



# RESULTS FOR THE YEAR 2018

Approved by the AGM on 26 April 2019

Telia Lietuva, AB Group





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

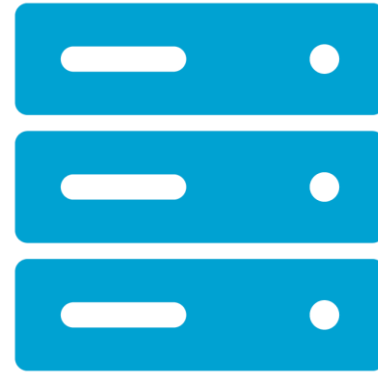
# TELIA LIETUVA MEANS:



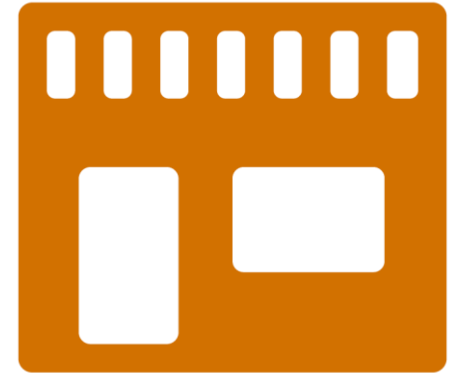
Wide range of  
services



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 almost  
3,000 professionals

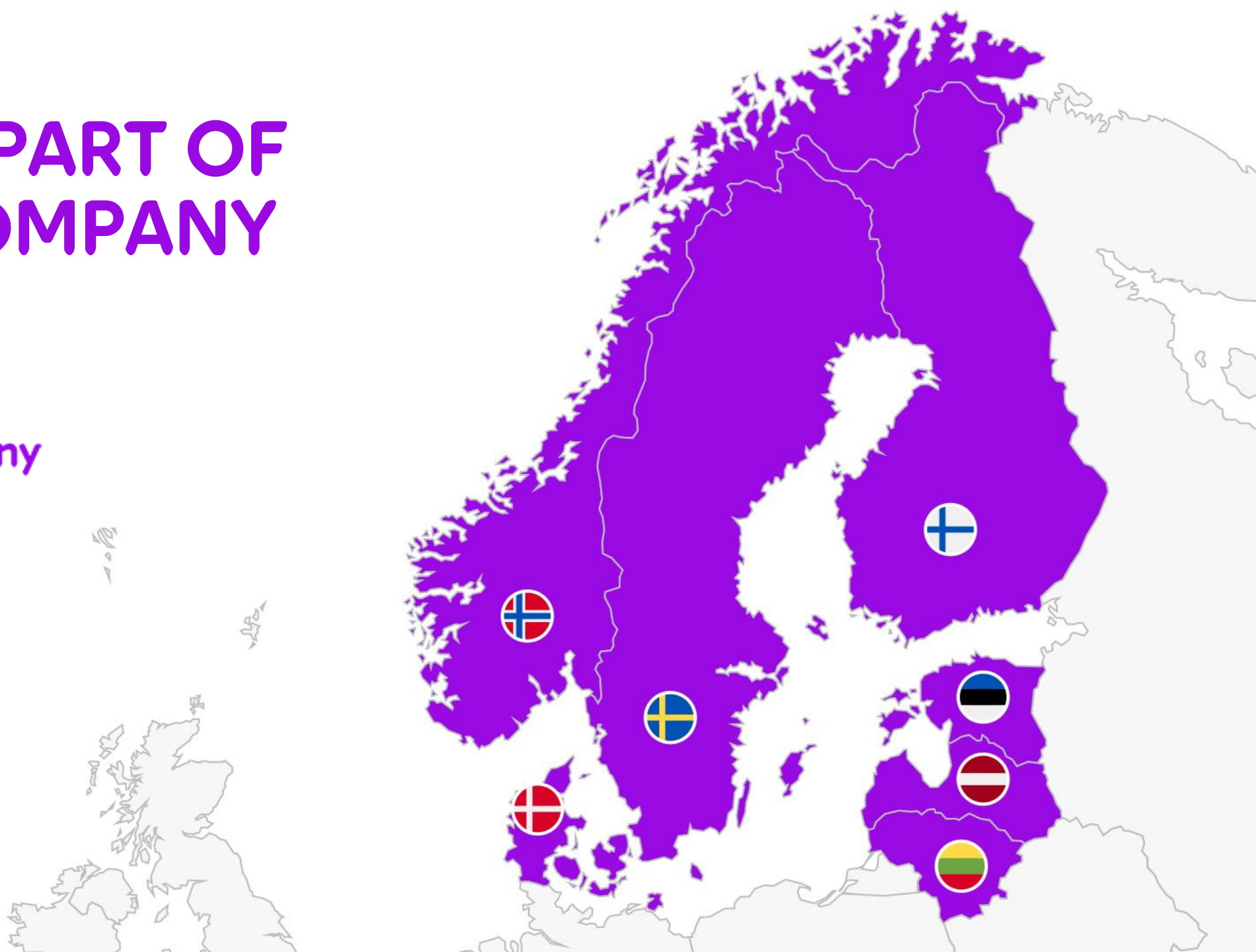


Sustainable and  
responsible  
business





# 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 %
VšĮ Numerio Perkėlimas	50 %
UAB Mobilieji Mokėjimai	33.3 %

- **Telia Lietuva** provides integrated mobile and fixed communication and IT services
- **Telia Customer Service LT** remotely takes care of Telia Lietuva customers and provides Directory Inquiry services 118
- **Numerio Perkėlimas** administers the central database to ensure telephone number portability in Lithuania (Tele2 and Bitė Lietuva owns 25% each)
- **Mobilieji Mokėjimai** operates a platform for instant payments (Tele2 and Bitė Lietuva owns 33.3% each)
- In 2018, the Company disposed the following subsidiaries: Telia Global Services Lithuania, UAB (Telia shared services centre) and UAB Verslo Investicijos (investment project)





