

# Q4 2017 presentation

Oslo / 6 March 2018  
Eirik Lunde, CEO  
Gaute W. Krekling, CFO

# Q4 2017 financials in brief

CUSTOMERS  
at 31 Dec

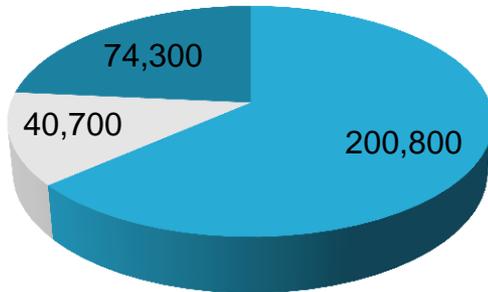
315,800

RGUs  
Revenue  
generating  
units

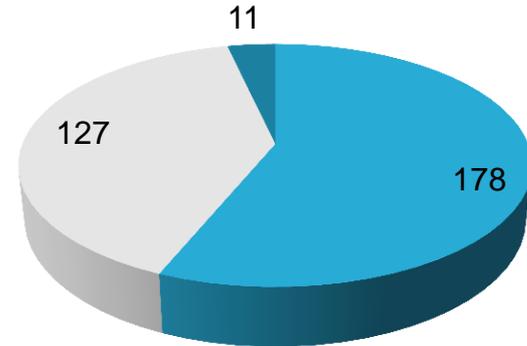
REVENUES  
Q4 '17

316

NOK  
MILLION



- Norway consumers
- Norway businesses
- International



# Q4 2017 financials in brief

REVENUES **316.2** NOK MILLION

CASH **11.5** NOK MILLION

EBITDA **34.4** NOK MILLION

EQUITY RATIO **14.4%**

EBIT **-15.4** NOK MILLION

NET DEBT /EBITDA **1.40**

# Highlights Q4

## REVENUE DEVELOPMENT

- Stable revenue and gross margin development from Q3 to Q4
- Price increases with positive effect on ARPU in consumer broadband and TV

## COST REDUCTION

- The previously announced cost reduction plan (**NOK 40 million** annually) is on track

## STRUCTURAL CHANGES

- Consumer Mobile portfolio sold to Telia during Q4. First payment of 75 MNOK received in January
- Demerger of NextGenTel AS from 1 November to establish Proximo Norge as a separate legal entity to focus on end-user corporate segment

# Financial results

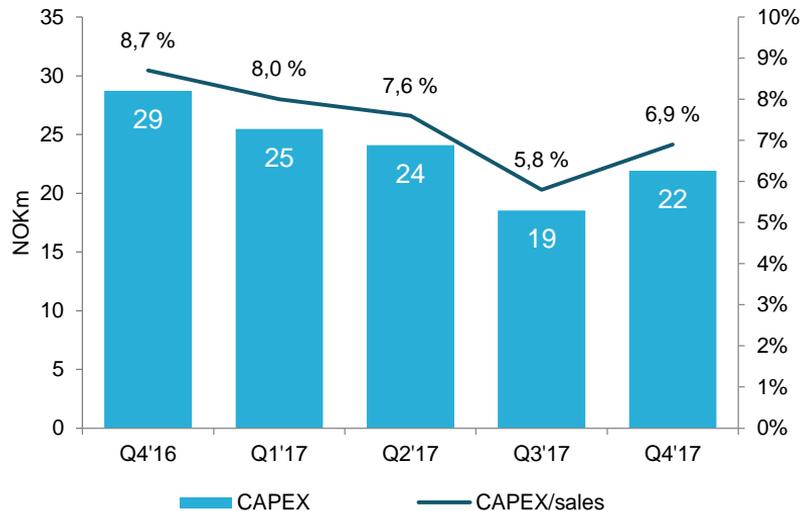
(Figures in NOKm)	Q4 2017	Q3 2017	Q4 2016
Revenues	316.2	317.4	330.0
Gross margin	41.6%	41.4%	46.8%
EBITDA	34.4	35.9	53.9
EBIT	(15.4)	(7.8)	10.0
Cash flow from operations	2.3	64.6	38.5
Free cash flow per share	(0.82)	2.02	0.51
Cash and cash equivalents at end of quarter	11.5	24.4	66.6

