



# Q2 INTERIM REPORT

---

JULY 12, 2016

# DISCLAIMER

---

## DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology, including words such as “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will”, “could” or “should” or, in each case, their negative or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this presentation and include statements regarding, or based upon, our Management’s current intentions, beliefs or expectations concerning, among other things, our future results of operations, financial condition, liquidity, prospects, growth, strategies, potential acquisitions, or developments in the industry in which we operate.

Forward-looking statements are based upon assumptions and estimates about future events or circumstances, and are subject to risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will materialise. Accordingly, our actual results may differ materially from those expressed or implied thereby.

Unless otherwise specified, forward-looking statements herein speak only as of the date of this presentation. We undertake no obligation, and do not intend, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above. Readers are cautioned not to place undue reliance on any forward-looking statements.

# OPERATIONAL PERFORMANCE

---

ANDERS NILSSON,  
CEO

OPERATIONAL PERFORMANCE 1

- Continued execution on our plan

---

OPERATIONAL UPDATE 2

- Our new brand
- Strong broadband performance

---

SDU EXPANSION PROGRAMME 3

- Expanding into the SDU market
- Boxer transaction

---

FINANCIAL PERFORMANCE 4

- Strong cash flow generation
- Issue of SEK 1,750m Senior Notes

---

SUMMARY 5

---

# KEY GROWTH DRIVERS

1

## IMPROVED CUSTOMER SATISFACTION

- Consumer churn rate of 13.1%, 0.8p.p. decrease from Q1 2016, returning toward its previous downward trajectory

2

## DRIVE DTV PENETRATION WITH POWERFUL DTV SERVICES

- TiVo subscribers grew by 4,000 in Q2, taking TiVo to 37% of our DTV base

3

## LEVERAGE NETWORK AND SPEED ADVANTAGE

- Our broadband RGUs grew 10,000 net to another record high of 679,000, up 7% compared to Q2 2015

4

## LEVERAGE B2B OPPORTUNITY

- Continued transformation of Phonera focusing on high margin OnNet. OnNet B2B unique customers grew by 1,000 during the quarter

5

## SDU EXPANSION PROGRAMME

- Expects to be able to reach additional 800,000 SDUs (homes passed) via fibre over coming years

## GUIDANCE\*

### REVENUE

We aim to deliver mid-single-digit revenue growth on a full year basis

# KEY CASH FLOW DRIVERS

## 1 REVENUE GROWTH TRANSLATES INTO INCREASED UNDERLYING EBITDA

- Revenue grew by 4.3% and amounted to SEK 1,300m (SEK 1,246m in Q2 2015), translating into an Underlying EBITDA growth of 4.1% to SEK 607m (SEK 583m in Q2 2015)

## 2 STABLE CAPEX LEVELS FOR THE FULL YEAR

- Capex amounted to SEK 198m (SEK 250m in Q2 2015)

## 3 REDUCED INTEREST EXPENSES

- Interest expenses at 2.9% in Q2 from 4.4% in 2015, following refinancing in Q4 2015 and Q2 2016

## 4 NO TAXES TO BE PAID UNTIL TAX LOSSES FULLY UTILISED

- Outstanding NOL approx. SEK 2.0bn per June 30, 2016

### EQUITY FREE CASH FLOW GENERATION

Equity free cash flow generation increased by SEK 242m or 194% to a total of SEK 366m in the second quarter

## GUIDANCE\*

### UNDERLYING EBITDA

We aim to maintain a stable Underlying EBITDA margin for the group, resulting in mid-single-digit growth of Underlying EBITDA on a full year basis

### CAPEX

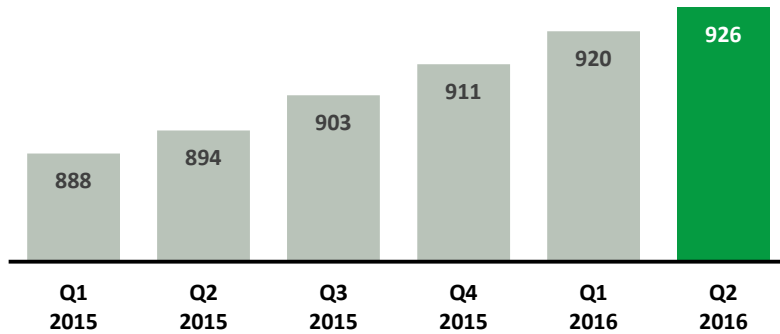
We expect CAPEX to be in the range of SEK 1.0-1.1bn in 2016

### LEVERAGE TARGET – UNCHANGED

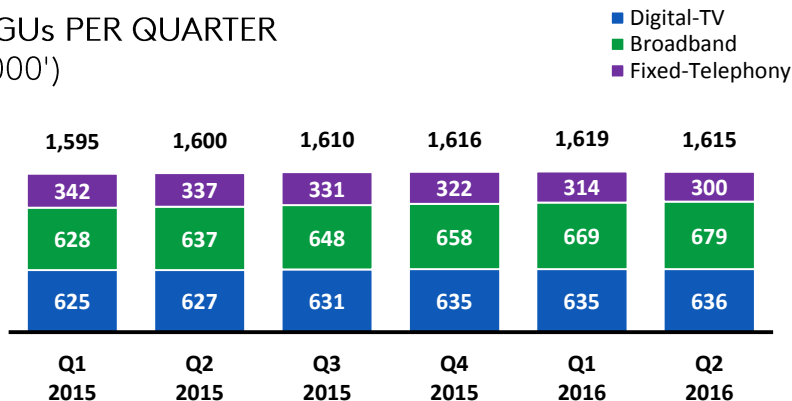
We aim to maintain our leverage within the interval of 3.5-4.0x Underlying EBITDA LTM

# STEADY CONSUMER GROWTH

UNIQUE CONSUMER SUBSCRIBERS  
(000')



RGUs PER QUARTER  
(000')

