

**Telenor Group Q1 Conference Call**

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Sigve Brekke – President and CEO

Tone Bachke – CFO

**Sigve Brekke:** Good morning, everyone, and welcome to this Q1 presentation. Half a year has passed since we presented a new strategic direction for Telenor at our Capital Markets Day, and I'm pleased to see that we have been able to demonstrate a solid strategic execution and a good financial development over the last quarters. We are confirming the ambition of top line growth in the Nordics, with another quarter showing underlying growth of 5% in mobile service revenues. We have completed the two largest telco mergers in Southeast Asia, allowing for stronger market positions and enabling significant synergies. We have realized values in infrastructure by selling parts of our passive infrastructure, fiber infrastructure in Norway, and we also see good organic performance and solid growth in our infrastructure business unit.

We see continued solid performance in Telenor and our adjacent businesses and this support the values we have indicated for this portfolio. And finally, we are moving forward with our modernization programs. Having closed the copper network late last year, we still see some year-on-year headwinds in our numbers, but we now see also growth turning positive for our fixed business in Norway. We are making good progress with the transformation of our operation in Norway and we have initiated several structural programs in other areas also in our Nordic operation. Then going to Thailand. It was great after actually many years of work to finally complete the amalgamation of DTAC and True in the first quarter. This creates a clear, fully fledged market leader in the large telco market in Thailand. And alongside with the merger we did in Malaysia, this is the two largest telecom transactions ever in Southeast Asia.

I wish it did[?], the new company in Thailand named True Corporation in March. And it was very satisfying to meet the team to see the new organization. They are already up running with a positive attitude to realize the substantial synergies we have talked about and also to do that together with our partner. This has truly been a merger of equals, where we are taking the best from DTAC and from True into forming a new company. And besides revenue synergies from cross-selling and upselling, the True management also works on a broad set of opportunities to realize operational efficiencies. We expect to see good results from this work in the years to come.

As one example of that, the new True Corporation issued a comprehensive network, RFQ, on the 2nd of March, one day after the establishment of the new company. This is expected to bring significant synergy benefits by way of consolidating the two networks. Then we went back to the Nordics. There, four Nordic markets stand out as an attractive region with advanced digital demands from our customers and an ability to pay for the value we provide. As I mentioned, we maintained mobile top line growth of around 5% in the Nordic regions, also in this first quarter, as they have also done in the previous two quarters, excluding a revenue reversal in Denmark relating to 2018 and 2019 accounts.

Across the Nordic business units, value added services continue to grow with around 15% in this quarter. This was driving around 40% of the overall 5% mobile service revenue growth. The remaining 6% of the growth is coming from upselling and price adjustments. As we said at our Capital Markets Day, I'm convinced that a common and a modern Nordic organization with products in demand smart pricing in both the B2C and the B2B segment will continue to drive profitable growth over the quarters and years to come. Further, growth is only one part of the ambition. We also need to improve profitability. We also need to modernize to continue to improve profitability. We have carried out significant modernization programs the last years in Telenor, and there is more to come.

We took the decision to abandon the copper network back in 2018, and this has been one of the biggest projects we have been running in Telenor over the last few years. The upside is that we now can move forward with a legacy free, future proof network. Actually, as the first incumbent in Europe. We have talked about the headwinds from copper over the last years, and you see that in this slide and in 2022 also the headwinds we got from energy costs. These negative effects are now gradually subsiding, and we see the EBITDA figures in our Norwegian business improving fast on both a reported and on an underlying basis.

I believe this is a demonstration of the value of being early with the modernization of our company. And the reason that we now can report an underlying EBITDA growth of 8.2% in Telenor, Norway in this quarter. The headwind from the copper decommissioning will continue to ease. This quarter, it was around 150 million knocks down from more than 200 million in the last quarter. In Q2, we expect this to further decline down to 90 million Knox, and then further be reduced in the second half of the year.

