

PRESS RELEASE

**TDF GROUP: 2018 ANNUAL RESULTS**

- Stable revenues: €671.9 million
- EBITDA: €354.7 million, 52.8% of revenues
- Capital expenditure: €259.4 million, 39% of revenues, to deliver tomorrow's infrastructure

**In 2018, TDF pursued its organic growth-fuelled mutualized infrastructure strategy striving to boost superfast broadband coverage while enhancing the media and telecoms, mobile and landline landscape.**

Revenues are stable, in line with last year's while the Group features promising growth perspectives backed by a massive investment strategy, as implemented in 2018. Revenues came in at €671.9 million:

- **In Telecoms**, the combined impact of rollout delays due to the implementation of the landmark deal, between the French government and the four mobile network operators known as the 'New Deal in mobile' designed to enhance mobile coverage, together with the network sharing agreement known as 'RAN Sharing' between Bouygues Telecom and SFR, dampened Telecoms revenue growth. Meanwhile the site hosting business (hosting telecoms operator equipment on Group sites) continued to grow: recurring revenues up 3.7% (up 9.7% adjusting for points of presence churn due to RAN Sharing). The number of points of presence grew 6.4% (up 8.8% adjusting for churn resulting from the RAN sharing). In 2018, 2.6 times more new masts were built and commissioned than in 2017 raising the total to nearly 400 masts built in the last three years.
- **In TV/radio broadcasting**, revenues were flat as expected: 2018 was dominated by the ongoing freeing up of the 700 Mhz band and the Group once again managed to stand out and draw on its in-depth tech expertise to successfully pull off highly complex tasks.
- **In Fiber**, TDF shored up its franchise and is now clearly positioned as a credible operator by local authorities by winning two big 'Public Initiative Network' ("RIP") tenders in French counties *Val de Loire* and *Maine-et-Loire*. The Group began to roll out fiber networks in French counties *Val d'Oise*, *Yvelines*, *Val de Loire* and *Anjou* and by December 31, 2018, it had 84,000 plugs built or under construction. In *Val d'Oise*, sales of the first plugs were buoyant: by December 31, 2018, 1,300+ plugs had been sold.
- **In respect of its three core businesses**, TDF closed the year with a backlog worth €2.6 billion, representing 3.8 years of revenues.

**2018 saw a big leap in capital expenditure, which will grow further in 2019.**

The Group continued to pursue its substantial investment strategy to boost future organic growth:

- €259.4 million capital expenditure, 39% of revenues (up 19.2% year over year) including nearly €200 million to fuel growth in Telecoms and Fiber.
- The Group continued to expand its footprint of sites that now reach 18,200 marketable sites (up 30% year over year).
- The Build-to-Suit mast construction program is stepping up pace boosted by the Group's end-to-end control of the construction cycle.

TDF turned in higher profit margins buoyed by tight cost control:

- Adjusted like-for-like EBITDA (before IFRS16) increased 0.6% to €354.7 million, or a 52.8% margin on revenues, up from 52.4% in 2017.

The Group's available liquidity remains strong exceeding €400 million, bolstered by the successful refinancing of the €250 million revolving credit facility for a further five-year term (plus a two-year extension option) with improved terms and conditions.

### In 2019, TDF will strive to bridge the digital divide

As infrastructure operator and digital services provider, the Group will continue to work for expanding mobile and fixed superfast broadband coverage, primarily in rural regions with a view to helping bridge the digital divide:

- **Help make mobile 'New Deal' a success**  
TDF will strive to ensure the 'New Deal' program is a success by looking to serve all parties involved including mobile operators, the government and local municipalities. 2019 is poised to be a crucial year in terms of tapping into a market boom that began late 2018. This was reflected in 1,250 new built-to-suit mast orders under the New Deal program received in the fourth quarter of 2018. The goal is to ramp up growth in the number of new masts built and operators' points of presence at TDF sites.
- **Optical fiber: rollout priority**  
2019 will involve pursuing the construction of the networks at the Group's awarded territories while pushing the marketing of the plugs to the internet service providers.
- **TV/radio: striving to modernize France's DTT platform**  
Digital Terrestrial Television (DTT) is still the most popular TV transmission method received by 52% of French households. Following TDF's late 2018 white paper on DTT's place in the French TV/radio landscape, the Company is carrying out trials with a view to switching to Ultra High Definition and latest bundled services, as laid out by the French broadcasting authority (CSA) in its 2024 roadmap.

