

# INVESTING IN LIFE'S ENDURING EXPERIENCES

CELEBRATING  
**20**  
YEARS  
OF INSIGHT

INVESTOR PRESENTATION | JUNE 2018

DATA IN THIS PRESENTATION IS AS OF 3/31/18 UNLESS OTHERWISE NOTED



**EPR Properties**<sup>TM</sup>  
Return on Insight

# DISCLAIMER

Statements made in this presentation may constitute "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. Such forward-looking statements relate to, without limitation, the Company's future economic performance, plans and objectives for future operations and projections of revenue and other financial items. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "should," "expect," "anticipate," "estimate," "continue" or comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, we can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed under the headings "Risk Factors" in the Company's Annual Report on Form 10-K, as may be supplemented or amended by the Company's Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The Company assumes no obligation to update and supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

Definitions and reconciliations of the non-GAAP financial measures used in this presentation are available in our investor supplemental dated March 31, 2018 available on our website at [www.eprkc.com](http://www.eprkc.com).

# COMPANY OVERVIEW

# EPR PROPERTIES

## COMPANY SNAPSHOT\*

NYSE: EPR, FOUNDED: 1997

\$7.6B Total Market Cap

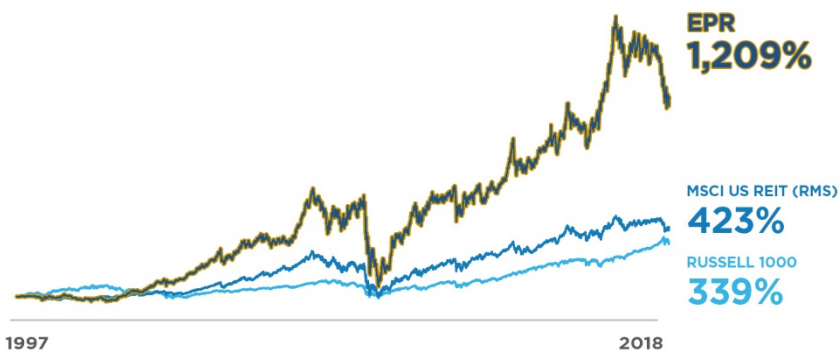
\$4.5B Equity, \$3.1B Debt

\$6.8B+ Total Investments

400 Properties, 43 States, DC & Canada

## LONG-TERM OUTPERFORMANCE\*\*

### LIFETIME TOTAL SHAREHOLDER RETURN



\*As of March 31, 2018

\*\*Source: SNL, dates 11/18/97 through 3/31/18

## PRIMARY INVESTMENTS SEGMENTS



ENTERTAINMENT



RECREATION



EDUCATION



# INVESTMENT THESIS

EPR is a triple net REIT, specializing in select highly enduring real estate segments

DIFFERENTIATED INVESTMENTS  
EXPERIENTIAL ORIENTATION

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STRONG RELATIONSHIP-BASED  
GROWTH PIPELINE

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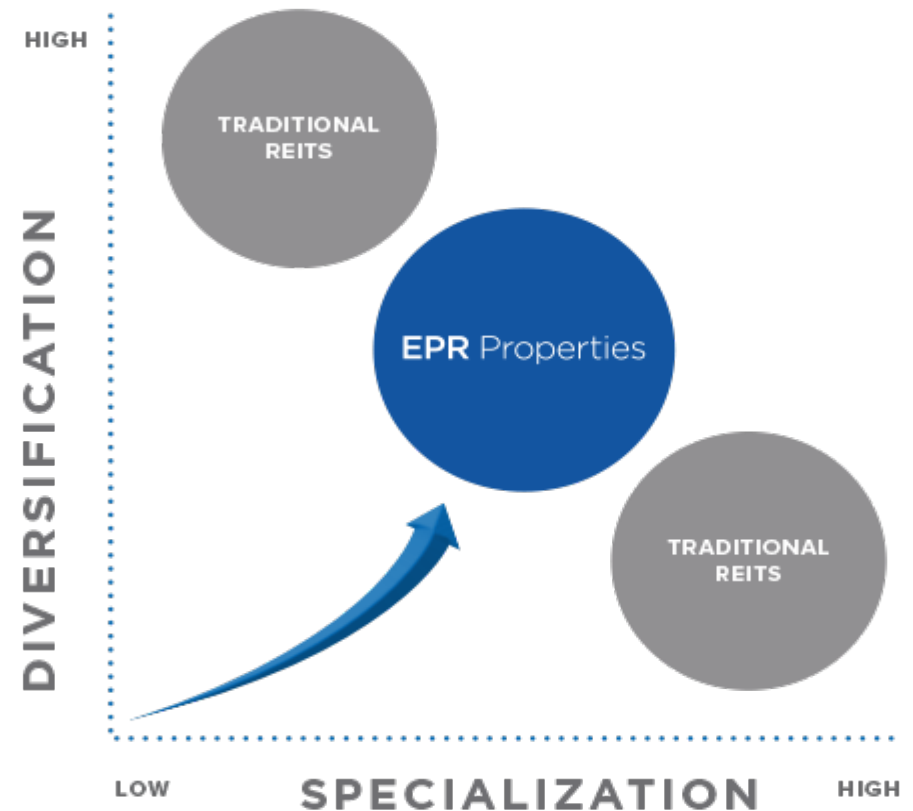
UNDERLYING INVESTMENT  
SEGMENT STRENGTH

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WELL-CAPITALIZED  
BALANCE SHEET

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CONSISTENTLY GROWING  
DIVIDEND



# GROWTH STRATEGY

## ESTABLISH

### PRIMARY SEGMENTS

Build Significant Growth Platforms

## EXPAND

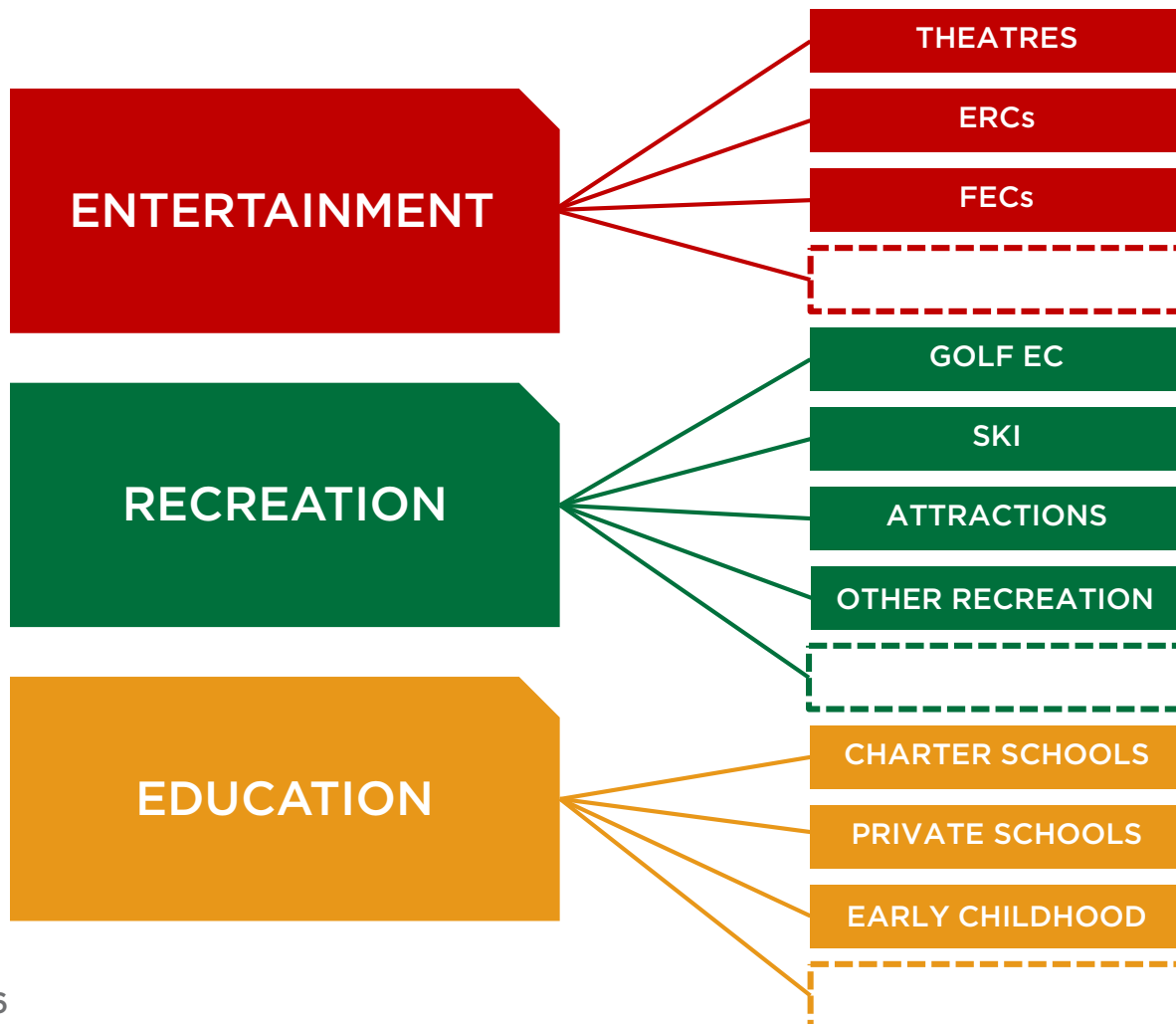
### SUB SEGMENTS

Continue to Explore Potential Extensions

## OPTIMIZE

### ASSET MANAGEMENT

Maximize the Long-Term Portfolio Value



### Reporting (Assessment)

- Continuous property tracking
- Segment and Sub Segment views
- Corporate review

