



# Q2 2023

Sigve Brekke, CEO

# Q2 2023: Operational execution in line with plan



## Groupwide momentum

Mid-single digit service revenue growth across BAs, double-digit in Amp



## EBITDA and capex in line with plan

Solid Nordics growth, strength in Asia amid tough macro backdrop



## Transformational agenda focus

Legacy wind-down, operational transformation and structural optionalities



## FCF and leverage

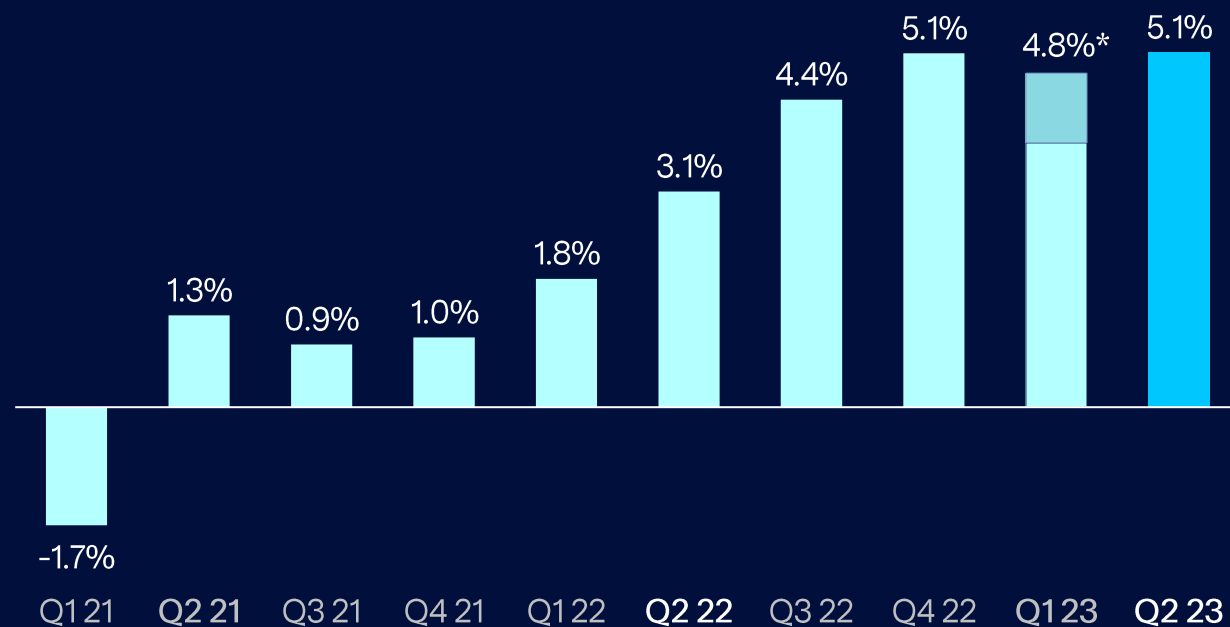
High investments, spectrum payments, tax dispute resolution and FX effects



