UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period to

Commission File Number 001-16441

CROWN CASTLE INC.
(Exact name of registrant as specified in its charter)

Delaware	**76-0470458**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

8020 Katy Freeway, Houston, Texas 77024
(Address of principal executives office) (Zip Code)

(713) 570-3000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	CCI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of common stock outstanding at October 28, 2024: 434,598,208

CROWN CASTLE INC. AND SUBSIDIARIES

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Cautionary Language Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q ("Form 10-Q") contains forward-looking statements that are based on our management's expectations as of the filing date of this report with the Securities and Exchange Commission ("SEC"). Statements that are not historical facts are hereby identified as forward-looking statements. In addition, words such as "estimate," "anticipate," "project," "plan," "intend," "believe," "expect," "likely," "predicted," "positioned," "continue," "target," "seek," "focus" and any variations of these words and similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements include our full year 2024 outlook and our plans, projections, expectations and estimates regarding (1) the value of our business model and the demand for our communications infrastructure, (2) the growth potential of the U.S. market for shared communications infrastructure, (3) growth in the communications infrastructure industry, (4) demand for data and factors driving such demand, (5) the duration of our construction projects, (6) tenants' investment in wireless networks, (7) use of high-bandwidth applications, (8) our ability to service our debt and comply with debt covenants, (9) the level of commitment under our debt instruments, (10) our ability to remain qualified as a real estate investment trust ("REIT"), (11) site rental revenues, including the growth thereof, (12) sources and uses of liquidity, (13) impact from the Sprint Cancellations (as defined below), (14) drivers of cash flow growth, (15) our competitive advantage, (16) our dividends, including timing, amount, payment or tax characterization, (17) the timing of small cell deployments, (18) discretionary and sustaining capital expenditures and expansion of our business, (19) impact of elevated interest rates, (20) the growth in our business and its driving factors, (21) non-renewals, (22) restructuring activities and the cost reductions, charges, payments, scope, actions and savings associated therewith, including timing, amounts and impact, (23) Fiber segment strategic review, (24) impacts of small cell node cancellations, including the resulting asset-write down charge and (25) small cell nodes backlog and deployment, including timing of the deployment of small cell nodes. All future dividends are subject to declaration by our board of directors.

Such forward-looking statements should, therefore, be considered in light of various risks, uncertainties and assumptions, including prevailing market conditions, risk factors described in *"Item 1A. Risk Factors"* of the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 ("2023 Form 10-K") and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected.

Our filings with the SEC are available through the SEC website at www.sec.gov or through our investor relations website at investor.crowncastle.com. We use our investor relations website to disclose information about us that may be deemed to be material. We encourage investors, the media and others interested in us to visit our investor relations website from time to time to review up-to-date information or to sign up for e-mail alerts to be notified when new or updated information is posted on the site.

Interpretation

As used herein, the term "including," and any variation thereof, means "including without limitation." The use of the word "or" herein is not exclusive. Unless this Form 10-Q indicates otherwise or the context otherwise requires, the terms "we," "our," "our company," "the company" or "us" as used in this Form 10-Q refer to Crown Castle Inc. ("CCI") and its predecessor (organized in 1995), as applicable, each a Delaware corporation, and their subsidiaries. Additionally, unless the context suggests otherwise, references to "U.S." are to the United States of America and Puerto Rico, collectively. Capitalized terms used but not defined in this Form 10-Q have the same meaning given to them in the 2023 Form 10-K.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CROWN CASTLE INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET (Unaudited)
(Amounts in millions, except par values)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 194	$ 105
Restricted cash and cash equivalents	172	171
Receivables, net	413	481
Prepaid expenses	144	103
Current portion of deferred site rental receivables	158	116
Other current assets	43	56
Total current assets	1,124	1,032
Deferred site rental receivables	2,340	2,239
Property and equipment, net of accumulated depreciation of $15,249 and $14,279, respectively	15,643	15,666
Operating lease right-of-use assets	5,843	6,187
Goodwill	10,085	10,085
Other intangible assets, net	2,878	3,179
Other assets, net	130	139
Total assets	$ 38,043	$ 38,527
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 200	$ 252
Accrued interest	164	219
Deferred revenues	483	605
Other accrued liabilities	338	342
Current maturities of debt and other obligations	611	835
Current portion of operating lease liabilities	301	332
Total current liabilities	2,097	2,585
Debt and other long-term obligations	23,452	22,086
Operating lease liabilities	5,272	5,561
Other long-term liabilities	1,926	1,914
Total liabilities	32,747	32,146
Commitments and contingencies (note 8)		
Stockholders' equity:		
Common stock, $0.01 par value; 1,200 shares authorized; shares issued and outstanding: September 30, 2024—435 and December 31, 2023—434	4	4
Additional paid-in capital	18,371	18,270
Accumulated other comprehensive income (loss)	(5)	(4)
Dividends/distributions in excess of earnings	(13,074)	(11,889)
Total equity	5,296	6,381
Total liabilities and equity	$ 38,043	$ 38,527

See notes to condensed consolidated financial statements.

CROWN CASTLE INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) (Unaudited)
(Amounts in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net revenues:				
Site rental	$ 1,593	$ 1,577	$ 4,761	$ 4,929
Services and other	59	90	158	378
Net revenues	1,652	1,667	4,919	5,307
Operating expenses:				
Costs of operations:[(a)]				
Site rental	430	420	1,292	1,259
Services and other	30	66	91	268
Selling, general and administrative	153	176	540	581
Asset write-down charges	15	8	24	30
Acquisition and integration costs	—	—	—	1
Depreciation, amortization and accretion	432	439	1,301	1,315
Restructuring charges	48	72	104	72
Total operating expenses	1,108	1,181	3,352	3,526
Operating income (loss)	544	486	1,567	1,781
Interest expense and amortization of deferred financing costs, net	(236)	(217)	(692)	(627)
Interest income	6	3	14	10
Other income (expense)	(6)	—	(5)	(4)
Income (loss) before income taxes	308	272	884	1,160
Benefit (provision) for income taxes	(5)	(7)	(19)	(21)
Net income (loss)	303	265	865	1,139
Other comprehensive income (loss):				
Foreign currency translation adjustments	—	—	(1)	—
Total other comprehensive income (loss)	—	—	(1)	—
Comprehensive income (loss)	$ 303	$ 265	$ 864	$ 1,139
Net income (loss), per common share:				
Basic	$ 0.70	$ 0.61	$ 1.99	$ 2.63
Diluted	$ 0.70	$ 0.61	$ 1.99	$ 2.63
Weighted-average common shares outstanding:				
Basic	435	434	434	434
Diluted	436	434	435	434

(a) Exclusive of depreciation, amortization and accretion shown separately.

See notes to condensed consolidated financial statements.

CROWN CASTLE INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
(In millions of dollars)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net income (loss)	$ 865	$ 1,139
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation, amortization and accretion	1,301	1,315
Amortization of deferred financing costs and other non-cash interest	24	22
Stock-based compensation expense, net	108	126
Asset write-down charges	24	30
Deferred income tax (benefit) provision	5	1
Other non-cash adjustments, net	20	10
Changes in assets and liabilities, excluding the effects of acquisitions:		
Increase (decrease) in accrued interest	(55)	(38)
Increase (decrease) in accounts payable	(13)	(20)
Increase (decrease) in other liabilities	(127)	(162)
Decrease (increase) in receivables	69	87
Decrease (increase) in other assets	(155)	(252)
Net cash provided by (used for) operating activities	2,066	2,258
Cash flows from investing activities:		
Capital expenditures	(946)	(1,067)
Payments for acquisitions, net of cash acquired	(8)	(93)
Other investing activities, net	7	5
Net cash provided by (used for) investing activities	(947)	(1,155)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	1,244	2,347
Principal payments on debt and other long-term obligations	(71)	(58)
Purchases and redemptions of long-term debt	(750)	(750)
Borrowings under revolving credit facility	—	2,943
Payments under revolving credit facility	(670)	(4,088)
Net issuances (repayments) under commercial paper program	1,312	561
Payments for financing costs	(12)	(23)
Purchases of common stock	(32)	(29)
Dividends/distributions paid on common stock	(2,049)	(2,044)
Net cash provided by (used for) financing activities	(1,028)	(1,141)
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents	91	(38)
Effect of exchange rate changes	(1)	—
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	281	327
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 371	$ 289

See notes to condensed consolidated financial statements.

CROWN CASTLE INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(Amounts in millions) (Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Dividends/Distributions in Excess of Earnings	Total
	Shares	($0.01 Par)				
Balance, June 30, 2024	435	$ 4	$ 18,347	$ (5)	$ (12,694)	$ 5,652
Stock-based compensation related activity, net of forfeitures	—	—	26	—	—	26
Purchases and retirement of common stock	—	—	(2)	—	—	(2)
Other comprehensive income (loss)[(a)]	—	—	—	—	—	—
Common stock dividends/distributions	—	—	—	—	(683)	(683)
Net income (loss)	—	—	—	—	303	303
Balance, September 30, 2024	435	$ 4	$ 18,371	$ (5)	$ (13,074)	$ 5,296
Balance, June 30, 2023	434	$ 4	$ 18,202	$ (5)	$ (11,155)	$ 7,046
Stock-based compensation related activity, net of forfeitures	—	—	39	—	—	39
Purchases and retirement of common stock	—	—	—	—	—	—
Other comprehensive income (loss)[(a)]	—	—	—	—	—	—
Common stock dividends/distributions	—	—	—	—	(681)	(681)
Net income (loss)	—	—	—	—	265	265
Balance, September 30, 2023	434	$ 4	$ 18,241	$ (5)	$ (11,571)	$ 6,669
Balance, December 31, 2023	434	$ 4	$ 18,270	$ (4)	$ (11,889)	$ 6,381
Stock-based compensation related activity, net of forfeitures	1	—	133	—	—	133
Purchases and retirement of common stock	—	—	(32)	—	—	(32)
Other comprehensive income (loss)[(a)]	—	—	—	(1)	—	(1)
Common stock dividends/distributions	—	—	—	—	(2,050)	(2,050)
Net income (loss)	—	—	—	—	865	865
Balance, September 30, 2024	435	$ 4	$ 18,371	$ (5)	$ (13,074)	$ 5,296
Balance, December 31, 2022	433	$ 4	$ 18,116	$ (5)	$ (10,666)	$ 7,449
Stock-based compensation related activity, net of forfeitures	1	—	154	—	—	154
Purchases and retirement of common stock	—	—	(29)	—	—	(29)
Other comprehensive income (loss)[(a)]	—	—	—	—	—	—
Common stock dividends/distributions	—	—	—	—	(2,044)	(2,044)
Net income (loss)	—	—	—	—	1,139	1,139
Balance, September 30, 2023	434	$ 4	$ 18,241	$ (5)	$ (11,571)	$ 6,669

(a) See the condensed consolidated statement of operations and other comprehensive income (loss) for the components of other comprehensive income (loss).

See notes to condensed consolidated financial statements.

1. General

The information contained in the following notes to the condensed consolidated financial statements is condensed from that which would appear in the annual consolidated financial statements; accordingly, the condensed consolidated financial statements included herein should be reviewed in conjunction with the consolidated financial statements for the fiscal year ended December 31, 2023, and related notes thereto, included in the 2023 Form 10-K filed by Crown Castle Inc. ("CCI") with the SEC. Capitalized terms used but not defined in these notes to the condensed consolidated financial statements have the same meaning given to them in the 2023 Form 10-K. References to the "Company" refer to CCI and its predecessor, as applicable, and their subsidiaries, unless otherwise indicated or the context indicates otherwise. As used herein, the term "including," and any variation thereof means "including without limitation." The use of the word "or" herein is not exclusive. Unless the context suggests otherwise, references to "U.S." are to the United States of America and Puerto Rico, collectively.

The Company owns, operates and leases shared communications infrastructure that is geographically dispersed throughout the U.S., including (1) towers and other structures, such as rooftops (collectively, "towers"), and (2) fiber primarily supporting small cell networks ("small cells") and fiber solutions. The Company's towers, small cells and fiber assets are collectively referred to herein as "communications infrastructure," and the Company's customers on its communications infrastructure are referred to herein as "tenants."

The Company's core business is providing access, including space or capacity, to its shared communications infrastructure via long-term contracts in various forms, including lease, license, sublease and service agreements (collectively, "tenant contracts").

The Company's operating segments consist of (1) Towers and (2) Fiber. See note 10.

As part of the Company's effort to provide comprehensive communications infrastructure solutions, as an ancillary business, the Company also offers certain services primarily relating to its Towers segment. For the periods presented, such services predominately consisted of (1) site development services relating to existing or new tenant equipment installations, including: site acquisition, architectural and engineering, or zoning and permitting (collectively, "site development services") and (2) tenant equipment installation or subsequent augmentations (collectively, "installation services").

See note 12 to the condensed consolidated financial statements for a discussion of (1) the Company's July 2023 restructuring plan ("2023 Restructuring Plan"), which included discontinuing installation services as a Towers product offering and (2) the Company's June 2024 restructuring plan ("2024 Restructuring Plan," and together with the 2023 Restructuring Plan, "Restructuring Plans").

The Company operates as a REIT for U.S. federal income tax purposes. In addition, the Company has certain taxable REIT subsidiaries ("TRSs"). See note 6.

