Telenor Q4 2025 Results | 6th February 2026

Frank Maao:

Good morning and welcome to Telenor's Q4 2025 results presentation. I'm Frank Maao, head of investor relations and our group CFO Torbjørn Wist will take you through the presentation today. As previously communicated, our CEO, Benedicte Schilbred Fasmer is not here due to a planned surgery. And as you can see, we've a packed agenda, including an update on dividends and capital allocation. Before we get started, a few quick notes. All service revenue and EBITDA growth rates are organic and made on a constant currency basis, as always. When we mention EBITDA, we're referring to adjusted EBITDA. Note that this time Telenor Pakistan has been looked as a discontinued business and is thus excluded from the P&L figures that we show you today. And with that, I'll hand you over to Torbjørn.

Torbjørn Wist:

Thank you, Frank. And good morning, everyone. Now, let me start by saying that Benedicta is recovering well from her surgery and she sends her warm regards to all of you. We certainly look forward to welcoming her back. Now, knowing Benedicte, I wouldn't be surprised if she has joined us online to follow this exciting results presentation. Now, what a year we have behind us. We closed 2025 with strong operational momentum and discipline execution across the Nordics and Asia. Our results underlined some clear messages. First, we delivered a strong Q4 that brought our full year financial performance in line with the outlook we communicated earlier in the year. Our customer first approach and disciplined operation enabled us to deliver EBITDA growth of close to 9% in the Nordics, despite risk competition, particularly in Finland. Our full year free cash flow before M&A reached 12.9 billion Kroners for the year in line with our around 13 billion outlook and financial ambitions since 2022.

The free cashflow, including M&A, was 17.3 billion Kroners in '25. Secondly, consistent with the strategy we outlined at our recent capital market stay, we continue to simplify the group portfolio, reinforcing the group's Nordic Center of Gravity. We remain committed to long-term value creation in our remaining Asian assets. The third message today is that we propose to make the 16th consecutive increase in dividends per share and prepare for a 15 billion buyback program. And I will come back and talk more about the capital allocation and distribution later in the presentation.

Now, one year ago, right after Benedicta and I stepped into our roles, we outlined our priorities for the first year. These included strengthening customer centricity and reinforcing our people and execution culture, sharpening our focus on return on capital and delivering on our 2025 financial ambitions, including our strong commitment to shareholders on dividends. One year later, I'm pleased to say this is exactly what we have done. During the year, we evolved and refreshed our strategy, which we presented along with the detailed financial ambitions to the investment community at the CMD in November. Over the last month, we have also stepped up on execution on portfolio simplification, closing the clean, and I underlined the word clean exits from Pakistan and Allente, and last but not least, with the agreement to sell Telenor's ownership in True announced on the 22nd of January. The True transaction represents significant value creation for our shareholders, as we will be exiting Thailand at more than three times the 12 billion market value we had in DTAC at the time we started the merger talks with True five years ago.

All in all, we are pleased with these steps to further sharpen the group's focus. Now, as mentioned, delivering on the 25 outlook was the top priority, and I am happy to confirm that we delivered on all parameters. During the year, we saw solid operational performance in the Nordics in line with the outlook provided for all three parameters and an EBITDA growth of 5.8% for the group compared to the outlook of five to 6%. Note, however, that the 5.8% excludes Telenor Pakistan, as Frank mentioned initially, while our outlook included Telenor Pakistan. If Pakistan had been included in the actuals, EBITDA growth for the group would've been one percentage point higher. As such, we outperformed the outlook on this metric. And as mentioned in the highlights, free cash flow before M&A ended at 12.9 billion in line with our guidance.

Then moving to the highlights for the group financials. Group service revenues reached 15.3 billion up 2.6% year-on-year. Adjusted EBITDA increased 11.7% to 8.6 billion driven by the strong performance in the Nordics while being held three percentage points by effects related to accounting adjustments and reversals. In Q4, adjusted EPS was 2.21 Kroners and material uplift from last year. Free cash flow before M&A came in at 4.1 billion Kroners up 33% year-on-year. The group CapEx to sales ratio was 15.5%, four percentage points lower than in the same period last year. For the Nordics, the ratio was 17.2% for the quarter and 14.3% for the full year. The leverage ratio closed the year at 2.2 times, returning to its target range, mainly driven by positive year-on-year effect in total free cashflow. Now, as we repeatedly stated, driving return on capital employed, return on investment and the like over time remains a top priority for us.