# Nordic growth confirmed

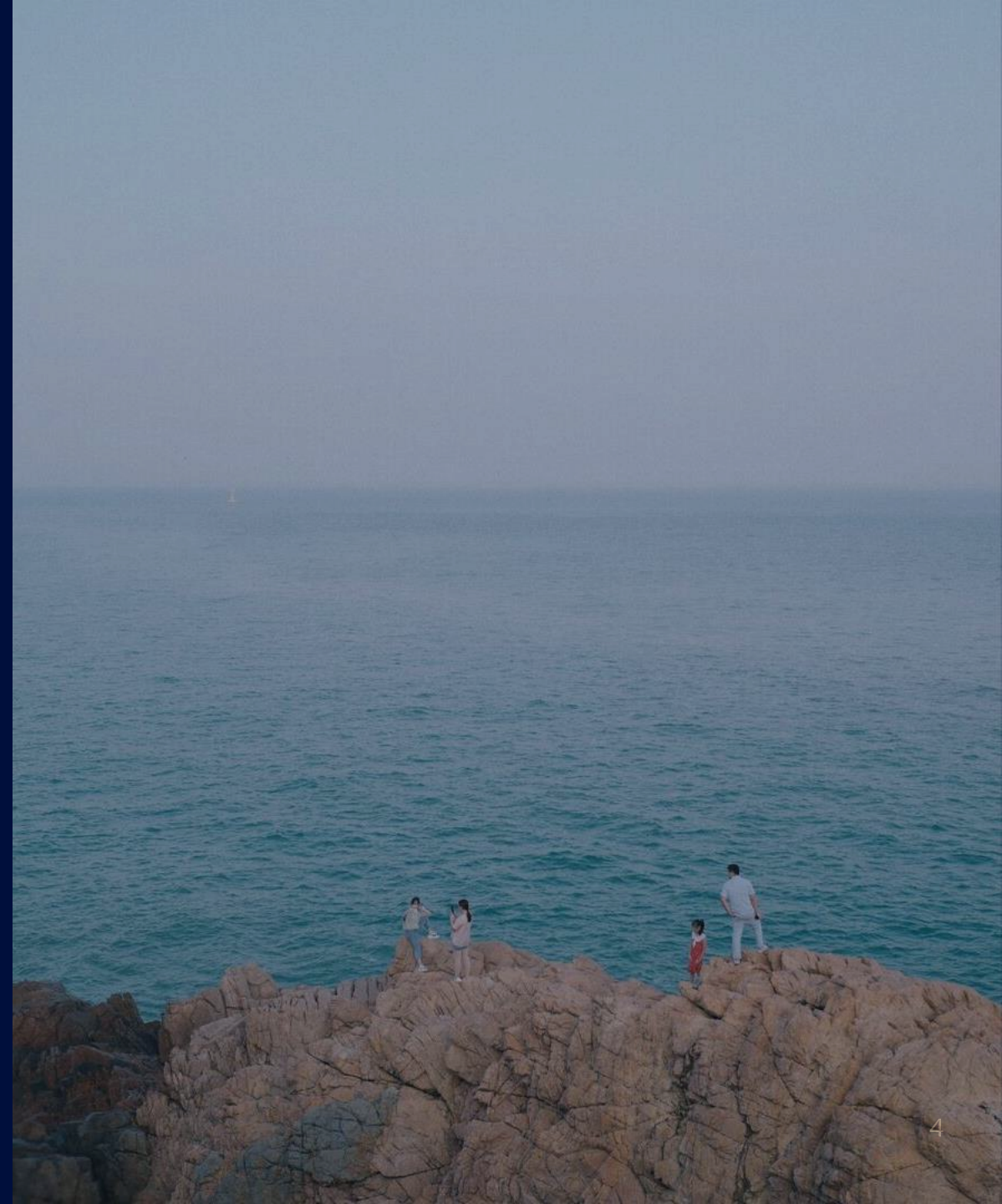
## Nordic mobile service revenues

Year-on-year growth (%)



**Q2 2023**

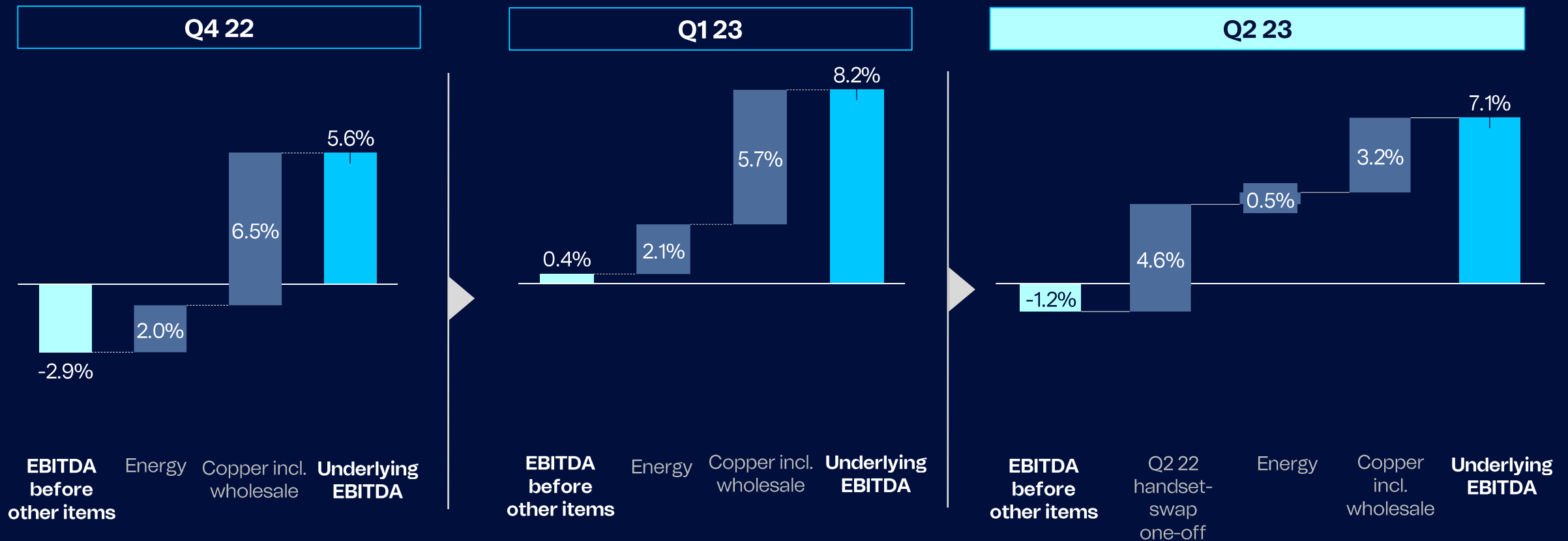
\*3.8% including reversal of revenues of NOK 66m in Telenor Denmark, relating to 2018-2019 accounts



# Continued underlying EBITDA growth in Norway

## Telenor Norway EBITDA growth

Year-on-year



# Nordic: Solid momentum into H2

## SERVICE REVENUE

Trend expected to be maintained



- Healthy subscriber and pricing development
- Negligible legacy headwinds in H2 vs to H1
- VAS trends sustained

## EBITDA

Organic growth rate to approach service revenue growth



- Gross margin improvement from falling electricity price and decommissioning
- Operational efficiency improvements

