

**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 from _____ to _____
Commission file number: 001-16853

SBA COMMUNICATIONS CORPORATION

(Exact name of Registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

65-0716501
(I.R.S. Employer
Identification No.)

8051 Congress Avenue
Boca Raton, Florida
(Address of principal executive offices)

33487
(Zip Code)

Registrant's telephone number, including area code (561) 995-7670

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock, \$0.01 par value per share	SBAC	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

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 (Section 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 <input checked="" type="checkbox"/>	Accelerated Filer <input type="checkbox"/>
Non-Accelerated Filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>
	Emerging Growth Company <input type="checkbox"/>

If an emerging growth company, indicate by checkmark 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

Indicate the number of shares outstanding of each issuer's classes of common stock, as of the latest practicable date: 107,522,616 shares of Class A common stock as of October 23, 2024.

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PART I – FINANCIAL INFORMATION
ITEM 1: FINANCIAL STATEMENTS
SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (in thousands, except par values)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 186,339	\$ 208,547
Restricted cash	61,019	38,129
Accounts receivable, net	111,018	182,746
Costs and estimated earnings in excess of billings on uncompleted contracts	24,742	16,252
Prepaid expenses and other current assets	67,149	38,593
Total current assets	<u>450,267</u>	<u>484,267</u>
Property and equipment, net	2,783,921	2,711,719
Intangible assets, net	2,492,360	2,455,597
Operating lease right-of-use assets, net	2,322,890	2,240,781
Acquired and other right-of-use assets, net	1,379,281	1,473,601
Other assets	772,944	812,476
Total assets	<u>\$ 10,201,663</u>	<u>\$ 10,178,441</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS, AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 54,438	\$ 42,202
Accrued expenses	89,312	92,622
Current maturities of long-term debt	23,000	643,145
Deferred revenue	183,978	235,668
Accrued interest	32,088	57,496
Current lease liabilities	270,922	273,464
Other current liabilities	14,105	18,662
Total current liabilities	<u>667,843</u>	<u>1,363,259</u>
Long-term liabilities:		
Long-term debt, net	12,296,479	11,681,170
Long-term lease liabilities	1,930,943	1,865,686
Other long-term liabilities	432,158	404,161
Total long-term liabilities	<u>14,659,580</u>	<u>13,951,017</u>
Redeemable noncontrolling interests	49,092	35,047
Shareholders' deficit:		
Preferred stock - par value \$0.01, 30,000 shares authorized, no shares issued or outstanding	—	—
Common stock - Class A, par value \$0.01, 400,000 shares authorized, 107,506 shares and 108,050 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	1,075	1,080
Additional paid-in capital	2,941,520	2,894,060
Accumulated deficit	(7,393,799)	(7,450,824)
Accumulated other comprehensive loss, net	(723,648)	(615,198)
Total shareholders' deficit	<u>(5,174,852)</u>	<u>(5,170,882)</u>
Total liabilities, redeemable noncontrolling interests, and shareholders' deficit	<u>\$ 10,201,663</u>	<u>\$ 10,178,441</u>

The accompanying condensed notes are an integral part of these consolidated financial statements.

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited) (in thousands, except per share amounts)

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Revenues:				
Site leasing	\$ 625,697	\$ 637,440	\$ 1,880,430	\$ 1,880,851
Site development	41,898	45,104	105,504	155,709
Total revenues	<u>667,595</u>	<u>682,544</u>	<u>1,985,934</u>	<u>2,036,560</u>
Operating expenses:				
Cost of revenues (exclusive of depreciation, accretion, and amortization shown below):				
Cost of site leasing	117,948	118,277	346,893	353,411
Cost of site development	32,391	31,493	82,705	114,914
Selling, general, and administrative expenses ⁽¹⁾	60,087	64,821	191,161	200,412
Acquisition and new business initiatives related adjustments and expenses	5,388	5,612	19,379	16,622
Asset impairment and decommission costs	12,670	33,063	87,928	92,320
Depreciation, accretion, and amortization	63,515	180,674	204,444	544,909
Total operating expenses	<u>291,999</u>	<u>433,940</u>	<u>932,510</u>	<u>1,322,588</u>
Operating income	<u>375,596</u>	<u>248,604</u>	<u>1,053,424</u>	<u>713,972</u>
Other income (expense):				
Interest income	6,999	5,266	21,359	12,765
Interest expense	(95,711)	(99,322)	(289,632)	(301,835)
Non-cash interest expense	(7,192)	(7,898)	(22,715)	(29,655)
Amortization of deferred financing fees	(5,185)	(5,097)	(15,405)	(15,129)
Loss from extinguishment of debt, net	—	—	(4,428)	—
Other income (expense), net	23,700	(48,330)	(125,811)	29,961
Total other expense, net	<u>(77,389)</u>	<u>(155,381)</u>	<u>(436,632)</u>	<u>(303,893)</u>
Income before income taxes	298,207	93,223	616,792	410,079
Provision for income taxes	(42,316)	(7,861)	(46,906)	(22,192)
Net income	<u>255,891</u>	<u>85,362</u>	<u>569,886</u>	<u>387,887</u>
Net loss attributable to noncontrolling interests	2,643	2,057	6,020	4,397
Net income attributable to SBA Communications Corporation	<u>\$ 258,534</u>	<u>\$ 87,419</u>	<u>\$ 575,906</u>	<u>\$ 392,284</u>
Net income per common share attributable to SBA Communications Corporation:				
Basic	<u>\$ 2.41</u>	<u>\$ 0.81</u>	<u>\$ 5.35</u>	<u>\$ 3.62</u>
Diluted	<u>\$ 2.40</u>	<u>\$ 0.80</u>	<u>\$ 5.33</u>	<u>\$ 3.60</u>
Weighted-average number of common shares				
Basic	<u>107,486</u>	<u>108,373</u>	<u>107,683</u>	<u>108,288</u>
Diluted	<u>107,922</u>	<u>108,891</u>	<u>108,072</u>	<u>109,017</u>

(1) Includes non-cash compensation of \$15,732 and \$20,615 for the three months ended September 30, 2024 and 2023, respectively, and \$54,376 and \$63,709 for the nine months ended September 30, 2024 and 2023, respectively.

The accompanying condensed notes are an integral part of these consolidated financial statements.

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited) (in thousands)

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net income	\$ 255,891	\$ 85,362	\$ 569,886	\$ 387,887
Adjustments related to interest rate swaps	(45,034)	(9,489)	(42,404)	(16,561)
Foreign currency translation adjustments	22,827	(29,688)	(66,708)	11,867
Comprehensive income	233,684	46,185	460,774	383,193
Comprehensive loss attributable to noncontrolling interests	2,980	2,499	6,682	5,296
Comprehensive income attributable to SBA Communications Corporation	<u>\$ 236,664</u>	<u>\$ 48,684</u>	<u>\$ 467,456</u>	<u>\$ 388,489</u>

The accompanying condensed notes are an integral part of these consolidated financial statements.

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
(unaudited) (in thousands)

	Class A Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss, Net	Total Shareholders' Deficit
	Shares	Amount				
BALANCE, June 30, 2024	107,471	\$ 1,075	\$ 2,930,332	\$ (7,546,370)	\$ (701,778)	\$ (5,316,741)
Net income attributable to SBA Communications Corporation	—	—	—	258,534	—	258,534
Common stock issued in connection with equity awards and stock purchase plans, offset by the impact of net share settlements	35	—	5,715	—	—	5,715
Non-cash stock compensation	—	—	16,728	—	—	16,728
Adjustments related to interest rate swaps	—	—	—	—	(45,034)	(45,034)
Foreign currency translation adjustments attributable to SBA Communications Corporation	—	—	—	—	23,164	23,164
Dividends and dividend equivalents on common stock	—	—	—	(105,963)	—	(105,963)
Adjustment to redemption amount related to noncontrolling interests	—	—	(11,255)	—	—	(11,255)
BALANCE, September 30, 2024	<u>107,506</u>	<u>\$ 1,075</u>	<u>\$ 2,941,520</u>	<u>\$ (7,393,799)</u>	<u>\$ (723,648)</u>	<u>\$ (5,174,852)</u>

	Class A Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss, Net	Total Shareholders' Deficit
	Shares	Amount				
BALANCE, December 31, 2023	108,050	\$ 1,080	\$ 2,894,060	\$ (7,450,824)	\$ (615,198)	\$ (5,170,882)
Net income attributable to SBA Communications Corporation	—	—	—	575,906	—	575,906
Common stock issued in connection with equity awards and stock purchase plans, offset by the impact of net share settlements	391	4	8,903	—	—	8,907
Non-cash stock compensation	—	—	57,754	—	—	57,754
Adjustments related to interest rate swaps	—	—	—	—	(42,404)	(42,404)
Repurchase and retirement of common stock	(935)	(9)	—	(200,010)	—	(200,019)
Foreign currency translation adjustments attributable to SBA Communications Corporation	—	—	—	—	(66,046)	(66,046)
Dividends and dividend equivalents on common stock	—	—	—	(318,871)	—	(318,871)
Adjustment to redemption amount related to noncontrolling interests	—	—	(19,197)	—	—	(19,197)
BALANCE, September 30, 2024	<u>107,506</u>	<u>\$ 1,075</u>	<u>\$ 2,941,520</u>	<u>\$ (7,393,799)</u>	<u>\$ (723,648)</u>	<u>\$ (5,174,852)</u>

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
(unaudited) (in thousands)

	Class A		Additional	Accumulated	Accumulated	Total
	Common Stock				Paid-In	
	Shares	Amount	Capital	Comprehensive		Deficit
BALANCE, June 30, 2023	108,381	\$ 1,084	\$ 2,824,994	\$ (7,362,838)	\$ (555,570)	\$ (5,092,330)
Net income attributable to SBA						
Communications Corporation	—	—	—	87,419	—	87,419
Common stock issued in connection with equity awards and stock purchase plans, offset by the impact of net share settlements	11	—	1,655	—	—	1,655
Non-cash stock compensation	—	—	21,787	—	—	21,787
Adjustments related to interest rate swaps	—	—	—	—	(9,489)	(9,489)
Repurchase and retirement of common stock	(272)	(3)	—	(53,649)	—	(53,652)
Foreign currency translation adjustments attributable to SBA Communications Corporation	—	—	—	—	(29,246)	(29,246)
Dividends and dividend equivalents on common stock	—	—	—	(92,657)	—	(92,657)
Adjustment to redemption amount related to noncontrolling interests	—	—	27	—	—	27
BALANCE, September 30, 2023	<u>108,120</u>	<u>\$ 1,081</u>	<u>\$ 2,848,463</u>	<u>\$ (7,421,725)</u>	<u>\$ (594,305)</u>	<u>\$ (5,166,486)</u>
	Class A		Additional	Accumulated	Accumulated	Total
	Common Stock				Paid-In	
	Shares	Amount	Capital	Comprehensive		Deficit
BALANCE, December 31, 2022	107,997	\$ 1,080	\$ 2,795,176	\$ (7,482,061)	\$ (590,510)	\$ (5,276,315)
Net income attributable to SBA						
Communications Corporation	—	—	—	392,284	—	392,284
Common stock issued in connection with equity awards and stock purchase plans, offset by the impact of net share settlements	395	4	(6,418)	—	—	(6,414)
Non-cash stock compensation	—	—	67,113	—	—	67,113
Adjustments related to interest rate swaps	—	—	—	—	(16,561)	(16,561)
Repurchase and retirement of common stock	(272)	(3)	—	(53,649)	—	(53,652)
Foreign currency translation adjustments attributable to SBA Communications Corporation	—	—	—	—	12,766	12,766
Dividends and dividend equivalents on common stock	—	—	—	(278,299)	—	(278,299)
Adjustment to redemption amount related to noncontrolling interests	—	—	(7,408)	—	—	(7,408)
BALANCE, September 30, 2023	<u>108,120</u>	<u>\$ 1,081</u>	<u>\$ 2,848,463</u>	<u>\$ (7,421,725)</u>	<u>\$ (594,305)</u>	<u>\$ (5,166,486)</u>

The accompanying condensed notes are an integral part of these consolidated financial statements.

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited) (in thousands)

	For the nine months ended September 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 569,886	\$ 387,887
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, accretion, and amortization	204,444	544,909
Loss (gain) on remeasurement of U.S. denominated intercompany loans	119,526	(38,752)
Non-cash compensation expense	56,439	65,830
Non-cash asset impairment and decommission costs	73,959	81,067
Loss from extinguishment of debt, net	4,428	—
Deferred and non-cash income tax provision (benefit)	17,053	(1,462)
Other non-cash items reflected in the Statements of Operations	48,875	61,331
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts, net	53,280	58,673
Prepaid expenses and other assets	(16,998)	(23,501)
Operating lease right-of-use assets, net	101,070	111,310
Accounts payable and accrued expenses	(6,576)	(18,257)
Accrued interest	(24,838)	(23,767)
Long-term lease liabilities	(109,074)	(103,815)
Other liabilities	(66,777)	10,329
Net cash provided by operating activities	1,024,697	1,111,782
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(268,409)	(92,851)
Capital expenditures	(172,600)	(173,976)
Purchase of investments	(1,204,628)	(1,005,143)
Proceeds from sale of investments	1,179,250	1,005,003
Other investing activities	(14,033)	(94,909)
Net cash used in investing activities	(480,420)	(361,876)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under Revolving Credit Facility	370,000	190,000
Repayments under Revolving Credit Facility	(390,000)	(540,000)
Proceeds from issuance of Term Loans, net of fees	2,274,815	—
Repayment of Term Loans	(2,279,500)	(18,000)
Repurchase and retirement of common stock	(200,019)	(53,652)
Payment of dividends on common stock	(318,808)	(278,201)
Proceeds from employee stock purchase/stock option plans	27,144	21,058
Payments related to taxes on stock options and restricted stock units	(18,187)	(27,472)
Other financing activities	707	603
Net cash used in financing activities	(533,848)	(705,664)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(9,883)	(1,441)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	546	42,801
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:		
Beginning of period	250,946	189,283
End of period	\$ 251,492	\$ 232,084

The accompanying condensed notes are an integral part of these consolidated financial statements.

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited) (in thousands)

	For the nine months ended September 30,	
	2024	2023
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ 314,700	\$ 325,799
Income taxes	\$ 25,978	\$ 20,290
SUPPLEMENTAL CASH FLOW INFORMATION OF NON-CASH ACTIVITIES:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 44,256	\$ 46,909
Operating lease modifications and reassessments	\$ 214,108	\$ 15,680
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ 154	\$ 1,954

The accompanying condensed notes are an integral part of these consolidated financial statements.

SBA COMMUNICATIONS CORPORATION AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements should be read in conjunction with the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 for SBA Communications Corporation and its subsidiaries (the “Company”). These financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X and, therefore, omit or condense certain footnotes and other information normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States. In the opinion of the Company’s management, all adjustments (consisting of normal recurring accruals and deferrals) considered necessary for fair financial statement presentation have been made. The results of operations for an interim period may not give a true indication of the results for the year. Certain reclassifications have been made to prior year amounts or balances to conform to the presentation adopted in the current year.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The significant estimates made by management relate to the allowance for doubtful accounts, the costs and revenue relating to the Company’s construction contracts, stock-based compensation assumptions, valuation allowance related to deferred tax assets, fair value of long-lived assets, the useful lives of towers and intangible assets, anticipated property tax assessments, incremental borrowing rate for lease accounting, fair value of investments, and asset retirement obligations. Management develops estimates based on historical experience and on various assumptions about the future that are believed to be reasonable based on the information available. These estimates ultimately may differ from actual results and such differences could be material.

During the first quarter of 2024, the Company completed its assessment on the remaining estimated useful lives of its towers and intangible assets. The Company concluded through its assessment that, for U.S. GAAP purposes, it should modify its current estimates for asset lives based on its historical operating experience and the findings obtained by its independent consultant. The Company previously depreciated its towers on a straight-line basis over the shorter of the (i) term of the underlying ground lease (including renewal options) taking into account residual value or (ii) estimated useful life of a tower, which the Company had historically estimated to be 15 years. Based on its assessment, the Company revised the estimated useful lives of its towers and certain related intangible assets (which are amortized on a similar basis to its tower assets, as their useful lives correlate to the useful life of the towers) from 15 years to 30 years, effective January 1, 2024. The Company accounted for the change in estimated useful lives as a change in estimate under ASC 250 “Accounting Changes and Error Corrections.” The impact of the change in estimate was accounted for prospectively effective January 1, 2024, resulting in a reduction in depreciation and amortization expense of approximately \$103.0 million (\$93.3 million after tax, or an increase of \$0.86 per diluted share) and \$308.5 million (\$279.2 million after tax, or an increase of \$2.58 per diluted share) for the three and nine months ended September 30, 2024, respectively. This change in useful lives is expected to reduce depreciation and amortization expense by approximately \$411.5 million (\$372.5 million after tax, or an increase of \$3.45 per diluted share) for the year ended December 31, 2024.

Foreign Currency Translation

All assets and liabilities of foreign subsidiaries that do not utilize the U.S. dollar as its functional currency are translated at period-end exchange rates, while revenues and expenses are translated at monthly average exchange rates during the period. Unrealized translation gains and losses are reported as foreign currency translation adjustments through Accumulated other comprehensive loss, net in the Consolidated Statements of Shareholders’ Deficit.

For foreign subsidiaries where the U.S. dollar is the functional currency, monetary assets and liabilities of such subsidiaries, which are not denominated in U.S. dollars, are remeasured at exchange rates in effect at the balance sheet date, and revenues and expenses are remeasured at monthly average rates prevailing during the year. Remeasurement gains and losses are reported as Other income (expense), net in the Consolidated Statements of Operations.