The modernization is also supporting our ESG ambition, and we are well underway to execute on the ambition we presented at our Capital Markets Day last year. In a nutshell, Telenor works towards advancing the digital world and making it green, safe and for all. In the area on environment, we continue to deliver on our ambitious targets. In Telenor, we now commit to the net zero standard set by the science-based target initiative. This also includes our Asian operations. We are working with our suppliers to have them setting science-based targets and have already reached 44% of the supplier spend.

In social, our focus is to drive social and digital inclusion. In Q1, we continued to leverage on partnerships to build skills and ensure a safe online experience for all. And 200,000 people were trained in future skills and online safety across the Nordics, Bangladesh and Pakistan. In our recruitment processes, we have a strong focus on gender diversity and inclusion. All our senior leaders now across both the group functions, but also the business units. We now have 34% women leaders. Telenor was also the only private sector company to be part of the official Norwegian delegation to the UN's Commission on the Status of Women that took place in March in New York.

In governance, we continue to uphold our high standard for responsible and well-governed business across our operations. Over the past quarters, especially, attention has obviously been given to establish a robust governance framework and set up in the two new minority positions we have in Thailand Malaysia.

Summing up. I'm glad to report that we are ahead of our plans. And can already now tick off what they set out to do the first year after our Capital Markets Day. Our four business areas are up for a good start. We have closed the two mergers in Malaysia and Thailand. We have closed the partial sale of the fiber asset in Norway. We have completed the decommissioning of the copper network and we are well underway on the modernization agenda in Norway, as we have already in this quarter reorganized and reduced 200 FTEs in Norway. We will further take out another 200 consultants and off roles in the Norwegian operation during the year.

We are now focusing on the next phase of the strategy to increase the cash flow based on the new setup. In the Nordics, we are aiming for continued top line growth in the coming years and combined with improved cost efficiencies, this is expected to drive mid-single digit EBITDA growth in the medium term as we talked about at the Capital Markets Day. We have already started the transformation programs in Norway. And next out is Finland with a focus on improved efficiency. We also plan for a reduction of CapEx in the Nordics. We are running peak on CapEx now and Tone will talk more about that, which will also materially improve cash flow generation in the Nordic region in the coming years.

Furthermore, with the two mergers in Asia now being completed, we are set to extract material synergies and improve upstream dividend to Telenor. Finally, we will continue to work to show the values and on our infrastructure and adjacent businesses in Telenor and we have developed in the portfolio, we have developed a develop or divest approach. And our ambition is to develop leading Nordic positions in selected high growth segments like IoT and security, and also selected investments within prioritized areas. That concludes my presentation and I will then give the floor to Tone.

**Tone Bachke:** Thank you, Sigve. And good morning, everyone. We have established a clear strategic path for Telenor for the coming years. And from this quarter, we are changing the reporting format to align the financial reporting with our strategy. Our new structure focuses on the four business areas, and I'm glad to say that we can start off by reporting a solid set of numbers in all four areas this quarter. The growth in service revenue and EBITDA supports our full year guidance for Telenor Nordic, and we also see strong numbers both in infrastructure and in Telenor AMP. In the Nordics, we deliver another solid quarter with good underlying revenue momentum. The reported figures were, however, negatively affected by a reversal of Knox 68 million in revenue and EBITDA in Denmark. This relates to 2018 and 2019 accounts as this relates to this incident several years ago. I will present the development in the Nordics versus last year without this reversal.

As Sigve mentioned, we saw continued solid mobile service revenue growth at 5% and fixed revenue also turned positive in Q1 as the headwind from the copper decommissioning is subsiding. The mobile network modernization and 5G rollout continue at a high pace in all the Nordic business units. This is reflected in a high CapEx level of 19% of sales based on a front-loaded CapEx profile this year. And we maintain a CapEx to sales guiding for Nordic of around 17%. The consolidated numbers for Asia now includes GDP and the Asian hub cost. Organic revenues in the two consolidated entities in Bangladesh and Pakistan grew by 2%. EBITDA declined by 1% as the tough macroeconomic conditions in Pakistan continued to put pressure on the financial performance as earlier communicated.

