cellnex
driving telecom connectivity

Q3
2019

January – September 2019 Results

November 14, 2019

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The Period in a Nutshell

Solid operational and financial performance underpinned by a strong and sustainable organic growth, whilst updating financial outlook on new acquisitions

Consistent and sustainable organic growth

+c.5% new PoPs (1)

+c.20% DAS nodes (1)

Solid financial performance

Revenues +13% vs. 9M 2018

Adjusted EBITDA +13%

RLFCF +12%

Strong backlog of c.€38Bn post closings

Restless focus on integration

The right team and processes in place to keep pace with Cellnex's outstanding growth execution

M&A pipeline busier than ever

Capacity to crystallize unique deals on a proprietary basis

Initial agreements create a precedent for a more progressive relationship

Financial flexibility to continue executing growth

Significant flexibility on capital structure and wide array of financing options available

Outstanding Rights Issue execution (38x oversubscription)

2019 financial outlook updated

Trending to the upper end of the full year range and reflecting new perimeter (2)

Adjusted EBITDA to reach €680Mn – €685Mn and RLFCF to grow >>10%

Closing of new transactions on track (3)

(1) September 2019 vs September 2018
(2) Including the incremental contribution from: Salt towers (<2 quarters) + British Telecom marketing rights (c.2 quarters) + Cignal acquisition (1 quarter) + other small transactions
(3) Iliad France and Iliad Italy expected to close in Dec 2019; Arqiva expected to close in H2 2020 (please see Frequently Asked Questions section for details on Conditions Precedent)

The Period in a Nutshell

Best performing Rights Issue with concurrent M&A ever executed in Europe [(1)]

99.5%	€2.5 Bn	x38 Times demand exceeded supply	SP +2.5%
% Rights holders who subscribed in the offering	**87** Million new shares (29% of capital)	**+3,306** Million shares in demand	Share Price 25-Oct vs. 07-Oct unaffected ex-rights Share Price

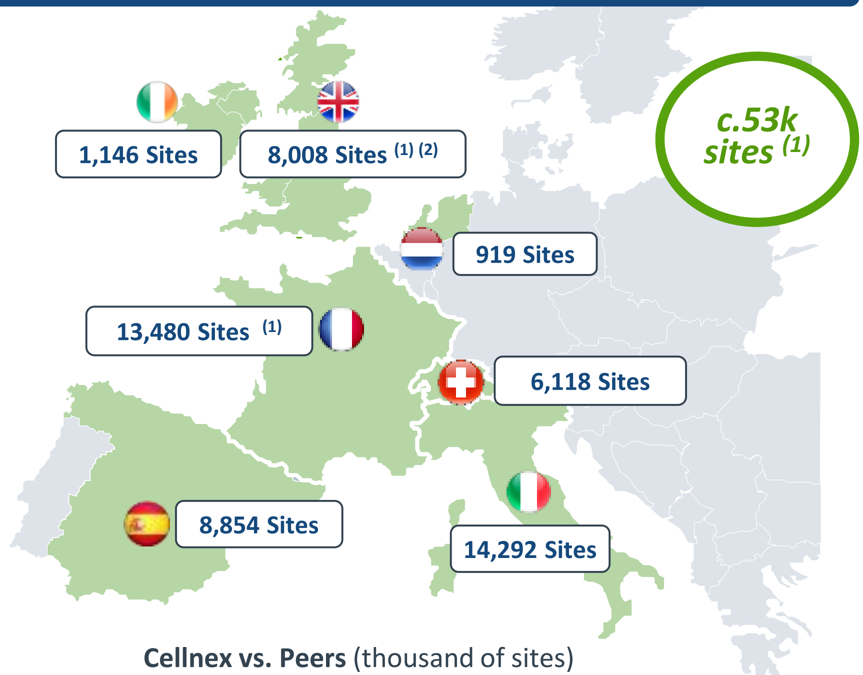
Outstanding execution, with demand exceeding €95Bn (3,300 million shares) when €2.5Bn were offered (87 million new shares)

