

# TDC Group & DKT Holdings

## Q3 2021

5 November 2021

# Today's Presenters

TDC



**CFO, TDC Group**  
Lasse Pilgaard



**Head of Treasury & IR, TDC Group**  
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TDC NET and Nuuday



**CEO, TDC NET**  
Andreas Pfisterer



**CEO, Nuuday**  
Jon James

# TDC Group's financial highlights

- **TDC Group's EBITDA increased by 0.9% in Q3** compared to the same quarter last year (Q3 YoY), which was driven by continued improvements of commercial and financial performance. We expect to deliver on our guidance of stable to slightly declining EBITDA for 2021.
  - **Revenue increased by 0.3% Q3 YoY**, driven by highest reported growth in service revenue since 2015
  - **Operating expenses decreased by 8.1% Q3 YoY**, driven by continuous cost savings across TDC Group
- **Capital expenditure decreased by 24.7% Q3 YoY**, driven by completion of the mobile network 5G swap last year and calendarization of capex towards Q4
- TDC Group received **Ecovadis' platinum medal in Q3** and is therefore among the top 1% of the most sustainable companies in the world
- **Key Milestone in the separation of TDC Group completed** as most of the employees from TDC A/S have been transferred to either TDC NET or Nuuday
- For highlights regarding **TDC NET see page 10**
- For highlights regarding **Nuuday see page 13**

# TDC Group's financials

DKKm	Q3 2021		YTD 2021		FY 2020
	Reported	YoY growth %	Reported	YoY growth %	YoY growth %
Revenue	4,004	0.3	11,951	-0.7	-5.6
Gross profit	2,778	-2.9	8,360	-3.6	-5.3
Opex	-1,120	-8.1	-3,446	-8.2	-9.5
EBITDA	1,658	0.9	4,914	0.0	-1.6
Profit for the period	212	42.3	410	236.1	-16.1
Capex	-951	-24.7	-3,095	-22.1	47.3
Adjusted NIBD/EBITDA <sup>1</sup>	3.5		3.4		

1. Calculated without spectrum license liabilities as well as the additional lease liabilities due to the adoption of IFRS 16 and the resulting EBITDA effect. The EBITDA effect of IFRS 16 amounted to DKK 404m for the last twelve months. Including spectrum license liabilities and IFRS 16 the NIBD/EBITDA ratio amounted to 4.3 at 30 September 2021

# Business unit performance in Q3 2021

The illustration reflects TDC Group's Q3 2021 performance based on our segment reporting. Following the legal separation, trading on an arm's length basis between Nuuday, TDC NET and the shared services centres in Headquarters has been implemented and is reflected in the financial figures.



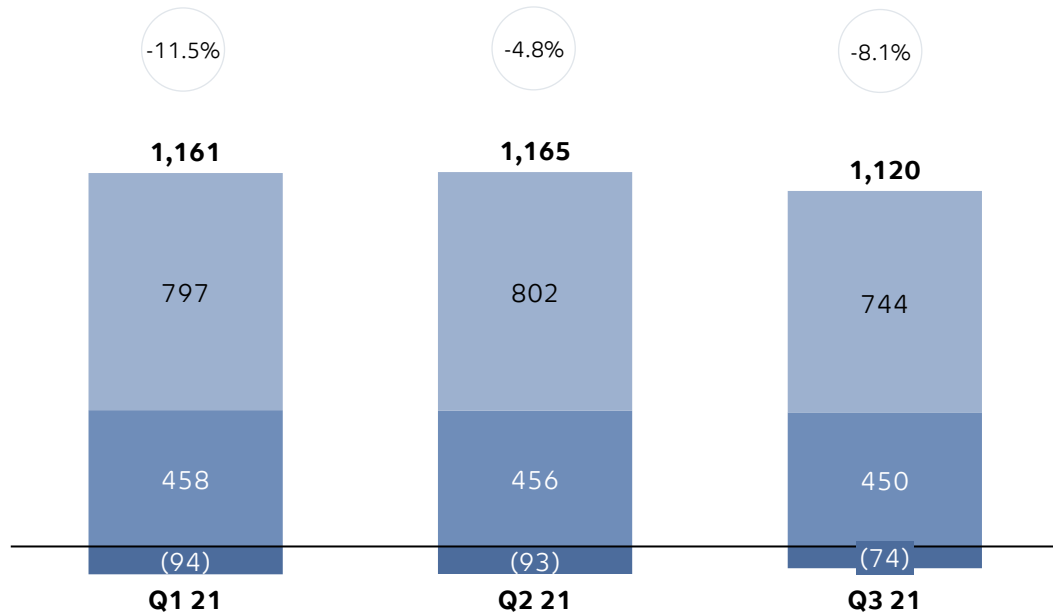
1. Both absolute figures and growth rates do not amount to 100% as headquarters and eliminations are not included in the table.

