



# RESULTS FOR THE 12 MONTHS OF 2019

Telia Lietuva, AB Group







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



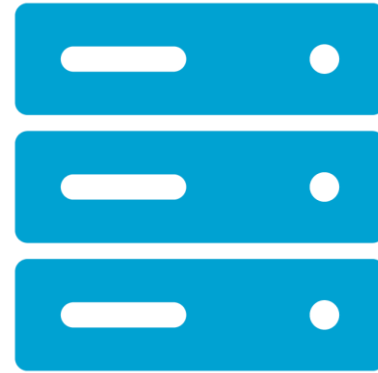
# TELIA LIETUVA MEANS:



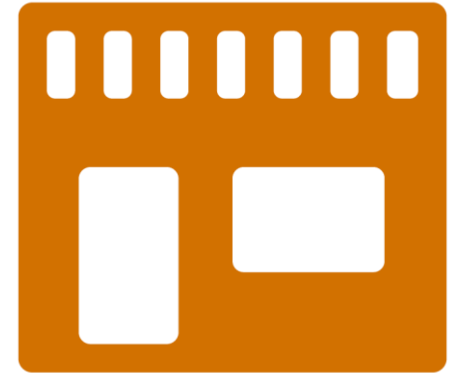
Wide range of  
services



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



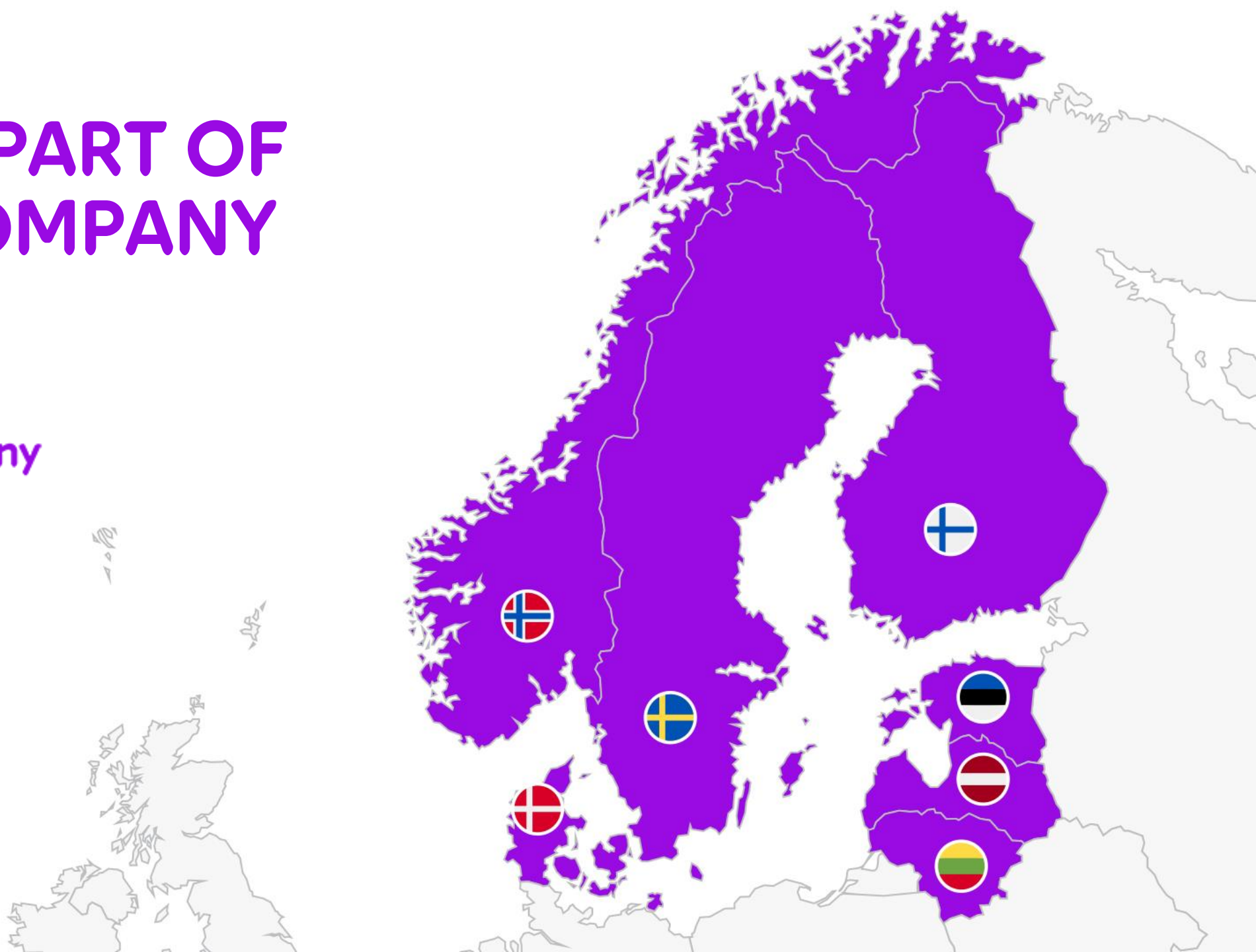
Team of 2,300  
professionals



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 pushing a large, dark green wheelbarrow on a grassy lawn. Inside the wheelbarrow, a young child wearing a blue helmet and a red and white striped shirt is sitting with arms outstretched, smiling. A large, fluffy brown dog is also inside the wheelbarrow, looking up. The background features a wooden gazebo, a dark blue fence, and lush green trees. The scene is bathed in warm, golden light, suggesting late afternoon or early morning.

**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

Telia Customer Service LT, AB	100 %
VšĮ Numerio Perkėlimas	50 %
UAB Mobilieji Mokėjimai	33.3 %

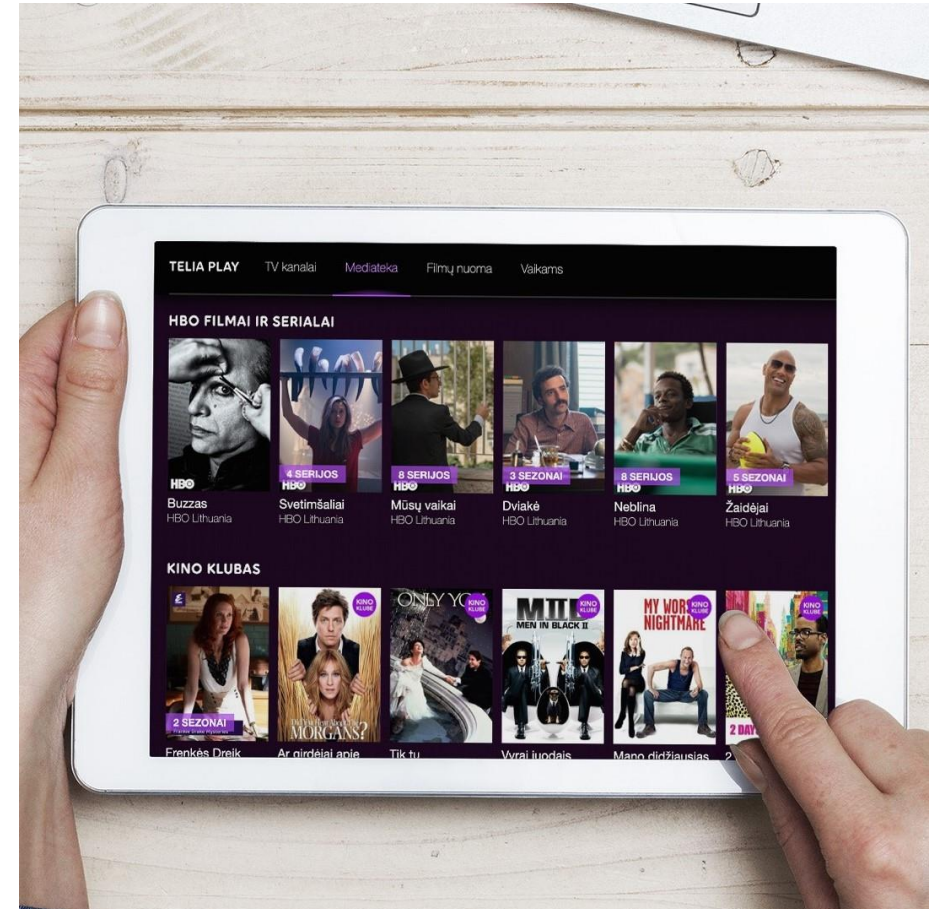
- **Telia Lietuva** provides integrated mobile and fixed communication and IT services
- **Telia Customer Service LT** remotely takes care of Telia Lietuva customers and provides Directory Inquiry services 118
- It is planned to merge Telia Customer Service LT into Telia Lietuva in 2020
- **Numerio Perkėlimas** 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)





# HIGHLIGHTS OF Q4 2019

- **Revenue** for the second quarter in a row **exceeded EUR 100 million**
- Number of converge offer **Telia One** users reached **60 thousand**
- In December, launched **Telia Play**, an IPTV service on the go: TV on any device, anytime and anywhere
- First in Lithuanian telco industry **chatbot** employing **artificial intelligence** launched in November
- The first of **new concept** Scandinavian style **outlets** were opened at the end of 2019
- **VoLTE calls** became available to **iPhone** owners in Telia Lietuva network
- Three-year **equipment rental agreement of value of EUR 1.4 million** was signed with Lithuanian Railways



