

2017

Junta General d'Accionistes

Junta General de Accionistas
Annual Shareholder' Meeting

celnex[®]





Francisco Reynés
Chairman

1

Aligning goals and results

2

Corporate Governance Milestones

3

Value creation & responsible management

4

Proposed agreements to put to the Shareholders' Meeting

A decorative graphic on the left side of the slide, consisting of a grid of light grey hexagons with a 3D effect, some appearing to be raised or recessed.

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Improving expectations 2016 in one page

Key figures

- Revenues **+15%**
- EBITDA **+23%**
- RLFCF **+29%**
- Net result: **+38%**

Solid debt structure

- Average maturity **7 years**
- Average cost **2.1%** (debt drawn down & not drawn down)
- Debt/EBITDA **4.6x**
- Cash + credit lines: **€ 2Bn**
(As of April 2017)

Improve risk profile

Diversification

- **by markets** (5 countries)
- **by business** (55% voice and data infrastructures)
- **by customers** (+ customers and presence in the markets in which Cellnex operates)

Shareholder value:

- **+14%** vs. IBEX35 (FY 2016)
- **CLNX share: +14%** since IPO
- Dividend:
 - 16 Dec. on account **€ 0.040**
 - 17 May. compl. **€ 0.0437**
 - **+10%** FY 2017

Consolidation in Europe

- M&A Strategy **€ 670^M**
- **4th** operator worldwide
(**1st** outside the US)

Recognition

- June: **Ibex 35**
- October: **CDP Best Newcomer 2016**
- January 2017: **FTSE4Good Index**

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Actions of the Board in 2016 linked to Corporate Governance

Formalising policies

- Communication and contact with shareholders
- Selection and appointment of Directors
- Board remuneration
- Corporate Responsibility and approval of the CSR Master Plan (2016-2020)

Actions related to the code of ethics

- The Ethics and Crime Prevention Committee now operates as the "Ethics and Compliance Committee", expanding its functions to control and supervision of regulatory compliance

Changes to the internal rules

- **Internal Code of Conduct (ICC)**, adapting content to the new Market Abuse Regulation
- **Bylaws** to facilitate attendance of shareholders at the General Meeting. From 1,000 shares to 100 shares

Corporate Governance vision

Interaction & alignment management

- Sharing-aligning vision, objectives, strategy, execution, review
- Strategy retreats (management & Board)

- A Board with its own profile in terms of business experience, seniority and knowledge of the sector

Know-how

Compact

- A smaller, compact Board speeds up decision making; Reinforces ownership and involvement; More flexible, more effective, less complex

- Committed to qualitative and decisive weight of the independents (committees and board); to internationality reflecting the ambition of the project
- Appointment of the Vicepresident (appointed from amongst independent directors)

Independence & international

Improving Corporate Governance

We reinforce the share of independent directors

- 50% independent directors
40% proprietary directors
1 executive director
- First step in strengthening gender diversity in the Board

Proposal to the Board to increase from 9 to 10 directors

Improving Corporate Governance

Appointment of a new Independent Director



Marieta del Rivero

- 25 years' experience in TMT (telecom, media & technology)
- Executive responsibilities in large-scale consumer and B2B companies within the sector
- Advisor for technological incubators and in digital transformation processes

Improving Corporate Governance

Appointment of a new Independent Director



12



1. **Javier Martí de Vesés**
Non-Executive Secretary
2. **Giampaolo Zambelletti**
Chairman ARC
3. **Lluís Deulofeu**
4. **Tobías Martínez**
CEO
5. **Bertrand Boudewijn Kan**
Vicepresident & president ACC
6. **Francisco Reynés**
Chairman
7. **Pierre Blayau**
8. **Mary Gatehouse**
Non-Executive Vice-Secretary
9. **Leonard Peter Shore**
10. **Josep M^a Coronas**
11. **Francisco José Aljaro**

● Proprietary directors
 ● Executive
 ● Independent
 ○ Non-Executive Secretary and Vice-Secretary

High compliance with the recommendations of the Code of Good Governance

- **Degree of alignment** with some recommendations:

- 1. Recommendation 16** on proportionality of "proprietary" representation (abertis)

- Extension of the Board from 9 to 10 members
- Appointment of new independent director
- Share of proprietary directors on Board from 50-40%

- 2. Recommendation 48** on splitting the ARC into two committees - Appointments and Remuneration



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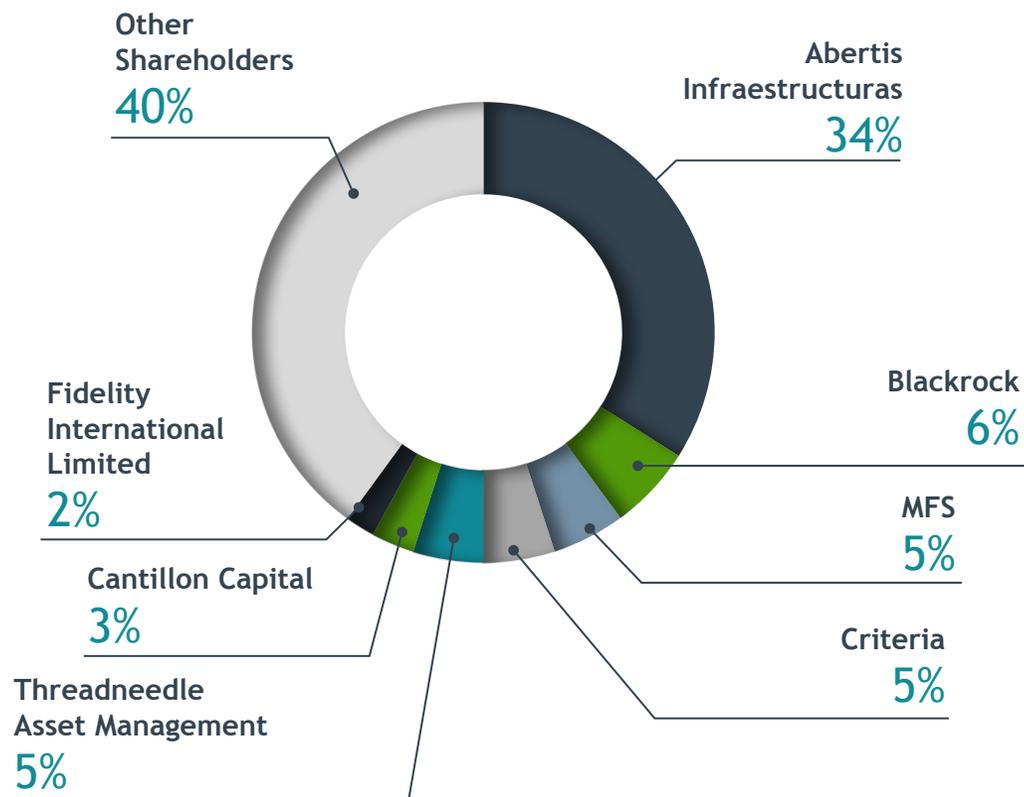
Value creation & responsible management

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Proposed agreements to put to the Shareholders' Meeting

