SBA Communications Corporation (SBAC)

Updated April 30th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$222	**5 Year Annual Expected Total Return:**	7.5%	**Market Cap:**	$22.9 B
Fair Value Price:	$213	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	05/22/2026
% Fair Value:	104%	**5 Year Valuation Multiple Estimate:**	-0.8%	**Dividend Payment Date:**	06/17/2026
Dividend Yield:	2.3%	**5 Year Price Target**	$285	**Years Of Dividend Growth:**	7
Dividend Risk Score:	C	**Sector:**	Communications	**Rating**	Hold

Overview & Current Events

SBA Communications is a leading independent owner and operator of wireless communications infrastructure, primarily including tower structures that support antennas used for wireless communications. The company owns over 46,000 tower sites which it leases to multiple wireless telecom providers. SBA also owns a site development business, through which it assists telecom providers in developing and maintaining their own wireless service networks. The company generates about $2.8 billion in annual revenues and is headquartered in Boca Raton, Florida.

On April 29th, 2026, SBA reported Q1 results for the period ending March 31st, 2026. Site leasing revenues were $656.1 million, up 6.5% year-over-year, while site development revenues declined 1.6% to $47.3 million, bringing total revenues to $703.4 million. Adjusted EBITDA increased 4.0% to $475.4 million, while AFFO fell 6.5% to $321.7 million. On a per-share basis, AFFO decreased 4.7% to $3.03, with net cash interest expense increasing 32.1% year-over-year.

During the quarter, SBA acquired 10 communication sites, as well as land rights under about 3,900 sites in Guatemala, for total cash consideration of $133.0 million, and built 80 towers. As of quarter end, SBA owned or operated 46,358 communication sites, including 17,378 in the U.S. and its territories and 28,980 internationally. Subsequent to quarter end, the company purchased or is under contract to purchase 56 additional sites for $36.9 million, expected to close by the end of Q3 2026. SBA ended the quarter with net debt to annualized Adjusted EBITDA of 6.6x and declared a quarterly dividend of $1.25 per share.

Management raised its FY2026 outlook across key metrics, guiding to site leasing revenues of $2.649–$2.674 billion and AFFO per share of $11.93–$12.38. The updated outlook continues to reflect the full removal of EchoStar revenue from results and guidance, including $56 million of expected EchoStar churn in the site leasing revenue bridge. We have applied the midpoint of $12.16 in our estimates.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFFO/shr[1]	$5.95	$6.95	$7.60	$8.48	$9.43	$10.74	$12.25	$13.08	$13.37	$12.85	***$12.16***	***$16.27***
DPS	---	---	---	$0.74	$1.86	$2.32	$2.84	$3.40	$3.92	$4.44	***$5.00***	***$8.05***
Shares[2]	124.4	119.9	114.9	112.8	111.5	109.3	108.0	108.2	107.6	107.2	***106.1***	***100.0***

SBA Communications displays an excellent record of AFFO/share growth powered by continuous development and acquisitions of new towers, increased leasing activity, and rate hikes (typically in the range of 3 to 4% per year).

Further, the company maximizes its tower capacity by accommodating multiple tenants per tower structure without incurring additional costs just by placing additional antennas. SBA currently accommodates around two tenants per tower, with the capacity for more to be added going forward.

Thus, we see AFFO/share of 6% in the medium-term, driven by the aforementioned drivers, as well as stock buybacks, which are rare for REITs, and exhibit the company's ability to self-fund its future growth without diluting shareholders.

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[1] The metric is used due to real estate-related depreciation, amortization, and accretion as well as other meaningful adjustments.
[2] Share count is in millions.
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Despite its REIT status, due to SBA reporting losses amid reinvesting the majority of its gross profits over the past decade, the company was not required to pay dividends. Dividend payments were initiated in 2019 and are growing rapidly amid starting out from humble levels. The previous two quarterly hikes were 13.3% and 12.6%, respectively, with ample room for further growth. We forecast DPS growth of around 10% in the medium-term, expecting the company to gradually pay out a larger chunk of its bottom line to shareholders.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFFO	16.6	20.1	20.4	26.5	31.8	29.3	24.9	19.6	16.3	16.3	***18.3***	***17.5***
Avg. Yld.	---	---	---	0.3%	0.6%	0.7%	0.9%	1.3%	1.8%	2.1%	***2.3%***	***2.8%***

SBA Communications has historically traded at around 22X its underlying AFFO. Investors have historically attached a premium price tag to the stock due to improving growth prospects, the 5G expansion, and economies of scale expanding its profitability potential. Its P/AFFO now stands at 18.3 its projected AFFOs. We think that a modest discount is justified in the current macroeconomic environment. We believe SBA is modestly overvalued today, and retain our fair P/AFFO at 17.5. SBA's modest yield may not be overly attractive today, but the dividend can grow rapidly over time.

