



# NextGenTel Holding ASA

## Q1 2016 presentation

Eirik Lunde, CEO

Thon Hotel Vika Atrium, Oslo  
28 April 2016

# This is NextGenTel Group

Customers

412,000

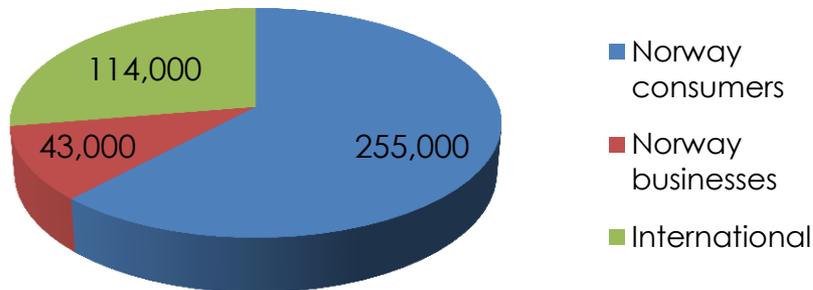
RGUs

Revenues

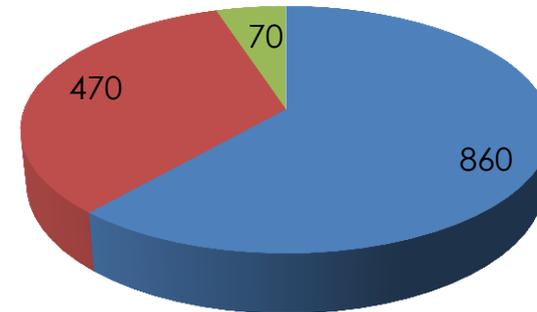
1,400

NOK million

Customers break-down



Revenues break-down



xDSL



Datacom



TV



Fiber



Voice



# Q1 2016 in brief

Revenues

344.1

NOK million

EBITDA

54.5

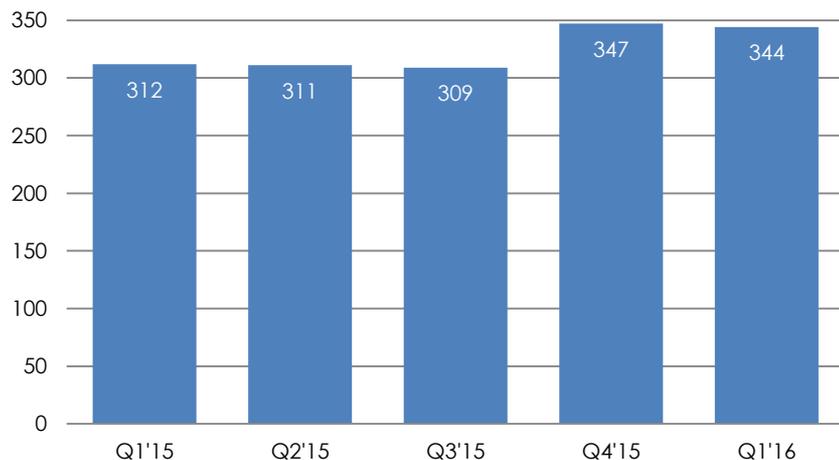
NOK million

EBIT

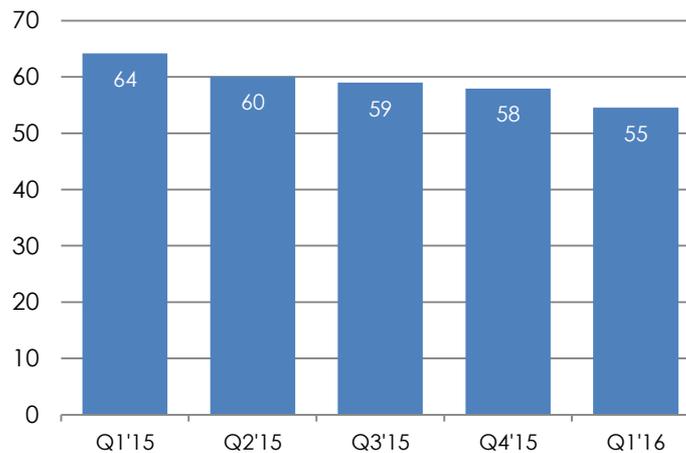
24.2<sup>1)</sup>

NOK million

Revenues (NOKm)