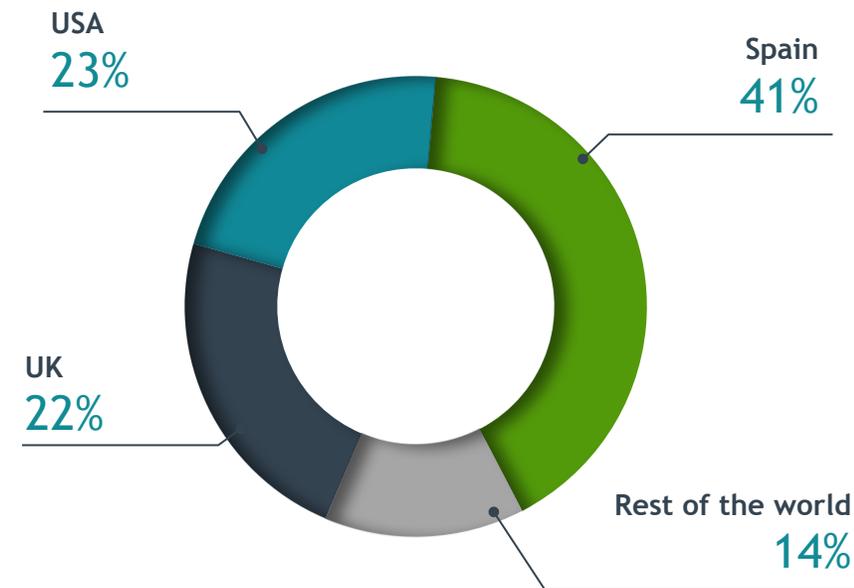
Main shareholders

Significant stakes in Cellnex Telecom

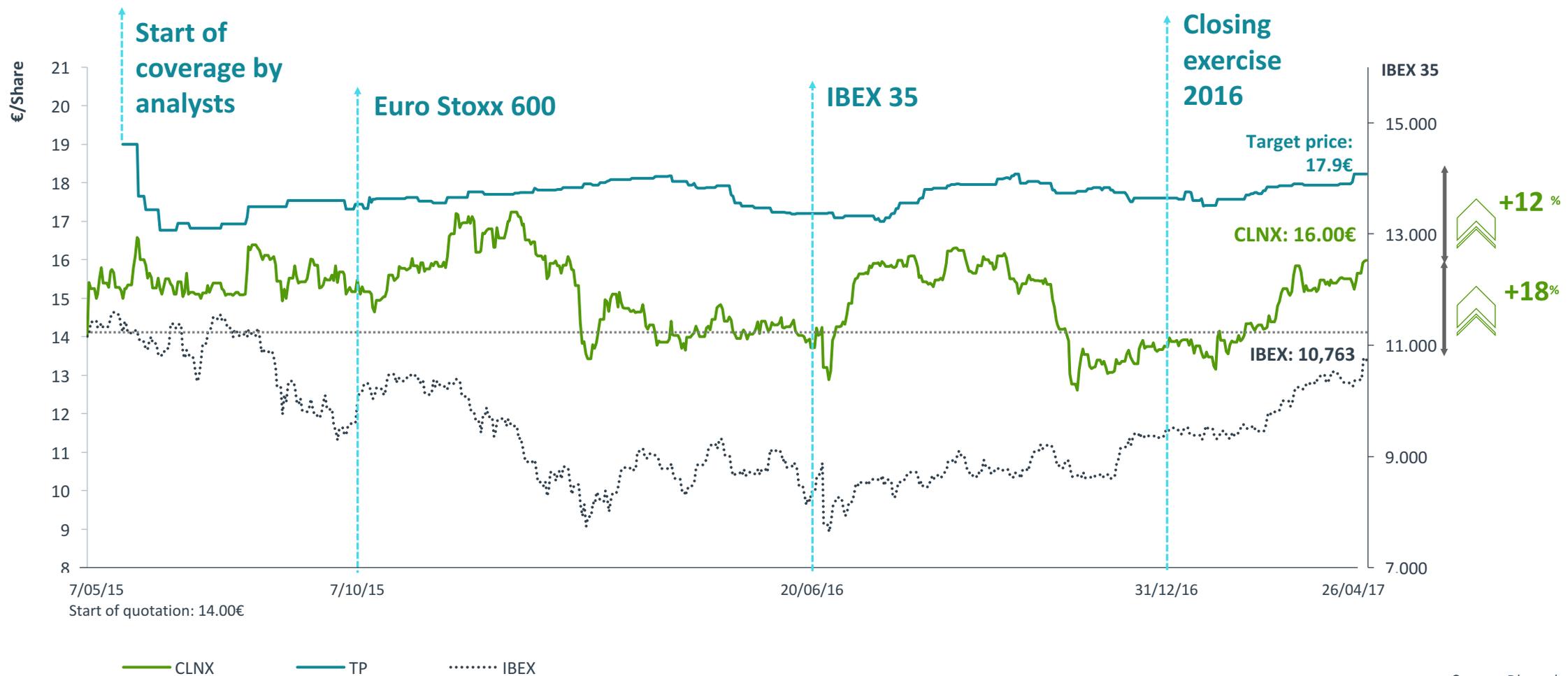


Total shareholders 2017: 5,200 vs. 2,000 in June 2016

Stakes by geographical origin

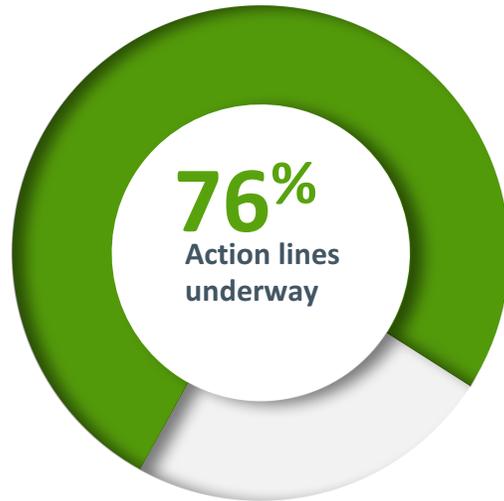


CLNX shares on the market



Responsible management

Rollout of CSR Master Plan 2016-2020



100%

Ethical management and good governance

71%

67%

People development

22%

78%

Sustainable development of the business

10%

40%

Adding value to society

0%

70%

Communication and reporting

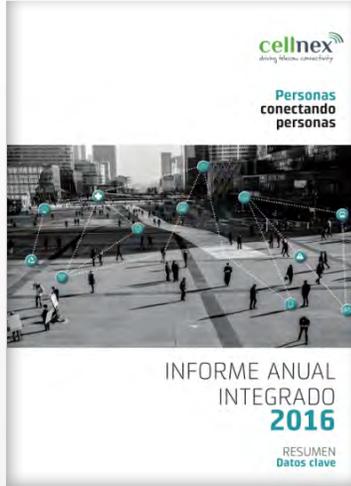
54%

100%

Governance of CR

46%

Responsible management



- International framework for Integrated Annual Report
- **IAI 2016** verified by external auditor



- Second best company in information policy and transparency in the market (Study of 35 main listed companies in Spain)



FTSE4Good

- January 2017, the FTSE4GOOD International Environment and Social Governance (ESG) Index incorporates Cellnex in January 2017
 - **4.5 out of 5** for Corporate Governance
 - **4 out of 5** for Corporate Responsibility



- CELLNEX "Best newcomer" Spain 2016 according to CDP

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Proposed agreements to put to the Shareholders' Meeting

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Financial Statements and Management Report 2016

- Distribution of the profit for the period

2

Re-election Auditors for the Company and its consolidated group. FY 2017, 2018 and 2019

3

Directors' Remuneration Policy

4

Members of the Board of Directors

- Determining number of members
- Proposed appointment Independent Director

5

Annual Report on remuneration, consultative





Tobias Martinez
Chief Executive Officer

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2016 in figures: data and indicators

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Creating the European platform

3

**Densification, sharing: keys to
“Ubiquitous connectivity”**

4

Long-term view

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2016 in figures: data and indicators

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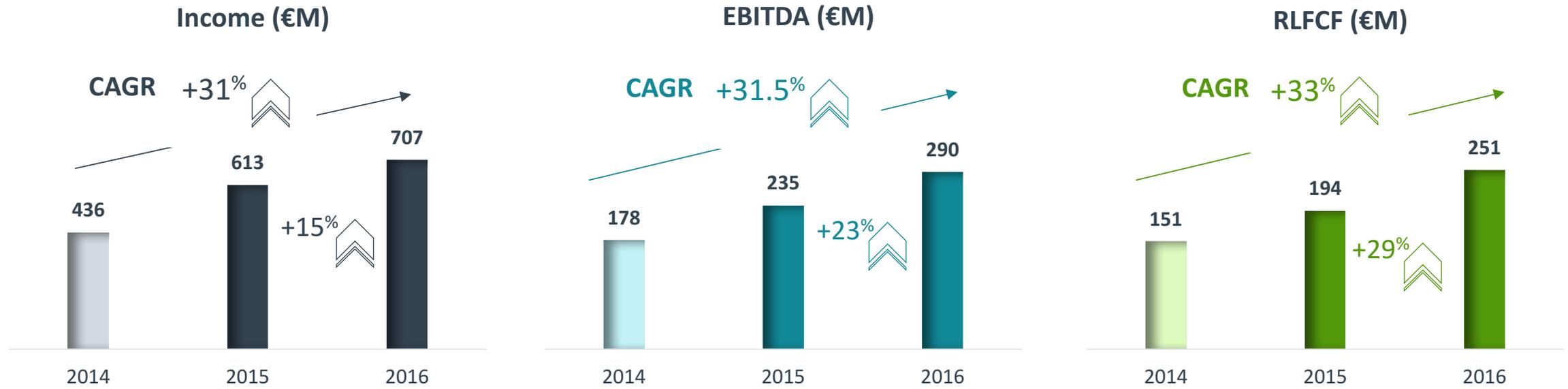
**Densification, sharing: keys to
“Ubiquitous connectivity”**

