

## American Tower Corp (AMT)

**\$176.41** (Stock Price as of 12/26/2025)

Price Target (6-12 Months): **\$185.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 03/26/20)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank:** (1-5)

**3-Hold**

Zacks Style Scores:

VGM: C

Value: C

Growth: C

Momentum: C

### Summary

American Tower owns an extensive, geographically diversified communication real estate portfolio. With wireless carriers increasing capital expenditure due to rising wireless penetration, accelerated 5G network deployment efforts and spectrum auctions, demand is likely to stay strong. In the third quarter of 2025, the company recorded healthy year-over-year total tenant billings growth of 5.5%. The long-term leases with its tenants assure stable cash flows. Moreover, the company's continued efforts toward macro-tower investments to expand its global footprint and address the demand in these markets bode well for long-term growth. However, customer concentration and consolidation are a concern in the wireless industry and will likely weigh on top-line growth. It also faces headwinds from Sprint churn and a substantial debt burden.

### Data Overview

52 Week High-Low	\$234.33 - \$170.77
20 Day Average Volume (sh)	3,388,121
Market Cap	\$82.6 B
YTD Price Change	-3.8%
Beta	0.91
Dividend / Div Yld	\$6.80 / 3.9%
Industry	<a href="#">REIT and Equity Trust - Other</a>
Zacks Industry Rank	Top 43% (105 out of 243)

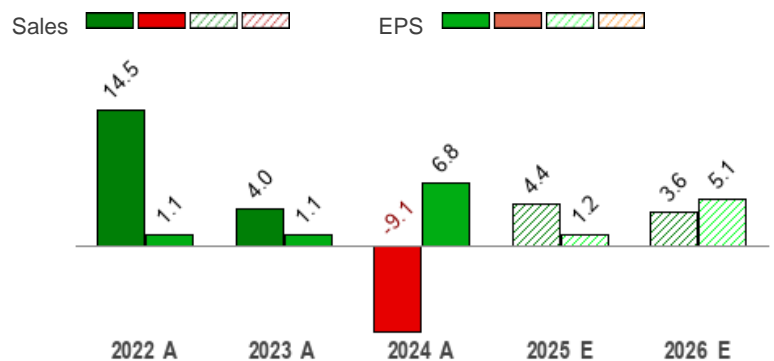
Last EPS Surprise	6.1%
Last Sales Surprise	2.4%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	02/24/2026
Earnings ESP	0.0%

P/E TTM	16.9
P/E F1	16.5
PEG F1	5.3
P/S TTM	7.9

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	2,692 E	2,732 E	2,773 E	2,754 E	10,953 E
2025	2,563 A	2,627 A	2,717 A	2,672 E	10,575 E
2024	2,834 A	2,900 A	2,522 A	2,548 A	10,127 A

### EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026	2.75 E	2.76 E	2.86 E	2.84 E	11.21 E
2025	2.75 A	2.60 A	2.78 A	2.54 E	10.67 E
2024	2.79 A	2.79 A	2.64 A	2.32 A	10.54 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/26/2025.

(2) The report's text and the price target are as of 12/03/2025.

## Overview

Boston, MA-based American Tower Corporation is a leading independent operator of wireless communications towers. The company leases space on its communication sites to tenants and offers a range of tower-related services. Its tenants include wireless service providers, broadcasters and other communication service providers. It is also an S&P 500 constituent.

