

Results January-June 2018 (IFRS16)

Cellnex closes the first half with growth of +16% in revenue and +20% in EBITDA

The Board decided to appoint Marco Patuano as non-executive Chairman of the company. Tobias Martinez is the CEO

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- The company has decided to apply IFRS16 early and is presenting the results for the half-year on the basis of the new accounting standard. The application of IFRS16 will be mandatory for all companies as of January 2019.
 - All key indicators improved consistently in relation to the first half of 2017:
 - Points of presence (PoPs) grew +23% with the new acquisitions (+4% like-for-like). The customer ratio per site increased +3% like-for-like.
 - The roll-out of new DAS (distributed antenna systems) nodes and small cells grew +20% in relation to the first half of 2017.
 - Income, based on the application of IFRS16 accounting standard, was € 439 million; EBITDA was € 291 million; the comparable net result was € 15 million; and recurrent free cash-flow was € 158 million.
 - The backlog of future sales was € 16,000 million, 20 years of income.
 - The company maintains its outlook for the whole of fiscal year 2018 with an EBITDA between € 579 and € 589 million (IFRS16) and growth of 10% in recurrent free cash flow.
 - Net debt as at 30 June (IFRS16) was € 2,800 million, with an annualised debt/EBITDA ratio of 4.8x. 82% is at a fixed rate, the average cost of debt (drawn down) is 2.2% and the average maturity is 5.9 years.
 - In June 2018 Cellnex had immediate liquidity (cash and banks plus available credit lines) of € 1,750 million.
 - Tradia, a Cellnex Group company, has agreed the acquisition of Xarxa Oberta de Catalunya (XOC), a neutral telecommunications operator dedicated to the rollout, operation and maintenance of fibre-optic networks.

Barcelona, 27th July 2018.- Cellnex Telecom presented the results for the first half of 2018 on the basis of the new accounting standard IFRS16. Revenue amounted to € 439 million (+16%) and EBITDA was € 291 million (+20%). The comparable net result closed at € 15 million, which continues to reflect the effect of higher amortisations (+23% vs. the first half of 2017) and financial costs (+45% vs. the first half of 2017) associated with the growth of the group and the consequent expansion of the perimeter. The reader is reminded that in the first quarter Cellnex provisioned all of the € 55 million corresponding to the voluntary early retirement and voluntary redundancies plan agreed in Retevisión and Tradia for the period 2018-2019. This provision has a non-recurring impact on the results for the half year.

Tobias Martinez, Chief Executive Officer of Cellnex said that "as we have already seen in the first quarter of the year, the data as at the June closure continue to show double-digit growth in revenues, EBITDA and recurrent free cash flow, in absolute terms; this reflects both the expansion of the perimeter throughout 2017, and consistent organic like-for-like growth that remains firm at 4% in the number of teams deployed at our sites and 3% in relation to the customer-per-site ratio. Moreover, I would highlight the data on backlog of future sales; at €16,000 million it continues to reflect the company's strong fundamentals".

Furthermore, **Marco Patuano, Chairman of Cellnex**, said that "these first-half figures confirm the good results of the growth strategy that Cellnex has been working on since its flotation in 2015 and that has placed the company in a clear leadership position among European telecommunications infrastructure operators. In this regard, Cellnex has the capabilities and resources needed to continue to play a leading role in the process of consolidating the sector in Europe, and in particular in the six countries where we operate."

Business lines. Main indicators for the period

Infrastructure services for mobile telecommunications operators contributed **65% to total revenue**, at €284 million, up 30% in relation to June 2017.

The **broadcasting infrastructure** business contributed **27% of revenue**, at €116 million.

The business focused on **security and emergency service networks and solutions for smart urban infrastructure management (IoT and Smart cities)** contributed **9% of revenue**, totalling €38 million.

As at 30 June, **47% of income and 56% of EBITDA were generated outside the Spanish market**. Italy is the second largest market, accounting for 29% of revenues.

As at 30 June 2018, Cellnex had a total of 22,035 sites (8,179 in Spain, 8,018 in Italy, and 5,838 in the Netherlands, France, the UK and Switzerland), with a further 1,416 nodes (DAS and small cells).

It should be noted that the number of **DAS and small cells** sites grew **+20% in comparison with the first half of 2017**.

