



# AIC Equity Fund Pitch

Financials & Real Estate

**Michael Blackburne, Max Finnegan, Gauravaram Ganesh, Reece Jumonville, and Christian Larios**

**(NYSE: CCI)**

Current Price: \$97.82

2 Year Target Price: \$158.68

Implied Upside: 62.22%



# Crown Castle Overview

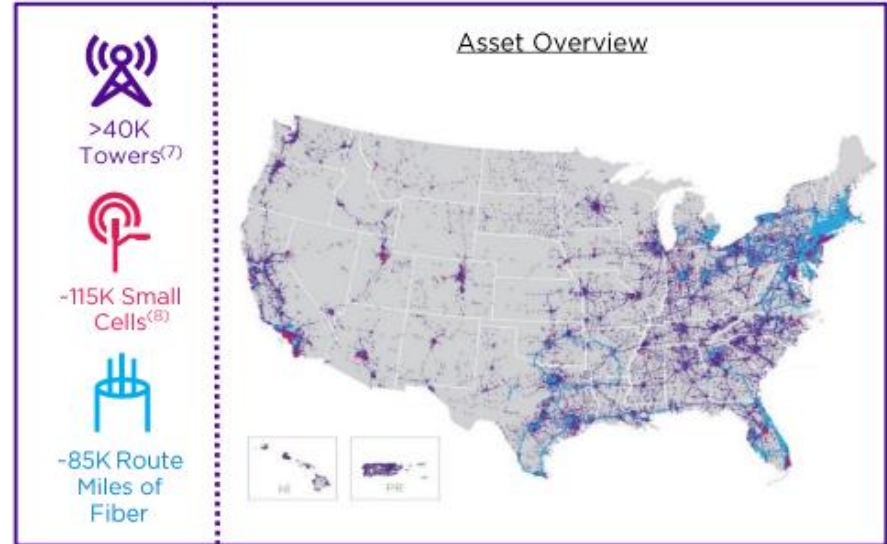


## Business Description

- CCI is an Real Estate Investment Trust **S&P 500 company** (ranked 192) that owns, leases and manages towers, fiber networks, and cell networks to provide shared communication infrastructure solutions in a growing digital world.
- CCI owns, leases, or manages approximately 39,600 towers in the US/ Puerto Rico and 1,700 towers in Australia. They currently have about 90k route miles of fiber and about 115k small cells on air or under contract

## Recent Headlines

- **May 22nd, 2024** annual meeting of shareholders
- Quarterly cash dividend of \$1.565 per common share announced 2/21/24 payable 3/28/24
- Ongoing proxy fight between Miller and Crown Castle. Miller has put together a plan to sell off the fiber optic segment
- Elliott an active investor \$2Bn in equity striving for a restructure of CCI's assets, debt, and management



## Dispose underperforming assets

Opportunity to sell fiber and small cells valued at **\$12Bn-\$15Bn** from a 11.1X EBITDA multiple while the market values CCI's fiber and small cells at 0.9X EBITDA multiple. Incentivized by \$1Bn Tax Credit if executed by the end of 2024.

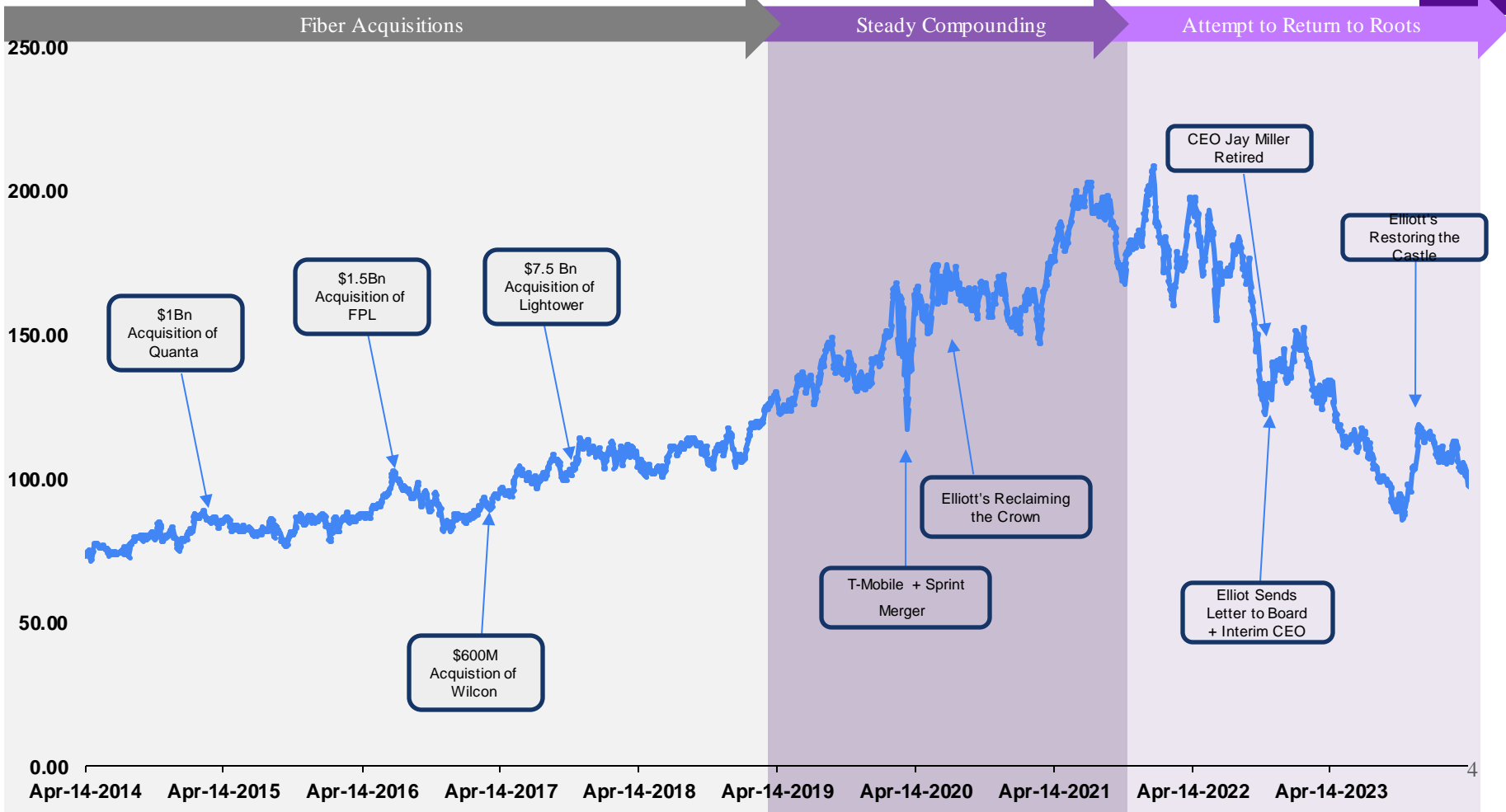
## Restructure management and financials

Lack of proper asset management and loss aversion experienced with previous CEO, created consistent double downing on underperforming fiber assets. Spent **\$19Bn in CapEx** and **\$11Bn in five Fiber acquisitions** while the shareholders' value CCI's fiber at **\$1.3Bn**.

## Resilient business model

CCI's high quality core business – Cell Towers has an attractive business model supported by a strong quality of revenue sources. As consumers demand exponentially more data CCI's existing tower infrastructure create lower future CapEx in relation to future growth.

# Why this Opportunity Exists



## Key Company Executives



Anthony J. Melone  
Director, Interim  
President and CEO

- Director of Crown Castle since 2015
- Served as Chief Technology Officer and EVP of Verizon Communications from 2010 – 2015
- Several years of telecommunications experience



Daniel K. Schlanger  
Executive VP, CFO

- EVP of CCI since 2020
- Former SVP of Global Products and CFO at Exterran GP
- Spent lots of time in global product strategy development and implementation



Mike J. Kavanagh  
Executive VP  
COO Towers

- Appointed January 2024
- Joined CCI in 2010 with experience in small cells, mobilization and growth opportunities
- More than 30 years of experience in the telecommunications industry



Chris D. Levandos  
Executive VP  
COO Fiber

- Appointed January 2024
- Leading force in driving innovation in network development with experience operating and leading large fiber network organizations
- More than 30 years of experience in fiber

## Quick Facts

# 13

Members on the Board of Trust  
Managers

# Board of Directors (13)



## New Directors



Jason Genrich  
Director  
December 2023

- Portfolio Manager at Elliott Investment Group



Sunit Patel  
Director  
December 2023

- CFO of Ibotta. Former T-Mobile Executive VP



Kevin Kabat  
Director  
August 2023

- Former President & CEO at Fifth Third Securities Inc.



Bradley Singer  
Director  
January 2024

- Former CFO and Treasurer of AMT

## Committees

- **Robert Bartolo** (2014) – Chair of the Crown Castle board. Newly appointed chair of the fiber committee
- **New Fiber Review Committee** along with Anthony J. Melone (the Company’s interim CEO), Kevin A. Stephens, and newly appointed directors Mr. Genrich and Mr. Patel
- The **CEO Search Committee** is chaired by Tammy K. Jones and will also include Mr. Bartolo, Mr. Genrich and Kevin T. Kabat

## Quick Facts

5.7

Average years of experience

8

New directors since 2020

5

Directors with fiber experience

# Activist Investor Enters to Unlock Value in CCI



- Private investment activist firm led by **Paul Singer**
- **\$65.5B AUM** (12/31/23)
- Half are dedicated to portfolio management and analysis, trading and research
- **Invested nearly \$50B in Technology, Media, and Telecom (TMT) sector**
- Deep TMT experience with a team of investment professionals focused exclusively on the industry
- **Approximate \$2B stake in CCI**
- **Cooperation agreement between CCI and Elliott (12/19/23)**

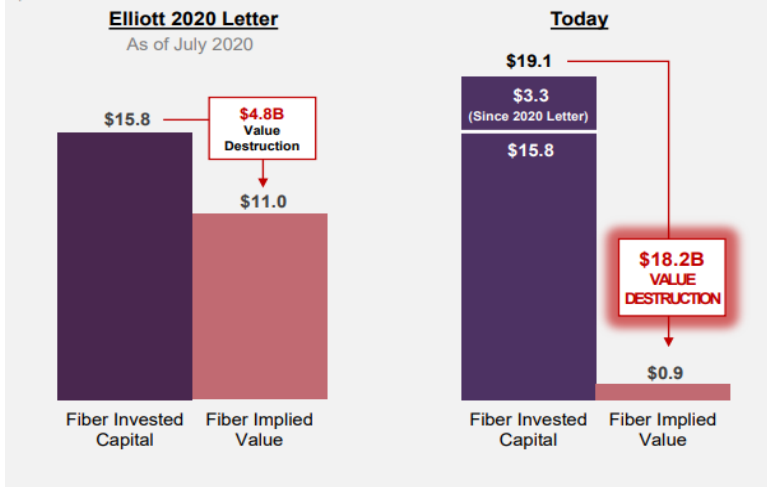


# Fiber Timeline and Destruction of Value

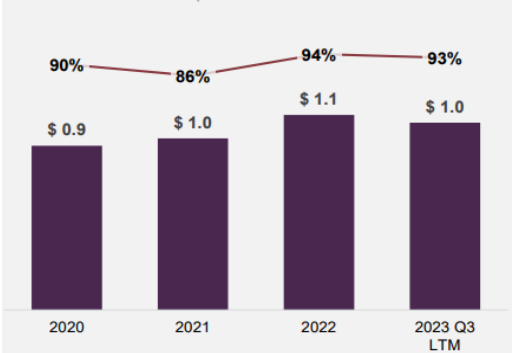


- **2011** – Quick divergence from core tower business to invest in fiber
- **2020** - **\$16B** invested in fiber generating a **6%** return
- MV of fiber of \$11B, **estimating \$5B in destruction**
- Elliott releases "**Reclaiming The Crown**" in 2020
- Advising CC to commit to a higher return threshold for Fiber Capex, refresh the board, align management comp with fiber performance

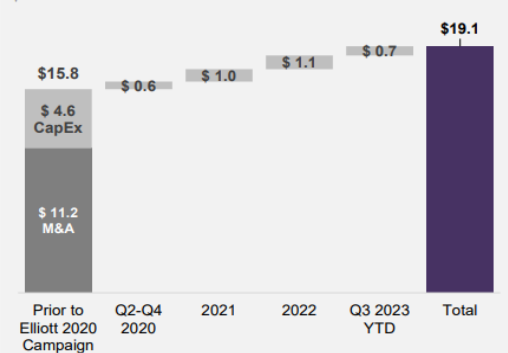
Fiber Invested Capital vs. Current Implied Market Value  
\$B



