

Press release**July 20, 2018**

Telia Company acquires Bonnier Broadcasting

“Fully in line with our strategy and ambition to offer more to our customers”

Telia Company acquires Bonnier Broadcasting, including brands TV4, C More and Finnish MTV, from Bonnier AB for SEK 9.2 billion on a cash and debt free basis, equivalent to an EV/EBIT multiple of 15.4x, based on last 12-month performance as per March 31, 2018, or 7.7x including full run rate of synergies. The acquisition will combine Telia Company’s leading mobile and fixed network with one of the most successful commercial media-houses in the Nordics.

“It is a very important day for Telia Company. The acquisition is a natural next step to complement Telia Company’s core business, where our millions of customers give us a very strong position in the market. Together with TV4 we will serve customers and viewers in new ways and create new business opportunities,” says Johan Dennelind, President and CEO of Telia Company. “We have great respect for our new role as a media owner and have a clear view of how we will maintain the editorial integrity of the business going forward. I look forward to welcoming some of the most talented TV-content producers in the Nordics to Telia Company.”

The way in which information and entertainment is produced, distributed and consumed is profoundly being transformed. TV and content have been an important part of Telia Company’s strategy since 2014 and the company has successfully established a TV-business currently serving approximately 1.8 million households. Last year the exclusive rights to the Finnish ice hockey League, Liiga, were acquired. The acquisition of TV4, C More and MTV is of strategic importance to Telia Company as it strengthens the company in the fast growing area of video content consumption.

“We are proud of what we have achieved with our businesses within Bonnier Broadcasting. Telia Company, with its leading mobile networks and technical capabilities, will be an excellent owner and develop these businesses further,” says Tomas Franzén, President and CEO of Bonnier AB.

With this acquisition, Telia Company will establish a new business area, where both Telia’s existing TV business and the Bonnier Broadcasting businesses will be included. The intention is that Casten Almqvist, who is currently CEO of Bonnier Broadcasting, will become CEO of that business area.

The acquisition of Bonnier Broadcasting will not affect Telia Company’s share buy-back program or dividend policy. The acquisition is expected to generate synergies as per 2020 with a full run rate of SEK 600 million in 2022.

The transaction is subject to regulatory approvals and is expected to be completed during the second half of 2019.

Bonnier Broadcasting

- In Sweden, Bonnier Broadcasting consists of, in addition to the parent company, the two businesses; advertising-TV (TV4 AB) and pay-TV (C More Entertainment AB) with brands TV4 and C More.
- TV4 consists of all TV4’s channels, TV4 Play as well as additional advertising-funded services, such as Fotbolls kanalen and Köket. Within C More is a streaming service and a large number of pay-TV channels.
- Finnish MTV consists of both a free-TV offer as well as the pay-TV service C More.
- Bonnier Broadcasting, TV4, C More and MTV employ approximately 1,200 employees.

We’re Telia Company, the New Generation Telco. Our approximately 20,000 talented colleagues serve millions of customers every day in one of the world’s most connected regions. With a strong connectivity base, we’re the hub in the digital ecosystem, empowering people, companies and societies to stay in touch with everything that matters 24/7/365 - on their terms. Headquartered in Stockholm, the heart of innovation and technology, we’re set to change the industry and bring the world even closer for our customers. Read more at www.teliacompany.com



Transaction in short

- Purchase price of SEK 9.2 billion on a cash and debt free basis with a potential additional amount of maximum SEK 1 billion. The additional amount will be decided based on future operational performance on revenues and EBITA.
- Bonnier Broadcasting had revenues of SEK 7.5 billion in the last 12-month period as per March 31, 2018, and an EBIT of SEK 600 million. The operational free cash flow amounted to SEK 300 million.
- The transaction is expected to generate synergies as per 2020 with a full run rate of SEK 600 million in 2022.
- The integration costs are expected to amount to SEK 400 million on an aggregated level in 2020 and 2021.
- On a standalone basis, Bonnier Broadcasting is expected to contribute by SEK 600 million, or by SEK 500 million net of synergies and integration costs, to Telia Company's operational free cash flow 2020.
- The purchase price equals an EV/EBIT multiple of 15.4x last 12-month performance as per March 31, 2018. Including full run rate synergies the EV/EBIT multiple is 7.7x.
- The pro forma impact on net debt to EBITDA equals 0.2x.

On the occasion of Telia Company's quarterly report for the second quarter, a press and analyst conference will be held in English on July 20, at 9:30 CET

With Johan Dernelind, President and CEO of Telia Company, and Christian Luiga, CFO of Telia Company.

Presentation material will be available ahead of the conference call at www.teliacompany.com

Dial-in number: +44 (0) 2071 928 000, 0800 3767 922

Access code: 1587766

You can also listen to the conference call afterwards until July 24, 2018.

Replay number: +44 (0) 3333 009 785

Access code: 1587766

On the occasion of the acquisition of Bonnier Broadcasting, a press meeting in Swedish will be held on July 20, at 11:00 with Johan Dernelind, President and CEO of Telia Company, Tomas Franzén, President and CEO of Bonnier AB and Casten Almqvist, CEO of Bonnier Broadcasting AB.

Place: Telia Company's Head Office, Stjärntorget 1, Solna

This information is information that Telia Company AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 07:00 CET on July 20, 2018.

For more information, please contact our press office +46 771 77 58 30, visit our [Newsroom](#) or follow us on Twitter [@Teliacompany](#).

Forward-Looking Statements

Statements made in the press release relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Telia Company.

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