### Dispositions

- De-risk when necessary
- Opportunistic recycling of capital

### Property Improvements

- Enhancing customer experience

# EXPERIENTIAL ORIENTATION

## MILLENNIALS

**75.4M**  
people aged 18-34

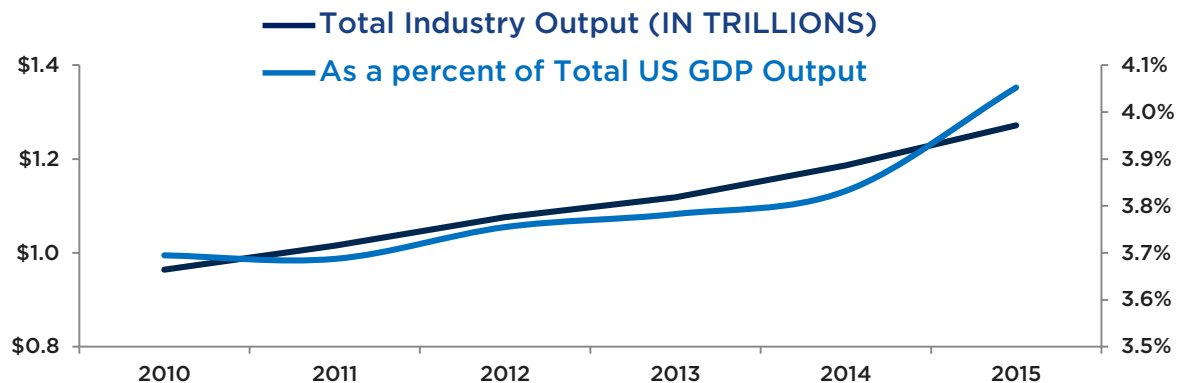
**LARGEST**  
population segment

they value

**EXPERIENCE**  
over  
**OWNERSHIP**

Source: US Census Bureau

## ARTS, ENTERTAINMENT AND RECREATION INDUSTRY CONTRIBUTION TO US GDP



Source: US Bureau of Economic Analysis (BEA)

“We are on the threshold... of the **EXPERIENCE ECONOMY**, a new economic era in which businesses must orchestrate memorable events for their customers.” - *The Experience Economy*

## TECHNOLOGY: Continues to enable new and distinctive experiences



# FIRST QUARTER HEADLINES

- 1. Strong Quarter Anchored by Significant Topline Revenue Growth**
- 2. Executing our Capital Recycling Strategy**
- 3. Increasing Earnings Guidance; Reaffirming Investment Spending, Disposition Guidance**
- 4. Debt Management Further Strengthens Balance Sheet**
- 5. Enhanced Disclosure**

