press release

Results 2017

Cellnex Telecom revenues climb 12% to € 792 million in 2017

EBITDA for the year was up 22% to € 355 million

Recurring Levered Free Cash Flow (RLFCF) rose 11% to € 278 million

Investments for growing were in excess of € 1.2 billion

- **The key indicators,** at the close of 2017, **show the strong expansion of the Company's geographic perimeter in Europe and a consistent organic growth:**
  - **Points of presence (PoPs) grew 22% (+**4% like-for-like)**. The customer ratio per site increased 4%,** also like-for-like.
  - **Roll-out of new DAS (distributed antenna systems) nodes increased 26%** year on year.
  - **49% of the rationalising (dismantling) plan of 2,000 sites** in the period 2016-2019 is under way and contracted.
  - **92% of the target of 2,200 sites to build up to 2021** are already committed.
  - **Revenue** stood at € 792 million; **EBITDA at** € 355 million; **net result** at € 33 million
  - **Recurring levered free cash flow (RLFCF) rose 11% to € 278 million.**
  - **60% of revenues** (54% at the close of 2016), **come from telecommunications infrastructure services.** By markets, **42% of revenues** (35% in 2016) **and 43% of EBITDA** (33% in 2016) **are generated outside of Spain. With 31% of revenues** (€ 244 million), **Italy is the second market for Cellnex.**
  - The **'Backlog' (future sales contracted) is € 16 billion**, equivalent to **20 years' income based on 2017 results**.
  - **The number of sites operated by Cellnex was up 25%** in relation to the close of 2016 after incorporation of new assets in France, Switzerland, Netherlands and Spain.
- **Net debt as of 31 December stood at € 2.237 billion,** with an **annualised debt/EBITDA ratio of 5.5x**. 79% is at a fixed rate, the average cost of debt (drawn down and not drawn down) is 1,9% and the average life is 6.4 years.
- As of February 2018, Cellnex has **liquidity** (cash and banks plus available credit lines) **of € 2 billion**.
- The Board of Directors has agreed on the **appointment of Tobias Martinez as President and CEO to replace Francisco Reynés.**

Barcelona, 16 February 2018. Cellnex Telecom has presented its results for the close of the financial year 2017. Revenues stood at € 792 million and EBITDA was € 355 million. The net result closed at € 33 million, reflecting the effect of increased amortisations (+27%) and financial costs (+68% vs. 2016) associated with the intense growth of the Group and the consequent expansion its geographic perimeter.

Cellnex CEO Tobias Martinez underlined that "the diversification of the business by lines of activity, markets and customers continues to mark Cellnex's evolution. Telecommunications infrastructure services now account for 60% of the Group's revenues, when they were no more than 24% just three years ago. We have also diversified our revenues by markets; 42% come from outside of Spain, compared to only 5% in 2014 before the Company went public, a figure that stands at 52% if we annualise the effect of all the acquisitions that we closed in 2017. Furthermore, we have expanded and diversified our customer base, providing us greater resilience and strength in our flows and allowing us to optimise and exploit the potential for synergies by working with customers in various markets in which Cellnex is also present."

Martinez also underlined "the continuity and consolidation of Cellnex's European project. In the two and a half years since the IPO, we have closed more than twelve transactions in six countries with an overall investment of over € 3.3 billion. We have gone from just over 7,000 sites located mainly in Spain in 2014 to more than 21,000 in 2017 – which will top 27,000 in 2023 in accordance with the commitments already acquired for the integration and deployment of new assets."

Cellnex Telecom Financial and M&A Manager José Manuel Aisa highlighted the strength of the Company's debt structure and the recurrence and visibility of Cellnex's financial flows: "We have a very competitive debt structure in terms of maturity, with almost 6.4 years of average life, and a cost of debt of 1,9% if we count debt both drawn down and not drawn down. In addition, if we combine cash and banks plus immediate access to unused credit lines, Cellnex enjoys liquidity of € 2 billion. In this regard, we have the resources available to continue to embark on growth projects that may arise in a more or less immediate future."

