



TELENOR GROUP

Second 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

Second quarter 2021

2%

organic S&T revenue growth

4%

organic EBITDA growth

2

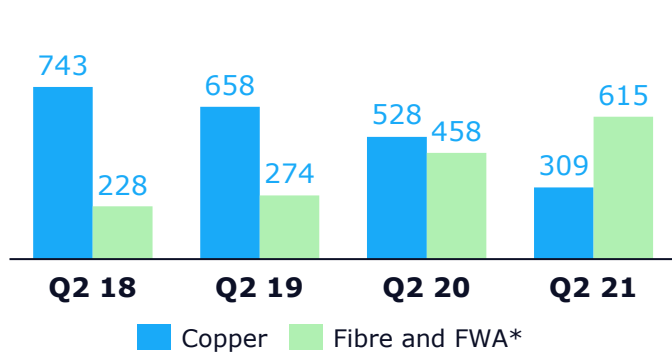
million new subscribers

Exit Myanmar

Norway: EBITDA growth whilst copper decommissioning at its peak

Copper, fibre and FWA revenues

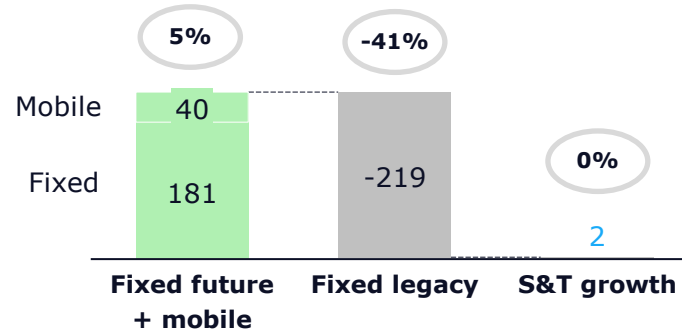
S&T revenues, NOK m



- > Copper decommissioning at peak impact (CAGR -25 %)
- > Fixed future revenues CAGR +39 %

S&T revenues

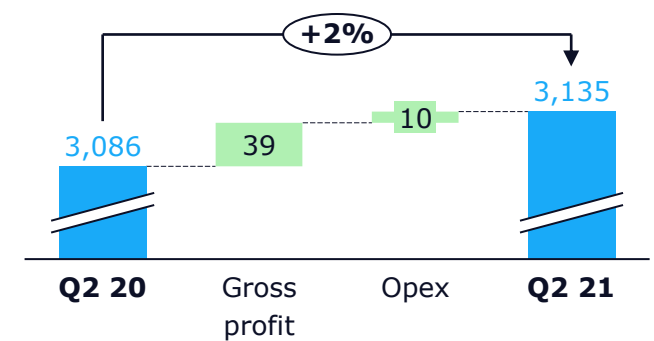
YoY change NOK m



- > 1.5 % Mobile S&T revenue growth driven by 4 % ARPU growth
- > Fibre (BB & TV) and FWA growth of 28 %

EBITDA

NOK m

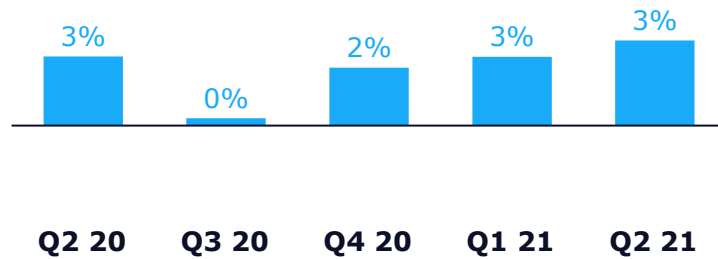


- > Despite revenue drag, Norway deliver continued strong modernisation efforts and 2 % EBITDA growth



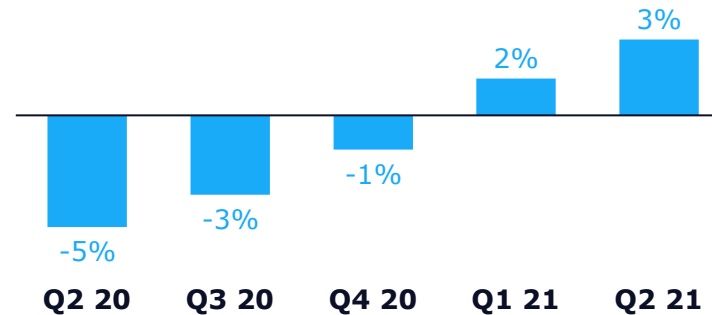
Strong performance in **Finland** and **Denmark**, stabilisation in **Sweden**

Finland S&T revenues



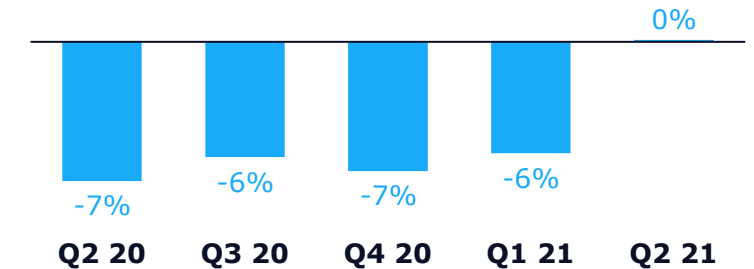
- › Continued upselling driving +2% mobile S&T revenue growth
- › Fixed S&T revenues +8% from a growing broadband subs base

Denmark S&T revenues



- › 18% EBITDA growth from strong market performance and opex efficiency
- › Nordic VAS expansion started with launch of NetSikker (security product)

Sweden S&T revenues



- › Stabilised S&T revenue trend
- › Fourth consecutive quarter with positive net ads

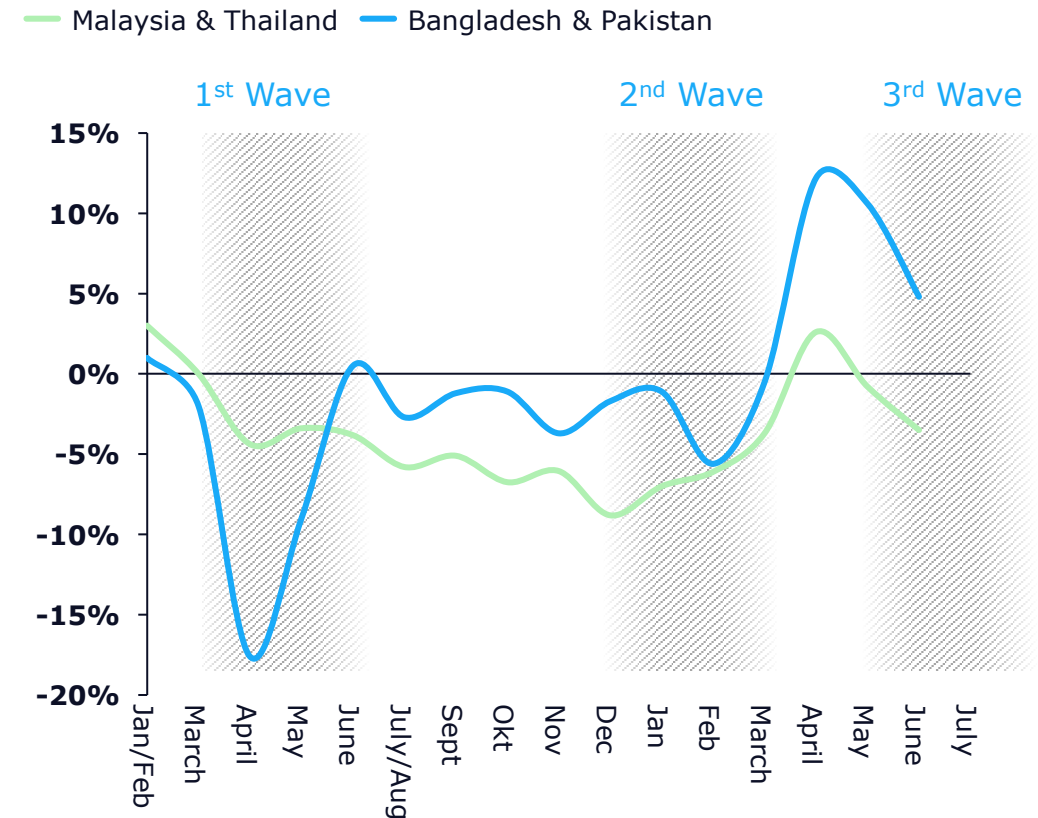


S&T revenue growth in **Asia** despite pandemic impact

Key developments

- › Strong revenue development in Pakistan and Bangladesh from data and subscription growth
- › Topline stabilisation QoQ in Thailand and Malaysia supported by targeted market initiatives and government stimuli packages
- › Continued uncertainty related to duration from third Covid-19 wave

Organic subs & traffic revenue growth (%)



Myanmar exit: A decision founded on our commitment to **responsible business**

- Telenor has built up a profitable, state of the art telecom operator providing modern services since 2014
- Announced an agreement to sell Telenor Myanmar on 8 July*
- Deteriorating situation, dilemmas related to people security and regulatory environment
- Decision founded by our responsible business practices



