



# RESULTS FOR THE 9 MONTHS OF 2020

Telia Lietuva, AB Group







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

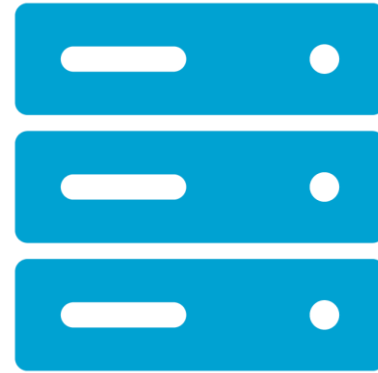
# TELIA LIETUVA MEANS:



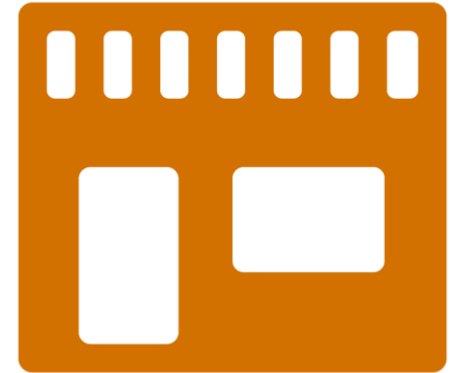
Wide range of  
services



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



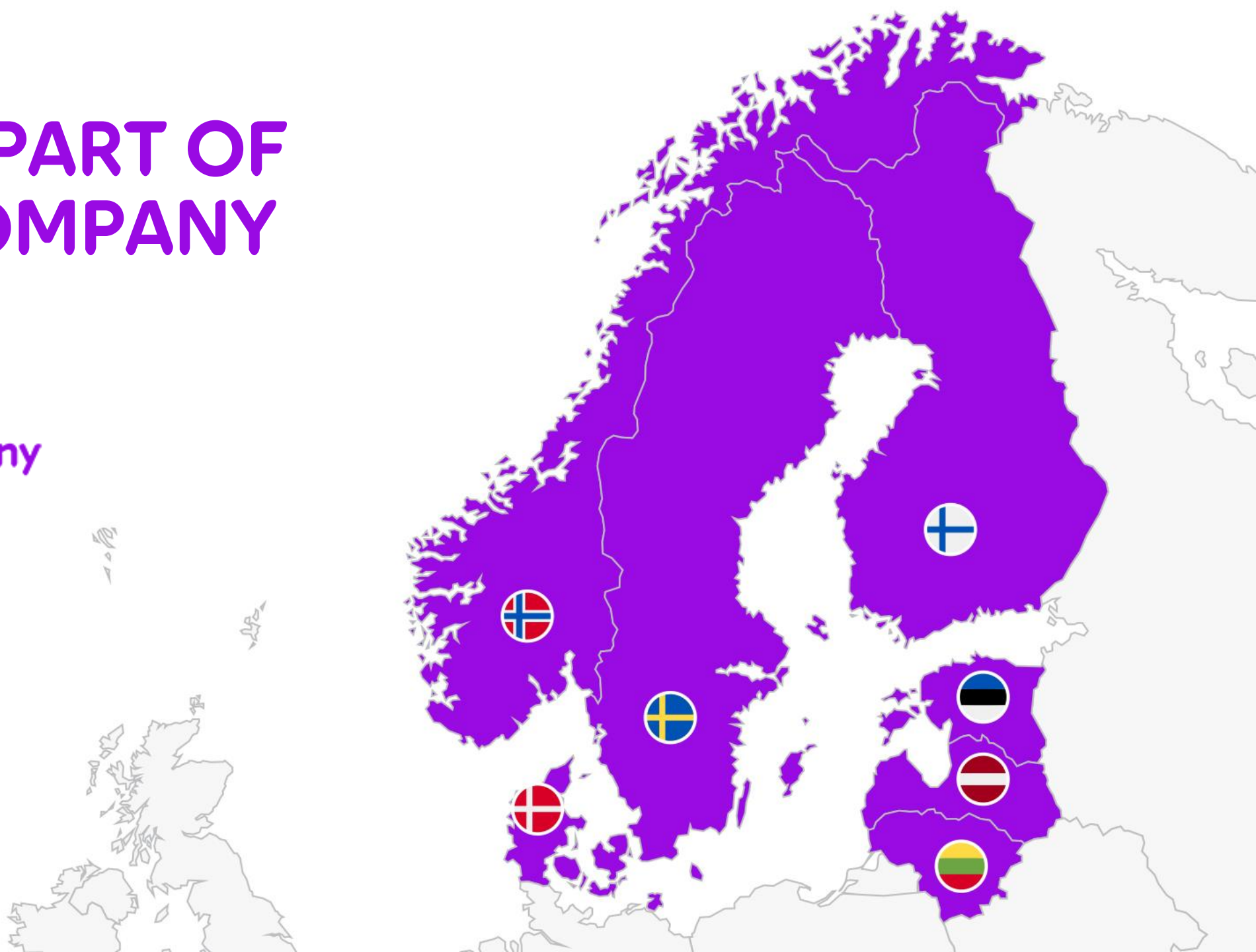
Team of 2,200  
professionals



Sustainable and  
responsible  
business



# WE ARE PART OF TELIA COMPANY GROUP





A man with long hair and glasses, wearing a light blue shirt and a dark vest, is smiling and pushing a large, fluffy brown dog into a green wheelbarrow. A young child wearing a blue helmet and a red and white striped shirt is sitting in the wheelbarrow, arms outstretched, looking up with a joyful expression. The scene is set in a lush green garden with a wooden gazebo in the background and a large tree on the left. The overall atmosphere is warm and happy.

**OUR PURPOSE:  
BRINGING THE  
WORLD CLOSER**



# 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

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VšĮ Numerio Perkėlimas

50 %

- **Telia Lietuva** provides integrated mobile and fixed communication and IT services
- **Numerio Perkėlimas** administers the central database to ensure telephone number portability in Lithuania (Tele2 and Bitė Lietuva owns 25% each)
- **Telia Customer Service LT**, a Contact Centre that remotely served customers of Telia Lietuva and provided Directory Inquiry services 118, on 1 July 2020 was **merged into Telia Lietuva**
- On 18 June 2020, the Company and other two shareholders (Tele2 and Bitė Lietuva) **disposed** their 33.3 per cent stakes in **UAB Mobilieji Mokėjimai**, a provider of mobile payment till 18 May 2020 under the brand *MoQ*





# QUARANTINE IMPACT ON OUR ACTIVITIES

- The Covid-19 virus caused **quarantine** in Lithuania **was officially over** on 17 June 2020
- **Retail outlets** are operating as usual since end of April
- **Employees are** back to the office starting from May
- **Mobile devices sales** are **back** to pre-quarantine level
- Restrictions on cross-boarder travel had a **negative** impact on revenue from **roaming charges**
- **No** major disruption on customers' timely payment or **impact** on bad debts level
- Regular webinars are held and updated **information is provided to the employees** on Covid-19 situation



# HIGHLIGHTS OF Q3 2020

- Quarterly **revenue** exceeded EUR 100 million. Double digit growth in **IT services** (20%).
- Quarterly **EBITDA** is the highest since merger in 2017 with the **margin of 35.4%**
- 9 months **free cash flow** increased by 34.6% while **CAPEX** down 12.2% (y-o-y)
- Intake of **new mobile subscriptions** was 29 thousand and number of upgraded converged offer **Telia1** subscribers exceeded 70 thousand households
- Independent secret buyer research ranked **customer care** at Telia Lietuva retail outlets as the best in class
- On 1 July 2020, completed **Telia Customer Service LT merger** into Telia Lietuva
- **Chair of the Board**, Emil Nilsson, will **resign** from the Board as of 21 October 2020



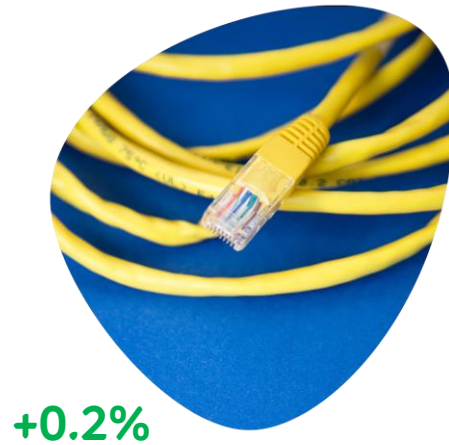


# NUMBER OF CUSTOMERS



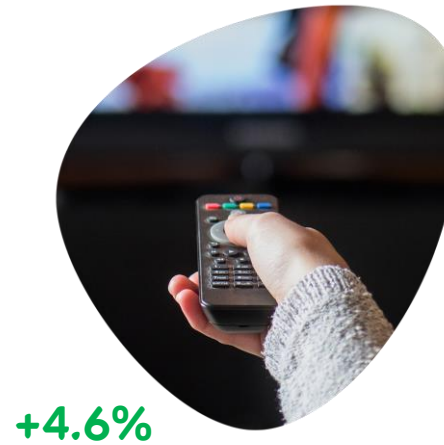
1,384

thousand of  
**mobile** service users



416

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



251

thousand of  
**IPTV service** users



270

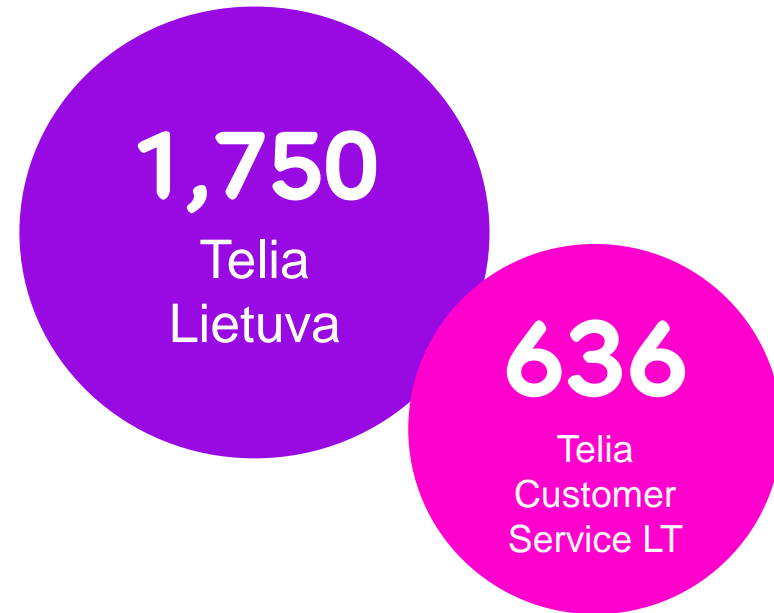
thousand of  
**fixed telephone** lines  
in service



