

Tear Sheet:

## Telenor ASA

June 26, 2026

*This report does not constitute a rating action.*

**Telenor is reducing its presence in Asia and gradually expanding in the Nordics.** After divesting Pakistani operations in December 2025, Telenor sold a 25% stake in the Thai operator, True Corp. in March 2026 with an option to sell its remaining 5% stake after two years.

After that, operations in Asia will be limited to 55.8% in Grameenphone in Bangladesh (fully consolidated by Telenor) and 33.1% in CelcomDigi in Malaysia (not consolidated, but we add cash dividends from CelcomDigi into our S&P Global Ratings-adjusted EBITDA and free operating cash flow [FOCF] for Telenor).

At the same time, Telenor announced some acquisitions in the Nordics, including the two Norwegian fiber broadband providers--GlobalConnect and Eninvest. As a result, we estimate it will generate 15% of its revenue and at least 20% of its EBITDA in Asia by 2027. However, given less capital expenditure (capex) intensity in Bangladesh, we expect cash flow contribution from Asia will be a bit higher at approximately 25% of the group (measured as EBITDA minus capex).

**We expect modest revenue and EBITDA growth, strong profitability, and growing cash flow.**

Telenor's geographic diversity with a presence in seven countries, including the wealthy Nordic markets, and a strong market position in all countries of operations (Norway: No. 1 in mobile and No.2 in fixed; Bangladesh: No. 1 in mobile; Denmark: No. 2 in mobile and No. 5 in fixed; Sweden: No.3 in mobile and fixed; Finland: No. 2 in mobile and No.1 in fixed; Malaysia: No.1 in Mobile; Thailand: No.2 in mobile) supports this.

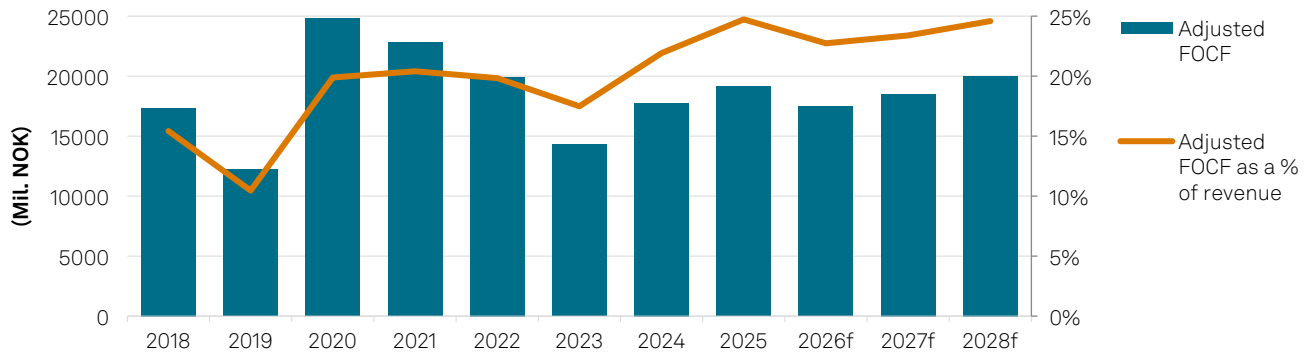
Thanks to well-invested networks, Telenor is also expanding its revenue streams into more differentiated services and connectivity (including mission-critical services, security, and automation). Having said that, Telenor remains exposed to severe competition in the Nordic countries, in particular in the four-player market Denmark and the three-player market Finland--where intense price competition in late 2025 still hinders prices and revenue in 2026.

It is also exposed to macroeconomic risks in Bangladesh. Given the country's exposure to energy supply, we expect flat organic revenue or even some decline in 2026 (after a decline of 1.9% in the first quarter of 2026). Furthermore, a continued strengthening of the Norwegian krone (NOK) (which strengthened by about 15% in 2025 against the Bangladeshi taka and about 6% against the euro so far until June 26, 2026) could hurt reported numbers in 2026. Still, stable operations in Nordic countries should support gradual growth of our S&P Global Ratings-adjusted FOCF (including dividends received and excluding spectrum) from 2027, excluding currency impact.

