



## Telenor Q1 2026 Results | 28<sup>th</sup> April, 2026

Frank Maaos:

Good morning and welcome to Telenor's first quarter results presentation for 2026. Joining me today are our CEO, Benedicte Schilbred Fasmer, and our CFO, Torbjørn Wist. Before we start, a quick reminder. Unless we state otherwise, all revenue and EBITDA growth rates are organic and on a constant currency basis. An EBITDA refers to adjusted EBITDA. Today's agenda will follow our usual structure, and at the end of the presentation, we'll open the line for Q&A. To give everyone a chance, we kindly ask each of you to limit yourself to one question. And with that, Benedicte, over to you.

Benedicte Schilbred Fasmer:

Thank you so much, Frank. And good morning, everyone. In the first quarter, Telenor continued to execute on its strategy and deliver steady performance despite challenging external backdrop. The closure of the Strait of Hormuz pushed up consumer energy prices and created a new supply chain uncertainty, particularly across parts of Asia, including Bangladesh.

We delivered service revenue growth of 1.6% and EBITDA growth of 3.1%. Free cash flow before M&A was 2.1 billion, a solid start to the year on cash generation. We also progressed well on our portfolio simplification, supporting our strategy to become a more Nordic-centric company over time.

After divesting Telenor Pakistan at the end of 2025, we completed the sale of the 25% stake in True Corporation in March, receiving 30 billion in proceeds. The remaining 5% stake in True will be sold within two years. Including the True proceeds, total free cashflow amounted to 32 billion in the quarter.

Following these simplification milestones, we have a strong financial position. Leverage is at 1.2X, and we plan to commence our three-year 15 billion share buyback program after the AGM.

In the Nordics, competition is still intense, but it has eased somewhat compared with the pressure we saw building through 2025. Mobile service revenue growth was around 3% when adjusted for business transfers. Fixed service revenues rose by 1% year over year. In March, we launched Sikre in Norway, an innovative security integrated subscription. This is a good example of the services first strategy we presented at the CMD.

In Asia, Bangladesh remains challenging. Energy supply vulnerabilities and cost of living pressure continue to outweigh the positive effects of the February election, and Grameenphone returned to negative growth due to affordability pressure and tough data competition. However, we remain confident in our medium and long-term ambitions as we invest in transformation and simplification to build an even stronger future-fit Telenor.

However, we are lowering our EBITDA growth outlook for 2026 due to the top line headwinds in Bangladesh and Finland, and because of the effects of the transfer of managed IoT and coastal radio in the Nordics. Torbjørn will explain that in more detail.

Turning to the Nordics, growth has softened compared with the strong momentum we saw in 2025. In Q1, Nordic mobile service revenues grew by 2%, or close to 3, excluding the internal transfer of the managed IoT business to Telenor Connection. Fixed service revenues grew 1% supported by fiber growth in Norway. EBITDA in the Nordics grew 3.8% driven by service revenue growth and higher wholesale revenues in Norway. And we continue to see cost benefits from transformation, most notably within customer service and due to closure of legacy networks in Sweden.

And in line with what we said at the CMD, 2026 is and will be a peak year for implementation costs of transformation initiatives. Overall, OPEX increased 2%. Nordics had higher amortization of sales commissions and continued high activities in transformation projects, particularly in Norway. And the higher sales cost reflected churn increase we saw last year.

Encouragingly, in Q1, we were able to bring churn back towards a more normal level across most markets and segments. And we are so proud because Opensignal's latest user experience measurements recognized all our Nordic business units for top-performing mobile networks, underlying the value of our continued investment in network quality.

This slide summarizes market by market performance across the Nordics, starting with Norway, where we continue to execute and are now very well-established commercial strategy with more for more and services first. Value-added services within entertainment and security are key elements of this, and standalone value-added services revenue in Norway grew 8% in the quarter. ARPU increased and EBITDA grew strongly, supported by higher wholesale revenues and easier year-on-year comparisons following last year's 100 million TV VAT charge. And while B2C campaigning held the mobile RP uplift back somewhat in Q1, we are encouraged to see a positive shift in B2B as we work to turn around the previous negative trend.

The Norwegian Competition Authority is reviewing our latest remedy proposal on the deal with Global Connect, and we expect to be able to close the deal within the next four to six months. In Sweden, mobile continued to grow, supporting profitability despite a managed decline in low margin fixed revenue. Denmark sustained customer momentum, particularly in fixed wireless access, while EBITDA was pressured by introductory offers and higher third-party commission costs. Overall, Denmark is executing in line with our plan, and they are in the middle of a very ambitious transformation. So we expect a clear pickup in EBITDA growth over the coming quarters. Moving to Finland, where mobile competition eased somewhat in Q1, and DNA delivered underlying mobile service revenue growth of 2.2% while competition in the fixed segment intensified. Churn normalized, and we saw gradual improvement in new sales APU. However, the pricing impact from Q4 still held back reported service revenues. And even though pricing is gradually improving, volumes have been softer and prices on new sales renewals are still not back to the levels we saw in the first half of last year.

