



# The Foundation for a Wireless World

Third Quarter 2017

Earnings Conference Call

October 19, 2017

The Foundation for a Wireless World.

# Cautionary Information

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This presentation contains forward-looking statements and information that are based on management's current expectations. Such statements include our Outlook and plans, projections, and estimates regarding (1) potential benefits, returns, opportunities and shareholder value which may be derived from our business, assets, investments, acquisitions (including the pending acquisition of Lighttower) and dividends, including on a long-term basis, (2) our strategy, strategic position, business model and capabilities and the strength of our business, (3) needs of and demand from our customers, and the benefits which may be derived therefrom, (4) growth in demand for data and connectivity and the benefits which may be derived therefrom, (5) our growth, including our revenue growth, long-term prospects and the trends impacting our business, (6) the pending acquisition of Lighttower, including financing and timing thereof, quality of Lighttower's assets, integration costs and capital expenditures resulting therefrom and the potential benefits and contributions which may be derived from such acquisition, including (a) improvements to or enhancements of our asset portfolio, growth and industry position and (b) contribution to or impact on our financial or operating results, including site rental revenues, Adjusted EBITDA, net income and AFFO, (7) the use of proceeds from the Lighttower financings, (8) leasing environment and activity, (9) our investments, including in towers, small cells, fiber and other assets, and the potential growth, returns and benefits therefrom, (10) our dividends, including our dividend plans and the amount of our dividends and dividend growth rate and targets, (11) demand for our wireless infrastructure (including fiber and small cells) and services, (12) tenant non-renewals, including the impact thereof, (13) capital expenditures, including sustaining capital expenditures and integration capital expenditures and the timing thereof, (14) straight-line adjustments, (15) site rental revenues and estimated growth thereof, (16) site rental cost of operations, (17) net income (loss), (18) Adjusted EBITDA, (19) expenses, including interest expense and amortization of deferred financing costs, (20) FFO, (21) AFFO and estimated growth thereof, (22) Organic Contribution to Site Rental Revenues, (23) our weighted-average common shares outstanding, including on a diluted basis, (24) network services contribution and (25) the utility of certain financial measures, including non-GAAP financial measures. As used herein, the term "including", and any variation thereof, means "including, without limitation."

Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including prevailing market conditions and other factors. Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those expected. More information about potential risk factors which could affect our results is included in our filings with the Securities and Exchange Commission. The Company assumes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, AFFO and Organic Contribution to Site Rental Revenues. Definitions and tables reconciling such non-GAAP financial measures are set forth in the Supplemental Information Package and the earnings release posted in the Investors section of Crown Castle's website at <http://investor.crowncastle.com>.

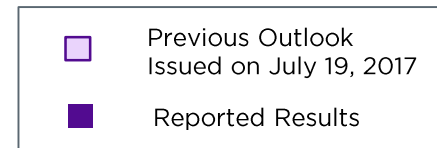
# Executive Summary

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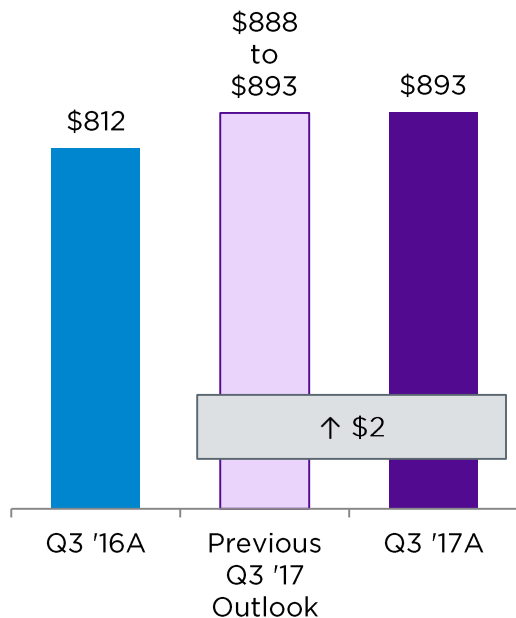
- Third quarter results for site rental revenues and Adjusted EBITDA were at the high end of previously provided third quarter 2017 Outlook, while AFFO exceeded the high end of guidance
- Increased midpoint of full year 2017 Outlook for site rental revenues by \$8 million, reflecting continued health in the leasing environment, and maintained 2017 Outlook for Adjusted EBITDA and AFFO after adjusting to exclude the impact of the pre-funding of the pending Lightower acquisition
- Increased quarterly common stock dividend by 11% from \$3.80 to \$4.20 per share on an annualized basis, reflecting expectations of continued growth in 2018 and anticipated contribution from the pending acquisition of Lightower
- Introduced 2018 Outlook with AFFO per share of \$5.50 at the midpoint, representing year-over-year growth of 10% after adjusting full year 2017 Outlook to exclude the impact of the pre-funding of the pending Lightower acquisition

