

Results January-June 2020

## Cellnex's H1 revenues hit €723 million, EBITDA grows to €527 million

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- Since the onset of the Covid-19 pandemic, **Cellnex has guaranteed the continuity and availability of all of its services across Europe**
- The key figures for the first half of 2020 reflect the **considerable expansion of the Group's geographical footprint following several acquisitions in 2019 and the first months of 2020**. Sustained organic growth in H1:
  - **Revenue stood at €723 million; EBITDA at €527 million; and recurring free cash flow at €267 million.**
  - **Points of presence (PoPs) grew c.60%** (5% like-for-like). The customer ratio per site increased by 3% like-for-like.
  - **The roll-out of new DAS** (distributed antenna system) **nodes grew c.20%** in relation to the first half of 2019.
- In the first half of 2020 **Cellnex made investments to the tune of €2.5 billion**. It finalised its **first two acquisitions in Portugal with OMTEL and NOS Towering**, both of which have been approved by the competition authorities; **it reinforced its presence in France, announcing the roll-out of a fibre network** (Fibre to the Antenna, or FTTA) to drive the **5G ecosystem**; in July this year, **it closed the acquisition of Arqiva's Telecommunications division in the UK**; and **it acquired 100% of the shares of the Finnish start-up Edzcom specialised in private LTE networks** (4G and the future 5G).
- As a result of these transactions, **Cellnex has increased its forecast for EBITDA** (up to between 1.16 and 1.18 billion vs. the previous range of 1.065-1.085 billion) **and recurring free cash flow** by +70% vs. 2019, compared to the +50% originally estimated.
- **Net debt as of 30 June** amounted to **€ 4.67 billion**. **81% is at a fixed rate**, the **average cost of debt** (drawn) is **1.7%** and the **average life is 5.7 years**. **Liquidity available** at the end of the semester (cash + credit lines) amounted to €7.4 billion. After the Arqiva's closing and the cancellation of the related bridge loan, the current available liquidity (July 2020) amounts to **€4 billion**.
- Given the circumstances created by the Covid-19 pandemic, the Company maintains **lines of cooperation with various national and international organisations**. One notable example is its commitment of **€5 million in support for a research project in cellular immunotherapy** being performed by a European consortium of hospitals, led by Barcelona's Hospital Clínic.

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**Barcelona, 20 July 2020.** Cellnex Telecom has presented its results for the first half of 2020. Revenue stood at €723 million (+48%) and EBITDA grew 64% to €527 million after consolidating asset acquisitions undertaken in 2019 in France and Italy (Iliad), Switzerland (Salt), the UK (BT), Ireland (Cignal) and Spain (Orange), as well as the purchase of OMTEL in Portugal, which closed in January.

The net result for the half-year was negative at - €43 million due to the substantial effect of higher amortisations (+95% vs. H1 2019) and financial costs (+23% vs. H1 2019) associated with the intense acquisition process and the consequent expansion of the Company's geographical footprint. This is in line with the current strong growth that the Company continues to experience, and for this reason - as announced in the FY 2019 results presentation - the Group expects to continue to show a negative accounting result in the coming quarters.

**Cellnex President Franco Bernabè** noted how the Company maintained "continuity and total availability of the services Cellnex provides in the eight countries in which we operate, in a context marked by social and economic disruption as a result of the Covid-19 pandemic. Given these remarkable circumstances, the degree of normality with which the Company was able to perform its activity in these first six months is exceptional."

**In line with his statements at the end of the first quarter, Cellnex CEO Tobias Martinez said:** "The Company continues to operate under the principle of maximum responsibility and prudence during the pandemic in relation to our customers, whose services have been unaffected; to our suppliers, to whom we have offered mechanisms to speed up receipt of payments for services and supplies; to our employees, who continue to work normally and guarantee the continuity of operations. At the same time, the Group has delivered several new growth operations, including in Portugal and France as well as the purchase of Arqiva's Telecommunications division in the United Kingdom earlier this month, a decisive operation for the consolidation of our European project."

