

Q3 2025 Earnings Call *(Corrected version)*

✓ **Event Details**

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Company: Crown Castle, Inc.

Ticker: CCI-US

✓ **Company Participants**

Kristoffer Hinson - Crown Castle, Inc., Vice President-Corporate Finance & Treasurer

Christian H. Hillabrant - Crown Castle, Inc., President, Chief Executive Officer & Director

Sunit S. Patel - Crown Castle, Inc., Executive Vice President & Chief Financial Officer

✓ **Other Participants**

Michael I. Rollins - Analyst

Benjamin Swinburne - Analyst

Michael J. Funk - Analyst

Ric Prentiss - Analyst

James Edward Schneider - Analyst

Nicholas Ralph Del Deo - Analyst

Richard Choe - Analyst

Batya Levi - Analyst

Brendan James Lynch - Analyst

Eric Luebchow - Analyst

Brandon Nispel - Analyst

MANAGEMENT DISCUSSION SECTION

Operator

Good day, and welcome to the Crown Castle's Quarter Three 2025 Earnings Conference Call. All participants will be in listen-only mode. After today's presentation, there will be an opportunity to ask questions. Please note this event is being recorded.

I would now like to turn the conference over to Kris Hinson, Vice President of Corporate Finance and Treasurer. Please go ahead.

Kristoffer Hinson

Thank you, Chloe, and good afternoon, everyone. Thank you for joining us today as we discuss our third quarter 2025 results. With me on the call this afternoon are Chris Hillabrant, Crown Castle's President and Chief Executive Officer; and Sunit Patel, Crown Castle's Chief Financial Officer.

To aid the discussion, we have posted supplemental materials in the Investors section of our website at crowncastle.com that we reference throughout the call. 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.

Our statements are made as of today, October 22, 2025, 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.

I would like to remind everyone that having an agreement to sell our Fiber segment means that the Fiber segment results are required to be reported within Crown Castle's financial statements as discontinued operations.

Consistent with last quarter, the company's full-year 2025 outlook and third quarter results do not include contributions from what we've previously reported under the Fiber segment, except as otherwise noted.

To aid in the review of our third quarter results, our earnings materials include full-year 2024 results on a comparable basis. As we indicated last quarter, within 2025 outlook and in our quarterly results, all financing expenses are included in continuing operations and do not reflect the impact of any expected use of proceeds from the sale of our Fiber Business.

Additionally, SG&A has been allocated between continuing and discontinued operations to develop our outlook. However, these allocations may not represent the run rate SG&A for Crown Castle as a standalone tower company. As a result, adjusted EBITDA, AFFO, and AFFO per share in our 2025 outlook and quarterly results may not be representative of the company's anticipated performance following the close of the sale.

With that, let me turn the call over to Chris.

Christian H. Hillabrant

Thank you, Kris, and good afternoon, everyone. It's an honor to address you for the first time as CEO of Crown Castle. As you've seen from my background, I have been in the telecommunications industry for many years, and I have long admired Crown Castle and its high-quality portfolio of approximately 40,000 towers, both as a customer and as a previous competitor.

In my first 40 days, I've traveled across the country to host town halls and hear from many of Crown Castle's employees and customers, and I've gained several key insights. First, I am really pleased by the high level of engagement of our employees and their excitement on our goal to become a best-in-class US tower company. We believe that the fiber and small-cell sale transaction remains on track to close in the first half of 2026.

Second, I believe that the US wireless communications infrastructure industry is entering a period of significant opportunity, supported by solid fundamentals, continued growth and customer demand. Third, Crown Castle is uniquely positioned to drive attractive risk-adjusted returns during this period as the only large publicly traded tower operator with an exclusive focus on the US.

In September, CTIA, a leading wireless industry association, reported that mobile data demand in 2024 had increased by more than 30% for the third consecutive year. We believe mobile data demand is the best

indicator of long-term demand for our assets as incremental network investment by our customers is required to enable higher levels of mobile data traffic.

As data demand continues to grow, it will require operators to expand network capacity by both deploying new sites and adding new spectrum bands to existing sites. We're seeing this dynamic unfold in real time. Over the past year, each major mobile network operator has acquired additional spectrum despite having collectively secured approximately 700 megahertz of spectrum less than five years ago, the same amount of spectrum acquired in the prior 40 years combined.