Approximately 53% of the Company's towers are leased or subleased or operated and managed under master leases, subleases, and other agreements with AT&T and T-Mobile (including those which T-Mobile assumed in its merger with Sprint). The Company has the option to purchase these towers at the end of their respective lease terms. The Company has no obligation to exercise such purchase options.

Basis of Presentation

The condensed consolidated financial statements included herein are unaudited; however, they include all adjustments (consisting only of normal recurring adjustments) which, in the opinion of management, are necessary to state fairly the condensed consolidated financial position of the Company as of September 30, 2024, the condensed consolidated results of operations for the three and nine months ended September 30, 2024 and 2023, and the condensed consolidated cash flows for the nine months ended September 30, 2024 and 2023. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP. The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the full year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies

Recently Adopted Accounting Pronouncements

No accounting pronouncements adopted during the nine months ended September 30, 2024 had a material impact on the Company's condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued new guidance that is designed to improve reportable segment disclosure requirements, primarily through enhanced disclosure of significant segment expenses. The new guidance also expands interim segment disclosure requirements and requires disclosure of the position and title of the Company's chief operating decision maker ("CODM"). The guidance will be effective for the Company's fiscal year ending December 31, 2024 and for interim periods starting in the first quarter of fiscal year 2025, with early adoption permitted. The guidance is required to be applied retrospectively to each prior reporting period presented. The Company is currently evaluating the effect of the guidance, including the impact on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued new guidance that enhances the transparency and decision usefulness of income tax disclosures, primarily through changes to the rate reconciliation and income taxes paid disclosures. The guidance will be effective for the Company's fiscal year ending December 31, 2025 and can be applied prospectively or retrospectively, with early adoption permitted. The Company is currently evaluating the effect of the guidance, including the impact on its financial statement disclosures.

3. Revenues

Site Rental Revenues

The Company generates site rental revenues from its core business by providing tenants with access, including space or capacity, to its shared communications infrastructure via long-term tenant contracts in various forms, including lease, license, sublease and service agreements. Typically, providing such access over the length of the tenant contract term represents the Company’s sole performance obligation under its tenant contracts.

Site rental revenues from the Company's tenant contracts are recognized on a straight-line, ratable basis over the fixed, non-cancelable term of the relevant tenant contract, which generally ranges between five to 15 years for wireless tenants and one to 20 years for fiber solutions tenants (including from organizations with high-bandwidth and multi-location demands), regardless of whether the payments from the tenant are received in equal monthly amounts during the life of the tenant contract. Certain of the Company's tenant contracts contain (1) fixed escalation clauses (such as fixed dollar or fixed percentage increases) or inflation-based escalation clauses (such as those tied to the CPI), (2) multiple renewal periods exercisable at the tenant's option and (3) only limited termination rights at the applicable tenant's option through the current term. If the payment terms call for fixed escalators, upfront payments, or rent-free periods, the revenue is recognized on a straight-line basis over the fixed, non-cancelable term of the tenant contract. When calculating straight-line rental revenues, the Company considers all fixed elements of tenant contractual escalation provisions, even if such escalation provisions contain a variable element in addition to a minimum. The Company's assets related to straight-line site rental revenues are recorded within "Current portion of deferred site rental receivables" and "Deferred site rental receivables" on the Company's condensed consolidated balance sheet. Amounts billed or received prior to being earned are deferred and reflected in "Deferred revenues" and "Other long-term liabilities" on the Company's condensed consolidated balance sheet. Amounts to which the Company has an unconditional right to payment, which are related to both satisfied or partially satisfied performance obligations, are recorded within "Receivables, net" on the Company's condensed consolidated balance sheet.

Payments Associated with Sprint Cancellations.

For the three and nine months ended September 30, 2024, site rental revenues include $1 million and $5 million, respectively, and for the three and nine months ended September 30, 2023, $6 million and $160 million, respectively, of payments in the Company's Fiber segment to satisfy the remaining rental obligations of certain canceled Sprint leases as a result of the T-Mobile US, Inc. and Sprint network consolidation. In connection with such canceled Sprint leases, the Company also recognized $57 million of accelerated prepaid rent amortization in the Company's Fiber segment during the nine months ended September 30, 2023.

(Tabular dollars in millions, except per share amounts)

Services and Other Revenues

As part of the Company's effort to provide comprehensive communications infrastructure solutions, as an ancillary business, the Company offers certain services primarily relating to its Towers segment, predominately consisting of (1) site development services and (2) installation services. See note 12 to the condensed consolidated financial statements for a discussion of the Company's 2023 Restructuring Plan, which included discontinuing installation services as a Towers product offering. Upon contract commencement, the Company assesses its services to tenants and identifies performance obligations for each promise to provide a distinct service.

The Company may have multiple performance obligations for site development services, which primarily include: structural analysis, zoning, permitting and construction drawings. For each of these performance obligations, services revenues are recognized at completion of the applicable performance obligation, which represents the point at which the Company believes it has transferred goods or services to the tenant. The services revenue recognized is based on an allocation of the transaction price among the performance obligations in a respective tenant contract based on estimated standalone selling price. The volume and mix of site development services may vary among tenant contracts and may include a combination of some or all of the above performance obligations. Amounts are billed per contractual milestones, with payments generally due within 45 to 90 days, and generally do not contain variable-consideration provisions. The transaction price for the Company's tower installation services consists of amounts for (1) permanent improvements to the Company's towers that represent a lease component and (2) the performance of the service. Amounts under the Company's tower installation service agreements that represent a lease component are recognized as site rental revenues on a straight-line basis over the length of the associated estimated lease term. For the performance of the installation service, the Company has one performance obligation, which is satisfied at the time of the applicable installation or augmentation and recognized as services and other revenues on the Company's condensed consolidated statement of operations and comprehensive income (loss). Since performance obligations are typically satisfied prior to receiving payment from tenants, the unconditional right to payment is recorded within "Receivables, net" on the Company's condensed consolidated balance sheet. Generally, the services the Company provides to its tenants have a duration of one year or less.

Additional Information on Revenues

As of January 1, 2024 and September 30, 2024, $2.1 billion and $2.0 billion of unrecognized revenues, respectively, were reported in "Deferred revenues" and "Other long-term liabilities" on the Company's condensed consolidated balance sheet. During the nine months ended September 30, 2024, approximately $384 million of the January 1, 2024 unrecognized revenues balance was recognized as revenues. As of January 1, 2023, $2.3 billion of unrecognized revenues were reported in "Deferred revenues" and "Other long-term liabilities" on the Company's condensed consolidated balance sheet. During the nine months ended September 30, 2023, approximately $503 million of the January 1, 2023 unrecognized revenues balance was recognized as revenues.

The following table is a summary of the contracted amounts owed to the Company by tenants pursuant to tenant contracts in effect as of September 30, 2024.

	Three Months Ending December 31,	Years Ending December 31,					
	2024	2025	2026	2027	2028	Thereafter	Total
Contracted amounts[(a)]	$ 1,315	$ 4,991	$ 4,819	$ 4,676	$ 4,432	$ 16,412	$ 36,645

(a) Based on the nature of the contract, tenant contracts are accounted for pursuant to relevant lease accounting (ASC 842) or revenue accounting (ASC 606) guidance. Excludes amounts related to services, as those contracts generally have a duration of one year or less.

See note 10 for further information regarding the Company's operating segments.

CROWN CASTLE INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-Unaudited (Continued)
(Tabular dollars in millions, except per share amounts)

4. Debt and Other Obligations

The table below sets forth the Company's debt and other obligations as of September 30, 2024.

	Original Issue Date	Final Maturity Date[(a)]	Balance as of September 30, 2024	Balance as of December 31, 2023	Stated Interest Rate as of September 30, 2024[(a)(b)]
Secured Notes, Series 2009-1, Class A-2	July 2009	Aug. 2029	$ 34	$ 40	9.0 %
Tower Revenue Notes, Series 2015-2	May 2015	May 2045 [(c)]	699	698	3.7 %
Tower Revenue Notes, Series 2018-2	July 2018	July 2048 [(c)]	747	746	4.2 %
Installment purchase liabilities and finance leases	Various [(d)]	Various [(d)]	301 [(e)]	270 [(e)]	Various [(d)]
Total secured debt			1,781	1,754	
2016 Revolver	Jan. 2016	July 2027	— [(f)]	670	N/A [(g)]
2016 Term Loan A	Jan. 2016	July 2027	1,132	1,162	6.4 % [(g)]
Commercial Paper Notes	Various [(h)]	Various [(h)]	1,312 [(h)]	—	5.5 %
3.200% Senior Notes	Aug. 2017	Sept. 2024	— [(i)]	749	N/A
1.350% Senior Notes	June 2020	July 2025	499	498	1.4 %
4.450% Senior Notes	Feb. 2016	Feb. 2026	898	898	4.5 %
3.700% Senior Notes	May 2016	June 2026	749	748	3.7 %
1.050% Senior Notes	Feb. 2021	July 2026	996	994	1.1 %
4.000% Senior Notes	Feb. 2017	Mar. 2027	498	498	4.0 %
2.900% Senior Notes	Mar. 2022	Mar. 2027	745	744	2.9 %
3.650% Senior Notes	Aug. 2017	Sept. 2027	997	997	3.7 %
5.000% Senior Notes	Jan. 2023	Jan. 2028	993	991	5.0 %
3.800% Senior Notes	Jan. 2018	Feb. 2028	996	995	3.8 %
4.800% Senior Notes	Apr. 2023	Sept. 2028	595	594	4.8 %
4.300% Senior Notes	Feb. 2019	Feb. 2029	596	595	4.3 %
5.600% Senior Notes	Dec. 2023	June 2029	742	740	5.6 %
4.900% Senior Notes	Aug. 2024 [(j)]	Sept. 2029 [(j)]	543	—	4.9 %
3.100% Senior Notes	Aug. 2019	Nov. 2029	547	546	3.1 %
3.300% Senior Notes	Apr. 2020	July 2030	742	741	3.3 %
2.250% Senior Notes	June 2020	Jan. 2031	1,092	1,091	2.3 %
2.100% Senior Notes	Feb. 2021	Apr. 2031	991	990	2.1 %
2.500% Senior Notes	June 2021	July 2031	743	743	2.5 %
5.100% Senior Notes	Apr. 2023	May 2033	743	743	5.1 %
5.800% Senior Notes	Dec. 2023	Mar. 2034	742	740	5.8 %
5.200% Senior Notes	Aug. 2024 [(j)]	Sept. 2034 [(j)]	689	—	5.2 %
2.900% Senior Notes	Feb. 2021	Apr. 2041	1,235	1,234	2.9 %
4.750% Senior Notes	May 2017	May 2047	344	344	4.8 %
5.200% Senior Notes	Feb. 2019	Feb. 2049	396	396	5.2 %
4.000% Senior Notes	Aug. 2019	Nov. 2049	346	346	4.0 %
4.150% Senior Notes	Apr. 2020	July 2050	490	490	4.2 %
3.250% Senior Notes	June 2020	Jan. 2051	891	890	3.3 %
Total unsecured debt			22,282	21,167	
Total debt and other obligations			24,063	22,921	
Less: current maturities of debt and other obligations			611	835	
Non-current portion of debt and other long-term obligations			$ 23,452	$ 22,086	

(a) See the 2023 Form 10-K, including note 7 to the consolidated financial statements, for additional information regarding the maturity and principal amortization provisions and interest rates relating to the Company's indebtedness.
(b) Represents the weighted-average stated interest rate, as applicable.
(c) If the Tower Revenue Notes, Series 2015-2 and Series 2018-2 (collectively, "Tower Revenue Notes") are not paid in full on or prior to an applicable anticipated repayment date, then Excess Cash Flow (as defined in the indenture governing the terms of such notes) of the issuers of such notes will be used to repay principal of the applicable series and class of the Tower Revenue Notes, and additional interest (of an additional approximately 5% per

(Tabular dollars in millions, except per share amounts)

annum) will accrue on the respective Tower Revenue Notes. As of September 30, 2024, the Tower Revenue Notes, Series 2015-2 and Series 2018-2 have principal amounts of $700 million and $750 million, with anticipated repayment dates in 2025 and 2028, respectively.

(d) The Company's installment purchases primarily relate to land and bear interest rates up to 8% and mature in periods ranging from less than one year to approximately 20 years.

(e) For the periods ended September 30, 2024 and December 31, 2023, reflects $30 million and $18 million, respectively, in finance lease obligations (primarily related to vehicles).

(f) As of September 30, 2024, the undrawn availability under the Company's senior unsecured revolving credit facility ("2016 Revolver") was $7.0 billion.

(g) Both the 2016 Revolver and the senior unsecured term loan A facility ("2016 Term Loan A" and, collectively, "2016 Credit Facility") bear interest, at the Company's option, at either (1) Term SOFR plus (i) a credit spread adjustment of 0.10% per annum and (ii) a credit spread ranging from 0.875% to 1.750% per annum or (2) an alternate base rate plus a credit spread ranging from 0.000% to 0.750% per annum, in each case, with the applicable credit spread based on the Company's senior unsecured debt rating. The Company pays a commitment fee ranging from 0.080% to 0.300%, based on the Company's senior unsecured debt rating, per annum on the undrawn available amount under the 2016 Revolver. See the 2023 Form 10-K, including note 7 to the consolidated financial statements, for information regarding potential adjustments to such percentages.

