



# RESULTS FOR THE Q1 2018

Telia Lietuva, AB Group



A man wearing a dark t-shirt, dark pants, and a fedora-style hat is captured mid-jump over a two-lane asphalt road. He is holding a brown leather briefcase in his right hand. The background features a dry, hilly landscape under a clear blue sky. The road has yellow dashed lines. The man's shadow is cast on the road surface below him.

**TELIA LIETUVA PROVIDES TELECOMMUNICATION,  
IT & TV SERVICES IN LITHUANIA FROM A SINGLE  
POINT**

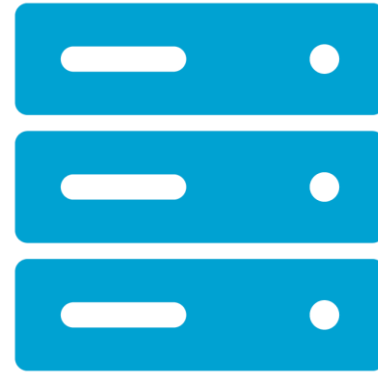
# TELIA LIETUVA MEANS:



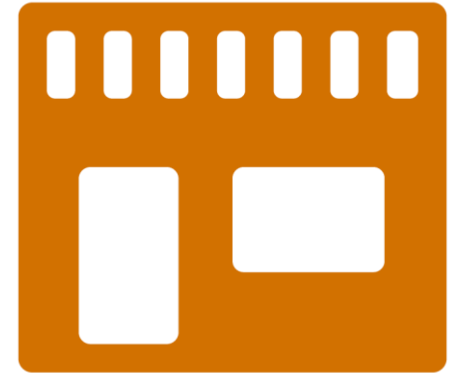
Wide range of  
services



The most developed  
networks



Modern data  
centres



Everything from a  
single point



# TELIA LIETUVA MEANS:



Customer care  
24/7/365



Quality of operations'  
management  
confirmed by ISO  
certificates



Team of 3,000  
professionals

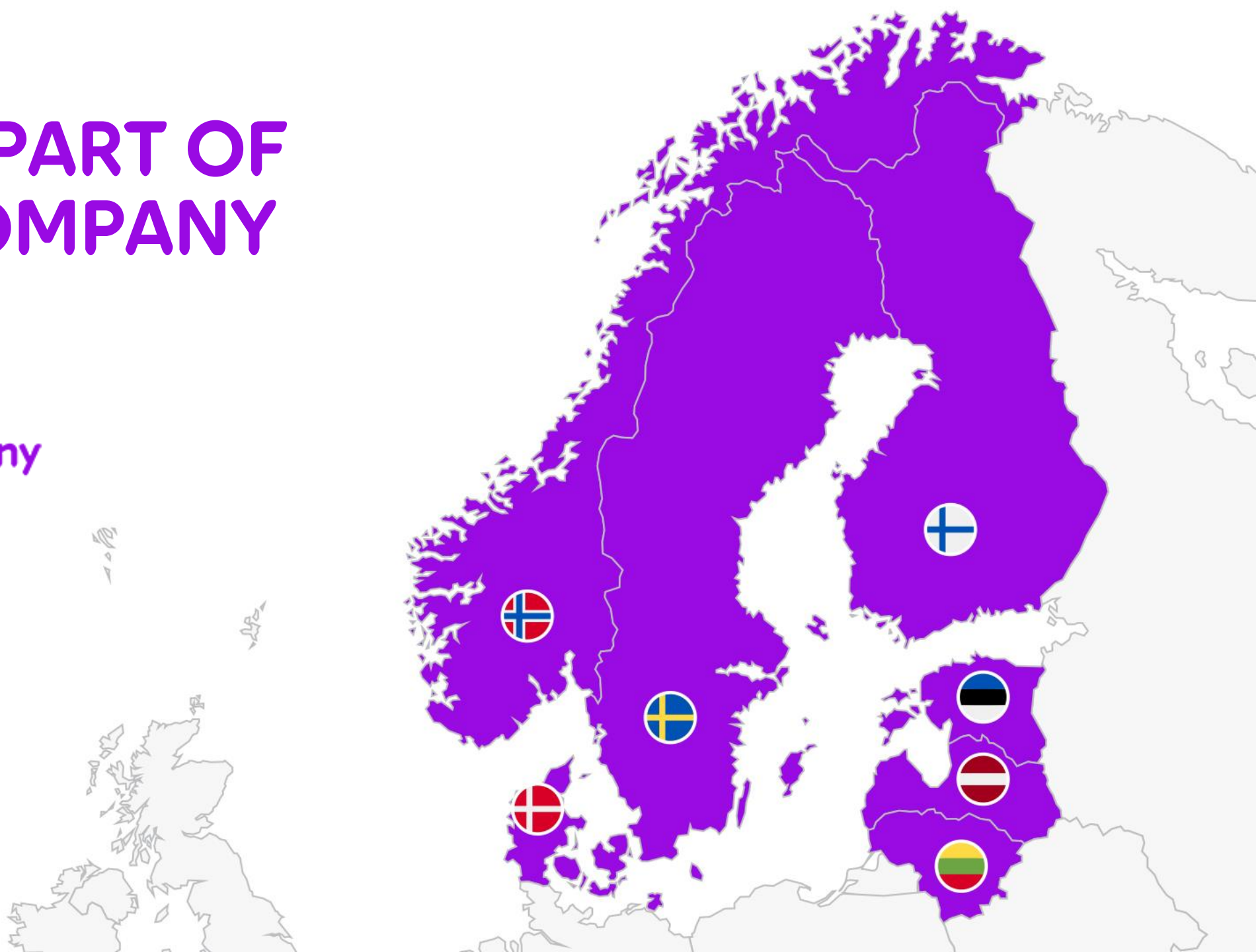


Sustainable and  
responsible  
business





# WE ARE PART OF TELIA COMPANY GROUP



**OUR PURPOSE:  
BRINGING THE  
WORLD CLOSER –  
ON THE CUSTOMER'S  
TERMS**



# OUR VALUES



## **We dare to:**

- innovate
- lead
- speak-up

## **We care for:**

- our customers
- each other
- our world

## **We simplify:**

- execution
- teamwork
- our operations



# TELIA LIETUVA GROUP

## TELIA LIETUVA, AB

Telia Customer Service LT, UAB	100 %
UAB Verslo Investicijos	100 %
Telia Global Services Lithuania, UAB	100 %
VšĮ Numerio Perkėlimas	50 %
UAB Mobilieji Mokėjimai	33.3 %

- **Telia Lietuva** provides integrated mobile and fixed communication and IT services
- **Telia Customer Service LT** provides contact center services to customers of Telia Lietuva and Directory Inquiry services 118
- **Verslo Investicijos** implements an investment project in Vilnius, at Lvovo str. 21A
- **Telia Global Services Lithuania** (till 30-01-2018 was named **UAB Kompetencijos Ugdymo Centras**) is a base for establishment of shared services center
- **Numerio Perkėlimas** administers the central database to ensure telephone number portability in Lithuania (Tele2 and Bitė Lietuva owns 25% each)
- **Mobilieji Mokėjimai** creates a platform for instant payments (Tele2 and Bitė Lietuva owns 33.3% each)





# HIGHLIGHTS OF Q1 2018

- More than **10 thousand** customers have used the unique in the market converged offer “**Telia One**”
- The Company presented “**Super VDSL**” (S-VDSL) technology, which provides up to **250 Mbps** Internet via copper lines
- **IT competence centre** opened in Šiauliai
- Telia Lietuva received a **certificated from SAP**, which allows to serve the IT systems of the largest enterprises
- The Company signed a contract with Šiaulių Bankas for management of **computerized work places**
- The Board proposed to pay **EUR 0.07 dividend per share** for the year 2017
- Telia Lietuva was granted the award of **The Company of the Centenary in Lithuania** by Investors' Forum



# OPERATING FIGURES



1.3%

1,363

thousand of  
**mobile** service users



2.5%

415

thousand of  
**broadband Internet**  
connections



5.6%

245

thousand of  
**TV service** users



11.7%

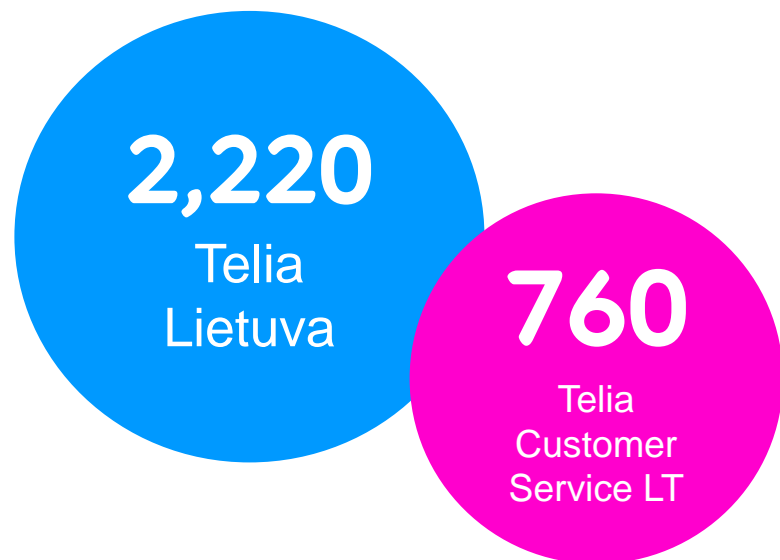
401

thousand of  
**fixed telephone** lines  
in service

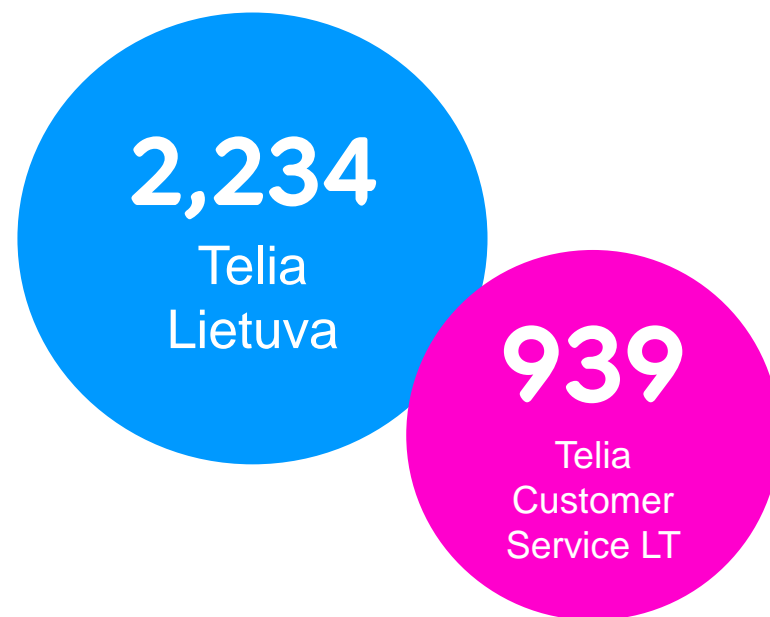
Data as of 31-12-2018 & change (y-o-y)



