

✓ **Event Details**

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✓ **Company Participants**

Kristoffer Hinson - Crown Castle, Inc., Vice President-Corporate Finance & Treasurer  
P. Robert Bartolo - Crown Castle, Inc., Board Chair  
Steven J. Moskowitz - Crown Castle, Inc., President, Chief Executive Officer & Director  
Daniel K. Schlanger - Crown Castle, Inc., Executive Vice President & Chief Financial Officer  
Anthony J. Melone - Crown Castle, Inc., Special Advisor to the President and Chief Executive Officer & Director

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✓ **Other Participants**

Michael I. Rollins - Analyst  
Jonathan Atkin - Analyst  
Ric Prentiss - Analyst  
Simon Flannery - Analyst  
Nicholas Ralph Del Deo - Analyst  
David W. Barden - Analyst  
Richard Choe - Analyst  
Matthew Niknam - Analyst  
Batya Levi - Analyst  
Brendan James Lynch - Analyst  
Brandon Nispel - Analyst

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## **MANAGEMENT DISCUSSION SECTION**

### **Operator**

- 00:00:56 Hello and welcome to the Crown Castle First Quarter 2024 Earnings Call. All participants will be in listen-only mode. After today's presentation, there will be an opportunity to ask questions. As a reminder, this conference is being recorded.
- 00:01:12 I would now like to hand the call to Kris Hinson, Vice President, Corporate Finance and Treasurer. Please go ahead.

### **Kristoffer Hinson**

- 00:01:20 Thank you, MJ, and good afternoon, everyone. Thank you for joining us today as we discuss our first quarter 2024 results. With me on the call are Rob Bartolo, Crown Castle's Board Chair; Steve Moskowitz, Crown Castle's recently appointed President and Chief Executive Officer; Tony Melone, Crown Castle's former Interim President and Chief Executive Officer; and Dan Schlanger, Crown Castle's Chief Financial Officer.
- 00:01:43 To aid the discussion, we have posted supplemental materials in the Investors section of our website at [crowncastle.com](https://crowncastle.com) that will be referenced throughout the call this afternoon. This conference call will contain forward-looking statements, which are subject to certain risks, uncertainties and assumptions, and actual results may vary materially from those expected. Information about potential factors which could affect our results is available in the press release and the Risk Factors sections of the company's SEC filings.
- 00:02:11 Our statements are made as of today, April 17, 2024, and we assume no obligation to update any forward-looking statements. In addition, today's call includes discussions of certain non-GAAP financial measures.

Tables reconciling these non-GAAP financial measures are available in the supplemental information package in the Investors section of the company's website at [crowncastle.com](http://crowncastle.com).

00:02:33 With that, let me turn the call over to Rob.

**P. Robert Bartolo**

00:02:36 Thanks, Kris, and good morning, everyone. Thank you for joining us. I would like to start by welcoming our new CEO, Steven Moskowitz. As you know, the CEO Search Committee, along with the full board, has been actively engaged in a robust process to find our next leader. We worked with Russell Reynolds and evaluated a number of talented and highly qualified candidates.

00:02:57 Ideally, we were looking for someone with strong operating experience in the tower industry, a track record of strategic capital allocation and value creation, as well as prior CEO experience. This process has resulted in the unanimous view of both the CEO Search Committee and the full board that Steven is the ideal person to lead Crown Castle going forward.

00:03:19 A 25-year industry veteran, Steven is a proven executive with deep tower operating experience. Steven spent 12 years at American Tower, including the last 7 years as EVP and President of the US Tower Business. During his tenure, American Tower's US operations became the largest and most profitable US wireless infrastructure company, tripling in size to more than 20,000 cell sites.

00:03:43 After American Tower, Steven served as the CEO of NextG Networks, a provider of fiber-based small cell solutions. At NextG, Steven produced market-leading returns on invested capital while increasing the asset base to approximately 10,000 nodes. Most recently, Steven served as CEO of Centennial Towers, where he created a leading provider of built-to-suit cell sites in Brazil, Colombia and Mexico by focusing on prudent capital allocation and operational excellence.

00:04:14 As I've gotten to know Steven, it's clear that his experience and capabilities in the areas of operational efficiency, process improvement, capital allocation, and his proven ability to build strong leadership teams will serve our customers, shareholders and employees extremely well. We are excited to welcome Steven and believe his leadership will enable Crown Castle to effectively execute on its strategic and operating plans and grow value for all shareholders.

00:04:41 I would also like to thank Tony Melone for serving as our Interim CEO for the past three months. With the help of Tony's leadership, the company remains on track to meet its 2024 financial and operating goals and is well-prepared for a seamless transition to Steven as the company's next CEO. I'm going to turn the call over to Steven in a few minutes to introduce himself and say a few words. But as you can imagine, after starting in the job late last week, he won't be in a position to take your questions at this time.