Like-for-like organic growth of points of presence at sites stood at **+4%** in relation for the same period in 2017, while the **customer ratio per site** (excluding changes to the perimeter) was up **+3%**.

Total investments in the first six months of 2018 stood at **€247 million**, spent mostly on investments linked to the generation of new revenues and improvements in efficiency, and the maintenance of installed capacity.

Debt structure. First "green" credit line

At the end of the first half of 2018, Cellnex had a **stable long-term debt structure, with an average maturity of 5.9 years, an average cost of approximately 2.2% (drawn-down debt), and 82% at a fixed rate**.

As at 30 June, the Group's net debt, as per IFRS16, **stood at €2,800 million** compared with €2,652 million (IFRS16) at the close of 2017, equivalent to a **net debt/EBITDA ratio of 4.8x**. At the close of the period, **Cellnex also had access to immediate liquidity** (cash & banks and debt not drawn down) of approximately **€1,750 million**.

Cellnex **renewed a €500 million loan** as a "green" credit line, which matures in 2023, with a **interest rate partially referenced** to the evolution of the **Sustainalytics ESG (Environmental, Social & Governance) sustainability rating**. Sustainalytics is a global provider of environmental, social and corporate governance (ESG) research and rating for investors around the world.

Cellnex Telecom's bond issues maintain their "investment grade" rating from Fitch (BBB- with a negative outlook), confirmed by the agency itself in September. Meanwhile, S&P maintains the rating BB+ with stable outlook confirmed by that agency this June.

Corporate governance

The Board of Directors decided to appoint **Marco Patuano as non-executive Chairman of the company**. **Tobias Martinez** retains his role as Chief Executive Officer (CEO).

The **Cellnex's Board of Directors** is composed of **12 directors**, 7 of whom are **independent** - practically **60% of the Board**. It also has **four female directors (30% of the Board)**, thereby complying with the CNMV Good Corporate Governance recommendations for 2020.

Accordingly, as regards the proportion of independents, and gender diversity and separation of executive and non-executive roles, Cellnex is among the companies with the **best Corporate Governance practice**.

New capacity added to the Cellnex 5G ecosystem

Tradia, a Cellnex Group company, **has agreed the acquisition of Xarxa Oberta de Catalunya (XOC)**, to Imagina (Mediapro Group). XOC is a **concession company** dedicated to the rollout, operation and maintenance of **fibre-optic networks**. The company also acts as **neutral operator**, offering the surplus network capacity to the operators' wholesale market. The closing will take place within 2018's second half.

XOC currently operates a network of about **3,000 kilometres of optical fibre**.

The addition of XOC, with an enterprise value of € 34 million, will enable Cellnex **to strengthen and expand its capabilities and know-how** for developing the connectivity of its sites - or those of its network access operator customers - over a neutral broadband fibre-optic telecommunications network (**Fibre to the Antenna - FTTA**).

A process - backhauling with optical fibre of the telecommunications towers - needed to **prepare for the forthcoming rollout of 5G with a higher demand for transmission capacity**, together with the need to provide fibre-optic connectivity to caching servers that bring the data processing and storage capacity closer to the end users of 5G-based applications. These are key elements for ensuring the level of quality and latency (response time) that this new communications standard will require.

Therefore, the integration of Xarxa Oberta de Catalunya **is another Cellnex acquisition in view of the future rollout of 5G**, noteworthy among which are acquisition of **Commscon** in Italy (2016), a specialist in **distributed antenna systems (DAS) and small cells**, and the acquisition of **Alticom** in the Netherlands (2017), an expert in **high-capacity and long-range nodes, along with hosting of data centres** distributed throughout the territory, bringing computing capabilities to the receiver and end user.

About CellnexTelecom

Cellnex Telecom is Europe's leading operator of wireless telecommunications and broadcasting infrastructures with a total portfolio of 28,000 sites including forecast roll-outs up to 2022. Cellnex operates in Spain, Italy, the Netherlands, France, Switzerland and the United Kingdom.

Cellnex's business is structured in four major areas: telecommunications infrastructure services; audiovisual 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 IBEX 35 and EuroStoxx 600 indexes. It is also included in the sustainability indexes FTSE4GOOD, Carbon Disclosure Project (CDP), Sustainalytics (Environmental, Social & Governance), and "Standard Ethics".



