

Results January-March 2020

## Continued robust delivery of services underpins Cellnex performance in Q1

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- Since the onset of the coronavirus crisis in Europe, Cellnex has guaranteed the continuity and availability of all of its services, being as it is an essential activity that is performed 24/7.
- Key milestones also include the consolidation of considerable acquisition activity in 2019, as well as further acquisitions during Q1 2020. This built on sustained organic growth during the period:
  - Revenue stands at €358 million; EBITDA at €260 million; and recurring free cash flow at €127 million.
  - Points of Presence (PoPs) increase by c.60% (+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 c.25% in relation to the first quarter of 2019.
- Net debt as of 31 March amounted to €4.569 billion. 77% is at a fixed rate, the average cost of debt (drawn) is 1.7% and the average life is 5.6 years. Liquidity available at the end of the quarter (cash + credit lines) amounted to €6 billion.
- During the first months of 2020, the Company announced two acquisitions in Portugal: OMTEL (already completed) and NOS Towering (pending administrative authorisations); it strengthened its presence in France through a new agreement with Bouygues Telecom to roll out a fibre network (fibre to FTTA tower) to boost the 5G ecosystem; and received an unconditional clearance from the UK's Competition and Markets Authority (CMA) to acquire Arqiva's Telecommunications division.
- Cellnex has implemented a set of collaborative actions with international organisations and hospitals to make personal protective equipment available for healthcare staff as well as resources for at-risk groups. It has also driven a technological project for the development, production and provision of mechanical ventilation systems intended for ICUs.

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**Barcelona, 7 May 2020.** Cellnex Telecom has presented its results for the first quarter of 2020. Revenues amounted to €358 million (+49%) while EBITDA grew to €260 million (+64%) after consolidating asset acquisitions made in 2019 in France and Italy (Iliad), Switzerland (Salt), the UK (BT), Ireland (Signal) and Spain (Orange), as well as the purchase of OMTEL in Portugal, finalised on 2 January 2020.

Net profit for the quarter was -€30 million due to the substantial effect of higher amortisations (91% vs. Q1 2019) and financial costs (34% vs. Q1 2019), associated with the intense acquisition process and the consequent geographic footprint expansion. This scenario remains consistent with the current strong growth that the company continues to experience and, as announced in the presentation of annual results, we can expect the group to continue to show a negative accounting result in the coming quarters.

**Franco Bernabè, Chairman of Cellnex**, underlined the “continuity and full availability of the services that Cellnex provides in the eight countries in which we operate, against the backdrop of social and economic disruption resulting from the coronavirus outbreak.”

“The Company –**Tobias Martinez, Cellnex’s CEO added**–, is operating under the criteria of maximum responsibility and prudence 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; and to our employees, who we continue to support and who provide continuity of operations of the company. We are also proud to have been able to commit financial and technological resources to social projects projects to alleviate the impact of the health crisis in the short term.”

In this context, **continues the CEO**, “we can underscore a first quarter whose results include the effect of both business continuity with sustained like-for-like growth and the significant expansion of the Company due to the acquisitions undertaken in 2019 and these first months of 2020, which has translated into substantial growth in revenue, EBIDTA and recurring cash flow.”

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

In the first quarter of 2020, Infrastructure **services for mobile telecommunications operators** contributed **76%** to total revenues, to the tune of €273 million, an increase of 71% compared to March 2019.

Activity in **broadcasting infrastructures** contributed **17%** of revenues, at €59 million.

The business focused on **security and emergency service networks and solutions for smart urban infrastructure management** (IoT and Smart cities) contributed **7%** of revenues, totalling €25 million.

As of 31 March, **62% of revenues and 71% of EBITDA are generated outside the Spanish market**. Italy is the second largest market, accounting for 23% of the group's revenues.

As of 31 March 2020, Cellnex had a total of **40,207 operative sites** (10,284 in Spain, 10,194 in Italy, 9,325 in France, 921 in the Netherlands, 608 in the United Kingdom, 5,270 in Switzerland, 594 in Ireland and 3,011 in Portugal), **plus a further 2,053 nodes** (DAS and Small Cells).

It should be noted that the number of **DAS and Small Cells sites grew** approximately **25%** in comparison to the first quarter of 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 quarter** amounted to **€919 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 **€46 billion**.

### **Debt structure**

Cellnex closed the first quarter of 2020 with a **stable long-term debt structure, with an average life of 5.6 years**, an **average cost** of approximately **1.7%** (drawn debt), and **77%** at a **fixed rate**.

The **Group's net debt as of 31 March stood at €4.569 billion** compared to €3.938 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 **€6 billion**.

**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 a further maximum 350 sites, involving a total planned investment for this site construction programme of €140 million.

In **April**, Cellnex reached an agreement with the Portuguese mobile operator NOS to acquire 100% of **NOS Towering**. The transaction involves **c.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 geographic footprint (by up to 400 sites, including a new tower construction programme) and other agreed initiatives to be performed during the next six years. The closing of this acquisition is subject to the usual regulatory and administrative approvals.

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**, in **April** the company received the **necessary approval** from the Competition and Markets Authority (CMA) **to acquire Arqiva's telecommunications division**. The project, which was announced in October 2019, will involve integrating **c. 7,400 sites** and the marketing rights of c. 900 sites across the UK, involving an investment of £2 billion. Following the CMA's authorisation, initial forecasts indicate that the transaction will close by next summer.

