

Real Estate Team - Neral, David & Samed



What is a REIT (Real Estate Investment Trust)

Common REIT examples

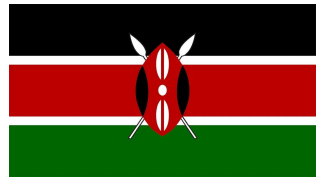
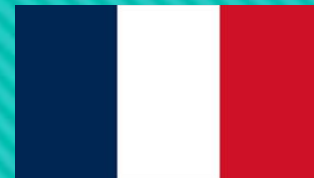
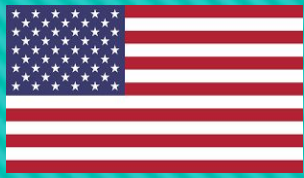
- Office apartments
- Warehouses
- Hospitals
- Shopping centers
- Hotels



Who are American Tower Corporation (AMT)

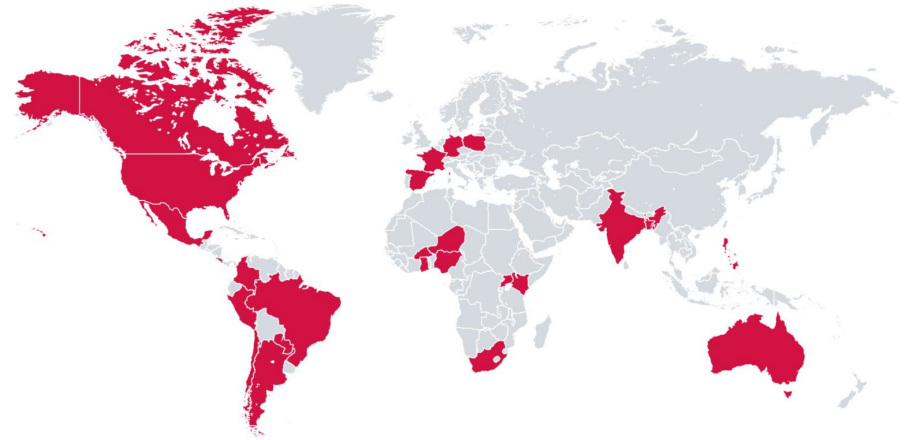
- American real-estate investment trust
- Owner and operator of wireless and broadcast communications infrastructure in several countries worldwide
- Headquarters located in Boston.





AMT Active Sites

- As of December 31, 2021, the company owned 199,330 communications sites
- 27,494 sites in the U.S. and Canada
- 74,813 sites in Asia
- 29,722 sites in Europe
- 21,455 in Africa
- 45,816 sites in Latin America



AMT's CEO's



Tom Bartlett - President and Chief Executive Officer

Previous Work

- CEO of Iusacell, Mexican cellular company
- CEO of Verizon's Global Solutions Inc, a global connectivity business

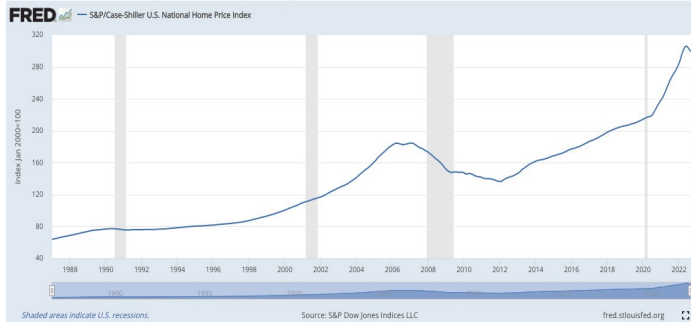
Fundamental analysis

House prices in the USA are rising. (Federal Reserve Bank of St. Louis)

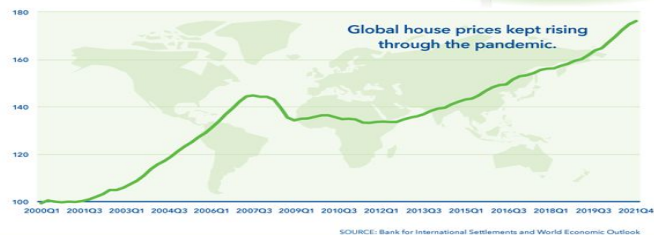
Global house prices are also increasing. (IMF) Historical data of house prices are on the rise due to the increasing population and demand for houses. The United Nations expects the world's population to increase by nearly 2 billion persons in the next 30 years with the peak in 2080s. Rental prices follow similarly.

