



NEWS RELEASE

## Diversified Healthcare Trust Provides Monthly SHOP Performance Update

1/31/2024

NEWTON, Mass.--(BUSINESS WIRE)-- **Diversified Healthcare Trust (Nasdaq: DHC)** today provided an update regarding the recent performance of its Senior Housing Operating Portfolio, or SHOP, segment.

### Monthly Unaudited Results in DHC's Total SHOP Comparable Properties:

- December 2023 occupancy was 80.0%, 580 basis points below December 2019, and 10 basis points below November 2023.
- December 2023 Resident Fees and Services revenue was \$96.0 million, \$6.4 million, or 6.2%, below December 2019, and \$1.4 million, or 1.4%, above November 2023.
- December 2023 net operating income, or NOI, was \$2.8 million, \$9.8 million, or 77.9%, below December 2019, and \$3.3 million, or 54.4%, below November 2023.
- December 2023 NOI margin was 2.9%, 930 basis points below December 2019, and 350 basis points below November 2023.

### Year to Date Unaudited Results in DHC's Total SHOP Comparable Properties:

- Year to date occupancy through December 31, 2023 was 78.7%, 760 basis points below the same period in 2019.
- Year to date Resident Fees and Services revenue through December 31, 2023 was \$1.1 billion, \$106.7 million, or 8.7%, below the same period in 2019.
- Year to date NOI through December 31, 2023 was \$74.8 million, \$127.7 million, or 63.1%, below the same period in 2019.
- Year to date NOI margin through December 31, 2023 was 6.7%, 980 basis points below the same period in 2019.

Diversified Healthcare Trust (1)  
SHOP - ALR/Five Star Managed and Other Operator Managed Results of Operations  
(dollars in thousands, except average monthly rate)

2019 Pro Forma (4)

COMPARABLE (2)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
ALR/Five Star Managed Communities													
Number of Properties	117	117	117	117	117	117	117	117	117	117	117	117	117
Number of Units	16,995	16,995	16,995	16,995	16,995	16,995	16,995	16,995	16,951	16,951	16,951	16,951	16,951
Occupancy	88.0%	88.0%	88.0%	88.0%	87.9%	88.0%	87.9%	87.9%	87.3%	87.1%	86.9%	87.0%	87.6%
Average Monthly Rate	\$ 4,709	\$ 5,099	\$ 4,723	\$ 4,833	\$ 4,703	\$ 4,834	\$ 4,695	\$ 4,695	\$ 4,756	\$ 4,755	\$ 4,824	\$ 4,729	\$ 4,777
Residents Fees and Services	\$ 72,761	\$ 71,079	\$ 72,954	\$ 72,277	\$ 72,562	\$ 72,250	\$ 72,451	\$ 72,447	\$ 70,879	\$ 73,102	\$ 71,586	\$ 72,593	\$ 866,941
Property Operating Expenses	(57,168)	(53,411)	(59,496)	(56,989)	(58,708)	(56,515)	(60,161)	(59,247)	(58,304)	(59,880)	(57,938)	(61,220)	(699,037)
NOI (3)	\$ 15,593	\$ 17,668	\$ 13,458	\$ 15,288	\$ 13,854	\$ 15,735	\$ 12,290	\$ 13,200	\$ 12,575	\$ 13,222	\$ 13,648	\$ 11,373	\$ 167,904
NOI Margin	21.4%	24.9%	18.4%	21.2%	19.1%	21.8%	17.0%	18.2%	17.7%	18.1%	19.1%	15.7%	19.4%

Other Operator Managed Communities

Number of Properties	106	106	106	106	106	106	106	106	106	106	106	106	106
Number of Units	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,154	7,154	7,154	7,061	7,061
Occupancy	82.5%	82.6%	82.6%	82.6%	82.5%	82.6%	82.7%	82.6%	82.6%	82.6%	82.5%	82.3%	82.6%
Average Monthly Rate	\$ 5,889	\$ 6,344	\$ 5,929	\$ 6,041	\$ 5,896	\$ 6,011	\$ 5,889	\$ 5,855	\$ 5,872	\$ 5,799	\$ 5,926	\$ 5,813	\$ 5,935
Residents Fees and Services	\$ 30,304	\$ 29,501	\$ 30,539	\$ 30,100	\$ 30,336	\$ 29,956	\$ 30,355	\$ 30,158	\$ 29,256	\$ 29,865	\$ 29,512	\$ 29,815	\$ 359,697
Property Operating Expenses	(26,798)	(24,627)	(27,785)	(26,329)	(27,284)	(26,260)	(27,853)	(27,539)	(27,145)	(28,053)	(26,802)	(28,664)	(325,139)
NOI (3)	\$ 3,506	\$ 4,874	\$ 2,754	\$ 3,771	\$ 3,052	\$ 3,696	\$ 2,502	\$ 2,619	\$ 2,111	\$ 1,812	\$ 2,710	\$ 1,151	\$ 34,558
NOI Margin	11.6%	16.5%	9.0%	12.5%	10.1%	12.3%	8.2%	8.7%	7.2%	6.1%	9.2%	3.9%	9.6%

