

Results January-March 2019

## Cellnex records growth of +11% in revenue and +11% in EBITDA in Q1 2019

After successfully closing the capital increase of EUR 1.2bn in March 2019, Cellnex today announced the agreement to acquire 10,700 sites in France, Italy and Switzerland and deploy 4,000 additional sites up to 2027. The joint investment exceeds EUR 4bn (2.7bn for the acquisition and 1.35bn for the new deployments)

- **Key indicators reflect the combined effect of a larger geographical presence and strong organic growth:**
  - **Points of presence (PoPs) grew 11%** with the new acquisitions (+5% like-for-like). The customer ratio per site increased 4% like-for-like.
  - **The roll-out of new DAS** (distributed antenna systems) **nodes grew c.20%** in relation to the first quarter of 2018.
  - **Revenue stood at € 241 million; EBITDA at € 159 million; and recurring free cash flow € 85 million.**
  - **The backlog** of contracted future sales, including new transactions, stood at **€ 36 billion**.
- **Net debt as of 31 March** amounted to **€ 2.113 billion**. **81%** is at a **fixed rate**, the **average cost of debt** (drawn down) is **2.2%** and the **average life** is **5.3 years**. **Available liquidity** (cash and banks + credit lines) was **€ 2.8 billion**.

**Barcelona, 7 May 2019.-** Cellnex Telecom has presented its results for the first quarter of 2019. Revenue amounted to € 241 million (+11%) and EBITDA was € 159 million (+11%). The net result closed neutral at € 0 million compared to losses of 37 million in the first quarter of 2018.

In the first quarter of 2019, the company completed a capital increase of € 1.2 billion to finance the expansion of its European telecommunications infrastructure portfolio. Investor demand was over 16 times the supply of new shares (66.9 million shares). 98.8% of the holders of pre-emptive rights took part in the increase. The new shares began trading on 27 March.

**Tobias Martinez, Cellnex CEO has underlined “the transformational dimension of this first months of the year.** The positive reception by our shareholders of the € 1.2 billion capital increase in March has been materialized in our proven execution capacity of new growth projects expanding our presence in key markets. After the agreement announced today with Iliad in France and in Italy, as well as Salt in Switzerland, we will see our current portfolio of 29,000 sites growing by more than 50% until 45,000 sites.”

## Key indicators for Q1

In the first quarter of 2019, **infrastructure services for mobile telecommunications operators** contributed **66%** to total income, or €160 million, an increase of 15% compared to March 2018 with **broadcasting infrastructure** accounting for **24%** of income, at €59 million.

Our strategic focus on **security and emergency service networks and solutions for smart urban infrastructure management** (IoT and Smart cities) contributed to **9%** of revenue, totalling €22 million.

As of 31 March, **49% of income and 58% of EBITDA were generated outside the Spanish market**. Italy is the second largest market, providing 27% of the group's income.

As of 31 March 2019, Cellnex had a total of **23,782 operating sites** (8,664 in Spain, 8,319 in Italy, 2,918 in France, 803 in the Netherlands, 608 in United Kingdom and 2,470 in Switzerland), with a **further 1,643 nodes** (DAS and Small Cells). Overall, the number of **DAS and Small Cells sites grew by c.20% in comparison to the first quarter of 2018**.

Year-on-year **organic growth of points of presence** at sites was **5%**, while the **customer ratio per site** (excluding changes to the perimeter) was up by **4%**.

**Total investments executed** during the period stood at € **129 million**, linked mostly to generating new income, particularly incorporating new assets in Switzerland and continuing to integrate and roll out new sites in France as part of the agreements with Bouygues Telecom, as well as improvements in efficiency, and maintaining installed capacity.

## Integration and roll-out of new assets in Europe

In the first months of 2019, Cellnex has concluded several growth agreements which, once signed, will lead to an **increase of more than 15,000** in its **portfolio of assets** in the European markets where the company operates.

Today, Cellnex has announced a Europe-wide agreement with **Iliad** - in **France and Italy** - and with **Salt**, the third MNO in **Switzerland**, that will **increase its current portfolio by 10,700 sites** (5,700 in France, 2,200 in Italy and 2,800 in Switzerland) with a total investment of €2.7 billion. The deal, which is expected to close in the second half of the year, also includes an agreement to **deploy up to 4,000 new sites** by 2027 (2,500 in France and 1,000 in Italy (for Iliad) and 500 in Switzerland (for Salt)) with a planned phased investment of €1.35 billion.

