OMEGA HEALTHCARE INVESTORS, INC.
FUNDS FROM OPERATIONS
Unaudited
(In thousands, except per share amounts)

		Three Months Ended December 31, 2019
Net income	$	61,146
Deduct gain from real estate dispositions		(2,893)
Sub-total	$	58,253
Elimination of non-cash items included in net income:		
Depreciation and amortization		80,498
Depreciation - unconsolidated joint ventures		1,625
Add back provision for impairments on real estate properties		35,719
Deduct unrealized gain on warrants		(580)
NAREIT funds from operations ("NAREIT FFO")	$	175,515
Weighted-average common shares outstanding, basic		219,668
Restricted stock and PRSUs		1,977
Net forward share contract		397
OP units		5,938
Weighted-average common shares outstanding, diluted		227,980
NAREIT funds from operations available per share		0.7699
Adjusted funds from operations:		
Funds from operations	$	175,515
Deduct one-time revenue		(1,437)
Add back acquisition and merger related costs		43
Add back non-cash impairment on direct financing leases		217
Add back uncollectible accounts		150
Add back restructuring costs		21
Add back stock-based compensation expense		3,840
Adjusted funds from operations	$	178,349
Adjusted funds from operations per share	$	0.7823

Funds From Operations ("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 excludes 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 includes 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. 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 FFO in accordance with the definition and interpretive guidelines issued by the National Association of Real Estate Investment Trusts ("NAREIT"),and consequently, 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 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 FFO was designed by the real estate industry to address this issue. FFO described herein is not necessarily comparable to FFO 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 FFO available to common stockholders excluding the impact of non-cash stock-based compensation and certain revenue and expense items identified above. 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 are not comparable to the NAREIT definition of FFO or to similar measures reported by other REITs, but the Company believes that they are appropriate measures for this Company.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, gain or loss on asset sales-net, provisions for impairment and certain non-recurring revenues and expenses.

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, FFO 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. These materials should be read in conjunction with our most recent earnings release.

Our ratios of Funded Debt to annualized EBITDA, adjusted annualized EBITDA and Funded Debt to adjusted pro forma annualized EBITDA as of December 31, 2019 were 6.46x, 5.50x and 5.19x, respectively. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA eliminates items such as acquisition costs and stock-based compensation expense and adds back certain non-cash expenses, if any, to EBITDA. Adjusted pro forma EBITDA adds to or subtracts from adjusted EBITDA the incremental EBITDA from (i) new investments and divestitures made during the 4th quarter assuming an October 1st purchase or sale date and (ii) inception to date funding of construction in progress multiplied by the estimated contractual quarterly yield assuming an October 1st in-service date. EBITDA, adjusted EBITDA, adjusted pro forma EBITDA and related ratios are non-GAAP financial measures. Annualized EBITDA, adjusted annualized EBITDA and adjusted pro forma annualized EBITDA assume the current quarter results multiplied by four, and are not projections of future performance. Below is the reconciliation of EBITDA and adjusted EBITDA to net income.

OMEGA HEALTHCARE INVESTORS, INC.
EBITDA RECONCILIATION AND
FUNDED DEBT COVERAGE RATIO CALCULATION
Unaudited

(000's)		Three Months Ended December 31, 2019	
Net income	$	61,146	
Depreciation and amortization		80,498	
Depreciation - unconsolidated joint ventures		1,625	
Interest - net		55,449	
Income taxes		893	
EBITDA	$	199,611	
Deduct gain on assets sold - net		(2,893)	
Deduct foreign currency gain		(104)	
Deduct one-time revenue		(1,437)	
Deduct unrealized gain on warrants		(580)	
Add back uncollectible accounts		150	
Add back restructuring costs		21	
Add back non-cash impairment on real estate properties		35,719	
Add back non-cash impairment on direct financing leases		217	
Add back acquisition and merger related costs		43	
Add back stock-based compensation expense		3,840	
Adjusted EBITDA	$	234,587	
Add incremental pro forma EBITDA from new investments in Q4		7,013	(1)
Add incremental pro forma EBITDA from construction in progress through Q4		5,972	(1)
Add incremental pro forma depreciation from unconsolidated joint ventures		1,836	
Deduct incremental pro forma revenue from Q4 asset divestitures		(822)	(1)
Adjusted pro forma EBITDA	$	248,586	
DEBT			
Revolving line of credit	$	125,000	
Term loans		807,480	
Secured borrowings		389,680	
Unsecured borrowings		3,863,541	
FMV adjustment of assumption of debt		173	
Premium/(discount) on unsecured borrowings - net		(23,214)	
Deferred financing costs - net		(26,520)	
Total debt	$	5,136,140	
Deduct balance sheet cash and cash equivalents		(24,117)	
Net total debt	$	5,112,023	
Deduct FMV adjustment for assumption of debt		(173)	
Add back discount (deduct premium) on unsecured borrowings - net		23,214	
Add back deferred financing costs - net		26,520	
Adjusted total debt (a/k/a Funded Debt)	$	5,161,584	
Funded Debt / annualized EBITDA		**6.46 x**	
Funded Debt / adjusted annualized EBITDA		**5.50 x**	
Funded Debt / adjusted pro forma annualized EBITDA		**5.19 x**	

(1) Used to calculate leverage only.