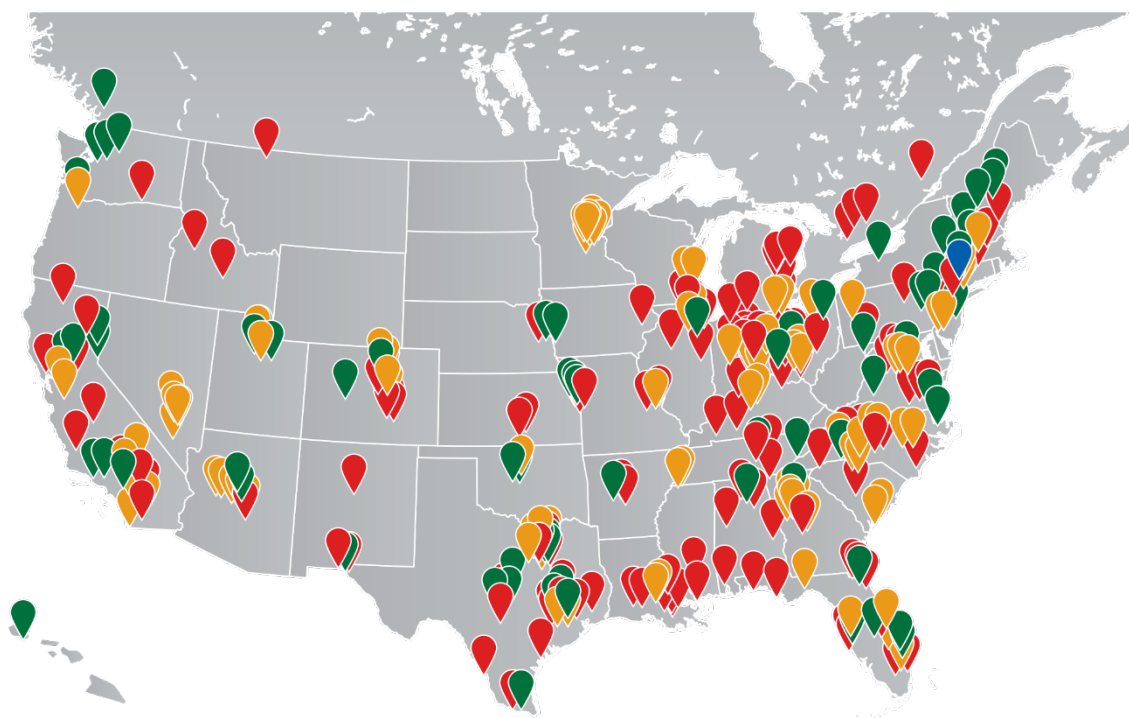


# PORTFOLIO

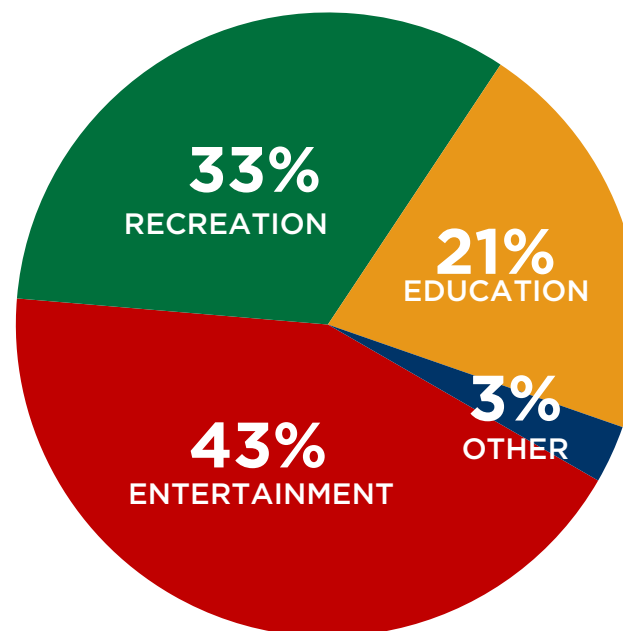
# \$6.8B+ PORTFOLIO

Generating \$595M\* in NOI

**400** locations with over 250 tenants in 43 states, DC & Canada

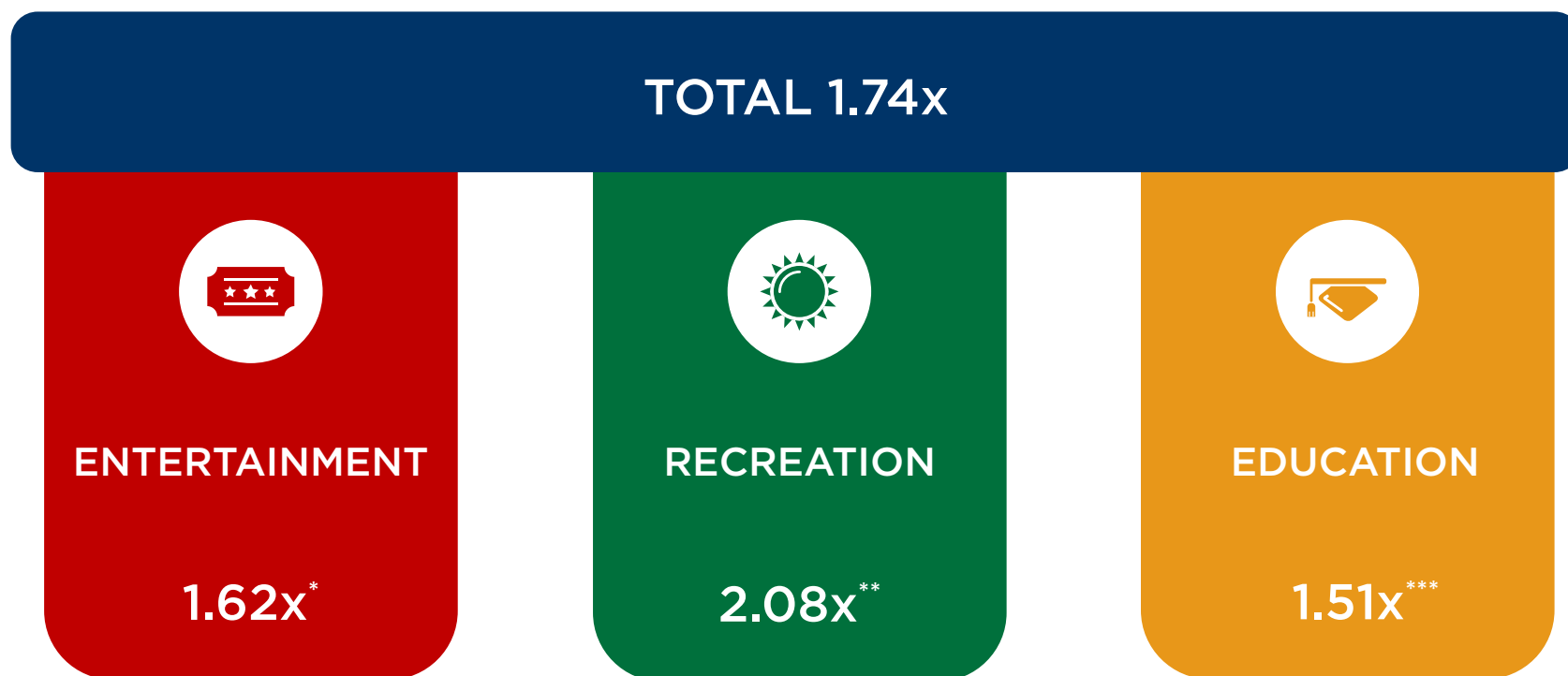


### BY INVESTMENT VALUE



\*Represents annualized GAAP NOI – see supplemental for definition and reconciliations of certain Non-GAAP financial measures

# CUSTOMER RENT COVERAGE



## METHODOLOGY

Coverage numerator is customer's store level EBITDAR and denominator is EPR's minimum rent or interest (excludes non-cash straight-line rent or interest income from the effective interest method of accounting)

EBITDARM data is sourced from customers' reported store level profit and loss statements

\* Coverage is weighted average for the segment. Theatres and Family Entertainment Centers data is TTM December 2017.

\*\* Coverage is weighted average for the segment. Golf Entertainment Complexes and Other Recreation data is TTM December 2017. Ski Area data is TTM April 2017 and Attractions data is TTM August 30, 2017.

\*\*\* Coverage is weighted average for the segment. Public Charter School data is TTM June 2017, Private school data is TTM June 2017 and Early Childhood Education data is TTM December 2017.

# PORTFOLIO DETAIL

PROPERTY TYPE	PROPERTIES	NOI* (In Millions)	% of TOTALS	% LEASED
Megaplex Theatres**	149	225.1	37.8%	100.0%
Entertainment Retail Centers (ERCs)	7	40.2	6.8%	95.7%
Family Entertainment Centers (FECs)	11	13.4	2.3%	100.0%
<b>TOTAL ENTERTAINMENT</b>	<b>167</b>	<b>278.7</b>	<b>46.9%</b>	<b>99.3%</b>
Golf Entertainment Complexes	31	62.5	10.5%	100.0%
Ski Areas	25	58.2	9.8%	100.0%
Attractions	20	66.5	11.2%	100.0%
Other Recreation	10	7.9	1.3%	100.0%
<b>TOTAL RECREATION</b>	<b>86</b>	<b>195.1</b>	<b>32.8%</b>	<b>100.0%</b>
Public Charter Schools	65	69.2	11.6%	96.4%
Private Schools	14	28.7	4.8%	100.0%
Early Childhood Education Centers	67	15.8	2.7%	100.0%
<b>TOTAL EDUCATION</b>	<b>146</b>	<b>113.7</b>	<b>19.1%</b>	<b>97.8%</b>
Resorts World Catskills	1	7.5	1.3%	N/A
<b>TOTAL OTHER</b>	<b>1</b>	<b>7.5</b>	<b>1.3%</b>	<b>N/A</b>
<b>TOTAL</b>	<b>400</b>	<b>\$595.0</b>	<b>100%</b>	<b>99.1%</b>

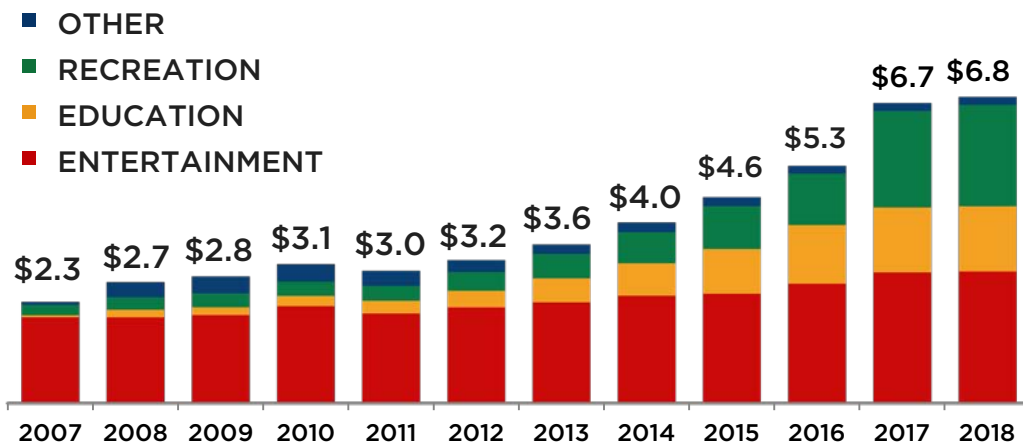
\*Represents annualized GAAP NOI – see supplemental for definition and reconciliations of certain Non-GAAP financial measures

\*\*Excludes 7 theatres in ERC's

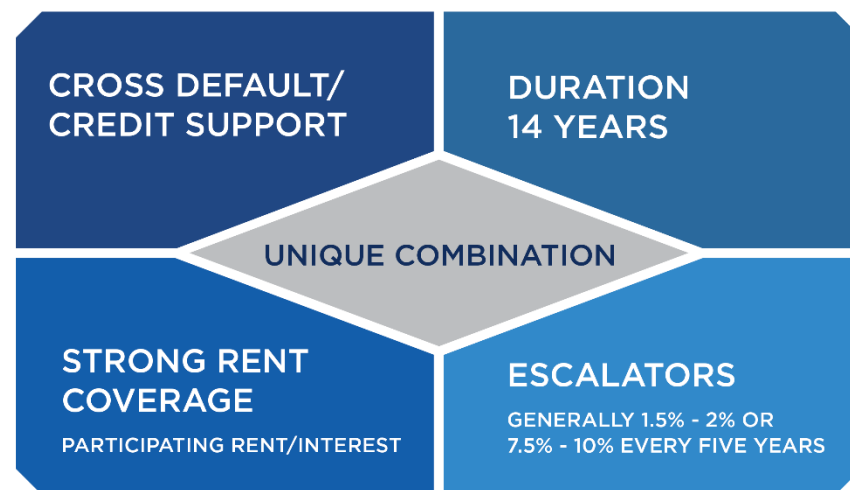
# STRONG PORTFOLIO CHARACTERISTICS

## FOCUSED GROWTH

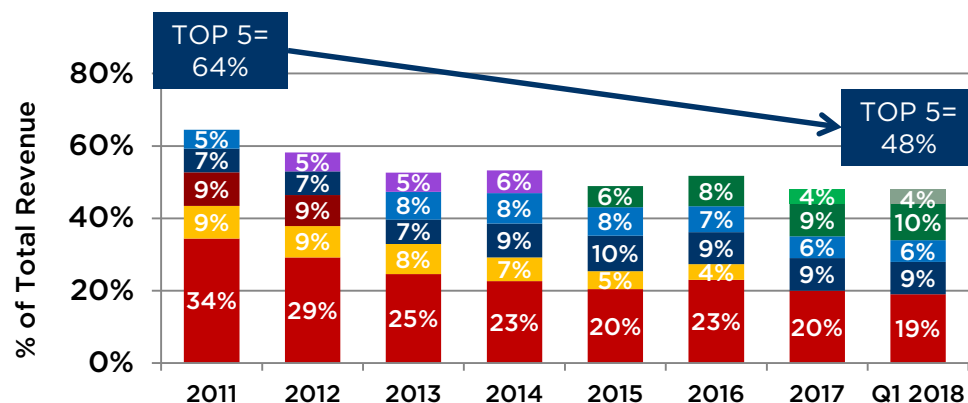
TOTAL INVESTMENTS\*  
(IN BILLIONS)



## DISTINCTIVE LEASE FEATURES

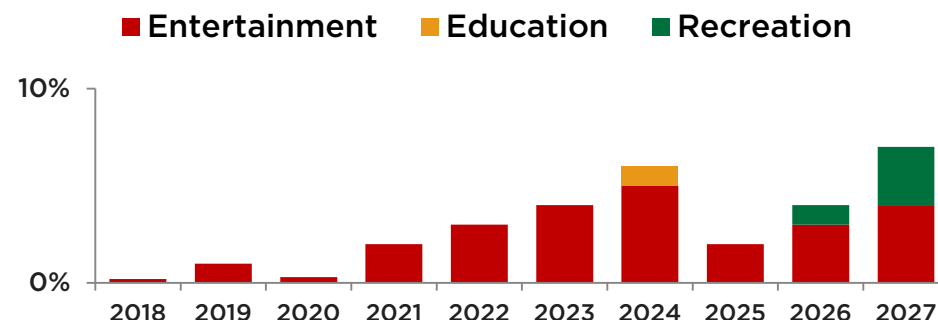


## REDUCED TENANT CONCENTRATION



## LOW 10-YEAR LEASE EXPIRATIONS\*\*

AVG 2.2% ANNUAL TOTAL REVENUE



\* Total Investments is a Non-GAAP financial measure. See investor supplemental for quarter ended March 31, 2018 or Form 10-K's as applicable for reconciliation of certain Non-GAAP financial measures