**Overall investment** in these projects, to be rolled out up to 2027, surpasses **€4 billion**. This contributes an extra **€510 million to overall EBITDA** once all the roll-out is completed.

On the other side, in **Italy**, Cellnex reached an agreement with **Wind Tre** to extend the current 400 sites included in the 2015 Built-to-Suit programme agreement. Cellnex Italy **will build 800 additional new sites** for the Italian MNO by 2025.

## Debt structure

Cellnex closed the first quarter of 2019 with a **stable long-term debt structure, with an average life of 5.3 years, an average cost of approximately 2.2%** (debt drawn down) and **81% at a fixed rate**.

On 8 January, Cellnex placed €200 million in convertible bonds due in 2026, fungible with the convertible bonds amounting to €600 million issued in January 2018.

**The Group's net debt as of 31 March was €2.113 billion** compared to €3.166 billion at the close of 2018.

Likewise, at the close of the period, **Cellnex had access to immediate liquidity** (cash & banks and debt not drawn down) **to the tune of approximately € 2.800 billion.**

**Cellnex Telecom's bond issues maintain their "investment grade"** rating from Fitch (BBB- with a negative outlook) as confirmed in October 2018. S&P maintains the BB rating with stable outlook as confirmed in June 2018.

### About Cellnex Telecom

Cellnex Telecom is **Europe's leading operator of wireless telecommunications infrastructures** with a portfolio of 45,000 sites, including forecast roll-outs up to 2027. Cellnex operates in **Spain, Italy, Netherlands, France, Switzerland and the United Kingdom.**

Cellnex's business is structured in four major areas: telecommunication infrastructures services; audio-visual broadcasting networks; security and emergency service networks and solutions for smart urban infrastructure and services management (Smart cities and the Internet of Things (IoT)).

The company is listed on the continuous market of the Spanish stock exchange and is part of the selective IBEX35 and EuroStoxx 600 indices. It is also part of the FTSE4GOOD and CDP (Carbon Disclosure Project) and "Standard Ethics" sustainability indexes.

Cellnex's reference shareholders include Connect, with a 29.9% stake in the share capital, as well as CriteriaCaixa, Blackrock, Canada Pension Plan and Wellington holding smaller stakes.



## Appendix 1. Income statement and balance sheet

*Q1 2019 figures audited*

€ Mn	Q1 2018 (IFRS16)	Q1 2019 (IFRS16)
Broadcasting Infrastructure	58	59
Telecom Infrastructure Services	139	160
Other Network Services	19	22
<b>Operating Income</b>	<b>217</b>	<b>241</b>
<b>Operating Expenses</b>	<b>-73</b>	<b>-82</b>
<b>EBITDA*</b>	<b>144</b>	<b>159</b>
Non-Recurring Expenses	-60	-10
Depreciation & Amortization	-100	-107
<b>Operating Profit</b>	<b>-16</b>	<b>42</b>
Net Financial Profit	-36	-63
Income Tax	15	21
Attributable to Non-Controlling Interests	0	0
<b>Net Profit</b>	<b>-37</b>	<b>0</b>

The Net Profit of Q1 2019 mainly includes two non-recurring effects in the items "Net Financial Profit" and "Income Tax" corresponding to: (i) the revaluation of the "Put Option" that Deutsche Telekom Capital Partners holds in relation to its 18% stake on Cellnex Switzerland and; (ii) the updating of the tax rate in certain subsidiaries, which has resulted in a positive impact due to the effect of the Group's deferred taxes.

\*Adjusted EBITDA: relates to the "Operating profit" before "Depreciation and amortisation charge" (after IFRS 16 adoption) and after adding back (i) certain non-recurring items (such as cost related to acquisitions, contract renegotiation and redundancy provision) or (ii) certain non cash items (such as advances to customers, prepaid expenses and LTIP remuneration payable in shares).

