

January – June 2017 Results
July 28, 2017

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Key Highlights



Location: France
Rural site
3 customers

Solid performance in line with market consensus

Acceleration of growth strategy through value accretive agreements with key partners

Consistent delivery on organic growth

*+2% new PoPs in the period
(Jun 2017 vs. Dec 2016)*

Increased momentum in European outsourcing

Acquisition of 600 additional sites from Bouygues Telecom in France ⁽¹⁾

Successful execution of European growth strategy

*Closing of Sunrise deal: unique tailored MSA
Acquisition of Galata stake (10% previously owned by Wind Tre)*

Securing future organic growth - Sunrise

*400 BTS ⁽²⁾ program in 10 years
200 DAS nodes contracted
ROFO ⁽³⁾ and RTM ⁽⁴⁾ for entire subsequent DAS rollout*

Creating a new paradigm in European tower industry

*From MLA to MSA
From Hosting to Full Network Service*

2017 financial outlook confirmed

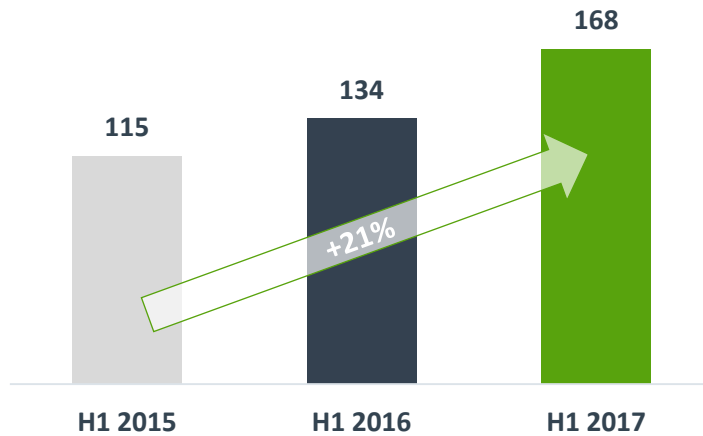
Contribution from Sunrise deal to be added upon closing

(1) Agreement to add up to 600 additional sites; this is an extension of the agreement signed earlier this year with Bouygues Telecom; these additional sites will be transferred into Cellnex France no later than 2020

(2) Build to Suit (3) Right of First Offer (4) Right to Match

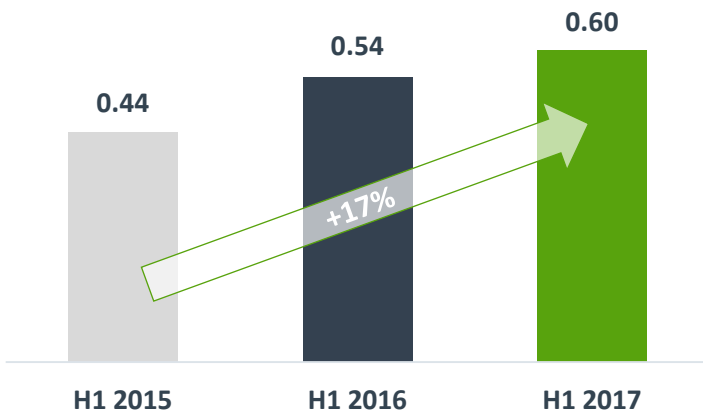
Boosting Adjusted EBITDA and RLFCF per share

Adjusted EBITDA (€Mn)



Adjusted EBITDA CAGR 2015-2017 of 21%

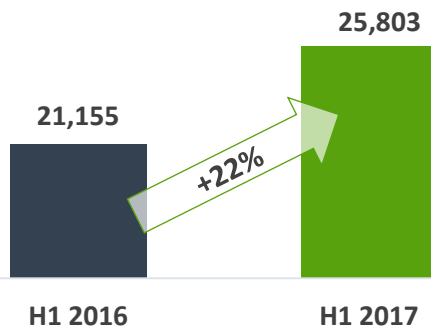
RLFCF per share (€)



RLFCF per share CAGR 2015-2017 of 17%

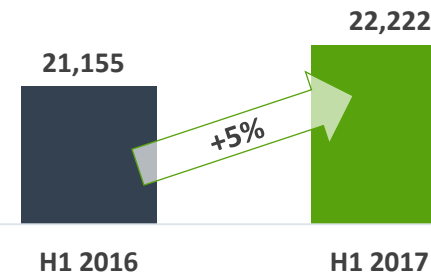
Ongoing strong performance of operational KPIs

PoPs – Total ⁽¹⁾



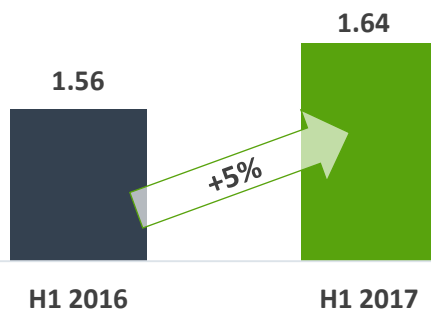
Contribution from both organic growth and change of perimeter

PoPs – Organic Growth ⁽¹⁾



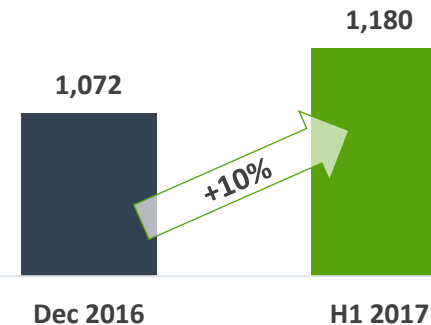
New organic PoPs mainly due to network densification

