Q4
2017

# January – December 2017 Results

February 16, 2018

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# Key Highlights

**Location: France**
**Rural tower**

# The Period in a Nutshell

*A remarkable year in Cellnex's ascending trajectory*

*European tower sector accelerating and Cellnex at the center stage*

**Consistent delivery on organic growth**

*+4% new PoPs in the period*

*In line with guidance*

**Strong RLFCF generation**

*>10% in the period*

*2017 financial outlook beaten*

**Sustainable business model**

*c.€16Bn contracted revenues (backlog)*

*Very long term contracts recently signed*

*Compelling business risk profile*

**Executing on our equity story**

*Consolidating Spain and Netherlands*

*Consolidating Switzerland in one step*

*Reinforcing relationship with Bouygues Telecom, Iliad, Másmóvil, …*

**Structural flexibility for financing growth**

*c.€2Bn available liquidity*

*Average cost c.2%, maturities >6 years*

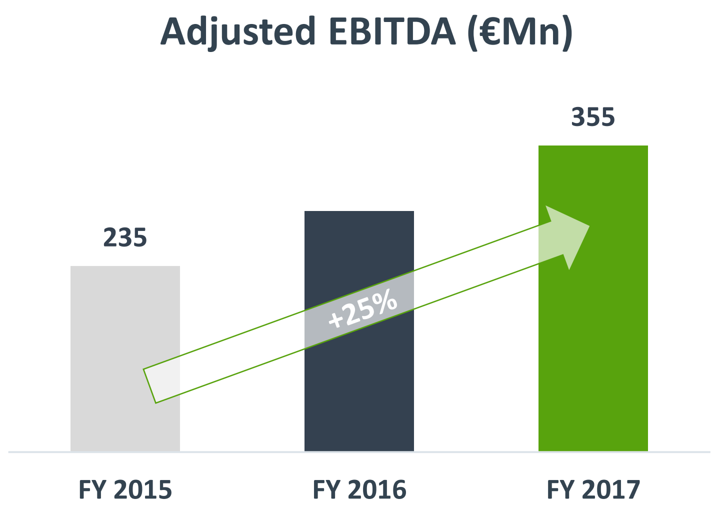
**Market recognition**

*A year of delivery*

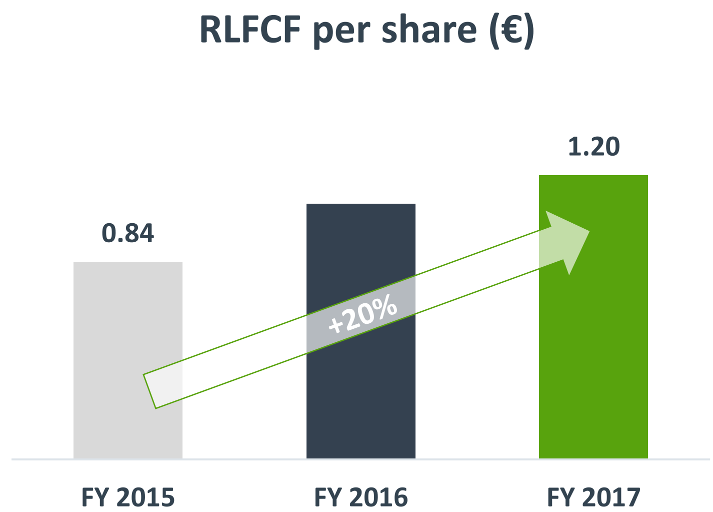
*The best share price performance among Ibex 35 companies and tower peers (+56% in 2017)*

# Key Highlights

## *Boosting Adjusted EBITDA and RLFCF per share*




*Adjusted EBITDA **CAGR 2015-2017 of c.25%***




*RLFCF per share **CAGR 2015-2017 of c.20%***

# Key Highlights

## *A steady flow of tower outsourcing in 2017*
## *Cellnex´s sites x4 since IPO*

**cellnex 2017**

**Footprint +c.8k sites**
**EV (1) c.€2Bn**

January 2017

**Industrial partnership** – bouygues
**Construction + Acquisition**
EV €854Mn
3,000 sites (2)

**Consolidating Switzerland** – Sunrise
**Construction + Acquisition**
EV €400Mn
2,839 sites (3)

WIND | 3
**Reinforcing position in Italy**
Acquisition of 10% stake in Galata

**Reinforcing partnership** – bouygues
**Acquisition**
EV €170Mn
600 sites (4)

**"Mom and Pop" portfolio**
**Acquisition**
EV €12Mn
32 sites

Alticom
**Acquiring 5G capabilities and growing in Netherlands**
EV €129Mn
30 sites

**Reinforcing partnership** – bouygues
**Construction**
EV €283Mn
c.1,000 sites (5)

**Industrial partnership** – MÁSMÓVIL
**Acquisition**
EV c.€40Mn
551 sites (6)

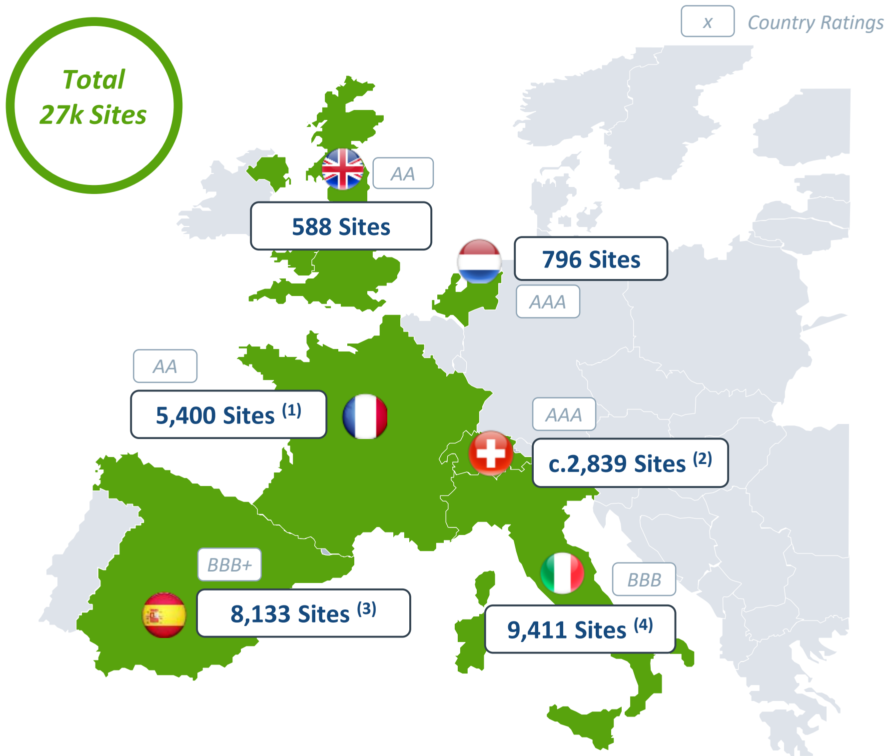
December 2017

(1) Enterprise Value (invested and committed)
(2) Acquisition of up to 1,800 sites to be gradually transferred into Cellnex France over a 2-year period + up to 1,200 sites to be built over a 5-year period
(3) Including contribution of built to suit program of 400 sites and c.200 DAS nodes
(4) Up to 600 additional sites, to be gradually transferred into Cellnex France no later than 2020
(5) Construction of up to 1,000 additional sites by 2022
(6) EBITDA contribution expected upon completion of partial dismantling, ground lease renegotiation program and increased customer ratio