(h) The maturities of the Commercial Paper Notes, when outstanding, may vary but may not exceed 397 days from the date of issue, but there were no Commercial Paper Notes issued or outstanding during the period that had original maturities greater than three months. The Commercial Paper Notes are issued under customary terms in the commercial paper market and are issued at a discount from par or, alternatively, can be issued at par and bear varying interest rates on a fixed or floating basis. At any point in time, the Company intends to maintain available commitments under its 2016 Revolver in an amount at least equal to the amount of Commercial Paper Notes outstanding. While any outstanding Commercial Paper Notes generally have short-term maturities, the Company classifies the outstanding issuances, when applicable, as long-term based on its ability and intent to refinance the outstanding issuances on a long-term basis.

(i) In September 2024, the Company repaid in full the 3.200% Senior Notes on the contractual maturity date.

(j) In August 2024, the Company issued $550 million aggregate principal amount of 4.900% senior unsecured notes due 2029 and $700 million aggregate principal amount of 5.200% senior unsecured notes due 2034 (collectively, "August 2024 Senior Notes"). The Company used the net proceeds from the August 2024 Senior Notes offering to repay a portion of the outstanding indebtedness under the Company's unsecured commercial paper program ("CP Program") and pay related fees and expenses.

Scheduled Principal Payments and Final Maturities

The following are the scheduled principal payments and final maturities of the total debt and other long-term obligations of the Company outstanding as of September 30, 2024, which do not consider the principal payments that will commence following the anticipated repayment dates on the Tower Revenue Notes.

	Three Months Ending December 31,	Years Ending December 31,							
	2024	2025	2026	2027	2028	Thereafter	Total Cash Obligations	Unamortized Adjustments, Net	Total Debt and Other Obligations Outstanding
Scheduled principal payments and final maturities	$ 1,340 [(a)]	$ 609	$ 2,785	$ 3,256	$ 2,634	$ 13,605	$ 24,229	$ (166)	$ 24,063

(a) Predominately consists of outstanding indebtedness under the CP Program as discussed in footnote (h) of the preceding table.

Interest Expense and Amortization of Deferred Financing Costs, Net

The components of interest expense and amortization of deferred financing costs, net are as follows:

	Three Months Ended September 30,		Nine Months Ended September 3	
	2024	2023	2024	2023
Interest expense on debt obligations	$ 234	$ 213	$ 684	$
Amortization of deferred financing costs and adjustments on long-term debt	8	8	24	
Capitalized interest	(6)	(4)	(16)	
Total	$ 236	$ 217	$ 692	$

(Tabular dollars in millions, except per share amounts)

5. Fair Value Disclosures

	Level in Fair Value Hierarchy	September 30, 2024		December 31, 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:					
Cash and cash equivalents	1	$ 194	$ 194	$ 105	$ 105
Restricted cash and cash equivalents, current and non-current	1	177	177	176	176
Liabilities:					
Total debt and other obligations	2	24,063	22,899	22,921	21,201

The fair values of cash and cash equivalents and restricted cash and cash equivalents approximate the carrying values. The Company determines the fair value of its debt securities based on indicative, non-binding quotes from brokers. Quotes from brokers require judgment and are based on the brokers' interpretation of market information, including implied credit spreads for similar borrowings on recent trades or bid/ask prices or quotes from active markets if available. Since December 31, 2023, there have been no changes in the Company's valuation techniques used to measure fair values.

6. Income Taxes

The Company operates as a REIT for U.S. federal income tax purposes. As a REIT, the Company is generally entitled to a deduction for dividends that it pays and, therefore, is not subject to U.S. federal corporate income tax on its net taxable income that is currently distributed to its stockholders. The Company may be subject to certain federal, state, local and foreign taxes on its income, including (1) taxes on any undistributed income and (2) taxes related to the TRSs. In addition, the Company could, under certain circumstances, be required to pay an excise or penalty tax, which could be significant in amount, in order to utilize one or more relief provisions under the Internal Revenue Code of 1986, as amended, to maintain qualification for taxation as a REIT.

The Company's TRS assets and operations will continue to be subject, as applicable, to federal and state corporate income taxes or to foreign taxes in the jurisdictions in which such assets and operations are located. The Company's foreign assets and operations (including its tower operations in Puerto Rico) are subject to foreign income taxes in the jurisdictions in which such assets and operations are located, regardless of whether they are included in a TRS or not.

For the nine months ended September 30, 2024 and 2023, the Company's effective tax rate differed from the federal statutory rate predominately due to the Company's REIT status, including the dividends paid deduction.

7. Per Share Information

Basic net income (loss), per common share, excludes dilution and is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the period. For the three and nine months ended September 30, 2024 and 2023, diluted net income (loss), per common share, is computed by dividing net income (loss) by the weighted-average number of common shares outstanding during the period, plus any potential dilutive common share equivalents, including shares issuable upon the vesting of restricted stock units ("RSUs") as determined under the treasury stock method.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	$ 303	$ 265	$ 865	$ 1,139
Weighted-average number of common shares outstanding (in millions):				
Basic weighted-average number of common stock outstanding	435	434	434	434
Effect of assumed dilution from potential issuance of common shares relating to restricted stock units	1	—	1	—
Diluted weighted-average number of common shares outstanding	436	434	435	434
Net income (loss), per common share:				
Basic	$ 0.70	$ 0.61	$ 1.99	$ 2.63
Diluted	$ 0.70	$ 0.61	$ 1.99	$ 2.63
Dividends/distributions declared per share of common stock	$ 1.565	$ 1.565	$ 4.695	$ 4.695

During the nine months ended September 30, 2024, the Company granted one million RSUs to the Company's executives and certain other employees.

8. Commitments and Contingencies

The Company is involved in various claims, assessments, lawsuits or proceedings arising in the ordinary course of business. While there are uncertainties inherent in the ultimate outcome of such matters and it is impossible to presently determine the ultimate costs or losses that may be incurred, if any, management believes the adverse resolution of such uncertainties and the incurrence of such costs should not have a material adverse effect on the Company's condensed consolidated financial position or results of operations. The Company and certain of its subsidiaries are also contingently liable for commitments or performance guarantees arising in the ordinary course of business, including certain letters of credit or surety bonds. In addition, as mentioned in note 1, the Company has the option to purchase approximately 53% of its towers at the end of their respective lease terms. The Company has no obligation to exercise such purchase options.

9. Equity

Declaration and Payment of Dividends

During the nine months ended September 30, 2024, the following dividends/distributions were declared or paid:

Equity Type	Declaration Date	Record Date	Payment Date	Dividends Per Share	Aggregate Payment Amount(a)
Common Stock	February 21, 2024	March 15, 2024	March 28, 2024	$ 1.565	$ 683
Common Stock	May 22, 2024	June 14, 2024	June 28, 2024	$ 1.565	$ 684
Common Stock	August 7, 2024	September 13, 2024	September 30, 2024	$ 1.565	$ 683

(a) Inclusive of dividends accrued for holders of unvested RSUs, which will be paid when and if the RSUs vest.

Purchases of the Company's Common Stock

For the nine months ended September 30, 2024, the Company purchased 0.3 million shares of its common stock utilizing $32 million in cash. The shares of common stock purchased relate to shares withheld in connection with the payment of withholding taxes upon vesting of RSUs.

2021 "At-the-Market" Stock Offering Program

The Company previously maintained an "at-the-market" stock offering program through which it had the right to issue and sell shares of its common stock having an aggregate gross sales price of up to $750 million ("2021 ATM Program"). The Company terminated its previously outstanding 2021 ATM Program in March 2024 with the entire gross sales price of $750 million remaining unsold.

2024 "At-the-Market" Stock Offering Program

In March 2024, the Company established a new "at-the-market" stock offering program through which it may issue and sell shares of its common stock having an aggregate gross sales price of up to $750 million ("2024 ATM Program"). Sales under the 2024 ATM Program may be made by means of ordinary brokers' transactions on the New York Stock Exchange ("NYSE") or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or, subject to the Company's specific instructions, at negotiated prices. The Company intends to use the net proceeds from any sales under the 2024 ATM Program for general corporate purposes, which may include (1) the funding of future acquisitions or investments or (2) the repayment or repurchase of any outstanding indebtedness. The Company has not sold any shares of common stock under the 2024 ATM Program.

10. Operating Segments

The Company's operating segments consist of (1) Towers and (2) Fiber. The Towers segment provides access, including space or capacity, to the Company's more than 40,000 towers geographically dispersed throughout the U.S. The Towers segment also reflects certain ancillary services relating to the Company's towers, predominately consisting of site development services and installation services. See note 12 to the condensed consolidated financial statements for a discussion of the Company's 2023 Restructuring Plan, which included discontinuing installation services as a Towers product offering. The Fiber segment provides access, including space or capacity, to the Company's approximately (1) 105,000 small cell nodes either currently generating revenue or under contract and (2) 90,000 route miles of fiber primarily supporting small cells and fiber solutions geographically dispersed throughout the U.S.

The measurement of profit or loss used by the Company's CODM to evaluate the performance of its operating segments is segment operating profit (loss). Additionally, the Company CODM also reviews segment site rental gross margin and segment services and other gross margin. The Company defines segment operating profit (loss) as segment site rental gross margin plus segment services and other gross margin, and segment other operating (income) expense, less segment selling, general and administrative expenses. The Company defines segment site rental gross margin as segment site rental revenues less segment site rental costs of operations, excluding stock-based compensation expense, net and amortization of prepaid lease purchase price adjustments recorded in consolidated site rental costs of operations. The Company defines segment services and other gross margin as segment services and other revenues less segment services and other costs of operations, excluding stock-based compensation expense, net recorded in consolidated services and other costs of operations. All of these measurements are exclusive of depreciation, amortization and accretion, which are shown separately.

The following tables set forth the Company's segment operating results for the three and nine months ended September 30, 2024 and 2023. Costs that are directly attributable to Towers and Fiber are assigned to those respective segments. Additionally, certain costs are shared across segments and are reflected in the Company's segment measures through allocations that management believes to be reasonable. The "Other" column (1) represents amounts excluded from specific segments, such as restructuring charges (credits), asset write-down charges, acquisition and integration costs, depreciation, amortization and accretion, amortization of prepaid lease purchase price adjustments, interest expense and amortization of deferred financing costs, net, gains (losses) on retirement of long-term obligations, interest income, other income (expense), stock-based compensation expense, net and certain selling, general and administrative expenses, and (2) reconciles segment operating profit (loss) to income (loss) before income taxes, as the amounts are not utilized in assessing each segment's performance. The "Other" total assets balance includes corporate assets such as cash and cash equivalents and restricted cash and cash equivalents which have not been allocated to specific segments. There are no significant revenues resulting from transactions between the Company's operating segments.

CROWN CASTLE INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-Unaudited (Continued)
(Tabular dollars in millions, except per share amounts)

	Three Months Ended September 30, 2024				Three Months Ended September 30, 2023			
	Towers	Fiber	Other	Total	Towers	Fiber	Other	Total
Segment site rental revenues	$ 1,063	$ 530		$ 1,593	$ 1,074	$ 503		$ 1,577
Segment services and other revenues	54	5		59	86	4		90
Segment revenues	1,117	535		1,652	1,160	507		1,667
Segment site rental costs of operations	240	182		422	236	175		411
Segment services and other costs of operations	25	3		28	61	3		64
Segment costs of operations[(a)(b)]	265	185		450	297	178		475
Segment site rental gross margin	823	348		1,171	838	328		1,166
Segment services and other gross margin	29	2		31	25	1		26
Segment selling, general and administrative expenses[(b)]	19	40		59	24	48		72
Segment operating profit (loss)	833	310		1,143	839	281		1,120
Other selling, general and administrative expenses[(b)]			$ 70	70			$ 75	75
Stock-based compensation expense, net			30	30			36	36
Depreciation, amortization and accretion			432	432			439	439
Restructuring charges			48	48			72	72
Interest expense and amortization of deferred financing costs, net			236	236			217	217
Other (income) expenses to reconcile to income (loss) before income taxes[(c)]			19	19			9	9
Income (loss) before income taxes				$ 308				$ 272
Capital expenditures	$ 32	$ 257	$ 8	$ 297	$ 49	$ 287	$ 11	$ 347
Total assets (at period end)	$ 21,018	$ 16,342	$ 683	$ 38,043	$ 21,783	$ 16,237	$ 679	$ 38,699

(a) Exclusive of depreciation, amortization and accretion shown separately.

(b) Segment costs of operations excludes (1) stock-based compensation expense, net of $6 million and $7 million for the three months ended September 30, 2024 and 2023, respectively and (2) prepaid lease purchase price adjustments of $4 million for each of the three months ended September 30, 2024 and 2023. Segment selling, general and administrative expenses and other selling, general and administrative expenses exclude stock-based compensation expense, net of $24 million and $29 million for the three months ended September 30, 2024 and 2023, respectively.

(c) See condensed consolidated statement of operations and comprehensive income (loss) for further information.

