

FOR IMMEDIATE RELEASE**SBA Communications Corporation Reports Second Quarter 2022 Results;
Updates Full Year 2022 Outlook; and Declares Quarterly Cash Dividend**

Boca Raton, Florida, August 1, 2022 (BUSINESS NEWSWIRE) -- SBA Communications Corporation (Nasdaq: SBAC) ("SBA" or the "Company") today reported results for the quarter ended June 30, 2022.

Highlights of the second quarter include:

- **Net income of \$69.2 million or \$0.64 per share**
- **AFFO per share increased 16.3% over the prior year period**
- **Total revenue of \$652.0 million, representing a 13.3% growth over the prior year period**
- **Entered into an agreement to purchase approximately 2,600 sites in Brazil**

In addition, the Company announced today that its Board of Directors has declared a quarterly cash dividend of \$0.71 per share of the Company's Class A Common Stock. The distribution is payable September 20, 2022 to the shareholders of record at the close of business on August 25, 2022.

“Our second-quarter performance was very strong,” stated Jeffrey Stoops, President and CEO. “Wireless carrier activity was, and remains, robust across most of our markets. In both leasing and services, we are extremely busy fulfilling the needs and requests of our customers as they continue to pursue a high level of network investment. Against this demand, we continue to execute very well. We achieved another record for US services revenue in the quarter. We believe domestic and international activity will remain strong into 2023 and perhaps beyond, given the size and scope of our customers’ 5G deployment plans. With respect to capital allocation, we continue to be very disciplined around target leverage levels, and very opportunistic as to allocating capital to portfolio growth or stock repurchases. Consistent with that approach, we have entered into an agreement to acquire approximately 2,600 additional towers in Brazil on terms that we believe are very attractive and will upon closing be immediately accretive to AFFO per share. The acquired towers will be very complementary to our existing towers in Brazil and we expect to integrate these assets smoothly, quickly and with no ongoing material incremental SG&A expense. As a result of these positive results, prospects and investment, we are increasing our 2022 Outlook across all key financial metrics.”

Operating Results

The table below details select financial results for the three months ended June 30, 2022 and comparisons to the prior year period.

	Q2 2022	Q2 2021	\$ Change	% Change	% Change excluding FX ⁽¹⁾
<i>Consolidated</i>					
	(\$ in millions, except per share amounts)				
Site leasing revenue	\$ 580.2	\$ 524.1	\$ 56.1	10.7%	10.1%
Site development revenue	71.8	51.4	20.4	39.5%	39.5%
Tower cash flow ⁽¹⁾	459.6	421.2	38.4	9.1%	8.5%
Net income	69.2	152.7	(83.5)	(54.7%)	42.2%
Earnings per share - diluted	0.64	1.37	(0.73)	(53.3%)	43.7%
Adjusted EBITDA ⁽¹⁾	437.8	400.2	37.6	9.4%	8.8%
AFFO ⁽¹⁾	335.3	293.5	41.8	14.2%	13.3%
AFFO per share ⁽¹⁾	3.07	2.64	0.43	16.3%	15.2%

(1) See the reconciliations and other disclosures under “Non-GAAP Financial Measures” later in this press release.

Total revenues in the second quarter of 2022 were \$652.0 million compared to \$575.5 million in the prior year period, an increase of 13.3%. Site leasing revenue in the second quarter of 2022 of \$580.2 million was comprised of domestic site leasing revenue of \$442.1 million and international site leasing revenue of \$138.1 million. Domestic cash site leasing revenue in the second quarter of 2022 was \$431.8 million compared to \$408.3 million in the prior year period, an increase of 5.8%. International cash site leasing revenue in the second quarter of 2022 was \$138.6 million compared to \$106.3 million in the prior year period, an increase of 30.4%, or 27.1% on a constant currency basis. Site development revenues in the second quarter of 2022 were \$71.8 million compared to \$51.4 million in the prior year period, an increase of 39.5%.

Site leasing operating profit in the second quarter of 2022 was \$468.7 million, an increase of 9.3% over the prior year period. Site leasing contributed 96.4% of the Company’s total operating profit in the second quarter of 2022. Domestic site leasing segment operating profit in the second quarter of 2022 was \$376.3 million, an increase of 6.0% over the prior year period. International site leasing segment operating profit in the second quarter of 2022 was \$92.4 million, an increase of 25.1% from the prior year period.

Tower Cash Flow in the second quarter of 2022 of \$459.6 million was comprised of Domestic Tower Cash Flow of \$366.5 million and International Tower Cash Flow of \$93.1 million. Domestic Tower Cash Flow in the second quarter of 2022 increased 5.9% over the prior year period and International Tower Cash Flow increased 23.7% over the prior year period, or increased 20.4% on a constant currency basis. Tower Cash Flow Margin was 80.6% in the second quarter of 2022, as compared to 81.9% for the prior year period.

Net income in the second quarter of 2022 was \$69.2 million, or \$0.64 per share, and included a \$43.1 million loss, net of taxes, on the currency-related remeasurement of U.S. dollar denominated intercompany loans with foreign subsidiaries. Net income in the second quarter of 2021 was \$152.7 million, or \$1.37 per share, and included a \$73.6 million gain, net of taxes, on the currency-related remeasurement of U.S. dollar denominated intercompany loans with foreign subsidiaries.