Total SHOP  
Comparable

Number of Properties	223	223	223	223	223	223	223	223	223	223	223	223	223
Number of Units	24,125	24,125	24,125	24,125	24,125	24,125	24,125	24,125	24,105	24,105	24,105	24,012	24,012
Occupancy	86.6%	86.6%	86.6%	86.6%	86.5%	86.5%	86.5%	86.5%	86.0%	85.9%	85.7%	85.8%	86.3%
Average Monthly Rate	\$ 5,004	\$ 5,410	\$ 5,024	\$ 5,135	\$ 5,001	\$ 5,128	\$ 4,994	\$ 4,985	\$ 5,035	\$ 5,017	\$ 5,101	\$ 5,000	\$ 5,067
Residents Fees and Services	\$ 103,065	\$ 100,580	\$ 103,493	\$ 102,377	\$ 102,898	\$ 102,206	\$ 102,806	\$ 102,605	\$ 100,135	\$ 102,967	\$ 101,098	\$ 102,408	\$ 1,226,638
Property Operating Expenses	(83,966)	(78,038)	(87,281)	(83,318)	(85,992)	(82,775)	(88,014)	(86,786)	(85,449)	(87,933)	(84,740)	(89,884)	(1,024,176)
NOI (3)	\$ 19,099	\$ 22,542	\$ 16,212	\$ 19,059	\$ 16,906	\$ 19,431	\$ 14,792	\$ 15,819	\$ 14,686	\$ 15,034	\$ 16,358	\$ 12,524	\$ 202,462
NOI Margin	18.5%	22.4%	15.7%	18.6%	16.4%	19.0%	14.4%	15.4%	14.7%	14.6%	16.2%	12.2%	16.5%

2023

COMPARABLE (2)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
ALR/Five Star Managed Communities													
Number of Properties	117	117	117	117	117	117	117	117	117	117	117	117	117
Number of Units	16,995	16,995	16,995	16,995	16,995	16,995	16,995	16,995	16,951	16,951	16,951	16,951	16,951
Occupancy	78.0%	77.9%	78.5%	78.7%	78.8%	79.3%	79.5%	79.9%	80.0%	80.5%	80.6%	80.4%	79.4%
Average Monthly Rate	\$ 4,278	\$ 4,907	\$ 4,384	\$ 4,541	\$ 4,417	\$ 4,549	\$ 4,405	\$ 4,411	\$ 4,582	\$ 4,423	\$ 4,538	\$ 4,429	\$ 4,484
Residents Fees and Services	\$ 58,695	\$ 60,666	\$ 60,434	\$ 60,769	\$ 61,178	\$ 61,309	\$ 61,524	\$ 61,831	\$ 62,160	\$ 62,375	\$ 62,026	\$ 62,397	\$ 735,364
Property Operating Expenses	(52,606)	(51,786)	(54,777)	(50,892)	(54,500)	(54,324)	(55,532)	(55,526)	(55,153)	(55,470)	(55,602)	(58,398)	(654,566)
NOI (3)	\$ 6,089	\$ 8,880	\$ 5,657	\$ 9,877	\$ 6,678	\$ 6,985	\$ 5,992	\$ 6,305	\$ 7,007	\$ 6,905	\$ 6,424	\$ 3,999	\$ 80,798

NOI Margin	10.4%	14.6%	9.4%	16.3%	10.9%	11.4%	9.7%	10.2%	11.3%	11.1%	10.4%	6.4%	11.0%
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#### Other Operator Managed Communities

