Uniti

# Morgan Stanley 2020 Technology, Media & Telecom Conference

March 3, 2020

# Safe Harbor

*Certain statements in this presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended from time to time. Those forward-looking statements include all statements that are not historical statements of fact, including, without limitation, those regarding our business strategies, growth prospects, industry trends, sales opportunities, operating and financial performance, the settlement we have announced with Windstream Holdings, Inc. (together with its subsidiaries, “Windstream”) and our ability to obtain court approval for such settlement and satisfy the conditions precedent to its effectiveness, and Windstream’s ability to implement a successful plan of reorganization and emerge from bankruptcy, and our 2019 financial outlook.*

*Words such as "anticipate(s)," "expect(s)," "intend(s)," “estimate(s),” “foresee(s),” "plan(s)," "believe(s)," "may," "will," "would," "could," "should," "seek(s)" and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to whether our settlement with Windstream will be implemented, as it is subject to significant conditions, including court approval, regulatory approval, execution of definitive documentation, and to a number of other risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we can give no assurance that our expectations will be attained. Factors which could materially alter our expectations include, but are not limited to, the future prospects of our largest customer, Windstream Holdings, which on February 25, 2019, filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code; our ability to continue as a going concern if our settlement is not implemented and/or Windstream is not able to successfully emerge, including if Windstream were to successfully reject the Master Lease, recharacterize the Master Lease, or be unable or unwilling to perform its obligations under the Master Lease, including its obligation to make monthly lease payments; the ability and willingness of our customers to meet and/or perform their obligations under any contractual arrangements entered into with us, including master lease arrangements; the ability of our customers to comply with laws, rules and regulations in the operation of the assets we lease to them; the ability and willingness of our customers to renew their leases with us upon their expiration, and the ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we replace an existing tenant; the adverse impact of litigation affecting us or our customers; our ability to renew, extend or obtain contracts with significant customers (including customers of the businesses we acquire); the availability of and our ability to identify suitable acquisition opportunities and our ability to acquire and lease the respective properties on favorable terms; the risk that we fail to fully realize the potential benefits of acquisitions or have difficulty integrating acquired companies; our ability to generate sufficient cash flows to service our outstanding indebtedness; our ability to access debt and equity capital markets to finance our cash needs (as our cash flows from operations have historically been insufficient to fund our dividend and capital expenditure needs), which may be difficult so long as the Windstream dispute is not resolved; the impact on our business or the business of our customers as a result of credit rating downgrades and fluctuating interest rates; our ability to retain our key management personnel; our ability to qualify or maintain our status as a real estate investment trust (“REIT”); changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs; covenants in our debt agreements that may limit our operational flexibility; other risks inherent in the communications industry and in the ownership of communications distribution systems, including potential liability relating to environmental matters and illiquidity of real estate investments; the risk that the agreements relating to our pending transactions may be modified or terminated prior to closing; the risks related to satisfying the conditions to our pending transactions; and additional factors described in our reports filed with the SEC. Uniti expressly disclaims any obligation to release publicly any updates or revisions to any of the forward-looking statements set forth in this presentation to reflect any change in its expectations or any change in events, conditions or circumstances on which any statement is based.*

*This presentation may contain certain supplemental measures of performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States (“GAAP”). Such measures should not be considered as alternatives to GAAP. Further information with respect to and reconciliations of such measures to the nearest GAAP measure can be found herein.*

# Windstream & Uniti Agreement In Principle(1)

| ***Highlights*** | ***Key Features*** |
|---|---|
| **Stronger Leases** | ▪ Tenants Expanded to Include Windstream Holdings, Windstream Services, and Direct and Indirect Subsidiaries of Windstream Services<br>▪ Current Aggregate Annual Rent of ~$660 Million Remains Unchanged Through ~10 Year Remaining Initial Term(2)<br>▪ Separating ILEC and CLEC Leases to Potentially Unlock Value for Both Uniti and Windstream<br>▪ Underwriting Standards for Fiber Growth Capital Improvements ("GCI") and Financial Covenants Included in Leases |
| **Healthier Tenant** | ▪ Expect Windstream to Have Ample Liquidity and Deleveraged Balance Sheet<br>▪ GCI Expected to be Directed at Markets that Improve Windstream's Competitive Position<br>▪ Positions Windstream for Sustainable Growth and Margin Expansion<br>▪ Potential to Enhance Uniti's Tenant Diversification with ILEC/CLEC Lease Separation |
| **Attractive Acquired Assets** | ▪ Windstream Relinquishing to Uniti Leasehold Interests in 1.8 Million Fiber Strand Miles<br>▪ Uniti Acquiring 450,000 Windstream-Owned Fiber Strand Miles<br>▪ Uniti Leasable Fiber Available to Third Parties Increased by ~90%<br>▪ Acquired Assets Provide Synergies with Existing Uniti Fiber and Uniti Leasing Businesses<br>▪ Acquiring Third Party Dark Fiber IRUs with ~$30 Million of Annual Revenue and Adjusted EBITDA |
| **Long Lived Fiber Network Investments** | ▪ Up to ~$1.75 Billion of Capital Expected to be Invested by Uniti to Upgrade Uniti's Network with Fiber Over ~10 Years<br>▪ Windstream Will Lease New GCI Fiber Deployments at an 8% Initial Yield, Subject to 0.5% Annual Escalator<br>▪ Uniti Has Option to Joint Build New CLEC Fiber, Owning and Operating Any Excess Strands Beyond Windstream's Needs<br>▪ Significantly Enhances Value of Uniti Network – Today and at Renewal |
| **Consideration From Uniti to Windstream** | ▪ $400 Million in Cash(3)<br>▪ $245 Million of Proceeds from the Sale of 19.99% of Uniti's Common Stock to Certain Creditors of Windstream<br>▪ $40 Million in Cash for Certain Windstream-Owned Fiber Assets and Third Party Dark Fiber IRU Contracts |

**Mutually Beneficial Deal Provides Clarity on Uniti's Path Forward**

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*(1) Subject to satisfying significant conditions to implement settlement, including court approval, regulatory approval, the execution of definitive documentation, and the receipt of "true lease" opinions.*

*(2) Subject to appraisal and "true lease" analysis.*

*(3) Based on net present value of $490 Million to be paid over 5 years at an assumed discount rate of 9.0%.*

# Master Lease Agreement Modifications Summary

| | Existing MLA | New MLAs |
|---|---|---|
| **Lease Structure** | One Master Lease Governing ILEC and CLEC Facilities | Bifurcated into Structurally Similar but Independent Agreements Governing the ILEC and CLEC Facilities<br>Cross-Defaulted & Cross-Guaranteed While Windstream is Tenant on Both Leases |
| **Current Annual Aggregate Rent** | ~$660 Million | ~$660 Million |
| **Annual Escalator** | 0.5% | 0.5% |
| **Remaining Initial Term** | 10 Years | 10 Years |
| **Tenants** | Windstream Holdings Inc. | Windstream Holdings Inc., Windstream Services, LLC, and Direct and Indirect Subsidiaries of Windstream Services, LLC |
| **Growth Capital Improvement Funding Commitment** | N/A | Up to ~$1.75 Billion of Capital Expected to be Invested to Upgrade Uniti's Network with Fiber at an Initial Yield of 8%, Subject to a 0.5% Annual Escalator |
| **Underwriting Standards/ Financial Covenants** | None | Growth Capital Improvements ("GCI") Subject to Underwriting Standards<br>Incurrence & Maintenance Leverage Covenants<br>*(Govern Windstream Restrictions and Continued GCI Funding)* |
| **Transfer Rights** | Limited | ILEC and CLEC Leases Permit Uniti and Windstream to Transfer its Respective Rights and Obligations Under the Applicable Lease(1) |

