

Arqiva is the leading independent telecom towers operator and sole terrestrial broadcast network provider in the United Kingdom, holding significant investments in essential communications infrastructure. This non-replicable asset base across Arqiva's business units, as described below, will support Arqiva's leading position for the foreseeable future.



c.1,150

TV transmission sites covering 98.5% of the UK population with the DTT¹ platform



c.8,000

active licensed macro cellular sites⁵



c.1,500

radio transmission sites, including the roll-out of 19 new DAB³ services for SDL⁴ during the year



c.80 satellite dishes accessing...

...40+ satellites from 5 teleports distributing 1,100 TV channels internationally

700MHz Clearance activities completed on 613 sites, now over 60% through the programme

Market leader for commercial DTT spectrum owning two of the three main national commercial multiplexes², giving videostream capacity of 32 channels, and a further two HD capable multiplexes



Smart network to cover up to 12 million UK premises, with 99% network coverage and over 400,000 smart meters sold to date

Access to 200,000+ municipal street furniture sites for the provision of Small Cells in 14 London Boroughs

Key activities in the execution of Arqiva's strategy include:

- ▶ Reinforcing DTT's long-term position as the most popular TV platform in the UK by continuing to support platform development;
- ▶ Expanding channel choice, optimising DTT multiplex utilisation, and working with the TV manufacturing market through Digital UK and Freeview to ensure that the hybrid DTT/IP service remain the default technology;
- ▶ Managing the seamless execution of the 700MHz Clearance programme to meet target completion date in 2021;
- ▶ Continuing to develop digital DAB radio as an attractive medium for listeners and planning for the expected eventual phase-out of analogue radio;
- ▶ Helping broadcasters and rightsholders to navigate and exploit the trends underlying the video market;
- ▶ Growing the Satellite data communications business in UK utilities and international energy, aeronautical and maritime sectors;
- ▶ Strengthening Arqiva's position as the UK's leading independent telecoms sites provider by increasing the Group's site portfolio and maintaining long term contracts with MNOs;
- ▶ Developing a 'lean towerco' operating model;
- ▶ Preparing to be a leading partner within the 5G ecosystem;
- ▶ Growing the value of the M2M business within the utilities sector through the provision of smart metering;
- ▶ Consolidation of the broadcast business areas to provide a more streamlined and efficient service to our customers;
- ▶ Investing in new technologies through our transformation programme to ensure our infrastructure is underpinned by operational excellence and an efficient cost base;
- ▶ Maintaining the robustness of Arqiva's capital structure, with a long-term debt platform which has an average debt maturity of over 5 years, and investment grade credit rating over our senior debt;
- ▶ Investing in employees and challenging the workplace culture to maintain high levels of employee engagement in a great place to work.

¹ Refers to the Digital Terrestrial Television platform, best known for supporting Freeview.

² Main national commercial multiplexes refers to those considered to be most established.

³ Refers to Digital audio broadcasting

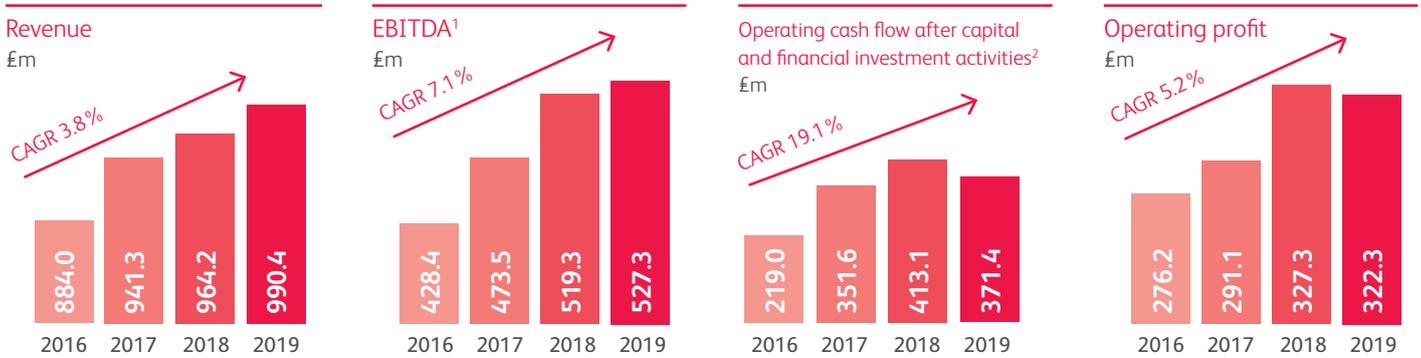
⁴ Refers to Sound Digital Limited

⁵ Reference to 8,000 sites includes contractual options on the assignment of sites; hereafter referred to as 'circa 8,000 active licensed macro sites'