We are pleased to note that for the last 12 months, Rocky came in at 9.2%, up one percentage point over the previous quarter. If you exclude the associated companies, the group Rocky would've been 13.6%. Then zooming in on the top line. The group service revenue growth of 2.6% year over year remained constrained by macro conditions in Bangladesh. If you exclude a VAT adjustment in Norway and a revenue correction in Grameenphone, both in Q4 last year, the underlying growth for the group would've been 1.8%. Our Nordic business area was the main contributor as usual while underlying growth was flat in Asia. Now, turning to OPEX. OPEX declined by close to 2% in Q4, held by relentless cost focus throughout the group, a 75 million withholding tax reversal related to Telenor Pakistan in other group OPEX and OPEX adjustments in the Nordics in the same quarter last year.

Adjusted for these effects, OPEX was practically flat year over year for the group and for the Nordics. In the Nordics, OPEX in Norway increased by 3.4%, mainly caused by high activity related to robustification and transformation as previously flagged, as well as reparation expenses following the Storm Amy. Now, sales and marketing expenses also increased in the Nordics in line with the expectations we shared with the market early last year. Moving to group EBITDA, which grew strongly at 11.7% in Q4. As you can see from the chart to the right, all business areas contributed to this growth, even though the main part came from the Nordics. AMP delivered significant improvements across most of its businesses and infrastructure continued its stable EBITDA growth.

EBITDA contracted in Asia. However, this was due to timing of internal cost allocations between the Asia headquarters and the Telenor group. Then regarding the reporting segment called other, which mainly consists of our corporate functions, in Q4 '24, a retroactive true-up was made for internal charges from Asia to the other segment, while in '25, these charges were more evenly spread out through the year. On the chart to the right, we have visualized this effect. As you can see, the negative year-on-year in Asia from these timing effects offsets the similarly positive year over year effect in the other segment. Finally, excluding this effect, the other segment also contributed meaningfully year over year, largely explained by external revenues in Telenor procurement company, which tends to vary significantly between quarters.

The positive growth contribution from group eliminations was due to the mentioned 75 million reversal. Now, clearly, 11.7% is a significant number compared to recent quarters. In this regard, note that 3.2 percentage points is a result of the mentioned effects I talked about earlier. Adjusted for this, EBITDA growth for the group would've been 8.5%. Then turning to revenues in the Nordics. The Nordics continued to deliver top line growth in line with recent trends. This quarter, we reported 2.8% organic growth driven by our more for more strategy. Adjusted for the reversal effects I mentioned pertaining to Q4 last year, the service revenue growth would've been 2.5%. Norway was the largest contributor, but we did see solid execution and solid contribution from across our Nordic markets. We grew mobile service revenues 4%, driven by ARPU uplift across all markets in addition to customer growth in Sweden. Fixed service revenues grew only marginally, with growth in both Norway and Finland being offset by active base management with focus on profitability in Sweden, as we've talked about in previous quarters.

Across markets, churn continued to rise. We also expected significantly sharpened price competition in Finland. We nevertheless added 59,000 new postpaid customers in Sweden and Denmark during the quarter, while seeing a total of about 25,000 postpaid subscribers leave us in Norway and Finland amid high promotional seasonality. I'll now take you through each market in some more detail. Norway remained the strongest contributor at 2.9% growth underpinned by healthy ARPU trends with 5% for mobile and 6% on fixed broadband. In Sweden, mobile service revenues rose 4.5%, offsetting a 5% managed decline in fixed service revenues, as talked about, and we posted strong mobile net ads of 45,000 in Sweden, helped by a successful black month with strong traction in 5G broadband. In Denmark, service revenues grew by 3.6%. A new development is that all Danish operators have increased list prices over the last months. Still, the market remained highly promotional in Q4.

In the Finnish market, we saw a more visible presence of the new MVNO, as well as deep promotional discounts led by one of the network operators. While DNA defended its customer base well and made elevated market churn, the price level on incoming subscriptions was significantly dilutive compared to DNA's backbook ARPU. Still, DNA grew mobile service revenues by 4.3% driven by upselling solid commercial execution and a larger mobile subscriber base compared to last year. As a result, DNA kept its postpaid smartphone based steady during the quarter as the negative net ads were driven by a prepaid cleanup and some decline in mobile broadband. Total service revenues rose by 3.9%. Overall, Nordic's 2.8% service revenue growth reflects continued strong performance of our value-driven commercial strategy, despite broadly pronounced seasonality and increased competition in Finland. Now, moving to EBITDA.

