

THOMSON REUTERS STREETEVENTS

# EDITED TRANSCRIPT

LMRK - Q2 2018 Landmark Infrastructure Partners LP Earnings Call

EVENT DATE/TIME: AUGUST 01, 2018 / 4:00PM GMT



AUGUST 01, 2018 / 4:00PM, LMRK - Q2 2018 Landmark Infrastructure Partners LP Earnings Call

## CORPORATE PARTICIPANTS

**Arthur P. Brazy** *Landmark Infrastructure Partners LP - CEO & Director of Landmark Infrastructure Partners GP LLC*

**George P. Doyle** *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

**Marcelo Choi** *Landmark Infrastructure Partners LP - VP of IR*

## CONFERENCE CALL PARTICIPANTS

**Bora Lee** *RBC Capital Markets, LLC, Research Division - Associate VP*

**David Bryan Rodgers** *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

**Liam Dalton Burke** *B. Riley FBR, Inc., Research Division - Analyst*

**Michael Christopher Gyure** *Janney Montgomery Scott LLC, Research Division - MD of Forensic Accounting and MLPs*

**Richard Hamilton Prentiss** *Raymond James & Associates, Inc., Research Division - Head of Telecommunication Services Equity Research*

## PRESENTATION

### Operator

Good day, ladies and gentlemen, and welcome to the Landmark Infrastructure Partners LP Q2 2018 Earnings Conference Call. (Operator Instructions) As a reminder, this conference call may be recorded for replay purposes.

It is now my pleasure to hand the conference over to Mr. Marcelo Choi, Vice President, Investor Relations. Sir, you may begin.

---

### **Marcelo Choi** - *Landmark Infrastructure Partners LP - VP of IR*

Thank you, and good morning. We'd like to welcome you to Landmark Infrastructure Partners Second Quarter Earnings Call. Today, we will share an operating and financial overview of the business, and we'll also take your questions following our presentation. Presenting on the call today are Tim Brazy, Chief Executive Officer; and George Doyle, Chief Financial Officer. I would like to remind all participants that our comment today will include forward-looking statements, which are subject to certain risks and uncertainties. A number of factors and uncertainties could cause actual results in future periods to differ materially from our current expectations. For a complete discussion of these risks, we encourage you to read the Partnership's earnings release and documents on file with the SEC. Additionally, we may refer to non-GAAP measures such as EBITDA, adjusted EBITDA and distributable cash flow during the call. Please refer to the earnings release and our public filings for definitions and reconciliations of these non-GAAP measures to their most comparable GAAP measures.

And with that, I'll turn the call over to Tim.

---

### **Arthur P. Brazy** - *Landmark Infrastructure Partners LP - CEO & Director of Landmark Infrastructure Partners GP LLC*

Marcelo, thanks very much. Today, we're going to talk about our second quarter results and give you an update on our operating and financing activities, including our strategic outlook, various infrastructure initiatives, our markets and our sponsor, Landmark Dividend.

For the second quarter, we posted another solid quarter of operating and financial results. Rental revenue grew 31% year-over-year, led by the acquisitions we completed in the last 12 months, and the strong and consistent growth profile of our portfolio. Our assets continue to perform, driven by their high-quality cash flows and the steady and sustainable growth from contractual lease escalators, while churn on the portfolio remains extremely low.



## AUGUST 01, 2018 / 4:00PM, LMRK - Q2 2018 Landmark Infrastructure Partners LP Earnings Call

With increasing acquisition opportunities in our growing markets, we are very well positioned to continue to deliver consistent, increasing quarterly results at the Partnership. We had another busy quarter of acquisitions, year-to-date through July 31, we've acquired 186 assets for total consideration of approximately \$128 million. Those assets are expected to contribute \$9.4 million in annual rents, and were comprised of 61 wireless communication, 118 outdoor advertising, and 7 renewable power generation assets. At our sponsor level, acquisition activity is quite strong. As of June 30, signed acquisition contract volume increased by more than 30% year-over-year in the first half of 2018. Our focus continues to be on higher cap rate assets that can drive accretion at the Partnership and the market dynamics are very strong. We see significant continued opportunity to acquire attractively priced assets for the Partnership. With regard to our overall business strategy, we continue to focus on the initiatives we've outlined on prior calls, and we're making substantial progress on a number of fronts. Focusing on our strategic partnerships, multiple FLEXGRID development opportunities, international efforts and growth in our portfolio to support structural alternatives for the Partnership.

