

SECOND QUARTER 2024

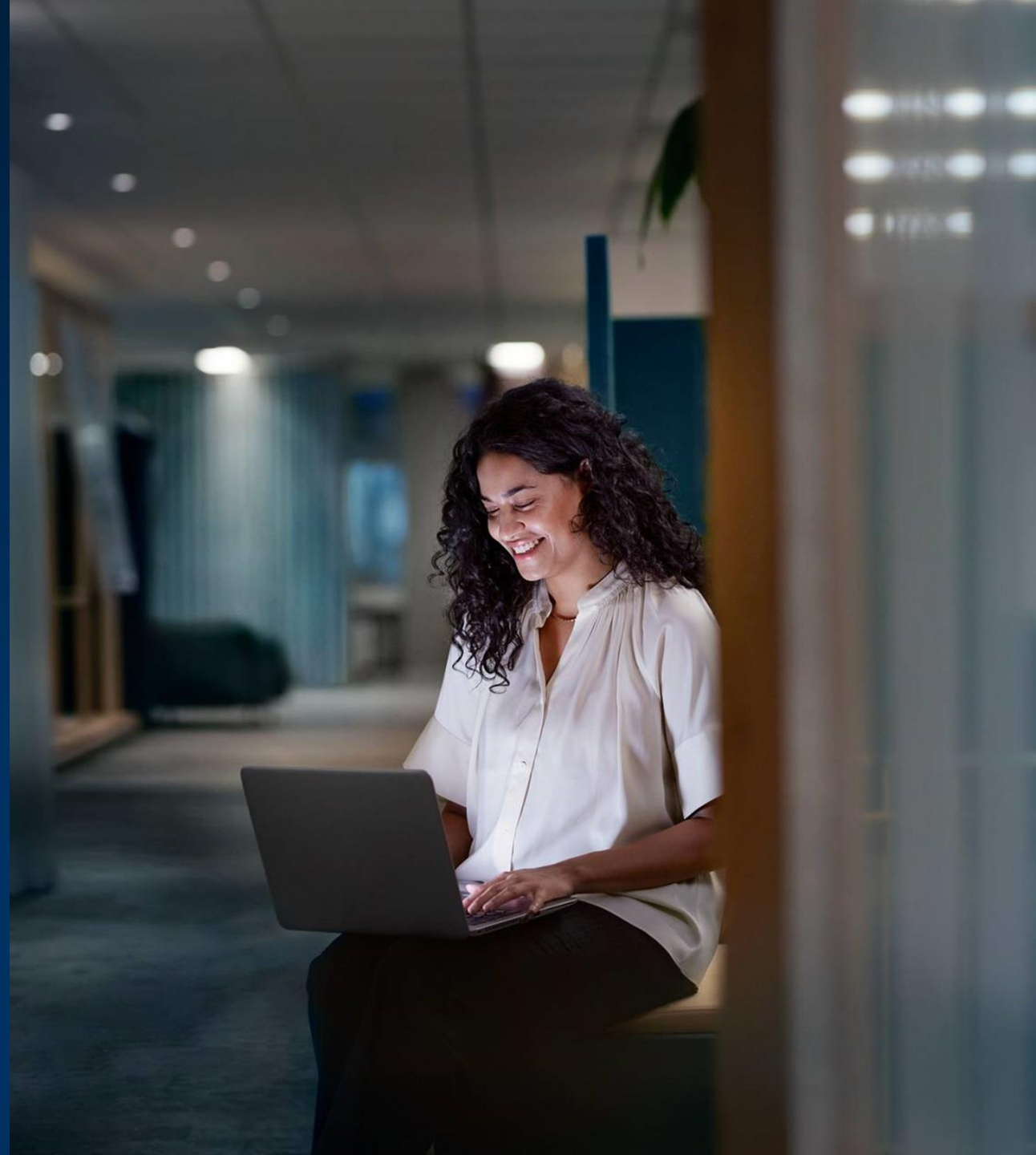
July 17, 2024



TELE2

Highlights

- 4% organic growth in end-user service revenue
- 3% organic growth in underlying EBITDAaL
- Solid equity free cash flow. Leverage at 2.4x
- Achieved target of only two IT stacks in Sweden following Comviq migration
- Ranked as the most sustainable company in Sweden by Time Magazine, and as the top Climate Leader 2024 in Sweden by the Financial Times