Annual Fiber CapEx  
% of Fiber EBITDA and \$B



Cumulative Capital Investment In Fiber  
\$B



## Since Then

- CC doubled down on fiber, again
- More unconstrained fiber spend resulting in further underperformance



## Proposed Strategy to Remedy CC's Underperformance

1. **Management Change** - Need for a new CEO
2. **Review of the Fiber Business** - Complete strategic and operating review of the Fiber business under the supervision of new directors with deep fiber experience
3. **Embracing Accountability** - Upgrade of the board, new shareholder-aligned incentive structure

## What has CC Done?

1. **Jay Brown retired**. CC assigned interim CEO Anthony Melone and created a CEO Search Committee
2. **CC established the Fiber Review Committee** with the goal of directing a strategic and operating review of the company's fiber business
3. **5 new board members**, 2 of which have been appointed to the Fiber Review Committee (Genrich and Patel)





**Sell Fiber**



**Run a tighter organization**



**Paying down debt and buying back shares**

# Miller's Plan...



1. **Sell fiber ~ \$12Bn-\$15Bn** with existing 6-month head start and 25 NDA's
2. **Capture tax benefits.** If a fiber transaction could be completed in 2024, Miller's accounting advisors estimate significant tax benefits. At over \$1 billion, but that expire at the end of 2024.
3. Buy back **\$1.9 billion** in shares
4. Increase efficiency levels, in terms of tower per employee, from 18 to AMT levels of 23 or better by 2026. CCI's tower portfolio has remained 40,000 towers over the past decade even as staff levels and operating costs have increased.
5. Repair a **broken culture**. Miller believes that the company today is "managed by financial engineers and not actual operators." He wants the company to get back to tower operational basics.
6. Deliver materially improved financials:
  - Achieve AFFO after Discretionary CapEx of \$2.2 billion by 2025.
  - Drive EBITDA margin per tower from 70 percent toward 75-80 percent, in line with AMT and SBAC.
  - Achieve a **dividend payout of 90 percent**, or \$4.62/share in 2025, with annual growth of 6-7 percent
  - Pay off all floating rate debt and eliminate CCI's interest rate exposure.
  - Paydown or buyout **\$4 billion of fixed rate debt** and reduce fixed rate maturities by 15 percent by 2026.



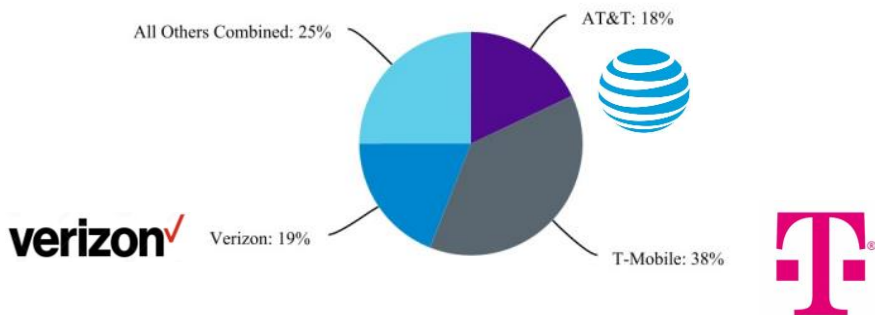
# Crown Castle Overview



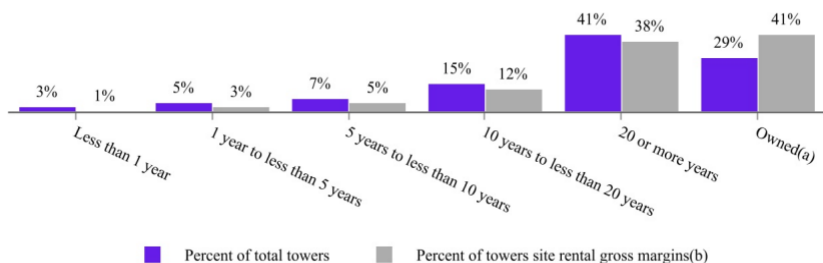
## Business Description

- Weighted average remaining Tenant contract term: 6 years
- Remaining Contracted Tenant Receivables: \$39Bn
- Tenants all investment grade: BBB

### Site Rental Revenues by Tenant

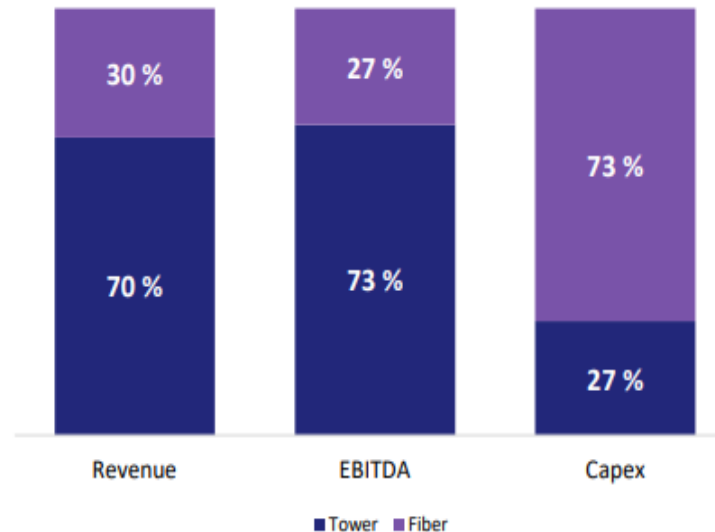


### Remaining Term (in years)



"We have the tower business... and then what we would call the fiber side of our business, which is an extension of towers into what is called small cells. **Same asset, same business model, just shorter. That's why they're called small.**"

CFO Dan Schlanger, June 2023



**Towers:** Owns ~40,000 wireless towers exclusively in the US and provides critical infrastructure for wireless carriers; frequently considered the "best business ever" given the quality of revenue

**Fiber:** Provides fiber infrastructure to enterprise and carrier customers on ~80,000 route miles of fiber; revenue is split 70% enterprise fiber and 30% small cells

# Financial Summary



Crown Castle's financials emphasize the company's **strong margins and core business**

<b>Market Cap</b>	\$48,445.4MM	<b>LTM Revenue</b>	\$6,981MM	<b>Dividend Yield</b>	6.2%
<b>Enterprise Value</b>	\$77,154.4MM	<b>LTM EBITDA</b>	\$4,197MM	<b>Credit Rating (Fitch, Moody's, and S&amp;P)</b>	BBB+
<b>Total Debt</b>	\$28,814MM	<b>LTM Net Income</b>	\$1,502MM	<b>Return on Common Equity</b>	21.7%
<b>Cash &amp; Equivalents</b>	\$105MM	<b>LTM FFO</b>	\$3,227MM	<b>ROA</b>	3.9%
<b>Available under RLOC</b>	\$6.29Bn	<b>LTM Gross Margin</b>	71.6%	<b>LTM EBITDA/Interest Exp.</b>	4.5X
<b>EBITDA Margin</b>	60.1%	<b>Debt/Equity</b>	451.6%	<b>LTM Net Debt/EBITDA</b>	5.7X

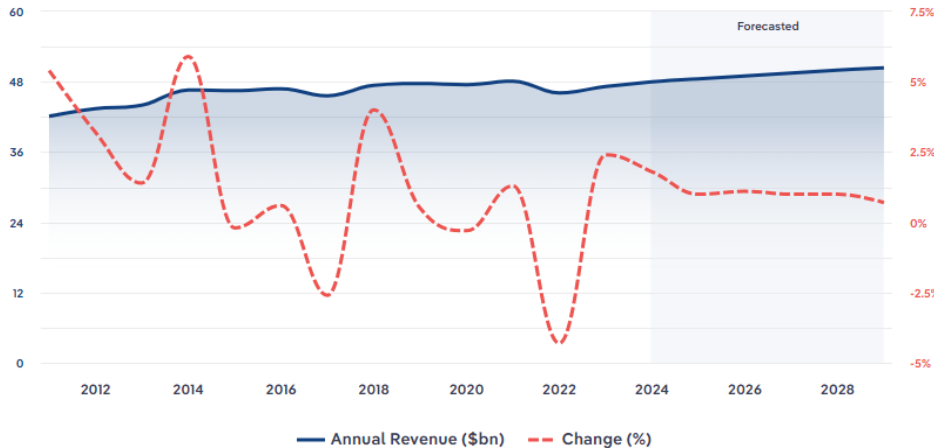
# Market Overview – US Cell Towers



\$48Bn industry revenue LTM - high barriers to enter with multiple regulations (FCC & FAA)

## Market Size / Growth

*In Billions USD*



**2024 Revenue CAGR of 1.8%**

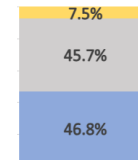
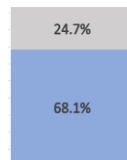
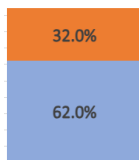
## Key Factors Impacting Market

- T-Mobile and Sprint merger (8% decrease only 2023)
- + Population/Density increase
- + Exiting infrastructure permanent fixation of towers
- + Strong quality of revenue source
- International diversification raises political risks

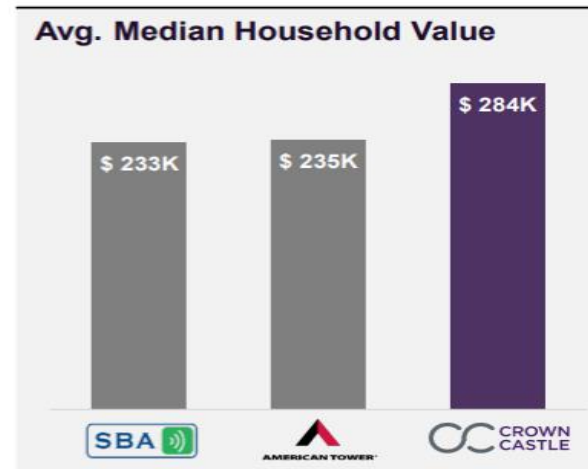
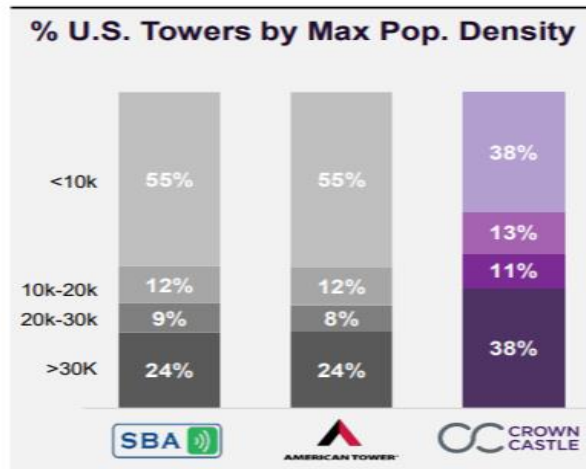
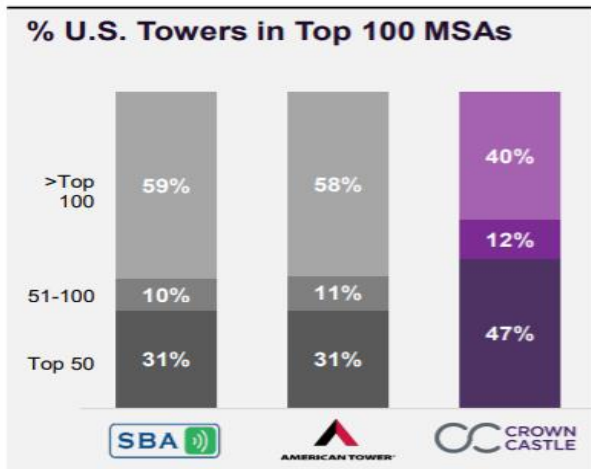
# Competitive Landscape - Towers



- US Tower Rev
- International
- Data Center
- Fiber/Small Cell



<b>Mkt Cap</b>	42.18B	23.02B	89.62B
<b>Tower (twr/empty)</b>	40,000 (10)	39,618 (22.2)	222,830 (39.5)
<b>US Mkt Share</b>	14%	3.7%	11.8%
<b>AFFO</b>	3.277B	1.277B	4.611B