Our adjusted EBITDA to total interest expense ratio and adjusted EBITDA to fixed charges as of December 31, 2019 were 4.2x and 4.0x, respectively. Fixed charge coverage is the ratio determined by dividing EBITDA by our fixed charges. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA eliminates items such as acquisition costs and stock-based compensation expense and adds back certain non-cash expenses, if any, to EBITDA.

Fixed charges consist of interest expense, amortization of other non-cash interest charges, amortization of deferred financing costs and refinancing costs. EBITDA, adjusted EBITDA and interest expense ratio are non-GAAP measures. Below is the reconciliation of EBITDA to net income.

OMEGA HEALTHCARE INVESTORS, INC.
EBITDA RECONCILIATION AND
FIXED CHARGE AND INTEREST COVERAGE RATIO CALCULATION
Unaudited

(000's)		**Three Months Ended December 31, 2019**
Net income	$	61,146
Depreciation and amortization		80,498
Depreciation - unconsolidated joint ventures		1,625
Interest - net		55,449
Income taxes		893
EBITDA	$	199,611
Deduct gain on assets sold - net		(2,893)
Deduct foreign currency gain		(104)
Deduct one-time revenue		(1,437)
Deduct unrealized gain on warrants		(580)
Add back uncollectible accounts		150
Add back restructuring costs		21
Add back non-cash impairment on real estate properties		35,719
Add back non-cash impairment on direct financing leases		217
Add back acquisition and merger related costs		43
Add back stock-based compensation expense		3,840
Adjusted EBITDA	$	234,587
FIXED CHARGES		
Interest expense	$	52,638
Amortization of non-cash deferred financing charges		2,811
Total interest expense	$	55,449
Add back: capitalized interest		3,341
Total fixed charges	$	58,790
Adjusted EBITDA / total interest expense ratio		**4.2 x**
Adjusted EBITDA / fixed charge coverage ratio		**4.0 x**

OMEGA HEALTHCARE INVESTORS, INC.
FUNDS AVAILABLE FOR DISTRIBUTION
Unaudited
(In thousands, except per share amounts)

	Three Months Ended December 31, 2019
Net income	$ 61,146
Deduct gain on assets sold - net	(2,893)
Sub-total	$ 58,253
Elimination of non-cash items included in net income:	
Depreciation and Amortization	80,498
Depreciation - unconsolidated joint ventures	1,625
Add back non-cash provision for impairments on real estate properties	35,719
Deduct unrealized gain on warrants	(580)
Funds from operations	$ 175,515
Adjustments:	
Deduct one-time revenue	(1,437)
Add back acquisition costs	43
Add back non-cash impairment on direct financing leases	217
Add back uncollectible accounts	150
Add back restructuring costs	21
Add back stock-based compensation expense	3,840
Adjusted funds from operations	$ 178,349
Adjustments:	
Non-cash interest expense	2,788
Capitalized interest	(3,341)
Non-cash revenues	(14,096)
Funds available for distribution (FAD)	$ 163,700
Weighted-average common shares outstanding, basic	219,668
Restricted stock and PRSUs	1,977
Net forward share contract	397
OP units	5,938
Weighted-average common shares outstanding, diluted	227,980
FAD per share, diluted	$ 0.7180

Percentages of adjusted total debt to adjusted book capitalization and adjusted total debt to total market capitalization at December 31, 2019 were 54.5% and 34.5%, respectively. Adjusted total debt is total debt plus the discount or less the premium derived from the sale of unsecured borrowings, deferred financing costs - net and fair market value adjustment of assumed debt. Adjusted book capitalization is defined as adjusted total debt plus stockholders' equity and noncontrolling interest. Adjusted total debt, adjusted book capitalization and related ratios are non-GAAP financial measures. Total market capitalization is the total market value of our securities as of December 31, 2019 plus adjusted total debt.