\*\* This schedule relates to owned megaplex theatres, public charter schools, early childhood education centers, private schools, ski areas and golf entertainment complexes only





# ENTERTAINMENT

## EPR PORTFOLIO DETAIL

**\$3.0B**

INVESTED

**167**

PROPERTIES  
IN SERVICE

**3<sup>\*\*</sup>**

PROPERTIES  
UNDER  
DEVELOPMENT

**23<sup>\*\*\*</sup>**

OPERATORS

**1.62x**

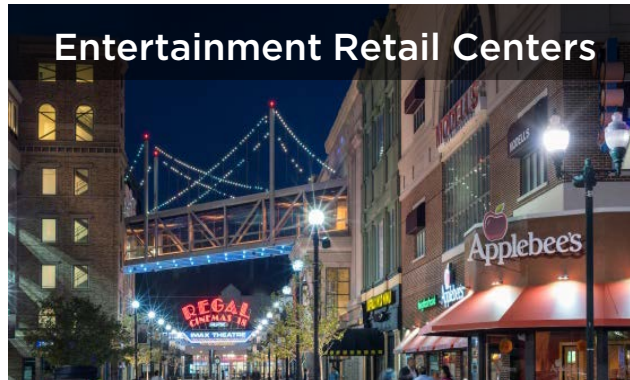
RENT  
COVERAGE

## UPDATES

YTD Box office revenue is up approx. 8%\*

High amenity theatres growing in popularity and demonstrating success

3 largest public theatre operators reported year over year F&B revenue per cap growth from 5% to 9% last year



\*Source: Box Office Mojo through 5/30/18, \*\*Properties not yet in service , \*\*\*Does not include operators at ERCs



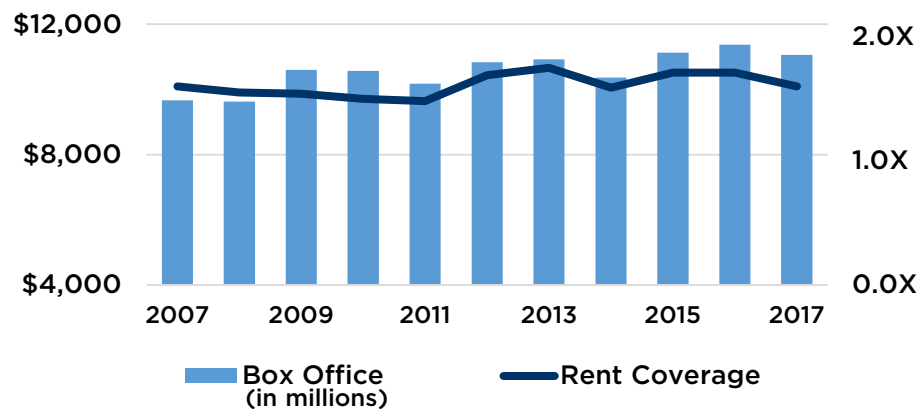
## HISTORICALLY DURABLE CATEGORY TRANSFORMING THE CUSTOMER EXPERIENCE

### EPR'S HIGHLY PRODUCTIVE THEATRES\*



### EPR'S STABLE RENT COVERAGE\*\*\*

Annual Box Office fluctuation has historically had minimal impact on rent coverage

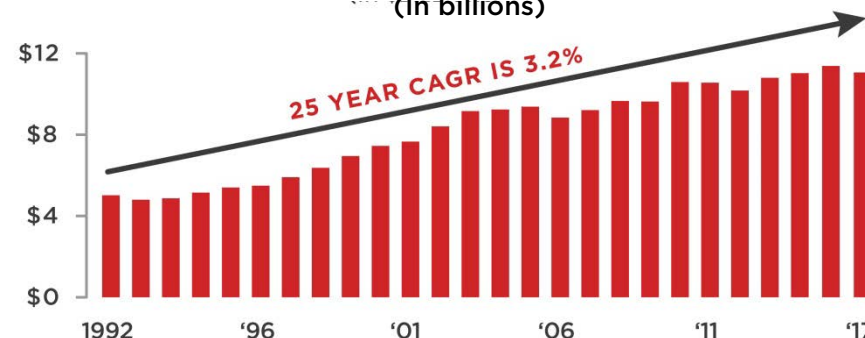


\* Source: Rentrak Report TTM 9/30/17, \*\* Source: Box Office Mojo

\*\*\* Source: Box Office Mojo & Tenant Financials, \*\*\*\* Renovated Theatres in EPR portfolio open a full year

### LONG TERM STABILITY

ANNUAL U.S. BOX OFFICE REVENUE\*\*  
(In billions)



### THE NEW CUSTOMER EXPERIENCE

**+40%** AVERAGE INCREASES  
IN TOTAL REVENUE\*\*\*\*

NEW LUXURY  
SEATING



NEW FOOD & BEVERAGE  
CONCEPTS

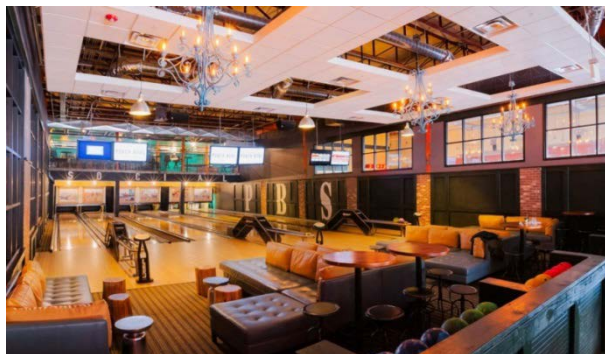


# FAMILY ENTERTAINMENT CENTERS

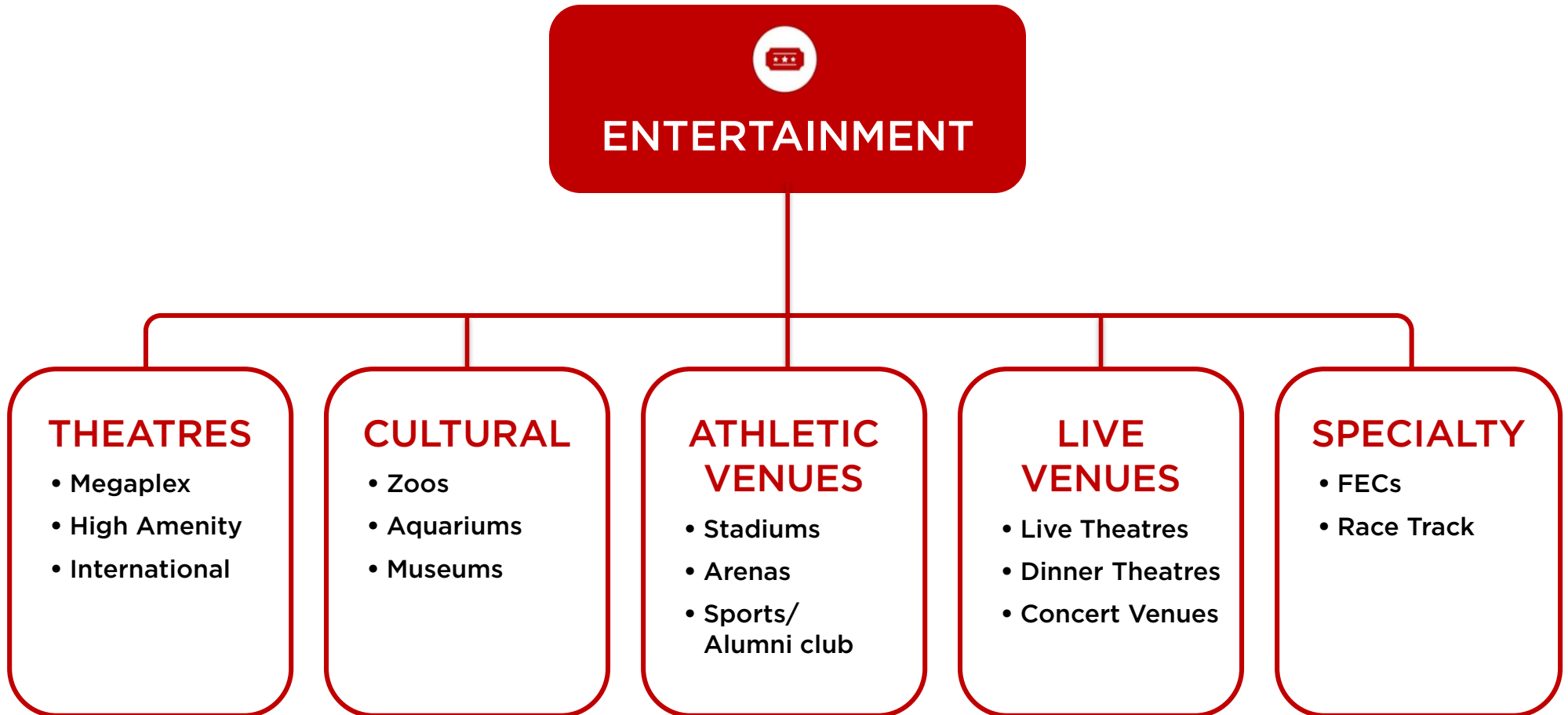
**11** PROPERTIES IN SERVICE  
**1** UNDER DEVELOPMENT