# Competitive Landscape - Dark Fiber Networks

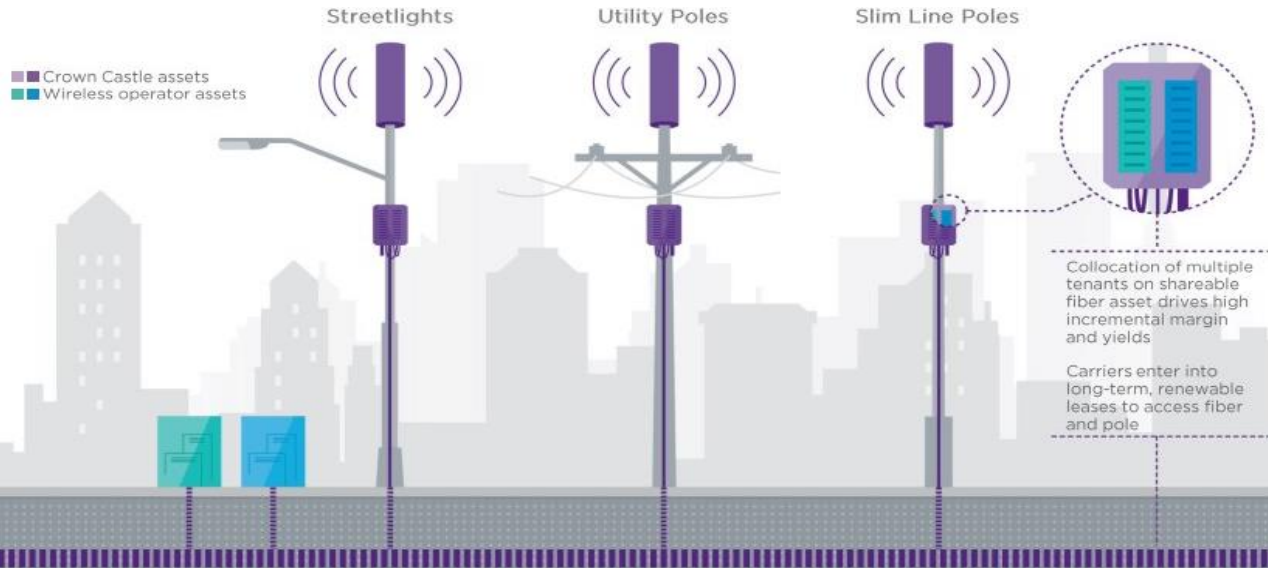


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GROUP

CROWN  
CASTLE

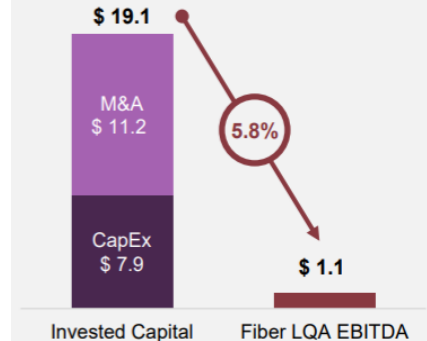
<b>Mkt Cap</b>	1.42B	8.31B	42.5B
<b>Mkt Share</b>	29.4%	25%	30%
<b>Fiber</b>	~350K miles	~141K Miles	~90,000 miles and 115K small cells



Today, Crown's cumulative return on Fiber is 5.8% – well below the Company's weighted average cost of capital of 9.1%

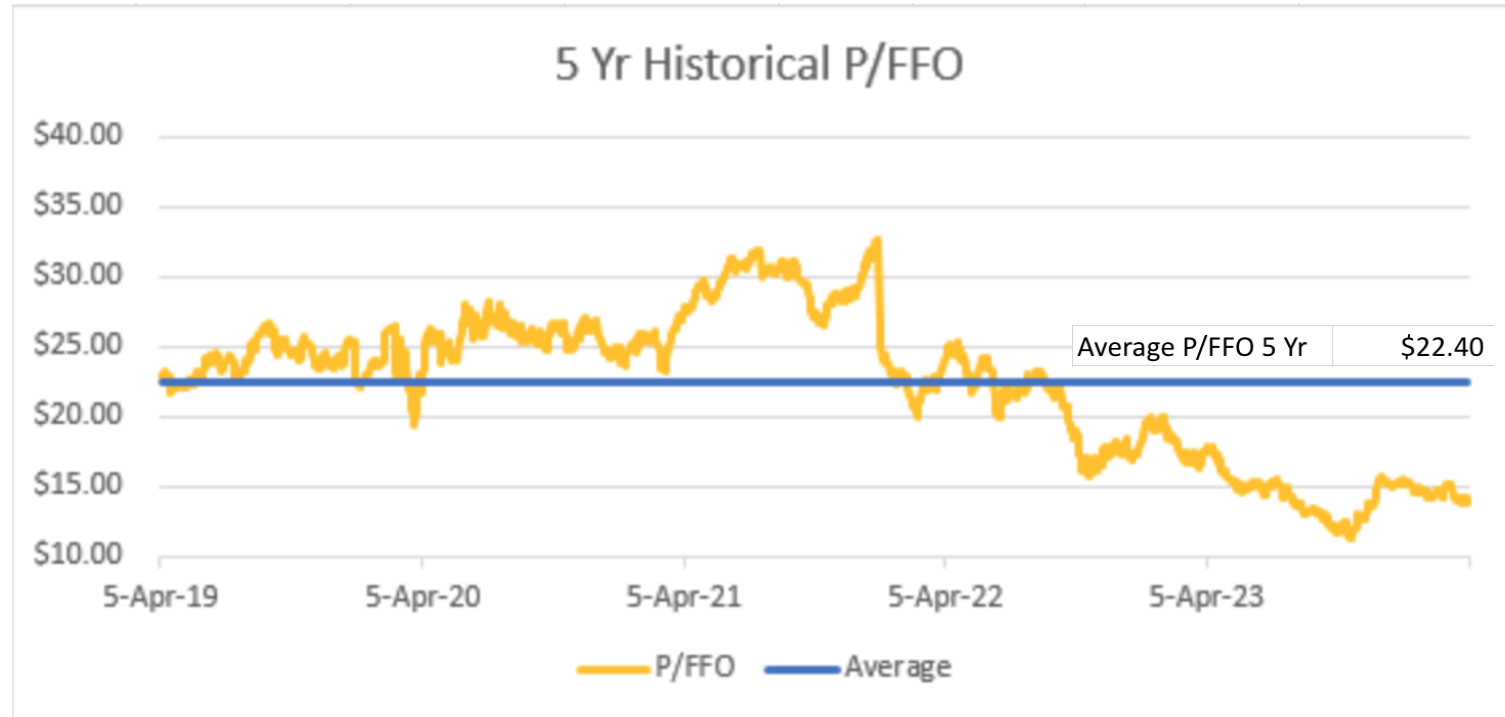
## Cumulative Fiber ROIC

\$B; as of Q3 2023





# Price/Funds From Operation



**Funds From Operation (FFO)** is a more accurate way to measure a REIT's performance by **adding back depreciation** back to net income & **deducts any gains or losses** from the **sale of an asset**

# Valuation: If CCI does not sell Fiber



## Discounted Cash Flow

- WACC: 6.74% & Share Price **\$104.34**
- Cap IQ market consensus & P/FFO Multiple 18.4X

## Some Of The Parts

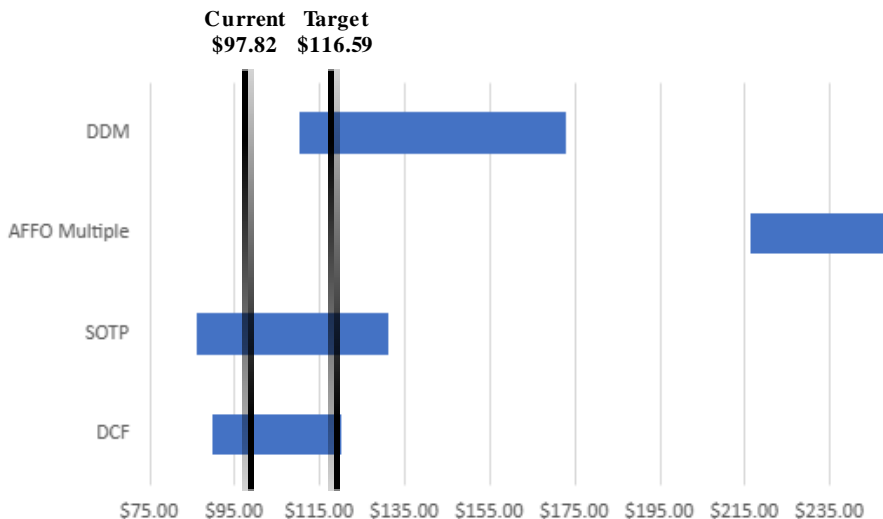
- Fiber EBITDA Multiple **5X** (Lumen Tech)
- US Tower EBITDA Multiple **23.9X** (AMT & SBAC)
- Total EV value of \$79,161 MM
- Share Price: **\$108.78**

## Trading Comps

- AMT P/AFFO Multiple **19.3X**
- SBAC P/AFFO Multiple **16.3X**
- Industry Avg. P/AFFO Multiple **17.8X** .... CCI is at **12.9X**

## Discount Dividend Model

- Trailing Twelve Months \$6.28 dividend per share
- 10-year historical dividend CAGR of **14.6%**
- Growth Rate assumed 2%



	Share Price	Min	Diff	Max	Weight%	Weight\$
DCF	\$ 104.34	\$ 89.83	\$ 30.43	\$ 120.26	0.5	\$ 52.17
SOTP	\$ 108.78	\$ 86.43	\$ 44.78	\$ 131.21	0.3	\$ 32.63
AFFO Multiple	\$ 230.51	\$ 210.12	\$ 43.68	\$ 253.79	0.05	\$ 11.53
DDM	\$ 135.08	\$ 110.46	\$ 62.40	\$ 172.86	0.15	\$ 20.26
<b>Average</b>	<b>\$ 116.59</b>					
<b>Upside</b>						<b>19.19%</b>

# Valuation: If CCI sells Fiber



## Discounted Cash Flow

- WACC: 7.28% & Share Price **\$163.97**
- Restructured capitalization & US EBITDA Multiple 23.9 X

## Some Of The Parts

- US Tower EBITDA Multiple **23.9X** (AMT & SBAC)
- Total EV value of \$73,835 MM
- After \$8.5Bn decrease in debt & \$1.9 Bn in share buybacks
- Share Price: **\$127.72**

## Trading Comps

- AMT P/AFFO Multiple **19.3X**
- SBAC P/AFFO Multiple **16.3X**
- Industry Avg. P/AFFO Multiple **17.8X** .... CCI at **12.9X**

## Discount Dividend Model

- With 2025 proposed \$4.62 dividend per share
- Proposed 6-7% annual growth (funded with CF)
- Growth Rate assumed 4%

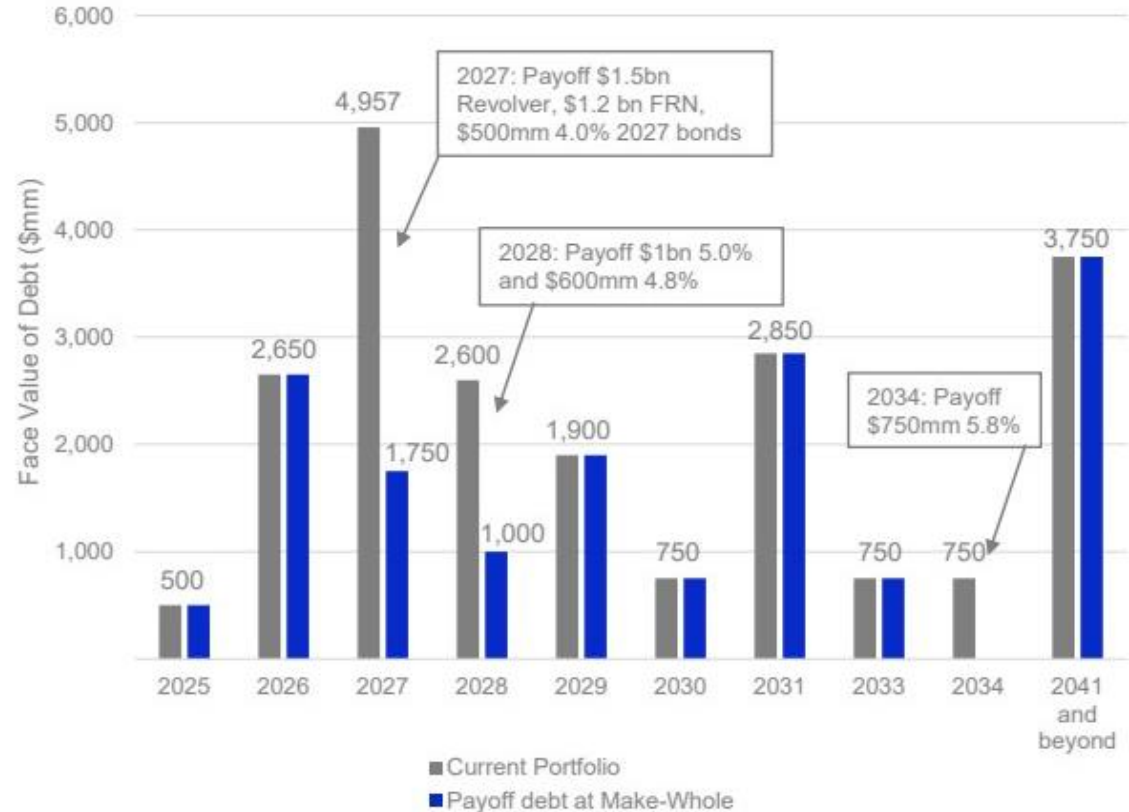


	Share Price	Min	Diff	Max	Weight%	Weight\$
DCF	\$ 163.97	\$ 147.14	\$ 35.24	\$ 182.38	0.5	\$ 81.99
SOTP	\$ 127.72	\$ 109.33	\$ 36.78	\$ 146.10	0.3	\$ 38.31
AFFO Multiple	\$ 230.51	\$ 210.12	\$ 43.68	\$ 253.79	0.1	\$ 23.05
DDM	\$ 146.30	\$ 111.07	\$ 101.30	\$ 212.37	0.1	\$ 14.63
<b>Average</b>	<b>\$ 157.98</b>					
					<b>Upside</b>	<b>61.50%</b>