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Long-term view

2016 in figures

Key financial indicators at double-digit growth



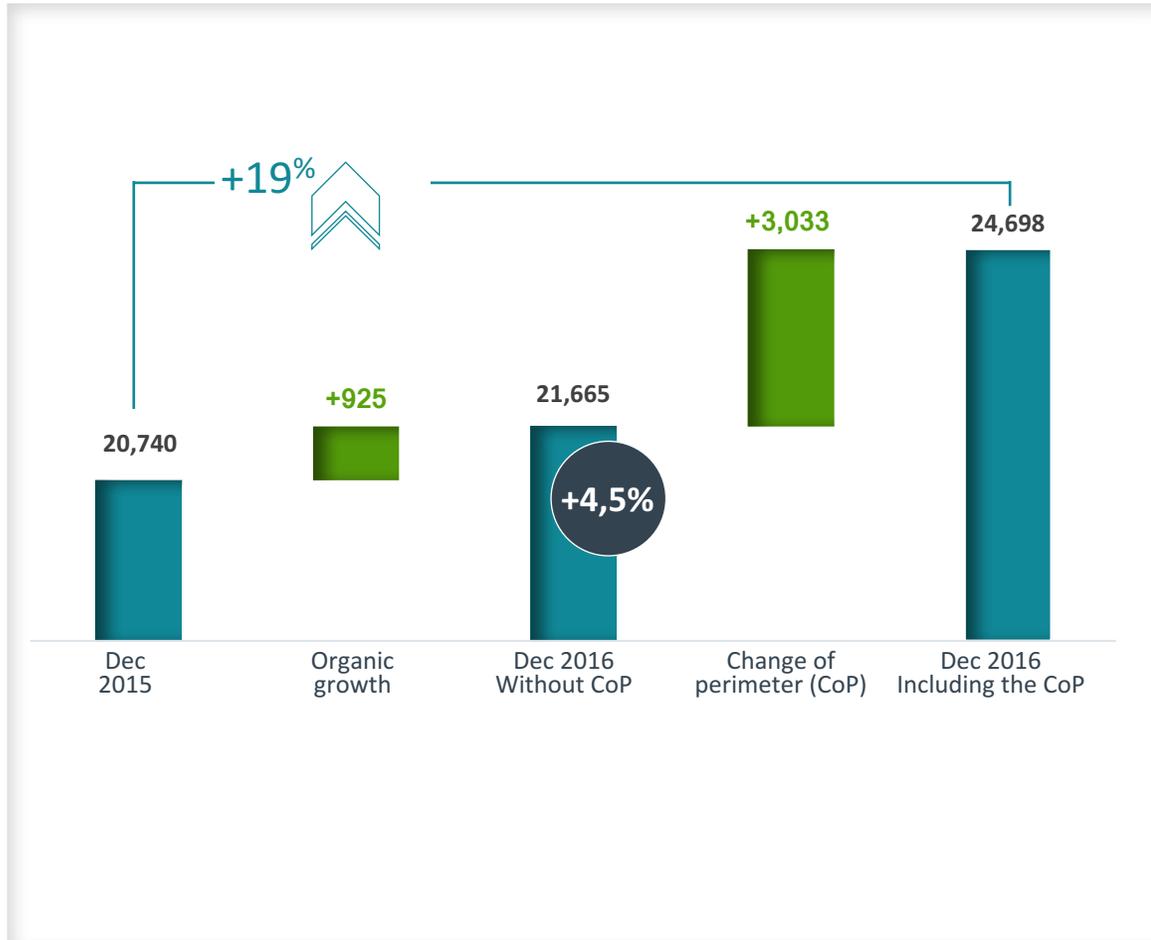
EBITDA growth is higher than that of revenues due to operating leverage

Recurrent cash flow growth is even higher than EBITDA due to high rate of cash conversion: 87%

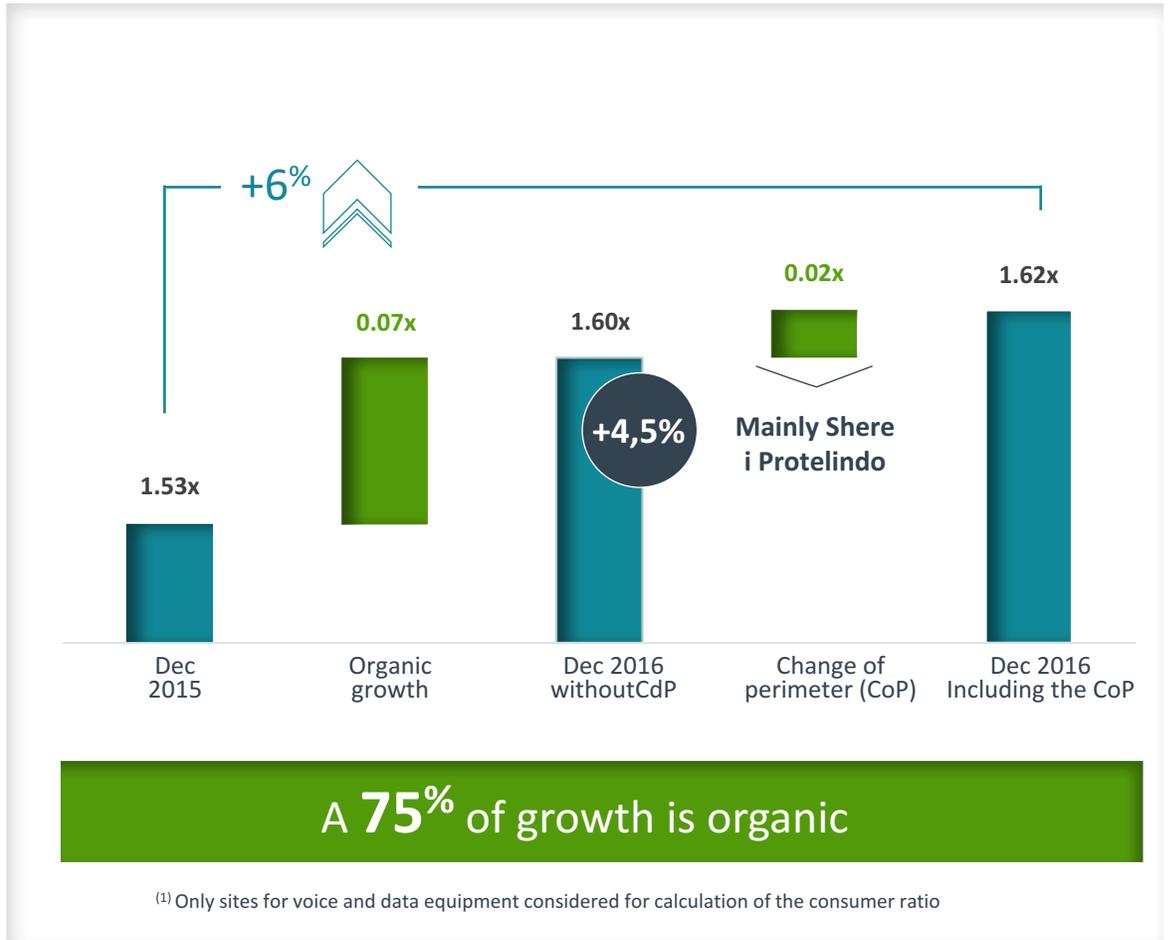
2016 in figures

Business indicators: Solid growth

Points of Presence (PoPs)