# TDC Group opex & capex

○ YoY growth<sup>1</sup> ■ Nuuday ■ TDC NET ■ Eliminations & Other

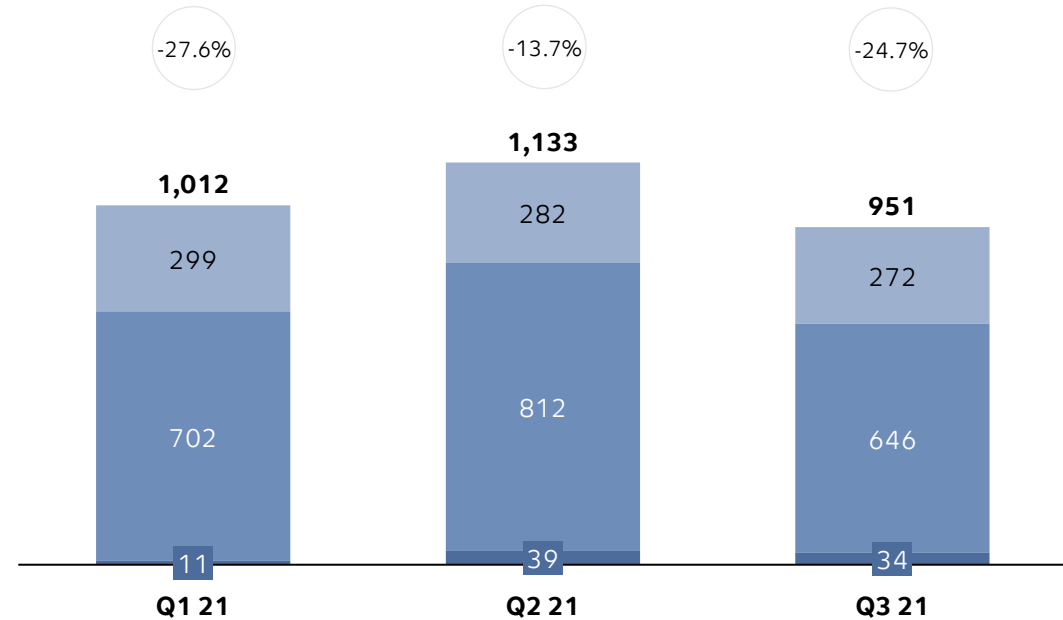
## TDC Group opex

(DKKm)



## TDC Group capex

(DKKm)



1. Mathematical notation – negative growth corresponds to a reduction of the cost base

# DKT Holdings' financials

DKKm	Q3 2021	YTD 2021	FY 2020
Revenue	4,004	11,951	16,089
Gross profit	2,778	8,360	11,463
Opex	-1,123	-3,453	-5,051
EBITDA	1,655	4,907	6,412
Profit for the period	-476	-1,853	-3,028
Capex	-951	-3,095	-5,547
NIBD/EBITDA <sup>1</sup>	5.3x	5.3x	5.3x

1. Calculated without spectrum license liabilities as well as the additional lease liabilities due to the adoption of IFRS 16 and the resulting EBITDA effect. The EBITDA effect of IFRS 16 amounted to DKK 404m for the last twelve months. Including spectrum license liabilities and IFRS 16 the NIBD/EBITDA ratio amounted to 5.9 at 30 September 2021

