



TELENOR GROUP

First quarter 2019

Sigve Brekke, CEO

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This presentation contains statements regarding the future in connection with the Telenor Group's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the slide "Outlook for 2019" contains forward-looking statements regarding the Telenor Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

The comments in the presentation are related to Telenor's development in 2019 compared to the same quarter of 2018 and accounting standards as of 31 December 2018, unless otherwise stated. Outlook for 2019 is given on the IAS17/IFRS 15 accounting standard.

Highlights - First quarter 2019

Organic subscription and traffic revenue growth of 1% and EBITDA growth of 2%*

1.2 million new subscribers and sequential revenue stabilisation in Myanmar

Double digit revenue growth in Bangladesh and Pakistan

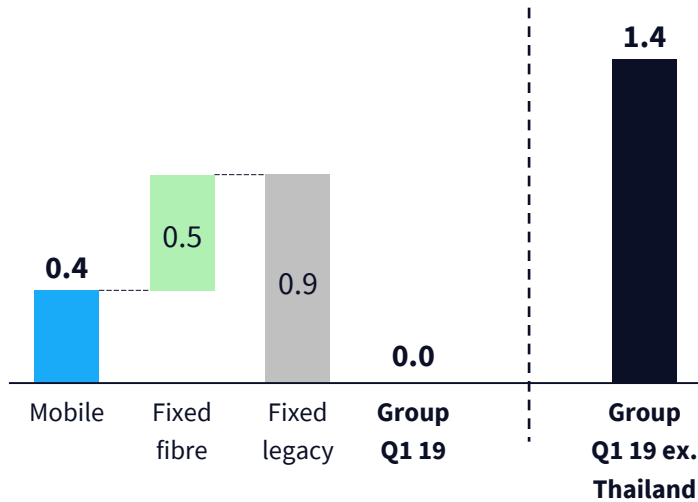
Fibre momentum and mobile subscription and traffic revenue growth of 2% in Norway

* Excluding Thailand



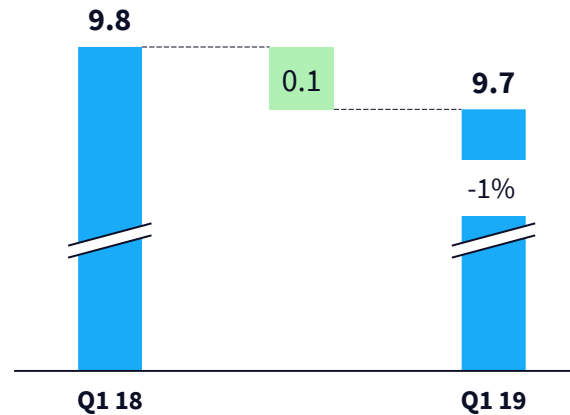
Financial performance in line with outlook for the year

Organic S&T revenues growth (%)



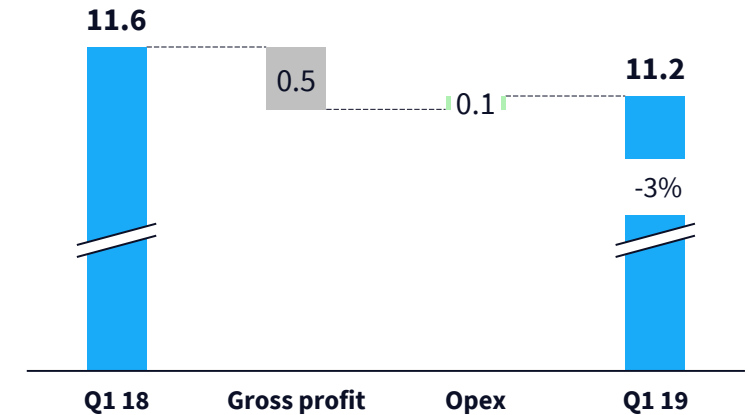
- > Subscription and traffic revenue growth in line with full year outlook

Opex* (NOK bn)



- > 1% reduction in opex driven by continued efficiency improvements

EBITDA* (NOK bn)



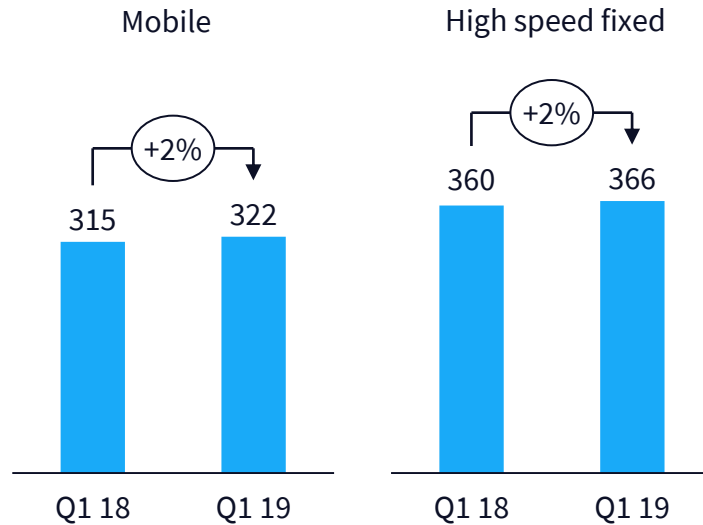
- > Excluding Thailand, organic EBITDA growth was 2%

* FX adjusted



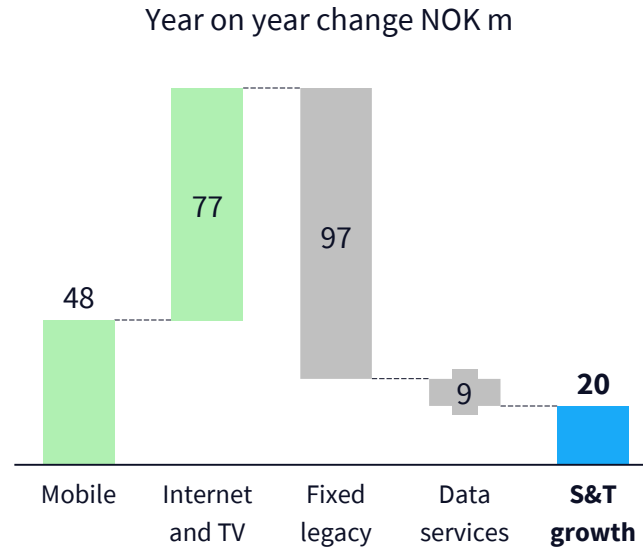
Steady progress on growth and efficiency in Norway

ARPU growth



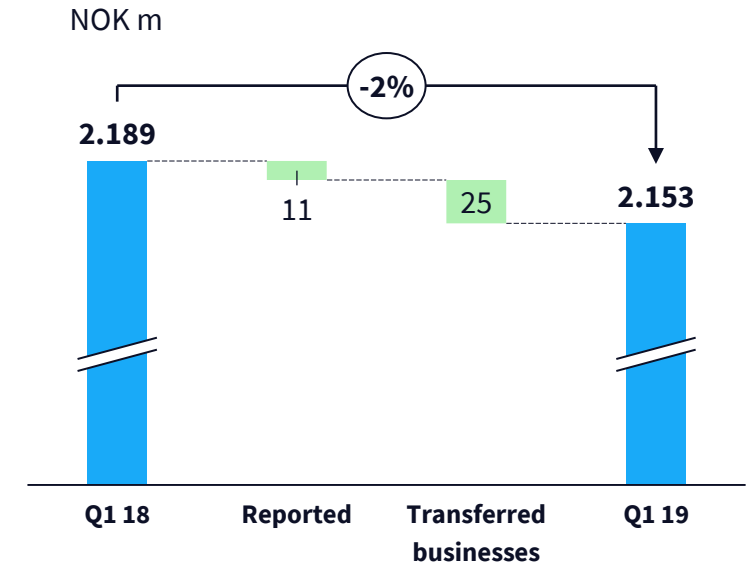
- > Growth in both mobile and high speed fixed broadband ARPU

Stable subs and traffic revenues



- > Strong fibre growth more than offset by decrease in copper related products

2% underlying opex reduction



- > Adjusted for transfer of businesses from Group, opex decreased by 2%





Maintaining our priorities for 2019

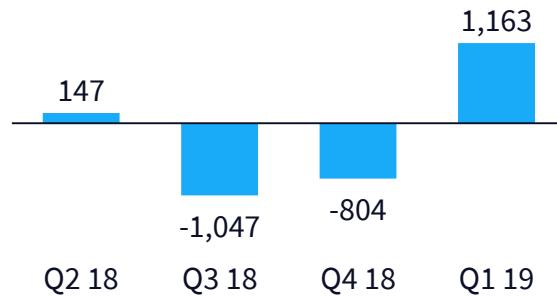
- › Back to growth in Thailand and Myanmar
- › Strengthen positions within Internet of Things and the Business segment
- › Continue to drive digital transformation, structural efficiency and further simplification
- › Modernise infrastructure, including 5G readiness, and fibre roll-out in Norway



...with good progress in the first quarter

Subscriber growth and revenue stabilisation in Myanmar

Subscriber growth ('000)



- Strongest subscriber growth since Q2 2016
- Stable subscription and traffic revenues vs Q4 2018

Improving efficiency in Group functions

NOK 500m

- New initiative to modernise Group Functions
- Opex savings of NOK 500m, of which 300m in 2019

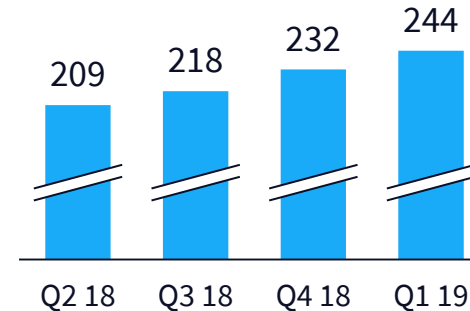
Launch of IoT solutions in Bangladesh and Pakistan



- B2B fleet tracking solution launched in Pakistan
- IoT solutions in Bangladesh with partners, both for B2C and B2B.

