

## Q4 2025 Earnings Call *(Corrected version)*

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### ✓ **Event Details**

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Company: Crown Castle, Inc.

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### ✓ **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

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### ✓ **Other Participants**

Ric Prentiss - Analyst

Michael I. Rollins - Analyst

Joshua M. Frantz - Analyst

Michael J. Funk - Analyst

Eric Luebchow - Analyst

Richard Choe - Analyst

Nicholas Ralph Del Deo - Analyst

Brandon Nispel - Analyst

Brendan James Lynch - Analyst

David W. Barden - Analyst

Batya Levi - Analyst

Ari Klein - Analyst

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## **MANAGEMENT DISCUSSION SECTION**

### **Operator**

Good day, and welcome to the Crown Castle Quarter Four 2025 Earnings Conference Call. All participants will be in listen-only mode. 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, Bailey, and good afternoon, everyone. Thank you for joining us today as we discuss our fourth 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](https://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, February 04, 2026, 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).

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 2026 outlook and fourth quarter results do not include contributions from what we've previously reported under the Fiber segment, except as otherwise noted.

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

### **Christian H. Hillabrant**

Thank you, Kris, and good afternoon, everyone. We delivered the full year 2025 guide, exceeding the midpoint across all key metrics, as we focused on operational execution across our portfolio. As we turn to 2026, we are in the middle of major changes across our business, as we take several actions to position Crown Castle to maximize shareholder value.

First, we remain on track to close the sale of our small cell and Fiber Businesses, which we anticipate will occur in the first half of 2026. We are completing the operational separation of our three businesses and executing on our transition plans.

Upon the close of our small cell and Fiber Businesses, approximately 60% of our consolidated workforce will move with the sale, as we transition to a simpler, US only tower business. We have been notified that the Department of Justice has closed its Hart-Scott-Rodino review and is not requiring any action related to the transaction. We only have a handful of approvals remaining at the state and federal level.

Second, we continue to enforce our rights under the terms of our agreement with DISH. After DISH defaulted on its payment obligations back in January, Crown Castle exercised its right to terminate the agreement. As a result, we are seeking to recover in excess of \$3.5 billion from DISH in remaining payments owed under the agreement.

Crown Castle is supportive of AT&T and SpaceX obtaining the announced 3.45 gigahertz, 600 megahertz, AWS-4, H-Block and unpaired AWS-3 Spectrum bands, which would put this valuable public resource into active use for the wireless industry and the American people. That said, we will continue to do everything possible to enforce our rights under our contract with DISH.

Third, we are taking decisive action to maximize value for our shareholders in response to DISH's actions by announcing a restructuring plan to enhance the efficiency and effectiveness of our standalone US tower business following the anticipated close of our small-cell and Fiber Business sale. Due to DISH's contractual default, we have accelerated and expanded our restructuring plan to realign staffing levels consistent with the removal of all future DISH activity.

In total, we are reducing our tower and corporate workforce and continuing operations by approximately 20%, ending at about 1,250 full time employees. In combination with other cost reductions, we expect to deliver a \$65 million reduction in annualized run rate operating costs.

The majority of staffing reductions will take effect in the first quarter, while the non-labor reductions will be phased in throughout the year following the anticipated close of the small-cell and Fiber Business sale.

Finally, I would like to reaffirm our capital allocation framework and update our expected use of proceeds from the small-cell and Fiber Business sale.

First, when we reset our dividend last year, we considered the composition and risk profile of our cash flows, and as a result, we expect to maintain our dividend per share at \$4.25 on an annualized basis until reaching our targeted payout ratio of 75% to 80% of AFFO excluding the impact of amortization of prepaid rent. Thereafter, we intend to grow the dividend in line with AFFO, excluding the impact of amortization of prepaid rent.

Second, we plan to invest between \$150 million to \$250 million of annual net capital expenditures to add and modify our towers, to purchase land under our towers and to invest in technology to enhance and automate our systems and processes.

Third, we plan to utilize the cash flow we generate to repurchase shares while maintaining our investment-grade credit rating.

Fourth, and finally, we plan to remain at a target leverage range between 6 and 6.5 times using the proceeds from the small-cell and Fiber Business sale. As a result, we plan to allocate approximately \$1 billion to share repurchases and approximately \$7 billion to repay debt.

As I look forward to a full year 2026 and beyond, I am excited by Crown Castle's opportunity as the only large publicly traded tower operator with an exclusive focus on the US. The US tower model continues to benefit from attractive business characteristics, including long-term revenues from investment-grade customers, contracted escalators and high incremental margins.

I believe that these characteristics will be supported by continued mobile data demand, growth and a significant volume of spectrum being made available to motivated mobile network operators.