Adjusted EBITDA in the second quarter of 2022 was \$437.8 million, a 9.4% increase over the prior year period. Adjusted EBITDA Margin in the second quarter of 2022 was 68.2% compared to 70.7% in the prior year period.

Net Cash Interest Expense in the second quarter of 2022 was \$82.8 million compared to \$90.0 million in the prior year period, a decrease of 8.0%.

AFFO in the second quarter of 2022 was \$335.3 million, a 14.2% increase over the prior year period. AFFO per share in the second quarter of 2022 was \$3.07, a 16.3% increase over the prior year period.

Investing Activities

During the second quarter of 2022, SBA acquired 210 communication sites and one data center in Brazil, for total cash consideration of \$127.3 million. SBA also built 100 towers during the second quarter of 2022. As of June 30, 2022, SBA owned or operated 36,297 communication sites, 17,395 of which are located in the United States and its territories and 18,902 of which are located internationally. In addition, the Company spent \$9.9 million to purchase land and easements and to extend lease terms. Total cash capital expenditures for the second quarter of 2022 were \$191.4 million, consisting of \$11.7 million of non-discretionary cash capital expenditures (tower maintenance and general corporate) and \$179.7 million of discretionary cash capital expenditures (new tower builds, tower augmentations, acquisitions, and purchasing land and easements).

Subsequent to the second quarter of 2022, the Company purchased or is under contract to purchase approximately 200 communication sites for an aggregate consideration of \$85.0 million in cash. The Company anticipates that these acquisitions will be consummated by the end of the fourth quarter of 2022. Additionally, the Company is under contract to purchase approximately 2,600 sites from Grupo TorreSur (GTS) in Brazil for \$725.0 million, which is expected to close during the fourth quarter of 2022. The sites to be acquired in this transaction are anticipated to produce approximately \$68.0 million of Tower Cash Flow during their first full year of operations after closing based on current estimates of future foreign currency exchange rates.

Financing Activities and Liquidity

SBA ended the second quarter of 2022 with \$12.6 billion of total debt, \$9.6 billion of total secured debt, \$288.4 million of cash and cash equivalents, short-term restricted cash, and short-term investments, and \$12.3 billion of Net Debt. SBA's Net Debt and Net Secured Debt to Annualized Adjusted EBITDA Leverage Ratios were 7.0x and 5.3x, respectively.

As of the date of this press release, the Company had \$480.0 million outstanding under its \$1.5 billion Revolving Credit Facility.

The Company did not repurchase any shares of its Class A common stock during the second quarter of 2022. As of the date of this filing, the Company has \$504.7 million of authorization remaining under its approved repurchase plan.

In the second quarter of 2022, the Company declared and paid a cash dividend of \$76.6 million.

Outlook

The Company is updating its full year 2022 Outlook for anticipated results. The Outlook provided is based on a number of assumptions that the Company believes are reasonable at the time of this press release. Information regarding potential risks that could cause the actual results to differ from these forward-looking statements is set forth below and in the Company's filings with the Securities and Exchange Commission.

The Company's full year 2022 Outlook assumes the acquisitions of only those communication sites under contract and anticipated to close at the time of this press release. The acquisition from GTS in Brazil is assumed to close on November 1, 2022, for purposes of the Outlook ranges provided. The Company may spend additional capital in 2022 on acquiring revenue producing assets not yet identified or under contract, the impact of which is not reflected in the 2022 guidance. The Outlook also does not contemplate any additional repurchases of the Company's stock

during 2022, although the Company may ultimately spend capital to repurchase additional stock during the remainder of the year.

The Company's Outlook assumes an average foreign currency exchange rate of 5.35 Brazilian Reais to 1.0 U.S. Dollar, 1.29 Canadian Dollars to 1.0 U.S. Dollar, 2,330 Tanzanian shillings to 1.0 U.S. Dollar, and 16.70 South African Rand to 1.0 U.S. Dollar throughout the last two quarters of 2022.

(in millions, except per share amounts)	Full Year 2022	Change from April 25, 2022 Outlook ⁽⁷⁾	Change from April 25, 2022 Outlook Excluding FX
Site leasing revenue ⁽¹⁾	\$ 2,297.0 to \$ 2,317.0	\$ 24.0	\$ 36.0
Site development revenue	\$ 260.0 to \$ 280.0	\$ 40.0	\$ 40.0
Total revenues	\$ 2,557.0 to \$ 2,597.0	\$ 64.0	\$ 76.0
Tower Cash Flow ⁽²⁾	\$ 1,821.0 to \$ 1,841.0	\$ 19.0	\$ 26.0
Adjusted EBITDA ⁽²⁾	\$ 1,731.0 to \$ 1,751.0	\$ 27.0	\$ 33.0
Net cash interest expense ⁽³⁾	\$ 335.0 to \$ 340.0	\$ 10.0	\$ 10.0
Non-discretionary cash capital expenditures ⁽⁴⁾	\$ 46.0 to \$ 56.0	\$ (1.0)	\$ (1.0)
AFFO ⁽²⁾	\$ 1,300.0 to \$ 1,340.0	\$ 14.0	\$ 20.0
AFFO per share ^{(2) (5)}	\$ 11.87 to \$ 12.24	\$ 0.15	\$ 0.20
Discretionary cash capital expenditures ⁽⁶⁾	\$ 1,410.0 to \$ 1,430.0	\$ 795.0	\$ 801.0