In some cases, there is also a lag between sales and when revenue is recognized, so improvements may take time to show up in the reported numbers. As such, we believe it will take a couple of quarters before Finland returns to the mobile service revenue growth level we are aiming for, even with a continued gradual recovery.

So turning on to Asia. In Q1, we reached a major milestone by completing the sale of our stake in True, receiving 30 billion in cash proceeds from the first tranche. At the same time, the region is being affected by the fallout from the Iran war. And unfortunately, Bangladesh is among the most exposed market, given its import dependency, limited LNG storage for power generation and the risk for further pressure on energy costs.

Grameenphone's service revenues declined 2% in Q1, while EBITDA was down 1.5%. The quarter also reflects the continued shift from voice to data alongside intense price competition. Year in year, the decline was driven by a weaker macro backdrop, which intensified in March as customers were affected by shortages, saving measures, and energy prices. We are mitigating some of the top line pressure through cost measures. And while we remain focused on supporting customers, we are keeping spending highly disciplined in this environment. In Malaysia, CelcomDigi showed continued top line progress in its most recently reported quarter, and we received stable dividends. Importantly, new 5G spectrum is underway for the company's network JV, DNB, and we believe it's key to the improvement of the longer-term financial prospect of DNB.

We also recognized an impairment of the recorded value of our shares in CelcomDigi after the market value fell significantly below our carrying value. And with that, I'll hand over to Torbjørn to walk you through the financials in more detail.

Torbjørn Wist:

Thank you, Benedicte. And good morning, everyone. Let me kick it off by taking you through the group financial highlights for the first quarter.

Overall, service revenues came in at 14.8 billion and EBITDA was 8 billion kroner. Service revenues grew 1.6%, while EBITDA grew 3.1%, resulting in EBITDA margin of 44.2% based on the total revenues of 18.2. Free cash flow before M&A in the quarter was 2.1 billion. And if you include the True proceeds, total free cash flow was roughly 3.2 billion kroner in the first quarter.

Net income was 3 billion and EPS was 2.22 kroner, both up 15% year-on-year. Note that most of our operating currencies weakened materially against a NOK during the quarter. In nominal terms, FX reduced reported service revenues, EBITDA, and free cash flow by some 0.4 billion, 0.3 billion and 0.2 billion respectively. The group's CapEx to sales was 12.5% in the quarter. The leverage ratio strengthened materially to 1.2 times driven by the disposal of our stake in True.

On the other hand, Group ROCE was negatively impacted by the impairment of our stake in CelcomDigi. While the true transaction improved leverage, the accounting gain in that sale is not included in return on capital employed because True is no longer an associated company. The CelcomDigi impairment, however, reduces return on capital employed. Importantly, return on capital employed, excluding associated companies, was 13.6%, demonstrating a strong underlying result for our controlled assets.

Finally, please note that we have changed the calculation of capital employed in our ROCE definition. In essence, we have moved from defining capital employed as equity plus net interest-bearing debt, including license obligations to non-current assets plus working capital. This makes the definition of capital employed a more influenceable management metric in measuring business unit performance. This is very important because as you may remember, Benedicte and I highlighted the importance of implementing ROCE throughout the organization, and the new definition is better suited for that.

Now, starting with the top line. In reported terms, service revenues were down year-on-year due to FX while growing 1.6% organically. This growth was primarily driven by mobile in Norway, Sweden, and Denmark. In the Nordics, mobile service revenues increased 2.7% when adjusted for the transfer of the IoT business supported by the ARPU uplift across Scandinavia. Finland was impacted by carryover effects from lower campaign prices in Q4 last year and front book pricing in Q1 was still below the level we saw a year ago.

On fixed, service revenues grew 1.3%, driven by a larger fiber subscriber base in Norway. Asia was, as Benedicte highlighted, the main drag on growth driven by the weekly performance in Grameenphone.

Turning to OpEx, which came in at 6.2 billion, down 2.4% year-on-year in reported terms and up half a percent organically. Higher personnel costs and higher amortization of external retail commissions from prior periods were partly offset by lower O&M costs. This was achieved despite significant implementation costs for transformation and robustification, which we went through in detail at our CMD in November.

In '25, these costs were more backend loaded than we expect the profile to be this year. Transformation continues to deliver cost benefits in the Nordics as highlighted by Benedicte. And in Bangladesh, cost measures also helped mitigate the top line decline.

Then moving to EBITDA, which was just above 8 billion, roughly flat in reported terms, but up 3.1% organically. The Nordics delivered 3.8% growth in EBITDA, driven by ARPU growth in Norway and continued fixed transformation benefits in Sweden. After the improvement in the second half of 25,

Torbjørn Wist:

... five, Grameenphone unfortunately declined again. As a result, EBITDA for Asia was down 1.7%, weighing on the group results. Now then let's zoom in on the profitability in the Nordics. EBITDA in the Nordics increased 3.8% or 4.9% excluding the impact of the transfer of managed IoT and coastal radio. Norway and Sweden were the strongest contributors, and Norway also benefited from easier comps in Q1 last year, including the VAT related item and the limited national roaming revenue contribution in the prior year quarter. Denmark and Finland contributed negatively, reflecting the commercial and cost dynamics we discussed earlier. Denmark stands out at -13%, and this mainly reflects introductory offers that weighed on gross margins combined with higher amortization of commissions from previous periods following a shortened amortization period. Overall, Denmark is executing in line with our plan, and we do expect EBITDA growth to pick up meaningfully over the coming periods.