First, regarding our European outdoor advertising joint venture. Our portfolio in Western Europe continues to grow, and we see many attractive acquisition and development opportunities there. Through July 31 of this year, we've invested approximately [\$38 million] in the U.K. since inception, and we anticipate substantial acquisition growth in the second half of this year. We're also making considerable progress evaluating other Western European countries and look to expand our activities over time. Regarding other Partnership activities, we continue to evaluate new strategic relationships that will benefit LMRK and drive accretive growth. We're looking at ways to continue to expand our real estate footprint, leverage our existing portfolio, and enter additional markets. Our existing partnerships with Wildstone in the U.K. and Ericsson, one of our technology partners in North America have both proven to be very successful and we continue to look for additional partnership relationships to pursue select opportunities.

With regard to our strategic initiatives, specifically FlexGrid, we continue to make great progress in a number of areas with strategic partners, tenants, and real estate property owners. As we've mentioned before, we're focusing on 3 initial segments, municipalities, transportation authorities, and commercial real estate owners.

Our FlexGrid solution has been very well received and the pipeline of potential opportunities continues to expand. With the massive network densification needs of the mobile network operators, our FlexGrid solution is an ideal method for deploying wireless equipment in strategic locations, without cluttering existing infrastructure. It can be challenging for parties to find appropriate solutions that meet the needs and objectives of all those involved. MNOs are finding it more and more challenging to deploy equipment in rights of way, and as attachments to existing infrastructure. Similarly municipalities are focused on controlling the deployment of telecom infrastructure in ways that meet the needs of the communities they serve. The FlexGrid is an ideal solution because it's a neutral host colocation environment that meets the specific needs of both the real estate owners and the MNOs and can support deployments ranging from small cells to macro level installations. The FlexGrid solution is highly customizable and can be deployed quickly to meet the needs of all of the project stakeholders. With regard to leasing the FlexGrid sites, we see significant interest in the solution by the MNOs, as they continue to upgrade and densify their networks. Discussions and lease negotiations are ongoing with multiple mobile network operators and other tenants for the deployment of the infrastructure solution. We're currently working on several programs, and we anticipate starting 2 to 3 significant development projects in the third quarter and we expect FlexGrid to be a very significant ongoing source of growth for LMRK. Finally, regarding our Partnership structure. As we've mentioned previously, we think our optimal corporate structure will ultimately be an internally managed REIT. However, for us to be able to consider an internally managed REIT structure, we believe we'll need to generate at least \$150 million in EBITDA to cover the cost of the ongoing operations currently provided by the sponsor. 3 years after our IPO, we are approximately halfway to that goal with a very significant pipeline of acquisitions and developments in multiple increasingly attractive markets. We believe that within the next 2 years to 3 years, we'll be in a position to consider converting to an internally managed REIT and in the interim, we'll continue to evaluate opportunities to improve our structure as we did with our reorganization that was completed in 2017.

Looking ahead to the remainder of this year. We're very encouraged by the continued strong performance of our portfolio and the acquisition and development opportunities that we see. The fundamentals of our business continue to be extremely strong, large growing markets with a clear pipeline of assets available to purchase. We feel confident that we have the relationships and financial capabilities that give us the flexibility to execute our business, grow the Partnership and deliver long-term value for our unitholders.

And with that, I'll turn the call over to George, who will provide us with a detailed financial review of the quarter. George?



## AUGUST 01, 2018 / 4:00PM, LMRK - Q2 2018 Landmark Infrastructure Partners LP Earnings Call

**George P. Doyle** - Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC

Thank you, Tim. Our portfolio continues to perform well with strong occupancy rates and revenue growth, rental revenue in the second quarter increased by 7% over the first quarter of this year, driven primarily through additional acquisition activity. As Tim mentioned earlier in the call, we have been targeting higher cap rate assets that are more accretive. The average cap rate for acquisitions year-to-date, as of June 30, 2018 is north of 7% and given the visibility to the pipeline of our assets, we continue to anticipate cap rate acquisitions at this range or higher for the remainder of 2018. That said, we note that the majority of acquisitions in Q2 were acquired in the last month of the quarter. It did not fully contribute during the entire quarter. We see significant opportunities to accretively deploy capital through both acquisition and development activity for the remainder of 2018. G&A expenses for the quarter were \$1.1 million before the reimbursement from our sponsor of \$0.6 million. The G&A reimbursement from our sponsors reflected as a capital contribution rather than as a direct reduction to our G&A expense. Our G&A expenses decreased year-over-year, primarily due to the implementation costs related to our organizational structure change last year. Adjusted EBITDA which excludes several non-cash items including unrealized gain on derivatives and acquisition-related expenses, increased to \$16.5 million for the second quarter, an increase of 30% year-over-year.

