

TDC: Interim Financial Report Q4 2019

Highlights

- **Full-year 2019 organic EBITDA** decline of 3.7% and Q4 decline of 5.8% driven by decline in TV, other services and landline voice which was partly offset by growth in mobility services and cost savings
- **Consistent organic opex savings** throughout 2019 with 2.8% savings for the full year and 5.8% savings in Q4, driven primarily by Consumer
- **Service revenue** excl. landline voice increased by 0.1% for the full year in 2019, signifying a stable top line across non-legacy core products
- **Financial performance in 2019 was in line with previously communicated guidance;** a low single-digit decline in organic EBITDA (-3.7%), DKK 300-400m in costs related to the separation of TDC (DKK 358m), capex of DKK 4.4-4.8bn (DKK 4.8bn) and leverage of ~3.5x for the year (3.6x for the year)
- **Organic TV gross profit decline** of 25.1% in Q4 YoY driven mainly by investments in TV content, including own productions, and a loss of TV customers. Improved gross profit is expected going forward
- **Mobility services** showed a solid performance in Q4 with a YoY organic gross profit growth of 3.0% driven by a higher Consumer ARPU partly offset by a loss of Consumer RGUs
- **Internet & network** organic gross profit growth of 0.9% in Q4 YoY as a value lift in Consumer ARPU was partly offset by fewer RGUs. Active fibre connections increased by 1.8% in Q4 with 5.9k additional RGUs
- **Fullrate Pro and Firmafon have merged to form Relatel,** a new strong B2B brand primarily servicing the SME segment. Relatel seeks to enhance relations between corporations and their customers through cloud-based and user-friendly mobility services
- **TDC's network company changed name to TDC NET** to create a new brand identity building on the proud TDC legacy while focusing on the digital future of Denmark

- In December TDC NET launched **Denmark's largest 5G pilot project in Helsingør**, where 40 mobile sites have been upgraded to 5G
- **TDC NET's fibre roll out** continued to accelerate and reached more than 25k homes passed in Q4 up from 12k in Q3, resulting in a Q4 **YoY capex increase for TDC Group of 55%**
- **2020 financial guidance:** Flat EBITDA, strategic capex investments in 5G and fibre of DKK ~2.6bn, total capex spend of DKK 5.5-5.9bn and net debt EoY EBITDA of ~4.1x excl. IFRS 16
- **Henrik Clausen has been appointed as CEO of TDC Group** with effect from 17 February 2020

Conference call details

A conference call will be held on 10 February 2020 at 14:30 CET.

Presentation material will be available prior to the conference call on www.tdcgroup.com

Dial-in details can be found at:

<https://aerp.arkadin.com/e-9a6b9ab65603318033952e5ef8387c7144aff3946267e601b5138f1ef349466463b20bc4fb32394f544872a2ec0778a68002abf1c5e9e120171c0670/tdc-interim-report-q4-2019>

Webcast: <https://edge.media-server.com/mmc/p/xfamqk73>

For investor enquiries: +45 66 63 76 80

For media enquiries: +45 70 20 35 10

This notification is made by Klaus Rose, Treasury Analyst at TDC A/S.

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