

Results January-September 2020

Cellnex's revenue until September hit €1,149 billion, EBITDA grows to €838 million

Up to October, Cellnex has completed or announced acquisitions in Portugal, France, the UK and Poland for a total investment of €6.9 billion

Following its €4 billion rights issue in August 2020, Cellnex continues to analyse a range of projects involving investments of up to €11 billion

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- Key financial indicators for the quarter highlight the **considerable expansion of the Group's geographic footprint following several acquisitions in 2019 and 2020 until October**, along with sustained organic growth:
 - **Revenue stands at €1,149 billion (+53%); EBITDA at €838 million (+68%); and recurring free cash flow at €435 million (+70%).**
 - **Points of presence (PoPs) grew c.70%** (c.5% like-for-like). The customer ratio per site increased c.3% like-for-like.
 - **The roll-out of new DAS (distributed antenna system) nodes grew organically by c.20% in relation to the third quarter of 2019.**
 - **2020 financial guidance reconfirmed after the upward revision of EBITDA and recurring free cash flow announced last July.**
 - The Group's **backlog** of contracted sales is around **€53 billion** including the provisions of the agreement with Iliad in Poland announced on 23 October 2020.
 - **Net debt as of 30 September** amounted to **€3,776 billion. 74%** at a **fixed rate**, with an **average cost of debt** (drawn) of **1.7%** and a **average life of 5.5 years. Available Liquidity at the end of the quarter** (cash + credit lines) amounted to **c.€7.2 billion.**
 - The Board has approved a **dividend payment of €0.03588 per share**, charged to the share premium reserve, which will be effective on 25 November.
 - In the face of the situation created by Covid-19, the company maintains various lines of **collaboration with NGOs and several hospitals, to the tune of €10 million.** This includes its **€5 million funding for a research project in cellular immunotherapy** performed by a European consortium of hospitals, led by the Clinic of Barcelona.

Barcelona, 4 November 2020. Cellnex Telecom has presented its results for the January-September period of 2020. Revenue amounted to €1,149 million (+53%) and EBITDA grew to 838 million (+68%) after consolidating the asset acquisitions made in 2019 and in the first months of 2020.

The net result for the period was negative (-€84 million) due to higher amortisation (+100% vs. 3Q 2019) and financial costs (+37% vs. 3Q 2019) associated with acquisitions undertaken in 2019 and 2020 and the significant expansion of the Group's geographic footprint. This is in-line with the strong growth that the Company continues to experience, and for this reason - as announced in the presentation of the FY 2019 results - it is expected that the Group will continue to record negative net results in the coming quarters.

Cellnex President Franco Bernabè underscored "the ability of the Cellnex management team to continue to deliver against targets, including the continued availability of all services provided by the Company to its customers - reflected in the Group's organic business indicators - in a context marked by social and economic disruption caused by the coronavirus pandemic. The team has done so while maintaining a growth policy that allows us to reinforce and expand the Group's geographic footprint through a range of transformational acquisitions, while also enjoying the support of our shareholders who have once again demonstrated their trust in our project by responding in very large numbers to the €4 billion capital increase last August."

Cellnex CEO Tobias Martinez reiterated how "the Group and its employees continue to operate under the principle of maximum responsibility in relation to our customers, whose services have remained unaffected; to suppliers, with whom we have agreed mechanisms to speed up receipt of payments; to the employees themselves, who continue to perform their activities at the highest level during these exceptional circumstances, guaranteeing the continuity of operations, as well as undertaking new growth operations such as those delivered over the last few months in Portugal, France, in the UK where we finalised the purchase of Arqiva's telecommunications division, and the recent announcement of the agreement with Iliad in Poland that gives us access to one of the most attractive and dynamic markets in Eastern Europe."

"We are on the right track as we approach the close of 2020, a year marked by the Covid-19 pandemic to which the Group has responded with a desire to serve our customers while maintaining our ambition and tenacity to provide ourselves with the necessary resources that allow us to continue pushing forward the Group's growth project while striving to analyse and perform new operations."

Business lines. Main indicators for the period

Infrastructure services for mobile telecommunications operators contributed **78%** of total income, to the tune of €898 million, representing an increase of 77% with regard to September 2019.

Activity in **broadcasting infrastructures** contributed **15% of revenue**, at €172 million.

The business focused on **security and emergency service networks and solutions for smart urban infrastructure management (IoT and Smart cities)** contributed **7%** of revenue, totalling €78 million.

As of 30 September, **65% of income and 73% of EBITDA are generated outside the Spanish market**. Italy is the second largest market, accounting for 22% of the group's revenue.

