



# Stock Coverage

American Tower Corp

July 7, 2024

## American Tower Corp (NYSE: AMT)

### *I. General Information*

- Company Description:
  - i. American Tower is a real estate investment trust (“REIT”) that manages, operates, and leases properties that contain communication towers.
  - ii. AMT leases space on communications sites to wireless service providers, radio and television broadcast companies, wireless data providers and others.
  - iii. AMT also manages tower sites and other telecommunications infrastructure and maintains a portfolio of highly interconnected data center facilities.
- Company History:
  - i. The Company was founded in 1995, as a sub-division of American Radio Systems.
  - ii. The merger between American Radio Systems with CBS resulted in American Tower being spun-off in 1998.
  - iii. The Company is headquartered in Boston and currently employs around 5,600 full-time individuals.
- Recent Growth Drivers:
  - i. Increases in global data consumption.
  - ii. The roll out of 5G and the demand for neutral hosting.
  - iii. Optimal asset selection in areas of high structural capacity.

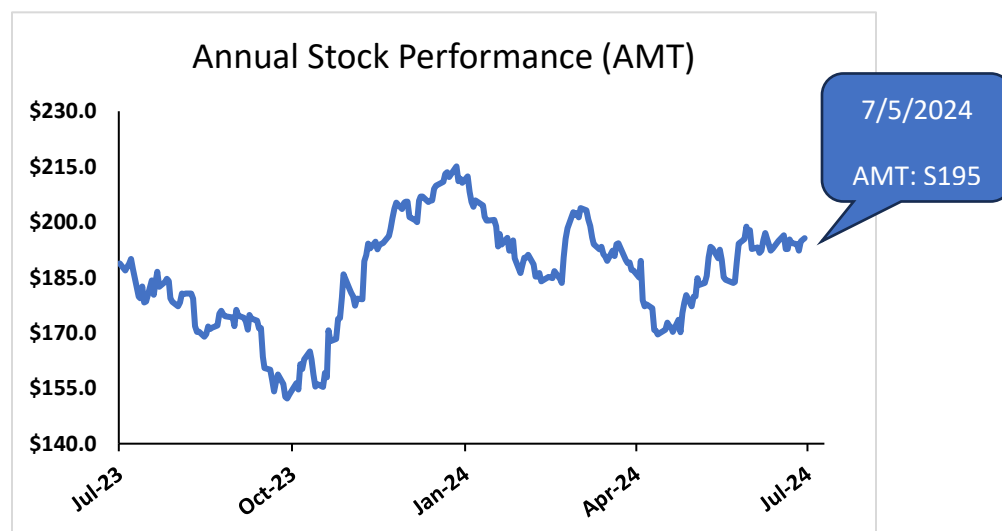
- iv. Supplementing towers with collocation space, power, networking, and compute capabilities.
- Risks:
  - i. Decreasing demand for current communications infrastructure.
  - ii. High degrees of customer concentration, especially with the top three customers (AT&T, T-Mobile, Verizon).<sup>1</sup>
  - iii. Non-performance on contractual obligations (e.g., customers missing payments).

## II. Stock Performance

- As of July 5, 2024, American Tower's adjusted close price was \$195.64
- AMT stock trades around 44.2x its trailing 12 months earnings

<b>Stock Ticker</b>	<b>AMT</b>
<b>Current Price</b>	<b>\$195.64</b>
<b>2024 YTD Return</b>	<b>-9.0%</b>
<b>52-week Return</b>	<b>3.6%</b>

<b>52-week High</b>	<b>215.1</b>
<b>52-week Low</b>	<b>152.2</b>



<sup>1</sup> According to AMT's 2023 10K, AT&T, T-Mobile, and Verizon represent about 45% of total operating revenues.

### III. Financials Performance (Q1 2024)

- Revenue Growth
  - i. **Property Revenue:** For the three months ending on March 31 2024, product revenue was \$2.8 billion, which represents a 3.3% increase year over year.
  - ii. **Service Revenue:** For the three months ending on March 31 2024, service revenue was \$30.2 million, which represents a 42% decrease year over year.
- Margin Analysis
  - i. **Net Margins:**
    1. Overall net income was **\$917 million** in Q1 2024 representing a **32% Net Income Margin**.

### IV. Statements and Analyses

Quarterly Income Statement (AMT)		
<i>Three months ending on March 31</i>		
<i>(\$MM)</i>	Q1 2023	Q1 2024
<u>Revenue</u>		
Property Revenue	\$2,714.5	\$2,803.9
Service Revenue	52.7	30.2
<b>Total Revenue</b>	<b>\$2,767.2</b>	<b>\$2,834.1</b>
<i>Revenue Growth</i>		2.4%
<u>Cost of Operations</u>		
Property Costs	787.0	774.4
Services Costs	19.1	13.9
<b>Total COGS</b>	<b>806.1</b>	<b>788.3</b>
<b>Gross Profit</b>	<b>\$1,961.1</b>	<b>\$2,045.8</b>
<i>Gross Profit Margin</i>	70.9%	72.2%
<u>Operating Expenses</u>		
Depreciation & Amort	794.1	549.4
SG&A	263.9	257.0
Other Operating Expenses	127.5	2.8
<b>Total Operating Expense</b>	<b>1,185.5</b>	<b>809.2</b>
<b>Operating Income</b>	<b>\$775.6</b>	<b>\$1,236.6</b>
Interest Income	30.8	48
Interest Expense	-340.2	-366.7
Other Income (Expense)	-97.8	113.0
<b>Earnings before Taxes</b>	<b>368.4</b>	<b>1,030.9</b>
Taxes	53.4	109.2
<b>Net Income</b>	<b>\$315.0</b>	<b>\$921.7</b>
Gain (loss) from NC Interests	20.8	-4.3
<b>Net Income (to Shareholders)</b>	<b>\$335.8</b>	<b>\$917.4</b>
<i>NI Margin</i>	12.1%	32.4%

<b>Property Revenue by Location</b>			
<i>Three months ending on March 31</i>			
<i>(\$MM)</i>	<b>Q1 2023</b>	<b>Q1 2024</b>	<b>Percent Change</b>
<u>Property Revenue</u>			
US & Canada	\$1,287.6	\$1,310.7	1.8%
Asia-Pacific	251.1	326.6	30.1%
Africa	317.0	292.0	-7.9%
Europe	191.7	204.5	6.7%
Latin America	464.1	445.5	-4.0%
Data Center Revenue	203.0	224.6	10.6%
<b>Total Property Revenue</b>	<b>\$2,714.5</b>	<b>\$2,803.9</b>	<b>3.3%</b>

<b>Diluted Earnings per Share (EPS)</b>		
	<b>Q1 2023</b>	<b>Q1 2024</b>
<u>EPS</u>		
Quarterly Net Income (MM)	\$335.8	\$917.4
Share Count (estimate)	466,810,000	467,660,000
<b>Earnings per Share</b>	<b>\$0.72</b>	<b>\$1.96</b>

*The Warren Fox Group does not provide investment advice or legal advice. The information provided above should be used solely for educational purposes.*

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