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ADVISORS IN CAPITAL

The Tower Market Report

MARKET UPDATE – Q1 2026

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Carriers

Verizon Reports Mixed Results in Q1. Q1 revenue increased 2.9% year-over-year to $34.4B, missing consensus estimates by 1.7%. Verizon wireless postpaid phone net adds were 55,000 in Q1 (vs. 289,000 net loss in Q1 '25). Verizon completed a significant reduction in workforce, laying off 13,000 employees across the company.

AT&T Tops Q1 Consensus Estimates on Strong Fiber Growth. Q1 revenue rose 2.9% year-over-year to $31.5B, 1% above consensus estimates. AT&T wireless postpaid phone net adds were 294,000 in Q1 (vs. 324,000 in Q1 '25). On February 2, AT&T closed its $5.75B acquisition of Lumen's Mass Markets (fiber-to-the-home) business.

T-Mobile Reports Strong Postpaid Growth, Beats Revenue Estimates in Q1. Q1 revenue surged 10.6% year-over-year to $23.1B, 0.6% above consensus estimates. For the first time in nearly a decade, T-Mobile did not report postpaid phone net adds, instead grouping mobile, fiber, fixed wireless and other postpaid accounts into a single line on its quarterly reporting going forward.

Verizon Completes Layoffs, Sets Sights on AI Adoption. In its latest earnings call, Verizon CFO Tony Skiadas alluded that the previously announced restructuring, which involved laying off nearly 13,000 employees, has been completed. Looking ahead, CEO Dan Schulman emphasized the potential benefits of artificial intelligence for the company, mentioning that he aimed to transform Verizon into "an AI-first company" after highlighting the inefficiencies in the company's operations.

Nineteen Parties Apply to Participate in AWS-3 Spectrum Auction. The FCC has released the list of applicants looking to participate in its upcoming spectrum auction. The list includes 19 parties—some of which may not meet the FCC's qualifications for participation—and features the largest carriers in the U.S., Dish-owned Conundrum Wireless, SpaceX, and several others. Auction 113, the first spectrum auction in nearly 4 years, is set to include 200 lower mid-band AWS-3 licenses, including 197 licenses returned by EchoStar (Dish's parent company) to the FCC. The auction is scheduled to start on June 2, 2026.

Deutsche Telekom Considering Megamerger with T-Mobile. According to *Bloomberg*, German telco Deutsche Telekom is currently exploring a potential merger with its majority-owned subsidiary T-Mobile US. The merger would create the largest telco in the world with a combined market capitalization of over $360B, surpassing state-owned China Mobile's market capitalization of $234B. Deutsche Telekom, which is partially state-owned, currently owns a 53% stake in T-Mobile US and has been a majority shareholder in the US' largest carrier since its rebranding from VoiceStream Wireless in 2001, following its $35B sale to Deutsche Telekom.

Sources: Public company quarterly disclosures and press releases, Zack's Investment Research, Light Reading, Inside Towers, FCC, LYA, Reuters, Bloomberg

Carriers (cont'd)

T-Mobile Announces Multiple Fiber JVs with PE Firms. The wireless operator announced definitive agreements to enter in two separate 50/50 joint ventures with private equity firms, to assume an equity interest in three existing fiber providers. The first joint venture is a partnership with Oak Hill Capital, in which the private equity firm is set to combine leading Northeast fiber providers GoNetspeed and Greenlight Networks. The second joint venture is a partnership formed with Kuwaiti-owned investment firm Wren House, in which T-Mobile will acquire a 50% stake in i3 Broadband for a $700mm investment in the company. The transactions are set to expand T-Mobile's nationwide fiber footprint to an additional 1mm homes across the country.

AT&T Commits $1B to Enhance FirstNet Authority Network. AT&T has pledged nearly $1B to improve the Department of Commerce's FirstNet Network, a nationwide broadband network dedicated to first responders across the U.S. As part of the 'agreement in principle' to improve the network, AT&T will deliver a string of upgrades across the network, creating $1B in cost savings for the federal agency through reduced rates. AT&T was previously awarded the contract to build out and manage FirstNet's Nationwide Public Safety Broadband Network (NPSBN) in March 2017.

Sources: Public company quarterly disclosures and press releases, Inside Towers, Reuters

Towers

AMT Reports Solid Q1 Results, Beats Revenue Estimates. American Tower reported Q1 revenue of $2.74B, beating consensus estimates of $2.65B (beat by 3.2%) for the sixth consecutive quarter, on the back of higher-than-expected revenues in Latin America. Domestic gross organic leasing revenue growth fell 80 bps to 5.7% q/q. Net organic growth fell 500 bps to 0.6% following the recognition of DISH-related churn. AMT ended Q1 with similar leverage (net debt/LQA EBITDA) to the previous quarter at ~4.9x. AMT also increased its quarterly dividend to $1.79/share, up from $1.7/share.

SBAC Beats Revenue, FFO Estimates in Q1. SBA reported Q1 revenue of $703mm, above consensus estimates of $699mm (beat by 0.7%). Q1 domestic gross organic revenue growth stayed flat at 5.3% q/q. Domestic churn rose 200 bps to 7.3% (vs. 5.3% in previous quarter), primarily due to 3.7% of churn related to T-Mobile's acquisition of Sprint and 3.3% of DISH-related churn. Leverage (net debt/LQA EBITDA) at the end of the quarter rose to ~6.6x (vs. 6.4x in previous quarter).

