

# SATS defaults on CCI leases - Quantifying the readthrough

By [David Barden](#) | January 12, 2026

**What's new:** CCI (Neutral, PT \$93) after the close today announced that SATS has defaulted on its tower lease agreement payments (press release [HERE](#)). As a result, the company has terminated the agreement and will seek to recover ~\$3.5Bn+ of the remaining undiscounted payments owed. CCI says this decision will have no impact on 2025 results. As a function of this announcement, we are taking SATS payments fully out of our model for 2026E. Previously, we had zeroed out SATS payments for only 2H26 and beyond. In this note, we share our updated CCI model and a scenario analysis which looks at how a similar disclosures from AMT (Buy, PT \$203) or SBAC (Neutral, PT \$212) (or both) would impact our growth outlook for these companies.

## **Tower sector level view – Still buyers of AMT**

Since the revelation of SATS' plan to renege on its contractual obligations to AMT in October, the entire tower sector has re-rated lower. So much lower, in fact, that AMT and CCI in particular have re-rated downward multiples of the NPV of the original SATS contracts they signed. Speaking with our contacts at well-connected law firm Wiley Rein, SATS' move is entirely consistent with their legal position that they are no longer obligated to perform under the original contract terms. Please see a link to our original conversation on this matter [HERE](#).

Our position is 1) this is likely not the last we will hear of SATS going non-current on its tower contracts across the sector through 4Q results, but 2) getting SATS out of the picture is a clearing event for the entire tower sector, and 3) the sector has re-rated in ways disproportionate to SATS' relevance fundamentally to the sector. Our conclusion remains the same that even excluding SATS for all of 2026, the big picture doesn't change for the tower sector. AMT is the best-growing, least-levered, best-positioned stock in the group.

When we refreshed our analysis on the tower stocks last week (see our report [HERE](#)), we assumed SATS would be a zero for all tower companies beginning 2H26E because that was when the ATT spectrum sale was assumed to close. This move on the part of SATS now accelerates that analysis for CCI and we zero it out now for all of 2026E. We don't know for a fact if this will waterfall to the other tower companies but assuming it does, we have undertaken a pro forma analysis for the entire group. Our conclusions are the same minus one half of '26E SATS revenue. Nothing

is really changing other than, perhaps, the legal maneuvering and leverage both sides are exercising which could lead to compromises that serve both sides well.

## CCI

We have updated our CCI model to exclude our previous \$104mm SATS revenue estimate for 1H26. We now expect 2026 AFFO per share of \$4.78 compared to \$5.02 previously. Future period AFFO per share estimates see only minor impacts due to differing share counts.

**Table 1: Tower comparables with SATS removed for CCI**

	American Tower	SBA Communications	Crown Castle
Ticker	AMT	SBAC	CCI
Current Price	\$171.53	\$185.00	\$84.99
Target Price	\$203.00	\$212.00	\$93.00
Upside	18.3%	14.6%	9.4%
Rating	Buy	Neutral	Neutral
2025 AFFO per Share	\$10.66	\$12.91	\$4.25
2026 AFFO per Share	\$11.06	\$12.17	\$4.78
2027 AFFO per Share	\$11.70	\$12.37	\$5.34
2026 AFFO per Share Growth	3.7%	-5.7%	12.4%
2027 AFFO per Share Growth	5.8%	1.6%	11.7%
2025 AFFO Multiple	16.1x	14.3x	20.0x
2026 AFFO Multiple	15.5x	15.2x	17.8x
2027 AFFO Multiple	14.7x	15.0x	15.9x
2025 Adj. EBITDA	7,090	1,916	2,841
2026 Adj. EBITDA	7,292	1,920	2,772
2027 Adj. EBITDA	7,391	1,977	2,815
2026 Adj. EBITDA Growth	2.8%	0.2%	-2.4%
2027 Adj. EBITDA Growth	1.4%	3.0%	1.5%
2025 Adj. EBITDA Multiple	11.3x	10.4x	13.1x
2026 Adj. EBITDA Multiple	11.0x	10.2x	13.1x
2027 Adj. EBITDA Multiple	10.8x	9.7x	12.6x
4Q25 Annualized Dividend	\$6.80	\$4.43	\$4.25
Dividend Yield	4.0%	2.4%	5.0%
2025 Est. Net Leverage	4.92x	6.30x	5.52x

Source: NSR Analysis; Company reports

## **AMT**

We are not making a formal update to our AFFO per share for AMT at this time. Were we to learn that SATS will similarly default on its obligations to AMT, however, we would remove the \$106mm of estimated payments included in our 1H26 model. Our 2026 adjusted AFFO per share estimate would therefore fall to \$10.84 compared to \$11.06 currently.