00:05:09 But before I turn the call over to Steven, I would like to provide an interim update on our fiber review process. As you know, in January, the board created a committee to direct a strategic and operating review of the company's Fiber business with the goal of enhancing and unlocking shareholder value. The board engaged financial advisors, Morgan Stanley and Bank of America, as well as strategic and operating advisors, Altman Solon as well as another leading management consulting firm, to assess our businesses, core capabilities, competitive positioning and organizational structure, and also to perform market analysis and operational benchmarking.

00:05:51 The goal of these assessments was to determine how to optimize the company's enterprise fiber and small cell businesses and determine the fit, value and synergies both inside and outside of Crown Castle. As it relates to the overarching conclusion, this review confirmed that we have premier assets in attractive markets throughout the US. The next step was to determine the optimal path to maximizing the value of these assets both within and/or outside of Crown Castle.

00:06:22 To help assess the potential value creation opportunities, we have recently engaged with multiple parties who have expressed interest in a potential transaction involving all or part of our Fiber business. These discussions are ongoing. While we will not comment further on these discussions during the call, we are

excited to have Steven onboard to help us think through our strategic alternatives. We believe his extensive experience in the digital infrastructure sector will be extremely beneficial throughout this process.

- 00:06:53 Regarding our operational review, we have concluded our work with our external consultants. The main conclusion is that they believe there are opportunities for operational improvement in both our enterprise fiber and small cell businesses regardless of the outcome of our strategic review. We have begun sharing these insights with Steven, who will work with the board and the executive team to develop a revised operating plan that he will share with investors when appropriate.
- 00:07:21 I speak on behalf of the board by saying how pleased we are to have concluded our CEO search with the appointment of such a talented and proven tower executive, as well as progressing substantially on our fiber review. We're laser-focused as a board and moving rapidly yet methodically on these initiatives that we laid out in late December.
- 00:07:41 To reiterate what I said earlier, we believe Steven is the person best suited to lead Crown Castle through the next stages of our Fiber review, as well as position the company for long-term success and value creation. We look forward to providing further updates as appropriate. Before I turn the call over to Steven, I would like to say thank you to the talented employees at Crown Castle for continuing to serve our customers and deliver on the financial results we guided to for 2024. I'm impressed by your dedication and capability to stay focused even during these times of uncertainty.
- 00:08:15 With that, let me turn it over to Steven.

### **Steven J. Moskowitz**

- 00:08:18 Thanks, Rob. I appreciate the kind introduction, and hello, everybody. I know there's some people on the call that I know from the past, others that don't know me yet, and I look forward to getting to know all of you in the months ahead. But I want to start off conveying how excited I am about the opportunity to lead Crown Castle and really what lies ahead for this company.
- 00:08:39 As you may have seen from my background, I've been at this for a long time, and during my time, I've learned that my leadership success really has been a function of a relatively simple formula. It's been developing and clearly articulating a strategy that the management team and employees can align with and also execute from the onset; having a great team of managers who are trustworthy and driven and solutions-oriented and get things done; also maintaining a culture that is customer service-driven and based on values of hard work and thoroughness, thoughtfulness and also having some fun; also giving employees necessary resources and tools to make their jobs easier and operate more efficiently, very, very important; and doing these things in a way that focuses on long-term value creation for our shareholders, most critical.
- 00:09:36 Now, I think we should be able to apply this type of formula at Crown Castle and also apply the benefit I have of coming really from the other side as a competitor of this company for many, many years. And it really provides me with knowledge and a fresh perspective, and it's really a big part of the reason I'm here, is that I believe that this company has many good things to offer, but also has the opportunity to be best-in-class in this industry. I'm also here because I am optimistic about the long-term future of the needs for communications infrastructure and also because I believe the US market is just the best place to do business in the world. And I've had some experiences in other markets outside the US.
- 00:10:20 I've also admired Crown Castle's assets and customer service focus in the past, and instinctively, I believe this company is ripe for significant upside. So, all that said, as incoming CEO, the company's strategic review is a top priority for me. I've already been digging in the last couple of days to start analyzing what's been done by the Fiber Review Committee and also be collaborating with the board to finalize and execute a strategy of course that maximizes shareholder value.

00:10:50 Beyond that, even as Rob mentioned, it's kind of too early for further comments on the approach that we're going to end up taking with Fiber and small cells. But there are other imperatives that I'll be focused on, working with the teams at Crown Castle such as enhancing customer relationships, making sure we manage cash prudently, and finding ways to operate more efficiently, so we definitely convert more new revenues to cash flows.

00:11:15 Without a doubt, this is going to be a process that'll take some time. But I know together with the employee base, we will create solutions to refresh and reengineer the company in many different aspects of the business operations, finding both some quick hits along the way for some kind of short-term success and longer term changes that will make it easier for the employees to do their jobs and be more effective at serving our customers, which really will meaningfully enhance our performance, it's going to improve our operating margins, and we'll be in a better position to capture our unfair share of new leasing business and new site developments as the customers ramp back up spending on network expansion.

