

Telenor Group



Sigve Brekke – CEO Telenor Group
DNB TMT conference, 29 August 2018

A CLEAR STRATEGY TOWARDS 2020 ESTABLISHED IN 2017



GROWTH



EFFICIENCY



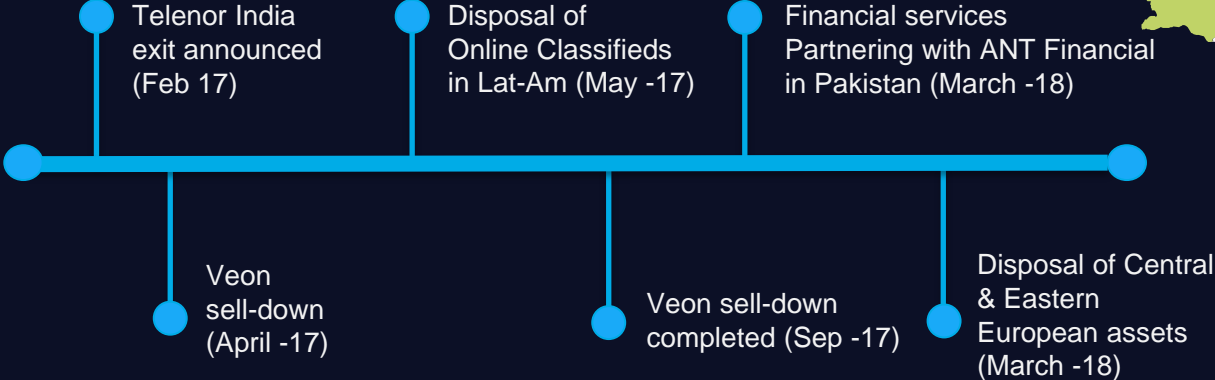
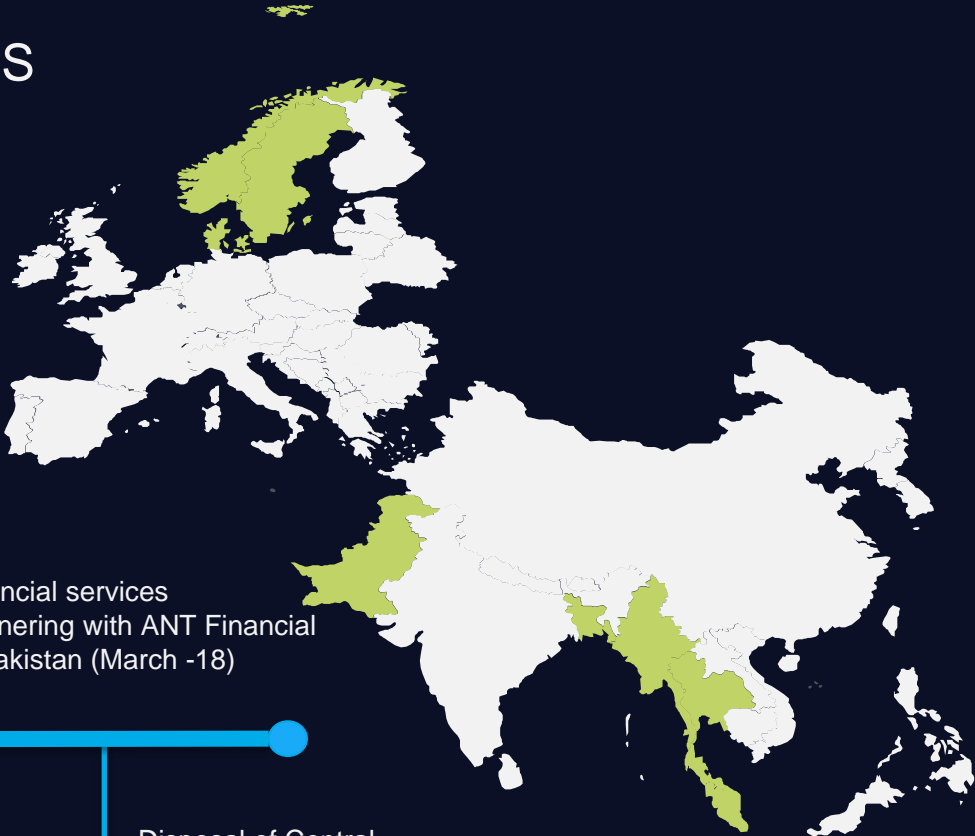
SIMPLIFICATION