# Q3 2017 Highlights<sup>(1)</sup>

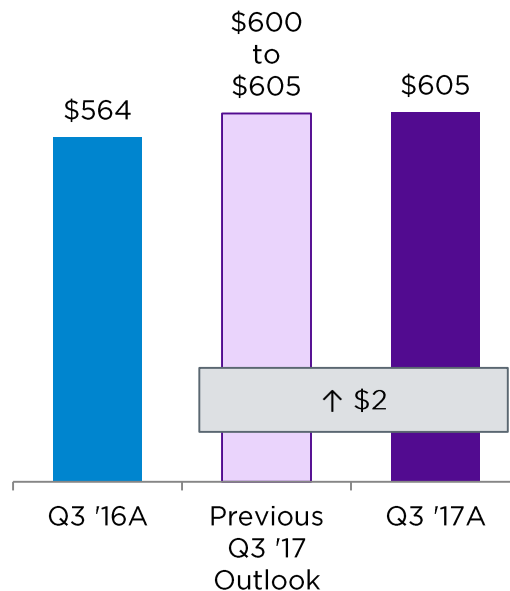
(\$ in millions)



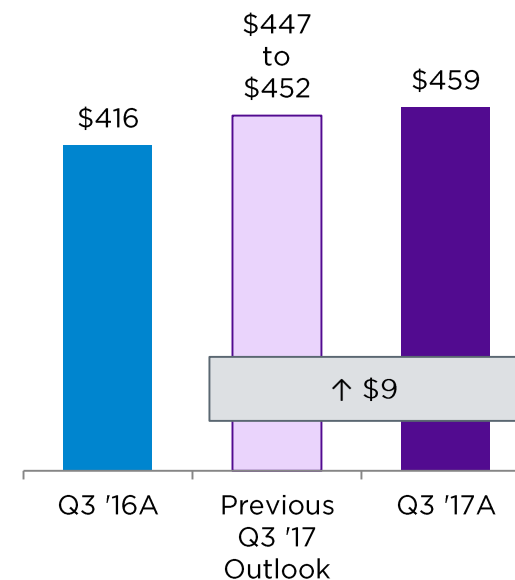
## Site Rental Revenues



## Adjusted EBITDA



## AFFO

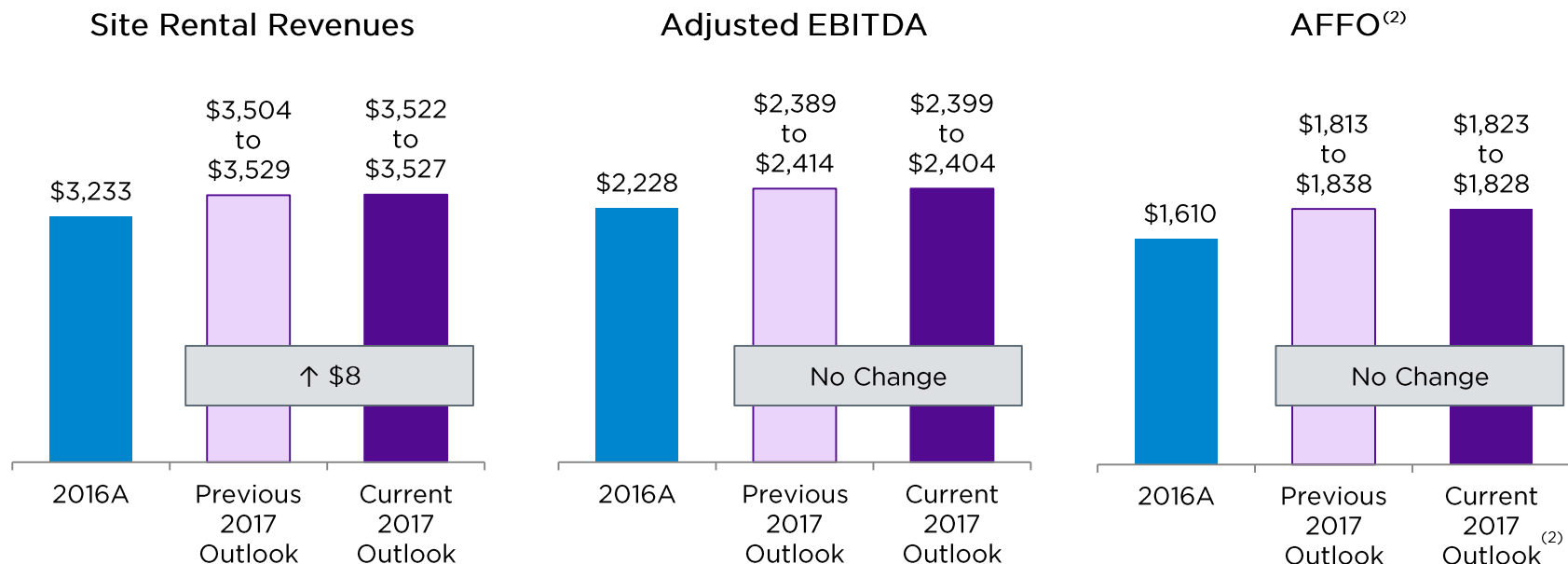
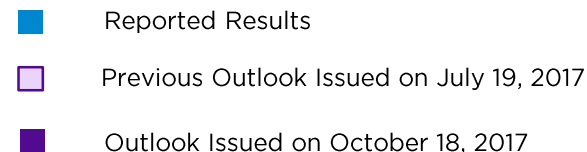


- At the high end of previously provided third quarter 2017 Outlook for site rental revenues and Adjusted EBITDA, while AFFO exceeded guidance
- AFFO benefited from \$5 million in lower than expected sustaining capital expenditures due to timing, as the capital is expected to be spent during the fourth quarter. Adjusting for the benefit, AFFO would have still exceeded the high end of third quarter Outlook

1. Actuals compared to Outlook calculated at midpoint

# Full Year 2017 Outlook<sup>(1)</sup>

(\$ in millions)

