



TELENOR GROUP

Third 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.

Value creation strategy presented at CMD

- 1 **A leading Nordic telco** with profitable growth from efficient connectivity and services
- 2 **A strong Asian entity** focused on synergies and cash flow
- 3 Crystallise value as a **leading Nordic Infrastructure** company
- 4 Focused approach to **Adjacent Business**



Highlights

Third quarter 2022

Nordic mobile service revenue growth of 4%

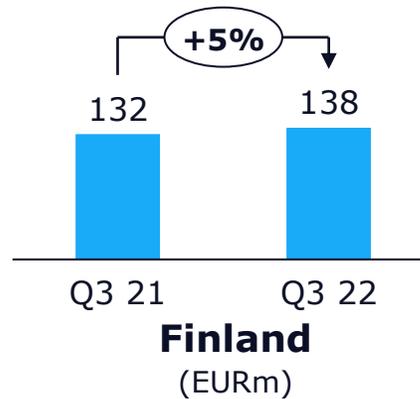
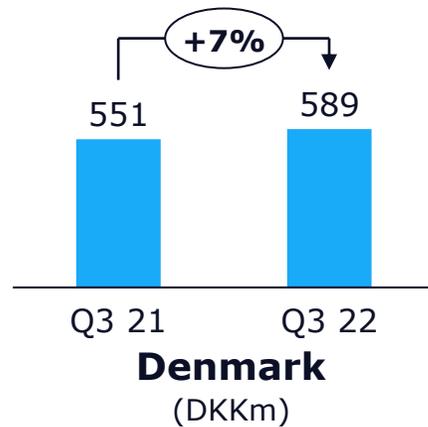
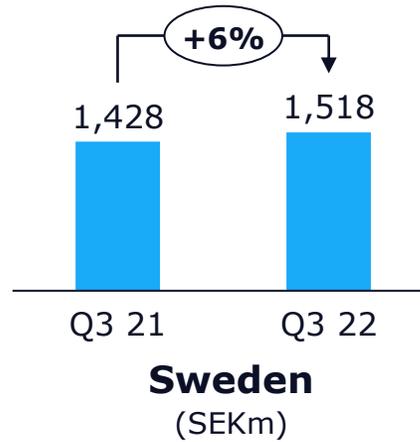
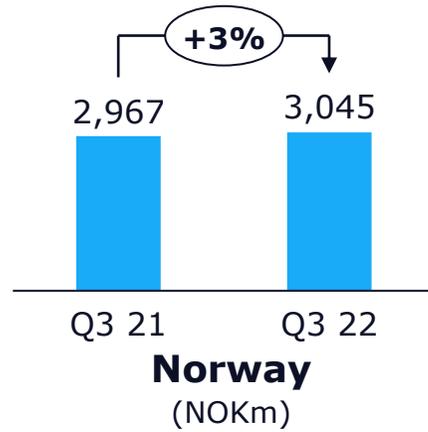
Norwegian fibre deal

Energy headwind

Regulatory clearance received in Malaysia

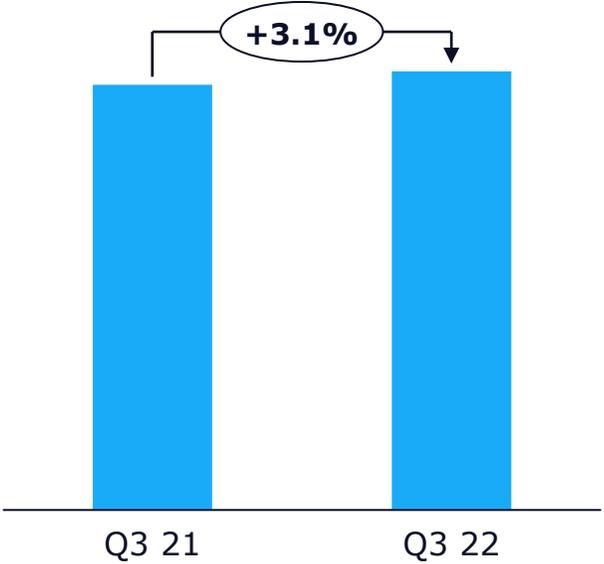
Nordic Mobile Service Revenues

- delivering on growth strategy

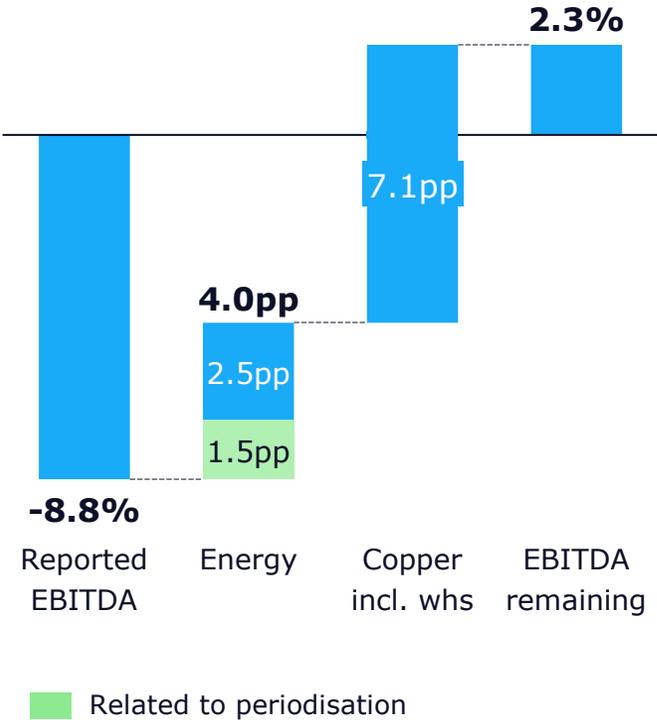


Norway EBITDA impacted by copper and energy

Legacy free service revenues
(Mobile and fixed future)



EBITDA growth



Structural transactions progressing in **Asia**

Bangladesh

Service revenues

+7%

Solid growth despite
SIM ban

Malaysia



Regulatory approvals in place

Pakistan

Service revenues

-3%*

Energy cost, FX and inflation
impacting cost

Thailand



Received conditional
acknowledgement of the merger

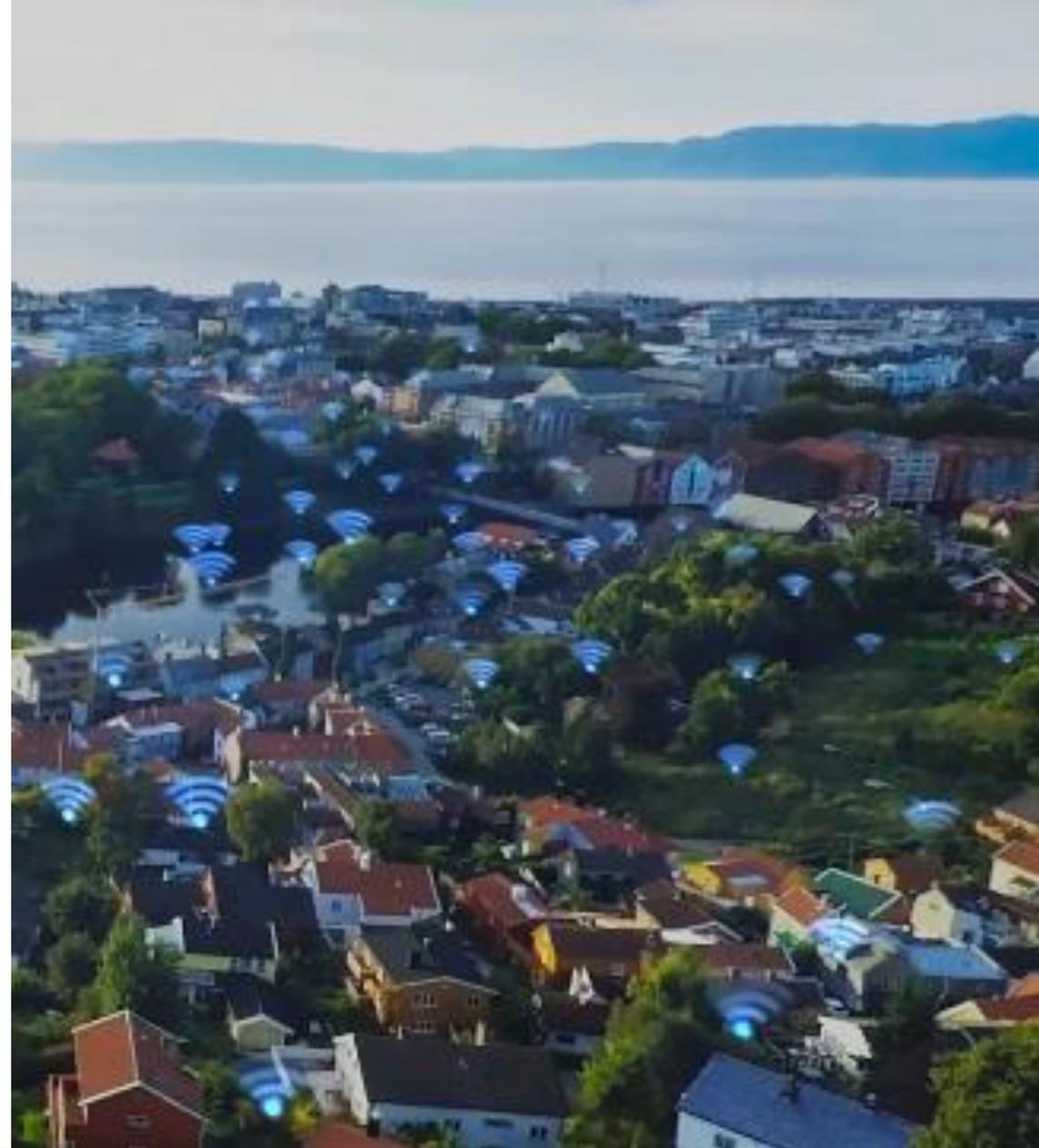
*reported EBITDA incl. reversal of SIM tax accrual was 10%



Delivering first step on **Infrastructure** strategy

Minority sale of Norwegian fibre

- Enterprise value NOK 36 billion
- Proceeds to Telenor NOK 10.8 billion
- Transaction expected to close early 2023
- Propose share buyback to mitigate dividend leakage
- Intention to call for EGM to initiate share buyback after closing

