



Tele2 Q3 Interim Report 2026

Tuesday, 20th October 2026

Overview

Nicholas Högberg

President & Group CEO, Tele2

Welcome

Good morning, and welcome to Tele2's report call for the third quarter of 2026. With me, I have Peter Landgren, our Group CFO, and Stefan Trampus, our Chief B2B. Please turn to slide two for some highlights from the third quarter.

Highlights

In Q3, organic Group end-user service revenue grew by 2%, while organic underlying EBITDAaL grew by 3% from a strong base last year. In Q3, we generated a record-breaking equity-free cash flow of SEK2.3 billion.

Today, we will also update our full year guidance for 2026, which I will come back to later. Shortly after quarter end, our network JV secured a framework agreement for Sweden's new emergency network. Our network received the highest quality score in the procurement, a strong endorsement of its quality and reliability.

We also became the first operator in Sweden to offer Rich Communication Services for both Android and iOS, further demonstrating our ability to drive innovation in the market.

Finally, one of the highlights of the quarter was that we had the most satisfied mobile consumer customers among the main brands in the latest SKI survey, supported by a growing share of sales through our own channels. Beyond the highlights, we remain highly disciplined on investments and costs while continuing to see strong momentum across the company in engagement, innovation, and execution, reflecting the strength of our challenger culture.

AI and automation are already delivering value across our operations. As an example, most simple customer queries can now be resolved instantly by AI. While our voice bot, Anna, continues to improve customer satisfaction and allows our agents to focus on more complex customer needs.

We are closely monitoring the development of agentic AI. We believe this will reshape parts of the industry over time, and we are adapting to ensure we are well-positioned as customers increasingly search, compare, and purchase services in new ways.

The pace of development is rapid, and we are actively assessing both the risks and opportunities while continuously building on actions already underway, advancing initiatives already identified and identifying further action as this landscape evolves.

Given the early stage and the speed at which the ecosystem is developing, we remain humble about how the market will evolve. For competitive reasons, however, for now, we do not intend to comment in detail on specific initiatives or further plans. That said, rest assured that we are actively preparing for a future where agentic AI plays an increasingly important role in our customer journey. We are not here to defend ourselves from AI. We are here to win more, thanks to AI.

Please move to slide three for more details on our results.

Another solid quarter

Our 2% organic growth in end-user service revenue was driven by all our operations. Our 3% organic growth in underlying EBITDAaL was driven by both revenue growth and continued sharp cost control. Reported growth was rather flat, burdened by the impact of the Baltic Tower transaction in Q1.

Our strong equity free cash flow grew by 30% year-on-year, and Peter will go through the details. CAPEX to sales, which was seasonally low, remained below last year's level, mainly due to lower 5G rollout pace. Our financial leverage ended at low 1.5x ahead of the final dividend tranche, which was paid last week.

In Sweden Consumer, end-user service revenue remained stable with continued growth in mobile postpaid and DTV. In Sweden Business, end-user service revenue grew by 5%, mainly driven by mobile due to continued strong IoT growth.

Our Baltic operations grew organic end-user service revenue by 6% and organic underlying EBITDAaL by a strong 9%.

Let us move to slide five for more details on Swedish Consumer.

Sweden

Sweden Consumer: Growth in mobile and TV

As outlined in the CEO letter, the Swedish market remains highly competitive. While reducing churn is key, we are encouraged by developments in gross intake, driven by a stronger sales culture, operational improvements, and increased brand momentum. At the same time, we continue to expand our own channels with positive trends both in own channel sales and conversion.

Mobile postpaid end-user service revenue grew by 3%, partly offset by continued decline in prepaid, resulting in a 1% growth in total mobile end-user service revenue.

In fixed broadband, end-user service revenue declined by 3%, impacted by continued competitive pricing dynamics. In digital TV, end-user service revenue once again grew by 4%, driven by healthy high single-digit growth in Tele2 TV, more than offsetting the continued impact of Boxer TV switch-off.

Let us look at consumer KPIs on slide six.

Sweden Consumer: Overall RGU growth

In Q3, mobile postpaid added a solid 11,000 RGUs, mainly driven by mobile broadband, whereas mobile postpaid ASPU remained unchanged year-on-year.

Fixed broadband RGUs declined by 6,000 in Q3, reflecting our continued cautious stance in open networks, where pricing competition remains unhealthy. TV RGUs increased by 2,000 in Q3, with continued good momentum in Tele2 TV. ASPU grew by 3% year-on-year.

To sum up, we delivered another solid quarter overall in terms of customer intake, despite continued competitive intensity and typical seasonal softness.

Please move to slide seven for Sweden Business.

Sweden Business: Strong growth

Sweden Business continued to deliver solid end-user service revenue growth, reaching a strong 5% in Q3. Mobile grew by 7%, mainly driven by our fast-growing IoT business. Mobile RGUs increased by 10,000 in Q3, supported by steady growth across several segments. ASPU continued to improve sequentially.

Solutions grew by 4% in Q3, primarily due to strong demand for network solution and managed connectivity services. Fixed declined by 4% due to lower IP VPN revenues as a result of migration to new solutions, partly offset by continued solid growth in fixed broadband.

Please move to slide eight for Sweden financials.

Sweden financials: EBITDAaL growth from a strong base

In total, Sweden end-user service revenue grew by 1% in Q3, driven by business. Underlying EBITDAaL grew by 1%, driven by the end-user service revenue and continued sharp cost control. Cash conversion improved to 77% over the last 12 months.