CCI Posts Q1 Results in-line with Consensus Estimates. Crown Castle reported Q1 revenue of $1.01B, generally in-line with consensus estimates. Net organic leasing revenue growth declined further to -2.5% (+3.7% gross) q/q, primarily due to the effect of Sprint and DISH-related terminations. Leverage (net debt/LQA EBITDA) after adjusting for the proceeds of the Fiber & Smalls Cells Business, rose sharply to ~6.0x (vs. 5.5x in previous quarter). Following the quarterly release, Crown Castle closed on the sale of its Fiber and Small Cells businesses to Zayo and EQT, respectively, for a combined $8.5B.

AD Reports Strong Results in Q1. Array Digital Infrastructure reported Q1 revenue of $52mm, a 93% increase y/y primarily owed to the execution of a 2,015-site MLA with T-Mobile. The growth was offset by a $4.4mm decrease in DISH site rental revenue, including a $2.9mm write-off of contractual assets and liabilities. On May 8, Array's majority shareholder Telephone and Data Systems (TDS) announced a non-binding proposal to acquire all outstanding shares of Array Digital Infrastructure as part of an all-stock merger to simplify corporate structure and realize cost synergies.

Bloomberg: KKR Enters Talks to Take SBAC Private. According to reports from *Bloomberg*, SBA Communications is exploring a complete sale of the business to private equity investors, with KKR, Blackstone and Brookfield Asset Management (BAM) emerging as the most likely potential acquirers. More recent reports have pointed to KKR as leading the race for the acquisition of the global towerco, whose stock soared ~24% on the days following the news. However, intelligence firm *Green Street Infrastructure* later reported that talks may have reached an impasse due to valuation concerns.

Crown Castle Completes $8.5B Divestiture of Fiber and Small Cell Units. Crown Castle finalized the sale of its fiber network to Zayo Group and its small cell business to new EQT-backed entity Arium Networks. The transaction officially marks Crown Castle's transition into a pure-play U.S. tower operator, with over 40,000 towers nationwide. CCI is expected to significantly alter its capital structure using the sale's proceeds, with $1B in planned share buybacks and over $7B earmarked for debt repayment.

Sources: Public company quarterly disclosures and press releases, Zack's Investment Research, Bloomberg, TMT Finance, Green Street Infrastructure, Inside Towers

Towers (cont'd)

TowerPoint Announces Inaugural $386mm Securitization. The offering, which was over 9 times oversubscribed at guidance, marks TowerPoint Infrastructure Partners' first-ever securitization. The notes are secured by a nationwide portfolio of wireless infrastructure assets located throughout the United States and managed by private equity-backed towerco, TowerPoint Capital. Pricing of the offering is 5.198% on the $278mm senior tranche and 5.882% on the $83mm junior tranche and a $25mm variable funding note facility.

American Tower Ramps Up 2026 Capex to $1.8B. American Tower is increasing its annual discretionary capex guidance to $1.8B in 2026, up from $1.2B in 2025. The figure primarily includes capex to be spent in developed markets (85% of total), with over $700mm set aside for data center investments, land-under-tower acquisitions, and the execution of a 700-tower build program in Europe. The announcement is consistent with growth expectations revealed by the towerco, with most of the company's growth expected from established, developed markets in North America and Europe.

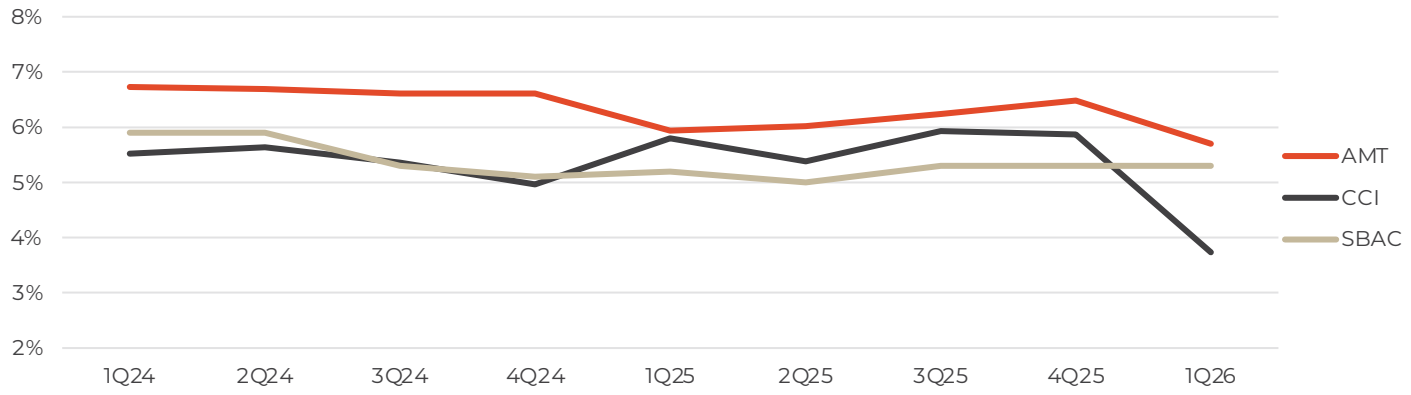
Vertical Bridge Lands $1.5B Investment from KKR. The largest privately owned tower company in the U.S. announced a significant strategic equity investment from global asset manager KKR to support its long-term growth strategy. KKR joins the existing investor group, which includes major sponsors DigitalBridge and La Caisse, both of which also increased their commitments in the funding round. KKR's investment represents its first entry into the U.S. wireless tower sector, adding to its global tower portfolio, which already includes investments in European tower operator Vantage Towers and Philippines-based Pinnacle Towers.

Accelerate Infrastructure Closes $630mm Capital Raise. The latest funding round includes additional equity commitments from existing sponsor CBRE Investment Management, with equity also contributed by new investors Mubadala, Australian Retirement Trust (ART), and other global investors. The CBRE-backed land-under-tower platform has now secured total equity commitments of $1.26B since inception.

