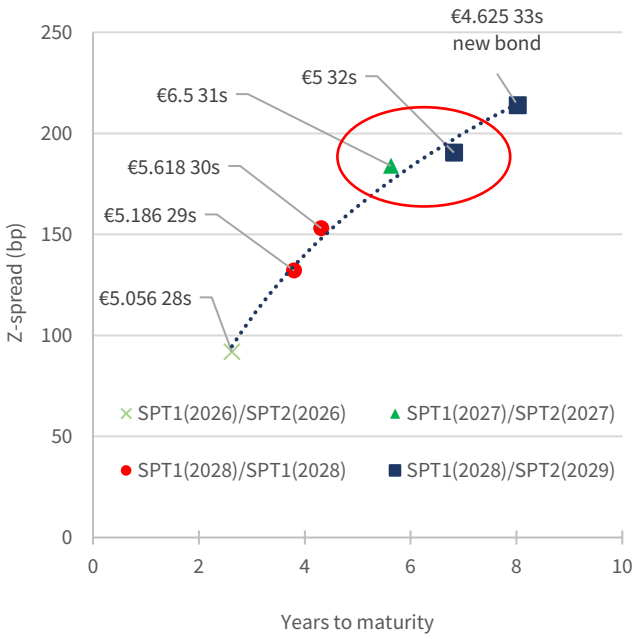
TDC Net prints its seventh SLB

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TDC Net A/S (ticker: TDCDC), the Danish digital infrastructure and telecommunications company, priced its seventh Sustainability-Linked Bond (SLB) on 15 Oct 2025.[1] All its SLBs are tied to two Sustainability Performance Targets (SPTs), linked to reductions in Scope 1 + 2 (SPT1) and Scope 3 (SPT2) emissions, compared to a 2020 baseline. However, the observation dates vary (full details in Table 1 on the next page).

Figure 1 shows market pricing for the TDC Net bonds, with the observation dates referenced by each bond indicated. This shows, on an interpolated basis, that the spread between the 31s and 32s appears flat, i.e. the 2032s are trading at a relatively tight spread compared to the other bonds.

Figure 1. TDC Net bond spreads, including new issuance. Source: Bloomberg Finance L. P., accessed 16 Oct 2025.



Although the bonds have different SPT dates, they are structured with the same step-up materiality (aside from the 28s which is slightly lower), which helps comparability. The flat curve suggests the market believes the 2032s have a higher probability of stepping up.[2]

Looking at the specific KPIs, it is the only the 2029 target for SPT2 which is unique to the two longest bonds, and so it is this target which the market is implying is most likely to be missed.[3] This would make sense, given SPT2 focuses on Scope 3 emissions and is the longest dated target which requires the largest reduction, making it more difficult to achieve.

The new 2033 bond uses identical targets to the 2032s, but is pricing quite steep which may include some new issue premium. Given it uses the same SPTs, it has the same probability of triggering the step-up coupon, and so may reprice closer to the 2032s in the near term.

Multiple bonds with different targets allows ambition levels to be implied from pricing. In this case, there is some evidence the market considers the Scope 3 2029 target as least likely to be achieved.

[1] Its first SLB, issued in May 2022, matured in May 2025, so there are six outstanding.
[2] For more on the SLB option value, please see "Sustainability-Linked Bond Handbook", AFII, 12 May 2024.
[3] For a case study on an issuer with SLBs which reference different SPTs tied to the same KPI, please see "A review of Carrefour's Sustainability-Linked Bonds", AFII, 18 Sep 2024.

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Overview of TDC Net's SLBs

All of TDC Net's six outstanding SLBs reference the same KPIs, but have a mixture of observation dates and step-up payments, as shown below in Table 1, with colours denoting the matching SPTs.

The new 2033 SLB references the same SPTs as the outstanding 2032s. All the SPTs are linked to a reduction in emissions, with SPT1 focusing on Scope 1 + 2, and SPT2 focusing on Scope 3.

Table 1. TDC Net outstanding bonds. Source: Bloomberg Finance L. P., accessed 15 Oct 2025.

Bond	ISIN	Amount outstanding (mn)	SPT 1: Scope 1 + 2 reduction	SPT 2 : Scope 3 reduction	Observation date SPT 1	Observation date SPT 2	Total non-discounted cumulative step-up
€ 5.056% 2028s	XS2484502823	500	≥70%	≥30%	31/12/2026	31/12/2026	0.60%
€ 5.186% 2029s	XS2807518639	500	≥100%	≥40%	31/12/2028	31/12/2028	0.75%
€ 5.618% 2030s	XS2582501925	500	≥100%	≥40%	31/12/2028	31/12/2028	0.75%
€ 6.500% 2031s	XS2615584328	500	≥80%	≥35%	31/12/2027	31/12/2027	0.75%
€ 5.000% 2032s	XS3060305235	500	≥100%	≥55%	31/12/2028	31/12/2029	0.75%
€ 4.625% 2033s	XS3204746716	500	≥100%	≥55%	31/12/2028	31/12/2029	0.75%

The bonds can be put into four groups based on which targets they reference; the 2029s and 2030s have identical SPTs, observation dates, and total step-up payment, as have the 2032s and the new 2033s. In Figure 1 the bonds have been separated in the same group, to help analyse the pricing.

Note, the company has no vanilla debt outstanding. Moreover, the overall company structure (including parent holding companies) last issued vanilla debt in 2018. Since then, SLBs have been used exclusively,[4] enabling the company to communicate its sustainability performance. We note, Scope 1 + 2 emissions reductions find pride of place on page 2 of its most recent investor report, just under a summary of financial performance.[5]

Conclusion

For issuers with multiple SLBs, such as TDC Net, examining the pricing performance of bonds with different SPTs and observation dates can provide valuable insight into the market-implied likelihood of a possible step-up.

In TDC Net's case, the market is implying that its longest dated Scope 3 target is least likely to be achieved, and therefore most ambitious.

TDC Net has exclusively issued debt as SLBs since 2018. Even though some issuers are moving away from the structure, the bonds are still credited with supporting transition,[6] and it offers a strong opportunity for TDC Net to increase dialogue with its investors around its sustainability objectives.

[4] This follows a path set by Enel, the Italian utility that issued SLBs exclusively from 2019 to 2025, and recently issued its first vanilla bond as covered in "Enel's 'transition' from SLBs", AFII, 30 Sep 2025.
[5] "TDC Net Investor Report H1 2025", 28 Aug 2025."TDC Net Investor Report H1 2025", 28 Aug 2025.
[6] "Enel issues the largest placement by a European utility in 2025", Enel, 24 Sep 2025.

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