

CREDIT OPINION

10 October 2023

Update



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RATINGS

Telenor ASA

Domicile	Oslo, Norway
Long Term Rating	Baa1
Type	Senior Unsecured - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Telenor ASA

Update to credit analysis - Operating performance is on the rise but leverage is high

Summary

[Telenor ASA's](#) (Telenor) Baa1 rating reflects the company's position as the incumbent integrated telecom operator in [Norway](#) (Aaa stable) with a strong presence across Scandinavia; exposure to the positive dynamics of the Nordics market, which will support operational performance improvements through 2025; strong underlying cash flow generation, pre-dividends; and continued commitment to its 1.8x-2.3x net leverage target.

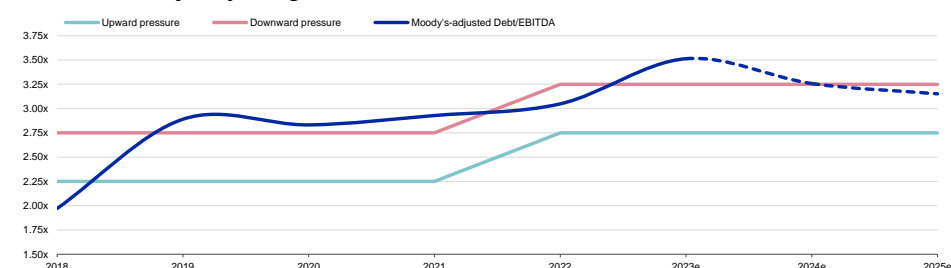
These strengths are counterbalanced by our expectation of Moody's-adjusted leverage in excess of 3x through 2025, although subject to foreign-exchange volatility; Telenor's overall debt trajectory because dividends are not fully covered by free cash flow (FCF) through 2025 under our current assumptions; the continued uncertainties surrounding the company's infrastructure monetisation, particularly the use of proceeds; and the FCF potential of Thailand and Malaysia to not crystallise before 2025, at best, after M&A.

Telenor benefits from its status as a government-related issuer (GRI) because it is 54% government owned. As a result, the company's Baa1 rating benefits from a one-notch uplift because of implicit government support.

Exhibit 1

Moody's-adjusted leverage will remain above 3x through 2025

Evolution of Moody's-adjusted gross debt/EBITDA for 2018-25e



[1] 2020 and 2021 include operations in Myanmar and in Malaysia, respectively. [2] Malaysia and Thailand excluded from 2022 and 2023e, respectively.

Source: Moody's Financial Metrics™ and Moody's Investors Service estimates

Credit strengths

- » Geographical diversification in Asia, although reduced as a result of Telenor's de-risking strategy
- » Leading market positioning in most of its markets
- » Good history of reducing costs, although hampered in 2022-23 by higher energy prices and the decommissioning of its copper network
- » Potential for large synergies from the merger of Digi in Malaysia and dtac in Thailand with local competitors

Credit challenges

- » Limited prospects for leverage reduction
- » Weak Moody's-adjusted retained cash flow (RCF)/debt metrics after the deconsolidation of Digi and dtac
- » High degree of shareholder distributions
- » Continued underperformance in the Pakistan unit because of macroeconomic weaknesses

Rating outlook

The stable rating outlook reflects our expectation that Telenor's EBITDA will improve over the next 12-18 months. At the same time, negative foreign-exchange movements and increasing debt to cover negative FCF generation after dividends are likely to lead to Moody's-adjusted leverage and RCF/debt of around 3.3x and 12%, respectively, over the period.

The stable outlook also envisages that Telenor will maintain good liquidity and that its financial policy will not deviate from our current expectations. No additional monetisation of infrastructure assets is embedded in our estimates.

Factors that could lead to an upgrade

We would consider upgrading Telenor's rating if the group's credit metrics improve, such that its:

- » Moody's-adjusted RCF/debt increases above 20% on a sustained basis; and
- » Moody's-adjusted debt/EBITDA drops consistently and comfortably below 2.75x.

Factors that could lead to a downgrade

Negative rating pressure could develop if Telenor's:

- » Moody's-adjusted RCF/debt were to remain well below 15% with no likelihood of an improvement;
- » Moody's-adjusted debt/EBITDA were to remain above 3.25x on a sustained basis; or
- » the company were to adopt a more aggressive financial policy.

