

<p>American Tower Corporation Ticker: AMT Sector: Communication Services Industry: Telecom Services</p>	<p>Intrinsic Value: 130.69 Current Price: 103.49 Stop Loss: 87.97</p>	<p>TTM P/E: 57.65 Forward P/E: 17.75 Beta: 0.98</p>	<p>Market Cap: \$49.01B Dividend Yield: 1.84% 52 Wk Range: \$83.07-\$118.26</p>
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Business Summary: American Tower Corp. is a real estate investment trust that owns, operates and develops wireless communications and broadcast towers in 13 countries located in 5 continents. The company leases antennae sites on multi-tenant communication sites to wireless service providers, radio and television broadcast companies, wireless data and data providers, government agencies and municipalities and tenants in a number of other industries. American Tower Corporation was founded in 1995 and is headquartered in Boston, Massachusetts. (Yahoo Finance & Morningstar)

Industry Trends: The U.S. wireless market is likely to remain highly competitive for the remainder of 2016, due to pricing pressure from T-Mobile and Sprint. The specter of cable companies entering the business also remains a threat. Canada is more mixed, with the benefit of spectrum auctions and wireline stabilization offset by a weak economy and possible new entrants. The introduction of wireless content services as a growth opportunity is an emerging theme among carries in both regions. (Bloomberg)

Competitive Analysis: American Tower Corp. is using M&A to enter new markets and gain scale as it seeks to capitalize on wireless carriers' rising need for more capacity. Carriers are addressing expanding traffic by increasing their network density with more cell sites. Extra capacity is needed to support rising mobile data traffic, which Cisco forecasts to rise at an average rate of 53% a year in 2015-2020. American Tower, with about 144,000 towers in the US and overseas, is positioned to capitalize on this growth. (Bloomberg)

- Pros:**
- Portfolio is growing, with buyout of Viom, as well as the purchase of sites in Nigeria and Brazil, and the acquisitions of 11,400 assets from Verizon.
 - Diversified investment in domestic and foreign markets yields upside potential as currencies against the dollar strengthen.
- Risk Factors:**
- Highly correlated to interest rates. Rising interesting rate environment compresses REIT growth.
 - American Tower has a large debt to equity ratio.

5 Year Stock Performance:



Key Valuation Assumption

- Optimistic Est Revenue Growth: 20%
- Realistic Est Revenue Growth: 15%
- Pessimistic Est Revenue Growth: 6%
- WACC: 6.70%
- Expected Inflation: 2.0%
- Terminal Growth Rate: 3.0%
- 10 Yr Risk Free Rate: 2.15%
- Equity Risk Premium: 7.50%
- Tax Rate: 30.0%

Key Financial Data

- Est 2016 EPS: 1.41
- Est 2017 EPS: 2.00
- PEG (TTM): 1.49
- Credit Quality: BBB
- ROE: 13.18%
- ROA: 3.95%
- Price/Book: 7.31
- Debt/Equity: 237.21%
- Current Ratio: 0.83
- Quick Ratio: 0.51

CSR Characteristics

- ESG Disclosure: 18.60 (Industry: 15.00)
- Environmental Disclosure Score: 4.65 (Industry: 7.56)
- Social Disclosure Score: 17.54 (Industry: 12.78)
- Governance Disclosure Score: 51.79 (Industry: 48.75)

Analyst Recommendations:



Prepared by Jeremy Hite on 11/15/16. Information from Morningstar, Yahoo, Bloomberg