

2018 Results (based on IFRS16)

Cellnex Telecom 2018 results beats forecast: 14% increase in revenues and 18% in EBITDA

Revenue stood at € 901 million, EBITDA at € 591 million and Recurring Leveraged Free Cash Flow at € 305 million (+10%)

- **Key indicators show solid organic growth and geographic expansion:**
 - **Points of presence (PoPs) grew by 12% (+5% like-for-like) and customer ratio per site saw a like-for-like increase of 3%**
 - **Roll-out of new DAS (Distributed Antenna Systems) nodes and Small Cells stood at 1,592 nodes, a 18% increase compared to 2017**
 - **65% of revenue (60% at the close of 2017), comes from telecommunications infrastructure services. 48% of revenue (42% in 2017) and 56% of EBITDA (50% in 2017) were generated outside of Spain. Italy accounts for 28% of revenue, making it the second largest market for Cellnex, followed by France, which is third with 7%**
 - **Backlog (future sales contracted) was € 1.8 billion, equivalent to 20 years' income based on 2018 results**
- **Net debt as of 31 December (IFRS16) stood at € 3.166 billion, with an annualised debt/EBITDA ratio of 4.9x. 81% is at a fixed rate, the average cost of debt (drawn down and not drawn down) is 1.9% and the average life is 5.4 years. Available liquidity (cash and banks + credit lines) in February 2019 is nearly € 1.600 billion.**
- **Cellnex integrates new assets in Spain, Switzerland and Italy, as well as new strategic telecommunications centres in France.**

Barcelona, 22 February 2019. Cellnex Telecom (“Cellnex” or “the Company”), Europe’s leading operator of wireless telecommunication and broadcasting infrastructure, announces its results for the close of the 2018 financial year. This was the first full year in which the accounts were submitted on the basis of IFRS16 accounting regulations, which have been mandatory for all companies since January this year.

Revenue amounted to € 901 million (+14%) and EBITDA was € 591 million (+18%). The comparable net result closed at € 31 million, and continues to take into account the effect of higher amortisation (+14.5% vs. 2017) and financial costs (+36% vs. 2017) associated with the group's growth and expansion of geographic footprint.

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 results of the financial year.

Cellnex CEO Tobias Martinez highlighted that this is the fourth consecutive year the Company recorded double-digit growth in key indicators: “This is a reflection of the considerable growth and expansion of our geographic footprint achieved since the IPO in May 2015. In four years, Cellnex has doubled its key financial indicators and quadrupled the number of sites we manage and expanded into a total of six European markets. We have

maintained organic growth of 5% in equipment deployed at our sites (points of presence) and have seen a 3% increase in the customer ratio by site.

“In recent years, Cellnex has committed almost € 3.5 billion in investments to shore up the Company's efforts to boost its geographic presence. This investment also supports the roll out of the infrastructure ecosystem associated with 5G. Over the last financial year, examples of this includes Cellnex' integration of Xarxa Oberta de Catalunya, a concessionary company of the Catalan Government dedicated to the roll-out, operation and maintenance of fibre optic networks which reinforces the importance of fibre connectivity with the main components of the network for 5G and points to a future growth sector; the agreement with Bouygues Telecom to roll out 88 new strategic centres over five years that will be able to house data processing capacity in the network, which is a critical element in the 5G architecture. We believe that the outsourcing (sale) of sites by our customers and the roll-out of 5G will be the two main growth drivers in the sector in the short and medium term.”

Cellnex's Financial and M&A Director José Manuel Aisa highlighted the fact that back in 2018 Cellnex was already ahead of the adoption of the IFRS16 accounting standard. “This new standard could have a major impact on how voice and data operators manage assets like towers and sites, as their debt will grow due to the required capitalisation of leases. As a result, they may be more inclined to sell majority shareholdings in those assets to independent operators such as Cellnex, opting at the same time to sign Master Service Agreements, as we have been doing with some of our most important customers.”

Key business indicators and trends

Infrastructure services for mobile telecommunications operators provided **65%** of total revenue, at **€ 586 million**, an increase of 24% over the end of 2017.

Activity in **audiovisual broadcasting services and infrastructure** contributed **26%** of income, with € 233 million.

The business focused on **security and emergency service networks and solutions for smart urban infrastructure management (IoT and Smart cities)** contributed **9%** of revenue, totalling **€ 82 million**.