Intercompany Loans Subject to Remeasurement

In accordance with ASC 830, the Company remeasures foreign denominated intercompany loans with the corresponding change in the balance being recorded in Other income (expense), net in the Consolidated Statements of Operations as settlement is anticipated or planned in the foreseeable future. The Company recorded a \$16.2 million gain and a \$31.2 million loss, net of taxes, on the remeasurement of intercompany loans for the three months ended September 30, 2024 and 2023, respectively, and a \$78.5 million

loss and a \$24.1 million gain, net of taxes, on the remeasurement of intercompany loans for the nine months ended September 30, 2024 and 2023, respectively. During the nine months ended September 30, 2024, the Company funded \$9.3 million and \$132.1 million was repaid under its intercompany loan agreements. As of September 30, 2024 and December 31, 2023, the aggregate amount outstanding under the intercompany loan agreements subject to remeasurement with the Company’s foreign subsidiaries was \$1.2 billion and \$1.3 billion, respectively.

Accounting Standards Updates

In November 2023, the Financial Accounting Standards Board (“FASB”) issued new guidance to enhance reportable segment disclosures, primarily through additional disclosures of significant segment expenses regularly provided to the chief operating decision maker (“CODM”), along with disclosure of the title and position of the CODM. The standard is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with retrospective application to all prior periods presented. Early adoption is permitted. The Company is currently evaluating the effect of this standard on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued new guidance requiring public companies to provide improved income tax disclosures on an annual basis, primarily through enhanced disclosures related to rate reconciliation and income taxes paid information. The standard is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the effect of this standard on its consolidated financial statements and related disclosures.

2. FAIR VALUE MEASUREMENTS

Items Measured at Fair Value on a Recurring Basis — The Company’s asset retirement obligations are measured at fair value on a recurring basis using Level 3 inputs and are recorded in Other long-term liabilities in the Consolidated Balance Sheets. The fair value of the asset retirement obligations is calculated using a discounted cash flow model.

Refer to Note 16 for discussion of the Company’s redeemable noncontrolling interests.

Items Measured at Fair Value on a Nonrecurring Basis — The Company estimates the fair value of assets subject to impairment using a discounted cash flow (“DCF”) (Level 3 input) analysis. Determining fair value requires the exercise of significant judgments, including the amount and timing of expected future cash flows, long-term growth rates, discount rates and relevant comparable earnings and trading multiples. The cash flows employed in the DCF analysis are based on estimates of future revenues, earnings, and cash flows after considering factors such as tower location demographics, timing of additions of new tenants, lease rates, rate and term of renewal, attrition, ongoing cash requirements, and market multiples. Each of the assumptions are applied based on the specific facts and circumstances of the identified assets at the lowest level of identifiable cash flows. The DCF analysis used an average discount rate ranging from 7.8% - 8.8%.

Asset impairment and decommission costs for all periods presented and the related impaired assets primarily relate to the Company’s site leasing operating segment. The following summarizes the activity of asset impairment and decommission costs:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Asset impairment ⁽¹⁾	\$ 8,920	\$ 27,676	\$ 61,964	\$ 74,372
Write-off of carrying value of decommissioned towers	698	1,619	12,242	4,451
Other (including tower and equipment decommission costs)	3,052	3,768	13,722	13,497
Total asset impairment and decommission costs	<u>\$ 12,670</u>	<u>\$ 33,063</u>	<u>\$ 87,928</u>	<u>\$ 92,320</u>

(1) Represents impairment charges resulting from the Company’s regular analysis of whether the anticipated future cash flows from certain towers are sufficient to recover the carrying value of the investment in those towers.

The Company’s long-term investments were \$26.6 million and \$24.5 million as of September 30, 2024 and December 31, 2023, respectively, and are recorded in Other assets on the Consolidated Balance Sheets. The estimation of the fair value of the investment involves the use of Level 3 inputs. The Company evaluates these investments for indicators of impairment. The Company considers impairment indicators such as negative changes in industry and market conditions, financial performance, business prospects, and other relevant events and factors. If indicators exist and the fair value of the investment is less than the carrying

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amount, an impairment charge will be recorded. The Company did not recognize any impairment loss associated with its investments during the three or nine months ended September 30, 2024 and 2023.

Fair Value of Financial Instruments — The carrying values of cash and cash equivalents, accounts receivable, restricted cash, accounts payable, and short-term investments approximate their estimated fair values due to the short maturity of these instruments. The Company's estimate of its short-term investments is based primarily upon Level 1 reported market values. As of September 30, 2024 and December 31, 2023, the Company had \$16.2 million and \$1.0 million of short-term investments, respectively. For the nine months ended September 30, 2024, the Company purchased and sold \$1.2 billion of short-term investments. For the nine months ended September 30, 2023, the Company purchased and sold \$1.0 billion of short-term investments.

The Company determines fair value of its debt and derivative instruments utilizing various Level 2 sources including quoted prices and 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 prices. The fair value of the Revolving Credit Facility is considered to approximate the carrying value because the Company does not believe its credit risk has changed materially from the date the applicable spread to the Eurodollar Rate and Term SOFR Rate was set for the Revolving Credit Facility (112.5 to 150.0 basis points). Refer to Note 10 for the fair values, principal balances, and carrying values of the Company's debt instruments.

For discussion of the Company's derivatives and hedging activities, refer to Note 17.

3. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The cash, cash equivalents, and restricted cash balances on the Consolidated Statements of Cash Flows consist of the following:

	As of <u>September 30, 2024</u>	As of <u>December 31, 2023</u>	Included on Balance Sheet
	(in thousands)		
Cash and cash equivalents	\$ 186,339	\$ 208,547	Cash and cash equivalents
Securitization escrow accounts	53,885	31,852	Restricted cash - current asset
Payment, performance bonds, and other	7,134	6,277	Restricted cash - current asset
Surety bonds and workers compensation	4,134	4,270	Other assets - noncurrent
Total cash, cash equivalents, and restricted cash	<u>\$ 251,492</u>	<u>\$ 250,946</u>	

Pursuant to the terms of the Tower Securities (see Note 10), the Company is required to establish a securitization escrow account, held by the indenture trustee, into which all rents and other sums due on the towers that secure the Tower Securities are directly deposited by the lessees. These restricted cash amounts are used to fund reserve accounts for the payment of (1) debt service costs, (2) ground rents, real estate and personal property taxes and insurance premiums related to towers, (3) trustee and servicing expenses, and (4) management fees. The restricted cash in the securitization escrow account in excess of required reserve balances is subsequently released to the Borrowers (as defined in Note 10) monthly, provided that the Borrowers are in compliance with their debt service coverage ratio and that no event of default has occurred. All monies held by the indenture trustee are classified as restricted cash on the Company's Consolidated Balance Sheets.

Payment and performance bonds relate primarily to collateral requirements for tower construction currently in process by the Company. Other restricted cash includes \$6.9 million and \$6.1 million held in escrow as of September 30, 2024 and December 31, 2023 related to the Company's acquisition activities.

Cash is pledged as collateral for surety bonds issued for the benefit of the Company or its affiliates in the ordinary course of business and primarily related to the Company's tower removal obligations. As of September 30, 2024 and December 31, 2023, the Company had \$42.2 million and \$42.0 million in surety and payment and performance bonds, respectively, for which no collateral was required to be posted. The Company periodically evaluates the collateral posted for its bonds to ensure that it meets the minimum requirements. As of September 30, 2024 and December 31, 2023, the Company had pledged \$2.5 million and \$2.4 million, respectively, as collateral related to its workers' compensation policy.

4. COSTS AND ESTIMATED EARNINGS ON UNCOMPLETED CONTRACTS

The Company's costs and estimated earnings on uncompleted contracts are comprised of the following:

	As of September 30, 2024	As of December 31, 2023
	(in thousands)	
Costs incurred on uncompleted contracts	\$ 58,392	\$ 98,674
Estimated earnings	25,381	64,589
Billings to date	(61,823)	(152,608)
	<u>\$ 21,950</u>	<u>\$ 10,655</u>

These amounts are included in the Consolidated Balance Sheets under the following captions:

	As of September 30, 2024	As of December 31, 2023
	(in thousands)	
Costs and estimated earnings in excess of billings on uncompleted contracts	\$ 24,742	\$ 16,252
Billings in excess of costs and estimated earnings on uncompleted contracts (included in Other current liabilities)	(2,792)	(5,597)
	<u>\$ 21,950</u>	<u>\$ 10,655</u>

At September 30, 2024 and December 31, 2023, the two largest customers comprised 91.6% and 84.6%, respectively, of the costs and estimated earnings in excess of billings on uncompleted contracts, net of billings in excess of costs and estimated earnings.

5. PREPAID EXPENSES AND OTHER CURRENT ASSETS AND OTHER ASSETS

The Company's prepaid expenses and other current assets are comprised of the following:

	As of September 30, 2024	As of December 31, 2023
	(in thousands)	
Short-term investments	\$ 16,245	\$ 1,046
Prepaid real estate taxes	5,099	3,522
Interest receivable	6,996	2,102
Prepaid insurance	3,058	1,522
Prepaid taxes	11,870	9,064
Prepaid ground rent	2,911	3,712
Other current assets	20,970	17,625
Total prepaid expenses and other current assets	<u>\$ 67,149</u>	<u>\$ 38,593</u>

The Company's other assets are comprised of the following:

	As of September 30, 2024	As of December 31, 2023
	(in thousands)	
Straight-line rent receivable	\$ 420,783	\$ 415,100
Interest rate swap asset ⁽¹⁾	44,934	104,674
Loans receivable ⁽²⁾	164,775	148,104
Deferred lease costs, net	8,690	8,713
Deferred tax asset - long term	59,652	67,473
Long-term investments	26,587	24,540
Other	47,523	43,872
Total other assets	<u>\$ 772,944</u>	<u>\$ 812,476</u>

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- (1) Refer to Note 17 for more information on the Company's interest rate swaps.
- (2) On March 17, 2023 (and as amended on August 25, 2023 and March 31, 2024), the Company entered into a loan with one of its unconsolidated joint ventures ("the Investee"). As part of the loan agreement, the Investee may borrow up to \$115.0 million in aggregate principal amount, consisting of a \$73.0 million initial term loan and \$42.0 million of delayed draw term loans. The final maturity date of the loans is January 31, 2025. The loans accrue interest at a variable rate, adjusting monthly, plus the applicable margin. The loans are collateralized by equity securities in the Investee. The funding of the loans is recorded in Other investing activities on the Consolidated Statements of Cash Flows. As of September 30, 2024, the outstanding principal balance of the loan was \$114.2 million and was accruing interest at a blended rate of 9.947%.

6. ACQUISITIONS

The following table summarizes the Company's acquisition activity:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
	(in thousands)			
Acquisitions of towers and related assets	\$ 196,659	\$ 41,060	\$ 234,853	\$ 63,411
Land buyouts and other assets ⁽¹⁾	10,728	12,054	33,556	29,440
Total cash acquisition capital expenditures	<u>\$ 207,387</u>	<u>\$ 53,114</u>	<u>\$ 268,409</u>	<u>\$ 92,851</u>

- (1) Excludes \$7.7 million and \$6.7 million spent to extend ground lease terms for the three months ended September 30, 2024 and 2023, respectively, and excludes \$17.0 million and \$15.0 million spent to extend ground lease terms for the nine months ended September 30, 2024 and 2023, respectively. The Company recorded these amounts in prepaid expenses and other current assets within the changes in operating assets and liabilities, net of acquisitions section of its Consolidated Statements of Cash Flows.

During the nine months ended September 30, 2024, the Company acquired 179 towers and related assets and liabilities consisting of \$27.9 million of property and equipment, net, \$211.1 million of intangible assets, net, \$25.3 million of operating lease right-of-use assets, net, \$4.6 million of acquisition related holdbacks, \$18.1 million of long-term lease liabilities, and \$6.8 million of other net liabilities assumed. During the nine months ended September 30, 2024, the Company concluded that for all of its tower acquisitions substantially all of the value is concentrated in a group of similar identifiable assets.

Subsequent to September 30, 2024, the Company entered into an agreement to purchase over 7,000 communication sites in Central America from Millicom International Cellular S.A. ("Millicom") for approximately \$975.0 million in cash. These sites are located in Guatemala, Honduras, Panama, El Salvador, and Nicaragua, with significantly all cash flows denominated in USD. Upon closing, Millicom will enter into country-specific Master Lease Agreements ("MLAs") to lease back space on all acquired sites for an initial term of 15 years. The MLAs will also incorporate an extension to the Company's approximately 1,500 existing site leases with Millicom for a new 15-year term. Additionally, as part of the purchase agreement, the Company and Millicom have agreed to a seven-year exclusivity right for the Company to build up to 2,500 build-to-suit sites in Central America for Millicom with new leases on any sites built having an initial lease term of 15 years. This transaction is expected to close, subject to antitrust approvals and other closing conditions, some time in 2025.

In addition to the Millicom transaction, subsequent to September 30, 2024, the Company purchased or is under contract to purchase 45 communication sites which are expected to close by the end of the first quarter of 2025 at the time of this report for an aggregate consideration of \$16.3 million in cash.

The maximum potential obligation related to contingent consideration for closed acquisitions was \$13.5 million and \$17.9 million as of September 30, 2024 and December 31, 2023, respectively. No such amounts have been recorded on the Company's Consolidated Balance Sheets.

7. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

	As of September 30, 2024	As of December 31, 2023
	(in thousands)	
Towers and related assets ⁽¹⁾	\$ 5,904,405	\$ 5,850,608
Construction-in-process ⁽²⁾	124,970	105,627
Furniture, equipment, and vehicles	81,984	76,031
Land, buildings, and improvements	957,023	927,235
Total property and equipment	7,068,382	6,959,501
Less: accumulated depreciation	(4,284,461)	(4,247,782)
Property and equipment, net	<u>\$ 2,783,921</u>	<u>\$ 2,711,719</u>

(1) Includes amounts related to the Company's data centers.

(2) Construction-in-process represents costs incurred related to towers and other assets that are under development and will be used in the Company's site leasing operations.

Depreciation expense was \$25.8 million and \$68.2 million for the three months ended September 30, 2024 and 2023, respectively, and \$89.4 million and \$206.6 million for the nine months ended September 30, 2024 and 2023, respectively. As a result of the Company's revision of the estimated useful lives of its towers, the Company experienced decreased depreciation expense for the three and nine months ended September 30, 2024 when compared to the comparable prior year period. At September 30, 2024 and December 31, 2023, unpaid capital expenditures that are included in accounts payable and accrued expenses were \$12.4 million and \$6.5 million, respectively.

8. INTANGIBLE ASSETS, NET

The following table provides the gross and net carrying amounts for each major class of intangible assets:

	As of September 30, 2024			As of December 31, 2023		
	Gross carrying amount	Accumulated amortization	Net book value	Gross carrying amount	Accumulated amortization	Net book value
	(in thousands)					
Current contract intangibles	\$ 5,293,814	\$ (3,382,530)	\$ 1,911,284	\$ 5,253,563	\$ (3,394,009)	\$ 1,859,554
Network location intangibles	1,919,993	(1,338,917)	581,076	1,926,226	(1,330,183)	596,043
Intangible assets, net	<u>\$ 7,213,807</u>	<u>\$ (4,721,447)</u>	<u>\$ 2,492,360</u>	<u>\$ 7,179,789</u>	<u>\$ (4,724,192)</u>	<u>\$ 2,455,597</u>

All intangible assets noted above are included in the Company's site leasing segment. Amortization expense relating to the intangible assets above was \$26.4 million and \$100.4 million for the three months ended September 30, 2024 and 2023, respectively and \$79.8 million and \$303.5 million for the nine months ended September 30, 2024 and 2023, respectively. As a result of the Company's revision of the estimated useful lives of its towers, the Company experienced decreased amortization expense for the three and nine months ended September 30, 2024 when compared to the comparable prior year period.

9. ACCRUED EXPENSES

The Company's accrued expenses are comprised of the following:

	As of September 30, 2024	As of December 31, 2023
	(in thousands)	
Salaries and benefits	\$ 23,989	\$ 25,630
Real estate and property taxes	9,607	7,149
Unpaid capital expenditures	12,415	6,477
Acquisition related holdbacks	11,682	16,100
Other	31,619	37,266
Total accrued expenses	<u>\$ 89,312</u>	<u>\$ 92,622</u>

10. DEBT

The principal balances, fair values, and carrying values of debt consist of the following (in thousands):

	Maturity Date	As of			As of		
		September 30, 2024			December 31, 2023		
		Principal Balance	Fair Value	Carrying Value	Principal Balance	Fair Value	Carrying Value
Revolving Credit Facility ⁽¹⁾	Jan. 25, 2029	\$ 160,000	\$ 160,000	\$ 160,000	\$ 180,000	\$ 180,000	\$ 180,000
2018 Term Loan ⁽²⁾	Apr. 11, 2025	—	—	—	2,268,000	2,273,670	2,263,343
2024 Term Loan ⁽²⁾	Jan. 25, 2031	2,288,500	2,292,802	2,265,228	—	—	—
2014-2C Tower Securities ⁽³⁾⁽⁴⁾	Oct. 8, 2024	620,000	619,442	619,957	620,000	606,540	619,145
2019-1C Tower Securities ⁽³⁾⁽⁴⁾	Jan. 12, 2025	1,165,000	1,126,240	1,164,264	1,165,000	1,115,313	1,162,348
2020-1C Tower Securities ⁽⁴⁾	Jan. 9, 2026	750,000	724,395	748,050	750,000	682,350	746,937
2020-2C Tower Securities ⁽⁴⁾	Jan. 11, 2028	600,000	515,172	597,058	600,000	520,530	596,419
2021-1C Tower Securities ⁽⁴⁾	Nov. 9, 2026	1,165,000	1,006,047	1,159,838	1,165,000	1,015,437	1,158,059
2021-2C Tower Securities ⁽⁴⁾	Apr. 9, 2027	895,000	762,030	890,457	895,000	772,125	889,152
2021-3C Tower Securities ⁽⁴⁾	Oct. 9, 2031	895,000	677,605	888,034	895,000	686,581	887,365
2022-1C Tower Securities ⁽⁴⁾	Jan. 11, 2028	850,000	876,486	842,829	850,000	850,221	841,429
2020 Senior Notes	Feb. 15, 2027	1,500,000	1,465,830	1,492,258	1,500,000	1,438,815	1,489,965
2021 Senior Notes	Feb. 1, 2029	1,500,000	1,378,125	1,491,506	1,500,000	1,338,750	1,490,153
Total debt		\$ 12,388,500	\$ 11,604,174	\$ 12,319,479	\$ 12,388,000	\$ 11,480,332	\$ 12,324,315
Less: current maturities of long-term debt				(23,000)			(643,145)
Total long-term debt, net of current maturities				\$ 12,296,479			\$ 11,681,170

- (1) On January 25, 2024, the Company amended its Revolving Credit Facility to extend the maturity date to January 25, 2029 as well as amend certain other terms and conditions under the Senior Credit Agreement. For further discussion of the amendments, refer to “Terms of the Senior Credit Agreement” below.
- (2) On January 25, 2024, the Company repaid its 2018 Term Loan and issued a new \$2.3 billion Term Loan (“2024 Term Loan”) with a maturity date of January 25, 2031. For further discussion of the amendments, refer to “Term Loan under the Senior Credit Agreement” below.
- (3) On October 11, 2024, the Company issued the 2024-1C Tower Securities and the 2024-2C Tower Securities (collectively the “2024 Tower Securities”) accruing interest at an all-in rate of 4.831% and 4.654%, respectively. Net proceeds from this offering were used to repay the aggregate principal amount of the 2014-2C Tower Securities (\$620.0 million), and the remaining proceeds will be used to repay the aggregate principal amount of the 2019-1C Tower Securities (\$1.165 billion), the 2019-1R Tower Securities (\$61.4 million), and for general corporate purposes.
- (4) The maturity date represents the anticipated repayment date for each issuance.

