
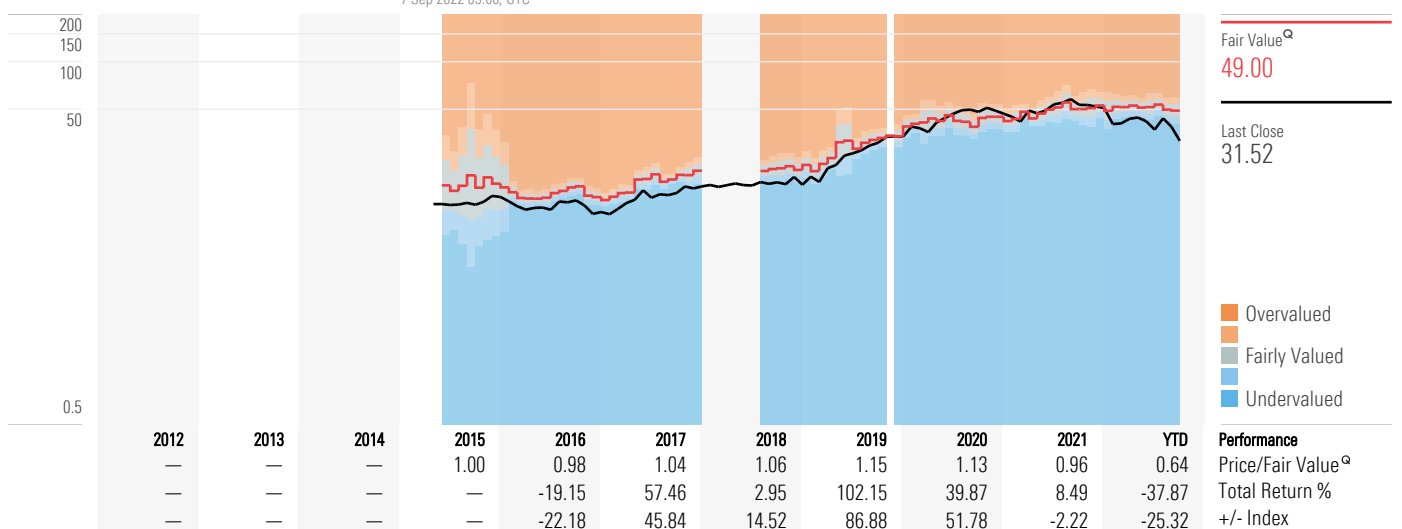


Cellnex Telecom SA 472 ★★★★★ Q 30 Sep 2022, 23:27 UTC

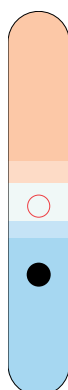
Economic Moat ^Q Narrow	Uncertainty ^Q High	Price/Fair Value ^Q 0.6	ESG Risk Rating Assessment  7 Sep 2022 05:00, UTC	Trailing Dividend Yield % 0.15	Market Cap 20.8757 Bil	Investment Style Large Growth	Sector Real Estate	Industry Real Estate Services
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Total Return % as of 30 Sep 2022. Last Close as of 30 Sep 2022. Fair Value as of 30 Sep 2022, 23:27 UTC. Index: Morningstar Spain GR EUR.

¹The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating. There is no one analyst in which a Quantitative Fair Value Estimate and Quantitative Star Rating are attributed to; however, Mr. Lee Davidson, Head of Quantitative Research for Morningstar, Inc., is responsible for overseeing the methodology that supports the quantitative fair value. 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. For information regarding Conflicts of Interests, visit <http://global.morningstar.com/equitydisclosures>.

Valuation^Q as of 30 Sep 2022



Fair Value^Q
49.00
Uncertainty^Q :
High

472 is Under Valued at a 36% discount.

Economic Moat^Q
Narrow
Financial Health^Q
Moderate

1-Star Price^Q
> 59.77
5-Star Price^Q
< 40.17

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Financials as of 30 Sep 2022 (Fiscal Year End 31 Dec 2022)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD	Fiscal
Revenue (Mil)	392	379	412	575	670	758	867	1,000	1,562	2,438	1,576	Revenue (Mil)
Operating Income (Mil)	42	96	86	79	110	129	114	142	159	57	98	Operating Income (Mil)
Operating Margin (%)	10.83	25.29	20.88	13.73	16.46	17.0	13.09	14.16	10.15	2.32	6.25	Operating Margin (%)
Net Income (Mil)	29.82	78.49	57.47	47.29	39.82	26.27	-14.98	-9.18	-135.43	-351.37	-170.33	Net Income (Mil)
Diluted Earnings/Share	0.10	10.31	1.43	0.15	0.13	0.08	-0.05	-0.03	-0.32	-0.54	-0.25	Diluted Earnings/Share
Operating Cash Flow (Mil)	146	110	132	238	252	375	396	420	790	1,141	835	Operating Cash Flow (Mil)
Capital Spending (Mil)	-110	-151	-178	-140	-229	-463	-576	-894	-760	-1,521	-1,378	Capital Spending (Mil)
Free Cash Flow (Mil)	36	-41	-46	97	23	-88	-180	-475	31	-380	-543	Free Cash Flow (Mil)
Avg Shares Outstand(Mil)	304.38	7.61	40.13	304.38	304.27	304.23	304.04	342.86	415.85	659.14	672.36	Avg Shares Outstand(Mil)
Dividend Per Share	—	—	—	—	0.07	0.07	—	—	—	—	0.05	Dividend Per Share

Valuation as of 30 Sep 2022

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Current	Calendar
Price/Fair Value ^Q	—	—	—	1.00	0.98	1.04	1.06	1.15	1.13	0.96	0.64	Price/Fair Value ^Q
Price/Sales	—	—	—	7.16	4.90	6.77	5.97	15.66	17.63	15.85	7.53	Price/Sales
Price/Earnings	—	—	—	113.69	50.49	131.98	—	4,564.87	—	—	—	Price/Earnings
Price/Cash Flow	—	—	—	16.21	14.26	18.74	19.82	33.12	42.98	40.04	14.92	Price/Cash Flow
Price/Book	—	—	—	9.00	6.59	—	8.21	7.87	2.77	2.31	1.58	Price/Book

Operating Performance as of 30 Sep 2022 (Fiscal Year End 31 Dec 2022)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Q3	Fiscal (%)
Return on Assets	4.28	10.08	5.55	2.9	1.62	0.95	-0.33	-0.1	-0.72	-1.07	-0.19	Return on Assets
Return on Equity	7.58	17.52	11.68	9.94	8.62	6.77	-3.06	-0.4	-2.19	-3.16	-0.6	Return on Equity
Rtn on Invested Capital	7.83	15.02	7.81	4.93	3.72	2.88	2.17	1.51	0.48	-0.12	-0.24	Rtn on Invested Capital

Business Description

Cellnex owns and operates almost 100,000 wire-less 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 December 2021,

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.

Quantitative Equity Reports 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.

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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.

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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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This Report **has not been made available** to the issuer of the security prior to publication.

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