

# Uniti

The Communications REIT

Morgan Stanley Technology, Media &  
Telecommunications Conference

*February 27, 2017*

# 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 and the anticipated closing of and benefits of the Hunt transaction.

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 a number of 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 ability and willingness of our customers to meet and/or perform their obligations under any contractual arrangements entered into with us; 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; 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; 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 Hunt transaction agreements may be modified or terminated prior to expiration; risks related to satisfying the conditions to the Hunt transaction; and additional factors discussed in the risk factors section of 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.

2016 unaudited results for Hunt are preliminary, pro forma for the acquisition of Nexus which closed in the fourth quarter of 2016, and subject to audit and purchase accounting adjustments. Actual results for the period could differ materially. Investors should not place undue reliance on such numbers. Operating metrics have been provided by Hunt without verification and investors should not place undue reliance on those operating metrics.

This presentation includes projected results for Hunt for 2017. Such projections have been provided by Hunt and are subject to significant risks and uncertainty including, without limitation, risks relating to Hunt's ability to renew or obtain new contracts on anticipated terms or at all, Hunt's ability to attract new customers, current economic trends, reception of new products and technologies in the wireless infrastructure industry, and the strength of Hunt's competitors. Given these risks and uncertainties, any projection is inherently unreliable and Hunt's actual results are likely to differ materially from those listed in this presentation.

This presentation contains certain supplemental measures of performance that are not required by, or presented in accordance with, U.S. 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 in the appendix hereto.

# Uniti Vision and Strategy

- **Building Unique REIT Investment Platform Across Communication Infrastructure Assets**
- **Taking Advantage of Favorable Industry Dynamics Driving Capital Investments**
- **Fiber is The New Mission Critical Asset in the Communications Ecosystem**
- **Substantial M&A Opportunities will Drive Significant Growth and Diversification**
- **Uniti Fiber and Uniti Towers Enhance Customer Relationships and Provide Opportunistic Growth Potential**

## Uniti Strategy

**Engaged in Acquisition and Construction of Mission Critical Infrastructure In The Communications Industry**

# Uniti Facts – Pro Forma

**S&P 400  
Mid-Cap Company**

> \$8B

Enterprise Value

**Contractual Net Lease  
Revenues <sup>(1)</sup>**

> \$8.5B

Revenues Under Contract

**Uniti Fiber**

> \$780M

Revenues Under Contract<sup>(4)</sup>

**Uniti Towers**

573

Owned Towers<sup>(2)</sup>

**Annual Revenue**

> \$880M

**Net Leverage <sup>(3)</sup>**

5.8x

**Net Secured  
Leverage <sup>(3)</sup>**

3.7x

**Near Term Debt  
Maturities**

0%

**Fiber Strand Miles <sup>(3)</sup>**

4.3M

**Leasing Segment  
EBITDA Margin**

97%

**Cumulative  
Investments**

≈ \$900M

**Annual Maintenance  
Capex**

≈ \$8M

**First Diversified Communication Infrastructure REIT**

Note: All information is as of December 31, 2016 and is pro forma for the acquisition of NMS and Hunt.

(1) Lease payments under the Master Lease with Windstream to be received over the remaining initial term of 15 years.

(2) Includes 105 NMS towers under development.

(3) Net Debt or Net Secured Debt, as applicable, to Annualized Adjusted EBITDA (based on last quarter annualized) pro forma for the acquisition of NMS and Hunt.