Highlights 2019

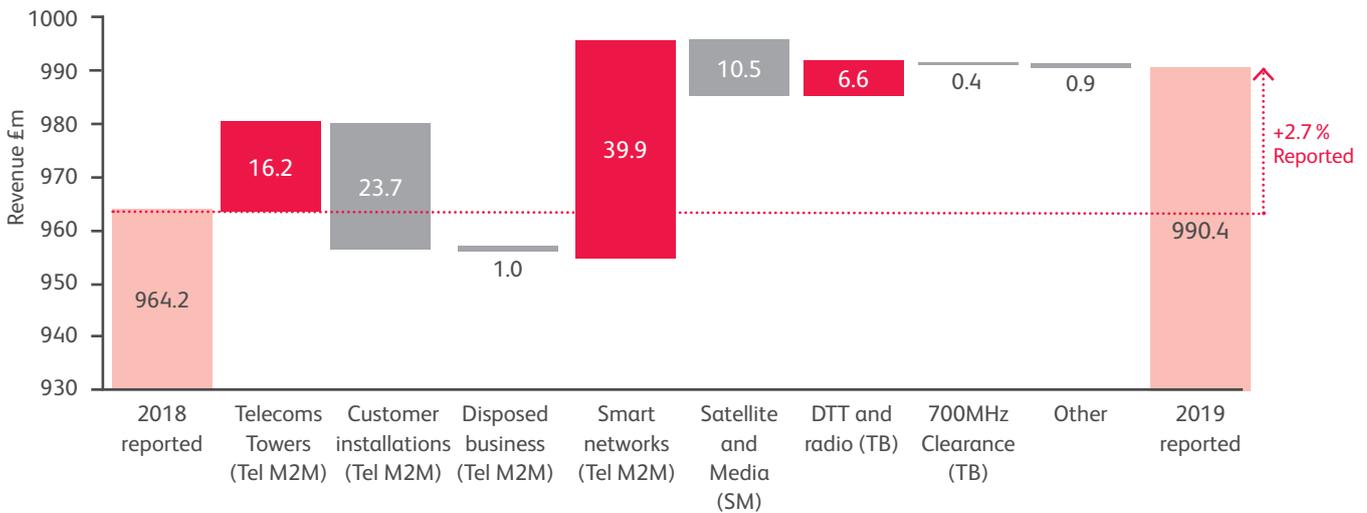
With major programmes at a peak throughout 2018 and 2019, Arqiva has continued to deliver growth in revenue and EBITDA. This growth has been delivered despite a decline in operating profit and operating cash flows after capital and financial investment due to phasing of programmes for example reducing capital expenditure.



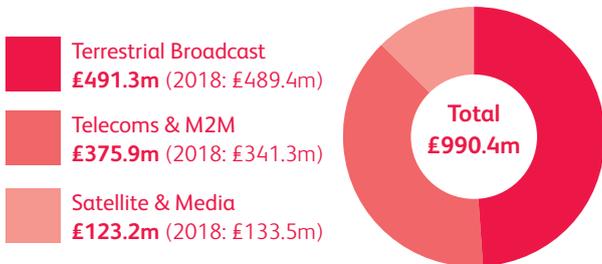
Compound Annual Growth Rate ('CAGR')

Key influences on revenue growth³ (£m):

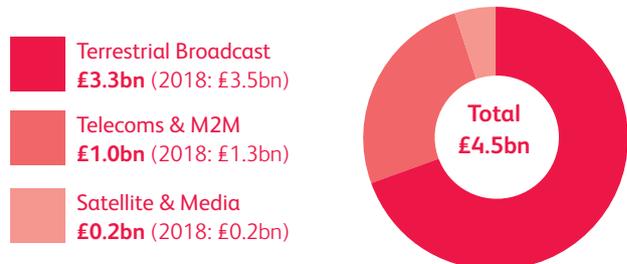
Group revenue has increased 2.7%, with the primary increases being in Telecoms towers, smart networks, DTT and radio. These have been offset by decreases reflecting changes in the business, in particular where major programmes activity, for example Installation Services, decrease as the projects near completion.



Revenue by operating segment £m



Contracted Order Book £bn



¹ EBITDA is a non-GAAP measure and refers to 'earnings before interest, tax, depreciation and amortisation'. This includes adjustments for certain other items charged to operating profit that do not reflect the underlying business performance.

² Operating cash flow after capital and financial investment activities is a non-GAAP measure and represents the net cash generated by the business after investment in capital items. This represents the remaining cash available to service the capital structure of the business, or the return of cash to shareholders in the form of dividends.

³ Key drivers are stated along with the operating segment in which these business streams are aligned, i.e. Terrestrial Broadcast ('TB'), Telecoms & M2M ('TelM2M') and Satellite and Media ('SM'). The 'disposed businesses' principally relate to Tel M2M, whilst 'other movements' reflect a number of smaller movements across the business as a whole.