



TELENOR GROUP

Third quarter 2021

Sigve Brekke, CEO

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The comments in the presentation are related to Telenor's development in 2021 compared to the same quarter of 2020, unless otherwise stated.

Highlights

Third quarter 2021

Solid Nordics

Subscriber growth

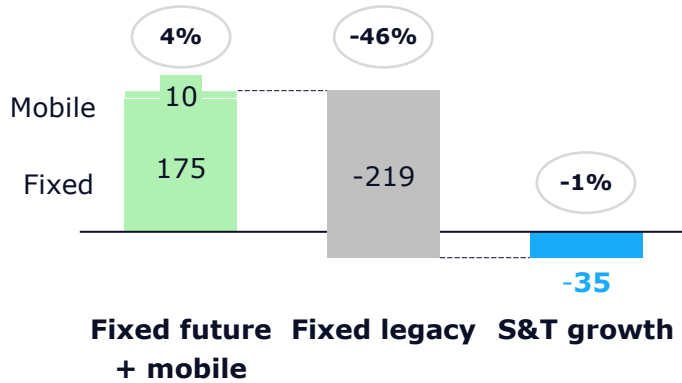
**Asia entering
recovery phase**

**Strong Cash Flow
NOK 7 bn**

Norway: Solid performance through modernisation

S&T revenues

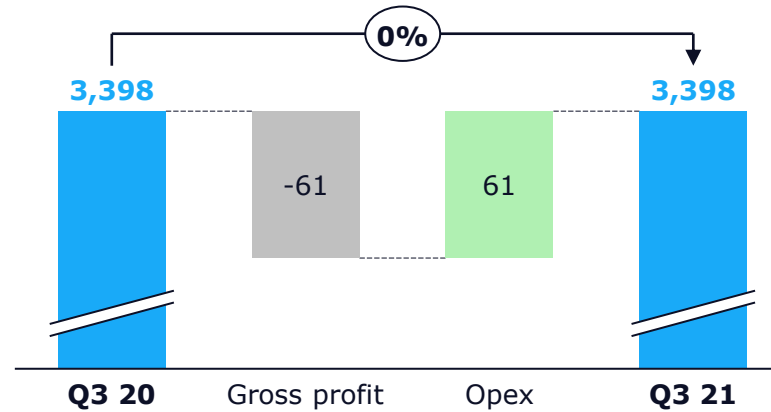
YoY change NOK m



- > Continued growth in fibre, FWA and TV
- > Mobile ARPU growth driven by upselling and value-added services

EBITDA*

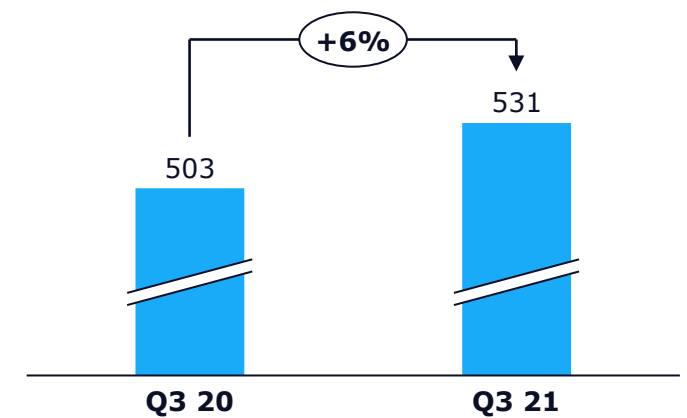
NOK m



- > Gross profit decline from copper offset by continued OPEX reduction

Service revenues

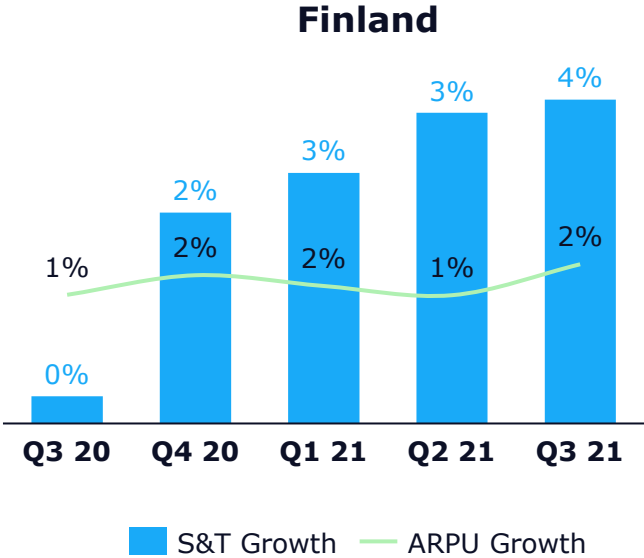
NOK m



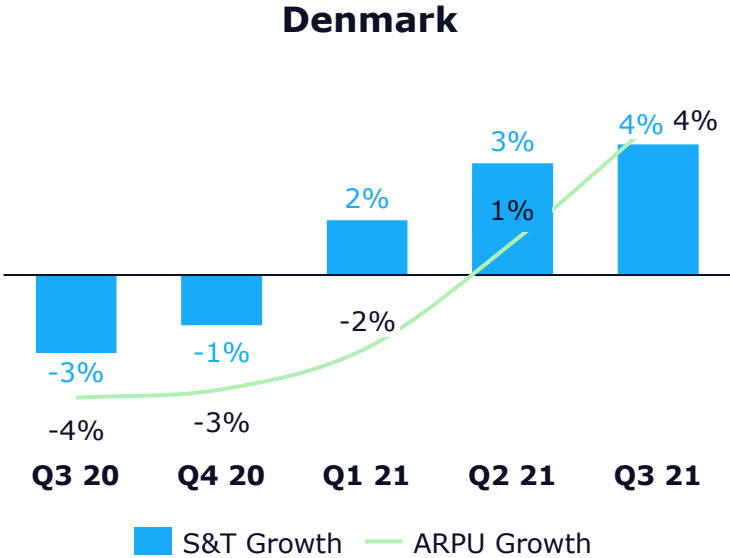
- > Growth in service revenues driven by managed services and security & storage



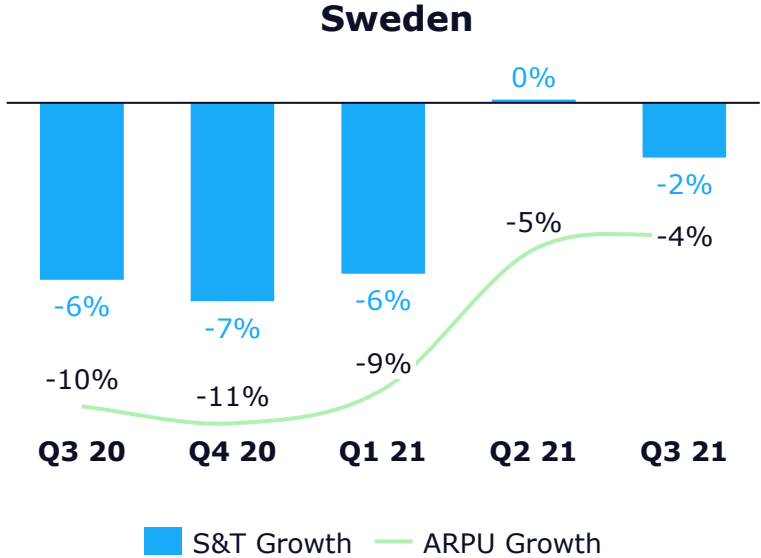
Strong performance in **Finland** and **Denmark**



> S&T growth driven by consumer postpaid and fixed broadband



> S&T growth driven by subscriber growth and ARPU uplift, both in mobile and fixed



> Stabilisation in progress in Sweden

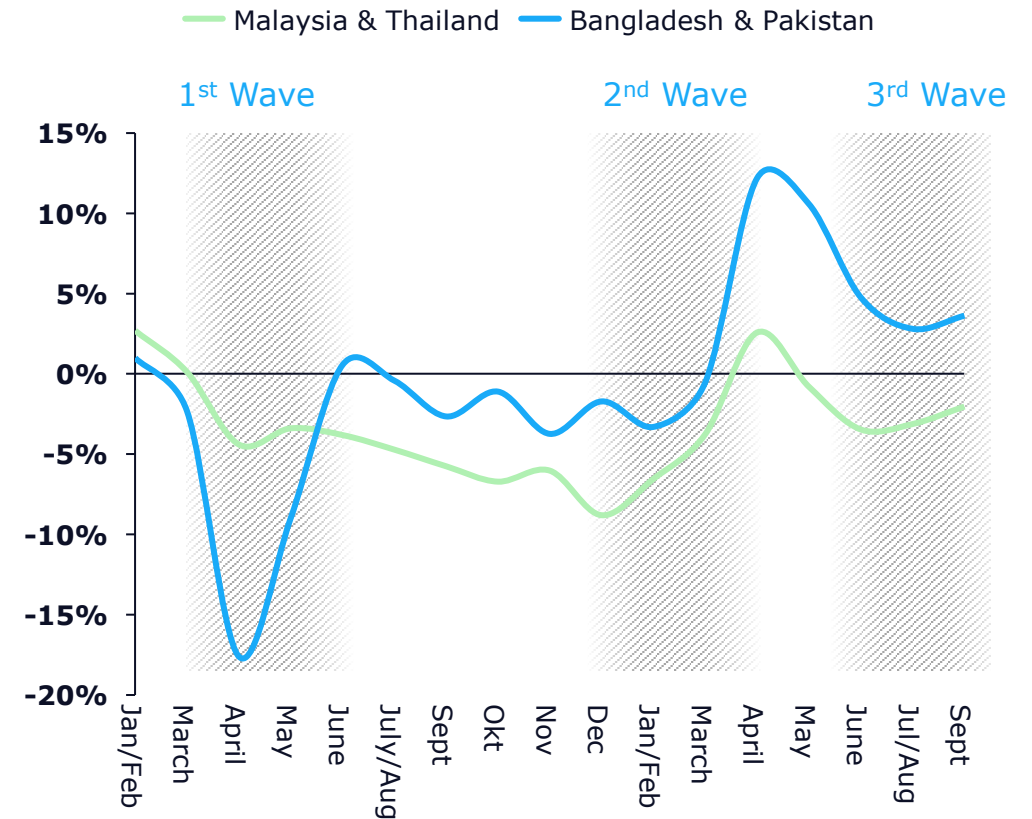


Asia entering recovery phase

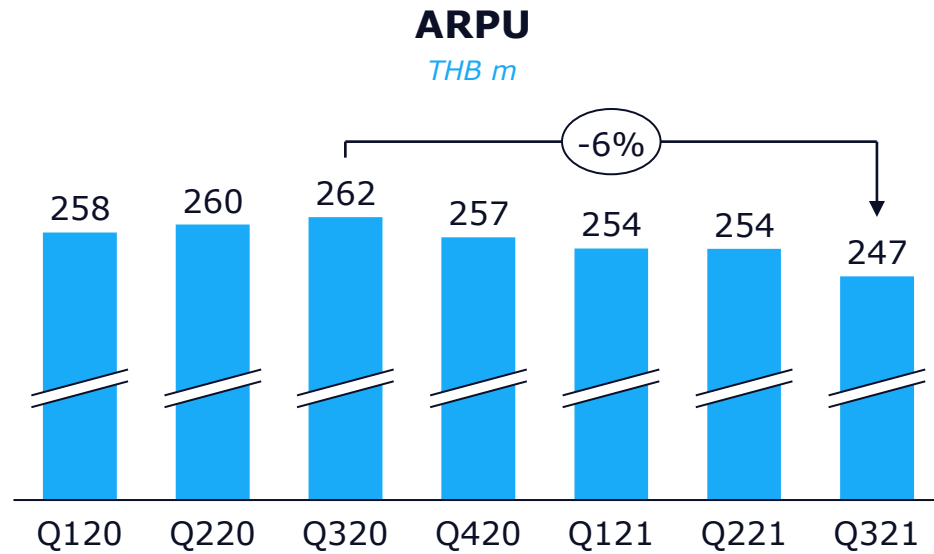
Key developments

- › Strong subscriber growth in Bangladesh and revenue development in Pakistan
- › Top line pressure QoQ in Thailand driven by strict lock-down measures in the quarter
- › QoQ S&T revenues in Malaysia remained stable supported by targeted market initiatives, government stimuli packages and high vaccination rate

