

Discussion Materials

February 12, 2019



Together we'll go far



- I. Wells Fargo Securities Overview
- II. Telecom and Infrastructure Themes
- III. JEA Strategic Alternatives
- IV. Fiber Sector Overview
- V. Tower Sector Overview

Executive Summary

- Wells Fargo Securities appreciates the opportunity to meet with the Jacksonville Electric Authority (“JEA”) to share our preliminary perspectives on potential strategic alternatives related to your communications assets
- JEA is at the forefront of traditional electric and water utilities that have chosen to concurrently develop communications assets. The combination of cell towers, substantial fiber and light poles within an established and growing metropolitan area makes JEA unique among municipal utilities. These assets will have substantial value to both strategic and financial sponsors within the communications infrastructure industry
- There are numerous industry trends driving valuations of communications infrastructure assets to all-time highs: These include:
 - Attractive industry fundamentals, explosive growth in data and continued enterprise IT outsourcing
 - Very large pools of capital and lower returns thresholds (8% - 12% area)
- Additionally, market/investor conditions are extremely attractive as the availability of both strategic and financial sponsor capital (both Infrastructure and Private Equity Funds) far exceeds the number of actionable transactions. The recent transaction entered into by the Lower Colorado River Authority for its cell towers affirms this point. Market conditions have only improved in the past 18 months
- Should JEA choose to monetize its communication assets, numerous transaction options are available, including:
 - P3/Concession Structure
 - Sale Leaseback or Lease Leaseback
 - Outright Sale
- Wells Fargo Securities may be uniquely qualified to assist JEA in reviewing these options
 - Joint coverage and execution effort between Communications Infrastructure and Public-Private Partnership (P3) professionals
 - Market leader in communications infrastructure space
 - Currently involved in multiple ongoing P3 assignments
 - Leader in executing middle market sized (\$250 million to \$500 million) transactions
- We look forward to assisting you through evaluating your alternatives and arriving at a successful outcome

Wells Fargo Securities Overview



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Wells Fargo Securities is a Global Leader in Investment Banking

Our. . .		Offers you. . .
SCALE	Full service investment bank with \$2 billion of annual revenue built on the strength & stability of Wells Fargo	CONFIDENCE
REACH	Excellent connectivity with domestic corporations of all sizes; Global presence with offices in five cities around the globe	ACCESS
PLATFORM	Robust distribution capabilities through institutional sales & trading team and retail brokers	RESULTS

















2018 Highlights

Left Lead on 275 loan transactions with deal sizes over \$1.0 billion	575+ active Bookrun equity offerings since 2012	24% CAGR for closed M&A volume over last 5 years
#2 rank in the domestic high yield book-run league table. Left lead on 7.9% of domestic high yield market deals	\$32B Bookrun equity proceeds raised for tech & media clients since 2015	#3 rank Commercial Paper origination platform with 295 programs



















<p>Transaction will enable Broadcom to build one of the world's leading infrastructure technology companies</p> <p>November 2018</p> <p> BROADCOM</p> <p>\$18.9 Billion Acquisition of</p> <p> technologies</p> <p>Buy-Side Advisor</p>	<p>Transaction expands distribution network giving Comcast global reach as Pay-TV subscriptions continue to grow in Europe</p> <p>October 2018</p> <p> COMCAST</p> <p>\$40.0 Billion Acquisition of</p> <p> sky</p> <p>Buy-Side Advisor</p>	<p>Enables delivery of the broadest portfolio of end points in the Unified Communications and Collaboration ecosystem</p> <p>July 2018</p> <p> plantronics</p> <p>\$2.0 Billion Acquisition of</p> <p> Polycom</p> <p>Buy-Side Advisor</p>	<p>Proceeds will be used to acquire Microsemi</p> <p>May 2018</p> <p> MICROCHIP / Microsemi</p> <p>\$5.6 Billion Acquisition Financing</p> <p>Joint Lead Arranger</p>	<p>Proceeds will be used for general corporate purposes and working capital</p> <p>October 2017</p> <p> switch</p> <p>\$611 Million Initial Public Offering</p> <p>Active Bookrunner</p>	<p>Transactions build out Verizon Telematics and positions Verizon to capitalize on massive IoT market</p> <p>November 16 July 16</p> <p> verizon</p> <p>\$2.4 Billion Acquisition of  Fleetmatics Undisclosed Acquisition of  Telogis</p> <p>Buy-Side Advisor</p>	<p>Enables CenturyLink to focus on its core network business, while continuing to offer its customers a full suite of services</p> <p>November 2016</p> <p> CenturyLink</p> <p>\$2.3 Billion Sale of its Data Centers and Colocation Business to</p> <p> BC Partners</p> <p>Sell-Side Advisor</p>
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Representative Companies











Wireless / Wireline

















Data Center / Hosting / CDN



















Fiber













Satellite







Cable / PayTV



Tower / Small Cells



UCaaS



A Leading Telecom & Infrastructure Franchise

<p>January 2019</p>  <p>Acquisition of</p>  <p>Financial Advisor to Macquarie and Uniti</p>	<p>October 2018</p>  <p>COMCAST \$40.0 Billion Acquisition of</p> <p>Financial Advisor to Comcast</p>	<p>January 2018</p>  <p>wave \$2.36 Billion Acquisition by</p> <p>Financial Advisor to Wave</p>	<p>October 2017</p>  <p>\$611 Million Initial Public Offering</p> <p>Active Bookrunner</p>	<p>June 2017</p>  <p>\$500 Million Revolver \$600 Million Term Loan B</p> <p>Lead-Left Arranger Joint Bookrunner</p>	<p>March 2018</p>  <p>\$100 Million Cumulative Perpetual Preferred Stock</p> <p>Active Bookrunner</p>
<p>November 2016</p>  <p>\$2.3 Billion Sale of its Data Centers and Colocation Business to</p>  <p>Financial Advisor to CenturyLink</p>	<p>November 2017</p>  <p>LUMOS NETWORKS \$950 Million Acquisition by</p> <p>Financial Advisor to Lumos</p>	<p>August 2015</p>  <p>LUMOS NETWORKS \$150 Million Strategic Investment by</p> <p>Financial Advisor to Lumos</p>	<p>March 2015</p>  <p>\$58 Million Secondary Public Offering</p> <p>Lead-Left Active Bookrunner</p>	<p>July 2017</p>  <p>Consolidated communications \$1.5 Billion Acquisition of</p> <p>Financial Advisor to Consolidated</p>	<p>October 2014</p>  <p>Consolidated communications \$350 Million Acquisition of</p> <p>Financial Advisor to Consolidated</p>
<p>July 2012</p>  <p>Consolidated communications \$538 Million Acquisition of</p> <p>Financial Advisor to Consolidated</p>	<p>November 2016</p>  <p>verizon \$2.4 Billion Acquisition of</p> <p>Financial Advisor to Verizon</p>	<p>July 2016</p>  <p>verizon Undisclosed Acquisition of</p> <p>Financial Advisor to Verizon</p>	<p>May 2016</p>  <p>TowerCo \$244 Million Acquisition by</p> <p>Financial Advisor to TowerCo</p>	<p>October 2012</p>  <p>TowerCo Sale of 3,252 Tower Assets \$1.5 Billion Acquisition by</p> <p>Financial Advisor to TowerCo</p>	<p>September 2008</p>  <p>Sprint Sale of 3,100 Tower Assets \$670 Million Acquisition by</p> <p>Financial Advisor to Sprint</p>
<p>August 2015</p>  <p>iCORE Business. Not As Usual \$92 Million Acquisition by</p> <p>Financial Advisor to iCore</p>	<p>December 2014</p>  <p>TELESPHERE \$114 Million Acquisition by</p> <p>Financial Advisor to Telesphere</p>	<p>August 2015</p>  <p>axiom information technology \$190 Million Acquisition by</p> <p>Financial Advisor to Axiom</p>	<p>December 2009</p>  <p>Cincinnati Bell \$100 Million Sale of 196 Towers to</p> <p>Financial Advisor to Cincinnati Bell</p>	<p>January 2015</p>  <p>US Cellular \$159 Million Sale of 595 Towers to</p> <p>Financial Advisor to US Cellular</p>	<p>May 2012</p>  <p>COX ENTERPRISES Forms a Partnership with</p> <p>Financial Advisor to Cox Enterprises</p>