WINNING TEAM

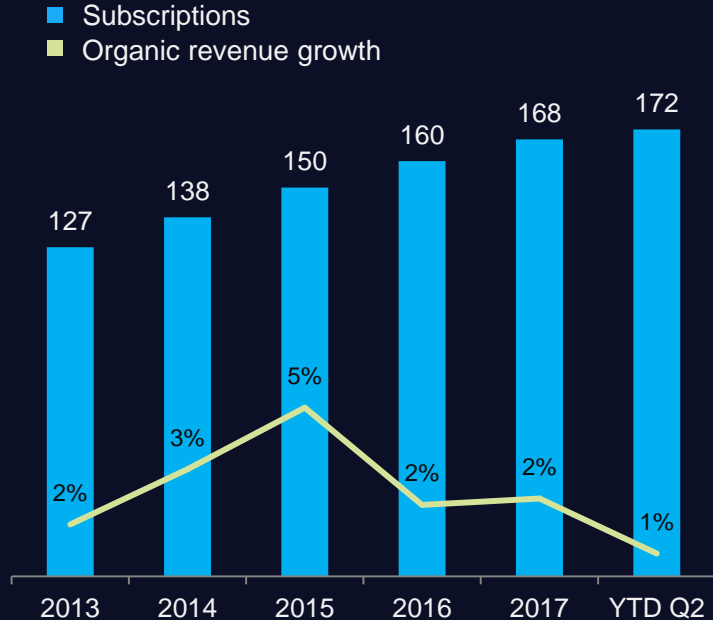
RESPONSIBLE BUSINESS

MAJOR STEPS TAKEN TOWARDS PORTFOLIO SIMPLIFICATION

- FOCUS ON SCANDINAVIA AND ASIA



CONTINUING TO GROW

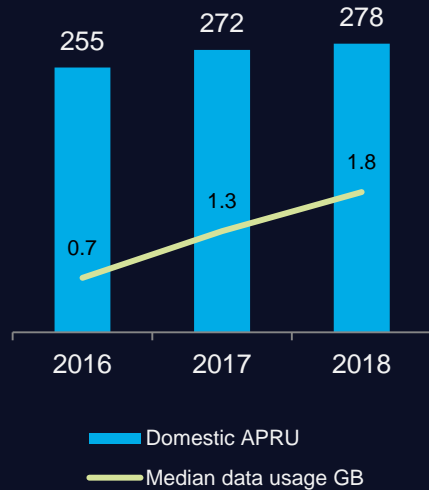


- Revenue growth from growth in customer base and usage
- Focus on revenue renewal and ARPU growth.
- Increasing demand for IoT services in the business/public segment
- Digital transformation an enabler to ensure future growth and customer experience