We are very pleased to have completed the amalgamation in Thailand in the first quarter. In reporting terms, this means that our Thai operation has been deconsolidated this quarter. Going forward, there will be a lag of one quarter in the financial reporting for the two associated companies in Asia, and therefore, we are not going to see the full contribution from our operations in Malaysia and Thailand fully incorporated in the net results from associated companies until the third quarter this year. This quarter we include two months of results from DTAC under the discontinued operation, whereas our share of the results in the new True Corporation for the month of March will be recognized as an associated company in the second quarter reporting. This is similar for CelcomDigi, where only our share of the net results for the month of December is recognized as an associated company this quarter as we stated at the CMD.

We have a cash flow focus in how we run our Asian operations. And in respect of this, I'm pleased to report that Telenor already have received the first dividend from CelcomDigi in Q1. This amounted to 271 million Norwegian kroner. Within the infrastructure segment, we see solid performance this quarter. The organic revenue growth of 13% is driven by price increases for power and lease as well as higher lease volumes. EBITDA after lease improved significantly and showed a margin improvement from 46 to 49%. Going forward, we continue our focus on operational and strategic development of our infrastructure assets. Amp started the year with a strong performance in all consolidated assets, partly helped by positive timing and currency effect. However, organic revenue growth was 25%.

Connexion reported strong SIM shipments this period, while the revenue growth in Linx was driven by growth in messaging revenue. Telenor Maritime also saw significant improvements. The cruise segment has over the past years been severely affected by the effects of the pandemic. But now we see Telenor Maritime's revenue trending above pre-pandemic levels. Moving to service revenue, I'm pleased to see that we have service revenue growth across all business areas this quarter. We see service revenue growth in all the Nordic business contributing to the solid trend from last year and with an overall growth of 3.3%. Norway turned positive with 4% growth in mobile service revenue and 8% growth in fiber and fixed wireless access, more than offsetting the copper headwind. As we showed you last quarter, the headwind from copper will continue to decline in the coming quarters and making for cleaner year over year comparables.

Sweden showed revenue growth of 6%, reflecting both price changes in the mobile portfolio and solid subscriber growth compared to last year. The positive momentum continued also in Denmark with 4% service revenue growth, and in Finland, they continued a strong customer growth and price adjustment, which generated 6% growth in service revenues this quarter. In Asia, Grameenphone in Bangladesh delivered a 3% growth in the quarter. In Pakistan, we see continued headwind from the tough macroeconomic situation resulting in a service revenue decline of 2%. And we see the strong performance in Amp contributing close to 1% of the total revenue leading to a 3.3% overall growth for the group. For the record, the revenue in infrastructure is not defined as service revenue.

Turning to OpEx, we report a 4% or $263 million OpEx increase in Q1 compared to the same period last year. 100 million of this increase reflects higher energy costs in Asia. And adjusted for this, the increase was around 2.5%. Another 80 million, while driven by increased salaries and personnel costs, around 3% increase in this category and 70 million by increased sales and marketing spend, particularly in the Nordics. The OpEx increase overall was roughly split 50/50 between the Nordics and Asia. And in the Nordics, the increase was primarily driven by sales and marketing spend. While in Asia, as I said, the majority comes from the higher energy costs. Energy cost has been a hot topic the last year. And as you can see, the costs are still at a high level compared to historical numbers. However, the energy cost in the Nordic have moderated somewhat and is down 12% compared to Q4.

Throughout our businesses, energy costs and consumption continue to be high on the agenda. From Q1 2022 to Q1 2023, we see that the consumption remained stable in Norway, where higher consumption from the 5G rollout was offset by the effects from switching off power for copper legacy equipment, as well as the energy saving initiatives we implemented in Norway. The total electricity consumption in the fixed segment is now significantly lower than previous year. This is mainly as a result of the decommissioning of the copper business, which has enabled a 27% decline in energy consumption in the fixed line business compared to Q1 last year. In the outlook we provide for 2023, as you recall, we have a neutral assumption for energy costs in the Nordic for the year overall. And as such, if prices were to come down below last year's level, we could have an upside potential.

