



# RESULTS FOR THE 6 MONTHS OF 2019

Telia Lietuva, AB Group





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

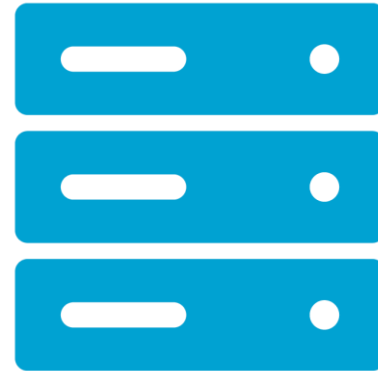
# TELIA LIETUVA MEANS:



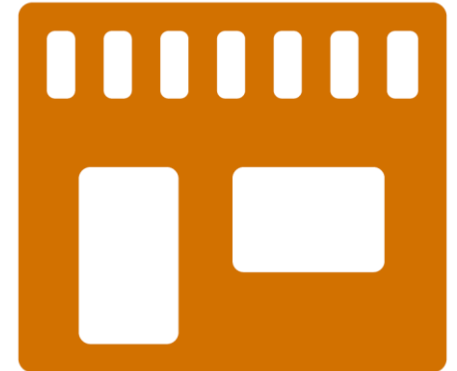
Wide range of services



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



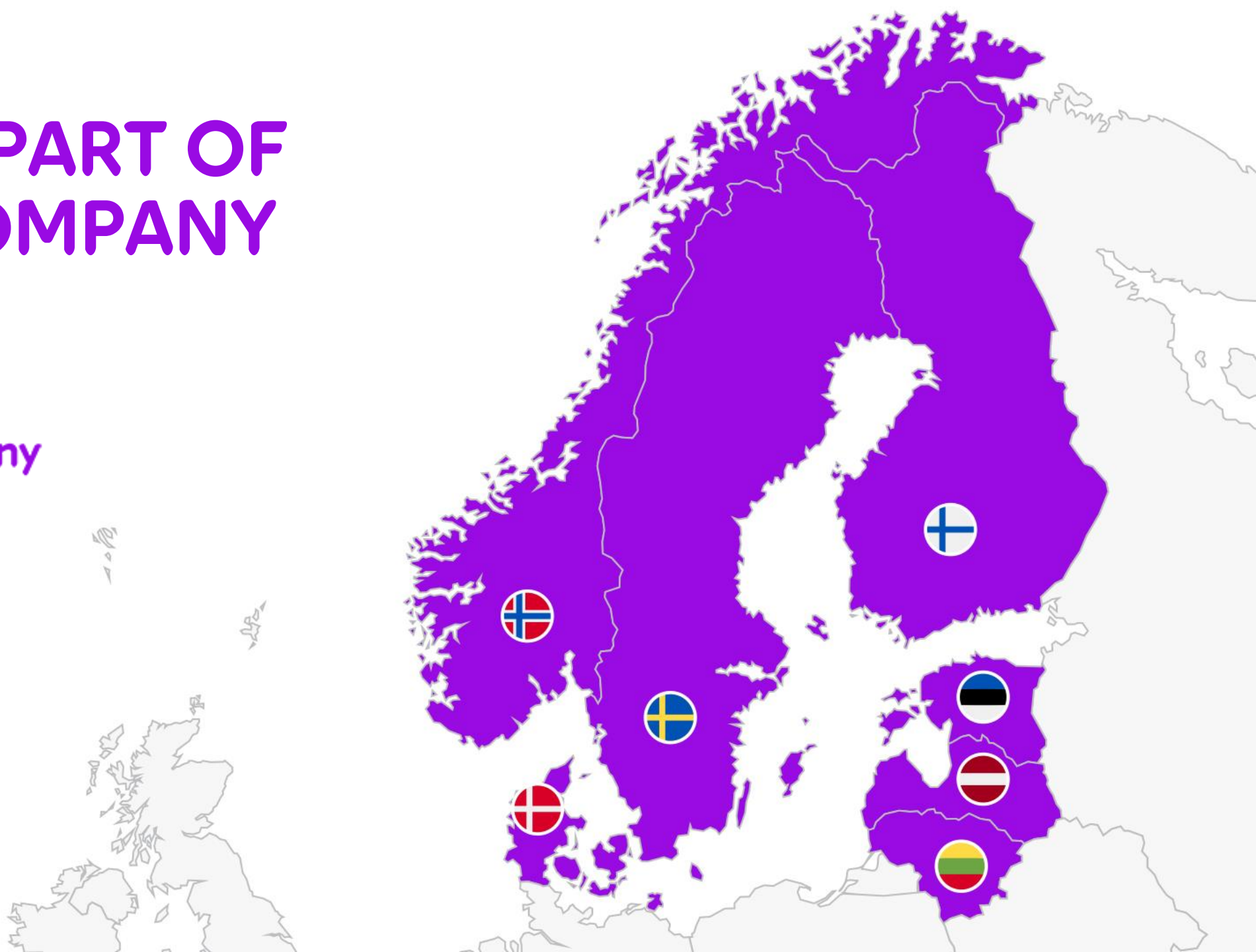
Team of almost  
2,500 professionals



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 child in a green wheelbarrow. The child is wearing a red and white striped shirt and a blue helmet, and is smiling with arms outstretched. A large, fluffy brown dog is sitting in the wheelbarrow with the child. They are in a grassy backyard with a wooden fence and trees in the background.

**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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Telia Customer Service LT, AB

**100** %

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VšĮ Numerio Perkėlimas

**50** %

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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)





# HIGHLIGHTS OF Q2 2019

- Number of converge offer “**Telia One**” users exceeded **50 thousand**
- The Company will upgrade **45 thousand of terminal equipment** at customers’ homes
- **TVPlay Premium** content for smart TV service users since May 2019
- The AGM decided to pay a record high **EUR 0.08 dividend per share** for the year 2018
- Shareholders **re-elected all members of the Board** for a new 2-years term
- The AGM approved the preparation of terms of **merger of Telia Customer Service LT into Telia Lietuva**
- In June, the Company launched an **image campaign** “Įdomiau tik gyvenimas” (“Only life is more interesting”).



# OPERATING FIGURES



5.6%

1,305

thousand of  
**mobile service users\***



1.0%

413

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



7.7%

237

thousand of  
**IPTV service users**



17.2%

322

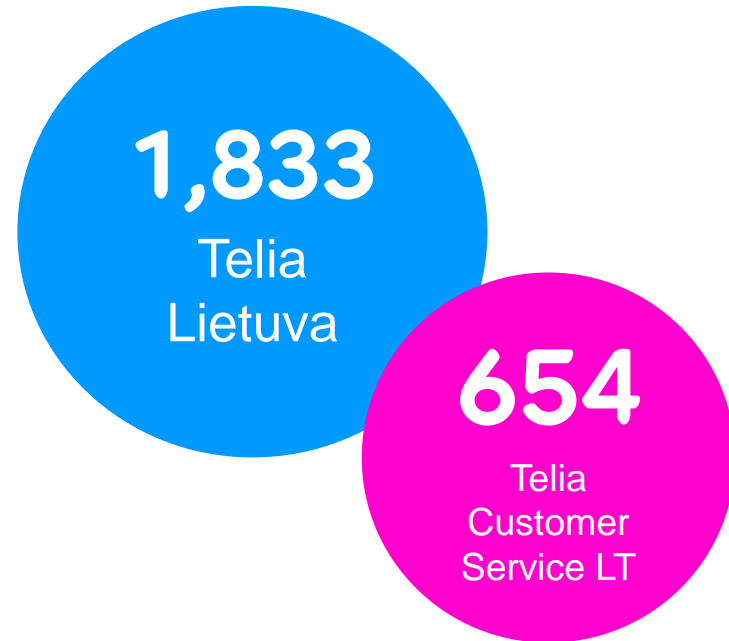
thousand of  
**fixed telephone** lines  
in service

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

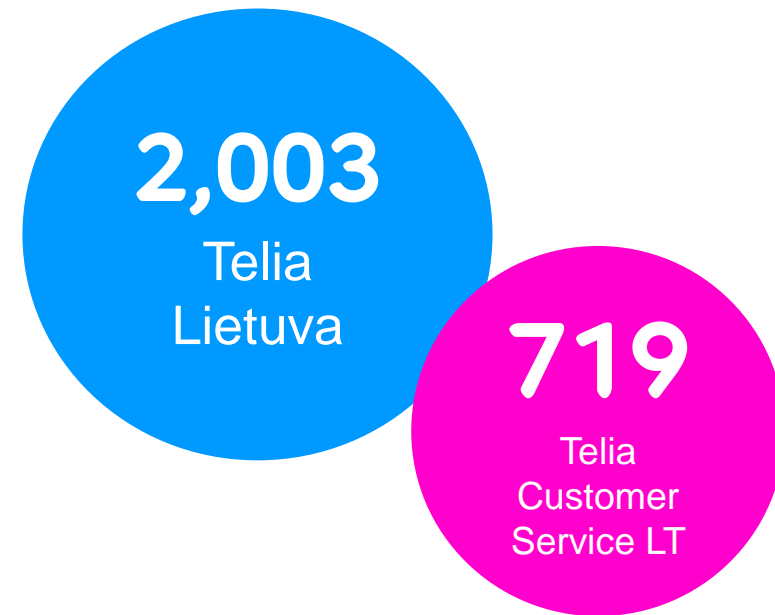
Data as of 30-06-2019 & change (y-o-y)



# NUMBER OF EMPLOYEES



In total **2,487** (30-06-2019)

