

Tele2's transformation boosts profitability

“Our organisation’s ability to transform quickly makes us confident enough to raise our guidance.”

Jean Marc Harion, CEO Tele2

Financial Highlights

Efficiencies and strict cost control across the group, together with strong performance in the Baltics, translates into strong uEBITDAaL growth.

End-user service revenue:	2 % growth
Underlying EBITDAaL:	15 % growth
Equity free cash flow:	1.6 bn SEK

Sweden's most sustainable company. Again.

Influential TIME Magazine names Tele2 the 23rd most sustainable company in the world, and number one in Sweden for the second consecutive year.

Frank is back!

Sweden's most loved ad icon has returned and he brought a new customer promise: You are No 1. We are Tele2.



2025: a transformation year for Tele2

- Our objective is to build a faster and more agile Tele2 – less complex, more resilient
- We continue to deliver on this objective by embracing Tele2's original challenger culture:
 - Simplifying our organisation
 - Applying stricter prioritisation and cost-control
 - Focusing on investments that make a difference to our customers
- We initiated this transformation in Q1 and are continuing the work throughout the year:
 - We have reduced workforce by more than 500 positions by June
 - Our new cost governance is in place, and we continue renegotiating our largest contracts
 - We are investing in our own channels and the differentiation of our brands
- We see strong support for the cultural shift across the organisation

Highlights

- 2% organic growth in end-user service revenue
- 15% organic growth in underlying EBITDAaL boosted by transformation
- Strong equity free cash flow of 1.6bn
- New TV service, new stores, new e-shop
- Rebrand launch with Frank leading the charge
- Europe's climate leader (FT) and Sweden's most sustainable company (TIME)



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Transformation delivering results

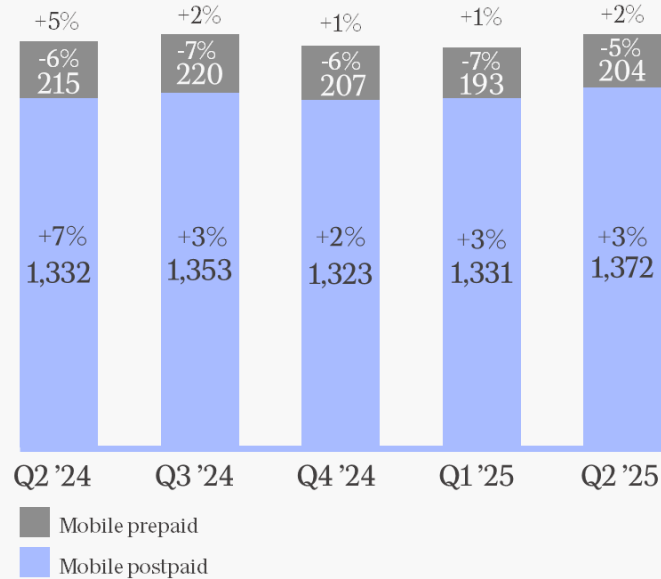
SEK (YoY growth) ¹	Q2 25	YTD	The Group in Q2		
End-user service revenue (EUSR)	5.5bn (+1.9%)	10.9bn (+1.6%)	<ul style="list-style-type: none"> – EUSR growth of 2% driven by the Baltics and Sweden Business – Underlying EBITDAaL growth of 15% driven by sharp cost control and Baltic end-user service revenue growth – Strong EFCF growth driven by underlying EBITDAaL and lower Capex – Financial leverage of 2.2x 		
Underlying EBITDAaL	2.9bn (+14.8%)	5.6bn (+10.6%)			
Capex ² to sales	12.4%	12.0%			
EFCF	1.6bn (+38%)	3.6bn (+48%)	Sweden Consumer in Q2 <ul style="list-style-type: none"> – EUSR decline of 1% as core connectivity growth is offset by Boxer decline – ASPU growth in Fixed broadband and solid volume growth in Mobile postpaid 	Sweden Business in Q2 <ul style="list-style-type: none"> – EUSR growth of 4% – Solid RGU intake in Mobile – Continued growth in Solutions 	The Baltics in Q2 <ul style="list-style-type: none"> – EUSR growth of 7% – Strong Underlying EBITDAaL growth of 20% supported by strong cost measures