## **SBAC**

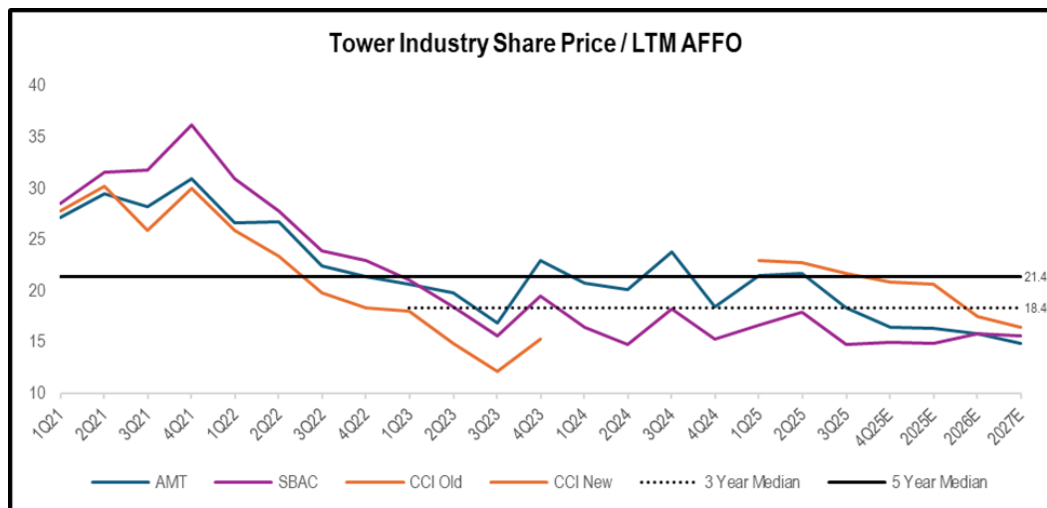
We are not making a formal update to our AFFO per share for SBAC. Were we to learn that SATS will similarly default on its obligations to SBAC, however, we would remove the \$28mm of estimated payments included in our 1H26 model. Our 2026 adjusted AFFO per share estimate would therefore fall to \$11.91 compared to \$12.17 currently.

## **Table 2: Tower comparables with SATS removed for all companies**

	American Tower	SBA Communications	Crown Castle
Ticker	AMT	SBAC	CCI
Current Price	\$171.53	\$185.00	\$84.99
Target Price	\$203.00	\$212.00	\$93.00
Upside	18.3%	14.6%	9.4%
Rating	Buy	Neutral	Neutral
2025 AFFO per Share	\$10.66	\$12.91	\$4.25
2026 AFFO per Share	\$10.84	\$11.91	\$4.78
2027 AFFO per Share	\$11.70	\$12.37	\$5.34
2026 AFFO per Share Growth	1.7%	-7.8%	12.4%
2027 AFFO per Share Growth	7.9%	3.8%	11.7%
2025 AFFO Multiple	16.1x	14.3x	20.0x
2026 AFFO Multiple	<b>15.8x</b>	<b>15.5x</b>	<b>17.8x</b>
2027 AFFO Multiple	14.7x	15.0x	15.9x
2025 Adj. EBITDA	7,090	1,916	2,841
2026 Adj. EBITDA	7,292	1,920	2,772
2027 Adj. EBITDA	7,391	1,977	2,815
2026 Adj. EBITDA Growth	2.8%	0.2%	-2.4%
2027 Adj. EBITDA Growth	1.4%	3.0%	1.5%
2025 Adj. EBITDA Multiple	11.3x	10.4x	13.1x
2026 Adj. EBITDA Multiple	11.0x	10.2x	13.1x
2027 Adj. EBITDA Multiple	10.8x	9.7x	12.6x
4Q25 Annualized Dividend	\$6.80	\$4.43	\$4.25
Dividend Yield	4.0%	2.4%	5.0%
2025 Est. Net Leverage	4.92x	6.30x	5.52x