**New Leases Structurally Enhanced for Protection & Optionality**

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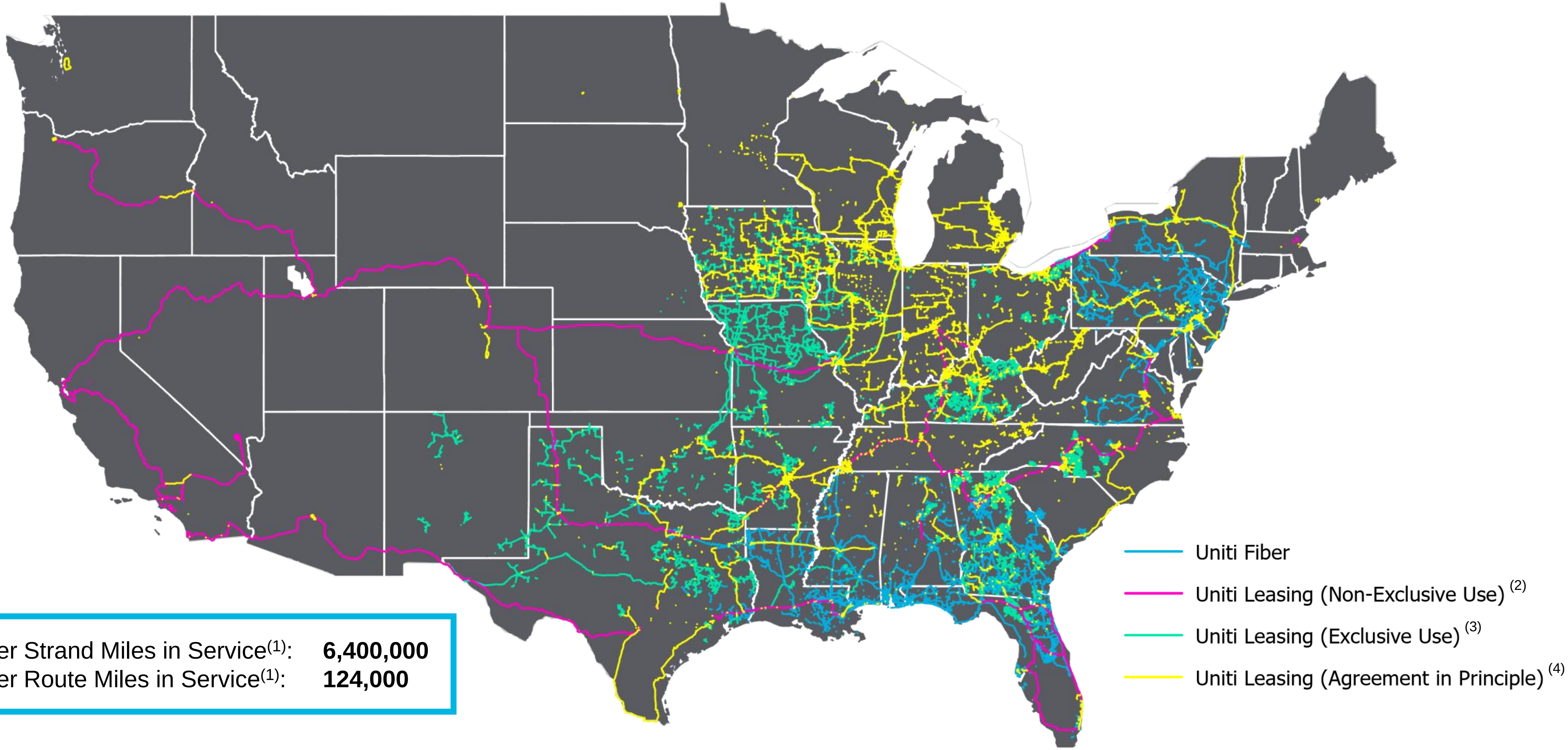
(1) *Subject to certain tests and conditions.*

# Uniti’s Expanded National Fiber Network



| | |
|---|---|
| Combined Fiber Strand Miles in Service(1): | **6,400,000** |
| Combined Fiber Route Miles in Service(1): | **124,000** |

**Deal Expands Leasable Fiber Network to Third Parties By ~90%**

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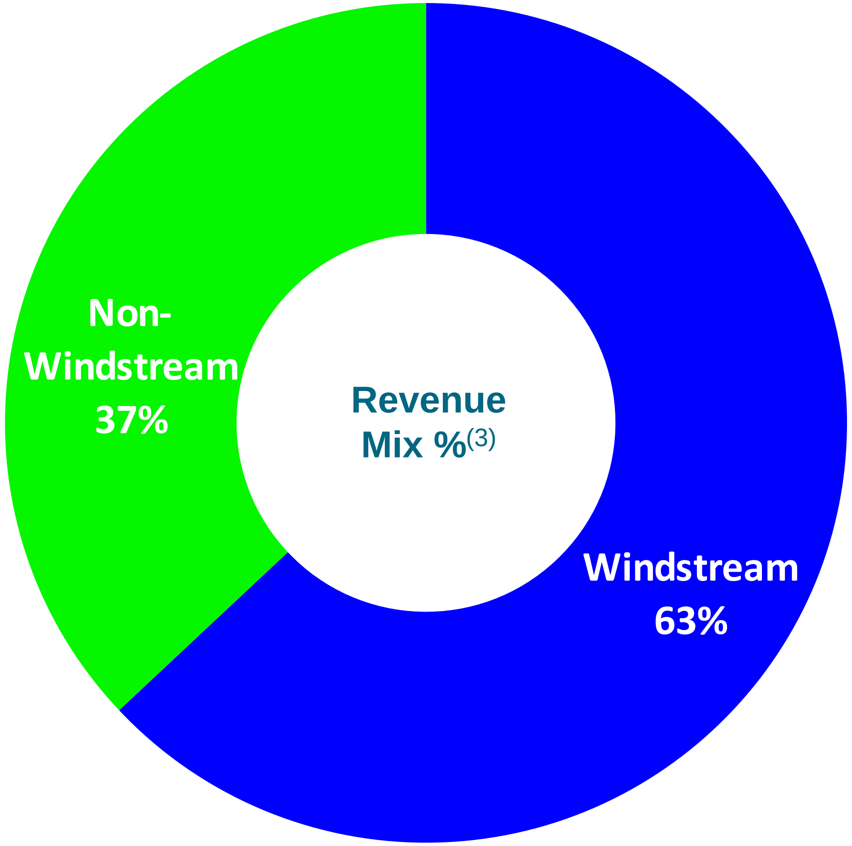
(1) *As of September 30, 2019, adjusted to include Windstream-owned fiber assets acquired by Uniti as part of the agreement reached in principle.*
(2) *Represents fiber assets where Uniti has the right to lease to third parties.*
(3) *Represents network assets that are leased to the primary tenant on an exclusive basis.*
(4) *Represents fiber assets where Windstream relinquished its leasehold interests or where Uniti acquired certain fiber assets from Windstream as part of the agreement reached in principle.*

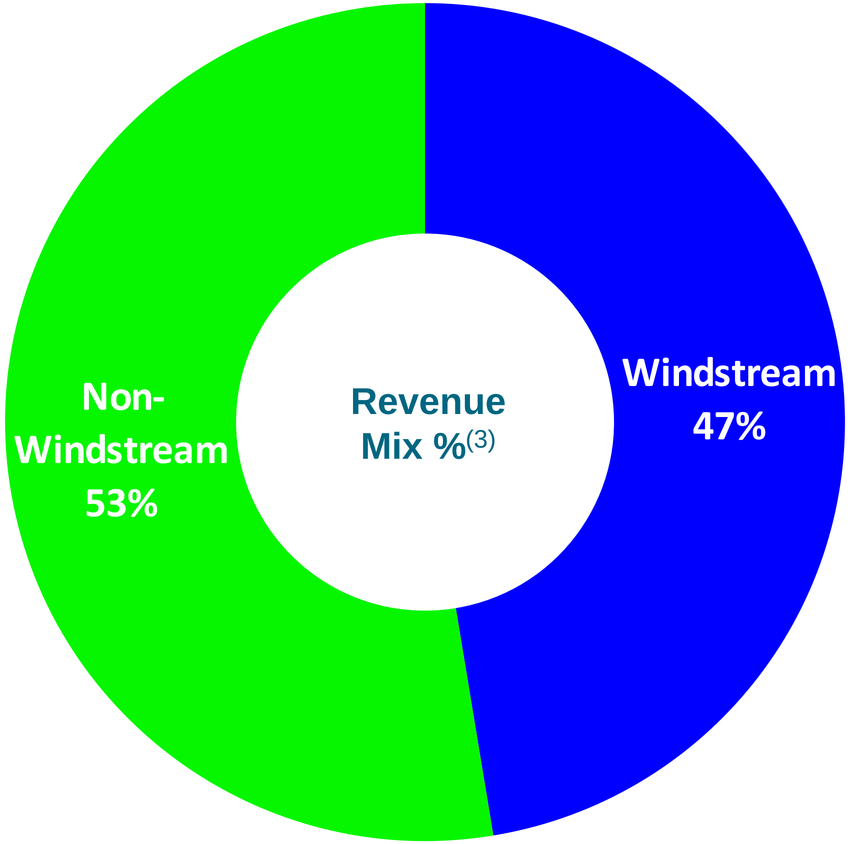
# Uniti Potential Revenue Diversification

*(Assumes Windstream Sells Existing CLEC Assets & CLEC Lease Transfers to Third Party)*

## *Current Revenue Mix*(1)



## *Potential Revenue Mix* (2)



**Pathway to Meaningfully Diversify Revenue Through Bifurcation of ILEC and CLEC Leases**

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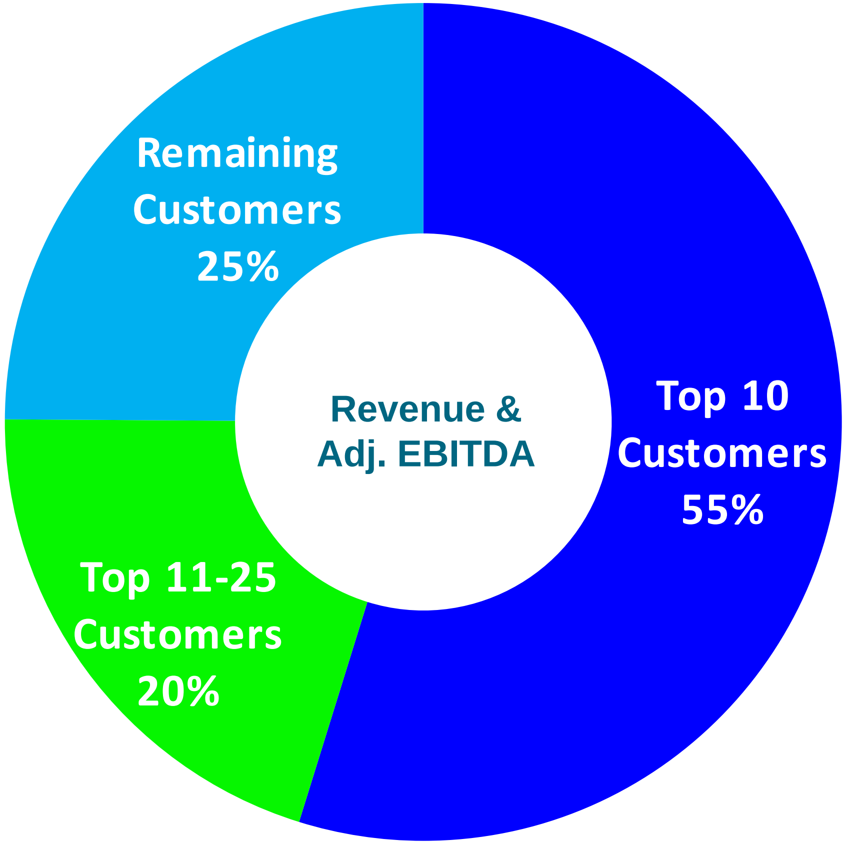
*(1) Current Revenue Mix is based on the mid-point of 2019 Outlook range provided in the Company's Earnings Release dated November 7, 2019, and includes the Bluebird transaction and the sale of Unit Fiber's Midwest operations, which both closed on August 30, 2019, the sale of the U.S. ground lease portfolio, and assumes the Windstream lease continues in full force and effect, and that Windstream continues to make all lease payments on time and in accordance with the Master Lease's general terms.*

