

PRESS RELEASE

TDF GROUP 2019 ANNUAL RESULTS

**IN 2019, TDF GROUP INVESTED
AND CONTINUED ROLLING OUT
TELECOM AND FIBER INFRASTRUCTURE**

TDF TAKES ACTION AGAINST COVID-19

During the current COVID-19 pandemic, TDF is taking exceptional steps primarily aimed at ensuring safety of its staff. With regards to TDF's radio/TV broadcasting and telecom businesses which are essential services for customers and the overall population, the company is striving to maintain ongoing service as usual and continues to reinforce operational safety. The roll out of new infrastructure is carried out to the extent possible. Even if all ramifications of the pandemic cannot be precisely forecast at present, TDF's business is naturally resilient.

In 2019, TDF posted:

- **€654.8 million revenues, up 3.2%**, boosted by the roll out of telecom and fiber infrastructure
- **Capital expenditure up 20.2%** at €305.9 million, or 46.7% of revenues
- **Increased production capacity** including 84,000 FttH plugs built and 307 new telecom masts erected
- **€367.8 million EBITDA, up 6.2%**

The figures in this release are stated before adjustment for the recent IFRS16 accounting standard, and comparative figures are adjusted for the disposals of Mediamobile, Bebanjo and Cognacq-Jay Image. Figures are detailed further in the Appendix.

2019 Group results confirm the Company made the right decision to pursue a very significant investment strategy over the last few years. This self-funded investment and industrial production enhancement strategy has resulted in sharp growth of ultra high-speed fixed and mobile broadband infrastructure. Looking forward, the Company will maintain this strategy.

- **In telecom infrastructure, the Company continues to build masts in order to step up mobile coverage for the French regions.** Ramping up TDF's masts construction program and marketing of existing infrastructure to meet the requirements of the 2018 Mobile New Deal between the French government, the French telecom regulator and the country's four main mobile operators, has resulted in the Company posting improved earnings.

307 mobile telecoms masts were erected in 2019 amounting to a cumulative total of over 800 since the 2016 launch of the masts construction program. TDF's 1,000 built masts goal will be reached in 2020.

As a result, the number of points of presence is up 1.5% (+5.1% like-for-like adjusting for churn from the network sharing deal - *RAN sharing* - between Bouygues Telecom and SFR), which was primarily attributable to TDF's mast construction program.

TDF's site hosting business (hosting mobile operators at Company sites) benefitted from 6.9% like-for-like revenue growth.

- **Fiber installation is well underway.** In 2019, the Company broke through the 100,000 built plugs mark in 164 towns, including 84,000 installed in 2019. With its 250,000 built or in-progress plugs (representing one third of the 750,000 total of the Company's contracts with four French departments - Val d'Oise, Yvelines, Loir-et-Cher/Indre-et-Loire and Maine-et-Loire), the Company consolidates its market leadership and showcases its industrial expertise. Commercialization has begun in all regions. Penetration rates for plugs marketed after at least one year stand at over 20%. In French department Val d'Oise, the roll-out is nearly finished. Marketing has started in respect of 110 towns including 80 since 2019.
- **Radio/TV revenues have been stable since the so-called 'second digital dividend' hit,** which reduced the number of DTT multiplexes from eight to six because the 700MHz bandwidth was transferred to mobile operators. Against this backdrop, the Company continues to bear down on costs and resources, while offering top service quality to customers.

Significant investment and increased production capacity

In 2019, the Company continued to invest heavily in telecoms and fiber infrastructure and in so doing, confirmed its status as a major industrial player:

- €305.9 million capital expenditure or 46.7% of revenues, up 20.2% year-on-year. Capex included €238.1 million spent for growth, largely in the Telecoms and Fiber businesses.
- **This significant capital expenditure means the Company can step up building masts and fiber infrastructure on behalf of customers, while keeping control of costs and resources.** The Company continued to add new sites, which now total 18,600 marketable sites, including 6,900 active sites (i.e. masts, towers, rooftops, train stations etc).
- **Stepping up mast infrastructure rollout is only possible due to TDF's industrial capabilities.** The Company controls the entire construction process from start to finish.

In the last few years, TDF sold its media services subsidiaries, so it is now fully focused on its three main businesses: mobile telecom infrastructure, rolling out optical fiber and radio/TV broadcasting. After Mediamobile in November 2018, Bebanjo was sold in November 2019. Cognacq-Jay Image (formerly Arkena) was sold on January 8, 2020.

The Company's refocusing on the core infrastructure businesses and its increased infrastructure investment on behalf of customers, combined with enhanced control over expenses, has boosted earnings. Like-for-like EBITDA rose 6.2% to €367.8 million.

As an infrastructure operator and digital developer, the Company helps to ensure that all French people can enjoy DTT and digital radio. As a result of its expanded infrastructure, the Company participates in upgrading superfast fixed and mobile broadband, that is essential for French society.

