



# TDC Holding group

## Q2 2022

August 12, 2022

# Today's presenters



**Head of Treasury & IR**  
Henrik Hjortshøj-Nielsen



**CEO, Nuuday**  
Jon James



**CEO, TDC NET**  
Andreas Pfisterer

# TDC Holding group Q2 highlights

- **Revenue was stable in Q2** as reflected by 0.7% growth in Q2 2022 as compared to Q2 2021 (Q2 YoY). Revenue development in Nuuday was positively impacted by a high growth in revenue from mobility services and TV.
- **Gross profit increased by 0.6% Q2 YoY**, driven by the higher margins on mobility services and high speed broadband offerings in TDC NET and was partly offset by higher 3<sup>rd</sup> party network costs for Nuuday in connection with the continuing migration from DSL to fibre.
- **Operating expenses increased by 3.9% Q2 YoY**, which reflects a decrease in Nuuday due to focus on operational improvements in Nuuday and higher external spending partly related to higher power prices in TDC NET.
- **EBITDA decreased by 1.8% Q2 YoY** and totalled DKK 1,592m in the second quarter.
- **Capital expenditure decreased by 2.5% Q2 YoY**. The decrease partially reflects reduced volume capex and IT expenses in Nuuday. TDC NET's continued high investment level reflects the ambition to roll-out fibre to connect Denmark and will support Nuuday's digitalisation.
- **Leverage (adjusted) decreased slightly to 5.4x**

# TDC Holding group financials

DKKm	Q2 2022		YTD 2022		FY 2021
	Reported	YoY growth %	Reported	YoY growth %	YoY growth %
Revenue	3,994	0.7	8,016	0.9	-0.5
Gross profit	2,803	0.6	5,561	-0.4	-3.3
Opex	-1,211	3.9	-2,365	1.7	-7.6
EBITDA	1,592	-1.8	3,196	-1.8	0.1
Profit for the period	178	72.8	332	67.7	162.3
Capex	-1,105	-2.5	-2,040	-4.9	-20.7
Adjusted NIBD/EBITDA <sup>1</sup>	3.7x		3.7x		

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 427m for the last twelve months. Including spectrum license liabilities and IFRS 16 the NIBD/EBITDA ratio amounted to 4.3 at 30 June 2022.