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

# Uniti Business Strategy

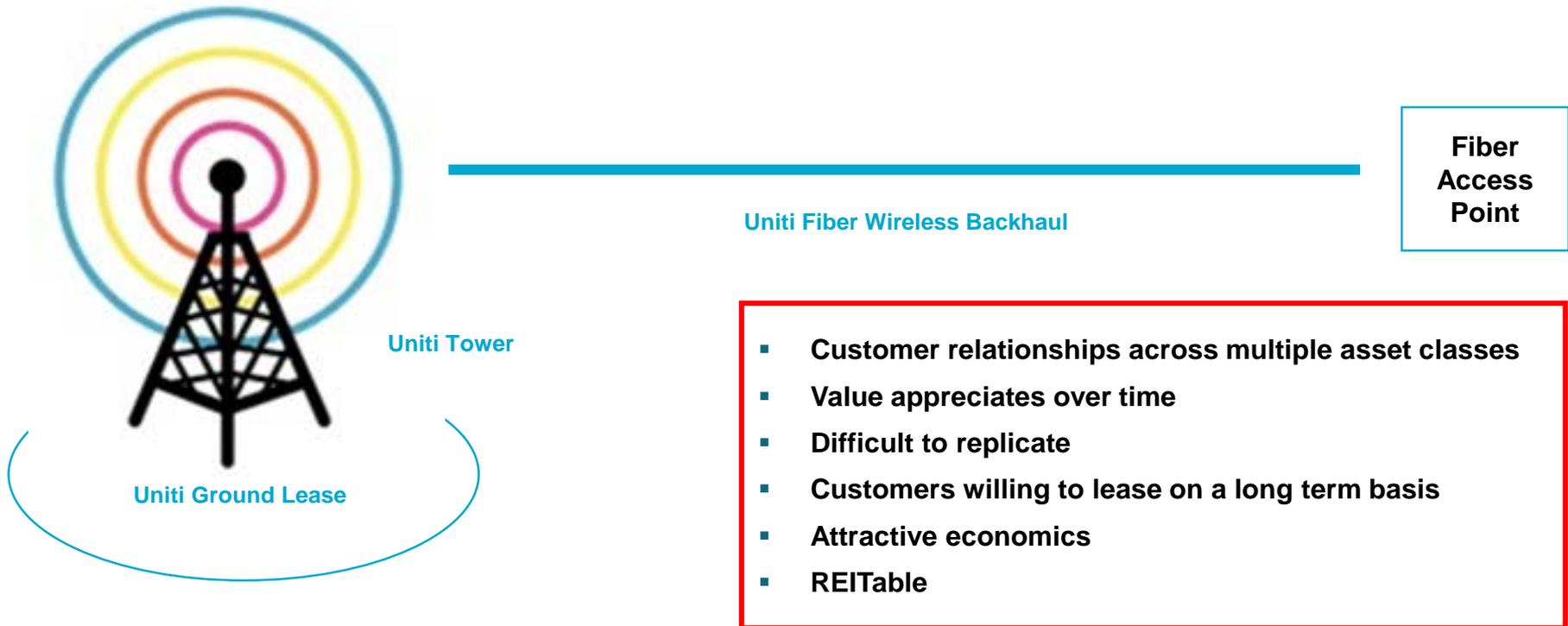
Fiber

Towers

Ground Leases

Data Centers

Consumer  
Broadband



Carriers Continue To Divest Critical Communication Real Estate

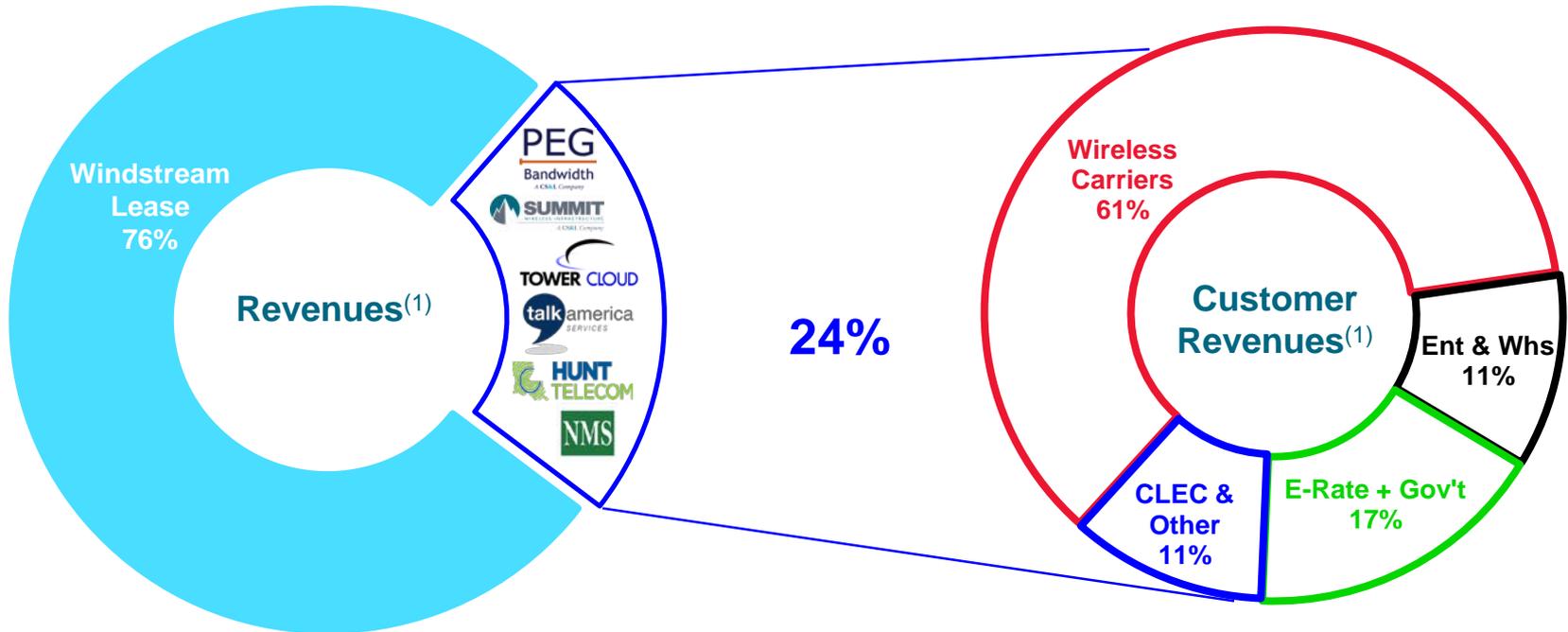
# Uniti Is Building a Unique REIT Investment Platform

