

A complex network diagram with numerous nodes and connecting lines, rendered in a light blue color against a dark blue background. The network is dense and interconnected, with a prominent horizontal line extending across the middle of the image.

TDC Holding and TDC Net

Q4 2021

18 February 2022

Today's Presenters

TDC/DKT



Head of Treasury & IR
Henrik Hjortshøj-Nielsen

TDC NET



CEO, TDC NET
Andreas Pfisterer

Separation and standalone financing of TDC NET and Nuuday

- *TDC was separated into TDC NET and Nuuday end 2021, so standalone financing of TDC NET and Nuuday could be pursued.*
- TDC NET launched a **secured infrastructure financing platform** with long-term committed term loans, revolving credit and liquidity facilities in the aggregate amount of EUR 3.3bn. TDC Net is contemplating to diversify its funding to international capital markets.
- TDC Holding **prepaid** Term Loan B's and drawn amounts under RCF. The security package is released and security is posted for TDC Net financing. EMTN bonds 2023 will remain to maturity at TDC Holding supported by statutory demerger liability.
- **Nuuday** entered into a **revolving credit facility** for liquidity management as a standalone company. More information on Nuuday will follow later in Q1.
- A trading statement is released. More information will be available later - annual reports in April.

TDC Holding consolidated Q4 highlights

- *TDC Holding consolidated continued to improve its commercial and financial performance throughout Q4 and ended 2021 with a slight increase in EBITDA of 0.1% compared to the guided financial performance of stable to slight decline.*
- **Revenue was stable in Q4** as reflected by -0.1% decrease in Q4 2021 as compared to Q4 2020 (Q4 YoY). Revenue development was positively impacted by a historically high growth in revenue from mobility services.
- **Gross profit decreased by 2.3% Q4 YoY**, driven by the gross profit margin pressure related to cost increases on content and mobility services.
- **Operating expenses decreased by 5.7% Q4 YoY**, which reflects continuous cost savings across TDC Holding, TDC NET and Nuuday.
- **EBITDA increased by 0.6% Q4 YoY** and totalled DKK 1.513m in the fourth quarter.
- **Capital expenditure decreased by 17.2% Q4 YoY**. The high investment level related to completion of the mobile network 5G swap in 2020 is the main driver behind the decrease in CAPEX.

TDC Holding consolidated financials

DKKm	Q4 2021		YTD 2021		FY 2020
	Reported	YoY growth %	Reported	YoY growth %	YoY growth %
Revenue	4,051	-0.1	16,002	-0.5	-5.6
Gross profit	2,728	-2.3	11,088	-3.3	-5.3
Opex	-1,215	-5.7	-4,661	-7.6	-9.5
EBITDA	1,513	0.6	6,427	0.1	-1.6
Capex	1,303	-17.2	-4,399	-20.7	15.5
Adjusted NIBD/EBITDA ¹	3.6x		3.6x		

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 421m for the last twelve months. Including spectrum license liabilities and IFRS 16 the NIBD/EBITDA ratio amounted to 4.3 at 31 December 2021.