In addition to the above-mentioned factors that affect Telenor's BCA, the group's rating could be affected by changes in the rating of the supporting government or changes in our assessment of default dependence and government support.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Telenor ASA

NOK Millions	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	proj. - 2023	proj. - 2024	proj. - 2025
Revenue	105,923	113,666	122,811	110,241	98,953	80,616	82,389	84,261
Debt / EBITDA	2.0x	2.9x	2.8x	2.9x	3.0x	3.5x	3.3x	3.2x
Net Debt / EBITDA	1.6x	2.6x	2.5x	2.6x	2.8x	3.0x	2.9x	2.9x
RCF / Debt	29.7%	13.2%	18.3%	18.4%	24.3%	11.0%	11.6%	13.2%
RCF / Net Debt	37.2%	14.6%	21.1%	20.7%	26.4%	13.1%	12.8%	14.4%
(EBITDA - CAPEX) / Interest Expense	7.7x	5.0x	7.4x	6.7x	5.9x	4.2x	4.8x	5.3x

[1] All ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for Non-Financial Corporations. [2] The forecasts (f) or projections (proj.) are our opinion and do not represent the views of the issuer. [3] 2020 and 2021 include operations in Myanmar and in Malaysia, respectively. [4] Malaysia and Thailand excluded from 2022 and 2023, respectively.

Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

Profile

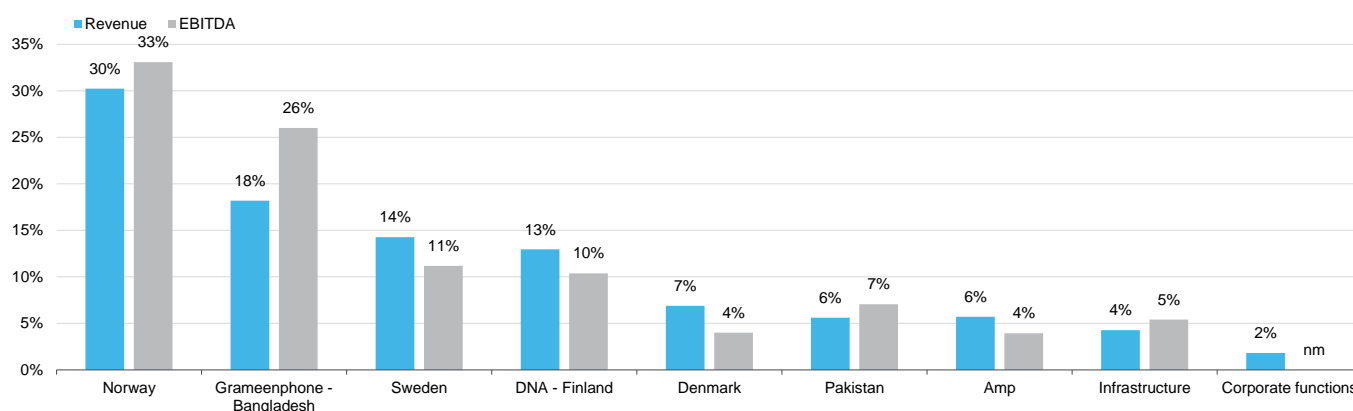
Telenor ASA (Telenor) is the incumbent integrated telecommunications provider in Norway. The company delivers a full range of services and products, including mobile and broadband for residential and business customers, together with a broad range of wholesale services. The company's activities outside its home market include mobile and fixed operations in Sweden, Denmark and Finland (DNA), together with mobile operations in Bangladesh (Grameenphone) and Pakistan. Telenor is also exposed to Malaysia and Thailand through a minority interest (33% and 30%, respectively) in CelcomDigi Berhad and True Corporate Public Company Ltd. Telenor is also a leading provider of television and broadcasting services in the Nordic region through its 50:50 JV Allente with Viaplay Group AB.

The company is majority owned by the Norwegian government, which holds a 54% stake in the company. For the 12 months that ended June 2023, Telenor generated revenue and company-adjusted EBITDA of NOK79 billion and NOK34 billion, respectively.

Exhibit 3

The Nordics region represents around 60% of Telenor's revenue and EBITDA

Revenue and EBITDA breakdown by country for the 12 months that ended June 2023



Source: Company data

Detailed credit considerations

High geographical diversification and a strong presence in the Nordics, although its presence in Asia has been de-risked

Telenor is the incumbent telecom operator in Norway, with a 43%¹ revenue market share in the country (2021: 46%). In mobile (see Exhibit 4), Telenor is the market leader with a 43% share, ahead of its key competitors [Telia Company AB](#) (Telia, Baa1 stable; 35%) and Lyse AS (Ice brand, 13%). In fixed broadband, Telenor is the number 2 operator behind Lyse (Altibox brand, 31%) and ahead of Telia (18%).