- Stable revenue and gross margin development in Q4
- EBITDA negatively affected by restructuring cost in Q4
  - De-merger of NextGenTel AS to establish Proximo as a separate legal entity
- One-off depreciations related to reclassification of leasing agreements affect EBIT negatively with 6.3 MNOK
- Cash flow from operations mainly affected by tax payments in Q4 and fluctuations in working capital

# CAPEX development

Lower capex key to improve cash flow

Positive trend

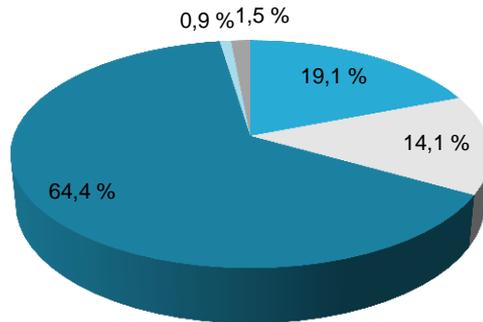


- Capex reduction ahead of ambition to reach 8% capex/sales for 2017.
- Total capex/sales for FY'17 of 7.1%

Note: Capex in Q2'17 do not include the acquisition of Bayonette customer base (4.5 mNOK)

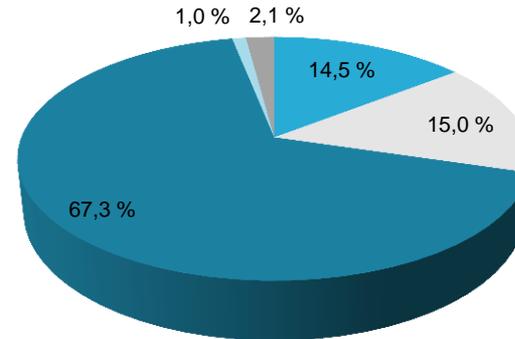
# Product mix – share of revenues

Q4 2017



- VoIP/fixed
- Mobile
- Broadband (incl TV)
- Wholesale
- Other

Q4 2016



# Consumer broadband

- Revenue growth on fiber based broadband compensate for the decline in xDSL revenues in Q4
- Improved Vula Fiber margin in Q4 and potential further cost reductions announced (through regulations)
- Implemented price increases with positive effect on ARPU in Q4

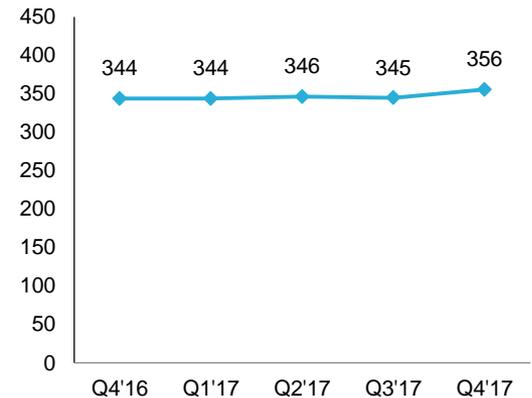
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



## ARPU (NOK/MONTH)



Note: Historical subscription figures updated due to implementation of new BSS revealing an error in historical figures

# Consumer TV

- TV subscribers represent a smaller share of the broadband customer base
- Growth in high-speed broadband will facilitate upselling of TV services
- Price increase in Q4 with positive effect on ARPU

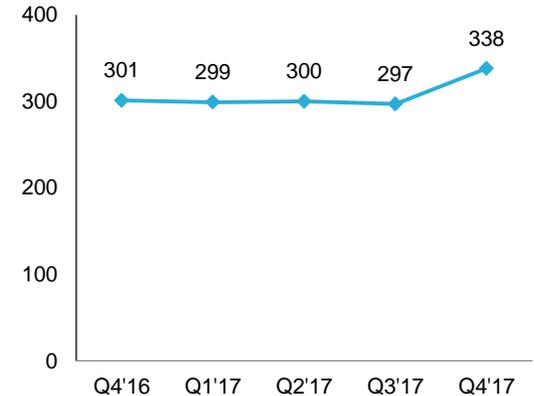
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



