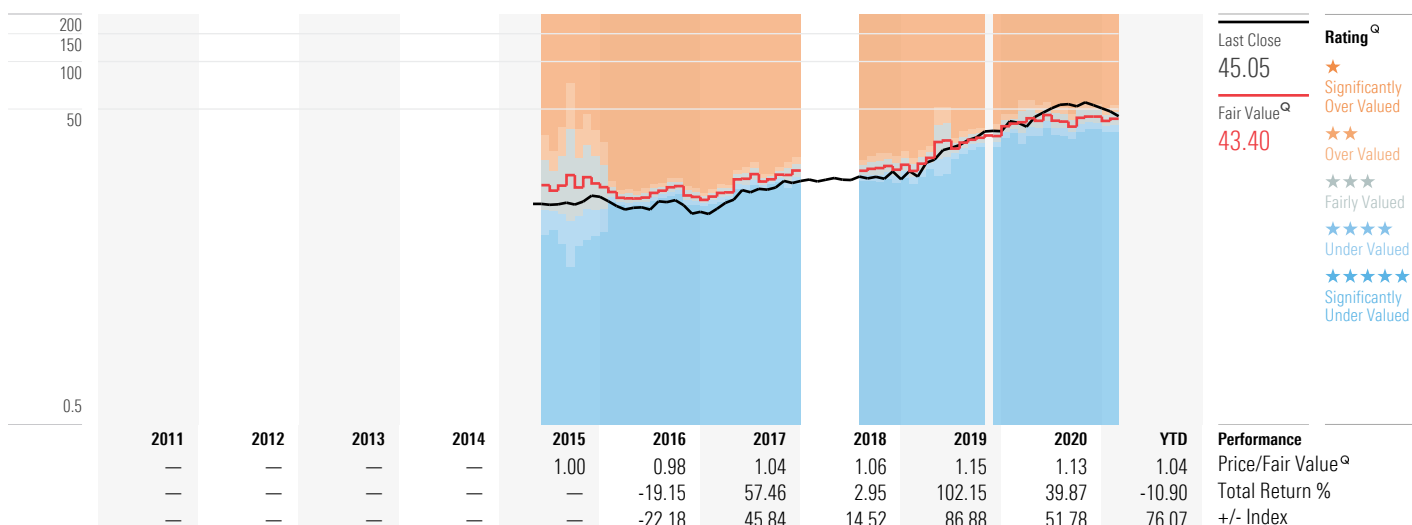


Cellnex Telecom SA 472 ★★★ Q 26 Feb 2021, 23:40 UTC

Economic Moat ^Q	Uncertainty ^Q	Price/Fair Value ^Q	Trailing Dividend Yield %	Market Cap	Investment Style	Sector	Industry
Narrow	High	1.0	0.14	21.9146 Bil	Large Growth	Communication Services	Telecom Services



Total Return % as of 28 Feb 2021. Last Close as of 26 Feb 2021. Fair Value as of 26 Feb 2021, 23:40 UTC. Index: Morningstar Spain GR EUR.

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Contact

Valuation^Q

as of 26 Feb 2021



472 is trading within a range we consider fairly valued.

Economic Moat^Q

Narrow

Financial Health^Q

Moderate

1-Star Price^Q

> 53.22

5-Star Price^Q

< 35.39

Financials as of 26 Feb 2021 (Fiscal Year End 31 Dec 2020)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	Fiscal
407	392	379	412	575	670	758	867	1,000	—	1,148	Revenue (Mil)
86	42	96	86	79	110	129	114	143	—	154	Operating Income (Mil)
21.09	10.83	25.29	20.88	13.73	16.46	17.0	13.09	14.26	—	13.41	Operating Margin (%)
61	30	78	57	47	40	26	-15	-9	—	-84	Net Income (Mil)
0.22	0.11	11.13	1.54	0.16	0.14	0.09	-0.05	-0.03	—	-0.17	Diluted Earnings/Share
90	146	110	132	238	252	375	396	420	—	394	Operating Cash Flow (Mil)
-31	-110	-151	-178	-140	-229	-463	-576	-894	—	-310	Capital Spending (Mil)
59	36	-41	-46	97	23	-88	-180	-475	—	84	Free Cash Flow (Mil)
282	282	7	37	282	282	282	282	318	—	487	Avg Shares Outstand(Mil)
—	—	—	—	—	0.07	0.07	—	—	—	0.07	Dividend Per Share

Valuation as of 26 Feb 2021

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Current	Calendar
—	—	—	—	1.00	0.98	1.04	1.06	1.15	1.13	1.04	Price/Fair Value ^Q
—	—	—	—	7.16	4.90	6.76	5.97	15.66	17.63	15.71	Price/Sales
—	—	—	—	113.69	50.49	131.98	—	4,564.74	—	5,470.90	Price/Earnings
—	—	—	—	16.21	14.26	18.74	19.82	33.12	42.98	38.30	Price/Cash Flow
—	—	—	—	9.00	6.59	—	8.21	7.87	2.77	2.47	Price/Book

Operating Performance as of 26 Feb 2021 (Fiscal Year End 31 Dec 2020)

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3	Fiscal (%)
9.04	4.28	10.08	5.55	2.9	1.62	0.95	-0.33	-0.1	—	-0.23	Return on Assets
16.08	7.58	17.52	11.68	9.94	8.62	6.77	-3.06	-0.4	—	-0.63	Return on Equity
15.4	7.83	15.02	7.81	4.93	3.72	2.86	2.14	1.51	—	-0.28	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 infrastruc-

tures, through its connectivity services. The broadcasting 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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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.

One-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*

Two-Star - 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)*

Three-Star – 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)*

Four-Star – 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)*

Five-Star – 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

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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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