Let us move to Baltic financials on slide 10.

Baltics*Baltics financials: 9% EBITDAaL growth*

Baltics once again maintained strong top and bottom line growth. Total end-user service revenue grew by 6% organically, partly supported by price adjustments. Underlying EBITDAaL grew by 9% organically, mainly driven by end-user service revenue growth and cost optimisations. Cash conversion based on the last 12 months remained at 80%.

Let us move to slide 11 for Baltic operating KPIs.

Baltics KPIs: Strong ASPU growth

Total postpaid base increased by 14,000 RGUs in Q3, driven by Lithuania and Latvia, while prepaid increased by 2,000 RGUs. Blended organic ASPU continued to grow by a solid 7%, driven by price adjustments and continued prepaid to postpaid migration.

With that, I hand over to Peter, who will go through the financial overview.

Financial Overview

Peter Landgren

EVP & Group CFO, Tele2

Group results

Thank you, Nicholas, and good morning, everyone. Please turn to page 13 for the Group income statement.

Total revenue grew by 2%, driven by the service revenue. On reported underlying EBITDA after lease, I would like to remind you about the Baltic Tower transaction. As previously stated, the transaction is expected to have a negative impact of around €35 million on a 12-month basis, starting from March 2026. This translates to around SEK100 million in the quarter.

The organic growth in underlying EBITDAaL, which reflects the pro forma development, was plus 3% compared to Q3 last year, thanks to the service revenue contribution and sharp cost control across the Group.

Items affecting comparability were mainly impacted by restructuring costs, which were significantly reduced compared to last year. Net financial items decreased year-on-year, mainly thanks to higher interest income. In Q3, our average interest rate was 2.8%, with a debt mix of 74% fixed rates and 26% floating rates. Income tax increased year-on-year, mainly due to higher taxable profits.

Let us move to the cash flow on slide 14.

Group cash flow

CAPEX paid excluding spectrum decreased, primarily due to lower 5G rollout pace and somewhat delayed hardware supply. Spectrum CAPEX paid refers to the Lithuanian spectrum acquired in 2026. Changes in working capital were mainly impacted by increased accounts payable, including a spillover to October of around SEK150 million.

Net financial items paid, excluding leasing, decreased, thanks to both lower financing costs for outstanding debt and higher interest income. Taxes paid decreased since Q3 last year included around SEK135 million of withholding tax payments in Latvia, while the corresponding payment this year occurred in the second quarter. Altogether, equity free cash flow reached SEK2.3 billion in Q3. Over the last 12 months, SEK6.7 billion has been generated, equivalent to around SEK9.7 per share.

Please turn to slide 15 for our capital structure.

Leverage at 1.5x

End of Q3, economic net debt was SEK17.5 billion, a reduction of SEK6.8 billion compared to end of 2025. This was driven by cash proceeds from the closing of the Baltic Tower transaction in Q1 and the cash generated in the business, exceeding the payout of the first dividend tranche in May.

Our leverage of 1.5 times underlying EBITDAaL is comfortably within an investment-grade range. Adjusted for the payout of the final tranche of the ordinary dividend, which we did last week, pro forma leverage would have been at 1.8x.

With that, I hand over to Nicholas for some comments on our 2026 guidance.

Guidance

Nicholas Högberg

President & Group CEO, Tele2

2026 guidance updated

Thank you, Peter. Please turn to slide 16 for our 2026 guidance.

Based on our Q3 performance and expectations for Q4, we are updating our full year 2026 guidance as follows. Organic growth of end-user service revenue remains unchanged at low single-digit number. Organic growth of underlying EBITDAaL narrowed to 4% to 5%, from previous low-to-mid single-digit. CAPEX to sales lower to below 10%, from previously 10% to 11%.

With that, I hand back to Peter for some additional comments regarding 2026 before we open up for Q&A.

Additional Remarks

Peter Landgren

EVP & Group CFO, Tele2

Thank you, Nicholas. Yes, there is always a few additional remarks on the cash flow for 2026. On spectrum, we still estimate full year payments of around SEK180 million related to auctions concluded in Sweden and Lithuania.

On working capital, we are of course pleased with the strong performance year-to-date, but Q4 is expected to be weak related to seasonal increase in equipment receivables and the SEK150 million of payment timing that I mentioned earlier.

On financial items, excluding leasing, we still estimate full year net payments of around SEK600 million. Finally, on taxes, we still estimate full year payments of around SEK1.45 billion.

With that, I hand over to the operator for Q&A.

Q&A

Andrew Lee (Goldman Sachs): I had two questions around costs, one on CAPEX and one on OPEX/CAPEX. On the CAPEX side, obviously your CAPEX is coming in lower-than-expected this year. I guess what everyone is trying to understand, is that just phasing? Does that get bumped into 2027? Because I think you have mentioned some delays in hardware supply. Or are you finding some structural efficiencies that could mean your CAPEX intensity is perhaps lower in the long term than you expected? Any colour on that would be helpful.

Secondly, just in terms of cost efficiencies. Obviously not a lot of operational gearing being shown in your numbers at the moment in Sweden. There has been some tennis between you and Telia in terms of who can show the most cost efficiencies and peer analysis, etc. We have not heard from you for a while in terms of large scale cost efficiencies. I understand that you are doing ongoing headcount reductions. But should we be anticipating a bit more effort or at least commentary from you on your OPEX and cost efficiencies more broadly, going into next year, given there is less evidence of it at the moment?

