



# Cellnex: The Quantum Leap

Three agreements to acquire and deploy up to c.15,000 sites <sup>(1)</sup>

May 7, 2019

(1) Total expected sites in France, Italy and Switzerland

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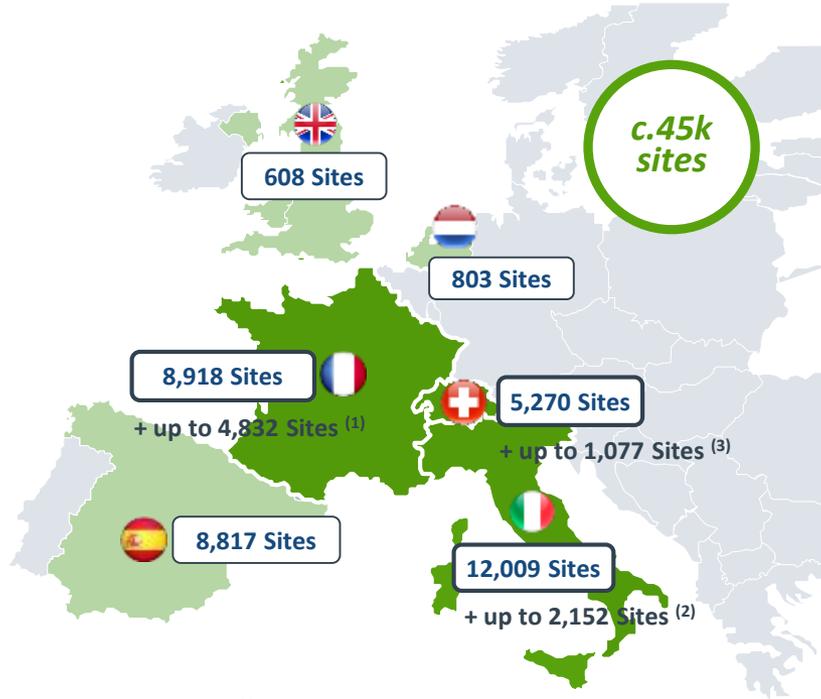
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# Cellnex: The Quantum Leap

+ up to 15,000 new sites

## The independent European TowerCo: leadership in the European tower landscape

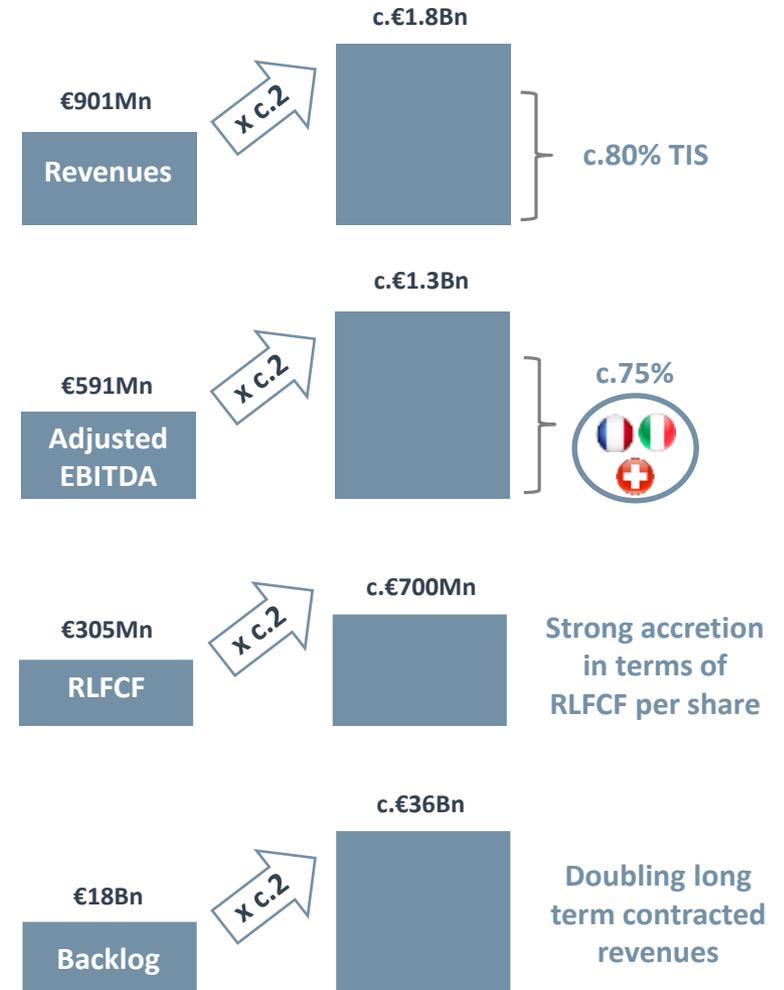


Cellnex vs. Peers (thousands of sites)



2018 Reported

Run Rate (4)



Please see Q4 2018 results presentation for detailed explanation on expected sites per country

All EBITDA figures in this presentation under IFRS 16

(1) Includes up to c.2,500 sites to be built in 2020-2027

(2) Includes up to c.1,000 sites to be built in 2020-2027

(3) Includes up to c.500 sites to be built in 2020-2027

(4) Including future contribution from these three deals, plus contracted perimeter as of end 2018