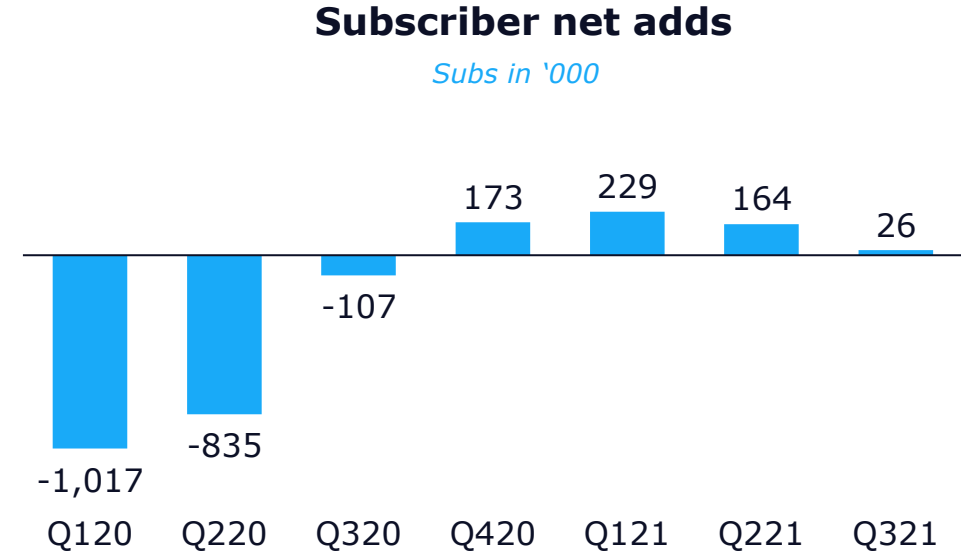
Organic subs & traffic revenue growth (%)



COVID drives ARPU decline in **Thailand**



- > ARPU pressure from tough competition and reduced affordability
- > Declining number of active callers during Q3 lockdown



- > Strong subscriber development during pandemic
- > Improved Network NPS
- > Increased ARPU and loyalty for 700 MHz users