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The table below reflects cash and non-cash interest expense amounts recognized by debt instrument for the periods presented:

	Interest Rates as of September 30, 2024	For the three months ended September 30,				For the nine months ended September 30,			
		2024		2023		2024		2023	
		Cash Interest	Non-cash Interest	Cash Interest	Non-cash Interest	Cash Interest	Non-cash Interest	Cash Interest	Non-cash Interest
(in thousands)									
Revolving Credit Facility	5.925%	\$ 1,982	\$ —	\$ 6,219	\$ —	\$ 7,611	\$ —	\$ 24,287	\$ —
2018 Term Loan	—	—	—	15,615	6,803	3,253	1,867	44,898	23,701
2024 Term Loan ⁽¹⁾	2.760%	16,072	6,747	—	—	45,670	18,381	—	—
2014-2C Tower Securities	3.869%	6,046	—	6,046	—	18,138	—	18,138	—
2019-1C Tower Securities	2.836%	8,357	—	8,357	—	25,072	—	25,072	—
2020-1C Tower Securities	1.884%	3,598	—	3,598	—	10,793	—	10,793	—
2020-2C Tower Securities	2.328%	3,540	—	3,540	—	10,619	—	10,619	—
2021-1C Tower Securities	1.631%	4,870	—	4,870	—	14,567	—	14,567	—
2021-2C Tower Securities	1.840%	4,196	—	4,196	—	12,587	—	12,587	—
2021-3C Tower Securities	2.593%	5,873	—	5,873	—	17,619	—	17,619	—
2022-1C Tower Securities	6.599%	14,094	—	14,094	—	42,281	—	42,281	—
2020 Senior Notes	3.875%	14,531	92	14,531	92	43,594	274	43,594	274
2021 Senior Notes	3.125%	11,719	—	11,719	—	35,156	—	35,156	—
Other		833	353	664	1,003	2,672	2,193	2,224	5,680
Total		<u>\$ 95,711</u>	<u>\$ 7,192</u>	<u>\$ 99,322</u>	<u>\$ 7,898</u>	<u>\$ 289,632</u>	<u>\$ 22,715</u>	<u>\$ 301,835</u>	<u>\$ 29,655</u>

- (1) The 2024 Term Loan has a blended rate of 2.760%, which includes the impact of the interest rate swaps. Excluding the impact of the interest rate swap, the 2024 Term Loan was accruing interest at 6.850% as of September 30, 2024. Refer to Note 17 for more information on the Company's interest rate swap.

Terms of the Senior Credit Agreement

On January 25, 2024, the Company, through its wholly owned subsidiary, SBA Senior Finance II LLC ("SBA Senior Finance II"), amended and restated its Senior Credit Agreement to (1) issue a new \$2.3 billion Term Loan and retire the 2018 Term Loan, (2) increase the total commitments under its Revolving Credit Facility from \$1.5 billion to \$1.75 billion, (3) extend the maturity date of its Revolving Credit Facility to January 25, 2029, and (4) amend certain other terms and conditions under the Senior Credit Agreement.

On February 23, 2024, the Company, through its wholly owned subsidiary, SBA Senior Finance II, further increased the total commitments under the Revolving Credit Facility from \$1.75 billion to \$2.0 billion.

As of September 30, 2024, SBA Senior Finance II was in compliance with the financial covenants contained in the Senior Credit Agreement.

On October 2, 2024, the Company, through its wholly owned subsidiary, SBA Senior Finance II, amended its Senior Credit Agreement to (1) reduce the stated rate of interest of the Initial Term Loans from, at SBA Senior Finance II's election, the Base Rate plus 100 basis points or Term SOFR plus 200 basis points to, at SBA Senior Finance II's election, the Base Rate plus 75 basis points or Term SOFR plus 175 basis points, and (2) amend certain other terms and conditions under the Senior Credit Agreement.

Revolving Credit Facility under the Senior Credit Agreement

The Revolving Credit Facility consists of a revolving loan under which up to \$2.0 billion aggregate principal amount may be borrowed, repaid and redrawn, based upon specific financial ratios and subject to the satisfaction of other customary conditions to borrowing through the maturity date of January 25, 2029. Amounts borrowed under the Revolving Credit Facility accrue interest, at SBA Senior Finance II's election, at either (1) the Eurodollar Rate or Term SOFR Rate plus a margin that ranges from 112.5 basis points to 150.0 basis points or (2) the Base Rate plus a margin that ranges from 12.5 basis points to 50.0 basis points, in each case based on the ratio of Consolidated Net Debt to Annualized Borrower EBITDA, calculated in accordance with the Senior Credit Agreement. In addition, SBA Senior Finance II is required to pay a commitment fee of between 0.15% and 0.25% per annum on the amount of unused commitment. Furthermore, the Revolving Credit Facility incorporates sustainability-linked targets which will adjust the Revolving Credit Facility's applicable interest and commitment fee rates upward or downward based on how the Company performs against those targets. Borrowings under the Revolving Credit Facility may be used for general corporate purposes. SBA Senior Finance II may, from time to time, borrow from and repay the Revolving Credit Facility. Consequently, the amount

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outstanding under the Revolving Credit Facility at the end of the period may not be reflective of the total amounts outstanding during such period.

The key terms of the Revolving Credit Facility are as follows:

	Interest Rate as of September 30, 2024 ⁽¹⁾	Unused Commitment Fee as of September 30, 2024 ⁽²⁾
Revolving Credit Facility	5.925%	0.140%

(1) The rate reflected includes a 0.050% reduction in the applicable spread as a result of meeting certain sustainability-linked targets as of December 31, 2023.

(2) The rate reflected includes a 0.010% reduction in the applicable commitment fee as a result of meeting certain sustainability-linked targets as of December 31, 2023.

The table below summarizes the Company's Revolving Credit Facility activity during the three and nine months ended September 30, 2024 and 2023 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Beginning outstanding balance	\$ 120,000	\$ 450,000	\$ 180,000	\$ 720,000
Borrowings	175,000	50,000	370,000	190,000
Repayments	(135,000)	(130,000)	(390,000)	(540,000)
Ending outstanding balance	<u>\$ 160,000</u>	<u>\$ 370,000</u>	<u>\$ 160,000</u>	<u>\$ 370,000</u>

Subsequent to September 30, 2024, the Company repaid \$160.0 million under the Revolving Credit Facility, and as of the date of this filing, no amount remains outstanding.

Term Loan under the Senior Credit Agreement

2024 Term Loan

On January 25, 2024, the Company, through its wholly owned subsidiary, SBA Senior Finance II, issued a term loan under the amended and restated Senior Credit Agreement. The 2024 Term Loan consists of a senior secured term loan with an initial aggregate principal amount of \$2.3 billion that matures on January 25, 2031. The 2024 Term Loan (as amended on October 2, 2024) accrues interest, at SBA Senior Finance II's election, at either the Base Rate (with a zero Base Rate floor) plus 75 basis points or at Term SOFR (with a floor of 0%) plus 175 basis points. The 2024 Term Loan was issued at 99.75% of par value. The proceeds from the 2024 Term Loan were used to retire the 2018 Term Loan and to pay related fees and expenses. In connection with the repayment, the Company expensed \$3.3 million of net deferred financing fees and \$1.2 million of discount related to the debt.

Principal payments on the 2024 Term Loan will be made in quarterly installments on the last day of each March, June, September, and December in an amount equal to \$5.75 million. The Company incurred financing fees of approximately \$19.4 million in connection with this transaction, which are being amortized through the maturity date.

During the three and nine months ended September 30, 2024, the Company repaid an aggregate of \$5.75 million and \$11.5 million of principal on the 2024 Term Loan, respectively. As of September 30, 2024, the 2024 Term Loan had a principal balance of \$2.3 billion.

Secured Tower Revenue Securities

As of September 30, 2024, the entities that are borrowers on the mortgage loan (the "Borrowers") met the debt service coverage ratio required by the mortgage loan agreement and were in compliance with all other covenants as set forth in the agreement. The sole asset of the Trust consists of a non-recourse mortgage loan made in favor of the Borrowers.

2014-2C Tower Securities

On October 11, 2024, the Company repaid the aggregate principal amount of the 2014-2C Tower Securities (\$620.0 million) using proceeds from the issuance of the 2024 Tower Securities.

2024 Tower Securities

On October 11, 2024, the Company, through a New York common law trust (the “Trust”), issued \$1.45 billion of 4.831% Secured Tower Revenue Securities Series 2024-1C, which have an anticipated repayment date of October 9, 2029 and a final maturity date of October 8, 2054 (the “2024-1C Tower Securities”) and \$620.0 million of 5.115% Secured Tower Revenue Securities Series 2024-2C, which have an anticipated repayment date of October 8, 2027 and a final maturity date of October 8, 2054 (the “2024-2C Tower Securities”) (collectively the “2024 Tower Securities”). In anticipation of the issuance of the 2024-2C Tower Securities, the Company, through its wholly owned subsidiary, Senior Finance II, entered into a treasury lock agreement to fix the 2024-2C Tower Securities at an effective rate of 4.654%. The aggregate \$2.07 billion of 2024 Tower Securities have a blended effective interest rate of 4.778% and a weighted average life through the anticipated repayment date of 4.4 years. Refer to Note 17 for more information on the Company’s treasury lock agreement.

Net proceeds from this offering were used to repay the aggregate principal amount of the 2014-2C Tower Securities (\$620.0 million), and the remaining proceeds will be used to repay the aggregate principal amount of the 2019-1C Tower Securities (\$1.165 billion), the 2019-1R Tower Securities (\$61.4 million), and for general corporate purposes. \$1.165 billion of the proceeds are being held in escrow, by the Trust, earning interest at the U.S. federal funds rate less 10 basis points until the repayment of the 2019-1C Tower Securities. The Company has incurred deferred financing fees of \$17.6 million in connection with this transaction, which are being amortized through the anticipated repayment date of the 2024 Tower Securities.

In addition, to satisfy certain risk retention requirements of Regulation RR promulgated under the Securities Exchange Act of 1934, as amended, SBA Guarantor, an affiliate of SBA Depositor, purchased \$108.7 million of Secured Tower Revenue Securities Series 2024-1R issued by the Trust. These securities have an anticipated repayment date of October 9, 2029 and a final maturity date of October 8, 2054 (the “2024-1R Tower Securities”). The fixed interest rate on the 2024-1R Tower Securities is 6.252% per annum, payable monthly. Principal and interest payments made on the 2024-1R Tower Securities eliminate in consolidation.

11. SHAREHOLDERS’ EQUITY

Common Stock Equivalents

The Company has outstanding stock options, time-based restricted stock units (“RSUs”), and performance-based restricted stock units (“PSUs”) which were considered in the Company’s diluted earnings per share calculation (see Note 15).

Registration of Additional Shares

On February 29, 2024, the Company filed with the Securities and Exchange Commission an automatic shelf registration statement for well-known seasoned issuers on Form S-3ASR, which enables the Company to issue shares of its Class A common stock, preferred stock, debt securities, warrants, or depositary shares as well as units that include any of these securities. The Company will file a prospectus supplement containing the amount and type of securities each time it issues securities under its automatic shelf registration statement on Form S-3ASR. During the nine months ended September 30, 2024, the Company did not issue any securities under this automatic shelf registration statement.

Stock Repurchases

The Company’s Board of Directors authorizes the Company to purchase, from time to time, outstanding Class A common stock through open market repurchases in compliance with Rule 10b-18 under the Exchange Act, and/or in privately negotiated transactions at management’s discretion based on market and business conditions, applicable legal requirements, and other factors. Once authorized, the repurchase plan has no time deadline and will continue until otherwise modified or terminated by the Company’s Board of Directors at any time in its sole discretion. Shares repurchased are retired. On October 28, 2021, the Company’s Board of Directors authorized a \$1.0 billion stock repurchase plan. As of the date of this filing, the Company had \$204.7 million of authorization remaining under this plan.

The following is a summary of the Company's share repurchases:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Total number of shares purchased (in millions) ⁽¹⁾	—	0.4	0.9	0.4
Average price per share ⁽¹⁾	\$ —	\$ 197.75	\$ 213.85	\$ 197.75
Total purchase price (in millions) ⁽¹⁾	\$ —	\$ 87.3	\$ 200.0	\$ 87.3

(1) Amounts reflected are based on the trade date and may differ from the Consolidated Statements of Cash Flows which reflects share repurchases based on the settlement date.

Dividends

For the nine months ended September 30, 2024, the Company paid the following cash dividends:

Date Declared	Payable to Shareholders of Record at the Close of Business on	Cash Paid Per Share	Aggregate Amount Paid	Date Paid
February 26, 2024	March 14, 2024	\$0.98	\$108.1 million ⁽¹⁾	March 28, 2024
April 29, 2024	May 23, 2024	\$0.98	\$105.3 million	June 18, 2024
July 28, 2024	August 22, 2024	\$0.98	\$105.3 million	September 18, 2024

(1) Amount reflected includes the payment of \$1.9 million in dividend equivalents.

Dividends paid in 2024 were ordinary taxable dividends.

Subsequent to September 30, 2024, the Company declared the following cash dividends:

Date Declared	Payable to Shareholders of Record at the Close of Business on	Cash to be Paid Per Share	Date to be Paid
October 27, 2024	November 14, 2024	\$0.98	December 12, 2024

12. STOCK-BASED COMPENSATION

Stock Options

The following table summarizes the Company's activities with respect to its stock option plans for the nine months ended September 30, 2024 as follows (dollars and shares in thousands, except for per share data):

	Number of Shares	Weighted- Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2023	1,340	\$ 168.32		
Exercised	(201)	\$ 134.67		
Forfeited/canceled	(2)	\$ 197.91		
Outstanding at September 30, 2024	1,137	\$ 174.24	1.2	\$ 76,424
Exercisable at September 30, 2024	1,115	\$ 172.68	1.1	\$ 76,160
Unvested at September 30, 2024	22	\$ 252.81	8.3	\$ 264

The total intrinsic value for options exercised during the nine months ended September 30, 2024 was \$16.6 million.

Restricted Stock Units and Performance-Based Restricted Stock Units

The following table summarizes the Company’s RSU and PSU activity for the nine months ended September 30, 2024:

	RSUs		PSUs ⁽¹⁾	
	Number of Shares (in thousands)	Weighted-Average Grant Date Fair Value per Share	Number of Shares (in thousands)	Weighted-Average Grant Date Fair Value per Share
Outstanding at December 31, 2023	267	\$ 269.08	368	\$ 298.46
Granted	271	\$ 216.26	59	\$ 291.51
PSU adjustment ⁽²⁾	—	\$ —	11	\$ 236.63
Vested	(117)	\$ 271.06	(155)	\$ 236.32
Forfeited/canceled	(17)	\$ 240.54	(5)	\$ 361.20
Outstanding at September 30, 2024	<u>404</u>	\$ 234.15	<u>278</u>	\$ 313.75

- (1) PSUs represent the target number of shares granted that are issuable at the end of the three year performance period. Fair value for a portion of the PSUs was calculated using a Monte Carlo simulation model.
- (2) PSU adjustment represents the net PSUs awarded above or below their target grants resulting from the achievement of performance targets established at the grant date.

13. INCOME TAXES

The primary reason for the difference between the Company’s effective tax rate and the U.S. statutory rate is the Company’s REIT election. A tax provision is recognized because U.S. taxable REIT subsidiary and certain foreign subsidiaries of the Company have profitable operations or are in a net deferred tax liability position.

The Company elected to be taxed as a REIT commencing with its taxable year ended December 31, 2016. As a REIT, the Company generally will be entitled to a deduction for dividends that it pays, and therefore, not subject to U.S. federal corporate income tax on that portion of its net income that it distributes to its shareholders. As a REIT, the Company will continue to pay U.S. federal income tax on earnings, if any, from assets and operations held through its U.S. taxable REIT subsidiary. These assets and operations currently consist primarily of the Company’s site development services and its international operations. The Company’s international operations continue to be subject, as applicable, to foreign taxes in the jurisdictions in which those operations are located. The Company may also be subject to a variety of taxes, including payroll taxes and state, local, and foreign income, property, and other taxes on its assets and operations. The Company’s determination as to the timing and amount of future dividend distributions will be based on a number of factors, including REIT distribution requirements, its existing federal net operating losses (“NOLs”) of approximately \$382.3 million as of December 31, 2023, the Company’s financial condition, earnings, debt covenants, and other possible uses of such funds. The Company may use these NOLs to offset its REIT taxable income, and thus any required distributions to shareholders may be reduced or eliminated until such time as the NOLs have been fully utilized.