CROWN CASTLE INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS-Unaudited (Continued)
(Tabular dollars in millions, except per share amounts)

	Nine Months Ended September 30, 2024				Nine Months Ended September 30, 2023			
	Towers	Fiber	Other	Total	Towers	Fiber	Other	Total
Segment site rental revenues	$ 3,196	$ 1,565		$ 4,761	$ 3,234	$ 1,695		$ 4,929
Segment services and other revenues	143	15		158	356	22		378
Segment revenues	3,339	1,580		4,919	3,590	1,717		5,307
Segment site rental costs of operations	723	542		1,265	714	518		1,232
Segment services and other costs of operations	76	10		86	252	8		260
Segment costs of operations[(a)(b)]	799	552		1,351	966	526		1,492
Segment site rental gross margin	2,473	1,023		3,496	2,520	1,177		3,697
Segment services and other gross margin	67	5		72	104	14		118
Segment selling, general and administrative expenses[(b)]	56	137		193	84	148		232
Segment operating profit (loss)	2,484	891		3,375	2,540	1,043		3,583
Other selling, general and administrative expenses[(b)]			$ 259	259			$ 246	246
Stock-based compensation expense			108	108			126	126
Depreciation, amortization and accretion			1,301	1,301			1,315	1,315
Restructuring charges			104	104			72	72
Interest expense and amortization of deferred financing costs, net			692	692			627	627
Other (income) expenses to reconcile to income (loss) before income taxes[(c)]			27	27			37	37
Income (loss) before income taxes				$ 884				$ 1,160
Capital expenditures	$ 96	$ 819	$ 31	$ 946	$ 160	$ 872	$ 35	$ 1,067

(a) Exclusive of depreciation, amortization and accretion shown separately.
(b) Segment costs of operations excludes (1) stock-based compensation expense, net of $20 million and $23 million for the nine months ended September 30, 2024 and 2023, respectively, and (2) prepaid lease purchase price adjustments of $12 million for each of the nine months ended September 30, 2024 and 2023. Segment selling, general and administrative expenses and other selling, general and administrative expenses exclude stock-based compensation expense, net of $88 million and $103 million for the nine months ended September 30, 2024 and 2023, respectively.
(c) See condensed consolidated statement of operations and comprehensive income (loss) for further information.

11. Supplemental Cash Flow Information

The following table is a summary of the Company's supplemental cash flow information for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30,	
	2024	2023
Supplemental disclosure of cash flow information:		
Cash payments related to operating lease liabilities[(a)]	$ 427	$ 429
Interest paid	739	654
Income taxes paid	13	13
Supplemental disclosure of non-cash operating, investing and financing activities:		
ROU assets recorded in exchange for operating lease liabilities	(32)	21
Increase (decrease) in accounts payable for purchases of property and equipment	(34)	5
Capitalized stock-based compensation	18	22
Purchase of property and equipment under finance leases and installment land purchases	57	45

(a) Excludes the Company's contingent payments pursuant to operating leases, which are recorded as expense in the period such contingencies are resolved.

(Tabular dollars in millions, except per share amounts)

The reconciliation of cash and cash equivalents and restricted cash and cash equivalents reported within various lines on the condensed consolidated balance sheet to amounts reported in the condensed consolidated statement of cash flows is shown below.

	September 30, 2024	December 31, 2023
Cash and cash equivalents	$ 194	$ 105
Restricted cash and cash equivalents, current	172	171
Restricted cash and cash equivalents reported within other assets, net	5	5
Cash and cash equivalents and restricted cash and cash equivalents	$ 371	$ 281

12. Restructuring

2023 Restructuring Plan

In July 2023, the Company initiated the 2023 Restructuring Plan as part of its efforts to reduce costs to better align the Company's operational needs with lower tower activity. The 2023 Restructuring Plan included reducing the Company's total employee headcount by approximately 15%, discontinuing installation services as a Towers product offering while continuing to offer site development services on Company towers, and consolidating office space.

The 2023 Restructuring Plan included charges related to the (1) employee headcount reduction, including severance, stock-based compensation and other one-time termination benefits and (2) office space consolidation, which included remaining obligations under facility leases and non-cash charges for accelerated depreciation. The actions associated with the 2023 Restructuring Plan were substantially completed and related charges were recorded by June 30, 2024, while the payments are expected to be completed for the employee headcount reduction in 2024 and the office space consolidation in 2032. The following tables summarize the activities related to the 2023 Restructuring Plan for the three and nine months ended September 30, 2024 and 2023:

	Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
	Employee Headcount Reduction	Office Space Consolidation	Total	Employee Headcount Reduction	Office Space Consolidation	Total
Liability as of the beginning of the respective period	$ 6	$ 12	$ 18	$ 16	$ 12	$ 28
Charges (credits)	(3)	—	(3)	(1)	11	10
Payments	(1)	(3)	(4)	(13)	(10)	(23)
Non-cash items	—	—	—	—	(4)	(4)
Liability as of September 30, 2024	$ 2	$ 9	$ 11	$ 2	$ 9	$ 11

	Three and Nine Months Ended September 30, 2023		
	Employee Headcount Reduction	Office Space Consolidation	Total
Charges (credits)	$ 62	$ 10	$ 72
Payments	(35)	(1)	(36)
Non-cash items	(1)	(4)	(5)
Liability as of September 30, 2023	$ 26	$ 5	$ 31

2024 Restructuring Plan

In June 2024, the Company initiated the 2024 Restructuring Plan as part of its efforts to drive operational efficiencies and reduce operating costs and capital expenditures, with a primary focus on the Company's Fiber segment. As a result, the Company announced a reduction of the Company's total employee headcount by more than 10% and the closing of certain offices.

(Tabular dollars in millions, except per share amounts)

The 2024 Restructuring Plan includes charges related to the (1) employee headcount reduction, including severance, stock-based compensation and other one-time termination benefits and (2) office closures, which includes remaining obligations under facility leases and non-cash charges for accelerated depreciation. The actions associated with the 2024 Restructuring Plan and related charges are expected to be substantially completed and recorded by December 31, 2024, while the payments are expected to be completed for the employee headcount reduction in 2025 and office closures in 2033. The Company expects to incur an additional approximately $10 million of related charges during the fourth quarter of 2024, primarily related to office closures. The Company may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the 2024 Restructuring Plan.

The following table summarizes the activities related to the 2024 Restructuring Plan for the three and nine months ended September 30, 2024:

	Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
	Employee Headcount Reduction	Office Space Consolidation	Total	Employee Headcount Reduction	Office Space Consolidation	Total
Liability as of the beginning of the respective period	$ 34	$ —	$ 34	$ —	$ —	$ —
Charges (credits)	(1)	52	51	35	59	94
Payments	(27)	(3)	(30)	(30)	(3)	(33)
Non-cash items	3	(6)	(3)	4	(13)	(9)
Liability as of September 30, 2024	$ 9	$ 43	$ 52	$ 9	$ 43	$ 52

As of September 30, 2024, the liability for restructuring charges is included in "Other accrued liabilities" and "Other long-term liabilities" on the consolidated balance sheet, and the corresponding expense is included in "Restructuring charges" on the condensed consolidated statements of operations and comprehensive income.

The Company does not allocate restructuring charges between its operating segments. If charges related to the Restructuring Plans were allocated to operating segments, for the three months ended September 30, 2024, $6 million and $30 million of the aforementioned charge would have been allocated to the Company's Towers and Fiber segments, respectively, with the remaining $12 million allocated to Other. Similarly, for the nine months ended September 30, 2024, $13 million and $60 million of the aforementioned charges would have been allocated to the Company's Towers and Fiber segments, respectively, with the remaining $31 million allocated to Other.

13. Subsequent Events

Asset write-down charges

In October 2024, as part of the Company's previously announced changes to its operating plans in an effort to enhance returns in the Fiber segment, the Company completed discussions with certain of its customers and jointly identified approximately 7,000 greenfield small cell nodes in its contracted backlog that both parties mutually agreed to cancel. These cancellations are expected to result in a $125 to $150 million asset write-down charge in the fourth quarter of 2024.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the response to Part I, Item 1 of this report and the consolidated financial statements of the Company including the related notes and *"Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations"* ("MD&A") included in the 2023 Form 10-K.

General Overview

Overview

We own, operate and lease shared communications infrastructure that is geographically dispersed throughout the U.S., including (1) more than 40,000 towers and other structures, such as rooftops (collectively, "towers"), (2) approximately 105,000 small cell nodes either currently generating revenue or under contract and (3) approximately 90,000 route miles of fiber primarily supporting small cells and fiber solutions.

Our towers have a significant presence in each of the top 100 basic trading areas ("BTAs"), and the majority of our small cells and fiber assets are located in major metropolitan areas, including a presence within every major U.S. market. Site rental revenues represented 96% of our third quarter 2024 consolidated net revenues, of which 67% and 33% were from our Towers segment and Fiber segment, respectively. Within our Fiber segment, 64% and 36% of our third quarter 2024 Fiber site rental revenues related to fiber solutions and small cells, respectively. See note 10 to our condensed consolidated financial statements. The vast majority of our site rental revenues are of a recurring nature and are derived from long-term tenant contracts.

Strategy

As a leading provider of shared communications infrastructure in the U.S., our strategy is to create long-term stockholder value via a combination of (1) growing cash flows generated from our existing portfolio of communications infrastructure, (2) returning a meaningful portion of our cash generated by operating activities to our common stockholders in the form of dividends and (3) investing capital efficiently to grow cash flows and long-term dividends per share. Our strategy is based, in part, on our belief that the U.S. is the most attractive market for shared communications infrastructure investment with the greatest long-term growth potential. We measure our efforts to create "long-term stockholder value" by the combined payment of dividends to stockholders and growth in our per-share results. The key elements of our strategy are to:

- *Grow cash flows from our existing communications infrastructure.* We are focused on maximizing the recurring site rental cash flows generated from providing our tenants with long-term access to our shared infrastructure assets, which we believe is the core driver of value for our stockholders. Tenant additions or modifications of existing tenant equipment (collectively, "tenant additions") enable our tenants to expand coverage and capacity in order to meet increasing demand for data while generating high incremental returns for our business. We believe our product offerings of towers and small cells through our shared communications infrastructure model provide a comprehensive, efficient and cost-effective solution for our wireless tenants' growing networks. Additionally, we believe our ability to share our fiber assets across multiple tenants to both deploy small cells and offer fiber solutions allows us to generate cash flows and increase stockholder return.

- *Return cash generated by operating activities to common stockholders in the form of dividends*. We believe that distributing a meaningful portion of our cash generated by operating activities appropriately provides common stockholders with increased certainty for a portion of expected long-term stockholder value while still allowing us to retain sufficient flexibility to invest in our business and deliver growth. We believe this decision reflects the translation of the high-quality, long-term contractual cash flows of our business into stable capital returns to common stockholders.

- *Invest capital efficiently to grow cash flows and long-term dividends per share.* In addition to adding tenants to existing communications infrastructure, we seek to invest our available capital, including the net cash generated by our operating activities and external financing sources, in a manner that will increase long-term stockholder value on a risk-adjusted basis. These investments include constructing and acquiring new communications infrastructure that we expect will generate future cash flow growth and attractive long-term returns by adding tenants to those assets over time. Our historical investments have included the following (in no particular order):

- construction of towers, fiber and small cells;
- acquisitions of towers, fiber and small cells;
- acquisitions of land interests (which primarily relate to land assets under towers);
- improvements and structural enhancements to our existing communications infrastructure;
- purchases of shares of our common stock from time to time; and
- purchases, repayments or redemptions of our debt.

Our strategy to create long-term stockholder value is based on our belief that there will be considerable future demand for our communications infrastructure based on the location of our assets and the rapid and continuing growth in the demand for data. We believe that such demand for our communications infrastructure will continue, will result in growth of our cash flows due to tenant additions on our existing communications infrastructure, and will create other growth opportunities for us, such as demand for newly constructed or acquired communications infrastructure, as described above. Further, we seek to augment the long-term value creation associated with growing our recurring site rental cash flows by offering certain ancillary site development services within our Towers segment.

Highlights of Business Fundamentals and Results

- We operate as a REIT for U.S. federal income tax purposes
  - As a REIT, we are generally entitled to a deduction for dividends that we pay and, therefore, are not subject to U.S. federal corporate income tax on our net taxable income that is currently distributed to our stockholders.
  - To remain qualified and be taxed as a REIT, we will generally be required to annually distribute to our stockholders at least 90% of our REIT taxable income, after the utilization of our NOLs (determined without regard to the dividends paid deduction and excluding net capital gain).
  - See note 6 to our condensed consolidated financial statements for further discussion of our REIT status.
- Potential growth resulting from the increasing demand for data
  - We expect existing and potential new tenant demand for our communications infrastructure will result from (1) new technologies, (2) increased usage of mobile entertainment, mobile internet, and machine-to-machine applications, (3) adoption of other emerging and embedded wireless devices (including smartphones, laptops, tablets, wearables and other devices), (4) increasing smartphone penetration, (5) wireless carrier focus on expanding both network quality and capacity, including the use of both towers and small cells, (6) the adoption of other bandwidth-intensive applications (such as cloud services, artificial intelligence and video communications), (7) the availability of additional spectrum and (8) increased government initiatives to support connectivity throughout the U.S.
  - We expect U.S. wireless carriers will continue to focus on improving network quality and expanding capacity (including through 5G initiatives) by utilizing a combination of towers and small cells. We believe our product offerings of towers and small cells provide a comprehensive solution to our wireless tenants' growing communications infrastructure needs.
  - We expect organizations will continue to increase the usage of high-bandwidth applications that will require the utilization of more fiber infrastructure and fiber solutions, such as those we provide.
  - Within our Fiber segment, we are able to generate growth and returns for our stockholders by deploying our fiber for both small cells and fiber solutions tenants.
  - Tenant additions on our existing communications infrastructure are achieved at a low incremental operating cost, delivering high incremental returns.
    - Substantially all of our communications infrastructure can accommodate additional tenancy, either as currently constructed or with appropriate modifications.
- Investing capital efficiently to grow long-term dividends per share (see also *"Item 2. MD&A—General Overview—Strategy"*)
  - We had discretionary capital expenditures of $874 million for the nine months ended September 30, 2024, predominately resulting from the construction of new communications infrastructure and improvements to existing communications infrastructure in order to support additional tenants.
  - We expect to continue to construct and acquire new communications infrastructure based on our tenants' needs and generate attractive long-term returns by adding additional tenants over time. See note 12 to our condensed consolidated financial statements for a discussion of the 2024 Restructuring Plan (as defined below), which contemplates, among others, an increase in return thresholds on new growth opportunities and a reduction in projected Fiber capital expenditures for full year 2024.
- Site rental revenues under long-term tenant contracts
  - Our wireless tenant contracts have initial terms generally between five to 15 years, with contractual escalators and multiple renewal periods generally between five to 10 years each, exercisable at the option of the tenant.