*Q1 2019 figures audited*

€ Mn	FY 2018 (IFRS16)	Q1 2019 (IFRS16)
Property, Plant and Equipment	1.904	1.968
Goodwill and Other Intangible Assets	1.904	1.892
Right-of-use-assets	574	656
Financial Investments & Other Fin. Assets	98	105
<b>Non-Current Assets</b>	<b>4.479</b>	<b>4.621</b>
Inventories	4	5
Trade and Other Receivables	194	230
Cash and Cash Equivalents	456	1.767
<b>Current Assets</b>	<b>654</b>	<b>2.002</b>
<b>Total Assets</b>	<b>5.133</b>	<b>6.623</b>
<b>Shareholders' Equity</b>	<b>615</b>	<b>1.809</b>
Borrowings	2.993	3.198
Lease liabilities	424	474
Provisions and Other Liabilities	591	603
<b>Non-Current Liabilities</b>	<b>4.008</b>	<b>4.275</b>
<b>Current Liabilities</b>	<b>510</b>	<b>539</b>
<b>Total Equity and Liabilities</b>	<b>5.133</b>	<b>6.623</b>
<b>Net debt</b>	<b>3.166</b>	<b>2.113</b>
<b>Annualised debt/ebitda ratio</b>	<b>4.9x</b>	<b>3.3x</b>

## Appendix 2. Significant events in 2019

### January

- On 3 January, **Deutsche Telekom** renewed its certification for **Cellnex** as a "**Zero Outage Supplier**" for its quality standards in end-to-end management of the connectivity service for data transmission.
- On 8 January, Cellnex placed € **200 million in convertible bonds**, fungible with the convertible bonds amounting to € 600 million issued in January 2018. In both cases, the maturity date falls on 16 January 2026. The New Bonds will earn a fixed interest rate of 1.50% per annum. The shares underlying the New Bonds are equivalent to c.2.3% of Cellnex's capital prior to the issue.
- On 10 January, the **Basque government** awarded **Cellnex** a project to provide technology and **IoT connectivity 114 public social rental housing units** located in Vitoria-Gasteiz.

### February

- Cellnex presented the **ecosystem of infrastructures necessary for the effective roll-out of 5G at MWC19**: Densifying the network using Distributed Antenna Systems (DAS) and Small Cells, the "backhaul" of optical fibre towers and antennas, and "Edge Computing".
- On 25 February, Cellnex, SITEP, Grupo MASMOVIL and 5G Barcelona presented a **firefighting drone using 5G technology** that will reduce response times, enable remote monitoring of the situation and optimise resources to extinguish the fire.
- On 27 February Cellnex, Intel and NearbyComputing presented "**Adaptive Edge**", the technology that assigns network resources and computing in real time to situations of high data demand. Thanks to this technology, operators will be able, in advance and in real time, to adapt their need for network resources, free up bandwidth and improve the user experience.
- On 28 February, Cellnex announced a **capital increase of € 1.2 billion** - with pre-emptive rights for current shareholders and a subscription price of € 17.89 for each new share -, to increase the equity allocated to finance the expansion of the telecommunications infrastructure portfolio it manages in Europe.

### March

- On 19 March **Cellnex Switzerland and Swiss Fibre Net (SFN)** signed an **agreement** to work together to develop mobile communications in Switzerland using **optical fibre** connectivity to antennas and small cells, which are key elements for rolling out 5G.
- On 22 March, Cellnex announced the **close of the capital increase of € 1.2 billion**. 98.8% of the holders of pre-emptive rights took part in the increase. Demand was 16.6 times the total of 66.98 million new

shares involved in the increase. The new shares will begin trading on the continuous market on 27 March.

- On 29 March Cellnex unveiled the **Mobility Lab project**, developed by the company at the facilities of **Circuit Parc motor Castellolí de Barcelona**, which makes it one of the first connected circuits in Europe and a pioneering and innovative testing space for the development of ITS associated to 5G technological solutions, sustainable mobility and the autonomous vehicle

## April

- On 3 April, Cellnex joined the **Diversity Charter initiative in Spain**. The company's move to join this initiative reinforces its **commitment** to a socially respectful working environment favouring **equality, diversity and non-discrimination**.
- On 24 and 25 April Cellnex presented the **infrastructure ecosystem** necessary to roll out **5G** at the **5G Forum in Malaga**, which particularly includes DAS systems, optical fibre and Edge Computing. The company also presented the usage cases linked to 5G on which it is working, particularly those linked to connected, autonomous and sustainable mobility and to the prevention and management of emergencies.

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