The Company is subject to income tax and other taxes in the geographic areas where it holds assets or operates, and the Company periodically receives notifications of audits, assessments, or other actions by taxing authorities. In certain jurisdictions, taxing authorities may issue notices and assessments that may not be reflective of the actual tax liability for which the Company will ultimately be liable. In the process of responding to assessments of taxes that the Company believes are not reflective of the Company’s actual tax liability, the Company avails itself of both administrative and judicial remedies. The Company evaluates the circumstances of each notification or assessment based on the information available and, in those instances in which the Company does not anticipate a successful defense of positions taken in its tax filings, a liability is recorded in the appropriate amount based on the underlying assessment.

In connection with a current assessment in Brazil, the taxing authorities have issued income tax deficiencies related to purchase accounting adjustments for tax years 2017 through 2019. The Company disagrees with the assessment and has filed an appeal with the higher appellate taxing authorities. The Company estimates that there is a more likely than not probability that the Company’s position will be sustained upon appeal. Accordingly, no liability has been recorded. The Company will continue to vigorously contest the adjustments and expects to exhaust all administrative and judicial remedies necessary to resolve the matters, which could be a lengthy process. There can be no assurance that these matters will be resolved in the Company’s favor, and an adverse outcome, or any future tax examinations involving similar assertions, could have a material effect on the Company’s results of operations or cash flows in any one period. As of September 30, 2024, the Company estimates the aggregate range of reasonably possible losses in excess of amounts accrued to be between zero and \$68.9 million. This range excludes penalties and interest, which as of such date would have been \$86.8 million.

14. SEGMENT DATA

The Company operates principally in two business segments: site leasing and site development. The Company's site leasing business includes two reportable segments, domestic site leasing and international site leasing. The Company's business segments are strategic business units that offer different services. They are managed separately based on the fundamental differences in their operations. The site leasing segment includes results of the managed and sublease businesses. The site development segment includes the results of both consulting and construction related activities. The Company's CODM utilizes segment operating profit and operating income as his two measures of segment profit in assessing performance and allocating resources at the reportable segment level. The Company has applied the aggregation criteria to operations within the international site leasing segment on a basis that is consistent with management's review of information and performance evaluations of the individual markets in this region.

Revenues, cost of revenues (exclusive of depreciation, accretion and amortization), capital expenditures (including assets acquired through the issuance of shares of the Company's Class A common stock) and identifiable assets pertaining to the segments in which the Company continues to operate are presented below.

	<u>Domestic Site Leasing</u>	<u>Int'l Site Leasing</u>	<u>Site Development</u>	<u>Other</u>	<u>Total</u>
For the three months ended September 30, 2024					
	(in thousands)				
Revenues ⁽¹⁾	\$ 464,860	\$ 160,837	\$ 41,898	\$ —	\$ 667,595
Cost of revenues ⁽²⁾	68,908	49,040	32,391	—	150,339
Operating profit	395,952	111,797	9,507	—	517,256
Selling, general, and administrative expenses	32,114	15,258	2,849	9,866	60,087
Acquisition and new business initiatives related adjustments and expenses	3,496	1,892	—	—	5,388
Asset impairment and decommission costs	1,337	10,989	—	344	12,670
Depreciation, amortization and accretion	34,636	26,098	895	1,886	63,515
Operating income (loss)	324,369	57,560	5,763	(12,096)	375,596
Other expense, net (principally interest expense and other income)				(77,389)	(77,389)
Income before income taxes					298,207
Cash capital expenditures ⁽³⁾	234,962	36,317	428	590	272,297
For the three months ended September 30, 2023					
Revenues ⁽¹⁾	\$ 468,371	\$ 169,069	\$ 45,104	\$ —	\$ 682,544
Cost of revenues ⁽²⁾	66,768	51,509	31,493	—	149,770
Operating profit	401,603	117,560	13,611	—	532,774
Selling, general, and administrative expenses	30,759	15,925	4,993	13,144	64,821
Acquisition and new business initiatives related adjustments and expenses	2,369	3,243	—	—	5,612
Asset impairment and decommission costs	25,560	7,503	—	—	33,063
Depreciation, amortization and accretion	114,849	63,218	915	1,692	180,674
Operating income (loss)	228,066	27,671	7,703	(14,836)	248,604
Other expense, net (principally interest expense and other income)				(155,381)	(155,381)
Income before income taxes					93,223
Cash capital expenditures ⁽³⁾	81,886	31,583	1,280	681	115,430

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	Domestic Site Leasing	Int'l Site Leasing	Site Development	Other	Total
For the nine months ended September 30, 2024					
(in thousands)					
Revenues ⁽¹⁾	\$ 1,389,563	\$ 490,867	\$ 105,504	\$ —	\$ 1,985,934
Cost of revenues ⁽²⁾	200,368	146,525	82,705	—	429,598
Operating profit	1,189,195	344,342	22,799	—	1,556,336
Selling, general, and administrative expenses	100,070	46,741	10,219	34,131	191,161
Acquisition and new business initiatives related adjustments and expenses	11,883	7,496	—	—	19,379
Asset impairment and decommission costs	45,075	42,086	—	767	87,928
Depreciation, amortization and accretion	108,851	87,384	2,767	5,442	204,444
Operating income (loss)	923,316	160,635	9,813	(40,340)	1,053,424
Other expense, net (principally interest expense and other income)				(436,632)	(436,632)
Income before income taxes					616,792
Cash capital expenditures ⁽³⁾	324,586	113,606	610	2,361	441,163
For the nine months ended September 30, 2023					
Revenues ⁽¹⁾	\$ 1,379,959	\$ 500,892	\$ 155,709	\$ —	\$ 2,036,560
Cost of revenues ⁽²⁾	200,952	152,459	114,914	—	468,325
Operating profit	1,179,007	348,433	40,795	—	1,568,235
Selling, general, and administrative expenses	90,946	51,068	15,541	42,857	200,412
Acquisition and new business initiatives related adjustments and expenses	8,174	8,448	—	—	16,622
Asset impairment and decommission costs	75,460	14,633	—	2,227	92,320
Depreciation, amortization and accretion	351,689	185,522	2,767	4,931	544,909
Operating income (loss)	652,738	88,762	22,487	(50,015)	713,972
Other expense, net (principally interest expense and other income)				(303,893)	(303,893)
Income before income taxes					410,079
Cash capital expenditures ⁽³⁾	177,464	86,695	2,350	2,272	268,781
	Domestic Site Leasing	Int'l Site Leasing	Site Development	Other ⁽⁴⁾	Total
Assets					
(in thousands)					
As of September 30, 2024	\$ 6,173,557	\$ 3,641,169	\$ 55,076	\$ 331,861	\$ 10,201,663
As of December 31, 2023	\$ 5,876,648	\$ 3,871,164	\$ 66,001	\$ 364,628	\$ 10,178,441

(1) For the three months ended September 30, 2024 and 2023, site leasing revenue in Brazil was \$89.3 million and \$100.0 million, respectively. For the nine months ended September 30, 2024 and 2023, site leasing revenue in Brazil was \$279.9 million and \$293.6 million, respectively. Other than Brazil, no foreign country represented more than 5% of the Company's total site leasing revenue in any of the periods presented.

(2) Excludes depreciation, amortization, and accretion.

(3) Includes cash paid for capital expenditures, acquisitions, and right-of-use assets.

(4) Assets in Other consist primarily of general corporate assets and short-term investments.

Total domestic long-lived assets were \$5.7 billion and \$5.4 billion as of September 30, 2024 and December 31, 2023, respectively. Total international long-lived assets were \$3.3 billion and \$3.4 billion as of September 30, 2024 and December 31, 2023. Total long-lived assets in Brazil were \$1.9 billion and \$2.1 billion as of September 30, 2024 and December 31, 2023, respectively. Long-lived assets include property and equipment, net, intangible assets, net, operating lease right-of-use assets, net, and acquired and other right-of-use assets, net. Other than Brazil, no foreign country represented more than 5% of the Company's total long-lived assets in any of the periods presented.

15. EARNINGS PER SHARE

Basic earnings per share was computed by dividing net income attributable to SBA Communications Corporation by the weighted-average number of shares of Class A common stock outstanding for each respective period. Diluted earnings per share was calculated by dividing net income attributable to SBA Communications Corporation by the weighted-average number of shares of

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Class A common stock outstanding adjusted for any dilutive Class A common stock equivalents, including unvested RSUs, PSUs, and shares issuable upon exercise of stock options as determined under the “Treasury Stock” method.

The following table sets forth basic and diluted net income per common share attributable to common shareholders for the three and nine months ended September 30, 2024 and 2023 (in thousands, except per share data):

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Numerator:				
Net income attributable to SBA Communications Corporation	\$ 258,534	\$ 87,419	\$ 575,906	\$ 392,284
Denominator:				
Basic weighted-average shares outstanding	107,486	108,373	107,683	108,288
Dilutive impact of stock options, RSUs, and PSUs	436	518	389	729
Diluted weighted-average shares outstanding	<u>107,922</u>	<u>108,891</u>	<u>108,072</u>	<u>109,017</u>
Net income per common share attributable to SBA Communications Corporation:				
Basic	\$ 2.41	\$ 0.81	\$ 5.35	\$ 3.62
Diluted	\$ 2.40	\$ 0.80	\$ 5.33	\$ 3.60

For the three and nine months ended September 30, 2024 and 2023, the diluted weighted-average number of common shares outstanding excluded an immaterial number of shares issuable upon exercise of the Company’s stock options because the impact would be anti-dilutive.

16. REDEEMABLE NONCONTROLLING INTERESTS

The Company allocates income and losses to its redeemable noncontrolling interest holders based on the applicable membership interest percentage. At each reporting period, the redeemable noncontrolling interest is recognized at the greater of (1) the initial carrying amount of the noncontrolling interest as adjusted for accumulated income or loss attributable to the noncontrolling interest holder or (2) the redemption value as of the balance sheet date. Adjustments to the carrying amount of redeemable noncontrolling interest are charged against retained earnings (or additional paid-in capital if there are no retained earnings). The fair value of the redeemable noncontrolling interest is estimated using Level 3 inputs.

The components of redeemable noncontrolling interests as of September 30, 2024 and December 31, 2023 are as follows (in thousands):

	September 30, 2024	December 31, 2023
Beginning balance	\$ 35,047	\$ 31,735
Net loss attributable to noncontrolling interests	(6,020)	(4,397)
Foreign currency translation adjustments	(662)	(899)
Contribution from joint venture partner	1,530	1,200
Adjustment to redemption amount	19,197	7,408
Ending balance	<u>\$ 49,092</u>	<u>\$ 35,047</u>

17. DERIVATIVES AND HEDGING ACTIVITIES

The Company enters into interest rate swaps to hedge the future interest expense from variable rate debt and reduce the Company’s exposure to fluctuations in interest rates. As of September 30, 2024, the Company has an interest rate swap agreement on its 2024 Term Loan (as amended on October 2, 2024) which swaps \$1.95 billion of notional value accruing interest at one month Term SOFR plus 175 basis points for an all-in fixed rate of 1.800% per annum through March 31, 2025.

On November 3, 2023, the Company entered into a forward-starting interest rate swap agreement which will swap \$1.0 billion of notional value accruing interest at one month Term SOFR plus 175 basis points for an all-in fixed rate of 5.580% per annum. On September 6, 2024, the Company, through its wholly owned subsidiary, SBA Senior Finance II, entered into an additional forward-starting interest rate swap agreement to swap \$1.0 billion of notional value accruing interest at one month Term SOFR plus 175 basis points for an all-in fixed rate of 4.750% per annum (collectively the “forward-starting swaps”). The

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forward-starting swaps have an effective start date of March 31, 2025 (coinciding with the expiration date of the current 0.050%, \$1.95 billion notional value swap) and a maturity date of April 11, 2028. The combined notional value of both forward-starting swaps of \$2.0 billion will effectively fix one month term SOFR for a blended all-in fixed rate of 5.165% per annum through April 11, 2028.

On September 11, 2024, the Company entered into a treasury lock agreement to fix the three-year treasury rate at 3.3985% for \$620.0 million of notional value related to the 2024-2C Tower Securities issued on October 11, 2024. The treasury lock agreement was terminated and settled upon issuance of the 2024-2C Tower Securities, and the Company recognized an \$8.2 million gain in other comprehensive income which is being amortized to interest expense over the life of the 2024-2C Tower Securities. After consideration of the treasury lock agreement, the all-in fixed rate on the 2024-2C Tower Securities is 4.654% per annum.

As of September 30, 2024, the hedges remain highly effective; therefore, changes in fair value are recorded in Accumulated other comprehensive loss, net. The table below outlines the effects of the Company's interest rate swaps on the Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023.

	Balance Sheet Location	Fair Value as of	
		September 30, 2024	December 31, 2023
(in thousands)			
Derivatives Designated as Hedging Instruments			
Interest rate swap agreements in a fair value asset position	Other assets	\$ 44,934	\$ 104,674
Interest rate swap agreement in a fair value liability position	Other long-term liabilities	\$ 21,975	\$ 19,573

Accumulated other comprehensive loss, net includes an aggregate \$9.1 million gain and a \$51.5 million gain as of September 30, 2024 and December 31, 2023, respectively.

The Company is exposed to counterparty credit risk to the extent that a counterparty fails to meet the terms of a contract. The Company's exposure is limited to the current value of the contract at the time the counterparty fails to perform.

The cash flows associated with these activities are reported in Net cash provided by operating activities on the Consolidated Statements of Cash Flows.

The table below outlines the effects of the Company's derivatives on the Consolidated Statements of Operations and Consolidated Statements of Shareholders' Deficit for the three and nine months ended September 30, 2024 and 2023.

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
(in thousands)				
Cash Flow Hedge - Interest Rate Swap Agreement				
Change in fair value recorded in Accumulated other comprehensive loss, net	\$ (51,613)	\$ (16,068)	\$ (62,141)	\$ (39,608)
Derivatives Not Designated as Hedges - Interest Rate Swap Agreements				
Amount reclassified from Accumulated other comprehensive loss, net into Non-cash interest expense	\$ 6,579	\$ 6,579	\$ 19,737	\$ 23,047

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

We are a leading independent owner and operator of wireless communications infrastructure, including tower structures, rooftops, and other structures that support antennas used for wireless communications, which we collectively refer to as "towers" or "sites." Our principal operations are in the United States and its territories. In addition, we own and operate towers in South America, Central America, Canada, South Africa, the Philippines, and Tanzania. Our primary business line is our site leasing business, which contributed 98.5% of our total segment operating profit for the nine months ended September 30, 2024. In our site leasing business, we (1) lease space to wireless service providers and other customers on assets that we own or operate and (2) manage rooftop and tower sites for property owners under various contractual arrangements. As of September 30, 2024, we owned 39,762 towers, a

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substantial portion of which have been built by us or built by other tower owners or operators who, like us, have built such towers to lease space to multiple wireless service providers. Our other business line is our site development business, through which we assist wireless service providers in developing and maintaining their own wireless service networks.

Site Leasing

Our primary focus is the leasing of antenna space on our multi-tenant towers to a variety of wireless service providers under long-term lease contracts in the United States, South America, Central America, Canada, South Africa, the Philippines, and Tanzania. As of September 30, 2024, no U.S. state or territory accounted for more than 10% of our total tower portfolio by tower count, and no U.S. state or territory accounted for more than 10% of our total revenues for the nine months ended September 30, 2024. In addition, as of September 30, 2024, approximately 30% of our total towers are located in Brazil and no other international market (each country is considered a market) represented more than 5% of our total towers.

We derive site leasing revenues primarily from wireless service provider tenants. Wireless service providers enter into (1) individual tenant site leases with us, each of which relates to the lease or use of space at an individual site or (2) master lease agreements (“MLA”) with us, which provide for the material terms and conditions that will apply to multiple sites; although, in most cases, each individual site under a MLA is also governed by its own site leasing agreement which sets forth pricing and other site specific terms. Our tenant leases are generally for an initial term of five years to fifteen years with multiple renewal periods at the option of the tenant. Our tenant leases typically either (1) contain specific annual rent escalators, (2) escalate annually in accordance with an inflationary index, or (3) escalate using a combination of fixed and inflation adjusted escalators. In addition, our international site leases may include pass-through charges, such as rent related to ground leases and other property interests, utilities, property taxes, and fuel.

Cost of site leasing revenue primarily consists of:

- Cash and non-cash rental expense on ground leases, right-of-use, and other underlying property interests;
- Property taxes;
- Site maintenance and monitoring costs (exclusive of employee related costs);
- Utilities;
- Property insurance;
- Fuel (in those international markets that do not have an available electric grid at our tower sites); and
- Lease initial direct cost amortization.

Ground leases and other property interests are generally for an initial term of five years or more with multiple renewal periods, which are at our option. Our ground leases either (1) contain specific annual rent escalators or (2) escalate annually in accordance with an inflationary index. As of September 30, 2024, approximately 71% of our tower structures were located on parcels of land that we own, land subject to perpetual easements, or parcels of land in which we have a leasehold interest that extends beyond 20 years. For any given tower, costs are relatively fixed over a monthly or an annual time period. As such, operating costs for owned towers do not generally increase as a result of adding additional customers to the tower. The amount of property taxes varies from site to site depending on the taxing jurisdiction and the height and age of the tower. The ongoing maintenance requirements are typically minimal and include replacing lighting systems, painting a tower, or upgrading or repairing an access road or fencing.