Looking ahead, the FCC has said it plans to auction at least 800 megahertz of additional spectrum beginning in 2027. As we saw during the early stages of the 5G deployment cycle, spectrum acquisitions by well-capitalized carriers tends to create significant opportunities for tower operators.

With this in mind, I am excited by Crown Castle's long-term value creation opportunity as the only large publicly traded tower operator with an exclusive focus on the US market.

I believe we have an opportunity to generate attractive long-term, risk-adjusted shareholder returns by focusing on becoming the best operator of US towers with the following strategic priorities.

First, to empower the Crown Castle team to make the best and timely business decisions by investing on our systems to improve the quality and accessibility of asset information; second, strengthen our ability to meet the business' needs by streamlining and automating processes to enhance operational flexibility; and third, as the team has already started doing, drive efficiencies across the business. We will advance our data management and process engineering capabilities to deliver on these strategic priorities, and over the long term, we expect to maximize cash flow by unlocking additional organic growth while driving continuous improvement and profitability. This strategy is supported by our previously announced standalone tower capital allocation framework, which balances the predictable return of capital to shareholders with the financial flexibility to invest in our core business.

Following the close of our sale transaction, we intend to grow our dividend in line with AFFO, excluding amortization of prepaid rent by maintaining a payout ratio of 75% to 80%. Additionally, we continue to expect to spend between \$150 million to \$250 million of annual net capital expenditures to add and modify our towers, purchase land under our towers, and invest in technology to enhance and automate our systems and processes.

We believe these enhancements, which are already underway, are fundamental to our strategic priorities to improve the quality and accessibility of asset information, enhance operational flexibility, and to drive further efficiencies. Lastly, after paying our quarterly dividend and pursuing organic investment opportunities, we intend to utilize the cash flow we generate to repurchase shares while maintaining our investment-grade credit rating.

So, in conclusion, I am excited by the opportunity ahead for both the US wireless infrastructure industry and Crown Castle, specifically, as the only large, publicly-traded tower operator with an exclusive focus on the US. We are well positioned to deliver attractive, risk-adjusted returns over the long term with our strategy designed to maximize organic growth while enhancing profitability, and our capital allocation framework which balances the predictable return of capital to shareholders with financial flexibility.

With that, I'll turn it over to Sunit to walk us through the details of the quarter.

Sunit S. Patel

Thanks, Chris, and good afternoon, everyone. We delivered solid third quarter results and are increasing our full-year 2025 outlook as demand for our assets remains strong and we continue to identify opportunities to operate more efficiently.

Starting on page 4, the tower business performed well in the third quarter, highlighted by 5.2% organic growth or \$52 million, which excludes the impact of Sprint Cancellations and benefits from a \$5 million timing-related uplift to core leasing activity in the quarter. However, this was more than offset at the site rental revenues, adjusted EBITDA and AFFO lines, largely due to an unfavorable \$51 million impact from Sprint Cancellations, a \$39 million reduction in non-cash straight-lined revenues, and \$17 million decrease in non-cash amortization of prepaid rent.

Moving to page 5, our updated full-year 2025 outlook includes increases at the midpoint of \$10 million to site rental revenues, \$30 million to adjusted EBITDA, and \$40 million to AFFO. The higher site rental revenues are driven by continued strong demand for our assets, which we expect will result in a \$10 million increase to full-year straight-lined revenues and fourth quarter leasing activity and non-renewals in line with the first half 2025 results.

We also expect a \$40 million increase at AFFO consisting of a \$5 million increases in services gross margin driven by higher services activity, a \$15 million decrease in expenses and \$5 million decrease in sustaining capital expenditures as we continue to identify opportunities for greater operational efficiency in the tower business, and finally, a \$15 million decrease in interest expense, largely due to lower than expected floating rates and a pushout in the assumed term-out of our floating debt.

Included in our updated full-year 2025 outlook is a \$30 million reduction in discretionary capital expenditures from spend that has been pushed into next year. Our updated outlook for 2025 discretionary CapEx is \$155 million or \$115 million net of \$40 million of prepaid rent received.

In conclusion, we are pleased with our third quarter results and believe we are well positioned to meet our increased outlook for full-year 2025 and our range for estimated annual AFFO following the Fiber Business sale closing that we reiterated last quarter of \$2.265 billion to \$2.415 billion. Longer term, we're excited by the opportunity for Crown Castle as the only large, publicly-traded tower operator with an exclusive focus on the US to deliver attractive, risk-adjusted returns with our balanced capital allocation framework, investment-grade balance sheet, and focus on operational execution.