To maximize revenue growth and profitability, we are focusing on becoming the best operator of US towers with the following strategic priorities.

One, we are empowering the Crown Castle team to make the best and timely business decisions by investing in our systems to improve the quality and accessibility of asset information and improving customer experience on cycle time and their interactions with us. Two, we are strengthening our ability to meet the business's needs by streamlining and automating processes to enhance operational effectiveness. And three, we will continue to drive efficiencies across the business.

We believe that these strategic priorities, combined with our disciplined capital allocation framework and investment-grade balance sheet, will drive attractive risk adjusted returns.

With that, I'll turn it over to Sunit to walk us through the details of the quarter and our full year 2026 outlook.

## **Sunit S. Patel**

Thanks, Chris, and good afternoon, everyone. Our full year 2025 results were highlighted by 4.9% organic growth, excluding the impact of Sprint churn, as our customers continue to augment their 5G networks. Due to our outperformance at organic growth, we ended the year near the high end of the guidance range for 2025 site rental revenues.

The outperformance at revenues combined with higher-than-expected services contribution, ongoing efficiency initiatives, and lower interest expense, allowed us to exceed the high end of the guidance range for 2025 adjusted EBITDA and FFO.

Turning to our 2026 outlook. At the midpoint, we are projecting site rental revenues, adjusted EBITDA, and AFFO of \$3.9 billion, \$2.7 billion, and \$1.9 billion, which are meaningfully impacted by the following three items. First, due to the termination of our contract with DISH Wireless, announced in January, our 2026 full year guidance does not include any contributions from DISH, resulting in \$220 million of churn in full year 2026.

Second, for the purposes of building our full year 2026 outlook, we have assumed the small cell and Fiber Business sale transaction will close on June 30.

Third, as Chris mentioned, we're reducing our run rate operating cost by \$65 million on an annualized basis, resulting in a \$55 million impact to full year 2026 and a \$10 million incremental impact to 2027, due to timing.

Moving to page 5, our full year 2026 outlook, includes organic growth at the midpoint of 3.3%, or \$130 million, excluding the impact of Sprint cancellations and DISH terminations in 2026.

Full year 2026 organic growth is expected to be 3.5% at the midpoint if DISH revenues are excluded from prior year site rental billings. This compares to 3.8% for full year 2025 on a comparable basis, excluding DISH revenues from prior year.

We expect our 2026 organic growth guide of 3.5% growth to mark the low point. This expected growth is more than offset at site rental revenues due to the \$20 million impact of Sprint cancellations, \$220 million of DISH churn, and a \$90 million decrease in non-cash straight line revenues and amortization or prepaid rent.

Turning to slide 6. The expected \$110 million decrease to site rental billings is more than offset by the following items, resulting in an anticipated \$15 million increase in 2026 AFFO compared to 2025.

A \$25 million reduction in expenses as the staffing and other cost reductions drive \$50 million of expense savings in full year 2026, partially offset by standard increases on the remaining cost base. A \$5 million increase in service contribution as service activity levels similar to 2025 are complemented by \$5 million of expense savings from the workforce reduction. A \$120 million decrease in interest expense, primarily from the repayment of approximately \$7 billion of about 4% interest rate debt following the anticipated close of the small cell and Fiber Business sale, partially offset by refinancing. A \$25 million decrease in other items driven primarily by a decrease in amortization of prepaid rent.

Turning to page 7. We decreased our guidance for AFFO in the 12 months following close by \$240 million to \$2.1 billion at the midpoint. Our original guidance of \$2.34 billion at the midpoint included a \$280 million contribution from DISH in the second half of 2026 and the first half of 2027, which we have removed.

This is partially offset by a \$40 million reduction in interest expense from increasing the assumed debt repayment following the anticipated close of the small cell and Fiber Business sale by approximately \$1 billion to approximately \$7 billion.

Turning to page 9. The revised guide for AFFO for the 12 months following the close of the small cell and Fiber Business, which includes a half year of growth compared to full year 2026, is \$180 million higher and consists of \$120 million of interest expense savings related to the anticipated debt repayments made with the small cell and Fiber Business sale proceeds, \$50 million of growth in the underlying business, and \$10 million of cost savings related to the 2026 reduction in force.

Turning to the balance sheet, we ended the quarter with significant liquidity and flexibility, positioning us to efficiently maintain – effectively maintain our investment grade rating after the sale of the small cell and Fiber Business, based on the target capital structure and capital allocation framework that Chris mentioned earlier.