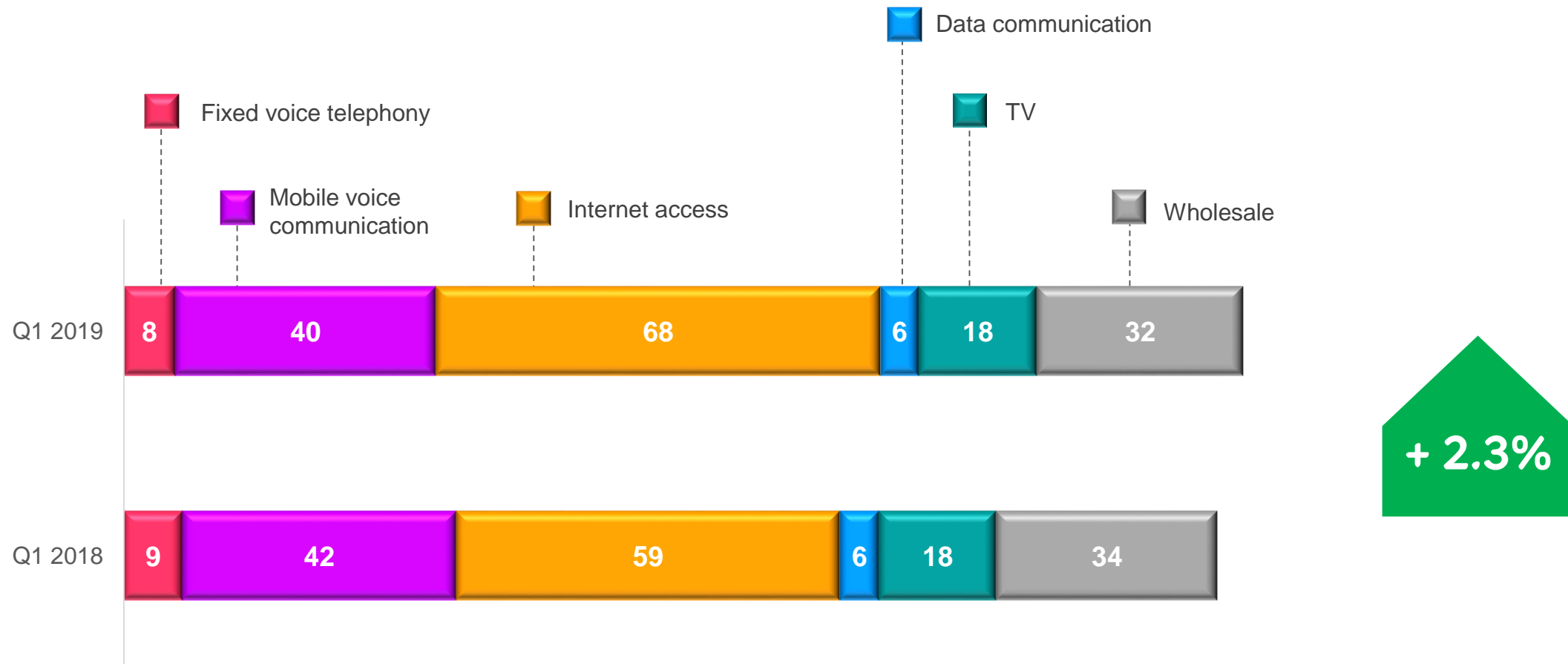


In total **2,722** (30-06-2018)



# ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

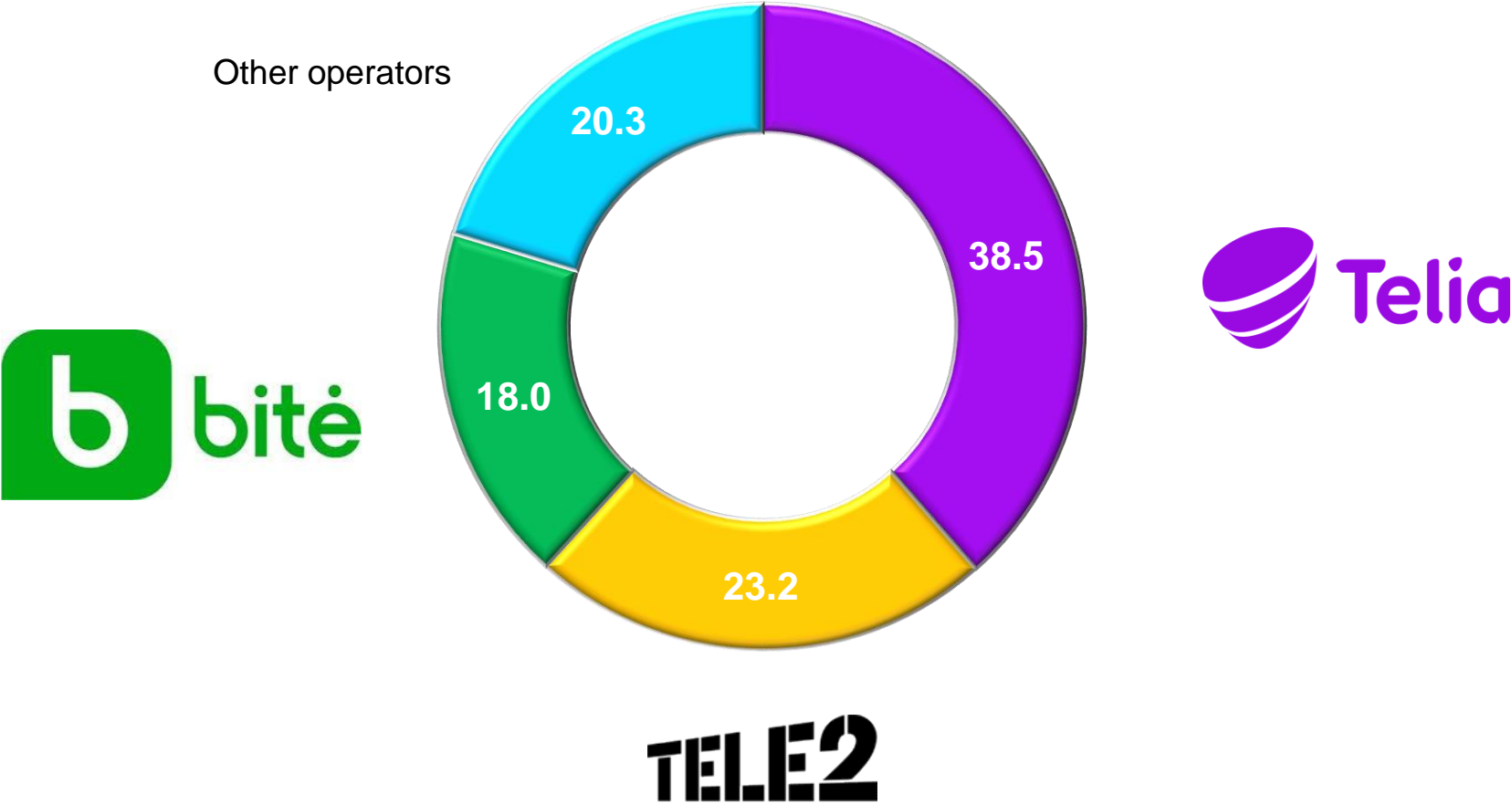
# WE ARE OPERATING IN GROWING TELCO MARKET (EUR million)



Source: Report of the Communications Regulatory Authority



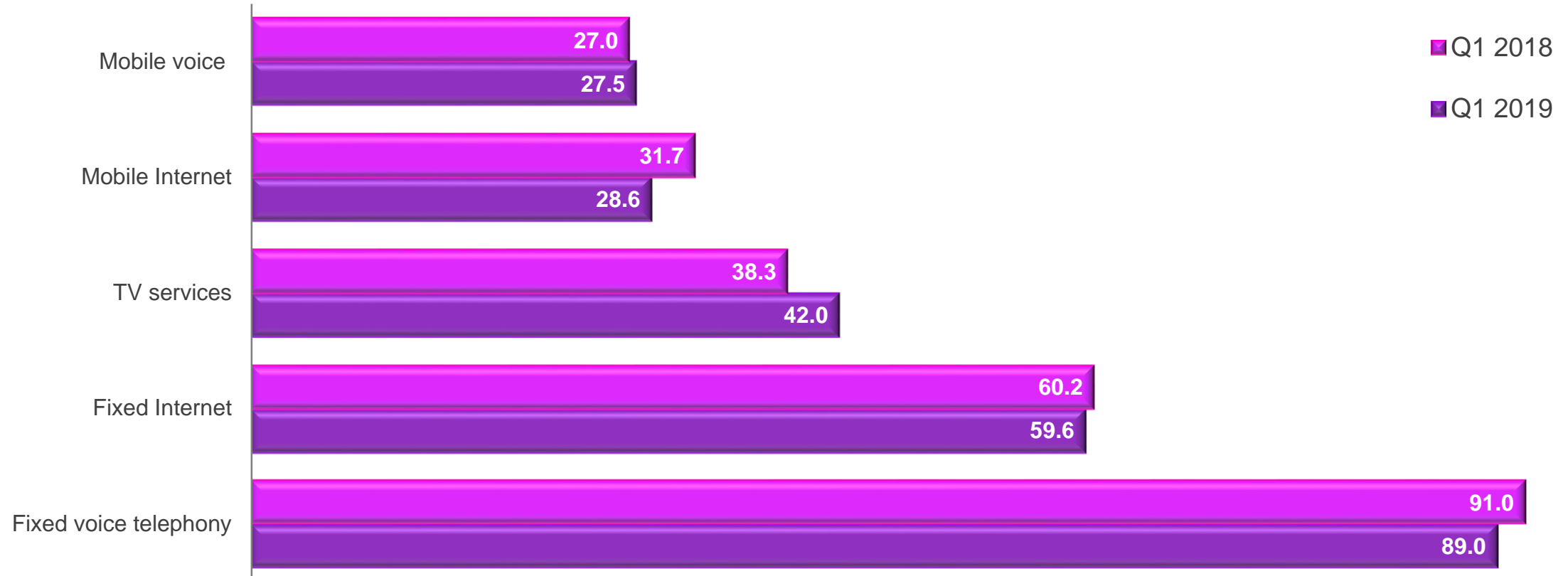
# BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q1 2019 (%)



Source: Report of the Communications Regulatory Authority



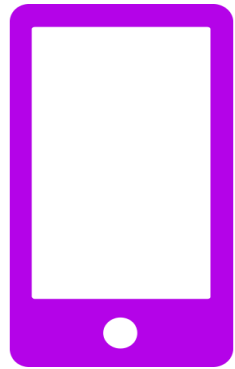
# TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