Nicholas Högberg: Thank you, Andrew. I can start off by commenting a bit on both, actually, and that is, of course, that we will continue with a very strict cost control and cost discipline, which is part of our DNA and will be. So no changes on that going forward.

Also, when it comes to CAPEX, it is important to understand that we are having a culture where we scrutinise every investment and making sure that it reaches the customer, and that we are doing smart investments. With that said, we have passed the big 5G build-out phase. We are now focusing on enhancing the core network. One example is building the 5G standalone to be even more efficient in the network.

Also said regarding CAPEX, it is important to understand that our company culture is that we always try to find new ways and new solutions to problems that occur. One of those problems is increased hardware prices and memory shortage, etc. We have found ways around that, which makes us very efficient when it comes to CAPEX investments.

Cost efficiency. The cost efficiency part, before I leave over to Peter for some further comments, is that we are scrutinising all costs. At the same time, we are investing where we think we will benefit from that. With that said, we have increased our store footprint since January 2025 with 15 stores, and also we have put more investments behind our brands which has paid off quite significantly, where we have seen great improvements when it comes to sender ID, which also helps us in our growth journey. So we should be very disciplined and work with profitable, sustainable growth. So that is the parts I wanted to highlight regarding these two questions. With that said, I leave over to Peter to comment more on these parts.

Peter Landgren: Thank you, Nicholas, and morning, Andrew. I think you covered it quite well. But maybe on the CAPEX, since you asked about some maybe spillover. What we see, as you know, is that it is a challenging hardware situation. As Nicholas points out, a lot of it is solved by creative solutions in the company. But we see a spillover of maybe between SEK50 million and SEK75 million that might come moving forward instead.

Then looking forward, we have seen the peak investments in Sweden when it comes to the swap and rollout. Now we are moving to another CAPEX era for a couple of years. We will remain the discipline. We benefit from the Net4Mobility construction. But of course, we keep investing, for instance, in the mobile core, as Nicholas mentioned.

On the cost side, maybe repeating a little bit there as well, but it is less about announcing large programmes and more about the constant optimisation that will continue, and reinvesting where it makes sense commercially. We should not forget that we raised the bar quite dramatically last year, and that is one reason why it optically looks like we are maybe doing less now, but that should not be forgotten.

Andrew Lee: Thank you both. Can I just have one quick follow-up on your comments on the CAPEX and the spillover, Peter? That SEK50 million to SEK75 million, is that a spillover from 2026 into 2027? Or by spillover, do you mean a SEK50 million to SEK75 million cost inflation around memory and hardware cost inflation generally? How should we read that?

Peter Landgren: It is related to the complicated hardware situation, which we are partly solving in other ways, by thinking twice how we design the network and what we buy and what we can refurb. But then, of course, in some cases, we need to buy. Exactly when and how that will turn out remains to be seen, because that is in the nature of this quite complicated situation, that it is not fully clear when all orders will be placed and received. So we will see how that will play out exactly.

Andrew Lee: Understood. So that is SEK50 million to SEK75 million that would have been spent in 2026 that now looks to be spent in 2027?

Peter Landgren: Yes.

Andrew Lee: Okay. Thank you.

Fredrik Lithell (Handelsbanken): Thanks for taking my questions as well. Maybe two. You received this SWEN contract just a couple of days back or maybe yesterday. Can you talk a little bit what you foresee that will translate to on your service revenue line over the years? I understand it is a very long time period to implement and receive revenue streams, maybe, but it would be interesting to hear that.

Second is a bit more high level discussion maybe, that is of interest. The satellite and your view on what satellite and what role that will play for you over time. It would be interesting to hear some elaboration on that.

Nicholas Högberg: Thank you very much. I will leave the SWEN question over to Peter, but I must say and comment that we are very proud about that contract and coming out as the number one when it comes to quality of our network. With that said, Fredrik, and thank you for your questions, I leave over to Peter to comment on the financial part.

Peter Landgren: Yes, I will do the more technical and financial part. When it comes to service revenue, we should keep in mind this is a Net4Mobility contract, which we are of course very pleased with, but that will technically mean that it will rather serve our network cost rather than injecting any more top line. But it does not make it less worth it. It is a great project. You should not expect any sizable benefits in the short term. This is a long project and it is long lead times before you see anything material. So we are very pleased in the mid-term, but nothing in the short term that will turn a needle.

Fredrik Lithell: Can I just add on that one? It is delta positive, right? It is not something you have done on other aspects before. This is adding to your operations in a sense, right?

Peter Landgren: Yes.

Nicholas Högberg: Comment on the hottest topic right now, the satellite part. First of all, it is worth saying that you should always be humble when Elon Musk does something. A couple of weeks ago, I did not believe in flying cars. Now we have seen that. But with that said, it is important here to keep a couple of things in mind.

We are talking about two different things when it comes to satellite. The first thing is the broadband part. When we look at the broadband part, we do not see it as an imminent threat more than a complement to our already existing services. You have to remember that 88% of the population lives in rural area, representing

1.6% of the surface of Sweden. So we have a very dense population, which makes it a bit harder for satellite broadband to function really well and serve a lot of people.

With that said, it plays a great role in the future for B2B, but also for individuals outside of urban areas, in the rural areas. Also, it is important to understand that we have low prices on broadband already, and we have very good quality on broadband in Sweden. So the broadband part is more a complement.