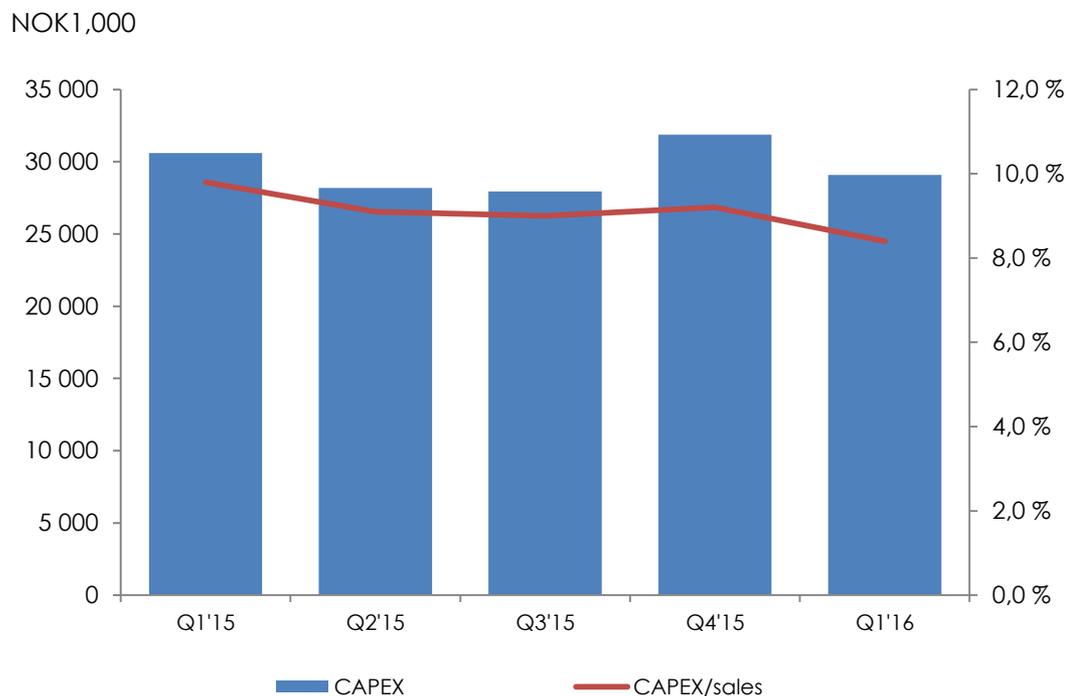
EBITDA (NOKm)



1) EBIT adjusted for amortization of excess values related to business combinations (acquisitions of NextGenTel and Kvantel).

Note: EBITDA Q4'15 adjusted for none-recurring acquisition costs

# CAPEX development



- Quarterly variations in capex depending on maintenance needs, customer inflow, changes in customer equipment, development projects etc
- Capex/sales was 9.3% in 2015
- Plan to reduce capex by NOK 15 million in 2016 and further reduce capex/sales below 7% during 2017