**Tobias Martinez added:** "Beyond these commitments to our customers, suppliers, and employees, we continue to provide financial and technological resources to cooperative projects that aim to alleviate the impact of the Covid-19 pandemic. We have also committed financial support for the search for clinical solutions to overcome this public health crisis in the medium-to-long term. We signed an unprecedented agreement with the Barcelona Hospital Clínic and a consortium of European hospitals in June, which commits significant resources to an ambitious effort to research alternative treatments for COVID-19 patients."

### **Business lines. Main indicators for the period**

In the first half of 2020, **Infrastructure services for mobile telecommunications operators** contributed **77%** to total revenues, to the tune of €553 million, an increase of 70% compared to June 2019.

Activity in **broadcasting infrastructures** contributed **16% of revenues**, at €117 million.

The business division focused on **security and emergency service networks and solutions for smart urban infrastructure management (IoT and Smart cities)** contributed **7%** of revenue, totalling €52 million.

As of 30 June, **63% of revenue and 72% of EBITDA were generated outside the Spanish market**. Italy is the second largest market, accounting for 23% of the group's revenues.

As of 30 June 2020, Cellnex had a total of **40,505 operational sites** (10,313 in Spain, 10,356 in Italy, 9,411 in France, 922 in the Netherlands, 611 in the UK, 5,272 in Switzerland, 601 in Ireland and 3,019 in Portugal), **plus 2,090 nodes** (DAS and Small Cells).

It should be noted that the number of **DAS and Small Cells** sites grew approximately **20% in comparison to the first half of 2019**.

**Like-for-like organic growth of points of presence** in sites was up **5%** year on year, while the **customer ratio per site** (excluding changes to the perimeter) was up by **3%**.

**Total investments executed** in the quarter amounted to **€652 million**, mostly for investments linked to generating new revenue streams, particularly the incorporation of new assets in Portugal and the continued

integration and roll-out of new sites in France, as well as improvements in efficiency, and maintenance of installed capacity.

**The backlog** of future contracted sales of the group stands at **€47 billion**.

### Debt structure

Cellnex closed the first semester of 2020 with a **stable long-term debt structure, with an average life of 5.7 years, an average cost** of approximately **1.7%** (drawn debt), and **81% at a fixed rate**.

The **Group's net debt as of 30 June stood at €4.67 billion** compared to €3.94 billion at the close of 2019.

At the close of the period, Cellnex also had access to immediate liquidity (cash + undrawn debt) to the tune of approximately €7.4 billion. After the finalisation and payment of the purchase of Arquiva's telecommunications division, as well as the cancellation of a bridge loan linked to it, Cellnex maintains **access to immediate liquidity** to the tune of approximately **€4 billion**.

In June, the Company made **two bond issues**, one for an overall amount of €915 million divided into two tranches, one of 165 million maturing in April 2025 and an equivalent coupon of 1.4% and another of €750 million maturing in June 2029 and a coupon of 1.875%, plus another for €100 million Swiss francs, maturing in July 2025 and a coupon of 1.1%.

**Cellnex Telecom's bond issues maintain their "investment grade" rating from Fitch** (BBB- with a stable outlook), confirmed by this agency in April this year. For its part, S&P maintains the BB+ rating with stable outlook confirmed by the agency also in the April.

### First months of 2020 marked by growth operations

In the first months of 2020, Cellnex reached a series of growth agreements through which it **entered and consolidated its position in Portugal** - the eighth European country in which the company operates -, and **strengthened its presence in France** by rolling out a fibre optic network with Bouygues Telecom, which will connect towers, sites and edge computing centres that are key to developing the 5G ecosystem.