Acquisition of





Exclusive Financial Advisor to
Macquarie and Uniti
(Pending)

Transaction Summary


- On January 15, 2019, Uniti Group Inc. (“Uniti”) announced it had entered into an OpCo-PropCo partnership with Macquarie Infrastructure Partners (“MIP”) to acquire Bluebird Network, LLC (“Bluebird”)
- Uniti agreed to purchase the Bluebird fiber network and MIP agreed to purchase the Bluebird operations
 - Total transaction value is undisclosed; Uniti is acquiring the fiber network of Bluebird for \$319 million
 - \$175 million funded by Uniti; \$144 million funded by MIP as pre-paid rent
- Uniti also has agreed to sell its Midwest operations to MIP, while retaining ownership of the network
 - Uniti will receive cash of ~\$37 million, including related MIP pre-paid rent
- Uniti will lease the Bluebird fiber network and its Midwest fiber network to MIP under a long-term triple net lease
 - The initial lease term will be 20 years with multiple renewal options at MIP’s discretion
 - Initial annual cash rent of ~\$20.3 million represents a yield of 9.6%
- The transaction is expected to close by the end of Q3 2019

Target Overview




Bluebird provides high bandwidth internet and data services over a ~5,200 fiber route mile / ~178,000 fiber strand mile network across Missouri, Kansas, Illinois, and Oklahoma and has over 135 Point of Presence sites

Acquirors Overview



Operates within Macquarie Infrastructure and Real Assets and is the world’s largest infrastructure asset manager with ~\$129 billion of assets



(Nasdaq: UNIT) An internally managed REIT, is engaged in the acquisition and construction of communications infrastructure, and is a provider of wireless infrastructure solutions for the communications industry

Source: Company filings

Wells Fargo Acts as Lead Financial Advisor to Lumos in its Sale to EQT



Acquired by



~\$950 Million



Lead Financial Advisor to Lumos

Transaction Summary

- On February 20, 2017, Lumos announced that it had entered into a definitive agreement to be acquired by EQT for \$18.00 per share in cash
 - Offer price represents an 18% premium to Lumos’s February 17, 2017 closing price
 - Offer price implies an enterprise value of ~\$950 million
- Wells Fargo was lead financial advisor to Lumos, representing its third mandate with the Company since 2013
- Transaction closed on November 17, 2017

Company Overviews

- Lumos Networks Corp. (“Lumos” or the “Company”) (NasdaqGS: LMOS) is a leading public fiber-based bandwidth infrastructure and services provider in the Mid-Atlantic region. Lumos provides customized network solutions to enterprise, carrier, and government clients over the Company’s ~9,200 route-mile fiber network. Primary products and services include Ethernet, Metro Ethernet, Fiber to the Cell site wireless backhaul and data transport services, wavelength transport services, and IP services
- EQT Partners AB (“EQT”) is a leading alternative investments firm with ~€31 billion in raised capital. EQT funds have portfolio companies in Europe, Asia and the U.S. across industries including, Healthcare, TMT, Services, Consumer Goods, Industrials and Energy & Environmental

Transaction Highlights

- Gives EQT a leading fiber-based platform for growth and expansion
- Positions Lumos to capitalize on U.S. communications infrastructure market opportunities
- Validates the Company’s strategic vision and execution
- Supports Lumos’s continued innovation and expansion of its network, products, and service offerings

Source: Company filings



Sale of 253 Towers and 95 Related Assets to



\$244 Million



Lead Financial Advisor to TowerCo

Transaction Summary

- On May 11, 2016, TowerCo LLC (“TowerCo” or the “Company”) announced its sale of 253 towers and 95 other related assets held in TowerCo’s third portfolio, TowerCo III, to Grain Management, LLC (“Grain” or the “Buyer”) for \$244 million
- A well-received marketing effort and multiple rounds helped drive price and terms from both strategic and financial bidders, resulting in an implied transaction multiple meaningfully greater than recent precedent transactions in the tower sector
- Transaction adds scale to Grain’s existing wireless infrastructure portfolio and provides geographic diversification
- Management and the TowerCo operating team have begun building their next portfolio of towers and related assets, TowerCo IV, with continued investment from Soros Fund Management and Tailwind Capital
- TowerCo IV will also retain remaining TowerCo III assets that were not part of this transaction

Company Overviews

- TowerCo is one of the largest independent tower operators in the United States. Founded in 2004 and based in Cary, NC, the Company meets the infrastructure needs of wireless companies by developing, owning, and leasing communications towers
- Grain Management is a private equity firm focused on investment in the communications sector. Grain acquires, builds, owns, and operates wireless infrastructure assets across North America. The firm manages two flagship funds for a number of academic institutions, endowments, and public pension funds

Wells Fargo Role and Relationship

- Wells Fargo Securities (“WFS”) acted as lead financial advisor to TowerCo
- WFS was awarded the mandate because of the deal team’s extensive industry knowledge and access to the relevant buyer community
- This is the second sellside advisory assignment WFS has completed for TowerCo
 - In October 2012, WFS acted as financial advisor to TowerCo in its successful sale of select assets from TowerCo’s second portfolio, TowerCo II, to SBA Communications for \$1.45 billion
 - WFS previously advised Sprint on the sale of most of this same portfolio of towers to TowerCo II in September 2008 for \$670 million

Sale of 595 Towers by



To



For

\$159 million



Lead Financial Advisor to U.S. Cellular

- Towers are in Midwestern U.S. markets that U.S. Cellular divested in 2013, primarily to Sprint Communications
 - Includes Chicago and St. Louis markets, and other small markets in Illinois, Indiana, Michigan, Missouri and Wisconsin
- Portfolio comprised of towers with tenants and naked towers with no tenants
- Transaction closed on January 30, 2015

Transaction Highlights

- Well received marketing effort with robust interest from several strategic and financial bidders; multiple rounds helped drive price and terms
- Transaction multiple meaningfully greater than precedent transactions in the tower sector, despite no MLA with U.S. Cellular
- Significant portion of tower portfolio comprised naked towers with no tenants (no revenue and negative TCF)
- U.S. Cellular received full value for pipeline tenants
- Asset Purchase Agreement favorable to U.S. Cellular
- Deal value substantially greater than initial U.S. Cellular expectations

 **CenturyLink™**

Sale of its Data Centers and Colocation Business to

BC Partners

\$2.3 Billion

Financial Advisor to CenturyLink

Company Overview

-  **CenturyLink™**
- CenturyLink’s data center and colocation business (“DataCo”) is the second largest multi-tenant retail colocation provider by revenue in the U.S.
 - Portfolio includes 57 data centers across 29 markets and 7 countries with approximately 195 megawatts of power across 2.6 million square feet of raised floor capacity
- BC Partners**
- BC Partners is a London based private equity firm with over \$13 billion of capital under management