### Cellnex and the coronavirus crisis

From the outset of the coronavirus outbreak, Cellnex, as an operator of telecommunications infra-structures for radio and TV (DTT), voice and data, and communication networks for security forces (police and fire-fighters) and emergencies (medical and maritime rescue), **has deployed its contingency and business continuity plans across the eight countries in which it operates in order to preserve the security and availability of the services it provides 24/7 while ensuring application of the strictest protection measures for its staff.**

Likewise, the Company is **cooperating with various national and international organisations**, particularly the Spanish Red Cross, Unicef, Save the Children and Italy's Protezione Civile to provide personal protective

equipment for healthcare staff as well as resources for at-risk groups. The company is also working together with **several hospitals and is contributing to a technological project to develop, produce and provide mechanical ventilation systems** for ICUs.

### 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.

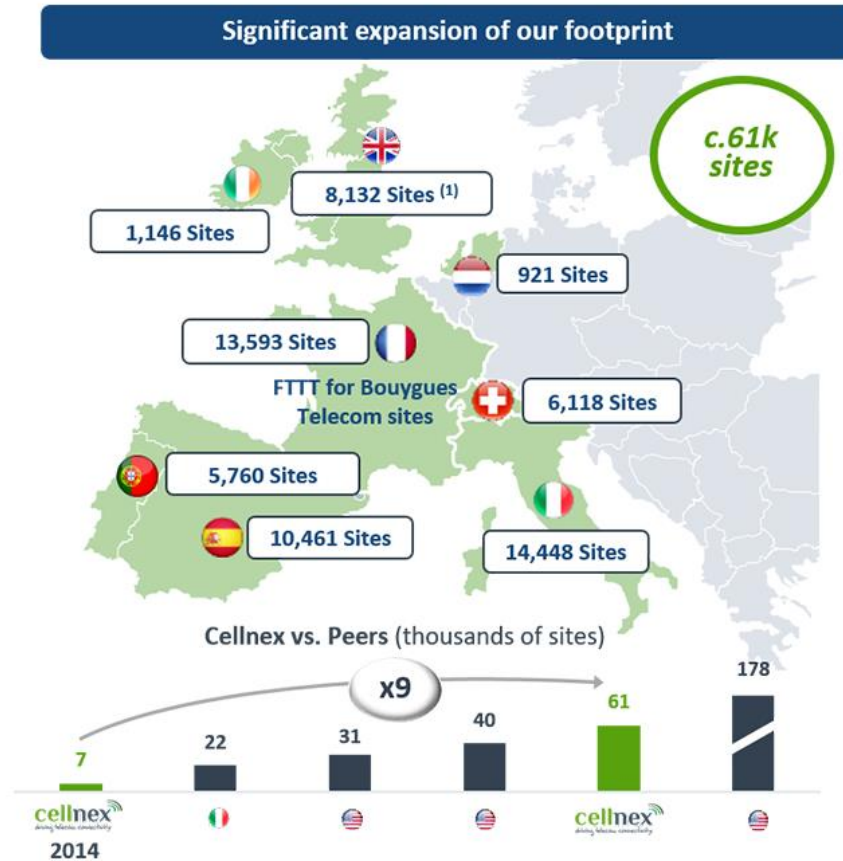
Cellnex's reference shareholders include Connext, with a 29.9% stake in the share capital, as well as CriteriaCaixa, Blackrock, Wellington Management Group and Canada Pension Plan, holding smaller stakes.

## Appendix 1. Income statement and balance sheet (IFRS16)

€ Mn	Q1 2019	Q1 2020
Broadcasting Infrastructure	59	59
Telecom Infrastructure Services	160	273
Other Network Services	22	25
<b>Operating Income</b>	<b>241</b>	<b>358</b>
<b>Operating Expenses</b>	<b>-82</b>	<b>-98</b>
<b>EBITDA*</b>	<b>159</b>	<b>260</b>
Non-Recurring Expenses	-10	-18
Depreciation & Amortization	-107	-204
<b>Operating Profit</b>	<b>42</b>	<b>38</b>
Net Financial Profit	-63	-84
Income Tax	21	13
Attributable to Non-Controlling Interests	0	3
<b>Net Profit</b>	<b>0</b>	<b>-30</b>

\*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, tax related to acquisitions, service contract cancellation cost, 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	1.596
Fixed assets	7.238	8.244
Right-of-use-assets	1.251	1.292
Financial Investments & Other Fin. Assets	305	315
<b>Non-Current Assets</b>	<b>10.280</b>	<b>11.447</b>
Inventories	2	3
Trade and Other Receivables	367	419
Cash and Cash Equivalents	2.352	1.906
<b>Current Assets</b>	<b>2.721</b>	<b>2.327</b>
<b>Total Assets</b>	<b>13.001</b>	<b>13.773</b>
<b>Shareholders' Equity</b>	<b>5.051</b>	<b>5.004</b>
Borrowings	5.091	5.272
Lease liabilities	945	952
Provisions and Other Liabilities	1.254	1.852
<b>Non-Current Liabilities</b>	<b>7.289</b>	<b>8.076</b>
<b>Current Liabilities</b>	<b>661</b>	<b>693</b>
<b>Total Equity and Liabilities</b>	<b>13.001</b>	<b>13.773</b>
<b>Net debt</b>	<b>3.938</b>	<b>4.569</b>



(1) Includes c.7,400 Arqiva sites. The agreement is expected to be closed in the second half of 2020. In the case of Portugal, it includes the acquisition of NOS Towering, which is subject to the usual administrative and regulatory authorisations.

## Appendix 2. Significant events in 2020

### January

- On 2 January [Cellnex acquires OMTEL in Portugal.](#)
- On 10 January [Deutsche Telekom renews Cellnex's certification as a "Zero Outage Supplier" for the third year in a row.](#)
- 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 broadband 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 over the next 7 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 personal and corporate connectivity in the context of the COVID crisis19](#); 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 \(CMA\) cleared Cellnex's acquisition of the telecommunications division of Argiva](#). Following the CMA's authorisation, it is estimated that the operation will have been closed by next summer.