

Bulletin:

# TDC Net's New Financing Doesn't Alter Recovery Prospects

February 3, 2022

PARIS (S&P Global Ratings) Feb. 3, 2022--S&P Global Ratings today said that, because the new €3.3 billion financing raised by TDC Net A/S, a subsidiary of DKT Holdings ApS (B/Stable/--), replaces debt of the same amount, there is no impact on the holding company's debt profile. As such, our credit analysis of DKT remains unchanged, as does our view of recovery for the noteholders of the senior unsecured and the subordinated high-yield debt issued by various legal entities within DKT.

The new financing at TDC Net follows the creation of this operating entity, alongside Nuuday, when the previously combined company was separated in 2021. TDC Net's financing comprises committed long-term €3.3 billion bank facilities, including term loans and credit facilities. The company will initially use the proceeds to prepay the €1.9 billion term loan B and €845 million outstanding RCF at the TDC Holding. The issuer also plans to allocate proceeds to the repayment of €500 million unsecured notes at their March 2022 maturity.

Following the completion of the refinancing, the capital structure will consist of:

- The existing DKK10,400 million high-yield bonds at DKT Finance AS (a holding just below DKT Holding, the ultimate holding company) will remain deeply subordinated, with negligible (0%) recovery prospects, in our view.
- The remaining debt at TDC Holding, GBP425 million unsecured notes due March 2023, is subject to the statutory demerger liability under the Danish Companies Act. This provides noteholders with an unsecured claim against TDC Net on a secondary basis and we therefore consider to be pari passu in ranking with the new debt issued at TDC Net. Therefore, recovery prospects remain 70%-90%. At maturity, the unsecured notes will be refinanced with new debt at TDC Net.
- New bank debt at TDC Net is not rated.

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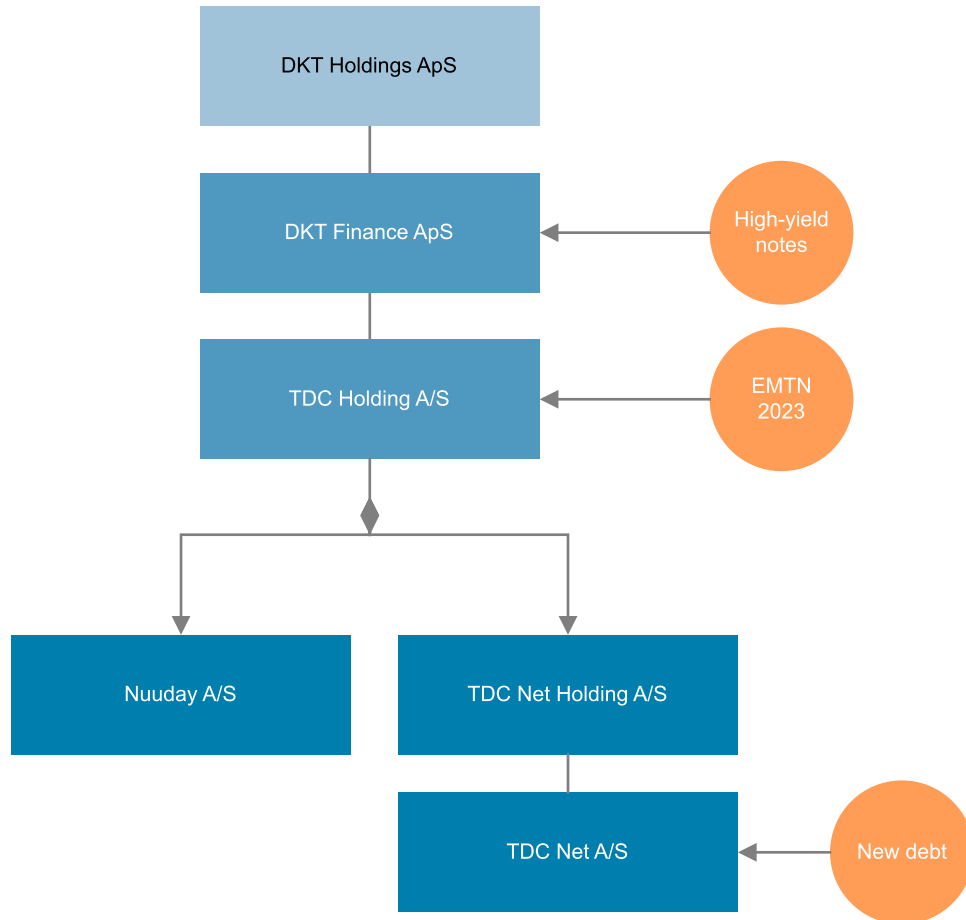
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### DKT Holdings ApS Organigram



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