# NUMBER OF EMPLOYEES



In total **2,980** (31-03-2018)



In total **3,173** (31-03-2017)

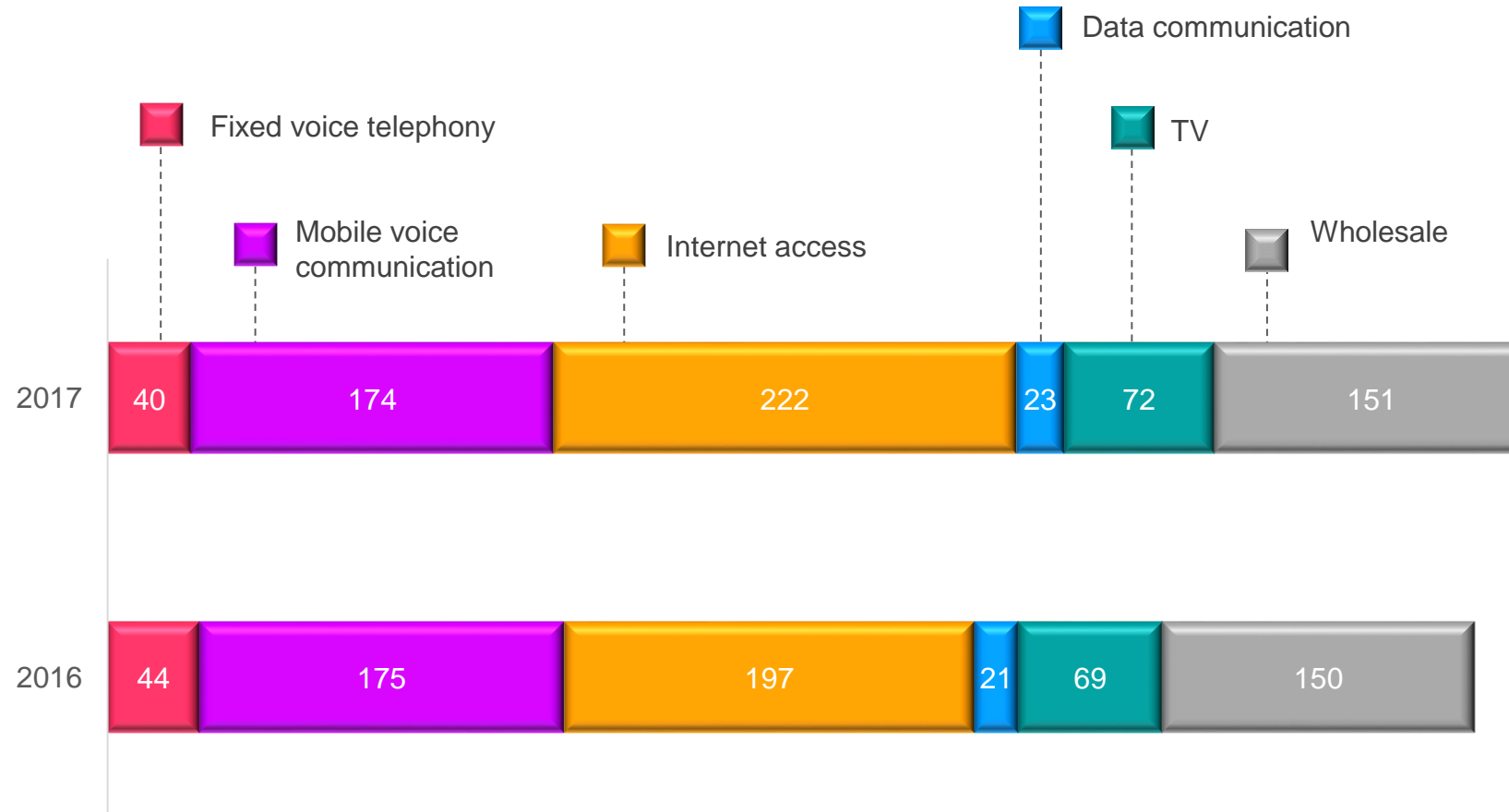


# **ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA**



# WE ARE OPERATING IN GROWING TELCO MARKET

(EUR million)

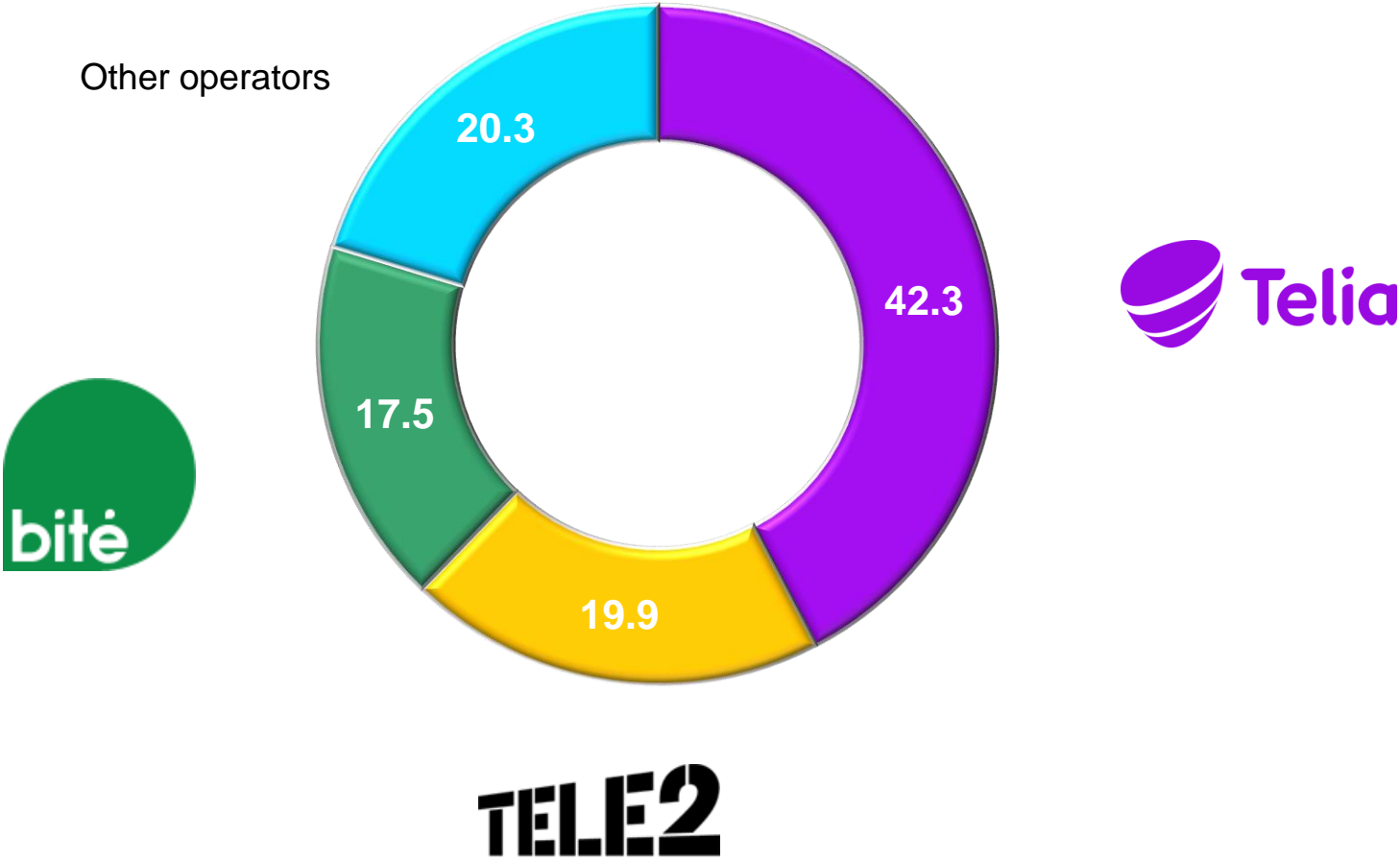


**+3.8%**

Source: Report of the Communications Regulatory Authority



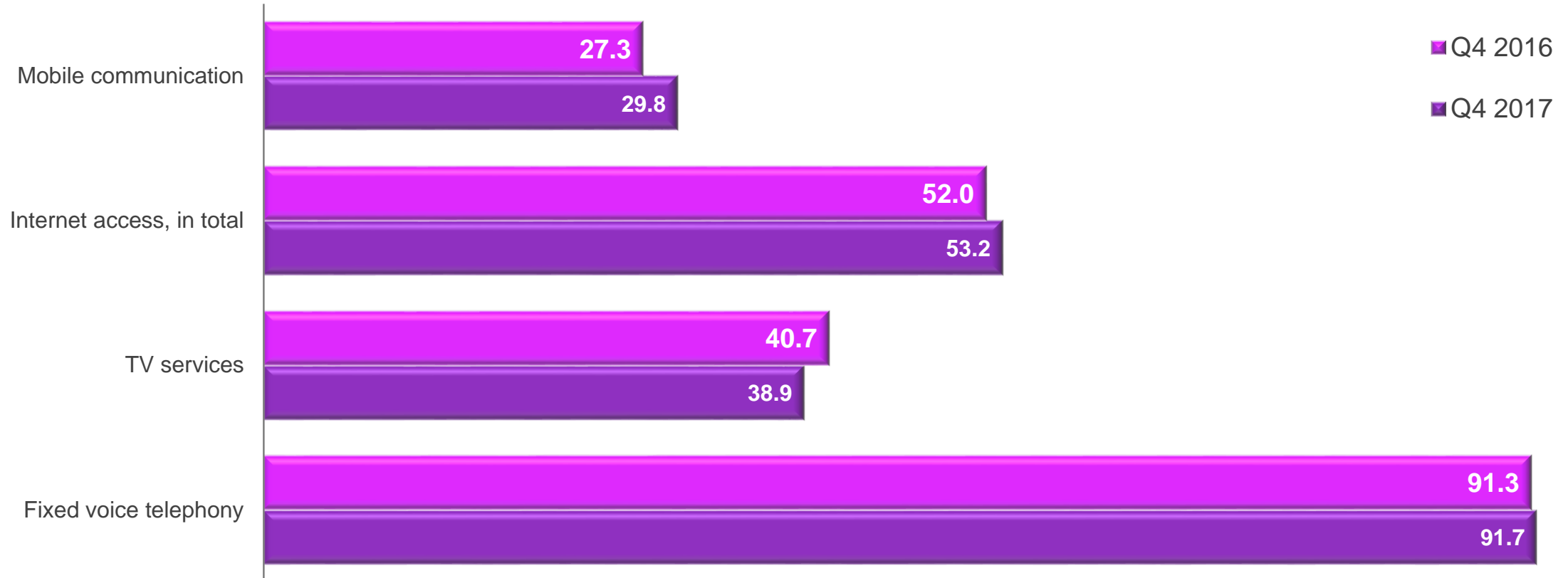
# BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q4 2017 (%)