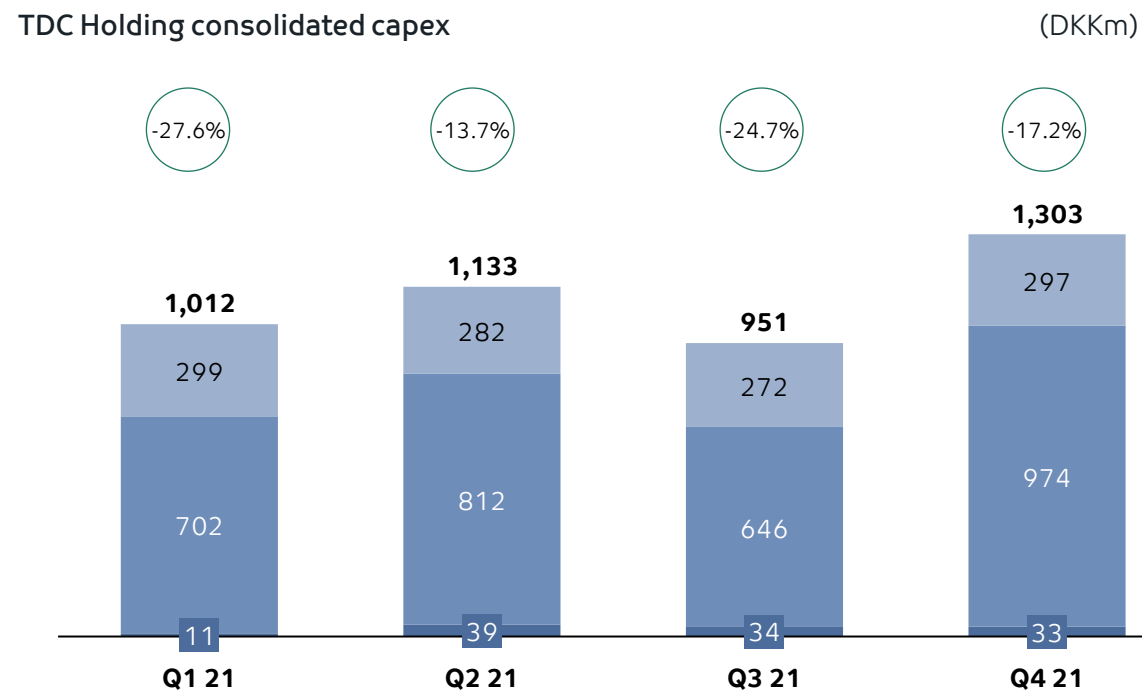
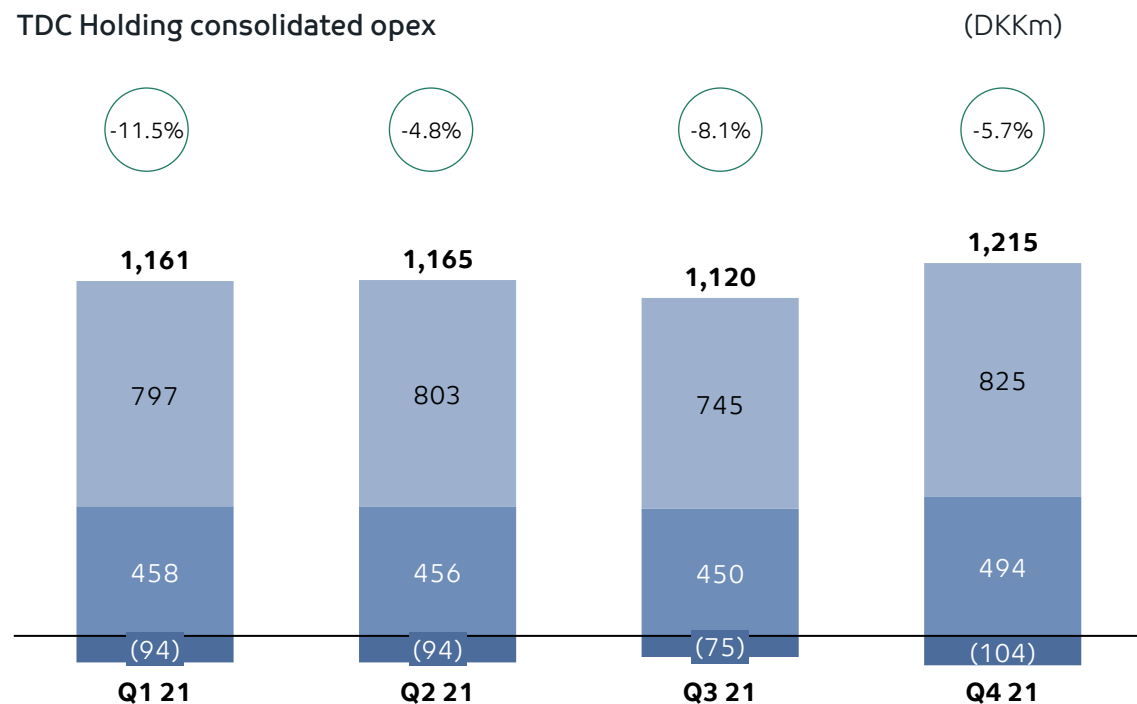
Company performance in Q4 2021