# NUMBER OF EMPLOYEES



**2,186** (30-09-2020)



In total **2,386** (30-09-2019)

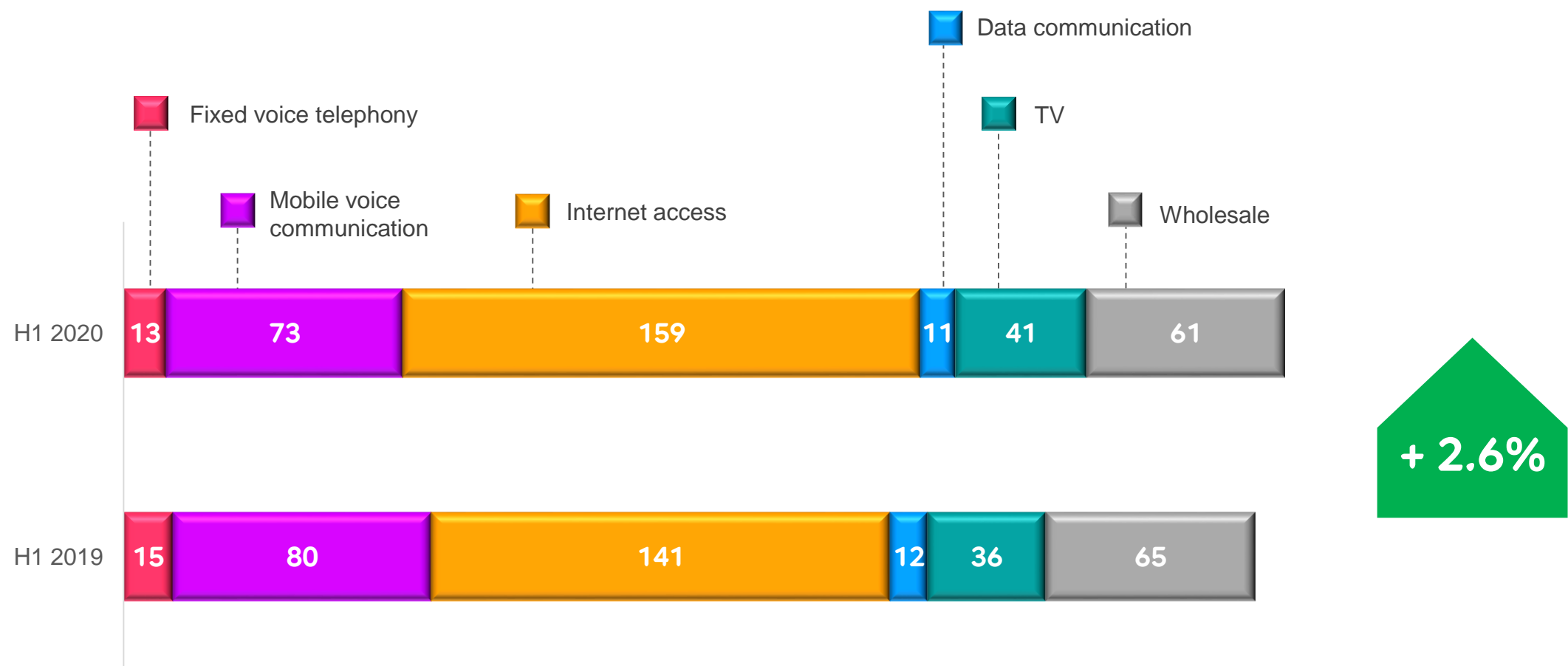




# **ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA**

# INTERNET & PAY TV DRIVE TELCO MARKET GROWTH

(EUR million)

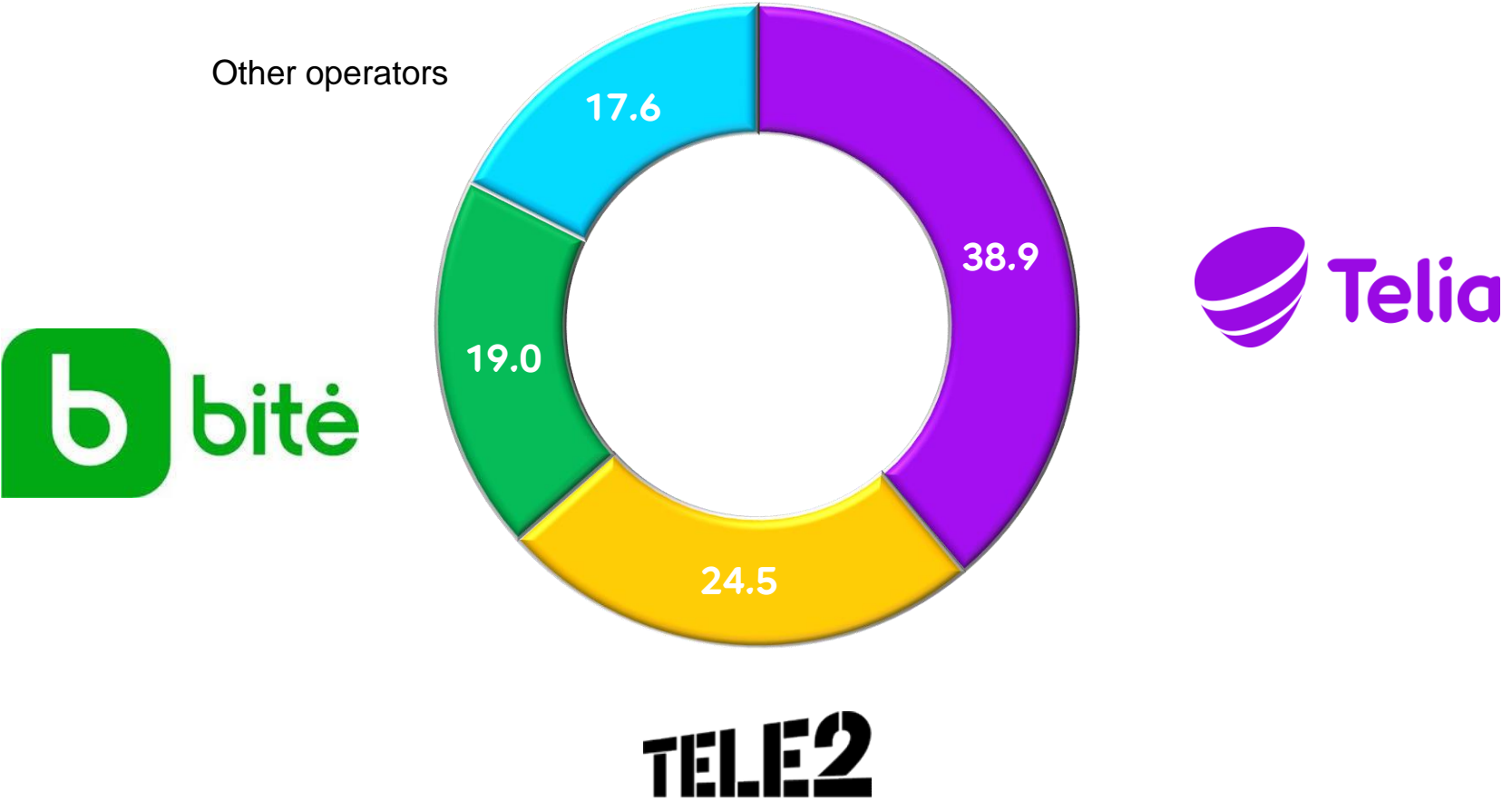


Source: Report of the Communications Regulatory Authority





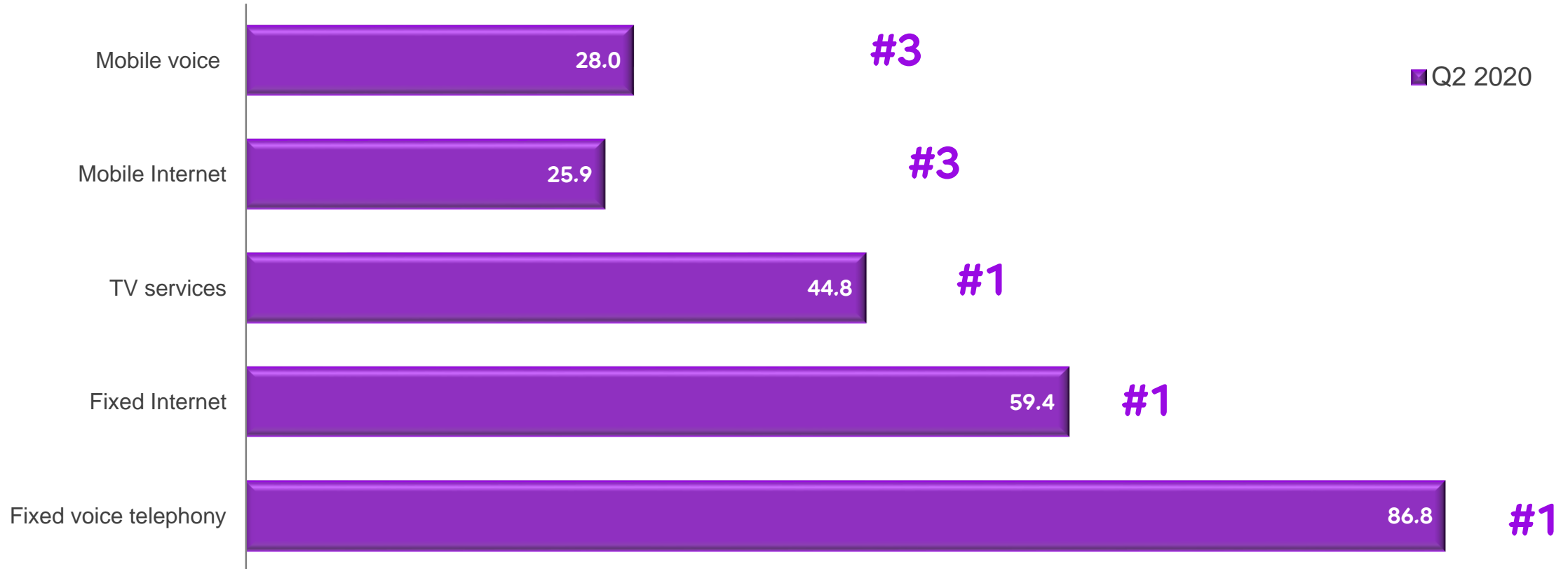
# BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q2 2020 (%)