# Business unit performance in Q2 2022

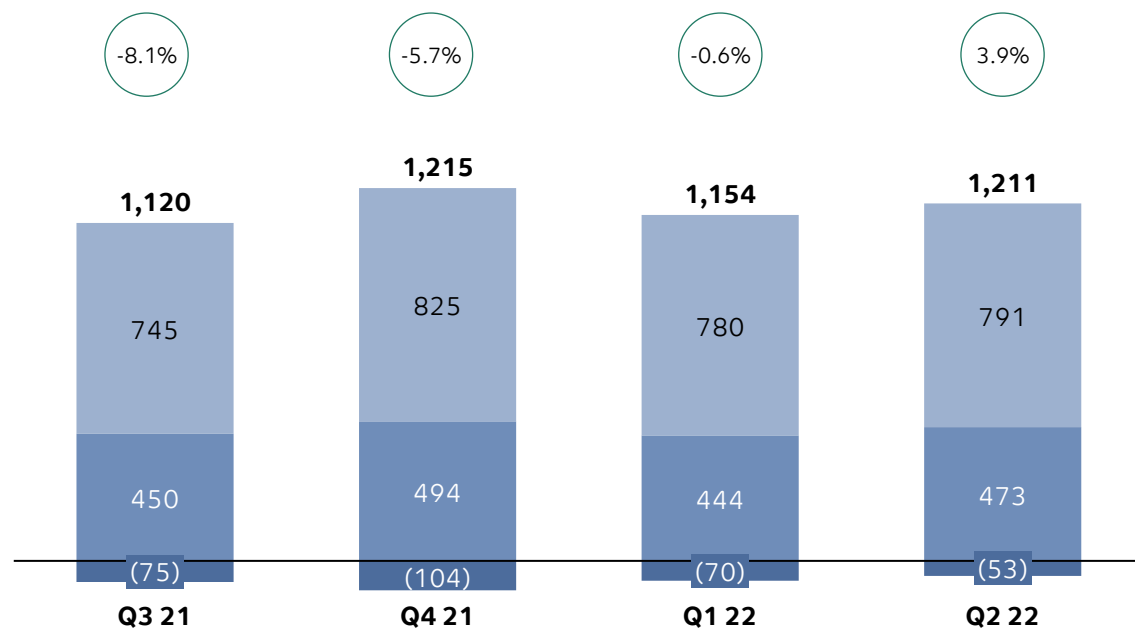
		
Revenue (DKKm)	Revenue (DKKm)	Revenue (DKKm)
<b>3,994</b>	<b>3,631</b>	<b>1,682</b>
Gross profit (DKKm)	Gross profit (DKKm)	Gross profit (DKKm)
<b>2,803</b>	<b>1,217</b>	<b>1,627</b>
EBITDA (DKKm)	EBITDA (DKKm)	EBITDA (DKKm)
<b>1,592</b>	<b>426</b>	<b>1,154</b>
CAPEX (DKKm)	CAPEX (DKKm)	CAPEX (DKKm)
<b>1,105</b>	<b>263</b>	<b>673</b>

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

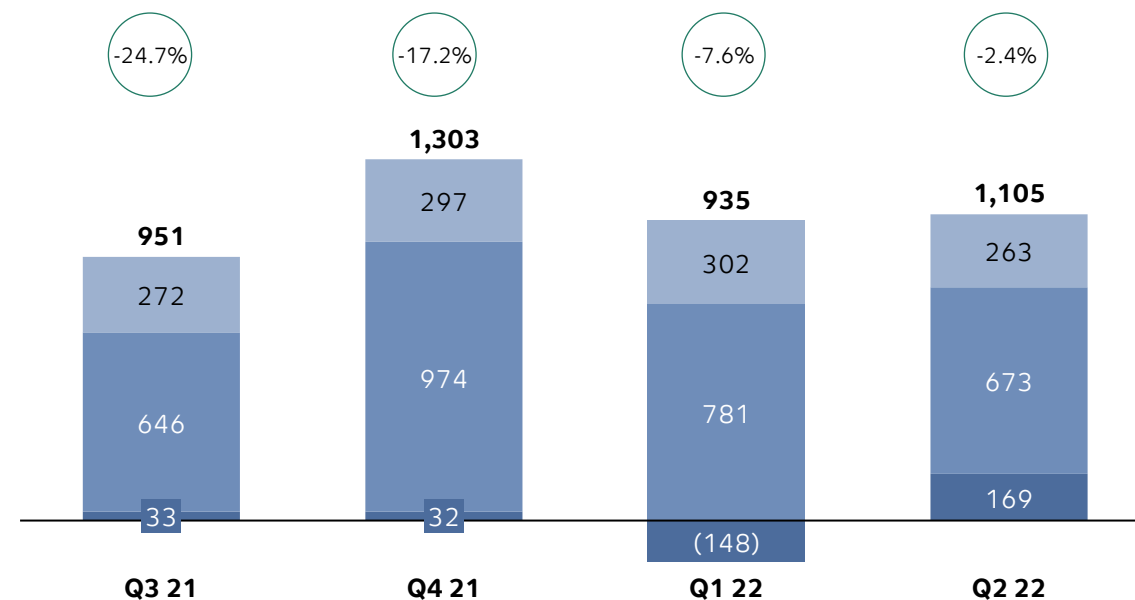
# TDC Holding group opex & capex

YoY growth<sup>1</sup>
 Nuuday
  TDC NET
  Eliminations & Group Functions

TDC Holding consolidated opex (DKK m)



TDC Holding consolidated capex (DKK m)



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

# DKT Holding consolidated financials

DKKm	Q2 2022	YTD 2022	FY 2021
Revenue	3,994	8,016	16,002
Gross profit	2,803	5,561	11,088
Opex	-1,213	-2,368	-4,669
EBITDA	1,590	3,193	6,419
Loss for the period	-663	-1,292	-2,707
Capex	-1,105	-2,040	-4,399

