

American Tower Corporation • 2019 Annual Report

Appendix 1 • Letter to Stakeholders

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME (\$ in millions. Totals may not add due to rounding.)

	2015	2016	2017	2018 ¹	2019
Net Income	\$672	\$970	\$1,225	\$1,265	\$1,917
Income tax provision (benefit)	158	156	31	(110)	(0)
Other expense (income)	135	48	(31)	(24)	(18)
Loss (gain) on retirement of long-term obligations	80	(1)	70	3	22
Interest expense	596	717	750	826	814
Interest income	(17)	(26)	(35)	(55)	(47)
Other operating expenses	67	73	256	513	166
Depreciation, amortization and accretion	1,285	1,526	1,716	2,111	1,778
Stock-based compensation expense	91	90	109	138	111
ADJUSTED EBITDA	\$3,067	\$3,553	\$4,090	\$4,667	\$4,745
Divided by total revenue	\$4,772	\$5,786	\$6,664	\$7,440	\$7,580
ADJUSTED EBITDA MARGIN	64%	61%	61%	63%	63%

AFFO RECONCILIATION (\$ in millions, except per share data. Totals may not add due to rounding.)

	2015	2016	2017	2018 ¹	2019
Adjusted EBITDA	\$3,067	\$3,553	\$4,090	\$4,667	\$4,745
Straight-line revenue	(155)	(132)	(194)	(88)	(184)
Straight-line expense	56	68	62	58	44
Cash interest ²	(573)	(694)	(723)	(807)	(800)
Interest income	16	26	35	55	47
Cash paid for income taxes ³	(64)	(96)	(137)	(164)	(147)
Dividends on preferred stock	(90)	(107)	(87)	(9)	—
Dividends to noncontrolling interest holders	—	—	(13)	(14)	(13)
Capital improvement Capex	(90)	(110)	(114)	(150)	(160)
Corporate Capex	(16)	(16)	(17)	(9)	(11)
Consolidated AFFO	\$2,150	\$2,490	\$2,902	\$3,539	\$3,521
Adjustments for noncontrolling interests	(\$34)	(\$90)	(\$147)	(\$349)	(\$79)
AFFO Attributable to Common Stockholders	\$2,116	\$2,400	\$2,755	\$3,191	\$3,442
Divided by weighted average diluted shares outstanding	423.0	429.3	431.7	443.0	445.5
Consolidated AFFO per Share	\$5.08	\$5.80	\$6.72	\$7.99	\$7.90
AFFO Attributable to Common Stockholders per Share	\$5.00	\$5.59	\$6.38	\$7.20	\$7.73

1 Includes one-time net positive impacts to 2018 Adjusted EBITDA and Consolidated AFFO related to the Company's settlement with Tata in Q4 2018.

2 In Q2 2019, the Company made a cumulative interest payment of approximately \$14.2 million associated with the purchase of the shareholder loan held by its joint venture partner in Ghana. This interest was previously expensed but excluded from Consolidated AFFO.

3 Excludes one-time GTP cash tax charge incurred during the third quarter of 2015.