Solid performance

SEK (YoY growth) ¹	Q2 24	YTD	The Group in Q2 <ul style="list-style-type: none"> – EUSR growth of 4% driven by Sweden Consumer and the Baltics – Underlying EBITDAaL growth of 3% driven by topline growth – Solid equity free cash flow YTD covering the 1st dividend tranche 	Sweden Consumer in Q2 <ul style="list-style-type: none"> – EUSR growth of 4% driven by Fixed broadband at 9% and Mobile postpaid at 7% – Strong ASPU growth in Fixed broadband and Mobile postpaid mainly driven by pricing
End-user service revenue (EUSR)	5.5bn (+4.1%)	10.8bn (+4.2%)		
Underlying EBITDAaL	2.6bn (+2.8%)	5.1bn (+2.5%)	Sweden Business in Q2 <ul style="list-style-type: none"> – EUSR growth of 2% driven by Mobile at 6% – Mobile back to volume growth – Copper decommission completed 	The Baltics in Q2 <ul style="list-style-type: none"> – Solid EUSR growth of 6% driven by ASPU and volume growth across markets – Mobile postpaid customer bases continued to increase across markets – 4% underlying EBITDAaL growth
Capex ² to sales LTM	13.8%	–		
EFCF	1.2bn	2.5bn		