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### Telenor ASA's cash flow profile



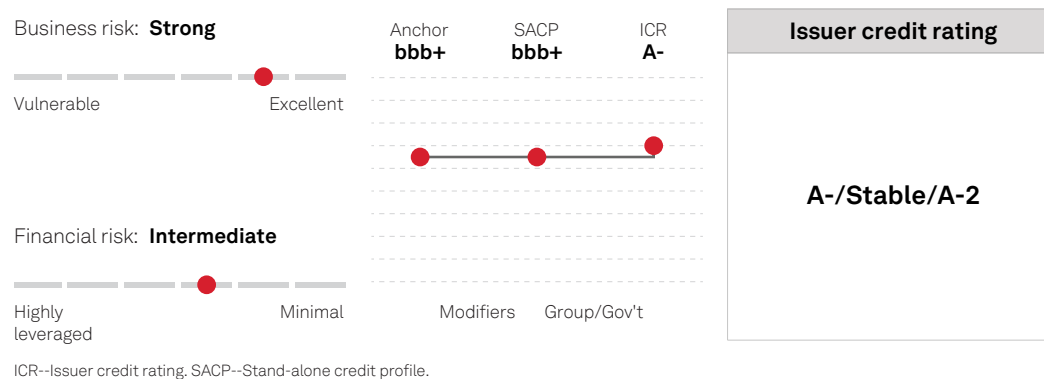
f--forecast, FOCF--Free operating cash flow. NOK--Norwegian krone. Source: S&P Global Ratings.

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**The financial policy is conservative**, including reported leverage of 1.8x-2.3x, translating to S&P Global Ratings-adjusted leverage of 2.1x-2.6x. After the company received NOK30 billion proceeds from Thailand in March 2026, reported leverage is temporarily low at 1.2x.

However, we expect S&P Global Ratings-adjusted leverage of 2.4x-2.5x over time, which commensurate with its 'bbb+' stand-alone credit profile. Therefore, we estimate Telenor has enough headroom to gradually grow its dividends or make additional acquisitions in the Nordic countries, even after the recently announced three-year NOK15 billion share buy-back program.

### Ratings Score Snapshot



### Recent Research

- [Industry Credit Outlook 2026: Telecommunications](#), Jan 14, 2026
- Telenor ASA, July 09, 2025

### Company Description

**Telenor** is a Norway-based globally diversified telecom operator. As of 2025, the company has 163 million subscribers across seven key markets (including True Corp. in Thailand), with more than 10,000 employees. The company generated revenue of NOK76.6 billion with S&P Global Ratings-adjusted EBITDA of NOK37.3 billion in fiscal year 2025 (ended Dec. 31). The company is the leading Norwegian provider of fixed-line and mobile telecom services. It has a portfolio of mobile and fixed assets in Sweden, Finland, and Denmark. In Asia, it provides mobile services only.

## Outlook

The stable outlook reflects our anticipation that Telenor’s organic EBITDA and FOCF (excluding spectrum) will gradually increase in the coming years. We also expect the company to sustain its S&P Global Ratings-adjusted debt to EBITDA at about 2.4x-2.5x, funds from operations (FFO) to debt at above 30%, and FOCF (excluding spectrum) to debt of well above 12% over the next 24 months.

### Downside scenario

We could lower the rating if Telenor’s adjusted debt to EBITDA exceeds 2.8x or FFO to debt declines and stays below 25%. This could follow waning performances in several markets, alongside reported leverage exceeding Telenor’s target.

In addition, if we think that the likelihood of extraordinary government support for Telenor had lessened (for instance, if the Norwegian government reduces its stake in the company to below 50%), we could lower the rating by one notch.

### Upside scenario

We could raise the rating if Telenor reports sustainable growth and profitability in all markets, while maintaining an adjusted debt-to-EBITDA ratio of less than 2.0x and FFO to debt of more than 40%. We view this as unlikely, given the parameters of the company’s current financial policy.

## Key Metrics

Period ending	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Mil. NOK)	2025a	2026e	2027f	2028f
Revenue	76,548	76,039	78,909	82,025
EBITDA	37,327	37,170	38,198	40,215
Funds from operations (FFO)	30,478	29,635	30,450	32,009
Capital expenditure (capex)	11,928	11,234	10,999	10,997
Free operating cash flow (FOCF)	19,158	17,476	18,504	20,016
Debt	92,425	85,441	96,634	101,776
<b>Adjusted ratios</b>				
Debt/EBITDA (x)	2.5	2.3	2.5	2.5
FFO/debt (%)	33.0	34.7	31.5	31.5
FFO cash interest coverage (x)	10.8	9.2	9.7	9.7
EBITDA interest coverage (x)	10.4	10.0	10.6	10.6

## Telenor ASA

CFO/debt (%)	33.6	33.6	30.5	30.5
FOCF/debt (%)	20.7	20.5	19.1	19.7
Annual revenue growth (%)	(4.2)	(0.7)	3.8	3.9
EBITDA margin (%)	48.8	48.9	48.4	49.0

