



# TELENOR GROUP

First quarter 2022

**Sigve Brekke, CEO**

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The comments in the presentation are related to Telenor's development in 2022 compared to the same quarter of 2021, unless otherwise stated.

# Highlights

First quarter 2022

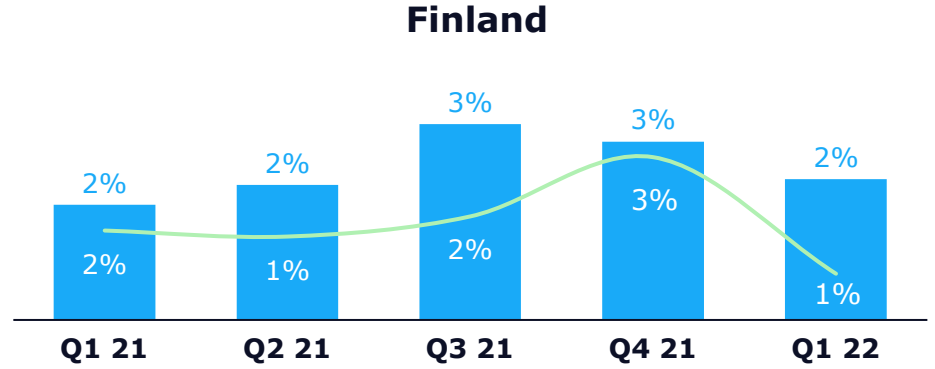
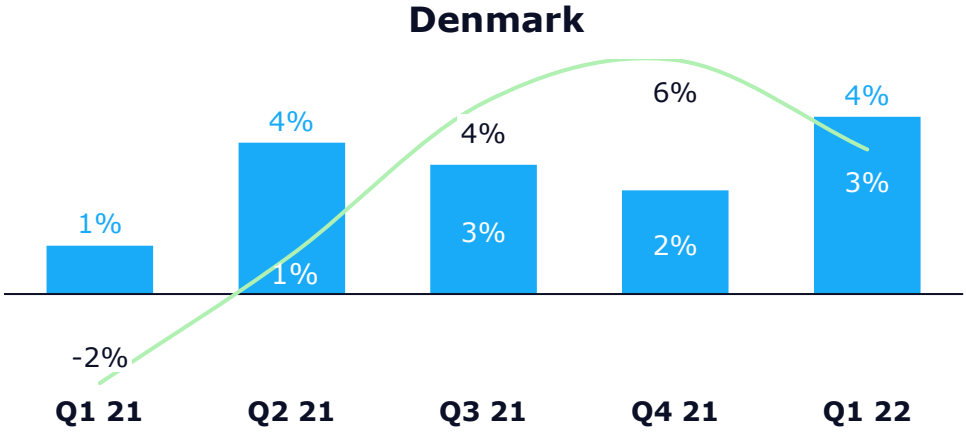
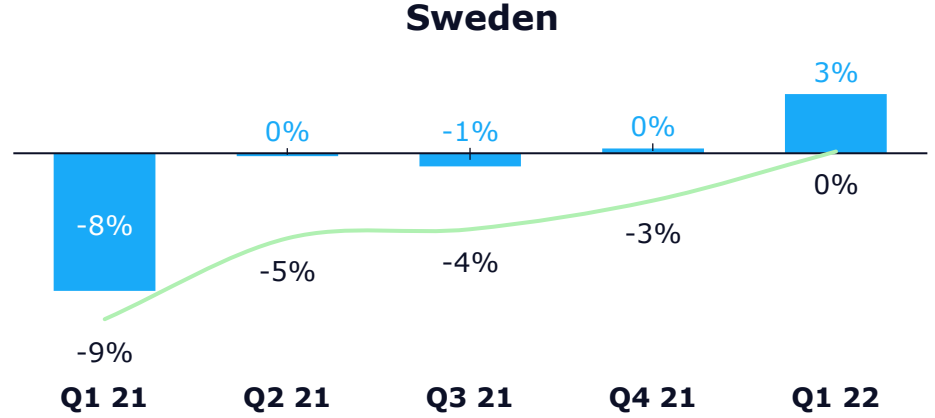
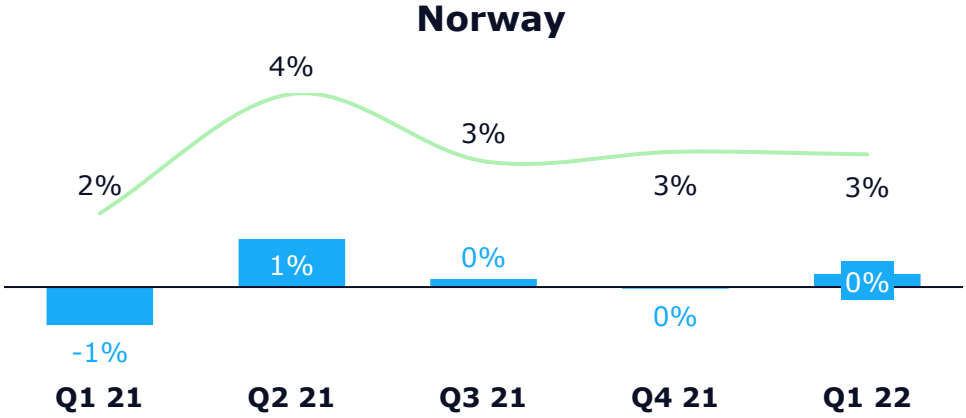
**Service revenue growth**

**Executing on structural programmes and M&A**

**Solid Nordic mobile performance**

**Robust cash flow and financial position**

# Solid ARPU and Mobile Service revenue across Nordics

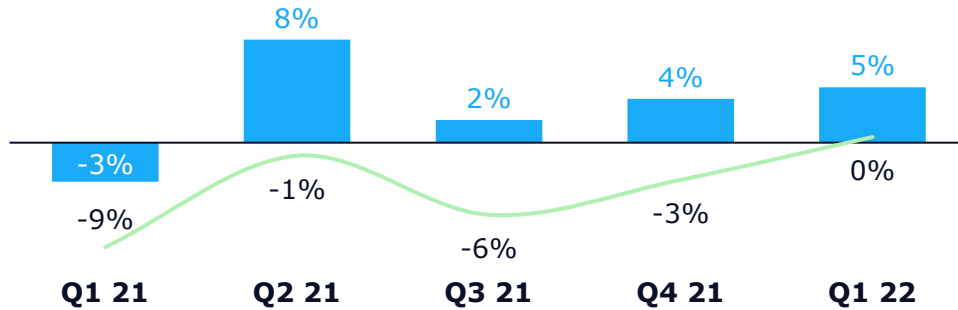


■ Mobile Service revenue growth — ARPU Growth

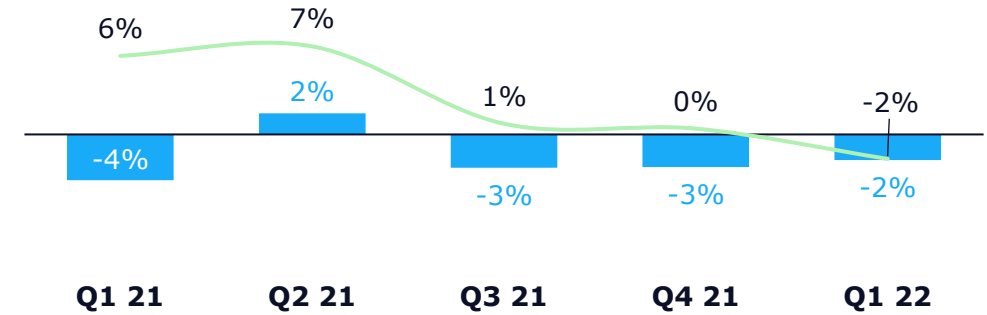


# Emerging **Asia** growth, macro pressure in Thailand and Malaysia

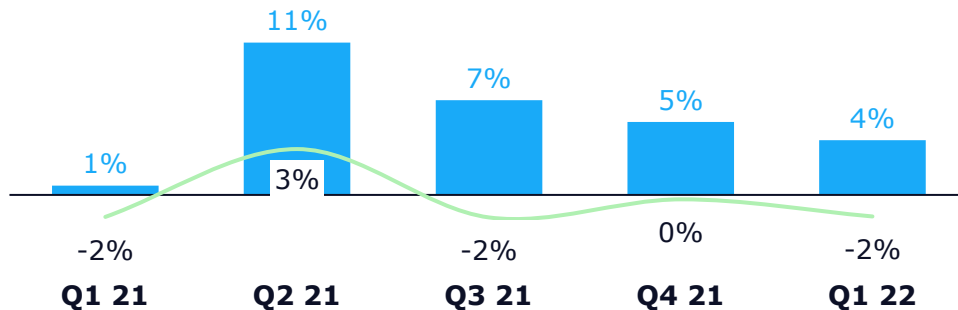
### Bangladesh



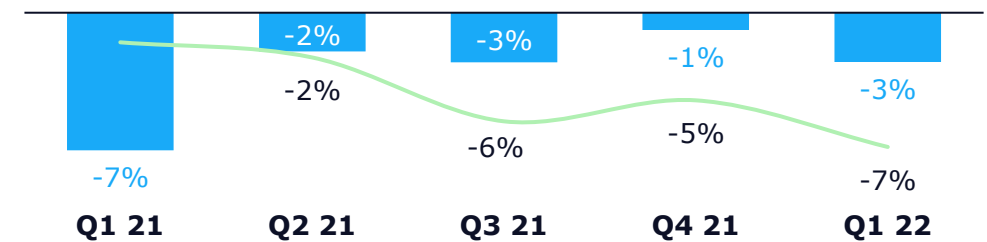
### Malaysia



### Pakistan



### Thailand



■ Mobile Service revenue growth — ARPU Growth



# ESG – Power Purchase Agreement signed in Norway



- Reducing greenhouse gasses by ensuring addition of new renewable energy capacity from 2023/2024
- Wind power project in Sweden with Norsk Hydro
- Fixed price for 330 GWh yearly over 10 years (~90% of 2021 consumption in Norway)



# Executing on our **Strategy** – 2022 focus areas



## Nordic growth

- Continued growth in mobile & FWA
- Fiber growth in Norway

## Strong positions in Asia

- Strong growth in Bangladesh
- Complete transactions in Thailand and Malaysia

## Digital telco

- Accelerate to build a cloud native Telco
- Build growth positions through Private Networks & Edge Solutions

# Digital telco - Strengthening Managed Security capabilities

## Digital Telco

- Accelerate to build a cloud native Telco
- Build growth positions through Private Networks & Edge Solutions

- > Creating a new industrial security software company, Omny, with Aker and Cognite
- > Security solutions for manufacturing companies and critical infrastructure, like oil and gas production, electricity suppliers and hospitals
- > Ambition to be a leader in industrial security software