# Key Highlights

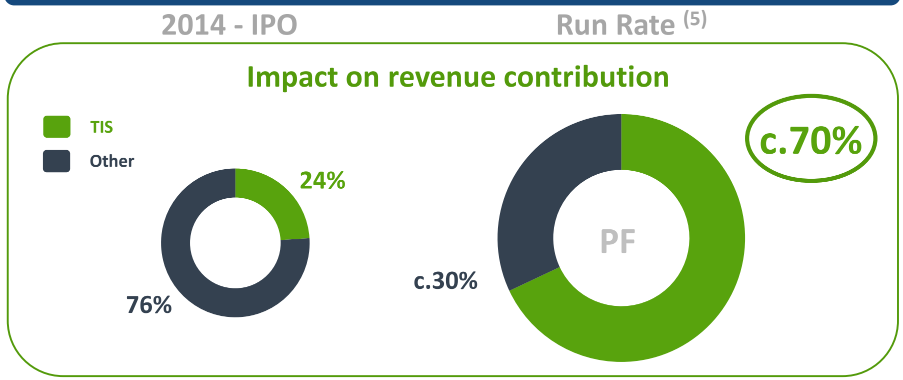
## *Significant improvement of Cellnex's business risk profile, focus on TIS (revenues c.70%) and geographical diversification (EBITDA c.60% ex-Spain)*

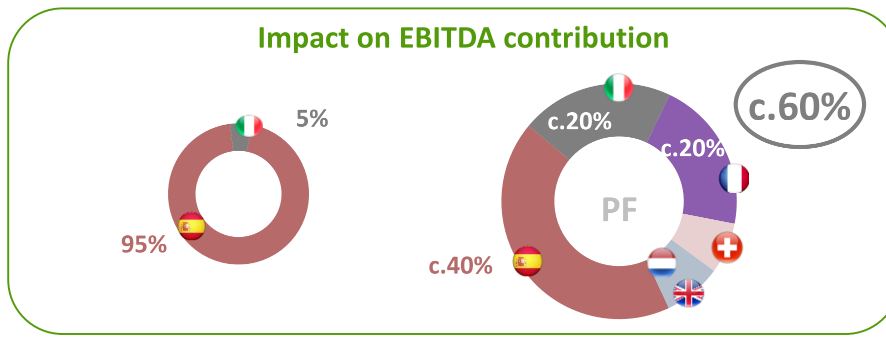
### Significant expansion of European footprint



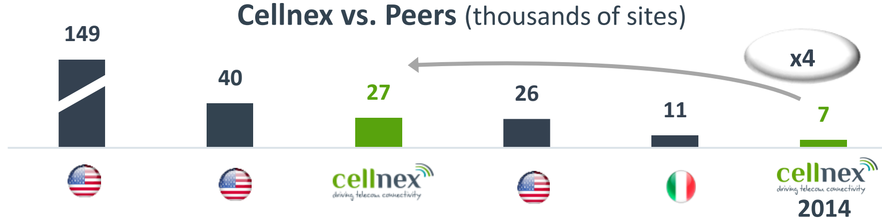

(1) 500 sites from Bouygues Telecom in 2016 + up to 3,000 sites from Bouygues Telecom in 2017 + 2 extensions with Bouygues Telecom (up to 600 acquired sites + up to 1,000 construction sites) + 300 sites under management alongside motorways
(2) Including contribution of build to suit program of 400 sites and c.200 DAS nodes
(3) Including broadcast, 551 sites from MásMóvil and DAS nodes
(4) Including Commscon's DAS nodes and built to suit program for Wind Tre
(5) Management estimate based on 2017 financials and including run rate contribution of recent deals

### Substantial improvement of Business Risk Profile




**Cellnex vs. Peers** (thousands of sites)



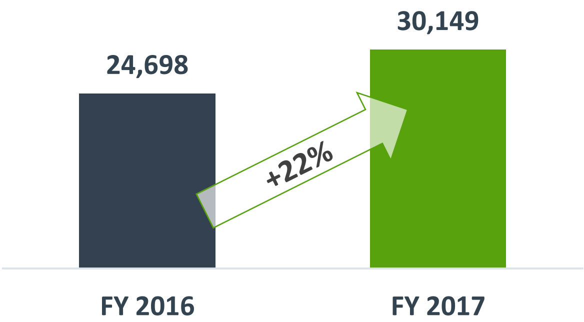
# FY 2017 Business Performance

**Location: Netherlands**
**TIS site and data center**

# FY 2017 Business Performance

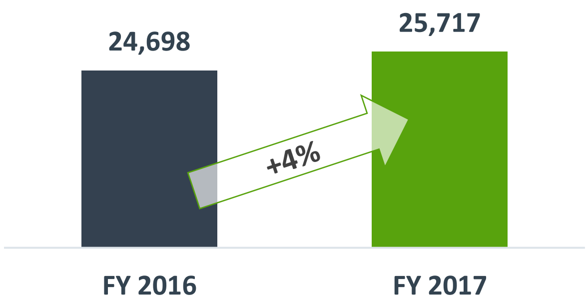
## *Ongoing strong performance of operational KPIs*

### PoPs – Total



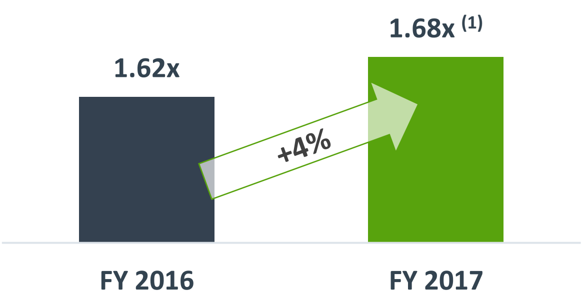

*Contribution from both organic growth and change of perimeter*

### PoPs – Organic Growth



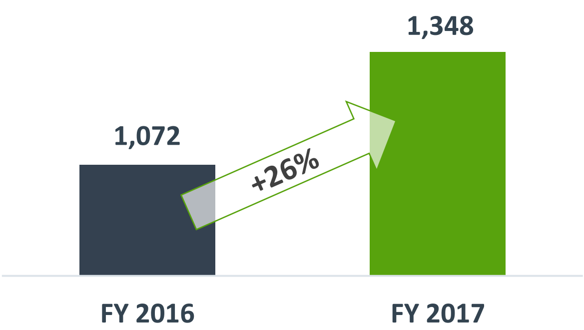

*New organic PoPs mainly due to network densification*

### Customer Ratio




*Contribution from organic growth*

### DAS Nodes



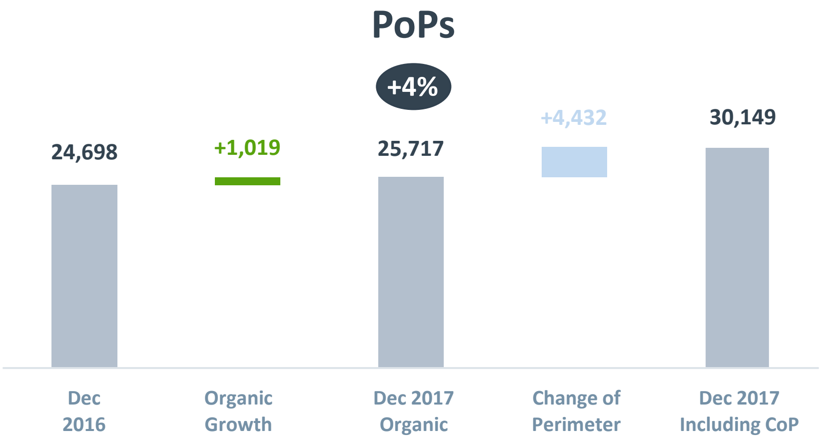

*Future growth driver of Telecom Infrastructure Services*

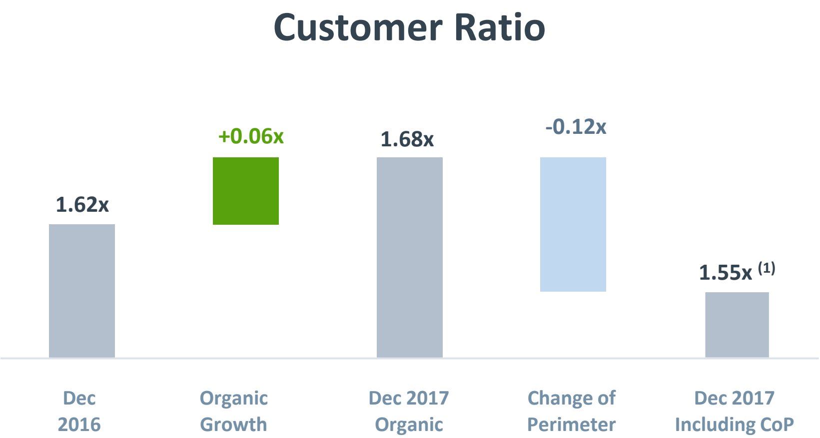
(1) Customer ratio excludes change of perimeter (organic growth only)