¹ Adjusted Operating Cash Flow defined as EBITDA less capital lease payments

Transaction Summary



















- On November 4, 2016, CenturyLink announced it had entered into a definitive agreement to sell its data centers and colocation business to BC Partners, in a consortium including Medina Capital Advisors and Longview Asset Management for a total consideration of \$2.3 billion
 - Represents an implied multiple of ~12x 2016E Adjusted Operating Cash Flow¹
 - CenturyLink will maintain a \$150 million minority stake in the new company
- The data center and colocation business will be combined with assets from Medina Capital to form a new global secure infrastructure company
- CenturyLink will continue to offer colocation services as part of its product portfolio through a commercial relationship with BC Partners / Medina-led consortium
- Wells Fargo was financial advisor to CenturyLink and ran an extensive process to maximize value and find the right partner for DataCo and CenturyLink
- The transaction closed in May 2017

Transaction Highlights

- Sale of data centers enables CenturyLink to focus on its core network business, while continuing to offer its customers a full suite of data center and colocation services
- Complex carve-out transaction includes transition service agreements and ongoing commercial arrangements between the parties
- Creates a focused, independent data center company well positioned for future growth with capital support from BC Partners
- Provides CenturyLink with significant proceeds to pay down debt, accelerate growth, return capital to shareholders and fund M&A

Telecom and Infrastructure Themes

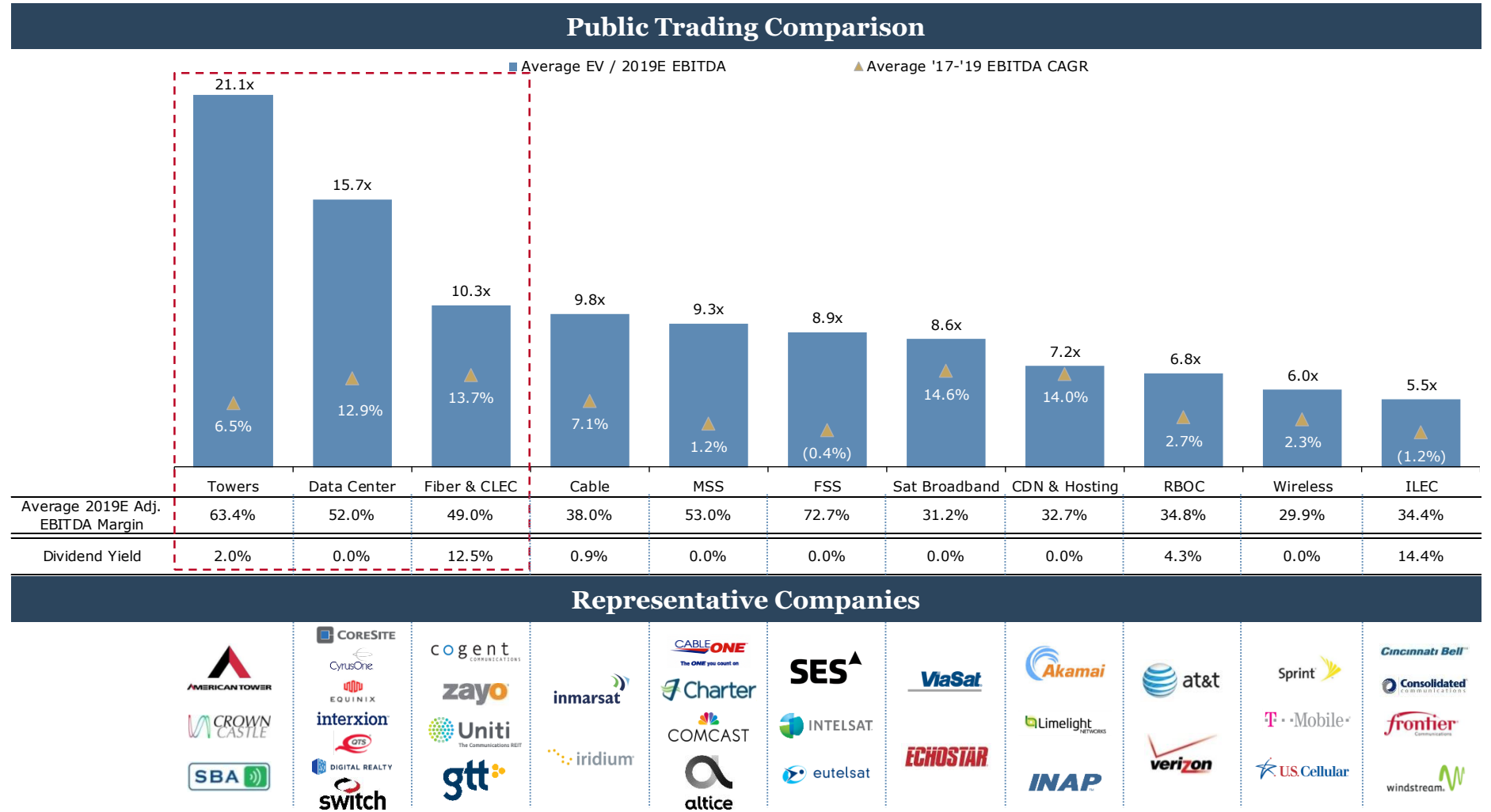
Current Strategic Themes Across Telecom and Infrastructure

	Recent Examples	Key Drivers
Large Scale, Strategic M&A	 /   /   / 	<ul style="list-style-type: none">Vertical integration of content and distribution, opportunities in targeted advertising and revenue diversificationIncreased scale; massive synergiesEnlarged customer base and international expansion
Infrastructure-Backed Land Grab	 /   /   / 	<ul style="list-style-type: none">Attractive industry fundamentals, explosive growth in data and continued enterprise IT outsourcingVery large pools of capital have been raised recentlyMinimum IRRs in the 8-12% area, pushing valuations to all time highsCreative structures (e.g. JVs, OpCo / PropCo) have emerged recently
Asset Monetization	 / Data Centers   / Fiber Assets  / Dial-Up Business  / Selected ILEC Territories  / Wireless Towers / Data Centers / LATAM Businesses / FTTH Business	<ul style="list-style-type: none">Over-levered balance sheetsAsset rationalizationCorporate restructuring / REIT conversion

Telecom and Infrastructure Trading Perspectives

Notwithstanding the Pressure from Rising Rates, Telecom Infrastructure Players Continue to Trade at a Significant Premium to Sector Peers Given Strong Secular Demand and a More Favorable Growth Outlook

- Fiber/CLEC, Despite Having the Highest Growth Rate Among the Infrastructure Verticals, Trades at a Significant Discount to Towers and Data Centers



Source: Wall Street research and company filings; market data as of 2/7/2019

JEA Strategic Alternatives

JEA has an attractive network that is well positioned to capitalize on the increasing demand for bandwidth

