
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 2, 2021

OMEGA HEALTHCARE INVESTORS, INC.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation)

1-11316
(Commission File Number)

38-3041398
(IRS Employer
Identification No.)

**303 International Circle,
Suite 200
Hunt Valley, Maryland 21030**
(Address of principal executive offices / Zip Code)

(410) 427-1700
(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:

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

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.

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 :

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|-------------------------------|-------------------|---|
| Common Stock, \$.10 par value | OHI | New York Stock Exchange |

Item 2.02 Regulation FD Disclosure

On August 2, 2021, Omega Healthcare Investors, Inc. (“Omega”) issued a press release regarding its financial results for the quarter ended June 30, 2021. Omega’s press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

The information in this Item 2.02 of this Current Report on Form 8-K and the Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit

No.

Description of Exhibit

99.1

[Press release issued by the Company on August 2, 2021.](#)

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Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements 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.

OMEGA HEALTHCARE INVESTORS, INC.
(Co-Registrant)

Dated: August 2, 2021

By: /s/ Gail D. Makode
Gail D. Makode
Chief Legal Officer, General Counsel



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Hunt Valley, MD 21030

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PRESS RELEASE - FOR IMMEDIATE RELEASE

OMEGA REPORTS SECOND QUARTER 2021 RESULTS AND RECENT DEVELOPMENTS

**Balance Sheet Strengthened
Closed a New \$1.45 Billion Unsecured Credit Facility
Implemented a New \$1.0 Billion ATM Program**

HUNT VALLEY, MARYLAND - August 2, 2021 - Omega Healthcare Investors, Inc. (NYSE: OHI) (the "Company" or "Omega") announced today its results for the quarter ended June 30, 2021. The Company reported net income for the quarter of \$86.9 million or \$0.36 per common share. The Company also reported Nareit Funds From Operations ("Nareit FFO") for the quarter of \$180.8 million or \$0.74 per common share, Adjusted Funds From Operations ("AFFO" or "Adjusted FFO") of \$206.8 million or \$0.85 per common share, and Funds Available for Distribution ("FAD") of \$197.0 million.

Nareit FFO, AFFO and FAD are supplemental non-GAAP financial measures that the Company believes are useful in evaluating the performance of real estate investment trusts. For more information regarding these non-GAAP measures, see the "Funds From Operations" on the Company's website at www.omegahealthcare.com.

CEO COMMENTS

Taylor Pickett, Omega's Chief Executive Officer, stated, "The second quarter was a positive one for the Company, with strong second quarter Adjusted FFO and FAD, as well as, continued solid rent collections. In addition, we were able to further strengthen our balance sheet with a new and expanded credit facility and robust equity issuance in the quarter."

Mr. Pickett continued, "Facility occupancy improved in the quarter but still sits meaningfully below pre-pandemic levels, and as a result, many operators continue to rely on federal and state government support. With the industry focused on protecting their frail and vulnerable residents, we are hopeful that this support will continue."

Mr. Pickett concluded, "We would once again like to highlight the exemplary efforts of our operators and their heroic employees, who risk their own health and that of their families to bravely protect and care for their residents, and we thank them wholeheartedly for all their hard work."

2021 RECENT DEVELOPMENTS AND SECOND QUARTER HIGHLIGHTS

In Q3 2021, the Company...

- collected approximately 98% of contractual rent and mortgage payments for the month of July.
 - completed \$75 million of new investments.
 - declared a \$0.67 per share quarterly cash dividend on common stock.
-

In Q2 2021, the Company...

- collected over 99% of contractual rent and mortgage payments.
- entered into a new \$1.45 billion unsecured credit facility.
- entered into a new \$50 million term loan.
- implemented a new \$1.0 billion ATM program.
- completed \$6 million of new investments.
- sold six facilities for \$13 million in cash proceeds, generating a \$4 million gain.
- invested \$31 million in capital renovation and construction-in-progress projects.
- paid a \$0.67 per share quarterly cash dividend on common stock.

In Q1 2021, the Company...

- collected over 99% of contractual rent and mortgage payments.
- issued \$700 million aggregate principal amount of 3.250% Senior Notes due 2033.
- repurchased \$350 million aggregate principal amount of 4.375% Senior Notes due 2023.
- completed \$595 million of new acquisitions.
- sold 24 facilities for \$188 million in cash proceeds, generating a \$100 million gain.
- invested \$17 million in capital renovation and construction-in-progress projects.
- Inspir Carnegie Hill (Upper East Side, Manhattan) opens doors to residents.
- paid a \$0.67 per share quarterly cash dividend on common stock.
- was included in the 2021 Bloomberg Gender-Equality Index.

NET INCOME

The Company reported net income of \$86.9 million, or \$0.36 per common share, on revenues of \$257.4 million for the quarter ended June 30, 2021. This compares to net income of \$102.0 million, or \$0.43 per common share, on revenues of \$256.4 million, for the same period in 2020.

For the six months ended June 30, 2021, the Company reported net income of \$251.2 million, or \$1.04 per common share, on revenues of \$531.2 million. This compares to net income of \$194.2 million, or \$0.83 per common share, on revenues of \$509.4 million, for the same period in 2020.

