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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to Landmark Infrastructure Partners' Second Quarter Earnings Call. (Operator Instructions) Please be advised that today's conference may be recorded. (Operator Instructions)

I would now like to hand the conference over to your host VP of Investor Relations Marcelo Choi. Sir, please go ahead.

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

Thank you, and good morning. We'd like to welcome you to Landmark Infrastructure Partners' Second Quarter Earnings Call. Today, we'll 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 comments 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 SEC.

Additionally, we may refer to non-GAAP measures, such as FFO, AFFO, EBITDA and adjusted EBITDA 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, thank you, and good morning, everyone. I hope you're all doing well in managing in what are certainly challenging times. Before we discuss this quarter's financial and operating results, I'd like to provide you with a further update on the pandemic's impact on our overall business as well as that of our sponsor.

As we discussed on the last earnings call, our management team transitioned to a distributed remote workforce and implemented contingency plans that allowed us to pivot with minimal disruptions when the pandemic intensified in the first quarter. Our sponsor's headquarters and satellite offices are still closed, and the 170 employees have been working from home since the middle of March. At the appropriate time, we'll consider reopening offices with strict protocols in place, but that decision and the pace of reopening will be determined by a number of different factors with the safety of our employees as our first priority. Our sponsor has adapted to what is now the new normal, and we're extremely proud of our team and what we've accomplished since the transition.

In terms of our tenants, we continue to monitor their markets and performance, and we're encouraged by what we're seeing. We're confident that the COVID pandemic will not significantly impact our wireless communication or renewable power generation portfolio. Although we have seen some permitting and project delays, the fundamentals remain very favorable in both of these industries.

Wireless communication and power generation are not just essential services but are absolutely critical in today's world. Like utilities, these industries play an essential role in modern-day life, providing critical connectivity and power, and they've generally performed well in past economic downturns.

Now before I turn to the broader outdoor advertising industry, I'd like to take a moment to discuss the recent sale of our European outdoor advertising portfolio in mid-June. This sale was an opportunistic transaction resulting from an attractive unsolicited bid, allowing us to delever the balance sheet and providing us with significant capital to take advantage of the acquisition and development opportunities we expect to see in the market. While we continue to view outdoor advertising as a very attractive segment over the long term, this disposition significantly improved our liquidity in an uncertain environment and further positioned the partnership for growth.

While outdoor advertising near-term fundamentals remain challenging due to the pandemic, we are seeing some positive signs in the industry. As a result of reopenings across the country and globally, outdoor traffic counts have improved significantly and are approaching prepandemic levels in a number of markets. Since the infrastructure of our tenants is typically the larger format billboards along major highways, the increase in traffic counts is an important metric for our tenants and their outdoor advertisers.

Outdoor advertising companies have also taken measures to improve their balance sheets and rightsize their cost structures, which should help in their ability to navigate through these unprecedented times. They've raised cash through drawdowns of their revolving credit facilities. Some have selectively sold assets, and others have directly raised capital, enhancing their balance sheets and financing flexibility.

Now as we outlined last quarter, we've received a number of requests for rent relief and rent reductions from our outdoor advertising tenants. These tenants reacted quickly as the pandemic began, but it is encouraging that the number of requests has dropped as we ended the second quarter and entered the first part of Q3.

At this point, it's important to remind ourselves of the following: First, it's still too early to understand the full extent and the impact of the pandemic on our outdoor advertising tenants and, in turn, our own business. Second, our long-term outlook hasn't changed. We're still confident that the outdoor advertising industry will fully rebound, but at this point, we just don't know the timing. Third, given the impact of the pandemic and the challenges in the economy in the second quarter, our results were strong. We had minimal impact from the pandemic across our portfolio and our reported results, demonstrating the high quality of our assets and their strong cash flow profile, and we expect to benefit from the favorable long-term trends driving our industries.

And finally, we're focusing on what we can control and believe that the measures we've taken, including the recent exit from our European outdoor joint venture, will better position LMRK to withstand today's challenges and take further advantage of market opportunities.

Turning now to our second quarter results. Despite the challenges in the outdoor advertising segment, we had another strong quarter of operating and financial results with AFFO comparable to last quarter and last year's second quarter. These challenges in our outdoor sector were mitigated by the performance of our other business segments.