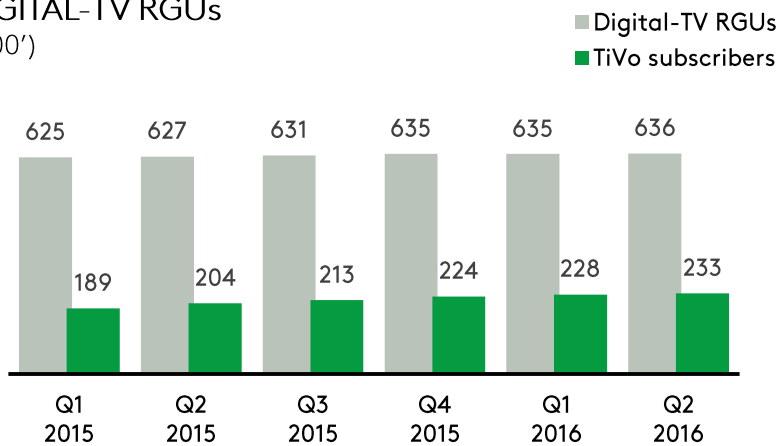


## HIGHLIGHTS

- Unique consumer subscribers grew by 6,000 during the quarter to an all time high of 926,000
- Overall, volume intake is in line with our shift towards a balance of price and volume-led revenue growth
- The number of telephony RGUs dropped by 14,000, mainly due to reduced discounts
- Total RGUs decreased by 3,000 for the quarter to 1,615,000
- Dual subscriptions continue to grow steadily, rose from 26% to 27%

# CONTINUED POSITIVE TREND IN OUR HIGH-END CONSUMER SERVICES

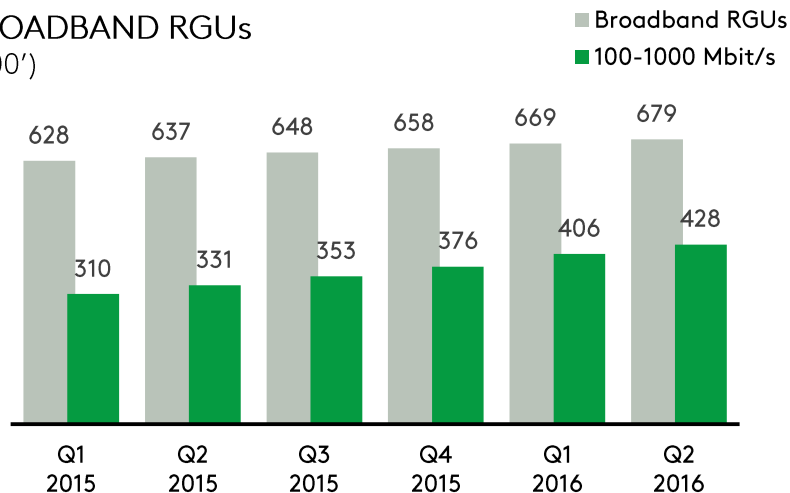
DIGITAL-TV RGUs  
(000')



DIGITAL-TV

- Digital-TV RGU's rose by 1,000 to 636,000, with continued growth in the number of TiVo subscribers which increased by 4,000 to 233,000 (penetration rate of 37%)

BROADBAND RGUs  
(000')

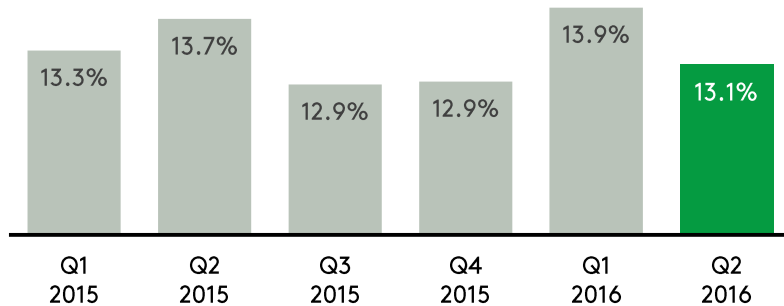


BROADBAND

- Over 80% of new broadband RGUs choose speeds of 100 Mbit/s and above in Q2
- Over 60% of the broadband base now subscribe on a 100 Mbit/s service or higher end of Q2
- Average speed per broadband RGU in base reached 129 Mbit/s in Q2 (125 Mbit/s in Q1)

# Q2 CONSUMER CHURN RETURNING TOWARD A DOWNWARD TRAJECTORY

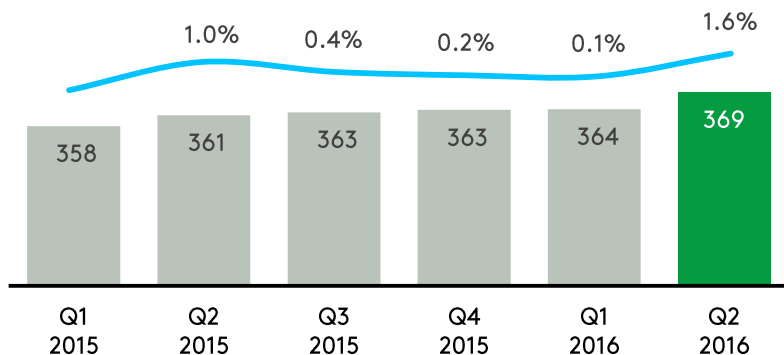
CONSUMER CHURN (%)



CONSUMER CHURN

- Churn fell to 13.1% in Q2, from 13.9% in Q1, now only 0.2p.p. higher than the record low churn of 12.9% we recorded for both Q3 and Q4 2015
- We expect the churn rate to continue trending downward somewhat over time

CONSUMER ARPU (SEK)



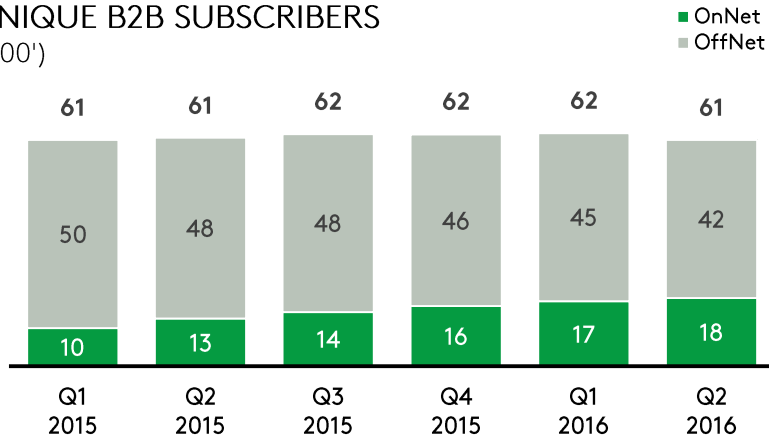
CONSUMER ARPU

- ARPU reached a record high of 369 SEK, reflecting the full impact of the recent price rises
- ARPU generally peaks after a price rise takes effect and thereafter gradually declines primarily due to unwind of fixed telephony revenue