In Ecuador, El Salvador, Guatemala, Nicaragua, and Panama, significantly all of our revenue, expenses, and capital expenditures arising from our activities are denominated in U.S. dollars. Specifically, most of our ground leases and other property interests, tenant leases, and tower-related expenses are paid in U.S. dollars. In our Central American markets, our local currency obligations are principally limited to (1) permitting and other local fees, (2) utilities, and (3) taxes. In Brazil, Canada, Chile, South Africa, and the Philippines, significantly all of our revenue, expenses, and capital expenditures, including tenant leases, ground leases and other property interests, and other tower-related expenses are denominated in local currency. In Colombia, Costa Rica, Peru, and Tanzania, our revenue, expenses, and capital expenditures, including tenant leases, ground leases and other property interests, and other tower-related expenses are denominated in a mix of local currency and U.S. dollars.

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As indicated in the table below, our site leasing business generates substantially all of our total segment operating profit. For information regarding our operating segments, see Note 14 to our Consolidated Financial Statements included in this quarterly report.

<u>Segment operating profit as a percentage of</u>	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>total operating profit</u>				
Domestic site leasing	76.5%	75.4%	76.4%	75.1%
International site leasing	21.7%	22.0%	22.1%	22.3%
Total site leasing	98.2%	97.4%	98.5%	97.4%

We believe that the site leasing business continues to be attractive due to its long-term contracts, built-in rent escalators, high operating margins, and low customer churn (which refers to a lease that is non-renewed, cancelled, or discounted prior to the end of its term) other than in connection with customer consolidation or cessations of specific technology. We believe that over the long-term, site leasing revenues will continue to grow as wireless service providers lease additional antenna space on our towers due to increasing minutes of network use and data transfer, network expansion, and network coverage requirements.

During the remainder of 2024, we expect organic site leasing revenue in both our domestic and international segments to increase over 2023 levels, on a currency neutral basis, due in part to wireless carriers deploying unused spectrum. We believe our site leasing business is characterized by stable and long-term recurring revenues, predictable operating costs, and minimal non-discretionary capital expenditures. Due to the relatively young age and mix of our tower portfolio, we expect future expenditures required to maintain these towers to be minimal. Consequently, we expect to grow our cash flows by (1) adding tenants to our towers at minimal incremental costs by using existing tower capacity or requiring wireless service providers to bear all or a portion of the cost of tower modifications and (2) executing monetary amendments as wireless service providers add or upgrade their equipment. Furthermore, because our towers are strategically positioned, we have historically experienced low tenant lease terminations as a percentage of revenue other than in connection with customer consolidation or cessations of a specific technology.

Site Development

Our site development business, which is conducted in the United States only, is complementary to our site leasing business and provides us the ability to keep in close contact with the wireless service providers who generate substantially all of our site leasing revenue and to capture ancillary revenues that are generated by our site leasing activities, such as antenna and equipment installation at our tower locations. Site development revenues are earned primarily from providing a full range of end-to-end services to wireless service providers or companies providing development or project management services to wireless service providers. Our services include: (1) network pre-design; (2) site audits; (3) identification of potential locations for towers and antennas on existing infrastructure; (4) support in leasing of the location; (5) assistance in obtaining zoning approvals and permits; (6) tower and related site construction; (7) antenna installation; and (8) radio equipment installation, commissioning, and maintenance. We provide site development services at our towers and at towers owned by others on a local basis, through regional, market, and project offices. The market offices are responsible for all site development operations.

For information regarding our operating segments, see Note 14 to our Consolidated Financial Statements in this quarterly report.

Capital Allocation Strategy

Our capital allocation strategy is aimed at increasing shareholder value through investment in quality assets that meet our return criteria, stock repurchases when we believe our stock price is below its intrinsic value, and by returning cash generated by our operations in the form of cash dividends. In addition, in a high interest rate environment and when we believe interest rates may stay higher for longer, we believe that debt repayments, especially of our variable rate debt, may be an accretive use of our excess capital. While the addition of cash dividends and debt repayments have provided us with additional tools to return value to our shareholders, we continue to believe that our priority is to make investments focused on increasing Adjusted Funds From Operations per share. Key elements of our capital allocation strategy include:

Portfolio Growth. We intend to continue to grow our asset portfolio, domestically and internationally, primarily through tower acquisitions and the construction of new towers that meet our internal return on invested capital criteria.

Stock Repurchase Program. We currently utilize stock repurchases as part of our capital allocation policy when we believe our share price is below its intrinsic value. We believe that share repurchases, when purchased at the right price, will facilitate our goal of increasing our Adjusted Funds From Operations per share.

Dividend. Cash dividends are an additional component of our strategy of returning value to shareholders. We do not expect our dividend to require any changes in our leverage and believe that, due to our low dividend payout ratio, we can continue to focus on building and buying quality assets and opportunistically buying back our stock. While the timing and amount of future dividends will be subject to approval by our Board of Directors, we believe that our future cash flow generation will permit us to grow our cash dividend in the future.

Critical Accounting Policies and Estimates

We have identified the policies and significant estimation processes listed below and in our Annual Report on Form 10-K as critical to our business operations and the understanding of our results of operations. The listing is not intended to be a comprehensive list. In many cases, the accounting treatment of a particular transaction is specifically dictated by accounting principles generally accepted in the United States, with no need for management's judgment in their application. In other cases, management is required to exercise judgment in the application of accounting principles with respect to particular transactions. The impact and any associated risks related to these policies on our business operations is discussed throughout "Management's Discussion and Analysis of Financial Condition and Results of Operations" where such policies affect reported and expected financial results. For a detailed discussion on the application of these and other accounting policies, see Note 2 to our Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2023. Our preparation of our financial statements requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of revenue and expenses during the reporting periods. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. There can be no assurance that actual results will not differ from those estimates and such differences could be significant.

During the first quarter of 2024, we completed our assessment on the remaining estimated useful lives of our towers and intangible assets. We concluded through our assessment that, for U.S. GAAP purposes, we should modify our current estimates for asset lives based on our historical operating experience and the findings obtained by our independent consultant. We previously depreciated our towers on a straight-line basis over the shorter of the (i) term of the underlying ground lease (including renewal options) taking into account residual value or (ii) estimated useful life of a tower, which we had historically estimated to be 15 years. Based on our assessment, we revised the estimated useful lives of our towers and certain related intangible assets (which are amortized on a similar basis to our tower assets, as their useful lives correlate to the useful life of the towers) from 15 years to 30 years, effective January 1, 2024. We accounted for the change in estimated useful lives as a change in estimate under ASC 250 "Accounting Changes and Error Corrections." The impact of the change in estimate was accounted for prospectively effective January 1, 2024, resulting in a reduction in depreciation and amortization expense of approximately \$103.0 million (\$93.3 million after tax, or an increase of \$0.86 per diluted share) and \$308.5 million (\$279.2 million after tax, or an increase of \$2.58 per diluted share) for the three and nine months ended September 30, 2024, respectively. This change in useful lives is expected to reduce depreciation and amortization expense by approximately \$411.5 million (\$372.5 million after tax, or an increase of \$3.45 per diluted share) for the year ended December 31, 2024.

RESULTS OF OPERATIONS

This report presents our financial results and other financial metrics on a GAAP basis and, with respect to our international and consolidated results, after eliminating the impact of changes in foreign currency exchange rates. We believe that providing these financial results and metrics on a constant currency basis, which are non-GAAP measures, gives management and investors the ability to evaluate the performance of our business without the impact of foreign currency exchange rate fluctuations. We eliminate the impact of changes in foreign currency exchange rates by dividing the current period's financial results by the average monthly exchange rates of the prior year period, as well as by eliminating the impact of realized and unrealized gains and losses on our intercompany loans.

Three Months Ended September 30, 2024 Compared to Three Months Ended September 30, 2023
Revenues and Segment Operating Profit:

	For the three months ended		Foreign	Constant	Constant
	September 30,				
	2024	2023			
Revenues					
	(in thousands)				
Domestic site leasing	\$ 464,860	\$ 468,371	\$ —	\$ (3,511)	(0.7%)
International site leasing	160,837	169,069	(13,370)	5,138	3.0%
Site development	41,898	45,104	—	(3,206)	(7.1%)
Total	<u>\$ 667,595</u>	<u>\$ 682,544</u>	<u>\$ (13,370)</u>	<u>\$ (1,579)</u>	(0.2%)
Cost of Revenues					
Domestic site leasing	\$ 68,908	\$ 66,768	\$ —	\$ 2,140	3.2%
International site leasing	49,040	51,509	(4,096)	1,627	3.2%
Site development	32,391	31,493	—	898	2.9%
Total	<u>\$ 150,339</u>	<u>\$ 149,770</u>	<u>\$ (4,096)</u>	<u>\$ 4,665</u>	3.1%
Operating Profit					
Domestic site leasing	\$ 395,952	\$ 401,603	\$ —	\$ (5,651)	(1.4%)
International site leasing	111,797	117,560	(9,274)	3,511	3.0%
Site development	9,507	13,611	—	(4,104)	(30.2%)

Revenues

Domestic site leasing revenues decreased \$3.5 million for the three months ended September 30, 2024, as compared to the prior year, primarily due to Sprint lease non-renewals and one-time revenue benefits recognized during the three months ended September 30, 2023, partially offset by (1) organic site leasing growth, primarily from monetary lease amendments and additional equipment added to our towers as well as new leases and contractual rent escalators and (2) revenues from 116 towers acquired and 26 towers built since July 1, 2023.

International site leasing revenues decreased \$8.2 million for the three months ended September 30, 2024, as compared to the prior year. On a constant currency basis, international site leasing revenues increased \$5.1 million. These changes were primarily due to (1) organic site leasing growth from new leases, amendments, and contractual escalators and (2) revenues from 131 towers acquired and 521 towers built since July 1, 2023, partially offset by lease non-renewals. Site leasing revenue in Brazil represented 14.3% of total site leasing revenue for the period. No other individual international market represented more than 5% of our total site leasing revenue.

Site development revenues decreased \$3.2 million for the three months ended September 30, 2024, as compared to the prior year, as a result of decreased carrier activity.

Operating Profit

Domestic site leasing segment operating profit decreased \$5.7 million for the three months ended September 30, 2024, as compared to the prior year, primarily due to lower domestic site leasing revenue as noted above as well as incremental costs associated with towers acquired and built since July 1, 2023.

International site leasing segment operating profit decreased \$5.8 million for the three months ended September 30, 2024, as compared to the prior year. On a constant currency basis, international site leasing segment operating profit increased \$3.5 million. These changes were primarily due to higher international site leasing revenues as noted above, partially offset by the incremental costs associated with towers acquired and built since July 1, 2023.

Site development segment operating profit decreased \$4.1 million for the three months ended September 30, 2024, as compared to the prior year, as a result of decreased carrier activity.

Selling, General, and Administrative Expenses:

	For the three months ended		Foreign	Constant	Constant
	September 30,				
	2024	2023			% Change
	(in thousands)				
Domestic site leasing	\$ 32,114	\$ 30,759	\$ —	\$ 1,355	4.4%
International site leasing	15,258	15,925	(886)	219	1.4%
Total site leasing	\$ 47,372	\$ 46,684	\$ (886)	\$ 1,574	3.4%
Site development	2,849	4,993	—	(2,144)	(42.9%)
Other	9,866	13,144	—	(3,278)	(24.9%)
Total	\$ 60,087	\$ 64,821	\$ (886)	\$ (3,848)	(5.9%)

Selling, general, and administrative expenses decreased \$4.7 million for the three months ended September 30, 2024, as compared to the prior year. On a constant currency basis, selling, general, and administrative expenses decreased \$3.8 million. These changes were driven primarily by a decrease in non-cash compensation expense, partially offset by an increase in personnel and other support related costs.

Asset Impairment and Decommission Costs:

	For the three months ended		Foreign	Constant	Constant
	September 30,				
	2024	2023			% Change
	(in thousands)				
Domestic site leasing	\$ 1,337	\$ 25,560	\$ —	\$ (24,223)	(94.8%)
International site leasing	10,989	7,503	(945)	4,431	59.1%
Total site leasing	\$ 12,326	\$ 33,063	\$ (945)	\$ (19,792)	(59.9%)
Other	344	—	—	344	—%
Total	\$ 12,670	\$ 33,063	\$ (945)	\$ (19,448)	(58.8%)

Domestic asset impairment and decommission costs decreased \$24.2 million for the three months ended September 30, 2024, as compared to the prior year. This change was primarily as a result of decreased impairment charges resulting from our regular analysis of whether the future cash flows from certain towers are adequate to recover the carrying value of the investment in those towers and a decrease in tower and equipment related decommission costs.

International asset impairment and decommission costs increased \$3.5 for the three months ended September 30, 2024, as compared to the prior year. On a constant currency basis, asset impairment and decommission costs increased \$4.4 million. These changes were primarily as a result of an increase in tower decommission costs, partially offset by a decrease in impairment charges resulting from our regular analysis of whether the future cash flows from certain towers are adequate to recover the carrying value of the investment in those towers.

Depreciation, Accretion, and Amortization Expense:

	For the three months ended		Foreign	Constant	Constant
	September 30,				
	2024	2023			% Change
	(in thousands)				
Domestic site leasing	\$ 34,636	\$ 114,849	\$ —	\$ (80,213)	(69.8%)
International site leasing	26,098	63,218	(2,295)	(34,825)	(55.1%)
Total site leasing	\$ 60,734	\$ 178,067	\$ (2,295)	\$ (115,038)	(64.6%)
Site development	895	915	—	(20)	(2.2%)
Other	1,886	1,692	—	194	11.5%
Total	\$ 63,515	\$ 180,674	\$ (2,295)	\$ (114,864)	(63.6%)

Depreciation, accretion, and amortization expense decreased \$117.2 million for the three months ended September 30, 2024, as compared to the prior year. On a constant currency basis, depreciation, accretion, and amortization expense decreased \$114.9 million. These changes were primarily due to the change in estimated useful lives of our towers and certain related intangible assets from our historical estimate of 15 years to a revised estimate of 30 years (effective January 1, 2024) and the impact of assets that

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became fully depreciated since the prior year period, partially offset by an increase in the number of towers we acquired and built since July 1, 2023.

Operating Income (Expense):

	For the three months ended		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	September 30,				
	2024	2023			
	(in thousands)				
Domestic site leasing	\$ 324,369	\$ 228,066	\$ —	\$ 96,303	42.2%
International site leasing	57,560	27,671	(5,005)	34,894	126.1%
Total site leasing	\$ 381,929	\$ 255,737	\$ (5,005)	\$ 131,197	51.3%
Site development	5,763	7,703	—	(1,940)	(25.2%)
Other	(12,096)	(14,836)	—	2,740	(18.5%)
Total	\$ 375,596	\$ 248,604	\$ (5,005)	\$ 131,997	53.1%

Domestic site leasing operating income increased \$96.3 million for the three months ended September 30, 2024, as compared to the prior year, primarily due to decreases in depreciation, accretion, and amortization expense and asset impairment and decommission costs, partially offset by lower segment operating profit and an increase in selling, general, and administrative expenses.

International site leasing operating income increased \$29.9 million for the three months ended September 30, 2024, as compared to the prior year. On a constant currency basis, international site leasing operating income increased \$34.9 million. These changes were primarily due to decreases in depreciation, accretion, and amortization expense and higher segment operating profit, partially offset by an increase in asset impairment and decommission costs.

Site development operating income decreased \$1.9 million for the three months ended September 30, 2024, as compared to the prior year, primarily due to lower segment operating profit driven by less carrier activity, partially offset by a decrease in selling, general, and administrative expenses.

Other operating expense decreased \$2.7 million for the three months ended September 30, 2024, as compared to the prior year, primarily due to decreases in selling, general, and administrative expenses, partially offset by an increase in asset impairment and decommission costs.

Other Income (Expense):

	For the three months ended		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	September 30,				
	2024	2023			
	(in thousands)				
Interest income	\$ 6,999	\$ 5,266	\$ (262)	\$ 1,995	37.9%
Interest expense	(95,711)	(99,322)	74	3,537	(3.6%)
Non-cash interest expense	(7,192)	(7,898)	—	706	(8.9%)
Amortization of deferred financing fees	(5,185)	(5,097)	—	(88)	1.7%
Other income (expense), net	23,700	(48,330)	72,114	(84)	5.4%
Total	\$ (77,389)	\$ (155,381)	\$ 71,926	\$ 6,066	(5.6%)

Interest income increased \$1.7 million for the three months ended September 30, 2024, as compared to the prior year. On a constant currency basis, interest income increased \$2.0 million. These changes were primarily due to interest received on a loan to an unconsolidated joint venture and a higher amount of interest-bearing deposits held during the period, as well as higher effective interest rates on those deposits as compared to the prior year.

Interest expense decreased \$3.6 million for the three months ended September 30, 2024, as compared to the prior year. This change was primarily due to a lower average principal amount of cash-interest bearing debt outstanding accruing interest, partially offset by a higher interest rate on said debt as compared to the prior year.

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Other income (expense), net includes a \$24.3 million gain on the remeasurement of U.S. dollar denominated intercompany loans with foreign subsidiaries for the three months ended September 30, 2024, while the prior year period included a \$46.5 million loss.

Provision for Income Taxes:

	For the three months ended		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	September 30,				
	2024	2023			
	(in thousands)				
Provision for income taxes	\$ (42,316)	\$ (7,861)	\$ (21,154)	\$ (13,301)	57.2%

Provision for income taxes increased \$34.5 million for the three months ended September 30, 2024, as compared to the prior year. On a constant currency basis, provision for income taxes increased \$13.3 million primarily due to an increase in foreign deferred taxes.

Net Income:

	For the three months ended		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	September 30,				
	2024	2023			
	(in thousands)				
Net income	\$ 255,891	\$ 85,362	\$ 45,767	\$ 124,762	106.9%

Net income increased \$170.5 million for the three months ended September 30, 2024, as compared to the prior year. On a constant currency basis, net income increased \$124.8 million. These changes were primarily due to increases in site leasing operating income (inclusive of a \$93.3 million benefit related to our revision of the estimated useful lives of our towers and certain intangible assets) and interest income and decreases in interest expense and other operating expense, partially offset by an increase in provision for income taxes and a decrease in site development operating income.