Summing up the consolidated results at the EBITDA level, we see a 2% increase compared to last year. Nordic EBITDA growth ended at 1% as we are still impacted by high energy prices and year over year effects from copper decommissioning as well as sales and commission and some increased personnel costs. In Norway, we have a stable reported EBITDA, but with an 8% growth when excluding copper effects and energy, as I showed you in Sweden and Denmark, we continue to see EBITDA growth driven by solid top line momentum while EBITDA in Finland was somewhat softer. And as Sigve mentioned, we are also underway with the modernization project to improve efficiency also in our Finnish operation. In Asia, EBITDA decreased by 1% as growth in Bangladesh was more than offset by the tough headwinds related to the macroeconomic situation in Pakistan. The solid growth in infrastructure contributed 1% to EBITDA, with the growth driven both by external revenue and pass through of energy costs.

The Amp portfolio also continues to perform very well and with 27% growth in EBITDA, it also contributes close to 1% to the overall group EBITDA growth. Net income to equity holders of Telenor ended at 18 billion for Q1. The EBITDA of 8 billion and the depreciation and amortization of 4 billion was in line with expectations and comparable to last year. This year, a material weakening of the Norwegian Kroner results in a negative currency impact related to debt, where hedge accounting does not apply, which is, as you might recall, primarily in US dollars. Consequently, this quarter we report a 3.1 billion currency loss. This contributes to a slightly negative net income for the quarter of -0.6 billion kroner before including the material gain of 18.5 billion following the deconsolidation of DTAC.

As a result, the net income to equity holders this quarter ended at 18 billion. Please note that the gain related to the part sale of the fiber business was taken directly towards the equity and hence did not have a P&L effect. However, the transaction in Asia have demonstrated the values in our portfolio. Overall equity increased by $26 Billion in the first quarter, and this was driven by the DTAC transaction fiber and also the last 12 months, the equity in Telenor has strengthened by around 60 billion Norwegian kroner and the book equity is up from 17% in Q1 last year to 39% this quarter. From an overall perspective this quarter, there are significant impacts from currency, both with positive effects such as on valuation and asset values and equities. As I said, and also the negative impacts which relates to liability and currency losses on debt.

Capex in the quarter came in at 3.5 billion or 18% of sales, which reflects the still high investment level in 5G in the Nordics. Free cash flow in the quarter came in at 6 billion. This reflects both the proceeds from the fiber sale in Norway, but also the deconsolidation of cash in DTAC and the purchase of shares in True Corp to obtain the equal ownership of 30.3%. Furthermore, we made a payment on warranties in India of 1.5 billion Knox. Free cash flow, excluding M&A was 400 million. This mainly reflects a high CapEx payments in the Nordic. In addition, there was a -500 million effect from a spectrum payment in DTAC before it was deconsolidated. The leverage ratio stood at 2.1 at the end of the period, which is in the middle of the indicated leverage range. The weakening of the Knox had a negative impact of around 0.1.

Rounding off, we reiterate our outlook statement for 2023 and the midterm. Looking at the Nordics on the reported numbers, we deliver 2% revenue growth and a flat EBITDA excluding the one-off historic reversal in Denmark. We delivered 3% growth and 1% EBITDA growth in the Nordics. As you know, we have guided for low to mid-single digit growth for both revenue and EBITDA in the Nordics this year. And in the medium term, we expect improving EBITDA margin as we continue modernizing and no longer face headwind from the copper decommissioning. Capex to sale was high at 19% in the Nordics in Q1. But as we said, we consider the CapEx to be front loaded this year and we stick with our guidance of CapEx to sales for the full year at around 17%. Looking further ahead, we also confirm our plan to reduce CapEx in the Nordics by 2 billion from 2022 to 2025. Sigve, with that, we are ready for questions.

**Sigve Brekke:** Good. So do we have the moderator there?

**Operator:** Certainly. Yes. Ladies and gentlemen, if you would like to ask a question today, please signal by pressing star one on your telephone keypad. That is star one for questions. And our first question today comes from Peter Nielsen of ABG. Please go ahead.