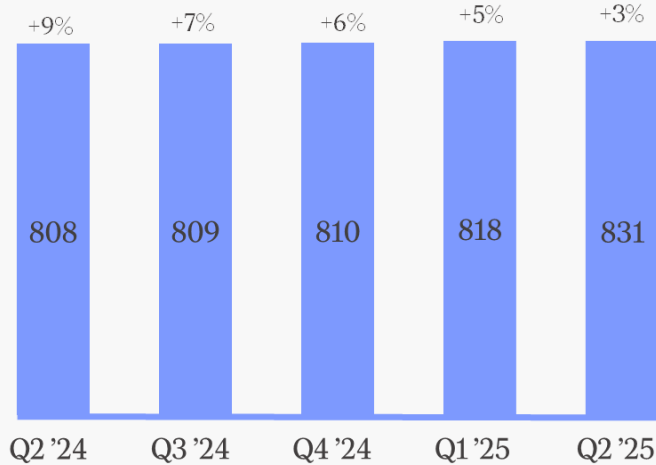
SWEDEN

Sweden Consumer: Connectivity growth offset by Boxer

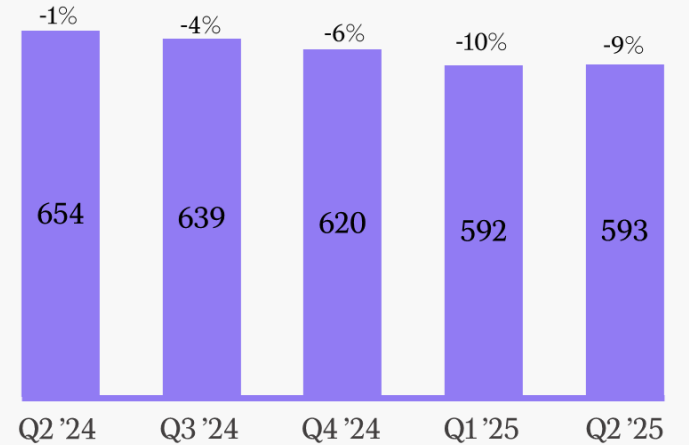
Mobile EUSR
SEKm, YoY growth



Fixed broadband EUSR
SEKm, YoY growth



Digital TV EUSR
SEKm, YoY growth

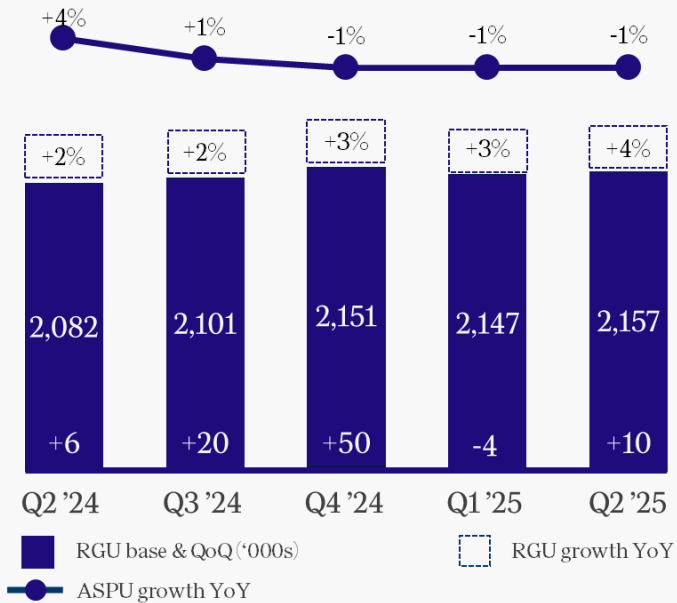


Q2 highlights

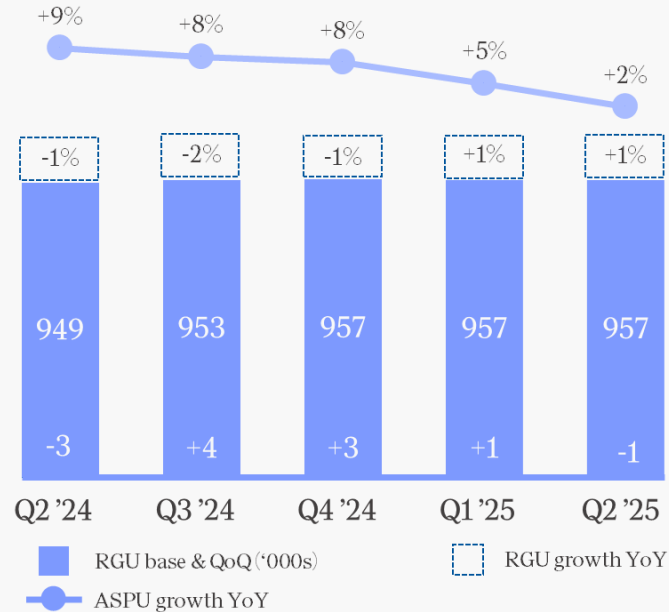
- Mobile end-user service revenue (EUSR) grew 2% due to 3% postpaid growth partly offset by continued prepaid decline
- Fixed broadband EUSR grew 3% mainly driven by ASPU growth
- EUSR for Digital TV declined by 9% entirely due to the continued impact of migrating Boxer off the terrestrial network

