

FOURTH QUARTER

February 1, 2022

TELE2



Highlights and strategic initiatives

2021 guidance delivered

- End-user service revenue increased by 1% organically
- Underlying EBITDAaL increased by 5% organically

Strategic achievements 2021

- Consolidated Tele2 and Com Hem into the new Tele2 brand
- Executed turnaround of Sweden B2B business
- Announced the divestment of T-Mobile Netherlands
- Continued strong end-user service revenue performance in the Baltics and stabilization in Sweden
- Secured important spectrum in Sweden and the Baltics

Raising the dividend

- The Board proposes a 12.5% increase of the ordinary dividend to SEK 6.75 per share

Building sustainable growth

SEK (YoY growth)	Q4 21	FY21	The Group <ul style="list-style-type: none"> – EUSR growth of 2% for Q4 and 1% for 2021 with Sweden stabilizing and continued growth in the Baltics – Underlying EBITDAaL growth of 1% for Q4 and 5% for 2021 driven by EUSR growth and cost savings, partly offset by higher commercial spending in Q4 – Strong cash generation with EFCF of SEK 5.8bn during 2021 	Sweden B2C <ul style="list-style-type: none"> – Solid performance in mobile postpaid and fixed broadband driven by price adjustments and slight tailwind from roaming – Strong net intake in mobile postpaid in the quarter – Solid performance for Tele2 Play+. Launch of Tele2 Play Tv+
EUSR	4.9bn (2%)	19.3bn (1%)		
Underlying EBITDAaL	2.4bn (1%)	9.6bn (5%)		
Capex ex. spectrum and leases	1.0bn	3.2bn		
EFCF	1.8bn	5.8bn		
			Sweden B2B <ul style="list-style-type: none"> – Second consecutive quarter of EUSR growth, driven by mobile volume growth, solutions and slight tailwind from roaming – Mobile driven by improvement in SME intake, and volume growth in Large segment – Good Solutions activity despite supply demand challenges 	The Baltics <ul style="list-style-type: none"> – Continued strong EUSR growth in all markets driven primarily by ASPU growth and slight tailwind from roaming – Strong underlying EBITDAaL growth despite increased costs driven by commercial spending and higher inflation rates – 700 MHz spectrum acquired in Latvia