(1) On the back of Arqiva's acquisition announcement and despite volatile market conditions

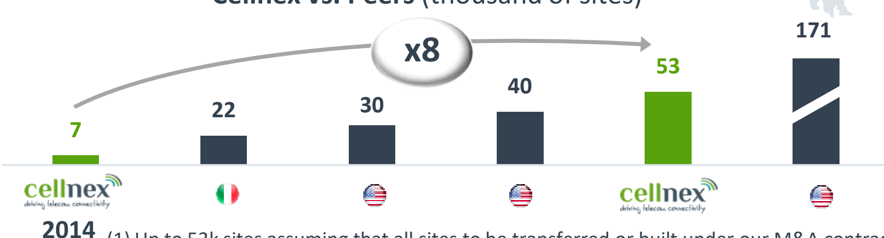
The Period in a Nutshell

Largest independent TowerCo in Europe with up to c.53k sites [1], out of which up to c.8k to be executed through BTS programs, whilst remaining truly independent

Significant expansion of European footprint



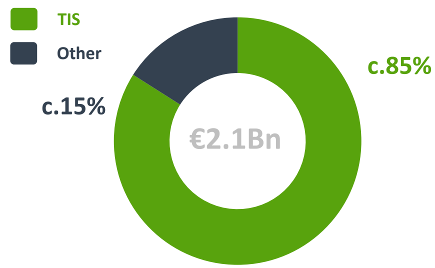
Cellnex vs. Peers (thousand of sites)



Significant Business Risk Diversification

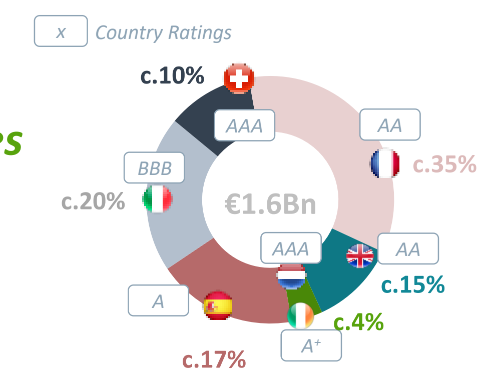
Revenues (Run rate [3])

c.85% revenues from TIS



Adjusted EBITDA (Run rate [3])

c.80% from countries with sovereign rating of at least A



(1) Up to 53k sites assuming that all sites to be transferred or built under our M&A contracts are actually transferred or built, as applicable, by each relevant date. Excluding sites not owned (2) Including c.7,400 TIS sites acquired from Arqiva and excluding c.900 sites subject to marketing rights (3) Including future contribution from recent deals, plus contracted perimeter as of Q3 2019. Management estimate based on 2018 revenues and Adjusted EBITDA and including run rate revenues and Adjusted EBITDA contribution under our M&A contracts signed to date, respectively, based on the assumption that all sites that may, subject to certain conditions, be transferred or built under Cellnex's acquisition agreements, purchase commitments and build-to-suit programs are actually transferred to Cellnex or built and transferred to Cellnex , as applicable, by each relevant date

Q3 2019 Business Performance

Trusted Industrial Partner

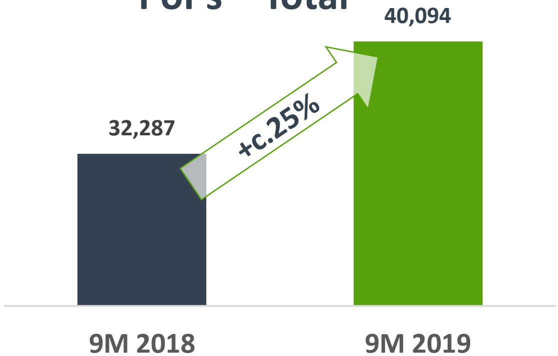
Competitive advantage underpinned by operational excellence and industrial profile