# Strong Credit



- Fitch: **BBB+**
- Decrease total debt from \$28.8Bn to \$20.3Bn (decrease ~30%)
- Decrease average cost of debt from 3.87% to 3.59%
- Pay off all \$2.27 Bn floating debt
- EBITDA/ Interest Expense: 4.5X
- Net Debt/EBITDA: 5.7X

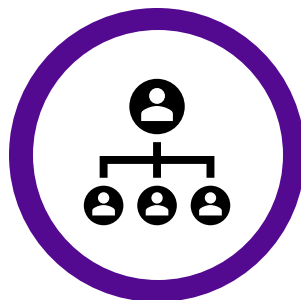




## **Selling Fiber Within the Year**

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- Selling Fiber would allow them to take advantage of \$1B Tax Write-Off.
- Cash from Sale + Tax Advantage would help debt payoffs and Share Buyback
- Would allow them to work more efficiently, allowing them to outpace their two competitors.



## **Replacing CEO**

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- New Appointed CEO can bring a new vision for the future of CCI
- New CEO can help streamline the sale of fiber, and cash management associated from fiber sale and tax benefits



## **Stockholder's Meeting for Board of Directors**

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- Shareholders are hoping to impact BOD to increase efficiency
- Entirely new management team will be what CCI needs to succeed with improved debt management and resource optimization.

# Risks, Mitigants, & Sensitivity Analysis



■ Risks ■ Mitigants

## Separation of Fiber and small cells

- 25% rollover equity: Strategic alignment/reduce sponsor check from
- Operational issues separating in place small cells from fiber
- Selling small cells and fiber in combination contributes to growth profile of buyer

## Tenant lease buyouts rights

- Crown Castle **\$2.8Bn plan** for early buyout of AT&T and T-Mobile lease buyback rights

## Fiber deal delayed – Loss of \$1Bn Tax Credit

- Shareholders will pressure management to take advantage of the expiring tax credit

## Inefficient Management

- Announcement two days ago (4/10/2024) new **CEO Steven J. Moskowitz**
- Shareholder Meeting upcoming for May 2024

## Bull Case (Target)

**\$157.98 (61.5% Upside)**

## Base Case

**\$116.59 (19.2% Upside)**

## Bear Case

**\$97.92 (0.1% Upside)**

# Summary



Based on a current share price of **\$97.82**, we see a **61.5%** upside with an implied share price of **\$157.98**

## Dispose Underperforming Fiber Asset

**Selling Fiber and Small Cells** will unlock massive value to shareholders

## Restructure Management and Financials

Reviving the structure will enable CCI to focus on the **core business** combined with a more advantageous balance sheet to be proactive with growth and margins

## Resilient Business Model

A strong high quality of revenue sources and high 6.2% dividend **protects** the downside risk of not selling Fiber and Small Cells

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# Appendix

## Section II: Price Action & Additional Data



# Valuation Models if No Fiber Sale



## DCF

Cost of debt	3.87%
Weight of debt	39.69%
Tax rate	1.70%
Beta	0.75
Expected Return	10%
Rf	4.70%
Cost of equity	8.68%
Weight of equity	60.31%
WACC	6.74%

### FFO Mult.

Terminal Value	\$ 81,097.13
FFO(NTM+5)	\$ 4,398
P/FFO Multiple	\$ 18.44
PV TV	\$ 58,523.46

### Valuation

PV of Projected FFO	\$ 15,524.02
PV TV	\$ 58,523.46
EV	\$ 74,047.48
Debt	\$ 28,814.00
Cash	\$ 105.00
Equity Value	\$ 45,338.48
O/S	434.52
Price/Share	\$ 104.34

## SOTP

SOTP Valuation Fiber +Tower	
2024E EBITDA	\$4,152
EBITDA Multiple	19.1
TEV	\$79,161.1
Total Debt	28814
Cash	105
Equity Value	\$50,452.1
O/S	434.52
Share Price	\$116.1
Discount 1 Yr@ WACC 6.7%	\$108.78

## AFFO Multiples

REIT Multiples Valuation			
Company	Stock Price	AFFO/Share	P/AFFO Multiple
American Tower Corp	\$190.17	9.87	19.27
SBA	\$213.40	13.08	16.31
Average P/AFFO	17.79		
Median P/AFFO	17.79		
Company	Intrinsic Value	AFFO/Share	P/AFFO Multiple
CCI	\$230.51	7.55	12.96
Current Price			
CCI	\$97.82		

## DDM

Growth Rate	2.00% Assumption	Average Growth Rate	22.51%
WACC	6.74%	Dividend CAGR	14.62%

DDM Price per Share \$ 135.08

		Growth Rate		
		1%	2%	3%
Current Price	\$ 97.82	110.4644	135.0839	172.8622
Difference	\$ 37.26			
	38.09%			

# Valuation Models if Fiber Sale



## DCF

Cost of debt	3.59%
Weight of debt	27.35%
Tax rate	0.00%
Beta	0.75
Expected Return	10%
Rf	4.70%
Cost of equity	8.68%
Weight of equity	72.65%
WACC	7.28%

### EBITDA Multiple

Terminal Value	\$104,919.15
EBITDA(NTM+5)	\$ 4,390
P/FFO Multiple	\$ 23.90
PV TV	\$ 73,820.38

### Valuation

PV of Projected FFO	\$ 15,243.30
PV TV	\$ 73,820.38
EV	\$ 89,063.68
Debt	\$ 20,300.00
Cash	\$ 105.00
Equity Value	\$ 68,868.68
O/S	420
Price/Share	\$ 163.97

## SOTP

SOTP Valuation US Tower	
2024E EBITDA	\$3,089
EBITDA Multiple	23.9
TEV	73835
Current Lease	300
LT Leases	6000
Current Debt	670
LT Debt	13330
Total Debt	20300
Cash	105
Equity Value	53640
O/S	420
Share Price	\$127.72

## Restructure

2024E EBITDA	3089.348
EBITDA Multiple	23.9
TEV	73835.43
Current Lease	300
LT Leases	6000
Current Debt	670
LT Debt	13330
Total Debt	20300
Cash	105
Equity Value	53640.43
Equity Weight	72.65%

## AFFO Multiples

REIT Multiples Valuation			
Company	Stock Price	AFFO/Share	P/AFFO Multiple
American Tower Corp	\$190.17	9.87	19.27
SBA	\$213.40	13.08	16.31
Average P/AFFO	17.79		
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Company	Intrinsic Value	AFFO/Share	P/AFFO Multiple
CCI	\$230.51	7.55	12.96
Current Price			
CCI	\$97.82		

## DDM

NTM Dividend	\$4.62
Growth Rate	4.00%
WACC	7.28%
	NoSell
DDM Price per Share	\$ 146.30
Current Price	\$ 97.82
Difference	\$ 48.48
	49.56%

# Some of The Parts Valuation



<b>AMT: American Tower Corp</b>							
Segments	% EBITDA	2024E EBITDA	2025E EBITDA	Multiple	2024E EV	2025E EV	Comps for multiples
Data Centers	6%	\$425	\$433	<b>21.6</b>	\$9,181	\$9,353	Equinix, DigitalBridge, and Digital Realty Trust
LatAm	16%	\$1,133	\$1,155	<b>8.8</b>	\$9,974	\$10,162	Relesites and Sitios
Europe	6%	\$425	\$433	<b>14.7</b>	\$6,248	\$6,366	Cellnex, INWIT, and EuroTelesitos
Africa	10%	\$708	\$722	<b>5.9</b>	\$4,179	\$4,258	IHS and Helios
APAC	4%	\$283	\$289	<b>10.5</b>	\$2,975	\$3,031	Protelindo and Tower Bersama
US	58%	\$4,109	\$4,186	<b>25.7</b>	\$105,591	\$107,579	Calculated
<b>Total</b>	<b>100%</b>	<b>\$7,084</b>	<b>\$7,217</b>	<b>19.5</b>	<b>\$138,148</b>	<b>\$140,749</b>	
<b>SBAC: SBA Communciations</b>							
Segments	% EBITDA	2024E EBITDA	2025E EBITDA	Multiple	2024E EV	2025E EV	
US	79.8%	\$1,523	\$1,576	<b>22.1</b>	\$33,668	\$34,825	Calculated
International	20.2%	\$386	\$399	<b>8.8</b>	\$3,394	\$3,510	Relesites and Sitios
<b>Total</b>	<b>100.0%</b>	<b>\$1,909</b>	<b>\$1,975</b>	<b>19.4</b>	<b>\$37,061</b>	<b>\$38,335</b>	
<b>CCI: Crown Castle</b>							
Segments	% EBITDA	2024E EBITDA	2025E EBITDA	Multiple	2024E EV	2025E EV	
Fiber	25.6%	\$1,063	\$1,051	<b>5.01</b>	\$5,326	\$5,267	Lumen Technologies
US Towers	74.4%	\$3,089	\$3,056	<b>23.9</b>	\$73,835	\$73,028	Calculated
<b>Total</b>	<b>100.0%</b>	<b>\$4,152</b>	<b>\$4,107</b>	<b>19.1</b>	<b>\$79,161</b>	<b>\$78,296</b>	

# Key Financials



Key Financials <sup>1</sup>								
For the Fiscal Period Ending	12 months Dec-31-2019A	12 months Dec-31-2020A	12 months Dec-31-2021A	12 months Dec-31-2022A	12 months Dec-31-2023A	12 months† Dec-31-2024E	12 months Dec-31-2025E	12 months Dec-31-2026E
Currency	USD	USD	USD	USD	USD	USD	USD	USD
<b>Total Revenue</b>	5,763.0	5,840.0	6,340.0	6,986.0	6,981.0	6,590.38	6,531.46	6,796.74
<i>Growth Over Prior Year</i>	7.3%	1.3%	8.6%	10.2%	(0.1%)	(5.60%)	(0.89%)	4.06%
<b>Gross Profit</b>	3,777.0	3,891.0	4,347.0	4,918.0	5,001.0	-	-	-
<i>Margin %</i>	65.5%	66.6%	68.6%	70.4%	71.6%	72.49%	72.13%	72.59%
<b>EBITDA</b>	3,098.0	3,155.0	3,613.0	4,119.0	4,197.0	4,152.35	4,106.95	4,277.04
<i>Margin %</i>	53.8%	54.0%	57.0%	59.0%	60.1%	63.01%	62.88%	62.93%
<b>EBIT</b>	1,591.0	1,605.0	2,023.0	2,461.0	2,488.0	2,229.39	2,211.93	2,387.82
<i>Margin %</i>	27.6%	27.5%	31.9%	35.2%	35.6%	33.83%	33.87%	35.13%
<b>Earnings from Cont. Ops.</b>	860.0	1,056.0	1,158.0	1,675.0	1,502.0	-	-	-
<i>Margin %</i>	14.9%	18.1%	18.3%	24.0%	21.5%	-	-	-
<b>FFO</b>	NA	NA	NA	3,362.0	3,227.0	-	-	-
<b>Net Income</b>	860.0	1,056.0	1,096.0	1,675.0	1,502.0	1,261.7	1,156.04	1,259.77
<i>Margin %</i>	14.9%	18.1%	17.3%	24.0%	21.5%	19.14%	17.70%	18.53%

