



# RESULTS FOR THE 3 MONTHS OF 2020

Telia Lietuva, AB Group







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

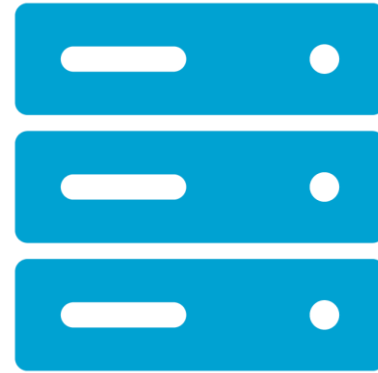
# TELIA LIETUVA MEANS:



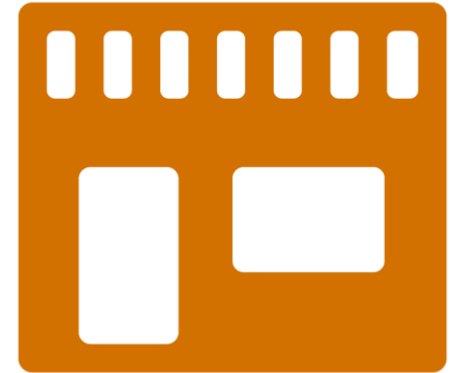
Wide range of  
services



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



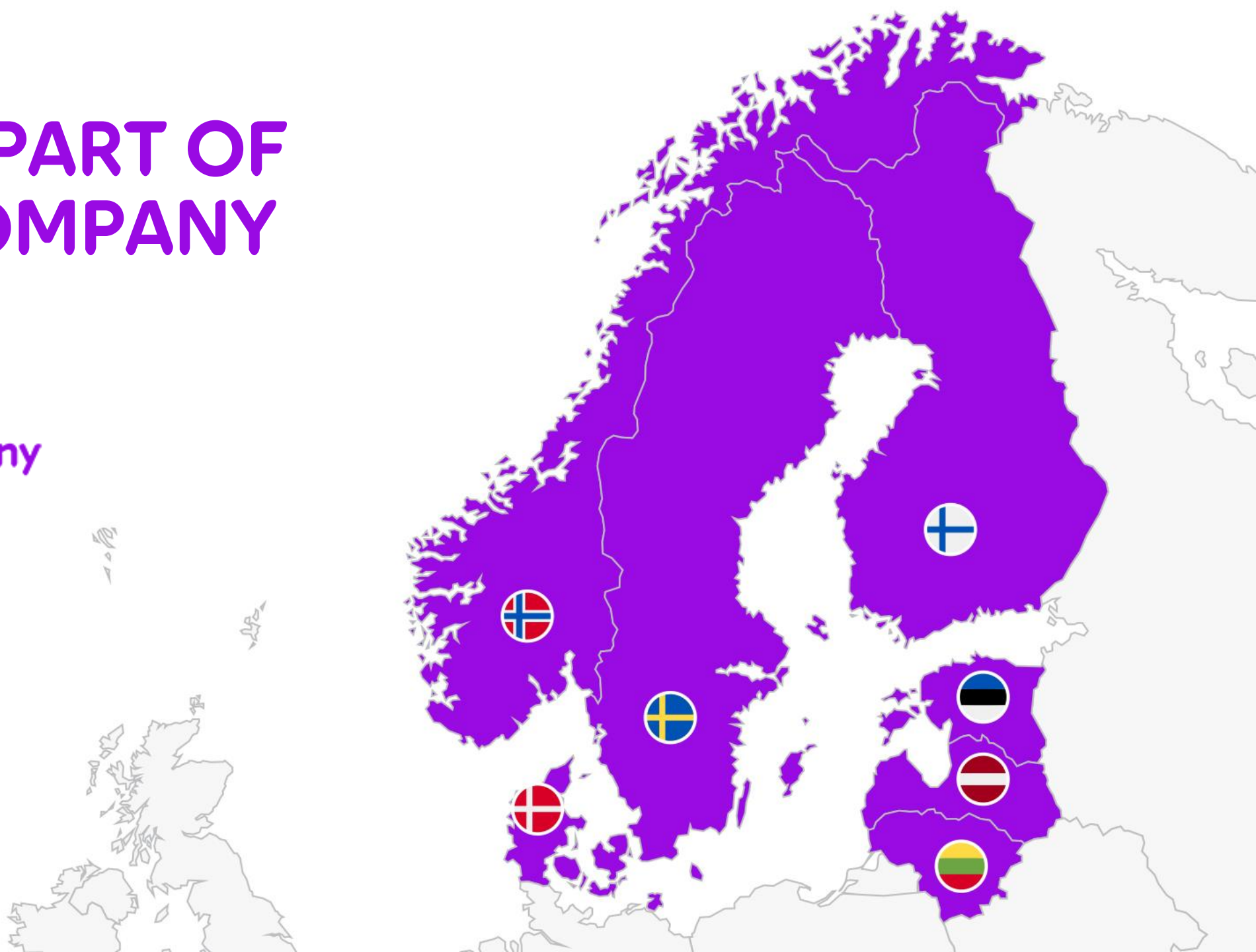
Team of 2,300  
professionals



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 smiling and pushing a green wheelbarrow. Inside the wheelbarrow, a young child wearing a blue helmet and a red and white striped shirt is sitting with arms outstretched, looking happy. A large, fluffy brown dog is also sitting in the wheelbarrow. They are in a lush green garden with a wooden gazebo in the background and a large tree on the left. The scene is bright and sunny.

**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**, that operates an instant payment platform MoQ, by decision of shareholders (Tele2 and Bitė Lietuva owns 33.3% each) will cease its operations from 18 May 2020





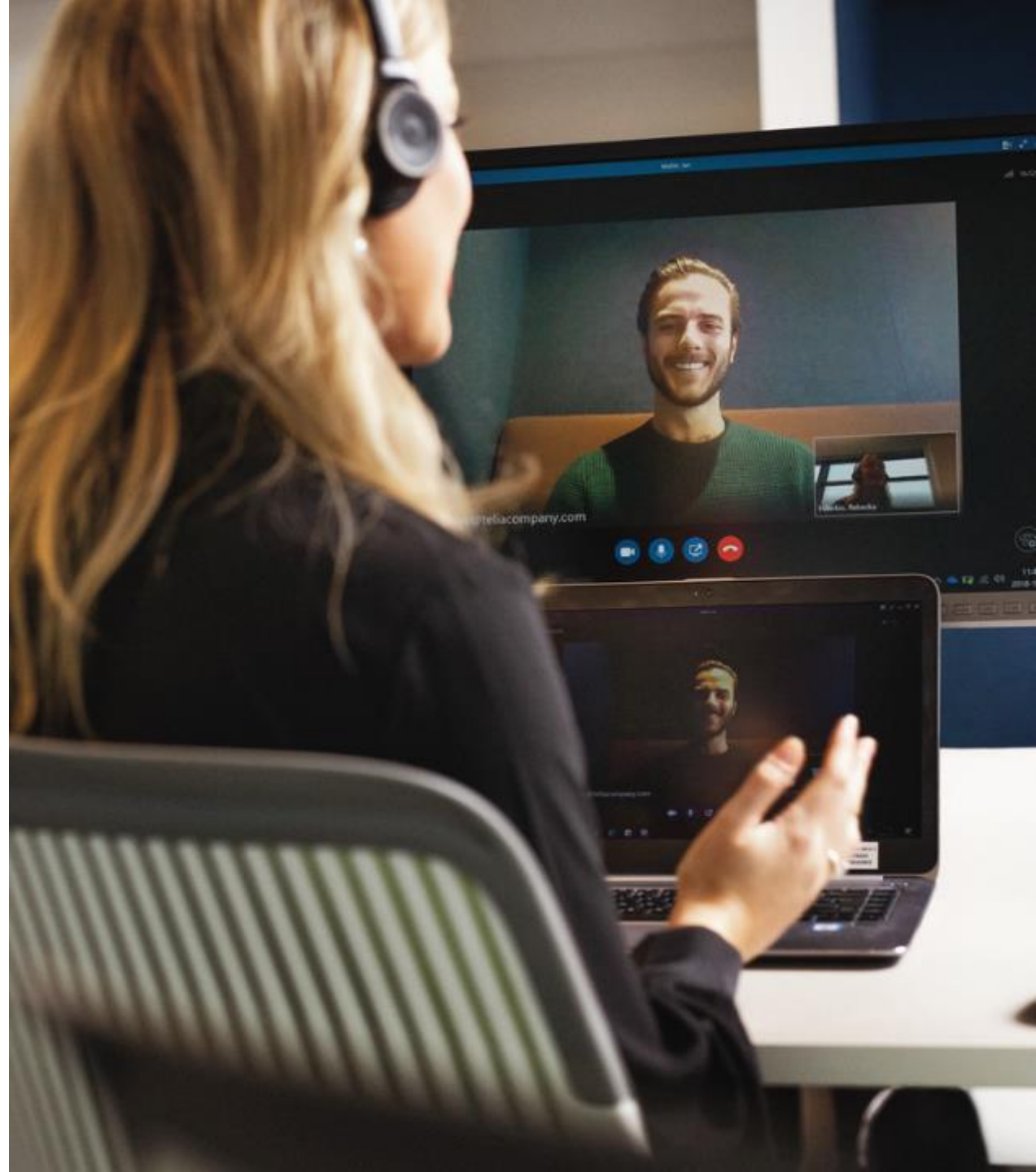
# QUARANTINE IMPACT ON OUR ACTIVITIES

- All customer care **shops are closed** since 16 March 2020
- All customers are **served by phone** or online
- Equipment sales only via **online shop**
- Majority of employees (incl. Call Centers) work **remotely from home**, field engineers work following strict safety requirements
- Increased **traffic volumes**: mobile voice up by 70%, international Internet – by 40%, mobile data – by 15%
- Increased **demand** for faster connectivity, VPN solutions, m-signature and premium TV content
- Increased **sales** of PCs and TV sets, declined sales of handsets