Then going over to the D2D part, which is then voice. We all saw that Elon Musk acquired a low-band spectrum for SEK80 billion. This is very much a different situation in Europe when it comes to regulation. You have to buy spectrum to be able to work with D2D from a satellite, and there is no spectrum to be sold in many years, and the regulatory situation in EU and in Sweden, in particular, is quite complicated. It is not for everyone to just go out and buy spectrum.

Even though there are probably, in a theoretical way, technical possibilities in the future, I think we will see that it will take some more time in Europe and Sweden before satellite D2D is launched and works really well in the subway or in the office or where we have a dense population.

Does that answer your question, Fredrik?

Fredrik Lithell: Absolutely. It is very good. Can I have a follow-up on that one and see if you already, in your operations, evaluate and have projects that work with a hybrid solution on the D2D side so that you are well prepared whenever you can add on that kind of connectivity to your terrestrial already available services. Is that something you do?

Stefan Trampus: Hello, Fredrik. Stefan Trampus here. Thanks for your question. Yes, we do. We were actually the first operator launching such a cooperation with Skylo last year. We are offering complement to our mobile services in order for some customers to have communication on satellite. That is something that we have already put in motion.

I think to what Nicholas was alluding to, we will see this more as a complement, rather than something replacing the services that we have.

Andreas Joelsson (DNB Carnegie): Maybe a follow-up to Andrew's question, but on the other side of the equation. To grow EBITDA, you can do things on the cost side, but you can also do things on the top line. Since you are quite efficient, maybe that will become more and more important, the top line growth. Can you say something, not offer any guidance or so, but how do you see that you will drive growth going forward, especially given that you say it is a very intense competition in your main market in Sweden? How do you see that the ASPU will continue to grow given that competition, given the agentic AI that you mentioned, and perhaps also other type of challenges?

Nicholas Högberg: Thank you, Andreas. You are absolutely right. You have two levers to work with, cost and revenues, of course. We will be very focused on both of them. Going back to what I said, we have invested and will continue to invest in our own sales channels. We are working relentlessly on our sales culture and being much more into the details and working on optimisation everywhere. This is, of course, a combination of many different things.

Let me just talk very short about our brands and marketing. We have invested quite heavily, as you know, in reintroducing Frank, which has been very successful for us. We have gone from a sender ID, meaning how many knows that Tele2 actually is the company doing marketing, from 30% before to almost 80% now for Tele2, and even higher for Jättebra! Karim with Comviq. That, of course, increases our possibilities of growing more efficiently. So expanding our own sales channels and then, of course, enhancing our brand. This is for consumer.

Looking at B2B, we are growing. We have a very strong growth in B2B, and we are growing in all segments. That is thanks to many reasons that Stefan can elaborate a bit more on. The Baltics, as you see, is continuing to growing. Sharp cost control, of course, and then make it very easy for the customer and going forward, also agentic agents, of course. We are not here to defend ourselves against AI. On the contrary, we will use AI to win even more.

We are humble, but looking forward to make the company even better thanks to AI and offer the customers much better and simpler ways of buying our services and combining a lot of services for the customers.

I don't know, Stefan, if you want to elaborate a bit on sales and growth for B2B.

Stefan Trampus: Yes, sure. First of all, it is worth highlighting when we talk about growth, this is our 21st consecutive quarter of showing B2B growth. As stated after the Q1 report, I am happy to see that we have a well-diverse portfolio, which give us the ability to have growth from different sources.

Time to time, we do, as you know, have quarters with some swings due to some larger customer projects, wins or larger rollouts that we do. This quarter, we have good growth from fixed broadband, the solutions which is driven by the networking part. That is driven really based on the need for data, consumption, modernisation, security, AI, etc. Then we also have the mobile part, where we have both growth on the mobile, regular, but very much so driven by IoT this quarter.

Looking forward, I would say we have a clear strategy on where to grow, on what segments, what products. You have seen or we communicated about the transformation on the portfolio that we did last year. It is clear for us where we have growth in the future, and we see demand in other areas like data centres, cloud, both public cloud together with our partnership with Scaleway, but also on our private cloud part.

Long term, I see a demand for our services, and we are well-positioned to support our customers in the digitalisation journey. Hope that gives some colour to it. I will stop there.

Nicholas Högberg: Yes. I just want to add a last thing regarding growth. It is also about keeping our customers, and we are striving for having the most loyal customers in the industry, both B2B and B2C, where churn is super important. We have very good development when it comes to churn, where we have sold to customers through our own channels, both for B2B and B2C, which is promising going forward.

Andreas Joelsson: Very good. Thank you both.

Stefan Trampus: Thank you.

Nicholas Högberg: Thank you.

Maurice Patrick (Barclays): A question on agentic AI, if I may. I appreciate your comments in the opening remarks about saying it is early days and that it is hard to comment, but investors do ask a lot about it. It would be helpful to understand, especially for those of us maybe not in Sweden, a bit about some of the dynamics in your market. For example, do you have a material front book/back book pricing ARPU differential in your broadband and mobile base? It would be quite helpful to understand how material that is, if it is? Maybe understand a bit around the penetration of discount brands, just more widely in mobile and fixed in terms of actual numbers. Then also what you plan to do about addressing this agentic AI risk.

Nicholas Högberg: Thank you, Maurice. I will start by talking about and repeating what I said. From a personal perspective, I did not jump on this job to sit here and defend ourselves from AI. We are here to win more, thanks to AI. Of course, we have been working on this for several years, and it is a very exciting development. I remember back in the days, when we all thought that Apple would take out all the operators.

