

FOURTH QUARTER 2023

January 30, 2024



Highlights

- Strong end of 2023 with 4% organic EBITDAaL growth in Q4
- 2023 guidance delivered
- Ordinary dividend proposal of SEK 6.90 per share, backed by strong equity free cash flow
- Launch of Strategy Execution Program including SEK 600 million of cost reduction



Strong end of 2023 – Guidance delivered

SEK (YoY growth) ¹	Q4 23	FY 23	The Group in Q4	Sweden B2C in Q4
End-user service revenue (EUSR)	5.4bn (+3.4%)	21.1bn (+3.6%)	<ul style="list-style-type: none"> – EUSR growth of 3% with solid performance across operations – Underlying EBITDAaL growth of 4% mostly as EUSR growth exceeded inflationary pressures – Solid equity free cash flow in the quarter despite working capital impacts from seasonally high levels of equipment funding 	<ul style="list-style-type: none"> – Solid volume growth in Mobile postpaid driven by lower churn and strong sales of Unlimited propositions – Solid EUSR growth in connectivity with Fixed broadband at 8% and Mobile postpaid accelerating to 5%
Underlying EBITDAaL	2.6bn (+4.4%)	10.4bn (+1.7%)	<h3>Sweden B2B in Q4</h3> <ul style="list-style-type: none"> – Continued solid underlying EUSR growth – Sustained growth in Mobile postpaid customer base and improving ASPU – Most satisfied business customers in both broadband and mobile according to SKI (Swedish Quality Index) 	<h3>The Baltics in Q4</h3> <ul style="list-style-type: none"> – Continued strong EUSR growth mostly driven by ASPU – Volume growth in Mobile postpaid continued – Solid underlying EBITDAaL growth as EUSR growth exceeded inflationary pressures
Capex ² % of sales	1.1bn	3.9bn 13.5%		
EFCF	0.5bn	4.7bn		