Wireless Colocation

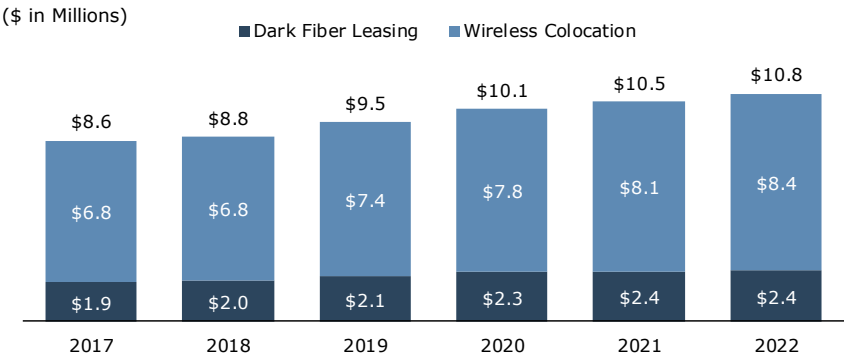
- Diverse portfolio of towers and elevated structures for providing colocation solutions
 - 30+ macro towers
 - Over 200,000 electric and street poles available for small cell and distributed antenna (DAS) deployments
- Wireless backhaul opportunities via dark fiber program

Dark Fiber Leasing Services

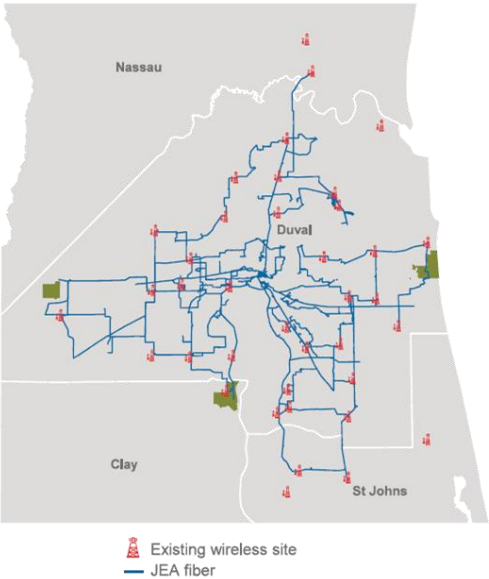
- Dense dark fiber network strategically located throughout the Jacksonville metro area
 - 550 miles of dark fiber
 - Close proximity to critical commercial and industrial locations
- Strategic partnership with JAX NAP enhances network footprint
 - Connection point for direct fiber paths to Atlanta, Miami, and Dallas
 - Subsea cable in Jacksonville Beach broadens reach to over 40 countries

Source: Company Management and Company Website

Total Revenue



Network Footprint



Bandwidth infrastructure space is one of the most attractive for new investment within telecom

Ongoing sector consolidation as strategics look to densify their networks and sponsors seek bolt-on or platform opportunities

Entrance of infrastructure funds into telecom sector has significantly increased competition for assets and driven valuations to all time highs

JEA is well positioned to capitalize on the current environment

- Valuable assets in an attractive metro market that should garner significant interest (Hargray's recent acquisition of Dark Fiber Solutions)
- Numerous creative structures available for JEA to consider for monetizing assets (sale, partnership, leasing opportunities, etc.)

Maintain safe, reliable and secure electric and water solutions for the City of Jacksonville

Deploy critical infrastructure for broadband access throughout the community

Revenue diversification and continued financial health

Create an operational smart city; Turn Jacksonville into a tech hub

Increase economic opportunities and community development

Potential Strategic Alternatives for JEA

Considerations

Continue to Own and Operate Network / Non-Core Assets

- ↑ Retain full control over the fiber network and tower portfolio
- ↑ Ability to retain upside benefit of growth and expansion
- ↓ No cash proceeds
- ↓ Required capital investment to grow and maintain the fiber network and tower portfolio
- ↓ Increased marketing spend
- ↓ Required attention on a non-core asset
- ↓ Competitive overbuilding risk

Examples



Marketing Arrangement with a Partner

- ↑ Dedicated management and marketing team increases value of assets while JEA maintains upside
- ↑ Leverage partner customers, network and strategic expertise
- ↑ Realize cost synergies of overlapping marketing expenses
- ↔ Transaction complexity
- ↓ Loss of revenue upside to partner / cash flow contribution
- ↓ Upfront costs / fees



Sale Leaseback / Lease Leaseback

- ↑ Substantial upfront cash proceeds
- ↑ Immediately monetize assets while retaining use through a lease
- ↑ Multiple precedents of this type of transaction in the fiber and tower sectors
- ↑ Considerable tax advantages
- ↓ Cash outflow upfront of ongoing lease payments
- ↓ Transaction complexity
- ↓ No upside from growth of asset



Fiber Sector Overview

M&A Deal Volume



~\$6 Billion
(LTM)

M&A Announced Transactions



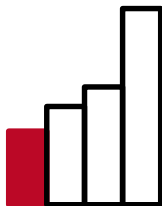
10 Acquisitions
(LTM)

Peak Transaction Multiple



~23.0x
(LTM)

Lowest Transaction Multiple



8.0x
(LTM)

Most Aggressive Buyer



CROWN
CASTLE

#1 by Transaction
Value and Multiple

Most Active Buyers



Ranked by
Number of Deals

Wireless Infrastructure



Biggest Driver of
M&A and Organic
Growth

Infrastructure Funds



STONEPEAK
INFRASTRUCTURE PARTNERS



ANTIN
INFRASTRUCTURE PARTNERS



Driving High
Valuations with
Increasing Activity

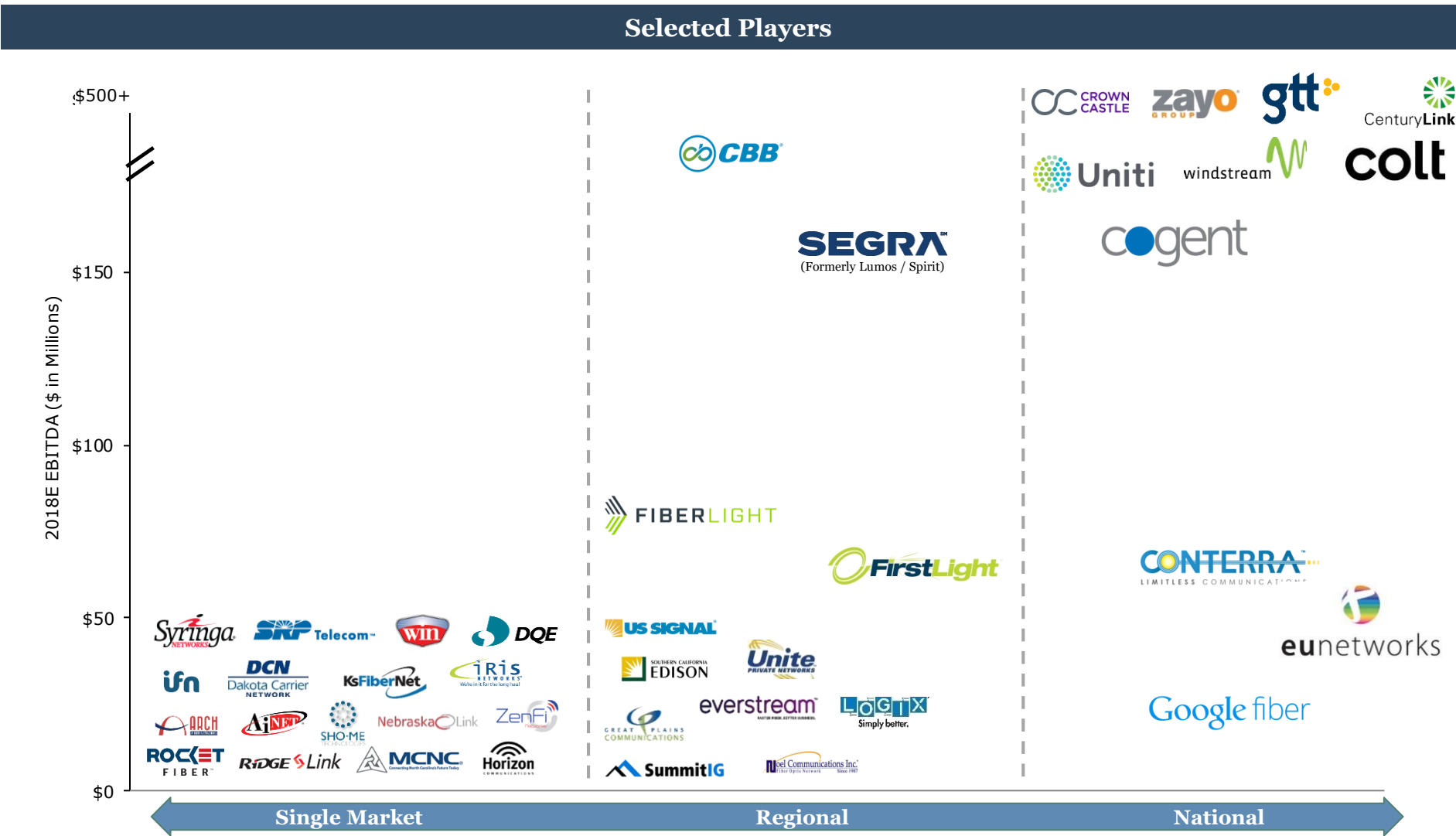
Source: Company filings and Wall Street research