# OTHER EVENTS DURING Q1 2020

- From 1 January 2020, Telia Lietuva embraced the **New Operating Model** of Telia Company Group
- In January, Telia Lietuva was the first to introduce the **narrowband Internet of Things** (NB IoT) technology
- New **Collective Bargaining Agreement** between the Company and Trade Unions was signed in January
- Telia was awarded as the **Friendliest Workplace** during the National Responsible Business Awards
- Shareholders of Mobilieji Mokėjimai decided to **cease provision of payment services** from 18 May 2020
- The Board of Telia Lietuva proposed to **pay EUR 0.09 dividend** per share for the year 2019
- **AGM of shareholders** by voting in advance will be held on 28 April 2020





# NUMBER OF CUSTOMERS



+5.6%

1,349

thousand of  
**mobile** service users



+0.7%

412

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



+5.1%

246

thousand of  
**IPTV service** users



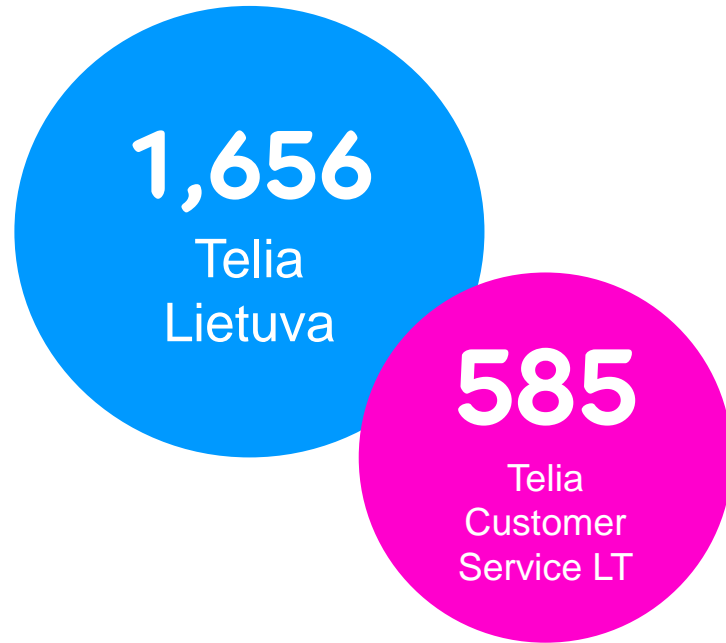
-14.4%

286

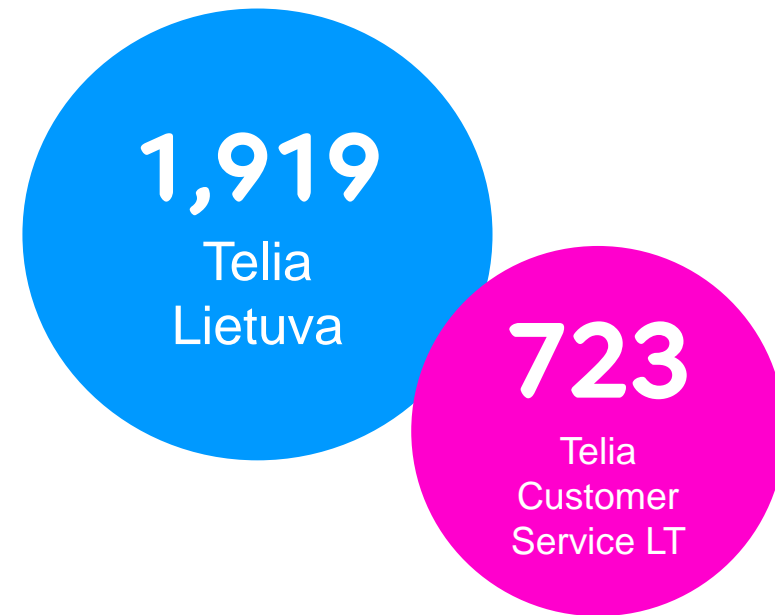
thousand of  
**fixed telephone** lines  
in service



# NUMBER OF EMPLOYEES



In total **2,241** (31-03-2020)



In total **2,642** (31-03-2019)

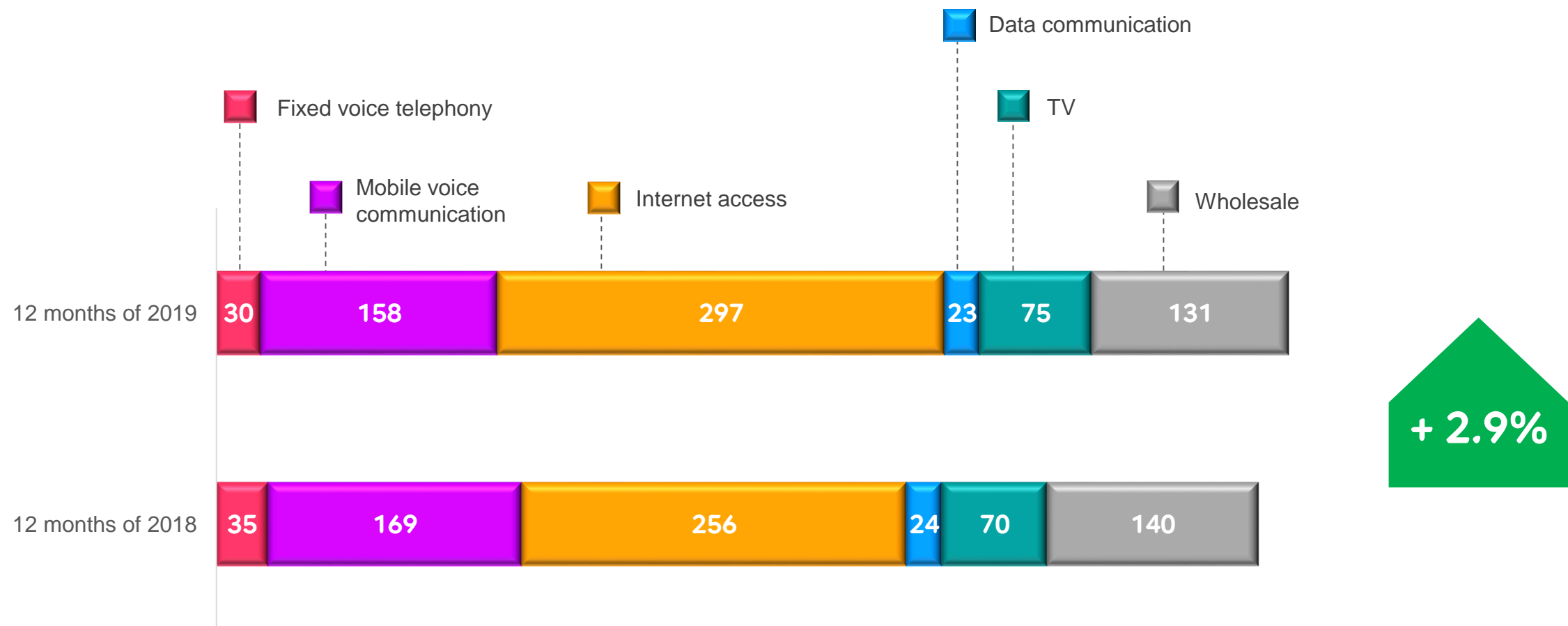




# **ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA**

# INTERNET & PAY TV DRIVE TELCO MARKET GROWTH

(EUR million)