In **Portugal** the company announced in **January** that it had closed the purchase of the Portuguese telecommunications towers and sites operator **OMTEL** for €800 million. OMTEL operates **3,000 sites** in Portugal. The acquisition also envisages the roll-out of 400 new sites over four years, which could be completed with up to a further 350 sites, involving a total planned investment for this site construction programme of €140 million. Omtel has been operating under the Cellnex brand in Portugal since 1 July.

In **April**, Cellnex reached an agreement with the Portuguese mobile operator NOS to acquire 100% of **NOS Towering**. The transaction involves about **2,000 telecommunications sites** and an initial investment of approximately €375 million, with an additional investment commitment of up to €175 million to expand the perimeter (by up to 400 sites, including a new tower building programme) and other agreed initiatives to be performed during the next six years.

In **France**, **Cellnex** and **Bouygues Telecom** announced a strategic agreement in **February** to deploy and operate a **fibre optic network** to support and speed up the **roll-out of 5G**. The planned investment - up to 2027 - is €1 billion, which will be used to roll out a 31,500 km network that will interconnect the telecommunications towers that serve Bouygues Telecom - 5,000 of which belong to Cellnex - with the network of "Central" and

"Metropolitan offices" for housing data processing centres (Edge Computing). The agreement also envisages the deployment of up to 90 new "metropolitan offices", also up to 2027, in addition to the 150 centres agreed with Bouygues Telecom (88 in December 2018 and 62 in February 2019).

In the **UK**, the Company finalised the operation to **acquire Arqiva's telecommunications division** this July. The project announced in October 2019 involves integrating c. **7,400 sites** and the marketing rights of c. 900 sites spread across the UK, involving an investment of £2 billion.

Also in July, Cellnex **acquired 100% of the shares of Finnish start-up Edzcom**, specialised in Edge connectivity solutions, especially focused on the development and implementation of **private LTE networks, which are key to rolling out 5G, in Business Critical processes** in industrial complexes and environments such as ports, airports or robotised production plants, among others.

### Upward revision of the outlook for 2020

As a result of the operations carried out in 2019 and the first months of 2020, as well as its progressive integration into the Group as a whole, Cellnex has updated its forecasts for the various key indicators (EBITDA and free and recurring cash flow, or RLFCF) for FY 2020:

- Estimated **EBITDA: €1.16 - 1.18 billion** (vs. initial estimate of between €1.065 and 1.085 billion).
- **Increase** in the **RLFCF** of around **70%** (vs. initial estimate of 50%)

### About Cellnex Telecom

Cellnex Telecom is Europe's leading operator of wireless telecommunications and broadcasting infrastructures with a portfolio of 61,000 sites including forecast roll-outs up to 2027. Cellnex operates in Spain, Italy, Netherlands, France, Switzerland, the United Kingdom, Ireland and Portugal. Cellnex's business is structured in four major areas: telecommunications infrastructure services; audiovisual broad-casting networks, security and emergency service networks and solutions for smart urban infrastructure and services management (Smart cities e the "Internet of Things" (IoT)).