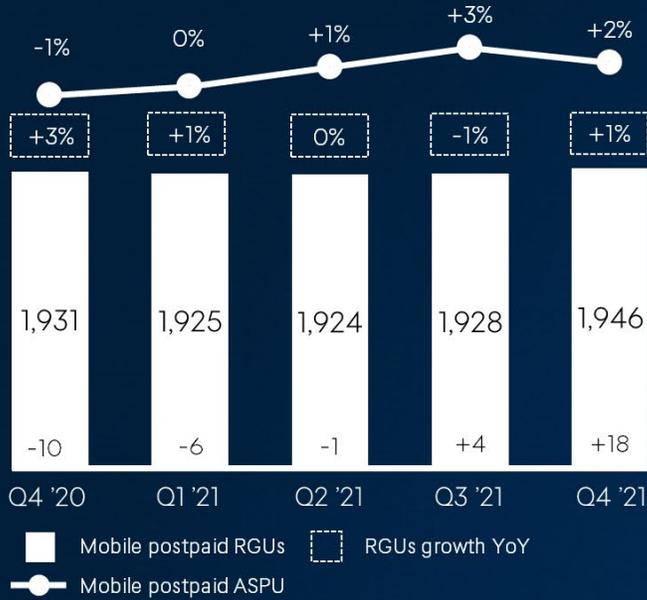
SWEDEN



Sweden Consumer

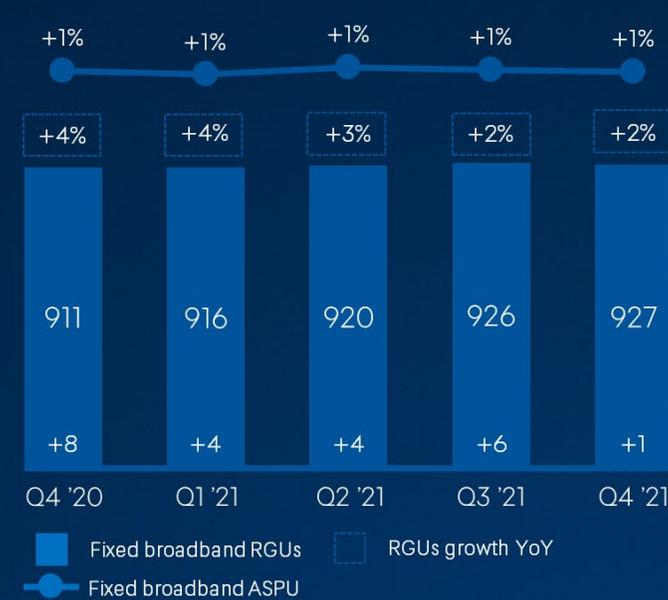
Mobile postpaid RGU & ASPU

Thousand QoQ and YoY growth %



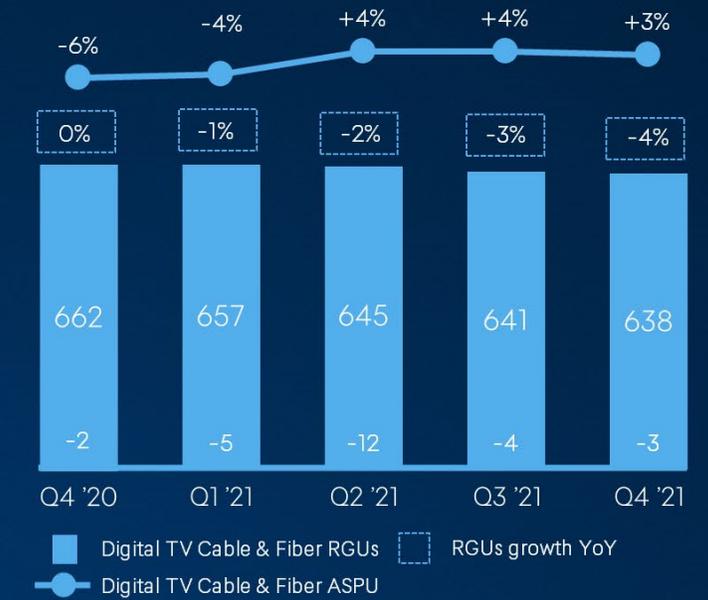
Fixed broadband RGU & ASPU*

Thousand QoQ and YoY growth %



Digital TV Cable & Fiber RGU & ASPU*

Thousand QoQ and YoY growth %



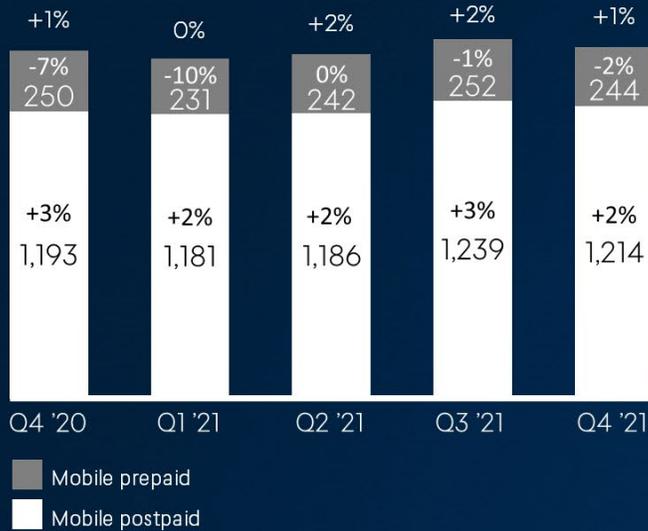
Q4 highlights

- Strong mobile postpaid net intake while sustaining ASPU growth driven by previous price adjustments and slight tailwind from roaming
- Continued ASPU growth for fixed broadband due to price adjustments done earlier in the year
- ASPU continued to grow within Digital TV Cable and Fiber supported by a growing contribution from Tele2 Play+