We ended the quarter with 2,327 leased tenant sites, out of a total of 2,415 available tenant sites and the occupancy rate for the quarter remained at 96%. We continue to anticipate minimal churn in the portfolio over the course of 2018 and we are seeing additional lease-up opportunities. We finished the second quarter with \$177 million of outstanding borrowings under our revolving credit facility. Over the last 3 quarters, we have significantly changed the composition of our debt structure. With the completion of our outdoor advertising financing in November, our renewables financing in April and our wireless communications financing in June. Our debt maturities have been pushed out and approximately 100% of our debt is fixed rate or hedged through interest rate swaps. The wireless communication financing in June of approximately \$125 million was completed at an attractive weighted average coupon rate of 4.31%. On July 20, the Partnership announced its second quarter cash distribution of \$0.3675 per common unit or \$1.47 per common unit on an annualized basis.

As we mentioned on our last quarter's earnings call, we plan to keep the quarterly distribution flat until revenue reported from our investments catches up with the distribution declared. Our coverage ratio which is defined as distributable cash flow divided by distributions declared on the weighted average common units outstanding during the quarter was 0.86x in the second quarter. Our coverage ratio declined slightly this quarter, due to the issuance of the Series C preferred units. As we discussed on our first quarter conference call, with the Series C preferred offering, we have essentially raised all of the capital needed to meet our 2018 acquisition guidance. We completed approximately \$38 million in acquisitions in June and July which will improve our coverage ratio, heading into Q3. We will now take your questions.

## QUESTIONS AND ANSWERS

### Operator

Thank you, sir. (Operator Instructions) And our first question will come from line of Ric Prentiss with Raymond James.

**Richard Hamilton Prentiss** - Raymond James & Associates, Inc., Research Division - Head of Telecommunication Services Equity Research

Couple of questions. Thanks for all those details. George, you mentioned the \$38 million in June and July, how should we think about that splitting and I actually thought -- I had \$95 million that was done in the first quarter. So just trying to keep my quarter number straight?

**George P. Doyle** - Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC

Sure, the first quarter acquisitions were a little lower through March. I believe they were \$85 million. And then in June, we did, I think roughly about \$20 million worth of acquisitions and the remainder would have been in the first part of July.



## AUGUST 01, 2018 / 4:00PM, LMRK - Q2 2018 Landmark Infrastructure Partners LP Earnings Call

**Richard Hamilton Prentiss** - *Raymond James & Associates, Inc., Research Division - Head of Telecommunication Services Equity Research*

Okay. And on that first quarter \$85 million, does that include the FlexGrid capital as well?

**George P. Doyle** - *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

No, it does not.

**Richard Hamilton Prentiss** - *Raymond James & Associates, Inc., Research Division - Head of Telecommunication Services Equity Research*

Okay. And so I have about \$10 million for FlexGrid in 1Q, how much FlexGrid was in 2Q for capital?

**George P. Doyle** - *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

It was pretty limited. I think it was about \$5 million.

**Richard Hamilton Prentiss** - *Raymond James & Associates, Inc., Research Division - Head of Telecommunication Services Equity Research*

Okay. And then when you mentioned the cap rates through June was over 7% that excludes the July acquisitions?

**George P. Doyle** - *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

That's correct, yes.

**Richard Hamilton Prentiss** - *Raymond James & Associates, Inc., Research Division - Head of Telecommunication Services Equity Research*

Okay, sorry for all those details, I was just trying to keep the quarter model straight.

**George P. Doyle** - *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

Sure, no problem.

**Richard Hamilton Prentiss** - *Raymond James & Associates, Inc., Research Division - Head of Telecommunication Services Equity Research*

And I think as we look at the coverage ratio as you mentioned, it came down some, you have the Preferred C issue hit it, but you are now funded on the capital as far as making the acquisitions. Why the slow pacing, then, obviously they came late in the quarter really was June, then slipping some into July. What changes the pacing in the second half of the year? -- Capital obviously.