In conclusion, we're pleased with our full year 2025 results and believe we are well positioned to deliver our outlook for full year 2026 and our updated range for estimated AFFO for the 12 months following the small cell and Fiber Business sale closing of \$2.1 billion at the midpoint.

Longer term, we're excited by the opportunity for Crown Castle, and we believe we are taking the necessary actions to become a best-in-class US tower operator. We believe our focus on operational execution, combined with our capital allocation framework and investment grade balance sheet, will deliver attractive long-term risk adjusted returns for shareholders.

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. Our first question comes from Ric Prentiss with Raymond James. Please go ahead.

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**Analyst:**Ric Prentiss

**Question – Ric Prentiss:** Thanks. Good afternoon, everybody.

**Answer – Christian H. Hillabrant:** Hey, Ric.

**Question – Ric Prentiss:** I want to focus my questions wrapped around, obviously, DISH, but then also the Fiber, small cell sale. A couple of quick ones, maybe you can elaborate a little bit further on. Any update on the status of working with DISH? Why terminate the agreement? And what do you get out of terminating the agreement? And then I'll have a couple of other quick ones.

**Answer – Christian H. Hillabrant:** Yeah. I think simply spoken, why do we terminate? DISH stopped performing under the contract. Our contract was very clear with DISH, and we're enforcing it to best protect the value of the contract.

**Question – Ric Prentiss:** And so, terminating you feel gets the best kind of protect the value. Obviously, we appreciate knowing what the number was, over \$3.5 billion owed.

**Answer – Christian H. Hillabrant:** Yeah, I mean, in the end of the day Ric, we had a contract with DISH. DISH has chosen not to honor it. With DISH in default, we exercised the termination rights for the agreement and can accelerate the entire obligations now. And this termination was because this is the remedy that was called for when a party defaults. And so, in the end, we're vigorously enforcing our rights and trying to protect our shareholders per the terms of the agreement.

**Question – Ric Prentiss:** Okay. And obviously, we have taken the DISH stuff out of our model, guidance looks pretty close to what we had laid out there. Appreciate all those details. One piece I'm wondering on is, is there any change to the purchase price of \$8.5 billion for the Fiber small cell transaction? Because you're noting approximately \$7 billion of debt paydown, which makes sense given where you want to keep leverage, cut interest costs, and then stock buyback at just \$1 billion. So is there any change to the Fiber small cell proceeds and how you think about using what was originally \$8.5 billion that might still be.

**Answer – Sunit S. Patel:** Yeah. So, Ric. There is no change to the purchase price. Obviously, you have normal transaction costs and closing adjustments, those sorts of things. But, so, we just kept it at approximately \$7 billion and \$1 billion, pending the close of the transaction. So, no other reason, other than that there's no change to the \$8.5 billion purchase price that we announced.

**Question – Ric Prentiss:** Okay. And then as far as the timing of the buyback, obviously, this deal to close Fiber small-cell has been going on a long time. You really couldn't say much until you got closer to the deal closing or in the February first half isn't that far away. Sounds like "a handful of state and federal approvals are left." How should we think about the execution, then, of \$1 billion buyback? How fast could or should that be put to work?

**Answer – Sunit S. Patel:** I think at this point not knowing exactly when the transaction will close, we are thinking about that and we'll have more specifics to share about that, as we get through closing. So not much detail at this point, but we're clearly committed to making that happen.

**Question – Ric Prentiss:** Okay. Last one for me, wrapping it all together. You mentioned a handful of state and federal level approvals left. Any lessons learned from, like, Frontier, Verizon through California or other processes or where you think the long pole in the tent might be as far as getting those final handful over the finish line?

**Answer – Sunit S. Patel:** Yeah. So, I think, our team, together with the teams at Zayo and EQT have made pretty solid progress. As you point out, California is always a sensitive one. I think we're adequately focused on all of those, but I'm pleased with the DOJ thing happening. But I think that, yeah, we hope to get all of these work through and still stick with the original timeline we have of closing in the first half. But, in terms of lessons learned, I don't know if there any specific lessons learned, but we do keep up with what's going on with the other transactions.

**Answer – Christian H. Hillabrant:** I would just say more broadly, Ric, is, I've been here 4.5 months, and what I've seen is a steady pace of progress along that time period. Nothing has jumped out as unexpected. And I think our team is working collectively, doing a great job of threading the needle and getting all the approvals in place.

**Question – Ric Prentiss:** Great, thanks. Appreciate it guys. Have a good day.

**Operator**

Our next question comes from Michael Rollins with Citi. Please go ahead.