	Ground Leases	Macro Towers	Small Cells	Dark Fiber	Lit Fiber	Consumer Broadband
Reportable Segments	Uniti Towers		Uniti Fiber			Uniti Leasing
Key Customers						
REITable?	✓	✓	✓	✓	(A)	✓
Initial Yields	6% – 8%	5% – 10%+	5% – 7%	5% – 7%	10% – 20%	8% - 12%
Multi Tenant Leased Up “Shared Economics”		✓	✓	✓	✓	✓
Initial Term (Years)	50 – 99	5 – 10	10 – 20	10 – 20	5 – 10	15 – 20
Escalators	1% – 4%	1% – 3%	0% – 3%	0% – 3%	N/A	1% – 3%
Characteristics	Infrastructure				Infrastructure	
	Services Component					

**Attractive Return Profiles Across all Asset Classes**

(A) Lit fiber is generally not “REITable”; however, TRS structure and tax attributes for Uniti Fiber expected to provide substantial tax benefits. Future conversions of lit fiber to dark fiber may result in assets becoming REIT eligible.

# Uniti Pro Forma Revenue Diversification

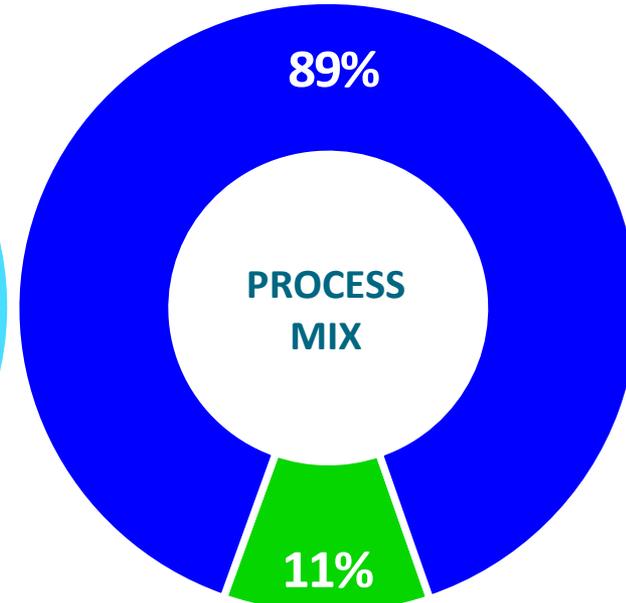
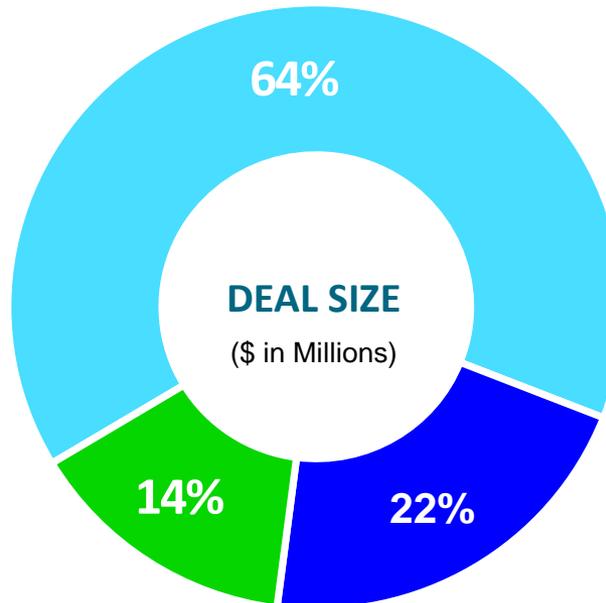
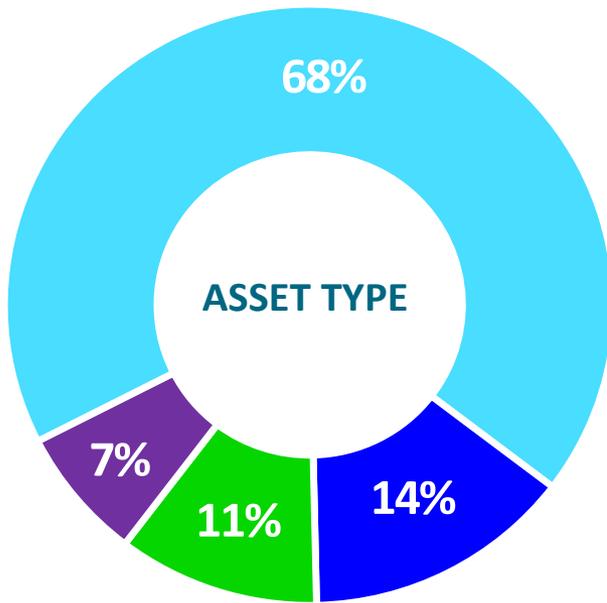