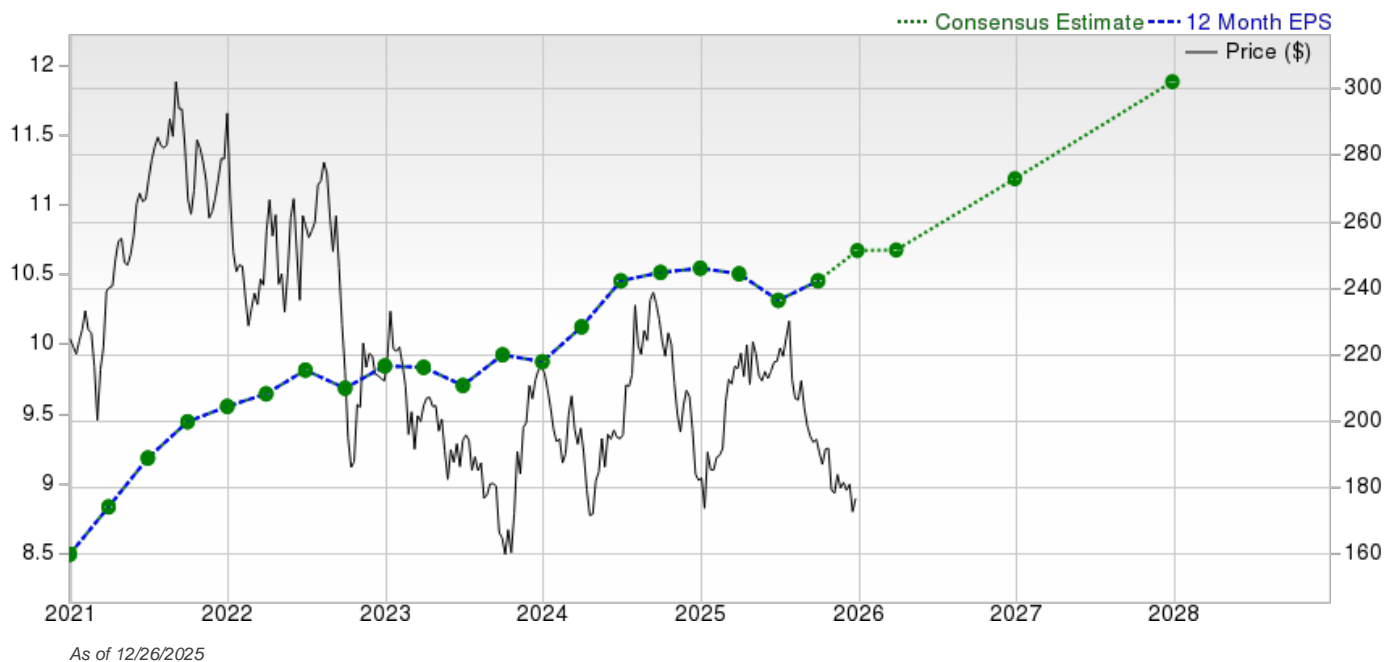
As of Sept. 30, 2025, American Tower had a global portfolio of more than 149,000 communication sites. The company's portfolio included more than 42,000 communication sites in the United States & Canada and nearly 107,000 communication sites in its international markets.

As of the same date, American Tower's portfolio included 30 data center facilities across 11 markets in the United States, encompassing 3.6 million net rentable square feet of data center space. In December 2021, it acquired CoreSite for \$10.4 billion, including the assumption and repayment of CoreSite's existing debt. It added more than 20 data center facilities and related assets in eight U.S. markets to its portfolio and capitalized on CoreSite's highly interconnected data center facilities and critical cloud on-ramps.

American Tower reports under the Property segment (96.3% of its third-quarter 2025 total revenues) and the Service segment (3.7%). The Property segment includes the U.S. & Canada property, Asia-Pacific property, Africa property, Europe property and Latin America property segments and the Data Centers segment. The Service segment offers tower-related services in the United States, including site application, zoning and permitting and structural analysis, which primarily support the company's site-leasing business.

In September 2024, American Tower concluded the sale of all equity interests in its operations in India, referred to as "ATC India," to Data Infrastructure Trust ("DIT") for \$2.5 billion.

In the fourth quarter of 2024, the company sold 100% of its ownership interests in its subsidiaries in Australia and New Zealand for a total of \$77.6 million. In the first quarter of 2025, the company, through its subsidiary ATC South Africa Wireless Infrastructure Proprietary Limited, completed the sale of its fiber assets in South Africa for a total consideration of 2.5 billion South African Rand (\$137.7 million).