Good momentum on fibre roll-out in Norway

Fibre connections ('000)



- On track for 60,000 new fibre connections in 2019
- Growth in fibre revenues of 20% year on year



Consolidating the Nordic portfolio through acquisition of majority stake in DNA in Finland

Good fit

Consolidating Nordic position and balancing portfolio

Attractive market

Finland is an advanced and growing market

Quality asset

An integrated challenger with solid track record and growth potential

Value accretive

Value accretive transaction for Telenor - with synergies and growth opportunities





TELENOR GROUP

First quarter 2019

Jørgen C. Arentz Rostrup, CFO

Continuing to modernise Telenor



GROWTH

- 1% Mobile S&T revenue growth
- 20% fibre revenue growth in Norway
- 2.3 million new subscribers



EFFICIENCY

- 1% opex reduction
- New initiative to address cost base in Group Functions
- Improving operating model for tower infrastructure in Norway



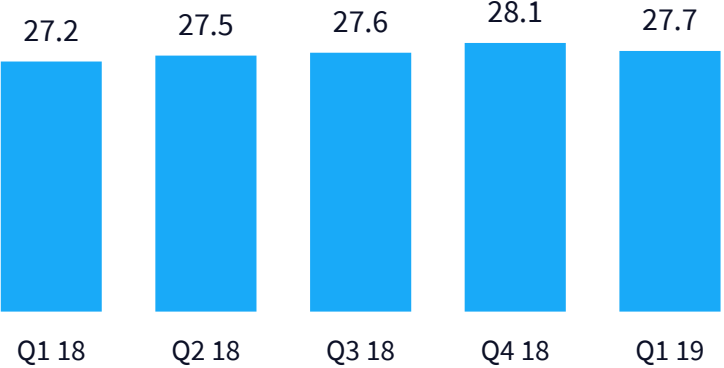
SIMPLIFICATION

- Further sell-down in VEON
- Partial disposal of Wave Money in Myanmar
- Finalised the sale of Telenor Banka in Serbia
- Reviewing full or partial divestment of real estate portfolio in Norway

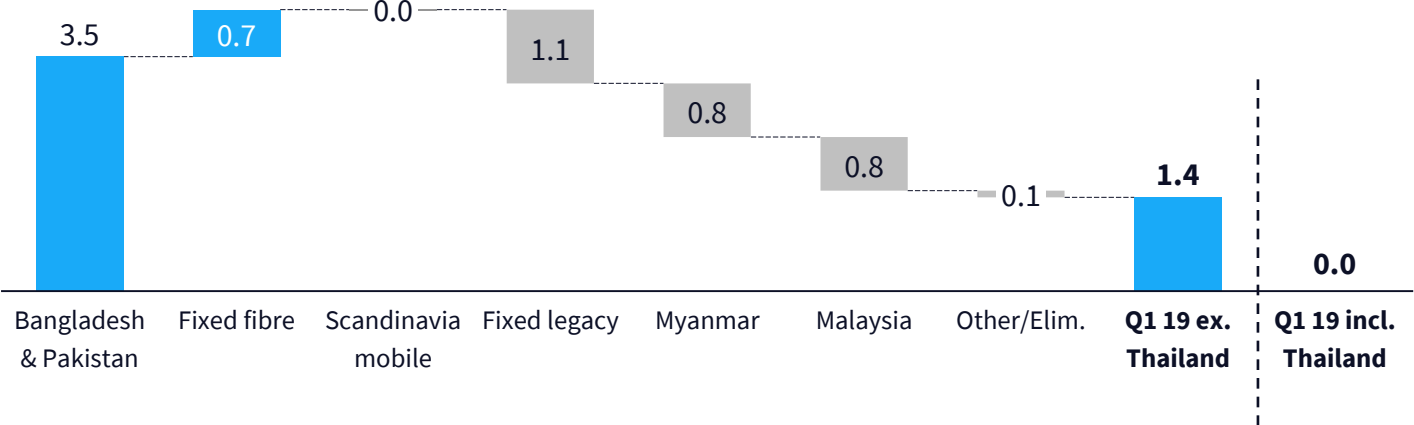


Stable revenues despite pressure from developed Asia, Myanmar, and fixed legacy services

Total revenues (NOK bn)



Organic subscription & traffic revenues growth (%)



- > Reported revenues increased by 2%
- > FX adjusted revenues remained stable

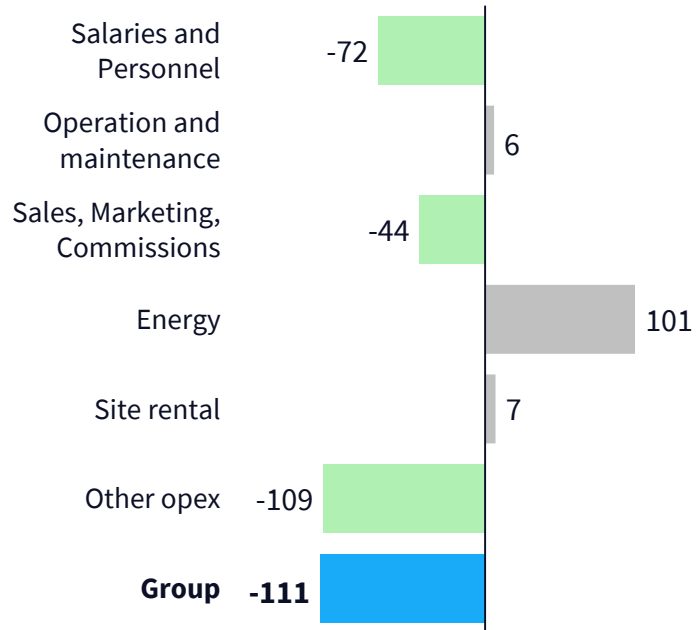
- > Strong growth in Bangladesh and Pakistan and good fibre momentum
- > 1% organic growth excluding Thailand

Organic growth rate. Subscription & traffic revenues defined as revenues from mobile subscription & traffic, fixed internet & TV, retail telephony, data services and DTH

