



# A Transformational Deal

Agreement with TEF Deutschland to acquire c.10,100 sites + 2,400 BTS

June 8<sup>th</sup>, 2020



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# Telxius becomes one of the main neutral Infracos globally

**+50% total portfolio**  
consolidating Telxius as a leading  
global TowerCo with **30.4k sites**

**Rebalances Telxius**  
towards European Market  
and Tower Business

**Increases exposure to Germany**  
Europe's largest  
market and economy

**Reinforces Telxius Germany**  
increasing its scale by **c.6x**<sup>(1)</sup>  
and becoming our largest market

**Favorable growth momentum**  
for the infrastructure business

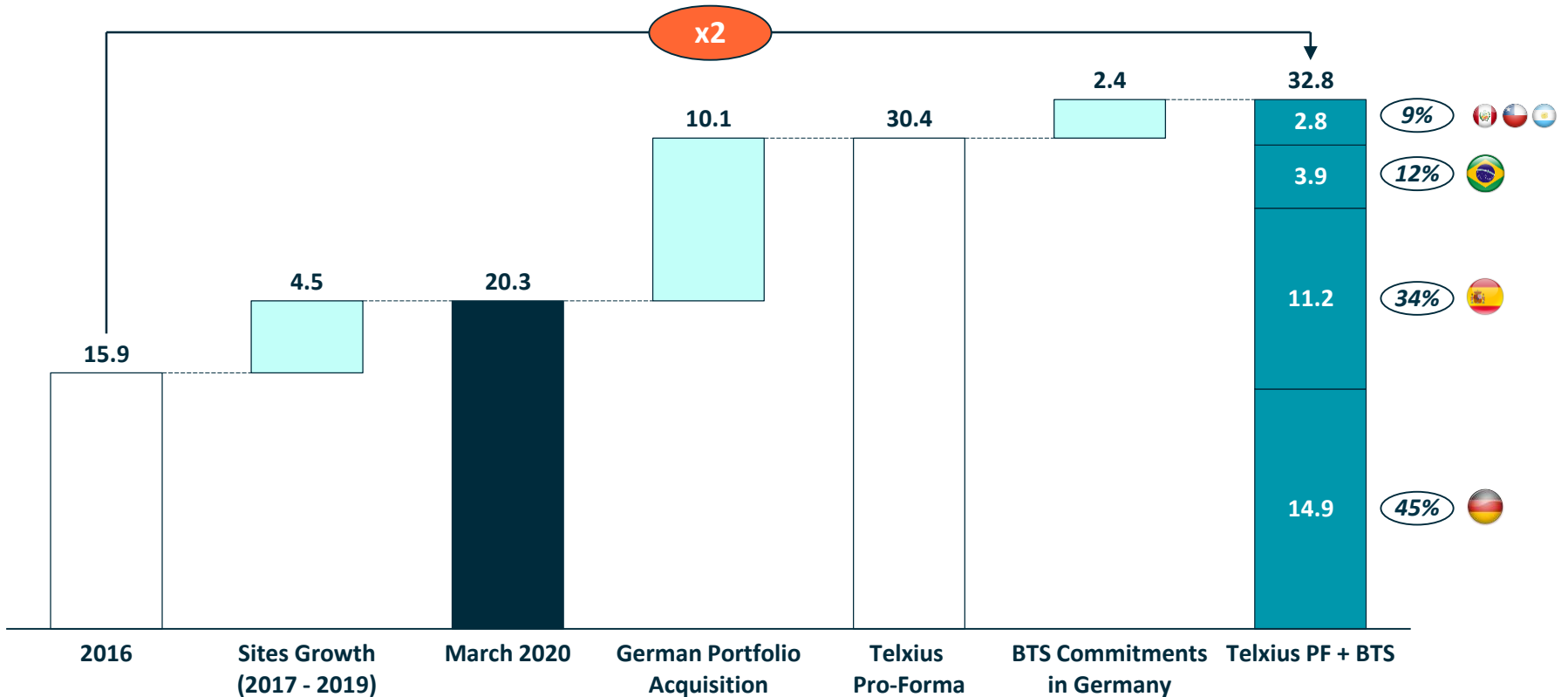
**Secures growth with**  
**2,400 BTS** commitments