# HIGHLIGHTS OF THE YEAR 2018

**#1**

**LAUNCH OF  
S-VD SL WITH  
SPEED UP TO  
250 Mb/s**

**#2**

**LAUNCH OF  
IPTV OVER  
LTE 4G**

**#3**

**B2B  
ACHIEVEMENTS:  
SAP, MICROSOFT**

**#4**

**PRE-LAUNCH OF  
MOBILE INSTANT  
PAYMENT  
PLATFORM MOQ  
(by Bitè, Telia & Tele2)**

**#5**

**HBO AT  
TELIA IPTV**

**#6**

**INVESTMENTS  
IN NETWORK**

**#7**

**28 THOUSAND  
NEW CONVERGED  
OFFER „TELIA  
ONE“ USERS**

**#8**

**LAUNCH OF  
5G MOBILE  
NETWORK WITH  
1.8 Gb/s SPEED  
RECORD**



# OPERATING FIGURES



2.7%

1,389

thousand of  
**mobile** service users



1.5%

414

thousand of  
**broadband Internet**  
(excl. Wi-Fi)  
connections



9.0%

230

thousand of  
**IPTV service** users



14.9%

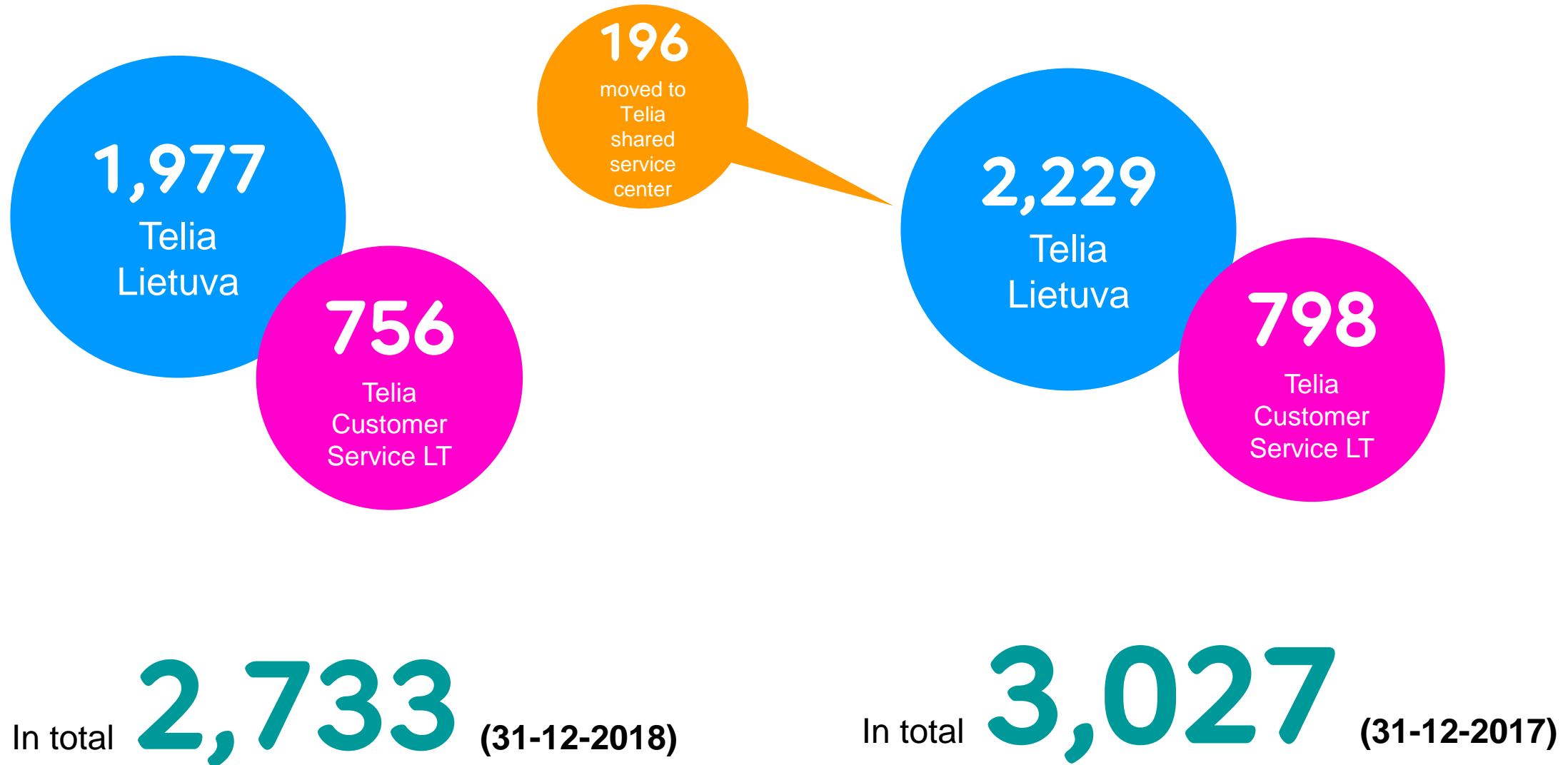
354

thousand of  
**fixed telephone** lines  
in service

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



# NUMBER OF EMPLOYEES

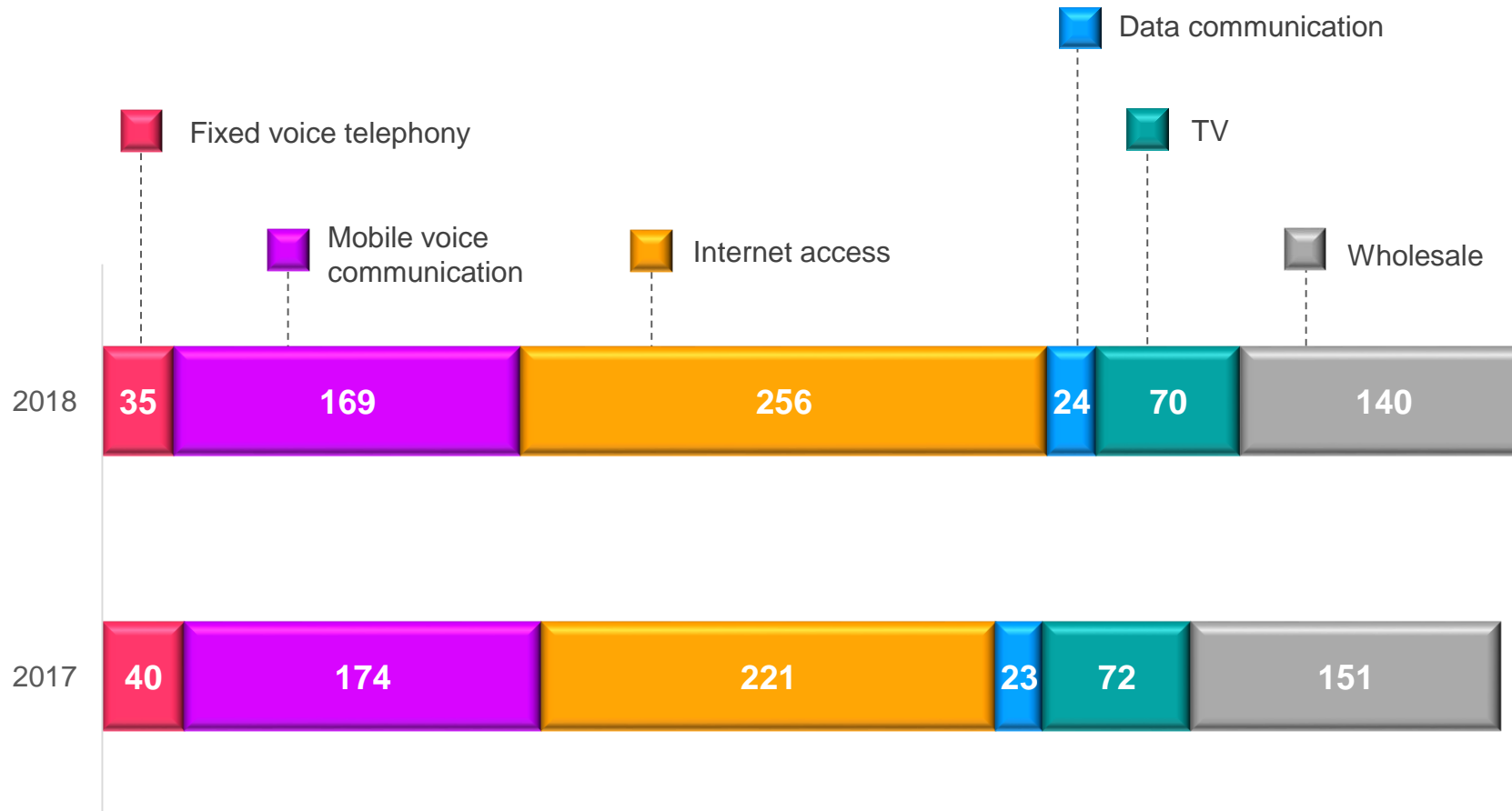


# **ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA**



# WE ARE OPERATING IN GROWING TELCO MARKET

(EUR million)

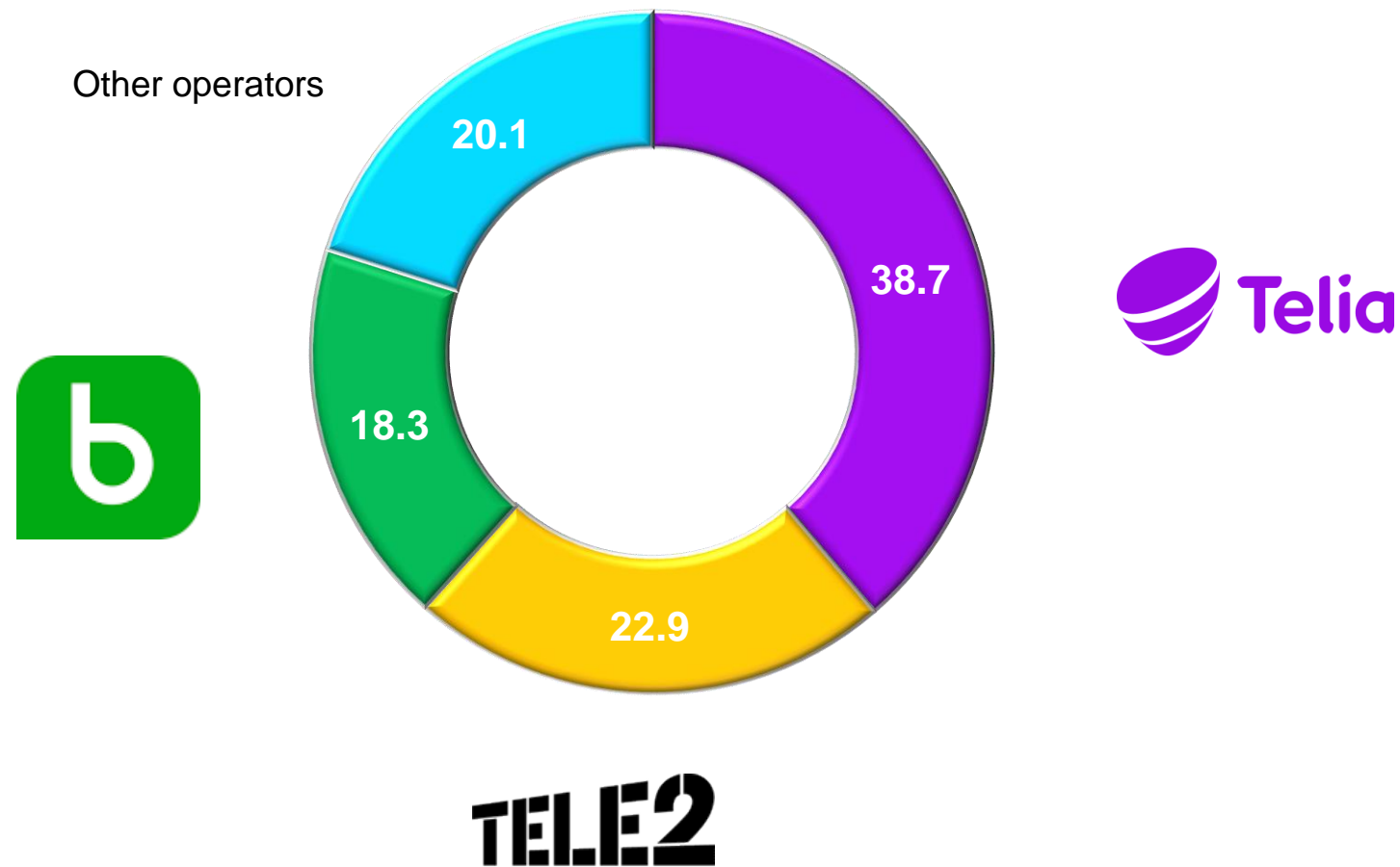


**+1.9%**

Source: Report of the Communications Regulatory Authority



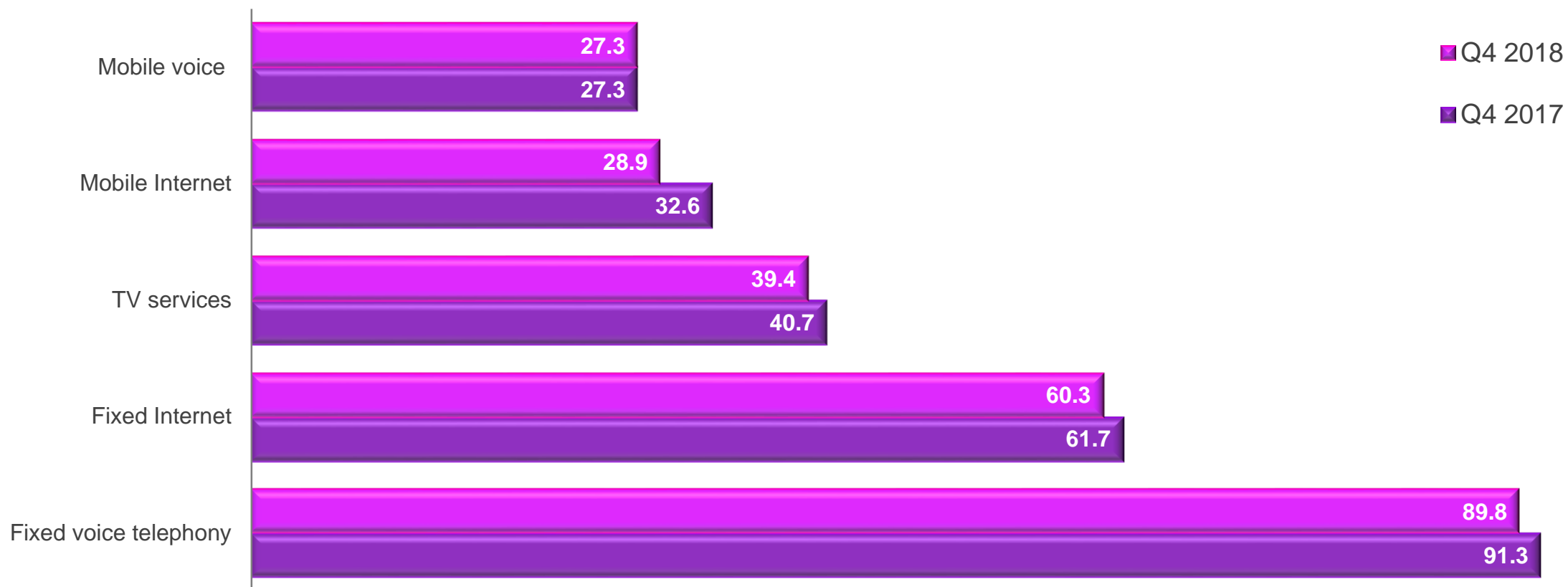
# BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q4 2018 (%)



Source: Report of the Communications Regulatory Authority



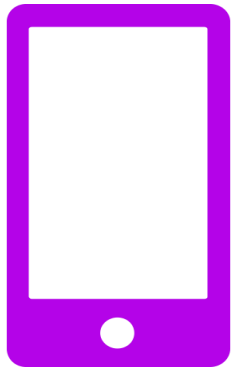
# TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



# MARKET: THE FASTEST GROWTH IN USAGE OF DATA



**53.7%**  
(y-o-y)

Increasing usage of  
**mobile data**

(uploaded/downloaded  
**92,115 million MB**  
of data per quarter)