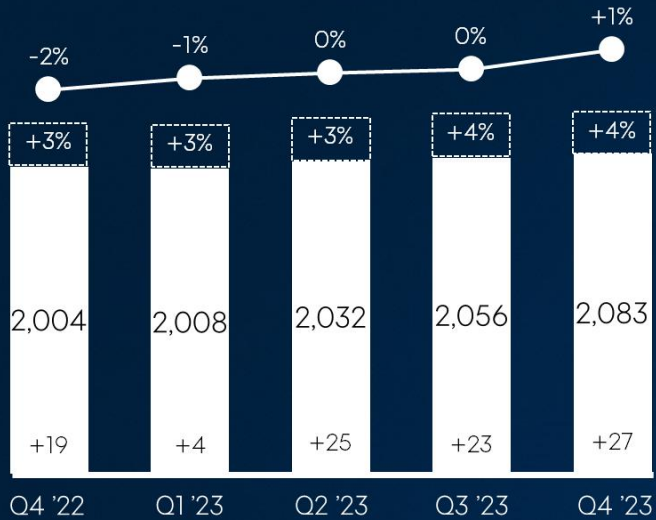
SWEDEN



Sweden consumer: Growth in volume and value

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

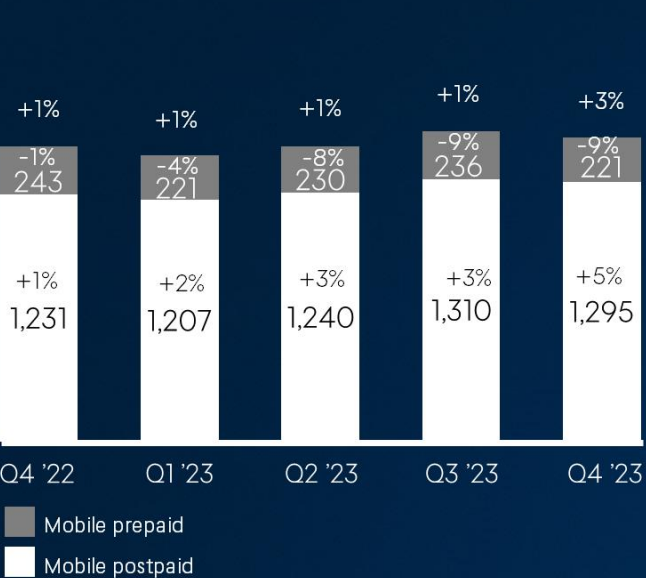
Q4 highlights

- Solid volume growth for Mobile postpaid driven by Tele2 Unlimited and Family propositions. Above 2% ASPU growth excl. (abating) dilution from free MBB
- Stable volume for Fixed broadband due to fewer campaigns and less discounts. ASPU driven by price adjustments and higher average speeds
- Stable volume for Digital TV Cable & Fiber. Slight ASPU decline related to decline of legacy add-on products

Sweden consumer: Solid EUSR growth in connectivity

Mobile EUSR

SEK million, YoY growth %



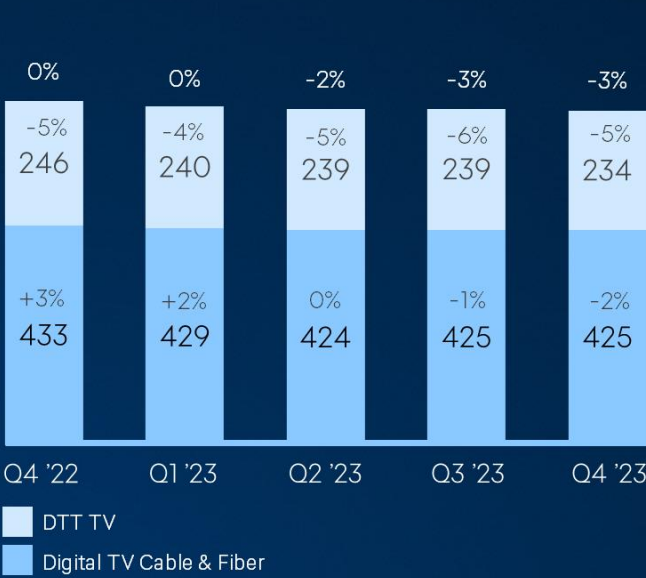
Fixed broadband EUSR

SEK million, YoY growth %



Digital TV EUSR

SEK million, YoY growth %



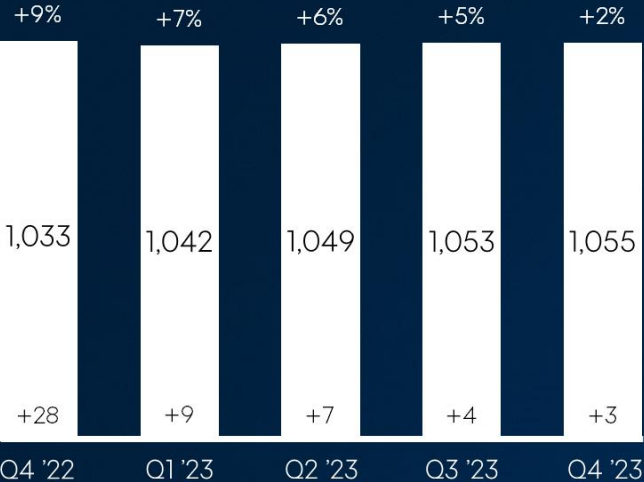
Q4 highlights

- Mobile EUSR grew 3% due to accelerating postpaid growth, exceeding a last full quarter of prepaid registration impact
- Fixed broadband EUSR grew 8% mostly driven by strong ASPU growth
- EUSR for Digital TV declined slightly mostly driven by continued decline in the legacy DTT business

