

NextGenTel Holding ASA

Q1 2015 Presentation

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Oslo
7 May 2015

This is NextGenTel Group

Background Telio	<ul style="list-style-type: none"> ▪ Pioneer in the Norwegian VoIP market – rapid growth after the introduction of VoIP services in 2004 ▪ Listed on Oslo Stock Exchange in June 2006 ▪ 76% of revenues generated in Norway, and Telio also has established market positions in Denmark, Switzerland and the Netherlands. ▪ Large share of revenues are recurring (subscription based)
Background NextGenTel	<ul style="list-style-type: none"> ▪ Founded in 2000 and a frontrunner within broadband technology and services ▪ Has today a #2 market position within DSL broadband in Norway with 160,000 broadband subscribers (xDSL and fiber) ▪ 74% of revenues generated within the consumer segment and 26% within the corporate segment ▪ Large share of revenues are recurring (subscription based) ▪ Acquired by Telio with effect from 1 February 2013
NextGenTel Holding ASA	<ul style="list-style-type: none"> ▪ The parent company - changed name from Telio Holding ASA in May 2015

The NextGenTel Group is a major player in providing fixed and mobile internet communication services to consumers and businesses with a #2 position within DSL broadband in the Norwegian market. The range of services covers access independent broadband, data net, Ethernet, VoIP, mobile and TV. In addition, the Group provides VoIP services to consumers in Denmark, Switzerland and the Netherlands.

www.nextgentel.com
www.nextgentelholding.com

Change of company name and ticker

- After the acquisition of NextGenTel AS, Telio Telecom AS and NextGenTel AS have merged with NextGenTel AS as the acquirer with effect from 1 January 2015
- NextGenTel has the strongest brand name and the AGM approved 24 April 2015 to change the name of the parent company from Telio Holding ASA to NextGenTel Holding ASA to support the identity to the NextGenTel brand in the Norwegian market
- The new ticker at Oslo Stock Exchange is 'NGT'



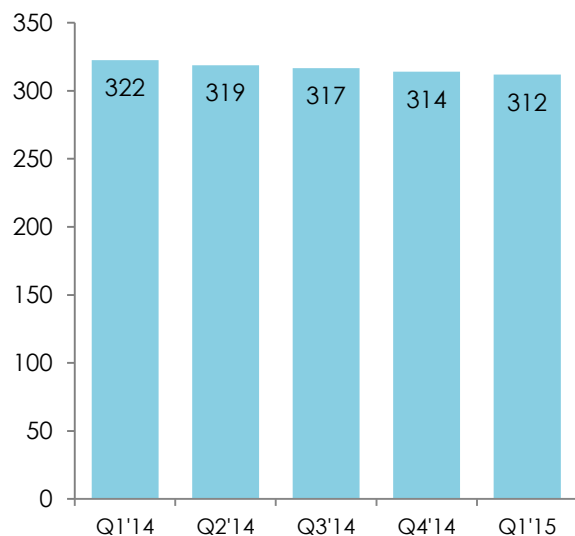
A close-up photograph of a business meeting. Several people in business attire are gathered around a table, looking at and pointing to various financial documents. The documents include line charts and tables of data. A blue speech bubble is overlaid on the left side of the image, containing the text 'NextGenTel Group Financials'.

NextGenTel Group Financials

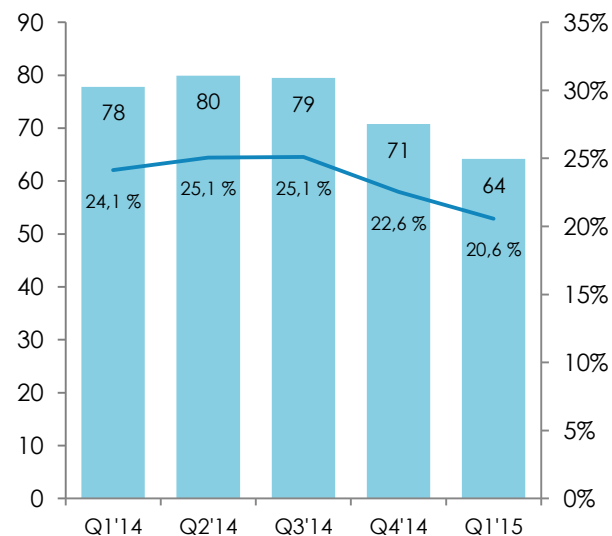
Q1 2015: Highlights

- Revenues NOK 311.9 million
- EBITDA NOK 64.2 million
- EBIT NOK 36.4 million ¹⁾
- Quarterly dividend of NOK 1.25 per share announced (paid 9 April)