## ONE LOCATION A VARIETY OF ENTERTAINMENT OPTIONS

Upscale venues work well for corporate and consumer events



# OPPORTUNITIES FOR EXPANSION







# RECREATION

## EPR PORTFOLIO DETAIL

**\$2.2B**

INVESTED

**86**

PROPERTIES  
IN SERVICE

**4\***

PROPERTIES  
UNDER  
DEVELOPMENT

**21**

OPERATORS

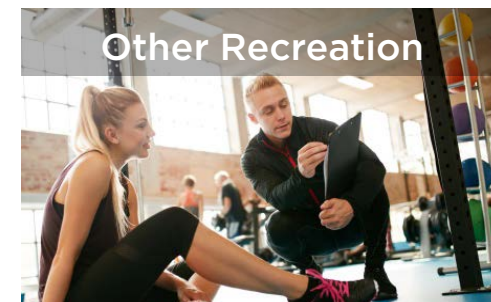
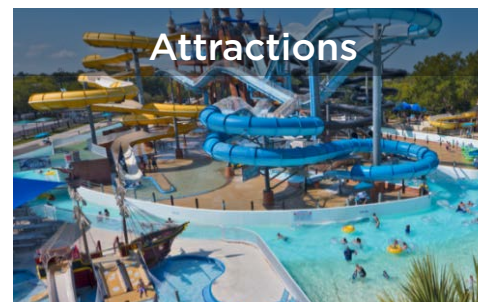
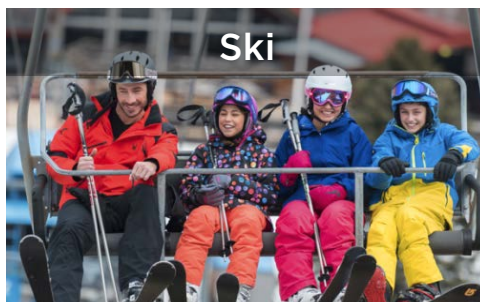
**2.08x**

RENT  
COVERAGE

## UPDATES

Received substantial paydown on \$249M ski property mortgage loan to Och -Ziff Real Estate including prepayment fee

Through March, ski visits were up 9% and revenue was up 12% versus the trailing three-year average



\*Properties not yet in service



## GOLF ENTERTAINMENT COMPLEXES REVOLUTIONIZE RECREATIONAL ACTIVITY

Topgolf's 2017 attendance grew over **20%\*** to **13M\*** guests



\*Source: Topgolf



# SKI AREAS

25 PROPERTIES IN SERVICE

## LEADING REGIONAL SKI AND RESORT DESTINATIONS

GEOGRAPHIC  
DIVERSITY

SNOWMAKING  
CAPABILITIES

FOUR SEASON  
APPEAL







# ATTRACTIONS

20 PROPERTIES IN SERVICE  
1 UNDER DEVELOPMENT

## PROVEN AND DURABLE RECREATION ACTIVITY

Demonstrating a consistent track record of attendance and revenue, the attractions industry is an enduring component of the American lifestyle





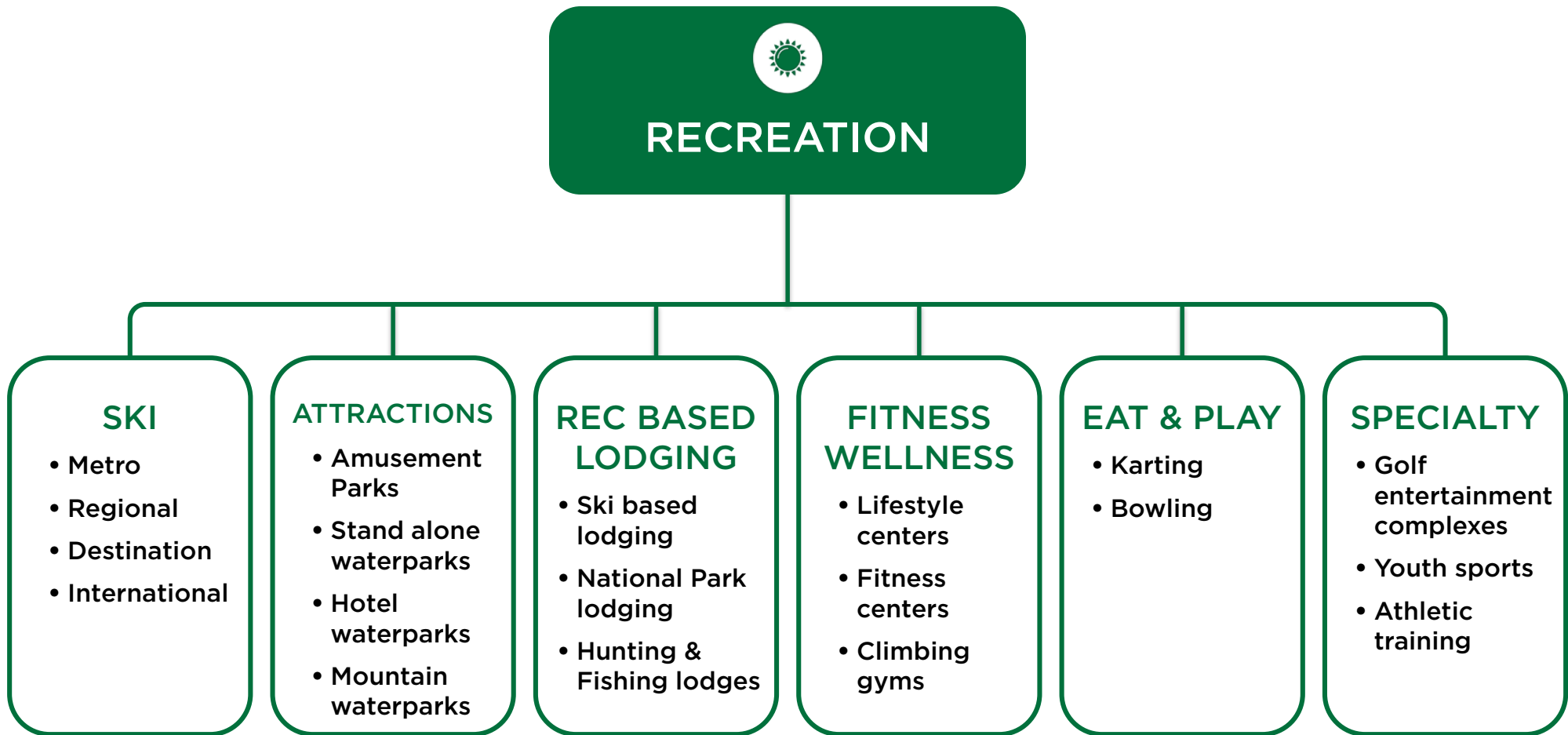
### ACTIVE EXPERIENCES CONSISTENT WITH CONSUMER TRENDS

Increased focus on fitness and wellness, along with participation in new generation activities





# OPPORTUNITIES FOR EXPANSION







# EDUCATION

## EPR PORTFOLIO DETAIL

**\$1.4B**

INVESTED

**146**

PROPERTIES  
IN SERVICE

**8\***

PROPERTIES  
UNDER  
DEVELOPMENT

**59**

OPERATORS

**1.51x**

RENT  
COVERAGE

## UPDATES

Entered into short-term agreement with Children's Learning Adventure (CLA), which includes rent payments scheduled from March through July, leases terminate July 31

Allows CLA and their prospective partners ample time to execute a restructuring



\*Properties not yet in service



# PUBLIC CHARTER SCHOOLS\*

**65** PROPERTIES IN SERVICE  
**3** UNDER DEVELOPMENT

## DRIVEN BY PARENTAL DEMAND FOR CHOICE; OVER 20 YEARS OLD AND GROWING STRONG

Started in 1992

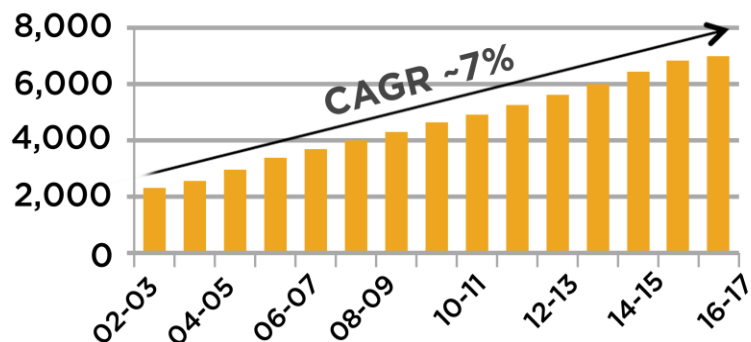
Currently adopted in 44 states and D.C.