- (1) The Company's Outlook for site leasing revenue includes revenue associated with pass through reimbursable expenses.
- (2) See the reconciliation of this non-GAAP financial measure presented below under "Non-GAAP Financial Measures."
- (3) Net cash interest expense is defined as interest expense less interest income. Net cash interest expense does not include amortization of deferred financing fees or non-cash interest expense.
- (4) Consists of tower maintenance and general corporate capital expenditures.
- (5) Outlook for AFFO per share is calculated by dividing the Company's outlook for AFFO by an assumed weighted average number of diluted common shares of 109.5 million. Outlook does not include the impact of any potential future repurchases of the Company's stock during 2022.
- (6) Consists of new tower builds, tower augmentations, communication site acquisitions and ground lease purchases. Does not include expenditures for acquisitions of revenue producing assets not under contract at the date of this press release.
- (7) Changes from prior outlook are measured based on the midpoint of outlook ranges provided.

Conference Call Information

SBA Communications Corporation will host a conference call on Monday, August 1, 2022 at 5:00 PM (EDT) to discuss the quarterly results. The call may be accessed as follows:

When: Monday, August 1, 2022 at 5:00 PM (EDT)
Dial-in Number: (877) 692-8955
Access Code: 3362526
Conference Name: SBA Second quarter 2022 results
Replay Available: August 1, 2022 at 11:00 PM to August 15, 2022 at 12:00 AM (TZ: Eastern)
Replay Number: (866) 207-1041 – Access Code: 3252031
Internet Access: www.sbasite.com

Information Concerning Forward-Looking Statements

This press release and our earnings call include forward-looking statements, including statements regarding the Company's expectations or beliefs regarding (i) customer activity and demand for the Company's wireless communications infrastructure into 2023 and beyond, both domestically and internationally, and the impact of customer 5G buildout and deployment plans, on such demand, (ii) the Company's future capital allocation, (iii) the Company's financial and operational performance in 2022, the assumptions it made and the drivers contributing to its updated full year guidance, (iv) the timing of closing for currently pending acquisitions, including the GTS acquisition, (v) the impact of the GTS acquisition, including future financial results from the GTS towers, the timing and ease of integration of such towers and that there will be no ongoing material incremental SG&A expense arising from such acquisition, and (vi) foreign exchange rates and their impact on the Company's financial and operational guidance.

The Company wishes to caution readers that these forward-looking statements may be affected by the risks and uncertainties in the Company's business as well as other important factors may have affected and could in the future affect the Company's actual results and could cause the Company's actual results for subsequent periods to differ materially from those expressed in any forward-looking statement made by or on behalf of the Company. With respect to the Company's expectations regarding all of these statements, including its financial and operational guidance, such risk factors include, but are not limited to: (1) the ability and willingness of wireless service providers to maintain or increase their capital expenditures; (2) the Company's ability to identify and acquire sites at prices and upon terms that will provide accretive portfolio growth; (3) the Company's ability to accurately identify and manage any risks associated with its acquired sites, to effectively integrate such sites into its business and to achieve the anticipated financial results; (4) the Company's ability to secure and retain as many site leasing tenants as planned at anticipated lease rates; (5) the impact of continued consolidation among wireless service providers in the U.S. and internationally, including the impact of the completed T-Mobile and Sprint merger, on the Company's leasing revenue; (6) the Company's ability to successfully manage the risks associated with international operations, including risks associated with foreign currency exchange rates; (7) the Company's ability to secure and deliver anticipated services business at contemplated margins; (8) the Company's ability to maintain expenses and cash capital expenditures at appropriate levels for its business while seeking to attain its investment goals; (9) the Company's ability to acquire land underneath towers on terms that are accretive; (10) the economic climate for the wireless communications industry in general and the wireless communications infrastructure providers in particular in the United States, Brazil, South Africa, Tanzania, and in other international markets; (11) the ability of Dish to compete as a nationwide carrier; (12) the Company's ability to obtain future financing at commercially reasonable rates or at all; (13) the ability of the Company to achieve its long-term stock repurchases strategy, which will depend, among other things, on the trading price of the Company's common stock, which may be positively or negatively impacted by the repurchase program, market and business conditions; (14) the Company's ability to achieve the new builds targets included in its anticipated annual portfolio growth goals, which will depend, among other things, on obtaining zoning and regulatory approvals, weather, availability of labor and supplies and other factors beyond the Company's control that could affect the Company's ability to build additional towers in 2022; (15) the extent and duration of the impact of the COVID-19 pandemic on the global economy, on the Company's business and results of operations, and on foreign currency exchange rates; and (16) the Company's ability to meet its total portfolio growth, which will depend, in addition to the new build risks, on the availability of sufficient towers for sale to meet our targets, competition from third parties for such acquisitions and our ability to negotiate the terms of, and acquire, these potential tower portfolios on terms that meet our internal return criteria. With respect to its expectations regarding the ability to close pending acquisitions and its expectations with respect to the GTS acquisition, these factors also include satisfactorily completing due diligence, the amount and quality of due diligence that the Company is able to complete prior to closing of any acquisition, the ability to receive required regulatory approval, the ability and willingness of each party to fulfill their respective closing conditions and their contractual obligations and the availability of cash on hand or borrowing capacity under the Revolving Credit Facility to fund the consideration, its ability to accurately anticipate the future performance of the acquired towers and any challenges or costs associated with the integration of such towers. With respect to the repurchases under the Company's stock repurchase program, the amount of shares repurchased, if any, and the timing of such