**George P. Doyle** - *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

Sure. Yes. A lot of the Preferred C capital that we raised is designated for development activities and so there will be a little bit of a delay between spending the capital on when that revenue comes in, so we are planning on -- can delaying a little bit some of the acquisition activity as we spend money on developments and then the acquisition activity will pick up probably in the fourth quarter when those development start to kick in as well.



## AUGUST 01, 2018 / 4:00PM, LMRK - Q2 2018 Landmark Infrastructure Partners LP Earnings Call

**Richard Hamilton Prentiss** - *Raymond James & Associates, Inc., Research Division - Head of Telecommunication Services Equity Research*

Okay. And I think one other time you thought that there is the possibility given the cap rates you're seeing in the marketplace and that there should be some higher than [7], I think, Tim, you mentioned. But there had been a thought that at some point you might actually consider selling some assets to help the coverage ratio, is that still something that might be on the table and how should we think about that?

**George P. Doyle** - *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

Sure. The market value of our assets is much greater. When you look at it from a portfolio standpoint, much greater than where we're acquiring the assets on a individual asset basis, which is generally what we've been doing during the course of the second quarter here. So we think there is certainly some opportunities to essentially recycle some of the capital, selectively dispose of assets or potentially former joint venture partnership surrounding some assets as well. We did identify an opportunity to dispose of a small subset of assets at the end of the quarter, and those were the assets that are held for sale. So we'll look for opportunities over time like this, and it will certainly depend on what we identify. It's a much more attractive means of growing the company, rather than issuing certainly common units or other forms of capital. So we'll continue to look at opportunities like that.

**Operator**

Our next question will come from the line of Liam Burke with B. Riley FBR.

**Liam Dalton Burke** - *B. Riley FBR, Inc., Research Division - Analyst*

Tim, George mentioned in his prepared statements that the cap rates on your potential acquisitions are -- being -- are attractive. Are you seeing any additional competition for these assets or do you still have a fairly open environment to adding assets to the portfolio?

**Arthur P. Brazy** - *Landmark Infrastructure Partners LP - CEO & Director of Landmark Infrastructure Partners GP LLC*

No, we really don't see new entrants in the market. As we said before, the business is difficult to execute, and since we're in a dominant position at the sponsor level, we have access to the entire runway of opportunities. In fact, we've said over the past 3 years that the market is actually better -- better and better quarter after quarter than its ever been in the history of our -- being active in the industry, and we feel that's true today as well.

**Liam Dalton Burke** - *B. Riley FBR, Inc., Research Division - Analyst*

Great. And on your rental move or your rental ramp up on FlexGrid, you're comfortable with how that's going?

**Arthur P. Brazy** - *Landmark Infrastructure Partners LP - CEO & Director of Landmark Infrastructure Partners GP LLC*

Well we had wished it was accelerating a bit faster. But this is a complex set of initiatives, and it takes time, but, well worth the effort in our opinion. And we see tremendous opportunity going forward. So, as George said, we're at the point now where significant opportunities are finally reaching the point of deployment, and we'll see the results of that in the fourth quarter and certainly in 2019.

**Liam Dalton Burke** - *B. Riley FBR, Inc., Research Division - Analyst*

Okay. And George, if I adjust for acquisitions, organic rental revenue was pretty much in line with the way it's been historically?



## AUGUST 01, 2018 / 4:00PM, LMRK - Q2 2018 Landmark Infrastructure Partners LP Earnings Call

**George P. Doyle** - Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC

Yes, that's right. We're seeing very little churn and that's across all segments that we invest in. We are seeing some additional activity by the carriers related to modifications of equipment on sites. So I would expect looking forward that we have healthy organic growth rates as well.

---

**Operator**

And our next question will come from the line of Mike Gyure with Janney.

**Michael Christopher Gyure** - Janney Montgomery Scott LLC, Research Division - MD of Forensic Accounting and MLPs

Can you guys talk a little bit about, and I think you just touched a little bit on it George, the telecom lease-up opportunities. Is a lot of that Sprint, T-Mobile type stuff, or I guess, can you give a little more color on what's going on there?