Customer ratio per site



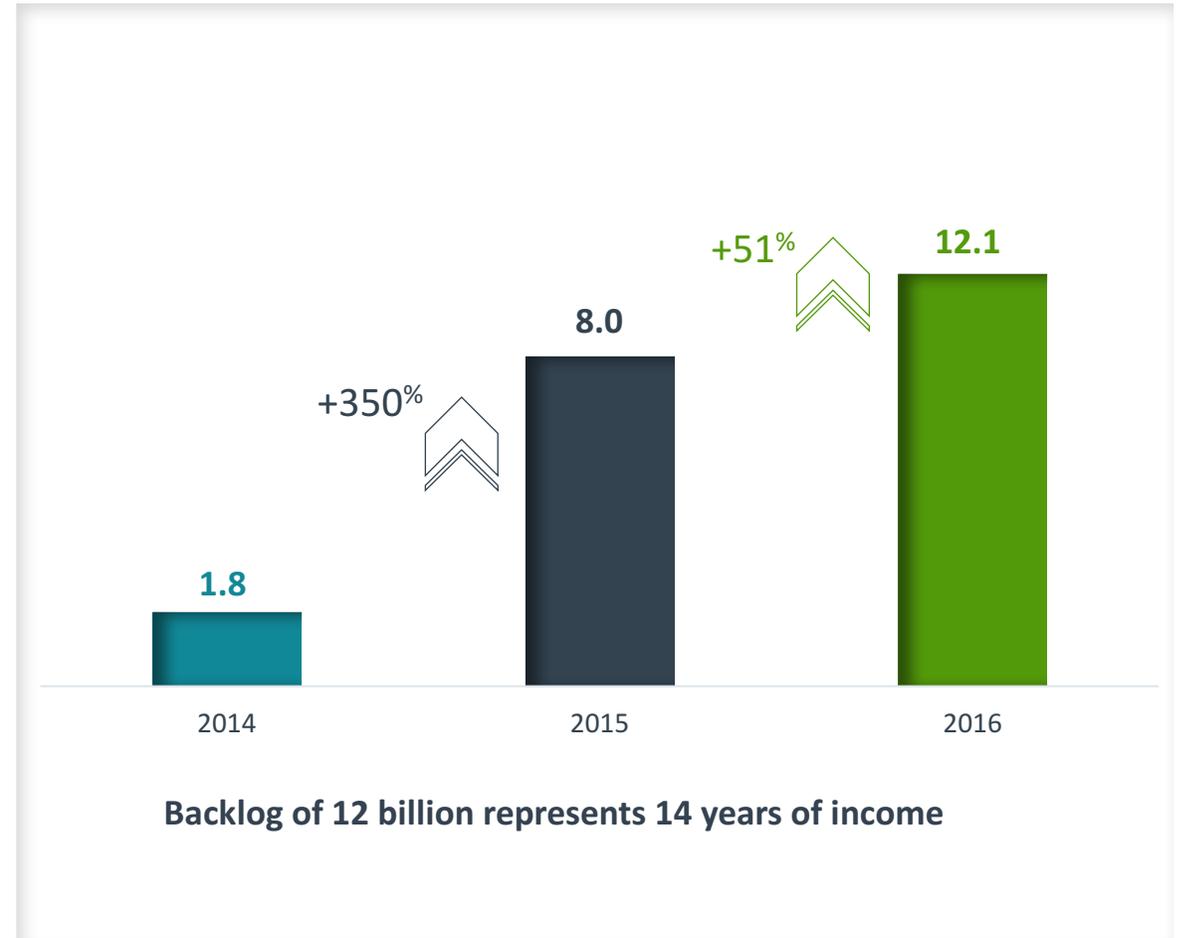
2016 in figures

Business indicators: Solid growth

Progression of DAS nodes (CommsCon)