Torbjørn Wist:

EBITDA growth in the Nordics came in at 8.7% for the quarter. Gross profit was up more than 4%, supported by upselling, pricing, product makes, wholesale revenues, and the fixed transformation in Sweden. Ongoing transformation programs help reduce OPEX by 0.7%, despite higher commercial activities and increased spending on robustification. Yet again, Norway remained our top contributor, with 9.3% EBITDA growth held by the VAT reversals in the same quarter last year. An additional five percentage points of growth came from the national roaming agreement, and adjusted for these factors, EBITDA growth would've been about 3% in Norway. In Sweden, the continuation of the mentioned fixed transformation had a positive impact on gross profit, which grew 3.4%, contributing to the 11% growth in EBITDA. For the help by discipline OPEX and customer service transformation efforts, this brought EBITDA to the 40% margin, which is a milestone for Telenor Sweden, which just surpassed the incumbent on this metric on a last 12-month basis.

Even when excluding the VAT related reversal last year, EBITDA growth was still rock solid at 7.6%. Telenor Denmark continued to execute commercially while relentlessly tweaking costs, leading to an EBITDA growth of 5.8%. The small UPEX increase was mainly due to higher commissions from external retail. DNA both grew its top line while cutting back on costs, resulting in a 6.6% organic growth in adjusted EBITDA. This is quite impressive result given the demanding market conditions just described in Finland. Now, in summary, we are pleased with the continued strong execution in the Nordics. Now then, let's move over to Asia. Before enjoying the fireworks on New Year's Eve, we closed the sale of Telenor Pakistan, which is now out of the books. As a consequence, our Asia revenues and EBITDA, as charted on the left side of this slide, are nominal Nokia amounts that only reflect Grameenfone in addition to the cost of regional Asian hub in Singapore.

Grameenfone delivered organic service revenue growth of 3.4% in the quarter, but as you can see, the Nokia amounts came down due to a 14% weakening of the Bangladeshi Taka. Note that when adding back the accounting corrections last year, Grameenfone revenues and EBITDA were basically flat year over year amid cautious consumer spending environment, and continued tough price competition on data. Grameenfone was just recently awarded important spectrum resources in this 700 megahertz ban at the reserve price, which will be key to improve indoor and outdoor coverage for our customers going forward. As for the associated companies, the major event was the recent announcement of the true exit, which will be a two-stage deal, as mentioned earlier. This transaction is a major value creation milestone for Telenor, as it concludes our 25-year history in Thailand. Benedicta and I would like to thank both current and previous employees that have contributed big part of their lives to this fantastic journey.

Note that we expect to close the first sale of the first tranche before True will pay its Q4 25 dividend. CelcomDigi managed to improve commercial execution in its third quarter, swinging back to top line growth. While Q3 EBITDA declined due to higher data cost and bad debt, the company paid out a stable dividend in Q4. We continue to work with partners to support CelcomDigi in strengthening its associated 5G company, DNB, whose financial situation was, as described in their own report, distressed. Our goal is to ensure a setup with more efficient use of spectrum resources and network assets to the benefit of customer and society in Malaysia.

DMB is expected to secure an additional 100 megahertz of key mid-band spectrum ahead of the government's planned exit in Q2 26, which will be a helpful step for the company. Now, finally, we have noted a lot of speculation about our other Asian assets in the wake of the recent announcement of the sale of True. As such, let me be clear. As an active owner, Telenor is a committed partner for long-term value creation in both Grameenfone and CelcomDigi. And the sale of True should not be interpreted as signaling any imminent or near-term plans to sell our other Asian assets.

Now then let's turn to Amp, which delivered a strong quarter. At our recent CMD, we presented a focused approach to portfolio management in Amp. Part of that is to develop companies close to core within security and IoT, and we saw meaningful progress in several business units, but would highlight two here. Firstly, K&L made a strong contribution on both revenues and EBITDA. Now, KNL offers mission-critical services for defense, more precisely software-based and ultra-secure technical defense communication solutions for use over long distances. Crucial to this progress, [inaudible 00:18:52] deliveries on contracts with the Swedish and Finnish national defense forces announced earlier in the year. This is a truly scalable business with telco margins, but far higher growth, and we look forward to see what the future holds for K&L. Secondly, the largest connection, the largest single contributor to Amp's EBITDA and cashflow on a yearly basis. This company is the number five IoT player in Europe and number 10 globally within managed IoT connectivity.

