to be an important supplemental measure because it provides information which we use to evaluate our performance and serves as an indication of our ability to service debt. We define Adjusted EBITDA as consolidated earnings before interest, taxes, depreciation and amortization, including amounts in discontinued operations, excluding real estate asset impairments and gains on dispositions and certain items which, due to their infrequent or unpredictable nature, may create some difficulty in comparing Adjusted EBITDA for the current period to similar prior periods, and may include, but are not limited to, impairment of non-real estate assets, gains and losses attributable to the acquisition and disposition of assets and liabilities, and recoveries of previous write-downs. Adjusted EBITDA also includes our proportionate share of unconsolidated equity method investments presented on a similar basis. Since others may not use our definition of Adjusted EBITDA, caution should be exercised when comparing our Adjusted EBITDA to that of other companies.

EBITDARM is earnings before interest, taxes, depreciation, amortization, rent and management fees.

## CAGR

The acronym CAGR refers to the Compound Annual Growth Rate. The compound annual growth rate represents the year-over-year growth rate over a specified time period.

## NORMALIZED FFO, AFFO & FAD

These operating performance measures may not be comparable to similarly titled measures used by other REITs. Consequently, our FFO, normalized FFO, normalized AFFO & normalized FAD may not provide a meaningful measure of our performance as compared to that of other REITs. Since other REITs may not use our definition of these operating performance measures, caution should be exercised when comparing our Company's FFO, normalized FFO, normalized AFFO & normalized FAD to that of other REITs. These financial performance measures do not represent cash generated from operating activities in accordance with generally accepted accounting principles ("GAAP") (these measures do not include changes in operating assets and liabilities) and therefore should not be considered an alternative to net earnings as an indication of operating performance, or to net cash flow from operating activities as determined by GAAP as a measure of liquidity, and are not necessarily indicative of cash available to fund cash needs.

FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT") and applied by us, is net income (computed in accordance with GAAP), excluding gains (or losses) from sales of real estate property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures, if any. 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. Diluted FFO assumes the exercise of stock options and other potentially dilutive securities. Normalized FFO excludes from FFO certain items which, due to their infrequent or unpredictable nature, may create some difficulty in comparing FFO for the current period to similar prior periods, and may include, but are not limited to, impairment of non-real estate assets, gains and losses attributable to the acquisition and disposition of assets and liabilities, and recoveries of previous write-downs.

We believe that FFO and normalized FFO are important supplemental measures of operating performance for a REIT. Because the historical cost accounting convention used for real estate assets requires depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen and fallen with market conditions, presentations of operating results for a REIT that uses historical cost accounting for depreciation could be less informative, and should be supplemented with a measure such as FFO. The term FFO was designed by the REIT industry to address this issue.

We believe that normalized AFFO is an important supplemental measure of operating performance for a REIT. GAAP requires a lessor to recognize contractual lease payments into income on a straight-line basis over the expected term of the lease.

This straight-line adjustment has the effect of reporting lease income that is significantly more or less than the contractual cash flows received pursuant to the terms of the lease agreement. GAAP also requires the original issue discount of our convertible senior notes and debt issuance costs to be amortized as a non-cash adjustment to earnings. We also adjust Normalized AFFO for the net change in our allowance for expected credit losses as well as certain non-cash items related to our equity method investments such as straight-line lease expense and recognition of purchase accounting adjustments. Normalized AFFO is useful to our investors as it reflects the growth inherent in our contractual lease payments without the distortion caused by non-cash amortization.

We believe that normalized FAD is an important supplemental measure of operating performance for a REIT, also providing a useful indicator of the ability to distribute dividends to shareholders. Additionally, normalized FAD improves the understanding of our operating results among investors and makes comparisons with: (i) expected results, (ii) results of previous periods and (iii) results among REITs, more meaningful. Because FAD may function as a liquidity measure, we do not present FAD on a per-share basis.

## FACILITY TYPES

**SHO** - Senior housing

**EFC** - Entrance Fee Community

**SNF** - Skilled nursing facility

**HOSP** - Hospital

**MOB** - Medical office building

## FIXED CHARGES

The term Fixed Charges refers to interest expense and debt principal.

## Peer Average

The peer average calculations provided by Wells Fargo Securities include the following diversified healthcare REITs:

Ventas, Inc.

LTC Properties, Inc.

Sabra Health Care REIT, Inc.

Welltower, Inc.

Healthpeak Properties

## STABILIZED LEASE

A newly acquired triple-net lease property is generally considered stabilized upon lease-up (typically when senior-care residents occupy at least 85% of the total number of certified units over at least a 12 month period) Newly completed developments, including redevelopments, are considered stabilized upon lease-up, as described above.

## TOTAL RETURN

The term Total Return refers to the total return an investor would have realized on an annual basis over a certain period assuming that all dividends are reinvested on the dividend payment date.

## WACY

The acronym WACY refers to Weighted Average Cash Yield, which is the anticipated rate of return upon initial investment excluding the impact of any discounts received or premiums paid.