Sweden business: Continued healthy topline growth

Mobile RGU & net intake

Thousand QoQ and YoY growth %



Mobile ASPU

YoY growth %



End-user service revenue

SEK million, YoY growth %



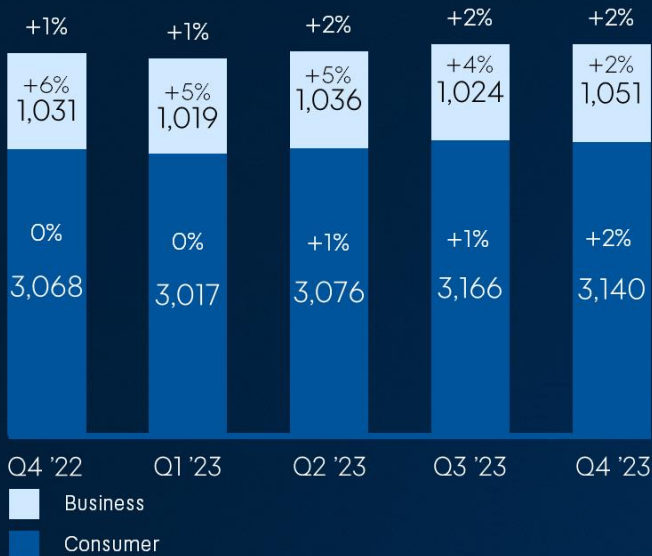
Q4 highlights

- EUSR growth of 2%. Adjusted for a one-off deal in Solutions in Q4 2022, growth was 4%
- Net intake of 3,000 Mobile RGUs. 4% Mobile ASPU growth
- Tele2 Sweden has the most satisfied business customers in both broadband and mobile according to SKI (Swedish Quality Index)

Sweden financials: Healthy EBITDAaL growth

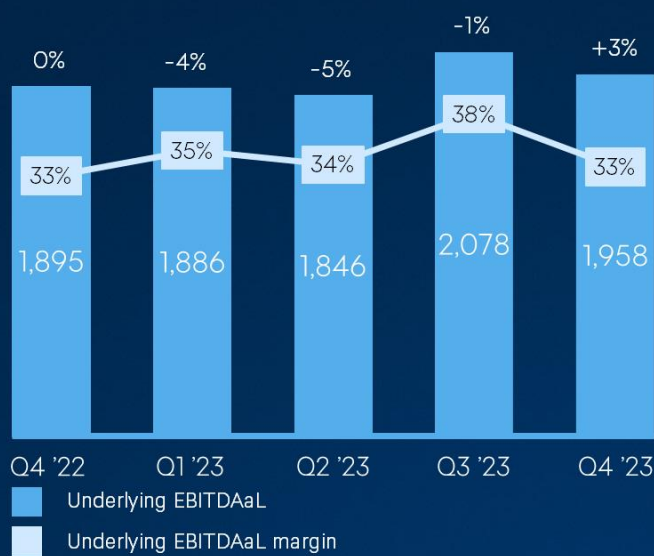
End-user service revenue

SEK million, YoY growth %



Underlying EBITDAaL & margin

SEK million, YoY growth %



Operating cash flow and cash conversion, LTM, SEK million

SEK million, YoY growth %



Q4 highlights

- EUSR grew by 2% driven by solid performance in both B2C and B2B
- Underlying EBITDAaL grew by 3% mostly as higher EUSR exceeded inflationary pressures and continued margin pressure from product mix changes as legacy services decline
- Cash conversion of 58% reflecting capex to sales of 15% LTM