With that, operator, I'd like to open the line for questions.

QUESTION AND ANSWER SECTION

Operator

We will now begin the question-and-answer session. The first question comes from Michael Rollins with Citi. Please go ahead.

Analyst:Michael I. Rollins

Question – Michael I. Rollins: Thanks and good afternoon. And, Chris, congratulations on becoming CEO of Crown Castle.

Answer – Christian H. Hillabrant: Thank you.

Question – Michael I. Rollins: So a couple questions. First, Chris, it'd be great to get your perspective. I mean, you shared some of it, of course, already in terms of some of your priorities and your initial takes, but as you look at the growth opportunities for Crown, can you frame maybe in more detail what are the opportunities to grow further with your existing customers and how that opportunity rates relative to the efficiency gains by divesting the Fiber operations and just looking for more opportunities to be more efficient and effective?

And then just a second topic, if I could. Just curious for an update on the relationship with EchoStar. Have you received any feedback in terms of what their approach to the network may be and how you look at collecting the rest of the contractual commitments that you have with customer? Thanks.

Answer – Christian H. Hillabrant: Yeah, great. Thanks, Michael. So, I think four questions in one, if I counted them all correctly. Let's start with the growth one that you mentioned. I think, look, one of the reasons why we're so excited about becoming a large, public US tower operator is that we believe that we can really unlock the value on both revenue and the profitability side. Fundamentally, we will be focusing in on almost the back to basics to just maximize the revenue opportunities that we have within the existing portfolio overall, and I think we feel good and – as recognized by the results that you just heard today.

In terms of efficiency, look, this is one of the things that we have a huge focus in on, not only in terms of what we promised to deliver as part of this and so we need to get through, first, the actual fiber sale itself, this is our number one priority as a management team, to get this over the finish line here by the end of first half next year, but then we're already starting to focus in on those efficiency areas. And again, you saw that in the results that we're reporting this quarter, is that we started to accelerate those activities where we can.

And we, as a company, will spend a great deal of focus on looking for the opportunities to drive efficiency across our platforms, both through process changes and new tools, but also just execution and delivering against customer expectations in what will be a best-in-class TowerCo.

And then finally, on the EchoStar question that you asked, look, we have a good agreement in place, it runs through 2036, and the bottom line is we expect to be paid per the terms of the agreement.

Question – Michael I. Rollins: Thanks very much.

Answer – Christian H. Hillabrant: Thank you.

Operator

The next question comes from Benjamin Swinburne with Morgan Stanley. Please go ahead.

Analyst: Benjamin Swinburne

Question – Benjamin Swinburne: And welcome to the earnings calls, Chris. Nice to hear your voice. Wanted to ask you guys a couple of questions. AT&T this morning talked about deploying 3.45 gigahertz from EchoStar kind of prior to close. In fact, they talked about getting that to two-thirds of their POPs by mid-November. I'm curious, I know you can't talk about specific carriers, but as we see the EchoStar spectrum get deployed, particularly where it's simply a software upgrade, is there any opportunity for Crown Castle from a revenue point of view, or how do you think about this migration of spectrum from Boost to the majors?

And I was just wondering if Sunit could talk a little bit about the one-timer in the quarter. I think you said it was \$5 million. Any color on sort of what drove that would be interesting. Thank you.

Answer – Sunit S. Patel: Yeah. I'll take both. Yeah, I saw those remarks. Look, I think in general, what I would say, because tough for us to comment on AT&T's specific plans over the next years, but in general, I would say the massive investment in spectrum which is usually followed by deployment, generally, and it depends on whether they would do a software upgrade to existing coverage areas or they want to go into more coverage areas, again, I wouldn't know. But what I would say over the long term, as more spectrum bands get occupied and as mobile data demand continues to grow, in general, that's favorable for the tower sector and we hope will do a good job of serving AT&T for whatever its plans are. So I think that's the main point there.

On the one-time benefit, yeah, it's combination of different things happening at – in the third quarter with several of our carrier customers so we had a one-time benefit. As we said, we expect to revert back to the sort of activity levels we saw in the first half of the year in the fourth quarter. So, these things are never linear, sometimes you can have lumpiness, and that's what you saw in the third quarter.

Question – Benjamin Swinburne: Got it. Great. Well, thank you very much.