# Income Statement



<b>Income Statement</b>						
For the Fiscal Period Ending	Restated 12 months Dec-31-2018	12 months Dec-31-2019	12 months Dec-31-2020	12 months Dec-31-2021	12 months Dec-31-2022	12 months Dec-31-2023
<i>Currency</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
Rental Revenue	4,796.0	5,093.0	5,320.0	5,719.0	6,289.0	6,532.0
Other Revenue	574.0	670.0	520.0	621.0	697.0	449.0
<b>Total Revenue</b>	<b>5,370.0</b>	<b>5,763.0</b>	<b>5,840.0</b>	<b>6,340.0</b>	<b>6,986.0</b>	<b>6,981.0</b>
Property Exp.	1,844.0	1,986.0	1,949.0	1,993.0	2,068.0	1,980.0
Selling General & Admin Exp.	563.0	614.0	678.0	680.0	750.0	759.0
Depreciation & Amort.	1,527.0	1,572.0	1,608.0	1,644.0	1,707.0	1,754.0
<b>Total Operating Exp.</b>	<b>3,934.0</b>	<b>4,172.0</b>	<b>4,235.0</b>	<b>4,317.0</b>	<b>4,525.0</b>	<b>4,493.0</b>
<b>Operating Income</b>	<b>1,436.0</b>	<b>1,591.0</b>	<b>1,605.0</b>	<b>2,023.0</b>	<b>2,461.0</b>	<b>2,488.0</b>
Interest Expense, Total	(642.0)	(683.0)	(689.0)	(657.0)	(699.0)	(850.0)
Interest and Invest. Income	5.0	6.0	2.0	1.0	3.0	15.0
<b>Net Interest Exp.</b>	<b>(637.0)</b>	<b>(677.0)</b>	<b>(687.0)</b>	<b>(656.0)</b>	<b>(696.0)</b>	<b>(835.0)</b>
Other Non-Operating Inc. (Exp.)	1.0	1.0	(5.0)	(21.0)	(10.0)	(6.0)
<b>EBT Excl. Unusual Items</b>	<b>800.0</b>	<b>915.0</b>	<b>913.0</b>	<b>1,346.0</b>	<b>1,755.0</b>	<b>1,647.0</b>
Restructuring Charges	-	-	(20.0)	-	-	(85.0)
Total Merger & Rel. Restruct. Charges	(27.0)	(13.0)	(10.0)	(1.0)	(2.0)	(1.0)
Asset Writedown	(26.0)	(19.0)	(74.0)	(21.0)	(34.0)	(33.0)
Other Unusual Items	(106.0)	(2.0)	267.0	(145.0)	(28.0)	-
<b>EBT Incl. Unusual Items</b>	<b>641.0</b>	<b>881.0</b>	<b>1,076.0</b>	<b>1,179.0</b>	<b>1,691.0</b>	<b>1,528.0</b>
Income Tax Expense	19.0	21.0	20.0	21.0	16.0	26.0
<b>Earnings from Cont. Ops.</b>	<b>622.0</b>	<b>860.0</b>	<b>1,056.0</b>	<b>1,158.0</b>	<b>1,675.0</b>	<b>1,502.0</b>
Earnings of Discontinued Ops.	-	-	-	(62.0)	-	-
<b>Net Income</b>	<b>622.0</b>	<b>860.0</b>	<b>1,056.0</b>	<b>1,096.0</b>	<b>1,675.0</b>	<b>1,502.0</b>

# Balance Sheet



Balance Sheet						
Balance Sheet as of:	Restated Dec-31-2018	Dec-31-2019	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023
Currency	USD	USD	USD	USD	USD	USD
<b>ASSETS</b>						
Gross Property, Plant & Equipment	22,218.0	30,487.0	32,429.0	33,888.0	35,004.0	36,132.0
Accumulated Depreciation	(8,583.0)	(9,868.0)	(10,803.0)	(11,937.0)	(13,071.0)	(14,279.0)
<b>Net Property, Plant &amp; Equipment</b>	<b>13,653.0</b>	<b>20,799.0</b>	<b>21,626.0</b>	<b>21,951.0</b>	<b>21,933.0</b>	<b>21,853.0</b>
<b>Total Real Estate Assets</b>	<b>13,653.0</b>	<b>20,799.0</b>	<b>21,626.0</b>	<b>21,951.0</b>	<b>21,933.0</b>	<b>21,853.0</b>
Cash And Equivalents	277.0	196.0	232.0	292.0	156.0	105.0
Accounts Receivable	593.0	710.0	583.0	835.0	720.0	597.0
Goodwill	10,078.0	10,078.0	10,078.0	10,078.0	10,085.0	10,085.0
Other Intangibles	5,518.0	4,838.0	4,433.0	4,048.0	3,598.0	3,179.0
Restricted Cash	131.0	137.0	144.0	189.0	168.0	171.0
Other Current Assets	228.0	181.0	145.0	158.0	175.0	159.0
Deferred Tax Assets, LT	28.0	26.0	29.0	26.0	54.0	47.0
Other Long-Term Assets	2,260.0	1,514.0	1,498.0	1,685.0	2,038.0	2,331.0
<b>Total Assets</b>	<b>32,762.0</b>	<b>38,457.0</b>	<b>38,768.0</b>	<b>39,040.0</b>	<b>38,921.0</b>	<b>38,527.0</b>
<b>LIABILITIES</b>						
Curr. Port. of LT Debt	107.0	100.0	129.0	72.0	819.0	835.0
Curr. Port. of Leases	-	299.0	329.0	349.0	350.0	332.0
Long-Term Debt	16,348.0	17,794.0	18,915.0	20,315.0	20,864.0	21,816.0
Long-Term Leases	227.0	5,738.0	6,044.0	6,273.0	6,127.0	5,831.0
Accounts Payable	313.0	334.0	230.0	246.0	238.0	252.0
Accrued Exp.	499.0	530.0	577.0	583.0	590.0	533.0
Unearned Revenue, Current	587.0	657.0	704.0	776.0	738.0	605.0
Other Current Liabilities	-	-	-	-	-	28.0
Unearned Revenue, Non-Current	1,818.0	1,814.0	1,707.0	1,588.0	1,337.0	1,310.0
Def. Tax Liability, Non-Curr.	7.0	8.0	11.0	14.0	18.0	26.0
Other Non-Current Liabilities	1,485.0	694.0	661.0	588.0	595.0	578.0
<b>Total Liabilities</b>	<b>21,191.0</b>	<b>27,988.0</b>	<b>29,307.0</b>	<b>30,782.0</b>	<b>31,472.0</b>	<b>32,146.0</b>
Common Stock	4.0	4.0	4.0	4.0	4.0	4.0
Additional Paid In Capital	17,767.0	17,855.0	17,933.0	18,011.0	18,116.0	18,270.0
Retained Earnings	-	-	-	-	-	-
Distributions In Excess Of Earnings	(8,195.0)	(7,385.0)	(8,472.0)	(9,753.0)	(10,886.0)	(11,889.0)
Treasury Stock	-	-	-	-	-	-
Comprehensive Inc. and Other	(5.0)	(5.0)	(4.0)	(4.0)	(5.0)	(4.0)
<b>Total Common Equity</b>	<b>11,571.0</b>	<b>10,489.0</b>	<b>9,461.0</b>	<b>8,258.0</b>	<b>7,449.0</b>	<b>6,381.0</b>
<b>Total Equity</b>	<b>11,571.0</b>	<b>10,489.0</b>	<b>9,461.0</b>	<b>8,258.0</b>	<b>7,449.0</b>	<b>6,381.0</b>
<b>Total Liabilities And Equity</b>	<b>32,762.0</b>	<b>38,457.0</b>	<b>38,768.0</b>	<b>39,040.0</b>	<b>38,921.0</b>	<b>38,527.0</b>

# Cash Flow Statement



Cash Flow						
For the Fiscal Period Ending	Restated 12 months Dec-31-2018	12 months Dec-31-2019	12 months Dec-31-2020	12 months Dec-31-2021	12 months Dec-31-2022	12 months Dec-31-2023
Currency	USD	USD	USD	USD	USD	USD
<b>Net Income</b>	<b>622.0</b>	<b>860.0</b>	<b>1,056.0</b>	<b>1,096.0</b>	<b>1,675.0</b>	<b>1,502.0</b>
Depreciation & Amort.	1,085.0	1,129.0	1,169.0	1,200.0	1,241.0	1,283.0
Amort. of Goodwill and Intangibles	372.0	378.0	381.0	390.0	417.0	426.0
<b>Depreciation &amp; Amort., Total</b>	<b>1,457.0</b>	<b>1,507.0</b>	<b>1,550.0</b>	<b>1,590.0</b>	<b>1,658.0</b>	<b>1,709.0</b>
Other Amortization	7.0	1.0	6.0	13.0	17.0	29.0
Total Asset Write-down	26.0	19.0	74.0	21.0	34.0	33.0
Stock-Based Compensation	103.0	117.0	138.0	129.0	156.0	157.0
Change in Acc. Receiv.	(105.0)	(96.0)	166.0	(113.0)	(49.0)	115.0
Change in Acc. Payable	37.0	19.0	(77.0)	15.0	(5.0)	(14.0)
Change in Other Net Operating Assets	173.0	204.0	(19.0)	(248.0)	(693.0)	(472.0)
Other Operating Activities	180.0	67.0	161.0	286.0	85.0	67.0
Net Cash From Discontinued Ops.	-	-	-	(62.0)	-	-
<b>Cash from Ops.</b>	<b>2,500.0</b>	<b>2,698.0</b>	<b>3,055.0</b>	<b>2,727.0</b>	<b>2,878.0</b>	<b>3,126.0</b>
Acquisition of Real Estate Assets	(1,739.0)	(2,057.0)	(1,624.0)	(1,229.0)	(1,310.0)	(1,424.0)
Sale of Real Estate Assets	-	-	-	-	-	-
<b>Net Sale/Acq. of Real Estate Assets</b>	<b>(1,739.0)</b>	<b>(2,057.0)</b>	<b>(1,624.0)</b>	<b>(1,229.0)</b>	<b>(1,310.0)</b>	<b>(1,424.0)</b>
Cash Acquisitions	(42.0)	(17.0)	(107.0)	(111.0)	(35.0)	(96.0)
Divestitures	-	-	-	-	-	-
Net (Increase)/Decrease in Loans Orig/Sold	-	-	-	-	-	-
Deferred Charges	-	-	-	-	-	-
Total Other Investing Activities	(12.0)	(7.0)	(10.0)	8.0	(7.0)	1.0
<b>Cash from Investing</b>	<b>(1,793.0)</b>	<b>(2,081.0)</b>	<b>(1,741.0)</b>	<b>(1,332.0)</b>	<b>(1,352.0)</b>	<b>(1,519.0)</b>
Short Term Debt Issued	-	155.0	130.0	-	976.0	-
Long-Term Debt Issued	4,562.0	4,004.0	6,163.0	5,230.0	4,243.0	7,456.0
<b>Total Debt Issued</b>	<b>4,562.0</b>	<b>4,159.0</b>	<b>6,293.0</b>	<b>5,230.0</b>	<b>5,219.0</b>	<b>7,456.0</b>
Short Term Debt Repaid	-	-	-	(20.0)	-	(1,241.0)
Long-Term Debt Repaid	(4,176.0)	(2,758.0)	(5,260.0)	(4,035.0)	(4,203.0)	(5,077.0)
<b>Total Debt Repaid</b>	<b>(4,176.0)</b>	<b>(2,758.0)</b>	<b>(5,260.0)</b>	<b>(4,055.0)</b>	<b>(4,203.0)</b>	<b>(6,318.0)</b>
Issuance of Common Stock	841.0	-	-	-	-	-
Repurchase of Common Stock	(34.0)	(44.0)	(76.0)	(70.0)	(65.0)	(30.0)
Common Dividends Paid	(1,782.0)	(1,912.0)	(2,105.0)	(2,373.0)	(2,602.0)	(2,723.0)
Pref. Dividends Paid	(113.0)	(113.0)	(85.0)	-	-	-
<b>Total Dividends Paid</b>	<b>(1,895.0)</b>	<b>(2,025.0)</b>	<b>(2,190.0)</b>	<b>(2,373.0)</b>	<b>(2,602.0)</b>	<b>(2,723.0)</b>
Other Financing Activities	(31.0)	(24.0)	(38.0)	(42.0)	(14.0)	(39.0)
<b>Cash from Financing</b>	<b>(733.0)</b>	<b>(692.0)</b>	<b>(1,271.0)</b>	<b>(1,310.0)</b>	<b>(1,665.0)</b>	<b>(1,654.0)</b>
Foreign Exchange Rate Adj.	(1.0)	-	-	-	-	1.0
<b>Net Change in Cash</b>	<b>(27.0)</b>	<b>(75.0)</b>	<b>43.0</b>	<b>85.0</b>	<b>(139.0)</b>	<b>(46.0)</b>