## CAPEX AND WORKING CAPITAL DISCIPLINE

Supporting free cash flow growth



- H1: capex ~18%
- H2: capex tracking towards ~16%
- Working capital optimisation

# Nordic transformation to drive further efficiencies

## Nordic synergy areas



### Tech and IT

New operating model



### Commercial

Common solutions & platforms for new services



### Support Functions

Shared services, standardized processes & step-change in automation







### Enhanced working capital management

Joint analytics & expertise

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Accelerating cost efficiencies to deliver on 2022- 2025 opex reduction of 1-3%

# Continued progress in Asia

	Company	Market Position	Key Highlights
Consolidated companies	 <b>Grameenphone</b>	# 1	<ul style="list-style-type: none"><li>• Subscriber growth</li><li>• Growth in data usage</li><li>• Voice monetization</li></ul>
	 <b>Telenor Pakistan</b>	# 3	<ul style="list-style-type: none"><li>• Data growth and multiple price-ups.</li><li>• Firm cost control despite high-inflation macro context</li></ul>
Associated companies	 <b>True Corporation</b>	# 1	<ul style="list-style-type: none"><li>• Encouraging economic/market developments.</li><li>• Integration program started</li></ul>
	 <b>Celcom Digi</b>	# 1	<ul style="list-style-type: none"><li>• Full focus on merger integration and execution</li></ul>







Telenor Infrastructure



Telenor Amp



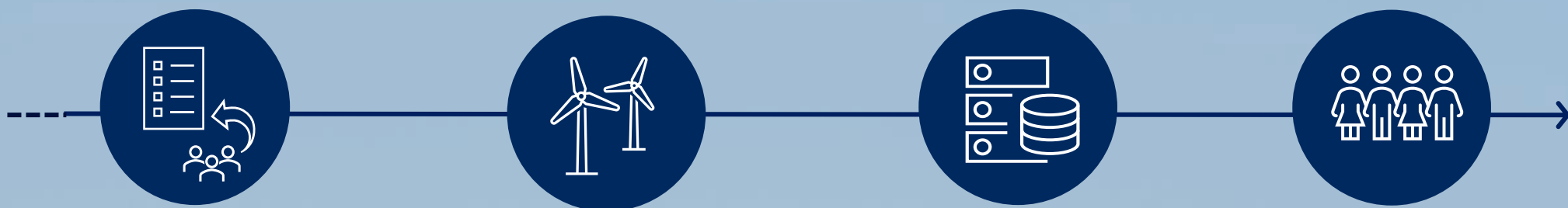
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# Advancing the digital world to be green, safe - and for all

Q2 milestones:



## Science-Based climate targets (SBTs) for suppliers

Introducing stricter requirements on biggest suppliers to set SBTs and goals to reduce carbon footprint

## Power Purchasing Agreement in Finland

A 10-year PPA with Statkraft to bring additional renewable energy to the market and hedge against price volatility

## Green and secure datacentres

Partnering with Hafslund and HitecVision to build secure and energy-efficient data centers in the Oslo area

## Telenor Sweden partnering with Plan International

To build skills and engagement to prevent violations against children and youth online. In Q2, 300 000 people were trained

Q2 2023

# Q2: Operational momentum in focus





# Q2 2023

Tone Hegland Bachke, CFO

# Group Financial Highlights of Q2 2023



**4.4%**

Service revenue growth  
year-over-year



**4.1%**

EBITDA growth  
year-over-year



**17%**

Capex/sales



**-0.2bn**

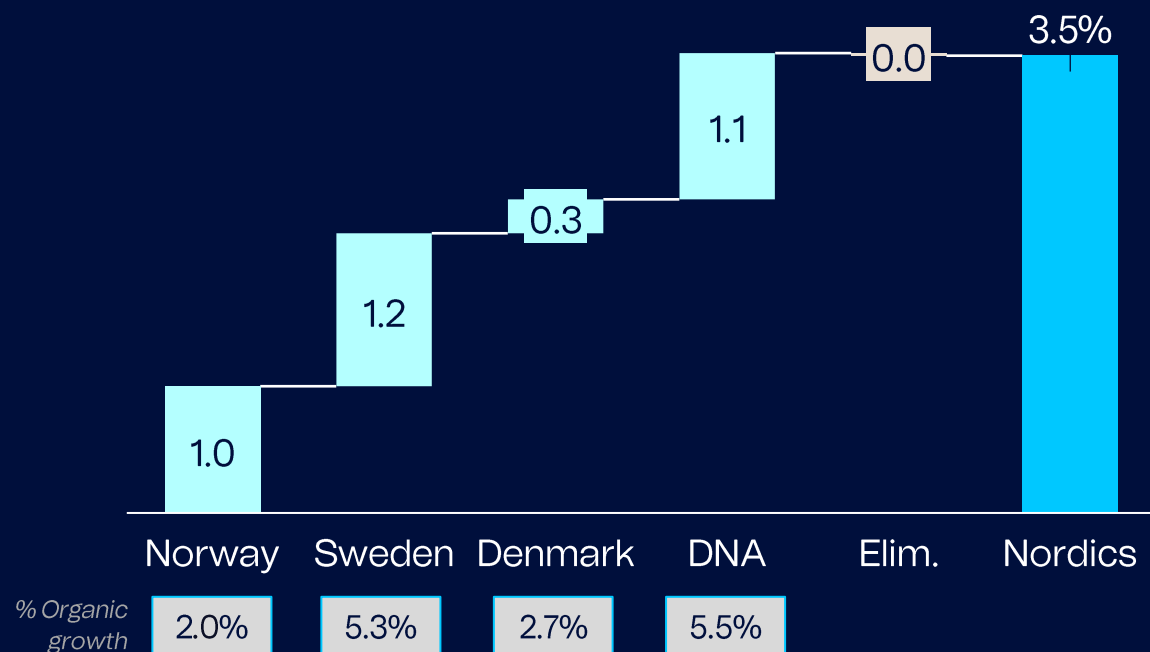
Free cash flow  
before M&A (NOK)