00:11:55 So, anyway, that's kind of it for now from me. Before I hand it over to Dan to walk you through our first quarter results, let me first thank Tony. Just he's been unbelievable, his unyielding commitment to Crown Castle, and a great partner as an Interim CEO. And I also appreciate him helping me to get acclimated over the next month to ensure that we have a smooth transition. I'd also like to say thanks to Rob and the board for their faith in me as incoming CEO, and of course, the employees here of Crown Castle who are continuing to perform at a high level. So, with that, I look forward to providing more details about our strategic initiatives as they unfold, and I look forward to taking your questions when I host our second quarter earnings call.

00:12:41 So, Dan, I'll hand over to you.

### **Daniel K. Schlanger**

00:12:43 Thanks, and welcome, Steven. It's great to have you here as part of Crown Castle team and look forward to working with you. We delivered first quarter results in line with expectations and remain on track for our full year outlook as we continue to focus on executing for our customers and shareholders. Our first quarter results demonstrated our customers' consistent and growing demand for our shared infrastructure assets, leading to us generating 5% organic growth excluding the impact of Sprint Cancellations. The 5% growth in the first quarter consisted of 4.6% growth from Towers, 16% growth from small cells which includes \$5 million of higher than expected non-recurring revenue received in the period, and 2% growth from fiber solutions.

00:13:29 As we had anticipated, the solid organic growth delivered in the quarter was offset by the following three items, leading to a year-over-year decrease in site rental revenues, adjusted EBITDA and AFFO. First, a \$50 million reduction to the site rental revenues related to the Sprint Cancellations; second, a combined \$54 million reduction in two non-cash items, straight-lined revenue and prepaid rent amortization; and lastly, a \$26 million decrease in services margin contribution due to the combination of lower tower activity and the decision we had made and implemented last year to discontinue offering construction and installation services.

00:14:10 Turning to page 5 of our earnings materials, our full year outlook remains unchanged and reflects a year-over-year decrease in site rental revenue, adjusted EBITDA and AFFO, due to the non-cash and one-time items I just mentioned. On page 6, our expected organic contribution to full year site rental billings remains unchanged, with consolidated organic growth of 2% or 5% exclusive of the impact from Sprint Cancellations. The 5% consolidated organic growth consists of 4.5% growth from Towers compared to 5% in 2023; 13% growth from small cells, as we expect 16,000 new billable nodes in 2024, compared to 6% growth and 8,000 nodes in 2023; and 3% growth from fiber solutions compared to flat in 2023.

00:15:03 Moving to page 7, we continue to expect to deliver \$65 million of AFFO growth at the midpoint, excluding the impact of the Sprint Cancellations and non-cash decrease in amortization of prepaid rent. Turning to the balance sheet, since transitioning to investment grade in 2015, we have strengthened our balance sheet by extending our weighted average maturity from five to seven years, decreasing the percentage of secured debt from 47% to 6%, and increasing the percentage of fixed rate debt from 68% to 90%.

00:15:37 In addition, we ended the quarter with approximately \$6 billion of availability under our revolving credit facility and only \$2 billion of debt maturities maturing through 2025, providing us with ample liquidity to fund our business. The steps we have taken to strengthen our balance sheet provide us with financial stability and flexibility as we evaluate strategic paths forward. Lastly, our 2024 outlook for discretionary capital remains unchanged at \$1.5 billion to \$1.6 billion, or \$1.1 billion to \$1.2 billion net of \$430 million of prepaid rent received.

00:16:14 To wrap up, we continued to deliver good underlying growth across each of our businesses in the first quarter. At the same time, we made substantial progress on the strategic and operating review of our Fiber business and successfully concluded our CEO search. I'm excited to welcome Steven to Crown Castle and look forward to working together with him and the board to enhance value for all shareholders.

00:16:49 With that, MJ, I'd like to open the line for questions.

## QUESTION AND ANSWER SECTION

### Operator

00:16:54 Thank you, sir. We will now begin the question-and-answer session. Today's first question comes from Michael Rollins with Citi. Please go ahead.

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**Analyst:**Michael I. Rollins

00:17:05 **Question – Michael I. Rollins:** Thanks and good afternoon. Rob, great to have you on the call, and Steven, congratulations on joining Crown Castle. I have but two questions. One, just a clarification. Can you clarify the engagement that you mentioned with multiple parties? You referred to the Fiber segment, I believe. Does that potentially include both fiber solutions and small cells or do those engagements refer only to the fiber solutions segment? And then second, just taking a step back, can you share a bit more of what you've learned from shareholders over the last few months and the Fiber strategic review that can help investors think about the direction that the board and management team want to take this company in over the next few years with respect to strategy and asset mix? Thanks.

00:17:57 **Answer – P. Robert Bartolo:** Hi, Mike. Yeah, nice to talk to you again. It's been a while. Let me take your first question. I believe it was, does the engagement with the Fiber business contain the whole Fiber business or just the enterprise portion of the Fiber business. And what I would say to you is there's different parties that are interested in different parts. I would say, as a board, as a company, we are open to whatever type of a transaction would maximize shareholder value. So, we're looking at different structures, different formats. So, to answer your question, either the whole thing or what I would call the enterprise fiber business are both in play. Now, remind me the second part of your question, Mike.