# MARKET: THE FASTEST GROWTH IN USAGE OF DATA



**52.9%**  
(y-o-y)

Increasing usage of  
**mobile data**

(uploaded/downloaded  
**99,045 million MB**  
of data per quarter)



**2.4%**  
(y-o-y)

Growing number of  
**FTTH/B connections**

(accounts for **74.2%** of all  
fixed Internet connections)



**13.0%**  
(y-o-y)

Growing number of  
**IPTV users**

(accounts for **39.5%** of all  
pay-TV service users)





# MARKET PENETRATION PER 100 INHABITANTS



130.1

mobile communications  
subscribers



29.1

fixed telephony lines  
(households)



48.0

broadband Internet  
access



50.1

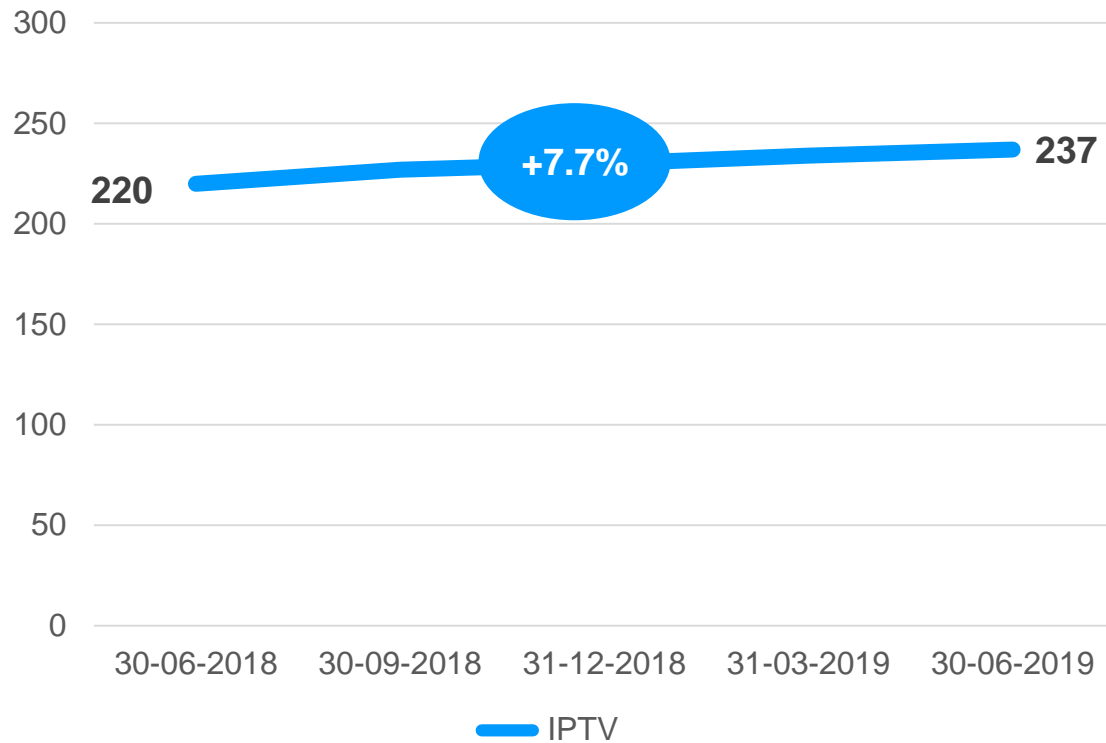
pay-TV subscribers  
(households)



