

HEDGEYE



SBA Communications Corp. (SBAC)

Worsening Credit, Ugly RoC, Poor Capital Allocation & Valuation That Makes No Sense

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HEDGEYE REITs

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Please submit questions* to
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*Answered at the end of the call



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[1] INTRODUCTION & MACRO BACKDROP

[A] Paying ~26.5x Fwd. EBITDA multiple/~3.6% cap rate into a RoC slowdown

- At its core, on an organic basis ex-external growth and FX, **we view SBAC as a +4% to +5% TCF compounder**, or inflation +. There is plenty of hype, “story telling” and narrative chasing around 5G deployment and the int’l growth story.
- The largest component of marginal domestic site leasing revenue growth is correlated to the RoC of **MNO capex spend** on a lag, which has **very likely already peaked**. There is also churn and credit risk in int’l, which itself is already slowing.
- Not a great proposition/price to pay heading into a slowdown. What happened to PLD when growth slowed slightly?

[B] As REIT analysts, we see poor capital allocation toward Int’l Towers

- Irrespective of the TMT angle, SBAC as a REIT is actually a really simple business and a pass-through vehicle for cash flows. Capital allocation is of paramount importance.
- We see a **structurally inferior Int’l site leasing business** for the TowerCos with poor relative unit economics, growth and return characteristics.
- As a high multiple “growth story,” is SBAC essentially just “buying up” its top-line and TCF growth rates? We think so.

[C] The valuation makes absolutely no sense – we see ~30% downside

- We typically do not lead with valuation, but it REALLY matters (1) for high-multiple stocks (2) ahead of a RoC slowdown amidst (3) a deepening Quad 4 macro. SBAC carries the highest valuation amongst the three domestic TowerCos.
- Based on SBAC’s growth and return profile, **we wouldn’t pay more than ~19-20x TCF for this business**, or ~21-22x EBITDA.
- **Int’l site leasing** (~25% of pro forma TCF) unequivocally warrants a discounted multiple vs. domestic TowerCos. We estimated ~12.5x TCF. **The stock price currently implies a MUCH higher valuation.**

INTRO | POSITION MONITOR (UPDATED 8.21.22)

ACTIVE LONG IDEAS								
Ticker	Company Name	Share Price (\$)	Mkt. Cap (\$Bn)	NTM P / FFO	Sentiment Score *	3M ADV (\$Bn)	Short Int. % of Float	Tail
HR	Healthcare Realty Trust Incorporated Class A	25.82	3,914	15.0x	2.33	0.115	3.6%	x
CTRE	CareTrust REIT, Inc.	21.65	2,101	14.1x	4.07	0.016	5.0%	x
NNN	National Retail Properties, Inc.	46.04	8,131	14.7x	3.92	0.049	2.0%	x
OFC	Corporate Office Properties Trust	26.32	3,126	11.0x	4.29	0.013	4.6%	x
EQR	Equity Residential	76.70	29,825	20.5x	2.86	0.104	1.2%	x
RADI	Radius Global Infrastructure, Inc. Class A	14.45	1,562	-	3.00	0.009	7.6%	x
PGRE	Paramount Group, Inc.	7.21	1,741	7.5x	3.40	0.006	2.9%	x

PASSIVE LONG IDEAS (BENCH)								
Ticker	Company Name	Share Price (\$)	Mkt. Cap (\$Bn)	NTM P / FFO	Sentiment Score *	3M ADV (\$Bn)	Short Int. % of Float	Tail
CXW	CoreCivic, Inc.	9.63	1,171	6.3x	-	0.014	3.5%	--
GTY	Getty Realty Corp.	30.24	1,413	14.3x	4.38	0.006	2.0%	x
EGP	EastGroup Properties, Inc.	169.30	7,076	23.4x	3.08	0.034	2.5%	x
PSA	Public Storage	343.01	60,640	20.9x	3.00	0.240	1.5%	x
PLD	Prologis, Inc.	131.12	99,878	22.0x	2.92	0.315	2.5%	x
REXR	Rexford Industrial Realty, Inc.	65.17	11,172	31.7x	2.92	0.062	6.6%	x

MOVED TO "DMZ" (NEUTRAL)								
Ticker	Company Name	Share Price (\$)	Mkt. Cap (\$Bn)	NTM P / FFO	Sentiment Score *	3M ADV (\$Bn)	Short Int. % of Float	Tail
VRE	Veris Residential, Inc.	13.85	1,390	27.9x	1.67	0.006	3.7%	--
IHS	IHS Holding Ltd.	6.96	2,308	-	2.83	0.001	0.8%	x

Last Updated: 8/25/22

HEDGEYE REITS SENTIMENT SCORE*:

Hedgeye REITs Sentiment Score represents a stock's relative rank within its own subsector, calculated by factoring the stock's discount/premium to consensus price target, short interest, sell-side rating, change in relative NTM earnings multiple vs. the S&P500 index over the trailing 90 days and relative performance vs. the S&P 500 over the trailing 90 days. A Sentiment Score of 1 represents Lower Sentiment indicated by a larger discount to price target, higher short interest, more negative sell-side rating, a smaller change in relative NTM multiple and relative underperformance. A Sentiment Score of 6 represents Higher Sentiment.

POSITION MONITOR DISCLAIMER:

Hedgeye's "bench" represents Hedgeye's outlook on companies currently under Hedgeye's review, or for which timing is not right for greater coverage. Hedgeye may or may not provide further commentary on any or all companies represented on the bench and representation of a company on the bench does not forecast whether Hedgeye will or will not issue any additional material on that company.

ACTIVE SHORT IDEAS								
Ticker	Company Name	Share Price (\$)	Mkt. Cap (\$Bn)	NTM P / FFO	Sentiment Score *	3M ADV (\$Bn)	Short Int. % of Float	Tail
MPW	Medical Properties Trust, Inc.	15.21	9,108	8.4x	1.73	0.103	7.1%	x
INVH	Invitation Homes, Inc.	37.68	23,147	21.0x	3.14	0.081	2.2%	x
TCN	Tricon Residential Inc	11.00	3,442	17.3x	1.52	0.007	0.6%	x
NXRT	NexPoint Residential Trust, Inc.	57.59	1,480	18.8x	1.10	0.008	3.4%	--
SBAC	SBA Communications Corp. Class A	332.97	36,417	27.9x	2.17	0.171	1.2%	--
WY	Weyerhaeuser Company	36.01	26,843	22.3x	3.00	0.105	1.4%	x
UHAL	AMERCO	565.00	11,078	24.6x	1.71	0.020	2.7%	x
CPT	Camden Property Trust	136.72	14,660	19.4x	2.33	0.098	1.4%	x

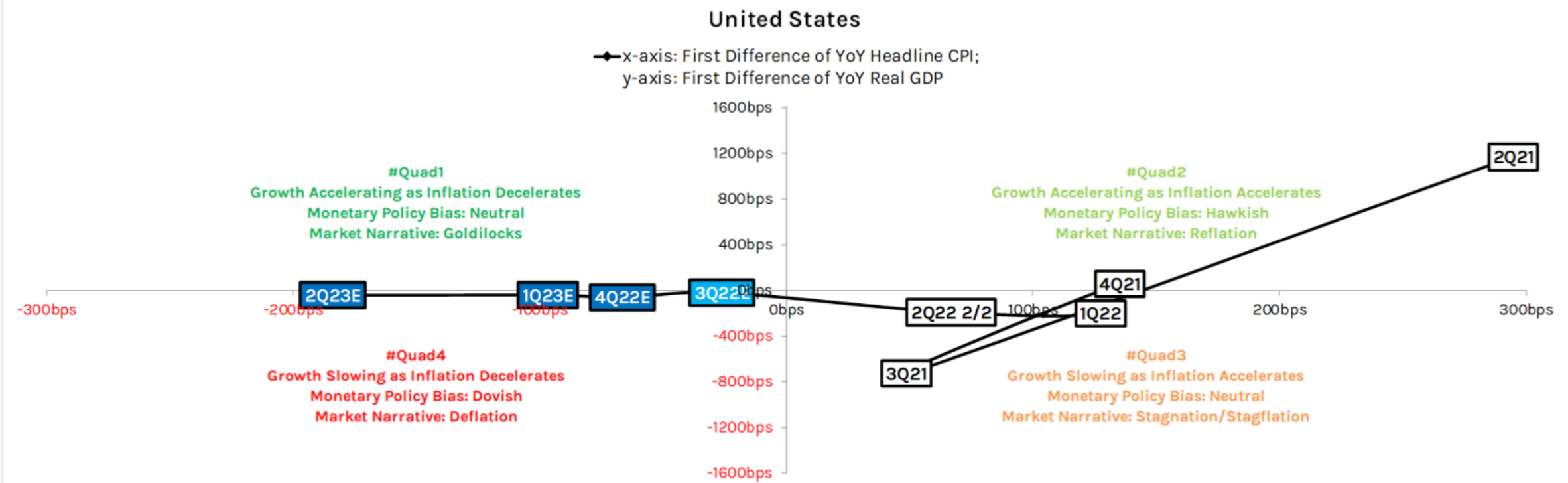
PASSIVE SHORT IDEAS (BENCH)								
Ticker	Company Name	Share Price (\$)	Mkt. Cap (\$Bn)	NTM P / FFO	Sentiment Score *	3M ADV (\$Bn)	Short Int. % of Float	Tail
LSI	Life Storage, Inc.	134.38	11,755	20.4x	3.86	0.065	2.3%	x
BRT	BRT Apartments Corp	24.57	456	19.5x	3.67	0.001	1.3%	--
ONL	Orion Office REIT, Inc.	10.06	595	-	-	0.004	-	x
STOR	STORE Capital Corporation	27.60	7,717	12.3x	2.46	0.057	2.5%	--
SRC	Spirit Realty Capital, Inc.	42.27	5,754	11.6x	2.77	0.029	2.2%	--
WE	WeWork Inc. Class A	4.44	3,521	-	-	0.027	-	x

- Added SBA Communications (SBAC) to the Active **Short** list
- Favorite **Shorts** are MPW, select resi names & UHAL
- Favorite **Longs** are HR, CTRE, NNN, & OFC
- Moving WeWork (WE) to Passive **Short** list
- Recently added two triple-net names (STOR & SRC) to Passive **Short** list – doing more work
- ~ 1x1 **Longs** / **Shorts** in Quad 4 vs. 2x1 typically
- Write on names only where we feel we have an edge or a non-consensus view
- Minimal maintenance research

INTRO | CURRENTLY IN THE FIRST OF 4-STRAIGHT QUAD 4's

Our GIP Model is a quantitatively oriented, regime-based framework that helps investors proactively prepare for volatility phase transitions within and across asset classes by triangulating the three factors that matter most to Macro Risk Management – i.e. GROWTH, INFLATION, and POLICY.

United States	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22 2/2	← Actuals Estimates →	3Q22E	4Q22E	1Q23E	2Q23E
Real GDP QoQ SAAR	2.80%	1.90%	-5.10%	-31.20%	33.80%	4.50%	6.30%	6.70%	2.30%	6.90%	-1.60%	-0.90%	Real GDP QoQ SAAR	1.51%	4.36%	-3.14%	-2.56%
Real GDP YoY	2.32%	2.57%	0.63%	-9.08%	-2.89%	-2.26%	0.55%	12.23%	4.95%	5.53%	3.53%	1.62%	Real GDP YoY	1.42%	0.81%	0.41%	0.00%
2yr Comparative Base Effects	2.66%	2.52%	2.58%	2.70%	2.69%	2.45%	1.39%	-3.49%	-0.28%	0.15%	0.59%	1.57%	2yr Comparative Base Effects	1.03%	1.64%	2.04%	6.92%
Headline CPI YoY	1.76%	2.03%	2.12%	0.36%	1.22%	1.24%	1.90%	4.85%	5.34%	6.69%	7.96%	8.63%	Headline CPI YoY	8.37%	7.71%	6.74%	4.90%
2yr Comparative Base Effects	2.30%	2.16%	1.93%	2.26%	2.20%	2.12%	1.88%	1.09%	1.49%	1.64%	2.01%	2.61%	2yr Comparative Base Effects	3.28%	3.96%	4.93%	6.74%



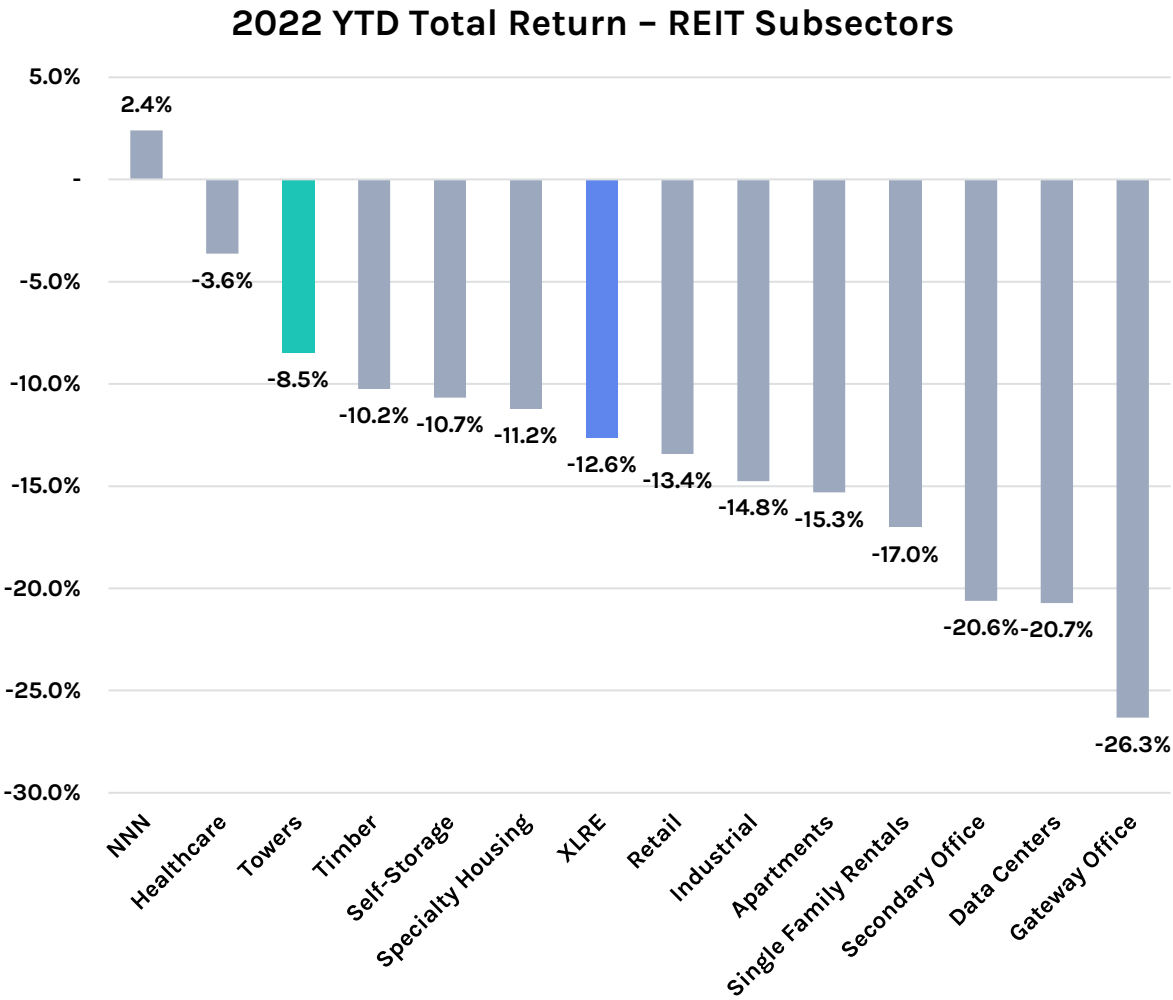
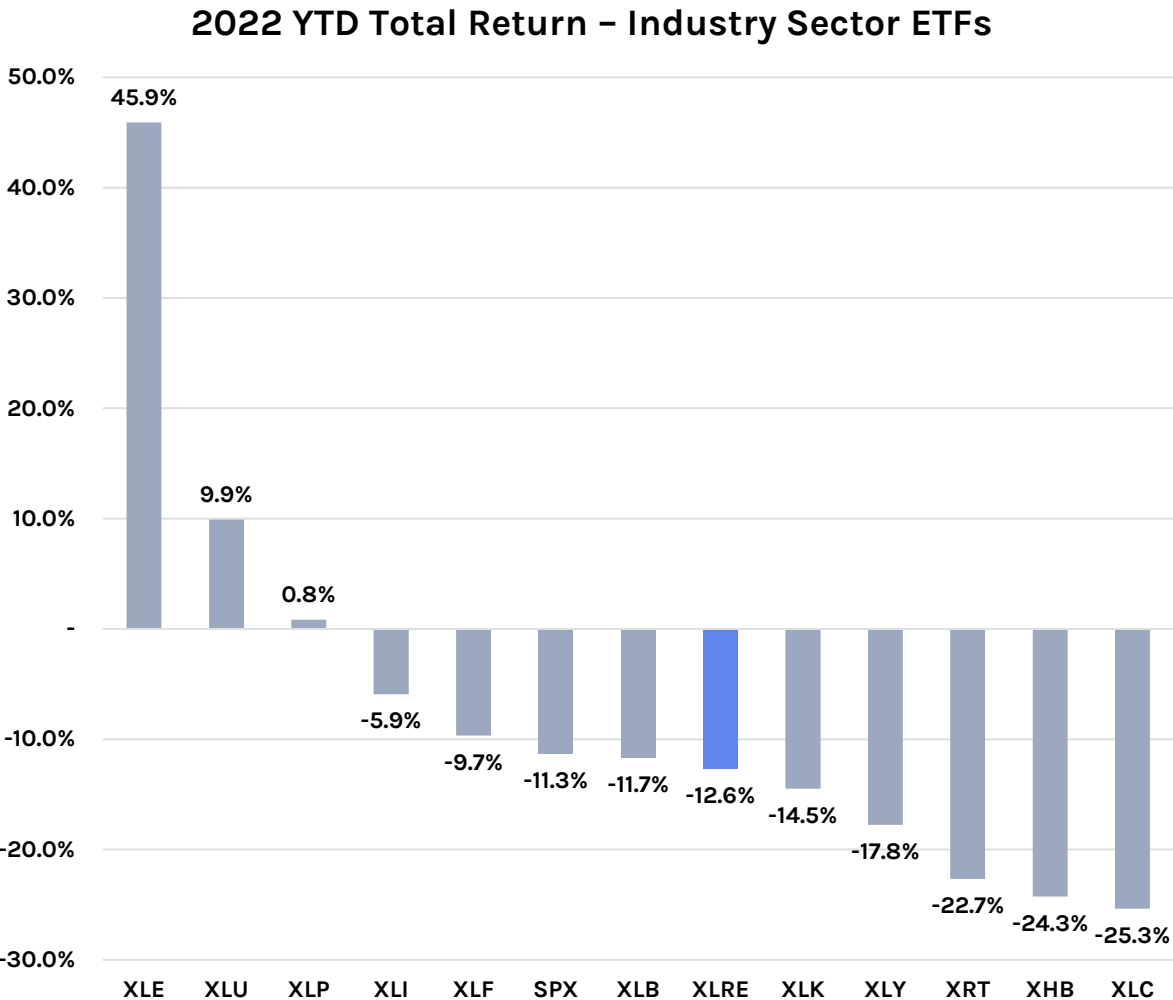
Data Source: Bloomberg. Light Blue box = Hedgeye Nowcast Model estimate. Dark Blue boxes = Hedgeye Comparative Base Effects Model estimates.

© Hedgeye Risk Management

Updated: 8/22/2022

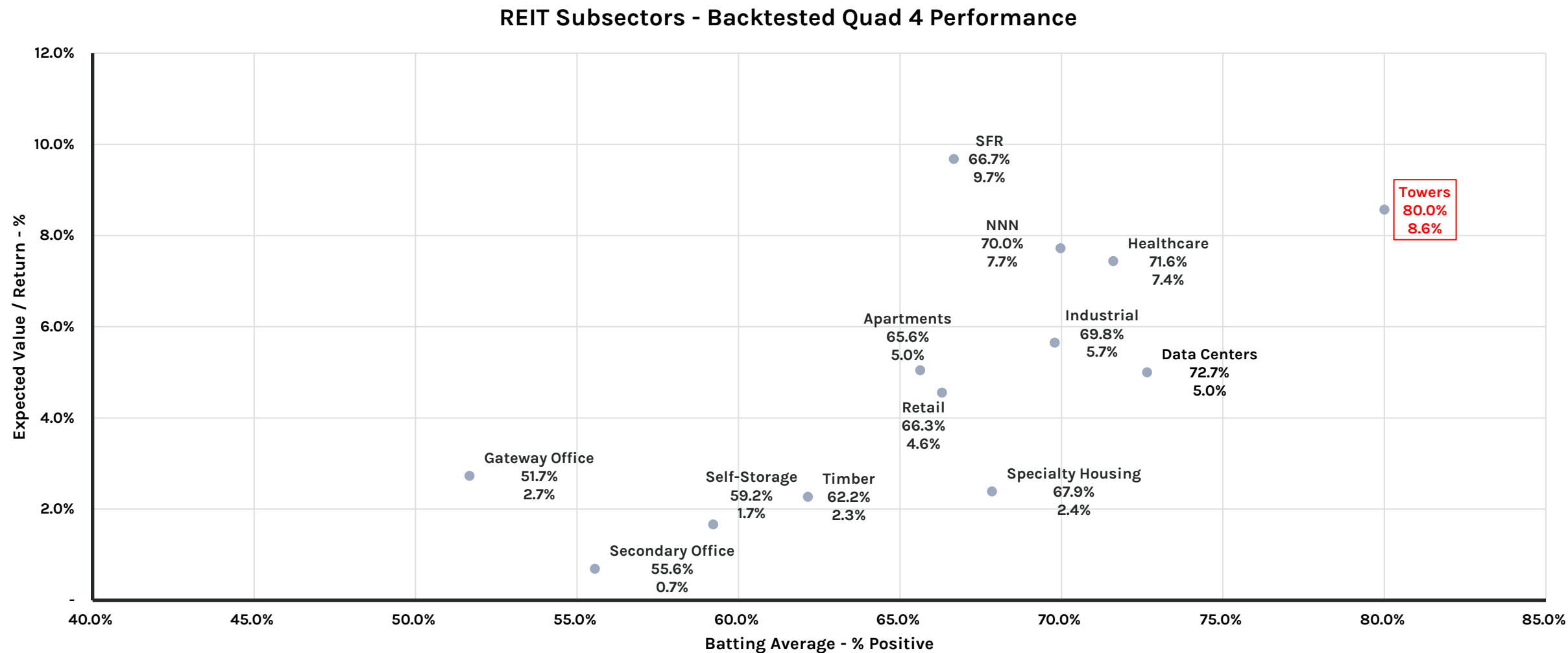
INTRO | LOOK AT YTD PERFORMANCE

Despite early-2022 struggles following CCI’s disappointing initial outlook, Tower REITs have outperformed both the XLRE and the S&P500 index YTD



INTRO | REIT SUBSECTOR QUAD 4 DISPERSION

Towers and Data Centers typically do well in Quad 4, but we think this time may be different with SBAC



INTRO | REITS FINANCIAL STRAIN INDEX

Only CCI shows up in the “safe” category, AMT & SBAC buried in the middle; MPW is still a zero (we had to!)

Company Name	Dividend Yield	AFFO Payout	Net Debt + Pfd. / TEV	Fixed Charge Coverage ⁽¹⁾	Adj. Net Debt+Pfd. / EBITDA ⁽¹⁾	Fin. Strain Index Ranking ⁽²⁾
New York City REIT, Inc. Class A	11.36%	-	88.9%	0.6x	34.2x	1
Industrial Logistics Properties Trust	0.49%	3.1%	90.6%	1.4x	18.3x	2
Diversified Healthcare Trust	2.42%	-	85.6%	0.7x	15.1x	3
SL Green Realty Corp.	8.17%	79.1%	75.0%	2.4x	11.2x	4
Macerich Company	6.02%	39.4%	75.1%	2.1x	9.6x	5
Veris Residential, Inc.	-	-	64.5%	2.9x	14.9x	6
BRT Apartments Corp	3.62%	51.9%	53.4%	1.7x	10.8x	7
NexPoint Residential Trust, Inc.	2.44%	56.8%	52.4%	2.0x	12.2x	8
Global Net Lease Inc	11.30%	93.1%	63.7%	2.8x	9.0x	9
Paramount Group, Inc.	3.88%	46.7%	64.4%	2.9x	8.6x	10
Radius Global Infrastructure, Inc. Class A	-	-	31.5%	0.8x	15.3x	11
Plymouth Industrial REIT, Inc.	4.00%	53.6%	55.5%	3.0x	8.8x	12
UMH Properties, Inc.	4.14%	91.8%	42.6%	1.7x	8.4x	13
Medical Properties Trust, Inc.	7.36%	79.0%	55.2%	3.3x	8.7x	14
Apartment Investment & Management Co	-	-	39.0%	0.8x	7.9x	15
RPT Realty	3.85%	53.6%	52.7%	3.3x	7.4x	16
JBG SMITH Properties	3.91%	91.8%	43.2%	3.9x	10.0x	17
Vornado Realty Trust	7.63%	92.1%	62.9%	4.0x	8.4x	18
Saul Centers, Inc.	4.71%	82.7%	45.3%	2.7x	7.1x	19
Tricon Residential Inc	2.06%	40.2%	42.3%	3.8x	9.5x	20
Hudson Pacific Properties, Inc.	7.28%	67.7%	63.7%	4.0x	7.7x	21
Centerspace	3.59%	75.1%	39.8%	3.2x	8.0x	22
Urban Edge Properties	3.68%	62.9%	42.8%	3.3x	7.4x	23
Empire State Realty Trust, Inc. Class A	1.42%	30.0%	48.0%	3.1x	6.5x	24
Boston Properties, Inc.	4.74%	74.1%	47.0%	3.9x	6.8x	25

Company Name	Dividend Yield	AFFO Payout	Net Debt + Pfd. / TEV	Fixed Charge Coverage ⁽¹⁾	Adj. Net Debt+Pfd. / EBITDA ⁽¹⁾	Fin. Strain Index Ranking ⁽²⁾
Equity Residential	3.14%	73.4%	21.4%	5.3x	5.2x	26
Regency Centers Corporation	3.81%	72.5%	27.0%	5.2x	4.7x	27
Healthpeak Properties, Inc.	4.43%	83.8%	29.8%	6.8x	5.2x	28
National Health Investors, Inc.	5.72%	85.0%	28.7%	6.4x	5.0x	29
CubeSmart	2.97%	66.4%	22.2%	6.3x	5.0x	30
Life Storage, Inc.	2.29%	51.3%	20.1%	5.8x	4.9x	31
STAG Industrial, Inc.	4.46%	80.4%	27.6%	6.8x	4.8x	32
INDUS Realty Trust, Inc.	0.73%	33.3%	6.4%	4.5x	1.7x	33
First Industrial Realty Trust, Inc.	2.06%	63.1%	20.1%	6.3x	4.7x	34
Crown Castle Inc.	3.12%	73.8%	21.7%	6.7x	4.9x	35
AvalonBay Communities, Inc.	3.03%	67.0%	20.9%	6.3x	4.5x	36
Essential Properties Realty Trust, Inc.	4.30%	65.7%	28.3%	7.7x	4.6x	37
AMERCO	0.35%	-	23.6%	6.3x	3.0x	38
Prologis, Inc.	1.92%	66.9%	17.0%	10.7x	5.0x	39
CareTrust REIT, Inc.	4.90%	67.7%	24.4%	7.9x	4.1x	40
Community Healthcare Trust Incorporated	4.45%	71.1%	21.7%	6.9x	3.7x	41
Duke Realty Corporation	1.69%	61.5%	13.6%	7.0x	4.7x	42
Extra Space Storage Inc.	2.17%	57.0%	17.4%	7.9x	4.6x	43
Mid-America Apartment Communities, Inc.	2.35%	54.0%	17.3%	7.0x	3.8x	44
Camden Property Trust	2.43%	65.0%	15.6%	6.8x	3.5x	45
EastGroup Properties, Inc.	2.11%	60.2%	17.1%	8.1x	4.1x	46
Rexford Industrial Realty, Inc.	1.47%	49.3%	13.3%	7.5x	3.9x	47
Public Storage	2.33%	69.2%	15.8%	10.0x	3.8x	48
Terreno Realty Corporation	1.98%	86.2%	11.4%	8.4x	3.6x	49
Equinix, Inc.	1.71%	39.6%	13.8%	10.6x	3.0x	50

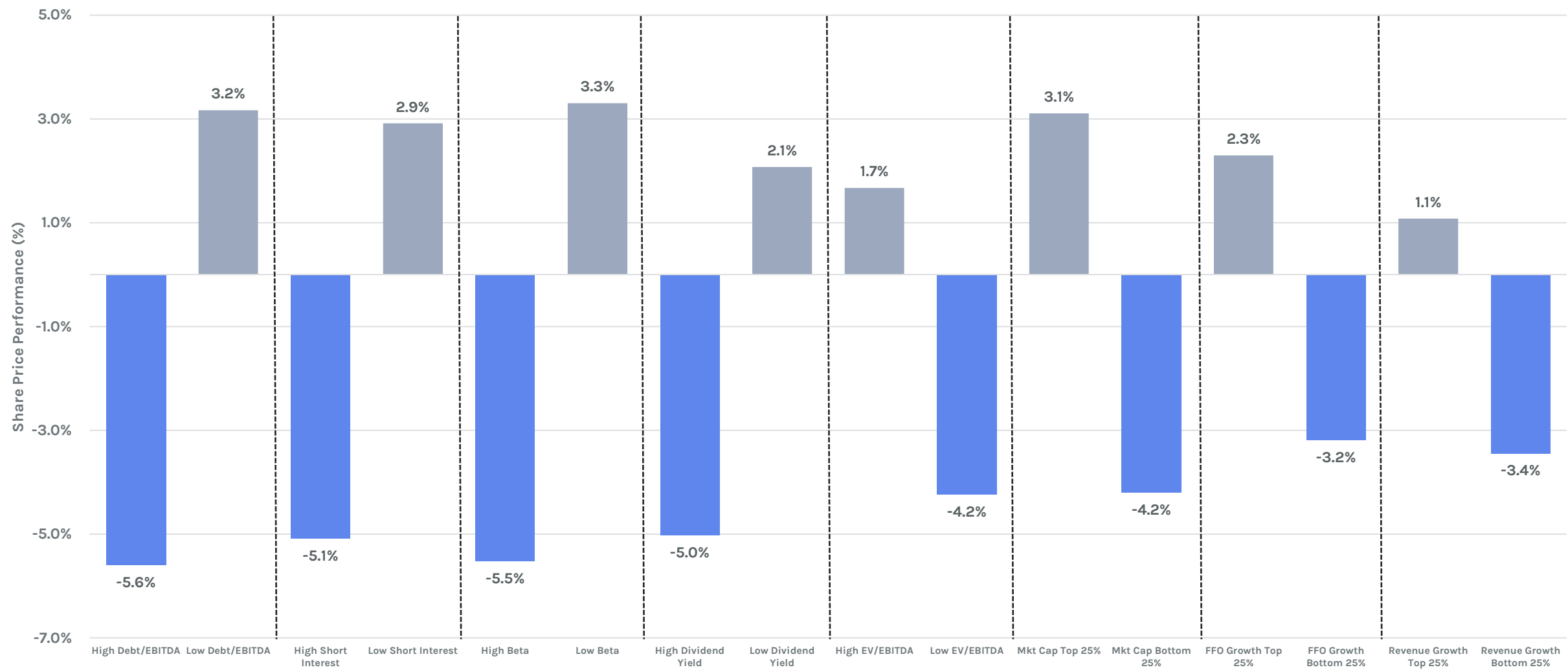
Notes:

(1) Presented on a cash basis, excluding SL Rent + FAS 141 & non-cash interest.

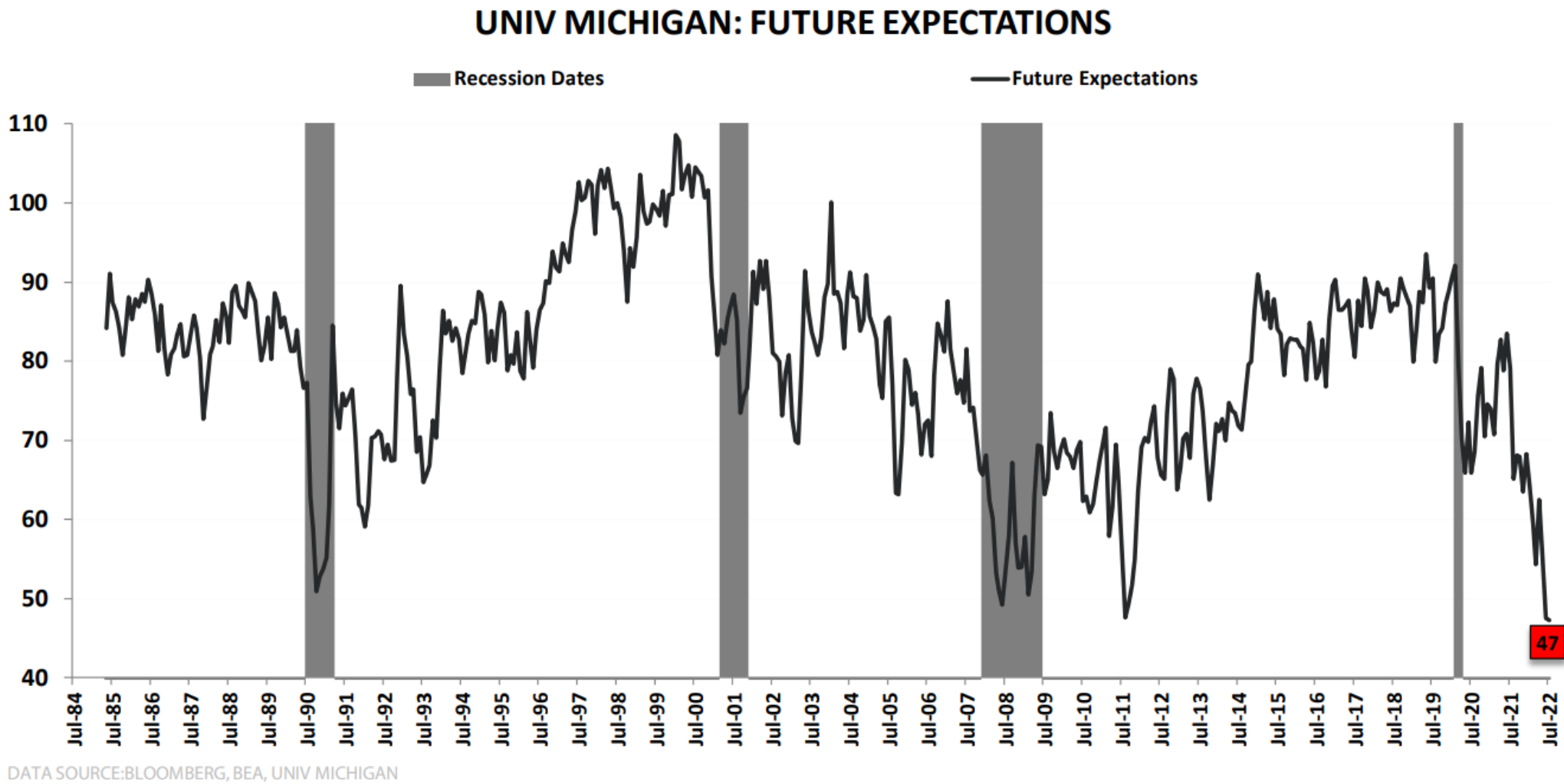
(2) Calculated w/ following weights moving left to right: 15%, 20%, 15%, 25% & 25%.