# Financials Broken Down by Segments



<b>Business Segments</b>						
For the Fiscal Period Ending	Restated 12 months Dec-31-2018	12 months Dec-31-2019	12 months Dec-31-2020	12 months Dec-31-2021	12 months Dec-31-2022	12 months Dec-31-2023
Currency	USD	USD	USD	USD	USD	USD
<b>Revenues</b>						
Fiber	1,616.0	1,721.0	1,843.0	1,935.0	1,979.0	2,247.0
Towers	3,754.0	4,042.0	3,997.0	4,405.0	5,007.0	4,734.0
<b>Total Revenues</b>	<b>5,370.0</b>	<b>5,763.0</b>	<b>5,840.0</b>	<b>6,340.0</b>	<b>6,986.0</b>	<b>6,981.0</b>
<b>EBITDA</b>						
Fiber	901.0	956.0	1,387.0	1,111.0	1,130.0	1,355.0
Towers	2,381.0	2,576.0	2,602.0	2,995.0	3,527.0	3,393.0
Other	(299.0)	(349.0)	-	-	-	-
<b>Total EBITDA</b>	<b>2,983.0</b>	<b>3,183.0</b>	<b>3,989.0</b>	<b>4,106.0</b>	<b>4,657.0</b>	<b>4,748.0</b>
<b>Gross Profit Before Tax</b>						
Fiber	1,075.0	1,145.0	1,203.0	1,282.0	1,317.0	1,533.0
Towers	2,348.0	2,525.0	2,631.0	2,915.0	3,404.0	3,370.0
<b>Total Gross Profit Before Tax</b>	<b>3,423.0</b>	<b>3,670.0</b>	<b>3,834.0</b>	<b>4,197.0</b>	<b>4,721.0</b>	<b>4,903.0</b>
<b>Assets</b>						
Fiber	14,512.0	15,389.0	15,746.0	15,876.0	16,010.0	16,308.0
Towers	17,644.0	22,357.0	22,242.0	22,318.0	22,210.0	21,550.0
Other	606.0	711.0	780.0	846.0	701.0	669.0
Tower and other		26.40%	-0.20%	0.62%	-1.09%	-3.02%
<b>Total Assets</b>	<b>32,762.0</b>	<b>38,457.0</b>	<b>38,768.0</b>	<b>39,040.0</b>	<b>38,921.0</b>	<b>38,527.0</b>
<b>Depreciation &amp; Amortization</b>	<b>1,527.0</b>	<b>1,572.0</b>	<b>1,808.0</b>	<b>1,644.0</b>	<b>1,707.0</b>	<b>1,754.0</b>
<b>Capital Expenditure</b>						
Fiber	(1,264.0)	(1,473.0)	(1,232.0)	(956.0)	(1,058.0)	(1,175.0)
Towers	(440.0)	(543.0)	(335.0)	(221.0)	(185.0)	(194.0)
Other	(35.0)	(41.0)	(57.0)	(52.0)	(67.0)	(55.0)
<b>Total Capital Expenditure</b>	<b>(1,739.0)</b>	<b>(2,057.0)</b>	<b>(1,624.0)</b>	<b>(1,229.0)</b>	<b>(1,310.0)</b>	<b>(1,424.0)</b>

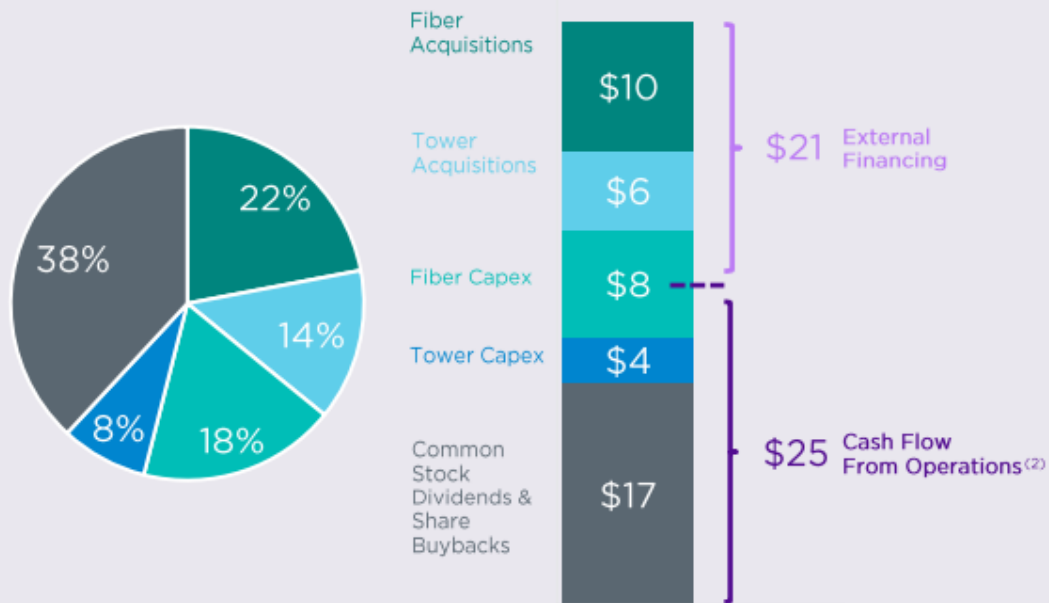


# Implied Fiber EBITDA Multiple and Current Capital Allocation

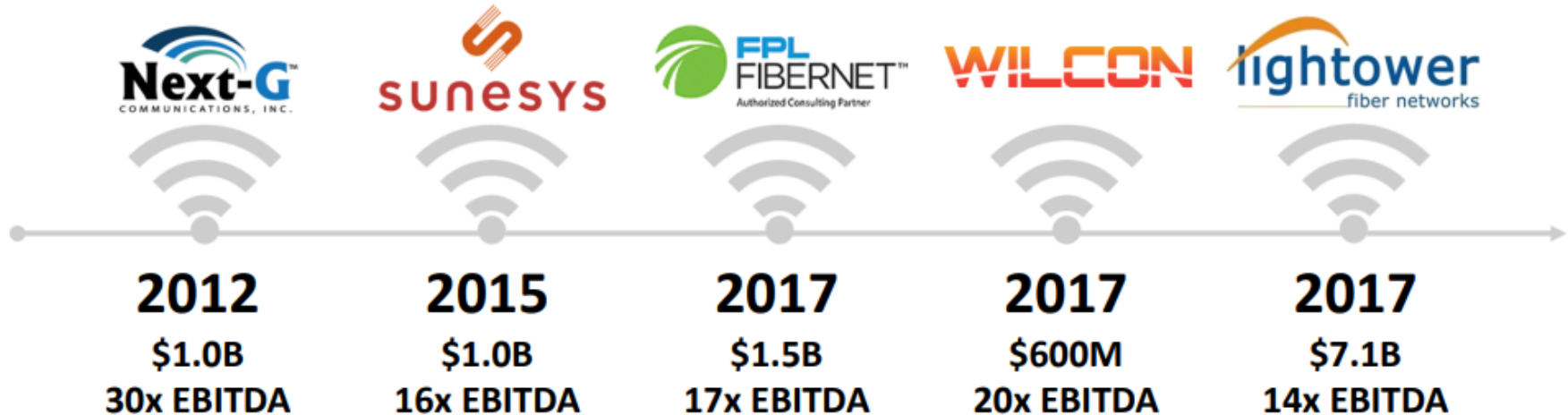


*As of 12/31/24	CCI
Mkt Cap	\$47,194
Debt	\$28,814
Cash	\$105
TEV	\$ 75,903
US Towers Multiple	22
US Tower EBITDA LTM	\$ 3,393
US Tower TEV	\$ 74,646
Fiber Implied TEV	\$ 1,257
Fiber EBITDA LTM	\$ 1,355
Fiber Implied Multiple	0.93

Cumulative Discretionary Capital Allocated from FY 2013 to 9/30/23<sup>(3)</sup>



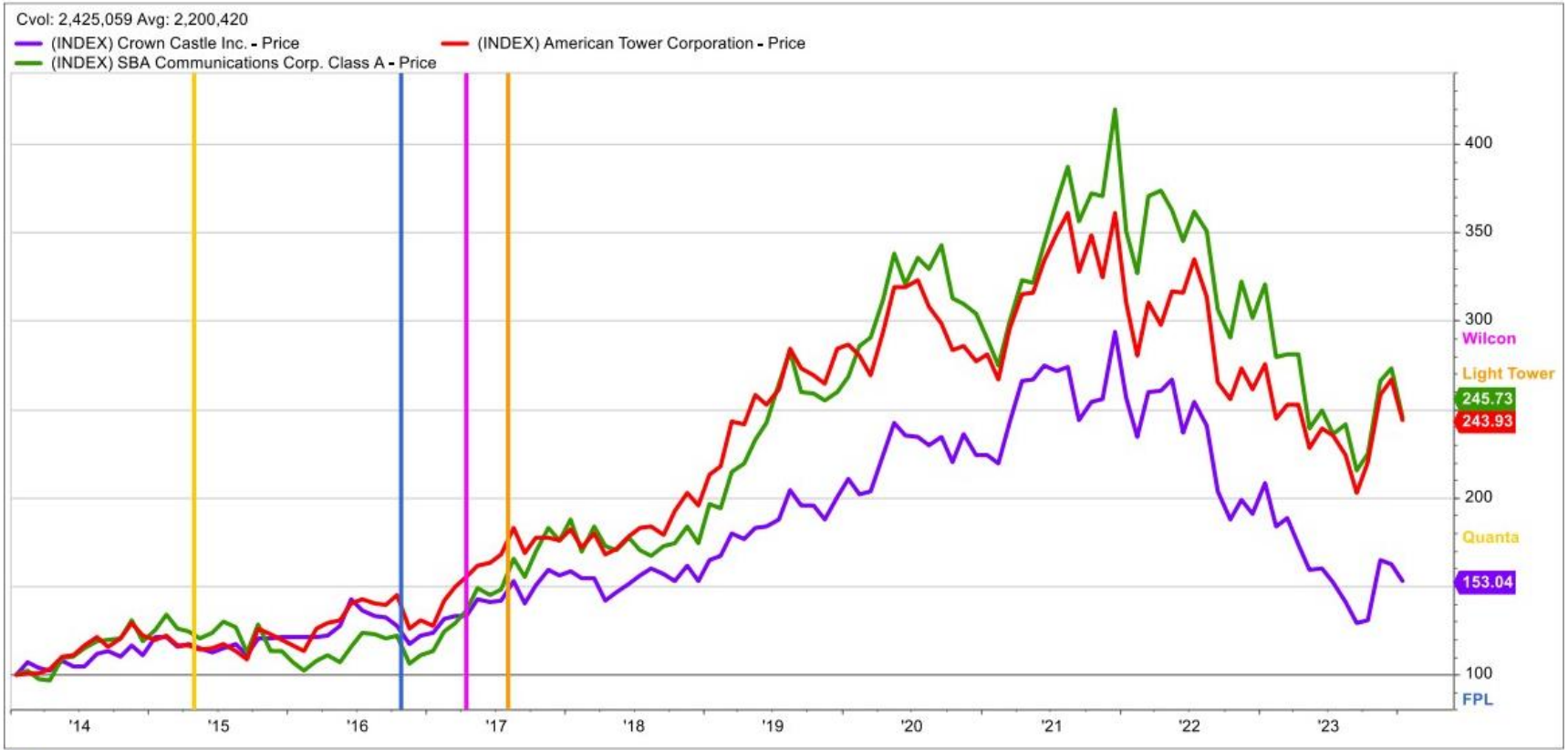
# Crown Castle Dove Into Fiber Industry With Large Acquisitions



*“Crown’s thesis for paying premium multiples on fiber is that it values fiber & towers similarly; CCI expects fiber economics to be very similar to towers, albeit at an earlier stage of development and investment.”*



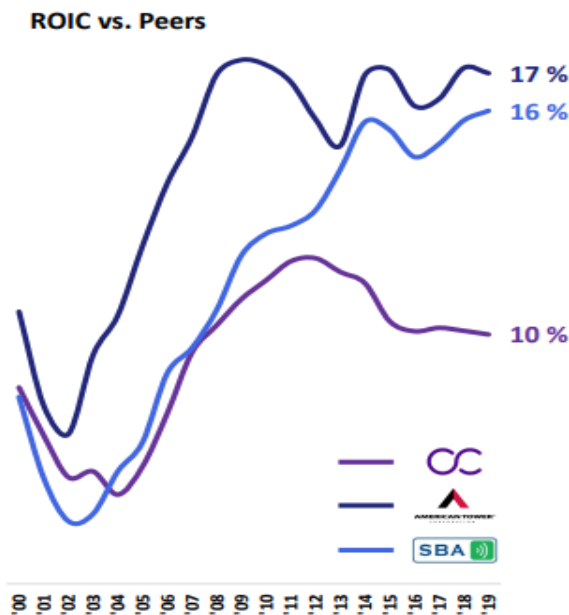
# Stock Price of CCI and Peers after acquiring 4 fiber companies



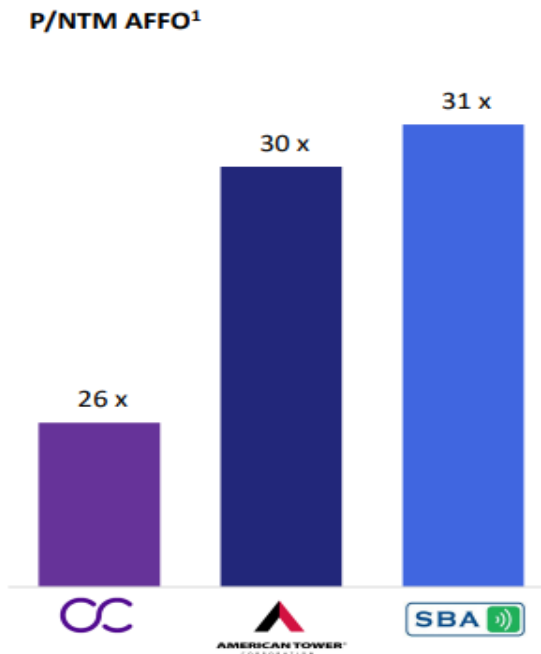
Vertical lines represent various fiber acquisitions.