## Reasons To Buy:

- ▲ The advancement in mobile technology, such as 4G and 5G, and the proliferation of bandwidth-intensive applications propel growth in mobile data usage globally. On average, approximately 75% of its towers have been upgraded with 5G equipment, so there's still considerable runway for growth as carriers complete their 5G coverage rollouts and shift their attention to network quality with densification activity. Moreover, the advent of next-generation technologies, including edge computing functionality, autonomous vehicle networks and the Internet-of-Things (IoT), along with the rampant usage of network-intensive applications for video conferencing and cloud services and hybrid-working scenarios, have rapidly increased wireless connectivity usage. Amid this, wireless service providers and carriers have been deploying additional equipment for existing networks to enhance network coverage and capacity. In the first nine months of 2025, the company acquired a total of 259 communications sites, as well as other communications infrastructure assets, data center facilities and related assets, in the United States, France and Spain for an aggregate purchase price of \$364.6 million. Given its portfolio of more than 149,000 communication sites worldwide and a highly interconnected footprint of U.S. data center facilities, American Tower is strategically positioned to capture incremental demand from global 5G deployment efforts, growing wireless penetration and spectrum auctions.
- ▲ American Tower will likely benefit from increased investment by wireless carriers in 4G and 5G networks. Solid business fundamentals and prudent capital-allocation strategy augur well for growth.
- ▲ American Tower has a solid track record of delivering healthy performance due to the robust demand for its global macro tower-oriented asset base. It has witnessed strong growth in key financial metrics while continuing platform expansion. In the third quarter of 2025, the company recorded healthy year-over-year organic tenant billings growth of 5% and total tenant billings growth of 5.5%. Amid secular growth trends in the wireless industry, the healthy performance is expected to continue in the rest of 2025 and beyond.
- ▲ With growth in cloud computing, Internet of Things and Big Data, and an increasing number of companies opting for third-party IT infrastructure, data-center companies are experiencing a boom market. Also, the estimated growth rates for the Artificial Intelligence (AI), autonomous vehicle and virtual/augmented reality markets will remain robust over the coming years. In the third quarter of 2025, the company attained data center revenue growth of 14.1%. The company expects 2025 data center growth of approximately 13%. In April 2025, American Tower completed the acquisition of a multi-tenant data center facility in Denver, CO, in which it previously leased space ("DE1"). The acquisition added incremental customer leases and operating spaces within DE1.
- ▲ American Tower has a resilient and stable business model that provides a safe harbor. The company generates most of its revenues from non-cancellable, long-term tenant leases (typically with an initial term of 5-10 years and multiple renewal options) on its communication sites with major wireless carriers. Based on existing customer leases and foreign currency exchange rates as of Sept. 30, 2025, management expect to generate more than \$54 billion of non-cancellable customer lease revenue over future periods, before the impact of straight-line lease accounting. In addition, American Tower provides on-site maintenance and servicing of antennas, amplifiers, and base station equipment. Since moving equipment from one tower to another is cumbersome, carriers normally renew these contracts upon expiration. This generates a strong long-term lease up-cycle. The revenues generated from leasing and managing such networks are substantial and recurring. In the third quarter of 2025, leasing activity remained robust across its tower and data center businesses, which was complemented by near-record services revenue.
- ▲ American Tower's tall towers allow sufficient space for its customers to install transmission equipment, thereby enabling the company to put up more tenants. Accommodating additional tenants, equipment and upgrades result in additional revenues, though costs remain relatively flat, thereby offering significant operating leverage as tenancy increases.
- ▲ American Tower has a robust operating platform and ample liquidity to support its debt servicing. Its consistent adjusted EBITDA margins, revenue growth, and favorable return on invested capital indicate the strength of its core business and support its ability to manage its near-term obligations. The company's net leverage ratio as of Sept. 30, 2025, was 4.9. As of Sept. 30, 2025, the company had \$10.7 billion in total liquidity. With a weighted average remaining term of debt of 5.5 years, it has decent financial flexibility. As of the end of the third quarter of 2025, it enjoyed the investment-grade credit ratings of BBB+ (Stable Outlook), BBB+ (Stable Outlook) and Baa3 (Positive Outlook) from Standard & Poor's, Fitch and Moody's, respectively, enabling the company to borrow at a favorable rate.
- ▲ American Tower has a disciplined capital distribution strategy and remains committed to increasing shareholder value through regular dividend hikes. It has increased its dividend 13 times, with an annualized dividend growth rate of 7.43%. Subject to Board approval, the company continues to expect to distribute approximately \$3.2 billion to its shareholders as a common dividend in 2025. Such disbursements highlight its operational strength and commitment to rewarding shareholders handsomely. Backed by robust operating fundamentals, we expect the company's dividend distribution to be sustainable in the upcoming period.