In the last two years, TDF has turned over some 20% of its workforce involving around 350 new hires. The Group HR policy goes hand in hand with its business strategy in that growth and headcount allocation vary between its core business lines, namely TV/Radio, Telecoms and Fiber. TDF is known for pursuing a modern HR policy to build staff loyalty. In the last few years, Company management has signed landmark deals with its trade unions covering quality of life at work, forward jobs and skills planning and more.

**TDF Group CEO Olivier Huart said:** *"2018 showed us that infrastructure operators are undoubtedly key players in efforts to bridge the digital divide. We are an operator pursuing an organic growth strategy. To pull this off, we have adopted a massive investment program in order to boost our capacity to draw on infrastructure like masts and fiber on behalf of our customers, while keeping a tight lid on costs and resources."*

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### 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, leading market player with 18,200 sites, 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 everywhere and faster.

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## APPENDICES

### 1. Key figures

		Dec 2018	Dec 2017	Change Dec 18 / Dec 17	Dec 2018 proforma (**)	Dec 2017 proforma (**)	Change Dec 18 / Dec 17
<b>Key items of consolidated income statement</b>							
<b>Revenues</b>	€m	671,9	676,8	-0,7%	661,8	663,1	-0,2%
Adjusted EBITDA (*)	€m	354,7	355,0	-0,1%	351,4	349,4	+0,6%
As a % of revenues	%	52,8%	52,4%	+0,3 pt	53,1%	52,7%	+0,4 pt
EBITDA	€m	351,7	350,2	+0,4%	348,4	344,6	+1,1%
As a % of revenues	%	52,3%	51,7%	+0,6 pt	52,6%	52,0%	+0,7 pt
Current operating income	€m	185,5	165,6	+12,0%	183,0	160,8	+13,9%
As a % of revenues	%	27,6%	24,5%	+3,1 pts	27,7%	24,2%	+3,4 pts
Operating income	€m	170,9	157,7	+8,4%	168,4	157,6	+6,9%
Profit (loss) attributable to owners of the Company	€m	(30,1)	(16,2)	85,2%	n.a.	n.a.	
<b>Key items of consolidated cash flow statement</b>							
Cash flows from operating activities	€m	281,8	247,4	+13,9%	279,7	234,8	+19,1%
As a % of revenues	%	41,9%	36,6%	+5,4 pts	42,3%	35,4%	+6,9 pts
Purchase of operating fixed assets	€m	(259,4)	(217,6)	+19,2%	(259,1)	(217,1)	+19,4%
Operating free cash flow	€m	35,0	47,6	-26,5%	33,3	43,5	-23,6%
<b>Key items of financial structure</b>							
IFRS Net debt excluding Shareholders loan and accrued interests	€m	1406	1389	1,2%	n.a.	n.a.	
Leverage	X	3,96	3,91	+0,05 pt	n.a.	n.a.	
<b>Key performance indicators</b>							
Order backlog	€m	2 558	2 733	-6,4%	2 558	2 733	-6,4%
Number of Group sites	X	18 245	13 916	+31,1%	18 245	13 916	+31,1%
FTE End of Period	X	2 122	2 106	+0,7%	2 122	2 067	+2,6%

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

\*\* : proforma of the contributions of Médiamobile entities, disposal in November 2018

## 2. Revenues

<i>in millions euros</i>	Dec 2018	Dec 2017	Change Dec 18 / Dec 17	Dec 2018 proforma (**)	Dec 2017 proforma (**)	Change Dec 18 / Dec 17
Digital Television	173,6	174,0	-0,3%	173,6	174,0	-0,3%
Radio	114,4	115,2	-0,7%	115,0	115,8	-0,7%
<b>Total Broadcasting Services</b>	<b>288,0</b>	<b>289,2</b>	<b>-0,4%</b>	<b>288,5</b>	<b>289,9</b>	<b>-0,5%</b>
Telecom: site hosting	293,3	290,0	1,1%	293,3	290,0	1,1%
Telecom: other services	25,9	28,9	-10,4%	26,0	28,9	-10,0%
<b>Total Telecoms &amp; Services</b>	<b>319,2</b>	<b>318,9</b>	<b>0,1%</b>	<b>319,3</b>	<b>318,9</b>	<b>0,1%</b>
Fiber (FTTH)	3,9	0,0	-	3,9	0,0	-
Media Services	46,2	49,0	-5,6%	35,2	34,6	1,9%
Others	14,6	19,7	-26,0%	14,8	19,8	-25,2%
<b>Revenues</b>	<b>671,9</b>	<b>676,8</b>	<b>-0,7%</b>	<b>661,8</b>	<b>663,1</b>	<b>-0,2%</b>

\*\* : proforma of the contributions of Médiamobile entities, disposal in November 2018