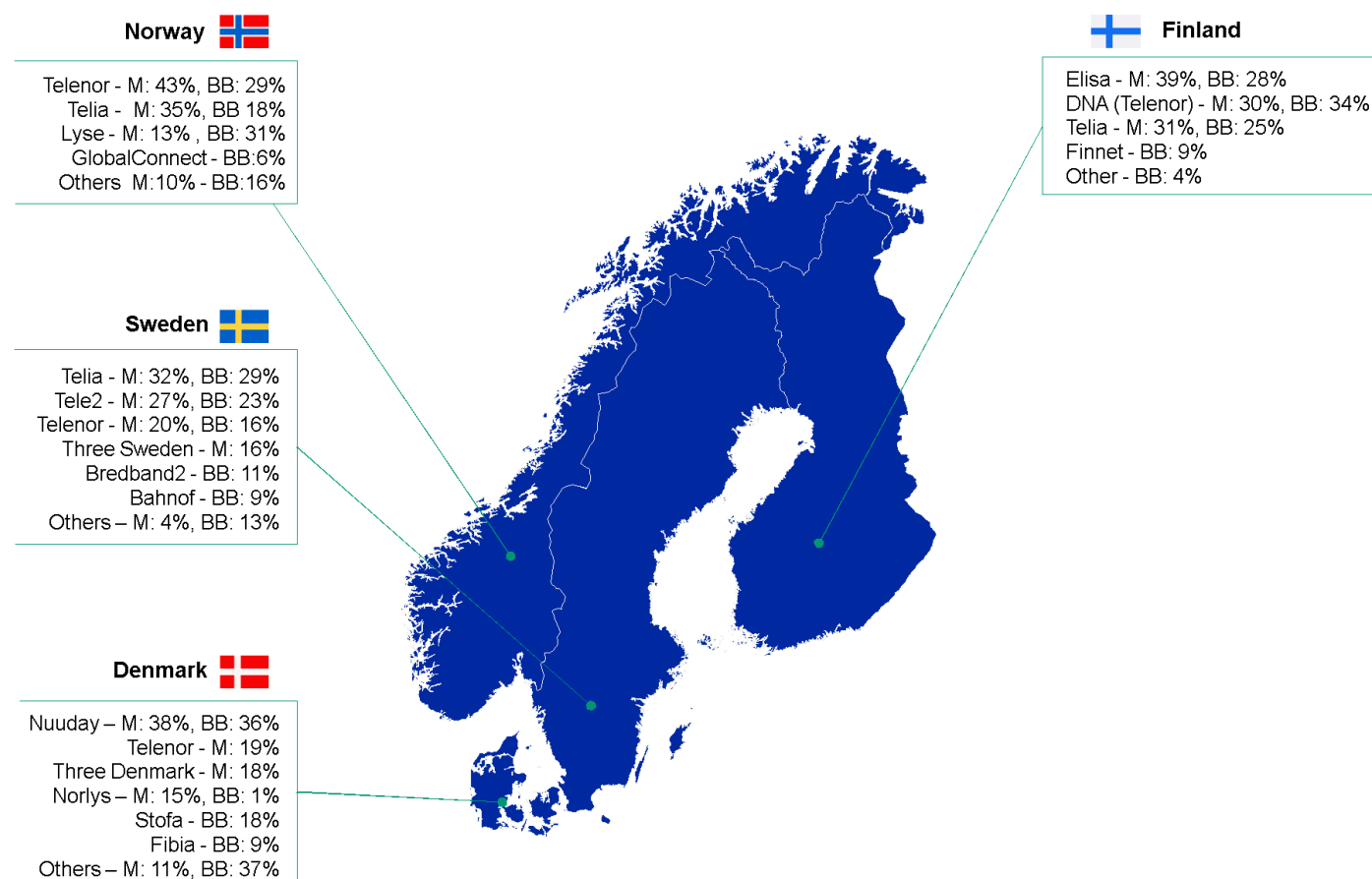
Telenor's market share position has weakened in recent years, particularly in fixed broadband, in favour of Lyse. Nevertheless, the recent consultation process for fixed broadband regulation launched by the Norwegian regulator could support the domestic prospects of Telenor, currently the only full fibre operator regulated in the country.

In addition to operating in Norway, the company has operations in other Nordic countries, including Denmark, Sweden and Finland. Telenor entered the Finnish telecom market in 2019 through the acquisition of DNA. Exhibit 4 shows that Telenor is the number 3 operator in Sweden, number 2 in mobile in Denmark, and number 1 and 3 in Finnish fixed broadband and mobile, respectively.

Exhibit 4

Telenor holds a strong market position across the Nordics

Fixed broadband and mobile market shares across Norway, Denmark, Finland and Sweden as of 2022



[1] "M" and "BB" stand for mobile and fixed broadband, respectively. [2] Mobile represents total mobile market shares for Finland and the postpaid mobile market share in the other countries. [3] Telenor's market share in Danish broadband included under "Others".

Sources: Norwegian Communications Authority, Traficom, Denmark Agency for Data Supply and Infrastructure, Swedish Post and Telecom Authority and Moody's Investors Service estimates

The company is also present in Asia through its operations in Bangladesh (number 1 operator in the country) and Pakistan (#3), as well as Malaysia (#1) and Thailand (#1) through minority stakes in those countries after the deconsolidation of Digi and dtac. Although Telenor's Asian presence has historically provided the company with exposure to greenfield operations, presenting stronger growth prospects than the more mature Nordic region, it has also brought increased revenue and earnings volatility, including from the appreciation and

depreciation of the local currencies versus the Norwegian krone, and event risk. The military coup in Myanmar, which forced Telenor to exit the country in 2022, is a key example of this risk.