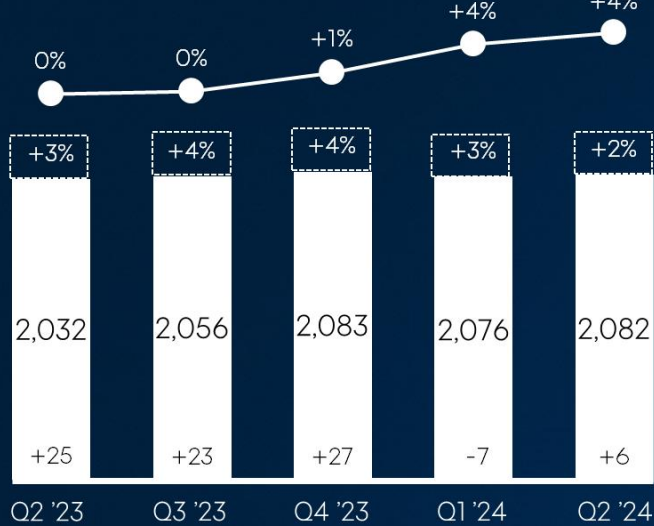
SWEDEN



Sweden Consumer: Strong value growth

Mobile postpaid RGU & ASPU

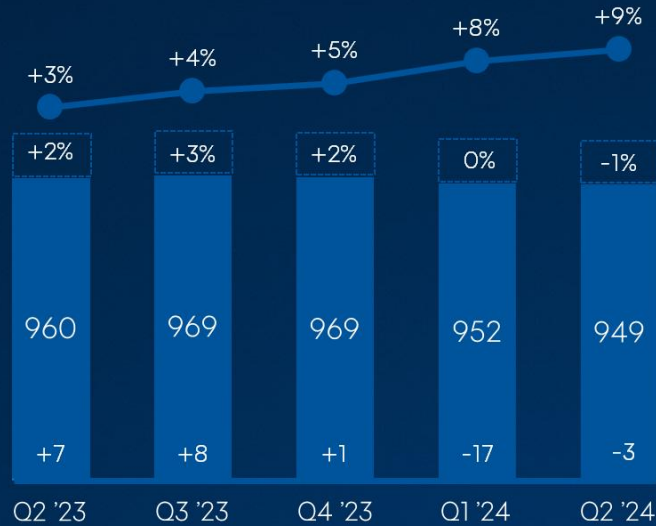
Thousand QoQ and YoY growth %



Mobile postpaid RGUs
 RGU growth YoY
 ASPU growth YoY

Fixed broadband RGU & ASPU

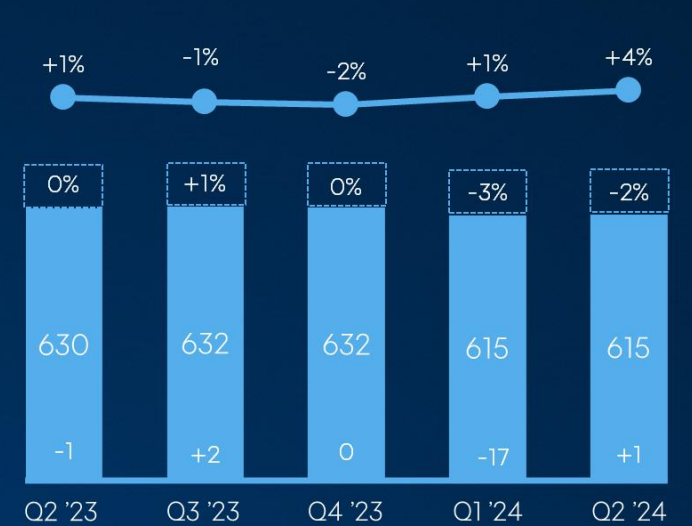
Thousand QoQ and YoY growth %



Fixed broadband RGUs
 RGU growth YoY
 ASPU growth YoY

Digital TV Cable & Fiber RGU & ASPU

Thousand QoQ and YoY growth %



Digital TV Cable & Fiber RGUs
 RGU growth YoY
 ASPU growth YoY

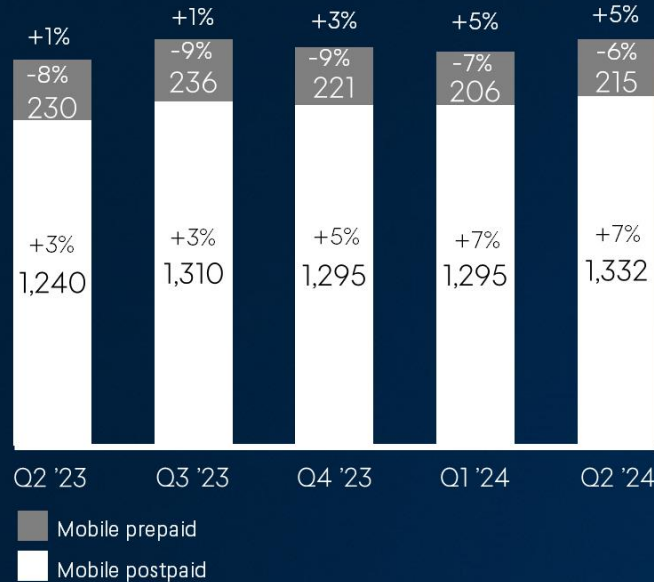
Q2 highlights

- ASPU growth for Mobile postpaid mainly driven by price adjustments. Volume growth in both Tele2 and Comviq
- ASPU growth for Fixed broadband mainly driven by price adjustments. Slight volume decline in single-play while FMC continued to grow
- ASPU growth in Digital TV Cable and Fiber due to price adjustments and previous volume clean-up