00:18:56 **Question – Michael I. Rollins:** Yeah. Just taking a step back after conversations you've had with the shareholders and then going through the fiber strategic review so far, just what you've learned and how you're thinking about kind of optimizing strategy and go-forward asset mix over a multiple year period of time.

00:19:13 **Answer – P. Robert Bartolo:** Yeah, that's a little more difficult to answer, because there are – there's some different views from different shareholders. I think in general, we've received positive support from shareholders in terms of us conducting the strategic review of the Fiber business. It's too early to really say this is the definitive direction we're going to go in. So, we have to complete that work, and Steven is going to be a big help in completing that work. So, I would say the opinions have varied somewhat on shareholders, but they're all excited that we are taking these steps to unlock shareholder value.

00:19:57 **Question – Michael I. Rollins:** And just maybe lastly, timing, is there any timing expectations for the next update or goal in terms of when Crown wants to complete this part of the process?

00:20:14

**Answer – P. Robert Bartolo:** Yeah. Mike, as you could see from our CEO search, we're working hard and we're dedicated to performing for the shareholders, so in a manner that is rapid, but is also thorough. So, at this point in time, I can't give you a date, and I wouldn't want to put a limit on the time it's going to take. But just know that we've made substantial progress to get to this point in time in only about three or four months of work. So, we're happy with the pace it's going. But I don't have an end date for you.

00:20:53 **Question – Michael I. Rollins:** Thank you.

**Operator**

00:20:53 Thank you. The next question is from Jonathan Atkin with RBC Capital Markets. Please go ahead.

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**Analyst:**Jonathan Atkin

00:21:00 **Question – Jonathan Atkin:** Hi. Good afternoon and great to connect again. Maybe just a quick follow-up to the last question, and that revolves around openness. You talked about maximizing shareholder value. Could that possibly include selling partial stake in fiber solutions and/or small cells? So, that's maybe the follow-on question.

00:21:20 And then, my question would be just as we think about kind of the cadence for how second half momentum might shape up in the core Tower business, as well as in fiber solutions and small cells, anything you're seeing operationally around how to think about the next three quarters of the year? And are we going to be seeing any kind of a different run rate going forward? Thanks.

00:21:46 **Answer – P. Robert Bartolo:** Yeah. Hi, Jonathan. I'll take your first question. In terms of the form of a potential transaction, we're open to any form that we think does maximize shareholder value. So, I think you're kind of referring to a JV structure, where we would sell some portion of either the entire business or one of the two segments of the business. So, I'm not going to rule anything out. Those type of transactions are on the menu. And at this point, I can't give you any more guidance as to what we would favor, because we're still working through that. But yeah, we're not ruling anything out in the maximization of shareholder value.

00:22:29 **Answer – Anthony J. Melone:** Jonathan, it's Tony. Regarding the second question, as Dan mentioned, we grew Tower revenue 4.6% and the annual guide is 4.5%. And while traditionally seasonality suggests that the second half activity generally is higher than the first, so far, what we've seen suggests that there's nothing that we see that would cause us to see something fall outside the range that we've already guided to, which if you recall was \$105 million to \$115 million for the year. So, we still see ourselves in that range.

00:23:10 **Question – Jonathan Atkin:** And if I could ask one more about cost cutting, because there's been some announcements in the past around office consolidation. And just where do we land in that process and anything further to expect around cost optimization?

00:23:30 **Answer – Daniel K. Schlanger:** Yeah. Jon, it's Dan. We, as you know, in July or August last year, announced a consolidation of offices, as well as a reduction in mostly our Tower force. We have realized the benefits of all of those cost savings, and they're coming through in our income statement this year and have been incorporated into our guide, but are coming through. So, that's greater than \$100 million of cost savings. With additional cost savings, we're always looking to try to find ways to optimize the business, and I would believe that Steven coming in will help us think through if there are other things we might be able to do, but there are no plans at this point that we would point to.

00:24:12 **Question – Jonathan Atkin:** Thank you.

**Operator**

00:24:14 Thank you. The next question comes from Ric Prentiss with Raymond James. Please go ahead.

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**Analyst:**Ric Prentiss

00:24:21 **Question – Ric Prentiss:** Thanks. Rob, good to hear you, and Steven, welcome back. And we agree that US tower business could be maybe the best business ever.

00:24:32 **Answer – Steven J. Moskowitz:** Thanks, Ric.

00:24:33 **Question – Ric Prentiss:** Yeah. One question, philosophical. When you think about the dividend kind of path at Crown Castle, dividend is flat from 2023 to 2024. I think previous language had been we could grow it again beyond 2025. How should we think about the puts and takes about philosophically how the board – it's a board decision, not asking you to make the decision today. But philosophically, how do you want to fund the dividend, how do you want to grow the dividend, what do you want cash payout to kind of be as you think the about strategic review? Is there anything you can help us kind of wrap around philosophically how you're thinking about what the dividend might be structured into the future?