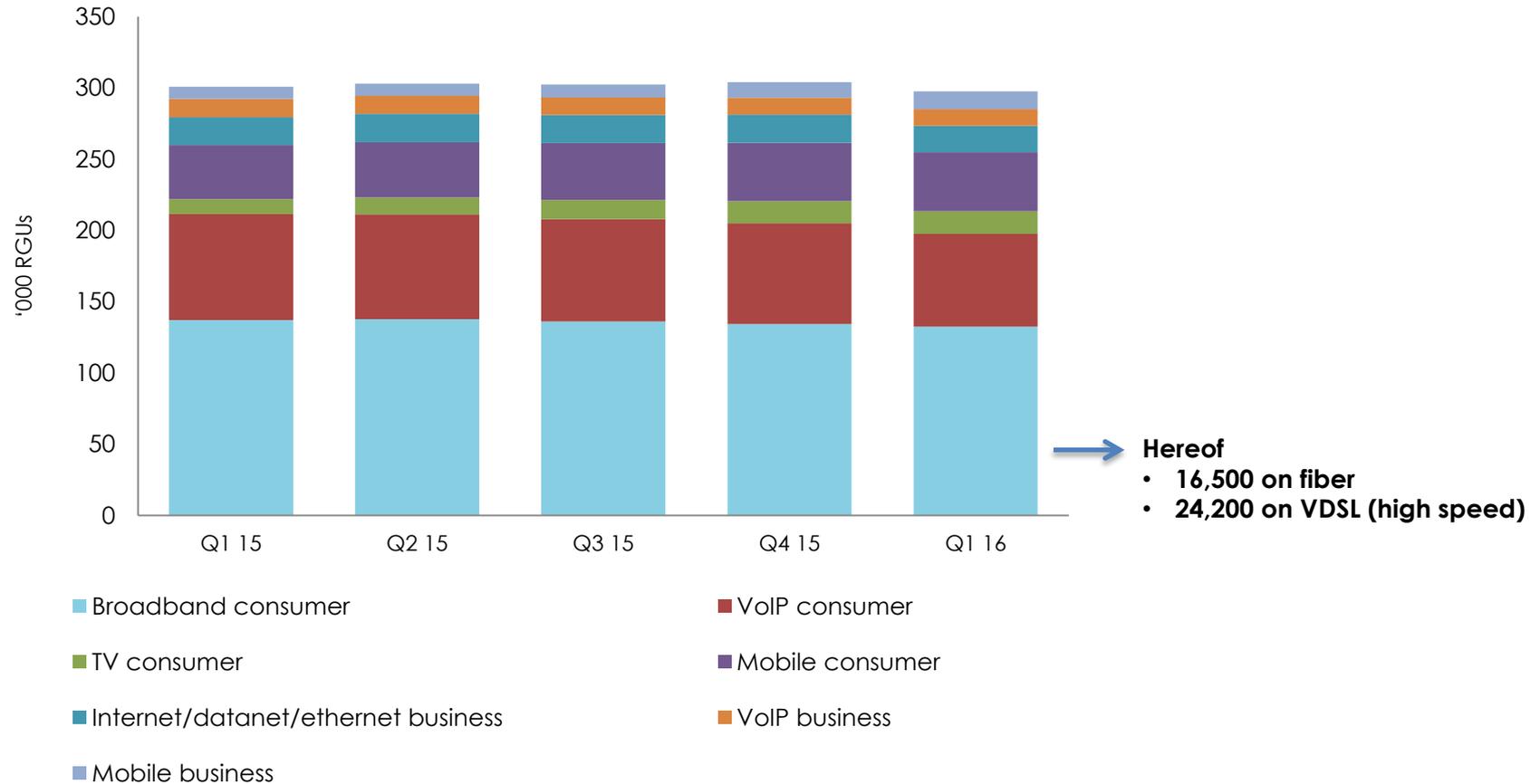
# Norway (excl Kvantel) Financials – P&L

NOK million	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Total revenue	<b>286.9</b>	288.7	292.9	293.7	289.7
Gross profit	<b>136.7</b>	141.7 <sup>1)</sup>	148.7	150.7	147.1
Gross margin	<b>47.6%</b>	49.1%	50.8%	51.3%	50.8%
Total opex	<b>(88.9)</b>	(89.6)	(91.3)	(94.4)	(89.1)
EBITDA	<b>47.8</b>	52.1	57.4	56.3	58.0
D&A	<b>(26.9)</b>	(27.6)	(28.6)	(27.8)	(28.1)
EBIT	<b>20.9</b>	24.5	28.8	28.5	29.9
CAPEX	<b>26.8</b>	29.7	27.5	28.2	30.6

- Decline in customer base affects revenues negatively
- High margin revenues being replaced by lower margin revenues
- Initiatives to improve gross margin
  - Price increases within competitive terms
- Planned opex and capex reductions
  - Opex NOK 5 and 10 million in 2016 and 2017 respectively
  - Capex NOK 15 million in 2016 and capex/sales of 7% at the end of 2017