**2.6%**  
(y-o-y)

Growing number of  
**FTTH/B connections**

(accounts for **73.6%** of all  
fixed Internet connections)



**12.8%**  
(y-o-y)

Growing number of  
**IPTV users**

(accounts for **38.3%** of all  
pay-TV service users)





# MARKET PENETRATION PER 100 INHABITANTS



135.2

**mobile** communications  
subscribers



30.7

**fixed telephony** lines  
(households)



47.3

broadband **Internet**  
access



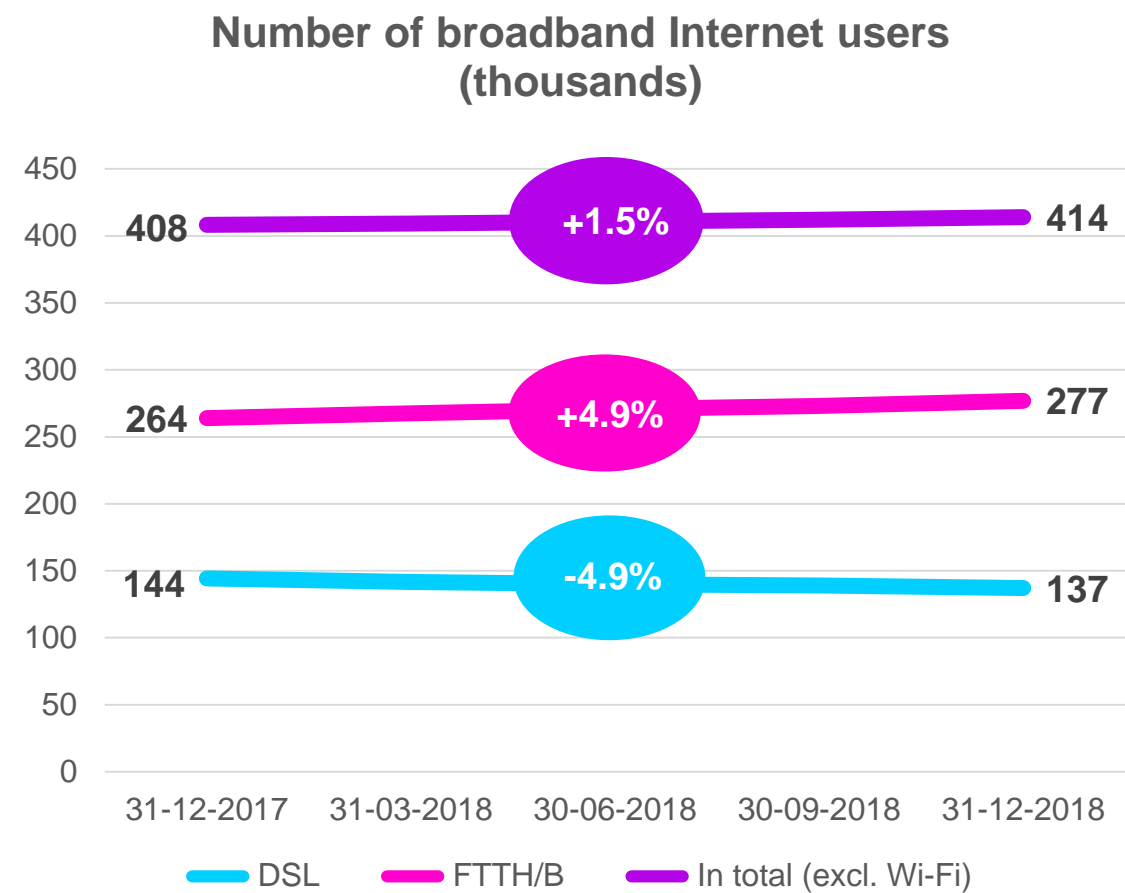
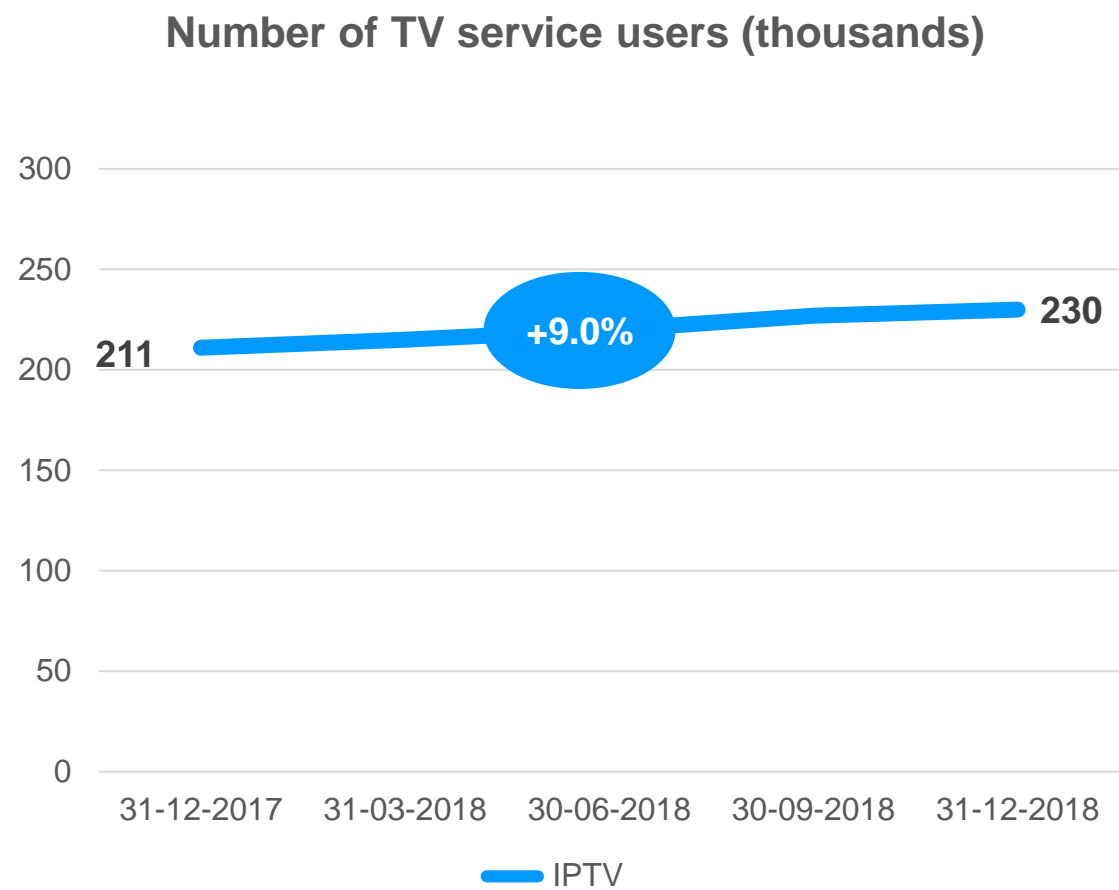
50.3

**pay-TV** subscribers  
(households)

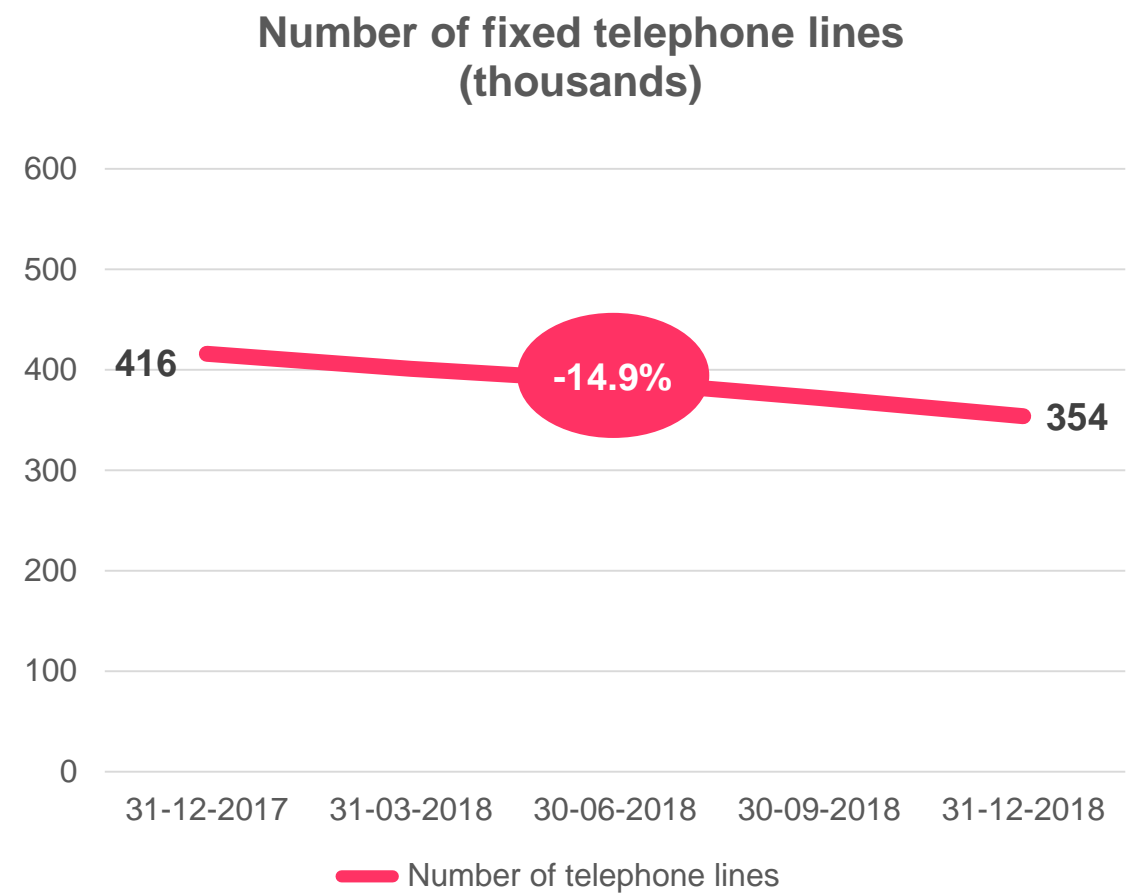
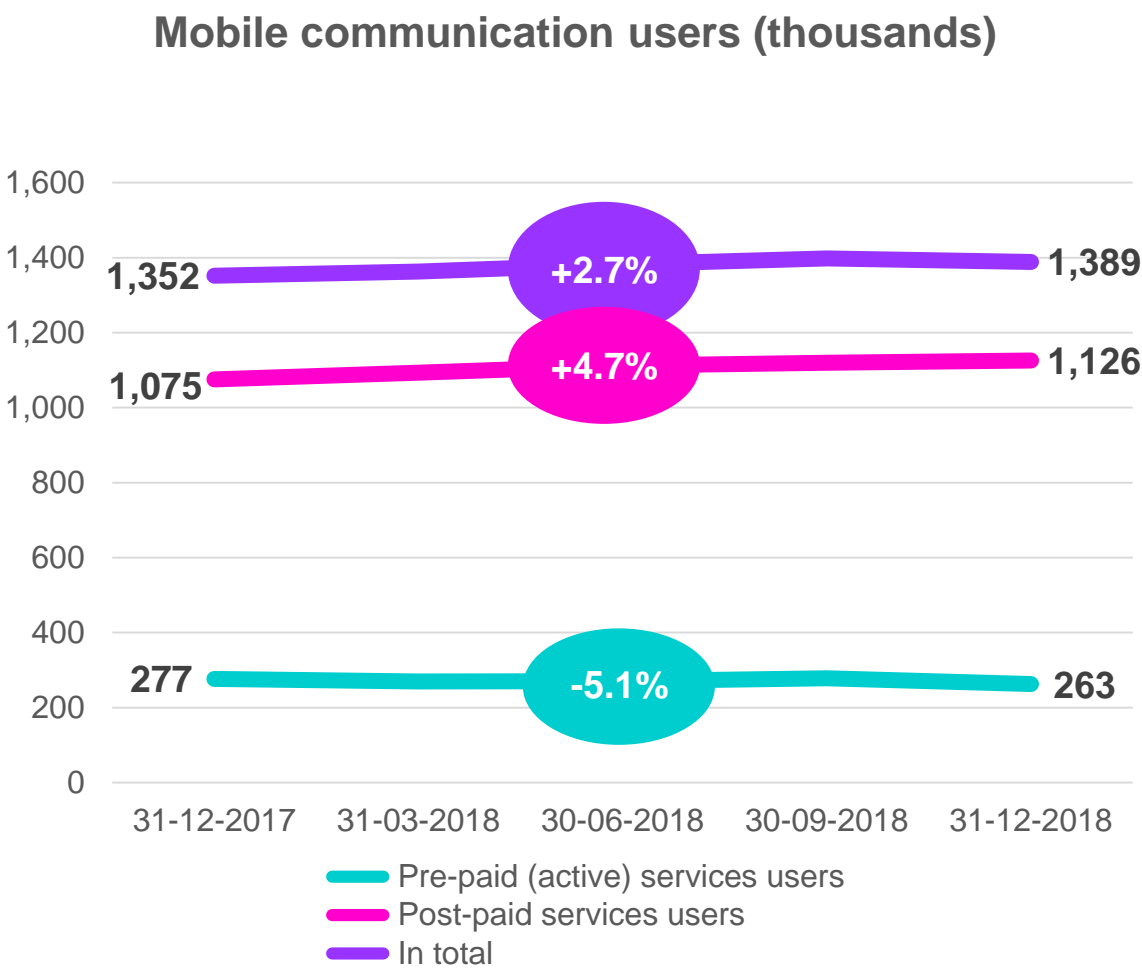