INTRO | TRAILING 90-DAY STYLE FACTOR PERFORMANCE

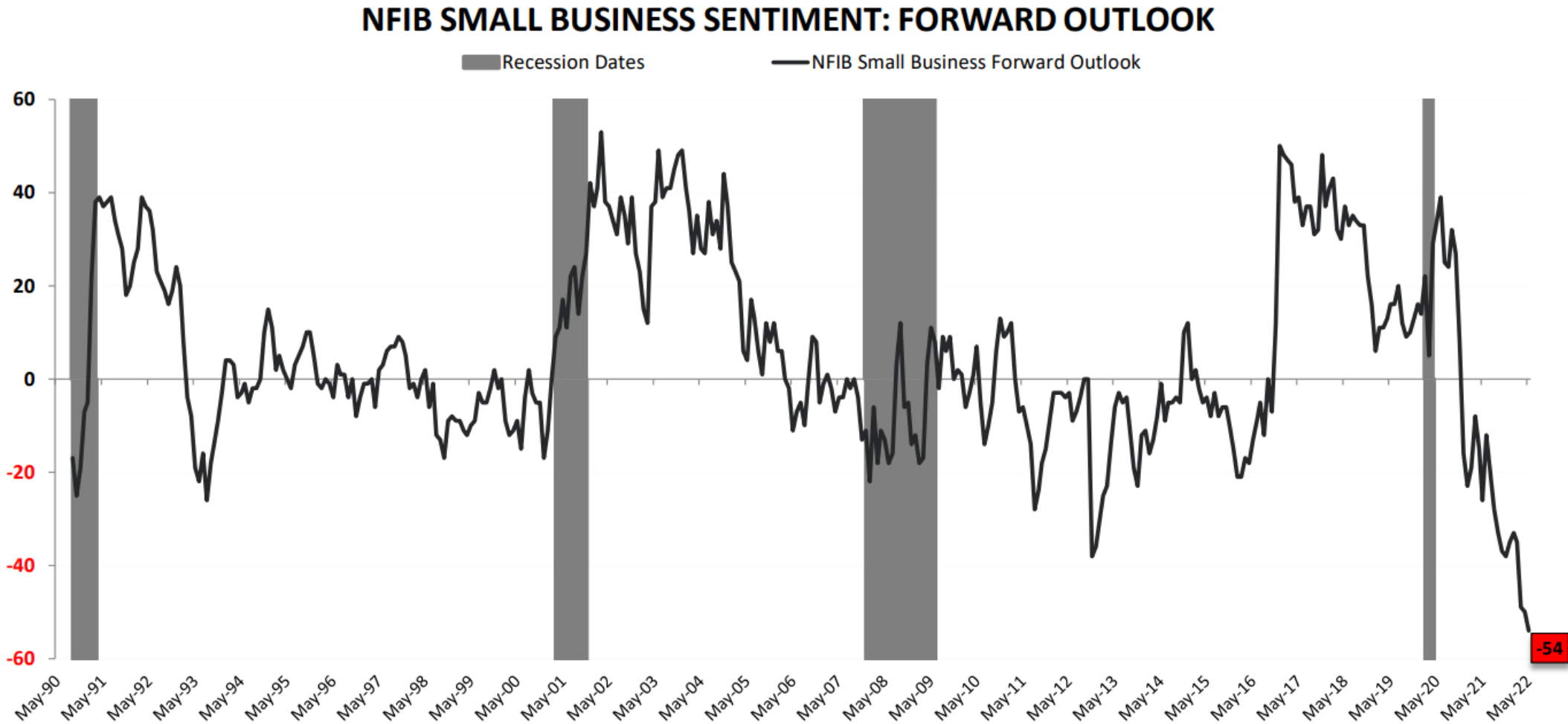
Decidedly Quad 4 REIT style factor performance



INTRO | “SOFTENED” (FURTHER): CONSUMER CONFIDENCE

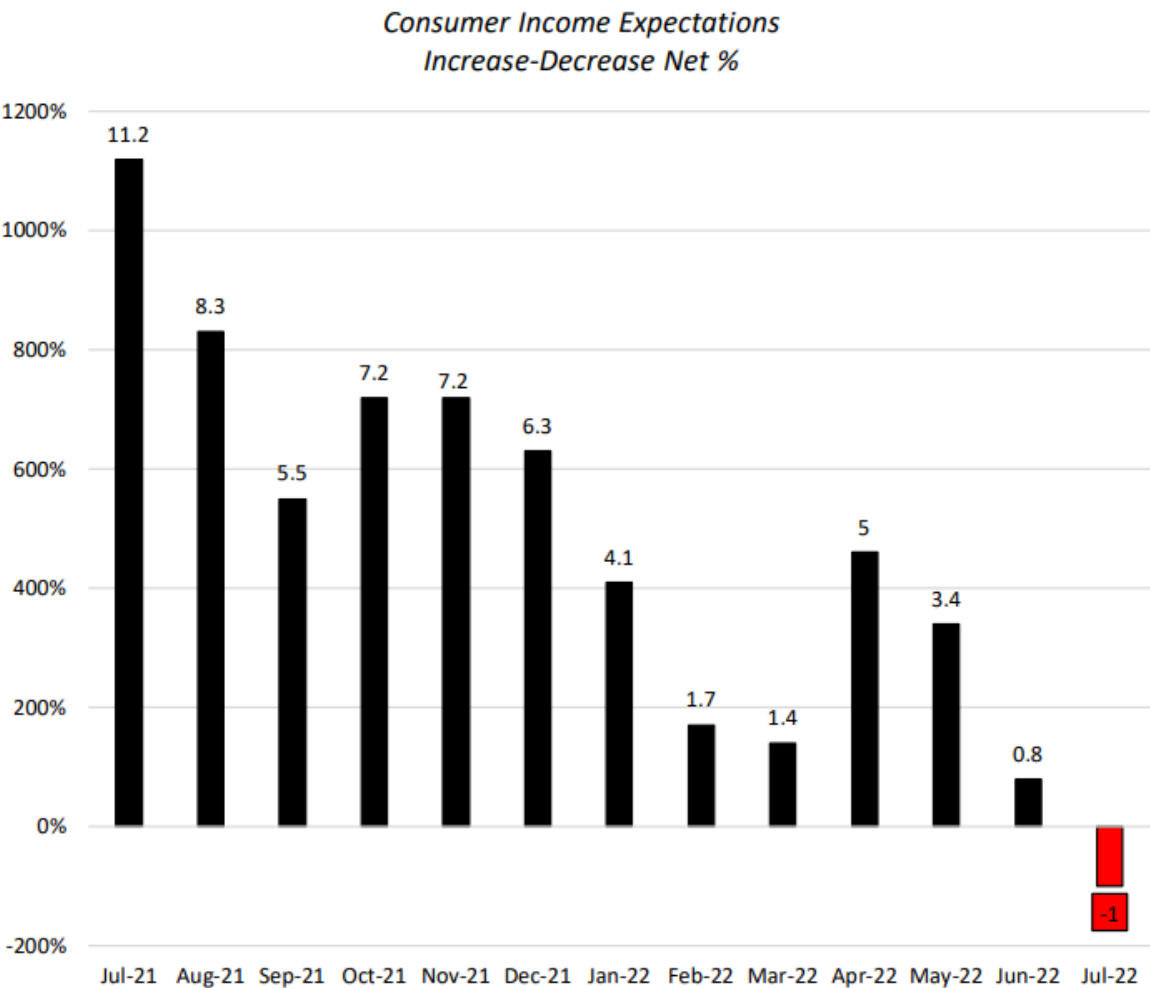
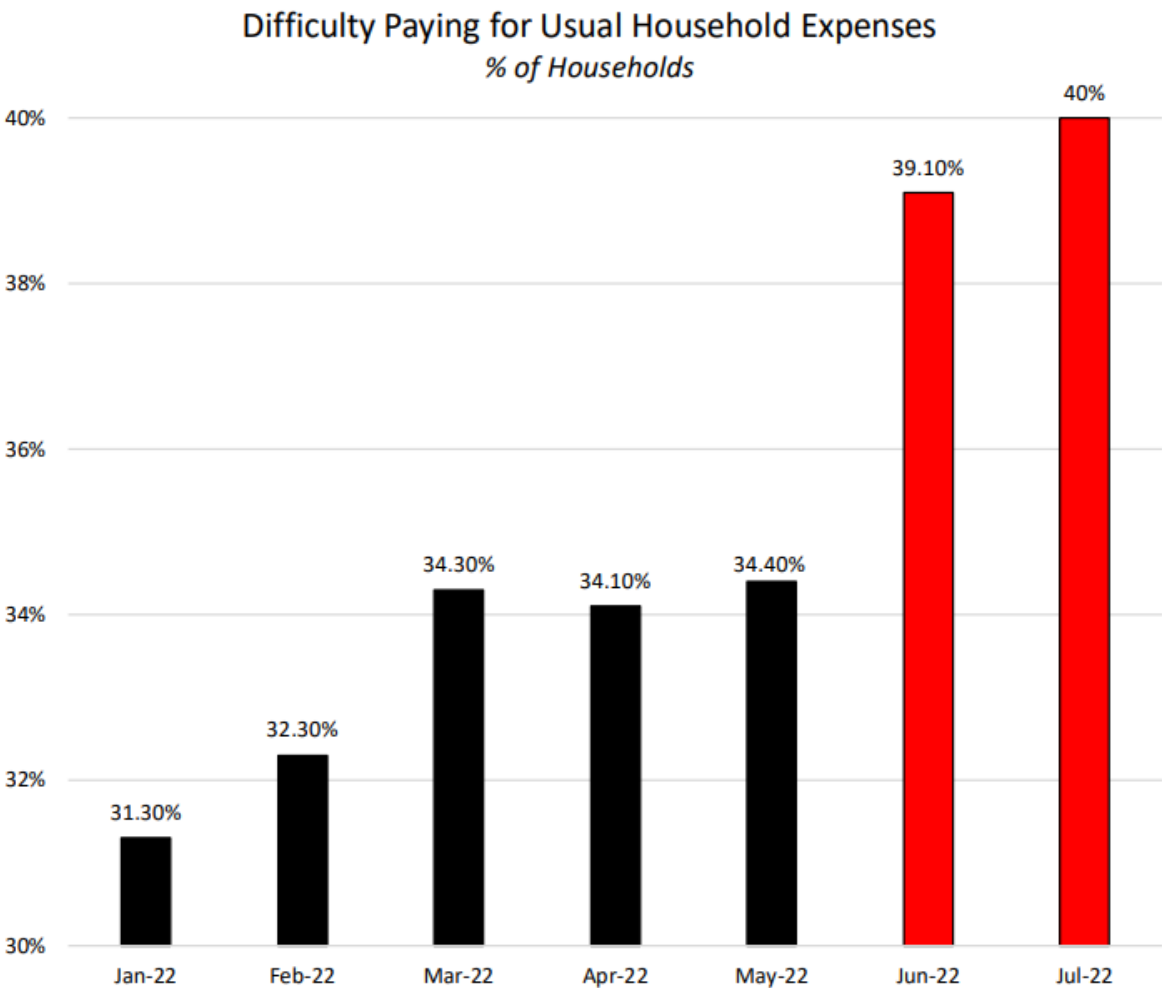


INTRO | “SOFTENED” (FURTHER): **SMALL BIZ EXPECTATIONS**

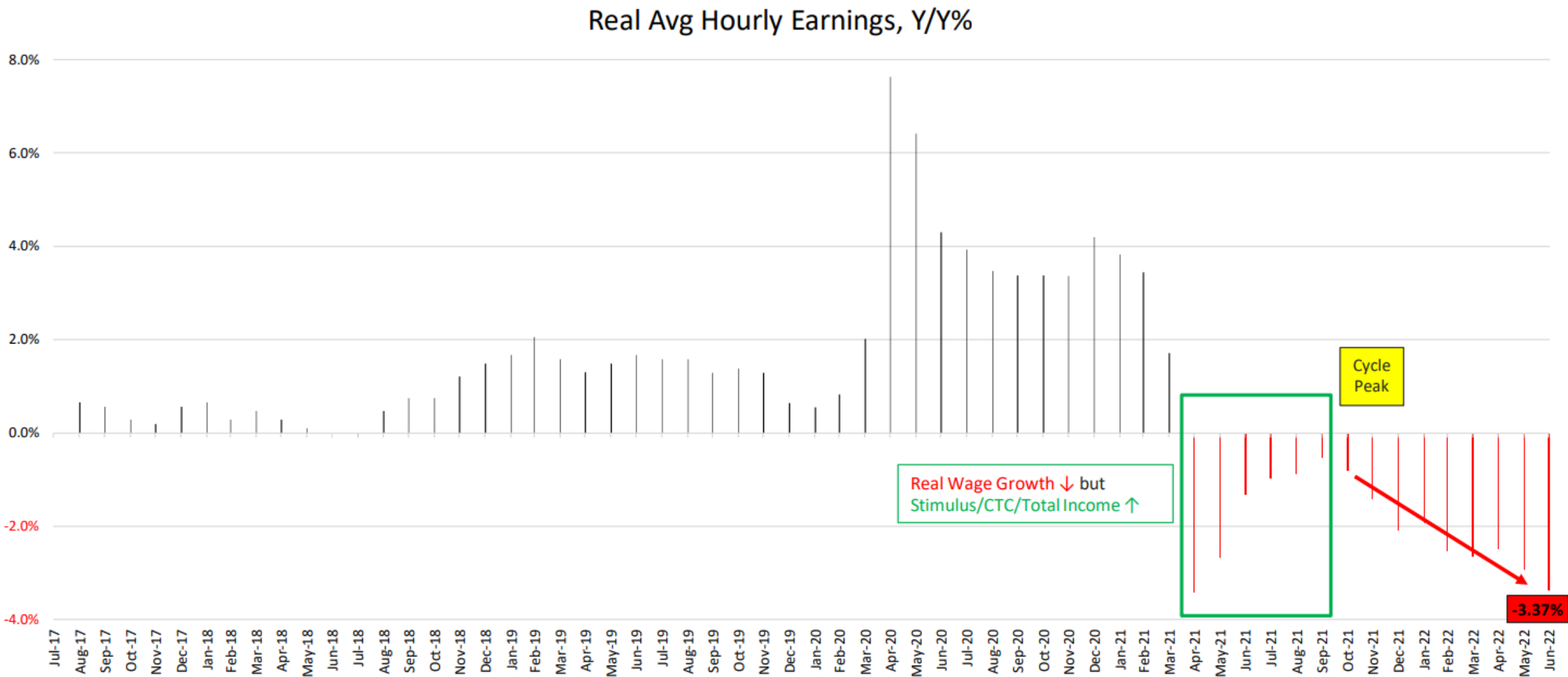


INTRO | THE COST OF LIVING SQUEEZE IS REAL (& RISING)!

Income expectations have flipped negative and the share of households reporting difficulty paying for usual household expenses step-functioned higher in the last two months

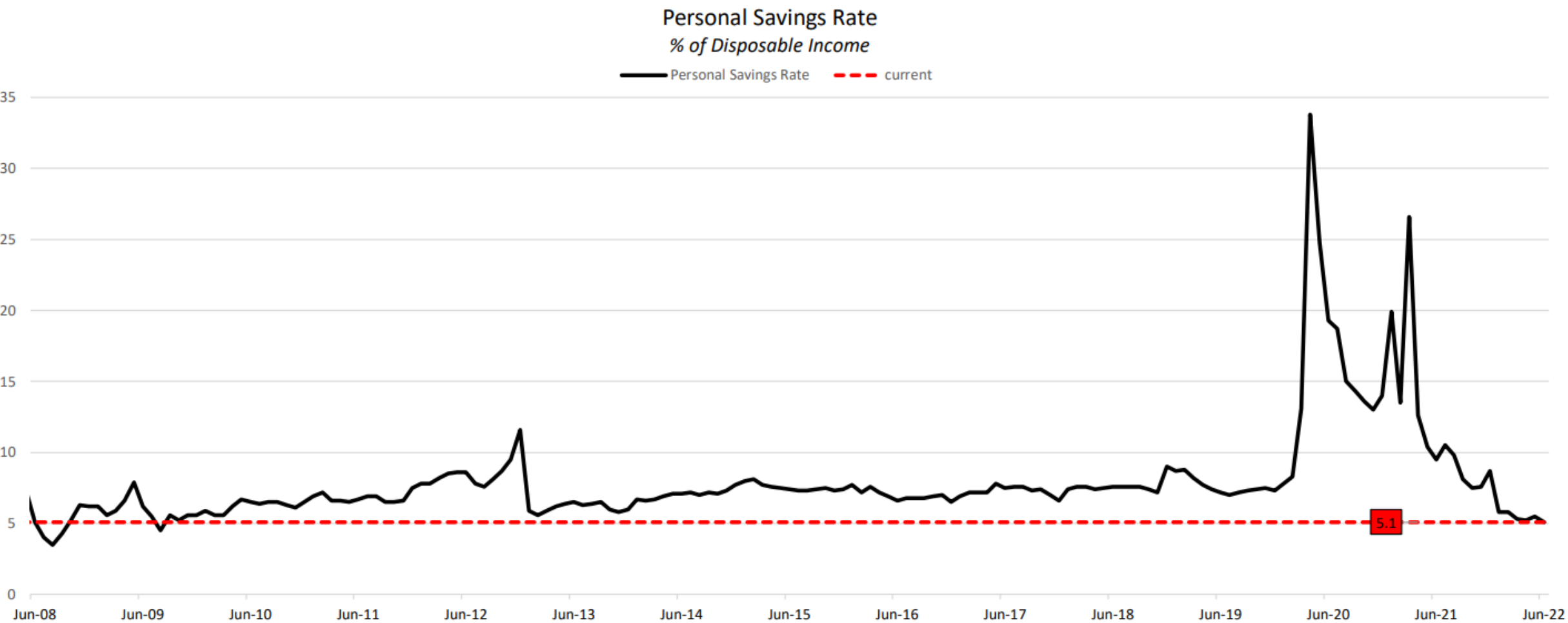


INTRO | INFLATION & COST OF LIVING UP → DEEPER QUAD 4



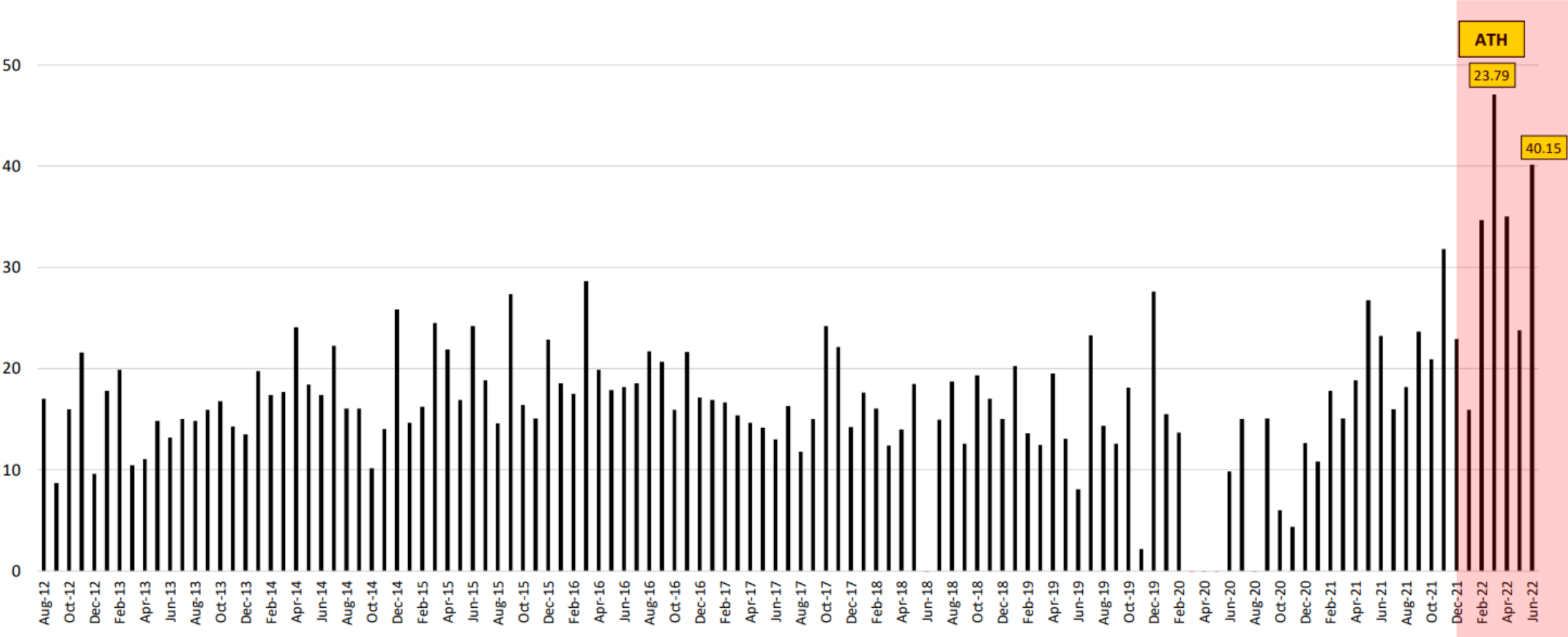
INTRO | ABOUT THAT (NON-) EXCESS SAVINGS...

“Excess savings” have been exhausted, and now the regular savings rate has declined to LOWER 13-year lows



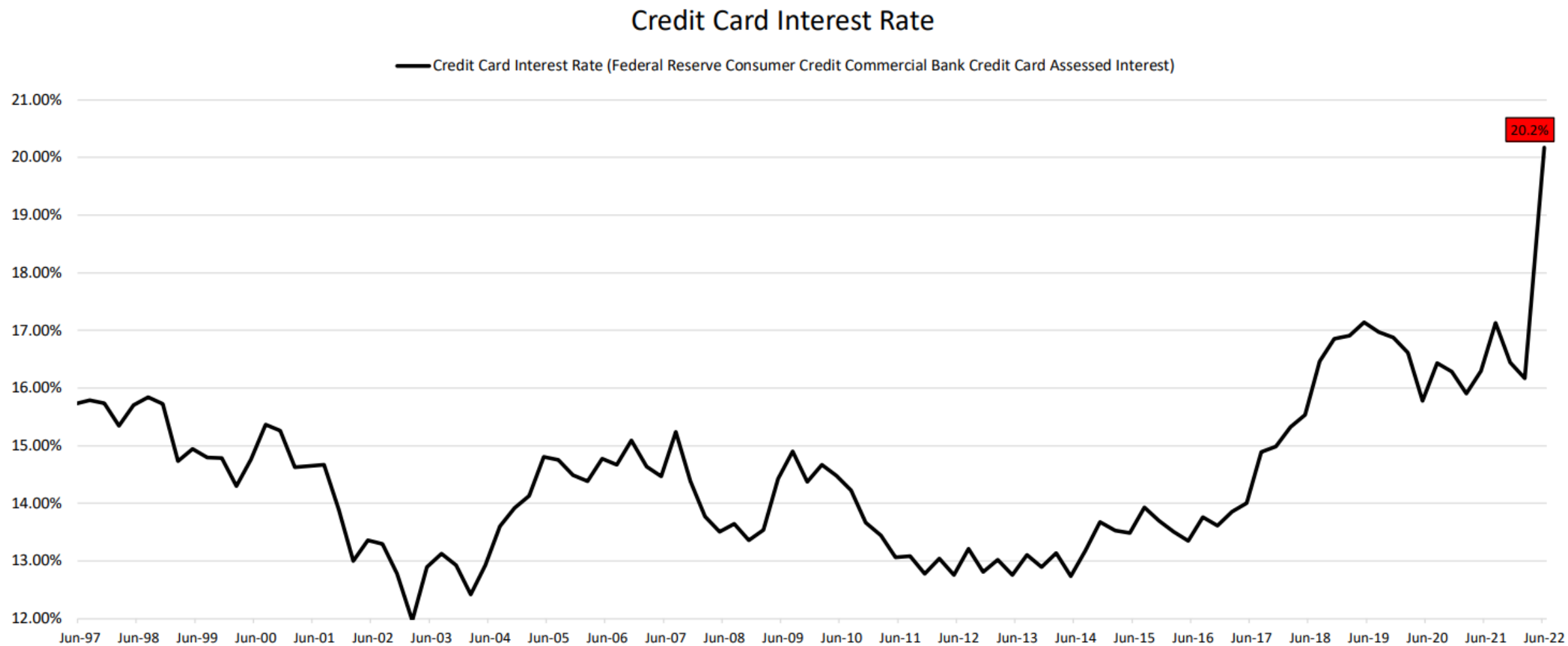
INTRO | CONSUMER CREDIT UP TO ATH'S

Consumer Credit
M/M Chg, \$ billions



INTRO | COST OF THAT CREDIT = **MULTI-DECADE HIGHS**

Credit Card interest rates have step functioned higher alongside the rise in inflation and in conjunction with the Feds tightening campaign



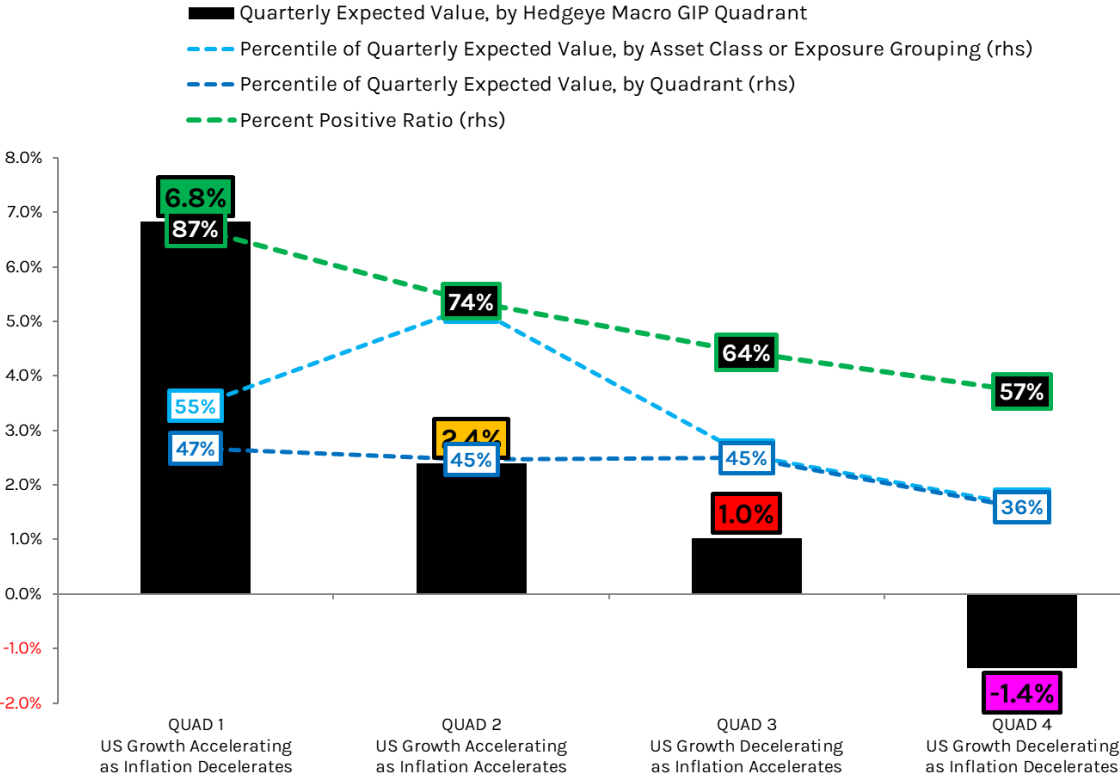
INTRO | RECENT EXAMPLES OF DELAYING BILLS

- **7.21.22 - Discover (DFS) and Capital One (COF)** both missed 2Q22 expectations, with delinquency rates up and both firms increasing provisioning for future credit losses.
 - “The **big headwinds for consumers** are price inflation and higher interest rates. And inflation could **erode the excess savings** consumers accumulated through the pandemic, especially if price increases continue to run ahead of wage growth.” – CEO Richard Fairbank on the 2Q22 earnings call
- **7.21.22 - Big-3 U.S. wireless carrier AT&T (T)**, which is obviously very relevant here as a large SBAC tenant, also missed 2Q22 expectations, lowered FY22 FCF guidance, and noted that **wireless customers are paying their bills more slowly on the margin**.
 - “We’re seeing an increase in bad debt to slightly higher than pre-pandemic levels as well as extended cash collection cycles.” – CEO John Stankey on the 2Q22 earnings call
- **7.22.22 - Fellow wireless carrier Verizon (VZ)**, also a major SBAC tenant, lowered FY22 guidance and **highlighted a weakening consumer**.
 - “We’re seeing weaker consumer wireless volumes. The inflationary environment is clearly impacting consumer behavior... Consumer budgets are becoming strained.” – CEO Hans Vestberg
- **8.23.22 - Bloomberg [reported](#) that ~20 million U.S. households are in arrears on energy bills.**
- → Tenant credit **DOWN** → Risk **UP** → Spreads **UP** → Multiples should be **DOWN**
- **But they’re not, quite the opposite...**

INTRO | BACKDROP FOR REITs

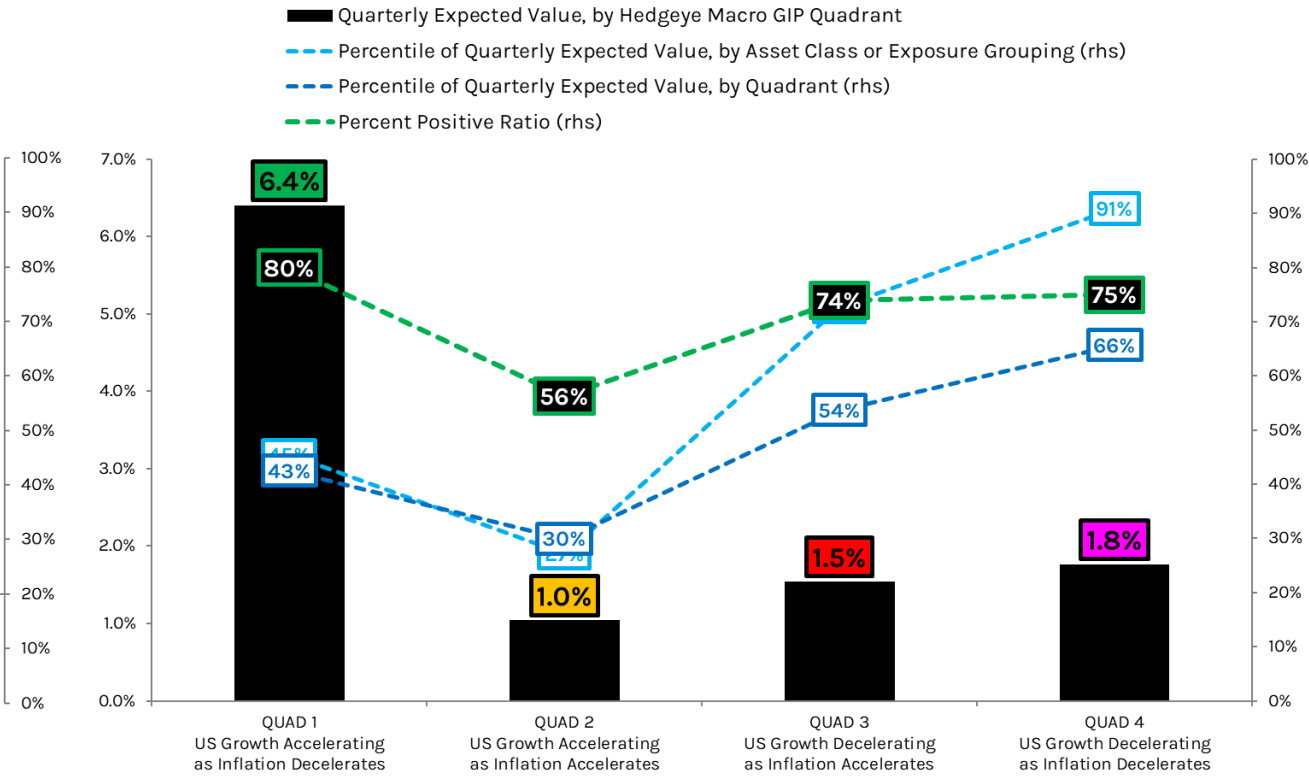
Sector tends to do well as rate sensitivity catches a bid, but in “Deep” Quad 4 everything gets smoked

S&P 500 Total Return Index



Data Source: Bloomberg. Asset classes include equities, fixed income, currencies and commodities. Quarterly observations starting in 1Q98.

S&P 500 REITs Total Return Index



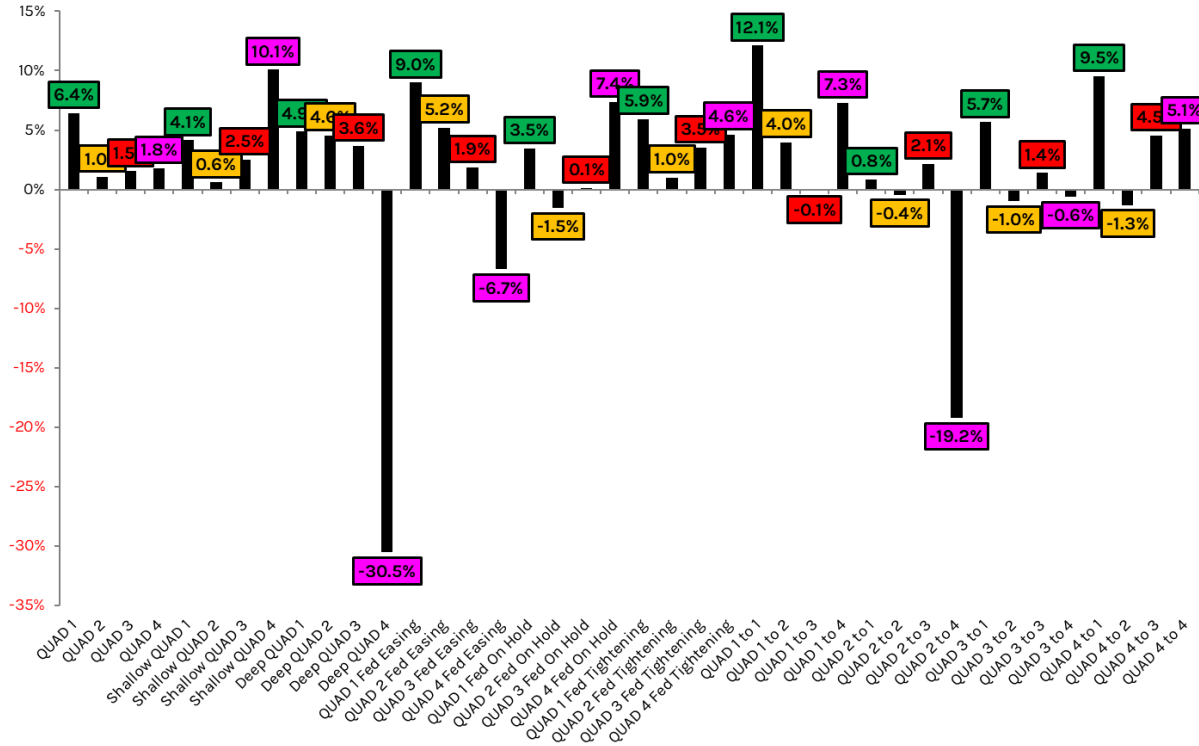
Data Source: Bloomberg. Asset classes include equities, fixed income, currencies and commodities. Quarterly observations starting in 1Q98.

INTRO | BACKDROP FOR REITS (CONT'D)

Watch out for “Deep” Quad 4 and moving from Quads 2/3 to 4, so basically where we are right now...