Operator

The next question comes from Michael Funk with Bank of America. Please go ahead.

Analyst:Michael J. Funk

Question – Michael J. Funk: Yeah, hi. Good evening. Thank you again for the question and, Chris, congratulations on your new role.

Answer – Christian H. Hillabrant: Thank you, Mike. Appreciate it.

Question – Michael J. Funk: Yeah. So a couple, if I could. Sort of following on the last one, we've heard carriers talk about less densification due to spectrum that they're acquiring and just wondering if that's filtered through to your conversations with them, either maybe pulling back on plans that they had or discussions that they were having, or if it's too early and you wouldn't necessarily already had those conversations around densification.

Answer – Christian H. Hillabrant: No, I don't think we've seen anything. As you can see, leasing is a continued strong environment for us, we're seeing solid demand for our assets and no material changes at this time.

Question – Michael J. Funk: Great. And then, Sunit, a lot of discussion about efficiency efforts. Where would you say we are in that process today if you had to put it in innings?

Answer – Sunit S. Patel: Yeah, I mean, I think we are – you can see with our progress every quarter, we are basically taking down the execution risk on the guidance that we have provided for next year's AFFO for the period July 1 next year to June 30 of the following year. So I think where we are is we keep looking for opportunities to drive efficiencies, various automation systems implementations in a phased approach. But clearly, the big benefit comes as we simplify from running three businesses to one business.

So I think that, you'll start seeing benefiting us as we get to the close of the transaction and beyond that. But meanwhile, there's plenty to do within our tower business, our corporate segments, and that's what we are focused on.

Question – Michael J. Funk: Great. Thank you, Chris and Sunit.

Answer – Christian H. Hillabrant: Thank you.

Operator

The next question comes from Ric Prentiss with Raymond James. Please go ahead.

Analyst:Ric Prentiss

Question – Ric Prentiss: I guess, good afternoon, everyone. And, Chris, yeah, always nice to start on a beat and raise quarter, so good talking to you again.

Answer – Christian H. Hillabrant: Time is everything.

Question – Ric Prentiss: It is. I want to follow Mike's question earlier. On the DISH MLA, clearly, you've got a contract that's written well, you expect to get paid. Putting the spectrum on the towers was really critical to making sure they kept the spectrum rights and be able to sell it. My question wants to go at it.

If we look at your 2024 actuals and your 2025 guidance, I know you've said in the past, your Boost, DISH Boost contract had some step-ups in it. How should we think about how much was in the 2024 actual and the 2025 guidance that was kind of related to DISH activity that we should be thinking about that's continuing to grow while the contract's in place in 2026, 2027? Any kind of framework you can give us, even rough basis points, what it might have been?

Answer – Sunit S. Patel: Yeah, Ric, so, I mean, as we've said before, DISH represents about 5% of our revenues on the tower side, and so I think as we look forward, we'll see what happens with DISH EchoStar. We feel really good about our contract, and beyond that, it's tough to get into too many specifics given the confidentiality with our clients.

Question – Ric Prentiss: Sure. Okay. Figured I'd try. When you think about dealing with Charlie Ergen and Hamid and the EchoStar Boost folks, are you willing and open to saying, well, let's look at maybe an NPV basis, let's look at, here's what you owe me, can we have some kind of discussion? And I guess the extra piece

of the question would be help us understand what decommissioning costs, ballpark, might be because I think the contracts also include that they're supposed to return the towers and remove the equipment.

Answer – Sunit S. Patel: Yeah. So what I would say, tough to tell what direction when, what discussion would go and tough for me to comment on any discussions with them generally, and then – and similarly, to comment on specific contract provisions on some of the things you're talking about. Just all of these things are confidential, but we are – we feel very good about the contract we have with DISH.

Answer – Christian H. Hillabrant: Ric, maybe another way to put it is that, look, our goal here as management is to maximize shareholder value, and we're always open to working with our customers to accomplish that, right, so...

Answer – Sunit S. Patel: Yeah, that's right.

Answer – Christian H. Hillabrant: ...maybe leave it open-ended like that.

Question – Ric Prentiss: Okay. And last one from me, you touched on it briefly to Funk's question, that famous slide 7 from the fourth quarter deck where you laid out kind of that pro forma second half 2026, first half 2027. There's that one stack bar in there that talks about SG&A standalone. You'd mentioned, I think, previously that you'll update that slide. Are we still waiting for the deal to close or how should we think about when do we get more granularity on that, I'll call it, my famous slide 7 from your 4Q deck?