# OPERATING FIGURES



3.0%

1,347

thousand of  
**mobile service users\***



2.4%

419

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



6.1%

244

thousand of  
**IPTV service users**



16.4%

296

thousand of  
**fixed telephone** lines  
in service

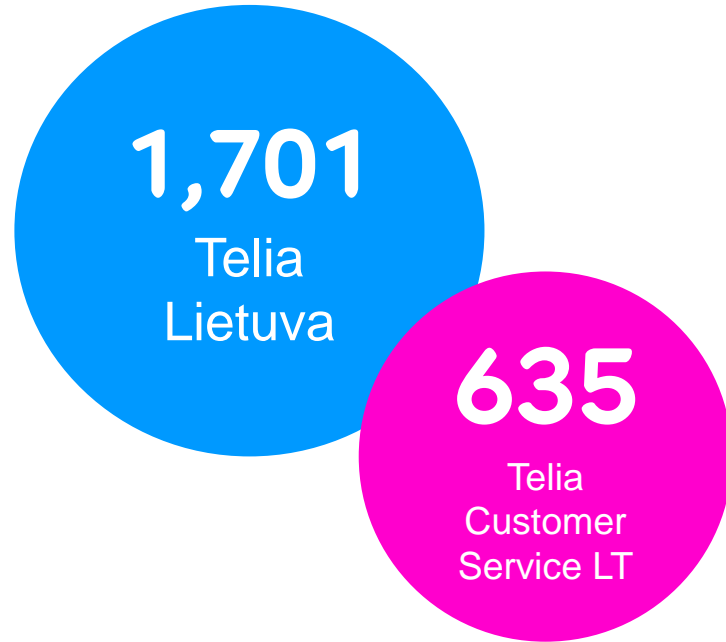
*Note. \* In Q1 2019, the Company changed treatment of active users and took off 114 thousand subscriptions*

Data as of 31-12-2019 & change (y-o-y)

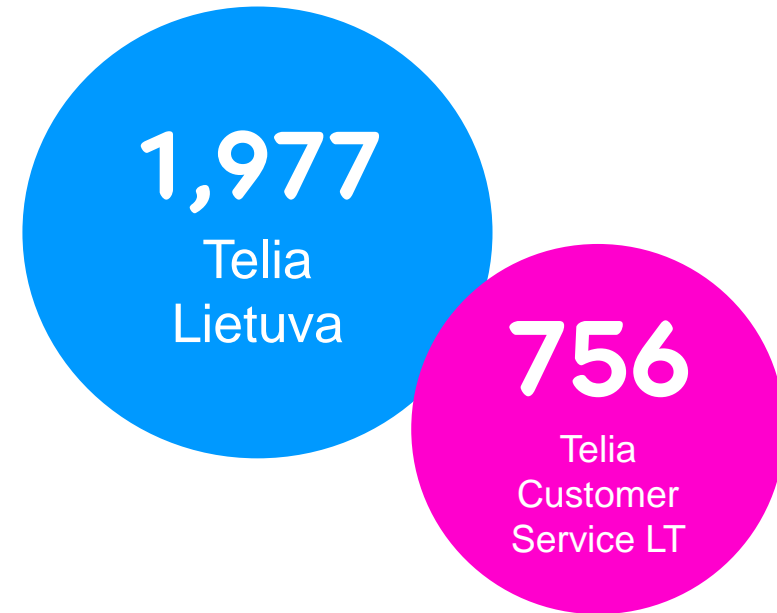




# NUMBER OF EMPLOYEES



In total **2,336** (31-12-2019)



In total **2,733** (31-12-2018)

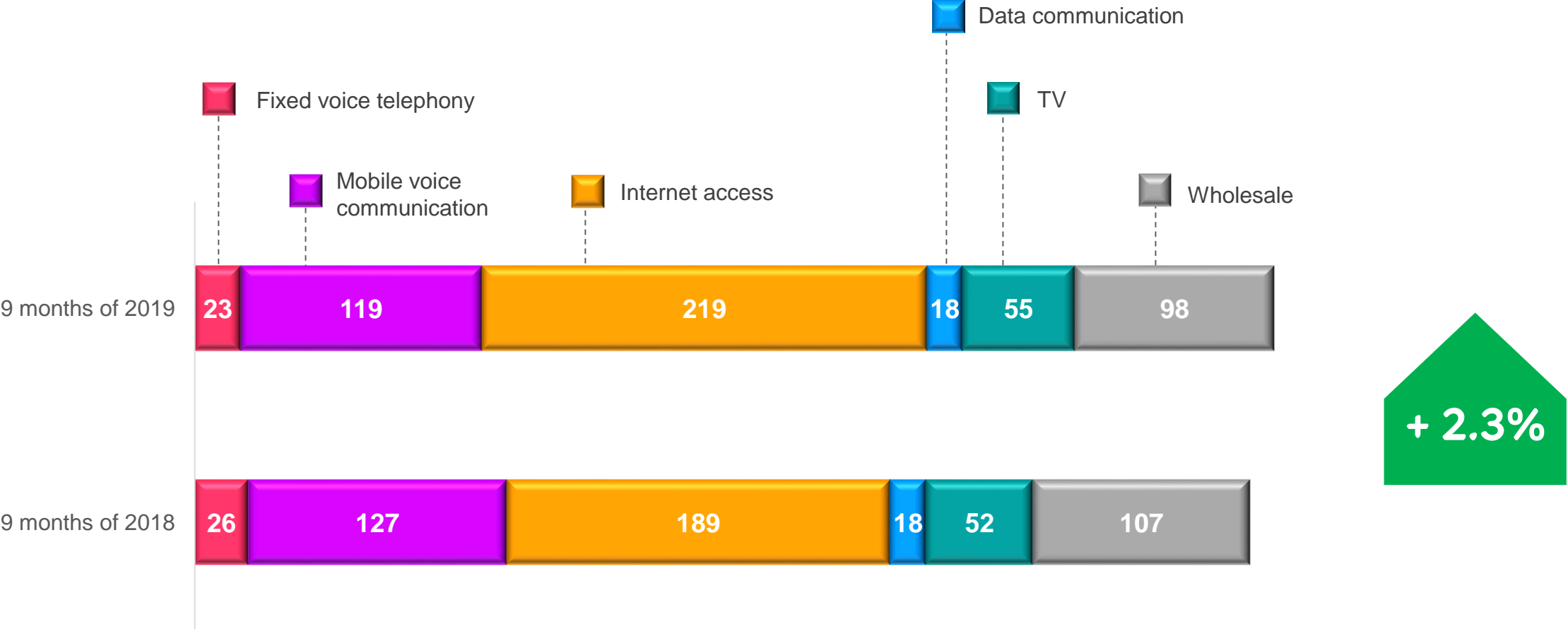


# **ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA**



# WE ARE OPERATING IN GROWING TELCO MARKET

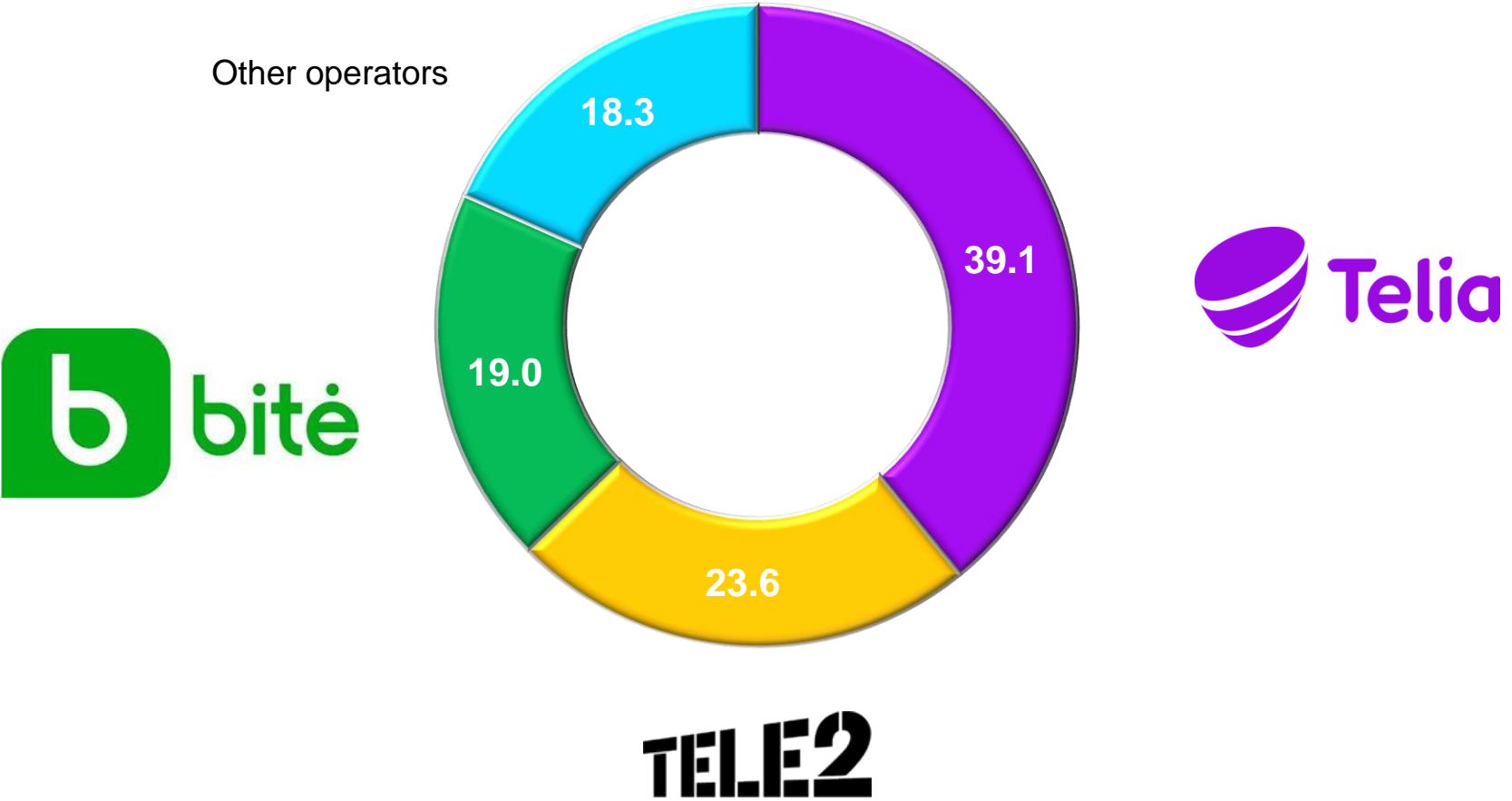
(EUR million)