Appendix 1

Income statement and balance sheet (IFRS16)

H1 2018 figures audited

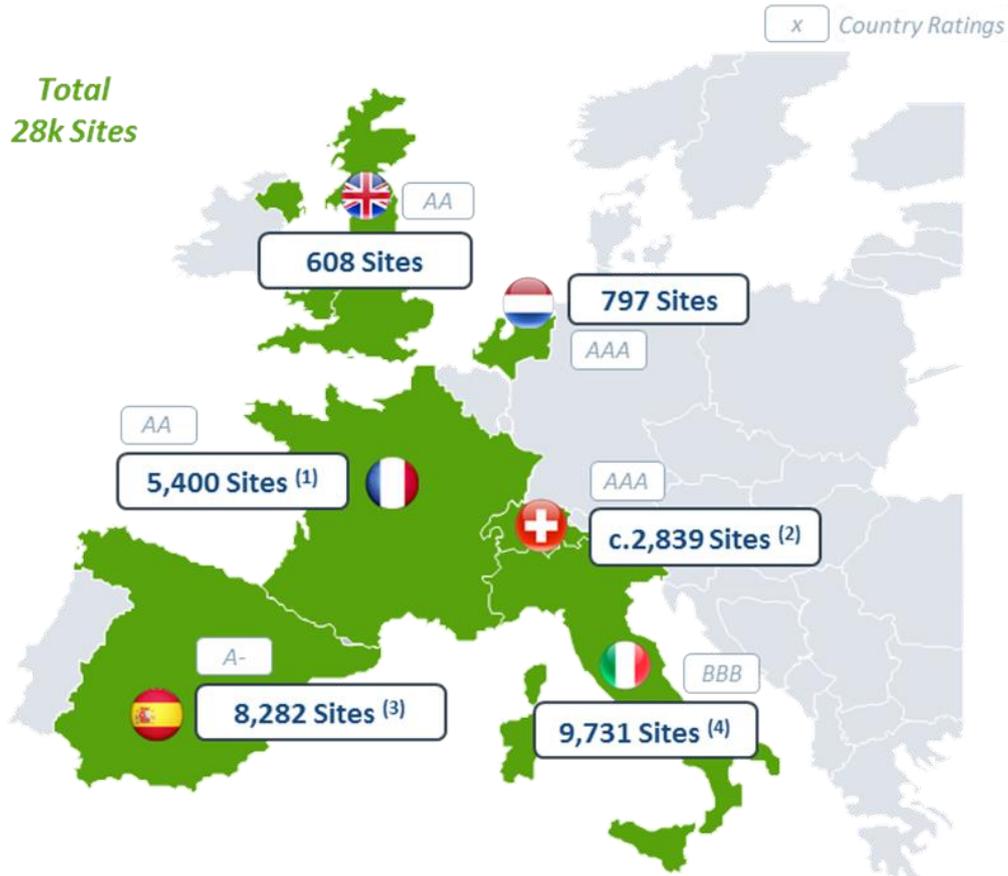
€ Mn	H1 2017 (IFRS16)	H1 2018 (IFRS16)
Broadcasting Infrastructure	121	116
Telecom Infrastructure Services	219	284
Other Network Services	40	38
Operating Income	379	439
Operating Expenses	-136	-148
EBITDA*	243	291
Non-Recurring Expenses	-14	-64
Depreciation & Amortization	-159	-196
Operating Profit	70	30
Net Financial Profit	-52	-76
Income Tax	-1	13
Attributable to Non-Controlling Interests	0	1
Net Profit	17	-31
Impact of early retirement plan 2018-2019	0	46
Comparable net profit	17	15

*Adjusted EBITDA: Profit from operations before D&A and after adding back (i) certain non-recurring items (such as cost related to acquisitions and contract renegotiations) and (ii) certain non-cash items (such as advances to customers and prepaid expenses)