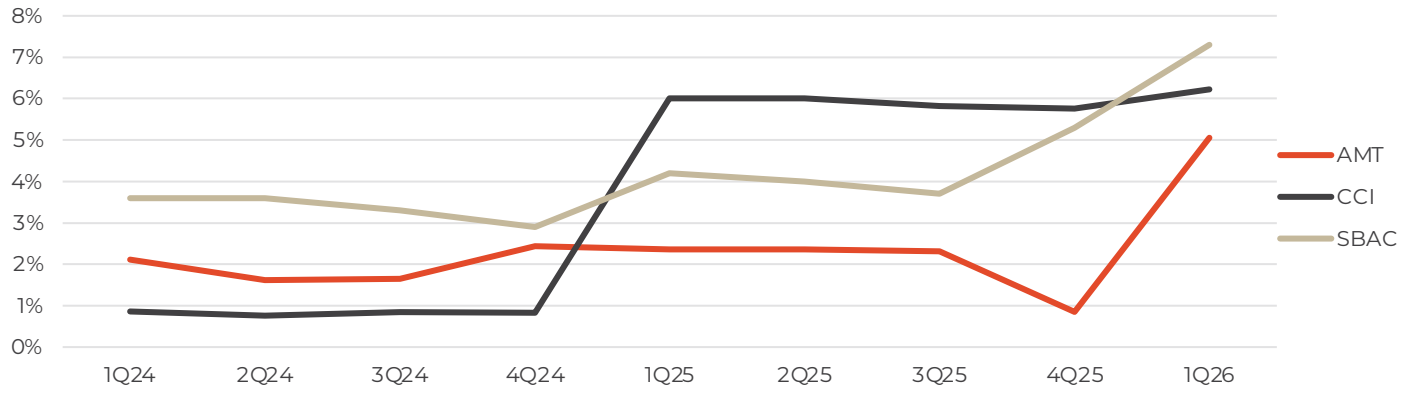
Sources: Public company quarterly disclosures and press releases, Inside Towers

Selected Towerco Key Operational Metrics

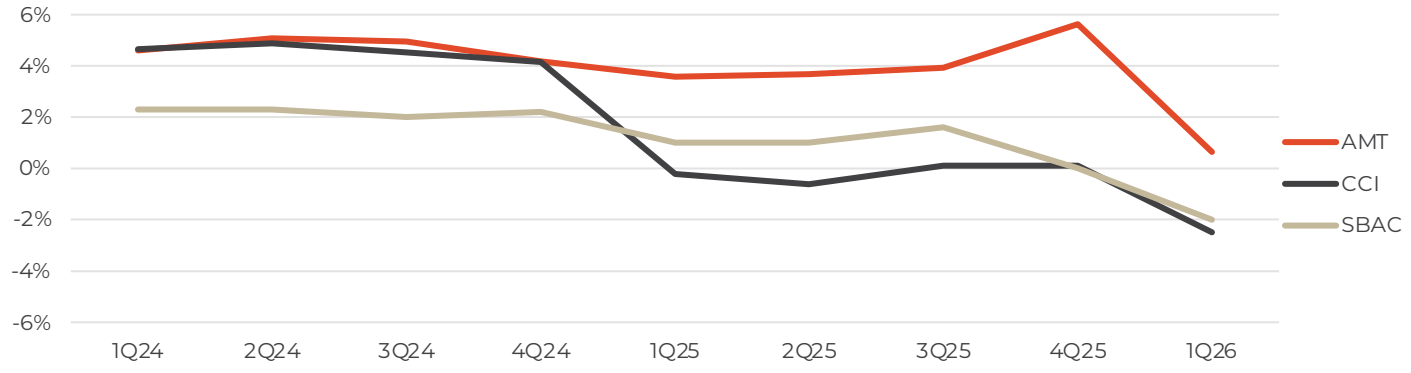
Domestic Gross Organic Revenue Growth (Year-over-year)



Domestic Churn Rate



Domestic Net Organic Revenue Growth (Year-over-year)



Notes:

- AMT rates do not include straight-line revenue, prepaid amortization revenue, and foreign currency impact. Rates reflect revenues from other properties including managed sites and rooftops. Rates reflect U.S. and Canada portfolio. Q3 2025 was the last quarter to recognize Sprint churn.
- CCI rates adjust for straight-line revenue, amortization of prepaid rent, contributions from acquisitions of less than one year, and other. Beginning Q1 2025, churn and net organic revenue growth have accounted for churn related to T-Mobile's acquisition of Sprint, which was not recognized previously.
- SBAC rates as per reported figures.

Sources: Public company quarterly disclosures

Towerco Valuation Trends

U.S. Tower Public Trading Multiples

	Symbol	Price May 18/26	Shares Outstanding (mm)	Mkt. Cap. (mm)	Debt (mm)	Cash (mm)	Ent. Val. (mm)	Net Debt/ LQA EBITDA	LTM EBITDA (mm)	LTM Revenue (mm)	Div. Yield	EV/LTM EBITDA
American Tower	AMT	$177.28	465.9	$82,594	$37,322	$1,609	$118,306	4.9x	$7,222	$10,819	4.0%	16.4x
Crown Castle	CCI	$89.92	436.5	$39,246	$16,304	$227	$55,323	6.0x	$2,816	$4,214	4.7%	19.6x
SBA Comm.	SBAC	$203.34	106.1	$21,567	$13,014	$440	$34,141	6.6x	$1,930	$2,854	2.5%	17.7x

Notes:
- EBITDA figures reflect Adjusted EBITDA.
- AMT shares outstanding as of April 21, 2026.
- CCI shares outstanding as of May 5, 2026.
- SBAC shares outstanding as of April 22, 2026.
- Enterprise Value, EBITDA and Net Debt figures for CCI have been adjusted by $8.5B to account for the proceeds of the sale of CCI's fiber & small cells businesses to EQT and Zayo.