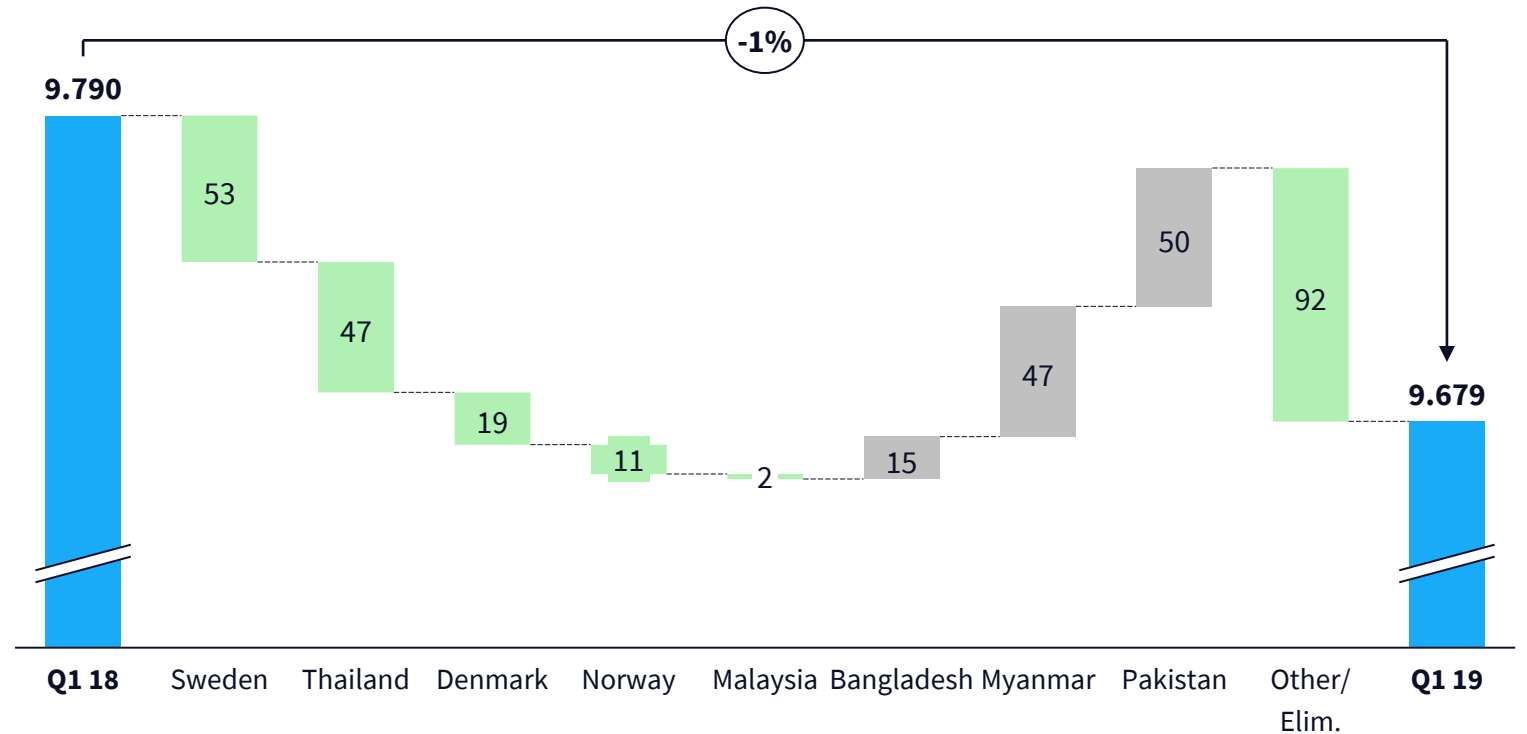


Net opex reductions in Q1 2019 of NOK 0.1 bn (-1%)*

Opex by category (NOK m)*



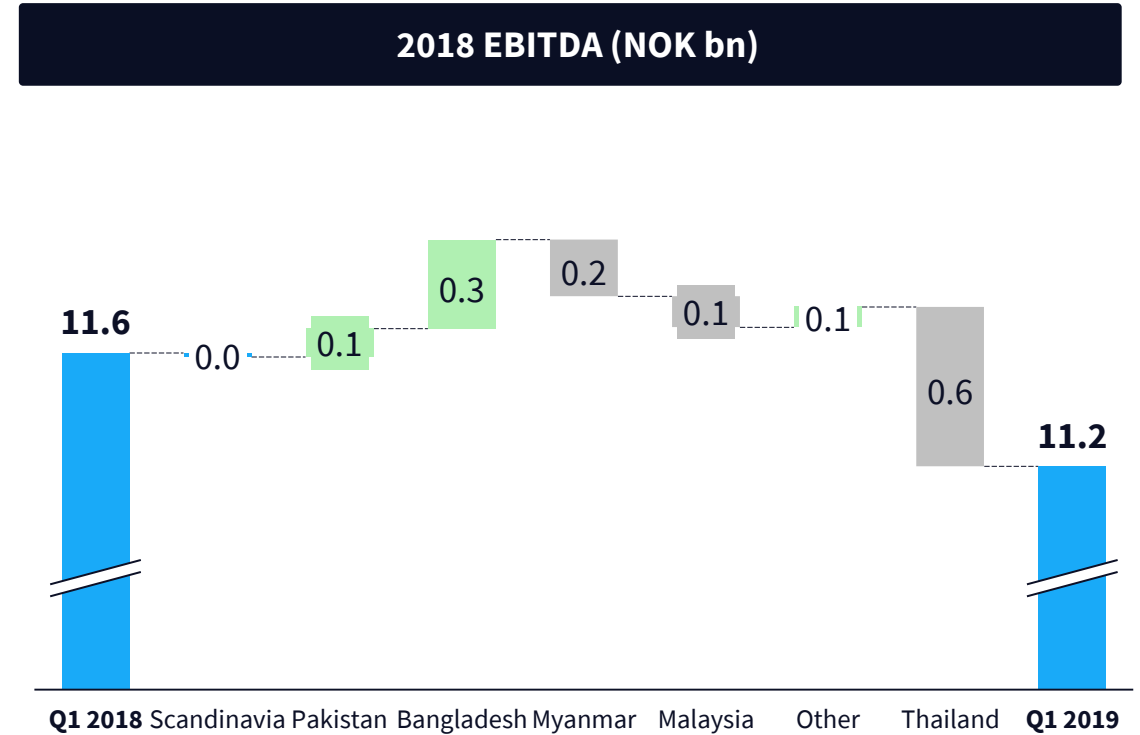
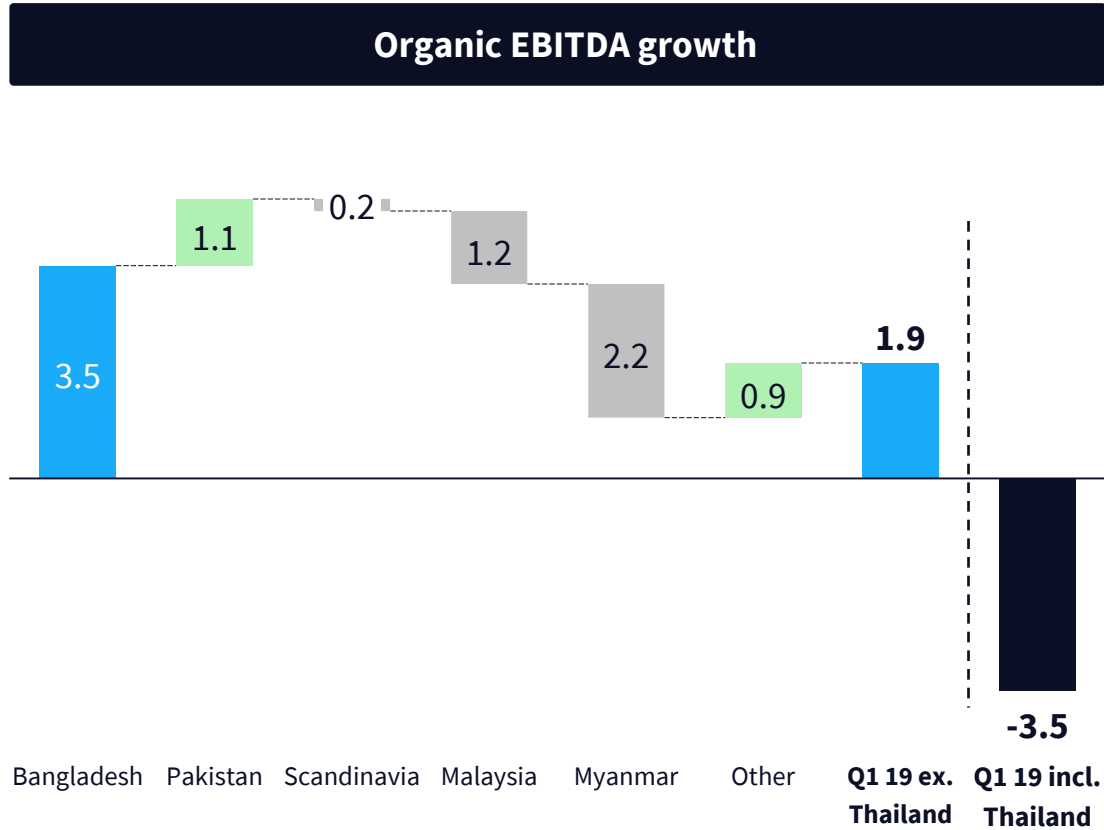
Opex development by country (NOK bn)*



* FX adjusted



2% EBITDA growth excluding Thailand - in line with guidance



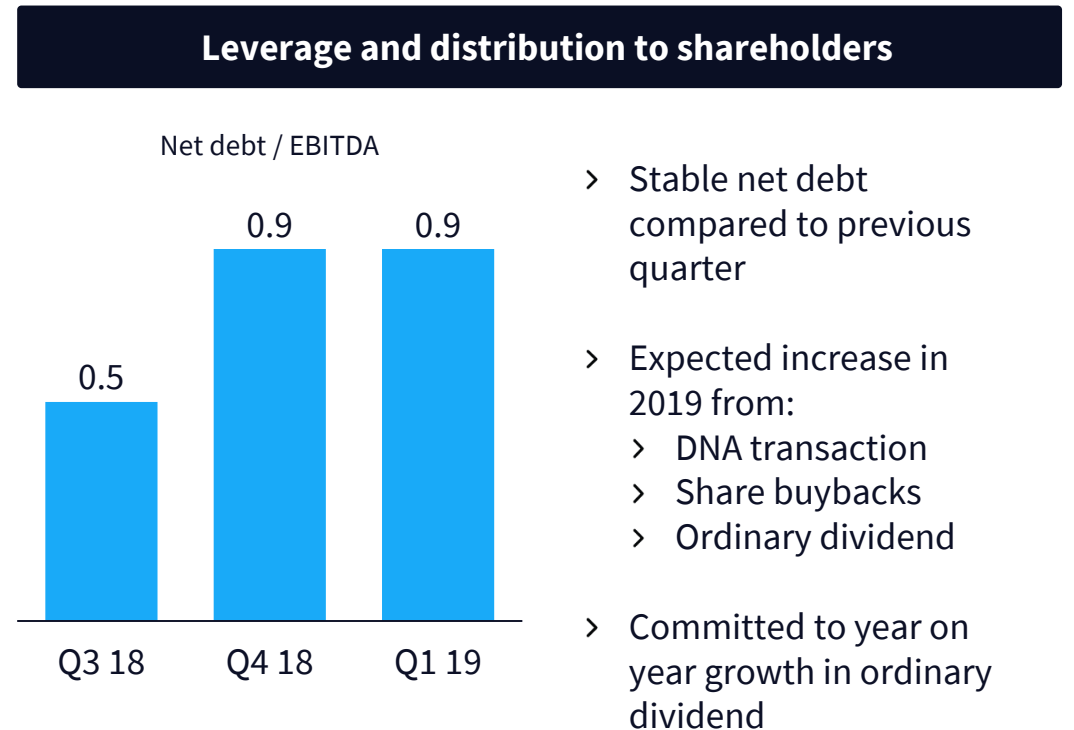
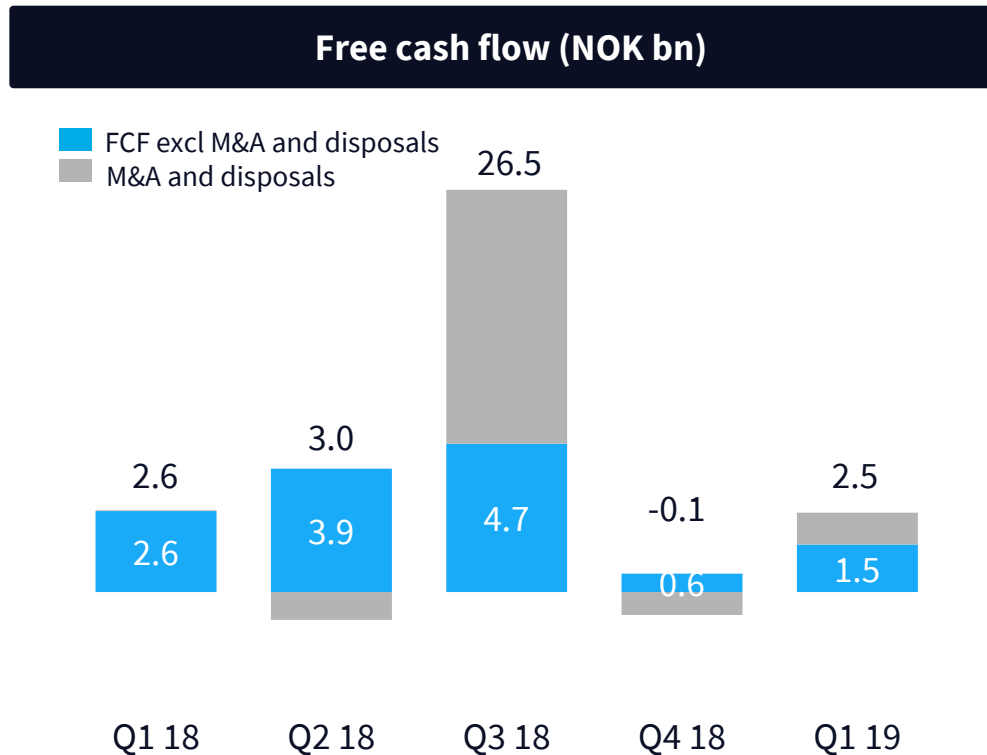
Net income of NOK 3.9 billion to equity holders of Telenor



○ Earnings per share



Free cash flow excluding M&A of NOK 1.5 bn



Free cash flow to equity holders of Telenor ASA



Limited impact on net income from IFRS 16

	IAS 17/IFRS 15	Impact	IFRS 16
Revenues	27,709	(65)	27,644
Cost of goods sold	(6,856)	125	(6,730)
Operating expenses	(9,679)	1,190	(8,489)
EBITDA	11,175	1,250	12,425
Depreciation and amortisation	(4,526)	(1,124)	(5,649)
Financial income and expense	32	(243)	(212)
Profit before tax*	6,659	(117)	6,542
Net income	4,824	(80)	4,744

* including discontinued operations



Outlook for 2019 maintained

	2019	YTD	
Organic growth in subscription & traffic revenues	0-2%	1.4%	Excluding Thailand
Organic EBITDA growth	1-3%	1.9%	Excluding Thailand
Capex excl. licences (NOK bn)	16-17 bn	4.0 bn	Including Thailand

Our Thai operation dtac will give financial guidance for 2019 at their capital markets day 4 June. Group revenue and EBITDA guidance will therefore include Thailand from Q2.

Subscription & traffic revenues from mobile, fixed and TV services, incl. Canal Digital DTH. Org. revenue growth in fixed currency, adj. for acquisitions and disposals. EBITDA before other items. Current Group structure and accounting standards as of 31 December 2018.



