



January – March 2016 Results

22nd April 2016

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Q1 2016 Business Performance

Jose Manuel Aisa – CFO and M&A Director

**Solid performance
bolstering cash flow
visibility**

**Recurring levered free
cash flow beyond
market expectations**

**Unrivalled position to
capture future organic
growth opportunities**

**Poised to play a central
role in the European
tower landscape**

**Removal of all
uncertainties around
broadcasting business**

**Cellnex joined the list of
corporate bonds eligible
for ECB purchase
program**

Q1 2016 Business Performance

Key Operating Highlights

*Solid results underpinned by a strong performance
in all growth activities*

Telecom Site Rental (TSR)

- ✓ **Strong performance driven by organic growth** and change of perimeter (+1% new PoPs in the period)
- ✓ **New contracts in Small Cells** (Orange project) and **DAS projects** in tunnels
Analysis of new DAS projects in shopping centers and car parks
- ✓ **Tower rationalization projects under final discussions**
- ✓ **Continued analysis of fiber optic backhauling projects**
- ✓ **Conversations with MNOs on coverage extensions**
New framework agreements signed with MNOs

Broadcast Infrastructure

- ✓ **All uncertainties removed** providing a stable revenues platform going forward
- ✓ **National MUXs tender process successfully completed**
- ✓ **All 6 new TV channels already broadcasting**

Network Services & Others (NSO)

- ✓ **Extension of IoT network in Spain** (166 additional sites)
- ✓ **High activity in the connectivity market**
- ✓ **Several PPDR projects won**
Transport and utilities applications, emergency networks extensions. New projects under analysis
- ✓ **Bids for Smart City projects in Spain submitted**

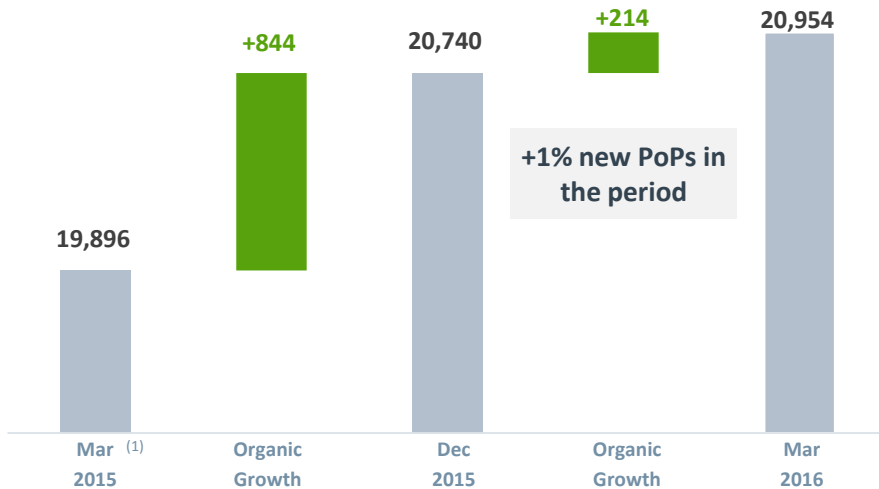
Additional value creation levers

- ✓ **Progress on the implementation of the efficiency plan**
Landlords approached with contract renegotiation proposals
Cash advances already in place