# FY 2017 Business Performance

## Key Figures

### *22% PoPs growth (of which 4% organic growth - YoY)*




### *Continued commercial drive to secure future organic growth*

Organic growth targets on track: (i) new PoPs in line with guidance (+4%), (ii) 49% decommissioning target [2] and, (iii) build to suit target met [2] ✓

- Agreement with Másmóvil reinforces relationship and positions Cellnex as an industrial partner for future network rollout
- Cellnex certified as “Zero Outage Supplier” by Deutsche Telekom and T-Systems
- Cellnex’s exclusive DAS network at “Wanda Metropolitano Stadium” in Madrid already serving 3 operators, outstanding coverage and throughput

Progress under the current framework agreement with Iliad for its network deployment

- Progress under the new framework agreement with Iliad
- Agreement to manage 300 sites alongside motorways under a 15-year contract

Ongoing contacts with operators to commercialize our portfolio

Cellnex is exploring a number of opportunities to provide DAS/Small Cells solutions in dense urban areas

(1) Customer Ratio down due to the contribution of new sites (Sunrise, Bouygues Telecom, MásMóvil) with a lower ratio, partially offset by Alticom
(2) 2,000 sites to be decommissioned in 2016-2019 and 2,200 BTS sites in 2016-2021 (on a contracted basis, to be executed over the coming years)

# FY 2017 Business Performance

## Recurring Levered Free Cash Flow (RLFCF)

cellnex
driving telecom connectivity

***Strong cash conversion of adjusted EBITDA into RLFCF of c.80% and adjusted EBITDA margin +400bps vs. 2016***

| Figures in €Mn | Dec 2016 | Dec 2017 |
|---|---|---|
| Telecom Infrastructure Services | 385 | 474 |
| Broadcast Infrastructure | 235 | 237 |
| Other Network Services | 87 | 81 |
| **Revenues** | **707** | **792** |
| Staff Costs | -97 | -105 |
| Repairs and Maintenance | -27 | -28 |
| Rental Costs | -160 | -167 |
| Utilities | -70 | -74 |
| General and Other Services | -63 | -63 |
| **Operating Costs** | **-418** | **-438** |
| **Adjusted EBITDA** | **290** | **355** |
| *% Margin without pass through* | *43%* | *47%* |
| Maintenance Capex | -21 | -25 |
| Change in Working Capital | 18 | 3 |
| Interest Paid | -23 | -41 |
| Tax Paid | -11 | -13 |
| (1) Net Dividends to Non-Controlling Interest | 0 | -1 |
| **RLFCF** | **251** | **278** |

- Telecom Infrastructure Services up due to organic growth and acquisitions
- Broadcast revenues up due to the switch-on of new TV capacity in Q2 2016
- Opex up vs. 2016 due to change of perimeter
  - Opex reduction on a like-for-like basis as a result of the efficiency program
- While revenues increased 12% year-on-year, Adjusted EBITDA grew by 22%
- Maintenance Capex in line with guidance (c.3% on revenues)
- Positive working capital due to proactive management measures (medium term guidance unchanged)
- Cash interest up due to coupons paid in 2017
- Cash taxes reflect optimization measures in place

Backup Excel document available on Cellnex's website
(1) Cash out to minority shareholders

# FY 2017 Business Performance

## Balance Sheet and Consolidated Income Statement

### Balance Sheet (€Mn)

| | Dec 2016 | Dec 2017 |
|---|---|---|
| **Non Current Assets** | **2,545** | **3,533** |
| Fixed Assets | 2,084 | 2,861 |
| Goodwill | 380 | 567 |
| Other Financial Assets | 81 | 105 |
| **Current Assets** | **351** | **523** |
| Debtors and Other Current Assets | 158 | 228 |
| Cash and Cash Equivalents | 193 | 295 |
| **Total Assets** | **2,895** | **4,056** |
| **Net Equity** | **551** | **645** |
| **Non Current Liabilities** | **2,153** | **3,080** |
| Bond Issues | 1,398 | 1,869 |
| Borrowings | 279 | 631 |
| Deferred Tax Liabilities | 290 | 350 |
| Other Creditors & Provisions | 186 | 230 |
| **Current Liabilities** | **191** | **331** |
| **Total Liabilites** | **2,895** | **4,056** |
| **Net Debt** | **1,499** | **2,237** |
| (2) **Annualized Net Debt / Annualized Adjusted EBITDA** | **4.6x** | **5.5x** |

### Income Statement (€Mn)

| | Dec 2016 | Dec 2017 |
|---|---|---|
| **Revenues** | **707** | **792** |
| **Operating Costs** | **-418** | **-438** |
| Non-recurring items | -26 | -31 |
| Depreciation & amortisation | -177 | -225 |
| **Operating profit** | **87** | **98** |
| (3) Net Interest | -41 | -68 |
| Bond Issue Costs | -5 | 0 |
| Corporate Income Tax | -1 | 0 |
| (4) Non-Controlling Interests | -1 | 2 |
| **Net Profit Attributable** | **40** | **33** |

## *Strong liquidity position[(1)] coupled with a significant increase of contracted revenues*

- Purchase price allocation processes lead to fixed assets allocation, with only marginal impact on incremental goodwill
- Significant generation of cash and reinforced liquidity position due to the issuance of debt instruments throughout the period
- Off-Balance Sheet items such as backlog reaching a record c.€16bn
  - Contracted revenues represent >20 years of revenues and,
  - >7x Cellnex's Net Debt (c.€16Bn vs. c.€2Bn Net Debt)

(1) c.300Mn cash as of Dec 2017 + 600Mn convertible bond issued Jan 2018 + c.1.1Bn available credit lines = c.€2Bn
(2) 12-month forward-looking Adjusted EBITDA (see outlook 2018), divided by net debt 2017

- Net interest up due to coupons associated with new bonds and debt formalization expenses

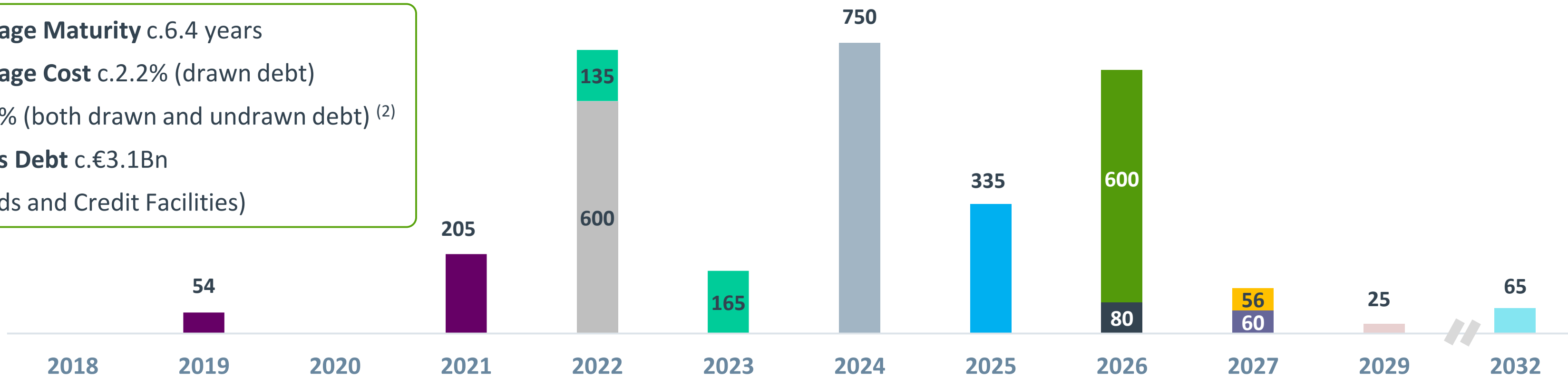
(3) Please see Backup Excel file for the reconciliation of P&L Net Interest and Cash Interest Paid
(4) Non controlling interest in Galata (10%), Adesal (40%) and Swiss Towers (46%)

