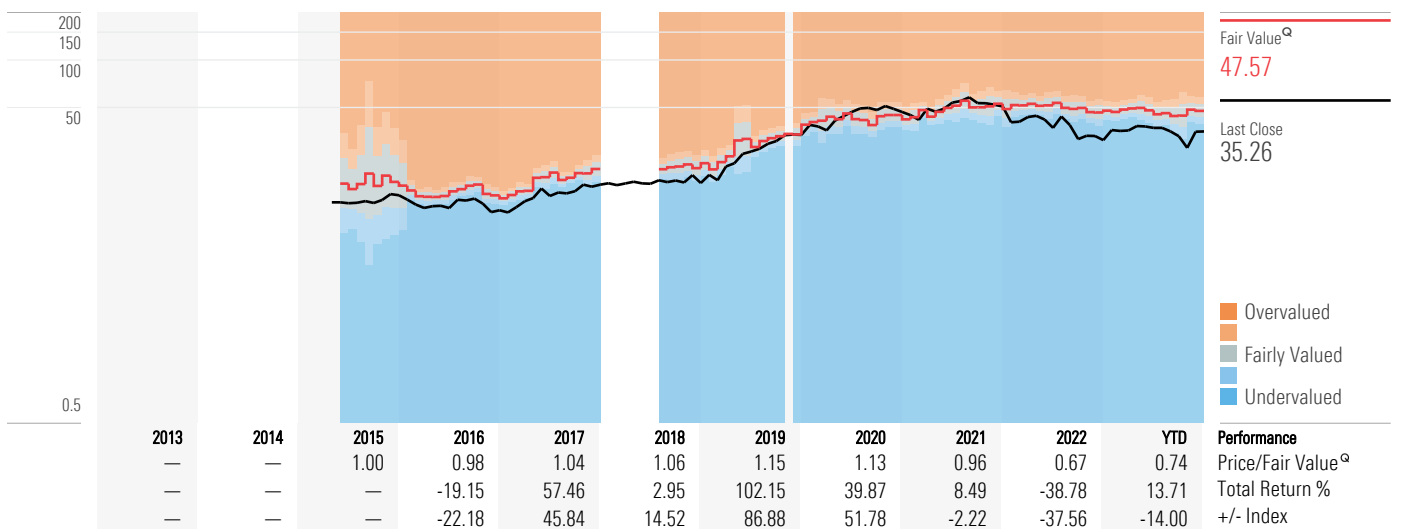


Cellnex Telecom SA 472 ★★★★★ Q 4 Dec 2023, 23:42 UTC

| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|---------------|----------------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| Narrow | High | 0.7 | 1 Nov 2023 05:00, UTC | 0.16 | 24.6883 Bil | Large Growth | Real Estate | Real Estate Services |



As of 4 Dec 2023 | Index: Morningstar Spain GR EUR. Fair Value data as of 4 Dec 2023, 23:42 UTC.

¹The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. Lee Davidson, Chief Analytics Officer for Morningstar, Inc, oversees the methodology that supports Quantitative Fair Value Estimates and Quantitative Star Ratings. Mr. Davidson is guided by the Morningstar, Inc. Code of Ethics in carrying out his responsibilities. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>.

Key Metrics as of 30 Nov 2023

| Metrics | | Percentile in Sector |
|------------------------|------|----------------------|
| Earnings Yield (%) | -1.0 | 36.0 |
| Sales Yield (%) | 14.9 | 33.0 |
| Book Value Yield (%) | 55.7 | 18.0 |
| Return on Assets (%)* | -0.6 | 32.0 |
| Revenue(Bil)* | 4.0 | 93.0 |
| Market Value (Bil) | 27.0 | 98.0 |
| Enterprise Value (Bil) | 49.4 | 98.0 |
| EV/MV Ratio | 1.8 | 54.0 |
| Volatility TTM (%) | 20.6 | 35.0 |
| Drawdown TTM (%) | 32.2 | 63.0 |
| Volume (Mil) | 1.3 | 73.0 |

*30 Sep 2023

Business Description

Cellnex owns and operates more than 100,000 wireless towers in Europe, resulting from continued M&A activity since its IPO in 2015. It has acquired towers from several European mobile network operator, including Telefonica, Iliad, CK Hutchison, Bouygues, and Altice. Cellnex is present in more than 10 European countries as of March 2023, including France, Italy, Spain, Poland, the U.K., Switzerland, and Portugal. Cellnex's strategy is to acquire portfolios from MNOs and lease the towers back to them through long-term contracts, which provide high cash flow visibility and inflation protection.

