



# TELENOR GROUP

Fourth 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

Fourth quarter 2021

**5G and services  
supporting Nordic ARPU**

**Free Cash Flow of  
NOK 13 billion in 2021**

**Announced merger process  
in Thailand**

**Proposing dividend of  
NOK 9.30 per share**

# 5G opportunities confirmed, **Asia strategy** execution continues

Opportunities arising from 5G

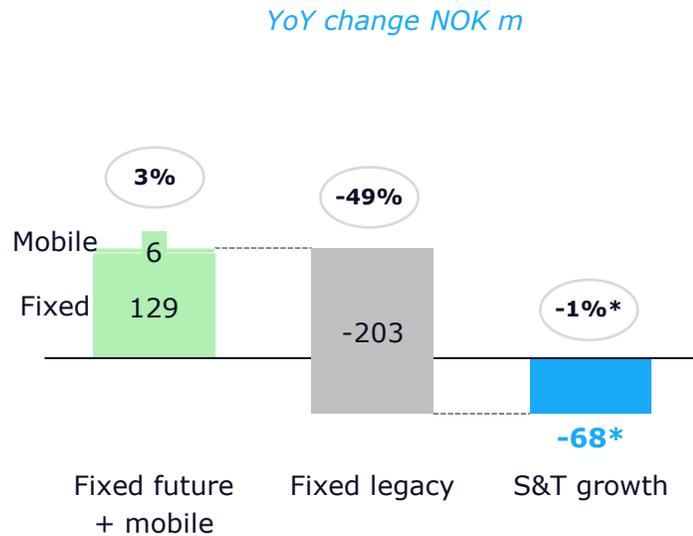


Thailand merger announced in Q4



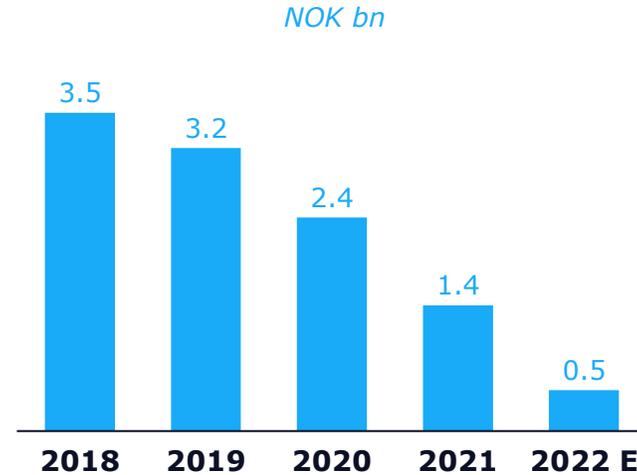
# Norway: Copper decline offset by modernisation effects

## Subscription and traffic revenues



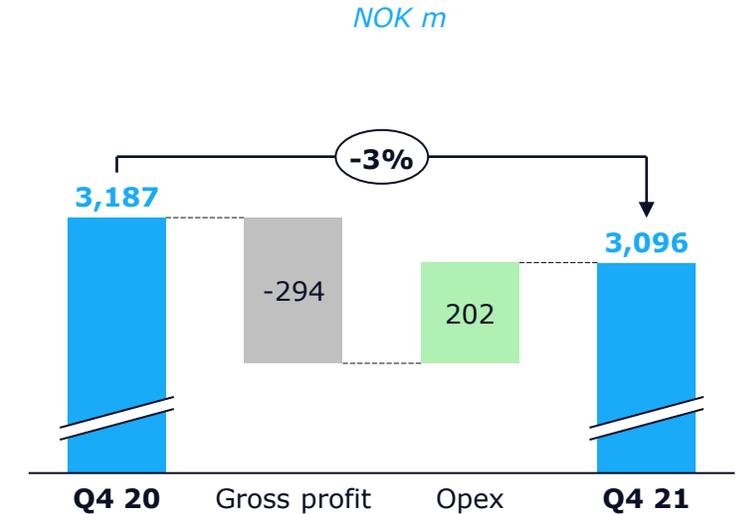
- > Copper decline more than offsetting continued growth in fibre, FWA and TV
- > Mobile ARPU growth driven by upselling and value-added services

## Approaching the end of copper legacy revenues



- > Peak run-rate of copper decommissioning
- > NOK 0.9 billion expected yoy effect in 2022
- > Further cost benefits expected to materialise after network shut down

## EBITDA



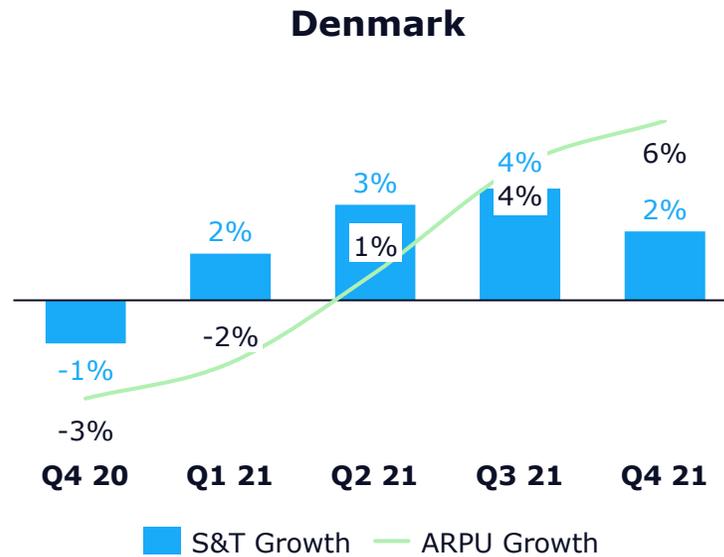
- > Underlying EBITDA decline 1%
- > Gross profit decline from copper, Infra and one-off last year
- > Underlying opex reduction 3% adjusted for Infra and one offs



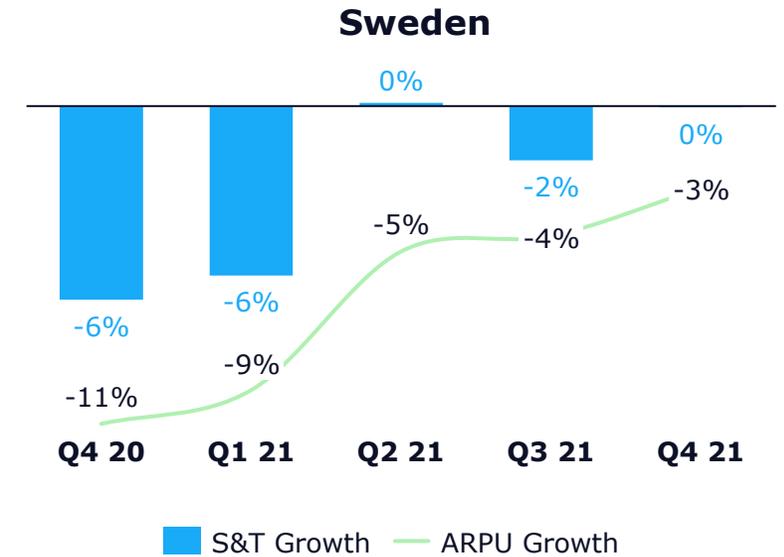
# Strong **Nordic** performance



- > S&T uplift driven by mobile upselling and higher fixed subscriber base



- > S&T growth driven by mobile ARPU uplift



- > Telenor main brand subscriber base turned positive, both B2C and SME
- > Stable revenues – positioned for growth