Revenues (NOKm)

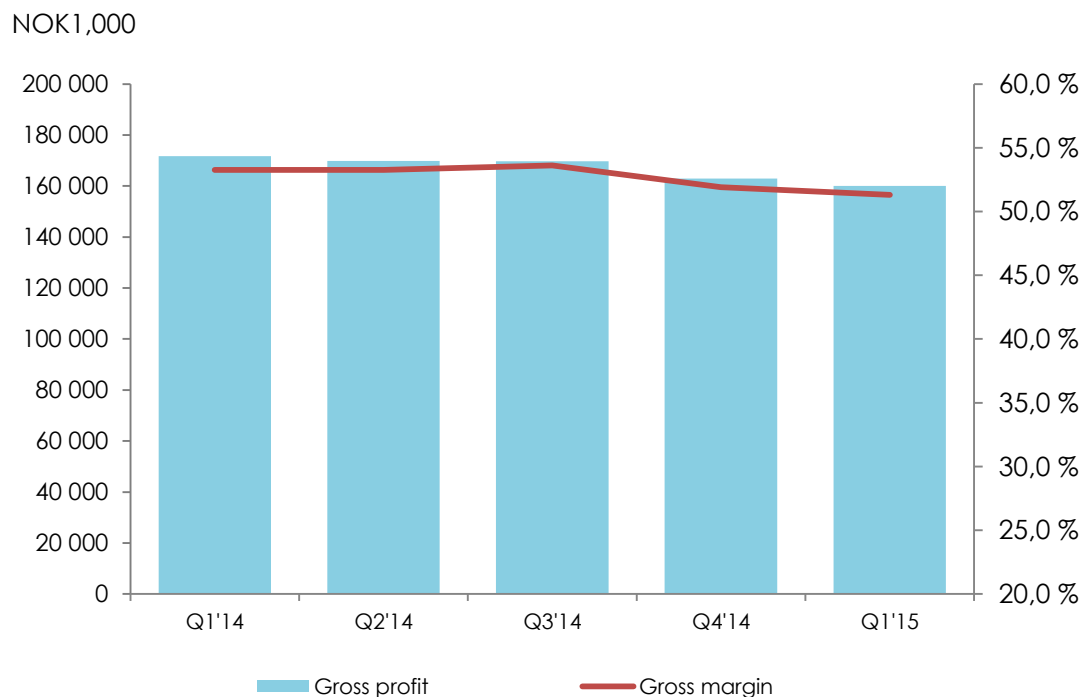


EBITDA (NOKm) and EBITDA margin



Note: Reported EBITDA for Q4 14 included NOK 10.7 million in reduced LLUB cost (copper rental fee) for the period March – Dec 2014. In the chart above, this has been allocated to each quarter from Q1'14 and onwards.