# OPERATING AND FINANCIAL RESULTS

# CONTINUOUS GROWTH IN NUMBER OF IPTV AND FTTH USERS



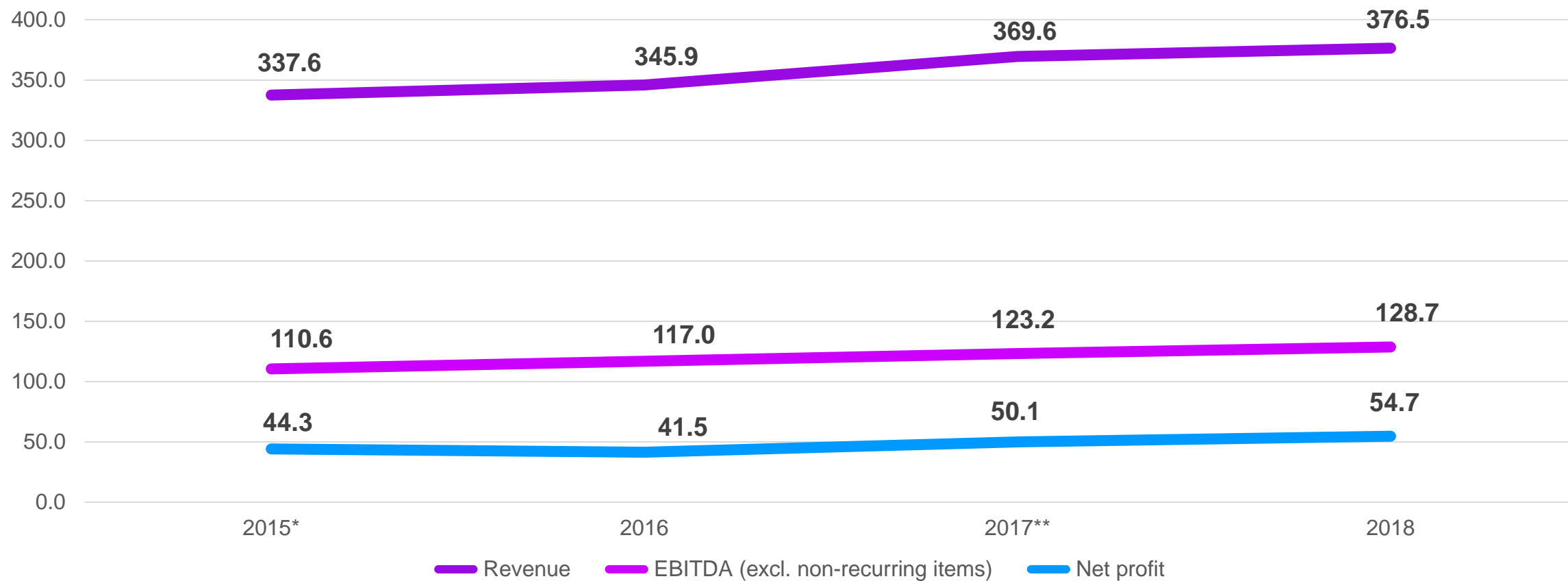
# NUMBER OF MOBILE POST-PAID SERVICE USERS IS GROWING





# REVENUE, EBITDA & NET PROFIT

(EUR million)



**NOTES:**

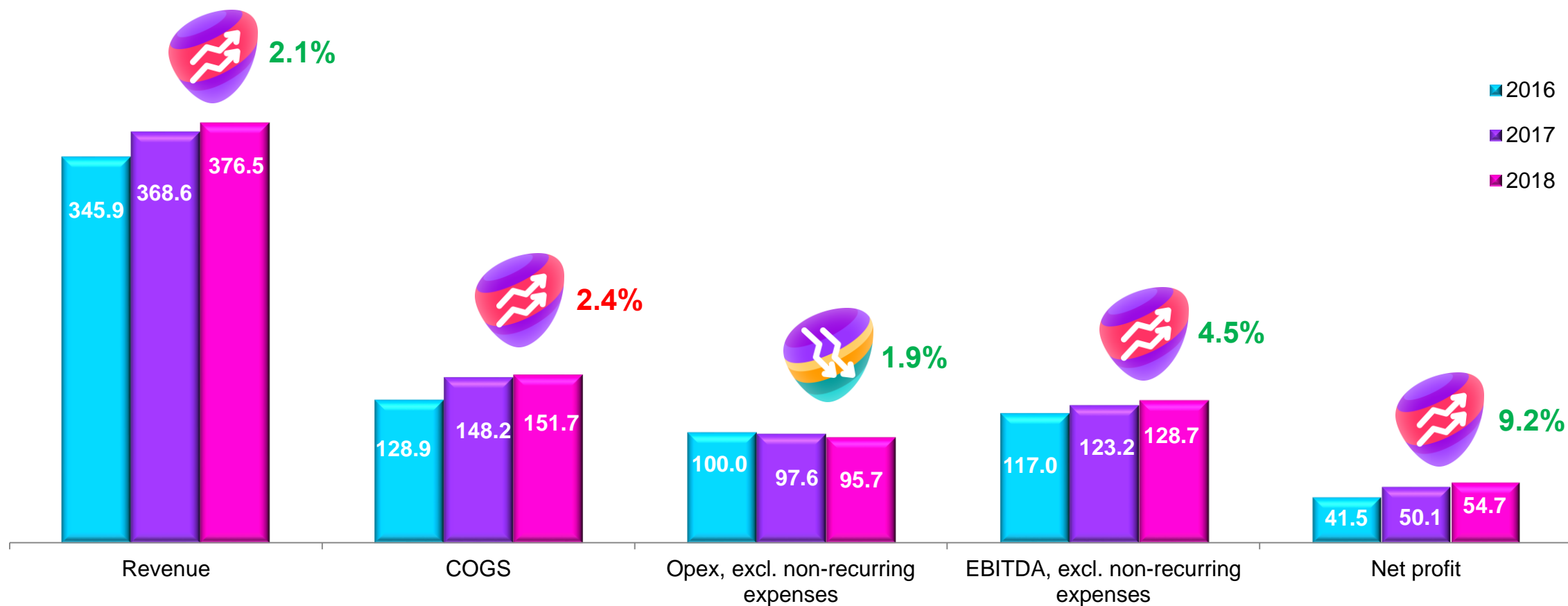
\* Comparable combined including Omnitel

\*\* Recalculated due to introduction of IFRS 15 from 1 January 2018



# DYNAMICS OF MAIN FINANCIAL INDICATORS

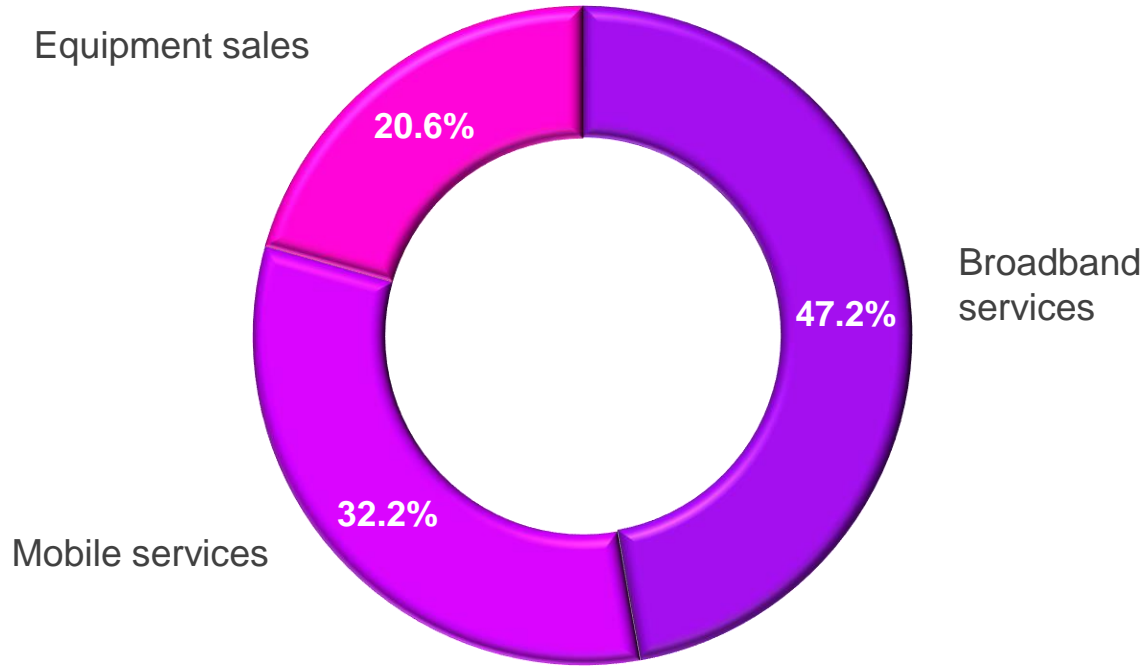
(EUR million)