# Capital structure

TDC Group	As of September 2021	As of June 2021	As of March 2021	As of December 2020	As of September 2020	As of June 2020
<b>TDC Group</b>						
DKKm						
Senior Facility Agreement incl. RCF	14,671					
EMTN bonds	7,389					
Cash and cash equivalents	(826)					
<b>Loans, bonds et c.</b>	<b>21,234</b>					
Lease liabilities	4,200					
Mobile spectrum, correction for currency adjustments effects related to long term debt derivatives and Other	1,871					
<b>Total net debt (NIBD)</b>	<b>27,305</b>					
<b>NIBD/EBITDA</b>	<b>4.3</b>	<b>4.3</b>	<b>4.2</b>	<b>4.1</b>	<b>4.2</b>	<b>4.3</b>
<b>Adjusted NIBD/EBITDA<sup>1</sup></b>	<b>3.5</b>	<b>3.6</b>	<b>3.6</b>	<b>3.5</b>	<b>3.4</b>	<b>3.5</b>
<b>DKT Holdings Group<sup>2</sup></b>						
DKKm						
Senior Notes	10,377					
PPA adjustments on EMTN bonds	164					
Cash and cash equivalents	(123)					
Other	38					
<b>DKT Companies total net debt (NIBD)<sup>2</sup></b>	<b>10,456</b>					
<b>Loans, bonds et c.<sup>2</sup></b>	<b>31,690</b>					
<b>Total net debt (NIBD)<sup>2</sup></b>	<b>37,761</b>					
<b>NIBD/EBITDA</b>	<b>5.9</b>	<b>5.9</b>	<b>5.9</b>	<b>5.8</b>	<b>5.8</b>	<b>5.9</b>
<b>Adjusted NIBD/EBITDA<sup>1</sup></b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>5.3</b>	<b>5.2</b>	<b>5.2</b>

1. Calculated including the additional lease liabilities due to the adoption of IFRS 16, the NIBD/EBITDA ratio amounts to 4.3 for TDC A/S and 5.9 for DKT Finance ApS at 30 September 2021.

2. Figures are excl. Shareholder loans.



# TDC NET



We connect Denmark.  
For everyone.

# TDC NET's financial highlights

- **TDC NET's EBITDA increased 2.6% in Q3 YoY** and totalled DKK 1,114m
  - **Gross profit** declined by 2.0% in Q3 YOY as growth within high-speed broadband was more than offset by lower revenues from TV and legacy broadband copper as well as lower revenues from customer installations
  - **Operating expenses** improved by 11.8% Q3 YoY driven by optimised support functions at TDC Group
- **Capital expenses** of DKK 646m in Q3, down by 32.0% Q3 YoY driven mainly by the investment peak in mobile in previous year
  - TDC NET rolled out 23k **fibre homes passed** in Q3 and now has a total fibre footprint of 460k homes passed
- In Q3, TDC NET was awarded the title of **best mobile experience** in the world according to a new survey by Tutela
- After one year, **5G** traffic now amounts to approximately 10% of total mobile data transported at TDC NET

# TDC NET's financials

DKKm	Q3 2021		YTD 2021	
	YoY growth %	Reported	YoY growth %	Reported
Revenue	-2.4	1,636	-3.1	4,987
Gross profit	-2.0	1,564	-1.9	4,753
Opex	-11.8	-450	-8.6	-1,364
EBITDA	2.6	1,114	1.1	3,389
Capex	-32.0	-646	-25.1	-2,160

- TDC NET's **gross profit** growth within high-speed broadband was more than offset by a revenue decline in TV and low-speed broadband as well as fewer customer installations that in total resulted in a gross profit decrease of 2.0%
- **Opex** decreased by 11.8% Q3 YoY. The improvement was driven by optimisation of TDC Group support functions, as well as lower costs for consultants, marketing and service contractors
- **EBITDA** increased by 2.6% Q3 YoY due to the decrease of operating expenses more than offsetting the gross profit decline
- **Capex** decreased by 32.0% Q3 YoY. The lower spend was due mainly to the investment peak in mobile in 2020. Fibre roll-out continued as planned, however executed at a lower cost than previous year