"One important fact to bear in mind" **continues Cellnex's Financial Manager** "is our ability to generate cash flow. With an EBITDA-to-cash conversion ratio of 80%, cash flows that are incorporated as a result of the growth of the geographic perimeter contribute from the outset to reducing the net debt-to-EBITDA ratio. Cellnex can reduce this ratio by a multiple equivalent to 0.6 every 12 months, including all the projects ejecuted. It is also important to point to the figure of the contracted sales portfolio, which stands at € 16 billion, equivalent to 20 years' revenue, which provides stability, visibility and recurrence to Cellnex's financial flows."

Key business indicators and trends

By business lines, Telecommunications Services and Infrastructures provided **60%** of total revenue with € 474 million, an increase of 23% compared to the close of 2016.

Activity in **audiovisual broadcasting services and infrastructures contributed 30%** of income, with € 237 million, in line with 2016 figures.

Meanwhile, the business focused on **security and emergency service networks and solutions for smart urban infrastructure management (IoT and Smart cities) contributed 10%** of revenue, totalling € 81 million.

As of 31 December, **42% of income and 43% of EBITDA were generated outside the Spanish market.** Italy is the second largest market, accounting for 31% of the group's revenues.

At the close of 2017, Cellnex had a total of 21,017 sites (7,766 in Italy, 8,030 in Spain and 5,221 in Netherlands, France and the UK), plus 1,348 DAS and Small Cells nodes.

49% of the 2,000 sites to be rationalised in the 2016-2019 period are in process. 92% of **the 2,200 that the company plans to build up to 2021, are also in process**.

Like-for-like **organic growth** of Points of Presence in sites stood at +4% in relation to 2016, while the customer ratio per site (excluding changes to the perimeter) was 1.68x, up 4% year on year.

Operative investments in 2017 stood at € 165 million, applied principally to maintaining installed capacity and to investments linked to generating new revenues and improving efficiency. Meanwhile **investments in growth - new acquisitions -** stood at € 1.2 billion.

Second telecommunications infrastructures operator in France

In 2017, Cellnex closed several agreements in France with Bouygues Telecom for the incorporation and construction of a total of 4,600 sites up to 2023 (2,400 adquired and already deployed, and 2,200 to be built). In addition to these are the 500 towers that were acquired in 2016. With its more than 5,000 sites and an accumulated investment of more than € 1.3 billion, Cellnex is thus positioned as the second largest operator of wireless telecommunications infrastructure in France.

In 2017 the Company closed two additional growth operations: the acquisition of a package of 2,839 sites in Switzerland (2,239 adquired + 200 DAS nodes and 400 built to suit), which was closed in August, involving an investment of € 400 million in a consortium with Swiss Life and Deutsche Telekom Capital Partners. Cellnex controls 54% of the consortium through Cellnex Switzerland; in September, Cellnex Netherlands closed the acquisition of Alticom for € 129 million, consolidating its leading position among the independent telco infrastructure operators in the Netherlands. The Alticom sites represent a key element in the future roll-out of 5G. They have the capacity - and the connectivity to the fibre optic backbone - to host the remote caching servers that bring data processing and storage capacity closer to the end users of applications based on 5G.

Debt structure and tax contribution

Cellnex closed 2017 with a **net debt of € 2.237 billion compared to € 1.499 billion at the end of 2016**, equivalent to a net debt/EBITDA ratio of 5.5x. **The €737 million increase in debt corresponds to the company's investment effort which, as already mentioned, was over € 1.2 billion in 2017**.

Regarding debt structure as at February 2018 and following the issuance of the first convertible bond by the Company for € 600 million on 8 January, **Cellnex's debt has an average life of 6.4 years and an average cost** (debt drawn down and not drawn down) **of 1,9%.** Plus 79**% at a fixed rate**. Cellnex Telecom's debt is not subject to *covenants*.

As at February 2018 Cellnex enjoys **liquidity** (treasury debt not drawn down) **of € 2 billion**.

On 30 March 2016 Cellnex Telecom's bonds were added to the list of corporate bonds eligible as collateral by the European Central Bank in monetary policy operations. This action falls within the framework of the Corporate Sector Purchase Programme (CSPP), which on 10 March 2016 completed the Asset Purchase Programme (APP) previously deployed by the ECB.

Cellnex Telecom's bond issues maintain their "investment grade" rating from Fitch (BBB- with a negative outlook), confirmed by the agency itself last January. S&P also confirmed its BB+ rating with a stable outlook.