3.2M students growing at ~12% CAGR

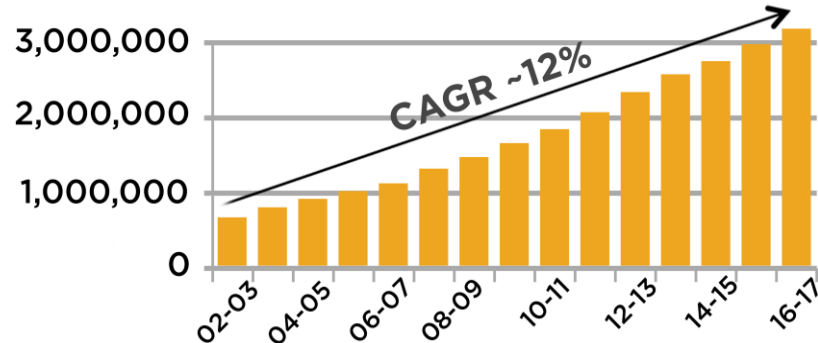
7,000 schools growing at ~7% CAGR

Waiting list of over 1M students

NUMBER OF PUBLIC CHARTER SCHOOLS



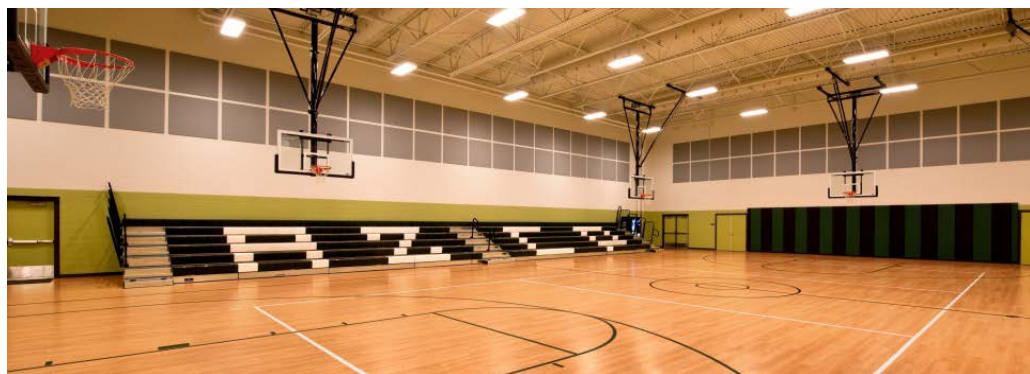
NUMBER OF PUBLIC CHARTER SCHOOL STUDENTS



\*Source: NAPCS



# PUBLIC CHARTER SCHOOLS\*





## LIMITED QUALITY PRIVATE OPTIONS FUEL DEMAND

In select markets, quality public and private school options are limited

Non-sectarian private schools in the >\$15K tuition level have seen double-digit growth since 2008

Proven operators are capitalizing on the opportunity by meeting the needs in gateway cities

OVER

**26,000**

K-12 PRIVATE SCHOOLS

(excluding pre-K)

EXIST IN THE US MARKET



SERVING OVER

**4.5 MILLION**

STUDENTS

(around 10% of school-age students)

### PARENTS SEEK PRIVATE SCHOOLS THAT OFFER

Academic Rigor

Strong Culture

Relative Affordability

\*Source: National Center for Education Statistics





# PRIVATE SCHOOLS







## DEMAND FOR EDUCATION BEYOND DAYCARE

Large number of dual income families

Increasing per capita disposable income/stabilizing unemployment rate

Desire for quality education instead of daycare

According to the U.S. Census Bureau, there are

**15.1M CHILDREN**

under the age of six that require Childcare

TRADITIONAL DAYCARE = PHYSICAL NEEDS

VS.

EARLY  
CHILDHOOD  
EDUCATION = PHYSICAL  
NEEDS + ACADEMIC  
DEVELOPMENT

# RESORTS WORLD CATSKILLS SUMMARY



**EPR is the land lessor on the casino/hotel and two adjoining parcels**

- Resorts World Casino and Hotel opened Feb 2018
- Empire Resorts also funding improvements to the golf course and retail village

**The Kartrite Hotel & Indoor Waterpark currently under development, with projected opening in early 2019**



# FINANCIAL REVIEW

# FINANCIAL STRATEGY

## MAINTAIN INVESTMENT GRADE DISCIPLINE

- **LOW LEVERAGE** – Committed to conservative balance sheet management
- **UNSECURED MODEL** – Emphasis is on common equity and unsecured debt
  - DSPP available for short-term equity needs
  - Have refinanced secured debt maturities with unsecured debt
- **FLEXIBILITY** – Preserve financial flexibility and liquidity

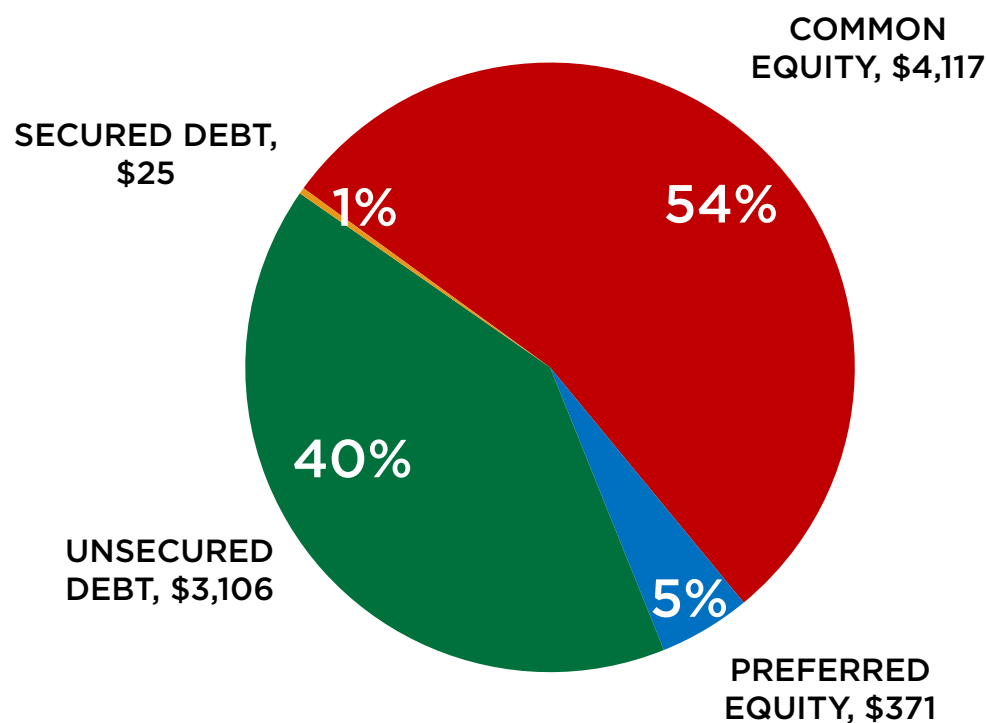
## INVESTMENT GRADE CREDIT RATINGS

	S&P	MOODY'S	FITCH
Senior Notes	BBB-	Baa2	BBB-

# CAPITAL STRUCTURE AND FINANCIAL HIGHLIGHTS\*

## CAPITAL STRUCTURE

(In Millions)



## FINANCIAL HIGHLIGHTS

Total Market Cap = \$7.6B

\$2.5B is fixed rate or fixed through interest rate swaps, wtd. avg. = 4.6%

Unsecured Debt = 99%

Redeemed \$250M of 7.75% Senior Unsecured Notes due in 2020

- No debt maturities until 2022

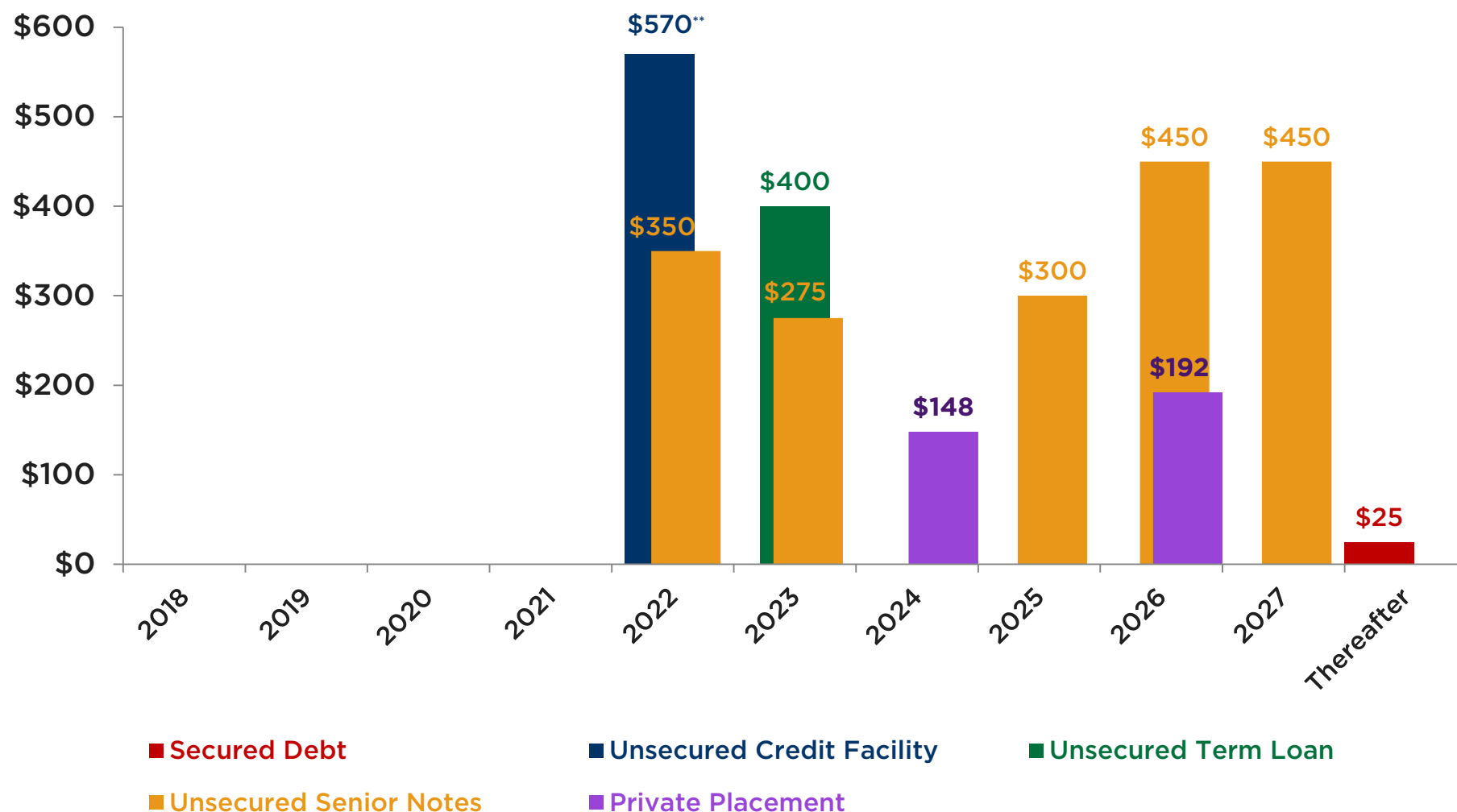
On April 16, 2018, issued \$400M of 10-year senior unsecured notes at a coupon of 4.95%