# TDC and DKT capital structure

	As of June 2022	As of March 2022	As of December 2021	As of September 2021
<b>TDC Holding Group</b>				
DKKm				
STF A & B incl. RCF and other bank loans	17.868			
EMTN bonds	7.354			
Cash and cash equivalents	(3.477)			
<b>Loans, bonds etc.</b>	<b>21.745</b>			
Lease liabilities	4.055			
Mobile spectrum, correction for currency adjustments effects related to long term debt derivatives and Other	1.881			
<b>Total net debt (NIBD)</b>	<b>27.681</b>			
<b>NIBD/EBITDA</b>	<b>4,3</b>	<b>4,4</b>	<b>4,3</b>	<b>4,3</b>
<b>Adjusted NIBD/EBITDA<sup>1</sup></b>	<b>3,7</b>	<b>3,7</b>	<b>3,5</b>	<b>3,6</b>
<b>DKT Holdings Group<sup>2</sup></b>				
DKKm				
Senior Notes	10.679			
PPA adjustments on EMTN bonds	65			
Cash and cash equivalents	(111)			
Other	(235)			
<b>DKT Companies total net debt (NIBD)<sup>2</sup></b>	<b>10.398</b>			
<b>Loans, bonds etc.<sup>2</sup></b>	<b>32.143</b>			
<b>Total net debt (NIBD)<sup>2</sup></b>	<b>38.079</b>			
<b>NIBD/EBITDA</b>	<b>6,0</b>	<b>6,0</b>	<b>5,9</b>	<b>5,9</b>
<b>Adjusted NIBD/EBITDA<sup>1</sup></b>	<b>5,4</b>	<b>5,5</b>	<b>5,3</b>	<b>5,3</b>

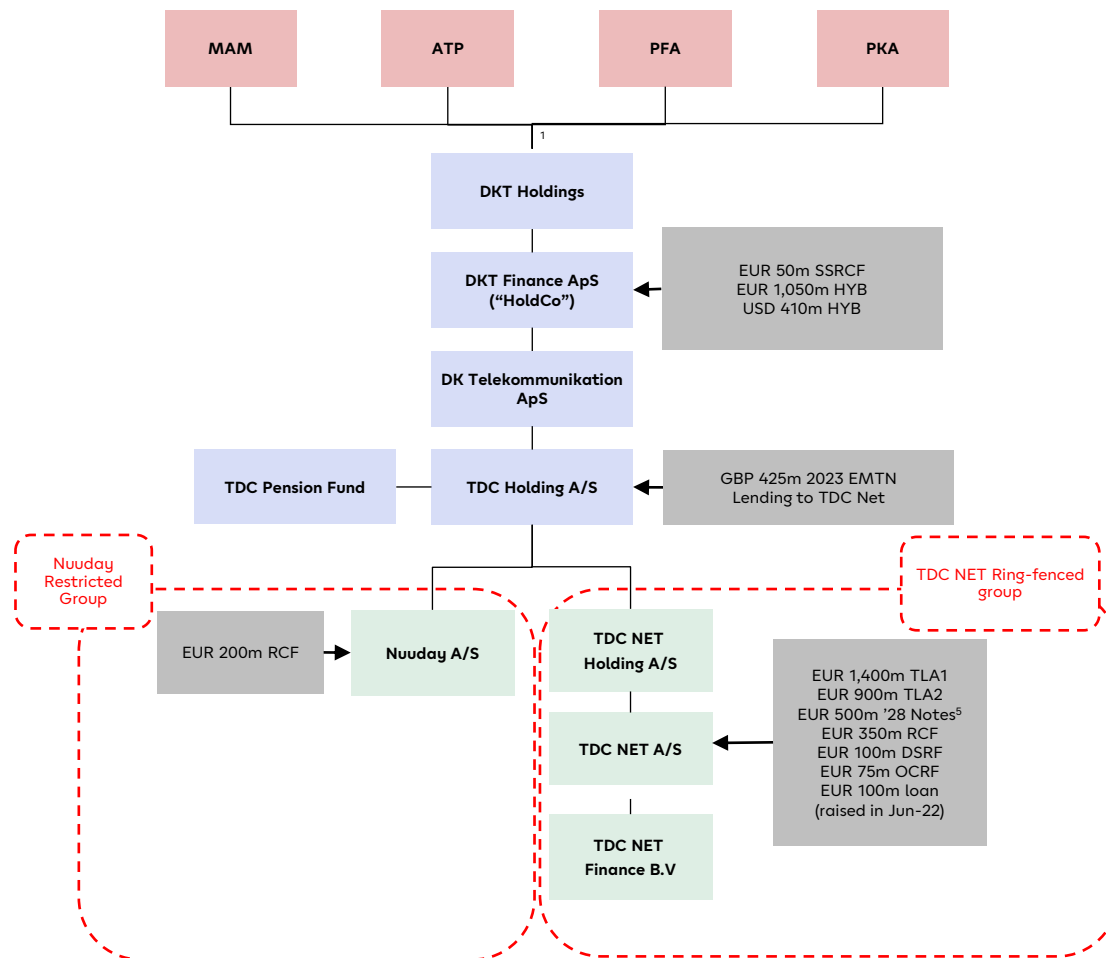
1. Calculated without spectrum license liabilities as well as the additional lease liabilities due to the adoption of IFRS 16 and the resulting EBITDA effect. The EBITDA effect of IFRS 16 amounted to DKK 427m for the last twelve months.

