



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

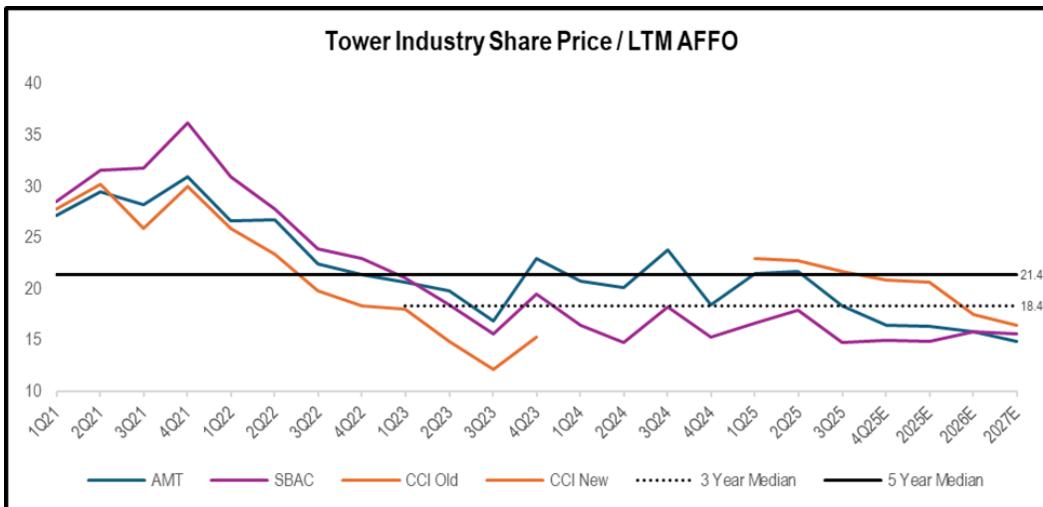
We are not making a formal update to our AFFO per share for SBAC. Were we to learn that SATS will similarly default on its obligations to SBAC, however, we would remove the \$28mm of estimated payments included in our 1H26 model. Our 2026 adjusted AFFO per share estimate would therefore fall to \$11.91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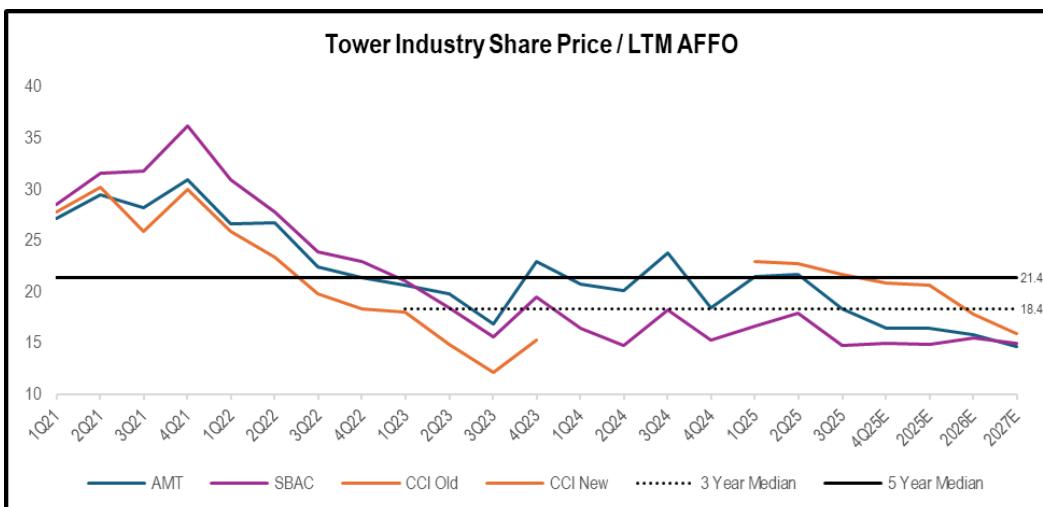
Source: NSR Analysis; Company reports