# TRANSFORMATION OF B2B ONGOING

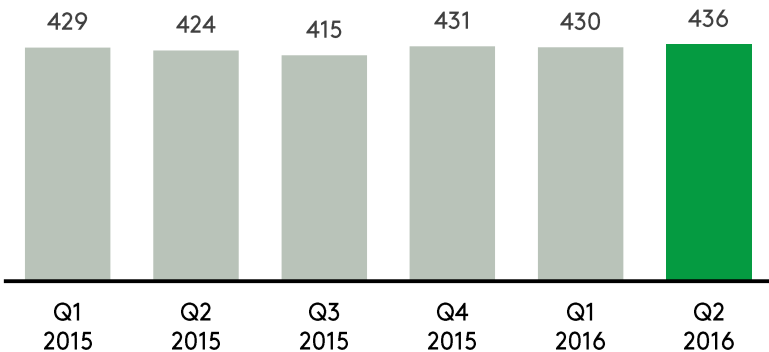
UNIQUE B2B SUBSCRIBERS  
(000')



B2B SUBSCRIBERS & ARPU

- B2B OnNet subscriber base grew by 1,000 while total subscriber base fell by 2,000 in Q2
- The focus in our B2B business continues to be on its transformation from the declining OffNet fixed telco legacy business to the future proof OnNet business
- Transformation of operations yields lower operational costs and investments going forward
- B2B ARPU rose by 6 SEK as an improvement in both OnNet and OffNet ARPU

B2B ARPU  
(SEK)



# OPERATIONAL UPDATE

---

JAMES LOWTHER,  
COMMERCIAL DIRECTOR

# SDU EXPANSION PROGRAMME

---

ANDERS NILSSON,  
CEO

OPERATIONAL PERFORMANCE 1

- Continued execution on our plan

---

OPERATIONAL UPDATE 2

- Our new brand
- Strong broadband performance

---

SDU EXPANSION PROGRAMME 3

- Expanding into the SDU market
- Boxer transaction

---

FINANCIAL PERFORMANCE 4

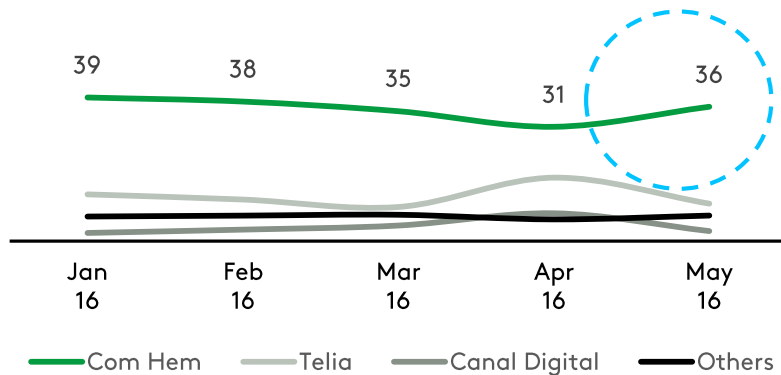
- Strong cash flow generation
- Issue of SEK 1,750m Senior Notes

---

SUMMARY 5

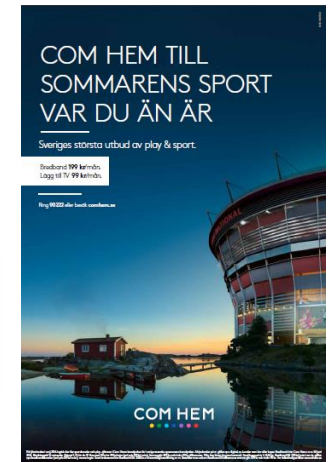
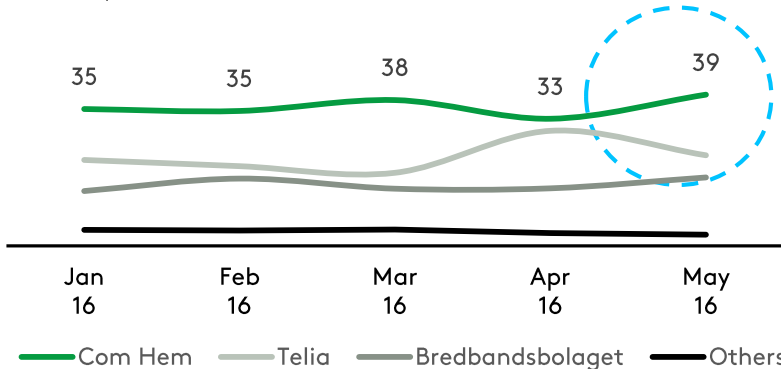
# REBRAND EXECUTED SUCCESSFULLY AND INCREASING BRAND PREFERENCE

BRAND PREFERENCE-TV  
(% that prefer brand)\*



- Our new brand launched successfully on 7 April to new and existing customers across all channels
- We have seen an immediate improvement in brand preference for TV, reversing a negative trend from the start of the year
- Preference for Com Hem Broadband has continued to grow steadily, now at its highest level at 39%

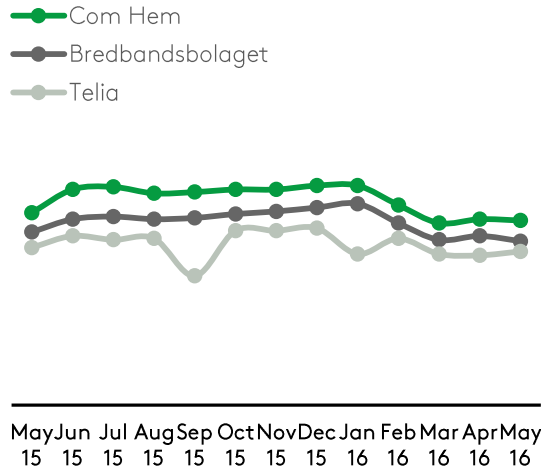
BRAND PREFERENCE-BB  
(% that prefer brand)\*



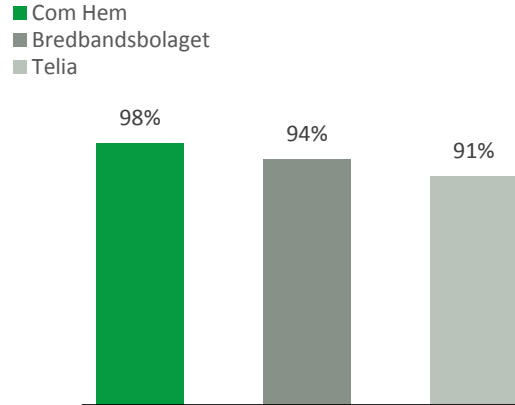
\*TNS Sifo survey for population (18-70 years of age) within the Com Hem Universe