Customer ratio ⁽¹⁾



Contribution both from organic growth and change of perimeter

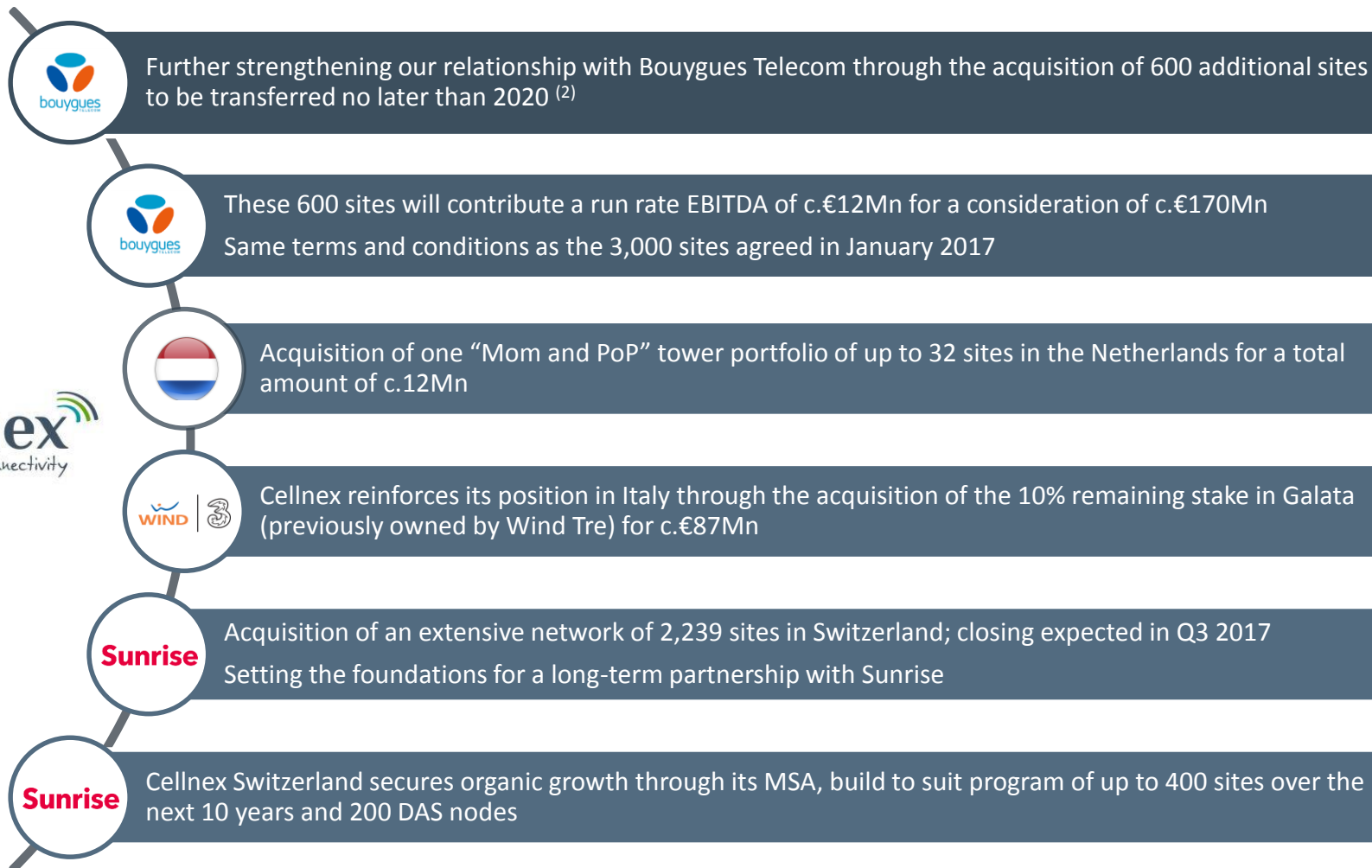
DAS nodes ⁽²⁾



Future growth driver of Telecom Infrastructure Services

(1) Year-on-Year performance (2) Sequential performance

Cellnex has increased its footprint by c.6.5k⁽¹⁾ towers in H1 2017

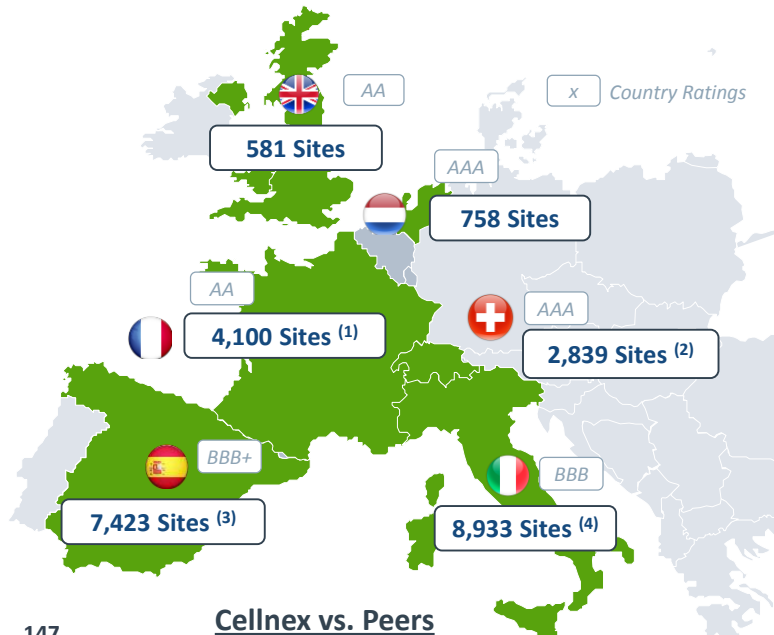


(1) 3,000 sites from Bouygues Telecom + 600 additional sites from Bouygues Telecom + 2,850 sites and DAS nodes from Sunrise + 32 sites Netherlands

