

TDC: Interim Financial Report Q3 2019

Highlights

- Reported revenue declined by 2.8% in Q3 and **organic revenue** declined by 2.4% YTD. This decline was mainly driven by terminal sales, legacy drag from landline voice and continued pressure on TV
- **Reported EBITDA** declined by 0.1%, and when adjusted for new lease accounting principles (IFRS 16) EBITDA decreased by 6.4%. This decline was driven primarily by costs related to the separation of TDC as well as investments in the new strategy. **Organic¹ EBITDA** declined by 3.6% in Q3 and 3.0% YTD in line with our expectations
- **Mobility services** showed a continued solid performance in Q3 with YoY organic gross profit growth of 2.8% driven by higher ARPU in Consumer as well as Business' increased customer base YoY
- **TV gross profit** decline of 12.8% in Q3 YoY driven by lower GP margin due to inclusion of SVoD services in TV packages, higher content supplier costs and build-up of own content. Loss of 19k Consumer TV customers vs Q2 2019. In Q3, **Nuuday entered three new strategic TV partnerships** (with TV2, Nordisk film & C More), constituting a significant investment in our flexible TV and streaming products of the future, which will secure flexibility and high-quality content. The Discovery contract will terminate as of 1 January 2020, as an agreement was not reached to include the Discovery channels in our TV offering
- **Internet & Network** delivered YoY organic gross profit growth of 0.6% in Q3 driven by a value lift in Consumer ARPU partly offset by fewer customers
- Responsibility for managed service of our **mobile network** has now been successfully transferred to Ericsson, and the network is being prepared for 5G. **Capex** increased by 35% in Q3 YoY, driven by investments in TDC's mobile and fibre networks

- **TDC NetCo's fibre rollout** is continuing to accelerate, with ~15k homes passed in Q3
- **The separation of TDC is progressing as planned**, with full operational intercompany charging being implemented between all subsidiaries and ~90% of all employees moved to either Nuuday or NetCo
- **Allison Kirkby has stepped down as President and Group CEO of TDC** with immediate effect after accepting the position as President and CEO of Sweden's Telia Company AB
- The Board of Directors of TDC Group has appointed **Michael Moyell Juul as CEO of Nuuday**. He will take over the position from Jaap Postma, who has decided to relocate to the Netherlands

Conference call details

A conference call will be held on 14 November 2019 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:

<http://event.onlineseminarsolutions.com/r.htm?e=2110937&s=1&k=77920B8BAF414E371DFF5E12095F92DD>

Webcast: <https://edge.media-server.com/mmc/p/4qfn2t49>

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