Now, then moving to Asia and focusing on Grameenphone. As Benedicte highlighted, growth turned negative in the quarter, consistent with what the company communicated to the market in March. The quarter reflects a tough macro environment, election related restrictions, and a lower than normal uplift from the Eid festive season. Higher fuel and gas costs have added to cost of living pressure in the country, that increases price sensitivity when customers shop for data packages at a time when competition remains intense. Tight cost control and a one-off settlement with the supplier contained EBITDA decline to 1.5% in Q1, somewhat better than previously announced by Grameenphone. Now, in this environment, we remain focused on tight cost control and disciplined release of investments.

Now, then let's move to the P&L and cashflow. In the P&L, there were several material movements on the associated company's line this quarter. Operating profit was broadly flat in nominal terms, held back by FX. We booked a net gain of 12.2 billion from the disposal of our shares in true corporations. But on the other hand, we also recognized an impairment of eight billion related to CelcomDigi as its market value at quarter end was significantly below the carrying amount in our books. Net financial items were positive at 549 million. This was driven by net currency gains of just over a billion, mainly related to derivatives hedging the FX conversion of the true proceeds, as well as improved liquidity and lower interest rates. Tax expense was 1.1 billion, corresponding to an effective tax rate of 12%. Net income to equity holders was 8.2 billion. Adjusted net income, excluding the associated companies, FX impacts, and other smaller items was three billion, corresponding to an adjusted EPS of 2.22 kr.

Then turning to cashflow. Total free cash flow was roughly 32 billion kr, including cash proceeds from M&A activities of roughly 30 billion kr. The sale of our 25% stake in True, which was the first tranche, generated cash proceeds of 29.8 billion, excluding the hedging effect mentioned earlier. The related positive cash impact of 0.6 billion was offset by the first installment of 0.6 billion for residual obligations in India. Free cash flow before M&A was 2.1 billion. The year-on-year reduction in free cash flow before

M&A was 0.8 billion and was mainly due to timing effects last year and the divestment of Telenor Pakistan. In addition, FX reduced free cash flow by at some 0.2 billion in the first quarter. The first quarter of 25 benefited from working capital inflows, driven by Grameenphone due to the Eid season timing, as well as handset financing in the Nordics.

Q1 last year also included 352 million of cash flow from Pakistan, most of that entity's full year contribution, which is no longer part of the portfolio. The main contributors to free cash flow before M&A were the Nordics at just shy of 1.8 billion, and Asia just over one billion, the latter supported by 342 million in dividends from CelcomDigi. The quarter was also relatively heavy on spectrum payments with 0.7 billion paid, including incremental right of use prepayments related to the recent awards in Sweden and Bangladesh. Overall, it was a solid quarter for free cash flow before M&A, keeping us on track versus our full year outlook, and of course, a very strong quarter in terms of M&A cash flow.

Now, this, of course, has clear implications for the leverage and capital allocation going forward in line with how we outline the use of process on our Q4 call. We can now see the true proceeds impact on the balance sheet leveraged end of the quarter at 1.2 times, well below our target range and net debt declined to 46.2 billion. This creates headroom for incremental shareholder returns, such as our proposed buyback and disciplined value accretive investments in our Nordic core markets. Over the 15 billion program, we will propose to start with up to six billion in the first year, which includes the government's portion subject to AGM approval and available liquidity. And again, if value creative investment opportunities do not materialize, we will consider further return to shareholders.

And that brings us to the 2026 outlook. On our full year guidance, we have updated the 2026 EBITDA outlook for the Nordics and for the group. For Telenor Nordics, we still expect low single digit service revenue growth and around 14% CapEx to sale, excluding leases. We now expect low to mid-single digit EBITDA growth updated from mid-single digit. The main reasons are the somewhat slow market normalization in Finland, and that we have chosen to not adjust for the impact of the business transfer of managed IoT and coastal radio from the 1st of January, which we had assumed in Q4 when we made the original guidance. As stated in the Q4 report, these transfers reduce EBITDA by around 0.2 billion for the year, equivalent to about one percentage point of growth for Nordics. For the group, we now guide flat to low single digit EBITDA growth updated from a low to mid single digit.

In addition to what I just mentioned, the key driver is the impact of the unresolved situation in the Persian Gulf and what effect that is having on Bangladesh. While everyone hopes for a quick resolution to the conflict, Bangladesh is a vulnerable economy and the exposure increases the longer this situation persists. That said, several factors help protect the flow through to free cash flow from EBITDA sensitivity in Grameenphone. Key shields, I remind you, are the 44% minority ownership and the 40% corporate taxes, and of course, our own operational measures in the company. We maintain our free cashflow guidance of 10 to 11 billion before M&A and incremental spectrum commitments post CMD, excluding dividends from associates. Despite a negative FX impact over around 0.4 billion from the stronger NOK.