Source: Report of the Communications Regulatory Authority



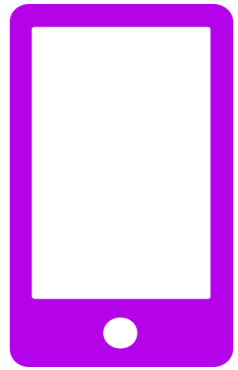
# TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



# MARKET: THE FASTEST GROWTH IN USAGE OF DATA



**12.7%**  
(q-o-q)

Increasing usage of  
**mobile data**

(uploaded/downloaded  
**59,929 million MB**  
of data per quarter)



**3.7%**  
(y-o-y)

Growing number of  
**FTTH/B connections**

(accounts for **71%** of all  
fixed Internet connections)



**11.3%**  
(y-o-y)

Growing number of  
**IPTV users**

(accounts for **32%** of all  
pay-TV service users)





# MARKET PENETRATION PER 100 INHABITANTS



152.8

**mobile** communications  
subscribers



16.9

**fixed telephony** lines



41.7

broadband **Internet**  
access



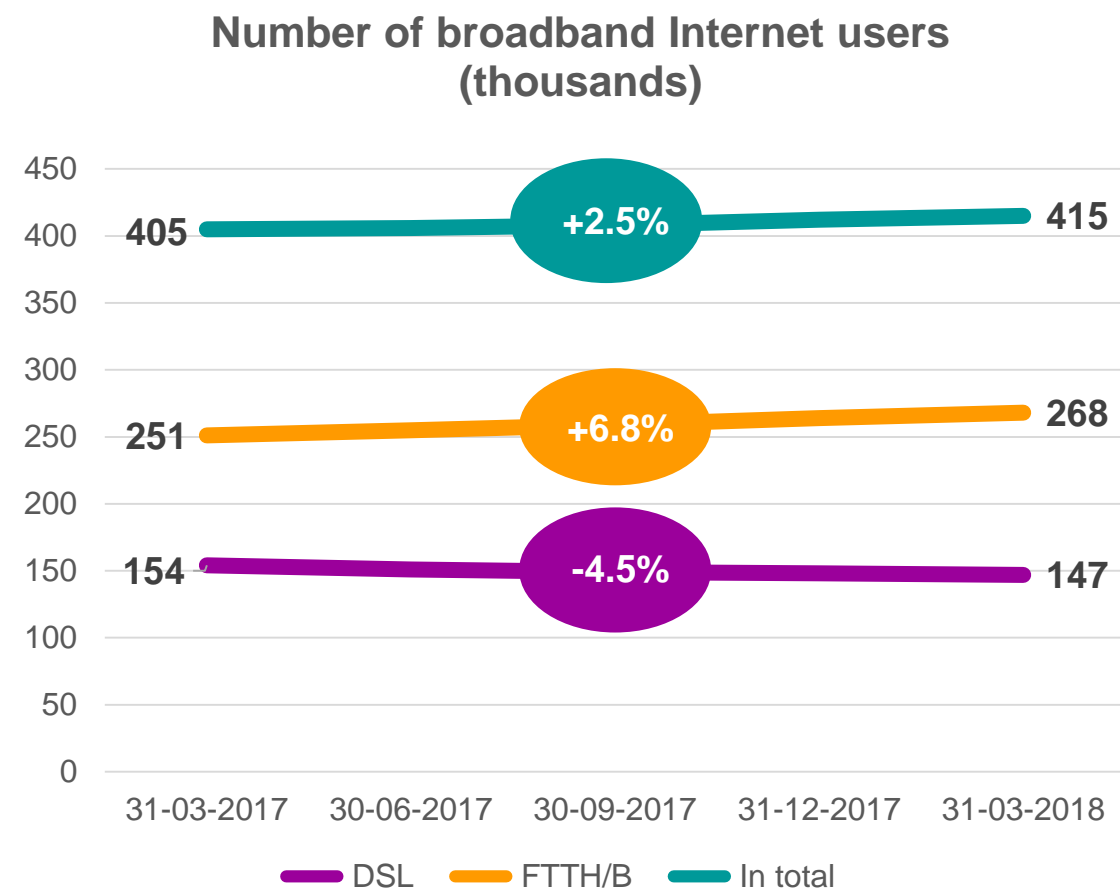
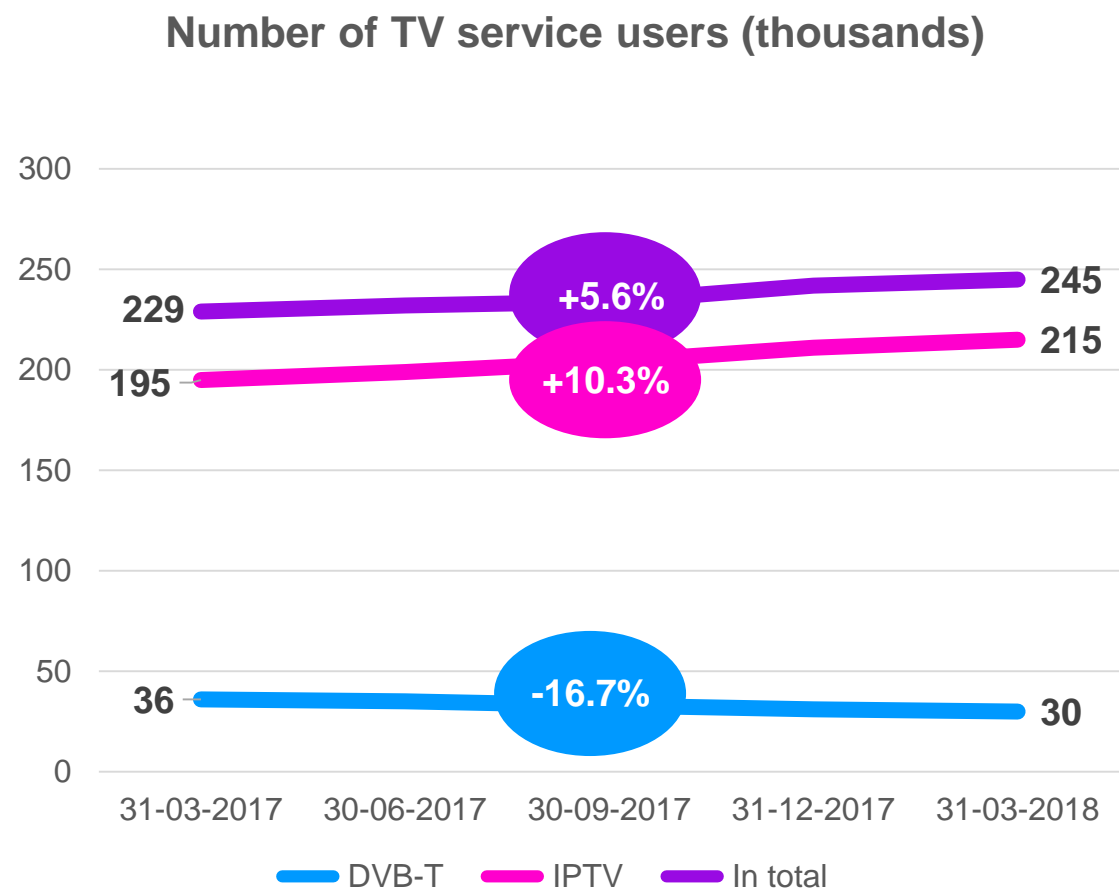
56.8