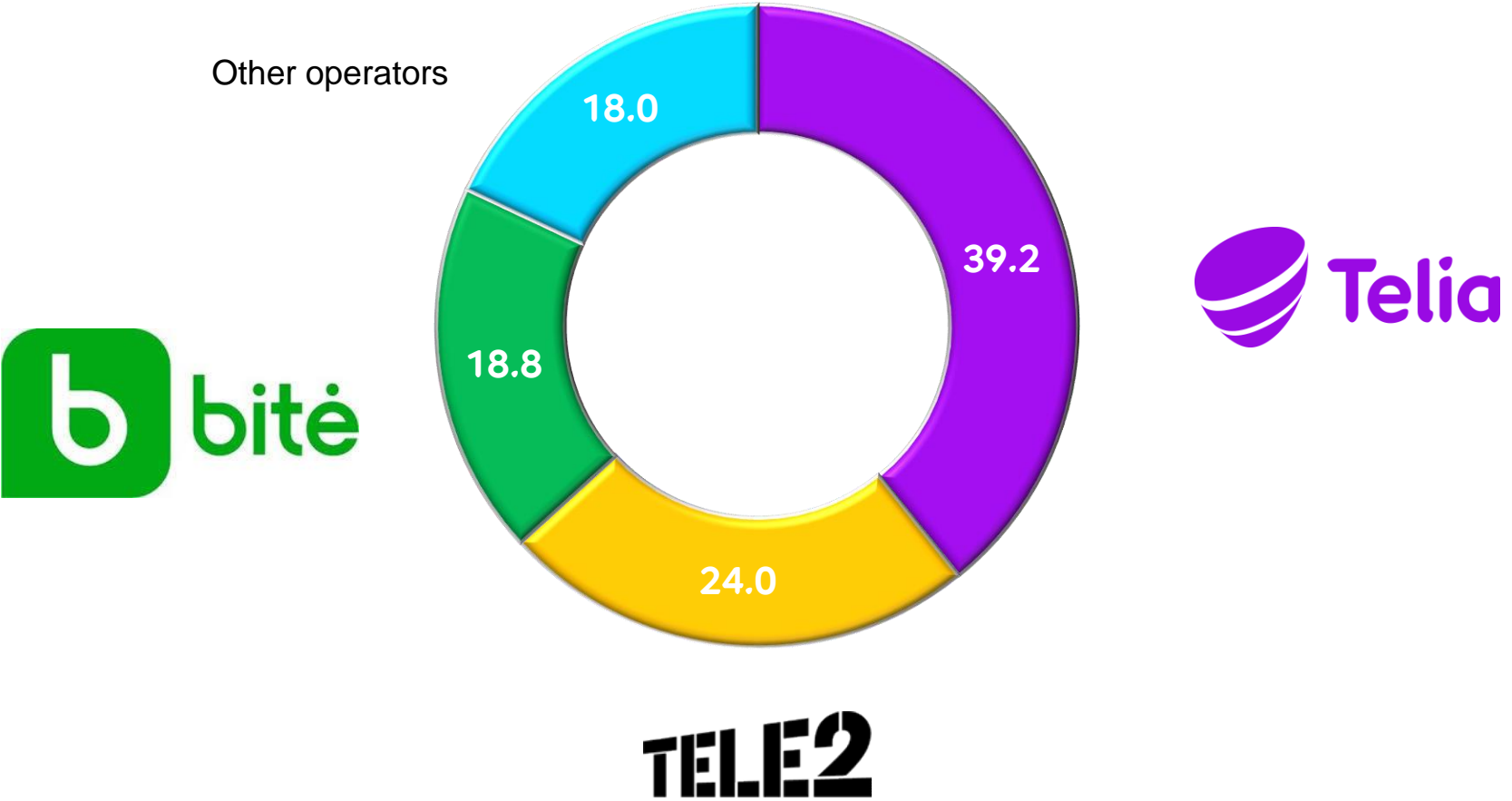


Source: Report of the Communications Regulatory Authority





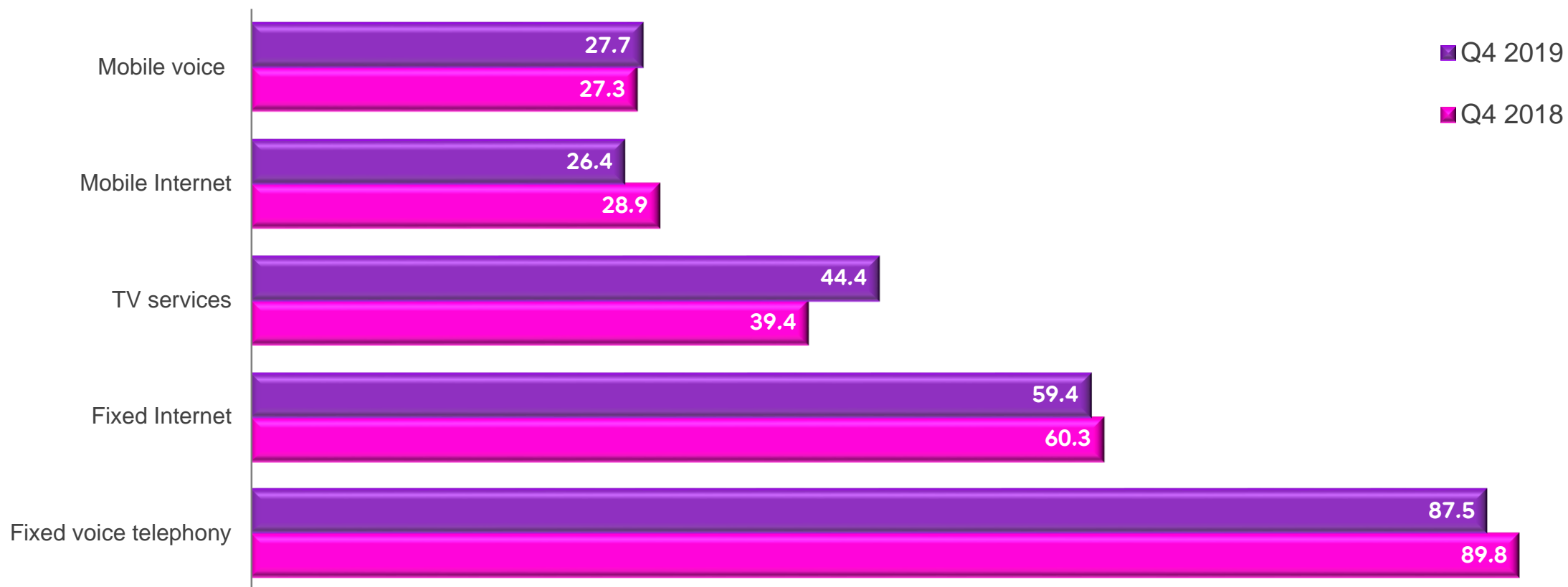
# BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q4 2019 (%)



Source: Report of the Communications Regulatory Authority



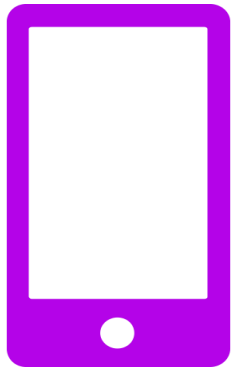
# TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



# MARKET: THE FASTEST GROWTH IN USAGE OF DATA



**52%**  
(y-o-y)

Increasing usage of  
**mobile data**

(uploaded/downloaded  
**138,219 million MB**  
of data per quarter)



**2.7%**  
(y-o-y)

Growing number of  
**FTTH/B connections**

(accounts for **75.3%** of all  
fixed Internet connections)



**9.5%**  
(y-o-y)

Growing number of  
**IPTV users**

(accounts for **41.8%** of all  
pay-TV service users)





# MARKET PENETRATION



132.6

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



26.8

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



50.9

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



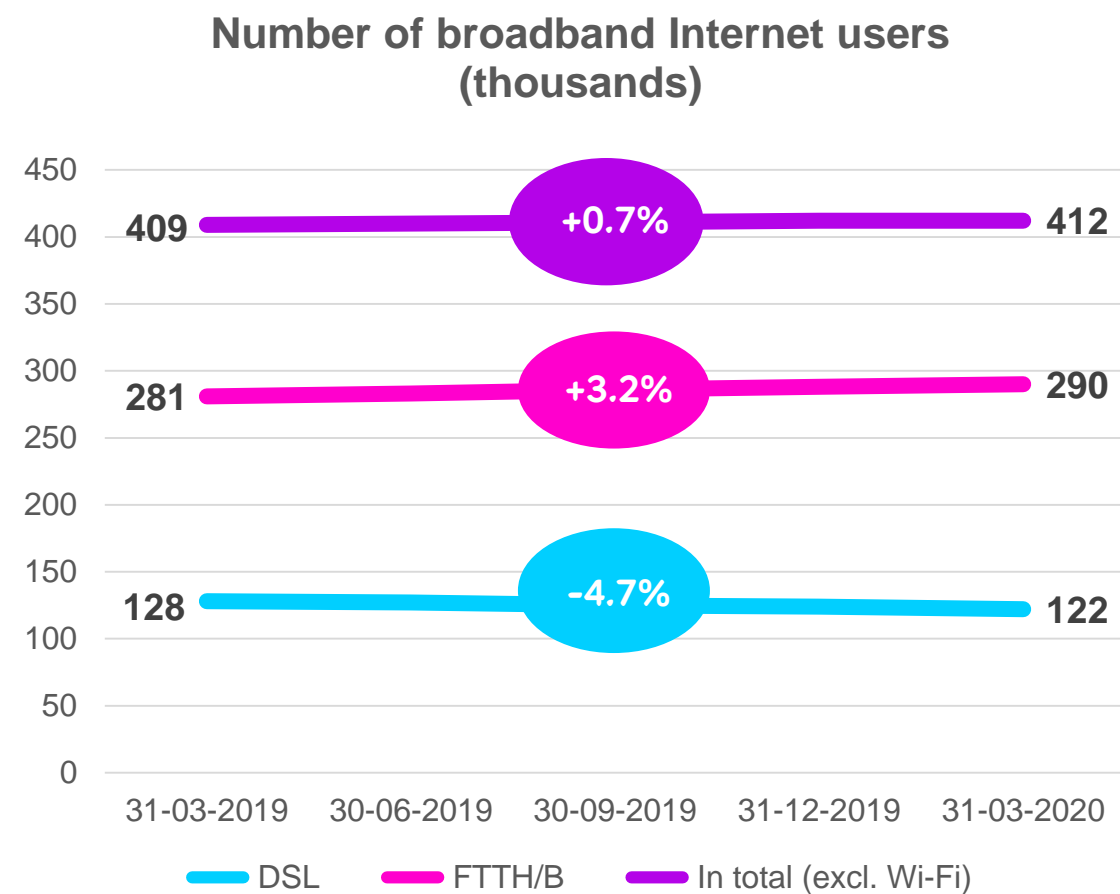
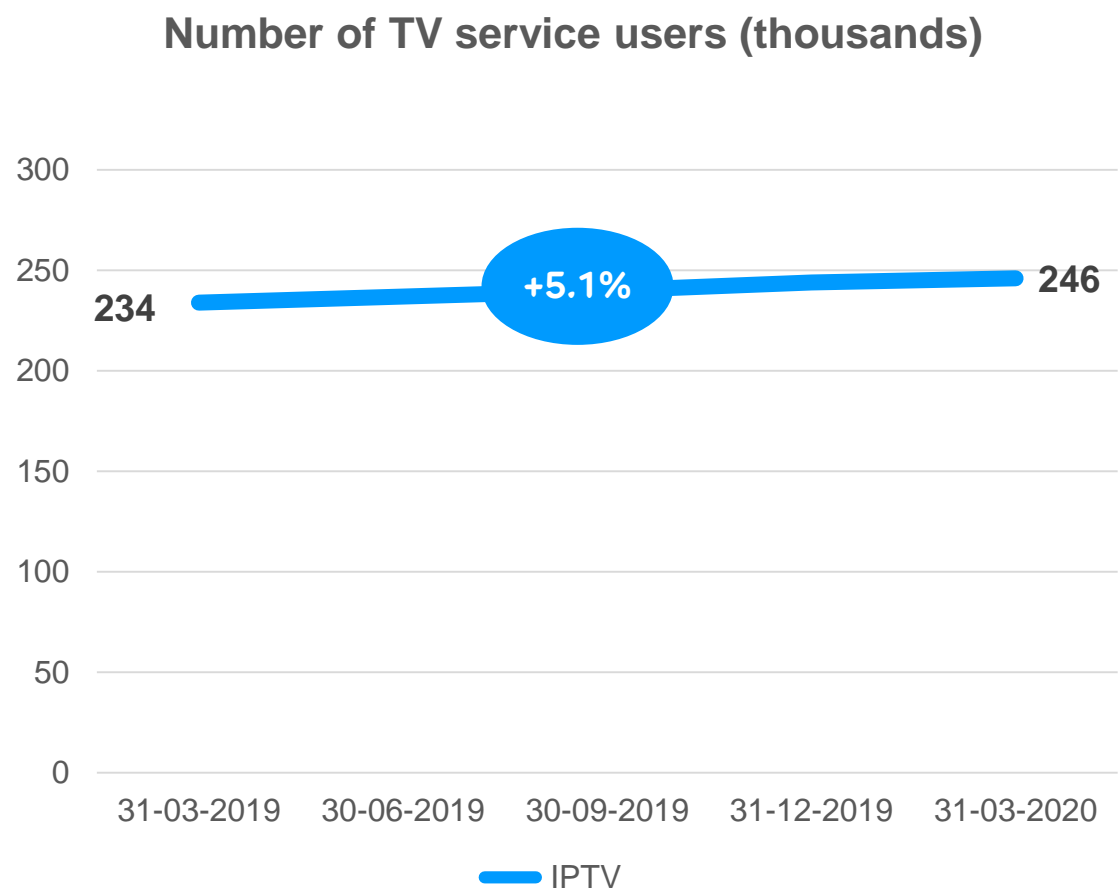
51.7