Answer – Sunit S. Patel: Good question. I think that when we report next quarter, obviously, we'll provide guidance for 2026 and I think you can expect a little more detail then.

Question – Ric Prentiss: That'd be great. Okay. Thanks, guys, and again welcome, Chris.

Answer – Christian H. Hillabrant: Thanks, Ric.

Operator

The next question comes from Jim Schneider with Goldman Sachs. Please go ahead.

Analyst: James Edward Schneider

Question – James Edward Schneider: Good evening. Thanks for taking my question. Chris, I was just wondering if you could maybe give us a sense of, given your prior experiences, how do those inform your role at Crown Castle? And you've been very clear about the strategic goals of the company, but on the margin, are there any areas where you might look to sort of slightly shift those goals whether they be at the operational level, at the capital allocation level, or otherwise relative to what's already been laid out there?

Answer – Christian H. Hillabrant: The short answer is no. We are focused on becoming the best-in-class US tower operator, full stop. I think once we close the transaction, we achieve all our operational objectives, even then, the bar for, say, like M&A will remain high and really limited to the US for the foreseeable future, right? So the fact that I have that experience is great, but the clear strategy that we've embarked on is clearly the right strategy and the winning strategy for Crown.

Question – James Edward Schneider: Great. And then just a quick follow-up. Can you maybe just comment on the impact of the T-Mobile's acquisition of USCellular on the business over the next several quarters and years? Thank you.

Answer – Christian H. Hillabrant: Yeah. I'll just start, maybe Sunit can bring it home. But this is fairly de minimis for us from our perspective. It should be very little impact from what we see at this time.

Answer – Sunit S. Patel: Yes, that's correct.

Question – James Edward Schneider: Thank you.

Operator

The next question comes from Nick Del Deo with MoffettNathanson. Please go ahead.

Analyst:Nicholas Ralph Del Deo

Question – Nicholas Ralph Del Deo: Hi. Thanks for taking my questions and I want to echo others and congratulate Chris on your appointment. I guess, Chris, you described improving Crown Castle's systems and information availability as your number one priority in your prepared remarks. I guess, how would you describe the state of the company systems today relative to those of some of the other firms that you've led and what you think best-in-class systems can offer?

Answer – Christian H. Hillabrant: Yeah, it's a great question because having just literally gone through a multiyear journey at Vantage Towers where we were focused on the exact same types of issues, the good news is that many of the same platforms that we're in the process of utilizing over there, Crown has already started in that journey to deploy those systems here.

So, overall, and I feel like we're on the right track, this will take some period of time, there's a lot of work to be done. Defining what best-in-class looks like in terms of the cycle times on how we deliver to our customers and the efficiency in how we spend our capital and OpEx dollars so that they're the most efficient use of that money, this is really our challenge over the next year, for us really to lay out what great looks like and then bringing the team along on that transformation.

The good news is I've just seen how this works because I just lived through it the last two years and hope to be able to bring that same level of discipline and leadership to the team here and executing those plans.

Question – Nicholas Ralph Del Deo: Okay. Great, and that's very encouraging. Can I ask one more kind of high-level philosophical question maybe? Most of your business today is contracted under holistic master lease agreements. Some of those may roll off over the coming years. Just wondering how you think about MLAs and the puts and takes or what you find important, just so we understand how you might think through that as deals potentially roll off over time.

Answer – Christian H. Hillabrant: I think in the end, we will always look to do good business for Crown. And so, for any future MLA renegotiations or extensions, we're always going to look for win-win with our customers on finding both long-term value creation. What we won't do is just go run after an MLA for the sake of an MLA. We'll only do it where we see value creation for the company. And ultimately, driving that

customer experience, the winning combination is ultimately to have a strategic partnership with your customers.

And again, maybe something, I have some fairly unique viewpoints on having been both in the operator space, in the OEM space, and now here in the tower space. But in the conversations I've had with customers so far, it's been very warm and welcoming and looking for ways to partner into the future in ways that both companies can profit. So, I'm encouraged by the direction we're headed in and stay tuned to this space.

Question – Nicholas Ralph Del Deo: Okay. Great. Thank you, Chris.

Answer – Christian H. Hillabrant: Thank you.

Operator

The next question comes from Richard Choe with JPMorgan. Please go ahead.