S&P 500 REITS Total Return Index

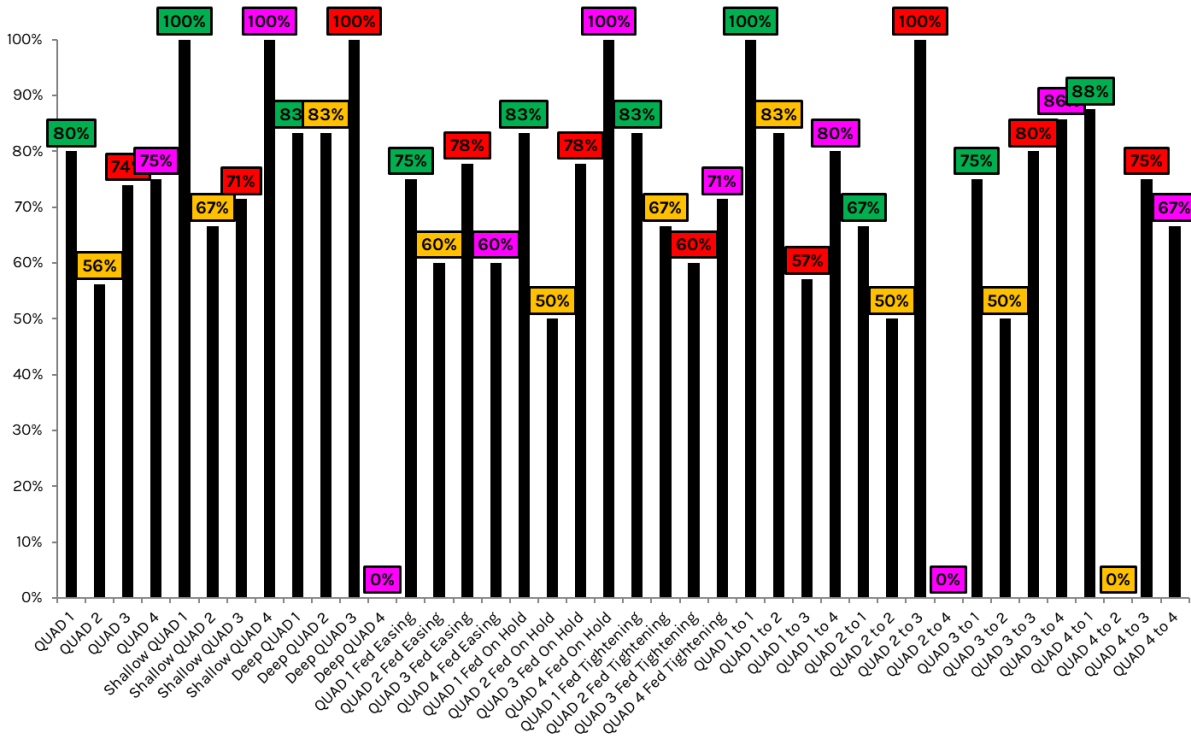
■ Quarterly Expected Value by Hedgeye GIP Model Quadrant



Data Source: Bloomberg. Asset classes include equities, fixed income, currencies and commodities. Quarterly observations starting in 1Q98.

S&P 500 REITS Total Return Index

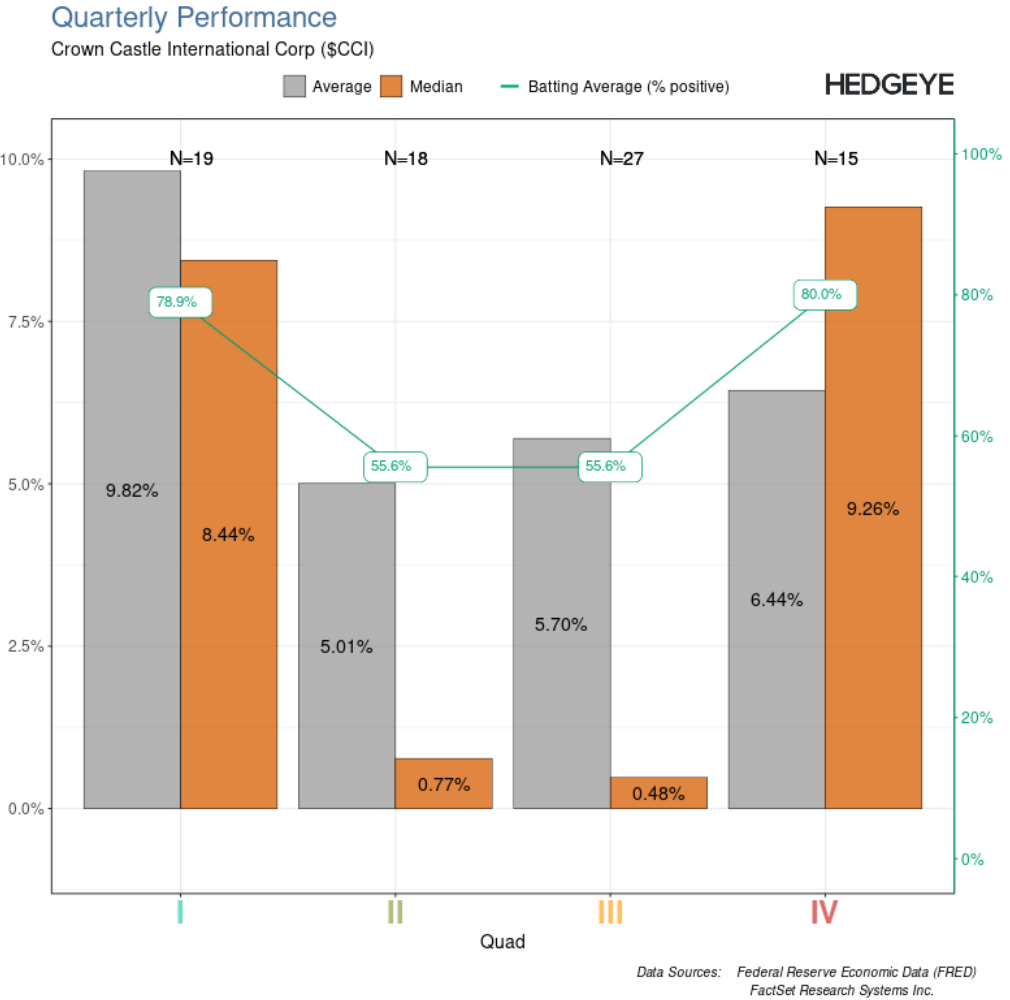
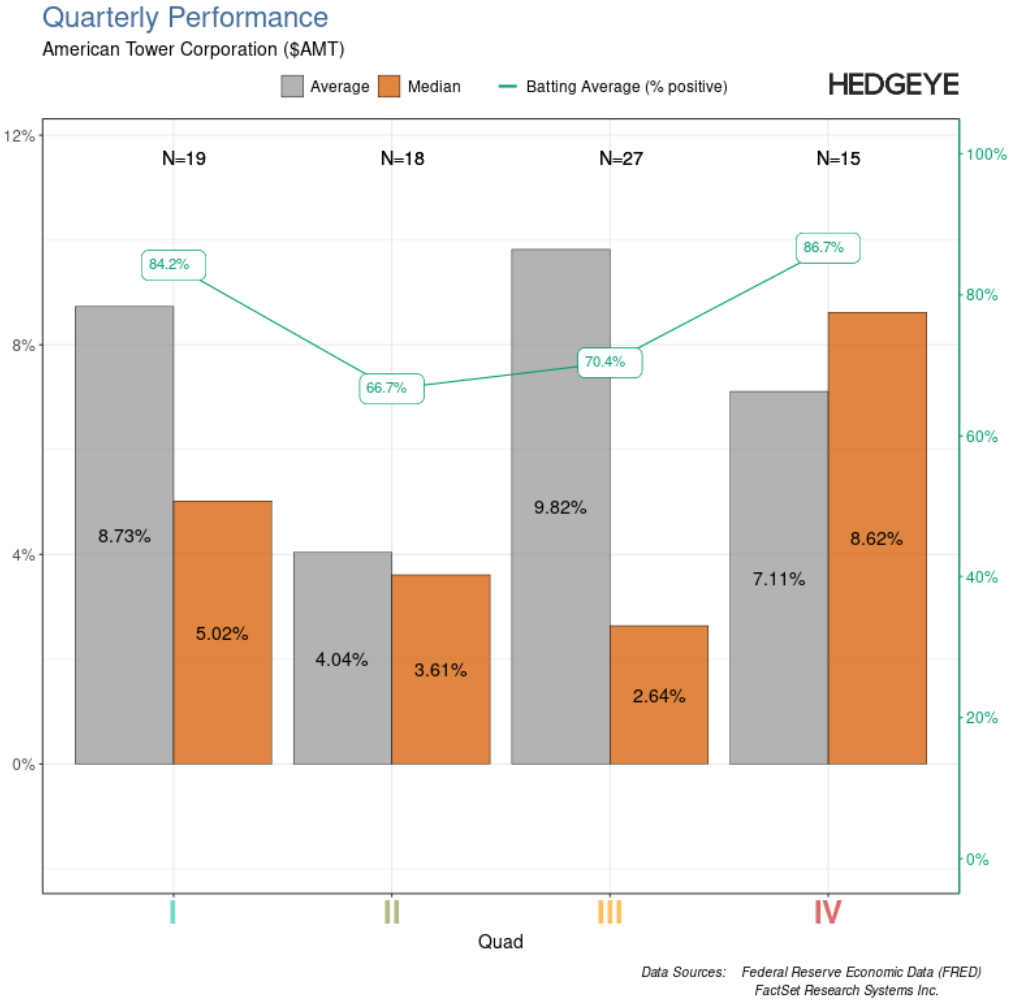
■ Percent Positive Ratio by Hedgeye GIP Model Quadrant



Data Source: Bloomberg. Asset classes include equities, fixed income, currencies and commodities. Quarterly observations starting in 1Q98.

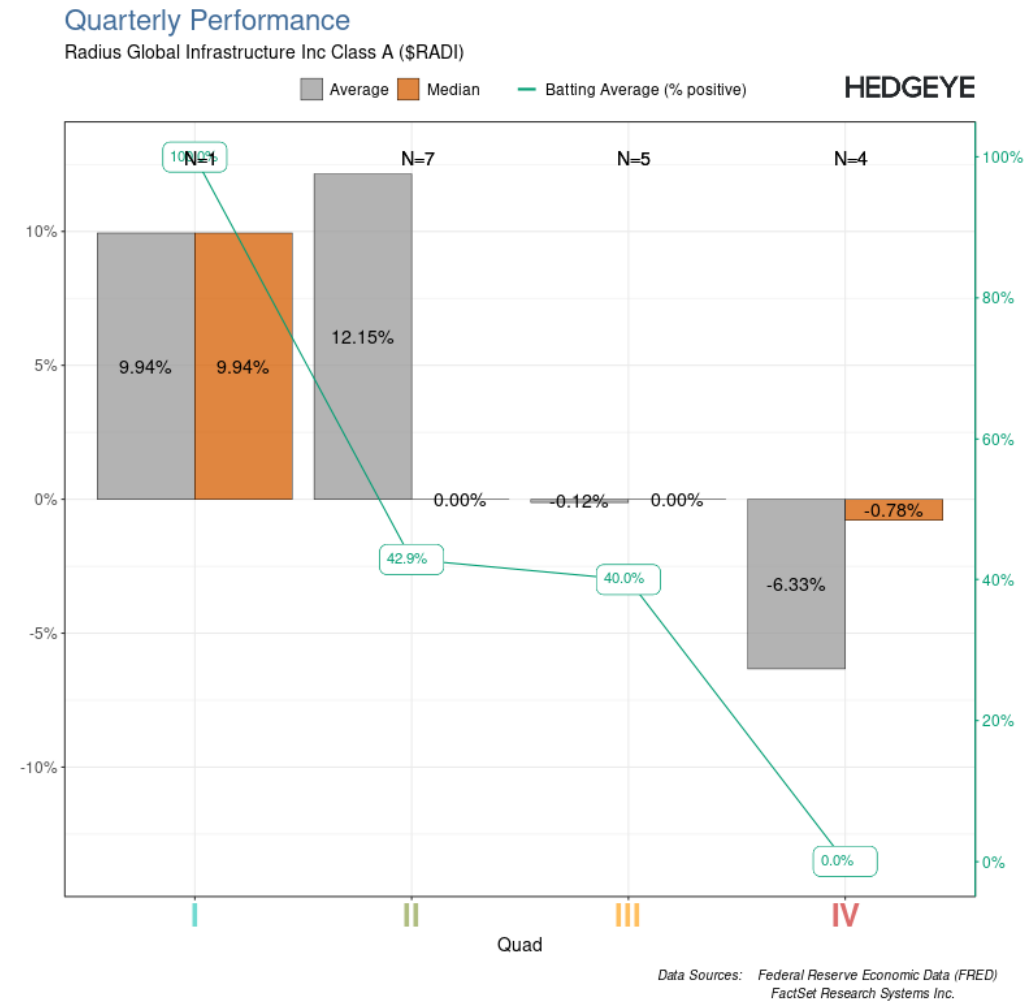
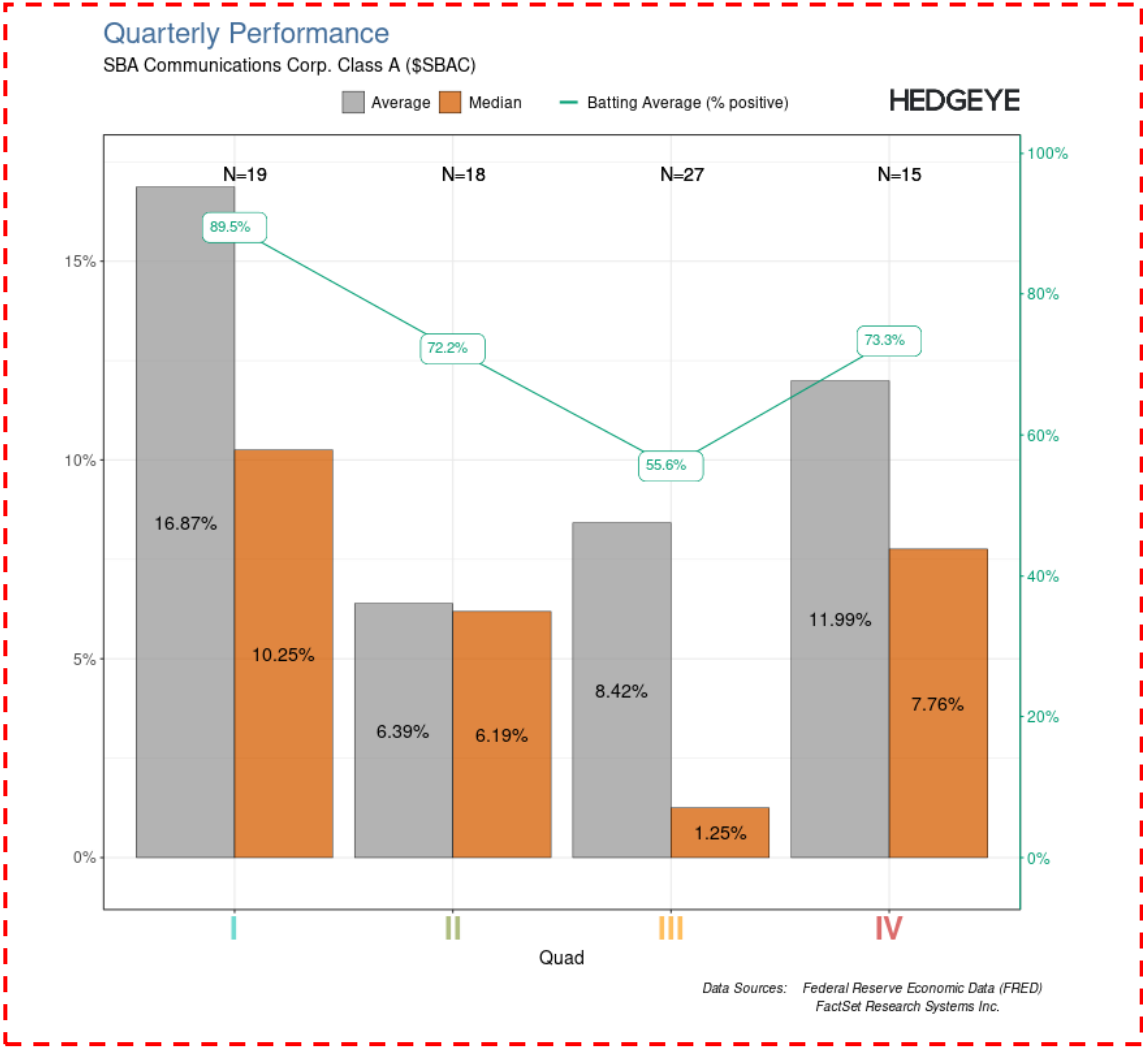
INTRO | TOWER REITS PERFORMANCE BY QUAD

Among best performing REIT subsectors in Quad 4 w/ an 80%+ “batting average”



INTRO | TOWER REITS PERFORMANCE BY QUAD (CONT'D)

Historically SBAC has worked well in all four Quads; second best performance in Quad 4



INTRO | U.S. CARRIER (MNO) PERFORMANCE BY QUAD

Quarterly Performance

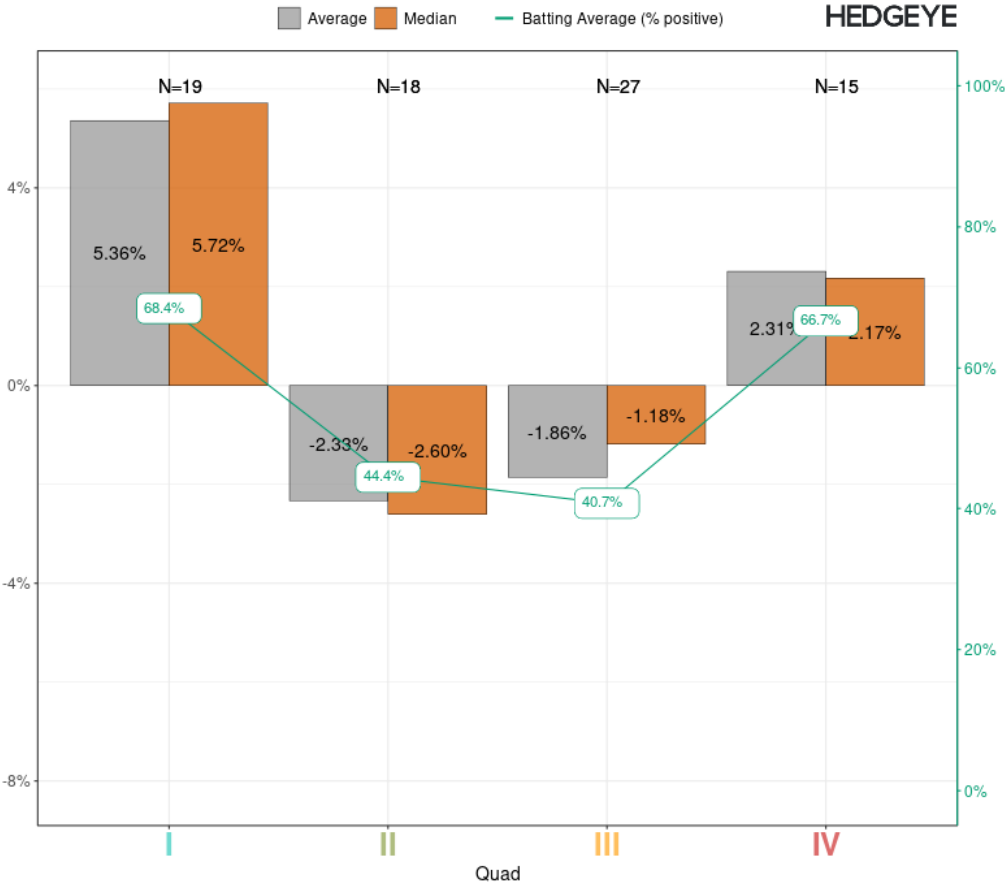
Verizon Communications Inc. (\$VZ)



Data Sources: Federal Reserve Economic Data (FRED)
FactSet Research Systems Inc.

Quarterly Performance

AT&T Inc. (\$T)

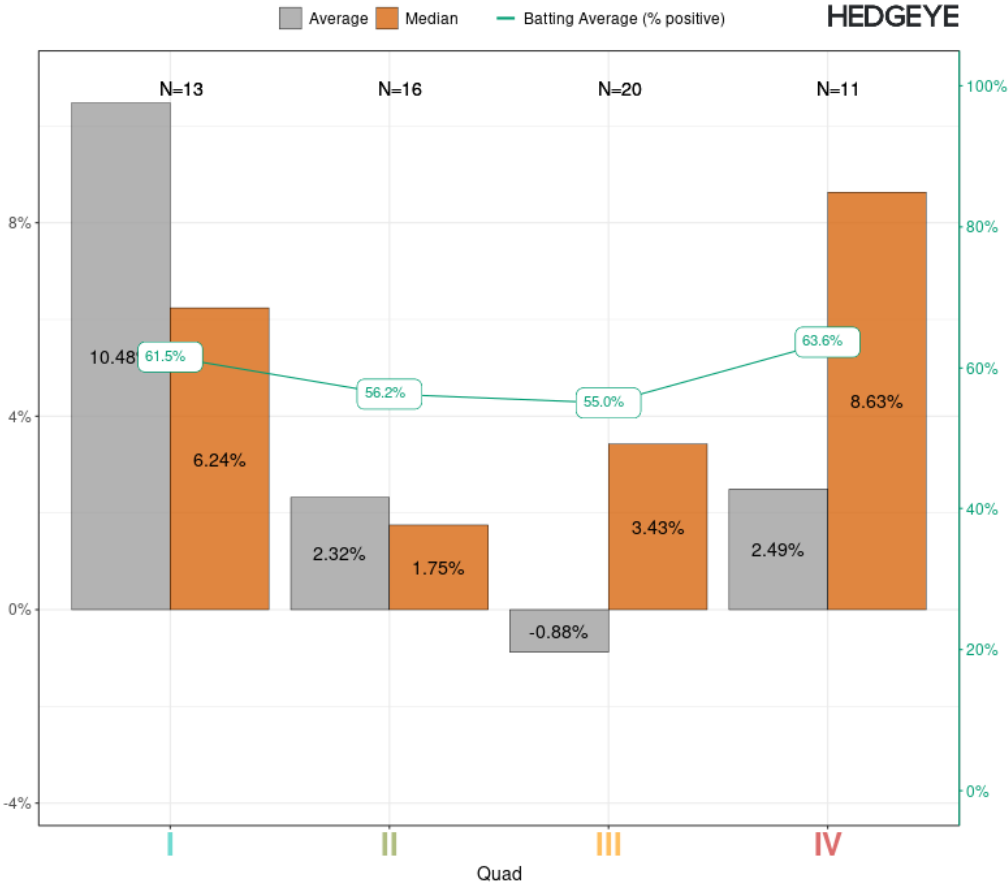


Data Sources: Federal Reserve Economic Data (FRED)
FactSet Research Systems Inc.

INTRO | CARRIER (MNO) PERFORMANCE BY QUAD (CONT'D)

Quarterly Performance

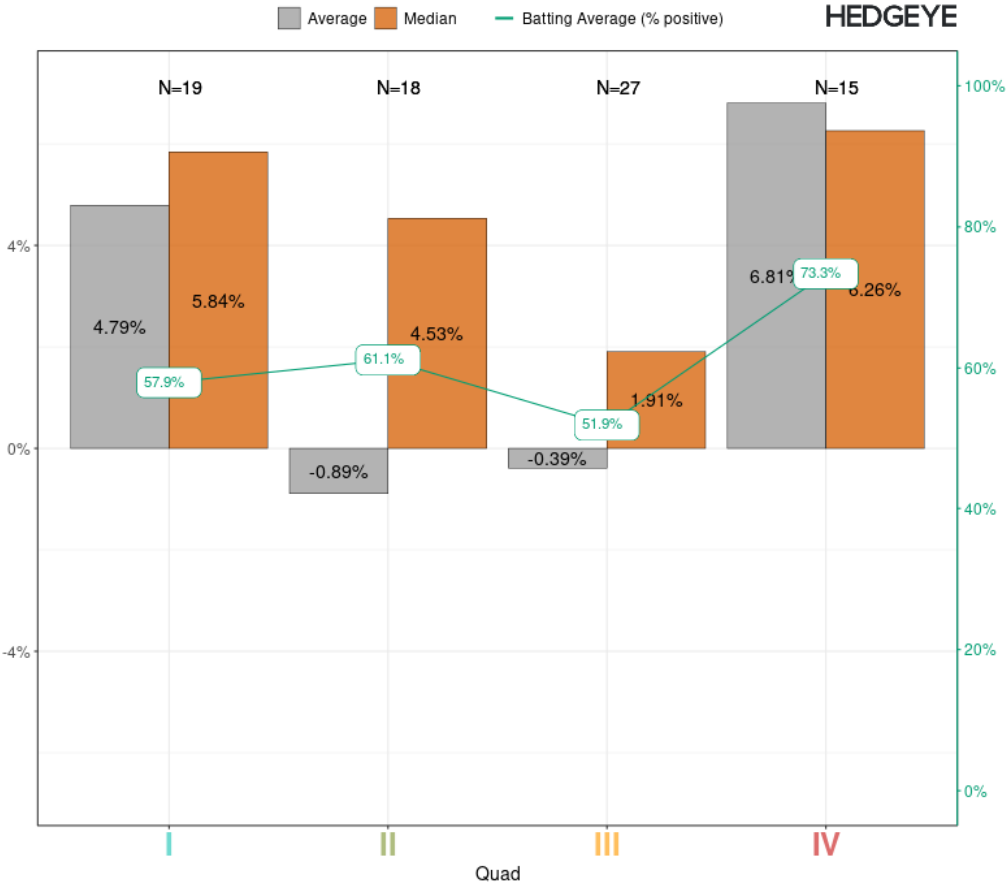
T-Mobile US, Inc. (\$TMUS)



Data Sources: Federal Reserve Economic Data (FRED)
FactSet Research Systems Inc.

Quarterly Performance

DISH Network Corporation Class A (\$DISH)



Data Sources: Federal Reserve Economic Data (FRED)
FactSet Research Systems Inc.

[2] SBAC SHORT THESIS - KEY HIGHLIGHTS

[A] Paying ~26.5x Fwd. EBITDA multiple/~3.6% cap rate into a RoC slowdown

- At its core, on an organic basis ex-external growth and FX, **we view SBAC as a +4% to +5% TCF compounder**, or inflation +. There is plenty of hype, “story telling” and narrative chasing around 5G deployment and the int’l growth story.
- The largest component of marginal domestic site leasing revenue growth is correlated to the RoC of **MNO capex spend** on a lag, which has **very likely already peaked**. There is also churn and credit risk in int’l, which itself is already slowing.
- Not a great proposition/price to pay heading into a slowdown. What happened to PLD when growth slowed slightly?

[B] As REIT analysts, we see poor capital allocation toward Int’l Towers

- Irrespective of the TMT angle, SBAC as a REIT is actually a really simple business and a pass-through vehicle for cash flows. Capital allocation is of paramount importance.
- We see a **structurally inferior Int’l site leasing business** for the TowerCos with poor relative unit economics, growth and return characteristics.
- As a high multiple “growth story,” is SBAC essentially just “buying up” its top-line and TCF growth rates? We think so.

[C] The valuation makes absolutely no sense – we see ~30% downside

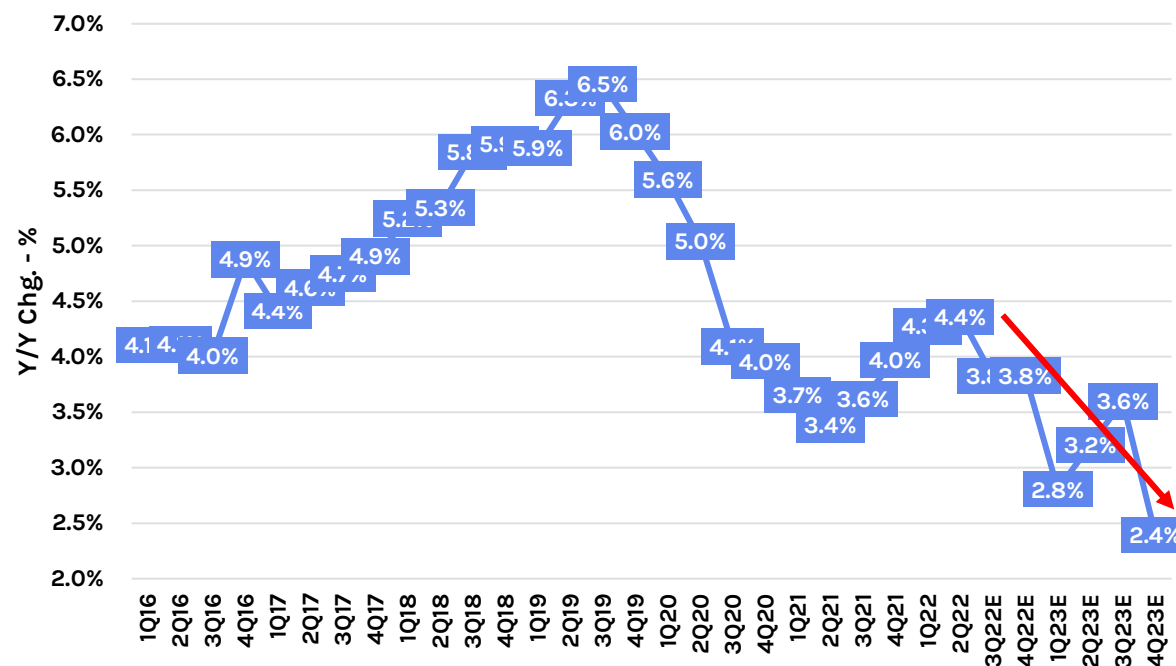
- We typically do not lead with valuation, but it REALLY matters (1) for high-multiple stocks (2) ahead of a RoC slowdown amidst (3) a deepening Quad 4 macro. SBAC carries the highest valuation amongst the three domestic TowerCos.
- Based on SBAC’s growth and return profile, **we wouldn’t pay more than ~19-20x TCF for this business**, or ~21-22x EBITDA.
- **Int’l site leasing** (~25% of pro forma TCF) unequivocally warrants a discounted multiple vs. domestic TowerCos. We estimated ~12.5x TCF. **The stock price currently implies a MUCH higher valuation.**

THESIS | GROWTH POISED TO DECELERATE - CATALYST

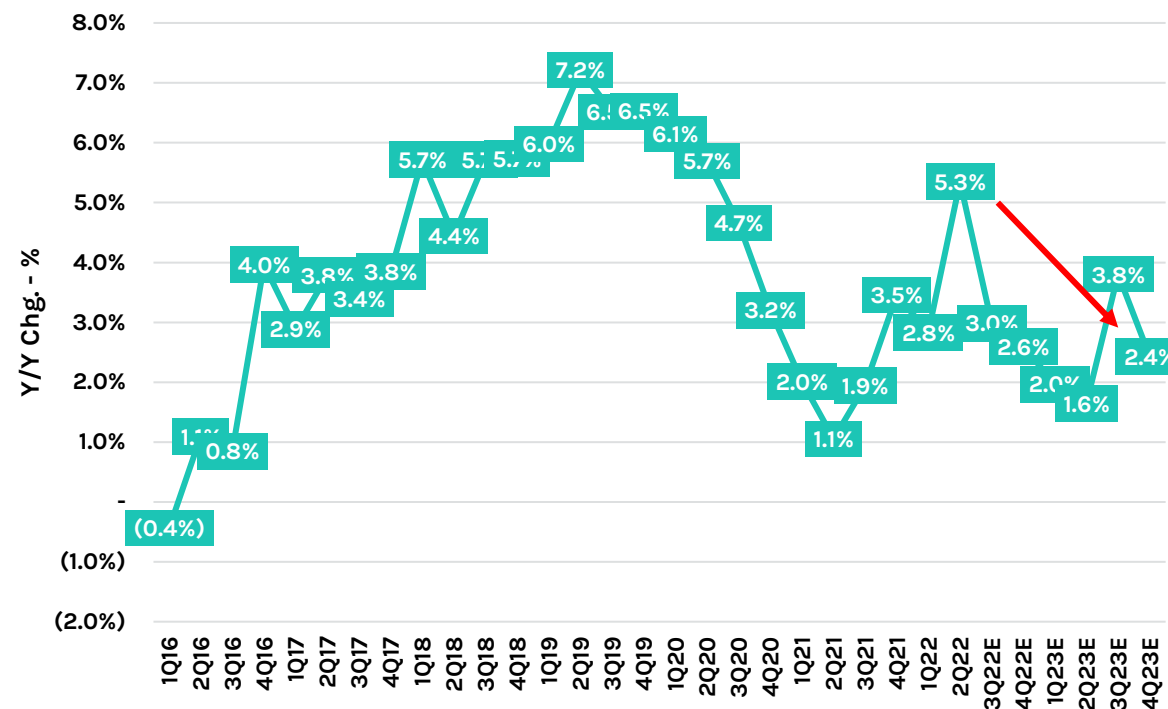
HEDGEYE

SBAC's growth rates in key metrics are in the process of inflecting lower, perhaps meaningfully lower

Total Historical & Projected Net Organic Growth Contribution



Total Historical & Projected Avg. TCF/Tower Growth



- The business is predictable and relatively easy to model, so would ascribe a high likelihood to this growth deceleration.
- We actually ARE NOT that far off from consensus estimates, meaning the Street has implicitly modeled that slowdown as well.
- The point here is that longs are standing in front of a RoC slowdown in a deep Quad 4 Macro, and paying nearly ~25-30x EBITDA to do so. Don't do that!