Macro report – The increased interest rate in the USA has played a role in the increase in mortgage rates. Economists predict that house prices will fall for this reason.

Credit Suisse share a similar outlook – An increase of interest rates in the US and slower economic growth may cause short term volatility towards the downside but the long-term benefits of investing in Real Estate is significantly greater. Historical data shows Real estate will keep increasing regardless of market crashes. The crashes serve a great time to buy at a bargain price.

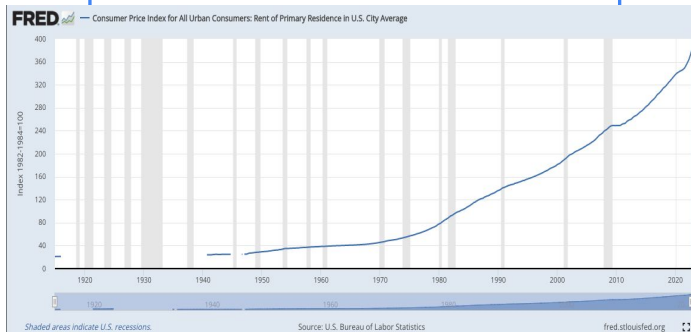


GLOBAL REAL HOUSE PRICE INDEX



IMF.org/housing

#HousingWatch



SWOT- Strengths

Strength	This means...	Evidence
Operates in a duopoly	Huge market share with only one other competitor. Likely to be a consistent investment that holds its value and can increase profits so can pay dividends in future years.	AMT have a 60.48% multitenant communications market share.
Track record of innovation	Successful records of innovation means they can further increase market share as they are producing a better service	Improving towers to be optimal structure for 5G and provide best possible speeds for consumers.
American Tower has an impressive history of dividend increases	This signals that the company can maintain growth and profitability into the future	AMT rewarded its investors with a 6.1% sequential hike in the quarterly dividend on the company's common stock, increasing it to \$1.56 per share from the \$1.47 paid out earlier
Geographic diversification	It can reap the benefits of growing economies such as Brazil and maintain stability with operations in the USA. Reduces risk.	Operates in 25 countries

SWOT- Weaknesses

Weaknesses	This means...	Evidence
High debt to equity ratio	Risk of defaulting on, or being unable to repay, your debt increases as your debt-to-equity ratio rises.	Currently 310.9%
AMT's debt is not well covered by operating cash flow	Does not generate sustainable amount of cash to fund its liabilities so may find it hard to finance new operations	Currently 8.3%

SWOT- Opportunities

Opportunities	This means...	Evidence
Mobile data demand will increase	The increase in demand for mobile data will keep customers like T-Mobile to keep renewing their leases for their service.	The global monthly average usage per smartphone is anticipated to be 19 GB in 2023 and is forecast to reach 46 GB by the end of 2028.
Opportunities in Online Space	Increasing adoption of online services by customers will also enable American Tower to provide new offerings to the customers in Rental & Leasing industry	in October 2021, American Tower acquired DataSite, an owner and operator of two multi-tenant data centers in Atlanta, Georgia and Orlando, Florida for \$200.6m.
Accelerated technological innovations and advances	Improving industrial productivity, allowing suppliers to manufacture a vast array of products and services. This can help American Tower to significantly venture into adjacent products.	CEO confirms that the antennas and the other physical equipment at the sites are routinely augmented or replaced to meet the needs of MNOs and this usually leads to greater monthly rental prices for them.