Analyst:Richard Choe

Question – Richard Choe: Hi. I wanted to see if we can get a little more color on application volumes, kind of what are you seeing? And then also, just wanted to clarify, do you expect, ex the \$5 million, that the second half of the year is going to be the same as the first half of the year in new core leasing or should it be higher?

Answer – Sunit S. Patel: Yeah. So, to answer the second question, as I said, we expect the fourth quarter to be consistent with what we saw in the first half. If you look at the first two quarters of the first half, they were about the same. So, I think that's what we meant that the third quarter was lumpy or higher, but that the fourth quarter will be consistent with what you saw in the first two quarters.

And then on the application levels, I think you've heard us say previously, application levels do not necessarily correlate to our leasing activity per se. But yeah, we've seen healthy levels of activity, as we pointed out in the last couple of quarters, you can see the benefit of that in our service business. So – and it was a good quarter also in the third quarter.

Question – Richard Choe: Got it. Thank you.

Operator

The next question comes from Batya Levi with UBS. Please go ahead.

Analyst:Batya Levi

Question – Batya Levi: Great. Thank you. Can you provide a little bit more color on how we should think about the 5% organic growth, ex Sprint churn, tracking into next year, maybe kind of the pieces in terms of the amendments and leasing mix? And then how do you think about your scale in the Tier 2, 3 markets where incremental activity seems to be going right now? Like how would you approach maybe adding to your footprint either organically or through M&A? And finally, one clarification question. The new leasing activity of about \$115 million this year, does that include any take-or-pay contribution from EchoStar?

Answer – Sunit S. Patel: Yeah. I'll – let me tick through that. So, as far as organic growth in the next year, we'll come back to that when we report fourth quarter and provide guidance for 2026. So, not much to comment there, but we'll have more to talk about that then.

On the scale, Tier 2, Tier 3, all of us have different footprints, but our general goal is to make sure that we can support our customers where we do have coverage or towers in Tier 2, Tier 3 markets, and we certainly have very active conversations with our clients on that. And two, we are open to, as Chris mentioned in his comments, to add towers where it makes sense. So, we continue to engage with clients to look at that.

And then I think your third question was on – sorry, oh, the leasing activity. Yeah. I mean, I think, as we said, we didn't change guidance for that. So, I think we'll continue to see good leasing activity in line with the guidance and the expectations we've laid out, hence the guidance that we provided for the year.

Question – Batya Levi: Yeah, just to follow up on that. I think there is a bit of a confusion if EchoStar's contribution is in the base or is it also in the growth (31:25) in the core leasing piece, \$115 million. Is there some part of the contract that's embedded in that from EchoStar?

Answer – Sunit S. Patel: Yeah. So, I mean, generally, we don't comment on specific client contracts, but all our leasing activity includes activity from all our clients. So, I'm sorry, it's tough to get into detail on specifically (31:47) each of our client (31:50) contracts.

Question – Batya Levi: Okay. Thank you.

Operator

The next question comes from Brendan Lynch with Barclays. Please go ahead.

Analyst:Brendan James Lynch

Question – Brendan James Lynch: Great. Thank you for taking my question. And congrats, Chris, I look forward to working with you. In terms of – you've laid out kind of the bull scenario where CTIA data is supportive of growth, spectrum auctions or – acquisitions of spectrum continue to be supportive. Maybe you could just help us frame some of the risks that exist in the industry related to additional spectrum swaps or efficiency gains via technology or spectral efficiency. It seems there's a lot of negative sentiment in the industry, and maybe you can kind of tackle some of these risks head on and think – and inform us how we should think about them.

Answer – Christian H. Hillbrant: I mean, overall, the biggest risk is we don't have the detailed knowledge of what any of these new spectrum purchase owners are planning to do. And the correlation that we're drawing here is the fact that spectrum that wasn't being put into use is now being put into use is something

that will generate incremental leasing for infill sites or capacity growth and/or lease-up amendment revenue is something that is, again, based on what we've seen this year, seems to be in a very steady state.

What could happen, where the technology will go and allow for, again, the customers have very defined space on the towers. And as they continue to deploy additional capacity, it represents a growth opportunity for us as a business.

Question – Brendan James Lynch: Great. Thanks. That's helpful. Maybe another question. You sound very committed to the pure-play US tower business as being your core. Can you talk about any ancillary services that would fall within the realm of tower exposure that you'd be willing to or interested in scaling more? I know that Crown Castle has scaled back on services, maybe there's an opportunity to expand that in the future or build-to-suits or anything that would kind of be within that realm.