During 2022, Telenor refocused its organisational structure around four key segments with different strategic objectives: Nordics, Asia, Infrastructure and Adjacent Business. The new layered model mainly focuses on profitable growth in the Nordics, while the presence in Asia is currently being de-risked and cash flow maximisation has become the unit's key priority. Key milestones in the de-risking of the region were the successful merger of Telenor's units in Malaysia and Thailand with operators Cellcom (a subsidiary of [Axiata Group Berhad](#) [Baa2 stable]) and True Corporation, respectively. In terms of infrastructure, Telenor aims to pursue the partial monetisation of its assets while maintaining control and a majority stake in those businesses.

Monetisation of minority stakes in infra assets remains a focus for Telenor; continued commitment towards a 1.8x-2.3x leverage target in spite of high shareholder distributions

Unlike that of many telecom operators in Europe, Telenor's activity in relation to the disposal of infrastructure assets has so far been limited. The only infrastructure transaction the company has completed has been [the disposal of a 30% stake in its Norwegian fibre unit, Telenor Fiber AS](#).

However, after the creation of its infrastructure unit in 2022, Telenor is looking for opportunities to monetise minority stakes across its portfolio of infrastructure assets while retaining control. Although commercial agreements between tower and service companies are already in place, Telenor has not been in a position to monetise those assets yet. This is because the company aims to drive and optimise performance through growth and efficiency levers before moving to the next step.

Our assessment of any additional transaction will be based on the ultimate use of proceeds, and the actual quality and perimeter of the assets disposed. In the case of the partial disposal of its Norwegian fibre business, our assessment has been broadly negative because cash proceeds were earmarked for investments and balance-sheet strengthening but also for shareholder remunerations.

This is because Telenor decided to distribute part of the proceeds through share buybacks while keeping its current policy of year-on-year growth in dividends. However, these dividends will not be covered by cash flow generation until 2024, at the earliest, per management's guidance. This target might slip into 2025 per our current assumptions.

Telenor remains committed to its 1.8x-2.3x net leverage target. Although Telenor was outside this range as of the end of June 2023 (2.4x) because of foreign-exchange movements and one-off cash outflows in Asia, the company expects to be back within the target thresholds in 2023-25 because FCF generation will gradually improve.

Revenue growth to improve gradually; reduction in energy costs to support EBITDA growth from the second half of 2023

We expect organic revenue growth (that is, excluding the impact from the deconsolidation of Malaysia and Thailand) to be 5% and more than 2% in 2023 and 2024, respectively. In 2023, we expect the weakness of the Norwegian krone — together with good underlying dynamics in the Nordics (supported by price increases) and in Bangladesh — to drive mid-single-digit revenue growth in percentage terms, offsetting the continued weakness in Pakistan as macroeconomic challenges in the country remain steady.

Telenor's operating performance in the domestic market will gradually improve in H2 2023 because the negative impact from the decommissioning of its copper network will subside. Positive dynamics in terms of fibre/fixed wireless access (FWA) takeup, and growth of value-added services, such as insurance and cybersecurity, will also continue to support underlying growth in the country.

Moving into 2024, we expect moderate revenue growth (around 2%) to continue to be driven by Bangladesh, but also by a further improvement in Norway and positive revenue growth across the rest of the Nordics. According to our current assumptions, the negative impact on revenues from Pakistan is likely to moderate over the year.

Company-adjusted EBITDA is likely to improve by 2% in 2023 before accelerating towards 3% in 2024. The increase in both years will be boosted by top-line improvements, the reduction in energy costs in H2 2023 and 2024 from high levels, and cost-savings initiatives, such as the benefits from the decommissioning of its copper network. Also, the underlying reductions in energy costs will be supported by the implementation of power-purchase agreements (PPAs) in Norway, Denmark and Finland.

Telenor has historically maintained an ambitious cost-savings programme that aims to reduce operating expenses by 1%-3% annually and boost EBITDA. This target has been reiterated for the Nordics, with Telenor aiming to achieve a 1%-3% compound annual growth

rate (CAGR) reduction in operating costs in 2022-25 from network and IT (50% of savings targeted), shared service functions across the Nordics (25%) and future fit organisation (25%). The new organisational structure resulting from the creation of the Nordics unit will be key in achieving the planned reduction in costs.

Moody's-adjusted leverage to remain high at more than 3x through 2024

Telenor's Moody's-adjusted gross leverage was 3.0x in 2022, after the deconsolidation of Digi (see Exhibit 5). If we also exclude dtac — still consolidated as of the end of December 2022 — Moody's-adjusted leverage would be broadly unchanged at 2.9x.