Asia strategy

We believe in

Data growth

Digitalisation

B2B growth

Beyond Connectivity

Our actions

Hands on execution

Strengthen position in
present markets

Leading player in **Malaysia**

Further explore **structural options**
for the Asian portfolio





TELENOR GROUP

Second quarter 2021

Tone Hegland Bachke, CFO

Highlights Second quarter 2021

2%

Organic S&T
revenues

4%

Organic
EBITDA

-1%*

OPEX

2.1 bn

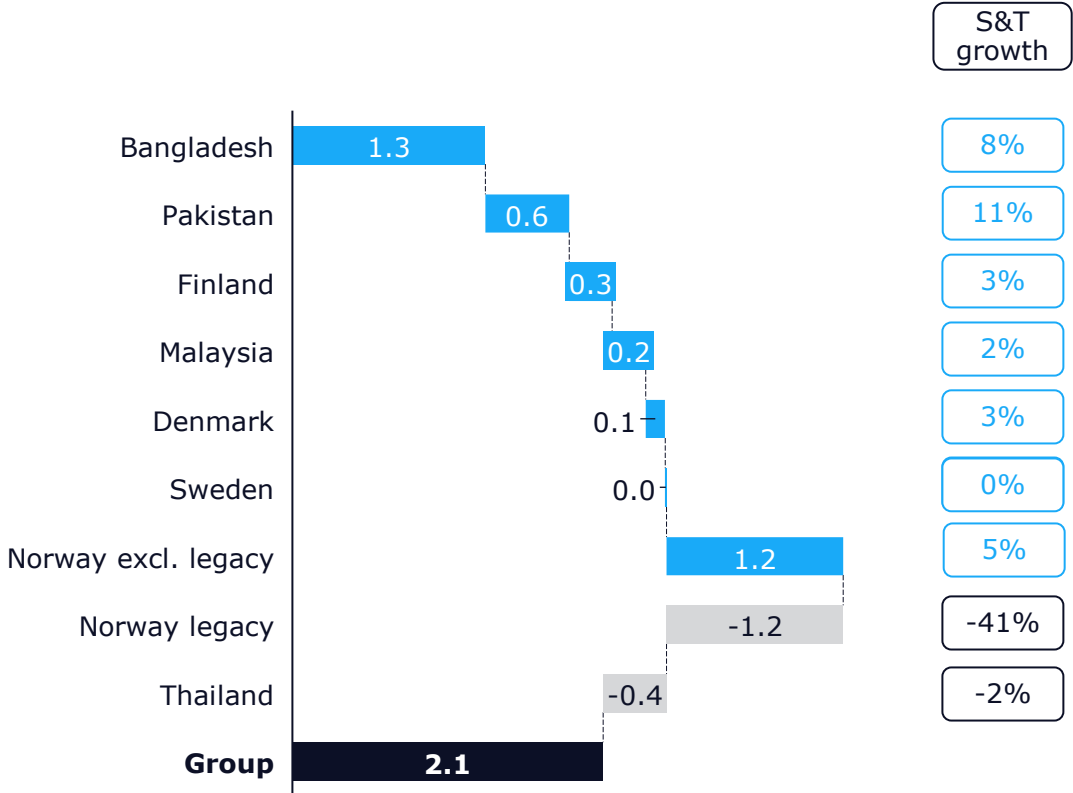
Free Cash Flow



Organic subscription and traffic revenues +2% in Q2

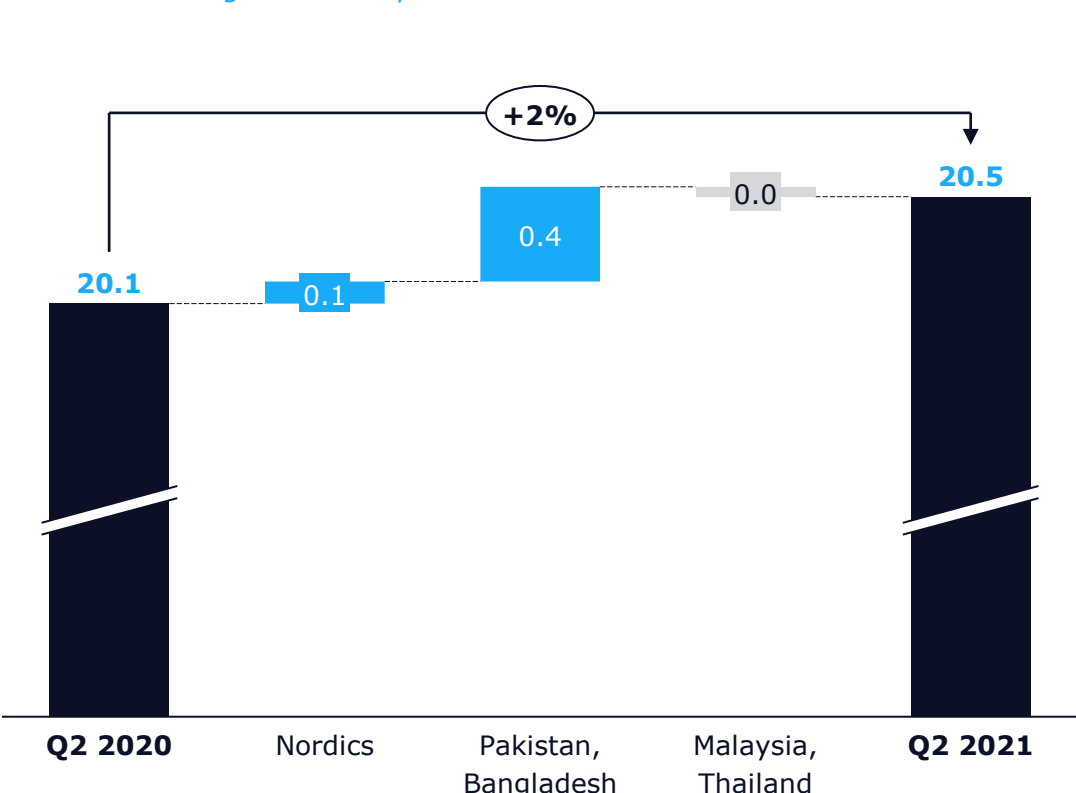
Organic subscription and traffic revenues

Percentage points contribution to growth



Strong performance in Pakistan and Bangladesh

Organic subscription and traffic revenues NOK billion

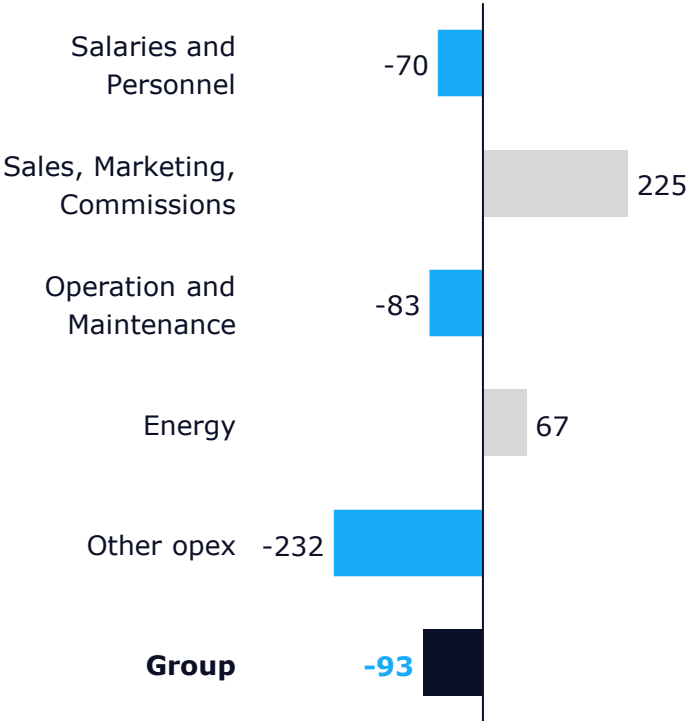


Organic growth rate. Subscription & traffic revenues defined as revenues from mobile subscription & traffic, fixed internet & TV, retail telephony and data services