Sweden Consumer

Mobile EUSR

SEK million, YoY growth %



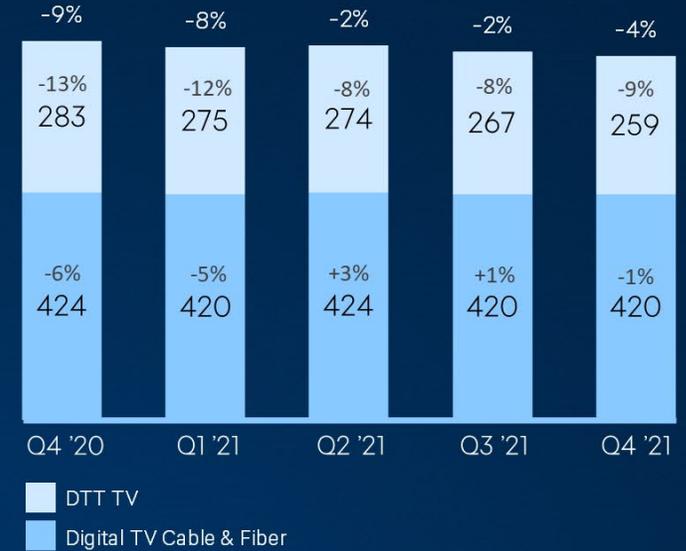
Fixed broadband EUSR

SEK million, YoY growth %



Digital TV EUSR

SEK million, YoY growth %



Q4 highlights

- Total EUSR for mobile increased by 1% YoY driven by ASPU and volume growth within mobile postpaid and slight tailwind from roaming returning
- EUSR for fixed broadband continued to increase by 3% driven by both ASPU and volume growth
- Total EUSR for digital TV declined by 4% mainly driven by continued decline in legacy DTT TV services due to a declining customer base

Sweden Business

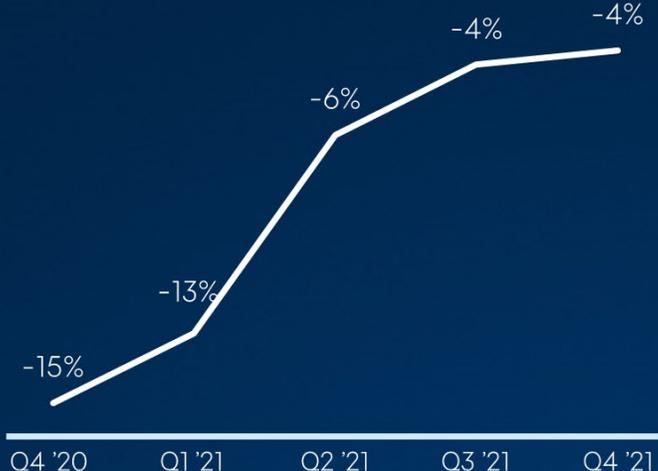
Mobile RGU & net intake

Thousand QoQ and YoY growth %



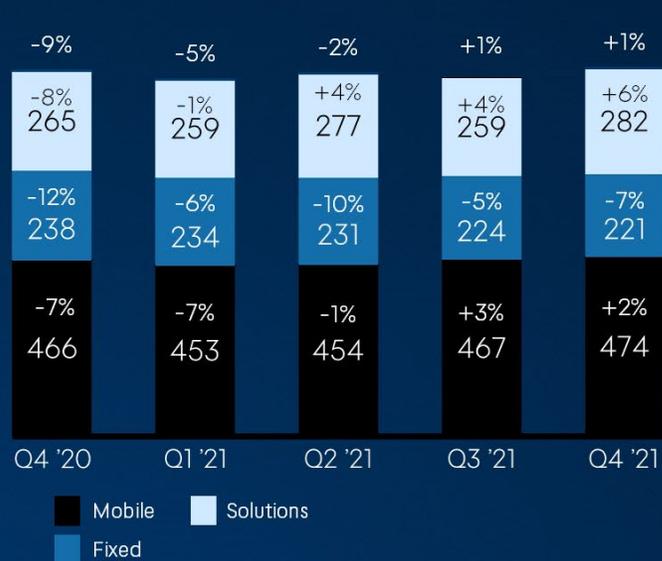
Mobile ASPU

YoY growth %



End-user service revenue

SEK million, YoY growth %



Q4 highlights

- Continued strong net intake within mobile of 14,000 RGU's driven by both SME and Large
- Mobile ASPU trends continue to improve driven by SME volume and larger focus on profitability within Large Private and Public
- Second consecutive quarter of EUSR growth as mobile and solutions are continuing to perform well, offsetting decline in fixed legacy services



