cellnex
driving telecom connectivity

press release

Results January-September 2018 (IFRS16)

Cellnex reports Q3 revenue increase of 15% and EBITDA increase of 19%

Solid organic growth.
The company remains open to opportunities in Europe.

- **The company's key indicators are growing consistently compared to the first nine months of 2017:**
  - **Points of presence (PoPs) are up 12%** with the extension of our geographic perimeter (4.5% like-for-like). The **customer ratio per site** increased **+3%** like-for-like.
  - **The roll-out of new DAS** (distributed antenna systems) **and Small Cells** grew by **20%** versus the same period of 2017.
  - Based on the application of the IFRS16 accounting regulations, **income** stands at **€665 million**; **EBITDA €439 million; comparable net result 20 million;** and **recurring free cash flow €230 million.**
  - **Total investments in the first nine months** of 2018 stood at **€392 million.**
  - **The backlog** of future sales stands at **€16 billion**, or 20 years' income.
  - **The company maintains its perspective for** the entire **2018 financial year at the top end of the initial forecasts** with **EBITDA between 584 and 589 million euros** (IFRS16) and **growth of recurrent free cash flow** of around **10%.**
  - **For the second consecutive quarter, Cellnex presents results based on the new accounting IFRS16 standard,** the application of which will be mandatory for all companies as of January 2019.
- **Net debt as of 30 September (IFRS16)** stood at **€2.922 billion**, with an **annualised debt/EBITDA ratio of 4.9x. 81% at a fixed rate**, **the average cost of debt** (drawn down and not drawn down) at **1.9%** and an **average life** of **5.7 years.**
- In September 2018 Cellnex had **immediate liquidity** (cash and banks plus available credit lines) of **€1.685 billion.**
- The Board has approved a **dividend payment of €0.0535,** charged to the share premium reserve, which will become effective in November.

Barcelona, 9 November 2018. Cellnex Telecom has presented its results for the first nine months of 2018 based on the new IFRS16 accounting regulations. Revenue stood at €665 million (+15%) and EBITDA was €439 million (+19%). The comparable net result closed at €20 million and continues to demonstrate the effect of higher amortisations (+19% vs. 3Q 2017) and financial costs (+42% vs. 3Q 2017) associated with the group's growth and the consequent expansion of the geographic perimeter. It is worth remembering that Cellnex set aside € 55 million in the first quarter for the voluntary early retirement and voluntary redundancies plan agreed in March at Retevisión and Tradia for the period 2018-2019. This provision has a non-recurring impact on the result of the first nine months of the year.

Cellnex Chief Executive Officer, Tobias Martínez highlighted that "the first nine months continue to demonstrate two-digit growth. This reflects two key factors, a growing geographic perimeter due to the acquisitions made during 2017 and 2018 and in which we are incorporating further new assets in France under our agreements with Bouygues Telecom, and in Spain with the integration of Xarxa Oberta de Catalunya. The second factor is consistent and solid organic growth, at 4% in terms of the amount of equipment deployed to our sites and at 3% in relation to the customer ratio per site.

Tobias Martinez highlights the possible consolidation opportunities available within the European infrastructure sector. " We are seeing growth opportunities within this market, either through the offloading of assets by the major operators, or through the convergence of different sector players. This corporate activity, together with the deployment of 5G technology, makes Europe a very attractive market for Cellnex."

Main indicators for the period and noteworthy projects in the organic business

Infrastructure services for mobile telecommunications operators contributed to **65%** total income, to the tune of **€432 million**, representing an increase of 27% with regard to September 2017.

Activity in **broadcasting infrastructures** contributed **26%** of income, at **€175 million.**

The business that is focused on **security and emergency service networks and solutions for smart urban infrastructure management (IoT and Smart cities) contributed 9%** of revenue**,** totalling **€ 59 million.**

As of 30 September, **48% of income and 56% of EBITDA were generated outside the Spanish market.** Italy is the second largest market, accounting for 29% of revenues.

At the close of the first nine months, Cellnex had a total of **22.285 sites** (8.198 in Spain, 8.075 in Italy, and 6.012 in the Netherlands, France, the UK and Switzerland), with a further **1.453 DAS and Small Cells nodes**.

It should be noted that the number of **DAS and Small Cells** sites grew by **20% in comparison to the first nine months of 2017.**

Like-for-like **organic growth** of **points of presence** in sites stood at **+4.5%** regarding the same period in 2017, while the **customer ratio per site** (excluding changes to the geographic perimeter) was **+3%** .

Total investments in the first nine months of 2018 stood at **€392 million**, aimed mostly at investments to generate new income, such as those linked to the incorporation and roll-out of sites in France under the agreements with Bouygues Telecom, as well as improvements in efficiency and maintaining installed capacity.