Sweden Consumer: Strong EUSR growth in connectivity

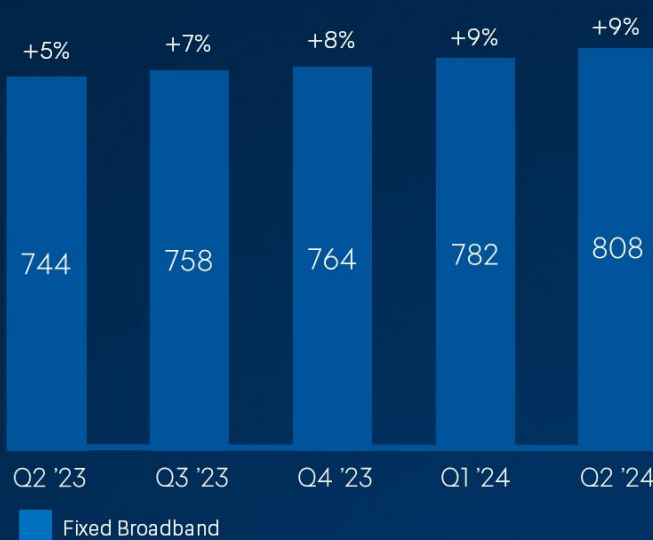
Mobile EUSR

SEK million, YoY growth %



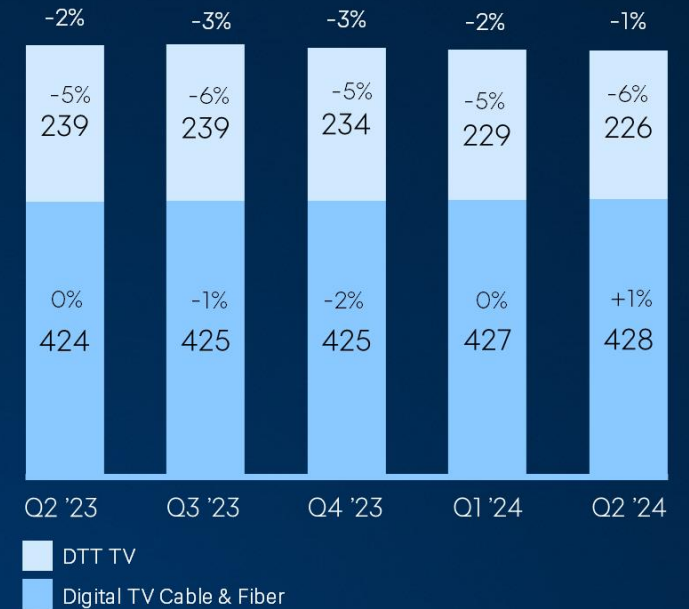
Fixed broadband EUSR

SEK million, YoY growth %



Digital TV EUSR

SEK million, YoY growth %



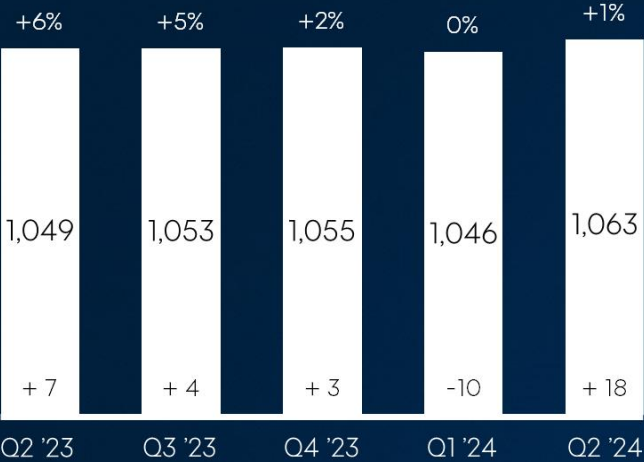
Q2 highlights

- Mobile EUSR grew 5% due to strong postpaid growth and decelerating prepaid decline
- Fixed broadband EUSR grew 9% driven by strong ASPU growth
- EUSR for Digital TV declined slightly driven by continued decline in the legacy DTT business

Sweden Business: Continued topline growth

Mobile RGU & net intake

Thousand QoQ and YoY growth %



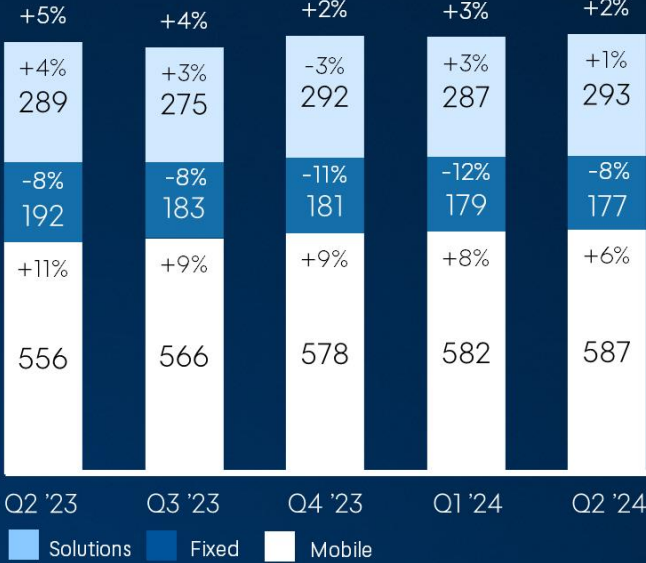
Mobile ASPU

YoY growth %



End-user service revenue

SEK million, YoY growth %



Q2 highlights

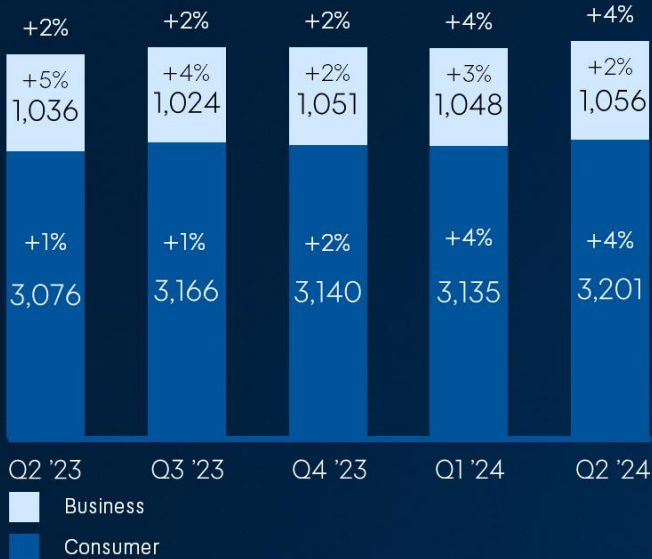
- EUSR growth of 2% despite economic headwind
- EUSR growth of 6% in Mobile mostly driven by continued strong IoT growth. Solid RGU growth partly driven by a new public sector customer
- EUSR in Solutions stable while Fixed continues to stabilise following the closure of the copper decommission project