On the quarter by quarter profile in '26, please note that Q2 will be particularly challenging for EBITDA growth due to a difficult comp, given the standard second quarter last year in the Nordics, lapping of the Norwegian roaming agreement from mid-March, a smaller year-on-year impact from already implemented back book price migrations, continued high transformation activity in the Nordics in the first part of the year, and bigger impact of energy shortages and related inflation in Bangladesh.

And while '25 had a backend loaded cost profile for both sales and marketing and transformation costs, we expect a more even distribution throughout 2026. For Grameenphone, we expect service revenue growth to remain negative in the near term. The timing of recovery remains uncertain given the indirect

exposure to the Iran war. And then finally, just to point out, our medium and long-term financial ambitions, they remain unchanged. And with that, Benedicte, I'll hand it back to you for the wrap up.

Benedicte Schilbred Fasmer:

Thank you, Torbjørn. To sum up, we delivered steady performance against the shaky international economic backdrop in Q1. We continue to execute on a strategy described on the CMD to build a stronger and even more future fit and Nordic-centric company. The true deal was another milestone in this respect, materially strengthening the balance sheet and enabling increased capital returns, including initiation of the three-year 15 billion buyback program after the AGM.

At the same time, we are realistic about near term headwinds, particularly in Bangladesh. And we have, as a result, adjusted our 2026 EBITDA growth outlook accordingly while maintaining our free cashflow guidance. Our long-term view and ambitions remains unchanged. We will continue to drive service revenues through relentless improvements of the customer experience based on excellent networks and services-led growth. We will accelerate the pursuit of efficiencies through continuous simplification and tech-led transformation. And we will continue to honor our track record of effective capital allocation and shareholder returns. And now I'll hand you back to Frank to moderate the Q&A.

Frank:

Thank you, Benedicte. We will now open the line for questions. As usual, please limit yourself to one question each, plus a brief follow-up if needed, so everyone gets the opportunity to participate. Operator, please go ahead.

Operator:

Thank you. To ask a question, please click the raise hand button on the bottom of your screen. When it is your turn, please accept the prompt that appears. This will allow you to turn on your video, unmute, and ask your question. As a reminder, we are allowing analysts one question and one related follow-up. Our first question will come from Ondrej Cabejsek from UBS. You may now turn on your video, unmute, and ask your question.

Ondrej Cabejsek:

Hi, can you hear me?

Frank:

Yes.

Torbjørn Wist:

Yes.

Ondrej Cabejsek:

Hey, good morning, everyone. Thank you for the presentation. I wanted to ask on your guidance. So I understand that Grameenphone is obviously challenging. You've also had some reclassifications as you pointed out in the Nordics, and obviously the weakness in Finland. You also flagged some IFRS effects that have been, I think it is clear expected by you in Denmark. So in terms of the Nordic EBITDA specifically, can you speak also about the Norway and Sweden developments, whether these are inline or perhaps in the case of Sweden, maybe even better than expected? So what is the outlook outside of

the things that you already touched upon in the Nordics specifically on EBITDA? And associated with this, the weaker EBITDA outlook, is it absorbed on the free cash flow level simply by the fact that you've got this one billion NOK range within the guidance? Or are there some mitigating measures that you are taking or have to take to actually preserve free cashflow guidance at this 10 to 11 billion range? Thank you.

Benedicte Schilbred Fasmer:

That was a lot of questions in one question. But if we try to pick up your main points, to start with Grameenphone, I think in our guidance, we expect the situation to remain challenging for the first half year. If the challenges persist, of course, we might have to change our guidance going forward, but we are pretty tight on both OpEx and on CapEx, and we are taking measures in order to alleviate the consequences as best as we can. However, we also do need to take our new spectrum in use and to have some investments in order to meet the competition on the transition from voice to data. Would you like to cover Denmark, Torbjørn?

Torbjørn Wist:

Yeah, no, Denmark, as we said, the 13% negative was a bit of a standout, but that was due to cost associated with new offers in addition to the shortened amortization period. But Denmark is certainly expected to perform much stronger in the quarters ahead. I think in terms of the bridge to free cash flow, there are, of course, many different elements that contribute towards that. Yes, you have some FX that is pulling it down, and then you have some of the negative impacts from the likes of Bangladesh. Then as you remember, when we guided, that excludes incremental spectrum, and there's been some incremental payments into this year, that needs to be added back.

We also have significant efforts to mitigate cost of goods sold, OpEx, working capital measures across all business units. And then in terms of the flow through of the Grameenphone, remember that there's a high corporate tax rate, and whenever there is dividends paid out to shareholders, there's some significant minority leakage, which of course gets reduced if the results are lower. So there's a number of shields. And the rough rule of thumb is that if you assume that there was a billion effect on EBITDA, maybe only a quarter of that would flow through to the cashflow.

Benedicte Schilbred Fasmer:

And then you had a question, you had, again, many questions in one, but

Benedicte Schilbred Fasmer:

We saw the competition as very stable in Sweden and in way, which is one of your questions. And not to offend our Swedish colleague, but in a way, boring is good, which is why we didn't highlight that many news. However, we were in Sweden last week. They're doing a lot of good initiatives in order to improve our market position, particularly in the fixed wireless access. We have a good growth, which adds to the mobile net ads. And again, we do see positive effects on the gross margin on the very deliberate phasing out of unprofitable products on the fixed side. So good performance also in Sweden.