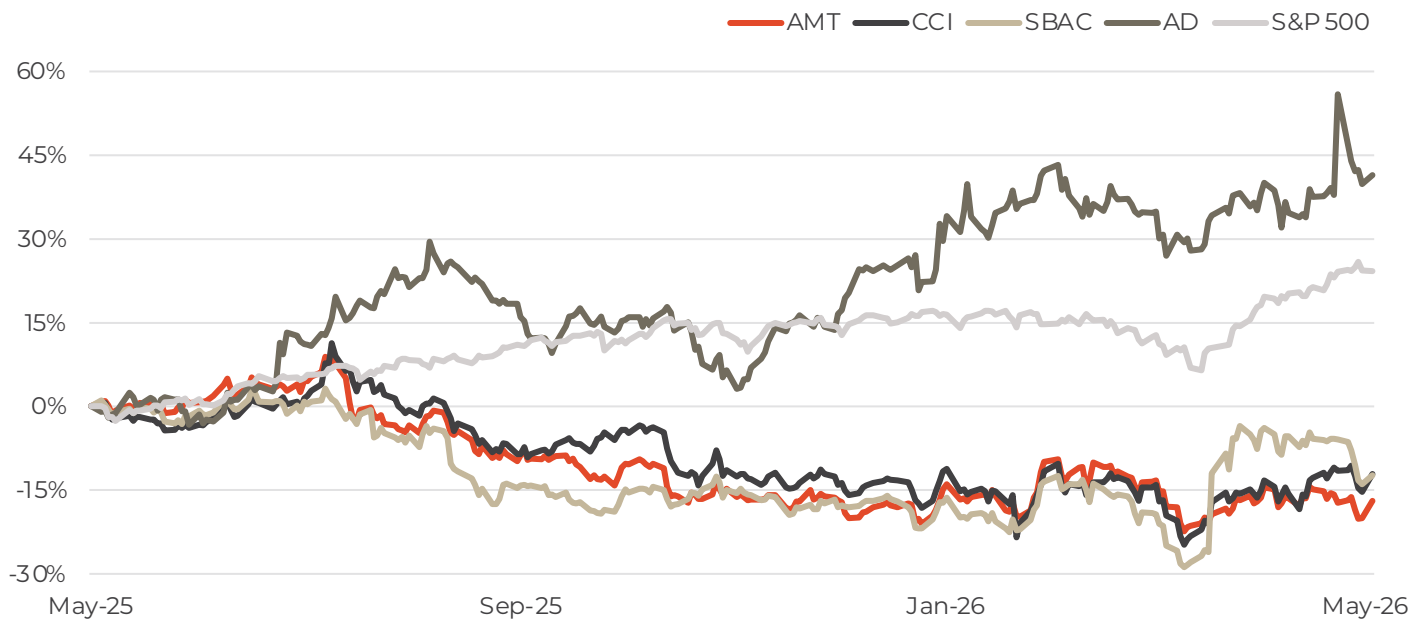
EV / Trailing 12-Month EBITDA Tower Multiples – Historical Trend

Notes:
- Chart includes AMT, CCI and SBAC.
- EBITDA figures reflect TTM Adjusted EBITDA.

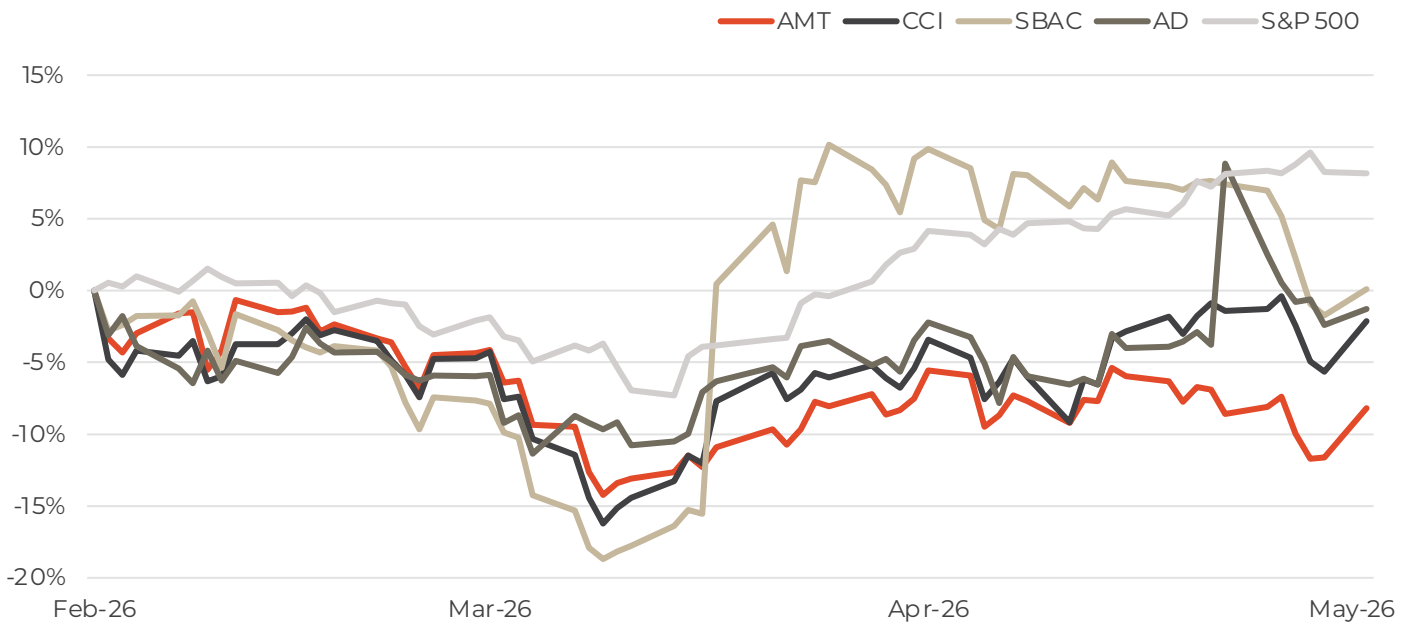
Sources: Public company quarterly disclosures, Yahoo Finance

