

Tele2 AB
Skeppsbron 18
P.O Box 2094
SE-103 13 Stockholm, Sweden
Telephone +46 8 5620 0060
Fax: +46 8 5620 0040
www.tele2.com

2020-02-03

PRESS RELEASE

Full Year and Fourth Quarter 2019 Report

Stockholm – Tele2 AB (“Tele2”) (Nasdaq Stockholm: TEL2 A and TEL2 B) today announces its consolidated results for the full year and fourth quarter 2019.

CEO comment by Anders Nilsson

“This quarter marked the end of a transformative year as we completed the integration of Com Hem and set Tele2 up for its journey to become the smartest telco in the world. We delivered on our financial guidance for 2019, supported by execution of the cost synergies. Completion of the Com Hem integration ahead of the original plan allows us to initiate the next phase of transformation to build growth momentum and reduce cost by at least SEK 1 billion in the next three years. The Baltics continued to deliver this quarter and we are pleased to see Estonia returning to full year growth. The fixed mobile convergence (FMC) strategy in Sweden is progressing well with 219,000 customers now on FMC-offers.”

Highlights

- End-user service revenue of SEK 5.0 billion, flat compared to Q4 2018 on an organic basis (not comparable to past reports due to adjusted classification of revenue in the new Sweden Segment, [as previously communicated](#))
- Revenue of SEK 7.3 billion, a decline by 1 percent compared to Q4 2018 on an organic basis
- Organic growth of 10 percent in underlying EBITDA excluding IFRS 16, to SEK 2.4 billion in Q4 2019, driven by synergies from the Com Hem merger in Sweden and continued strong performance in the Baltics
- Profit after financial items (EBT) was SEK 1.1 billion, increased by SEK 0.5 billion compared to Q4 2018
- Net profit from total operations of SEK 0.9 billion, increased by SEK 1.3 billion compared to Q4 2018
- Earnings from total operations per share after dilution was SEK 1.36, increased by SEK 2.25 compared to Q4 2018
- Equity free cash flow from continuing operations of SEK 4.3 billion (SEK 4.8 billion from total operations), or approximately SEK 6 per share, for the full year 2019 increased by SEK 2.3 billion compared to 2018, driven by the Com Hem merger and strong underlying cash generation
- Full-year 2019 results in-line with guidance
- Financial guidance for the mid-term reiterated and 2020 guidance for capex excluding spectrum and leases updated to SEK 2.5-3.0 billion
- SEK 800 million out of total SEK 900 million cost savings from Com Hem integration completed and new three-year business transformation program launched, expected to build growth momentum and generate at least SEK 1 billion of opex savings
- Tele2’s Board of Directors proposes an ordinary dividend of SEK 5.50 per share, paid in two tranches, a 25 percent increase from the previous year. In addition, the Board proposes an extraordinary dividend of SEK 3.50 per share.

The logo for Tele2, featuring the word "TELE2" in a bold, black, sans-serif font. The "2" is significantly larger and more stylized than the other characters.

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Teleconference and webcast

Tele2 will host a teleconference and webcast with presentation at 10:00 CET (09:00 GMT, 04:00 EST) on Monday, February 3, 2020. The presentation will be held in English and will be available as a webcast at www.tele2.com.

Dial-in information

To make sure you are connected in time for the teleconference, please dial in a few minutes in advance and register your attendance. Use Confirmation Code **2364644**.

Dial-in numbers:

SWE: +46 (0) 8 50 69 21 80

UK: +44 (0) 2071 928000

US: +1 631 510 74 95

For more information, please contact:

Joel Ibson, Head of Corporate Communications, Phone: +46 766 26 44 00

Marcus Lindberg, Head of Investor Relations, Phone: +46 73 439 25 40

This information is information that Tele2 AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07:00 CET on 3 February 2020.

Tele2's vision is to be *the smartest telco in the world, creating a society of unlimited possibilities*. Ever since Tele2 was founded in 1993, we have continued to challenge prevailing norms and dusty monopolies. Today, our award winning networks enable mobile and fixed connectivity, telephony, data network services, TV, streaming and global IoT solutions for millions of customers. We drive growth through customer satisfaction and smart combined offerings. Tele2 has been listed on Nasdaq Stockholm since 1996. In 2018, Tele2 generated revenue of SEK 30 billion and reported an underlying EBITDA of SEK 9 billion. For latest news and definitions of measures, please see our homepage www.tele2.com.

TELE2