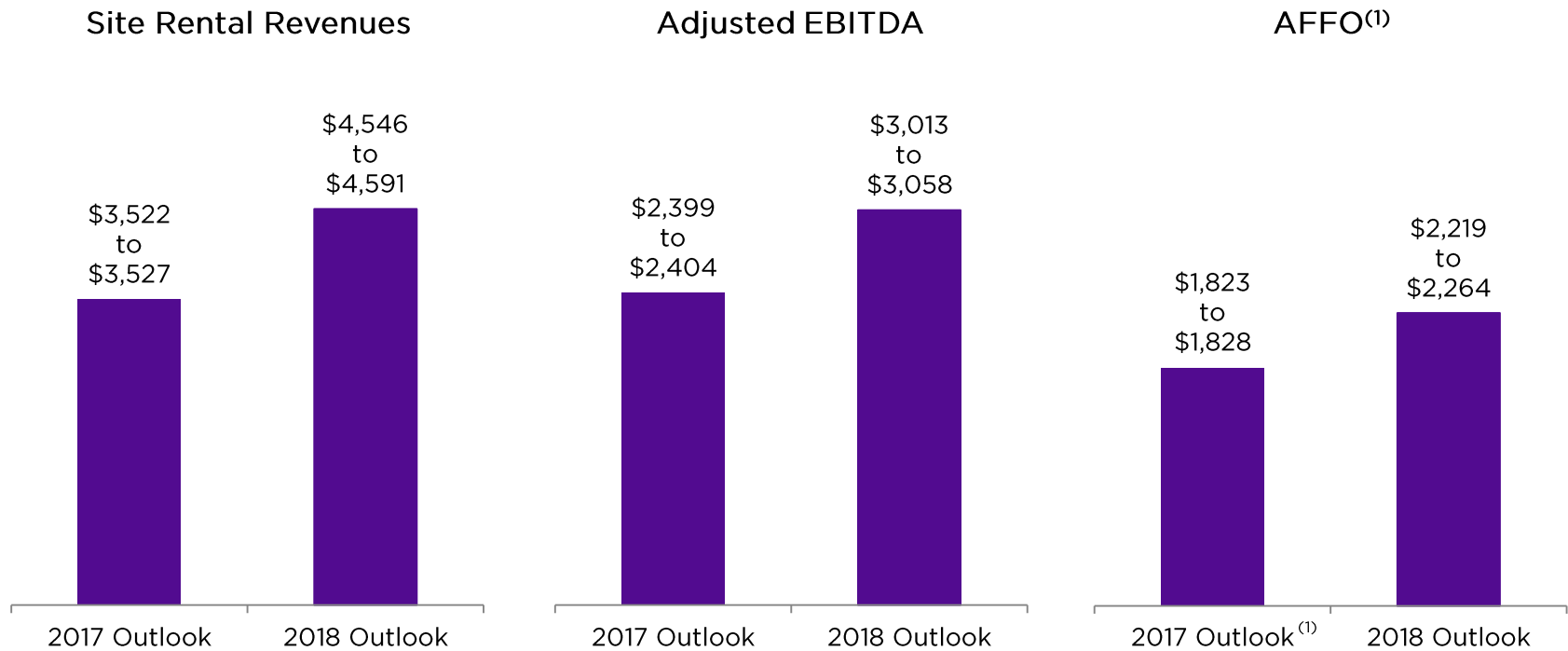


- Updated 2017 Outlook reflects:
  - Outperformance during the third quarter,
  - Modest increase in leasing expectations during the fourth quarter,
  - Offset by higher repair and maintenance expenses driven by hurricanes Harvey, Irma, and Maria
- Adjusting to exclude the impact of the pre-funding of the pending Lighttower acquisition, full year 2017 Outlook, at the midpoint, for AFFO and AFFO per share remains unchanged from previous guidance of \$1,826 million and \$4.99 per share, respectively

1. Changes in Outlook calculated at midpoint  
 2. Current full year 2017 Outlook for AFFO (1) is adjusted to exclude \$44 million in interest expense, net interest income, and preferred stock dividends related to the pre-funding of the pending Lighttower acquisition and (2) does not include any contribution from the pending acquisition of Lighttower, which is expected to close by year-end 2017

# Full Year 2018 Outlook

(\$ in millions)