Nine Months Ended September 30, 2024 Compared to Nine Months Ended September 30, 2023

Revenues and Segment Operating Profit:

	For the nine months ended		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	September 30,				
	2024	2023			
	(in thousands)				
Revenues					
Domestic site leasing	\$ 1,389,563	\$ 1,379,959	\$ —	\$ 9,604	0.7%
International site leasing	490,867	500,892	(18,437)	8,412	1.7%
Site development	105,504	155,709	—	(50,205)	(32.2%)
Total	<u>\$ 1,985,934</u>	<u>\$ 2,036,560</u>	<u>\$ (18,437)</u>	<u>\$ (32,189)</u>	(1.6%)
Cost of Revenues					
Domestic site leasing	\$ 200,368	\$ 200,952	\$ —	\$ (584)	(0.3%)
International site leasing	146,525	152,459	(6,538)	604	0.4%
Site development	82,705	114,914	—	(32,209)	(28.0%)
Total	<u>\$ 429,598</u>	<u>\$ 468,325</u>	<u>\$ (6,538)</u>	<u>\$ (32,189)</u>	(6.9%)
Operating Profit					
Domestic site leasing	\$ 1,189,195	\$ 1,179,007	\$ —	\$ 10,188	0.9%
International site leasing	344,342	348,433	(11,899)	7,808	2.2%
Site development	22,799	40,795	—	(17,996)	(44.1%)

Revenues

Domestic site leasing revenues increased \$9.6 million for the nine months ended September 30, 2024, as compared to the prior year, primarily due to (1) organic site leasing growth, primarily from monetary lease amendments (due in part to our 2023 MLA with AT&T) and additional equipment added to our towers as well as new leases and contractual rent escalators and (2) revenues from 130 towers acquired and 31 towers built since January 1, 2023, partially offset by lease non-renewals.

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International site leasing revenues decreased \$10.0 million for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, international site leasing revenues increased \$8.4 million. These changes were primarily due to (1) organic site leasing growth from new leases, amendments, and contractual escalators and (2) revenues from 140 towers acquired and 632 towers built since January 1, 2023, partially offset by lease non-renewals and a decrease in reimbursable pass-through expenses. Site leasing revenue in Brazil represented 14.9% of total site leasing revenue for the period. No other individual international market represented more than 5% of our total site leasing revenue.

Site development revenues decreased \$50.2 million for the nine months ended September 30, 2024, as compared to the prior year, as a result of decreased carrier activity.

Operating Profit

Domestic site leasing segment operating profit increased \$10.2 million for the nine months ended September 30, 2024, as compared to the prior year, primarily due to higher domestic site leasing revenue as noted above, partially offset by the incremental costs associated with towers acquired and built since January 1, 2023.

International site leasing segment operating profit decreased \$4.1 million for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, international site leasing segment operating profit increased \$7.8 million. These changes were primarily due to higher international site leasing revenues as noted above, partially offset by the incremental costs associated with towers acquired and built since January 1, 2023.

Site development segment operating profit decreased \$18.0 million for the nine months ended September 30, 2024, as compared to the prior year, as a result of decreased carrier activity.

Selling, General, and Administrative Expenses:

	For the nine months ended		Foreign	Constant	Constant
	September 30,		Currency Impact	Currency Change	Currency
	2024	2023			% Change
	(in thousands)				
Domestic site leasing	\$ 100,070	\$ 90,946	\$ —	\$ 9,124	10.0%
International site leasing	46,741	51,068	(1,475)	(2,852)	(5.6%)
Total site leasing	\$ 146,811	\$ 142,014	\$ (1,475)	\$ 6,272	4.4%
Site development	10,219	15,541	—	(5,322)	(34.2%)
Other	34,131	42,857	—	(8,726)	(20.4%)
Total	\$ 191,161	\$ 200,412	\$ (1,475)	\$ (7,776)	(3.9%)

Selling, general, and administrative expenses decreased \$9.3 million for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, selling, general, and administrative expenses decreased \$7.8 million. These changes were driven primarily by a decrease in non-cash compensation expense as well as the \$3.8 million Oi reserve recorded during the nine months ended September 30, 2023.

Acquisition and New Business Initiatives Related Adjustments and Expenses:

	For the nine months ended		Foreign	Constant	Constant
	September 30,		Currency Impact	Currency Change	Currency
	2024	2023			% Change
	(in thousands)				
Domestic site leasing	\$ 11,883	\$ 8,174	\$ —	\$ 3,709	45.4%
International site leasing	7,496	8,448	(324)	(628)	(7.4%)
Total	\$ 19,379	\$ 16,622	\$ (324)	\$ 3,081	18.5%

Acquisition and new business initiatives related adjustments and expenses increased \$2.8 million for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, acquisition and new business initiatives related adjustments and expenses increased \$3.1 million. These changes were primarily as a result of an increase in our third party acquisition and integration costs as well as higher new business initiative activity as compared to the prior year.

Asset Impairment and Decommission Costs:

	For the nine months ended		Foreign	Constant	Constant
	September 30,				
	2024	2023			% Change
	(in thousands)				
Domestic site leasing	\$ 45,075	\$ 75,460	\$ —	\$ (30,385)	(40.3%)
International site leasing	42,086	14,633	(1,326)	28,779	196.7%
Total site leasing	\$ 87,161	\$ 90,093	\$ (1,326)	\$ (1,606)	(1.8%)
Other	767	2,227	—	(1,460)	(65.6%)
Total	\$ 87,928	\$ 92,320	\$ (1,326)	\$ (3,066)	(3.3%)

Domestic asset impairment and decommission costs decreased \$30.4 million for the nine months ended September 30, 2024, as compared to the prior year. This change was primarily as a result of a decrease in impairment charges resulting from our regular analysis of whether the future cash flows from certain towers are adequate to recover the carrying value of the investment in those towers, partially offset by an increase in tower and equipment related decommission costs.

International asset impairment and decommission costs increased \$27.5 for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, asset impairment and decommission costs increased \$28.8 million. These changes were primarily as a result of an increase in impairment charges resulting from our regular analysis of whether the future cash flows from certain towers are adequate to recover the carrying value of the investment in those towers and an increase in tower decommission costs.

Depreciation, Accretion, and Amortization Expenses:

	For the nine months ended		Foreign	Constant	Constant
	September 30,				
	2024	2023			% Change
	(in thousands)				
Domestic site leasing	\$ 108,851	\$ 351,689	\$ —	\$ (242,838)	(69.0%)
International site leasing	87,384	185,522	(3,074)	(95,064)	(51.2%)
Total site leasing	\$ 196,235	\$ 537,211	\$ (3,074)	\$ (337,902)	(62.9%)
Site development	2,767	2,767	—	—	—%
Other	5,442	4,931	—	511	10.4%
Total	\$ 204,444	\$ 544,909	\$ (3,074)	\$ (337,391)	(61.9%)

Depreciation, accretion, and amortization expense decreased \$340.5 million for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, depreciation, accretion, and amortization expense decreased \$337.4 million. These changes were primarily due to the change in estimated useful lives of our towers and certain related intangible assets from our historical estimate of 15 years to a revised estimate of 30 years (effective January 1, 2024) and the impact of assets that became fully depreciated since the prior year period, partially offset by an increase in the number of towers we acquired and built since January 1, 2023.

Operating Income (Expense):

	For the nine months ended		Foreign	Constant	Constant
	September 30,				
	2024	2023			% Change
	(in thousands)				
Domestic site leasing	\$ 923,316	\$ 652,738	\$ —	\$ 270,578	41.5%
International site leasing	160,635	88,762	(5,700)	77,573	87.4%
Total site leasing	\$ 1,083,951	\$ 741,500	\$ (5,700)	\$ 348,151	47.0%
Site development	9,813	22,487	—	(12,674)	(56.4%)
Other	(40,340)	(50,015)	—	9,675	(19.3%)
Total	\$ 1,053,424	\$ 713,972	\$ (5,700)	\$ 345,152	48.3%

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Domestic site leasing operating income increased \$270.6 million for the nine months ended September 30, 2024, as compared to the prior year, primarily due to decreases in depreciation, accretion, and amortization expense and asset impairment and decommission costs and higher segment operating profit, partially offset by increases in selling, general, and administrative expenses and acquisition and new business initiatives related adjustments and expenses.

International site leasing operating income increased \$71.9 million for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, international site leasing operating income increased \$77.6 million. These changes were primarily due to decreases in depreciation, accretion, and amortization expense and selling, general, and administrative expenses and higher segment operating profit, partially offset by an increase in asset impairment and decommission costs.

Site development operating income decreased \$12.7 million for the nine months ended September 30, 2024, as compared to the prior year, primarily due to lower segment operating profit driven by less carrier activity, partially offset by a decrease in selling, general, and administrative expenses.

Other operating expense decreased \$9.7 million for the nine months ended September 30, 2024, as compared to the prior year, primarily due to decreases in selling, general, and administrative expenses and asset impairment and decommission costs.

Other Income (Expense):

	For the nine months ended		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	September 30,				
	2024	2023			
	(in thousands)				
Interest income	\$ 21,359	\$ 12,765	\$ (296)	\$ 8,890	69.6%
Interest expense	(289,632)	(301,835)	233	11,970	(4.0%)
Non-cash interest expense	(22,715)	(29,655)	—	6,940	(23.4%)
Amortization of deferred financing fees	(15,405)	(15,129)	—	(276)	1.8%
Loss from extinguishment of debt, net	(4,428)	—	—	(4,428)	—%
Other (expense) income, net	(125,811)	29,961	(156,206)	434	(7.7%)
Total	<u>\$ (436,632)</u>	<u>\$ (303,893)</u>	<u>\$ (156,269)</u>	<u>\$ 23,530</u>	<u>(6.9%)</u>

Interest income increased \$8.6 million for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, interest income increased \$8.9 million. These changes were primarily due to interest received on a loan to an unconsolidated joint venture and a higher amount of interest-bearing deposits held during the period, as well as higher effective interest rates on those deposits as compared to the prior year.

Interest expense decreased \$12.2 million for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, interest expense decreased \$12.0 million. These changes were primarily due to a lower average principal amount of cash-interest bearing debt outstanding accruing interest, partially offset by a higher interest rate on said debt as compared to the prior year.

Non-cash interest expense decreased \$6.9 million for the nine months ended September 30, 2024, as compared to the prior year. This change was primarily due to lower amortization of accumulated losses related to our interest rate swaps de-designated as cash flow hedges which reached their term end date in 2023.

Loss from extinguishment of debt, net was \$4.4 million for the nine months ended September 30, 2024, due to the write-off of the original issuance discount and unamortized financing fees associated with the repayment of the 2018 Term Loan in January 2024.

Other (expense) income, net includes a \$119.0 million loss on the remeasurement of U.S. dollar denominated intercompany loans with foreign subsidiaries for the nine months ended September 30, 2024, while the prior year period included a \$38.8 million gain.

Provision for Income Taxes:

	For the nine months ended		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	September 30,				
	2024	2023			
	(in thousands)				
Provision for income taxes	\$ (46,906)	\$ (22,192)	\$ 57,777	\$ (82,491)	987.7%

Provision for income taxes increased \$24.7 million for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, provision for income taxes increased \$82.5 million. These changes were primarily due to an increase in domestic deferred taxes related to the release of the full valuation allowance on the net deferred tax assets of the U.S. taxable REIT subsidiary in the prior year and an increase in foreign deferred taxes.

Net Income:

	For the nine months ended		Foreign Currency Impact	Constant Currency Change	Constant Currency % Change
	September 30,				
	2024	2023			
	(in thousands)				
Net income	\$ 569,886	\$ 387,887	\$ (104,192)	\$ 286,191	78.2%

Net income increased \$182.0 million for the nine months ended September 30, 2024, as compared to the prior year. On a constant currency basis, net income increased \$286.2 million. These changes were primarily due to increases in site leasing operating income (inclusive of a \$279.2 million benefit related to our revision of the estimated useful lives of our towers and certain intangible assets), interest income, and other (expense) income, net and decreases in interest expense and non-cash interest expense, partially offset by increases in provision for income taxes and loss from extinguishment of debt, net and a decrease in site development operating income.

NON-GAAP FINANCIAL MEASURES

This report contains information regarding Adjusted EBITDA, a non-GAAP measure. We have provided below a description of Adjusted EBITDA, a reconciliation of Adjusted EBITDA to its most directly comparable GAAP measure and an explanation as to why management utilizes this measure. This report also presents our financial results and other financial metrics after eliminating the impact of changes in foreign currency exchange rates. We believe that providing these financial results and metrics on a constant currency basis, which are non-GAAP measures, gives management and investors the ability to evaluate the performance of our business without the impact of foreign currency exchange rate fluctuations. We eliminate the impact of changes in foreign currency exchange rates by dividing the current period's financial results by the average monthly exchange rates of the prior year period, as well as by eliminating the impact of the remeasurement of our intercompany loans.

Adjusted EBITDA

We define Adjusted EBITDA as net income excluding the impact of non-cash straight-line leasing revenue, non-cash straight-line ground lease expense, non-cash compensation, net loss from extinguishment of debt, other income and expenses, acquisition and new business initiatives related adjustments and expenses, asset impairment and decommission costs, interest income, interest expenses, depreciation, accretion, and amortization, and income taxes.

We believe that Adjusted EBITDA is useful to investors or other interested parties in evaluating our financial performance. Adjusted EBITDA is the primary measure used by 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. Management believes that Adjusted EBITDA helps investors or other interested parties to meaningfully evaluate and compare the results of our operations (1) from period to period and (2) to our competitors, by excluding 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. Management also believes Adjusted EBITDA is frequently used by investors or other interested parties in the evaluation of REITs. In addition, Adjusted EBITDA is similar to the measure of current financial performance generally used by our lenders to determine compliance with certain covenants under our Senior Credit Agreement and the indentures relating to the 2020 Senior Notes and 2021 Senior Notes. Adjusted EBITDA should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance.

	For the three months ended		Foreign	Constant	Constant
	September 30,				
	2024	2023			% Change
	(in thousands)				
Net income	\$ 255,891	\$ 85,362	\$ 45,767	\$ 124,762	106.9%
Non-cash straight-line leasing revenue	(1,065)	(7,048)	(7)	5,990	(85.0%)
Non-cash straight-line ground lease expense	945	(428)	(161)	1,534	(358.4%)
Non-cash compensation	16,373	21,374	(110)	(4,891)	(22.9%)
Other (income) expense, net	(23,700)	48,330	(72,114)	84	5.4%
Acquisition and new business initiatives related adjustments and expenses	5,388	5,612	(143)	(81)	(1.4%)
Asset impairment and decommission costs	12,670	33,063	(945)	(19,448)	(58.8%)
Interest income	(6,999)	(5,266)	262	(1,995)	37.9%
Interest expense ⁽¹⁾	108,088	112,317	(74)	(4,155)	(3.7%)
Depreciation, accretion, and amortization	63,515	180,674	(2,295)	(114,864)	(63.6%)
Provision for income taxes ⁽²⁾	41,514	8,141	21,153	12,220	51.9%
Adjusted EBITDA	<u>\$ 472,620</u>	<u>\$ 482,131</u>	<u>\$ (8,667)</u>	<u>\$ (844)</u>	(0.2%)

	For the nine months ended		Foreign	Constant	Constant
	September 30,				
	2024	2023			% Change
	(in thousands)				
Net income	\$ 569,886	\$ 387,887	\$ (104,192)	\$ 286,191	78.2%
Non-cash straight-line leasing revenue	(10,623)	(21,378)	59	10,696	(50.0%)
Non-cash straight-line ground lease expense	(5,426)	135	(221)	(5,340)	(3,955.6%)
Non-cash compensation	56,439	65,830	(231)	(9,160)	(13.9%)
Loss from extinguishment of debt, net	4,428	—	—	4,428	—%
Other expense (income), net	125,811	(29,961)	156,206	(434)	7.7%
Acquisition and new business initiatives related adjustments and expenses	19,379	16,622	(324)	3,081	18.5%
Asset impairment and decommission costs	87,928	92,320	(1,326)	(3,066)	(3.3%)
Interest income	(21,359)	(12,765)	296	(8,890)	69.6%
Interest expense ⁽¹⁾	327,752	346,619	(233)	(18,634)	(5.4%)
Depreciation, accretion, and amortization	204,444	544,909	(3,074)	(337,391)	(61.9%)
Provision for income taxes ⁽²⁾	46,436	22,971	(57,776)	81,241	889.7%
Adjusted EBITDA	<u>\$ 1,405,095</u>	<u>\$ 1,413,189</u>	<u>\$ (10,816)</u>	<u>\$ 2,722</u>	0.2%

(1) Total interest expense includes interest expense, non-cash interest expense, and amortization of deferred financing fees.

(2) Provision for income taxes includes \$0.8 million and \$0.5 million of benefit from franchise and gross receipts taxes for the three and nine months ended September 30, 2024, respectively, reflected in selling, general, and administrative expenses on the Consolidated Statements of Operations. Provision for income taxes includes \$0.3 million and \$0.8 million of franchise taxes for the three and nine months ended September 30, 2023, respectively, reflected in selling, general, and administrative expenses on the Consolidated Statements of Operations.

Adjusted EBITDA decreased \$9.5 million for the three months ended September 30, 2024, as compared to the prior year period. On a constant currency basis, Adjusted EBITDA decreased \$0.8 million. These changes were primarily due to a decrease in site development segment operating profit and domestic site leasing segment operating profit and an increase in cash selling, general, and administrative expenses, partially offset by an increase in international site leasing segment operating profit.

Adjusted EBITDA decreased \$8.1 million for the nine months ended September 30, 2024, as compared to the prior year period. On a constant currency basis, Adjusted EBITDA increased \$2.7 million. These changes were primarily due to an increase in site leasing segment operating profit, partially offset by a decrease in site development segment operating profit and an increase in cash selling, general, and administrative expenses.