In Q4, Connection delivered 9% organic revenue growth thanks to its solid volume growth, achieving 24% year-over-year growth in its global SIM base. EBITDA and connection was however affected negatively as FX and OPEX growth weighted on the margins. Overall, we are pleased with the development of the Amp portfolio, which is seeing continued value uplift from a net asset value perspective. Further details on this, including a portfolio overview, can be found on our website. Then, moving on to the profit and loss highlights for the group. We're pleased to report that strong growth in adjusted EBITDA and net profit from associated companies drove adjusted EPS to an 89% increase in the fourth quarter, while growth reached a solid 24% for the full year 25. In terms of special items and notable swing factors this quarter, other income and expenses was higher than last year due to increased scrapping of IT equipment, as well as workforce reductions.

The half a billion fourth quarter fluctuation in net financial items was due to fair value changes related to True. And finally, there was a three billion loss on the discontinued line in addition to a 0.4 billion tax expense in conjunction with the divestment of Telenor Pakistan. Next, let me walk you through the main variables behind our free cash flow before M&A of 4.1 billion in the fourth quarter. In addition to our EBITDA of 8.6 billion, we need to add back the discontinued contribution from Pakistan of half a billion since this was part of our cash flow in the quarter. As indicated, we had a solid contribution from working capital, including about 900 million from the use of handset financing. We received 1.3 billion in dividends from associates, and CapEx paid amounted to 2.9 billion, of which 2.2 billion came from the Nordics. Telenor Sweden made a schedule 390 million prepayment on its share of the multi-band spectrum license one in 23, bringing the total spectrum spend for the group to half a billion in Q4.

On the M&A side, net cash proceeds included 4.6 billion for the sale of Telenor Pakistan, along with 0.6 billion for the sale of Alenta, on top of the pre-closing dividend the company paid. And this led to a total free cash flow of 9.1 billion this quarter. Now, then let us take a look at our leverage ratio. Our leverage ratio edged down to 2.2 times within our target band of 1.8 to 2.3. The net debt reduction happened despite a one billion increase due to a Nokia weakening during the quarter and a 6.3 billion payment related to the second tranche of our dividend paid out in 25, which was now more than offset by the mentioned nine billion free cash flow in the quarter, and the deconsolidation of 1.8 billion in net debt relating to Telenor Pakistan.

Then, let me move on to shareholder remuneration. Telenor has a 16-year track record on delivering on our dividend policy of year-on-year growth in ordinary dividends per share, despite significant structural divestitures in the same period. The group has changed over time, as you know. Over time, this ordinary dividend has been complemented by extraordinary dividends and share buybacks when appropriate. As you may recall, we reconfirmed our strong commitment to our dividend policy at our CMD in November. Adding another year to our track record, the board has proposed a dividend 425 of 9.7 kronas per share for approval at the upcoming AGM, with payments happening in June and October 2026.

Now then, let me move on to the use of proceeds from True once the transaction has been completed. At the recent CMD, we explain our capital allocation priorities and our return mindset as part of the value creation engine of Telenor. How we distribute capital back to shareholders is a very important part of our capital allocation priorities. We need to ensure that we are effective and targeted in how we allocate capital to the best projects to create and compound value over time, expanding the return on capital employed. This includes organic reinvestments, but also value accretive inorganic investments that help us strengthen our customer proposition, and enable us to drive further scale and efficiencies. We are now preparing to allocate the first 32 billion proceeds to be received from the first tranche of the sale of 25% in True. And we plan the following use of proceeds.

15 billion will be allocated to a share buyback program, and I'll give you more details on that in a minute. 11.5 billion will be allocated to repayment of the one billion Euro bond, which matures now in May, and

six billion will be allocated to finance the closing of our announced acquisition of Global Connect's Norwegian consumer fiber division, likely due in the second quarter. The remaining seven billion to be received from the second tranche of True in a couple of years, we will deal with the use of proceeds at that point in time. We will be retaining some extra financial flexibility near term to consider further value creating acquisitions in the Nordics. We will be looking at opportunities that offers attractive long-term return on capital by driving customer reach and satisfaction, scale, and efficiencies. Now, to the extent that sufficient inorganic investments would not materialize, we will, of course, consider further return on capital to shareholders to ensure balance sheet efficiency while protecting our credit rating.

