



American Tower Corp. (AMT)

Updated February 25th, 2026, by Aristofanis Papadatos

Key Metrics

Current Price:	\$190	5 Year CAGR Estimate:	12.4%	Market Cap:	\$89 B
Fair Value Price:	\$239	5 Year Growth Estimate:	5.0%	Ex-Dividend Date¹:	4/10/26
% Fair Value:	79%	5 Year Valuation Multiple Estimate:	4.7%	Dividend Payment Date¹:	4/27/26
Dividend Yield:	3.6%	5 Year Price Target	\$305	Years Of Dividend Growth:	14
Dividend Risk Score:	F	Sector:	REITs	Rating:	Hold

Overview & Current Events

American Tower was founded in 1995 and is one of the world's largest global Real Estate Investment Trusts (REITs). The company specializes in owning, operating, and developing multitenant communications real estate, with a portfolio of nearly 150,000 communications sites, in the United States and Internationally. Last year, the \$89 billion company generated \$5.0 billion in Adjusted Funds from Operations (AFFO) attributable to stockholders.

In late February, American Tower reported (2/24/26) financial results for the fourth quarter of fiscal 2025. Revenue grew 7.5% and consolidated AFFO per share grew 13% over the prior year's quarter, from \$2.32 to \$2.63. The REIT benefits from strong leasing activity across its U.S. and international towers thanks to sustained growth in mobile data consumption, continued 5G deployment, and increasing hybrid-cloud and AI-related workloads. Its net-debt-to-EBITDA ratio remained flat at 4.9. Despite positive business trends, management issued lackluster guidance for 2025 due to cost-cutting investments, which will take their toll on short-term results. The REIT expects 2.0% growth of property revenue and consolidated AFFO per share of \$10.78-\$10.95 in 2026, implying 0.5% growth at the mid-point. We expect AFFO per share of \$10.87 this year, in line with the guidance of management.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFO	\$5.81	\$6.72	\$7.59	\$7.90	\$8.49	\$9.43	\$9.76	\$9.87	\$11.18	\$10.76	\$10.87	\$13.87
DPS	\$2.17	\$2.62	\$3.15	\$3.78	\$4.53	\$5.21	\$5.86	\$6.45	\$6.48	\$6.80	\$6.80	\$7.60
Shares²	427	429	441	446	446	457	467	467	468	467	467	500

We are using consolidated AFFO instead of earnings, as this more accurately captures the underlying profitability of the REIT. American Tower has put together an exceptional record in the last decade, and many of those tailwinds still exist today. The company is well entrenched as a leader in the U.S. market and has also been significantly expanding abroad. The continued increase in data usage, especially as it relates to international countries "catching up," will be a trend for some time. Moreover, with long-term leases in place, American Tower has good visibility into the future.

On the other hand, there are some risks that could formulate in the future. For instance, carrier consolidation – such as the tie-up between Sprint and T-Mobile – reduces redundant networks and thus American Tower's revenue. Moreover, the evolution of 5G – while promising for consumers – could disrupt the company's macro tower business model.

Further, it is becoming harder to grow with the company's size, although the company has been actively completing acquisitions. Overall, we expect the REIT to grow its AFFO per share by 5% per year on average over the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
P/AFFO	18.2	21.2	20.8	30.4	26.3	24.7	24.6	19.7	18.1	18.7	17.5	22.0
Avg. Yld.	2.2%	2.0%	2.1%	1.6%	2.0%	2.2%	2.4%	3.3%	3.2%	3.4%	3.6%	2.5%

¹ Estimated date.

² In millions.

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During the last decade, American Tower exchanged hands at an average price-to-AFFO ratio of 22.3. We believe this premium valuation was warranted thanks to the fast-growing nature of the business and its high visibility into future leases. Moving forward, our growth rate assumption is a bit more cautious, but the same type of visibility still exists. We assume a fair price-to-AFFO ratio of 22.0 for the stock. If the stock trades at our assumed fair valuation level in five years, it will enjoy a 4.7% annualized gain in its returns.

The dividend of American Tower warrants special mention. Despite the yield not being particularly impressive, especially for a REIT, American Tower raised its dividend (often substantially) every single quarter during 2012-2022. This streak ended in the first quarter of 2023, as the company paid the same dividend as the one in the previous quarter, but the REIT resumed raising its dividend quarter after quarter in the second quarter of 2023. In the first quarter of 2024, the REIT cut its dividend by 5% sequentially, but it still offered a higher annual dividend in the full year.