Sweden Consumer: Volume stabilising in TV

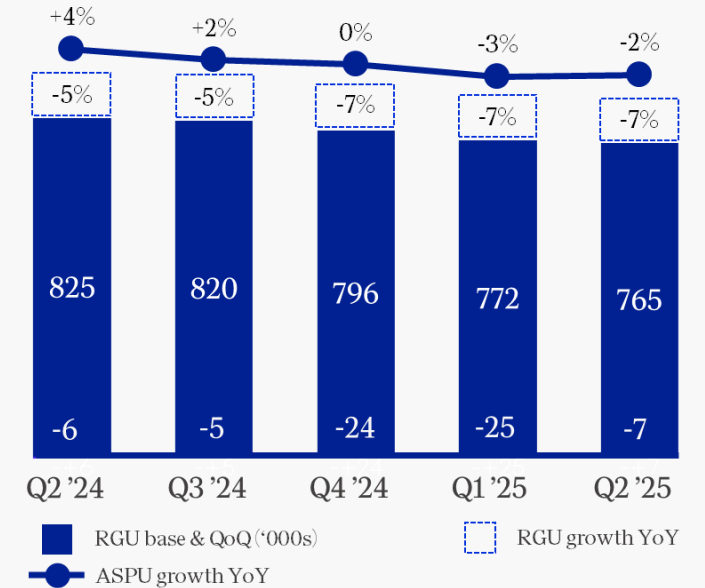
Mobile postpaid RGU & ASPU



Fixed broadband RGU & ASPU



Digital TV RGU & ASPU



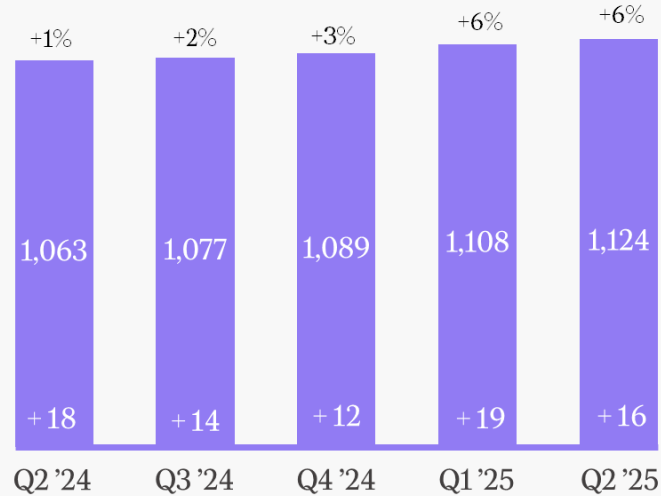
Q2 highlights

- Solid volume growth in Mobile postpaid despite continued slow handset market. ASPU growth of 1% excl. Tele2 fair value accounting
- ASPU growth for Fixed broadband driven by price adjustments
- Volume decline in Digital TV entirely driven by Boxer. Good intake on the new flexible TV & streaming portfolio