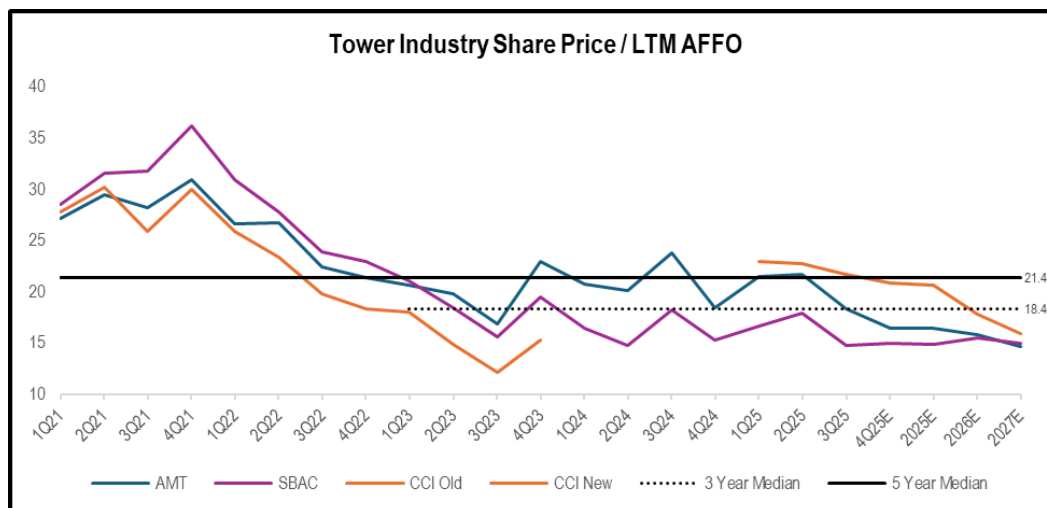
Source: NSR Analysis; Company reports

Chart 1: Industry AFFO multiples with SATS removed for CCI



Source: NSR Analysis; Company reports

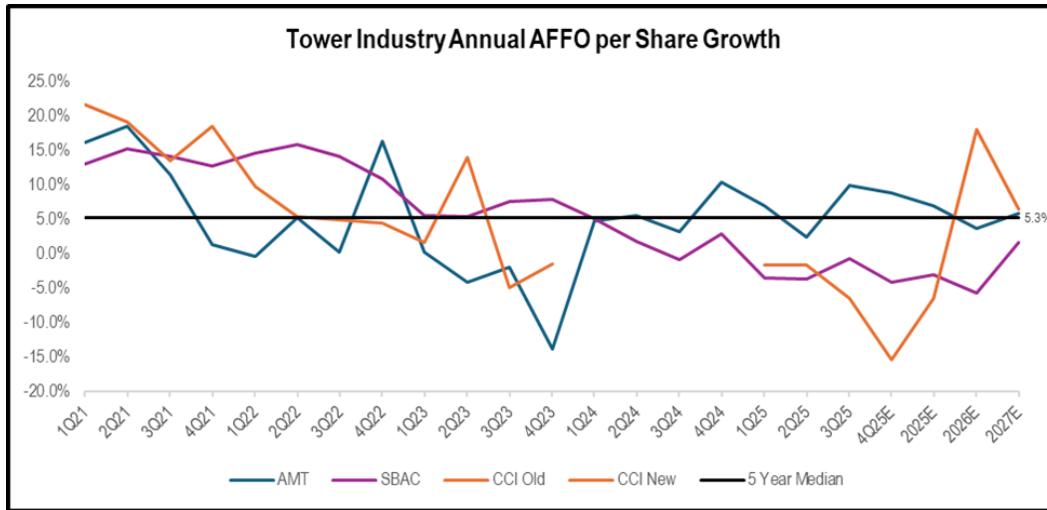
**Chart 2: Industry AFFO multiples with SATS removed for all companies**



