The company was first established as American Tower Systems, a Florida-based subsidiary of American Radio Systems, in July 1993. After a series of acquisitions, the company was spun-off from American Radio Systems in January 1998. An initial public offering of 27,861,987 common shares priced at $23.50, under the lead underwritings leaves. American Tower began operating as a real estate investment trust (REIT). The company has increased its quarterly dividend 4%, to $0.53 a share. (That works out to a rate of $2.12, on an annualized basis. The regular cash flow was initiated in early 2012, and has been raised for 16 consecutive quarters. The average rate change over that span has been 6%, and we expect the dividend to expand 10%/15% per year to the end of this decade. Meanime, the company is on track for stellar results in 2016. Through the first three quarters of the year, revenues jumped 21% from the likewise stretch in 2015, to a total of $2.73 billion. Organic growth in tenant billings in AMT's international markets has been strong (up 14% in the June interrum, while its domestic business has also been quite decent (+8% in the second period). Acquisition have also made a nice contribution, including the addition of sites in India through the recently completed Vitan transaction, as well as assets purchased in Nigeria and Brazil. At the same time, adjusted funds from operations (AFFO) advanced 11%, to a combined $2.79 per share. We've added $200 million and $10.10 a share, respectively.

Company's Financial Strength

Price Stock's Price Stability

Price Growth Persistence

Earnings Predictability


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Points of Interest

- American Tower's asset base has grown considerably over the last two years, bolstering our ratings over that span. The most noteworthy buyouts were the addition of Vion's 42,200 wireless communications towers across India, the purchase of 4,700 and 4,200 sites in Nigeria and Brazil, respectively, and the acquisition of 44,100 assets from Verizon. Revenues and AFFO have increased faster in the current year than we had anticipated, and we expect the momentum to continue in 2017. All told, we've added $55 million and $0.63 a share, respectively, to our revenue and AFFO forecasts for next year, to $6.35 billion and $6.50.

This timely stock has been a good performer over the past year. The issue is up nearly 10% in value since our full-page report in June and more than 35% from its 12-month low. However, long-term total return potential is substantial, and the dividend yield is only about average. Sharif Abdou

September 2, 2016