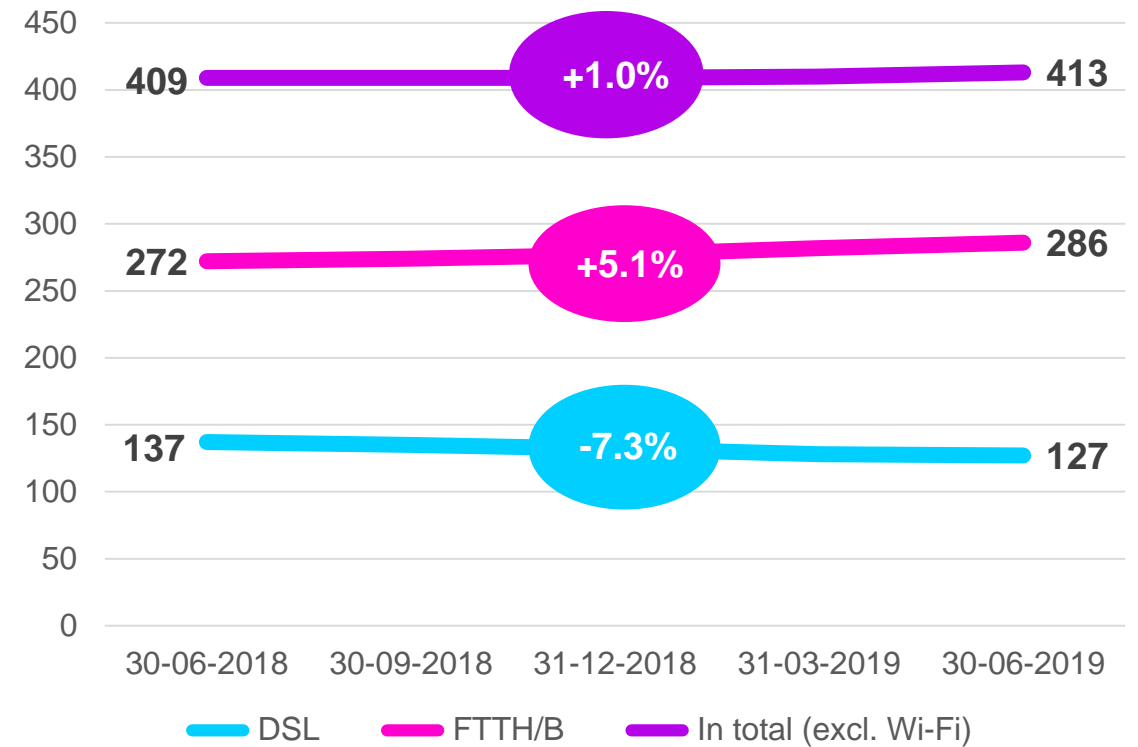
# OPERATING AND FINANCIAL RESULTS

# NUMBER OF IPTV AND BROADBAND INTERNET USERS

## Number of TV service users (thousands)

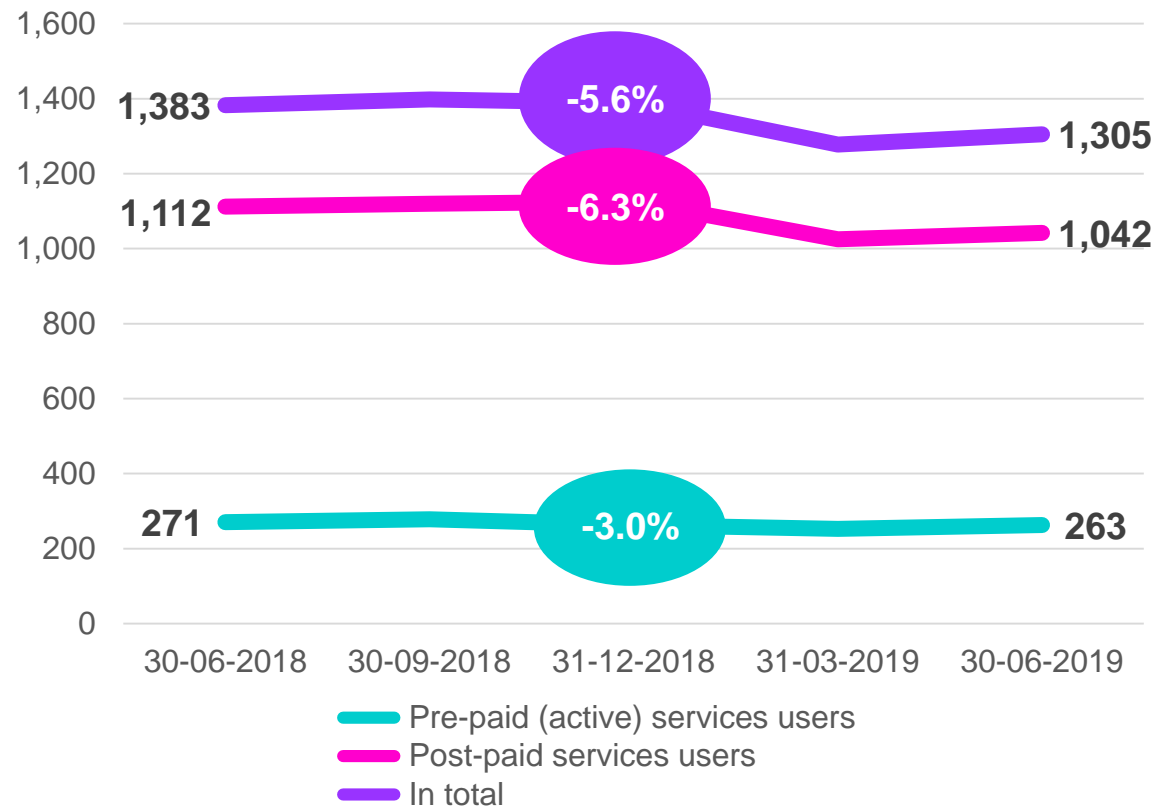


## Number of broadband Internet users (thousands)

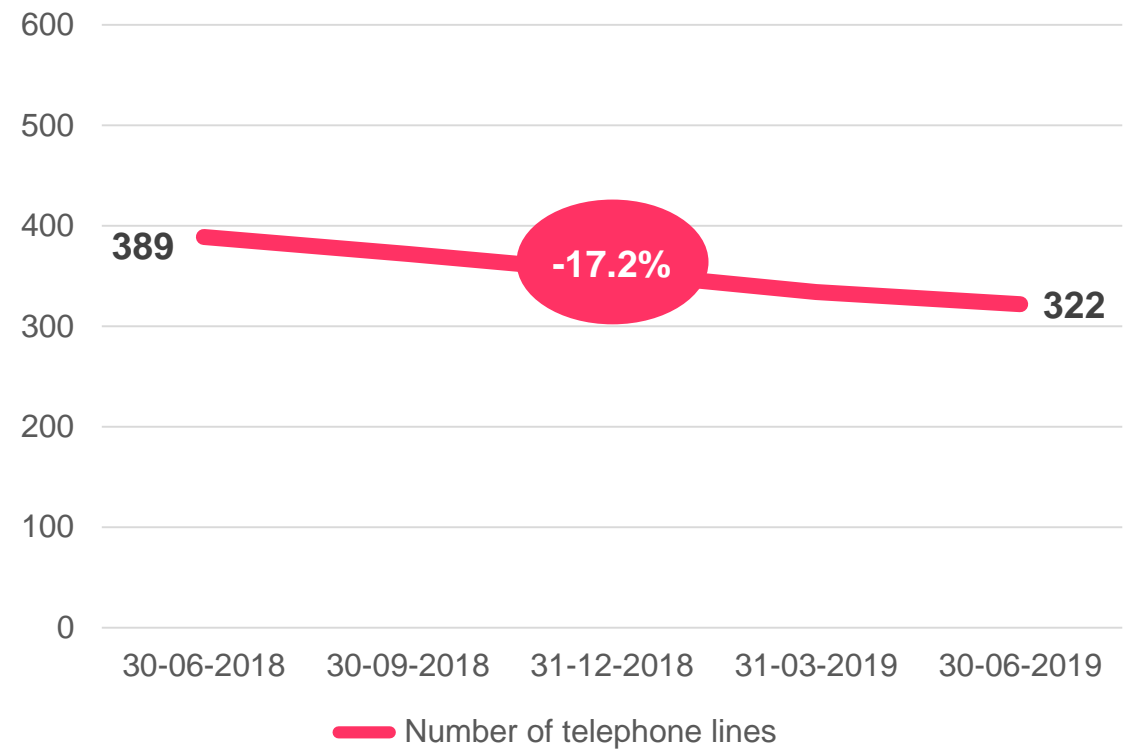


# NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS

## Mobile communication users\* (thousands)



## Number of fixed telephone lines (thousands)

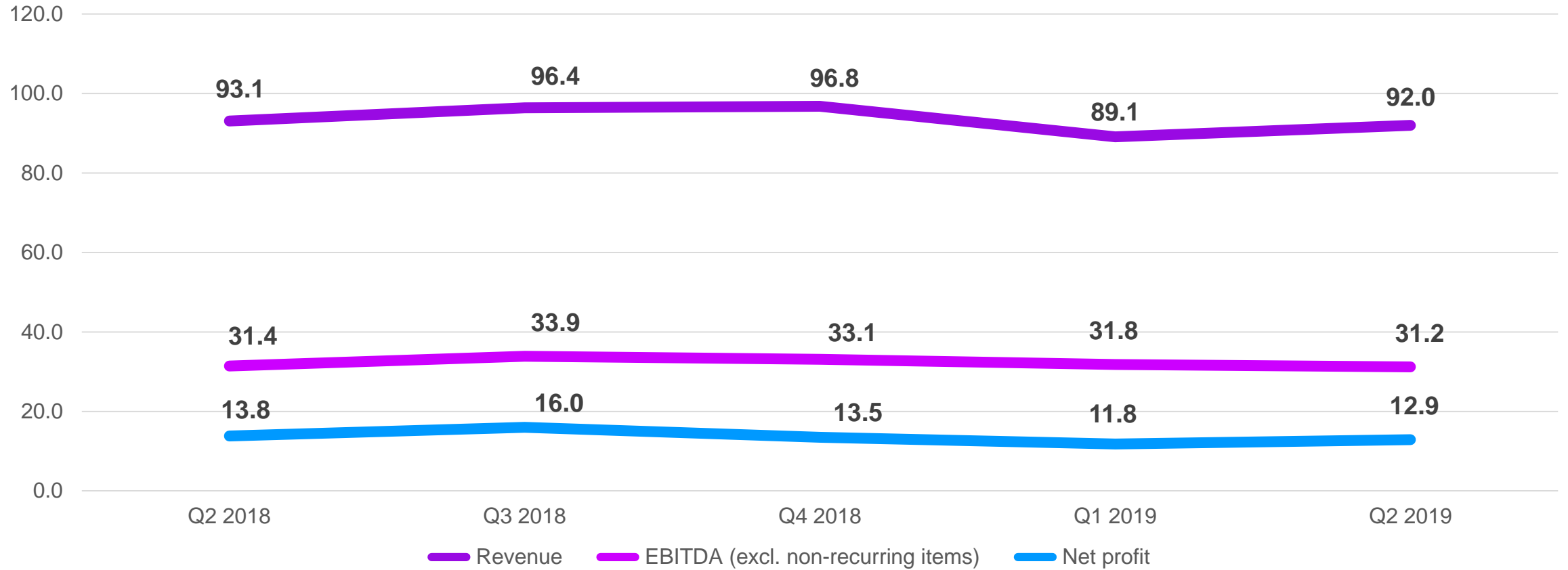


Note.\* In Q1 2019 the Company changed treatment of active users and took off 114 thousand subscriptions



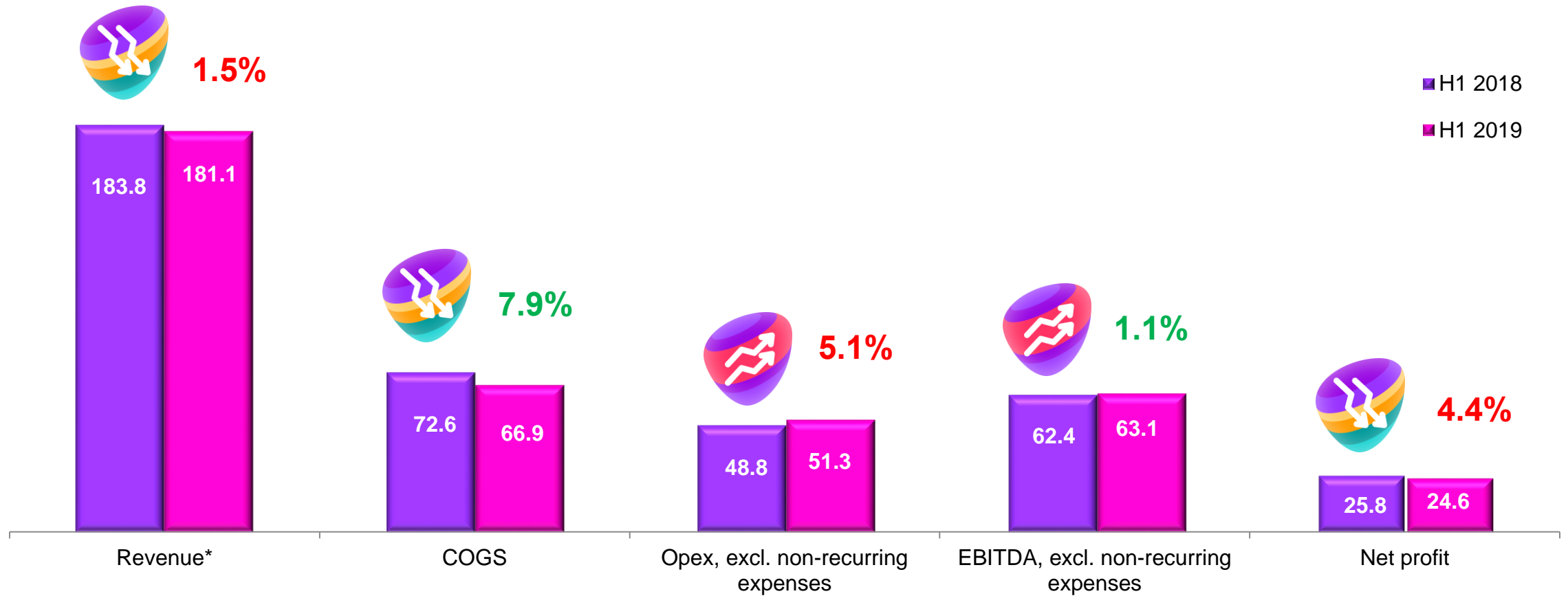
# REVENUE, EBITDA & NET PROFIT

(EUR million)



# DYNAMICS OF MAIN FINANCIAL INDICATORS

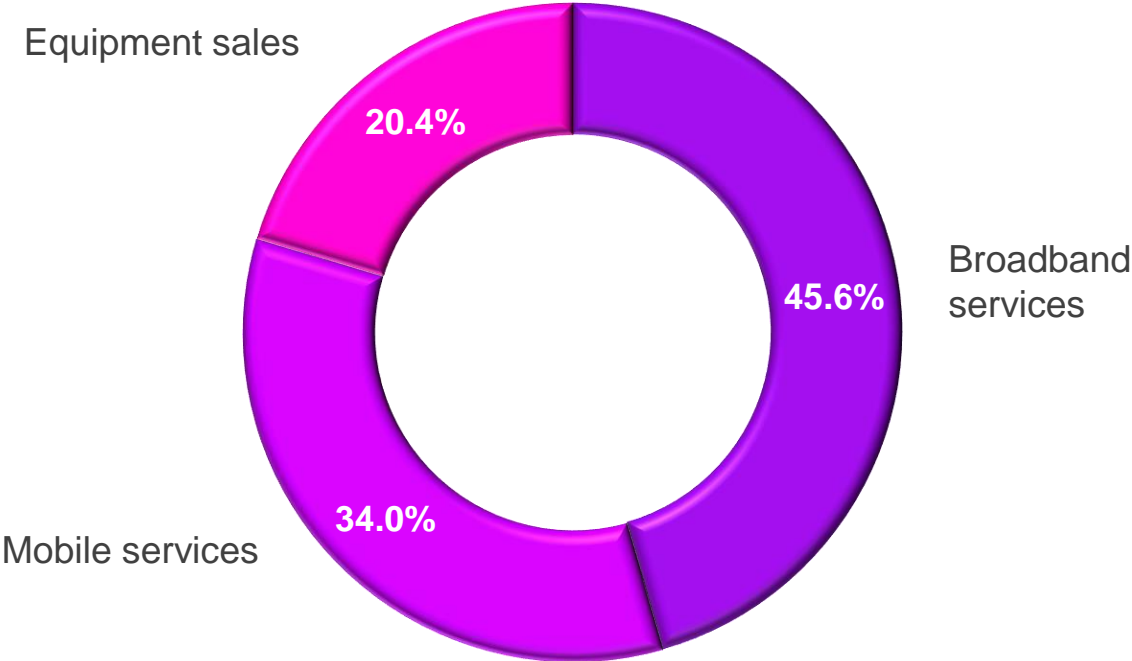
(EUR million)