Source: Report of the Communications Regulatory Authority



# BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q3 2019 (%)

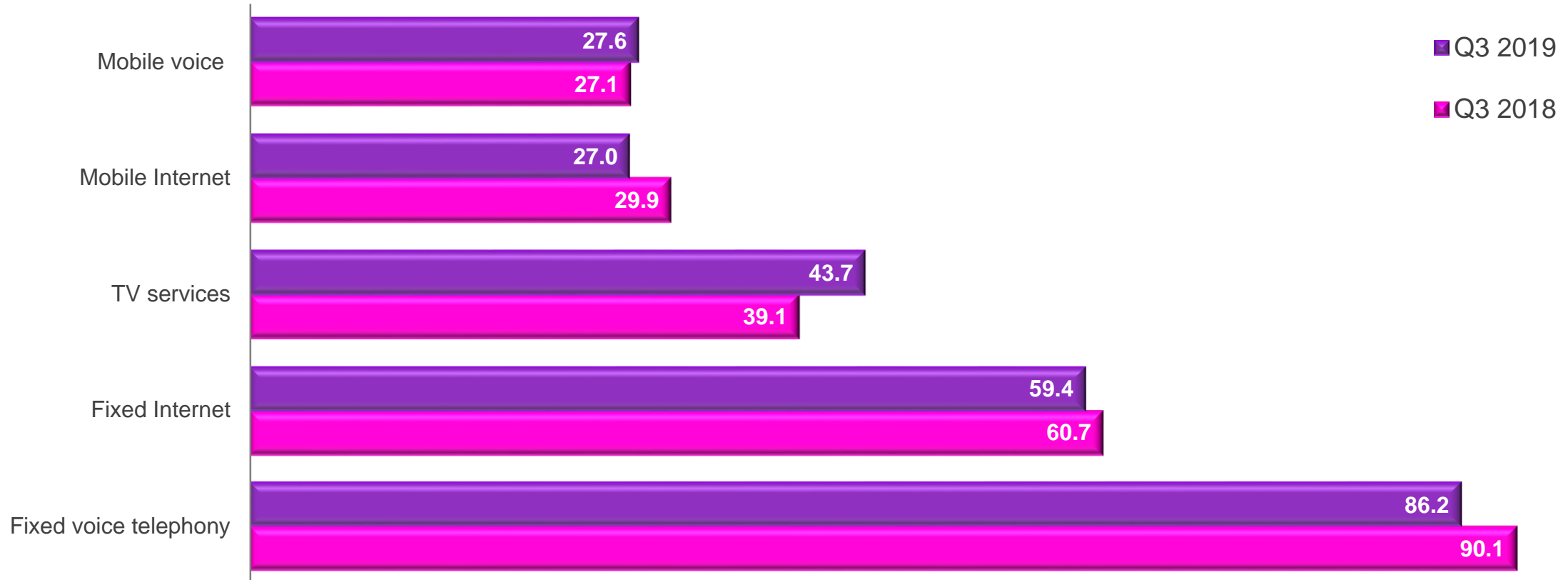


Source: Report of the Communications Regulatory Authority





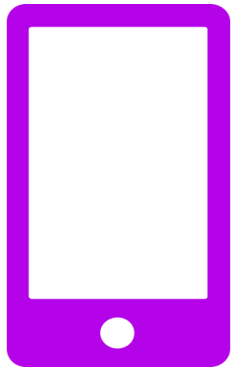
# TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



# MARKET: THE FASTEST GROWTH IN USAGE OF DATA



**55%**  
(y-o-y)

Increasing usage of  
**mobile data**

(uploaded/downloaded  
**125,129 million MB**  
of data per quarter)



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

Growing number of  
**FTTH/B connections**

(accounts for **74.9%** of all  
fixed Internet connections)



**10.9%**  
(y-o-y)

Growing number of  
**IPTV users**

(accounts for **41.1%** of all  
pay-TV service users)



# MARKET PENETRATION



132.7

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



27.6

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



50.1

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



51.1

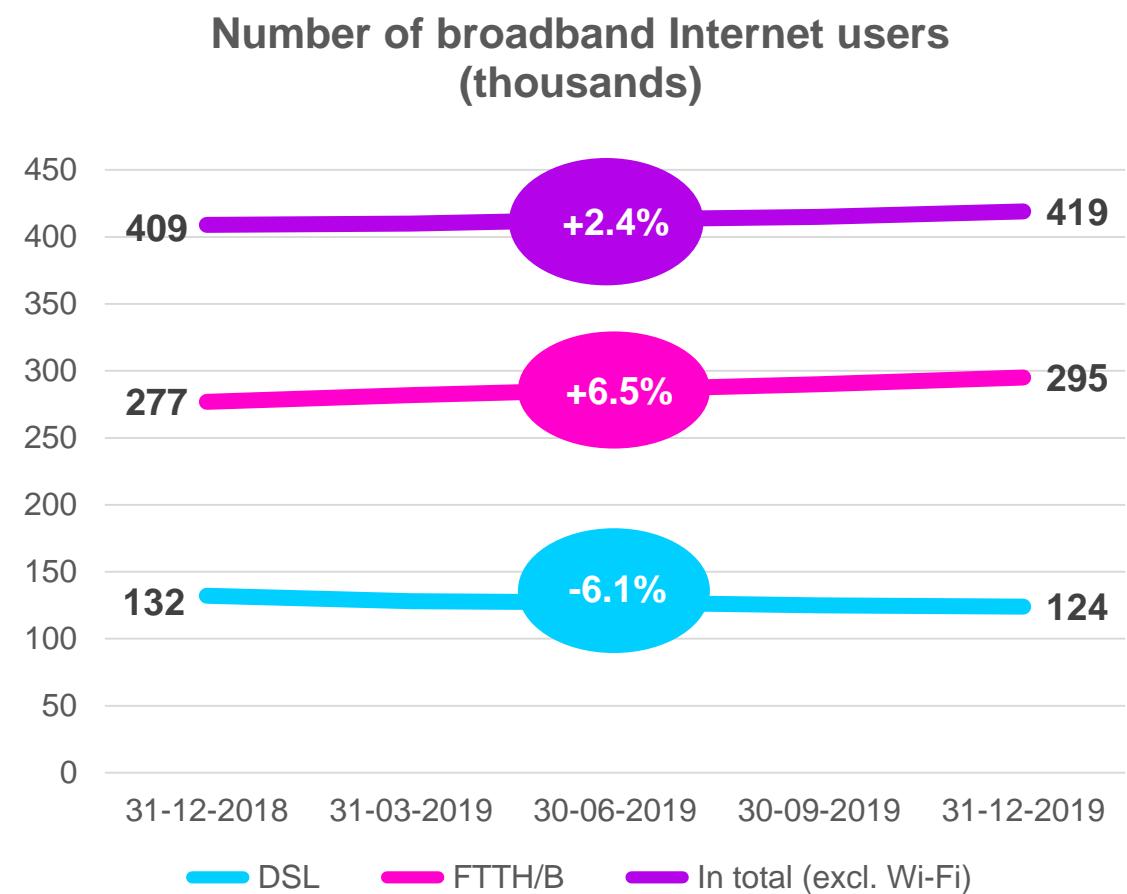
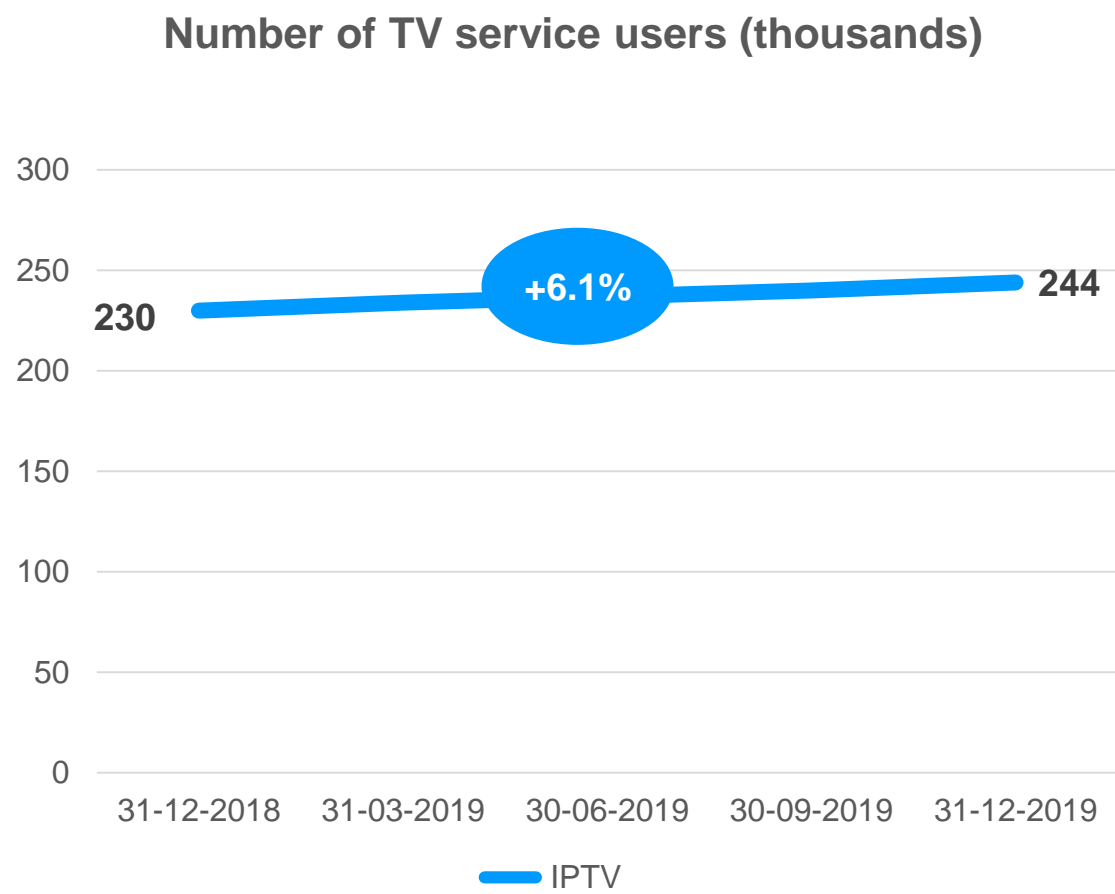
**pay-TV** subscribers  
(per 100 households)