# OUR BROADBAND PERFORMANCE

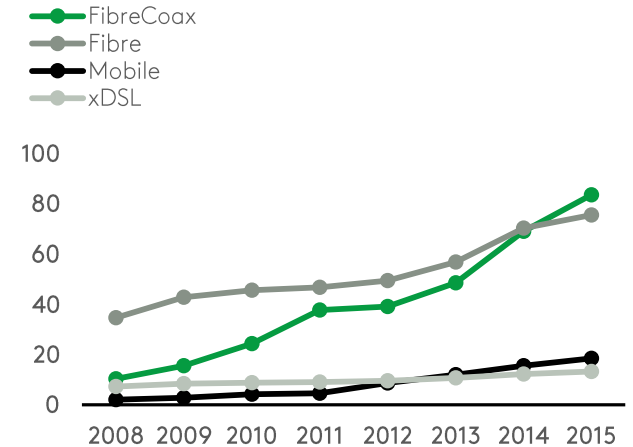
## NETFLIX ISP SPEED INDEX



## GOOGLE VIDEO QUALITY REPORT (JUNE 2016\*)



## BREDBANDSKOLLEN – AVERAGE SURF SPEEDS IN SWEDEN (RECEIVING DATA)



- Com Hem has led the Netflix ISP speed index against key competitors since 2014 and against all competitors in all 12 of the last 12 months
- Google Video's report on Sweden gives Com Hem the highest performance rating with a full 98% of streams delivered in HD
- For the first time, Com Hems FibreCoax infrastructure delivered the highest average download speed score according to the annual Bredbandskollen survey, published in February 2016

# SDU EXPANSION PROGRAMME – OUR NEXT GROWTH DRIVER

Following a successful SDU trial, Com Hem has decided to enter into the SDU fibre market:

The programme aims to be able to reach additional 800,000 SDUs via fibre (homes passed) over the coming years

We will deploy a combination of expansion approaches;

- 'Unbundled' fibre

- Using third party open LAN networks in SDU areas

- Modest expansions of Com Hem's own fibre coax network

The SDU market will become the next major growth pillar for Com Hem turning the company into a true national operator in broadband- and TV-services.

To accelerate our SDU expansion program we have signed an agreement to acquire Boxer Sweden, with a view to upgrading a significant proportion of its customers onto our SDU fibre offering over time



# OUR FIBRE TRIAL

## WHAT WE TESTED

- Technical, operational and commercial trial of SDU fibre, both fibre unbundling and Open LAN expansion in SDU areas
  - Unbundled 24 Skanova exchanges in the Stockholm area, reaching 'new' fibre sales and switchers
  - Expansion into new Open LAN nodes in the SDU market
- Different pricing models, and different sales channels including telemarketing, direct mail & door-to-door

## KEY FINDINGS

- Significant demand for Com Hem in fibre areas, both from 'new to fibre' and switchers
- Attractive economics
- Competition more limited than existing MDU Open LANs
- High quality Customer Experience is achievable
- Unbundled processes are slow due to high end-consumer demand for fibre to the home

**NU KAN DU OCKSÅ FÅ COM HEM I DIN FIBER**

Com Hem är en av de leverantörer som du kan välja på till din fiber och till skillnad mot många andra har vi en komplett service - med fantastiska tjänster inom bredband, tv & play.

- Vi har erbjudit dig tv & play stort sett alla dörre och har Sveriges största utbud av tv & play
- Vi utvecklar ständigt våra nät och har redan idag Sveriges snabbaste bredband
- Du får ett samarbete på enbart en vilka gör dina kommande lösningsförslag
- Riktigt bra kundservice med många öppettider
- 50 års erfarenhet av underhållning och över 1,7 miljarder kunder

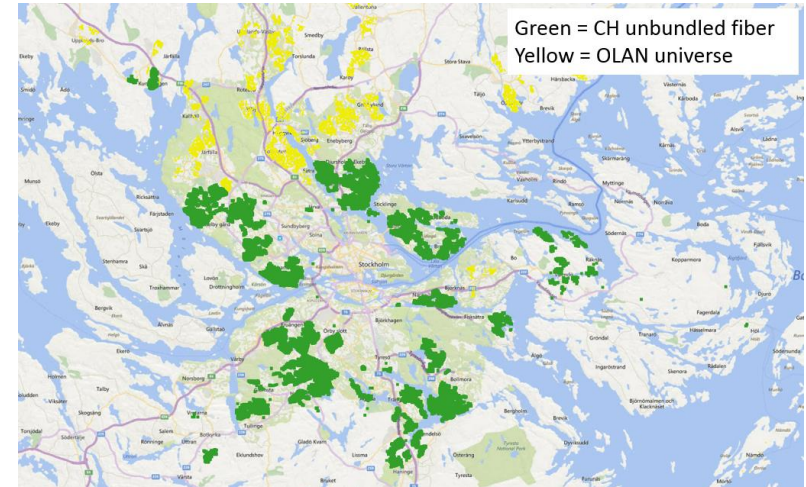
**COM HEM**

**COM HEM**

Björk 010-332 38 55 för mer information och ett mycket bra erbjudande

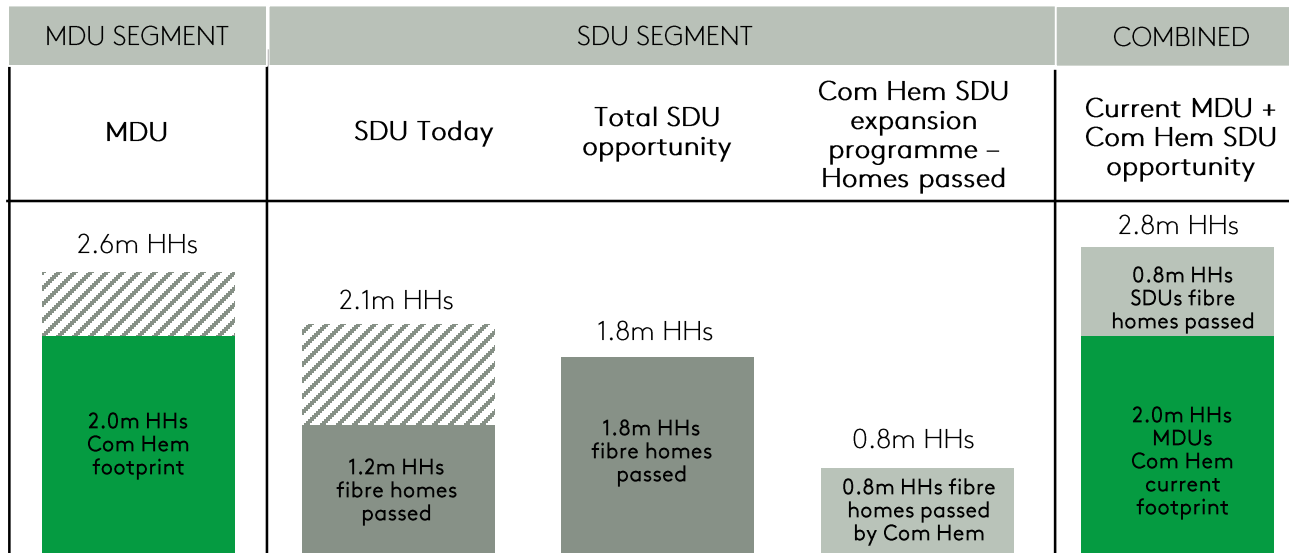
Björk 010-332 38 55 för mer information och ett mycket bra erbjudande