Now then, let me talk a little bit more about the buybacks. The board has stated its intention to initiate a share purchase program over three years once the first sale of shares in True is completed. The buybacks are to be confirmed each year by the AGM.

Torbjørn Wist:

The objective is to support per share value accretion and dividend coverage by reducing the number of shares over time. As in the past, our stock exchange repurchases will be executed by a broker on an arm's length basis and will be made in full compliance with market abuse regulations. The exact time to completion may therefore depend a little bit on the liquidity of our shares on the Oslo Stock Exchange. As usual, the Norwegian state is expected to participate with its proportional share of ownership in line with historical practice. So, then if I move on to the financial outlook. The financial outlook is in line with our indications at the Capital Markets Day.

Our mid and long-term ambitions remain unchanged and are shown here only for context. For 2026, we expect a low single digit growth in service revenues in the Nordic. As for Nordic's EBITDA, we see mid-single digit growth while we forecast CapEx to sales, excluding leases of around 14% in the Nordics. Please note that we do foresee quite significant variations between quarters in '26. While we have solid momentum into the start of the year, in Q2, the Nordics is facing a particularly tough comparable period. Firstly, we benefited from particularly favorable timing of backbook price increases in Q2 last year. Secondly, the year-on-year uplift from the national roaming contract in Norway will be lapped in mid-March.

We had around 550 million in national roaming revenues from Lisa in '25, which was more than originally expected. We have said we would expect these wholesale revenues to start fading during '26 and particularly in '27. Following this week's news from our competitors, this remains our view. Our best estimate is currently that these revenues will be around the same level in '26 as last year, although quite low, if at all present in 2027. I might add on this that in terms of the financial ambitions for '28 and '30, there are no national roaming revenues. In Bangladesh, we are, of course, hoping for a gradual macro upswing following the February elections, but we find it prudent to have modest expectations.

For the group, we anticipate adjusted EBITDA to grow in the low to mid-single digits. A key sensitivity for the outcome will be the shape and strength of a potential macro recovery in Bangladesh. Finally, we forecast free cash flows before M and A, excluding dividends from associates and incremental spectrum to come in at between 10 and 11 billion. We expect to see a somewhat backend loaded profile on this metric in '26, similar to '25. All in all, outlook for the current year reaffirms our overall traction and long-term trajectory. To conclude, in '25, we delivered on our financial ambitions.

We are executing on the strategy of top line growth through customer excellence, efficiency through transformation, and overall simplification, including becoming more of a Nordic-centric group over time. And we are executing on our longstanding commitment to capital distribution to our shareholders. With this, I would like to hand the word back to Frank. There you go, Frank.

Frank Maao:

Thank you [inaudible 00:29:37]. Good presentation. We will go through then to the analyst Q and A. And as usual, please limit yourself to only one question. And if needed, a quick related clarification follow-up to give your colleagues a chance to ask their question as well. So, operator, please go ahead.

Speaker 1:

Thank you. At this time, we invite those analysts wishing to ask a question to click on the raise hand button, which can be found at the bottom of your screen. When it is your turn, you will receive a prompt to be promoted as a panelist. Please accept, wait a moment, and once you've been introduced, you may unmute yourself, turn your video on, and ask your question. As a reminder, we are allowing analysts one question and one related follow-up today. We will wait one moment to allow the queue to form. Our first question will come from Sofija Rakicevic with Goldman Sachs. Please unmute your line, turn your video on, and ask your question.

Sofija Rakicevic:

Hi, good morning, everyone. Just one question from me, and that is, what potential headwinds are you factoring in your medium-term Nordic EBITDA outlook given that underlying 2025 growth for this year is around 5% and a bit more than that if we exclude IS and one-offs, and you are guiding for mid-single digit growth in 2026? So, what do you expect to deteriorate on an underlying basis over the medium term? Thank you.

Torbjørn Wist:

Yeah, as far as our outlook is concerned ahead, of course, the market will continue to be competitive as it has been in all our Nordic markets. And we expect this to continue, whilst at the same time, we will, of course, do what we can to strengthen our competitive position with our leading network position in Norway and the strong network position in the other areas to ensure that we compete on a normal basis. So, we don't have any particular headwinds over and above the normal competitive behavior. Competition has always been tough and will continue to be tough, and those are normal assumptions that we have into our overall ambitions going forward.