THESIS | HEDGEYE NOT FAR FROM CONSENSUS

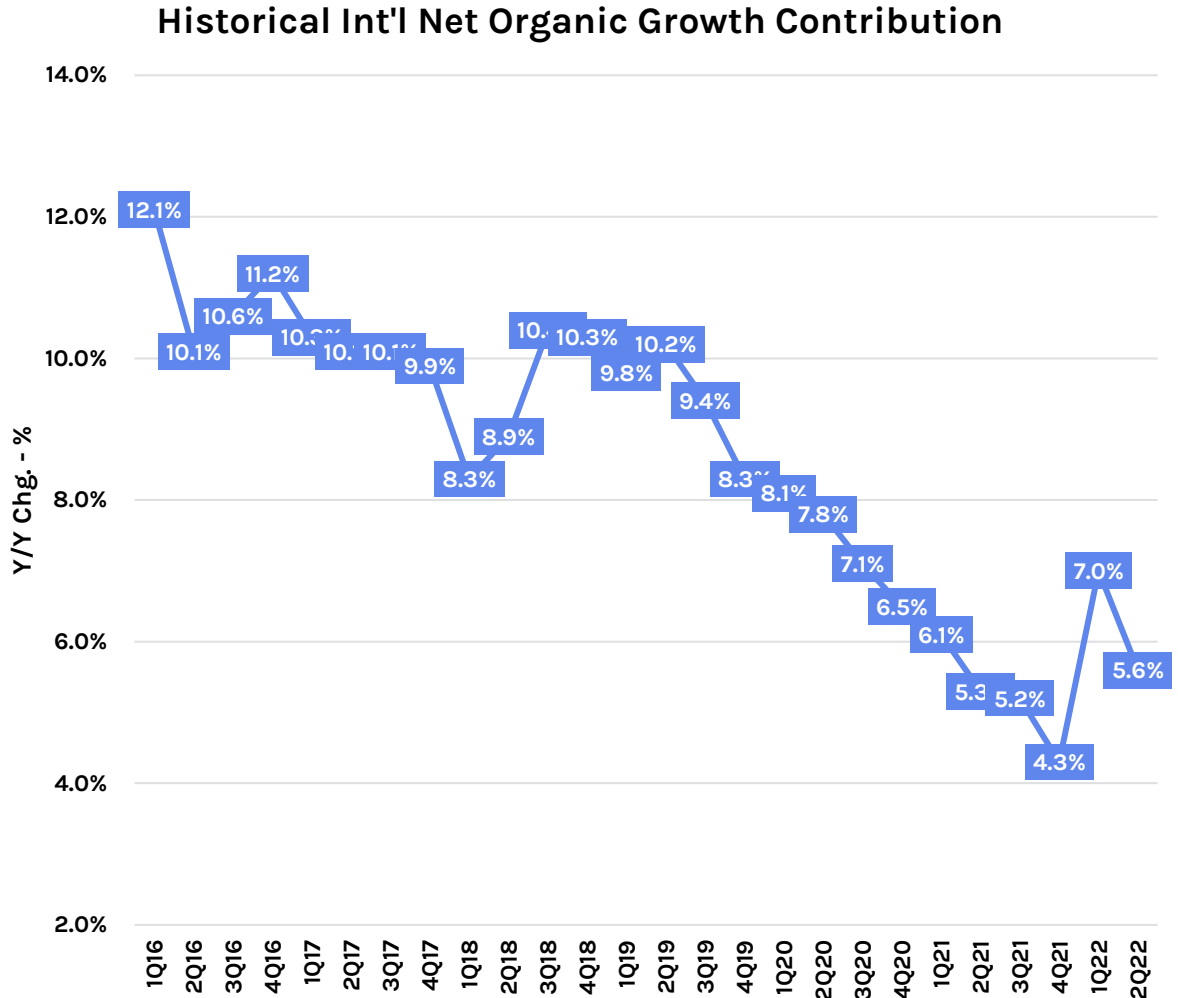
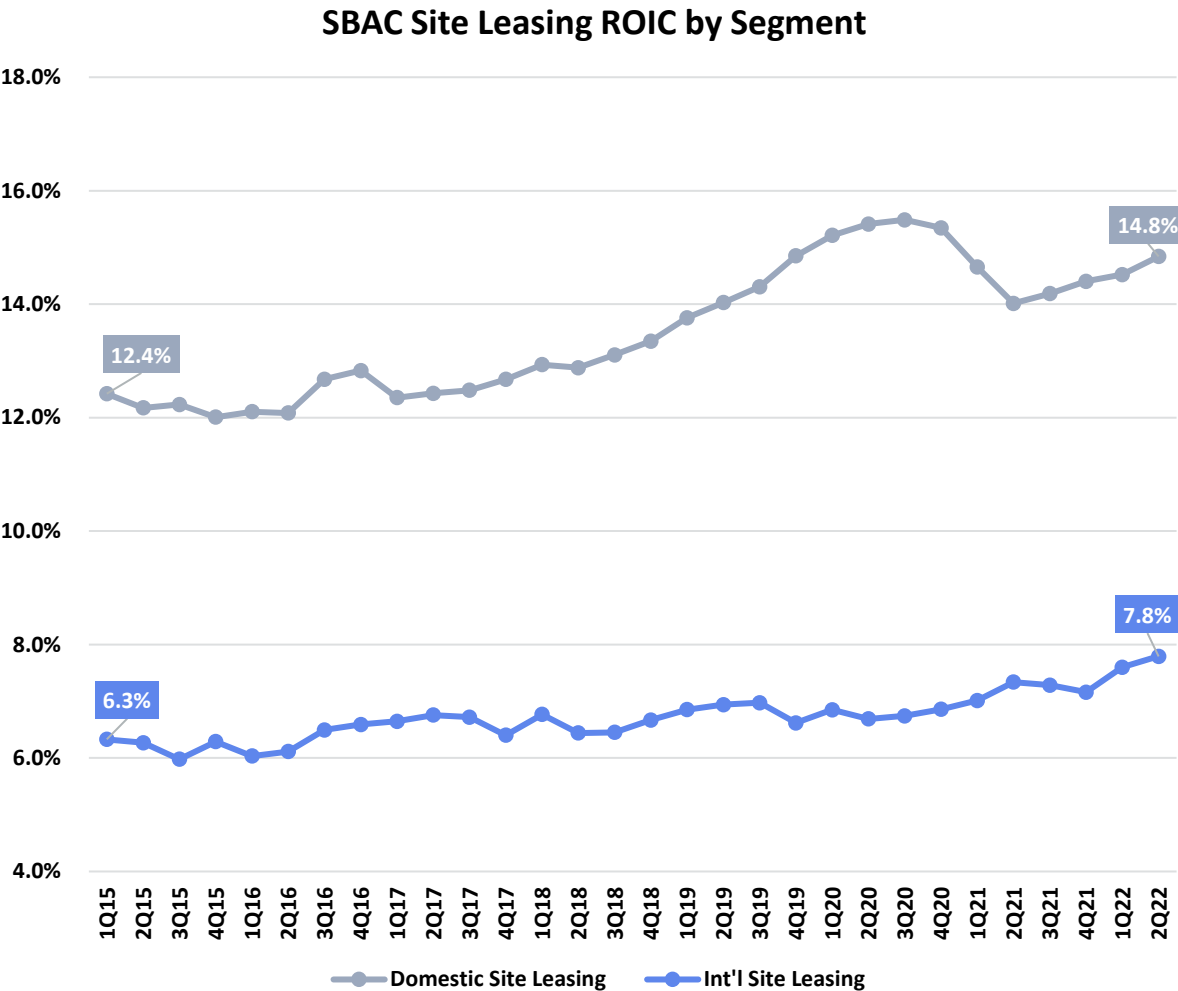
	2022E AFFO			2023E AFFO			2024E AFFO		
	Modeled	Consensus	% Diff.	Modeled	Consensus	% Diff.	Modeled	Consensus	% Diff.
1Q	2.95	2.95	-	3.22	3.22	(0.1%)			
2Q	3.06	3.06	-	3.30	3.30	(0.1%)			
3Q	3.04	3.03	0.3%	3.34	3.34	0.1%			
4Q	3.14	3.08	2.0%	3.33	3.42	(2.7%)			
FY	12.19	12.11	0.7%	13.18	13.11	0.6%	13.75	13.94	(1.3%)

	2022E EBITDA			2023E EBITDA			2024E EBITDA		
	Modeled	Consensus	% Diff.	Modeled	Consensus	% Diff.	Modeled	Consensus	% Diff.
1Q	424	424	-	460	461	(0.1%)			
2Q	438	438	-	468	468	(0.1%)			
3Q	438	438	0.1%	472	476	(1.0%)			
4Q	450	443	1.5%	469	479	(2.3%)			
FY	1,749	1,742	0.4%	1,868	1,884	(0.9%)	1,912	1,958	(2.3%)

THEESIS | INT'L TOWER LEASING IS AN INFERIOR BUSINESS...

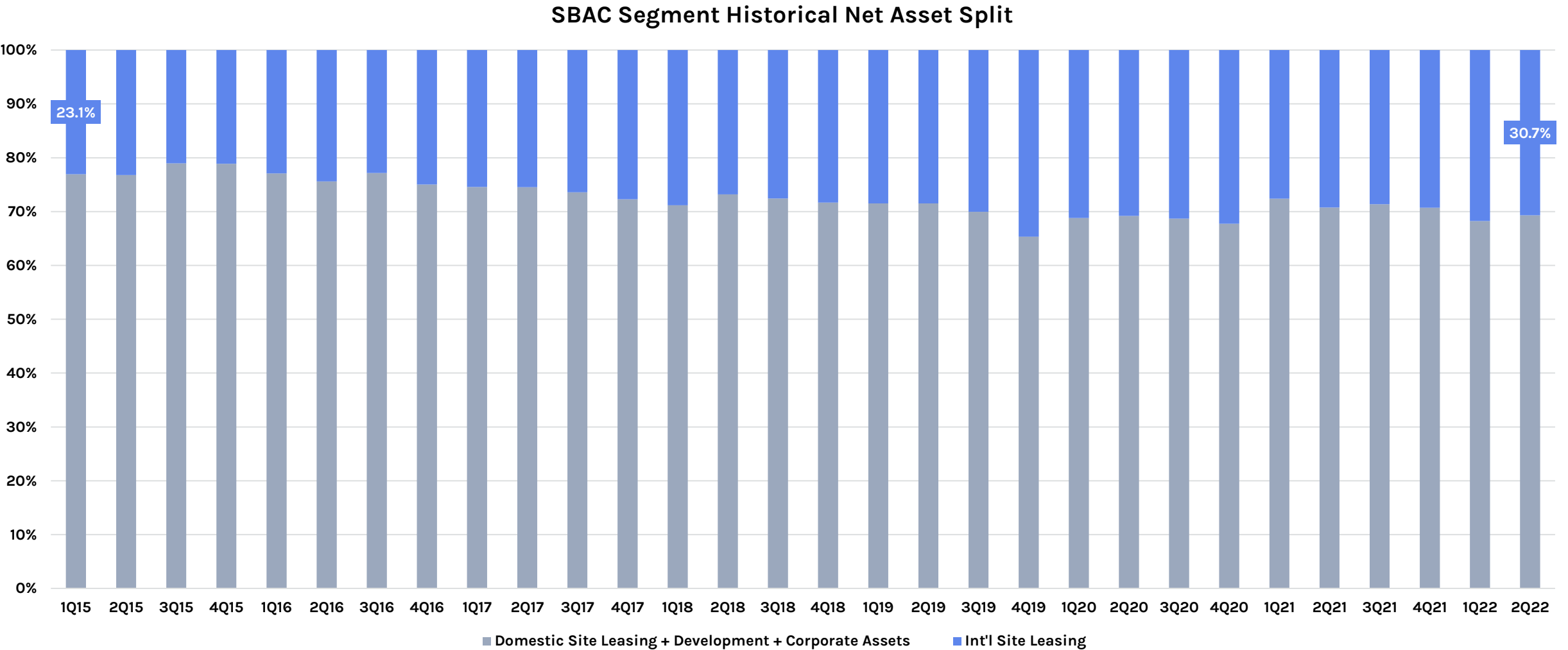
HEDGEYE

Returns are roughly half those earned in the U.S., and organic growth appears to be in secular decel mode



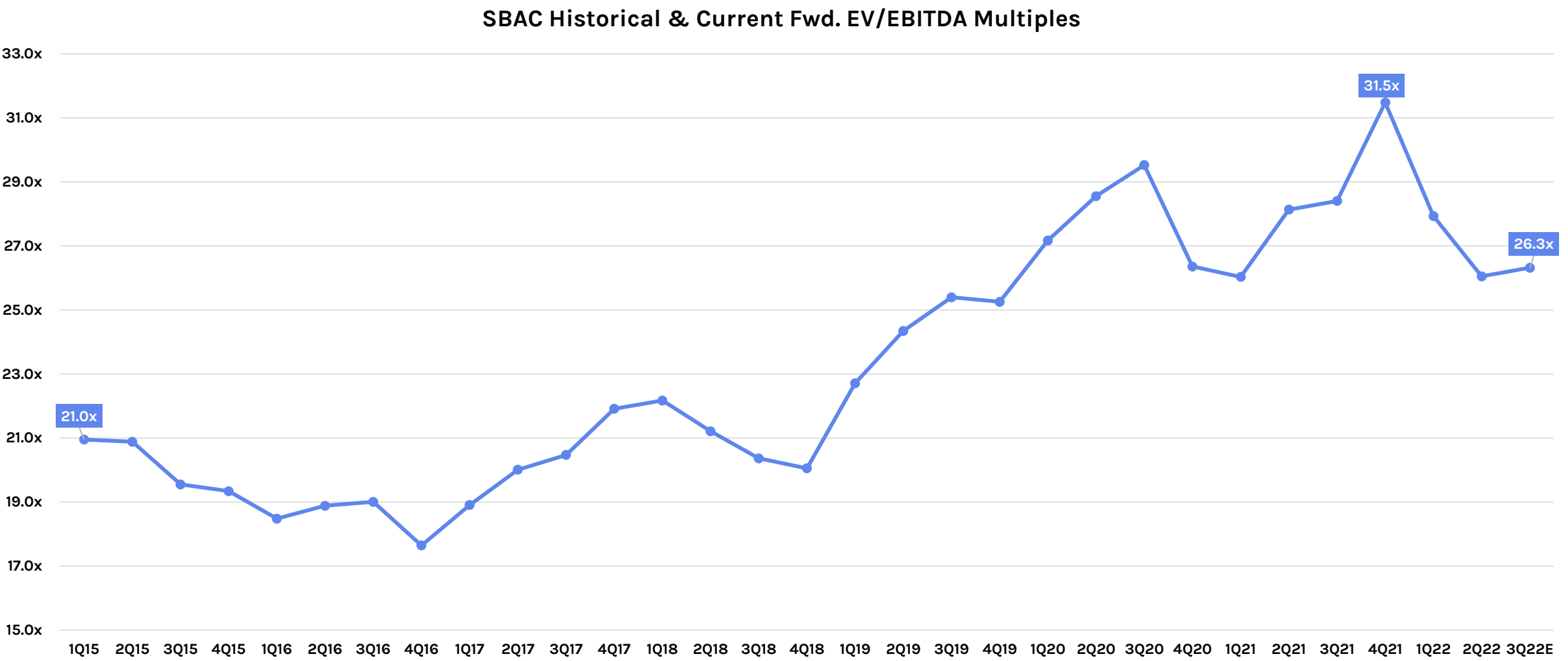
THESIS | ... YET SBAC IS TAKING UP ITS EXPOSURE

We generally don't like REITs buying back stock, but that would be preferable here vs. deploying ANY incremental capital to Int'l Towers. SBAC is diluting its return profile and very likely not earning its cost of capital → **POOR CAPITAL ALLOCATION**



THESIS | MEANWHILE, MULTIPLES HAVE EXPANDED

Growth decelerating + poor capital allocation = multiple expansion? The market is believing the 5G and/or international growth story hype



THESIS | SHOULD YOU BE WILLING TO PAY ~26.5x?

(Amounts in 000s, Except per Share Data)

SBAC - Cost of Capital & Justified Multiples Calculation

Cost of Capital Calculation:

Marginal Cost of Debt (A)	25.6%	4.00%
Current FCFE Yield (B)		3.65%
Sustainable FCFE Growth Rate (C)		5.50%
Marginal Cost of Equity (D) = B + C	74.4%	9.15%

Blended Cost of Capital (E) = A + D	7.83%
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TCF Multiple Methodology

Tower Real Estate Portfolio:

Est. Fwd. Tower Cash Flow (TCF)	1,908,193
(x) Applied Multiple	20.0x
Value of Real Estate Portfolio	38,163,851

Site Development + G&A "Carry:":

Development EBITDA	69,020
(-) SG&A Expenses	(162,602)
Net	(93,582)
(x) Applied Multiple	10.0x
Value of Development + Corporate	(935,824)

Total Firm Value	37,228,027
Total Debt	(12,564,000)
Preferred Equity	-
Cash & Cash Equivalents	183,067
Restricted Cash	64,495
Short-Term Investments	-
Equity Value	24,911,589
(/) Total Shares / Units	109,369
Equity Value / Share	227.78
Current Share Price	332.97
Premium / (Disc.) to Current	(31.6%)
Implied Fwd. Cash EBITDA Multiple	21.3x

"Justified" TCF Multiple Calc:

Marginal ROIC / Unlevered Yield (F)	11.50%
Assumed Perp. Growth Rate (G)	4.75%
Multiple (H) = (1 - (G / F)) / (E - G)	19.0x

"Justified" MV/BV Multiple Calc:

Marginal ROIC / Unlevered Yield (F)	11.50%
Assumed Perp. Growth Rate (G)	4.75%
Multiple (I) = (F - G) / (E - G)	2.19x

BV Multiple Methodology

Total Firm Value:

Gross Assets	15,343,353
(x) Applied Multiple	2.25x
Total Firm Value	34,522,544
Total Debt	(12,564,000)
Preferred Equity	-
Cash & Cash Equivalents	183,067
Restricted Cash	64,495
Short-Term Investments	-
Equity Value	22,206,106
(/) Total Shares / Units	109,369
Equity Value / Share	203.04
Current Share Price	332.97
Premium / (Disc.) to Current	(39.0%)
Implied Fwd. Cash EBITDA Multiple	19.8x

- **No.** The economics of this real estate portfolio warrant something closer to **~19-20x TCF, or ~21-22x Fwd. EBITDA.**
- **Sustainable organic TCF growth = 75% x 4.4% (Domestic) + 25% x 6% (Int'l) = ~4.75%.**
- Beyond that SBAC is just a simple cost of capital exercise.
- As a reference point, the equity is offering a 3.65% FCF yield vs. a YTW on SBAC's 7-year bonds at ~6.3%.
- **SBAC is relatively highly levered >7x EBITDA.**
- **We see ~30% downside in SBAC shares from here.**

Couple of signaling items to note

- **8.10.22 – CEO & President Jeffrey Stoops** sold 88,564 shares of Class A common stock for ~**\$30.6 million**, or roughly ~**10% of his holdings** at the time. It appears that Stoops may market-sell shares each August.
- **6.17.22 – EVP & President – International, Kurt L. Bagwell**, who acquired and built the international segment, **announced his retirement effective 1.1.23**. He will be succeeded by Richard Cane, who joined SBAC in November 2019 and currently oversees the Western Hemisphere region of Int'l. The former head of the Int'l segment is retiring heading into doing the second GTS deal in Brazil and taking Int'l TCF exposure up to ~25%.
- In general, we do not see any issues with the structure or incentives of SBAC's comp policies.
- **We think leverage is too high at a targeted 7-7.5x Net Debt/cash EBITDA**. The “not all leverage is created equal” argument only holds in healthy credit and open capital market environments. The reality is that any multiple compression from high levels will impact SBAC's equity (and likely AMT's as well) in an outsized way relative to other REITs.
- **Capital Allocation:** We would **delever the balance sheet first** to sub-6x before executing any acquisitions, increasing the dividend payout and/or pursuing additional buyback activity once the multiple resets lower. We would not buy any additional tower portfolios outside of the U.S., and perhaps consider selling existing exposure down over time to any willing buyers.

- To be clear, the company throws off a ton of cash flow for a REIT. There is risk of accelerated repurchase activity and perhaps a higher-than-expected dividend growth rate. Both would preserve high leverage, however, and likely more so in the case of repurchase activity. SBAC has repurchased ~\$2.3 billion of stock since 2019.
- The DISH 5G deployment process improves and bolsters SBAC's domestic revenue enhancement growth.
- VZ, T and TMUS surprise to the upside on forward capex spend. From a macro perspective, increased fiscal stimulus or other tailwinds offset underlying consumer credit deterioration.
- SBAC pulls back and/or ends its Int'l expansion.
- We have modeled the RoC slowdown incorrectly.
- Oi churn ends up in-line with SBAC's ~\$20 to \$30 million outlook and is realized over an extended timeline well beyond 2023.
- For whatever reason, the market looks past the pending RoC decel and continues to ascribe an elevated multiple to the company's cash flows.

Adj. Cash EBITDA: Our definition, equals traditional EBITDA less the net impact of non-cash straight-line revenue and ground lease expense. Essentially TCF adding back G&A expenses exclusive of non-cash stock-based compensation expense.

Amendments: Growth impact of adjustments to existing leases to add additional tenant equipment.

Cash Site Leasing Revenue: Total site leasing revenue less non-cash straight-line revenue.

Churn: Growth impact of non-renewal of certain equipment leases.

Core Recurring Cash Leasing Revenue: **Cash Site Leasing Revenue** less pass-through expense reimbursements, amortization of capital contributions, revenue of managed & subleased businesses, revenue of “Non-Macro” businesses (data centers, DAS, connected venues and other) and other miscellaneous items such as termination fees. Calculated as prior period + impact of lease **escalations, new leases/amendments, net external growth** and FX. Akin to “same store.”

Escalations: Growth impact of contractual increases in billing rates (or “escalators”), which can be based on a fixed percentage (+3% to +4% in the U.S.) or tied to a variable percentage based on a CPI or other index.

Gross Organic Growth: Impact of **escalations + new leases/amendments**.

New Leases (Colocation): Growth impact of new leases for space at existing sites.

Net External Growth: Our definition, equals the growth impact of acquisitions + newly constructed sites – decommissions.

Net Organic Growth: **Gross Organic Growth** less **Churn**.

ROIC: Annualized **Adj. Cash EBITDA** less cash taxes (for corporate) or **TCF** (for PropCo’s) dividend by average gross assets.

Tower Cash Flow (“TCF”): **Cash Site Leasing Revenue** less site operating costs exclusive of non-cash straight-line ground lease expense. Essentially property-level profitability and equivalent to Net Operating Income (NOI) in the traditional REIT world.

[3] TERRIBLE ROC TRAJECTORY

ROC | DISAGGREGATING DOMESTIC GROWTH

Core Recurring Cash Leasing Revenue Growth Equation - Domestic:

Prior Period (2Q21)	378,301	
(+) Escalations + Rev. Enhancements	26,859	--> Fixed escalators (+3-4%) + New Leases + Amendments
(-) Churn	(11,349)	--> Non-renewal of certain leases
(+) Acq. / Net New Builds	2,858	--> "External growth" in the real estate world
(+) FX Impact	-	--> No FX impact domestically
Current Period - 2Q22	396,669	

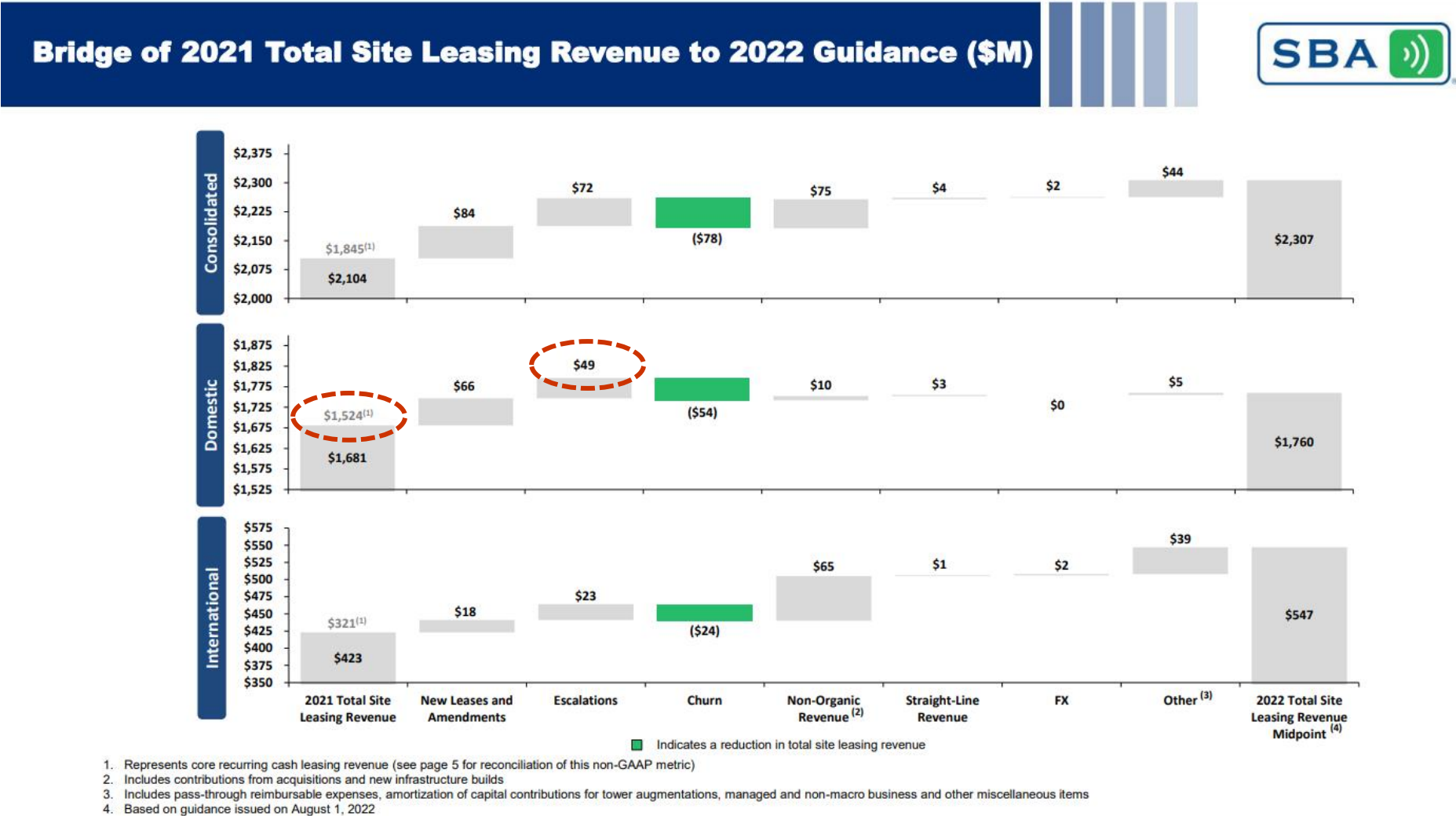
Growth Impact:

(+) Escalations + Rev. Enhancements	7.1%
(-) Churn	-3.0%
(+) Acq. / Net New Builds	0.8%
(+) FX Impact	-
Total Y/Y Chg. - %	4.9%

- Fairly easy to model out domestic cash flows with a relatively high degree of predictability.
- Current Cash Rent = Prior Period + contribution from contractual escalators + revenue enhancements (new leases + amendments) – churn + net external growth. No FX.
- Are revenue enhancements all that really matter here for internal growth?
- If you figure that part out, you’ve solved for ~75% of SBAC’s revenue and TCF.
- Cash cost of site leasing = cash rent on ground leases and other underlying property interests + property taxes + R&M, utilities, property insurance + fuel for backup generation.
- Ground leases are the largest opex item and typically escalate +2% to +3% annually. Total cash opex compounds at roughly +3%.

ROC | DOMESTIC LEASE ESCALATORS AVERAGE +3.2%

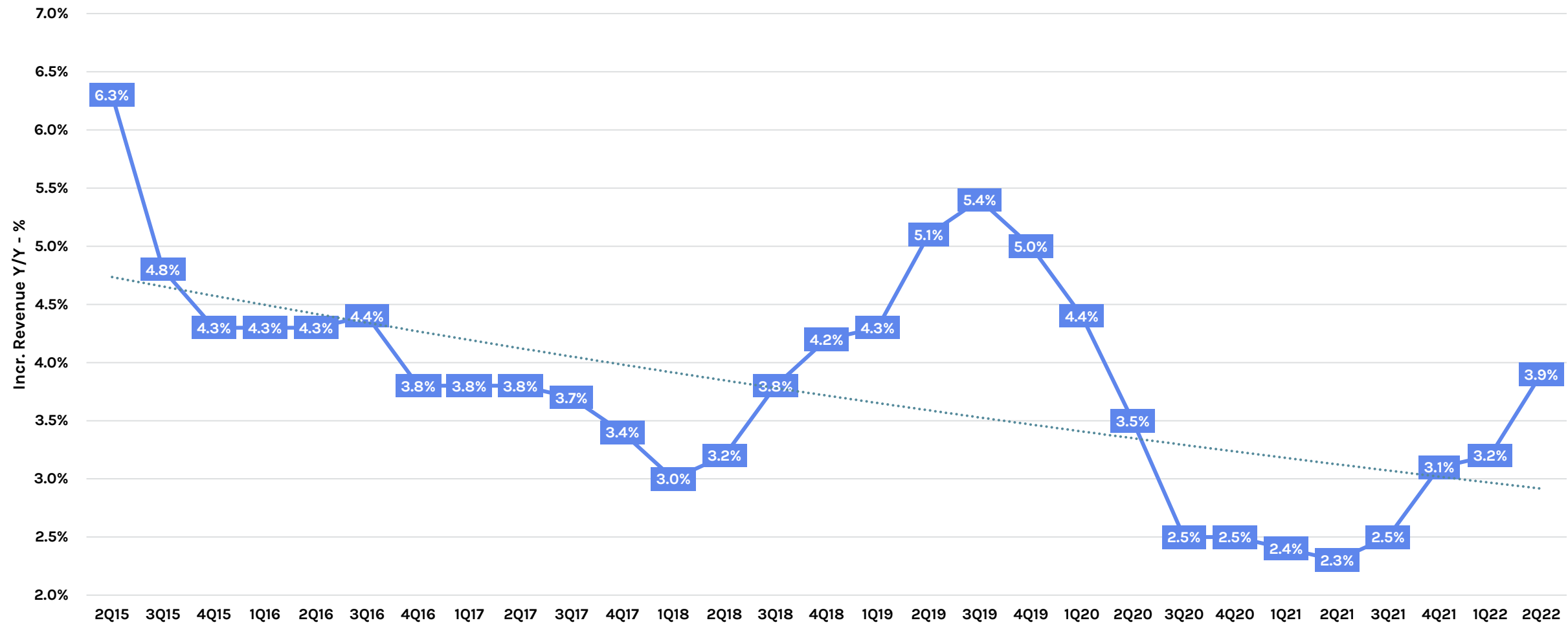
- SBAC does not break out the portion of growth directly attributable to escalators (rent bumps) in any given period, rather aggregated together with New Leases + Amendments.
- Disclosed as typically in the range of +3% to +4% on a site-by-site basis.
- The company does, however, break out the domestic escalation contribution as part of guidance.
- Divide expected FY22 escalation impact of ~\$49 million into prior year cash leasing revenue of ~\$1.5bn = +3.2%.
- Was also approx. +3.2% in FY21.



ROC | WHAT ABOUT DOMESTIC REVENUE ENHANCEMENTS?

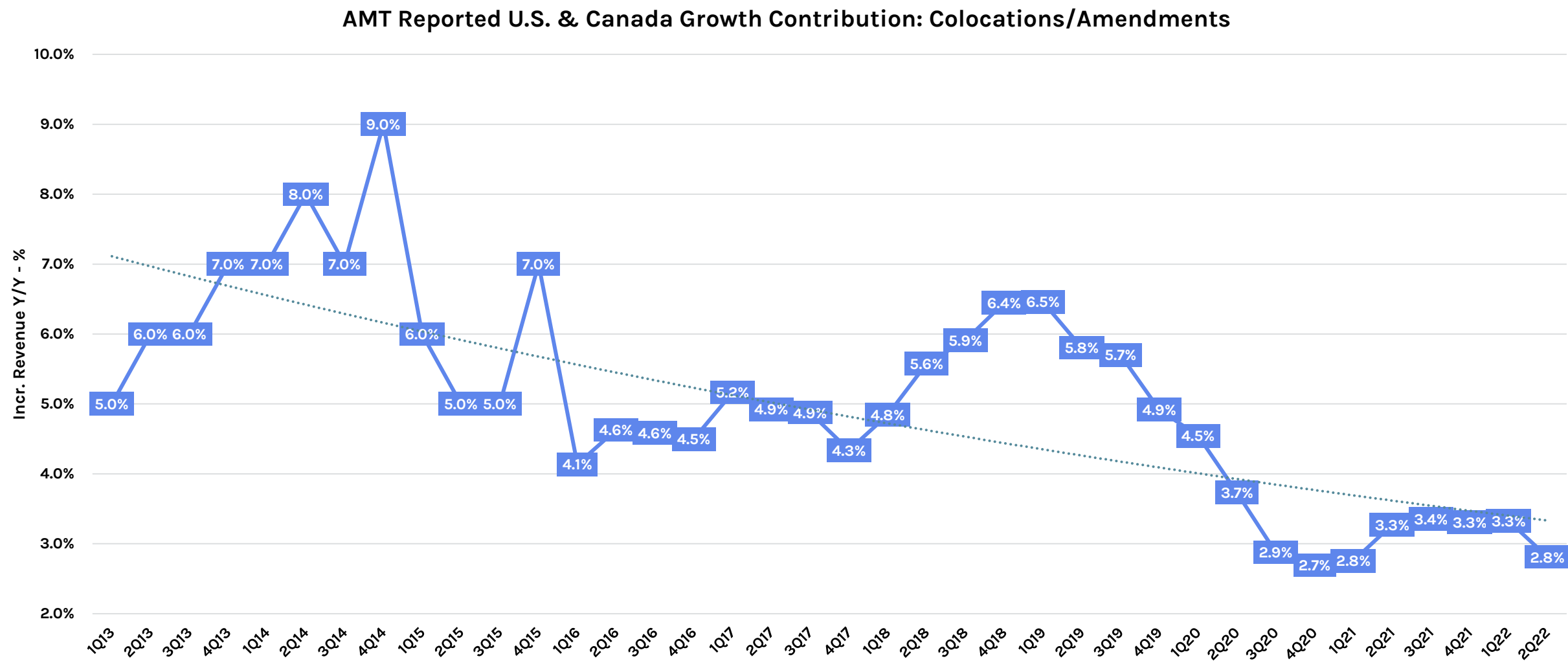
New Lease + Amendment growth implied by +3.2% escalators trending to +3% annually; currently benefitting from tailwind of DISH 5G buildout being executed through mid-2023

SBAC Implied Growth Contribution: New Leases + Amendments



ROC | AMT - A VIEW INTO SBAC'S FUTURE

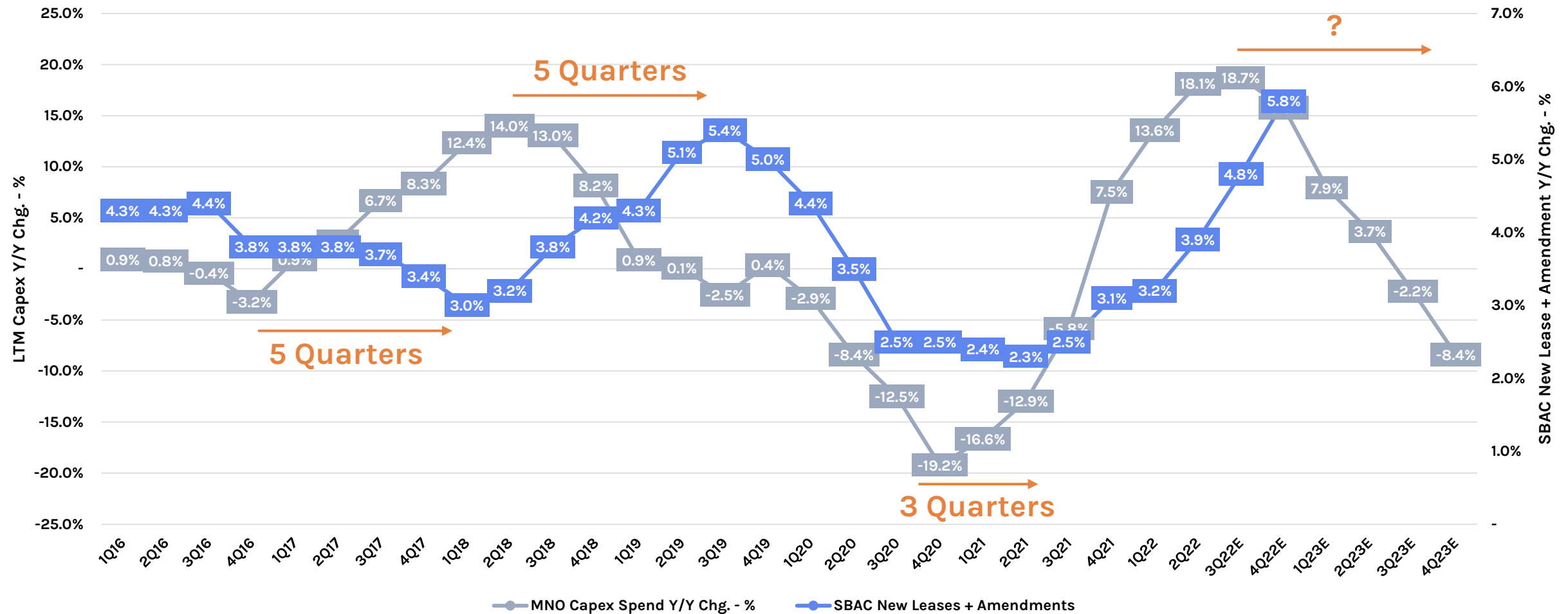
Tells the same story – revenue enhancements trending to +3% annually on a sustainable basis



ROC | MNO CAPEX GROWTH ROLLING OVER

The RoC (not absolute level!!) of MNO capex spend (VZ + T + TMUS) leads New Lease + Amendment growth by ~3-5 quarters