As far as our overall business strategy is concerned, our focus has been on our higher-return development projects and some select acquisitions. But as the pandemic intensified, we significantly and deliberately slowed the pace of our direct acquisitions. Year-to-date through June 30, we've acquired 7 assets for total consideration of approximately $1.3 million. Those assets are expected to contribute approximately $100,000 in annual rents and were mainly comprised of wireless communication assets.

With the European outdoor advertising joint venture sale now completed, we're managing our capital to preserve liquidity and flexibility, advance our development initiatives and take advantage of attractive acquisition opportunities.

With regard to our development initiatives, we continue to make progress with Landmark Vertex, our stealth wireless infrastructure offering; and DART, our existing program with the Dallas Area Rapid Transit system, albeit at a slower pace due to some delays related to the pandemic. This has resulted in some asset deployment shifting by a quarter or 2, but we're still encouraged by the progress that we've made so far.

We recently completed the initial phase of the DART project with 70 digital kiosks now deployed, and we expect these kiosks will start generating rental revenue towards the latter part of the third quarter.

With regard to Vertex, we are seeing more progress. The Vertex projects are in various stages of deployment, and leasing activity continues. Even with the expected delays, we anticipate further progress with both DART and Vertex throughout the second half of this year, and we'll share more detail with you as we move forward.

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

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

Thank you, Tim. As Tim mentioned in his remarks, the assets in our portfolio performed extremely well in the second quarter considering the backdrop of the pandemic. We experienced a small decline in organic growth in the outdoor advertising portfolio, but this was offset by growth across our other segments. This is certainly at the better end of the spectrum of our expectations as we were entering into the pandemic, but it is also reflective of the high quality of our portfolio. We are likely to see additional impacts to our portfolio in Q3, but we also expect that the overall portfolio will benefit from the contractual escalators and higher renewal rates on our existing leases.

Before we get into too much detail on the results for the second quarter, I wanted to discuss the disposition of the European outdoor advertising joint venture that occurred in June. This disposition provided us with an opportunity to raise capital and delever in an environment where the capital markets were generally not accessible on attractive terms. While the majority of the proceeds were used to pay down our line of credit, our debt-to-EBITDA level under the revolver was reduced to slightly less than 3x, which is well below the covenant threshold of 8x.

Turning to the accounting impact from this transaction. For all periods presented, the disposition is treated as discontinued operations, with the related assets and liabilities reclassified to assets and liabilities held for sale on the consolidated balance sheet and the related operating results reported as income from discontinued operations on the consolidated statement of operations.

Turning to the rest of the portfolio and continuing operations. In the second quarter of 2020, rental revenue was $13.8 million, which was 1% higher year-over-year. The growth in revenue was driven from a number of lease amendments as well as the customary contractual lease escalators and the impact from accretive acquisitions completed within the last 12 months. But partially offsetting these increases was lower rental revenue from the outdoor advertising assets.

The lower rental revenue from our outdoor advertising segment was due primarily to rent reductions and abatements and lower percentage rent from leases with revenue sharing provisions. Excluding rental revenue from our European outdoor advertising portfolio that is included in discontinued operations, outdoor advertising rental revenue declined by approximately $250,000 or approximately 6% compared to the first quarter of 2020.

During the second quarter of 2020, revenue from leases with revenue sharing provisions declined by approximately $200,000 from the first quarter of 2020. After the completion of the disposition of our European outdoor advertising joint venture, our outdoor advertising revenue concentration and continuing operations decreased to approximately 27% of total revenue for the quarter. And while we expect further requests for rent reductions and abatements, we are optimistic that the worst is behind us and that we will be able to navigate through these challenges.

Turning to FFO and AFFO. FFO per diluted unit was $0.19 this quarter compared to $0.07 in the second quarter of last year. As we have discussed in prior calls, FFO can fluctuate quarter-to-quarter depending on the change in the fair value of our interest rate hedges as well as various other items, including foreign currency transaction gains and losses. AFFO, which excludes these gains and losses on our interest rate hedges and other items, was $0.33 per diluted unit this quarter compared to $0.33 in the second quarter of last year.

Now turning to our balance sheet. We ended the second quarter with only $58 million of outstanding borrowings under our revolving credit facility as we've paid down a significant portion from the proceeds of the disposition of our European outdoor advertising joint venture in June. Nearly 100% of our outstanding debt is either fixed rate debt or borrowings that have been fixed through interest rate swaps. Despite the recent turmoil in the debt markets, we continue to see very attractive financing rates for our asset classes, and we have no scheduled maturities until November 2022.