NOTE. Revenue excl. voice transit services grew by 2.2%



# 6 MONTHS OF 2019 REVENUE BREAKDOWN



B2B

38.9%



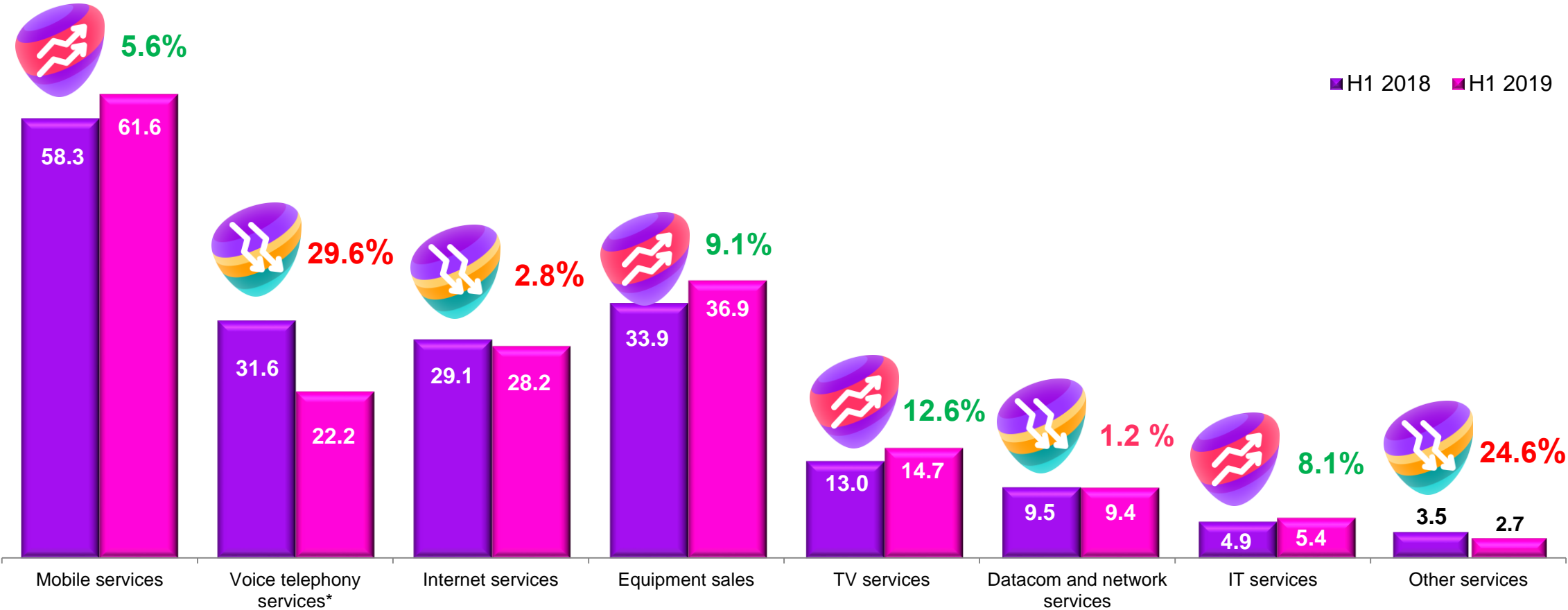
B2C

59.5%



# REVENUE BY SERVICES

(EUR million)

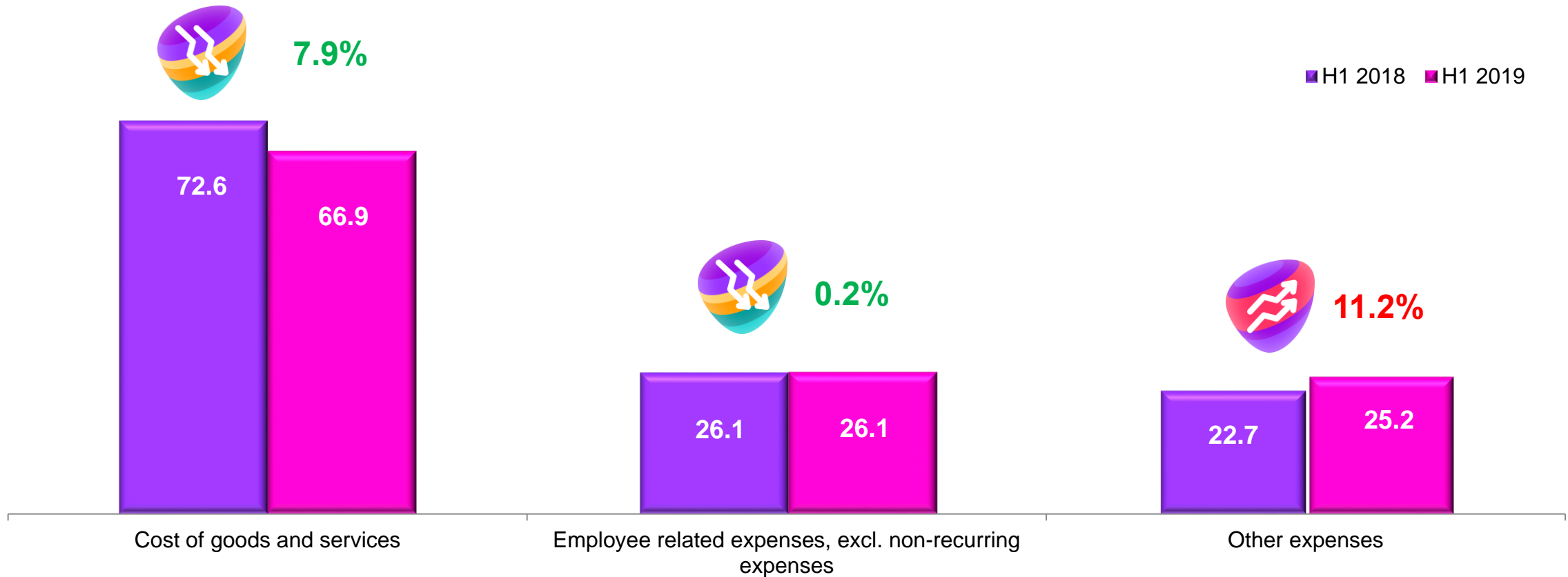


NOTE: Voice telephony revenue excl. networks' interconnection services were down by 16.9%