Safety, Quality, Competitive Advantage, & Recession Resiliency

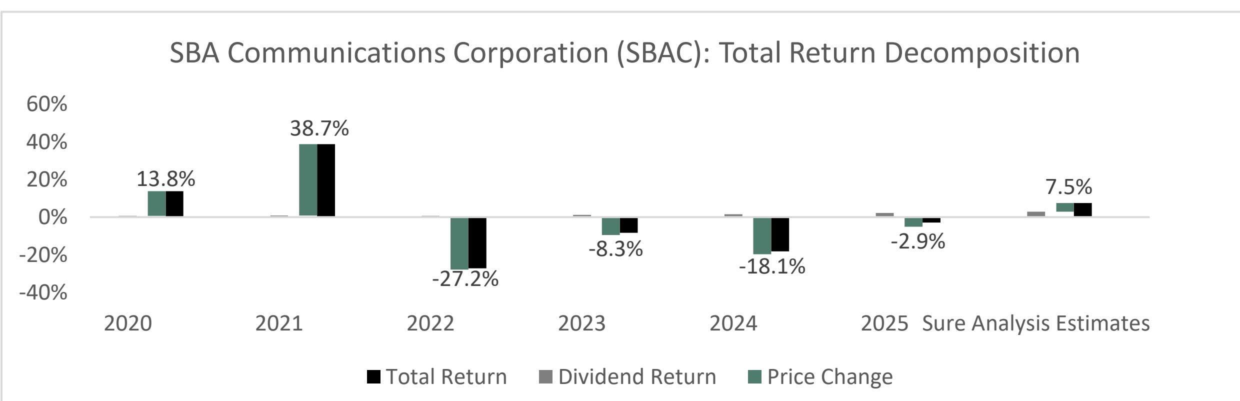
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	9%	20%	22%	23%	26%	29%	35%	***41%***	***49%***

We consider SBA's dividend quite safe and widely covered by the underlying AFFO. The company enjoys several qualities, including a highly scalable business model, a credit-worthy tenant base of telecom majors, contractually secured and predictable revenues, and a clear runaway for gradual growth ahead. The company also enjoys a distinct competitive advantage along with the handful of other tower REITs which have formed an oligopoly in the space, which has become quite expensive to penetrate into. Unlike traditional real estate properties, whose tenants may struggle to pay rent during a potential recession, telecom companies enjoy extremely resilient revenues, while the essential and mission-critical nature of telecommunication ensures no adverse impact on SBA's performance. This was proven both during the Great Financial Crisis and the COVID-19 pandemic when revenues continued to grow during both periods.

Final Thoughts & Recommendation

SBAC shares have struggled in recent years, but the company's fundamentals and long-term growth outlook remain solid. Its dividend is modest, though likely to add steadily to total returns over time. Despite SBAC's distinctive strengths and healthy growth prospects, valuation pressure may offset part of the return contribution from earnings growth and yield. As a result, we project annualized returns of 7.5% through 2031. We now rate SBA Communications as a hold.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,633	1,728	1,866	2,015	2,083	2,309	2,633	2,712	2,680	2,815
Gross Profit	1,212	1,281	1,397	1,522	1,607	1,763	1,956	2,099	2,098	1,826
Gross Margin	74.2%	74.2%	74.9%	75.5%	77.1%	76.4%	74.3%	77.4%	78.3%	64.9%
SG&A Exp.	143	131	143	193	194	220	262	268	259	---
D&A Exp.	638	643	672	697	722	700	708	716	270	292
Operating Profit	431	508	580	629	689	841	995	1,115	1,570	1,546
Operating Margin	26.4%	29.4%	31.1%	31.2%	33.1%	36.4%	37.8%	41.1%	58.6%	54.9%
Net Profit	76	104	47	147	24	238	461	502	750	1,054
Net Margin	4.7%	6.0%	2.5%	7.3%	1.2%	10.3%	17.5%	18.5%	28.0%	37.4%
Free Cash Flow	603	671	701	816	997	1,056	1,071	1,308	1,107	7,681
Income Tax	11	13	4	40	(42)	15	66	51	24	188

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7,361	7,320	7,214	9,760	9,158	9,802	10,590	10,180	11,420	11,580
Cash & Equivalents	146	69	143	108	309	367	144	209	190	439
Accounts Receivable	78	91	111	132	74	102	184	183	146	---
Goodwill & Int. Ass.	3,657	3,598	3,331	3,627	3,156	2,803	2,776	2,456	2,389	2,882
Total Liabilities	9,357	9,919	10,591	13,427	13,982	15,090	15,830	15,310	16,470	16,350
Accounts Payable	28	33	34	32	110	34	51	42	60	---
Long-Term Debt	8,776	9,311	9,939	10,334	11,096	12,300	12,870	12,320	13,590	15,020
Shareholder's Equity	(1,996)	(2,599)	(3,377)	(3,667)	(4,824)	(5,283)	(5,276)	(5,171)	(5,110)	(4.85)
LTD/E Ratio	(4.40)	(3.58)	(2.94)	(2.82)	(2.30)	(2.33)	(2.44)	(2.38)	(2.66)	(3.16)

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.0%	1.4%	0.7%	1.7%	0.3%	2.5%	4.5%	4.8%	6.9%	9.2%
Return on Equity	---	---	---	---	---	---	---	---	---	---
ROIC	1.1%	1.5%	0.7%	2.2%	0.4%	3.6%	6.3%	6.9%	9.5%	9.9%
Shares Out.	124.4	119.9	114.9	112.8	111.5	111	109.4	108.9	108.1	107.5
Revenue/Share	13.05	14.28	16.01	17.57	18.36	20.77	24.07	24.90	24.79	26.18
FCF/Share	4.81	5.55	6.01	7.11	8.79	9.50	9.79	12.01	10.24	0.07

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