**pay-TV** subscribers  
(households)

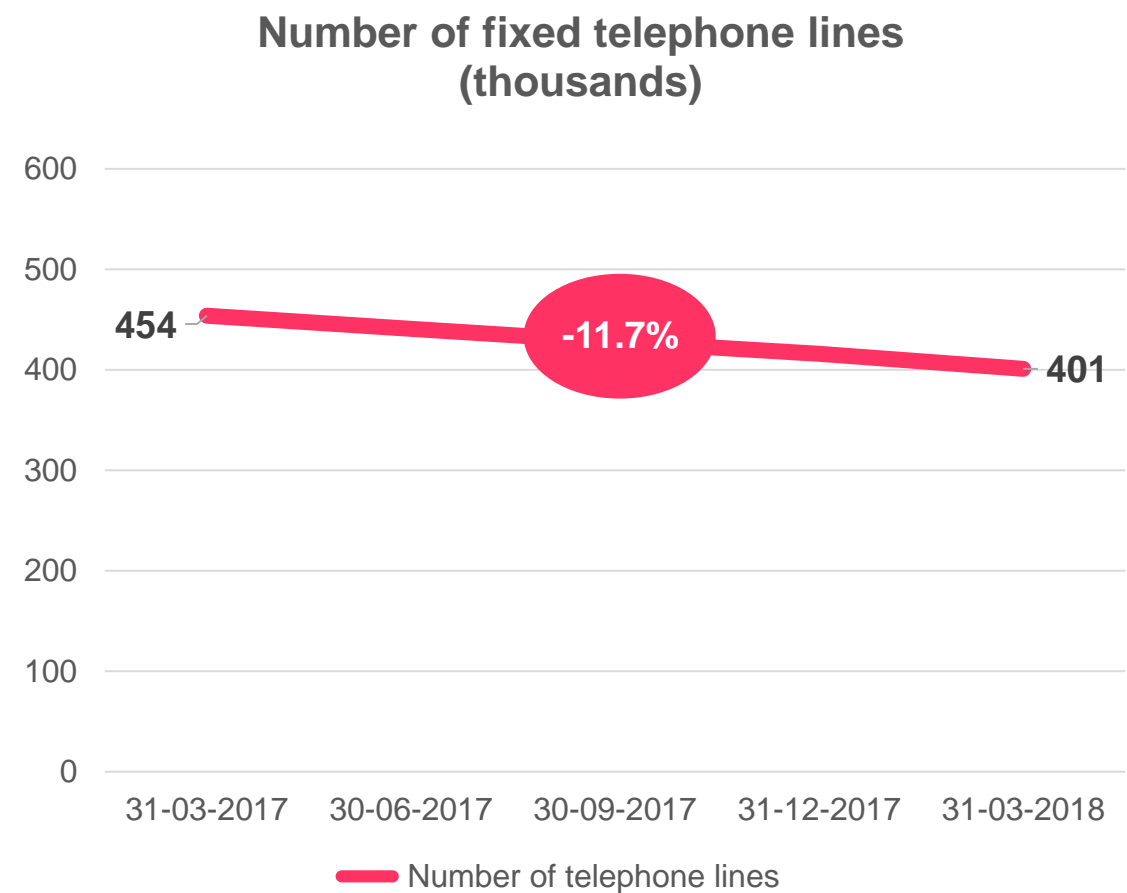
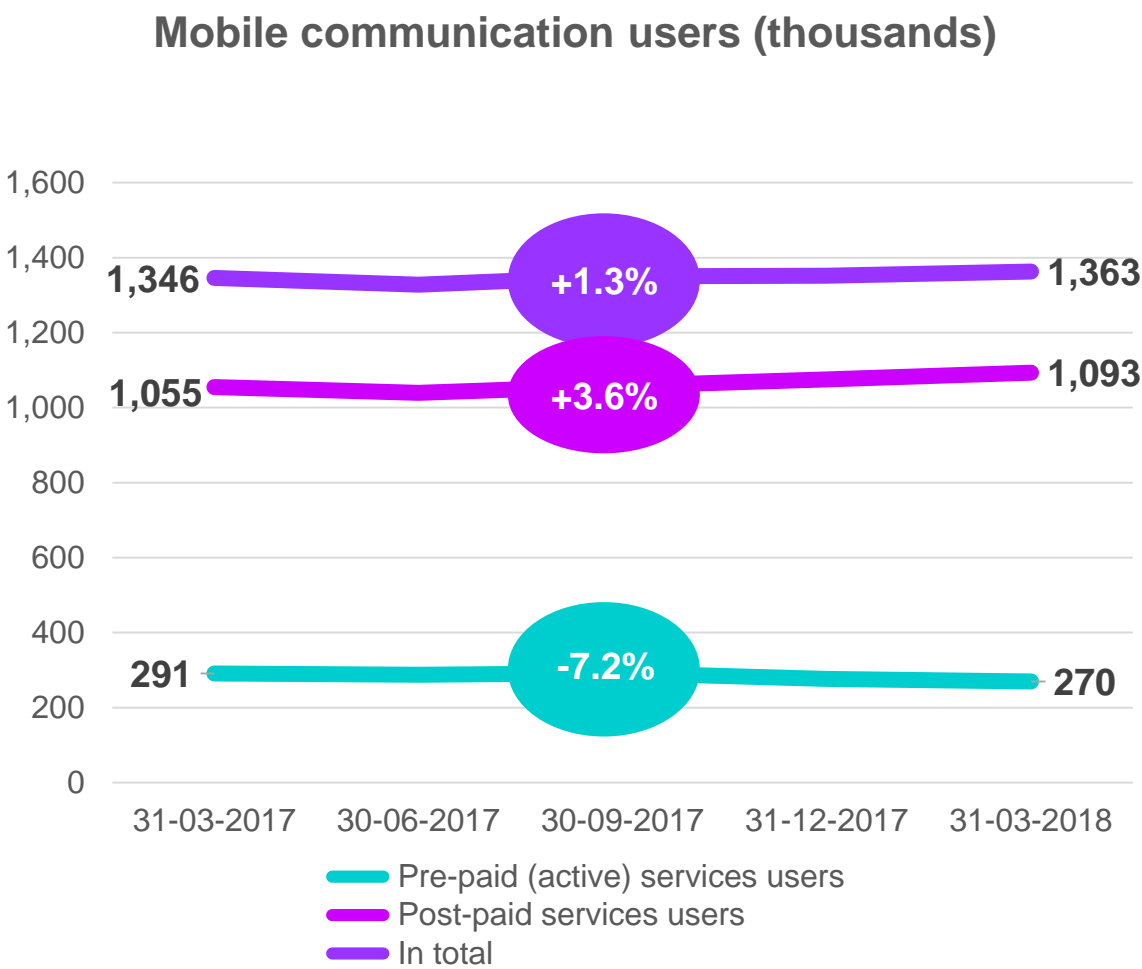


# OPERATING AND FINANCIAL RESULTS

# CONTINUOUS GROWTH IN NUMBER OF IPTV AND FTTH USERS



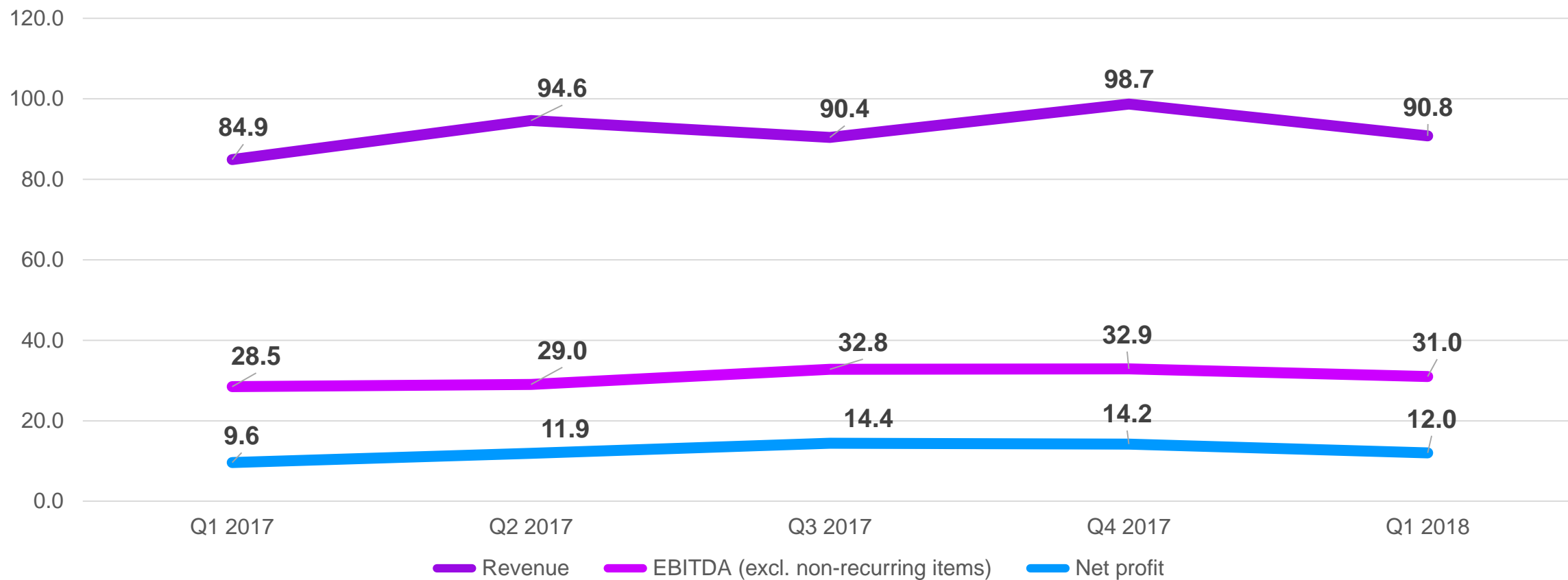
# NUMBER OF MOBILE POST-PAID SERVICE USERS IS GROWING





# REVENUE, EBITDA & NET PROFIT

(EUR million)