So, in terms of the forecast for '26, we have been clear on that there will be step-ups on sales and marketing spend to ensure that we defend our positions. At the same time, we will continue to push forward on our strong transformation program as we have over many years now to ensure that we offset these effects. So, that gives us comfort that the forecast for '26 in terms of our Nordic expectations is something that we believe we can deliver on well.

Sofija Rakicevic:

Thank you.

Speaker 1:

Our next question-

Frank Maao:

Thank you, Sofija.

Speaker 1:

... comes from Andre Kabchek with UBS. Please unmute your line, turn your video on, and ask your question.

Torbjørn Wist:

Hi, Andre.

Andre Kabchek:

Hi. Sorry, that took a while. Thank you for the presentation. And let me join you, Tori Bowen, in wishing Benedicte a speedy recovery if indeed she is listening. I just wanted to follow up on the point that you made in terms of capital allocation opportunities in the Nordics as a key focus area for you going forward. And I just wanted to understand from where we are standing today, what in your view are some of the key hurdles preventing you from moving ahead and when do you expect these to be cleared?

Torbjørn Wist:

Sorry, which hurdles are you referring to then, Andre?

Andre Kabchek:

Well, there are clearly hurdles, I guess when you're looking at the capital allocation opportunities and the Nordics, which you mentioned, which Benedicte had mentioned in the summer, et cetera.

Torbjørn Wist:

Yeah, yeah. Yeah. No, look, first of all, we obviously don't comment on specifics, but clearly we've been very clear at the Capital Markets Day that we see ourselves becoming more of a Nordic-centric group over time. That means, of course, that we will be looking at value accretive opportunities that will help strengthen our footprint in this region. And the regulatory hurdles that you may allude to will of course depend on whichever transaction would be considered. What is key for us is to ensure that any transaction is value creative, will strengthen our customer offering, ensure that we get scale and efficiencies that will help drive return on the capital employed.

And we will, of course, have a good process with the regulators as we do in any particular deal to ensure that we maximize the chance of success for whatever we decide to pursue. But if we don't find appropriate opportunities, then we will, as mentioned in my presentation, of course, consider further returns of capital to shareholders.

Andre Kabchek:

Thank you. And if I may follow up on this, so obviously we've had the development in Norway where Telia is now signing the RANCo with Challenger Ice, which you are now hosting. Is this something that is placing a bit more urgency on you to do anything in the Nordics?

Torbjørn Wist:

Not this deal in and of itself, just a couple of comments on this one. We are, of course, used to network cooperation and we have that in some of our other Nordic markets. As I mentioned in my presentation, the revenue effect, we do expect revenues from this agreement to be similar to last year in '26, but then taper off. We don't have any NRAs into the future plan. I think what this deal really brings to the forefront is that Norway is the only market that we remain regulated in. We believe it's long overdue that this regulation is removed, and particularly now with the creation of a strong second network.

So, our strong message to the authorities will be, now is the time to take away this regulation for the future. As far as them pulling together their network assets or in whichever structural form they do it, we're used to competition. We've had competition here for a long time. We are the leading network in Norway, both on scale, coverage, quality, and we will of course continue to defend that position and of course invest in services, whether it be cyber or entertainment in order to reinforce the strong customer relationship and the market position we have here in this wonderful country. Thank you very much.

Speaker 1:

Okay. Our next question comes from Christopher Bjornson of DNB Carnegie. Please unmute your audio, turn on your video, and go ahead with your question.

Torbjørn Wist:

Hi, Christopher.

Christopher Bjornson:

Good morning. Can you hear me?

Torbjørn Wist:

Yeah.

Christopher Bjornson:

Great. Yes. Thanks for letting me know and congrats on all the exciting news for the last period. I just wanted to follow up on the Telia, JV thing, and trying to ask the question without asking the question, but given that, would expect it's fair to assume that they're decent customer, both Lisa and Telia in the tower business. Can you maybe help us understand a bit what the exposure is there? Are there significant overlaps where they could consolidate? I think I saw on the local accounts of the TowerCo in Norway that external revenues was about 650 million NOC in 2024.

So, just trying to gauge in the longer term for that 2030 target of 14 to 15 billion of free cash flow, what kind of effects could be there in a base and a bear case scenario or, yeah, cash margin?