Sweden Business: Strong topline growth

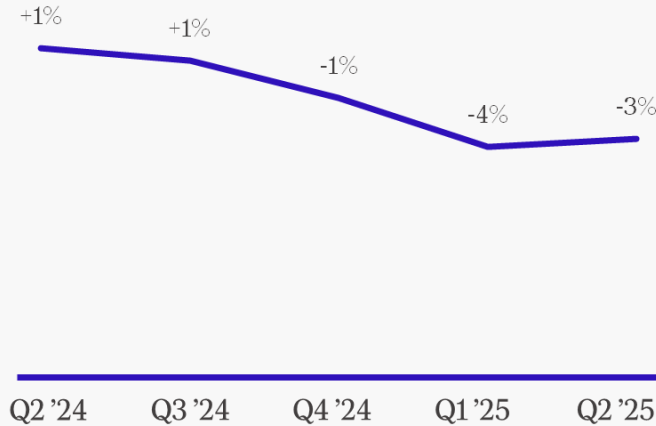
Mobile RGU & net intake

Base & QoQ excl. IoT ('000s), YoY growth



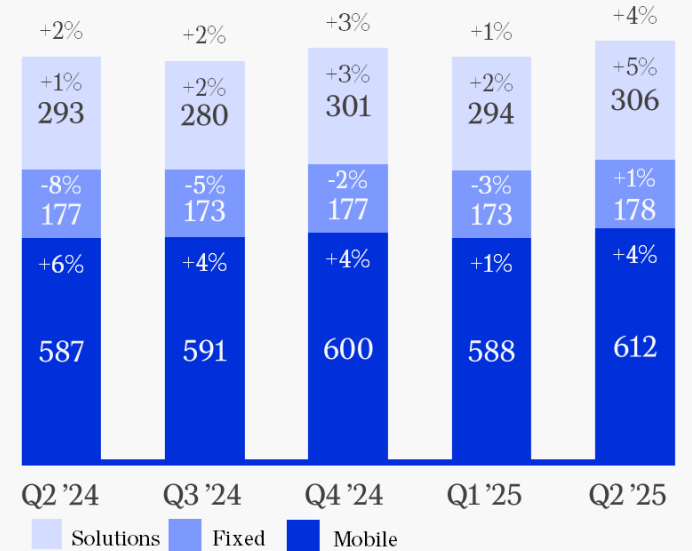
Mobile ASPU

YoY growth (excl. IoT)



End-user service revenue

SEKm, YoY growth



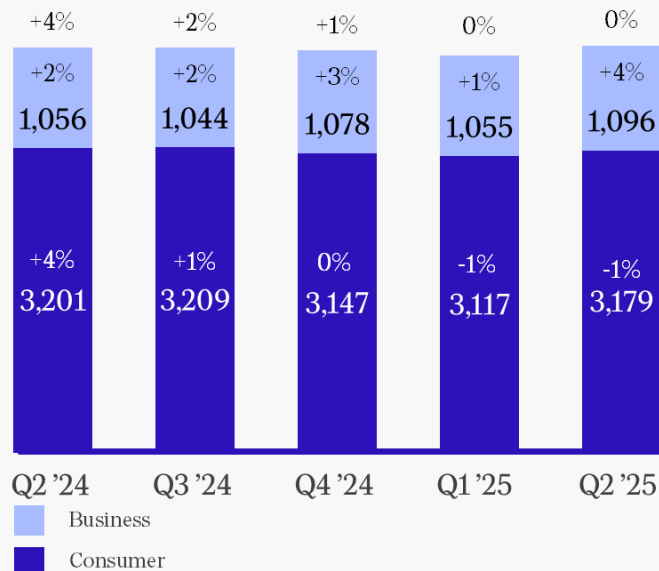
Q2 highlights

- Mobile EUSR growth of 4% driven by IoT and solid RGU growth among large customers. ASPU impacted by change in customer mix YoY
- Solutions EUSR growth of 5% while Fixed turned to slight growth for the first time in years
- Total EUSR growth of 4% despite continued economic headwinds