Fiber Network / CLEC
Consolidation
Dynamics

Precedent Fiber / CLEC M&A	
Selected Acquired Companies Since 2012	Acquirors
<div><div>AboveNet</div><div>First Communications</div><div>latiSYS</div><div>fiberGate</div><div>allstream</div><div>ELECTRIC LIGHTWAVE</div><div>SPREAD NETWORKS</div><div>NEUTRAL PATH COMMUNICATIONS</div></div>	zayo
<div><div>FPL FIBERNET</div><div>lighttower</div><div>WILCON</div><div>SUNESYS</div></div>	CROWN CASTLE
<div><div>PEG Bandwidth</div><div>TOWER CLOUD</div><div>HUNT & TELECOM</div><div>TPX</div><div>southern light</div><div>Sale / Leaseback</div><div>BLUEBIRD NETWORK LLC</div><div>CenturyLink</div><div>Cable South</div><div>Sale / Leaseback</div></div>	Uniti
<div><div>Level(3) COMMUNICATIONS</div><div>tw telecom</div></div>	CenturyLink
<div><div>BROADNET</div><div>ip only</div><div>GlobalConnect</div><div>caiway</div><div>Spirit</div><div>LUMOS NETWORKS</div></div>	IEQT
<div><div>OXFORD NETWORKS</div><div>euroFiber</div><div>SOVERNET COMMUNICATIONS</div><div>ufinet (Spain)</div><div>CITYFIBRE</div><div>FINGER LAKES RESEARCHERS DESIGN, INC.</div><div>186 COMMUNICATIONS</div></div>	FirstLight / ANTIN
<div><div>EarthLink</div><div>Broadview NETWORKS</div><div>MC MASS COMMUNICATIONS</div></div>	windstream
<div><div>interoute</div><div>HIBERNIA</div><div>ONE SOURCE NETWORKS</div><div>LAYER</div><div>UNSI</div></div>	gtt
<div><div>eunetworks</div><div>extenet SYSTEMS</div><div>verticalbridge</div></div>	STONEPEAK INFRASTRUCTURE PARTNERS
<div><div>clearwave</div><div>NEW WAVE COMMUNICATIONS</div></div>	CABLE ONE

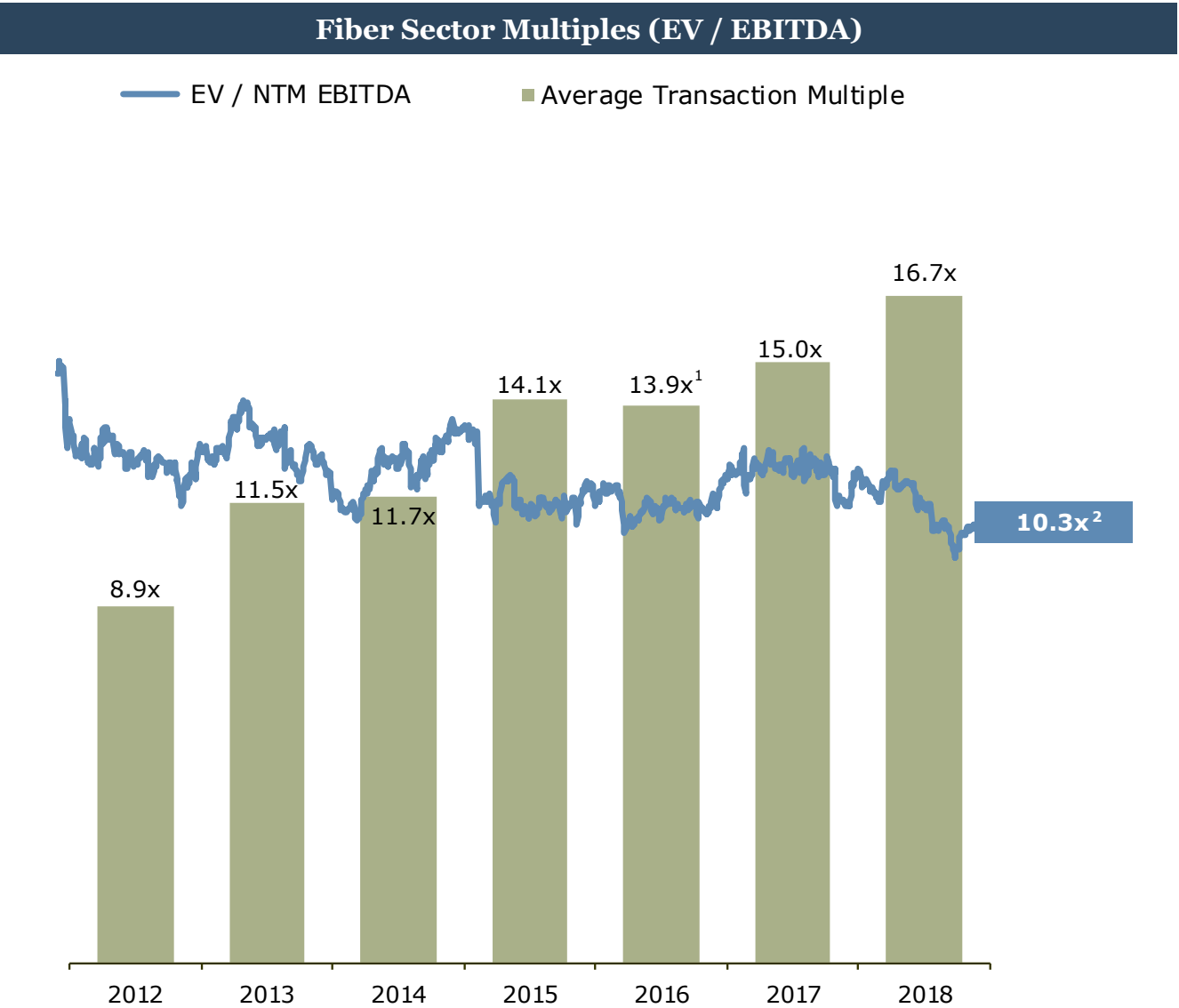
... Resulting in Few Remaining Fiber Networks of Scale