TDF Group CEO Olivier Huart said: *“Our significant investment across our telecom and fiber infrastructure supported further expansion of our business and contributed to enhanced earnings. Backed by our production capacity, we will continue to invest into the rolling out our telecom and fiber infrastructure to further boost digital coverage across France.”*

About TDF Infrastructure SAS

TDF Infrastructure SAS is a TDF Group sub-holding company which helps digital firms in mainland France and French overseas territories meet their strategic transmission goals. For radio and DTT broadcasting, mobile ultra high-speed broadband coverage and rolling out optical fiber, TDF brings clients in-depth operational expertise, a mix of unique and ground-breaking technology and an exceptionally widespread local presence. In an ever more connected world, over the last four decades or more TDF has enabled telecoms and media companies to connect the French regions and people, thanks to its 18,600 sites, everywhere and faster.

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APPENDICES

1. Key figures

<i>in millions euros</i>		Dec 2019 IFRS 16 (*)	Dec 2018 Excl. IFRS 16 (**)	Variation Dec 19 / Dec 18	Dec 2019 proforma Excl. IFRS 16 (***)	Dec 2018 proforma Excl. IFRS 16 (***)	Variation Dec 19 / Dec 18
Key items of consolidated income statement							
Revenues	€m	674.7	671.9	+0.4%	654.8	634.7	+3.2%
Adjusted EBITDA (*)	€m	420.4	354.7	+18.5%	367.8	346.2	+6.2%
As a % of revenues	%	62.3%	52.8%	+9.5 pts	56.2%	54.5%	+1.6 pt
EBITDA	€m	417.2	351.7	+18.6%	365.0	343.7	+6.2%
As a % of revenues	%	61.8%	52.3%	+9.5 pts	55.7%	54.2%	+1.6 pt
Current operating income	€m	216.9	185.5	+16.9%	207.4	182.5	+13.7%
As a % of revenues	%	32.1%	27.6%	+4.5 pts	31.7%	28.8%	+2.9 pts
Operating income	€m	206.0	170.9	+20.5%	196.6	167.9	+17.1%
Profit (loss) attributable to owners of the Company	€m	(34.1)	(30.1)	13.3%	(29.4)	(18.5)	59.3%
Key items of consolidated cash flow statement							
Cash flows from operating activities	€m	371.3	281.8	+31.8%	323.0	271.2	+19.1%
As a % of revenues	%	55.0%	41.9%	+13.1 pts	49.3%	42.7%	+6.6 pts
Purchase of operating fixed assets	€m	(349.1)	(259.4)	+34.6%	(305.9)	(254.4)	+20.2%
As a % of revenues	%	51.7%	38.6%	+13.1 pts	46.7%	40.1%	+6.6 pts
Operating free cash flow	€m	73.6	35.0	+110.3%	31.0	34.6	-10.3%
Key items of financial structure							
IFRS Net debt excluding Shareholders loan and accrued interests	€m	1638	1406	16.5%	n.a.	n.a.	
Leverage	X	3.90	3.96	-0.07 pt	n.a.	n.a.	
Key performance indicators							
Order backlog	€m	2,500	2,558	-2.3%	2,500	2,518	-0.7%
Number of Group sites	X	18,700	18,245	+2.5%	18,700	18,245	+2.5%
FTE End of Period	X	2,096	2,122	-1.2%	1,923	1,933	-0.5%

(*) Group results after IFRS 16 application

(**) Group results without IFRS 16 application, in accordance with the simplified transition method applied by the Group

(***) Proforma from contributions of the entities Médiamobile (disposed end of 2018), Bebanjo (disposed end of 2019) and Cognacq Jay Images and Arkena Inc (disposed early 2020) and TIM Congo

(****) Adjusted EBITDA: EBITDA excluding IFRS 2 charges, severance payments and related fees

2. Revenues

<i>in millions euros</i>	Dec 2019	Dec 2018	Variation Dec 19 / Dec 18	Dec 2019 proforma (***)	Dec 2018 proforma (***)	Variation Dec 19 / Dec 18
Digital Television	174.3	173.6	0.4%	175.4	174.1	0.8%
Radio	116.2	114.4	1.6%	116.2	115.0	1.1%
Total Broadcasting Services	290.5	288.0	0.9%	291.7	289.0	0.9%
Telecom: site hosting	313.4	293.3	6.9%	313.4	293.3	6.9%
Telecom: other services	29.5	25.9	14.0%	30.1	26.4	14.2%
Total Telecoms & Services	343.0	319.2	7.4%	343.6	319.7	7.5%
Fiber (FTTH)	5.9	3.9	50.7%	5.9	3.9	50.7%
Media Services	28.1	46.2	-39.2%	1.8	1.6	8.9%
Others	7.2	14.6	-50.4%	12.0	20.4	-41.5%
Revenues	674.7	671.9	0.4%	654.8	634.7	3.2%

(***) Proforma from contributions of the entities Médiamobile (disposed end of 2018), Bebanjo (disposed end of 2019) and Cognacq Jay Images and Arkena Inc (disposed early 2020) and TIM Congo