Number of Properties	106	106	106	106	106	106	106	106	106	106	106	106	106
Number of Units	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,130	7,154	7,154	7,154	7,061	7,061
Occupancy	74.2%	75.9%	76.2%	76.6%	76.3%	77.2%	77.6%	77.8%	77.9%	78.5%	78.8%	79.1%	77.2%
Average Monthly Rate	\$ 5,665	\$ 5,944	\$ 5,662	\$ 5,668	\$ 5,566	\$ 5,749	\$ 5,675	\$ 5,723	\$ 6,095	\$ 5,740	\$ 5,853	\$ 5,816	\$ 5,762
Residents Fees and Services	\$ 30,788	\$ 29,808	\$ 31,504	\$ 30,938	\$ 31,303	\$ 31,664	\$ 32,461	\$ 32,933	\$ 33,981	\$ 32,953	\$ 32,638	\$ 33,631	\$ 384,602
Property Operating Expenses	(33,025)	(30,118)	(32,590)	(31,725)	(32,096)	(31,472)	(32,549)	(33,946)	(32,181)	(33,042)	(33,003)	(34,868)	(390,615)
NOI (3)	\$ (2,237)	\$ (310)	\$ (1,086)	\$ (787)	\$ (793)	\$ 192	\$ (88)	\$ (1,013)	\$ 1,800	\$ (89)	\$ (365)	\$ (1,237)	\$ (6,013)
NOI Margin	(7.3)%	(1.0)%	(3.4)%	(2.5)%	(2.5)%	0.6%	(0.3)%	(3.1)%	5.3%	(0.3)%	(1.1)%	(3.7)%	(1.6)%

#### Total SHOP Comparable

Number of Properties	223	223	223	223	223	223	223	223	223	223	223	223	223
Number of Units	24,125	24,125	24,125	24,125	24,125	24,125	24,125	24,125	24,105	24,105	24,105	24,012	24,012
Occupancy	76.9%	77.3%	77.8%	78.1%	78.1%	78.7%	79.0%	79.3%	79.4%	79.9%	80.1%	80.0%	78.7%
Average Monthly Rate	\$ 4,671	\$ 5,206	\$ 4,751	\$ 4,868	\$ 4,749	\$ 4,897	\$ 4,774	\$ 4,793	\$ 5,023	\$ 4,804	\$ 4,919	\$ 4,832	\$ 4,854
Residents Fees and Services	\$ 89,483	\$ 90,474	\$ 91,938	\$ 91,707	\$ 92,481	\$ 92,973	\$ 93,985	\$ 94,764	\$ 96,141	\$ 95,328	\$ 94,664	\$ 96,028	\$ 1,119,966
Property Operating Expenses	(85,631)	(81,904)	(87,367)	(82,617)	(86,596)	(85,796)	(88,081)	(89,472)	(87,334)	(88,512)	(88,605)	(93,266)	(1,045,181)
NOI (3)	\$ 3,852	\$ 8,570	\$ 4,571	\$ 9,090	\$ 5,885	\$ 7,177	\$ 5,904	\$ 5,292	\$ 8,807	\$ 6,816	\$ 6,059	\$ 2,762	\$ 74,785
NOI Margin	4.3%	9.5%	5.0%	9.9%	6.4%	7.7%	6.3%	5.6%	9.2%	7.2%	6.4%	2.9%	6.7%

- (1) The information regarding DHC's SHOP segment results for October, November and December 2023 and year to date 2023, and on a pro forma basis for the 2019 periods indicated, reflects preliminary estimates with respect to certain results of DHC for such periods, based on currently available information. Because the quarterly financial close process and review for those periods is not yet complete, DHC's final results upon completion of its quarterly close process and review may vary from these preliminary estimates.
- (2) Comparable properties consist of properties owned and in service continuously since January 1, 2019; excludes properties classified as held for sale, closed or out of service and communities previously leased to operators that did not provide monthly financial results.
- (3) The calculation of NOI shown excludes certain components of net income (loss) in order to provide results that are more closely related to DHC's property level results of operations. DHC defines NOI as income from its real estate less its property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that DHC records as depreciation and amortization. DHC calculates comparable property NOI in the same manner that it calculates the corresponding NOI amount, except that it only includes comparable properties in calculating comparable property NOI. DHC uses NOI and comparable property NOI to evaluate individual and company wide property level performance. Other real estate companies and real estate investment trusts, or REITs, may calculate NOI and comparable property NOI differently than DHC does.
- (4) Many of the senior living communities currently operated on DHC's behalf in its SHOP segment were leased in 2019. DHC believes pro forma operating results are a meaningful supplemental performance measure as they present historical community level operating results regardless of the form of contractual arrangements. The table presents pro forma residents fees and services revenue, pro forma property operating expenses and pro forma NOI as if the communities had been managed for DHC's account throughout all periods presented to assist in understanding community level operating results.