Torbjørn Wist:

Probably move on to the next question.

Speaker 1:

Yeah, we'll take the next question then.

Operator:

Our next question comes from Keval Khuroya with Deutsche Bank. Please turn on your video, unmute your line, and ask your question.

Ondrej Cabejsek:

Thank you for taking the question. I appreciate you probably don't want to give quarterly EBITDA growth guidance, but can you talk a bit more about the moving parts on Nordic EBITDA growth for the rest of the year? Q2 has a tough comp that you mentioned, but how do we think about the second half growth? I guess Fin has an easier comp, but just some comment on the setup and key factors for H2 would be helpful. Thank you.

Torbjørn Wist:

Yeah. We don't really break it out. I think we highlighted clearly some of the things that is going to affect the Q2 growth given the rather difficult comp last year when you had, for example, the full inclusion of the national roaming agreement in the numbers. And then, I think we've also highlighted that some of the sales and marketing related and transformation costs are spread more evenly out throughout the year relative to a more backend loaded profile last year. I think that's about the degree of detail we will go into.

Benedicte Schilbred Fasmer:

Yeah. And as I just mentioned, we have anticipated a difficult circulation in Bangladesh throughout first half of 2026.

Ondrej Cabejsek:

That's helpful. Thank you. And just by my follow-up, can I ask, I mean, obviously there's been a little bit less price rise support in the Nordics in Q1 and it sounds like for Q2 as well. How much of a factor is that for those two quarters? And at this stage, can you say anything about price rise support for H2 where that's a delta? Thank you.

Torbjørn Wist:

So you said price rise support. Just as you know, we don't comment on forward-looking price initiatives, what have you. We stick to what is behind us, obviously, for competitive sensitivities. So I will not comment on price rise support going forward.

Ondrej Cabejsek:

Okay. Thank you very much.

Operator:

Thank you. Our next question comes from Nick Lyall with Berenberg. Please turn on your video, unmute your line, and go ahead with your question.

Nick Lyall:

Yeah, morning, guys. I hope you can hear me. It was a quick one about the usual question about consolidation really. On the Swedish and Danish consolidation, you've got the cash in now for the true deal. So do you think you've got the political support you need from the local competition authorities, that being Sweden in particular, or the political support from Sweden? And Torbjørn, when you mention looking at value accretive deals, and then if opportunities don't materialize, how long would you wait to decide whether those are going to materialize or not, please? Thanks very much.

Benedicte Schilbred Fasmer:

I think, as you know, we cannot comment on any particular transactions, but I think we need to close the gap in Europe on building scale within technology. And I think we need a framework that enables scale and the emergence of the possibility of emerging stronger national and European champions. So in light of that, we really believe that consolidation in our industry is key in Europe. And at present, there are still mixed signals from EU to whether that might be allowed. However, the latest last week's change in signals might imply that it's easier now than it has been for a while. However, I think to sum it up, we are taking a wait and see approach pending the further developments in the EU.

Nick Lyall:

Sorry, sorry. [inaudible 00:37:02]

Torbjørn Wist:

Go ahead.

Nick Lyall:

No, just to come back on that point, does that mean you'd rather wait to see some draft of the merger guidelines first before you're prepared to take any... Or would you go for it first before you see drafts coming out? Is that a prerequisite for any Telenor action, do you think?

Benedicte Schilbred Fasmer:

I think you can rest assured that we contribute to the extent we can on advocating what we believe is right, both for industry and for Europe and the countries. And in light of the geopolitical unrest, I think to head in a more lighter environment to merge is key. And then, I will not comment on what we do first and last, and that we'll have to come back to when we have something to communicate.

Torbjørn Wist:

Yeah. I think there are many promising developments in terms of what you hear, but there's a lot of conflicting messages. I guess it'll be interesting to see how some of these live deals that are out in the market will be treated. With respect to the second part of your question, very quickly, we have just closed the transaction. I think we have just announced a very shareholder-friendly buyback program, and we'll implement that as soon as we have the necessary approvals, and then we will have to wait and see in the future in discussions with our own board on any future remuneration initiatives.

Nick Lyall:

Thanks, guys.

Speaker 1:

Next question, please, operator.

Operator:

Thank you. Our next question comes from Christoffer Wang Bjornsen with DNB Carnegie. Please turn on your video, unmute your line, and go ahead with your question.

Frank Maa0:

Yes. Good morning. Thanks for taking my question. So first of all, on the GlobalConnect, the pending transaction with GlobalConnect, could you just help us understand, you can't give all the details on the post remedies, but at least can you give some color on how material they are looking to be? Are they material enough to change the financial trajectory you gave for the effect of the deal if it closes or is it more minor? That's the first one, I guess.

Benedicte Schilbred Fasmer:

We can't comment on any specifics, I'm afraid, because the process is ongoing. However, we do expect the competition authority to conclude within the end of June, and we just received their so-called 70 days notice. We are still optimistic to close the transaction, and then the underlying of that, you do understand that we still can calculate or have a good decent return on the investment if it goes through.