Towerco Share Performance

1-Year Relative Share Price Performance



3-Month Relative Share Price Performance



Notes:
- Relative share price performance based on closing price adjusted for splits and dividend and/or capital gain distributions.

Sources: S&P Global, Yahoo Finance

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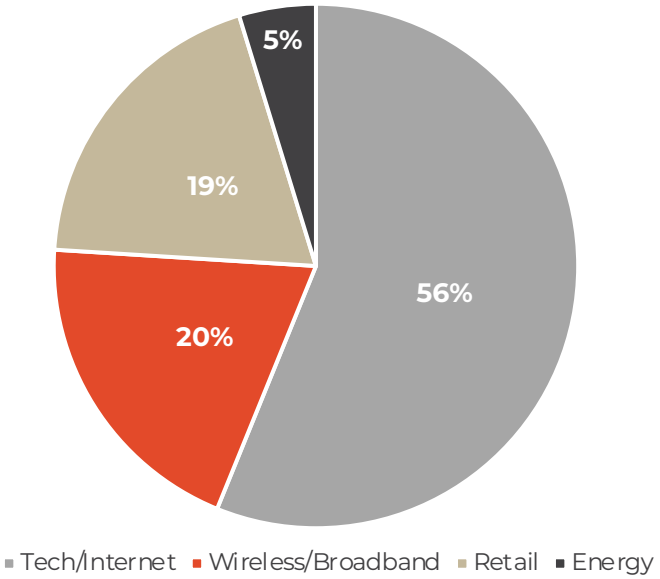
U.S. Wireless Capex

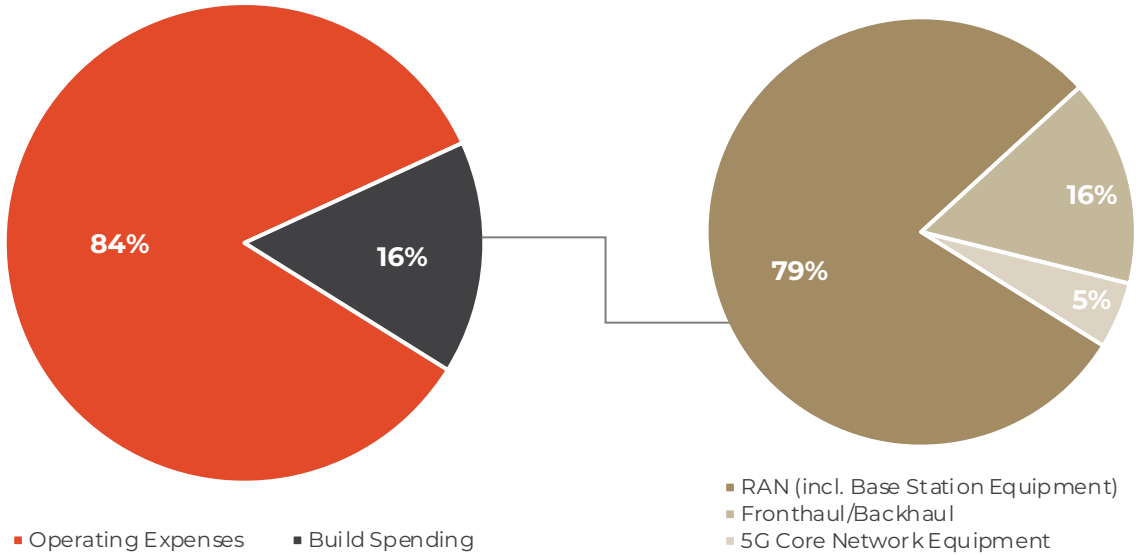
2024 U.S. Capex by Company & Sector

Company	Capex ($B)	% of Top 10	Sector
Amazon	$63.6B	23.4%	Ecommerce/Retail & Tech/Internet
Alphabet	$41.1B	15.1%	Tech/Internet
Meta	$36.1B	13.3%	Tech/Internet
Microsoft	$26.5B	9.7%	Tech/Internet
AT&T	**$21.5B**	**7.9%**	**Wireless/Broadband**
Walmart	$20.6B	7.6%	Retail
Verizon	**$18.7B**	**6.9%**	**Wireless/Broadband**
Intel	$17.3B	6.4%	Tech/Internet
Comcast	$13.8B	5.1%	Wireless/Broadband
Exxon Mobil	$12.9B	4.7%	Energy



Notes:
- Table and data provided by the Progressive Policy Institute's *Investment Heroes 2025* Report.
- The table ranks the 10 largest U.S.-based capex spenders by 2024 domestic capex. Only includes the Fortune 500's top 200 companies (excluding financial institutions and insurance companies).
- Amazon's capex is attributed equally to the Ecommerce/Retail and the Tech/Internet sectors.