- Landscape is dominated by a handful of national and super regional operators
- Few remaining independents with > \$50mm of EBITDA



Note: Financial information for private companies is based on Wells Fargo Securities estimates

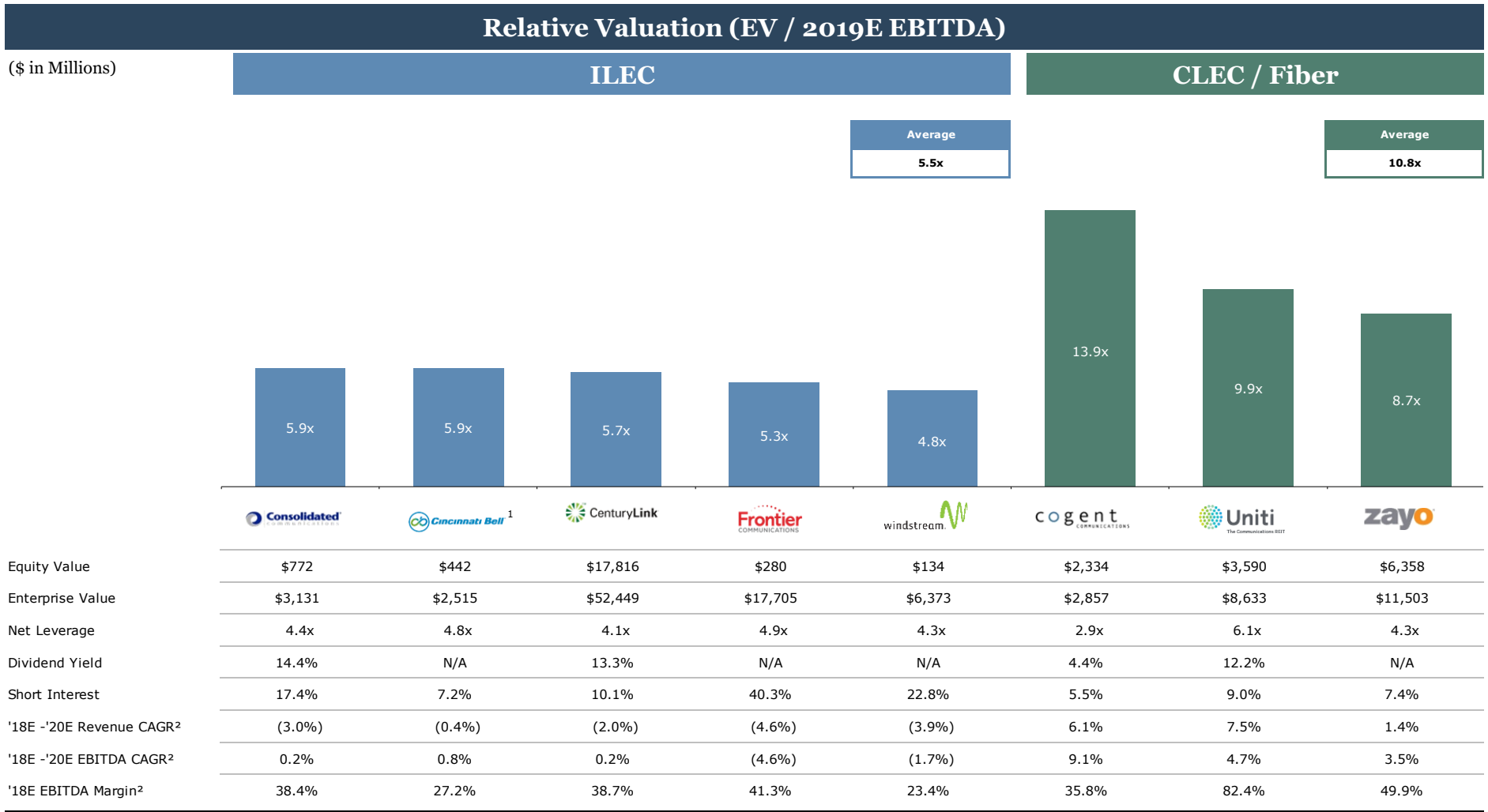
While Infrastructure Funds Continue to Drive Private Market Fiber Valuations to All Time Highs, Public Market Trading Multiples have not Expanded as Quickly in Recent Years



Source: FactSet and Wall Street research
Note: Market data as of 2/7/2019
¹ Excludes Electric Lightwave transaction multiple of 7.9x LQA EBITDA of \$180 million
² Index based on mean EV / next twelve months EBITDA for UNIT, GTT, CCOI, and ZAYO

Wireline Sector Relative Valuation Snapshot

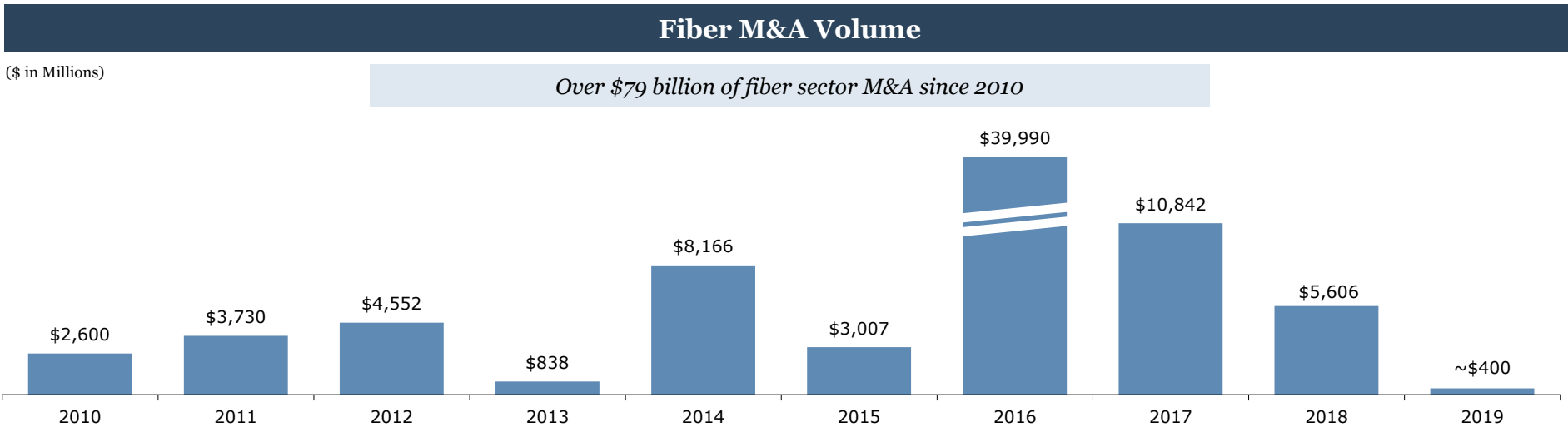
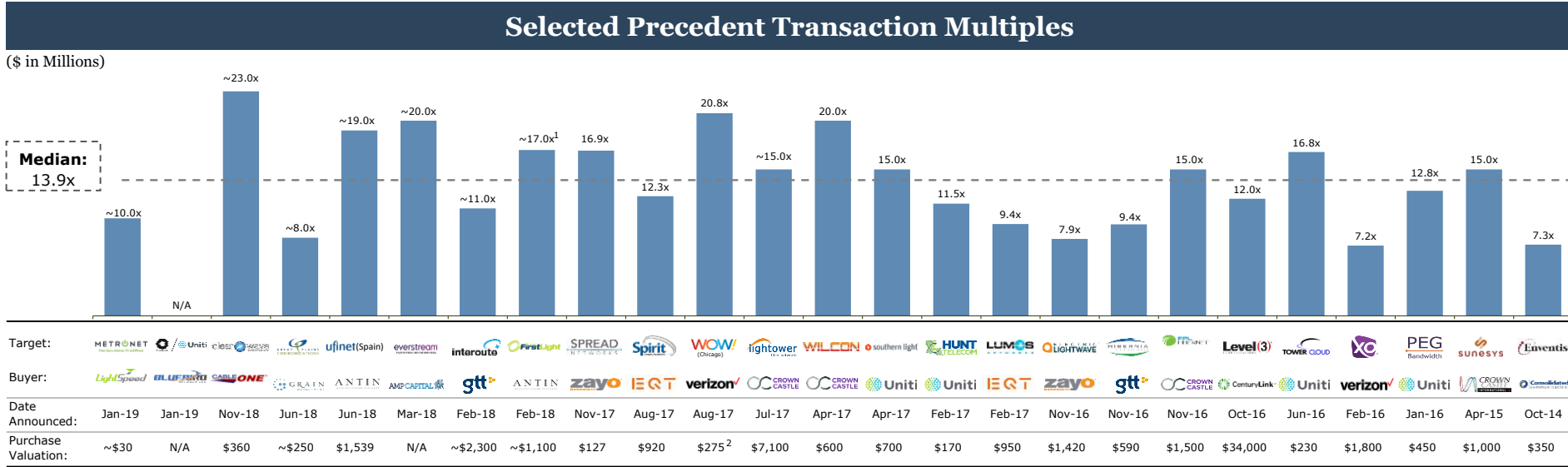
ILEC Valuations Continue to Reflect Cautious Investor Sentiment Given Challenging Fundamentals and Ongoing Concerns Regarding Dividend Sustainability; CLEC / Fiber Peers Continue to Trade at Higher Multiples Reflecting the Favorable Outlook