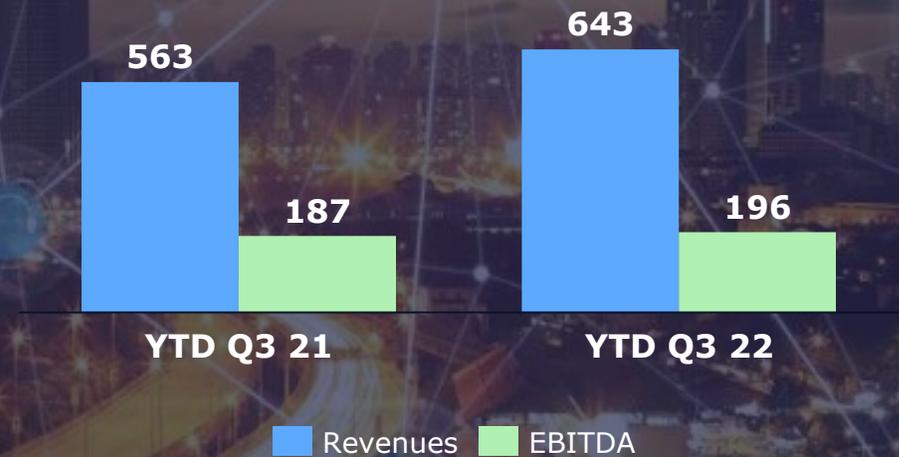


Telenor Amp

-ongoing strategic review of the adjacent business portfolio

- Launching new business area, Telenor Amp
- Double digit revenue and EBITDA growth for consolidated units*
- Telenor ranked among top 3 IoT players in Europe**
- Seeking partnership for portfolio companies

Telenor IoT (SEK million)



Financial priorities 2023-2025

- 1 Profitable growth, reduced capex intensity and continued modernisation in the Nordics
- 2 Strengthen cash flow from Asia
- 3 Unlock value of infrastructure
- 4 Disciplined approach in Adjacent Businesses





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Third quarter 2022

Tone Hegland Bachke, CFO

Third quarter highlights

2.5%

**Organic
Service revenues**

2.5%

**Organic
EBITDA**

5.2bn

Free cash flow

4%

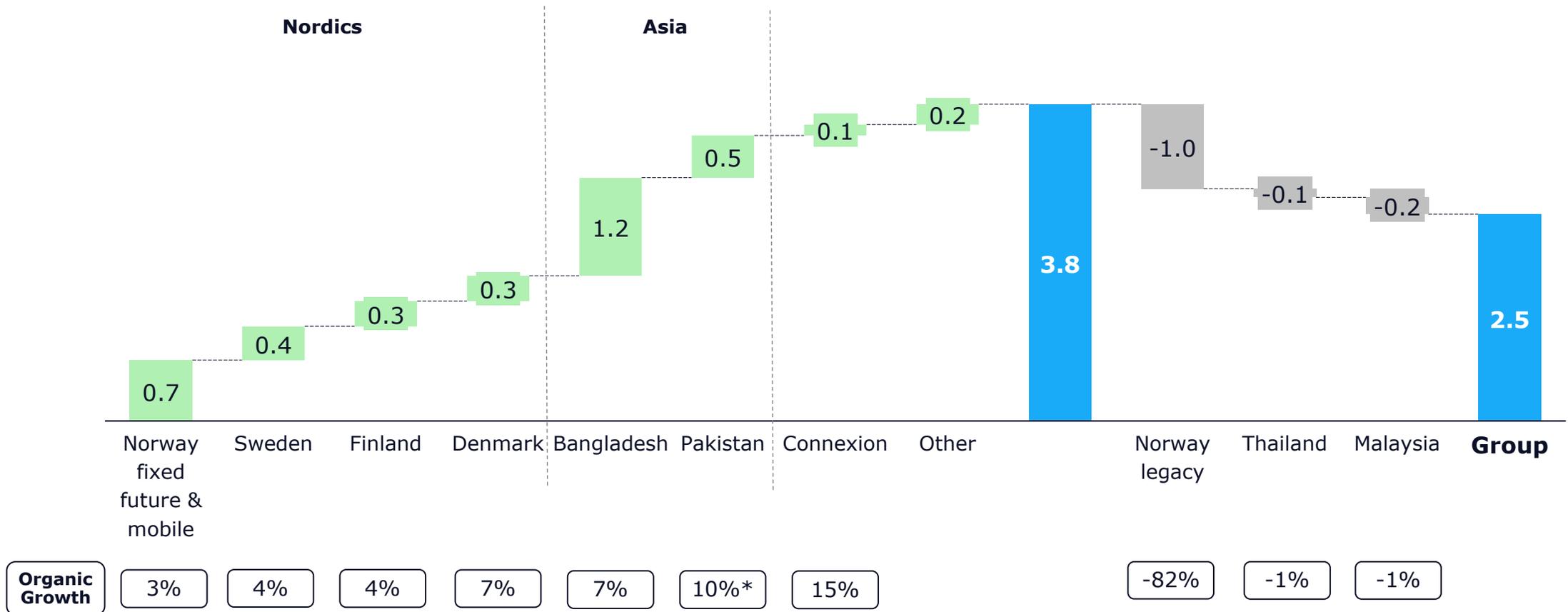
**Nordic Mobile
Service revenues**

-2%

**Organic EBITDA
excl. Pakistan
reversal**

Service Revenue growth

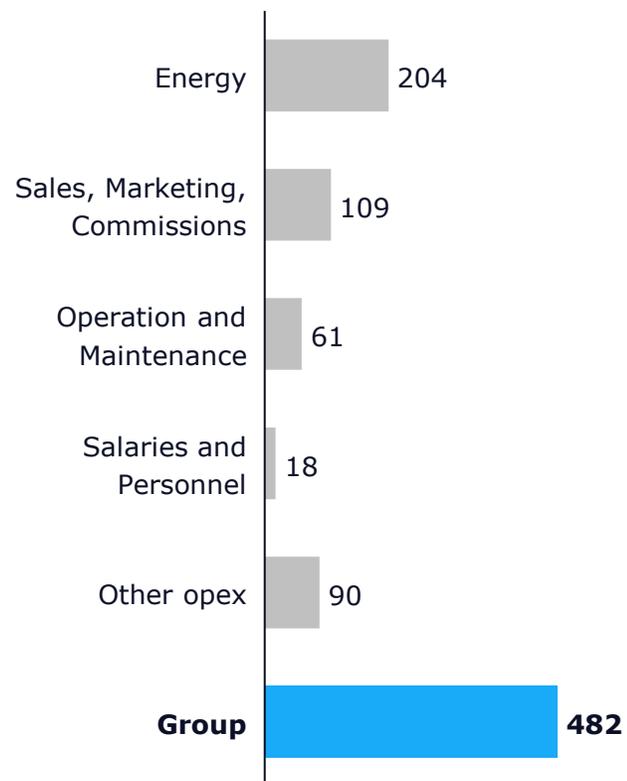
Percentage points contribution to yoy growth



