

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.



**c.1,150**

TV transmission sites covering 98.5 % of the UK population with the DTT<sup>1</sup> platform



**c.1,500**

broadcast transmission sites, including sites rolled out under our local DAB<sup>3</sup> programme completed in the year



700MHz clearance activities completed on **210** sites



Smart networks to cover up to 12 million UK premises, with over 300,000 smart meters sold to date

Market leader for commercial DTT spectrum owning two of the three main national commercial multiplexes<sup>2</sup>, and a further two HD capable multiplexes, giving videostream capacity on our main multiplexes of 31



**c.8,000**

active licensed macro cellular sites<sup>4</sup>, with c.1,800 4G upgrades completed during the year



**c.80** satellite dishes accessing...  
...40+ satellites from **5** teleports

Manages the distribution of 1,100 international TV channels including coverage of high profile sporting events, and provides playout services for more than 100 channels for high profile customers

Access to c. 229,000 municipal street furniture sites for the provision of Small Cells in 14 London Boroughs

## Key steps 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 the development of the hybrid DTT/IPTV platform, expanding the range of catch-up services available as well as serving the needs of a pay-lite audience base;
- ▶ Expanding HD and SD channel choice, thereby maximising 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 2020;
- ▶ Continuing to develop the digital DAB radio as an attractive medium for listeners and planning for the expected eventual phase-out of analogue radio, rolling out DAB to fill the remaining coverage gaps, and positioning DAB as the default replacement network for analogue services;
- ▶ 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 MNO's;
- ▶ Growing the value of the M2M business;
- ▶ Building on Arqiva's existing urban macro site portfolio and establishing Arqiva as the predominant UK provider of urban wireless telecom infrastructure by leveraging the Group's street furniture and exclusive concessions in prime locations;
- ▶ Continuing to improve the operational efficiency and service excellence within the Satellite and Media business unit, and taking advantage of international growth opportunities served by its UK infrastructure and virtualised capabilities;
- ▶ Helping broadcasters and rightsholders to navigate and exploit the trends underlying the video market, including 'hybrid' consumer behaviour, increasing operational complexity and the need for operational and commercial flexibility, through expansion and development of media management service and distribution capabilities;
- ▶ Growing the Satellite data communications business in UK utilities an international energy, aeronautical and maritime sectors through Arqiva's market leading UK teleport and managed service capability;
- ▶ Maintaining the group wide focus on delivering cost transformation, and driving efficiencies and operational excellence across the organisation
- ▶ Maintaining high levels of service enjoyed by our customers;
- ▶ Maintaining the robustness of Arqiva's capital structure, with a long term debt platform which has an average debt maturity profile of circa 5 years, and investment grade credit rating over our senior debt; and
- ▶ Investing in employees and challenging the workplace culture to maintain high levels of employee engagement in a truly 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.