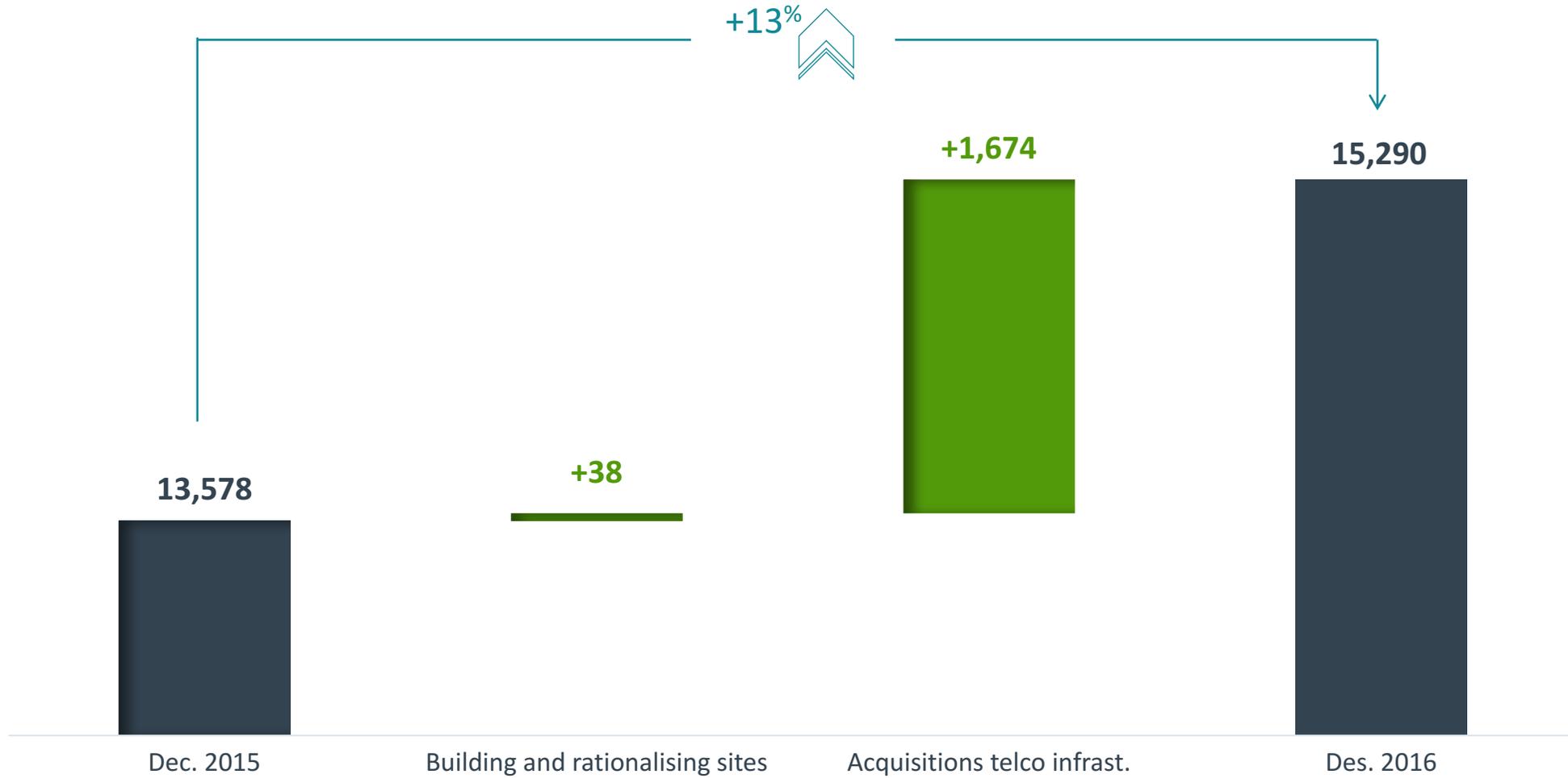


Sales under contract (backlog) billion €



2016 in figures

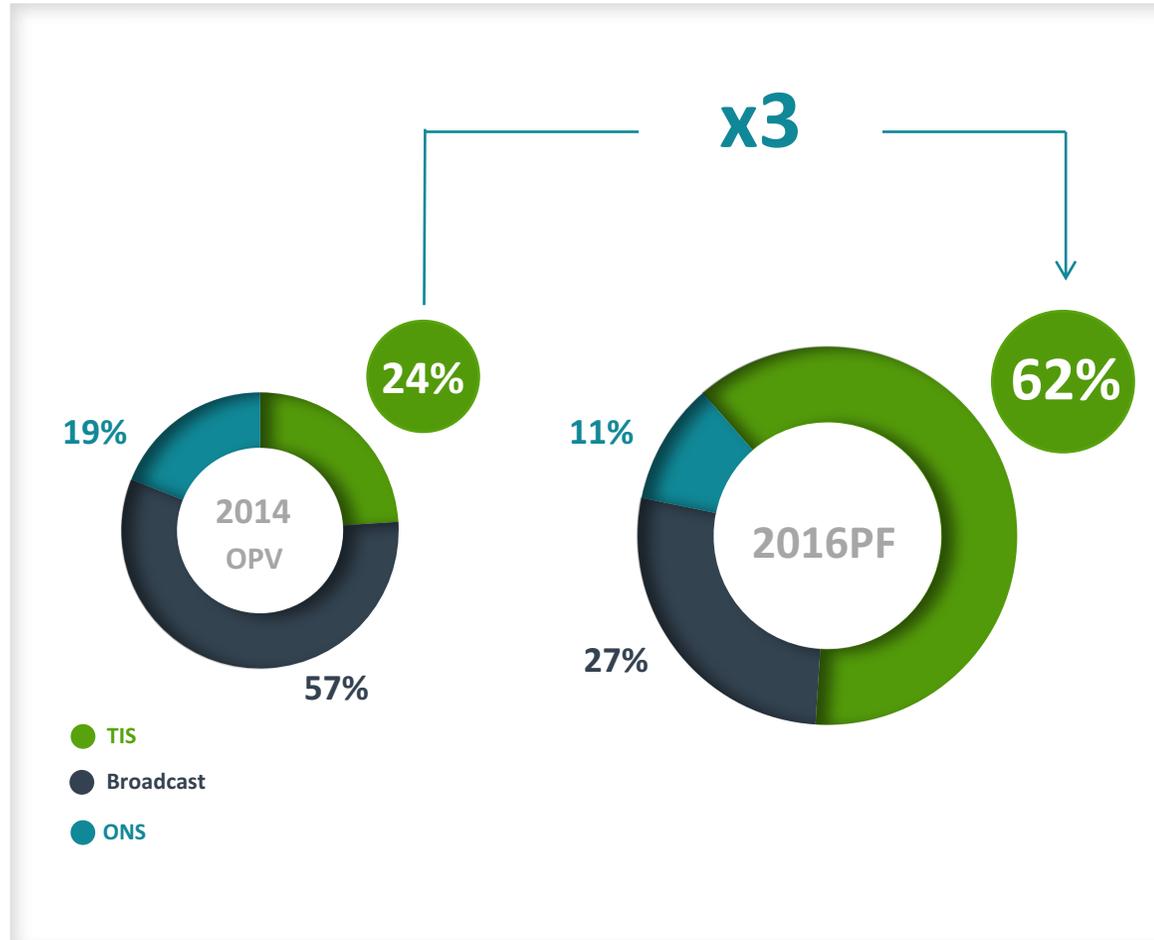
Sites for voice and data



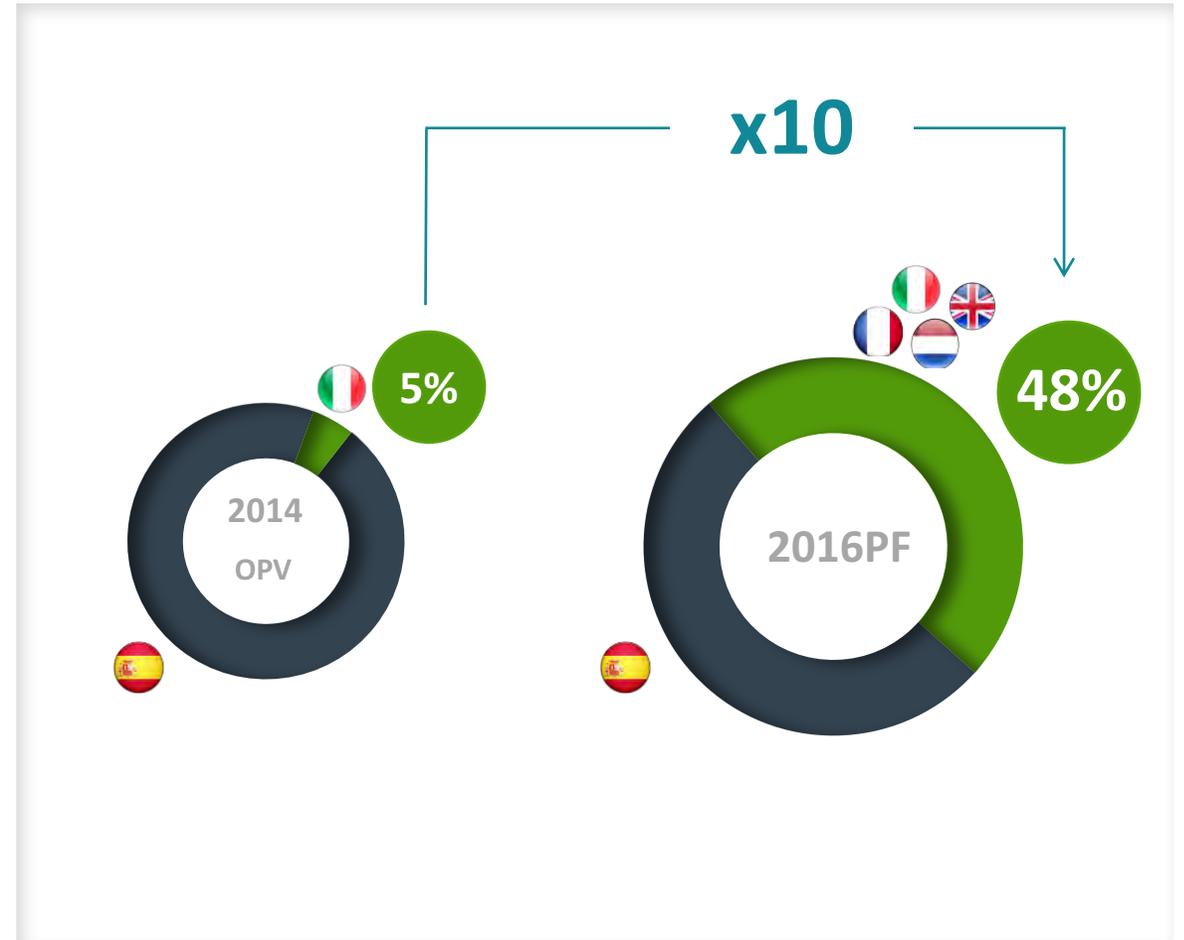
2016 in figures

Annualised contribution of asset acquisitions announced in 2016 and 2017

Contribution to revenue by business line



Contribution to EBITDA by country

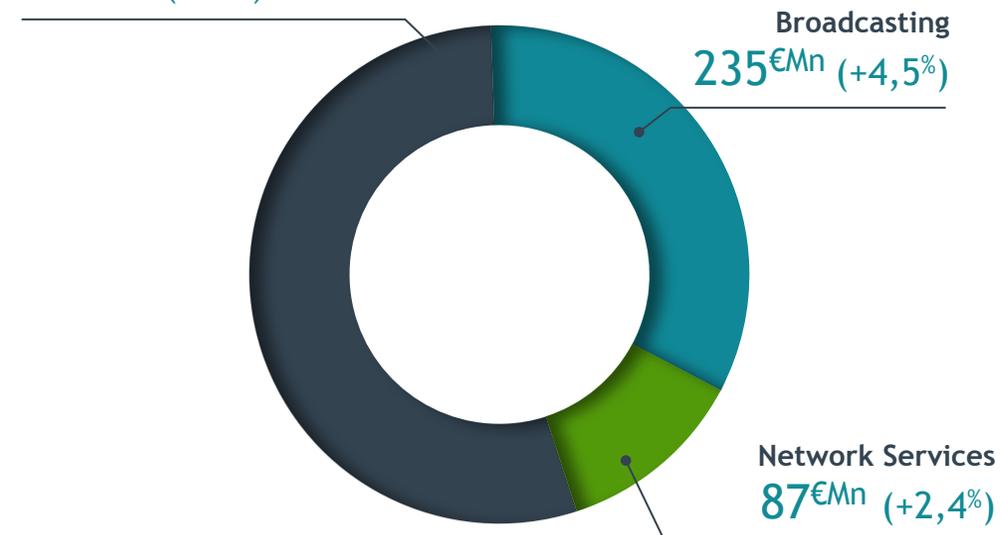


2016 in figures

Income statement

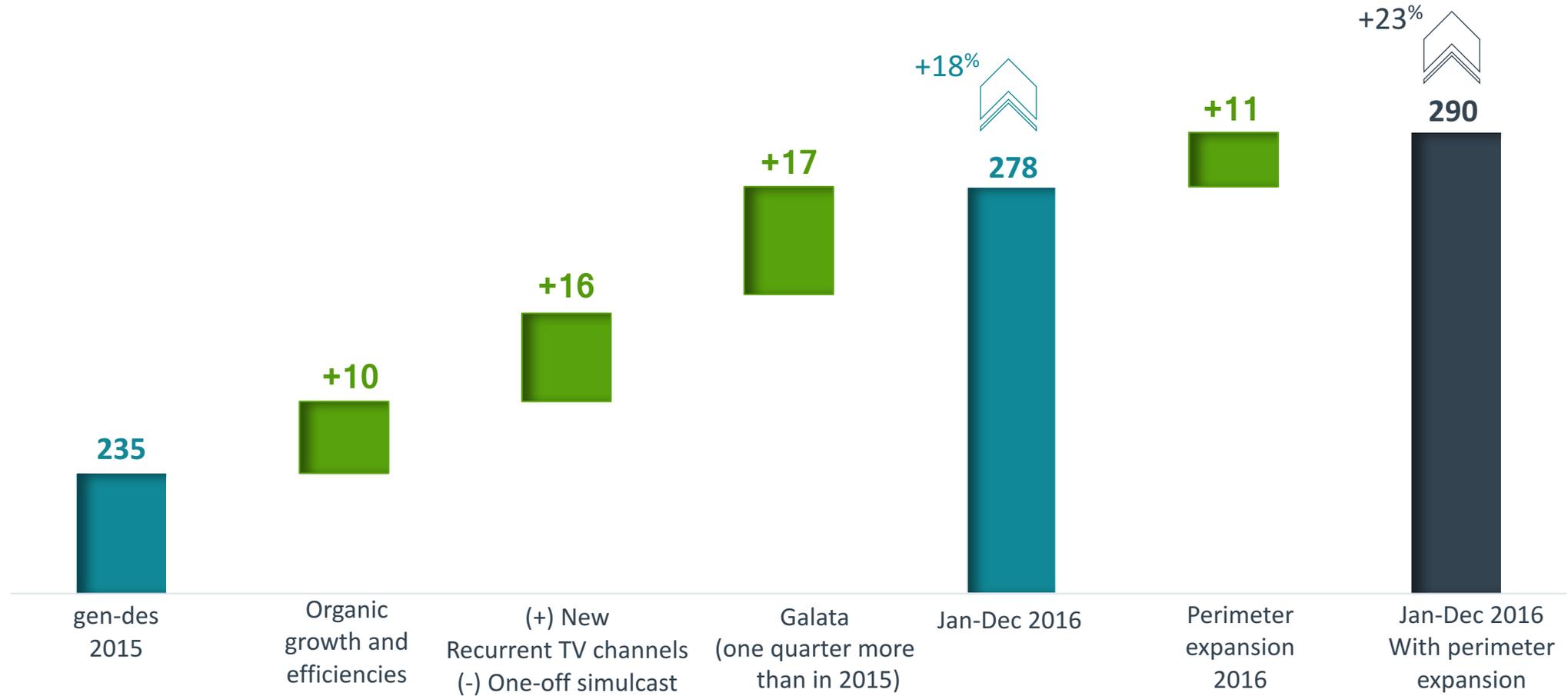
(€Mn)	2016	% 2016-2015
Income	707	+15% 
Operating costs	(417)	
EBITDA	290	+23% 
Non-recurrent impacts	(25)	
Amortization	(177)	
Operating Income (EBIT)	88	
Net interest	(41)	
Corporate bond issuance costs	(5)	
Contribution to minority shareholders	(1)	
Taxes	(1)	
Comparable net result	40	+38% 