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



# 2018 REVENUE BREAKDOWN



B2B

41.2%



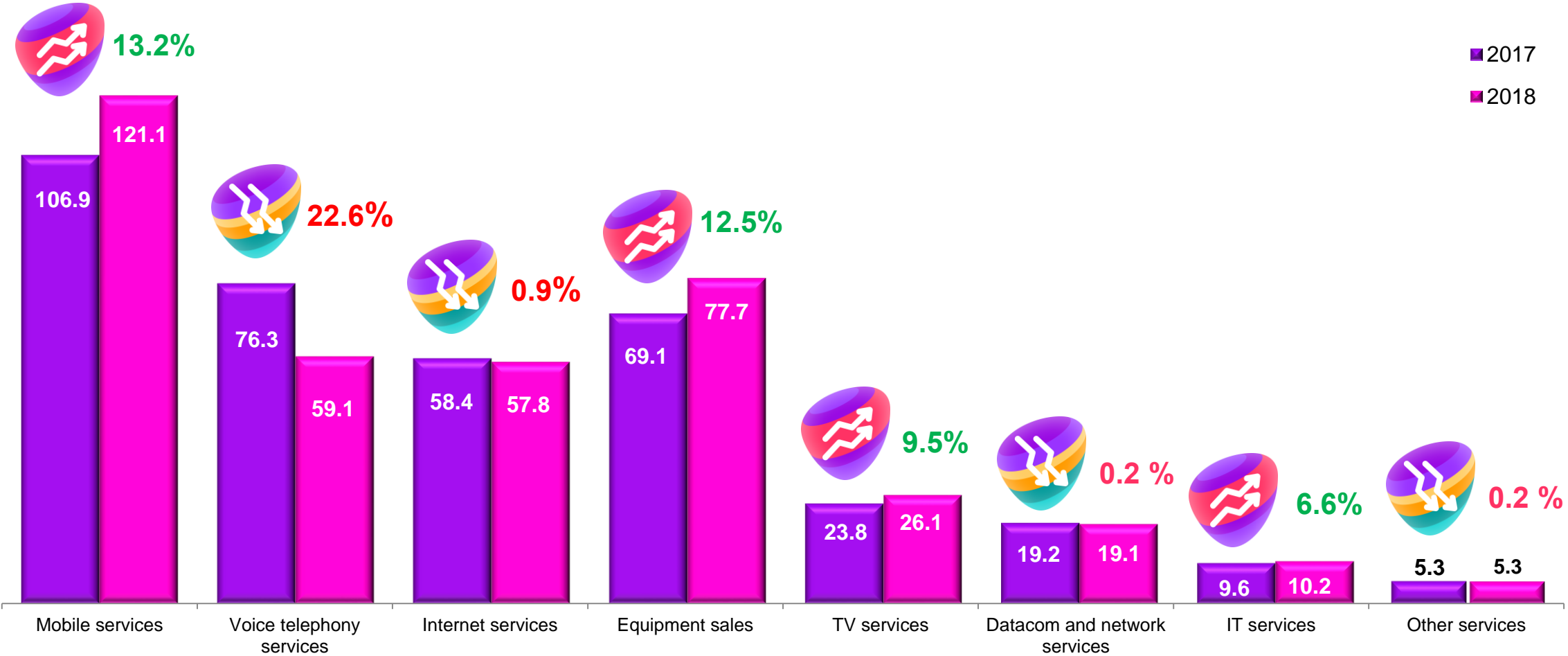
B2C

58%



# REVENUE BY SERVICES

(EUR million)



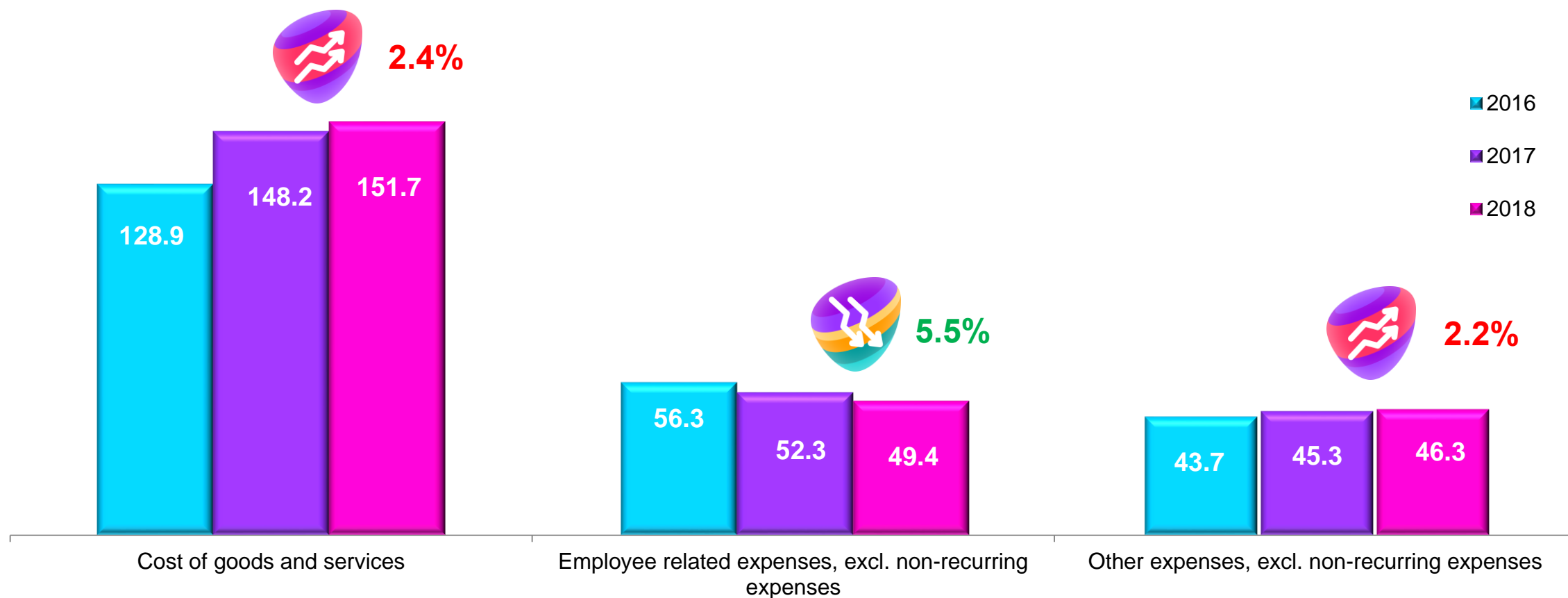
NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018





# OPERATING EXPENSES

(EUR million)

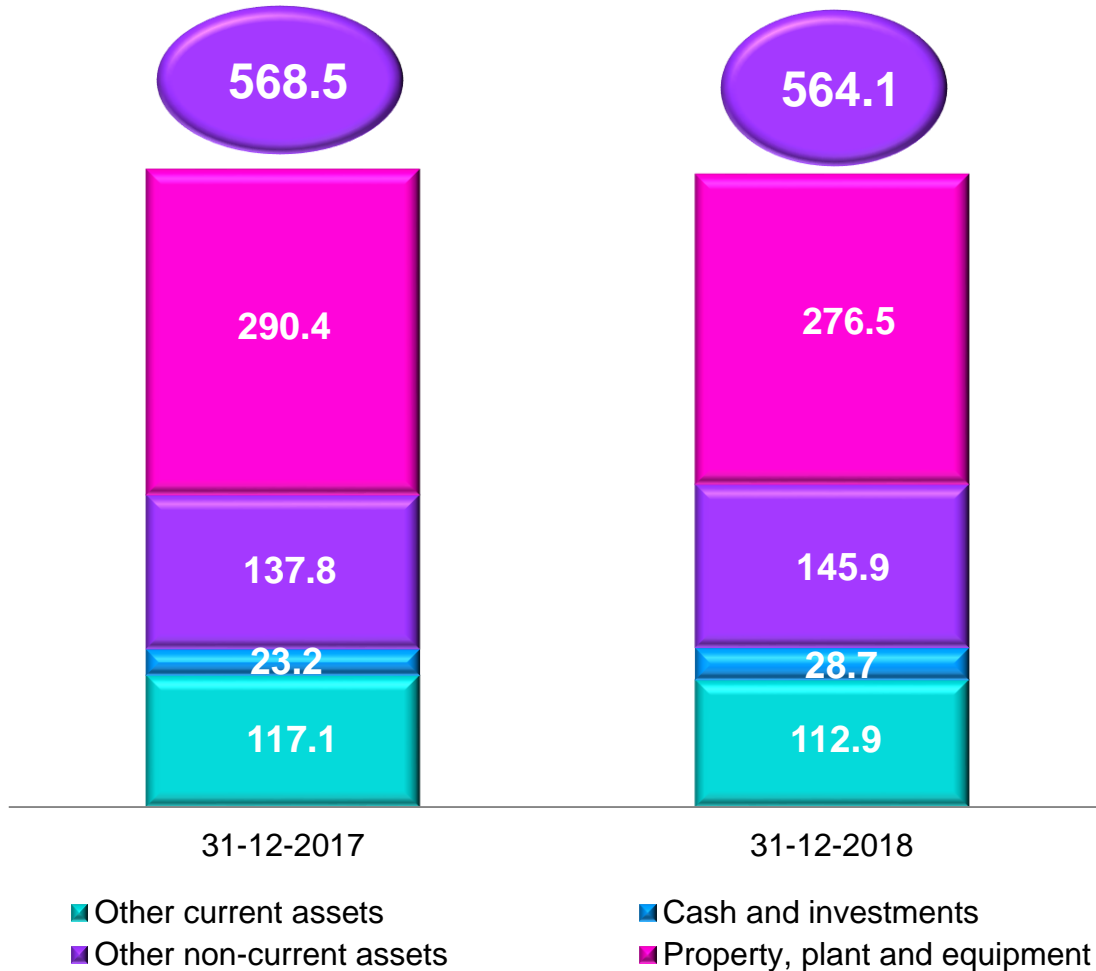


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



# ASSETS

(EUR million)