00:25:14 **Answer – P. Robert Bartolo:** Hi, Ric. Thanks for the question. The dividend is extremely important to the board and the company. We recognize that our investors, many of which – that's a significant component of return for the company as a REIT. We believe our balance sheet is strong and that our earnings and our balance sheet will support the dividend. So, we're going to have to – as we go through and the strategic review and everything else, we're going to have to go through that. But I want to just reiterate our support for the dividend, and it's a key part of our capital and our philosophy as a board.

00:25:58 **Question – Ric Prentiss:** Okay. And then, you guys have touched on a couple of times for previous questions with Mike and Jonathan, the fiber small cell piece. How easy is it to separate the small cell business from the fiber solutions business, just thinking through kind of how Crown's genesis getting into the small cells and then expansion beyond that? But how easy is that to physically kind of pull those apart?

00:26:27 **Answer – P. Robert Bartolo:** Yeah. So, Ric, there's many fiber companies and there's many small cell companies that operate without a fiber company – enterprise fiber company such as ours. So, part of the review, one of the learnings is that those businesses can be separated out. And so, that increases our alternatives and informs our view as we progress through the strategic review.

00:26:59 **Question – Ric Prentiss:** Okay. Makes sense. Again, good luck, Steven, and good to hear all of you guys on the call today. Thanks.

00:27:05 **Answer – Steven J. Moskowitz:** Thanks, Ric.

00:27:05 **Answer – P. Robert Bartolo:** Thank you.

**Operator**

00:27:06 Thank you. The next question is from Simon Flannery with Morgan Stanley. Please go ahead.

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**Analyst:**Simon Flannery

00:27:12 **Question – Simon Flannery:** Great. Thank you very much, and congrats, Steven, on the new role. Dan, you had said before that you expected first half to be the low point in AFFO per share. Just wanted to get an update on that. Obviously, you're reiterating guidance today. And then, I wonder if you could give us an update on just carrier or customer activity across the three segments, and in particular, just where we are on the carriers moving onto more of a densification phase for 5G and wrapping up the upgrades to mid-band 5G on the sites they haven't upgraded yet. Thanks.

00:27:53 **Answer – Daniel K. Schlanger:** Yeah. Simon, I'll take the first one. Yes, we still believe the first half will be the low point for AFFO per share and believe we will grow the AFFO per share through the course of the

remainder – or the second half of 2024.

00:28:07 **Question – Simon Flannery:** Thank you.

00:28:07 **Answer – Anthony J. Melone:** Hello, Simon. It's Tony. Regarding...

00:28:09 **Question – Simon Flannery:** Hi, Tony. How are you?

00:28:11 **Answer – Anthony J. Melone:** Good. Regarding activity levels, as I said earlier, we're extremely pleased with the results for the first quarter. But as I said, there's nothing that we see right now that takes us outside of our guidance range that we previously provided. What I will say on the – I'll reiterate what I said last quarter regarding the carriers. To deliver on the promise of 5G throughout their footprint will require a significant amount of continued densification. Hard for me to predict over what period of time, but there's clearly still a lot of work, I believe, that they will do to densify their 5G network over years to come. And I think it provides a great opportunity for Crown and our Tower portfolio.

00:29:09 **Question – Simon Flannery:** Great. And just maybe a quick follow-up on the small cells. You talked about the 16,000 nodes, up from 8,000. Can you just give us an update on what your sort of year-to-date pacing has been, as that's a big jump sequentially?

00:29:22 **Answer – Anthony J. Melone:** Yeah. Simon, as you know, we typically provide increments in 5,000 ranges. And so, we don't have a further update on that for this quarter. What I can tell you is that the 16,000 sites that we expect, we continue to feel – have line of sight on for 2024, and as you might expect, and what you saw you in previous years, that is typically back-end loaded.

00:29:54 **Question – Simon Flannery:** Great. Thank you.

#### **Operator**

00:29:57 Thank you. The next question is from Nick Del Deo with MoffettNathanson. Please go ahead.

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**Analyst:**Nicholas Ralph Del Deo

00:30:04 **Question – Nicholas Ralph Del Deo:** Hi. Thanks for taking my questions. And I want to echo others' comments and congratulate Steven on the new role. I guess returning to the cost efficiency topic, Rob, you noted in your prepared remarks that there seem to be opportunities to run the Fiber segment more efficiently. You didn't make any comments about the efficiency with which the Tower business is run. Should we take that to mean that you believe the Tower business is run as efficiently as one can reasonably expect or has that just not been an area of focus yet?

00:30:34 **Answer – P. Robert Bartolo:** Well, here's what I would say. The operational review was primarily focused on the Fiber segment. So, we didn't have a deep-dive into the Tower cost structure. As Steven's remarks indicated, there are areas for operational efficiency, and he's an expert at extracting those on the Tower side as well. So, like I said, it was more focused on the Fiber segment, but stay tuned on the Tower segment as well.

00:31:09 **Answer – Steven J. Moskowitz:** Yeah, yeah. I guess (00:30:30).

