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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the Landmark Infrastructure Partners Fourth Quarter 2020 Earnings Conference Call. (Operator Instructions) As a reminder, today's program may be recorded.

I would now like to introduce your host for today's program, Marcelo Choi, Vice President of Investor Relations. Please go ahead.

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

Thank you, and good morning. I'd like to welcome you to Landmark Infrastructure Partners' fourth quarter earnings call.

Today, we'll share an operating 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 the 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, thanks. Good morning, everyone, and thank you for joining us today. I know it's been a long year, and I hope everyone is doing well and managing during these difficult times.

As you saw from our release this morning, despite the ongoing challenges from the pandemic, we finished 2020 with an extremely strong quarter of operating and financial results. Given the environment, it really was a tremendous achievement and demonstrates the strength of our portfolio, and I think the benefits of the path that we're on. Rental revenues were significantly higher year-over-year and quarter-over-quarter, driven by our recent data center acquisitions we made in the third quarter. And our portfolio generated an all-time high in AFFO per unit. Remember, we sold our interest in our European outdoor advertising joint venture in June, and the redeployment of that capital into data center acquisitions was weighted towards the last month of the third quarter in September.

In the fourth quarter, the full quarter of revenue and accretion from these acquisitions was realized, driving a meaningful increase in AFFO. As you can see from our results, the portfolio continues to perform at an extremely high level. The pandemic has not significantly impacted our wireless communication, digital infrastructure and renewable power generation segments. These industries continue to play an essential role in our modern-day life and have generally performed very well in past economic downturns.

As we've talked about before, the impact from the pandemic has been mostly felt within LMRK's outdoor advertising segment. Outdoor advertising has experienced periods of lower outdoor traffic and business closings in certain key outdoor advertising industries, including entertainment, travel, hospitality and foodservice, among others, which has all contributed to a lower outdoor advertising spend.

However, over the past 2 quarters, we've already seen outdoor traffic improve to pre-pandemic levels in many regions across the country. And we expect outdoor advertising spending to follow suit at some point, but at a slower pace during the economic recovery phase. After a couple of quarters of sequential decreases in our outdoor advertising segment revenues, we did see a slight increase in the fourth quarter, and we're encouraged by these improving trends.

We do expect to see further improvement in this segment as outdoor advertising spending increases over time. So I would say that we're cautiously optimistic that the worst is behind us in this area. More importantly, our exposure to the outdoor advertising segment is much lower now than before the pandemic. Prior to the crisis, our exposure was approximately 37% of total revenue. Today, after the disposition of our interest in our European outdoor advertising joint venture and the redeployment of capital, outdoor advertising is approximately 22% of total revenue. So we now have a more diversified revenue base across all of our segments and a lower exposure to industries that are more heavily impacted by the pandemic.

It's important to remember that the majority of our portfolio in wireless communication and digital infrastructure and renewable power generation has demonstrated tremendous resilience and its increasing importance in today's world.

Despite the pandemic, LMRK posted record AFFO in the fourth quarter. Our distribution coverage was very substantial at almost 2x. The excess cash flow generated by our portfolio beyond the current distribution level has allowed the partnership to preserve liquidity, increase our balance sheet flexibility and pursue accretive acquisition opportunities that have led to higher growth in cash flows. We're encouraged by what we see. And as we said, we'll continue to reassess the distribution level for the remainder of this year.

Throughout our history as a public company, the partnership has generated significant income for its unitholders through its common distributions. Since inception, Landmark Infrastructure has paid out cumulative common distributions of approximately $165 million, representing $7.90 per unit for those units issued in the IPO. LMRK's historical distributions have been supported by the strength of our portfolio, which continues to perform extremely well and is characterized by high occupancy rates, stable and growing cash flows, high-quality tenants and exceptional diversification.