In terms of liquidity, we ended the quarter with approximately $6 million in cash, and $392 million of undrawn borrowing capacity under our revolving credit facility, subject to compliance with certain covenants. As I previously mentioned, our debt-to-adjusted EBITDA ratio on our revolving credit facility was less than 3x at the end of the quarter.

Regarding our distribution policy. As we discussed last quarter, we are in an unprecedented and challenging market environment and have been focused on preserving liquidity and enhancing our financial flexibility. While we have seen indications that the outdoor sector is recovering, including rising outdoor traffic patterns, we are still in a period of uncertainty as certain regions across the country have experienced a resurgence in the number of virus cases, resulting in some additional restrictions on businesses and movement. Many individuals are still working from home and practicing social distancing, and certain businesses remain completely closed to the public.

While we are encouraged by the improvements in operating conditions for the outdoor advertising sector, we are still waiting for more clarity. As such, the Board maintained a distribution of $0.20 per unit this quarter. Based on this level of distribution, our distribution coverage ratio for the quarter was 1.66x, which is a slight increase over the first quarter of 2020. We will continue to monitor the impacts of the pandemic and general economy on our portfolio, and we'll look to reassess the distribution level as activity in the economy starts to normalize and the pandemic is behind us.

In summary, despite the near-term challenges within the outdoor advertising industry, our portfolio continues to perform well as seen in the solid results we posted in the quarter. With lower leverage on the balance sheet and some dry powder post the disposition of the European outdoor advertising portfolio, we believe we are positioned to navigate through this challenging environment and look forward to making some accretive acquisitions.

In addition, we continue to make progress with our development projects, and we anticipate additional development assets to be placed into service in the second half of 2020.

We will now take your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Ric Prentiss with Raymond James.

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

A couple of questions. First, on the outdoor space, when you mentioned rent relief requests and abatements, was the $250,000 down quarter-over-quarter or 6%, did that include the revenue share minus $200,000 as well?

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

No. A lot of the impact from some of the recent amendments on the leases or reductions in rent are going to show up in Q3, so there's a little bit of the impact this quarter, but it takes a little bit of time to process the amendments. So most of the decline in outdoor advertising revenue this quarter was attributable to those percentage rent leases, and a little bit was attributable to kind of other factors.

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

So as we think through what you've seen in June into July, how should we think about what that rent abatement, rent reduction magnitude might be quarter-to-quarter from 2Q to 3Q?

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

Sure. I would expect that the impact of the reductions that we've given to our tenants on the outdoor side of things would result in a decline of about $50,000, might be a little bit more depending on how things proceed. But a portion of that will be offset by escalators on the other portion of the leases that are hitting their annual escalator during the third quarter.

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

Got you. So that's what you meant by the worst is behind you in that third quarter. Maybe it has a little better dynamics than 2Q did versus 1 did.

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

Yes. We think so, so long as we don't enter into another severe lockdown period or the economy continues to substantially deteriorate. We're starting to see -- yes, we're starting to see in some of the announcements from the outdoor companies this quarter. And what they're generally saying, based on the limited results we've seen, is that the middle of Q2 was the worst. Things are starting to rebound, and they're optimistic that as you look forward over the remainder of 2020 that their revenue is going to continue to grow.

We're also in an election year, and we should start to see more political spending here in the latter part of the year. So a number of factors kind of support better operating conditions for the outdoor company. So again, it's all dependent upon whether we get into another severe lockdown or the economy goes the other direction on us.

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

Okay. And just to make sure I understand the accounting because I just play one on TV instead of being an accountant. When you think of the asset sale in 2Q, what -- is there a way to think of what AFFO per unit would have been on a continuing basis? In other words, when you reported very similar AFFO 2Q versus 1Q, even though you sold the portfolio, is that what we should be thinking about AFFO going forward? And the same maybe with the adjusted EBITDA one.