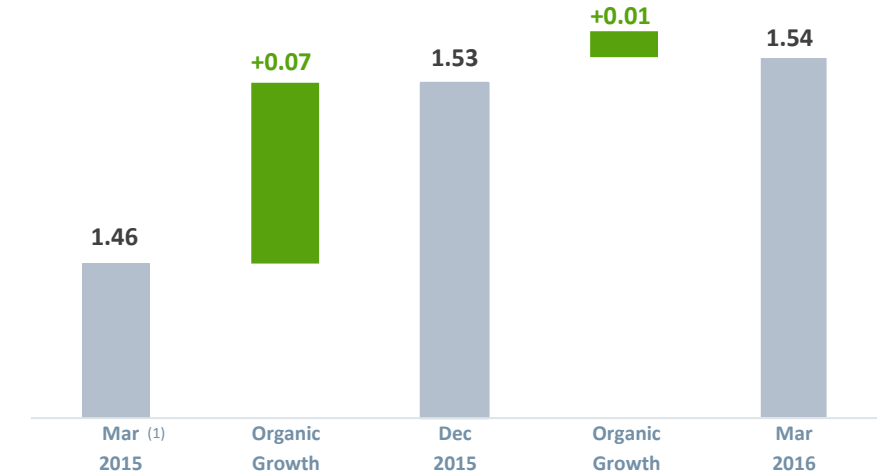
Q1 2016 Business Performance

Main KPIs

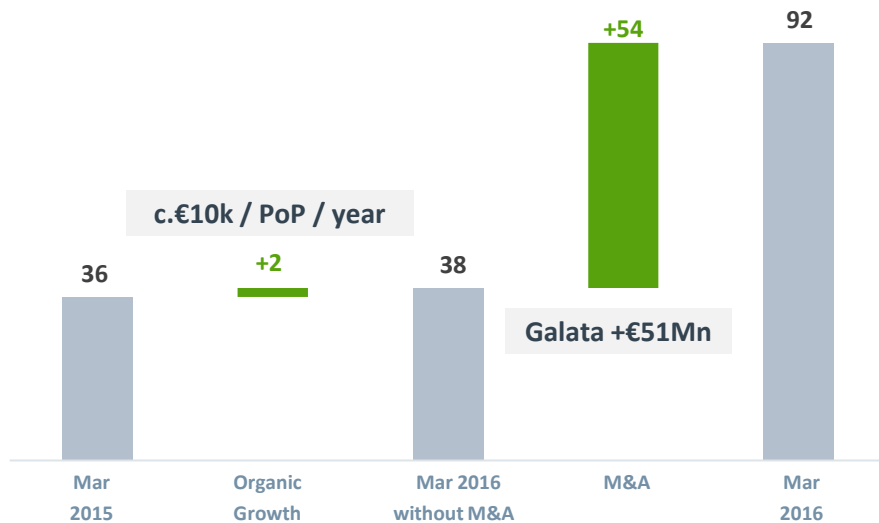
PoPs



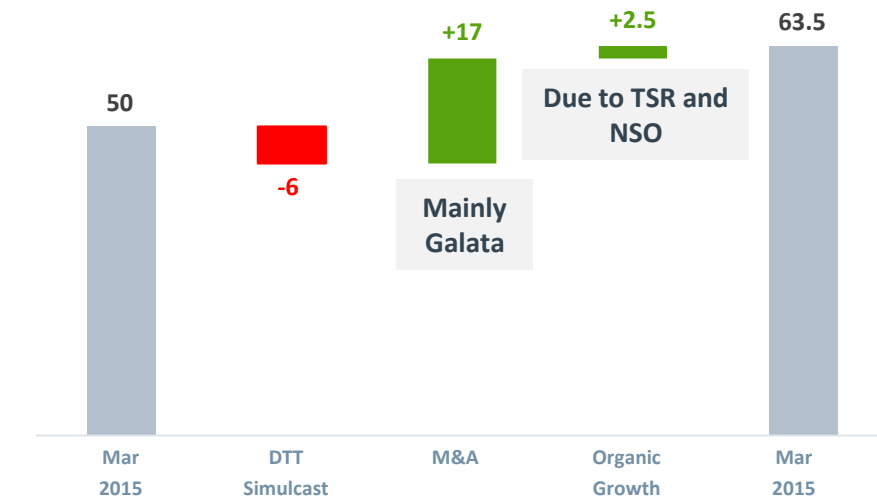
Tenancy Ratio



Telecom Site Rental Revenues (€Mn)



Adjusted EBITDA (€Mn)



⁽¹⁾ Includes 8,616 Galata POPs and 600 Tesla II POPs

Q1 2016 Business Performance

Recurring Levered Free Cash Flow (RLFCF)