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## Reasons To Sell:

- ▼ Customer concentration is high for American Tower, with the company's top three customers in terms of property revenues distribution for the third quarter of 2025 being T-Mobile (16%), AT&T (14%) and Verizon Wireless (13%). The loss of any of these customers, consolidation among them or reduction in network spending leads to a material impact on the company's top line.
- ▼ The merger between T-Mobile and Sprint resulted in tower site overlap for American Tower. This merger has negatively impacted the company's leasing revenues. In the first nine months of 2025, the churn was approximately 2% of its tenant billings, primarily driven by churn in its U.S. & Canada property segment. Given the contractual lease cancellations and non-renewals by T-Mobile, including legacy Sprint Corporation leases, management expects the churn rate in its U.S. & Canada property segment will continue to be elevated through 2025.
- ▼ The company has a substantial debt burden, and its total debt as of Sept. 30, 2025, was approximately \$37.24 billion. With a high level of debt, interest expenses are likely to remain elevated. In the third quarter of 2025, the company's interest expenses increased 2.7% to \$347.1 million. The company expects 2025 interest expenses to be between \$1.36 billion and \$1.37 billion.

High customer concentration and the ongoing consolidation in the wireless industry are likely to weigh on American Tower's top-line growth. Elevated interest expenses and Sprint churn remain concerns.

## Last Earnings Report

### American Tower's Q3 AFFO & Revenue Beat Estimates, '25 View Raised

American Tower reported its third-quarter 2025 adjusted funds from operations (AFFO), attributable to American Tower common stockholders per share, of \$2.78, beating the Zacks Consensus Estimate of \$2.62. This compares favorably with the prior year's reported figure of \$2.64.

Results reflected a year-over-year rise in revenues, aided by revenue growth across its property and service operations segment. American Tower recorded healthy year-over-year organic tenant billings growth of 5% and total tenant billings growth of 5.5%. The company has raised its 2025 FFO outlook.

The company's total revenues were \$2.72 billion, outpacing the Zacks Consensus Estimate of \$2.65 billion. The figure increased 7.7% from the prior-year quarter.

According to Steven Vondran, CEO of American Tower, "Leasing activity across our U.S. and international towers remains robust as carriers invest in network coverage and capacity, and in our data center business, strong hybrid-cloud demand, favorable pricing and rising AI-related workloads drove a strong quarter, including a record quarter of signed retail new leasing."

#### Quarter in Detail

Adjusted EBITDA was \$1.82 billion, up 7.6% from the prior-year period. The adjusted EBITDA margin was 66.8%.

#### Property Operations

Revenues were \$2.62 billion, up by 5.9% on a year-over-year basis. Total operating profit was \$1.83 billion, and the operating profit margin was 70%.

In the Property segment, revenues from the United States and Canada totaled \$1.32 billion, up marginally year over year. Total international revenues amounted to \$1.03 billion, up 12.3% year over year. Data Centers added \$267 million to Property revenues, up 14.1% from the prior-year period.

#### Service Operations

Revenues totaled \$101 million in the quarter, rising significantly from \$52 million in the prior-year quarter. The operating profit was \$41 million and the operating profit margin was 41% in the July-September quarter.

#### Cash Flow & Liquidity

In the third quarter, American Tower generated \$1.46 billion of cash from operating activities, down 0.6% year over year. Free cash flow in the period was \$984 million, falling 5.1% from the prior year.

As of Sept. 30, 2025, the company had \$10.7 billion in total liquidity. This comprised \$2.0 billion in cash and cash equivalents and the availability of \$8.7 billion under its revolving credit facilities (net of any outstanding letters of credit).