2025 U.S. Wireless Industry Spending

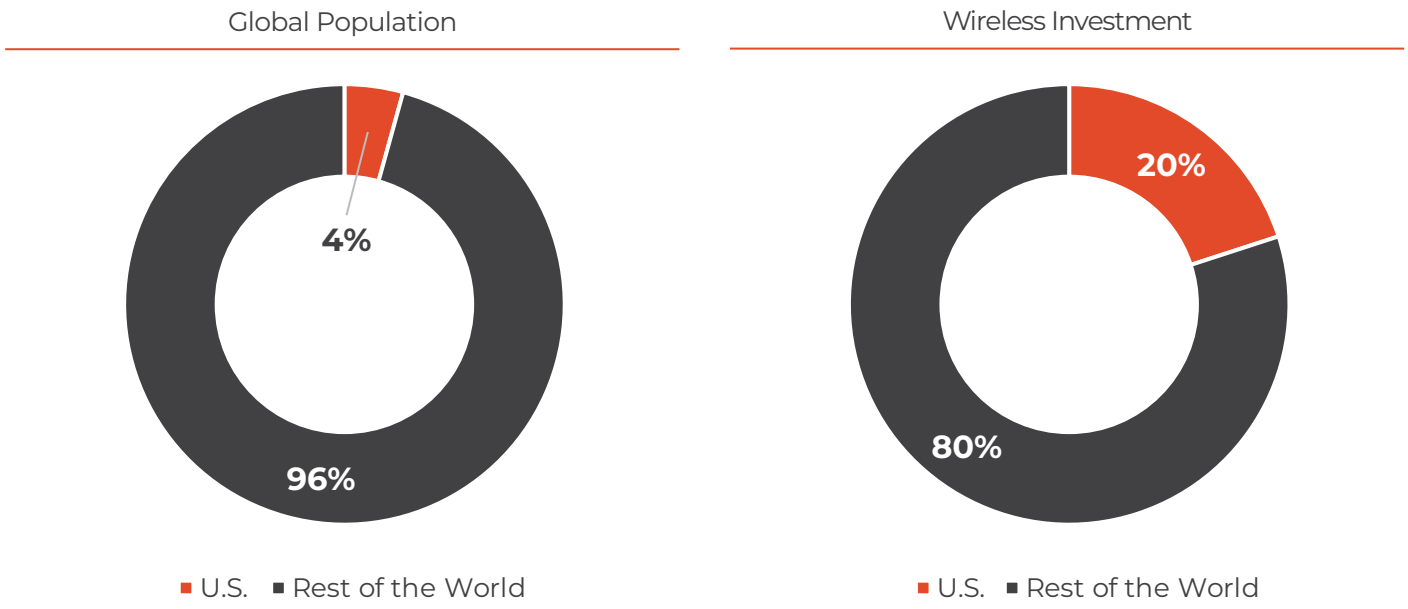


Notes:
- Data provided by Wireless Infrastructure Association's *Wireless Infrastructure by the Numbers 2025* Report.
- Operating expenses include "spending on tower and small-cell leases, network equipment maintenance, fiber and backhaul leases, power expenses and
- associated network operations costs [for] both outdoor and inbuilding wireless networks, including private CBRS networks" (WIA).
- Build spending includes RAN (including base station equipment), new and upgraded fronthaul/backhaul, and spending on new and upgraded 5G core network equipment. It does not include spending on spectrum, maintenance and ongoing operations.

Sources: Progressive Policy Institute, Wireless Infrastructure Association

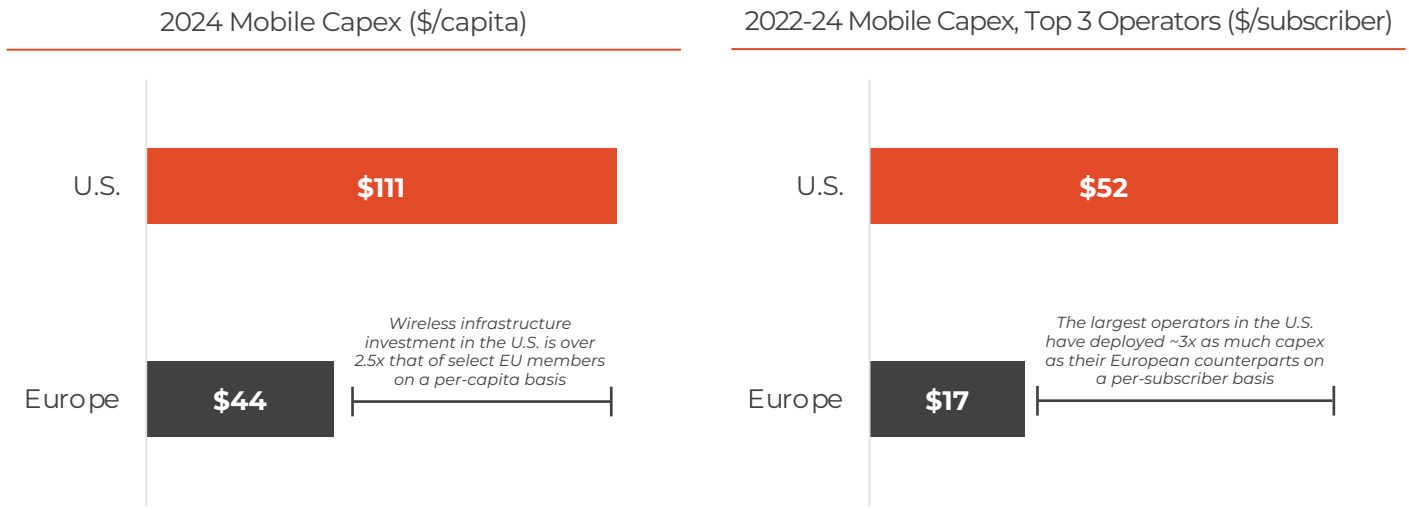
U.S. vs. Global Wireless Capex

U.S. Wireless Investment (as % of Global Investment)



Notes:
- Data provided by CTIA – The Wireless Association.

