

## **Arqiva reaches agreement to sell its Telecoms division to Cellnex for £2.0bn**

- Transaction includes c.7,400 sites and the right to market c.900 sites spread across the UK
- Arqiva's Telecoms division supports UK MNOs in delivering and extending nationwide mobile coverage, as well as the rollout out of 5G technology and small-cells
- Majority of sale proceeds to be used for debt reduction, strengthening Arqiva's capital structure and further securing the long-term sustainability of Arqiva's broadcast infrastructure business
- Remaining Arqiva broadcast and distribution business will continue to play a key role in underpinning UK digital TV and radio services investment

**UK, London, 08 October 2019:** Arqiva Group Limited (Arqiva), the leading UK communications infrastructure company, today announces that it has reached an agreement with Cellnex for the sale of its telecoms infrastructure and related assets at an enterprise value of £2.0bn.

The transaction comprises c.7,400 of Arqiva's cellular sites, including masts and towers as well as urban rooftop sites, and the right to market a further c.900 sites across the UK.

Cellnex is a significant pan-European tower operator with sites in the UK, Ireland, Spain, Italy, France, Switzerland and the Netherlands. The acquisition continues Cellnex's investment in the UK and follows their previously announced long-term strategic agreement with BT in June 2019, whereby Cellnex obtained the rights to operate and market 220 high towers located throughout the UK.

The Arqiva telecoms division serves all four UK mobile network operators individually, as well as holding contracts with the two joint ventures they operate between them (Cornerstone (CTIL) and MBNL). Arqiva's towers operate on a neutral host basis.

Arqiva's remaining broadcast infrastructure business sits at the heart of digital broadcasting in the UK. It leads in the provision of end to end network solutions for TV and radio customers, international content owners and data network providers, with around 1,500 broadcast transmission sites in the UK and five award-winning teleports. It also retains its interests in machine-to-machine data services which provide highly secure smart meter networks for the utilities sector.

The majority of the sale proceeds will be used to pay down debt in Arqiva's capital structure, securing the long-term sustainability and financial security of the UK's broadcast infrastructure.

**Simon Beresford-Wylie, CEO of Arqiva, said:** *"This agreement provides both stability and a focus for our future as we concentrate on the provision of broadcast infrastructure, end-to-end networks and connectivity solutions for our TV and radio customers, international content owners, data network providers and utilities."*

*"The majority of proceeds from the sale will be used to reduce debt, thereby providing a solid financial base for Arqiva and its shareholders to invest in the future of the UK's terrestrial TV and radio platforms as well as its data networks and capability."*

*"The deal will see a number of colleagues transfer to Cellnex, which I am confident will be an excellent owner for the business. I am sure that it will continue to go from strength to strength under their stewardship."*

**Tobias Martinez, CEO of Cellnex, said:** *"The Arqiva Telecoms division acquisition is a key milestone for Cellnex. Its strong UK asset-base, revenues and financial profile, combined with its long history at the heart of UK digital infrastructure, make it a perfect addition to our operations. This deal will not only add c.8,300 telecom sites to our portfolio but an experienced team that will further strengthen Cellnex's demonstrated ability to meet its customers requirement."*

*"I look forward to working with the Arqiva Telecoms division team, in order to continue to run the business successfully, assuming new challenges together within the Cellnex project."*

*"The UK has always been a core component of our inorganic expansion plans. This agreement further demonstrates our commitment and confidence in the UK market as we look ahead to further opportunities."*

*"It provides a significant opportunity for the development of a mobile network fit to match the country's ambitions. We are ideally placed to bring our operational expertise and innovative approach to bear in a context where the Government and regulators are looking to encourage greater connectivity for all citizens and businesses through network development."*

The transaction has been approved by the boards of Arqiva and Cellnex and is expected to close during H2 2020, subject to clearance from the regulatory authorities.

Lazard is acting as sole financial advisor to Arqiva in connection with the transaction.

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### **About Arqiva:**

Arqiva is a leading UK communications infrastructure and media services provider dedicated to connecting people and devices wherever they are through the delivery of TV, radio, mobile and machine-to-machine data services. We are an independent provider of telecom towers, with circa 8,000 active sites across Great Britain, and are also the only supplier of national terrestrial television and radio broadcasting services in the UK. Our advanced networks support the exponential growth of connected devices and the ever-increasing demand for data from smartphones to tablets through to connected TVs and smart meters.

Customers include major UK and international broadcasters such as the BBC, ITV, Sky Plc., Turner Broadcasting, the independent radio groups, major telco providers – including the UK's four mobile network operators – and energy and water companies.

For more information, news and insights from Arqiva, please visit the website at: [www.arqiva.com](http://www.arqiva.com)

### **About Cellnex**

Cellnex Telecom is Europe's leading operator of wireless telecommunications and broadcasting infrastructures with a portfolio of 53,000 sites including forecast roll-outs up to 2027. Cellnex operates in Spain, Italy, Netherlands, France, Switzerland, Ireland, and the United Kingdom.

Cellnex's business is structured in four major areas: telecommunication infrastructures 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 and of the MSCI Europe index. 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.

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### **Lazard (Sole Financial Advisor to Arqiva)**

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