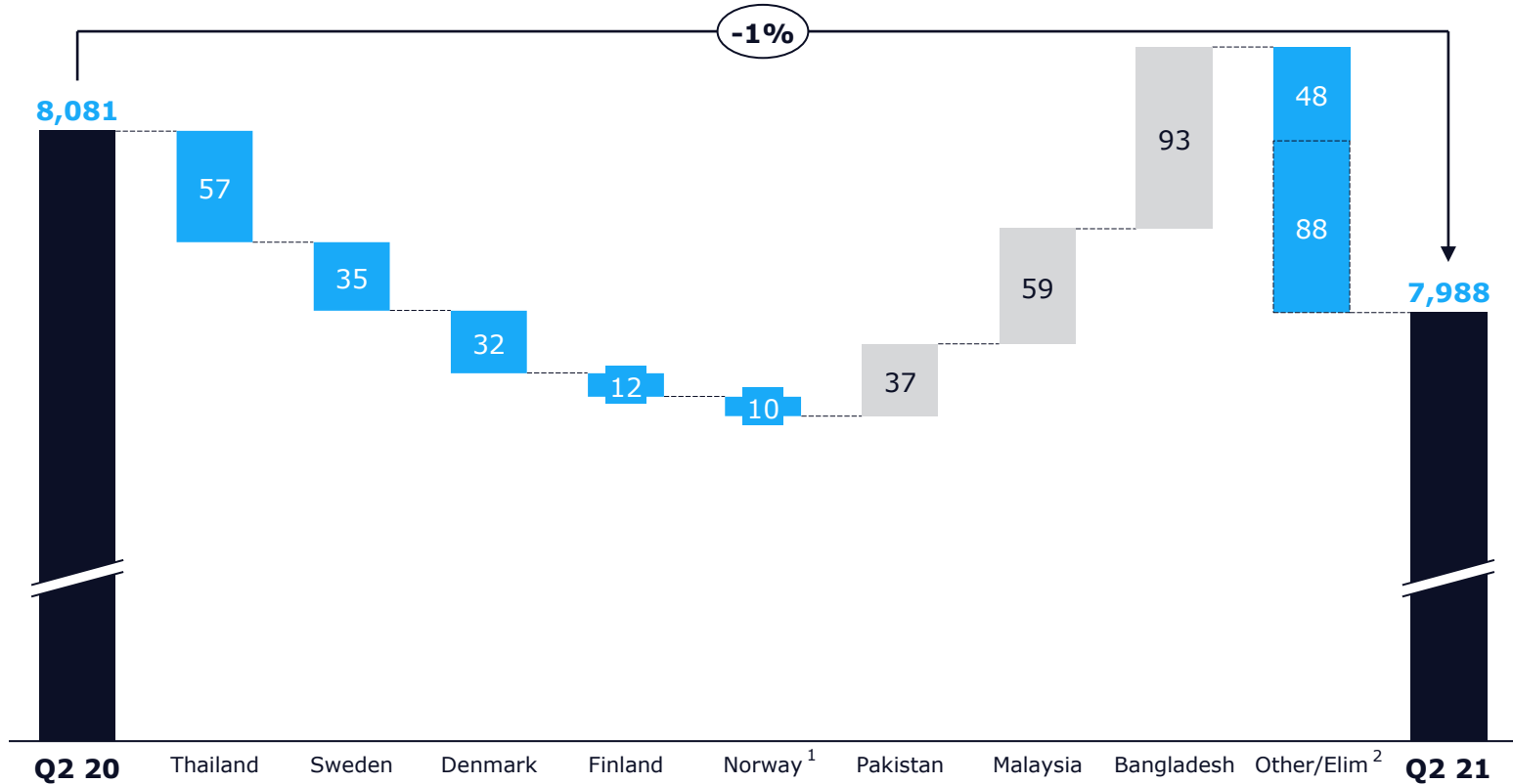


Opex reduction of 1% in Q2

Opex by category (NOK m)*



Opex by country (NOK m)*

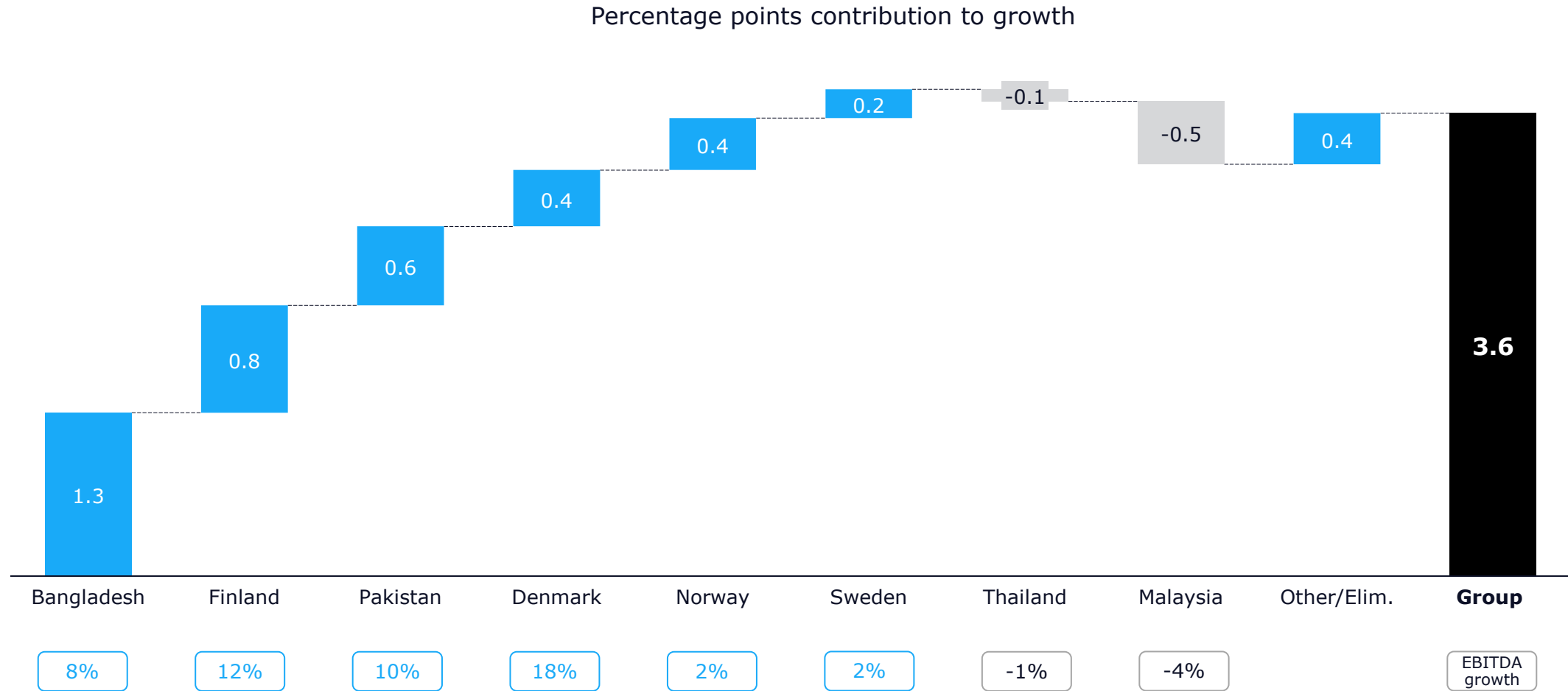


* FX adjusted

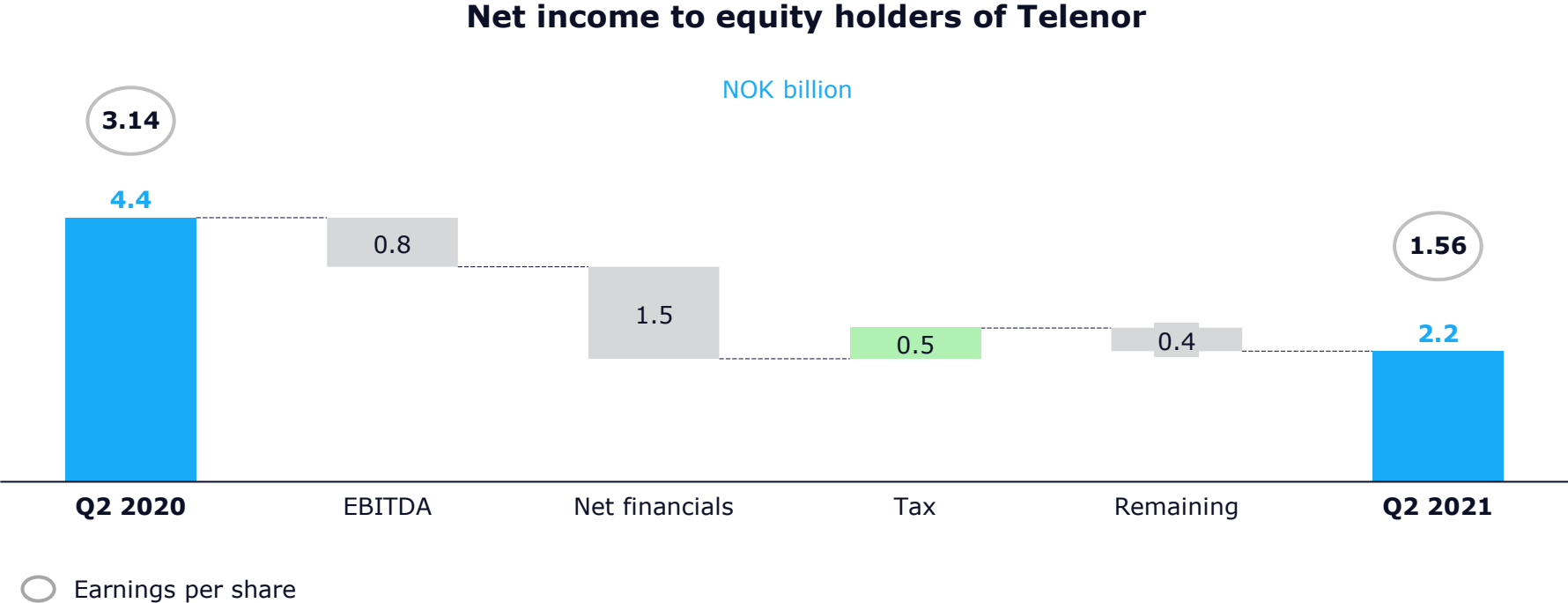
1) Underlying development based on 2020 proforma figures (due to Infra setup).
 2) 88m in deconsolidation effects related to disposal of Tapad (Nov 20), Valyou (Oct 20)



Organic **EBITDA** growth of **4%** in Q2



Net income to equity holders of **NOK 2.2 billion** in Q2



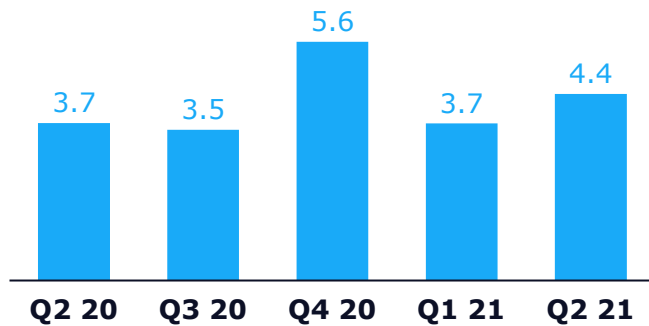
**Remaining consisting of depreciations, share of net income from associated companies and JV's, profit (loss) from discontinued operations less net income attributable to non-controlling interests*



Free cash flow of **NOK 2 billion** in Q2

Capex excluding licenses

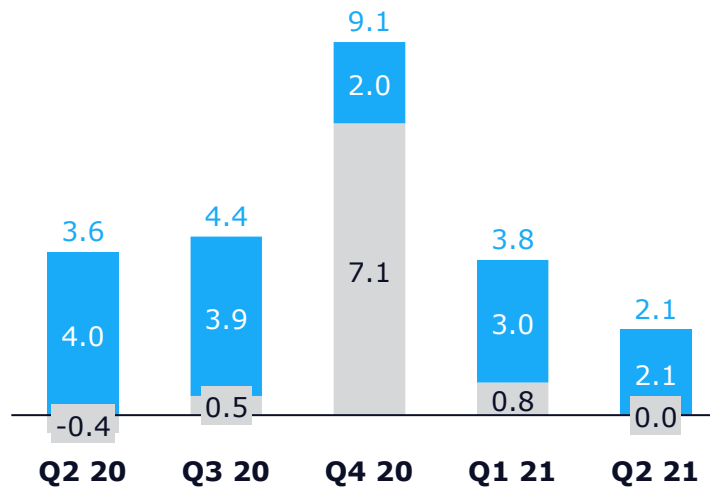
NOK billion



- > Capex driven by:
 - > 5G in Norway and Finland
 - > Fibre in Norway
 - > Capacity/coverage expansion in Thailand

Free cash flow

NOK billion

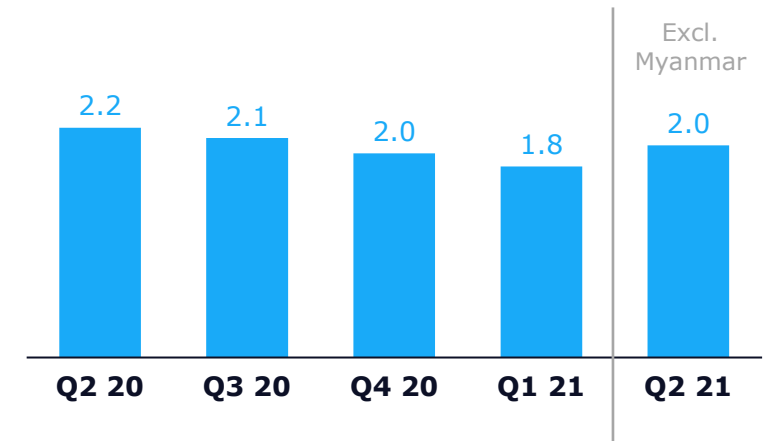


- FCF excl M&A and disposals
- M&A and disposals

- > Reduced FCF from lower EBITDA, higher taxes paid and negative working capital development