Telecommunications
infrastructures and services
385€Mn (+27%)



2016 in figures

Organic growth supports EBITDA growth

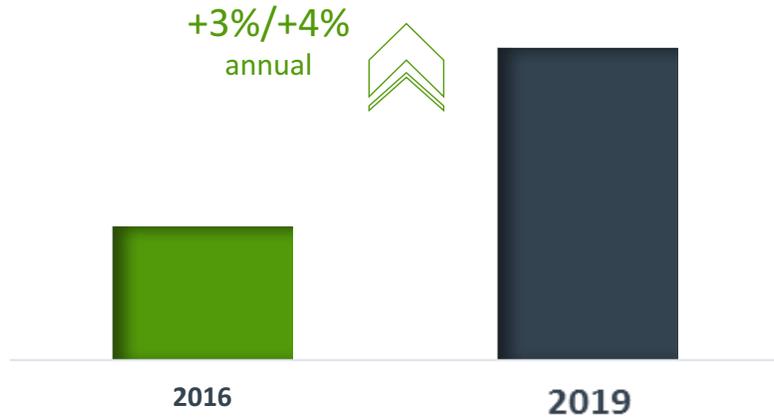


2016 in figures

Execution of organic growth: Points of Presence; rationalisation; Rollout on demand

Objectives

Δ PoPs 2016-19



Decommissionings 2016-19



Build-to-suit 2016-21(1)



Contracted

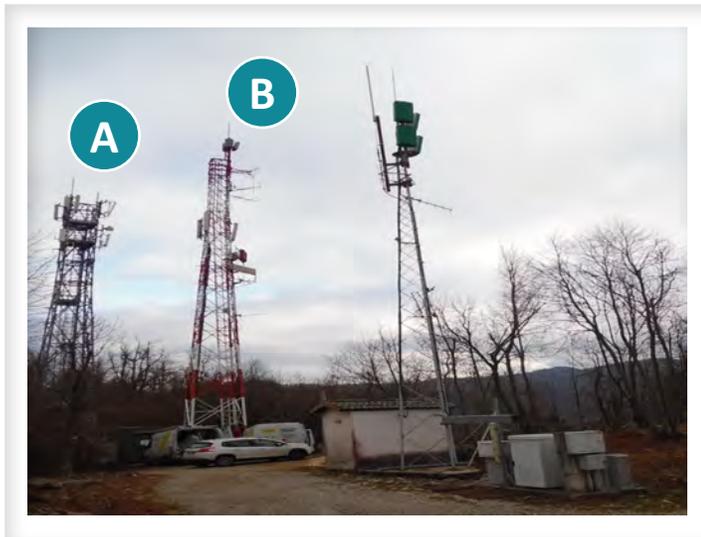
(1) Including agreement with Bouygues Telecom announced in February 2017

2016 in figures

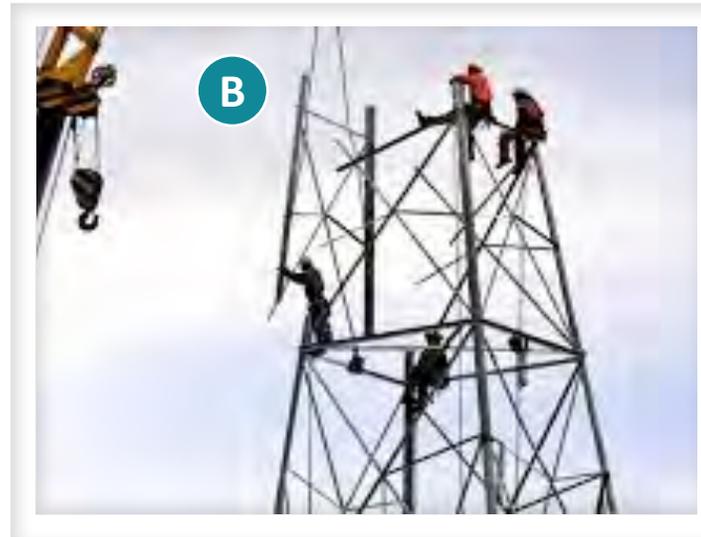
Execution of organic growth: Points of Presence; rationalisation; Rollout on demand

Decommissioning phases

Redundant sites



Decommissioning



One tower with several customers



Photos taken in northern Italy

2016 in figures

Application of investments for the year

748€M

Investment in M&A

Expansion Capex

Maintenance Capex

670M€

57€M

21€M

CommsCon (Italy) **19€M**

Protelindo (Netherlands) **109€M**

“Sites” Bouygues (France) **147€M**

Shere Group (Netherlands & UK) **393€M**

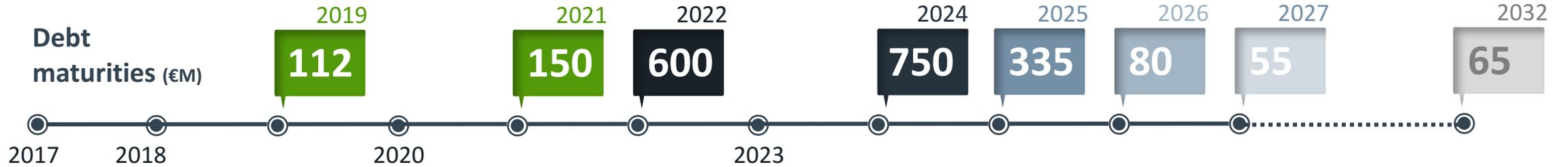
Infrastructure services **6€M**

Efficiencies **39€M**

Broadcast and other infrastructures **12€M**

2016 in figures

Balance and financial position



Net debt (april 2017)
1.500M€

Credit lines not drawn

1.362€Bn

Maturities between 2019 and 2023

Cash

687€M

Credit lines drawn

262€M

Issued Bonds

1.88€Bn

Available liquidity: 2€Bn

(Cash 687€M + debt not drawn 1.362€Bn)

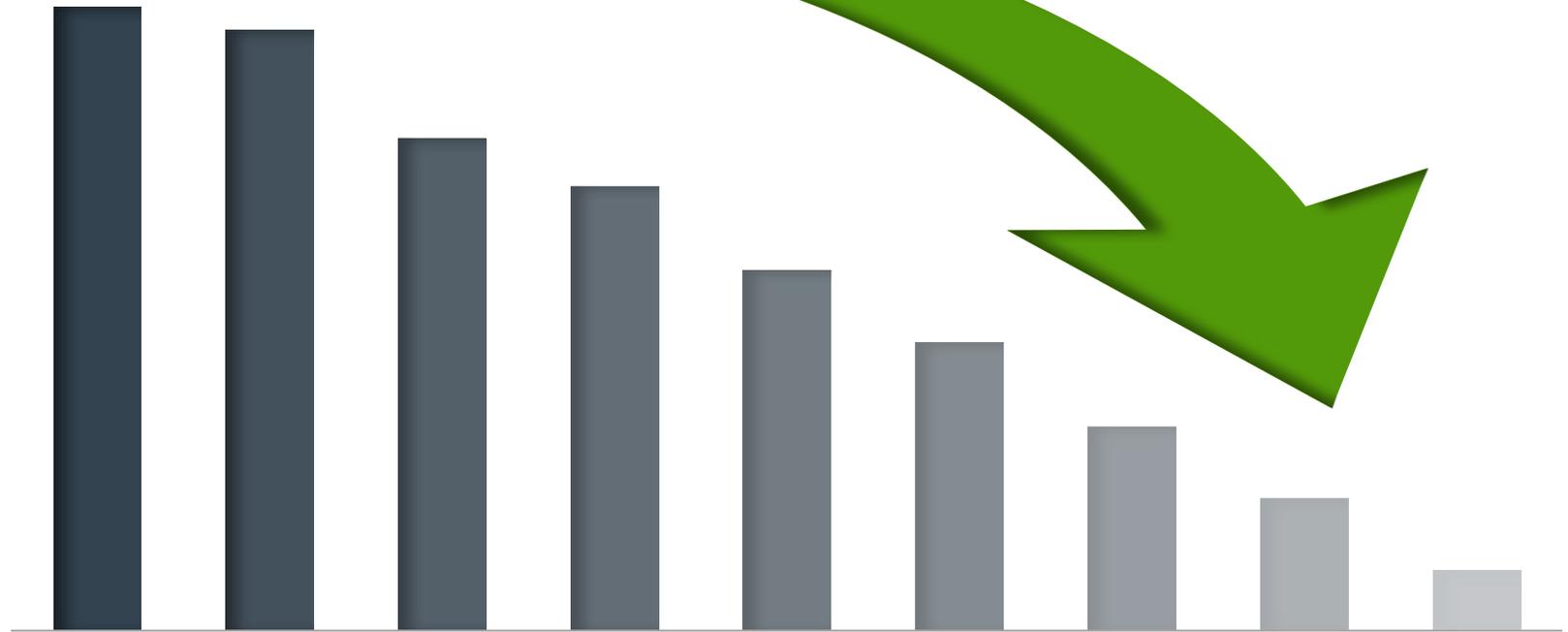
- Average maturity: c.7 anys
- Average cost: 2,1% (debt drawn and not drawn)