**Achieves 24% Pro Forma Uniti Revenue Diversification**

Note: Data based on 4Q16 results.

(1) 4Q16 revenue for NMS and Hunt are preliminary and unaudited. Hunt's revenue is pro-forma for its Nexus acquisition which closed during the fourth quarter of 2016. Actual results could differ materially. Investors should not place undue reliance on such numbers.

# Uniti's M&A Pipeline<sup>(1)</sup>



- Fiber
- Towers
- Ground Leases
- Consumer Broadband

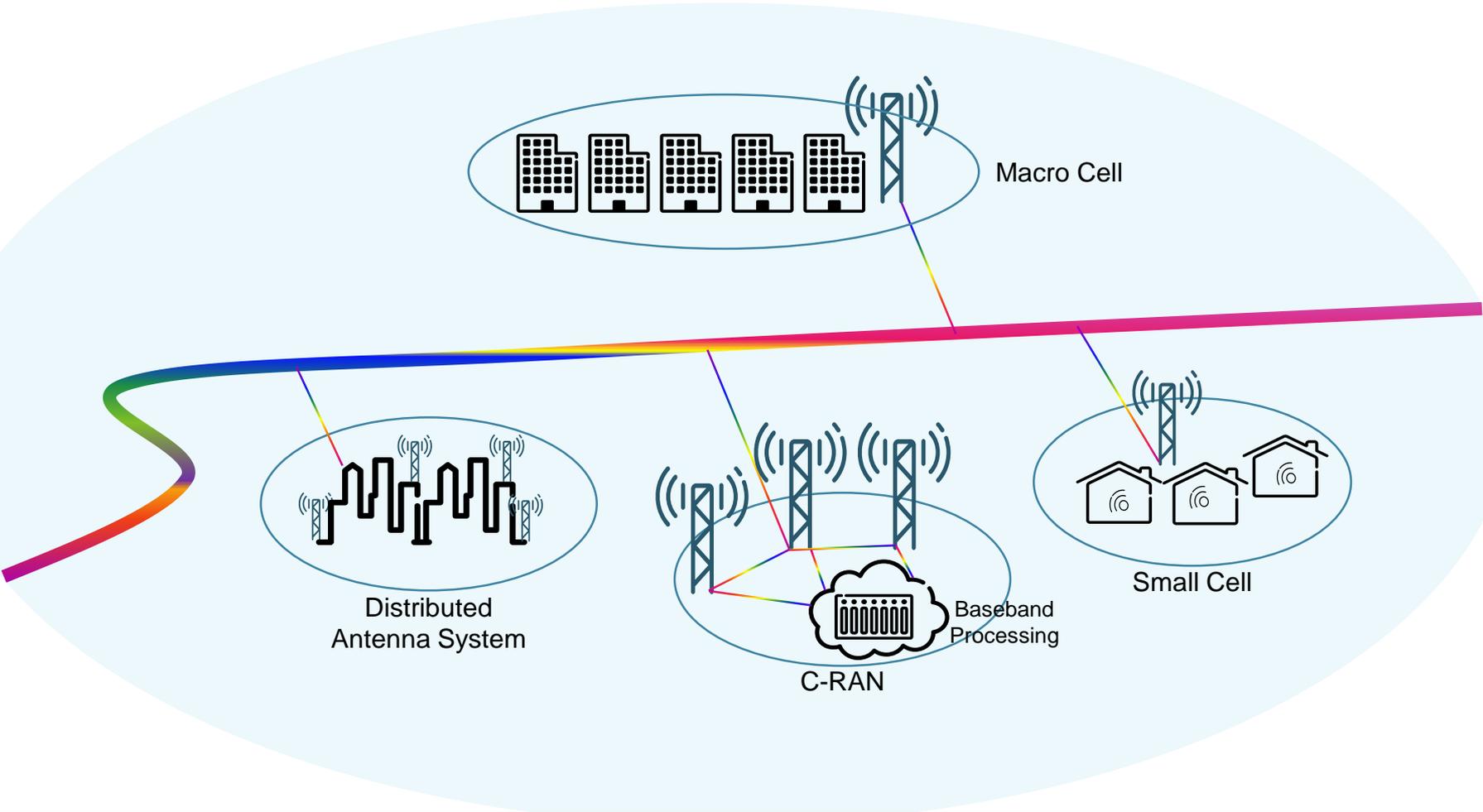
- <\$250
- =>\$250 and <\$500
- =>\$500

- Process
- Negotiated

**M&A Pipeline Positioned For Future Growth**

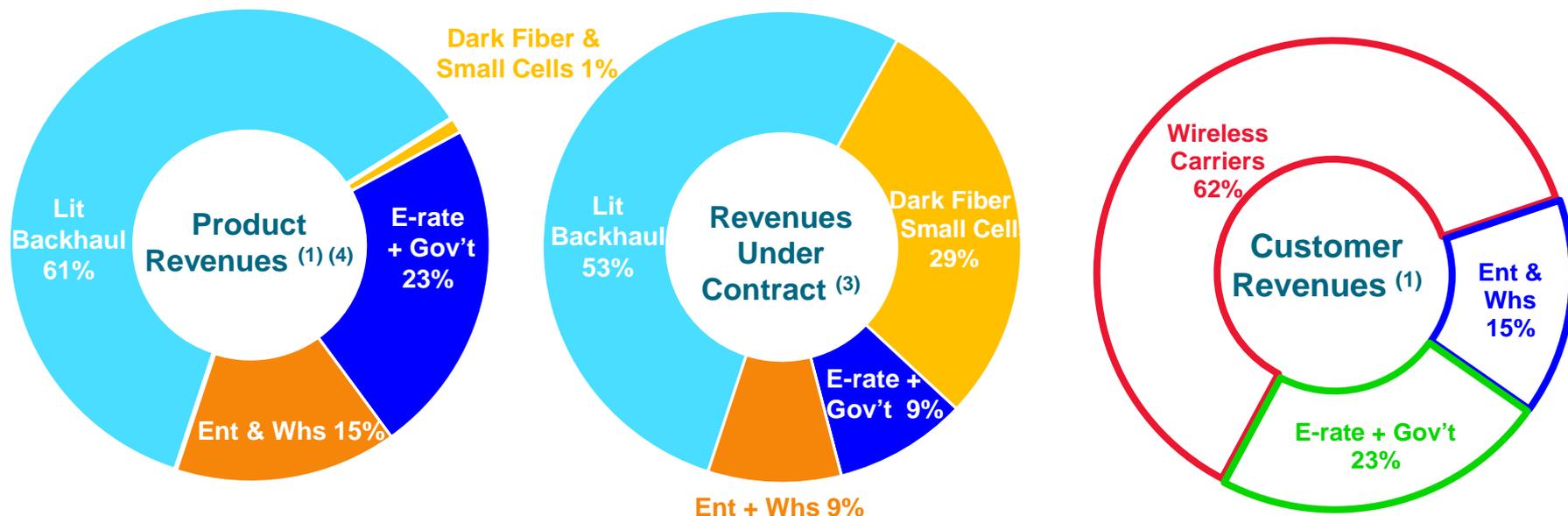
(1) This is a summary of the transactions we are actively pursuing as of January 31, 2017. Other than the previously announced acquisition of Hunt Telecom, we have not signed a purchase agreement and are not otherwise committed to consummating any of these transactions and there can be no assurances that any of these transactions will be completed.

# Fiber is Critical to All Network Infrastructure



**Fiber is the Unifying CORE Infrastructure Underpinning Carrier Networks**

# Pro Forma Uniti Fiber At A Glance



## Financial Data (1)

<i>\$ in Millions</i>	4Q16 LQA
LQA Revenue (1)	\$161
LQA Adjusted EBITDA (2)	~\$59
Maintenance Capex to Revenues	5%
LQA Adjusted EBITDA Margin	37%

## Operating Metrics (1)

Customer Connections	8,200
Revenue Under Contract (3)	>\$780 million
Average Remaining Contract Term (3)	≈ 60 months
Employees	375

## Revenue Mix Becoming More Diversified and REITable

- (1) Based on fourth quarter of 2016 results, adjusted for the pro forma impact of the acquisition of Hunt. Fourth quarter of 2016 results for Hunt are preliminary and unaudited. Hunt's results are adjusted for the pro-forma impact of its fourth quarter of 2016 acquisition of Nexus. Actual results could differ materially. Operating metrics have been provided by Hunt without verification and investors should not place undue reliance on those operating metrics. Amounts do not include any anticipated synergies or related costs for the Hunt acquisitions.
- (2) Adjusted EBITDA is defined as EBITDA less stock-based compensation expense and the impact, which may be recurring in nature, of transaction related costs, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, changes in the fair value of contingent consideration and financial instruments, and other similar items.
- (3) Contracts are subject to termination under certain conditions and/or may not be renewed. Actual revenue under contract could vary materially.
- (4) Product revenue for Hunt are based on pro-forma 2015 revenues for Hunt and Nexus.