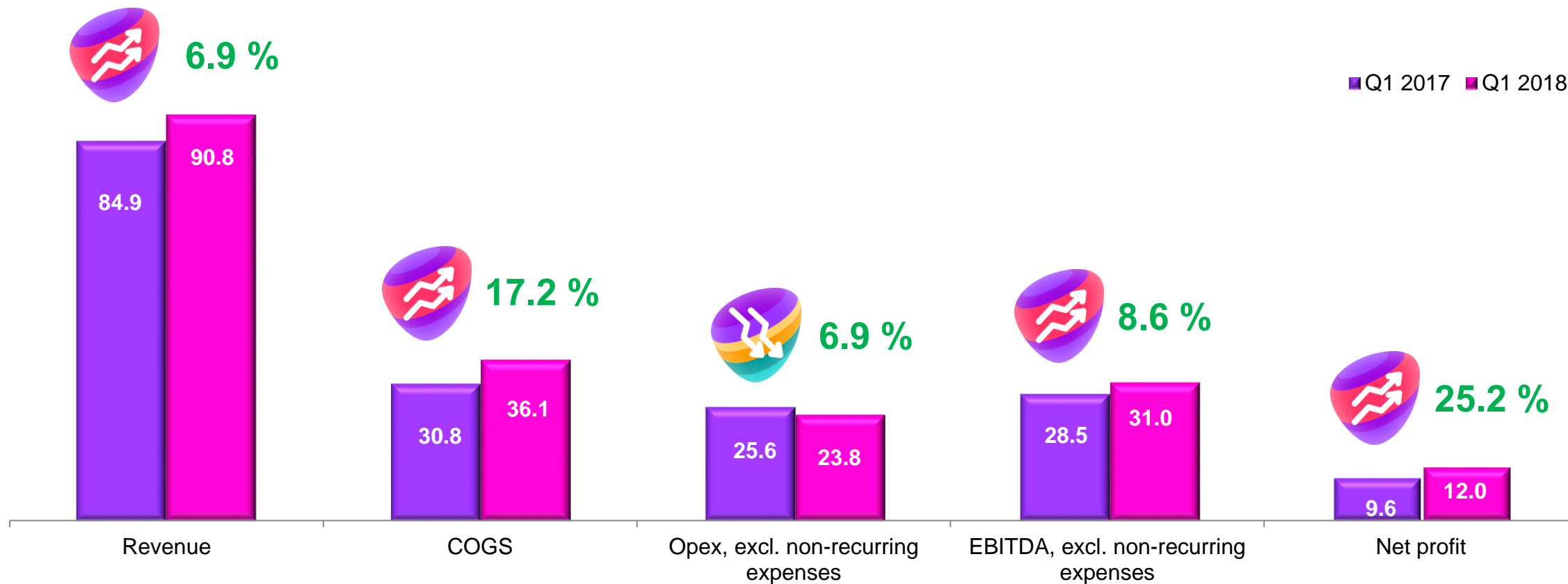


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



# DYNAMICS OF MAIN FINANCIAL INDICATORS

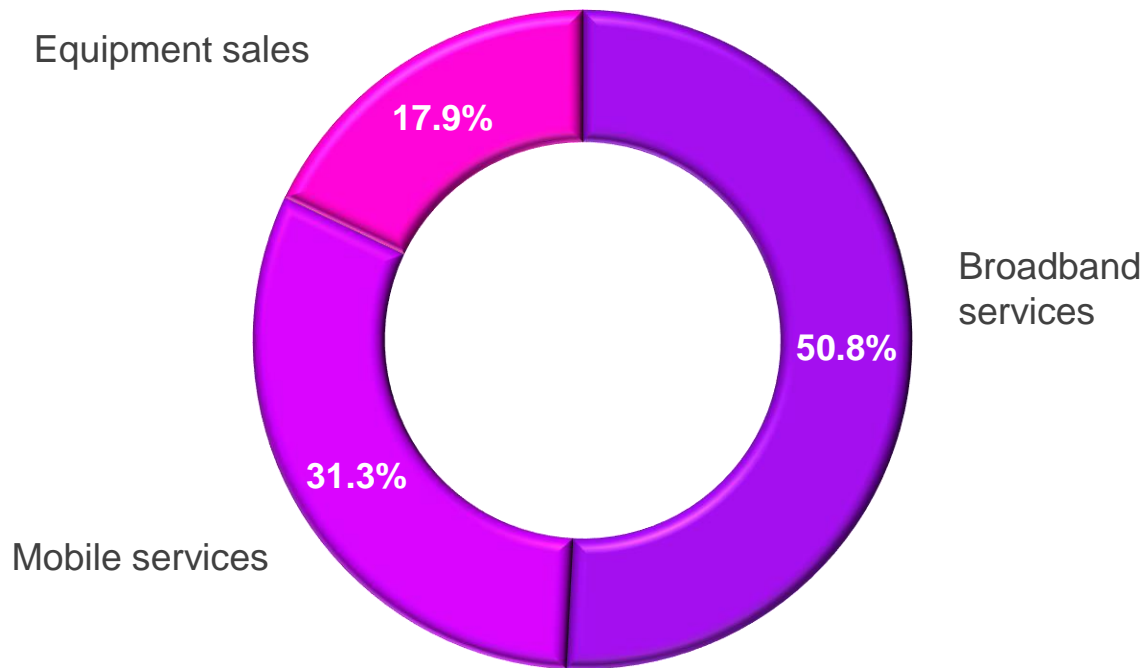
(EUR million)



NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



# Q1 2018 REVENUE BREAKDOWN



B2B

42.4%



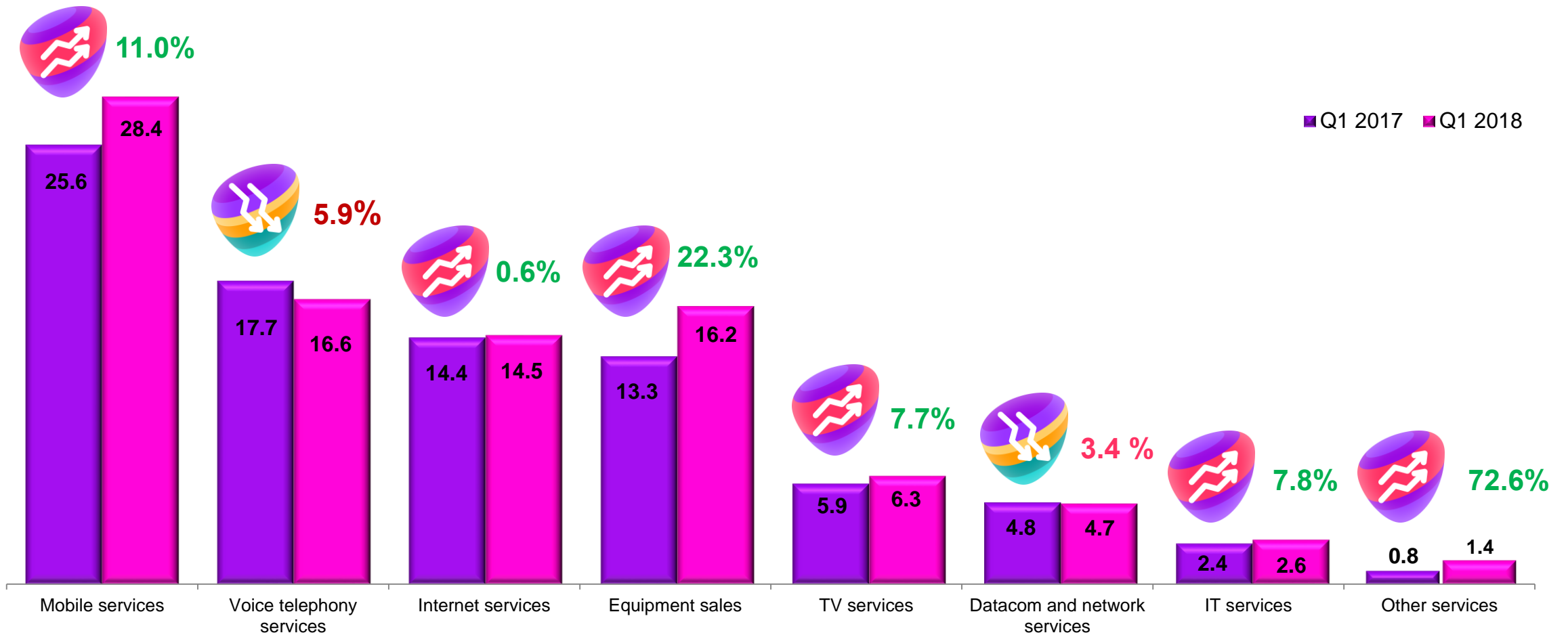
B2C

56.9%



# REVENUE BY SERVICES

(EUR million)

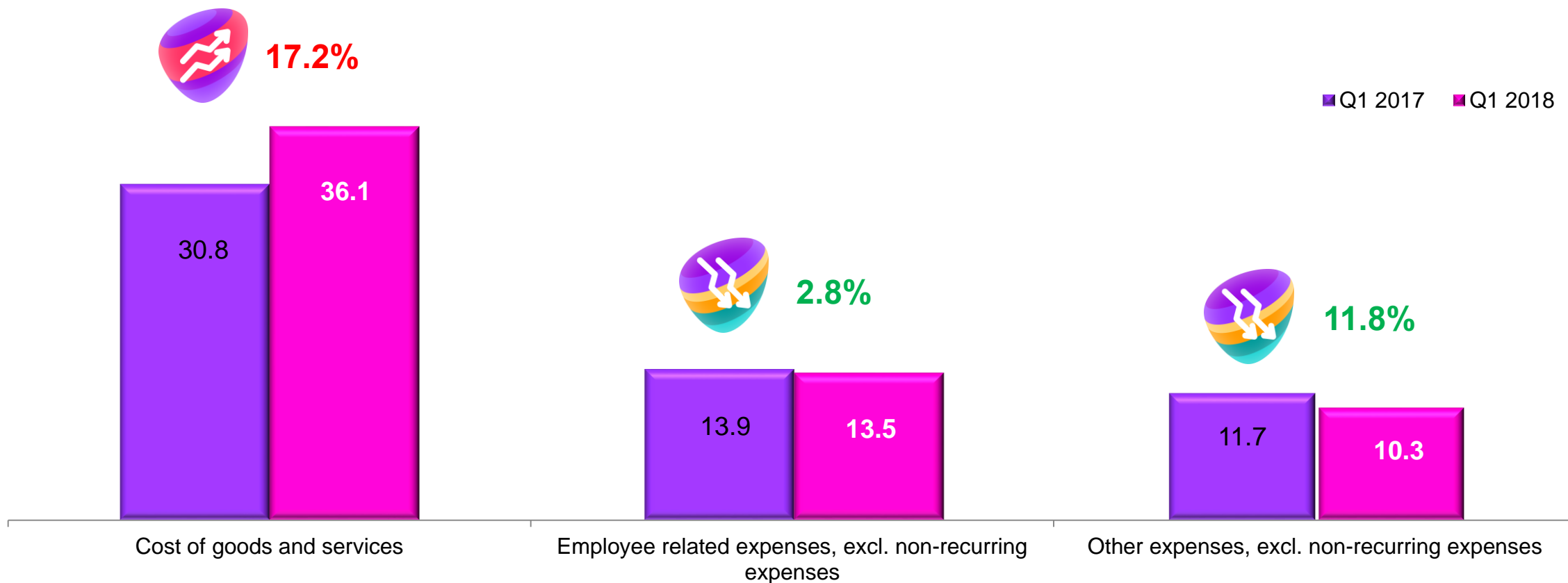


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



# OPERATING EXPENSES

(EUR million)