U.S. vs. Europe Wireless Capex

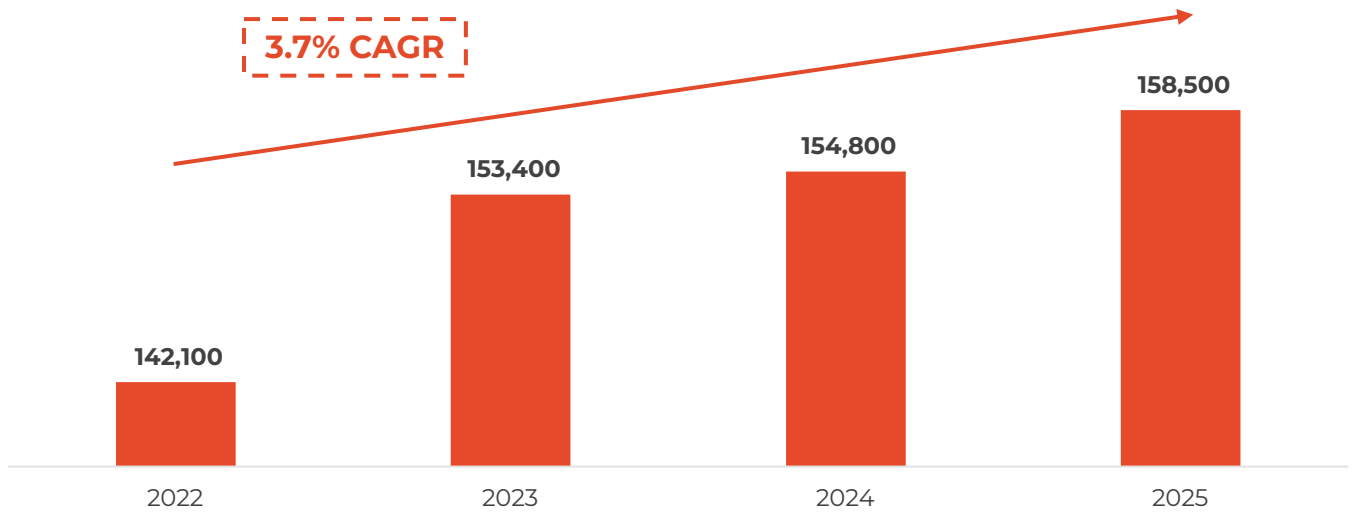


Notes:
- Data provided by CTIA – The Wireless Association.
- The "Europe" category on the "2024 Mobile Capex" chart includes 24 European countries tracked by independent consulting firm *Omdia*.
- The operators tracked on the "2022-24 Mobile Capex" chart include AT&T, T-Mobile and Verizon (for the U.S.) and Deutsche Telekom, Telefonica, and Vodafone (for Europe). These operators represent each region's largest operators by total connections.

Sources: CTIA – The Wireless Association

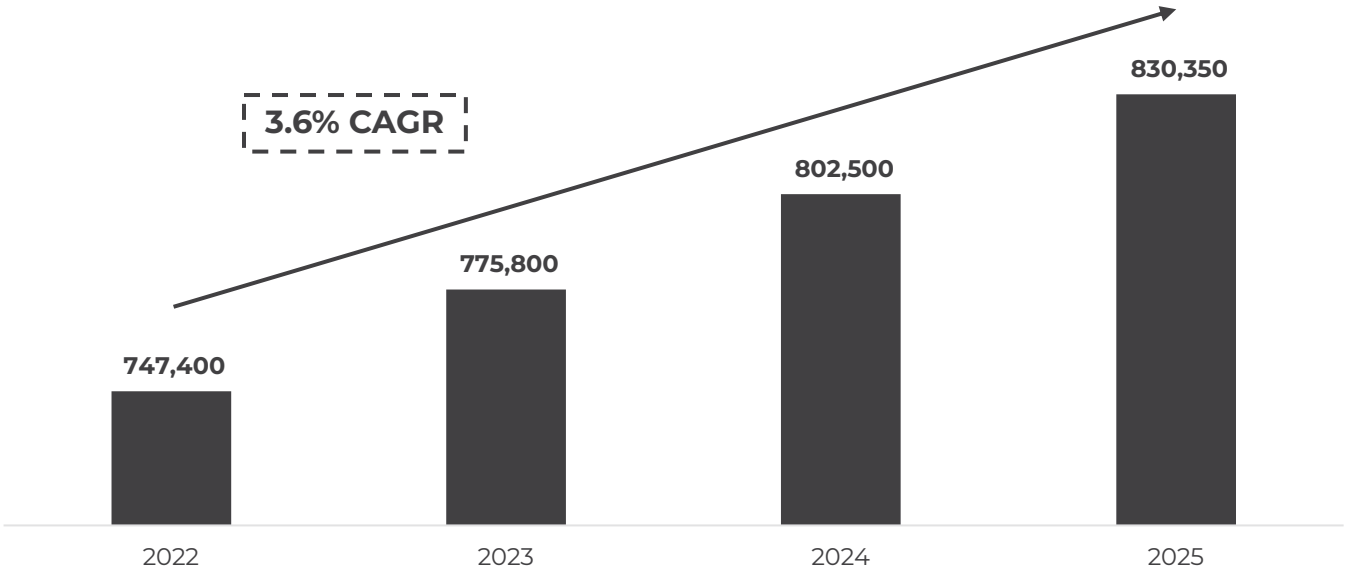
U.S. Wireless Infrastructure Growth

U.S. Cell Tower Count



Notes:
- Data provided by Wireless Infrastructure Association.
- Cell tower count only includes purpose-built cellular towers specifically designed to support cellular networks and excludes cell sites deployed on rooftops and broadcast towers.