# Telenor Nordic in line with Outlook

## Organic service revenue growth

Percentage-point contribution to YoY %-growth



Service revenues of 3.5%  
EBITDA growth of 2%



Opex growth of 2%  
despite inflation



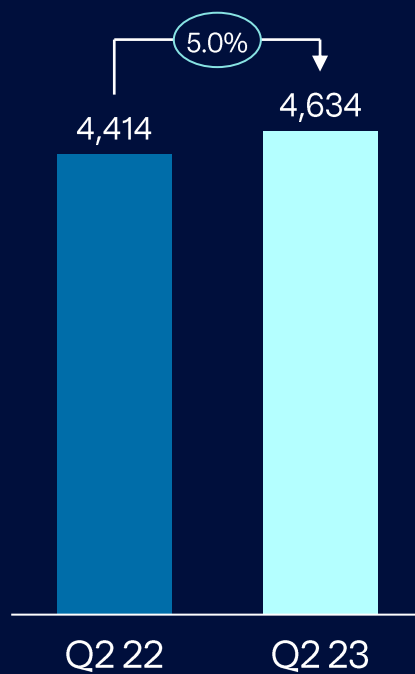
Capex/sales of 17%, in  
line with FY outlook

# Telenor Asia – good underlying Revenue and EBITDA

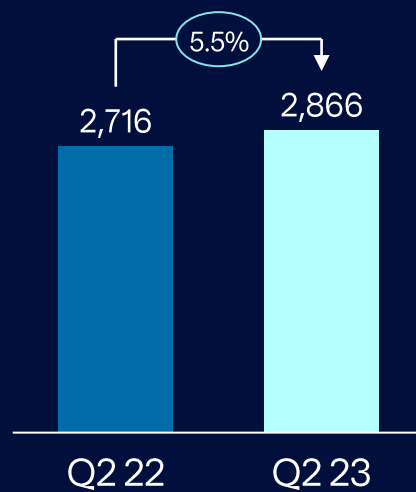
## Grameenphone and Telenor Pakistan

NOK million

### Organic service revenues:



### Organic EBITDA:



Data revenue growth and price actions driving service revenues



Dispute-related resolutions Grameenphone



**CelcomDigi:** quarterly dividend of NOK 0.3bn received

# Telenor Infrastructure

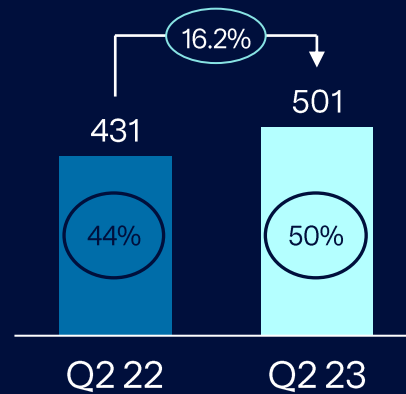
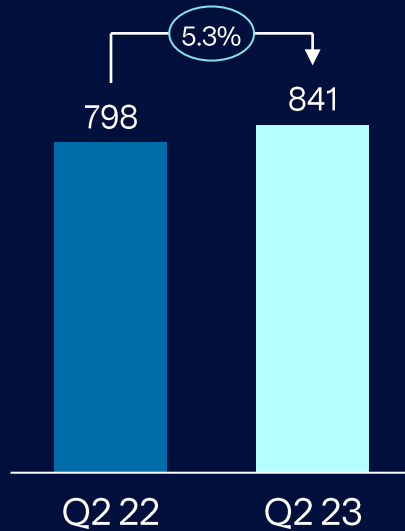
NOK million



Organic total  
revenues:

Organic  
EBITDA:

○ EBITDA margin after  
leases

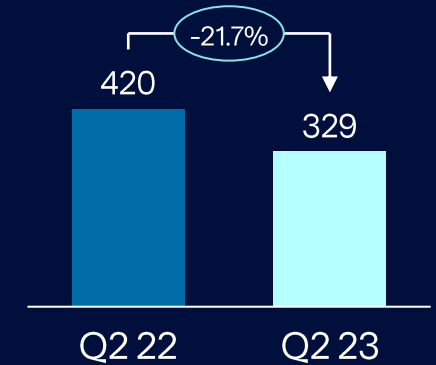
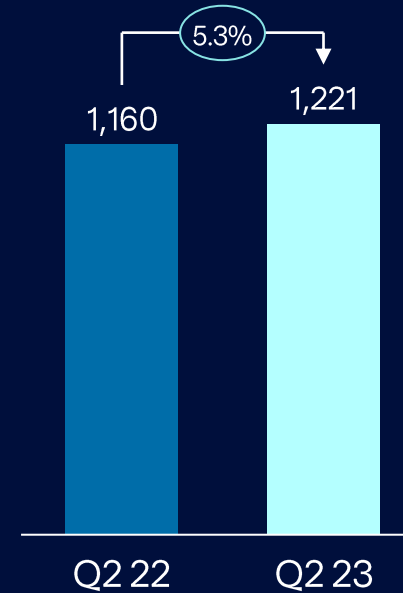


# Telenor AMP



Organic total  
revenues:

Organic  
EBITDA:



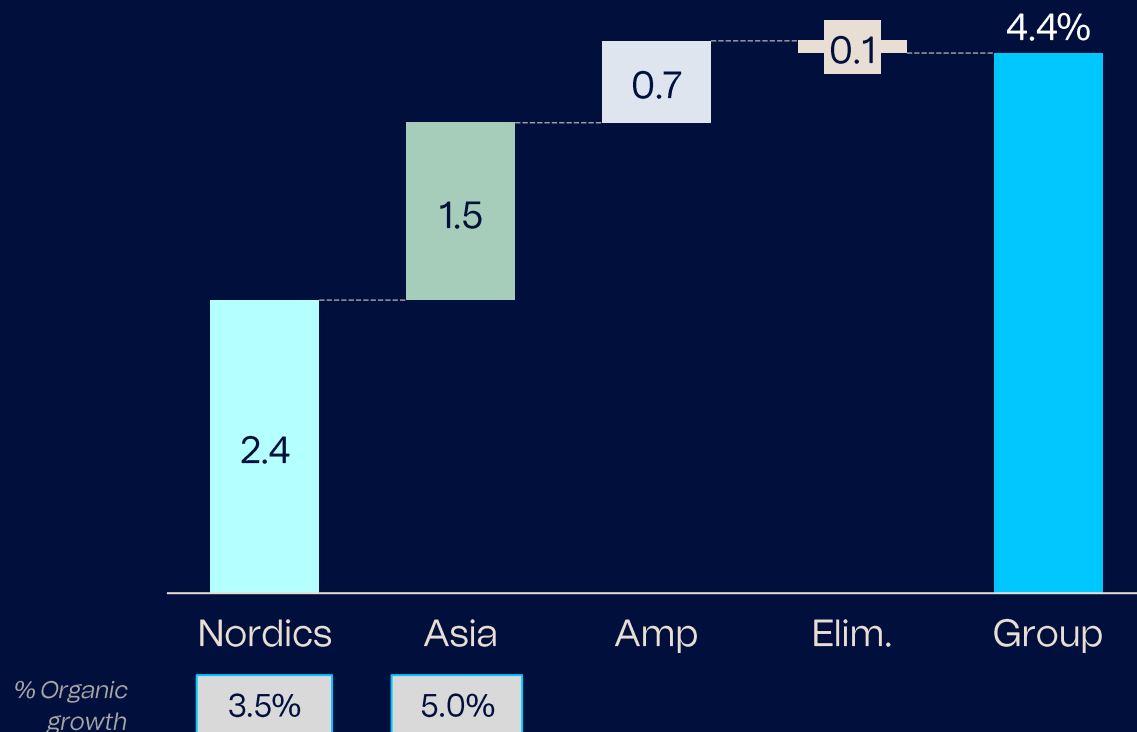
Note: Growth rates in constant functional currencies, further FX changes in underlying business currencies could apply.