Source: Company filings and Capital IQ
Note: Market data as of 2/7/2019
¹Pro forma for OnX and HCOM acquisitions
²Pro forma for all announced and closed acquisitions

Evolution of Fiber Valuation Trends

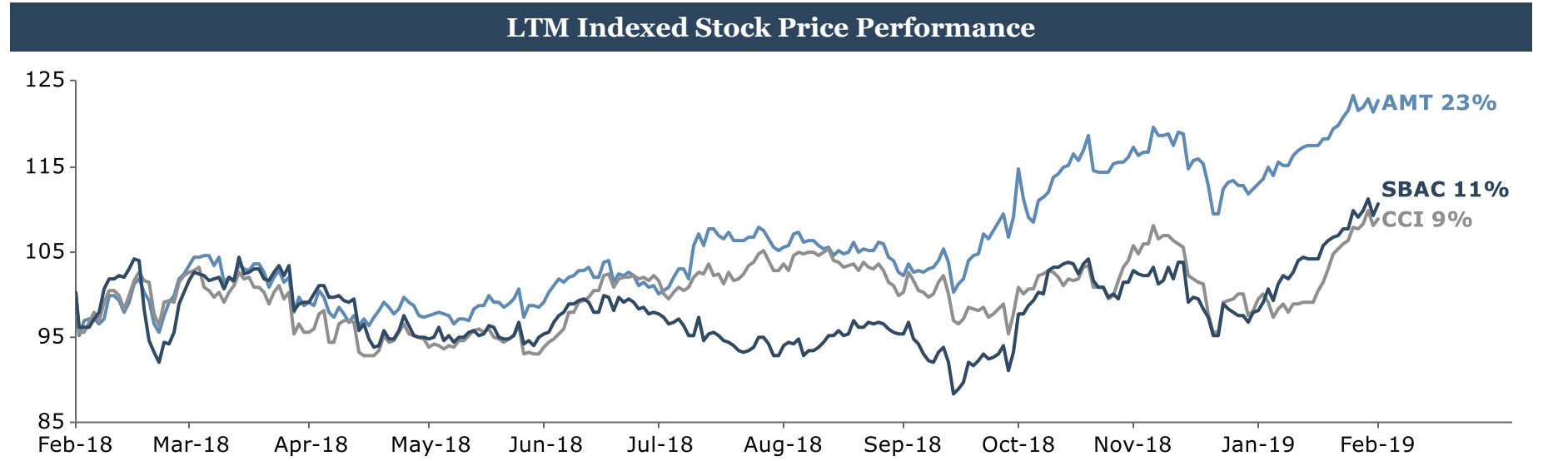
Fiber Sector M&A Activity Remains at Historically Robust Levels



Source: Company filings and Wall Street research; Note: M&A multiples are shown pre-synergies
¹ WFS estimate based on assumed EBITDA of \$65 million; ² Purchase valuation excludes \$50 million agreement for WOW! to complete build-out of network




Tower Sector Overview

Towers Continue to Trade at Rich Multiples in Public and Private Markets



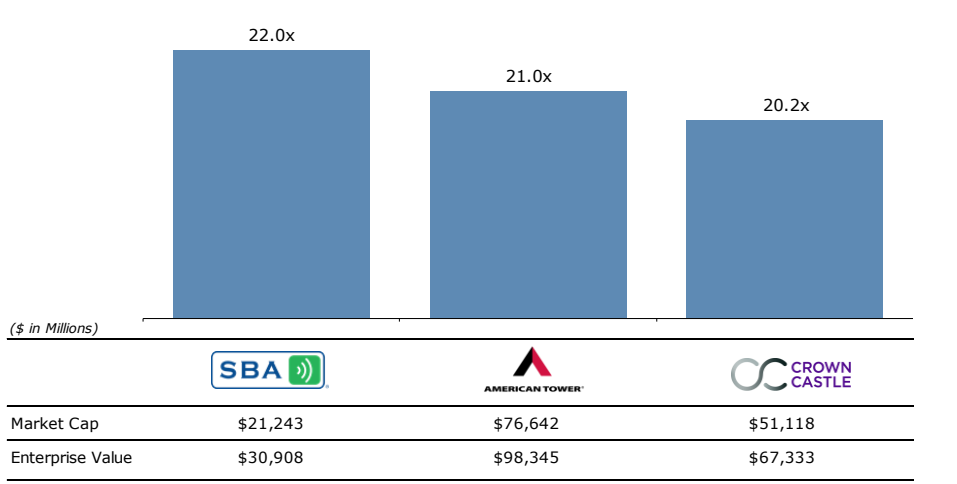
Selected Tower Company Metrics

(\$ in Millions)