Leverage

Net debt / EBITDA



- > Increased ratio from deconsolidation of Myanmar and dividend payment



Telenor Tower Holding to develop one of the largest **tower portfolios** in the Nordics

- Telenor has an industrial perspective on towers and infrastructure
- Targets operational synergies
- TowerCo operational in Norway Q120, Sweden Q221 and Finland Q321
- Separate financial reporting for Towers from 2022
- Norway: Largest asset owner with 15k sites
- Sweden: Owned through Tower Sweden, 3GIS JV and N4M JV with 7.5k sites
- Denmark: Large tower portfolio through Telia JV with 3.6k sites
- Finland: Sites being transferred to DNA Towers with 3.8k sites



Outlook 2021

	Current	YTD	Previous
Organic subscription & traffic revenues	0-1%	-0.4%	Around 2020 level
Organic EBITDA	0-2%	1.4%	Around 2020 level
Capex/sales	15-16%	14.7%	15-16%

Mid term ambitions maintained



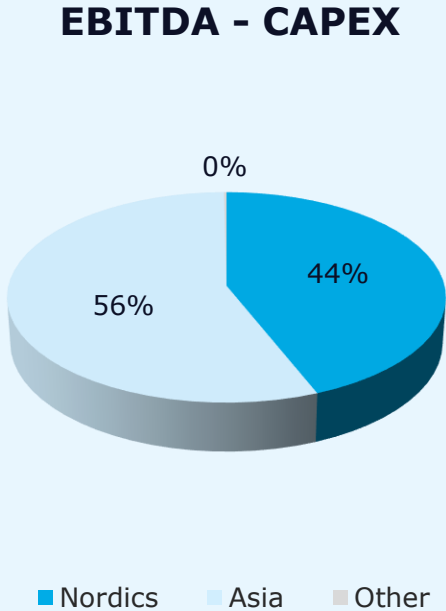
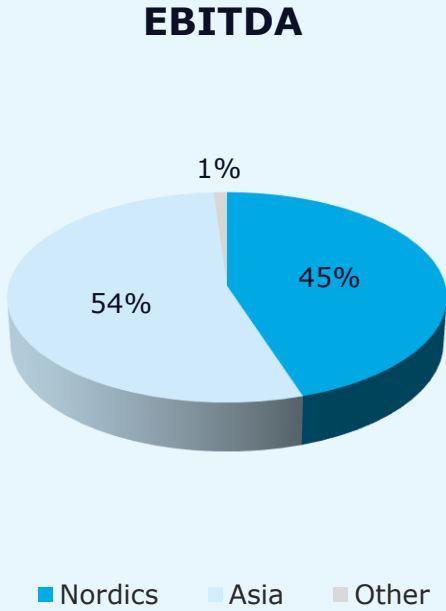
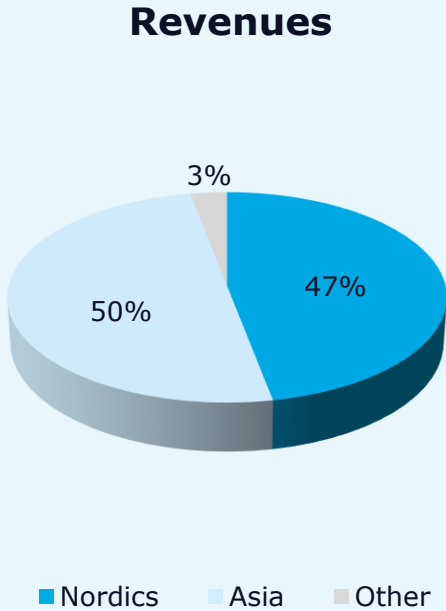


TELENOR GROUP

Second quarter 2021

Appendix

Geographic split of key financials YTD Q2 2021

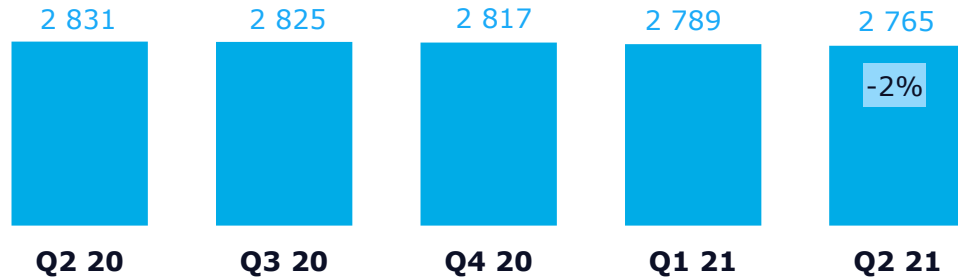


EBITDA before other items. Capex excl. licences.

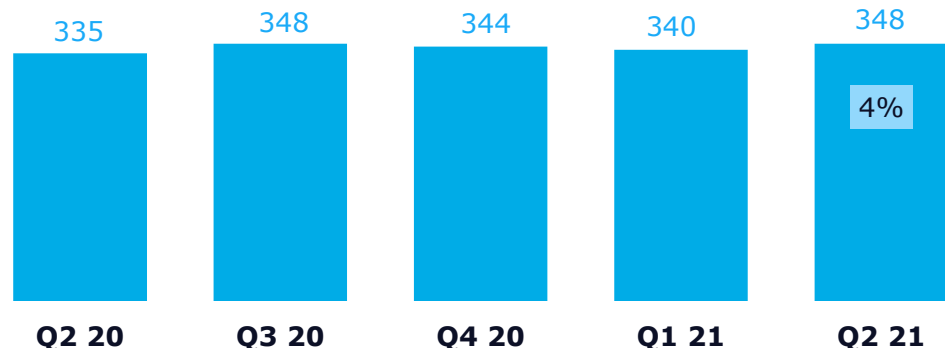


Norway

Mobile subscribers ('000)

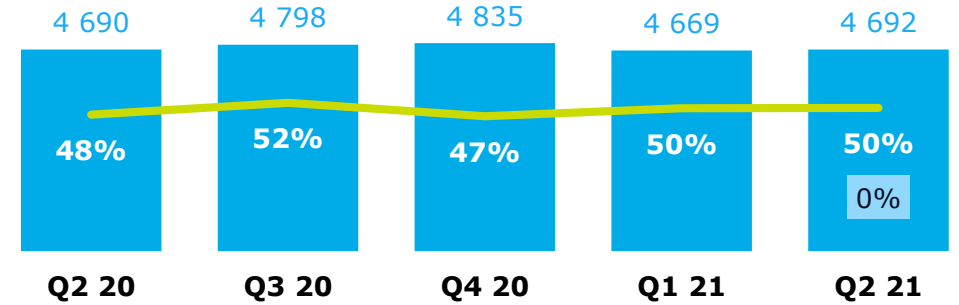


Mobile ARPU (NOK/month)

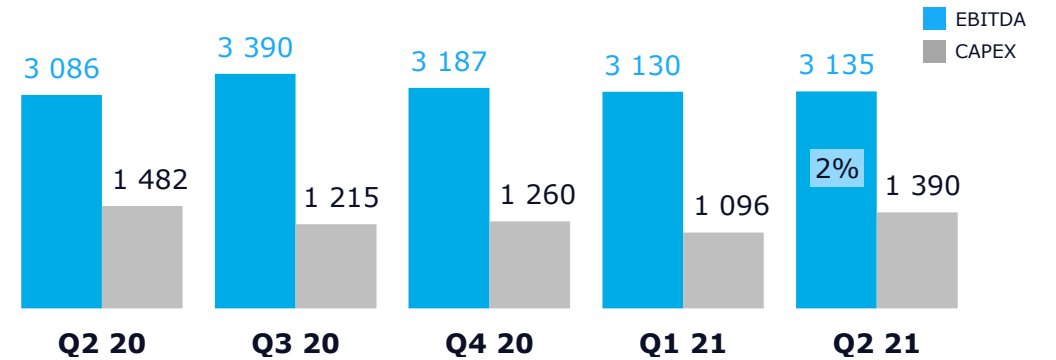


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

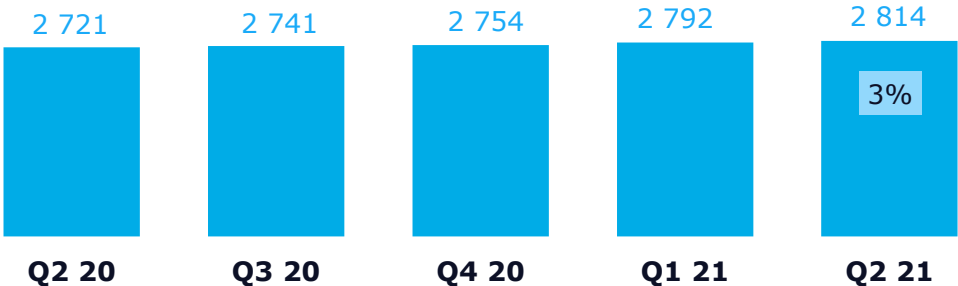


Organic growth YoY

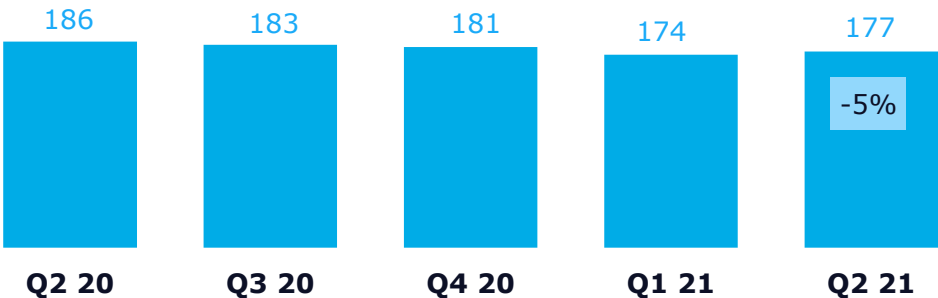


Sweden

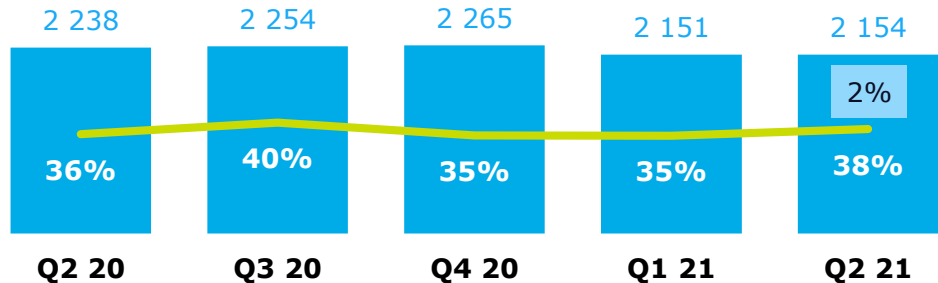
Mobile subscribers ('000)