Location: Switzerland
TIS rural site

Q3 2019 Business Performance

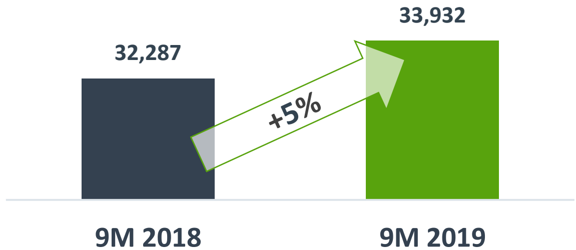
Performance of operational KPIs accelerating

PoPs – Total



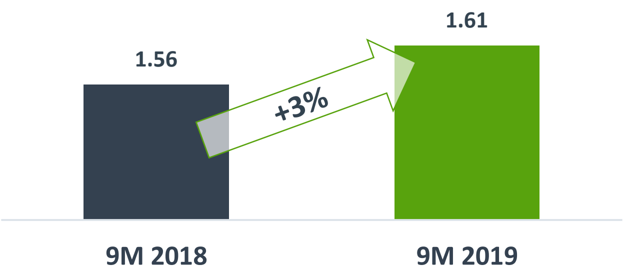
Contribution from both organic growth and change of perimeter

PoPs – Organic Growth



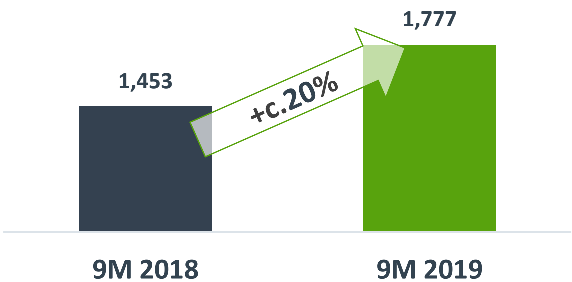
New organic PoPs mainly due to network densification, new mobile operator in Italy and progress of BTS programs

Customer Ratio (1)



Contribution from organic growth

DAS Nodes



Leveraging on CommsCon's expertise in our current markets

(1) Customer ratio excludes change of perimeter (organic growth only, including BTS)

Q3 2019 Business Performance

Business Highlights

Continued commercial drive to secure future organic growth

- New third party colocations on the back of framework agreements in place with main customers, whilst assessing additional colocation requests related to 5G development

- Ongoing solid commercial activity with Iliad: new colocations and additional requests
- Assessing a new BTS opportunity to deploy c.100 sites for a key anchor tenant
- DAS and Smart City activities reinforced through: i) project to provide indoor connectivity in c.100 branches of a top Italian bank, and ii) deploying trials with LoRa technology for different Smart applications

- Approaching several MNOs in order to execute potential decommissioning opportunities
- Assessing an opportunity to access data centers in order to reinforce our offering to key MNOs on mobile edge computing
- Awarded a TETRA emergency network in Navarra region
- Targeting an opportunity to provide indoor broadband connectivity in 41 car parks through DAS

- Intense commercial activity in the quarter based on new colocation requests from a more diversified client portfolio
- Broadband connectivity through DAS solutions: reinforcing our DAS position in the Swiss market through different offers and providing indoor connectivity in retailer’s venues. Working in parallel on several DAS projects involving relevant public and private buildings