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

Sure. Yes, there was a lot of -- certainly a lot of activity during the quarter. We obviously sold the outdoor portfolio in Europe. We terminated a number of hedging arrangements because we now were lower levered. So when you kind of factor all those things in from an AFFO standpoint, that looks like it's going to be slightly dilutive. So looking forward as a run rate, results would be too different from what they were this quarter. But then again, you have to factor in the impact of the pandemic and, certainly, any sort of capital that we end up deploying. So this was a very attractive disposition from our standpoint because, similar to what we did in 2018, it's not very dilutive and lowers our leverage substantially to be able to redeploy or concentrate on the pandemic, hunker down potentially here for a period of time.

On the EBITDA side of things, we do, in the Q, break out what the operations from discontinued operations are, so we have the detail in there. But roughly, when you look at the quarter, the amount of EBITDA impact, it's in the kind of $1.2 million, $1.3 million impact per quarter. Now since the sale of the portfolio took place in the middle of June, it really didn't have too much an impact on this quarter, but that's roughly what the impact would be as you look forward.

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

Okay. And obviously, your coverage ratio is significant. Nice to be above 1, but you guys are well, well above 1. You've mentioned, I think, a couple of times in the prepared remarks about opportunities, what might work, looking forward to acquisitions. How should we think about the pacing of what you might be seeing out there and the ability to put that capital to work and at what kind of cap rates?

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

Sure. So we're still seeing an active, I would say, acquisition- or M&A-type market. Deals are getting done, and those are predominantly going to be in the telecom digital infrastructure side of things. We don't see quite as much going on in outdoor kind of as you would expect since it's severely impacted at the moment. And then renewables as well. That -- those assets have not been impacted by the pandemic, but development activity in a lot of areas has come to a screeching halt.

So looking forward over the next year, we see visibility on the telecom digital infrastructure type segments. Deals can get done. On the outdoor side of things, we expect opportunities will come up, but we just haven't seen any, and we're not really interested near term on focusing heavily on outdoor-type activities. But it's going to -- as far as what we end up requiring, it's really going to depend on what we find attractive relative to the overall backdrop of the environment we're in.

From a cap rate perspective, depending on the asset class in the particular assets, we're looking at cap rates anywhere in the 5% to maybe 8% range now. The 5% range is not particularly attractive for us. That's more where the telecom-type assets would trade, a large portfolio, but there may be select opportunities that are towards the middle to higher end of that range.

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

Okay. And there have been reports out there that the parent level maybe is exploring the opportunities of sale. Can you talk to that at all, about is something going on? Does it -- and how would it affect the Landmark public stock?

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

Sure. Yes. I can't really comment about anything going on relative to the transaction at Landmark Dividend. But I can say that Landmark Dividend, as it has an ongoing acquisition and operating platform, it's kind of continuing as normal in this type of environment. We're seeing healthy acquisition activity. We're both on the buy side of things. We see lots of interest by institutional groups in the asset class on the sell-side side of things.

But for the most part, I would say it's business as normal. And if there is some sort of transaction at Landmark Dividend, it doesn't impact the partnership itself. That would be a separate entity.

Operator

(Operator Instructions) Our next question comes from Liam Burke with B. Riley FBR.

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

On the projects, you completed 70 kiosks on DART, beginning to generate revenue, call it, fourth quarter. How does the build-out look into 2021? And how do you see that ramping, understanding that you've had a pretty strong headwind here with COVID-19?

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

Sure. Our ultimate goal for the DART project is to end up somewhere in the, call it, 300, 350 kiosk range. These are dual-sided kiosk, so you're looking at advertising screens in the 600 to 700 range. So it's pretty sizable relative to what we have deployed today.

I would say it's going to be relatively consistent deployment as you look out to the end of 2021. Now certainly, different factors could impact that, such as delays in shipment of equipment. It is coming from -- well, the kiosks are coming from Asia, so depending on lockdowns and restrictions, that could certainly create some challenges. Certainly, if we can't mobilize teams, that would create some challenges. But we think, generally, it's going to be pretty smooth deployment from now until you get to that end of 2021 time frame.

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

Okay. And Vertex, same question in terms of -- obviously, you're behind on deployment. But do you -- I mean, have you -- has COVID created much more of a headwind to -- into 2021 in terms of deployment there?

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

I would say that as far as mobilizing teams to do the actual construction development work and being able to travel to do the development-type work, that's certainly been delayed in a number of areas and has been a little bit more challenging. But as far as the kind of interest we're seeing, in the product or the solution that we're providing, we're seeing strong interest, and we're progressing.