## ARPU (NOK/MONTH)



Note: Historical subscription figures updated due to implementation of new BSS revealing an error in historical figures

# Consumer mobile

- Negative effect on ARPU from EU regulation and introduction of data rollover
- All consumer mobile customers will be ported to Telia during March 2018

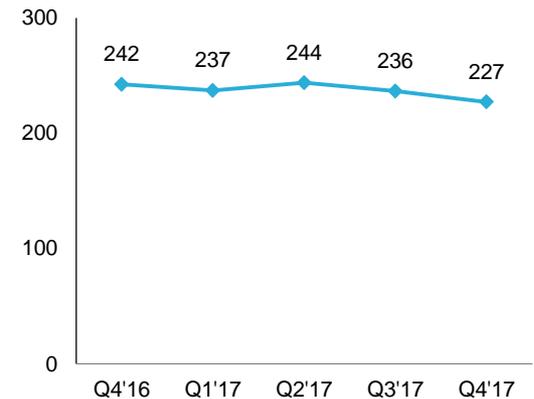
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



## ARPU (NOK/MONTH)



# Consumer VoIP

- Subscriber base following the long term trend of VoIP being replaced by mobile
- Stable ARPU

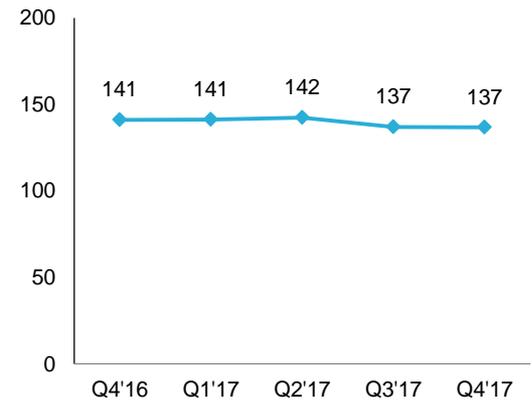
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



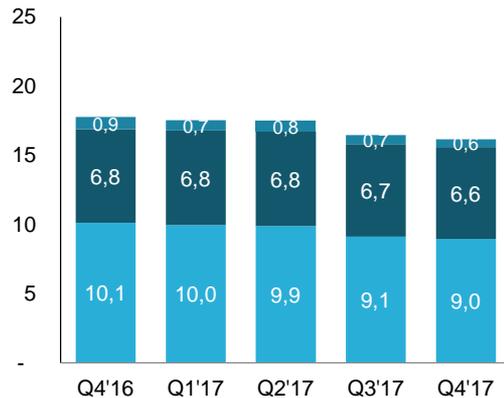
## ARPU (NOK/MONTH)



# Business datacom

- Within the SMB segment, customers of Internet access over xDSL churn in favor of fiber or mobile broadband. Within Retail, xDSL is still the preferred access technology
- Stable revenues supported by ARPU increase in Q4

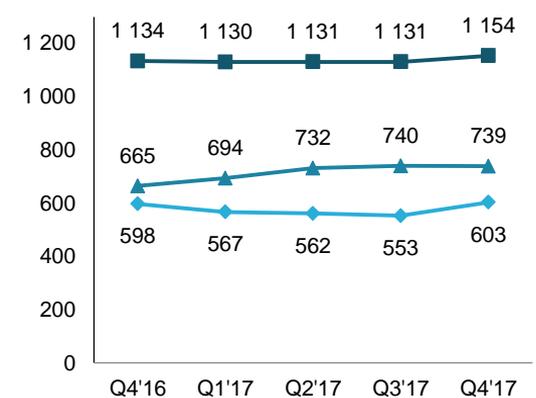
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