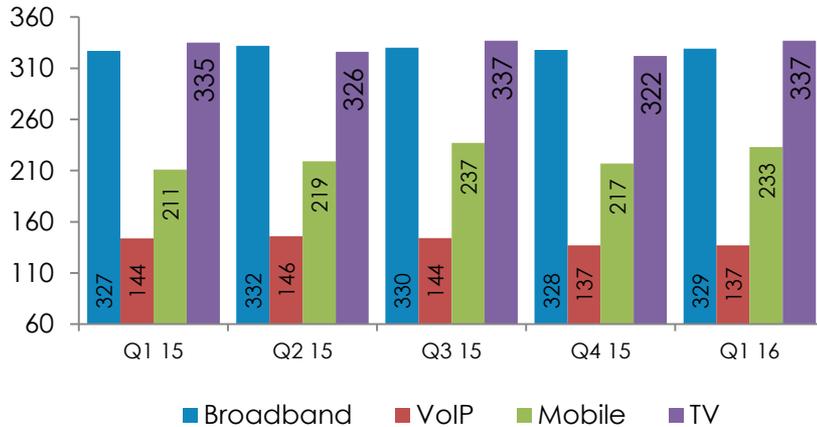
<sup>1)</sup> Adjusted for one-off items

# Customer base development

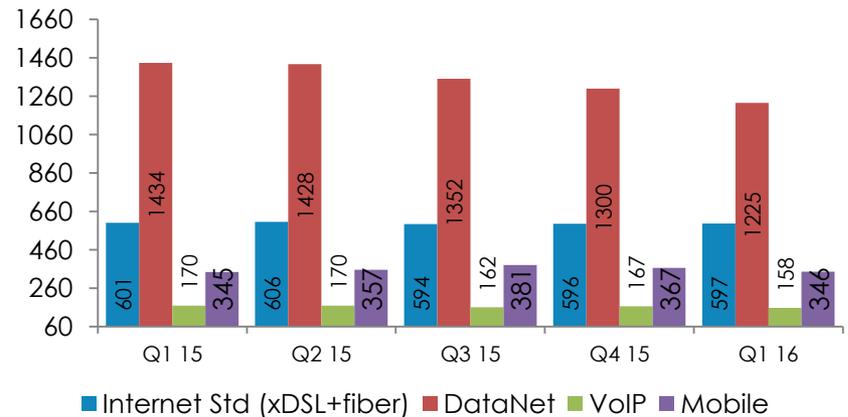


# ARPU by product/segment

Consumer segment – monthly ARPU by product (NOK)



Business segment – monthly ARPU by product (NOK)



# Revitalized copper – when?

- Negotiations between xDSL operators are being done via
  - Bredbåndsforum
    - Organized by NKOM, the national regulator
  - Bilateral discussions
- LOI signed between Telenor and NextGenTel (30.10.2015) regarding high-speed pilots in Stord and Garten
- Timeframe
  - Agreement between operators in Norway most likely signed in the period June-September 2016
  - First effect on network and customers from Q4 2016

# Kvantel restructuring

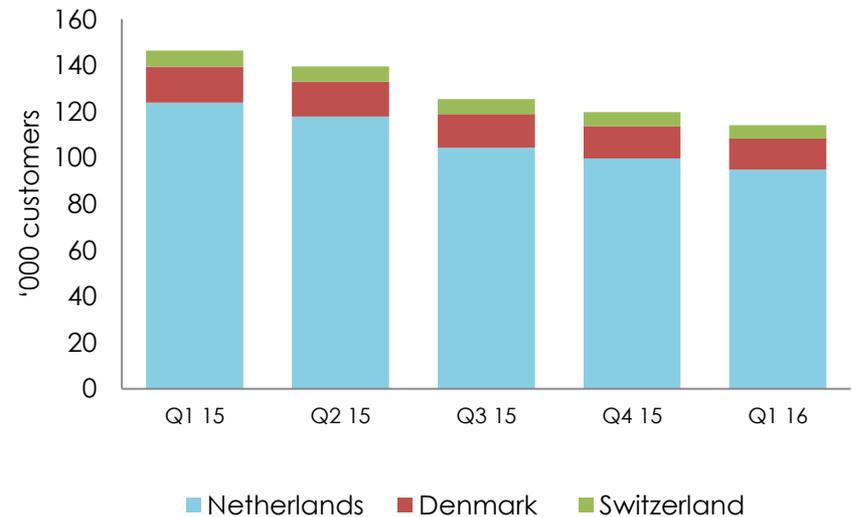
- The restructuring of Kvantel develops according to plan
- Organizational changes will have full impact from Q2 2016
- Initiatives for reduction in CoGS and backbone costs are ongoing and will also show financial impact from Q2 2016