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**Analyst:**Michael I. Rollins

**Question – Michael I. Rollins:** Thanks, and good afternoon. I'm just curious if you could provide more characterization of the leasing environment. And over the last few months carriers have been working their budgets, some have access to more spectrum that's readily deployable in their networks. Have you seen a shift or change in how their approaching, whether its densification in colo, whether it's the amendment strategy and activity?

And can you maybe give a little bit more characterization of – you mentioned, I think in the prepared comments that at 3.5% you're expecting to be kind of the low, maybe a little bit more detail as to what can drive that higher over the next few years? Thanks.

**Answer – Christian H. Hillabrant:** I'll start, and maybe hand it over to Sunit. So, thanks, Michael. I think if you think back at where we are at this point, there's a couple headwinds, if you will around, it's a cyclical 5G coverage in the deployment cycle of, say, a 10-year, decade long deployment cycle. And there's been great progress made by the operators in getting initial coverage out.

You have a couple new CEOs and the MNOs in place, which are obviously coming on strong, finding their ways and talking about overall cost reductions and focus within their businesses as they revise their strategy.

I think that's counterweighed by tailwinds, which were mentioned, which are all around, the frequency bands that are becoming available, both in the last year as well as the plan for the FCC to auction off at least another 800 MHz of spectrum beginning in 2027 is, and the nature of the spectrum, although we don't know the exact frequencies, we see them as higher band frequencies, will naturally drive a higher densification of cell site deployment. And so, we do expect that that becomes a tailwind both for the industry and for Crown, as those plans come to fruition. So, these are kind of the market dynamics that are shaping the industry right now. And I don't know Sunit if you want to talk specifically about 2026, but ...

**Answer – Sunit S. Patel:** Yeah, I think, what I would say is just further supporting what Chris said, I mean, we think the mobile data demand continues apace at pretty healthy terms, pretty healthy growth rates as we talked about last quarter. All the three major MNOs have acquired spectrum in the last year, the FCC is auctioning 800 megahertz of spectrum beginning next year, so. And then when we look at our leasing activity from our current leasing activity, gives us some visibility into future activity. So, when you put all that together, yeah, we think that the 3.5% is a low point for us. And we should do better from there.

And then the other point to mention also is, if you were to look at our other billings, both in terms of the guide this year and last year, it's about a \$10 million swing. If you adjust for that, I think that the growth levels are about the same last year this year. So as we look forward, we think this should mark a low point and we should do better.

**Question – Michael I. Rollins:** Thank you.

**Operator**

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

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**Analyst:** Joshua M. Frantz

**Question – Joshua M. Frantz:** Hi, this is Josh on for Jim. Thanks for taking the questions. Can you help us bridge the 2026 leasing outlook versus what you reported in 2025? We know DISH was zero revenue a few years ago and has stepped up. But what's the best way to think about how much they've been contributing on an annual basis. So we can see what's happening kind of underlying with the carriers?

And then similar to that, if we look at 2019 and 2020 before 5G deployments and before DISH and before Sprint T-Mobile integration work, your activity – your leasing was about \$100 million to \$125 million. Can you help us think about what's changed or the moving parts to get from then to now? Thanks.

**Answer – Sunit S. Patel:** Yeah. Let me handle the DISH contribution. So, I mean, as you can see, last year organic growth was 4.9% on a comparable growth, excluding DISH in both periods is 3.8%. When you look at that difference, I think what it says is that DISH contributed about \$50 million roughly to organic growth in 2025. And as we said previously, this was all contractual, not really activity driven including what was expected for this year.

And then on your other comment, I mean, when you look back at the 5G cycle, I mean, I think that T-Mobile upon – while they were concluding the Sprint, T-Mobile merger, which was closed in April of 2020, there was a pretty aggressive deployment of 5G. So, when you look beyond that late in the cycle, we always see people, whether it's densification, amendments, that that activity continues. So, don't have the exact numbers for back then, but I think it's comparable to what we were seeing back then.

**Question – Joshua M. Frantz:** Got it. Understand. Thank you.

**Operator**

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

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**Analyst:**Michael J. Funk

**Question – Michael J. Funk:** Yeah. Thank you for taking the question. So, you have a multi-pronged approach with DISH. Obviously, you've sued under your rights for the termination, presumably lobbying the FCC and then, also through the courts. So, can you update us on the process and the expected timing around the different approaches that you're pursuing?

**Answer – Christian H. Hillabrant:** I mean, I don't think we want to go into the specifics about our legal strategy and the timing of that. I think, if we kind of take a step back and say, a recap, we've taken steps. We've filed suit against DISH. We have as an industry under the auspices of WIA gone in to meet with the FCC commissioner to kind of make our case and why we believe that DISH should be obligated to pay for its bills. And we continue to take a number of steps, which I won't list here details, but include all manner of activities, as Crown specifically to be aggressive in defending our shareholder interests.