#### 2025 Guidance

American Tower now anticipates total property revenues in the band of \$10,210-\$10,290 million, up from the earlier guided range of \$10,135-\$10,285 million.

Adjusted EBITDA is revised to the \$7,058-\$7,113 million band, up from the prior projected range of \$7,005-\$7,075 million.

AFFO attributable to American Tower common stockholders is now expected in the band of \$4,973-\$5,028 million, up from the company's prior expectations between \$4,905-\$4,995 million.

AFFO, attributable to American Tower common stockholders per share, is revised upward to \$10.60-\$10.72 from the prior projected range of \$10.46-\$10.65.

**FY Quarter Ending** **12/31/2024**

Earnings Reporting Date	Oct 28, 2025
Sales Surprise	2.43%
EPS Surprise	6.11%
Quarterly EPS	2.78
Annual EPS (TTM)	10.45

## Recent News

### American Tower's Coresite Builds New DE3 Data Center in Denver - Oct. 6, 2025

American Tower's subsidiary, Coresite, announced that it is building a new data center called DE3, at 4900 Race Street in Denver. This data center is expected to be ready in 2026.

The DE3 data center will have 180,000 square feet of space and will expand the digital infrastructure serving the Denver metro area. It is designed to handle high-density, high-performance computing needs like AI, cloud services and other mission-critical workloads.

DE3 is special because it will be the first colocation data center built in Denver in the last two decades. It will be connected with high-count dark fiber to DE1 and DE2 data centers.

### Dividend Update

On Sept. 18, American Tower announced its quarterly dividend on the company's common stock of \$1.70 per share. The dividend was paid out on Oct. 20 to shareholders on record as of Sept. 30, 2025.

## Valuation

American Tower's shares have declined 15.3% over the trailing 12-month period. While stocks in the Zacks sub-industry have decreased 2.4%, those in the Zacks Finance have gained 9.8% over the past year.

The S&P 500 Index is up 15% in the past year.

The stock is currently trading at 15.74X forward 12-month FFO, which compares with 15.69X for the Zacks sub-industry, 17.12X for the Zacks sector and 23.44X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 31.17X and as low as 15.74X, with a 5-year median of 21.45X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$185.00 price target reflects 16.56X FFO.

The table below shows the summary valuation data for American Tower.

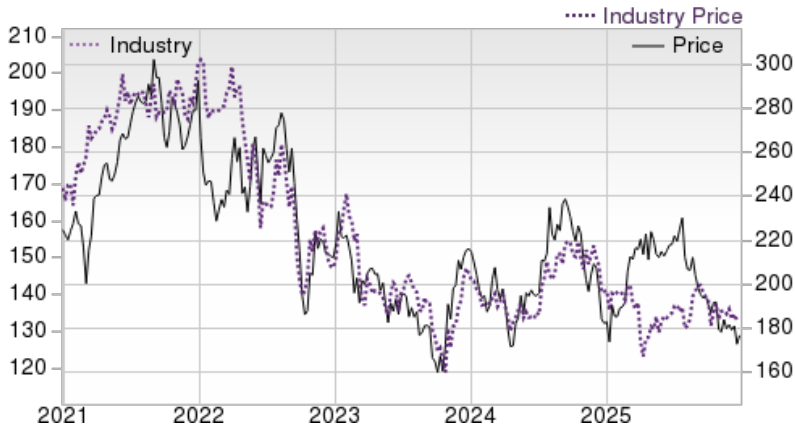
Valuation Multiples - AMT					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	15.74	15.69	17.12	23.44
	5-Year High	31.17	22.21	18.31	23.82
	5-Year Low	15.74	12.81	12.38	15.73
	5-Year Median	21.45	15.83	16.14	21.19
P/S F12M	Current	7.53	5.21	8.90	5.31
	5-Year High	14.20	9.06	10.06	5.50
	5-Year Low	6.50	5.18	6.68	3.83
	5-Year Median	9.40	6.51	8.37	5.04
P/B TTM	Current	7.65	1.81	4.19	8.49
	5-Year High	27.97	3.06	4.37	9.16
	5-Year Low	6.20	1.39	2.87	6.60
	5-Year Median	9.63	1.84	3.52	8.04