Chart 1: Industry AFFO multiples with SATS removed for CCI



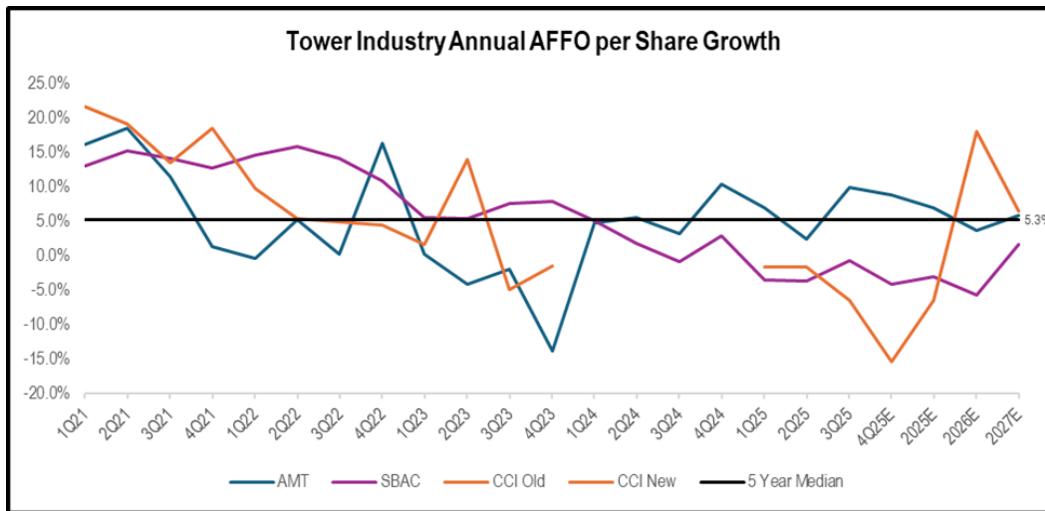
Source: NSR Analysis; Company reports

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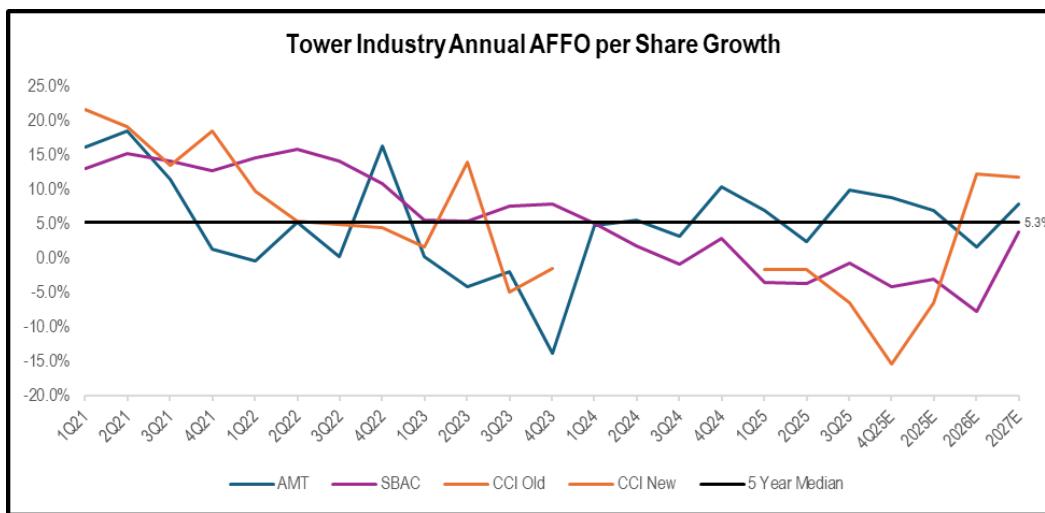
Source: NSR Analysis; Company reports

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

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