

AMT- EQUITY RESEARCH

Overview

American Tower Corporation (NYSE: AMT) is a leading global Real Estate Investment Trust (REIT) specializing in communications infrastructure. Founded in 1995 and headquartered in Boston, Massachusetts, the company owns, operates, and develops multitenant communications real estate, including wireless and broadcast towers, distributed antenna systems (DAS), and data centers.

Price	220.97 (April 22, 2025)
Market Cap	\$104.23 B
P/E Ratio	32.3
Dividend Yield	3.14%
52 Week Range	\$170.46 – \$243.56

AMT Price and Moving Averages



Quarterly Multiples

	TEV/LTM EBITDA			
Average	16.07x	17.74x	16.89x	16.68x
High	16.74x	18.80x	18.23x	18.38x
Low	15.19x	16.30x	15.39x	15.07x
Close	16.42x	18.25x	15.61x	18.35x

	TEV/LTM Total Revenue			
Average	12.45x	13.73x	13.07x	13.11x
High	12.99x	14.54x	14.10x	14.74x
Low	11.79x	12.65x	11.91x	11.66x
Close	12.74x	14.12x	12.08x	14.71x

	P/LTM EPS			
Average	47.58x	44.07x	46.17x	38.95x
High	60.69x	48.62x	51.50x	46.58x
Low	38.81x	40.90x	40.87x	29.05x
Close	43.97x	43.62x	44.17x	31.20x

Quantaco Recommendation



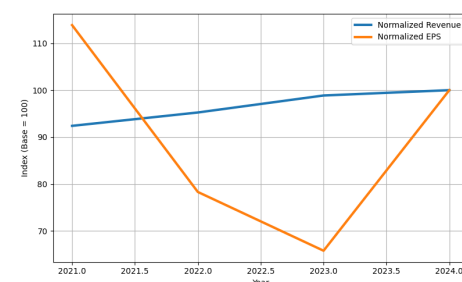
Long term investment- Positive (strong buy)



Risk Hedge Portfolio recommendation- Moderate

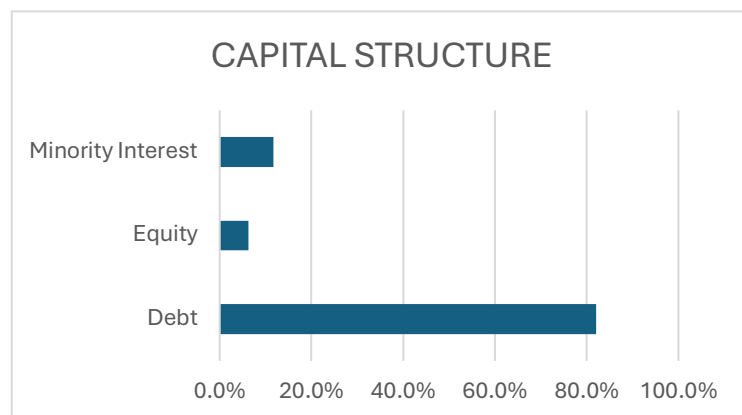


Short term Arbitrage stock- Low - moderate



DCF Valuations and Comparables

The WACC for AMT was initially set at 7%, reflecting the blended cost of its equity and debt financing. This rate captures the risk and return expectations of both investors and creditors, considering AMT's heavy reliance on debt. Incremental increases in WACC were applied to account for rising debt levels and associated financial risk. Conversely, the WACC was adjusted downward after improvements in debt management and refinancing strategies. These changes reflect AMT's capital structure optimization and its impact on valuation.



Mean Equity Value Across Multiples	Equity Value	Price Per Share
High	203,663.1	435.07
Low	13,164.13	28.12
Mean	110,168.89	235.34
Median	108,877.64	232.59

The comparable company analysis (233) for AMT is primarily influenced by relative valuation multiples such as EV/EBITDA, P/E, and Price-to-Book ratios. AMT's higher debt ratios, including Debt-to-Equity and Net Debt/EBITDA, suggest that its valuation is compressed compared to peers with more conservative capital structures. This undervaluation stems from market caution towards AMT's leverage, despite its strategic use of debt for network tower expansion and global acquisitions. The market's focus on debt metrics may obscure the company's strong future forecasted cash flows, particularly as AMT scales its infrastructure to meet growing 5G demands. If AMT successfully capitalizes on these growth initiatives, the current valuation derived from comps may significantly underestimate its long-term earnings potential.