U.S. Indoor Small Cell Nodes Count

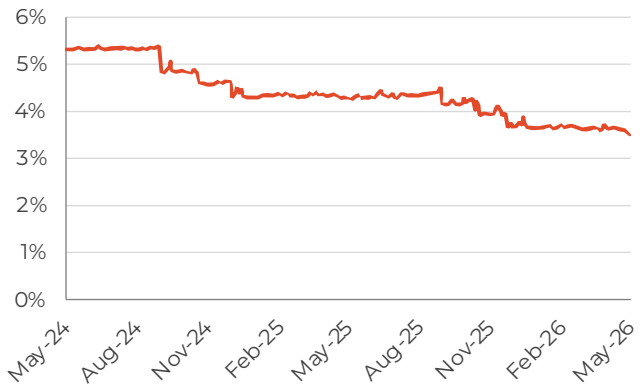


Notes:
- Data provided by Wireless Infrastructure Association.

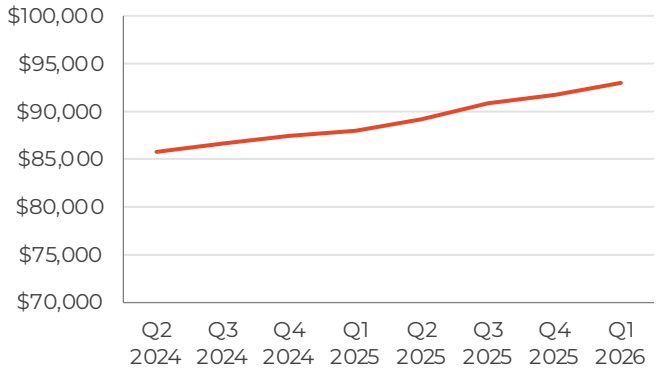
Sources: Wireless Infrastructure Association

Macroeconomics

Secured Overnight Financing Rate

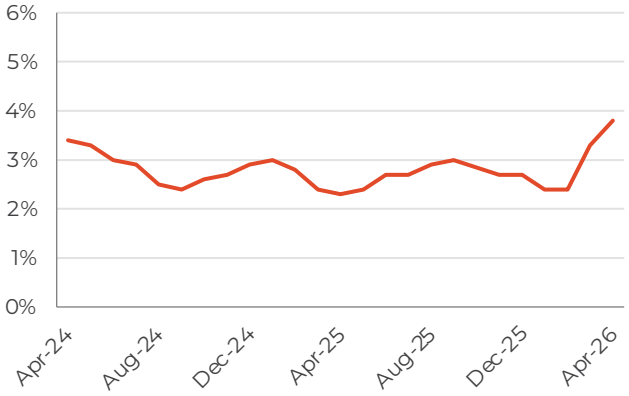


U.S. GDP per Capita

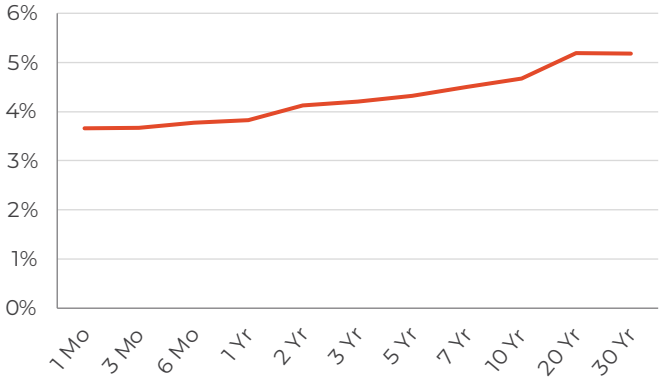


5 Year U.S. Treasury Yield

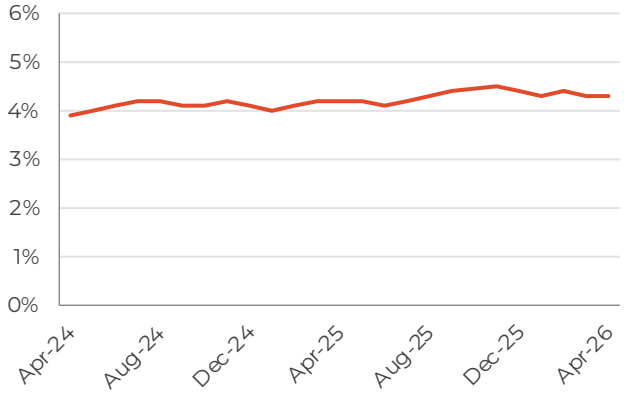
U.S. CPI Inflation



U.S. Treasury Yield Curve



U.S. Unemployment Rate



Notes:
- U.S. Treasury Yield Curve as at May 19, 2026.
- Due to the federal government shutdown in Q4 2025, CPI Inflation and unemployment rates for October 2025 are estimated using the average of the previous and following months.

Sources: St. Louis Fed, Bureau of Labor Statistics, U.S. Department of Treasury

Pinpoint Capital Advisors

Pinpoint Capital Advisors is a leading boutique investment bank focused exclusively on the mid-market digital infrastructure sector including wireless towers, fiber and data centers. Pinpoint advises companies on transactions (business sales) and raises capital for growth from longer-term, lower cost institutional investors.

We would be delighted at the opportunity to discuss your tower business with you, and would be happy to provide further information on our approach and process.

Please feel free to connect with our experienced team. We'd love to hear from you!

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