repurchases will depend on, among other things, the trading price of the Company's common stock, which may be positively or negatively impacted by the repurchase program, market and business conditions, the availability of stock, the Company's financial performance or determinations following the date of this announcement in order to use the Company's funds for other purposes. Furthermore, the Company's forward-looking statements and its 2022 outlook assumes that the Company continues to qualify for treatment as a REIT for U.S. federal income tax purposes and that the Company's business is currently operated in a manner that complies with the REIT rules and that it will be able to continue to comply with and conduct its business in accordance with such rules. In addition, these forward-looking statements and the information in this press release is qualified in its entirety by cautionary statements and risk factor disclosures contained in the Company's Securities and Exchange Commission filings, including the Company's Annual Report on Form 10-K filed with the Commission on March 1, 2022.

This press release contains non-GAAP financial measures. Reconciliation of each of these non-GAAP financial measures and the other Regulation G information is presented below under "Non-GAAP Financial Measures."

This press release will be available on our website at www.sbsite.com.

About SBA Communications Corporation

SBA Communications Corporation is a first choice provider and leading owner and operator of wireless communications infrastructure in North, Central, and South America, South Africa, the Philippines, and Tanzania. By "Building Better Wireless," SBA generates revenue from two primary businesses – site leasing and site development services. The primary focus of the Company is the leasing of antenna space on its multi-tenant communication sites to a variety of wireless service providers under long-term lease contracts. For more information please visit: www.sbsite.com.

Contacts

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CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited) (in thousands, except per share amounts)

	For the three months ended June 30,		For the six months ended June 30,	
	2022	2021	2022	2021
Revenues:				
Site leasing	\$ 580,233	\$ 524,095	\$ 1,139,665	\$ 1,029,197
Site development	71,773	51,433	132,111	95,069
Total revenues	<u>652,006</u>	<u>575,528</u>	<u>1,271,776</u>	<u>1,124,266</u>
Operating expenses:				
Cost of revenues (exclusive of depreciation, accretion, and amortization shown below):				
Cost of site leasing	111,515	95,350	218,670	190,718
Cost of site development	54,497	40,409	100,269	74,815
Selling, general, and administrative expenses ⁽¹⁾	63,274	53,945	125,398	105,546
Acquisition and new business initiatives related adjustments and expenses	6,829	6,794	11,933	11,795
Asset impairment and decommission costs	8,521	3,797	17,033	8,700
Depreciation, accretion, and amortization	176,392	175,469	350,716	359,350
Total operating expenses	<u>421,028</u>	<u>375,764</u>	<u>824,019</u>	<u>750,924</u>
Operating income	<u>230,978</u>	<u>199,764</u>	<u>447,757</u>	<u>373,342</u>
Other income (expense):				
Interest income	1,517	547	4,020	1,179
Interest expense	(84,315)	(90,544)	(166,566)	(180,639)
Non-cash interest expense	(11,529)	(11,812)	(23,054)	(23,615)
Amortization of deferred financing fees	(4,922)	(4,865)	(9,804)	(9,755)
Loss from extinguishment of debt, net	—	(2,020)	—	(13,672)
Other (expense) income, net	(66,141)	108,849	42,019	20,410
Total other (expense) income, net	<u>(165,390)</u>	<u>155</u>	<u>(153,385)</u>	<u>(206,092)</u>
Income before income taxes	65,588	199,919	294,372	167,250
Benefit (provision) for income taxes	3,563	(47,250)	(36,914)	(26,328)
Net income	<u>69,151</u>	<u>152,669</u>	<u>257,458</u>	<u>140,922</u>
Net loss attributable to noncontrolling interests	365	—	682	—
Net income attributable to SBA Communications Corporation	<u>\$ 69,516</u>	<u>\$ 152,669</u>	<u>\$ 258,140</u>	<u>\$ 140,922</u>
Net income per common share attributable to SBA Communications Corporation:				
Basic	<u>\$ 0.64</u>	<u>\$ 1.40</u>	<u>\$ 2.39</u>	<u>\$ 1.29</u>
Diluted	<u>\$ 0.64</u>	<u>\$ 1.37</u>	<u>\$ 2.36</u>	<u>\$ 1.27</u>
Weighted average number of common shares				
Basic	<u>107,850</u>	<u>109,412</u>	<u>107,966</u>	<u>109,441</u>
Diluted	<u>109,347</u>	<u>111,301</u>	<u>109,443</u>	<u>111,210</u>

(1) Includes non-cash compensation of \$23,248 and \$21,077 for the three months ended June 30, 2022 and 2021, respectively, and \$47,364 and \$40,661 for the six months ended June 30, 2022 and 2021, respectively.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except par values)