SWOT- Threats

Threats	This means...	Evidence
Growing technological expertise of local players in the export market	They could lose Intellectual Property Rights from the local players that they export their service to.	the intellectual property rights framework is not very strong in emerging markets especially in China
Commoditization of the product segment	Cannot differentiate this service so buyers will always go for the cheaper option which could erode healthy prices thus profits if competitors enter the industry	
Changing political environment	This is an American firm operating in multiple continents and countries meaning politics can influence a countries willingness to allow AMT to service their country's telecoms.	US and China are in a trade war, Brexit has impacted the European Union, and overall, there is instability in the middle east

RISK-Main causes of volatility

Cause	Implications	Hedge
Customer consolidation	Could reduce demand for AMT's communications infrastructure and may materially and adversely affect the growth and revenues	Sell if customers begin to merge and not renew leasing contract with AMT
American Tower Corp. shows a Beta of 1.06 meaning it moves with the market but it is slightly more volatile.	REIT's should be bought with consideration of correlated indices such as SPX and DJIA. A good time to buy AMT is when these indices are bullish.	Can hedge American Tower's position by buying a put option against it.

Risk

Underlying Risk

A substantial portion of their revenue is derived from a small number of customers, and they are sensitive to adverse changes in the creditworthiness and financial strength of their customers.

Failure to successfully and efficiently integrate and operate acquired data center facilities and related assets, including those acquired through the CoreSite Acquisition (the "CoreSite Assets"), into their operations may adversely affect their business, operations and financial condition.

Competition for assets could adversely affect their ability to achieve their return-on-investment criteria

Macroeconomic factors

Rising inflation may adversely affect them by increasing costs beyond what they can recover through price increases. Fixed escalators in leases could be overtaken by inflation

The foreign operations are subject to economic, political and other risks that could materially and adversely affect their revenues or financial position, including risks associated with fluctuations in foreign currency exchange rates

They could have liability under environmental and occupational safety and health laws