Source: Report of the Communications Regulatory Authority



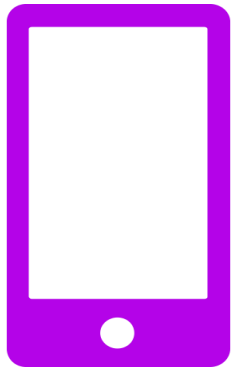
# TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



# MARKET: THE FASTEST GROWTH IN USAGE OF DATA



**77.4%**  
(y-o-y)

Increasing usage of  
**mobile data**

(uploaded/downloaded  
**174,496 million MB**  
of data per quarter)



**1.9%**  
(y-o-y)

Growing number of  
**FTTH/B connections**

(accounts for **75.7%** of all  
fixed Internet connections)



**9.0%**  
(y-o-y)

Growing number of  
**IPTV users**

(accounts for **43.6%** of all  
pay-TV service users)



# MARKET PENETRATION



130.3

**mobile** communications  
subscribers  
(per 100 inhabitants)



25.3

**fixed telephony** lines  
(per 100 households)



51.9

broadband **Internet**  
access  
(per 100 inhabitants)



51.7

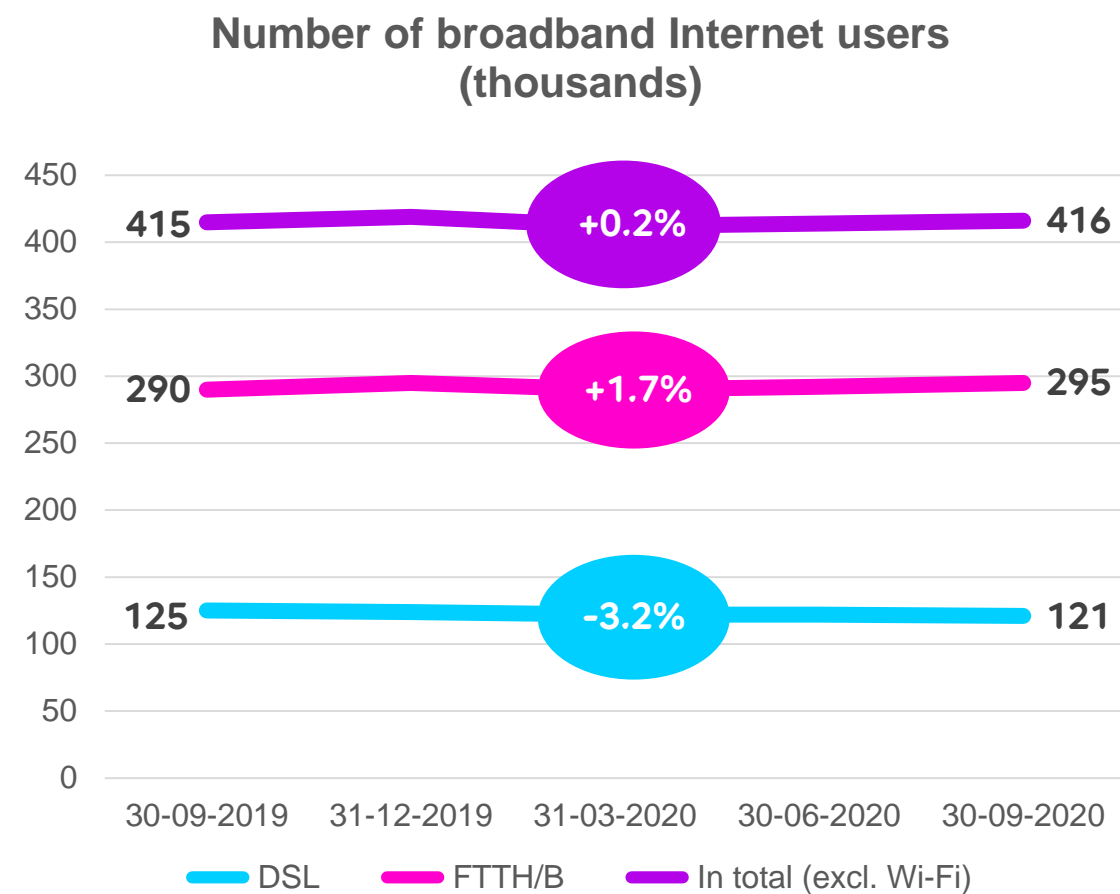
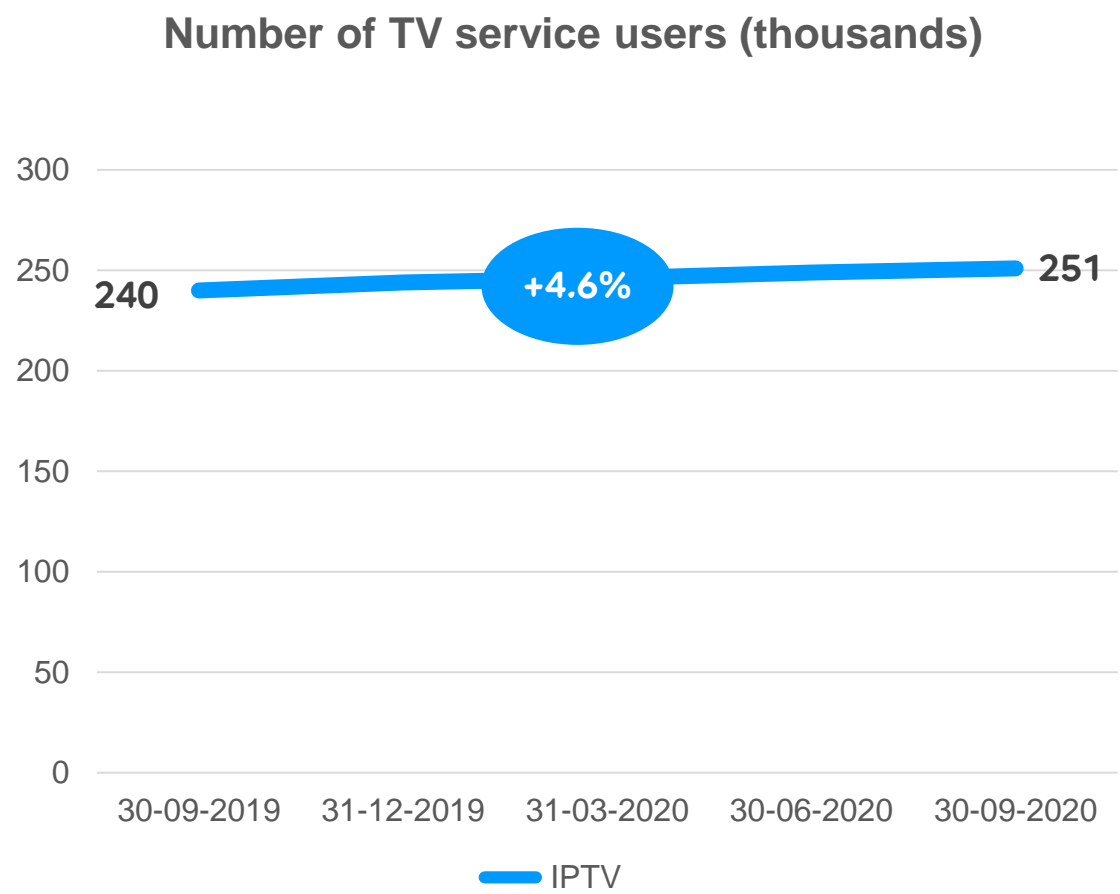
**pay-TV** subscribers  
(per 100 households)