But yes, it has been a bit harder to certainly get things in the ground. It takes a lot of effort and a lot of work with different groups to be able to move these forward. And we've certainly seen restrictions on physical movement. We've seen restrict -- limitations with governmental entities and their ability to process permits, things like that. But we are making good headway. And hopefully, restrictions continue to lift, and we can show more results here near term.

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

Okay. Now you mentioned the cap rates on acquisitions. And then my understanding is the infrastructure build-out on projects like DART and Vertex come with a much higher return potential, understanding the payoff is extended due to the build-out time. Is there any change in your view on returns vis-à-vis acquisitions and build-out?

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

Not so much on Vertex. I would say on DART near term, the returns are probably going to be a little bit lower than we originally expected, and that certainly is a function of the pandemic. I mean it is a outdoor advertising-type project. But I think by the time we have the -- all the kiosks in the ground, hopefully, we're in a much better environment. We think about the second half of 2021, where the economic rebound has occurred in solid footing and advertising rates are where we would expect them to be.

So near term, yes, a little bit of impact on DART. But long term, no. These -- the projects are coming in as we expected.

Operator

Our next question comes from Bora Lee with RBC Capital Markets.

Bora Lee-Marks - *RBC Capital Markets, Research Division - Assistant VP*

So first question is probably for George. There was a drop in SG&A in the second quarter. I was wondering how much of that is related to perhaps benefit, in a way, savings from COVID pandemic, i.e., lower T&E expenses, travel expenses, of that sort. Or is that just indicative of the trend that we should be looking at going forward?

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

Yes. From a G&A standpoint, we typically don't incur travel-related expenses at the public company since the employees are at the Landmark Dividend level. G&A does tend to bounce around a little bit quarter-to-quarter, so I wouldn't put too much focus on a particular quarter change.

I would say, though, that the thing that is going to impact G&A going forward is the disposition of the U.K. portfolio. So with the U.K. portfolio, we are incurring higher tax costs, other kind of G&A costs associated with having entity set up in Europe, legal costs, those type of things. So for the quarter, you had probably about $100,000 of G&A related to the U.K. Year-to-date, it was about $200,000, so when you look at an annual run rate, that's more in the magnitude of the numbers you'd see, so maybe $200,000 or $400,000 on an annual basis might be G&A savings from the disposition of the U.K. business or the European business.

Bora Lee-Marks - *RBC Capital Markets, Research Division - Assistant VP*

Okay. Got it. And in terms of the competitive landscape, are you seeing any increase in competition for acquisitions? Or is it pretty much status quo? And on the flip side, are you seeing increased interest by landowners who are basically just interested in monetizing given the current environment?

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

Yes. I would actually say yes to both of those questions. There is a little bit more competition on the ground lease side of things. Certainly, ground leases have performed extremely well in this type of environment. Obviously, we've seen a little bit of an impact in the outdoor segment as far as the stability of those cash flows. But overall, so far, things have performed fairly well and, certainly when you look at our portfolio, how it's performed relative to a lot of other real estate asset classes or even infrastructure asset classes for that matter. Yes, it's held up very well.

When you look at -- I'm sorry. Bora, the second part of your question again was?

Bora Lee-Marks - *RBC Capital Markets, Research Division - Assistant VP*

If you're seeing landowners actually coming to you more. Or is there just more supply because people are looking to monetize?

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

Yes. Thank you. So yes, we actually do see more interest now in the pandemic of property owners looking to dispose what I would call for them would be kind of noncore assets or assets that are not, call it, a key component of their business or a key component of their investment strategy. So yes, we are seeing more interest, property owners disposing of assets, and that's across the entire spectrum of what we invest in.

Bora Lee-Marks - *RBC Capital Markets, Research Division - Assistant VP*

So net-net, what does that do to valuation multiples? Is it just a net neutral between build side, increasing? Or where do you see valuation multiples coming in? Any...

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

I would say portfolio -- yes, portfolio wide, they're probably the same, but what I would say is you're probably seeing a little bit of expansion of multiples in outdoor and a little bit tightening in other segments. The cost of debt right now as well with the drop in LIBOR and drop in treasuries has certainly made it cheaper on the debt side of things. And the overall returns you can get from the assets is comparable. It just the cap rates have decreased, or the multiples expanded a little bit with savings then on the debt side.