**Peter Nielsen:** Thank you very much. Good morning, Tone and Sigve. I have a question firstly for Tone and then a follow up for you, Sigve, if I may. Tone, as you just highlighted, the free cash flow is relatively weak in the in Q1, and sort of, I think somewhat of a concern toto the market despite the solid underlying results. Can you discuss a little bit on how you expect the free cash flow profile to develop in the coming years throughout the year? I'm thinking sort of reversal of the negative working capital adjustments and how we should view the paid CapEx in the coming quarters. Will the weaker cash flow sort of be reversed in the coming quarters? If you could tell us anything about the cash flow profile, what we should expect that would be appreciated?

And a follow up for you, Sigve, if I may. As you've seen, Signe, Italia has decided to exit from the Danish market. For those of us who follow the Nordic markets for a longer period, this is quite a significant development. It may be small in numbers, but it's quite significant. And are you surprised? How do you view this? Would you consider a doing something, a contemplating doing something similar if the consolidation you've spoken about many times does not materialize, how do you view this? Thank you.

**Tone Bachke:** Okay. Let me start with the cash flow. Let me start with the overall performance. The overall performance as we see it is in line with our expectations. Then we do have a weaker quarter very often in the Q1. And we also see that this year, this year, there are some particular effects primarily related to DTAC. It is, as I mentioned, that we did a spectrum payment in the DTAC operation before the business was deconsolidated. There was also a dividend taken out of DTAC before it was deconsolidated, which then has the negative minority impact on our cash flow. We also have high CapEx this quarter, as we alluded to in the Nordics. So overall, we expect the cash flow in the coming quarters.

Of course, there will not be the DTAC impact and we expect the cash flow to strengthen. Then it is also important to remember what we said at the CMD. In the CMD, we showed you the curve with the dip in 2023. And the reason for the dip was, as we said, that in that curve we assumed the deconsolidation of DDG and DTAC happening at year end between 2022 and 2023. And this effect we will experience this year, so there will be the weaker cash flow that we forecasted. But from an overall perspective we are on track to deliver on our ambitions towards 2025.

**Sigve Brekke:** Yeah. Peter, on the Denmark question, the short answer to that is no. We do not plan to leave the Danish market. Denmark and the Danish market is also an important part of our Nordic portfolio. So when we set up the Nordic Business unit trying to extract more value across our four markets, Denmark is an important piece of that. And after we were not able to consolidate the market back in 2015, we turned around the operation and we actually have had quite a good development in the Danish market over the last few years. We are making money there. We have a positive cash flow. However, if there are consolidation opportunities, as I have seen in the past, of course we will look at them also going forward.

**Peter Nielsen:** Great. Thank you very much, both.

**Operator:** Thank you. And we're now moving on to our next questioner, which is Andrew Lee from Goldman Sachs. Please go ahead.

**Andrew Lee:** Yeah. Good morning, everyone. I had a question. Just firstly on the pricing environments of Norway, Sweden and Finland. What we've seen across Europe is inflationary pricing as operators try and offset cost headwinds in this kind of broader inflationary environment. But it's often really hard to get a sense of the materiality of those price rises. So I wonder if you could just give us your sense of the relative inflationary support on pricing you're seeing in the Norwegian, Swedish and Finnish market and maybe pick out the market that you're most positive on in terms of pricing improvement that will actually flow through into.

**Sigve Brekke:** Yeah, maybe I can take that question, Tone. We have raised or taken up our prices in all our four Nordic markets. We have done that on what we call a more for more concept. So we are putting more value into the packages for our customers. And then we are taking up the price. We have done that both on the our premium segment, but also done it on some of the low end segments, both in Norway, in Sweden, in Finland even in Denmark. And of course we did that in the second half of last year. We have also done some price moves in the first quarter this year and we will continue to look at opportunities on that going forward. We see that this works with our customers as long as we give more for more.