During the first nine months of the year, Cellnex continued to work on **organic growth** projects, beyond its ongoing analysis of inorganic growth operations. For example, we would point especially to the **development of infrastructure deployment and co-location agreements with Iliad in France and Italy**, and to the start of **co-location operations** at **Cellnex Switzerland** sites by the transalpine operator **Salt**. Turning to **DAS and Small Cells**, the company has developed **new projects** in **Spain** (Gran Teatre del Liceu, Barcelona; Rio 2 Shopping Centre, Madrid; and Oceanogràfic, Valencia; inter alia) and is analysing new projects in the rest of the European markets in which it operates, especially in **the United Kingdom**, resulting from Cellnex Italy's experience of rolling out this 5G infrastructure for stadiums, shopping centres, tunnels, rail and underground networks and urban centres.

Debt structure

Cellnex closed the first half of 2018 with a **stable long-term debt structure**, with an **average life** of **5.7 years**, an **average cost** of approximately **1.9%** (debt drawn down and not drawn down), and **81%** at a **fixed rate** (bonds and bank debt).

As of **30 September, the company's net debt**, based on the IFRS16 rules, stood at **€2.922 billion** compared to €2.677 billion (IFRS16) at the close of 2017, equivalent to a **net debt/EBITDA ratio of 4.9x**. At the close of the period, Cellnex also had access to **immediate liquidity** (cash & banks and debt not drawn down) to the tune of approximately **€1.826 billion**.

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

Dividend

The **Cellnex Board of Directors approved a dividend payment of €0.0535,** charged to the share premium reserve. Payment will be made in November.

This interim dividend responds to the policy announced at the 2017 Shareholders Meeting that committed to an internal dividend increase of 10% during the period 2017-2019.

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, Netherlands, France, Switzerland 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), "Standard Ethics" and Sustainalytics indexes.

Appendix 1

Income statement and balance sheet (IFRS16)

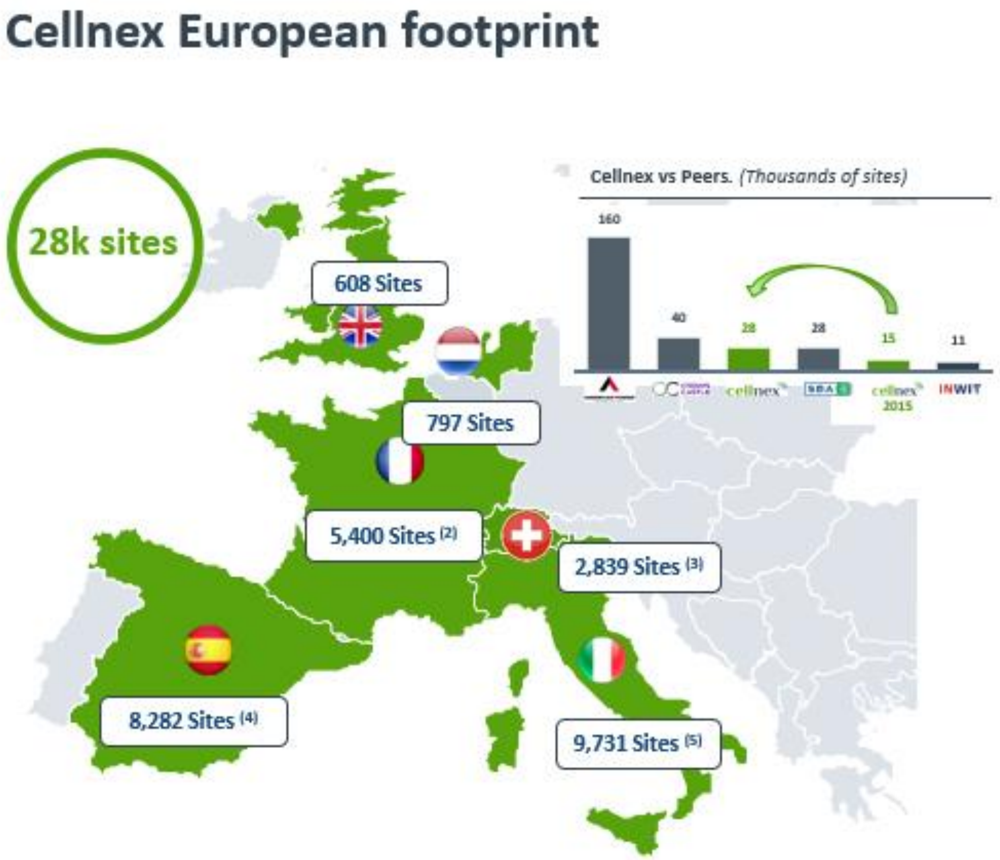
9M 2018 figures audited

€ Mn	9M 2017 (IFRS16)	9M 2018 (IFRS16)
Broadcasting Infrastructure	179	175
Telecom Infrastructure Services	340	432
Other Network Services	59	59
Operating Income	**579**	**665**
Operating Expenses	**-210**	**-226**
EBITDA*	**368**	**439**
Non-Recurring Expenses	-17	-67
Depreciation & Amortization	-252	-300
Operating Profit	**99**	**72**
Net Financial Profit	-79	-112
Income Tax	6	13
Attributable to Non-Controlling Interests	2	2
Net Profit	**29**	**-26**
Impact of early retirement plan 2018-2019	0	46
Comparable net profit	**29**	**20**