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



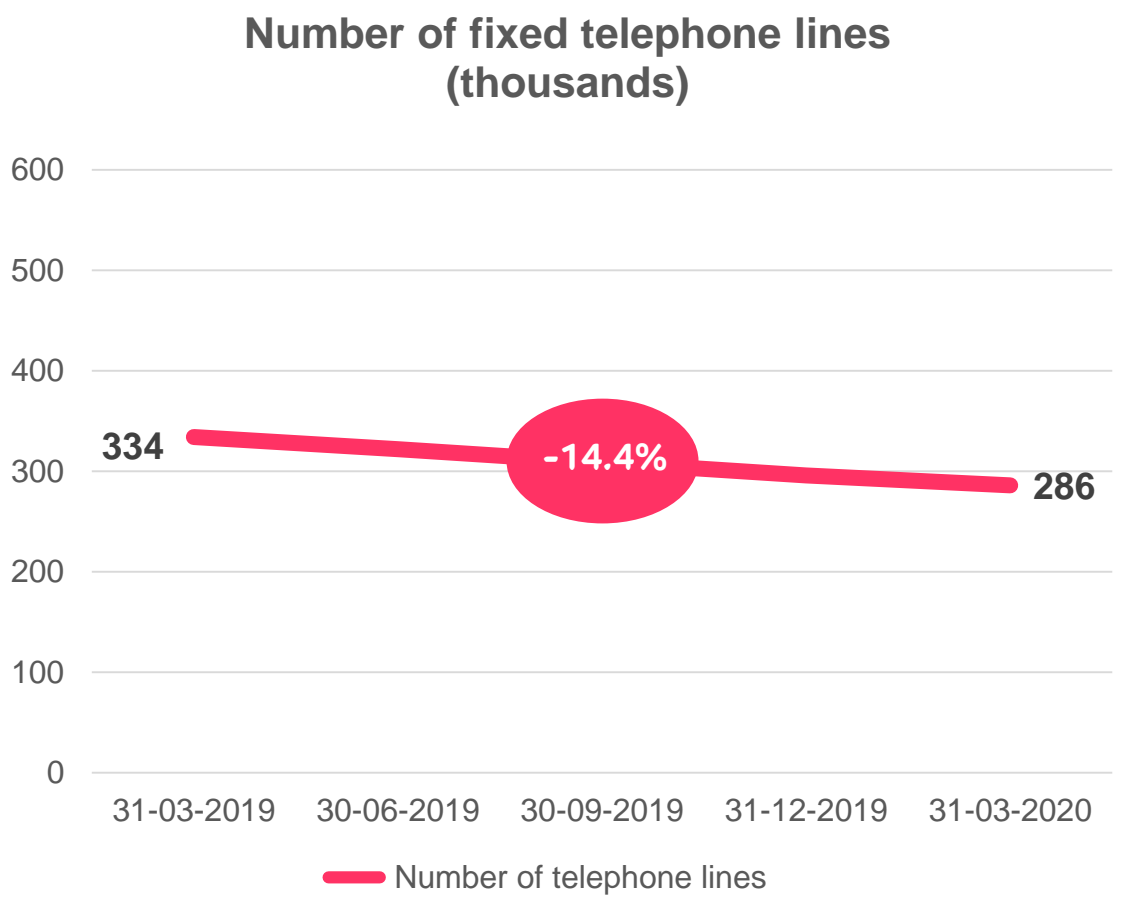
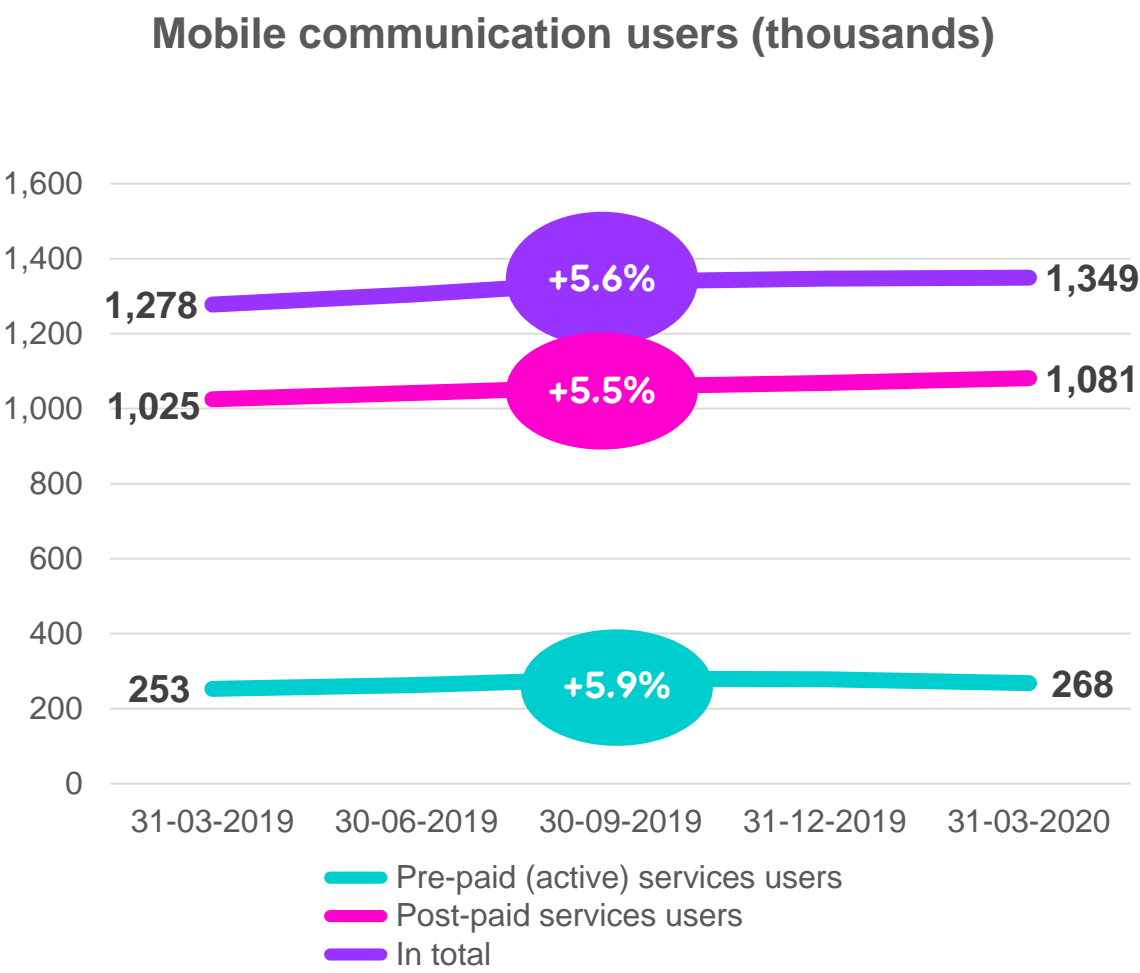
# OPERATING AND FINANCIAL RESULTS