# FY 2017 Business Performance

## Financial Structure as of February 2018

### *First significant refinancing in 2022*
### *c.0.6x Net Debt/EBITDA de-leveraging every year [(1)]*

**Average Maturity** c.6.4 years
**Average Cost** c.2.2% (drawn debt)
c.1.9% (both drawn and undrawn debt) [(2)]
**Gross Debt** c.€3.1Bn
(Bonds and Credit Facilities)




*Net Debt c.€2.2Bn*

| Credit Facilities | Cash |
|---|---|
| c.1,060 [(3) (4)] | c.900 |
| Euribor/Libor + c.1% Mat. 2019/23 | |

**Bonds and Other Instruments**

| 259 [(5)] | 600 | 300 [(6)] | 750 | 335 | 80 [(7)] | 600 [(8)] | 56 [(9)] | 60 [(7)] | 25 [(10)] | 65 [(7)] |
|---|---|---|---|---|---|---|---|---|---|---|
| Eur/Libor + c.1% Mat. 2019/21 | 3.125% Mat. 2022 | Libor + c.1%-1.5% Mat. 2022/23 | 2.375% Mat. 2024 | 2.875% Mat. 2025 | Eur+c.2% Mat. 2026 | 1.5% Mat. 2026 | 3.25% Mat. 2027 | Eur+c.2% Mat. 2027 | Eur+c.1.1% Mat. 2029 | 3.875% Mat. 2032 |

*Available Liquidity c.€2Bn*

Figures in € Mn
(1) Includes current dividend policy and no further perimeter changes
(2) Considering current Euribor rates; cost over full financing period to maturity
(3) RCF Euribor 1M; Credit facilities Euribor 1M and 3M; floor of 0% applies
(4) Maturity 5 years with 2 extensions of 1 year to be mutually agreed
(5) Includes c.£150Mn debt in GBP; natural hedge investment in Shere Group (UK)
(6) CHF132Mn debt in Swiss Francs at corporate level (natural hedge) + CHF162Mn debt in Swiss Francs at local level in Switzerland (project financing)
(7) Private placement
(8) Convertible bond into Cellnex shares (conversion price at €38 per share)
(9) Bilateral loan
(10) EIB

# FY 2017 Business Performance

## Convertible bond 2026

### *Accessing a new market with the highest conversion premium in Europe (70%)*

- ✓ *Diversification of funding sources*
- ✓ *Extending maturities*
- ✓ *Material reduction of debt cost*
- ✓ *c.3x oversubscribed*
- ✓ *Only 7 Ibex 35 corporates have convertible bonds*

| | |
|---|---|
| Nominal amount | €600 million |
| Tenor | 8 years |
| Coupon | Post-tax cost c.0.8% (1.5% pre-tax) |
| Expected equity settlement | If share price above €38 at maturity (1) |

For further details please see Term Sheet available on Cellnex's website
(1) Up to 15.8 million underlying shares representing c.6.8% of Cellnex's share capital

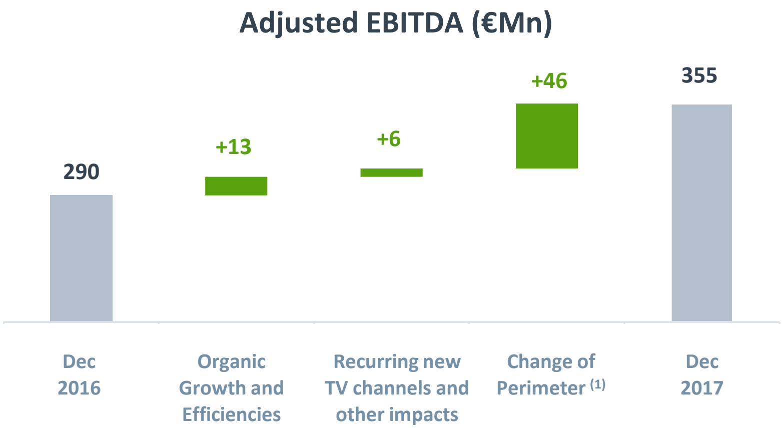
# FY 2017 Business Performance

## Financial Outlook

### *2017 financial outlook beaten...*

**2017**

| | |
|---|---|
| Adjusted EBITDA | • €355Mn ✓ |
| RLFCF | • €278Mn ✓ |
| Capex to revenues | • Maintenance: c.3%<br>• Expansion: c.10%(2) ✓ |
| Dividends(3) | • 10% growth ✓ |




### *... and 2018 outlook implying double-digit growth in key metrics*

**2018 Outlook**

| | |
|---|---|
| Adjusted EBITDA(4) | • [€405Mn – €415Mn] |
| RLFCF | • To grow ≥ 10% |
| Capex to revenues | • Maintenance c.3%<br>• Expansion c.5-10%(2) |
| Dividends(3) | • 10% growth |

(1) 2 quarters Protelindo + 3 quarters Shere + 500 Bouygues sites gradually transferred during 2017 + gradual contribution from new Bouygues urban sites + <2 quarters Swiss Towers + ~1 quarter Alticom
(2) Capex guidance was set irrespective of the BTS programs with both Bouygues Telecom and Sunrise, and therefore their contribution has been excluded
(3) 2017-2019 dividend policy: https://cellnextelecom.com/en/dividend-policy/
(4) Adjusted EBITDA 2018 = €355Mn + Change of perimeter + Organic growth / Efficiencies. Being the change of perimeter: gradual contribution from new Bouygues Telecom sites + c.2 quarters Swiss Towers + c.3 quarters Alticom. Please note Swiss Towers' expected Adjusted EBITDA contribution in 2018 of c.€18Mn due to timing but mostly FX (final EV c.€400Mn instead of €430Mn announced)