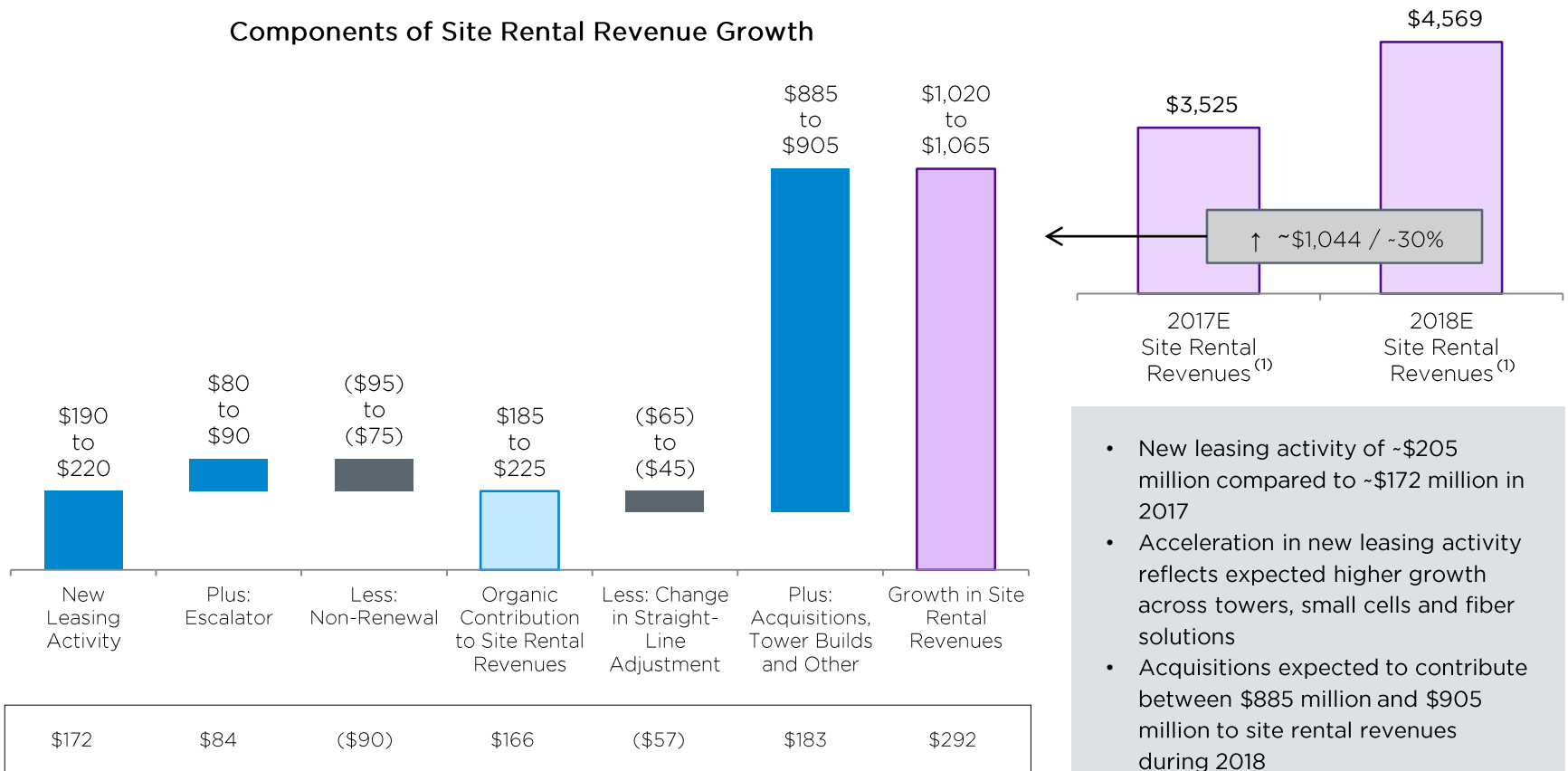
- 2018 Outlook reflects expected acceleration of new leasing activity during 2018 as well as the expected contribution from the pending Lighttower acquisition
- 11% increase to our dividend, from an annualized \$3.80 per share to an annualized \$4.20 per share

1. Current full year 2017 Outlook for AFFO (1) is adjusted to exclude \$44 million in interest expense, net interest income, and preferred stock dividends related to the pre-funding of the pending Lighttower acquisition and (2) does not include any contribution from the pending acquisition of Lighttower, which is expected to close by year-end 2017