# Nuuday

nuuday

# Nuuday's financial highlights

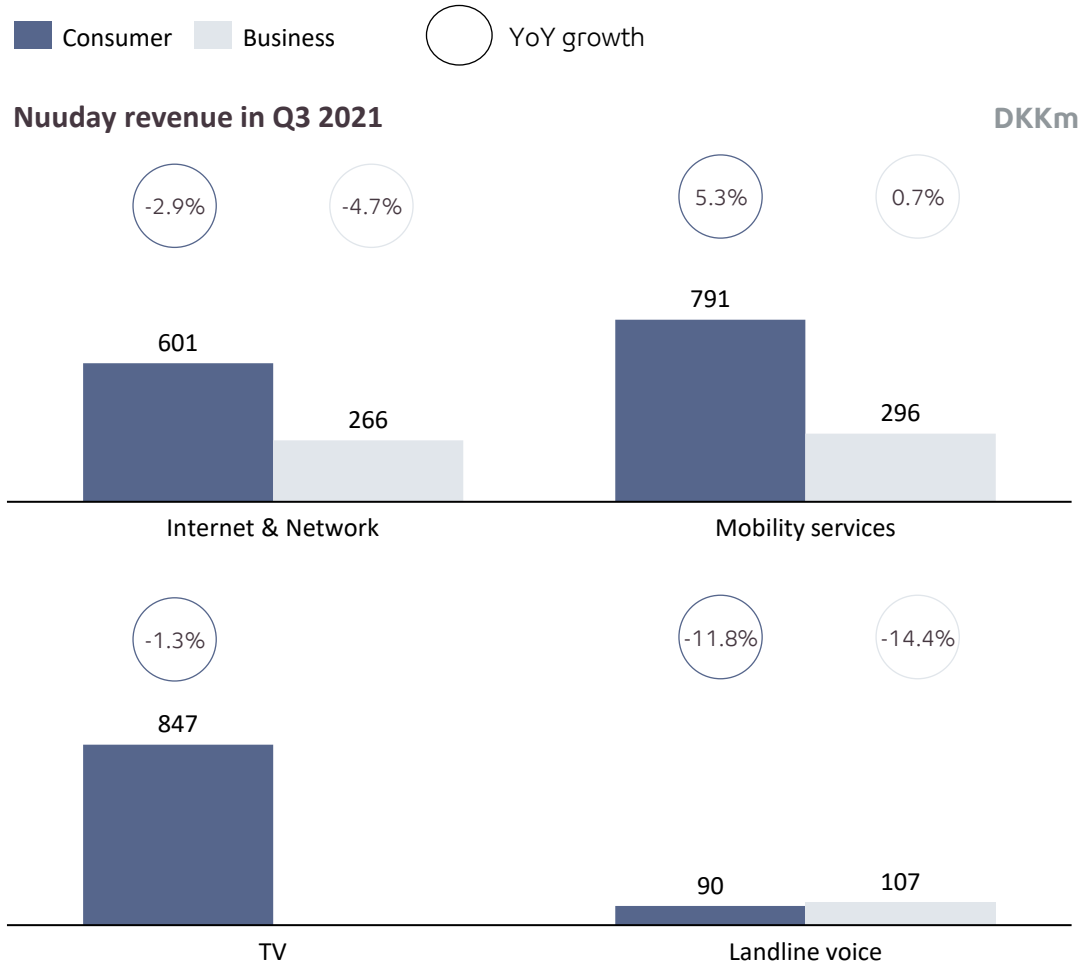
- Nuuday's EBITDA decreased by 3.5% in Q3 YoY but grew significantly QoQ fuelled by the stabilisation of our business, and continued cost reduction.
  - Revenue increased by 0.4% Q3 YoY, driven by a strong performance in Consumer mobile, which increased by 5.2%. This led to the first YoY increase in service revenue in several years, reflecting strengthening mobile performance and continued stabilisation of our broadband base as we expand into fibre areas.
  - Gross profit decreased by 4.7% Q3 YoY but remained stable compared with Q2 2021, with margin pressure continuing from DSL to fibre migration.
  - Operating expenses decreased by 5.6% Q3 YoY, driven by reductions in personnel expenses along with savings on IT and external spending.
- Capital expenditure decreased by 7.5% in Q3 YoY, achieved through fewer TV set-top box replacements, high modem refurbishment levels, and lower IT investments.
- Nuuday maintained its position as **market leader** across all core products with small changes in market shares, prompted by positive trends in YouTV, Hiper and TDC Business mobile net adds.
- We have continued to rapidly **expand our fibre reach** across Denmark to reach 2/3, or 1.5m, of Danish fibre addresses passed. In Q3, we launched on Nord-Energi, Syd-Energi, Fibia and Energi-Fyn representing approx. 750k addresses passed.
- We continued to **migrate our customers steadily from legacy to future proof technologies**, with approx. 73.7% of RGUs 'future proof' in Q3, compared to 72.9% in Q2 2021. The strong development in Consumer mobile was backed by 5G subscription sales, with more than 50% of the gross adds were 5G enabled