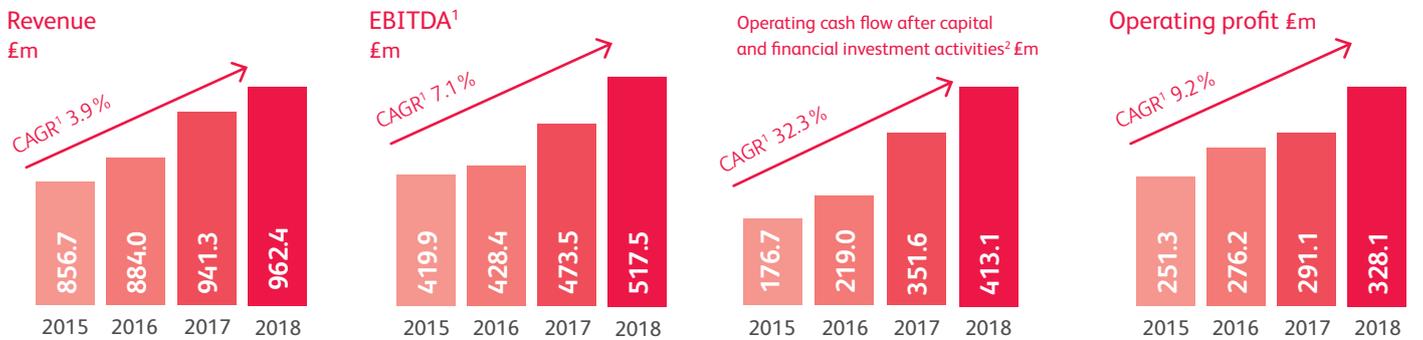
3 Refers to Digital audio broadcasting

4 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 2018

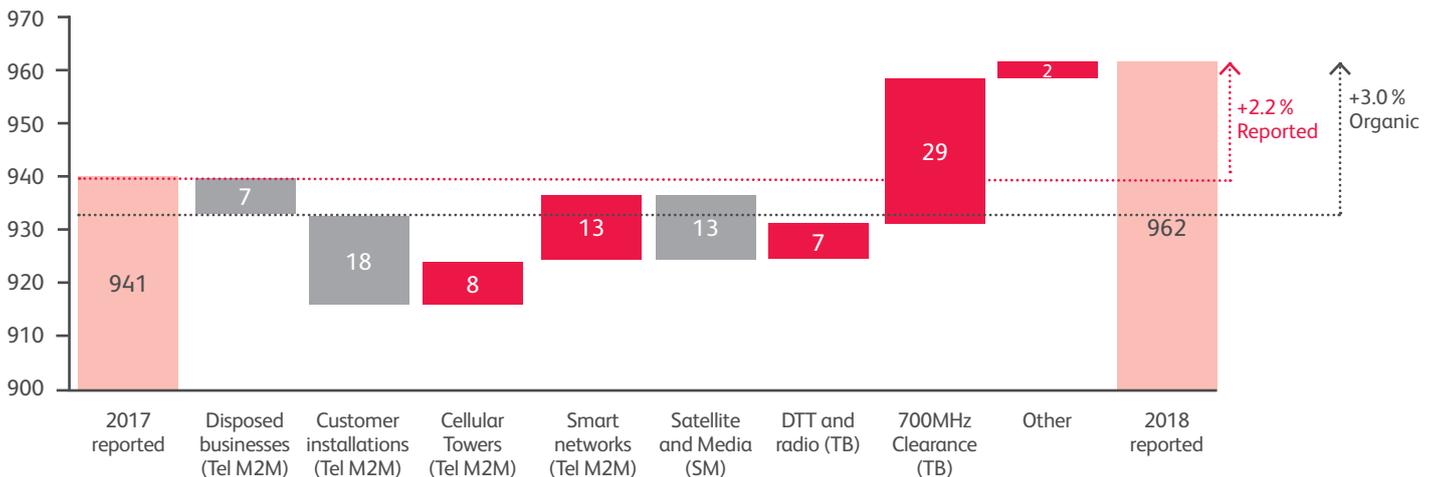
Another strong year for Arqiva\* with significant growth in revenue, operating profit and cash generation continuing a trend of successive years of growth, with particularly strong performance in the delivery of our major programmes.



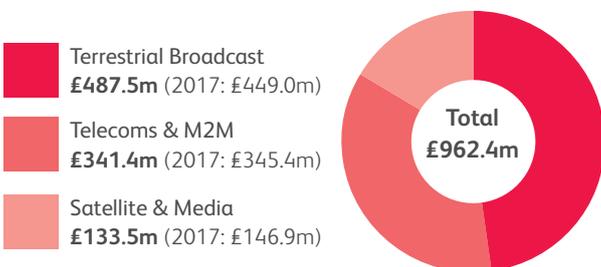
<sup>1</sup> Compound Annual Growth Rate ('CAGR')

### Key influences on revenue growth<sup>3</sup> (£m):

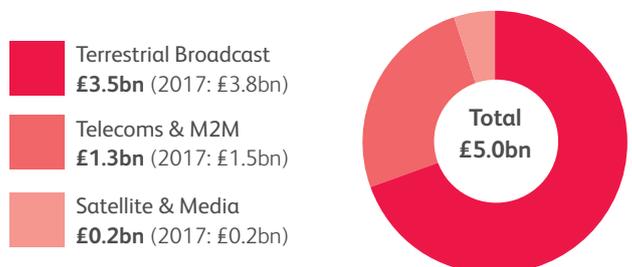
Strong revenue growth despite decreases in certain areas of our business. The decreases reflect a change in sales mix as they have been in lower margin areas, such as Installation services, in particular where programmes near completion.



### Revenue by operating segment £m



### Order book £bn



<sup>1</sup> 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.

<sup>2</sup> 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.

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

\*All financial data refers to Arqiva Broadcast Parent Limited