Bora Lee-Marks - *RBC Capital Markets, Research Division - Assistant VP*

Okay. And sorry, last question. In terms of the increased competition that you're seeing, is that permanent? Is that more from strategics or financials for that incremental interest?

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

I would say it's more financial.

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

Yes. The other comment I'd make, Bora, is that -- this is Tim -- is that the -- this is not the first financial crisis or economic crisis that we've been through. Remember, the management of the sponsor has been in this business almost 20 years. So we do have at least a data point relative to the financial crisis in 2008, 2009. The market is so large and the number of potential transactions is so big and continues to grow year after year. We do -- we don't have an issue with deal flow. That's not -- even though that there is some increased competition at various points in time with the financial groups that George referred to, there's just more -- there are more transactions for us to look at than we've seen in the past. The opportunity continues to grow. And I think when during a crisis, the landlords look for alternative sources of liquidity. So a lot of discussions that we had 2, 3, 4 years ago at the sponsor level now come back to us. And that's one of the reasons why this is a difficult business for competition to come into because you really need to scale to a level where you can cover the market in a comprehensive way to be in a position to have those conversations.

Operator

And we have a follow-up from Ric Prentiss with Raymond James.

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

I noticed this quarter you've broken out wireless communications versus digital infrastructure. What is your definition of digital infrastructure? Would the Vertex go in there? Would DART go in there? Or does DART go in outdoor advertisers? Just what is digital infrastructure? And what goes in it? And where is the new stuff going to go?

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

Sure. That's a good question, Rick. The breakout of digital infrastructure is for the handful of data centers that we own. These are powered shell investments, triple net, very similar kind of risk-return profile as our traditional ground lease type assets. But that -- but we do technically own the ground and the shell of the building. So these are long -- generally longer-term triple net lease to an enterprise or a colocation company. And the digital infrastructure is a -- it's a term that -- I'd say different people in the industry will define it their own way, but we use it for the data centers only. The -- I would say the DART assets would go in outdoor advertising, and Vertex, we would put in telecom.

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

Okay. Good. That helps. And then the T-Mobile-Sprint transaction is now closed. They've moved beyond and sold Boost from Sprint to Dish. What have you had as far as any discussions with the new T-Mobile as far as what they're doing with the network integrations? And what do you think the impact could be and timing for you guys?

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

Yes. So they -- we've certainly seen activity on the integration side of things. We know they're, look, selecting or reviewing their leased -- all the leases that they have and determining which sites they're going to keep or those that they're going to let go. I'm not sure how much of the sites that they're ultimately going to let go or going to get picked up by Dish or somebody else. We don't have a lot of visibility on that.

But generally, what we're seeing is kind of consistent with what we expected. There's going to be some impact to the portfolio. It might be in the range of our consolidated revenue, in the 2%-ish range. But at the same time, there will be modifications on sites to accommodate the new set of equipment or the changes to the existing site equipment to incorporate the Sprint bandwidth or provide more coverage now that they have more demand on those sites.

But we have not seen yet the decommissionings coming. They seem to be pretty proactive on it. So I imagine they will start to show up in the next year, but it will certainly take time, and it will variously tackle different markets. But I imagine this is very much a multiyear effort before we're through with the rationalization and elimination of some of the redundant sites there.

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

Okay. So 2% of consolidated revenue, potentially, some might get picked up by Dish or mitigated by modifications. Not gotten any decom letters yet, but maybe comes and that 2% hit might be over a multiyear, maybe, say, 3-year period?

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

Yes. I think that's right.

Operator

And I'm showing no further questions in the queue at this time. I'd like to turn the call back to Tim Brazy for any closing remarks.

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

Thank you, operator, and thank you, everyone, for joining us this morning. I know this is a difficult time for everybody, uncharted territory for sure. But as George and I have said, we've taken what we think are the appropriate steps to position the company to withstand these challenges and take advantage of market opportunities as we move forward.

And the strategy really hasn't changed. Our near-term focus should be maintaining our flexibility to address the ongoing effects of the health crisis and any further market disruptions. But we do believe that the fundamentals of our business are strong. And although it will take some time for aspects of the economy to recover and we shake off the new normal, we're confident in the future of our industries and the company.

So with that, I want to wish you and your families well. Please be careful and stay safe, and we'll talk to you next quarter.

Operator

Ladies and gentlemen, thank you for your participation on today's conference. This does conclude your program. You may now disconnect.