Sweden overview

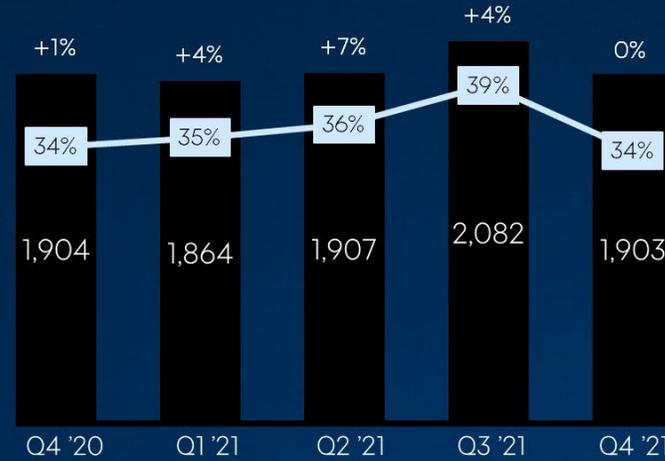
End-user service revenue

SEK million, YoY growth %



Underlying EBITDAaL & margin

SEK million, YoY growth %



Operating cash flow and cash conversion, rolling 12m, SEK million

rolling 12m, SEK million



Q4 highlights

- EUSR was flat YoY as growth in Sweden B2B and mobile postpaid and fixed broadband in Sweden B2C compensated the continued decline in legacy services
- Underlying EBITDAaL was flat YoY as contribution from the Business Transformation program was offset by increased commercial spending and headwinds stemming from unfavorable FX-rates
- Continued strong cash conversion of 64%, slight decrease from previous quarters due to higher capex as the 5G roll-out progresses

Cash conversion = operating cash flow / underlying EBITDAaL

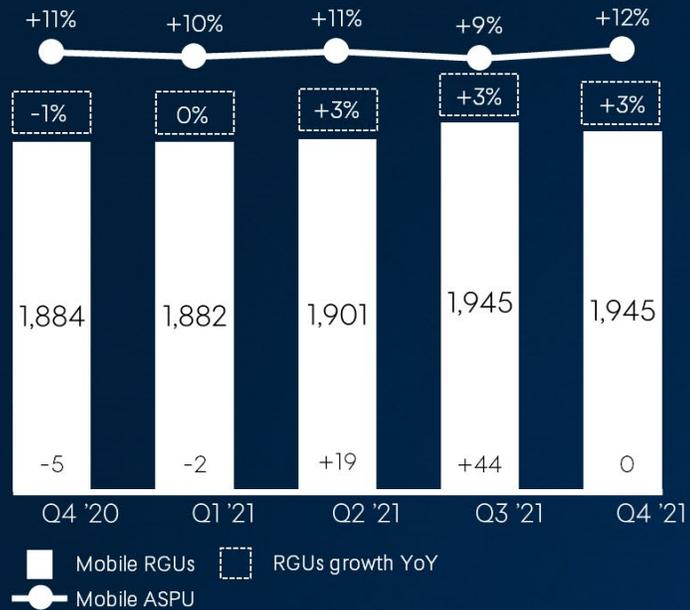
BALTICS



Baltics operational highlights

Lithuania – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



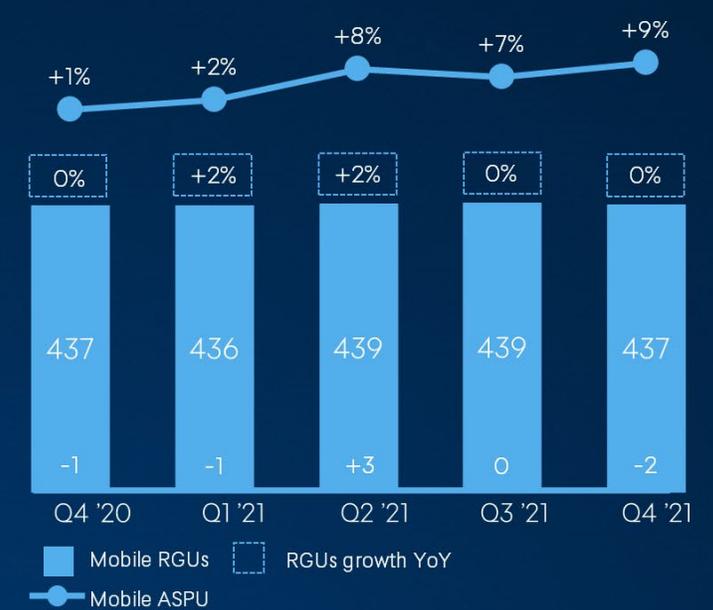
Latvia – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