# Strong Sales Momentum with Attractive Returns

## Dark Fiber

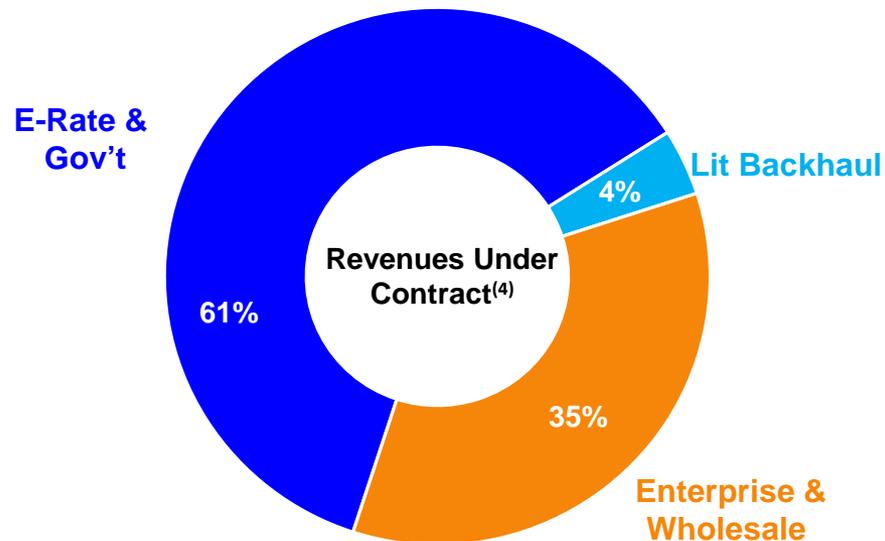
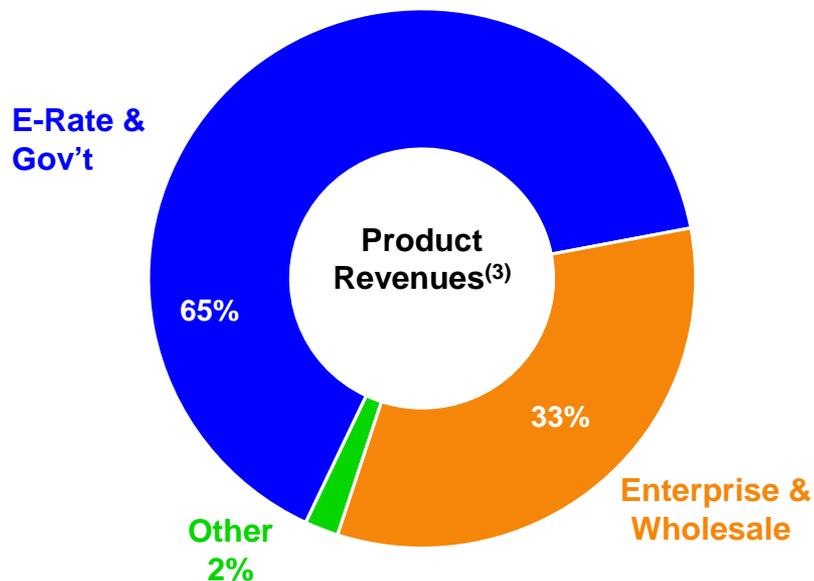
- **Recent Dark Fiber Backhaul Awards Contract Value**
  - Florida - \$136 million
  - Georgia - \$38 million
  - Illinois - \$18 million
  - Iowa - \$7 million
  - Louisiana - \$6 million
- All Awards have 20+ Year Term
- Expect customer delivery 2016 - 2020
- Building Additional Fiber Capacity to Leverage Carrier-Anchored Fiber
- Follow-on Sales Opportunities have High Incremental Economics
- Strong Multi-Market Sales Funnel for Both C-RAN and Traditional Dark Fiber

## Small Cells

- **Completed First Small Cell Network in 2015 for Major Wireless Carrier**
- **Recent Small Cell Awards Contract Value**
  - Florida- \$28 million
  - Wisconsin- \$19 million
  - Georgia - \$6 million
- **Second Tenant on Existing System Achieves Enhanced Yield through “Shared Economics”**
- **Small Cell Product Suite Increases Addressable Market**
  - Fiber Backhaul and Fronthaul
  - Space and Power
  - Maintenance
- **Sales Funnel has Significant Small Cell Opportunities Across Multiple Markets and Carriers**