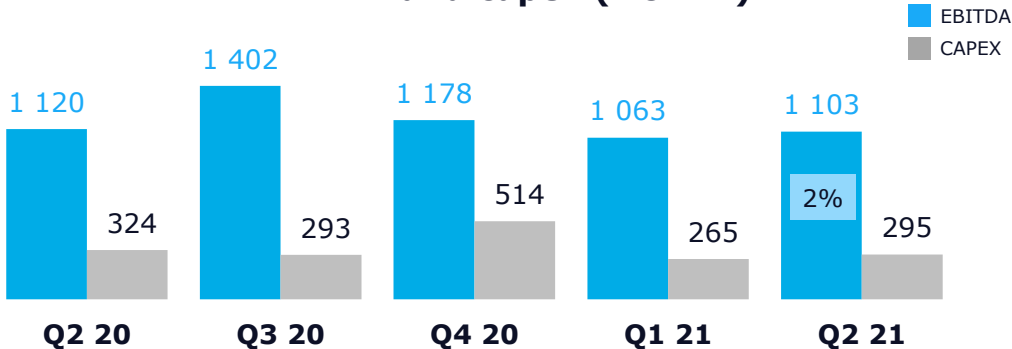
Mobile ARPU (SEK/month)



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



EBITDA and capex (NOK m)



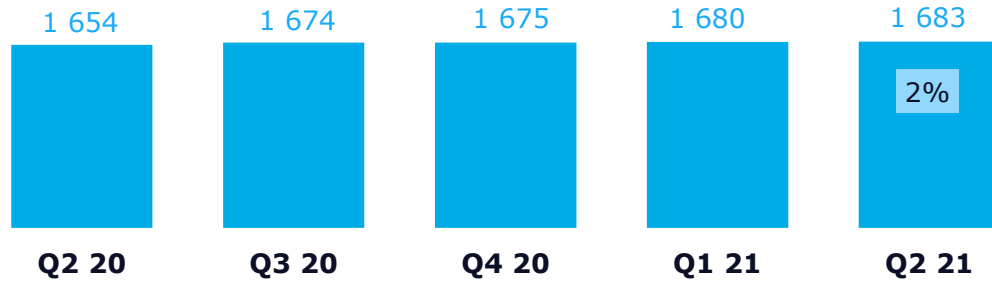
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

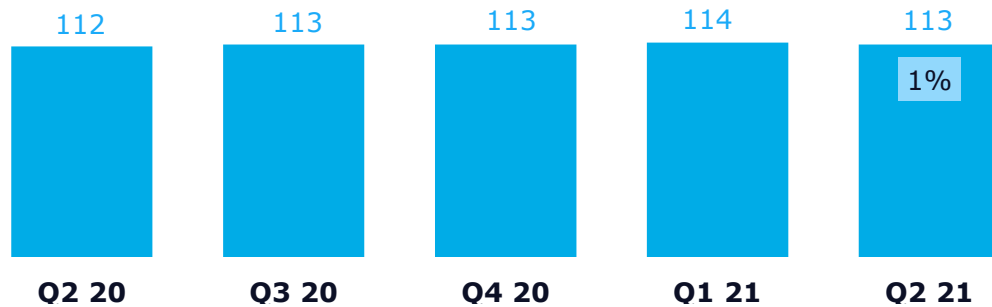


Denmark

Mobile subscribers ('000)

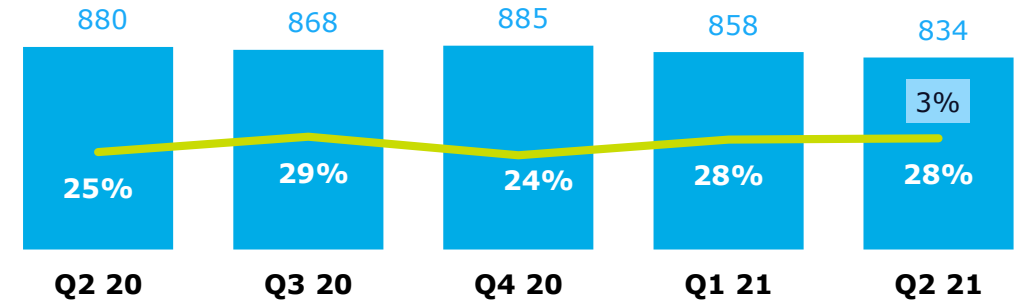


Mobile ARPU (DKK/month)

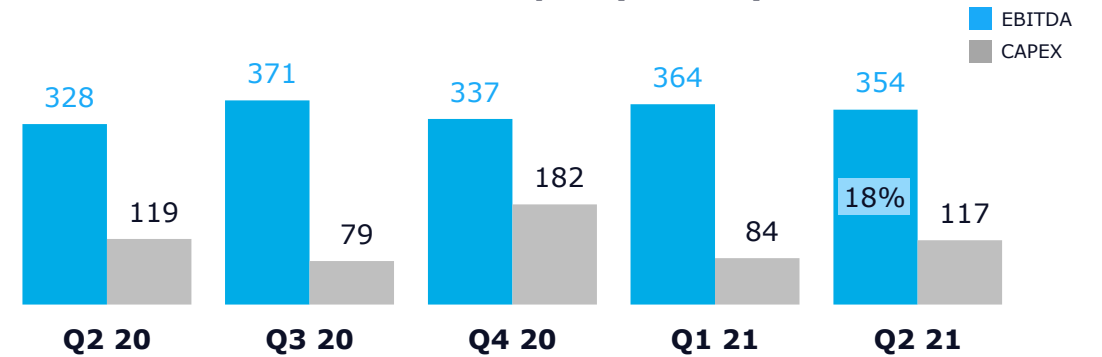


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

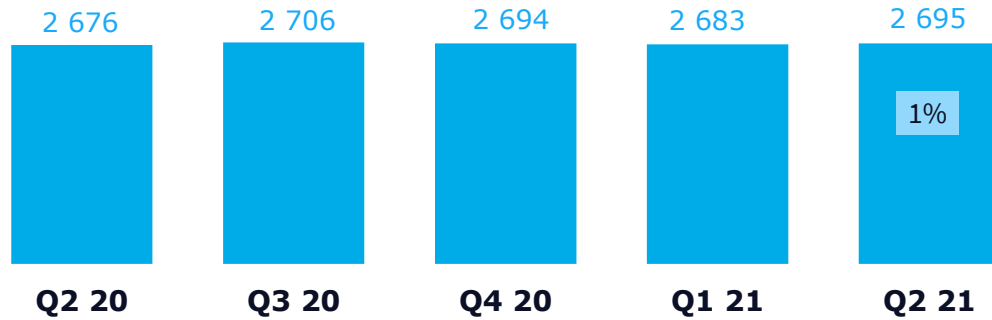


Organic growth YoY

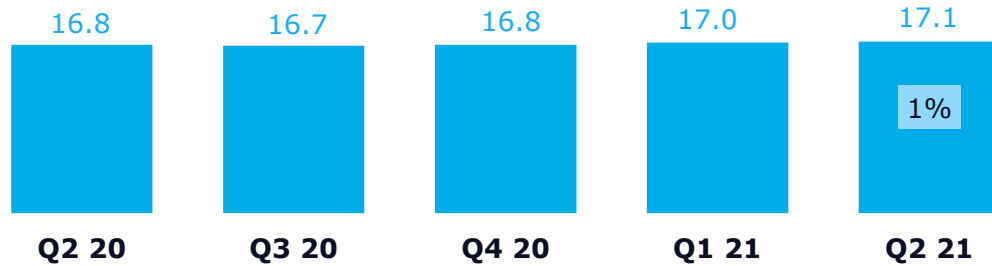


Finland

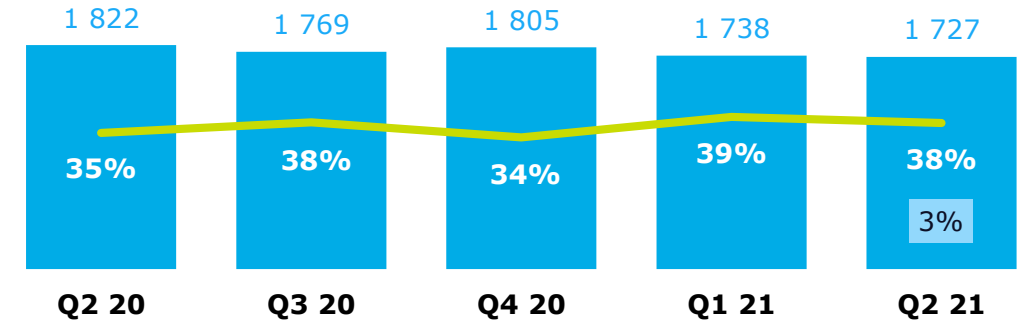
Mobile subscribers ('000)



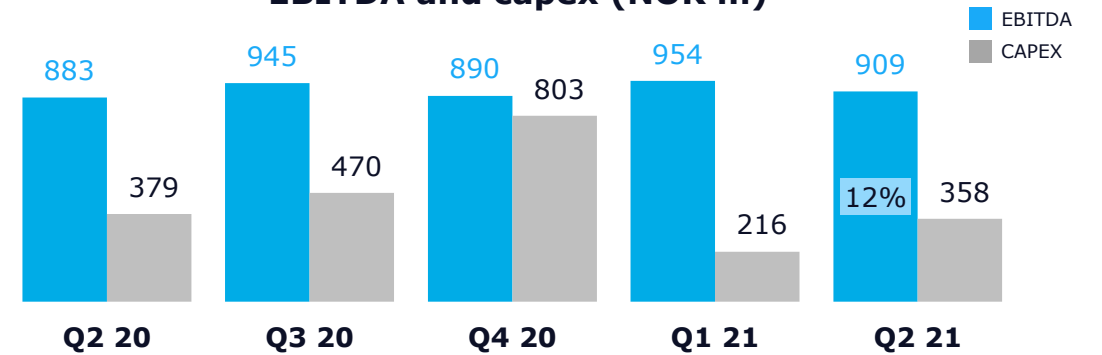
Mobile ARPU (EUR/month)



Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

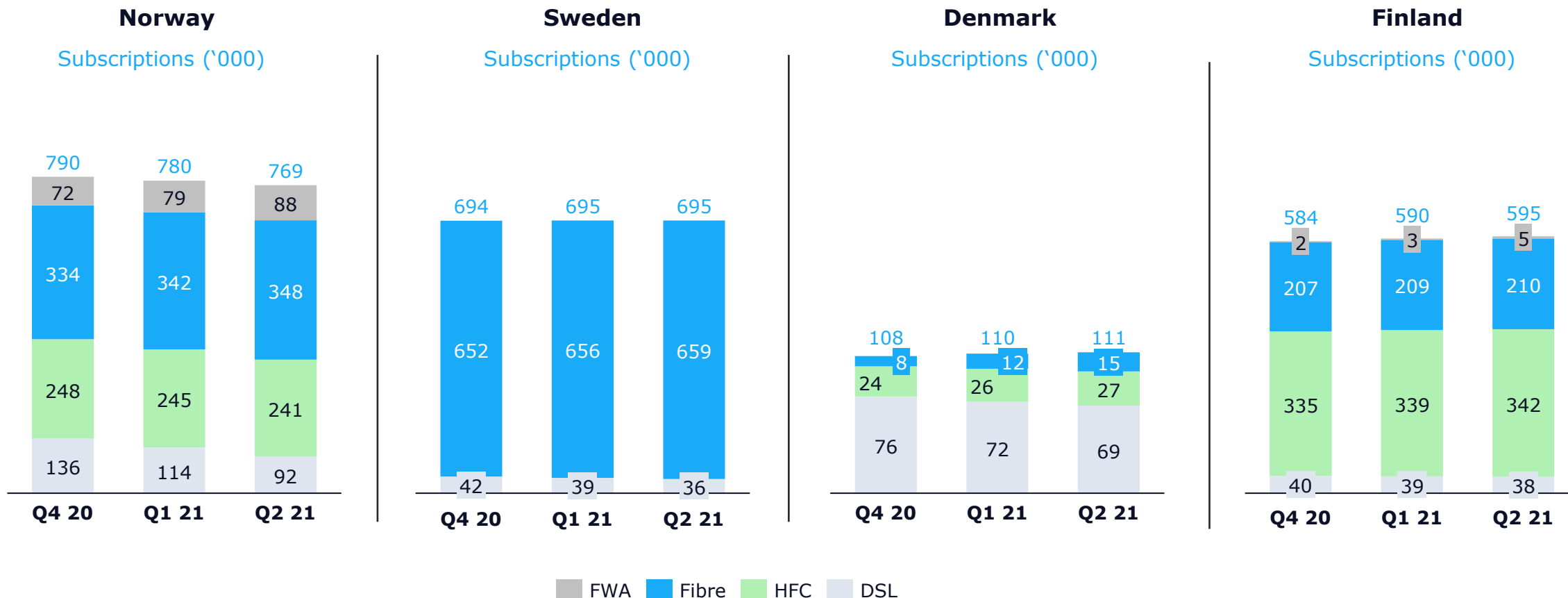


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Organic growth YoY

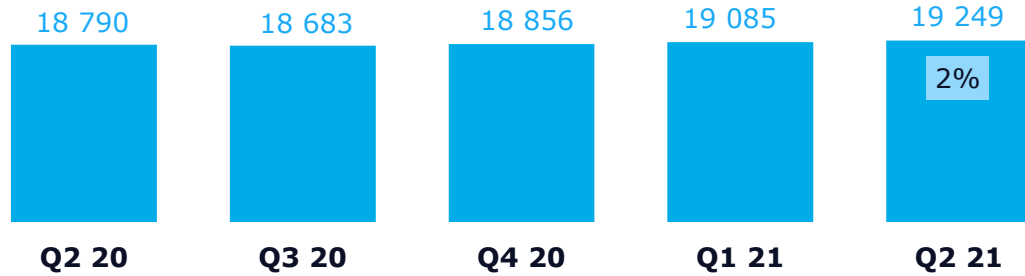


Additional information – Nordics

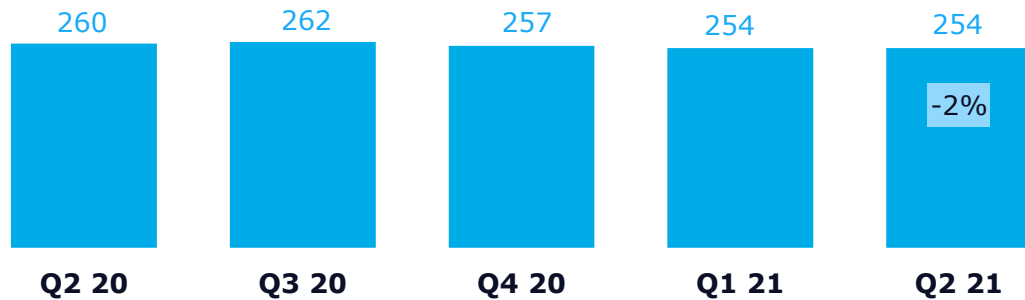


Thailand (dtac)

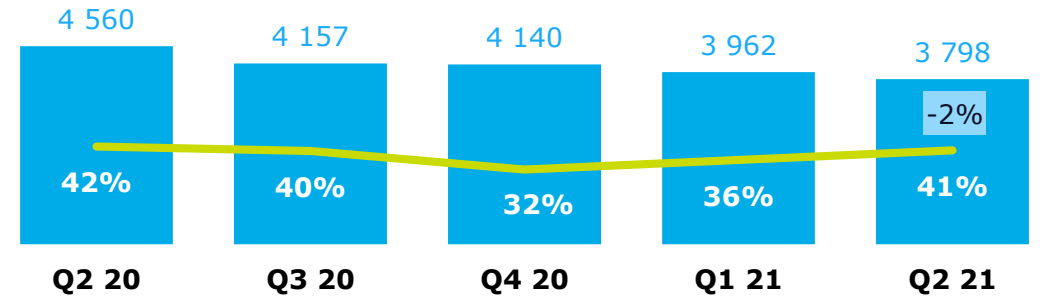
Mobile subscribers ('000)



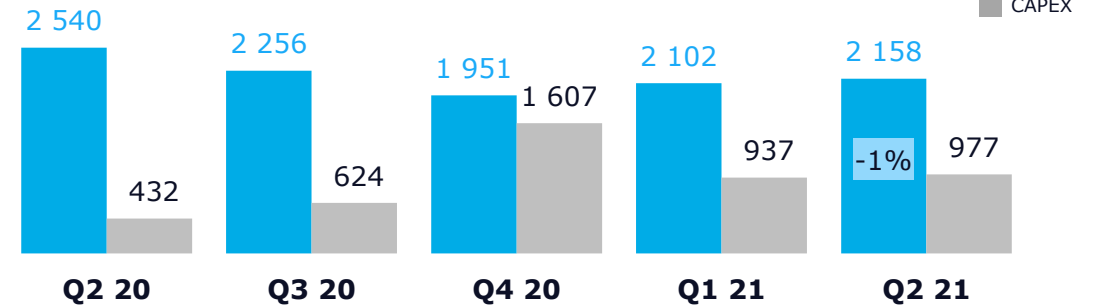
Mobile ARPU (THB/month)



Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



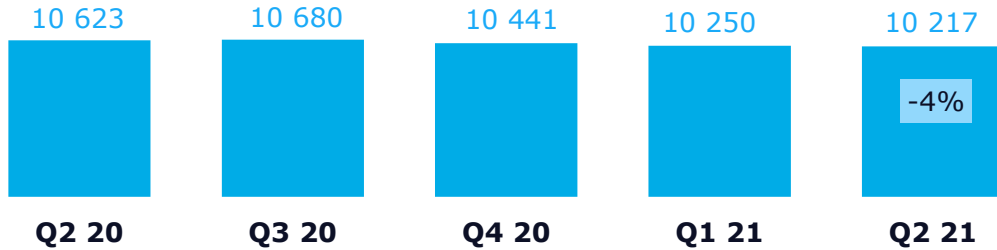
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

Organic growth YoY

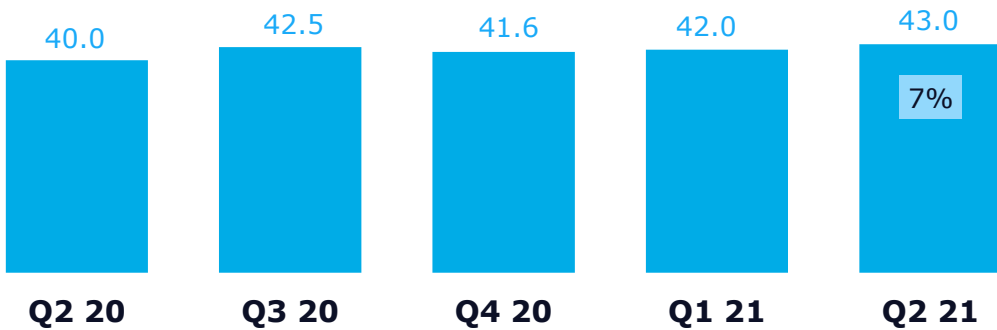


Malaysia (Digi)

Mobile subscribers ('000)

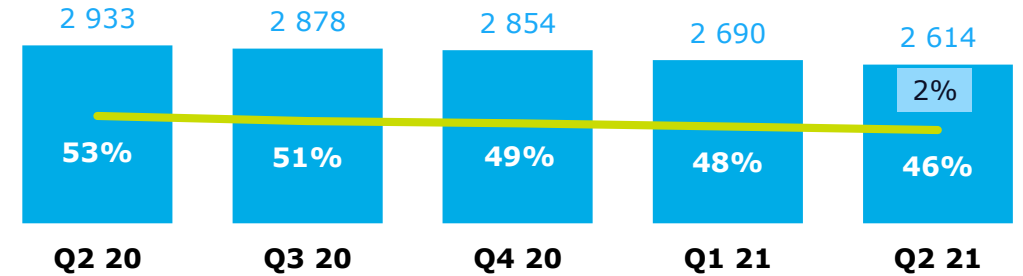


Mobile ARPU (MYR/month)