2016 in figures

Balance and financial position: **How fast is debt reduced?**

Net Debt/ EBITDA:
-0,6x
per year

Solid, growing, and predictable cash flows allow a rapid deleveraging



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Long-term view

2016, from two to five countries

Diversification and leadership of the sector

2015

Current and target markets

Spain
Italy

- Current markets
- Target markets I
- Target markets II

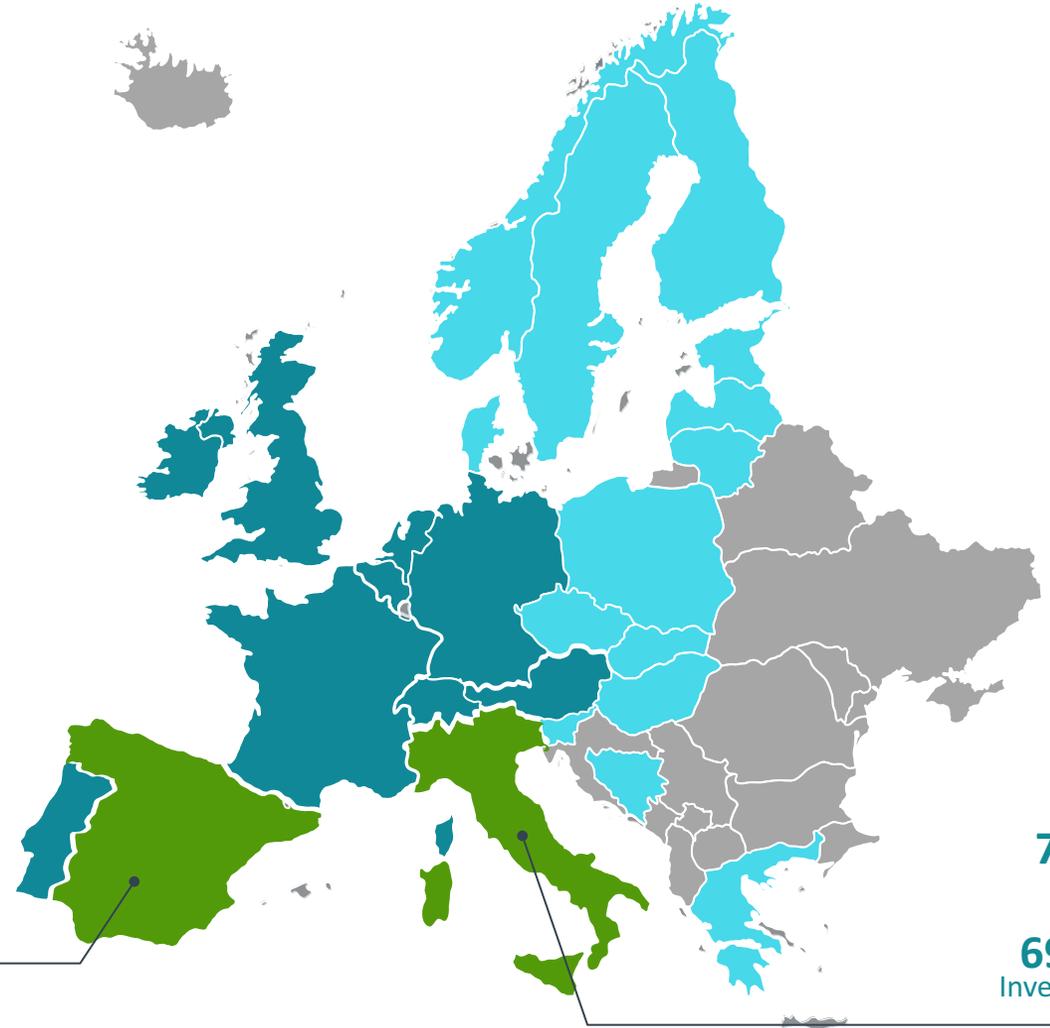
SPAIN

7,410
sites

ITALY

7,709
sites

693M€
Investment



2016, from two to five countries

Diversification and leadership of the sector

2016-2017 Current and target markets

- Netherlands
- Spain
- Italy
- France
- United Kingdom

- Current markets
- Target markets I
- Target markets II

UNITED KINGDOM

578
sites
124€MN
Investment

NETHERLANDS

725
sites
378€MN
investment

FRANCE

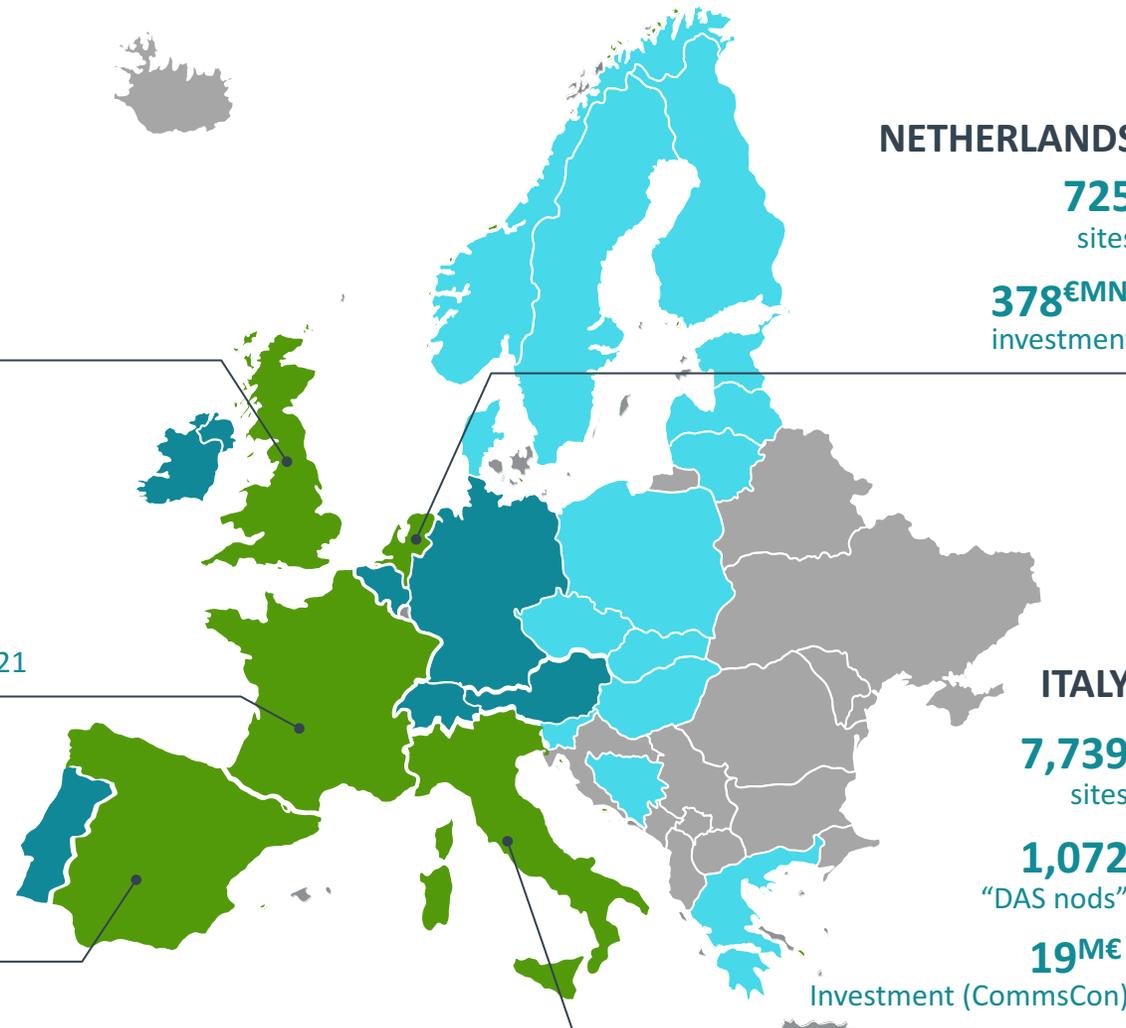
3,500
sites
+1€Bn
investment 2016-2021

SPAIN

7,415
sites

ITALY

7,739
sites
1,072
"DAS nods"
19M€
Investment (CommsCon)