**Attractive Anchor Tenant Yields with High Incremental Margins**

# Hunt At A Glance



## 2016 Financial Data<sup>(1)</sup>

<i>\$ in Millions</i>	2016
Revenue	\$37
Adjusted EBITDA <sup>(2)</sup>	\$15
Adjusted EBITDA Plus Full Run-Rate Cost Synergies	\$17
Maintenance Capex to Revenues	~ 2%

## Operating Metrics<sup>(1)</sup>

	2016
Connections <sup>(6)</sup>	~ 2,750
Average Remaining Contract Term <sup>(5)</sup>	≈3.3 years
Revenues Under Contract <sup>(4)</sup>	\$68M
Employees	≈110

## # 1 Service Provider to K-12 Schools in Louisiana through E-Rate program

- (1) 2016 financial results and operating metrics for Hunt are pro-forma for the acquisition of Nexus which closed in the fourth quarter of 2016 and are preliminary and unaudited. Actual results could differ materially. Investors should not place undue reliance on such numbers. Pro-forma operating metrics have been provided by Hunt without verification and investors should not place undue reliance on those operating metrics.
- (2) Adjusted EBITDA is defined as EBITDA less stock-based compensation expense and the impact, which may be recurring in nature, of acquisition and transaction related expenses, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, changes in the fair value of contingent consideration and financial instruments, and other similar items. Excludes all expected synergies of this transaction.
- (3) Product revenue are based on pro-forma 2015 revenues for Hunt and Nexus.
- (4) Revenue under contract as of December 31, 2016. Contracts are subject to termination under certain conditions and/or may not be renewed, so actual revenue under contract could vary materially.
- (5) Contracts are subject to termination under certain conditions and/or may not be renewed. Actual revenue under contract could vary materially.
- (6) Connections are the sum of billing units for LIT circuits, dark fiber segments and small cell sites.

# Hunt Investment Thesis

- **# 1 Service Provider to K-12 Schools in Louisiana through E-Rate program**
- **Contiguous Louisiana Markets and Dense Fiber Network comprising 140,000 Fiber Strand Miles**
- **Accelerates Uniti's Revenue Diversification to 24%**
- **Attractive Tier II and Tier III Markets**
- **Opportunity to Expand Uniti's Fiber-To-The-Tower Strategy Across Hunt's Footprint**
- **Compelling Valuation –**
  - **Annual Run-Rate Cost Savings of \$2.5 Million Expected within 18 Months**
  - **Pre-Synergy Multiple of ~ 11.5x Based on 2016 Adjusted EBITDA<sup>(1)</sup>**
  - **Post-Synergy Multiple of ~ 9.8x Based on 2016 Adjusted EBITDA<sup>(1)</sup>**

## Accelerates Focus on E-Rate, Government, and Enterprise Sectors

(1) 2016 Adjusted EBITDA was provided by Hunt management. 2016 financial results are preliminary and unaudited. Actual results could differ materially. Investors should not place undue reliance on such numbers. Hunt's Adjusted EBITDA is pro-forma for the acquisition of Nexus which closed in the fourth quarter of 2016. Adjusted EBITDA is defined as EBITDA less stock-based compensation expense and the impact, which may be recurring in nature, of acquisition and transaction related expenses, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, changes in the fair value of contingent consideration and financial instruments, and other similar items.

# Uniti Towers Strategy

- **Potential To Bundle Tower and Tower Real Estate Infrastructure with Other Mission Critical Communication Infrastructure**
- **Competitive Wireless Markets with Strong International Carrier Presence**
- **Strong Infrastructure Growth Potential Due to Low 4G/LTE Penetration**
- **Build-to-suit Opportunities Utilizing Customized MLA's Designed for Long Term Carrier Partnerships**
- **Focus On Markets with Strong Macro-economic Fundamentals and Politically Stable Environments**

**Uniti Towers Strategy**  
**Acquire and Construct Mission Critical Towers and Tower Real Estate**  
**in The U.S. and LATAM**

# Enhanced Combined Network Footprint

Combined Fiber Strand Miles in Service: 4,300,000  
Combined Fiber Route Miles in Service 91,000