OPEX increase driven by energy, SAC and projects

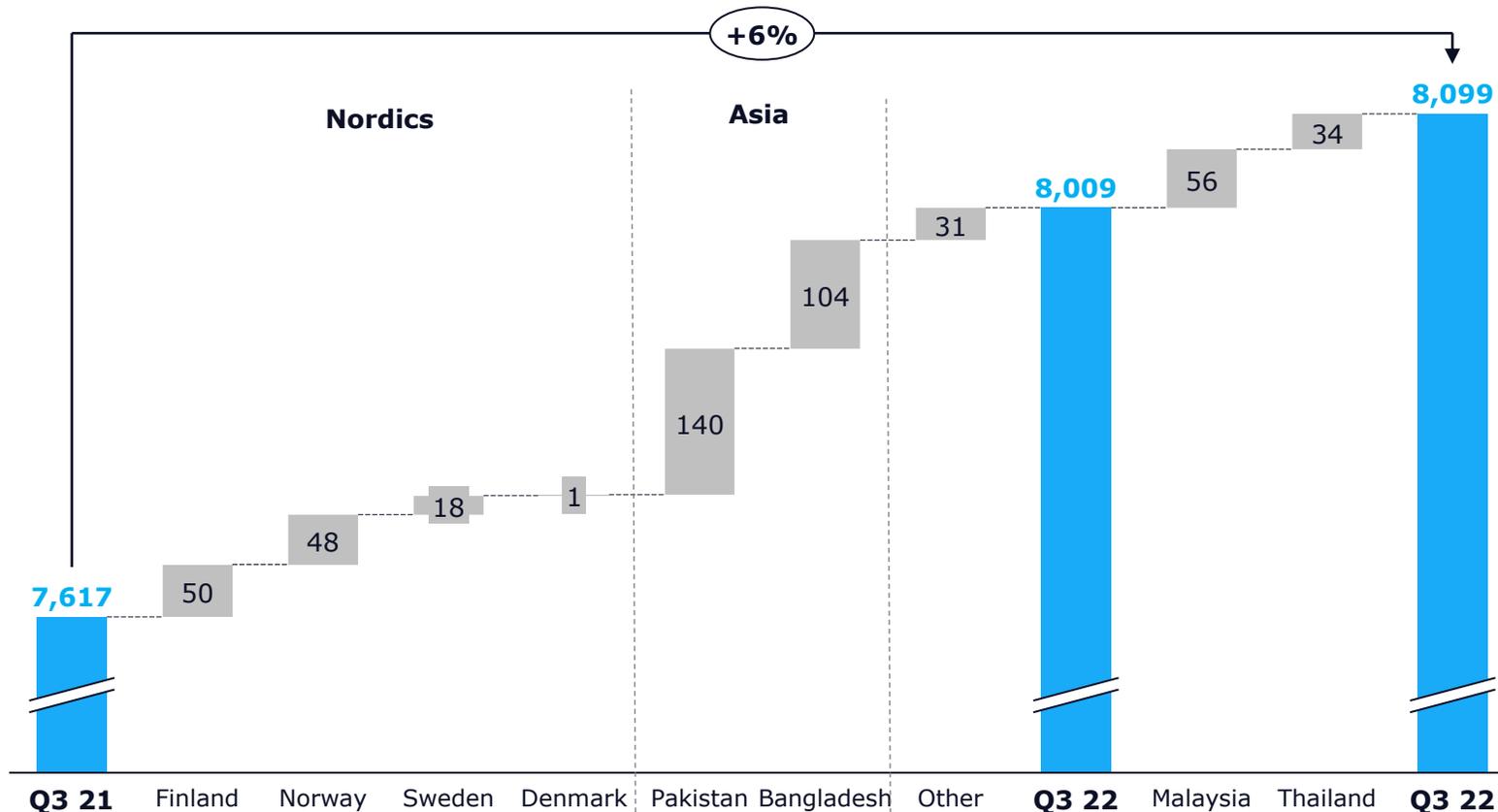
Opex increase by category

NOK million*



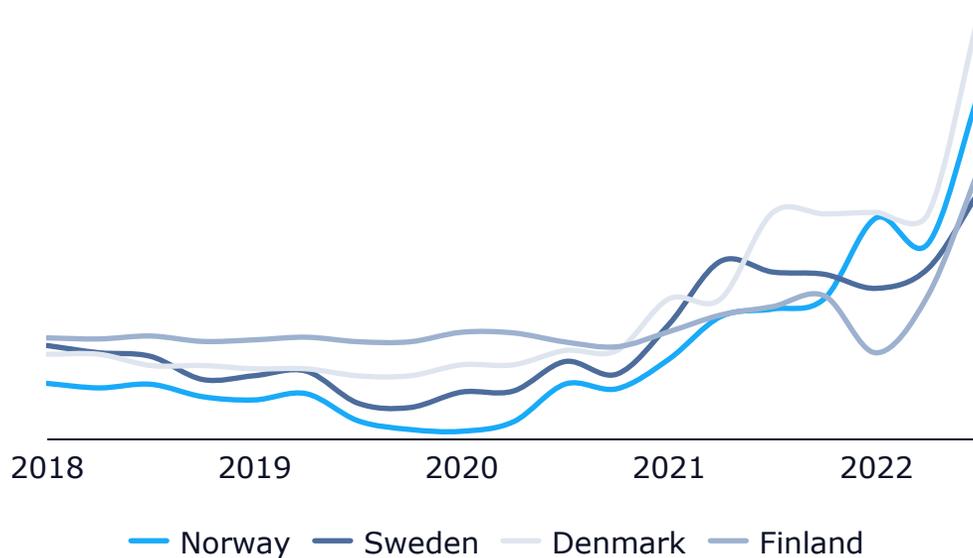
Opex increase by country

NOK million*

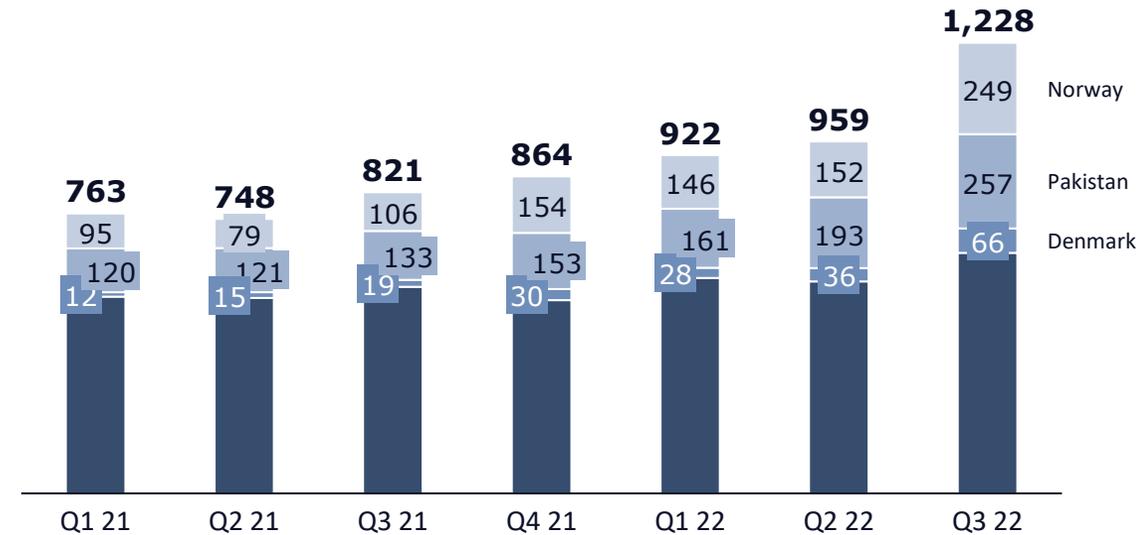


Energy price worsened in H2 – weighing on cost

Energy price



Total variable energy cost *

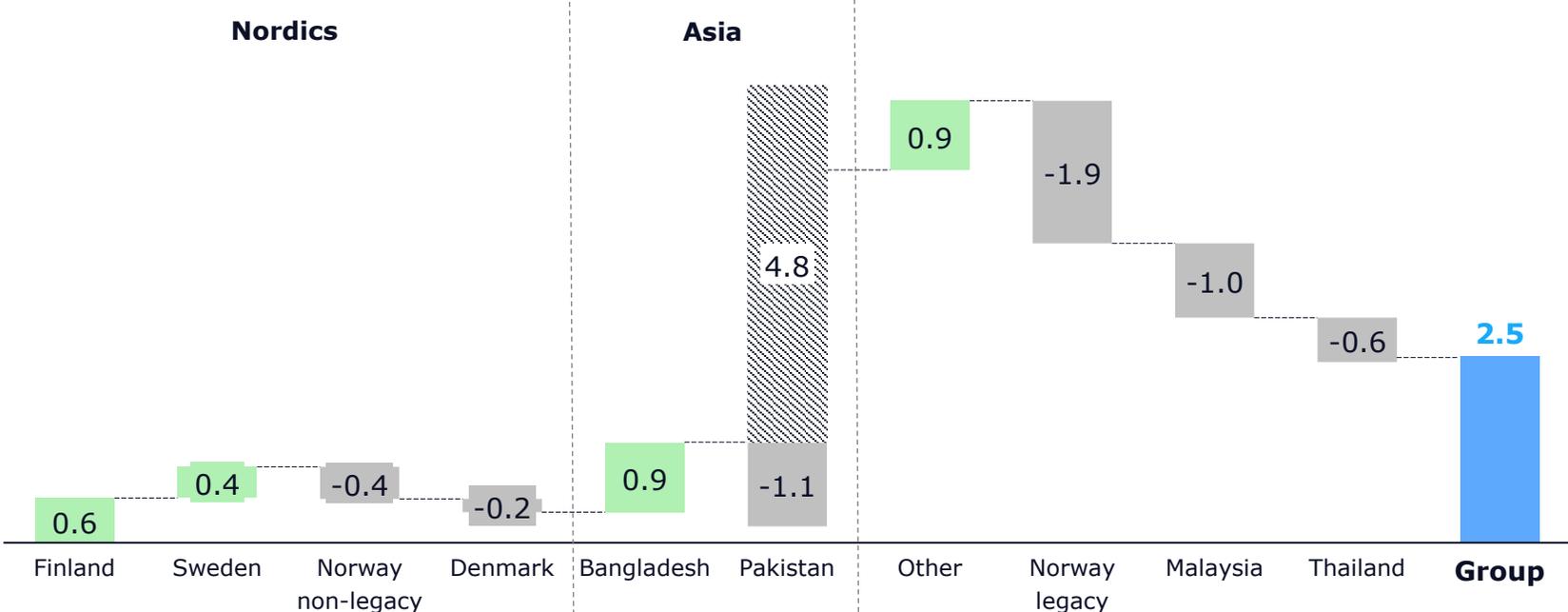


- Indicated energy cost of NOK ~2.5 for 2H in line with the CMD outlook
- PPA agreement in Norway effective from end 2023/early 2024



EBITDA growth of 2.5% - several items impacting

Percentage points contribution to growth



Special items

- Positive:**
- 4.8 pp Pakistan tax reversal
- Negative: ~6.0 pp**
- 1.9 pp Norway legacy
 - 3.2 pp Energy
 - 0.8 pp Project cost



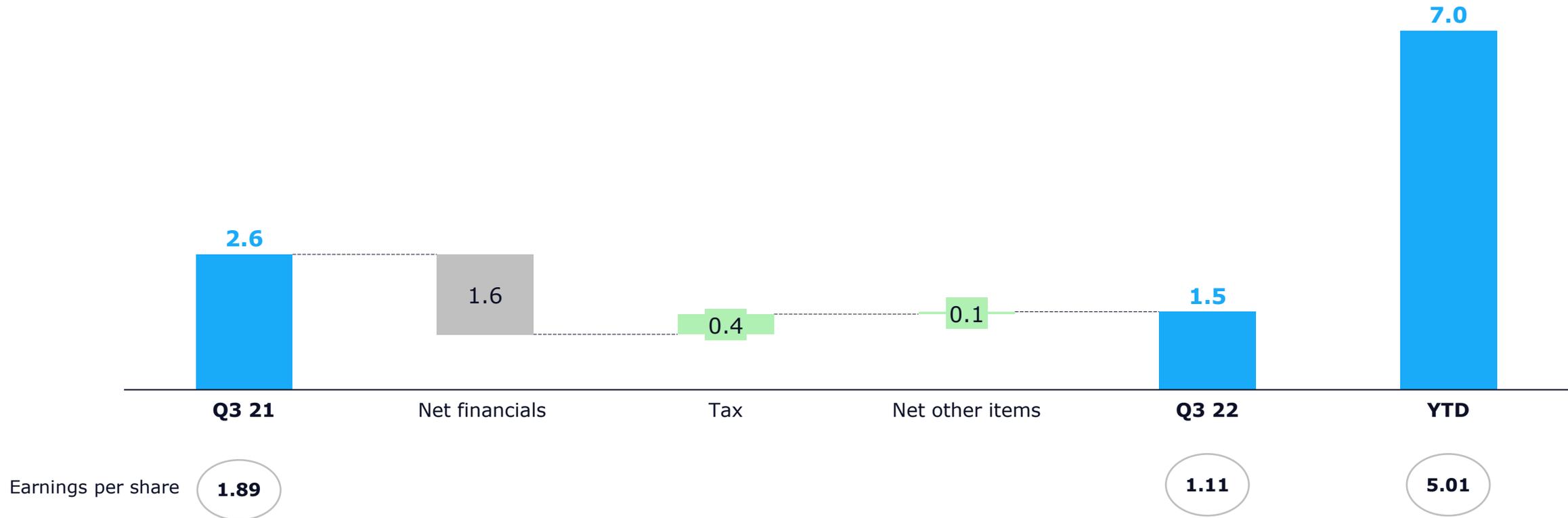
* Adjusted for reversal of accrual (NOK 0.6bn)



