

TDC: Interim Financial Report Q1 2020

Highlights

- **TDC Group's revenue declined by 4.1% and EBITDA** declined by 2.0% in Q1, stemming mainly from the loss of TV RGUs. This development was partly offset by a **6.0% improvement in operating expenses prompted** by lower costs related to the separation of TDC as well as cost reductions across both Nuuday and TDC NET
- **Operating expenses in Nuuday** decreased by 2.2% in Q1 YoY due mainly to reductions of external expenses primarily in Consumer
- **Operating expenses in TDC NET** decreased by 7.5% in Q1 YoY due to lower personnel expenses as well as lower costs related to the separation of TDC
- **TDC Group's gross profit** declined by 3.8% YoY in Q1 triggered mainly by Nuuday:
 - Nuuday's **TV gross profit** showed a decrease of 12.7% YoY, while **internet & network gross profit** decreased by 2.6% YoY, both driven mainly by a loss of RGUs in Q1. The RGU loss showed an improving trend over the quarter with greater losses early in the period. The negative development in internet & network was partly offset by increasing ARPU in Consumer along with an increase of active fibre connections in Q1
 - Nuuday's **mobility services gross profit** rose by 1.0% YoY driven by improving Consumer mobile voice ARPU YoY combined with an increase of RGUs in Business
 - **TDC NET's broadband network market share** declined to 47% in Q1 2020 from 48% in Q4 2019 mainly due to loss of DSL customers that were partly offset by increase in fibre customers

- Capex increased by 59% YoY in TDC NET, driven mainly by **fibre rollout** with more than 25k homes passed in Q1 and the upgrade of **~900 mobile sites to 5G; TDC NET's mobile network was named the best network in Denmark** for the fifth consecutive year by the Danish Technological Institute
- **Following the outbreak of COVID-19**, TDC Group has maintained continuity in all business-critical operations with preventive measures being implemented to minimize risk and ensure a stable operation. Nuuday offered all consumer customers travelling abroad free calling and texting to Denmark, while supporting business customers to enable their employees in working from home. During the Easter holidays TV offerings were temporarily expanded and YouSee has offered free data in Denmark for all mobile customers for the Summer period. The effects on TDC Group's financial performance in Q1 2020 were limited. We will evaluate the ongoing effects again at the end of Q2 with a view to our 2020 financial guidance. TDC has a strong liquidity position
- **In Q1, the merger of Fullrate into YouSee** was started in order to provide the best digital products and innovative solutions for both brands. The first customer migrations were completed according to plan and the migrations will continue in Q2

Conference call details

A conference call will be held on 07 May 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-260154b6d009c71bba5d2d9d74651cb60a783fc666f782016031fda3b96839579e130377a3040a2ec679249035da3230193470b18085ff32fc6e682f/tdc-interim-report-q1-2020>

Webcast: <https://edge.media-server.com/mmc/p/9bmw9395>

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

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