I think we need to be humble. No one actually knows. But at the same time, for us, it is super important to be the best choice and give the customer reasons to stay through a good network. I mean, great service. We see it is very appreciated the footprint of the stores that we have built out. It has been very successful, both in sales and conversion rates and traffic. And we should give the customers a high value for money, and do that by combining a lot of products.

We should also be the easiest choice for the customers and have very simple and attractive offers. That goes for both humans and machine, I would say. So let us call them agents or whatever, but it needs to be easy to buy our product and perceived high value.

Then, of course, and probably one of the most important parts is that we should use AI to become a better business by lowering cost and operating smarter and handing that value over to the customers as well. So there are many things. We view AI and agent as an opportunity, being a very fast and flexible challenger like us. Also we would never be able to do the transformation we are doing and will be a part of our everyday life, if it was not for AI. So it actually speeds up.

For us, of course, we are humble. We do not know exactly what will happen. I do not think anyone can tell, but we are viewing this as an opportunity.

When it comes to your questions regarding front book and back book, there are always differences and things to consider, but I view us being in a very good position when it comes to that. Maybe, I do not know, Peter, if you want to elaborate.

Peter Landgren: No, I think, obviously there are differences in the way that we have campaign prices when people are joining. Besides that, it is nothing that we call out exactly what it looks like.

Maurice Patrick: Great. I just thought as a follow-up, given that your point about wanting to be the first choice for customers, etc., that you might be able to give some data points to support that.

Peter Landgren: Sorry, can you repeat that question?

Maurice Patrick: Well, you made a point about wanting to be best for customers and first choice, and I just thought you might want to give some data points to support that view, because investors ask a lot about it.

Nicholas Högberg: No. At this moment, I will not give you any specific data points around that, because that is for us to keep close to us, how we work with that and those data points, and we do not want to give that away in a public forum, actually. But rest assured that we are working heavily on all those areas when it comes to AI.

Maurice Patrick: Good to know. Thank you, guys.

Nick Lyall (Berenberg): It was a quick question on churn, please, and then on broadband. Firstly on churn. I am a bit confused as to where you stand on the churn side. You mentioned, Nicholas, in the comments that gross intake improved, but it looks like net postpaid adds are static, broadband is sliding. Could you just describe where you are on churn, please? Is it something you want to develop on next year, but is there no sign of improvement yet? Whereabouts are you, please?

Secondly, on broadband. You lost another 6,000 subs, and you talked about unhealthy pricing in the open networks. Do you have any great concerns for next year as Telia gets stuck into Bredband2 post the acquisition and Telenor also adds Bahnhof? Is that going to get tougher? Can you just describe what you expect into next year, please?

Nicholas Högberg: Okay. Thank you, Nick. Looking at this churn question, there is a bit of a mix here. We have a positive net intake when it comes to mobile. What is worth pointing out, as you mentioned, is the

broadband side where we lost some 6,000 customers due to the fierce competition. We have chosen to not be as aggressive as some of our competitors when it comes to pricing.

With that said, we have initiated some initiatives in the broadband open, SDU broadband, where we are taking some bets, of course, from a very strict profitability perspective as well. We can see the very first signs from that, which is positive. But the unhealthy pricing is a challenge, and we have chosen to not participate so far in that pricing.

When it comes to Bredband2 and Bahnhof, we will see how that plays out, and I prefer not to comment too much on our competitors and focus on our own business. We will see how that plays out. On a general note, not touching upon this specifically, but on a general note, we are positive to consolidation in the market because we have, of course, very many players in the market. We are positive to that.

Peter Landgren: Maybe adding, since you asked about the future in broadband, of course, we are impatiently looking forward also to the upcoming regulation when it comes to the Villafiber, and we expect that to be clarified towards the end of the year. Then, of course, it is lead times until it is implemented and the pricing structure is clear, so it will probably last until the end of 2027 before it is fully implemented. That is something that we think will be beneficial also for the future in the broadband space.

Nick Lyall: Understood.

Felix Henriksson (Nordea): Thanks for taking my question. It is to Sweden. I think you had a good morning pre-closing chat. I at least had an impression that you had been a bit more active in third-party retail outlets in consumer during the quarter. Can you maybe comment about that, given that it goes slightly against your medium-term strategy of shifting volumes towards your own stores? How is the third-party retail outlet exits progressing, and what is your conviction in executing that?

Nicholas Högberg: Thank you, Felix. Well, I do not know if I agree that we have been more active in third-party retail. That is not my impression. We are still acting in third-party retail, but the most important part for us is to have the most loyal customers in the market, and that is why we have expanded our own sales channel footprint. We have done that quite a lot this year, as well as last year, and we are continuing to doing that.

When it comes to sales channels, it is important that as long as we can get loyal customers that are happy with our service at a low investment, any channel is relevant for us. Right now, we see that we are performing better in our own channels and hence why we are focusing on them and expanding those channels.

Derek Laliberté (ABG Sundal Collier): I have two questions. Starting out with the high level one on guidance and Q4 here. You have delivered 5.9% organic underlying EBITDAaL growth this year-to-date, but you now guide for the 4% to 5% for the full year. What would you say are the main factors behind this implied slowdown in Q4? And is it mainly tougher comps or anything else changing operationally?

