

Results January-June 2019

Cellnex ends first half with 11% growth in revenue and EBITDA

**The Board appoints Franco Bernabè as a non-executive Chairman
Tobias Martinez remains in his role as CEO**

- **Key indicators show strong organic growth and geographic expansion:**
 - **Revenue of € 489 million** (vs. €439 million); **EBITDA of € 321.3 million** (vs. 290.5 million); and **recurring free cash flow of € 173 million** (vs. €158 million).
 - **Points of presence (PoPs) grew 11%** as a result of new acquisitions (5% like-for-like). **Customer ratio per site** increased by **3.3%** like-for-like.
 - **Roll-out of new DAS** (distributed antenna systems) **nodes and small cells** grew by **c.20%**
 - **Backlog** of contracted future sales, including the transactions pending conclusion in Italy, France, Switzerland and UK stands at **€ 36 billion**.
- **Significant inorganic growth in the quarter** with the **agreements** reached **with Iliad in France and Italy, Salt in Switzerland and BT in the UK**, which will **increase the number of sites managed by Cellnex by 15,000**.
- **Net debt of € 2.298 billion** as of 30 June, of which **79%** is fixed rate. The **average cost of debt** (drawn down) is **2.1%** with an **average term of 5 years**. In July 2019 Cellnex has **available liquidity** (cash and banks plus available credit lines) of **€ 5.500 billion**.

Barcelona, 26 July 2019. Cellnex Telecom Europe's leading operator of wireless telecommunication infrastructure, announces its results for the first half of 2019. Revenue totalled € 489 million (+11%) and EBITDA was € 321.3million (11%). This resulted in net profit at balance (0 million euros) compared to the € 31 million loss in the first half of 2018 (see footnote Annex 1).

"Given the growth in our operations, which involved new investments totalling over € 4 billion in asset purchases and roll-outs until 2027, the positive progression of the like-for-like business growth indicators is encouraging. We are pleased with the robustness of the balance sheet and the liquidity held by the company" stated **Tobias Martinez, CEO**.

"In the first seven months of this year, we have increased liquidity by around € 4 billion, including €1.2 billion from the capital increase last March, to reach € 5.5 billion. We have therefore bolstered our own resources ensuring better conditions in terms of debt life and average cost; and, perhaps most importantly, access to the resources needed to meet the commitments undertaken, while maintaining the flexibility to continue taking advantage of opportunities that the market can offer us."

Franco Bernabè, the new Chairman of Cellnex, expressed satisfaction with the results reported by the company at the end of the first half. "I have carefully followed the company's development since its IPO in 2015 and it seems to me an exemplary case of the transformation of a business model, of building a business project on a truly European scale, and of capability and excellence by the executive team in putting all of this in place. I am convinced that Cellnex

has the necessary capabilities and resources to continue to play a leading role in the process of consolidating the sector in Europe and especially in the six countries in which we are already present.”

Business lines. Main indicators for the period

Infrastructure services for mobile telecommunications operators contributed **66%** of total income, to the tune of €325 million, representing an increase of 14% with regard to June 2018.

Activity in **broadcasting infrastructures** contributed **24% of income**, at € 117 million.

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 € 47 million.

As of 30 June, **49% of revenue and 58% of EBITDA were generated outside the Spanish market**. Italy is the second largest market, accounting for 27% of revenues.

As of 30 June 2019, Cellnex had a total of **24,078 operative sites** (8,664 in Spain, 8,330 in Italy, 3,192 in France, 804 in the Netherlands, 608 in the United Kingdom and 2,480 in Switzerland), with a **further 1,719 nodes (DAS and Small Cells)**.

It is noteworthy that the number of **DAS and Small Cells** sites grew **+c.20% in comparison to the first half of 2018**.

Like-for-like **organic growth of points of presence** in sites was up **5%** year on year, while the **customer ratio per site** (excluding changes to the perimeter) was up by **3.3%**.

Total investments executed in the first six months of 2019 amounted to **€ 417 million**, mostly for investments linked to generating new revenue streams, particularly the incorporation of new assets in Switzerland and the UK and continuity in the integration and roll-out of new sites in France, as well as improvements in efficiency, and maintenance of installed capacity.

Integration and roll-out of new assets in Europe

In this period Cellnex has reached a number of **growth agreements** which, once concluded, will **increase its portfolio of assets by about 15,000** in the European countries in which the company is present.