Highlights - First quarter 2019

Organic subscription and traffic revenue growth of 1% and EBITDA growth of 2%*

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Double digit revenue growth in Bangladesh and Pakistan

Fibre momentum and mobile subscription and traffic revenue growth of 2% in Norway

* Excluding Thailand





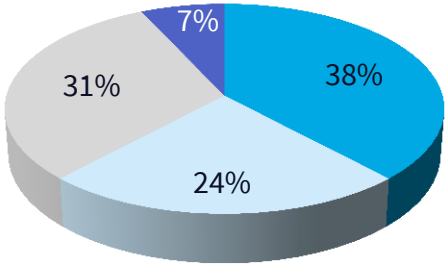
TELENOR GROUP

First quarter 2019

Appendix

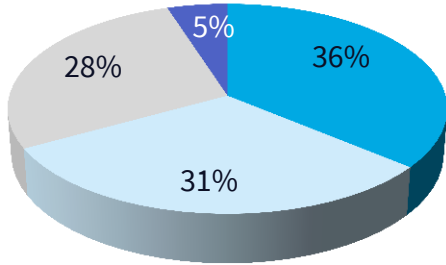
Geographic split of key financials in Q1 2019

Revenues



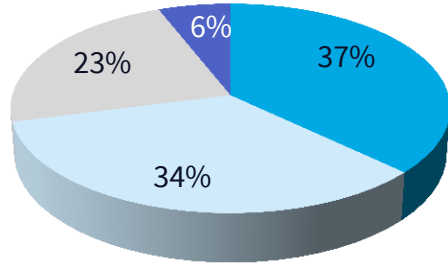
- Scandinavia
- Emerging Asia
- Developed Asia
- Other

EBITDA



- Scandinavia
- Emerging Asia
- Developed Asia
- Other

EBITDA - CAPEX



- Scandinavia
- Emerging Asia
- Developed Asia
- Other

EBITDA before other items. Capex excl. licences.



Responsible business, empowering societies

“We are well positioned to help deliver on the UN Sustainable Development Goals. We’ve chosen to focus particularly on SDG #10, “Reduced Inequalities”.

SDG #10 is ingrained in our global business strategy, the way we provide access to services that foster inclusion and empowerment, and strive to influence and raise working and operating standards in the markets we serve.”

Sigve Brekke, Telenor Group CEO

**EMPOWER
SOCIETIES**



“Best telco in Scandinavia “

“Among the 10% best in industry”



FTSE4Good

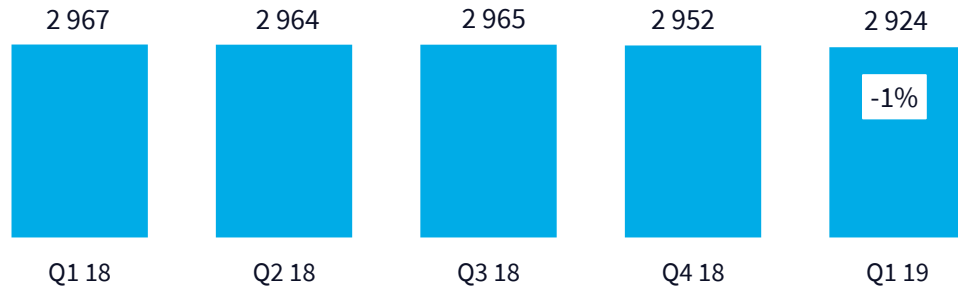
*“A constituent of the
FTSE4Good Index Series”*

*«Outperformer compared
to industry peers»*

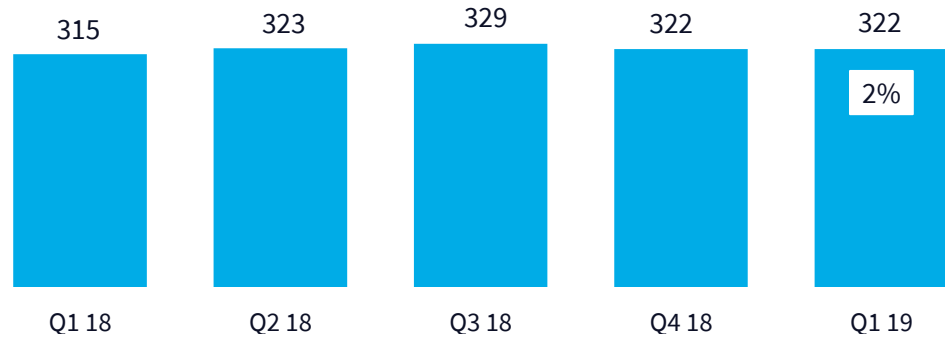


Norway

Mobile subscribers ('000)

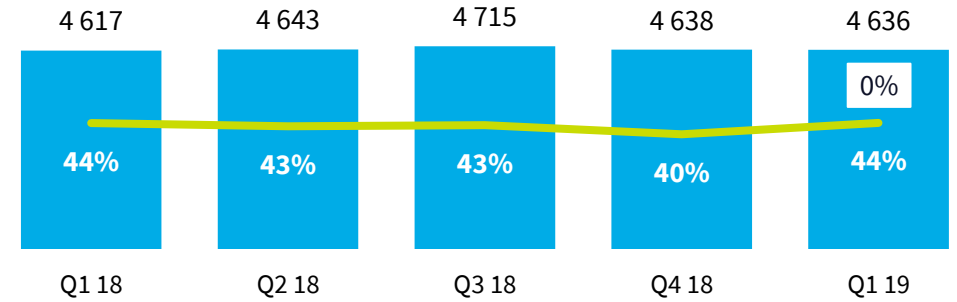


Mobile ARPU (NOK/month)

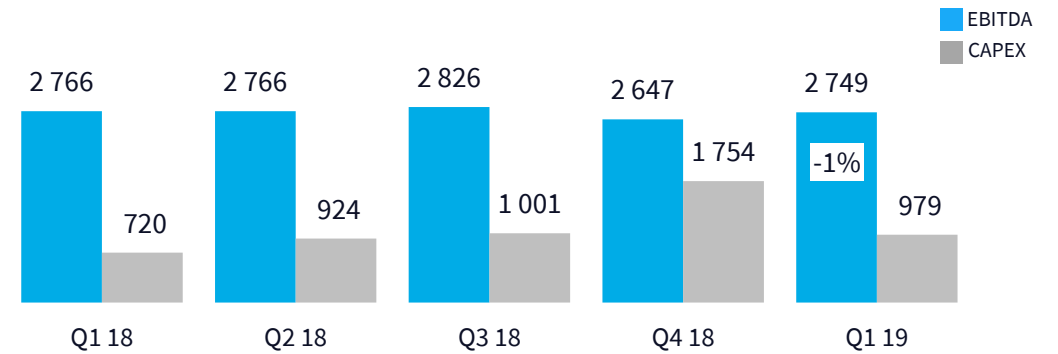


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



Organic growth

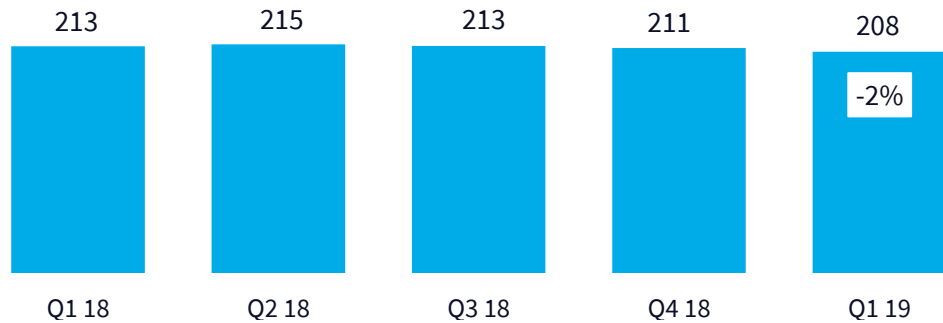


Sweden

Mobile subscribers ('000)

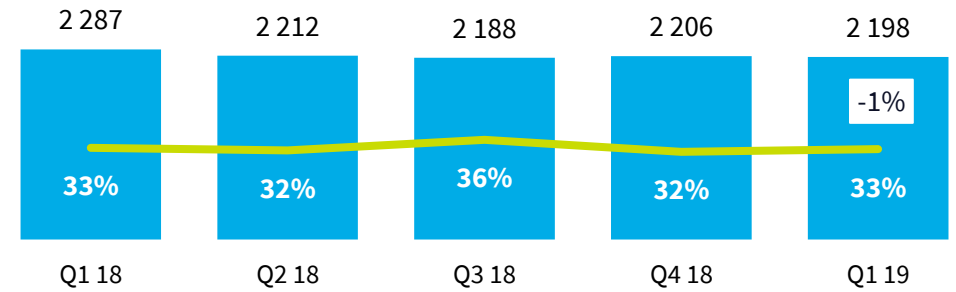


Mobile ARPU (SEK/month)

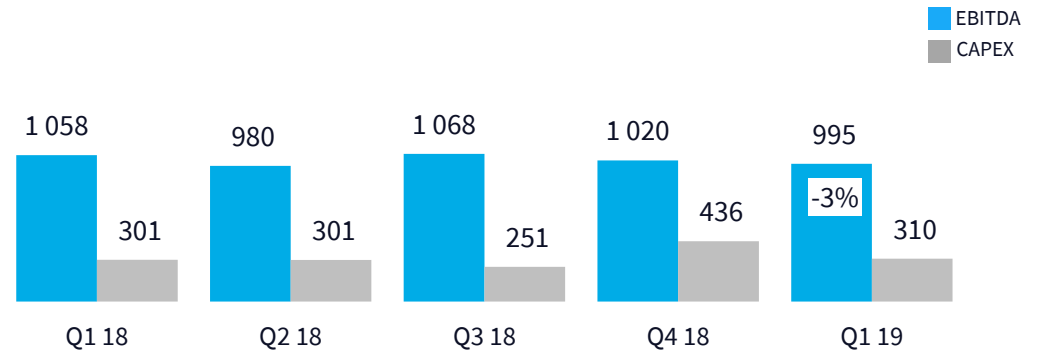


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Subs. and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