Peter Landgren: Okay. Either Peter or I will start. I think you had two questions, but we will wait for the second one then.

On the guidance, you are right when it comes to the numbers. What we see in the fourth quarter is a little bit of repetition of what we have talked about during the year. We recognise that it is a little bit of a challenging macro environment, and then the competitive situation is also, as we have called out, competitive. That is what is reflected in our guidance. You should keep in mind that we also, again, had a very strong last year and a strong Q4 last year, which is the comparable for Q4.

Of course, we want to have the flexibility which we have to act commercially as we see fit during the quarter. With all those things together, we think that the guidance that we have called out now of 4% to 5% organic growth is the right one.

Derek Laliberté: Great. Appreciate the colour. Then just on the Baltics here. How much of this pretty strong Baltic growth is driven by the prior price increases versus underlying volume and upselling? How sustainable do you think the current growth rate is into 2027 now?

Peter Landgren: Yes. First of all, we should of course remember and recognise and be happy about the great performance quarter after quarter and year after year in the Baltics. When it comes to what the price or the top line increase or growth is coming from, we have a gradual improvement of our postpaid base. If you look at the aggregated Baltic numbers, the postpaid base is growing constantly and every quarter, also this quarter. So that is the foundation, and the prepaid to postpaid migration can bring some ASPU as well.

Then on top of that, we have pricing in different shapes and forms. We had some pricing in the beginning of the year in Lithuania. Then we work with discount reductions and value-added services. That is other ways and more for more activities when we prolong the contracts. It is not one tool to improve the ASPU levels. It is different tools to get there. As you can see in the numbers, we see growth in all markets also in Q3, and we are positive about the future of the Baltics. We expect the top line growth to continue, but we have been a bit spoiled, so we should not expect the growth to be exactly the same always. But fundamentally, it is good markets where we expect growth.

Ulrich Rathe (Bernstein): Two questions, please. The first one is on the target leverage corridor. In a higher rate environment, would you see a reason to go to the lower end of the leverage range or even adjust the leverage range, or would you say the higher rate environment is within the boundaries of where the guidance for the leverage was set, so there is really no need to talk about this topic at this point? That is my first question.

My second question is, you mentioned that the equipment cost inflation has an impact. You also said that you are doing some pretty clever things to alleviate that. Could you just talk about what these mitigating actions are? Is it substitution of product? Is it substitution of vendors, or whatever else are you doing to mitigate the impact?

Peter Landgren: Thank you, Ulrich, for the questions. I will do the leverage question, and then I will hand over to Nicholas.

We are quite pleased with the position. As you point out, the interest rates are a bit elevated, and it is a little bit more turbulent now. Given that, we are quite pleased with the situation where we are. We were able to distribute our dividend last week without issuing any new bonds or anything like that, and we think that the rate we are at right now on the leverage of 1.5 or 1.8 adjusted for the dividend is, of course, very pleasant in such a situation.

We had the financial policy stating that we should stay investment grade, and it is not changing from the environment we sit in right now. It is just a reminder that it is great to have low leverage right now when it is a little bit more turbulent. But no change in the perspectives or the financial policy whatsoever.

With that, the equipment question, I leave to Nicholas to start with at least.

Nicholas Högberg: Thank you. I will keep it very light because it is internal work that we do not want to share with the open community in detail. But you mentioned a couple of alternatives yourself. So yes, it is everything from what we should do to which vendors we should use, to how we should do it and optimising, and it is very hard work behind this to make us much more efficient without risking customers or their experience from us

or the growth. It is very much internal work that we have been doing that has been very successful, I must say.

Viktor Högberg (Danske Bank): Nicholas, this is your first quarter as CEO. It is not the first in the company. It is a derivative of previous questions, but the Board strategy obviously remains. Anything you would say that you would want to tweak, and what would you not tweak in terms of go-to market and pricing and stuff like that? That is the first question.

Nicholas Högberg: Okay. Thank you, Viktor. Yes, as you said, the very strict cost discipline remains. Also the strategy to continue to build out our own sales channels, etc., stays. The strategy itself stays. The difference here is that we have had the big transformation doing some big things that you have seen in the numbers.

My role now is to secure that we continue to gain efficiency out of those things, but also that we become best-in-class, and sorry for using the expressions, but being obsessed about delivering on every detailed level. So it is not the biggest that wins in the market. It is the fastest who wins over the slower ones. So we should make sure that we simplify even more, become even more flexible and even faster, and that is both processes, but it is also culture. So making sure that we are performing on every detail level, meaning operational excellence. That will be a lot of focus going forward.

Viktor Högberg: Sounds like continuing in a directional tangent. On the Swedish Consumer, it was a bit below at least the consensus expectations. Could you say anything about your expectations and also the expected payback on the ramp costs, especially within Sweden Consumer? When would you expect that to be paid back basically? Question touches mobile and fixed.

Peter Landgren: Sorry, just to clarify, which increased costs which are you referring?

Viktor Högberg: I would say it seems like there is a bit compared to our expectations, more cost maybe in third channel even despite the ramping up your own channels. In total might be a mix that is not in line with at least external expectations.

Peter Landgren: Okay. Maybe I can start with covering that one and then hand over the first one to Nicholas. When we look at the quarterly results on EBITDAaL level, of course, there are always a little bit of swings back and forth between the quarters. We should remember that we constantly raised the bar last year on bringing in more and more efficiencies, making the comps tougher and tougher.