Frank Maa0:

All right, thanks. And then just a quick follow-up on the lease and ICE agreement. So just to me, it seems like if you pencil in typical seasonality for that business that you are tracking a bit ahead of the revenue last year, but you're still saying that you're expected to be broadly in line with last year. So is that factoring in some tapering off of that business as they move to the wrong network, or am I getting that one wrong?

Torbj0rn Wist:

I think we obviously don't discuss, call it the overall prognosis and the quarterly movements of it, other than to say that we still expect the contributions from the Elisa-Telenor agreement to be in line with what it was last year.

Frank Maa0:

All right, thanks.

Torbj0rn Wist:

Thank you.

Operator:

Thank you. Our next question comes from Andrew Lee with Goldman Sachs. Please unmute your line and ask your question.

Andrew Lee:

Morning, everyone. So obviously everyone's just trying to unpick this morning the changes that are just accounting adjustments with what's actually going on underlying from a structural perspective. I think one of the key structural concerns that investors have from today is on your finished fixed broadband

trends where you've got basically a week of finished fixed revenue growth or decline. What is driving that? That's question number one. Secondly, what exactly surprised you in Finland and Denmark in the first quarter more broadly? We knew Finnish competition was intense in the second half of '25. I guess you knew their introductory offer investments in Denmark. So what surprised you within those two markets that have caused the underlying downgrade to guide? And then just lastly, in Sweden, your broadband trends look a bit weaker despite easier comps. Have you got any commentary around that? Thank you.

Torbjørn Wist:

Okay. Let's just start with on the fixed side. What we saw there was that there was quite a lot of activity, particularly on the SDU segment, which traditionally is a more attractive relative to MDUs in terms of ARPU. So we saw a lot of activity there. We also saw more, and that impacted some of the, call it cable subscribers that we have in Finland on the SDU. We also saw more activity on the MDU side. So just in general, there was a switch out from both fixed wireless access and its cable customers activity in the first quarter in Finland.

Benedicte Schilbred Fasmer:

And as you may remember, we announced last year that we have an investment activity on the MDU side replacing our cable network with fiber, and that's ongoing and it's progressing according to plan, although there is also increased competition in that segment.

Torbjørn Wist:

Yeah. And that's an important upgrade because keep in mind, Andrew, that in Finland, the degree of cross-ownership between, let's say fixed and mobile customers is over 50%. So there's a strong ability in that market for cross-selling of products, not bundling, but cross-selling, which of course is important. Just in terms of, yes, on your second part of your question about surprising, I don't think Denmark was particularly surprising. It was competitive intensity, which had more introductory offers that weighed on gross margins. And then, we had the change in commission, the amortization of commissions. But in Finland, the flow-through effect perhaps was a little bit bigger than we would've liked to see in Finland, but we are pleased to see that things are normalizing back slowly but surely in that market now.

Andrew Lee:

And then, just on Sweden, so Swedish, your broadband trends looked a bit weaker this quarter despite having relative easy comp. Anything going on there?

Benedicte Schilbred Fasmer:

Yeah. Well, as you said, it's a managed process where we are facing out unprofitable products, and you'll find actually some of the fixed market in our mobile subscriptions because we've had quite the good success in fixed wireless access, but that's reflected in the mobile subs numbers.

Torbjørn Wist:

And keep in mind that the managed out of unprofitable customers on the fixed side in Sweden has been a very strong contributor to gross margins and also to EBITDA performance in the country.

Andrew Lee:

Okay, thank you.

Operator:

Thank you. Our next question comes from Ajay Soni with JP Morgan. Please unmute your line and ask your question.

Ajay Soni:

Hi guys, hope you can hear me. My questions are just around Finland. So you mentioned lower volumes, so just wanted to know where are you seeing the pressure? Is it from the main operators, the MVNOs? Is it within B2C or B2B? And then, just related to that, Elisa mentioned they were maybe less reactive to commercial offerings from other operators. And is that a similar strategy that you guys might follow where you may accept some short-term subscriber losses to encourage a more rational market within Finland? Thank you.

Benedicte Schilbred Fasmer:

I think we've seen some uptick in the numbers for the MVNOs, but it's still manageable in the market. On the B2B side, that's actually quite colored by the macro conditions in Finland, whereby there is 11% unemployment. There are not a good growth in the B2B market, which is impacting the market conditions as such. However, we actually progress fairly well on the B2B market, and we've also had some new solutions and launches to the customers that have been well received. So in a bit of a slow growth market, we are performing fairly well in that segment.

Torbjørn Wist:

And I think you said lower volumes in your opening of your question. It is more lower churn that we're seeing in the country. It's actually normalizing back to the same levels that we saw 12 months ago. And lower churn is better than lower volumes, so to speak.

Ajay Soni:

Thank you. And then, just on the second part, which was around maybe the behavior from Elisa saying they're being more rational, is that something, again, that you guys are maybe trying to encourage, just to encourage the market to become more rational?

Torbjørn Wist:

Look, we try to avoid sending signals to the market. We were very clear that Q4 was of a significant competitive intensity thanks to one of the players. I won't mention the name. And what is good is that we have seen that come first quarter, the situation has definitely improved.