Sweden financials: 13% EBITDAaL growth

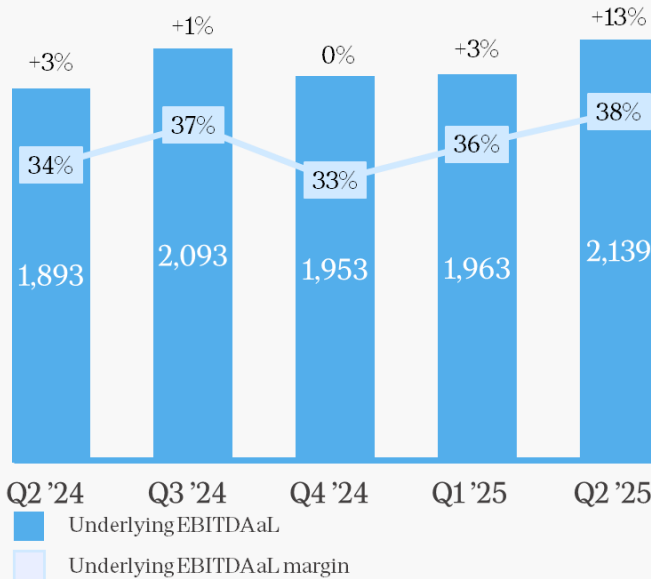
End-user service revenue

SEKm, YoY growth



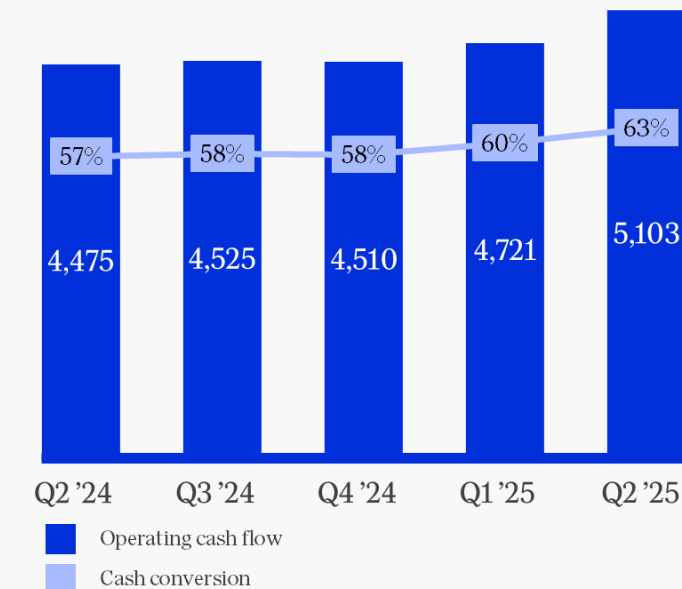
Underlying EBITDAaL & margin

SEKm, YoY growth



Operating cash flow and cash conversion, LTM, SEKm

conversion, LTM, SEKm



Q2 highlights

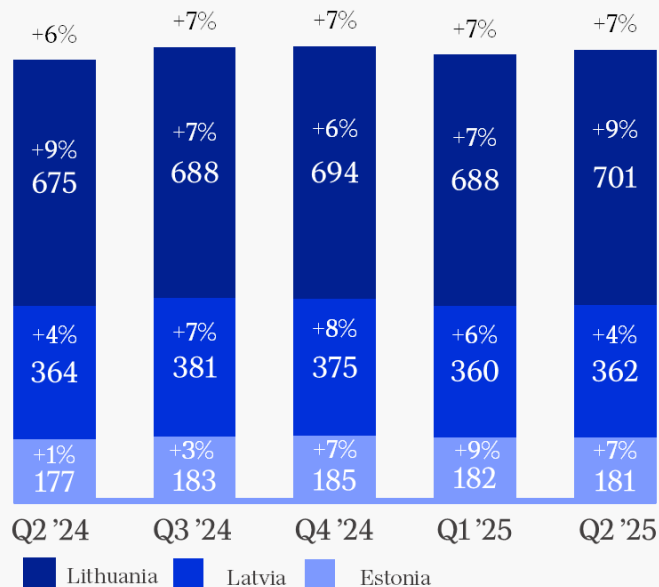
- EUSR remained stable as Consumer continued to be impacted by the Boxer migration
- Strong underlying EBITDAaL growth of 13% driven by the ongoing transformation
- Improving cash conversion of 63% LTM