As of 31 December, **48% of revenue and 56% of EBITDA were generated outside the Spanish market**. Italy is the second biggest market, providing 28% of group income, while France comes in third at 7%.

At the close of 2018, Cellnex had a total of **23,440 sites** (8,589 in Spain, 8,308 in Italy and 6,543 in the Netherlands, France, the UK and Switzerland), with a further **1,592 DAS and Small Cells nodes**.

It should be noted that the number of **DAS and Small Cells** sites **grew by 18%** year on year.

Like-for-like **organic growth of points of presence** in sites maintained a **5%** increase compared to the same period in 2017, while the **customer ratio per site** (excluding changes to the perimeter) was up by 3%.

Total investments in 2018 stood nearly at **€ 670 million**, aimed mostly at investments to generate new income, such as the incorporation of new assets in Switzerland and Spain, the roll-out of new sites in France under the agreements with Bouygues Telecom, and improvements in efficiency and maintaining installed capacity.

October 2018 - February 2019: integration of assets in Switzerland, Spain, Italy and France

Through its subsidiary Swiss Towers AG, and coinciding with the close of the financial year, **Cellnex Switzerland** reached a new agreement with Sunrise Communications for the purchase of 133 additional sites, adding to those acquired in 2017. The agreement with Sunrise includes an extension of the current contract for the construction of new sites, which will rise from 400 to 475 up to 2027.

In August 2017, Cellnex (54%) in a consortium with Deutsche Telekom Capital Partners (18%) and Swiss Life Asset Managers (28%), completed the acquisition of a portfolio of 2,239 Sunrise sites for a total of € 430 million, becoming the first independent operator of services and infrastructures for mobile telecommunications with activity in Switzerland. Swiss Towers AG signed a Master Service Agreement with Sunrise Communications for an initial 20 years, extendable by another 20 years, in two 10-year tranches.

Cellnex España and **Cellnex Italia**, towards year's end, expanded its telecommunications (voice and data) total sites portfolio in both countries by 590, as a result of operating and management agreements with different network operators.

Cellnex France and Bouygues Telecom continue to extend their collaboration in France in anticipation of the 5G infrastructure ecosystem. Following the agreement announced on December 10th for the deployment, until 2024, of 88 new centers that will serve as voice and data traffic hubs and will play a key role in meeting the 5G latency requirements as they will also provide data processing capacity. Cellnex has announced that it could acquire --between 2020 and 2021--, up to 62 already existing telecom centers with a similar profile. The investment associated with the acquisition of these centers reaches 330 million euros, in addition to the 250 million euros foreseen for the deployment of the 88 new centers until 2024.

The total investment for these new projects, whose execution extends until 2027, reaches € 670 million. In terms of additional EBITDA, once all of the deployments are completed ("run rate"), the annual contribution could be up to € 50 million.

Development of the 5G ecosystem

During 2018 Cellnex continued to work to **develop the infrastructure ecosystem** required for the roll-out of **5G**.

Of particular note is the **acquisition of Xarxa Oberta de Catalunya (XOC)**, a concessionary company of the Catalan Government (Generalitat) dedicated to the roll-out, operation and maintenance of fibre optic networks. XOC reinforces and extends Cellnex's capabilities and know-how in developing the connectivity of its sites - known as backhauling - through a neutral high-bandwidth fibre optic network (**Fiber to the Antenna, or FTTA**). Equally important is the mentioned **agreement with Bouygues Telecom in France** to build, over the next five years, **88 strategic telecoms centres** - Central Offices and Metropolitan Offices – and the acquisition of another 62 already deployed with the potential to host **data processing capacity**. Distributed data processing capacity - also known as "edge computing" - is a critical element for achieving the data volume performance levels and latency (application response times) associated with 5G. The agreement builds upon and strengthens cooperation with Bouygues Telecom following the agreements reached in 2016 and 2017, which foresee the acquisition and further roll-out of more than 5,000 sites in France up to 2022.

Other projects

We would also point 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, Rio 2 Shopping Centre and Oceanogràfic, inter alia) and is close to finalising new projects in the remaining European markets in which it operates, particularly in the **United Kingdom**, thanks to the experience it has acquired in Italy rolling out this infrastructure for 5G in the sports industry, shopping centres, tunnels, rail and underground networks, and urban centres.