We have not seen any increase in the churn. We have not seen any down selling of the packages because our customers couldn't afford it. So this is something that we are going to continue to look at. The most challenging market on this is Denmark. But even in Denmark we have actually been leading the industry in taking up our prices for our customers. And again, from a more, for more type of concept. And that's why I'm saying that the 5% growth that you saw in this quarter, it's partly coming from new services on top insurance and security services that we know are rolling out across our four Nordic markets with the learning from Norway, it's coming from upsell. And then a part of it is also coming then from the price adjustments.

**Andrew Lee:** Thank you. You just you mentioned, if I might just follow up, you mentioned Denmark's the most challenging, which is the market that you're seeing the most positive improvements in behavior. And just if you don't mind, can I just add a follow up to PK's question on consolidation. He mentioned Denmark and Sweden. Is there any update you can give us on following your comments on the speculation from a quarter ago? Thank you.

**Sigve Brekke:** As you know, we don't comment on speculations, and so I have no updates on that. The only thing I can say is that, of course, we are looking at opportunities when it comes to consolidation. And this is something we have looked at and something we are looking at. But I don't have any more to say on that.

**Andrew Lee:** And on the best market in terms of pricing behavior?

**Tone Bachke:** The best market in terms of pricing.

**Sigve Brekke:** I don't want to categorize the markets. I think this works across our portfolio, but Denmark is the most challenging one. But even in Sweden, we took up the prices in our low end or the price sensitive segment [inaudible] and it works well.

**Andrew Lee:** Thank you.

**Operator:** Thank you. And up next, we have Andre Gabcik[?] Of UBS. Please go ahead.

**Andre Gabcik:** Hi, everyone, and thank you for the presentation. I've got one question. So one question. So just a clarification on the free cash flow, because you mentioned some residual kind of spectrum payments in Thailand, which is discontinued. You also mentioned 1.5 billion payments in this legal situation in India. So I'm just wondering because clearly you alluded to the 0.5, 0.6 billion in Thailand being part of this free cash flow is the 1.5 billion also included in the kind of 0.4 billion that you generated. So should we be adjusting for that or is that part of the discontinued that is not influencing these numbers? That's just a clarification in terms of the discontinued operations, please.

And then a question for Sigve, if we can have an update in terms of the regulatory reviews in Norway. So both in fixed and mobile and mobile, clearly, you've been putting up prices in terms of powers. These are impacting, I think, your operations internally thus far. So what would be the impact externally on your numbers if you went successfully through the kind of deregulation on colocation pricing? And where are we in that process? And then in terms of the fixed process as well? So Lisa has already been talking about preparing to open up their fiber footprint. So what are the implications for you, you think, especially when it comes to the plans that you have in terms of passing an additional half a million homes with fiber? Anyway, thank you very much.

**Sigve Brekke:** Well, we'll go into details now, please, Tone.

**Tone Bachke:** Yes. Firstly, on the India matter, India is, in our calculation, classified within the M&A cash flow because this is an M&A transaction that was done some years ago. And then we have the provisions and now we are reducing the provision based on that, we pay the dividend. And then I'm not sure I understood your question related to detect, but it is a fact that everything that happens until DTAC is deconsolidated is part of our free cash flow before M&A. So DTAC had a fairly weak cash flow given that it was a spectrum payment and also given that it paid out dividend before it was Deconsolidated. Then we also take out the cash flow of DTAC from the group cash flow and these are the impacts that that comes to light in that cash flow from operations and taking that number down. And this is also it is of course a timing issue, but we did estimate a significant dip, as I said to Peter also when we deconsolidate the full cash flows of these operations when we presented our cash flow outlook at the CMD. So I hope that clarifies.

**Sigve Brekke:** On your Norway question, let me start with fixed. The fixed market in also the fiber market in Norway has somewhat changed over the last quarters. It's going from pure land grabbing to more competition among the players on the ground. So we've seen, I think the industry is seeing increased churn and we also see churn over to our wholesale product. We have revamped our organization to be able to grab that new market dynamics. So I'm pleased to see and I'm happy to see the development we have had in the first quarter and in the coming quarters. We expect the fiber growth to continue, so happy on that.