# Nuuday's financials

DKKm	Q3 2021		YTD 2021	
	YoY growth %	Reported	YoY growth %	Reported
Revenue	0.4	3,676	-0.8	10,933
Gross profit	-4.7	1,272	-6.8	3,790
Opex	-5.6	-744	-8.2	-2,343
EBITDA	-3.5	528	-4.6	1,445
Capex	-7.5	-272	-15.7	-853

- Nuuday **gross profit** decreased by 4.7% Q3 YoY to DKK 1,272m. The main driver of this decline was lower customer bases in the mature services segment, combined with margin pressure from our DSL to fibre migrations. This was partly offset by the solid development within our growth services, where customer bases across Bland Selv, high-speed broadband and mobility services all increased comparing with both Q2'21 and Q3'20. This led to the first YoY increase in service revenue in several years.
- Nuuday's **opex** decreased by 5.6% Q3 YoY to DKK 744m. The decrease was driven by a general cost focus across opex categories, especially within personnel costs and personnel related costs.
- Overall, Nuuday's **EBITDA** decreased 3.5% Q3 YoY, down DKK 19m compared with same period last year and was significantly higher than the previous three quarters.
- **Capex** decreased by 15.7% Q3 YoY in Nuuday, driven by lower volume-driven capex, driven by a higher degree of refurbishment of modems and fewer TV set-top box replacements, and smaller investments in IT.

# Nuuday's products



## Internet & network

- Internet & network revenue decreased 2.9% Q3 YoY in Consumer and 4.7% Q3 YoY in Business. The decreases were driven by loss of DSL customers. Partly offsetting this was an increase in high-speed customers and price increases in Consumer, improving ARPU YoY
- Nuuday broadband market share end of third quarter was 40.2% vs. 40.8% end of second quarter

## Mobility services

- Mobility services revenue increased 5.3% and 0.7% Q3 YoY in Consumer and Business, respectively. In the consumer segment, the revenue increase marks the fifth consecutive quarter of positive revenue growth while the business segment has achieved a stable revenue development the past several quarters.
- Nuuday mobility market share end of third quarter was 38.0%, vs. 37.9% end of second quarter.

## TV

- TV revenue saw a slight decline of 1.3% Q3 YoY. This was primarily driven by a lower customer base in the traditional TV packages. However, the revenue loss related to the fewer traditional TV package RGUs was almost offset by increasing customer bases within our TV growth service Bland Selv along with higher ARPU as a result of price increases in the beginning of 2021.
- Nuuday TV market share end of third quarter was 50.4%, vs. 50.6% end of second quarter.

## Landline voice

- Landline voice revenue decline of 11.8% Q3 YoY in Consumer and 14.4% Q3 YoY in Business, respectively. The decreases are driven mainly by a combination of fewer RGUs in Consumer and Business and lower ARPU in Business compared with Q3 2020.