In May the company announced a **Europe-wide agreement with Iliad - in France and Italy - and with Salt in Switzerland** which will result in an increase of **10,700 sites** (5,700 in France, 2,200 in Italy and 2,800 in Switzerland) in the current portfolio, with an investment for Cellnex of € 2.7 billion. In addition to these agreements, which are expected to be concluded in the second half of the year, **is the roll-out of 4,000 new sites up to 2027** (2,500 in France and 1,000 in Italy for Iliad, and 500 for Salt in Switzerland) with an overall planned investment of € 1.35 billion.

In June Cellnex and **BT** announced that they had signed a long-term strategic collaboration agreement through which Cellnex acquired the operation and marketing rights of **220 tall telecoms towers** in the **UK**. The agreement, worth 100 million GBP (approximately 113 million EUR), increases the number of sites that Cellnex will manage in the United Kingdom by almost 40%.

The **overall investment of these projects**, to be rolled out up to 2027, is in excess of **€ 4 billion**. In terms of **additional EBITDA**, once all the roll-outs have been completed, the annual contribution could stand at **€ 510 million**.

Debt structure

Cellnex closed the first half of 2019 with a **stable long-term debt structure**, with an **average life of 5 years**, an **average cost of approximately 2.1%** (debt drawn down), and **79% at a fixed rate**.

The Group's net debt as of June 30 was **€ 2.298 billion** compared to € 3.166 billion at the close of 2018.

Likewise, at July, **Cellnex had access to immediate liquidity** (cash & debt not drawn down) **to the value of approximately € 5.500 billion**.

On 25 June, Cellnex placed € 850 million in convertible bonds with maturity in 2028 that will earn a fixed interest rate of 0.50% per year. It is also worth mentioning the extension of the available credit lines of a total of € 2.600 billion (including 1.260 billion issued in Swiss francs).

Cellnex Telecom's bond issues maintain their "investment grade" rating from Fitch (BBB- with a negative watch), confirmed by this agency last May. For its part, S&P maintains the BB+ rating with stable outlook confirmed by the agency last June.

Corporate governance

The Board of Directors agreed to appoint **Franco Bernabè as the new non-executive Chairman** of the company. **Tobias Martinez remains in his role as CEO**.

Cellnex's Board of Directors comprises **12 directors**, seven of whom are **independent** - approximately **60% of the Board**. It also has **four directors**, making up **33% of the Board**, thus complying with the CNMV's recommendations on Good Corporate Governance for 2020.

In terms of the proportion of independents, gender diversity and the separation of the executive and non-executive functions, Cellnex adheres to **best practice in Corporate Governance**.

About Cellnex Telecom

Cellnex Telecom is Europe's leading operator of wireless telecommunications and broadcasting 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, Wellington Management Group and Canada Pension Plan, holding smaller stakes.

Appendix 1. Income statement and balance sheet

H1 2019 figures audited

€ Mn	H1 2018 (IFRS16)	H1 2019 (IFRS16)
Broadcasting Infrastructure	116	117
Telecom Infrastructure Services	284	325
Other Network Services	38	47
Operating Income	439	489
Operating Expenses	-148	-168
EBITDA*	291	321
Non-Recurring Expenses	-64	-15
Depreciation & Amortization	-196	-217
Operating Profit	30	89
Net Financial Profit	-76	-110
Income Tax	13	19
Attributable to Non-Controlling Interests	1	0
Net Profit	-31	0

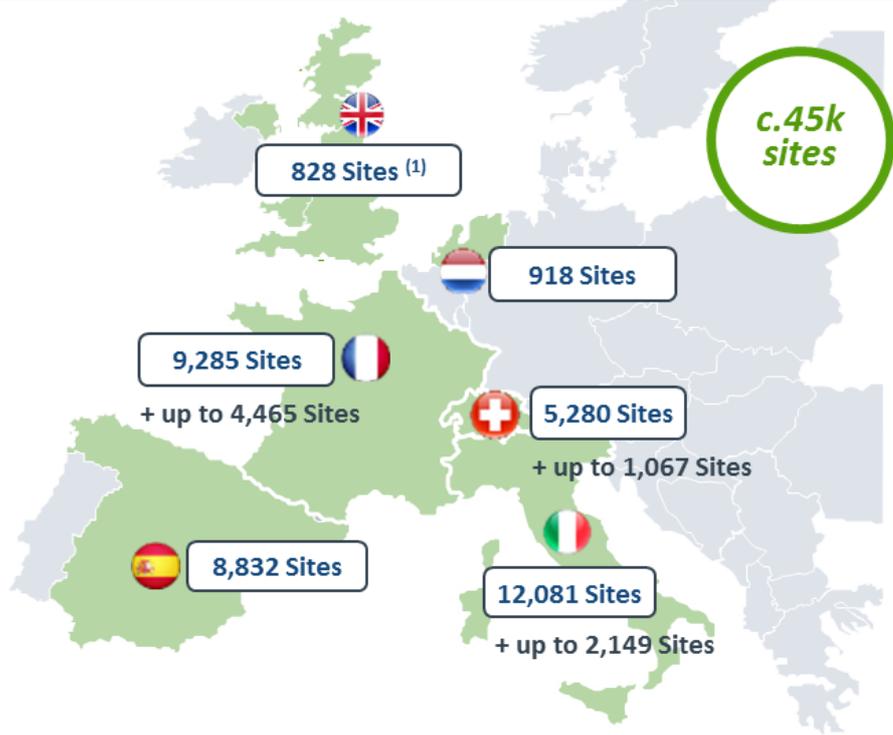
The Net Profit of Q1 2019 mainly includes two non-recurring effects in the items "Net Financial Profit" and "Income Tax" corresponding to: (i) the revaluation of the "Put Option" that Deutsche Telekom Capital Partners holds in relation to its 18% stake on Cellnex Switzerland and; (ii) the updating of the tax rate in certain subsidiaries, which has resulted in a positive impact due to the effect of the Group's deferred taxes.