Sweden financials: Improved EBITDAaL growth

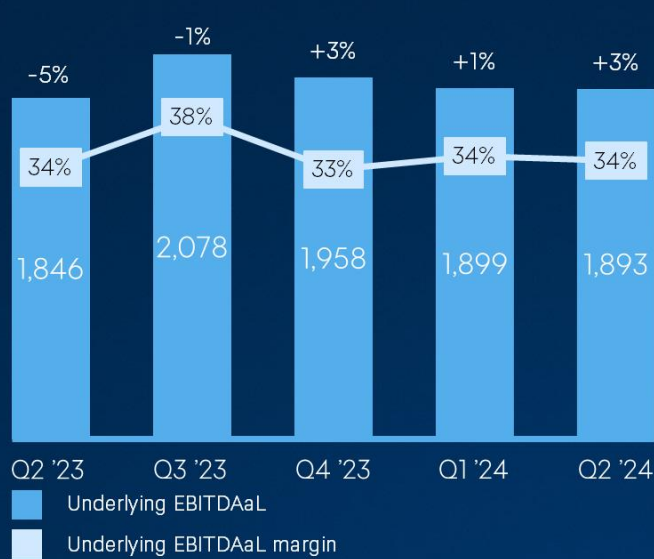
End-user service revenue

SEK million, YoY growth %

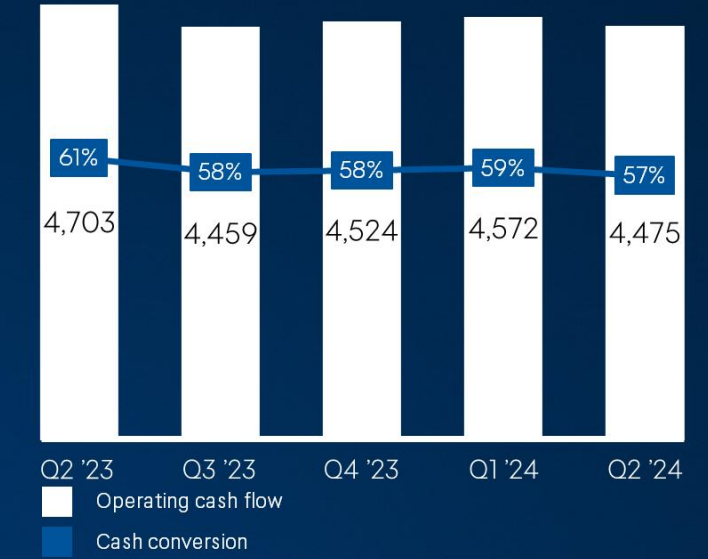


Underlying EBITDAaL & margin

SEK million, YoY growth %



Operating cash flow and cash conversion, LTM, SEK million



Q2 highlights

- EUSR grew by 4% mainly driven by solid performance in B2C
- Underlying EBITDAaL growth increased to 3%
- Cash conversion of 57% reflecting capex to sales of 15% LTM