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First quarter 2022

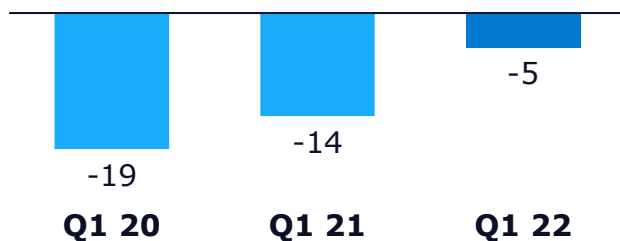
## Norway update

**Petter-Børre Furberg, EVP and CEO Telenor Norway**

# Strong mobile track record in **Norway**

## Postpaid subscriptions

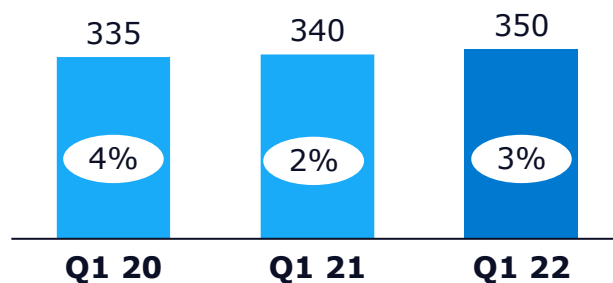
QoQ change (000)\*



- Two brands to cover different customer needs
- Quicker response to competitor actions improving subscriber development

## Mobile ARPU

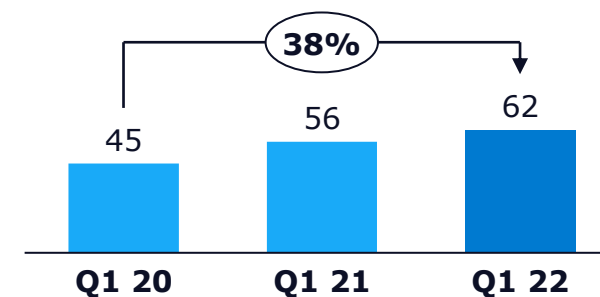
NOK and YoY %



- Developing core portfolio and new services
- Superior network position protecting ARPU development despite price pressure

## Mobile ARPU from value added services

NOK



- New services within security, storage, insurance and 5G adds value to both customers and Telenor
- Partners and partner handling crucial to develop new digital services

\*excluding data cards

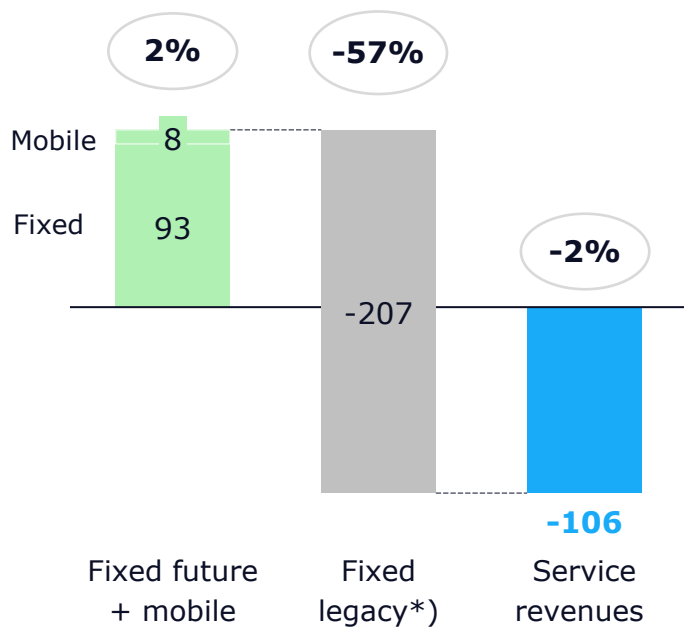
○ YoY growth



# Transitional year in 2022 – final phase of copper decommission

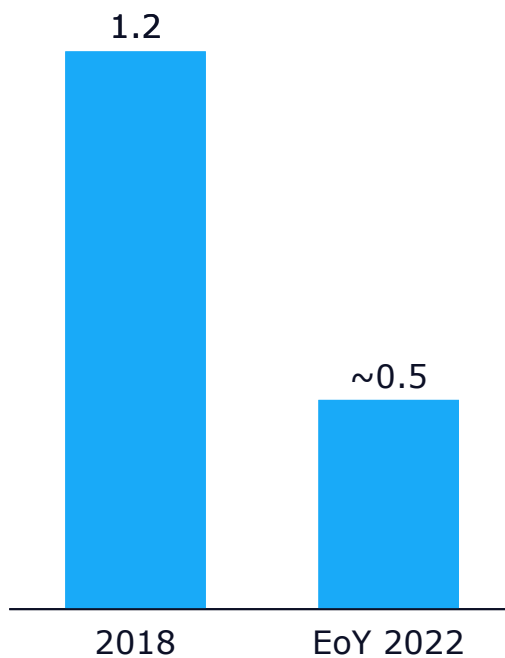
## Service revenues

YoY change NOK m



## Copper cost

NOK billion



- Decommissioned 23k DSL lines in Q1, 35k DSL and 50k POTS left
- Revenue and COGS headwind of NOK ~0.9 billion in 2022
- FWA actively used in migration

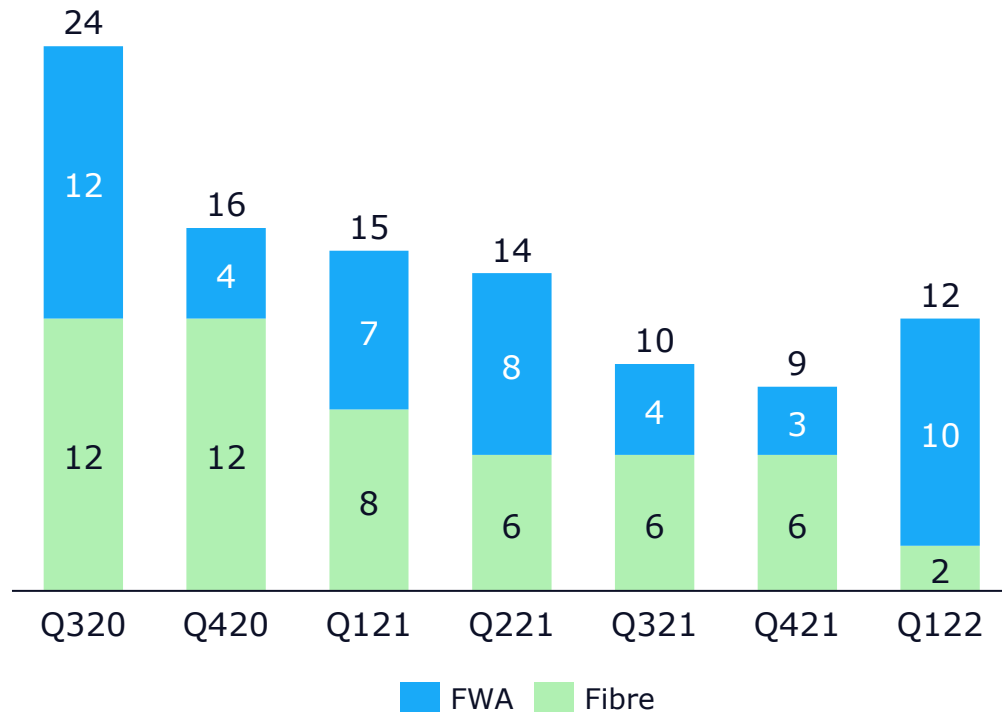
\*) not including wholesale revenues



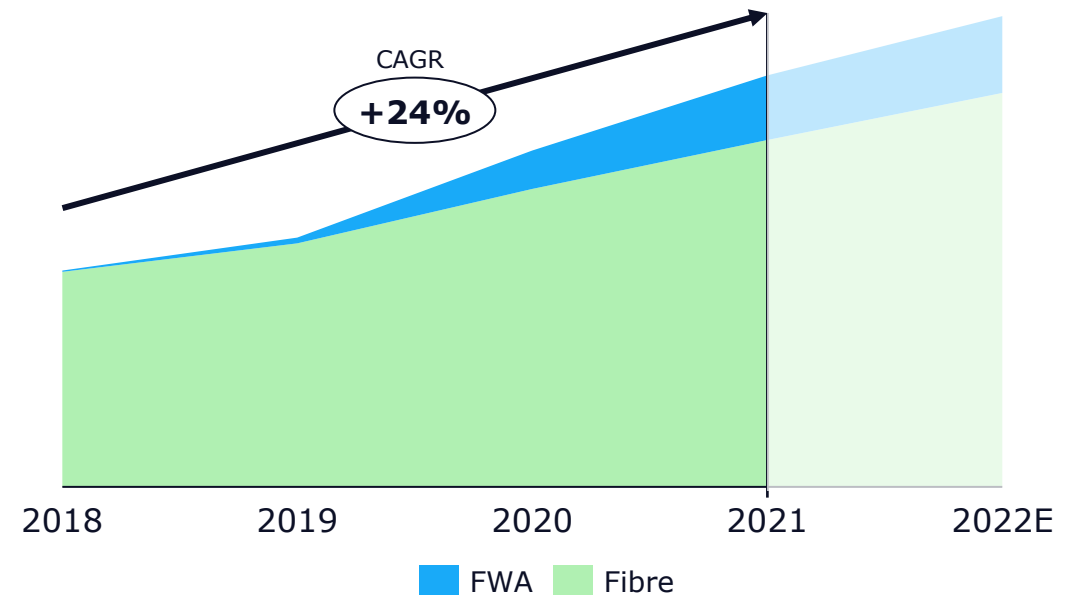
# Fibre and FWA growth continues

## Growth in consumer Fibre and FWA subscriptions

Growth in ('000)\*



## Fibre and FWA revenues



# Legacy free incumbent from 2023

- State of the art mobile and fixed networks
- Mobile and fixed revenue growth
- Opex reductions of 1-3% in 2023
- Investments to ease after 5G roll-out