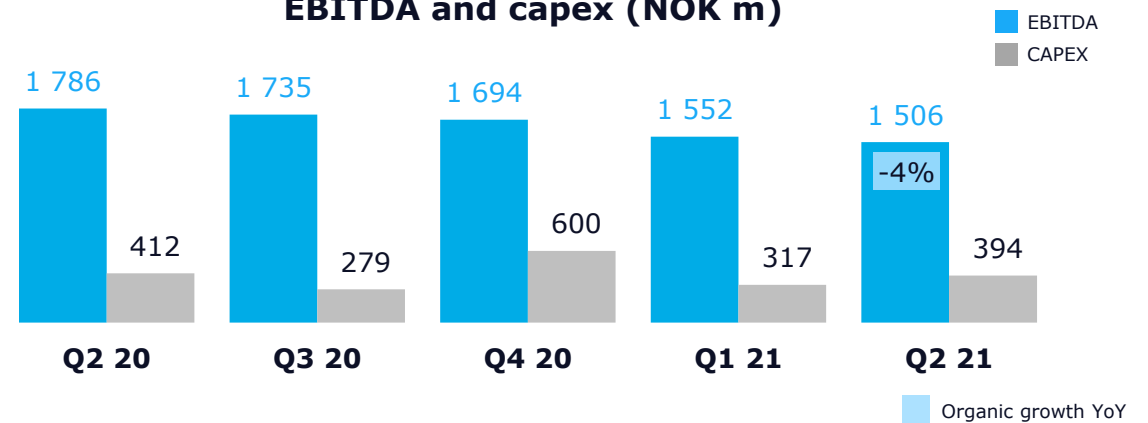


Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Subs and traffic revenues (NOK m) and EBITDA margin

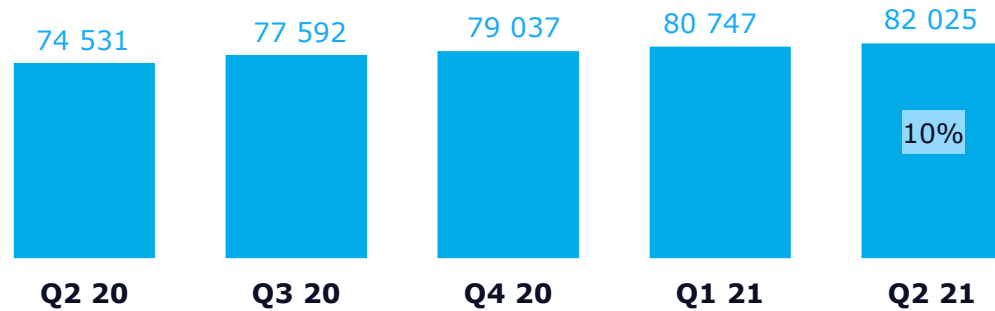


EBITDA and capex (NOK m)

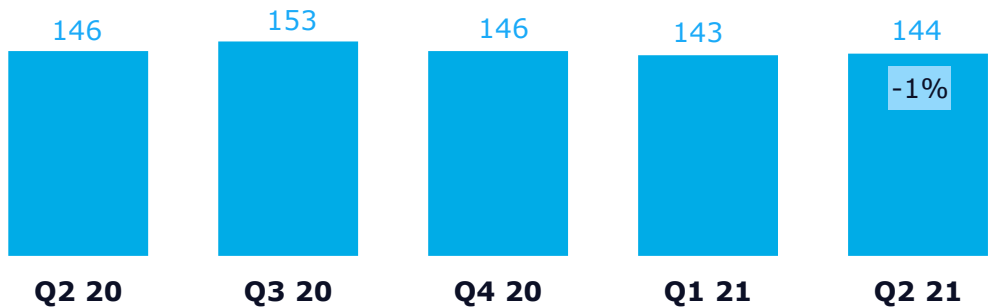


Bangladesh (Grameenphone)

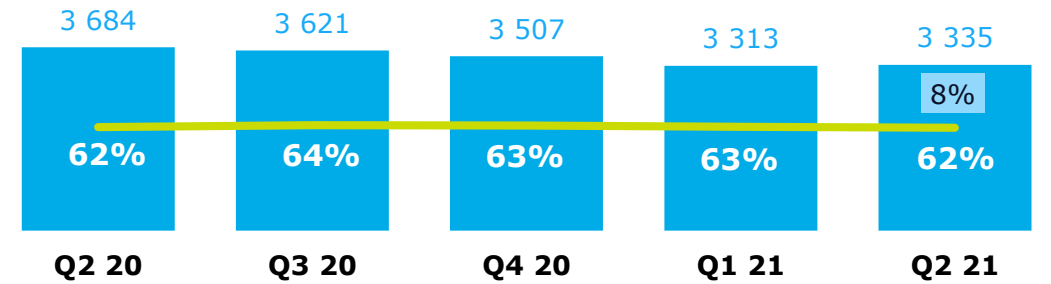
Mobile subscribers ('000)



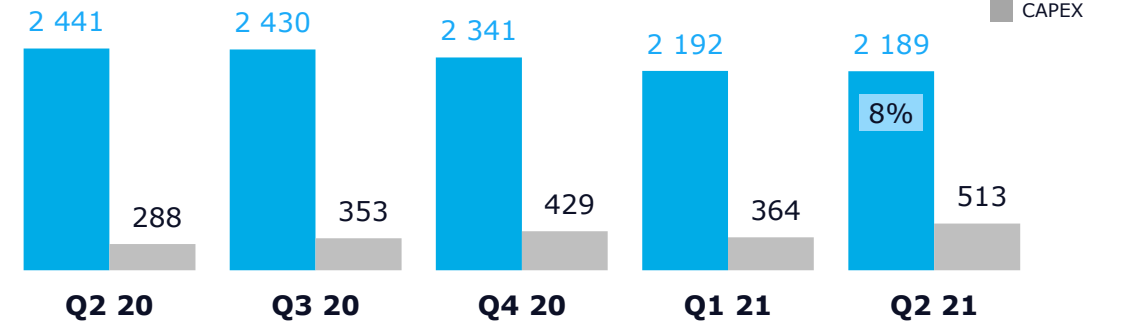
Mobile ARPU (BDT/month)



Subs and traffic revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



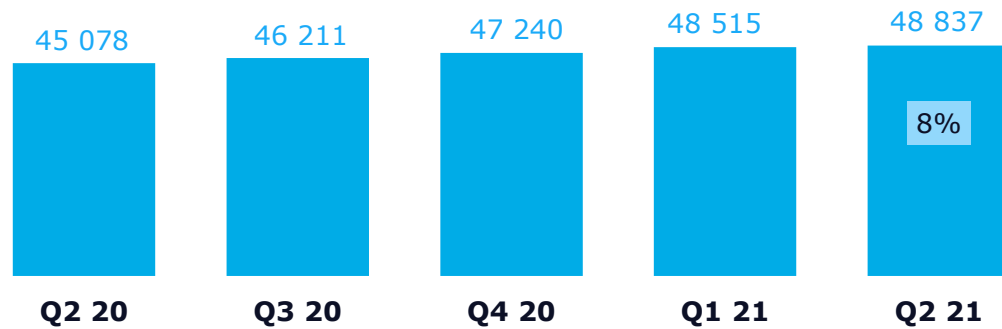
Organic growth assuming fixed currency, adjusted for acquisitions and disposals.
EBITDA before other items. Capex excl. licence fees

Organic growth YoY

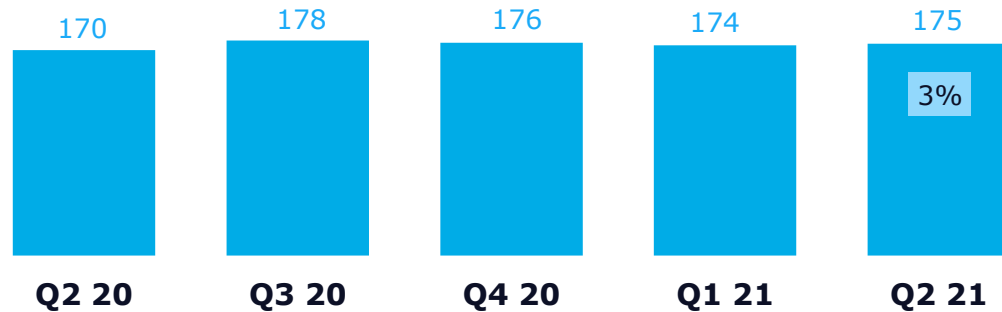


Pakistan

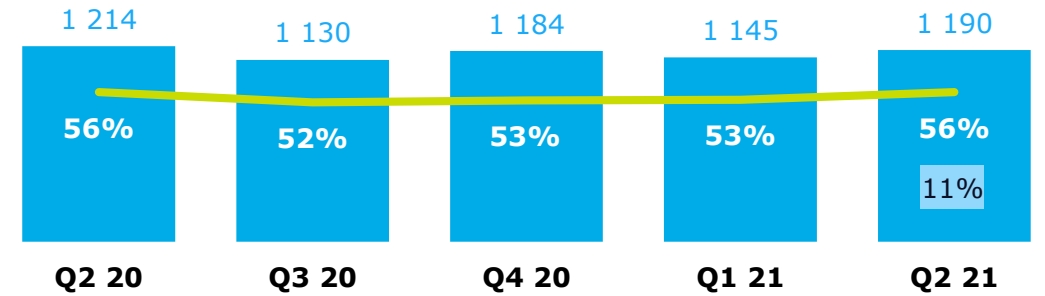
Mobile subscribers ('000)



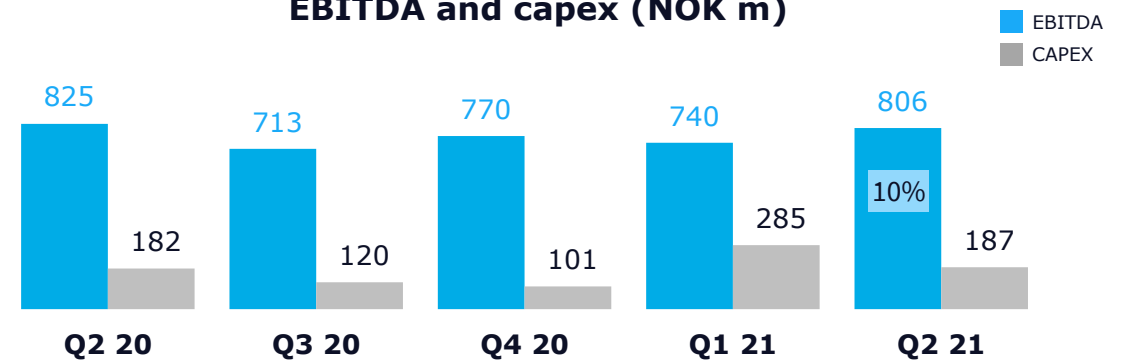
Mobile ARPU (PKR/month)