LIQUIDITY AND CAPITAL RESOURCES

SBA Communications Corporation (“SBAC”) is a holding company with no business operations of its own. SBAC’s only significant asset is 100% of the outstanding capital stock of SBA Telecommunications, LLC (“Telecommunications”), which is also a holding company that owns equity interests in entities that directly or indirectly own all of our domestic and international towers and assets. We conduct all of our business operations through Telecommunications’ subsidiaries. Accordingly, our only source of cash to pay our obligations, other than financings, is distributions with respect to our ownership interest in our subsidiaries from the net earnings and cash flow generated by these subsidiaries.

A summary of our cash flows is as follows:

	<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
	(in thousands)	
Cash provided by operating activities	\$ 1,024,697	\$ 1,111,782
Cash used in investing activities	(480,420)	(361,876)
Cash used in financing activities	(533,848)	(705,664)
Change in cash, cash equivalents, and restricted cash	10,429	44,242
Effect of exchange rate changes on cash, cash equiv., and restricted cash	(9,883)	(1,441)
Cash, cash equivalents, and restricted cash, beginning of period	250,946	189,283
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 251,492</u>	<u>\$ 232,084</u>

Operating Activities

Cash provided by operating activities was \$1.0 billion for the nine months ended September 30, 2024 as compared to \$1.1 billion for the nine months ended September 30, 2023. The decrease was primarily due to increases in cash outflows associated with working capital changes related to the timing of customer payments and cash asset impairment and decommission costs as well as a decrease in site development segment operating profit, partially offset by an increase in site leasing segment operating profit and interest income and a decrease in interest expense.

Investing Activities

A detail of our cash capital expenditures is as follows:

	<u>For the nine months ended September 30,</u>	
	<u>2024</u>	<u>2023</u>
	(in thousands)	
Acquisitions of towers and related assets	\$ (234,853)	\$ (63,411)
Land buyouts and other assets ⁽¹⁾	(33,556)	(29,440)
Construction and related costs	(96,683)	(70,485)
Augmentation and tower upgrades	(38,485)	(62,301)
Tower maintenance	(33,792)	(37,101)
General corporate	(3,640)	(4,089)
Other investing activities ⁽²⁾⁽³⁾	(39,411)	(95,049)
Net cash used in investing activities	<u>\$ (480,420)</u>	<u>\$ (361,876)</u>

- (1) Excludes \$17.0 million and \$15.0 million spent to extend ground lease terms for the nine months ended September 30, 2024 and 2023, respectively. We recorded these amounts in prepaid expenses and other current assets within the changes in operating assets and liabilities, net of acquisitions section of its Consolidated Statements of Cash Flows.
- (2) Includes amounts paid for the purchase of and received from the sale of short-term investments during the nine months ended September 30, 2024 and 2023.
- (3) The nine months ended September 30, 2024 and 2023 includes \$11.1 million and \$93.0 million of loans to an unconsolidated joint venture, respectively.

Subsequent to the third quarter of 2024, we entered into an agreement to purchase over 7,000 communication sites in Central America from Millicom International Cellular S.A. (“Millicom”) for approximately \$975.0 million in cash. These sites are located in Guatemala, Honduras, Panama, El Salvador, and Nicaragua, with significantly all cash flows denominated in USD. Upon closing,

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Millicom will enter into country-specific MLAs to lease back space on all acquired sites for an initial term of 15 years. The MLAs will also incorporate an extension to our approximately 1,500 existing site leases with Millicom for a new 15-year term. Additionally, as part of the purchase agreement, we have agreed to a seven-year exclusivity right with Millicom for us to build up to 2,500 build-to-suit sites in Central America for Millicom with new leases on any sites built having an initial lease term of 15 years. This transaction, which is subject to antitrust approvals and other closing conditions, is expected to close some time in 2025.

In addition to the Millicom transaction, subsequent to September 30, 2024, we purchased or are under contract to purchase 45 communication sites which are expected to close by the end of the first quarter of 2025 at the time of this report for an aggregate consideration of \$16.3 million in cash.

For 2024, we expect to incur non-discretionary cash capital expenditures associated with tower maintenance and general corporate expenditures of \$51.0 million to \$57.0 million and discretionary cash capital expenditures, based on current or potential acquisition obligations, planned new tower construction, forecasted tower augmentations, and forecasted ground lease purchases, of \$490.0 million to \$500.0 million. We expect to fund these cash capital expenditures from cash on hand, cash flow from operations, and borrowings under the Revolving Credit Facility or new financings. The exact amount of our future cash capital expenditures will depend on a number of factors, including amounts necessary to support our tower portfolio, our new tower build and acquisition programs, and our ground lease purchase program.

Financing Activities

A detail of our financing activities is as follows:

	For the nine months ended September 30,	
	2024	2023
	(in thousands)	
Net repayments under Revolving Credit Facility ⁽¹⁾	\$ (20,000)	\$ (350,000)
Proceeds from issuance of Term Loans, net of fees ⁽¹⁾	2,274,815	—
Repayment of Term Loans ⁽¹⁾	(2,279,500)	(18,000)
Repurchase and retirement of common stock ⁽²⁾	(200,019)	(53,652)
Payment of dividends on common stock	(318,808)	(278,201)
Proceeds from employee stock purchase/stock option plans	27,144	21,058
Payments related to taxes on stock options and restricted stock units	(18,187)	(27,472)
Other financing activities	707	603
Net cash used in financing activities	<u>\$ (533,848)</u>	<u>\$ (705,664)</u>

(1) For additional information regarding our debt instruments and financings, refer to “Debt Instruments and Debt Service Requirements” below.

(2) As of the date of this filing, we had \$204.7 million remaining under the current authorized share repurchase plan.

Dividends

For the nine months ended September 30, 2024, we paid the following cash dividends:

Date Declared	Payable to Shareholders of Record at the Close of Business on	Cash Paid Per Share	Aggregate Amount Paid	Date Paid
February 26, 2024	March 14, 2024	\$0.98	\$108.1 million ⁽¹⁾	March 28, 2024
April 29, 2024	May 23, 2024	\$0.98	\$105.3 million	June 18, 2024
July 28, 2024	August 22, 2024	\$0.98	\$105.3 million	September 18, 2024

(1) Amount reflected includes the payment of \$1.9 million in dividend equivalents.

Dividends paid in 2024 were ordinary taxable dividends.

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Subsequent to September 30, 2024, we declared the following cash dividends:

<u>Date Declared</u>	<u>Payable to Shareholders of Record at the Close of Business on</u>	<u>Cash to be Paid Per Share</u>	<u>Date to be Paid</u>
October 27, 2024	November 14, 2024	\$0.98	December 12, 2024

The amount of future distributions will be determined, from time to time, by our Board of Directors to balance our goal of increasing long-term shareholder value and retaining sufficient cash to implement our current capital allocation policy, which prioritizes investment in quality assets that meet our return criteria, and then stock repurchases when we believe our stock price is below its intrinsic value. The actual amount, timing, and frequency of future dividends will be at the sole discretion of our Board of Directors and will be declared based upon various factors, many of which are beyond our control.

Registration Statements

We have on file with the Securities and Exchange Commission (the “Commission”) a shelf registration statement on Form S-4 registering shares of Class A common stock that we may issue in connection with the acquisition of wireless communication towers or antenna sites and related assets or companies who own wireless communication towers, antenna sites, or related assets. During the nine months ended September 30, 2024, we did not issue any shares of Class A common stock under this registration statement. As of September 30, 2024, we had approximately 1.2 million shares of Class A common stock remaining under this registration statement.

On February 29, 2024, we filed with the Securities and Exchange Commission an automatic shelf registration statement for well-known seasoned issuers on Form S-3ASR, which enables us to issue shares of our Class A common stock, preferred stock, debt securities, warrants, or depositary shares as well as units that include any of these securities. We will file a prospectus supplement containing the amount and type of securities each time we issue securities under our automatic shelf registration statement on Form S-3ASR. During the nine months ended September 30, 2024, we did not issue any securities under this automatic shelf registration statement.

Debt Instruments and Debt Service Requirements

Terms of the Senior Credit Agreement

On January 25, 2024, we, through our wholly owned subsidiary SBA Senior Finance II LLC (“SBA Senior Finance II”), amended and restated our Senior Credit Agreement to (1) issue a new \$2.3 billion Term Loan and retire the 2018 Term Loan, (2) increase the total commitments under the Revolving Credit Facility from \$1.5 billion to \$1.75 billion, (3) extend the maturity date of the Revolving Credit Facility to January 25, 2029, and (4) amend certain other terms and conditions under the Senior Credit Agreement.

On February 23, 2024, we, through our wholly owned subsidiary, SBA Senior Finance II, further increased the total commitments under the Revolving Credit Facility from \$1.75 billion to \$2.0 billion.

As of September 30, 2024, SBA Senior Finance II was in compliance with the financial covenants contained in the Senior Credit Agreement.

On October 2, 2024, we, through our wholly owned subsidiary, SBA Senior Finance II, amended our Senior Credit Agreement to (1) reduce the stated rate of interest of the Initial Term Loans from, at SBA Senior Finance II’s election, the Base Rate plus 100 basis points or Term SOFR plus 200 basis points to, at SBA Senior Finance II’s election, the Base Rate plus 75 basis points or Term SOFR plus 175 basis points, and (2) amend certain other terms and conditions under the Senior Credit Agreement.

Revolving Credit Facility under the Senior Credit Agreement

The Revolving Credit Facility consists of a revolving loan under which up to \$2.0 billion aggregate principal amount may be borrowed, repaid and redrawn, based upon specific financial ratios and subject to the satisfaction of other customary conditions to borrowing through the maturity date of January 25, 2029. Amounts borrowed under the Revolving Credit Facility accrue interest, at SBA Senior Finance II’s election, at either (1) the Eurodollar Rate or Term SOFR Rate plus a margin that ranges from 112.5 basis points to 150.0 basis points or (2) the Base Rate plus a margin that ranges from 12.5 basis points to 50.0 basis points, in each case based on the ratio of Consolidated Net Debt to Annualized Borrower EBITDA, calculated in accordance with the Senior Credit Agreement. In addition, SBA Senior Finance II, is required to pay a commitment fee of between 0.15% and 0.25% per annum on the

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amount of unused commitment. Furthermore, the Revolving Credit Facility incorporates sustainability-linked targets which will adjust the Revolving Credit Facility’s applicable interest and commitment fee rates upward or downward based on how we perform against those targets. Borrowings under the Revolving Credit Facility may be used for general corporate purposes. SBA Senior Finance II may, from time to time, borrow from and repay the Revolving Credit Facility. Consequently, the amount outstanding under the Revolving Credit Facility at the end of the period may not be reflective of the total amounts outstanding during such period.

The key terms of the Revolving Credit Facility are as follows:

	Interest Rate as of September 30, 2024 ⁽¹⁾	Unused Commitment Fee as of September 30, 2024 ⁽²⁾
Revolving Credit Facility	5.925%	0.140%

- (1) The rate reflected includes a 0.050% reduction in the applicable spread as a result of meeting certain sustainability-linked targets as of December 31, 2023.
- (2) The rate reflected includes a 0.010% reduction in the applicable commitment fee as a result of meeting certain sustainability-linked targets as of December 31, 2023.

The table below summarizes our Revolving Credit Facility activity during the three and nine months ended September 30, 2024 and 2023 (in thousands):

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Beginning outstanding balance	\$ 120,000	\$ 450,000	\$ 180,000	\$ 720,000
Borrowings	175,000	50,000	370,000	190,000
Repayments	(135,000)	(130,000)	(390,000)	(540,000)
Ending outstanding balance	<u>\$ 160,000</u>	<u>\$ 370,000</u>	<u>\$ 160,000</u>	<u>\$ 370,000</u>

Subsequent to September 30, 2024, we repaid \$160.0 million under the Revolving Credit Facility, and as of the date of this filing, no amount remains outstanding.

Term Loan under the Senior Credit Agreement

2024 Term Loan

On January 25, 2024, we, through our wholly owned subsidiary, SBA Senior Finance II, issued a term loan (the “2024 Term Loan”) under the amended and restated Senior Credit Agreement. The 2024 Term Loan consists of a senior secured term loan with an initial aggregate principal amount of \$2.3 billion that matures on January 25, 2031. The 2024 Term Loan (as amended on October 2, 2024) accrues interest, at SBA Senior Finance II’s election, at either the Base Rate (with a zero Base Rate floor) plus 75 basis points or at Term SOFR (with a floor of 0%) plus 175 basis points. The 2024 Term Loan was issued at 99.75% of par value. The proceeds from the 2024 Term Loan were used to retire the 2018 Term Loan and to pay related fees and expenses. In connection with the repayment, we expensed \$3.3 million of net deferred financing fees and \$1.2 million of discount related to the debt. The 2024 Term Loan has a blended rate of 2.760%, which includes the impact of the interest rate swaps. Excluding the impact of the interest rate swap, the 2024 Term Loan was accruing interest at 6.850% as of September 30, 2024.

Principal payments on the 2024 Term Loan will be made in quarterly installments on the last day of each March, June, September, and December in an amount equal to \$5.75 million. We incurred financing fees of approximately \$19.4 million in connection with this transaction, which are being amortized through the maturity date.

During the three and nine months ended September 30, 2024, we repaid an aggregate of \$5.75 million and \$11.5 million of principal on the 2024 Term Loan, respectively. As of September 30, 2024, the 2024 Term Loan had a principal balance of \$2.3 billion.

Secured Tower Revenue Securities

As of September 30, 2024, the entities that are borrowers on the mortgage loan (the “Borrowers”) met the debt service coverage ratio required by the mortgage loan agreement and were in compliance with all other covenants as set forth in the agreement. The sole asset of the Trust consists of a non-recourse mortgage loan made in favor of the Borrowers.

2014-2C Tower Securities

On October 11, 2024, we repaid the aggregate principal amount of the 2014-2C Tower Securities (\$620.0 million) using proceeds from the issuance of the 2024 Tower Securities.

2024 Tower Securities

On October 11, 2024, we, through a New York common law trust (the “Trust”), issued \$1.45 billion of 4.831% Secured Tower Revenue Securities Series 2024-1C which have an anticipated repayment date of October 9, 2029 and a final maturity date of October 8, 2054 (the “2024-1C Tower Securities”) and \$620.0 million of 5.115% Secured Tower Revenue Securities Series 2024-2C, which have an anticipated repayment date of October 8, 2027 and a final maturity date of October 8, 2054 (the “2024-2C Tower Securities”) (collectively the “2024 Tower Securities”). In anticipation of the issuance of the 2024-2C Tower Securities, we, through our wholly owned subsidiary, Senior Finance II, entered into a treasury lock agreement to fix the 2024-2C Tower Securities at an effective rate of 4.654%. The aggregate \$2.07 billion of 2024 Tower Securities have a blended effective interest rate of 4.778% and a weighted average life through the anticipated repayment date of 4.4 years.

Net proceeds from this offering were used to repay the aggregate principal amount of the 2014-2C Tower Securities (\$620.0 million), and the remaining proceeds will be used to repay the aggregate principal amount of the 2019-1C Tower Securities (\$1.165 billion), the 2019-1R Tower Securities (\$61.4 million), and for general corporate purposes. \$1.165 billion of the proceeds are being held in escrow, by the Trust, earning interest at the U.S. federal funds rate less 10 basis points until the repayment of the 2019-1C Tower Securities. We have incurred deferred financing fees of \$17.6 million in connection with this transaction, which are being amortized through the anticipated repayment date of the 2024 Tower Securities.

Tower Revenue Securities Terms

As of September 30, 2024, we, through the Trust, had issued and outstanding an aggregate of \$6.9 billion of Secured Tower Revenue Securities (“Tower Securities”). The sole asset of the Trust consists of a non-recourse mortgage loan made in favor of certain of our subsidiaries that are borrowers on the mortgage loan (the “Borrowers”) under which there is a loan tranche for each Tower Security outstanding with the same interest rate and maturity date as the corresponding Tower Security. The mortgage loan will be paid from the operating cash flows from the aggregate 9,864 tower sites owned by the Borrowers as of September 30, 2024. The mortgage loan is secured by (1) mortgages, deeds of trust, and deeds to secure debt on a substantial portion of the tower sites, (2) a security interest in the tower sites and substantially all of the Borrowers’ personal property and fixtures, (3) the Borrowers’ rights under certain tenant leases, and (4) all of the proceeds of the foregoing. For each calendar month, SBA Network Management, Inc., an indirect subsidiary (“Network Management”), is entitled to receive a management fee equal to 4.5% of the Borrowers’ operating revenues for the immediately preceding calendar month.

The table below sets forth the material terms of our outstanding Tower Securities as of September 30, 2024:

Security	Issue Date	Amount Outstanding (in millions)	Interest Rate ⁽¹⁾	Anticipated Repayment Date	Final Maturity Date
2014-2C Tower Securities ⁽²⁾	Oct. 15, 2014	\$620.0	3.869%	Oct. 8, 2024	Oct. 8, 2049
2019-1C Tower Securities	Sep. 13, 2019	\$1,165.0	2.836%	Jan. 12, 2025	Jan. 12, 2050
2020-1C Tower Securities	Jul. 14, 2020	\$750.0	1.884%	Jan. 9, 2026	Jul. 11, 2050
2020-2C Tower Securities	Jul. 14, 2020	\$600.0	2.328%	Jan. 11, 2028	Jul. 9, 2052
2021-1C Tower Securities	May 14, 2021	\$1,165.0	1.631%	Nov. 9, 2026	May 9, 2051
2021-2C Tower Securities	Oct. 27, 2021	\$895.0	1.840%	Apr. 9, 2027	Oct. 10, 2051
2021-3C Tower Securities	Oct. 27, 2021	\$895.0	2.593%	Oct. 9, 2031	Oct. 10, 2056
2022-1C Tower Securities	Nov. 23, 2022	\$850.0	6.599%	Jan. 11, 2028	Nov. 9, 2052

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- (1) Interest paid monthly.
- (2) On October 11, 2024, we repaid the aggregate amount of the 2014-2C Tower Securities. For further discussion, refer to “Secured Tower Revenue Securities” above.