(2) Agreement to add up to 600 additional sites; this is an extension of the agreement signed earlier this year with Bouygues Telecom; these additional sites will be transferred into Cellnex France no later than 2020

Cellnex advances as the key player in the European tower landscape 2/3 of revenues from TIS and >55% EBITDA from Europe (ex-Spain)

Improved Footprint in Europe

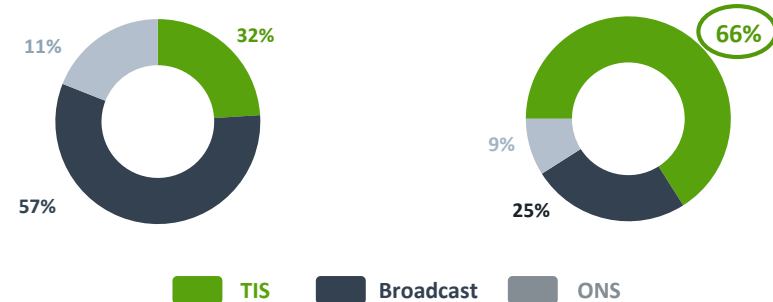


Improved Business Risk Profile

2014 - IPO

Run Rate – Proforma basis (5)

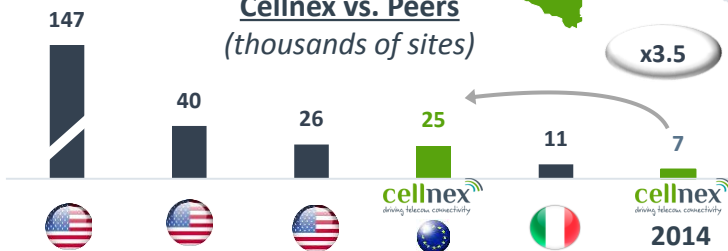
Revenues breakdown by service



EBITDA breakdown by geography



Cellnex vs. Peers (thousands of sites)



1. 500 sites from Bouygues Telecom 2016 + 3,000 sites from Bouygues Telecom 2017 + 600 additional sites from Bouygues Telecom
 2. Including contribution of build to suit program of 400 sites and c.200 DAS nodes
 3. Including broadcast sites

4. Including Commscon's DAS nodes

5. Management calculations based on FY2016 financials and including all announced transactions on a run rate basis

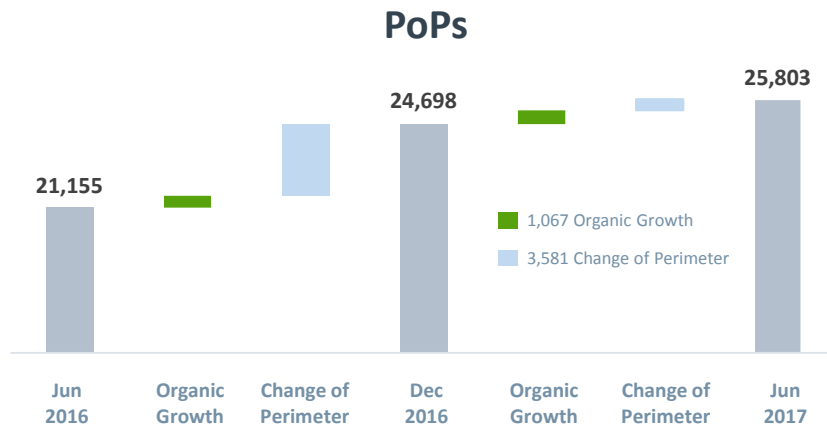
6. Including Switzerland and United Kingdom

Business Performance

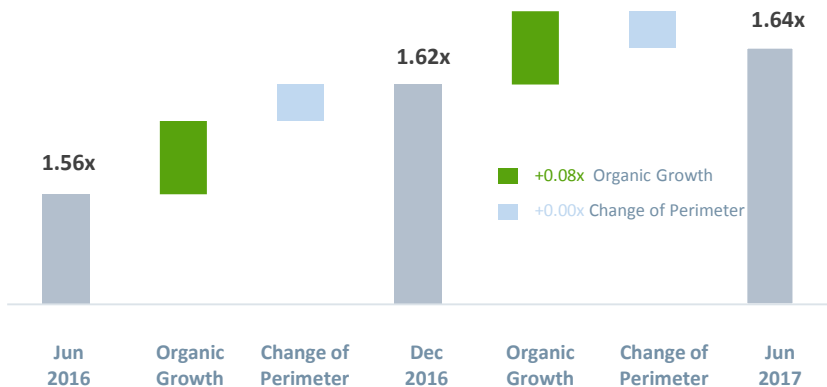
Location: Spain
Urban site
3 customers

Key Figures

22% PoPs growth
(of which 5% organic growth - YoY)



Customer Ratio



Continued commercial drive to secure future organic growth

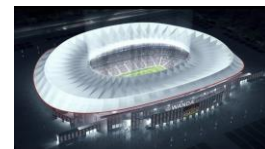
Organic growth targets on track: (i) new PoPs above guidance (+5% vs. H1 2016) (ii) 45% of decommissioning target met and (iii) 91% of build to suit target met