	June 30,	December 31,
	2022	2021
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 183,067	\$ 367,278
Restricted cash	64,495	65,561
Accounts receivable, net	115,137	101,950
Costs and estimated earnings in excess of billings on uncompleted contracts	54,781	48,844
Prepaid expenses and other current assets	77,419	30,813
Total current assets	494,899	614,446
Property and equipment, net	2,677,983	2,575,487
Intangible assets, net	2,800,562	2,803,247
Operating lease right-of-use assets, net	2,355,881	2,268,470
Acquired and other right-of-use assets, net	1,002,785	964,405
Other assets	679,827	575,644
Total assets	<u>\$ 10,011,937</u>	<u>\$ 9,801,699</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS, AND SHAREHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	\$ 41,455	\$ 34,066
Accrued expenses	85,697	68,070
Current maturities of long-term debt	662,720	24,000
Deferred revenue	199,829	184,380
Accrued interest	50,841	49,096
Current lease liabilities	256,572	238,497
Other current liabilities	21,086	18,222
Total current liabilities	1,318,200	616,331
Long-term liabilities:		
Long-term debt, net	11,817,504	12,278,694
Long-term lease liabilities	2,047,385	1,981,353
Other long-term liabilities	227,578	191,475
Total long-term liabilities	14,092,467	14,451,522
Redeemable noncontrolling interests	39,881	17,250
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, 107,872 shares and 108,956 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	1,079	1,089
Additional paid-in capital	2,717,963	2,681,347
Accumulated deficit	(7,531,180)	(7,203,531)
Accumulated other comprehensive loss, net	(626,473)	(762,309)
Total shareholders' deficit	(5,438,611)	(5,283,404)
Total liabilities, redeemable noncontrolling interests, and shareholders' deficit	<u>\$ 10,011,937</u>	<u>\$ 9,801,699</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited) (in thousands)

	For the three months ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 69,151	\$ 152,669
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, accretion, and amortization	176,392	175,469
Loss (gain) on remeasurement of U.S. denominated intercompany loans	63,716	(111,295)
Non-cash compensation expense	23,900	21,643
Non-cash asset impairment and decommission costs	8,598	3,498
Loss from extinguishment of debt, net	—	2,020
Deferred income tax (benefit) provision	(11,250)	40,996
Other non-cash items reflected in the Statements of Operations	19,067	20,416
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable and costs and estimated earnings in excess of billings on uncompleted contracts, net	1,734	11,105
Prepaid expenses and other assets	(12,604)	(6,112)
Operating lease right-of-use assets, net	35,498	27,130
Accounts payable and accrued expenses	3,938	7,766
Accrued interest	27,136	39,389
Long-term lease liabilities	(31,952)	(28,379)
Other liabilities	(1,209)	(3,531)
Net cash provided by operating activities	372,115	352,784
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(138,397)	(77,175)
Capital expenditures	(52,963)	(30,839)
Purchase of investments, net	(38,823)	—
Other investing activities	369	(156)
Net cash used in investing activities	(229,814)	(108,170)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net repayments under Revolving Credit Facility	(150,000)	(505,000)
Proceeds from issuance of Tower Securities, net of fees	—	1,152,631
Repayment of Tower Securities	—	(760,000)
Payment of dividends on common stock	(76,565)	(63,481)
Proceeds from employee stock purchase/stock option plans, net of taxes	9,011	25,125
Other financing activities	(6,700)	(5,224)
Net cash used in financing activities	(224,254)	(155,949)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(3,507)	7,960
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(85,460)	96,625
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:		
Beginning of period	336,438	242,185
End of period	<u>\$ 250,978</u>	<u>\$ 338,810</u>

Selected Capital Expenditure Detail

	For the three months ended June 30, 2022	For the six months ended June 30, 2022
	(in thousands)	
Construction and related costs	\$ 26,968	\$ 43,445
Augmentation and tower upgrades	14,258	23,532
Non-discretionary capital expenditures:		
Tower maintenance	10,069	19,396
General corporate	1,668	4,598
Total non-discretionary capital expenditures	11,737	23,994
Total capital expenditures	<u>\$ 52,963</u>	<u>\$ 90,971</u>

Communication Site Portfolio Summary

	Domestic	International	Total
Sites owned at March 31, 2022	17,363	18,654	36,017
Sites acquired during the second quarter	31	179	210
Sites built during the second quarter	2	98	100
Sites decommissioned/reclassified during the second quarter	(1)	(29)	(30)
Sites owned at June 30, 2022	<u>17,395</u>	<u>18,902</u>	<u>36,297</u>

Segment Operating Profit and Segment Operating Profit Margin

Domestic site leasing and International site leasing are the two segments within our site leasing business. Segment operating profit is a key business metric and one of our two measures of segment profitability. The calculation of Segment operating profit for each of our segments is set forth below.

