American Towers Corporation (NYSE: AMT)
Sector: REITs
Industry: REIT Speciality

<table>
<thead>
<tr>
<th>Target Price</th>
<th>Current Price</th>
<th>52w High</th>
<th>52w Low</th>
<th>P/E</th>
<th>Market Cap</th>
<th>Dividend Yield</th>
<th>Beta (Monthly)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$215.40</td>
<td>$241.72</td>
<td>$272.20</td>
<td>$174.32</td>
<td>56.33</td>
<td>$107.644 B</td>
<td>1.78%</td>
<td>0.37</td>
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</tbody>
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**Business Description:**
Founded in 1995, and converted in a telecommunications REIT in 2012, American Towers is the leading global provider of international tower estate. With over 181,000 sites world-wide, AMT is a real estate investment trust which owns, operates, and develops multi-tenant communication real estate. The business is characterized by long-term recurring revenue streams due to the long-term non-cancelable contracts which clientele sign. Each of these contracts also include fixed escalators, based on the inflation rate of the country of operation. AMT also has incredibly low ongoing CAPEX requirements. Only 2.6% of their revenue is used to maintain the tower sites, allowing for the remainder to be distributed as dividends or invested in more properties abroad. American Towers is currently located in 20 countries, and has plans to continue expansion in Latin America, Africa, and Asia.

**Industry Trends:**
Stemming from the acceleration in data usage around the globe, telecommunication companies are attempting to keep pace with consumption with greater 4G capacity and 5G build-outs. Over the next decade, per GB consumption is expected to increase at a rate of 35% (CAGR). American Towers is positioned incredibly well within the industry to capitalize on this strong market trend. There are very high barriers to entry in this market with low threat of substitution due to the fixed amount of towers in each developed country. A byproduct of this is also the non-competitive landscape. American Towers truly only has 2 competitors: one of which is focused on a distinct product, the other with ⅓ of AMT's tower bank. Both suppliers and buyers need these assets, therefore, American Towers' threat of substitution is minimal. With 20% of the total global segment revenue, American Towers is positioned to continue to capture a massive chunk of this segment's growing revenue.

**Investment Thesis:**
American Towers is both the international and intranational leader in a high growth industry. With the 32% (CAGR) increase in US data traffic and industry leader in revenue generation in 19 of the 20 countries they own towers, American Towers has positioned itself for success over the upcoming decade(s). AMT also is in a low revenue volatility and low capex structure industry. Clientele signs a 10 to 15 year non-cancelable contract with fixed inflation escalation. Low ongoing capital expenditures and shared revenue-generating operation allow for continued dividend growth and massive acquisition of tower banks abroad. American Towers consistently makes strategic acquisitions and entries into markets around the globe. Over the last 6 years, there have been 30 separate tower banks which have been acquired by AMT. Since 2015, AMT has entered 6 new countries. These long-term partnerships with AT&T, Verizon, T-Mobile in the US allow for long-term scalable revenue growth.

**Risks:**
Some risks of American Towers are laws and regulations, specifically in foreign markets, which may create a geopolitical risk for the company. There are additional leverage obligations which AMT needs to fulfill which could possibly restrict their ability to finance for future capital expenditures, dampening growth. Due to the condensed nature of the tenants, if consolidation or bankruptcy occurs, American Towers may lose a massive chunk of their revenues.

**Corporate Social Responsibility:**
American Towers has an ESG risk rating of 18.1 out of 100 according to SustainAlytics. Within the REIT sector, it ranks 249 out of 945. It's low number is a result of the low exposure to different ESG elements. It's management is considered average in terms of ESG, implying that the robustness of their ESG practices and policies, while not poor, are not great either.

ESG Sustainability - AMT: 38.43; Industry: 25.21
ISS Quality Score - AMT: 2; Industry: 6
Reported Prepared by:
Caleb Benedict and Matthew Clarke on 10/19/2020