Ongoing negotiations with MNOs on a **Full Network Service approach:** combination of hospitality services, engineering, rationalization, build to suit

Implementation of **framework agreement** with **4th Italian MNO** and ongoing discussions with **new customer** for Cellnex in **France** under a **new framework agreement**

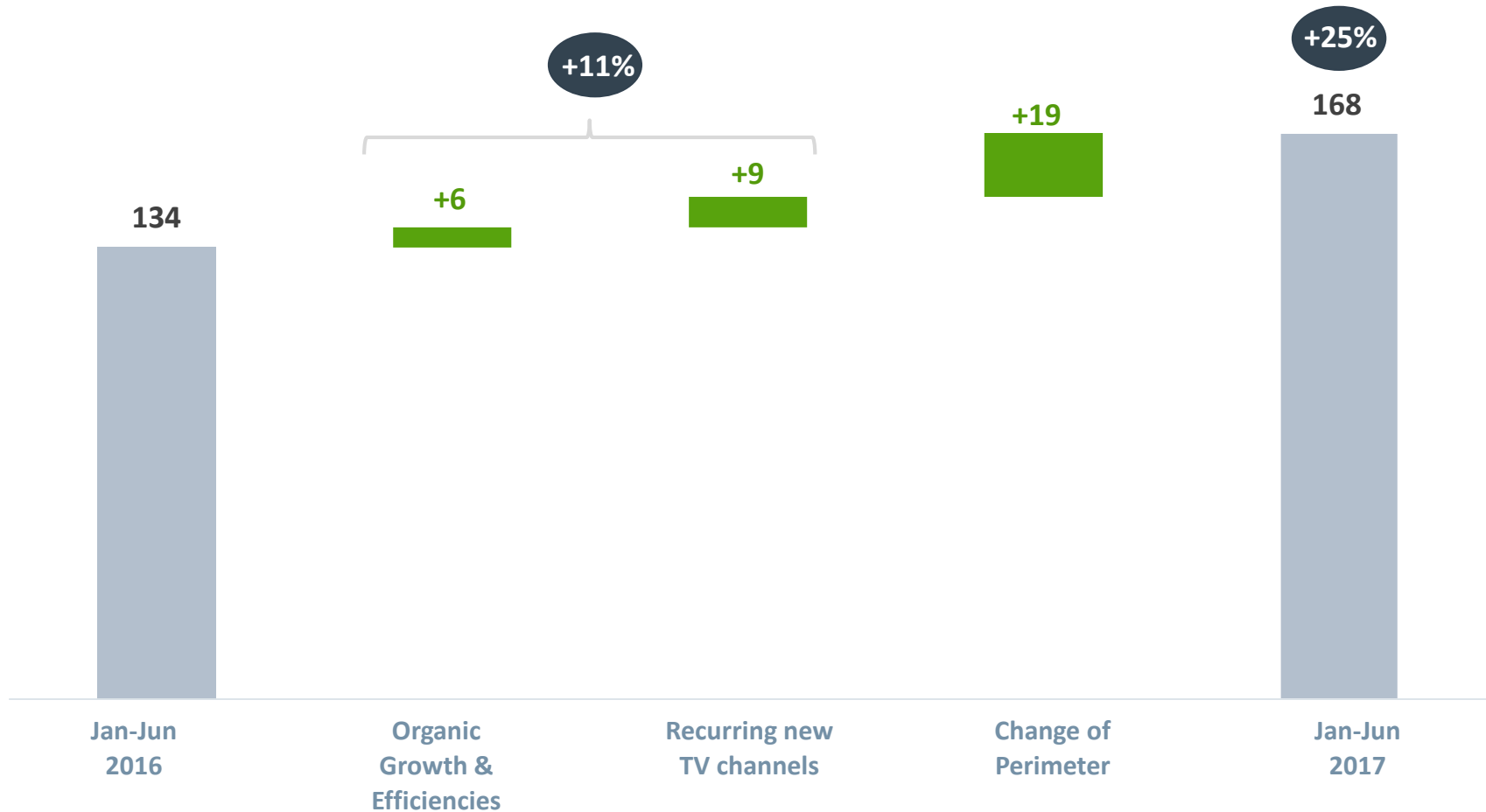
Kick-off of **5G City project** with 18 partners to develop a 5G network in Barcelona, Bristol and Lucca (Italy). This project has received funding from the EU's Horizon 2020 research and innovation programme

Cellnex rolls out an exclusive **DAS network** to provide broadband at the **Wanda Metropolitano stadium in Madrid**. It will be the first stadium in Spain capable of offering a real mobile broadband experience to its 68,000 spectators. The contract has a 10-year duration