RLFCF on track to meet at least market expectations

Figures in €Mn	Mar 2015	Mar 2016
Telecom Site Rental (TSR)	36	92
Broadcast Infrastructure (NSO)	61	52
Network Services & Others	20	22
Revenues	117	165
Staff Costs	-20	-24
Repairs and Maintenance	-6	-6
Rental Costs	-18	-40
Utilities	-7	-16
General and Other Services	-15	-17
Operating Costs	-67	-102
Adjusted EBITDA	50	63.5
Maintenance Capex	-1	-2
Change in Working Capital	10	5
Interest Paid	-1	-1
Tax Paid	0	0
RLFCF	58	66
Non-M&A Expansion Capex	-7	-9
⁽¹⁾ Non-Recurring Expenses	-10	-3

- ✓ **Telecom Site Rental up** due to **organic growth** and **acquisitions**
- ✓ **Broadcast revenues** impacted by one-off **simulcast** in 2015
- ✓ **Increase in Network Services & Others** mainly due to higher activity in connectivity
- ✓ **Like for like OPEX flat** when compared to **March 2015**. Increase mainly due to Galata (-€34Mn)
- ✓ **Strong Adjusted EBITDA growth (+26% increase)**
- ✓ Proactive management of **working capital**
- ✓ **Interest payments well contained** (payments associated with current capital structure due later in the year)
- ✓ **Taxes** reflect the positive impact of **management measures**
- ✓ **Non-M&A Expansion Capex** mainly associated with cash advances (€6Mn) in the context of the efficiency plan

⁽¹⁾ M&A expenses €2Mn (Inwit) and non-cash effect of prepaid energy expenses in Galata €1Mn

Q1 2016 Business Performance

Balance Sheet and Consolidated Income Statement

Balance Sheet (€Mn)	Dec 2015	Mar 2016
Non Current Assets	1,808	1,773
Fixed Assets	1,519	1,483
Goodwill	216	216
Other Financial Assets	73	74
Current Assets	219	226
Debtors and Other Current Assets	168	174
Cash and Cash Equivalents	51	52
Total Assets	2,027	1,999
Net Equity	538	549
Non Current Liabilities	1,290	1,258
Bond Issues	593	593
Borrowings	377	347
Deferred Tax Liabilities	184	180
Other Creditors & Provisions	136	138
Current Liabilities	199	192
Total Liabilities	2,027	1,999
⁽¹⁾ Net Debt	927	901
Annualized Net Debt / Annualized Adjusted EBITDA	3.7x	3.6x

Net debt decreases to 3.6x annualized EBITDA

Cellnex has joined the list of corporate bonds eligible for the European Central Bank purchase program

Detail of debt as of 31st March 2016 (current and non-current tranches)

- ✓ Bond: €605Mn
- ✓ Syndicated debt: €200Mn
- ✓ Revolving credit facility: €148Mn (limit of €300Mn)

Net debt includes payment of €22Mn to Telefonica in the context of Volta Extended Phase II

⁽¹⁾ PROFIT grants and loans excluded

Income Statement (€Mn)	Mar 2015	Mar 2016
Revenues	117	165
Operating Costs	-67	-102
Non-recurring items	-10	-3
Depreciation & amortisation	-25	-41
Operating profit	15	19
Net Interest	-3	-7
Corporate Income Tax	-3	-1
⁽²⁾ Non-Controlling Interests	0	0
Net Profit Attributable	8	11

- ✓ D&A includes amortization of Galata (3 months in 2016)
- ✓ Net interest = €6Mn non-cash interest on borrowings (bond) + €1Mn cash interest

⁽²⁾ Non controlling interests in Galata (10%) and Adesal (40%)

*Recurring Levered Free Cash Flow in line with market expectations
Expected to increase more than 10% vs. 2015*

Revenues	88% revenues already contracted
Adjusted EBITDA	High teens growth despite revenues from new TV channels to start in April
Maintenance Capex	c.3% on total revenues
Working Capital	Tending to neutral
Interests Paid	As per current debt structure
Cash Tax	In line with 2015 despite higher expected net income
Expansion Capex	IPO guidance valid (5%-10% on total revenues)
Net Debt	Expected to decrease to c.3x by year end (if no M&A)

Why Cellnex?