  - Our fiber solutions tenant contracts' initial terms generally vary between one to 20 years.
  - As of September 30, 2024, our weighted-average remaining term was approximately six years, exclusive of renewals exercisable at the tenants' option, currently representing approximately $36.6 billion of expected future cash inflows.
- Majority of our revenues from large wireless carriers
  - For the nine months ended September 30, 2024, approximately three-fourths of our site rental revenues were derived from T-Mobile, AT&T and Verizon Wireless.
- Majority of land under our towers under long-term control
  - For the nine months ended September 30, 2024, approximately 90% of our towers site rental gross margin and approximately 80% of our towers site rental gross margin was derived from towers located on land that we own or control for greater than 10 and 20 years, respectively. The aforementioned percentages include towers located on land that is owned, including through fee interests and perpetual easements, which represented approximately 40% of our towers site rental gross margin.
- Majority of our fiber assets are located in major metropolitan areas and are on public rights-of-way
- Minimal sustaining capital expenditure requirements
  - For the nine months ended September 30, 2024, sustaining capital expenditures represented approximately 1% of net revenues.
- Debt portfolio with long-dated maturities extended over multiple years, with the vast majority of such debt having a fixed rate (see note 4 to our condensed consolidated financial statements and *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* for a further discussion of our debt)
  - As of September 30, 2024, our outstanding debt had a weighted-average interest rate of 3.9% and weighted-average maturity of approximately seven years (assuming anticipated repayment dates on certain debt).
  - As of September 30, 2024, 90% of our debt had fixed rate coupons.
  - Our debt service coverage and leverage ratios are within their respective financial maintenance covenants.
- During 2024, we have completed the following financing activities (see notes 4 and 9 to our condensed consolidated financial statements)
  - In March 2024, we terminated the previously outstanding 2021 ATM Program and established the 2024 ATM Program through which we may issue and sell shares of our common stock having an aggregate gross sales price of up to $750 million.
  - In August 2024, we issued $550 million aggregate principal amount of 4.900% senior unsecured notes due 2029 and $700 million aggregate principal amount of 5.200% senior unsecured notes due 2034 (collectively, "August 2024 Senior Notes"). We used the net proceeds from the August 2024 Senior Notes offering to repay a portion of the outstanding indebtedness under the Company's unsecured commercial paper program ("CP Program") and pay related fees and expenses.
  - In September 2024, we repaid in full the $750 million aggregate principal amount of 3.200% senior unsecured notes on the contractual maturity date.
- Significant cash flows from operations
  - Net cash provided by operating activities was $2.1 billion for the nine months ended September 30, 2024.
  - In addition to the positive impact of contractual escalators, we expect to grow our core business of providing access to our communications infrastructure as a result of future anticipated additional demand for our communications infrastructure.
- Returning cash flows provided by operations to stockholders in the form of dividends
  - During each of the first three quarters of 2024, we paid a common stock dividend of $1.565 per share, totaling approximately $2.0 billion.
  - We currently expect our common stock dividends over the next 12 months to be a cumulative amount of at least $6.26 per share, or an aggregate amount of approximately $2.7 billion.
  - Over time, we expect to increase our dividend per share as we grow cash flows. Any future common stock dividends are subject to declaration by our board of directors. See note 9 to our condensed consolidated financial statements for further information regarding our common stock and dividends.
- Restructuring Plans
  - In July 2023, we initiated a restructuring plan ("2023 Restructuring Plan") as part of our efforts to reduce costs to better align our operational needs with lower tower activity. See note 12 to our condensed consolidated financial statements and *"Item 2. MD&A—Results of Operations"* for further discussion of the 2023 Restructuring Plan.
  - In June 2024, we initiated a restructuring plan ("2024 Restructuring Plan," and together with 2023 Restructuring Plan, "Restructuring Plans") as part of our efforts to drive operational efficiencies, enhance returns by increasing return thresholds on new growth opportunities and reduce operating costs and capital expenditures,

with a primary focus on our Fiber segment. See note 12 to our condensed consolidated financial statements and *"Item 2. MD&A—Results of Operations"* for further discussion of the 2024 Restructuring Plan.

- In December 2023, we announced a strategic and operating review of our Fiber segment. While the strategic review remains underway, in the second quarter of 2024, we concluded our operating review and implemented changes to our operating plans based on the findings. See note 12 to our condensed consolidated financial statements and *"Item 2. MD&A—Outlook Highlights"* for further discussion of the 2024 Restructuring Plan; in addition, see note 13 to our condensed consolidated financial statements and *"Item 2. MD&A—Outlook Highlights"* for further discussion of the cancellation of approximately 7,000 greenfield small cell nodes.

Outlook Highlights

The following are certain highlights of our outlook that impact our business fundamentals described above.

- We expect that, when compared to full year 2023, our full year 2024 site rental revenues growth will be positively impacted by tenant additions, as large wireless carriers and fiber solutions tenants continue to focus on meeting the increasing demand for data. We expect a year over year reduction in site rental revenues related to (1) the payments received from T-Mobile in 2023 compared to 2024 which were made in satisfaction of remaining rental obligations for certain canceled Sprint leases ("Sprint Cancellations"), as a result of the T-Mobile US, Inc. and Sprint network consolidation and (2) a decline in long-term deferred revenue amortization.
- We expect to continue to invest a significant amount of our available capital in the form of discretionary capital expenditures for 2024 based on the anticipated returns on such discretionary investments.
- We also expect sustaining capital expenditures of approximately 1% of net revenues for full year 2024, consistent with historical annual levels.
- As part of the aforementioned Restructuring Plans:
  - In connection with the 2023 Restructuring Plan, we expect to realize $105 million in labor and facilities cost savings in 2024 relative to 2023, of which $50 million is expected in selling, general and administrative, $40 million in services and other costs of operations and $15 million in site rental costs of operation. The 2024 costs savings are expected to be partially offset by a $40 million reduction in services and other gross margin due to the discontinuation of installation services.
  - We expect to incur an additional approximately $10 million of restructuring charges during the fourth quarter of 2024, primarily related to the 2024 Restructuring Plan and the resulting office closures. We may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the 2024 Restructuring Plan. Additionally, in connection with the 2024 Restructuring Plan, we expect to realize approximately $60 million in labor and facilities cost savings in 2024, of which $50 million is expected in selling, general and administrative and $10 million in site rental costs of operations. The 2024 cost savings are expected to be partially offset by a $25 million reduction in site rental revenues due to our change in operational strategy which includes a reduction of 3,000 to 5,000 new revenue-generating small cell nodes in 2024, which are now expected to be deployed primarily in 2025 and 2026.
- In addition to the aforementioned delays, as part of the previously announced plans to enhance returns in the Fiber segment, we completed discussions with certain of our customers and jointly identified approximately 7,000 greenfield small cell nodes in our contracted backlog that we mutually agreed to cancel. These cancellations are expected to result in a $125 to $150 million asset write-down charge in the fourth quarter of 2024.

See also *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* for a discussion of our interest rate risks.

Results of Operations

The following discussion of our results of operations should be read in conjunction with our condensed consolidated financial statements and the 2023 Form 10-K.

The following discussion of our results of operations is based on our condensed consolidated financial statements prepared in accordance with GAAP, which requires us to make estimates and judgments that affect the reported amounts (see *"Item 2. MD&A—Accounting and Reporting Matters—Critical Accounting Policies and Estimates"* and note 2 to our consolidated financial statements in the 2023 Form 10-K). See *"Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP and Segment Financial Measures"* for a discussion of our use of (1) segment site rental gross margin, (2) segment services and other gross margin, (3) segment operating profit (loss), including their respective definitions, and (4) Adjusted EBITDA, including its definition and a reconciliation to net income (loss).

Our operating segments consist of (1) Towers and (2) Fiber. See note 10 to our condensed consolidated financial statements for further discussion of our operating segments.

Highlights of our results of operations for the three months ended September 30, 2024 and 2023 are depicted below.

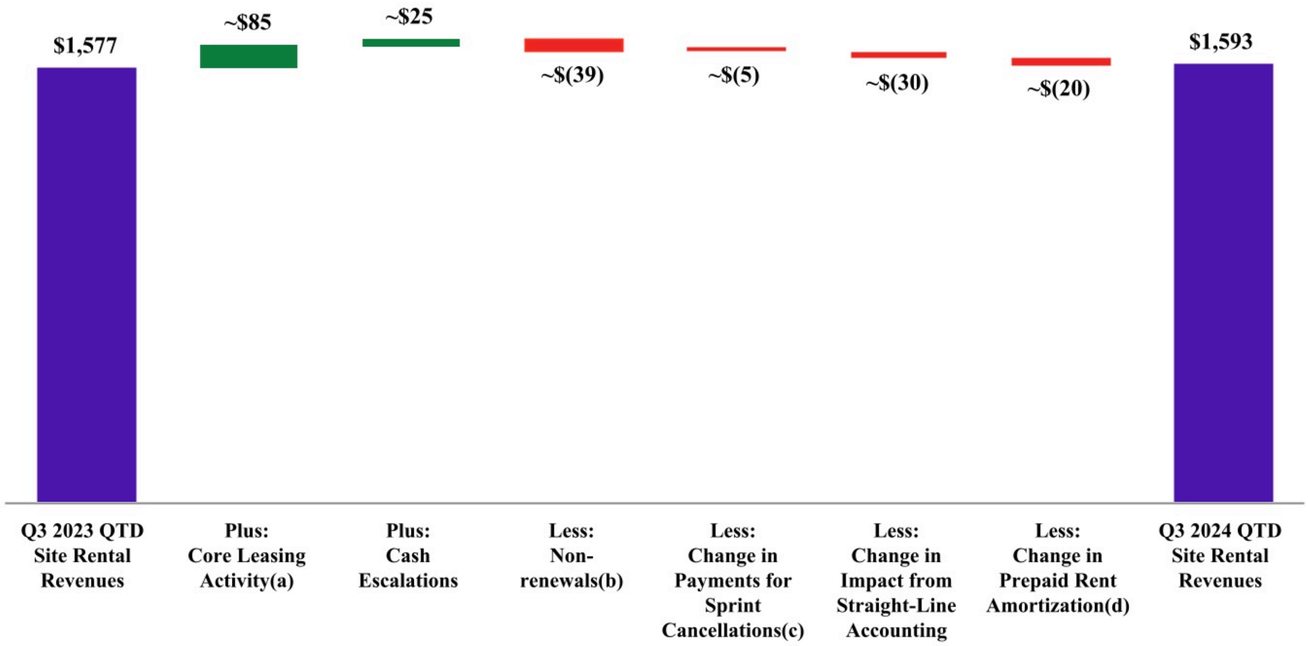
(In millions of dollars)	Three Months Ended September 30, 2024	2023	$ Change	% Change
Site rental revenues:				
Towers site rental revenues	$1,063	$1,074	$(11)	(1)%
Fiber site rental revenues	$530	$503	$27	+5%
Total site rental revenues	$1,593	$1,577	$16	+1%
Segment site rental gross margin:[(a)]				
Towers site rental gross margin	$823	$838	$(15)	(2)%
Fiber site rental gross margin	$348	$328	$20	+6%
Segment services and other gross margin:[(a)]				
Towers services and other gross margin	$29	$25	$4	+16%
Fiber services and other gross margin	$2	$1	$1	+100%
Segment operating profit (loss):[(a)]				
Towers operating profit (loss)	$833	$839	$(6)	(1)%
Fiber operating profit (loss)	$310	$281	$29	+10%
Net income (loss)	$303	$265	$38	+14%
Adjusted EBITDA[(b)]	$1,075	$1,047	$28	+3%

(a) See note 10 to our condensed consolidated financial statements and *"Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP and Segment Financial Measures"* for further discussion of our definitions of segment site rental gross margin, segment services and other gross margin and segment operating profit (loss).