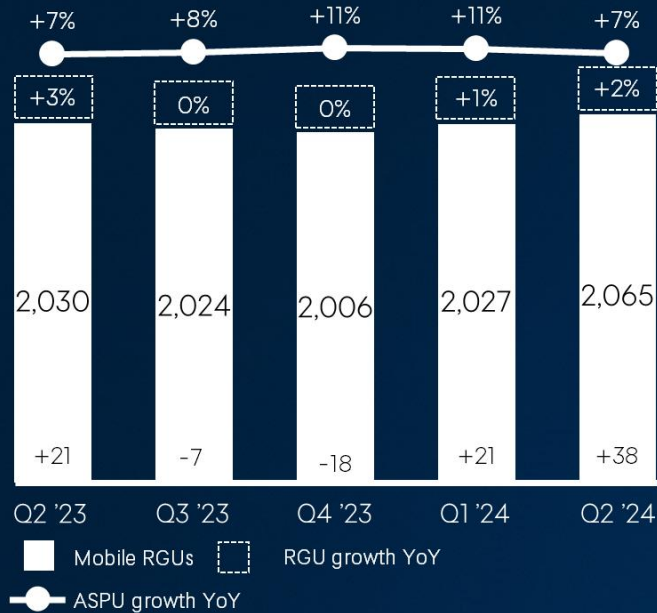
BALTICS



Baltics operational highlights: Solid overall performance

Lithuania – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



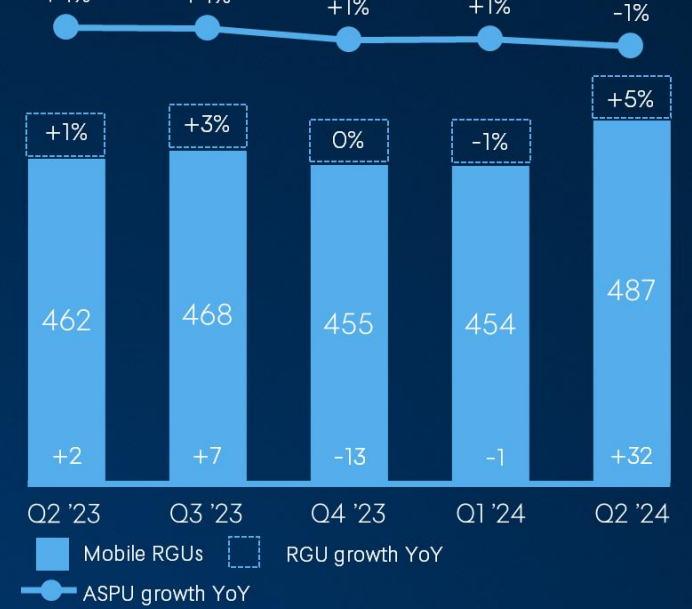
Latvia – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



Estonia – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



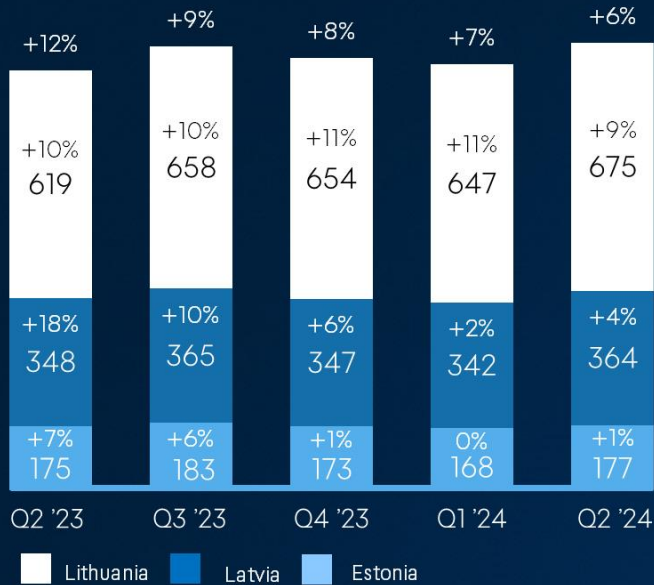
Q2 highlights

- The overall Baltic mobile postpaid customer base continued to increase supported by all markets
- Blended organic ASPU growth of 3% driven by Lithuania at 7% through more-for-more strategy, price adjustments and prepaid to postpaid migration

Baltics financials: Strong cash flow

End-user service revenue

SEK million, YoY growth %



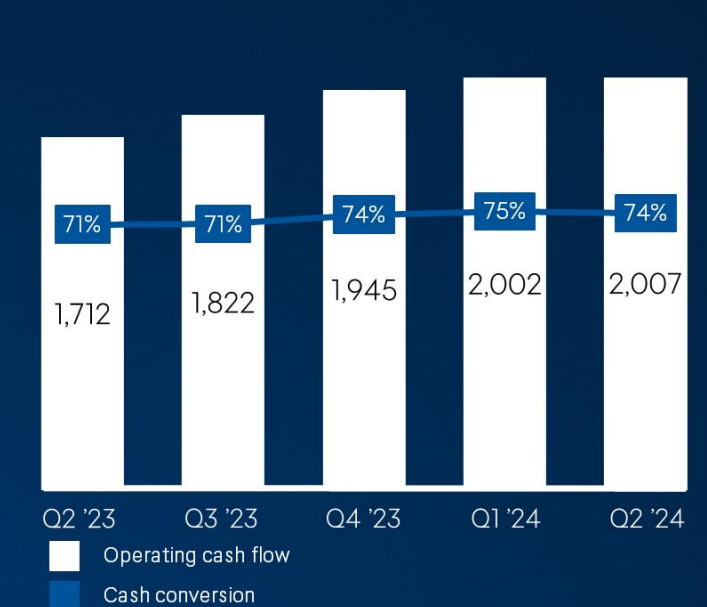
Underlying EBITDAaL & margin

SEK million, YoY growth %



Operating cash flow and cash conversion, LTM, SEK million

SEK million



Q2 highlights

- Solid EUSR growth of 6% led by Lithuania and driven by both ASPU and postpaid volume growth
- Underlying EBITDAaL growth of 4% driven by Lithuania
- Continued strong cash conversion of 74% with capex to sales at 10% LTM