Solid fundamentals and cash flow visibility with unrivalled position to capture future organic growth opportunities

Cash flows visibility

Strong de-leveraging

Neutrality

Long-term partnership with our clients

Operating leverage driving margin expansion

New revenue streams optionality

Cash Flow

Optimum capital structure and investment discipline to consolidate the European tower market

Flexible Balance Sheet

Strict investment criteria

Efficient tax structure

Low cost of debt and low interests environment

First mover advantage



Key role in the European tower landscape

Optionality

Cash Flow + Optionality + Attractive Valuation = cellnex

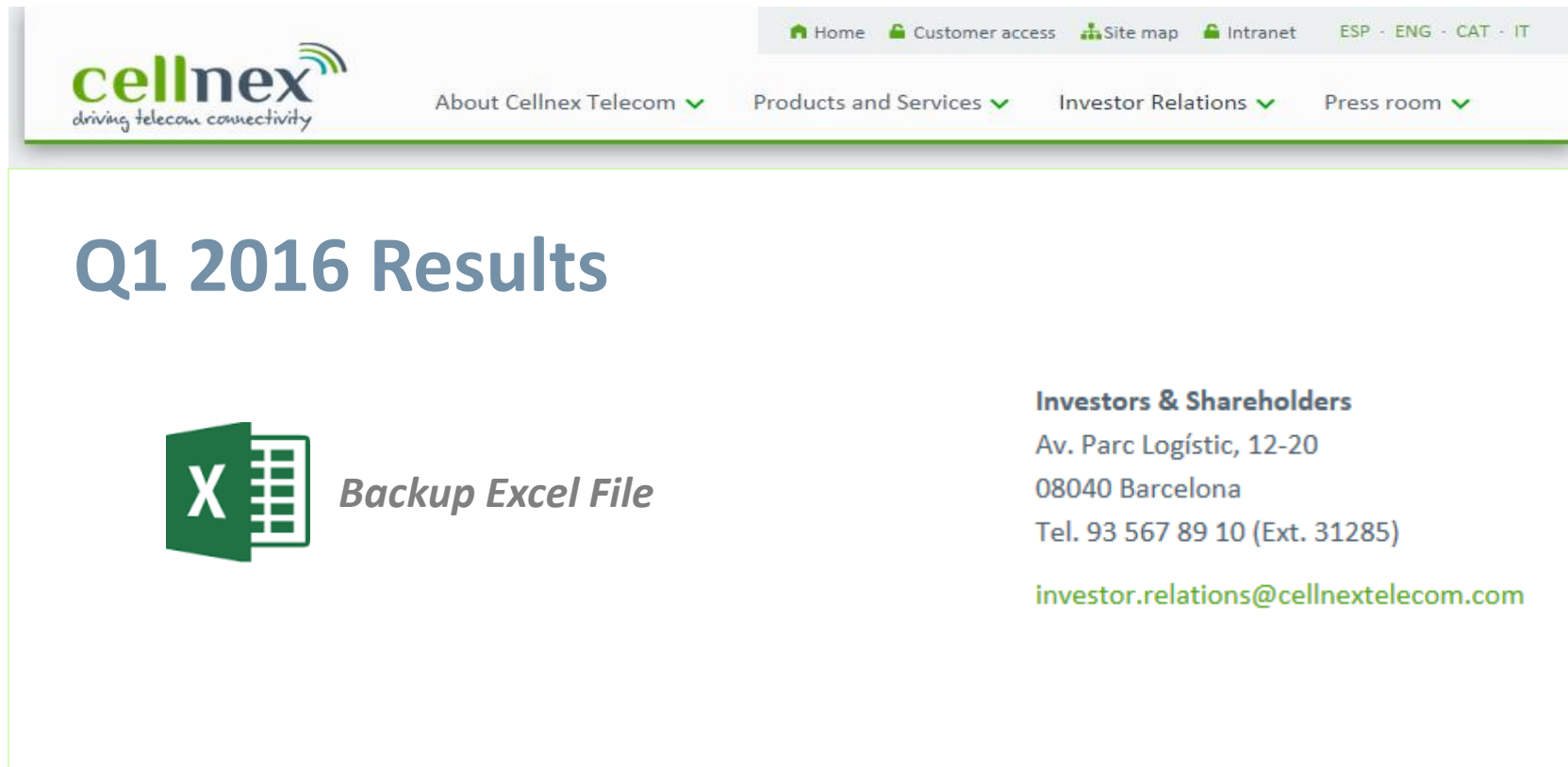
Appendix

Geographical Breakdown

Figures in €Mn				
	Mar 2015	Mar 2016	Mar 2016	Mar 2016
Telecom Site Rental (TSR)	36	34	58	92
Broadcast Infrastructure (NSO)	61	52	0	52
Network Services & Others	20	22	0	22
Revenues	117	107	58	165
Staff Costs	-20	-22	-2	-24
Repairs and Maintenance	-6	-5	-1	-6
Rental Costs	-18	-17	-23	-40
Utilities	-7	-7	-9	-16
General and Other Services	-15	-15	-1	-17
Operating Costs	-67	-66	-36	-102
Adjusted EBITDA	50	41	22	63.5
Maintenance Capex	-1	-1	-1	-2
Change in working capital	10	4	1	5
Interest Paid	-1	-1	0	-1
Tax Paid	0	0	0	0
RLFCF	58	44	22	66
Non-M&A Expansion Capex	-7	-4	-6	-9

Term	Definition
Advances to customers	The amounts paid for sites to be dismantled and the estimated future decommissioning costs relate to deferred commercial costs for the purpose of entering into an agreement with the relevant MNO that will generate future economic benefit in our pre-existing infrastructure. These amounts are therefore considered as a deferred commercial cost on account of future income from our customers. The term used to describe these deferred costs on our consolidated balance sheet is “advances to customers”
Adjusted EBITDA	Profit from operations before D&A and after adding back noncash items (such as advances to customers) and non-recurring items
Anchor tenant	Anchor tenants are telecom operators from which the Company has acquired assets