# International markets

- Telio brand (DK and CH)
  - Primary focus to maintain customer base and profitability
  
- Netherlands
  - Migration of KPN ITNS customers completed

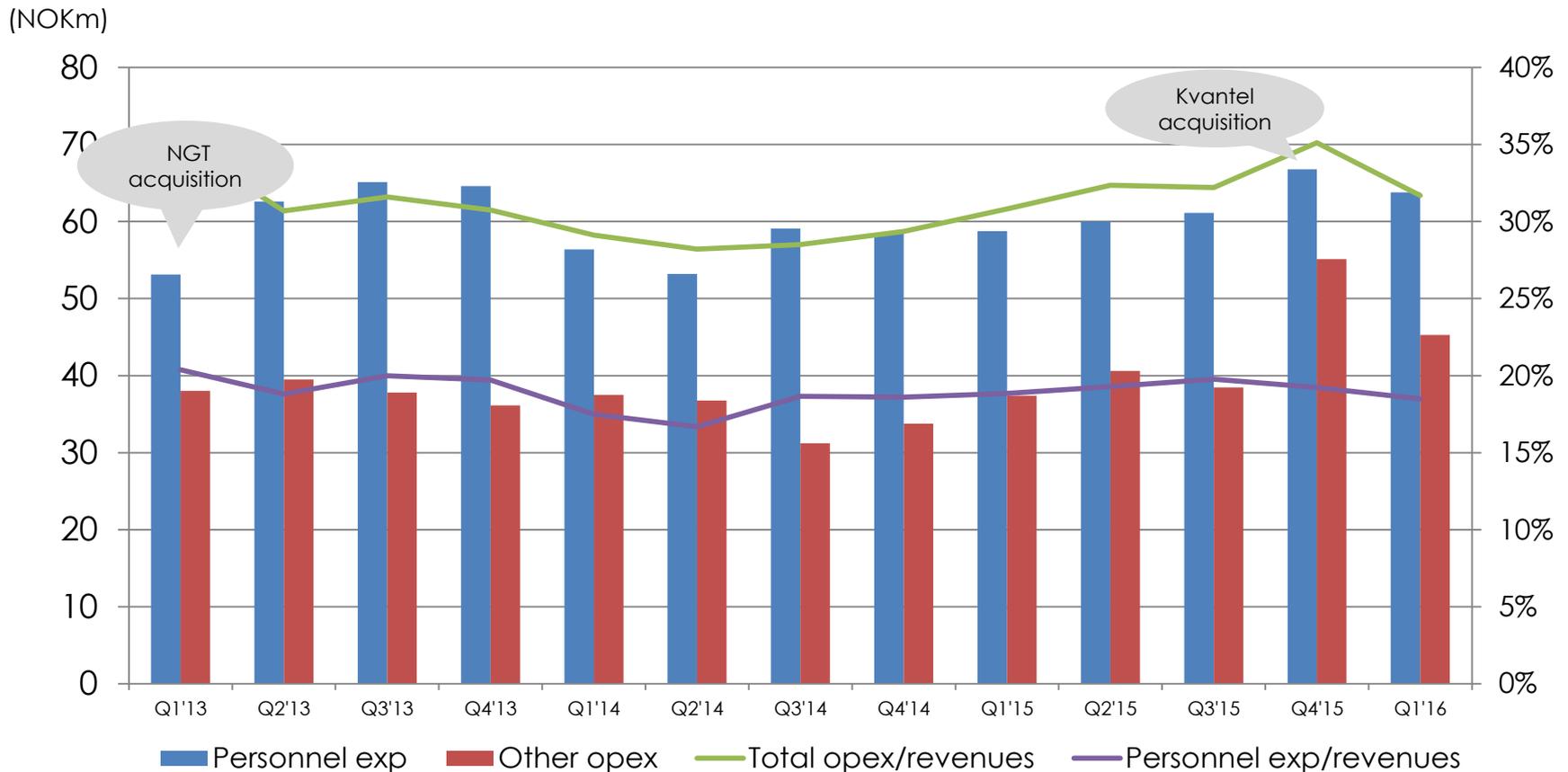
NOK million	Q1'16	Q4'15	Q3'15	Q2'15	Q1'15
Total revenue	<b>15.9</b>	15.8	16.9	19.3	21.9
Gross profit	<b>9.7</b>	9.6	10.3	10.9	12.5
Gross margin	<b>61%</b>	61%	61%	56%	57%