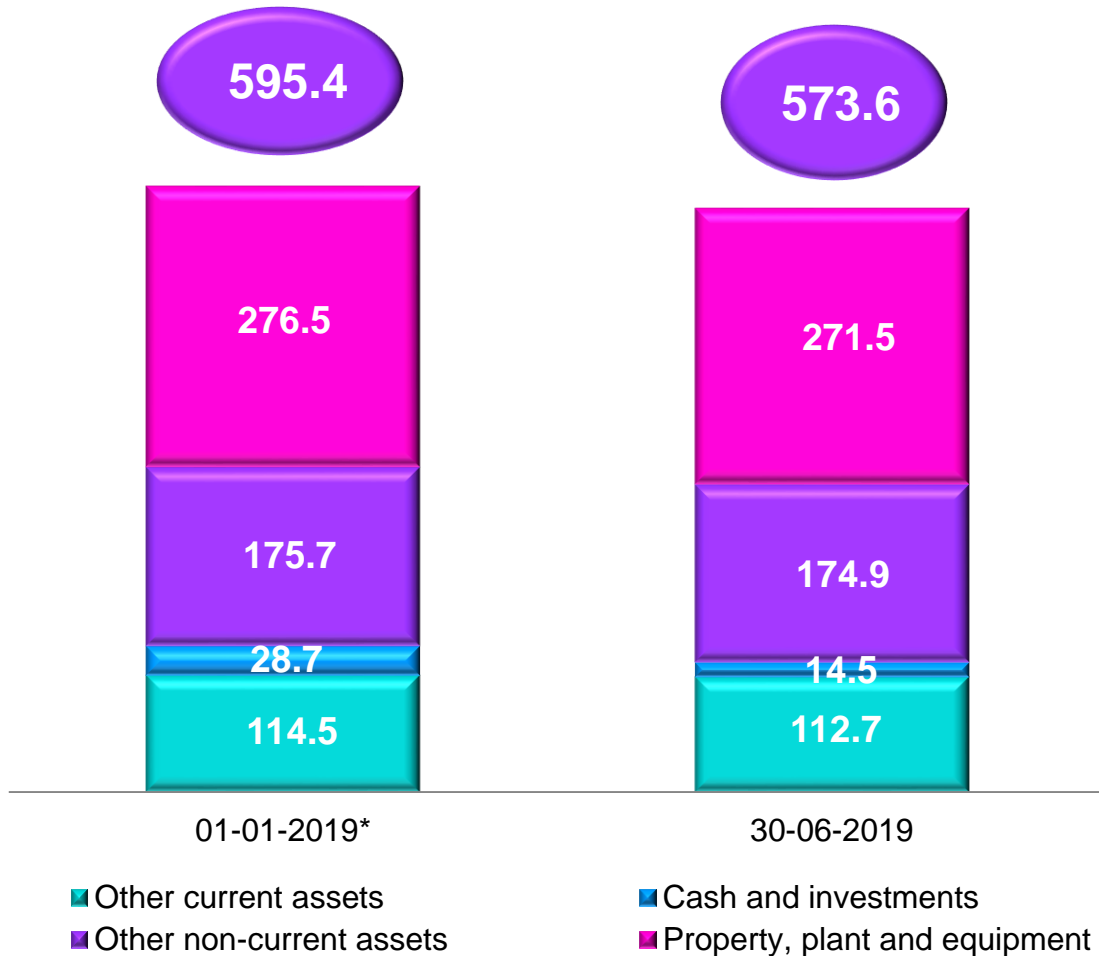




# OPERATING EXPENSES (EUR million)



# ASSETS (EUR million)

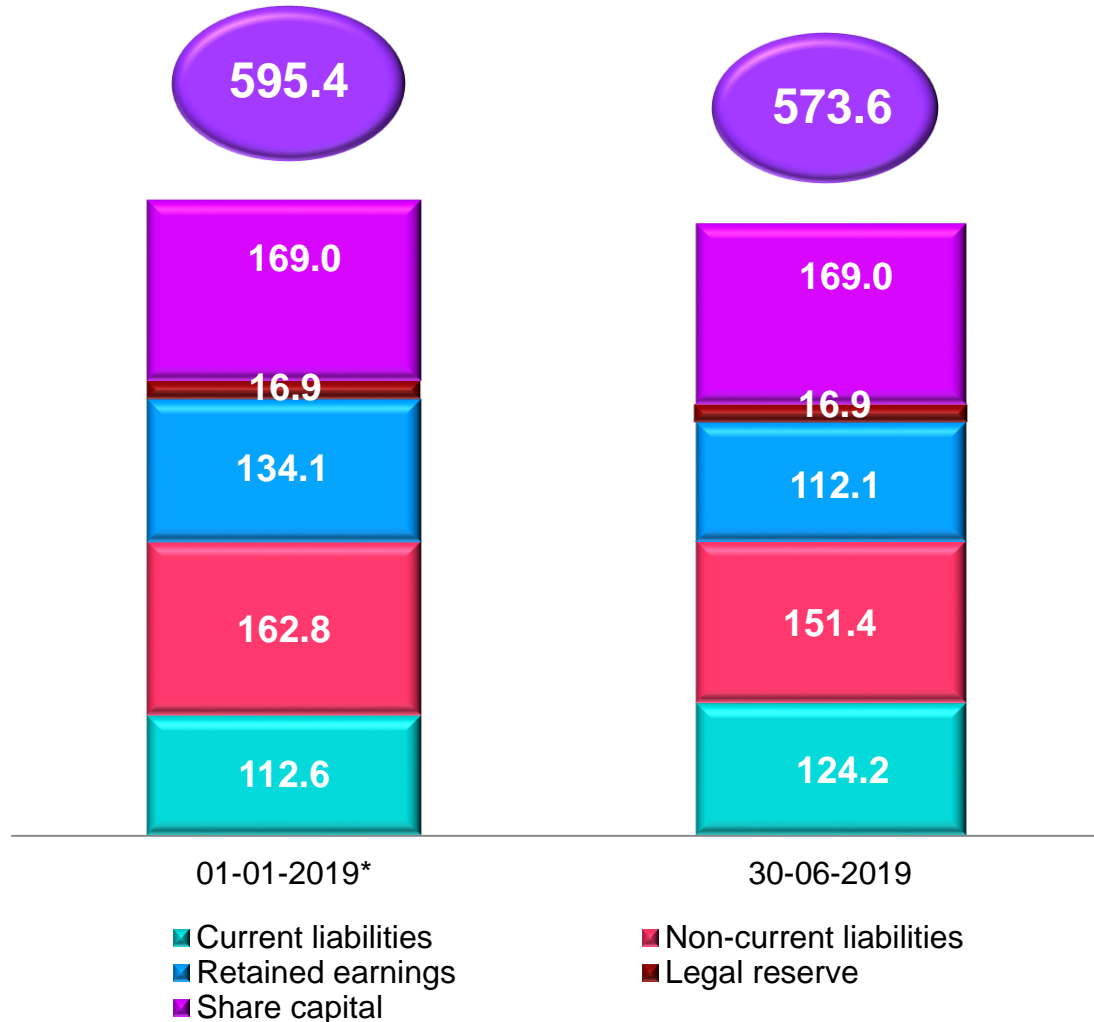


NOTE. Balance sheet is restated due to introduction of IFRS 16 from 1 January 2019

- During 6 months of 2019, **total assets** decreased by 3.7%
- **Non-current assets** amounted to 77.8% of total assets (30-06-2019)
- **Cash** alone amounted to 2.5%
- **Return on capital employed:** 13.2%
- **Return on average assets:** 10.5%



# EQUITY AND LIABILITIES (EUR million)

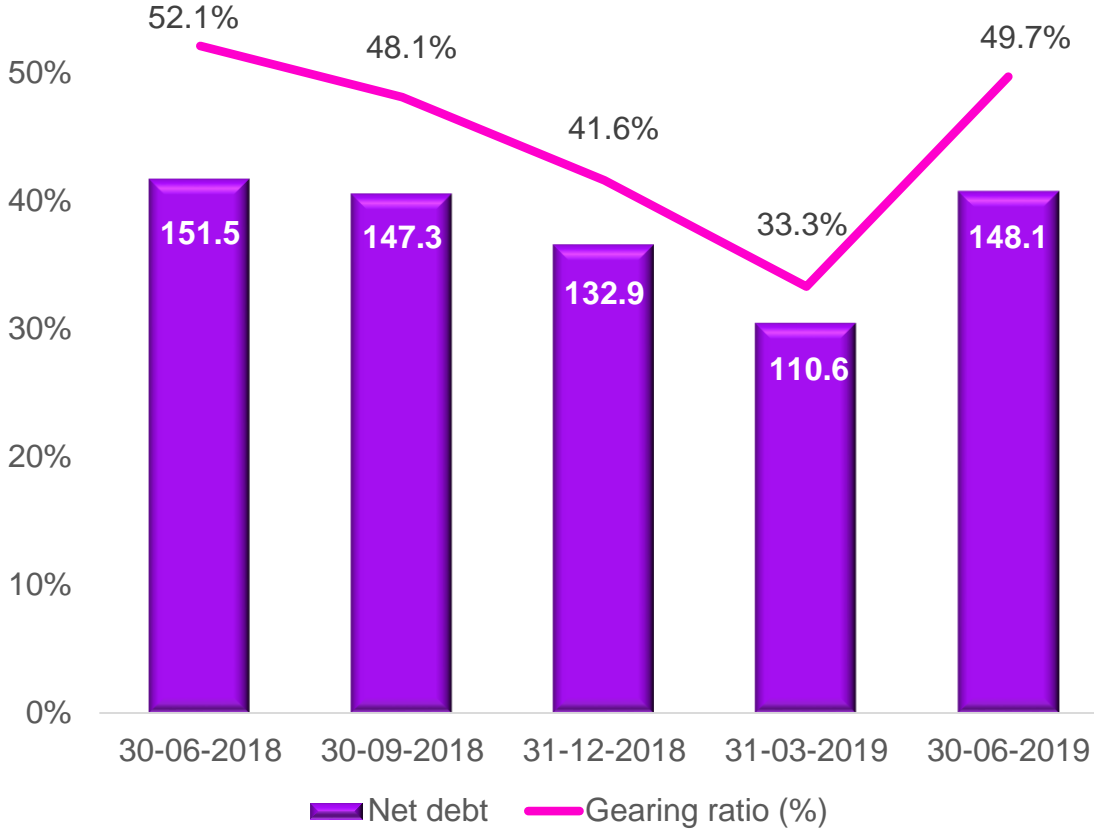
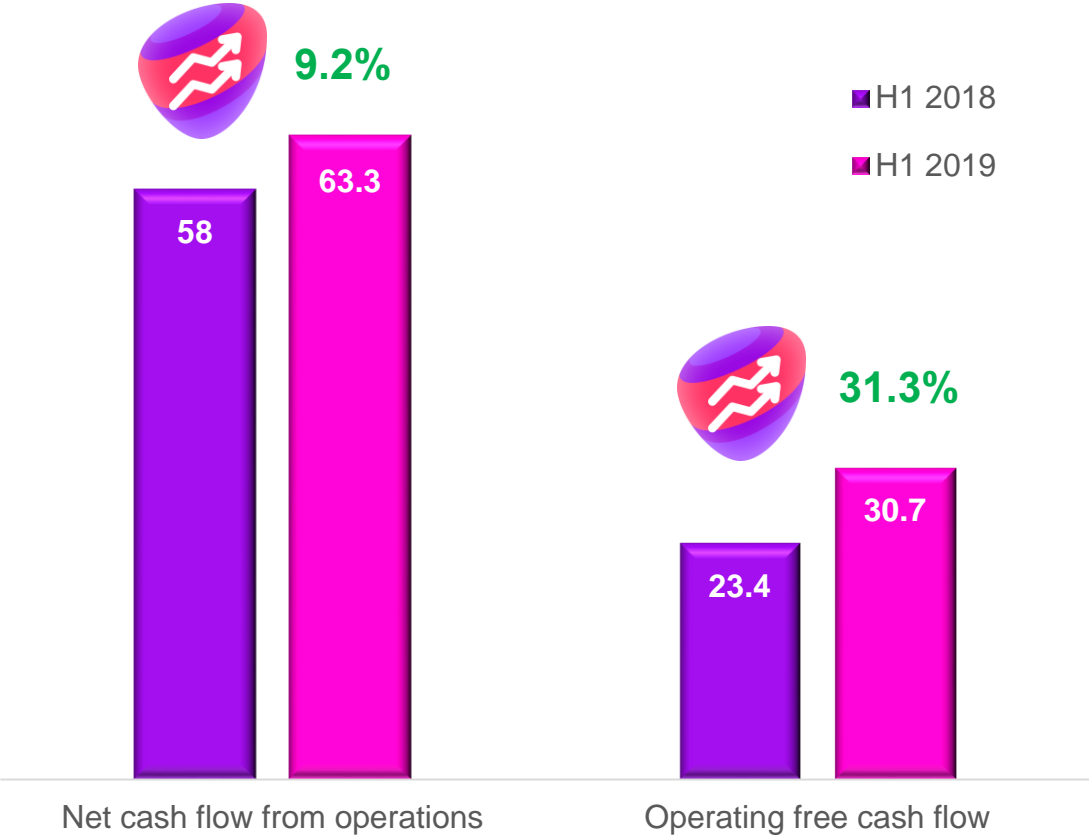