In this quarter, we have top line growth in Sweden. Part of it is filtering through to EBITDAaL. But we also have the competitive pressure as we have called out, which consumes some of the top line growth. Of course, we have reinvested also. For instance, our Comviq brand is something we have reinvested in a bit in this quarter. That is one example among others.

But it is a lot of moving parts, but our cost ambition remains the same, and we still see an EBITDAaL growth from it.

Nicholas Högberg: Also, probably worth mentioning is that we see a healthy growth in almost all of our core products. But also we have a sentiment where some legacy products are taking a hit like prepaid, for example. But continuously, we will for sure focus on gaining the efficiency out of the expansion of our own sales channels.

Ajay Soni (JP Morgan): I have got a couple. The first is around mobile postpaid RGU growth. So it was flat this quarter again. In Q2, you mentioned no-frills competition and the Halebop shutdown. Wanted to know how these headwinds have developed in Q3.

Second question is, with your low leverage, how are you viewing capital allocation? You have previously mentioned looking at fibre M&A, but you said that the valuations were a little bit steep. So have you seen any improving valuations within this area where you think you could do some fibre M&A?

Nicholas Högberg: Okay. Thank you, Ajay. I will start with the first question, and then I leave the leverage discussion to Peter.

We see pretty much the same situation in Q3. There is no relief on the competitive landscape. On the contrary, I would say, I have mentioned this before, but the no-frills brands in meaning Hallon, Vimla, Fello is from our perspective almost driving Black Friday offers every day.

We think that we are mitigating that fairly well, not engaging fully in that price war. As we said before, broadband, especially SDU OLAN, is very price competitive, and we are trying to approach that market in a bit of a different way. Also the first signs is positive. Early stage and too early to draw any conclusions from that. But the competitive market is definitely very strong and normally I do not like to comment on competitors, but just a remark when you mentioned Halebop. It is very clear to see that Telia is now doubling down on Fello, which the market can feel also.

Peter Landgren: On the low leverage, of course, again, it is a pleasant problem in a way. It is great to have such low gearing also now when the financial markets are a little bit more turbulent. Exactly how that will be used or consumed in a way is, of course, a board matter in the end, as you know. When it comes to the shareholder remuneration, we expect, of course, to come back when we release the Q4 numbers with the thinking there.

When it comes to M&A, as always, we of course look at everything that is moving out there. That is part of what we should do. But as you mentioned, when it comes to some fixed targets, we have so far concluded that it is not value-accretive to engage there, and that is why you have not seen anything from us there.

Ajay Soni: Okay. Thank you very much.

Nicholas Högberg: But we do not see it as a problem that we are low in leverage.

Peter Landgren: No. That is a healthy position we are having with the strong balance sheet right now, and with this quarter cash flow, it is of course making the situation even better.

Ajay Soni: Makes sense.

Max Findlay (Rothschild & Co): Following on from Maurice's questions on AI agents. When you think about the drive to own channel sales and the desire to grow the lifetime value of customers through reduced churn and cross sales, if customers are more removed from the search process, does that make those ambitions harder to achieve? You have intimated you are working on strategies such as simplifying tariffs. What is the risk that simplification of tariffs results in downward pressure on pricing if mobile tariffs just become increasingly easy to compare for consumers or these AI agents?

Nicholas Högberg: Thank you. A couple of things, and this is of course a big subject that a lot of people are thinking about. I think it is the contrary. The easier it is for the customer to make choices, the more we win on being a trustworthy player, having the best network, and selling more products with great offers and value for money. So I think if we complicate it too much, make it hard, and go back to the old telecom modus operandi where we should hide things, the agents will punish us. So I think it is the other way around.

The more open and the more trustworthy we can be, the better it is for the customer, and to choose us, and also for the machine to choose us. Also, we should not forget that we are still humans, at least for a while more. I think not everything will be based, and not 100% will be based on the agent optimising. It will also be

what you tell the agent to optimise on, and some people also actually want to have a physical meeting. We see that in our stores with increased traffic.

Service will become a very important part, and that is where we put a lot of effort as well, becoming better and better. As you know, we are using AI in our customer operations today with great success, where people actually think that they get a very great service thanks to our AI bot, Anna, solving easy matters in a very swift way.

This is not an easy answer, and I do not think we should draw too easy conclusions on this subject. As I said before, everyone thought that the operators would die when Apple should launch their own connectivity. That did not happen. I am very humble, but I also see a great opportunity in the AI era. That is actually one of the reasons I joined. This is a fantastic opportunity for the operators to become even better.

A long answer to your question, but it occupies a lot of my time thinking around this.

Max Findlay: Thank you very much for the answer. I guess if I could just follow up, just on the ability to cross-sell. If you are simplifying tariffs, does that just make it harder to make these incremental sales? How do you think about that?

Nicholas Högberg: No, it is the other way around. You should simplify all the products and offer great combinations. I do not believe in make it harder for the customer, because I do not think that will benefit us from an AI agent perspective. You have to remember that what are the AI agents basing their choices on? That is actually humans giving their criticism or praise out on the internet. The agents, they look for clues on what they think is a good choice for their respective, I do not know what you call it, but human behind the agent.

As I said, it is a bit more complicated than just, "Oh, if it becomes too simplified, then it will be a downward spiral." I do not think so.

Also, this is more of a philosophical discussion, but we should not forget that we are actually representing societal, critical infrastructure, helping both the society and the business owners and people out there. So we are building this network, and making sure that the customers really get the best service on the network. That is also something that humans will evaluate, and trust is, in the future, super important, as well as the physical experience. So it is a big discussion, and we will probably have this discussion over and over again the coming years.