*Adjusted EBITDA: relates to the "Operating profit" before "Depreciation and amortisation charge" after adding back (i) certain non-recurring items (such as cost related to acquisitions, contract renegotiation and redundancy provision) or (ii) certain non cash items (such as advances to customers, prepaid expenses).

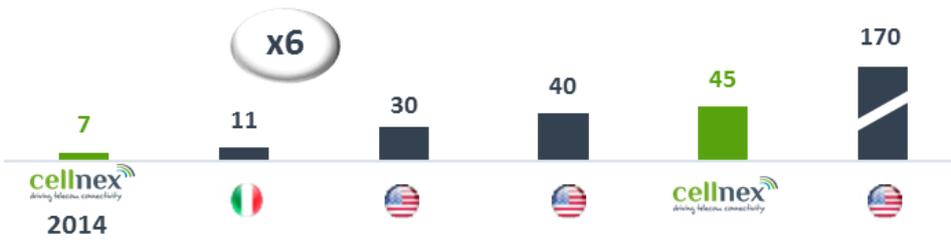
H1 2019 figures audited

€ Mn	FY 2018 (IFRS16)	H1 2019 (IFRS16)
Property, Plant and Equipment	1.904	2.041
Goodwill and Other Intangible Assets	1.904	1.998
Right-of-use-assets	574	645
Financial Investments & Other Fin. Assets	98	100
Non-Current Assets	4.479	4.783
Inventories	4	4
Trade and Other Receivables	194	260
Cash and Cash Equivalentes	456	1.702
Current Assets	654	1.966
Total Assets	5.133	6.749
Shareholders' Equity	615	1.804
Borrowings	2.993	3.327
Lease liabilities	424	441
Provisions and Other Liabilities	591	508
Non-Current Liabilities	4.008	4.277
Current Liabilities	510	667
Total Equity and Liabilities	5.133	6.749
Net debt	3.166	2.298

Significant expansion of European footprint



Cellnex vs. Peers (thousands of sites)



(1) Including the marketing rights of 220BT towers (2) Including 114 sites from the new portfolio

Appendix 2. Significant events during financial year 2019

January

- On 3 January, **Deutsche Telekom** renewed its certification for **Cellnex** as a "**Zero Outage Supplier**" for its quality standards in end-to-end management of the connectivity service for data transmission.
- On 8 January, Cellnex placed **€ 200 million in convertible bonds**, as an extension of the convertible bonds amounting to € 600 million issued in January 2018. In both cases, the maturity date falls on 16 January 2026. The New Bonds will earn a fixed interest rate of 1.50% per annum. The shares underlying the New Bonds are equivalent to c.2.3% of Cellnex's capital prior to the issue.
- On 10 January, the **Basque government** awarded **Cellnex** a project to provide technology and **IoT connectivity 114 public social rental housing units** located in Vitoria-Gasteiz.

February

- On 25 February Cellnex presented the **ecosystem of infrastructures necessary for the effective roll-out of 5G at MWC19**: Densifying the network using Distributed Antenna Systems (DAS) and Small Cells, the "backhaul" of optical fibre towers and antennas, and "Edge Computing".
- On 25 February, Cellnex, SITEP, Grupo MASMOVIL and 5G Barcelona presented a **firefighting drone using 5G technology** that will reduce response times, enable remote monitoring of the situation and optimise resources to extinguish the fire.
- On 27 February Cellnex, Intel and NearbyComputing presented "**Adaptive Edge**", the technology that assigns network resources and computing in real time to situations of high data demand. Thanks to this technology, operators will be able, in advance and in real time, to adapt their need for network resources, free up bandwidth and improve the user experience.
- On 28 February, Cellnex announced a **capital increase of € 1.2 billion** - with pre-emptive rights for current shareholders and a subscription price of € 17.89 for each new share -, to increase the equity allocated to finance the expansion of the telecommunications infrastructure portfolio it manages in Europe.