Torbjørn Wist:

Yeah. On our towers, we have been working consistently to, of course, raise the tenancy ratio, which of course is other operators using our infrastructure. As far as if there should be, call it an effect from the recently announced agreement between our two competitors, we estimate that we have about 120 to 160 million potential negative revenue impact from 2027, which is about 4% to 5% of the tower's revenue. So, it's not something that we deem substantial. There are other parties like emergency network, et cetera, that is on our infrastructure. So, it's about 4% to 5% or 120

Torbjørn Wist:

... or 120 to 160 million. And we don't anticipate that to hit before maybe '27 at the earliest. I would like to add that using infrastructure, co-locating on towers is of course a capital effective way. So whether or not they will decide to remove this 120 to 170 million remains to be seen.

Frank Maao:

160.

Torbjørn Wist:

160. Thank you.

Frank Maao:

Mind you, that's due to the overlap that is present in the co-location of the towers between the two parties.

Christopher Bjornson:

All right, that's helpful. Thank you very much. And then just final the follow-up on the Bangladesh, you mentioned the spectrum award there and so on. Still, there are material parts of the portfolio coming up for renewal or expiry later this year. Can you give any indications of how confident you are that there will be timely auctions and whenever they could end up being?

Torbjørn Wist:

I don't have any new information on that. These will be renewals and I'm sure that there will be an orderly process there. We were satisfied with the 700 auction and the result of that. And so we'll deal with the renewals when the time comes.

Christopher Bjornson:

All right. Thank you very much.

Torbjørn Wist:

Thank you.

Speaker 1:

Our next question comes from Felix Henriksen with Nordia. Please unmute your line, turn your audio on and ask your question.

Felix Henriksen :

Hi guys. Hope you can hear me. Thanks for letting me on. The question is on Finland where you saw tough competition in Q4. The market leader last week commented that they've seen some easing in the environment in January with one of the MVOs becoming a bit more passive and also the market leader raising prices also followed by the peers. Do you sort of agree with this and have you seen easing in the competitive environment in Finland into Q1? Thanks.

Torbjørn Wist:

Yeah, we see the same or have the same observations of what's happening in the Finnish market. It was in a very competitive December, but that seems to have normalized then into January.

Felix Henriksen :

Okay, fair enough. And then if I may, just with a quick follow-up, partly unrelated policies for that, but I noticed that Bangladesh CapEx in Q4 were still quite low. I think you've commented that you plan to ramp that up a bit into 2026. So can you confirm that that is still the plan and if you have anything to share about the expectations regarding the spectrum renewals in Bangladesh as well? Thank you.

Torbjørn Wist:

Yeah. As I think I've covered the spectrum renewal question, but as far as the CapEx is concerned, we've been very clear that Bangladesh is a country where there is a voice to data transition going on. We have, of course, now secured low band spectrum, which is critical for excellent indoor and outdoor coverage of data in the country. So that will, of course, entail some CapEx. Due to the macroeconomic situation in the country, we have been very prudent in how we release CapEx into the country so that we're now not pushing in a lot of CapEx when the market environment is very muted. So we continue to release CapEx on a quarterly basis, and that is also to ensure that we help protect the cash flows in the business.

Top line has been challenging. I think the team has done an excellent job in terms of managing costs there. So, of course, we are very mindful to ensure that we release CapEx on a staged basis, but that there will be some increase in CapEx to ensure that we strengthen our data position is something that we have clearly flagged, but we will always do this in a very disciplined manner.

Frank Maao:

Yeah. And I might add that we're not going to see a big surge in the CapEx even in case of a decent macro upswing. It's more normalization to what you've seen in the past. Thank you, Felix. For the coming questions, I would remind you to please stick to one question and potentially a related follow-up. Thank you. Next question, please.

Speaker 1:

Our next question comes from [inaudible 00:43:40] with Deutsche Bank. Please unmute your line and ask your question.

Speaker 2:

Thank you for taking the question. You're still waiting for the GlobalConnect deal to be approved in Norway. Do you see merits of exploring other fixed deals in the Nordic footprint or do you think mobile is the main focus for Nordic M&A? Thank you.

Torbjørn Wist:

Yeah, look, I'm sure you would love for me to answer detailed on that question, but which areas and which companies we will be looking at is something that you would hear about along with everyone else at the same time. But we have, of course, now taken a step in strengthening our fiber position in Norway with the proposed acquisition of GlobalConnect. And it's of course natural that we will look at both mobile and fixed in the years ahead, given that both are an important part of the critical infrastructure we provide.