Estonia – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



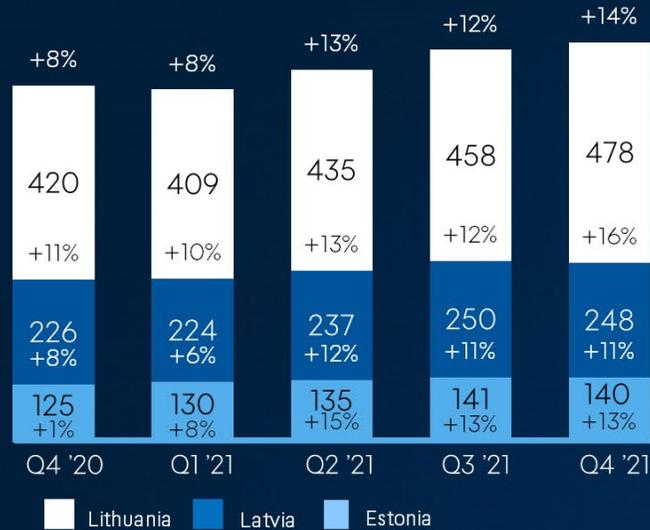
Q4 highlights

- Continued strong ASPU growth across all markets driven by more-for-more price adjustments and slight tailwind from roaming
- Continued strong mobile postpaid RGU growth in Lithuania and Latvia primarily driven by customer migrating from prepaid to postpaid. Net intake slightly negative in Estonia driven by promotional activity from competitors

Baltics financials

End-user service revenue

SEK million, YoY growth %



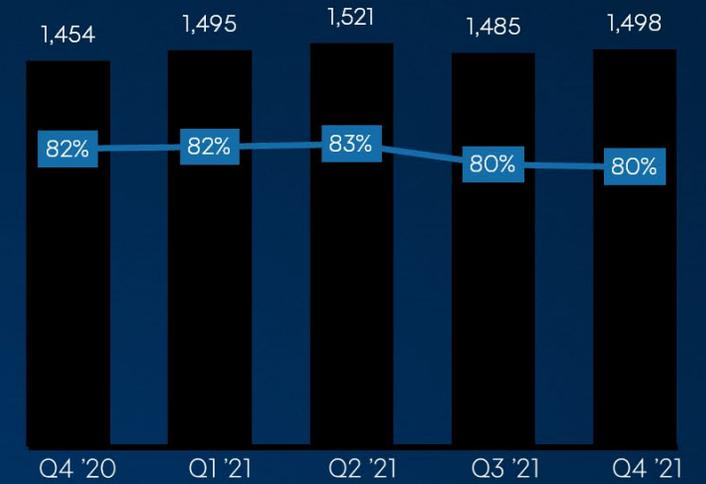
Underlying EBITDAaL & margin

SEK million, YoY growth %



Operating cash flow and cash conversion, rolling 12m, SEK million

rolling 12m, SEK million



Q4 highlights

- Continued strong EUSR growth of 14% driven by both ASPU and volume growth
- Underlying EBITDAaL increased by 7% driven by higher EUSR, offsetting slight pressure from rising inflation rates and higher commercial spending
- Continued strong cash conversion of 80% due to strong performance and low capex ahead of 5G roll-out. Slightly lower in H2 2021 driven by higher network capex related to investments into modernization of the core network in preparation for 5G

Organic growth rate
Cash conversion = operating cash flow / underlying EBITDAaL

FINANCIAL OVERVIEW

Revenue breakdown

SEK million		Q4 2021	Q4 2020	YoY abs	YoY % (organic)
Mobile ex. Roaming		1,440	1,433	6	0%
Postpaid ex. Roaming	1	1,197	1,185	13	1%
Prepaid ex. Roaming		242	249	-6	-2%
Fixed		1,434	1,455	-21	-1%
Fixed Broadband		699	677	22	3%
Digital TV		679	707	-28	-4%
Cable & Fiber		420	424	-4	-1%
DTT		259	283	-24	-9%
Fixed telephony & DSL		56	71	-15	-21%
Landlord & Other		169	171	-2	-1%
Sweden Consumer ex. Roaming	2	3,042	3,059	-17	-0.6%
Sweden Business ex. Roaming	3	969	966	4	0%
Baltics ex. Roaming		843	759	84	13%
EuS revenue ex. Roaming	4	4,855	4,784	71	1.7%
Outbound roaming revenue		50	25	25	99%
EuS revenue		4,905	4,809	96	2.3%
Operator revenue		615	593	22	4%
Equipment revenue		1,509	1,483	26	2%
Revenue		7,028	6,884	144	2.4%

