



1

**Interview with the
President and the CEO**

2019, a quantum leap into a new dimension

In your opinion, what attributes would best define 2019? What would be the headlines of the financial year?

Franco Bernabè (FB): Certainly, this last year has been a transformational one that marked a quantum leap in terms of size as well as a qualitative leap in consolidating the group's position in key markets like Italy, France, Switzerland, the United Kingdom and also in Spain.

Another prominent headline is the trust that Cellnex's shareholders continue to place in our project, evidenced by their high degree of participation in and support for the two capital increases in March and October.

Thirdly, is the way in which the management team has pushed forward with an ambitious growth strategy without losing focus of the organic growth that underlies the sustainability of the project in the medium and the long term.

Tobias Martinez (TM): I would rate 2019 as an exceptional year. Two capital increases totalling €3.7 billion; investment of more than €7 billion for a company with revenues of €1 billion; a 90% increase in the share price; all without losing focus of the day-to-day management of the company. Taken separately, each of these factors is extraordinary within the activity of any company. Combined, they are exceptional and unique in corporate terms.

As the President mentioned, this growth will allow us to consolidate the group's position in the markets in which we operate while further expanding our geographical footprint in Europe with the incorporation of two new countries - Ireland and Portugal - into the project.

All of this was achieved without neglecting the organic growth in which the company continues to display very solid indicators - around 5% - and with consolidated data that once again show double-digit growth in revenue (14%) and EBITDA (14%).

What happened in 2019 to cause this intense dynamic of growth and transformation? What factors lay behind it?

TM: I think a whole series of factors came together in 2019. For our company, 2018 appeared somewhat less dynamic from the point of view of inorganic growth, however during that time our teams were already working to prepare some of the opportunities which we saw materialise in 2019.

Another factor is a more structural change that is occurring in the telecommunications sector through which large mobile network operators are decoupling infrastructure management from service provision. In 2019 we have seen key benchmark companies like Vodafone, Orange, Hutchinson and Telefónica announce plans to set up specific companies or business units for the separate management of their infrastructure.

Added to this trend are the decisions taken by Iliad in France and Italy, or Salt in Switzerland, to segregate and transfer management of their infrastructure to neutral operators like Cellnex.

This further confirms the wisdom of the decision made by pure infrastructure operators like Cellnex to opt for separate management of the infrastructure, a fact which in our case is also characterised by our neutrality and independence.

Something that makes us proud of our project is both its European character and the fact that our customers include the key mobile network operators in the markets in which we operate.

FB: Indeed, as Tobias has pointed out, what is significant is this undercurrent in the European telecommunications infrastructure sector marked by mobile network operators outsourcing their assets, driven by the need to increase sharing, efficiency, cost optimisation and MNOs capturing value, generating resources that can be ploughed back into new investments such as 5G or improving their balance sheet structures.

Furthermore, we understand that this is a structural trend with great future potential that will continue to offer opportunities for infrastructure operators such as Cellnex. Our company has a long-term industrial vision which can not only take advantage of the opportunities for inorganic growth but focuses on accompanying its customers in long-term day-to-day management and therefore helps consolidate sustained and sustainable organic growth.

Two capital increases in the same year, two corporate bond issues, improved conditions in available credit lines... Cellnex seems able to activate a diversified range of financial instruments to support this growth strategy. Will they continue in this vein? And again, as we pointed out in 2018, where is the limit?

FB: There is no doubt that the current state of the sector, which offers opportunities for inorganic growth, is helped by the prevailing situation of debt and capital markets. These tailwinds help companies like Cellnex, with its industrial and growth project, to enjoy excellent conditions in terms of lending costs or liquidity by investors that are willing to support capital increases with a solid base project. That has facilitated this combination of instruments which has afforded us access to considerable financing to accompany and support this exceptional growth.

TM: The combination of factors mentioned by the President was certainly the key to facilitating this series of growth operations as well as maintaining a liquidity position - including debt not drawn down and cash and banks - of over €6 billion. Above and beyond the transactions that have been completed, this continues to provide us with enough leeway to react quickly to any new opportunities that may arise.

The Company takes very seriously its credit rating because it sends out a message of financial discipline and rigour to markets and investors.

So where is the limit? It will be set by the opportunities that arise in the sector, the situation of the financial markets and how these opportunities fit into the industrial vision of Cellnex's model.

FB: In this regard, I think it is also very important to highlight the commitment and support shown by all our shareholders in this growth project, which was expressed very tangibly in both the capital increases executed in 2019. Almost 99% of shareholders with subscription rights signed up for these capital increases, which were also heavily oversubscribed. This alone perfectly exemplifies this trust. It is up to the Board and the management team to continue to deserve this trust going forward by making successful decisions and persevering in bringing them to bear.

It could be said that the past behaviour of Cellnex shares on the stock market, which have revalued by 95%, clearly reflects this transformation. Cellnex shares enjoyed the highest increase on the IBEX 35 during the year. How do you value this?

TM: It would be hard not to view the quite remarkable increase in the value of Cellnex's shares on the stock market as anything but positive. As the President pointed out in relation to investor support for the capital increases, this reflects the trust in a project that combines geographical expansion with stability, recurrence and predictability of the flows generated.

In this regard, I always like to highlight that the backlog of contracted sales which stood at over €38.5 billion at the close of FY 2019.

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FB: There can be no doubt that the market has welcomed Cellnex very warmly since its IPO in May 2015. In fact, if we analyse total shareholder return, which is 217,27% since the IPO, it has evolved in parallel to the quality and quantum leap by the Group.