# Service revenue growth across business areas

## Group organic service revenue growth

Percentage-point contribution to YoY %-growth

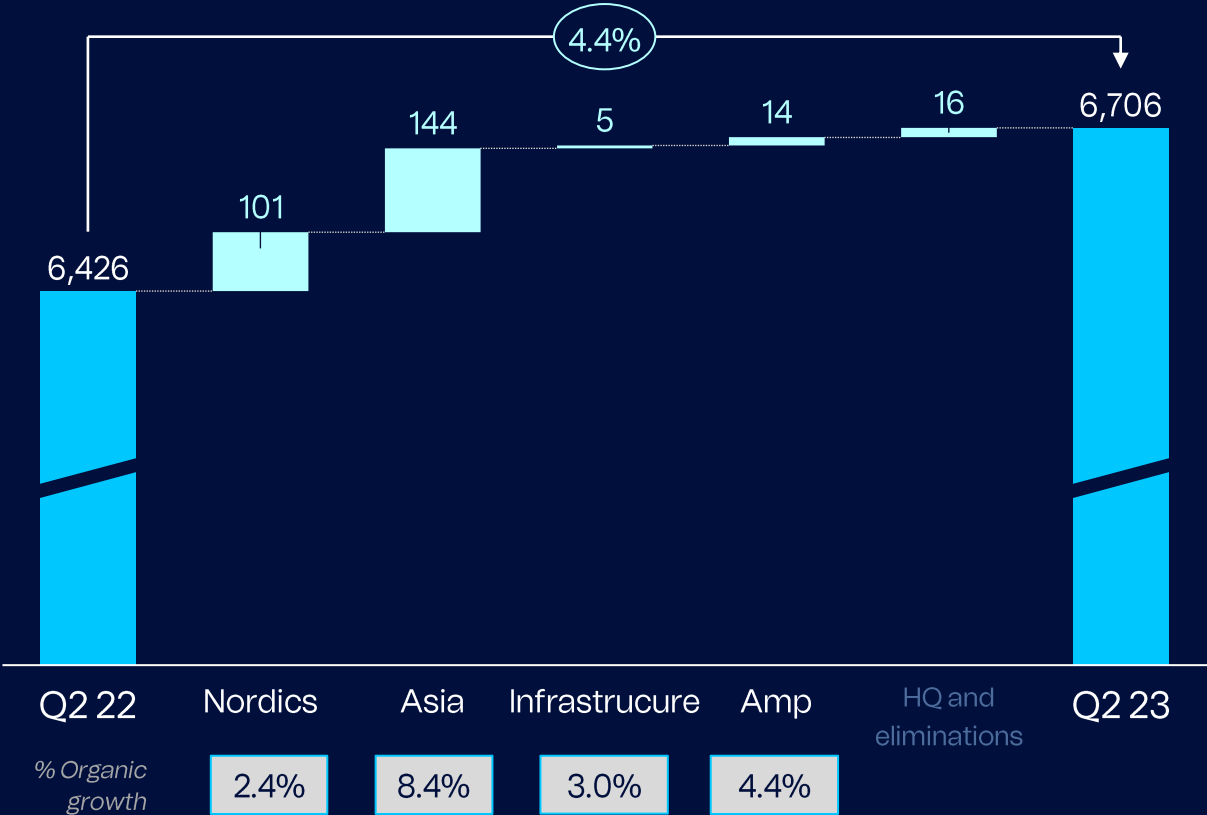




# OPEX increased by 4%

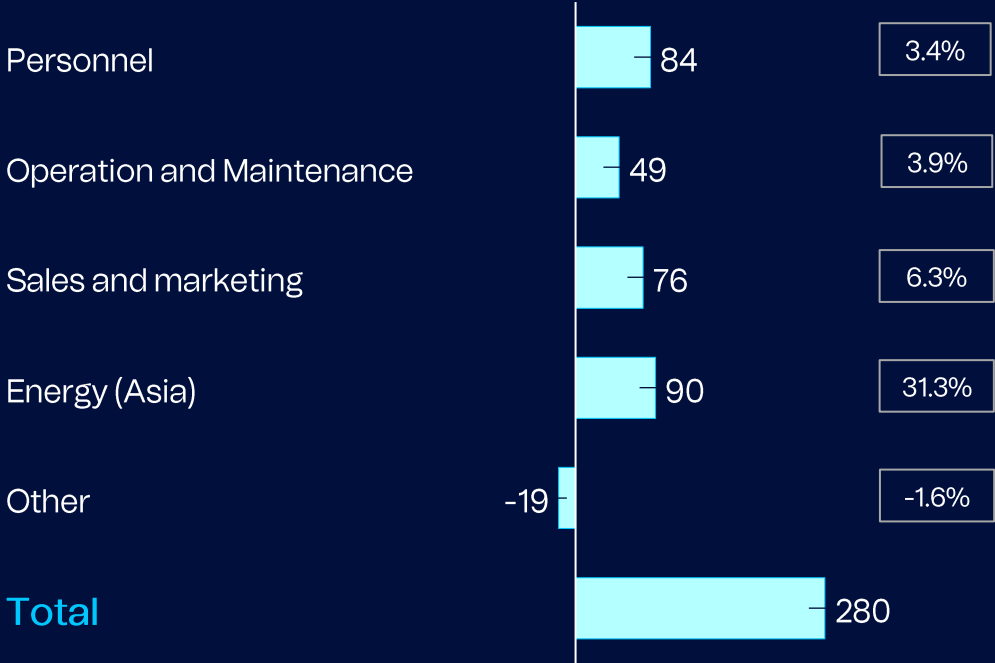
## Quarterly OPEX (NOK million)