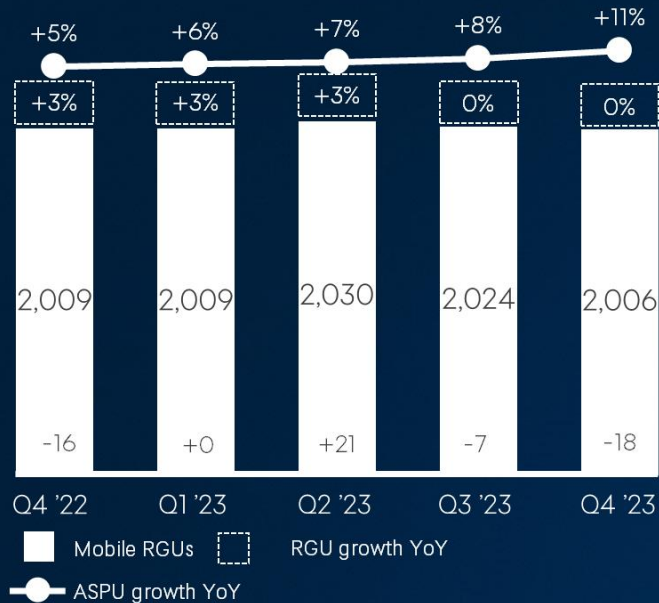
BALTICS



Baltics operational highlights: Strong ASPU growth

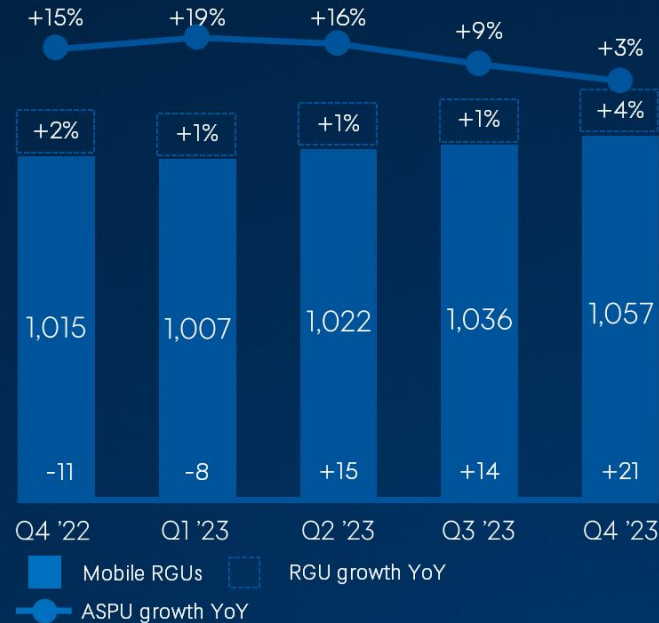
Lithuania – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



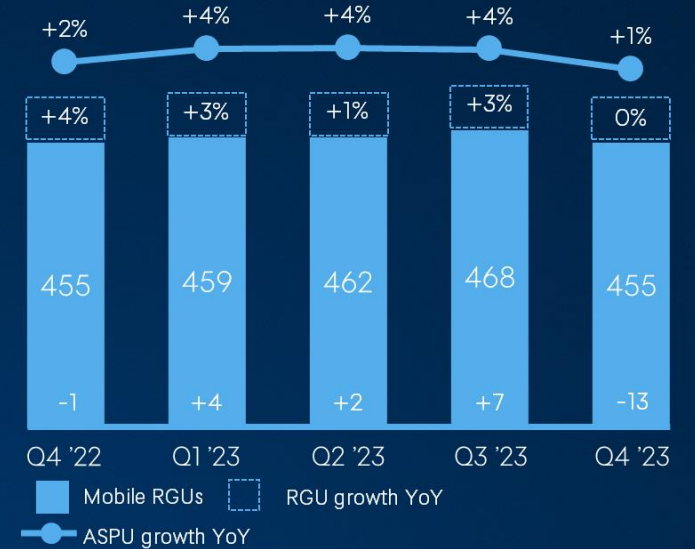
Latvia – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



Estonia – Mobile RGU & ASPU

Thousand QoQ and YoY growth %



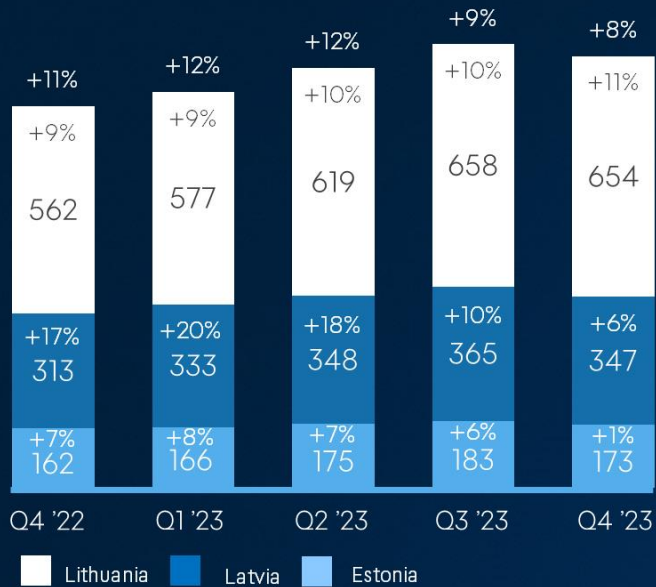
Q4 highlights

- The overall Baltic mobile postpaid customer base continued to increase
- Continued strong blended organic ASPU growth of 7% driven by more-for-more strategy, price adjustments and prepaid to postpaid migration