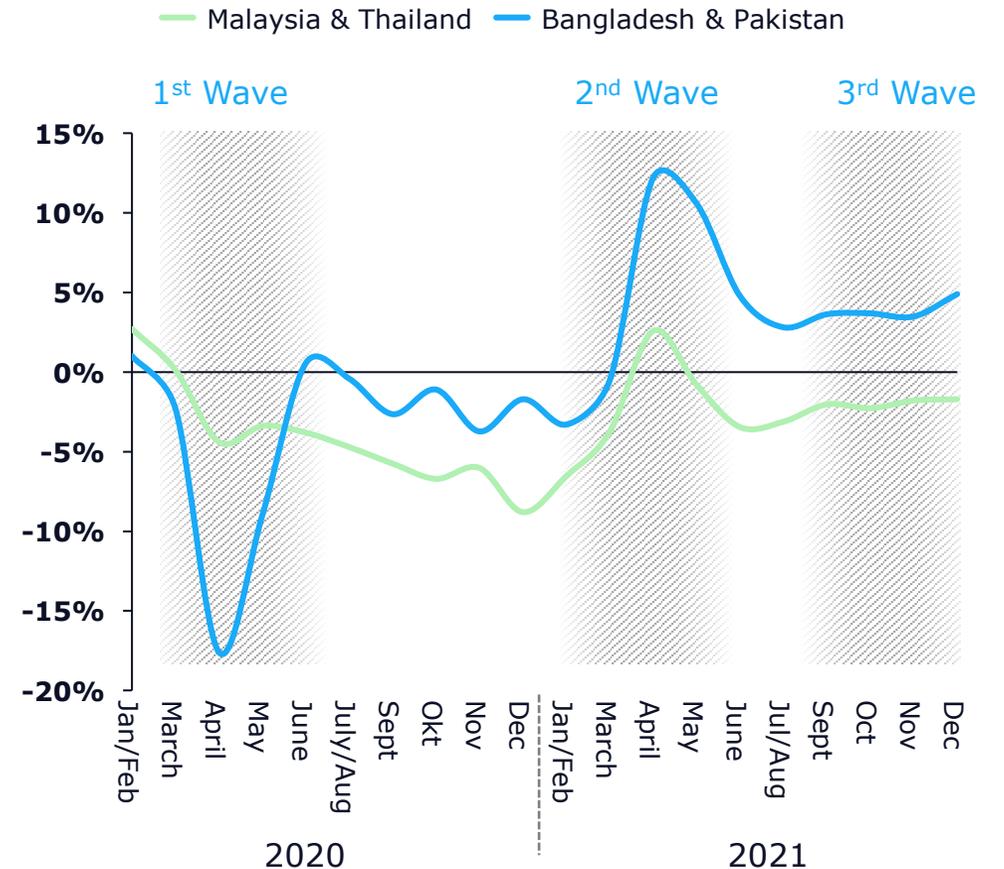


# Pandemic easing off in **Asia**, cautiously optimistic 2022

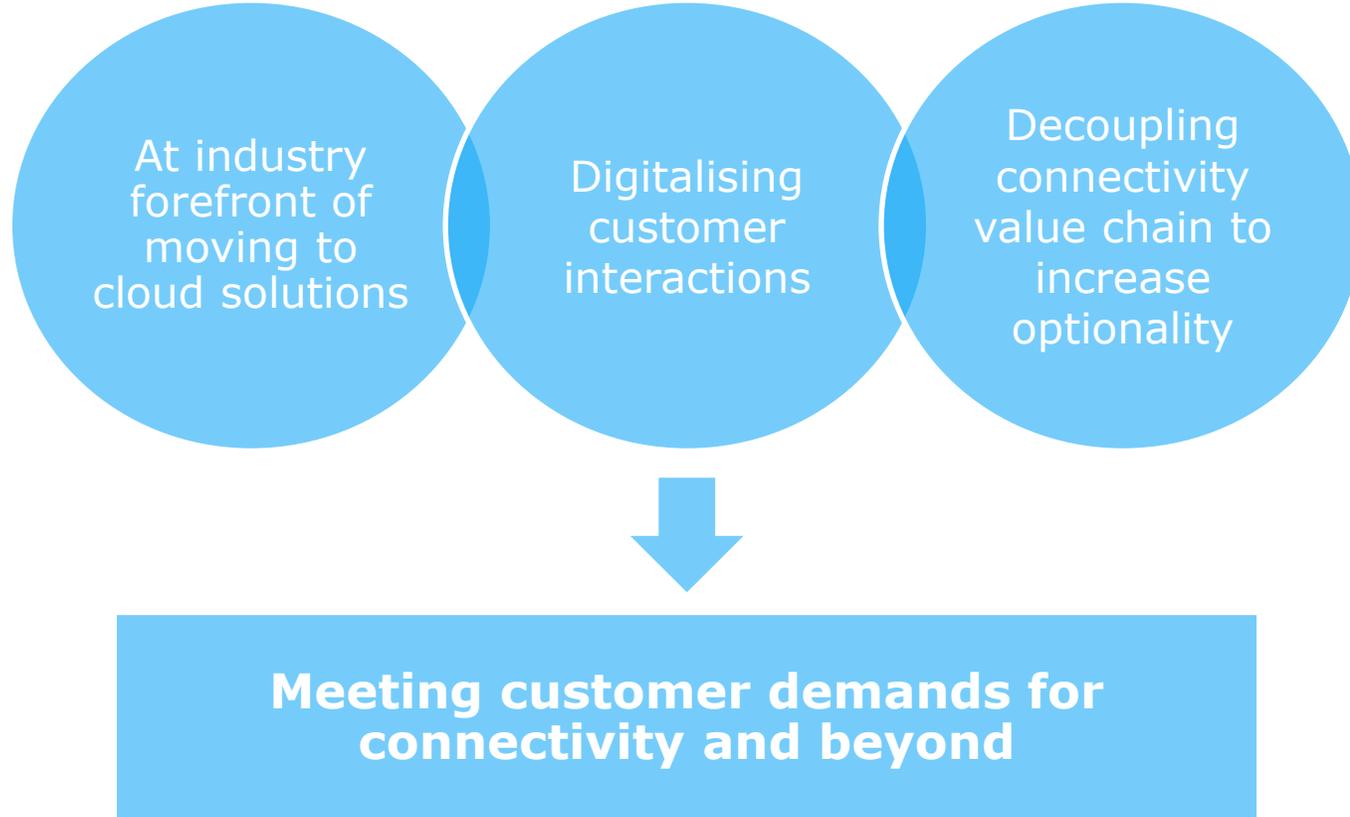
## Quarterly developments

- › Subscriber and traffic revenue growth in Bangladesh and Pakistan
- › Strong data growth across the portfolio
- › Increasing cost of data growth mitigated by efficiency
- › Double digit B2B revenue growth in 2021