Exhibit 5

Moody's-adjusted gross leverage was 3.0x in 2022 even post deconsolidation of Digi

Moody's-adjusted debt/EBITDA reconciliation

NOK billions	EBITDA		DEBT	
	FY22	2023e	FY22	2023e
Reported EBITDA	43.1	33.5	RCF	--
Share of profit from assoc. companies and JV	(0.3)	(0.5)	Interest-bearing liabilities	91.9
Financial income	0.5	1.1	Lease liabilities	31.1
Net currency losses	0.4	(0.7)	Reported gross debt	123.0
Other financial expenses	(0.7)	(1.0)	Pensions	1.9
Unusual items	(2.0)	--	Moody's-adjusted debt	124.9
Moody's-adjusted EBITDA	41.0	32.4	dtac Debt (incl. lease liabilities)	30.6
dtac EBITDA	8.0	--	Moody's-adjusted debt (excl. dtac)	94.3
Moody's-adjusted EBITDA (excl. dtac)	32.9	32.4		
Moody's-adjusted leverage				3.0x
Moody's-adjusted leverage (excl. dtac)				2.9x

Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

We expect Moody's-adjusted leverage to be around 3.5x and 3.3x in 2023 and 2024, respectively. Despite a year-over-year improvement in EBITDA, deleveraging prospects will be limited over the period because of our assumption of increasing debt levels to fund shareholder distributions. While the dividend payout will likely continue to grow in 2024, the company will also implement [a redemption of shares from the Norwegian government](#). Under our current assumptions, Telenor will retain a cash balance of around NOK10 billion-NOK11 billion by 2024, moderately above 2022 levels.

The broad weakening in Moody's-adjusted leverage over 2023 is also driven by the pre-funding of a portion of 2024 maturities, whose negative impact will revert in the first part of the year, as well as by adverse currency effects on debt because of the weakness of the Norwegian krone against the euro and the US dollar. As a result, Telenor's Moody's-adjusted leverage could be lower than currently forecast should the unfavourable foreign-exchange movements in the US dollar and euro-denominated debt revert.

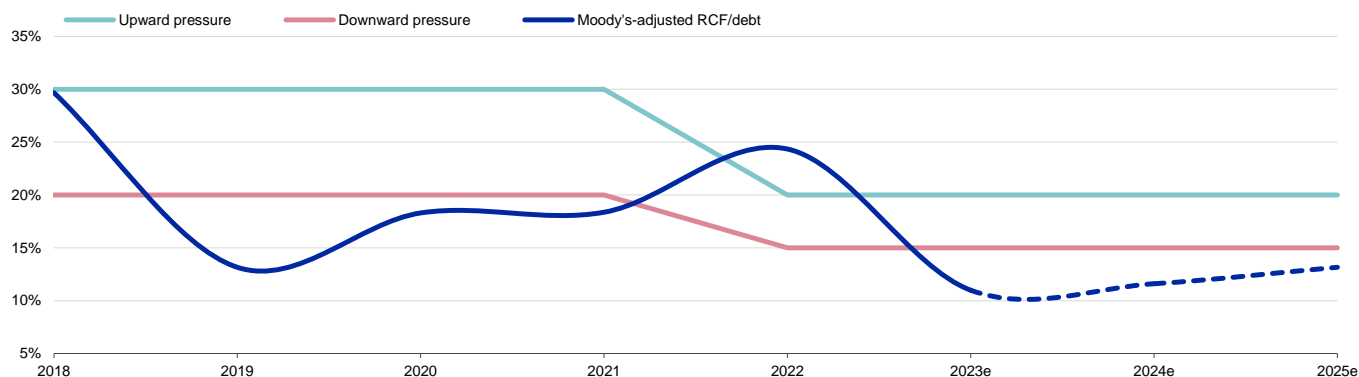
Negative FCF after dividends through 2025; Moody's-adjusted RCF/debt to be weak for the current rating following the deconsolidation of Digi and dtac

We forecast Moody's-adjusted RCF/debt to be around 11% and 12% in 2023 and 2024, respectively (see Exhibit 6). Per our current expectations, Telenor will benefit from a dividend stream of around NOK1.3 billion from Malaysia in 2023-24. [Thailand will start supporting the company's cash flow generation only in 2025, once a large portion of the targeted synergies in the country is achieved.](#) Telenor's current Moody's-adjusted RCF/debt metrics are significantly lower than historical levels because of the deconsolidation of Digi and dtac, but also because of sustained shareholder distributions when the cash flow profile is diminishing.

Exhibit 6

RCF/debt is weak for the current rating

Evolution of Moody's-adjusted RCF/debt for 2018-25e



Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

Telenor's dividend payout is likely to continue to progressively step up and is not likely to be covered by FCF until 2025. Negative FCF over 2022-24 will be largely a function of sustained capital spending levels, although gradually slowing down, and our expectation of a steady increase in interest paid despite 66% of the company's debt being currently fixed with an average rate of around 2%.