Answer – Christian H. Hillabrant: Yeah. Let's start with the fact of, like, we – our goal is to really maximize the revenue opportunity of our existing base of assets. And we think that there's room to go there and that's what we'll be focused in on developing. Much of what I'm focusing on doing now over the next couple of months is meeting with our customers and to engage to understand where are their unmet needs.

And you're right, there are things that are services related. There could be things like share of power systems, there's a whole slew of potential opportunities that are out there. What we need to do, I think in a very disciplined way, is to make an inventory of what those opportunities are, working with our customers and prioritizing them, and then making sure that there's good business to be done. Because I'm confident that there is business to be had, but I think it's probably a little bit early, at least in my tenure, to be able to share with you what those specifics are. But know that this is a high priority for us. We want to really maximize the opportunity on our sites.

And again, based on the earlier question that somebody had on my experiences, I've seen what the art of possible is of really providing a great partnership with your customers to be able to generate those incremental revenues.

Question – Brendan James Lynch: Great. Thank you. That's helpful.

Operator

The next question comes from Eric Luebchow with Wells Fargo. Please go ahead.

Analyst:Eric Luebchow

Question – Eric Luebchow: Appreciate it. And, Chris, great to connect over the phone. So, I just wanted to check again on the cost efficiency program. I know it's in your pro forma AFFO guide you put for the last – next – into next year. But maybe you could talk about opportunities beyond what you've guided to. As we look at your margins relative to your two tower peers in the public market, is there any reason why you can't get SG&A efficiency or gross margins to kind of similar levels? I know there's some structural differences given some of the sale leasebacks you have. I just wanted to get your perspective on how much runway you have on the cost side the next few years?

Answer – Sunit S. Patel: Yeah. So, I think first, as it pertains to the guidance we provided, when that was provided at the announcement of the transaction, there were efficiencies factored in of going from running

three businesses to one business. I think we're just executing a little earlier on that.

But if you look out over the next couple of years, two or three years, there are several things. There's the implementations of systems, process automation. All of that, I think, will yield additional benefit over the next several years. There's the opportunity for us to buy out ground leases, as we talked about. I think that can help us, so, vis-à-vis comparison to our peers.

So, I think we've got quite a few things over the next couple years, but certainly, the guidance that we provided for next year incorporated the sort of efficiencies you would expect moving from running three businesses to one business.

Question – Eric Luebchow: Got you. And I guess, I know it's a little early for 2026 guide, but just wondering if you see anything that kind of takes you off the expectation that you've talked about where you can grow kind of 4% to 5% organically pretty consistently, even if we assume the EchoStar contribution continues to wane just based on everything they've announced, do you think that's still a reasonable assumption based on all the activity you have in your pipeline? And I guess related to that, is there any kind of mix shifting you're seeing between new colos and amendments as you look out into Q4 and into next year? Thank you.

Answer – Sunit S. Patel: Yeah. So, on the last question, we're not seeing any big changes in the mix between those two items. And then again, we haven't really provided guidance for next year. So, we'll come back and talk about it. There's obviously a fair number of things happening that we're excited about with our clients. But yeah, we'll – when we get to reporting fourth quarter, we'll have a much better sense of where we are and cover that then.

Operator

The next question comes from Brandon Nispel with KeyBanc Capital Markets. Please go ahead.

Analyst: Brandon Nispel

Question – Brandon Nispel: Yeah. Hey, guys. Thanks for taking the question. I think the efficiency one has been asked and answered multiple times. So, I'll refrain from that. I wanted to just maybe ask on the discretionary CapEx guide decrease this year. Why was that? And really, why is the right number, I think, Chris, you said \$150 million to \$250 million. So, I guess, yeah, why decrease this year and then why so much going forward? Thanks.

Answer – Sunit S. Patel: Yeah. I think some of that is timing when you look at those capital expenditures there, there are several buckets. There's – whether you're buying our ground leases, whether they are tower modifications, different things. But again, as we said, that's just more timing and it's pushed out to next year, nothing fundamental happening per se, but just a push-out to next year, timing.

Question – Brandon Nispel: Got it. Thank you.

Operator

This concludes our question-and-answer session, as well as our conference. Thank you for attending today's presentation. You may now disconnect.