OMEGA HEALTHCARE INVESTORS, INC.
BOOK AND MARKET CAPITALIZATION RATIO CALCULATIONS

Unaudited
(In thousands)

		At December 31, 2019
Revolving line of credit	$	125,000
Term loans		807,480
Secured borrowing		389,680
Unsecured borrowings		3,863,541
FMV adjustment of assumption of debt		173
Discount on unsecured borrowings - net		(23,214)
Deferred financing costs - net		(26,520)
Total debt	$	5,136,140
Deduct FMV adjustment of assumption of debt		(173)
Add back discount on unsecured borrowings - net		23,214
Add back deferred financing costs - net		26,520
Adjusted total debt	**$**	**5,185,701**
BOOK CAPITALIZATION		
Adjusted total debt	$	5,185,701
Omega stockholders' equity		4,135,428
Noncontrolling interest		201,166
Adjusted book capitalization	**$**	**9,522,295**
MARKET CAPITALIZATION		
Omega common shares and OP units outstanding at 12/31/2019		232,562
Market price of common stock at 12/31/2019	$	42.35
Market capitalization of common stock at 12/31/2019		9,849,001
Market capitalization of publicly traded securities		9,849,001
Add adjusted total debt		5,185,701
Total market capitalization	**$**	**15,034,702**
Adjusted total debt / adjusted book capitalization		**54.5%**
Adjusted total debt / total market capitalization		**34.5%**

2020 GUIDANCE

The Company expects its 2020 annual net income to be between $1.58 and $1.66 per diluted share and its Adjusted FFO to be between $3.12 to $3.20 per diluted share.

Bob Stephenson, Omega's CFO, commented, "Our 2020 guidance reflects the annual impact of $863 million of net 2019 fourth quarter acquisitions and asset sales, revenue from Maplewood related to the Carnegie Hill project, continuing Daybreak on a cash basis and the full impact of our 2019 capital markets activity." Mr. Stephenson continued, "The $296 million in net proceeds from the physical settlement of our 7.5 million common shares equity forward agreement on December 27th adds additional capacity to our credit facility for potential acquisitions."

	2020 Annual Guidance Range (per diluted common share)
Net Income	$1.58- $1.66
Depreciation	1.42
Depreciation – unconsolidated joint venture	0.05
Gain on assets sold - net	-
NAREIT FFO	**$3.05 - $3.13**
Adjustments:	
Stock-based compensation expense	0.07
Adjusted FFO	**$3.12 - $3.20**

Note: All per share numbers rounded to 2 decimals.

The Company's Adjusted FFO guidance for 2020 includes (i) the annual impact of acquisitions completed in 2019, (ii) approximately $21 million of cash rent payments from Maplewood related to the Carnegie Hill project, (iii) over $82 million of planned capital renovation projects with 2020 estimated in-service dates or spending that we expect to generate cash in 2020, (iv) Daybreak continuing on a cash basis, (v) approximately $9.5 million to $10.5 million of quarterly G&A, and (vi) approximately $25 million to $35 million of quarterly equity issuances. It excludes additional acquisitions and asset sales, the impact of gains and losses from the sale of assets, certain revenue and expense items, interest refinancing expense, additional capital transactions, acquisition costs, and additional provisions for uncollectible accounts, if any.

The Company's guidance is based on several assumptions, which are subject to change and many of which are outside the Company's control. If actual results vary from these assumptions, the Company's expectations may change. Without limiting the generality of the foregoing, the timing of collection of rental obligations from operators on a cash basis, the timing and completion of acquisitions, divestitures, capital and financing transactions, and variations in stock-based compensation expense may cause actual results to vary materially from our current expectations. There can be no assurance that the Company will achieve its projected results. The Company may, from time to time, update its

Forward-Looking Statements

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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 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 healthcare reform and regulation, including cost containment measures and changes in reimbursement policies, procedures and rates; (iii) the ability of operators and borrowers to maintain the financial strength and liquidity necessary to satisfy their respective rent and debt obligations; (iv) 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; (v) the availability and cost of capital; (vi) changes in Omega's credit ratings and the ratings of its debt securities; (vii) competition in the financing of healthcare facilities; (viii) Omega's ability to maintain its status as a REIT and the impact of changes in tax laws and regulations affecting REITs; (ix) Omega's ability to sell assets held for sale or complete potential asset sales on a timely basis and on terms that allow Omega to realize the carrying value of these assets; (x) Omega's ability to re-lease, otherwise transition or sell underperforming assets on a timely basis and on terms that allow Omega to realize the carrying value of these assets; (xi) the effect of economic and market conditions generally, and particularly in the healthcare industry; (xii) 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; (xiii) changes in interest rates; and (xiv) 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 of 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.