Adjusted EBITDA

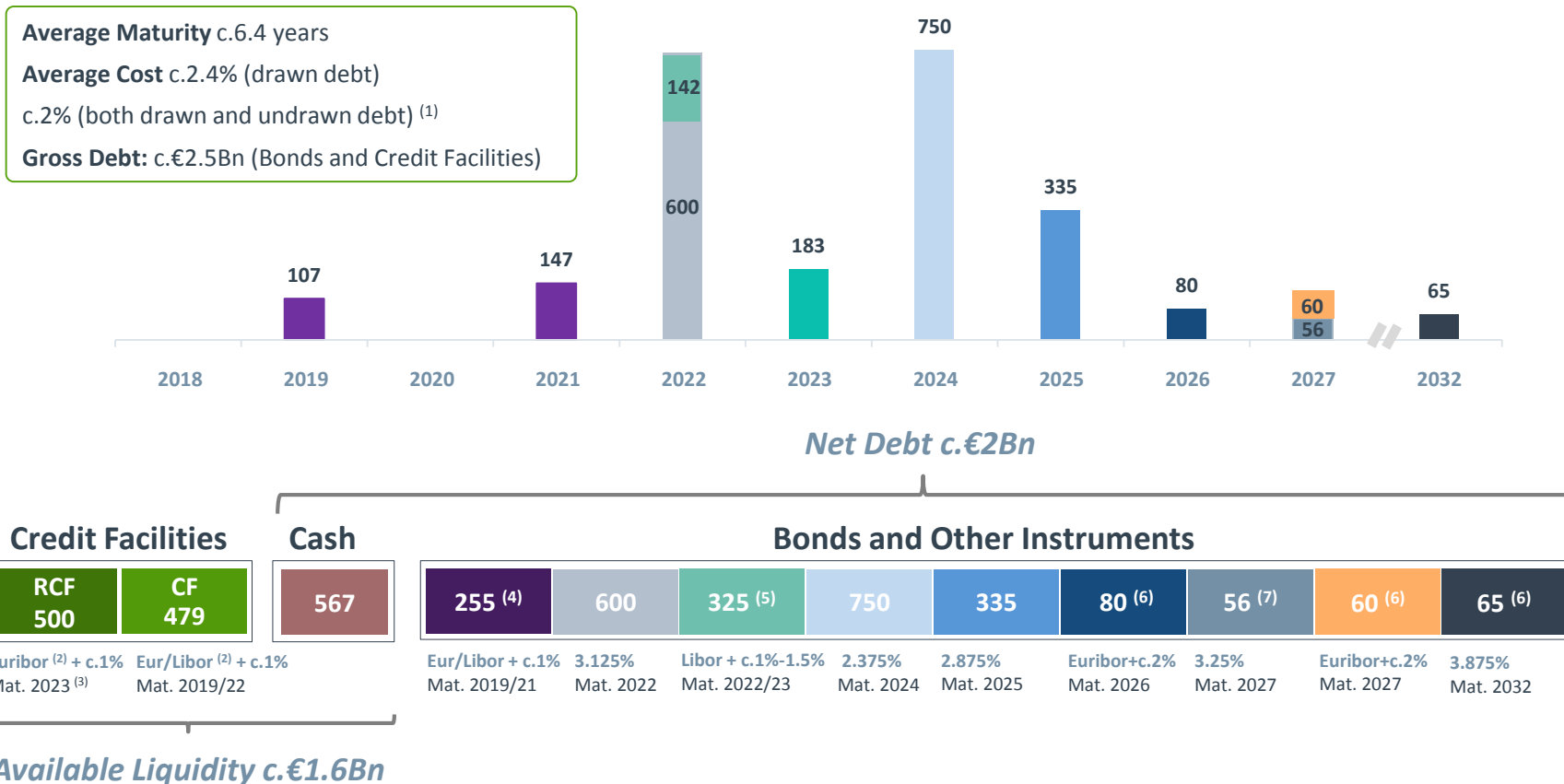
*Adjusted EBITDA growth of +25%,
of which +11% organic growth*



Figures in €Mn

Financial Structure as of today

*Ample liquidity - cash at hand and available debt amount to c.€1.6Bn
First significant refinancing in 2022*



(1) Considering current Euribor rates; cost over full financing period to maturity
 (2) RCF Euribor 1M; Credit facilities Euribor 1M and 3M; floor of 0% applies
 (3) Maturity 5 years with 2 extensions of 1 year to be mutually agreed
 (4) Includes c.€150Mn debt in GBP; hedge investment in Shere Group (UK)

(5) c. CHF355Mn debt in Swiss Francs hedge investment in Swiss Towers:
 project financing local level + Cellnex's equity contribution
 (6) Private placement
 (7) Bilateral loan

H1 2017 Business Performance

Recurring Levered Free Cash Flow (RLFCF)

Strong cash conversion of Adjusted EBITDA into RLFCF of 83%

Figures in €Mn	Jun 2016	Jun 2017	
Telecom Infrastructure Services	184	219	
Broadcast Infrastructure	113	121	
Other Network Services	41	40	
Revenues	338	379	+12%
Staff Costs	-49	-51	
Repairs and Maintenance	-13	-13	
Rental Costs	-79	-79	
Utilities	-32	-36	
General and Other Services	-31	-32	
Operating Costs	-205	-211	
Adjusted EBITDA	134	168	+25%
<i>% Margin</i>	<i>42%</i>	<i>46%</i>	
Maintenance Capex	-3	-10	
Change in Working Capital	0	0	
Interest Paid	-3	-14	
Tax Paid	-2	-5	
RLFCF	126	139	+10%

- Telecom Infrastructure Services up due to organic growth and acquisitions
- Broadcast revenues up due to the switch-on of new TV capacity in Q2 2016
- Like-for-like Opex flat when compared to H1 2016 (increase associated with change of perimeter, partly offset by efficiency plan)
- Maintenance Capex in line with guidance (3% on revenues)
- Working capital trending to neutral
- Cash interest up due to coupons paid in the period
- Taxes reflect payment schedule in the period

Balance Sheet and Consolidated Income Statement

Balance Sheet (€Mn)

	Dec 2016	Jun 2017
Non Current Assets	2,545	2,596
Fixed Assets	2,084	2,127
Goodwill	380	379
Other Financial Assets	81	90
Current Assets	351	775
Debtors and Other Current Assets	158	182
Cash and Cash Equivalents	193	594
Total Assets	2,895	3,372
Net Equity	551	563
Non Current Liabilities	2,153	2,582
Bond Issues	1,398	1,808
Borrowings	279	310
Deferred Tax Liabilities	290	281
Other Creditors & Provisions	186	183
Current Liabilities	191	226
Total Liabilities	2,895	3,372
(2) Net Debt	1,499	1,552
Annualized Net Debt / Annualized Adjusted EBITDA	4.6x	4.6x