00:31:09 **Question – Nicholas Ralph Del Deo:** Okay.

00:31:11 **Answer – Steven J. Moskowitz:** Hey, Nick. This is Steven. Yeah, I'd just add that, again, I have some ideas, but I just don't – it's too early to say anything concrete. My style is typically to first brainstorm with the employees, with the teams and kind of learn from them, from their perspective what's gone well and what they think needs attention. And then, after that, I'll add my thoughts and opinions, and we'll work together in

coming up with an improvement plan. And that plan needs to be executed well, have a timeframe, at a reasonable cost, and this type of operational efficiency movement. I think a lot of people here are eager for some change that'll help improve our customer service and improve their abilities to get their jobs done. So, I'm pretty excited about it. But again, nothing to communicate at this point. So, I guess stay tuned.

00:32:18 **Question – Nicholas Ralph Del Deo:** Okay. That's helpful. Thanks for sharing all those details. And maybe in a similar vein, last quarter, I think Tony talked about implementing a change in how the segments are run. I think it was basically giving the COOs full P&L responsibility, which is an approach he liked. I guess it's early, but wondering if you're seeing any benefits from that yet and if that sort of structure is generally consistent with how you like to run the business, Steven.

00:32:49 **Answer – Steven J. Moskowitz:** You know what, I've been an observer. So, give me a little bit of time to kind of learn about the different roles, kind of who does what and how things are being implemented. And as I said in my opening remarks, a key focus for me is to have great people who are all aligned on a relatively simple strategy. So, we'll be working on that. But in the meantime, yes, the team has done a nice job coming out of first quarter and there's some momentum. So, that's good to see.

00:33:22 **Answer – Anthony J. Melone:** Yeah, Nick, and I'll add to that. It's hard to know exactly what contributed to our results. But I will say the fact that we are able to deliver results – solid results for the quarter across all lines of business, despite the changes that were going on in the business, myself coming in, et cetera, gives me comfort that the added focus was helpful. But as I said to Steven, all these changes were made in mind that (00:33:20) new CEO certainly is going to come in and provide their own influence on how the business should be run, and the team is adaptable.

00:34:13 **Question – Nicholas Ralph Del Deo:** Okay. Great. Well, thank you, everyone.

**Operator**

00:34:17 Thank you. The next question is from David Barden with Bank of America. Please go ahead.

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**Analyst:**David W. Barden

00:34:23 **Question – David W. Barden:** Hey, guys. Thanks so much for taking the question. I guess I asked this question last quarter, which was which would come first, the CEO or the strategy. And obviously, Steven, you are coming first. So, welcome. And Rob, it's good to hear from you again. So, Steven, I guess what kind of agency do you believe you have in constructing the strategy that is ultimately going to be what you're going to own on a go-forward basis? And then, I guess second, more of a detail question. Dan, it looks like a non-big three renewal helped the straight-lined revenue and EBITDA this quarter. Could you elaborate a little bit on what that was? Thanks.

00:35:13 **Answer – Steven J. Moskowitz:** Hey, Dave. It's Steven. I couldn't hear part of your question. But I think you were asking how I'm thinking about my involvement in what the future strategy will be of the company.

00:35:26 **Question – David W. Barden:** Yes, yes.

00:35:28 **Answer – Steven J. Moskowitz:** I mean, part of the reason why I came here was because I've spent a lot of time with Rob, spent a lot of time with the different board members, and Tony, obviously, and felt very comfortable that there was good chemistry between the team and myself – the team of board members and myself. And for me, chemistry is critical. I've had it for many, many years in many different roles, and it's allowed me to build trust, hopefully quickly, with "my bosses" I guess and then implement and be empowered to implement in a way that I feel will best set the company up for future success.

00:36:17 So, I feel I'm going to be very involved, and I think maybe it's a little bit of frustration with, hey, the fiber review is to some degree – there's a lot of work that's been done and Moskowitz is coming in now and maybe there's a little bit of a delay. But from my perspective, it's critical for me to really have a lot of

exposure to what's been done to provide as an influencer for the strategy and then agreeing with Rob and the board on the best way to move forward. So I'm not sure if that answers your question. I hope it does.

00:36:56 **Question – David W. Barden:** Yeah. That's helpful. Thank you, Steve.

00:36:59 **Answer – Daniel K. Schlanger:** Hey, Dave. I'm struggling with how to answer your question, because I'm not exactly sure what you're looking at to conclude what you concluded. There was nothing that I would point to that is a new contract or an extension or anything that would significantly impact straight-lined and there wasn't a big jump in straight-lined. So, I'm struggling with how I can address whatever you're thinking through.

00:37:23 **Question – David W. Barden:** Sorry. Yeah. I was just looking at the supplemental disclosure where the contract – renewable contract revenues in 1Q – last quarter, it was going to be (00:36:48) about \$230 million. Now, it's about \$180 million, and it didn't show up again in the later – in the schedule. It looked like something had gotten pushed out or renewed. I'm sorry if I got it wrong.