2. Figures are excl. Shareholder loans.



# Near term funding considerations

## Current group structure



Existing debt

## EMTN refinanced by TDC Net proceeds

- GBP 425m 2023 EMTN at TDC Holding to be refinanced by TDC Net through mirrored intercompany loan. Amount included in TDC NET leverage statistics given base case for refinancing at TDC NET
- Liability management to be considered in H2 2022
- TDC NET cash position of €205m (post €100m bilateral loan)
- Incremental TDC NET undrawn available liquidity of €350m in form of RCF
- Diversification of funding in TDC NET through loans, private placements and bonds pursued for long term funding – €500m 6-year bond issued in Q2 to partly redeem long term committed bank facilities

## DKT Finance HoldCo bonds

- Maturity in June-23
- Base case refinancing via combination of:
  - Term Loan B raised at Nuuday;
  - Remaining HoldCo debt at DKT Finance in form of private instrument;
  - And using liquidity at HoldCo (EUR 207m stand alone) to fully refinance the existing DKT bonds
- Banks appointed for such refinancing - timing expected during H2 2022 subject to market conditions
- Shareholders to review refinancing terms

# Nuuday

Q2 2022

nuuday

# Nuuday commercial highlights

- Nuuday continued to deliver on its strategy with **Q2 service revenue growth of 1.6% and continued delivery on our mission to stabilize our customer base** – with growth in key strategic products of mobile and high-speed broadband.
- In Q2, our **mobile subscriber base grew by 9,000 RGUs** with growth across both consumer and business segments.
- The **broadband subscriber base contracted by 6,000 RGUs**, reflecting the one-off loss of a large association and delayed launches on certain third-party fibre networks. High-speed broadband subscribers grew by 8.5%.
- The **TV customer base grew by 5,000 in Q2**, driven by the one-off signing of a large housing association, while **fixed landline telephony declined by 18,000 RGUs**.
- In Q2, **Nuuday announced Netcracker Technology as strategic partner for the massive IT transformation** that will be the centre of the comprehensive business transformation of Nuuday and make Nuuday the most digital service provider in Denmark delivering the best customer experiences.

# Nuuday financial highlights

DKKkM	Q2 2022		FY 2021	
	Reported	YoY growth	Reported	YoY growth
Revenue	3,631	0.4%	14,657	-0.7%
of which is service revenue	3,321	1.6%	13,213	0.9%
Gross profit	1,217	-4.3%	4,993	-6.1%
Opex	(791)	-1.5%	(3,170)	-6.3%
EBITDA	426	-9.2%	1,823	-5.8%
EBITDA excl. Transformation cost	434	-7.4%	1,823	-5.8%
Capex	(263)	-6.7%	(1,149)	-19.7%
Capex excl. Transformation cost	(249)	-11.8%	(1,149)	-19.7%