Ajay Soni:

Great. Thank you for the [inaudible 00:47:47].

Operator:

Thank you. Our next question comes from Ulrich Rathe with Bernstein. Please turn on your video, unmute your line, and ask your question.

Ulrich Rathe:

Yeah, thanks very much. I have actually two clarification questions

Ulrich Rathe:

So only if I may. The first one is on the Nordic EBITDA downgrade, you talked very much about the factors already. I was just wondering whether you'd be willing to talk a little bit about the scale of these different factors, in particular the inorganic versus the organic factor.

I think from investor relations, we learned this morning that the inorganic factors were about 160 basis points in the quarter, for the Nordic EBITDA, is that representative of how it might look for the full year? Was there anything particular going on in the first quarter for the inorganic contribution? That would be my first clarification question, please.

Torbjørn Wist:

Yeah, I wasn't part of the call, so I don't know what-

Frank:

We didn't have a call, but it's just in the summary. I would say the business transfer effect is about a bit north of one percentage point for the full year, Ulrich. So there were some other factors in there in the first quarter, the VAT effect from last year and so on. So don't recognize the 160 in terms of the organic, non-organic switch there. But about one percentage point for the full year is relating to the business transfers for the Nordics.

Benedicte Schilbred Fasmer:

Yeah. Just to be clear, that's the internal move managed IoT services from Nordics to AMP.

Frank:

In addition to-

Benedicte Schilbred Fasmer:

So it's internal moves, right?

Torbjørn Wist:

Yeah, in addition.

Frank:

In addition to the coastal radio, of course, going out. But that's the main part. Then there's a contribution to some extent also in Finland, which has picked up at a bit of a slower pace than we had anticipated in January.

Ulrich Rathe:

Okay. Sounds like a percent, a bit more than a percent from inorganic and probably then a percent or so from Finland, I mean, give and take.

The second question is a follow-up to Nick's question. So just to discuss the motivation of the wait and see approach, I mean, obviously operators in France are taking a more active role there. They're trying

to test the EC views. Why is it the right choice for you to go into this weight and see mode in relation to the potential change of the EC views on in market consolidation? Thank you.

Torbjørn Wist:

Yeah, look, I know that the interest is high and we spend a significant amount of time in most investor meetings fielding questions on this regard. We tend not to go into any details about motivations, but clearly, the slight positive signals, but still contradictory signals from the EU sphere makes us take a more cautious approach because we need to see how this is implemented in practice.

We've been very clear that we think consolidation is good for Europe if they want to have a thriving digital sector. But so far, not everybody is seeing from the same HIM sheet. As a result, we're taking a little bit more of a wait and see approach.

Ulrich Rathe:

But if I may challenge you on this, if there's uncertainty in this regard, one Kate could take the view, there's really a pot of gold at the end of the rainbow. So why is it the right approach not trying to test it? I mean, I understand if the signals were very negative and cautious, then you don't want to try. But if there's uncertainty and then there is a significant benefit, why not try?

Torbjørn Wist:

Look, we will not go into tactics. If we test it and succeed, then you'll be the first to know along with all other investors, if and when we have something to announce. Thank you.

Benedicte Schilbred Fasmer:

Thank you.

Frank:

Thank you, Rich. We'll go on to the next questions. We have a few left, so please let's all keep and stay short.

Operator:

Our next question comes from Felix Henriksson from Nordea. Please unmute your line and ask your question.

Felix Henriksson :

Hi, guys. Thanks for squeezing me in. Just a couple of clarifications on the Nordics. Firstly, on Denmark, you mentioned that execution is basically in line with your expectations, but there was a fairly large drag from legacy DSL broadband in the quarter and also these higher commissions on FW8. So can you just expand a bit on why you're so confident that trends in Denmark will improve in the coming quarters and why this will no longer be an issue?

Benedicte Schilbred Fasmer:

Well, Telenor Denmark is conducting, probably, the most fundamental transformation of any of our operations. We are very confident that that will deliver results longer term. On top of that, you have the change in amortization on the marketing cost, which was shortened, which took the EBITDA down somehow. Then on the broadband in Denmark, I think you need to help me a little bit, Frank.

Frank:

Well, on the broadband, we closed down broadband going into the air, but I think the main part really, and as to the last part of the question, why we're so confident that this will improve is basically due to the introductory prices that we mentioned during the call.

We have a few offerings, especially in fixed wireless, but also, I think a few other ones in Denmark, which have been on introductory prices, obviously, lowering gross margins as well, and they will normalize during the second quarter and beyond.

Benedicte Schilbred Fasmer:

Yeah. On the fixed wireless access side in Denmark, we have good traction, but again, please remember that that is reported under the mobile volumes.

Frank:

In Denmark and Sweden.

Benedicte Schilbred Fasmer:

Yeah.

Frank:

Yeah, they're mobile.

Okay. Hope that answers your question.

Felix Henriksson :

Absolutely. If I may, just a quick follow-up on Finland, was there anything that went incrementally negative in Q1? Because it seems like this slowdown in growth that you're seeing is mostly due to the carryover effect from Q4, which presumably was already in your knowledge when you were giving out the original guidance for the year.