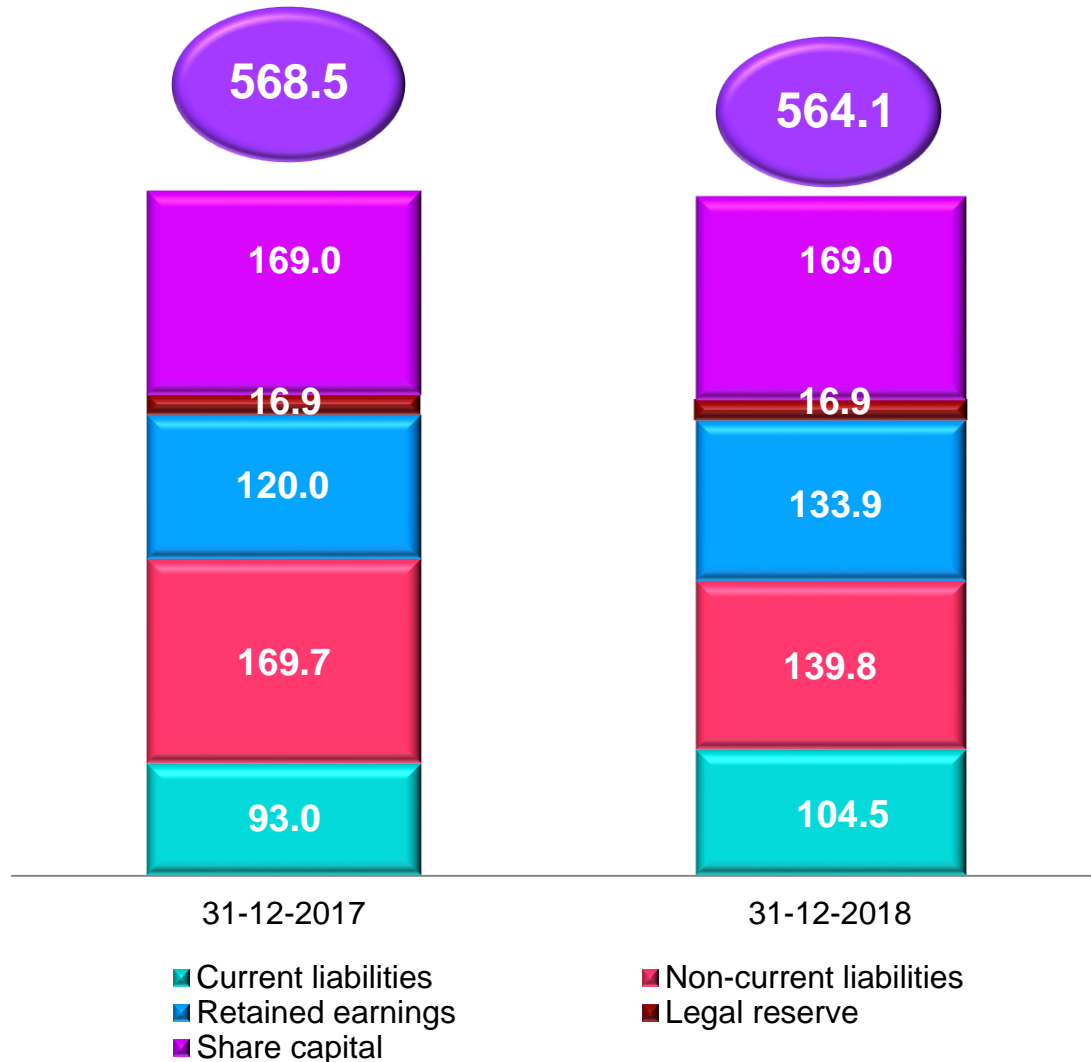
- During 2018, **total assets** decreased by 0.8%
- **Non-current assets** amounted to 74.9% of total assets (31-12-2018)
- **Cash** alone amounted to 5.1%
- **Return on capital employed:** 13.8%
- **Return on average assets:** 11.3%

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



# EQUITY AND LIABILITIES

(EUR million)



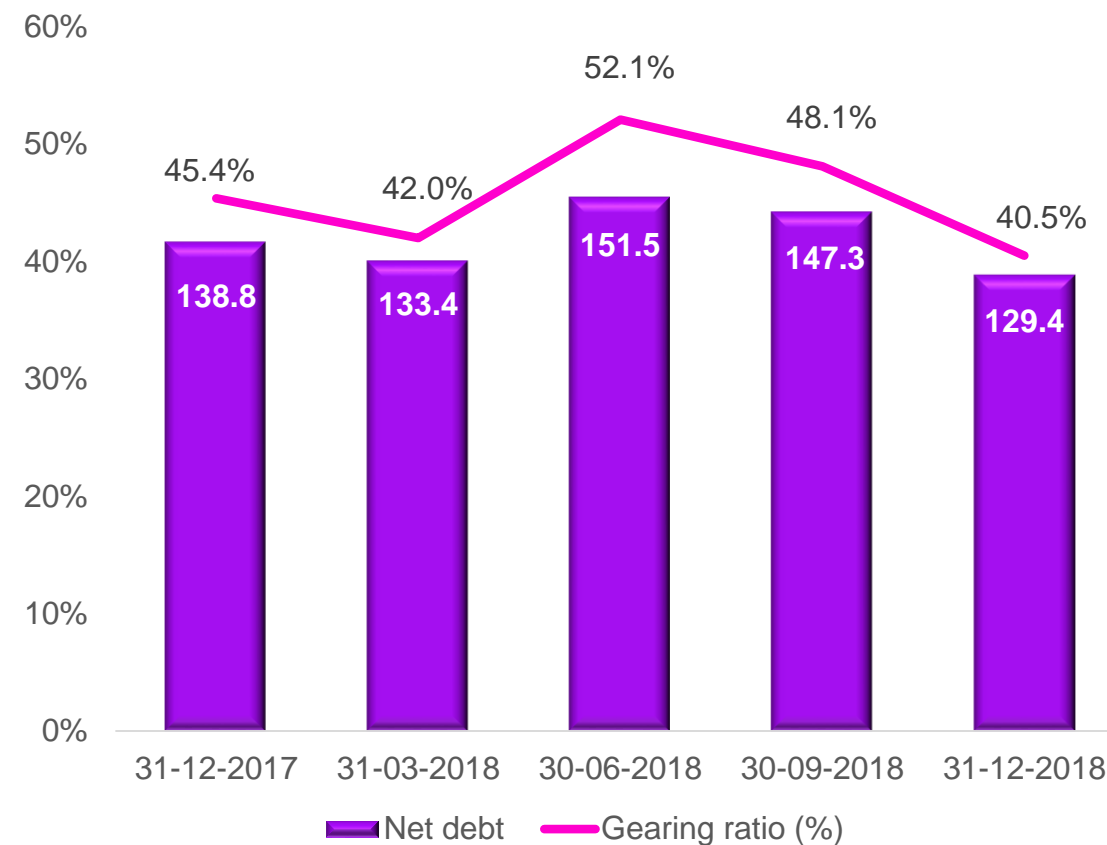
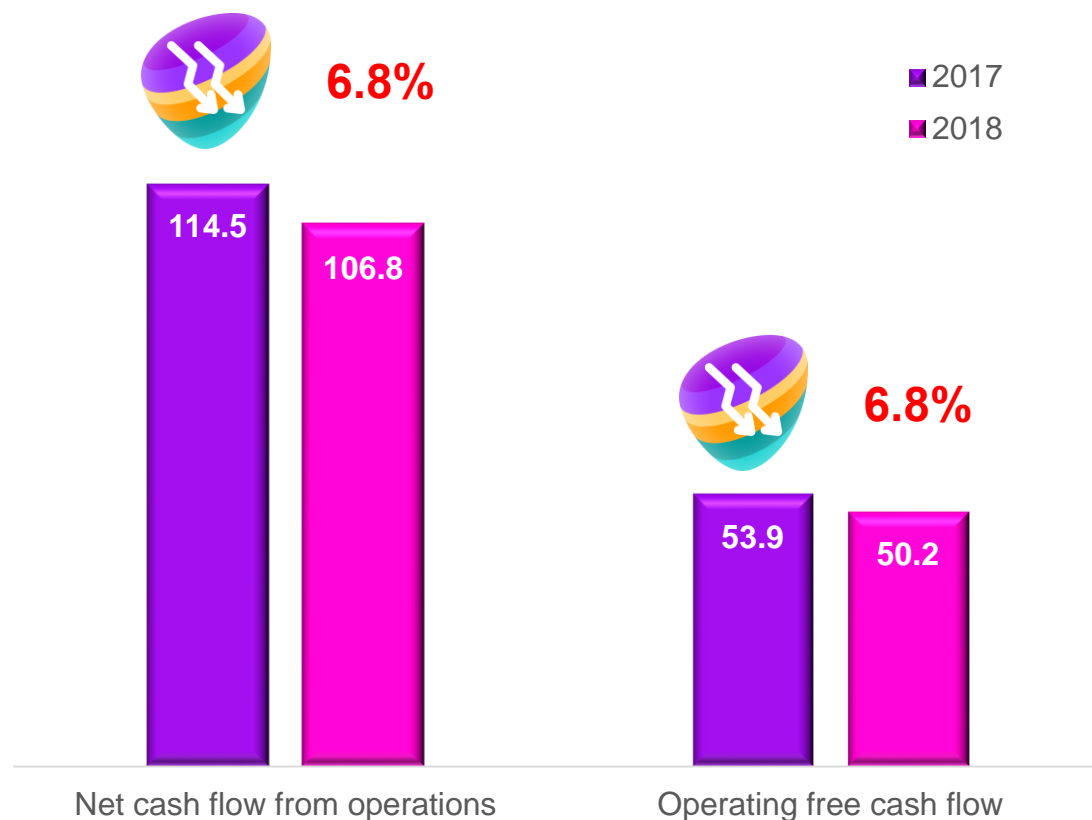
- Shareholders' **equity** amounted to 56.7% of the total assets (31-12-2018)
- Total **borrowings** (31-12-2018) amounted to EUR 158.1 million: EUR 127.5 million – bank loans, EUR 10 million – internal Group loan, EUR 17,5 million – vendor financing and EUR 3.1 – financial lease.
- **Gearing ration**: 40.5%
- **Debt to equity**: 49.4%
- **Return on equity**: 17.7%