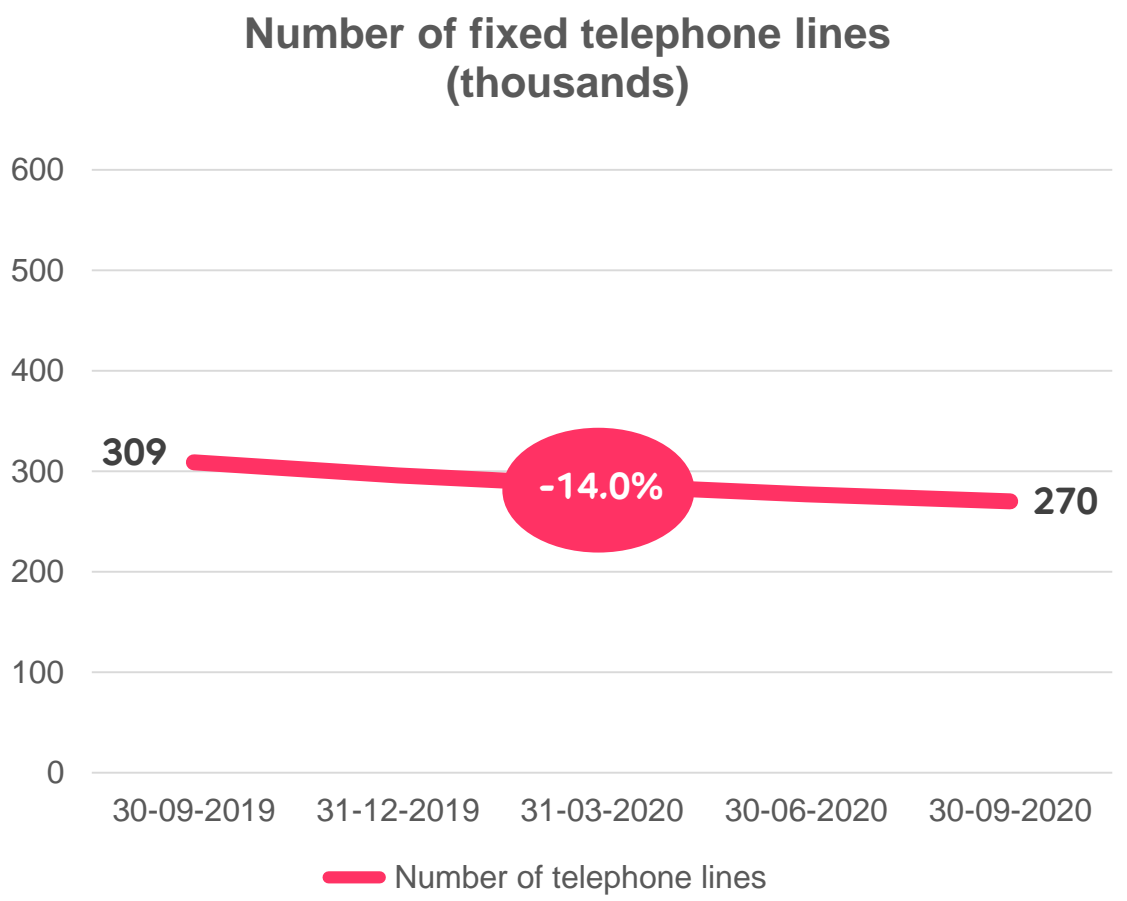
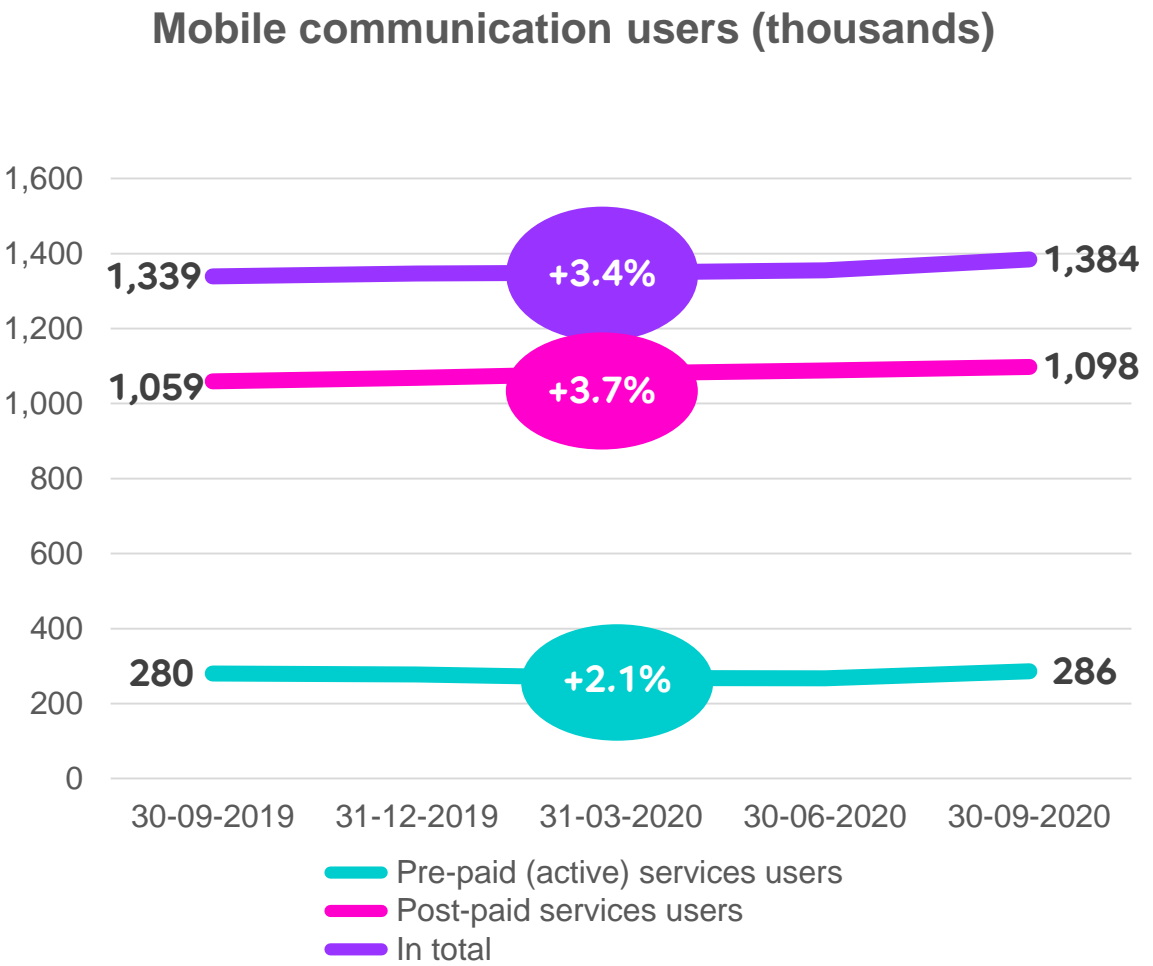


# OPERATING AND FINANCIAL RESULTS

# NUMBER OF IPTV AND BROADBAND INTERNET USERS

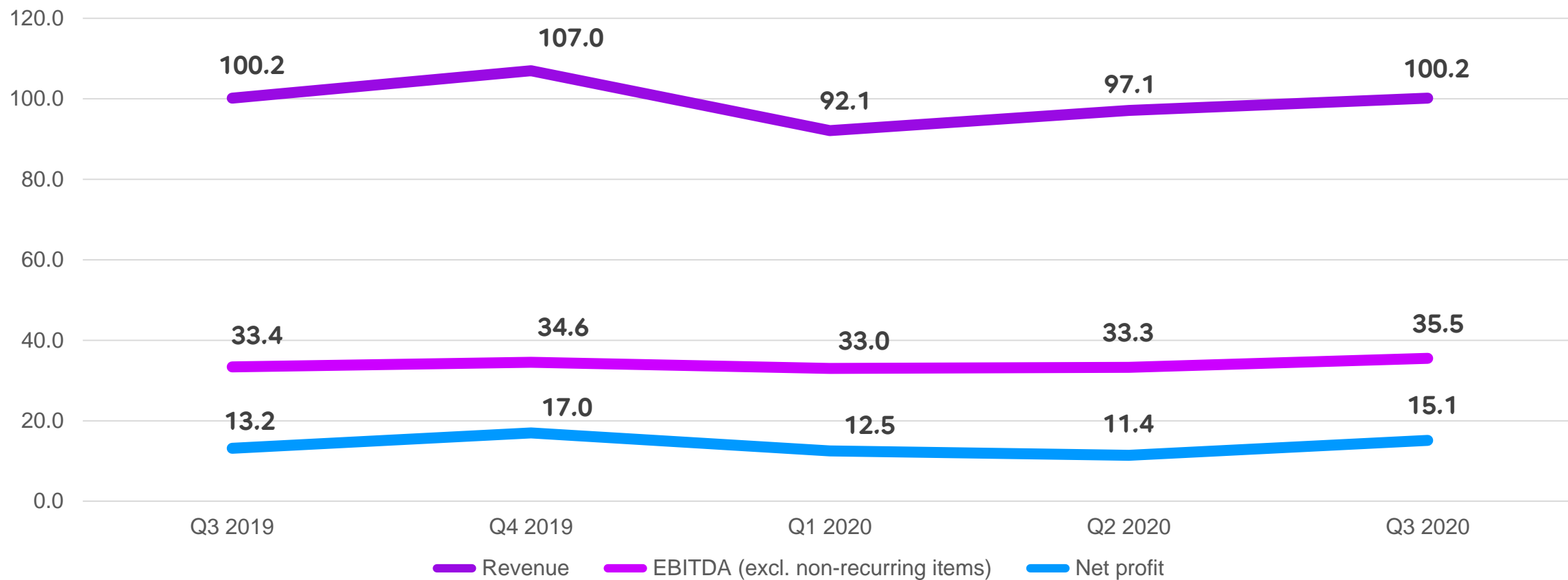


# NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS



# REVENUE, EBITDA & NET PROFIT

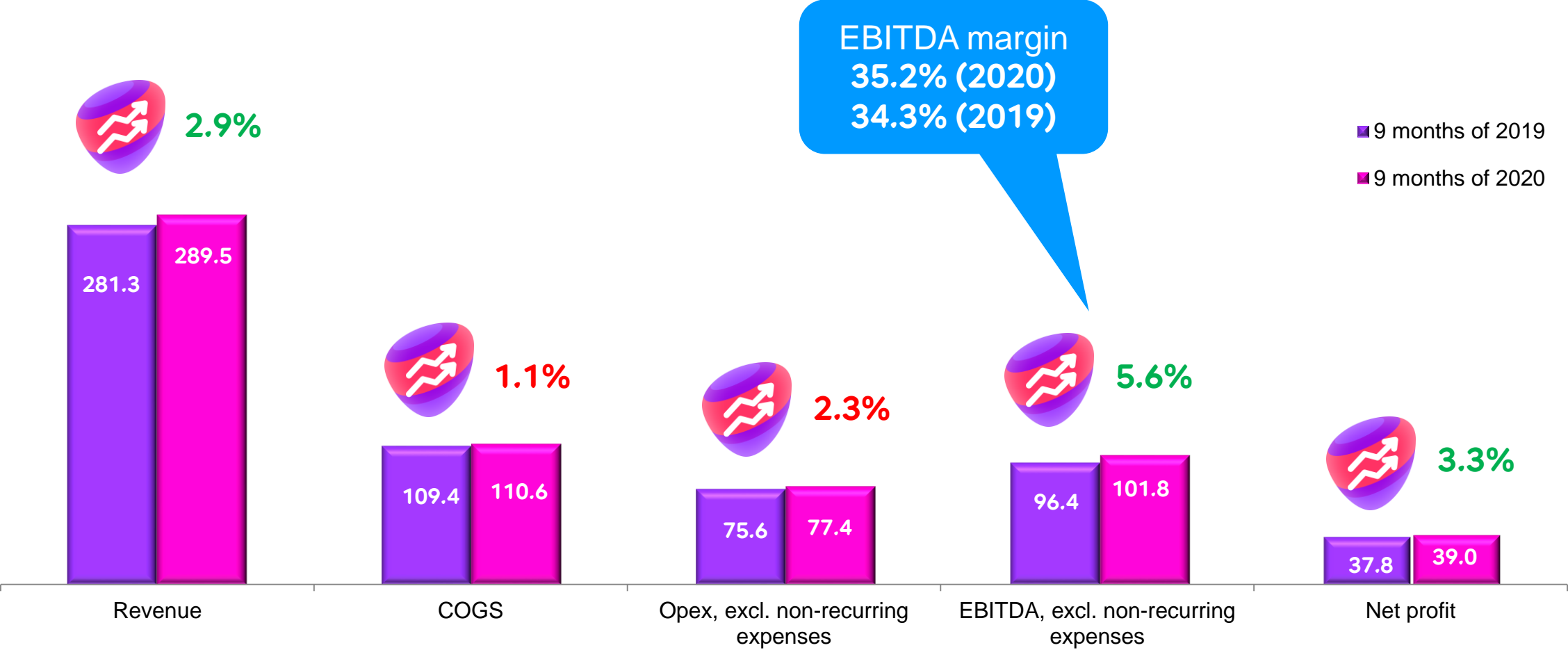
(EUR million)