## Organic subs & traffic revenue growth (%)

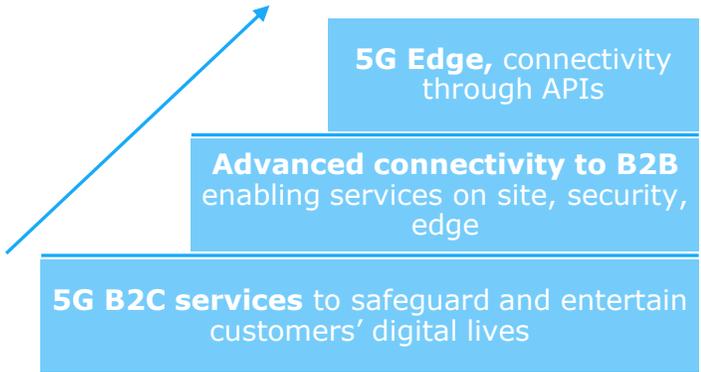


# Modernising towards a digital telco



# Key priorities for 2022

## Nordics: 5G drives revenues beyond connectivity



## Asia: Strengthening market positions



## Infrastructure: Setting up a leading Nordic tower company

*External revenues Telenor Infra*



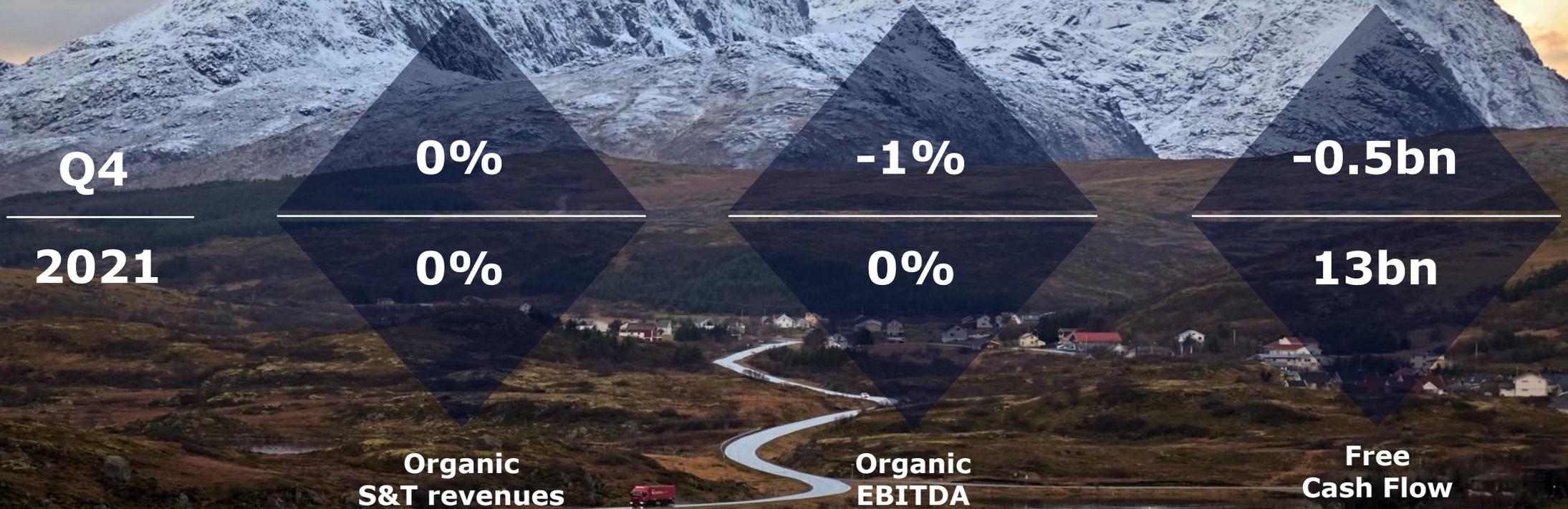


# TELENOR GROUP

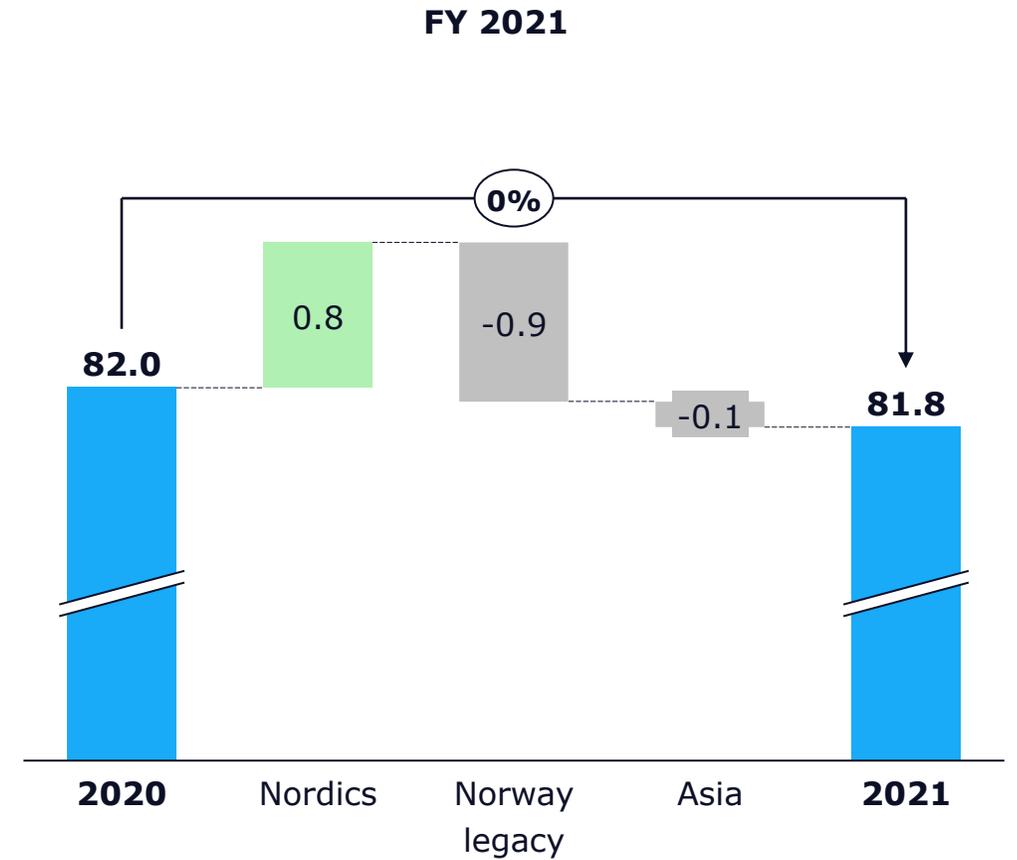
Fourth quarter 2021

**Tone Hegland Bachke, CFO**

# Highlights Q4 and 2021



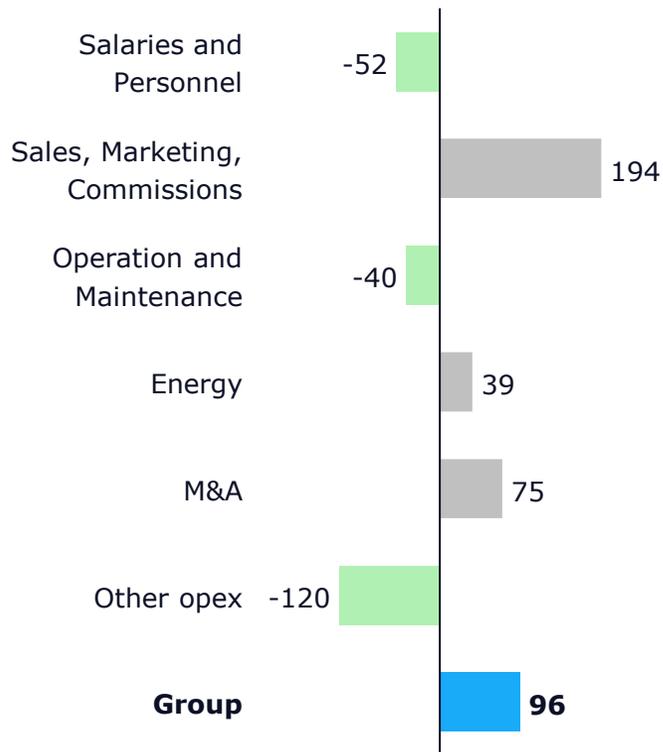
# Stable organic S&T revenues



# Continued strong **opex** performance

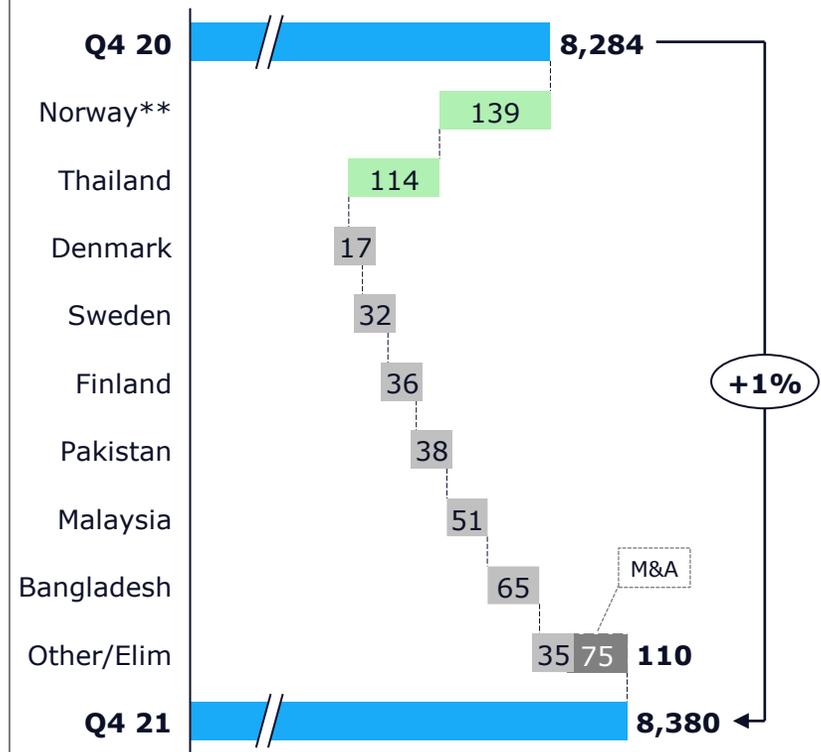
## Opex by category

Q4 YoY change NOK million\*



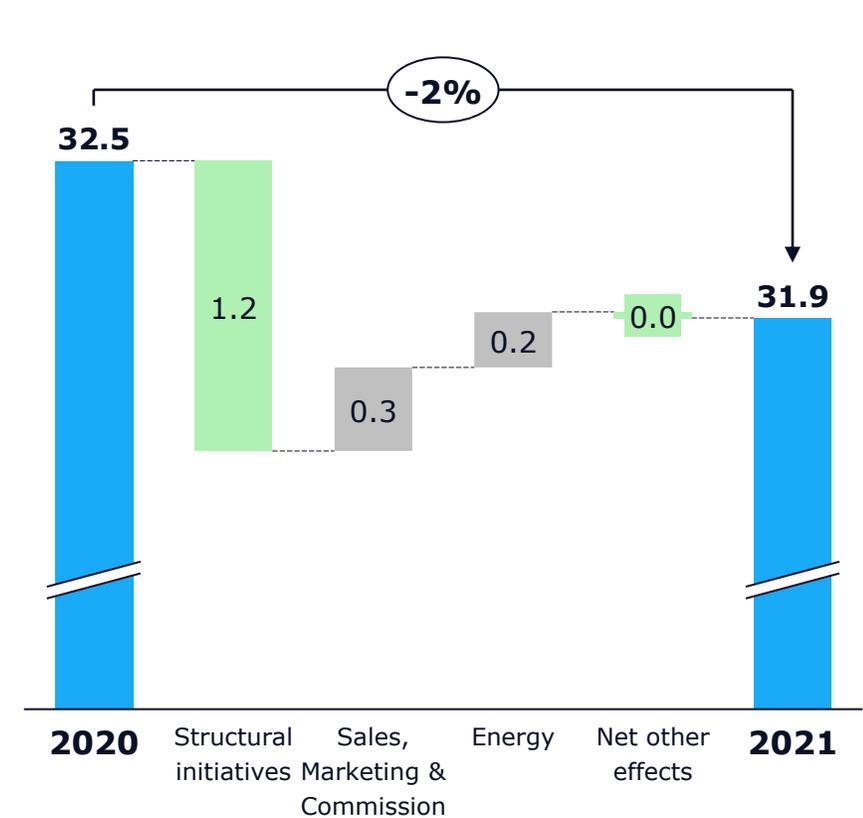
## Opex by country

Q4 YoY change NOK million\*



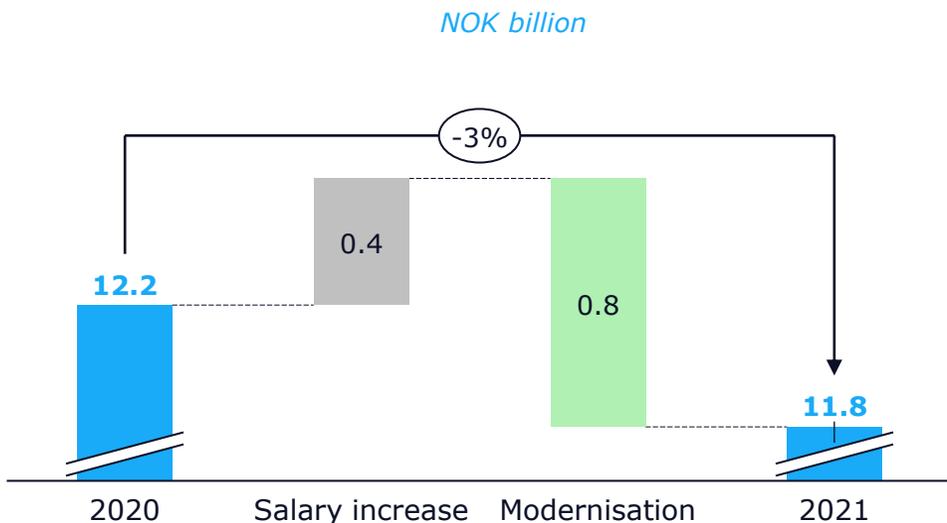
## Full year opex

YoY change NOK million\*



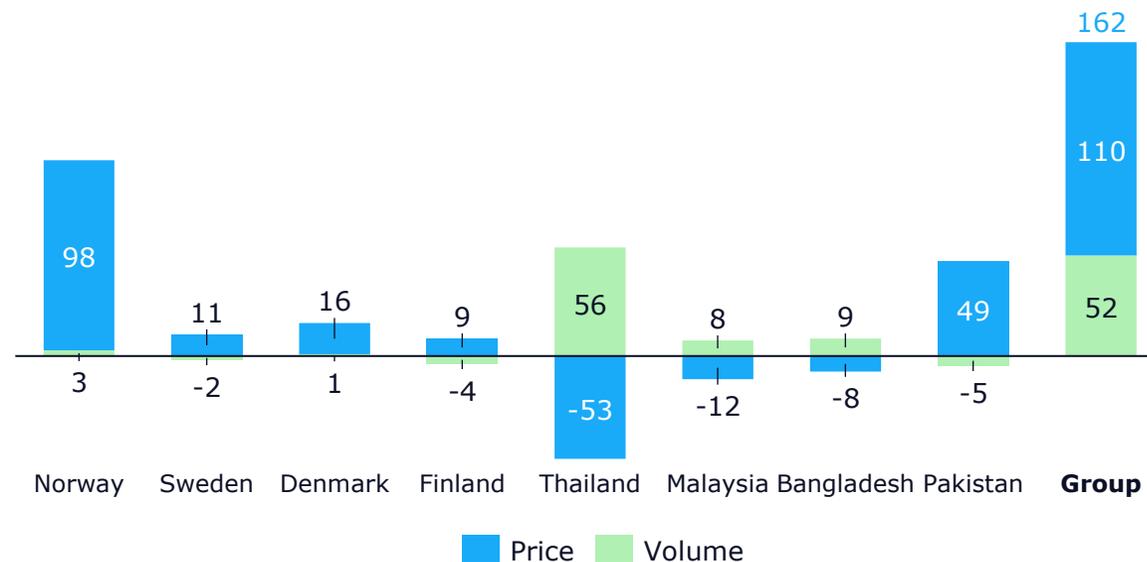
# Mitigating inflation through **Modernisation**

Salary and personnel cost full year (NOK m)\*



- > All Nordic units, representing 80% of personnel cost have structural programs addressing the organisation
- > Workforce reductions across all markets

Energy cost Q4 year on year (NOK m)\*

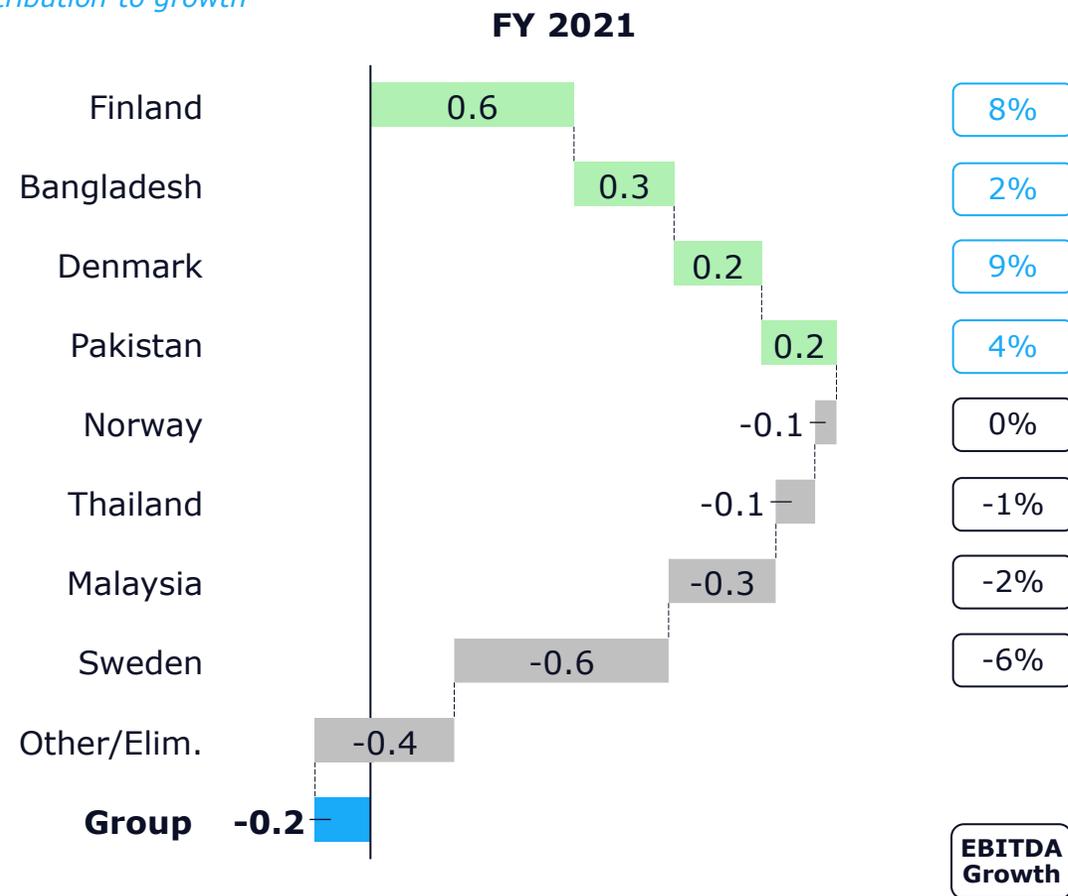
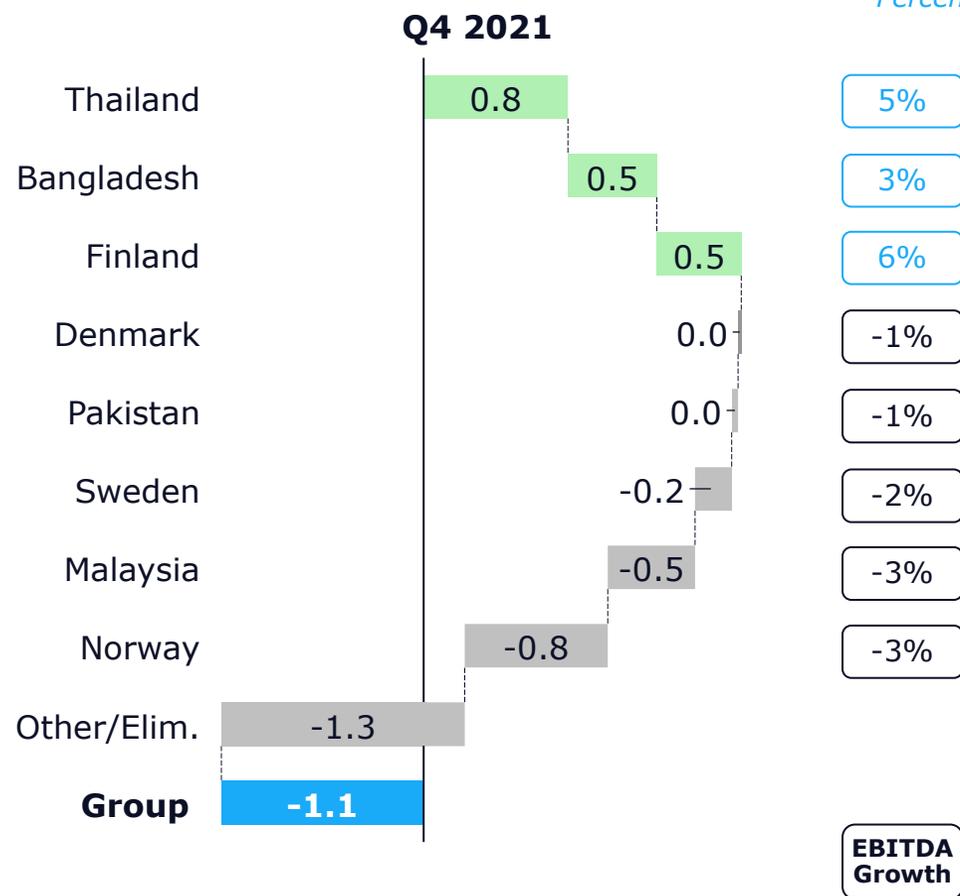