As far as our overall business strategy is concerned, in 2021, our focus will remain on our higher return development projects in some select acquisitions. In 2020, we acquired 15 assets for total consideration of approximately $148 million. Those assets are expected to contribute approximately $10.6 million in annual rents and have been primarily comprised of data center assets.

The preservation of capital from our distribution cut earlier last year contributed to the partnership taking advantage of attractive acquisition opportunities in 2020. The $148 million in acquisitions last year represented the most acquisitions for LMRK since 2017, really a tremendous milestone considering the challenges of closing complex transactions during the pandemic.

With regard to our development initiatives, while the pandemic continues to slow the pace of our deployments, we've made further progress this quarter with Landmark Vertex, our stealth wireless infrastructure offering and DART, our existing program with the Dallas Area Rapid Transit System. We continue to work on various deployments of Vertex. And with regard to our DART project, we've now placed 138 digital kiosks into service as of January 31. Rental revenues from DART digital kiosks commenced in the fourth quarter of 2020, and we anticipate these revenues to ramp-up in the coming quarters as more kiosks are installed throughout 2021 and advertising spending on these kiosks increases.

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Overall, we're very pleased with our progress and believe we're extremely well positioned to continue delivering growth and value for our unitholders going 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, despite the impacts of the pandemic, we generated record AFFO per unit this past quarter. We continue to see virtually no impact on our rental revenue from the pandemic on our wireless communication, digital infrastructure and renewable power generation assets. And after a couple of quarters of declining rental revenue, our outdoor advertising segment has stabilized. We are optimistic that the outdoor advertising industry has bottomed and will continue to improve as the world emerges from the pandemic.

Getting into the fourth quarter results. Rental revenue for the quarter was $16.9 million, which was 22% higher year-over-year and 19% higher versus the third quarter. The year-over-year growth in rental revenue was driven by the redeployment of capital from the disposition of the European outdoor advertising joint venture as well as a number of lease amendments, contractual lease escalators, and other acquisitions completed within the last 12 months.

Turning to FFO and AFFO. FFO per diluted unit was $0.35 this quarter compared to $0.18 in the fourth quarter of last year. As we have discussed during 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 $0.38 per diluted unit this quarter compared to $0.34 in the fourth quarter of last year, representing 12% growth year-over-year.

2020 was truly a challenging year, but it also demonstrated the resiliency of our portfolio. As we look forward, we continue to expect to benefit from the contractual escalators in the wireless communication, digital infrastructure and renewable power generation leases, but also from the rebound in the outdoor advertising market through our leases with revenue sharing arrangements. Additionally, we expect to place additional development assets into service and realize the full quarter impact of the acquisition made in the fourth quarter. The data center acquired in December was acquired at the end of December, and did not contribute significantly to revenue in the quarter.

Now turning to our balance sheet. We ended the fourth quarter with $214 million of outstanding borrowings under our revolving credit facility. We continue to see very attractive financing rates for our asset classes. We have no scheduled maturities until November 2022. In terms of liquidity, we ended the quarter with approximately $10 million in cash, and $236 million of undrawn borrowing capacity under our revolving credit facility, subject to compliance with certain covenants.

Including our interest rate hedges, approximately 87% of our outstanding debt is either fixed rate debt or borrowings that have been fixed through interest rate swaps. Regarding our distribution policy. As we have discussed in prior calls, the pandemic created an unprecedented and challenging environment. While we are encouraged by the increasing administration of the vaccine and infection rates below peak levels, the resurgence of the virus in the fourth quarter and the potential impact from more contagious variant strains demonstrate that we are not out of the woods quite yet. Taking these and other factors into account, the Board decided to maintain the $0.20 per unit distribution this quarter.

Based on this level of distribution, our distribution coverage ratio for the fourth quarter was 1.9x. We remain confident that our portfolio will support a higher distribution after the pandemic subsides, but we continue to believe it is prudent to maintain the distribution at the current level. We will continue to monitor the impact of the pandemic in general economy to our portfolio, and we'll continue to reassess the distribution level in 2021.