# TELENOR GROUP

First quarter 2022

**Tone Hegland Bachke, CFO**

# Key financials Q1 2022

**0%**  
Organic  
Service revenues

**-2%**  
Organic  
EBITDA

**3.6bn**  
Free cash flow

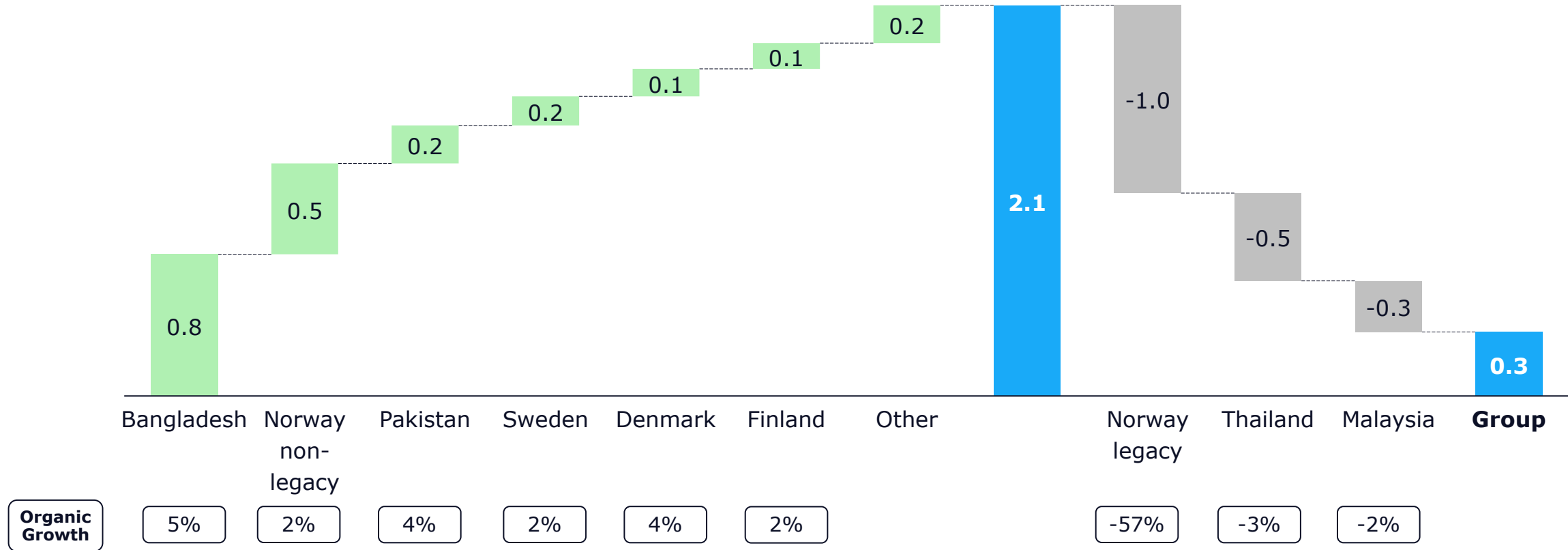
**~2%**

**~1%**

**2.4bn**

# Organic Service Revenue growth

Percentage points contribution to yoy growth



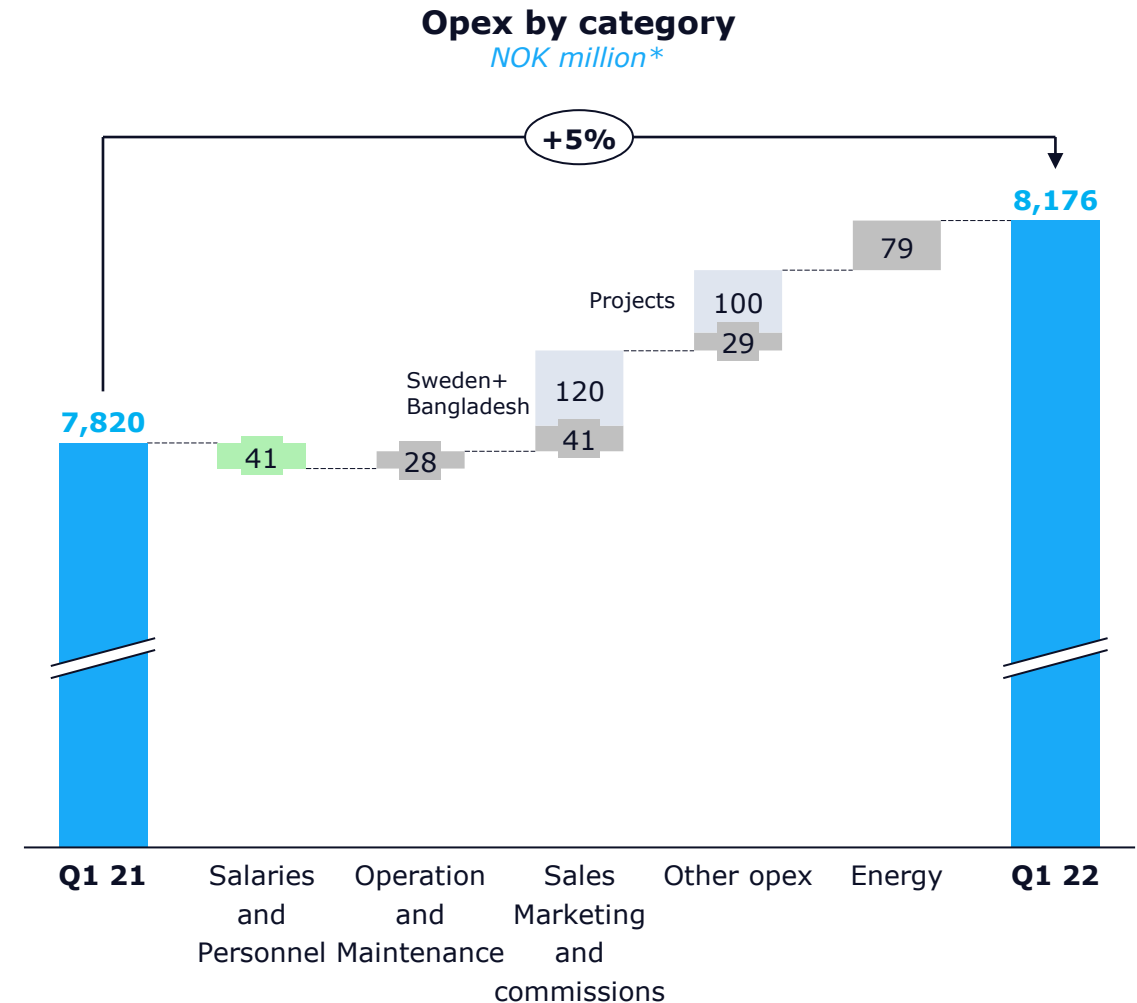


# OPEX increase driven by SAC, energy and projects

Opex increase driven by:

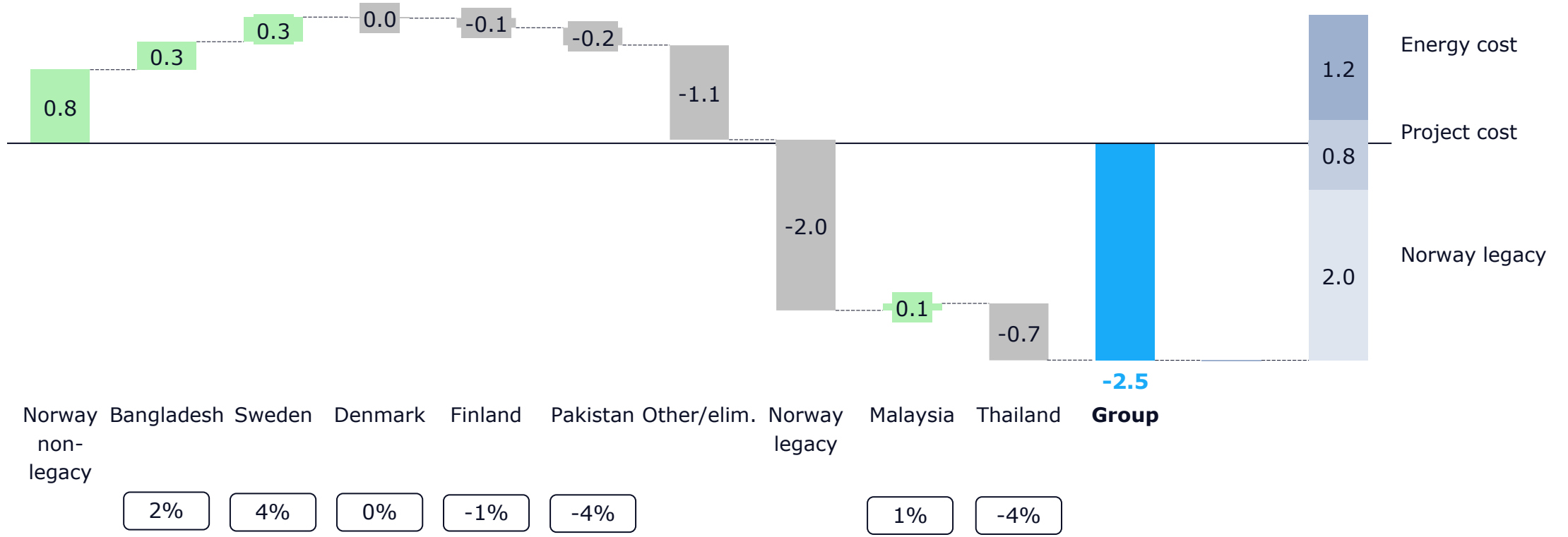
- Carefully selected market initiatives
- M&A and project related cost
- Total Energy cost increase NOK 147m (cogs+opex)

Modernisation agenda continues



# Organic **EBITDA** decline of **2%**

Percentage points contribution to growth



EBITDA growth



# Driving value creation in our **Nordic Tower** business

- Separate reporting of fully owned infrastructure in Nordics in place
- Driving improved financial and operational performance
- Exploring alternatives for JV assets

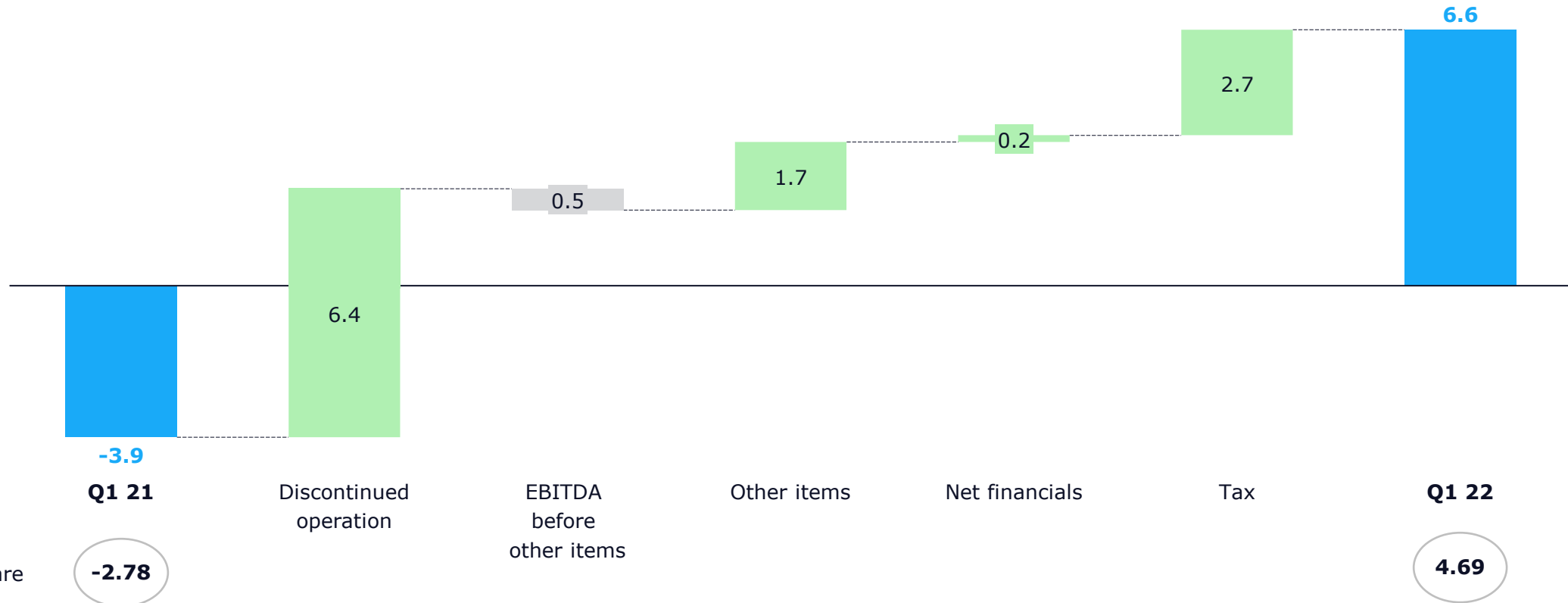
<b>NOK</b>	<b>Q1 2022</b>	<b>2022 (e)</b>
<b>Revenues</b>	<b>760m</b>	<b>~3bn</b>
EBITDAaL	340m	
<b>EBITDAaL (%)</b>	<b>45%</b>	<b>mid 40's (%)</b>
Total sites	21k	
Mobile sites	16k	
Tenancy ratio	1.6	
Telenor share of JV sites	5k	