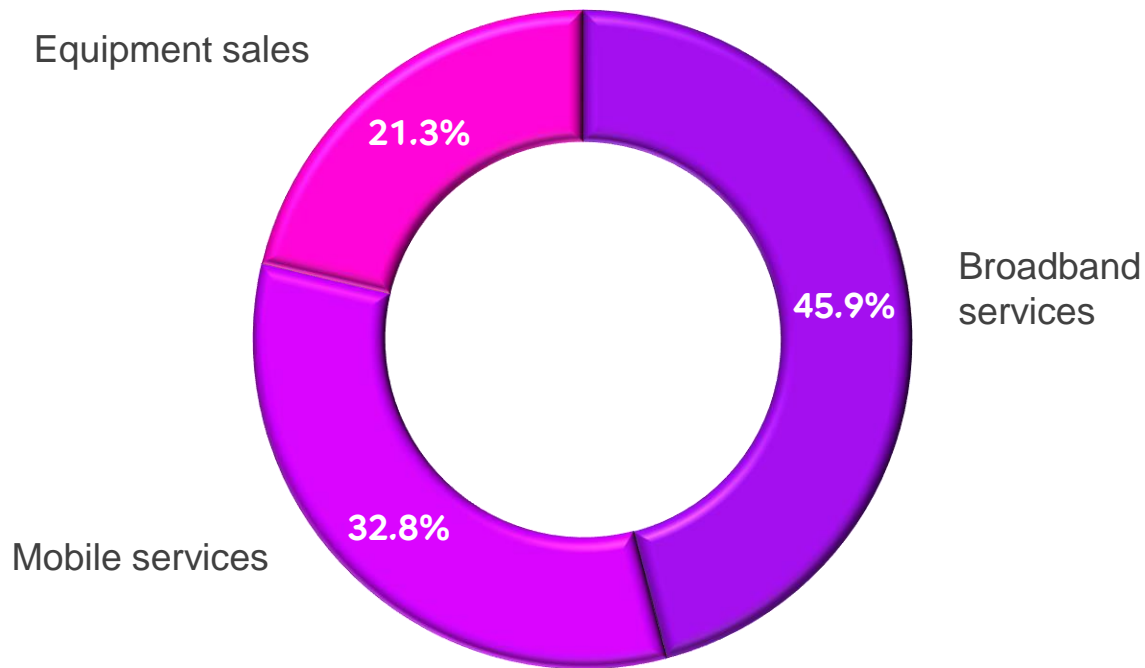


# DYNAMICS OF MAIN FINANCIAL INDICATORS

(EUR million)



# 9 MONTHS OF 2020 REVENUE BREAKDOWN



Enterprises

38.9%



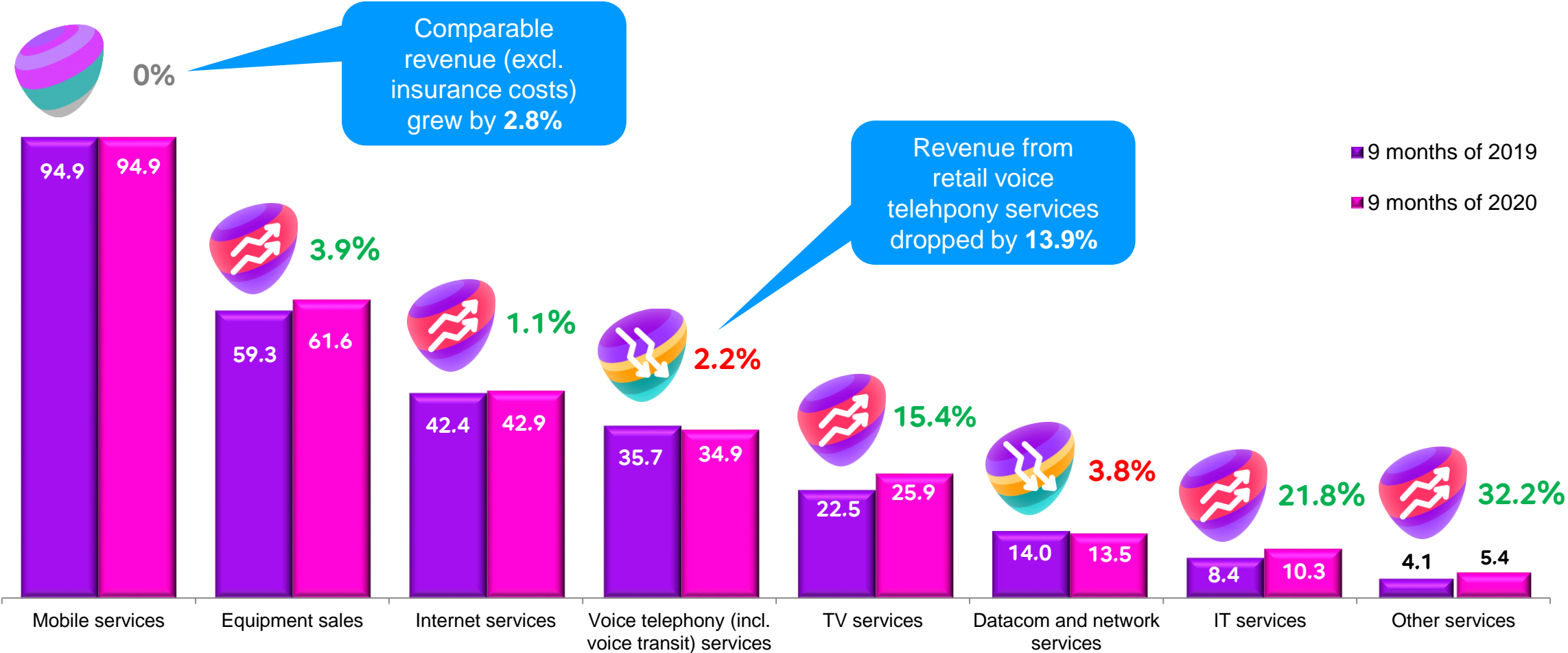
Consumers

60.3%



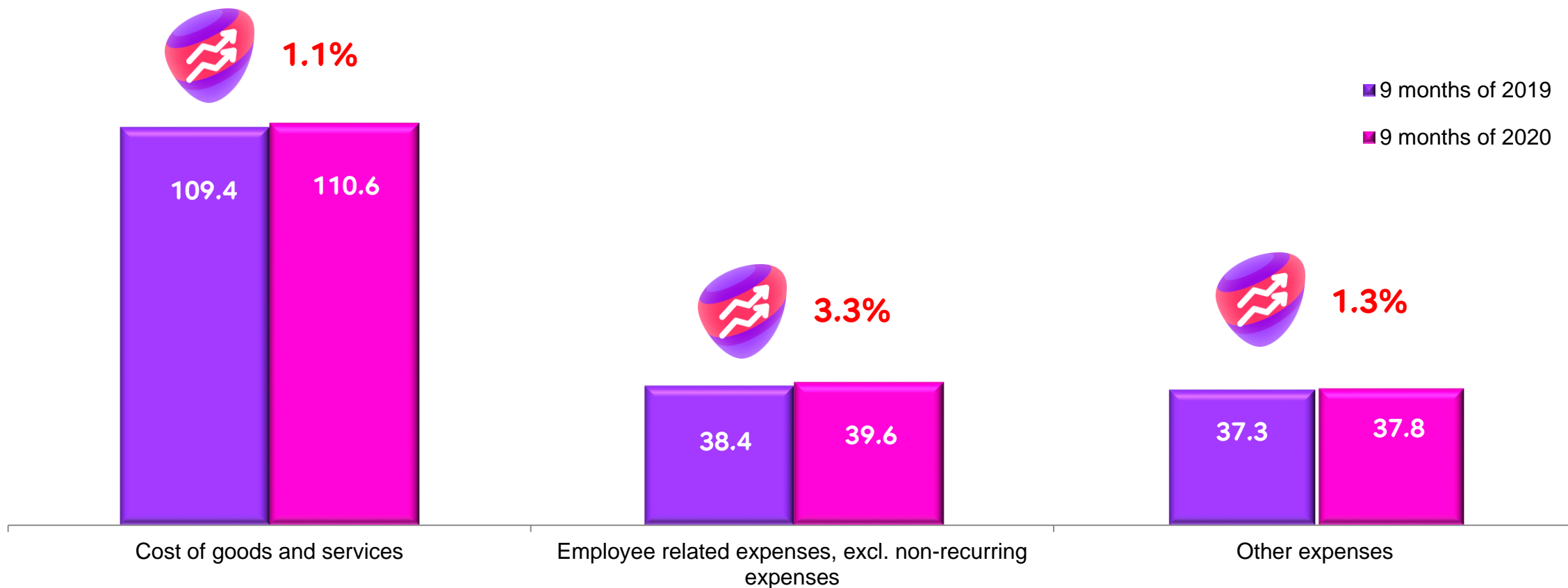
# REVENUE BY SERVICES

(EUR million)



