

General Shareholders' Meeting 2018

European consolidation, strong business indicators, reinforced corporate governance, and the 5G rollout are the key themes of the GSM

- The Meeting approved the results for FY 2017 in which **the main business indicators included the strong expansion of the footprint and consistent organic growth:**
 - **Revenue:** € 792 million (+12%)
 - **EBITDA:** € 355 million (+22%)
 - **Recurring free cash flow:** € 278 million (+11%)
 - **Business diversification:** 60% infrastructure services for mobile telecommunications operators; 30% broadcasting; 10% security networks, IoT and Smart Cities.
 - **Geographical diversification:** 42% of revenue and 43% of EBITDA generated outside Spain, 31% of revenue in Italy.
 - **Net debt:** € 2.281 Bn (annualised debt/EBITDA ratio 5.6x) at the end of 1Q2018.
 - **Investment:** € 1.2 Bn in growth.
 - **Cellnex on the stock market:** +56% vs close of 2016 leading the IBEX 35 in revaluation.
- **In the last three years Cellnex has compromised more than € 3.3 billion in investments in growth projects in Europe. In 2017 the company closed new agreements in Spain (MásMóvil), France (Bouygues sites) and Netherlands (Alticom) and entered Switzerland (Swiss Towers).**
- The GSM **approved the enlargement of the Board from 10 to 12 members** (60% independent and 25% women) **formalising the incorporation of María Luisa Guijarro and Anne Bouverot as new independent directors.**
- The GSM **delegated to the Board the faculty to increase company capital and to issue bonds, debentures and fixed income securities convertible into shares.**
- It was agreed to **delegate to the Board the distribution of a dividend charged to the share premium reserve.** Consequently, the Board will agree in June to **pay the dividend corresponding to financial year 2017** for an amount of **€ 0.095** (€0.044 on account and already paid + € 0.051 complementary).
- The **quorum** of the Annual Shareholders Meeting has exceeded **83%.**

Madrid, 31 May 2018. Cellnex Telecom held its General Shareholders Meeting today, at which it approved the Financial Statements and Management Report for financial year 2017. This GSM is the third the company has held since its IPO in May 2015. Since they were first listed on the continuous market, Cellnex's shares have achieved an accumulated revaluation of +54%, compared to the -14,3% of the IBEX 35.

In an [interview published in the company's Integrated Annual Report accessible on the corporate website](#) the President of Cellnex until February 2018, Francisco Reynés, and the current President and CEO, Tobias Martinez, point to some of the highlights of FY 2017 that were submitted to the Shareholders' Meeting for scrutiny. During the GSM, **Tobias Martínez** thanked Francisco Reynés for his unconditional support and his decisive contribution to the project over these years; “without him, this project would not have seen the light as we know it today: a company with a European identity, diversified in markets, diversified in its business lines and more diversified in terms of its customer base”

Indicators for the year and Q1 2018

During the GSM, **Cellnex President and CEO Tobias Martínez** presented the main key indicators that marked FY 2017, in which the company's revenues grew by 12% to € 792 million and adjusted EBITDA was € 355 million, up 22% “in line with the objectives we had set ourselves”. The net result stood at € 33 million. “In the case of the net result” - **he added** – “we would point to the effect of the higher amortisations (27% vs. 2016) and financial costs (+66% vs. 2016) associated with the intense growth of the group and the consequent expansion of the footprint. In terms of organic growth, the company remains in line with the 4% target that we set ourselves.”

Tobias Martínez also highlighted the **diversification of the company's business profile**: “Telecommunications infrastructure services now account for 60% of the Group's revenue, while only three years ago they amounted to less than 24%”. Also the diversification by geographical **markets** “42% of revenues already come from outside Spain” as well as the expansion and diversification of the **customer base** “which gives us greater strength and resilience in our flows. This, coupled with the predictability offered by the backlog of future sales, standing at € 16 billion, equivalent to 20 years' income, reflects the resilience of Cellnex's fundamentals.”

During the GSM, the **President and CEO of Cellnex** also referred to the development in the first months of 2018 in which the key indicators continued to improve consistently, with growth of +15% in revenues (€ 217 Mn), +20% in EBITDA (€ 101 Mn) and +10% in recurring free cash flow (€ 78 Mn) compared to 1Q 2017.

Debt structure (updated at the end of Q1 2018)

At the end of Q1 2018, Cellnex had a **structure of stable, long-term debt**, with a **half life of 6.1 years**, an approximate **average cost of 2.2%** (debt drawn down), and **79% at a fixed rate**.

Noteworthy among other financing instruments is the first issue of convertible bonds of the company, in January 2018, to the tune of € 600 million.