Gross profit development



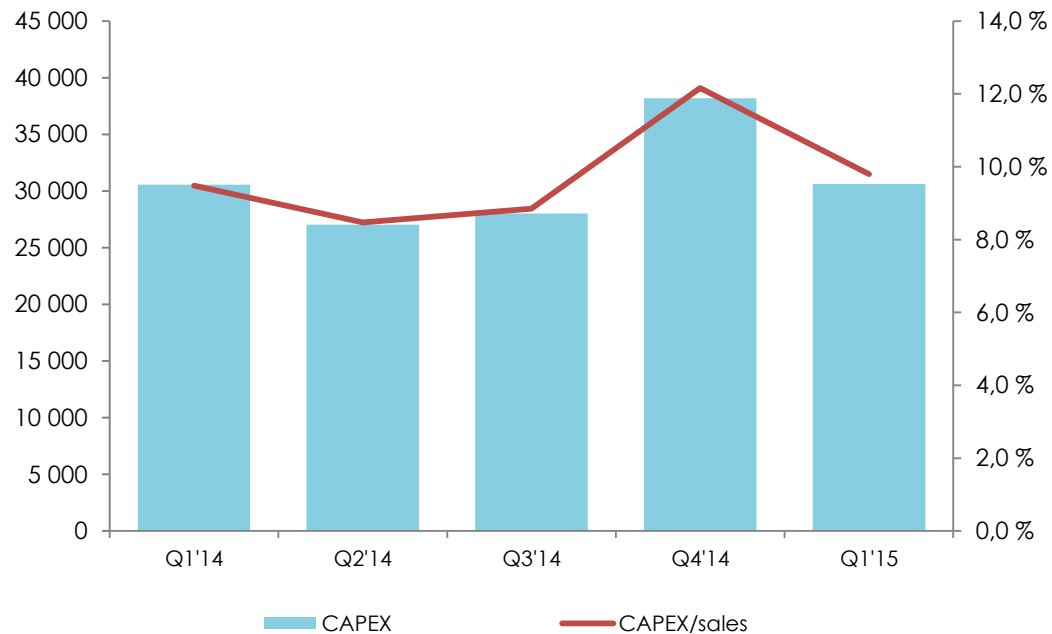
Comments to y-o-y figures

- Decline in revenues
- Reduced gross profit (12 mNOK)
 - Change in product mix from high to lower margin products (5 mNOK)
 - Installation fee increase over the period (4 mNOK)
 - Driven by accounting principle
 - Stabilizes from April 2015
 - No cash impact
 - Reduced gross profit in int'l markets, mainly Netherlands (3 mNOK)

Note: Reported gross profit for Q4 14 included NOK 10.7 million in reduced LLUB cost (copper rental fee) for the period March – Dec 2014. In the chart above, this has been allocated to each quarter from Q1'14 and onwards.

CAPEX development

NOK1,000

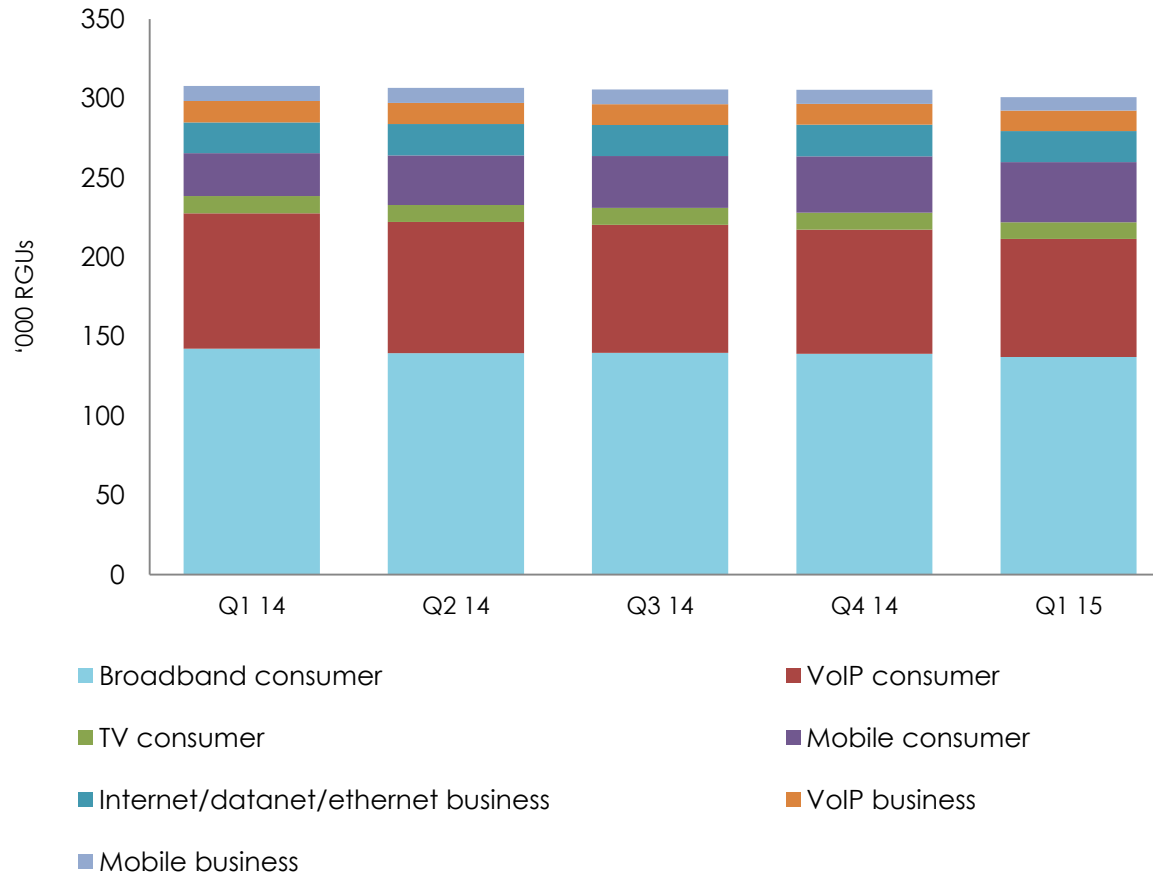


- Capex will vary on a quarterly basis
- Q4 2014 included acquisition of Bofiber customers and new TV platform