Key priorities going forward



Growth



Modernisation



**Responsible
business**





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Tone Hegland Bachke, CFO

Highlights Third quarter 2021

0%

Organic S&T
revenues

-1%

OPEX

-2%

Organic EBITDA

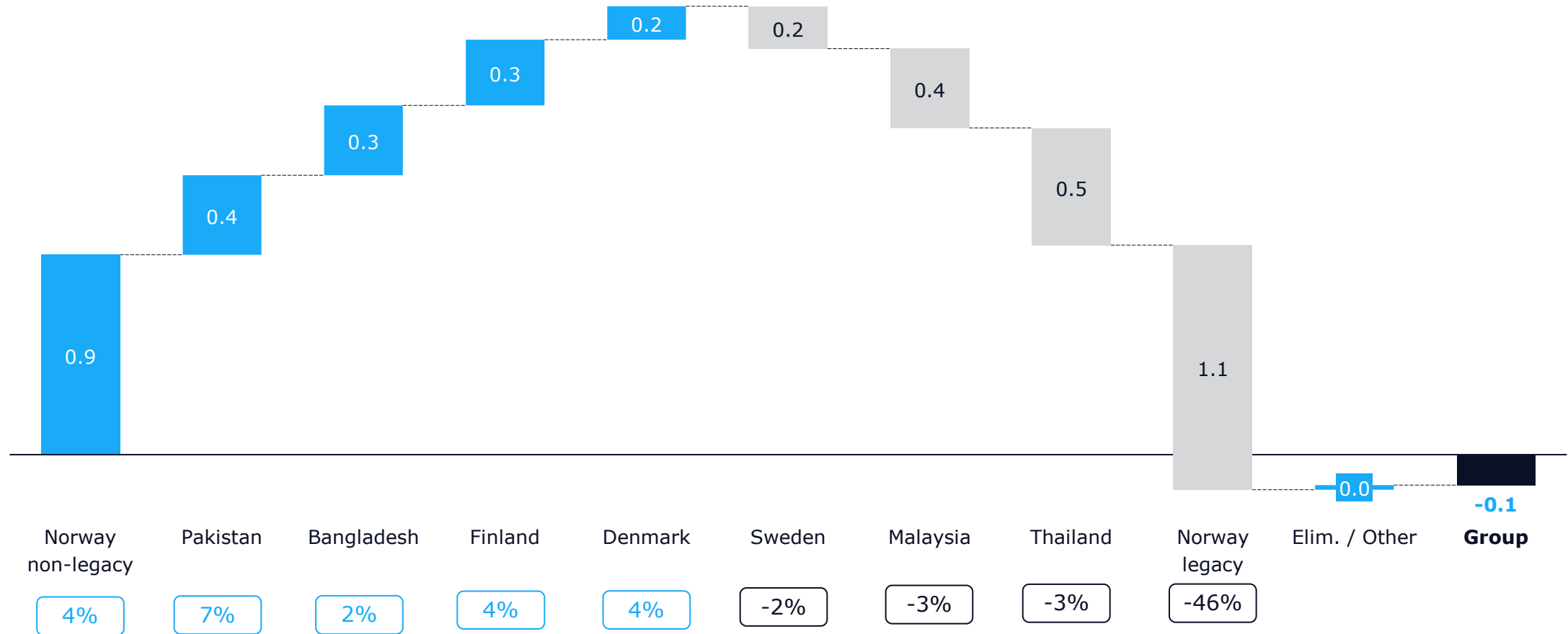
7.2 bn

Free Cash Flow

Stable S&T revenues in Q3

Organic subscription and traffic revenues

Percentage points contribution to growth



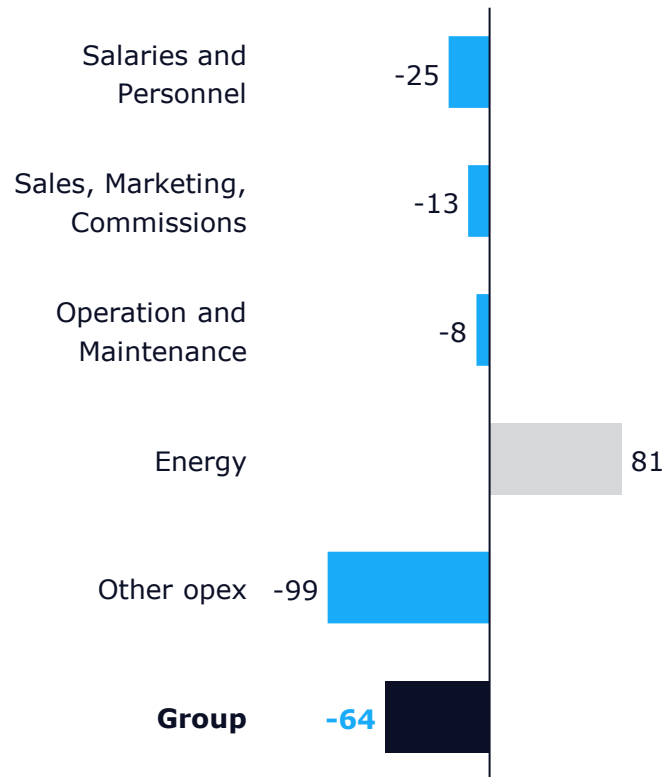
S&T Growth



OPEX reduction supported by structural initiatives

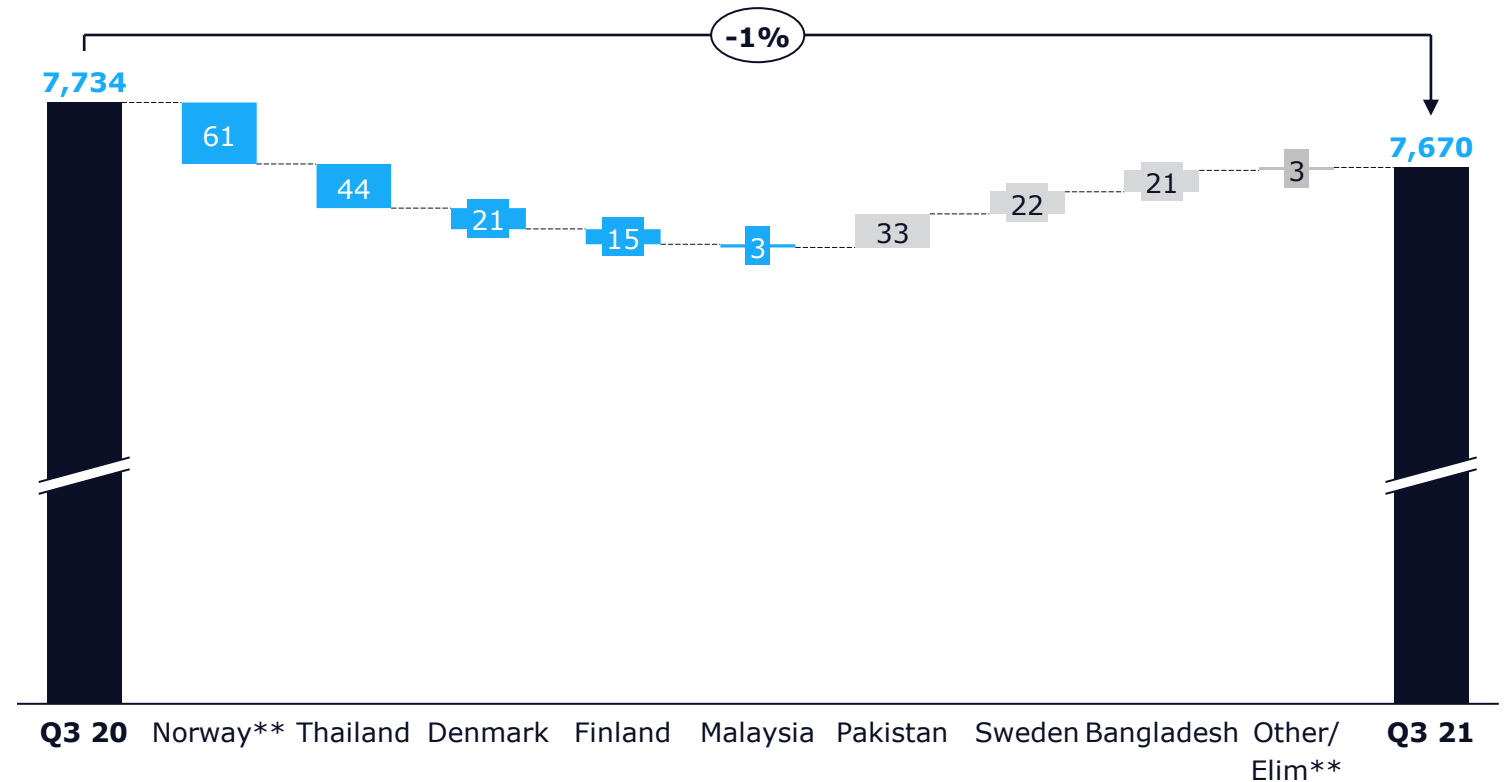
Opex by category

NOK million*

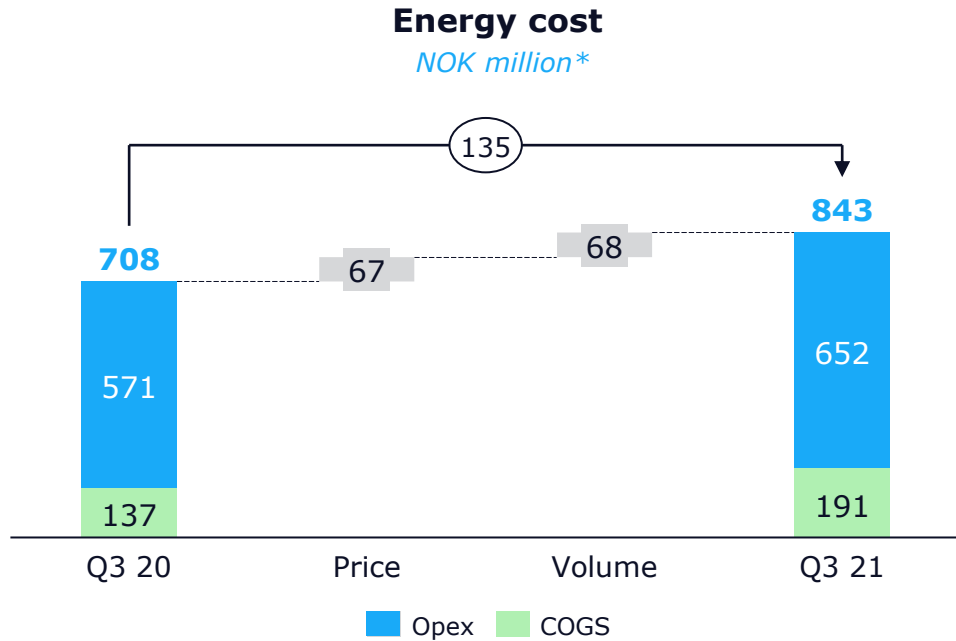


Opex by country

NOK million*

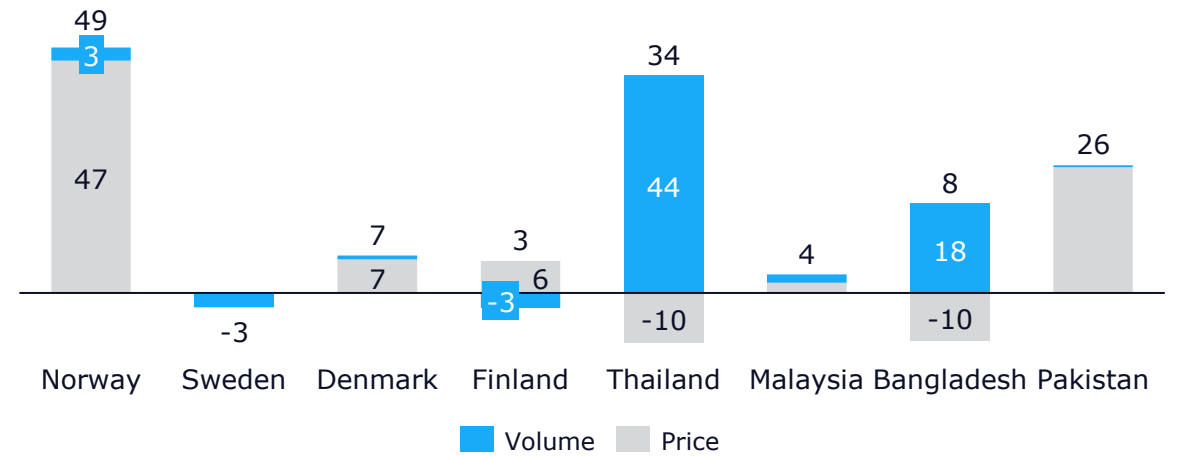


Increased energy cost in Q3



- > Q3 energy cost equally impacted by price and volume increase
- > Impact on volume from increased network footprint partly offset by energy efficiency initiatives

Energy cost by country
YoY change in NOK million*

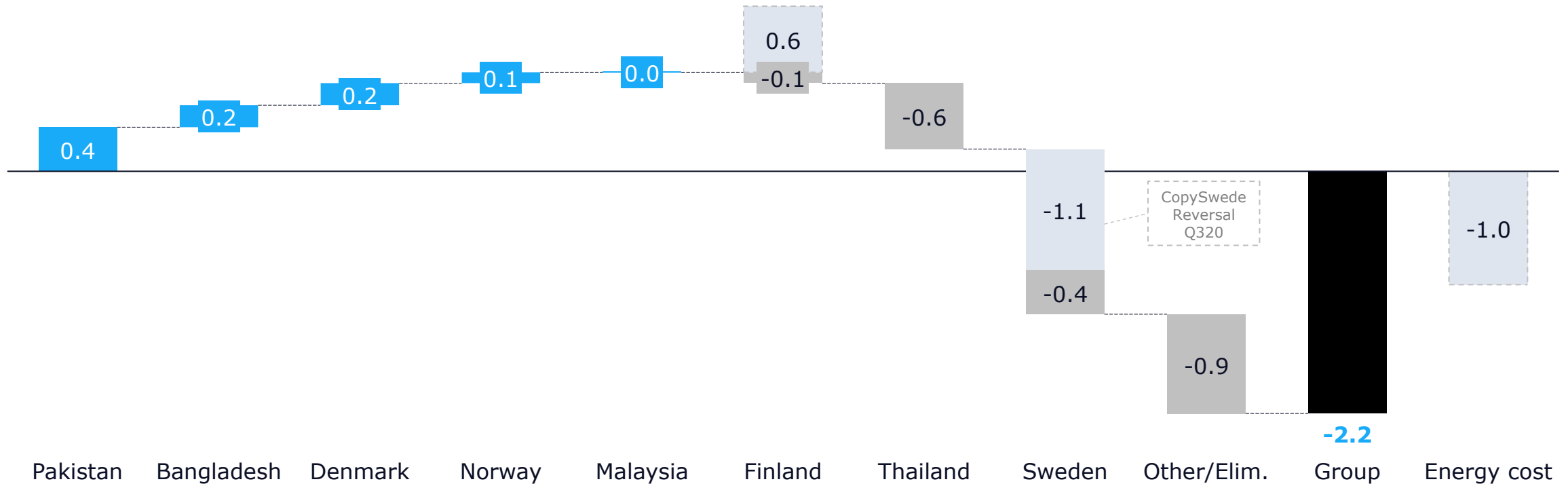


- > Energy price primarily impacting Norway and Pakistan
- > Increased volume driven by network expansion
- > Energy efficiency measures across the Group offsetting approximately half of the projected energy volume increase in 2021.



Organic **EBITDA** decline of **2%** in Q3

Percentage points contribution to growth



EBITDA growth

Pakistan

7%

Bangladesh

1%

Denmark

7%

Norway

0%

Malaysia

0%

Finland

-1%

Thailand

-4%

Sweden

-14%

Other/Elim.

-0.9

Group

-2.2

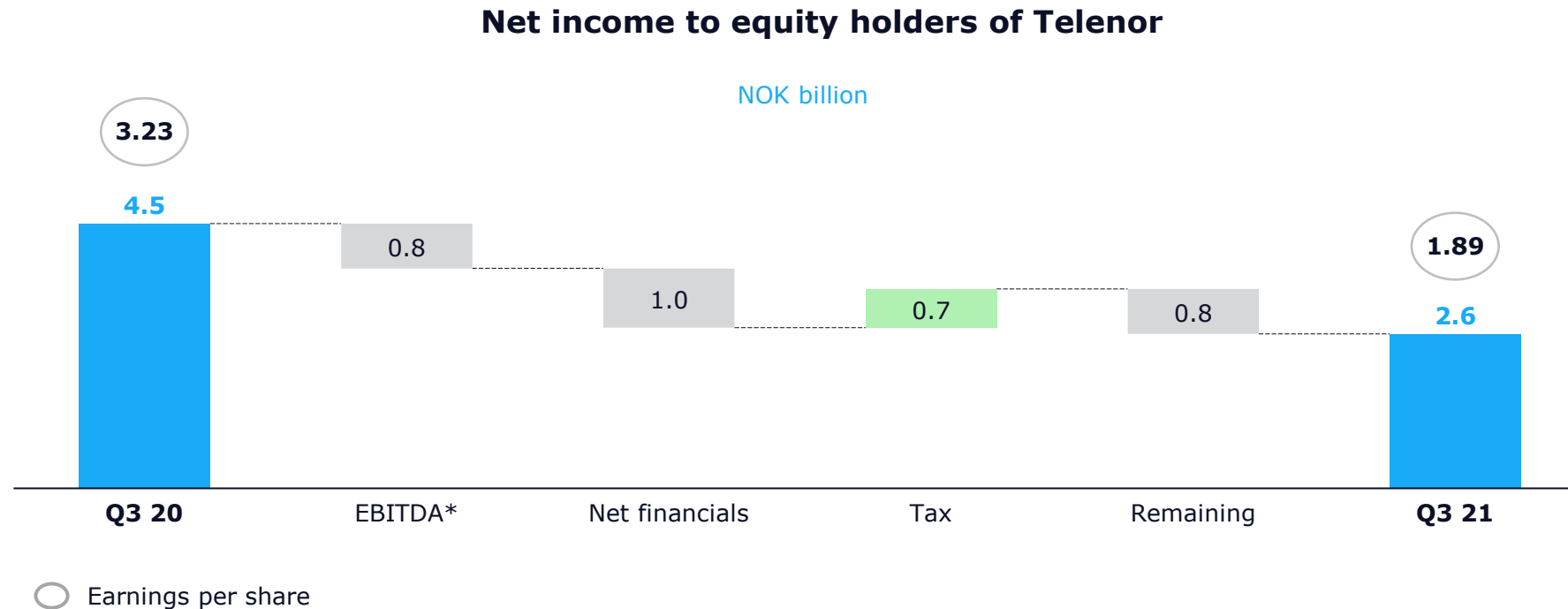
Energy cost

-1.0

CopySwede Reversal Q320



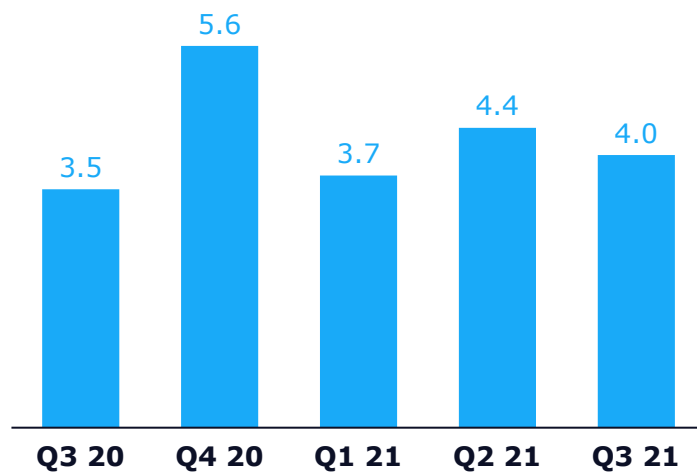
Net income to equity holders of **NOK 2.6 billion** in Q3