# *Another year of delivery*

**Location: Spain**
**Rural site**

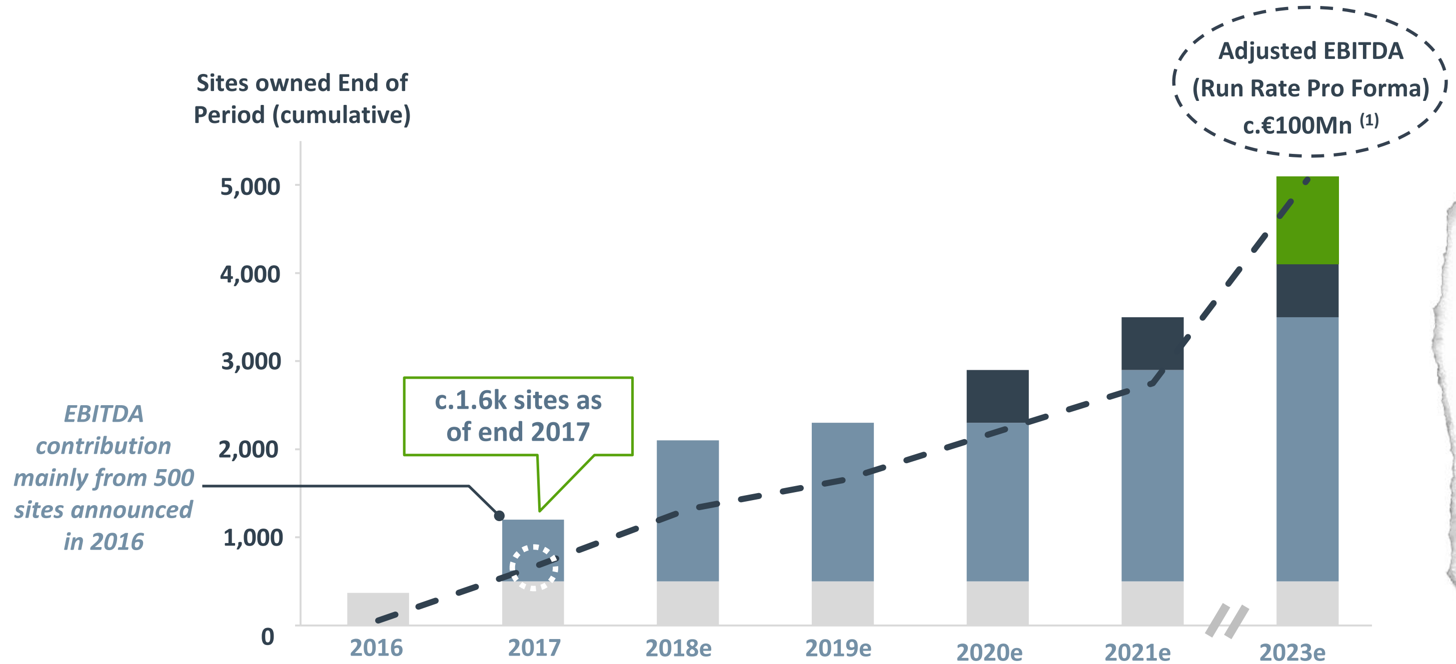
# Frequently Asked Questions

**Location: Italy**
**Rural site**

# Frequently Asked Questions

## Cellnex France: gradual contribution of sites and adjusted EBITDA

***Cellnex to become the #2 independent tower operator in France with a high organic growth potential***




arcep

***Built to Suit opportunity not factored in***

*French MNOs are to deploy 5,000 additional sites each in the next 3 years following the signature of an agreement with the French Government to accelerate mobile coverage* (3)

| 500 sites transferred<br>Signed in July 2016 | Up to 1,800 sites by 2019 + up to 1,200 BTS sites by 2022<br>Signed in February 2017 | Up to 600 sites by 2020<br>Announced in H1 2017 results | Up to 1,000 BTS sites by 2022<br>Signed in December 2017 (2) |
|---|---|---|---|

(1) Run rate Adjusted EBITDA, expected when all towers contribute to financials
(2) Expected run rate Adjusted EBITDA contribution of c.€20Mn
(3) For more information please see ARCEP Press Release

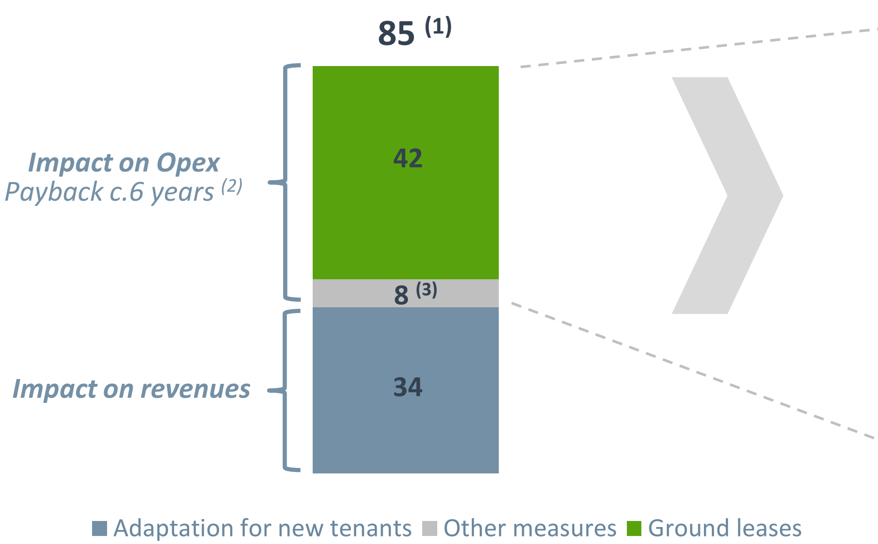
# Frequently Asked Questions

## Efficiency plan 2016-2019 and capital allocation

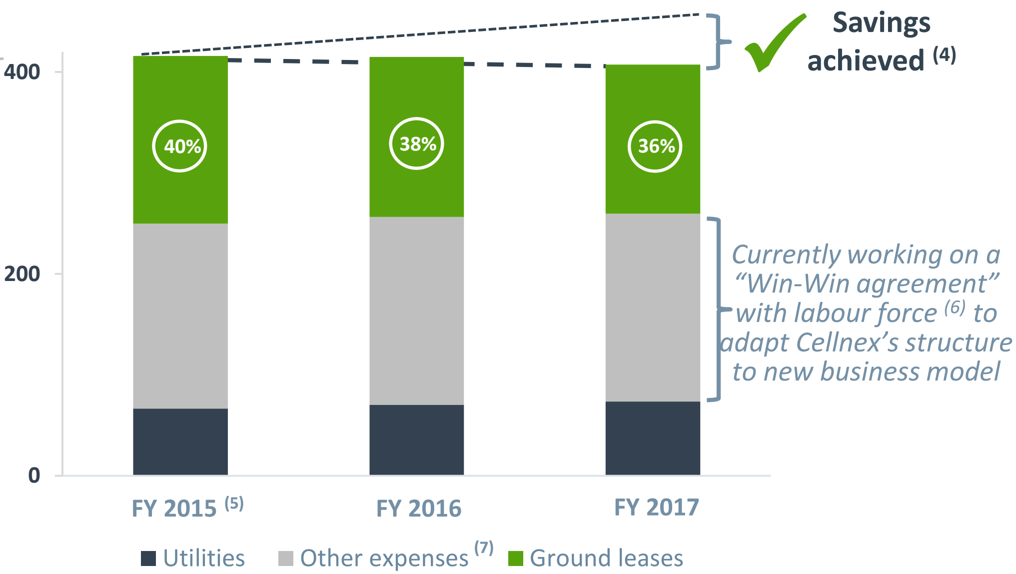
### *Efficiency plan translating into a steady Opex decrease (on a like-for-like basis)…*

**Expansion Capex 2017 (€85Mn[1])**

*c.10% of total revenues*
*c.50% allocated to the optimization of ground leases (€42Mn)*




**Operating Expenses (€Mn)**




### *… and therefore improving Cellnex's operating leverage, with Adjusted EBITDA margin improving from 41% in 2015 to 47% in 2017 (8)*

(1) Excluding BTS program for Bouygues Telecom and Sunrise
(2) Total Expansion Capex devoted in 2015-17 to efficiency measures of c.€100Mn (excludes Q4 2017 investment, as it has not been able to generate savings yet), with achieved savings of c.€17Mn
(3) Other efficiency measures associated with energy and connectivity
(4) Measured as the difference between the theoretical Opex performance without investment in efficiency (CPI-linked) and the actual performance
(5) At constant perimeter as of FY 2015, including 1 additional quarter of Galata
(6) Cellnex is negotiating with unions a voluntary early retirement / redundancy plan in Spain ("Win-Win agreement")
(7) Includes staff costs, repairs, maintenance, general and other services
(8) Excluding pass-through

