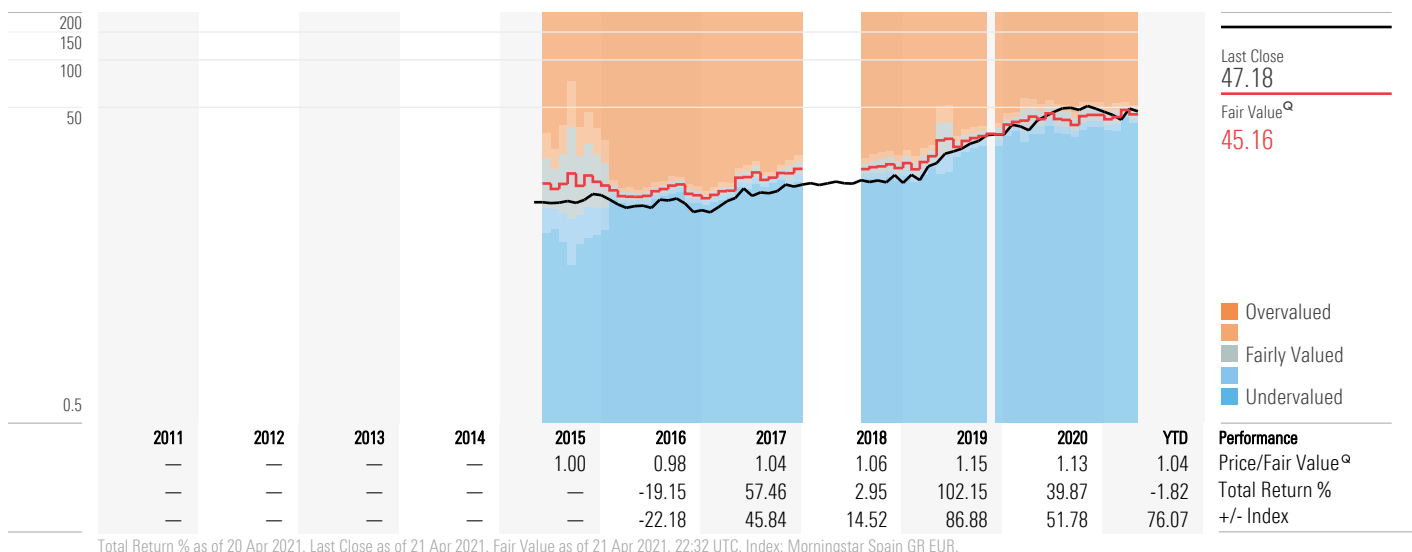


Cellnex Telecom SA 472 ★★★ Q 21 Apr 2021, 22:32 UTC

Economic Moat ^Q	Uncertainty ^Q	Price/Fair Value ^Q	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
Narrow	Medium	1.0	0.13	24.7782 Bil	Large Growth	Communication Services	Telecom Services



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 21 Apr 2021



Last Close
47.18

Fair Value^Q
45.16

Uncertainty^Q:
Medium

472 is trading within a range we consider fairly valued.

Economic Moat ^Q
Narrow

Financial Health ^Q
Moderate

1-Star Price ^Q
> 51.41

5-Star Price ^Q
< 39.67

Contact

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 —
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Financials as of 21 Apr 2021 (Fiscal Year End 31 Dec 2021)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal	
Revenue (Mil)	407	392	379	412	575	670	758	867	1,000	1,562	1,562		Revenue (Mil)
Operating Income (K)	85,903	42,422	95,911	86,045	78,984	110,363	128,777	113,551	141,600	158,495	158,495		Operating Income (K)
Operating Margin (%)	21.09	10.83	25.29	20.88	13.73	16.46	17.0	13.09	14.16	10.15	10.15		Operating Margin (%)
Net Income (K)	60,892	29,815	78,490	57,471	47,290	39,817	26,270	-14,983	-9,177	-133,100	-133,100		Net Income (K)
Diluted Earnings/Share	0.20	0.10	10.31	1.43	0.15	0.13	0.08	-0.05	-0.03	-0.32	-0.32		Diluted Earnings/Share
Operating Cash Flow (K)	89,605	145,922	110,111	132,143	237,919	251,906	374,813	396,278	419,557	791,649	791,649		Operating Cash Flow (K)
Capital Spending (K)	-30,588	-109,727	-151,244	-177,739	-140,494	-228,563	-462,552	-575,912	-894,224	-759,648	-759,648		Capital Spending (K)
Free Cash Flow (K)	59,017	36,195	-41,133	-45,596	97,425	23,343	-87,739	-179,634	-474,667	32,001	32,001		Free Cash Flow (K)
Avg Shares Outstand(K)	304,384	304,384	7,610	40,133	304,384	304,271	304,226	304,045	342,864	415,863	415,863		Avg Shares Outstand(K)
Dividend Per Share	—	—	—	—	—	—	0.07	0.07	—	—	—	0.07	Dividend Per Share

Valuation as of 21 Apr 2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
Price/Fair Value ^Q	—	—	—	—	1.00	0.98	1.04	1.06	1.15	1.13	1.04	Price/Fair Value ^Q
Price/Sales	—	—	—	—	7.16	4.90	6.76	5.97	15.66	17.63	12.56	Price/Sales
Price/Earnings	—	—	—	—	113.69	50.49	131.98	—	4,564.87	—	5,470.90	Price/Earnings
Price/Cash Flow	—	—	—	—	16.21	14.26	18.74	19.82	33.12	42.98	24.78	Price/Cash Flow
Price/Book	—	—	—	—	9.00	6.59	—	8.21	7.87	2.77	3.09	Price/Book

Operating Performance as of 21 Apr 2021 (Fiscal Year End 31 Dec 2021)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
Return on Assets	9.04	4.28	10.08	5.55	2.9	1.62	0.95	-0.33	-0.1	-0.72	-0.22	Return on Assets
Return on Equity	16.08	7.58	17.52	11.68	9.94	8.62	6.77	-3.06	-0.4	-2.19	-0.58	Return on Equity

Operating Performance as of 21 Apr 2021 (Fiscal Year End 31 Dec 2021)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
15.4	7.83	15.02	7.81	4.93	3.72	2.88	2.17	1.51	0.48	-0.27	Rtn on Invested Capital

Business Description

Cellnex Telecom SA is a telecommunications company. It operates through three main segments: Telecom Infrastructure Services, Broadcasting Infrastructure and Other Network Services. The Telecom Infrastructure Services segment provides access to telecom and broadcast wireless infrastructures, through its connectivity services. The broad-

casting infrastructure segment includes the demand for the company's communications depends on the coverage needs from its customers. The Other Network Services segment offers connectivity, PPDR networks, Smart City and IoT services depends on the demand from public administrations as well as entities. The company generates the vast majority of its revenue in Spain.

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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").

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- 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.

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

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

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