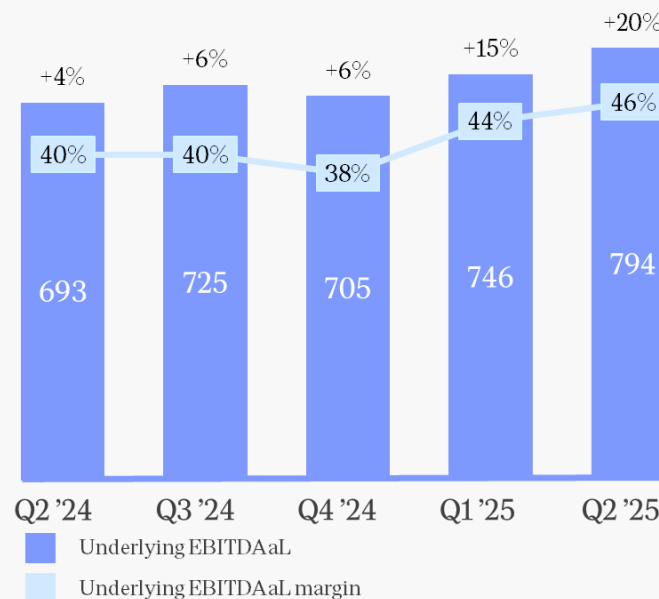
BALTICS

Baltics financials: 20% EBITDAaL growth

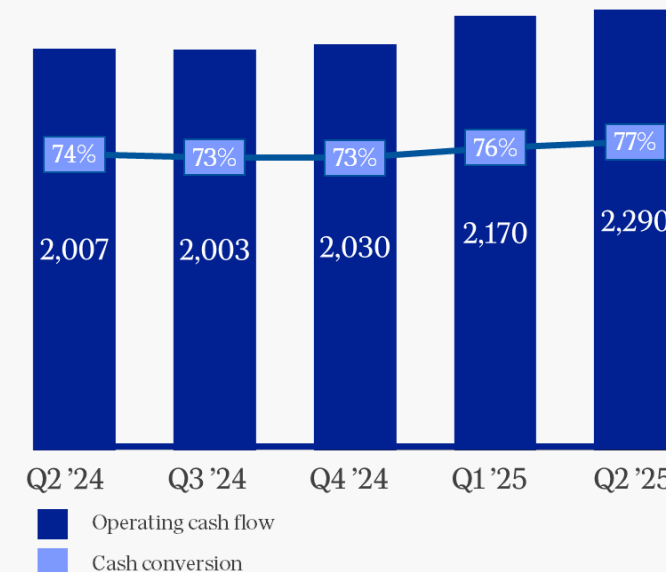
End-user service revenue
SEKm, YoY growth



Underlying EBITDAaL & margin
SEKm, YoY growth



Operating cash flow and cash conversion, LTM, SEKm



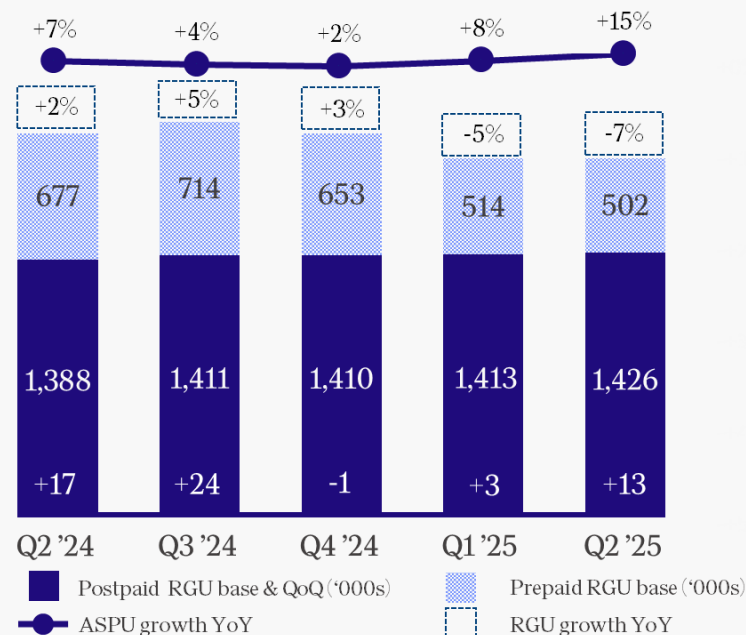
Q2 highlights

- Continued solid EUSR growth of 7% driven by both ASPU and postpaid volume across markets
- Strong underlying EBITDAaL growth of 20% with double-digit growth across markets driven by EUSR growth and cost control
- Improving cash conversion of 77% LTM