# OPERATING EXPENSES

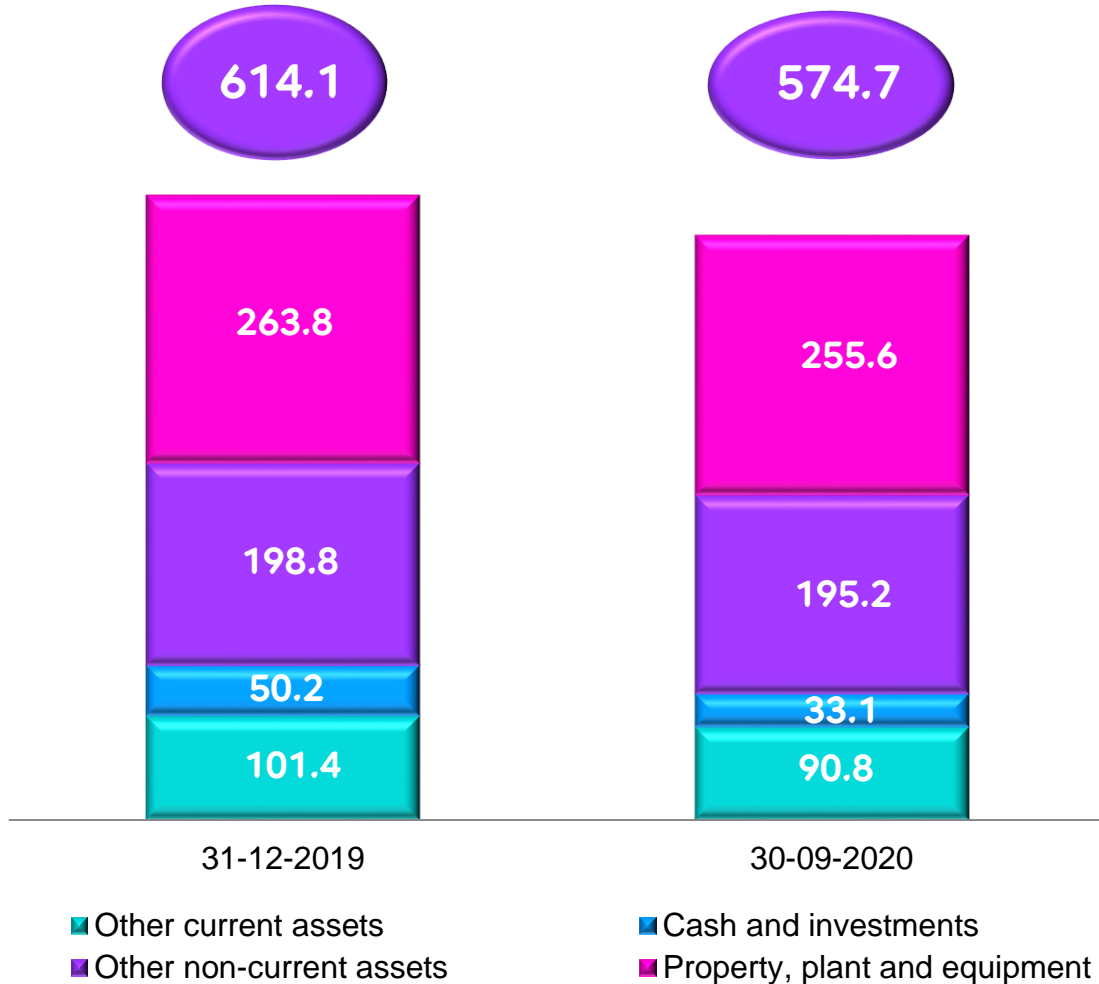
(EUR million)





# ASSETS

(EUR million)

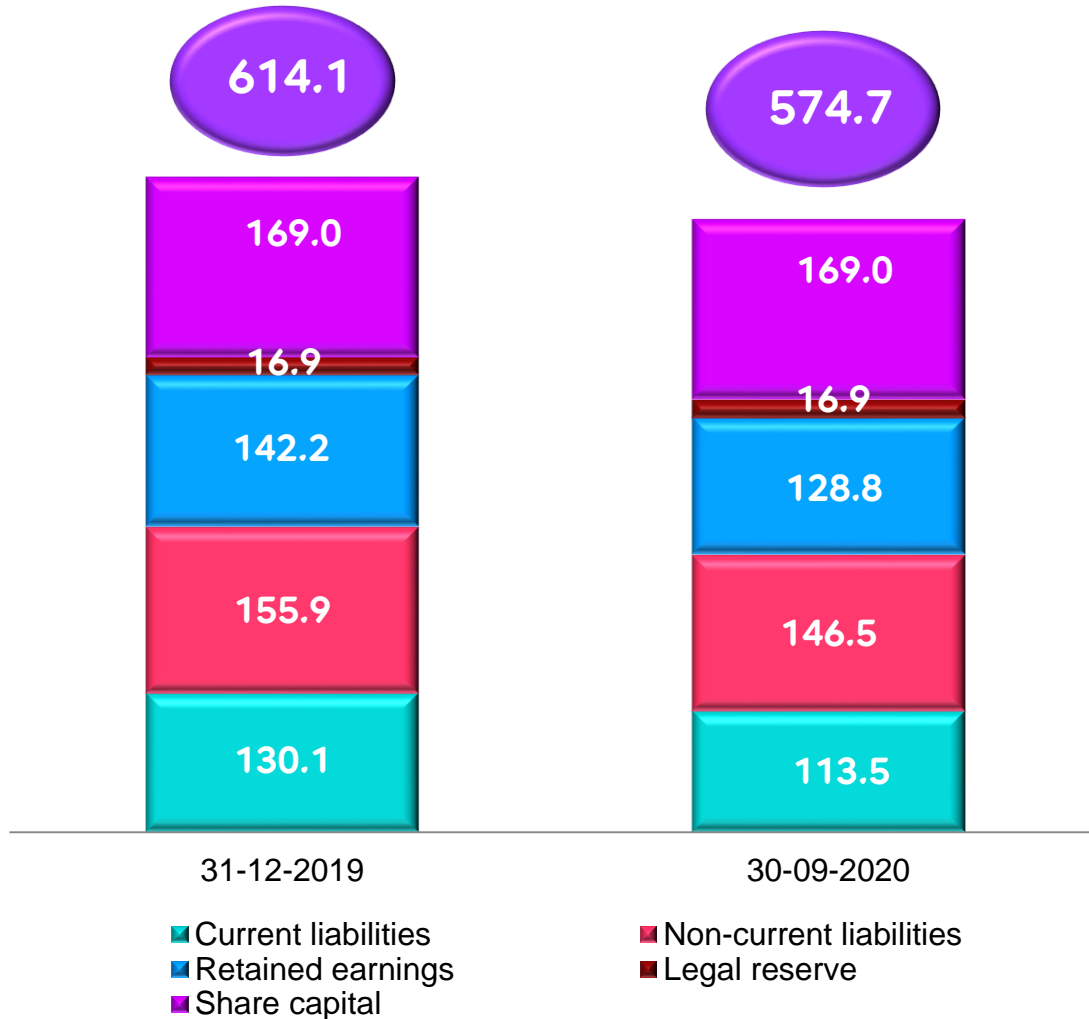


- During January-September 2020, **total assets** decreased by 6.4%
- **Non-current assets** amounted to 78.4% of total assets (30-09-2020)
- **Cash** alone amounted to 5.8%
- **Return on capital employed:** 14.8%
- **Return on average assets:** 10.8%



# EQUITY AND LIABILITIES

(EUR million)

