

## Interim Financial Report Q3 2017

TDC (TDC.CO, TDC DC), a leading communication and home entertainment company in Denmark and Norway, announces its interim financial report for the third quarter of 2017:

### **Pernille Erenbjerg, Group CEO, TDC A/S, says:**

"We are on track in terms of our guidance for the year, but also in relation to our strategy which continues into 2018. If we disregard roaming regulation and the sale of TDC Hosting, then we are seeing a small growth in operating profit for the first time in three years."

"We are operating in a changing TV market, where we see growing demand for digital content. Therefore, we have also launched a number of initiatives that bridge the gap between traditional TV and streaming, and as something completely new, we are now starting to give our customers exclusive content which they will only find on YouSee."

### **Highlights**

- Reported EBITDA decline of 3.0% YoY affected by roaming regulation, divestments and acquisitions; **organic EBITDA growth** of 0.5% YoY in Q3, a significant improvement compared with recent years and driven mainly by growth in mobility services and opex savings
- **Increase of 10.6% in EFCF** in Q3 YoY driven primarily by different timing of net working capital
- **Significant organic opex improvement** in Q3 (8.0%); expected 2017 organic opex savings of DKK ~300m on track (YTD DKK 234m)
- TDC Business awarded **a large public tender agreement** covering most of local authorities in Denmark and the central government, full financial effect not expected before 2019
- Mobile voice **ARPU increase of DKK 5 (4%)** in Consumer YoY; **outbound data roaming traffic** increased by ~600% in Q3 YoY
- Loss of 18k TV customers in Denmark and 2k in Norway vs. Q2; **'The next chapter of YouSee TV'** announced to improve our offerings with exclusive content and streaming services included in flexible TV packages

- Launch of **loyalty programme 'YouSee More'** to increase product holdings within households and reduce churn
- **Calls to Support & Billing** reduced by 25.4% YoY and remained level with Q2
- **Insourcing of YouSee support call centre** with take-over of ~700 FTEs as of 1 December; the full customer service value chain is now anchored in TDC Group to make it simpler and better to be a customer in TDC Group
- Acquisition of the Danish mobile company **Plenti** (83k mobile voice and mobile broadband customers) at an equity value of DKK 74m
- **2017 guidance** reaffirmed on all parameters; EBITDA > DKK 8.2bn; EFCF: stable or moderate growth; DPS: DKK 1.05; as announced on 6 February 2017

#### **Conference call details**

A conference call will be held on 31 October 2017 at 14:30 CET.

Presentation material will be available prior to the conference call on [www.tdcgroup.com](http://www.tdcgroup.com)

Dial-in details can be found at:

<http://event.onlineseminarsolutions.com/r.htm?e=1522566&s=1&k=A E870EE2B33B8C2D23AAC69EFFD903E2>

Audio cast: <https://edge.media-server.com/m6/p/gbfv354h>

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*This notification is made by Dennis Callesen, Investor Relations Manager at TDC A/S.*

#### **TDC listing**

**Shares:** NASDAQ Copenhagen.

Reuters TDC.CO.

Bloomberg TDC DC.

Nominal value DKK 1.

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