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



Q2 growth in subscription and traffic revenues and EBITDA

Country	Subscription & traffic revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	0.0%	0.0%	1.6%	1.6%
Sweden	-3.7%	0.1%	-1.5%	2.5%
Denmark	5.3%	3.2%	7.8%	17.5%
Finland	5.2%	3.5%	14.3%	12.5%
Thailand	-16.7%	-2.2%	-15.0%	-0.5%
Malaysia	-10.9%	1.8%	-15.6%	-3.7%
Bangladesh	-9.5%	8.5%	-10.3%	7.5%
Pakistan	-1.9%	10.7%	-2.4%	10.3%
Telenor Group	-7.6%	2.1%	-6.2%	3.6%



Net income of **NOK 2.2 billion** for Q2 2021

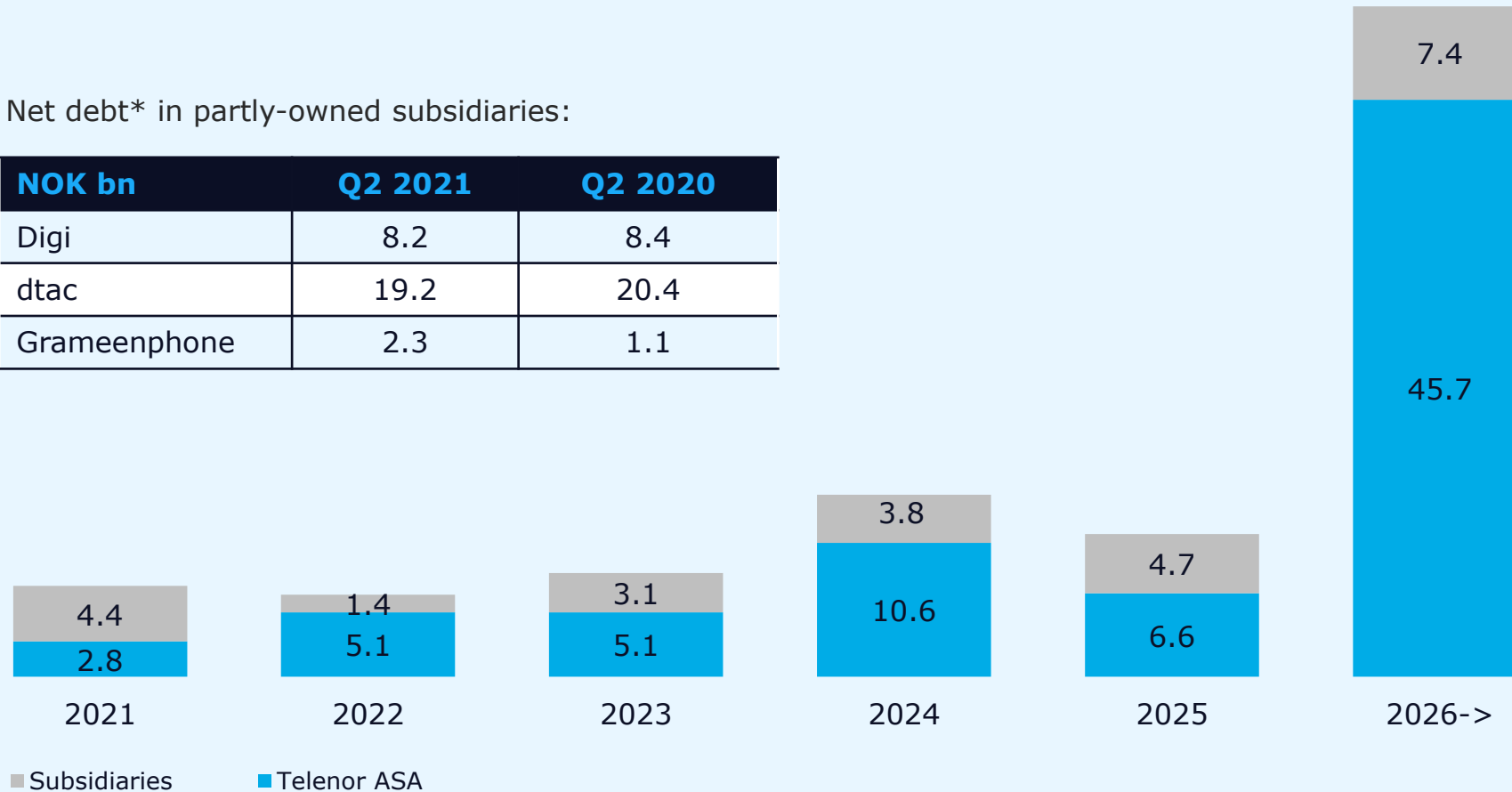
NOK m	2020	Q2 2020	Q2 2021
Revenues	115 839	28 978	27 158
EBITDA before other items	52 349	13 175	12 353
Other items	1 946	(1 340)	(254)
EBITDA	54 293	11 835	12 098
Depreciation & amortisation	(26 298)	(7 160)	(6 422)
Operating profit	27 984	6 851	5 671
Associated companies	(361)	(95)	(166)
Net financials	(3 331)	421	(1 124)
Taxes	(6 419)	(1 992)	(1 471)
Profit (loss) from discontinued operations	3 186	2 031	81
Minorities	3 718	920	803
Net income - Telenor equity holders	17 341	4 428	2 188
Earnings per share (NOK)	12.4	3.1	1.6



Debt maturity profile (NOK bn)

Net debt* in partly-owned subsidiaries:

NOK bn	Q2 2021	Q2 2020
Digi	8.2	8.4
dtac	19.2	20.4
Grameenphone	2.3	1.1



Net debt reconciliation

NOK bn	Q2 2021	Q2 2020	2020
Non-current interest-bearing liabilities	88.9	102.5	98.6
Non-current lease liabilities	30.8	30.0	31.4
Current interest-bearing liabilities	13.7	12.0	7.3
Current lease liabilities	8.4	8.7	7.9
Cash and cash equivalents	(19.7)	(15.6)	(19.8)
Fair value hedge instruments	(1.4)	(2.6)	(2.4)
Financial instruments	(0.3)	(0.3)	(0.4)
Non-current Licence obligations	(13.6)	(13.4)	(13.3)
Current Licence obligations	(3.6)	(4.5)	(3.6)
Net interest bearing debt excl. licence obligations	103.1	121.9	110.4



Balance sheet and key ratios

	30 Jun 2021	31 Dec 2020	30 Jun 2020
Total assets	235.9	256.5	264.4
Equity attributable to Telenor ASA shareholders	23.6	38.3	27.8
Gross debt*	141.8	150.8	159.6
Net debt	103.1	110.4	121.9
Net debt/EBITDA**	2.0	2.0	2.2
Return on capital employed***	13%	13%	12%

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

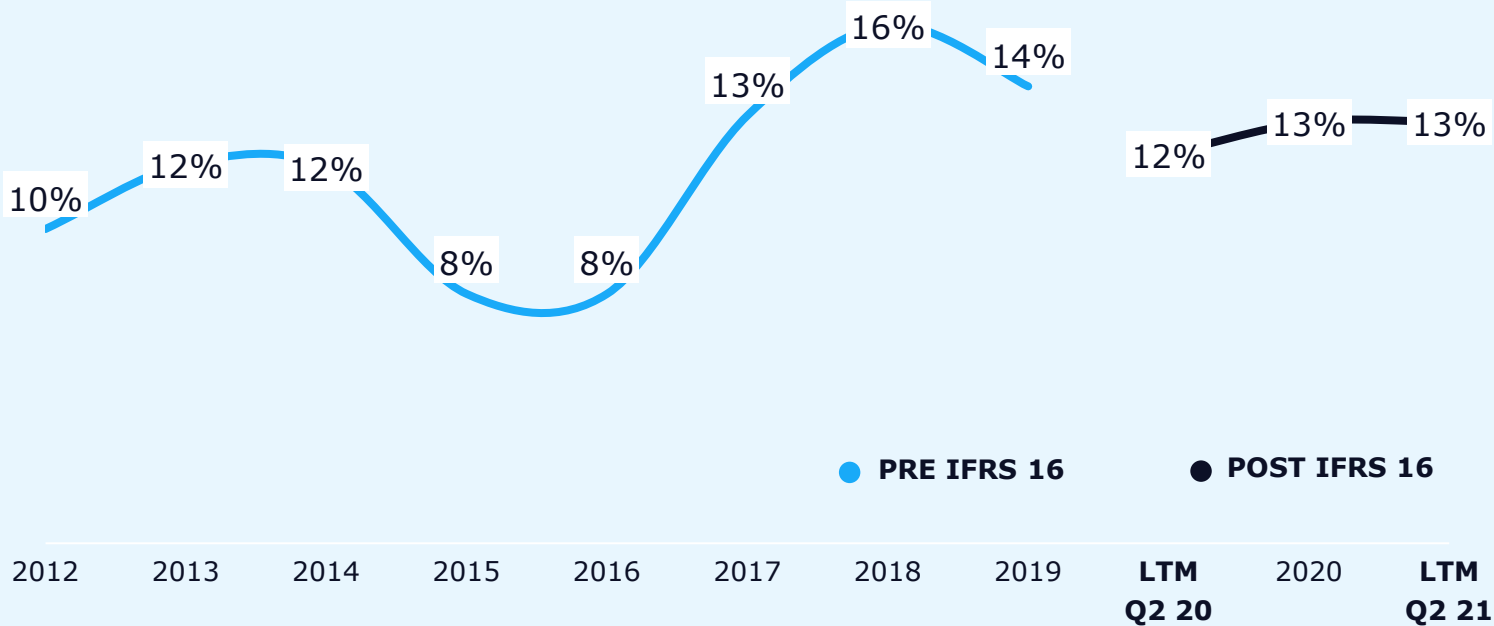
***) 12 months rolling EBITDA. For periods before consolidation of DNA, pro forma figures have been included.

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



Return on capital employed

Return on capital employed*



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