Valuation^Q as of 2 Dec 2023

Cellnex Telecom achieves a 3-star quantitative star rating based on Morningstar's equity model. This reflects the company's valuation and uncertainty scores under this assessment system.

The Quantitative Fair Value estimate is 47.31, above the previous closing price of 35.06. The stock has been trading between a 40.14% and 17.13% discount to its quantitative fair value over the past year. The stock's current valuation rating sits at the 53rd percentile in the coverage universe and 61st percentile in the real estate sector (higher percentile indicates more undervalued).

The quantitative uncertainty rating for Cellnex Telecom is High.

Our quantitative star rating last differed from the current rating on 11/24/2023; the uncertainty rating last differed on 10/27/2023. The previous ratings were 5 and Very High, respectively.

The main drivers of the company's valuation and uncertainty are its EV-MV ratio and volatility. The enterprise value-to-market value ratio of 1.83 falls at the 84th percentile in the equity universe and the 54th percentile in its sector. The annualized

trailing 12-month volatility of 20.55% corresponds to the 21st percentile overall and the 34th percentile in the industry.

Economic Moat^Q as of 2 Dec 2023

Morningstar maintains a Narrow quantitative moat rating on the company. The firm's quantitative moat score of 0.87 sits at the 87th percentile in the real estate sector. This is a decrease from 0.95, the maximum of its moat scores over the past year.

The quantitative financial health rating for Cellnex Telecom is Moderate. Its financial health score, termed Distance to Default, sits at the 43rd percentile in the universe and 54th percentile in the sector.

The significant drivers of these ratings are the company's enterprise value and enterprise value-to-market value ratio. The enterprise value for Cellnex Telecom is 49 billion, and its enterprise value-to-market value ratio is 1.83. They sit at the 95th and 84th percentile in the global equity universe, respectively.

Fundamentals as of 2 Dec 2023

Cellnex Telecom reports losses per share of -0.34. Its return on invested capital is -0.71%. The company maintains a dividend yield of 0.16%. These values are calculated over a trailing 12-month period.

Contact

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+34 935678910

<https://www.cellnextelecom.com>

Cellnex Telecom SA 472 ★★★★★ Q 4 Dec 2023, 23:42 UTC

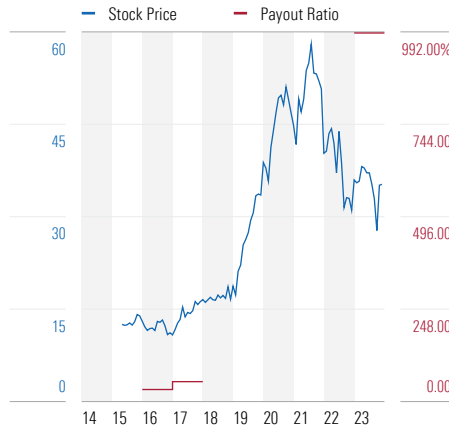
| | | | | | | | | |
|-----------------------------------|---------------------------------|--------------------------------------|--|----------------------------------|-------------------|-------------------------|---------------|----------------------|
| Economic Moat ^Q | Uncertainty ^Q | Price/Fair Value ^Q | ESG Risk Rating Assessment ¹ | Trailing Dividend Yield % | Market Cap | Investment Style | Sector | Industry |
| Narrow | High | 0.7 | 1 Nov 2023 05:00, UTC | 0.16 | 24.6883 Bil | Large Growth | Real Estate | Real Estate Services |

Earnings as of 30 Nov 2023

| Earnings | % | ■ Percentile in Sector |
|--------------------|------|------------------------|
| Dividend Yield* | 0.1 | 0.0 |
| Payout Ratio* | — | — |
| Price to Earnings | — | — |
| Price to Cash Flow | — | — |
| ROIC** | -0.7 | 28.0 |

*31 Oct 2023
**30 Sep 2023

Dividends as of 4 Dec 2023



Valuation ^Q as of 4 Dec 2023

Fair Value ^Q
47.57

Uncertainty ^Q :
High

472 is Under Valued at a 26% discount.