## ARPU (NOK/MONTH)



# Business mobile

- ARPU development from Q3 affected by EU regulation and data rollover
- Price increases made during Q1 2018

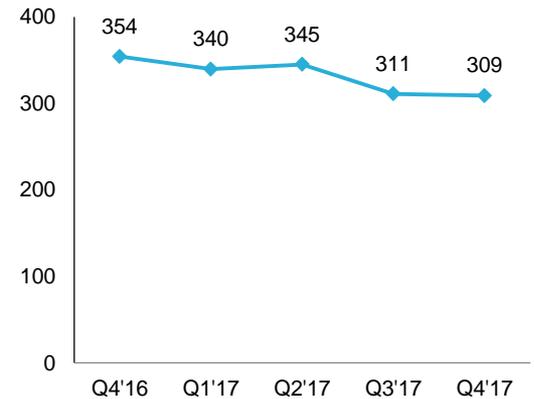
## SUBSCRIPTIONS ('000)



## REVENUES (MNOK)



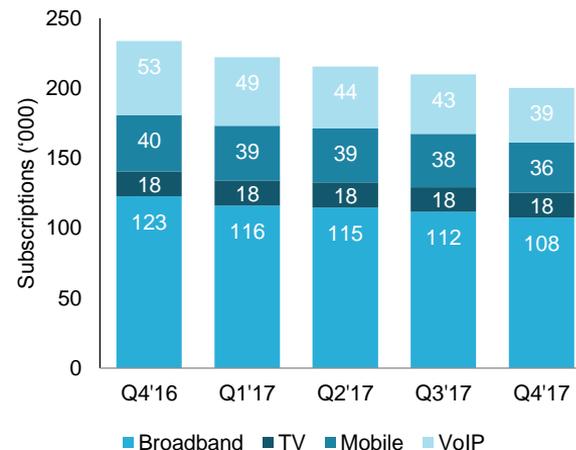
## ARPU (NOK/MONTH)



# Pro forma financial results NextGenTel (B2C)

(Figures in NOKm)	Q4 2017	Q3 2017	FY 2017
Revenues	189	191	779
Gross margin	40.6%	40.4%	41.0%
EBITDA	23	18	91

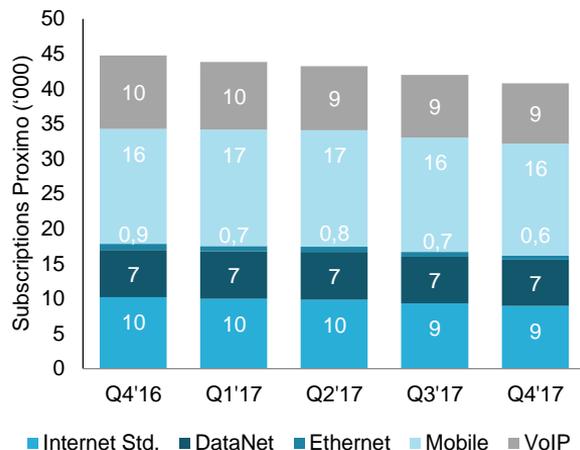
*Pro forma figures are based on certain assumptions and may vary from future actual figures after completion of the demerger*



# Pro forma financial results Fiber Norge (B2B)

(Figures in NOKm)	Q4 2017	Q3 2017	FY 2017
Revenues	129	126	490
Gross margin	38.8%	39.1%	42.2%
EBITDA	11	14	57

*Pro forma figures are based on certain assumptions and may vary from future actual figures after completion of the demerger*