*(2) Potential Revenue Mix reflects the Current Revenue Mix, adjusted for the transfer of existing CLEC annual lease payments made by Windstream of $154 million to a third party, and incremental ~$30 million of revenue associated with certain dark fiber IRU contracts we are acquiring from Windstream. CLEC annual lease payment reflects an indicative rent amount and actual rent payments for the CLEC and ILEC leases are to be finalized and could differ.*

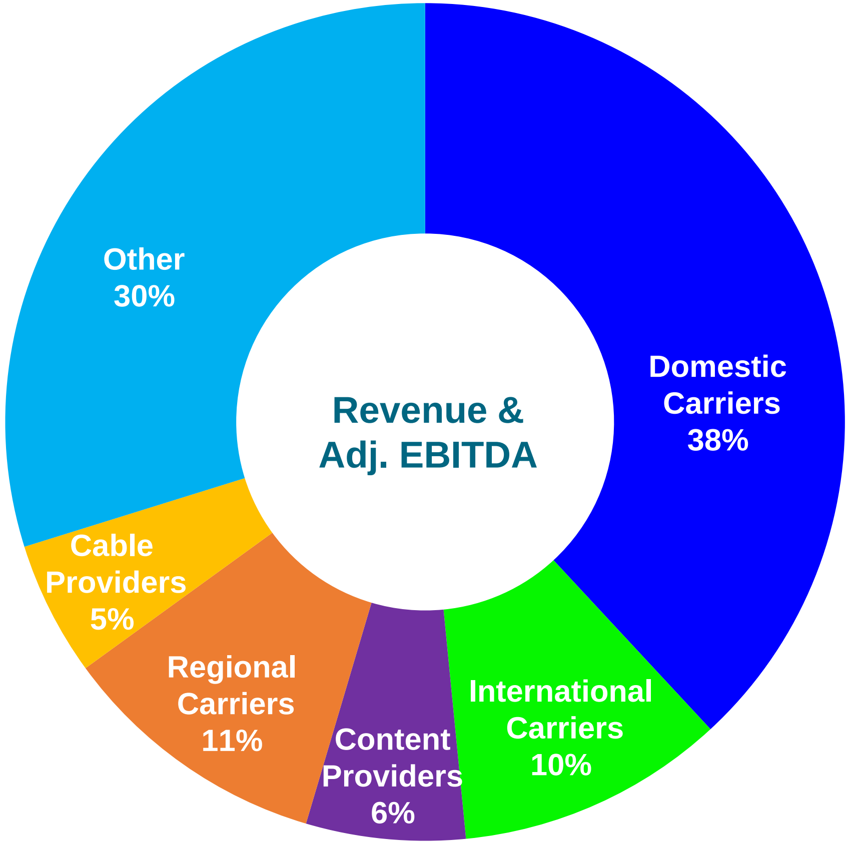
*(3) Excludes amortized revenues from tenant capital improvements.*

# Dark Fiber IRU Customers Increase Uniti's Diversification(1)

*Customer Concentration*



*Customer Mix*



**~$30 Million of Incremental Third Party Dark Fiber Revenue and Adjusted EBITDA**

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(1) *Average remaining contract term, including renewal periods, is ~11 years. Initial remaining contract term is ~5 years.*

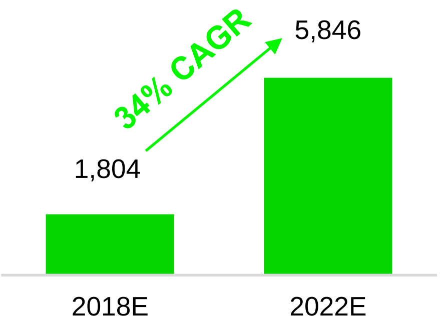
# Fiber is The New Mission Critical Asset

## Rapid Expansion in Wireless Data…

***Key Network Growth Drivers***

- Mobile Video
- Internet of Things (IoT)
- Machine-to-Machine (M2M)
- Autonomous Vehicles
- Big Data
- Smart Cities

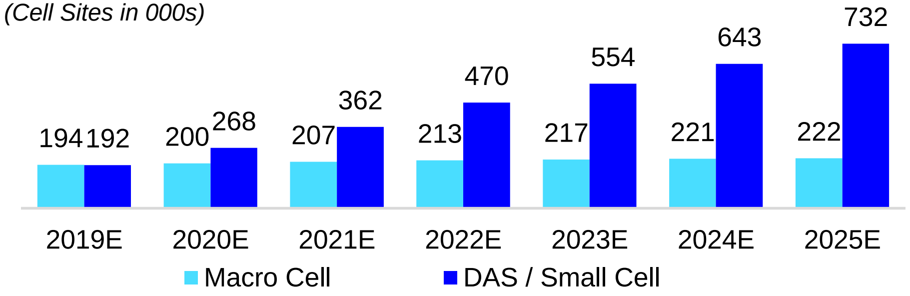
***NA Mobile Internet Traffic***
*(PBs of Traffic per Month)*



## …Will Require Significant Investment…

- Carriers Continue to Densify Networks
- Wireless Operators Preparing for 5G Deployment
- FirstNet Network Expected To Depend On Small Cell Sites

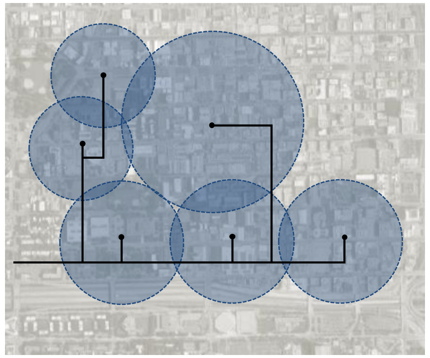
***U.S. Macro Sites and DAS/Small Cell Sites Forecast***
*(Cell Sites in 000s)*



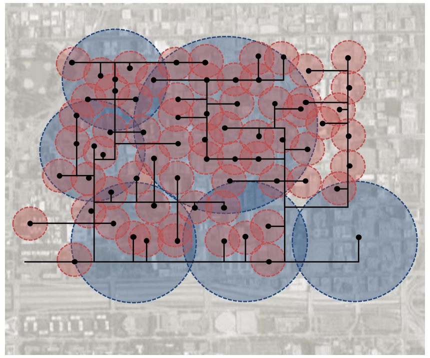
## …Supported By Large-Scale and Dense Fiber Networks

- **Future Devices will Demand Ultra Low-Latency and Uninterrupted Coverage**
- **Fiber Infrastructure Is Critical to Future Wireless Networks**
  - Existing Fiber Networks Generally not Sufficient to Satisfy Growing Demand
- **Deep, Dense Fiber and Small Cells will be Critical to New Ecosystem**
  - FCC is Supportive of Small Cell Deployment Expansion

**Wireless Networks of Today**



**Wireless Networks of Tomorrow**



**Benefiting From Multi-Year Carrier Investment Cycle**

*Source: ATLANTIC-ACM, Cisco Visual Networking Index, S&P Global Market Intelligence and FirstNet.*

# Uniti's Profile Has Rapidly Evolved

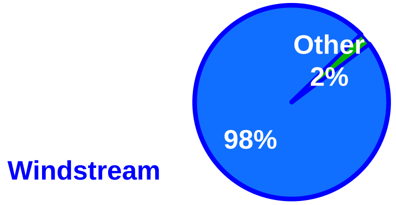
## Scale

| | Spin – April 2015(1) | Today(2) |
|---|---|---|
| Annual Revenue | ~ $700M | Annual Revenue(3): ~ $1.1B<br>+52% |
| Adjusted EBITDA | > $650M | Adjusted EBITDA(3): ~ $817M<br>+26% |

## Diversification

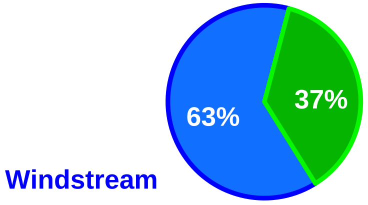
**Spin – April 2015(1)**

Revenue Mix



**Today(2)**

Revenue Mix(3) (4)