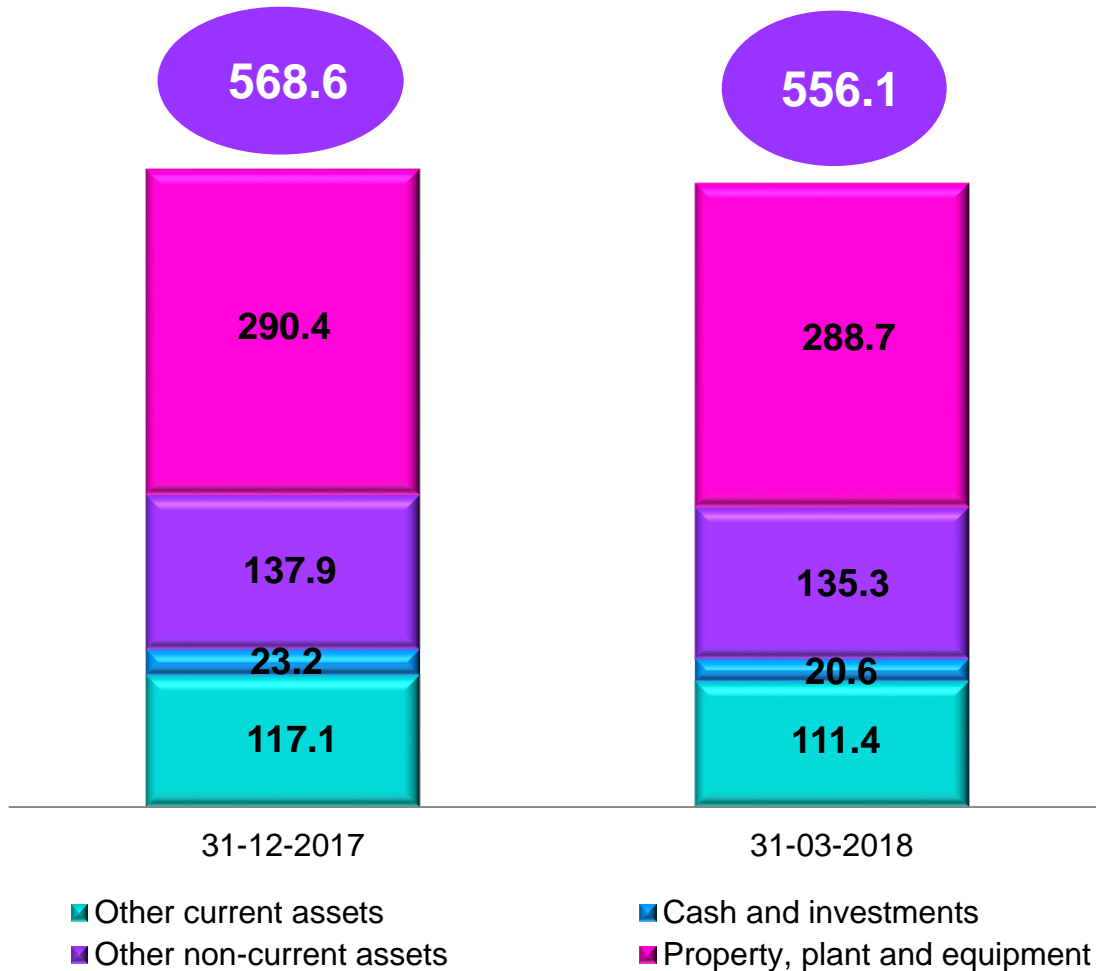


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



# ASSETS

(EUR million)



- During January-March 2018, **total assets** decreased by 2.2%
- **Non-current assets** amounted to 76.2% of total assets (31-03-2018)
- **Cash** alone amounted to 3.7%
- **Return on capital employed:** 12.6%
- **Return on average assets:** 10.4%

NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



# EQUITY AND LIABILITIES

(EUR million)



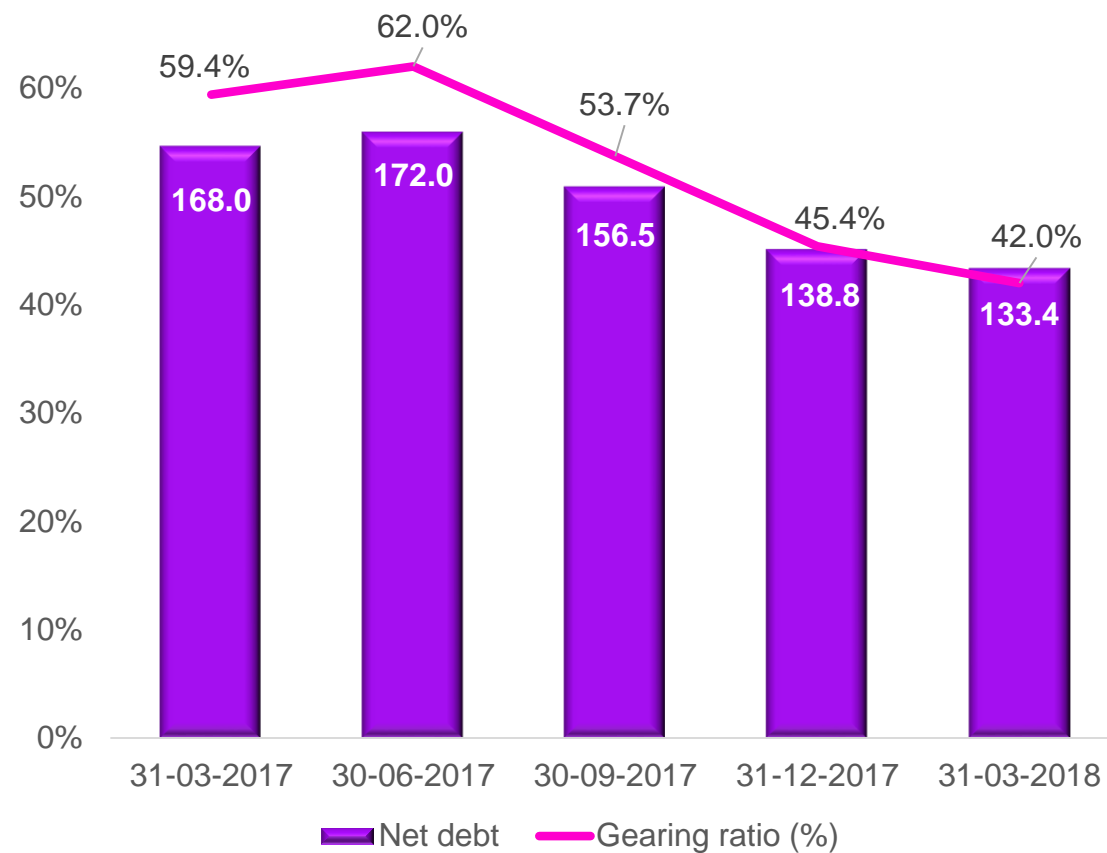
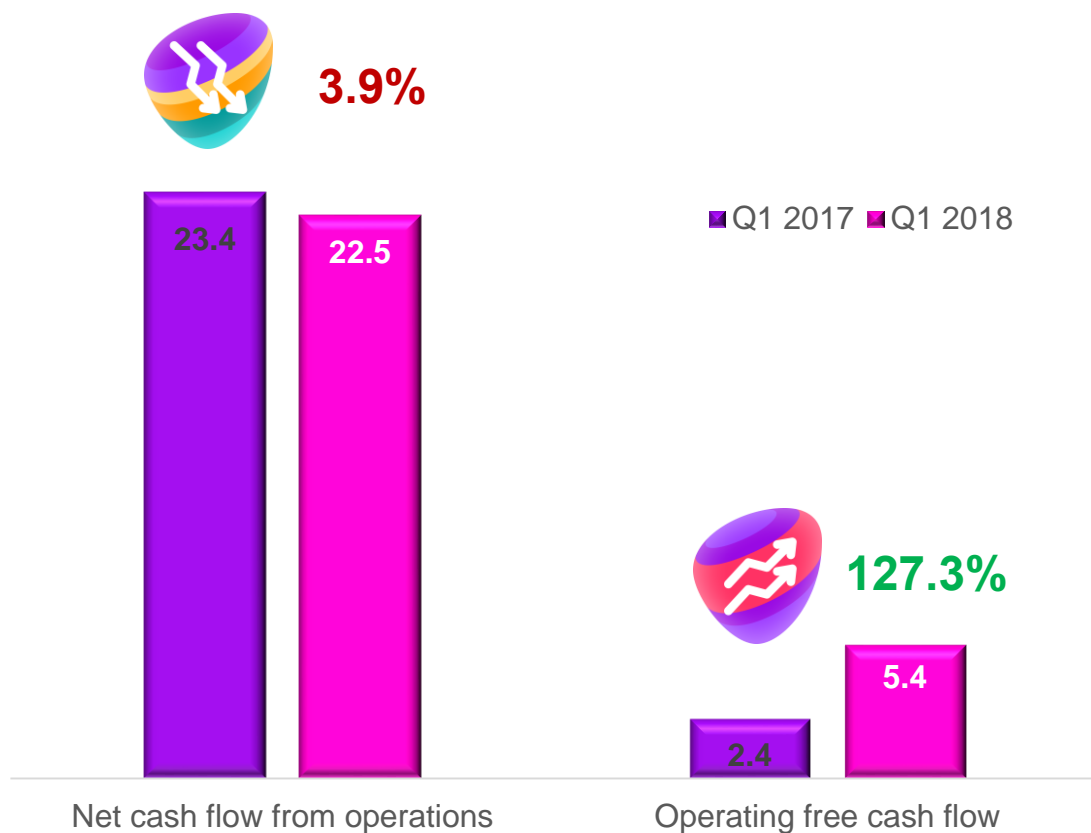
- Shareholders' **equity** amounted to 57.2% of the total assets (31-03-2018)
- Total **borrowings** amounted to EUR 154 million (31-03-2018)
- **Gearing ratio**: 42%
- **Debt to equity**: 48.5%
- **Return on equity**: 17.6%

NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



# CASH FLOW & NET DEBT

(EUR million)