As of 30 September 2020, Cellnex had a total **50,185 operative sites** (10,313 in Spain, 10,356 in Italy, 9,687 in France, 924 in the Netherlands, 7,996 in the UK, 5,277 in Switzerland, 621 in Ireland and 5,011 in Portugal), **plus the 2,707 nodes** (DAS and Small Cells).

It is worth noting that the number of **DAS and Small Cells** sites **grew organically** by approximately **20% in comparison to the same period in 2019**.

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

Total investments executed in the first nine months of 2020 amounted to **€3,585 million**, mostly for investments linked to generating new revenue streams, particularly the incorporation of new assets in Portugal and the UK and the continuity in the integration and roll-out of new sites in France, as well as improvements in efficiency, and the maintenance of installed capacity.

Following the announcement of the [agreement with Iliad for the acquisition of Play's network of locations in Poland](#), the **backlog** of future sales contracted by the group **stands at €53 billion**.

Financial Structure

Cellnex closed the first nine months of 2020 with a **debt structure marked by the flexibility, low cost and high average life** provided by the various instruments that were used. As of 30 September the **average life** was **5.5 years**, the approximate **average cost** was **1.7%** (drawn debt), and **74% at fixed rate**.

As of 30 September, **the Group's net debt stood at €3.776 billion** compared to €3.938 billion at the close of 2019.

At the close of the period, Cellnex had access to **immediate liquidity** (cash + undrawn debt) to the tune of approximately **€7.2 billion**.

On August Cellnex **successfully completed the capital increase to the tune of €4 billion**, to which nearly all Cellnex holders of preferential rights subscribed. Investor demand was 46 times the supply of new shares.

In October the company made a **10-year bond issue for an overall amount of €1 billion** with a coupon of 1.75%.

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 in September.

A 2020 marked by entry into new markets and consolidation in key markets

Until October 2020, Cellnex has reached various growth agreements that allowed it to **enter and consolidate its foothold in Portugal** and that will take it **into Poland** —the eighth and ninth European countries respectively in which the company currently 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; **and in the UK** with the finalisation of the purchase of Arqiva's telecommunications division.

In **Portugal** the Company announced in **January** that it had finalised 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 **France**, Cellnex and **Bouygues Telecom** announced a strategic agreement in **February** [to roll out 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 **April**, Cellnex reached an agreement with the Portuguese mobile operator **NOS** to [acquire 100% of NOS Towering](#). The transaction, which was closed this September, 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 the **United Kingdom**, the company finalised its **acquisition of Arqiva's telecommunications division** in **July**. The project, which was [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.

In **Spain**, this **October**, Cellnex finalised the **purchase of 60% Metrocall** from Indra, the [neutral operator that manages and operates the telecommunications infrastructure and services in the Madrid underground system](#).

Also in **October**, the Company announced that it had reached an **agreement with Iliad** to [acquire the 7,000-site network of the Polish mobile operator Play](#). Cellnex will invest €800 million in acquiring a 60% controlling stake in the company that will manage the sites, which plans to invest up to an additional 1.3 billion rolling out up to 5,000 new sites over the next ten years.

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)).

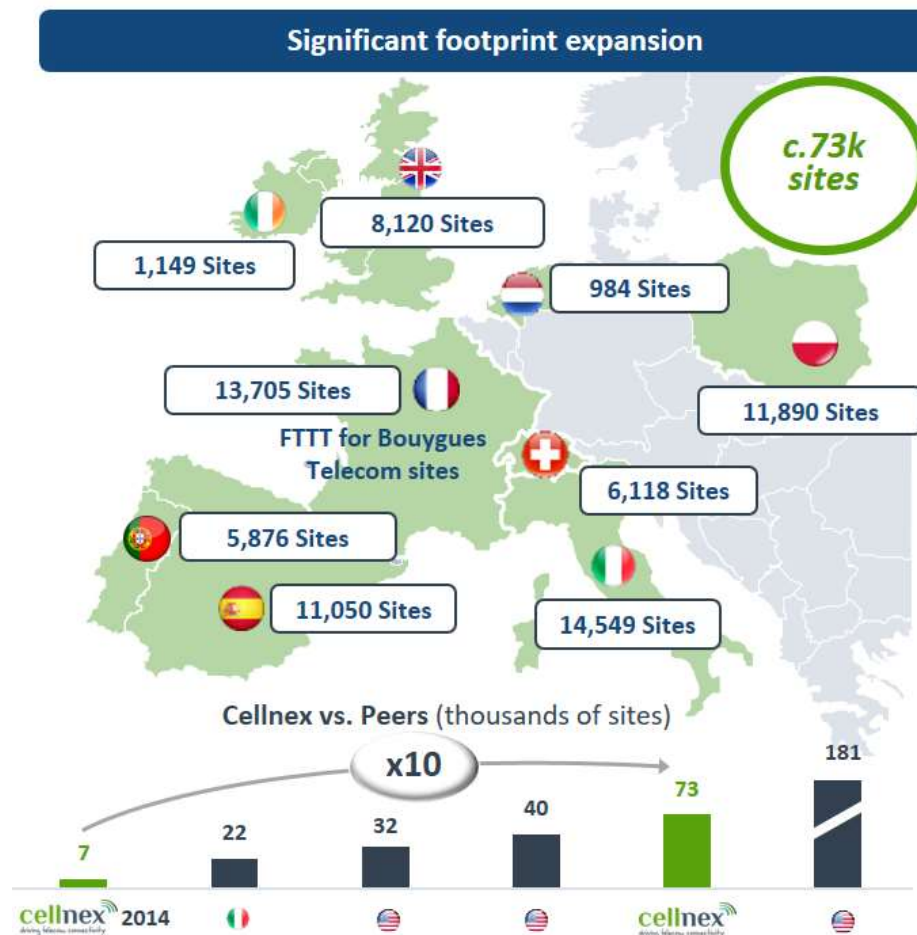
The company is listed on the continuous market of the Spanish stock exchange and is part of the selective IBEX 35 and Euro-Stoxx 600 indices. It is also part of the FTSE4GOOD and CDP (Carbon Disclosure Project) and "Standard Ethics" sustainability indexes. Cellnex's reference shareholders include Edizione,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