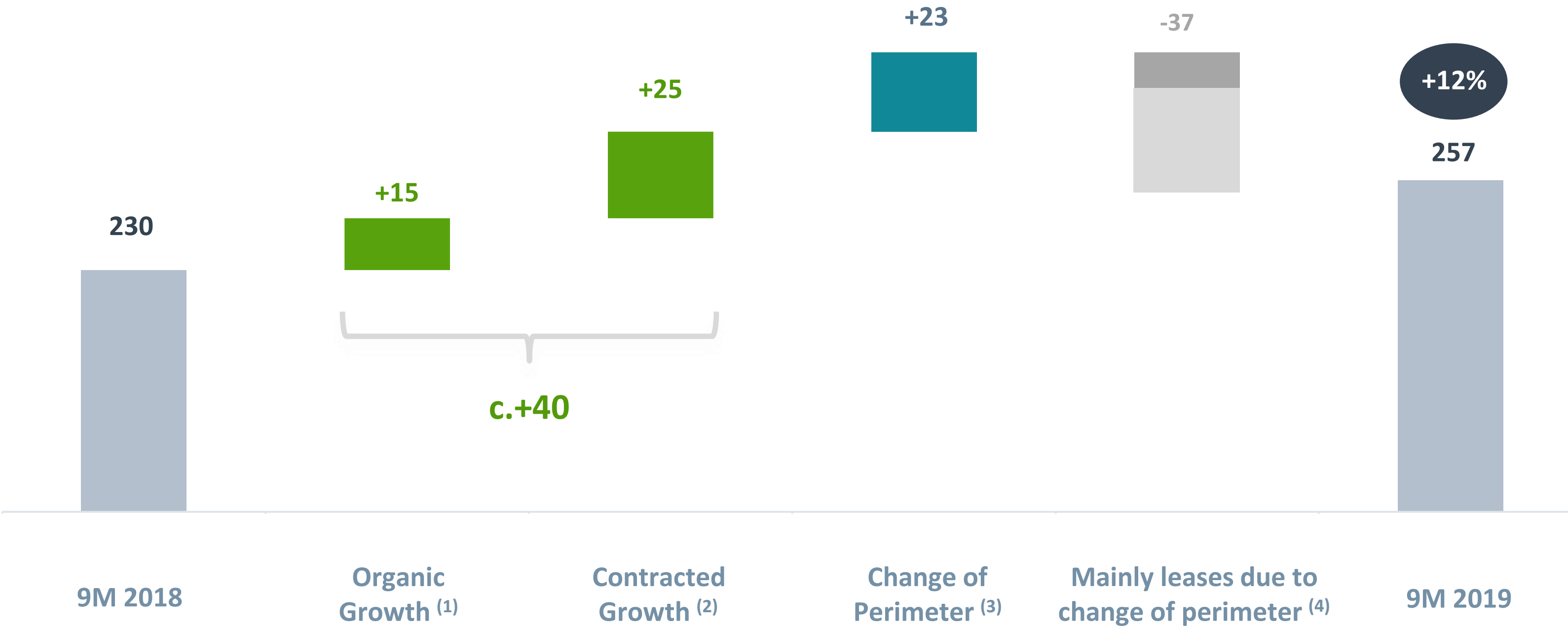
- Arqiva transaction to reinforce our relationship with a current client and to provide further local credibility to become the leading neutral host in the UK
- Actively assessing a number of organic growth projects, including indoor solutions in major venues

- Ireland transaction closed in September, a new market to deliver organic growth
- Targeting a number of organic growth projects, including 5G upgrade opportunities and indoor DAS solutions

Q3 2019 Business Performance

Recurring Levered Free Cash Flow (RLFCF)

Continued strong RLFCF growth, +12% year-on-year



Figures in €Mn

(1) Includes organic growth from new PoPs and efficiencies (mostly savings in payment of leases)

(2) Gradual Adjusted EBITDA contribution from contracted BTS programs

(3) Adjusted EBITDA contribution from: XOC (limited contribution in 9M 2018) + 3 quarters M&A transactions in Spain & Switzerland + c.1/2 quarter Salt towers + c.1 quarter from British Telecom marketing rights + limited contribution from Cignal + other small transactions

(4) Corresponds to the difference between the remaining of RLFCF lines (payment of leases excluding efficiencies, maintenance Capex, change WC, cash interest, cash tax and dividends to minorities). The vast majority corresponds to leases (c.€30Mn)