H1 2018 figures audited

€ Mn	FY 2017 (IFRS16)	H1 2018 (IFRS16)
Property, Plant and Equipment	1.507	1.633
Goodwill and Other Intangible Assets	1.921	1.890
Right-of-use-assets	454	499
Financial Investments & Other Fin. Assets	73	82
Non-Current Assets	3.955	4.104
Inventories	1	3
Trade and Other Receivables	185	192
Cash and Cash Equivalents	295	672
Current Assets	481	867
Total Assets	4.436	4.971
Shareholders' Equity	611	609
Borrowings	2.505	2.944
Lease liabilities	331	332
Provisions and Other Liabilities	574	578
Non-Current Liabilities	3.410	3.854
Current Liabilities	415	508
Total Equity and Liabilities	4.436	4.971
Net debt	2.652	2.800
Annualised debt/ebitda ratio		4,8x

Significant expansion of European footprint



- (1) 500 sites from Bouygues Telecom in 2016 + up to 3,000 sites from Bouygues Telecom in 2017 + 2 extensions with Bouygues Telecom (up to 600 acquired sites + up to 1,000 construction sites) + 300 sites under management alongside motorways
- (2) Including contribution of build to suit program of 400 sites and c.200 DAS nodes
- (3) Including broadcast and DAS nodes
- (4) Including Commscon's DAS nodes and built to suit program for Wind Tre

Appendix 2

Significant events in 2018

January

- On 8 January Cellnex made its first convertible bond issue for an amount of € 600 million. The bonds, have a maximum expected maturity date of 16 January 2026 and will carry a coupon of 1.5% per annum. The shares underlying the bonds are equivalent to 6.8% of Cellnex's capital prior to the issue.
- On 18 January, Deutsche Telekom certified Cellnex as a "Zero Outage Supplier" for its quality standards in end-to-end management of the connectivity service for data transmission

February

- On 26 February, at the Mobile World Congress, Cellnex presented its connectivity solutions for high-footfall areas - such as the Wanda Metropolitano Stadium in Madrid - paving the way for the roll-out of 5G in Europe

March

- Agreement in Spain with representatives of workers of Retevisión and Tradia for a voluntary early-retirement and voluntary redundancies plan for the period 2018-2019.
- On 5 March, Cellnex signed an agreement with Sigfox to roll out the first IoT (Internet of Things) network in Switzerland using more than 350 Cellnex sites.

April

- On 26 April, the Cellnex Telecom Board of Directors announced that it would propose to the Shareholders' meeting an increase in the number of directors from 10 to 12. In that context, it will also propose the appointment of Anne Bouverot and María Luisa Gujarró as new independent directors. The appointment will be subject to ratification by the Shareholders Meeting scheduled for 31 May in Madrid.

May

- Presentation of the new DTT audiovisual platform "LovesTV". Cellnex Telecom is the technology provider of this service platform developed by RTVE, Atresmedia and Mediaset España, and is based on HbbTV technology that improves interactivity with the viewer.

- On 31 May, the company's Shareholders' Meeting approved the expansion of the Board of Directors from 10 to 12 members and the appointment of two new independent directors, María Luisa Guijarro and Anne Bouverot.

June

- Cellnex "connected" the Gran Teatre del Liceu in Barcelona to broadband via a new wi-fi and a DAS system for mobile voice and data coverage, and announces an agreement with SABA to equip 43 SABA and BAMSA car parks throughout Spain, using distributed antenna systems (DAS) and small cells, both scalable in future for 5G.
- On 25 June, Standard & Poor's confirmed its BB+ Rating with a stable outlook for Cellnex.
- On 29 June Cellnex was added to the Sustainalytics ESG (Environmental, Social & Governance) sustainability index.

July

- Tradia, a Cellnex Group company, has agreed the acquisition of Xarxa Oberta de Catalunya (XOC), a neutral telecommunications operator dedicated to the rollout, operation and maintenance of fibre-optic networks.
- On 12 July, Cellnex paid out €0.051 of additional dividend, charged to the issue premium, for financial year 2017.
- On 12 July, ConneCT SPA (a subsidiary of Sintonia SpA and owned by Edizione, the industrial holding company of the Benetton family) acquired a share package from Abertis equivalent to 29.9% of the company's capital.
- On 13 July, the four proprietary directors of Abertis offered their resignations and four new proprietary directors of ConneCT joined the Board: Marco Patuano, Carlo Bertazzo, Elisabetta de Bernardi Di Valserra and Andrea Pezzangora.

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