Norway Financials – P&L

NOK million	Q1 2015	Q1 2014
Total revenue	289.7	296.1
Gross profit	147.1	155.4
Gross margin	50.8%	52.5%
Total opex	(89.1)	(85.9)
EBITDA	58.0	69.5
D&A	(28.1)	(29.8)
EBIT	29.9	39.7
CAPEX	30.6	30.6

Customer base development

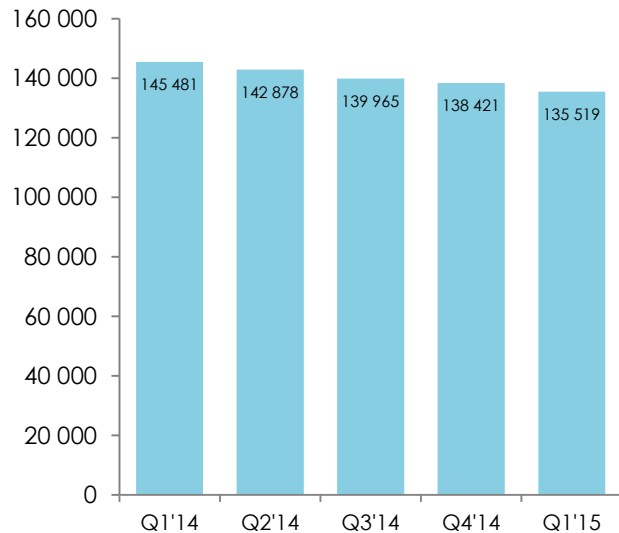


Broadband consumers

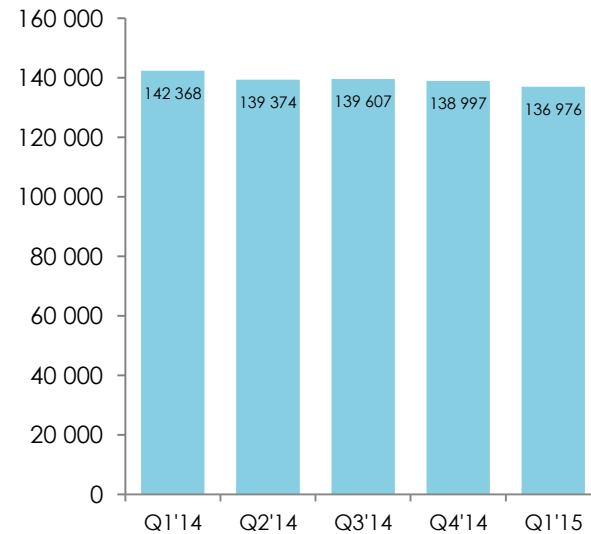
- Access independent broadband with growth opportunities within fiber (FTTH) and collective agreements (“Borettslag”)
- More than 75% of fiber customers choose TV and VoIP (“triple play”)



Revenues (NOKm)