The year-over-year increase in net income for the six-month period ended June 30 was primarily due to (i) an \$89.8 million increase in gain on the sale of assets, (ii) \$40.7 million in revenue from incremental new investments completed, and (iii) a \$10.1 million increase in income from unconsolidated joint ventures. The increase in net income was partially offset by (i) a \$30.1 million increase in loss on early extinguishment of debt, (ii) \$21.9 million of incremental impairments on real estate properties and direct financing leases, (iii) an \$18.9 million increase in the write-off of non-cash revenue (primarily straight-line revenue), (iv) a \$5.9 million increase in interest expense, and (v) a \$4.4 million increase in depreciation and amortization expense from new investments.

SECOND QUARTER 2021 RESULTS

Revenues - Revenues for the quarter ended June 30, 2021 totaled \$257.4 million, which included \$11.6 million of non-cash revenue, \$3.0 million of real estate tax and ground rents, and a \$17.4 million write-off of non-cash straight-line revenue (see Revenue Recognition section below).

Expenses - Expenses for the quarter ended June 30, 2021 totaled \$175.1 million, primarily consisting of \$85.8 million of depreciation and amortization expense, \$55.7 million of interest expense, \$9.0 million of general and administrative ("G&A") expense, \$8.8 million of impairment on real estate properties, \$5.8 million of stock-based compensation expense, a \$3.5 million provision for estimated current expected credit losses ("CECL"), \$3.4 million of real estate tax and ground lease expense, and \$3.2 million of amortized deferred financing costs, which were offset by a \$0.2 million recovery on direct financing leases.

Other Income and Expense - Other income and expense for the quarter ended June 30, 2021 totaled \$4.3 million, which included \$4.1 million of gain on assets sold, and \$0.5 million of other income, which were offset by \$0.4 million in charges related to the early extinguishment of debt obligations.

Funds From Operations - Nareit FFO for the quarter ended June 30, 2021 was \$180.8 million, or \$0.74 per common share, on 244 million weighted-average common shares outstanding, compared to \$186.5 million, or \$0.80 per common share, on 235 million weighted-average common shares outstanding, for the same period in 2020.

The \$180.8 million of Nareit FFO includes a \$17.4 million write-off of non-cash straight-line revenue, \$5.8 million of non-cash stock-based compensation expense, a \$3.5 million provision for CECL, and \$0.4 million in loss on early extinguishment of debt, which were offset by \$1.0 million of non-recurring revenue and a \$0.2 million recovery on direct financing leases.

The \$186.5 million of Nareit FFO for the quarter ended June 30, 2020 included \$4.6 million of non-cash stock-based compensation expense, \$1.2 million in loss on early extinguishment of debt related to an unconsolidated joint venture, a \$1.2 million write-off of non-cash straight-line revenue and \$0.3 million of acquisition, merger and transition-related costs, which were offset by \$3.2 million of one-time revenue and an \$0.8 million recovery on direct financing leases.

Adjusted FFO was \$206.8 million, or \$0.85 per common share, for the quarter ended June 30, 2021, compared to \$189.8 million, or \$0.81 per common share, for the same quarter in 2020. For further information, see the "Funds From Operations" schedule below and on the Company's website.

FINANCING ACTIVITIES

\$1.0 Billion At-the-Market ("ATM") Program - On May 13, 2021, the Company established a \$1.0 billion at-the-market program (the "2021 ATM Program") to sell shares of its common stock from time-to-time in an at-the-market offering. The 2021 ATM Program replaced the Company's \$500 million Equity Shelf Program (the "2015 ATM Program") that the Company entered into in 2015.

ATM Programs and Dividend Reinvestment and Common Stock Purchase Plan - During the quarter ended June 30, 2021, the Company sold 4.1 million shares of its common stock under its 2021 ATM Program, its 2015 ATM Program and its Dividend Reinvestment and Common Stock Purchase Plan. Aggregate gross proceeds from these sales generated \$154 million in the second quarter and \$231 million year-to-date:

At-the-Market Programs for 2021 (in thousands, except price per share)

| | Q1 | Q2 | Total |
|-------------------------|-----------|-----------|------------|
| Number of shares | 1,617 | 2,497 | 4,114 |
| Average price per share | \$ 37.95 | \$ 37.00 | \$ 37.37 |
| Gross proceeds | \$ 61,355 | \$ 92,402 | \$ 153,757 |

Dividend Reinvestment and Common Stock Purchase Plan for 2021 (in thousands, except price per share)

| | Q1 | Q2 | Total |
|-------------------------|-----------|-----------|-----------|
| Number of shares | 416 | 1,640 | 2,056 |
| Average price per share | \$ 37.23 | \$ 37.69 | \$ 37.60 |
| Gross proceeds | \$ 15,491 | \$ 61,795 | \$ 77,286 |

\$1.45 Billion Credit Facility - On April 30, 2021, the Company entered into a new four-year \$1.45 billion senior unsecured credit facility ("Credit Facility"). The Credit Facility replaced a \$1.25 billion senior unsecured credit facility that was scheduled to mature on May 25, 2021.

\$50 Million OP Term Loan Facility - On April 30, 2021, the Company's operating partnership subsidiary entered into a new four-year \$50 million senior unsecured term loan facility ("OP Term Loan Facility"). The OP Term Loan Facility replaced a \$50 million senior unsecured term loan that was scheduled to mature on May 25, 2022.