Debt structure and tax contribution

Cellnex closed the financial year with a **stable long-term debt structure**, with an **average life of 5.4 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 31 December, the company's net debt, based on the IFRS16 rules, stood at **€ 3.166 billion** compared to € 2.663 billion (IFRS16) at the close of 2017, equivalent to a **net debt/EBITDA ratio of 4.9x**.

Likewise, in February 2019 **Cellnex has access to immediate liquidity** (cash & banks and debt not drawn down) to the tune of approximately **€1.6 billion**.

On 8 January, Cellnex placed € 200 million in convertible bonds due in 2026, to be consolidated with the convertible bonds amounting to € 600 million issued in January 2018.

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

Cellnex's **total tax contribution** (own taxation + taxes paid by third parties) in FY 2018 - applying the OECD's cash basis accounting methodology - stood at € 160 million. Of these funds, a total of € 48 million correspond to own taxes and essentially include taxes on profits, local taxes, fees and the social security business charge.

Outlook for 2019

Regarding the outlook for financial year 2019, Cellnex's forecasts point to growth in the key indicators (EBITDA and Recurring Leveraged Free Cash Flow (RLFCF)), while maintaining the 10% annual increase of the dividend paid out, based on the policy agreed for the 2017-2019 period:

- Estimated EBITDA for the year: between € 640 and 655 million
- RLFCF growth of around 10%
- A 10% increase in the dividend for FY 2019

About Cellnex Telecom

Cellnex Telecom is Europe's leading operator of wireless telecommunications and broadcasting infrastructures with a total portfolio of 29,000 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 Spanish stock exchange and is a constituent of the 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 - whose shareholders are Edizione (60%), Adia (20%) and GIC (20%) - with a 29.9% stake in the share capital, as well as Threadneedle Asset Management, CriteriaCaixa and Blackrock, which hold minority interests.

Appendix 1

Income statement and balance sheet (IFRS16)

FY 2018 figures audited

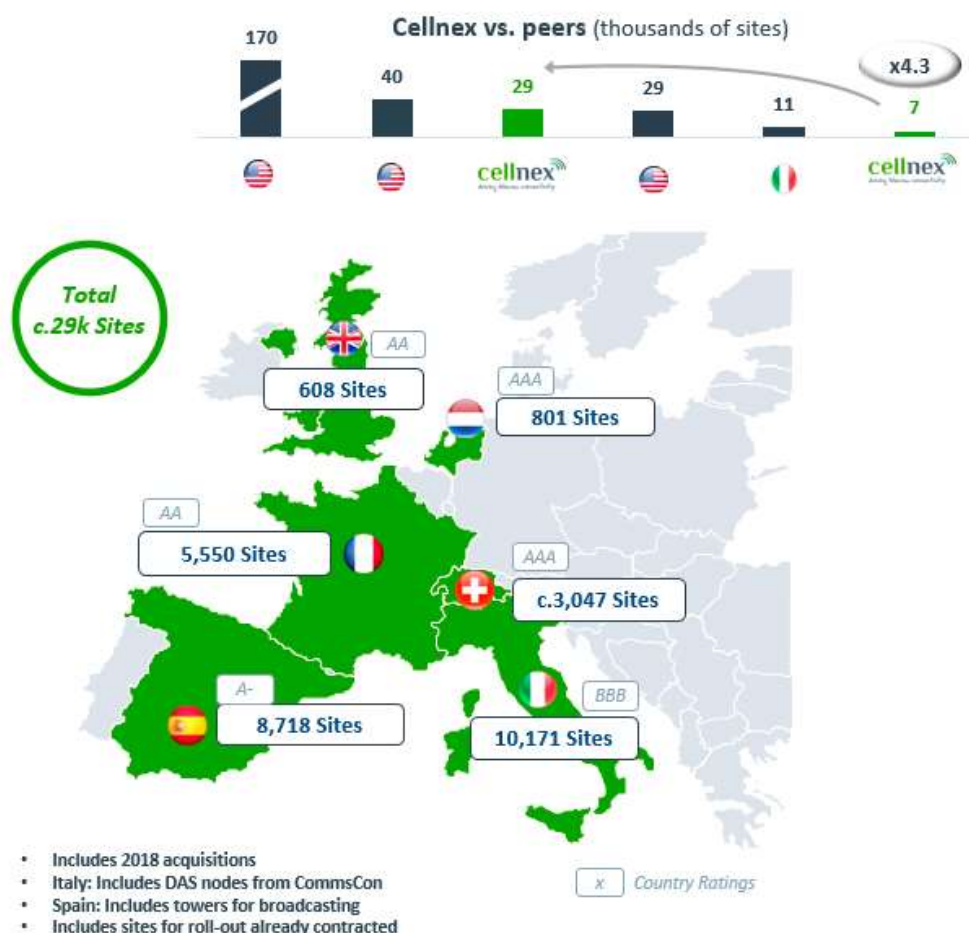
€ Mn	FY 2017 (IFRS16)	FY 2018 (IFRS16)
Broadcasting Infrastructure	237	233
Telecom Infrastructure Services	474	586
Other Network Services	81	82
Operating Income	792	901
Operating Expenses	-292	-311
EBITDA*	500	591
Non-Recurring Expenses	-20	-75
Depreciation & Amortization	-352	-403
Operating Profit	129	113
Net Financial Profit	-109	-149
Income Tax	4	18
Attributable to Non-Controlling Interests	2	3
Net Profit	26	-15
Impact of early retirement plan 2018-2019	0	46
Comparable net profit	26	31