*Adjusted EBITDA: Profit from operations before D&A and after adding back (i) certain non-recurring items (such as cost related to acquisitions and contract renegotiations) and (ii) certain non-cash items (such as advances to customers and prepaid expenses)

9M 2018 figures audited

€ Mn	FY 2017 (IFRS16)	9M 2018 (IFRS16)
Property, Plant and Equipment	1.507	1.702
Goodwill and Other Intangible Assets	1.921	1.911
Right-of-use-assets	480	530
Financial Investments & Other Fin. Assets	74	85
Non-Current Assets	**3.981**	**4.227**
Inventories	1	3
Trade and Other Receivables	185	188
Cash and Cash Equivalentes	295	617
Current Assets	**481**	**808**
Total Assets	**4.462**	**5.035**
Shareholders' Equity	**611**	**615**
Borrowings	2.500	2.968
Lease liabilities	361	379
Provisions and Other Liabilities	580	590
Non-Current Liabilities	**3.441**	**3.937**
Current Liabilities	**410**	**484**
Total Equity and Liabilities	**4.462**	**5.035**
Net debt	**2.677**	**2.922**
Annualised debt/ebitda ratio		**4.9x**



Appendix 2

Significant events in 2018

January

- On 8 January Cellnex made its first convertible bond issue for an amount of € 600 million. The Bonds have a maximum expected maturity date of 16 January 2026 and will carry a coupon of 1.5% per annum. The shares underlying the bonds are equivalent to 6.8% of Cellnex's capital prior to the issue.

- On 18 January, Deutsche Telekom certified Cellnex as a "Zero Outage Supplier" for its quality standards in end-to-end management of the connectivity service for data transmission.

February

- On 26 February, at the Mobile World Congress Cellnex presented its connectivity solutions for high-footfall areas - such as the Wanda Metropolitan Stadium in Madrid, paving the way for the roll-out of 5G in Europe.

March

- Agreement in Spain with representatives of workers of Retevisión and Tradia for a voluntary early retirement and voluntary redundancies plan for the period 2018-2019.

- On 5 March, Cellnex signed an agreement with Sigfox to roll out the first IoT (Internet of Things) network in Switzerland using more than 350 Cellnex sites.

April

- On 26 April, Cellnex Telecom's Board of Directors announced that it would propose to the Board to increase the number of Directors from 10 to 12. Consequently, it would also propose the appointment of Anne Bouverot and María Luisa Guijarro as new independent directors. The appointment would be subject to ratification of the Shareholders Meeting to be held on 31 May in Madrid.

May

- Unveiling of the new "LovesTV" DTT audiovisual platform. Cellnex Telecom is the technological provider of this service platform developed by RTVE, Atresmedia and Mediaset Spain, and based on HbbTV technology that improves viewer interactivity.

- On 31 May the Board approved the enlargement of the Board of Directors from 10 to 12 members and the appointment of two new independent directors, María Luisa Guijarro and Anne Bouverot.

June

- Cellnex "connected" the Gran Teatre del Liceu in Barcelona to broadband using a new Wi-Fi and a DAS system for mobile voice and data coverage, and announced the agreement with SABA to equip 43 SABA and BAMSA car parks throughout Spain, through Distributed Antenna Systems (DAS) and Small Cells, in both cases scalable to 5G in the future.

- On 25 June Standard & Poor's confirmed Cellnex's rating of BB+ with a stable outlook.

- On 29 June Cellnex joined the ESG (Environmental, Social & Governance) sustainability index from Sustainalytics.

- The company renewed a €500 million loan in the form of a "green" credit line, which expires in 2023, with an interest rate partially referenced to the evolution of the ESG (Environmental, Social & Governance) sustainability rating from Sustainalytics.

July

- Tradia, a company of the Cellnex Group, agreed to acquire Xarxa Oberta de Catalunya (XOC), a neutral telecommunications operator dedicated to the roll-out, operation and maintenance of optical fibre networks.

- On 12 July Cellnex paid out €0.051 as a complementary dividend against the share premium, corresponding to the 2017 fiancial year.

- On 12 July ConnecT S.P.A. (a subsidiary of Sintonia S.p.A. owned by Edizione, the industrial holding of the Benetton family) acquired a share package from Abertis equivalent to 29.9% of the company's capital.

- On 13 July the 4 nominee directors of Abertis tendered their resignation and 4 new proprietary directors from ConnecT joined the Board: Marco Patuano, Carlo Bertazzo, Elisabetta de Bernardi Di Valserra and Andrea Pezzangora.

- On 26 July the Board appointed Marco Patuano as non-executive chairman of the company. Tobias Martinez maintains his responsibilities as chief executive in the capacity of CEO.

October

- On 16 October the Board of Directors appointed John Benedict McCarthy as a proprietary director proposed by ConnecT, replacing Andrea Pezzangora.

Public and Corporate Affairs Department

Corporate Communication

Tel. +34 935 031 416

comunicacion@cellnextelecom.com

https://twitter.com/cellnextelecom

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