Strong Free Cash Flow of NOK 7.2 billion in Q3

Capex excluding licenses

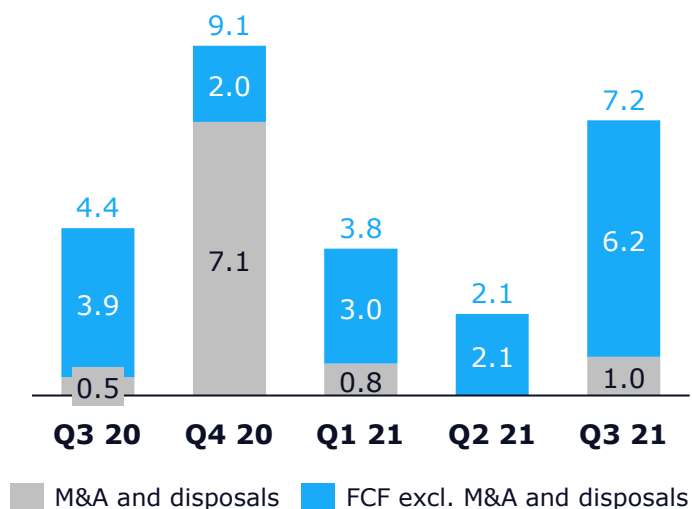
NOK billion



- > 5G roll-out in Norway and Finland
- > FTTH investments in Norway
- > Capacity/coverage expansion in Thailand

Free cash flow

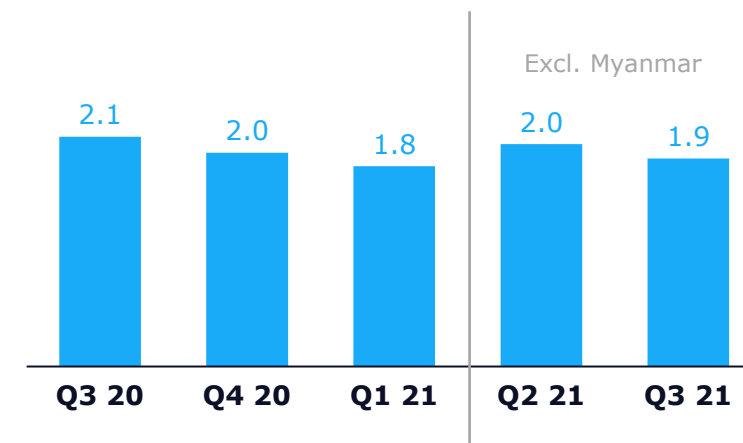
NOK billion



- > Total FCF of NOK 13 billion YTD

Leverage

Net debt / EBITDA



- > Decreased leverage ratio driven by strong cash flow generation in Q3



Outlook 2021 Maintained

	Current	YTD
Organic subscription & traffic revenues	0-1%	-0.3%
Organic EBITDA	0-2%	0.1%
Capex/sales	15-16%	14.7%

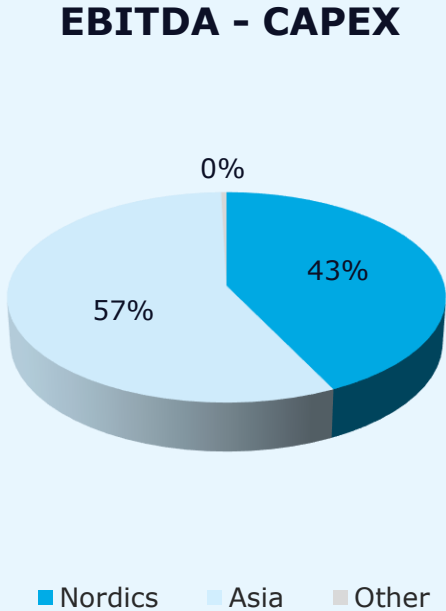
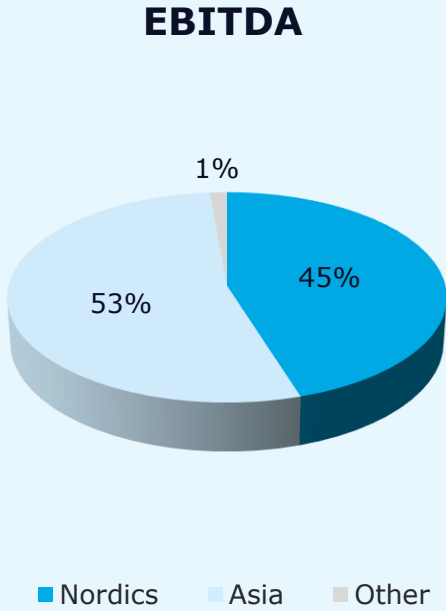
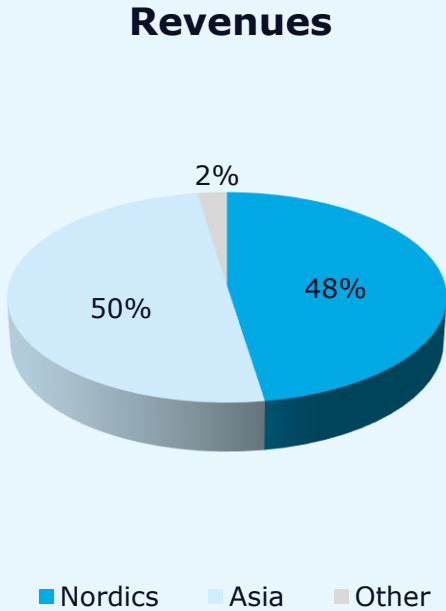


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Appendix

Geographic split of key financials YTD Q3 2021

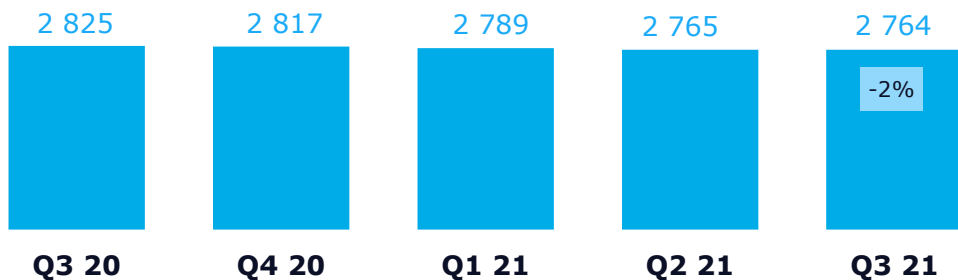


EBITDA before other items. Capex excl. licences.

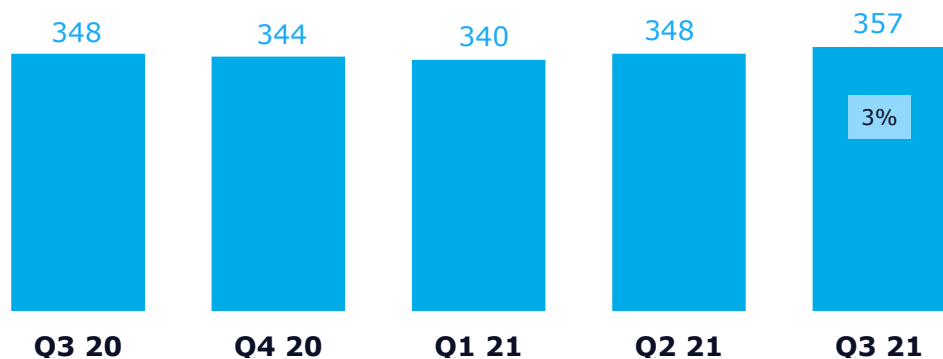


Norway

Mobile subscribers ('000)

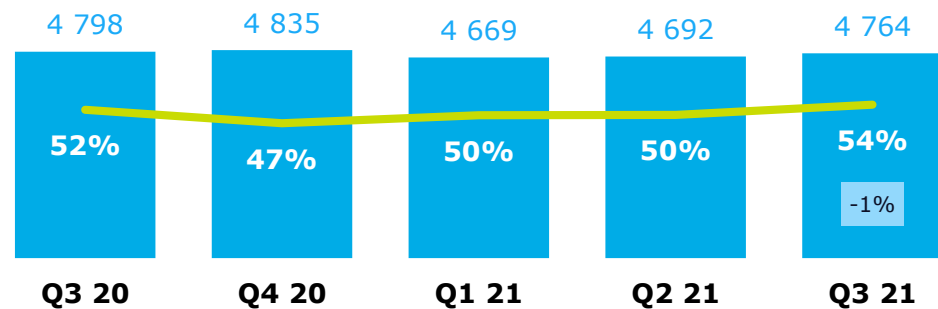


Mobile ARPU (NOK/month)