- Shareholders' **equity** amounted to 51.9% of the total assets (30-06-2019)
- Total **borrowings** (30-06-2019) amounted to EUR 162.6 million: EUR 112.5 million – bank loans, EUR 10 million – short-term loan from Telia Company, EUR 37.4 million – vendor financing and EUR 2.7 – financial lease.
- **Gearing ratio**: 49.7%
- **Debt to equity**: 54.6%
- **Return on equity**: 17.2%

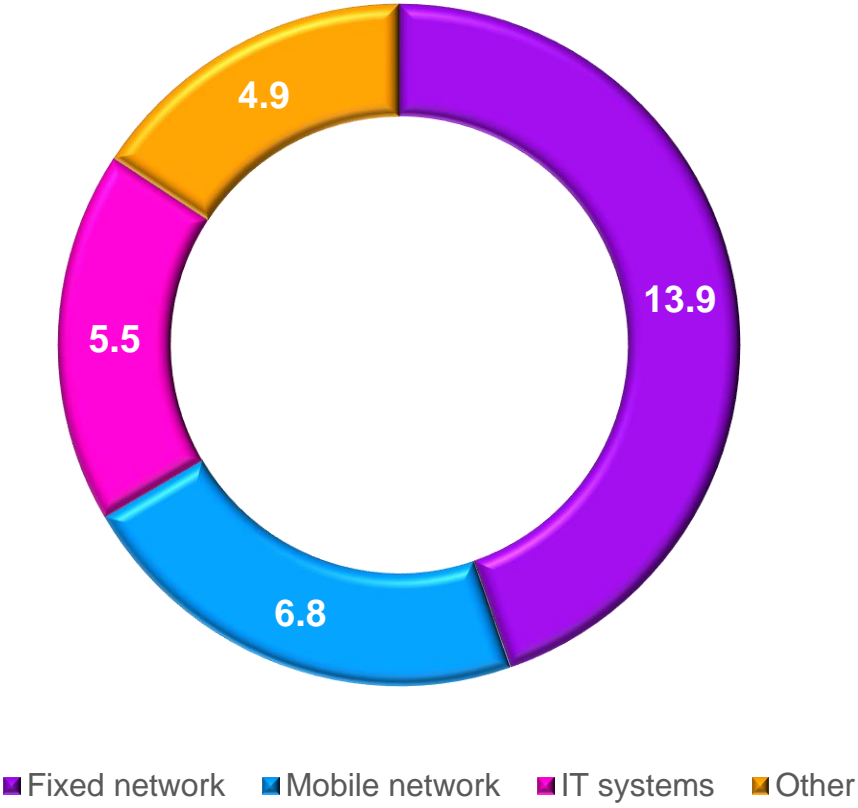
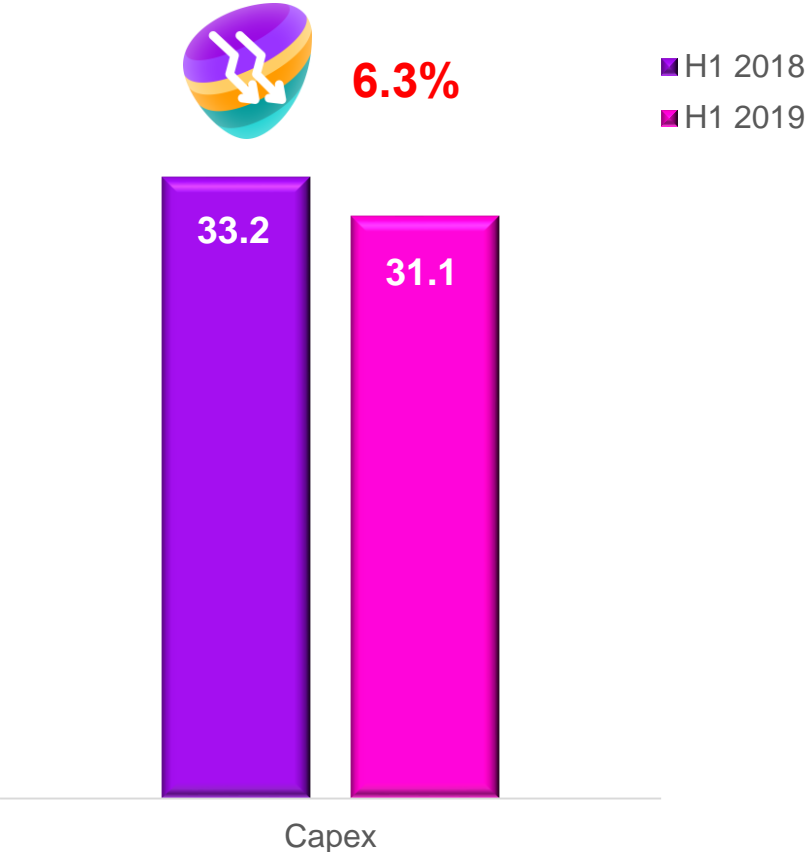
NOTE. Balance sheet is restated due to introduction of IFRS 16 from 1 January 2019



# CASH FLOW & NET DEBT (EUR million)



# CAPEX & CAPEX BREAKDOWN IN H1 2019



# DIVIDENDS



- Earnings and dividends are allocated 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 2018, the Annual General Meeting of Shareholders decided to pay-out **EUR 46.6 million** or **EUR 0.08 per share of dividends** for the year 2018



# 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 almost **11 thousand**

## Shareholders as of 30-06-2019

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



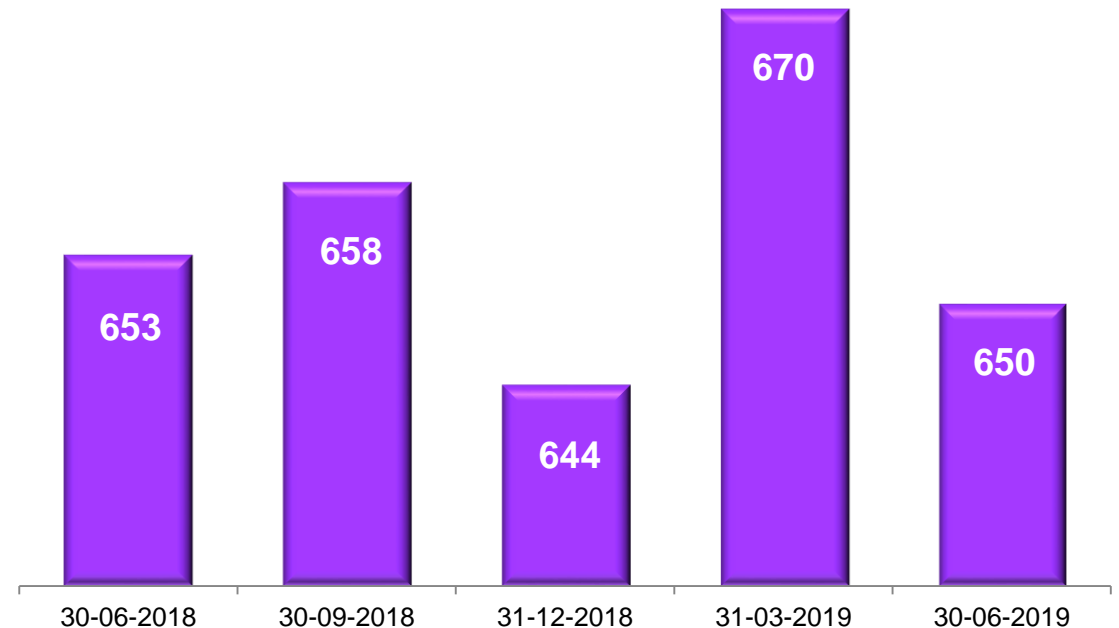


# SHARES

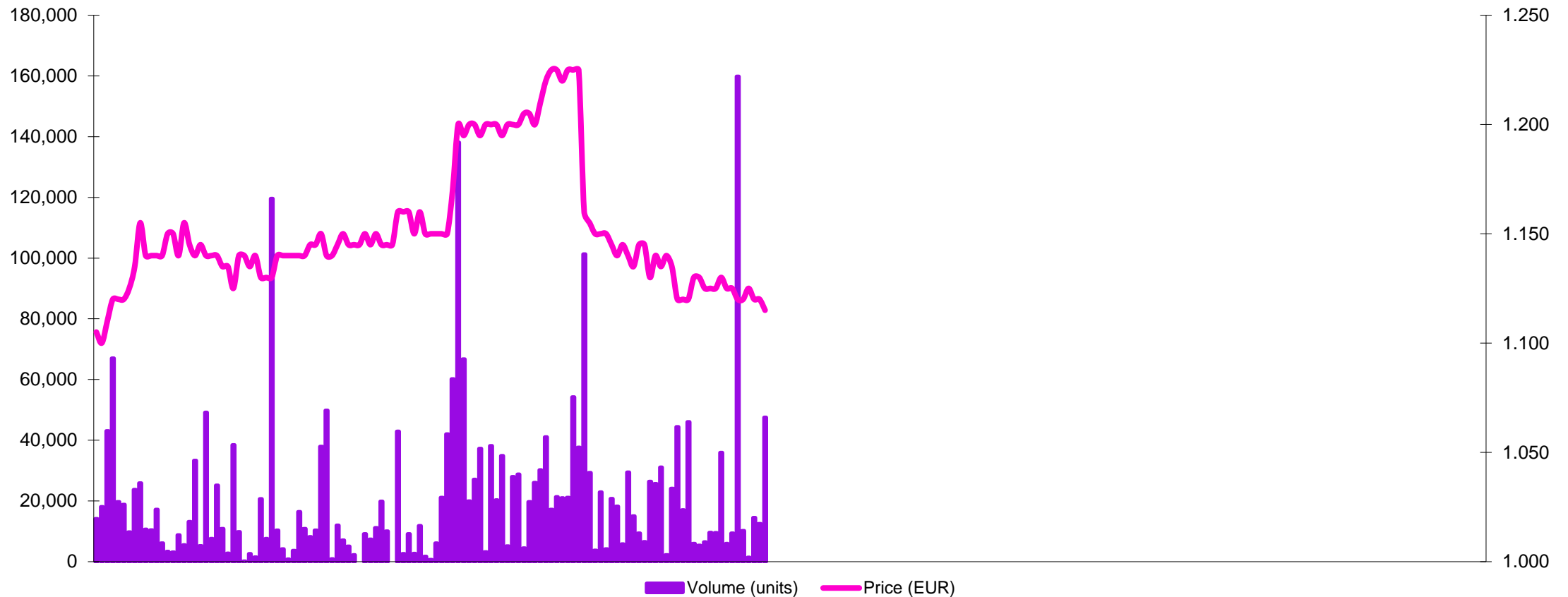
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-June of 2019: 2.6 million of shares or EUR 3 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2019	1.110
High	1.225
Low	1.095
30-06-2019	1.115