FINANCIAL OVERVIEW

Group results

SEK million		Q2 2024	Q2 2023
Revenue		7,258	7,153
Underlying EBITDA		2,964	2,882
Margin (%)		40.8%	40.3%
Items affecting comparability		-65	-76
D&A	1	-1,479	-1,563
Associated companies & JVs		5	0
Operating profit		1,424	1,243
Net interest and other financial items	2	-273	-156
Income tax		-206	-198
Net profit		946	888

Comments

- 1 D&A decreased partly because the surplus value of the TDC acquisition has been fully amortised
- 2 Net interest and other financial items increased partly due to a SEK 77 million other financial gain related to bond repurchase last year, and partly due to higher financing costs for outstanding debt

Group cash flow

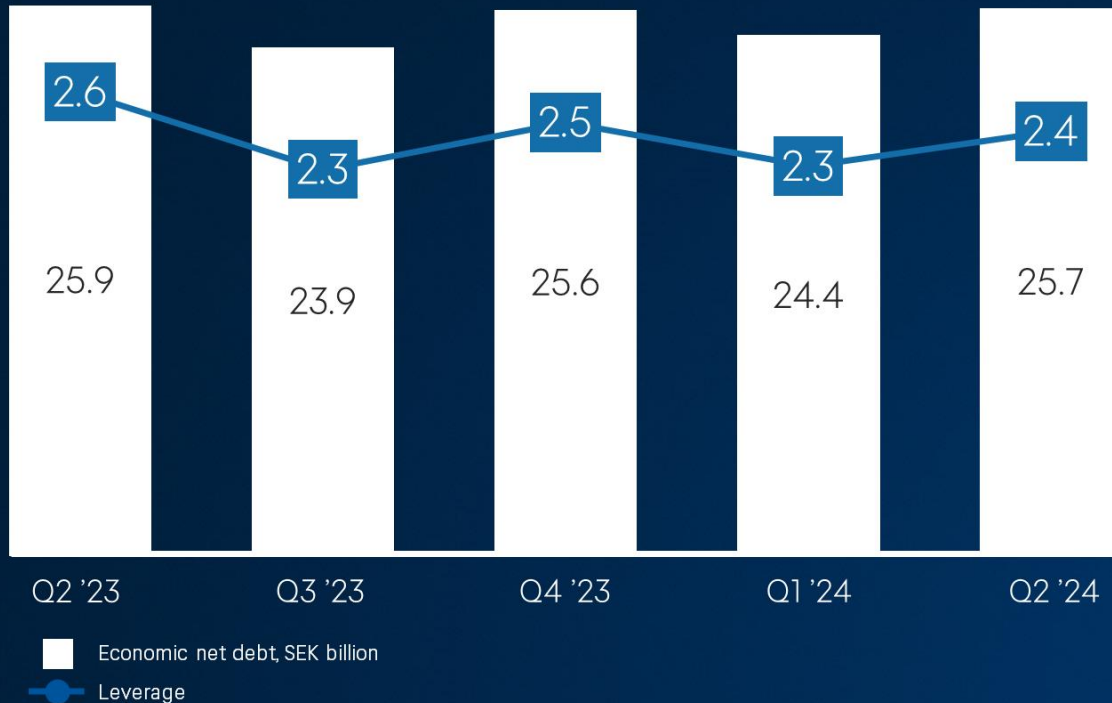
SEK million		Q2 2024	Q2 2023
Underlying EBITDA		2,964	2,882
Items affecting comparability		-65	-76
Amortization of lease liabilities		-313	-293
Capex paid	1	-1,014	-889
Changes in working capital	2	122	158
Net financial items paid		-253	-220
Taxes paid	3	-298	-408
Other cash items		29	22
Equity free cash flow		1,172	1,176
Equity free cash flow LTM	4	4,887	4,097
Equity free cash flow LTM / share (SEK)		7.1	5.9