Comments

- 1 Continued growth in mobile postpaid EUSR driven by both ASPU and volume growth
- 2 Slight decline in Sweden B2C EUSR ex roaming as continued growth within mobile and fixed broadband did not fully offset the decline in legacy services
- 3 EUSR for Sweden B2B ex roaming remains stable as volume growth in mobile and strong performance within solutions offset the decline in fixed legacy services
- 4 Total EUSR for the group ex roaming grew by 1.7% driven by growth in mobile postpaid and fixed broadband in Sweden B2C, stabilization within B2B and continued strong performance in the Baltics

Group results

SEK million		Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue		7,028	6,884	26,789	26,554
Underlying EBITDA	1	2,690	2,661	10,900	10,484
Margin (%)		38.3%	38.7%	40.7%	39.5%
Items affecting comparability	2	-117	1,963	-382	1,844
D&A		-1,531	-1,322	-5,952	-5,269
Impairment		0	0	0	0
Associated companies & JVs		108	255	221	311
Operating profit		1,149	3,557	4,787	7,371
Net interest and other financial items		-144	-112	-480	-517
Income tax		-95	1,032	-347	378
Net profit, continuing operations	3	910	4,476	3,960	7,233
Net profit, discontinued operations		43	-358	346	175
Net profit, total operations		953	4,118	4,306	7,408

Comments

- Underlying EBITDA grew by 1% in the quarter driven by EUSR growth and cost savings related to the Business Transformation Program, partly offset by increased commercial spending and headwinds related to higher inflation
- Items affecting comparability of SEK -117 million was mainly driven by restructuring cost related to the business transformation program in Sweden
- Net profit, continuing operations declined YoY primarily related to the closure of the operation in Luxembourg in Q4 2020, with no impact on equity, and higher amortization of the Com Hem brand following the brand merger with Tele2 in Q2 2021

Leverage at 2.5x

Economic net debt to underlying EBITDAaL

SEK billion



Comments

- Economic net debt increased by SEK 0.2 billion compared to Q3 2021 as the ordinary dividend of SEK 2.1bn was largely compensated by strong cash generation in the quarter
- Leverage of 2.5x remains below the mid-point of the target range of 2.5-3.0x
- Proposed ordinary dividend of SEK 6.75 per share (SEK ~4.7bn), a 12.5% increase compared to the previous year
- Aim to distribute the full proceed from the T-Mobile Netherlands transaction, pending closing and receipt of cash proceed

Economic net debt = Net debt excluding lease liabilities
Underlying EBITDAaL for total operations at the time of reporting

Business Transformation Program update



Comments

- Continued optimization within the technology and IT organization lead to cost reductions in Q4 2021
- Annualized run-rate at end of Q4 2021 of SEK 500 million (SEK 425m as of Q3 2021)
- Savings of 115 million realized in Q4 2021 with SEK 65 million net effect on underlying EBITDAaL growth (SEK 50 million realized in Q4 2020)
- Target of at least SEK 1bn in annual run-rate extended to H1 2023 to enable smooth IT-migrations and commercial momentum

Financial guidance

	End-user service revenue	Underlying EBITDAaL	Annual capex (SEK) ¹
2022	Low-single digit growth	Mid-single digit growth	2.8-3.3bn
Mid-term	Low-single digit growth	Mid-single digit growth	2.8-3.3bn

Comments

- 2022 guidance in-line with mid-term guidance
- 2022 guidance assumes growth in all markets, tailwind from roaming, most of the run-rate savings related to the Business Transformation program realized by end of 2022, partly offset by continued investments into growth projects in order to continue to build sustainable growth
- Mid-term guidance reiterated

Key priorities going forward

Sweden

Ramp up roll-out of nationwide 5G and continue Remote-PHY roll-out

Execute on Business Transformation program to achieve at least SEK 1bn in annualized run-rate savings by end of H1 2023

Sweden B2C

Execute on phase 2 of FMC with the rebranded Tele2

Continue balancing value and volume to drive long-term sustainable growth

Sweden B2B

Continue execution of segmented market approach to improve volume in SME, focus on profitability in Public and Large segment, and reach stabilization for the full year of 2022

Baltics

Build on current momentum, start roll-out of 5G and develop FMC capabilities

Group

Close T-Mobile Netherlands transaction

THANK YOU!



TELE2