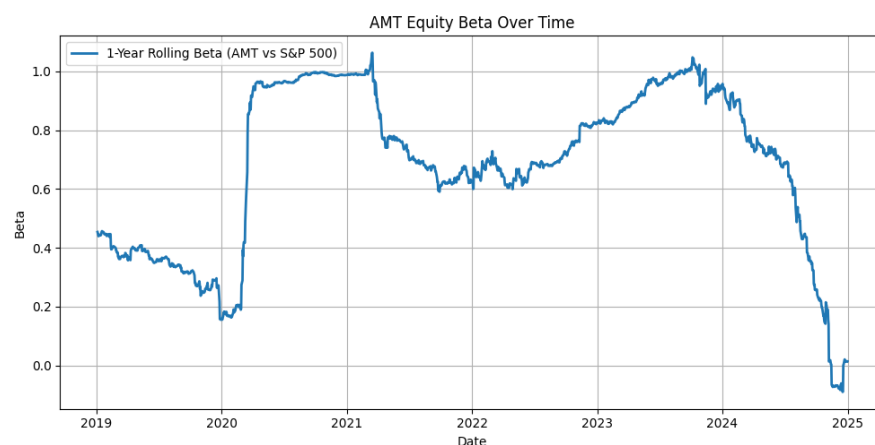
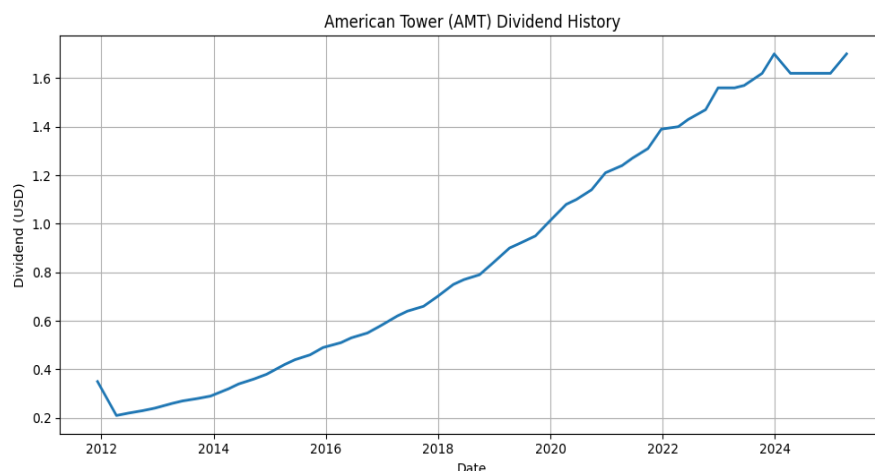
Implied Share Price	
PV of Projected	19,142.3
PV of Terminal	113,811.0
(-) Net Debt at t=0	419.5
Implied Equity Value	132,533.8
Shares Outstanding (Fully Diluted)	467.0
Implied Share Price	283.80
Current Share Price	223.81
Implied Upside	26.8%

Selected: Base Case	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Revenue Growth	n.a.	6.5%	14.5%	3.2%	4.9%	0.7%	6.0%	6.7%	7.4%	8.1%
Cost of Revenue as a % of Revenue	62.2%	60.6%	62.0%	69.8%	64.5%	54.5%	74.9%	75.0%	75.0%	75.0%
Implied Tax Rate	NM	7.1%	9.3%	5.4%	5.9%	10.1%	21.0%	21.0%	21.0%	21.0%
D&A as a % of Revenue	23.5%	23.4%	24.9%	32.8%	29.2%	20.0%	2.1%	2.1%	2.1%	2.0%
CAPEX as a % of Revenue	-39.6%	-47.8%	-211.9%	-5.8%	-1.7%	-1.2%	2.0%	2.0%	2.0%	2.0%
Net Working as a % of Revenue	-2.5%	-3.2%	-3.0%	-3.3%	-2.7%	-2.9%	-3.0%	-3.0%	-3.0%	-2.9%
Debt growth rate	0.0%	1.0%	25.1%	22.4%	-12.6%	187.6%	10.4%	9.6%	8.8%	8.3%
Interest Expense as a % of Revenue	5.2%	5.1%	4.1%	3.7%	3.8%	7.4%	7.4%	7.4%	7.4%	7.4%
Debt to EBITDA	6.27	-	5.78	-	5.41	-	1.25	1.33	1.42	1.50

Dividends and Risk

American Tower Corporation (AMT) currently offers an annual dividend of \$6.80 per share, resulting in a forward dividend yield of 3.10%. The company's payout ratio stands at 174.58%, indicating that it distributes more in dividends than its net earnings. This elevated payout ratio is characteristic of Real Estate Investment Trusts (REITs), which are mandated to distribute a significant portion of their taxable income to shareholders.

In terms of market volatility, AMT has a 5-year beta of 0.88, suggesting that its stock price is less volatile than the broader market. This lower beta reflects the company's stable cash flows derived from long-term lease agreements with tenants. AMT's strategy involves expanding its global tower portfolio to capitalize on the growing demand for wireless communication infrastructure. While this expansion requires substantial capital investment, the company aims to maintain its dividend payouts, balancing growth initiatives with shareholder returns.



		Terminal Growth				
	\$0.00	15.00%	16.00%	17.00%	18.00%	19.00%
WACC	6.30%	\$303.49	\$303.49	\$303.49	\$303.49	\$303.49
	7.30%	\$275.29	\$275.29	\$275.29	\$275.29	\$275.29
	8.30%	\$254.08	\$254.08	\$254.08	\$254.08	\$254.08
	9.30%	\$237.15	\$237.15	\$237.15	\$237.15	\$237.15
	10.30%	\$223.05	\$223.05	\$223.05	\$223.05	\$223.05

		Explicit Horizon Growth Rate (bull)					
		283.80	6.00%	7.00%	8.00%	9.00%	10.00%
Terminal Growth Rate	6.00%	\$315.03	\$283.80	\$260.87	\$242.85	\$228.00	
	7.00%	\$315.03	\$283.80	\$260.87	\$242.85	\$228.00	
	8.00%	\$315.03	\$283.80	\$260.87	\$242.85	\$228.00	
	9.00%	\$315.03	\$283.80	\$260.87	\$242.85	\$228.00	