*In addition comes approximately 6,000 RGUs in Kvintel as of Q4'17*

# Break-down pro forma EBITDA

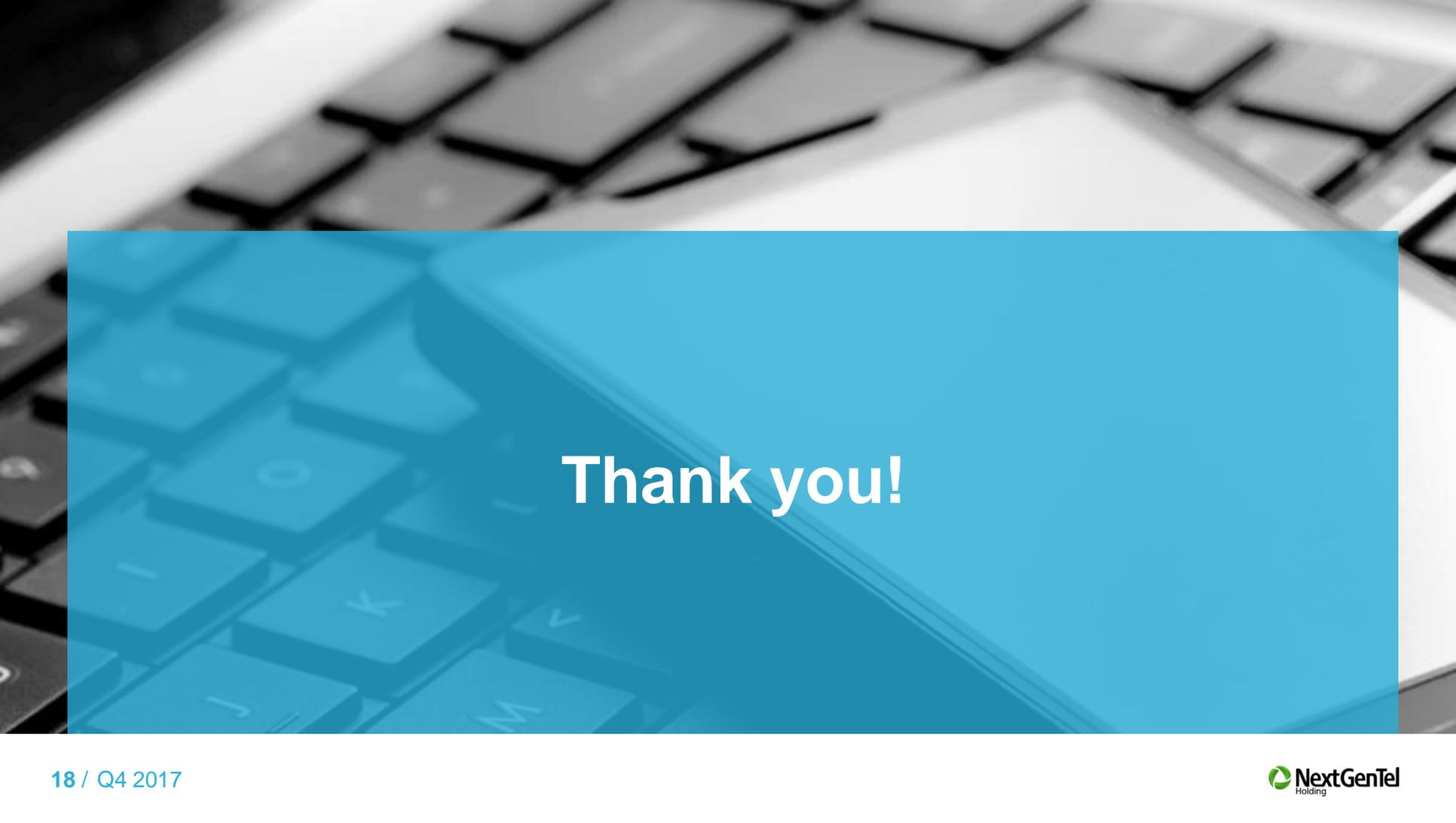
(Figures in NOKm)	Q4 2017	Q3 2017	FY 2017
Fiber Norge (B2B)	11	14	56
NextGenTel (B2C)	23	18	91
Int'l markets	6	6	24
Eliminations	-6	-2	-10
<b>EBITDA Group</b>	<b>34</b>	<b>36</b>	<b>161</b>

*Pro forma figures are based on certain assumptions and may vary from future actual figures after completion of the demerger*

# Financial calendar 2018

Q1 2018

Thursday 26 April 2018 at 09:00



**Thank you!**

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