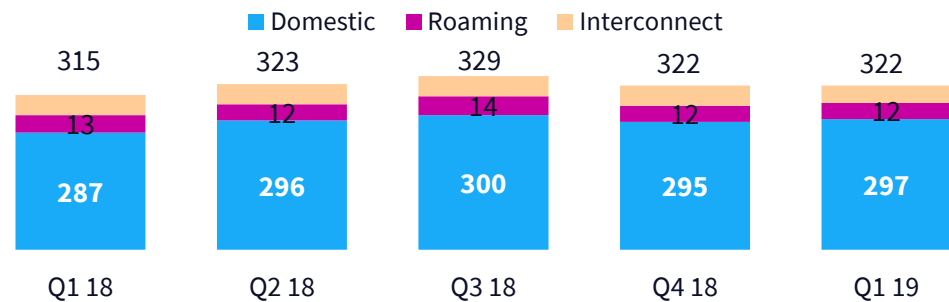


Organic growth

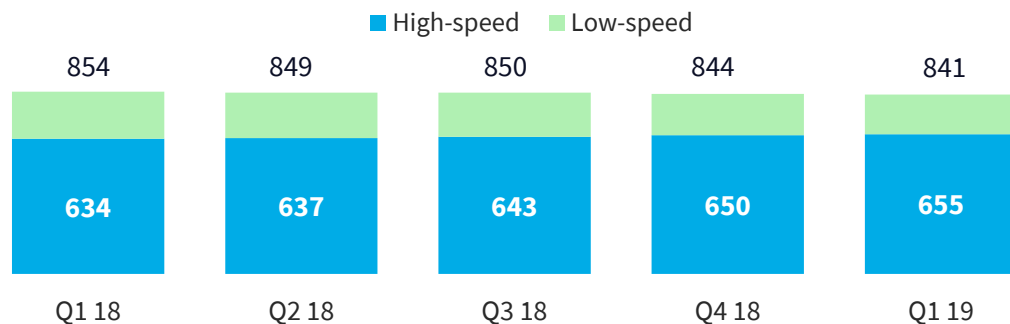


Additional information – Norway and Sweden

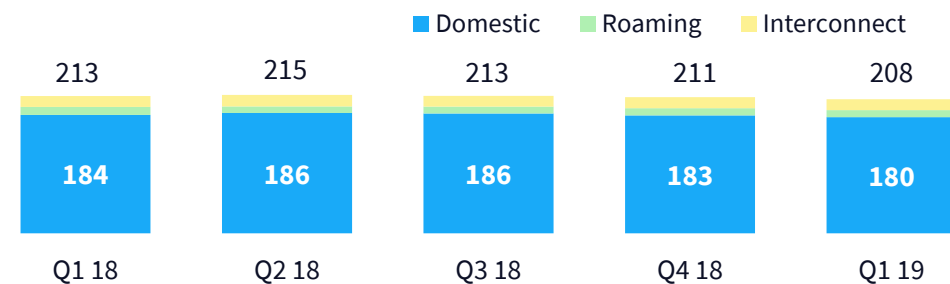
Mobile Norway – mobile ARPU (NOK)('000)



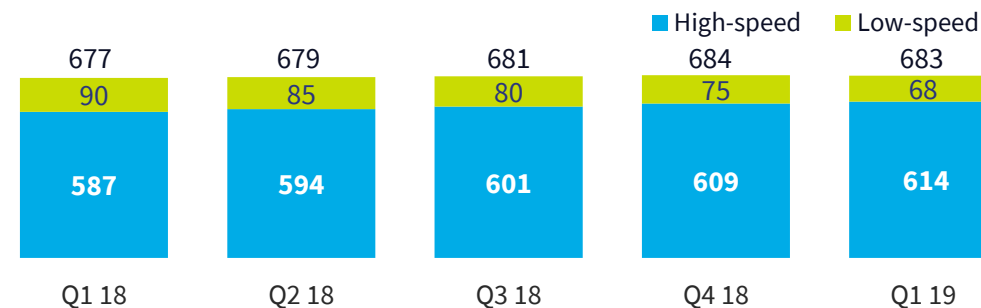
Norway – fixed broadband subscribers ('000)



Sweden – mobile ARPU (SEK)

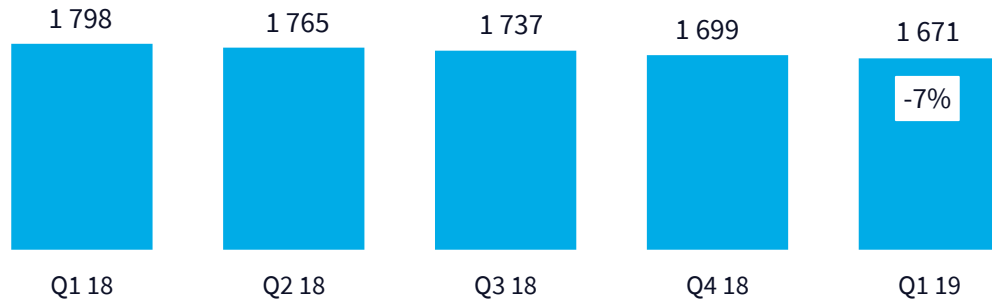


Sweden – fixed broadband subscribers ('000)

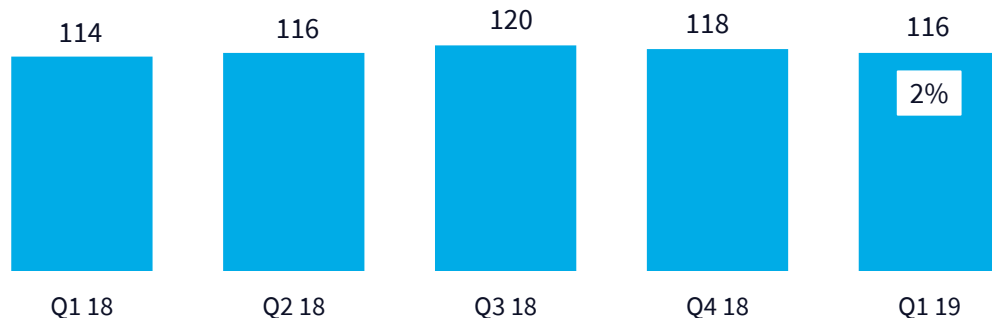


Denmark

Mobile subscribers ('000)

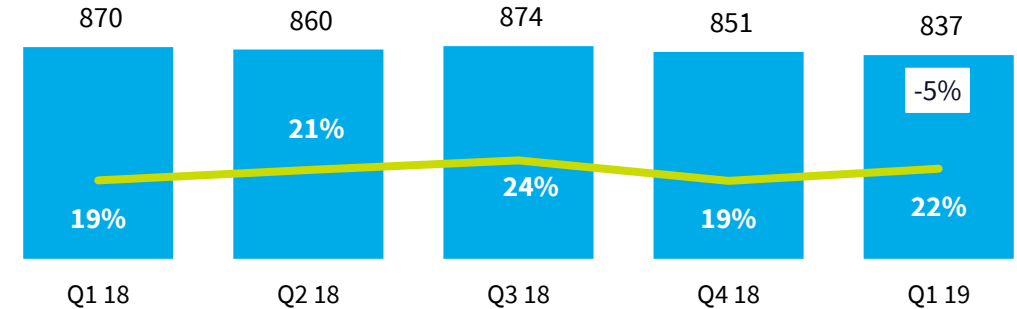


Mobile ARPU (DKK/month)

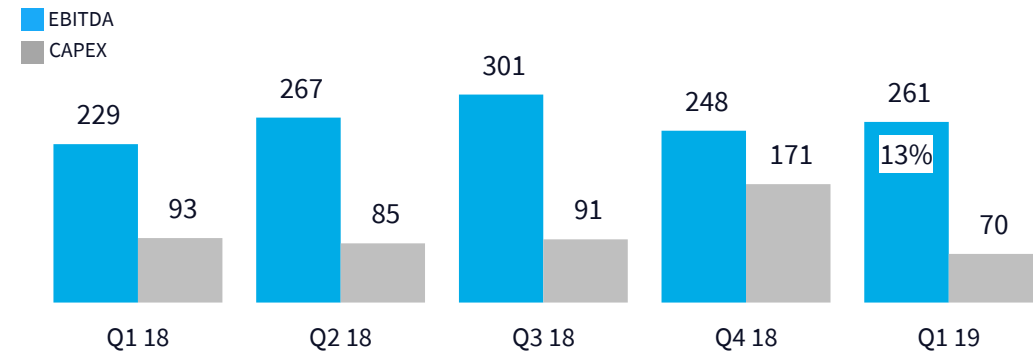


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

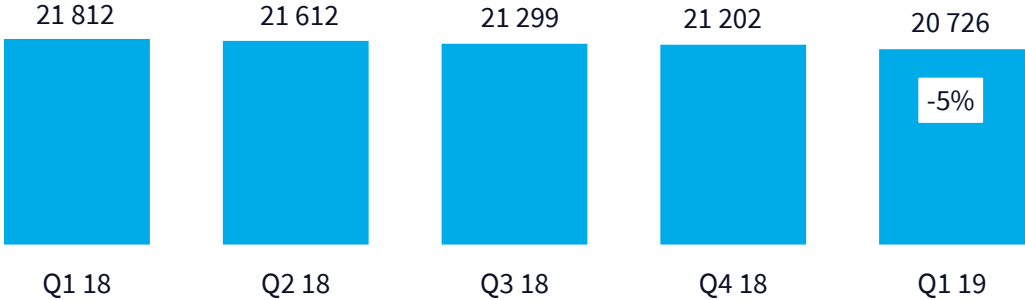


Organic growth

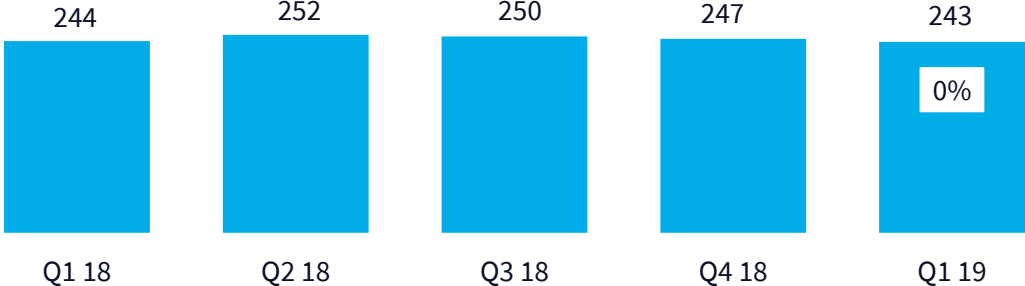


Thailand (dtac)

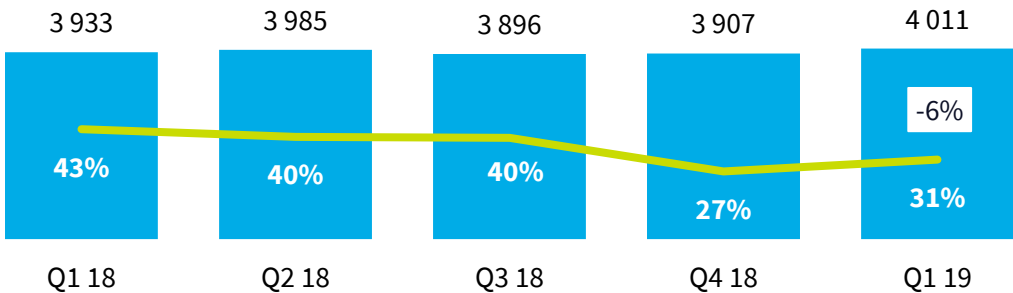
Mobile subscribers ('000)