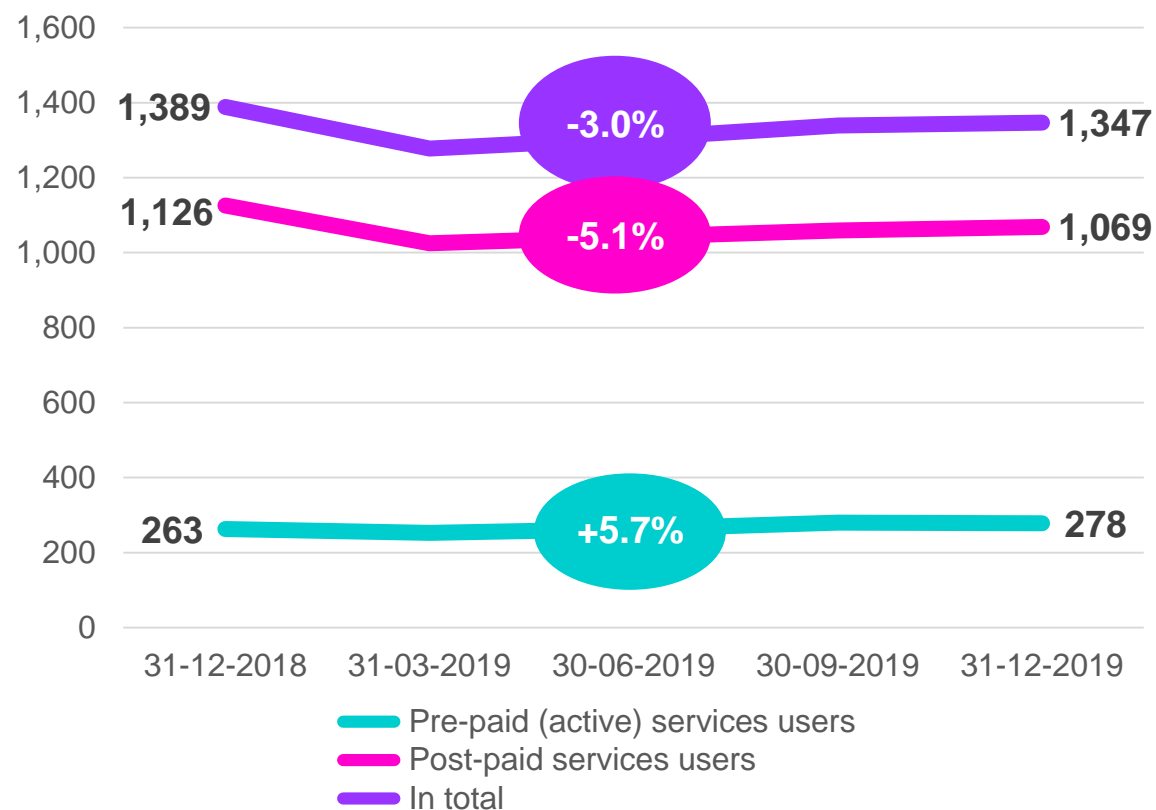
# OPERATING AND FINANCIAL RESULTS

# NUMBER OF IPTV AND BROADBAND INTERNET USERS

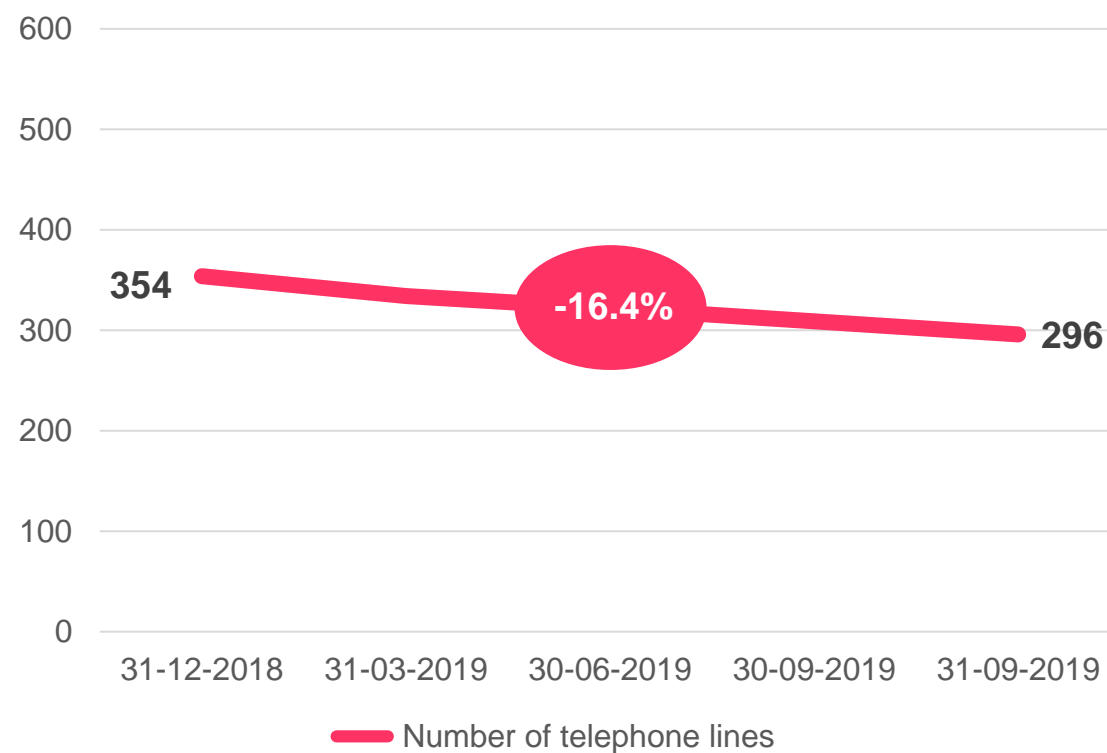


# NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS

Mobile communication users\* (thousands)



Number of fixed telephone lines (thousands)