Customer base development



# Opex – planned reductions

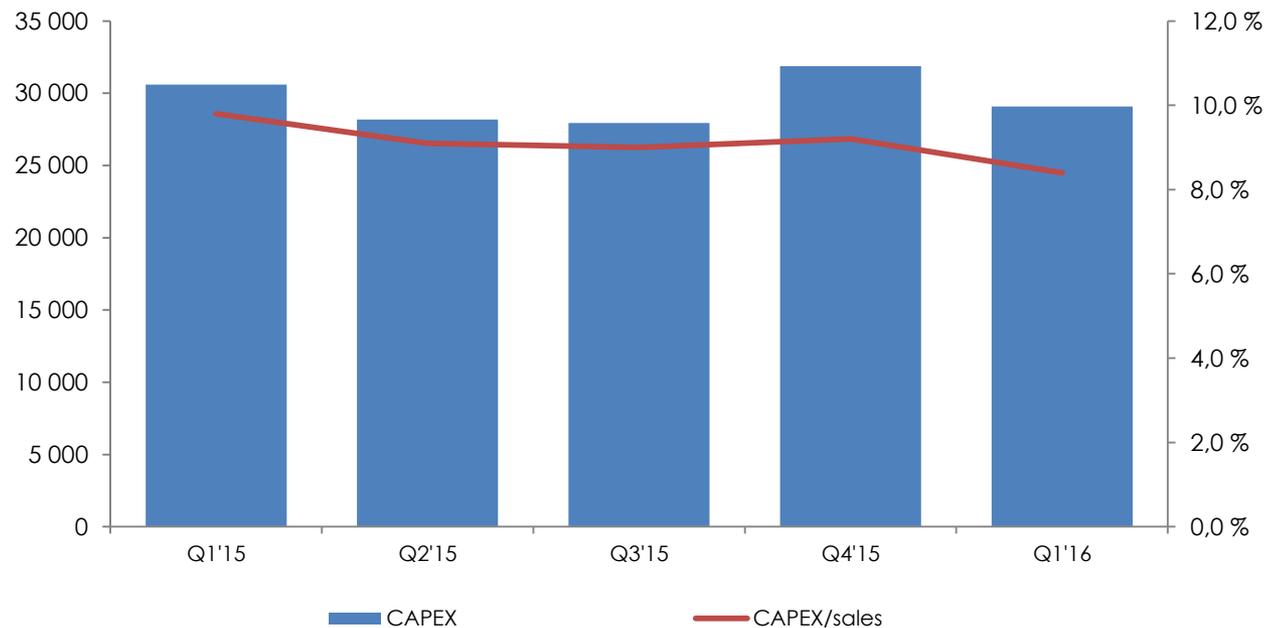
- Efficiency gains from implementation of new business support system (Q3/Q4 2016)
- Plan to reduce total opex to 29% of revenues by end 2017 (estimated effects of NOK 5 and 10 million in 2016 and 2017 respectively)