We estimate capital intensity, as a percentage of revenue and excluding spectrum payments, to be more than 17% in 2023 before decreasing to 16.5% in 2024. Telenor's investments will continue to focus on 5G deployment across its footprint and the rollout of fibre in Norway. In terms of spectrum commitments, the key spending (NOK0.7 billion) over the period will be related to [the recently completed spectrum auction in Sweden](#) through its JV Net4Mobility HB. Overall, the payment will be split between 2023 and 2025.

Our capital spending estimates continue to be somewhat subject to the future infrastructure strategy of the company and the extent to which the monetisation of minority stakes in the unit is used to accelerate investments.

ESG considerations

Telenor ASA's ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 7

ESG Credit Impact Score

CIS-3

Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.



Source: Moody's Investors Service

Telenor's CIS-3 indicates that ESG considerations have a limited impact on the current rating. This reflects industrywide social challenges, including exposure to customer data security and privacy risks. It also reflects moderate governance risks, including through its presence in emerging countries with higher political risks and evolving regulations, as well as its complex ownership structure with part-ownership of certain Asian entities.

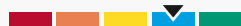
Exhibit 8

ESG Issuer Profile Scores

ENVIRONMENTAL

E-2

Neutral-to-Low



SOCIAL

S-3

Moderately Negative



GOVERNANCE

G-3

Moderately Negative



Source: Moody's Investors Service

Environmental

Telenor's exposure to environmental risks is low and in line with that of the overall industry. Despite the company's presence across numerous countries across Scandinavia and Asia, the environmental risk score of E-2 reflects the limited impact of physical climate risk on Telenor's operations. Although Telenor has set ambitious targets for carbon neutrality in the Nordics, carbon transition in Asia will be significantly slower because we expect prolonged reliance on power generated from electricity grids with a high carbon intensity.

Social

Telenor's S-3 score reflects the company's exposure to social risks. These risks arise from its exposure to emerging markets in Asia, although reduced in recent years, which are subject to a higher degree of event risk, including from a regulatory or political standpoint.

For example, the company decided to exit Myanmar in 2021 because of the negative impact on its operations in the country from a military coup launched in February 2021. These risks are mitigated by the benefits of the growing population in Asia, which will remain a positive underlying driver for Telenor's future subscriber growth in the region. Telenor's S-3 score also reflects industrywide exposure to data privacy and security risks because the company holds significant information on its large subscriber base.

Governance

Telenor's G-3 score reflects the company's relatively complex group structure as well as the high degree of shareholder distributions, with dividends not covered until 2024, at best. This complex structure exists because the company only partially owns some of its

assets in Asia. However, governance risks are to a large extent mitigated by the company's commitment to its 1.8x-2.3x net leverage target.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. To view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

GRI considerations

Telenor qualifies as a GRI under our [methodology](#) because it is 54% government owned. Our Baa1 rating for the company reflects the combination of the following GRI inputs: a BCA of baa2, the Aaa (stable) local-currency rating of the Norwegian government, the low default dependence between Telenor and the government, and the likelihood that the government will provide a low level of support to the company, if needed.

The low level of default dependence between Telenor and the government reflects the weak correlation between the company's credit profile and the economic trends in Norway, which is mainly a result of the group's strong liquidity and increasing market diversification. More specifically, our assessment of a low level of default dependence between Telenor and the government is based on the lack of financial and operational links between the two.

Our assessment of a low level of government support available to Telenor in the event of stress is based on the following observations: there is no explicit support from the government, we are not aware of any formal verbal or written confirmation that the government will support the company in the event of a default on its financial debt, and the company does not have any special legal status that would suggest a closer link with the state or an implicit form of support.

The government's 54% ownership of Telenor and its willingness to act as a rational shareholder suggest that the government would not be the sole provider of support in a stress scenario. Instead, the government would likely only consider providing support jointly with other shareholders in the form of a capital increase. The state's rationale for its ownership of Telenor is to maintain a leading technological and industrial company with head office functions in Norway.