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



# CASH FLOW & NET DEBT

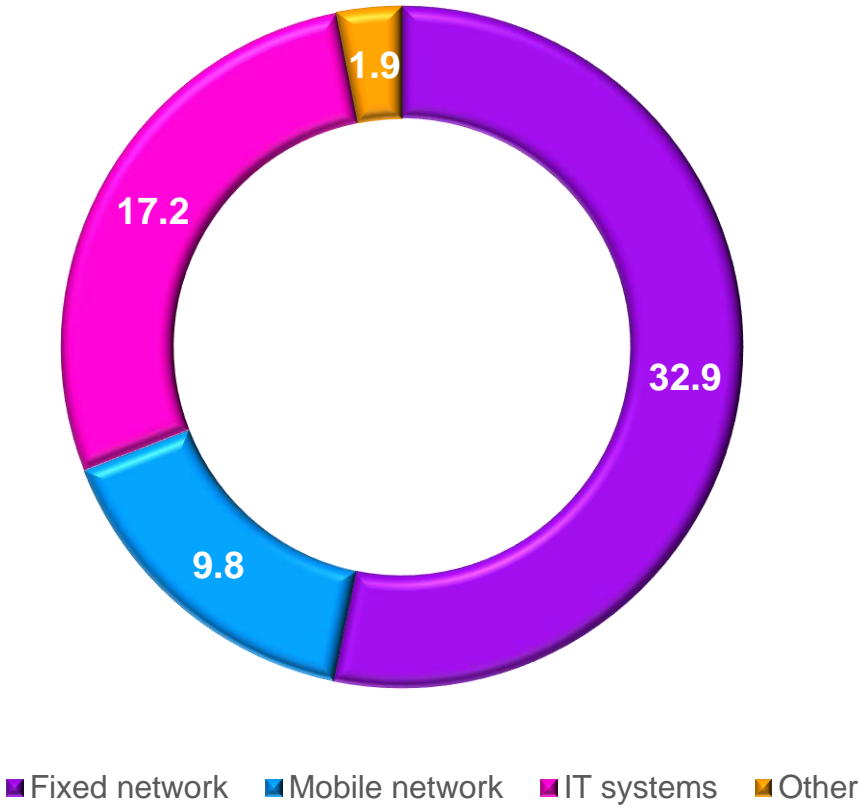
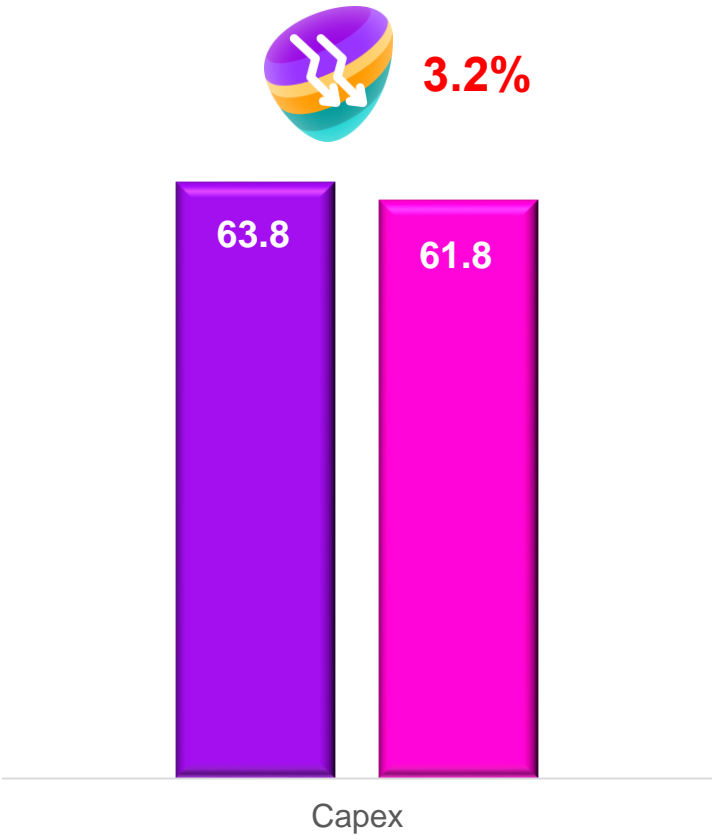
(EUR million)



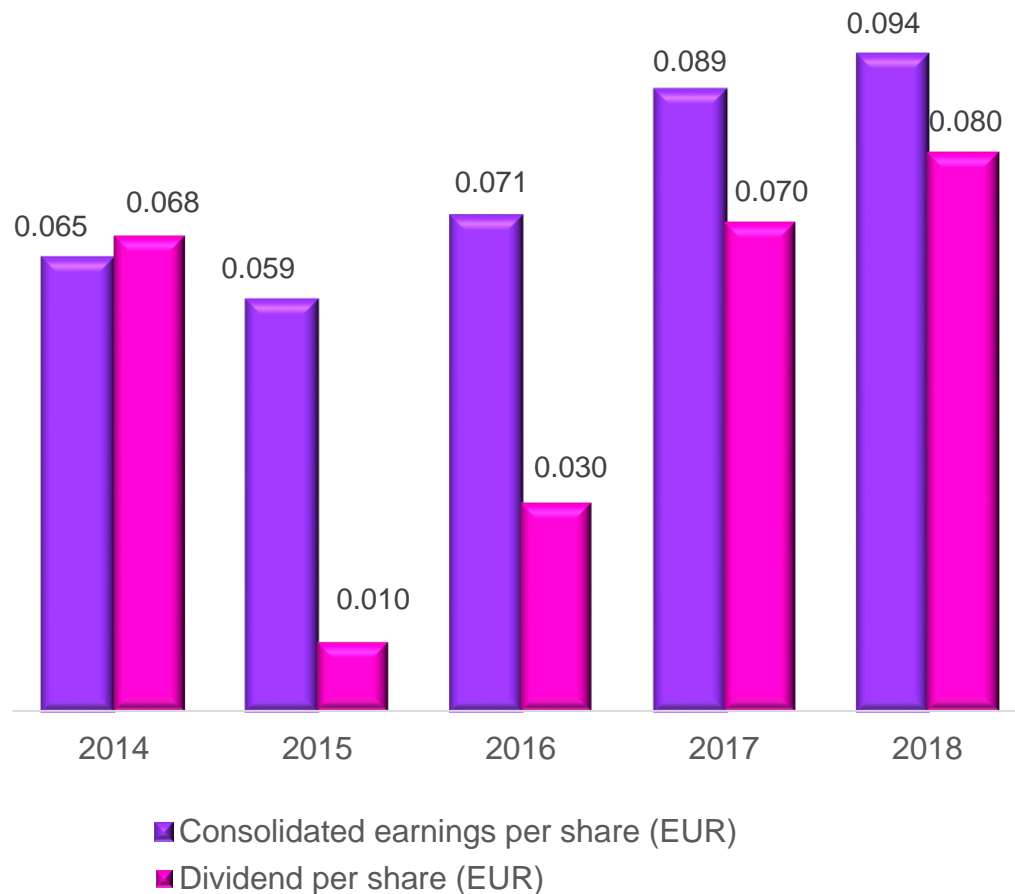
NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



# CAPEX & CAPEX BREAKDOWN FOR THE YEAR 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 2018, retained earnings of the Parent company amounted to **EUR 131.6 million**
- On 26 April 2019 shareholders decided to pay **EUR 0.08 dividend per share** for the year 2018



# 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 shade of purple. The bottom-most stripe is a bright yellow. The stripes run from the top-left towards the bottom-right, creating a dynamic, geometric pattern.



# 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** is almost **11 thousand**

## Shareholders as of 31-12-2018

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

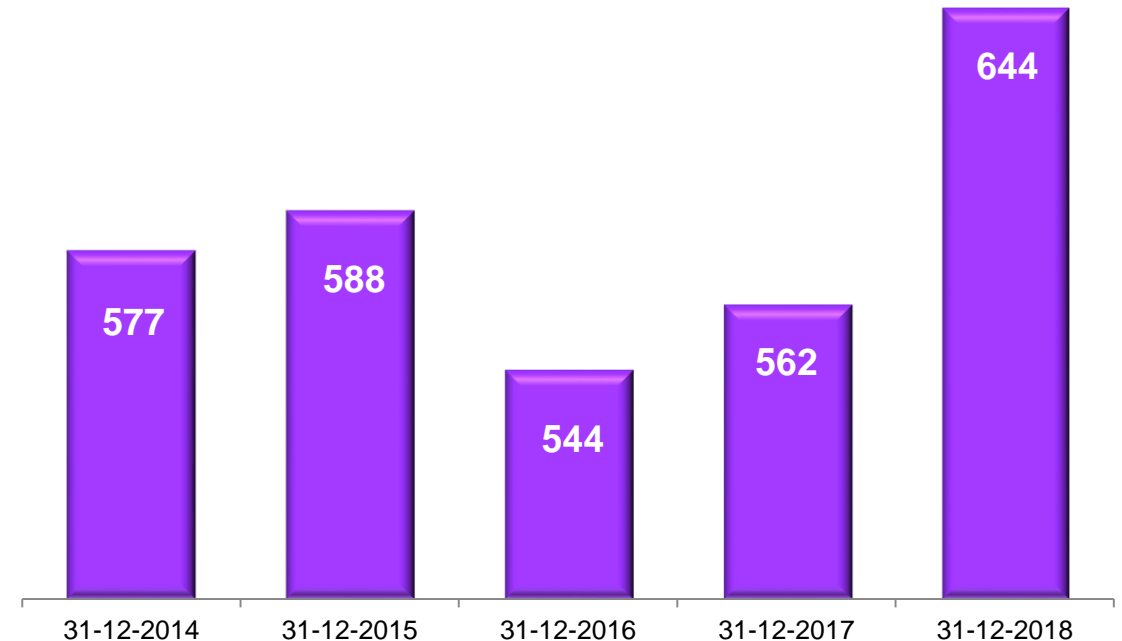


# SHARES

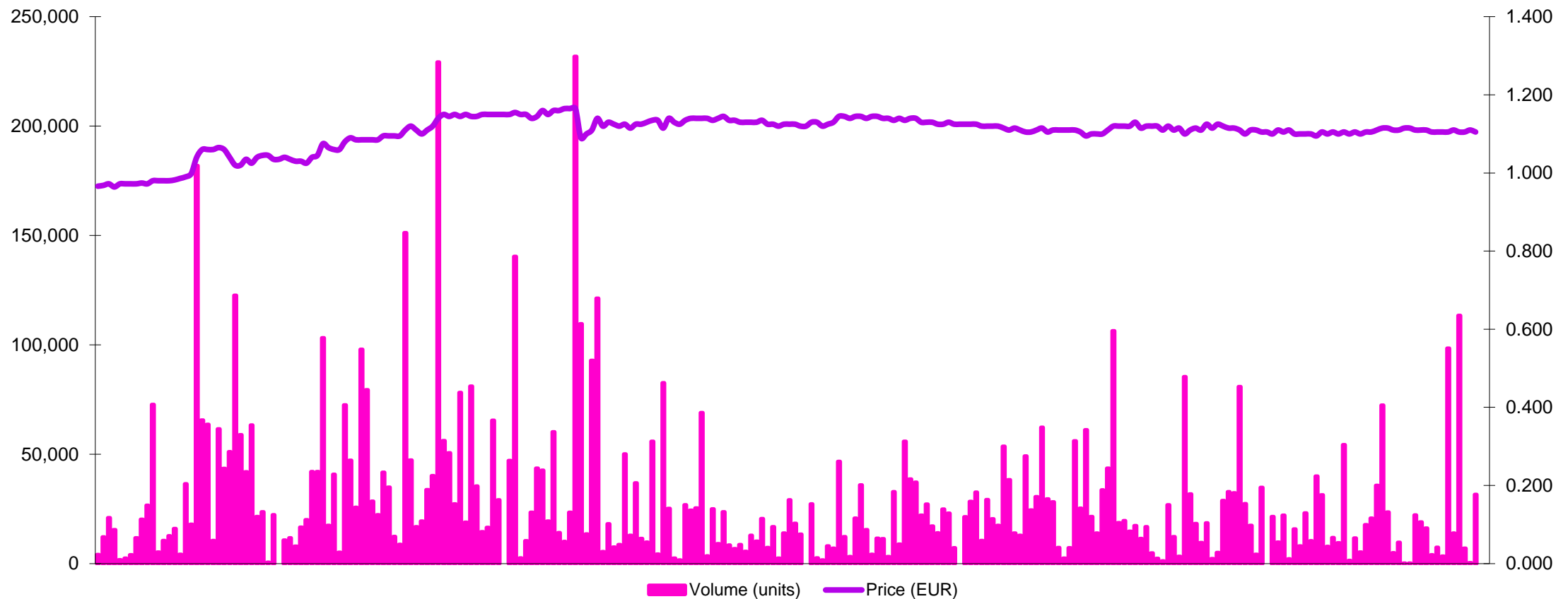
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-December of 2018: 7.4 million of shares or EUR 8.2 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2018	0.966
High	1.170
Low	0.956
31-12-2018	1.105