Capital Deployed

~ $2.0B

## Customers

**Spin – April 2015(1)**

windstream communications

**Today(2)**

windstream communications

Major Wireless Carriers

Departments of Transportation

National Cable MSOs

E-Rate

Major Wireline Carriers

## Operations

| | Spin – April 2015(1) | Today(2) |
|---|---|---|
| Customers(5) | 1 | ~ 19,850 |
| Strand Miles | 3.5M | 6.0M |

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*(1) Information as of April 30, 2015.*

*(2) Capital Deployed, Customers and Strand Miles are as of September 30, 2019.*

*(3) Annual Revenue, Adjusted EBITDA and Revenue Mix are based on the mid-point of 2019 Outlook range provided in the Company's Earnings Release dated November 7, 2019, and includes the Bluebird transaction and the sale of Unit Fiber's Midwest operations, which both closed on August 30, 2019, the sale of the U.S. ground lease portfolio, and assumes the Windstream lease continues in full force and effect, and that Windstream continues to make all lease payments on time and in accordance with the Master Lease's general terms.*

*(4) Excludes amortized revenues from tenant capital improvements.*

*(5) Customers represent Customer Connections, both fiber and microwave, and exclude Connections related to Talk America.*

# Towers and Fiber – Highly Attractive Models

| | Uniti Fiber - Dark Fiber | Uniti Leasing | Uniti Towers |
|---|---|---|---|
| **Useful Economic Life**(1) | ~ 50 Year | ~ 50 Year | ~ 50 Year |
| **Initial Term**(2) | 10 – 20 Years | 15 – 20 Years | 5 – 10 Years |
| **Initial Yields**(2) | 5% – 7% | 7% – 10%+ | 5% – 7%+ |
| **Incremental Lease-up Potential** | Primarily from Non-Wireless Opportunities (~75% of New Bookings in 3Q19) | ~100% Incremental Margins with Little to No Additional Capex Requirement | Expect Annualized Revenue of $0.4 Million in 2019; Building Momentum in 2020 |
| **Expected Customer Churn** | Very Low | Very Low | Very Low |
| **Average Remaining Contract Term**(3) | 18.3 Years | 11.4 Years | 8.4 Years |
| **Revenues under Contract**(3) | ~ $500 Million | ~ $7.9 Billion | ~ $100 Million |

**Shared Infrastructure with Similar Attractive Economics**

*Note: Statistics are indicative of current market characteristics. Uniti Group's arrangements could differ materially from those stated.*

*(1) Based on estimated original useful economic life of towers and fiber.*
*(2) Illustrative of representative transactions, including U.S. for towers.*
*(3) Revenues Under Contract are as of September 30, 2019. Contracts are subject to termination under certain conditions and/or may not be renewed. Actual Revenues Under Contract could vary materially.*

# Uniti's Investment Highlights(1)

- **Premier Portfolio of Infrastructure Assets**
  - ~ 6 Million Strand Miles of Fiber(2)
  - ~ 1,650 Small Cells Installed or in Backlog
  - ~ 630 Towers

- **Unique Provider of Full Suite of 5G Infrastructure Products**

- **Significant Opportunity for Further Lease-Up**
  - ~ 70% of Fiber Unutilized(3) and Current Tower Tenancy Ratio of ~1.1x(4)
  - ~ 75% of 3Q19 Bookings at Uniti Fiber are from Non-Wireless Opportunities

- **Predictable Revenue and Cash Flow(1)**
  - ~ 99% of Uniti's Revenue is Recurring(5)
  - Nearly $10 Billion of Revenues Under Contract with ~ 9 Years of Contract Term Remaining
  - ~ 87% of Uniti's Revenue has Monthly Churn of Less than 0.5%(5)

**Substantial Valuation Discount Relative to Infrastructure REITs**

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*(1) Assumes the Windstream lease continues in full force and effect, and that Windstream continues to make all lease payments on time and in accordance with the Master Lease's general terms.*
*(2) Excludes fiber related to agreement in principle with Windstream.*
*(3) Utilization rate provided by tenants without verification and investors should not place undue reliance on the utilization rate.*
*(4) Excludes towers acquired from Windstream and Hunt.*
*(5) Excluding DOT/ITS construction, equipment sales, and Talk America Services.*

# Uniti's Priorities

- **Recurring REITable Revenue with High Margin, Low Churn**
  - Optimization of Portfolio Continues
  - Continued Investment in Uniti Leasing
  - Lit to Dark Fiber Conversions
  - Transition of Certain Assets at Uniti Fiber to Uniti Leasing

- **Execution of Lease-Up on Anchor Builds**
  - Nearing Completion of Major Dark Fiber and Small Cell Development Projects
  - Expect Lease-Up Activity at Towers to Ramp Entering 2020

- **Proprietary M&A Transaction Opportunities**
  - Sale Leaseback and OpCo/PropCo Structures
  - Transformative Opportunities
  - Bolt-on Acquisitions

- **Revenue Diversification and Credit Quality of Customer Base**
  - ~60% of Revenues Under Contract at Uniti Fiber are Investment Grade(1)

**Focused on Initiatives to Drive a Healthier Infrastructure Valuation**

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*(1) Defined as revenues under contract at Uniti Fiber that are derived from customers with a S&P credit rating of BBB or higher.*

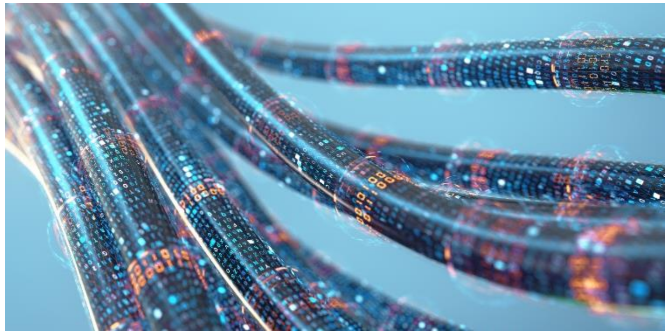
# Uniti Fiber Overview

**Annual Revenue(1): $322 Million**

**Annual Adjusted EBITDA(1)(2): $130 Million**

**Fiber Strand Miles: 1.9 Million**

**Capital Deployed(3): ~ $1.6 Billion**



- **Leverage DFTT Backhaul and Small Cell Awards to Grow Metro Fiber Footprint with Deep, Dense and High Strand Count Fiber that can be Monetized for New Customers and Applications**
- **14 Large DFTT and Small Cell Projects Constructed or Currently Under Construction with National Wireless Carriers as Anchor Tenant**
- **Anchor Yields Typically Range from 5% - 7% Over 20 Year Terms**
- **Majority of Projects Completed in 2019, with Remaining Projects Expected to be Completed in 2020**
- **Expect Capital Intensity to Decline to ~45% of Total Uniti Fiber Revenue at End of 2019; Trend Towards Mid-30% Range by End of 2020**
- **Expect Lease-up Sales to Accelerate as Construction is Completed in Each Market**

**DFTT Provides the Foundation for Future Growth Potential to Achieve Lease-up Yields > 15%**

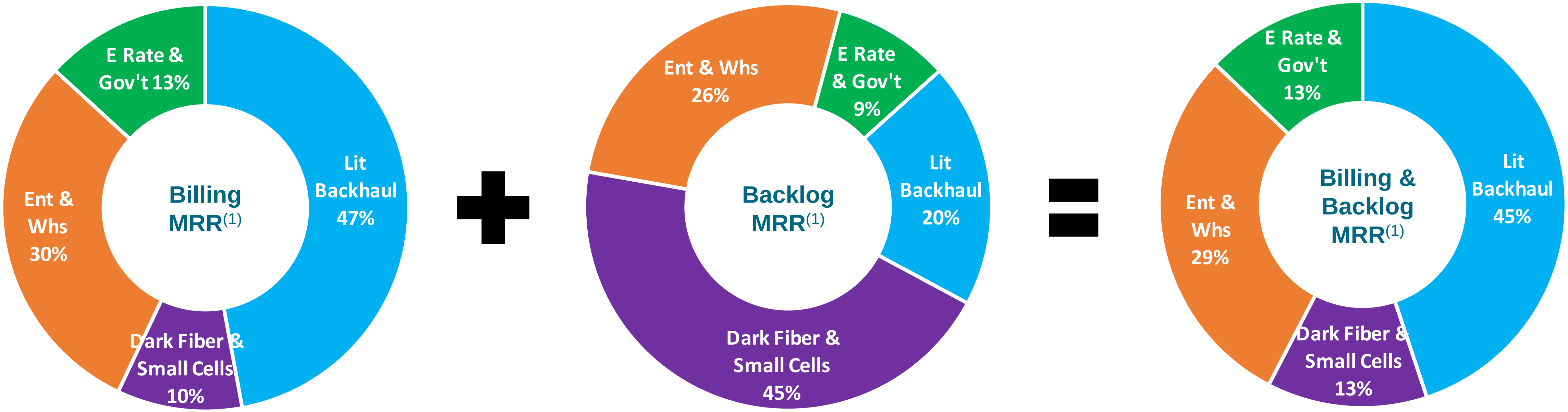
*Note: All information is as of September 30, 2019, unless otherwise noted.*

*(1) Based on the mid-point of 2019 Outlook range provided in the Company's Earnings Release dated November 7, 2019. 2019 Outlook includes the sale of Unit Fiber's Midwest operations, which closed on August 30, 2019.*

*(2) See Appendix for a reconciliation of non-GAAP metrics to the most closely comparable GAAP metric.*