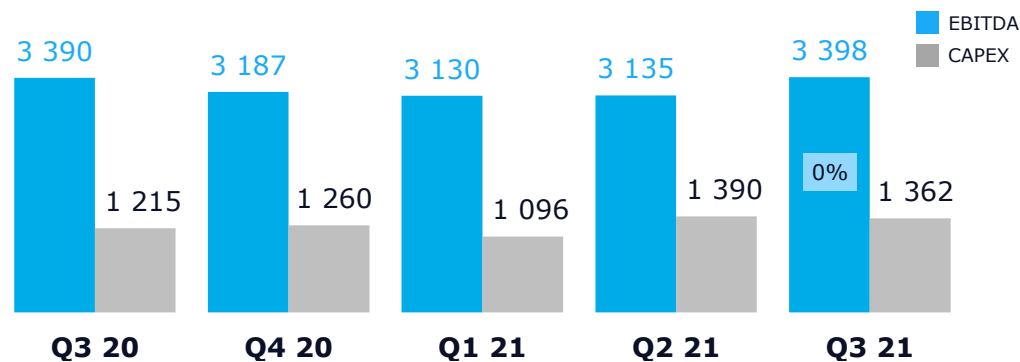


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

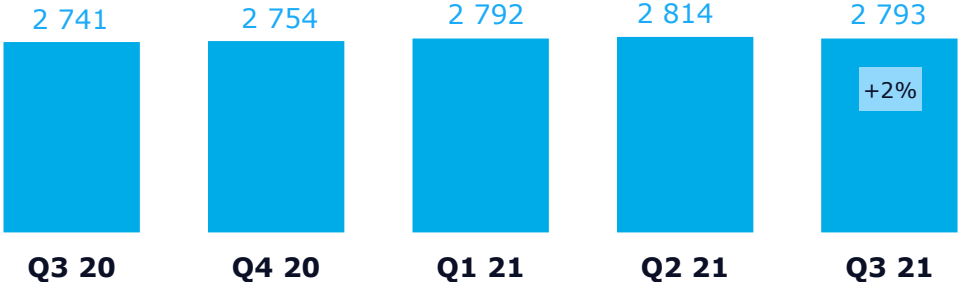


Organic growth YoY

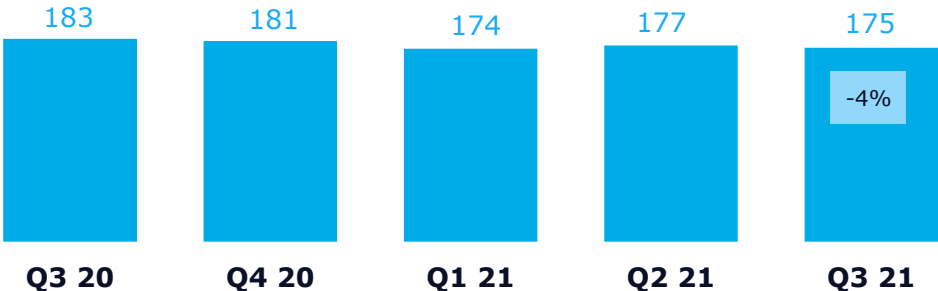


Sweden

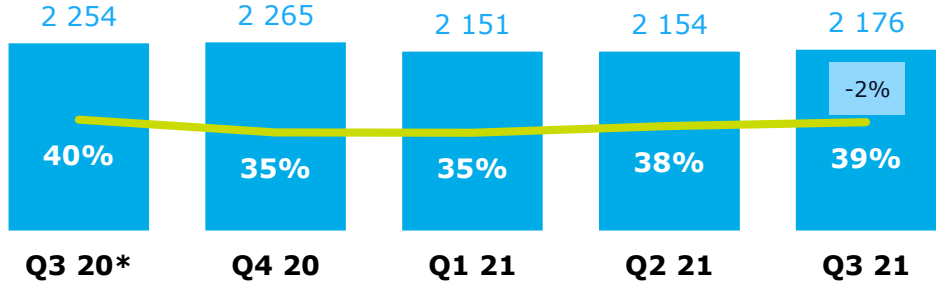
Mobile subscribers ('000)



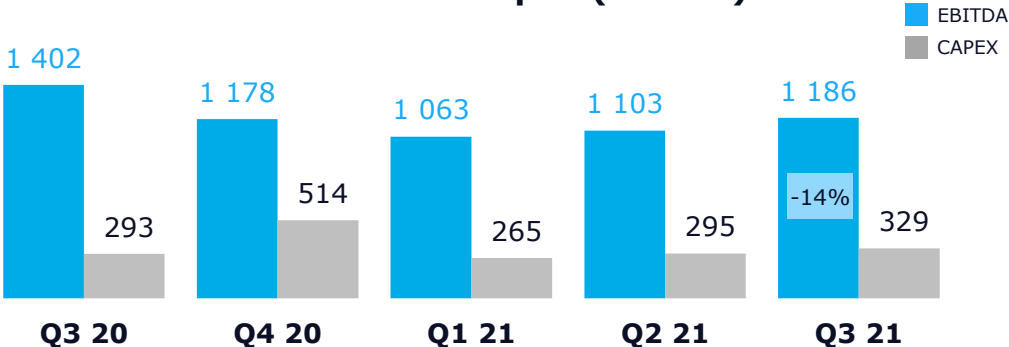
Mobile ARPU (SEK/month)



Subs. and traffic 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

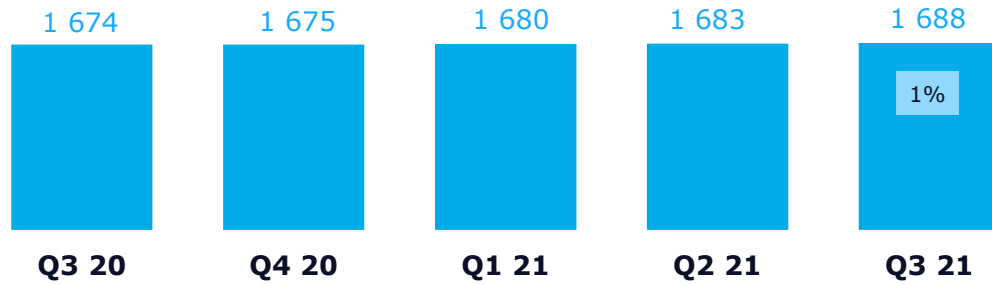
Organic growth YoY

*Adjusted for CopySwede's one-off.

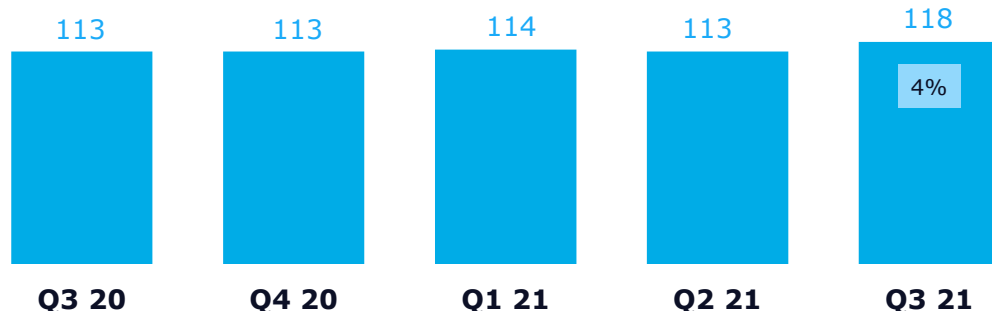


Denmark

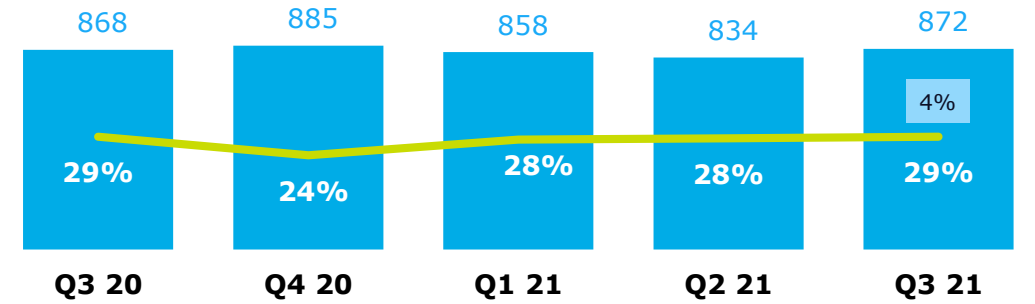
Mobile subscribers ('000)



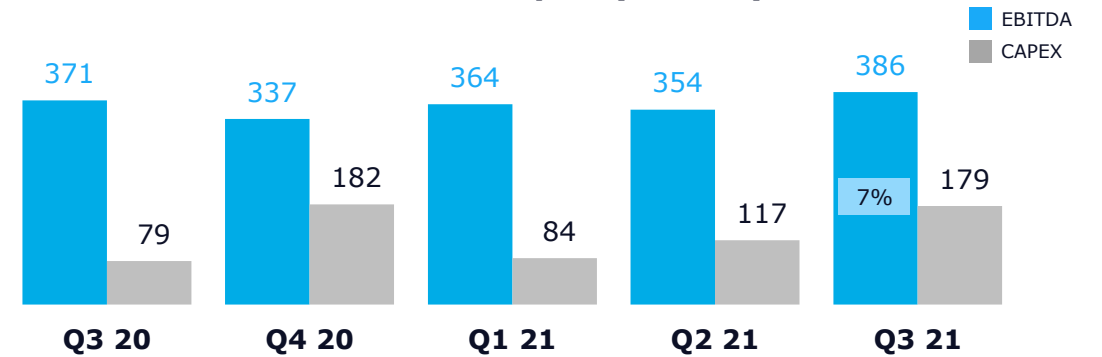
Mobile ARPU (DKK/month)



Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



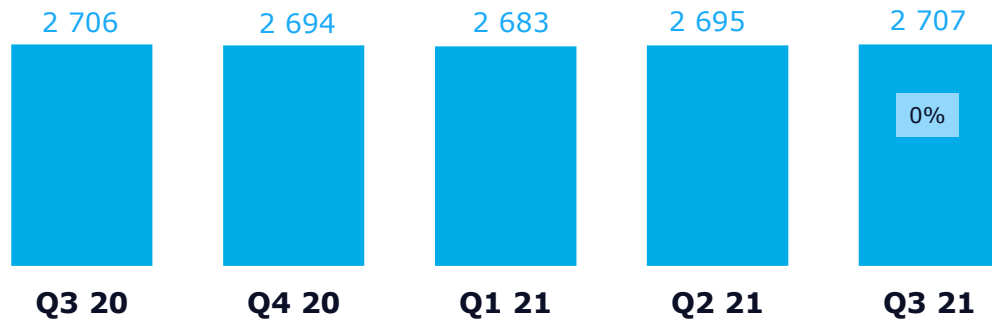
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

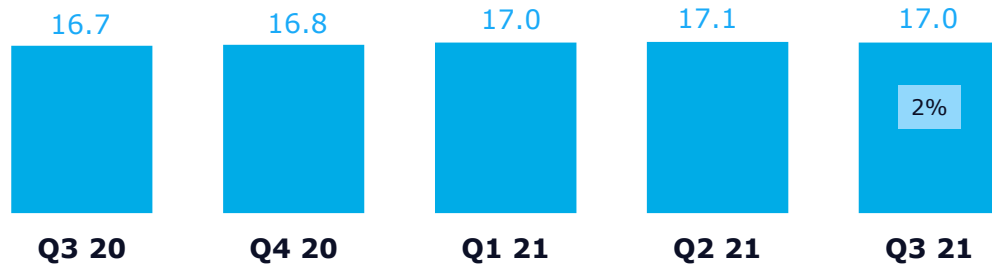


Finland

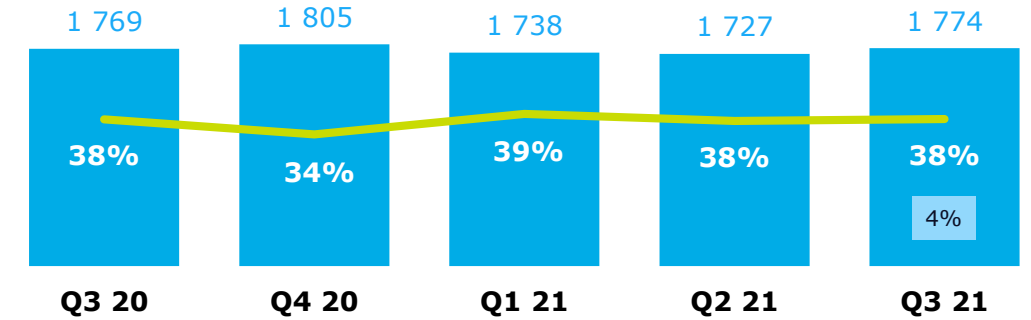
Mobile subscribers ('000)