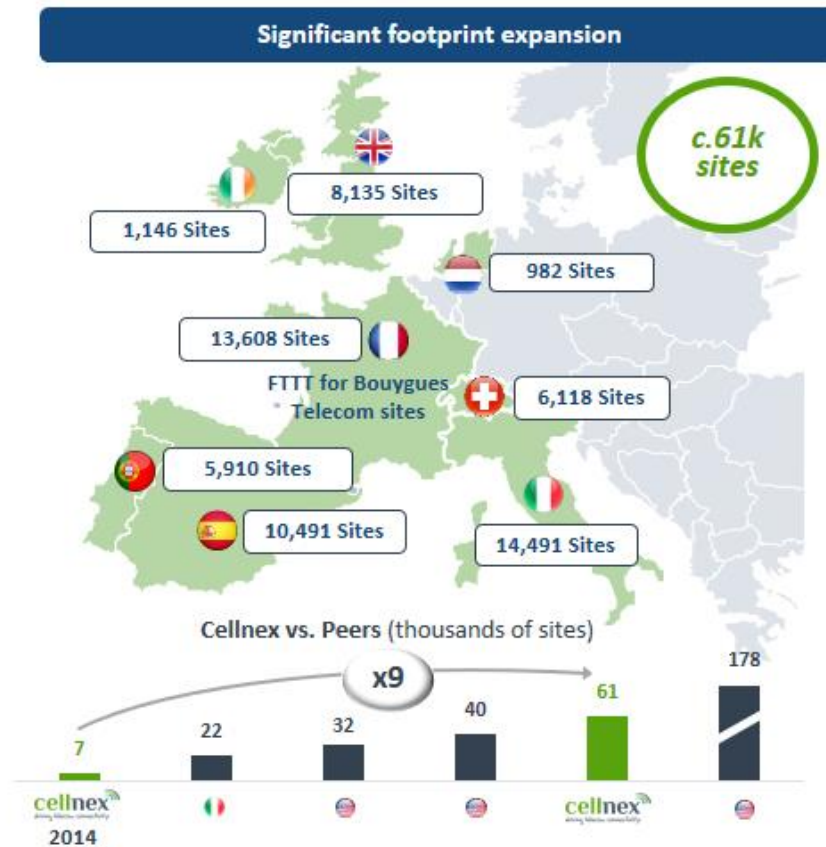
The company is listed on the continuous market of the Spanish stock exchange and is part of the selective IBEX 35 and EuroStoxx 600 indices. It is also part of the FTSE4GOOD and CDP (Carbon Disclosure Project) and "Standard Ethics" sustainability indexes. Cellnex's reference shareholders include Edizione, GIC, ADIA, CriteriaCaixa, Blackrock, Wellington Management Group and Canada Pension Plan.

## Appendix 1. Income Statement and Balance Sheet (IFRS16)

€ Mn	H1 2019	H1 2020
Broadcasting Infrastructure	117	117
Telecom Infrastructure Services	325	553
Other Network Services	47	52
<b>Operating Income</b>	<b>489</b>	<b>723</b>
<b>Operating Expenses</b>	<b>-168</b>	<b>-196</b>
<b>EBITDA*</b>	<b>321</b>	<b>527</b>
Non-Recurring Expenses	-15	-34
Depreciation & Amortization	-217	-423
<b>Operating Profit</b>	<b>89</b>	<b>70</b>
Net Financial Profit	-110	-135
Income Tax	19	15
Attributable to Non-Controlling Interests	0	7
<b>Net Profit</b>	<b>0</b>	<b>-43</b>

\*Adjusted EBITDA: relates to the "Operating profit" before "Depreciation and amortisation charge" after adding back (i) certain non-recurring items (such as cost related to acquisitions and redundancy provision) or (ii) certain non-cash items (such as advances to customers, which include the amortisation of amounts paid for sites to be dismantled and their corresponding dismantling costs, extra compensation and benefits costs, and LTIP remuneration payable in shares).

€ Mn	FY 2019	FY 2020
Goodwill	1.486	1.514
Fixed assets	7.238	8.447
Right-of-use-assets	1.251	1.336
Financial Investments & Other Fin. Assets	305	292
<b>Non-Current Assets</b>	<b>10.280</b>	<b>11.589</b>
Inventories	2	4
Trade and Other Receivables	367	435
Cash and Cash Equivalents	2.352	2.792
<b>Current Assets</b>	<b>2.721</b>	<b>3.231</b>
<b>Total Assets</b>	<b>13.001</b>	<b>14.820</b>
<b>Shareholders' Equity</b>	<b>5.051</b>	<b>4.980</b>
Borrowings	5.091	6.193
Lease liabilities	945	994
Provisions and Other Liabilities	1.254	1.882
<b>Non-Current Liabilities</b>	<b>7.289</b>	<b>9.068</b>
<b>Current Liabilities</b>	<b>661</b>	<b>771</b>
<b>Total Equity and Liabilities</b>	<b>13.001</b>	<b>14.820</b>
<b>Net debt</b>	<b>3.938</b>	<b>4.669</b>