Q3 2019 Business Performance

Recurring Levered Free Cash Flow (RLFCF)

Revenues increase 13% year on year, with Adjusted EBITDA growth +13% and RLFCF growth +12%

RLFCF (€Mn)	Jan-Sep 2018	Jan-Sep 2019	
Telecom Infrastructure Services	432	506	
Broadcasting Infrastructure	175	176	
Other Network Services	59	71	
Operating Income	**665**	**753**	+13%
Staff Costs	-83	-92	
Repair and Maintenance	-23	-26	
Leases	-8	-10	
Utilities	-54	-62	
General and Other Services	-57	-65	
Operating Expenses	**-226**	**-255**	
Adjusted EBITDA	**439**	**498**	+13%
% Margin without pass through	68%	68%	
Net payment of lease liabilities	-118	-147	
Maintenance capital expenditures	-21	-20	
Changes in working capital	5	8	
Net payment of interest	-59	-69	
Income tax payment	-10	-12	
Net Dividends to non-controlling interests	-6	-1	
Recurring Levered FCF	**230**	**257**	+12%

- Telecom Infrastructure Services up due to organic growth and acquisitions
- Broadcast revenues stable
- Other Network Services up due to XOC
- Like-for-like Opex flat [(1)], as a result of the efficiencies program in place
- Strong control on payment of leases despite increased perimeter (mostly France)
- Maintenance Capex in line with outlook provided
- Interests paid according to capital structure in place and coupons schedule
- Taxes paid according to payments schedule

Backup Excel file available on Cellnex's website

(1) Including the impact of efficiencies in payment of leases (not accounted for as Opex under IFRS 16)

Q3 2019 Business Performance

Balance Sheet and Consolidated Income Statement

Balance Sheet (€Mn)

	Dec 2018	Sep 2019
Non Current Assets	**4,479**	**6,371**
Property, Plant and Equipment	1,904	2,266
Goodwill and Other Intangible Assets	1,904	3,216 (1)
Right of Use	574	784 (2)
Financial Investments & Other Fin. Assets	98	105
Current Assets	**654**	**2,607**
Inventories	4	4
Trade and Other Receivables	194	283
Cash and Cash Equivalentes	456	2,320 (3)
Total Assets	**5,133**	**8,979**
Shareholders' Equity	**615**	**2,039** (4)
Borrowings	2,993	4,952
Lease Liabilities	424	582 (2)
Provisions and Other Liabilities	591	754
Non Current Liabilities	**4,008**	**6,289**
Borrowings	103	75
Lease Liabilities	102	110 (2)
Provisions and Other Liabilities	305	466
Current Liabilities	**510**	**651**
Total Equity and Liabilities	**5,133**	**8,979**
Net Debt	**3,166**	**3,400**

Income Statement (€Mn)

	Jan-Sep 2018	Jan-Sep 2019
Operating Income	**665**	**753**
Operating Expenses	**-226**	**-255**
(3) Non-recurring expenses	-67	-26
Depreciation & amortisation	-300	-341
Operating profit	**72**	**131**
Net financial profit	-112	-166
Income Tax	13	20
Attributable to non-controlling interests	2	3
Net Profit Attributable to the Parent Company	**-26**	**-12** (5)

Strong liquidity position in order to face committed investments

1. Prudent PPA[1] allocation process leads to fixed assets allocation primarily, with only marginal impact on goodwill
2. The adoption of IFRS 16 helps the leverage comparability among peers, as it equalizes the treatment of both land ownership and the management of ground leases
3. Significant generation of cash and reinforced liquidity position mainly due to the rights issue executed in Q1 2019 and several initiatives carried out in July
   - Among them a convertible bond of €850Mn issued in July
   - Not yet reflecting the new rights issue executed in October (€2.5Bn)
4. c.€15Mn distribution to be paid before year end (€0.03842 p.s.) [2]