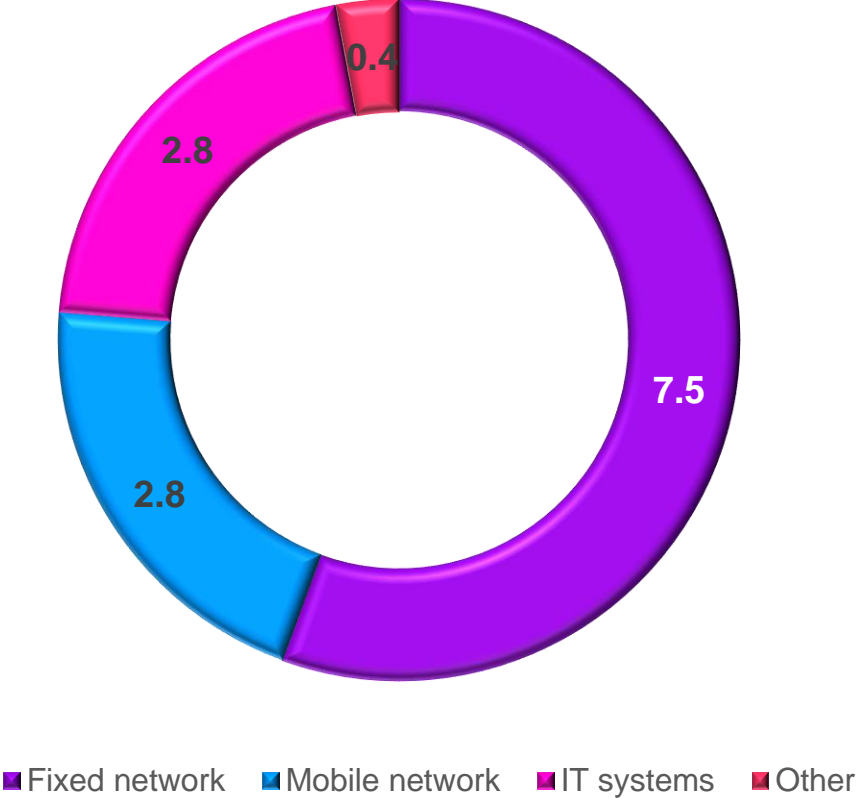
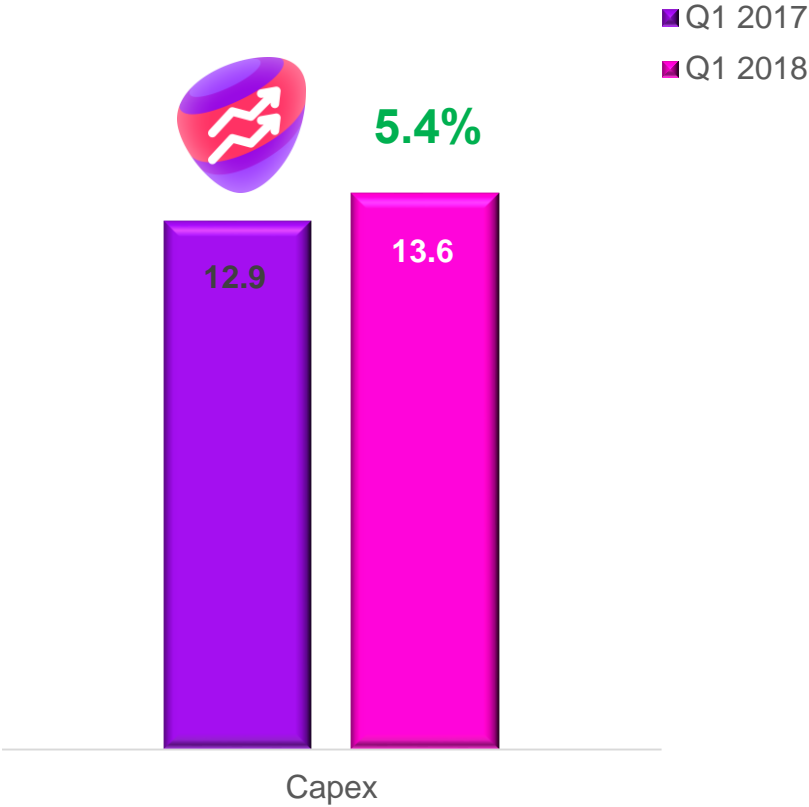


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018

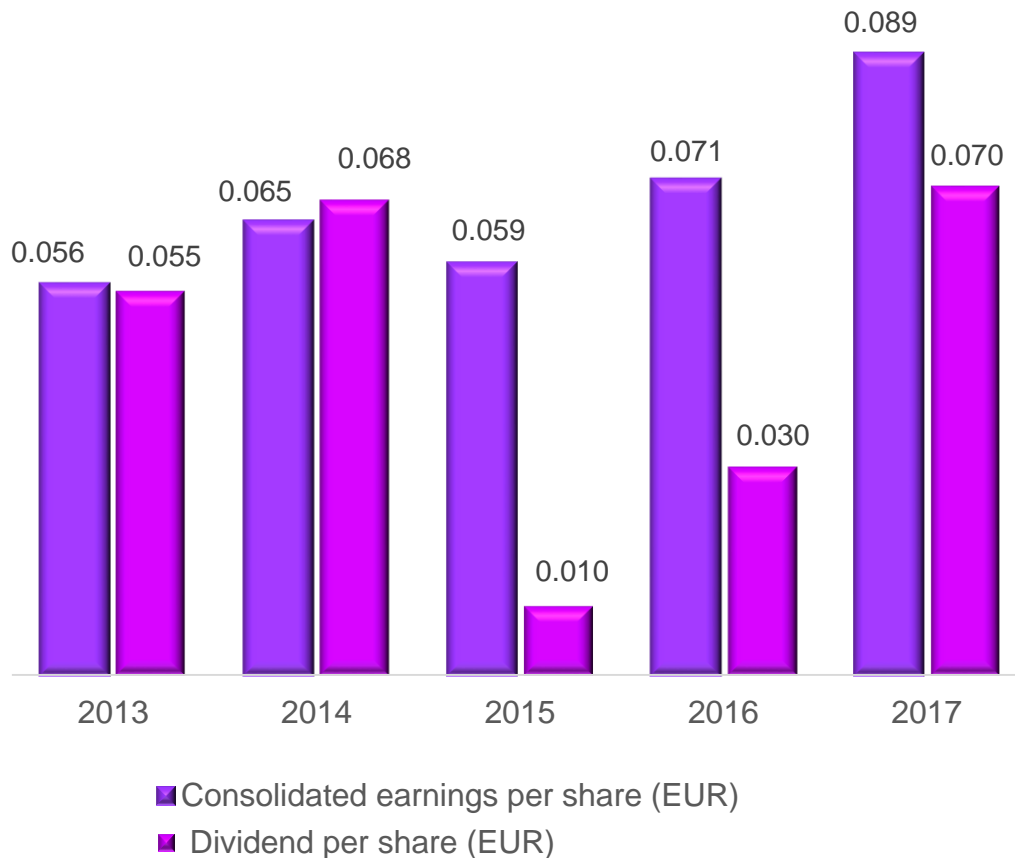




# CAPEX & CAPEX BREAKDOWN IN Q1 2018



# DIVIDENDS



- Earnings and dividends till 2014 were allocated to **776,817,518** shares, from 2014 – to **582,613,138** shares
- On 17 November 2014 shareholders got **0.072 euro** per share payment **due to reduction of authorized capital**
- The Board set a target to maintain the Company's **net debt to EBITDA ratio** not higher than 1.5 and to pay out up to 80 per cent of free cash flow as dividend
- According to the Law, dividends should be paid from **retained earnings of the Parent company**
- As of 31 December 2017, audited retained earnings of the Parent company amounted to **EUR 116.7 million**
- The Board proposed to the AGM, that will take place on 25 April 2018, to decide on payment of **dividend of 0.07 euro per share** for the year 2017



# SHARES AND SHAREHOLDERS

The background of the slide is composed of several diagonal stripes of different colors. The top-left stripe is a vibrant red. Below it is a wide stripe of deep purple. Further down is a thinner stripe of a lighter, lavender purple. The bottom-right corner features a bright yellow stripe.

# SHAREHOLDERS

- **Telia Company AB** (Sweden) is the largest shareholder of Telia Lietuva, AB
- The Company's share capital consist of **582,613,138** ordinary registered shares of **EUR 0.29** nominal value each
- On **24 October 2014**, **authorized capital was reduced** by LTL 194 million (EUR 56.2 million) and accordingly number of **voting shares was reduced** from 776,817,518 to **582,613,138**
- The **total number of Telia Lietuva shareholders** exceeds **11 thousand**