	<u>Domestic Site Leasing</u>		<u>Int'l Site Leasing</u>		<u>Site Development</u>	
	For the three months ended June 30,		For the three months ended June 30,		For the three months ended June 30,	
	2022	2021	2022	2021	2022	2021
	(in thousands)					
Segment revenue	\$ 442,084	\$ 418,829	\$ 138,149	\$ 105,266	\$ 71,773	\$ 51,433
Segment cost of revenues (excluding depreciation, accretion, and amort.)	(65,768)	(63,948)	(45,747)	(31,402)	(54,497)	(40,409)
Segment operating profit	<u>\$ 376,316</u>	<u>\$ 354,881</u>	<u>\$ 92,402</u>	<u>\$ 73,864</u>	<u>\$ 17,276</u>	<u>\$ 11,024</u>
Segment operating profit margin	<u>85.1%</u>	<u>84.7%</u>	<u>66.9%</u>	<u>70.2%</u>	<u>24.1%</u>	<u>21.4%</u>

Non-GAAP Financial Measures

The press release contains non-GAAP financial measures including (i) Cash Site Leasing Revenue, Tower Cash Flow, and Tower Cash Flow Margin; (ii) Adjusted EBITDA, Annualized Adjusted EBITDA, and Adjusted EBITDA Margin; (iii) Funds from Operations (“FFO”), Adjusted Funds from Operations (“AFFO”), and AFFO per share; (iv) Net Debt, Net Secured Debt, Leverage Ratio, and Secured Leverage Ratio (collectively, our “Non-GAAP Debt Measures”); and (v) certain financial metrics after eliminating the impact of changes in foreign currency exchange rates (collectively, our “Constant Currency Measures”).

We have included these non-GAAP financial measures because we believe that they provide investors additional tools in understanding our financial performance and condition.

Specifically, we believe that:

(1) Cash Site Leasing Revenue and Tower Cash Flow are useful indicators of the performance of our site leasing operations;

(2) 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 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 in our debt covenant calculations. Adjusted EBITDA should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance;

(3) FFO, AFFO and AFFO per share, which are metrics used by our public company peers in the communication site industry, provide investors useful indicators of the financial performance of our business and permit investors an additional tool to evaluate the performance of our business against those of our two principal competitors. FFO, AFFO, and AFFO per share are also used to address questions we receive from analysts and investors who routinely assess our operating performance on the basis of these performance measures, which are considered industry standards. We believe that FFO helps investors or other interested parties meaningfully evaluate financial performance by excluding the impact of our asset base (primarily depreciation, amortization and accretion and asset impairment and decommission costs). We believe that AFFO and AFFO per share help investors or other interested parties meaningfully evaluate our financial performance as they include (1) the impact of our capital structure (primarily interest expense on our outstanding debt) and (2) sustaining capital expenditures and exclude the impact of (1) our asset base (primarily depreciation, amortization and accretion and asset impairment and decommission costs) and (2) certain non-cash items, including straight-lined revenues and expenses related to fixed escalations and rent free periods and the non-cash portion of our reported tax provision. GAAP requires rental revenues and expenses related to leases that contain specified rental increases over the life of the lease to be recognized evenly over the life of the lease. In accordance with GAAP, if payment terms call for fixed escalations, or rent free periods, the revenue or expense is recognized on a straight-lined basis over the fixed, non-cancelable term of the contract. We only use AFFO as a performance measure. AFFO should be considered only as a supplement to net income computed in accordance with GAAP as a measure of our performance and should not be considered as an alternative to cash flows from operations or as residual cash flow available for discretionary investment. We believe our definition of FFO is consistent with how that term is defined by the National Association of Real Estate Investment Trusts (“NAREIT”) and that our definition and use of AFFO and AFFO per share is consistent with those reported by the other communication site companies;

(4) Our Non-GAAP Debt Measures provide investors a more complete understanding of our net debt and leverage position as they include the full principal amount of our debt which will be due at maturity and, to the extent that such measures are calculated on Net Debt are net of our cash and cash equivalents, short-term restricted cash, and short-term investments; and

(5) Our Constant Currency Measures provide management and investors the ability to evaluate the performance of the business without the impact of foreign currency exchange rate fluctuations.

In addition, Tower Cash Flow, Adjusted EBITDA, and our Non-GAAP Debt Measures are components of the calculations used by our lenders to determine compliance with certain covenants under our Senior Credit Agreement and indentures relating to our 2020 Senior Notes and 2021 Senior Notes. These non-GAAP financial measures are

not intended to be an alternative to any of the financial measures provided in our results of operations or our balance sheet as determined in accordance with GAAP.

Financial Metrics after Eliminating the Impact of Changes In Foreign Currency Exchange Rates

We eliminate the impact of changes in foreign currency exchange rates for each of the financial metrics listed in the table below by dividing the current period's financial results by the average monthly exchange rates of the prior year period, and by eliminating the impact of the remeasurement of our intercompany loans. The table below provides the reconciliation of the reported growth rate year-over-year of each of such measures to the growth rate after eliminating the impact of changes in foreign currency exchange rates to such measure.

	Second quarter 2022 year over year growth rate	Foreign currency impact	Growth excluding foreign currency impact
Total site leasing revenue	10.7%	0.6%	10.1%
Total cash site leasing revenue	10.8%	0.6%	10.2%
Int'l cash site leasing revenue	30.4%	3.3%	27.1%
Total site leasing segment operating profit	9.3%	0.5%	8.8%
Int'l site leasing segment operating profit	25.1%	3.2%	21.9%
Total site leasing tower cash flow	9.1%	0.6%	8.5%
Int'l site leasing tower cash flow	23.7%	3.3%	20.4%
Net income	(54.7%)	(96.9%)	42.2%
Earnings per share - diluted	(53.3%)	(97.0%)	43.7%
Adjusted EBITDA	9.4%	0.6%	8.8%
AFFO	14.2%	0.9%	13.3%
AFFO per share	16.3%	1.1%	15.2%

Cash Site Leasing Revenue, Tower Cash Flow, and Tower Cash Flow Margin

The table below sets forth the reconciliation of Cash Site Leasing Revenue and Tower Cash Flow to their most comparable GAAP measurement and Tower Cash Flow Margin, which is calculated by dividing Tower Cash Flow by Cash Site Leasing Revenue.