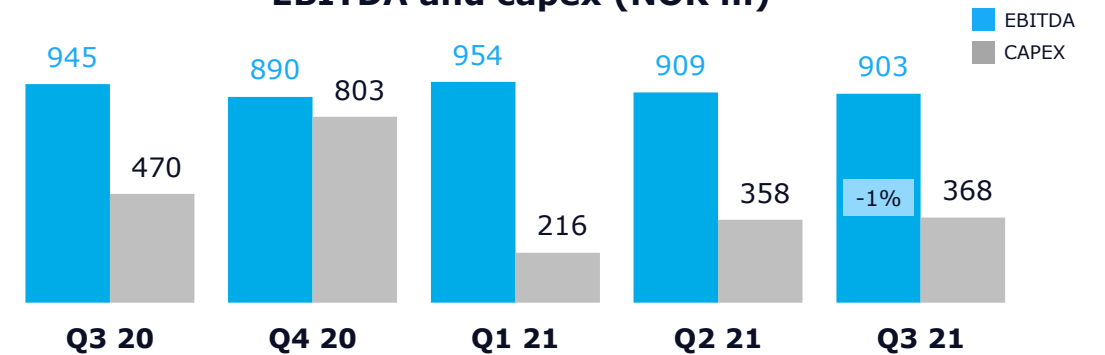
Mobile ARPU (EUR/month)



Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

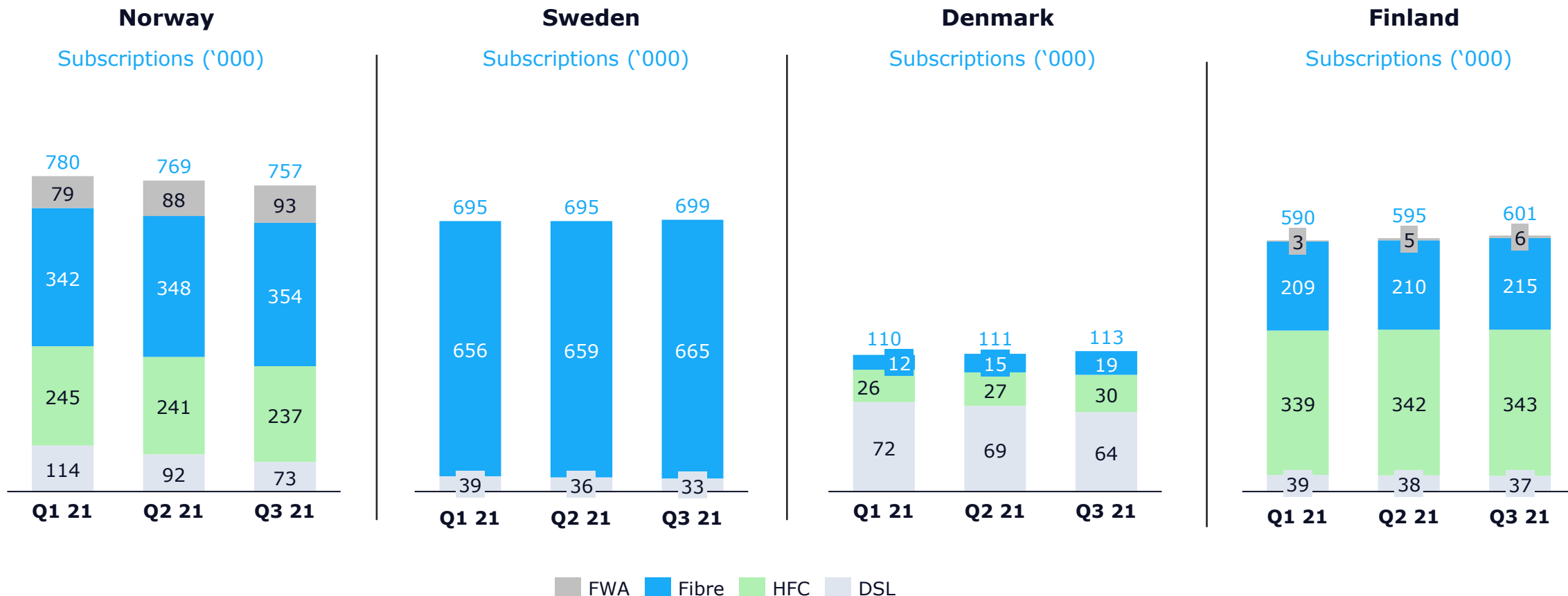


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

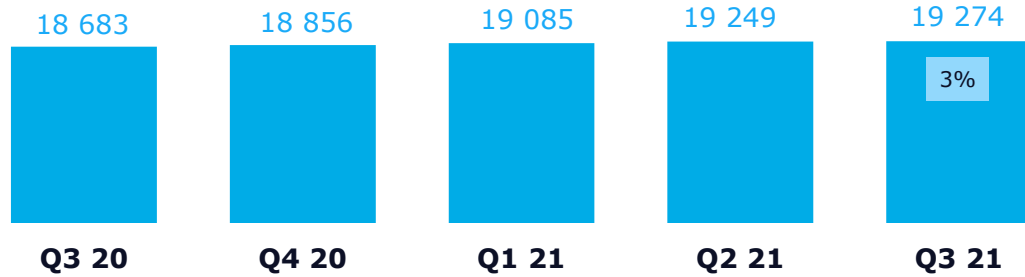


Additional information – Nordics

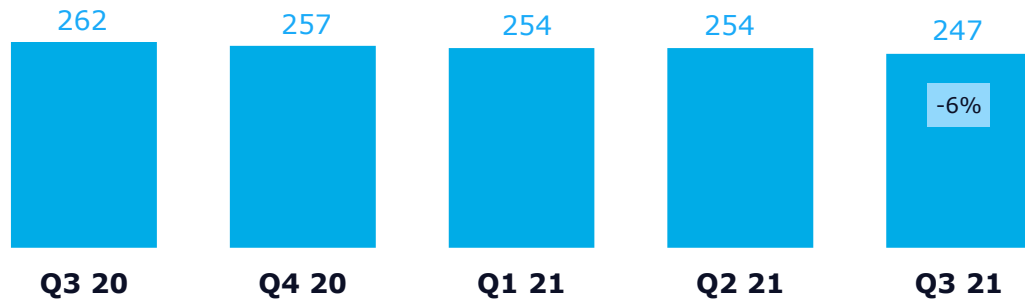


Thailand (dtac)

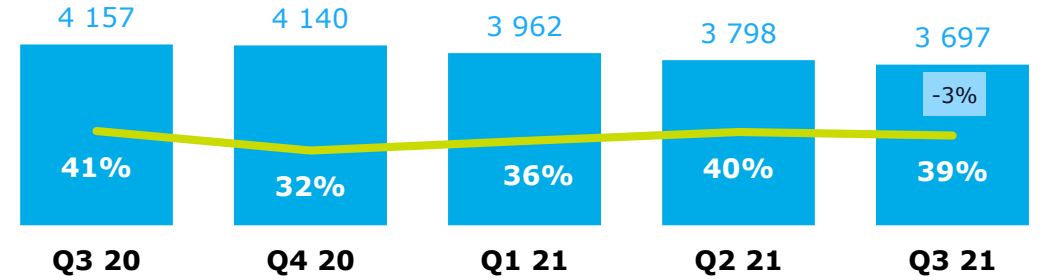
Mobile subscribers ('000)



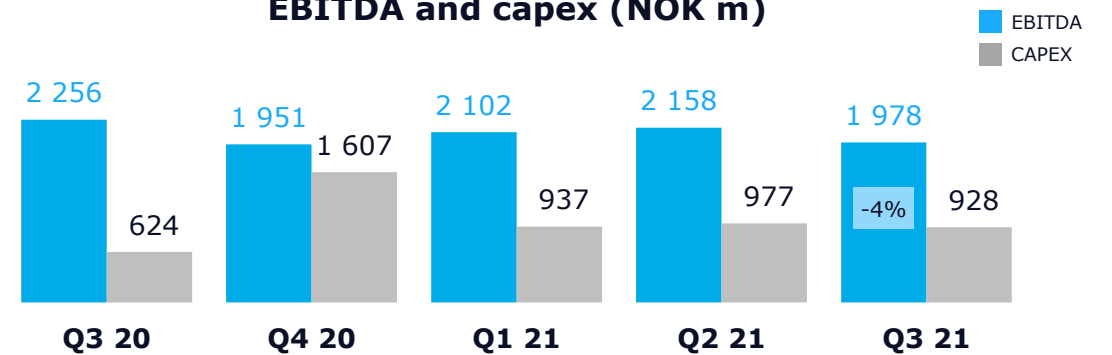
Mobile ARPU (THB/month)



Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



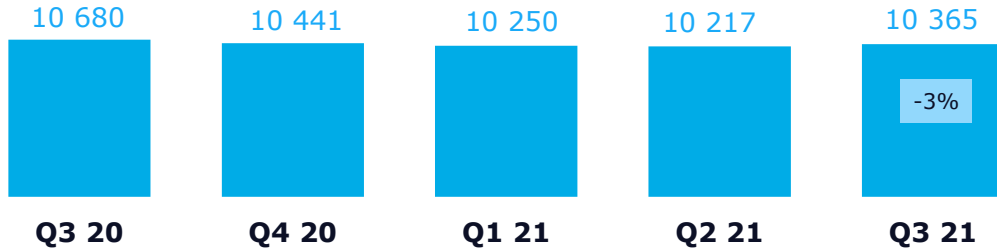
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

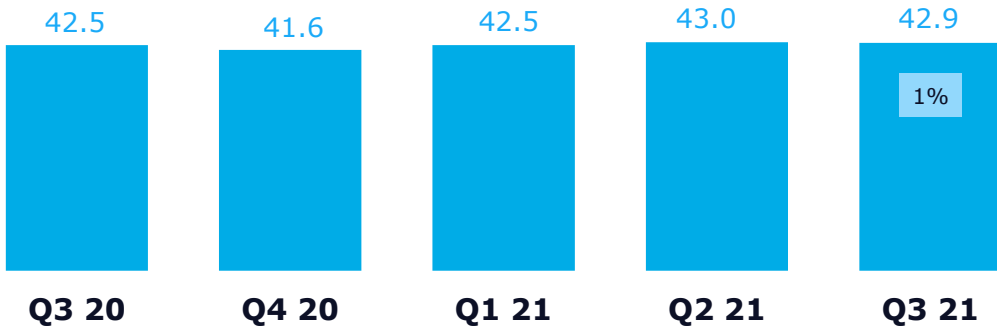


Malaysia (Digi)