- **Nuuday service revenue grew by 1.6% Q2 YoY and in line with Q1 2022**, reflecting a continued strong performance in mobile, a modest decline in broadband but with increase in our highspeed broadband base as we expand into fibre areas, and a positive influence in TV by signing a large housing association.
- **Gross profit decreased by 4.3% YoY in Q2** with continued increases in 3<sup>rd</sup> party costs, related to content in combination with the continuing migration from DSL to fibre. However, gross profit increased compared with Q1 2022.
- **Operating expenses decreased by 1.5% in Q2 YoY**, driven by the continuous focus on operational improvements reducing both external and personnel expenses.
- **EBITDA decreased by 7.4% YoY in Q2 excl. transformation cost**, driven primarily by falls in gross profit. EBITDA remained steady compared with Q1 2022, driven by the on-going stabilisation of our cores business.
- **Capital expenditure decreased by 6.7% in Q2 YoY** prior to the acceleration of Nuuday's transformation programme, due to reduced spending on IT and lower volume capex

# TDC NET Holding Financial Presentation

H1 2022



We connect Denmark.  
For everyone.

# TDC NET H1 highlights



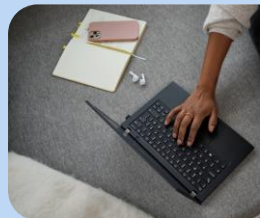
**Revenue** growth of 0.3% YoY, as increased revenue from mobility services and high-speed broadband more than outweighed lower revenue from legacy products



**EBITDA** growth of 1.8% YoY, driven by improvements in gross profit margin despite rising costs for, among others, power



**Capital expenditures** totalled DKK 1,454m, down by 4.0% YoY with continued high investments in fibre rollout and IT applications; 48k new homes were passed with fibre in H1 2022



Halfway through 2022, TDC **NET confirms our full-year guidance** with a flat revenue development, low single-digit EBITDA growth and an investment level similar to 2021



TDC NET entered a long-term secured infrastructure financing platform of EUR 3.3bn, partly replaced by EUR 500m in **Sustainability Linked Notes**. In addition, TDC NET obtained bilateral loans of EUR 100m



TDC NET introduced a **Fibre Activation Programme** to be launched 1 October 2022, to incentivise migration to fibre, and announced **changed broadband prices** across technologies with effect from 1 January 2023



During the Tour de France in Denmark, TDC NET applied **future 5G technologies** as part of the network was allocated to high-speed live TV transmissions while large crowds were using the network at the same time



It was announced that **CEO Andreas Pfisterer will leave TDC NET**. Focus on improving the performance of the company remains unchanged

# TDC NET financials

DKKm

	H1 2022		FY 2021	
	Reported	YoY growth	YoY growth (%)	YoY growth (%)
<b>Income statement</b>				
Revenue	3,360	9	0.3	(2.3)
Gross profit	3,233	44	1.4	(1.4)
Operating expenses	(917)	(3)	0.3	(7.7)
<b>EBITDA</b>	<b>2,316</b>	<b>41</b>	<b>1.8</b>	<b>1.4</b>
<b>Capital expenses</b>	<b>(1,454)</b>	<b>61</b>	<b>(4.0)</b>	<b>(21.1)</b>
<b>Cash flow</b>	<b>1,512</b>	<b>1,485</b>	<b>NM</b>	<b>NM</b>
<b>NIBD<sup>1</sup></b>	<b>(24,821)</b>	<b>(9,056)</b>	<b>57.4</b>	<b>NM</b>

- Increase in **revenue** and **gross profit** driven by continued YoY growth within mobility services and high-speed broadband offerings
- **Operating expenses** development flat in H1 2022 YoY as underlying savings was more than offset by increased power cost
- TDC NET's **EBITDA** up by 1.8% in H1 to DKK 2,316m in line with full year expectations
- **Capital expenditure** in H1 2022 was at a level similar to 2021 (-4.0%) with continued high investments in fibre rollout and IT applications. 48k new homes were passed with fibre in H1 2022
- **Cash flow** YoY development was primarily driven by the net proceeds from the new financing for TDC NET (DKK 11,977m) which was offset by dividend payments and loan of respectively, DKK 8,750m and DKK 2,045m to TDC Holding. Further effect from the residual payments in 2021 that related to the 5G mobile network swap
- In H1 2022, TDC NET's **debt** was DKK 24.8bn with a leverage of 5.47