In regard to our capital plans for 2021. We remain focused on our existing development projects, which include our DART program as well as select Vertex deployments across North America. And we will look to be opportunistic with our core ground lease business, which may include additional data center acquisitions. We anticipate deploying $25 million on these development projects in 2021.

In summary, despite the near-term challenges from the pandemic, our portfolio continues to perform well, as seen in the record results this quarter. We ended 2020 with a more diverse revenue base, stronger distribution coverage. And we believe that we are well positioned to deliver further growth in 2021.

We will now take your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Our first question comes from the line of Rick Prentiss of Raymond James.

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

First question. It sounds like visibility is improving on the escalators and maybe even on the outdoor advertising segment. Looking as far as the T-Mobile-Sprint potential for churn, obviously, they're hopefully soon going to have an Analyst Day, update the stream on what they're seeing. But what are you hearing? Have you got any notification? Or where you think T-Mobile-Sprint churn might come out?

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

So far, we haven't seen a lot of lease cancellations yet. We know there's a lot of activity in the market. We know DISH is looking for sites to build out their network and T-Mobile is upgrading certain sites, certain sites are being upgraded for 5G as well. But we're not seeing much in the way of lease terminations. We've only seen a handful. I would expect that, that pace will pick up at some point in time, not sure exactly when that will be. But certainly a lot more than the couple we've seen to date. Before the merger, Sprint was a relatively small portion of our portfolio, and that's the portion of the sites that I would expect to be impacted. I believe most of the T-Mobile sites would be kept. So that, based on what we've done internally based on our review of potential overlap, it might be in the 3% of total revenue range would be the potential impact, and that's before you consider the offsetting impact to potentially DISH picking up sites. Other leasing activity, amendment activity on the T-Mobile sites because they will have to get upgraded for 5G and for more equipment as well. So that's generally how we see it at the moment.

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

Okay. And have you had any activity from Dish yet? I know they're getting their plan in place.

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

Yes. We've seen a little bit of activity. They are working their rollout, and we've had a couple of sites that are being leased up.

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

Okay. On the dividend policy, pretty clear, the Board still being cautious in what might be challenging here but improving dynamics. What should we think are kind of the prime things the Board is looking at as far as what would trigger a change in the distribution policy?

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

Well, I think the Board wants to be comfortable that the -- essentially the impact of the pandemic is behind us in the portfolio. And that comfortable prospectively that we're not going to see a lot of volatility in our results and that we don't need to be as concerned with conserving capital. Certainly, on the -- I would say, on the data center acquisition side of things, there's been a lot of transactions that have happened in the market. So some of the opportunities we are looking for to be opportunistic there might be potentially winding down as well. So for a number of reasons, we may not see as much acquisition volume on the data centers as we saw last year. There's kind of a combination of those factors, what -- how much capital we think we need to reserve here for opportunities and then how the pandemic plays out and just to make sure that we're comfortable going forward that it's behind us.

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

Okay. And the coverage in the quarter, was it like 1.90? Can throw one more decimal place on there for us?

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

I think -- I'll have to double check the math on that. I thought that it was 1.9. Yes.

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

Okay. Just wondering if it was like 1.91, 1.9 -- just if you got an extra decimal, as you pull that out. You also mentioned the $25 million of spending in '21 on the development projects. How much did you spend in 2020 on development projects? Because I think the $148 million was just the acquisitions, if you will, not development.

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

Yes, that's correct. The development spend in 2020 was a little bit lighter than we expected. But that was a function really of the pandemic and our ability to actually move those developments forward. In 2020, we spent $15 million in total. About $10 million of that was on the DART project, and about $5 million of that was on Vertex. And just to circle back on your last question as well, Rick, it was 1.9 exactly was the coverage ratio.

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

Okay. That's great. When we think about the data centers that -- data center you acquired in December, how should we think about what that benefit is going to be for a full quarter in 1Q? Obviously, there was a nice benefit in 4Q from the stuff you bought in September. So just trying to think what that should be anticipated in bringing to the market, bring in to your results?