Baltics financials: Continued strong performance

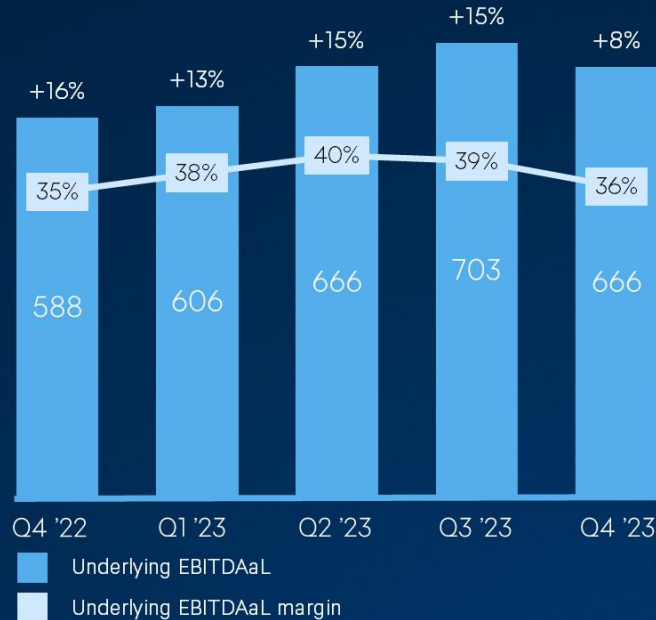
End-user service revenue

SEK million, YoY growth %



Underlying EBITDAaL & margin

SEK million, YoY growth %



Operating cash flow and cash conversion

LTM, SEK million



Q4 highlights

- Continued strong end-user service revenue growth of 8% driven by both ASPU and postpaid volume growth in all markets
- Underlying EBITDAaL grew by 8% as end-user service revenue growth and somewhat lower energy costs exceeded inflationary pressures
- Continued strong cash conversion of 74% despite significant capex to sales of 10% LTM



FINANCIAL OVERVIEW

Group results

SEK million	Q4 2023	Q4 2022	FY 23	FY 22
Revenue	7,684	7,454	29,099	28,102
Underlying EBITDA	2,999	2,833	11,885	11,395
Margin (%)	39.0%	38.0%	40.8%	40.5%
Items affecting comparability	-80	-75	-268	-294
D&A	-1,515	-1,557	-6,150	-6,176
Associated companies & JVs	0	1	0	1,672
Operating profit	1,405	1,203	5,466	6,596
Net interest and other financial items	① -259	-181	-888	-689
Income tax	② -214	-127	-846	-694
Net profit, continuing operations	932	895	3,731	5,213
Net profit, discontinued operations	4	363	4	361
Net profit, total operations	936	1,258	3,735	5,574

Comments

- ① Net interest and other financial items increased due to higher financing costs for outstanding debt
- ② Income tax increased due to higher taxable profits and because last year was positively impacted by a tax reduction relating to investments made during the pandemic