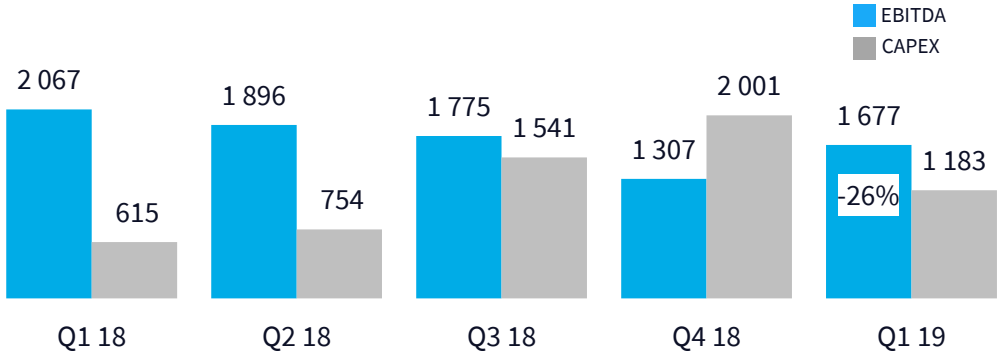
Mobile ARPU (THB/month)



Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



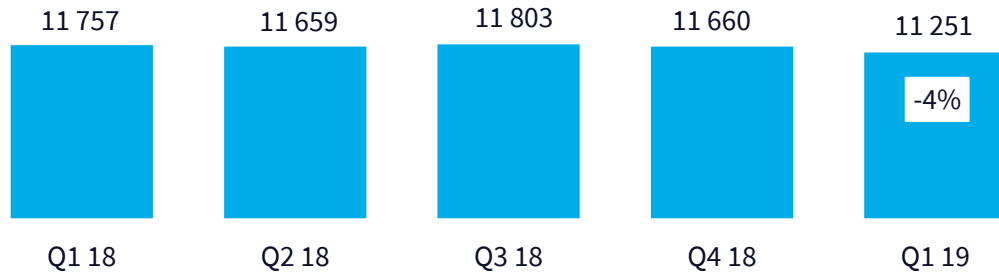
Organic growth

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

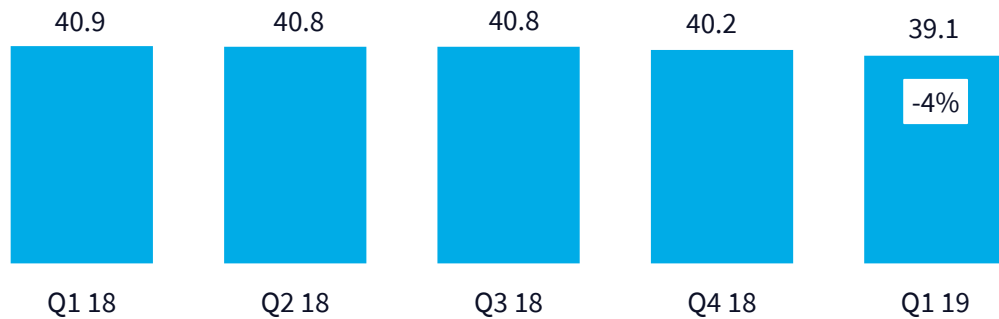


Malaysia (Digi)

Mobile subscribers ('000)

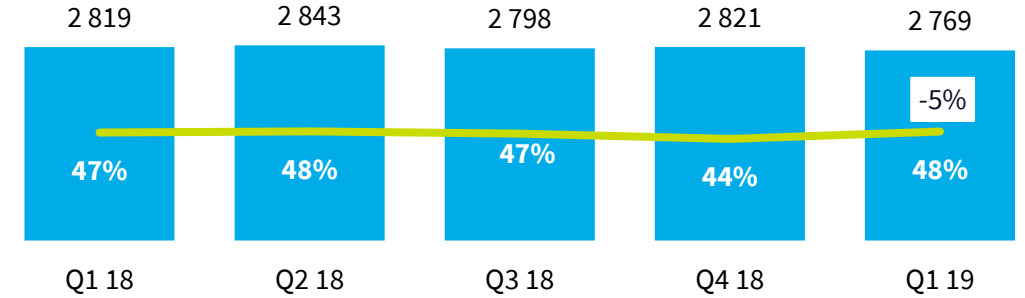


Mobile ARPU (MYR/month)

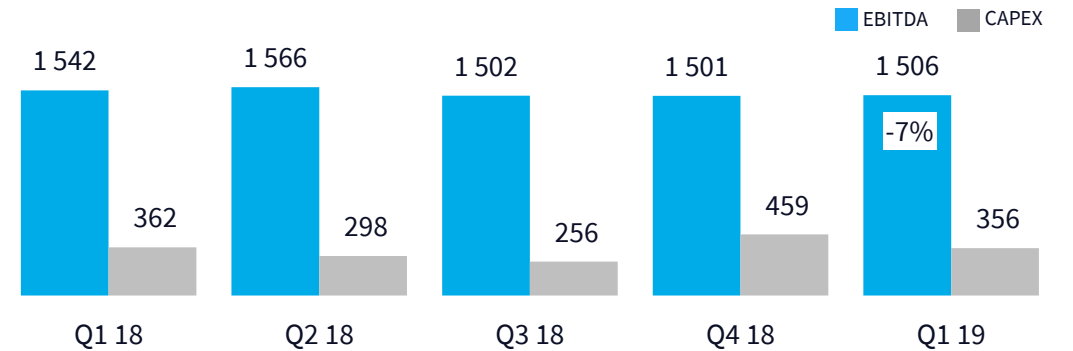


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



Organic growth

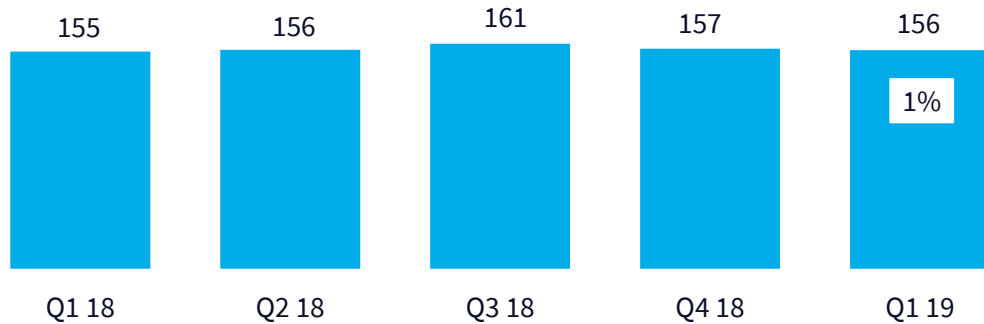


Bangladesh (Grameenphone)

Mobile subscribers ('000)

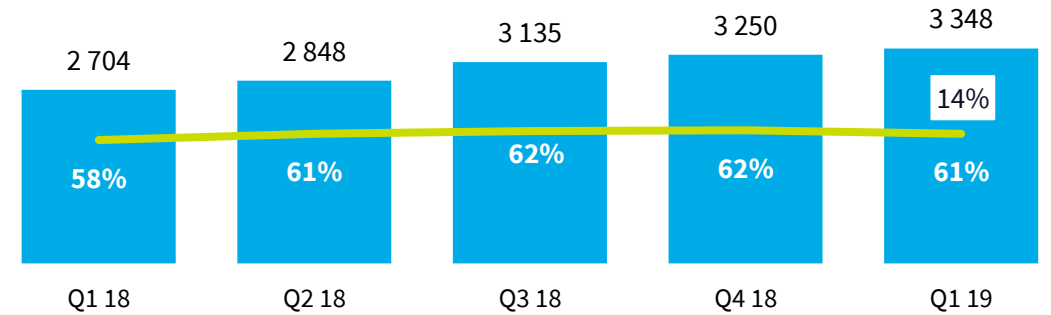


Mobile ARPU (BDT/month)

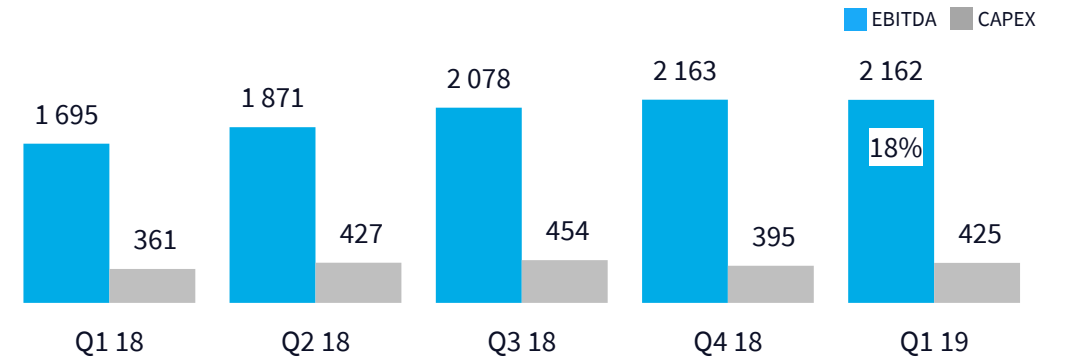


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

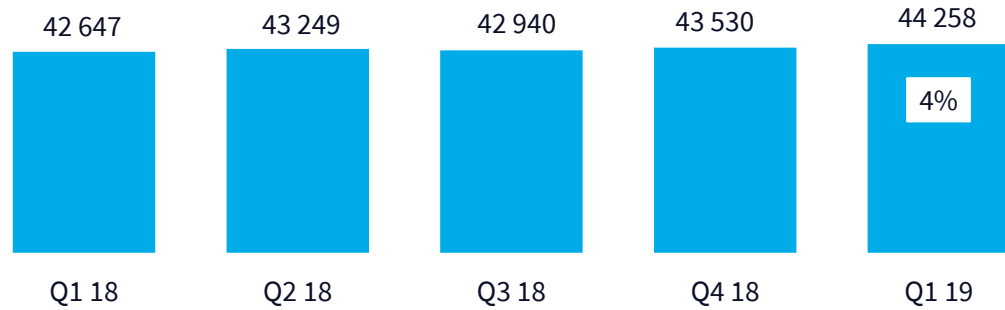


Organic growth

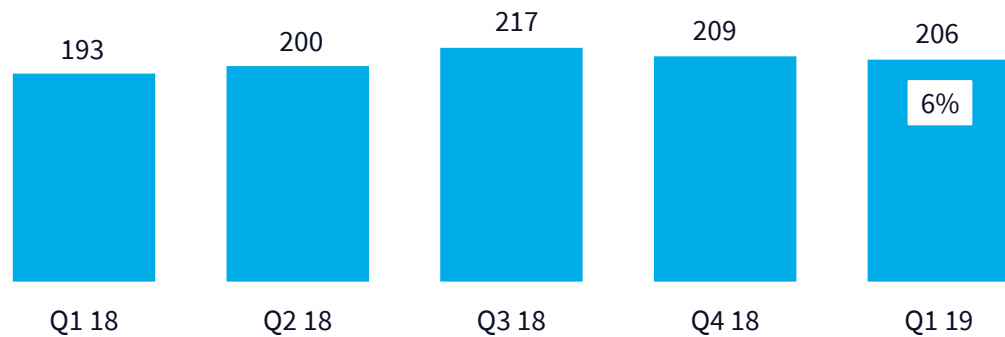


Pakistan

Mobile subscribers ('000)