This, unfortunately, with the courts working its way through, this could be anywhere from a year or longer until we start to see things back from the courts. And therefore, it won't be something that we'll be updating you in the short-term, but we will continue to drive and defend our position against the actions that DISH has taken.

**Question – Michael J. Funk:** Great. Thank you for that.

**Operator**

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

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**Analyst:**Eric Luebchow

**Question – Eric Luebchow:** Great. I just wanted to follow-up on one of the questions earlier. I think Sunit, you talked about how we're going to organic (00:27:12) growth this year. You expect it to improve somewhat in 2027 and beyond. And maybe you could just talk through what gives you confidence there, whether that's anything you're seeing from a densification standpoint on new billings, whether there's ways to drive steady state churn down, particularly now that you'll just have three well capitalized large carriers comprising the majority of revenue? Anything you could offer there would be helpful.

**Answer – Sunit S. Patel:** Well, with respect to churn, I don't see – think we see much change in the churn outlook we've provided previously. But I think in terms of specific, as we said earlier, we did have the – we do have some visibility into leasing activity. So, that's helpful as we look at next year. But I think if you look at comments made by our clients, so far, I mean, they bought more spectrum. They are going to deploy more – they want to deploy more spectrum, the data demand growth cycles continue. So, we think we – we think we'll do better than where we are here. If you look at our performance last couple of years, it's been a little better on the margin. So, that's why we think this is a low point for us.

**Answer – Christian H. Hillabrant:** And specifically, I think we have a good view into our contracted leasing activity from our MLAs. Gives us pretty good visibility into the future activity levels, which is why we're able to say that.

**Question – Eric Luebchow:** Great. Appreciate that. And then just one follow-up. I know you talked about reducing I believe 20% of your operating expenses. Maybe you could just talk about the flow through

between SG&A and gross margin, kind of where we're going to see the biggest impact there. And any kind of indication on where you can get cash, SG&A down to the next couple of years as you go through this cost restructuring?

**Answer – Sunit S. Patel:** Yeah. So, I mean, we talked about \$65 million of run rate, operating cost savings. So, in-year we'll see \$55 million, most of that is through the SG&A line. So, of that \$55 million, \$45 million roughly will hit the SG&A line. And then \$5 million will come in site rental cost of sales and about \$5 million on the services side. And then from a run rate perspective for those same items, which adds to \$65 million, it's about \$50 million from the SG&A side, \$5 million from the site rental cost of sales and \$10 million from the services cost of sales. That's why I say it'd be – the \$65 million, we'll see \$55 million in-year and then incremental \$10 million next year. So, those are the components.

**Answer – Christian H. Hillabrant:** I mean, I think the reality is, we've started to size up the opportunity longer term. But want to remind everybody, this is a year of transition for our company. We're executing the sale agreement. We're managing through DISH. We're putting a reorganization of the go-forward team in place. And so, while we're focused on working to become a best-in-class operator and updating systems and improving operational effectiveness by streamlining and automating processes and tools. It's going to take a while. So, we accelerated our activity now, as a response to the current situation with DISH. And we have good ideas of where we're going to go. But I think we'll have to guide in the future as we make progress, as we really need to focus in on execution, given all that's coming at us this year. This is really a plan of execution for Crown as we become a standalone US-focused tower company.

**Question – Eric Luebchow:** All right. Thanks, guys.

**Operator**

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

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**Analyst:**Richard Choe

**Question – Richard Choe:** Hi. I wanted to follow-up on the discretionary CapEx and augmentation, the \$150 million to \$250 million. As you deploy that, how will that contribute to, I guess, new leasing revenue, do you expect to see some of that this year, or is it more for future years and where could that go over time?

**Answer – Sunit S. Patel:** Yeah. So, I think some of that, we had the opportunity to do ground lease buyouts, which I think benefits cash flows going forward. Some of it is for new tower builds. We see opportunities for that. So those – and then the third component would be investments in systems and platforms, which would drive better operating effectiveness and efficiency going forward.

**Question – Richard Choe:** And as we look forward, what's the willingness for Crown to do more MLAs and is it something the carriers still want or are we moving more to a pay-as-you-go type of method over the next few years?

**Answer – Sunit S. Patel:** I mean, I don't think we've seen any change there. We've generally operated with MLAs with our clients. You obviously go through various phases here and there, but that's been our general approach.

**Answer – Christian H. Hillabrant:** In general, I would say that operators prefer having the certainty of understanding and operating agreement and being able to anticipate cost. And therefore it's something that I think the industry as a whole prefers along with the customers.