Q2 YoY organic change



## YoY OPEX change by category (NOK million)

Q2 YoY change, %

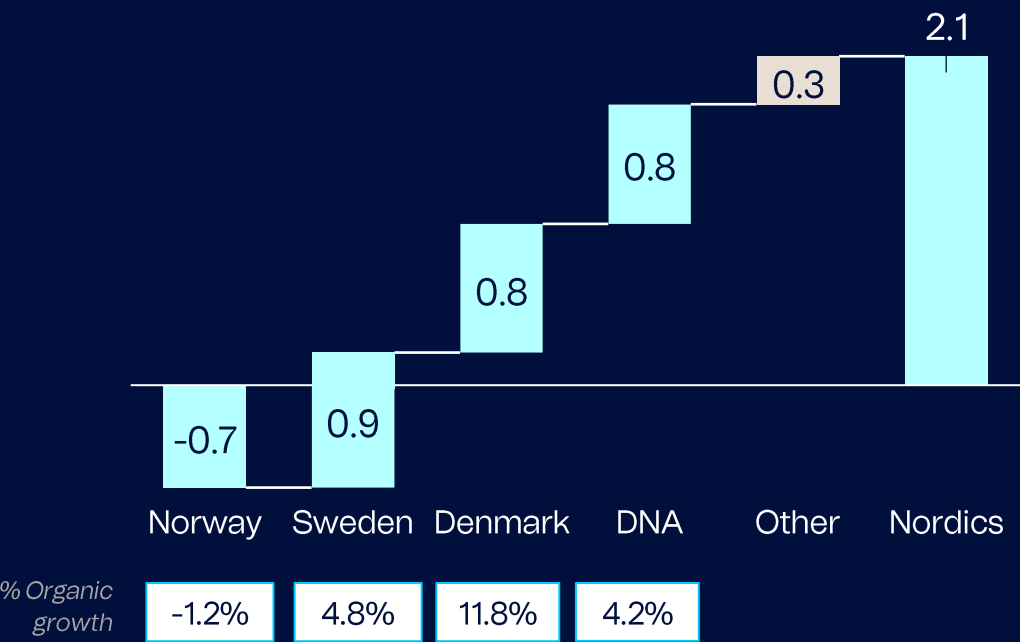


# Group EBITDA growth of 4%

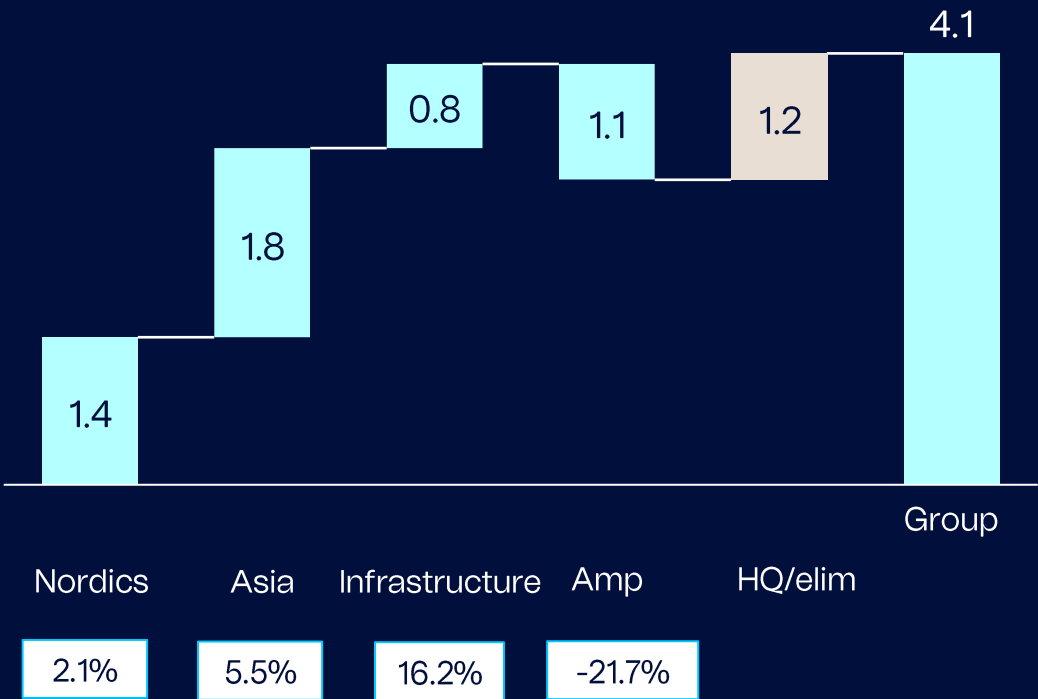
## Organic EBITDA growth

Percentage-point contribution to YoY %-growth

### NORDICS



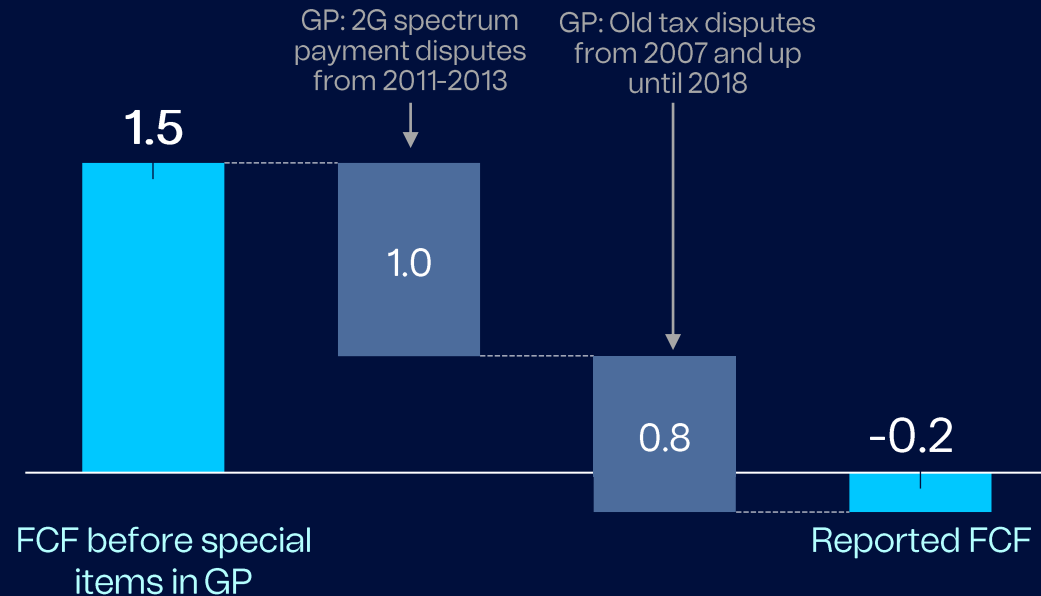
### GROUP



# Free cash flow before M&A negatively affected by special items in Grameenphone and timing effects

In Q2, NOK 1.7 bn of FCF relates to disputes in GP

NOK billion



...while other major items also impacted reported FCF

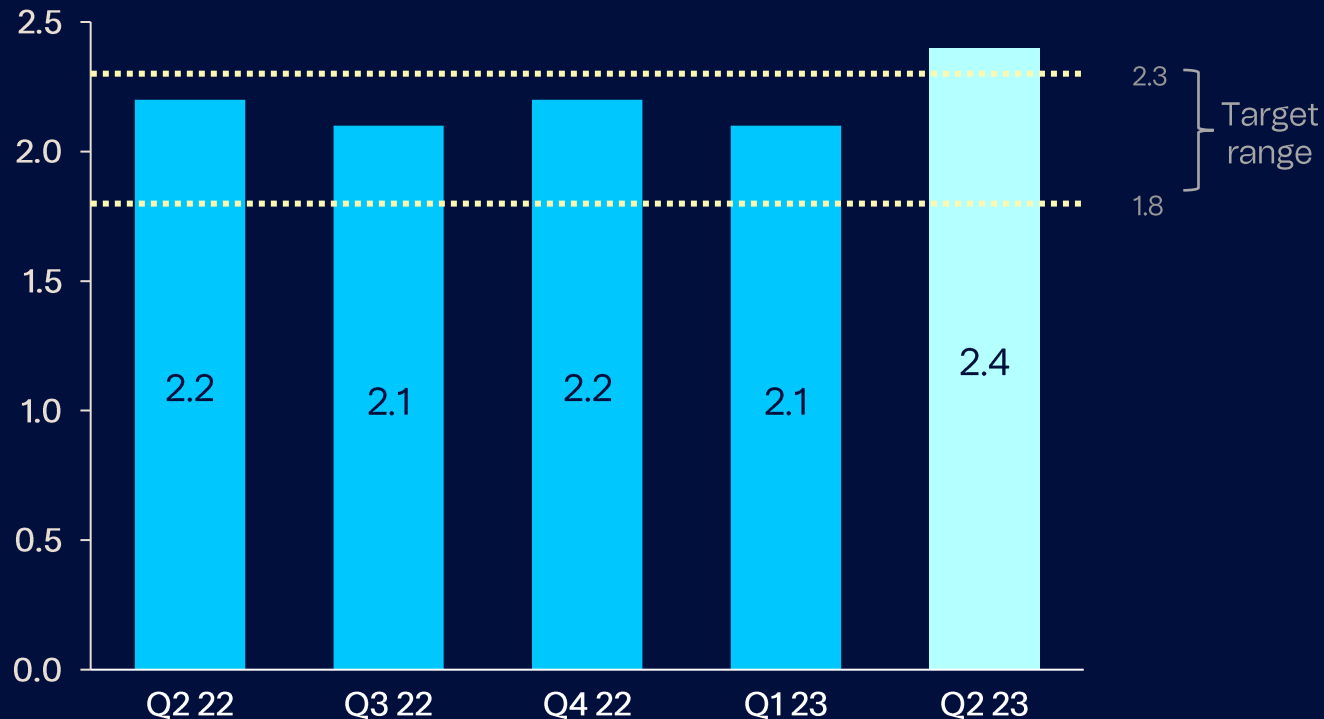
Spectrum instalments in Asia **NOK 0.7 bn**

Dividend payment to minority in Grameenphone **NOK 0.6 bn**

We expect significantly improved FCF in second half of 2023

# Leverage affected by currency and Asia items

## Leverage Ratio\*



- Net leverage is above our target range as of Q2
- Affected by the combination of Asia FCF items, adverse currency movements and dividend payments
- We expect leverage to return to the targeted range as we execute on our strategy in 2023-2025



# Outlook reaffirmed

## TELENOR NORDICS

		Q1 23	Q2 23		2023	Mid-term 2023-2025
Organic Service Revenues growth	>	2%	3.5%	>	Low to mid single-digit	Low to mid single-digit
Organic EBITDA growth	>	0%	2%	>	Low to mid single-digit	Mid single-digit
Capex/sales	>	19%	17%	>	Around 17%	Nordic capex ~NOK 2 bn lower in 2025 vs 2022

Q2 2023

Organic service revenue growth in fixed functional currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excluding lease.

# Q&A