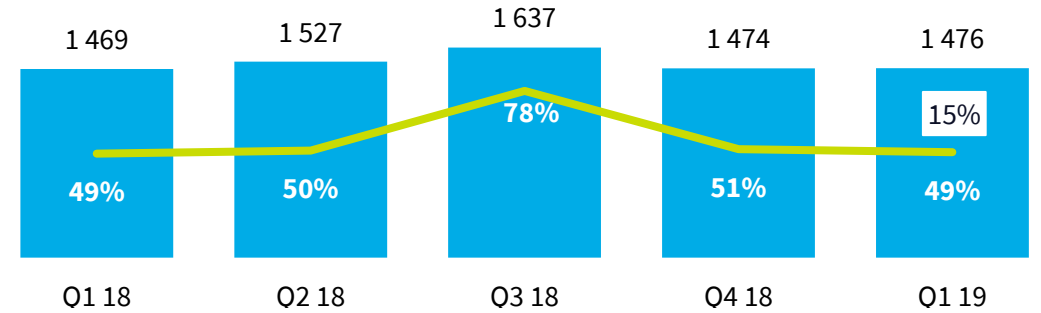


Mobile ARPU (PKR/month)

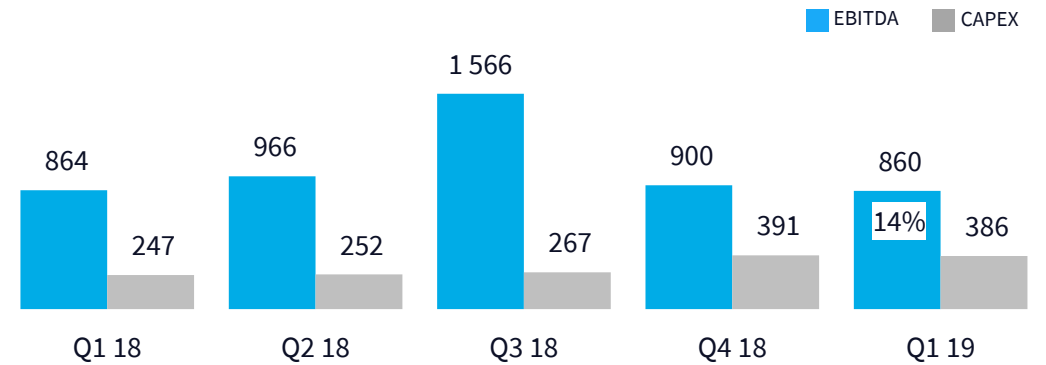


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

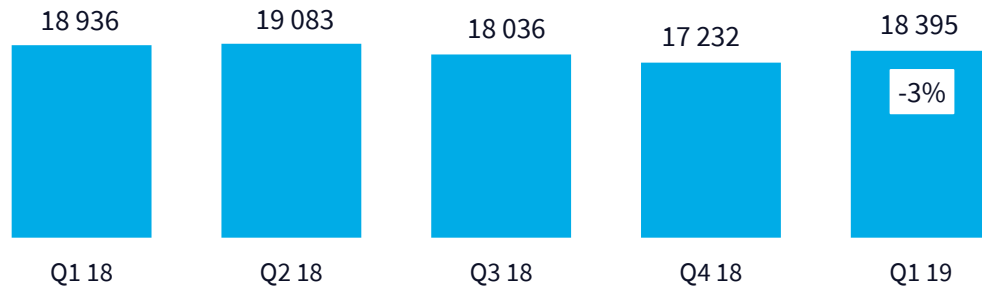


Organic growth

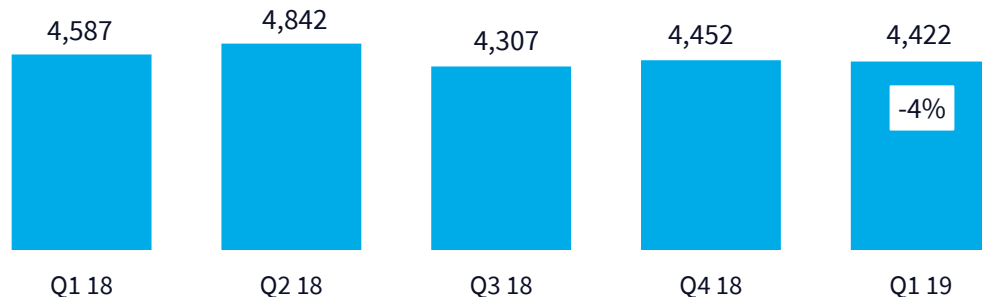


Myanmar

Mobile subscribers ('000)

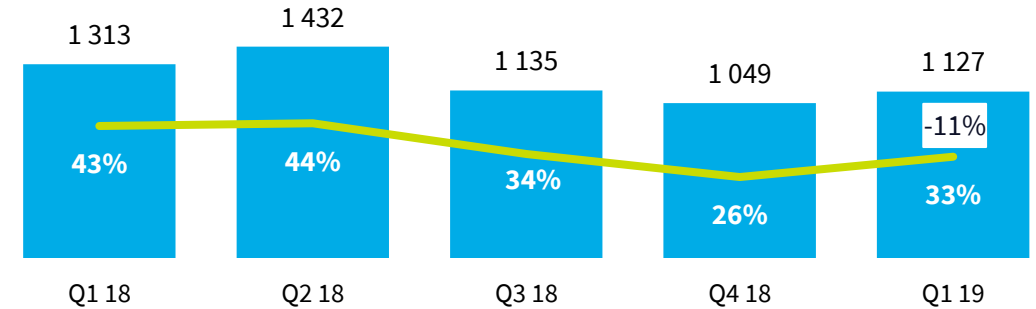


Mobile ARPU (MMK/month)

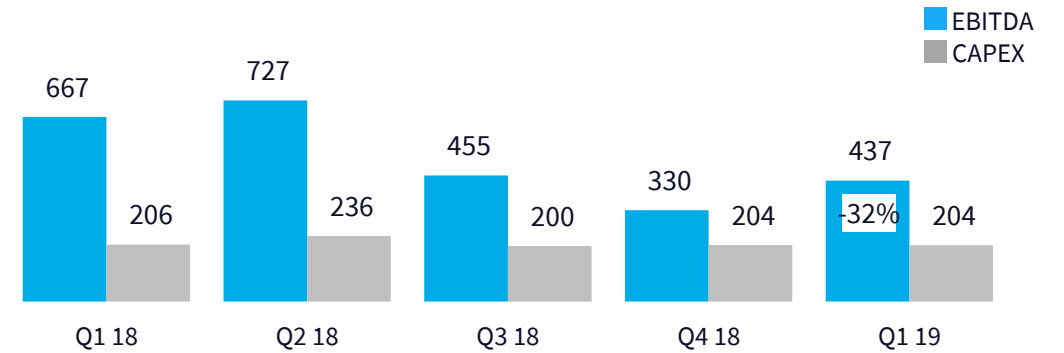


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

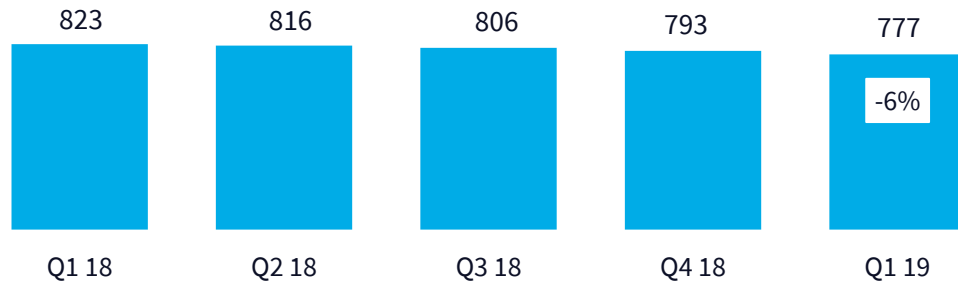


Organic growth

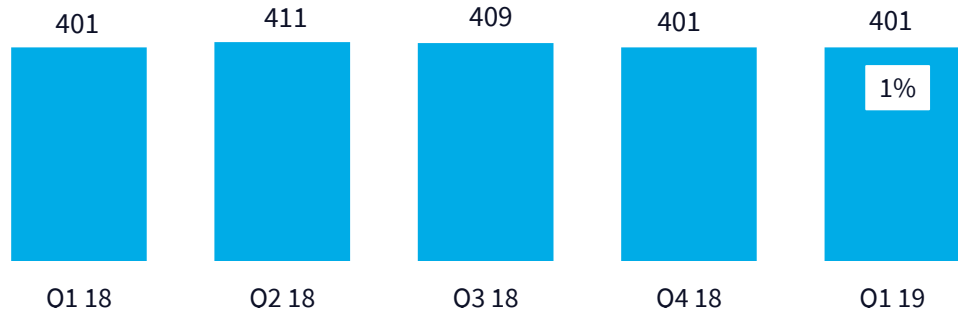


Broadcast

DTH subscribers ('000)

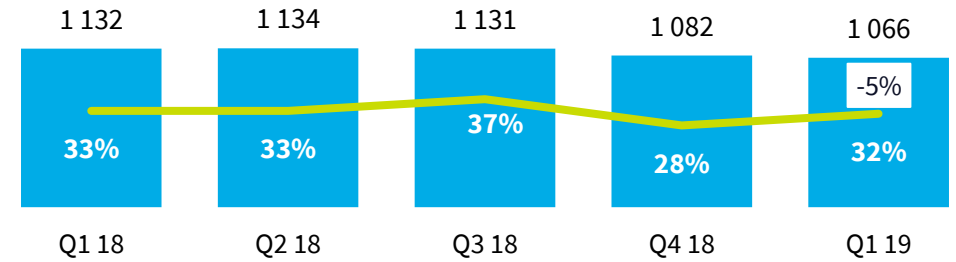


DTH ARPU (NOK/month)