# Frequently Asked Questions

## Putting Cellnex's leverage into context

### *Structural flexibility in Cellnex's approach to fund growth*

**Solid Capital Structure**

1. **Strong liquidity position**
   - c.€1Bn cash and c.€1Bn undrawn credit facilities
2. **Backlog reaching a record high of c.€16Bn**
   - See next slide
3. **First significant refinancing in 2022**
4. **Long term maturities**
   - 6.4 years
5. **Highly attractive terms**
   - c.2% average cost, c.75% debt fixed
6. **No covenants, pledges nor guarantees** (1)
7. **Compelling business risk profile**

**Available funding alternatives**

1. **Strong cash generation/conversion**
   - RLFCF / Adjusted EBITDA = c.80%
   - c.0.6x net debt/EBITDA annual de-leveraging
2. **MSA allowing for gradual contribution / payment for assets**
   - France
3. **Access to wide range of markets, both straight bonds and convertibles**
4. **Project financing at local level (optimized amount and cost)**
5. **Equity partners at OpCo / local level**
   - DTCP - Swiss Towers transaction
6. **Securitization and other instruments**

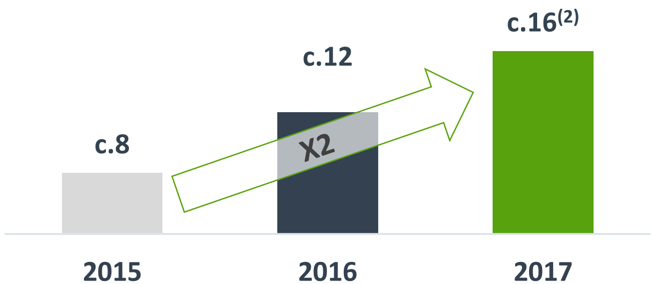
(1) As part of the acquisition financing of Cellnex Switzerland, the Group has to fulfil a financial obligation that limits the total net debt to EBITDA of its subsidiary Cellnex Switzerland; refinancing expected in the coming quarters

# Frequently Asked Questions

## Putting Cellnex's leverage into context

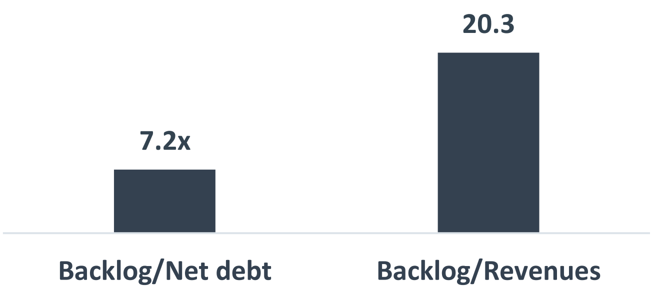
### *Net debt and backlog go hand in hand as a result of Cellnex's growth strategy*

**Backlog evolution (€Bn) (1)**



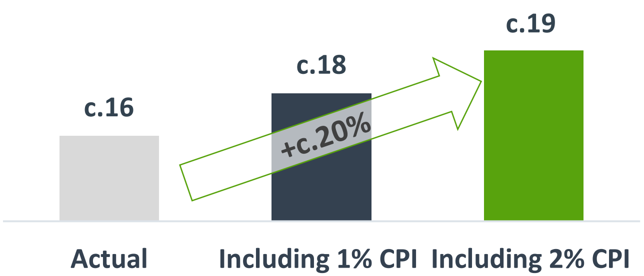

*Backlog doubled in just 2 years*

**Backlog vs FY 2017 financials**



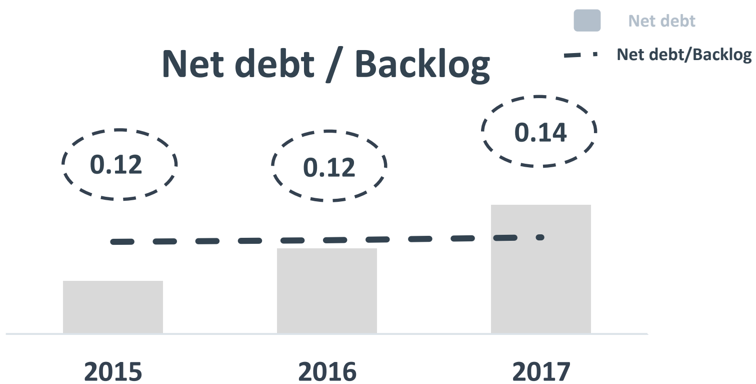

*Per each Euro of Net Debt, Cellnex holds €7 of long term contracted revenues*

**Backlog sensitivity to CPI (€Bn)**




*+c.20% backlog increase if 2% long term inflation*

**Net debt / Backlog**




*Net debt to backlog remains stable*

(1) Please see Appendix for definition
(2) Proforma including full year contribution of 2017 acquisitions (Sunrise and Alticom) and the agreement with Bouygues Telecom for additional sites

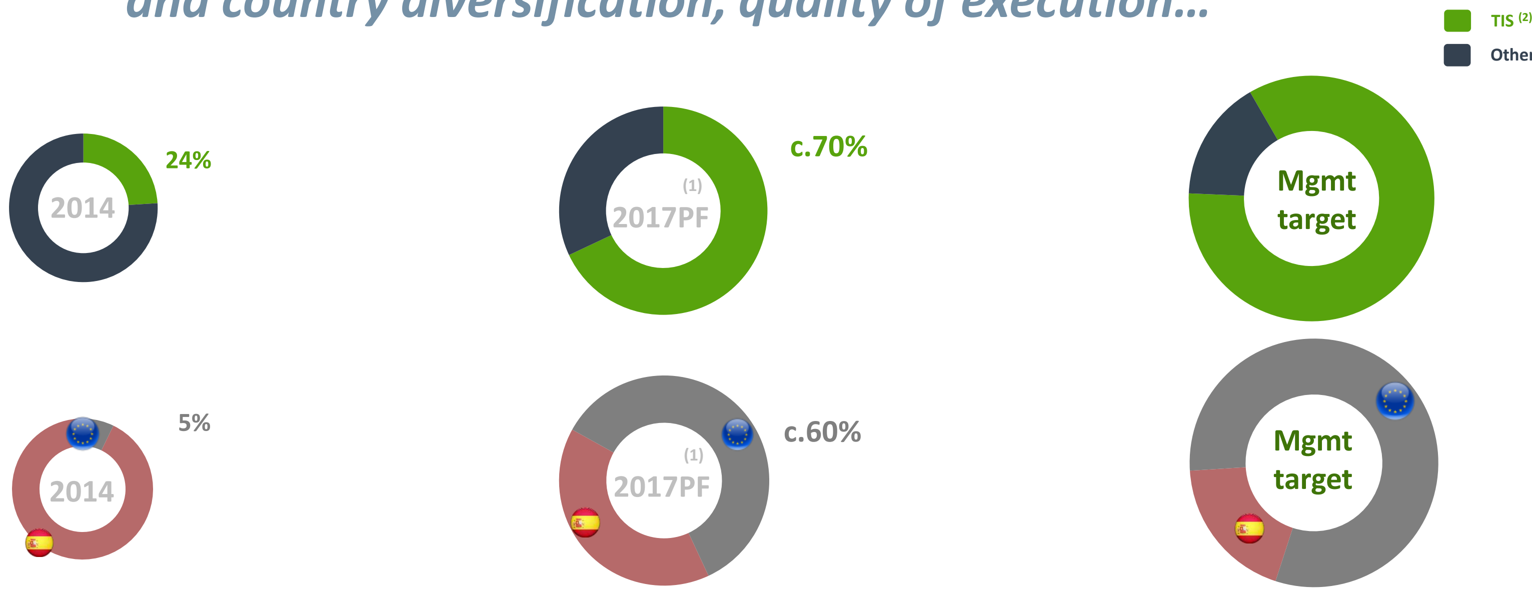
# Frequently Asked Questions

## Putting Cellnex's leverage into context

***Cellnex's business risk profile is improving as a result of increased backlog, client and country diversification, quality of execution…***