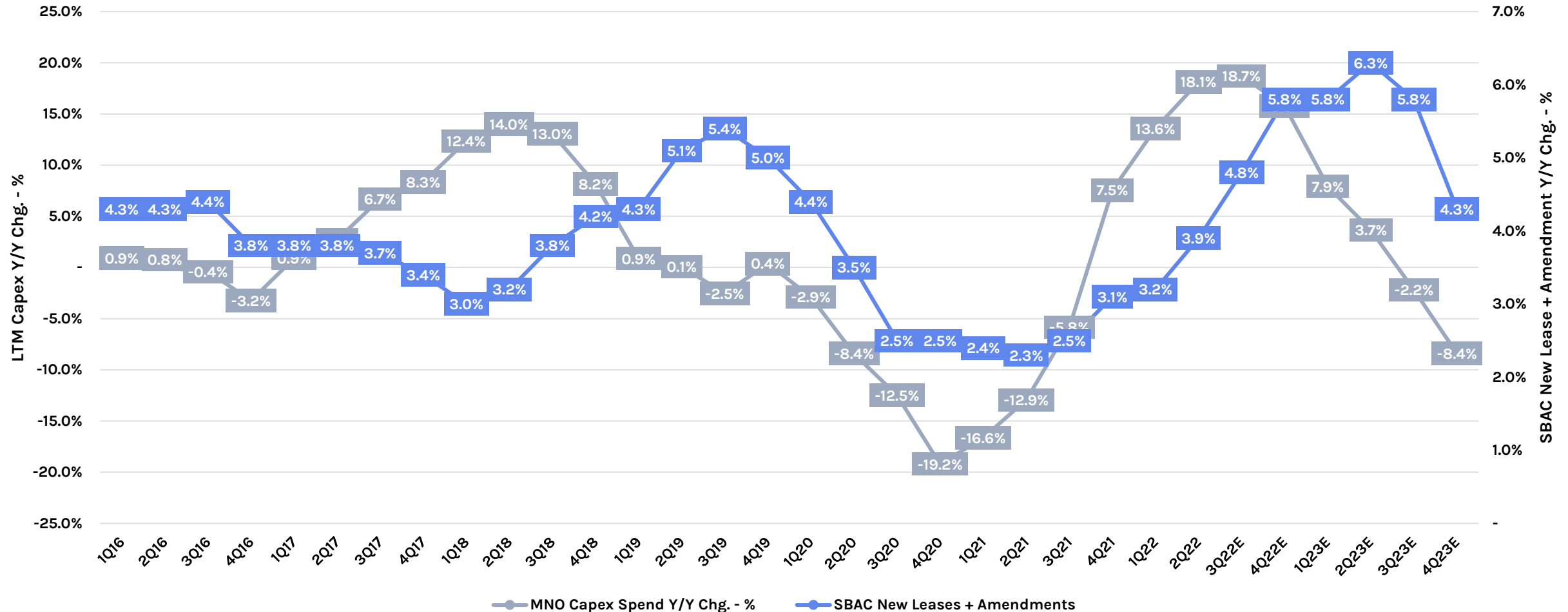
MNO Capex RoC vs. Est. SBAC New Lease + Amendment Growth Contribution



ROC | HIGHLY LIKELY Y/Y GROWTH IS PEAKING

Modeling New Lease + Amendment growth of +5.5% for FY23 (assumes +3.2% escalators), with RoC to begin rolling over following 2Q23

MNO Capex vs. Est. SBAC Domestic New Lease + Amendment Growth



ROC | BIG-3 2Q22 COMMENTARY NOT GREAT

We see potential downside risk to MNO capital plans, with TMUS already ahead on 5G deployment

- **Verizon (VZ) 2Q22 Results:**
 - Total retail postpaid wireless churn **up +9bps y/y** to 1.03%, retail postpaid phone also **up +9bps y/y** to 0.81%.
 - FY22E wireless service growth outlook **revised down -50bps** at the midpoint to a range of +8.5% to +9.5%, from +9% to +10% previously.
 - **FY22E EBITDA guided down -1.5% to flat**, from +2% to +3% previously; **Adj. EPS** of \$5.10 to \$5.25/share **revised down -5.5%** from \$5.40 to \$5.55/share previously.
- **AT&T (T) 2Q22 Results:**
 - **2Q22 FCF down ~70% y/y** to \$1.4 billion - \$24 billion capital plan somewhat front-loaded, but still **took down FY22E FCF** to ~\$14 billion from ~\$16 billion.
 - Leverage now ~3.1-3.2x net debt / EBITDA.
 - **Total capex** of ~\$24 billion this year with some “pull forward” of 5G spend, **expected to be flat in FY23 from a RoC perspective.**
 - “And on the consumer side of our business, we’re seeing an **increase in bad debt** to slightly higher than pre-pandemic levels as well as **extended cash collection cycles.**” – **CEO John Stankey, 2Q22 earnings call**
 - “... it’s taking about two more days than last year to collect customer receivables,” which resulted in a ~\$1 billion impact to 2Q FCF and led to ~\$130 million of higher bad debt expense. – **CFO Pascal Desroches, 2Q22 earnings call**
- **T-Mobile (TMUS) 2Q22 Results:**
 - Standing by commitment to not raise the price of rate plans = **likely competitive pressure for T and VZ**, particularly as the consumer weakens.
 - **“Lots of pain points** with this economy...” – **CEO D. Michael Sievert, 2Q22 earnings call.**
 - Now decommissioned nearly two-thirds of the targeted 35k former Sprint sites and will be substantially complete by the end of 3Q22.
 - ~2 years ahead of 5G deployment, **raised FY21 FCF outlook by +\$50 million.**
- **Question: What typically gets dialed back/delayed in a slowdown to “juice” FCF? → Capex.**

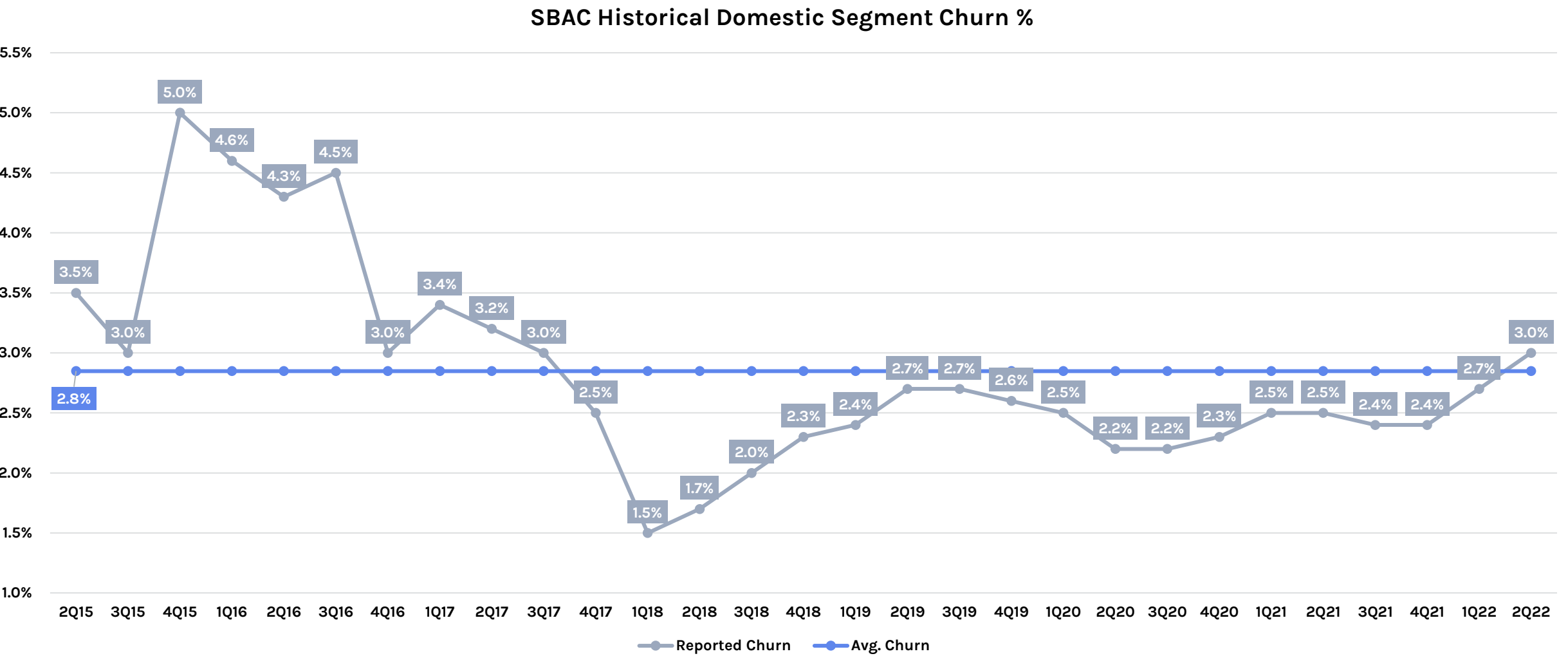
ROC | WHAT'S GOING ON WITH DISH?

We have heard DISH's 5G buildout described as a "joke"

- We understand that the DISH 5G rollout is a big part of the "bull" case on SBAC → to be clear we have included **~\$67 million of incremental cash revenue contribution in FY22** from leasing activity in our numbers, most of which is DISH, followed by an **incremental ~\$88 million in FY23**.
- In February 2021 SBAC signed a master lease agreement (MLA) with DISH, providing DISH with access to SBAC's domestic site portfolio as it builds out its 5G network infrastructure.
- DISH has invested over ~\$30 billion acquiring wireless spectrum licenses, and as part of the deal with the FCC needed to cover ~20% of the U.S. population by mid-June 2022, and must cover ~70% of the population by mid-2023. There could be financial penalties assessed if targets are missed.
- **There have been several issues with the roll-out:**
 - DISH's own financial position and need to raise capital to continue building out the network.
 - Pay-TV and wireless net sub losses.
 - Fell ~6 months behind schedule owing to supply chain issues and the challenges of integrating equipment from different suppliers.
 - SpaceX recently filed a report with the FCC claiming that the expanded 5G usage could lead to substantial interference for Starlink.
- We see risk to the downside, but regardless just wanted to stress that we were not "cheap" on SBAC's domestic leasing revenue contribution.

ROC | DOMESTIC CHURN RELATIVELY STABLE

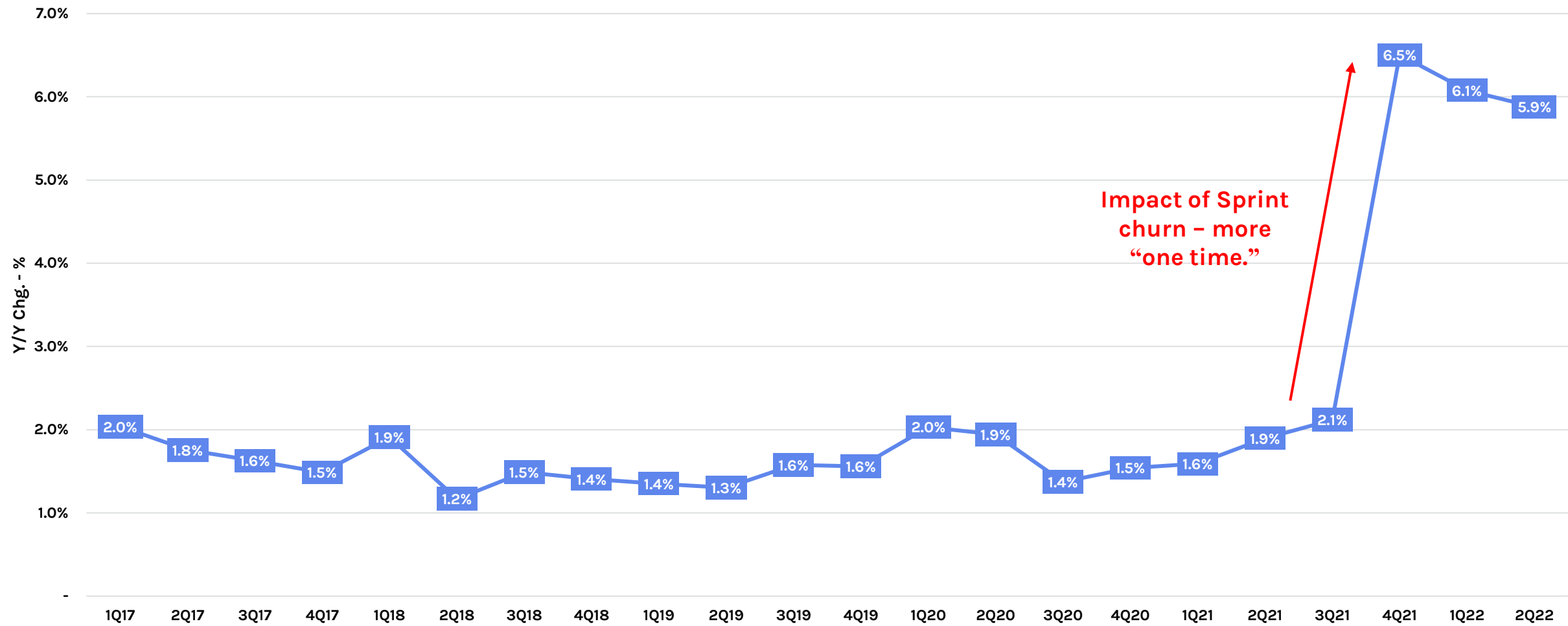
SBAC's churn (non-renewal of leases) averages ~2-3% drag on organic revenue growth → poised to deteriorate from pending Spring churn



ROC | AMT - AGAIN A VIEW INTO SBAC's FUTURE

Annual churn has averaged ~1.5%; SBAC still has to take its Sprint “medicine” of an estimated ~\$25-30 million annual impact above “normal” for 5-6 years, for ~\$140 to \$190 million in total lost revenue

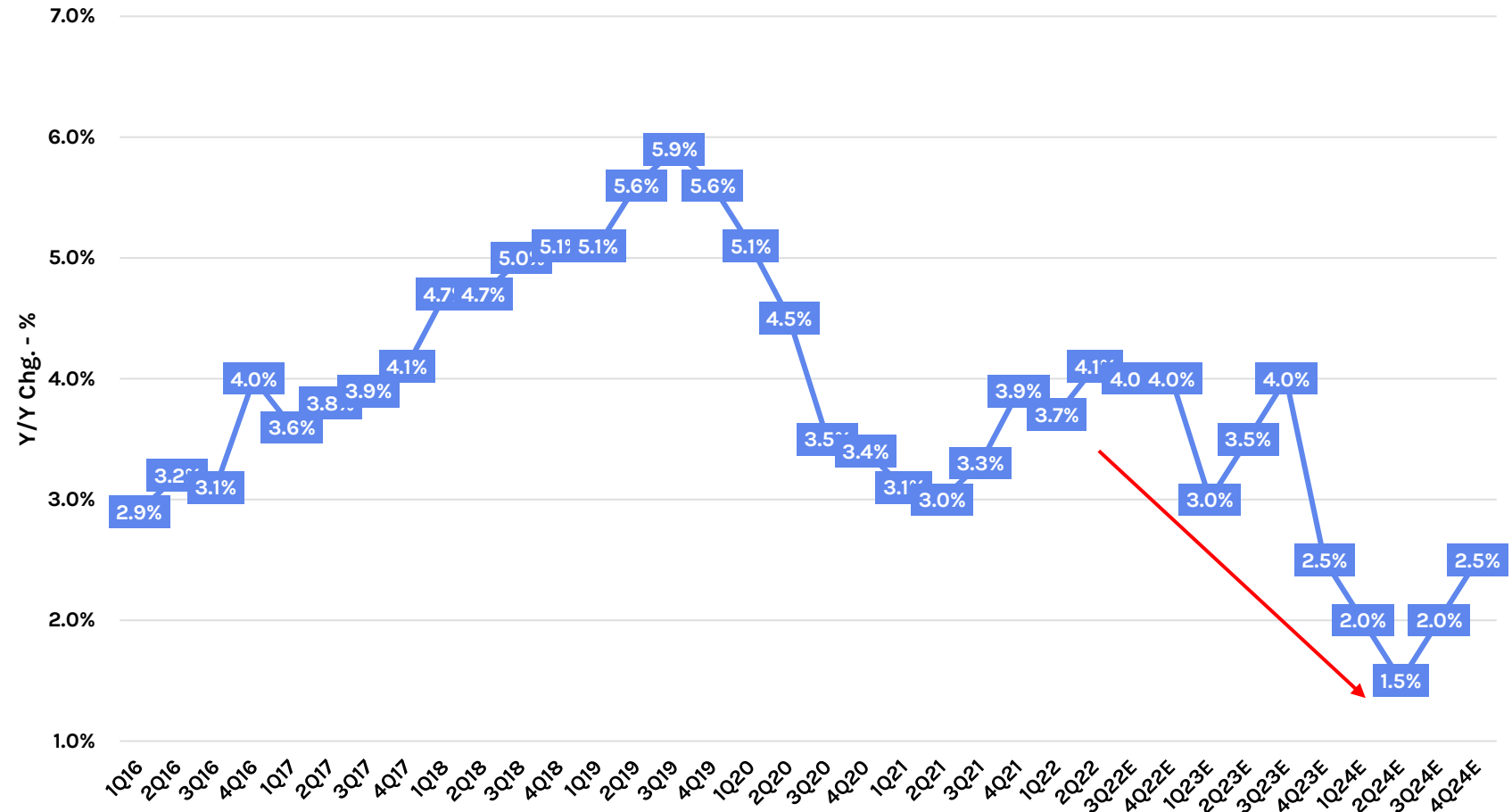
AMT Historical U.S. & Canada Growth Contribution: Churn



ROC | PROFILE LOOKS TERRIBLE FOR DOMESTIC BUSINESS

- Would you pay ~25-30x EBITDA for this forward growth profile on ~70-75% of SBAC's business?
- SBAC's RoC is set to fall into the low-single-digit range for an extended length of time with a high degree of predictability.
- The MNO capex cycle has already rolled over from a RoC perspective. Highly predictive of forward revenue enhancements.
- Escalators are fixed at roughly +3.2%.
- Sprint churn will meaningfully subtract from total cash leasing revenue growth for several years.
- 2H23 into FY24 looks especially bad.
- Long-term: "inflation + grower:"
 - Escalators: +3.2%
 - New Leases/Amendments: +3.0%
 - Churn: -2.0%
 - = +4.2% annually on the top-line

SBAC Historical & Projected Domestic Cash Leasing Revenue Organic Growth



ROC | COMBINED DOMESTIC MODEL ASSUMPTIONS

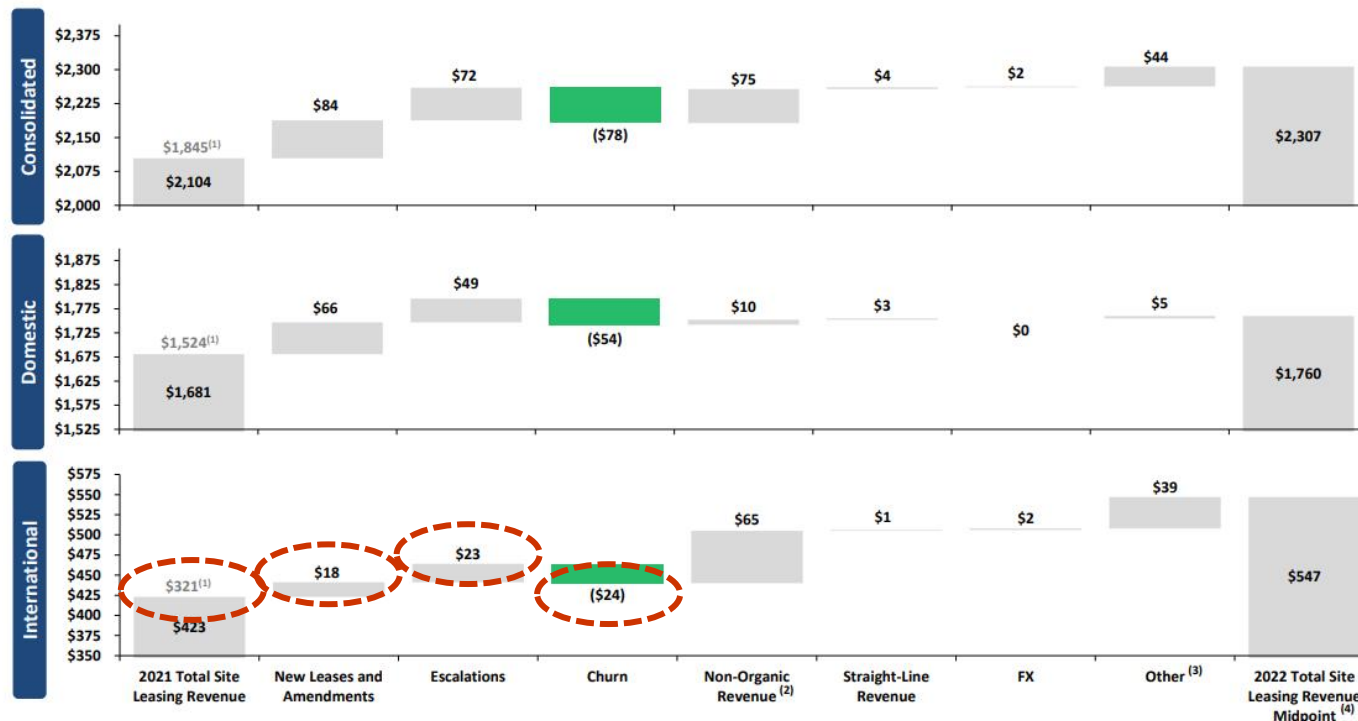
(Amounts in 000s, Except per Share Data)	FY	FY	FY					FY					FY	FY
	2019A	2020A	2021A	1Q22	2Q22	3Q22E	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Domestic Segment Revenue Assumptions														
Core Recurring Cash Leasing Revenue (from Supp.):														
Total Site Leasing Revenue	1,487,109	1,558,311	1,681,371	432,986	442,084	440,939	448,283	1,764,292	445,826	451,886	456,356	457,507	1,811,574	1,841,099
(-) Straight-Line Revenue	(10,116)	(5,732)	(33,810)	(9,484)	(10,267)	(9,959)	(9,660)	(39,370)	(9,370)	(9,089)	(8,817)	(8,552)	(35,828)	(31,719)
(-) Pass-Through Reimbursable Expenses	(35,520)	(35,277)	(38,521)	(9,211)	(9,279)	(9,337)	(9,395)	(37,222)	(9,454)	(9,513)	(9,573)	(9,632)	(38,172)	(39,136)
(-) Amortization of Capital Contributions	(30,951)	(32,739)	(23,490)	(4,906)	(4,869)	(4,869)	(4,869)	(19,513)	(4,869)	(4,869)	(4,869)	(4,869)	(19,476)	(19,476)
(-) Managed & Subleased Businesses	(21,000)	(21,000)	(20,000)	(5,000)	(5,000)	(5,000)	(5,000)	(20,000)	(5,000)	(5,000)	(5,000)	(5,000)	(20,000)	(20,000)
(-) Non-Macro Businesses	-	-	(16,000)	(4,000)	(4,000)	(4,000)	(4,000)	(16,000)	(4,000)	(4,000)	(4,000)	(4,000)	(16,000)	(16,000)
(-) Other Misc. Items	(15,000)	(21,000)	(25,000)	(8,000)	(12,000)	(8,000)	(8,000)	(36,000)	(8,000)	(8,000)	(8,000)	(8,000)	(32,000)	(32,000)
Core Recurring Cash Leasing Revenue	1,374,522	1,442,563	1,524,550	392,385	396,669	399,774	407,359	1,596,186	405,133	411,414	416,097	417,453	1,650,098	1,682,769
Y/Y Chg. - %	6.4%	5.0%	5.7%	5.5%	4.9%	4.2%	4.3%	4.7%	3.2%	3.7%	4.1%	2.5%	3.4%	2.0%
FX Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions / Net External Growth	0.9%	0.8%	2.4%	1.8%	0.8%	0.2%	0.3%	0.7%	0.2%	0.2%	0.1%	-0.0%	0.1%	-0.0%
Organic Growth	5.6%	4.1%	3.3%	3.7%	4.1%	4.0%	4.0%	4.0%	3.0%	3.5%	4.0%	2.5%	3.2%	2.0%
Escalations + Revenue Enhancements	8.2%	6.4%	5.8%	6.4%	7.1%	8.0%	9.0%	7.6%	9.0%	9.5%	9.0%	7.5%	8.7%	7.0%
Churn	-2.6%	-2.3%	-2.4%	-2.7%	-3.0%	-4.0%	-5.0%	-3.7%	-6.0%	-6.0%	-5.0%	-5.0%	-5.5%	-5.0%
Total Site Leasing Revenue Build (Guidance):														
Prior Period	1,400,094	1,487,109	1,558,311	403,579	418,829	426,758	432,205	1,681,371	432,986	442,084	440,939	448,283	1,764,292	1,811,574
(+) New Leases & Amendments + Escalations	105,310	88,162	83,358	23,810	26,859	30,688	35,155	116,513	35,315	37,684	35,980	30,552	139,530	115,537
(-) Churn	(33,592)	(31,599)	(35,335)	(10,045)	(11,349)	(15,344)	(19,530)	(56,269)	(23,543)	(23,800)	(19,989)	(20,368)	(87,700)	(82,505)
(+) Non-Organic Revenue	11,399	11,478	33,964	6,585	2,858	824	1,125	11,392	976	862	333	(89)	2,082	(361)
(+) Straight-Line Revenue	(996)	(4,384)	28,078	8,154	(280)	(1,449)	(865)	5,560	(114)	(1,178)	(1,142)	(1,108)	(3,542)	(4,110)
(+) FX Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Other	4,894	7,545	12,995	903	5,167	(539)	193	5,724	206	(3,766)	236	237	(3,087)	963
Current Period	1,487,109	1,558,311	1,681,371	432,986	442,084	440,939	448,283	1,764,292	445,826	451,886	456,356	457,507	1,811,574	1,841,099
Check	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Core Recurring Cash Leasing Revenue:														
Prior Year Period	1,291,405	1,374,522	1,442,563	372,035	378,301	383,605	390,609	1,524,550	392,385	396,669	399,774	407,359	1,596,186	1,650,098
(+) Escalations + Rev. Enhancements	105,310	88,162	83,358	23,810	26,859	30,688	35,155	116,513	35,315	37,684	35,980	30,552	139,530	115,537
(-) Churn	(33,592)	(31,599)	(35,335)	(10,045)	(11,349)	(15,344)	(19,530)	(56,269)	(23,543)	(23,800)	(19,989)	(20,368)	(87,700)	(82,505)
(+) Acq. / Net New Builds	11,399	11,478	33,964	6,585	2,858	824	1,125	11,392	976	862	333	(89)	2,082	(361)
(+) FX Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Period	1,374,522	1,442,563	1,524,550	392,385	396,669	399,774	407,359	1,596,186	405,133	411,414	416,097	417,453	1,650,098	1,682,769
Check	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Y/Y Chg. - %	6.4%	5.0%	5.7%	5.5%	4.9%	4.2%	4.3%	4.7%	3.2%	3.7%	4.1%	2.5%	3.4%	2.0%
Communication Site Portfolio:														
Prior Period	16,263	16,401	16,546	17,356	17,363	17,395	17,524	17,356	17,523	17,521	17,521	17,520	17,523	17,519
Sites Acquired During Quarter	137	146	815	9	31	131	-	171	-	-	-	-	-	-
Sites Built During Quarter	25	13	8	1	2	1	1	5	1	1	2	1	5	5
Sites Decommissioned/Reclassified	(24)	(14)	(13)	(3)	(1)	(3)	(2)	(9)	(3)	(1)	(3)	(2)	(9)	(9)
Ending Count	16,401	16,546	17,356	17,363	17,395	17,524	17,523	17,523	17,521	17,521	17,520	17,519	17,519	17,515
Y/Y Chg. - %	0.8%	0.9%	4.9%	0.6%	0.5%	1.2%	1.0%	1.0%	0.9%	0.7%	-0.0%	-0.0%	-0.0%	-0.0%
Q/Q Chg. - %	-	-	-	0.0%	0.2%	0.7%	-0.0%	-	-0.0%	-	-0.0%	-0.0%	-	-
Avg. TCF per Tower / Mo.	6,310	6,617	6,859	6,882	7,029	6,968	7,069	6,983	7,017	7,144	7,233	7,241	7,159	7,288
Y/Y Chg. - %	6.4%	4.9%	3.7%	2.8%	5.3%	3.0%	2.6%	1.8%	2.0%	1.6%	3.8%	2.4%	2.5%	1.8%
Q/Q Chg. - %	-	-	-	-0.1%	2.1%	-0.9%	1.5%	-	-0.7%	1.8%	1.2%	0.1%	-	-

ROC | DOMESTIC UNDERWRITING EMBEDDED IN DCF

(Amounts in 000s, Except per Share Data)								Terminal Year
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Domestic Site Leasing Projections								
Revenue:								
Core Cash Site Leasing Revenue	1,711,155	1,751,668	1,804,218	1,867,365	1,945,795	2,027,518	2,112,674	2,201,406
Pass-Through Reimbursement	37,700	38,651	39,617	40,608	41,623	42,663	43,730	44,823
Total	1,748,855	1,790,319	1,843,835	1,907,973	1,987,418	2,070,182	2,156,404	2,246,229
Y/Y Chg. - %		2.4%	3.0%	3.5%	4.2%	4.2%	4.2%	4.2%
Cash Y/Y Chg. - %		2.4%	3.0%	3.5%	4.2%	4.2%	4.2%	4.2%
Operating Expenses:								
Cash Site Leasing Cost of Revenue	230,174	235,357	241,241	248,478	255,932	263,610	271,519	279,664
Reimbursable Expenses	37,700	38,651	39,617	40,608	41,623	42,663	43,730	44,823
Total	267,874	274,008	280,858	289,086	297,555	306,274	315,249	324,487
Y/Y Chg. - %		2.3%	2.5%	2.9%	2.9%	2.9%	2.9%	2.9%
Cash Y/Y Chg. - %		2.3%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%
Tower Cash Flow (TCF)	1,480,981	1,516,311	1,562,977	1,618,887	1,689,862	1,763,908	1,841,155	1,921,742
Margin %	67.8%	66.7%	66.5%	66.2%	66.1%	65.9%	65.8%	65.6%
Y/Y Chg. - %		2.4%	3.1%	3.6%	4.4%	4.4%	4.4%	4.4%

ROC | HOW ABOUT GROWTH IN INT'L?

Bridge of 2021 Total Site Leasing Revenue to 2022 Guidance (\$M)

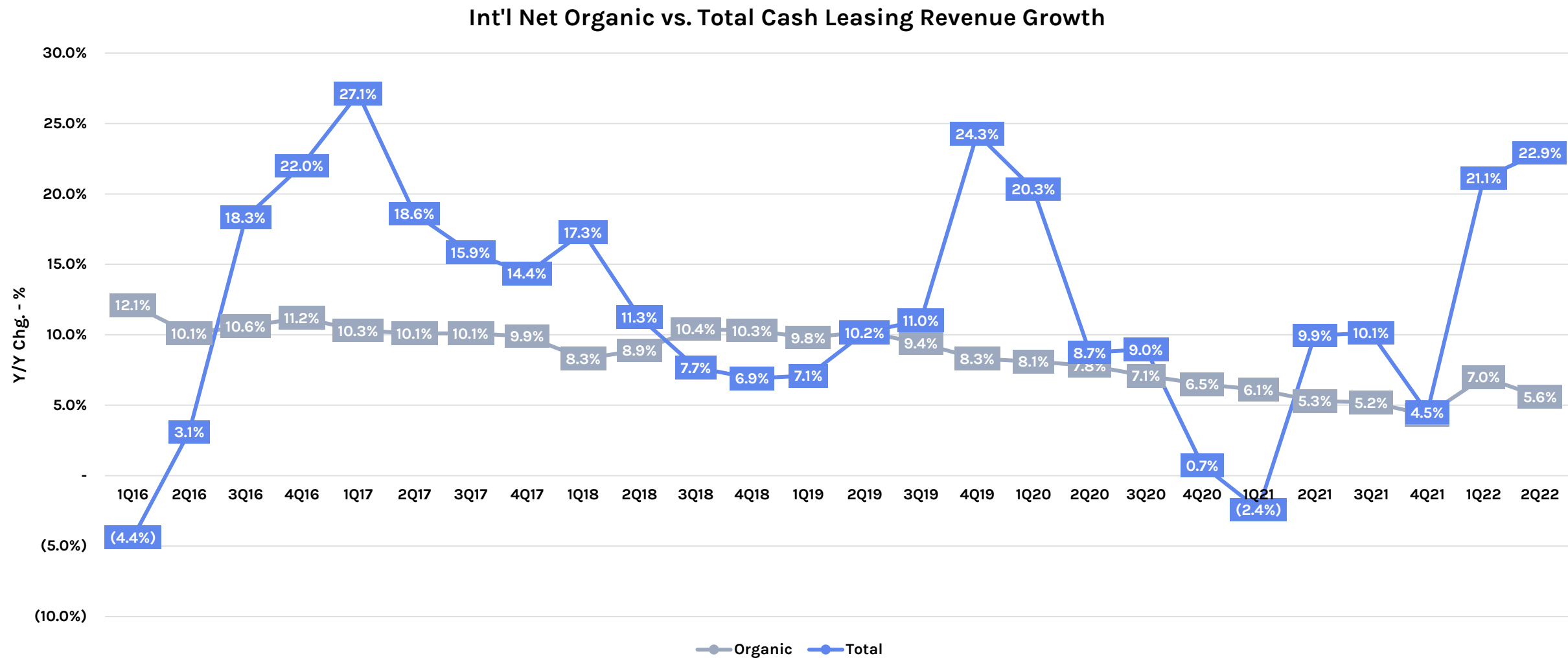


1. Represents core recurring cash leasing revenue (see page 5 for reconciliation of this non-GAAP metric)
2. Includes contributions from acquisitions and new infrastructure builds
3. Includes pass-through reimbursable expenses, amortization of capital contributions for tower augmentations, managed and non-macro business and other miscellaneous items
4. Based on guidance issued on August 1, 2022

- Generally, more to come on the int'l segment (~20-25% of TCF) later in the deck.
- Escalators:
 - Canada & Central America: +3% to +4%
 - South Africa, South America & Philippines: Escalate annually based on CPI.
 - Tanzania: Fixed + CPI-linked.
 - FY22 guidance implies +7.2% on a blended basis.
 - We would expect escalators to accelerate in int'l based on elevated int'l inflation rates.
- New Leases/Amendments: +5.6%, so slightly higher than domestic on a smaller base.
- **MUCH higher churn in recent periods:** FY22 guidance implies ~7.5% for the year. Inflation will likely result in increased churn as well on tenant stress.
- **We think there is risk for higher churn than the market is currently giving credit for → Oi in Brazil.**

ROC | INT'L ORGANIC GROWTH DOESN'T LOOK MUCH BETTER

Int'l net organic growth in secular decline → SBAC has been “buying up” its growth rate to support the multiple



ROC | ADDITIONAL OI REVENUE AT RISK?

(Amounts in 000s, Except per Share Data)

Oi Churn Assumptions

Oi Revenue % of Int'l Site Leasing Revenue	26.1%
Est. Annual Oi Cash Site Leasing Revenue	107,636
% of Total SBAC Revenue	5.1%
Guided Oi Revenue Impact	25,000
% of Oi Revenue (Implied Churn)	23.2%
% of Total SBAC Revenue	1.2%

	Total	TIM	Telefonica	Other Carriers ⁽¹⁾
Oi Towers	18,788	7,200	2,700	4,500
Towers to be Decommissioned		4,320	1,350	2,250
Total Oi Towers Remaining (A)	6,480	2,880	1,350	2,250
Decommission Rate		60.0%	50.0%	50.0%
SBAC Towers Leased to Oi	7,525			
Churn Guidance	23.2%			
SBAC Oi Towers Remaining (B)	5,777			

Implied SBAC Ownership of Remaining 89.2% <-- Implies SBAC Owns ~90% of the Oi Towers NOT decommissioned.

Notes:
(1) Assumes 50% of the remaining towers not sold to TIM and Telefonica are decommissioned - Hedgeye assumption.

- SBAC guided to ~\$20 to \$30 million of impact “over several years” from Oi churn following its sale of mobile.
- Based on 2Q22 results, we estimate this comprises roughly ~20% to 25% of SBAC’s cash revenue from Oi, and around ~1% of SBAC’s total cash leasing revenue.
- BUT, this does not make any sense to us:
 - TIM – accelerated Oi tower decommissioning plan during 2023 with full plan executed by the end of 2024. Also booked BRL2.9 billion in decommissioning provisions.
 - Telefonica – Going to decommission “more than half” of the towers because they will be for sale.
- Implies an overwhelming hit rate for SBAC on remaining Oi towers in service.
- We think the SBAC revenue impact is likely higher – 2x? 3x? With most falling in FY23?
- FY23 int’l churn should be higher y/y versus the ~\$23 million included in SBAC’s FY21 outlook. We modeled ~\$39 million.

