

General Shareholders' Meeting 2019

Cellnex holds its AGM with an eye on growth in Europe

The Company announced this week an agreement to acquire and deploy c.15,000 sites in France, Italy, and Switzerland – an investment over € 4 billion

Since its IPO in May 2015, Cellnex has committed more than € 8 billion in acquisitions and built-to-suit projects up to 2027

- The Shareholders' Meeting approved the results for **2018**, a financial year marked by **solid organic growth**:
 - **Revenue**: € 901 million (+14%)
 - **EBITDA**: € 591 million (+18%)
 - **Recurring free cash flow**: € 305 million (+10%)
 - **Business diversification**: 65% infrastructure services for mobile telecommunications operators; 26% broadcasting; 9% security networks, IoT and Smart Cities
 - **Geographical diversification**: 48% of revenue and 56% of EBITDA generated outside Spain
 - **Net debt**: € 2,113 billion at the close Q1 2019
 - **Executed investment**: € 667 million.
 - **Cellnex on the stock market**: +5% vs close of 2017.
- **In 2018** the Company closed **new deals in Spain** (XOC) and **France** (Bouygues Telecom) to deploy fibre optics and edge computing, which are key to the roll-out of **5G**. During the **first months of 2019** Cellnex closed **agreements for the integration and roll-out of new sites in France, Italy, and Switzerland** which, once completed, will increase the Company's portfolio of sites in Europe to 45,000.
- The Shareholders' Meeting **approved the re-election of Tobias Martinez as Chief Executive Officer and the ratification of the proprietary directors by Connect**.

Madrid, 9 May 2019. Cellnex Telecom held its General Shareholders Meeting today, during which it approved the Financial Statements, Management Report, and the Non-financial Information for financial year 2018. This AGM is the Company's fourth since its IPO in May 2015. During these past four years, Cellnex's shares have achieved an accumulated revaluation of +107%, compared to -17% of the IBEX 35 index.

In an [interview](#) published in the Company's [Integrated Annual Report](#), which is accessible on the corporate website, Cellnex President Marco Patuano and CEO, Tobias Martinez, underline the highlights of 2018 that were submitted to the Shareholders' Meeting.

Indicators for the year and Q1 2019

During the Meeting, Cellnex's Chairman and CEO presented the main indicators that summarised the financial year 2018. The Company recorded revenues of € 901 million (+14%), EBITDA of € 591 million (+18%) and recurring free

cash flow was € 305 million (+10%), marking an improvement compared to the initial forecasts. 2018 was the first full year in which the Company presented its accounts based on the IFRS16 accounting requirements, which has been mandatory for all companies since January 2019.

In this his first AGM as **Chairman** of Cellnex, **Marco Patuano stressed that** "the capacity of Cellnex's management team is quite remarkable. Year after year, they have consistently shown that it is possible to sustain dynamic growth that has enabled the Company to strengthen and consolidate its position as a European leader and benchmark among telecommunications infrastructures operators while also maintaining organic growth at around 4-5%."

During the AGM the CEO of Cellnex also referred to the development in the first months of 2019 in which the key indicators continued to improve consistently, with growth of +11% in revenue (€ 241 Mn), +11% in EBITDA (€ 159 Mn) and +10% in recurring free cash flow (€ 85 Mn) compared to Q1 2018.

Development of the 5G ecosystem

During 2018 Cellnex continued to work on **developing the infrastructure ecosystem** necessary for the roll-out of 5G.

Here, we would like to underline the **acquisition of Xarxa Oberta de Catalunya (XOC)**, a concessionary company of the Catalan Generalitat (regional government) for the roll-out, operation and maintenance of fibre optic networks. XOC reinforces and extends Cellnex's capabilities and know-how in developing the connectivity of its sites, known as backhauling, through a neutral high-bandwidth network based on fibre optics (**Fibre-to-the-Antenna, or FTTA**). Also, the **agreement with Bouygues Telecom in France** to build 88 **strategic telecommunications centres** over the next five years and to acquire 62 others already deployed with the potential to host **data processing capacity**. Distributed data processing capacity - also known as "edge computing" - is a critical element for achieving performance levels in terms of data volume and latency (application response times) associated with 5G. The agreement reinforces and extends the collaboration with Bouygues Telecom in the wake of the agreements reached in 2016 and 2017 which envisage the acquisition and redeployment of 5,250 sites in France up to 2024.

Corporate Governance and CSR

In terms of corporate governance, the AGM approved the **re-election of Tobias Martinez as CEO** for the next three years and the **ratification of [Marco Patuano](#), [Carlo Bertazzo](#), [Elisabetta de Bernardi di Valserra](#) and [John Benedict McArthy](#) as proprietary directors representing Connect**.

Cellnex's Board thus now comprises **12 directors: 4 proprietary directors** - with a proportional representation out of the total of non-executive directors -, **1 executive director and 7 independent directors**. These latter represent practically 60% of the Board, thereby exceeding the threshold established in the Good Governance recommendations for Listed Companies.

The Company also continues to make progress in gender diversity in its highest corporate governance body with a total of **4 female directors**, equivalent to 33% of the Board. Likewise, and also within the framework of the good Corporate Governance rules, in 2018 Cellnex splitted the roles of CEO (executive) and Chairman (non-executive).

As part of the agreements adopted by the AGM, 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**.

During the AGM, **Marco Patuano** referred to the level of concrete progress of the Company's **Corporate Responsibility Master Plan 2016-2020**, underlining that "90% of the lines of action structuring the Plan are already under way (vs. 82% in 2017) and 70% of the planned actions have been achieved (vs. 52% the previous year)."

Cellnex tackles the next phase of growth in Europe following the capital increase

During the AGM, **Tobias Martinez** thanked investors and shareholders for supporting Cellnex's growth project, particularly the Company's recent capital increase of € 1.2 billion. 98.8% of the holders of preemptive rights supported the increase and demand by investors was more than sixteen times the supply of new shares.

The CEO of Cellnex stated: "Having committed over € 4 billion to growth in the last four years since our IPO, our aim is to continue to take advantage of the options for growth in the European telecommunications infrastructures market. We are therefore attentive and active in the process of identifying and analysing any opportunities that may continue to present themselves. Our industrial vision remains the fundamental axis of our growth strategy. Here, the vectors that mark our future in the medium term are the cooperation and long-term relationship with our customers; the inorganic growth that allows us to consolidate our position in Europe; together with our commitment to developing the infrastructure ecosystem associated with 5G - including fibre-to-the-antenna, indoor coverage systems, edge computing and small cells."

In the first few months of 2019, Cellnex has concluded various **organic and inorganic growth agreements** which, once signed, will lead it to **increase its portfolio of assets in Europe by more than 15,000**.

The European-wide agreement, which was announced this week, with Iliad - in **France and Italy** - and with Salt in **Switzerland**, 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 contribute an extra **€ 510 million to overall EBITDA** once the roll-out is completed.

Outlook for 2019

As regards the outlook for financial year 2019, Cellnex's forecasts point to growth in the various key indicators (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 € 640 and 655 million**
- **Growth** of the **RLFCF** around **10%**
- **10% increase** in the **dividend** for **2019**

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 IBEX 35 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.

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