

AMERICAN TOWER CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular amounts in millions, unless otherwise disclosed)

18. EARNINGS PER COMMON SHARE

The following table sets forth basic and diluted net income per common share computational data for the years ended December 31, (shares in thousands, except per share data):

| | 2019 | 2018 | 2017 |
|----------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Net income attributable to American Tower Corporation stockholders | \$ 1,887.8 | \$ 1,236.4 | \$ 1,238.9 |
| Dividends on preferred stock | — | (9.4) | (87.4) |
| Net income attributable to American Tower Corporation common stockholders | <u>\$ 1,887.8</u> | <u>\$ 1,227.0</u> | <u>\$ 1,151.5</u> |
| Basic weighted average common shares outstanding | 442,319 | 439,606 | 428,181 |
| Dilutive securities | 3,201 | 3,354 | 3,507 |
| Diluted weighted average common shares outstanding | <u>445,520</u> | <u>442,960</u> | <u>431,688</u> |
| Basic net income attributable to American Tower Corporation common stockholders per common share | <u>\$ 4.27</u> | <u>\$ 2.79</u> | <u>\$ 2.69</u> |
| Diluted net income attributable to American Tower Corporation common stockholders per common share | <u>\$ 4.24</u> | <u>\$ 2.77</u> | <u>\$ 2.67</u> |

Shares Excluded From Dilutive Effect

The following shares were not included in the computation of diluted earnings per share because the effect would be anti-dilutive for the years ended December 31, (in thousands, on a weighted average basis):

| | 2019 | 2018 | 2017 |
|-------------------------|------|-------|--------|
| Restricted stock awards | 2 | — | 3 |
| Stock options | — | — | 4 |
| Preferred stock | — | 1,456 | 14,040 |

19. COMMITMENTS AND CONTINGENCIES

Litigation—The Company periodically becomes involved in various claims, lawsuits and proceedings that are incidental to its business. In the opinion of Company management, after consultation with counsel, there are no matters currently pending that would, in the event of an adverse outcome, materially impact the Company’s consolidated financial position, results of operations or liquidity.

Verizon Transaction—In March 2015, the Company entered into an agreement with various operating entities of Verizon Communications Inc. (“Verizon”) that currently provides for the lease, sublease or management of approximately 11,250 wireless communications sites commencing March 27, 2015. The average term of the lease or sublease for all sites at the inception of the agreement was approximately 28 years, assuming renewals or extensions of the underlying ground leases for the sites. The Company has the option to purchase the leased sites in tranches, subject to the applicable lease, sublease or management rights upon its scheduled expiration. Each tower is assigned to an annual tranche, ranging from 2034 to 2047, which represents the outside expiration date for the sublease rights to the towers in that tranche. The purchase price for each tranche is a fixed amount stated in the lease for such tranche plus the fair market value of certain alterations made to the related towers. The aggregate purchase option price for the towers leased and subleased is approximately \$5.0 billion. Verizon will occupy the sites as a tenant for an initial term of ten years with eight optional successive five-year terms; each such term shall be governed by standard master lease agreement terms established as a part of the transaction.

AT&T Transaction—The Company has an agreement with SBC Communications Inc., a predecessor entity to AT&T, that currently provides for the lease or sublease of approximately 2,200 towers commencing between December 2000 and August 2004. Substantially all of the towers are part of the Trust Securitizations. The average term of the lease or sublease for all sites at the inception of the agreement was approximately 27 years, assuming renewals or extensions of the underlying ground leases for the sites. The Company has the option to purchase the sites subject to the applicable lease or sublease upon its expiration. Each tower is assigned to an annual tranche, ranging from 2013 to 2032, which represents the outside expiration date for the sublease rights to that tower. The purchase price for each site is a fixed amount stated in the lease for that site plus the fair market value of certain alterations made to the related tower by AT&T. As of December 31, 2019, the Company has purchased an aggregate of 228 of the subleased towers upon expiration of the applicable agreement, including 79 towers purchased during