# Net income to equity holders of NOK 6.6 billion

## Net income to equity holders of Telenor

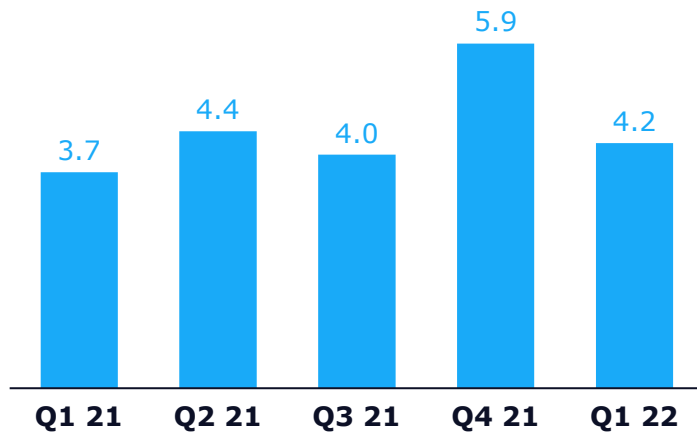
NOK billion



# Free Cash Flow of NOK 3.6 billion

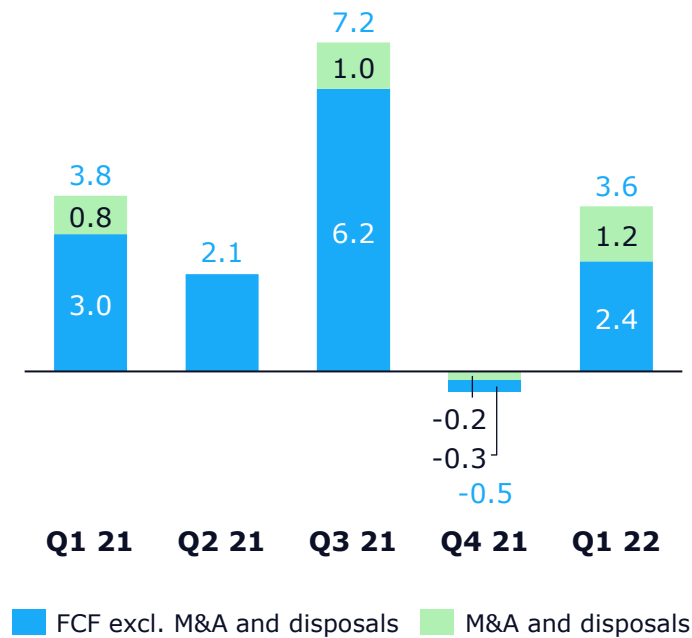
## Capex ex. licenses and spectrum

NOK billion



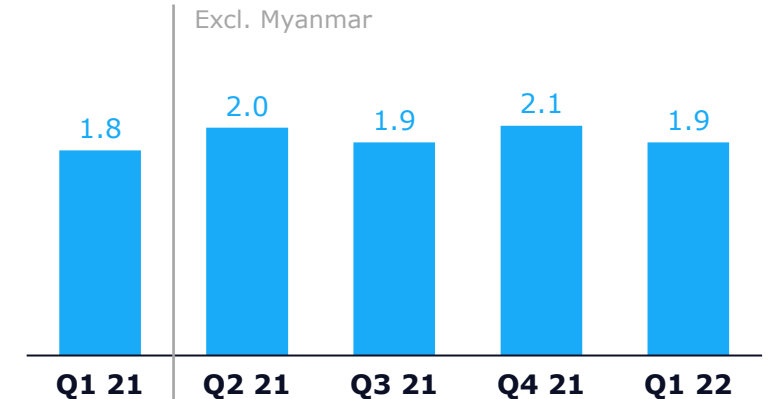
## Free cash flow

NOK billion



## Leverage

Net debt / EBITDA



# Outlook 2022 maintained

2022 excl. Malaysia

Organic Service Revenues

Low single digit growth

Organic EBITDA

Around 2021  
or slightly higher

Capex/sales

16-17%

Organic service revenue growth in fixed currency, adj. for acquisitions and disposals. EBITDA before other items. Capex excl. licences and spectrum.

# CAPITAL MARKETS DAY

20 SEPTEMBER 2022  
TELENOR HQ – FORNEBU NORWAY





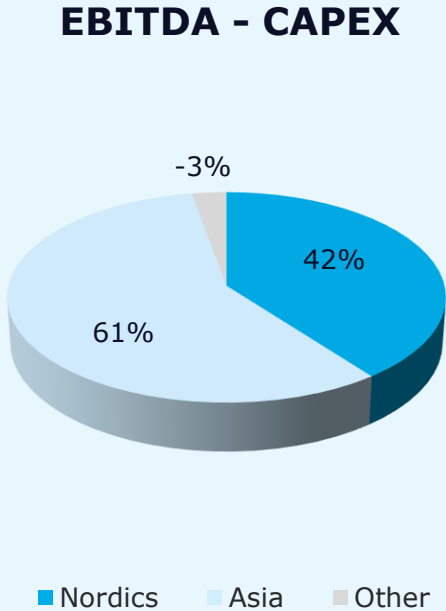
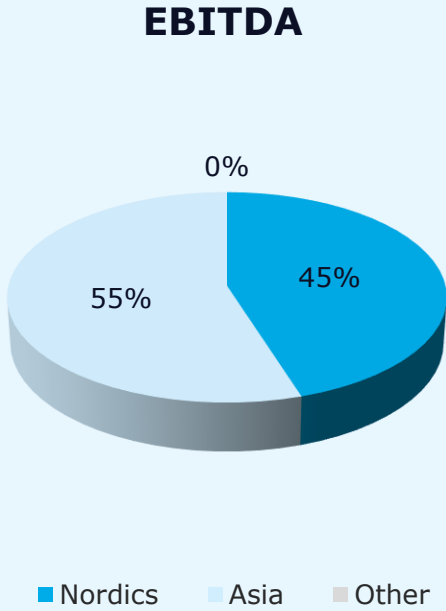
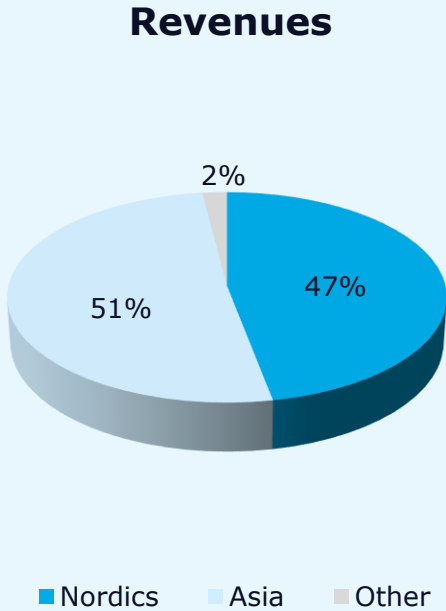
# TELENOR GROUP

First quarter 2022

## Appendix



# Geographic split of key financials YTD 2022

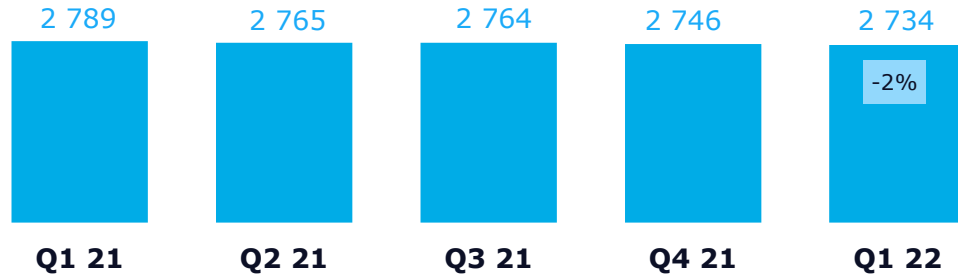


EBITDA before other items. Capex excl. licences.

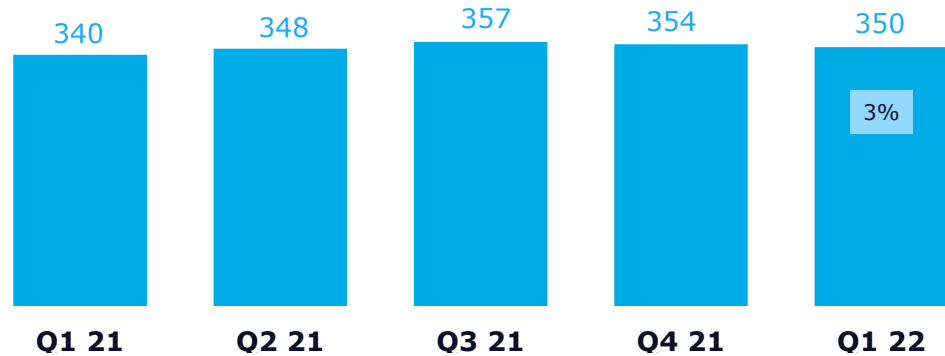


# Norway

Mobile subscribers ('000)

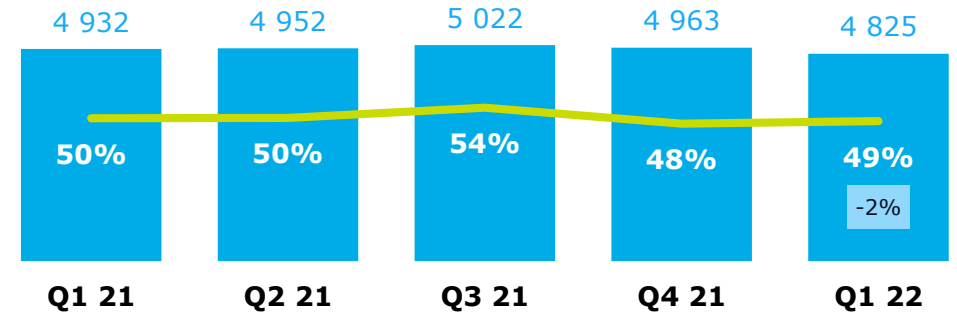


Mobile ARPU (NOK/month)