Last Close
35.26

Economic Moat ^Q
Narrow

Financial Health ^Q
Moderate

1-Star Price ^Q
> 57.78

5-Star Price ^Q
< 39.16

Financials as of 4 Dec 2023 (Fiscal Year End 31 Dec 2023)

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | YTD | Fiscal |
|-------|-------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------------------------|
| 379 | 412 | 575 | 670 | 758 | 867 | 1,000 | 1,562 | 2,438 | 3,248 | 3,008 | Revenue (Mil) |
| 96 | 86 | 79 | 110 | 129 | 114 | 142 | 159 | 68 | 230 | 349 | Operating Income (Mil) |
| 25.29 | 20.88 | 13.73 | 16.46 | 17.0 | 13.09 | 14.16 | 10.15 | 2.8 | 7.09 | 11.6 | Operating Margin (%) |
| 78.49 | 57.47 | 47.29 | 39.82 | 26.27 | -14.98 | -9.18 | -135.43 | -362.54 | -297.06 | -198.00 | Net Income (Mil) |
| 10.31 | 1.43 | 0.15 | 0.13 | 0.08 | -0.05 | -0.03 | -0.32 | -0.59 | -0.44 | -0.28 | Diluted Earnings/Share |
| 110 | 132 | 238 | 252 | 375 | 396 | 420 | 790 | 1,141 | 1,829 | 1,064 | Operating Cash Flow (Mil) |
| -151 | -178 | -140 | -229 | -463 | -576 | -894 | -760 | -1,521 | -2,569 | -1,143 | Capital Spending (Mil) |
| -41 | -46 | 97 | 23 | -88 | -180 | -475 | 31 | -380 | -739 | -79 | Free Cash Flow (Mil) |
| 7.61 | 40.13 | 304.38 | 304.27 | 304.23 | 304.04 | 342.86 | 415.85 | 610.54 | 672.77 | 705.38 | Avg Shares Outstand(Mil) |

Valuation as of 4 Dec 2023

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Current | Calendar |
|------|------|--------|-------|--------|-------|----------|-------|-------|-------|---------|-------------------------------|
| — | — | 1.00 | 0.98 | 1.04 | 1.06 | 1.15 | 1.13 | 0.96 | 0.67 | 0.74 | Price/Fair Value ^Q |
| — | — | 7.16 | 4.90 | 6.77 | 5.97 | 15.66 | 17.63 | 15.85 | 6.74 | 6.71 | Price/Sales |
| — | — | 113.69 | 50.49 | 131.98 | — | 4,564.87 | — | — | — | — | Price/Earnings |
| — | — | 16.21 | 14.26 | 18.74 | 19.82 | 33.12 | 42.98 | 40.04 | 14.48 | 12.01 | Price/Cash Flow |
| — | — | 9.00 | 6.59 | — | 8.21 | 7.87 | 2.77 | 2.31 | 1.67 | 1.80 | Price/Book |

Operating Performance as of 4 Dec 2023 (Fiscal Year End 31 Dec 2023)

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Q3 | Fiscal (%) |
|-------|-------|------|------|------|-------|------|-------|-------|-------|-------|-------------------------|
| 10.08 | 5.55 | 2.9 | 1.62 | 0.95 | -0.33 | -0.1 | -0.72 | -1.07 | -0.69 | -0.01 | Return on Assets |
| 17.52 | 11.68 | 9.94 | 8.62 | 6.77 | -3.06 | -0.4 | -2.19 | -3.16 | -2.09 | -0.03 | Return on Equity |
| 15.02 | 7.81 | 4.93 | 3.72 | 2.88 | 2.17 | 1.51 | 0.48 | -0.12 | 0.26 | -0.01 | Rtn on Invested Capital |