2021 RECENT AND SECOND QUARTER PORTFOLIO ACTIVITY

Q3 2021 Portfolio Activity:

\$66 Million Mortgage Loan - On July 1, 2021, the Company financed six skilled nursing facilities ("SNFs") in Ohio and amended an existing \$6.4 million mortgage (see \$6 Million Mortgage Loan below) to include the six facilities in a consolidated \$72.4 million mortgage for eight Ohio facilities bearing interest at an initial rate of 10.5% per annum.

\$9 Million of New Investments - On July 14, 2021, the Company acquired two care home facilities (similar to assisted living facilities in the United States) located in the United Kingdom from an unrelated third party for approximately \$9.48 million. The two facilities with 80 beds were added to an existing operator's master lease with an initial annual cash yield of 8.0% with 2.5% annual escalators.

Q2 2021 Portfolio Activity:

\$37 Million of New Investments - In the second quarter of 2021, the Company completed approximately \$6.4 million of new investments and \$31.1 million in capital renovations and new construction projects consisting of the following:

\$6 Million Mortgage Loan - On June 1, 2021, the Company entered into a \$6.4 million first mortgage with an existing operator of the Company. The loan is secured by two SNFs with 239 beds located in Ohio. The loan bears an annual interest rate of 10.5%.

\$31 Million of Capital Investments - In the second quarter of 2021, the Company invested \$31.1 million under its capital renovation and construction-in-progress programs.

Revenue Recognition - In June, an operator informed the Company that it would be unable to make its contractual rental payments for the foreseeable future. As such, the Company revised its revenue recognition treatment for the operator to cash basis accounting rather than the straight-line accounting method. As a result, the Company recorded a \$17.4 million reduction in rental income related to the write-down of straight-line receivables.

Asset Sales and Impairments:

\$13 Million in Asset Sales - In the second quarter of 2021, the Company sold six facilities for \$12.9 million in cash, recognizing a gain of approximately \$4.1 million. Four of these assets were previously classified as held for sale.

Impairments and Assets Held for Sale - During the second quarter of 2021, the Company recorded a net impairment charge of \$8.8 million to reduce the net book value of three facilities to their estimated fair values or expected selling prices.

As of June 30, 2021, the Company had 9 facilities classified as assets held for sale, totaling approximately \$35 million.

BALANCE SHEET AND LIQUIDITY

As of June 30, 2021, the Company had \$5.3 billion of outstanding indebtedness with a weighted-average annual interest rate of 4.19%. The Company's indebtedness consisted of an aggregate principal amount of \$4.9 billion of senior unsecured notes, a \$50.0 million unsecured term loan, and \$365.8 million of secured debt. As of June 30, 2021, total cash and cash equivalents were \$100.8 million and the Company had its full \$1.45 billion of undrawn capacity on its Credit Facility.

CFO COMMENTS

Bob Stephenson, Omega's Chief Financial Officer, commented, "In the second quarter of 2021, we continued to further enhance our already strong balance sheet and liquidity by entering into a new \$1.45 billion unsecured credit facility in April and implementing a new \$1.0 billion ATM program in May."

Mr. Stephenson continued, "We ended the quarter with \$100 million of cash on our balance sheet and a completely undrawn credit facility, providing Omega with nearly \$1.6 billion of liquidity. We issued approximately \$150 million of equity throughout the quarter, with our leverage dropping below 5 times as we continue to gradually de-lever."

DIVIDENDS

On July 22, 2021, the Board of Directors declared a quarterly cash dividend of \$0.67 per share, to be paid August 13, 2021 to common stockholders of record as of the close of business on August 2, 2021.

CONFERENCE CALL

The Company will be conducting a conference call on Tuesday, August 3, 2021 at 10 a.m. Eastern time to review the Company's 2021 second quarter results and current developments. Analysts and investors within the United States interested in participating are invited to call (877) 511-2891. The Canadian toll-free dial-in number is (855) 669-9657. All other international participants may use the dial-in number (412) 902-4140. Ask the operator to be connected to the "Omega Healthcare's Second Quarter 2021 Earnings Call."

To listen to the conference call via webcast, log on to **www.omegahealthcare.com** and click the "Omega Healthcare Investors, Inc. 2Q Earnings Call" hyper link under "Upcoming Events" in the Investor Relations section on Omega's website homepage. Webcast replays of the call will be available on Omega's website for approximately two weeks following the call. Additionally, a copy of the earnings release will be available in the "Featured Documents" and "Press Releases" sections of Omega's website.

* * * * *

Omega is a real estate investment trust that invests in the long-term healthcare industry, primarily in skilled nursing and assisted living facilities. Its portfolio of assets is operated by a diverse group of healthcare companies, predominantly in a triple-net lease structure. The assets span all regions within the United States, as well as in the United Kingdom.

FOR FURTHER INFORMATION, CONTACT
Matthew Gourmand, SVP, Corporate Strategy & Investor Relations
or
Bob Stephenson, CFO at (410) 427-1700

Forward-Looking Statements and Cautionary Language

Novel coronavirus ("COVID-19") data has been provided by our operators. We caution that we have not independently validated facility virus incidence information, it may be reported on an inconsistent basis by our operators, and we can provide no assurance regarding its accuracy or that there have not been any changes since the time the information was obtained from our operators; we also undertake no duty to update this information.