<https://www.americanpower.com/investor-relations/press-releases/>

Revenue



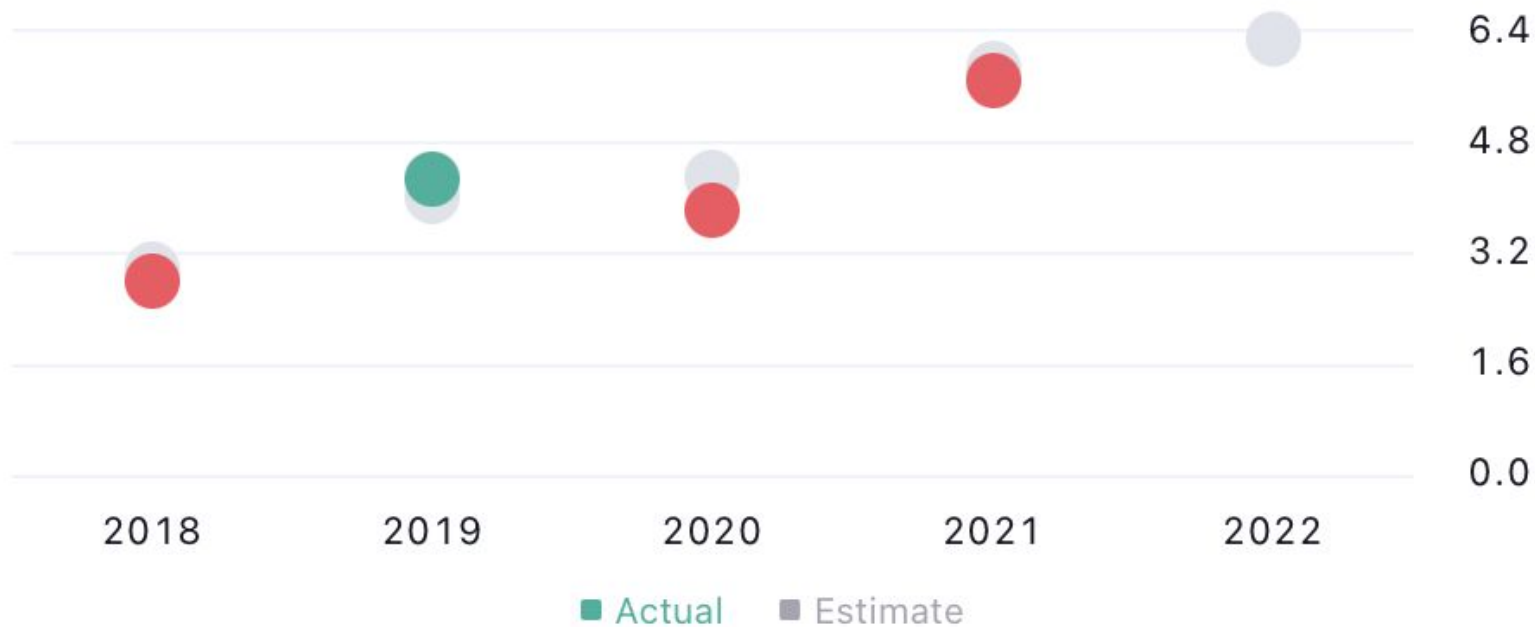
Earnings

Earnings >

Next: Feb 28

Annual

Quarterly



Technical Analysis

- Stock Performance
 - 1.5
- Technical Analysis
 - 8.51%
- Short Interest
 - 0.01%
- P/E Ratio
 - 22.09
- Valuation
 - Fair Value Price: USD 213.84 1.59 0.75% (Undervalued)

Environment

Diesel Reduction

- Progress made toward our long-term energy reduction goal has been the result of focused and strategic efforts in our markets.
- Each of our sites is evaluated on an independent basis to determine the best applicable solution to help meet our science-based greenhouse gas reduction targets.
- Due to advances in battery and renewable generation technology, we have been able to achieve significantly greater efficiencies by replacing lead-acid batteries with lithium-ion batteries and utilizing solar power sources more broadly.
- Many of our markets have plans to or are already pursuing additional solar energy generation projects. In addition, we are partnering with research universities in the U.S. to develop commercial renewable energy solutions to be applied to our tower sites.

12,000 solar assist sites

- After achieving our initial renewable goal two years ahead of schedule, we have set a new global goal of increasing the number of solar assist sites to 12,000, representing 66 MW of installed capacity, **by the end of 2025.**

Social

At American Tower, being sustainable is working together to create connections.

- Committed to increasing connectivity—both improving wireless communications across the globe and using our resources and outreach to provide and expand access to learning and other opportunities in our communities.
- Our social pillar encompasses our community programs, including financial contributions from the American Tower Foundation and volunteer efforts by our employees, our Digital Communities, municipal strategies, innovation and social investments.
- We are using our resources to improve our communities and taking responsibility for the social impacts of our business.

\$2M contributed

By the Foundation in 2020 to COVID-19 relief efforts

Governance

American Tower is committed to doing business the right way in order to manage risk, both legal and reputational, and ensure we are viewed as a partner of choice for our tenants and the communities where we operate.

Commitment & Code of conduct

- Our commitment to operating in an ethical manner is visible throughout our day-to-day work and is clearly manifested in our training regimen and communications from our senior leadership.
- Our Code of Conduct establishes behavioral expectations and disciplinary protocols that apply to members of senior management, the Board and all other employees throughout the organization.
- Each year, our Code of Conduct must be certified by all our employees and Board members.
- In addition, the Code of Conduct, supported by our Vendor Code of Conduct, applies to our customers, vendors and suppliers when we are partnering on projects.

Why Invest?

- Easy access to real est
- Before reits investors need a lot of money
- Benefit from profits from a diverse portfolio
- Investing in one reit has many firms under them
- Good for diversifying a portfolio
- AMT - it's impossible to deny of the rise of growing data consumption all fo that needs to be somehow moved along
- Online video consumption > netflix, hulu, etc
- Leveraging
 - Lots of real estate with a small amount of money
- Currently undervalued and is in the red (sell)
 - Considering we will invest in january, chance we will buy it even more undervalued

Don't just take our word for it - Professional Analysts Forecast

Price target

247.12 USD +33.28 +15.56%

The 17 analysts offering 1 year price forecasts for American Tower Corporation (REIT) have a max estimate of 325.00 and a min estimate of 204.00.



Analyst Rating Based on the Past 3 Months