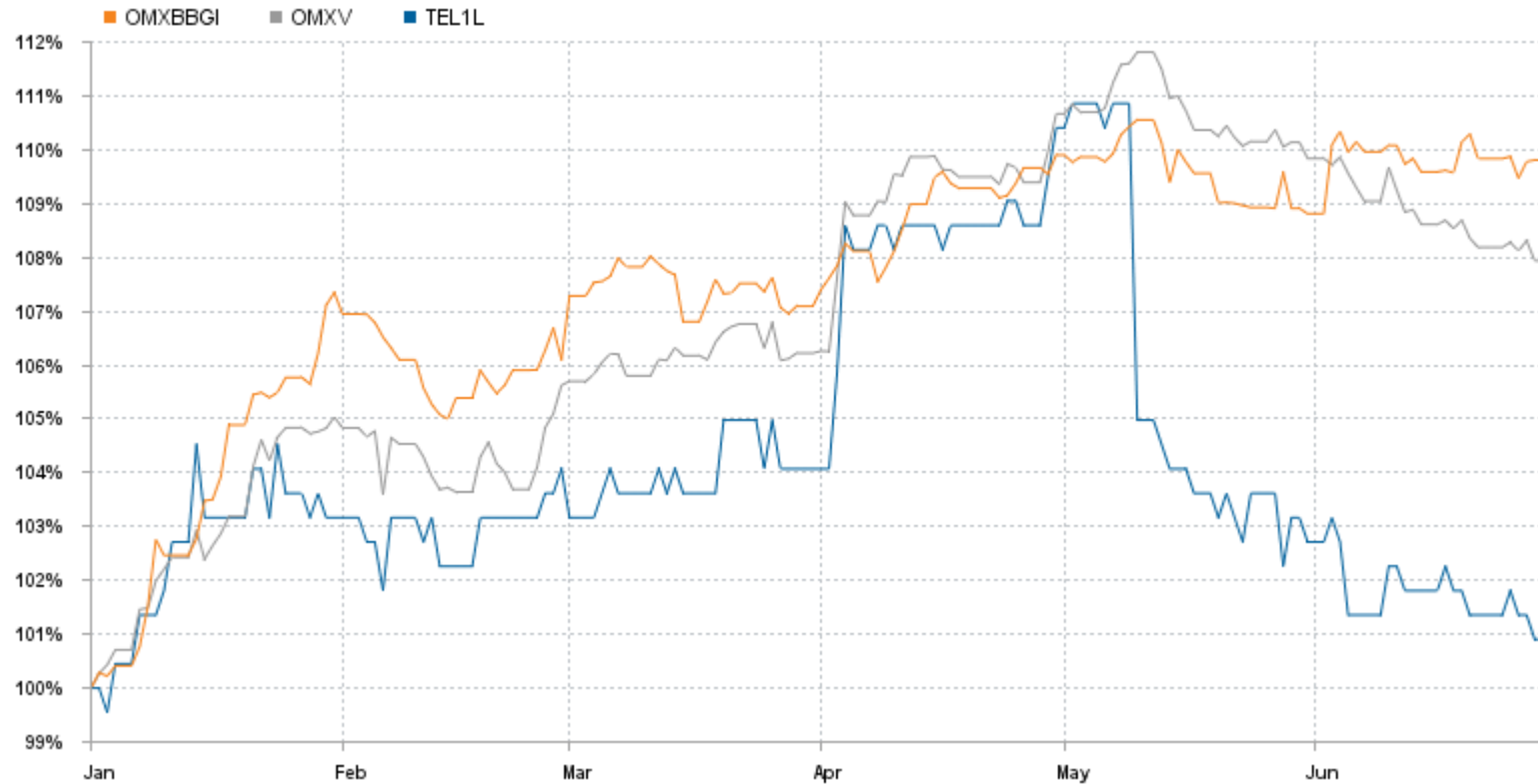
**Market capitalization (EUR million)**



# 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 features a series of overlapping, wavy bands of color. From top to bottom, the colors are: a dark purple band, a medium purple band, a light yellow band, a bright orange band, and a teal band in the bottom right corner.

# 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 **Head of B2B, Daniel Karpovič**, was appointed in June 2019



# 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



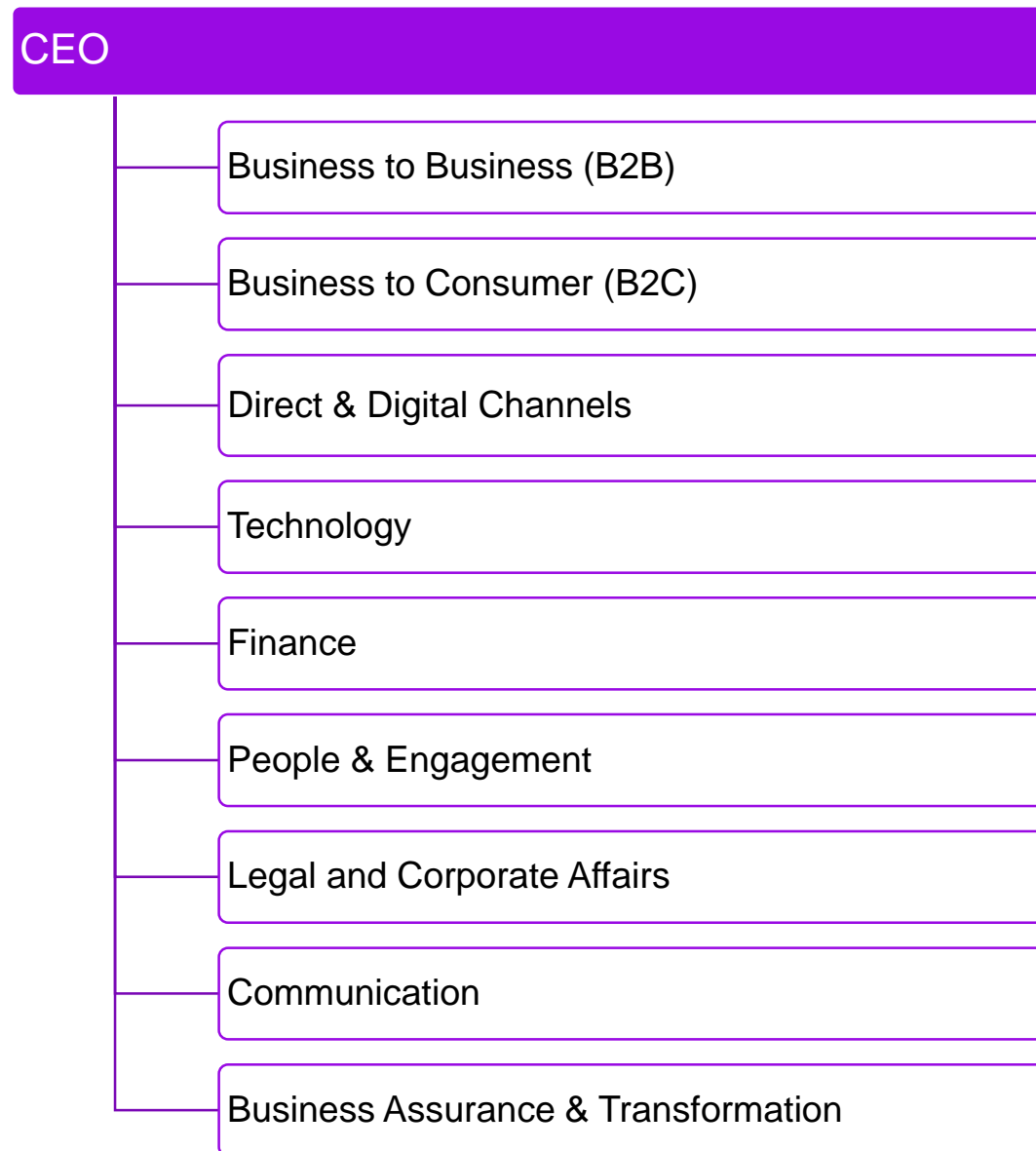
**Mindaugas Glodas** (born in 1972),  
**Independent member** of the Board,  
Member of the Audit and  
Remuneration Committees

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



# GOVERNING STRUCTURE OF TELIA LIETUVA

VALID FROM 1 JANUARY 2019



# MANAGEMENT TEAM



**Dan Strömberg,**  
CEO



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



**Daniel Karpovič,**  
Head of B2B



**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



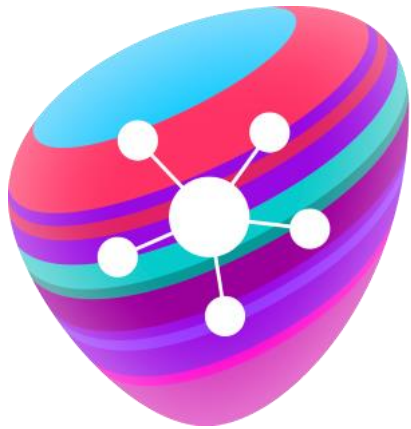
Environmental responsibility



Children safety online



# ALL IN APPROACH



Connecting the unconnected



A healthy and safe society



Education for all



Digital entrepreneurship and innovation





**Telia**