• As of March 31, 2018. See investor supplemental for quarter ended March 31, 2018 for reconciliation of certain Non-GAAP financial measures



# WELL LADDERED DEBT MATURITY PROFILE\*

NO DEBT MATURITIES UNTIL 2022



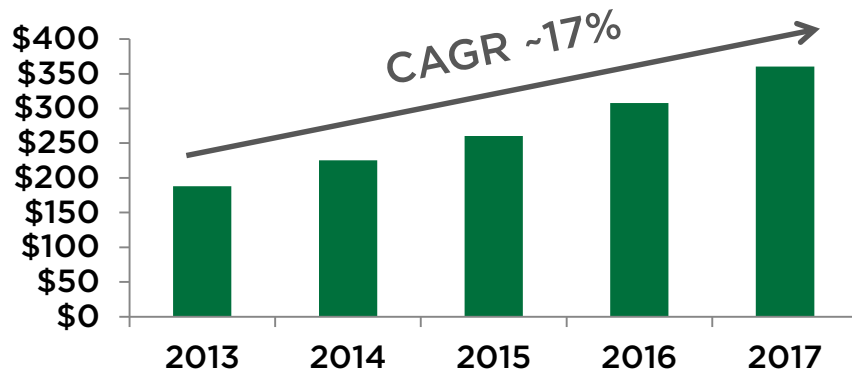
\* Data in millions as of 3/31/18

\*\* Subsequent to quarter-end, the unsecured credit facility balance was reduced to zero with proceeds from (i) the issuance of \$400M of 10-year unsecured senior notes on April 16, 2018 and (ii) the pay down of a mortgage note receivable of \$221M, including prepayment fees, with Och-Ziff Real Estate on May 7, 2018.