Revenue contribution

EBITDA contribution




**Strong**

**"Stronger"**

- Uncertainties around broadcast removed
- Strong and robust revenue and EBITDA growth
- Successful integrations

**"Outstanding"**

- Diversification into high rated countries
- Improved EBITDA margin
- Backlog increase
- Enhanced customer portfolio

**New Country Exposure:**

*AAA* *AAA* *AA* *AA*

**New Client Exposure:**

Client 1 (BBB+) Client 2 (BBB-) Client 3 (n.a) Client 4 (BBB+) Client 5 (Ba2)

**"Excellent"**

(1) Proforma run rate including full year contribution of 2017 acquisitions (Sunrise and Alticom) and the agreement with Bouygues Telecom for additional sites

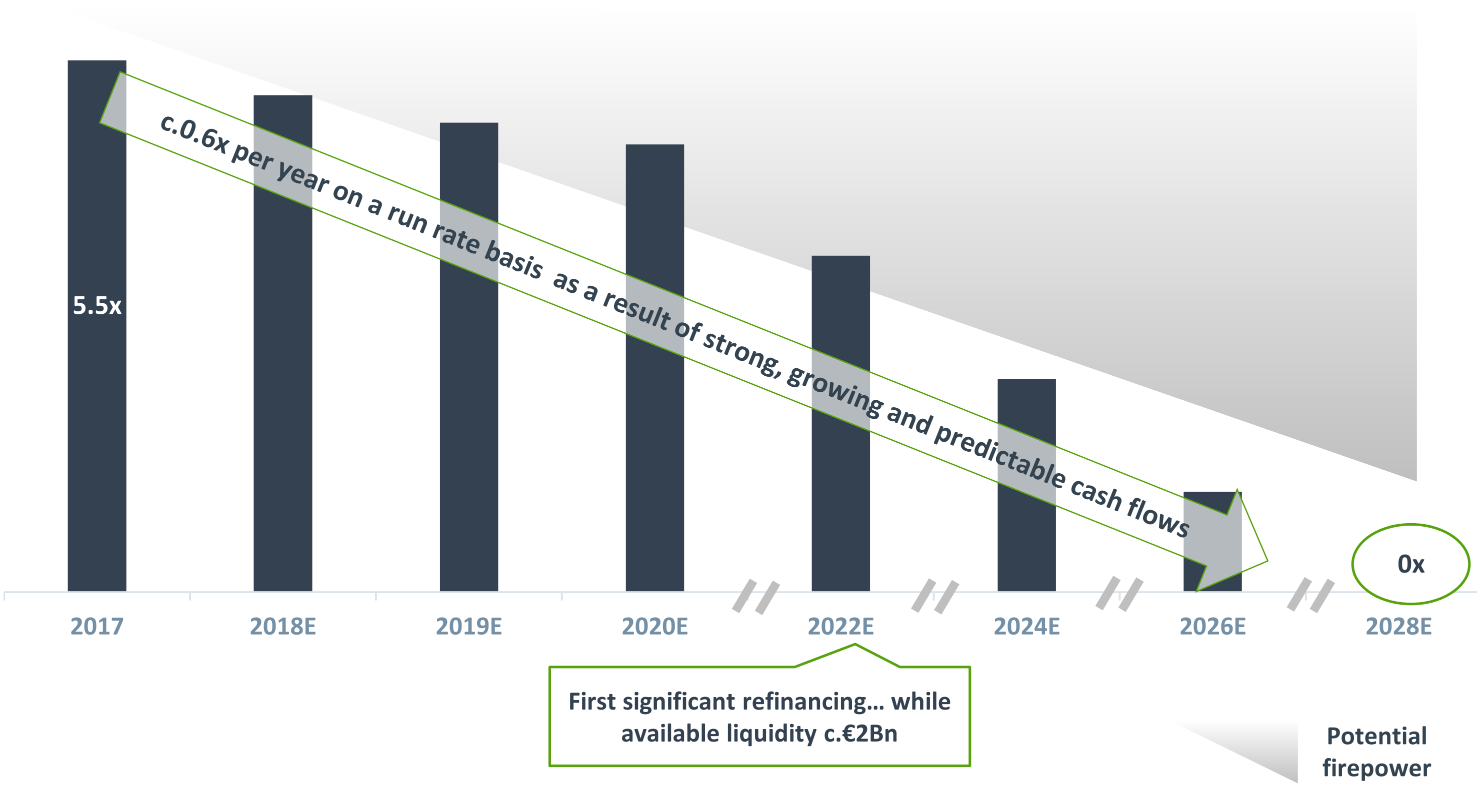
(2) Telecom Infrastructure Services

# Frequently Asked Questions

## Putting Cellnex's leverage into context

***…and therefore Cellnex has been able to increase its leverage without significantly deteriorating its credit quality***

**De-leveraging capacity (1)**




(1) Net Debt / Adjusted EBITDA expected evolution including France on a run-rate basis. Current de-leveraging trend takes into account current dividend policy (10% increase every year) and no further perimeter changes

# Frequently Asked Questions

## How do inflation and interest rates impact Cellnex?

***Cellnex would benefit from a positive impact on RLFCF if both inflation and interest rates increase***

**1 Impact from rising inflation?**

- c.100% revenues linked to inflation
- Opex flat for the duration of efficiency plan (at constant perimeter)
- Adjusted EBITDA up ▲

**2 Impact from rising interest rates?**

- Long term maturities (c.6.4 years)
- c.75% gross debt at fixed rates (end 2017)
- Available debt at attractive terms