Net income to equity holders **NOK 1.5 billion**

Net income to equity holders of Telenor

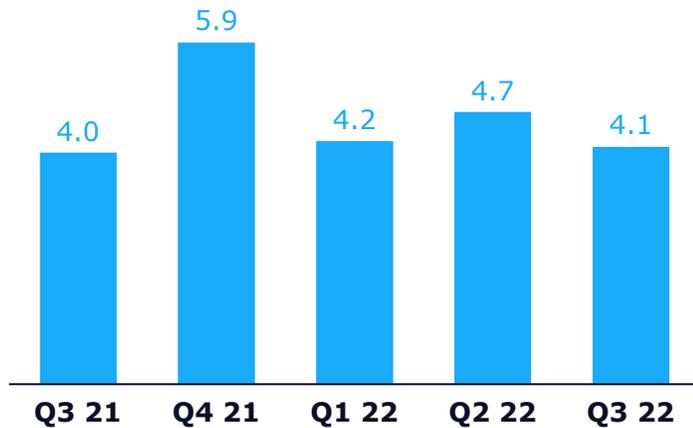
NOK billion



Free Cash Flow of NOK 5.2 billion in Q3

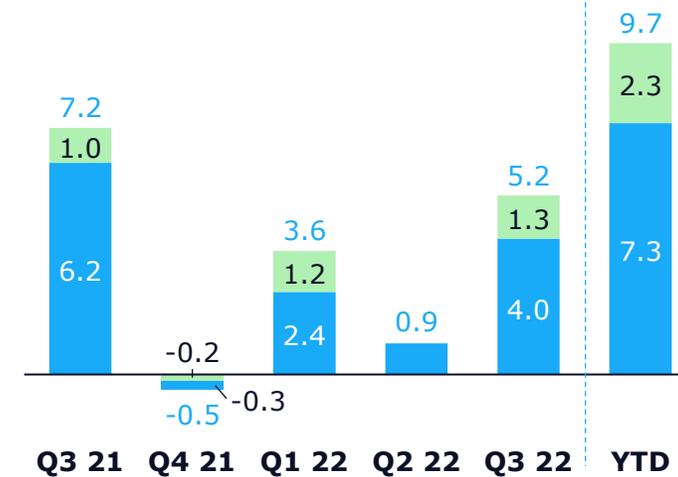
Capex ex. licenses and spectrum

NOK billion



Free cash flow

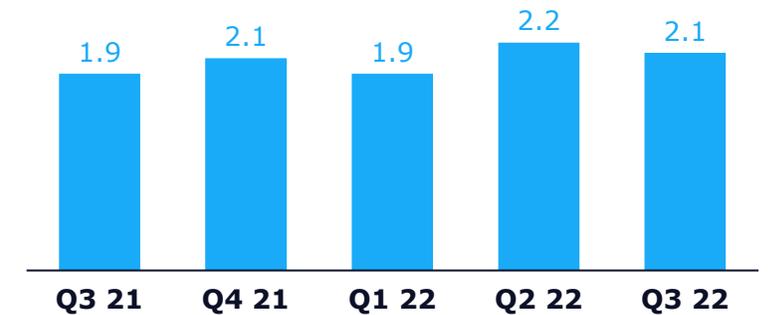
NOK billion



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

Leverage

Net debt / EBITDA



Outlook 2022 – Maintained

2022 excl. Malaysia

Organic Service Revenues

Low single digit growth

Organic EBITDA

Around 2021 level

Capex/sales

16-17%

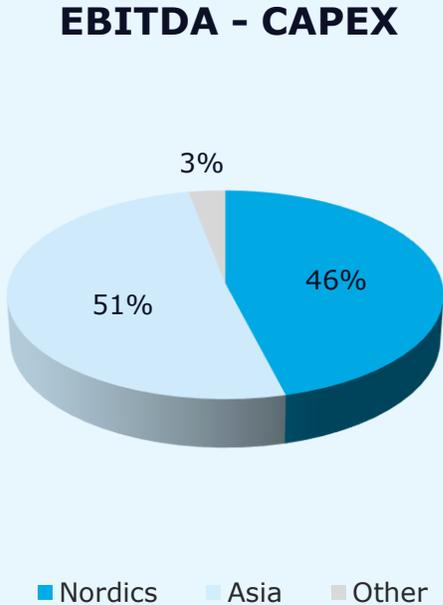
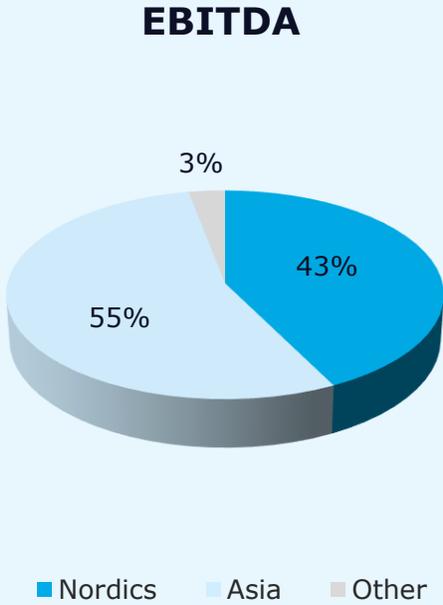
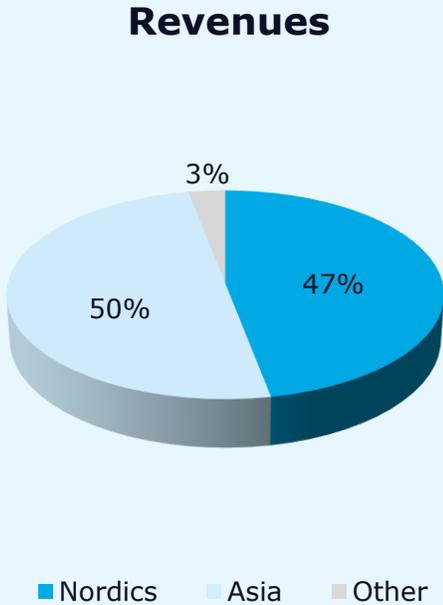


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Third quarter 2022

Appendix

Geographic split of key financials YTD 2022

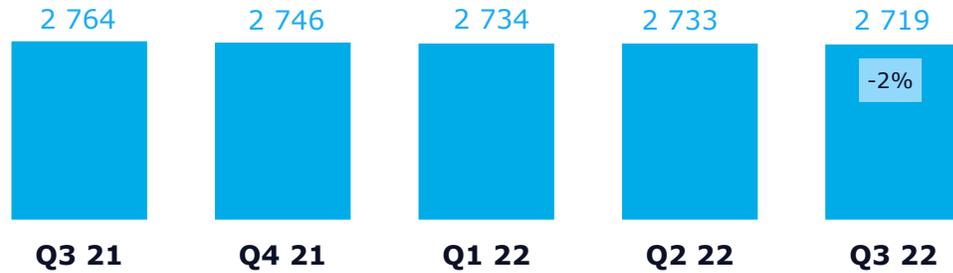


EBITDA before other items. Capex excl. licences.

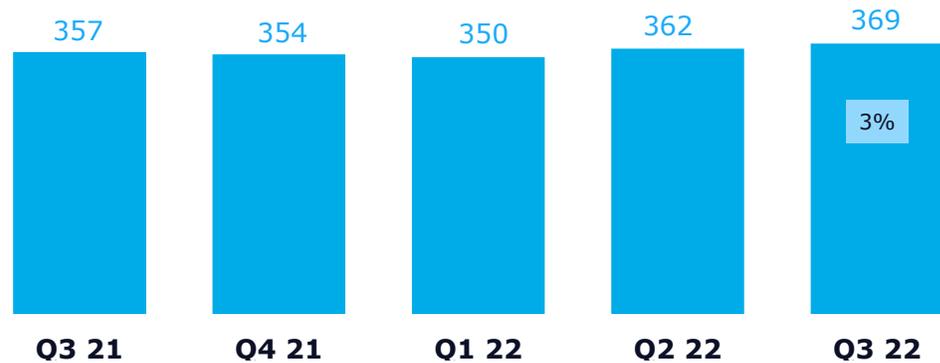


Norway

Mobile subscribers ('000)

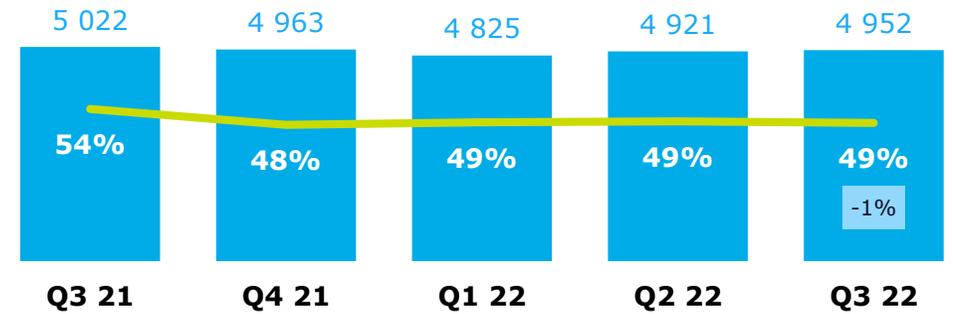


Mobile ARPU (NOK/month)