Dividends as of 4 Dec 2023

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Current | Calendar (%) |
|------|------|------|------|------|------|------|------|------|------|---------|-------------------------|
| — | — | 0.03 | 0.07 | 0.07 | 0.08 | 0.07 | 0.06 | 0.05 | 0.02 | 0.06 | Dividend Per Share |
| — | — | — | 0.67 | 0.41 | — | — | — | — | 0.06 | 0.16 | Trailing Dividend Yield |
| — | — | — | — | — | — | — | — | — | 1.69 | 1.25 | Buyback Yield |

Appendix

Economic Moat [®]History as of 2 Dec 2023 (No Moat: 0.00-0.70, Narrow Moat: 0.70-0.99, Wide Moat: 0.99-1.00)

| Year | January | February | March | April | May | June | July | August | September | October | November | December |
|------|---------|----------|-------|-------|------|------|------|--------|-----------|---------|----------|----------|
| 2023 | 0.87 | 0.90 | 0.92 | 0.92 | 0.86 | 0.85 | 0.86 | 0.83 | 0.77 | 0.80 | 0.86 | 0.88 |
| 2022 | 0.87 | 0.96 | 0.97 | 0.96 | 0.96 | 0.97 | 0.95 | 0.88 | 0.90 | 0.87 | 0.87 | 0.85 |
| 2021 | 0.92 | 0.87 | 0.88 | 0.98 | 0.98 | 0.99 | 0.99 | 0.98 | 0.96 | 0.94 | 0.97 | 0.86 |
| 2020 | 0.99 | 0.98 | 0.98 | 0.98 | 0.94 | 0.96 | 0.98 | 0.97 | 0.98 | 0.99 | 0.97 | 0.95 |
| 2019 | 0.94 | 0.93 | 0.92 | 0.93 | 0.81 | 0.83 | 0.95 | 0.99 | 0.99 | 0.99 | 0.99 | 0.99 |
| 2018 | 0.82 | — | — | — | — | — | — | 0.96 | 0.94 | 0.95 | 0.94 | 0.93 |

Quantitative Equity Report Overview

The quantitative report on equities consists of data, statistics and quantitative equity ratings on equity securities. Morningstar, Inc.'s quantitative equity ratings are forward looking and are generated by a statistical model that is based on Morningstar Inc.'s analyst-driven equity ratings and quantitative statistics. Given the nature of the quantitative report and the quantitative ratings, there is no one analyst in which a given report is attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative equity ratings used in this report. As an employee of Morningstar, Inc., Mr. Davidson is guided by Morningstar, Inc.'s Code of Ethics and Personal Securities Trading Policy in carrying out his responsibilities.

Quantitative Equity Ratings

Morningstar's quantitative equity ratings consist of: (i) Quantitative Fair Value Estimate, (ii) Quantitative Star Rating, (iii) Quantitative Uncertainty, (iv) Quantitative Economic Moat, and (v) Quantitative Financial Health (collectively the "Quantitative Ratings").

The Quantitative Ratings are calculated daily and derived from the analyst-driven ratings of a company's peers as determined by statistical algorithms. Morningstar, Inc. ("Morningstar", "we", "our") calculates Quantitative Ratings for companies whether or not it already provides analyst ratings and qualitative coverage. In some cases, the Quantitative Ratings may differ from the analyst ratings because a company's analyst-driven ratings can significantly differ from other companies in its peer group.

i. **Quantitative Fair Value Estimate:** Intended to represent Morningstar's estimate of the per share dollar amount that a company's equity is worth today. Morningstar calculates the Quantitative Fair Value Estimate using a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies. Please go to <http://global.morningstar.com/equitydisclosures> for information about Fair Value Estimate Morningstar's equity analysts assign to companies.

ii. **Quantitative Economic Moat:** Intended to describe the strength of a firm's competitive position. It is calculated using an algorithm designed to predict the Economic Moat rating a Morningstar analyst would assign to the stock. The rating is expressed as Narrow, Wide, or None.

Narrow – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 70% but less than 99%.

Wide – assigned when the probability of a stock receiving a "Wide Moat" rating by an analyst is greater than 99%.

None – assigned when the probability of an analyst receiving a "Wide Moat" rating by an analyst is less than 70%.

iii. **Quantitative Star Rating:** Intended to be the summary rating based on the combination of our Quantitative Fair Value Estimate, current market price, Quantitative Uncertainty Rating, and momentum. The rating is expressed as One-Star, Two-Star, Three-Star, Four-Star, and Five-Star.