This press release includes forward-looking statements within the meaning of the federal securities laws. All statements regarding Omega's or its tenants', operators', borrowers' or managers' expected future financial condition, results of operations, cash flows, funds from operations, dividends and dividend plans, financing opportunities and plans, capital markets transactions, business strategy, budgets, projected costs, operating metrics, capital expenditures, competitive positions, acquisitions, investment opportunities, dispositions, facility transitions, growth opportunities, expected lease income, continued qualification as a real estate investment trust ("REIT"), plans and objectives of management for future operations and statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will" and other similar expressions are forward-looking statements. These forward-looking statements are inherently uncertain, and actual results may differ from Omega's expectations.

Omega's actual results may differ materially from those reflected in such forward-looking statements as a result of a variety of factors, including, among other things: (i) uncertainties relating to the business operations of the operators of Omega's properties, including those relating to reimbursement by third-party payors, regulatory matters and occupancy levels; (ii) the impact of COVID-19 on our business and the business of our operators, including without limitation, the extent and duration of the COVID-19 pandemic, increased costs, staffing shortages and decreased occupancy levels experienced by operators of SNFs and assisted living facilities ("ALFs") in connection therewith, the ability of operators to comply with new infection control and vaccine protocols, the long-term impact of vaccinations on facility infection rates, and the extent to which continued government support may be available to operators to offset such costs and the conditions related thereto; (iii) the ability of any of Omega's operators in bankruptcy to reject unexpired lease obligations, modify the terms of Omega's mortgages and impede the ability of Omega to collect unpaid rent or interest during the pendency of a bankruptcy proceeding and retain security deposits for the debtor's obligations, and other costs and uncertainties associated with operator bankruptcies; (iv) Omega's ability to re-lease, otherwise transition or sell underperforming assets or assets held for sale on a timely basis and on terms that allow Omega to realize the carrying value of these assets; (v) the availability and cost of capital to us; (vi) changes in Omega's credit ratings and the ratings of its debt securities; (vii) competition in the financing of healthcare facilities; (viii) competition in the long-term healthcare industry and shifts in the perception of various types of long-term care facilities, including SNFs and ALFs; (ix) additional regulatory and other changes in the healthcare sector; (x) changes in the financial position of our operators; (xi) the effect of economic and market conditions generally, and particularly in the healthcare industry; (xii) changes in interest rates; (xiii) the timing, amount and yield of any additional investments; (xiv) changes in tax laws and regulations affecting REITs; (xv) the potential impact of changes in the SNF and ALF market or local real estate conditions on the Company's ability to dispose of assets held for sale for the anticipated proceeds or on a timely basis, or to redeploy the proceeds therefrom on favorable terms; (xvi) Omega's ability to maintain its status as a REIT; (xvii) the effect of other factors affecting our business or the businesses of our operators that are beyond our or their control, including natural disasters, other health crises or pandemics and governmental action, particularly in the healthcare industry, and (xviii) other factors identified in Omega's filings with the SEC. Statements regarding future events and developments and Omega's future performance, as well as management's expectations, beliefs, plans, estimates or projections relating to the future, are forward looking statements.

We caution you that the foregoing list of important factors may not contain all the material factors that are important to you. Accordingly, readers should not place undue reliance on those statements. All forward-looking statements are based upon information available to us on the date of this release. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

| | June 30, 2021 | December 31, 2020 |
|---|--------------------------|------------------------------|
| | (Unaudited) | |
| ASSETS | | |
| Real estate properties | | |
| Real estate investments | \$ 9,228,332 | \$ 8,702,154 |
| Less accumulated depreciation | (2,139,100) | (1,996,914) |
| Real estate investments - net | 7,089,232 | 6,705,240 |
| Investments in direct financing leases - net | 10,807 | 10,764 |
| Mortgage notes receivable - net | 857,162 | 885,313 |
| | 7,957,201 | 7,601,317 |
| Other investments - net | 458,664 | 467,442 |
| Investments in unconsolidated joint ventures | 197,912 | 200,638 |
| Assets held for sale | 35,335 | 81,452 |
| Total investments | 8,649,112 | 8,350,849 |
| Cash and cash equivalents | 100,824 | 163,535 |
| Restricted cash | 3,736 | 4,023 |
| Contractual receivables - net | 10,948 | 10,408 |
| Other receivables and lease inducements | 229,509 | 234,666 |
| Goodwill | 651,697 | 651,737 |
| Other assets | 113,228 | 82,231 |
| Total assets | \$ 9,759,054 | \$ 9,497,449 |
| LIABILITIES AND EQUITY | | |
| Revolving credit facility | \$ — | \$ 101,158 |
| Secured borrowings | 365,831 | 369,524 |
| Senior notes and other unsecured borrowings - net | 4,906,734 | 4,698,570 |
| Accrued expenses and other liabilities | 266,818 | 280,824 |
| Deferred income taxes | 9,645 | 10,766 |
| Total liabilities | 5,549,028 | 5,460,842 |
| Equity: | | |
| Preferred stock \$1.00 par value authorized - 20,000 shares, issued and outstanding - none | — | — |
| Common stock \$.10 par value authorized - 350,000 shares, issued and outstanding - 237,570 shares as of June 30, 2021 and 231,199 as of December 31, 2020 | 23,756 | 23,119 |
| Common stock - additional paid-in capital | 6,377,238 | 6,152,887 |
| Cumulative net earnings | 2,839,236 | 2,594,735 |
| Cumulative dividends paid | (5,232,692) | (4,916,097) |
| Accumulated other comprehensive income (loss) | 4,523 | (12,768) |
| Total stockholders' equity | 4,012,061 | 3,841,876 |
| Noncontrolling interest | 197,965 | 194,731 |
| Total equity | 4,210,026 | 4,036,607 |
| Total liabilities and equity | \$ 9,759,054 | \$ 9,497,449 |