TM: Echoing the President here, I would say that we should not forget that we closed 2019 with revenues more than double those at the end of 2014, which will rise to almost four times in 2020 once we consolidate the acquisitions announced in 2019 and consolidated between 2019 and 2020. Cellnex's market cap during this period between 2015 and 2019, incorporating the increases, has increased by a factor of 4.5, reflecting the consistency between the company's real growth and its market valuation.

We tend to evaluate listed companies in a one-dimensional way - looking only at the share price - but investors are also increasingly valuing environment, social responsibility, corporate governance (ESG) criteria. How relevant are these criteria for Cellnex?

FB: Indeed, the elements comprising the company's best practices in terms of good governance, corporate responsibility (CR) and sustainability are factors that are increasingly appreciated and monitored by investors, analysts and markets.

In fact, a recent internal analysis of the company's shareholder base showed how almost 80% of Cellnex investors take these ESG criteria into account when valuing their investment policies.

There is no doubt that the value creation that we must foster, recognise and, where appropriate, reward, is that of sustainable and distributed value. It is normal to focus "shareholder value" as a driving force, and in fact it is an important driver, but it is not the only objective of the company. Either you go up on the stock market or you don't; you pay a good dividend, or you don't. However, this is merely an assessment of the financial dimension. And while the prime exercise in responsibility and sustainability of any manager is to ensure a sound income statement - without which there

can be no long term to sustain -, it is no less true that this income statement will be sustainable in time only if we focus on this overarching vision of the creation of tangible and intangible value.

In this context, we see the transposition of the EU Directive on non-financial information into the Spanish legislative framework as very positive. Being as demanding about “non-financial” reporting as financial information is certainly a very important step forward. As the highest corporate governance body, the Board is responsible for approving it and therefore for supervising it. It is accountable, and year after year reporting must show progress based on the evidence of data and indicators which will also be validated and audited in the same way as financial indicators.

I also believe that we must celebrate and welcome the growing “activism” of investors who increasingly demand that we consider not only the “shareholder value” paradigm, but also the non-financial dimension of our company’s behaviour.

TM: We truly create value in terms of all the stakeholders with an interest in our project, beginning with our employees. In fact, in 2019 we announced a Share Distribution Plan for all Group employees, to be rolled out in 2020, giving them a share in this value creation. I would also highlight the approval by the Board of the Group’s Equity, Diversity and Inclusion Policy which applies to all the countries in which we operate. There can be no doubt that people, and the talent which they bring to the project, constitute the company’s most important asset, which is why difference and plurality, equal opportunities, non-discrimination and inclusion in the workplace are priority strategic factors in the organisation, especially through inclusive leadership.

We must also call for commitment from our supply chain, requiring our suppliers to take on board principles related to the sustainability of their own business activity, just as our customers and stakeholders expect it from us. In this area at Cellnex we have undertaken to meet the Science Based Target’s (SBTi) emission reduction objectives to keep the global temperature increase below 1.5°C., thus contributing to the fight against climate change.

Also, we must redirect resources towards society, not only in the form of taxes, but adopting a leading role in innovation and entrepreneurship projects to foster talent and encourage the creation of industrial and knowledge ecosystems and clusters that add value to our economic fabric.

This also applies to projects and initiatives that bring home the values of training, integration and bridging the digital divide to sectors of society at risk of exclusion. Here I would like to highlight the “Cellnex’s Youth Challenge” corporate volunteer initiative focusing on preventing pupils from dropping out of school and promoting youth employment, as well as fostering professional training in telecommunications.

It is very important to target the fulfilment of these criteria, which is why we also take on public commitments, which we renew each year, such as Cellnex’s adherence to the United Nations Global Compact and its Principles, or being part of the FTSE4GOOD and CDP (Carbon Disclosure Project) and “Standard Ethics” sustainability indexes.

Looking to 2020, and the new decade that is beginning, where do you see Cellnex?

FB: The great challenge for Cellnex is to consolidate this quantum leap in terms of the size that we have achieved over these last few years, and which has sped up during 2019. Consolidating means integrating teams, aligning strategies and objectives across the group as a whole and in different countries. Promoting a culture and a common language. Working to deliver strategies and actions that can lay the groundwork for organic and sustained growth based on the geographic footprint and size we have already achieved. Neither must we lose sight of the fact that the market will continue to offer growth opportunities through asset purchases and the consolidation dynamics of the sector. I am confident that the company under the leadership of Tobias will be able to meet all these challenges.

TM: I agree with Franco and the challenges he has identified. 2020 and the following years will herald the arrival of 5G and its entire technological ecosystem along with applications that will display its full potential. To this end, and looking beyond the inorganic growth that will remain a dominant vector for the group, we must continue to focus on the three key axes that will facilitate the effective roll-out of 5G on which Cellnex has already been working, confirming the migration of the model from tower operator - the traditional towerco - to become an all-encompassing digital infrastructure service provider. This evolution involves moving from a vision focused on steel and concrete to one focused on managing transport of the signal and its associated service.

I am thinking here of Small Cells and Distributed Antenna Systems (DAS) that will play a key role in the necessary densification of transmission equipment, as well as in coverage of sports facilities like football stadiums. 5G will initially be rolled out mainly indoors. Examples of this are sports stadiums, convention centres, shopping centres, offices, tunnels, stations and transport systems, etc.

A second axis will be to ensure fibre optic connectivity to the various telecommunications sites, the so-called backhauling fibre, or Fibre To The Antenna (FTTA). This is a key structural element, since this connectivity is vital for managing the large volume of data flows associated with 5G.

And the third axis is the network-distributed data processing capacity, also known as Edge Computing, to roll out strategic telecoms centres ready to house data processing capacity close to the points at which such data are sent and received.

In all these areas we are looking at new opportunities and projects.