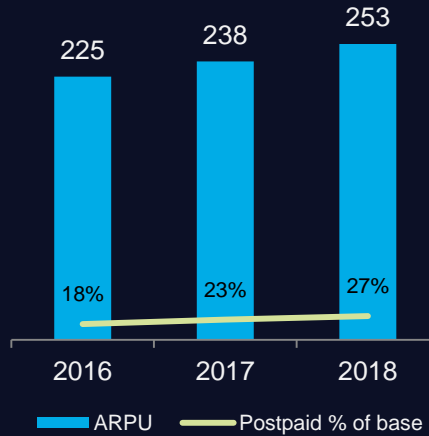


FOCUS ON MONETIZING GROWTH IN DATA USAGE

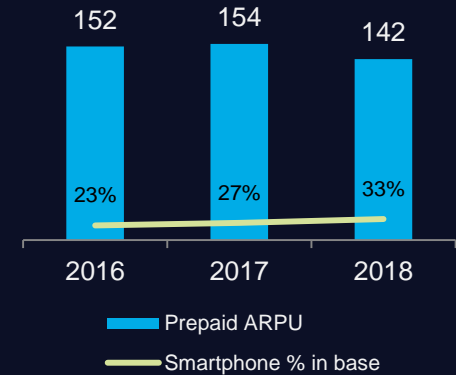
Norway



Thailand



Bangladesh

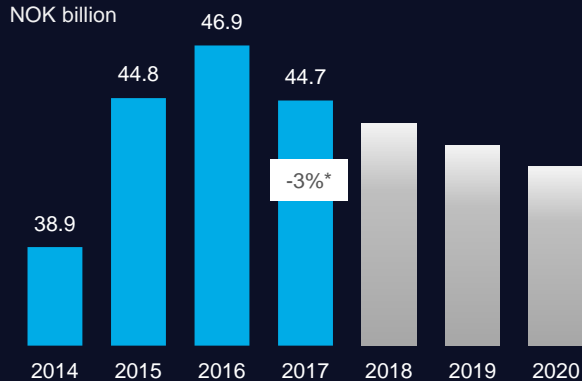


ARPU in local currency



EFFICIENCY AND SIMPLIFICATION DRIVING COST IMPROVEMENTS

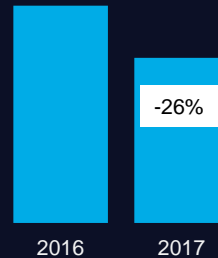
Increasing opex trend broken



- Targeting 1-3% net opex reductions per year for 2018-2020

Customer interactions

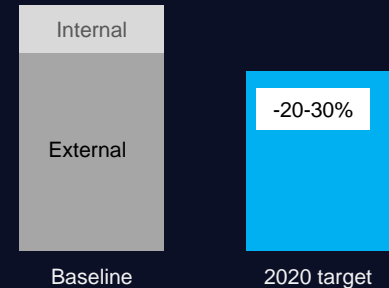
Call center volume in Malaysia



- Moving to digital interactions
- Simplifying product structures

Network and IT

NOK 2.6 bn



- Common delivery centres network & IT
- Global procurement company
- Decommission legacy IT platforms

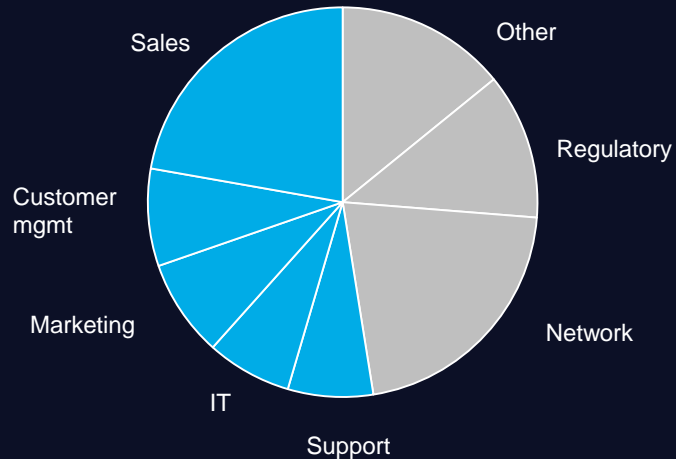


STILL A SIGNIFICANT PART OF THE COST BASE WITH POTENTIAL FOR DIGITALISATION

Digitalisation initiatives

- Shift from physical to digital sales channels (e.g MyTelenor)
- Self-service (MyTelenor) and chatbots for customer care
- Advanced analytics to improve marcom efficiency
- Cloud-based and standardised IT solutions
- Digitalisation of work processes, and robotisation of recurring tasks

Opex base NOK ~45 bn (2017)



Other initiatives

Structural

- Move from concession to license in Thailand
- Common delivery centre for network & IT in Asia
- Fixed value chain transformation in Norway
- Simplification of product portfolios

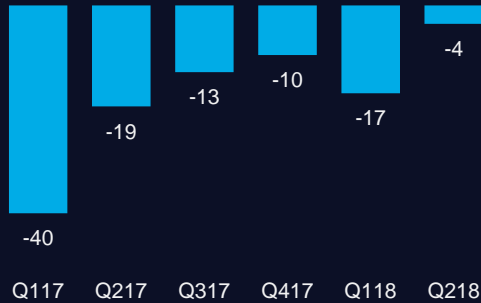
Non-structural

- Cost-control and prioritization



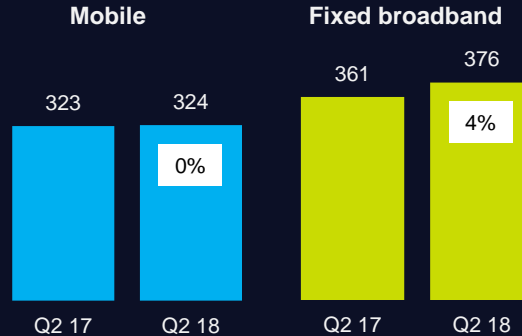
STRONG MOBILE PERFORMANCE IN NORWAY, MAINTAINING REVENUE MARKET SHARE

Mobile subscriber net adds (k)