*Adjusted EBITDA: relates to the "Operating profit" before "Depreciation and amortisation charge" (after IFRS 16 adoption) and 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 and LTIP remuneration payable in shares).

FY 2018 figures audited

€ Mn	FY 2017 (IFRS16)	FY 2018 (IFRS16)
Property, Plant and Equipment	1.507	1.904
Goodwill and Other Intangible Assets	1.921	1.904
Right-of-use-assets	455	574
Financial Investments & Other Fin. Assets	73	98
Non-Current Assets	3.956	4.479
Inventories	1	4
Trade and Other Receivables	193	194
Cash and Cash Equivalents	295	456
Current Assets	490	654
Total Assets	4.445	5.133
Shareholders' Equity	610	615
Borrowings	2.500	2.993
Lease liabilities	349	424
Provisions and Other Liabilities	579	591
Non-Current Liabilities	3.428	4.008
Current Liabilities	407	510
Total Equity and Liabilities	4.445	5.133
Net debt	2.663	3.166
Annualised debt/ebitda ratio	4.6x	4.9x

Strengthening European footprint



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 financial 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.

November

- On 28 November, the LOVEStv content platform - developed by Cellnex - officially began broadcasting. The platform promoted by RTVE, Atresmedia and Mediaset España can be viewed through the DTT channels for free and without the need to search, download or install any application. The LOVEStv platform was awarded the Grand Prix by the Jury of the 2018 HBbbTV Awards in Berlin.
- On 22 November Cellnex paid out €0.0535 as a dividend against the share premium.

December

- On 5 December Cellnex joined the 5G Barcelona initiative to turn the city into a benchmark 5G digital hub at European level. Cellnex will work with 5G Barcelona to develop a pilot project in the field of security and emergency communications.
- On 10 December, Cellnex and Bouygues Telecom extended their collaboration agreement in France. Cellnex will roll out up to 88 new strategic telecommunications centres - "Central Offices" and "Metropolitan Offices" - with the potential to house data processing capacity ("Edge Computing"), which is a key element for the roll-out of 5G. The agreement will be rolled out until 2024 and will involve a planned investment of € 250 million.
- On 11 December, Cellnex equipped the Fira Barcelona Gran Vía venue with IoT technology and connectivity using a network of remotely monitored real-time sensors to optimise the comfort of exhibitors and visitors alike.
- On 13 December, Cellnex and Fastweb, one of Italy's main telecommunications operators, signed a collaboration agreement to promote the roll-out of 5G in Italy. Cellnex has provided Fastweb with access

to its sites in the cities where Fastweb has begun testing 5G technology, including Rome, Genoa, Bari and Matera.

- On 27 December Cellnex entered the capital of Nearby Sensor. The company has invested € 500,000, equivalent to a 15% stake, in the start-up dedicated to rolling out the Internet of Things (IoT), edge computing, and the automation of IT-OT hybrid processes (industrial IoT), that will emerge with the roll-out of 5G.

January 2019

- On 3 January, Deutsche Telekom certified Cellnex as a “Zero Outage Supplier” for the second year in a row 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. These bonds will be fungible with the convertible bonds amounting to € 600 million issued in January 2018. In both cases, the bonds mature 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 around 2.3% of Cellnex's capital prior to the issue.
- On 10 January the Basque Government awarded Cellnex Telecom a project to provide IoT technology and connectivity to 114 public rental social housing units located in Vitoria-Gasteiz.

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