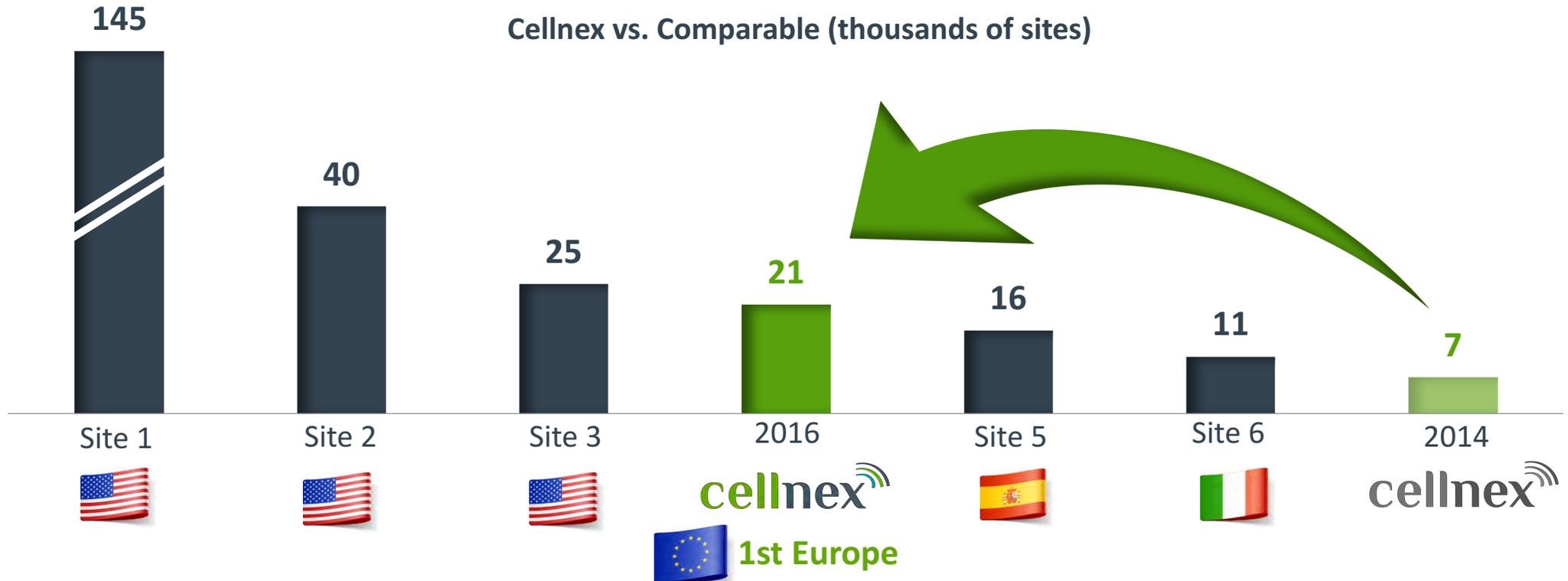


2016, from two to five countries

Diversification and leadership of the sector

Quantitative and qualitative leap

Cellnex vs. Comparable (thousands of sites)



A decorative graphic on the left side of the slide, consisting of a grid of white hexagons with a slight 3D effect, arranged in a pattern that tapers to the right.

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**Densification, sharing: keys to
“Ubiquitous connectivity”**

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Long-term view

5G and the challenges of permanent connectivity

1 An explosion of "connectivity"

Around 2020 we will have

50^{Bn}
connected objects
vs. 15 billion
in 2015 (Cisco)

2 Data traffic growth

Global data traffic
in mobility
will grow more than
600% in 5
anys

3 Until
1.000
times faster
than 3G

Latency
100
times lower
than 4G

4 Densification
x10
Each urban
"macrocell"
Will complement
With 10
"small cells"



We need shared telecommunications infrastructures (...) Tower companies serve the needs of mobile access providers

Sunil Bharti Mittal, President of GSMA. Barcelona, MWC'17

5G and the challenges of permanent connectivity

A new network architecture

Complementary infrastructures: "Macro", "small cells" & DAS

Comparison of coverage "spokes" for each type of cell

Indoor DAS

(hospitals, public buildings, malls,...)
radius <30m

3G/4G, 900Mhz-2.600hz

"Small" Cells

radius 100-200m

3G/4G, 1.800 Mhz
2.600 Mhz

"Midi" Cells

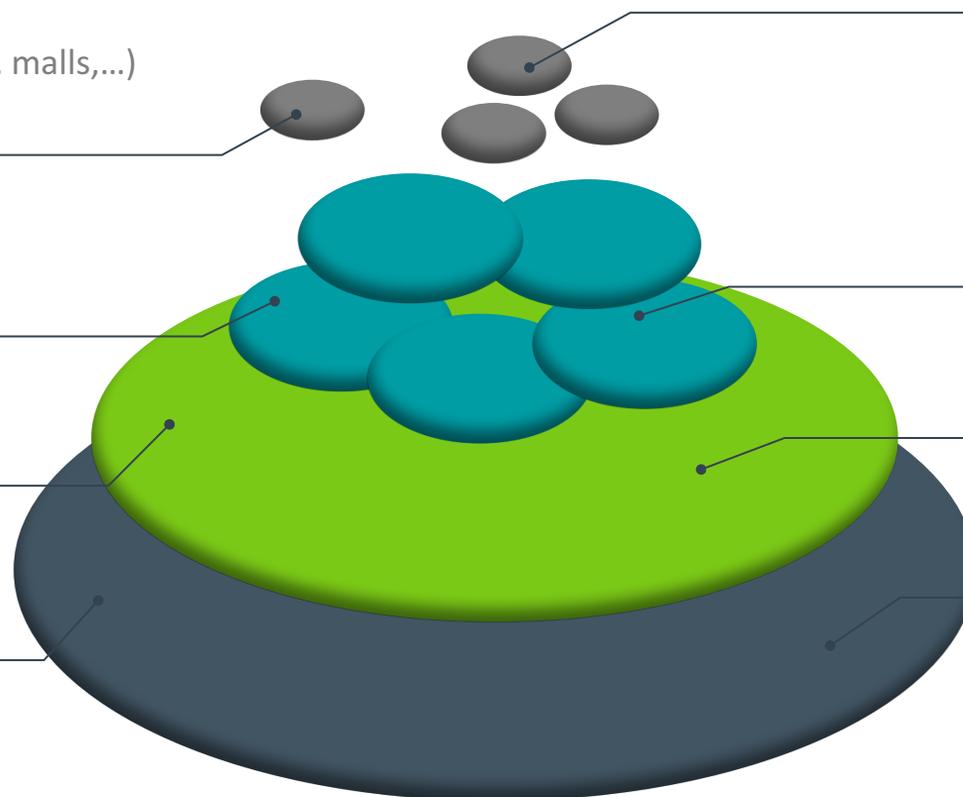
radius 500m-2km

3G/4G, 1.800Mhz
2.100Mhz

Macro cells

radius 3-6 km

2G, 800Mhz
3G, 900Mhz



5G



Cellnex's answer: CommsCon DAS and small cells, the future today



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Long-term view

Aligned with the implementation of the "future growth axes"

2015 - 2020



More sharing

Attracting more customers at the sites

- **+8%** customer ratio per site
- **+21%** Points of Presence (PoPs)

Rationalisation

Network Consolidation
Optimising OPEX/CAPEX customers

- **25%** of the 2016-2019 target

Small Cells

Deployment of new antennas in outdoor and fixtures

- **CommsCon:** +1,000 DAS and small cell nodes
- **JC Decaux:** Access to 35,000 sites in Spain and Italy
- **Haya Real Estate:** +13,000 locations in Spain

Backhauling

Access to existing backbone and backhaul of sites for high capacity connectivity

- Ongoing analysis with clients in Spain and Italy
- Started pilot rollout

European project

Introduction and consolidation in new markets

- **From 2 to 5 countries**
- **+50% revenue and EBITDA** outside Spain (proforma)

In a “nutshell”



Forecast 2017

Extract of the conversation with the Chairman and CEO (available at www.cellnextelecom.com)