Mobile subscribers ('000)

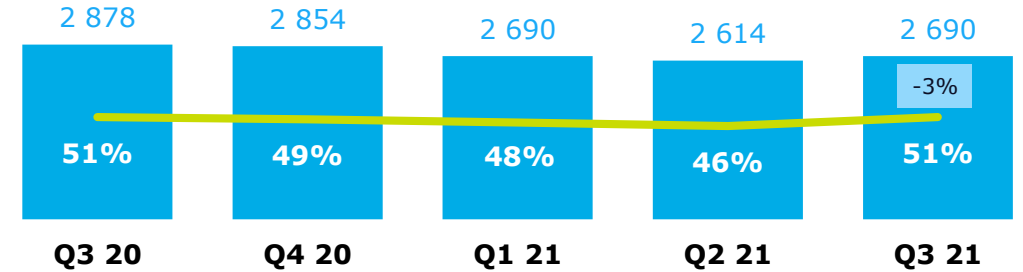


Mobile ARPU (MYR/month)

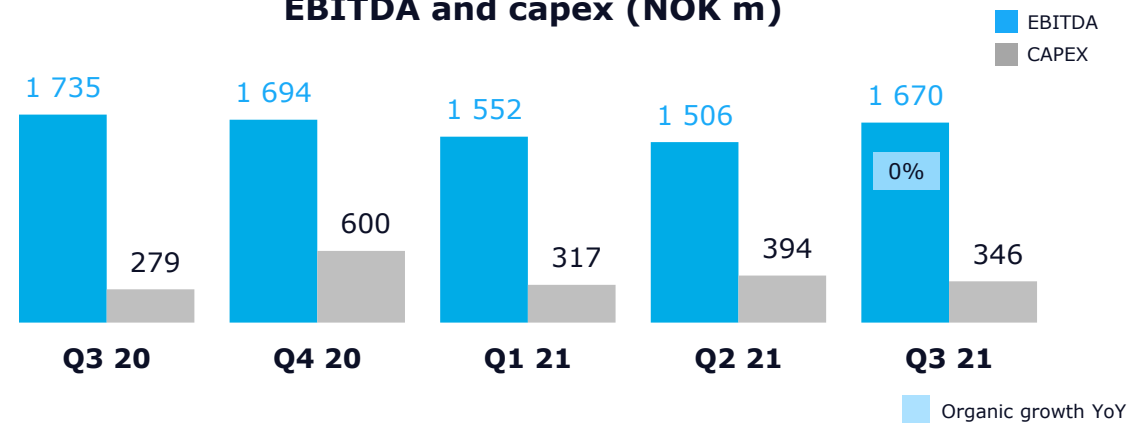


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin

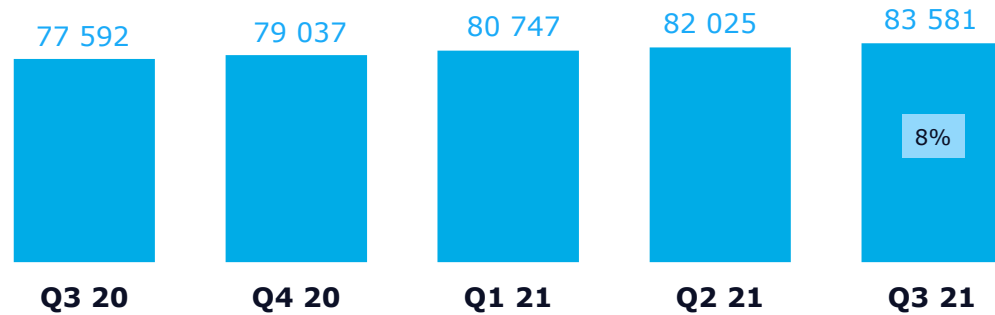


EBITDA and capex (NOK m)

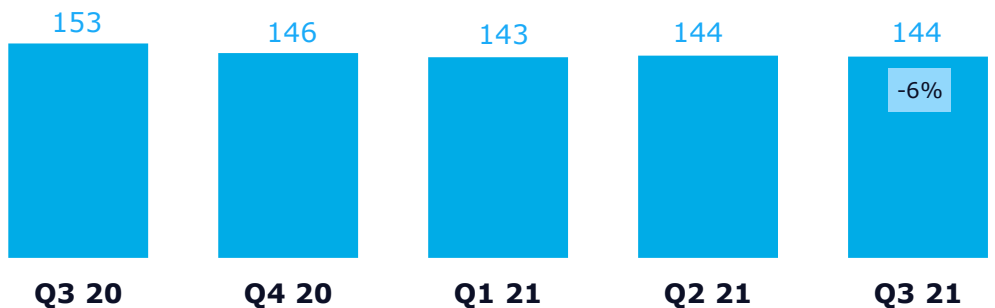


Bangladesh (Grameenphone)

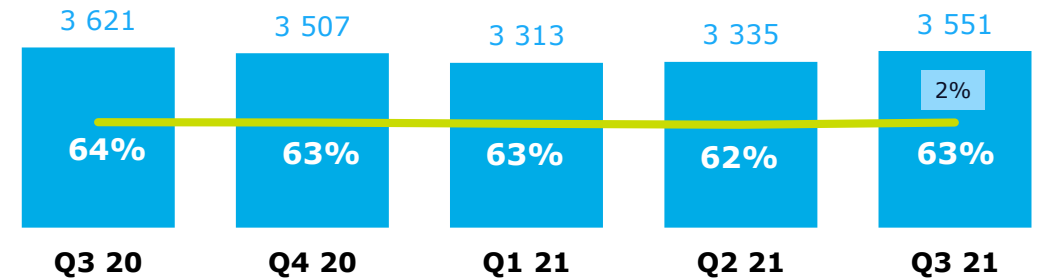
Mobile subscribers ('000)



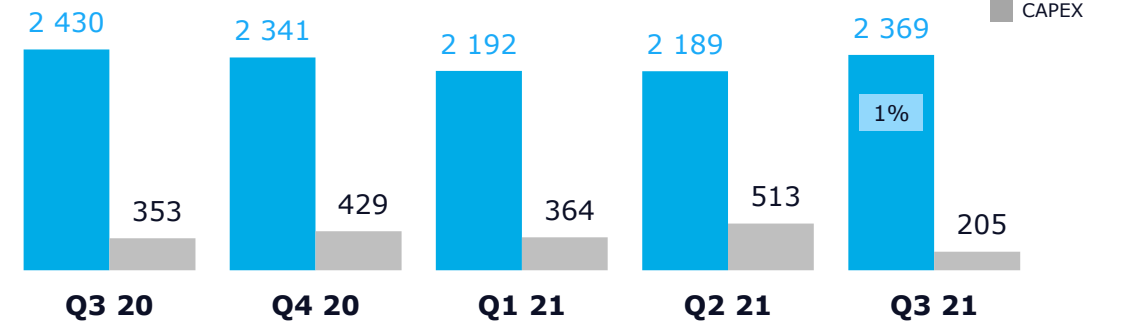
Mobile ARPU (BDT/month)



Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



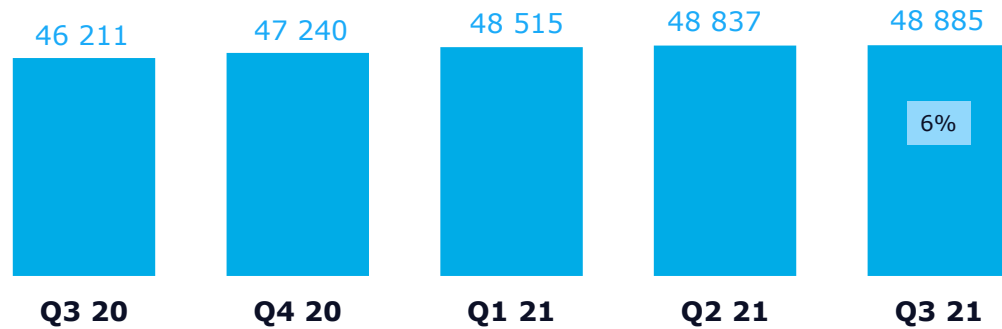
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

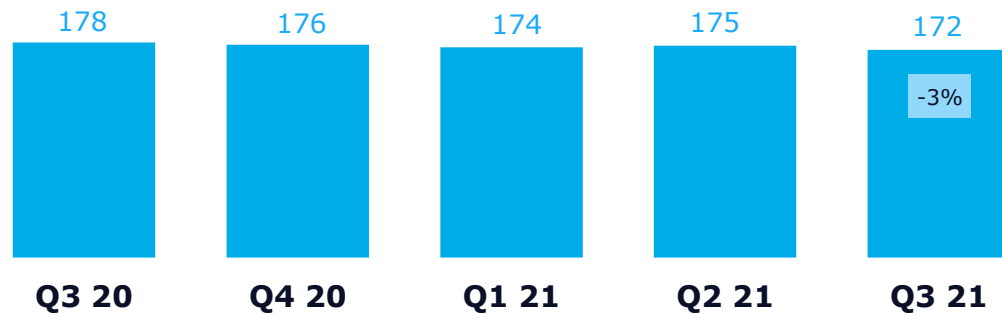


Pakistan

Mobile subscribers ('000)

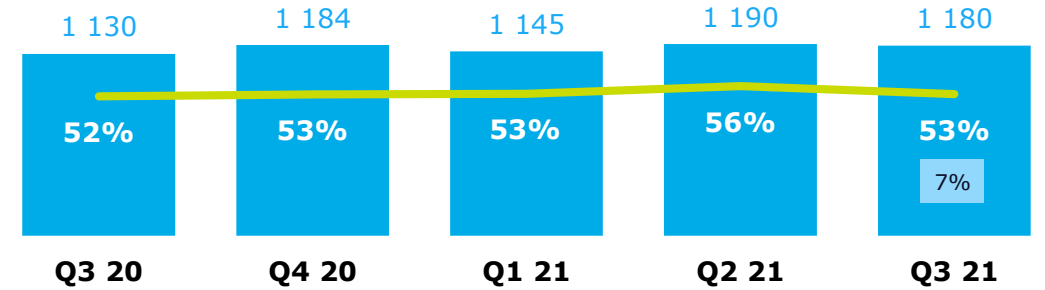


Mobile ARPU (PKR/month)