OMEGA HEALTHCARE INVESTORS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
Unaudited

(in thousands, except per share amounts)

| | Three Months Ended | | Six Months Ended | |
|---|---------------------------|------------------|-------------------------|-------------------|
| | June 30, | | June 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | |
| Rental income | \$ 218,000 | \$ 217,403 | \$ 452,825 | \$ 435,528 |
| Real estate tax and ground lease income | 2,955 | 4,129 | 5,891 | 7,504 |
| Income from direct financing leases | 257 | 259 | 515 | 517 |
| Mortgage interest income | 24,021 | 21,680 | 47,646 | 41,365 |
| Other investment income | 11,813 | 10,932 | 23,465 | 21,584 |
| Miscellaneous income | 374 | 1,992 | 846 | 2,921 |
| Total revenues | 257,420 | 256,395 | 531,188 | 509,419 |
| Expenses | | | | |
| Depreciation and amortization | 85,799 | 83,586 | 170,648 | 166,229 |
| General and administrative | 9,023 | 8,983 | 19,422 | 19,910 |
| Real estate tax and ground lease expense | 3,367 | 4,018 | 6,453 | 8,045 |
| Stock-based compensation expense | 5,811 | 4,623 | 11,207 | 9,258 |
| Acquisition, merger and transition related costs | — | 251 | 1,814 | 26 |
| Impairment on real estate properties | 8,822 | 11,988 | 37,511 | 15,627 |
| Recovery on direct financing leases | (164) | (752) | (717) | (752) |
| Provision for credit losses | 3,536 | 15 | 2,512 | 1,501 |
| Interest expense | 55,659 | 52,791 | 111,427 | 105,532 |
| Interest - amortization of deferred financing costs | 3,220 | 2,461 | 5,973 | 4,922 |
| Total expenses | 175,073 | 167,964 | 366,250 | 330,298 |
| Other income (expense) | | | | |
| Other income (expense) - net | 518 | 141 | 83 | (593) |
| Loss on debt extinguishment | (395) | — | (30,065) | — |
| Realized gain (loss) on foreign exchange | 22 | 1 | 688 | (69) |
| Gain on assets sold - net | 4,123 | 12,843 | 104,465 | 14,681 |
| Total other income | 4,268 | 12,985 | 75,171 | 14,019 |
| Income before income tax expense and income from unconsolidated joint ventures | | | | |
| | 86,615 | 101,416 | 240,109 | 193,140 |
| Income tax expense | (939) | (858) | (1,897) | (1,863) |
| Income from unconsolidated joint ventures | 1,187 | 1,402 | 13,017 | 2,962 |
| Net income | 86,863 | 101,960 | 251,229 | 194,239 |
| Net income attributable to noncontrolling interest | (2,340) | (2,653) | (6,728) | (5,017) |
| Net income available to common stockholders | \$ 84,523 | \$ 99,307 | \$ 244,501 | \$ 189,222 |
| Earnings per common share available to common stockholders: | | | | |
| Basic: | | | | |
| Net income available to common stockholders | \$ 0.36 | \$ 0.44 | \$ 1.04 | \$ 0.83 |
| Diluted: | | | | |
| Net income | \$ 0.36 | \$ 0.43 | \$ 1.04 | \$ 0.83 |
| Dividends declared per common share | \$ 0.67 | \$ 0.67 | \$ 1.34 | \$ 1.34 |

OMEGA HEALTHCARE INVESTORS, INC.
FUNDS FROM OPERATIONS

Unaudited

(in thousands, except per share amounts)