Income Statement (€Mn)

	Jun 2016	Jun 2017
Revenues	338	379
Operating Costs	-205	-211
Non-recurring items	-9	-16
Depreciation & amortisation	-83	-100
Operating profit	41	53
(4) Net Interest	-15	-32
Corporate Income Tax	-2	-2
(5) Non-Controlling Interests	0	-1
Net Profit Attributable	24	19

Net debt/Adjusted EBITDA ⁽¹⁾ reaches 4.6x

- Purchase price allocation processes lead to fixed assets allocation, with only marginal impact on incremental goodwill
- Cash up due to new bond issuance in January 2017. Proceeds to be used for:
 - I. Acquisition of the remaining 10% stake in Galata after Wind Tre's execution of its Put Option (€87Mn – July 2017)
 - II. In subsequent quarters Cellnex will pay (i) Bouygues Telecom deal ⁽³⁾ and (ii) Sunrise deal

(1) Including full year Adjusted EBITDA contribution from recently announced transactions

(2) Excluding PROFIT grants and loans

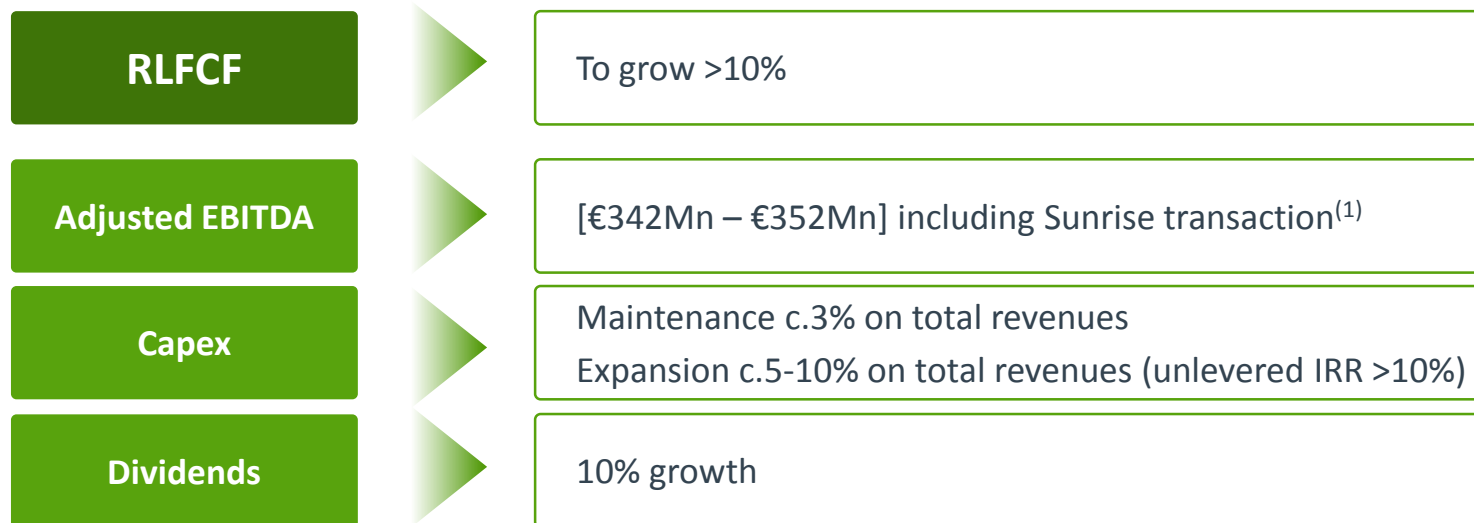
(3) Acquisition of up to 1,800 sites to be gradually transferred into Cellnex France over a period of 2 years, building of up to 1,200 sites to be built over an estimated period of 5 years, acquisition of up to 600 additional sites to be transferred no later than 2020

- Net interest up due to coupons associated with new bonds and debt formalization expenses

(4) Please see Backup Excel file for the reconciliation of P&L Net Interest and Cash Interest Paid

(5) Non controlling interest in Galata (10%) and Adesal (40%)

Financial outlook for 2017 reiterated



Strategic outlook

Focus remains on Europe
Potential expansion and consolidation projects
Selective approach through strict M&A criteria

(1) Expected contribution in 2017 of c.€12Mn, taking into account deal closed in Q3 2017

Please note expected run rate EBITDA of c.€37Mn includes the contribution of the build to suit program agreed with Sunrise



Frequently Asked Questions

Location: Italy
Rural site
2 customers

Frequently Asked Questions

How developed is the European tower industry?