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

Sure. Yes, sure. So we always announce the revenue -- cumulative revenue from the acquisitions on each call. So if you compare what we announced at the end of Q3 compared to Q4, that would give you that amount of revenue we're expecting.

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

Okay. I just haven't done the math yet, but -- okay. And a final for me. You mentioned the DART project started in January. There was, I guess, some revenue maybe in the fourth quarter. How should we think about what those revenues are bringing to bear with the existing kiosks and then the thought that you'll have more kiosks and outdoor advertising? Just trying to think of how do we think about what DART's bringing to the financial side.

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

Sure. It's a little tough to project that now since we're still in the pandemic, and this is a transit-oriented advertising platform. And that's one of the areas that has been hit a little bit harder in the pandemic. The majority of our portfolio is the large format. Billboard structures, which sit next to major freeways, which I think most people have seen there's a lot of traffic on the roads despite the lockdown orders over the last year or so. So Transit foot traffic has been down. Advertising revenue has been weaker there. But as we get out of the pandemic, weather improves, ridership improves. I would expect that advertising revenue picks up substantially. So you're right, we did receive just a little bit of revenue in the fourth quarter, which is good that it's in service and producing revenue and giving us some idea as to how the advertising rates are going to shake out for that project. But as we go through the first quarter, we are seeing more activity, but it's not at the level we would expect toward the platform once we're out of the pandemic. We do expect to have roughly, call it, 300 or so kiosks in place by the end of June, so the end of the second quarter. So we will be mostly built out, hopefully, at the same time the pandemic subsides. And we'll be able to see how the platform performs at that point in time.

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

Okay. And do you envision including that just in the outdoor advertising segment? Or is it something that would be broken out? We're just trying to think of also looking at the returns made on those projects.

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

We'll probably include it in the outdoor advertising segment, but we can certainly provide the revenue that's being generated off the project.

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

Okay. Well, obviously, you've got to have the TE transport for DART to pay off, but we are thinking of all those people in Texas that have been through a tough time. So our thoughts go out to the people in the DART area.

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

Yes, for sure.

Operator

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

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

I guess, just a clarification question on the build-out activity from DISH. Is that ticking over T-Mobile sites? Or is that independent of any sort of takeover of the same sites?

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

We see a little bit of both. Some of it has been the existing sites that we had that were vacant, but we certainly see activity in the market around Sprint sites that potentially may become vacant.

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

Okay. And then in terms of the sales pipeline for DART and Vertex, can you give an update on that? And if that's benefited from some of the reopening that's been going on? Or is that just a little bit too early to see some improvement on that?

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

I would say it's a little too early, Bora. The challenge with DART at the moment is it's -- as Rick mentioned, certainly, you've had some awful weather here this last couple of weeks, which is not helpful. But also, it is wintertime in general. And you're seeing less focus on transportation advertising. It's more that large format from what we can tell. So we think that as you exit this -- the winter and the pandemic, then I think that's going to be the point that we're going to start to be able to see the true activity that we can realize off that platform. So it should be a little bit longer.

On Vertex, it's tough. This one's a tough one as well because we're all locked up at home. It's hard to travel. It's hard to get in front of customers. But we are making good progress there. We're working on signing up additional real estate locations, working on getting more commitments from carriers. So we're pushing it forward as best we can, but it is a slower pace than really what we had hoped for.

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

Okay. And on the data center acquisition you made in fourth quarter, is there any additional color you can provide in terms of what the cap rate is, the nature of the individual asset? Was it a corporate asset? Was it a Tier 1, 2 or 3 market? Anything along those lines.