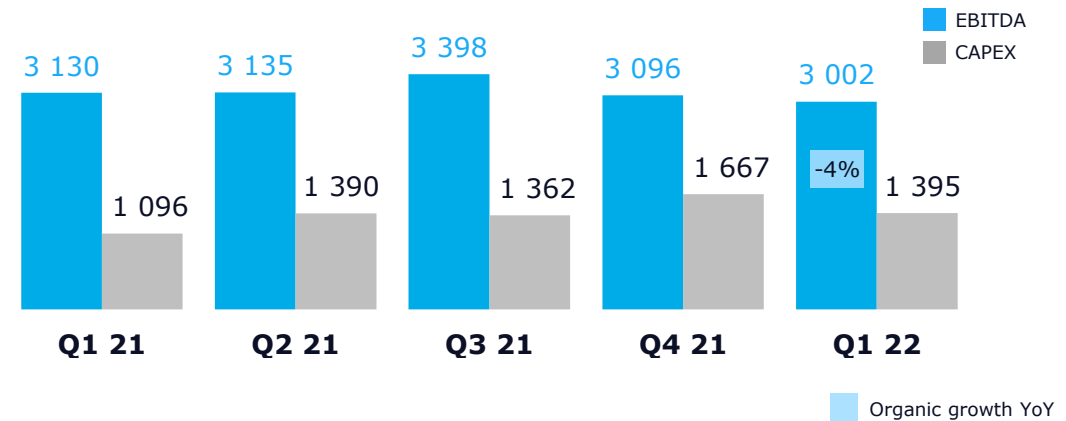


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Service revenues (NOK m) and EBITDA margin

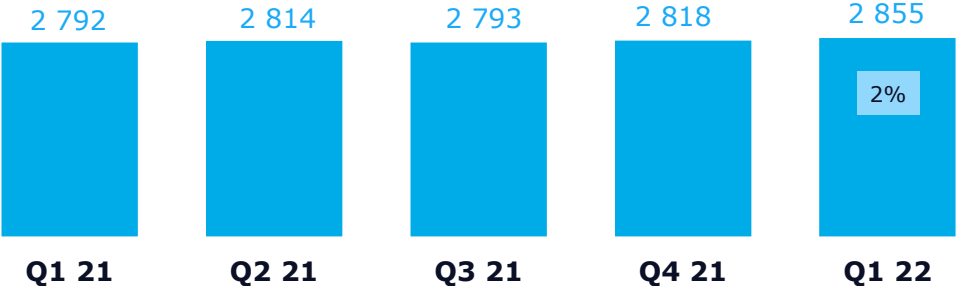


EBITDA and capex (NOK m)

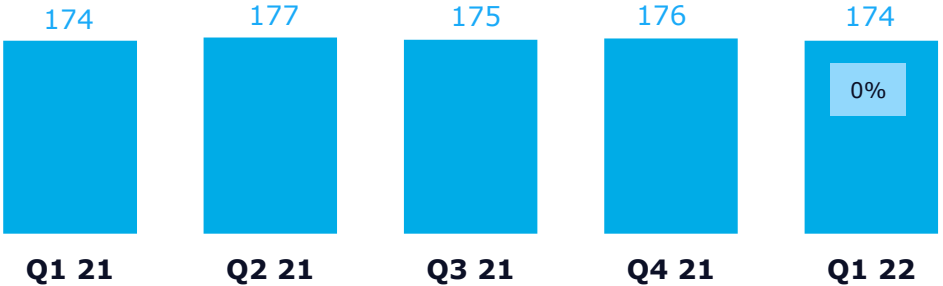


# Sweden

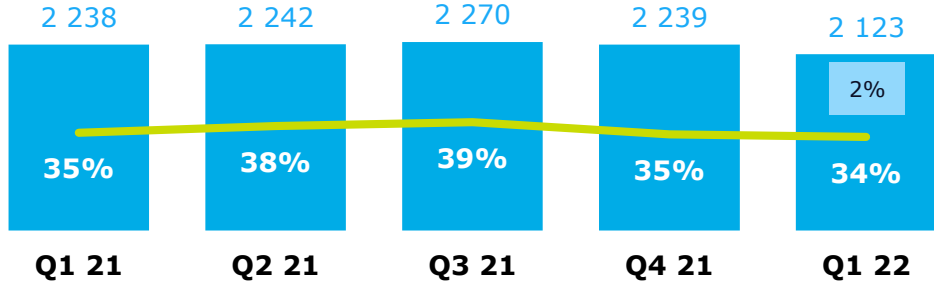
Mobile subscribers ('000)



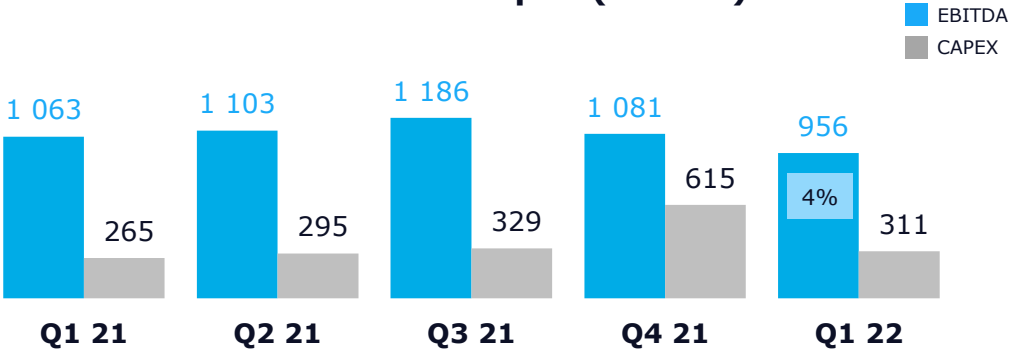
Mobile ARPU (SEK/month)



Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



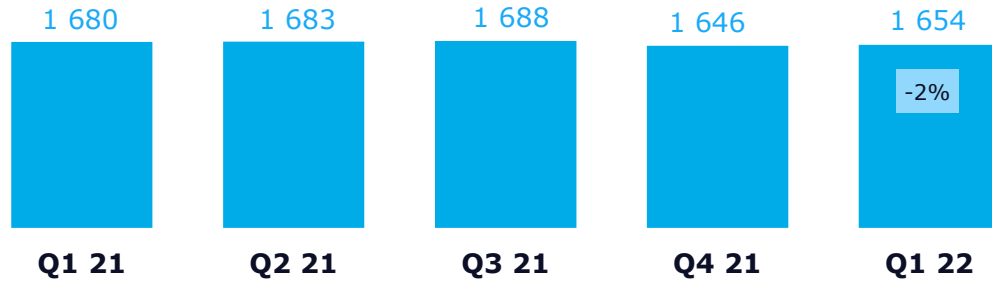
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

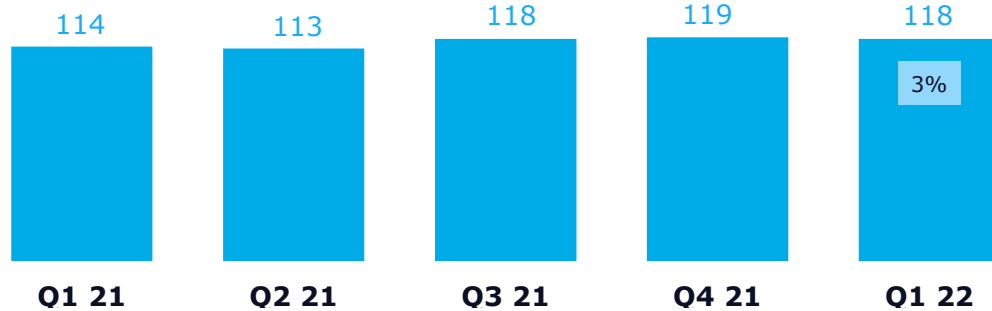


# Denmark

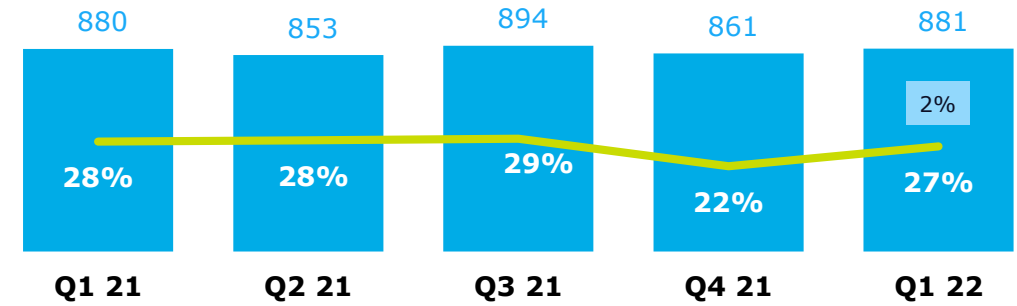
### Mobile subscribers ('000)



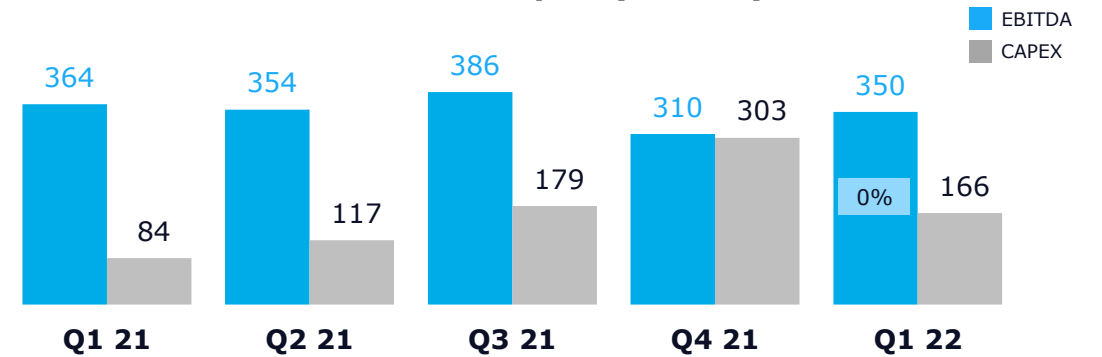
### Mobile ARPU (DKK/month)