00:37:41 **Answer – Daniel K. Schlanger:** No, there was nothing that was pushed out or renewed, and I can't answer the question directly here. But I'm happy to follow up with you or anybody else that has the same question. But there was nothing that got renewed in the quarter.

00:37:55 **Question – David W. Barden:** Perfect. Great. Thanks, Dan.

00:37:56 **Answer – Daniel K. Schlanger:** Thank you.

**Operator**

00:37:56 Thank you. The next question is from Richard Choe with JPMorgan. Please go ahead.

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**Analyst:**Richard Choe

00:38:02 **Question – Richard Choe:** Hi. I just wanted to follow up. In the fiber review, there's the sale of full or partial, but then there's also the efficiency review. How should we think about the two processes going on simultaneously?

00:38:18 **Answer – P. Robert Bartolo:** Yeah. So, I would say on the sale of all or part, that's a strategic priority. As I said earlier, we're engaged with third parties. So, that process is ongoing. And then, on the operational review, maybe I'll pass it to Tony.

00:38:41 **Answer – Anthony J. Melone:** Yeah. Essentially, Richard, the work on the operational side with the third parties has concluded. We've done the analysis with them, and we've shared that work, we – internally, we've analyzed the work and processed it, et cetera, and now we passed all that work we've done to Steven and he's going to work with the management team, as we said earlier, to take that input, and obviously, add his own insight and apply that to the business.

00:39:17 **Question – Richard Choe:** Great. And then, with the services business, are you seeing any changes with the, I guess, ongoing services business?

00:39:27 **Answer – Daniel K. Schlanger:** No. As we talked about, we think that the services – the contribution to margin that we have from services in the first quarter when we talked (00:38:58) about it last quarter, are generally going to be consistent across the quarters. So, there's nothing that would have changed our view of that consistency at this point.

00:39:49 **Question – Richard Choe:** Great. Thank you.

00:39:52 **Answer – Daniel K. Schlanger:** Yes.

**Operator**

00:39:52 Thank you. The next question is from Matt Niknam with Deutsche Bank. Please go ahead.

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**Analyst:**Matthew Niknam

00:39:58 **Question – Matthew Niknam:** Hey, guys. Thanks so much for taking the question. Just two quick ones, if I could. First, on the Fiber business, has the strategic review affected pace of bookings, any sort of customer behavior the last several months at all, whether on the fiber solutions or on the small cell side? That's number one.

00:40:17 And then secondly, just any color you can provide in terms of pacing of application volumes, carrier activity on the Tower side, and whether there was any meaningful change or pick-up across the four carriers intra-quarter (00:39:51)? Thanks.

00:40:37 **Answer – Anthony J. Melone:** Thank you, Matt. So, on the bookings side, the answer to your question is we have good line of sight, as we talked about, on the bookings for both small cells as well as fiber solutions to give us comfort in the guides we provided, both the 16,000 small cells for the year, as well as the 3% growth for the year. So, we feel very comfortable with that.

00:41:06 And so, on your second question in terms of pacing, no, there hasn't been any material change in terms of pacing within the quarter that would be of significance to comment on.

00:41:24 **Question – Matthew Niknam:** Great. Thank you.

**Operator**

00:41:27 Thank you. The next question is from Batya Levi with UBS. Please go ahead.

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**Analyst:**Batya Levi

00:41:33 **Question – Batya Levi:** Great. Thank you. Couple follow-ups. First, on the Tower activity, can you provide us an update on what percent of the towers have been upgraded with 5G equipment now and if you're seeing any change in the carrier activity to support fixed wireless? And a follow-up on the discretionary CapEx side. Can you talk about how much of that is already committed to? Can we expect that you might pull back a bit as the strategic review is ongoing? Thank you.

00:42:11 **Answer – Anthony J. Melone:** Regarding the 5G, I think the last time we commented on 5G. We don't regularly update on that number. I think it was 50%, and we'll provide an update some point in the future, but we have no update for you today on that.

00:42:38 **Answer – Daniel K. Schlanger:** Carrier activity on fixed wireless.

00:42:46 **Answer – Anthony J. Melone:** Yeah. Carrier activity on fixed wireless, really it's hard for us to be – our activity, it's hard for us to determine whether it's being driven by fixed wireless or the general mobility services. And quite frankly, it's hard for them to determine that themselves, just the nature of the cell site. Their capacity needs is dictated by both, and which one triggers that relief requirement is difficult to predict. So, it's almost impossible for me to give you a feel for what's driving that and how much of it is fixed wireless.

00:43:18

**Answer – Daniel K. Schlanger:** And on discretionary capital and how much is committed, we do, as you know, have long-term commitments based on the contracts that we've signed with our customers. Those commitments, we intend to honor. We will continue to build the small cells we need to build. We'll continue to build the fiber for our fiber solutions business. And as you saw, we have not changed guidance for 2024. So, we still anticipate that we'll spend that. I can't really comment on what the strategic review might do for all the reasons that have been said before. So, we continue to think that we will spend the money and generate the growth that we have articulated in our outlook.