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

Sure. We can provide some information. As I mentioned, to get the revenue, look at the difference between the revenue and the acquisitions between the third and fourth quarters. Just as a general practice, we generally don't give the specific cap rates on acquisitions for a number of reasons. But that would give you some insight as to where that one was acquired. That asset was acquired in the Seattle area, the Greater Seattle area. It's essentially a shell or powered shell-type transaction. Long term leased. So attractive asset characteristics for us and consistent with the other type of data centers that we've acquired. And then this one is colocation type data center where we triple net lease it to the colo operator.

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

Okay. And my last question is on the G&A reimbursement agreement you have in place with the sponsor, I believe that ends towards the end of this year. Have there been any discussions on that about possibly extending it? Or what are your general thoughts on that agreement?

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

Yes, there have been discussions about it, but no decision has been made or no proposal has been made at this point in time. The G&A reimbursement arrangement was, I would say, important when we initially did the IPO and the launch of the portfolio as we were -- we had a relatively small portfolio and G&A was a big number relative to the portfolio. But as we've grown, certainly, G&A has grown as well, but the company is in a better position to manage the G&A. And so that's part of what we'll assess over the coming quarters, and we'll provide some more clarity on that as we work through the year.

Operator

(Operator Instructions)

Our next question comes from the line of Liam Burke of B. Riley.

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

George, when you're looking at asset acquisitions, particularly data centers, do you see more competition for acquisitions than you normally would in your traditional infrastructure assets like cell sites or even outdoor advertising?

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

Yes, that's a good question. The -- these markets are very different from the standpoint of the dollar size and the way the assets are generally sold. On the data center side of things, a lot of them are done with brokers, not all of them. We do a fair amount of off-market transactions. And then on the ground lease side of things, that is mostly, I would call it, more of an off-market type transaction. But given the small dollar size, you can have a fair number of competitors pop up in the ground lease side of things. On data centers, it will just depend on the size of the data center and how the seller wants to approach the market. We have seen more competition on, I would say, both -- or in both segments, both the ground lease and the data center side of things. And I think it -- part of it is a reflection of how well these assets have performed in the downturn, their role in the digital economy going forward. But then also a reflection of the interest rate environment. You can get very cheap financing on high-quality real estate and infrastructure like these assets.

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

And on the data center, are they still all sale leasebacks? Or have you looked at any other -- do you see any other more attractive financing sources?

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

A number of them have been sale-leasebacks, not all of them, though in our -- on our history of acquiring the data center assets. It varies based on what comes to market. You can get attractive deals either way. But I would say, for the most part, what we're going to focus on is that triple net, powered shell type transaction where we have a long-term lease, a high-quality tenant. It's a highly used data center. It's critical infrastructure for that tenant. And we invest in the property at a relatively low cost per square foot basis, which is similar to what we do essentially when you look at like towers and renewable projects where tenants have invested substantially on top of our real estate interest. And by virtue of that, we end up with extremely high renewal rates very sticky tenants on those sites. And then we benefit from the annual escalators as well. So that's predominantly what you should expect to see.

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

Great. And then just finally on DART. You seem -- you are making nice progress about rolling out the sites. Is there anything you can just give us a sense of what you've learned from this project where you can apply it to future infrastructure development that would raise your return on these investments?

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

Yes, absolutely. I think the first development project always give you a lot of insights that you may not have necessarily been considering from the get-go. But one of the things that we did put in place for the DART project was our -- essentially our 3.5 network that allows us to connect our infrastructure. And that, the knowledge and infrastructure there can certainly be leveraged across other projects. And that would substantially improve the economics going forward. Certainly, we've got a better understanding now of time frame for development, managing the cost side of things. So a lot of things in general, but I would say, really some of the infrastructure we built for the network for monitoring things like that certainly is scalable across other projects.

Operator

We have a follow-up from Rick Prentiss of Raymond James.

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

Following on his questions there. With Radius becoming a public company, have you noticed any change in the competition for land in the U.S.? And obviously, they're doing it in a lot of other markets. Any interest in going to other markets on the land side of things?