#### Calculation and Reconciliation of NOI and Comparable Property NOI for SHOP Segment (dollars in thousands)

	For the Twelve Months Ended			
	SHOP	Restructuring Transaction	Pro Forma	SHOP
Calculation of NOI:				
Rental income	\$ 137,898	\$ (137,898)	\$ -	\$ -
Residents fees and services	433,597	840,045	1,273,642	1,151,908
Property operating expenses	(356,722)	(706,779)	(1,063,501)	(1,075,091)
NOI	214,773	(4,632)	210,141	76,817
Reconciliation of NOI to Comparable Property NOI:				
NOI	\$ 214,773	\$ (4,632)	\$ 210,141	\$ 76,817
NOI of properties not included in comparable results	(1,247)	(6,432)	(7,679)	(2,032)
Comparable property NOI	\$ 213,526	\$ (11,064)	\$ 202,462	\$ 74,785

	For the Twelve Months Ended			
	12/31/2019			12/31/2023
	SHOP	Restructuring Transaction	Pro Forma	SHOP
<b>Revenues:</b>				
Rental income	\$ 137,898	\$ (137,898)	\$ -	\$ -
Residents fees and services	433,597	840,045	1,273,642	1,151,908
Total revenues	571,495	702,147	1,273,642	1,151,908
<b>Expenses:</b>				
Property operating expenses	356,722	706,779	1,063,501	1,075,091
Depreciation and amortization	132,637	-	132,637	175,926
Impairment of assets	65,822	-	65,822	4,346
Total expenses	555,181	706,779	1,261,960	1,255,363
Gain on sale of properties	15,207	-	15,207	2,802
Interest and other income	-	-	-	1,581
Interest expense	(3,058)	-	(3,058)	(551)
Loss on early extinguishment of debt	(17)	-	(17)	-
Net income (loss)	28,446	(4,632)	23,814	(99,623)
Add (less): Interest expense			3,058	551
Interest and other income			-	(1,581)
Depreciation and amortization			132,637	175,926
Impairment of assets			65,822	4,346
Gain on sale of properties			(15,207)	(2,802)
Loss on early extinguishment of debt			17	-
NOI			210,141	76,817
NOI of properties not included in comparable results			(7,679)	(2,032)
Comparable property NOI			\$ 202,462	\$ 74,785

## About Diversified Healthcare Trust:

DHC is a real estate investment trust focused on owning high-quality healthcare properties located throughout the United States. DHC seeks diversification across the health services spectrum by care delivery and practice type, by scientific research disciplines and by property type and location. As of September 30, 2023, DHC's approximately \$7.2 billion portfolio included 376 properties in 36 states and Washington, D.C., occupied by approximately 500 tenants, and totaling approximately 9 million square feet of life science and medical office properties and more than 27,000 senior living units. DHC is managed by **The RMR Group (Nasdaq: RMR)**, a leading U.S. alternative asset management company with approximately \$36 billion in assets under management as of September 30, 2023 and more than 35 years of institutional experience in buying, selling, financing and operating commercial real estate. To learn more about DHC, visit [www.dhcreit.com](http://www.dhcreit.com).

## Warning Concerning Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Also, whenever DHC uses words such as "believe", "expect", "anticipate", "intend", "plan", "estimate", "will", "may" and negatives or derivatives of these or similar expressions, it is making forward-looking statements. These forward-looking statements are based upon DHC's present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Actual results may differ materially from those contained in or implied by DHC's forward-looking statements as a result of various factors. For example, the information regarding DHC's SHOP segment results provided in this press release reflects certain preliminary estimates based on currently available information, and DHC's final results upon completion of its quarterly financial close process and review may vary from these preliminary estimates, and as a result, the information provided herein may not provide a meaningful measure of DHC's SHOP segment results as

expected.

The information contained in DHC's periodic reports filed with the Securities and Exchange Commission, or the SEC, including under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," or incorporated therein, also identifies important factors that could cause DHC's actual results to differ materially from those stated in or implied by DHC's forward-looking statements. DHC's filings with the SEC are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

You should not place undue reliance upon any forward-looking statements. Except as required by law, DHC does not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

A Maryland Real Estate Investment Trust with transferable shares of beneficial interest listed on the Nasdaq.

No shareholder, Trustee or officer is personally liable for any act or obligation of the Trust.

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Melissa McCarthy, Manager, Investor Relations  
(617) 796-8234

Source: Diversified Healthcare Trust