5. Net Income reflects:
   - D&A charges (prudent PPA process)
   - Net interest increase associated with new liquidity
   - When looking at net income on a cash flow basis, ROE reaches 25% [4]

(1) Purchase Price Allocation

(2) As per 2017-2019 dividend policy. Distribution to be paid in November, 22th against the share premium reserve

(3) Provision of the workforce agreement to be cashed out in 2018, 2019 and first months of 2020

(4) ROE of 25% is calculated as: (2019 guidance RLFCF + first full year RLFCF contribution from Iliad and Salt deals) / €2,038Mn Shareholder's Equity. Please note the current larger Shareholder's Equity figure includes the capital increase executed in March that was devoted to Iliad/Salt acquisitions

Q3 2019 Business Performance

Financial Structure as of November 2019 – Excluding IFRS16 impact

Total available liquidity of c.€9.1Bn after execution of new Rights Issue

Average cost of debt of c.1.5%

Average Maturity 5.8 years

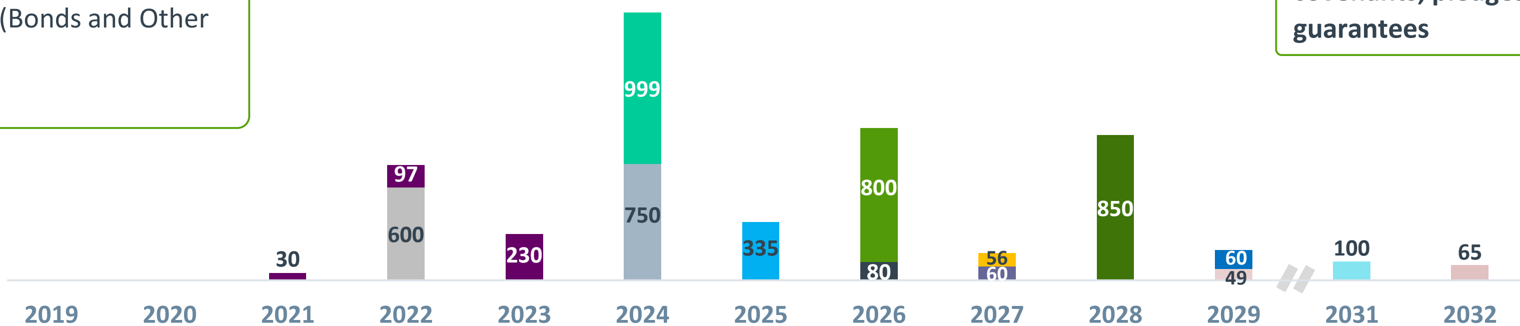
Average Cost 1.8% (drawn debt)

1.5% (both drawn and undrawn debt)(1)

Gross Debt c.€5.1Bn (Bonds and Other Instruments)

Net Debt c.€0.2Bn

Corporate debt without covenants, pledges nor guarantees



Net Debt c.€0.2Bn

Credit Facilities/ Undrawn Debt	Cash
c.4,200(2)(3)	c.4,900(4)
Euribor/Libor + c.1% Mat. 2020/24	

Bonds and Other Instruments

357(5)	E/L + c.1%	Mat. 21/23
600	3.125%	Mat. 2022
999(6)	Libor+c.1%	Mat. 2024
750	2.375%	Mat. 2024
335	2.875%	Mat. 2025
80(7)	Eur+2.27%	Mat. 2026
800(8)	1.5%	Mat. 2026
56(9)	3.25%	Mat. 2027
60(7)	Eur+2.2%	Mat. 2027
850(10)	0.5%	Mat. 2028
60(7)	1.9%	Mat. 2029
49(11)	Eur+c.1.1%	Mat. 2029
100(12)	Eur+1.1%	Mat. 2031
65(7)	3.875%	Mat. 2032