(b) See reconciliation of this non-GAAP financial measure to net income (loss) and definition included in *"Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP and Segment Financial Measures."*

Site rental revenues increased $16 million, or 1%, for the three months ended September 30, 2024 compared to the three months ended September 30, 2023. This increase was predominately comprised of the factors depicted in the chart below:

(In millions of dollars)



(a) Represents site rental revenues growth from tenant additions across our entire portfolio and renewals or extensions of tenant contracts, exclusive of the impacts from straight-line accounting and amortization of prepaid rent, in accordance with GAAP, and change in payments for Sprint Cancellations.

(b) Includes $1 million of non-renewals associated with Sprint Cancellations.

(c) Represents $6 million of payments associated with Sprint Cancellations received in the third quarter 2023 and not recurring in 2024, which were partially offset by approximately $1 million of payments associated with Sprint Cancellations received in the third quarter 2024.

(d) Prepaid rent amortization includes amortization of upfront payments received from long-term tenants and other deferred credits.

Towers site rental revenues and Towers site rental gross margin for the third quarter of 2024 were $1.1 billion and $823 million, respectively, compared to $1.1 billion and $838 million, respectively, in the same period in the prior year. The decrease of $11 million and $15 million in Towers site rental revenue and Towers site rental gross margin, respectively, was primarily due to a decrease in prepaid rent amortization, as new leasing activity and contractual cash escalators were substantially offset by a decline in the associated straight-line accounting adjustment.

Fiber site rental revenues and Fiber site rental gross margin for the third quarter of 2024 were $530 million and $348 million, respectively, and increased by $27 million and $20 million, respectively, from the same period in the prior year. The increase in Fiber site rental revenues and Fiber site rental gross margin was predominately impacted by (1) an increase in site rental revenues related to certain contract cancellation payments and (2) additional small cell deployments since the third quarter of 2023.

Towers services and other gross margin was $29 million for the third quarter of 2024 and increased by $4 million from $25 million during the same period in the prior year, which is a reflection of the volume of activity from carriers' network enhancements and the volume and mix of services and other work. Our services and other offerings are of a variable nature as these revenues are not under long-term tenant contracts. See note 12 to our condensed consolidated financial statements for a discussion of the 2023 Restructuring Plan, which included discontinuing installation services as a Towers product offering.

Selling, general and administrative expenses for the third quarter of 2024 were $153 million and decreased by $23 million, or 13%, from $176 million during the same period in the prior year. This decrease was primarily related to a decrease in employee- and facility-related costs as a result of our aforementioned restructuring activities.

Towers operating profit (loss) for the third quarter of 2024 decreased by $6 million, or 1%, from the same period in the prior year as a result of the previously-mentioned decrease in Towers site rental gross margin, which was partially offset by the increase in Towers services and other gross margin.

Fiber operating profit (loss) for the third quarter of 2024 increased by $29 million, or 10%, from the same period in the prior year as a result of the previously-mentioned increase in Fiber site rental gross margin.

Depreciation, amortization and accretion was $432 million for third quarter of 2024 and decreased by $7 million, or 2%, from the same period in the prior year. This decrease predominately resulted from certain site rental contracts and tenant relationships intangible assets becoming fully amortized.

Restructuring charges in connection with the Restructuring Plans were $48 million for the third quarter of 2024 and decreased by $24 million, or 33%, from the same period in the prior year. This decrease predominately resulted from a decrease in employee headcount reduction charges during the quarter compared to the same period in the prior year when the 2023 Restructuring Plan was initially announced. The decline in employee headcount reduction charges was partially offset by an increase in office closure charges in the current period, primarily related to the 2024 Restructuring Plan. See note 12 to our condensed consolidated financial statements.

Interest expense and amortization of deferred financing costs, net were $236 million for the third quarter of 2024 and increased by $19 million, or 9%, from $217 million during the same period in the prior year. The increase predominately resulted from an increase in our outstanding indebtedness due to the financing of our discretionary capital expenditures. See note 4 to our condensed consolidated financial statements for a further discussion of our debt and *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* for a further discussion of our interest rate exposure.

The provision for income taxes was $5 million for the third quarter of 2024 and decreased by $2 million or 29%, from $7 million during the same period in the prior year. For the third quarter 2024 and 2023, the effective tax rate differs from the federal statutory rate predominately due to our REIT status, including the dividends paid deduction. See note 6 to our condensed consolidated financial statements and also note 9 to our consolidated financial statements in the 2023 Form 10-K.

Net income (loss) was $303 million for the third quarter of 2024 compared to $265 million during the third quarter of 2023. The increase was primarily related to the previously-mentioned increase in Fiber operating profits and decreases in restructuring charges and selling, general and administrative expenses, which were partially offset by an increase in interest expense and amortization of deferred financing costs, net.

Adjusted EBITDA increased by $28 million, or 3%, from the third quarter of 2023 to the third quarter of 2024, reflecting the previously-mentioned increase in Fiber operating profit.

Highlights of our results of operations for the nine months ended September 30, 2024 and 2023 are depicted below.

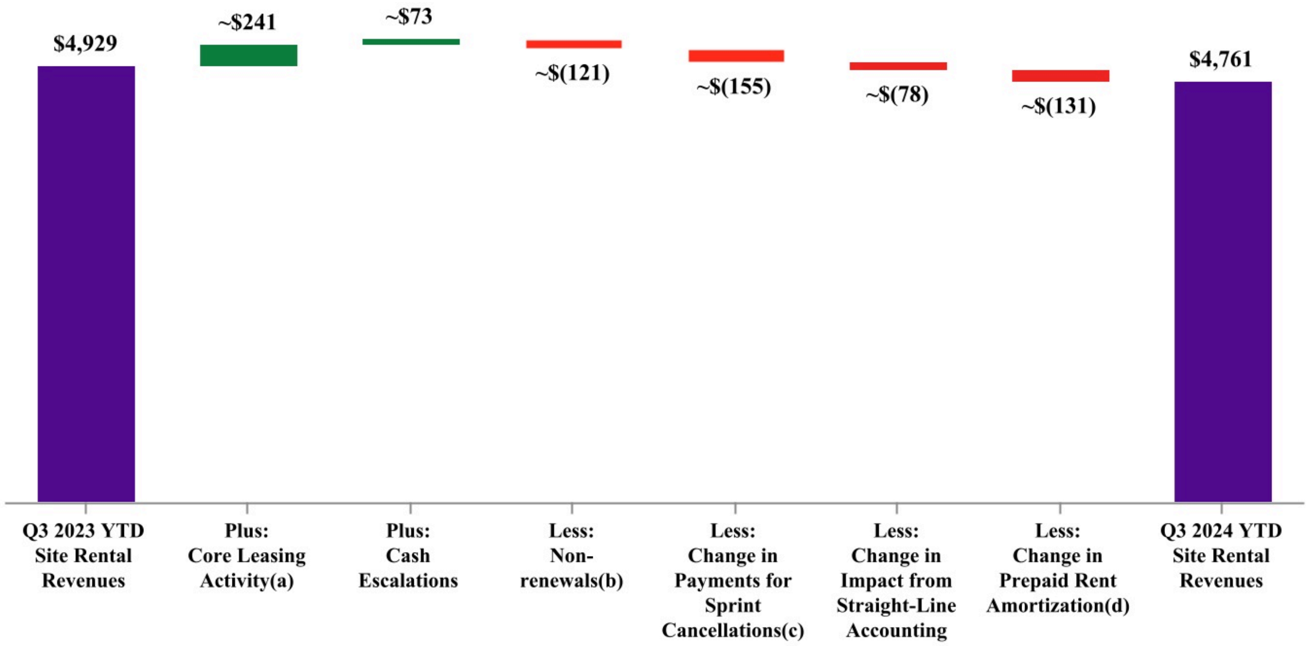
	Nine Months Ended September 30,			
(In millions of dollars)	**2024**	**2023**	**$ Change**	**% Change**
Site rental revenues:				
Towers site rental revenues	$3,196	$3,234	$(38)	(1)%
Fiber site rental revenues	$1,565	$1,695	$(130)	(8)%
Total site rental revenues	$4,761	$4,929	$(168)	(3)%
Segment site rental gross margin:[(a)]				
Towers site rental gross margin	$2,473	$2,520	$(47)	(2)%
Fiber site rental gross margin	$1,023	$1,177	$(154)	(13)%
Segment services and other gross margin:[(a)]				
Towers services and other gross margin	$67	$104	$(37)	(36)%
Fiber services and other gross margin	$5	$14	$(9)	(64)%
Segment operating profit (loss):[(a)]				
Towers operating profit (loss)	$2,484	$2,540	$(56)	(2)%
Fiber operating profit (loss)	$891	$1,043	$(152)	(15)%
Net income (loss)	$865	$1,139	$(274)	(24)%
Adjusted EBITDA[(b)]	$3,117	$3,339	$(222)	(7)%

(a) See note 10 to our condensed consolidated financial statements and *"Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP and Segment Financial Measures"* for further discussion of our definitions of segment site rental gross margin, segment services and other gross margin and segment operating profit (loss).

(b) See reconciliation of this non-GAAP financial measure to net income (loss) and definition included in *"Item 2. MD&A—Accounting and Reporting Matters—Non-GAAP and Segment Financial Measures."*

Site rental revenues decreased $168 million, or 3%, for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023. This decrease was predominately comprised of the factors depicted in the chart below:

(In millions of dollars)



(a) Represents site rental revenues growth from tenant additions across our entire portfolio and renewals or extensions of tenant contracts, exclusive of the impacts from both straight-line accounting and amortization of prepaid rent in accordance with GAAP, and change in payments for Sprint Cancellations.

(b) Includes $8 million of non-renewals associated with Sprint Cancellations.

(c) Represents $160 million of payments associated with Sprint Cancellations received in the first nine months 2023 and not recurring in 2024, which were partially offset by approximately $5 million of payments associated with Sprint Cancellations received in the first nine months of 2024.

(d) Prepaid rent amortization includes amortization of upfront payments received from long-term tenants and other deferred credits. Prepaid rent amortization includes $57 million of accelerated prepaid rent amortization associated with the Sprint Cancellations that was recognized in the first nine months of 2023 that did not recur in 2024.

Towers site rental revenues and Towers site rental gross margin for the first nine months of 2024 were $3.2 billion and $2.5 billion, respectively, compared to $3.2 billion and $2.5 billion, respectively, in the same period in the prior year. The decrease of $38 million and $47 million in Towers site rental revenue and Towers site rental gross margin, respectively, was primarily due to a decrease in prepaid rent amortization, as new leasing activity and contractual cash escalators were substantially offset by a decline in the associated straight-line accounting adjustment.

Fiber site rental revenues and Fiber site rental gross margin for the first nine months of 2024 were $1.6 billion and $1.0 billion, respectively, and decreased by $130 million and $154 million, respectively, from the same period in the prior year. Both Fiber site rental revenues and Fiber site rental gross margin were predominately impacted by a $155 million reduction in site rental revenues and an absence of $57 million of accelerated prepaid rent amortization, both related to the Sprint Cancellations, which were partially offset by increased demand for small cells and fiber solutions.

Towers services and other gross margin was $67 million for the first nine months of 2024 and decreased by $37 million from $104 million during the same period in the prior year, which is a reflection of the lower volume of activity from carriers' network enhancements, the volume and mix of services and other work and the discontinuation of installation services as a Towers product offering. Our services and other offerings are of a variable nature as these revenues are not under long-term tenant contracts. See note 12 to our condensed consolidated financial statements for a discussion of the 2023 Restructuring Plan, which included discontinuing installation services as a Towers product offering.

Fiber services and other gross margin was $5 million for the first nine months of 2024 and decreased by $9 million from $14 million during the same period in the prior year primarily as a result of the absence of site abandonment fees associated with the Sprint Cancellations that were received during the first nine months of 2023.

Selling, general and administrative expenses for the first nine months of 2024 were $540 million and decreased by $41 million, or 7%, from $581 million during the same period in the prior year. This decrease was primarily related to a decrease in employee- and facility-related costs as a result of our aforementioned restructuring activities, which was partially offset by an increase in legal and consulting fees, mostly stemming from our recent proxy contest.

Towers operating profit (loss) for the first nine months of 2024 decreased by $56 million, or 2%, from the same period in the prior year as a result of the previously-mentioned decreases in both Towers site rental gross margin and Towers services and other gross margin which were partially offset by a decrease in Towers selling, general and administrative expenses following the 2023 Restructuring Plan.

Fiber operating profit (loss) for the first nine months of 2024 decreased by $152 million, or 15%, from the same period in the prior year as a result of the previously-mentioned decrease in both Fiber site rental gross margin and Fiber services and other gross margin.

Depreciation, amortization and accretion was $1.3 billion for the first nine months of 2024 and decreased by $14 million, or 1%, from the same period in the prior year. This decrease predominately resulted from certain site rental contracts and tenant relationships intangible assets becoming fully amortized.

Restructuring charges in connection with the Restructuring Plans were $104 million for the first nine months of 2024 and increased by $32 million, or 44%, from the same period in the prior year. This increase primarily resulted from an increase in office closure costs in connection with the 2024 Restructuring Plan, when compared to the 2023 Restructuring Plan. This increase was partially offset by lower employee headcount reduction charges in connection with the 2024 Restructuring Plan, when compared to the 2023 Restructuring Plan. See note 12 to our condensed consolidated financial statements.