# Full Year 2018 Outlook

## 2018 Outlook for Site Rental Revenue Growth (\$ in millions)

Components of Site Rental Revenue Growth



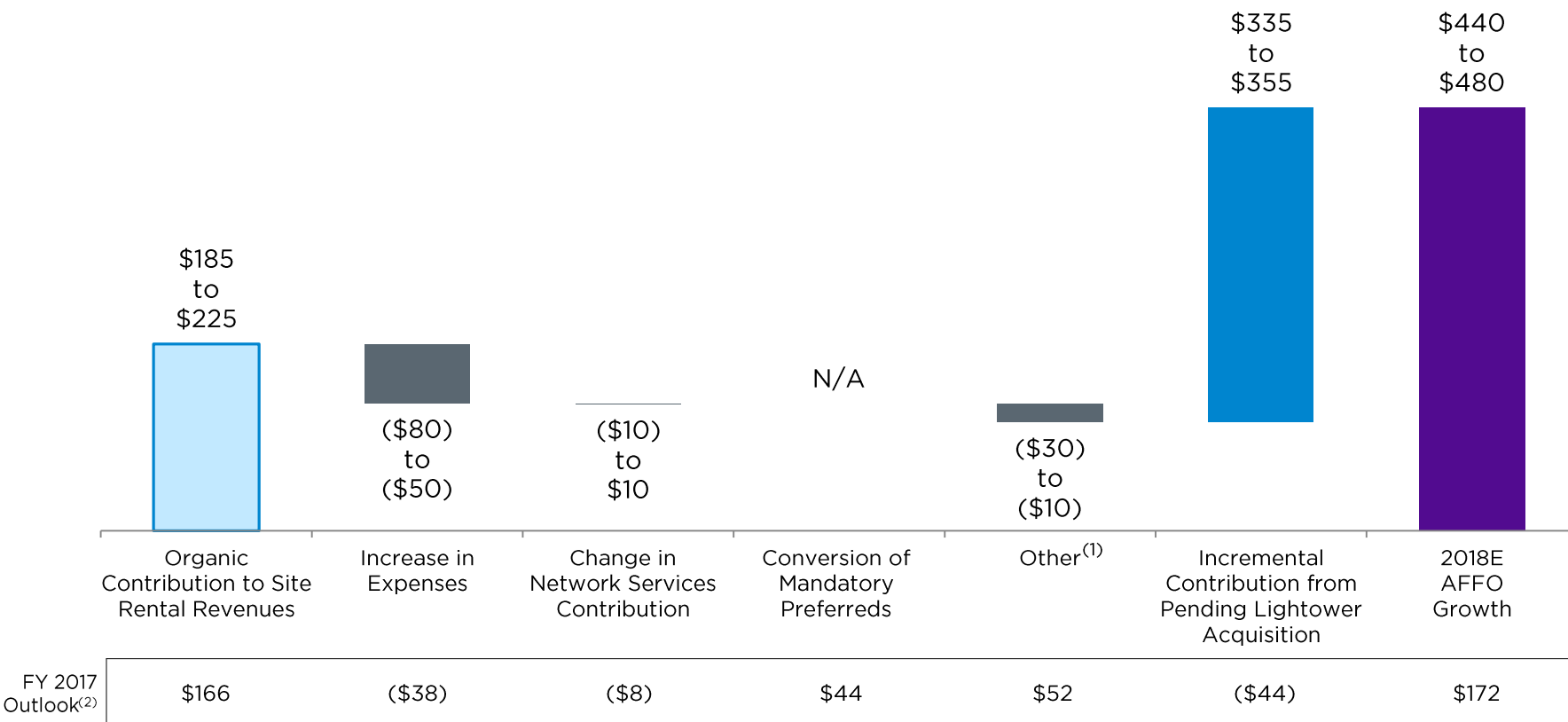
- New leasing activity of ~\$205 million compared to ~\$172 million in 2017
- Acceleration in new leasing activity reflects expected higher growth across towers, small cells and fiber solutions
- Acquisitions expected to contribute between \$885 million and \$905 million to site rental revenues during 2018

Note: Components may not sum due to rounding  
1. Represents midpoint of Outlook



# Full Year 2018 Outlook (continued)

## 2018 Outlook for AFFO Growth (\$ in millions)



Note: Components may not sum due to rounding

1. Includes changes in cash interest expense, changes in sustaining capital expenditures, incremental contribution from acquisitions and other adjustments
2. Represents midpoint of Outlook