On the regulation part, there are two regulations that the regulators are looking at. The fixed regulation in Norway is from 2018. It's actually from before we announced our copper decommissioning program and now the regulator wants to update that regulation. We are the only one that are regulated on our fixed infrastructure. We have access regulation and we have also a cost-plus regulation of our fixed infrastructure. And the regulator is now looking into the entire market, knowing that the market has changed quite a lot since we went out of copper. They are looking at the regulation for the older players, but as far as I understand, they are also looking at going from national regulation into more local or regional regulations. So for us, that will not really impact. We are already regulated on this, but if the other players also will open up their networks as this has initiated, of course, there are business opportunities also for us in that area.

The other regulation they are looking at is also, of course, the mobile regulation. But I don't want to speculate on how they are coming out on that. And on the mobile side, there is also regulations on infrastructure. Today, we are the only one regulated in Norway on access regulation, on infrastructure, a cost-plus regulation. And there may be changes there as well, so that's what we know. And of course, the industry is in dialogue with the regulator on these issues.

**Andre Gabcik:** Thank you. Just one follow up, please. You mentioned in terms of the Norway fiber dynamics, quite interesting. You said there's less land grab and more just competition. If I understood correctly. So does that explain to a large degree the increase in the commercial cost base that you were flagging when it comes to OpEx this year? Is that related to other markets as well?

**Sigve Brekke:** Yeah, it does explain the market dynamics. It's not that the land grabbing is over. Absolutely not. There is new build that we are going into. There are still areas that do not have a fiber. There are vacation homes, so there is still a lot of land grabbing left. My point was that it's not only land grabbing anymore, it is also competition where you have the choice not to go only with one provider, but that you have several choices. That's why we see the churn is increasing. So this dynamic make us now having to be much more, what do I call it, localized in the way we understand the competition and also understand local pricing. And this is what we have revamped our organization to do. And that's why I said that we are actually a little bit ahead of our plans. If you see the result from the first quarter and this is what we are going to continue the rest of the year, but I don't want to give any more details than that.

**Andre Gabcik:** That's very interesting. Thank you both.

**Operator:** Thank you. And now we move to Nick Lyall of Société Générale. Please go ahead.

**Nick Lyall:** Yeah. Morning, everybody. Could I maybe have two questions, please? Just the first one is to go back to the free cash flow number. Tone, would it be possible just to give us the exact numbers on that DTAC contribution to the to the free cash flow before M&A activities just so we could take it out? So that's in the four, three, one million, please. And then back on Denmark. What's the did you have a veto on that deal given it was your partner? And secondly, what's your overlap with Stofa[?] Homes in the country? Is there any risk there to your mobile subspace, do you think? Thank you.

**Tone Bachke:** Yes. On the DTAC deconsolidation. I will not give you a concrete number now, but if you line also with investor relations, they will guide you on how the various impacts are playing out here. But as I said, it has a negative impact on the free cash flow in the first quarter.

**Sigve Brekke:** On the Denmark question, of course, if this deal is to happen, we will get a new partner in the joint venture we have in Denmark, but we do not have any veto on the deal. That's not a part of the contract. On the overlap, you have to ask the Danish operation on that. I cannot go into that.

**Nick Lyall:** Okay, no problem. Thanks very much. Cheers.

**Tone Bachke:** Thank you.

**Operator:** Thank you. And we're now moving to Francesca Schild of BNP Exane. Please go ahead.

**Francesca Schild:** Great. Thanks very much. I've got one question, please. So my question is on Bangladesh. So given that you've now done the deals in Malaysia and Thailand you said that you're pursuing strategic options in Pakistan, I think a question a lot of investors now have is what is your longer term plan in Bangladesh? So previously, I think you said that every asset except Norway had a price. Should we still be thinking about it this way? Thank you.

**Sigve Brekke:** Now we are happy with our market position in Bangladesh. We are happy with our ownership in Bangladesh. That's also a number one position, as you know, with roughly 50% of the market. So with the two mergers we now have concluded in Malaysia and Thailand, three of our Asian markets are now number one, solid number one players. So we are happy with that.