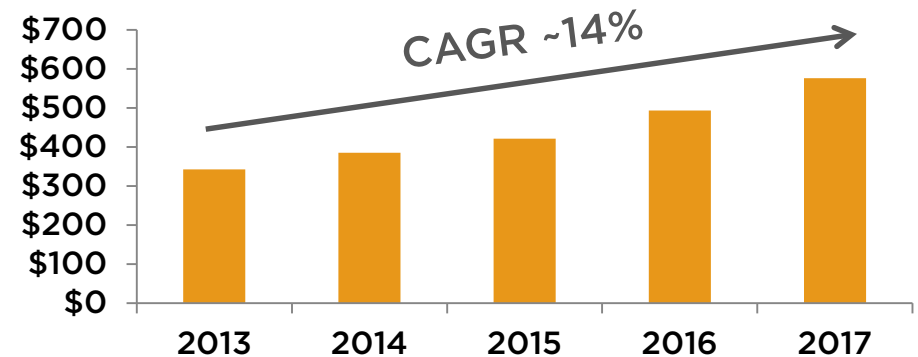
# OPERATING PERFORMANCE HISTORY

## CONSISTENTLY STRONG OPERATING METRICS

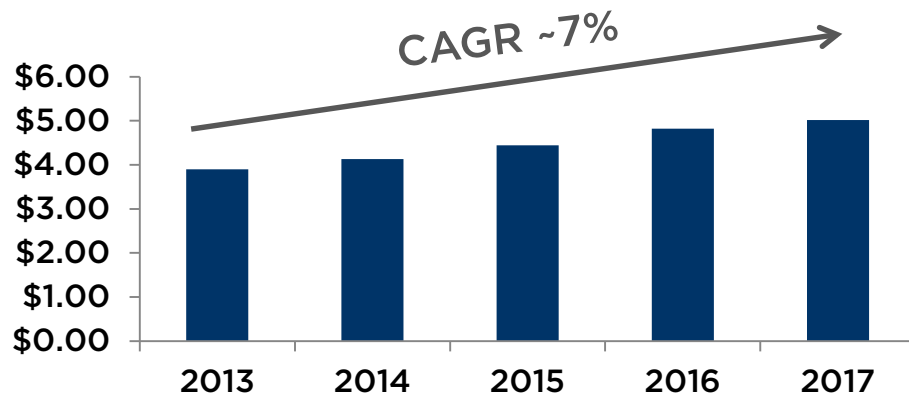
### FFOAA



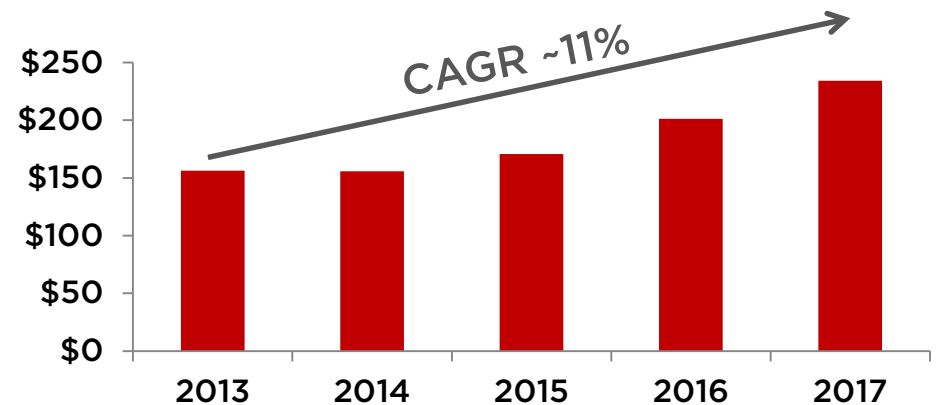
### TOTAL REVENUE



### FFOAA PER SHARE



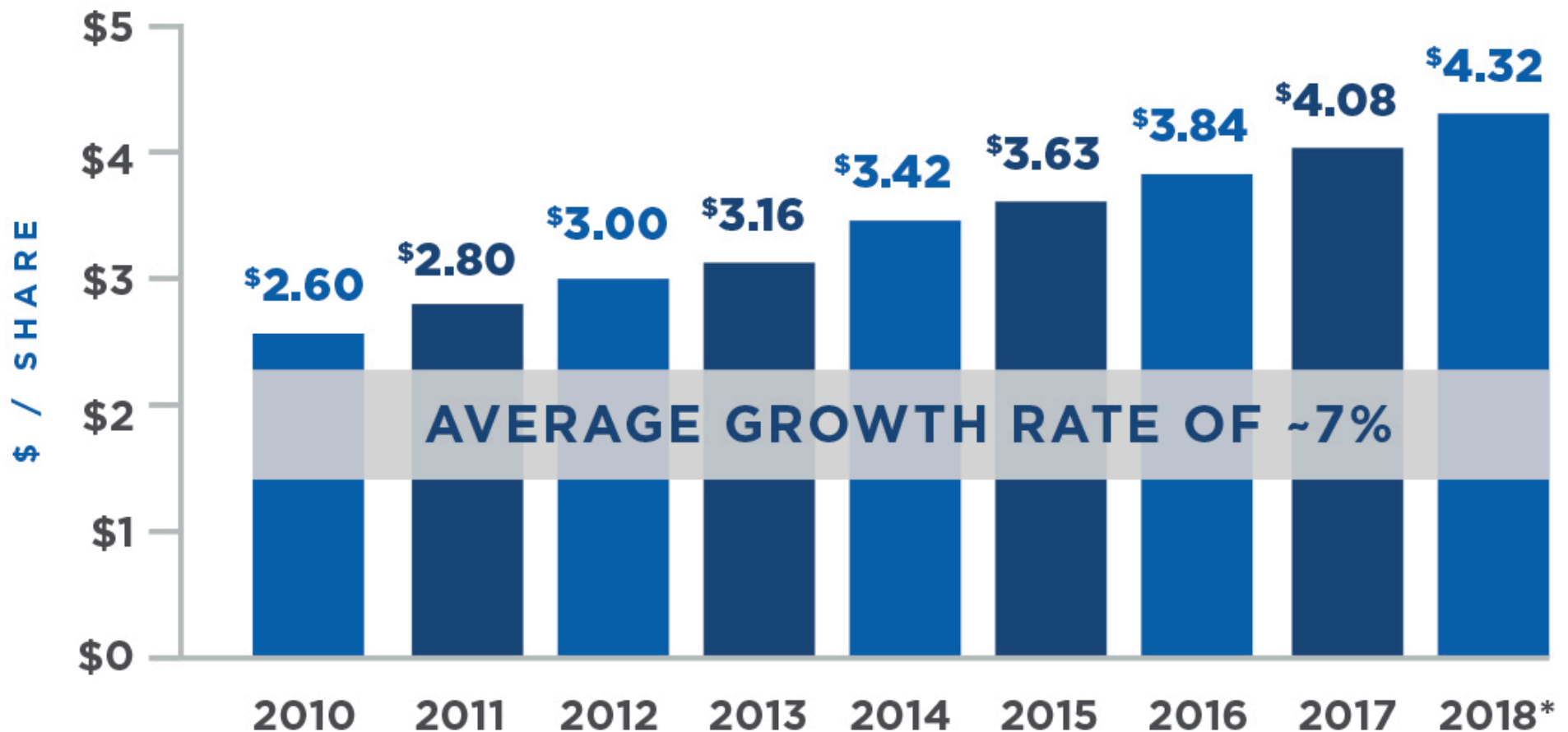
### NET INCOME TO COMMON SHAREHOLDERS



(in millions, except per share data)

# ANNUAL DIVIDENDS

## ATTRACTIVE & GROWING ANNUAL DIVIDENDS



\* Projected for full year

# FINANCIAL PERFORMANCE

	QUARTER ENDED MARCH 31,			
	2018	2017	\$ CHANGE	% CHANGE
Total Revenue	\$155.0	\$129.1	\$25.9	20%
Net Income – Common	23.5	48.0	(24.5)	(51%)
FFO – Common*	61.0	73.9	(12.9)	(17%)
FFO as adj. – Common*	94.0	76.5	17.5	23%
Net Income/share – Common	0.32	0.75	(0.43)	(57%)
FFO/share – Common*	0.82	1.15	(0.33)	(29%)
FFO/share – Common, as adj.*	1.26	1.19	0.07	6%

(In millions except per share data)

\*See investor supplementals for the applicable periods for definitions and calculations of these non-GAAP measures.



## RECONCILIATION OF MIDPOINT OF FFOAA/SHARE\* GUIDANCE

<b>FFO AS ADJUSTED PER SHARE (previous guidance midpoint)</b>		<b>\$5.31</b>
Prepayment fee from OZRE	0.61	
Incremental dilution from convertible preferreds	<u>(0.03)</u>	
Net impact of OZRE prepayment fee	0.58	
Lower term fees related to Education Properties	<u>(0.13)</u>	
Net increase in prepayment and termination fees		0.45
CLA payments, net of expenses		0.05
Increase in G&A expense		(0.01)
Other changes, net		<u>0.02</u>
<b>FFO AS ADJUSTED PER SHARE (current guidance midpoint)</b>		<b><u>\$5.82</u></b>

\*See investor supplementals for the definition of this non-GAAP measure.

## KEY RATIOS\*

	QUARTER ENDED MARCH 31,				
	2018	2017	2016	2015	2014
Fixed charge coverage	3.2x	2.8x	3.3x	2.9x	2.8x
Debt service coverage	3.7x	3.1x	3.7x	3.1x	3.2x
Interest coverage	3.7x	3.3x	4.0x	3.6x	3.6x
Net debt to Adjusted EBITDA	5.8x	5.9x	4.8x	5.1x	4.8x
FFO as adjusted payout	86%	86%	82%	88%	91%

\*See investor supplementals for the applicable periods for definitions and calculations for these non-GAAP measures

# 2018 GUIDANCE

## FFO AS ADJUSTED PER SHARE

Revised	\$5.75 - \$5.90
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Prior Guidance	\$5.23 - \$5.38
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## INVESTMENT SPENDING

\$400M - \$700M
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## DISPOSITION PROCEEDS

\$350M - \$450M
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# APPENDIX

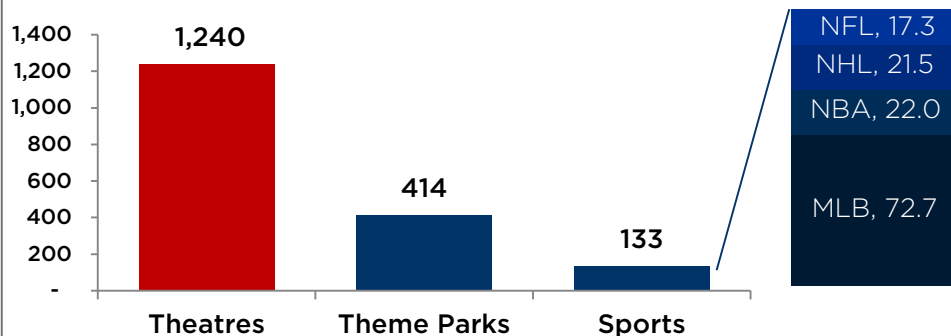




## DRIVEN BY STRONG VALUE, THEATRES CONTINUE TO BE THE DOMINANT CHOICE IN ADMISSIONS-BASED ENTERTAINMENT

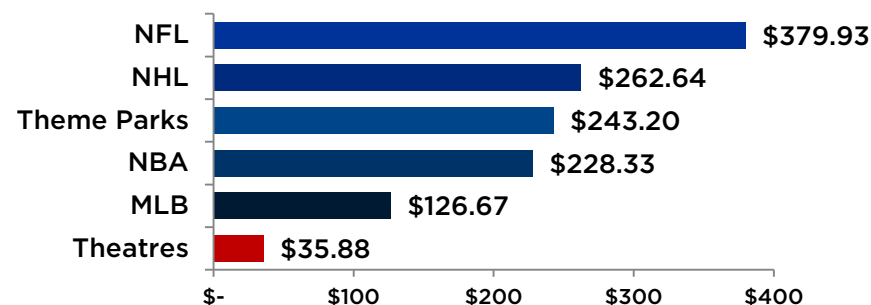
### ADMISSIONS-BASED ATTENDANCE

2017 ATTENDANCE  
(IN MILLIONS)



### RELATIVE VALUE

2017 Average Ticket Price for a Family of Four (US\$) Sources:  
NATO, Sports Leagues, International Theme Park Services



### AVERAGE TICKET PRICE

10 Year Average Ticket Price Average Annual Growth is 2.7%

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average Ticket Price	\$7.18	\$7.50	\$7.89	\$7.93	\$7.96	\$8.13	\$8.17	\$8.43	\$8.65	\$8.97
% Change vs. Previous Year	4%	4%	5%	1%	0%	2%	0%	3%	3%	4%
CPI % Change vs. Previous Year	4%	0%	2%	3%	2%	2%	2%	0%	1%	2%

\*Source: MPAA 2017 THEME Report



# PUBLIC CHARTER SCHOOLS

## FAMILY PROFILE

Parents who want an alternative to traditional public schools

Highly engaged

## SCHOOL PROFILE

Strong organizational leadership and governance

Favorable market analysis of enrollment and waiting list

High potential for expansion

## CURRENT TARGET STATES

ARIZONA

COLORADO

FLORIDA

CALIFORNIA

NEW JERSEY

NORTH CAROLINA

SOUTH CAROLINA

TENNESSEE

GEORGIA

NEW YORK

## EPR POTENTIAL MARKET

MARKET  
OPPORTUNITY  
**\$2.5**  
BILLION

COMPRISED OF

**\$5 - \$25**  
MILLION  
TRANSACTIONS



# PRIVATE SCHOOLS

## FAMILY PROFILE

Mid to high affluence

Strong academic orientation

High parental education achievement

## OPERATOR PROFILE

Nonsectarian schools

Branded school group with history of success

Academically rigorous at moderate price point

Select markets

## HIGH POTENTIAL MARKETS

NEW YORK

SAN FRANCISCO BAY AREA

LOS ANGELES

CHICAGO

WASHINGTON D.C.

HOUSTON

DALLAS

SAN DIEGO

SEATTLE

ATLANTA

## EPR POTENTIAL MARKET

MARKET  
OPPORTUNITY  
**\$2**  
BILLION

COMPRISED OF  
**\$20 - \$50**  
MILLION  
TRANSACTIONS



# EARLY CHILDHOOD EDUCATION

## FAMILY PROFILE

Dual income

High income

Well-educated parents

Children ages 0-5

## OPERATOR PROFILE

Academic focus

Multi-site operations

Superior real estate execution

## MARKET PROFILE

Suburban areas of major MSAs

Target segment growth

Underserved trade areas  
(lack of competition)

## EPR POTENTIAL MARKET

MARKET  
OPPORTUNITY  
**\$1**  
BILLION

COMPRISED OF  
**\$5 - \$20**  
MILLION  
TRANSACTIONS





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