★ – the stock is overvalued with a reasonable margin of safety.

*Log (Quant FVE/Price) < -1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) < -1.5*Quantitative Uncertainty*

★★ – the stock is somewhat overvalued.

*Log (Quant FVE/Price) between (-1*Quantitative Uncertainty, -0.5*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-1.5*Quantitative Uncertainty, -0.75*Quantitative Uncertainty)*

★★★ – the stock is approximately fairly valued.

*Log (Quant FVE/Price) between (-0.5*Quantitative Uncertainty, 0.5*Quantitative Uncertainty)*

*Micro-Caps: Log (Quant FVE/Price) between (-0.75*Quantitative Uncertainty, 0.75*Quantitative Uncertainty)*

★★★★ – the stock is somewhat undervalued.

*Log (Quant FVE/Price) between (0.5*Quantitative Uncertainty, 1*Quantitative*

Uncertainty)

*Micro-Caps: Log (Quant FVE/Price) between (0.75*Quantitative Uncertainty, 1.5*Quantitative Uncertainty)*

★★★★★ – the stock is undervalued with a reasonable margin of safety.

*Log (Quant FVE/Price) > 1*Quantitative Uncertainty*

*Micro-Caps: Log (Quant FVE/Price) > 1.5*Quantitative Uncertainty*

After the initial calculation for the star rating, there is a final filtering step based on the momentum of the company. We rank the companies based on their 12-1 month momentum, then restrict those below the 30th percentile to a maximum of 3 stars.

iv. **Quantitative Uncertainty:** Intended to represent Morningstar's level of uncertainty about the accuracy of the Quantitative Fair Value Estimate. Generally, the lower the Quantitative Uncertainty, the narrower the potential range of outcomes for that particular company. The rating is expressed as Low, Medium, High, Very High, and Extreme.

Low – the interquartile range for possible fair values is less than 10%

Medium – the interquartile range for possible fair values is less than 15% but greater than 10%

High – the interquartile range for possible fair values is less than 35% but greater than 15%

Very High – the interquartile range for possible fair values is less than 80% but greater than 35%

Extreme – the interquartile range for possible fair values is greater than 80%

v. **Quantitative Financial Health:** Intended to reflect the probability that a firm will face financial distress in the near future. The calculation uses a predictive model designed to anticipate when a company may default on its financial obligations. The rating is expressed as Weak, Moderate, and Strong.

Weak – assigned when Quantitative Financial Health < 0.2

Moderate – assigned when Quantitative Financial Health is between 0.2 and 0.7

Strong – assigned when Quantitative Financial Health > 0.7

Other Definitions

i. **Last Close** – Price of the stock as of the close of the market of the last trading day before date of the report.

ii. **Quantitative Valuation** – Using the below terms, intended to denote the relationship between the security's **Last Price** and Morningstar's quantitative fair value estimate for that security.

Undervalued – Last Price is below Morningstar's quantitative fair value estimate.

Fairly Valued – Last Price is in line with Morningstar's quantitative fair value estimate.

Fairly Valued – Last Price is in line with Morningstar's quantitative fair value estimate.

Overvalued – Last Price is above Morningstar's quantitative fair value estimate.

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Sustainalytics analyzes over 1,300 data points to assess a company's exposure to and management of ESG risks. In other words, ESG Risk Ratings measures a company's unmanaged ESG Risks represented as a quantitative score. Unmanaged Risk is measured on an open-ended scale starting at zero (no risk) with lower scores representing less unmanaged risk and, for 95% of cases, the unmanaged ESG Risk score is below 50.

Based on their quantitative scores, companies are grouped into one of five Risk Categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree

of unmanaged ESG risk across all subindustries covered.

The ESG Risk Rating Assessment is a visual representation of Sustainalytics ESG Risk Categories on a 1 to 5 scale. Companies with Negligible Risk = 5 Globes, Low Risk = 4, Medium Risk = 3 Globes, High Risk = 2 Globes, Severe Risk = 1 Globe. For more information, please visit sustainalytics.com/esg-ratings/

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