

ModernGraham Valuation

Company Name:

American Tower Corp

Company Ticker AMT

Date of Analysis

6/3/2018



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$61,178,729,988	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.62	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	200.00%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	57.73	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	8.75	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.62	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-10.63	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.40
MG Growth Estimate	8.25%
MG Value	\$59.98
MG Value based on 3% Growth	\$34.79
MG Value based on 0% Growth	\$20.39
Market Implied Growth Rate	24.62%

MG Opinion

Current Price	\$138.52
% of Intrinsic Value	230.94%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$56.18
Graham Number	\$30.87
PEmg	57.73
Current Ratio	0.62
PB Ratio	8.75
Current Dividend	\$2.62
Dividend Yield	1.89%
Number of Consecutive Years of Dividend Growth	6

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.91	Next Fiscal Year Estimate	\$2.40
Dec2017	\$2.67	Dec2017	\$2.06
Dec2016	\$1.98	Dec2016	\$1.73
Dec2015	\$1.41	Dec2015	\$1.56
Dec2014	\$2.00	Dec2014	\$1.55
Dec2013	\$1.38	Dec2013	\$1.25
Dec2012	\$1.60	Dec2012	\$1.12
Dec2011	\$0.99	Dec2011	\$0.82
Dec2010	\$0.92	Dec2010	\$0.66
Dec2009	\$0.61	Dec2009	\$0.42
Dec2008	\$0.84	Dec2008	\$0.17
Dec2007	\$0.13	Dec2007	-\$0.31
Dec2006	\$0.06	Dec2006	-\$0.97
Dec2005	-\$0.60	Dec2005	-\$1.76
Dec2004	-\$1.10	Dec2004	-\$2.36
Dec2003	-\$1.56	Dec2003	-\$2.75
Dec2002	-\$5.95	Dec2002	-\$2.93
Dec2001	-\$2.35	Balance Sheet Information 3/1/2018	
Dec2000	-\$1.15	Total Current Assets	\$2,797,400,000
Dec1999	-\$0.34	Total Current Liabilities	\$4,544,700,000
Dec1998	-\$0.59	Long-Term Debt	\$18,568,800,000
		Total Assets	\$34,372,700,000
		Intangible Assets	\$17,587,300,000
		Total Liabilities	\$27,431,400,000
		Shares Outstanding (Diluted Average)	438,520,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

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