# Doubling our scale since 2016

## Germany becomes our largest tower market

'000 sites

○ Over Total Sites



Telxius' hard currency exposure increases to c.93% over Total Revenues <sup>(1)</sup>

# Germany: a great opportunity

## Largest and most valuable market in Europe

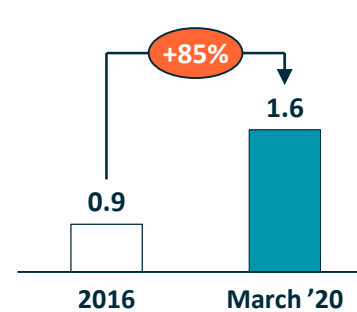
- ✓ Largest European economy
- ✓ Largest European Telco market in both revenue and subscribers
- ✓ Data consumption expected to increase strongly
- ✓ Potential of synergies with our existing operation

## Favorable growth “momentum” for infrastructure

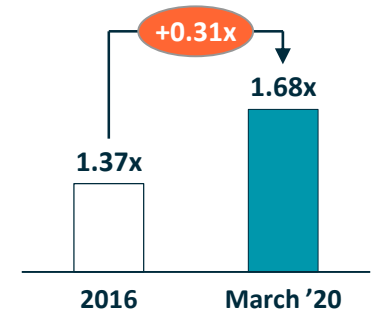
- ✓ 4G coverage commitments and additional capacity needs
- ✓ Industry obligations / white spots
- ✓ 5G Roll-out
- ✓ Fiber underpenetration
- ✓ Potential entry of a 4<sup>th</sup> operator

## Telxius’ successful commercial track record in Germany

# Third Party Tenants, ‘000

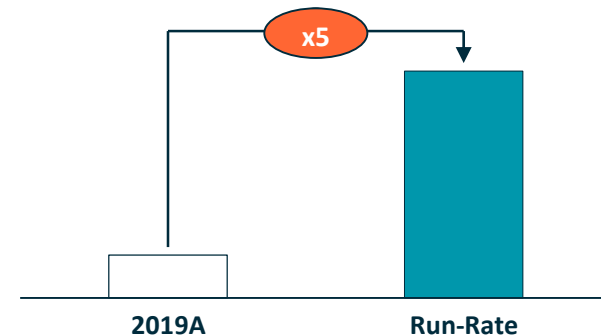


Tenancy Ratio



## Accelerating our growth profile in Germany

Total Revenues <sup>(1)</sup>, €m



# Transaction Summary

## Description

- Agreement with Telefonica Deutschland to acquire:
  - Nationwide portfolio comprised by c.10,100 sites (mainly rooftops sites)
  - Committed BTS program for additional 2,400 sites (mainly greenfield towers)
- Attractive portfolio distribution: urban (45%) and semi-urban and rural locations (55%)
- Transaction structured through a Spin-off of TEF DE assets into a NewCO and acquisition by Telxius of 100% of the share capital
- Long-term Master lease agreement with TEF DE as anchor tenant, linked to inflation. All or nothing renewal clause by clusters
- Telxius' portfolio to reach more than 32.8 k sites, doubling its portfolio since 2016 and confirming its position as one of the main neutral infrastructure operators

## Key Financials

- Total consideration of EUR 1,500m on a cash and debt free basis
- The operation is expected to increase run-rate Revenues by more than five times when the BTS Program is completed

## Closing

- Subject to regulatory approvals and structured in two phases:
  - First closing of 60% of the perimeter expected by the end of 2020
  - Second closing of 40% of the perimeter: by August 2021

## Funding

- Telxius will finance 90% of the value of the acquisition via a capital increase (to be subscribed by its current shareholders in proportion to their participation in the company) and through internally generated resources
- The remaining 10% will be financed through incremental debt

**TELXIUS**

Enabling Communication