(please see slide 18 Q4 2018 results presentation)

# Transactions Rationale

Unprecedented landmark transactions with two key European players  
 Three agreements in three countries with deep industrial roots  
 Expansion and consolidation of Cellnex's portfolio in Europe

## Executing on equity story

*Agreements fully aligned with Cellnex's strategy and objective of recent rights issue*  
*Focus on core business, existing markets, current customers*

## Industrial win-win alliances

*Agreements encompassing 3 European markets, based on operational excellence: densification, BTS <sup>(1)</sup>, 5G partnerships*

## Long-term strategic partnerships

*From hospitality framework agreements to relevant anchor tenants in France, Italy and Switzerland*

## Significant contribution to financials

*Up to c.15,000 sites <sup>(2)</sup>, initial cash out of c.€2.7Bn <sup>(3)</sup> with an associated Adjusted EBITDA of c.€510Mn on a run rate basis <sup>(4)</sup>*  
*Run rate RLFCF of c.€310Mn and incremental backlog of c.€18Bn*

## Consolidating footprint in three of our current six markets

## Fully compliant with M&A investment criteria

*BTS programs staggered on time (c.7 years)*  
*Proceeds from recent rights issue providing a strong RLFCF per share accretion*

(1) Built to Suit (up to c.2,500 sites France + up to c.1,000 sites Italy + up to c.500 sites Switzerland)

(2) Upon completion of BTS programs in c.7 years

(3) Total cash out to be paid by Cellnex or its subsidiaries, excluding capex related to BTS programs

(4) Management estimate. Run rate upon completion of BTS programs



Location: France  
TIS suburban site



# Iliad – Key Transaction Highlights

## Description

- Long-term industrial alliance – Cellnex is to acquire a 70% stake in Iliad’s portfolio in France <sup>(1)</sup> (c.5,700 sites) and 100% of its portfolio in Italy (c.2,200 sites)
- Additionally, it has been agreed a deployment of up to 2,500 sites in France and of up to 1,000 sites in Italy in c.7 years. The total perimeter of both transactions (France and Italy) reaches up to c.11,400 sites

## Benefits

- Cellnex remains a key neutral player in both markets, thus:
  - Fostering telecom infrastructure sharing among all MNOs
  - Accelerating network rollout and meeting densification needs for Iliad and the rest of French and Italian MNOs
  - Upgrading requirements for 4G and enabling the rollout of 5G

## Key Terms

- Tailor-made Master Agreements with initial terms of 20 years, to be automatically extended for 10-year periods (all-or-nothing basis)
- Upfront consideration of c.€2Bn (c.€1.4Bn France + c.€0.6Bn Italy), considering Cellnex’s acquired stakes
- Additionally, BTS programs of up to c.€1.2Bn have been agreed <sup>(2)</sup>; to be deployed and paid for in 2020-2027 (mostly back loaded)
- Expected Adjusted EBITDA of c.€410Mn upon completion of BTS programs (c.7 years)
- Associated RLFCF of c.€250Mn on a run rate basis and incremental backlog of c.€15Bn

## Closing

- Subject to customary conditions precedent
- Closing of both deals expected in H2 2019

## Funding

- Cellnex currently has c.€1.8Bn cash and c.€1Bn credit lines

(1) Stake in the share capital of a newly created vehicle that owns 100% of Iliad’s sites

(2) Capex program includes construction of new sites, engineering, cash advances, land acquisition, ...



# Salt.



Location: Switzerland  
TIS rural site

## Description

- Long-term industrial alliance – Cellnex is to acquire a 90% stake in Salt's portfolio <sup>(1)</sup> (c.2,800 sites)
- Additionally, it has been agreed a deployment of up to 500 sites in c.7 years. The total transaction perimeter reaches up to c.3,300 sites
- Cellnex to manage up to c.6,350 sites in Switzerland upon completion of all BTS programs

## Benefits

- Cellnex remains a key neutral player in Switzerland, thus:
  - Fostering telecom infrastructure sharing among all MNOs
  - Accelerating network rollout and meeting densification needs for Salt and the rest of Swiss MNOs
  - Upgrading requirements for 4G and enabling the rollout of 5G (strict electromagnetic emissions may change)

## Key Terms

- Tailor-made Master Agreement with initial term of 20 years, to be automatically extended for 10-year periods (all-or-nothing basis)
- Upfront consideration of c.€0.7Bn, considering Cellnex's acquired stake
- Additionally, a BTS program of up to c.€0.15Bn has been agreed; to be deployed and paid for in 2020-2027 (mostly back loaded)
- Expected Adjusted EBITDA of c.€105Mn upon completion of the BTS program (c.7 years)
- Associated RLFCF of c.€60Mn on a run rate basis and incremental backlog of c.€3Bn

## Closing

- Subject to customary conditions precedent. Closing expected in H2 2019

## Funding

- Cellnex currently has c.€1.8Bn cash and c.€1Bn credit lines

(1) Stake in the share capital of a newly created vehicle that owns 100% of Salt's sites

# Annex

*Competitive advantage  
underpinned by operational  
excellence and industrial profile*

# European Tower Industry Development

*In just c.4 years after our IPO, Cellnex has been able to build a portfolio of c.45k sites, above what all US peers achieved over the same period*



Source: Company data and Bloomberg