### Service revenues (NOK m) and EBITDA margin



### EBITDA and capex (NOK m)



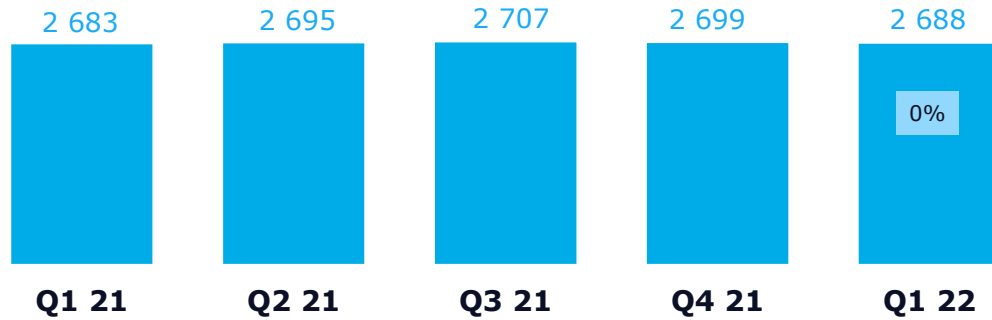
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

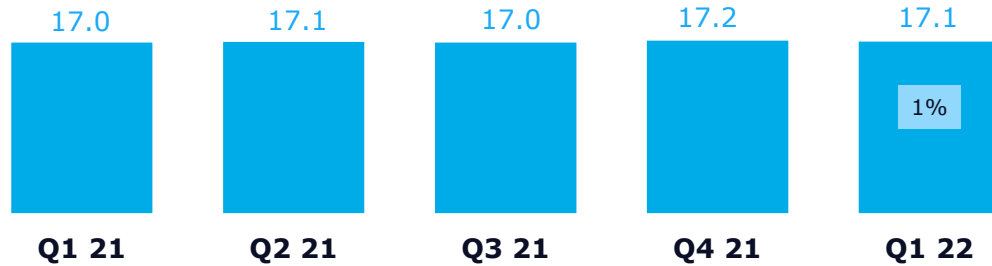


# Finland

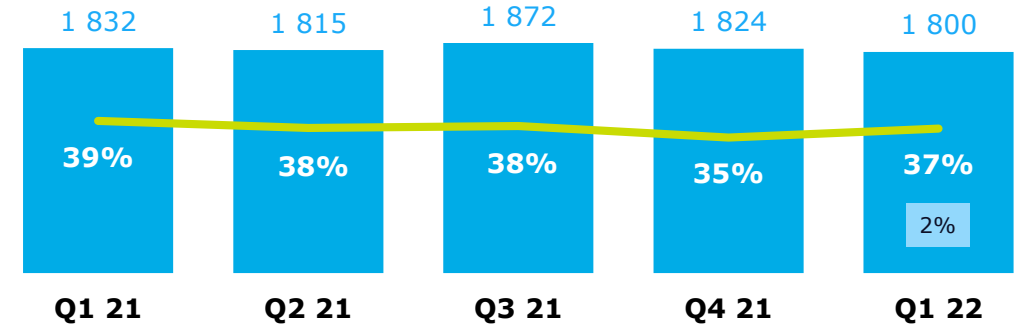
Mobile subscribers ('000)



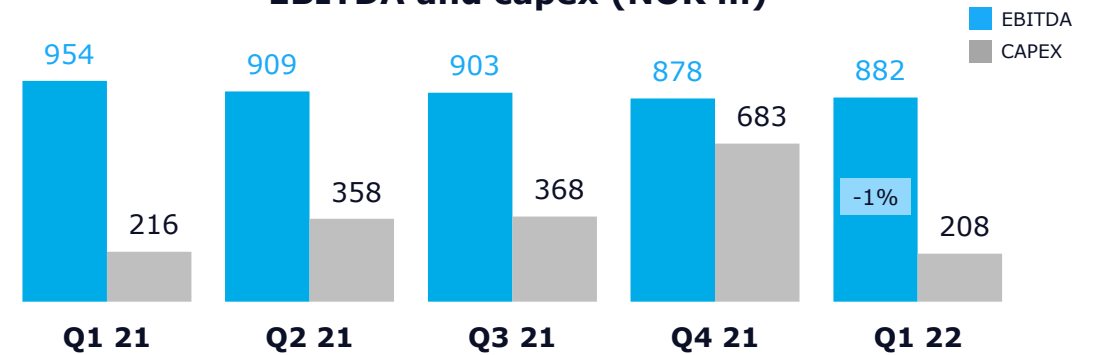
Mobile ARPU (EUR/month)



Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

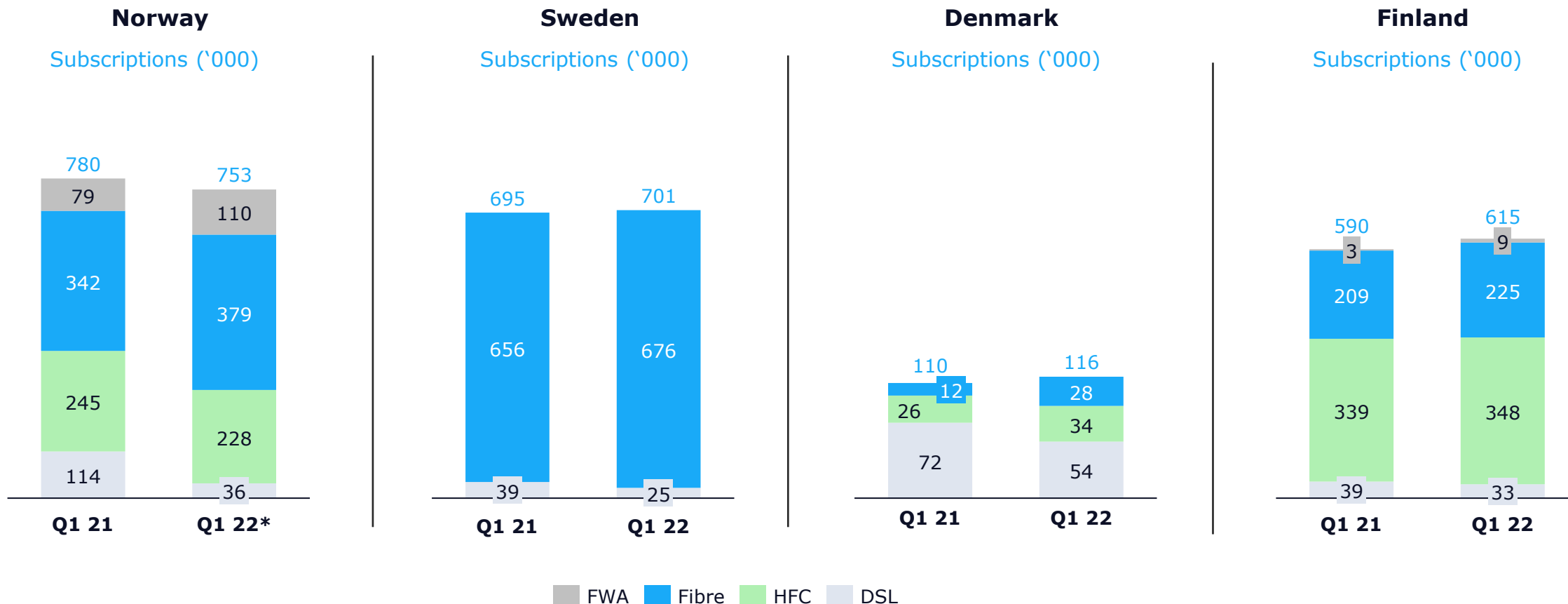


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY



# Additional information – Nordics

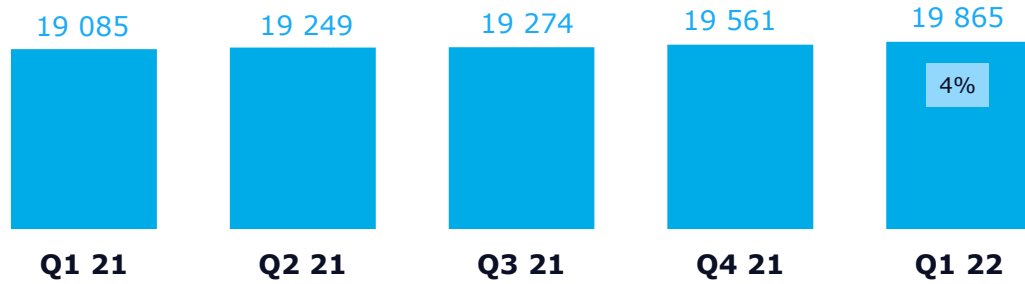


\*) From 2022 it is added 23k subscriptions not previously included in definition

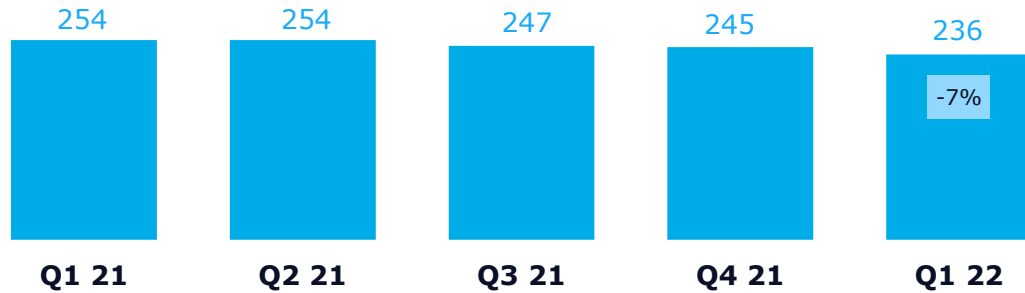


# Thailand (dtac)

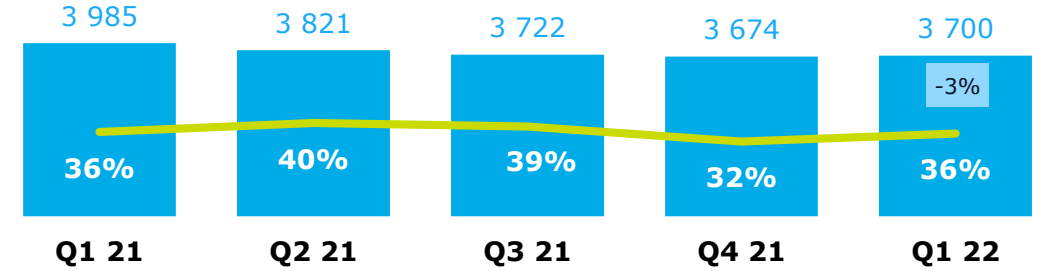
Mobile subscribers ('000)



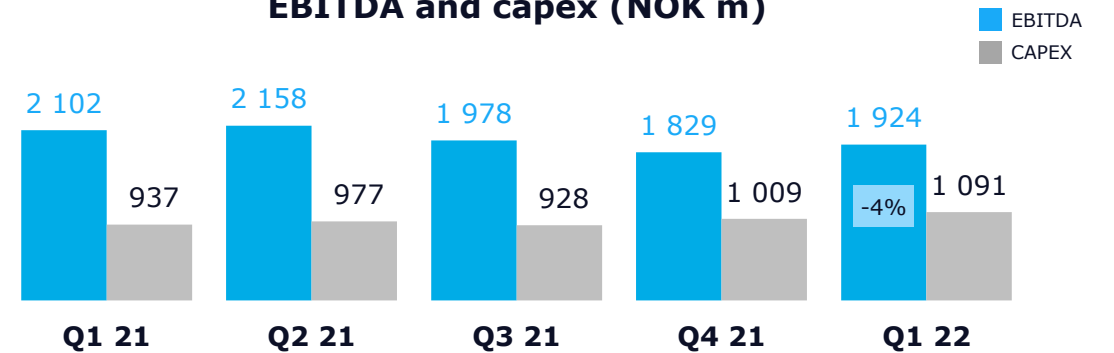
Mobile ARPU (THB/month)



Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

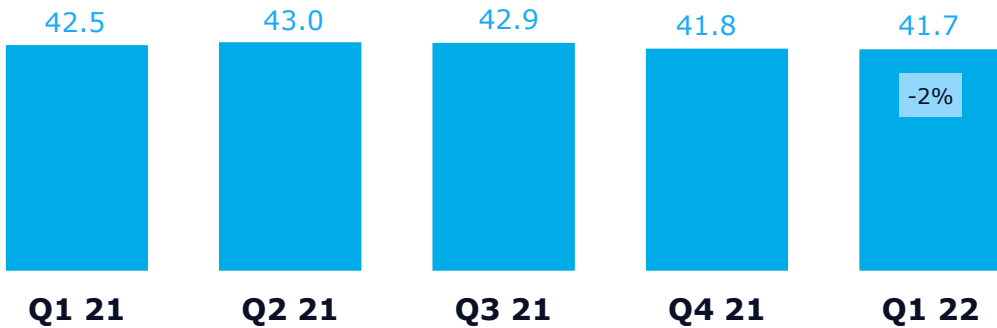


# Malaysia (Digi)

Mobile subscribers ('000)

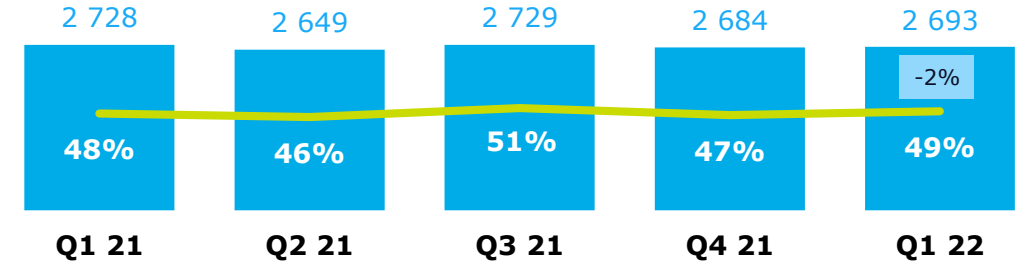


Mobile ARPU (MYR/month)

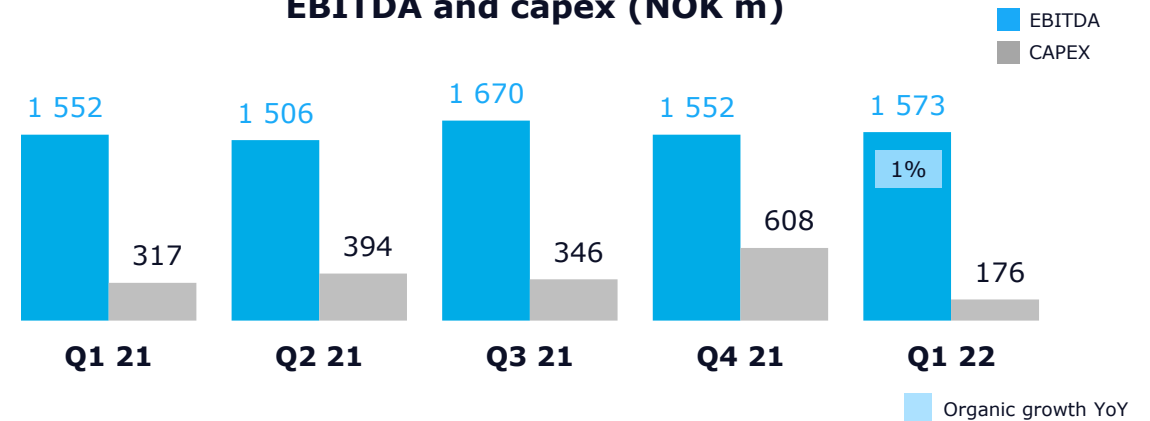


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Service revenues (NOK m) and EBITDA margin



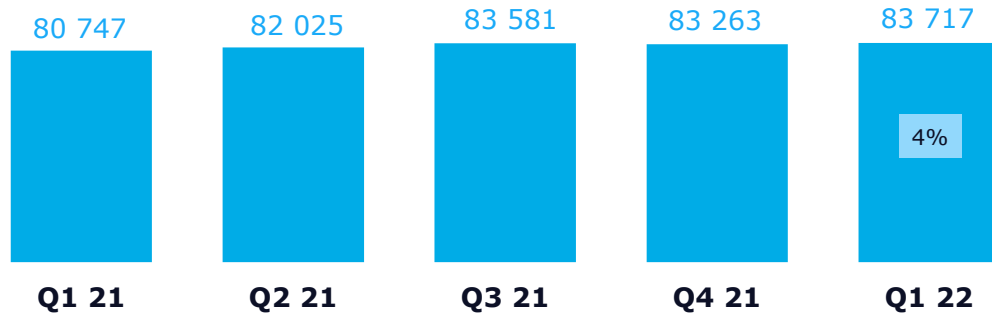
EBITDA and capex (NOK m)



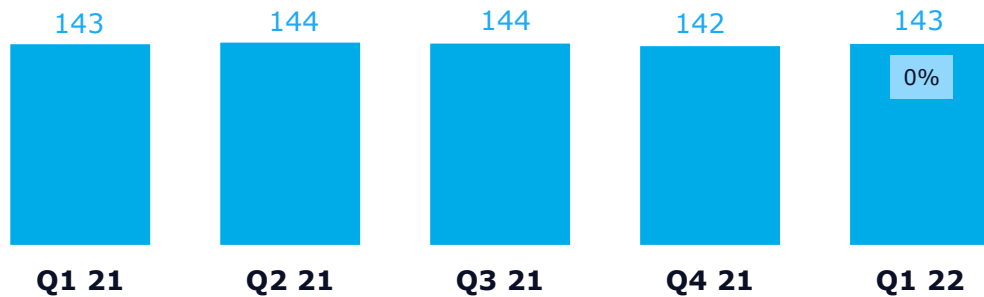


# Bangladesh (Grameenphone)

Mobile subscribers ('000)

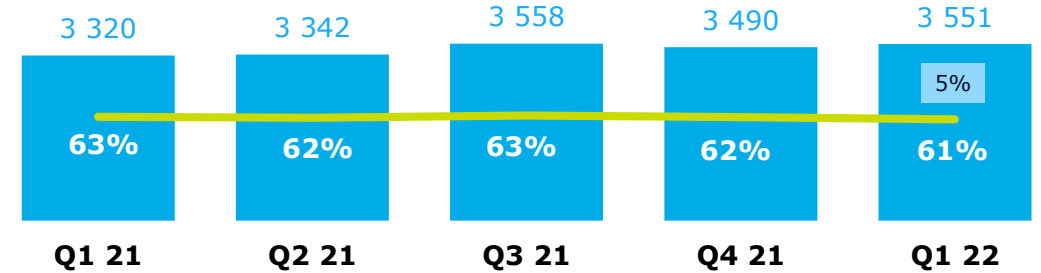


Mobile ARPU (BDT/month)

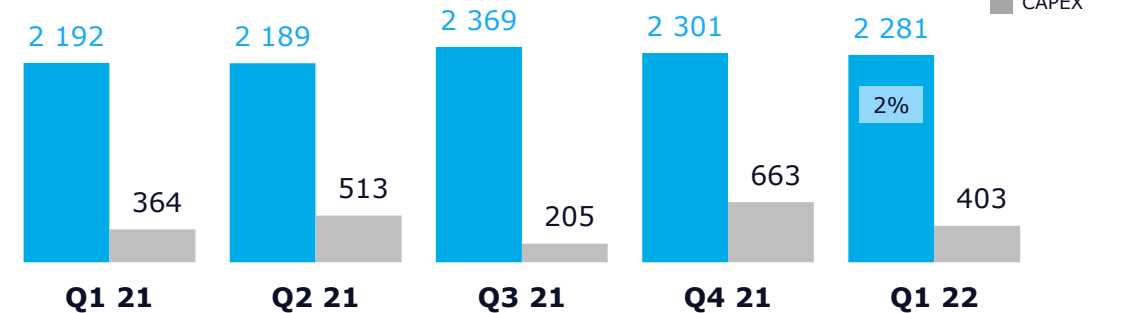


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

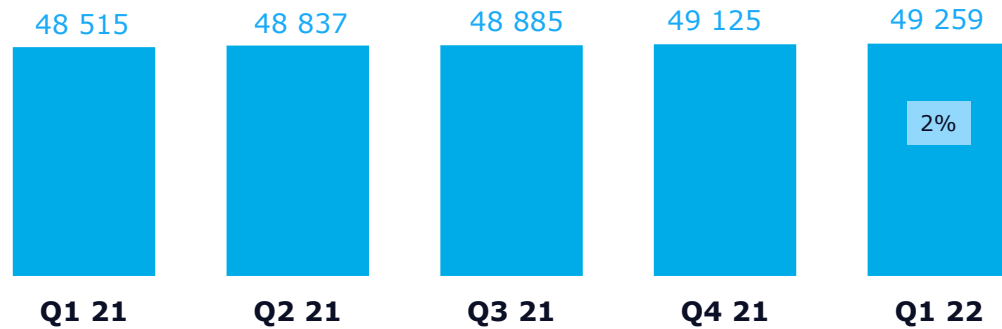


Organic growth YoY

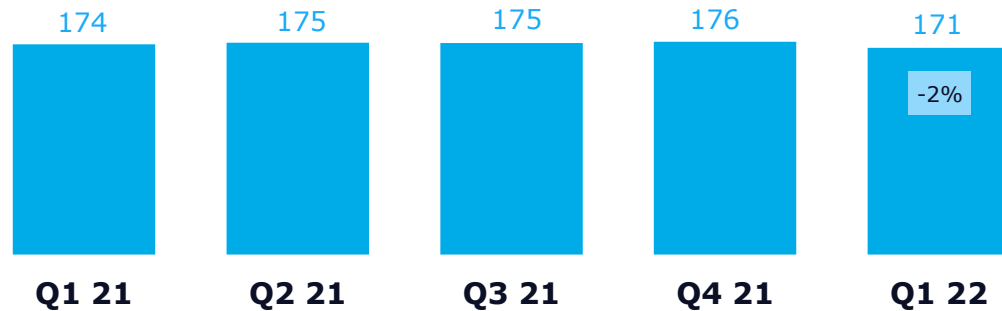


# Pakistan

Mobile subscribers ('000)