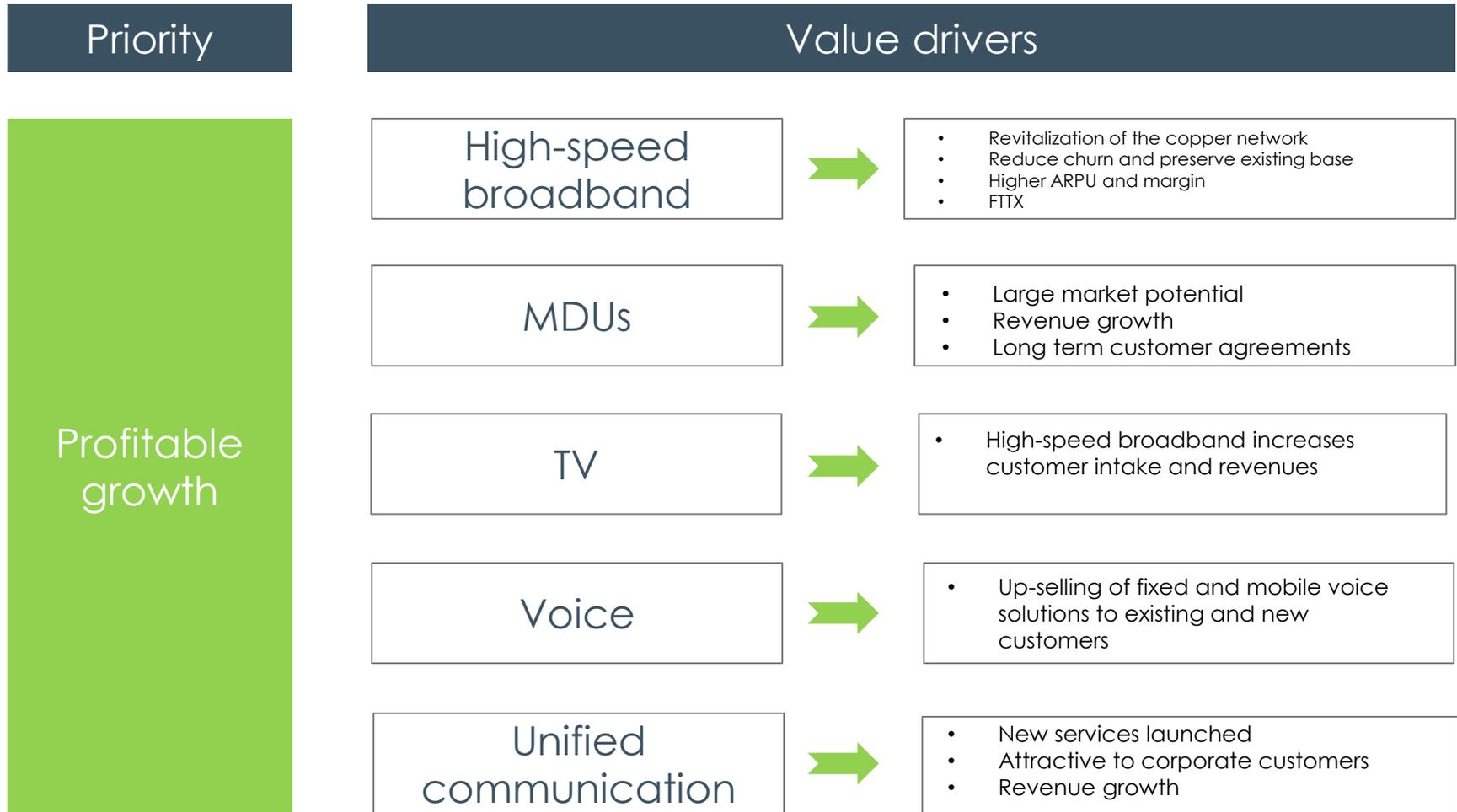
# CAPEX – planned reductions

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(NOKm)



# Strategic focus – ensuring value creation



Thank  
you!

**Financial calendar 2016**

Q4: 11 February

CMD: 20 April

Q1: 28 April

Q2: 25 August

Q3: 27 October

AGM: 21 April

Investor relations:

[www.nextgentelholding.com](http://www.nextgentelholding.com)

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