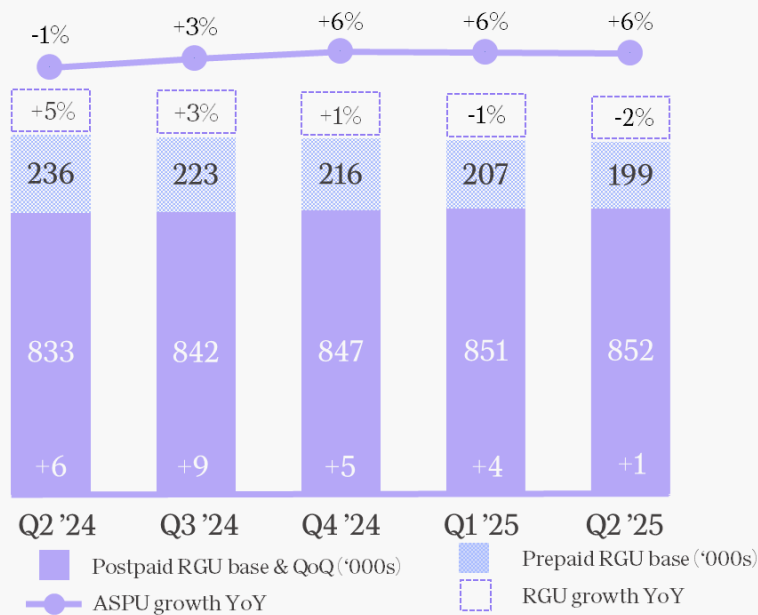
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Baltics operational highlights: Broad-based ASPU growth

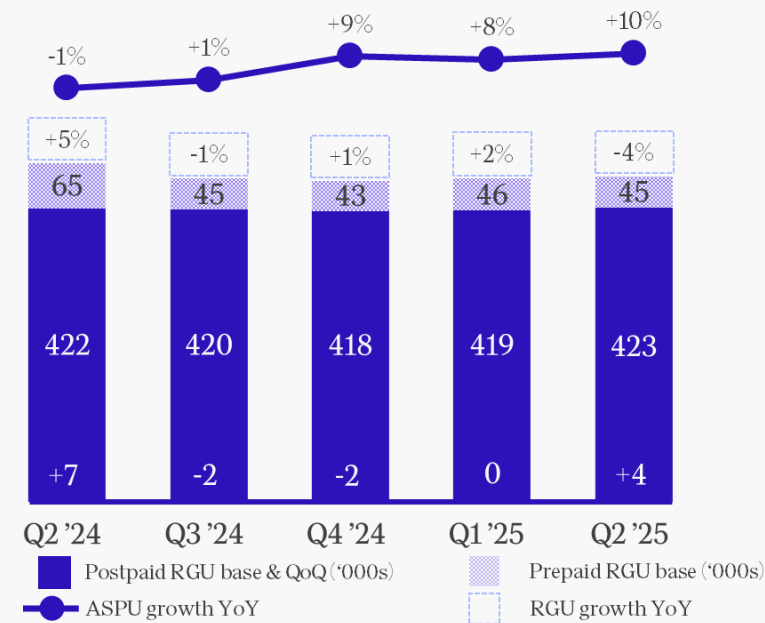
Lithuania – Mobile RGU & ASPU



Latvia – Mobile RGU & ASPU



Estonia – Mobile RGU & ASPU



Q2 highlights

- Mobile postpaid RGUs increased by a total of 19,000 RGUs in Q2 supported by all markets
- Mobile prepaid RGUs declined by a total of 21,000 RGUs
- Blended organic ASPU growth of 12% driven by price adjustments and prepaid to postpaid migration

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FINANCIAL OVERVIEW

Group results

SEK million		Q2 2025	Q2 2024
Revenue		7,256	7,258
Underlying EBITDA	1	3,343	2,964
Margin (%)		46.1%	40.8%
Items affecting comparability	2	-83	-65
D&A		-1,554	-1,479
Operating profit		1,707	1,424
Net interest and other financial items	3	-225	-273
Income tax	4	-286	-206
Net profit		1,196	946

Comments

- 1 Underlying EBITDA grew mainly driven by end-user service revenue growth in the Baltics and sharp cost control across operations
- 2 Items affecting comparability were mainly driven by restructuring costs and pension and inventory adjustments
- 3 Net interest and other financial items decreased due to lower financing costs for outstanding debt
- 4 Income tax increased largely due to higher taxable profits