# NUMBER OF IPTV AND BROADBAND INTERNET USERS



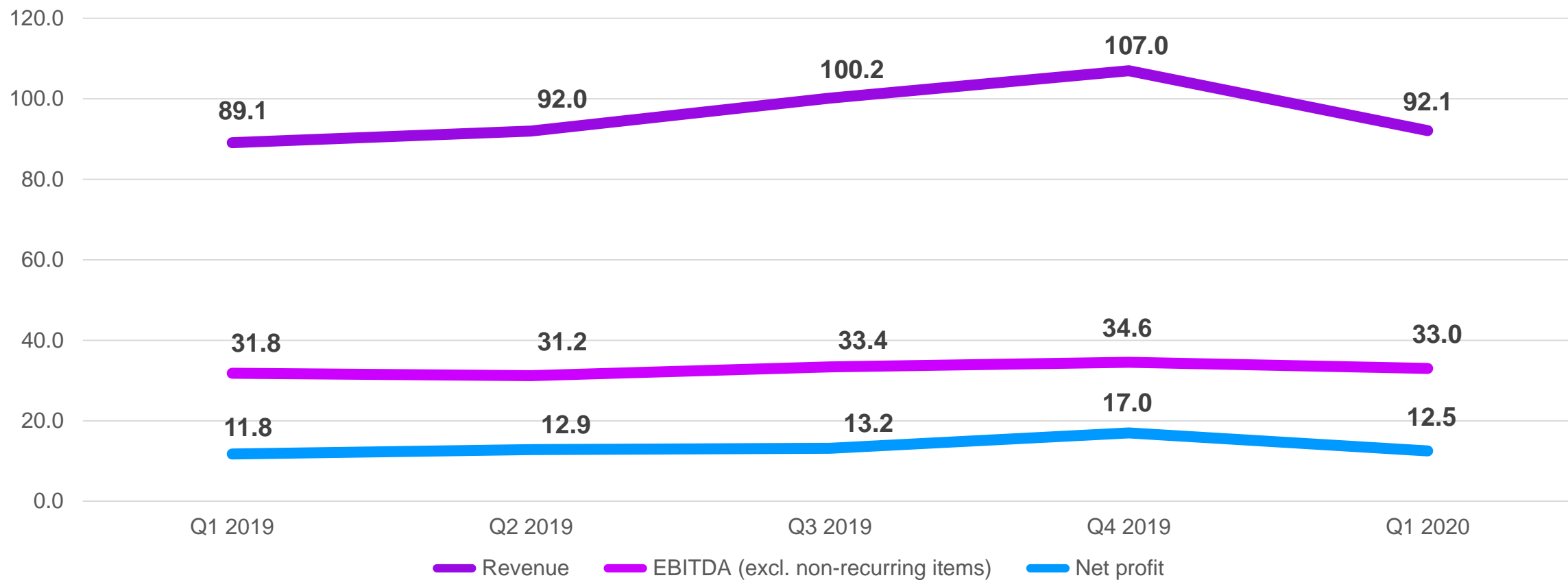


# NUMBER OF MOBILE AND FIXED VOICE SERVICE USERS



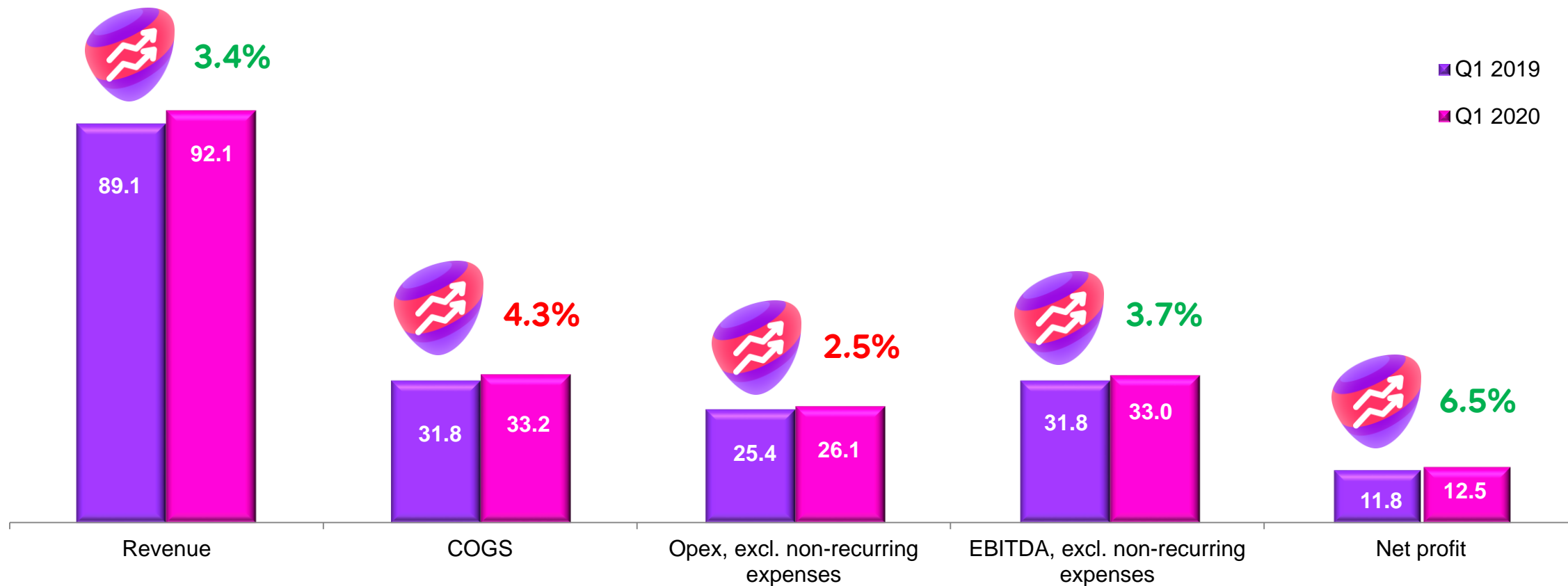
# REVENUE, EBITDA & NET PROFIT

(EUR million)



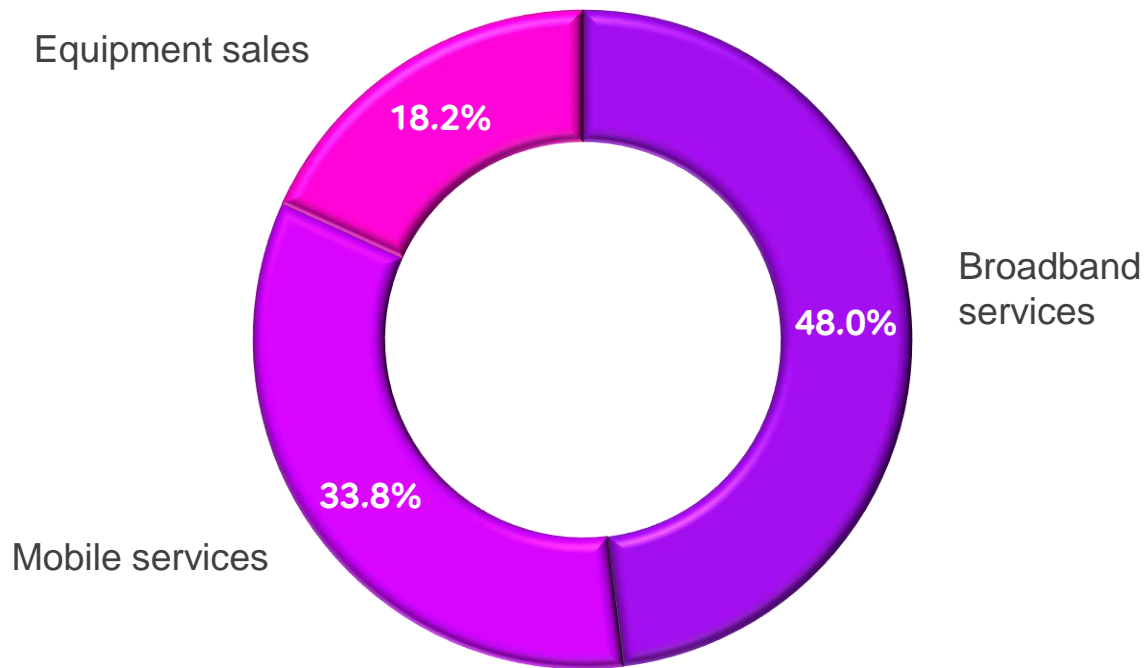
# DYNAMICS OF MAIN FINANCIAL INDICATORS

(EUR million)





# 3 MONTHS OF 2020 REVENUE BREAKDOWN



B2B

41%



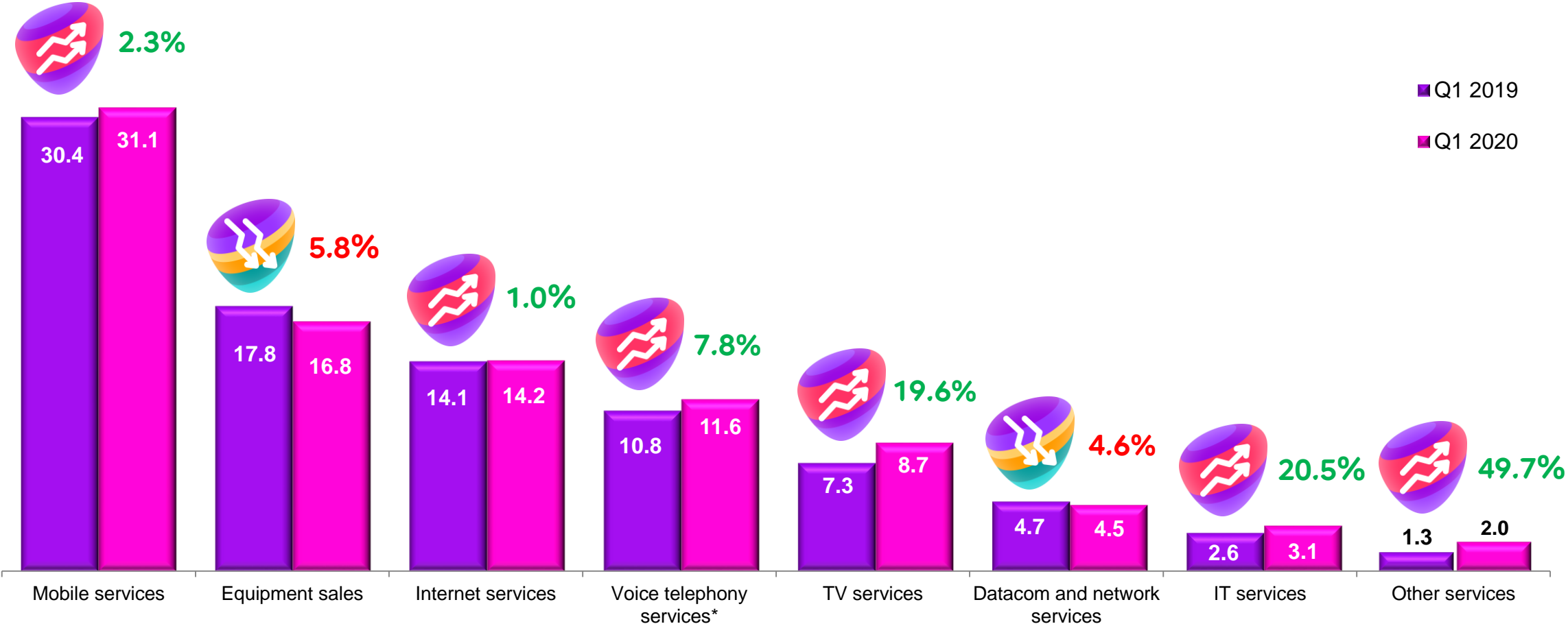
B2C

59%



# REVENUE BY SERVICES

(EUR million)