	<u>Domestic Site Leasing</u>		<u>Int'l Site Leasing</u>		<u>Total Site Leasing</u>	
	<u>For the three months ended June 30,</u>		<u>For the three months ended June 30,</u>		<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(in thousands)					
Site leasing revenue	\$ 442,084	\$ 418,829	\$ 138,149	\$ 105,266	\$ 580,233	\$ 524,095
Non-cash straight-line leasing revenue	(10,267)	(10,547)	421	1,032	(9,846)	(9,515)
Cash site leasing revenue	431,817	408,282	138,570	106,298	570,387	514,580
Site leasing cost of revenues (excluding depreciation, accretion, and amortization)	(65,768)	(63,948)	(45,747)	(31,402)	(111,515)	(95,350)
Non-cash straight-line ground lease expense	413	1,594	308	413	721	2,007
Tower Cash Flow	\$ 366,462	\$ 345,928	\$ 93,131	\$ 75,309	\$ 459,593	\$ 421,237
Tower Cash Flow Margin	84.9%	84.7%	67.2%	70.8%	80.6%	81.9%

Forecasted Tower Cash Flow for Full Year 2022

The table below sets forth the reconciliation of forecasted Tower Cash Flow set forth in the Outlook section to its most comparable GAAP measurement for the full year 2022:

	<u>Full Year 2022</u>	
	(in millions)	
Site leasing revenue	\$ 2,297.0	to \$ 2,317.0
Non-cash straight-line leasing revenue	(37.5)	to (32.5)
Cash site leasing revenue	2,259.5	to 2,284.5
Site leasing cost of revenues (excluding depreciation, accretion, and amortization)	(438.5)	to (448.5)
Non-cash straight-line ground lease expense	—	to 5.0
Tower Cash Flow	<u>\$ 1,821.0</u>	<u>to \$ 1,841.0</u>

Adjusted EBITDA, Annualized Adjusted EBITDA, and Adjusted EBITDA Margin

The table below sets forth the reconciliation of Adjusted EBITDA to its most comparable GAAP measurement.

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
	(in thousands)	
Net income	\$ 69,151	\$ 152,669
Non-cash straight-line leasing revenue	(9,846)	(9,515)
Non-cash straight-line ground lease expense	721	2,007
Non-cash compensation	23,900	21,643
Loss from extinguishment of debt, net	—	2,020
Other expense (income), net	66,141	(108,849)
Acquisition and new business initiatives related adjustments and expenses	6,829	6,794
Asset impairment and decommission costs	8,521	3,797
Interest income	(1,517)	(547)
Total interest expense ⁽¹⁾	100,766	107,221
Depreciation, accretion, and amortization	176,392	175,469
(Benefit) provision for taxes ⁽²⁾	(3,302)	47,485
Adjusted EBITDA	<u>\$ 437,756</u>	<u>\$ 400,194</u>
Annualized Adjusted EBITDA ⁽³⁾	<u>\$ 1,751,024</u>	<u>\$ 1,600,776</u>

- (1) Total interest expense includes interest expense, non-cash interest expense, and amortization of deferred financing fees.
- (2) For the three months ended June 30, 2022 and 2021, these amounts included \$261 and \$235, respectively, of franchise and gross receipts taxes reflected in the Statements of Operations in selling, general and administrative expenses.
- (3) Annualized Adjusted EBITDA is calculated as Adjusted EBITDA for the most recent quarter multiplied by four.

The calculation of Adjusted EBITDA Margin is as follows:

	<u>For the three months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>
	(in thousands)	
Total revenues	\$ 652,006	\$ 575,528
Non-cash straight-line leasing revenue	(9,846)	(9,515)
Total revenues minus non-cash straight-line leasing revenue	<u>\$ 642,160</u>	<u>\$ 566,013</u>
Adjusted EBITDA	<u>\$ 437,756</u>	<u>\$ 400,194</u>
Adjusted EBITDA Margin	<u>68.2%</u>	<u>70.7%</u>

Forecasted Adjusted EBITDA for Full Year 2022

The table below sets forth the reconciliation of the forecasted Adjusted EBITDA set forth in the Outlook section to its most comparable GAAP measurement for the full year 2022:

	<u>Full Year 2022</u>	
	(in millions)	
Net income	\$ 439.5	to \$ 484.5
Non-cash straight-line leasing revenue	(37.5)	to (32.5)
Non-cash straight-line ground lease expense	—	to 5.0
Non-cash compensation	106.5	to 101.5
Other income, net	(14.0)	to (14.0)
Acquisition and new business initiatives related adjustments and expenses	29.5	to 24.5
Asset impairment and decommission costs	36.5	to 31.5
Interest income	(9.5)	to (6.5)
Total interest expense ⁽¹⁾	414.5	to 406.5
Depreciation, accretion, and amortization	707.5	to 697.5
Provision for taxes ⁽²⁾	58.0	to 53.0
Adjusted EBITDA	<u>\$ 1,731.0</u>	<u>to \$ 1,751.0</u>

- (1) Total interest expense includes interest expense, non-cash interest expense, and amortization of deferred financing fees.
- (2) Includes projections for franchise taxes and gross receipts taxes, which will be reflected in the Statement of Operations in Selling, general, and administrative expenses.