Group cash flow

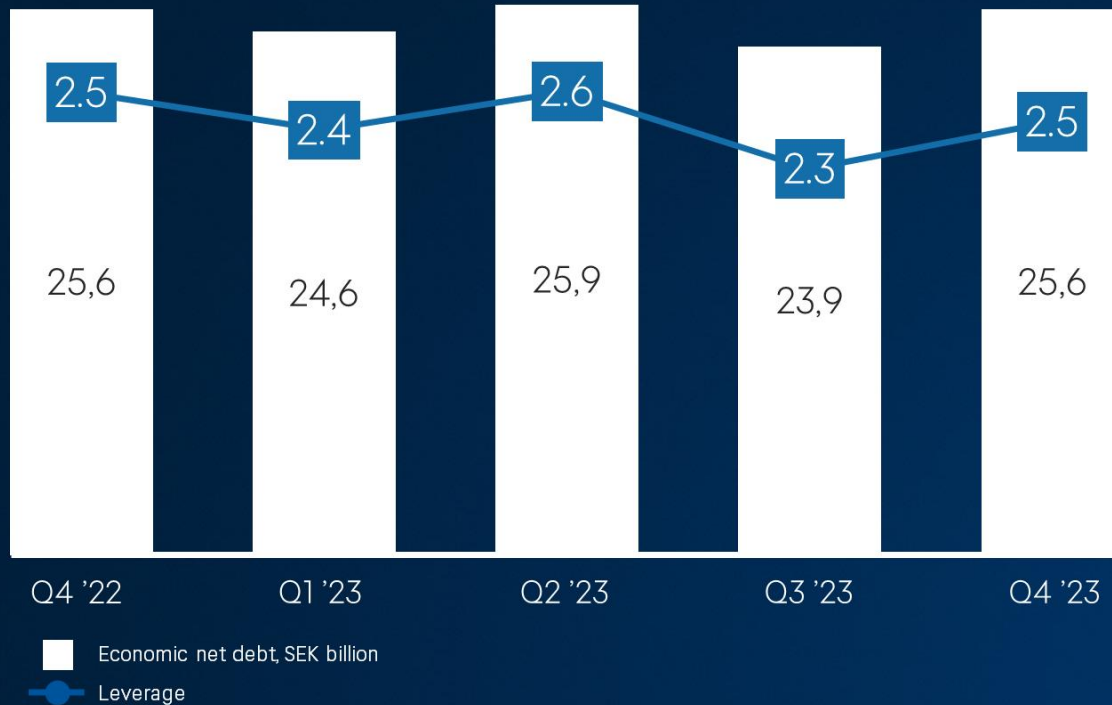
SEK million		Q4 2023	Q4 2022	FY 23	FY 22
Underlying EBITDA		2,999	2,833	11,885	11,395
Items affecting comparability		-80	-75	-268	-294
Amortization of lease liabilities		-266	-288	-1,240	-1,226
Capex paid	1	-1,473	-1,145	-4,053	-3,561
Changes in working capital	2	-315	-634	85	-1,380
Net financial items paid	3	-302	-70	-835	-389
Taxes paid	4	-65	-193	-987	-1,215
Other cash items		32	26	133	132
Equity free cash flow		531	454	4,720	3,461
Equity free cash flow LTM	5	4,720	3,461		
Equity free cash flow LTM / share (SEK)		6.8	5.0		

Comments

- 1 Capex paid increased due to high capex levels and spectrum payment
- 2 Changes in working capital in the quarter were mainly impacted by seasonally high levels of equipment funding
- 3 Net financial items paid increased due to higher interest rates both on loans and leases, and coupon timing
- 4 Taxes paid declined predominantly due to a tax refund relating to year 2022
- 5 Equity free cash flow over the last twelve months amounted to SEK 4.7 billion, equivalent to SEK 6.8 per share

Leverage at 2.5x

Economic net debt to underlying EBITDAaL LTM



Comments

- Economic net debt remained unchanged compared to year-end 2022 as the cash generated in the business corresponded to the payout of the ordinary dividend
- Leverage of 2.5x was at the lower end of the target range of 2.5-3.0x

Launch of Strategy Execution Program (SEP)

Radical improvements in customer experience and value will generate operational efficiency

Creating customer value

- Convenient, complete and personalized propositions
- Outstanding digital channels
- End-to-end self-service
- Entertainment anytime anywhere
- Accelerated, data-driven development cycles
- Best 5G network

Efficiency as enabler

SEK 600 million of cost reduction in three years

- Executed from Q1 2024 to Q4 2026 with relatively linear delivery of cost reduction
- SEK 600m or less of restructuring costs

Levers

- Reshaping customer journeys
- Optimizing channel and customer operations
- B2B next level operating environment
- Datacenter consolidation
- 3G JV closure

Financial outlook

	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.