Interest expense and amortization of deferred financing costs, net were $692 million for the first nine months of 2024 and increased by $65 million, or 10%, from $627 million during the same period in the prior year. The increase predominately resulted from an increase in our outstanding indebtedness due to the financing of our discretionary capital expenditures. See note 4 to our condensed consolidated financial statements for a further discussion of our debt and *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* for a further discussion of our interest rate exposure.

The provision for income taxes was $19 million for the first nine months of 2024 and decreased by $2 million or 10%, from $21 million during the same period in the prior year For both periods, the effective tax rate differs from the federal statutory rate predominately due to our REIT status, including the dividends paid deduction. See note 6 to our condensed consolidated financial statements and also note 9 to our consolidated financial statements in the 2023 Form 10-K.

Net income (loss) was $865 million for the first nine months of 2024 compared to $1.1 billion during the first nine months of 2023. The decrease was primarily related to the previously-mentioned decrease in Towers and Fiber operating profits, the previously-mentioned increases in restructuring charges and interest expense and amortization of deferred financing costs, while being partially offset by the previously-mentioned decrease in selling, general and administrative expenses.

Adjusted EBITDA decreased by $222 million, or 7%, from the first nine months of 2023 to the first nine months of 2024, reflecting the previously-mentioned decreases in Towers and Fiber operating profits.

Liquidity and Capital Resources

Overview

General. Our core business generates revenues under long-term tenant contracts (see *"Item 2. MD&A—General Overview—Overview"*) from (1) the largest U.S. wireless carriers and (2) other towers and fiber solutions tenants. As a leading provider of shared communications infrastructure in the U.S., our strategy is to create long-term stockholder value via a combination of (1) growing cash flows generated from our portfolio of communications infrastructure, (2) returning a meaningful portion of our cash generated by operating activities to our stockholders in the form of dividends, and (3) investing capital efficiently to grow cash flows and long-term dividends per share. Our strategy is based, in part, on our belief that the U.S. is the most attractive market for shared communications infrastructure investment with the greatest long-term growth potential. We measure our efforts to create "long-term stockholder value" by the combined payment of dividends to stockholders and growth in our per share results.

We have engaged, and expect to continue to engage, in discretionary investments that we believe will maximize long-term stockholder value. Our historical discretionary investments include (in no particular order): constructing communications infrastructure, acquiring communications infrastructure, acquiring land interests (which primarily relate to land assets under

towers), improving and structurally enhancing our existing communications infrastructure, purchasing shares of our common stock, and purchasing, repaying, or redeeming our debt. We have recently spent, and expect to continue to spend, a significant percentage of our discretionary investments on the construction of small cells and fiber. See note 12 to our condensed consolidated financial statements and *"Item 2. MD&A—Outlook Highlights"* for a discussion of the 2024 Restructuring Plan, which contemplates, among others, an increase in return thresholds on new growth opportunities and a reduction in projected Fiber segment capital expenditures for full year 2024. We seek to fund our discretionary investments with both cash generated by operating activities and cash available from financing capacity, such as the use of our availability under our 2016 Revolver, issuances under our CP Program, debt financings and issuances of equity or equity-related securities, including under our 2024 ATM Program.

We seek to maintain a capital structure that we believe drives long-term stockholder value and optimizes our weighted-average cost of capital. We target a leverage ratio of approximately five times Adjusted EBITDA, subject to various factors, such as the availability and cost of capital and the potential long-term return on our discretionary investments. We may choose to increase or decrease our leverage from this target for various periods of time. Our contractual debt maturities over the next 12 months, consist of (1) Commercial Paper Notes, of which we had $1.1 billion outstanding as of October 28, 2024, (2) the 1.350% senior unsecured notes due July 2025 ("1.350% Senior Notes") and (3) principal payments on certain outstanding debt. Amounts available under our CP Program may be repaid and re-issued from time to time and we intend to maintain available commitments under our 2016 Revolver in an amount at least equal to the amount of Commercial Paper Notes outstanding.

We operate as a REIT for U.S. federal income tax purposes. We expect to continue to pay minimal cash income taxes as a result of our REIT status and our NOLs. See note 6 to our condensed consolidated financial statements and also the 2023 Form 10-K.

Liquidity Position. The following is a summary of our capitalization and liquidity position as of September 30, 2024. See *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* and note 4 to our condensed consolidated financial statements for additional information regarding our debt as well as note 9 to our condensed consolidated financial statements for additional information regarding our 2024 ATM Program.

(In millions of dollars)		
Cash and cash equivalents and restricted cash and cash equivalents[(a)]	$	371
Undrawn 2016 Revolver availability[(b)]		6,960
Debt and other long-term obligations (current and non-current)		24,063
Total equity		5,296

(a) Inclusive of $5 million included within "Other assets, net" on our condensed consolidated balance sheet.
(b) Availability at any point in time is subject to certain restrictions based on the maintenance of financial covenants contained in our 2016 Credit Facility. See the 2023 Form 10-K. At any point in time, we intend to maintain available commitments under our 2016 Revolver in an amount at least equal to the amount of outstanding Commercial Paper Notes. See note 4 to our condensed consolidated financial statements.

Over the next 12 months:

- Our liquidity sources may include (1) cash on hand, (2) cash generated by our operating activities, (3) availability under our 2016 Revolver, (4) issuances under our CP Program, and (5) issuances of equity pursuant to our 2024 ATM Program. Our liquidity uses over the next 12 months are expected to include (1) debt obligations of $1.9 billion (consisting of Commercial Paper Notes, the 1.350% Senior Notes and principal payments on certain outstanding debt), (2) cumulative common stock dividend payments expected to be at least $6.26 per share, or an aggregate amount of approximately $2.7 billion (see *"Item 2. MD&A—Highlights of Business Fundamentals and Results"*) and (3) capital expenditures. We currently expect to refinance the Tower Revenue Notes, Series 2015-2 on or prior to the anticipated repayment date of May 15, 2025, see "*Item 3. Quantitative and Qualitative Disclosures About Market Risk*" for further discussion.
- We may also purchase shares of our common stock. Additionally, amounts available under our CP Program may be repaid and re-issued from time to time and we intend to maintain available commitments under our 2016 Revolver in an amount at least equal to the amount of Commercial Paper Notes outstanding. During the next 12 months, while our liquidity uses are expected to exceed our cash generated by operating activities, we expect that our liquidity sources described above should be sufficient to cover our expected uses. Historically, from time to time, we have accessed the capital markets to issue debt and equity.
- See *"Item 3. Quantitative and Qualitative Disclosures About Market Risk"* for a discussion of interest rate risk and note 4 to our condensed consolidated financial statements for a tabular presentation of our debt maturities and a discussion of anticipated repayment dates.

Summary Cash Flow Information

(In millions of dollars)	Nine Months Ended September 30, 2024		2023		Change	
Operating activities	$	2,066	$	2,258	$	(192)
Investing activities		(947)		(1,155)		208
Financing activities		(1,028)		(1,141)		113
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents	$	91	$	(38)	$	129

Operating Activities

Net cash provided by operating activities of $2.1 billion for the first nine months of 2024 decreased by $192 million, or 9%, compared to the first nine months of 2023, due primarily to the aforementioned decrease in Towers operating profit, the reduction in Fiber site rental revenues related to the absence of Sprint Cancellation payments, and a net increase from changes in working capital. Changes in working capital contribute to variability in net cash provided by operating activities, largely due to the timing of advanced payments by us and advanced receipts from tenants. We expect to grow our net cash provided by operating activities in the future (exclusive of changes in working capital) if we realize expected growth in our core business.

Investing Activities

Net cash used for investing activities of $947 million for the first nine months of 2024 decreased by $208 million, or 18%, from the first nine months of 2023 primarily as a result of a decrease in discretionary capital expenditures in both our Towers and Fiber segments and a decrease in payments for acquisitions in our Towers segment.

Our capital expenditures are categorized as discretionary or sustaining as described below.

- Discretionary capital expenditures are made with respect to activities which we believe exhibit sufficient potential to enhance long-term stockholder value. They primarily consist of expansion or development of communications infrastructure (including capital expenditures related to (1) enhancing communications infrastructure in order to add new tenants for the first time or support subsequent tenant equipment augmentations or (2) modifying the structure of a communications infrastructure asset to accommodate additional tenants) and construction of new communications infrastructure. Discretionary capital expenditures also include purchases of land interests (which primarily relate to land assets under towers as we seek to manage our interests in the land beneath our towers), certain technology-related investments necessary to support and scale future customer demand for our communications infrastructure, and other capital projects. The expansion or development of existing communications infrastructure to accommodate new leasing typically varies based on, among other factors: (1) the type of communications infrastructure, (2) the scope, volume, and mix of work performed on the communications infrastructure, (3) existing capacity prior to installation, or (4) changes in structural engineering regulations and standards. Currently, construction of new communications infrastructure is predominately comprised of the construction of small cells and fiber (including certain construction projects that may take 18 to 36 months to complete). Our decisions regarding discretionary capital expenditures are influenced by the availability and cost of capital and expected returns on alternative uses of cash, such as payments of dividends and investments.
- Sustaining capital expenditures consist of those capital expenditures not otherwise categorized as discretionary capital expenditures, such as (1) maintenance capital expenditures on our communications infrastructure assets that enable our tenants' ongoing quiet enjoyment of the communications infrastructure and (2) ordinary corporate capital expenditures.

A summary of our capital expenditures for the nine months ended September 30, 2024 and 2023 is as follows:

	For the Nine Months Ended							
	September 30, 2024				September 30, 2023			
(In millions of dollars)	Towers	Fiber	Other	Total	Towers	Fiber	Other	Total
Discretionary:								
Communications infrastructure improvements and other capital projects[(a)]	$ 51	$ 769	$ 16	$ 836	$ 101	$ 843	$ 17	$ 961
Purchases of land interests	38	—	—	38	51	—	—	51
Sustaining	7	50	15	72	8	29	18	55
Total	$ 96	$ 819	$ 31	$ 946	$ 160	$ 872	$ 35	$ 1,067

(a) Towers segment includes $10 million and $27 million of capital expenditures incurred during the nine months ended September 30, 2024 and 2023, respectively, in connection with tenant installations and upgrades on our towers.

The reduction in discretionary capital expenditures for the Fiber segment was primarily related to the higher return thresholds on new growth opportunities that were enacted following the Fiber operating review completed in the second quarter of 2024 while the discretionary capital expenditures for the Towers segment were primarily impacted by the timing of Towers tenant activity during the first nine months of 2024 compared to the same period in 2023. See also *"Item 2. MD&A—General Overview—Outlook Highlights"* for our expectations surrounding 2024 capital expenditures.

Financing Activities

We seek to allocate cash generated by our operations in a manner that will enhance long-term stockholder value, which may include various financing activities such as (in no particular order): (1) paying dividends on our common stock (currently expected to total at least $6.26 per share over the next 12 months, or an aggregate amount of approximately $2.7 billion, (2) purchasing our common stock or (3) purchasing, repaying, or redeeming our debt. See notes 4 and 9 to our condensed consolidated financial statements.

Net cash used for financing activities of $1.0 billion for the first nine months of 2024 decreased by $113 million from the first nine months of 2023 as a result of the net impact from our issuances and repayments of debt (including with respect to our 2016 Credit Facility and CP Program). See "*Item 2. MD&A—General Overview—Highlights of Business Fundamentals and Results"* and notes 4 and 9 to our condensed consolidated financial statements for further information.

Credit Facility. The proceeds from our 2016 Revolver may be used for general corporate purposes, which may include the financing of capital expenditures, acquisitions, the repayment or repurchase of any outstanding indebtedness and purchases of our common stock. As of October 28, 2024, there was no outstanding balance and $7.0 billion in undrawn availability under our 2016 Revolver. At any point in time, we intend to maintain available commitments under our 2016 Revolver in an amount at least equal to the amount of outstanding Commercial Paper Notes. See note 4 to our condensed consolidated financial statements for additional information regarding our Credit Facility.

Commercial Paper Program. The proceeds from our Commercial Paper Notes may be used for general corporate purposes, which may include the financing of capital expenditures, acquisitions, the repayment or repurchase of any outstanding indebtedness and purchases of our common stock. As of October 28, 2024, there was $1.1 billion outstanding under our CP Program. See note 4 to our condensed consolidated financial statements for further information regarding our CP Program.

Incurrence, Purchases, and Repayments of Debt. See *"Item 7. MD&A—General Overview",* "*MD&A—Liquidity and Capital Resources—Overview—Liquidity Position"* and note 7 of our consolidated financial statements in the 2023 Form 10-K for further discussion of our recent issuances, purchases, redemptions and repayments of debt.

Common Stock Activity. See note 9 to our condensed consolidated financial statements for further information regarding our common stock and dividends.

ATM Program. We previously maintained a 2021 ATM Program through which we had the right to issue and sell shares of our common stock having an aggregate gross sales price of up to $750 million to or through sales agents. In March 2024, we terminated the formerly outstanding 2021 ATM Program.

In March 2024, we established the 2024 ATM Program through which we may issue and sell shares of our common stock having an aggregate gross sales price of up to $750 million. Sales under the 2024 ATM Program may be made by means of ordinary brokers' transactions on the New York Stock Exchange ("NYSE") or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or, subject to our specific instructions, at negotiated prices. We intend to use the net proceeds from any sales under the 2024 ATM Program for general corporate purposes, which may include (1) the funding of future acquisitions or investments or (2) the repayment or repurchase of any outstanding indebtedness. We have not sold any shares of common stock under the 2024 ATM Program.