It is important to take a step back and look at the development of the tower industry in the US

There is a significant correlation between the number of towers owned by US peers and their historical share price performance



(1) US Peers index – calculation based on historical market cap and number of shares

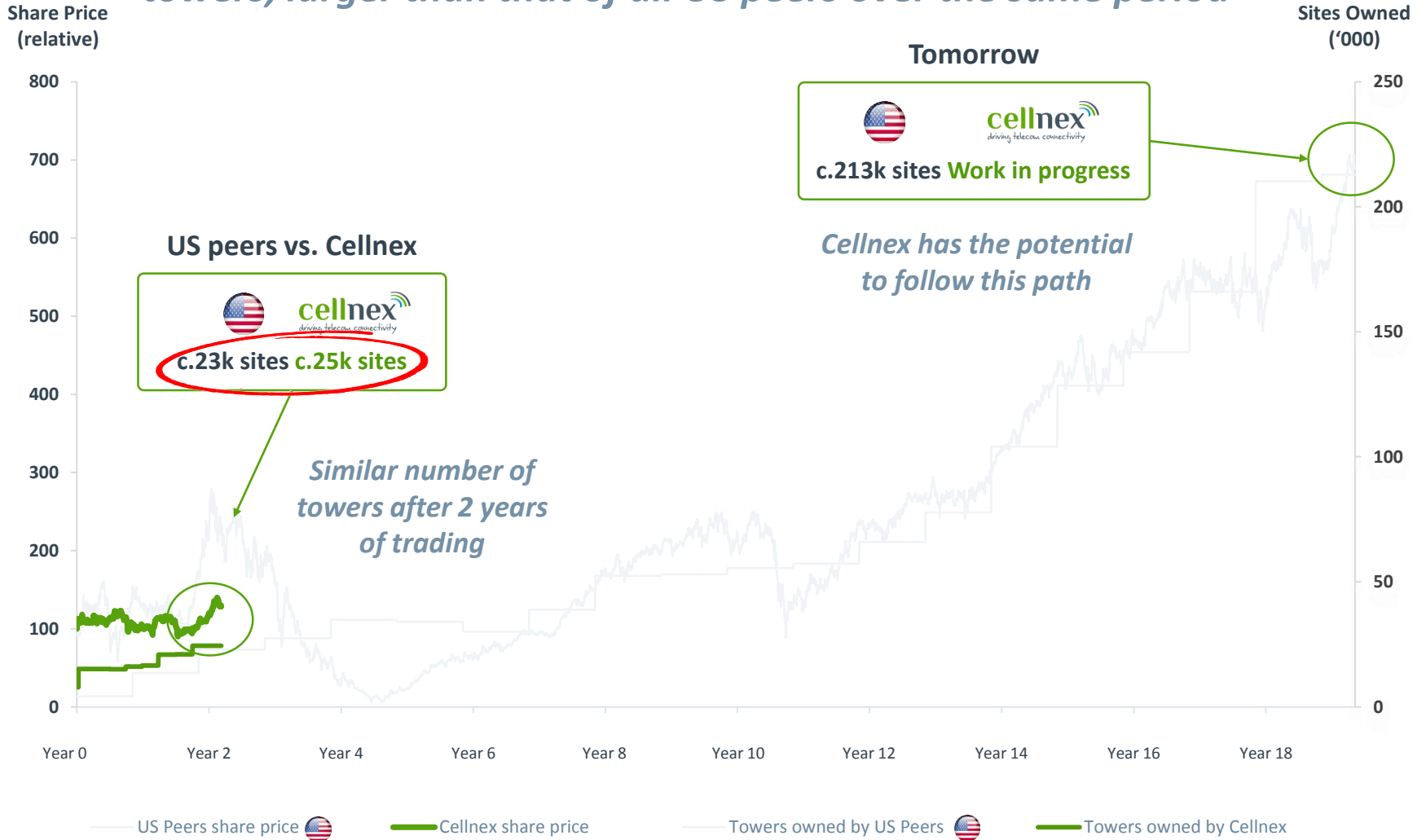
(2) Total number of towers owned by US peers

Source: Company data and Bloomberg

Frequently Asked Questions

How developed is the European tower industry?

In 2 years after our IPO, Cellnex has been able to build a portfolio of c.25k towers, larger than that of all US peers over the same period



Source: Company data and Bloomberg

Frequently Asked Questions

How do interest rates impact Cellnex?

Cellnex has negatively been impacted by rising interest rates over the last few weeks ...

... with US tower stocks largely unaffected in the long run after short term shocks

Cellnex vs. EUR yields



US peers vs. US yields



US Index – calculation based on historical market cap and number of shares of US peers
Source: Bloomberg

Frequently Asked Questions

How do interest rates impact Cellnex?

... but should Cellnex be perceived as a bond proxy?

- **Interest rates should rise when inflation increases**

Cash flow generation upside for Cellnex ⁽¹⁾

- **Increasing degree of country and client diversification**

Ongoing expansion into strong economies

Further strengthening our relationships with blue chip clients

- **Cellnex in an unique position to seize the European tower outsourcing opportunity**

Unlike other peers, Cellnex's equity story is about European tower consolidation (not income play)

Value proposition based on MSA, Full Network Service approach, ability to offer wider array of services to existing and new clients

Positively exposed to the new densification wave: DAS, Small Cells, 5G opportunity

Cellnex should structurally be compared with US peers and follow their long term pattern, therefore decoupling its performance from interest rates moves

(1) Please see page 20 Cellnex's Q1 2017 Results Presentation

Frequently Asked Questions

Opportunities for Cellnex arising from MNOs consolidation?