Built-to-Suit	Process of building up sites on behalf of one or more telecom operators who will then use those sites under site rental agreements
Digital Dividend	Release by the Spanish government of 800 MHz band of frequencies previously used by DTT for mobile use to the benefit of 4G/LTE service provider as a result of the reallocation of spectrum, which was completed on March 31, 2015 and which reduced the number of MUXs from eight to seven at a national level
DTT	Digital terrestrial television
Galata	Stock purchase agreement between Cellnex and Wind for the acquisition of 90% of the capital stock of Wind’s wholly owned subsidiary Galata for a cash consideration of €693Mn
Maintenance Capex	Capex in relation to maintenance 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
MUX	Multiplex, a system of transmitting several messages or signals simultaneously on the same circuit or channel
Non-M&A Expansion Capex	Expansions to the network of tower infrastructure for site rental, equipment for radio broadcasting, the broadcasting of network services and other, and the radio communications network in pre-existing projects that generate additional income
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
Tenancy Ratio	Average number of PoPs per site, taking into account changes in the consolidation perimeter

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The screenshot shows the top navigation bar of the Cellnex website with the logo on the left and links for Home, Customer access, Site map, Intranet, and language options (ESP, ENG, CAT, IT). Below this is a secondary menu with links for About Cellnex Telecom, Products and Services, Investor Relations, and Press room. The main content area features a large heading for 'Q1 2016 Results' and a green icon of an Excel spreadsheet with the text 'Backup Excel File'. To the right, contact information for Investors & Shareholders is provided, including the address, phone number, and email address.

cellnex
driving telecom connectivity

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Q1 2016 Results

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