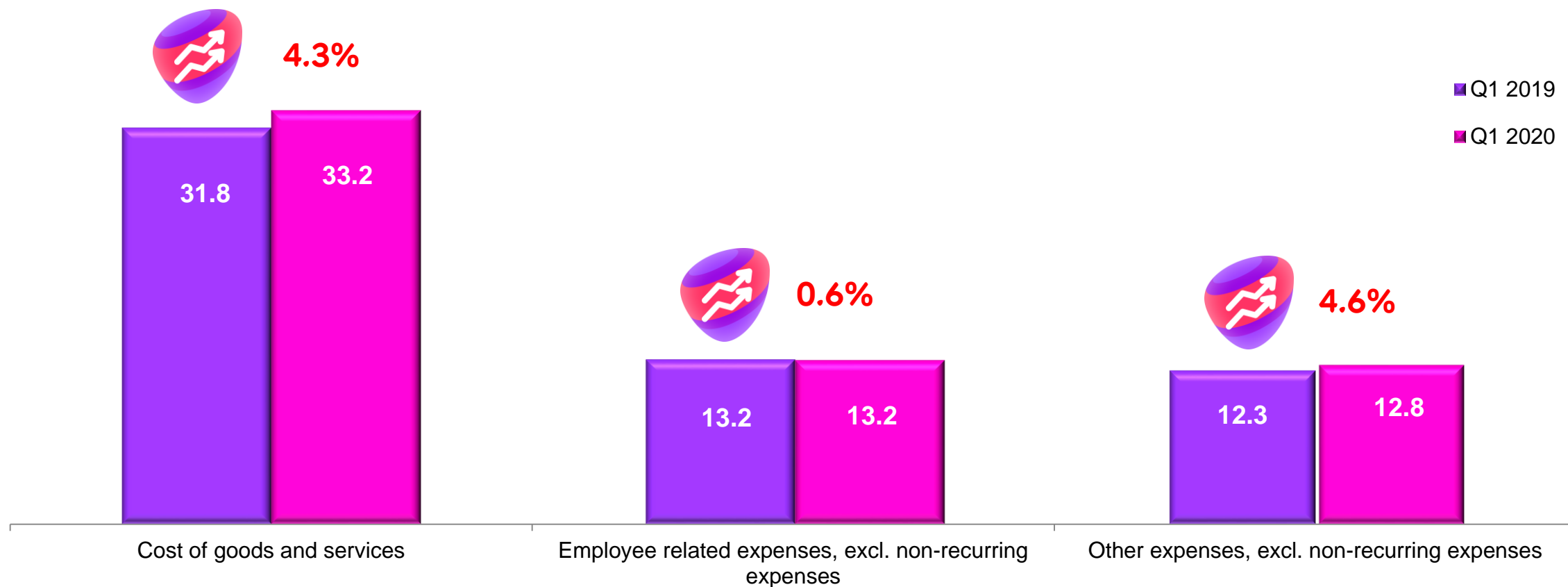


NOTE: Voice telephony revenue excl. networks' interconnection services were down by 17.6%



# OPERATING EXPENSES

(EUR million)



# ASSETS

(EUR million)



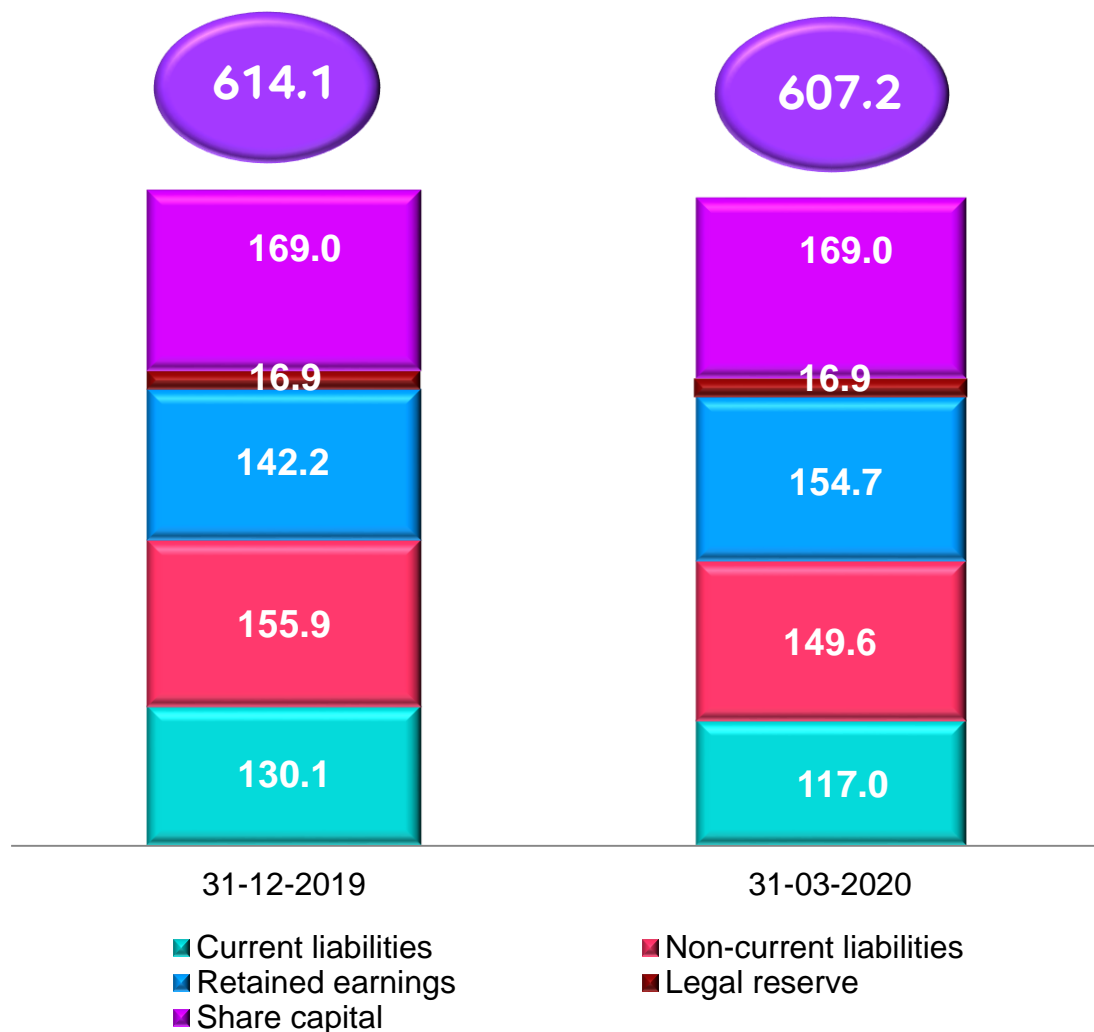
- During January-March 2020, **total assets** decreased by 1,1%
- **Non-current assets** amounted to 75.2% of total assets (31-03-2020)
- **Cash** alone amounted to 9.1%
- **Return on capital employed:** 13.7%
- **Return on average assets:** 10.1%





# EQUITY AND LIABILITIES

(EUR million)

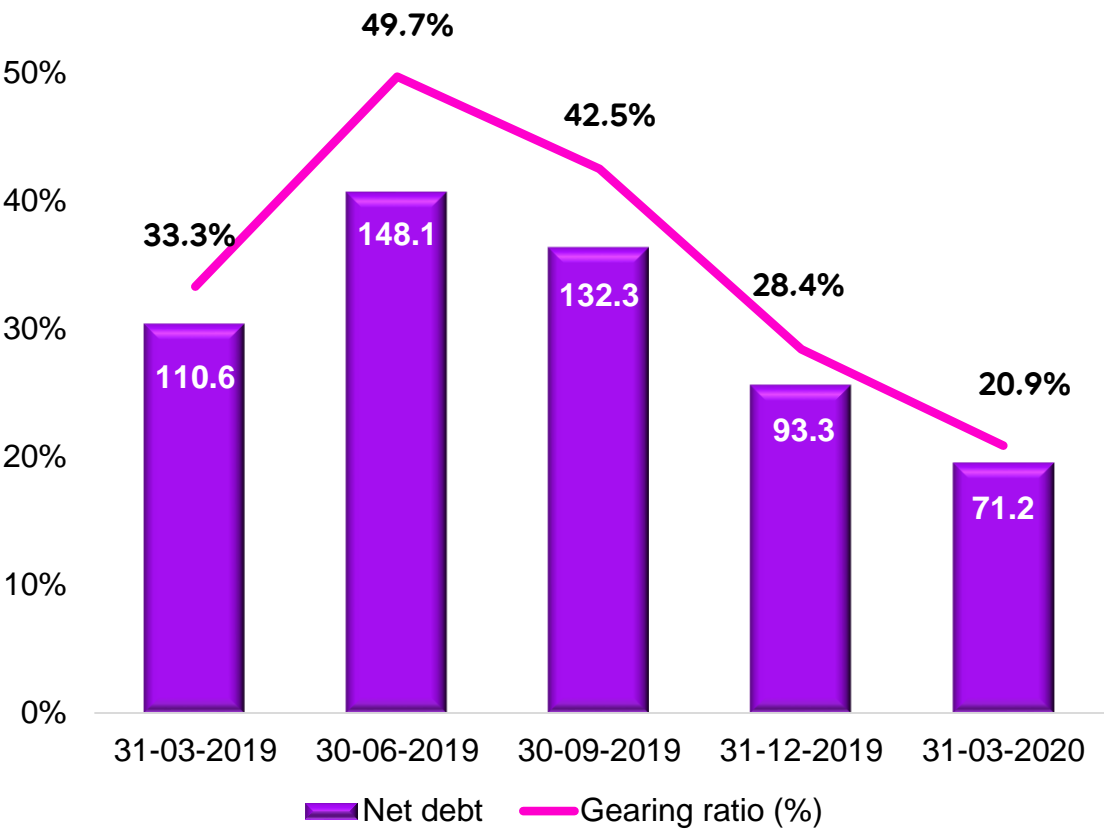
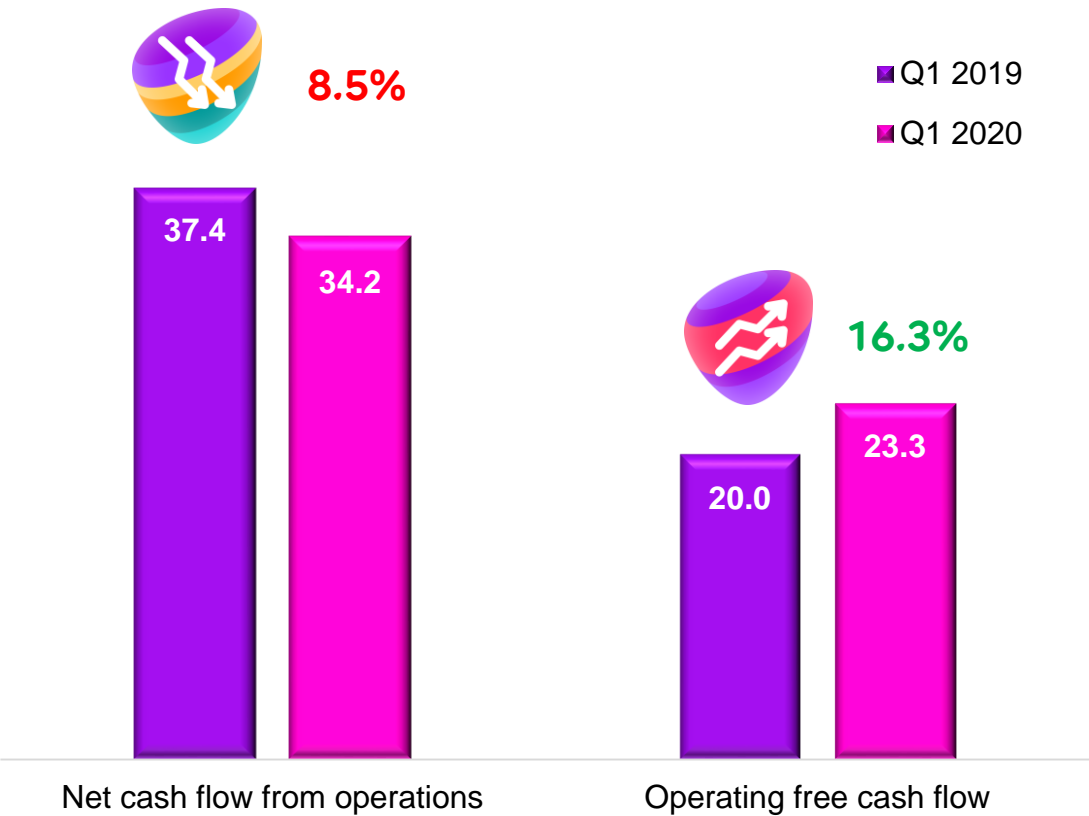