- > Network modernisation, automisation, machine learning, solar sites and other energy saving initiatives partly mitigate cost increase
- > Higher energy prices have a 1pp negative impact on the Group's EBITDA growth in Q4



# Organic EBITDA

Percentage points contribution to growth



# Building a leading **tower company** in the **Nordics**

- > Focus on value creation from own infrastructure assets through growth and efficiency
- > From Q1 2022, fully owned sites will be reported as a separate segment
- > In addition to the fully owned sites, Telenor owns 50% of approximately 10k sites through JVs in Denmark and Sweden

## Number of owned sites per Q4 2021

Number of sites in '000

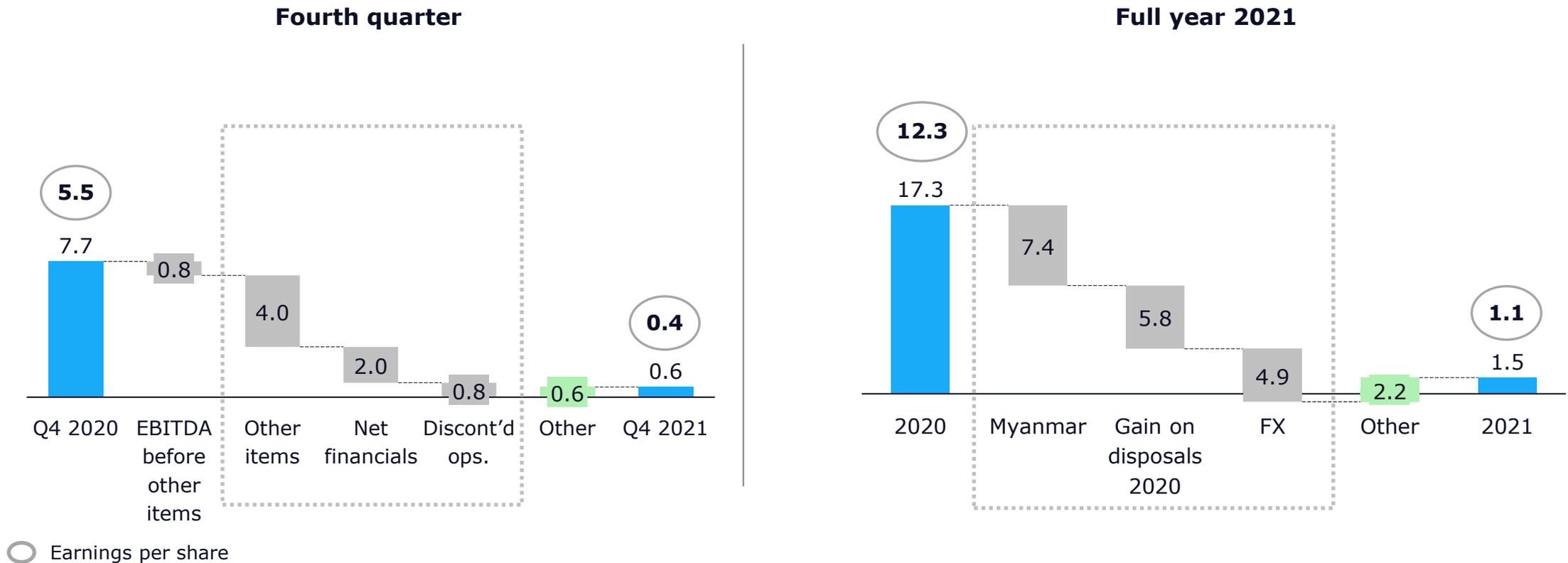
	Infra	Tower Sweden	DNA Tower	JV sites**
Groundbased	6	1	1	-
Rooftop	5	1	2	-
Other sites	5	0	1	-
<b>Total</b>	<b>15</b>	<b>2</b>	<b>4</b>	<b>10</b>
Mobile tenancy ratio*	1.6	2.3	1.4	-

\*Total number of tenants on mobile sites divided by number of mobile sites

\*\*Total number of JV sites, of which Telenor has 50% ownership share

# Net income to equity holders of NOK 1.5 billion in 2021

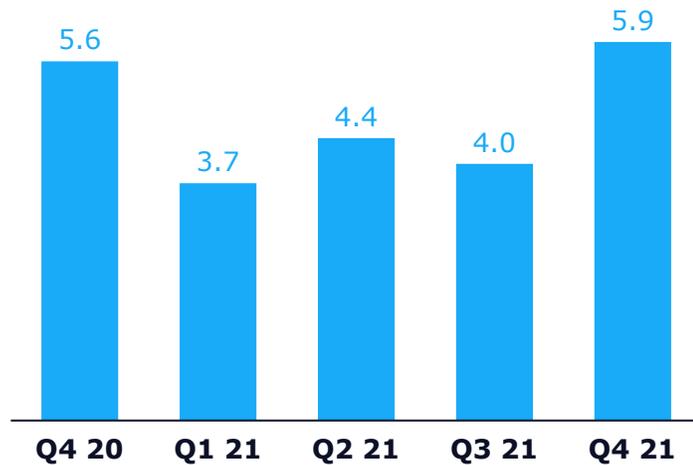
- Negatively impacted by impairment of Myanmar



# Free Cash Flow of NOK 13 billion in 2021

## Capex ex. licenses and spectrum

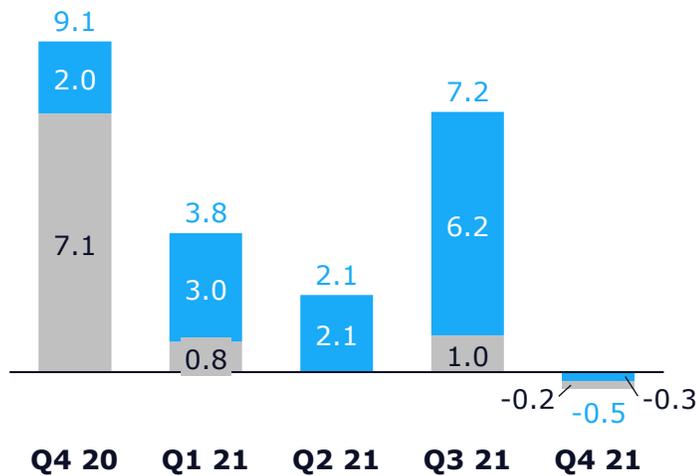
NOK billion



- > 5G roll-out in Norway and Finland
- > FTTH investments in Norway
- > 700 MHz roll-out in Thailand

## Free cash flow

NOK billion

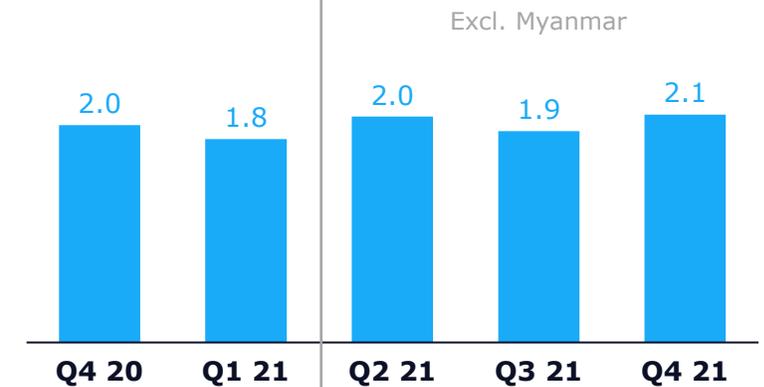


■ M&A and disposals ■ FCF excl. M&A and disposals

- > FCF in the quarter negatively impacted by Thailand spectrum payment and fine in Norway
- > FCF from Myanmar of NOK 1.3bn in 2021