**Question – Richard Choe:** Got it. Thank you.

## Operator

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

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**Analyst:**Nicholas Ralph Del Deo

**Question – Nicholas Ralph Del Deo:** Hey, thanks for taking my questions. First, Sunit, just a moment ago, you alluded to new tower builds as a use of CapEx and seeing opportunities. The Crown has done a lot from a new build perspective at least in material way for a number of years. Are you able to dimension the number of new builds you're targeting or at least how it's changed versus recent years or any attributes of the towers you're looking at, like initial yields?

**Answer – Sunit S. Patel:** Yeah, tough to quantify at this point. I mean, our key criteria is – have the capital, willing to do it if it makes economic sense. We do know that as data demands are growing, people have needs in various areas. One key example of this, I think just in general is, you've seen recently Verizon closed the Frontier deal, AT&T closed the Lumen deal, is a big move towards convergence. So, when you think about the geographies of where Frontier operates or where the Lumen properties are, we think there'll be opportunities as they look to provide a converged offering, which means they'll need both wireless coverage including fiber to the home. So that's just one example of an area where there might be opportunities in the others. So tough to quantify for you at this point in time, Nick. But I think it's just saying, we're willing to look at that when it makes economic sense.

**Answer – Christian H. Hillabrant:** Yeah, maybe to build on that. One is, we've said we're going to be very selective and really only pursue opportunities that have those attractive economics that Sunit mentioned. But more importantly, if you look at the dynamics of the industry, one of the things that's happened since COVID is the price to build a new tower has gone up considerably. And so, it has a headwind for the industry in terms of build overall, in terms of the business case that you have to have and oftentimes if in the past you would build a single carrier tower and hope to get additional co-locators, that's become increasingly difficult.

And so for us, although our volume is not high, as typically, we will focus in on those towers where we have a minimum of two customers committed, so that we know that the economics make sense and the return profiles are correct. And it's something that, if you look back historically over the last 10 years, I know because I've worked both in the disruptive part of the tower industry and now here as a leader of the big three, is that traditionally MNOs haven't always looked for the big three tower companies to provide those new tower builds. But that's starting to change. And the conversations we're having with customers are that they would like a one-stop shop based on ease of doing business with and strategic partnerships with tower companies like Crown.

And so, we think there's an opportunity there. We're sizing that up. We're exploring it, but we will be incredibly disciplined in the go-forward because that CapEx spend has to be with the right return before we move forward in any kind of scale in this part of the industry.

**Question – Nicholas Ralph Del Deo:** Okay. That's great color. Thanks for sharing all that. Can I ask one about the 2026 leasing forecast? I guess can you share anything about the degree to which the amount you're budgeting for is locked in, whether due to MLA commitments or because you have leases that are already signed versus activity that you've estimated?

**Answer – Sunit S. Patel:** Yeah. I think at this point about 80% of our organic growth is contracted.

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

**Answer – Christian H. Hillabrant:** You bet.

**Operator**

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

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**Analyst:**Brandon Nispel

**Question – Brandon Nispel:** Hey, guys. Two questions, pretty similar on the leasing. Core leasing number, the \$65 million, is that weighted more first half, second half this year? And really is it concentrated in any one of the big three customers or more evenly split?

And then, I'm not sure I heard it, but post the fiber transaction, have your thoughts around what you want your financial leverage to be changed just given the leasing levels are quite a bit lower than when you initially announced the transaction? Thanks.

**Answer – Sunit S. Patel:** Yeah. I mean, as we said our framework hasn't changed in terms of our capital allocation. So, we still look to keep our leverage in that 6 to 6.5 times range that we've announced last March, I think. So, no change there per se. And in terms of leasing activity, I think, it'll be a little more weighted towards the back half.

**Question – Brandon Nispel:** Thank you.

**Operator**

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

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**Analyst:**Brendan James Lynch

**Question – Brendan James Lynch:** Great. Thanks for taking my questions. Maybe just to start on the longer-term outlook. Appreciate that the 3.5% is kind of the trough here in 2026. But you've previously guided to 5% growth through 2027, obviously with DISH that doesn't seem achievable at this point. But maybe you could give some color on what the longer-term growth rate might be, either out through 2027 or if you could give even further commentary that would be helpful.

**Answer – Sunit S. Patel:** Yeah. I mean, I don't think at least from my recollection the last few years we've provided any outlook beyond the current year. So, I think no specifics to provide there other than I'll just

mention that the combination, the backdrop was sort of constant demand growth on mobile data traffic continue to grow combined with our clients buying more spectrum, and having plans to deploy more spectrum and more spectrum being available, we feel pretty good about the long-term outlook, but I don't think we provided outlook beyond the current year, at least for the last few years (00:39:23).