Cellnex's total tax contribution (by the Group and taxes paid by third parties) in FY 2017 - applying the OECD's cash basis accounting methodology - stood at € 168 million, compared to € 152 million the previous year. Of these funds, a total of € 44 million correspond to own taxes and essentially include taxes on profits, local taxes, fees and the social security business charge).

Corporate Governance

The Board of Directors has appointed Tobias Martinez new Chairman of the Board. Mr. Martinez will also continue with his current responsibility as Cellnex's CEO.

Also David Diaz, Manging Director of the American Highway business in Abertis, joins the Board to fill the vacancy of Francisco Reynés. Likewise, Carlos del Rio, Chairman and CEO of A4 Holding in Italy (controlled by Abertis), joins the Board to cover the position of Lluís Deulofeu.

Mr. Giampaolo Zambeletti, independent director, has been appointed Board's Coordinating Director.

After these changes, the Cellnex Telecom Board is made up of 10 members: five independent; four on behalf of Abertis; and an executive director.

Outlook for 2018

Regarding the 2018 outlook, Cellnex's forecasts poiny to an EBITDA and RLFCF growth above 10%, while maintaining the 10% annual increase of the dividend paid. Being the latter part of the agreed dividend policy for the 2016-2019 period.

- Estimated EBITDA: 405-415 million euros
- RLFCF: to grow ≥10%
- Dividend: +10% for the full year 2018

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About Cellnex Telecom

Cellnex Telecom is Europe's leading operator of wireless telecommunications and broadcasting infrastructures with a total portfolio of 27,000 sites including deployment forecasts until 2023. Cellnex operates in Spain, Italy, Netherlands, France, Switzerland and the United Kingdom.

The company is listed on the continuous market of the Spanish stock exchange and is part of the selective IBEX 35 and EuroStoxx 600 indices. It is also part of the FTSE4GOOD and CDP (Carbon Disclosure Project) sustainability indexes and the Standard Ethics index, with an EE-rating (compliant) with stable outlook.

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)).

Appendix 1

Income statement and balance sheet

Mill. EUR	2016	2017
Telecom infrastructure services	385	474
Broadcast infrastructure	235	237
Other Network Services	87	81
Revenues	**707**	**792**
Operating costs	(418)	(438)
EBITDA	**290**	**355**
Non-recurring items	(26)	(31)
Depreciation & amortisation	(177)	(225)
Operating profit	87	98
Net interest	(41)	(68)
Bond issue costs	(5)	-
Non controlling interests	(1)	2
Corporate income Tax	(1)	-
Recurring net profit	**40**	**33**

** Cellnex's tax contribution (by the Group and taxes paid by third parties) in FY 2017 - applying the OECD's cash basis accounting methodology - stood at € 167.6 million, compared to € 152 million the previous year. Of these funds, a total of € 44.1 million correspond to own taxes and essentially include taxes on profits, local taxes, fees and the social security business charge).

	DEC 2016	DEC 2017
Non current assets	**2.545**	**3.533**
Fixed Assets	2.084	2.861
Goodwill	380	567
Other financial assets	81	105
Current assets	**350**	**523**
Debtors and other current assets	157	228
Cash and cash equivalents	193	295
TOTAL ASSETS	**2.895**	**4.056**
NET EQUITY	**551**	**645**
Non current liabilities	**2.153**	**3.080**
Bond issues	1.398	1.869
Borrowings	279	631
Deferred tax liabilities	290	350
Other creditors & provisions	186	230
Current liabilities	**191**	**331**
Bond issues	13	29
Borrowings	3	2
Creditors	175	300
TOTAL LIABILITIES	**2.895**	**4.056**
Net Debt	**1.499**	**2.237**
NET DEBT/Annualised Adjusted EBITDA	**4,6x**	**5,5x**

Appendix 2

Significant events in 2017

January

- On 12 January Cellnex issued bonds for qualified investors amounting to € 335 million, maturing in April 2025, with a coupon of 2.875%.
- On 19 January, the managers of the FTSE4GOOD sustainability index announced that they had included Cellnex Telecom in this index that values quality in managing risks associated with environmental, social and corporate governance factors.