## Appendix 2. Significant events during financial year 2020

### January

- On 2 January [Cellnex acquires OMTEL in Portugal](#).
- On 10 January [Deutsche Telekom renews Cellnex Spain's "Zero Outage Supplier" rating for the third consecutive year](#).
- On 15 January [the Board of Directors approves the Equity, Diversity and Inclusion Policy](#) for the Group as a whole with scope in all the countries in which the company operates.
- On 20 January [Cellnex France and Arteria sign a framework contract](#) for the use and marketing of 200 telecommunications towers and more than 600 plots of land where new sites may be located.
- On 22 January [Cellnex enters the "A List" of companies leading the fight against climate change](#).

## February

- On 4 February [Cellnex is recognised as a “Supplier Engagement Leader” by CDP](#). The agency has recognised Cellnex's strategy to reduce emissions and manage climate risks throughout its supply chain.
- On 7 February [Cellnex improves mobile connectivity at the Etihad Stadium](#) in the UK. The company equips the Manchester City stadium with a DAS system.
- On 10 February the Hàbitat3 Foundation and Cellnex Telecom sign an agreement to [provide connectivity to the social housing units to be built in the Llar Casa Bloc](#) complex in Barcelona.
- On 26 February [Cellnex and Bouygues Telecom agree to invest €1 billion in the next seven years](#) to roll out a fibre optic network (FTTA) and "metropolitan offices" that house data processing centres (Edge Computing) that will boost the 5G ecosystem in France.

## March

- On 9 March [IESE becomes one of the first management schools to test 5G prototypes on a European led by Cellnex](#).
- On 20 March the Spanish Government, through its Ministry of Economic Affairs and Digital Transformation, and telecoms operators Telefónica, Vodafone, Orange Spain, MÁSMÓVIL, Euskaltel, AOTEC and Cellnex sign an [agreement to guarantee the connectivity of individuals and companies in the context of the COVID-19 crisis](#); especially with regard to networks that support emergency services.

## April

- On 4 April [Cellnex announces the acquisition of 100% of NOS Towering from Portuguese mobile operator NOS](#).
- On 22 April the [UK's Competition and Markets Authority \(CMA\) approves Cellnex's acquisition of the telecommunications division of Arqiva](#).

## June

- On 10 June, a European consortium of hospitals led by the Clinic-IDIBAPS in Barcelona, with the support of Cellnex, promotes a [cellular immunotherapy project to tackle Covid-19](#). Cellnex will provide the necessary resources - estimated at €5 million - over the two years envisaged for the development of the project.
- On 11 June [Cellnex, Lenovo and NearbyComp Launch a new Edge Computing Solution](#). Based on Intel technology and a converged edge architecture, this new solution facilitates smart management on the edge of the network as a service for telco, business, internet of things or government applications.

- On 16 June [the European Commission awards](#) a consortium of 21 companies, entities and technology centres, led by Cellnex Telecom, the development of the [cross-border 5G corridor](#) –road and rail- between Figueres and Perpignan. The project known as 5GMED involves an overall investment of €16 million, 75% of which is financed by the EC. It will launch in September 2020 and run until November 2023.
- On 16 June [Cellnex closes a bond issue totalling €915 million](#) in two tranches, one of 165 million maturing in April 2025, with a coupon of 1.4%, and another for €750 million maturing in June 2029 and a coupon of 1.875%.
- On 22 June [Cellnex closes a bond issue for 100 million Swiss francs](#), maturing in July 2025 and with a coupon of 1.1 %.
- On 29 June [Cellnex pays out €0.03067 in dividend per share](#), charged to the share premium reserve.

## July

- On 1 July [Omtel starts operating under the Cellnex brand in Portugal](#), adopting the Group's corporate image as its own.
- On 8 July Cellnex completes the acquisition of Arqiva's telecommunications division in the UK.

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