**Question – Brendan James Lynch:** Okay. Thank you for that. And maybe just on software upgrades, obviously, that has been a consideration more recently. Your customers are clamoring for more spectrum, nobody denies that. But maybe the potential for them to deploy more of it via software upgrades instead of new leasing might be a headwind all else equal. Can you just give some commentary on how you think that's going to affect the industry going forward?

**Answer – Christian H. Hillabrant:** Yeah, maybe I'd start and you can jump in. So, I think if you're referencing as an example, AT&T's deployment of the 3.45 spectrum, specifically where they had already deployed radios that – and antennas that could utilize that band on a portion of their portfolio. And we're able to very rapidly rollout that spectrum, basically with just a software to unlock those channels.

That certainly does exist in some cases. But as an example, the other spectrum that AT&T purchased, the 600 megahertz, these are typically new radios and new antennas because the physics are such that you have these massive MIMO antennas for the low bands that provide the – it's called the beachfront property spectrum. In terms of the spectrum goes further, it penetrates in buildings for urban and suburban type scenarios. This is something that they don't currently have deployed and would potentially involve having new antennas and new radios deployed out at sites in order to take advantage of that spectrum.

So it really depends on the exact frequencies and whether those frequencies that have been purchased have already been pre-deployed on a certain number of sites, whether they're able to do that. And in the case of AT&T, as I just said a second ago, it's a portion of the sites that they had the equipment on. There's still a number of additional sites they would have to deploy in order to take advantage of deploying frequencies. So that's a good case study, I think, hopefully in answering your question.

**Answer – Sunit S. Patel:** Yeah. And also, software upgrades are very helpful, but at the same time, remember there are limits to how much data rates can be pushed through and the power required to do that. So ultimately, like any of these things, if you look at the rate of bit growth, that's why radios and antennas have to keep getting replaced over time, so.

**Question – Brendan James Lynch:** Okay. Thank you very much.

**Operator**

Our next question comes from David Barden with New Street Research. Please go ahead.

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**Analyst:**David W. Barden

**Question – David W. Barden:** Hey guys. Thank you so much for taking the question. It's nice to talk to you again. So my first question is, I don't want to throw Ric under the bus, but Ric and I are probably the two oldest guys on this call. And I don't remember the last time that there was a time when a carrier decided we're not going to pay our bills. So could you walk us through exactly what happens when the carrier doesn't pay their bills?

Are you going to go send a team of guys out there and snip wires, or are you going to, like, rip this stuff down and sell it to China for scrap metal? Like, what does that look like? And how do you account for that? Like, I just don't know. So that's question number one.

And then the second question would be, just your guys' understanding. So, we've been talking a lot to governments, to the carriers about the C-band, upper C-band auction. It's proximity to the radio altimeter band up at the 4.2 GHz to 4.4 GHz and how that could slow down deployment. And I'm wondering if you guys have a view on kind of how the next big massive spectrum auction that's going to happen in the United States could ultimately affect the tower industry? Thank you.

**Answer – Christian H. Hillabrant:** Yeah. Well, maybe just start with the first one. I mean, we don't really want to go into disclosure of our specific commercial agreements with the specific customer as a practice. But at the end of the day, if a customer doesn't pay and they're in default and you serve them and you terminate a contract, then there's an obligation for them to remove their equipment in a timely basis as per the terms of the contract, right, so....

**Question – David W. Barden:** It's on them. It's not you, it's them.

**Answer – Christian H. Hillabrant:** It's them, it's them. So...

**Question – David W. Barden:** There's no way DISH is going to do that. You know DISH is not going to do that.

**Answer – Christian H. Hillabrant:** Yeah. Yeah. So, well, we'll see. We'll see what happens there as they approach their cure (00:44:02) period.

**Question – David W. Barden:** Okay.

**Answer – Christian H. Hillabrant:** The contract has been terminated and they – it's their obligation to remove the equipment. More broadly speaking, I've been in the industry a long time as well, almost 30 years or 30 years, half of it as an operator. And I also can't remember time since maybe before the consolidation of those regional carriers that ultimately became T-Mobile or part of AT&T or Verizon, where we had somebody just turn out the lights and walk away from obligations like they have. It's pretty amazing actually to have witnessed this in my lifetime.

On your second question, to try to answer it, so if you recall, when the initial C-band auctions that occurred and you started to deploy, there was a number of concerns about potential interference with the altimeters and the avionics, and it caused a bunch of headaches working with the FAA and the industry in order to come up with a plan on how they would deploy that, which has subsequently been fixed.