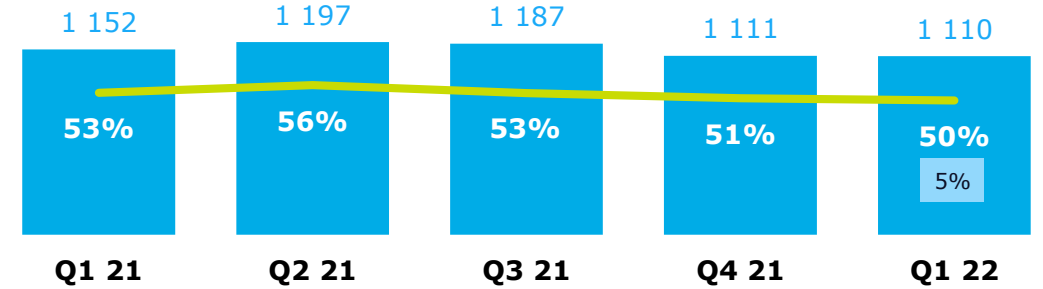


Mobile ARPU (PKR/month)

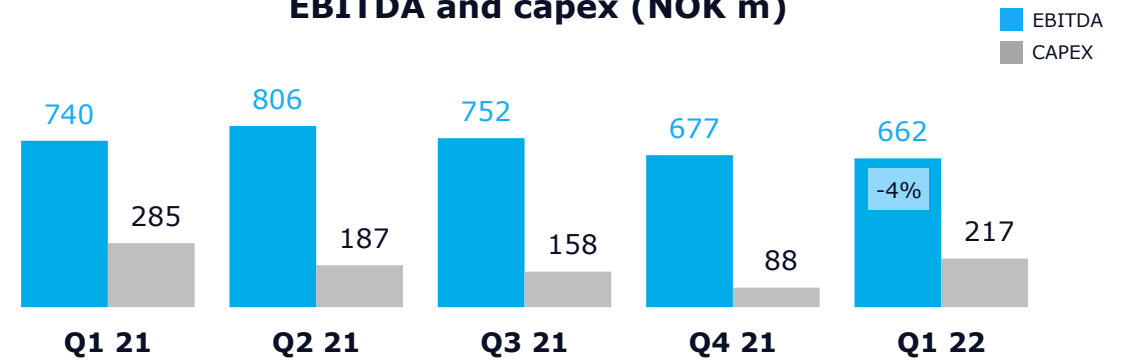


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



Organic growth YoY



# Q1 growth in **Service Revenues** and **EBITDA**

Country	Service revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-2.2%	-2.2%	-4.1%	-4.1%
Sweden	-5.1%	1.5%	-8.2%	3.6%
Denmark	0.1%	3.6%	-3.7%	-0.4%
Finland	-1.7%	1.6%	-4.6%	-1.4%
Thailand	-7.2%	-2.5%	-8.5%	-3.9%
Malaysia	-1.3%	-2.0%	1.4%	0.6%
Bangladesh	7.0%	4.6%	4.0%	1.7%
Pakistan	-3.6%	3.9%	-10.5%	-3.5%
<b>Telenor Group</b>	<b>-1.7%</b>	<b>0.3%</b>	<b>-4.5%</b>	<b>-2.5%</b>



# Net income of **NOK 7.2 billion** for Q1 2022

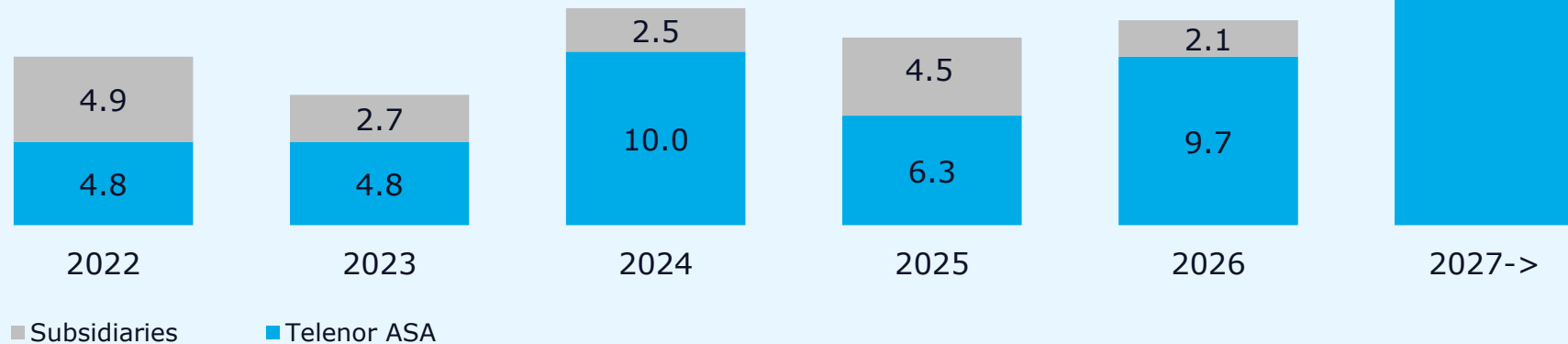
<b>NOK m</b>	<b>2021</b>	<b>Q1 2021</b>	<b>Q1 2022</b>
Revenues	110 241	27 518	27 009
EBITDA before other items	49 162	12 209	11 660
Other items	(1 787)	(149)	1 551
EBITDA	47 375	12 061	13 211
Depreciation & amortisation	(25 868)	(6 380)	(6 360)
Operating profit	21 506	5 680	6 852
Associated companies	(459)	(53)	(105)
Net financials	(3 962)	(381)	(210)
Taxes	(5 740)	(1 650)	1 059
Profit (loss) from discontinued operations	(6 753)	(6 728)	(345)
Minorities	3 063	756	680
<b>Net income - Telenor equity holders</b>	<b>1 528</b>	<b>(3 889)</b>	<b>6 570</b>
Earnings per share (NOK)	1.1	(2.8)	4.7



# Debt maturity profile (NOK bn)

Net debt\* in partly-owned subsidiaries:

NOK bn	Q1 2022	Q1 2021
Digi	8.2	8.6
dtac	19.3	19.0
Grameenphone	1.4	0.8



# Net debt reconciliation

NOK bn	Q1 2022	Q1 2021
Non-current interest-bearing liabilities	85.3	93.3
Non-current lease liabilities	27.9	30.2
Current interest-bearing liabilities	9.0	6.0
Current lease liabilities	6.6	9.5
Cash and cash equivalents	(20.8)	(22.8)
Fair value hedge instruments	(0.5)	(1.8)
Financial instruments	(0.3)	(0.3)
Non-current license obligations	(12.7)	(12.8)
Current license obligations	(2.1)	(3.4)
<b>Net interest-bearing debt excl. license obligations</b>	<b>92.4</b>	<b>97.9</b>



# Balance sheet and key ratios

	31 Mar 2022	31 Dec 2021	31 Mar 2021
Total assets	226.6	225.7	237.8
Equity attributable to Telenor ASA shareholders	33.9	26.3	34.1
Gross debt*	128.8	132.2	139.1
Net debt	92.4	100.8	97.9
Net debt/EBITDA**	1.9	2.1	1.8
<b>Return on capital employed***</b>	<b>13%</b>	<b>10%</b>	<b>12%</b>

\*) Gross debt = current interest-bearing liabilities + non-current interest-bearing liabilities + current and non-current lease liabilities

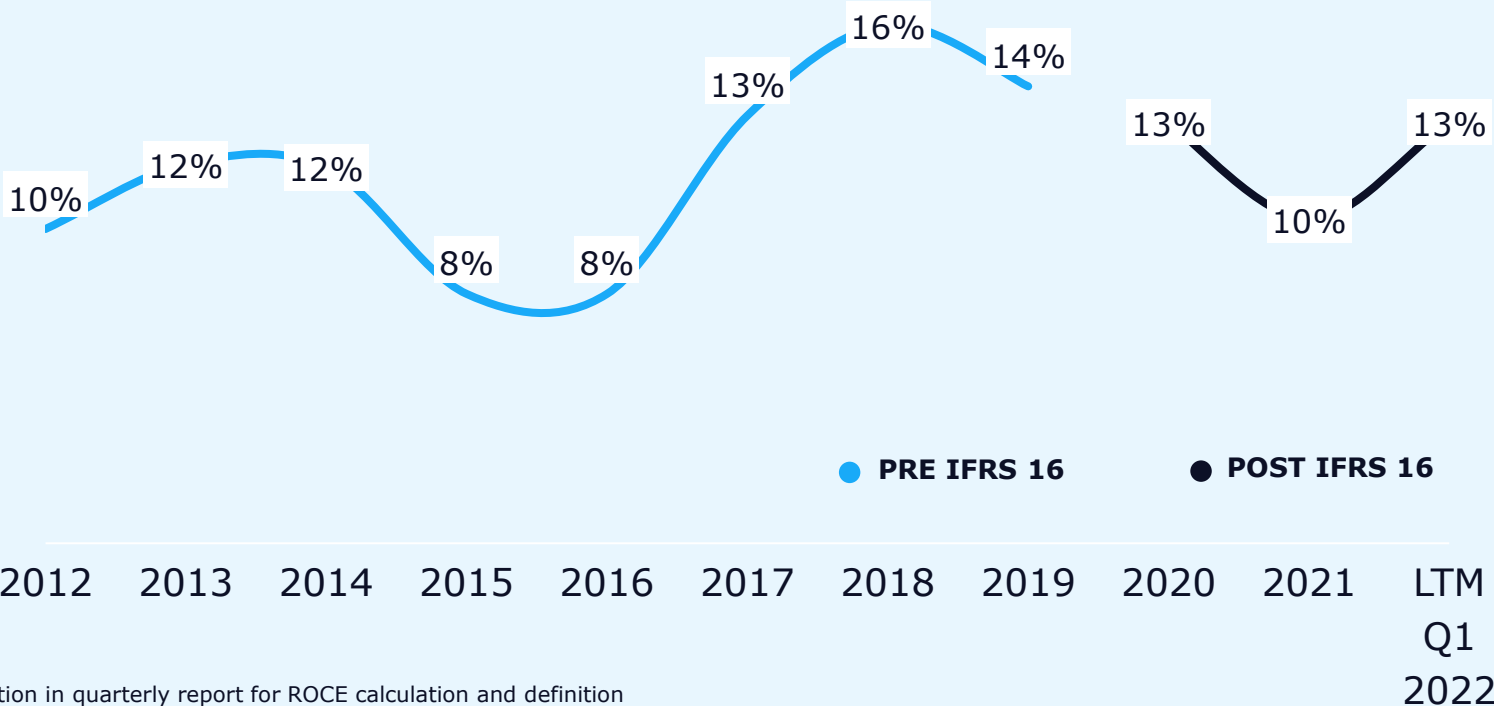
\*\*\*) 12 months rolling EBITDA.

\*\*\*) Calculated based on an after-tax basis of the last twelve months return on average capital employed



# Return on capital employed

Return on capital employed\*



\*) See APM section in quarterly report for ROCE calculation and definition  
 \*\*) 2012-2019 numbers including Myanmar