Available Liquidity c.€9.1Bn

Figures in €Mn. Gross and net debt excludes IFRS 16 impact

(1) Considering current Euribor rates; cost over full financing period to maturity
(2) Including RCF €1,500Mn, c.€400Mn bilaterals, €100Mn ICO Loan and GBP 2Bn facilities agreement to finance the Arqiva acquisition (€2.2 billion, assuming a GBP/€ 1.1 exchange rate), not yet drawn (if drawn upon the closing of the Arqiva deal it will act as a natural hedge)
(3) RCF; Credit facilities Euribor 1M/3M; floor of 0% applies
(4) Includes €2.5Bn from new Rights Issue
(5) Includes c.£275Mn debt in GBP; natural hedge investment in Cellnex UK Ltd
(6) €487Mn debt in Swiss Francs at corporate level (natural hedge) + €512Mn debt in Swiss Francs at local level in Switzerland. No financial covenants nor share pledge (Swiss Tower and/or Cellnex Switzerland) in line with all debt at Parent Company Corporate level
(7) Private placement
(8) Convertible bond into Cellnex shares (conversion price at c.€ 33.6902 per share). Includes €200Mn convertible issued in Jan-19
(9) Bilateral loan
(10) Convertible bond into Cellnex shares (effective conversion price at c.€ 53.7753 per share)
(11) EIB
(12) ICO Loan

Frequently Asked Questions

Frequently Asked Questions

Arqiva transaction: Conditions Precedent and Price Adjustments

Conditions Precedent

- The closing of the transaction is subject to the following Conditions Precedent (among others):
  - i) UK merger control clearance
  - ii) No UK "public interest" intervention notice or, if issued, that the Transaction is cleared
  - iii) Release of the target from Competition Commission undertakings
  - iv) Completion of the reorganization and carve-out of the target business and assets
  - v) Obtaining all required consents from Arqiva's finance providers in connection with the Transaction (1)
  - vi) Execution of a key agreement with a key client on certain terms agreed with the seller

Price Adjustments

- The consideration of c.GBP 2Bn payable upon completion is subject to the following price adjustments:
  - i) If a key agreement with a key client is terminated by the latter before November 15, 2019
  - ii) If another key contract is not renewed between signing and completion of the transaction on similar terms as the contract currently has in terms of value
  - iii) If certain remedies are given to the United Kingdom Competition Markets Authority in order to obtain clearance of the transaction
  - iv) In addition, there are other price adjustments in order to account for the cash, debt and working capital position of the target immediately before the closing of the transaction

(1) Including the release of the target shares and assets from the security perimeter of Arqiva's current financing arrangements

Frequently Asked Questions

Second Rights Issue successfully executed in the year

Total market opportunities of c.€11Bn [1], of which c.€4Bn[2] have been already signed (Iliad & Salt) and c.€7Bn[1][3] are currently being monitored (c.€4.3Bn pending to be executed [4])

Crystallization of Identified Opportunities

€11Bn [1]

c.€7Bn[1][3] are being actively monitored

Non Binding
or
Binding
or
Exclusivity

Includes TELECOM sites transaction with arqiva[3] and CIGNAL[3]

Executed opportunities[5]
(EV[2] c.€4Bn)

€4Bn[2] signed since first capital increase

iliad[5] Salt.

(1) Based on Enterprise Value and assuming 100% acquisition of the relevant target, and including BTS programs
(2) Calculated proportionally to the stake acquired of the Enterprise Value of the relevant target
(3) These opportunities could be financed either with equity, debt or with a mix of both. Includes Cignal and Arqiva (signed but not yet closed, price will be paid upon closing)
(4) Out of the remaining c.€7Bn pipeline, c.€2.7Bn have been already executed through Cignal and Arqiva transactions
(5) Iliad has been signed but not yet closed, price will be paid upon closing. Does not include the Arqiva transaction (signed but not yet closed, price will be paid upon closing)

Frequently Asked Questions

Integration Projects – Cellnex's Industrial Model

Cellnex owns a methodology that has been adapted for each integration case and that allows a swift deployment of multidisciplinary integration teams