March

- On 19 March **Cellnex Switzerland and Swiss Fibre Net (SFN)** signed an **agreement** to work together to develop mobile communications in Switzerland using **optical fibre** connectivity to antennas and small cells, which are key elements for rolling out 5G.

- On 22 March, Cellnex announced the **close of the capital increase of € 1.2 billion**. 98.8% of the holders of pre-emptive rights took part in the increase. Demand was 16 times the total of 66.9 million new shares involved in the increase. The new shares began trading on the continuous market on 27 March.
- On 29 March Cellnex unveiled the **Mobility Lab project**, developed by the company at the facilities of **Circuit Parcmotor Castellolí de Barcelona**, which makes it one of the first connected circuits in Europe and a pioneering and innovative testing space for the development of ITS associated to 5G technological solutions, sustainable mobility and the autonomous vehicle

April

- On 3 April, Cellnex joined the **Diversity Charter initiative in Spain**. The company's move to join this initiative reinforces its **commitment** to a socially respectful working environment favouring **equality, diversity and non-discrimination**.
- On 24 and 25 April Cellnex presented the **infrastructure ecosystem** necessary to roll out **5G** at the **5G Forum in Malaga**, which particularly includes DAS systems, optical fibre and Edge Computing. The company also presented the usage cases linked to 5G on which it is working, particularly those linked to connected, autonomous and sustainable mobility and to the prevention and management of emergencies.

May

- On 7 May the company announced a **Europe-wide agreement with Iliad - in France and Italy - and with Salt in Switzerland** which will result in an increase of 10,700 sites (5,700 in France, 2,200 in Italy and 2,800 in Switzerland) in the current portfolio, with an investment for Cellnex of € 2.7 billion. In addition to this agreement, which is expected to be concluded in the second half of the year, is the roll-out of 4,000 new sites up to 2027 (2,500 in France and 1,000 in Italy for Iliad, and 500 for Salt in Switzerland) with an overall planned investment of € 1.35 billion.
- On 9 May the GSM approved the **re-election of Tobias Martinez as CEO** for the next three years and the ratification of the four proprietary directors representing ConneCT, the company's largest shareholder with 29.9% of the capital.
- On 13 May, Cellnex and the Third Social Sector Board of Catalonia extended **the scope of the project** that began at the end of 2017 to **install sensors in social housing** to 50 homes to continue moving forward in the application of connectivity and technologies linked to the Internet of Things (IoT) in this type of homes, aimed particularly at groups at risk of social exclusion.
- On 28 May, Cellnex activated the mobile network of the **Hadid Tower in Milan**, which it equipped with a **multi-operator Distributed Antenna System (DAS)** to provide connectivity for the 42 upper floors and three underground levels of this emblematic skyscraper, even in the elevators (which reach speeds of 7 metres per second).
- On 29 May, **Cellnex Telecom shares (CLNX SM) were admitted** to the **MSCI Europe index**.

June

- On 4 June, Cellnex and BT announced that they had signed a long-term strategic collaboration agreement through which Cellnex acquired the **operation and marketing rights of 220 tall telecoms towers** in the UK. The agreement, worth 100 million pounds, increases the number of sites that Cellnex will manage in the United Kingdom by almost 40%.
- On 25 June, Cellnex closes the **placement of € 850 million in convertible bonds** maturing in 2028. The Bonds will earn a fixed interest rate of 0.50% per annum. The shares underlying the bonds initially amount to 5.0% of the Cellnex's capital

July

- On 2 July the **ICO** granted Cellnex Telecom a **€ 100 million loan**. The loan will be used to finance the group's internationalisation drive.
- On 3 July the Cruïlla became the **first 5G European musical festival** thanks to Mobile World Capital Barcelona, Cellnex, ACCIONA, MASMOVIL and Qwilt, within the framework of the 5G Barcelona initiative. Those attending the tenth edition of the festival could experience what it feels like to enjoy live a concert from the stage, alongside their favourite artists, through an immersive 360º virtual reality experience using 5G technology.
- On 18 July **Securitas Direct renewed and extended its IoT service contract with Cellnex** for a period of 15 years. Securitas Direct plans to gradually increase the type and number of devices connected to the Cellnex IoT network based on Sigfox technology. With Sigfox, Cellnex will up the capacity of its IoT network in Spain and extend its coverage to Portugal.