Group cash flow

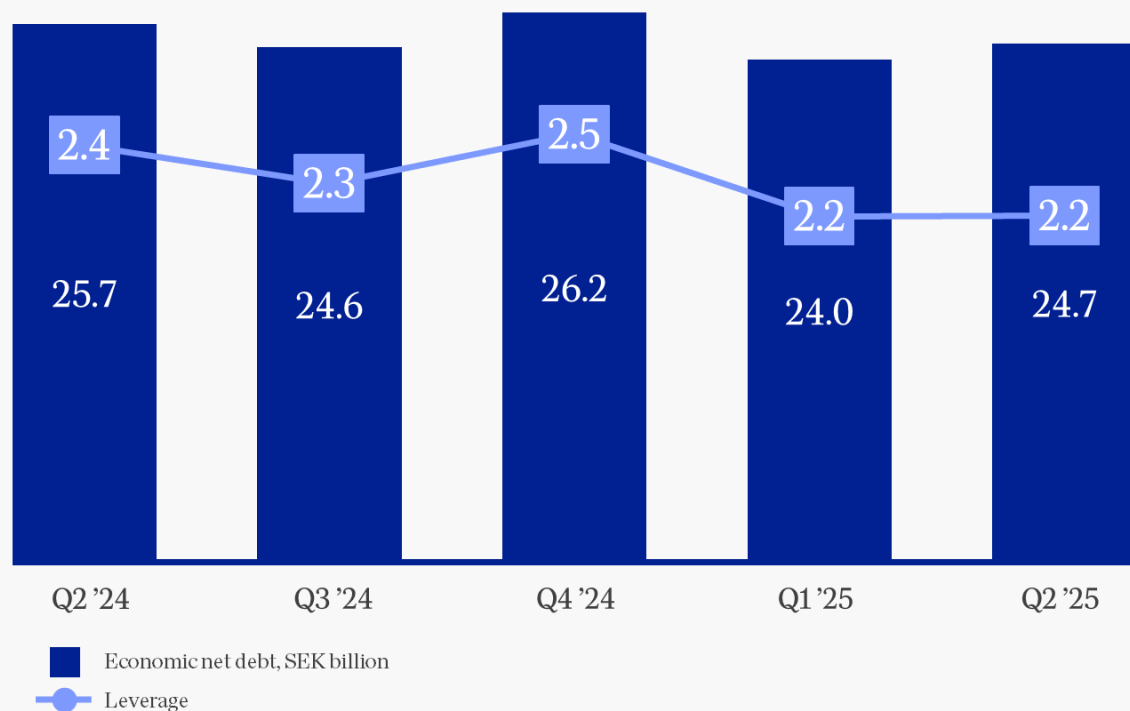
SEK million		Q2 2025	Q2 2024
Underlying EBITDAaL		2,932	2,586
Capex paid excl. Spectrum	1	-823	-1,014
Underlying EBITDAaL - Capex paid excl. Spectrum		2,109	1,573
Spectrum capex paid		0	0
Items affecting comparability		-83	-65
Changes in working capital	2	8	122
Net financial items paid excl. leasing	3	-165	-224
Taxes paid		-309	-298
Other cash items		61	64
Equity free cash flow		1,621	1,172
Equity free cash flow, rolling 12 months		5,557	4,887
Equity free cash flow, rolling 12 months / share (SEK)		8.0	7.1

Comments

- 1 Capex paid decreased due to lower investments
- 2 Changes in working capital were mainly impacted by reduced redundancy provisions related to workforce reductions and a decrease in inventory
- 3 Net financial items paid excl. leasing decreased due to timing of coupon payments and lower financing costs for outstanding debt

Leverage at 2.2x

Economic net debt to underlying EBITDAaL LTM



Comments

- Economic net debt decreased by SEK 1.5bn compared to year-end 2024 driven by the cash generated in the business, exceeding the payout of the first tranche of the ordinary dividend
- Leverage of 2.2x was below the lower end of the target range of 2.5-3.0x

2025 guidance updated

	End-user service revenue ¹	Underlying EBITDAaL ¹	Capex to sales ²
2025 guidance	Low single-digit (unchanged)	Slightly above 10% (previously mid- to high single-digit)	~13% (unchanged)

You are No 1
We are Tele2

TELE2