February

- On 1 February Cellnex Telecom and Bouygues Telecom reached an overall agreement that will allow Cellnex France to incorporate up to 3,000 new sites with a total investment of € 854 million.
- On 9 February, JCDecaux and Cellnex announced their commercial alliance in Italy and Spain to speed up the roll-out of DAS and Small cells networks to improve the capacity and quality of 4G coverage (and 5G in the future) in urban areas.
- Fitch confirmed that Cellnex Telecom's bond issues maintain their investment grade rating at BBB-, just as S&P confirmed their BB+ rating.

March

- Cellnex Telecom Board of Directors, on a proposal from the Appointments and Remuneration Committee, agreed to submit to the Company's Shareholders' Meeting the appointment of Marieta del Rivero Bermejo as a new independent director of the company.

April

- Cellnex implemented the private issue of an € 80 million bond maturing in 2026 at an interest rate of Euribor +2.27%, as well as a 10-year € 56.5 million loan at a fixed 3.25% interest rate.

May

- Cellnex paid out the complementary dividend of € 0.0423 per share corresponding to FY 2016
- S&P (BB+ Stable outlook) and Fitch (BBB- negative outlook) confirmed their ratings.
- The company announced that it had reached an agreement with the voice and data operator *Sunrise Communications International*, through which **Cellnex Switzerland**, a consortium with Swiss Life and Deutsche Telekom Capital Partners and led by Cellnex Telecom, would acquire 100% of the shares of Swiss Towers AG, a company that controls and operates 2,839 sites providing service to Sunrise (2,239 adquired + 200 DAS nodes and 400 built to suit).

July

- Cellnex Italia acquired from WIND the 10% of the capital of Galata Towers that it did not yet control. The purchase was the result of exercising the put option that WIND held on this 10% that it still controlled after the acquisition of 90% of Galata Towers by Cellnex Italia in March 2015.
- Cellnex would incorporate up to 600 new sites by expanding the agreement with Bouygues Telecom. The investment stood at € 170 million.
- Cellnex Telecom equipped the Atlético de Madrid-owned Wanda Metropolitano Stadium with multi-operator mobile broadband coverage. Cellnex has concluded agreements with several operators that are offering to their customers access to 4G broadband voice and data services - and 5G in the future - from the start of the 2017-2018 season.

September

- Cellnex Telecom closed the acquisition of Dutch telecommunications infrastructures operator Alticom from Infracapital. The operation, involving the integration of 30 new towers and long-range sites throughout the Netherlands, involves a € 129 million investment that will provide Cellnex with € 11.5 million in EBITDA in 2018.
- On 27 September the Maritime Rescue Company under the Spanish Ministry of Public Works, signed the "Provision of services within the Global Maritime Distress and Safety System" for the Safety of Human Life at Sea with Cellnex Telecom.

October

- On 26 October, the "Standard Ethics" sustainability rating agency incorporated Cellnex Telecom into its index for Spain with an EE- rating (compliant) with stable outlook. Cellnex has now joined this index, which also includes (with the same rating) other large companies in the telecommunication sector in Europe such as Deutsche Telekom, Swisscom and Telefónica.

December

- On 7 December, the European Investment Bank (EIB) and Cellnex Telecom announced the signing of an agreement to develop new investments that will improve and increase the capacity of broadband mobile telecommunications infrastructures in Spain and Italy. The support of the EIB, through a € 100 million injection, will contribute to building new telecommunications towers and connections to the networks of mobile operators through fibre optic and radio links. The agreement also enjoys the support of the European Fund for Strategic Investments (EFSI), the central pillar of the Investment Plan for Europe, known as the "Juncker Plan".

January 2018

- On 8 January, Cellnex Telecom set the conditions for the first convertible bond issue by the company since its flotation in May 2015. This bond issue stands at € 600 million. The shares underlying the bonds are equivalent to 6.8% of the company's capital, based on the initial conversion price. The bonds' conversion price in shares is set at € 38.0829, a premium of 70% over the weighted average price stock price of the share between the opening of the market in the 8 January session and the setting of the final conditions of the Issuance.

Public and Corporate Affairs Department
Corporate Communication

Tel. +34 935 031 416

comunicacion@cellnextelecom.com