- During Q1 2020 shareholders' **equity** increased by 3.8% and amounted to 56.1% of the total assets (31-03-2020)
- Total **borrowings** (31-03-2020) amounted to EUR 126.3 million: EUR 90 million – bank loans, EUR 34.2 million – vendor financing and EUR 2.1 – financial lease.
- **Gearing ratio**: 20.9%
- **Debt to equity**: 37.1%
- **Return on equity**: 17.4%



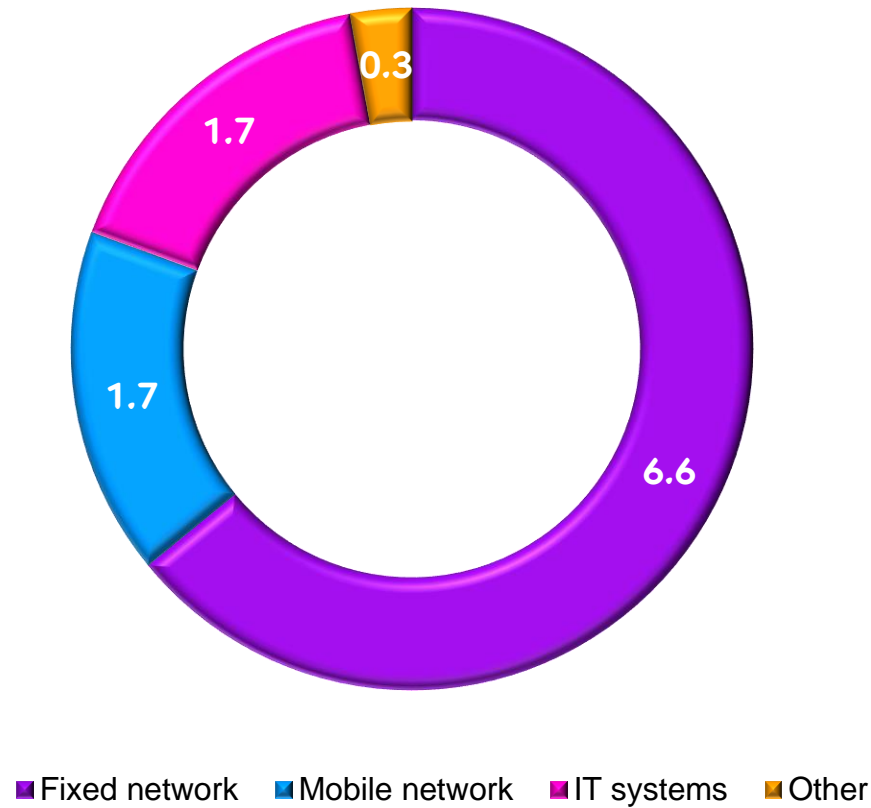
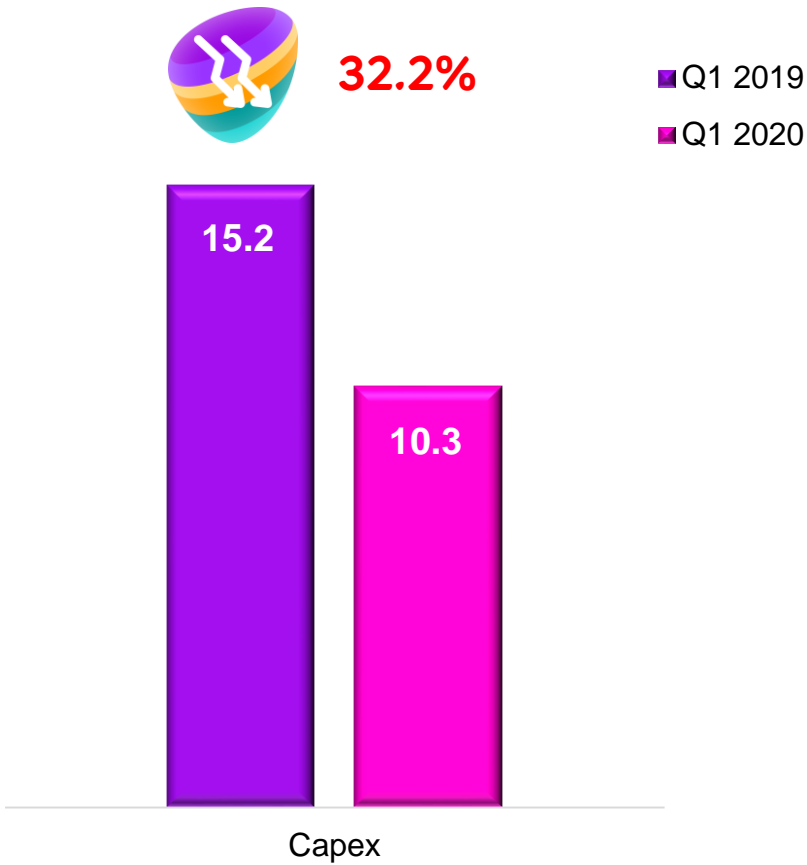
# CASH FLOW & NET DEBT

(EUR million)

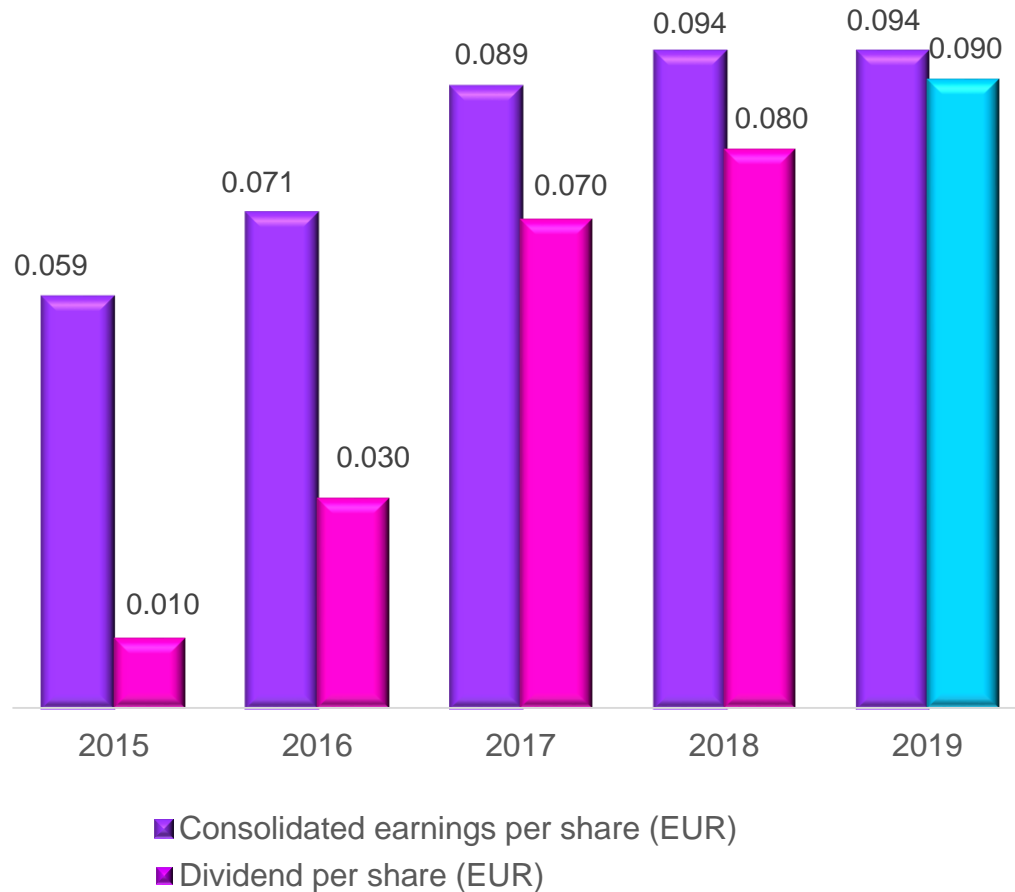


# CAPEX & CAPEX BREAKDOWN FOR Q1 2020

(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 Board proposed to the Annual General Meeting of Shareholders to be held on 28 April 2020 to pay-out **EUR 0.09 dividend** per share for the year 2019



# SHARES AND SHAREHOLDERS

The background of the slide is composed of several diagonal stripes of different colors. From top-left to bottom-right, the colors are red, purple, and yellow. The stripes are of varying widths and create a dynamic, modern look.