**Sigve Brekke:** So the only market left is Pakistan, which as we have talked about before, we are now looking at potential structural changes. But I don't have any updates on that, so we see the Bangladeshi market continuing to grow. Happy to see the growth in the quarter now coming back from the ban we had last year. It took a little bit of time to ramp up the distribution system again after many months with a ban of actually selling new SIM cards. But we are coming back and now taking our fair share of the growth in the market.

**Francesca Schild:** Okay. Thank you.

**Operator:** Thank you. As a brief reminder, to ask a question on today's call, please signal by pressing star one. And we're now moving on to a question from Usman Ghazi of Berenberg. Please go ahead.

**Usman Ghazi:** Hi. Thank you for the opportunity. I just wanted touch base on the guide actually, for the Asian free cash flow development that was outlined 2023 to 2025 and the cumulative guidance there was for 12 billion. Now, at the time that you issued the guidance, obviously Pakistan hadn't seen a 60% devaluation, hadn't seen inflation ramp up to over 30%. And given at least from my numbers, Pakistan in any one year or not contributes free cash flow prior to license payments of close to 2 billion. Has the adverse development in Pakistan since the CMD kind of does it pose risks to that outlook? And if not, why? Thank you.

**Tone Bachke:** Yes, it's a very fair question, Usman. We are now in the first quarter of the period that we were looking at the CMD. And you are right that Pakistan is developing more adverse than what we anyone could assume at the time of the CMD. However, Pakistan was never an important element of the overall. There was a contribution from Pakistan and there is included that in the guidance. But from an overall perspective, we have to see how the various markets and businesses play out. But as of now, there is no change to our outlook towards 2025 for the Asian operations.

**Usman Ghazi:** Okay. Thank you.

**Operator:** Thank you. And now we're moving on to Adam Fox-Rumley from HSBC. Please go ahead.

**Adam Fox-Rumley:** Thank you very much. I had two questions, please. The first one was on the payments that you've made in India this quarter. There's still obviously an outstanding liability there. And I was wondering if you can give us any indication of how we might think of any phasing and whether or not there is any kind of formula or timeline that might be associated with that or is it purely ad hoc? And then my second question was on Finland. You made a couple of references to future efficiency plans in that market. And I was wondering if you could say a little bit more about what you had in mind there. Thanks.

**Tone Bachke:** Yeah. Should I do India? So, yes, you're right. We have the provision of around 5 billion Norwegian kroner in our books as at yearend. And then we reported after the fourth quarter that we made a payment in India of around 1.5. Going forward, we don't have any projections of how and when the next payment will play out. There is still a lot of dynamics in India related to the situation, and we were not the only one that were impacted by the changes imposed from the government. So we continue to maneuver in this situation, but this payment we considered prudent and in line with the agreement when we sold the operations.

**Sigve Brekke:** Yeah. On Finland, our asset in Finland is a very well-run company and you see that in the way they're continuing to grow both on the mobile side and on the fixed side. We also now starting to see some growth on the B2B side, which is one of the areas that we have been really focusing on and trying to learn from what we do on B2B in Norway. So generally, very happy with the operation. When I then talked about transformation, it's basically the same structural approach as we have been doing in other Nordic and in Asian markets is to see can we run our IT infrastructure more efficient, can we run our network operation more efficient? Can we do something on our sales and marketing or distribution costs? So those will be the areas that that transformation program will be focusing on.

**Adam Fox-Rumley:** Okay. Thanks very much.

**Sigve Brekke:** Seems like that was the last call, Tone?

**Tone Bachke:** Yes.

**Sigve Brekke:** Moderator, anyone else on your list?

**Operator:** At this time, we have no further questions in the queue.

**Sigve Brekke:** Okay. Well, thank you so much for listening in. Thanks for your good question and have a good day.

**Tone Bachke:** Yeah, thank you.

[END OF TRANSCRIPT]