Source: NSR Analysis; Company reports

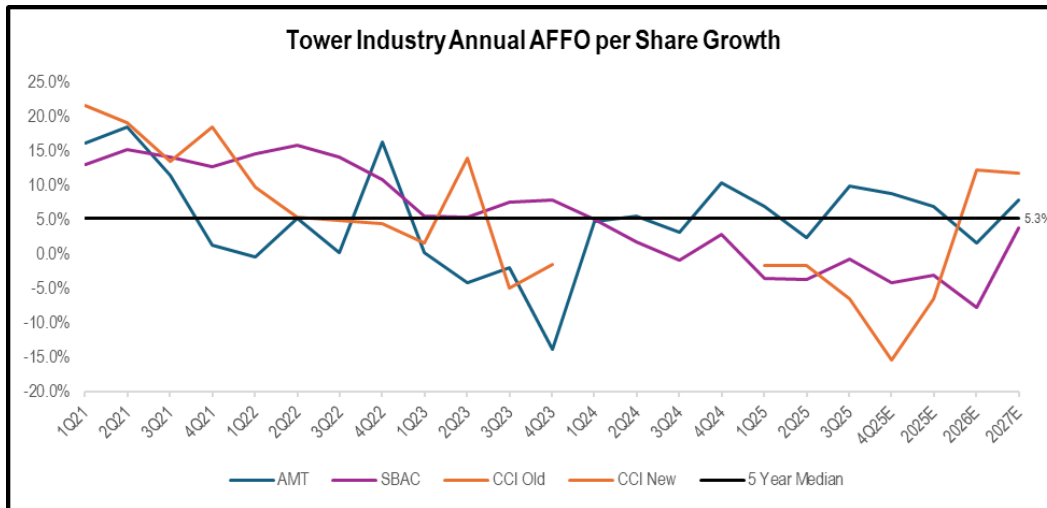
**Chart 3: Industry AFFO per Share Growth with SATS removed for CCI**





Source: NSR Analysis; Company reports

**Chart 4: Industry AFFO per Share Growth with SATS removed for all companies**



Source: NSR Analysis; Company reports

---

Full 12-month historical recommendation changes are available on request

Reports produced by New Street Research LLP, Birchinn Court, 20 Birchinn Lane, London, EC3V 9DU. Tel: [+44 20 7375 9111](tel:+442073759111).

New Street Research LLP is authorised and regulated in the UK by the Financial Conduct Authority and is registered in the United States with the Securities and Exchange Commission as a foreign investment adviser.

Regulatory Disclosures: This research is directed only at persons classified as Professional Clients under the rules of the Financial Conduct Authority ('FCA'), and must not be re-distributed to Retail Clients as defined in the rules of the FCA.

This research is for our clients only. It is based on current public information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Most of our reports are published at irregular intervals as appropriate in the analyst's judgment. This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.

All our research reports are disseminated and available to all clients simultaneously through electronic publication to our website.

New Street Research LLC is neither a registered investment advisor nor a broker/dealer. Subscribers and/or readers are advised that the information contained in this report is not to be construed or relied upon as investment, tax planning, accounting and/or legal advice, nor is it to be construed in any way as a recommendation to buy or sell any security or any other form of investment. All opinions, analyses and information contained herein is based upon sources believed to be reliable and is written in good faith, but no representation or warranty of any kind, express or implied, is made herein concerning any investment, tax, accounting and/or legal matter or the accuracy, completeness, correctness, timeliness and/or appropriateness of any of the information contained herein. Subscribers and/or readers are further advised that the Company does not necessarily update the information and/or opinions set forth in this and/or any subsequent version of this report. Readers are urged to consult with their own independent professional advisors with respect to any matter herein. All information contained herein and/or this website should be independently verified.

**All research is issued under the regulatory oversight of New Street Research LLP.**

Copyright © 2026 New Street Research LLP

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior written consent of New Street Research LLP.