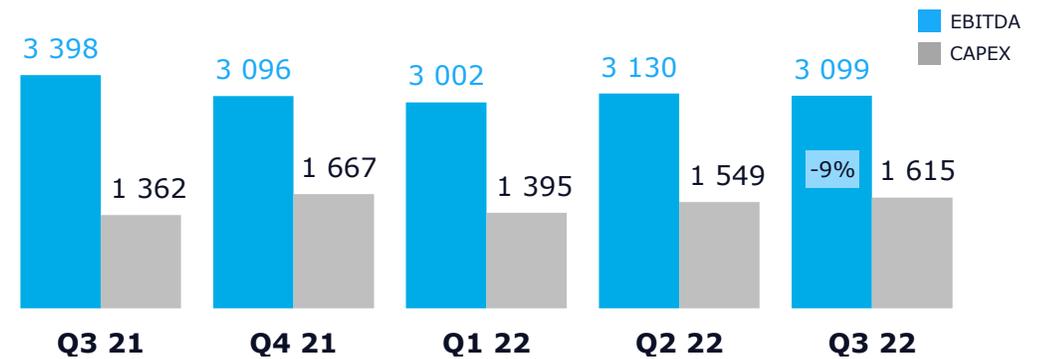


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

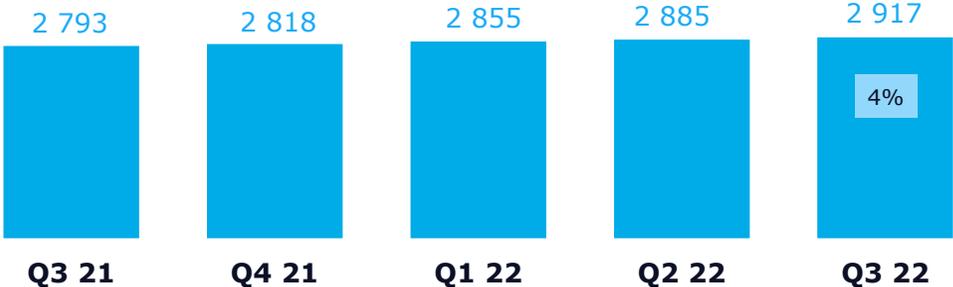


Organic growth YoY

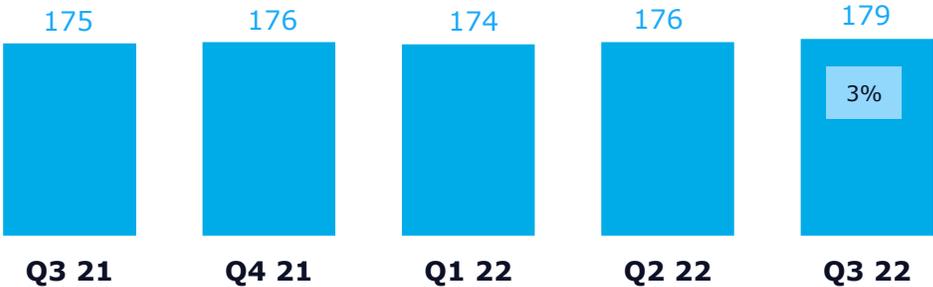


Sweden

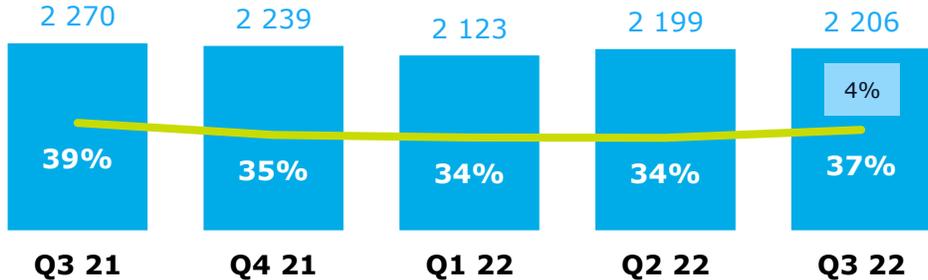
Mobile subscribers ('000)



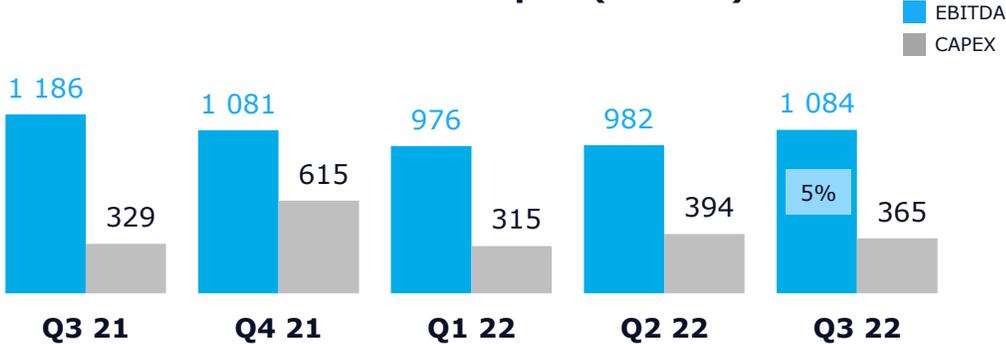
Mobile ARPU (SEK/month)



Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

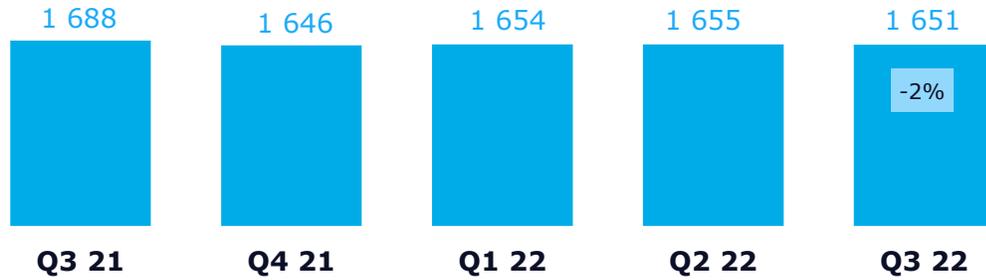


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

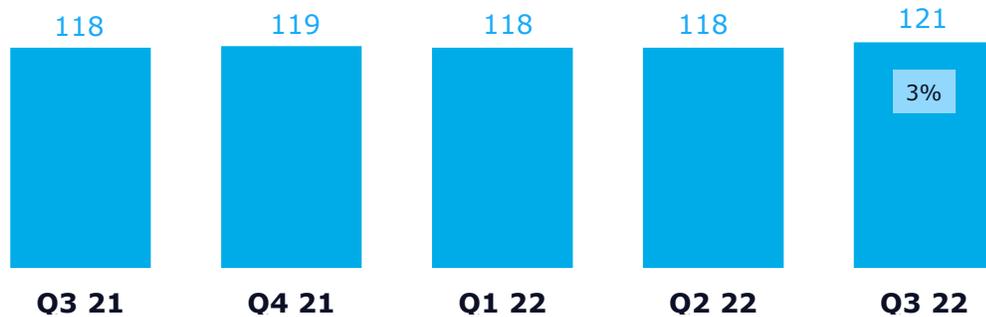


Denmark

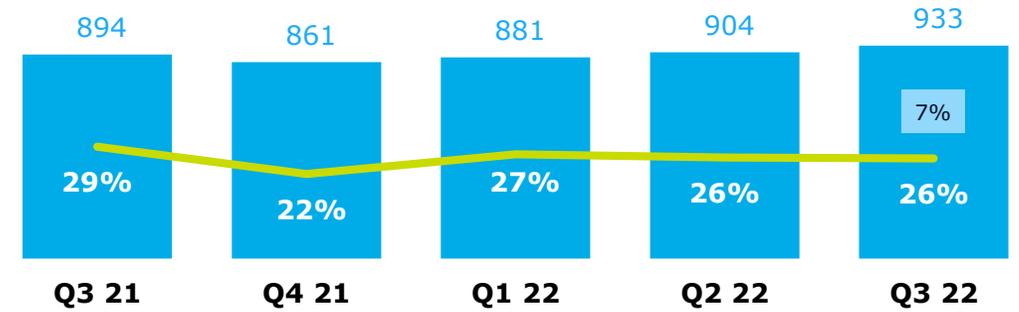
Mobile subscribers ('000)



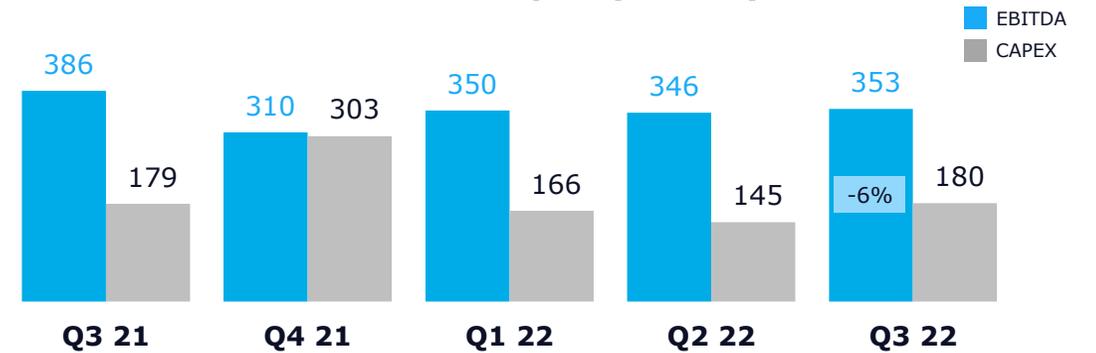
Mobile ARPU (DKK/month)



Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



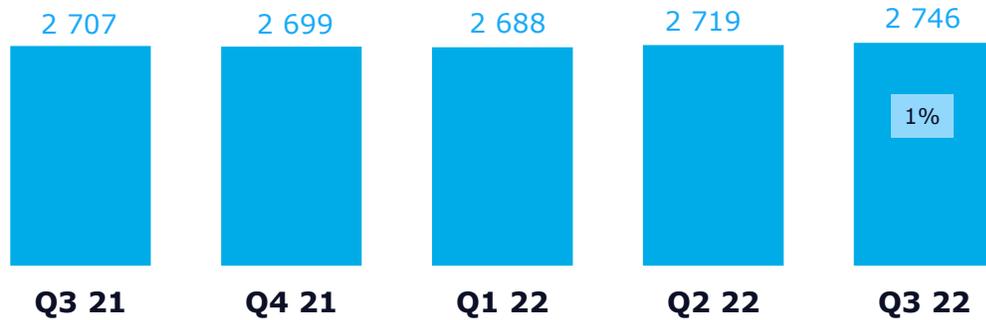
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

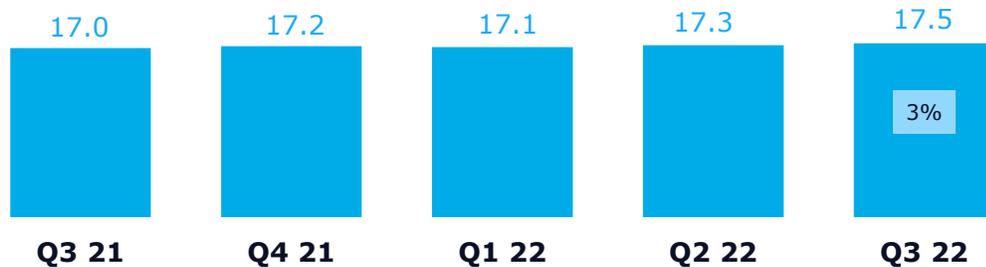


Finland

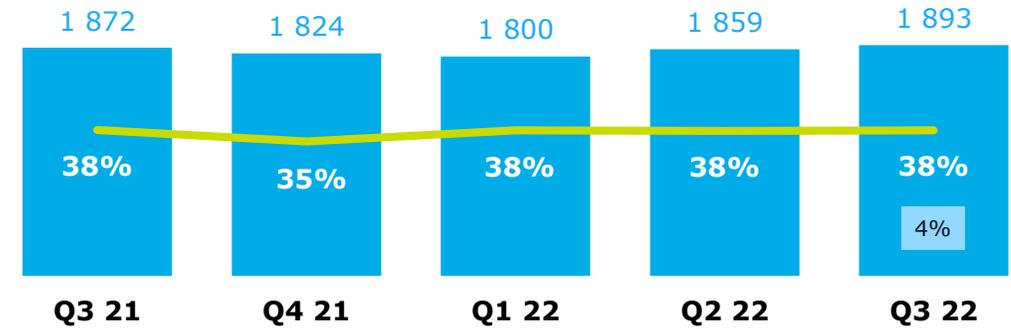
Mobile subscribers ('000)