## COM HEM SDU TRIAL



# EXPANDING INTO THE SDU MARKET

## TOTAL SWEDISH MARKET – HOMES PASSED



- In the SDU universe, 1.2m households currently have access or can connect to fibre (homes passed\*)
- We anticipate the number of SDU homes passed by fibre to grow to 1.8m as a result of build programmes from operators and city networks
- We expect to be able to economically reach approximately 800,000 SDUs over the coming years, through unbundling fibre, Open LANs and modest network expansion

\* May get access to fibre



# BOXER TRANSACTION RATIONALE

## ACQUISITION OF BOXER SWEDEN

- Boxer is the pay TV operator in the digital terrestrial network, with approximately 500k DTV customers mainly located in the SDU market
- The total consideration for the Boxer Sweden transaction is SEK 1,550m (based on balance sheet as per 31 March), payable in cash at closing
- Enterprise Value of SEK 1,330m, representing an estimated 2016 Underlying EBITDA multiple of 4.4x
- The acquisition will be financed by a new three year credit facility with Swedbank AB (publ) of SEK 800m and existing unutilised credit facilities

## EFFECTS OF THE ACQUISITION

- The acquisition of Boxer accelerates our expansion into the SDU market. Boxer's customer base is primarily in the SDU market, and part of it will migrate to fibre over the coming years – a significant acceleration opportunity for Com Hem
- Com Hem becomes a national operator for broadband and DTV
- The combined group will have approximately 1.1 million DTV subscribers
- For 2017, the acquisition is expected to add approximately SEK 300m to the Com Hem Group's Underlying EBITDA

## TIMELINE AND EXPECTED CLOSING

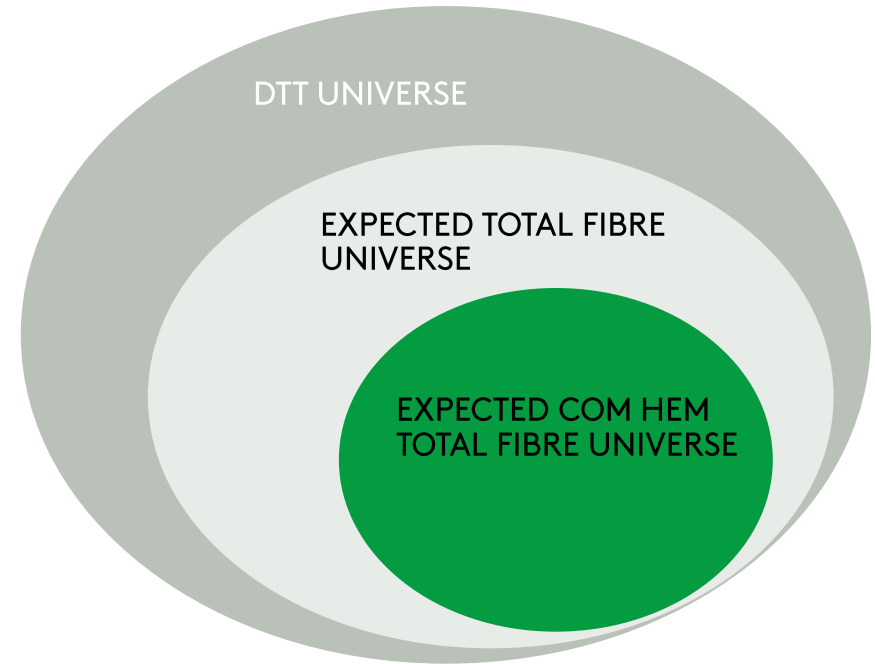
- Government approval
- Approval from Swedish competition authorities
- Completion expected during H2 2016, from which date Boxer Sweden will be consolidated into the Com Hem Group



# COM HEM AND BOXER



- A long term agreement with Teracom Boxer Group for distribution over DTT will enable us to continue to operate a profitable digital-TV business via DTT, regardless of the increasing overlap with fibre infrastructure
- Fibre will not overlap the entire DTT universe; we expect to be able to operate a sustainable DTT business in the long-term
- As the Com Hem SDU program overbuilds the Boxer customer base, the Com Hem SDU expansion programme will enable the combined business to sell market leading bundled broadband and TV services to its customer base



# FINANCIAL PERFORMANCE

---

MIKAEL LARSSON,  
CFO

OPERATIONAL PERFORMANCE 1

- Continued execution on our plan

---

OPERATIONAL UPDATE 2

- Our new brand
- Strong broadband performance

---

SDU EXPANSION PROGRAMME 3

- Expanding into the SDU market
- Boxer transaction

---

FINANCIAL PERFORMANCE 4

- Strong cash flow generation
- Issue of SEK 1,750m Senior Notes

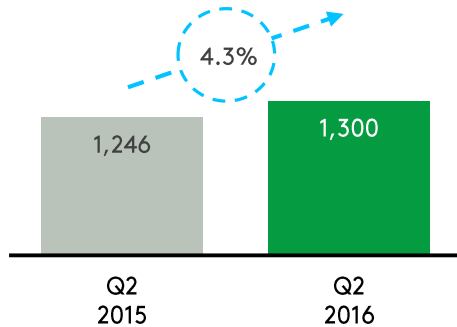
---

SUMMARY 5

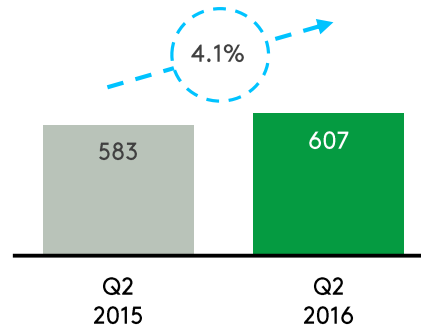
---

# SECOND QUARTER FINANCIAL HIGHLIGHTS

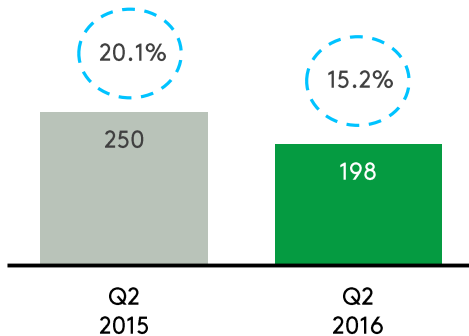
REVENUE  
(SEKm)