**Arthur P. Brazy** - Landmark Infrastructure Partners LP - CEO & Director of Landmark Infrastructure Partners GP LLC

Sure. It's not so much, I would say, Sprint, T-Mobile, what it is more, I would say just in general, the MNOs are starting to become more active in building out their networks in preparation for 5G. You see densification activities going on, you see a lot of small cell type deployments. We also are starting to see certain number of IoT type entrants into the market. Certainly, we've talked about some of the big holders of spectrum in the past, and what they may be doing with that and their need to deploy that spectrum in the next couple of years in order to retain their licenses for the spectrum. So it's a whole combination of factors that are leading to activity -- telecom leasing activity. So we're optimistic that that's going to be a good environment over, I would say at least the next couple of years. But most likely, the next 5 years, it should be pretty strong on the leasing front.

**Michael Christopher Gyure** - Janney Montgomery Scott LLC, Research Division - MD of Forensic Accounting and MLPs

Great. And then on the FlexGrid, I think you guided to roughly \$50 million of expected capital this year. Can you break that down, I guess as to -- I guess the number of sites or the number of locations, I guess. How are you thinking about that or maybe just a cost per site kind of thing that you're looking out at this point?

**George P. Doyle** - Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC

Sure. We're still thinking the cost per site is going to range around \$250,000 to \$300,000 per site. It will vary a little bit. Some of these sites are effectively macro type deployments, maybe multiple macro deployments by MNOs. So you could end up with costs that exceed \$300,000, some of them could be smaller deployments, could be number of small cell type sites, which would be -- well below that. But we think that just going to average out about that \$250,000 to \$300,000 range. So in total, for our guidance, you're looking somewhere around 150 to 200 sites, we expect, to be deploying over the course of the remainder of the year.

**Michael Christopher Gyure** - Janney Montgomery Scott LLC, Research Division - MD of Forensic Accounting and MLPs

Great. And then maybe the last one, and I think maybe Tim talked about it in his prepared remarks. Can you break down the capital that you're anticipating, spending overseas. Just to get a flavor for whether it's acquisition -- out of that bucket or how to look at that going forward?

**Arthur P. Brazy** - Landmark Infrastructure Partners LP - CEO & Director of Landmark Infrastructure Partners GP LLC

Sure. On the acquisition side, we think that it will be in the roughly around 15% range, possibly little bit higher. On the development side, it still remains to be seen a little bit as to how some of our opportunities rollout, but we do see some opportunities for development in a couple of different



## AUGUST 01, 2018 / 4:00PM, LMRK - Q2 2018 Landmark Infrastructure Partners LP Earnings Call

countries, FlexGrid as well as some other type of infrastructure investments. So we'll be able to provide, hopefully a good update on that at the end of the third quarter.

---

**Operator**

And our next question will come from the line of Dave Rodgers with Baird.

---

**David Bryan Rodgers** - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Both of you, I think have mentioned in your comments at various points, the NOI or the revenues coming online from FlexGrid in the fourth quarter. So we're just hoping that, maybe you could talk about what has come online, if anything is delivered so far in terms of revenues from FlexGrid and then what that expectation is for the fourth quarter running into 2019?

---

**George P. Doyle** - *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

Sure. So as far as the expenditures today, what they're predominantly focused on is developing some initial sites. We're in lease negotiations with a number of carriers and this is in multiple countries to launch in a much greater way, a larger development project. So where -- we've made substantial progress, but those developments once they kick off, it will take a period of time to get the permitting, get the contracting work done and get the FlexGrid solution built, and at the point, it's built and the revenue would commence on those. So to-date, we haven't seen any revenue from the development activity, but we do anticipate that it's going to start coming in around the fourth quarter.

---

**David Bryan Rodgers** - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Do you have an estimate for what that it is or do you have any contractual contracts or contractual obligations out there from customers that would give you a sense of kind of where that number is going to be by the end of the year?

---

**George P. Doyle** - *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

Sure. So on the development spend, we think, roughly it's going to average around -- the initial returns are going to average around where we're acquiring assets today, so you can put in that [6 to 7] cap rate range. So we are looking at spending roughly about \$50 million on FlexGrid deployments, that's roughly the revenue [6, 7] cap on that development spend. It will start to kick in the fourth quarter, most likely it will spill into the first quarter and then grow throughout next year as well. And that's really for the initial tenant. These are multi-tenant, their co-location structures. So we expect that over time, we will have multiple tenants in these structures. The discussions we have going on right now are not only with the anchor tenants, but also the co-location, the second and the third tenants as well, and we do think there is some, some good opportunity to have 2-3 tenants in some of these structures, fairly quickly.