**3 Leading to RLFCF accretion ▲ +€17Mn**

*Illustrative example:*

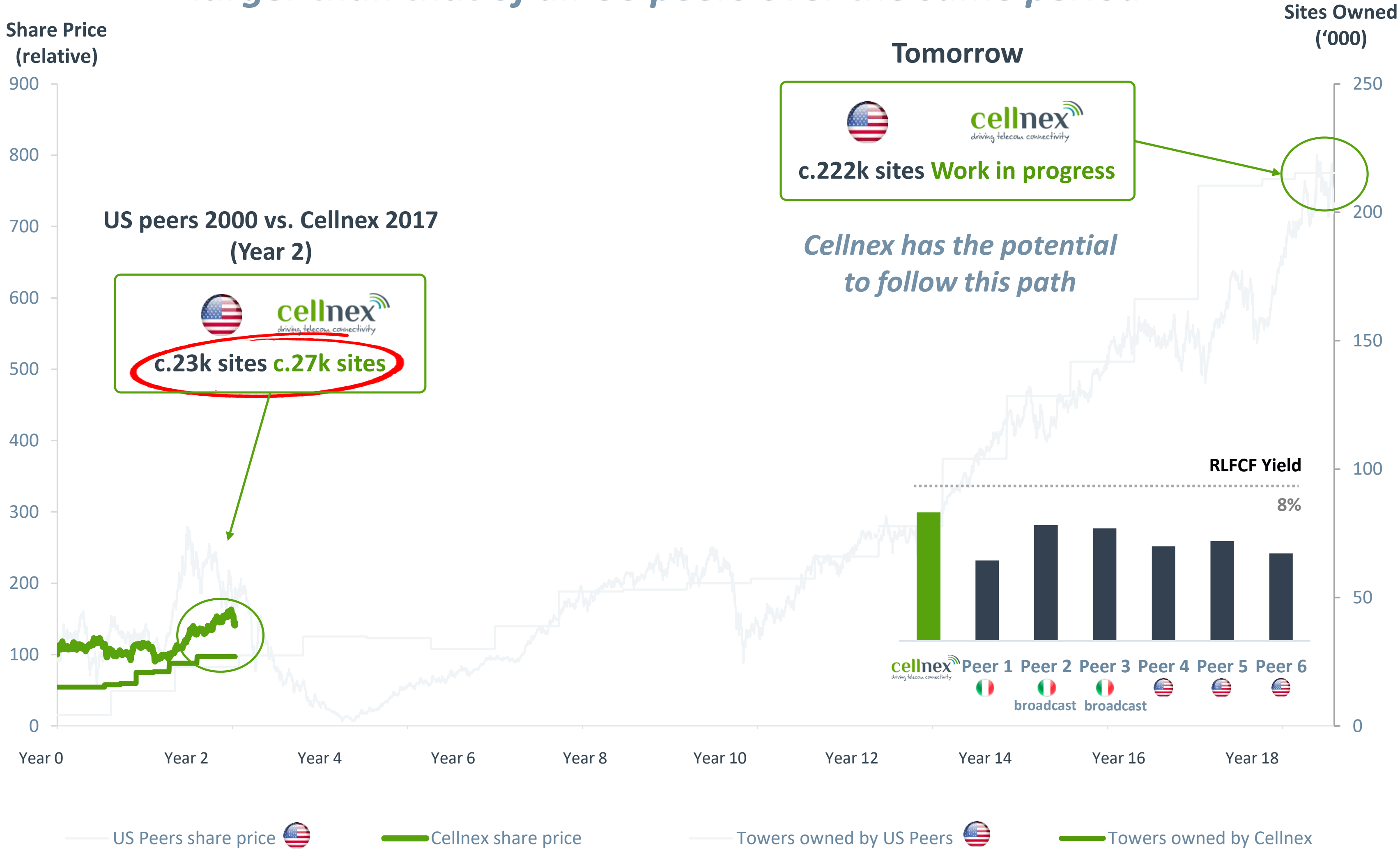
- *Revenues €900Mn, Opex €490Mn*
  - *therefore Adjusted EBITDA €410Mn*
- *Current debt structure (net of cash)*
- *Inflation and interest rates increase +300 bps*

| | | Increase | |
|---|---|---|---|
| Revenues | €900Mn → | +€27Mn | +3% |
| Opex | €490Mn → | +0Mn | flat |
| **Adj. EBITDA** | **€410Mn →** | **+€27Mn** | +7% |
| Interest expense | | -€10Mn | |
| **RLFCF** | | **+€17Mn** | |

# Frequently Asked Questions

## How developed is the European tower industry?

***In <3 years after our IPO, Cellnex has been able to build a portfolio of c.27k sites, larger than that of all US peers over the same period***




Source: Company data and Bloomberg

# Frequently Asked Questions

## IFRS 16: Implications for Our Clients (the MSA)

### *Cellnex's MSA has a credit-positive impact for MNOs, unlike an MLA*

*Illustrative example:*

- *Let's assume an MNO with revenues of €100Mn and no Net Debt before the lease or service contract*
- *Our service is priced at €10Mn per year*

| | MLA [1] (lease)<br>IFRS 16 | MSA [2] (service)<br>Non-IFRS 16 |
|---|---|---|
| **P&L** | | |
| *Revenues* | *€100Mn* | *€100Mn* |
| *Opex* | *(€0Mn)* | *(€10Mn)* |
| *EBITDA* | *€100Mn* | *€90Mn* |
| **Cash** | | |
| *EBITDA* | *€100Mn* | *€90Mn* |
| *Payment of principal (cash outflow)* | *(€10Mn)* | *(€0Mn)* |
| *Net Cash Flow* | *€90Mn* | *€90Mn* |
| **Balance Sheet** | | |
| *Net debt* | *€100Mn* [3] | *€0Mn* |
| ***Leverage*** [4] | ***1.0x*** | ***0.0x*** |

(1) Master Lease Agreement. Under this contract there is an impact on the level of Net Debt to EBITDA as leases are capitalized and accounted for as assets and liabilities
(2) Master Service Agreement
(3) Assuming capitalisation of €10Mn instalments during 10 years
(4) Net debt / EBITDA

# Frequently Asked Questions

## IFRS 16: Implications for Cellnex

***Cellnex has lease contracts with landlords and these payments will be capitalized as liabilities***

| *Illustrative example* | Pre-IFRS 16 (1) | Post-IFRS 16 |
|---|---|---|
| **P&L** | | |
| *Revenues* | *€707Mn* | *€707Mn* |
| *Opex* | *(€417Mn)* | *(€257Mn)* (2) |
| *EBITDA* | *€290Mn* | *€450Mn* |
| **Cash** | | |
| *EBITDA* | *€290Mn* | *€450Mn* |
| *Payment of principal (cash outflow)* | *(€0Mn)* | *(€160Mn)* |
| *Adjusted EBITDA (net cash flow)* | *€290Mn* | *€290Mn* |
| **Balance Sheet** | | |
| *Net debt* | *€1,499Mn* | *€2,011Mn* (3) |
| ***Leverage* (4)** | ***4.6x*** | ***4.4x*** |

***Cellnex's leverage ratio should improve under IFRS 16 with no impact on RLFCF (5)***

***Cellnex intends to adopt IFRS 16 in 2018***

(1) Full Year 2016 figures
(2) €160Mn leases as per Cellnex estimates for this illustrative example
(3) Leases capitalization
(4) Net debt / EBITDA
(5) Please see Adjusted EBITDA calculation

# 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 | Excludes elements pass-through to customers (namely electricity and in some cases ground rental) from both expenses and revenues |
| Advances to customers | Advances to customers include the amortization of amounts paid for sites to be dismantled and their corresponding dismantling costs, which are treated as advances to customers in relation to the subsequent services agreement entered into with the customer (mobile telecommunications operators). These amounts are deferred over the life of the service contract with the operator as they are expected to generate future economic benefits in existing infrastructures |
| Anchor customer | Anchor customers are telecom operators from which the Company has acquired assets |
| Backhauling | In a telecommunications network the backhaul portion comprises the intermediate links between the backbone network and the subnetworks. Cell phones communicating with a single cell tower constitute a subnetwork and the connection between the cell tower and the rest of the network begins with a backhaul link |
| 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. It also incorporates fixed escalators 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 for the year ended 2016, 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. |
| Built 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 |
| DTT | Digital terrestrial television |
| Expansion Capex | Investment related to business expansion that generates additional adjusted EBITDA, including built-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 |

# Definitions

| Term | Definition |
|---|---|
| M&A investment | Investments in shareholdings of companies as well as significant investments in acquiring portfolios of sites (asset purchases) |
| MLA | Master Lease Agreement |
| MNO | Mobile Network Operator |
| MSA | Master Service Agreement |
| MUX | Multiplex, a system of transmitting several messages or signals simultaneously on the same circuit or channel |
| Net Debt | Excludes PROFIT grants and loans |
| 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 |
| ONS | Other Network Services |
| OpCo | Operating Company |
| PoP | Points of presence, an artificial demarcation point or interface point between communicating entities. Each tenant on a given site is considered a PoP |
| Rationalization | Process consisting on decommissioning one site and moving equipment to another one, so that out of two sites only one remains |
| 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 |
| Recurring Operating FCF | Adjusted EBITDA minus Maintenance Capex |
| Simulcast | Broadcasting of programs or events across more than one medium, or more than one service on the same medium, at exactly the same time |
| TIS | Telecom Infrastructure Services |

# Additional information available on Investor Relations section of Cellnex's website

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## Q4 2017 Results

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*Backup Excel File*
*https://www.cellnextelecom.com/en/investor-relations/quaterly-results/*

*FY 2017 Consolidated Annual Financial Statements*
*https://www.cellnextelecom.com/en/investor-relations/annual-report/*

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*Cellnex Telecom is part of the ESG indices*