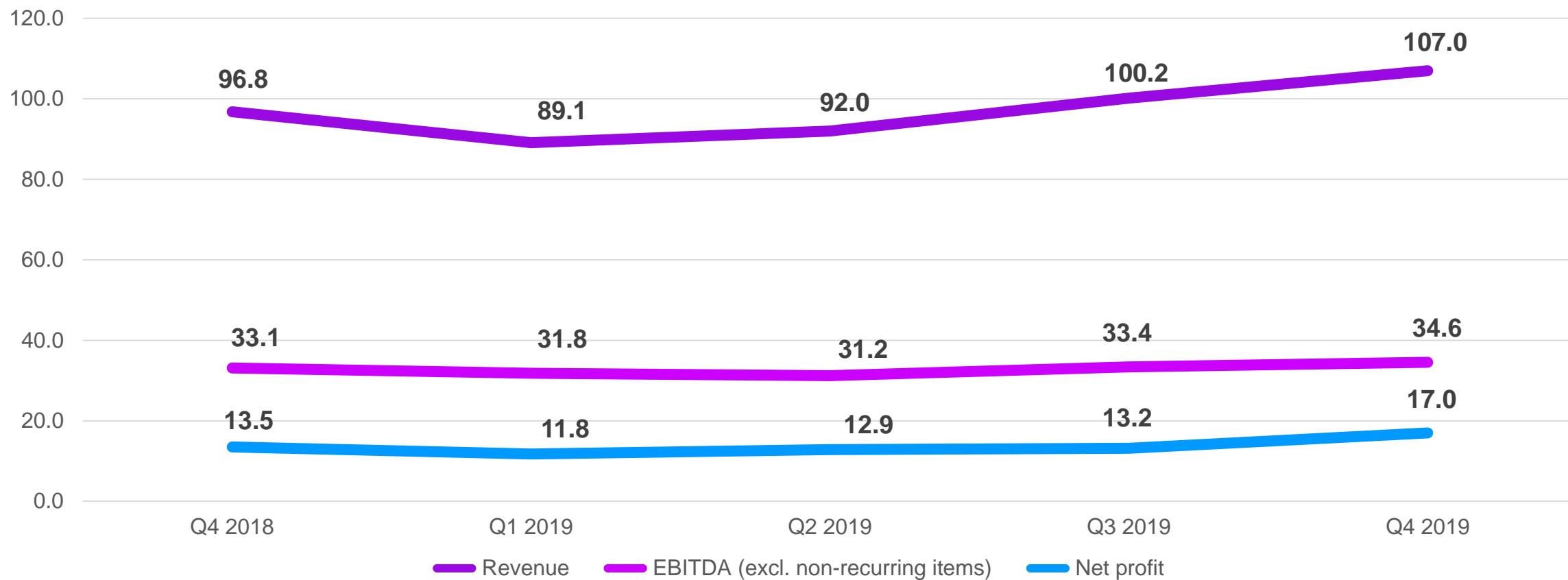
Note. \* In Q1 2019 the Company changed treatment of active users and took off 114 thousand subscriptions





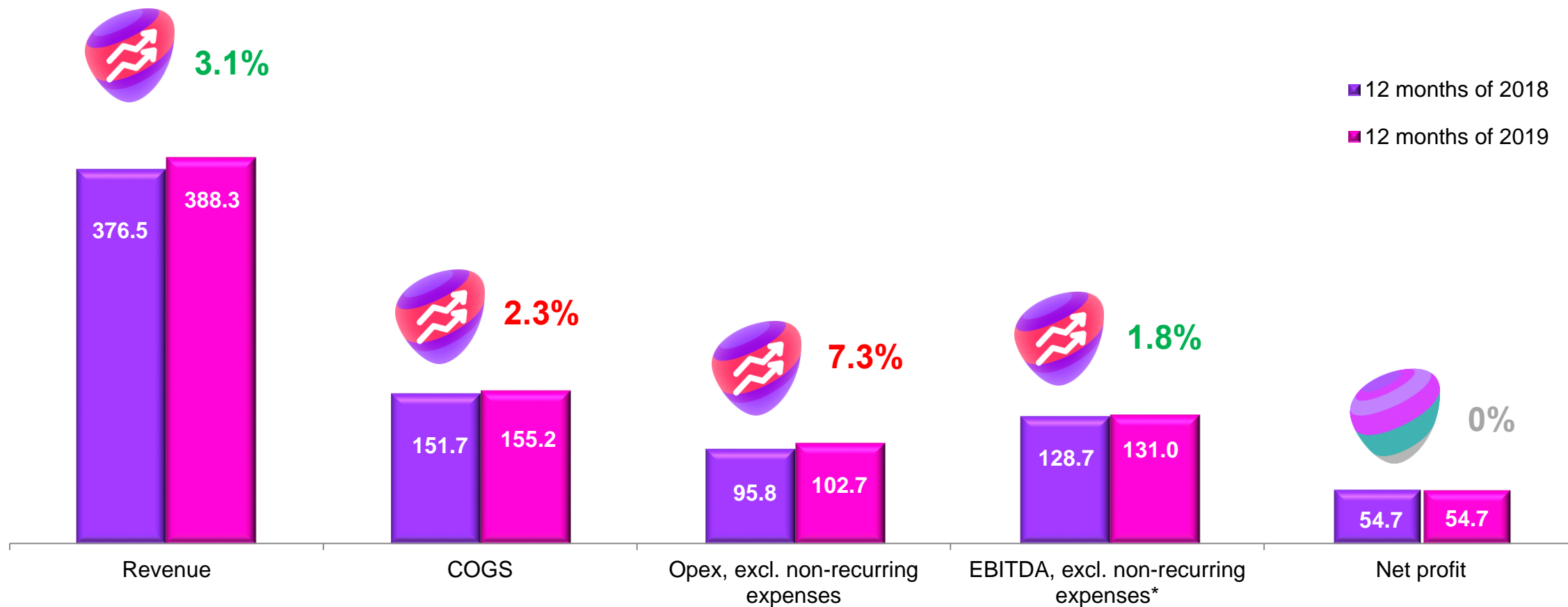
# REVENUE, EBITDA & NET PROFIT

(EUR million)



# DYNAMICS OF MAIN FINANCIAL INDICATORS

(EUR million)

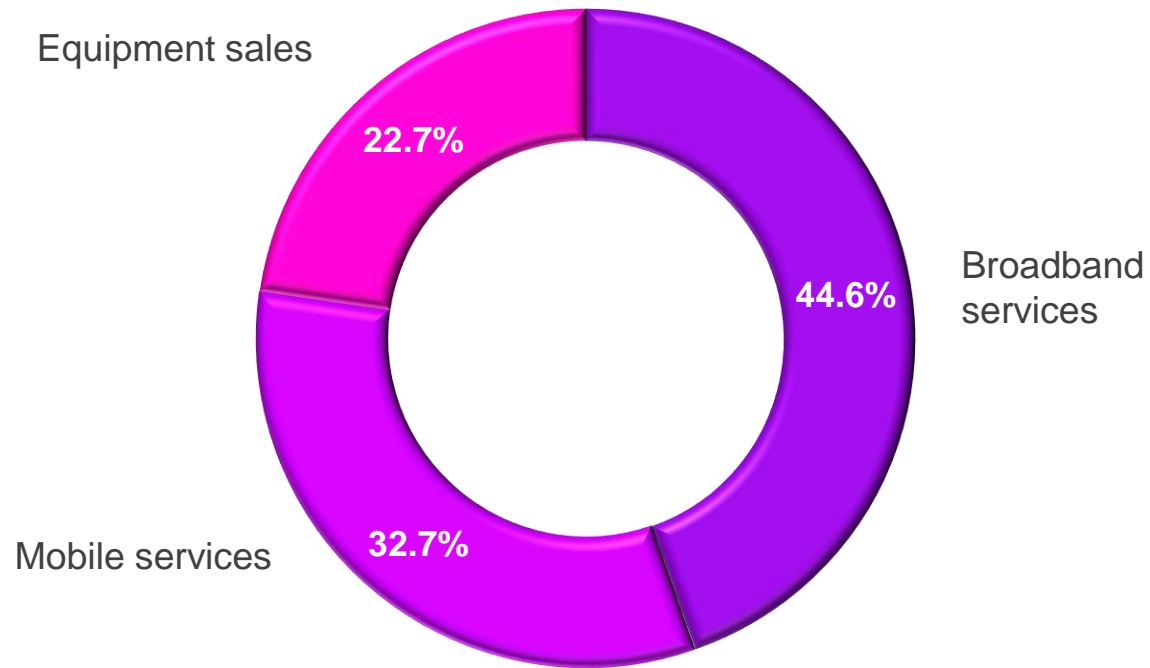


NOTES:

\* EBITDA, excl. non-recurring and impact of IFRS 16, fell 4.2%



# 12 MONTHS OF 2019 REVENUE BREAKDOWN



B2B

39.4%



B2C

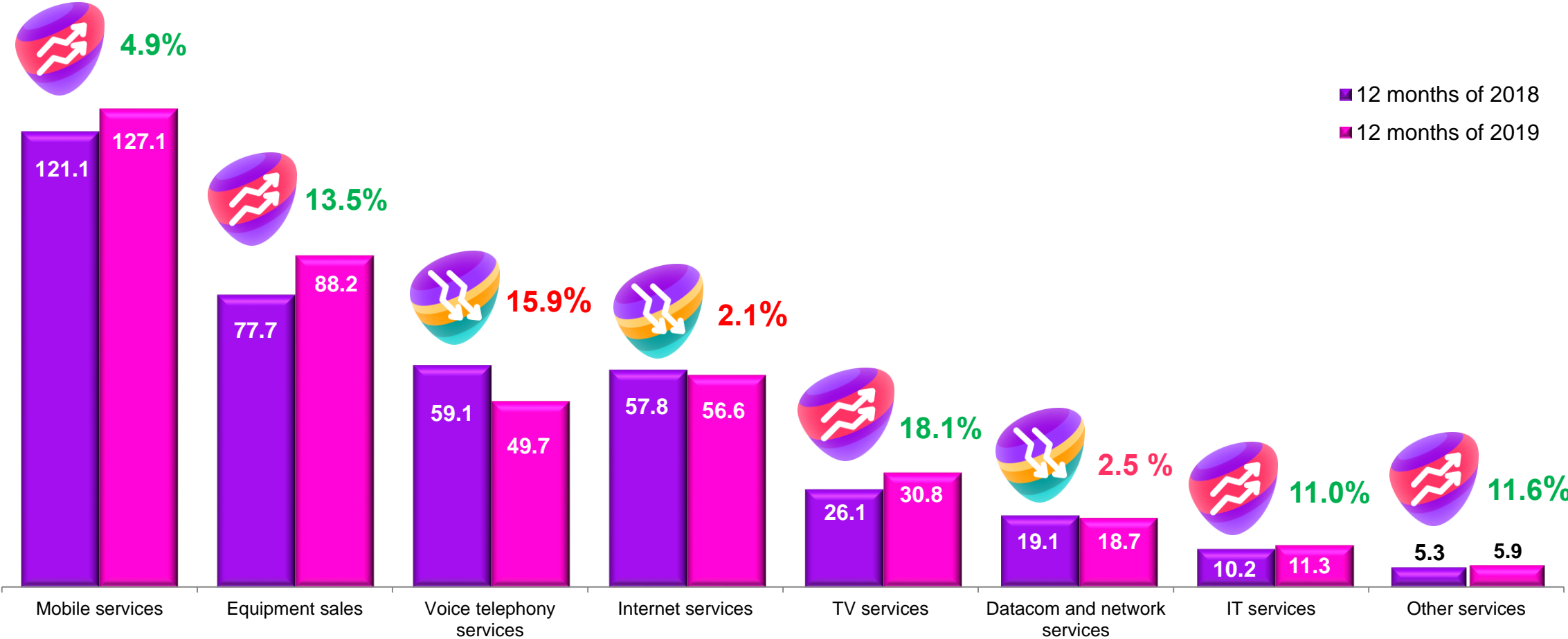
59.2%





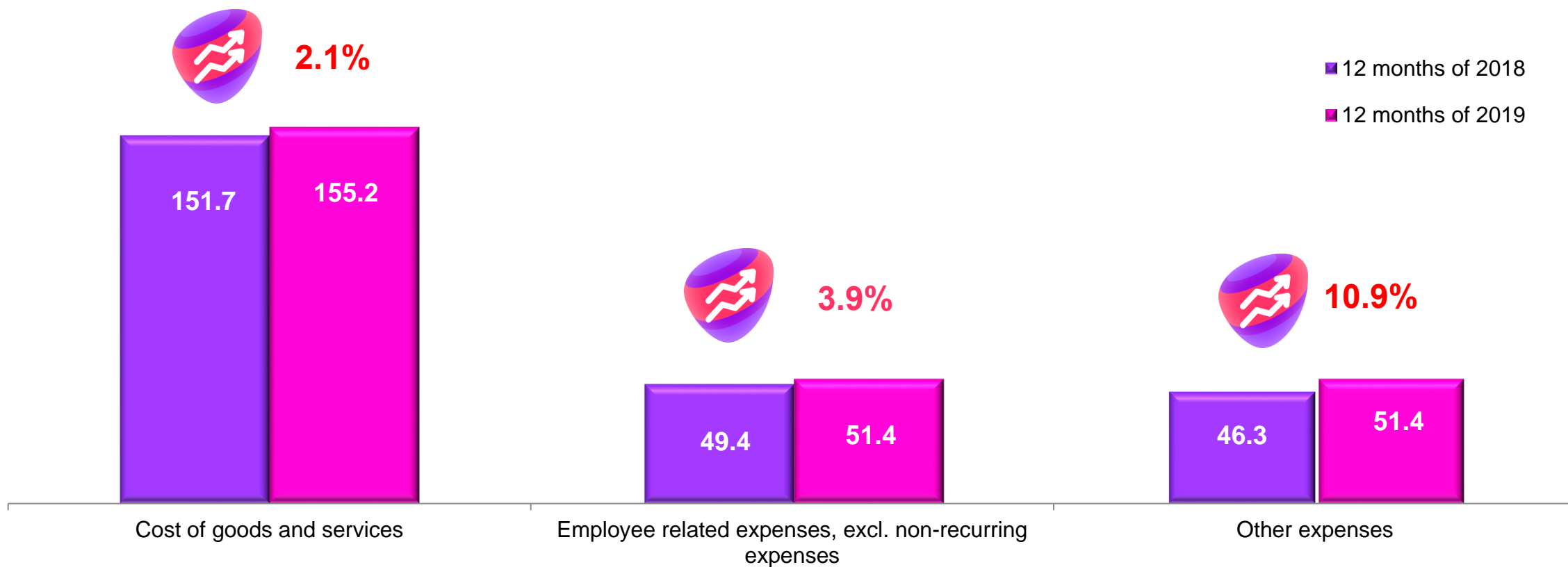
# REVENUE BY SERVICES

(EUR million)



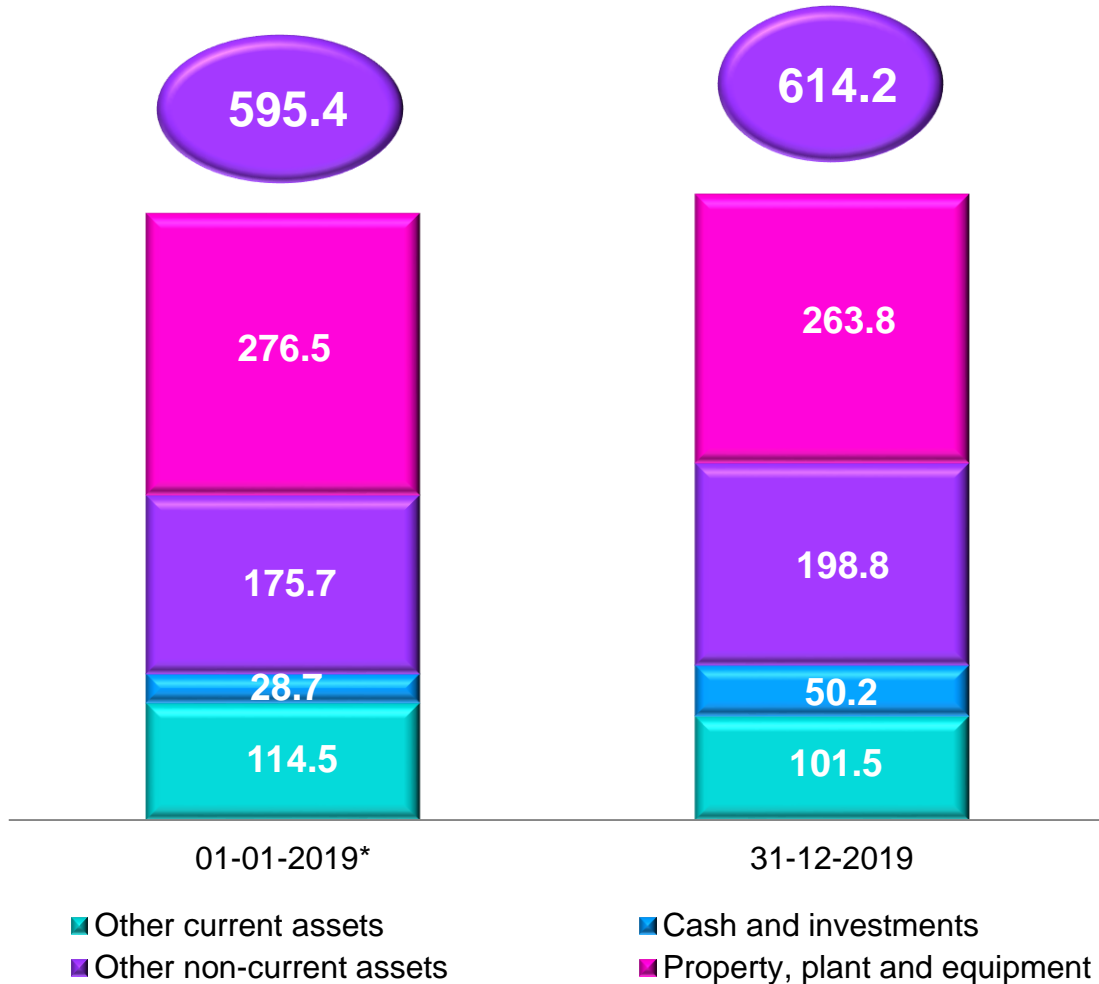
# OPERATING EXPENSES

(EUR million)



# ASSETS

(EUR million)



- During 12 months of 2019, **total assets** increased by 3.2%
- **Non-current assets** amounted to 75.3% of total assets (31-12-2019)
- **Cash** alone amounted to 8.2%
- **Return on capital employed:** 13.3%
- **Return on average assets:** 10%