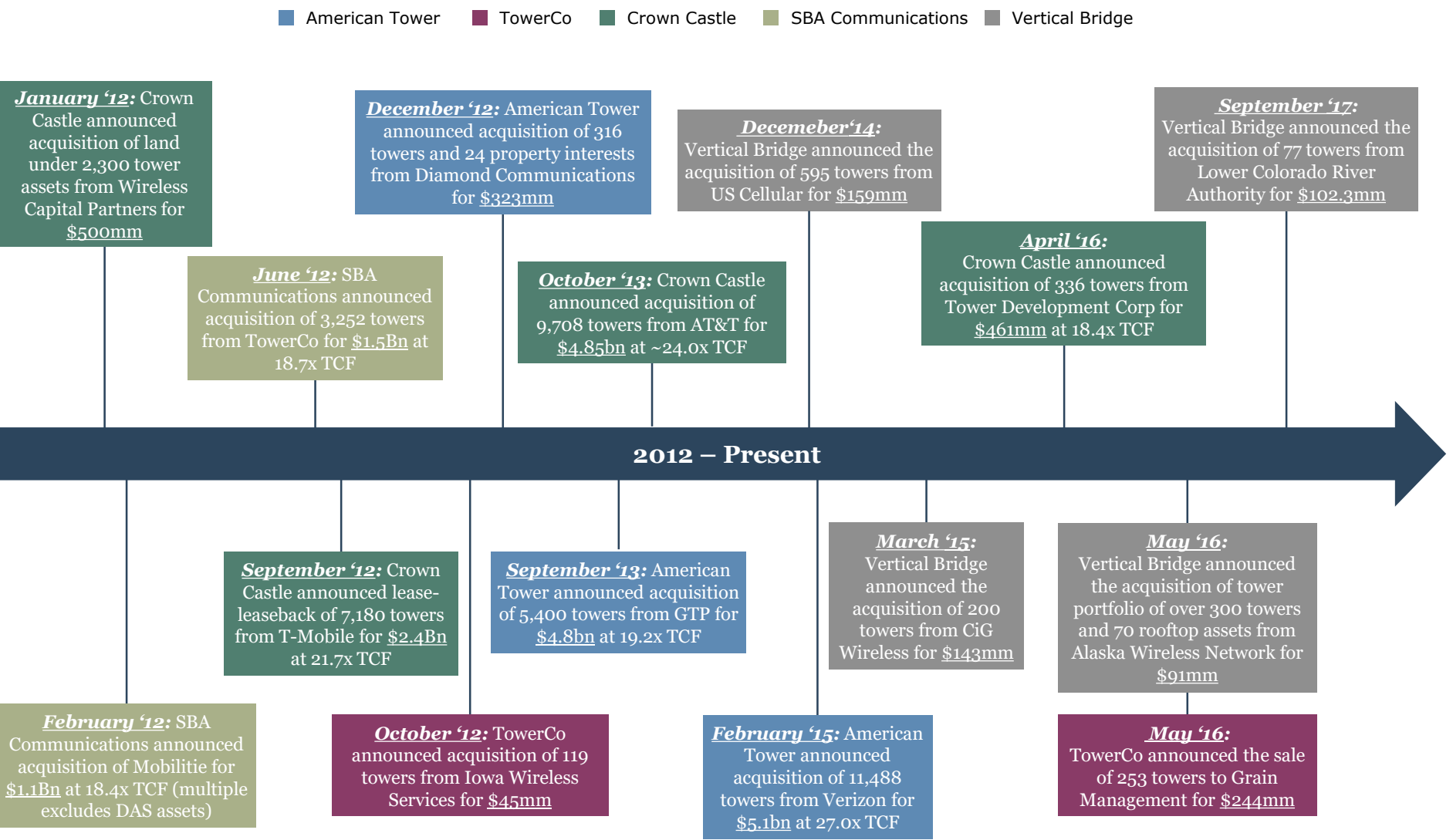
		2014A	2019E ¹	% Change
	Towers:	75,164	175,807	133.9%
	Revenue:	\$4,193	\$7,725	84.2%
	TCF:	\$2,963	\$5,269	77.8%
	Towers:	40,000	40,104	0.3%
	Revenue:	\$3,539	\$5,660	60.0%
	TCF:	\$2,264	\$3,770	66.5%
	Towers:	24,292	31,180	28.4%
	Revenue:	\$1,527	\$1,990	30.3%
	TCF:	\$1,038	\$1,500	44.5%

Note: Market data as of 2/7/2019
¹ Based on equity research
Source: Company filings, equity research and Wells Fargo estimates

EV / 2019E EBITDA



M&A Activity Has Been Robust in the Tower Sector



Source: Company filings and Wells Fargo estimates

Selected U.S. Tower Sector M&A Transactions

TCF Multiple Benchmarks

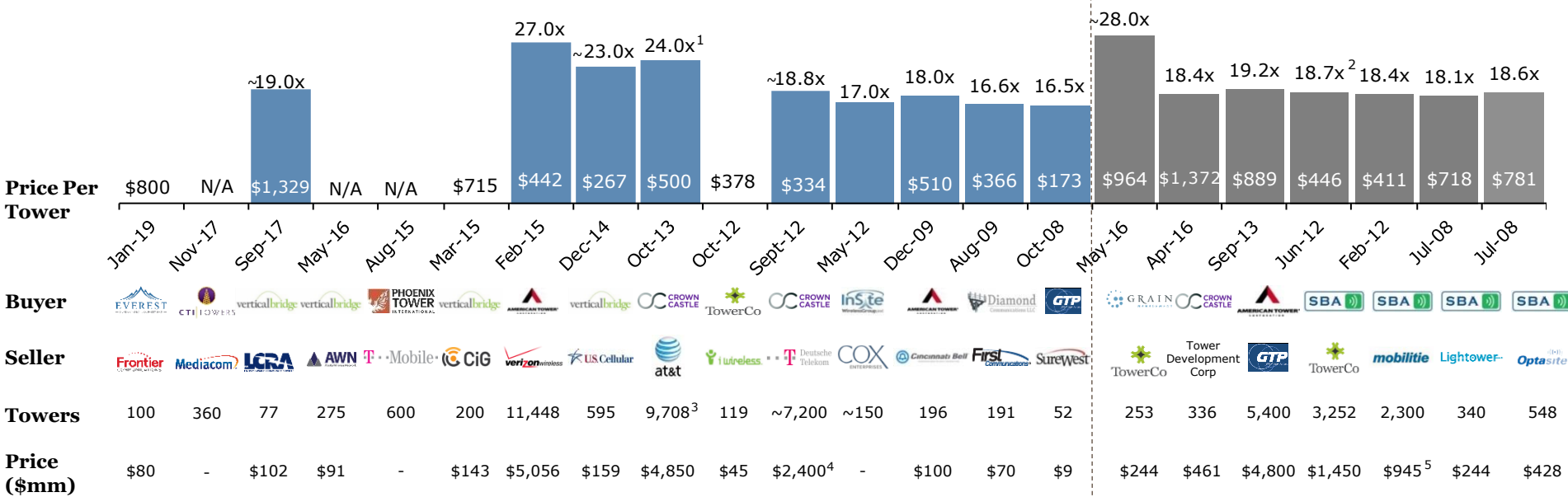
(\$ in Thousands, unless otherwise specified)

Carrier Divestiture Transactions

Average Tower Multiple	20.4x
Average Price per Tower	\$419k

Operator-to-Operator Transactions

Average Tower Multiple	19.9x
Average Price per Tower	\$797k



Source: Company filings, Wells Fargo estimates and Wall Street research

¹ Based on Wells Fargo estimate

² TCF excludes the DAS and non-recurring cash flows

³ Deal includes exclusive lease rights to 9,066 towers with an average term of lease rights of ~28 years, and the purchase of 642 towers; as leases expire, CCI will have fixed price purchase options totaling ~\$4.2 billion

⁴ Excludes ~\$200 million option value associated with lease-leaseback structure

⁵ Excludes the value attributed to the DAS assets and decommissioned towers



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