

Press Release
March 26, 2020

Telia Company to give updated 2020 outlook as soon as possible due to increased uncertainty as COVID-19 impacts TV & Media unit - Board of Directors adjust 2019 dividend proposal

The COVID-19 pandemic will have a negative financial impact on Telia Company's TV & Media unit. At present the effects on the rest of Telia Company's business are limited but the impact on TV & Media means that the 2020 outlook* for the Group on EBITDA and operational free cash flow will not be reached. Telia Company will continue to assess all mitigating actions that have been identified and will aim to update the view on the situation and the year as soon as possible. The Board of Directors has decided to amend its dividend proposal to the Annual General Meeting to SEK 1.80 per share from the previous SEK 2.45 proposal. An Extra General Meeting could be called for in the autumn to decide on a potential additional dividend.

The outbreak of the COVID-19 (Corona) pandemic is something that we have never witnessed or seen before as a society. Telia Company continues to provide essential services to our customers and to society, a role we are proud of and an obligation that we take seriously. Telia Company as a Group is not unaffected by the pandemic, but the visibility is limited with high uncertainty which leaves the long-term impacts and consequences for Telia Company unclear.

"The effects from the pandemic will have a material negative financial impact primarily on the TV & Media unit. Despite an increased TV consumption, which has resulted in an increase in the reach for our already popular TV channels, Telia Company has witnessed a rapid decline in the advertising revenues. In addition, the global cancellation of sporting events has had a negative impact on our pay-TV revenues. Given the present circumstances the full impact for 2020 is difficult to estimate but our current assumptions suggests an EBITDA for the TV & Media unit in the range SEK 0-0.5 billion (2019 SEK 1.5 billion). This implies that the ambition of an operational free cash flow of around SEK 0.5 billion from TV & Media in 2020 will not be met but we cannot give a new level at this point," says Christian Luiga, acting President and CEO of Telia Company.

Based on the impact from the TV & Media unit thus far, Telia Company can conclude that the outlook for the Group 2020 will not be reached. "So far, and based on present assumptions and data, our assessment is that the other business units excluding TV & Media will be affected to a limited extent. However, the longer the current effects and restrictions taken stays in effect, the more likely is a negative impact also on the telco business, which are not quantifiable at this stage," says Christian Luiga.

The risk areas that have been identified where there could be potential impacts are:

- current traveling restrictions results in declining roaming revenues
- limited sports content puts pressure on TV distribution revenues
- changed market dynamics impact planned commercial activities
- the general supply chain effects
- wellbeing and accessibility of our employees and key contractors
- the financial stability of our customers

The Company has initiated the work to mitigate a potential impact for the entire Group and continuously monitor and evaluate the identified risks.

We're Telia Company, the New Generation Telco. Our approximately 21,000 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



Telia Company's operations are currently characterized by a high degree of uncertainty and limited visibility. The Company will continue to analyze trends and mitigating actions in respect of service revenues, costs and investments with the ambition to give an updated view on the situation and the year as soon as possible.

The Board of Directors proposes to amend the dividend to a level of SEK 1.80 per share for 2019 (equal an absolute amount of SEK 7.4 billion) at the upcoming Annual General Meeting rather than the SEK 2.45 (absolute amount SEK 10bn) as previously proposed. "The dividend payment is still proposed to be made in two separate tranches. The reason for the revised proposal is the impact the COVID-19 outbreak has had on the TV & Media unit but also the current high uncertainty in our markets. Depending on how the situation develops, the Board of Directors may consider calling for an Extra General Meeting in the autumn to decide on a potential additional dividend, provided the market and visibility stabilize, and provided a continuing strong financial position," says Lars-Johan Jarnheimer, Chair of the Board of Telia Company.

* Adjusted EBITDA based on group structure at year-end 2019 and at stable currencies, was expected to grow 2-5 percent compared to 2019 and Operational free cash flow was expected to be between SEK 10.5 and 11.5 billion

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 12.50 CET on March 26, 2020.

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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