## Leverage

Net debt / EBITDA



- > Leverage ratio ending 2021 at 2.05x

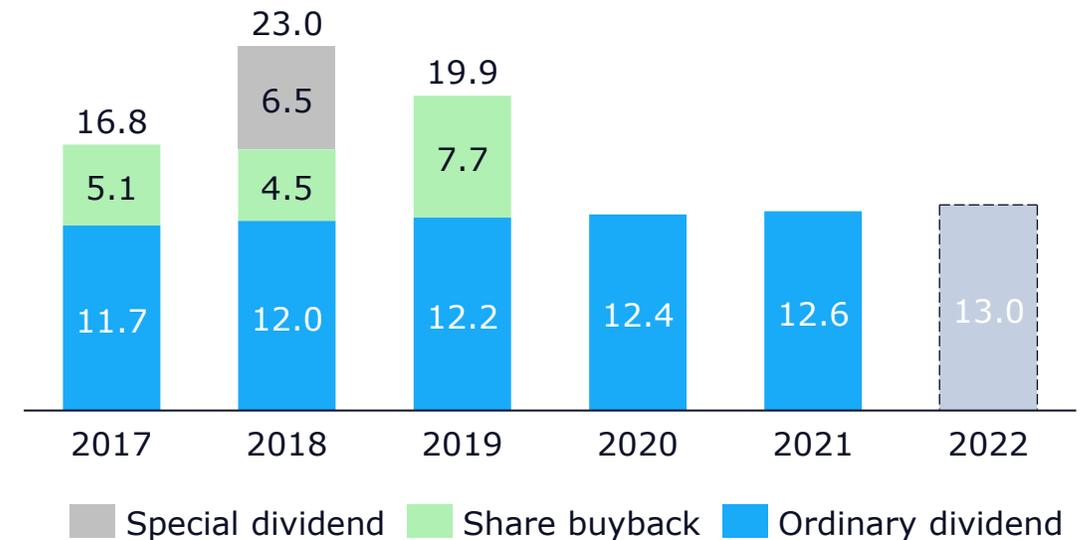


# Proposing ordinary **dividend** of NOK 13 billion to shareholders

## 3% growth in ordinary dividend per share

- › Proposing a dividend of **NOK 9.3 per share** for FY 2021, in line with dividend policy. Subject to approval by AGM.
- › First tranche of NOK 5.0 in May, second tranche of NOK 4.3 in October
- › Dividend yield of 6.5%, total payout of NOK 13 billion
- › Close to NOK 100 billion returned to shareholders last 6 years

## Solid shareholder remuneration



# Outlook 2022

2022 excl. Malaysia

**Organic Service Revenues \***

**Low single digit growth**

**Organic EBITDA**

**Around 2021  
or slightly higher**

**Capex/sales**

**16-17%**





# TELENOR GROUP

Fourth quarter 2021

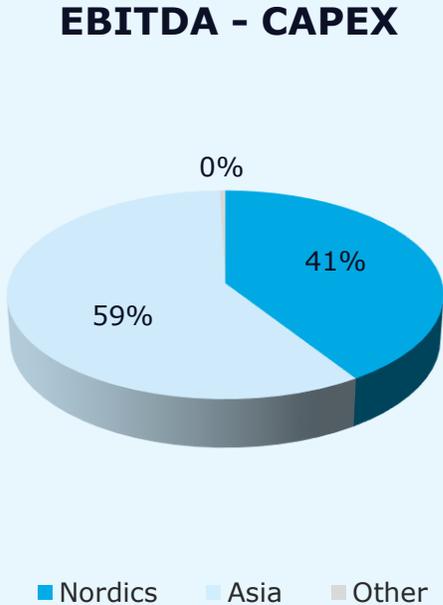
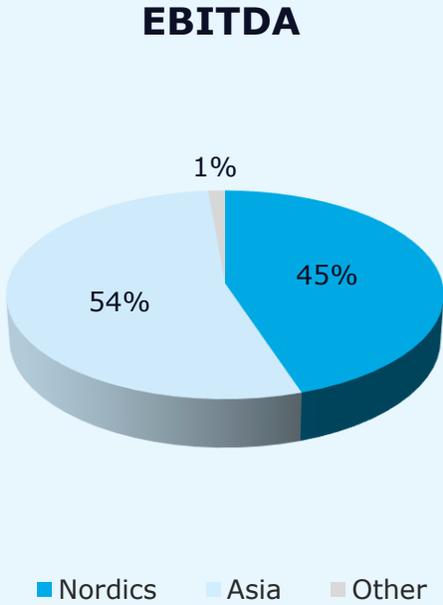
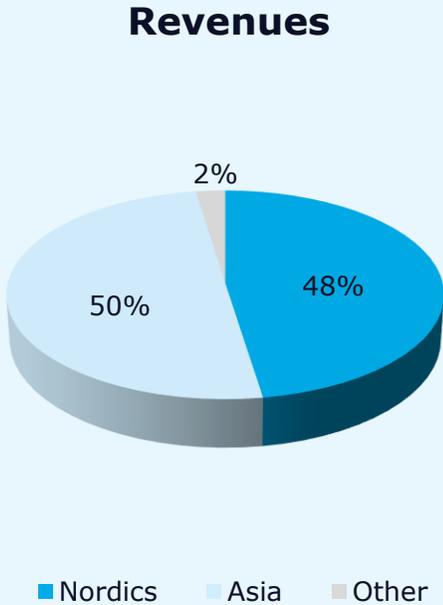
## Appendix

# From S&T to Service revenues

Country	Subscription & traffic revenues		Service revenues*	
	Reported 2021	Organic (%)	Reported 2021	Organic
Norway	18,818	-1.1%	19,869	-1.2%
Sweden	8,597	-2.0%	8,989	-1.8%
Denmark	3,405	2.7%	3,487	2.9%
Finland	6,969	3.3%	7,342	2.9%
Thailand	15,093	-3.5%	15,202	-3.2%
Malaysia	10,635	-1.7%	10,789	-1.8%
Bangladesh	13,683	2.6%	13,710	2.6%
Pakistan	4,621	5.6%	4,647	5.8%
Other/elimination	16		793	
<b>Organic Telenor Group</b>	<b>81,776</b>	<b>-0.2%</b>	<b>84,828</b>	<b>-0.1%</b>



# Geographic split of key financials 2021

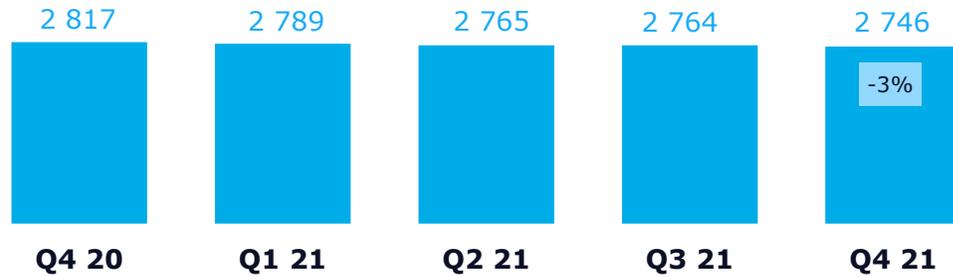


EBITDA before other items. Capex excl. licences.

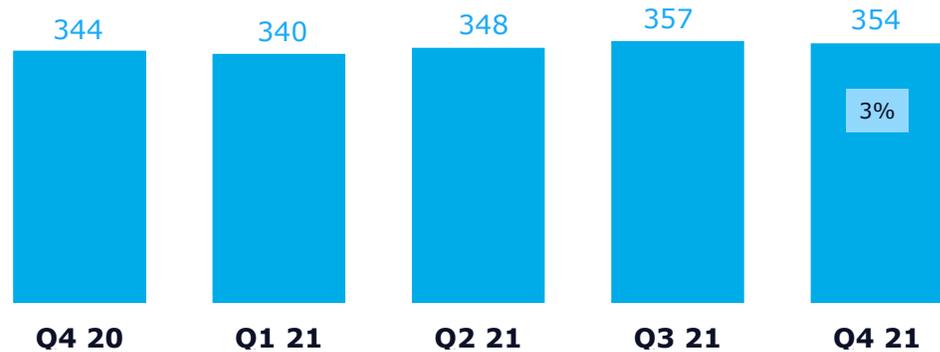


# Norway

Mobile subscribers ('000)

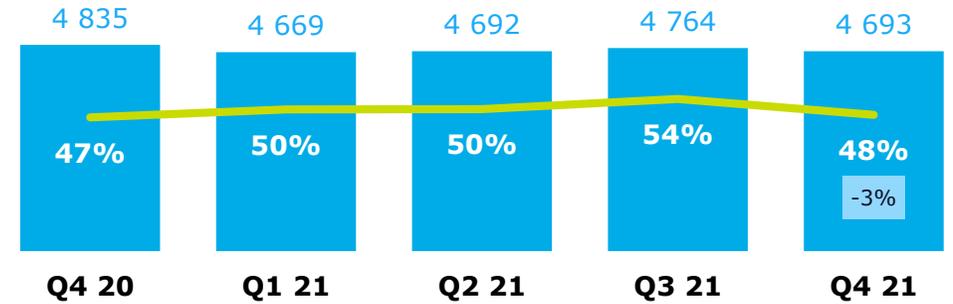


Mobile ARPU (NOK/month)

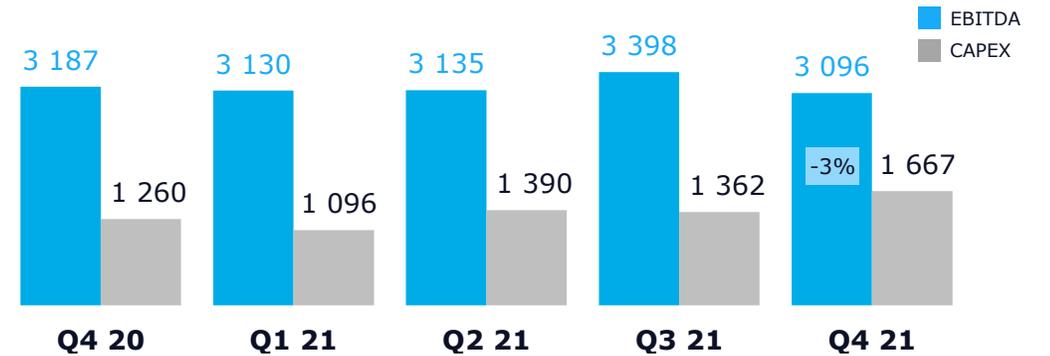


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

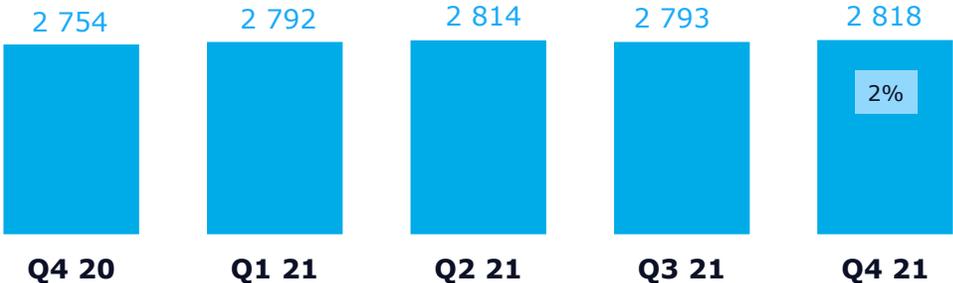


Organic growth YoY

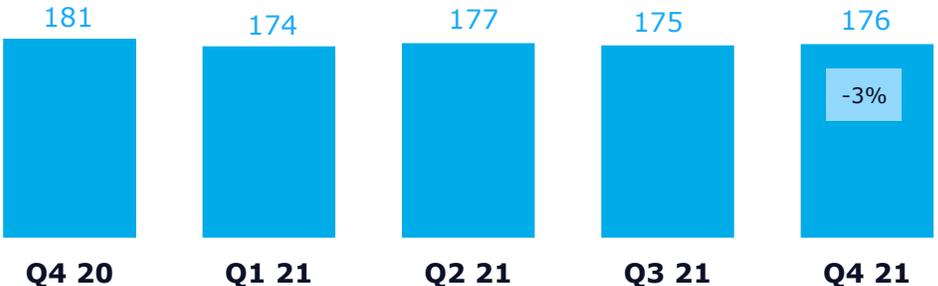


# Sweden

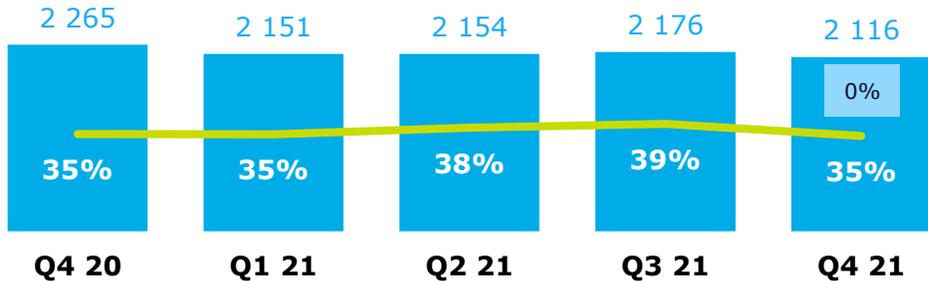
Mobile subscribers ('000)