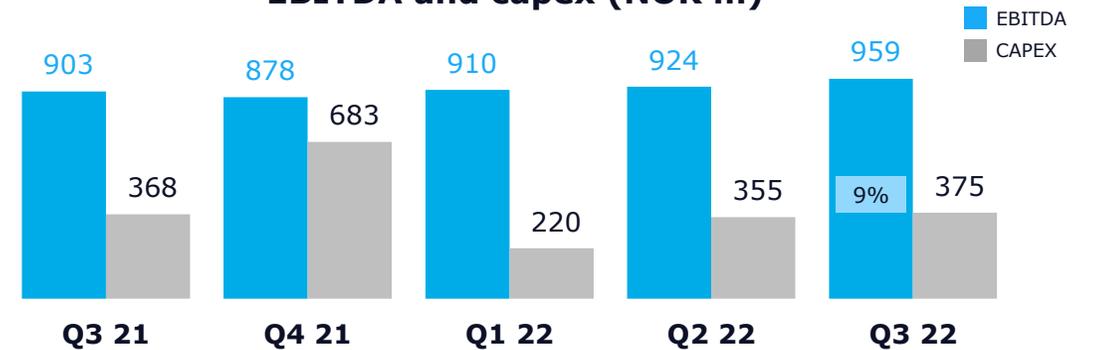
Mobile ARPU (EUR/month)



Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

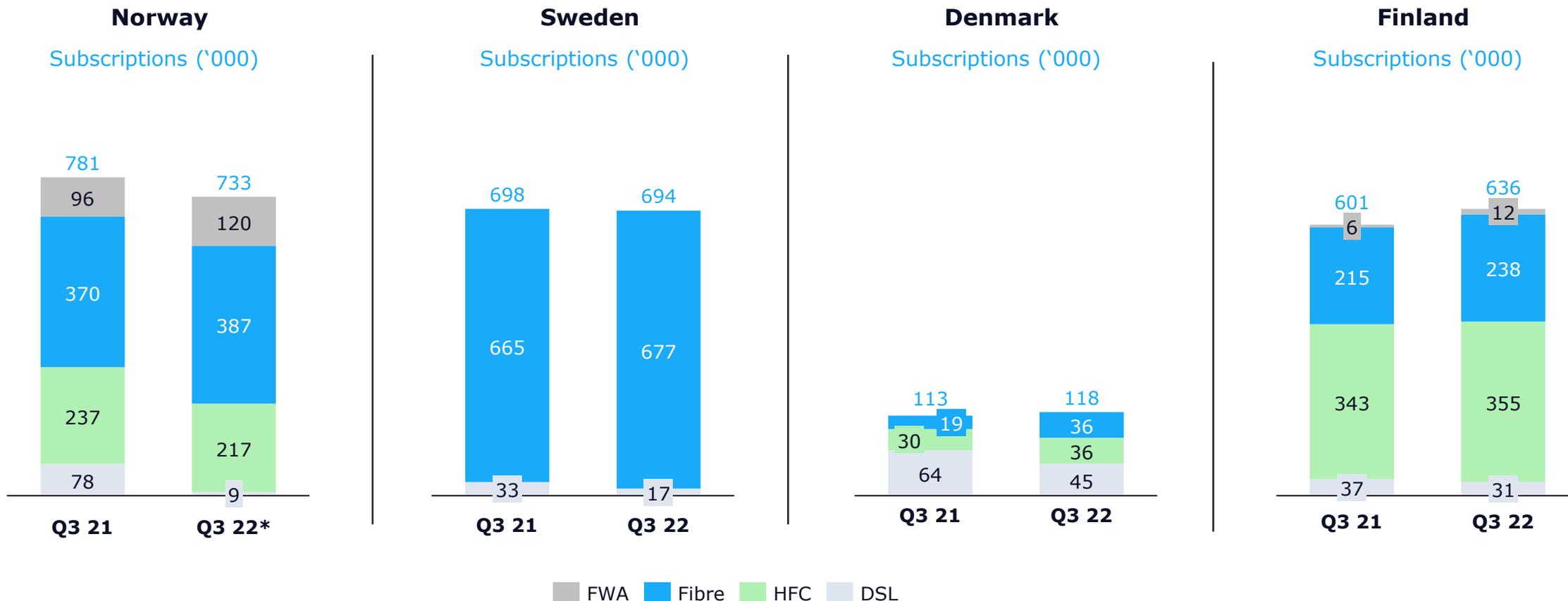


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY



Additional information – Nordics

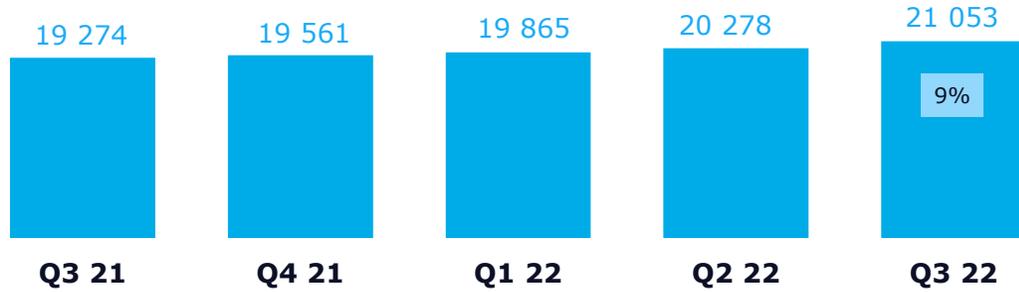


*) From 2022 it is added 23k DSL subscriptions not previously included in definition

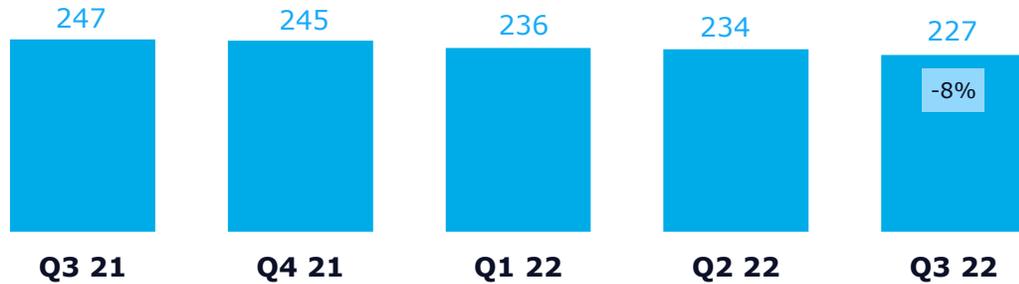


Thailand (dtac)

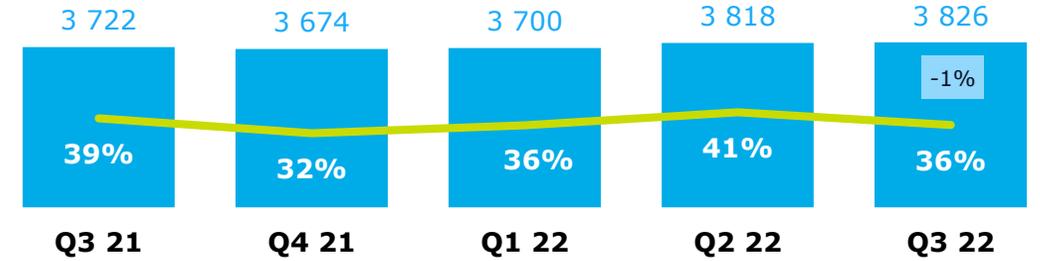
Mobile subscribers ('000)



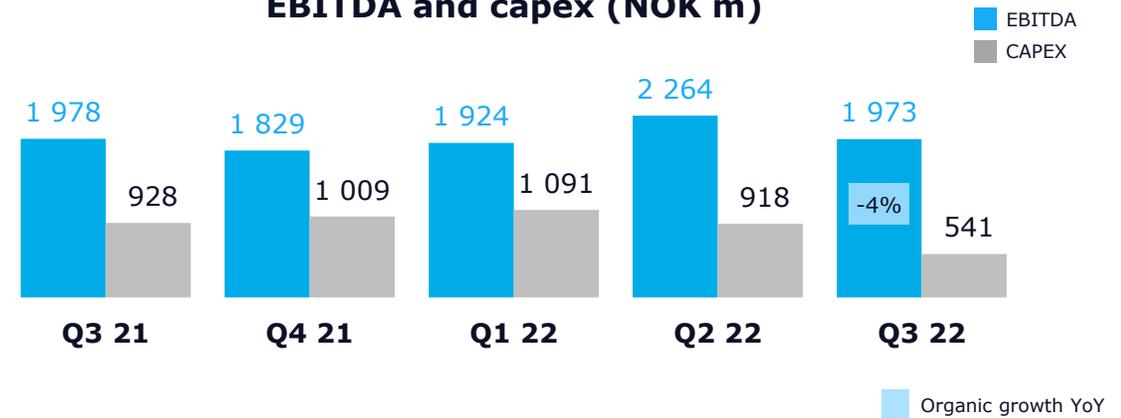
Mobile ARPU (THB/month)



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

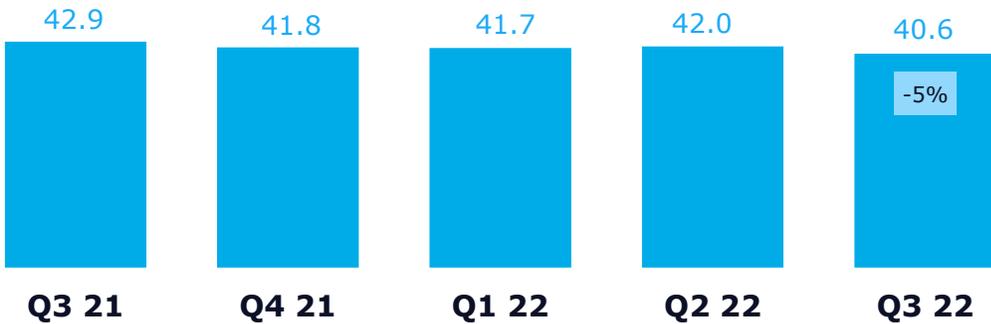


Malaysia (Digi)