Liquidity analysis

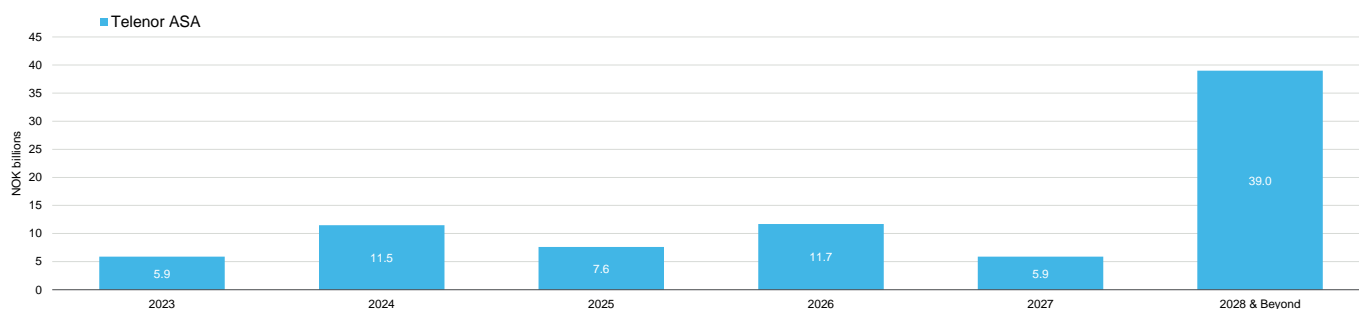
Telenor's liquidity is good, supported by the company's cash and cash equivalents of NOK12.5 billion as of June 2023 and the full availability under its €1.8 billion committed revolving credit facility maturing in June 2028.

Telenor's maturity profile is long-dated, with NOK11.5 billion maturing in 2024 (see Exhibit 9). As of October 2023, the company's average maturity was 5.1 years².

Exhibit 9

Telenor's debt has an average maturity of around 5 years

Telenor's debt maturity profile as of 30 June 2023



Source: company data

Methodology and scorecard

The current and forward-looking scorecard-indicated outcome for Telenor is Baa3, one notch lower than the BCA of baa2.

The principal methodologies used for rating Telenor are our [Telecommunications Service Providers](#) rating methodology, published in September 2022, and the [Government-Related Issuers Methodology](#), published in February 2020.

Exhibit 10

Rating factors Telenor ASA

Telecommunications Service Providers Industry Scorecard [1][2]	Current FY2022		Moody's 12-18 Month Forward View As of 10/10/2023 [3]	
Factor 1 : Scale (12.5%)	Measure	Score	Measure	Score
a) Revenue (USD Billion)	\$10.3	Ba	\$8.0 - \$8.1	Ba
Factor 2 : Business Profile (27.5%)				
a) Business Model, Competitive Environment and Technical Positioning	A	A	A	A
b) Regulatory Environment	Ba	Ba	Ba	Ba
c) Market Share	A	A	A	A
Factor 3 : Profitability and Efficiency (10%)				
a) Revenue Trend and Margin Sustainability	Baa	Baa	Baa	Baa
Factor 4 : Leverage and Coverage (35%)				
a) Debt / EBITDA	3.0x	Ba	3.2x - 3.3x	Ba
b) RCF / Debt	24.3%	Ba	11% - 12%	B
c) (EBITDA - CAPEX) / Interest Expense	5.9x	A	4.0x - 5.0x	Baa
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating:				
a) Scorecard-Indicated Outcome		Baa2		Baa3
b) Actual Rating Assigned				Baa1
Government-Related Issuer	Factor			
a) Baseline Credit Assessment	baa2			
b) Government Local Currency Rating	Aaa			
c) Default Dependence	Low			
d) Support	Low			
e) Actual Rating Assigned	Baa1			

[1] All ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for Non-Financial Corporations. [2] As of 12/31/2022. [3] This represents our forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures. [4] Thailand included in FY2022 but excluded in forward looking view.

Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

Ratings

Exhibit 11

Category	Moody's Rating
TELENOR ASA	
Outlook	Stable
Senior Unsecured	Baa1
Commercial Paper	P-2

