

TDC: Interim Financial Report Q2 2020

Highlights

- **TDC Group's EBITDA** declined by 3.7% in Q2, stemming mainly from the loss of consumer RGUs in Q4 2019 and Q1 2020 and partly offset by continued improvement in operating expenses
 - **TDC Group's revenue declined by 7.7% and gross profit** declined by 8.3% YoY in Q2 triggered mainly by declining customer bases in Nuuday. The net loss of customers improved throughout Q2, though the high net loss in Q4 and Q1 is causing a run-rate effect on gross profit YoY
 - TDC Group's **operating expenses improved by 13.6%** driven by cost reductions across TDC Group as well as lower costs related to the separation of TDC. Nuuday and TDC Net operating expenses decreased by 11% and 9.9% respectively in Q2 vs the same period last year
- **Capex increased by 19.4% YoY at TDC NET**, driven mainly by fibre rollout with more than 25k homes passed in Q2. In Q2, TDC NET swapped more than 900 mobile sites to 5G while simultaneously improving the existing network quality. A successful 5G test was conducted in Helsingør in collaboration with TV2, and TDC NET entered a partnership with Grundfos and Ericsson to use 5G to automate and streamline production
- **The effects of COVID-19 on TDC Group's financial performance in Q2 2020** related mainly to reduced roaming profits experienced by Nuuday and the productivity slowdown due to TDC NET technicians remaining at home and not being able to do customer visits

- Based on the negative effects from COVID-19 both in the short term as well as the possible impact going forward, **we now expect to reach a flat to slight decline in the EBITDA-development for the full year**
- Other **key milestones** from the quarter include;
 - On 7 July 2020, the late-summer 2020 launch of **YouTV was announced**. YouTV, a new TV and streaming service, will gather all the popular content in one app, allowing customers to mix their preferred TV channels and streaming services
 - **TDC NET's mobile network was named the best network in Denmark** in a global research conducted by the data company, Tutela

Conference call details

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

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

Dial-in details: +45 32 72 51 67 - Meeting ID: 906 244 610#

Webcast: https://teams.microsoft.com/join/19%3ameeting_ZDM5YTgxZWEtYzIxZC00Yzc1LWFkNjItN2U5ZmJkNWU1ZTIx%40thread.v2/0?context=%7b%22Tid%22%3a%22e8dcf6e6-3acc-4af9-9cb2-77f688cb688b%22%2c%22Oid%22%3a%22e3bc77b8-3126-4e3f-b136-3297ef0a91d3%22%7d

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

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