Safety, Quality, Competitive Advantage, & Recession Resiliency

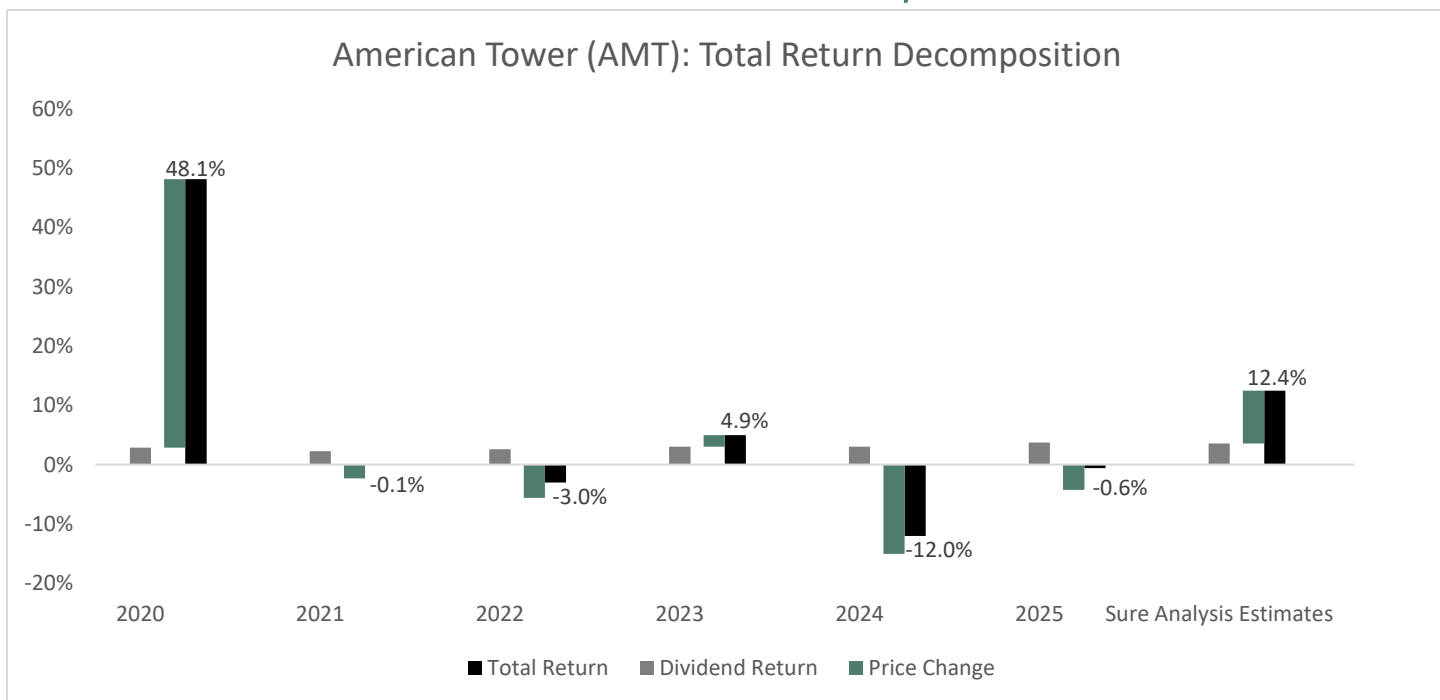
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	37%	39%	42%	48%	53%	55%	60%	65%	58%	63%	63%	55%

American Tower enjoys a competitive advantage in its leadership in the U.S. market. Not only is the company entrenched in the space, but switching costs for the company's customers (once equipment is installed) are quite high. Meanwhile, American Tower enjoys economies of scale as it grows larger, with the cost to add additional tenants to a tower being essentially negligible. Further, unlike its U.S. counterparts, American Tower is geographically diversified around the globe. This can somewhat increase risk – for instance with currency translation and working in different operating environments – but it insulates the firm from relying on a single country in lesser times.

Final Thoughts & Recommendation

American Tower has performed exceptionally well in the last decade and many of those trends that helped the company in the past remain in place. The stock could offer a 12.4% average annual return over the next five years, stemming from 5.0% growth, a 3.6% dividend yield and a 4.7% valuation tailwind. It maintains its hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	5786	6664	7440	7580	8042	9,357	10,711	11,144	10,127	10,645
Gross Profit	3995	4607	5262	5364	5814	6,675	7,447	7,884	7,553	5,855
Gross Margin	69.1%	69.1%	70.7%	70.8%	64.5%	71.3%	69.5%	70.7%	74.6%	55.0%
SG&A Exp.	543	637	733	730	779	812	972	993	933	---
D&A Exp.	1526	1716	2111	1778	1882	2,333	3,355	3,087	2,125	2,042
Operating Profit	1853	1998	1905	2688	3128	3,328	3,037	3,777	4,517	4,846
Operating Margin	32.0%	30.0%	25.6%	35.5%	38.9%	35.6%	28.4%	33.9%	44.6%	45.5%
Net Profit	956	1239	1236	1888	1691	2,568	1,766	1,483	2,255	2,629
Net Margin	16.5%	18.6%	16.6%	24.9%	21.0%	27.4%	16.5%	13.3%	22.3%	24.7%
Free Cash Flow	2019	2122	2835	2761	2850	3,443	1,823	2,924	3,701	3,784
Income Tax	156	31	-110	-0.2	130	262	24	154	366	416

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	30879	33214	33010	42802	47230	69,888	67,195	66,028	61,077	63,190
Cash & Equivalents	787	802	1209	1501	1746	1,950	2,028	1,973	2,000	1,605
Accounts Receivable	308	514	459	462	512	729	758	670	540	---
Goodwill & Int. Ass.	16345	17422	16676	18497	21120	34,077	30,940	29,160	26,242	26,786
Total Liabilities	23903	26386	27111	37311	42670	60,818	54,786	55,162	51,429	52,835
Accounts Payable	119	143	131	148	139	272	219	259	241	---
Long-Term Debt	18534	20205	21160	24055	29290	43,254	38,670	38,922	36,502	44,379
Shareholder's Equity	6764	6242	5336	5055	4094	5,081	5,572	4,198	3,382	---
LTD/E Ratio	2.74	3.24	3.97	4.76	7.16	8.51	6.94	9.27	10.79	12.31

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.3%	3.9%	3.7%	5.0%	3.8%	4.4%	2.6%	2.2%	3.5%	4.2%
Return on Equity	14.3%	19.1%	21.4%	36.3%	37.0%	56.0%	33.1%	12.7%	22.0%	26.3%
ROIC	3.9%	4.7%	4.6%	6.7%	5.3%	5.9%	3.4%	2.9%	4.7%	4.8%
Shares Out.	427	429	441	446	446	457	463	467	468	469
Revenue/Share	13.48	15.44	16.80	17.01	38.92	20.64	23.15	23.86	21.63	22.71
FCF/Share	4.70	4.92	6.40	6.20	6.01	7.60	3.94	6.26	7.90	8.07

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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