Mobile subscribers ('000)

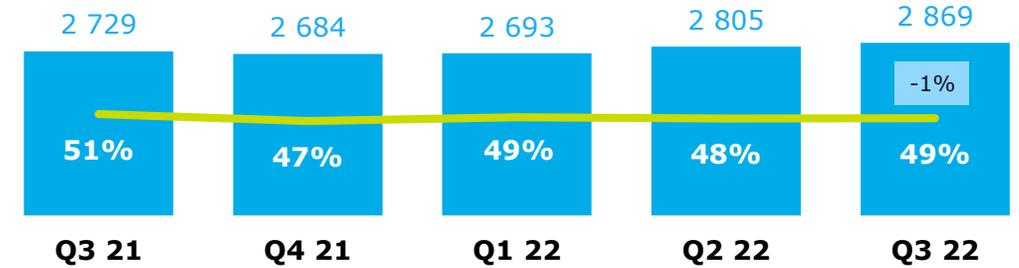


Mobile ARPU (MYR/month)

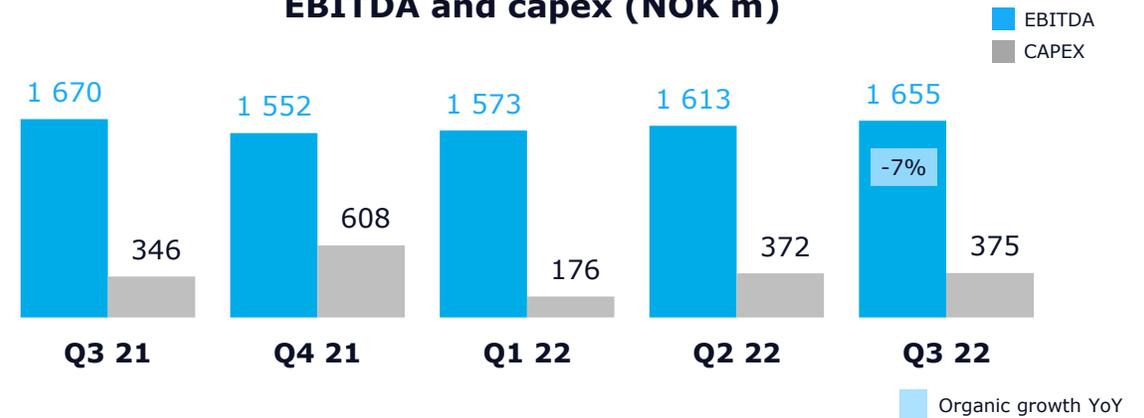


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Service revenues (NOK m) and EBITDA margin

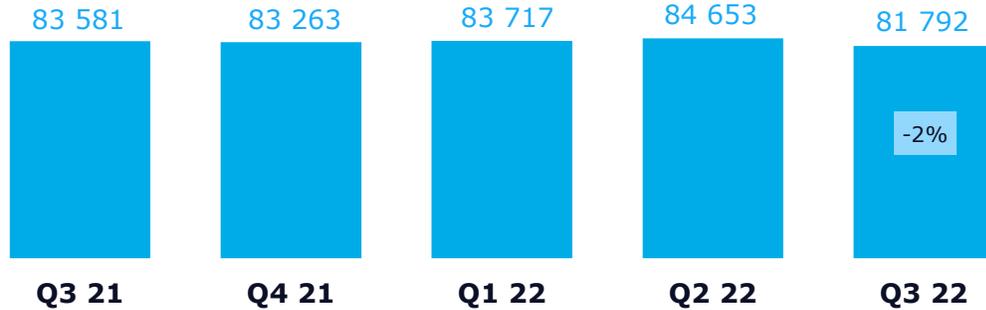


EBITDA and capex (NOK m)

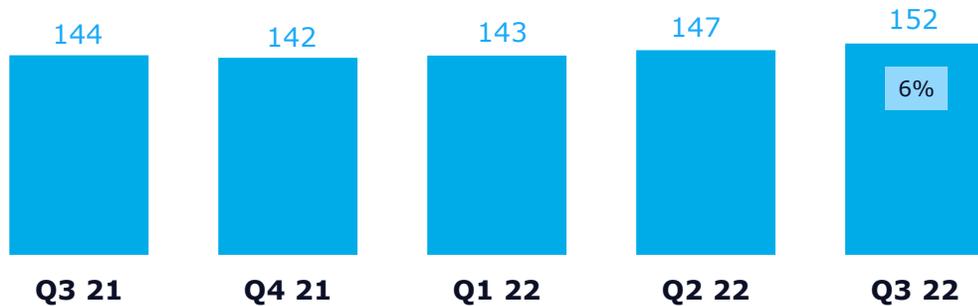


Bangladesh (Grameenphone)

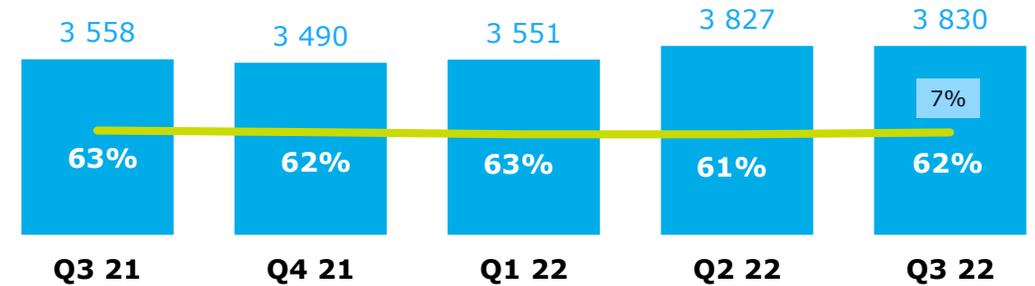
Mobile subscribers ('000)



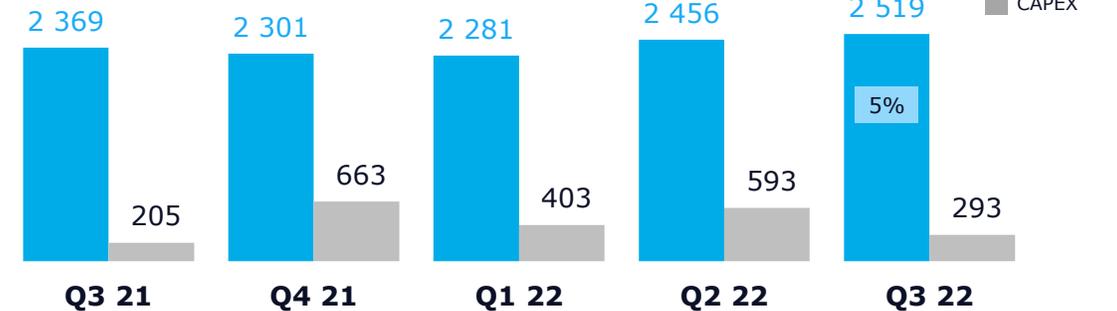
Mobile ARPU (BDT/month)



Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



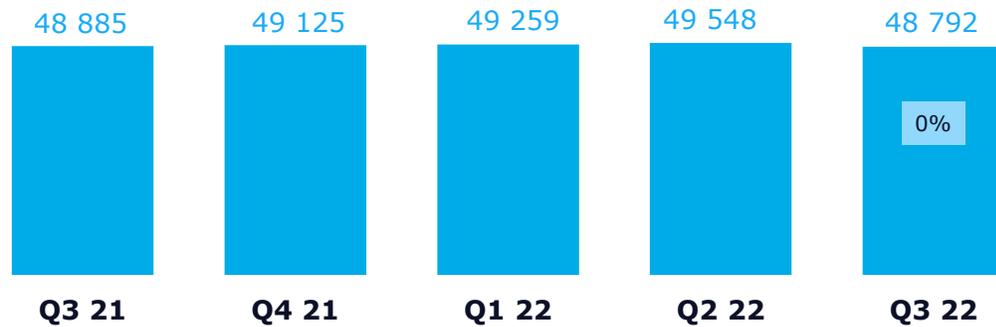
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

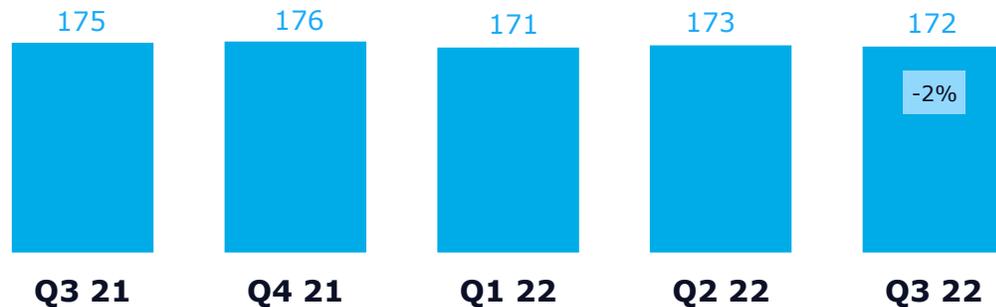


Pakistan

Mobile subscribers ('000)

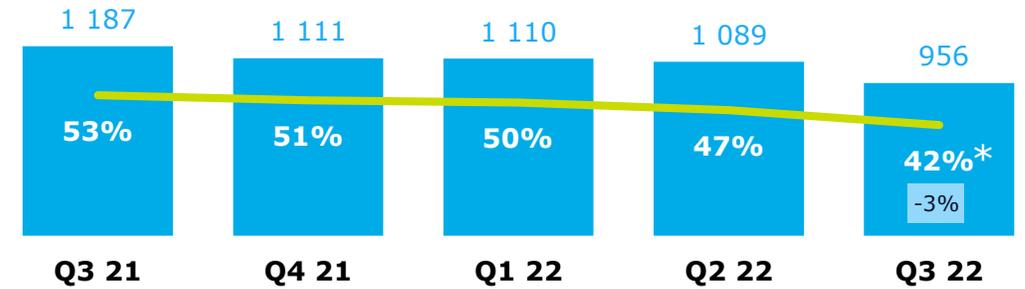


Mobile ARPU (PKR/month)