- In the event of MNOs consolidation, Cellnex’s revenues are protected by contract

- From a remedies perspective, consolidation can generate opportunities

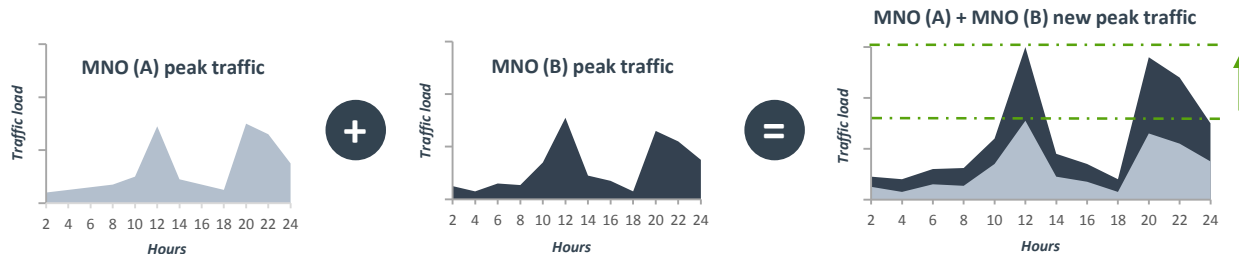
Regulatory restrictions may trigger the appearance of new operators

Roll out needs by these new operators can bring significant opportunities for a tower company

} Example
4th Italian
operator

- From an industrial perspective, existing networks are still necessary

Networks are designed to cover peak traffic; MNO (A) customer traffic needs to be served by MNO (B); MNO (B) will need MNO (A) infrastructure to meet traffic from additional clients



Cellnex is well positioned to provide full network services to new entrants, as well as network optimization and outsourcing solutions to consolidating entities

Term	Definition
Adjusted EBITDA	Profit from operations before D&A and after adding back certain non-recurring and non-cash items (such as advances to customers and prepaid expenses)
Adjusted EBITDA margin	Excludes elements pass-through to customers (namely electricity and in some cases ground rental) from both expenses and revenues
Advances to customers	Advances to customers include the amortization of amounts paid for sites to be dismantled and their corresponding dismantling costs, which are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures
Anchor customer	Anchor tenants are telecom operators from which the Company has acquired assets
Backhauling	In a telecommunications network the backhaul portion comprises the intermediate links between the backbone network and the subnetworks. Cell phones communicating with a single cell tower constitute a subnetwork and the connection between the cell tower and the rest of the network begins with a backhaul link
Backlog	Represents management's estimate of the amount of contracted revenues that Cellnex expects will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date but do not include adjustments for inflation One of the main assumptions relates to the contract renewals, and in accordance with the consolidated financial statements for the year ended 2016, contracts for services have renewable terms including, in some cases, 'all or nothing' clauses and in some instances may be cancelled under certain circumstances by the customer at short notice without penalty.
Build to suit	Towers that are built to meet the needs of the customer
Customer Ratio	The customer ratio relates to the average number of carriers in each site. It is obtained by dividing the number of carriers by the average number of Telecom Infrastructure Services sites in the year. Same as tenancy ratio
DAS	A distributed antenna system is a network of spatially separated antenna nodes connected to a common source via a transport medium that provides wireless service within a geographic area or structure
DTT	Digital terrestrial television
Expansion Capex	Investment to the network of tower infrastructures, equipment for radio broadcasting, network services, cash advances, land acquisitions and other that generate additional Adjusted EBITDA
Maintenance Capex	Investments in existing tangible or intangible assets, such as investment in infrastructure, equipment and information technology systems, and are primarily linked to keeping sites in good working order, but which excludes investment in increasing the capacity of sites

Term	Definition
M&A investment	Investments in shareholdings of companies as well as significant investments in acquiring portfolios of sites (asset purchases)
MLA	Master Lease Agreement
MNO	Mobile Network Operator
MSA	Master Service Agreement
MUX	Multiplex, a system of transmitting several messages or signals simultaneously on the same circuit or channel
Node	A node receives the optical signal from the BTS venue and transforms it into radio frequency signal and then transfers it to antennas after amplifying it
ONS	Other Network Services, same as Network Services and Others
OpCo	Operating Company
PoP	Points of presence, an artificial demarcation point or interface point between communicating entities. Each tenant on a given site is considered a PoP
Rationalization	Process consisting on decommissioning one site and moving equipment to another one, so that out of two sites only one remains
RLFCF	Recurring Operating Free Cash Flow plus/minus changes in working capital, plus interest received, minus interest expense paid and minus income tax paid
Recurring Operating FCF	Adjusted EBITDA minus Maintenance Capex
Simulcast	Broadcasting of programs or events across more than one medium, or more than one service on the same medium, at exactly the same time
TIS	Telecom Infrastructure Services, same as Telecom Site Rental

Additional information available on Investor Relations section of Cellnex's website



The screenshot shows the top navigation bar of the Cellnex website. The logo is on the left, and navigation links include Home, Customer access, Site map, Intranet, and language options (ESP, ENG, CAT, IT). Below the logo, there are dropdown menus for 'About Cellnex Telecom', 'Products and Services', 'Investor Relations', and 'Press room'. The main content area features a large heading 'H1 2017 Results' on the left. To the right, under 'Investors & Shareholders', contact information is provided: 'Av. Parc Logístic, 12-20, 08040 Barcelona, Tel. 93 567 89 10 (Ext. 31285)', and the email 'investor.relations@cellnextelecom.com'. Below the heading, there are two links: one for a 'Backup Excel File' with an Excel icon and a URL, and another for 'H1 2017 Consolidated Interim Financial Statements' with a PDF icon and a URL. At the bottom left, there are logos for CDP (Driving Sustainable Economies) and FTSE4Good. To the right of these logos, the text states 'Cellnex Telecom is part of the ESG indices'.

cellnex
driving telecom connectivity

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H1 2017 Results

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 **Backup Excel File**
<https://www.cellnextelecom.com/en/investor-relations/quaterly-results/>

 **H1 2017 Consolidated Interim Financial Statements**
<https://www.cellnextelecom.com/en/investor-relations/annual-report/>

  **FTSE4Good** *Cellnex Telecom is part of the ESG indices*