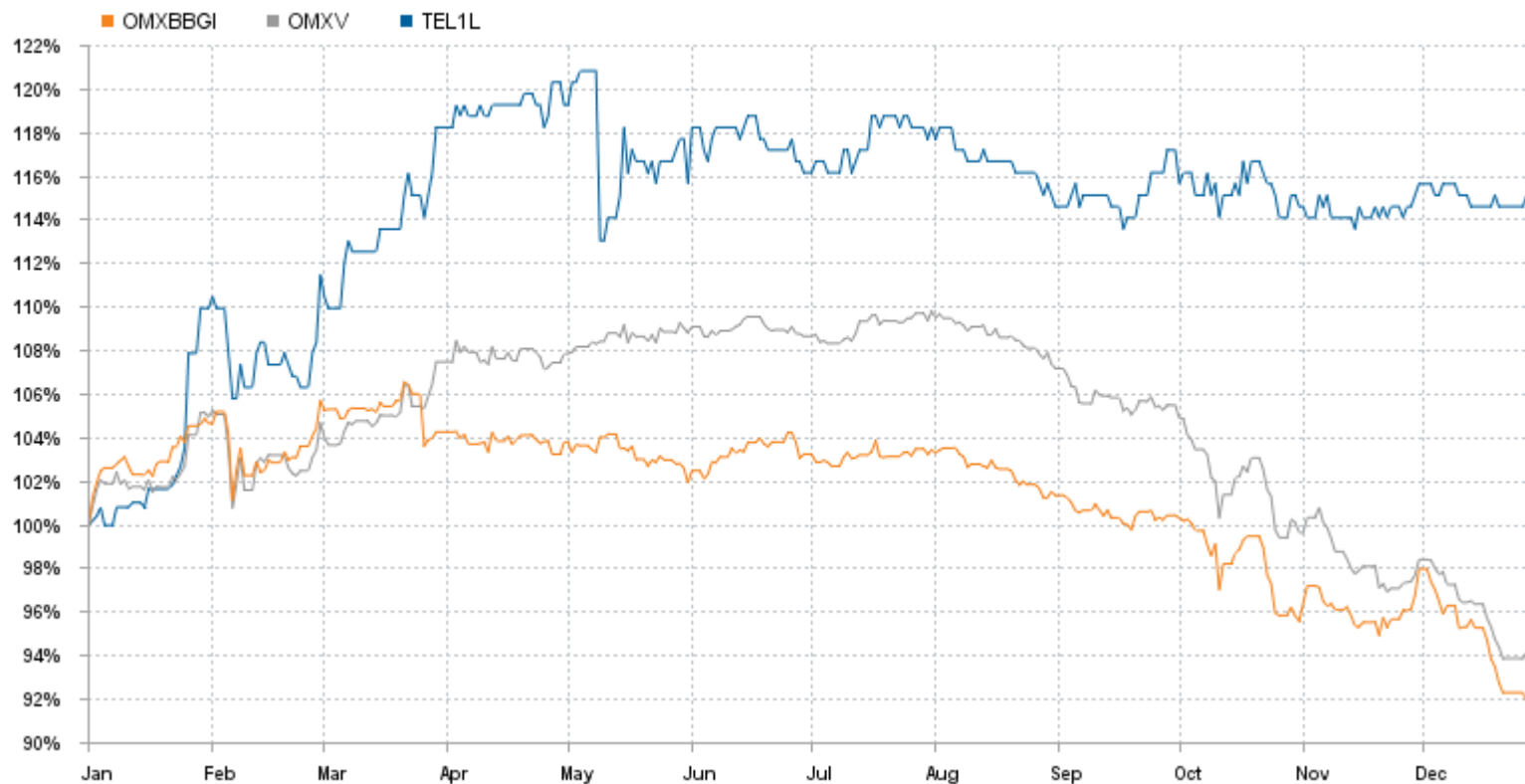
**Market capitalization (EUR million)**



# 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 transition from a deep purple to a bright blue, then to a pale yellow, and finally to a vibrant orange. The bands are separated by smooth, flowing lines that create a sense of movement and depth.

# GOVERNING BODIES

- The **Annual General Meeting** of Shareholders was held on 26 April 2019
- The **Board** consist of 6 members elected for the 2 year term
- Upon termination of the 2 year term of the Board and following the proposal of Telia Company AB the same **members of the Board were re-elect** for a new term
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** is the Company's independent auditor for the year 2018 and 2019
- The Board elects and recalls **CEO**
- New **CFO** of the Company, Arūnas Lingė, stepped in on 25 March 2019, while Mindaugas Ubartas, **Head of B2B & B2C**, left the Company on 12 April 2019



# BOARD (31-12-2018)



**Emil Nilsson** (born in 1971),  
**Chairman** of the Board, represents  
Telia Company AB, Chairman of the  
Remuneration Committee



**Hannu-Matti Mäkinen**  
(born in 1970),  
**Member** of the Board,  
represents Telia Company AB



**Agneta Wallmark** (born in 1960),  
**Member** of the Board,  
represents Telia Company AB,  
Chairwoman of the Audit Committee



**Tomas Balžekas** (born in 1977),  
**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 Remuneration  
Committee



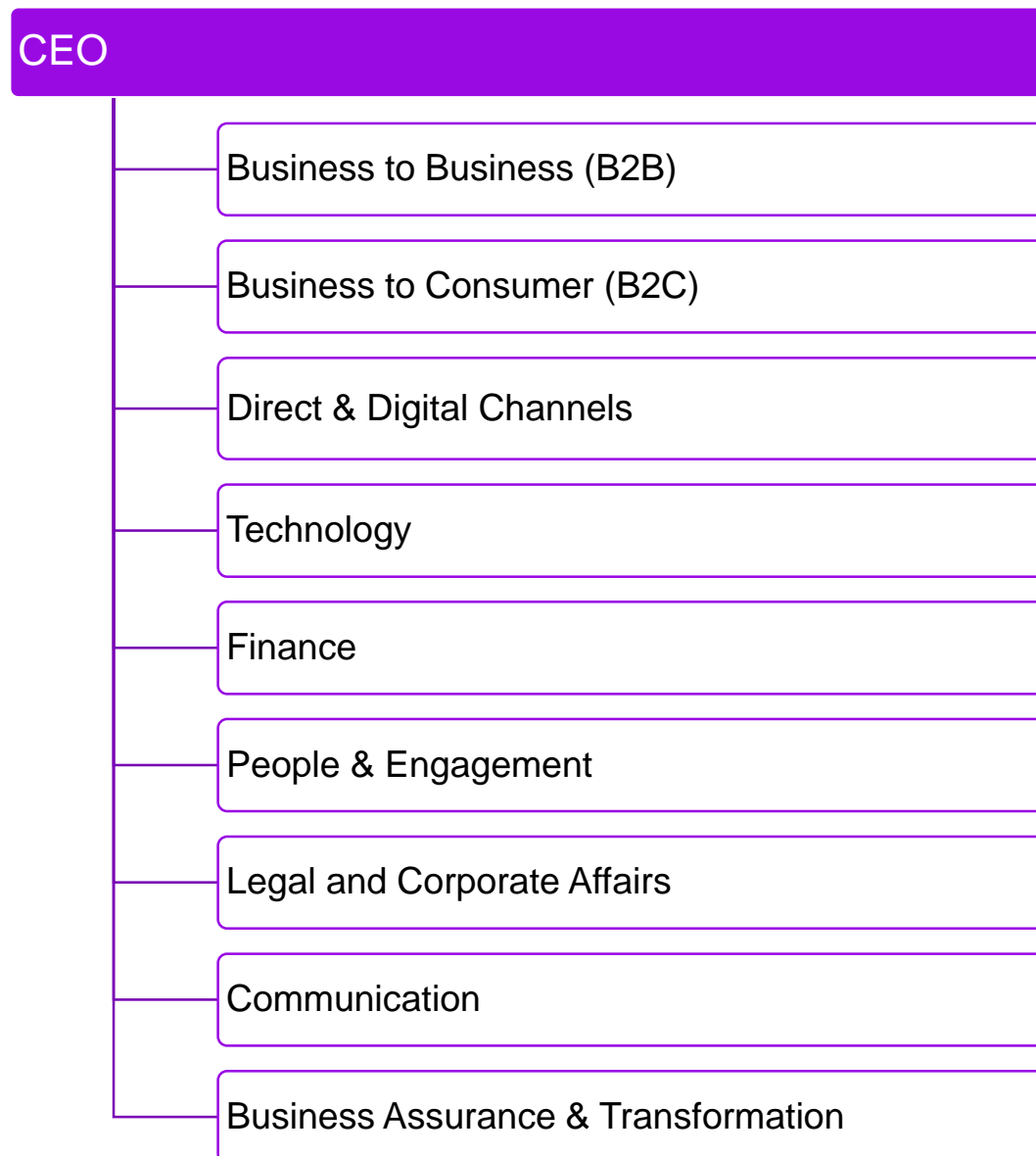
**Mindaugas Glodas** (born in 1972),  
**Independent member** of the Board,  
Member of the Audit and  
Remuneration Committees

- Members of the Board have no direct interest in the share capital of Telia Lietuva



# GOVERNING STRUCTURE OF TELIA LIETUVA

VALID FROM 1 JANUARY 2019





# MANAGEMENT TEAM (26-04-2019)



**Dan Strömberg,**  
CEO



**Giedrė Kaminskaitė-Salters,**  
Head of Direct & Digital  
Channels



**Andrius Šemeškevičius,**  
Head of Technology



**Arūnas Lingė,**  
Head of Finance



**Ramūnas Bagdonas,**  
Head of People &  
Engagement



**Daiva Kasperavičienė,**  
Head of Legal &  
Corporate Affairs



**Birutė Eimontaitė,**  
Head of Communication



**Vytautas Bučinskas,**  
Head of Business Assurance &  
Transformation



# PRINCIPLES THAT WE FOLLOW



Anti-bribery and  
corruption



Freedom of  
expression



Customer privacy



Occupational health  
and safety



Responsible  
procurement



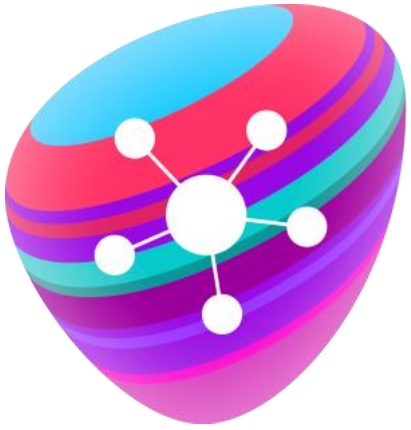
Environmental  
responsibility



Children safety  
online



# ALL IN APPROACH



Connecting the  
unconnected



A healthy and safe  
society



Education for all



Digital  
entrepreneurship and  
innovation





Telia

**#VISAOTINKLAS**