ROC | COMBINED INT'L MODEL ASSUMPTIONS

(Amounts in 000s, Except per Share Data)	FY	FY	FY					FY					FY	FY
	2019A	2020A	2021A	1Q22	2Q22	3Q22E	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Int'l Segment Revenue Assumptions														
Core Recurring Cash Leasing Revenue (from Supp.):														
Total Site Leasing Revenue	373,749	396,160	422,715	126,446	138,149	140,793	148,353	553,741	162,587	165,332	165,227	163,185	656,332	685,697
(-) Straight-Line Revenue	(2,251)	2,258	3,697	1,483	421	400	380	2,684	361	343	326	309	1,339	1,091
(-) Pass-Through Reimbursable Expenses	(85,317)	(86,138)	(96,885)	(31,703)	(35,470)	(35,780)	(36,093)	(139,047)	(36,409)	(36,728)	(37,049)	(37,373)	(147,560)	(152,792)
(-) Amortization of Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(-) Managed & Subleased Businesses	-	(1,000)	(1,000)	-	(1,000)	(1,000)	(1,000)	(3,000)	(1,000)	(1,000)	(1,000)	(1,000)	(4,000)	(4,000)
(-) Non-Macro Businesses	(1,000)	-	-	-	(2,000)	(2,000)	(2,000)	(6,000)	(2,000)	(2,000)	(2,000)	(2,000)	(8,000)	(8,000)
(-) Other Misc. Items	(7,000)	(7,000)	(8,000)	(1,000)	(2,000)	(2,000)	(2,000)	(7,000)	(2,000)	(2,000)	(2,000)	(2,000)	(8,000)	(8,000)
Core Recurring Cash Leasing Revenue	278,181	304,280	320,527	95,226	98,100	100,413	107,640	401,379	121,539	123,947	123,504	121,121	490,111	513,996
Y/Y Chg. - %	13.1%	9.4%	5.3%	21.1%	22.9%	23.2%	33.5%	25.2%	27.6%	26.3%	23.0%	12.5%	22.1%	4.9%
FX Impact	-6.1%	-14.3%	-2.0%	2.3%	3.3%	5.9%	5.0%	4.1%	-2.9%	1.3%	-	-	-0.4%	-
Acquisitions / Net External Growth	9.8%	16.3%	2.2%	11.8%	14.0%	14.3%	25.5%	16.5%	28.5%	23.0%	21.0%	10.5%	20.5%	1.1%
Organic Growth	9.4%	7.3%	5.2%	7.0%	5.6%	3.0%	3.0%	4.6%	2.0%	2.0%	2.0%	2.0%	2.0%	3.8%
Escalations + Revenue Enhancements	10.0%	7.8%	7.9%	11.8%	12.7%	11.0%	11.0%	11.6%	12.0%	12.0%	12.0%	11.0%	11.7%	8.2%
Churn	-0.6%	-0.5%	-2.6%	-4.8%	-7.1%	-8.0%	-8.0%	-7.0%	-10.0%	-10.0%	-10.0%	-9.0%	-9.7%	-4.5%
Total Site Leasing Revenue Build (Guidance):														
Prior Period	340,339	373,749	396,160	101,524	105,266	108,734	107,191	422,715	126,446	138,149	140,793	148,353	553,741	656,332
(+) New Leases & Amendments + Escalations	24,703	21,827	23,962	9,277	10,134	8,963	8,869	37,243	11,427	11,772	12,050	11,840	47,089	40,424
(-) Churn	(1,534)	(1,400)	(8,037)	(3,774)	(5,666)	(6,519)	(6,450)	(22,408)	(9,523)	(9,810)	(10,041)	(9,688)	(39,061)	(22,039)
(+) Non-Organic Revenue	24,066	45,460	6,553	9,299	11,202	11,689	20,561	52,750	27,166	22,603	21,083	11,329	82,180	5,500
(+) Straight-Line Revenue	(5,280)	7	1,439	729	(611)	616	515	1,249	1,122	78	74	70	1,345	248
(+) FX Impact	(14,935)	(39,789)	(6,232)	1,808	2,633	4,796	4,029	13,266	(2,757)	1,282	-	-	(1,475)	-
(-) Other	6,389	(3,695)	8,869	7,583	15,190	12,514	13,638	48,926	8,706	1,258	1,269	1,280	12,513	5,233
Current Period	373,749	396,160	422,715	126,446	138,149	140,793	148,353	553,741	162,587	165,332	165,227	163,185	656,332	685,697
Check	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Core Recurring Cash Leasing Revenue:														
Prior Year Period	245,880	278,181	304,280	78,616	79,796	81,484	80,631	320,527	95,226	98,100	100,413	107,640	401,379	490,111
(+) Escalations + Rev. Enhancements	24,703	21,827	23,962	9,277	10,134	8,963	8,869	37,243	11,427	11,772	12,050	11,840	47,089	40,424
(-) Churn	(1,534)	(1,400)	(8,037)	(3,774)	(5,666)	(6,519)	(6,450)	(22,408)	(9,523)	(9,810)	(10,041)	(9,688)	(39,061)	(22,039)
(+) Acq. / Net New Builds	24,066	45,460	6,553	9,299	11,202	11,689	20,561	52,750	27,166	22,603	21,083	11,329	82,180	5,500
(+) FX Impact	(14,935)	(39,789)	(6,232)	1,808	2,633	4,796	4,029	13,266	(2,757)	1,282	-	-	(1,475)	-
Current Period	278,181	304,280	320,527	95,226	98,100	100,413	107,640	401,379	121,539	123,947	123,504	121,121	490,111	513,996
Check	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Y/Y Chg. - %	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Communication Site Portfolio:														
Prior Period	13,315	16,002	16,377	16,821	18,654	18,902	18,962	16,821	21,622	21,692	21,762	21,832	21,622	21,902
Sites Acquired During Quarter	2,302	87	176	1,798	179	-	2,600	4,577	-	-	-	-	-	-
Sites Built During Quarter	402	296	327	85	98	85	85	353	80	80	80	80	320	240
Sites Decommissioned/Reclassified	(17)	(8)	(59)	(50)	(29)	(25)	(25)	(129)	(10)	(10)	(10)	(10)	(40)	(40)
Ending Count	16,002	16,377	16,821	18,654	18,902	18,962	21,622	21,622	21,692	21,762	21,832	21,902	21,902	22,102
Y/Y Chg. - %	20.2%	2.3%	2.7%	13.4%	14.2%	13.2%	28.5%	28.5%	16.3%	15.1%	15.1%	1.3%	1.3%	0.9%
Q/Q Chg. - %	-	-	-	10.9%	1.3%	0.3%	14.0%	-	0.3%	0.3%	0.3%	0.3%	-	-
Avg. TCF per Tower / Mo.	1,465	1,458	1,507	1,634	1,653	1,681	1,679	1,638	1,750	1,777	1,770	1,735	1,758	1,818
Y/Y Chg. - %	-2.8%	-0.5%	3.4%	11.0%	8.7%	9.4%	11.7%	8.7%	7.1%	7.5%	5.3%	3.3%	7.3%	3.4%
Q/Q Chg. - %	-	-	-	8.6%	1.2%	1.7%	-0.1%	-	4.2%	1.6%	-0.4%	-2.0%	-	-

ROC | INT'L UNDERWRITING EMBEDDED IN DCF

HEDGEYE

(Amounts in 000s, Except per Share Data)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
International Site Leasing Projections								
Revenue:								
Core Cash Site Leasing Revenue	473,539	520,410	546,430	576,484	611,073	647,738	686,602	727,798
Pass-Through Reimbursement	145,011	150,153	155,409	160,848	166,478	172,304	178,335	184,577
Total	618,550	670,563	701,839	737,332	777,551	820,042	864,937	912,375
Y/Y Chg. - %		8.4%	4.7%	5.1%	5.5%	5.5%	5.5%	5.5%
Cash Y/Y Chg. - %		9.9%	5.0%	5.5%	6.0%	6.0%	6.0%	6.0%
Operating Expenses:								
Cash Site Leasing Cost of Revenue	46,327	52,583	54,686	57,147	60,004	63,005	66,155	69,463
Reimbursable Expenses	145,011	150,153	155,409	160,848	166,478	172,304	178,335	184,577
Total	191,338	202,736	210,095	217,995	226,482	235,309	244,490	254,039
Y/Y Chg. - %		6.0%	3.6%	3.8%	3.9%	3.9%	3.9%	3.9%
Cash Y/Y Chg. - %		13.5%	4.0%	4.5%	5.0%	5.0%	5.0%	5.0%
Tower Cash Flow (TCF)	427,211	467,827	491,744	519,337	551,069	584,733	620,447	658,335
Margin %	90.2%	89.9%	90.0%	90.1%	90.2%	90.3%	90.4%	90.5%
Y/Y Chg. - %		9.5%	5.1%	5.6%	6.1%	6.1%	6.1%	6.1%

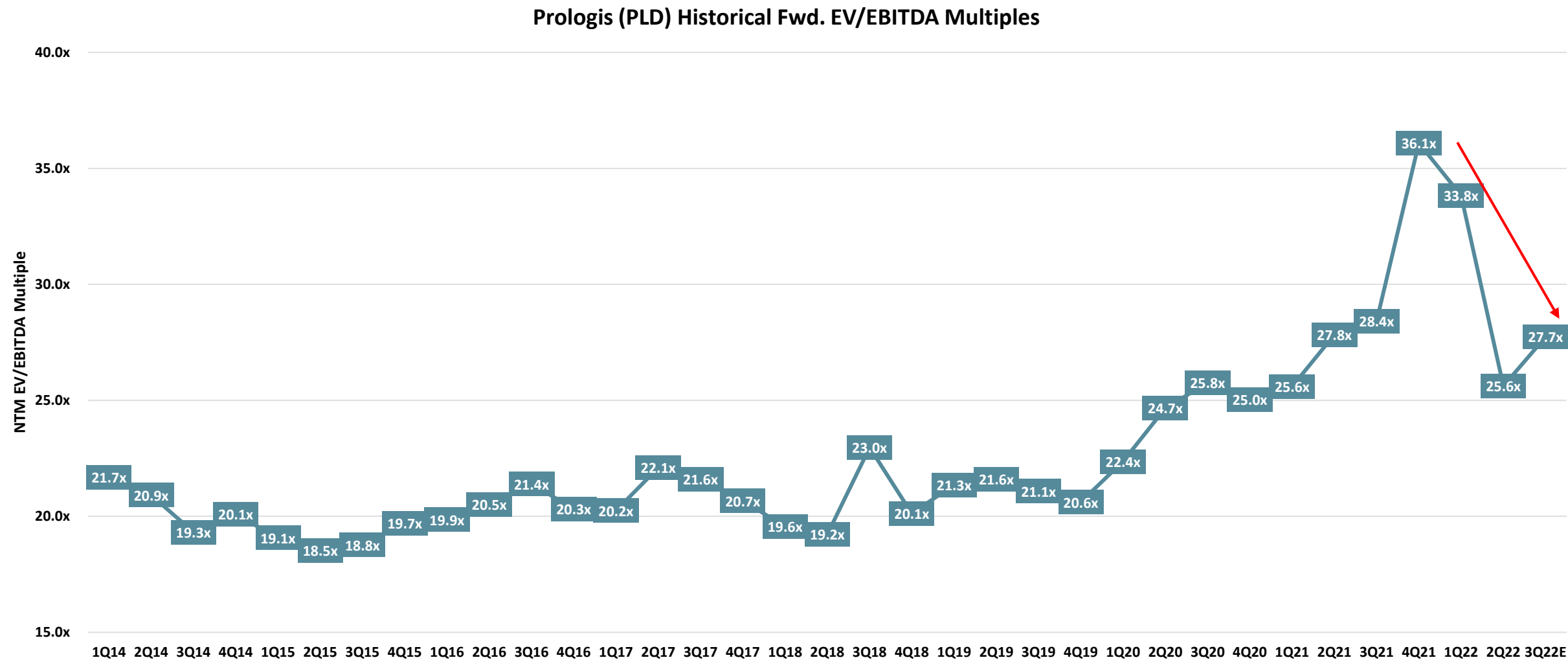
ROC | WE HAVE SEEN THIS STORY BEFORE

What happens when “growth” REITs go “ex-growth?” We just saw an example with Logistics REITs

- In our view the story with SBAC is about **reality vs. perception and narrative**.
- **Prologis (PLD)** is a good and very recent example of what happens to “growth” REITs when a secular bull run decelerates or is delayed.
- Amazon was a secular force for a decade in industrial/logistics as the marginal taker of space. Industrial had been a “backwater” in the real estate world and was completely revitalized by this transition including increasing the tenant credit base, driving new development, structurally raising growth rates, etc.
- In late-May 2022 the WSJ [reported](#) that Amazon planned to sublease about ~10msf of warehouse space and was also looking for ways to terminate or renegotiate certain leases with landlords. Essentially they “overshot” on the level of demand through and coming out of the pandemic.
- In early-July Amazon [said](#) it was canceling/delaying the development of several fulfillment centers.
- PLD was also in the process of acquiring Duke in an all-stock transaction, aka **adding exposure at a time when the market perceived a deceleration in leasing activity and ahead of a Quad 4 slowdown**.
- In reality, PLD’s Amazon exposure is probably ironclad with a very high retention ratio, and longer-term PLD will probably increase its landlord relationship with Amazon over time. **There is simply a temporary slowdown in leasing by the largest marginal taker of space.**
- **PLD’s peak valuation was absolutely knee-capped on this news in the following weeks.**

ROC | WE VIEW PLD AS A TEMPLATE FOR TOWERS

Only a slight reduction/delay in leasing growth assumptions chopped nearly ~10x turns from PLD's forward multiple

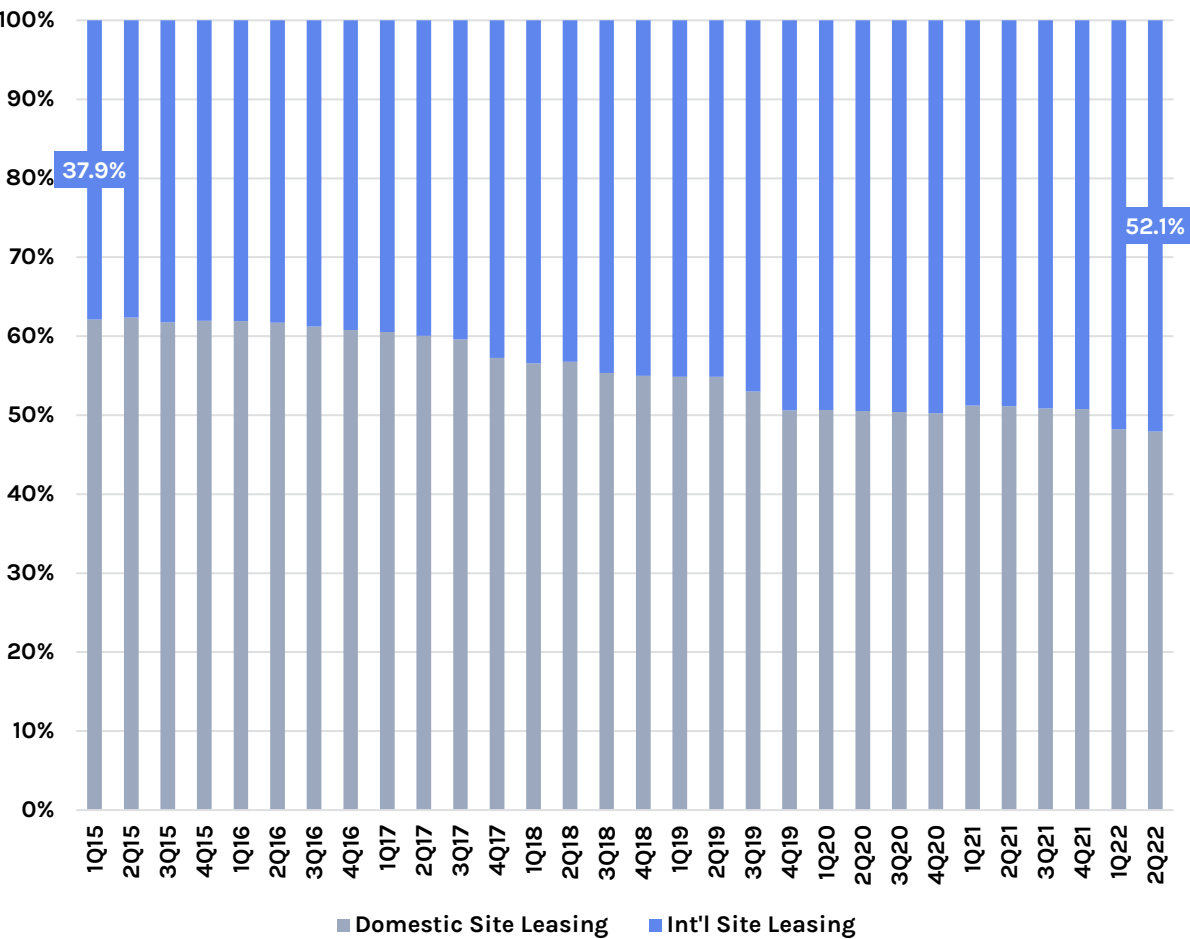


[4] POOR CAPITAL ALLOCATION TO INT'L TOWERS

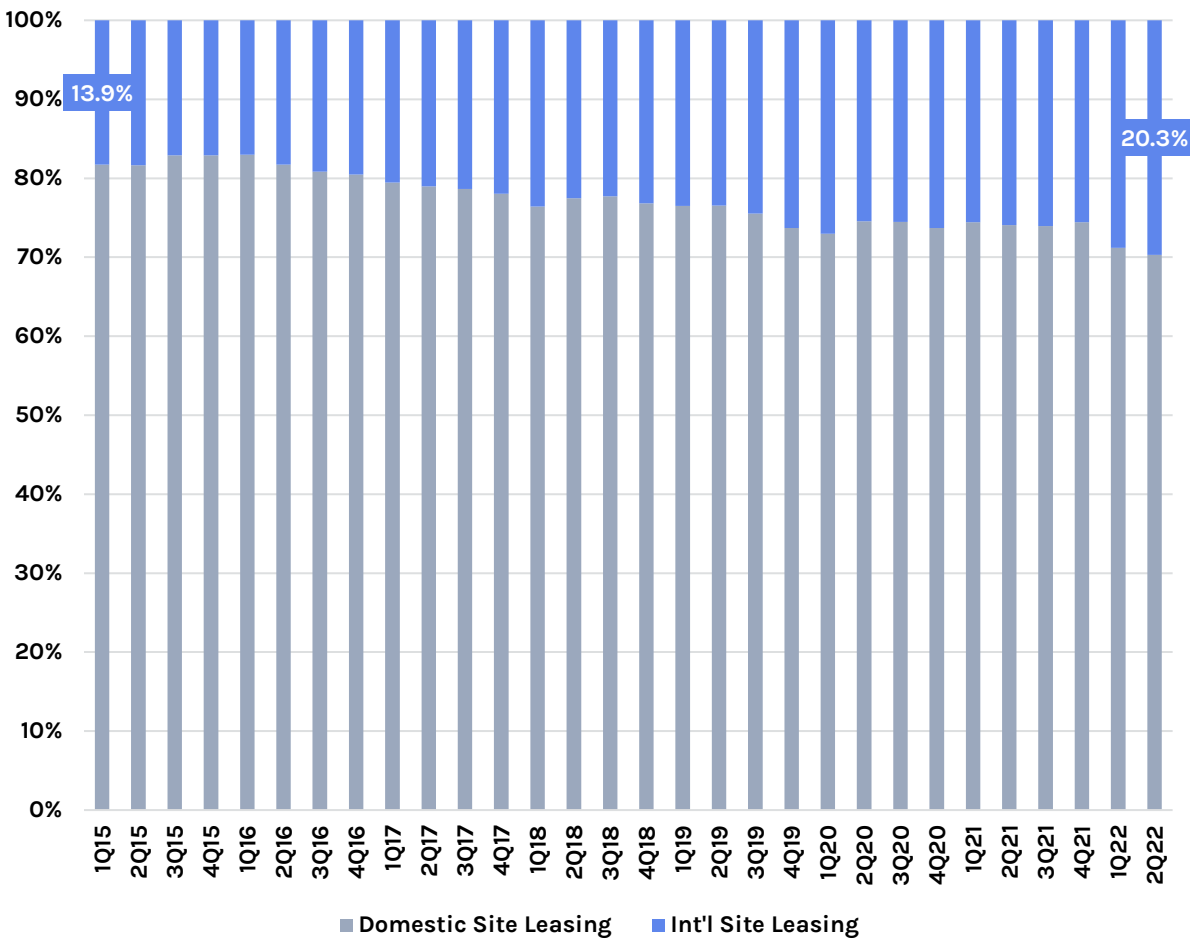
INT'L | GRADUALLY TAKING UP INT'L EXPOSURE

Int'l site leasing now accounts for ~20% of TCF, pre-closing of the GTS deal in Brazil in 4Q22

Domestic vs. Int'l Tower % Breakdown

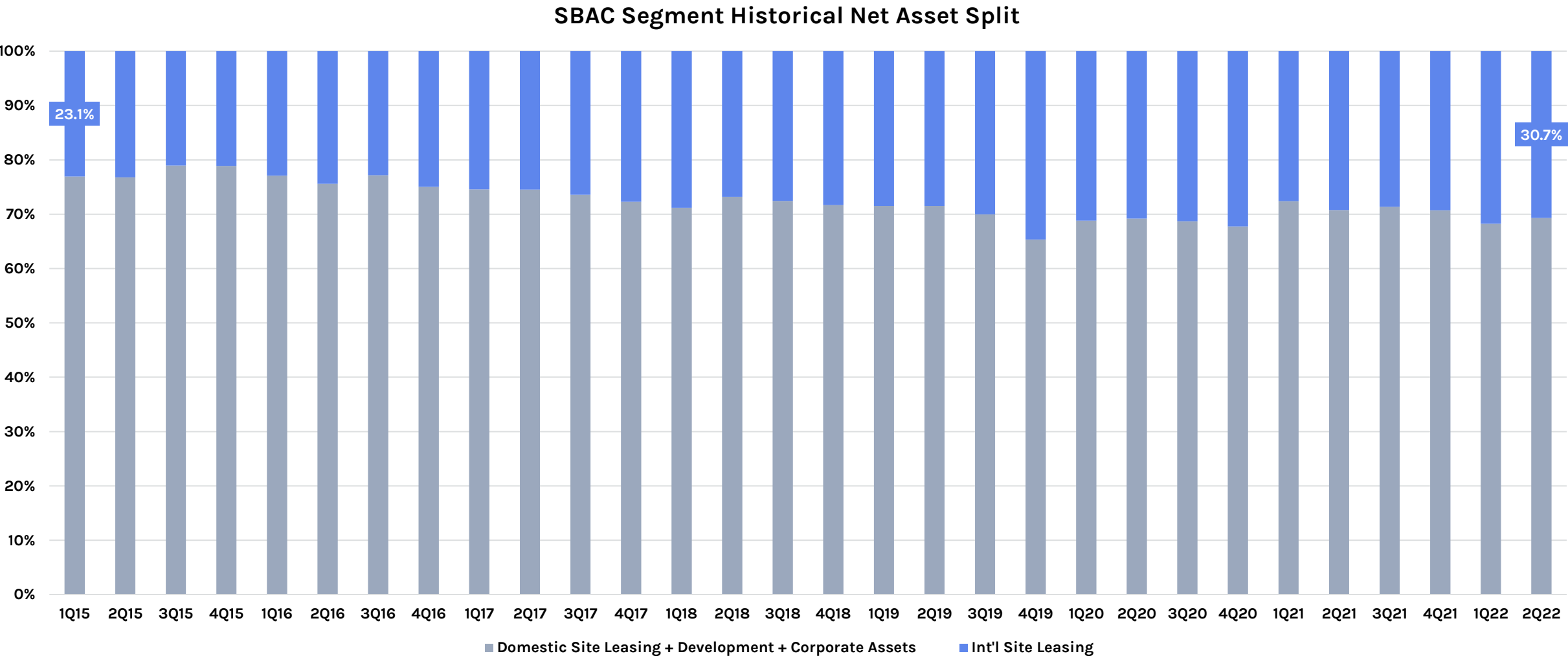


Domestic vs. Int'l TCF % Breakdown



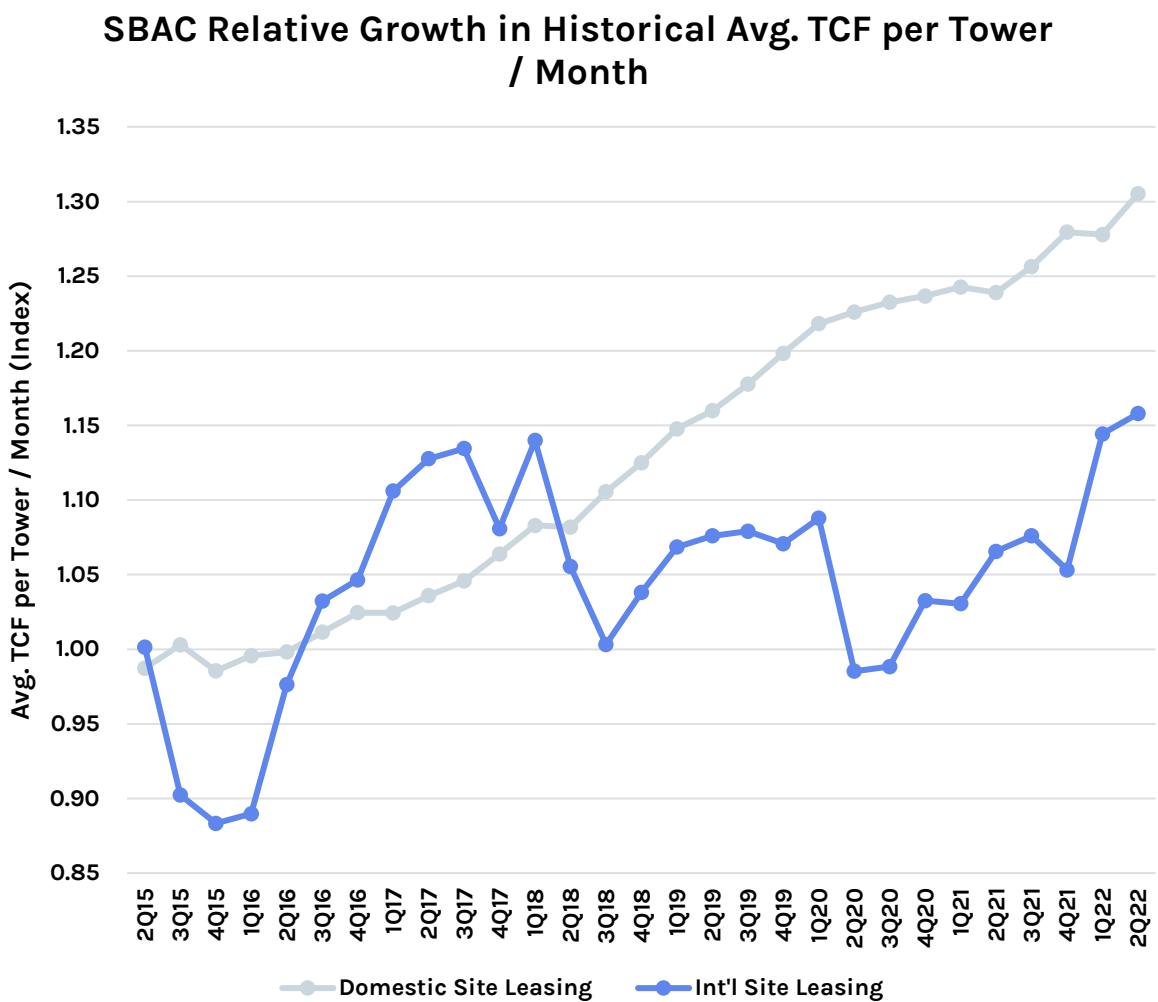
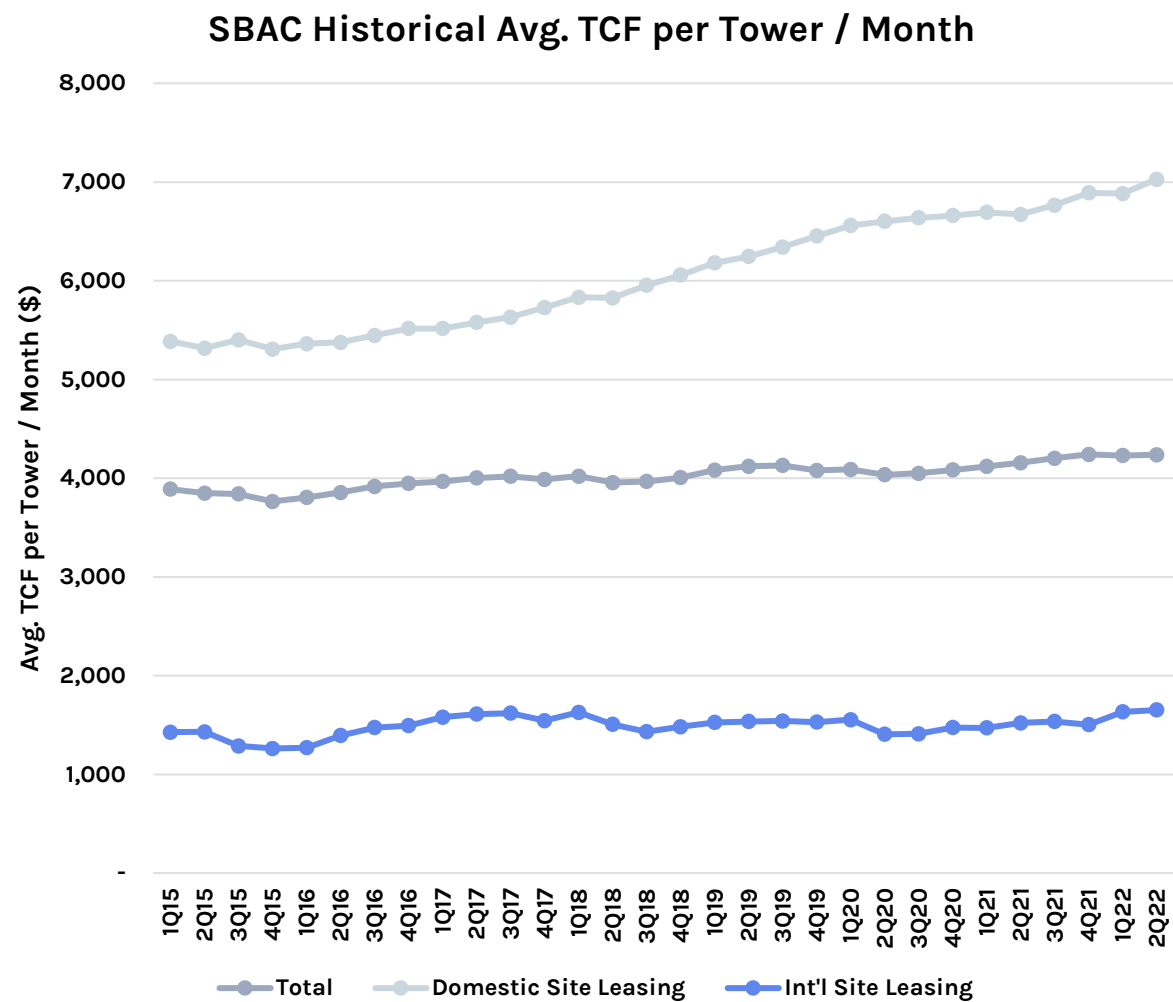
INT'L | GRADUALLY TAKING UP INT'L EXPOSURE (CONT'D)

We estimate SBAC has invested just under ~\$2 billion in int'l towers since 1Q15, or ~15% of its balance sheet



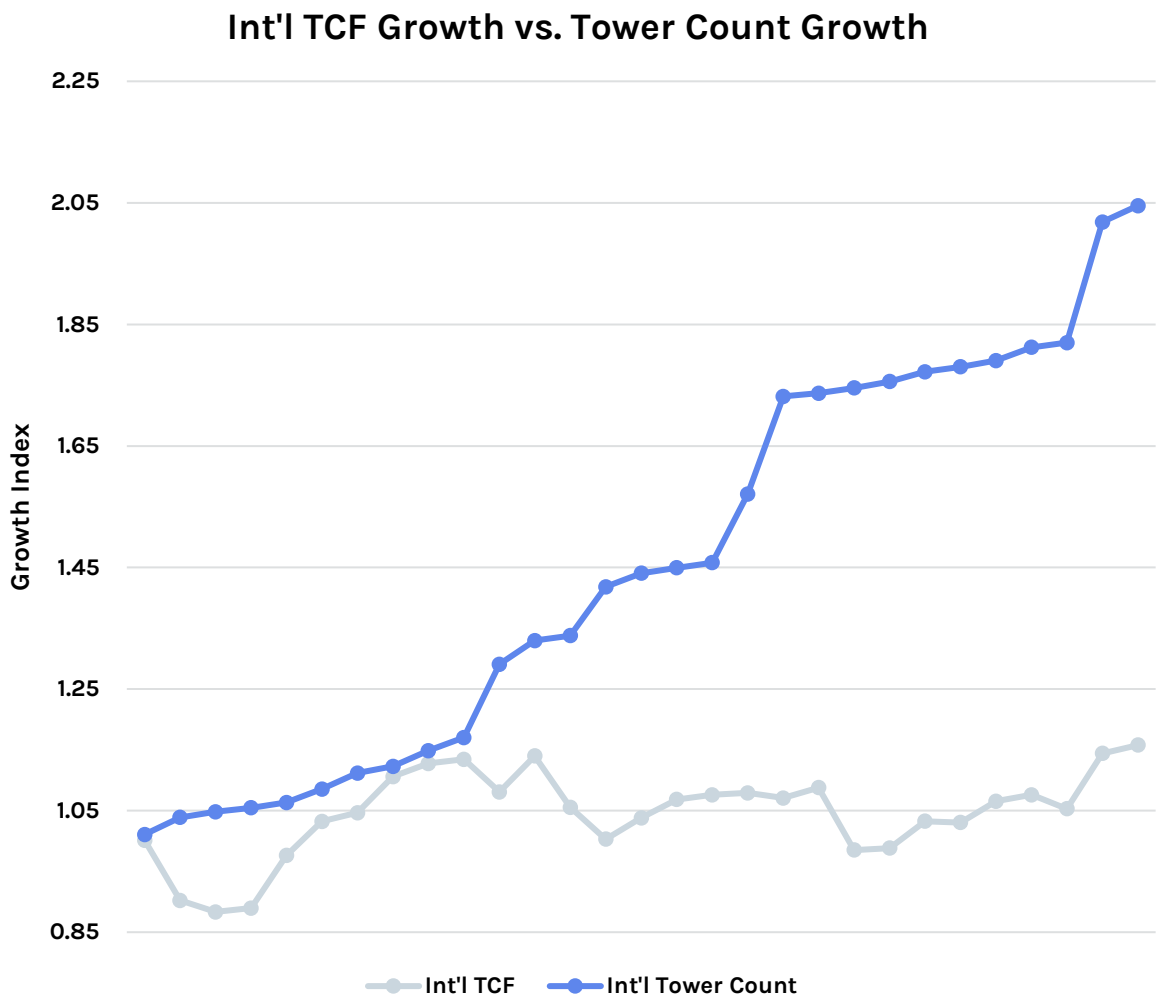
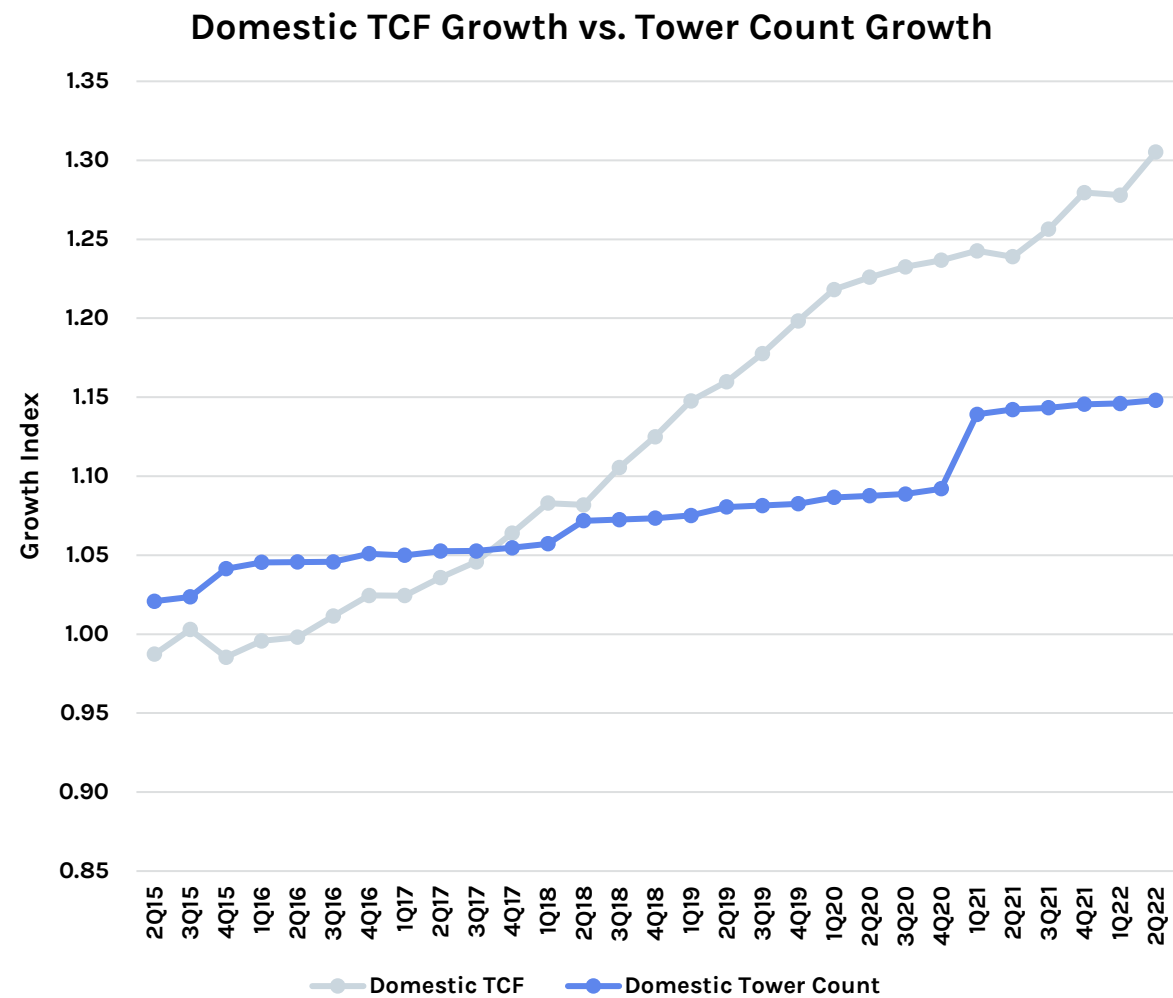
INT'L | BUT WHAT IS THAT CAPITAL BUYING?