| | Three Months Ended | | Six Months Ended | |
|---|---------------------------|-------------------|-------------------------|-------------------|
| | June 30, | | June 30, | |
| | 2021 | 2020 | 2021 | 2020 |
| Net income | \$ 86,863 | \$ 101,960 | \$ 251,229 | \$ 194,239 |
| Deduct gain from real estate dispositions | (4,123) | (12,843) | (104,465) | (14,681) |
| Add back loss (deduct gain) from real estate dispositions of unconsolidated joint ventures | 177 | (1,838) | (14,747) | (1,955) |
| Sub-total | 82,917 | 87,279 | 132,017 | 177,603 |
| Elimination of non-cash items included in net income: | | | | |
| Depreciation and amortization | 85,799 | 83,586 | 170,648 | 166,229 |
| Depreciation - unconsolidated joint ventures | 3,067 | 3,550 | 6,428 | 7,182 |
| Add back provision for impairments on real estate properties | 8,822 | 11,988 | 37,511 | 15,627 |
| Add back provision for impairments on real estate properties of unconsolidated joint ventures | 252 | — | 4,430 | — |
| (Deduct) add back unrealized (gain) loss on warrants | (29) | 65 | 43 | 840 |
| Nareit funds from operations ("Nareit FFO") | \$ 180,828 | \$ 186,468 | \$ 351,077 | \$ 367,481 |
| Weighted-average common shares outstanding, basic | 236,229 | 227,411 | 234,401 | 227,336 |
| Restricted stock and PRSUs | 1,130 | 1,030 | 1,037 | 1,146 |
| Omega OP Units | 6,549 | 6,082 | 6,470 | 6,033 |
| Weighted-average common shares outstanding, diluted | 243,908 | 234,523 | 241,908 | 234,515 |
| Nareit funds from operations available per share | \$ 0.74 | \$ 0.80 | \$ 1.45 | \$ 1.57 |
| Adjustments to calculate adjusted funds from operations: | | | | |
| Nareit FFO | \$ 180,828 | \$ 186,468 | \$ 351,077 | \$ 367,481 |
| Add back | | | | |
| Uncollectible accounts receivable ⁽¹⁾ | 17,401 | 1,205 | 20,151 | 1,205 |
| Provision for credit losses | 3,536 | 15 | 2,512 | 1,501 |
| Stock-based compensation expense | 5,811 | 4,623 | 11,207 | 9,258 |
| Loss on debt extinguishment | 395 | — | 30,065 | — |
| Acquisition, merger and transition related costs | — | 251 | 1,814 | 26 |
| Deduct | | | | |
| Non-recurring revenue | (1,001) | (3,162) | (6,005) | (3,828) |
| Recovery on direct financing leases | (164) | (752) | (717) | (752) |
| Add back unconsolidated joint venture related | | | | |
| Loss on debt extinguishment | — | 1,198 | 457 | 1,198 |
| Adjusted funds from operations ("AFFO") | \$ 206,806 | \$ 189,846 | \$ 410,561 | \$ 376,089 |
| Adjustments to calculate funds available for distribution: | | | | |
| Non-cash interest expense | \$ 2,170 | \$ 2,438 | \$ 4,050 | \$ 4,876 |
| Capitalized interest | (416) | (3,454) | (804) | (7,100) |
| Non-cash revenue | (11,556) | (9,735) | (23,626) | (20,498) |
| Funds available for distribution ("FAD") | \$ 197,004 | \$ 179,095 | \$ 390,181 | \$ 353,367 |

(1) Straight-line accounts receivable write-off recorded as a reduction to Rental income.

Nareit Funds From Operations (“Nareit FFO”), Adjusted FFO and Funds Available for Distribution (“FAD”) are non-GAAP financial measures. For purposes of the Securities and Exchange Commission’s Regulation G, a non-GAAP financial measure is a numerical measure of a company’s historical or future financial performance, financial position or cash flows that exclude amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable financial measure calculated and presented in accordance with GAAP in the income statement, balance sheet or statement of cash flows (or equivalent statements) of the company, or include amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable financial measure so calculated and presented.

As used in this press release, GAAP refers to generally accepted accounting principles in the United States of America. Pursuant to the requirements of Regulation G, the Company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

The Company calculates and reports Nareit FFO in accordance with the definition and interpretive guidelines issued by the National Association of Real Estate Investment Trusts (“Nareit”), and consequently, Nareit FFO is defined as net income (computed in accordance with GAAP), adjusted for the effects of asset dispositions and certain non-cash items, primarily depreciation and amortization and impairments on real estate assets, and after adjustments for unconsolidated partnerships and joint ventures and changes in the fair value of warrants. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis.

The Company believes that Nareit FFO, Adjusted FFO and FAD are important supplemental measures of its operating performance. 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, while real estate values instead have historically risen or fallen with market conditions. The term funds from operations was designed by the real estate industry to address this issue. Funds from operations described herein is not necessarily comparable to funds from operations of other real estate investment trusts, or REITs, that do not use the same definition or implementation guidelines or interpret the standards differently from the Company.

Adjusted FFO is calculated as Nareit FFO excluding the impact of non-cash stock-based compensation and certain revenue and expense items (e.g., acquisition, merger and transition related costs, write-off of straight-line accounts receivable, recoveries and provisions for current expected credit losses, severance, etc.). FAD is calculated as Adjusted FFO less non-cash interest expense and non-cash revenue, such as straight-line rent. The Company believes these measures provide an enhanced measure of the operating performance of the Company’s core portfolio as a REIT. The Company’s computation of Adjusted FFO and FAD may not be comparable to the Nareit definition of funds from operations or to similar measures reported by other REITs, but the Company believes that they are appropriate measures for this Company.

The Company uses these non-GAAP measures among the criteria to measure the operating performance of its business. The Company also uses FAD among the performance metrics for performance-based compensation of officers. The Company further believes that by excluding the effect of depreciation, amortization, impairments on real estate assets and gains or losses from sales of real estate, all of which are based on historical costs and which may be of limited relevance in evaluating current performance, funds from operations can facilitate comparisons of operating performance between periods and between other REITs. The Company offers these measures to assist the users of its financial statements in analyzing its operating performance and not as measures of liquidity or cash flow. These non-GAAP measures are not measures of financial performance under GAAP and should not be considered as measures of liquidity, alternatives to net income or indicators of any other performance measure determined in accordance with GAAP.