Debt Covenants. Our 2016 Credit Agreement contains financial maintenance covenants. We are currently in compliance with these financial maintenance covenants and, based upon our current expectations, we believe we will continue to comply with our financial maintenance covenants. In addition, certain of our debt agreements contain restrictive covenants that place restrictions on us and may limit our ability to, among other things, incur additional debt and liens, purchase our securities, make capital expenditures, dispose of assets, undertake transactions with affiliates, make other investments, pay dividends or distribute excess cash flow. See the 2023 Form 10-K for a further discussion of our debt covenants, certain restrictive covenants and factors that are likely to determine our subsidiaries' ability to comply with current and future debt covenants.

Accounting and Reporting Matters

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are those that we believe (1) are most important to the portrayal of our financial condition and results of operations or (2) require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. In many cases, the accounting treatment of a particular transaction is specifically prescribed by GAAP. In other cases, management is required to exercise judgment in the application of accounting principles with respect to particular transactions. Accordingly, actual results could differ materially from our estimates. Our critical accounting policies and estimates as of December 31, 2023 are described in *"Item 7. MD&A—Accounting and Reporting Matters"* and in note 2 of our consolidated financial statements in the 2023 Form 10-K.

Accounting Pronouncements

Recently Adopted Accounting Pronouncements. See note 2 to our condensed consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted. See note 2 to our condensed consolidated financial statements.

Non-GAAP and Segment Financial Measures

We use earnings before interest, taxes, depreciation, amortization and accretion, as adjusted ("Adjusted EBITDA"), which is a non-GAAP financial measure, as an indicator of consolidated financial performance. Our measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in the communications infrastructure sector or other REITs, and is not a measure of performance calculated in accordance with GAAP. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income (loss), net income (loss), net cash provided by (used for) operating, investing and financing activities or other income statement or cash flow statement data prepared in accordance with GAAP and should be considered only as a supplement to net income (loss) computed in accordance with GAAP as a measure of our performance. There are material limitations to using a measure such as Adjusted EBITDA, including the difficulty associated with comparing results among more than one company, including our competitors, and the inability to analyze certain significant items, including depreciation and interest expense, that directly affect our net income (loss). Management compensates for these limitations by considering the economic effect of the excluded expense items independently as well as in connection with their analysis of net income (loss).

We define Adjusted EBITDA as net income (loss) plus restructuring charges (credits), asset write-down charges, acquisition and integration costs, depreciation, amortization and accretion, amortization of prepaid lease purchase price adjustments, interest expense and amortization of deferred financing costs, net, (gains) losses on retirement of long-term obligations, net (gain) loss on interest rate swaps, (gains) losses on foreign currency swaps, impairment of available-for-sale securities, interest income, other (income) expense, (benefit) provision for income taxes, net (income) loss from discontinued operations, (gain) loss on sale of discontinued operations, cumulative effect of a change in accounting principle, stock-based

compensation expense, net and net (gain) loss from disposal of discontinued operations, net of tax. The reconciliation of Adjusted EBITDA to our net income (loss) is set forth below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions of dollars; components may not sum to totals due to rounding)	2024	2023	2024	2023
Net income (loss)	$ 303	$ 265	$ 865	$ 1,139
Adjustments to increase (decrease) net income (loss):				
Asset write-down charges	15	8	24	30
Acquisition and integration costs	—	—	—	1
Depreciation, amortization and accretion	432	439	1,301	1,315
Restructuring charges	48	72	104	72
Amortization of prepaid lease purchase price adjustments	4	4	12	12
Interest expense and amortization of deferred financing costs, net	236	217	692	627
Interest income	(6)	(3)	(14)	(10)
Other (income) expense	6	—	5	4
(Benefit) provision for income taxes	5	7	19	21
Stock-based compensation expense, net	30	36	108	126
Adjusted EBITDA[(a)]	$ 1,075	$ 1,047	$ 3,117	$ 3,339

(a) The above reconciliation excludes the items included in our Adjusted EBITDA definition which are not applicable to the periods shown.

We believe Adjusted EBITDA is useful to investors or other interested parties in evaluating our financial performance because:

- it is the primary measure used by our management (1) to evaluate the economic productivity of our operations and (2) for purposes of making decisions about allocating resources to, and assessing the performance of, our operations;
- although specific definitions may vary, it is widely used by investors or other interested parties in evaluation of the communications infrastructure sector and other REITs to measure financial performance without regard to items such as depreciation, amortization and accretion, which can vary depending upon accounting methods and the book value of assets;
- we believe it helps investors and other interested parties meaningfully evaluate and compare the results of our operations (1) from period to period and (2) to our competitors by removing the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our financial results; and
- it is similar to the measure of current financial performance generally used in our debt covenant calculations.

Our management uses Adjusted EBITDA:

- as a performance goal in employee annual incentive compensation;
- as a measurement of financial performance because it assists us in comparing our financial performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges from our outstanding debt) and asset base (primarily depreciation, amortization and accretion) from our operating results;
- in presentations to our board of directors to enable it to have the same measurement of financial performance used by management;
- for planning purposes, including preparation of our annual operating budget;
- as a valuation measure in strategic analyses in connection with the purchase and sale of assets;
- in determining self-imposed limits on our debt levels, including the evaluation of our leverage ratio; and
- with respect to compliance with our debt covenants, which require us to maintain certain financial ratios that incorporate concepts such as, or similar to, Adjusted EBITDA.

In addition to the non-GAAP measures used herein and as discussed in note 10 to our condensed consolidated financial statements, we also provide (1) segment site rental gross margin, (2) segment services and other gross margin, and (3) segment operating profit (loss), which are key measures used by management to evaluate the performance of our operating segments. These segment measures are provided pursuant to GAAP requirements related to segment reporting.

We define segment site rental gross margin as segment site rental revenues less segment site rental costs of operations, excluding stock-based compensation expense, net and amortization of prepaid lease purchase price adjustments recorded in consolidated site rental costs of operations. We define segment services and other gross margin as segment services and other revenues less segment services and other costs of operations, excluding stock-based compensation expense, net recorded in consolidated services and other costs of operations. We define segment operating profit (loss) as segment site rental gross margin plus segment services and other gross margin, and segment other operating (income) expense, less segment selling, general and administrative expenses. All of these measurements of profit or loss are exclusive of depreciation, amortization and accretion, which are shown separately. Additionally, certain costs are shared across segments and are reflected in our segment measures through allocations that management believes to be reasonable.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following section updates *"Item 7A. Quantitative and Qualitative Disclosures About Market Risk"* in the 2023 Form 10-K and should be read in conjunction with that report as well as our condensed consolidated financial statements.

Interest Rate Risk

Our interest rate risk as of September 30, 2024 relates primarily to the impact of interest rate movements on the following:

- our $2.4 billion of floating rate debt as of September 30, 2024, which represented approximately 10% of our total debt as of September 30, 2024; and
- potential future borrowings of incremental debt, including borrowings under our 2016 Credit Facility and issuances under our CP Program.

Since March 2022, the Federal Reserve repeatedly raised the federal funds rate, which has adversely impacted the interest rates on our variable rate debt and refinancings of fixed rate debt. Recently, the Federal Reserve has started to loosen its monetary policy by lowering the federal funds rate; however, any prolonged period of elevated interest rates or further increases to interest rates could increase our costs of borrowing. See also *"Item 1A. Risk Factors"* in the 2023 Form 10-K for a discussion of risks stemming from interest rate increases.

We currently have no interest rate swaps.

Sensitivity Analysis.

We manage our exposure to market interest rates on our existing debt by controlling the mix of fixed and floating rate debt. As of September 30, 2024, we had $2.4 billion of floating rate debt. As a result, a hypothetical unfavorable fluctuation in market interest rates on our existing debt of 1/4 of a percent point over a 12-month period would increase our interest expense by approximately $6 million.

Future Principal Payments and Interest Rates.

The following table provides information about our market risk related to changes in interest rates. The future principal payments and weighted-average interest rates are presented as of September 30, 2024. These debt maturities reflect final maturity dates and do not consider the impact of the principal payments that commence following the anticipated repayment dates of certain debt (see footnotes (b) and (d)). The information presented below regarding the variable rate debt is supplementary to our sensitivity analysis regarding the impact of changes in the interest rates. See notes 4 and 5 to our condensed consolidated financial statements and the 2023 Form 10-K for additional information regarding our debt.

	Future Principal Payments and Interest Rates by the Debt Instruments' Contractual Year of Maturity							
(In millions of dollars)	2024	2025	2026	2027	2028	Thereafter	Total	Fair Value[(a)]
Debt:								
Fixed rate[(b)]	$ 13	$ 549	$ 2,695	$ 2,290	$ 2,634	$ 13,605	$ 21,786	$ 20,456
Average interest rate[(b)(c)(d)]	4.4 %	1.6 %	3.0 %	3.5 %	4.5 %	4.4 %	4.0 %	
Variable rate[(e)]	$ 1,327 [(f)]	$ 60	$ 90	$ 966	$ —	$ —	$ 2,443	$ 2,443
Average interest rate[(e)]	5.6 %	4.8 %	4.4 %	4.4 %	— %	— %	5.0 %	

(a) The fair value of our debt is based on indicative quotes, non-binding quotes from brokers that require judgment to interpret market information, including implied credit spreads for similar borrowings on recent trades or bid/ask offers. These fair values are not necessarily indicative of the amount, which could be realized in a current market exchange.

(b) The impact of principal payments that will commence following the anticipated repayment dates is not considered (see footnote (d) below). The Tower Revenue Notes, Series 2015-2 and Series 2018-2 have principal amounts of $700 million and $750 million, with anticipated repayment dates in 2025 and 2028, respectively.

(c) The average interest rate represents the weighted-average stated coupon rate (see footnote (d) below).

(d) If the Tower Revenue Notes are not repaid in full by the applicable anticipated repayment dates, the applicable interest rate increases by approximately 5% per annum and monthly principal payments commence using the Excess Cash Flow (as defined in the indenture governing the applicable Tower Revenue Notes) of the issuers of the Tower Revenue Notes. The Tower Revenue Notes are presented based on their contractual maturity dates ranging from 2045 to 2048 and include the impact of an assumed 5% increase in interest rate that would occur following the anticipated repayment dates but exclude the impact of monthly principal payments that would commence using Excess Cash Flow of the issuers of the Tower Revenue Notes. The full year 2023 Excess Cash Flow of the issuers of the Tower Revenue Notes was approximately $993 million. We currently expect to refinance these notes on or prior to the respective anticipated repayment dates.

(e) See note 7 to our consolidated financial statements in the 2023 Form 10-K for information regarding potential upward or downward adjustments to the interest rate spread and unused commitment fee percentage on our 2016 Credit Facility if we achieve specified annual sustainability targets or fail to meet

annual sustainability metrics. Each period presented assumes the downward adjustments in the interest rate spread and unused commitment fee percentage on our 2016 Credit Facility.

(f) Predominately consists of outstanding indebtedness under our CP Program. Such amounts may be issued, repaid or re-issued from time to time.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company conducted an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon their evaluation, the CEO and CFO concluded that as of September 30, 2024, the Company's disclosure controls and procedures were effective in alerting them in a timely manner to material information relating to the Company required to be included in the Company's periodic reports under the Securities Exchange Act of 1934, as amended.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the fiscal quarter covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See the disclosure in note 8 to our condensed consolidated financial statements.

ITEM 1A. RISK FACTORS

There are no material changes to the risk factors discussed in *"Item 1A. Risk Factors"* in the 2023 Form 10-K.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Index

		Incorporated by Reference			
Exhibit Number	**Exhibit Description**	**Form**	**File Number**	**Date of Filing**	**Exhibit Number**
3.1	Restated Certificate of Incorporation of Crown Castle Inc., dated July 25, 2023	10-Q	001-16441	August 2, 2023	3.1
3.2	Amended and Restated By-Laws of Crown Castle Inc., dated December 19, 2023	8-K	001-16441	December 20, 2023	3.1
4.1	Eleventh Supplemental Indenture dated August 12, 2024 between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, to the Indenture dated February 11, 2019, between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to 4.900% Senior Notes due 2029 and 5.200% Senior Notes due 2034	8-K	001-16441	August 12, 2024	4.1
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002	—	—	—	—
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002	—	—	—	—
32.1†	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002	—	—	—	—
101*	The following financial statements from Crown Castle Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheet, (ii) Condensed Consolidated Statement of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statement of Cash Flows, (iv) Condensed Consolidated Statement of Equity, and (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags	—	—	—	—
104*	The cover page from Crown Castle Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, formatted in Inline XBRL	—	—	—	—

* Filed herewith.
† Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CROWN CASTLE INC.

Date:	October 30, 2024	By:	/s/ DANIEL K. SCHLANGER **Daniel K. Schlanger** **Executive Vice President and Chief Financial Officer** **(Principal Financial Officer)**
Date:	October 30, 2024	By:	/s/ ROBERT S. COLLINS **Robert S. Collins** **Vice President and Controller** **(Principal Accounting Officer)**