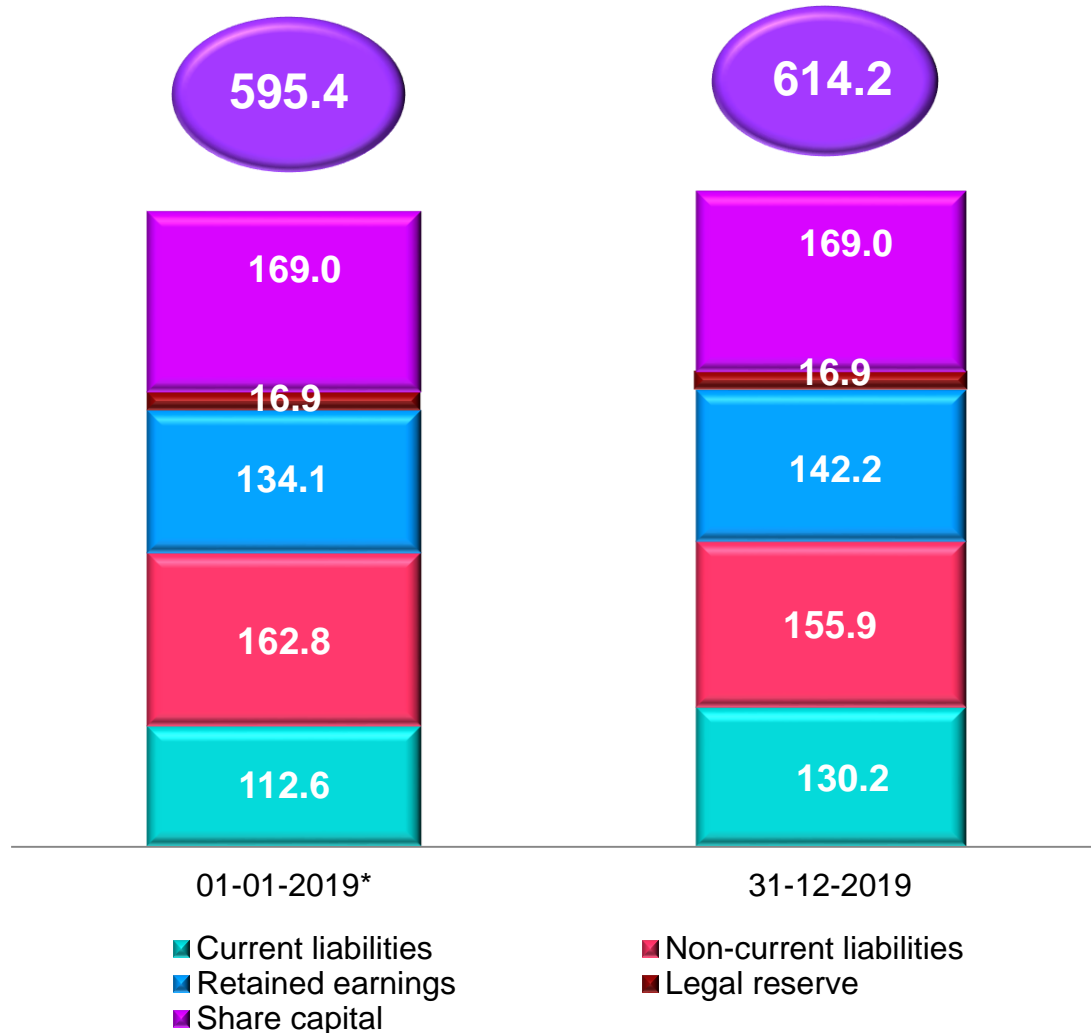
NOTE. Balance sheet is restated due to introduction of IFRS 16 from 1 January 2019





# EQUITY AND LIABILITIES

(EUR million)



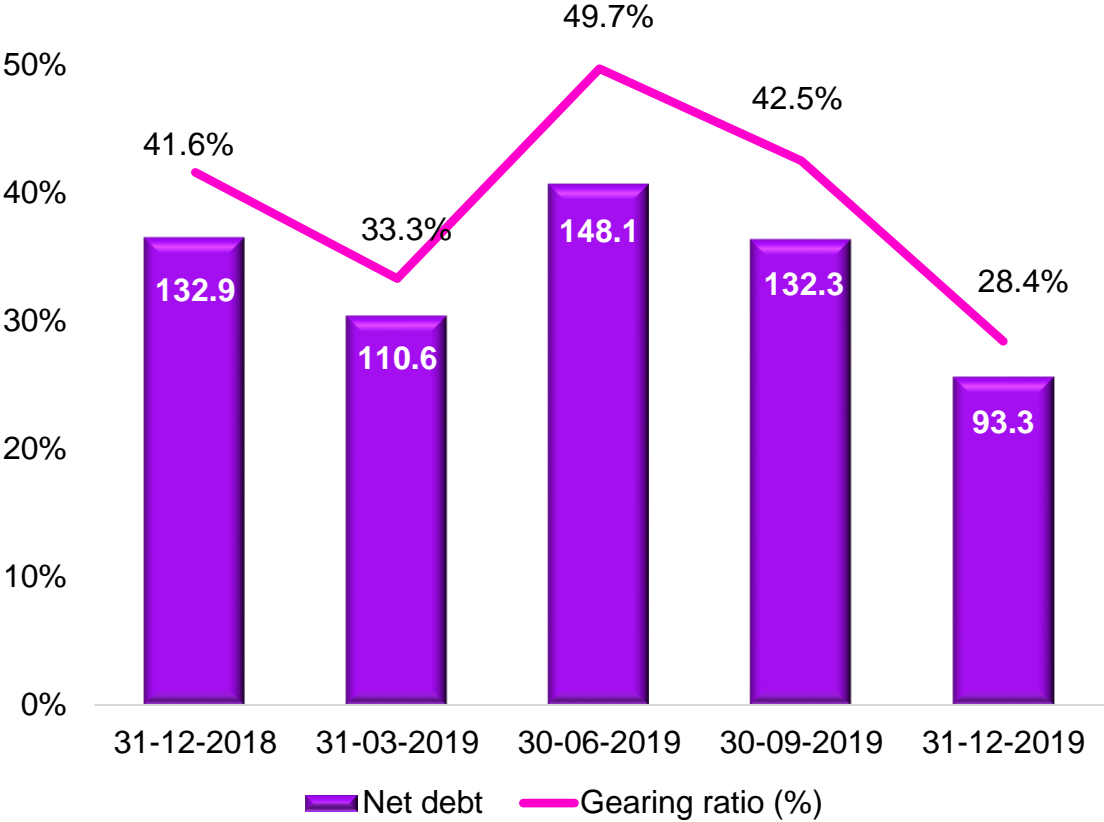
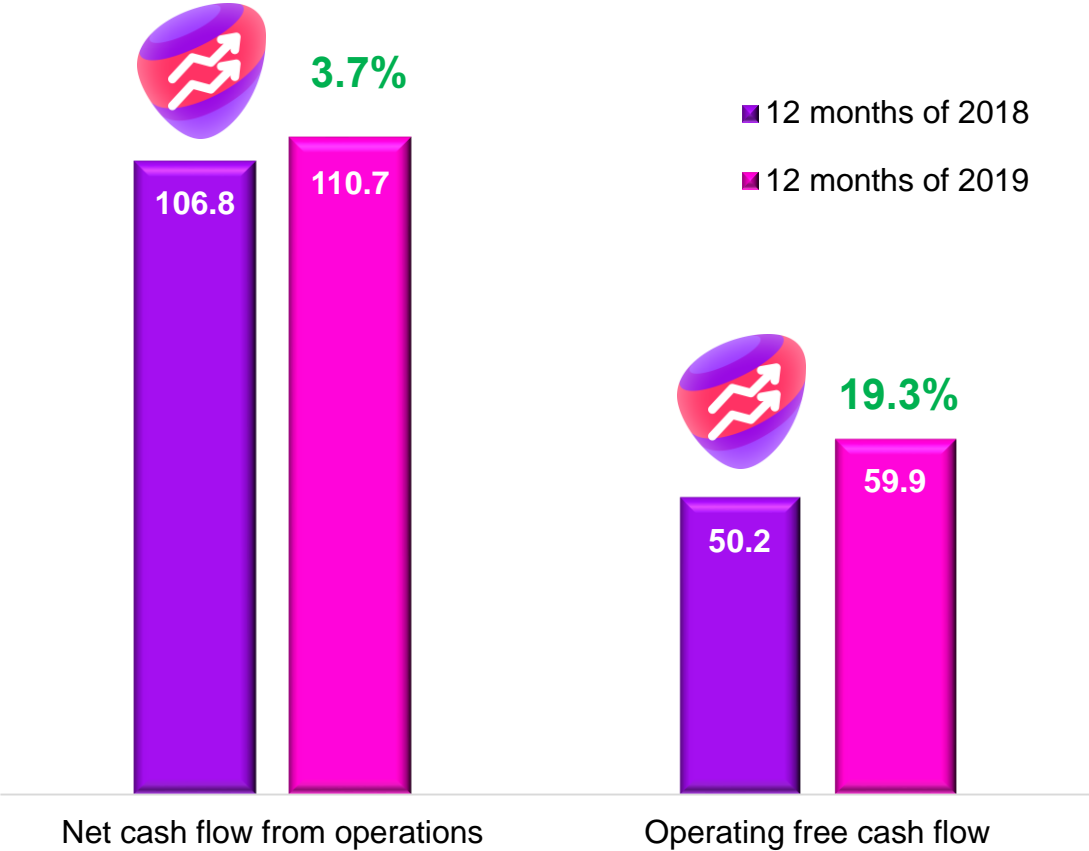
NOTE. Balance sheet is restated due to introduction of IFRS 16 from 1 January 2019