I think there was some good lessons learned there of how the MNOs can work alongside with government to come up with solutions to be able to deploy it. And so, it's not as if this will be the first time that they had to navigate through these types of challenges. And again, while there was an initial hiccup in the deployment, they very rapidly solved it and I think are in a much better position now overall as a result with the solution that worked for all parties.

So, these will consistently be challenges as you start to auction off spectrum that has use – is in use by others, including government entities. Figuring out how to best clear the bands and provide the use of that spectrum putting it to work. There's clearly a huge demand by operators to have access to additional

spectrum. And from what the FCC has signaled, they're in a position with that 800 MHz that they've indicated that they intend to auction in 2027 is to take rapid action to put it to use and more importantly, that rises the tide for all boats and all tower companies as a result of that spectrum being deployed. So we're – we support it. We believe it's the right thing to do for public resource which is again why we support ultimately DISH's sale of the spectrum to AT&T and SpaceX.

**Question – David W. Barden:** Thank you, Chris. And I really appreciate that. And if I could ask one follow up, Sunit, when Charlie fails to follow through on his obligation to remove the equipment. How long does it take before we find out? And then what happens?

**Answer – Sunit S. Patel:** Again, I hesitate to answer specifics on that because as you can imagine, these are fairly large contracts with all kinds of provisions. So, I mean, I'd just leave it at that, but what I will say is, we are doing everything we can within the contract in Washington as Chris was talking about to make sure we are enforcing our rights and being aggressive about it.

**Question – David W. Barden:** Understand. Thank you guys so much. Appreciate it.

**Answer – Christian H. Hillabrant:** You bet.

**Operator**

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

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**Analyst:**Batya Levi

**Question – Batya Levi:** Great. Thank you. One more follow-up on the leasing question. The slowdown that you – that we're potentially seeing excluding DISH, is that across the board or maybe specific to a player. And can you help us understand the amendment versus densification mix? Is the back half weighted more related to potentially densification efforts flowing through?

And another one on the cost side. How does the \$65 million lower cost outlook compare to your prior expectations, given the progress you've made last year? Thank you.

**Answer – Sunit S. Patel:** Yeah. Thanks. I think, first of all, on the slowdown point, as I was saying, if you look at the 2025 numbers and the 2026 guide, if you were to adjust for the changing of the billings, the active – the growth this year is about what it was last year, in the same ZIP code. So, not much change there I would say, compared to last year, most of this account for change in other billings.

And then in terms of the proportion on colo versus amendment, we haven't seen anything. It's about the same ratio as we've seen last year. And then the – yeah, I mean the leasing activity, as I said, is in line with what we are seeing last year, excluding the impact of DISH in both periods.

**Question – Batya Levi:** And on the cost side?

**Answer – Sunit S. Patel:** On the cost side, I think that we did say, upon the announcement of the transaction, when we provided the guide, post the close of the transaction that, we are – take some cost out. So, I think what you're seeing here is in line, but I think the bigger point that we've talked about in previous calls is we

think there is continued opportunity for us to make some investments in platforms and systems in the next couple of years to drive better customer experience, whether it's cycle times or interactions with customers, more efficiency, higher productivity levels.

So I think, as Chris Hillabrant mentioned, we are on a pathway to pursue a series of initiatives that we think, both in terms of investments and automation that we think including some AI efforts that we think will continue to drive improvement on the cost side over the next couple of years.

**Question – Batya Levi:** All right. Thank you.

**Operator**

Our final question comes from Ari Klein with BMO Capital Markets. Please go ahead.

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**Analyst:**Ari Klein

**Question – Ari Klein:** Thanks. I imagine there are some legal costs associated with DISH. Is that in G&A and is it of any significance? And then the composition of share repurchases and debt repayments, a little different than previously discussed with less repurchases, is that largely to maintain leverage ex DISH?

**Answer – Sunit S. Patel:** Yeah. So let me cover the legal costs. So yeah, I mean we've thought about it as we provided our guidance, they can always be something extreme. But I think it's factored into the guidance that we provided.

On your second question, I think that – sorry, give me a second. Yeah. I mean, on your second question, I think, we – the capital allocation framework we outlined was for leverage of 6 to 6.5 times. So, if you look through that with the change in the DISH outlook and you look at our EBITDA and FFO outlook, we thought it made sense to pay down more debt and stay within the range, because as we said previously, the key for us is to be investment grade. So, this keeps us in the leverage ratio we had outlined and continues to preserve financial flexibility and also provide good risk adjusted returns for our shareholders.

**Question – Ari Klein:** Thank you.

**Operator**

At this time, there are no more questions. The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.