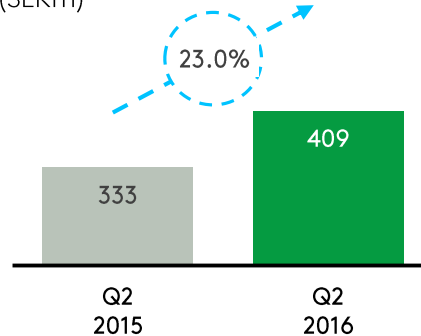
UNDERLYING EBITDA  
(SEKm)



CAPEX (% OF REVENUE)  
(SEKm)



OPERATING FREE CASH  
FLOW  
(SEKm)

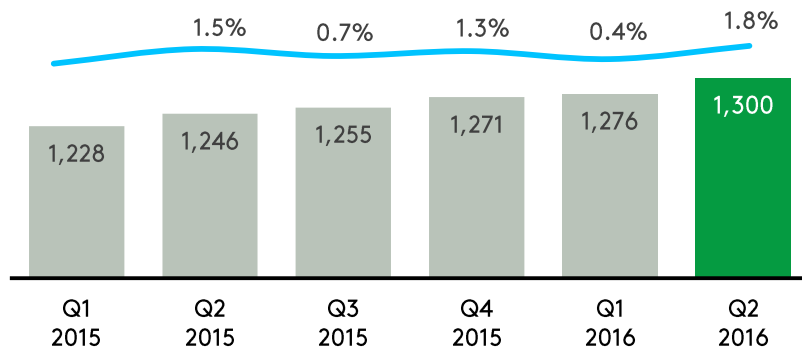


## HIGHLIGHTS

- Revenue growth of 4.3% (3.9% in Q1) to SEK 1,300m on the back of successful pricing activity and continued broadband volume growth
- Underlying EBITDA grows in line with revenue at 4.1% (4.6% in Q1) to SEK 607m, affected by temporarily higher marketing costs in the quarter
- Lower capex compared to Q2 2015, explained by frontloaded investment cycle in 2015, while a larger portion will come in H2 this year
- Continued strong increase in OFCF, which grew 23.0% to SEK 409m as a result of Underlying EBITDA growth and lower capex spend in the quarter

# CONTINUED REVENUE GROWTH

REVENUE Q-O-Q  
(SEKm)



| (SEKm)               | Q2 2016      | Q2 2015      | Change      | H1 2016      | H1 2015      | Change      |
|----------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Consumer             | 1,020        | 962          | 6.0%        | 2,016        | 1,904        | 5.9%        |
| Network operator     | 191          | 197          | (3.2%)      | 383          | 396          | (3.5%)      |
| B2B                  | 80           | 77           | 3.9%        | 161          | 154          | 4.4%        |
| Other                | 8            | 9            | (7.1%)      | 16           | 19           | (19.2%)     |
| <b>Total revenue</b> | <b>1,300</b> | <b>1,246</b> | <b>4.3%</b> | <b>2,576</b> | <b>2,474</b> | <b>4.1%</b> |

## REVENUE

- Increase in consumer revenue driven by price adjustments having full impact in the quarter, continued growth in broadband RGUs, combined with improved broadband tier mix
- Decrease in network operator revenue (landlord and communication operator) slowing down to 3.2% (Q1 2016 -3.7%). Network operator revenue expected to continue decreasing mid-single digit due to price pressure in the landlord business
- B2B revenue growth of 3.9% driven by high margin OnNet business. Growth impacted by continued decline in low margin OffNet legacy business

# DOUBLED NET PROFIT

| (SEKm)                        | Q2<br>2016 | Q2<br>2015 | Change | H1<br>2016 | H1<br>2015 | Change |
|-------------------------------|------------|------------|--------|------------|------------|--------|
| Revenue                       | 1,300      | 1,246      | 4.3%   | 2,576      | 2,474      | 4.1%   |
| Production costs              | (374)      | (367)      |        | (752)      | (721)      |        |
| Gross profit                  | 925        | 879        | 5.2%   | 1,824      | 1,753      | 4.1%   |
| Gross margin                  | 71.2%      | 70.6%      |        | 70.8%      | 70.9%      |        |
| Operating costs*              | (318)      | (296)      |        | (614)      | (593)      |        |
| Underlying EBITDA             | 607        | 583        | 4.1%   | 1,210      | 1,160      | 4.3%   |
| Underlying EBITDA margin      | 46.7%      | 46.8%      |        | 47.0%      | 46.9%      |        |
| One-off items**               | (18)       | (12)       |        | (21)       | (52)       |        |
| EBITDA                        | 589        | 571        | 3.1%   | 1,189      | 1,108      | 7.3%   |
| Depreciation and amortisation | (397)      | (389)      |        | (793)      | (765)      |        |
| EBIT                          | 192        | 182        | 5.5%   | 396        | 343        | 15.6%  |
| Net financial expenses        | (84)       | (126)      |        | (167)      | (237)      |        |
| Taxes                         | (25)       | (13)       |        | (52)       | (24)       |        |
| Net result for the period     | 82         | 42         | 94.5%  | 177        | 82         | 115.6% |

\* Excluding non-recurring items, write-downs and depreciation and amortisation

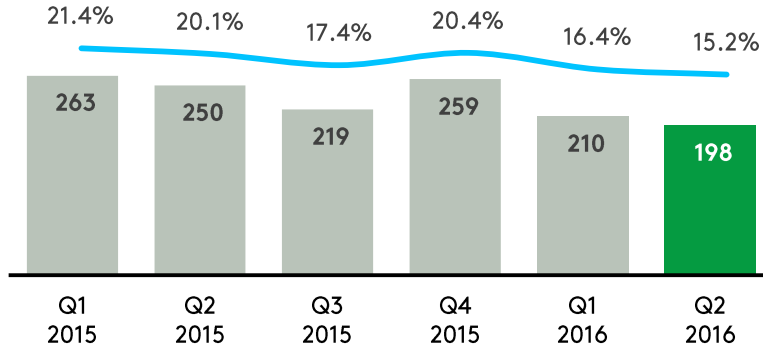
\*\* Non-recurring items, operating currency loss/gains and disposals