Appendix 1. Income Statement and Balance Sheet (IFRS16)

€ Mn	9M 2019	9M 2020
Broadcasting Infrastructure	176	172
Telecom Infrastructure Services	506	898
Other Network Services	71	78
Operating Income	753	1.149
Operating Expenses	-255	-311
EBITDA*	498	838
Non-Recurring Expenses	-26	-42
Depreciation & Amortization	-341	-683
Operating Profit	131	113
Net Financial Profit	-166	-228
Income Tax	20	22
Attributable to Non-Controlling Interests	3	9
Net Profit	-12	-84

*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, redundancy provision and extra compensation and benefit costs) or (ii) certain non-cash items (such as advances to customers, and LTIP remuneration payable in shares).

€ Mn	FY 2019	FY 2020
Goodwill	1.486	2.098
Fixed assets	7.238	11.169
Right-of-use-assets	1.251	1.663
Financial Investments & Other Fin. Assets	305	388
Non-Current Assets	10.280	15.318
Inventories	2	3
Trade and Other Receivables	367	539
Cash and Cash Equivalentes	2.352	4.738
Current Assets	2.721	5.280
Total Assets	13.001	20.598
Shareholders' Equity	5.051	8.865
Borrowings	5.091	6.934
Lease liabilities	945	1.161
Provisions and Other Liabilities	1.254	2.598
Non-Current Liabilities	7.289	10.694
Current Liabilities	661	1.039
Total Equity and Liabilities	13.001	20.598
Net debt	3.938	3.776



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 level 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.
- On 21 July Cellnex holds its [Shareholders' Meeting corresponding to financial year 2019](#).
- On 22 July the Board of Directors approves a capital increase of €4 billion to bolster the Company's available resources to finance the expansion of its telecommunications infrastructure portfolio in Europe.
- On 31 July Red.es awards the [development of a 5G pilot in the Barcelona metropolitan area](#) to a consortium led by Cellnex and the MASMOVIL Group.

August

- On 10 August [FTSE Russell confirms Cellnex as a member of the FTSE4Good sustainability index](#) for the fourth consecutive year, with an overall score of 4.2 out of 5.
- On 13 August Cellnex successfully completed the capital increase to the tune of €4 billion, to which nearly all Cellnex holders of preferential rights subscribed. Investor demand was 46 times the supply of new shares.

September

- On 30 September Cellnex finalises the acquisition of NOS Towering from Portuguese mobile operator NOS.

October

- On 5 October Cellnex announces the [purchase of 60% of Metrocall](#), the neutral operator that manages mobile telecommunications infrastructures and services in the Madrid underground system.
- On 5 October, Cellnex and Everynet sign an [agreement to roll out Internet of Things \(IoT\) networks in Italy, the UK and Ireland](#).
- On 14 October, Cellnex successfully completes the [issuance of a bond for €1 billion](#), maturing in October 2030 with a 1.75% coupon.
- On 23 October Cellnex announces an [agreement with Iliad to acquire the network of 7,000 sites of the mobile operator Play in Poland](#).

November

- On 2 November [BASF y Cellnex announce an agreement to roll-out the first 5G private network in a chemical plant in Spain](#).
- [Cellnex presents its innovations in the field of critical communications and edge connectivity](#) at the Critical Communications Week (From 2 to 6 November).

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