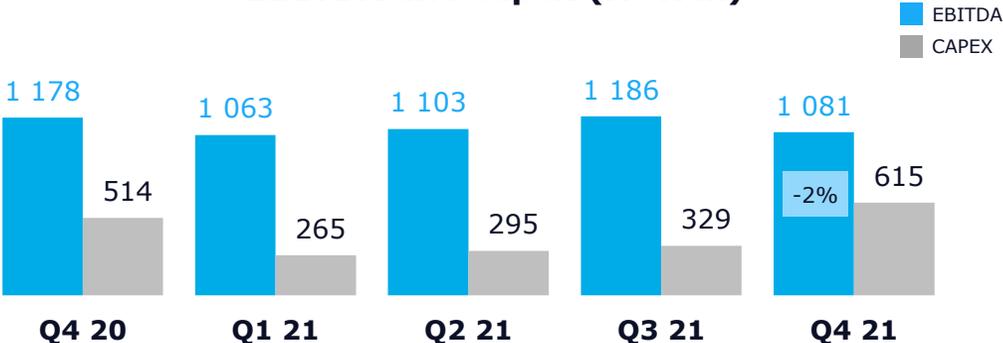
Mobile ARPU (SEK/month)



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

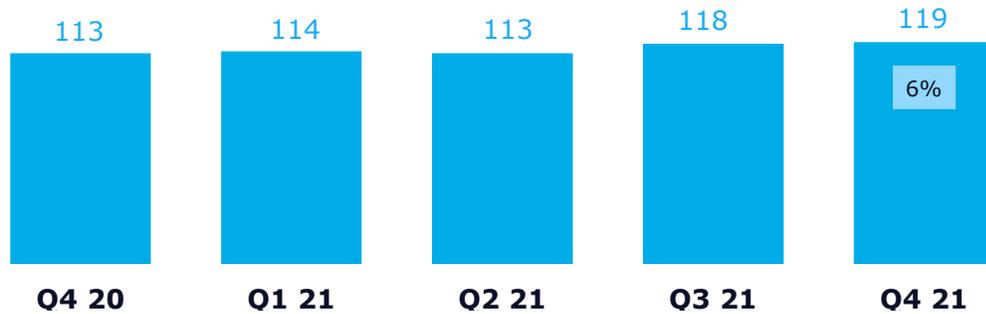


# Denmark

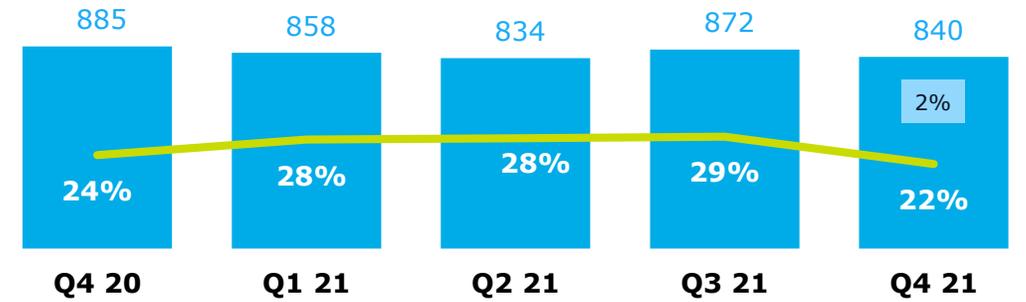
### Mobile subscribers ('000)



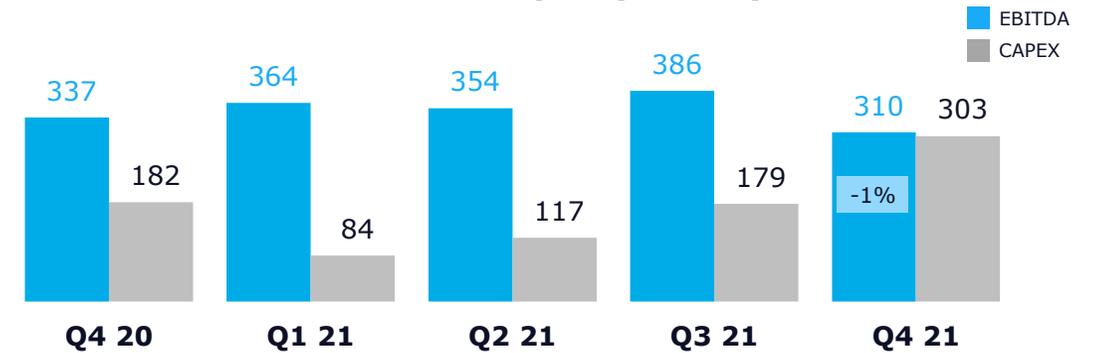
### Mobile ARPU (DKK/month)



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



### EBITDA and capex (NOK m)



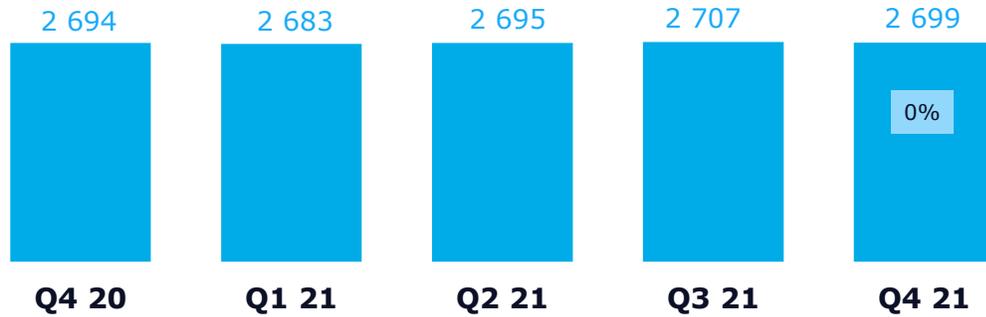
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

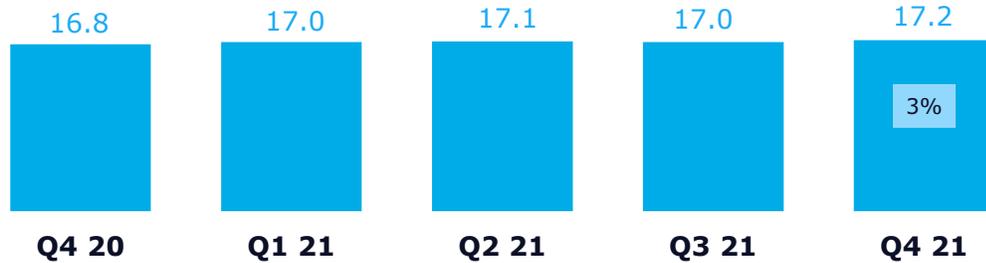


# Finland

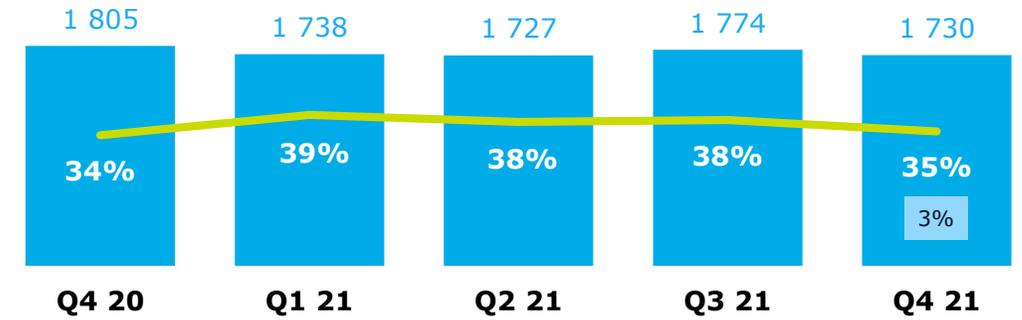
Mobile subscribers ('000)



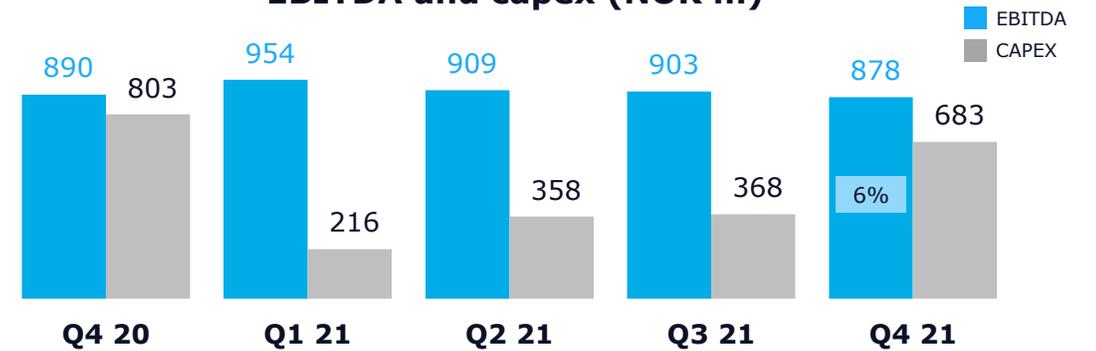
Mobile ARPU (EUR/month)



Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

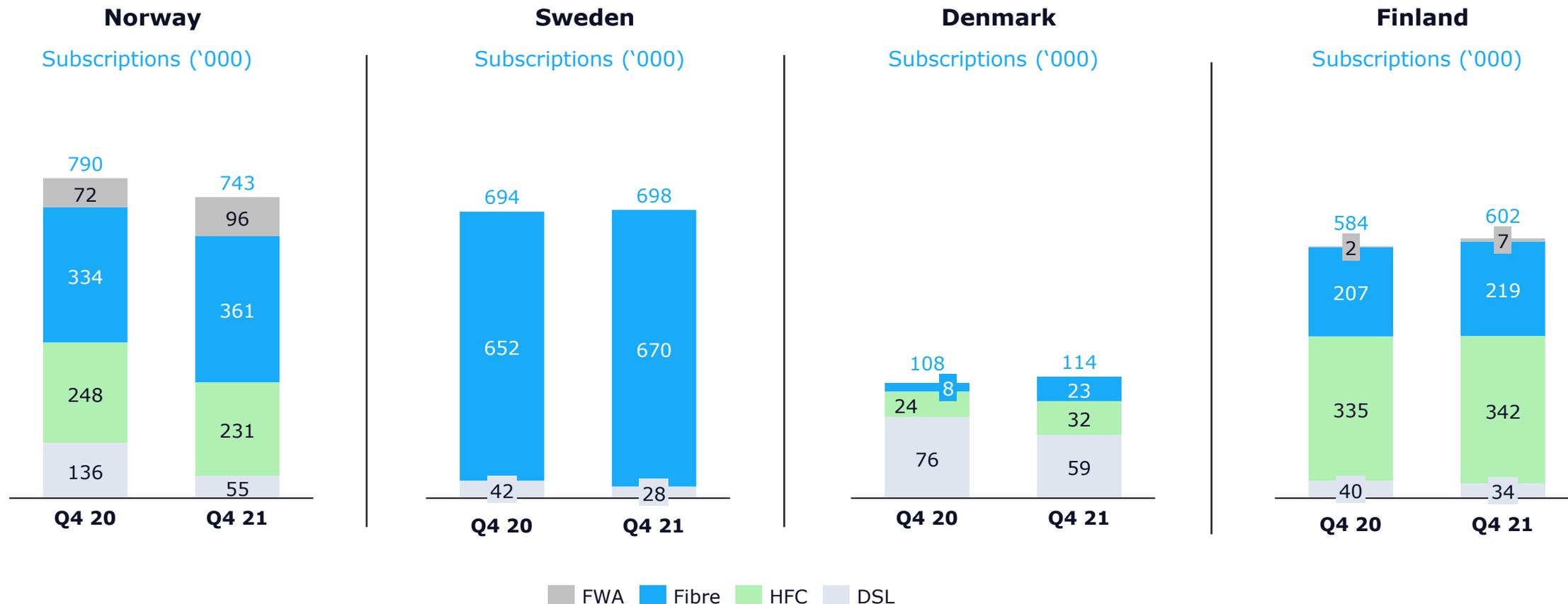


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

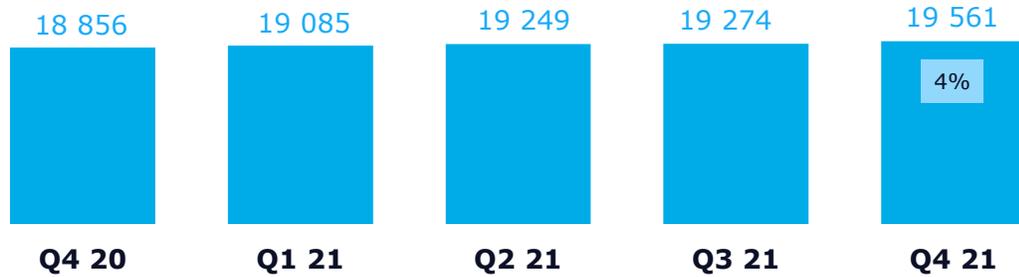


# Additional information – Nordics

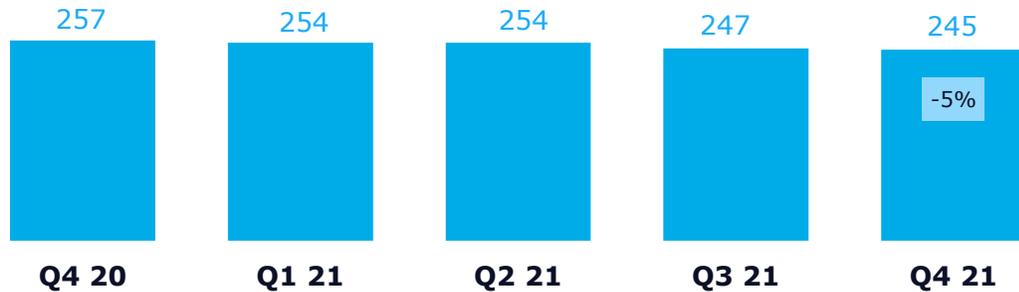


# Thailand (dtac)

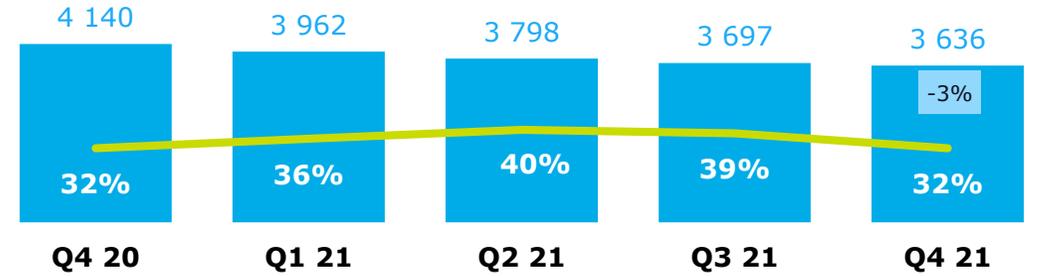
Mobile subscribers ('000)



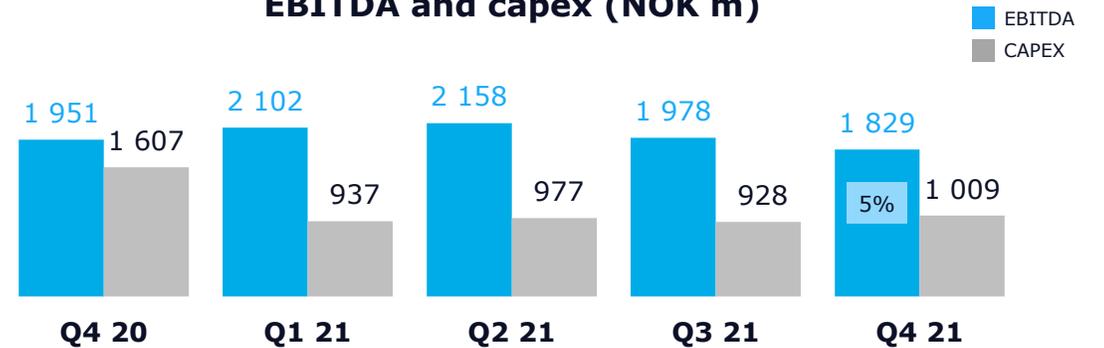
Mobile ARPU (THB/month)



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)

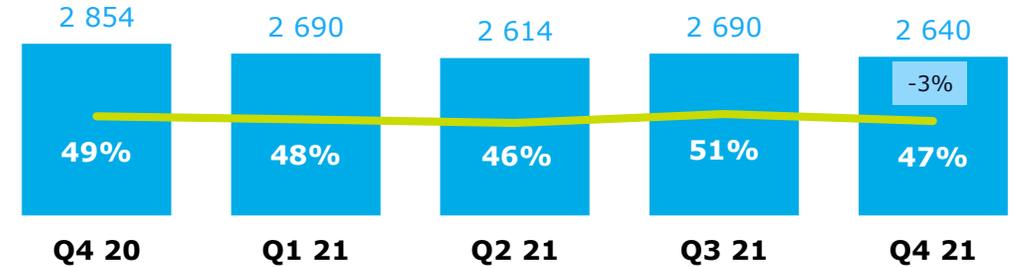


Mobile ARPU (MYR/month)

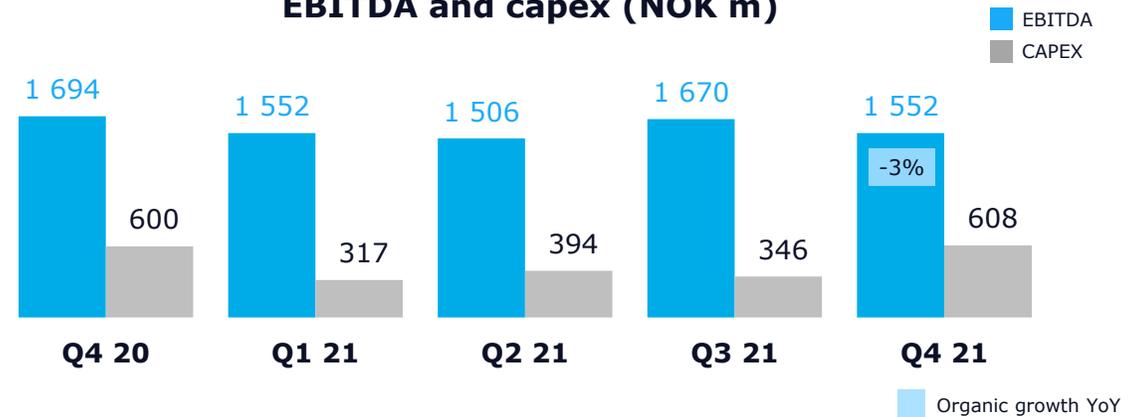


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin

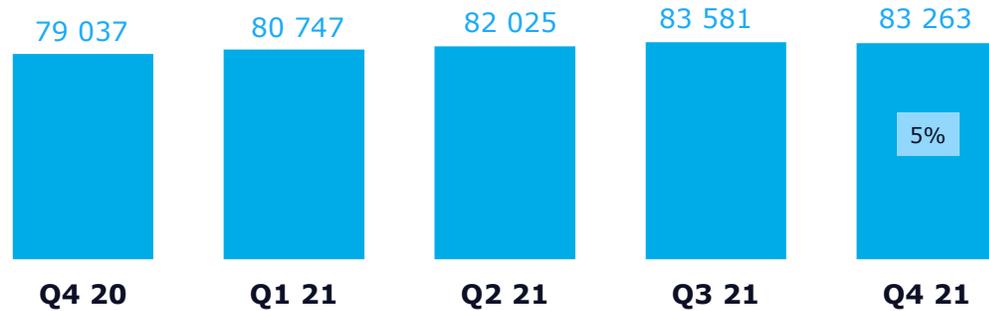


EBITDA and capex (NOK m)

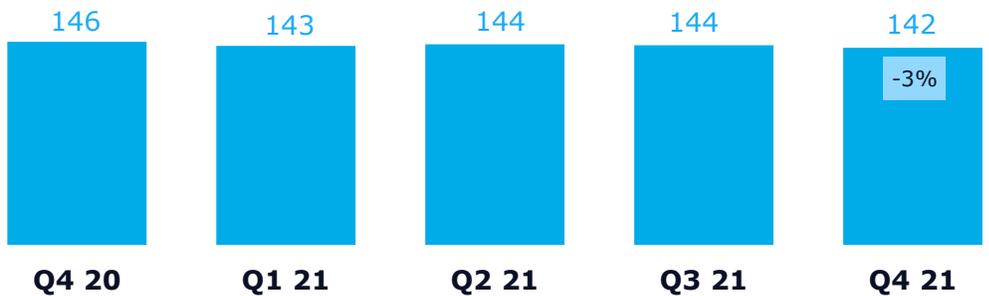


# Bangladesh (Grameenphone)

Mobile subscribers ('000)