Inferior unit-level economics that compound at a slower rate than capital deployed



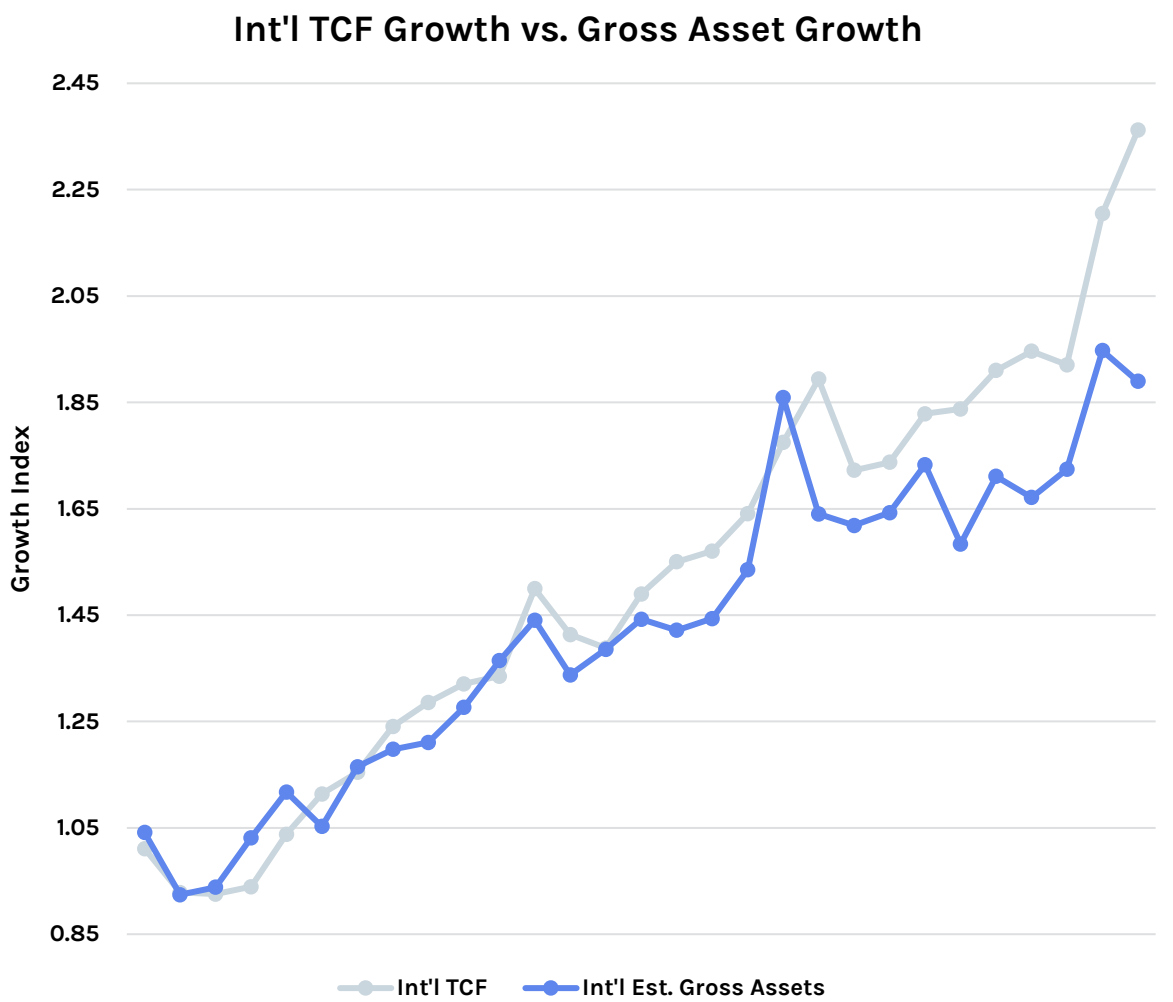
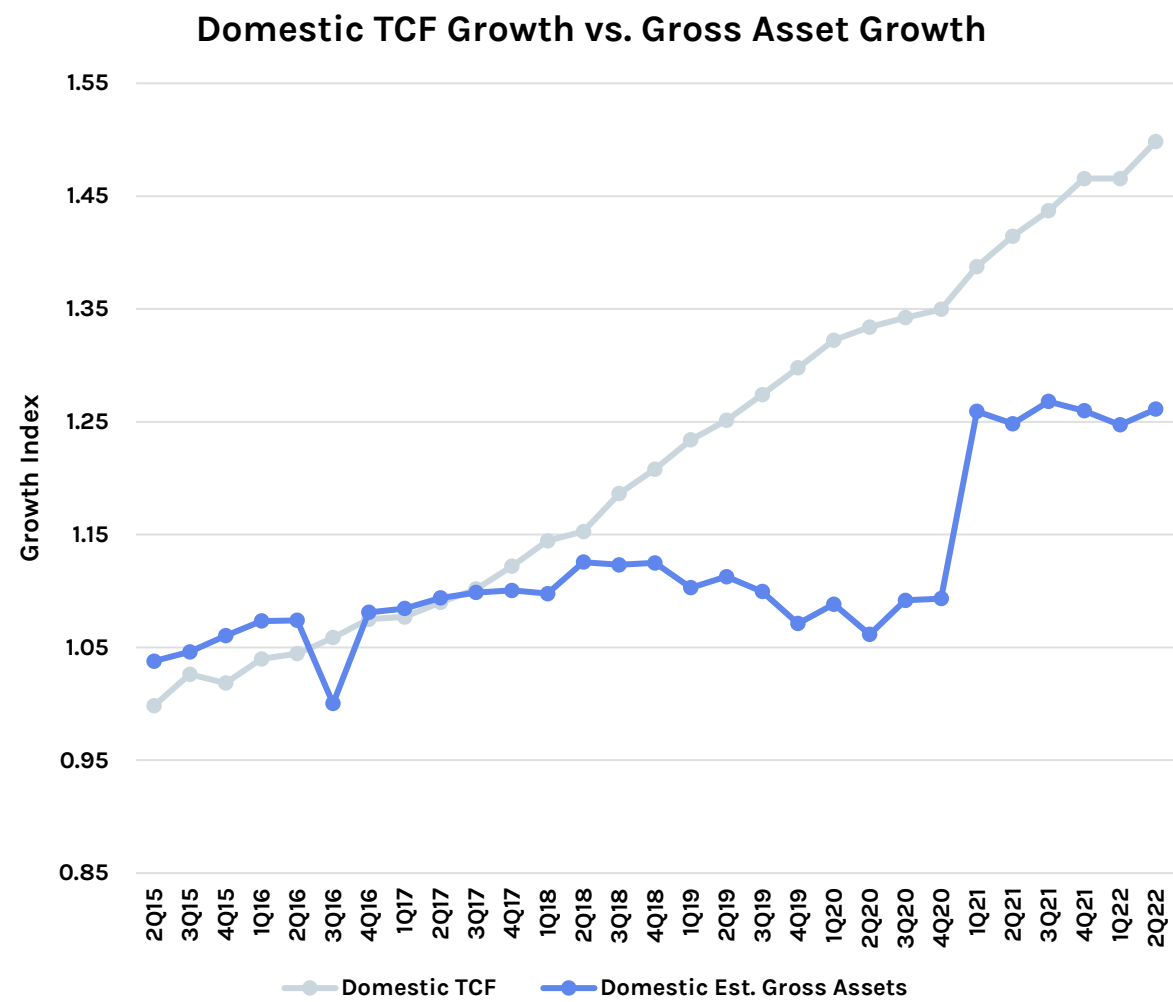
INT'L | BUT WHAT IS THAT CAPITAL BUYING? (CONT'D)

Int'l s counts growing exponentially faster than realized TCF, relative to the U.S.



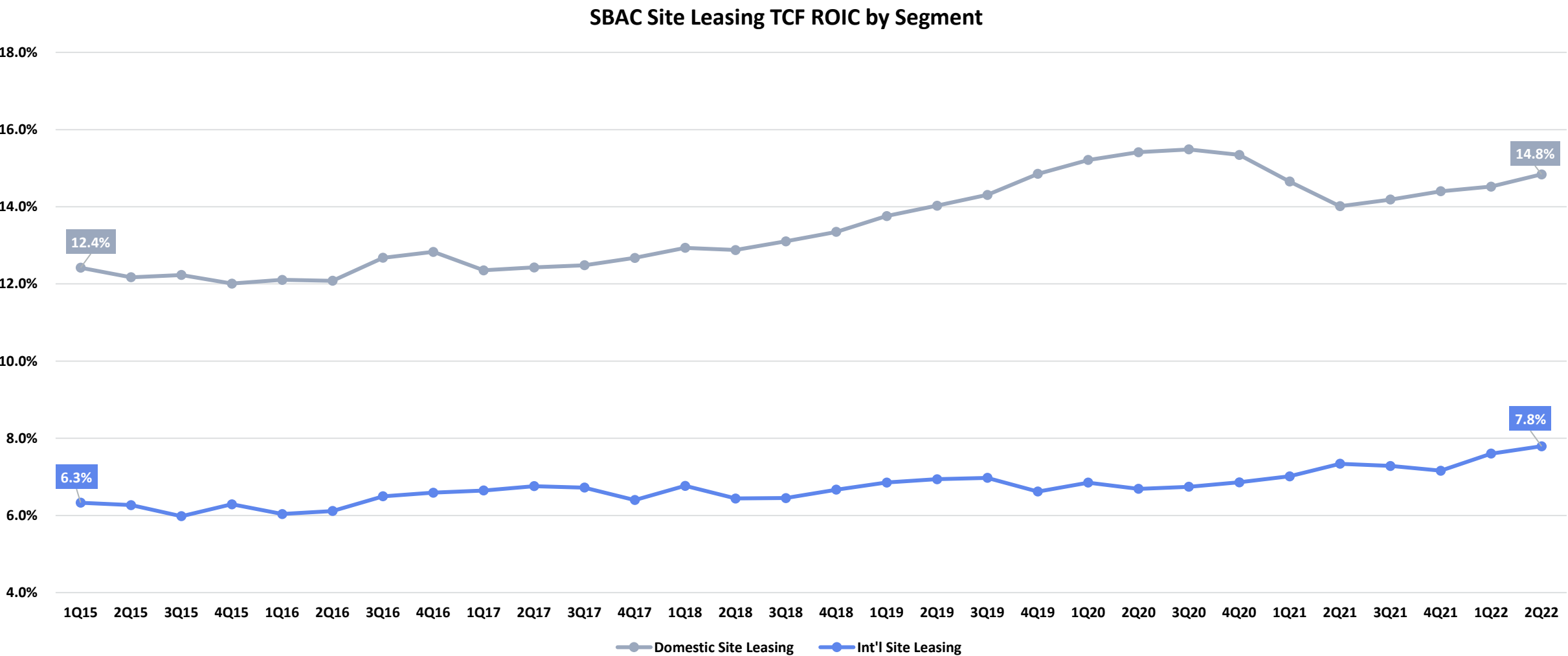
INT'L | BUT WHAT IS THAT CAPITAL BUYING? (CONT'D)

Want to watch this relationship → until 1Q22/2Q22 the spread between Int'l TCF and capital invested barely moved. Appears to be acquisition impact. The Domestic Tower business compounds with minimal capital investment

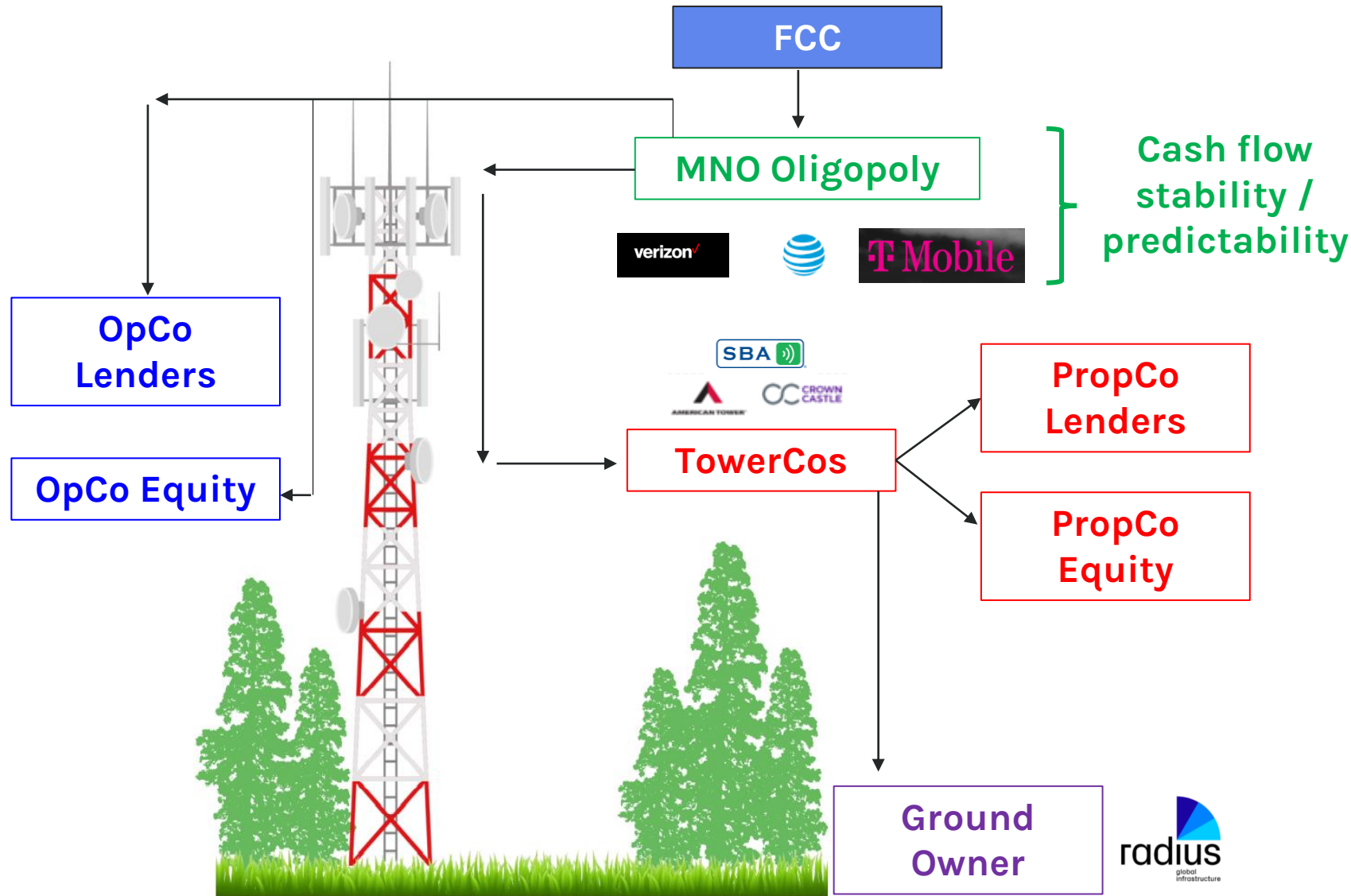


INT'L | ALL TRANSLATING INTO STRUCTURALLY LOWER ROICs

TCF ROIC = Annualized TCF/Estimated Avg. Gross Assets → Int'l should be a lower multiple business!



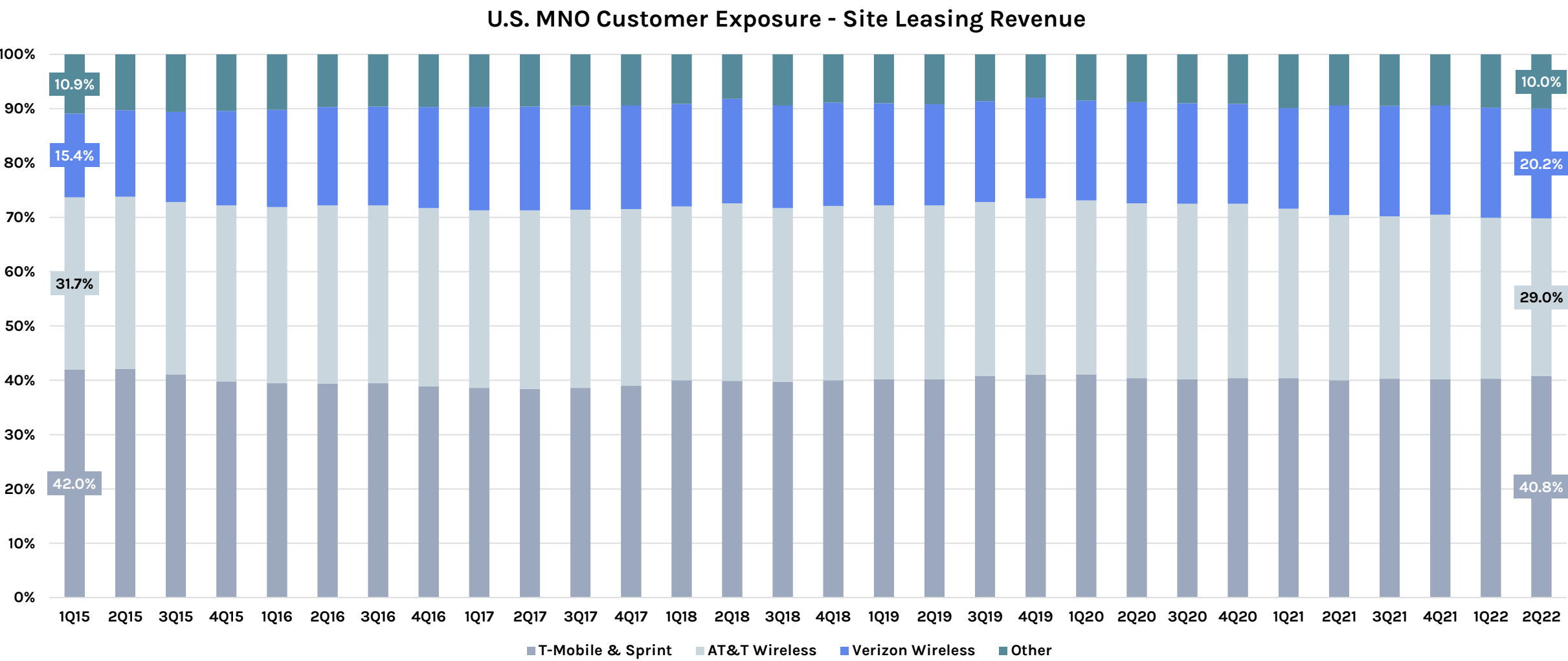
INT'L | WHY THE MASSIVE DIFFERENCES? → COMPETITION



- Basically have created a “securitization” out of a traditional PropCo/OpCo arbitrage, but with a wide “regulatory moat” created by the FCC.
- Reminds us of the GSE model in the mortgage market, which allows for the fully-prepayable 30-year fixed-rate mortgage to exist, as well as the layering created underneath it.
- Discouraging competition at the top of the “stack,” for what is mission-critical national infrastructure, creates incredible cash flow stability for the tenants relative to other real estate subsectors (hospitals and retail for example).
- TowerCos can:
 - More easily underwrite tenant risk.
 - Compound TCF at each site predictably.
 - Lever themselves to a greater degree, enhancing ROEs.

INT'L | SBAC'S U.S. TENANT EXPOSURE BARELY MOVES

May evolve somewhat with DISH's rollout, but remains to be seen



INT'L | MUCH MORE COMPETITION OUTSIDE OF THE U.S.

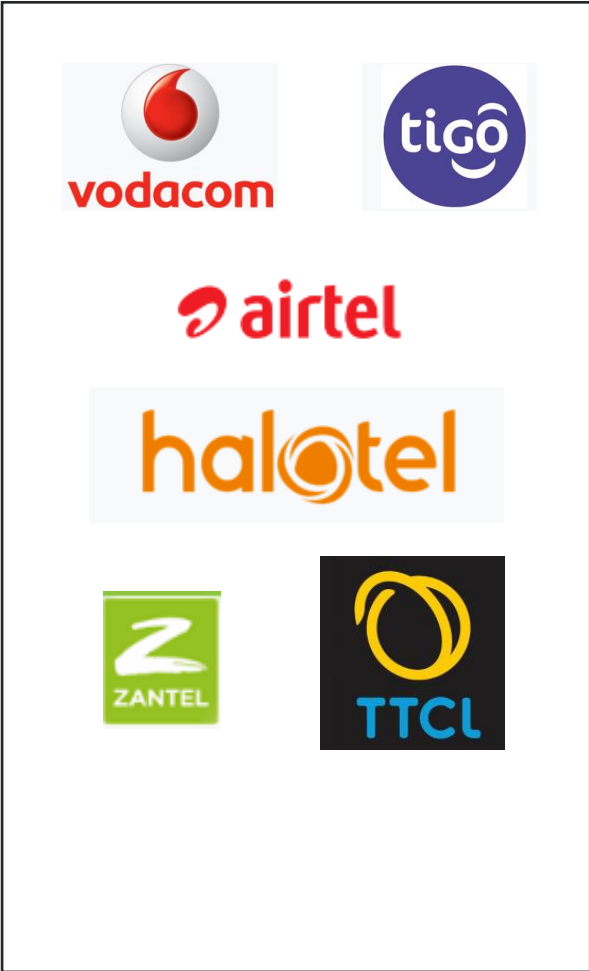
Domestic Oligopoly



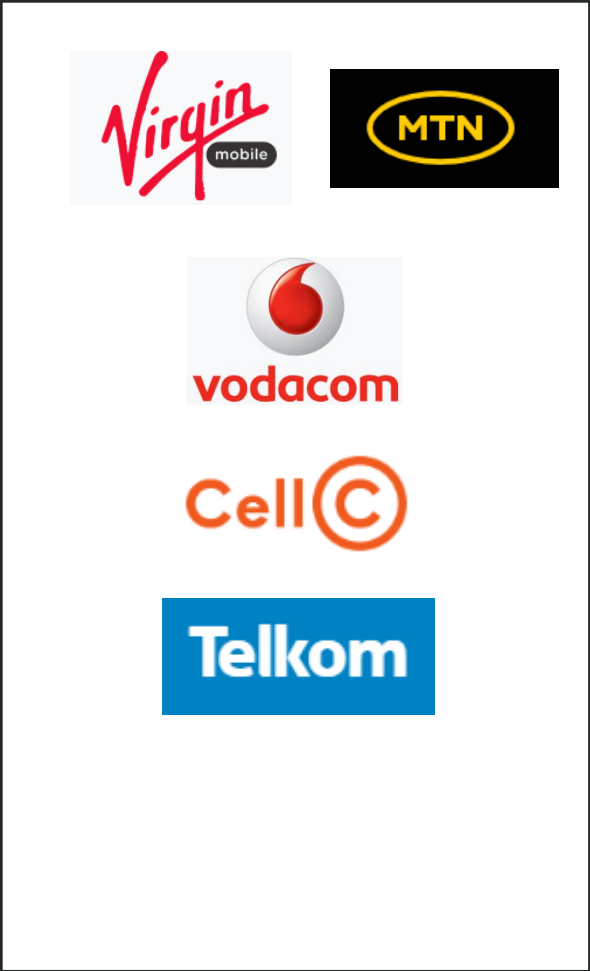
Brazil



Tanzania



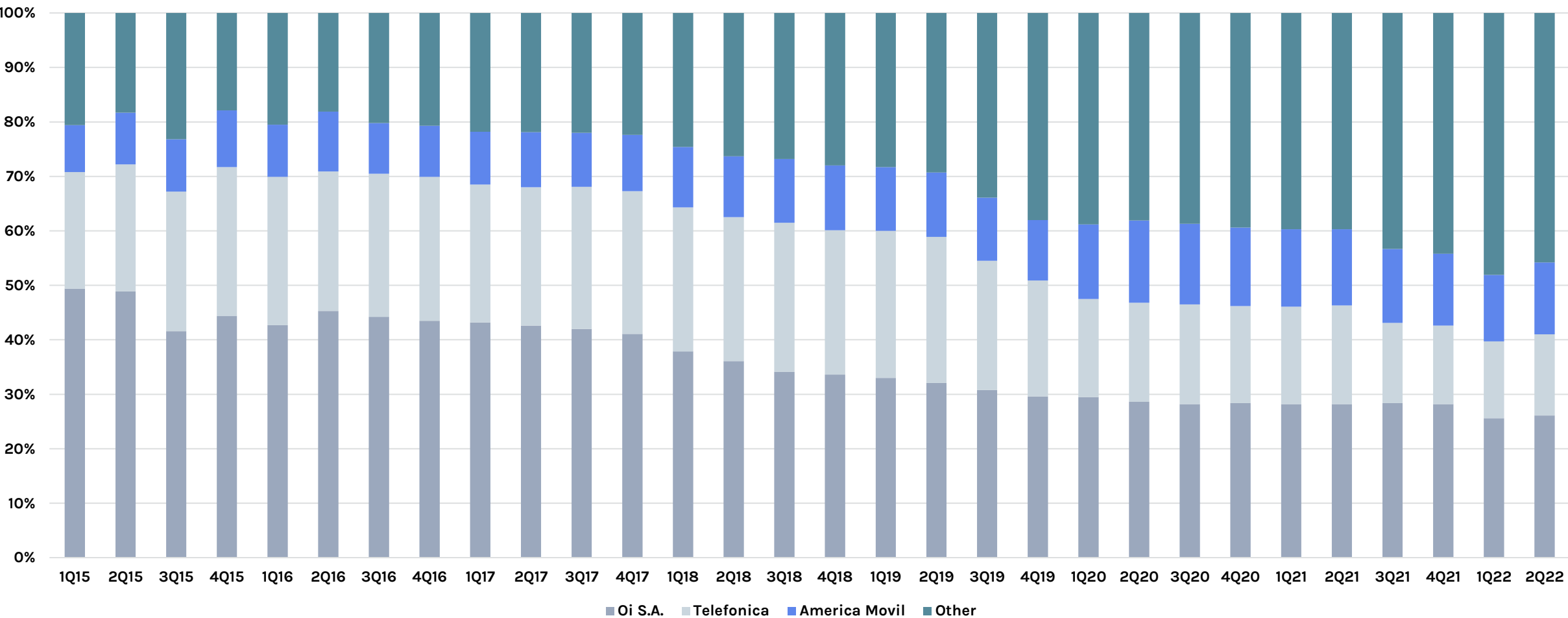
South Africa



INT'L | SBAC HEAVILY EXPOSED TO BRAZIL

Brazil accounts for ~30% of SBAC's total tower portfolio; adding additional exposure in 4Q22 w/ GTS closing

International MNO Customer Exposure - Site Leasing Revenue



INT'L | WHAT'S GOING ON IN BRAZIL?

- SBAC's largest international tenant, **Oi**, just went through a **bankruptcy and restructuring process**. The local court recently approved the sale of all of Oi's wireless tower assets to Telefonica, Claro and TIM in Brazil. TIM and Telefonica have been clear in their intention to decommission sites.
- Meanwhile, **SBAC is paying ~\$725 million or 10.7x in-place TCF** (we estimate ~12-13x ex-churn) **to add its second portfolio of towers from GTS**. Is that close to a real-time "mark" for the portfolio? This is an incremental ~5% of SBAC's entire balance sheet, and will take Int'l TCF up to nearly ~25% of the total company.
- There is a very controversial, and potentially [contested](#), upcoming election. Talk of a [coup](#)?
- This is not a place where we would be rushing into so as to deploy just under ~\$1 billion of incremental capital.
 - Inferior returns.
 - Former head of Int'l retiring.
 - Elevated churn.
 - What looks to be extreme political risk.

INT'L | NON-U.S. TOWER COMPS

Structurally lower valuation multiples, like 3-4x less expensive relative to cash flow

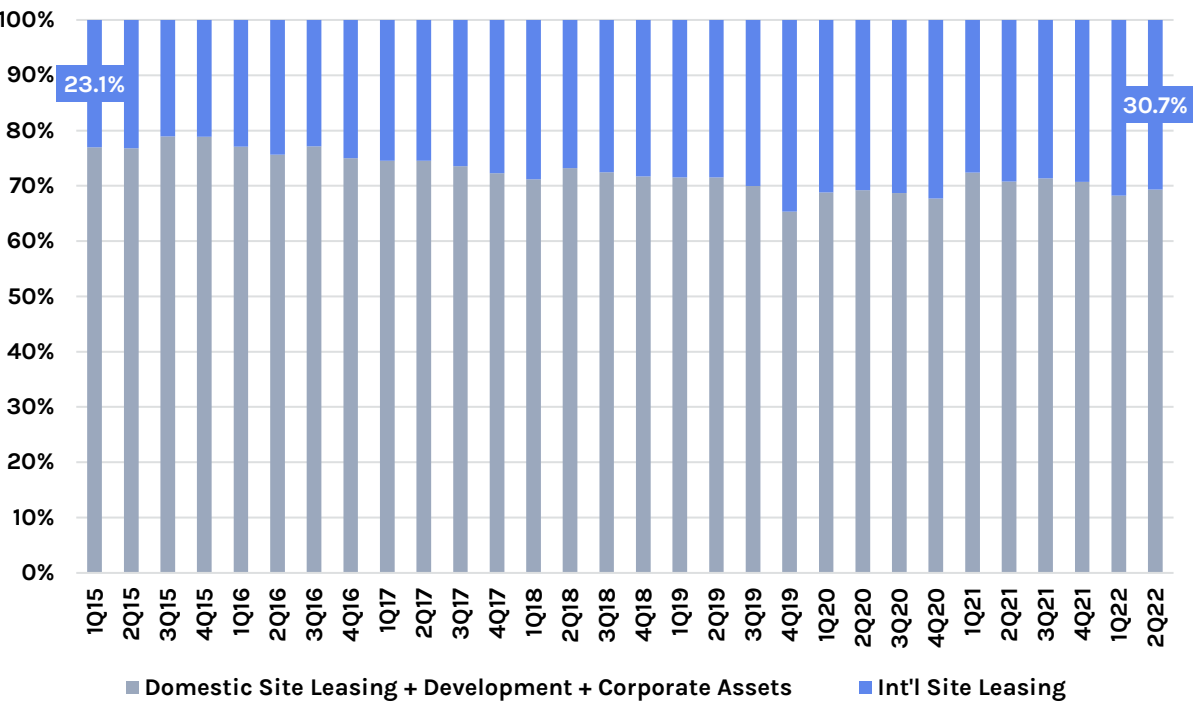
(Amounts in Millions, Except per Share Data)

		Share Price	Equity Mkt. Cap.	Net Debt	Ent. Value	Consensus EBITDA Estimates			EBITDA Multitples			Net Debt /	
						1Q22 MRQ Ann.	2022E	2023E	1Q22 MRQ Ann.	2022E	2023E	MRQ EBITDA Leverage	
Helios Towers Plc	HTWS-LON	1.32	1,383	1,013	2,396	268	252	315	8.9x	9.5x	7.6x	3.8x	
IHS Holding Ltd.	IHS	6.96	2,309	3,251	5,560	966	1,005	1,158	5.8x	5.5x	4.8x	3.4x	
Indus Towers Limited	534816-IN	197.60	532,520	52,630	585,150	92,888	133,826	144,882	6.3x	4.4x	4.0x	0.6x	
									Max	8.9x	9.5x	7.6x	3.8x
									Mean	7.0x	6.5x	5.5x	2.6x
									Min	5.8x	4.4x	4.0x	0.6x

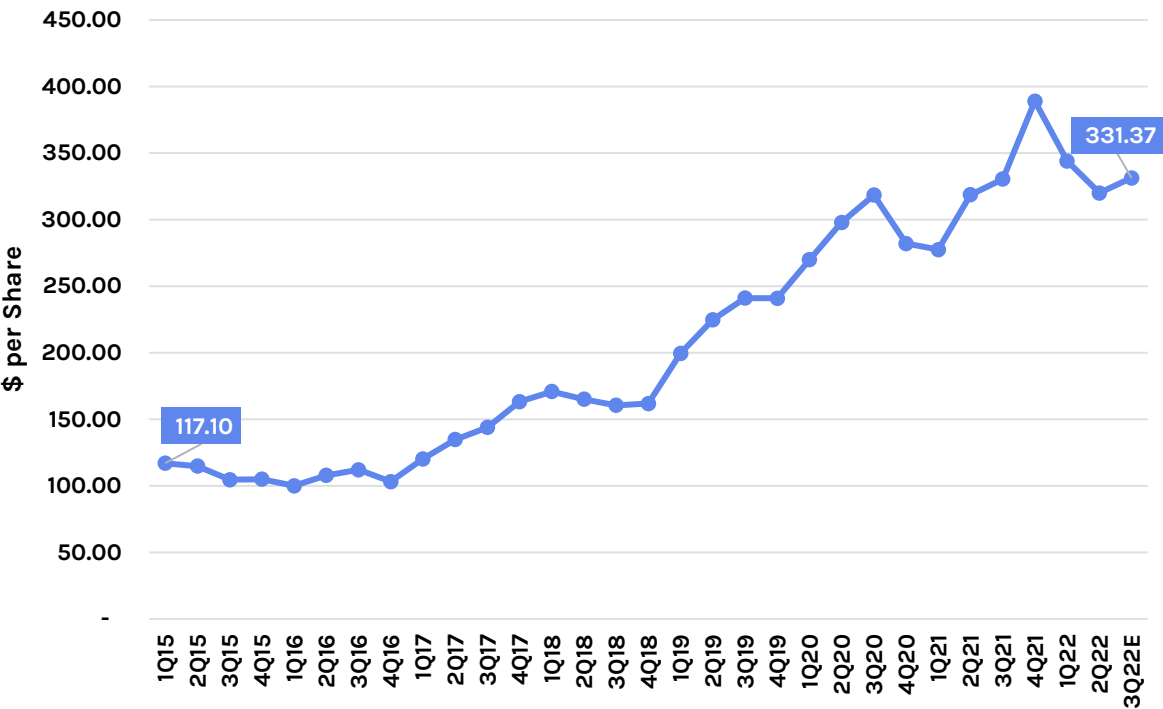
INT'L | BEING REWARDED WITH A HIGHER SHARE PRICE?