---

**David Bryan Rodgers** - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

So from a modeling and thought perspective, 6%, 7% on \$50 million deployed this year mostly kicking in beginning in the first quarter of '19?

---

**George P. Doyle** - *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

Yes, I think that's fair.





## AUGUST 01, 2018 / 4:00PM, LMRK - Q2 2018 Landmark Infrastructure Partners LP Earnings Call

**David Bryan Rodgers** - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Okay. And then I guess with regard to the remaining spend throughout the rest of the year, just wanted to [try out] a couple of comments. First, it seems like the remaining of the year spend will be just over \$200 million at the midpoint between FlexGrid and acquisition. You said kind of the Preferred C would take care of most of your spending, but then you said that was mostly geared toward Flex. So I guess, I just wanted to what bridges the gap in that [210], is it purely debt or do you need to raise some additional capital by the fourth quarter for the more traditional acquisitions and drop down?

**Arthur P. Brazy** - *Landmark Infrastructure Partners LP - CEO & Director of Landmark Infrastructure Partners GP LLC*

Sure. The reason why we're pushing out the acquisition just a little bit, is that the, there's no leverage associated with the development activities until the leases commence and you start recognizing revenue on those. So that's why the development will be financed initially and then as that starts to kick in, the acquisitions will follow. So when we look at our -- our capital, and where we are with our liquidity right now, we're targeting, much higher cap rate assets, these require far less equity capital, you can finance it more -- little bit more with with debt while still staying within our leverage ratios that we're targeting. There will likely be little bit of capital that's raised over the -- the course of second half of the year. That could be a little bit of UEP capital, [it's possible] ATMs, we'll see kind of how the quarter shakes out, but as far as major capital raises, I do not anticipate coming out with another large equity type raise in the second half of the year.

**Operator**

And our next question will come from the line of Bora Lee with RBC Capital Markets.

**Bora Lee** - *RBC Capital Markets, LLC, Research Division - Associate VP*

Just one question, so wondering -- so during the second quarter, I believe you purchased a data center from Carter Validus in Milwaukee. Just wondering, how that fits into your strategy. And is that an additional tax that you're planning on pursuing?

**Arthur P. Brazy** - *Landmark Infrastructure Partners LP - CEO & Director of Landmark Infrastructure Partners GP LLC*

It's not a focus for LMRK. It's actually a very small percentage of the total revenue. We may pick up an asset here or there. An asset or 2, if it's accretive for the partnership. But the activity is really being done at the sponsor, that's where the focus has been on developing that business line. But data centers in general fit within the investment thesis that we've talked about long-term leases, credit quality, tenancy, critical infrastructure, but we are not intending it to be a major part of Partnership at this point.

**George P. Doyle** - *Landmark Infrastructure Partners LP - Treasurer, CFO & Principal Accounting Officer of Landmark Infrastructure Partners GP LLC*

And I would add -- add to that as well that we have owned some previously as well. It is a very small portion of our portfolio and actually the assets that we have at the end of the quarter that are held for sale, it's actually one of the data centers that we've owned in the past.

**Operator**

Thank you. Ladies and gentlemen, this concludes our question-and-answer session for today. So now it is my pleasure to hand the conference back over to Mr. Tim Brazy for some quick closing comments or remarks.

## AUGUST 01, 2018 / 4:00PM, LMRK - Q2 2018 Landmark Infrastructure Partners LP Earnings Call

**Arthur P. Brazy** - Landmark Infrastructure Partners LP - CEO & Director of Landmark Infrastructure Partners GP LLC

Great, thanks. Well, as George and I have said, we are extremely confident in our ability to take full advantage, what we think is really an incredible market for the company. Our portfolio continues to perform very well. We've made tremendous progress on the development initiatives, and we're going to continue to execute on our business plan for this year and we will share progress on the new initiatives [with you if we] can. So we appreciate your time this morning, and we'll speak to you next quarter.

---

**Operator**

Ladies and gentlemen, thank you for your participation on today's conference. This does conclude our program and we may all disconnect. Everybody have a wonderful day.

---

**DISCLAIMER**

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2018, Thomson Reuters. All Rights Reserved.