As of 12/02/2025

Source: Zacks Investment Research



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 43% (105 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Brookfield Infrastru...(BIP)	Neutral	4
Crown Castle Inc. (CCI)	Neutral	3
Digital Realty Trust...(DLR)	Neutral	3
Equinix, Inc. (EQIX)	Neutral	3
Iron Mountain Incorp...(IRM)	Neutral	3
Public Storage (PSA)	Neutral	3
SBA Communications C...(SBAC)	Neutral	3
Uniti Group Inc. (UNIT)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Reit And Equity Trust - Other

	AMT	X Industry	S&P 500	BIP	CCI	SBAC
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	4	3	3
VGM Score	C	-	-	A	D	F
Market Cap	82.59 B	1.75 B	39.26 B	16.21 B	38.44 B	20.52 B
# of Analysts	4	3	22	2	5	4
Dividend Yield	3.85%	4.60%	1.4%	4.89%	4.81%	2.31%
Value Score	C	-	-	A	C	C
Cash/Price	0.03	0.04	0.04	0.21	0.01	0.02
EV/EBITDA	16.00	12.94	14.73	7.82	15.81	21.46
PEG Ratio	5.27	2.54	2.23	NA	0.62	1.58
Price/Book (P/B)	7.67	1.11	3.38	0.48	NA	NA
Price/Cash Flow (P/CF)	15.23	11.11	15.45	4.04	13.58	19.91
P/E (F1)	16.49	11.10	20.04	10.54	20.53	14.95
Price/Sales (P/S)	7.90	3.80	3.15	0.73	7.94	7.36
Earnings Yield	6.05%	8.73%	4.94%	9.50%	4.87%	6.69%
Debt/Equity	3.24	0.88	0.57	1.68	-14.43	-2.42
Cash Flow (\$/share)	11.58	1.88	8.98	8.69	6.50	9.67
Growth Score	C	-	-	C	D	F
Hist. EPS Growth (3-5 yrs)	3.72%	4.10%	8.21%	9.35%	-3.49%	7.52%
Proj. EPS Growth (F1/F0)	1.23%	1.41%	8.54%	7.05%	-38.40%	-3.59%
Curr. Cash Flow Growth	17.16%	2.97%	7.00%	27.25%	-14.00%	-15.99%
Hist. Cash Flow Growth (3-5 yrs)	7.95%	3.25%	7.48%	23.14%	3.01%	3.77%
Current Ratio	0.89	1.62	1.19	0.85	0.26	0.50
Debt/Capital	76.40%	47.96%	38.15%	62.13%	NA	NA
Net Margin	28.11%	5.24%	12.77%	3.70%	-95.37%	29.69%
Return on Equity	28.79%	2.73%	17.03%	2.74%	-619.62%	-16.60%
Sales/Assets	0.17	0.13	0.53	0.20	0.15	0.25
Proj. Sales Growth (F1/F0)	4.40%	0.00%	5.85%	7.00%	-35.30%	5.20%
Momentum Score	C	-	-	B	D	D
Daily Price Chg	0.92%	0.00%	-0.03%	0.29%	0.49%	0.00%
1 Week Price Chg	-4.59%	-0.83%	1.40%	0.35%	-5.34%	-0.86%
4 Week Price Chg	-2.68%	-2.52%	1.18%	-2.60%	-3.29%	-0.86%
12 Week Price Chg	-7.26%	-4.65%	3.19%	2.87%	-7.51%	0.27%
52 Week Price Chg	-3.00%	-7.33%	16.06%	11.09%	-2.52%	-5.22%
20 Day Average Volume	3,388,121	782,244	2,767,182	693,222	2,689,346	733,696
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.02%	0.00%	0.00%	0.55%	0.00%	0.00%
(F1) EPS Est 12 week change	0.81%	0.38%	0.67%	0.05%	2.64%	0.60%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	C
Momentum Score	C
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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