- During 12 months of 2019 shareholders' **equity** increased by 2.5% and amounted to 53.4% of the total assets (31-12-2019)
- Total **borrowings** (31-12-2019) amounted to EUR 143.5 million: EUR 97.5 million – bank loans, EUR 5 million – short-term loan from Telia Company, EUR 38.7 million – vendor financing and EUR 2.2 – financial lease.
- **Gearing ration**: 28.4%
- **Debt to equity**: 43.7%
- **Return on equity**: 17.3%



# CASH FLOW & NET DEBT

(EUR million)

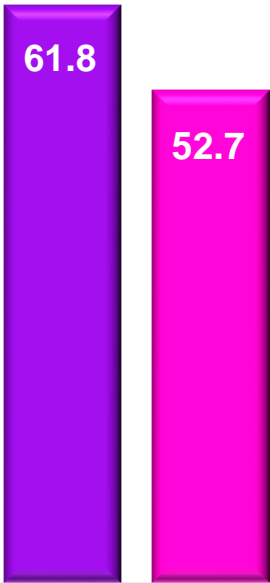


# CAPEX & CAPEX BREAKDOWN FOR 12 MONTHS OF 2019

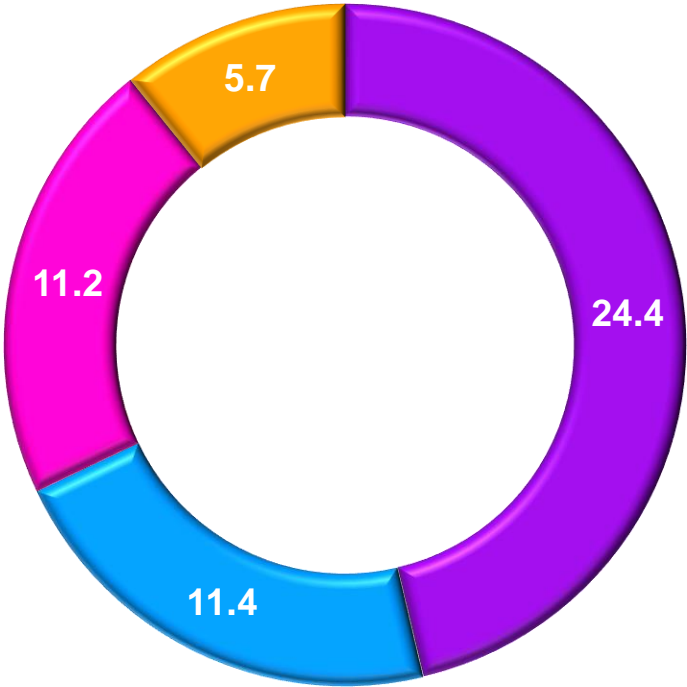


14.8%

■ 12 months of 2018  
■ 12 months of 2019



Capex



■ Fixed network ■ Mobile network ■ IT systems ■ Other



# 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 that shall decide on pay-out **dividends** for the year 2019, is planned to be held on 28 April 2020



# 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-right corner features a stripe of bright yellow.



# 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 almost **11 thousand**

## Shareholders as of 31-12-2019

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

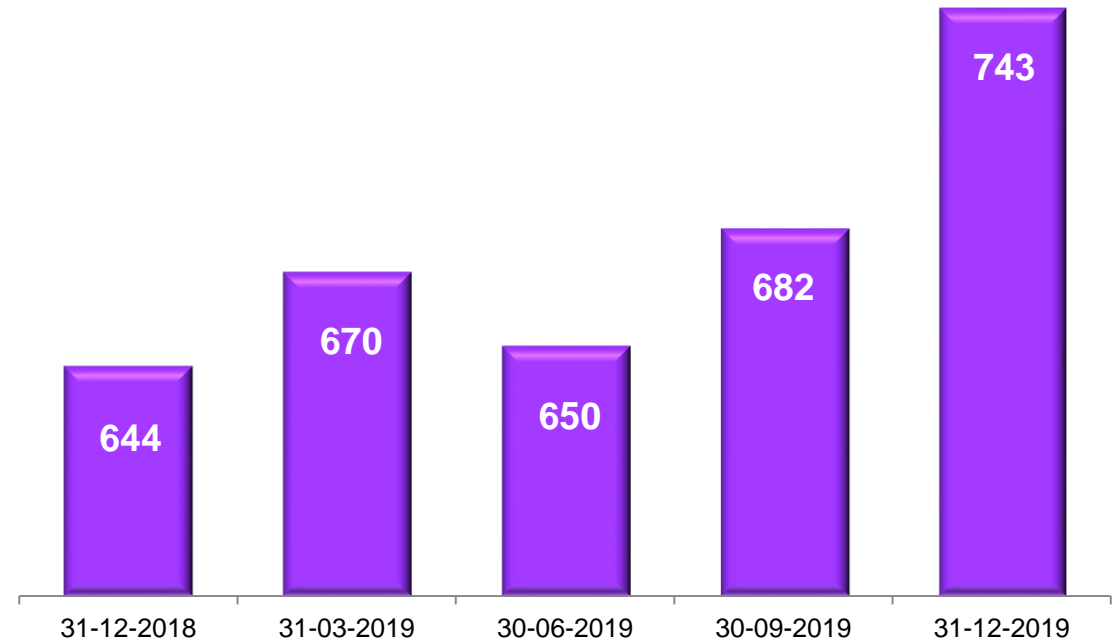


# SHARES

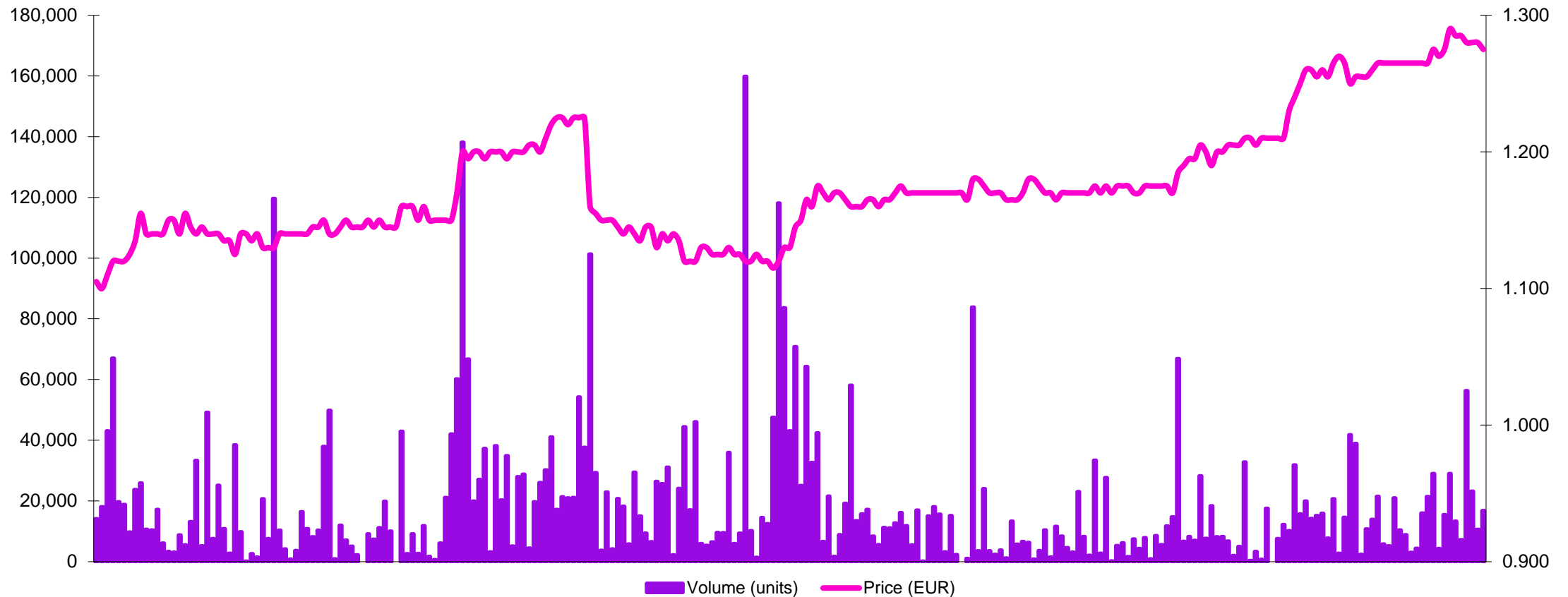
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-December of 2019: 4.7 million of shares or EUR 5.5 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2019	1.110
High	1.290
Low	1.095
31-12-2019	1.275

**Market capitalization (EUR million)**



# TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE IN 2019



# 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. A small portion of a teal color is visible in the bottom right corner. The text 'CORPORATE GOVERNANCE' is positioned in the upper left area, overlaid on the purple and blue bands.



# 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 years' term of the Board, shareholders **re-elect all members of Board** for a new 2 year 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 **Digitization & Analytics unit** was established from 1 January 2020



# 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

- 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, acting  
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







**ZERO**  
**WASTE**



**ZERO**  
**CO<sub>2</sub>**



**100%**  
**ACTION**

**SUSTAINABILITY TARGET -  
DARING GOALS 2030**