## Shareholders as of 31-03-2018

	Part of shares and votes
Telia Company AB	88.15%
Other	11.85%

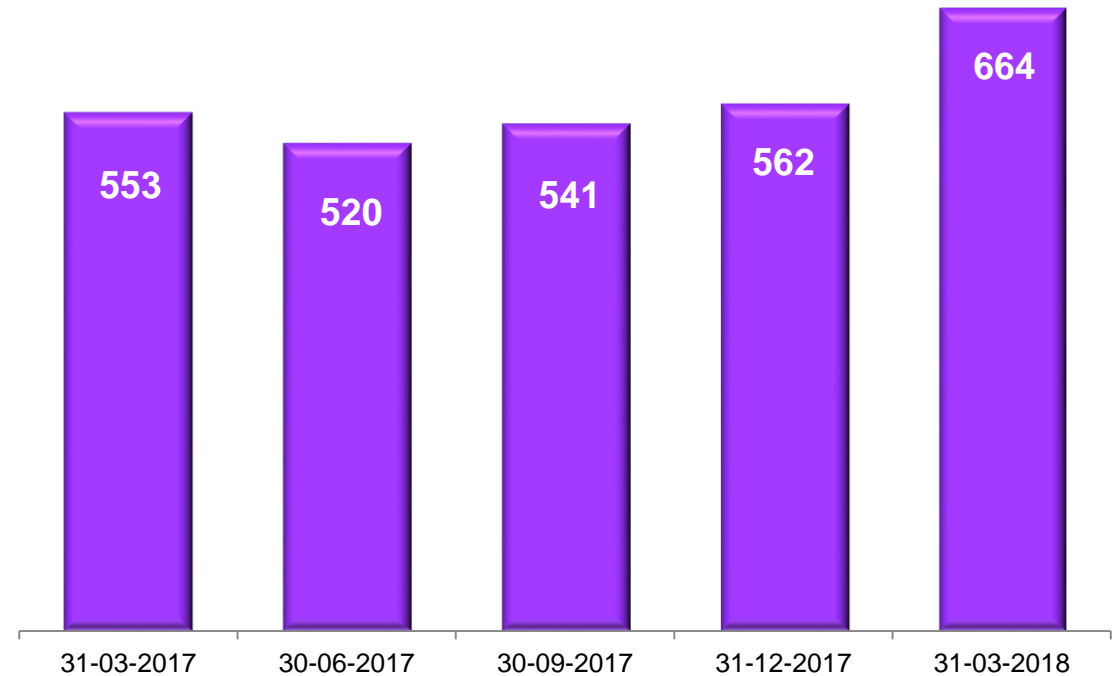


# SHARES

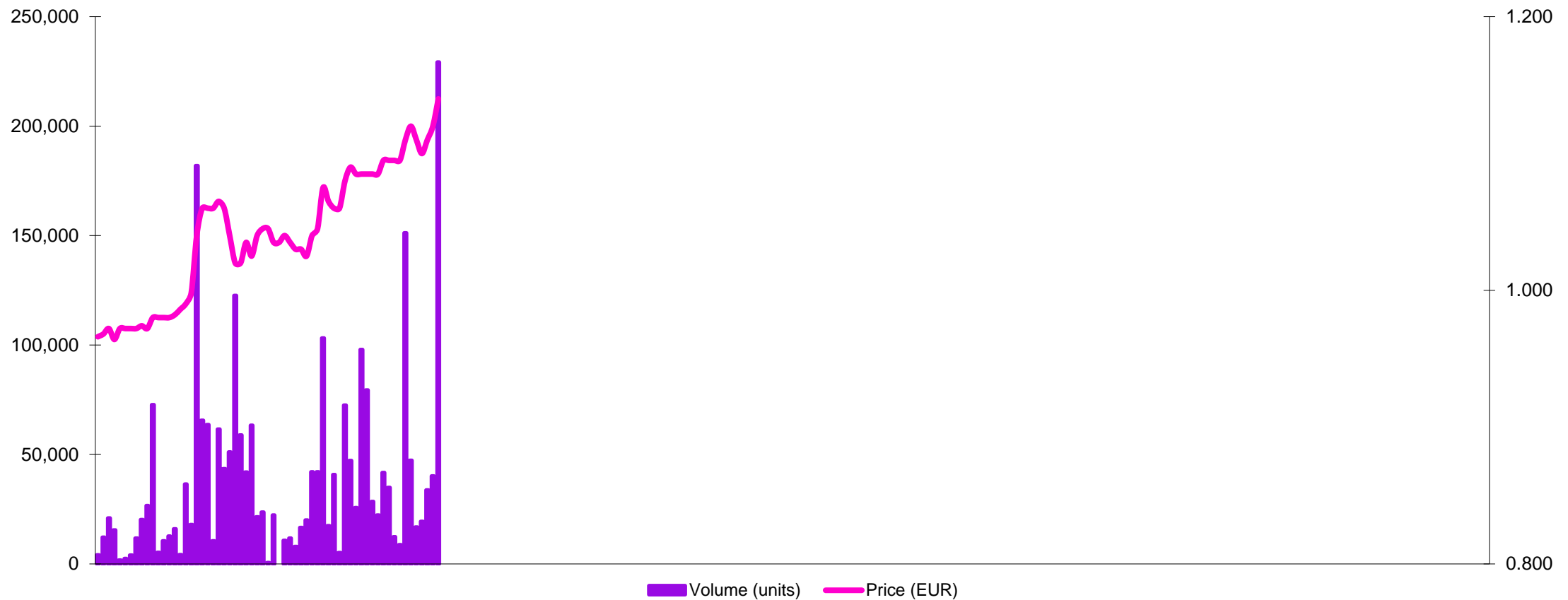
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January–March 2018: 2.5 million of shares or EUR 2.6 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2018	0.966
High	1.150
Low	0.956
31-03-2018	1.140

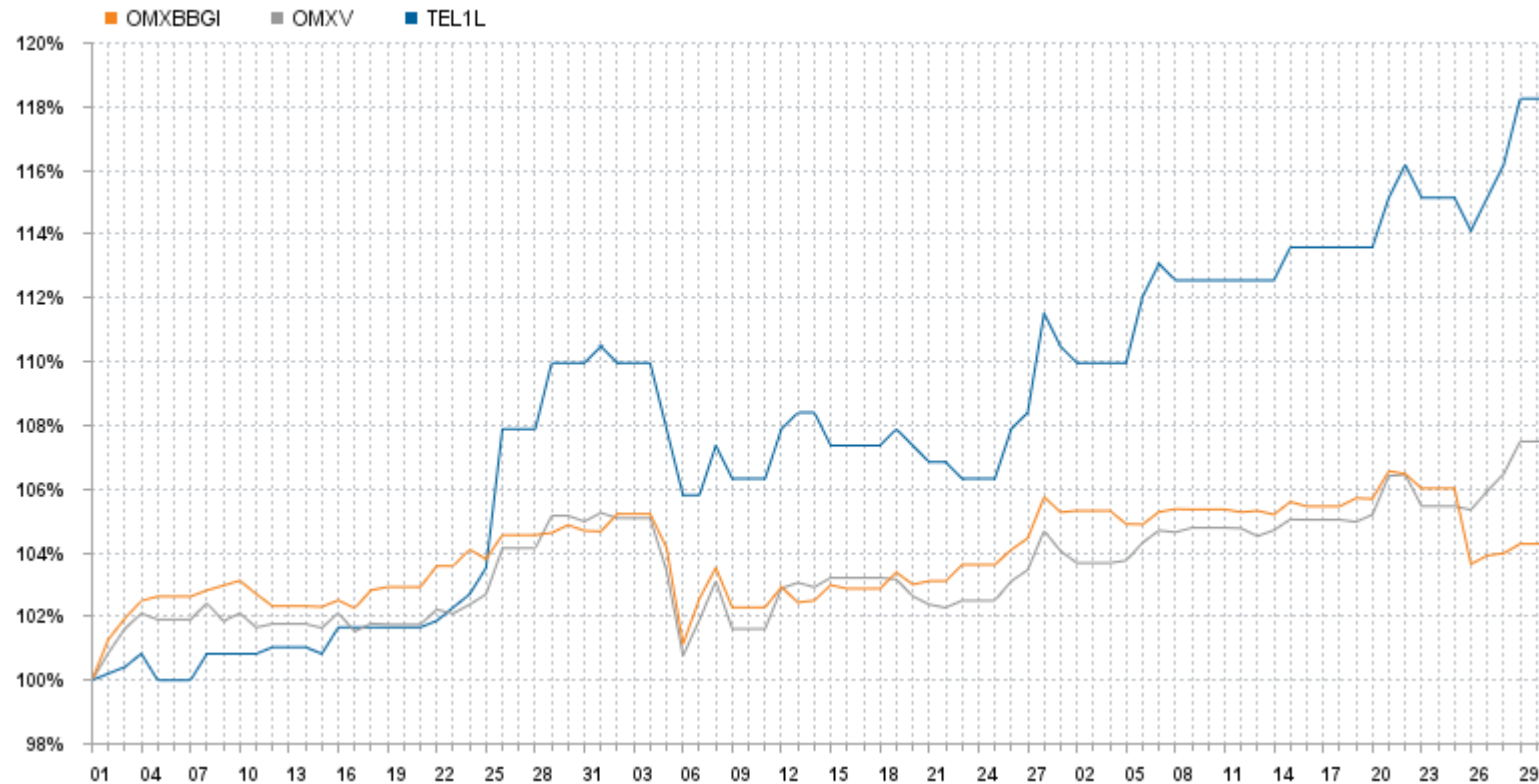
**Market capitalization (EUR million)**



# TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE IN 2018



# THE COMPANY SHARE PRICE AND NASDAQ VILNIUS INDEXES COMPARISON



Source: Nasdaq Vilnius



# CORPORATE GOVERNANCE

The background of the slide is composed of several overlapping, wavy bands of color. From top to bottom, the colors are: a dark purple band in the upper left corner, a medium blue band, a light yellow band, a bright orange band, and a small teal band in the bottom right corner. The bands flow diagonally from the top left towards the bottom right.



# GOVERNING BODIES

- The Annual **General Meeting of Shareholders** will be held on 25 April 2018
- The **Board** consist of 6 members elected for the 2 year term
- Stefan Block, Ole Stenkil, Inga Skisaker and Rolandas Viršilas **resign** from the Board as of 24 April 2018
- Agneta Wallmark, Hannu-Matti Mäkinen, Tomas Balžekas and Mindaugas Glodas (the last both as independent member of the Board) are **nominees for election** to the Board for the current term of the Board
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** is proposed for election as the Company's independent auditor for the year 2018 and 2019
- The Board elects and recalls **CEO**



# BOARD



**Henriette Wendt** (born in 1969),  
**Chairwoman** of the Board,  
represents Telia Company AB,  
Chairwoman of the Remuneration  
Committee



**Ole Stenkil** (born in 1973),  
**Member** of the Board,  
represents Telia Company AB,  
Member of the Audit Committee



**Stefan Block** (born in 1967),  
**Member** of the Board,  
represents Telia Company AB,  
Chairman of the Audit Committee



**Inga Skisaker** (born in 1971),  
**Independent member** of the Board,  
Member of the Audit Committee



**Claes Nycander** (born in 1963),  
**Member** of the Board,  
represents Telia Company AB,  
Member of the Audit Committee



**Rolandas Viršilas** (born in 1963),  
**Independent member** of the Board,  
Member of the Remuneration  
Committee

- Stefan Block, Ole Stenkil, Inga Skisaker and Rolandas Viršilas resign from the Board as of 24 April 2018
- Rolandas Viršilas has 75,000 shares of Telia Lietuva, other members of the Board have no direct interest in the share capital of Telia Lietuva



# GOVERNING STRUCTURE

VALID FROM 15 DECEMBER 2017



# MANAGEMENT TEAM



**Kęstutis Šliužas,**  
CEO



**Mindaugas Ubartas,**  
Head of B2B



**Haval van Drumpt,**  
Head of B2C



**Andrius Šemeškevičius,**  
Head of Technology



**Laimonas Devyžis,**  
Head of Finance



**Ramūnas Bagdonas,**  
Head of Human  
Resources



**Giedrė Kaminskaitė–Salters,**  
General Counsel &  
Head of Public Affairs



**Vaida Jurkonienė,**  
Head of Marketing &  
Communication



**Mantas Goštautas,**  
Head of Business  
Development



**Vytautas Bučinskas,**  
Head of Operational  
Excellence



# PRINCIPLES THAT WE FOLLOW



Anti-bribery and  
corruption



Freedom of  
expression



Customer privacy



Occupational health  
and safety



Responsible  
procurement



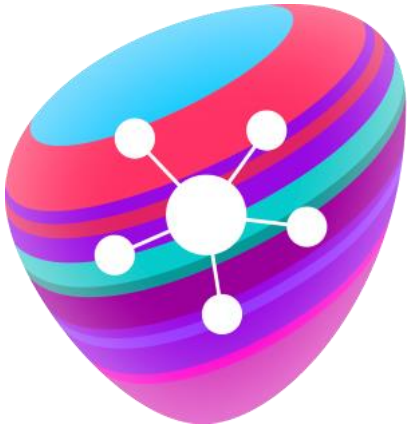
Environmental  
responsibility



Children safety  
online



# ALL IN APPROACH



Connecting the  
unconnected



A healthy and safe  
society



Education for all



Digital  
entrepreneurship and  
innovation







Telia

**#VISA KOTINKLAS**