Source: Moody's Investors Service

Appendix

Exhibit 12

Peer comparison

(in USD millions)	Telenor ASA			Swisscom AG			Orange			Telia Company AB			Elisa Corporation		
	Baa1 stable			A1 Stable			Baa1 Positive			Baa1 Stable			Baa2 Stable		
	FYE Dec-20	FYE Dec-21	FYE Dec-22	FYE Dec-20	FYE Dec-21	FYE Dec-22	FYE Dec-20	FYE Dec-21	FYE Dec-22	FYE Dec-20	FYE Dec-21	FYE Dec-22	FYE Dec-20	FYE Dec-21	FYE Dec-22
Revenues	\$13,090	\$12,828	\$10,335	\$11,835	\$12,238	\$11,649	\$48,244	\$50,310	\$45,816	\$9,718	\$10,304	\$9,016	\$2,162	\$2,364	\$2,244
EBITDA	\$5,779	\$5,348	\$4,279	\$4,654	\$4,812	\$4,654	\$16,185	\$16,617	\$15,431	\$3,366	\$3,456	\$2,926	\$790	\$826	\$773
Total Debt	\$17,934	\$15,263	\$12,679	\$11,013	\$9,538	\$8,805	\$56,441	\$53,113	\$51,162	\$12,366	\$10,164	\$8,196	\$1,757	\$1,530	\$1,465
Cash & Cash Equivalents	\$2,382	\$1,725	\$1,007	\$385	\$440	\$131	\$13,889	\$12,381	\$11,210	\$985	\$1,582	\$877	\$269	\$130	\$91
EBITDA Margin	44.2%	41.7%	41.4%	39.3%	39.3%	39.9%	33.5%	33.0%	33.7%	34.6%	33.5%	32.5%	36.5%	34.9%	34.4%
(EBITDA-CAPEX) / Interest Expense	7.4x	6.7x	5.9x	13.2x	15.5x	17.7x	3.8x	3.4x	4.2x	4.1x	4.4x	3.2x	23.5x	31.7x	30.3x
Debt / EBITDA	2.8x	2.9x	3.0x	2.2x	2.0x	1.8x	3.3x	3.3x	3.3x	3.3x	3.1x	2.9x	2.1x	1.9x	1.9x
FCF / Debt	2.6%	0.6%	-1.2%	5.7%	4.3%	2.5%	4.3%	-2.3%	-0.6%	1.9%	2.4%	-4.0%	2.4%	0.2%	-2.3%
RCF / Debt	18.3%	18.4%	24.3%	29.3%	32.2%	35.1%	24.5%	19.3%	19.5%	14.9%	17.4%	18.7%	20.1%	21.1%	21.3%

Source: Moody's Financial Metrics™. All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. FYE - Fiscal year end. [2] 2020 and 2021 include operations in Myanmar and in Malaysia, respectively.

Source: Moody's Financial Metrics™

Exhibit 13

Select historical and projected Moody's-adjusted financial data

Telenor ASA

	FYE	FYE	FYE	FYE	FYE	FYE
(in GBP million)	Dec-20	Dec-21	Dec-22	Dec-23e	Dec-24e	Dec-25e
INCOME STATEMENT						
Revenue	122,811	110,241	98,953	80,616	82,389	84,261
EBITDA	54,223	45,959	40,968	32,429	34,975	36,674
<i>Company-adjusted EBITDA</i>	<i>56,520</i>	<i>49,162</i>	<i>42,374</i>	<i>34,472</i>	<i>35,478</i>	<i>36,677</i>
Interest expense	4,031	3,056	2,748	3,589	3,706	3,743
BALANCE SHEET						
Cash & Cash Equivalents	20,393	15,213	9,919	18,090	11,045	9,873
Total Debt	153,553	134,594	124,903	113,947	113,947	115,597
Net Debt	133,160	119,381	114,984	95,857	102,902	105,724
CASH FLOW						
Funds from Operations (FFO)	43,581	40,866	46,231	26,952	27,650	29,938
Working Capital & Other	330	1,517	(6,993)	636	0	0
Cash Flow From Operations (CFO)	43,911	42,383	39,238	27,588	27,650	29,938
Capital Expenditures	24,395	25,402	24,887	17,515	17,252	17,017
<i>o/w Lease Repayments</i>	<i>5,395</i>	<i>5,955</i>	<i>5,589</i>	<i>3,677</i>	<i>3,677</i>	<i>3,677</i>
Dividends	15,479	16,146	15,818	14,431	14,431	14,727
Retained Cash Flow (RCF)	28,102	24,720	30,413	12,521	13,218	15,211
RCF / Debt	18.3%	18.4%	24.3%	11.0%	11.6%	13.2%
RCF / Net Debt	21.1%	20.7%	26.4%	13.1%	12.8%	14.4%
Free Cash Flow (FCF)	4,037	835	(1,467)	(5,630)	(4,033)	(1,806)
FCF / Debt	2.6%	0.6%	-1.2%	-4.9%	-3.5%	-1.6%
PROFITABILITY						
% Change in Sales (YoY)	8.0%	-10.2%	-10.2%	-18.5%	2.2%	2.3%
% Change in EBITDA (YoY)	9.5%	-15.2%	-10.9%	-20.8%	7.9%	4.9%
EBITDA margin %	44.2%	41.7%	41.4%	40.2%	42.5%	43.5%
INTEREST COVERAGE						
(EBITDA - CAPEX) / Interest Expense	7.4x	6.7x	5.9x	4.2x	4.8x	5.3x
EBITDA / Interest Expense	13.5x	15.0x	14.9x	9.0x	9.4x	9.8x
LEVERAGE						
Debt / EBITDA	2.8x	2.9x	3.0x	3.5x	3.3x	3.2x
Net Debt / EBITDA	2.5x	2.6x	2.8x	3.0x	2.9x	2.9x

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. FYE - Fiscal year end. [2] 2020 and 2021 include operations in Myanmar and in Malaysia, respectively. [3] Malaysia and Thailand excluded from 2022 and 2023, respectively.

Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

Endnotes

[1](#) Figures from the Norwegian Communications Authority for 2022.

[2](#) Source: Bloomberg

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