# 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 31-03-2020

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

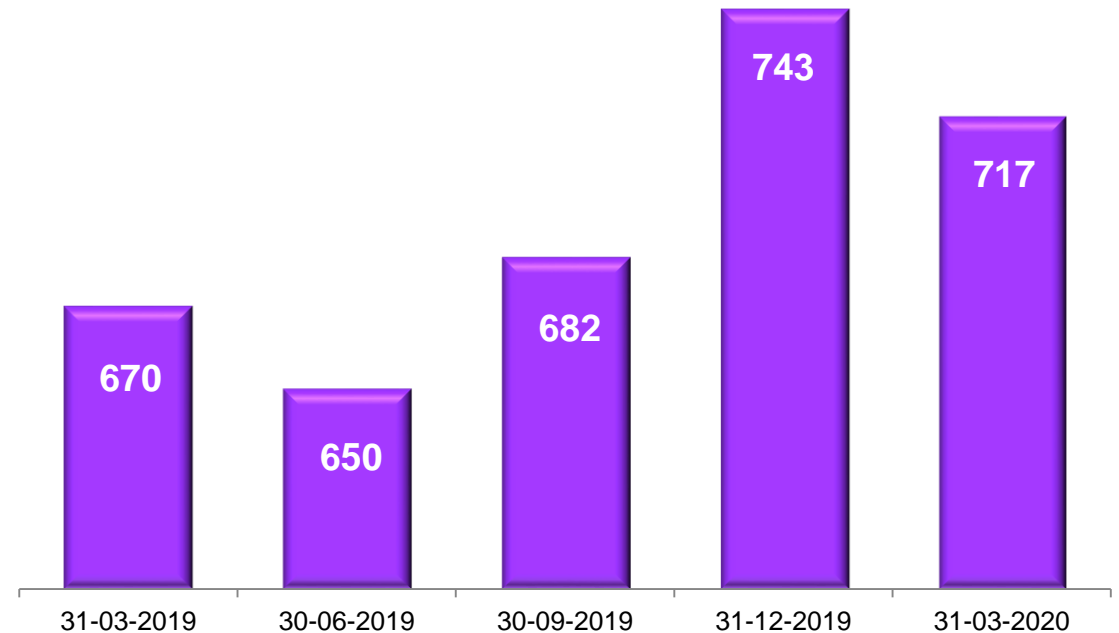


# SHARES

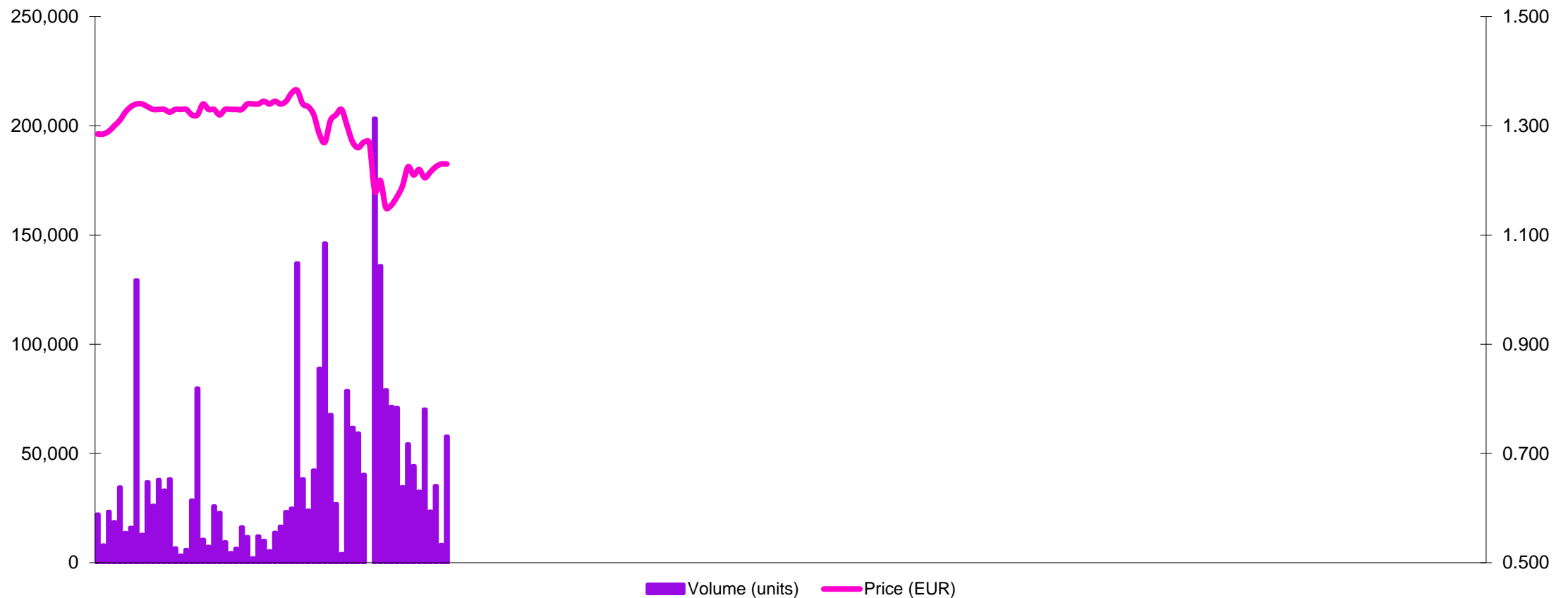
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-March 2020: 2.5 million of shares or EUR 3.2 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2020	1.275
High	1.365
Low	1.135
31-03-2020	1.230

**Market capitalization (EUR million)**



# 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	777.91	-21.65
OMX Vilnius	712.14	604.56	-15.11
TEL1L - Telia Lietuva	1.27	1.23	-3.53

Source: Nasdaq Vilnius



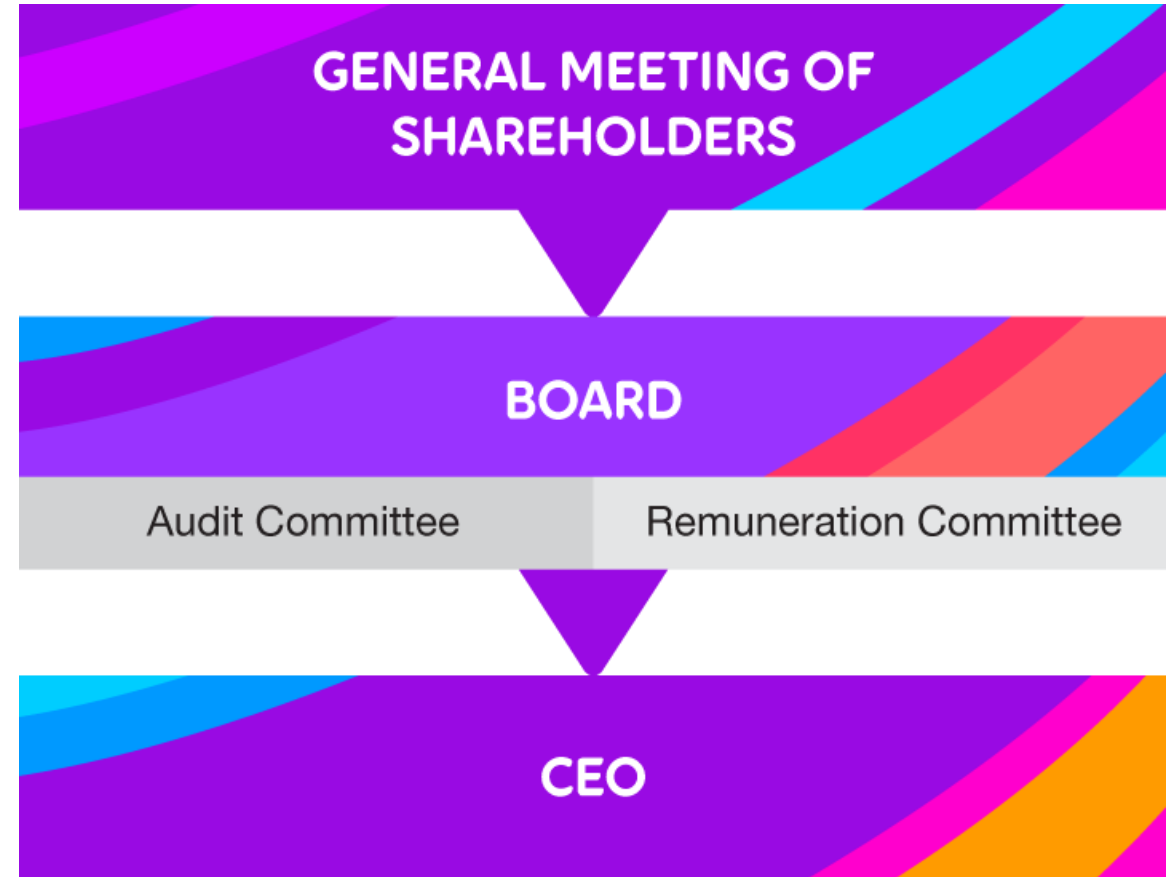
# CORPORATE GOVERNANCE

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 overall effect is a modern, dynamic, and colorful abstract design.



# GOVERNING BODIES

- The **Annual General Meeting** of Shareholders will be 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
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** was 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





# DARING GOALS 2030