Investors and potential investors in the Company’s securities should not rely on these non-GAAP measures as substitutes for any GAAP measure, including net income.

The following tables present selected portfolio information, including operator and geographic concentrations, and lease and loan maturities:

| Balance Sheet Data | As of June 30, 2021 | | | | |
|-----------------------------|-----------------------|----------------------------|-----------------|-------------------------------|-------------------------|
| | Total # of Facilities | Total Investment (\$000's) | % of Investment | # of Operating Facilities (2) | # of Operating Beds (2) |
| Real estate investments (1) | 898 | \$ 9,239,139 | 92 % | 890 | 90,138 |
| Mortgage notes receivable | 63 | 857,162 | 8 % | 59 | 6,449 |
| | 961 | \$ 10,096,301 | 100 % | 949 | 96,587 |
| Assets held for sale | 9 | 35,335 | | | |
| Total investments | 970 | \$ 10,131,636 | | | |

| Investment Data | As of June 30, 2021 | | | | | |
|------------------------|-----------------------|----------------------------|-----------------|-------------------------------|-------------------------|------------------------------|
| | Total # of Facilities | Total Investment (\$000's) | % of Investment | # of Operating Facilities (2) | # of Operating Beds (2) | Investment per Bed (\$000's) |
| SNFs/Transitional care | 806 | \$ 7,895,710 | 78 % | 795 | 85,683 | \$ 92 |
| Senior housing (3) | 155 | 2,200,591 | 22 % | 154 | 10,904 | \$ 202 |
| | 961 | \$ 10,096,301 | 100 % | 949 | 96,587 | \$ 105 |
| Assets held for sale | 9 | 35,335 | | | | |
| Total investments | 970 | \$ 10,131,636 | | | | |

(1) Includes one facility under a direct financing lease totaling \$10.8 million.

(2) Excludes facilities which are non-operating, closed and/or not currently providing patient services.

(3) Includes ALFs, memory care and independent living facilities.

Revenue by Investment Type (000's)

| | Three Months Ended June 30, 2021 | | Six Months Ended June 30, 2021 | |
|--|-------------------------------------|-------|-----------------------------------|-------|
| | \$ | % | \$ | % |
| Rental property | \$ 218,257 | 85 % | \$ 453,340 | 85 % |
| Real estate tax and ground lease income | 2,955 | 1 % | 5,891 | 1 % |
| Mortgage notes | 24,021 | 9 % | 47,646 | 9 % |
| Other investment income and miscellaneous income - net | 12,187 | 5 % | 24,311 | 5 % |
| | \$ 257,420 | 100 % | \$ 531,188 | 100 % |

Revenue by Facility Type (000's)

| | Three Months Ended June 30, 2021 | | Six Months Ended June 30, 2021 | |
|---|-------------------------------------|-------|-----------------------------------|-------|
| | \$ | % | \$ | % |
| SNFs/Transitional care | \$ 194,915 | 76 % | \$ 409,984 | 77 % |
| Senior housing | 47,363 | 18 % | 91,002 | 17 % |
| Real estate tax and ground lease income | 2,955 | 1 % | 5,891 | 1 % |
| Other | 12,187 | 5 % | 24,311 | 5 % |
| | \$ 257,420 | 100 % | \$ 531,188 | 100 % |

| Rent/Interest Concentration by Operator (\$000's) | As of | 2021 Q2 | % of Total |
|--|---|---|--|
| | June 30, 2021 # of Facilities (1) | Annualized Contractual Rent/Interest (1)(2) | Annualized Contractual Rent/Interest |
| Ciena | 65 | \$ 99,005 | 9.9 % |
| Consulate | 86 | 94,631 | 9.5 % |
| Maplewood | 16 | 62,598 | 6.3 % |
| Genesis | 45 | 57,376 | 5.8 % |
| Communicare | 37 | 55,833 | 5.6 % |
| Agemo | 54 | 53,672 | 5.4 % |
| Saber | 50 | 52,684 | 5.3 % |
| Brookdale | 24 | 44,167 | 4.4 % |
| HHC | 44 | 37,391 | 3.7 % |
| Guardian | 35 | 36,719 | 3.7 % |
| Remaining Operators (3) | 492 | 403,338 | 40.4 % |
| | 948 | \$ 997,414 | 100.0 % |

(1) Excludes facilities which are non-operating, closed and/or not currently providing patient services.

(2) Includes mezzanine and term loan interest.

(3) Excludes one multi-tenant medical office building.

| Geographic Concentration by Investment (\$000's) | As of June 30, 2021 | | |
|---|------------------------------|----------------------------|--------------------------|
| | Total # of Facilities (1) | Total Investment (1)(2) | % of Total Investment |
| Florida | 133 | \$ 1,552,754 | 15.4 % |
| Texas | 119 | 1,011,994 | 10.0 % |
| Indiana | 70 | 639,777 | 6.3 % |
| Michigan | 47 | 636,716 | 6.3 % |
| California | 53 | 580,768 | 5.7 % |
| Pennsylvania | 54 | 580,293 | 5.7 % |
| Ohio | 43 | 514,955 | 5.1 % |
| Virginia | 28 | 420,866 | 4.2 % |
| New York | 1 | 334,996 | 3.3 % |
| North Carolina | 39 | 327,588 | 3.2 % |
| Remaining 32 states | 317 | 3,077,257 | 30.4 % |
| | 904 | 9,677,964 | 95.6 % |
| United Kingdom | 57 | 446,939 | 4.4 % |
| | 961 | \$ 10,124,903 | 100.0 % |

(1) Excludes 9 facilities with total investment of approximately \$35 million classified as assets held for sale.