*(3) Capital deployed represents aggregate purchase price of acquired entities.*

# Uniti Fiber at a Glance



## Financial Data(2)

| ***$ in Millions*** | **3Q19 LQA** |
|---|---|
| **LQA Revenue** | $312 |
| **LQA Adjusted EBITDA** | $122 |
| **LQA Adjusted EBITDA Margin** | 39% |

## Operating Metrics

| | |
|---|---|
| **Customer Connections**(2) (3) | ~ 19,850 |
| **Revenues Under Contract**(2) | ~ $1.2 Billion |
| **Employees**(2) | ~ 780 |
| **Maintenance Capex to Revenues**(4) | ~ 2% |

**Diversified Customers and Products Maximize Lease-Up Potential**

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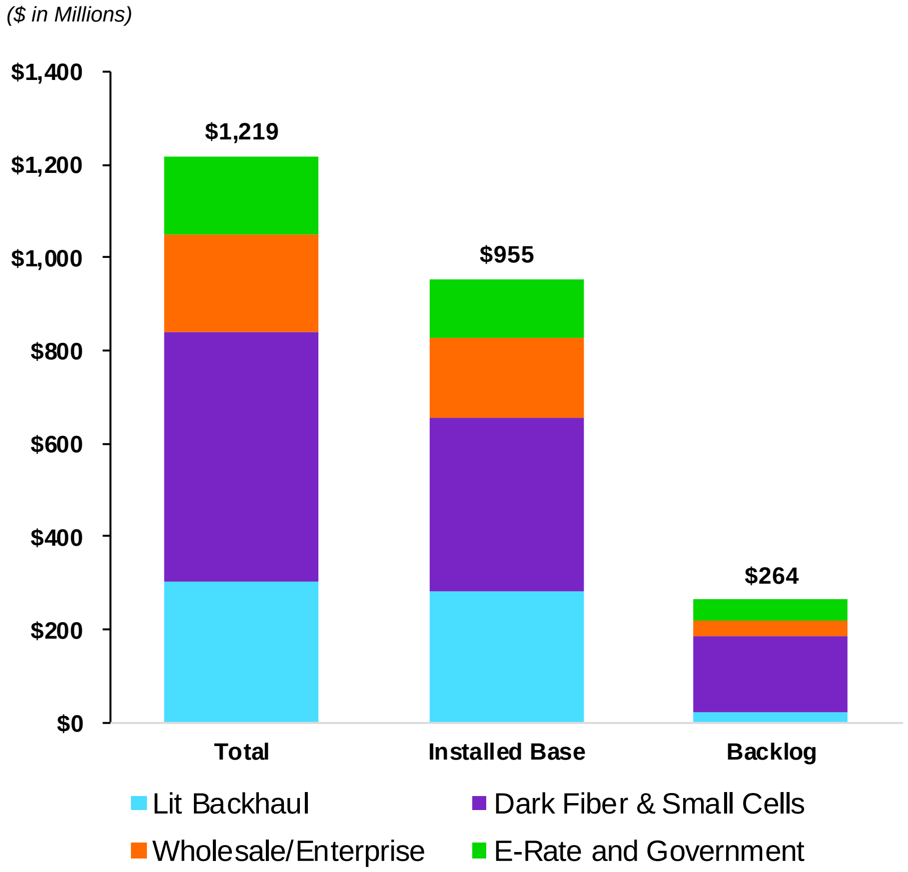
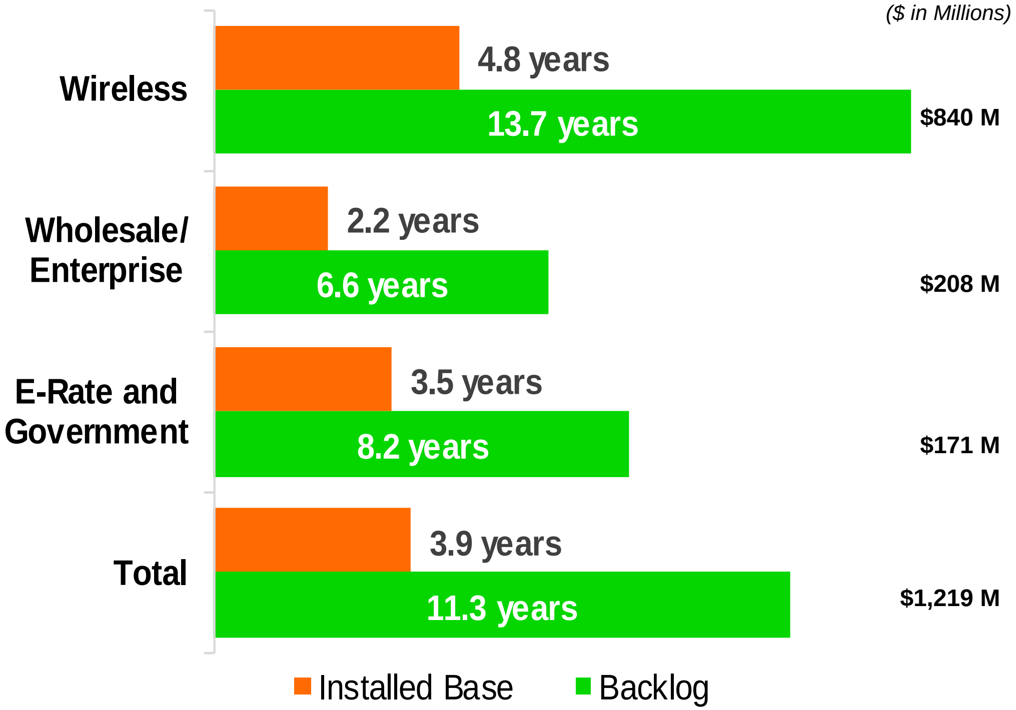
*(1) As of September 30, 2019.*
*(2) Based on third quarter 2019 results. See Appendix for a reconciliation of non-GAAP metrics to the most closely comparable GAAP metric.*
*(3) Customer Connections are the sum of billing units for LIT circuits, dark fiber segments and small cell sites.*
*(4) Based on management's estimate.*

# Uniti Fiber Revenues Under Contract

## 3Q19 Revenue Under Contract



## Remaining Contract Life



**Significant Backlog Expected to Drive Revenue Growth**

# Uniti Leasing Overview

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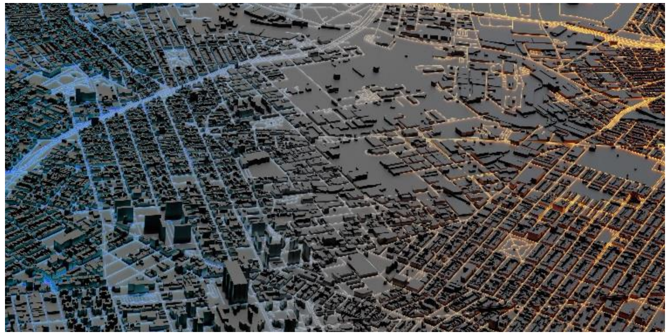
Leasing

Annual Revenue[(1)]: $716 Million

Annual Adjusted EBITDA[(1)(2)]: $710 Million

Fiber Strand Miles: 4.1 Million

Capital Deployed[(3)]: ~ $8.3 Billion



- **Proprietary Strategy to Acquire and Lease Shared Infrastructure Fiber Assets**
- **Target National and Regional Carriers' Fiber Assets in U.S.**
  - Monetization of Whole or Partial Network Assets
  - Attractive Economics: High Margin, No Working Capital or Capex Requirements, Escalators, and Lease-Up Potential
- **Target Leasing Fiber to Carriers and Private Equity Sponsored OpCos**
  - Low Cost Alternative to Enter New Markets or Increase Capacity of Existing Markets
  - Exclusive or Non-Exclusive Use Lease Arrangements
  - OpCo-PropCo Structures to Facilitate Sponsor M&A
- **Creative Multi-Element Transaction Structures to Maximize Value Potential**
  - Sale-Leasebacks
  - Bulk Purchases of Fibers Re-Leased to Third Parties via Dark Fiber IRUs
  - Fiber Marketing Agreements