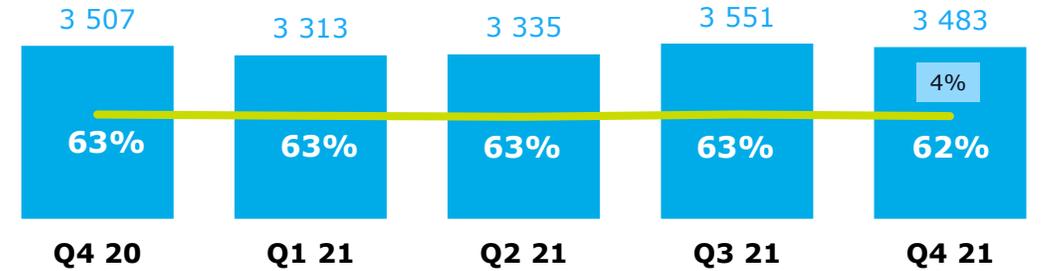


Mobile ARPU (BDT/month)

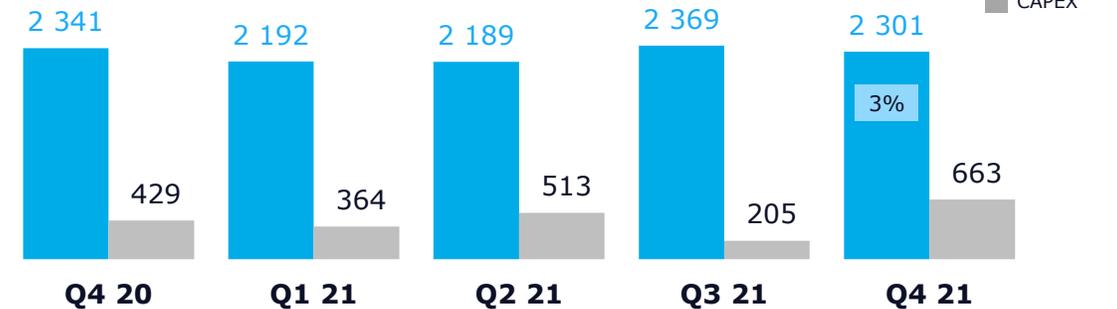


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

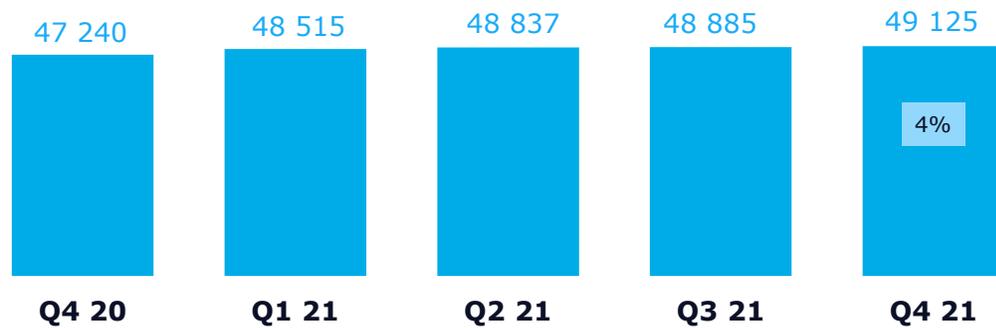


Organic growth YoY

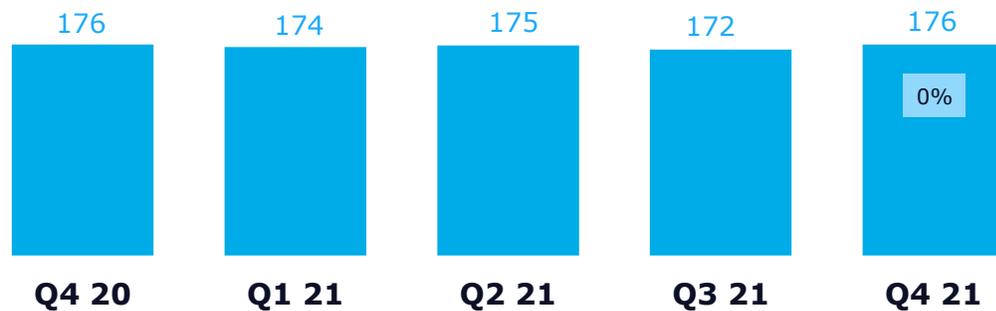


# Pakistan

### Mobile subscribers ('000)

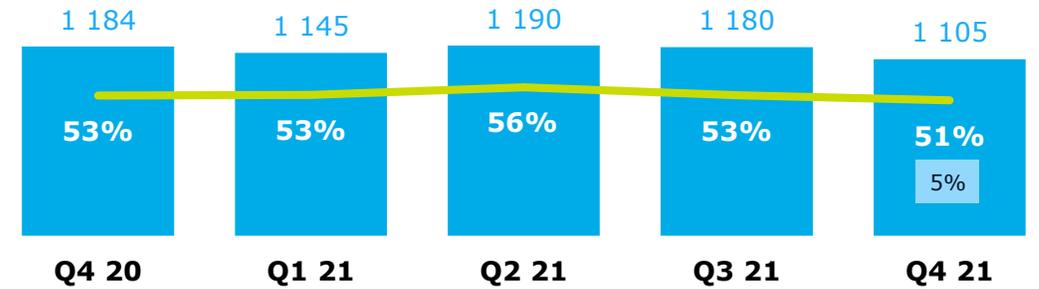


### Mobile ARPU (PKR/month)

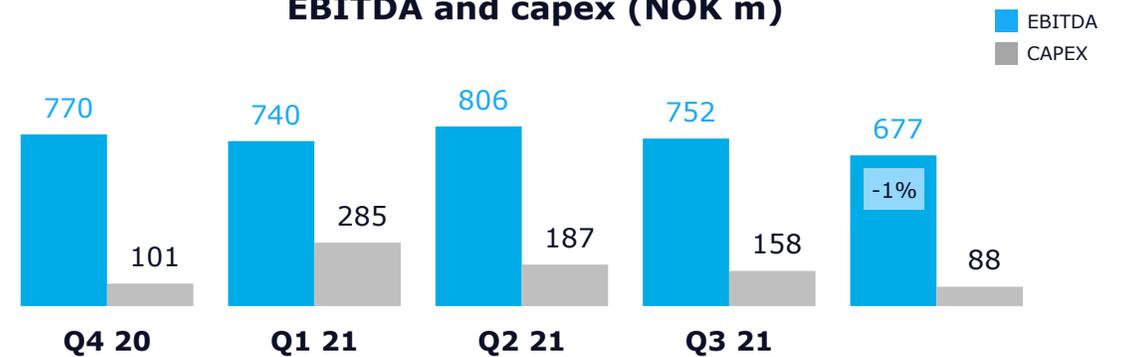


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

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



### EBITDA and capex (NOK m)



Organic growth YoY



# Q4 growth in subscription and traffic revenues and EBITDA

Country	Subscription & traffic revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-2.9%	-2.9%	-2.9%	-2.9%
Sweden	-6.6%	-0.5%	-8.2%	-2.1%
Denmark	-5.1%	2.3%	-8.1%	-0.7%
Finland	-4.2%	3.3%	-1.4%	6.5%
Thailand	-12.2%	-1.4%	-6.2%	5.2%
Malaysia	-7.5%	-2.6%	-8.3%	-3.5%
Bangladesh	-0.7%	3.6%	-1.7%	2.6%
Pakistan	-6.6%	5.2%	-12.0%	-0.6%
<b>Telenor Group</b>	<b>-5.7%</b>	<b>-0.1%</b>	<b>-6.4%</b>	<b>-1.1%</b>



# Net income of **NOK 0.6 billion** for Q4 2021

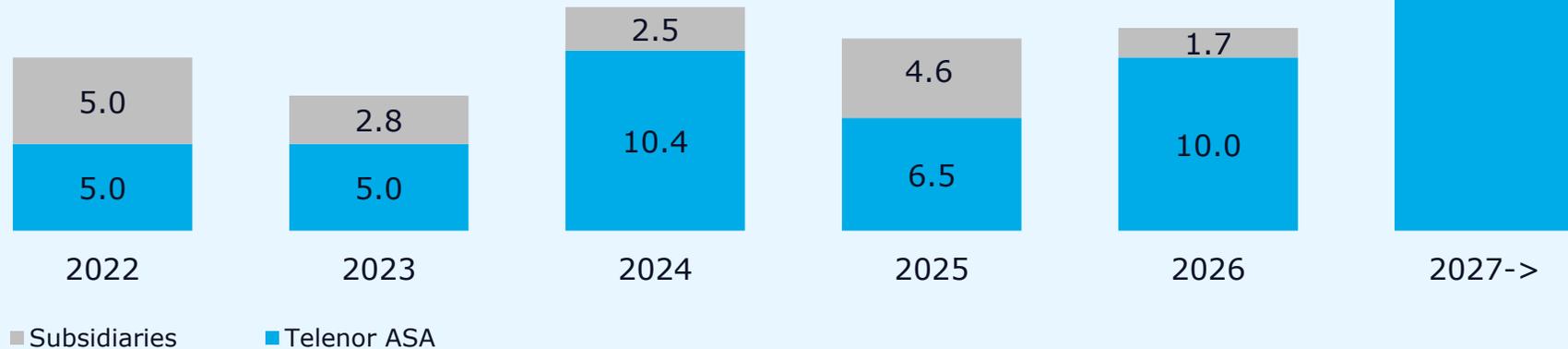
<b>NOK m</b>	<b>2020</b>	<b>2021</b>	<b>Q4 2020</b>	<b>Q4 2021</b>
Revenues	115 839	110 241	29 322	28 154
EBITDA before other items	52 347	49 162	12 549	11 743
Other items	1 946	(1 787)	2 817	(1 231)
EBITDA	54 293	47 375	15 366	10 512
Depreciation & amortisation	(26 298)	(25 868)	(6 502)	(6 449)
Operating profit	27 984	21 506	8 861	4 064
Associated companies	(361)	(459)	(55)	(173)
Net financials	(3 331)	(3 962)	1 116	(915)
Taxes	(6 419)	(5 740)	(1 680)	(1 154)
Profit (loss) from discontinued operations	3 186	(6 753)	271	(532)
Minorities	3 718	3 063	824	702
<b>Net income - Telenor equity holders</b>	<b>17 341</b>	<b>1 528</b>	<b>7 689</b>	<b>587</b>
Earnings per share (NOK)	12.3	1.1	5.5	0.4



# Debt maturity profile (NOK bn)

Net debt\* in partly-owned subsidiaries:

NOK bn	Q4 2021	Q4 2020
Digi	8.3	9.1
dtac	19.6	19.6
Grameenphone	2.3	1.4



# Net debt reconciliation

NOK bn	Q4 2021	Q4 2020
Non-current interest-bearing liabilities	87.8	98.6
Non-current lease liabilities	28.1	35.6
Current interest-bearing liabilities	9.3	7.3
Current lease liabilities	7.0	9.3
Cash and cash equivalents	(15.2)	(20.6)
Fair value hedge instruments	(1.1)	(2.4)
Financial instruments	(0.3)	(0.4)
Non-current license obligations	(12.5)	(13.4)
Current license obligations	(2.3)	(3.6)
<b>Net interest-bearing debt excl. license obligations</b>	<b>100.8</b>	<b>110.4</b>



# Balance sheet and key ratios

	30 Dec 2021	31 Dec 2020
Total assets	225.7	256.5
Equity attributable to Telenor ASA shareholders	26.3	38.3
Gross debt*	132.2	150.8
Net debt	100.8	110.4
Net debt/EBITDA**	2.1	2.0
<b>Return on capital employed***</b>	<b>10%</b>	<b>13%</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