(2) Excludes \$28 million provision for credit losses.

| Operating Lease Expirations & Loan Maturities (\$000's) (1) | As of June 30, 2021 | | | |
|--|---------------------|-----------------|-------------------------------------|--|
| | Lease (Rent) | Interest Income | Lease (Rent) and Interest Income | % of Total Annualized Contractual Rent/Interest |
| | 2021 | \$ 3,566 | \$ 1,740 | \$ 5,306 |
| 2022 | 37,391 | 4,352 | 41,743 | 4.2 % |
| 2023 | 3,737 | 663 | 4,400 | 0.4 % |
| 2024 | 4,099 | 2,943 | 7,042 | 0.7 % |
| 2025 | 12,777 | 5,268 | 18,045 | 1.8 % |

(1) Based on annualized 2nd quarter 2021 contractual rent and interest.

The following tables present operator revenue mix, census and coverage data based on information provided by our operators for the indicated periods. We have not independently verified this information, and we are providing this data for informational purposes only.

Operator Revenue Mix ⁽¹⁾

| | Medicaid | Medicare / Insurance | Private / Other |
|---------------------------------------|----------|----------------------|-----------------|
| Three-months ended March 31, 2021 | 50.6 % | 38.2 % | 11.2 % |
| Three-months ended December 31, 2020 | 51.0 % | 38.1 % | 10.9 % |
| Three-months ended September 30, 2020 | 51.6 % | 37.2 % | 11.2 % |
| Three-months ended June 30, 2020 | 52.4 % | 36.4 % | 11.2 % |
| Three-months ended March 31, 2020 | 52.6 % | 35.7 % | 11.7 % |

(1) Excludes all facilities considered non-core.

Operator Census and Coverage ⁽¹⁾

| Occupancy ⁽²⁾ | Coverage Data | | |
|--|---------------------------------------|--------------------------------------|-------|
| | Before Management Fees ⁽³⁾ | After Management Fees ⁽⁴⁾ | |
| Twelve-months ended March 31, 2021 | 75.3 % | 1.80x | 1.44x |
| Twelve-months ended December 31, 2020 | 78.1 % | 1.86x | 1.50x |
| Twelve-months ended September 30, 2020 | 80.1 % | 1.87x | 1.51x |
| Twelve-months ended June 30, 2020 | 82.2 % | 1.84x | 1.48x |
| Twelve-months ended March 31, 2020 | 83.6 % | 1.68x | 1.32x |

(1) Excludes facilities considered non-core.

(2) Based on available (operating) beds.

(3) Represents EBITDARM of our operators, defined as earnings before interest, taxes, depreciation, amortization, Rent expense and management fees for the applicable period, divided by the total Rent payable to the Company by its operators during such period. "Rent" refers to the total monthly rent and mortgage interest due under the Company's lease and mortgage agreements over the applicable period.

(4) Represents EBITDAR of our operators, defined as earnings before interest, taxes, depreciation, amortization, and Rent (as defined in footnote 3) expense for the applicable period, divided by the total Rent payable to the Company by its operators during such period. Assumes a management fee of 4%.

The following table presents a debt maturity schedule as of June 30, 2021:

| Debt Maturities (\$000's) | Unsecured Debt | | | Secured Debt | Total Debt Maturities |
|---------------------------|---|-----------------------------------|--------------------|--------------|-----------------------|
| | Line of Credit and Term Loan ⁽¹⁾ | Senior Notes/Other ⁽¹⁾ | Subordinated Notes | | |
| 2021 | \$ — | \$ — | \$ 20,000 | \$ — | \$ 20,000 |
| 2022 | — | — | — | 2,275 | 2,275 |
| 2023 | — | 350,000 | — | — | 350,000 |
| 2024 | — | 400,000 | — | — | 400,000 |
| 2025 | 50,000 | 400,000 | — | — | 450,000 |
| 2026 | — | 600,000 | — | — | 600,000 |
| Thereafter | — | 3,150,000 | — | 363,556 | 3,513,556 |
| | \$ 50,000 | \$ 4,900,000 | \$ 20,000 | \$ 363,556 | \$ 5,333,556 |

(1) Excludes issuance and deferred financing costs.

The following table presents investment activity:

| Investment Activity (\$000's) | Three Months Ended June 30, 2021 | | Six Months Ended June 30, 2021 | |
|-------------------------------|----------------------------------|---------|--------------------------------|---------|
| | \$ Amount | % | \$ Amount | % |
| Real property | \$ — | — % | \$ 594,504 | 91.6 % |
| Construction-in-progress | 19,505 | 52.0 % | 28,922 | 4.5 % |
| Capital expenditures | 11,566 | 30.9 % | 18,968 | 2.9 % |
| Mortgages | 6,420 | 17.1 % | 6,420 | 1.0 % |
| Other | — | — % | — | — % |
| Total | \$ 37,491 | 100.0 % | \$ 648,814 | 100.0 % |