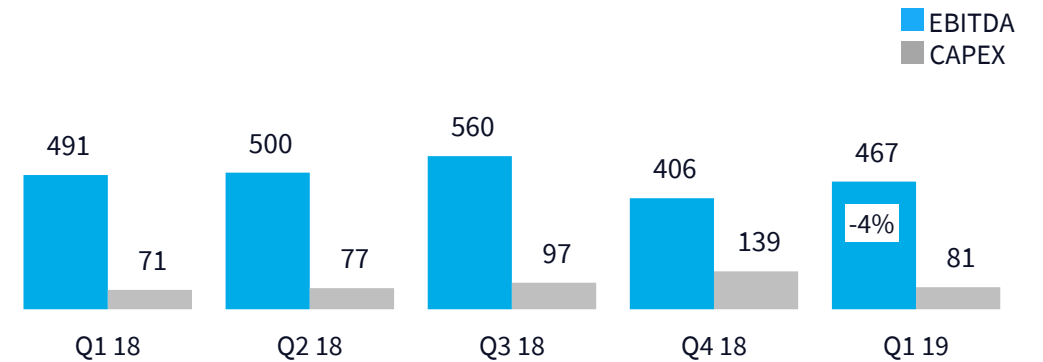


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

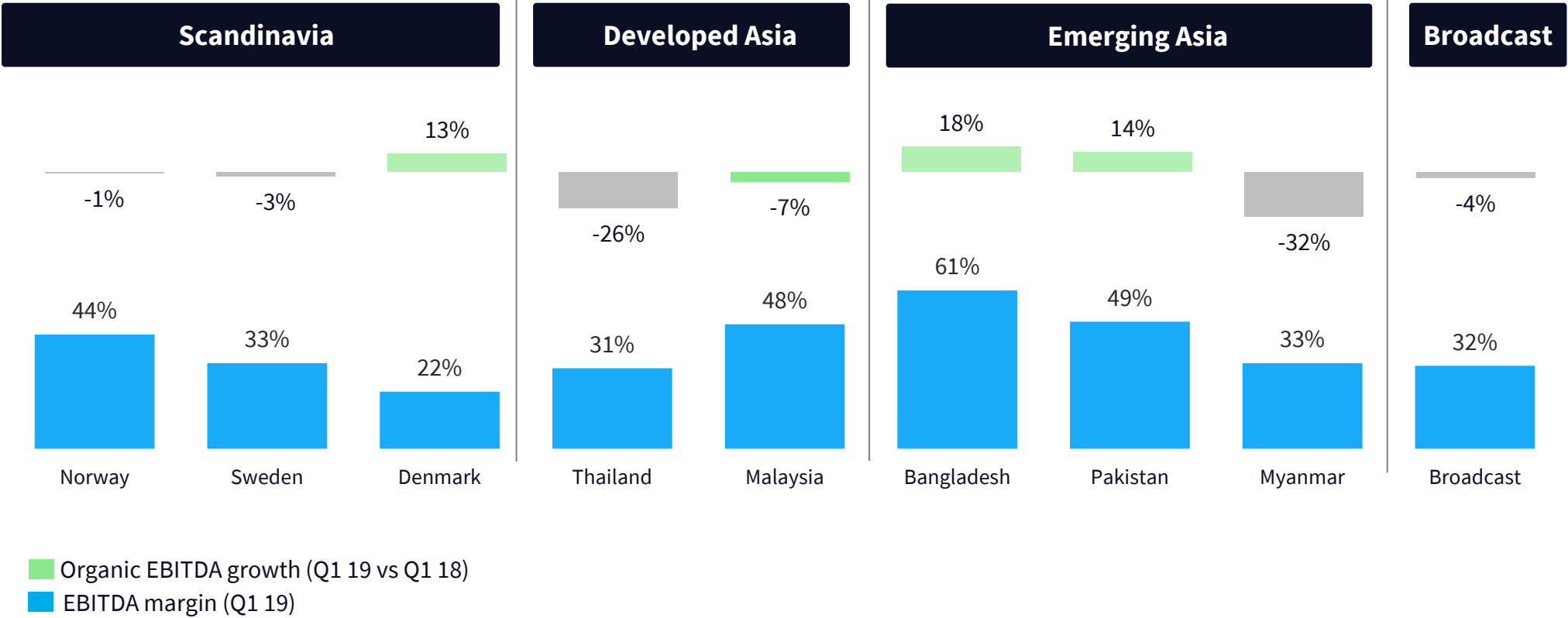


Adjusted for reversals in Q3 2018

Growth



Organic EBITDA growth



Q1 changes in revenues and EBITDA

	Subscription & traffic revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	0.4 %	0.4 %	-0.6 %	-0.6 %
Sweden	-3.9 %	-0.6 %	-5.9 %	-2.7 %
Denmark	-3.8 %	-4.7 %	14.0 %	13.0 %
Thailand	2.6 %	-5.6 %	-18.9 %	-25.7 %
Malaysia	-0.2 %	-4.9 %	-2.3 %	-7.0 %
Bangladesh	23.8 %	14.2 %	27.6 %	17.6 %
Pakistan	0.5 %	14.7 %	-0.5 %	13.6 %
Myanmar	-14.1 %	-11.0 %	-34.5 %	-32.1 %
Broadcast*	-5.8 %	-4.8 %	-5.0 %	-3.7 %
Telenor Group	2.0 %	0.0 %	-1.5 %	-3.5 %

*Revenues from Canal Digital DTH



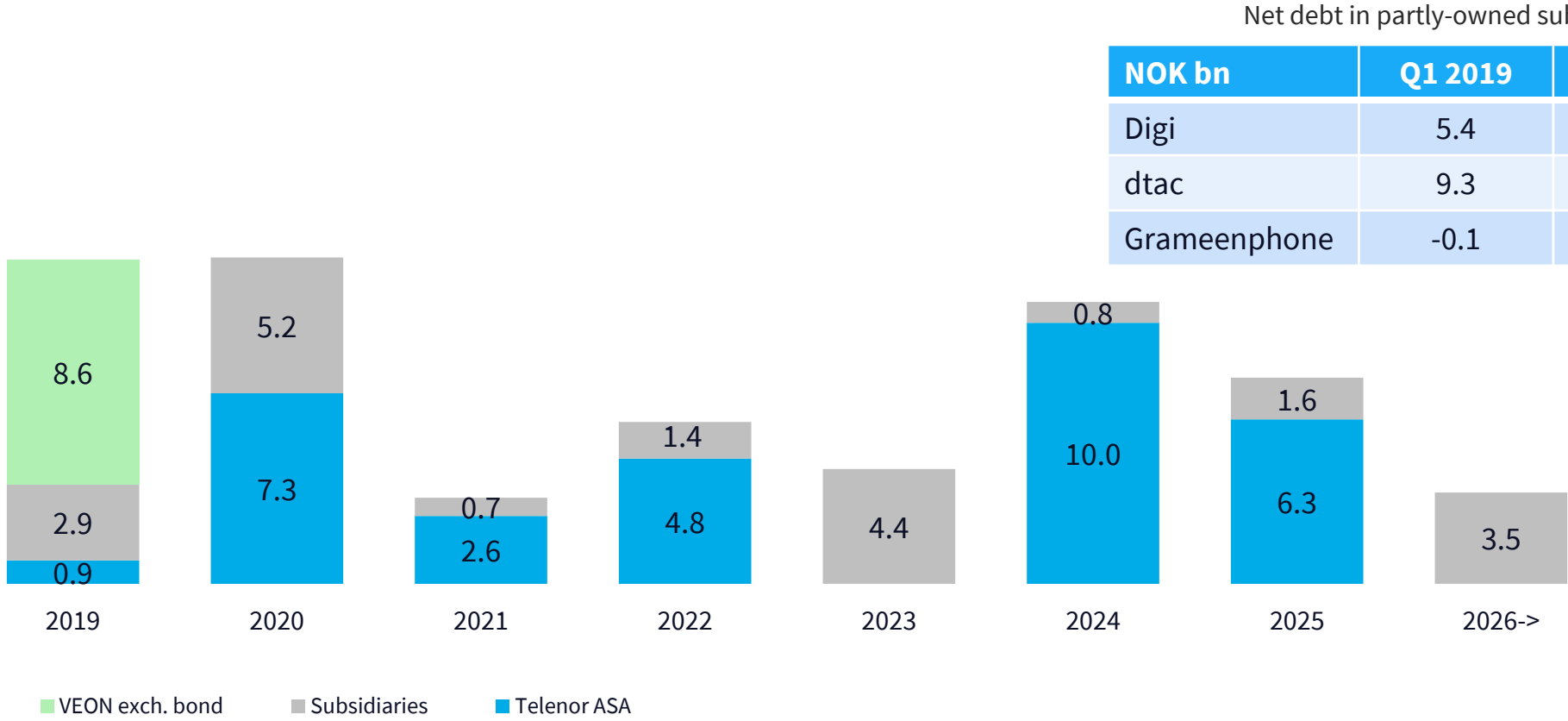
Net income of NOK 3.9 billion for Q1 2019, EPS of NOK 2.66

NOK m	2018	Q1 2018	Q1 2019	Q1 2019 (IFRS16)	Impact of IFRS 16
Revenues	110,362	27,150	27,709	27,644	-65
EBITDA before other items	45,451	11,340	11,175	12,425	+1,250
Other items	(3,204)	(176)	8	8	
EBITDA	42,247	11,164	11,183	12,433	+1,250
Depreciation & amortization	(20,160)	(5,356)	(4,526)	(5,649)	-1,124
Operating profit	22,088	5,809	6,657	6,783	+126
Associated companies	(81)	1	(87)	(87)	
Net financials	(3,158)	1,988	32	(212)	-243
Taxes	(6,179)	(2,297)	(1,834)	(1,797)	+37
Profit (loss) from discontinued operations	4,773	260	57	57	
Minorities	2,711	768	942	911	-31
Net income - Telenor equity holders	14,731	4,992	3,882	3,833	-49
Earnings per share (NOK)	10.00	3.35	2.66	2.63	-0.03

All figures according to accounting standard as of 31 Dec 2018 unless otherwise stated



Debt maturity profile (NOK bn)



Net debt in partly-owned subsidiaries:

NOK bn	Q1 2019	Q1 2018
Digi	5.4	4.5
dtac	9.3	5.0
Grameenphone	-0.1	0.8



Net debt reconciliation

NOK bn	Q1 2019	Q1 2018	Q4 2018
Non-current interest bearing liabilities	51.1	46.6	55.1
Non-current lease liabilities	0.8	0.8	0.8
Current interest bearing liabilities	22.9	20.0	15.7
Current lease liabilities	0.1	0.1	0.1
Cash and cash equivalents	(24.9)	(21.0)	(18.5)
Fair value hedge instruments	(1.5)	(1.5)	(1.5)
Financial instruments	(0.3)	(0.3)	(0.4)
Licence obligations	(11.9)	(2.6)	(11.9)
Net interest bearing debt excl. licence obligations	36.2	42.2	39.5



Balance sheet and key ratios

IAS 17 accounting standard	31 Mar 2019	31 Mar 2018
Total assets	193.4	196.5
Equity attributable to Telenor ASA shareholders	52.2	60.5
Gross debt*	74.8	67.5
Net debt	36.2	42.2
Net debt/EBITDA	0.9	0.9
Return on capital employed**	17%	12%

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

***) 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 (IAS 17)