Risk Retention Tower Securities

The table below sets forth the material terms of our outstanding Risk Retention Tower Securities as of September 30, 2024:

<u>Security</u>	<u>Issue Date</u>	<u>Amount Outstanding (in millions)</u>	<u>Interest Rate ⁽¹⁾</u>	<u>Anticipated Repayment Date</u>	<u>Final Maturity Date</u>
2019-1R Tower Securities	Sep. 13, 2019	\$61.4	4.213%	Jan. 12, 2025	Jan. 12, 2050
2020-2R Tower Securities	Jul. 14, 2020	\$71.1	4.336%	Jan. 11, 2028	Jul. 9, 2052
2021-1R Tower Securities	May 14, 2021	\$61.4	3.598%	Nov. 9, 2026	May 9, 2051
2021-3R Tower Securities	Oct. 27, 2021	\$94.3	4.090%	Oct. 9, 2031	Oct. 10, 2056
2022-1R Tower Securities	Nov. 23, 2022	\$44.8	7.870%	Jan. 11, 2028	Nov. 9, 2052

- (1) Interest paid monthly.

To satisfy certain risk retention requirements of Regulation RR promulgated under the Exchange Act, SBA Guarantor, LLC, a wholly owned subsidiary, purchased the Risk Retention Tower Securities. Principal and interest payments made on the 2019-1R Tower Securities, 2020-2R Tower Securities, 2021-1R Tower Securities, 2021-3R Tower Securities, and 2022-1R Tower Securities eliminate in consolidation.

In addition, to satisfy certain risk retention requirements of Regulation RR promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), SBA Guarantor, an affiliate of SBA Depositor (“SBA Guarantor”) purchased \$108.7 million of Secured Tower Revenue Securities Series 2024-1R issued by the Trust. These securities have an anticipated repayment date of October 9, 2029 and a final maturity date of October 8, 2054 (the “2024-1R Tower Securities”). The fixed interest rate on the 2024-1R Tower Securities is 6.252% per annum, payable monthly. Principal and interest payments made on the 2024-1R Tower Securities eliminate in consolidation.

Debt Covenants

As of September 30, 2024, the Borrowers met the debt service coverage ratio required by the mortgage loan agreement and were in compliance with all other covenants as set forth in the agreement.

Senior Notes

The table below sets forth the material terms of our outstanding senior notes as of September 30, 2024:

<u>Senior Notes</u>	<u>Issue Date</u>	<u>Amount Outstanding (in millions)</u>	<u>Interest Rate Coupon</u>	<u>Maturity Date</u>	<u>Interest Due Dates</u>	<u>Optional Redemption Date</u>
2020 Senior Notes	Feb. 4, 2020	\$1,500.0	3.875%	Feb. 15, 2027	Feb. 15 & Aug. 15	Feb. 15, 2024
2021 Senior Notes	Jan. 29, 2021	\$1,500.0	3.125%	Feb. 1, 2029	Feb. 1 & Aug. 1	Feb. 1, 2024

Each of our senior notes is subject to redemption, at our option, in whole or in part on or after the date set forth above. We may redeem each of the senior notes during the time periods and at the redemption prices set forth in the indentures.

Debt Service

As of September 30, 2024, we believe that our cash on hand, capacity available under our Revolving Credit Facility, and cash flows from operations for the next twelve months will be sufficient to service our outstanding debt during the next twelve months.

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The following table illustrates our estimate of our debt service requirement over the next twelve months ended September 30, 2025 based on the amounts outstanding as of September 30, 2024 and the interest rates accruing on those amounts on such date (in thousands):

Revolving Credit Facility ⁽¹⁾	\$	12,056
2024 Term Loan ⁽²⁾		112,892
2014-2C Tower Securities ⁽³⁾		620,937
2019-1C Tower Securities ⁽⁴⁾		1,198,409
2020-1C Tower Securities		14,368
2020-2C Tower Securities		14,159
2021-1C Tower Securities		19,371
2021-2C Tower Securities		16,752
2021-3C Tower Securities		23,491
2022-1C Tower Securities		56,362
2020 Senior Notes		58,125
2021 Senior Notes		46,875
Total debt service for the next 12 months ⁽⁴⁾	\$	<u>2,193,797</u>

- (1) As of September 30, 2024, \$160.0 million was outstanding under the Revolving Credit Facility. Subsequent to September 30, 2024, we repaid \$160.0 million under the Revolving Credit Facility, and as of the date of this filing, no amount remains outstanding.
- (2) Total debt service on the 2024 Term Loan (as amended on October 2, 2024) includes the impact of the interest rate swap which swaps \$1.95 billion of notional value accruing interest at Term SOFR plus 175 basis points for an all-in fixed rate of 1.800% per annum through March 31, 2025 and the forward-starting interest rate swaps, which will swap \$2.0 billion of notional value accruing interest at Term SOFR plus 175 basis points for a blended all-in fixed rate of 5.165% per annum beginning March 31, 2025 through April 11, 2028.
- (3) On October 11, 2024, we repaid the full amount of the 2014-2C Tower Securities with proceeds from the 2024-2C Tower Securities.
- (4) Our total debt service does not include any amounts for the 2024-1C and 2024-2C Tower Securities. Total debt service for the twelve months ended September 30, 2025 related to the 2024 Tower Securities is projected to be \$98.9 million. \$1.165 billion of the proceeds from the 2024-1C Tower Securities are being held in escrow, by the Trust, earning interest at the U.S. federal funds rate less 10 basis points until the repayment of the 2019-1C Tower Securities.

Inflation

The impact of inflation on our operations has not been material to date. However, the impact of rising interest rates, due to actions by the Federal Reserve to combat inflation, has impacted, and is expected to continue to impact, our growth rate and future operating results. Increasing interest rates has impacted, and is expected to continue to impact, the ability and willingness of wireless service providers to incur capital expenditures at prior levels to expand their networks, which could adversely affect our future revenue growth rates. In addition, increased interest rates may adversely affect our costs to refinance our indebtedness at maturity. In addition, persistent high rates of inflation could adversely affect our future operating results particularly in light of the fact that our site leasing revenues are governed by long-term contracts with pre-determined pricing that we will not be able to increase in response to increases in inflation other than our contracts in South America, South Africa, the Philippines, and Tanzania which have inflationary index based rent escalators.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks that are inherent in our financial instruments. These instruments arise from transactions entered into in the normal course of business.

The following table presents the future principal payment obligations and fair values associated with our long-term debt instruments assuming our actual level of long-term indebtedness as of September 30, 2024:

	2024	2025	2026	2027	2028	Thereafter	Total	Fair Value
	(in thousands)							
Revolving Credit Facility	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 160,000	\$ 160,000	\$ 160,000
2024 Term Loan	5,750	23,000	23,000	23,000	23,000	2,190,750	2,288,500	2,292,802
2014-2C Tower Securities ⁽¹⁾	620,000	—	—	—	—	—	620,000	619,442
2019-1C Tower Securities ⁽¹⁾	—	1,165,000	—	—	—	—	1,165,000	1,126,240
2020-1C Tower Securities ⁽¹⁾	—	—	750,000	—	—	—	750,000	724,395
2020-2C Tower Securities ⁽¹⁾	—	—	—	—	600,000	—	600,000	515,172
2021-1C Tower Securities ⁽¹⁾	—	—	1,165,000	—	—	—	1,165,000	1,006,047
2021-2C Tower Securities ⁽¹⁾	—	—	—	895,000	—	—	895,000	762,030
2021-3C Tower Securities ⁽¹⁾	—	—	—	—	—	895,000	895,000	677,605
2022-1C Tower Securities ⁽¹⁾	—	—	—	—	850,000	—	850,000	876,486
2020 Senior Notes	—	—	—	1,500,000	—	—	1,500,000	1,465,830
2021 Senior Notes	—	—	—	—	—	1,500,000	1,500,000	1,378,125
Total debt obligation	<u>\$ 625,750</u>	<u>\$ 1,188,000</u>	<u>\$ 1,938,000</u>	<u>\$ 2,418,000</u>	<u>\$ 1,473,000</u>	<u>\$ 4,745,750</u>	<u>\$ 12,388,500</u>	<u>\$ 11,604,174</u>

(1) For information on the anticipated repayment date and final maturity date for each Tower Security, refer to “Debt Instruments and Debt Service Requirements” above.

Our current primary market risk exposure is (1) interest rate risk relating to our ability to refinance our debt at commercially reasonable rates, if at all, and (2) interest rate risk relating to the impact of interest rate movements on the variable portion of our 2024 Term Loan and any borrowings that we may incur under our Revolving Credit Facility, which are at floating rates. We manage the interest rate risk on our outstanding debt through our large percentage of fixed rate debt, including interest rate swaps. While we cannot predict our ability to refinance existing debt or the impact interest rate movements will have on our existing debt, we continue to evaluate our financial position on an ongoing basis.

We have performed a sensitivity analysis assuming a hypothetical 1% increase in our variable interest rates as of September 30, 2024. As of September 30, 2024, the analysis indicated that such an adverse movement would have caused our interest expense to increase by approximately 1.8% for the nine months ended September 30, 2024.

We are exposed to market risk from changes in foreign currency exchange rates in connection with our operations in Brazil, Canada, Chile, Peru, Colombia, South Africa, the Philippines, Tanzania, and to a lesser extent, our markets in Central America. In each of these countries, we pay most of our selling, general, and administrative expenses and a portion of our operating expenses, such as taxes and utilities incurred in the country in local currency. In addition, in Brazil, Canada, Chile, South Africa, and the Philippines, we receive significantly all of our revenue and pay significantly all of our operating expenses in local currency. In Colombia, Costa Rica, Peru, and Tanzania, we receive our revenue and pay our operating expenses in a mix of local currency and U.S. dollars. All transactions denominated in currencies other than the U.S. Dollar are reported in U.S. Dollars at the applicable exchange rate. All assets and liabilities are translated into U.S. Dollars at exchange rates in effect at the end of the applicable fiscal reporting period, and all revenues and expenses are translated at average rates for the period. The cumulative translation effect is included in equity as a component of Accumulated other comprehensive loss, net. For the nine months ended September 30, 2024, approximately 21.7% of our revenues and approximately 31.3% of our total operating expenses were denominated in foreign currencies.

We have performed a sensitivity analysis assuming a hypothetical 10% adverse movement in the Brazilian Real from the quoted foreign currency exchange rates at September 30, 2024. As of September 30, 2024, the analysis indicated that such an adverse movement would have caused our revenues and operating income to decline by approximately 1.3% and 1.0%, respectively, for the nine months ended September 30, 2024.

As of September 30, 2024, we had intercompany debt, which is denominated in a currency other than the functional currency of the subsidiary in which it is recorded. As settlement of this debt is anticipated or planned in the foreseeable future, any changes in the foreign currency exchange rates will result in unrealized gains or losses, which will be included in our determination of net income. A change of 10% in the underlying exchange rates of our unsettled intercompany debt at September 30, 2024 would have

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resulted in approximately \$114.8 million of unrealized gains or losses that would have been included in Other income (expense), net in our Consolidated Statements of Operations for the nine months ended September 30, 2024.

Special Note Regarding Forward-Looking Statements

This quarterly report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. These statements concern expectations, beliefs, projections, plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Specifically, this quarterly report contains forward-looking statements including our expectations and beliefs regarding:

- the future growth and financial health of the wireless industry and the industry participants, the drivers of such growth, including future spectrum auctions and the roll-out of 5G and fixed wireless;
- our ability to capture and capitalize on industry growth and the impact of such growth on our financial and operational results;
- the consolidation of domestic and international wireless service providers and the impact of such consolidation on our financial and operational results, including churn;
- our intent to grow our tower portfolio domestically and internationally and expand through acquisitions, new builds and organic lease up on existing towers;
- that our site leasing business is characterized by stable and long-term recurring revenues;
- that we will be able to continue to secure rights to the land underlying our towers, and the impact of such strategy on our financial and operational results;
- our future cash capital expenditures, both discretionary and non-discretionary, including expenditures required for new builds and to maintain, improve, and modify our towers, ground lease purchases, and general corporate expenditures, and the source of funds for these expenditures;
- our capital allocation strategies and the impact of these strategies on our future financial and operational results including our goal of increasing our Adjusted Funds From Operations per share;
- our future liquidity requirements, including our debt service in 2024, and our ability to meet such requirements with cash on hand, capacity under our Revolving Credit Facility, and our cash flows from operations for the next twelve months will be sufficient to service our outstanding debt during the next twelve months;
- our previously announced agreement with Millicom, including the timing of closing;
- our site leasing revenue and our strategies for growing our cash flows;
- our election to be taxed as a REIT, the impact of such election and our intent to continue to operate as a REIT;
- that we will be able to grow our dividend rate in the future;
- the timing for closing and costs of pending acquisitions;
- depreciation and amortization expense; the impact of inflation;
- the use of NOLs to reduce REIT taxable income;
- the impact of compliance with applicable laws and regulations, including environmental laws, and various legal proceedings on our financial results and future business prospects; and
- the impact of certain tax and accounting matters on our financial statements.

These forward-looking statements reflect our current views about future events and are subject to risks, uncertainties and assumptions. We undertake no obligation to update forward-looking statements to reflect events or circumstances after the date hereof, unless otherwise required by law. We wish to caution readers that certain important factors may have affected and could in the future affect our actual results and could cause actual results to differ significantly from those expressed in any forward-looking statement. The most important factors that could prevent us from achieving our goals, and cause the assumptions underlying forward-looking statements and the actual results to differ materially from those expressed in or implied by those forward-looking statements include, but are not limited to, the following:

- developments in, and macroeconomic influences on, the wireless communications industry in general, and for wireless communications infrastructure providers in particular, in the domestic and international markets in which we operate ;
- the ability and willingness of carriers to invest in their networks in such markets;
- the impact of consolidation among wireless service providers, including on our churn rates;
- the increasing competitive environment in the markets in which we operate and the impact on our ability (i) to retain and renew at anticipated lease rates our current customers and (ii) to identify and close sufficient volume of tower acquisitions that satisfy our investment criteria to meet our portfolio growth expectations;
- the ability of DISH Wireless to become and compete as a nationwide carrier;
- the impact of interest rates on our results of operations and the timing of, and ability to, refinance our maturing existing indebtedness at commercially reasonable rates or at all;
- our ability to continue to comply with covenants and the terms of our credit instruments and our ability to obtain additional financing to fund our capital expenditures;

- our ability to successfully manage the risks associated with international operations, including risks relating to political or economic conditions, inflation, tax laws, currency restrictions and exchange rate fluctuations, legal or judicial systems, and land ownership;
- our ability to successfully manage the risks associated with our acquisitions, including our ability to satisfactorily complete due diligence on acquired towers, our ability to accurately anticipate the future performance of the acquired towers, our ability to receive required regulatory approval, and, once acquired, our ability to effectively integrate acquired towers into our business and to achieve the financial results projected in our valuation models for the acquired towers;
- our ability to secure as many site leasing tenants as anticipated, recognize our expected economies of scale with respect to new tenants on our towers, and retain current leases on towers;
- our ability to obtain the necessary regulatory approvals and satisfy the other closing conditions of the Millicom transaction;
- our ability to secure and deliver anticipated services business at contemplated margins;
- our ability to build new towers, including our ability to identify and acquire land that would be attractive for our customers and to successfully and timely address zoning, permitting, weather, availability of labor and supplies and other issues that arise in connection with the building of new towers;
- our capital allocation decisions and the impact on our ability to achieve our expected tower portfolio growth levels;
- our ability to protect our rights to the land under our towers, and our ability to acquire land underneath our towers on terms that are accretive;
- our ability to successfully estimate the impact of regulatory and litigation matters;
- natural disasters and other unforeseen damage for which our insurance may not provide adequate coverage;
- the introduction of new technologies or changes in a tenant's business model that may make our tower leasing business less desirable to existing or potential tenants;
- our ability to qualify for treatment as a REIT for U.S. federal income tax purposes and to comply with and conduct our business in accordance with such rules;
- our ability to utilize available NOLs to reduce REIT taxable income;
- our ability to successfully estimate the impact of certain accounting and tax matters, including the effect on our company of adopting certain accounting pronouncements and the availability of sufficient NOLs to offset future REIT taxable income; and
- other risks, including those described in Item 1A. – Risk Factors in our Annual Report on Form 10-K and those described from time to time in our other filings with the SEC.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

In order to ensure that the information we must disclose in our filings with the Commission is recorded, processed, summarized and reported on a timely basis, we have formalized our disclosure controls and procedures. Our principal executive officer and principal financial officer have reviewed and evaluated the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e) as of September 30, 2024. Based on such evaluation, such officers have concluded that, as of September 30, 2024, our disclosure controls and procedures were effective.

PART II – OTHER INFORMATION

ITEM 5. OTHER INFORMATION

10b5-1 Trading Plans

During the three months ended September 30, 2024, none of our officers (as defined in Rule 16a-1(f) of the Exchange Act) or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit No. Description of Exhibits

31.1	Certification by Brendan T. Cavanagh, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification by Marc Montagner, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification by Brendan T. Cavanagh, Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.2	Certification by Marc Montagner, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*
101.SCH	XBRL Taxonomy Extension Schema Document.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive File (formatted in Inline XBRL and contained in Exhibit 101).*

* 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.

SBA COMMUNICATIONS CORPORATION

November 1, 2024

/s/ Brendan T. Cavanagh
Brendan T. Cavanagh
Chief Executive Officer
(Duly Authorized Officer)

November 1, 2024

/s/ Marc Montagner
Marc Montagner
Chief Financial Officer
(Principal Financial Officer)