Torbjørn Wist:

I think I outlined that in my answer about the development on the fixed side, which was quite intensive in the first quarter.

Benedicte Schilbred Fasmer:

Of course, that was not Nordic, that was on group. But of course, what happened in Bangladesh was also incrementally negative in Q1 due to the global situation.

Frank:

Yeah. Okay. Thank you, Felix.

Felix Henriksson :

Thank you.

Frank:

I think we have a couple of questions left, so operator.

Operator:

Thank you. Our next question comes from Frederic Waleffe with Handelsbanken. Please turn on your video and mute your line and ask your question.

Frank:

Frederic, are you there?

Benedicte Schilbred Fasmer:

Hi there, Frederic. Are you with us?

Operator:

Can you please unmute your line, turn on your video and ask your question? We will move on to our next question. Our next question comes from Abhilash Mohapatra with BNP Paribas. Please turn on your video, unmute your line, and ask your question.

Torbjørn Wist:

Good morning. Can you hear us?

Frank Maao:

Hello?

Frank:

Yeah. Hi. Abhilash, are you there?

Frank Maao:

Hey, good morning. Sorry, I was on mute. Thank you for taking my question. I had one around Bangladesh, please. Can you just maybe give us an update on what's happening around the spectrum renewal process there? If you've had any further updates there, that would be helpful.

Then just related to that, a clarification on your guidance comment from earlier, you mentioned that you're essentially assuming that the backdrop remains tough in H1 before potentially getting better during H2. You said that if that changes, then you might have to revisit the 2026 guidance.

Could you maybe just clarify that a little bit? Is that EBITDA or free cashflow guidance that might be impacted if things don't pick up in H2? Thank you.

Torbjørn Wist:

Just in terms of the spectrum, we do have a policy of not making predictions or forecast or comment around spectrum renewal processes. As you know, and you can see on the IRS website, you can see there which spectrum bands are up for renewal. So those, we will of course look at what we need and all those things, but we don't comment on that.

Frank:

There's nothing public either, which is new on the process.

Torbjørn Wist:

Exactly. Right. then with respect to some of the guidance, I think to the extent things get prolonged, it mainly comes on the EBITDA side, less so on the free cashflow side. But keep in mind, we are of course, and as I said in my presentation, focusing on mitigating the effects on the top line with cost initiatives and also disciplined release of investments in order to offset the negative impact on the top line.

Frank:

Yeah, I can also refer you back, Abhilash, to the sensitivity Torben mentioned in his main address about if you have one billion on EBITDA, just to pick a number for sensitivity purposes in plus or minus in Bangladesh, the rule of thumb is that you'll have a quarter of a billion impact from that EBITDA billion onto the free cash flow.

Frank Maa:

Yeah. That's very helpful. If I may just follow up very briefly. So for example, Q1, I think we saw the EBITDA there decline 3% here on here without the one-off. Are you sort of assuming a return to stability in H2 within your guidance? So is that something you could comment?

Benedicte Schilbred Fasmer:

Yeah, that's what the underlying anticipation is.

Torbjørn Wist:

Yeah, and that is of course subject to what happens on the energy supply in particular. I think we need to move on because we've got a couple more people. Thank you.

Operator:

Our last question comes from Siyi He with Citi. Please unmute your line and ask your question.

Siyi He:

Hello. Thank you for taking my questions. Just have two follow-up please. The first question is really on the OPEX development in Nordics. Just wonder if you can share with us, how should we think about the actions that you could take during the remaining of the year to balance the OPEX inflation that you saw in Q1?

Also, in Sweden specifically, I think a lot of the OPEX reductions that you have achieved is through migrate traffic of the legacy network. Just wondering if you can give us an update on how far along are we with these activities and when should we expect the comp getting harder because of the completion of the movement? Thank you.

Torbjørn Wist:

Yeah, should I? They're for you.

Benedicte Schilbred Fasmer:

Go ahead.

Torbjørn Wist:

Yeah, I think there was a lot to unpack there, but the migration of traffic is mainly a COGS situation, I believe. But on the transformation agenda, that combines local programs in each business unit with Nordic initiatives where call it scale and collaboration create value.

I think we went through those in some details. I'll refer you back to the CMD. So '26 is a year where there are significant implementation costs on legacy out in Norway, implementation of BSS in Denmark. So I think we've highlighted that.

Of course, when things are, if there's a little bit of headwind, we will of course turn every stone to ensure that we focus on initiatives that mitigate those effects and that will of course continue to offset things like we have seen in Finland and we've seen in Bangladesh.

Frank:

Then also remember, the backend loading difference from last year that Robin mentioned with this year, which is going to be more even. So that also is the reason for that partly being these robustification transformation projects ramping up towards the end of last year and continuing through the first half of this year and into the second half before, then gradually starting to give benefits as you approach 27 and beyond.

Well, then we're at 10:00, so I will just thank everyone for their attention. if you have further questions, please reach out to IR through [ir@tenor.com](mailto:ir@tenor.com), and all the presentation material is available at our website at [telenor.com/ir](https://telenor.com/ir). Thank you very much and have a nice day.