Max Findlay: I look forward to it. Thank you very much.

Nicholas Högberg: Thank you.

Ondrej Cabejsek (UBS): Thanks for the presentation. I have got two questions, both on Sweden. The first one just referring back to the Consumer. I guess you started the year with some encouraging efforts by yourself, specifically slimming down the number of tariffs, raising prices on family tariffs, which had been dilutive to the market. Yet, quarter-by-quarter, we are seeing the whole market, not just yourselves, but seeing more pressure on the consumer revenues. I am wondering if this is really just macro or was there a catalyst, I guess, with the Halebop discontinuation that went the wrong way? As you say, Telia, I guess shifting more into pushing the discounted brands, this spilling over into Telenor and Tre doing the same. Do you trace this back to this decision to cut the Halebop brand primarily, or is this also maybe a function of maybe are we again approaching some kind of M&A talks, I guess the same way we saw mid-2025, where competition between Telenor and Tre heated up.

And what is the way out of this besides consolidation? Is it just we need to wait for this Halebop brand shutdown to exhaust, or is it something that you see as a risk of a prolonged competitive deadlock in a way?

Associated with this question, I guess, is Halebop again probably the main reason why you are seeing less operating leverage in Sweden today in the sense that have you had to go back into third-party channels, which you were mentioning. Yes, is this the biggest reason for the impact on your EBITDAaL as well, simply speaking?

Peter Landgren: Maybe I can start with the second one because I think we have had that question in different shapes and forms on operating leverage. On the Swedish, we see some top line growth, some healthy growth in B2B and some pockets of B2C is growing. Then we have some drags in certain legacy services and a challenging position in fixed broadband.

On the EBITDAaL growth, we benefit from the top line growth, and we benefit from the continued cost discipline. As we have called out, it is a challenging market, putting some pressures on the market, and we have also reinvested a bit, for instance, in the Comviq brand in the quarter and other activities. Then it always swings a little bit back and forth, but we raised the bar last year, and we keep growing EBITDAaL from that level.

Then we, of course, recognise that if you look at operating leverage, it is maybe not there for Sweden in Q3. But still a solid set of numbers for that.

On the first piece, I do not think we should dwell too much more on the other company's brands. We have mentioned what we have seen in terms of Halebop, but it is many factors driving the market, and I do not think we should call out one single move. It is different elements of it. The Halebop move is one of them.

What will it look like going forward? We should not speculate too much on it, but we focus on what we can do, and Nicholas has elaborated on the different pieces we work on to optimise and bring up the customer loyalty and so forth.

Abhilash Mohapatra (BNP Paribas): I have got two, please. Firstly, just coming back to the topic of AI, but more in the context of the Swedish market. In Sweden, we have always had the trend of a high proportion of sub-brands existing in the market. These are all well-established. But at the same time, you said that this is a space that remains very competitive. I suppose my question is, from an AI pricing point of view, do you think that the high proportion of sub-brands in Sweden, does that make things worse? For example, does it increase the risk that people look to spin down to these brands which are already out there? Or somehow does that negate the risk in the sense that people are already aware of these brands, and therefore you do not really see things getting incrementally worse?

Secondly, just a follow-up on EBITDA and CAPEX. You mentioned all the various moving parts during Q3. Would you characterise Q3 as carrying any amount of additional OPEX during the quarter, or would you say it was usual?

Then just on the CAPEX point, obviously you mentioned less than 10%. Is there a way to think about this? Would you just marginally lower than 10%? Would that be in line with your guidance, or should we think about CAPEX being meaningfully lower than 10%?

Nicholas Högberg: I can start with the first question. You are very onto how we look at it as well. We have had these sub-brands or second brands, no-frills brands for quite a long time now in the market, and there is a very high price transparency, and yet still the main brands and Tele2 is doing well on the mobile side. This is how the Swedish market operates, and as well in the Baltics.

So if price was the only thing that everyone cared about, then everyone would be with the no-frills brand, and that is not the case. Also, you can see that some of the brands are moving towards introducing more premium

brand services, which tells me at least that the growth is not as high as it used to be in those brands because people expect more from their operators. That is my view on this from a Swedish perspective.

Then talking about EBITDA and CAPEX.

Peter Landgren: Yes, thanks for the question. When it comes to additional OPEX, I would put it this way. It is not a straight line when it comes to revenue or OPEX. Sometimes you have some elevated numbers and sometimes it goes down a bit. We, of course, have invested, for instance, in our stores and in some of our brands. It is not a specific number that I would call out as something extraordinary in Q3. In that sense, no big one-off adjustments that I would like to call out.

On the CAPEX side, we are guiding on what we are guiding on. It is below 10%, and I leave in a way to you to do the interpretation of that. What we know is that so far we are lower. We know that Q4 is always an intense quarter when it comes to investments. Exactly how it will play out, it depends, of course, on our decisions, but also what is happening out there, and we have talked also about the hardware situation and other activities.

Exactly where it will land remains to be seen, but we are confident with the improved guidance or reduced CAPEX to sales down to below 10%.

Nicholas Högberg: Thank you very much, and thank you everyone that participated, and for the time you spent with us, and hopefully we will meet again. With that, we are closing this earnings call, and I want to thank you very much.

[END OF TRANSCRIPT]