## Financial Summary

### Telenor ASA--Financial Summary

Period ending	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025
Reporting period	2020a	2021a	2022a	2023a	2024a	2025a
Display currency (mil.)	NOK	NOK	NOK	NOK	NOK	NOK
Revenues	122,811	110,241	98,953	80,452	79,928	76,548
EBITDA	56,678	49,831	43,010	35,926	36,833	37,327
Funds from operations (FFO)	45,716	41,083	34,029	30,882	29,214	30,478
Interest expense	4,034	3,155	2,857	3,651	4,169	3,590
Cash interest paid	3,567	2,635	3,004	2,982	3,836	3,122
Operating cash flow (OCF)	43,792	42,272	39,222	29,038	31,143	31,086
Capital expenditure	19,000	19,447	19,298	14,728	13,383	11,928
Free operating cash flow (FOCF)	24,792	22,825	19,924	14,310	17,760	19,158
Discretionary cash flow (DCF)	5,152	6,679	4,079	(1,441)	836	4,096
Cash and short-term investments	20,749	15,540	10,196	19,459	10,688	16,684
Gross available cash	20,749	15,540	10,196	19,459	10,688	16,684
Debt	140,145	124,242	118,386	90,257	97,147	92,425
Common equity	43,918	31,500	64,375	70,434	81,772	75,629
<b>Adjusted ratios</b>						
EBITDA margin (%)	46.2	45.2	43.5	44.7	46.1	48.8
Return on capital (%)	14.5	13.7	11.3	10.7	11.5	12.0
EBITDA interest coverage (x)	14.0	15.8	15.1	9.8	8.8	10.4
FFO cash interest coverage (x)	13.8	16.6	12.3	11.4	8.6	10.8
Debt/EBITDA (x)	2.5	2.5	2.8	2.5	2.6	2.5
FFO/debt (%)	32.6	33.1	28.7	34.2	30.1	33.0
OCF/debt (%)	31.2	34.0	33.1	32.2	32.1	33.6
FOCF/debt (%)	17.7	18.4	16.8	15.9	18.3	20.7
DCF/debt (%)	3.7	5.4	3.4	(1.6)	0.9	4.4

## Peer Comparison

### Telenor ASA--Peer Comparisons

	Telenor ASA	Telefonica S.A.	Deutsche Telekom AG	Telia Co. AB	Orange S.A.
Foreign currency issuer credit rating	A-/Stable/A-2	BBB-/Stable/A-3	A-/Stable/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2
Local currency issuer credit rating	A-/Stable/A-2	BBB-/Stable/A-3	A-/Stable/A-2	BBB+/Stable/A-2	BBB+/Stable/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2025-12-31	2025-12-31	2025-12-31	2025-12-31	2025-12-31

## Telenor ASA

### Telenor ASA--Peer Comparisons

Mil.	NOK	NOK	NOK	NOK	NOK
Revenue	76,548	397,140	1,409,442	88,568	523,098
EBITDA	37,327	120,572	589,818	34,438	175,847
Funds from operations (FFO)	30,478	98,370	496,609	28,031	149,293
Interest	3,590	22,001	80,414	3,200	21,426
Cash interest paid	3,122	17,444	73,655	4,417	13,085
Operating cash flow (OCF)	31,086	112,432	481,322	30,046	146,732
Capital expenditure	11,928	64,459	226,399	16,290	96,925
Free operating cash flow (FOCF)	19,158	47,973	254,924	13,755	49,807
Discretionary cash flow (DCF)	4,096	21,709	155,051	4,342	19,951
Cash and short-term investments	16,684	87,989	92,617	13,003	144,340
Gross available cash	16,684	90,687	114,726	13,650	180,381
Debt	92,425	468,213	1,646,991	78,834	493,169
Equity	75,629	166,094	1,091,645	69,992	418,598
EBITDA margin (%)	48.8	30.4	41.8	38.9	33.6
Return on capital (%)	12.0	3.8	11.1	10.5	7.2
EBITDA interest coverage (x)	10.4	5.5	7.3	10.8	8.2
FFO cash interest coverage (x)	10.8	6.6	7.7	7.3	12.4
Debt/EBITDA (x)	2.5	3.9	2.8	2.3	2.8
FFO/debt (%)	33.0	21.0	30.2	35.6	30.3
OCF/debt (%)	33.6	24.0	29.2	38.1	29.8
FOCF/debt (%)	20.7	10.2	15.5	17.4	10.1
DCF/debt (%)	4.4	4.6	9.4	5.5	4.0

**Rating Component Scores**

<b>Foreign currency issuer credit rating</b>	<b>A-/Stable/A-2</b>
<b>Local currency issuer credit rating</b>	<b>A-/Stable/A-2</b>
<b>Business risk</b>	<b>Strong</b>
Country risk	Low
Industry risk	Intermediate
Competitive position	Strong
<b>Financial risk</b>	<b>Intermediate</b>
Cash flow/leverage	Intermediate
<b>Anchor</b>	<b>bbb+</b>
<b>Modifiers</b>	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
<b>Stand-alone credit profile</b>	<b>bbb+</b>

## Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), April 4, 2024
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013

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