- Lowest subscriber decline in 12 quarters
- Postpaid subscriber growth of 7,000, with promising uptake on new Flexi products

ARPU (NOK/month)



- 3% growth in mobile ARPU excl. handset and roaming effects
- 4% growth fixed broadband ARPU and 6% growth in TV ARPU

EBITDA (NOK bn)



- Underlying opex reductions of 3%
- FTE reductions of ~400 year-on-year



TAKING A STRONG POSITION IN IOT IN NORWAY



Water and sewer



Intelligent buildings

Collaboration



Renovation

Welfare technology



Transportation and parking



Security

Streetlights

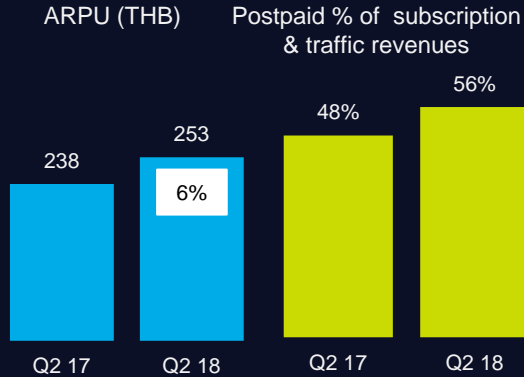


Industry



BUILDING A PLATFORM FOR THE FUTURE IN THAILAND

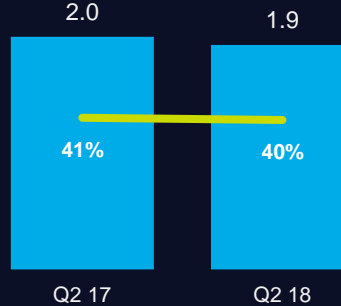
Continued migration to postpaid



- ARPU growth, driven by increased share of postpaid subscribers
- Postpaid customer base increased by 154,000 during the quarter

Solid EBITDA margin

EBITDA (NOK bn) and EBITDA margin



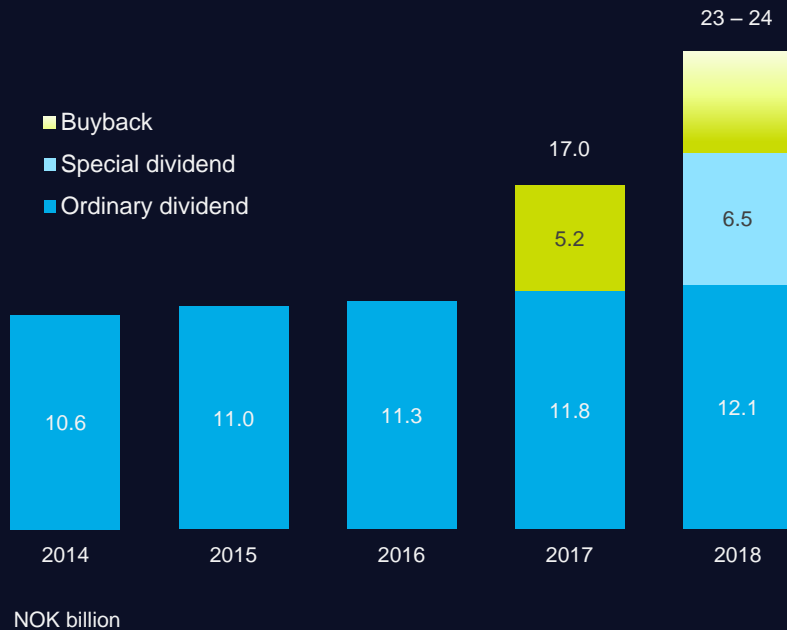
- 45% EBITDA margin excl. NOK 0.2 bn spectrum lease payment
- 7% opex reduction year on year

Prepared for end of concession Sep - 18

- Solid high-frequency spectrum position:
 - 1,800 MHz acquired in August 2018
 - 2,300 MHz spectrum lease from TOT, aiming for 7,000 sites end of 2018
 - 2,100 MHz network densification continues – close to 90% population coverage
- Tower lease agreement with CAT nearly concluded.
- Roaming agreement with AIS in place, as back up for 2G customers



ATTRACTIVE SHAREHOLDER REMUNERATION



- Commitment to year on year growth in ordinary dividends
 - Annual growth in recent years of 4%
- Buybacks and/or special dividends considered on a case-by-case basis
 - 2% buyback in both 2017 and 2018
 - Special dividend following disposal of the Central and Eastern European assets





Thank you!