Acquisition deal → **Integration** → **Business As Usual**

Deal signing · **Deal closing** · **TSA [1] cancellation**

TSA [1] Negotiation → **Pre-closing** → **Launch set-up**

	TSA [1] Negotiation	Pre-closing	Launch set-up		
Key Milestones	TSA [1] signing	Control over core activities	Set up Organization	Reporting and Governance mechanisms	TSA[1] Cancellation
Timing	Final phase of acquisition deal	1-2 months	3-6 months	3-6 months	6-12 months

Industrial Model

- *Shared across all geographies*
- *Competitive advantage for the carve-out set-up and transformation*
- *Swift deployment ensuring business continuity whilst supporting expected growth*

Operational Answers

- *PMI [2] support designed to cover simultaneous integrations*
- *Design of new organization models*
- *Cooperation with sellers in pre-closing phases*

Local teams in Switzerland, France, Italy and UK have been reinforced during 2018 and 2019

(1) Transitional Services Agreement. Full TSA in place with sellers to ensure a smooth transition and business continuity while Cellnex progresses in the integration plan from the closing date
(2) Project Management Integration Office

Definitions

Term	Definition
Adjusted EBITDA	Profit from operations before D&A and after adding back certain non-recurring and non-cash items (such as advances to customers and prepaid expenses)
Adjusted EBITDA margin	Adjusted EBITDA divided by total revenues excluding elements pass-through to customers (mostly electricity) from both expenses and revenues
Anchor tenant/customer	Anchor customers are telecom operators from which the Company has acquired assets
Backlog	Represents management's estimate of the amount of contracted revenues that Cellnex expects will result in future revenue from certain existing contracts. This amount is based on a number of assumptions and estimates, including assumptions related to the performance of a number of the existing contracts at a particular date but do not include adjustments for inflation. One of the main assumptions relates to the contract renewals, and in accordance with the consolidated financial statements, contracts for services have renewable terms including, in some cases, 'all or nothing' clauses and in some instances may be cancelled under certain circumstances by the customer at short notice without penalty.
(BTS) Build-to-suit	Towers that are built to meet the needs of the customer
Customer Ratio	The customer ratio relates to the average number of operators in each site. It is obtained by dividing the number of operators by the average number of Telecom Infrastructure Services sites in the year
DAS	A distributed antenna system is a network of spatially separated antenna nodes connected to a common source via a transport medium that provides wireless service within a geographic area or structure
Expansion Capex	Investment related to business expansion that generates additional adjusted EBITDA, including build-to-suit (Bouygues and Sunrise programmes), decommissioning, telecom site adaptation for new tenants, prepayments of land leases, and land acquisitions.
Maintenance Capex	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
M&A	Investments in shareholdings of companies as well as significant investments in acquiring portfolios of sites (asset purchases)
MNO	Mobile Network Operator
Net Debt	Excludes PROFIT grants and loans

Definitions

Term	Definition
Node	A node receives the optical signal from the BTS venue and transforms it into radio frequency signal and then transfers it to antennas after amplifying it
PoP	Points of presence, an artificial demarcation point or interface point between communicating entities. Each tenant on a given site is considered a PoP
RLFCF	Recurring Operating Free Cash Flow plus/minus changes in working capital, plus interest received, minus interest expense paid, minus income tax paid, and minus minorities
TIS	Telecom Infrastructure Services

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Q3 2019 Results

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FTSE4Good (1) · CDP · SUSTAINALYTICS · standard ethics

Cellnex Telecom is part of ESG indices

(1) Cellnex continued to improve its rating in the field of sustainability and, for the third consecutive year, is one of the group of companies leading the FTSE4Good index from FTSE Russell worldwide with a revised overall score in 2019 of 4.4 out of 5, highlighting aspects related to corporate governance (5 out of 5) and climate change (environmental rating at 4.3 out of 5).