As of 31 March, the company's net debt stood at € 2.281 billion compared to € 2.237 billion at the close of 2017, equivalent to a **net debt/EBITDA ratio of 5.6x**. At the close of 1Q 2018, Cellnex also had **access to immediate liquidity** (cash & banks and debt not drawn down) of approximately **€ 1.826 billion**.

European consolidation

During 2017 the company continued to invest in **growth** (€ 1.2 Bn executed). Significant during the financial year were the **new agreements in France** with Bouygues Telecom to incorporate construction of a total of 4,600 sites up to 2022. In addition to these are the 500 already acquired in 2016. In this way, with over 5,000 sites, Cellnex is the second largest operator of wireless telecommunications infrastructure in France.

In 2017 the company also closed the acquisition of a package of 2,839 sites in **Switzerland** - in a consortium with Swiss Life and Deutsche Telekom Capital Partners - as well as the acquisition of Alticom in **the Netherlands**, consolidating its leading position among independent telco infrastructure operators in the Netherlands.

Tobias Martínez underlined “the continuity and consolidation of Cellnex's European project. In the period from **2015-2018**, since the IPO, we have closed more than **ten 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 six European countries**, which will top 28,000 in 2022 in accordance with the commitments already acquired for the integration and roll-out of new assets.”

Corporate Governance and RC

In the corporate governance area, the GSM approved the **enlargement of the Board of Directors from 10 to 12 members**, and the **appointment** of María Luisa Guijarro and Anne Bouverot as **new independent directors**.

In this way, Cellnex's Board will now have **seven independent directors**, representing nearly **60%** of the **Board**, which is above the threshold set in the recommendations of Good Corporate Governance for Listed Companies.

Furthermore, with the appointment of these two new directors, Cellnex continues to make progress in gender diversity in its highest corporate governance body. The appointment of Marieta del Rivero as an independent director had been ratified at the previous year's GSM. Now, with three female directors, **women represent 25% of the Board**.

The Board also ratified the appointment of Carlos del Río and David Díaz as proprietary directors representing Abertis, replacing Francisco Reynés and Lluís Deulofeu. In this regard, and following on from Francisco Reynés renouncing the presidency of the company in February of this year, the Board appointed Tobias Martínez as President and CEO and Giampaolo Zambelletti as coordinating director.

As part of the agreements adopted by the Board, the shareholders also **agreed to delegate powers to the Board to increase the company's share capital and to issue bonds, debentures and fixed income securities convertible into shares**.

Regarding the dividend, the GSM gave the green light to the Board to distribute a dividend charged to the share premium reserve to a maximum of € 63 million, payable in one or more instalments during the years 2018, 2019 and 2020. This delegation to the Board is consistent with the policy announced at the 2016 GSM committing to an inter-annual dividend increase of 10% during the period 2017-2019.

During the GSM, **Tobias Martínez** referred to the the level of concrete progress of the company's **Corporate Responsibility Master Plan 2016-2020**, underlining that “82% of the lines of action structuring the Plan are already under way (vs. 76% in 2016) and 52% of the planned actions have been achieved (vs. 34% the previous year).”

It is also worth pointing to the fact that in 2017 Cellnex **joined the FTSE4Good and Standard Ethics indices** acknowledging the company's practices and its international standardisation.

Towards 5G

The **president of Cellnex** also pointed to the challenges that the future roll-out of the networks and infrastructures linked to 5G will entail in the medium term: “a genuine explosion of connectivity”. “The special characteristics of 5G” **added Tobias Martínez** “which is 100 times faster than 4G and decreases the latency - or response time - of applications to one millisecond, will determine the densification of the current networks. It is therefore conceivable

that the infrastructure and network sharing schemes, using the services provided by neutral operators such as Cellnex Telecom, will continue to generate significant development expectations in the medium and long-term.”

A recent report by McKinsey, cited by Tobias Martinez, which analyses the distribution of investments by network segment - current network rolled out, new sites, macro sites, small cells, etc. - by 2025, points out that **sharing models can reduce the cost of network roll-out directly associated with the implementation of 5G by 40%.**

Outlook for 2018

Regarding the outlook for financial year 2018, Cellnex's forecasts, confirmed at the end of the first quarter, point to **growth levels of over 10% in EBITDA and Recurring Leveraged Free Cash Flow (RLFCF)**, while maintaining the 10% annual increase of the dividend paid out, based on the policy agreed for the 2016-2019 period:

- Estimated EBITDA for the year: between € 405 and 415 million
- RLFCF growth of around 10%
- A 10% Increase in the dividend for FY 2018 (on account + complementary)

About Cellnex Telecom

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, France, Switzerland, Netherlands 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 indices. It is also part of the FTSE4GOOD and CDP (Carbon Disclosure Project) and “Standard Ethics” sustainability indexes.

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