# Underperforming against Peers

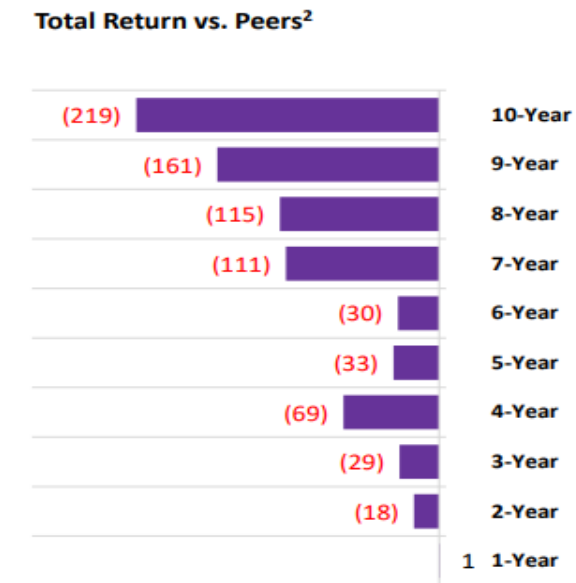
Crown Castle's **ROIC underperforms peers**, and the divergence is expanding



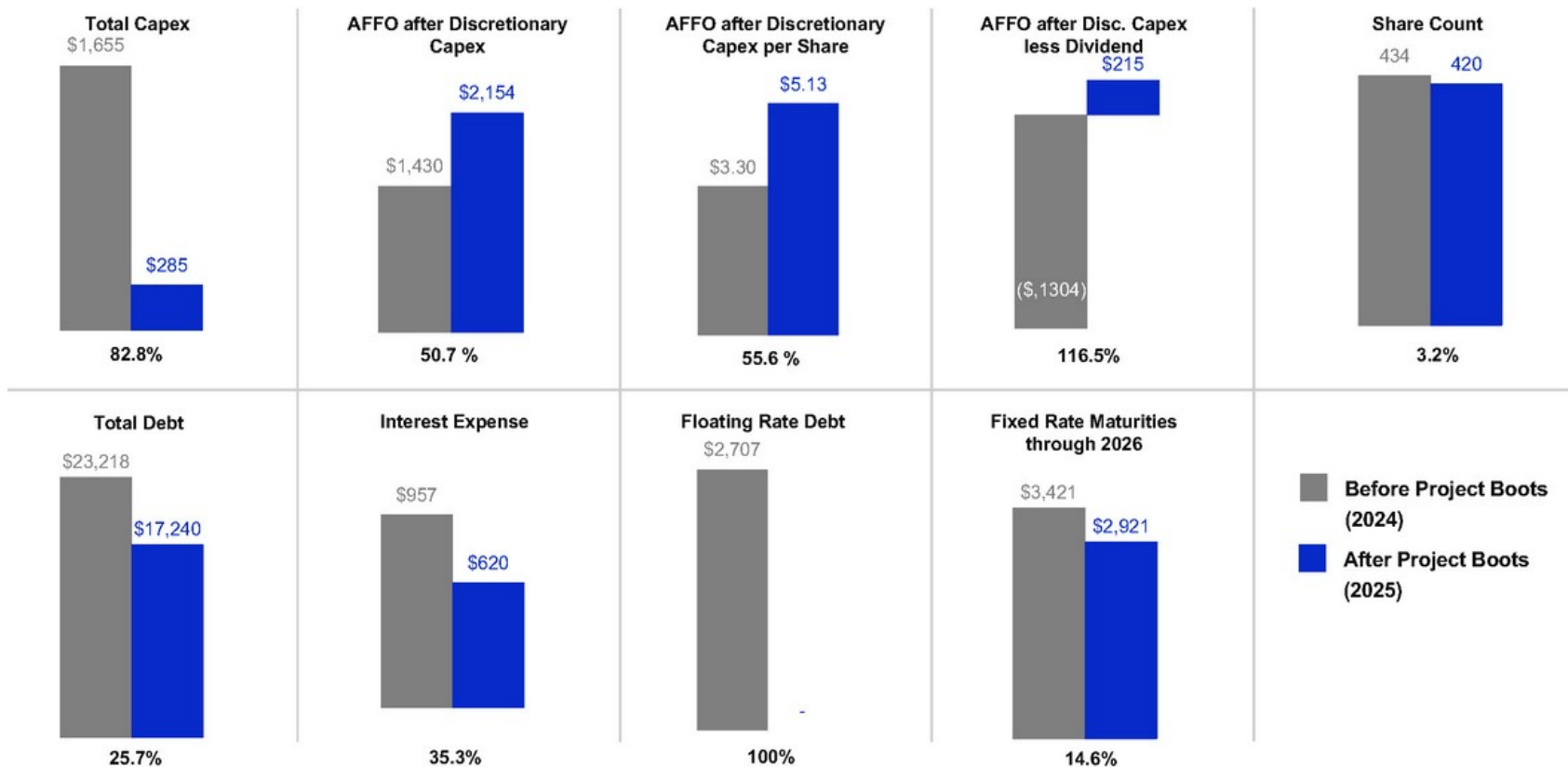
Crown Castle trades at a discount to peers, and the **discount is widening**



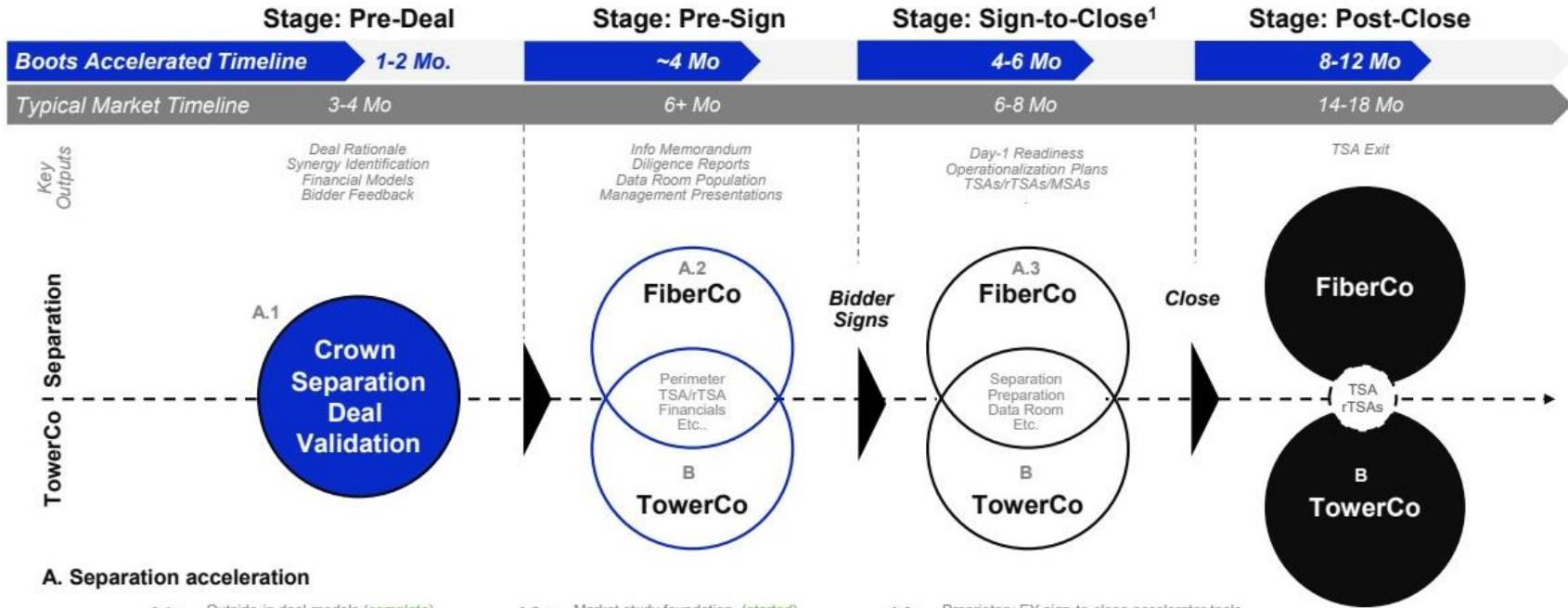
Crown Castle **has underperformed nearly all time periods** for 10+ years



# Fiber Sale Significantly Improves Tower Fundamentals



# Fiber Plan: Sale Timeline



## A. Separation acceleration

- A.1**
- Outside-in deal models (complete)
  - Outside-in validation (complete)
  - Quantitative validation (complete)
  - Investor validation (complete)
  - Governance model (proposed)
  - Sector/functional/deal team (already engaged)
  - Bidder feedback (incorporated)
  - Economic antitrust evaluation (started)

- A.2**
- Market study foundation (started)
  - Tax analyses (mostly complete)
  - Perimeter definition (mostly complete)
  - Carve-out financials (started)
  - Operational separation planning (started)
  - Experienced deal team (already engaged)
  - Economic antitrust evaluation (started)
  - Proprietary EY pre-sign accelerator tools

- A.3**
- Proprietary EY sign-to-close accelerator tools
  - Familiarity with bidders and bidder sets from prior strategy & transaction engagements
  - Proven workaround solutions to enable timely deal closing
  - Expertise with antitrust economics

**B. Towerco Value Realization Workstreams from Boots and EY analyses completed in tandem to support full potential value for TowerCo (RemainCo)**



# Digital Impact to Tower Lifecycle Management

Upgrade Request	Site Visit	Upgrade Approvals	General Arrangement Drawings	Structural Analysis	Site Climb Down	Fabrication Drawings	Detailed Design Pack	Site Construction	Handover
<b>Traditional Upgrade Process</b>									~98 days
Process Start	7 days	7 days	7 days	7 days	7 days	7 days	14 days	28 days	14 days
\$0	\$1,050 6 ppl @ \$175	\$450 6 ppl @ \$75	\$1,200 6 ppl @ \$75 + \$750	\$1,500 3rd party designer	\$1,500 2 ppl structural team	\$500 Est. drawings	\$3,000 DD's & Cons Pack	na Construction Cost	\$1,050 ~\$10,250
Initial call off by client as request for upgrade	Site Provider, Construction, RF, Tx, Planner, Acq & designer	Each member has to review and add an approval or rejection	Drawings then created and also distributed to all for approval	Capacity Check on the structure by design analysis required	Where structure needs mods; a visit to measure for member size	Fabrication Drawings for replacement items need to be created	Full detailed design for construction and connection created	Site Teams rectify and install new upgrade on the site location	2 or more visits for handover and inspection to the client required
<b>Upgrade Process with Engineering Class Drone Data</b>									~63 days
Process Start	7 days	3 days	3 days	3 days	0 days	3 days	7 days	28 days	7 days Digital Twin
\$0	\$999 Drone capture	\$450 6 ppl @ \$75	\$575 6 ppl @ \$75 + \$125	\$700 VI solution	\$0 Not required	\$250 Est. drawings	\$1,500 DD's & Con Pack	na Construction Cost	\$725 ~\$6,200*
Initial call off by client as request for upgrade	UAV Operator ONLY	Each member has to review and add an approval or rejection	Drawings then created with the model in 3D with Drawings Available	Structure automatically checked by VI	All information available in the structural model from Capture	Available from the 3D digital twin for measure and extract.	Reduced detailed design for construction and connection created	Site Teams rectify and install new upgrade on the site location	Just 1 visit for handover and inspection to the client required

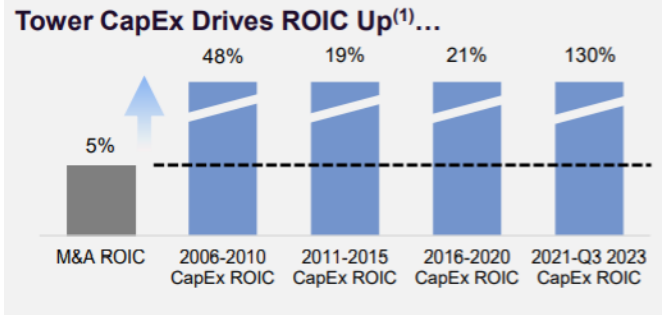
\*Software and As-Built Handover Scan included.