Speaker 2:

Great. Thank you. And just by way of follow-up, you mentioned that you'll explore Nordic M&A, and if that's not available, you could return additional capital to shareholders. Appreciate you can't be precise on timing of M&A, but is there any form of timeline by which you want to decide whether to still leave that capacity for M&A or actually explore giving additional returns back? Thank you.

Torbjørn Wist:

Well, I think we've obviously announced a significant return of capital to our shareholders today with the proposed ordinary dividend as well as the 15 billion buyback. So we will have to come back and update you as and when we see potential for additional return on capital in the absence of any value or creative opportunities.

Speaker 2:

That's clear. Thank you.

Speaker 1:

Our next question comes from Fredrik Lithell with Handelsbanken. Please unmute your audio, turn your video on and ask your question.

Frank Maao:

Good morning, Fredrik.

Fredrik Lithell:

Good morning. Good morning. Thank you for taking my question as well. I would like to listen a little bit to you digging into your OpEx and what your plans are for OpEx in 2026 in the Nordics. Not maybe so much on the actual numbers, but on the operational work you intend to do or that you have ongoing that will give you effects in '26 would be interesting to hear. Thank you.

Torbjørn Wist:

Yeah, I think we obviously spent quite a lot of time on the transformative efforts and initiatives at our recent capital markets day. So could be a very long answer if I'm going to dig into all those details. But clearly we continue to work on getting rid of what I refer to as technology debt, which of course ties up a lot of costs. These are important aspects of managing down operations and maintenance costs. It is ensuring we drive down the cost of procurement using common products to ensure we get scale benefits. It is deploying AI in the consumer side, the networks in IT. We've talked about use of shared services where we have added additional elements into shared services. And then of course, local markets will also have some market specific transformations ongoing. So that kind of gives you flavor. We have extensive programs running that are being coordinated and are being very well run, and they will continue full force into '26 as well.

Frank Maao:

And I may add, as we said on the Capital Markets Day, '26 will be on a peak level when it comes to implementation costs related to some of these transformative efforts, particularly in Norway and Denmark. Yeah.

Fredrik Lithell:

Okay. So it's fair to assume that you see in front of you a slight OpEx decline on fixed FX figures in '26?

Torbjørn Wist:

Yeah. Well, as Frank said, in '26, there are still costs related to the transformation efforts which will carry out through the year. As we've been clear on in the past, in Denmark, we have a big BSS project on the go. But of course, the transformation program will continue with some local variances depending on where they are in their relative transformation efforts. But the areas that I touched on, whether it be shared services, getting rid of technology debt, procurement, those are things that will span across.

Fredrik Lithell:

Thank you very much.

Speaker 1:

The next question comes from Ulrich Rath. Please unmute your line, open your video and ask your question.

Frank Maao:

Good morning, Ulrich. Are you there still?

Speaker 1:

I believe we have lost Ulrich, so we will take our final question from Ajay Soni with JP Morgan. Please unmute your line, turn your video on, and ask your question.

Frank Maao:

There we have him.

Ajay Soni:

Hi, guys. Hi. Hope you can hear me.

Torbjørn Wist:

Yeah.

Ajay Soni:

Yeah. So the question was just on Sweden. You mentioned that some of your growth there came from 5G broadband, net ads. So just wondering what the contribution was from that and what that currently represents within your mobile base. And then I'll just ask the follow-on now, which is that is this going to be an area of growth given that you've been phasing out maybe some of the less profitable fixed lines in the last year or so? Thank you.

Torbjørn Wist:

Yeah, I don't think we're going to go into trying to break out what contribution that we'll give, but clearly focusing on the mobile broadband effort, as you talked about, it will definitely be key. We added, I believe it was about 12,000 5G broadband in the quarter in Sweden, and that of course is an important contribution to the growth in this particular area. And I think Telenor Sweden is doing a phenomenal job in pushing this product going forward. And I think that's the great thing is to see that in combination with the cleanup of the fixed portfolio that they have been working on, which has contributed so strongly to the growth in gross profit enhanced EBITDA in the country.

Ajay Soni:

Great. Thank you.

Torbjørn Wist:

Okay. If that was the last question, operator?

Speaker 1:

There are no further questions.

Torbjørn Wist:

Okay. All right. Well, in that case, let me use this opportunity to thank everyone for listening in and I wish you all a very good day. Thank you.