

TDC: Annual Financial Report 2018

TDC (TDC.CO, TDC DC), a leading communication and home entertainment company in Denmark, announces its annual financial report for 2018:

Allison Kirkby, Group CEO, TDC A/S, says:

"TDC Group delivered stable revenue and organic earnings growth in 2018 completing a three-year strategy. In 2019, TDC will focus on strategic transformation and major investments in future technologies."

Highlights

- Full year 2018 organic EBITDA stabilised with growth of 0.1%, after 7 years of decline
- Transition costs related to the new ownership and the new strategy for TDC Group going forward, resulted in a reported EBITDA decline of 5.3% in Q4 2018. Organic EBITDA decline of -1.1% YoY
- Mobile and Business both grew in the quarter:
 - Organic Business EBITDA growth of 0.2%, best in several years, driven by improvements in operational expenditures, mobility services and terminal equipment
 - Organic mobility services' gross profit growth of 3.6% in Q4 YoY. In Q4, the Consumer and Business mobility services RGU bases grew by 30k
- The TV segment continued to decline, with gross profits decline of 6.8% in Q4 YoY due to fewer RGUs and a reduced gross profit margin. As of December, Netflix has now been added as an integrated streaming service within our unique 'Bland Selv' product
- Continued focus on providing the best, high speed technologies:
 - Danish Technological Institute has for the 4th year in a row concluded that TDC Group has the best mobile network in Denmark

- 100% of TDC Group's own cable network now upgraded to 1 gigabit broadband speeds and accessible to 30% of Danish households
- Fibre has started to rollout, ~4,000 households in Copenhagen can now access TDC Group's fibre network
- Net interest debt decreased by DKK 16,985m in Q4, driven primarily by the proceeds from the divestment of Get being used to prepay EUR 2.0bn of TLB and EUR 271m retained as cash for reinvestment in TDC's Danish activities. During Q4, TDC concluded a successful repricing of its outstanding TLB, achieving among other a margin reduction of 25bps across the margin grid
- Financial performance in 2018 was in line with previously communicated guidance; Organic EBITDA growth (+0.1%. Guidance $\geq 0\%$) and EFCF growth adjusted for change of control and divestment of Get and TDC Norway and other non-recurring items (DKK 3.0-3.2bn. Guidance: DKK ≥ 2.4 bn)
- 2019 guidance assumes continued underlying improvements in our commercial performance, however we expect a slightly lower EBITDA than in 2018 due to investments in fibre, content, separation of the TDC Group with associated transition costs. The investments are also expected to increase capex to DKK 4.1-4.5bn and leverage to ~ 3.5 x for the year

Conference call details

A conference call will be held on 21 February 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=1927206&s=1&k=0291128EC5F97F4B4C8906BAC79C009F>

Webcast: <https://edge.media-server.com/m6/p/v3bmyhfz>

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TDC tickers

Reuters TDC.CO.

Bloomberg TDC DC.