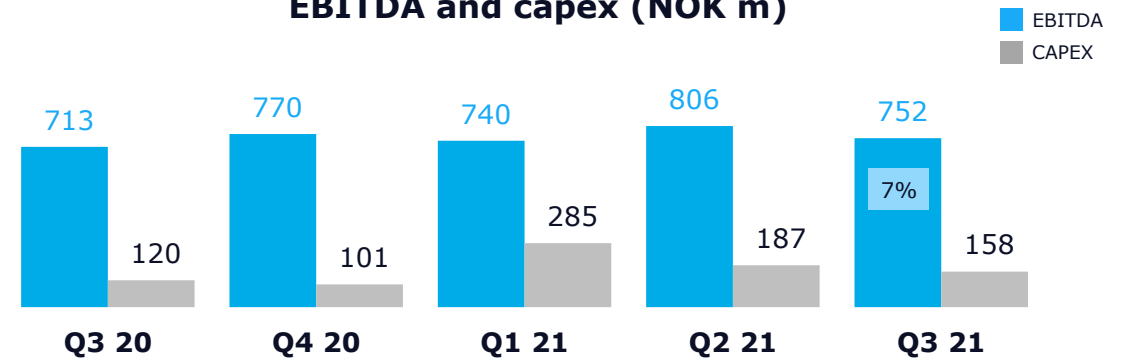


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



Organic growth YoY



Q3 growth in subscription and traffic revenues and EBITDA

Country	Subscription & traffic revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-0.7%	-0.7%	0.2%	0.2%
Sweden	-3.4%	-1.8%	-15.4%	-14.2%
Denmark	0.5%	3.7%	4.1%	7.5%
Finland	0.3%	3.6%	-4.4%	-1.3%
Thailand	-11.1%	-2.8%	-12.3%	-4.0%
Malaysia	-6.5%	-2.7%	-3.8%	0.3%
Bangladesh	-1.9%	1.9%	-2.5%	1.4%
Pakistan	4.4%	6.6%	5.5%	7.3%
Telenor Group	-3.6%	-0.1%	-5.6%	-2.2%



Net income of **NOK 2.6 billion** for Q3 2021

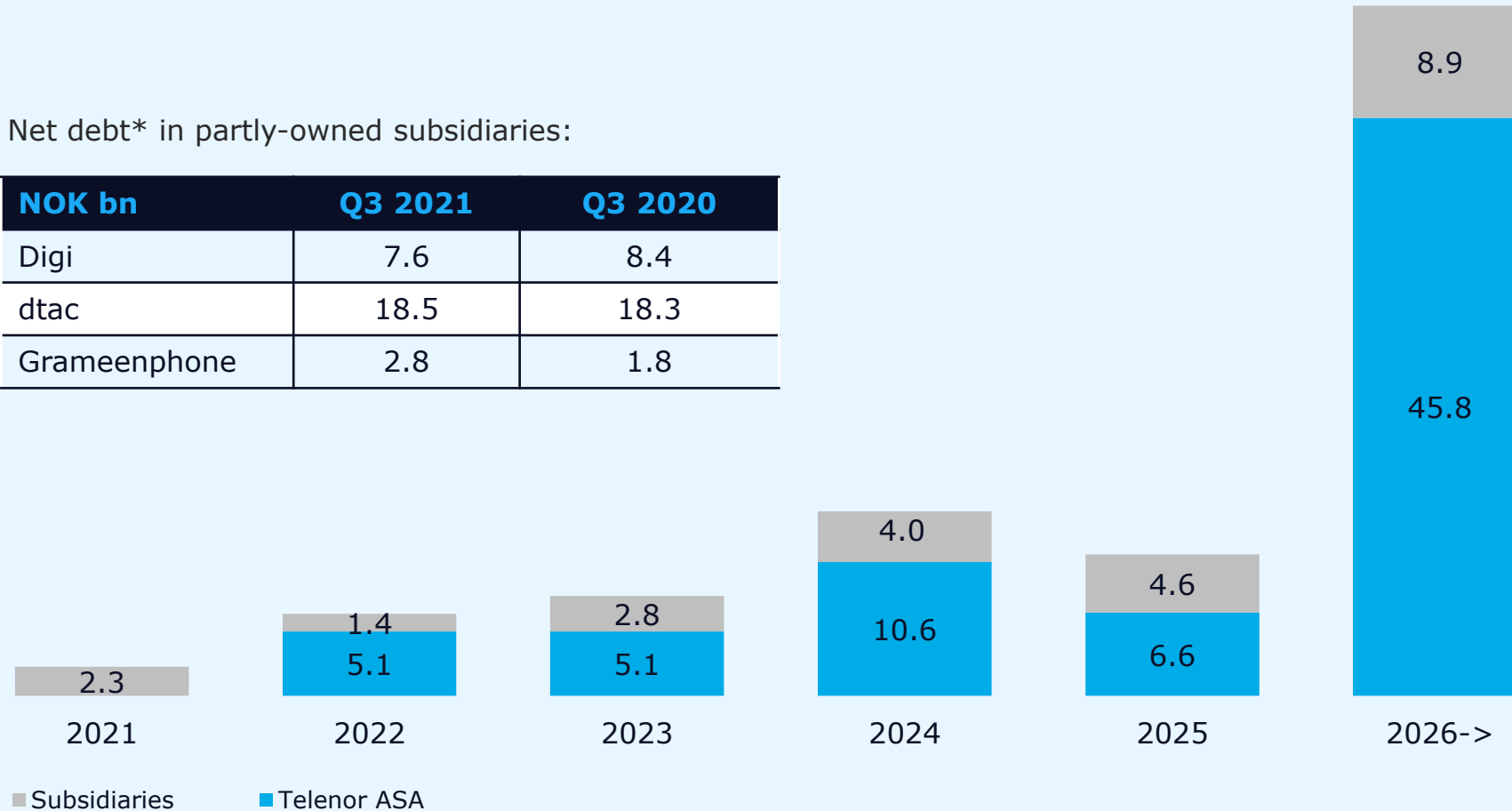
NOK m	2020	Q3 2020	Q3 2021
Revenues	115 839	28 408	27 411
EBITDA before other items	52 347	13 623	12 856
Other items	1 946	757	(153)
EBITDA	54 293	14 380	12 703
Depreciation & amortisation	(26 298)	(6 447)	(6 617)
Operating profit	27 984	7 933	6091
Associated companies	(361)	(101)	(67)
Net financials	(3 331)	(530)	(1 542)
Taxes	(6 419)	(2 125)	(1 464)
Profit (loss) from discontinued operations	3 186	274	427
Minorities	3 718	922	802
Net income - Telenor equity holders	17 341	4 527	2 642
Earnings per share (NOK)	12.3	3.2	1.9



Debt maturity profile (NOK bn)

Net debt* in partly-owned subsidiaries:

NOK bn	Q3 2021	Q3 2020
Digi	7.6	8.4
dtac	18.5	18.3
Grameenphone	2.8	1.8



Net debt reconciliation

NOK bn	Q3 2021	Q3 2020	2020
Non-current interest-bearing liabilities	88.8	103.2	98.6
Non-current lease liabilities	29.7	33.9	35.6
Current interest-bearing liabilities	10.1	8.4	7.3
Current lease liabilities	8.0	10.2	9.3
Cash and cash equivalents	(22.0)	(17.5)	(20.6)
Fair value hedge instruments	(1.3)	(2.6)	(2.4)
Financial instruments	(0.3)	(0.3)	(0.4)
Non-current license obligations	(13.4)	(12.7)	(13.4)
Current license obligations	(3.3)	(4.4)	(3.6)
Net interest-bearing debt excl. license obligations	96.3	118.2	110.4



Balance sheet and key ratios

	30 Sep 2021	31 Dec 2020	30 Sep 2020
Total assets	233.6	256.5	260.6
Equity attributable to Telenor ASA shareholders	26.2	38.3	32.5
Gross debt*	136.7	150.8	155.7
Net debt	96.3	110.4	118.2
Net debt/EBITDA**	1.9	2.0	2.1
Return on capital employed***	13%	13%	12%

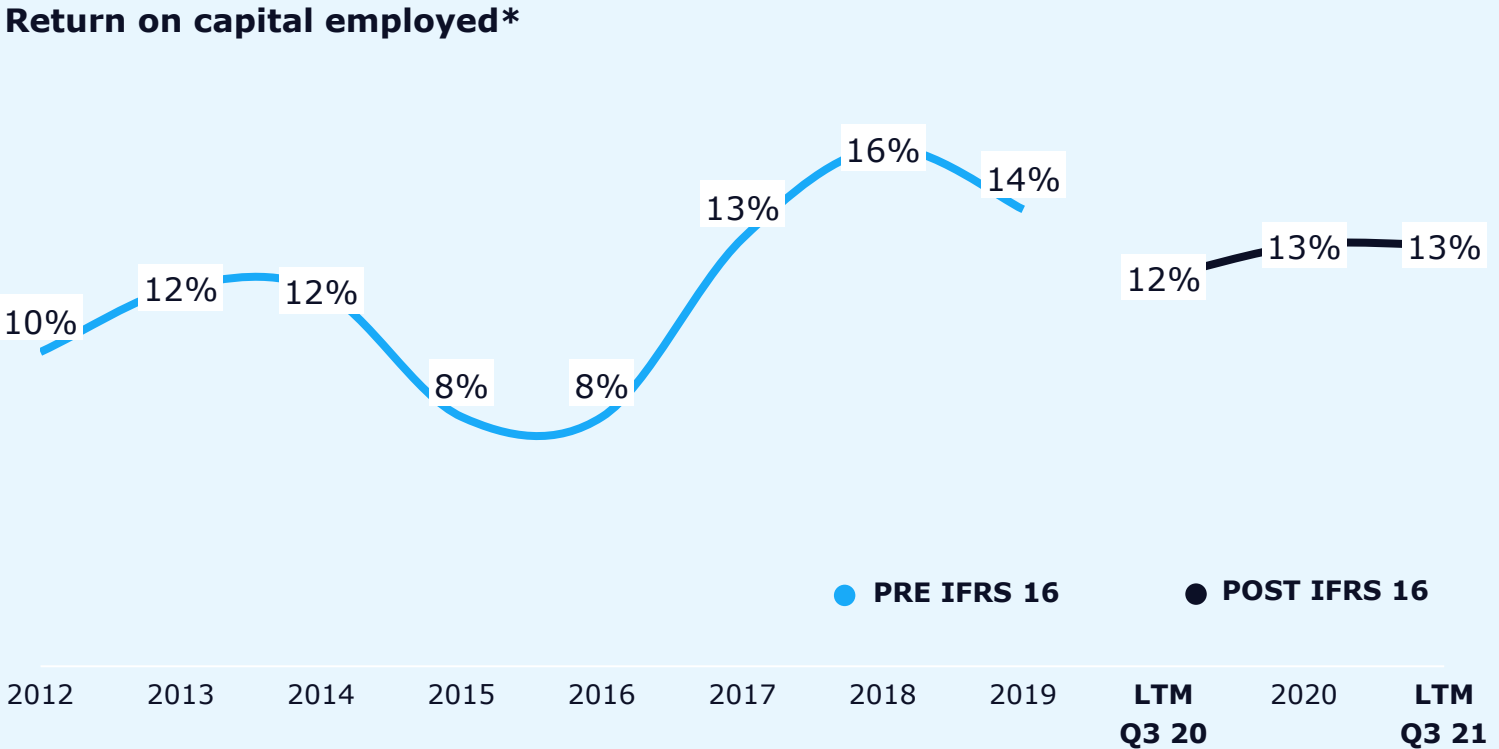
*) Gross debt = current interest-bearing liabilities + non-current interest-bearing liabilities + current and non-current lease liabilities

**) 12 months rolling EBITDA. For periods before consolidation of DNA, pro forma figures have been included.

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



Return on capital employed



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