Comments

- 1 Capex remains high due to continued intense network investments
- 2 Changes in working capital were mainly impacted by a temporary increase in liabilities
- 3 Taxes paid declined as last year included approximately SEK -125 million of withholding tax payments, while the corresponding payment this year is expected in the third quarter
- 4 Equity free cash flow over the last twelve months amounted to SEK 4.9 billion, equivalent to SEK 7.1 per share

Leverage at 2.4x

Economic net debt to underlying EBITDAaL LTM

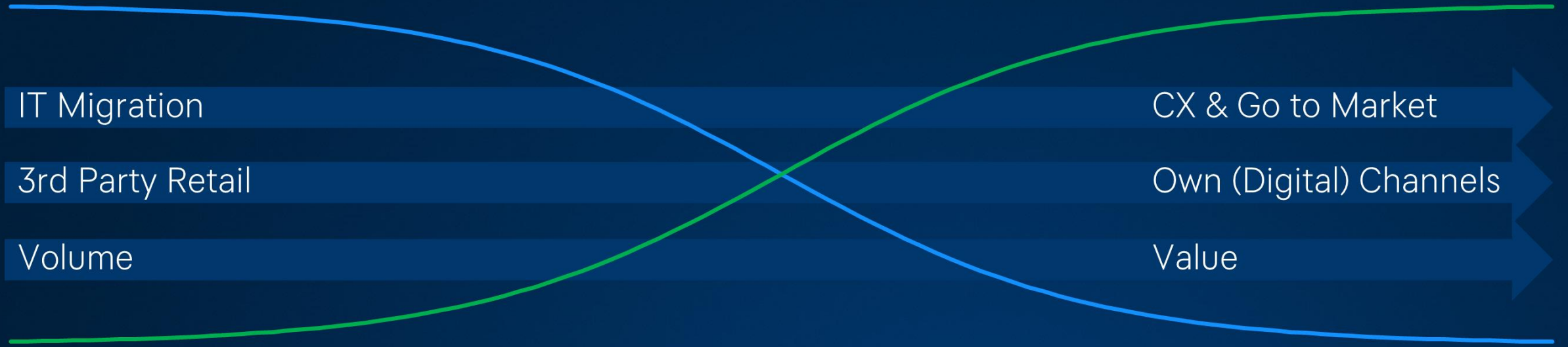


Comments

- Economic net debt increased by SEK 0.1 billion compared to year-end 2023. The first tranche of the ordinary dividend was covered by cash generated in the business
- Leverage of 2.4x was below the lower end of the target range of 2.5-3.0x
- In June, Tele2 secured a EUR 140 million loan agreement with the European Investment Bank
- Second tranche (SEK 3.45 per share) of the ordinary dividend to be paid in October

Strategy Execution at full speed

● Legacy platforms



● Digital capabilities

2020

2026

The IT landscape

6 stacks → 2 stacks

>6 different IT stacks
2021

2 IT stacks
Today



Strategy Execution Program (SEP) update

Radical improvements in customer experience and value will generate operational efficiency

Creating customer value in Q2

Consumer

- Launch of Tele2 Chatbot
- New 360° Customer Service Agent Toolbox

Business

- Closure of Copper Decommission Project
- Upgraded analytical capabilities

Significantly improved call set up time through mobile core swap
5G population coverage close to 80% with a brand-new network



Strategy Execution Program (SEP) update

Radical improvements in customer experience and value will generate operational efficiency

	Realised in Q2 2024	Annualised run-rate Q2 2024	Annualised run-rate target YE 2026
OPEX reduction (SEK million)	40	200	600

- Q2 mainly driven by organisational changes and network optimisations
- SEK 40 million in savings effect on underlying EBITDAaL in Q2 YoY
- Restructuring costs of 52 million in Q2

Financial outlook (unchanged)

	End-user service revenue ¹	Underlying EBITDAaL ¹	Capex to sales ²
2024 guidance	3-4%	1-3%	13-14%
Mid-term outlook	Low to mid-single-digit	Mid-single-digit	10-12%

Capex to sales of 13-14% in 2025 as we finalize 5G rollout and close down 3G

Enabling a society of unlimited possibilities

Each era brings its own limitations. Breaking them means breaking new ground. We have always challenged limitations to realize new possibilities for our customers and society at large.

Today, we are deeply connected to the digital lifestyle of society and a foundation to businesses, institutions and the quality of life for millions of customers. Connectivity and digitalization is permeating every sector, every household. By making our technologies more powerful, reliable and sustainable, we enable society to become that as well.



TELE2