Uniti Leasing ●  
Uniti Fiber ●  
Hunt Telecom ●

Acquiring Contiguous and Dense Regional Fiber Network

# Q&A

# Appendix

# Current & Pro Forma Capitalization

*\$ in Millions*

	12/31/2016 As Reported	NMS Transaction Adjustments	Hunt Transaction Adjustments <sup>(3)</sup>	Pro Forma as Adjusted for Transactions
Cash	\$ 172	\$ (62)	\$ —	\$ 110
Revolver	—	—	118	118
Term Loan B	2,108	—	—	2,108
Secured Notes	550	—	—	550
Unsecured Notes	1,510	—	—	1,510
Capital Leases <sup>(1)</sup>	55	—	—	55
<b>Total Debt</b>	<b>\$ 4,223</b>	<b>\$ —</b>	<b>\$ 118</b>	<b>\$ 4,341</b>
Convertible Preferred at Fair Value	81	—	—	81
LQA Adjusted EBITDA <sup>(2)</sup>	709	4	17 <sup>(4)</sup>	730
<b>Net Debt</b>	<b>\$ 4,051</b>			<b>\$ 4,231</b>
<b>Net Debt / LQA Adjusted EBITDA</b>	<b>5.7x</b>			<b>5.8x</b>
<b>Net Secured Debt</b>	<b>2,541</b>			<b>\$ 2,721</b>
<b>Net Secured Debt / LQA Adjusted EBITDA</b>	<b>3.6x</b>			<b>3.7x</b>

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 issuance costs.

(1) Capital leases are related to IRUs.

(2) LQA Adjusted EBITDA is calculated as the pro forma Adjusted EBITDA for the three months ended December 31, 2016 multiplied by 4.

(3) Assumes \$114.5 million of cash consideration plus \$4 million of estimated transaction expenses. Excludes the impact of any expected synergies to be realized or costs associated with achieving those synergies.

(4) Adjusted EBITDA represents estimated 2016 results for Hunt and are pro-forma for the acquisition of Nexus which closed in the fourth quarter of 2016, and includes \$2 million of synergies expected to be realized within 12 months of the acquisition close date.

# Reconciliation of Uniti Non-GAAP Financial Measures

*\$ in Millions*

	<b>4Q16<sup>(1)</sup></b>
Net loss	\$ (4.4)
Depreciation and amortization	100.5
Interest expense	70.8
Income tax expense	(0.4)
<b>EBITDA</b>	<b>\$ 166.6</b>
Stock-based compensation	1.4
Transaction related costs	9.2
<b>Adjusted EBITDA</b>	<b>\$ 177.2</b>
<b>Annualized Adjusted EBITDA<sup>(2)</sup></b>	<b>\$ 708.6</b>

(1) Amounts may not subtotal due to rounding.

(2) Annualized Adjusted EBITDA is calculated as Adjusted EBITDA multiplied by 4.

# Reconciliation of Hunt Historical Financials<sup>(1)</sup>

**\$ in Millions**

	<b>2016E<sup>(2)</sup></b>
Net income	\$ 10.4
Depreciation and amortization	3.4
Interest expense	1.0
Income tax expense	-
<b>EBITDA</b>	<b>\$ 14.8</b>
Stock-based compensation	-
Transaction related costs	-
<b>Adjusted EBITDA</b>	<b>\$ 14.8</b>

(1) Financial information provided by Hunt management. Financial results are pro forma for the acquisition of Nexus, which closed in the fourth quarter of 2016, and are preliminary and unaudited. Actual results could differ materially. Investors should not place undue reliance on such numbers.

(2) Amounts may not subtotal due to rounding.

# Non-GAAP Financial Measures

We refer to EBITDA and Adjusted EBITDA 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 and Adjusted EBITDA are important non-GAAP supplemental measures of operating performance for a real estate investment trust (“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 less stock-based compensation expense and the impact, which may be recurring in nature, of transaction related costs, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, changes in the fair value of contingent consideration and financial instruments, and other similar 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 an alternative to net income determined in accordance with GAAP.

Further, our computations of EBITDA and Adjusted EBITDA may not be comparable to that reported by other REITs or companies that define EBITDA and Adjusted EBITDA differently than we do.

Annualized Adjusted EBITDA is calculated by multiplying Adjusted EBITDA for the most recently completed three month period by four. Our computation of Adjusted EBITDA and Annualized Adjusted EBITDA may differ from the methodology used by other REITs to calculate these measures, and, therefore, may not be comparable to such other REITs. Annualized Adjusted EBITDA has not been prepared on a pro forma basis in accordance with Article 11 of Regulation S-X.

# Other Reporting Definitions

- **Adjusted EBITDA Margin:** Adjusted EBITDA divided by consolidated revenue. Adjusted EBITDA margin is a supplemental measure of our operating margin that should be considered along with, but not as an alternative to our operating margins
- **Enterprise Value:** Net Debt plus market value of outstanding common stock
- **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 Leverage:** Net debt divided by Annualized Adjusted EBITDA
- **Net Secured Leverage:** Net secured debt divided by Annualized Adjusted EBITDA
- **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 is 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. Accordingly, our presentation of contractual revenue is not a guarantee of future revenues and should not be viewed as a predictor of future annual revenues