00:43:58 **Question – Batya Levi:** Got it. Thank you.

**Operator**

00:44:01 Thank you. The next question is from Brendan Lynch with Barclays. Please go ahead.

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**Analyst:**Brendan James Lynch

00:44:07 **Question – Brendan James Lynch:** Great. Thank you for taking my question, and congrats, Steven, on the new role. Maybe just another one on the strategic review. Obviously, you're considering what to do with the Fiber and small cell business. But is there a component of the strategic review that is also considering how to manage the remaining business if you were to sell off those assets, whether that'd be to expand the Tower business into new markets or enter a new vertical of some sort?

00:44:42 **Answer – P. Robert Bartolo:** Yeah. This is Rob. Thanks for the question, Brendan. The strategic review right now is focused just on the Fiber business. So, to answer your question directly, we're not focused at this point in time on what would happen after the strategic review and the future course and strategy of the company in terms of capital allocation in that nature. I think Steven is going to be a huge part of that, along with the board. So, yeah, the strategic review is just focused on the Fiber business right now.

00:45:20 **Question – Brendan James Lynch:** Okay. Thank you. That's helpful. And maybe one follow-up. With the higher for longer rate environment, do you anticipate that this will affect carrier spending this year or next or are they primarily responding to network needs when considering their deployment pace?

00:45:40 **Answer – Anthony J. Melone:** Brendan, this is Tony. Based on my experience there, there's always potential for some movement along the edges. But principally, they're responding to capacity needs, quality of service needs, et cetera. So, I would say the vast majority of their decision-making in-year is based on that.

00:46:08 **Question – Brendan James Lynch:** Okay, very good. Thank you for taking my questions.

**Operator**

00:46:12 Thank you very much. The last question this evening is from Brandon Nispel with KeyBanc Capital Markets. Please go ahead.

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**Analyst:**Brandon Nispel

00:46:20 **Question – Brandon Nispel:** Hey. Thanks for getting me in and taking the questions. I was hoping to go back to the Tower business. You obviously called out your first quarter results were right in line with guidance. But I think big picture, your level of leasing is well below historical levels that you've seen and much closer to trough than any sort of peak. So, I was hoping you could talk about the confidence you have in terms of reacceleration. It didn't sound like that that was in the guidance for this year, but something to get back to your 5% long-term growth guidance. And I'll leave it at that. Thanks.

00:46:58

**Answer – Anthony J. Melone:** Yes, Brandon. Thanks. It's Tony again. I think I'd just reiterate what I had said earlier and what I said last quarter. I know what's needed to cover 5G at the speeds that are promised, again, with fixed wireless and that activity and just overall growth in data demand in that business. That requires either more spectrum or more densification. And as you know, in the past few years, the carriers have been focused on utilizing spectrum and deploying 5G. And I believe, at some point in the future, densification efforts will pick up. But it's very hard to predict exactly when that timing will start. But as Steven said, I believe in the US market. I believe in our shared infrastructure model. And so, I'm optimistic that those types of growth levels will be back at some point.

00:48:11 **Answer – Steven J. Moskowitz:** Hey, Brandon. It's Steven. Yeah, I'd just say that there's always phases of builds, right. All the Gs that we've seen over the years, the phase one is pretty much massive building over two, three years, and then there's kind of a pause, right. They still spend capital. They're still filling holes in their network and doing overlays, et cetera, and that takes typically – it could take a year, it could take a year-and-a-half. In this market, maybe it's taking a little bit longer. But then phase three kicks in and then there's a reacceleration. And so, I think what we're saying is we're kind of in that phase two, and I think the good news for me at least is I'm coming in new here. But my goal is, again, to work with the team to make sure that we're exceptionally prepared, so when phase three comes, which we're anticipating hopefully at some point in 2025, that we're able to really maximize our unfair share of business going forward.

00:49:14 **Question – Brandon Nispel:** Thanks for taking the question.

#### **Operator**

00:49:17 Thank you. This concludes our question-and-answer session. I would now like to turn the call back over to Tony Melone for closing remarks.

00:49:17 Thank you, MJ. I'd like to take this opportunity to express my appreciation to the Crown Castle team throughout the country. Over the past three months, I've had the opportunity to spend time with many of you, and I've been impressed by your dedication to our customers and shareholders. You have made my time at Crown Castle something I will look back on fondly, and I thank you for all you do.

00:49:51 And I'd also like to say that like Rob, I'm really excited to have Steven here. When I worked at Verizon, I had the benefit of being one of Steven's largest customers, and I got to see his professionalism, customer focus and strong operational acumen firsthand. I believe Steven's skills, experience and proven track record of improving financial performance will help the great team we have across the company take advantage of the growing demand for communications infrastructure. I look forward to working with Steven over the next month and staying actively engaged on the board. Thank you and have a good evening.

00:50:32 Thanks, everybody.

#### **Operator**

00:50:34 The conference has now concluded. Thank you very much for your participation. You may now disconnect your lines.