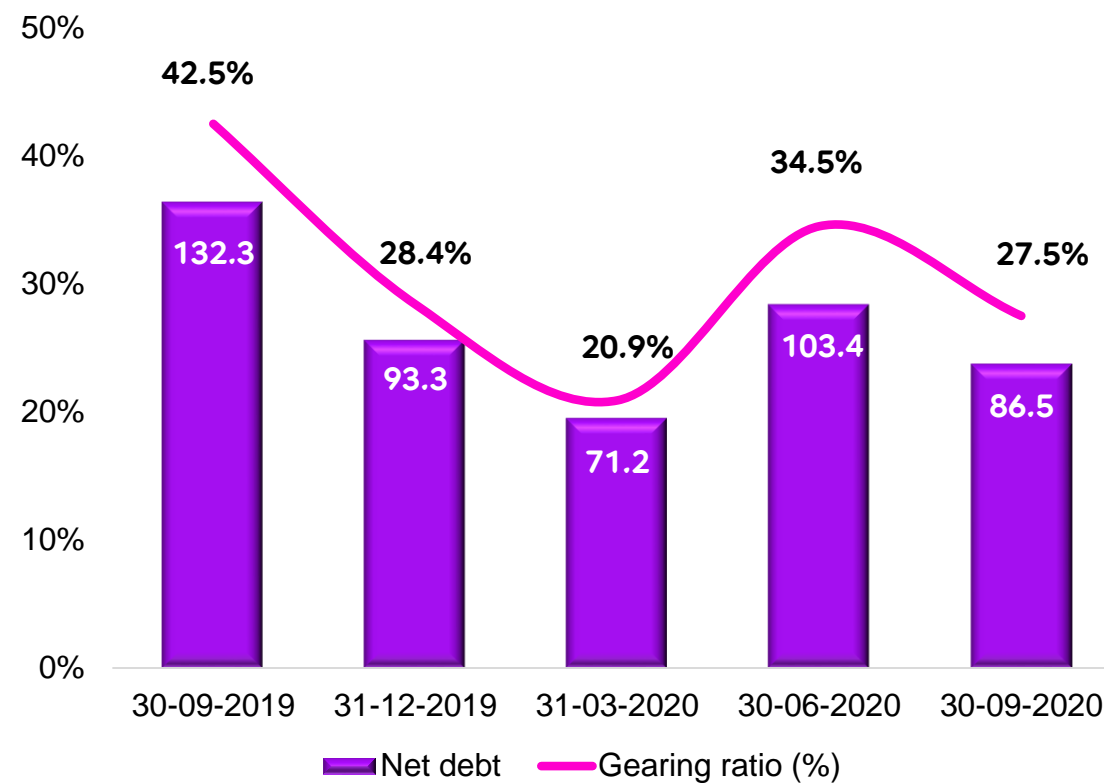
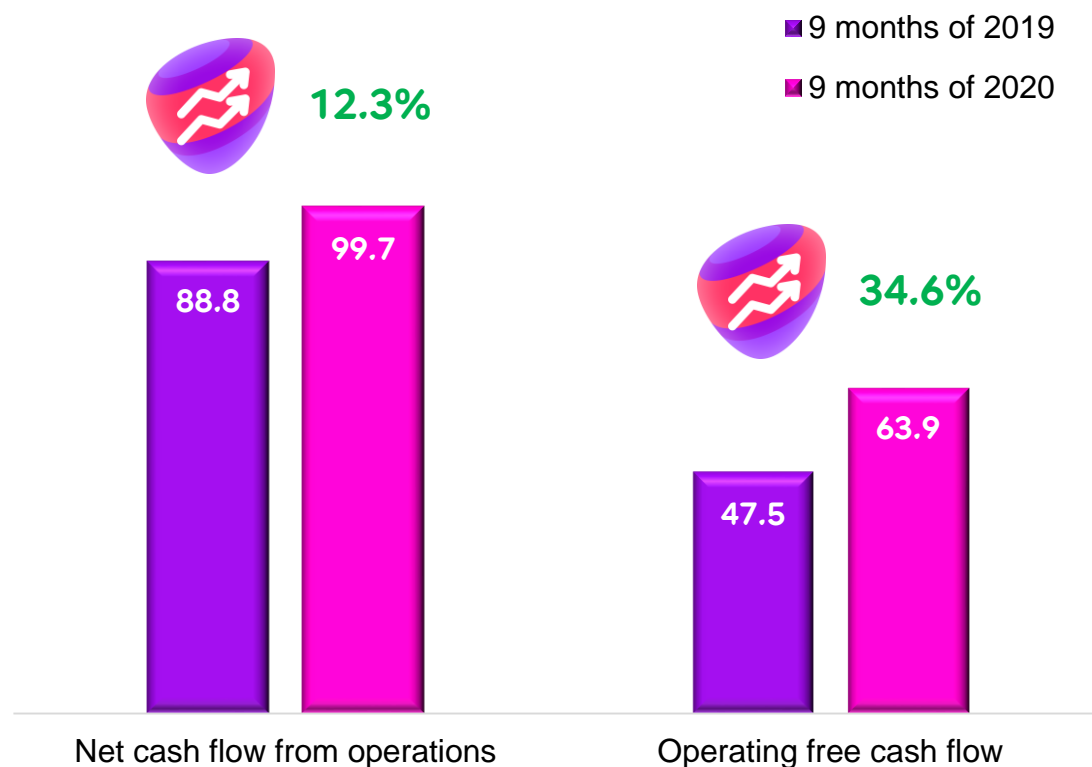


- During 9 months of 2020 shareholders' **equity** decreased by 4.1% and amounted to 54.7% of the total assets (30-09-2020)
- Total **borrowings** (30-09-2020) amounted to EUR 119.5 million: EUR 75 million – bank loans, EUR 42.9 million – vendor financing and EUR 1.6 – financial lease.
- **Gearing ratio**: 27.5%
- **Debt to equity**: 38%
- **Return on equity**: 17.6%



# CASH FLOW & NET DEBT

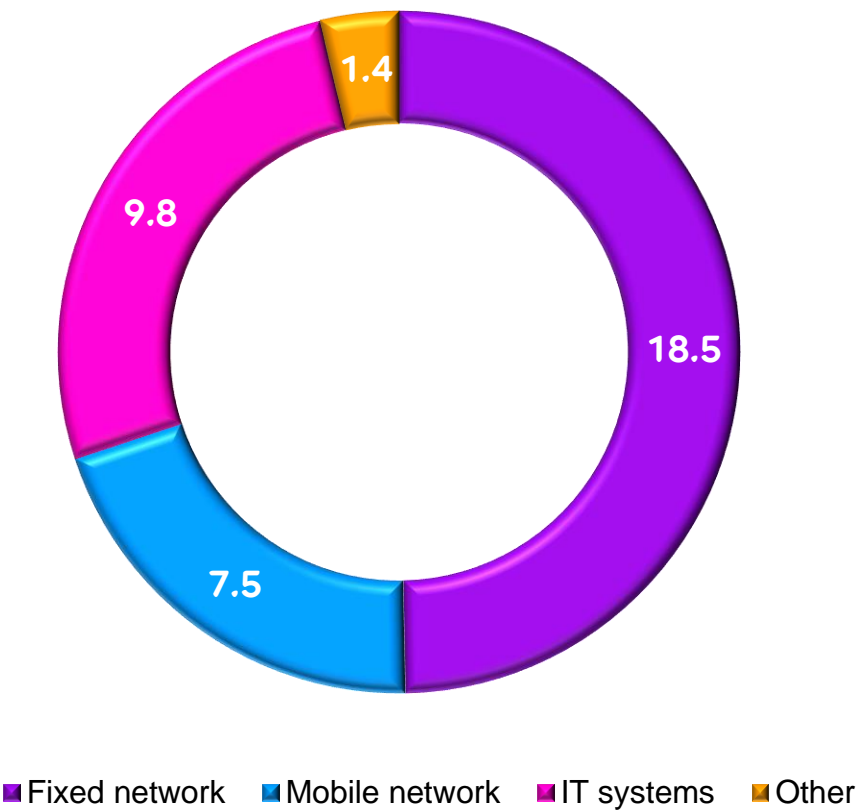
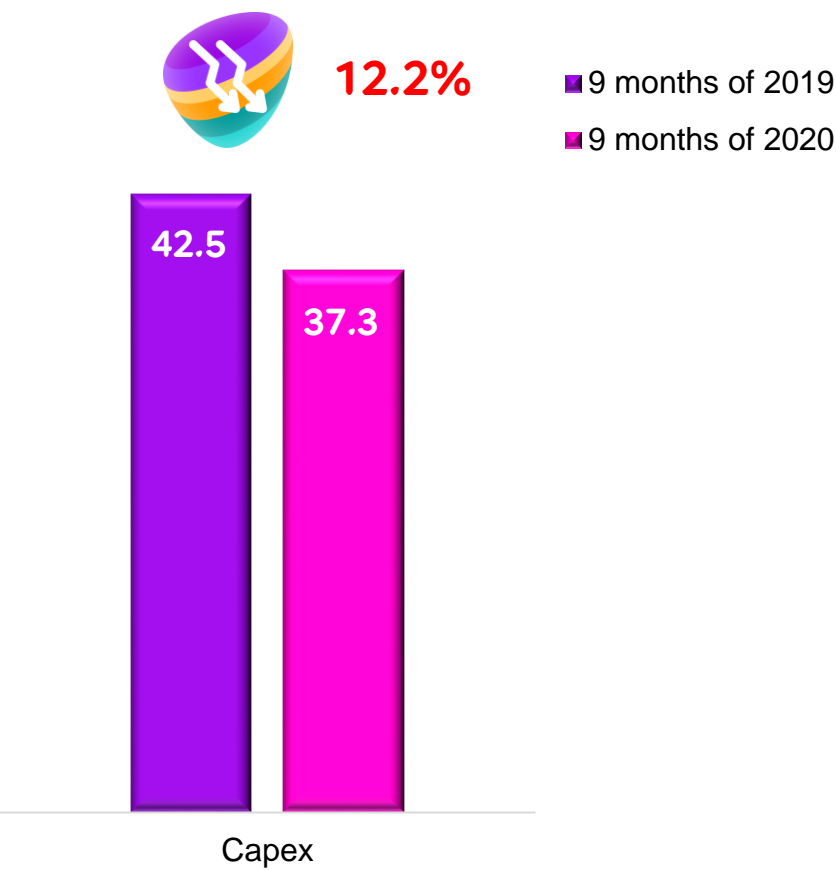
(EUR million)



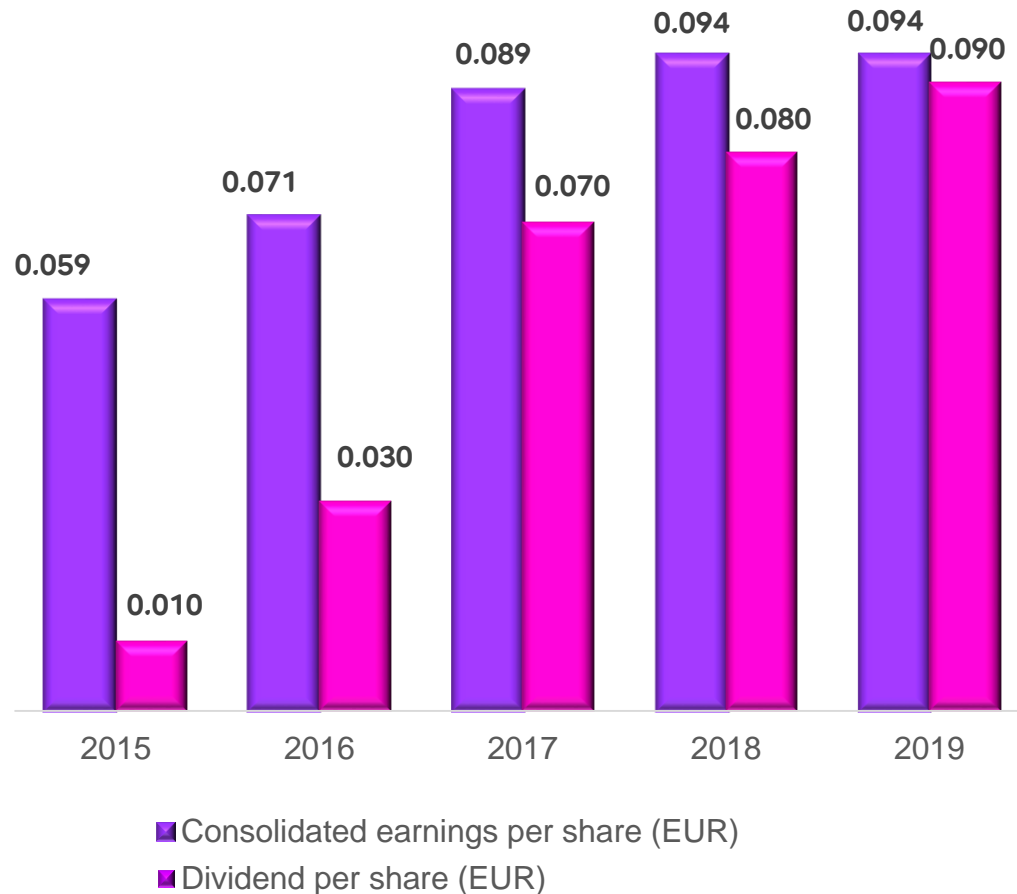


# CAPEX & CAPEX BREAKDOWN FOR 9 MONTHS OF 2020

(EUR million)