# Towers Are The Wrong Analogy For Fiber

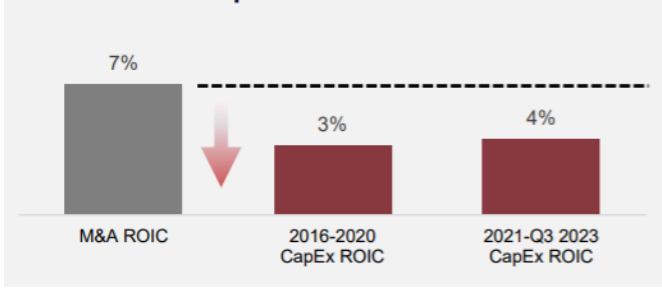


"[T]he **small cell side will continue to trend towards what we've seen in towers** and will create a significant amount of shareholder value over time"

CEO Jay Brown, October 2023



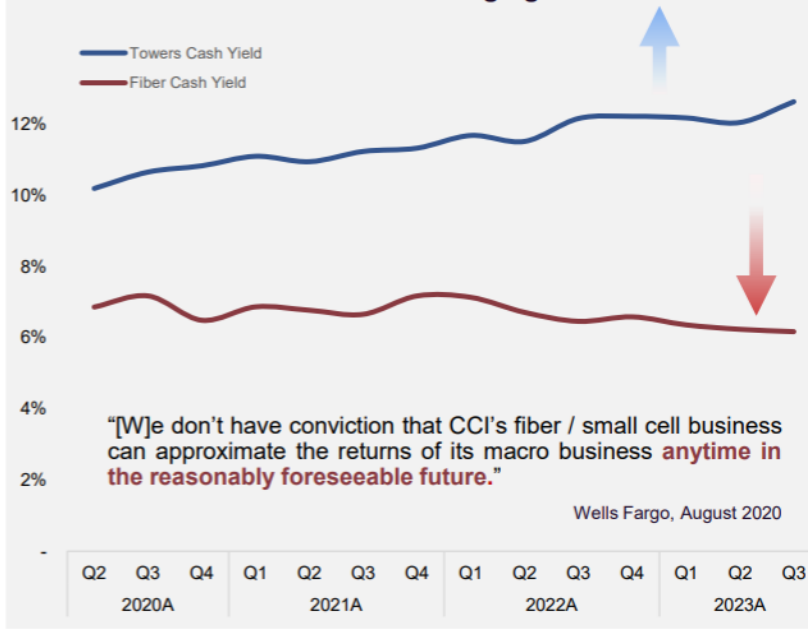
...While Fiber CapEx Drives ROIC Down<sup>(1)</sup>



"We have the tower business... and then what we would call the fiber side of our business, which is an extension of towers into what is called small cells. **Same asset, same business model, just shorter. That's why they're called small.**"

CFO Dan Schlanger, June 2023

### Towers And Fiber Cash Yields Diverging<sup>(2)</sup>





# Why Are We Here Again?



## 2020

In May 2020, Elliott approached Crown Castle with ideas on how to remedy its persistent underperformance vs. its peers, AMT and SBAC

- Beginning in 2011, Crown began investing into a Fiber business, questionably diverging from its core Tower business at a startling pace
- By 2020, ~\$16B of capital invested into Fiber was generating a mere 6% return<sup>(1)</sup>, driving significant cash burn and stock underperformance
- **The market valued Crown's Fiber venture at only \$11B, implying \$5B of value destruction – a resounding indictment of Crown's unique strategy**
- Elliott recommended that Crown Castle commit to a higher return threshold for Fiber CapEx, refresh the Board and align management's pay with the performance of its considerable bet on Fiber
- Crown responded to our suggestions by lauding their returns versus the broader market and committing to "stay the course" on Fiber with no changes to either required returns or management's incentive structure

## Since

Crown Castle has continued destroying value, doubling down on its Fiber investment despite three additional years of evidence that the strategy is failing

- Since 2020, Crown invested another \$3B into the Fiber business (\$19B since inception). Despite Crown's huge bet on Fiber, the Board still lacks fiber expertise
- **The current market valuation<sup>(2)</sup> of the Fiber business now implies \$18B of value destruction – clear confirmation of Elliott's concerns that continued unconstrained Fiber spend would result in further underperformance**
- Crown's CEO, Jay Brown, has been unwavering in his commitment to Fiber despite overwhelming evidence that the strategy is not working. Mr. Brown's poor total return as CEO vs. peers speaks volumes for how the market perceives the Fiber business and his capital-allocation approach

## TSR vs. Peers Under CEO Jay Brown<sup>(3)</sup>

(72%)  vs. AMT  
(98%)  vs. SBAC

## Restoring the Castle

We still believe Crown Castle can remedy its underperformance, but it will require significant change. Our proposed course of action is as follows:

1. **Management Change:** Jay Brown's underperformance and stubborn commitment to a failing strategy requires an immediate change. The Board must initiate a search for the next CEO of Crown
2. **Review of Fiber Business:** A complete strategic and operating review of the Fiber business under the supervision of new directors with deep fiber experience
3. **Embrace Accountability:** Crown Castle's leadership has a clear aversion to accountability. We are thus recommending: a significant upgrade of the Board, a new shareholder-aligned incentive structure, and an undoing of recent bylaw changes which are clearly designed to disenfranchise shareholders

Absent a satisfactory response from the Company, Elliott intends to pursue a campaign to replace a majority of the current Board

# REITs Industry Net Asset Value Discount

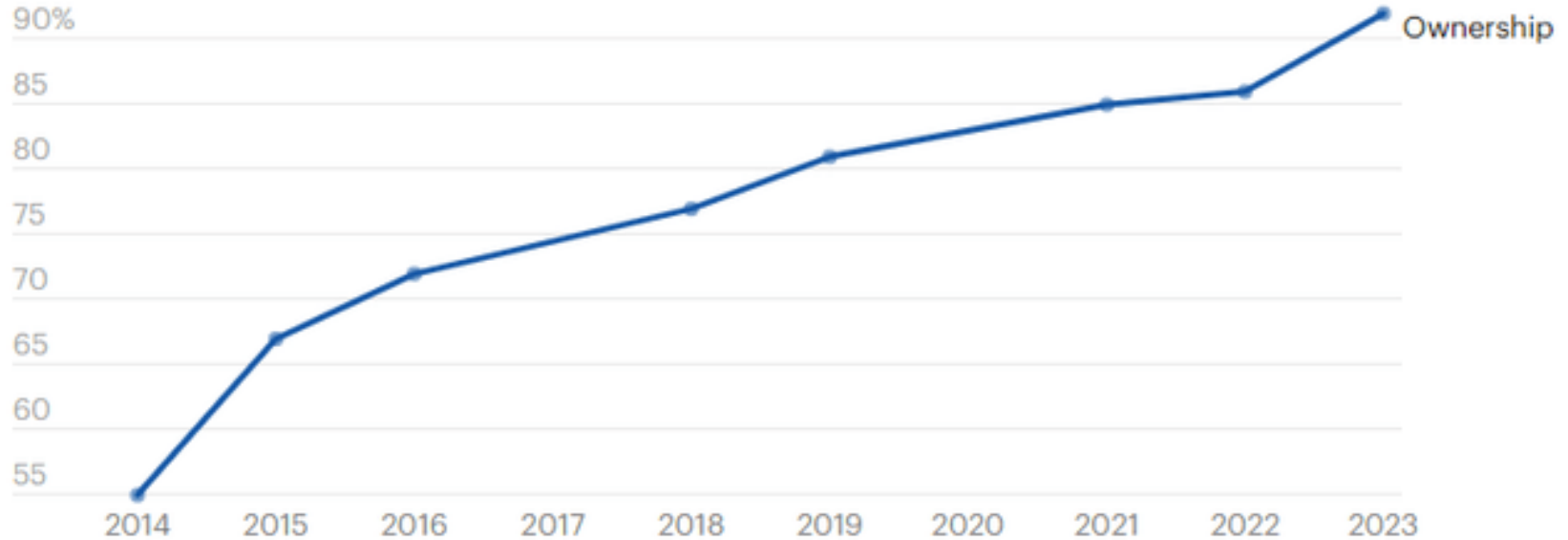


## Green Street Average Premium to NAV

The premium (discount) ascribed to a company's net asset value that is implied by the current share price compared to Green Street's assessment of net asset value. Observed premiums/discounts in the public market have historically been reliable predictors of future changes in private-market prices.



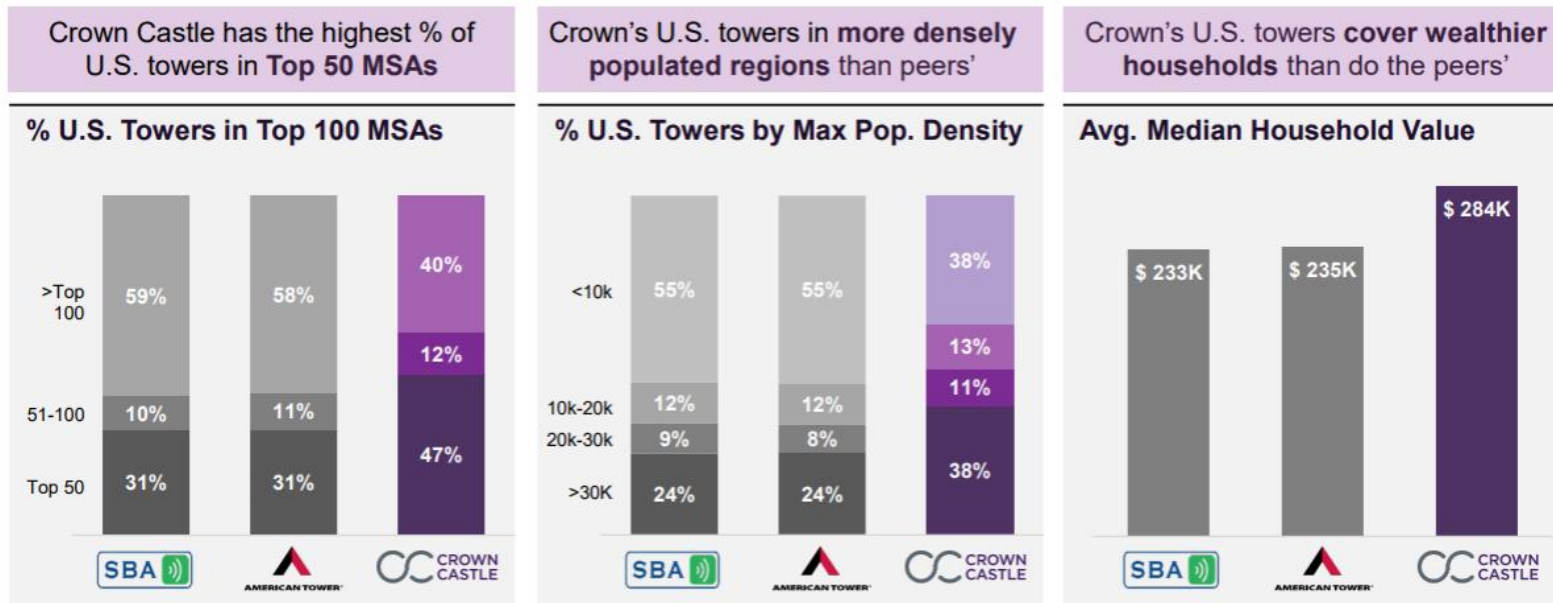
# Percentage of US Adults Reporting Smartphone Ownership



# Crown Castle Has Compelling US Tower Assets



Crown Castle's U.S. tower portfolio has more attractive characteristics than that of its peers, making the Company's sustained underperformance all the more disappointing



“Despite Crown’s massive investment in fiber and small cells, which we acknowledge are less attractive relative to towers, **we view the company’s underlying domestic macro business as underappreciated relative to peers**”