**Announced Sale Lease-Backs Represent ~ $45 Million of Incremental Annual Revenue**

*Note: All information is as of September 30, 2019, unless otherwise noted.*

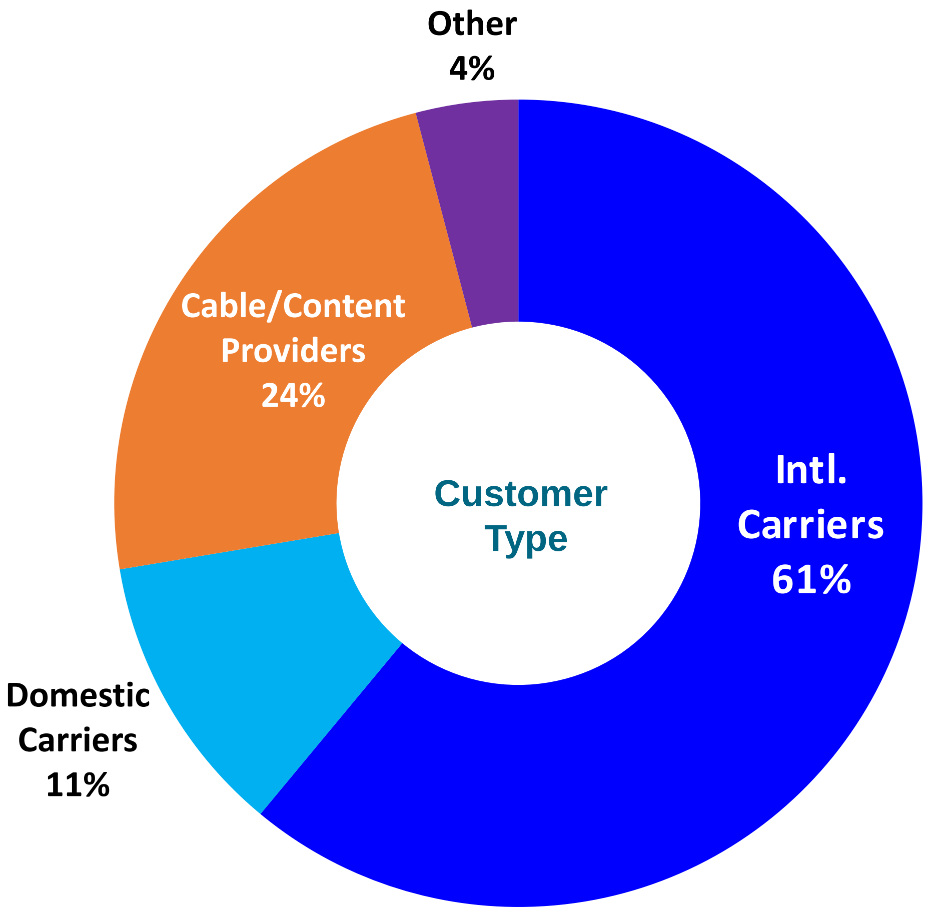
*(1) Based on the mid-point of 2019 Outlook range provided in the Company's Earnings Release dated November 7, 2019. Includes the Bluebird transaction, which closed on August 30, 2019, and assumes the Windstream lease continues in full force and effect, and that Windstream continues to make all lease payments on time and in accordance with the Master Lease's general terms.*

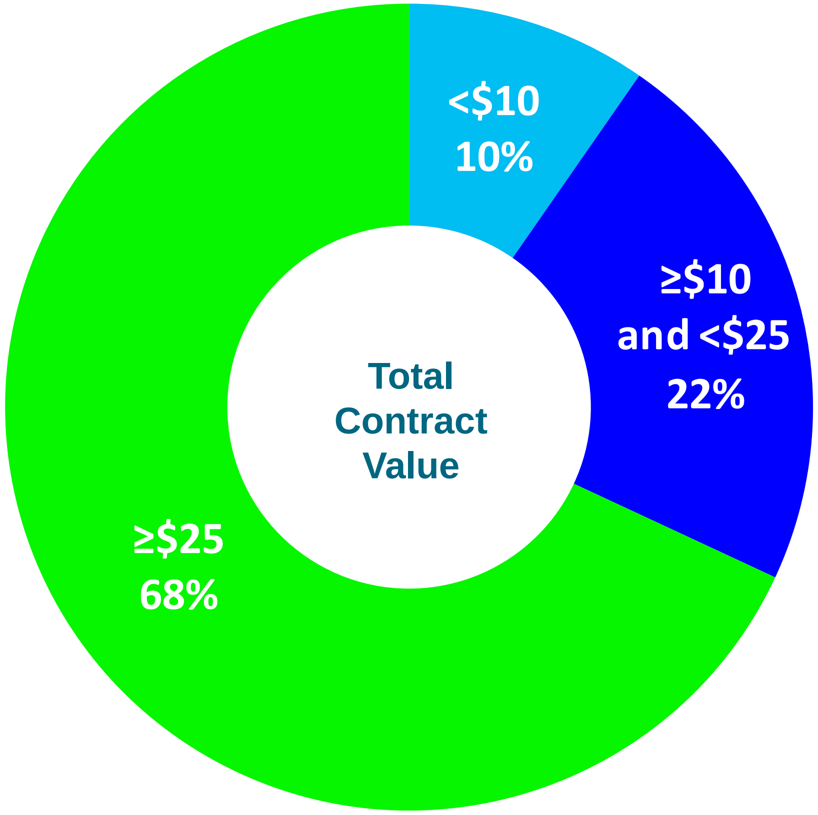
*(2) See Appendix for a reconciliation of non-GAAP metrics to the most closely comparable GAAP metric.*

*(3) Represents purchase price of TPx, CableSouth, and Bluebird, purchase price for fiber acquisition from CenturyLink and Enterprise Value at time of spin-off from Windstream. See Appendix for explanation of Enterprise Value calculation.*

# Uniti Leasing Sales Pipeline(1)

*($ in millions)*





**Well Diversified Sales Pipeline Representing Over $365 Million of Total Contract Value**

*(1) Reflects transactions we are actively pursuing as of September 30, 2019. We have not signed an agreement and are not otherwise committed to consummating any of these transactions and there can be no assurances that any of these transactions will be completed.*

# Summary of Uniti Leasing Transactions

| | TPX COMMUNICATIONS | CenturyLink | CableSouth media3 | National MSO | BLUEBIRD NETWORK [1] |
|---|---|---|---|---|---|
| **Transaction Type** | Sale Lease-Back | Acquisition of Fiber Portfolio / Leasing to Third Parties | Sale Lease-Back | Dark Fiber Lease-Up on Current Portfolio | Lease of Acquired and Existing Fiber Assets |
| **Initial Term** | 15 Years | 25 Years | 20 Years | 20 Years | 20 Years |
| **Initial Cash Lease Payment**(2) | $8.8 Million | ~ $2 Million | $2.9 Million | ~ $5 Million | ~ $20.3 Million |
| **Yield**(3) | 9.3% | <1 Year Payback | 9.3% | ~ 100% | 9.6% |
| **Leased Fiber Strand Miles**(4) | 38,000 | 30,000 | 34,000 | 41,000 | 258,000 |
| **Uniti Exclusive Use Fiber Strand Miles**(5) | 7,000 | 270,000 | 9,000 | - | - |

**Positive Momentum on Lease-Up of Network**

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*(1) Bluebird transaction closed on August 30, 2019.*

*(2) Amount presented in addition to all expenses commonly paid by tenants under triple-net leases. Assumes up-front IRU payments are amortized over the term of the lease.*

*(3) Calculated as initial cash lease payment divided by Uniti's net cash investment in the fiber assets. TPx, CableSouth, and Bluebird yields represent initial investment cash yield. National MSO yield represents the incremental cash yield on non-anchor tenant lease-up.*

*(4) TPx, CableSouth, and Bluebird leased fiber represent the fiber that was leased to each company. CenturyLink leased fiber represents the fiber that was leased to the initial anchor tenant. National MSO leased fiber represents the fiber from our current portfolio that was leased to the National MSO.*

*(5) Represents acquired fiber that Uniti has exclusive use of.*

# Uniti Towers Overview

Uniti
Towers

**Annual Revenue(1): $15 Million**

**Annual Adjusted EBITDA(1)(2): $0 Million**

**Annual Tower Cash Flow(1)(3): $6 Million**

**U.S. Owned Towers: 628**

- **Focused on Building Towers in the U.S.**
  - Expect Average Build of ~200 to 300 Towers in the U.S. Annually Over the Next 5 Years
  - ~225 Towers Currently Under Development
  - Potential to Reach ~$50 Million in U.S. Tower Revenue by the End of 2023
- **Positioned As Alternative Tower Provider Offering Carriers "Next Gen" Real Estate Leases**
  - Carriers Desire for Tower Vendor Diversity
- **Expect Lease-Up Activity to Ramp in 2020**
  - Expect to Add ~$0.4 Million of Annualized Incremental Revenue in 2019
  - Current Tenancy Ratio of ~ 1.1x(4)
- **Capitalizing on Secular Tailwinds:**
  - FirstNet, Network Expansion Plans, 5G
  - Bundled Services Between Uniti Towers and Uniti Fiber's Customers and Products

**Niche Strategy to Complement Fiber Business**

*Note: All information is as of September 30, 2019, unless otherwise noted.*

*(1) Based on the mid-point of 2019 Outlook range provided in the Company's Earnings Release dated November 7, 2019.*

*(2) See Appendix for a reconciliation of non-GAAP metrics to the most closely comparable GAAP metric.*

*(3) Tower cash flow defined as gross revenue from tenant leases less direct operating expenses.*

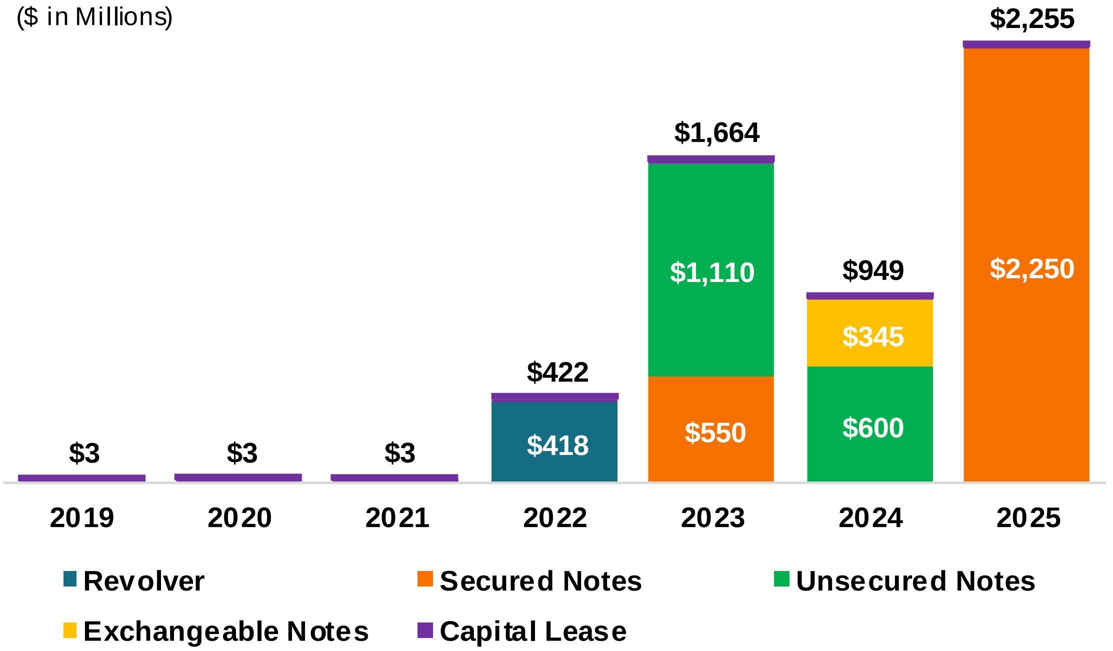
*(4) Excludes towers acquired from Windstream and Hunt.*