## P&L STATEMENT

- Gross margin up to 71.2% following this year's pricing activity and cost savings
- Operating costs affected by additional marketing spent on rebranding in Q2, leading to Underlying EBITDA growth of 4.1%
- Slight increase in depreciation and amortisation due to higher customer acquisition capex in previous quarters, EBIT still growing 5.5%
- Net financial expenses reduced by SEK 42m, or 33%, on back of the Q4 2015 refinancing as well as lower market rates
- Net result almost doubled to SEK 82m as a result of higher EBIT and lower financial expenses

# 2016 CAPEX SPEND MORE BACK LOADED THAN 2015

QUARTERLY CAPEX (% OF REVENUE)  
(SEK m)



| (SEKm)             | Q2 2016    | Q2 2015    | Change         | H1 2016    | H1 2015    | Change         |
|--------------------|------------|------------|----------------|------------|------------|----------------|
| Network related    | 76         | 99         | (23.0%)        | 148        | 163        | (9.7%)         |
| CPE & sales costs  | 68         | 106        | (35.9%)        | 169        | 255        | (33.7%)        |
| IS development     | 33         | 31         | 6.6%           | 63         | 66         | (4.5%)         |
| Other capex        | 20         | 14         | 42.7%          | 27         | 29         | (5.3%)         |
| <b>Total capex</b> | <b>198</b> | <b>250</b> | <b>(21.0%)</b> | <b>407</b> | <b>513</b> | <b>(20.7%)</b> |

## CAPEX

- Lower capex compared to Q2 2015 due to a combination of a frontloaded investment cycle in 2015, and 2016 investment phasing which is more weighted towards the second half of the year
- Network related investments in H2 and beginning of 2017 will include extension of our own backbone which will reduce the portion of leased fibre capacity in the network
- CPE and capitalised sales commissions lower than Q2 2015, following our shift towards a balance between volume and price led growth
- 2016 guidance of total capex between SEK 1-1.1bn remains unchanged

# CONTINUED STRONG CASH FLOW GENERATION

| (SEKm)                                       | Q2 2016      | Q2 2015      | Change      | H1 2016      | H1 2015      | Change       |
|--|--------------|--------------|-------------|--------------|--------------|--------------|
| <b>Underlying EBITDA</b>                     | <b>607</b>   | <b>583</b>   | <b>24</b>   | <b>1,210</b> | <b>1,160</b> | <b>50</b>    |
| Change in net working capital                | (23)         | (69)         | 46          | (66)         | (82)         | 16           |
| Interest payments on borrowings etc.         | (20)         | (139)        | 119         | (55)         | (191)        | 136          |
| Other operating cash / non-cash items        | (11)         | (3)          | (7)         | (19)         | (41)         | 23           |
| <b>Net cash from operating activities</b>    | <b>554</b>   | <b>372</b>   | <b>182</b>  | <b>1,071</b> | <b>846</b>   | <b>225</b>   |
| Gross capital expenditure                    | (198)        | (250)        | 53          | (407)        | (513)        | 106          |
| Capex funded by leasing                      | 0            | 15           | (15)        | 0            | 15           | (15)         |
| Divestment of tangible assets                | 1            | 0            | 1           | 1            | 0            | 1            |
| <b>Net cash used in investing activities</b> | <b>(197)</b> | <b>(235)</b> | <b>38</b>   | <b>(407)</b> | <b>(498)</b> | <b>91</b>    |
| <b>Equity free cash flow*</b>                | <b>366</b>   | <b>125</b>   | <b>242</b>  | <b>682</b>   | <b>374</b>   | <b>308</b>   |
| <b>Equity free cash flow per share (SEK)</b> | <b>1.9</b>   | <b>0.6</b>   | <b>1.3</b>  | <b>3.5</b>   | <b>1.8</b>   | <b>1.7</b>   |
| Net change in borrowings                     | (6)          | 92           | (98)        | (113)        | 85           | (198)        |
| Shareholder remuneration                     | (377)        | (399)        | 22          | (643)        | (399)        | (244)        |
| Other financial activities                   | (18)         | (2)          | (16)        | (18)         | (35)         | 17           |
| <b>Cash flow from financing activities</b>   | <b>(401)</b> | <b>(309)</b> | <b>(92)</b> | <b>(774)</b> | <b>(349)</b> | <b>(424)</b> |
| <b>Net cash generated (used)</b>             | <b>(44)</b>  | <b>(173)</b> | <b>128</b>  | <b>(109)</b> | <b>(1)</b>   | <b>(108)</b> |

- Interest payments reduced to SEK 20m in the quarter, due to timing (no payments on senior notes in the quarter) as well as reduced interest rates on the debt portfolio
- Equity free cash flow improved by SEK 242m, an increase of 194%, which is also explained by improved Underlying EBITDA and lower capex in the quarter
- Shareholder remuneration of SEK 377m included share buy backs of SEK 88m and cash dividend of SEK 289m

# CAPITAL STRUCTURE

| (SEKm)   | June 30, 2016 | Dec. 31, 2015 |
|--|---------------|---------------|
| <b>Senior bank debt</b>                                  |               |               |
| Term Loans   | 5,375         | 5,875         |
| RCF  | 0             | 1,350         |
| Finance leases   | 35            | 48            |
| <b>Total senior bank debt</b>                            | <b>5,410</b>  | <b>7,273</b>  |
| <b>Bond instruments</b>                                  |               |               |
| 2014 Senior Notes @ 5.25%                                | 2,500         | 2,500         |
| 2016 Senior Notes @ 3.625%                               | 1,750         | -             |
| <b>Gross debt</b>  | <b>9,660</b>  | <b>9,773</b>  |
| Cash balance EoP   | (634)         | (743)         |
| <b>Net debt</b>  | <b>9,026</b>  | <b>9,030</b>  |
| Unutilized bank facilities and cash                      | 3,434         | 1,393         |
| <b>Leverage</b>  |               |               |
| Net Debt / Underlying EBITDA LTM                         | 3.8x          | 3.8x          |
| <b>Average blended interest rate for the period/year</b> | <b>2.9%</b>   | <b>4.4%</b>   |

## CAPITAL STRUCTURE

- Financing activities in Q2:
  - New SEK 800m incremental facility with Swedbank in connection with signing of the Boxer transaction
  - Successful issue of SEK 1,750m 2021 Senior Notes in June at fixed interest coupon of 3.625%
  - Cancelled SEK 500m short term bank debt
- Well capitalised with SEK 3.4bn in cash and unutilised credit facilities at the end of June, of which approximately SEK 1.3bn to be used for the acquisition of Boxer. 2014 Senior Notes becomes callable in November 2016.
- Leverage unchanged since December at 3.8x Net Debt/ Underlying EBITDA LTM, well within our target range of 3.5-4.0x
- The Group's average interest rate stable at 2.9%



# SHAREHOLDER REMUNERATION

## SHAREHOLDER REMUNERATION BETWEEN AGMs

- Total shareholder remuneration of SEK 1,284m in the twelve months leading up to the AGM 2016 in the form of cash dividend, share repurchases and share redemption, representing 9.3% of our market capitalisation at June 30, 2016
- In June 13,769,357 shares, representing 6.7% of total number of registered shares, that had been repurchased since the 2015 Annual General Meeting were cancelled.