# DIVIDENDS



- Earnings and dividends are allocated to **582,613,138** shares
- The Board set a target to maintain the Company's **net debt to EBITDA ratio** not higher than 1.5 and to pay 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 2019, retained earnings of the Parent company amounted to **EUR 140.1 million**
- The Annual General Meeting of Shareholders held on 28 April 2020 decided to pay-out **EUR 0.09 dividend** per share for the year 2019



# SHARES AND SHAREHOLDERS

# 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 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 more than **11 thousand**

## Shareholders as of 30-09-2020

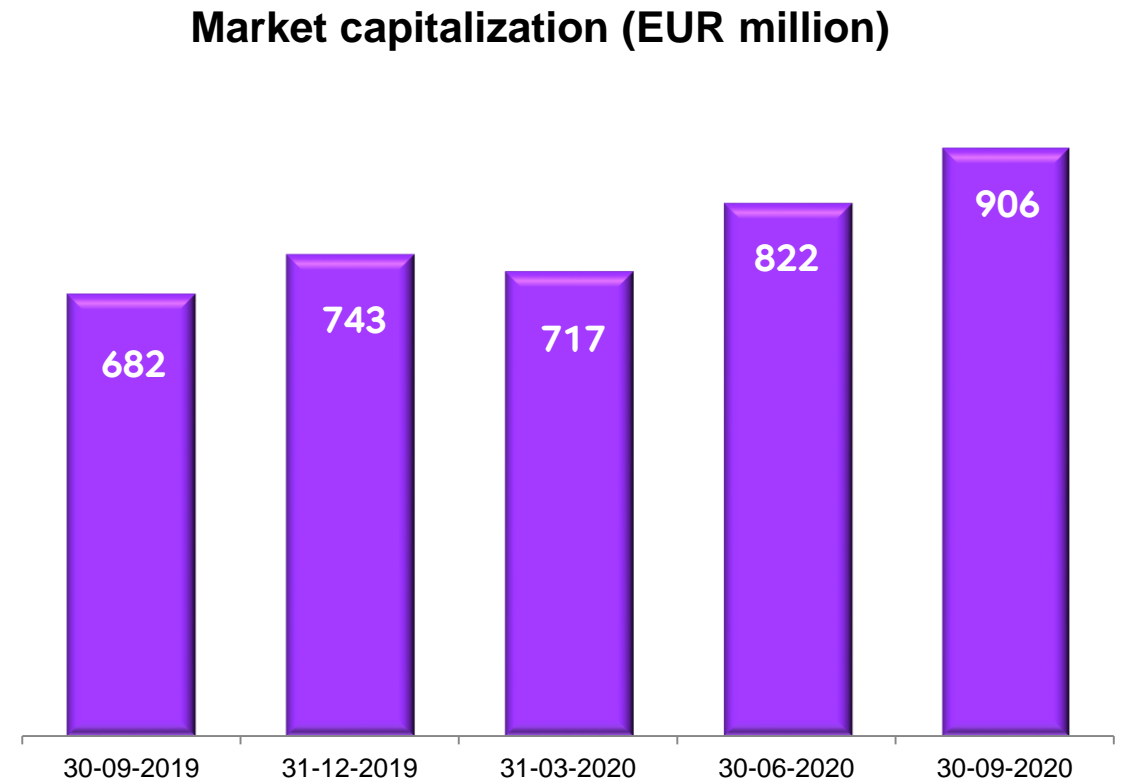
	Part of shares and votes
Telia Company AB	88.15%
Other	11.85%



# SHARES

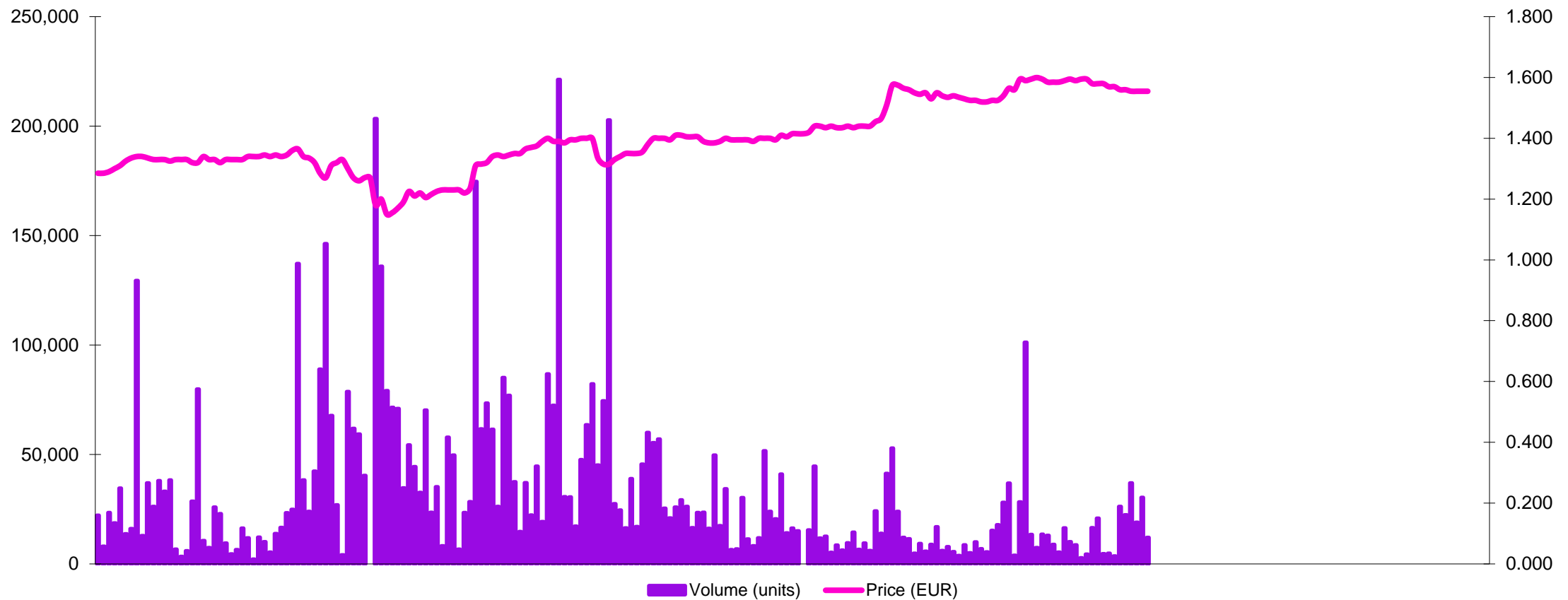
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-September 2020: 6.2 million of shares or EUR 8.4 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2020	1.275
High	1.600
Low	1.135
30-09-2020	1.555





# TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE IN 2020



# THE COMPANY SHARE PRICE AND NASDAQ VILNIUS INDEXES COMPARISON



INDEX   EQUITY	OPENING VALUE	CLOSING VALUE	CHANGE %
■ OMX_Baltic_Benchmark_GI	992.83	935.42	-5.78
■ OMX Vilnius_GI	712.14	778.37	+9.3
■ TEL1L - Telia Lietuva	1.27	1.55	+21.96

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 deep purple, a medium blue, a bright yellow, and a vibrant orange. The bands are separated by smooth, curved lines that create a sense of movement and depth. The text 'CORPORATE GOVERNANCE' is positioned in the upper left corner, set against the purple band.

# GOVERNING BODIES

- The **Annual General Meeting** of Shareholders was held on 28 April 2020
- The **Board** consist of 6 members elected for the 2 year term
- The Board for a new 2 year term was re-elected in 2019
- Emil Nilsson, Chair of the Board, **will resign** from the Board as of 21 October 2020
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** was elected the Company's independent auditor for the year 2020
- The Board elects and recalls **CEO**



# BOARD



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

- Emil Nilsson will resign from the Board as of 21 October 2020
- Members of the Board have no direct interest in the share capital of Telia Lietuva





# GOVERNING STRUCTURE OF TELIA LIETUVA

VALID FROM 1 JANUARY 2020



# MANAGEMENT TEAM



**Dan Strömberg,**  
CEO



**Nortautas Luopas,**  
Head of Consumer,  
Head of Digitalization & Analytics



**Daniel Karpovič,**  
Head of Enterprise



**Giedrė Kaminskaitė-Salters,**  
Head of Sales & Customer Care



**Andrius Šemeškevičius,**  
Head of Technology  
Infrastructure



**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



# RESPONSIBLE BUSINESS PRINCIPLES THAT WE FOLLOW



Anti-bribery and  
corruption



Freedom of  
expression



Customer privacy



Occupational health  
and safety



Responsible  
procurement



Environmental  
responsibility



Children safety  
online





# DARING GOALS 2030