# Current Capitalization

## *Capitalization*

| ($ in Millions) | 9/30/2019 | Adjustments[4] | Adjusted 9/30/2019 |
|---|---|---|---|
| Term Loan B | 2,050 | (2,050) | - |
| Revolver | 575 | (157) | 418 |
| Secured Notes | 550 | 2,250 | 2,800 |
| Unsecured Notes | 1,710 | - | 1,710 |
| Exchangeable Notes | 345 | - | 345 |
| Capital Lease[1] | 55 | - | 55 |
| **Total Debt** | **$ 5,285** | **$ 43** | **$ 5,329** |
| Less: Cash | (197) | 4 | (193) |
| **Net Debt** | **$ 5,088** | **$ 47** | **$ 5,135** |
| Common Equity Market Capitalization | 1,943 | - | 1,943 |
| **Enterprise Value**[3] | **$ 7,031** | **$ 47** | **$ 7,079** |
| **LQA Adj. EBITDA**[2] | **811** | | **811** |
| **Net Debt / Enterprise Value** | **72%** | | **73%** |
| **Net Debt / LQA Adj. EBITDA** | **6.3x** | | **6.3x** |
| **Net Secured Debt / LQA Adj. EBITDA** | **3.7x** | | **3.8x** |

## *Debt Maturities*[5]



## Debt Maturities Significantly Extended with Recent Senior Secured Notes Issuance

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*Note: Presented in accordance with Debt Agreements and not GAAP accounting standards. Amounts may not foot due to rounding. Amounts not adjusted for unamortized discount and debt or equity issuance costs.*

*(1) Capital leases are related to IRUs.*

*(2) See Appendix for a reconciliation of Adjusted EBITDA to Net Income, the most closely comparable GAAP metric.*

*(3) See Appendix for explanation of Enterprise Value calculation. Market data as of February 26, 2020.*

*(4) Adjusted for senior secured notes issued on February 10, 2020, and the concurrent pay down of our term loan and revolving credit facilities.*

*(5) All debt except revolver is fixed rate.*

# Uniti Facts

| S&P SmallCap 600 Company | Contractual Net Lease Revenue(1) | Uniti Fiber | Uniti Towers |
|---|---|---|---|
| ~ $7.0B<br>Enterprise Value | ~ $7.9B<br>Revenue Under Contract | ~ $1.2B<br>Revenue Under Contract(4) | 628<br>U.S. Owned Towers |
| **Annual Revenue(2)** | **Net Leverage(3)** | **Net Secured Leverage(3)** | **Near Term Debt Maturities** |
| ~ $1.1B | 6.3x | 3.8x | 0% |
| **Fiber Strand Miles** | **Leasing Segment EBITDA Margin** | **Cumulative Investments(5)** | **Annual Maintenance Capex(6)** |
| 6.0M | 99% | ~ $2.0B | ~ $8M |

**First Diversified Communication Infrastructure REIT**

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*Note: All information is as of September 30, 2019, unless otherwise noted. Market data as of February 26, 2020.*

*(1) Lease revenues under the Master Lease with Windstream to be received over the remaining initial term of 15 years, the TPx, CableSouth, and National MSO dark fiber lease transactions, the fiber acquisition from CenturyLink, and the Bluebird transaction.*

*(2) Based on the mid-point of 2019 Outlook range provided in the Company's Earnings Release dated November 7, 2019, and includes the Bluebird transaction and the sale of Unit Fiber's Midwest operations, which closed on August 30, 2019, and assumes the Windstream lease continues in full force and effect, and that Windstream continues to make all lease payments on time and in accordance with the Master Lease's general terms.*

*(3) Adjusted Net Debt or Net Secured Debt, as applicable, to Annualized Adjusted EBITDA (based on last quarter annualized).*

*(4) Contracts are subject to termination under certain conditions and/or may not be renewed, so actual revenue under contract could vary materially.*

*(5) Represents aggregate purchase price of acquired entities, TPx, CableSouth, and Bluebird transactions, and fiber acquisition from CenturyLink.*

*(6) Based on management's estimate.*

# Appendix

# Reconciliation of Uniti Fiber Non-GAAP Financial Measures (1)

***$ in Millions***

| | Uniti Fiber 3Q19 | Uniti 3Q19 |
|---|---|---|
| Net loss | **($1.2)** | **($19.8)** |
| Depreciation and amortization | **28.7** | **101.2** |
| Interest expense | **1.5** | **104.7** |
| Income tax benefit | **(3.2)** | **(1.7)** |
| **EBITDA** | **$25.8** | **$184.3** |
| Stock-based compensation | **0.6** | **2.8** |
| Transaction related costs & Other | **4.2** | **15.5** |
| **Adjusted EBITDA** | **$30.5** | **$202.7** |
| **Annualized Adjusted EBITDA**(2) | **$122.1** | **$810.6** |

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*(1) Amounts may not foot due to rounding.*
*(2) Annualized Adjusted EBITDA is defined as Adjusted EBITDA multiplied by 4.*

# Reconciliation of Uniti Non-GAAP Financial Measures(1)

***$ in Millions***

| | 2019 Current Outlook(2) | | | | | |
|---|---|---|---|---|---|---|
| | **Leasing(2)** | **Uniti Fiber(2)** | **Uniti Towers(2)** | **CLEC(2)** | **Corporate(2)** | **Uniti(2)** |
| Net (loss) income | **$422** | **$15** | **$15** | **-** | **($421)** | **$31** |
| Depreciation and amortization | **278** | **114** | **6** | **2** | **-** | **401** |
| Interest expense (income) | **-** | **1** | **(1)** | **-** | **390** | **390** |
| Income tax expense (benefit)(3) | **10** | **(7)** | **7** | **-** | **-** | **10** |
| **EBITDA** | **$710** | **$123** | **$28** | **$2** | **($31)** | **$832** |
| Stock-based compensation | **1** | **2** | **1** | **-** | **6** | **10** |
| Transaction related costs & Other(4) | **-** | **5** | **(28)** | **-** | **(2)** | **(25)** |
| **Adjusted EBITDA** | **$710** | **$130** | **$0** | **$2** | **($26)** | **$817** |

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*(1) Amounts may not foot due to rounding.*

*(2) 2019 Outlook is based on the mid-point of 2019 Outlook range provided in the Company's Earnings Release dated November 7, 2019. Our 2019 outlook assumes the Windstream lease continues in full force and effect, and that Windstream continues to make all lease payments on time and in accordance with the Master Lease's general terms. Our outlook also includes the effect of the Bluebird transactions, transaction related costs and other items reported year-to-date, and other business unit level revisions, including discontinued products and services. Our current outlook excludes any future acquisitions, capital market transactions, and future transaction costs. Furthermore, our outlook is subject to adjustment based on the finalization of purchase price allocations related to acquisitions and other factors. Actual results could differ materially from these forward-looking statements.*

*(3) Includes estimated taxes on undistributed taxable income and capital gains from the sale of our LATAM tower and U.S. ground lease portfolio.*

*(4) Includes pre-tax gain on sale of LATAM tower and U.S. ground lease portfolio, and gains on changes in fair value of contingent consideration through 3Q19.*

# Non-GAAP Financial Measures

We refer to EBITDA, Adjusted EBITDA, Funds From Operations (“FFO”) as defined by the National Association of Real Estate Investment Trusts (“NAREIT”) and Adjusted Funds From Operations (“AFFO”) in our analysis of our results of operations, which are not required by, or presented in accordance with, accounting principles generally accepted in the United States (“GAAP”). While we believe that net income, as defined by GAAP, is the most appropriate earnings measure, we also believe that EBITDA, Adjusted EBITDA, FFO and AFFO are important non-GAAP supplemental measures of operating performance for a REIT.

We define “EBITDA” as net income, as defined by GAAP, before interest expense, provision for income taxes and depreciation and amortization. We define “Adjusted EBITDA” as EBITDA before stock-based compensation expense and the impact, which may be recurring in nature, of transaction and integration related costs, costs associated with Windstream’s bankruptcy, costs associated with litigation claims made against us, and costs associated with the implementation of our new enterprise resource planning system, collectively “Transaction Related and Other Costs”, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments, and other similar or infrequent items. We believe EBITDA and Adjusted EBITDA are important supplemental measures to net income because they provide additional information to evaluate our operating performance on an unleveraged basis. In addition, Adjusted EBITDA is calculated similar to defined terms in our material debt agreements used to determine compliance with specific financial covenants. Since EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, they should not be considered as alternatives to net income determined in accordance with GAAP.