Int'l site leasing exposure **UP +760bps** since 1Q15 → Stock price **UP 3x?** Doesn't make any sense to us...

SBAC Segment Historical Net Asset Split



SBAC Historical Stock Price Chart



- **Int'l growth is slowing** with **higher operating and underlying tenant credit risk**. Domestic is mid-single-digits and also decelerating.
- Additional competition among int'l carriers leads to less pricing power, more frequent tenant bankruptcies, higher churn for the TowerCos and less TCF stability.
- SBAC is **allocating** marginal dollars towards **inferior int'l tower economics**. Would be better to just buy back more shares.

[5] VALUATION

VALUATION | SHOULD YOU BE WILLING TO PAY ~26.5x?

HEDGEYE

(Amounts in 000s, Except per Share Data)

SBAC - Cost of Capital & Justified Multiples Calculation

Cost of Capital Calculation:

Marginal Cost of Debt (A)	25.6%	4.00%
Current FCFE Yield (B)		3.65%
Sustainable FCFE Growth Rate (C)		5.50%
Marginal Cost of Equity (D) = B + C	74.4%	9.15%

Blended Cost of Capital (E) = A + D	7.83%
---------------------------------------	-------

TCF Multiple Methodology

Tower Real Estate Portfolio:

Est. Fwd. Tower Cash Flow (TCF)	1,908,193
(x) Applied Multiple	20.0x
Value of Real Estate Portfolio	38,163,851

Site Development + G&A "Carry:":

Development EBITDA	69,020
(-) SG&A Expenses	(162,602)
Net	(93,582)
(x) Applied Multiple	10.0x
Value of Development + Corporate	(935,824)

Total Firm Value	37,228,027
Total Debt	(12,564,000)
Preferred Equity	-
Cash & Cash Equivalents	183,067
Restricted Cash	64,495
Short-Term Investments	-
Equity Value	24,911,589
(/) Total Shares / Units	109,369
Equity Value / Share	227.78
Current Share Price	332.97
Premium / (Disc.) to Current	(31.6%)
Implied Fwd. Cash EBITDA Multiple	21.3x

"Justified" TCF Multiple Calc:

Marginal ROIC / Unlevered Yield (F)	11.50%
Assumed Perp. Growth Rate (G)	4.75%
Multiple (H) = (1 - (G / F)) / (E - G)	19.0x

"Justified" MV/BV Multiple Calc:

Marginal ROIC / Unlevered Yield (F)	11.50%
Assumed Perp. Growth Rate (G)	4.75%
Multiple (I) = (F - G) / (E - G)	2.19x

BV Multiple Methodology

Total Firm Value:

Gross Assets	15,343,353
(x) Applied Multiple	2.25x
Total Firm Value	34,522,544
Total Debt	(12,564,000)
Preferred Equity	-
Cash & Cash Equivalents	183,067
Restricted Cash	64,495
Short-Term Investments	-
Equity Value	22,206,106
(/) Total Shares / Units	109,369
Equity Value / Share	203.04
Current Share Price	332.97
Premium / (Disc.) to Current	(39.0%)
Implied Fwd. Cash EBITDA Multiple	19.8x

- **No.** The economics of this real estate portfolio warrant something closer to **~19-20x TCF, or ~21-22x Fwd. EBITDA.**
- **Sustainable organic TCF growth = 75% x 4.4% (Domestic) + 25% x 6% (Int'l) = ~4.75%.**
- Beyond that SBAC is just a simple cost of capital exercise.
- As a reference point, the equity is offering a 3.65% FCF yield vs. a YTW on SBAC's 7-year bonds at ~6.3% (see next slide).
- **SBAC is relatively highly levered >7x EBITDA.**
- **We see ~30% downside in SBAC shares from here.**

VALUATION | WHY NOT JUST BUY THE BONDS?

Current valuation leaves little cushion for a successful outcome vs. owning the credit

(Amounts in 000s, Except per Share Data)									Terminal Year
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
IRR / "YTW" Calculation									
Current Ann. AFFO/Share	12.23								
Implied AFFO Multiple	27.2x								
Assumed Exit Multiple	25.0x								
AFFO CAGR	5.50%								
Assumed Dividend Payout	35.00%								
Projected AFFO	12.23	12.90	13.61	14.36	15.15	15.98	16.86	17.79	18.77
IRR Calculation:									
Current Stock Price	(332.97)								
Dividend/Share		2.27	4.76	5.03	5.30	5.59	5.90	6.23	
Exit Value								469.19	
Total CF	(332.97)	2.27	4.76	5.03	5.30	5.59	5.90	475.42	
IRR (YTM)	6.30%								
Multiple	1.51x								

- SBAC’s 7-year unsecured bonds maturing 2.29 are currently yielding ~6.3%.
- Given the current \$333/share stock price which is 27x AFFO or a ~3.7% FCF yield, **SBAC could lose no more than 2x multiple turns** over the next ~7 years **before the equity would offer an inferior return** relative to the credit. The multiple is already several turns too high.
- Assumes a +5.5% FCF CAGR and 35% dividend payout ratio against AFFO.

VALUATION | IMPLIED INT'L VALUATION IS CRAZY

- The MATH dictates that ~20x TCF, or a ~5% cap rate, is the “correct” multiple to pay for SBAC’s mature and stable Domestic Site Leasing business.
- If you pay ~20x for that segment, SBAC’s current **market valuation implies that you would be paying ~45-50x for the Int’l Site Leasing business.**
- Recall that unlevered yields in Int’l are ~50% lower than Domestic, and sustainable TCF growth rates are just ~150bps higher.
- **Using the same math = 12.5x TCF**, which makes sense in a weighted average “blend” for the combined company.
- Int’l Tower comps are trading in the single-digit multiple range.
- **Put simply, you would have to have your head examined to buy this stock at current levels. The CEO agrees...**

(Amounts in 000s, Except per Share Data)

Implied Multiple on Int'l Segment	
Domestic Marginal ROIC	14.50%
Assumed Perp. Growth Rate	4.40%
Implied Fwd. TCF Multiple	20.3x

Domestic Segment Valuation:

Year 1/NTM Domestic TCF	1,480,981
Multiple	20.0x
Segment Valuation	29,619,624

Current Enterprise Value	48,733,034
(-) Domestic Segment Value	(29,619,624)
(-) Development + Corporate	935,824
Implied Int'l Segment Value	20,049,234
(/) Year 1/NTM Int'l TCF	427,211
Implied Int'l TCF Multiple	46.9x

VALUATION | DCF PRODUCES SIMILAR RESULTS

(Amounts in 000s, Except per Share Data)								Terminal Year
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Total Site Leasing Discounted Cash Flow (DCF) Analysis								
Revenue:								
Core Cash Site Leasing Revenue	2,184,694	2,272,078	2,350,648	2,443,850	2,556,868	2,675,256	2,799,276	2,929,204
Pass-Through Reimbursement	182,710	188,804	195,026	201,456	208,100	214,968	222,065	229,400
Total	2,367,404	2,460,882	2,545,674	2,645,305	2,764,968	2,890,223	3,021,341	3,158,604
Y/Y Chg. - %		3.9%	3.4%	3.9%	4.5%	4.5%	4.5%	4.5%
Cash Y/Y Chg. - %		4.0%	3.5%	4.0%	4.6%	4.6%	4.6%	4.6%
Operating Expenses:								
Cash Site Leasing Cost of Revenue	276,501	287,940	295,927	305,625	315,937	326,615	337,674	349,127
Reimbursable Expenses	182,710	188,804	195,026	201,456	208,100	214,968	222,065	229,400
Total	459,212	476,744	490,953	507,081	524,037	541,583	559,739	578,527
Y/Y Chg. - %		3.8%	3.0%	3.3%	3.3%	3.3%	3.4%	3.4%
Cash Y/Y Chg. - %		4.1%	2.8%	3.3%	3.4%	3.4%	3.4%	3.4%
Tower Cash Flow (TCF)								
	1,908,193	1,984,138	2,054,721	2,138,224	2,240,931	2,348,641	2,461,602	2,580,077
Margin %	87.3%	87.3%	87.4%	87.5%	87.6%	87.8%	87.9%	88.1%
Y/Y Chg. - %		4.0%	3.6%	4.1%	4.8%	4.8%	4.8%	4.8%
SG&A Expenses								
	162,602	169,876	175,822	181,976	188,345	194,937	201,760	208,821
Y/Y Chg. - %		4.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Tower Non-Discretionary / Maintenance Capex								
% of TCF	43,888	49,603	47,259	49,179	51,541	54,019	56,617	59,342
	2.3%	2.5%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Unlevered Cash Flow								
	1,701,702	1,764,658	1,831,641	1,907,070	2,001,045	2,099,685	2,203,226	2,311,914
Margin %	77.9%	77.7%	77.9%	78.0%	78.3%	78.5%	78.7%	78.9%
Y/Y Chg. - %		3.7%	3.8%	4.1%	4.9%	4.9%	4.9%	4.9%
Terminal TCF								2,580,077
Assumed Multiple								18.0x
Terminal Value								45,048,149
Unlevered Cost of Capital (WACC)								7.83%
NPV of Total Unlevered Cash Flows								
								38,376,298
Total Debt								(12,564,000)
Preferred Equity								-
Cash & Cash Equivalents								183,067
Restricted Cash								64,495
Short-Term Investments								-
Site Development Business								690,197
Equity Value								26,750,057
(/) Total Shares / Units								109,369
Equity Value / Share								244.59
Current Share Price								332.97
Premium / (Disc.) to Current								(26.5%)
Implied Fwd. Cash EBITDA Multiple								22.0x
Implied MOIC								1.42x

- DCF analysis is very appropriate for analyzing towers, given the relative ease and predictability of modeling TCF.
- Analysis implies ~25% to 30% of downside in the stock from current levels.
- 18x terminal TCF multiple is equivalent to assuming +50bps of cap rate expansion over a 7-year hold versus “going in.”
- Assumes 10x applied against annualized Site Development EBITDA.
- Again SBAC is a “fine business, just not at this price and not worth ~25-30x EBITDA.

VALUATION | DCF SENSITIVITY ANALYSES

		Equity Value / Share Sensitivity							Premium / (Disc.) to Current				
		Terminal TCF Multiple							Terminal TCF Multiple				
		18.0x	18.5x	19.0x	19.5x	20.0x			18.0x	18.5x	19.0x	19.5x	20.0x
Cost of Capital	7.83%	244.59	252.43	260.28	268.13	275.98	Cost of Capital	7.83%	(26.5%)	(24.2%)	(21.8%)	(19.5%)	(17.1%)
	6.70%	262.08	270.35	278.63	286.90	295.17		6.70%	(21.3%)	(18.8%)	(16.3%)	(13.8%)	(11.4%)
	6.80%	260.49	268.73	276.96	285.20	293.43		6.80%	(21.8%)	(19.3%)	(16.8%)	(14.3%)	(11.9%)
	6.90%	258.91	267.11	275.30	283.50	291.70		6.90%	(22.2%)	(19.8%)	(17.3%)	(14.9%)	(12.4%)
	7.00%	257.34	265.50	273.66	281.81	289.97		7.00%	(22.7%)	(20.3%)	(17.8%)	(15.4%)	(12.9%)
	7.10%	255.78	263.90	272.02	280.14	288.26		7.10%	(23.2%)	(20.7%)	(18.3%)	(15.9%)	(13.4%)
	7.20%	254.22	262.30	270.39	278.47	286.55		7.20%	(23.6%)	(21.2%)	(18.8%)	(16.4%)	(13.9%)
	7.30%	252.68	260.72	268.77	276.81	284.85		7.30%	(24.1%)	(21.7%)	(19.3%)	(16.9%)	(14.5%)

VALUATION | PROJECTED INCOME STATEMENT

(Amounts in 000s, Except per Share Data)

	FY	FY	FY					FY					FY	FY
	2019A	2020A	2021A	1Q22	2Q22	3Q22E	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Consolidated Statements of Operations														
Revenues:														
Site Leasing	1,860,858	1,954,471	2,104,086	559,432	580,233	581,732	596,636	2,318,033	608,413	617,218	621,583	620,692	2,467,906	2,526,797
Site Development	153,788	128,667	204,748	60,338	71,773	67,266	69,833	269,210	69,389	75,362	70,630	73,324	288,704	303,139
Total Revenues	2,014,646	2,083,138	2,308,834	619,770	652,006	648,998	666,469	2,587,243	677,802	692,579	692,212	694,016	2,756,610	2,829,936
Operating Expenses:														
Cost of Site Leasing	373,952	373,778	386,392	107,155	111,515	112,235	113,901	444,806	117,128	117,331	117,356	118,217	470,032	484,649
Cost of Site Development	119,079	102,749	159,093	45,773	54,497	50,456	52,364	203,089	52,735	57,275	53,678	55,726	219,415	230,386
SG&A Expenses	121,537	127,474	138,109	38,008	40,026	39,534	41,516	159,085	39,573	41,978	41,500	43,581	166,632	173,261
Non-Cash Compensation	71,180	66,795	81,920	24,116	23,248	18,298	27,211	92,873	26,600	25,643	20,182	30,014	102,439	112,991
Acquisition & New Business Initiatives Adj. & Expenses	15,227	16,581	27,620	5,104	6,829	-	-	11,933	-	-	-	-	-	-
Asset Impairment & Decommission Costs	33,103	40,097	33,044	8,512	8,521	-	-	17,033	-	-	-	-	-	-
Depreciation, Accretion & Amortization	697,076	721,970	700,161	174,323	176,392	176,392	176,392	703,499	176,392	176,392	176,392	176,392	705,568	705,568
Total Operating Expenses	1,431,154	1,449,444	1,526,339	402,991	421,028	396,915	411,384	1,632,318	412,428	418,619	409,109	423,930	1,664,086	1,706,855
Operating Income	583,492	633,694	782,495	216,779	230,978	252,083	255,085	954,925	265,374	273,961	283,103	270,086	1,092,524	1,123,081
Other Income / (Expense):														
Interest Income	5,500	2,981	3,448	2,502	1,517	1,054	1,726	6,799	842	1,967	3,116	4,307	10,232	28,363
Interest Expense	(390,036)	(367,874)	(352,919)	(82,252)	(84,315)	(84,526)	(85,319)	(336,412)	(86,112)	(86,081)	(86,049)	(86,017)	(344,260)	(343,753)
Non-Cash Interest Expense	(3,193)	(24,869)	(47,087)	(11,526)	(11,529)	(11,529)	(11,529)	(46,113)	(11,529)	(11,529)	(11,529)	(11,529)	(46,116)	(46,116)
Amortization of Deferred Financing Fees	(22,467)	(20,057)	(19,589)	(4,881)	(4,922)	(4,922)	(4,922)	(19,647)	(4,922)	(4,922)	(4,922)	(4,922)	(19,688)	(19,688)
Loss from Ext. of Debt, Net	(457)	(19,463)	(39,501)	-	-	-	-	-	-	-	-	-	-	-
Other (Expense) Income, Net	14,052	(222,163)	(74,283)	108,161	(66,141)	(2,100)	(2,100)	37,820	(2,100)	(2,100)	(2,100)	(2,100)	(8,400)	(8,400)
Total	(396,601)	(651,445)	(529,931)	12,004	(165,390)	(102,024)	(102,144)	(357,554)	(103,821)	(102,665)	(101,485)	(100,261)	(408,232)	(389,594)
Income Before Income Taxes	186,891	(17,751)	252,564	228,783	65,588	150,060	152,941	597,371	161,552	171,296	181,619	169,824	684,292	733,487
Provision for Income Taxes	(39,607)	41,797	(14,940)	(40,477)	3,563	(10,000)	(10,000)	(56,914)	(10,000)	(10,000)	(10,000)	(10,000)	(40,000)	(40,000)
Net Income	147,284	24,046	237,624	188,306	69,151	140,060	142,941	540,457	151,552	161,296	171,619	159,824	644,292	693,487
Noncontrolling Interests	(293)	58	-	317	365	350	350	1,382	361	361	361	361	1,442	1,500
Net Income Attributable to SBAC	146,991	24,104	237,624	188,623	69,516	140,410	143,291	541,839	151,913	161,656	171,979	160,185	645,734	694,987
Wtd. Avg. Shares - Basic	112,809	111,532	109,328	108,086	107,850	107,872	107,872	107,913	107,872	107,872	107,872	107,872	107,872	107,872
Diltuve Securities	1,884	1,933	1,849	1,458	1,497	1,497	1,497	1,489	1,497	1,497	1,497	1,497	1,497	1,497
Wtd. Avg. Shares - Diluted	114,693	113,465	111,177	109,544	109,347	109,369	109,369	109,401	109,369	109,369	109,369	109,369	109,369	109,369

VALUATION | PROJECTED CORE AFFO/SHARE

HEDGEYE

(Amounts in 000s, Except per Share Data)	FY	FY	FY					FY					FY	FY
	2019A	2020A	2021A	1Q22	2Q22	3Q22E	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
AFFO Reconciliation														
Net Income	147,284	24,046	237,624	188,306	69,151	140,060	142,941	540,457	151,552	161,296	171,619	159,824	644,292	693,487
Adjustments:														
Real Estate D&A	692,718	717,728	697,977	173,235	175,190	175,190	175,190	698,805	175,190	175,190	175,190	175,190	700,760	700,760
Asset Impairment & Decommission Costs	33,103	40,097	33,044	8,512	8,521	-	-	17,033	-	-	-	-	-	-
Reported FFO	873,105	781,871	968,645	370,053	252,862	315,250	318,131	1,256,295	326,742	336,486	346,809	335,014	1,345,052	1,394,247
Loss from Ext. of Debt, Net	457	19,463	39,501	-	-	-	-	-	-	-	-	-	-	-
Other (Expense) Income, Net	(14,052)	222,163	74,283	(108,161)	66,141	2,100	2,100	(37,820)	2,100	2,100	2,100	2,100	8,400	8,400
Acquisition & New Business Initiatives Adj. & Expenses	15,227	16,581	27,620	5,104	6,829	-	-	11,933	-	-	-	-	-	-
Core FFO	874,737	1,040,078	1,110,049	266,996	325,832	317,350	320,231	1,230,408	328,842	338,586	348,909	337,114	1,353,452	1,402,647
Core FFO / Share - Diluted	7.63	9.17	9.98	2.44	2.98	2.90	2.93	11.25	3.01	3.10	3.19	3.08	12.38	12.82
Y/Y Chg. - %	4.0%	20.2%	8.9%	-3.7%	42.5%	6.8%	10.6%	12.6%	23.4%	3.9%	9.9%	5.3%	10.0%	3.6%
Adjustments:														
Non-Cash Straight-Line Leasing Revenue	(12,367)	(3,474)	(30,113)	(8,001)	(9,846)	(9,559)	(9,280)	(36,686)	(9,009)	(8,746)	(8,491)	(8,243)	(34,489)	(30,628)
Non-Cash Straight-Line Ground Lease Expense	19,943	13,954	7,765	1,053	721	510	373	2,657	282	219	174	141	815	363
Non-Cash Compensation	73,214	68,889	84,403	24,747	23,900	18,298	27,211	94,156	26,600	25,643	20,182	30,014	102,439	112,991
Adj. for Non-Cash Portion of Tax Provision	15,936	(63,187)	(8,510)	34,262	(11,250)	-	-	23,012	-	-	-	-	-	-
Non-Real Estate D&A	4,358	4,242	2,184	1,088	1,202	1,202	1,202	4,694	1,202	1,202	1,202	1,202	4,808	4,808
Non-Cash Interest Expense	25,660	44,926	66,676	16,407	16,451	16,451	16,451	65,760	16,451	16,451	16,451	16,451	65,804	65,804
Non-Discretionary Cash Capex	(34,472)	(35,490)	(39,390)	(12,257)	(11,737)	(11,144)	(11,424)	(46,562)	(11,607)	(11,791)	(11,886)	(11,854)	(47,138)	(48,137)
AFFO	967,009	1,069,938	1,193,064	324,295	335,273	333,108	344,764	1,337,439	352,761	361,563	366,541	364,826	1,445,690	1,507,848
Oi Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adj. for JV Partner Interest	5,405	-	-	(654)	(971)	(931)	(931)	(3,487)	(959)	(959)	(959)	(959)	(3,836)	(3,990)
AFFO Attributable to SBAC	972,414	1,069,938	1,193,064	323,641	334,302	332,177	343,832	1,333,952	351,802	360,604	365,582	363,867	1,441,854	1,503,858
Core AFFO / Share - Diluted	8.48	9.43	10.73	2.95	3.06	3.04	3.14	12.19	3.22	3.30	3.34	3.33	13.18	13.75
Y/Y Chg. - %	11.7%	11.2%	13.8%	14.7%	15.9%	12.0%	12.0%	13.6%	8.9%	7.8%	10.1%	5.8%	8.1%	4.3%
% of Core FFO	111.2%	102.9%	107.5%	121.2%	102.6%	104.7%	107.4%	108.4%	107.0%	106.5%	104.8%	107.9%	106.5%	107.2%
Maintenance Capex / TCF (NOI)	2.3%	2.2%	2.3%	2.8%	2.6%	2.4%	2.4%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
FCF Yield	3.61%	3.53%	2.89%	3.43%	3.82%	3.65%	3.78%	3.78%	3.86%	3.96%	4.02%	4.00%	4.00%	4.21%

VALUATION | PROJECTED ADJ. CASH EBITDA

(Amounts in 000s, Except per Share Data)	FY	FY	FY					FY					FY	FY
	2019A	2020A	2021A	1Q22	2Q22	3Q22E	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Adj. EBITDA Reconciliation														
Net Income	147,284	24,046	237,624	188,306	69,151	140,060	142,941	540,457	151,552	161,296	171,619	159,824	644,292	693,487
Adjustments:														
Non-Cash Compensation	73,214	68,889	84,403	24,747	23,900	18,298	27,211	94,156	26,600	25,643	20,182	30,014	102,439	112,991
Loss from Ext. of Debt, Net	457	19,463	39,501	-	-	-	-	-	-	-	-	-	-	-
Other (Expense) Income, Net	(14,052)	222,163	74,283	(108,161)	66,141	2,100	2,100	(37,820)	2,100	2,100	2,100	2,100	8,400	8,400
Acquisition & New Business Initiatives Adj. & Expenses	15,227	16,581	27,620	5,104	6,829	-	-	11,933	-	-	-	-	-	-
Asset Impairment & Decommission Costs	33,103	40,097	33,044	8,512	8,521	-	-	17,033	-	-	-	-	-	-
Interest Income	(5,500)	(2,981)	(3,448)	(2,502)	(1,517)	(1,054)	(1,726)	(6,799)	(842)	(1,967)	(3,116)	(4,307)	(10,232)	(28,363)
Interest Expense	415,696	412,800	419,595	98,659	100,766	100,977	101,770	402,172	102,563	102,532	102,500	102,468	410,064	409,557
Depreciation, Accretion & Amortization	697,076	721,970	700,161	174,323	176,392	176,392	176,392	703,499	176,392	176,392	176,392	176,392	705,568	705,568
Provision for Income Taxes	40,551	(40,896)	15,847	41,711	(3,302)	10,225	10,225	58,859	10,225	10,225	10,225	10,225	40,900	40,900
Oi Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adj. EBITDA	1,403,056	1,482,132	1,628,630	430,699	446,881	446,998	458,913	1,783,491	468,591	476,220	479,903	476,717	1,901,431	1,942,540
Y/Y Chg. - %	8.1%	5.6%	9.9%	11.0%	9.6%	7.5%	10.0%	9.5%	8.8%	6.6%	7.4%	3.9%	6.6%	2.2%
Adj. EBITDA Margin	69.6%	71.1%	70.5%	69.5%	68.5%	68.9%	68.9%	68.9%	69.1%	68.8%	69.3%	68.7%	69.0%	68.6%
Y/Y Chg. - bp	10	151	(61)	(122)	(230)	(165)	(125)	(161)	(36)	22	45	(17)	4	(33)
Adjustments:														
Non-Cash Straight-Line Leasing Revenue	(12,367)	(3,474)	(30,113)	(8,001)	(9,846)	(9,559)	(9,280)	(36,686)	(9,009)	(8,746)	(8,491)	(8,243)	(34,489)	(30,628)
Non-Cash Straight-Line Ground Lease Expense	19,943	13,954	7,765	1,053	721	510	373	2,657	282	219	174	141	815	363
Adj. Cash EBITDA	1,410,632	1,492,612	1,606,282	423,751	437,756	437,949	450,006	1,749,462	459,863	467,693	471,586	468,615	1,867,757	1,912,275
Y/Y Chg. - %	8.1%	5.8%	7.6%	8.6%	9.4%	7.6%	10.0%	8.9%	8.5%	6.8%	7.7%	4.1%	6.8%	2.4%
Adj. Cash EBITDA Margin	70.5%	71.8%	70.5%	69.3%	68.2%	68.5%	68.5%	68.6%	68.8%	68.4%	69.0%	68.3%	68.6%	68.3%
Y/Y Chg. - bp	(21)	132	(128)	(189)	(253)	(181)	(137)	(190)	(51)	22	48	(14)	2	(30)
Pass-Through Reimbursable Expenses	(120,837)	(121,415)	(135,406)	(40,914)	(44,749)	(45,117)	(45,489)	(176,269)	(45,863)	(46,241)	(46,622)	(47,006)	(185,732)	(191,928)
Adj. Cash Revenue	1,881,442	1,958,249	2,143,315	570,855	597,411	594,322	611,700	2,374,288	622,929	637,592	637,100	638,768	2,536,389	2,607,380
"Net" Adj. Cash EBITDA Margin	75.0%	76.2%	74.9%	74.2%	73.3%	73.7%	73.6%	73.7%	73.8%	73.4%	74.0%	73.4%	73.6%	73.3%
Y/Y Chg. - bp	(36)	125	(128)	(137)	(174)	(102)	(92)	(126)	(41)	8	33	(20)	(5)	(30)

VALUATION | PROJECTED TOWER CASH FLOW (TCF)

(Amounts in 000s, Except per Share Data)														
	FY	FY	FY					FY					FY	FY
	2019A	2020A	2021A	1Q22	2Q22	3Q22E	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Tower Cash Flow														
Site Leasing Revenue	1,860,858	1,954,471	2,104,086	559,432	580,233	581,732	596,636	2,318,033	608,413	617,218	621,583	620,692	2,467,906	2,526,797
Non-Cash Straight-Line Leasing Revenue	(12,367)	(3,474)	(30,113)	(8,001)	(9,846)	(9,559)	(9,280)	(36,686)	(9,009)	(8,746)	(8,491)	(8,243)	(34,489)	(30,628)
Cash Site Leasing Revenue	1,848,491	1,950,997	2,073,973	551,431	570,387	572,173	587,356	2,281,347	599,404	608,471	613,092	612,449	2,433,416	2,496,169
Y/Y Chg. - %	7.4%	5.5%	6.3%	9.3%		9.0%	10.9%	10.0%	8.7%		7.2%	4.3%	6.7%	2.6%
Cost of Site Leasing	(373,952)	(373,778)	(386,392)	(107,155)	(111,515)	(112,235)	(113,901)	(444,806)	(117,128)	(117,331)	(117,356)	(118,217)	(470,032)	(484,649)
Non-Cash Straight-Line Ground Lease Expense	19,943	13,954	7,765	1,053	721	510	373	2,657	282	219	174	141	815	363
Tower Cash Flow	1,494,482	1,591,173	1,695,346	445,329	459,593	460,448	473,828	1,839,198	482,558	491,359	495,910	494,373	1,964,200	2,011,883
Y/Y Chg. - %	8.6%	6.5%	6.5%	8.1%	9.1%	7.5%	9.1%	8.5%	8.4%	6.9%	7.7%	4.3%	6.8%	2.4%
Check	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tower Cash Flow Margin	80.8%	81.6%	81.7%	80.8%	80.6%	80.5%	80.7%	80.6%	80.5%	80.8%	80.9%	80.7%	80.7%	80.6%
Y/Y Chg. - bp	95	71	19	(86)	(128)	(107)	(128)	(112)	(25)	18	41	5	10	(12)
Pass-Through Reimbursable Expenses	(120,837)	(121,415)	(135,406)	(40,914)	(44,749)	(45,117)	(45,489)	(176,269)	(45,863)	(46,241)	(46,622)	(47,006)	(185,732)	(191,928)
Adj. Cash Site Leasing Revenue	1,727,654	1,829,582	1,938,567	510,517	525,638	527,056	541,867	2,105,078	553,541	562,230	566,470	565,443	2,247,684	2,304,241
"Net" Tower Cash Flow Margin	86.5%	87.0%	87.5%	87.2%	87.4%	87.4%	87.4%	87.4%	87.2%	87.4%	87.5%	87.4%	87.4%	87.3%
Y/Y Chg. - bp	90	47	48	4	5	14	(57)	(8)	(5)	(4)	18	(1)	2	(8)
Tower Cash Flow:														
Domestic	1,236,742	1,307,976	1,395,125	358,392	366,462	364,971	371,619	1,461,443	368,867	375,525	380,161	380,561	1,505,114	1,531,974
International	257,740	283,197	300,221	86,937	93,131	95,477	102,209	377,754	113,691	115,834	115,749	113,812	459,086	479,909
Total	1,494,482	1,591,173	1,695,346	445,329	459,593	460,448	473,828	1,839,198	482,558	491,359	495,910	494,373	1,964,200	2,011,883
Check	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Breakdown:														
Domestic	82.8%	82.2%	82.3%	80.5%	79.7%	79.3%	78.4%	79.5%	76.4%	76.4%	76.7%	77.0%	76.6%	76.1%
International	17.2%	17.8%	17.7%	19.5%	20.3%	20.7%	21.6%	20.5%	23.6%	23.6%	23.3%	23.0%	23.4%	23.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

VALUATION | LEVERAGE ASSUMPTIONS

We do not assume any incremental share repurchase activity or acquisitions beyond the GTS transaction

(Amounts in 000s, Except per Share Data)	FY	FY	FY					FY					FY	FY
	2019A	2020A	2021A	1Q22	2Q22	3Q22E	4Q22E	2022E	1Q23E	2Q23E	3Q23E	4Q23E	2023E	2024E
Leverage & Coverage														
Unsecured Bank Debt	2,854,000	2,720,000	2,666,000	2,990,000	2,834,000	2,778,000	3,172,000	3,172,000	3,166,000	3,160,000	3,154,000	3,148,000	3,148,000	3,124,000
Unsecured Senior Notes	2,600,000	3,350,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Secured Tower Revenue Securities	4,960,000	5,110,000	6,730,000	6,730,000	6,730,000	6,730,000	6,730,000	6,730,000	6,730,000	6,730,000	6,730,000	6,730,000	6,730,000	6,730,000
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt	10,414,000	11,180,000	12,396,000	12,720,000	12,564,000	12,508,000	12,902,000	12,902,000	12,896,000	12,890,000	12,884,000	12,878,000	12,878,000	12,854,000
Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt + Pfd.	10,414,000	11,180,000	12,396,000	12,720,000	12,564,000	12,508,000	12,902,000	12,902,000	12,896,000	12,890,000	12,884,000	12,878,000	12,878,000	12,854,000
Cash & Cash Equivalents	(108,309)	(308,560)	(367,278)	(263,569)	(183,067)	(306,826)	(168,394)	(168,394)	(393,378)	(623,111)	(861,450)	(1,069,338)	(1,069,338)	(2,011,846)
Restricted Cash	(32,811)	(34,248)	(68,348)	(72,869)	(67,911)	(67,911)	(67,911)	(67,911)	(67,911)	(67,911)	(67,911)	(67,911)	(67,911)	(67,911)
Short-Term Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Debt + Pfd.	10,272,880	10,837,192	11,960,374	12,383,562	12,313,022	12,133,263	12,665,695	12,665,695	12,434,711	12,198,978	11,954,639	11,740,751	11,740,751	10,774,243
Gross Assets	13,372,084	13,379,964	14,672,294	15,273,937	15,343,353	15,376,737	16,219,221	16,219,221	16,294,853	16,354,460	16,348,088	16,450,342	16,450,342	16,660,612
Total Market Capitalization	37,836,975	42,679,815	55,510,309	50,317,742	47,567,548	48,924,596	49,318,596	49,318,596	49,312,596	49,306,596	49,300,596	49,294,596	49,294,596	49,270,596
Enterprise Value	37,695,855	42,337,007	55,074,683	49,981,304	47,316,570	48,549,859	49,082,291	49,082,291	48,851,307	48,615,574	48,371,235	48,157,347	48,157,347	47,190,839
Construction-In-Progress	33,644	38,065	47,565	54,487	64,625	64,625	64,625	64,625	64,625	64,625	64,625	64,625	64,625	64,625
Assumed Yield	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Incr. EBITDA	2,019	2,284	2,854	3,269	3,878	3,878	3,878	3,878	3,878	3,878	3,878	3,878	3,878	3,878
Consolidated Total Debt + Pfd. / Gross Assets	77.9%	83.6%	84.5%	83.3%	81.9%	81.3%	79.5%	79.5%	79.1%	78.8%	78.8%	78.3%	78.3%	77.2%
Total Debt + Pfd. / Total Market Cap.	27.5%	26.2%	22.3%	25.3%	26.4%	25.6%	26.2%	26.2%	26.2%	26.1%	26.1%	26.1%	26.1%	26.1%
Net Debt + Pfd. / Ent. Value	27.3%	25.6%	21.7%	24.8%	26.0%	25.0%	25.8%	25.8%	25.5%	25.1%	24.7%	24.4%	24.4%	22.8%
Annualized Cash EBITDA	1,449,572	1,522,384	1,636,212	1,695,004	1,751,024	1,751,796	1,800,023	1,800,023	1,839,451	1,870,771	1,886,344	1,874,460	1,874,460	1,932,844
LTM Cash EBITDA	1,410,632	1,492,612	1,606,282	1,639,962	1,677,524	1,708,509	1,749,462	1,749,462	1,785,573	1,815,510	1,849,147	1,867,757	1,867,757	1,912,275
LTM Cash Interest Expense	390,036	367,874	352,919	345,076	338,847	334,174	336,412	336,412	340,273	342,039	343,561	344,260	344,260	343,753
LTM Preferred Dividends														
LTM Debt Amortization														
Total Debt + Pfd. / Ann. EBITDA	7.2x	7.3x	7.6x	7.5x	7.2x	7.1x	7.2x	7.2x	7.0x	6.9x	6.8x	6.9x	6.9x	6.7x
Net Debt + Pfd. / Ann. EBITDA	7.1x	7.1x	7.3x	7.3x	7.0x	6.9x	7.0x	7.0x	6.8x	6.5x	6.3x	6.3x	6.3x	5.6x
Total Debt / LTM EBITDA	7.4x	7.5x	7.7x	7.8x	7.5x	7.3x	7.4x	7.4x	7.2x	7.1x	7.0x	6.9x	6.9x	6.7x
Total Debt + Pfd. / LTM EBITDA	7.4x	7.5x	7.7x	7.8x	7.5x	7.3x	7.4x	7.4x	7.2x	7.1x	7.0x	6.9x	6.9x	6.7x
Net Debt + Pfd. / LTM EBITDA	7.3x	7.3x	7.4x	7.6x	7.3x	7.1x	7.2x	7.2x	7.0x	6.7x	6.5x	6.3x	6.3x	5.6x
Adj. Net Debt + Pfd. / LTM EBITDA	7.3x	7.2x	7.4x	7.5x	7.3x	7.1x	7.2x	7.2x	6.9x	6.7x	6.5x	6.3x	6.3x	5.6x
Cash EBITDA / Int. Exp.	3.62x	4.06x	4.55x	4.75x	4.95x	5.11x	5.20x	5.20x	5.25x	5.31x	5.38x	5.43x	5.43x	5.56x
Cash EBITDA / Fixed Charges	3.62x	4.06x	4.55x	4.75x	4.95x	5.11x	5.20x	5.20x	5.25x	5.31x	5.38x	5.43x	5.43x	5.56x

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