		
Revenue (DKKm)	Revenue (DKKm)	Revenue (DKKm)
4,051	3,724	1,687
Gross profit (DKKm)	Gross profit (DKKm)	Gross profit (DKKm)
2,728	1,203	1,603
EBITDA (DKKm)	EBITDA (DKKm)	EBITDA (DKKm)
1,513	378	1,109
CAPEX (DKKm)	CAPEX (DKKm)	CAPEX (DKKm)
1,303	297	974

1. Absolute figures do not amount to 100% as headquarters and eliminations are not included in the table.

TDC Holding consolidated opex & capex

YoY growth¹
 Nuuday
 TDC NET
 Eliminations & Other



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

TDC and DKT capital structure

TDC	As of December 2021	As of September 2021	As of June 2021	As of March 2021
TDC				
DKKm				
Senior Facility Agreement incl. RCF	14,670			
EMTN bonds	7,466			
Cash and cash equivalents	(806)			
Loans, bonds etc.	21,330			
Lease liabilities	4,132			
Mobile spectrum, correction for currency adjustments effects related to long term debt derivatives and Other	1,930			
Total net debt (NIBD)	27,392			
NIBD/EBITDA	4.3	4.3	4.3	4.2
Adjusted NIBD/EBITDA¹	3.6	3.5	3.6	3.6
DKT Holdings				
DKKm				
Senior Notes	10,429			
PPA adjustments on EMTN bonds	129			
Cash and cash equivalents	(107)			
Other	(5)			
DKT Companies total net debt (NIBD)²	10,446			
Loans, bonds etc.²	31,776			
Total net debt (NIBD)²	37,838			
NIBD/EBITDA	5.9	5.9	5.9	5.9
Adjusted NIBD/EBITDA¹	5.3	5.3	5.3	5.3

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 421m for the last twelve months.

2. Figures are excl. Shareholder loans.

TDC NET highlights

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TDC NET highlights

- In Q4, TDC NET delivered **EBITDA** growth of 2.4% YoY driven by a flat gross profit development and savings in operating expenses. For the full year 2021 EBITDA increased by 1.4% YoY, which was in line with our full year guidance
- To continue to provide the best **mobile network**, TDC NET in Q4 tested the 5G technology mmWave as the first network operator in Denmark and delivered a speed up to 4 Gbit/s
- TDC NET increased fibre footprint with 38k in Q4, reaching a total of 106k new fibre homes passed in 2021; total fibre footprint of almost 500k end of year 2021
- On the back of finalising the separation of TDC Group in Q4, **a new secured infrastructure financing platform** of DKK ~25bn in bank facilities was established for TDC NET and has been effective since late January; this allows for stand-alone financing activities in TDC NET

TDC NET financials

- **Revenue** increased by 0.5% in Q4 YoY to DKK 1,687m. The full year 2021 revenue decreased by 2.3% compared with 2020
- **Gross profit** was stable in Q4 YoY and ended at DKK 1,603m. This was a result of the expected slow-down in demand for TV and copper broadband as well as fewer customer installations, which was offset by higher gross profit from mobile services. Full year 2021 gross profit declined by 1.4% YoY
- **Operating expenses** improved by 5.0% in Q4 YoY driven by lower cost to consultancy and optimisation of support functions at TDC Group, however offset by higher electricity prices. This was in line with the full year 2021 reduction of 7.7%
- TDC NET's **EBITDA** grew by 2.4% in Q4 YoY to DKK 1,109m and for the full year 2021 EBITDA was up 1.4% compared with 2020
- **Capital expenses** down by 10.6% in Q4 YoY and 21.1% for full year 2021 driven mainly by the investment peak in mobile 5G upgrade in previous year

TDC NET financials

DKKm	Q4 2021		FY 2021	
	Reported	YoY growth (%)	Reported	YoY growth (%)
Revenue	1,687	0.5%	6,674	-2.3%
Gross Profit	1,603	0.0%	6,356	-1.4%
Opex	(494)	-5.0%	(1,858)	-7.7%
EBITDA	1,109	2.4%	4,498	1.4%
Capex	(974)	-10.6%	(3,134)	-21.1%