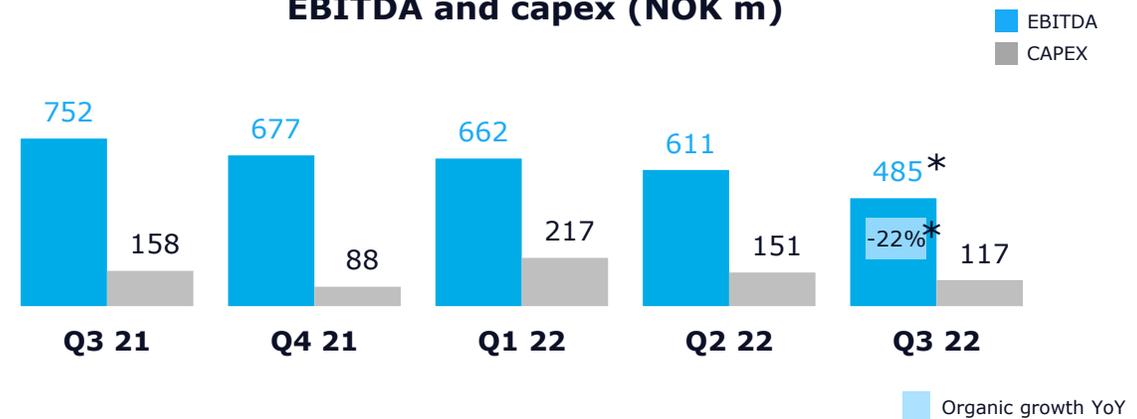


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Service revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



Q3 growth in **Service Revenues** and **EBITDA**

Country	Service revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-1.4%	-1.4%	-8.8%	-8.8%
Sweden	-2.8%	4.1%	-8.6%	5.2%
Denmark	4.4%	7.1%	-8.5%	-6.2%
Finland	1.1%	3.7%	6.2%	9.0%
Thailand	2.8%	-0.5%	-0.3%	-3.6%
Malaysia	5.2%	-1.4%	-0.9%	-7.1%
Bangladesh	7.6%	6.9%	5.7%	5.0%
Pakistan	-7.8%	10.2%	45.8%	69.6%
Telenor Group	1.9%	2.5%	1.6%	2.5%



Net income of **NOK 1.5 billion** for Q3 2022

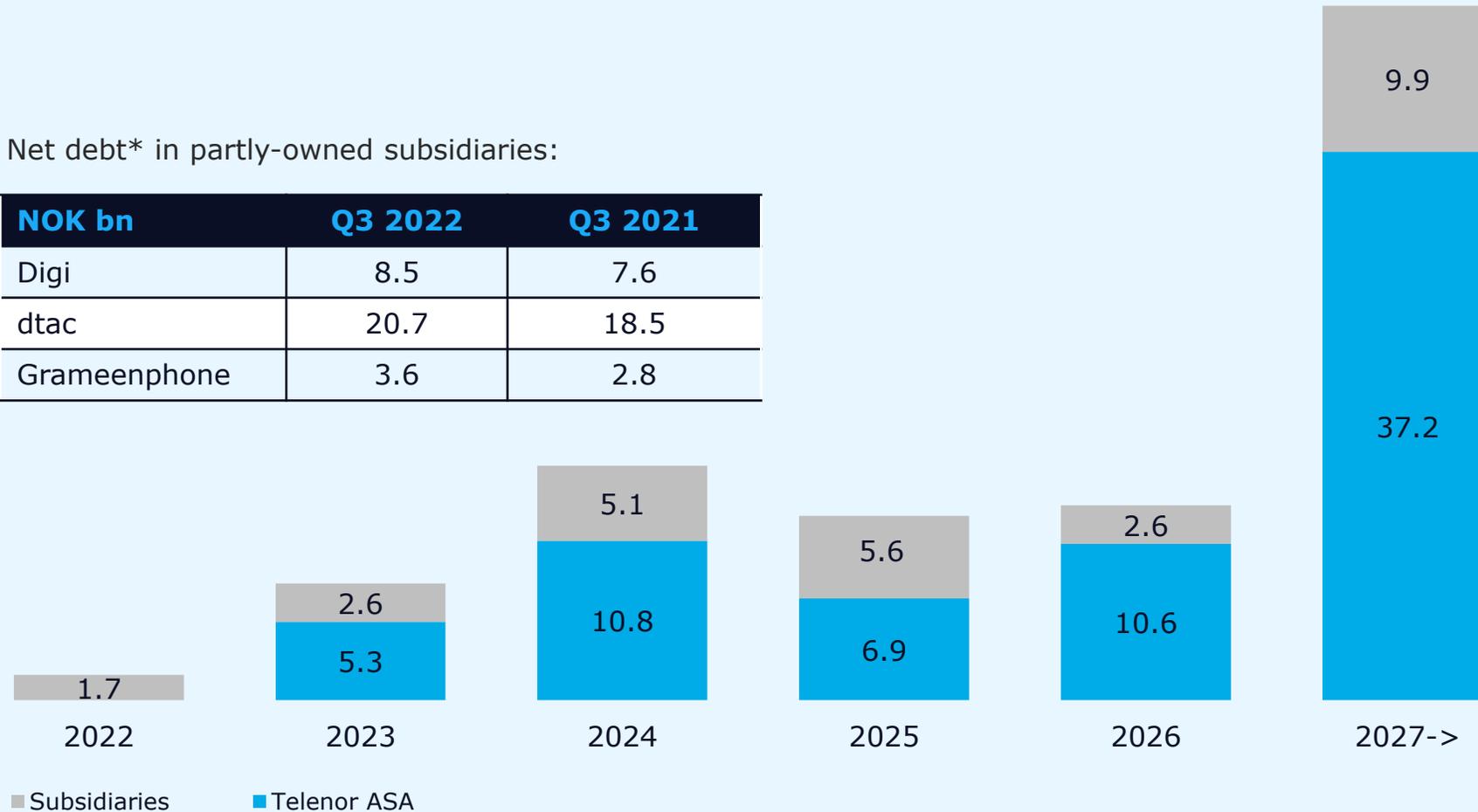
NOK m	2021	Q3 2021	Q3 2022
Revenues	110 241	27 411	28 428
EBITDA before other items	49 162	12 856	13 059
Other items	(1 787)	(153)	(168)
EBITDA	47 375	12 703	12 891
Depreciation & amortization and Impairments	(25 868)	(6 613)	(6 439)
Operating profit	21 506	6 091	6 453
Associated companies and JVs	(459)	(67)	(93)
Net financials	(3 962)	(1 542)	(3 103)
Taxes	(5 740)	(1 464)	(1 080)
Profit (loss) from discontinued operations	(6 753)	427	147
Minorities	3 063	802	774
Net income - Telenor equity holders	1528	2642	1 549
Earnings per share (NOK)	1.09	1.89	1.11



Debt maturity profile (NOK bn)

Net debt* in partly-owned subsidiaries:

NOK bn	Q3 2022	Q3 2021
Digi	8.5	7.6
dtac	20.7	18.5
Grameenphone	3.6	2.8



Net debt reconciliation

NOK bn	Q3 2022	Q3 2021
Non-current interest-bearing liabilities	89 408	88 834
Non-current lease liabilities	29 588	29 693
Current interest-bearing liabilities	9 937	10 123
Current lease liabilities	7 816	8 022
Cash and cash equivalents	(16 224)	(21 997)
Fair value hedge instruments	(6)	(1 327)
Financial instruments	(296)	(329)
Non-current license obligations	(14 228)	(13 382)
Current license obligations	(2 944)	(3 307)
Net interest-bearing debt excl. license obligations	103 053	96 329



Balance sheet and key ratios

	30 Sep 2022	31 Dec 2021	30 Sep 2021
Total assets	233.6	225.7	233.7
Equity attributable to Telenor ASA shareholders	24.7	26.3	26.2
Gross debt*	136.7	132.2	136.7
Net debt	103.0	100.8	96.3
Net debt/EBITDA**	2.1	2.1	1.9
Return on capital employed***	13%	10%	13%

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

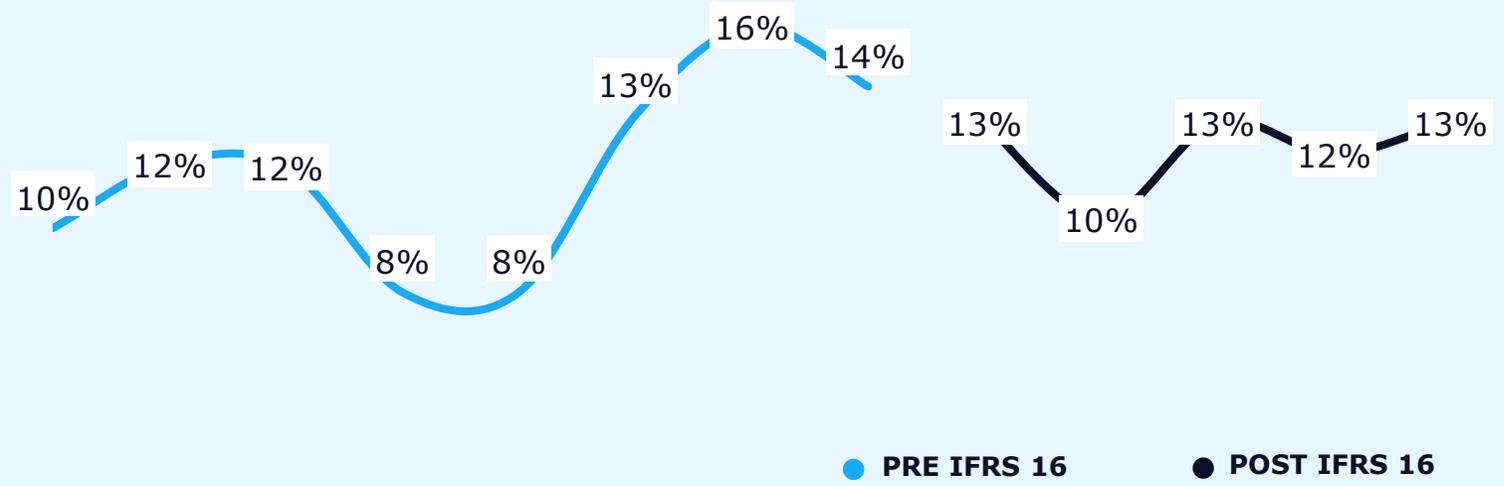
***) 12 months rolling EBITDA.

***) 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*



2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 LTM LTM LTM
 Q1 Q2 Q3
 2022 2022 2022

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