Funds from Operations (“FFO”), Adjusted Funds from Operations (“AFFO”), and AFFO per share

The table below sets forth the reconciliations of FFO and AFFO to their most comparable GAAP measurement.

(in thousands, except per share amounts)	For the three months ended June 30,	
	2022	2021
Net income	\$ 69,151	\$ 152,669
Real estate related depreciation, amortization, and accretion	175,190	176,340
Asset impairment and decommission costs	8,521	3,797
FFO	\$ 252,862	\$ 332,806
Adjustments to FFO:		
Non-cash straight-line leasing revenue	(9,846)	(9,515)
Non-cash straight-line ground lease expense	721	2,007
Non-cash compensation	23,900	21,643
Adjustment for non-cash portion of tax (benefit) provision	(11,250)	40,991
Non-real estate related depreciation, amortization, and accretion	1,202	(871)
Amortization of deferred financing costs and debt discounts and non-cash interest expense	16,451	16,677
Loss from extinguishment of debt, net	—	2,020
Other expense (income), net	66,141	(108,849)
Acquisition and new business initiatives related adjustments and expenses	6,829	6,794
Non-discretionary cash capital expenditures	(11,737)	(10,198)
AFFO	\$ 335,273	\$ 293,505
Adjustments for joint venture partner interest	(971)	—
AFFO attributable to SBA Communications Corporation	\$ 334,302	\$ 293,505
Weighted average number of common shares ⁽¹⁾	109,347	111,301
AFFO per share	\$ 3.07	\$ 2.64
AFFO per share attributable to SBA Communications	\$ 3.06	\$ 2.64

(1) For purposes of the AFFO per share calculation, the basic weighted average number of common shares has been adjusted to include the dilutive effect of stock options and restricted stock units.

Forecasted AFFO for the Full Year 2022

The table below sets forth the reconciliation of the forecasted AFFO and AFFO per share set forth in the Outlook section to its most comparable GAAP measurement for the full year 2022:

(in millions, except per share amounts)	Full Year 2022	
Net income	\$ 439.5	to \$ 484.5
Real estate related depreciation, amortization, and accretion	698.5	to 693.5
Asset impairment and decommission costs	36.5	to 31.5
FFO	\$ 1,174.5	to \$ 1,209.5
Adjustments to FFO:		
Non-cash straight-line leasing revenue	(37.5)	to (32.5)
Non-cash straight-line ground lease expense	—	to 5.0
Non-cash compensation	106.5	to 101.5
Adjustment for non-cash portion of tax provision	23.0	to 23.0
Non-real estate related depreciation, amortization, and accretion	9.0	to 4.0
Amortization of deferred financing costs and debt discounts and non-cash interest expense	65.0	to 65.0
Other income, net	(14.0)	to (14.0)
Acquisition and new business initiatives related adjustments and expenses	29.5	to 24.5
Non-discretionary cash capital expenditures	(56.0)	to (46.0)
AFFO	<u>\$ 1,300.0</u>	<u>to \$ 1,340.0</u>
Weighted average number of common shares ⁽¹⁾	<u>109.5</u>	<u>to 109.5</u>
AFFO per share	<u>\$ 11.87</u>	<u>to \$ 12.24</u>

(1) Our assumption for weighted average number of common shares does not contemplate any additional repurchases of the Company's stock during 2022.

Net Debt, Net Secured Debt, Leverage Ratio, and Secured Leverage Ratio

Net Debt is calculated using the notional principal amount of outstanding debt. Under GAAP policies, the notional principal amount of the Company's outstanding debt is not necessarily reflected on the face of the Company's financial statements.

The Net Debt and Leverage calculations are as follows:

	June 30, 2022
	(in thousands)
2014-2C Tower Securities	\$ 620,000
2018-1C Tower Securities	640,000
2019-1C Tower Securities	1,165,000
2020-1C Tower Securities	750,000
2020-2C Tower Securities	600,000
2021-1C Tower Securities	1,165,000
2021-2C Tower Securities	895,000
2021-3C Tower Securities	895,000
Revolving Credit Facility	530,000
2018 Term Loan	2,304,000
Total secured debt	9,564,000
2020 Senior Notes	1,500,000
2021 Senior Notes	1,500,000
Total unsecured debt	3,000,000
Total debt	<u>\$ 12,564,000</u>
<u>Leverage Ratio</u>	
Total debt	\$ 12,564,000
Less: Cash and cash equivalents, short-term restricted cash and short-term investments	(288,360)
Net debt	<u>\$ 12,275,640</u>
Divided by: Annualized Adjusted EBITDA	<u>\$ 1,751,024</u>
Leverage Ratio	<u>7.0x</u>
<u>Secured Leverage Ratio</u>	
Total secured debt	\$ 9,564,000
Less: Cash and cash equivalents, short-term restricted cash and short-term investments	(288,360)
Net Secured Debt	<u>\$ 9,275,640</u>
Divided by: Annualized Adjusted EBITDA	<u>\$ 1,751,024</u>
Secured Leverage Ratio	<u>5.3x</u>