Because the historical cost accounting convention used for real estate assets requires the recognition of depreciation expense except on land, such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that uses historical cost accounting for depreciation could be less informative. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined by NAREIT as net income attributable to common shareholders computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization and impairment charges. We compute FFO in accordance with NAREIT’s definition.

The Company defines AFFO, as FFO excluding (i) transaction and integration costs; (ii) Windstream bankruptcy and litigation related expenses; (iii) certain non-cash revenues and expenses such as stock-based compensation expense, amortization of debt and equity discounts, amortization of deferred financing costs, depreciation and amortization of non-real estate assets, straight line revenues, non-cash income taxes, and the amortization of other non-cash revenues to the extent that cash has not been received, such as revenue associated with the amortization of tenant capital improvements; and (iv) the impact, which may be recurring in nature, of the write-off of unamortized deferred financing fees, additional costs incurred as a result of early repayment of debt, taxes associated with tax basis cancellation of debt, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments and similar or infrequent items less maintenance capital expenditures. We believe that the use of FFO and AFFO, and their respective per share amounts, combined with the required GAAP presentations, improves the understanding of operating results of REITs among investors and analysts, and makes comparisons of operating results among such companies more meaningful. We consider FFO and AFFO to be useful measures for reviewing comparative operating performance. In particular, we believe AFFO, by excluding certain revenue and expense items, can help investors compare our operating performance between periods and to other REITs on a consistent basis without having to account for differences caused by unanticipated items and events, such as transaction and integration related costs. The Company uses FFO and AFFO, and their respective per share amounts, only as performance measures, and FFO and AFFO do not purport to be indicative of cash available to fund our future cash requirements. While FFO and AFFO are relevant and widely used measures of operating performance of REITs, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance.

Further, our computations of EBITDA, Adjusted EBITDA, FFO and AFFO may not be comparable to that reported by other REITs or companies that do not define FFO in accordance with the current NAREIT definition or that interpret the current NAREIT definition or define EBITDA, Adjusted EBITDA and AFFO differently than we do.

# Glossary

**4G:** The fourth generation of cellular wireless standards that is widely deployed by cellular operators today with the ability to transport data at rates up to 100 MBPS Internet access for mobile users.

**5G:** The fifth generation of cellular wireless standards that is in trial stages today, with expected wide scale deployment over the next couple of years, and has the ability to transport data at rates up to 1 GBPS for initially stationary users and eventually mobile users.

**Adjusted EBITDA:** Adjusted EBITDA is defined as EBITDA before stock-based compensation expense and the impact, which may be recurring in nature, of Transaction Related and Other Costs, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments, and other similar or infrequent items.

**Backbone:** A major fiber optic network that interconnects smaller networks including regional and metropolitan networks. It is the through-portion of a transmission network, as opposed to laterals and spurs which branch off to connect customer locations.

**Bandwidth Infrastructure:** Lit and dark bandwidth provided over fiber networks. These services are commonly used to transport telecom services, such as wireless, data, voice, Internet and video traffic between locations. These locations frequently include cellular towers, network-neutral and network specific data centers, carrier hotels, mobile switching centers, CATV head ends and satellite uplink sites, ILEC central offices, and other key buildings that house telecommunications and computer equipment. Bandwidth Infrastructure services that are lit (i.e., provided by using optronics that “light” the fiber) include Ethernet and Wavelength services. Bandwidth Infrastructure services that are not lit are sold as dark-fiber capacity.

**Cell Site:** A site where antennae and electronic communications equipment are placed on a radio mast or tower generally 200 to 400 feet above the ground to create a cell in a cellular network. A cell site is composed of a tower or other elevated structure for mounting antennae, and one or more sets of transmitter/receiver transceivers, digital signal processors, control electronics, a GPS receiver, regular and backup electrical power sources, and sheltering.

**Churn:** Decline in MRR, such as disconnects, bandwidth downgrades, and price reductions. Includes decline in MRR related to lit backhaul sites converting to dark fiber.

**Conduit:** A pipe, usually made of metal, ceramic or plastic, that protects buried fiber optic cables.

**Core Revenue:** Represents revenue principally generated from leasing and lit services of the fiber network, as well as revenues that are ancillary to the fiber network, including managed services.

# Glossary

**Dark Fiber:** Fiber that has not yet been connected to telecommunications transmission equipment or optronics and, therefore, has not yet been activated or “lit”.

**Enterprise Value:** Net Debt plus fair value of preferred equity plus market value of outstanding common stock and OP units.

**Ethernet:** Ethernet is the standard local area network (LAN) protocol. Ethernet was originally specified to connect devices on a company or home network as well as to a cable modem or DSL modem for Internet access. Due to its ubiquity in the LAN, Ethernet has become a popular transmission protocol in metropolitan, regional and long haul networks as well.

**Fiber Optics:** Fiber, or fiber optic cables, are thin filaments of glass through which light beams are transmitted over long distances.

**Fiber Strand Miles:** Fiber strand miles are the number of route miles in a network multiplied by the number of fiber strands within each cable on the network. For example, if a ten mile network segment has a 24 count fiber installed, it would represent 10 x 24 or 240 fiber miles.

**FTT (Fiber-to-the-Tower):** FTT are laterals or spurs that connect cell sites to the wider terrestrial network via fiber optic connections.

**Gross Installs:** MRR related to services that have been installed and are billable in a given period. Includes MRR related to new services installed and bandwidth upgrades.

**Integration Capex:** Capital expenditures made specifically with respect to recent acquisitions that are essential to integrating acquired companies in our business.

**Lateral/Spur:** An extension from the main or core portion of a network to a customer’s premises or other connection point.

**LTE Network:** Long-term evolution network can be used to provide 4G cellular networks that are capable of providing high speed (up to 100 Mbps) cellular data services.

**Maintenance Capex:** Capital expenditures related to maintaining and preserving the existing network and related equipment.

**Mbps:** A measure of telecommunications transmission speed. One megabit equals one million bits of information.

# Glossary

**Mobile Switching Centers:** Buildings where wireless service providers house their Internet routers and voice switching equipment.

**Monthly Churn Rate:** Monthly churn rate is calculated as monthly Churn divided by MRR on the last day of the preceding period.

**MRR (Monthly recurring revenue):** Monthly recurring revenue generated based on the price that the customer is expected to pay, including monthly revenue related to the amortization of upfront payments by customers. Our presentation of MRR is not a guarantee of future revenues and should not be viewed as a predictor of future annual revenues.

**Net Debt:** Principal amount of debt outstanding, less unrestricted cash and cash equivalents.

**Net Secured Debt:** Principal amount of secured debt outstanding, less unrestricted cash and cash equivalents.

**Net Success-Based Capex:** Success-Based Capex less associated upfront customer payments. Does not include net capital expenditures related to integration, maintenance, and other, such as IT-related capex.

**NOC:** Network operations center is a location that is used to monitor networks, troubleshoot network degradations and outages, and ensure customer network outages and other network degradations are restored.

**Nodes:** Points on a network that can receive, create, or transmit communication services.

**NRC (non-recurring charge):** Upfront customer payments that are primarily associated with an executed fiber-related contract that utilizes either newly constructed or already owned fiber, and the fiber is intended to be owned by Uniti on a long-term basis.

**Optronics:** Various types of equipment that are commonly used to light fiber. Optronics include systems that are capable of providing Ethernet, Wavelengths, and other service over fiber optic cable.

**Recurring Revenue:** Revenue recognized for ongoing services based on the price that the customer is expected to pay, including revenue recognized related to the amortization of upfront payments by customers, at a given point in time.

# Glossary

**Revenues Under Contract:** Total revenue contract value entitled to be received pursuant to existing contracts, some of which may be past their expiration date and currently on a month to month basis. A portion of these contracts are subject to renewal each year, and there can be no assurances that the contracts will be renewed at all or, if they are renewed, that the renewal will not provide for lower rates.

**Route miles:** Route miles are the length, measured in non-overlapping miles, of a fiber network. Route miles are distinct from fiber strand miles, which is the number of route miles in a network multiplied by the number of fiber strands within each conduit on the network.

**Sales Bookings:** MRR in a given period relating to orders that have been signed by the customer and accepted by order management.

**Small Cells:** A site where antennae, electronic communications equipment and power are placed on a utility pole, street light pole or other structure that are generally 25 feet from the ground to create a cell with a smaller radius than that of a Cell Site. By reducing the distance between the antennae, electronic communication equipment and mobile user equipment, small cells can transport data at faster speeds than from a Cell Site. Small cells are connected the cellular network by fiber to a close Cell Site.

**Success-Based Capex:** Gross capital expenditures related to installing existing or anticipated contractual customer service orders. Does not include capital expenditures related to integration, maintenance, and other, such as IT-related capex.

**Switch:** A switch is an electronic device that selects the path that voice, data, and Internet traffic take or use on a network.

**Tower:** A free standing tower made of steel generally 200 to 400 feet above the ground with a triangular base and three to four sides built on leased parcels of land. Most towers can accommodate Multiple Cell Sites (and multiple tenants).

**Transport:** A telecommunication service to move data, Internet, voice, video, or wireless traffic from one location to another.

**Wavelength:** A channel of light that carries telecommunications traffic through the process of wavelength division multiplexing.