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

Sure. Yes, you're right on Radius' focusing from the -- from what we've seen in the portfolio they've built are predominantly in international markets. We don't see them a lot on individual deals here domestically. There has certainly been a lot of interest in the ground lease space over the last year or so. We've seen a number of large portfolios come to market and get a lot of institutional interest. For us, on the international side, we -- we're in Australia, we're in Canada. We may selectively visit additional international assets. But for the most part, I would expect us to be concentrated in the U.S. If we do something internationally, we'd really be looking for an opportunity to get an edge in one of those markets versus trying to build something from scratch. So we'd be looking for a partnership, a portfolio or some way to jump into that market rather than starting asset by asset because that can be a very time-consuming and expensive endeavor.

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

Right. Okay. And any update on the assets that are up at the sponsor level as far as the different funds that are up there and the right of first refusals?

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

No. No real update at this point. I think the -- from an opportunity standpoint, we really like the data center side of things from a total return perspective. We think the risk-adjusted return there is very attractive. The cap rates are attractive. When we look at the ground lease portfolios right now, they're far more expensive than the data centers that we're targeting. We think they provide similar economics, return levels. So we'll be focused on that area, probably a little bit more prospectively.

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

Makes sense. And what kind of prices are you seeing in the land, whether it's a multiple or cap rate?

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

Boy, it is all over the place. Yes, it's all over the place. It depends on the market, depends on the terms, but we'll see anything from 5 caps to 7 caps. So it will depend on the size of the asset, the escalators that are in place, the market, whether the lease has a near-term expiry with no renewals. A lot of things will go into that. But kind of basic, straightforward, long-term lease, 2% escalator assets, those are going to be the upper -- middle to upper end of that range. It's some of the other factors that drive the aggressive pricing down in that 5 cap range.

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

Got you. And you talked about interest rates a couple of times. What's your view on interest rates? We've seen it kind of tick up here. What are you thinking about interest rate trends, and how you're going to handle the balance sheet?

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

Yes. We like the approach of having staggered debt maturities, not -- ultimately, not having a lot on short-term debt. So ideally, what we would have is tranches of debt that would mature every other year or so and predominantly go with fixed rate debt. There's not a lot of reason for us to have a lot of variable rate debt since our assets do not have really a variable feature, they're pretty fixed. So we'll continue to do securitizations. The securitization market is very attractive for whether it's telecom, renewables, data centers. It's far less expensive now than it was before the pandemic, and even a couple of years before that financing extremely cheapened. We'd want to take advantage of that, not load up on debt, but at least fix it and term it out.

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

Yes. And have you seen data center securitizations out there? And how big a portfolio do you need to have to securitize data centers?

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

I think you can do a securitization with maybe about $250 million worth of assets. So we're roughly at about the size where we could do a securitization. And the securitizations we have seen that have gone off recently are in that 2% fixed 5-year maturity range. So pretty attractive.

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

So you're pretty close where you might be able to -- you guys are close where you might be able to tap that, given the most recent acquisitions towards the end of last year?

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

Yes, absolutely. We have a nice diversified portfolio of data centers, a number of different tenants, markets, lease maturities. So yes, I think we would have a good portfolio for securitization.

Operator

At this time, I'd like to turn the call back over to Tim Brazy for closing remarks. Sir?

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

Operator, thank you. And George and I want to thank you for joining us today. I know it's easy to say that these are difficult times, and people face a number of different challenges. But if the last year has shown us anything, it's that we can get through all of this by working together. With regard to the business, we've taken what we think are the appropriate steps to position the company to deal with an unprecedented market and to take advantage of opportunities as they present themselves. We're confident in the fundamentals of our business. We're pleased with the progress we've made, and we believe that we are where we need to be to continue moving forward this year. So with that, please continue to be careful and stay safe. And we'll talk to you next quarter. Operator?

Operator

Ladies and gentlemen, this concludes today's conference call.Thank you for participating. You may now disconnect.