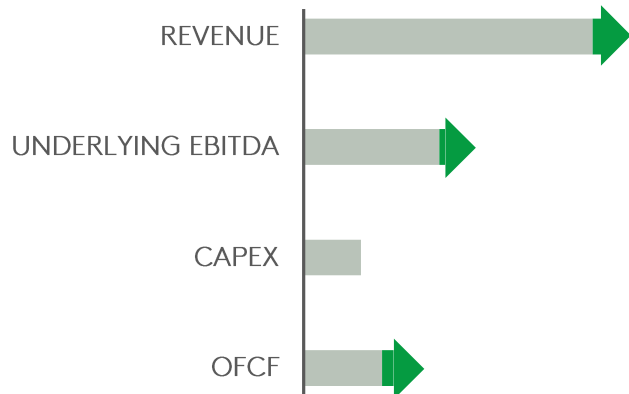


## SHAREHOLDER REMUNERATION OF SEK 385m IN Q2

- Total shareholder remuneration of SEK 385m in the second quarter with unchanged leverage:
  - 1,347,273 shares repurchased for SEK 96m, representing 0.7% of total shares outstanding end of June.
  - Dividend of SEK one fifty (1.50) per share, totaling SEK 289m, for the 2015 financial year approved by AGM and paid in end of May 2016.

# FINANCIAL GUIDANCE

## COM HEM EXISTING



### Revenue

We aim to deliver mid-single-digit revenue growth on a full year basis

### Underlying EBITDA

We aim to maintain a stable Underlying EBITDA margin for the group, resulting in mid-single digit growth of Underlying EBITDA on a full year basis

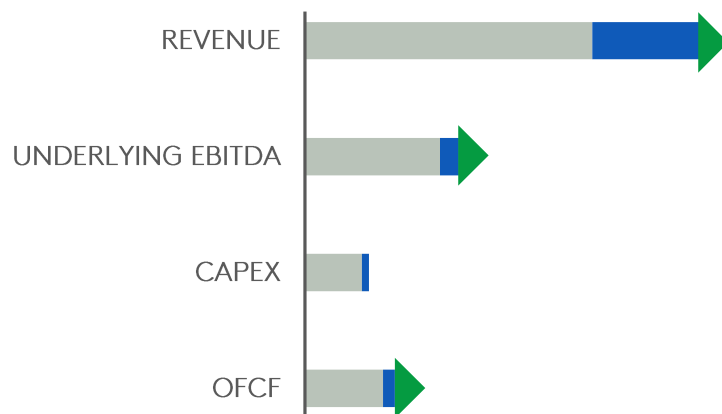
### CAPEX

We expect CAPEX to be in the range of SEK 1.0-1.1bn in 2016

### Leverage target

We aim to maintain our leverage within the interval of 3.5-4.0x Underlying EBITDA LTM

## COM HEM INCLUDING BOXER



### Revenue

Structural decline in DTT revenue being replaced by fibre revenue leading to somewhat lower revenue growth for combined business

### Underlying EBITDA

Mid single digit growth, following approximately SEK 300m increase in 2017 once Boxer consolidated into the Group

### CAPEX

CAPEX for mid-term is expected to increase slightly over the current level of SEK 1.0-1.1bn

### Leverage target

Unchanged

# SUMMARY

---

ANDERS NILSSON,  
CEO

OPERATIONAL PERFORMANCE 1

- Continued execution on our plan

---

OPERATIONAL UPDATE 2

- Our new brand
- Strong broadband performance

---

SDU EXPANSION PROGRAMME 3

- Expanding into the SDU market
- Boxer transaction

---

FINANCIAL PERFORMANCE 4

- Strong cash flow generation
- Issue of SEK 1,750m Senior Notes

---

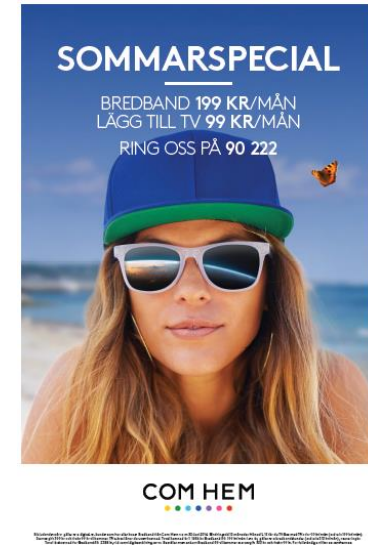
SUMMARY 5

---

# SUMMARY

## QUARTERLY HIGHLIGHTS

- Consumer ARPU reached a record high of 369 SEK, reflecting the full impact of the recent price rise
- The churn rate returned toward its previous downward trajectory, now at 13.1%, compared to 13.9% in the first quarter
- Equity free cash flow generation increased by SEK 242m or 194% to a total of SEK 366m in the second quarter
- Our broadband RGUs grew 10,000 net to another record high of 679,000, up 7% compared to Q2 2015
- Com Hem issued SEK 1,750m of Unsecured Senior Notes, successfully extending the maturity of the debt portfolio at attractive interest rates.
- Total shareholder remuneration of SEK 385m; SEK 96m of buybacks and a dividend payout of SEK 1.50/share. We cancelled treasury shares amounting to 6.7% of total number of registered shares



## LOOKING AHEAD

- Continued focus on customer experience to reduce churn and create pricing power
- We continue to deliver on our stated growth drivers
- Following successful trials, we expand into the SDU market with the ambition to make it the next major growth pillar for Com Hem. To boost this expansion Com Hem expects to close the Boxer acquisition during the fall
- We remain committed to the shareholder remuneration program adopted at the AGM in May 2016

COM HEM



Q & A

---