RGUs

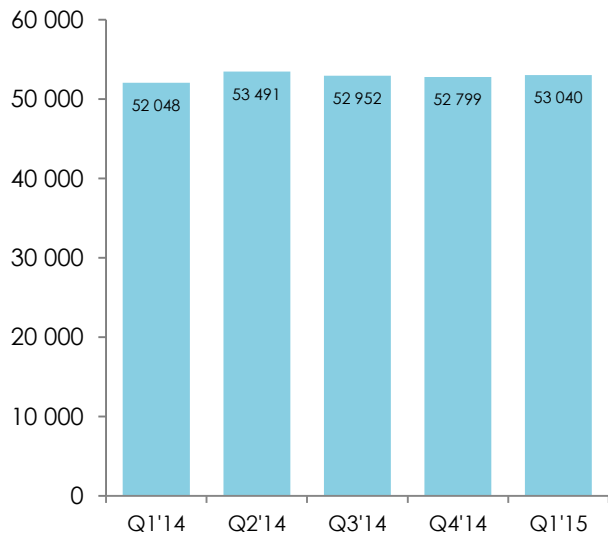


Broadband business

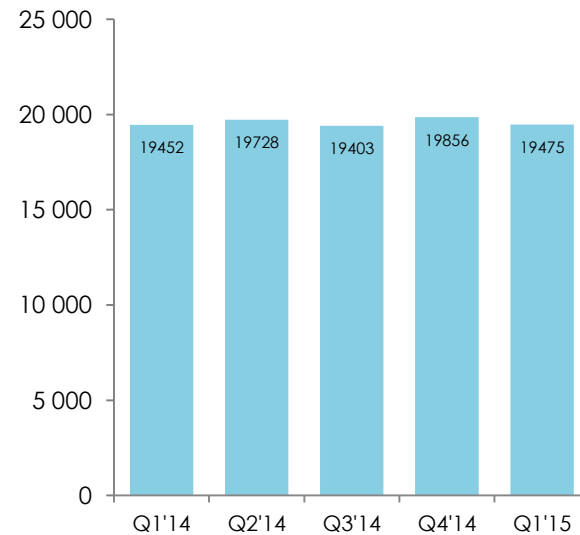
- Increased focus on high ARPU data net shows growing volume sales. High success in the retail segment
- Internet showing stable ARPU levels



Revenues (NOKm)



RGUs

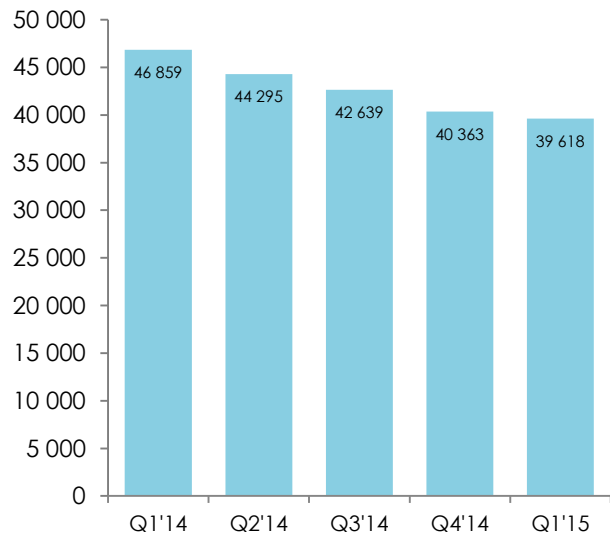


VoIP (consumers and business)

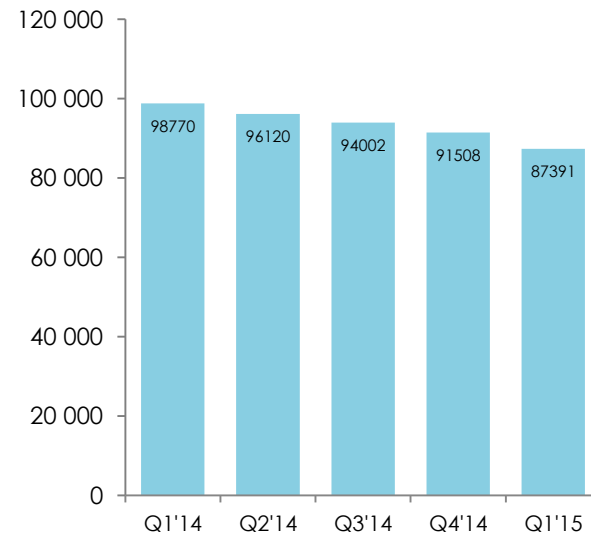
- Following the long term trend of VoIP being replaced by mobile
- Launching a brand new communication platform in 2015 integrating IP and mobile telephony with next generation mobile switchboard (IN/Bedriftsnett), also enabling unified communication. This move will strengthen the company's competitiveness



Revenues (NOKm)



RGUs

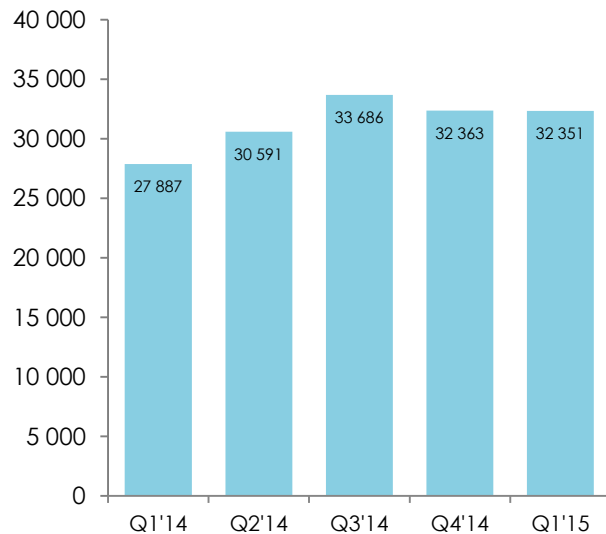


Mobile (consumers and business)

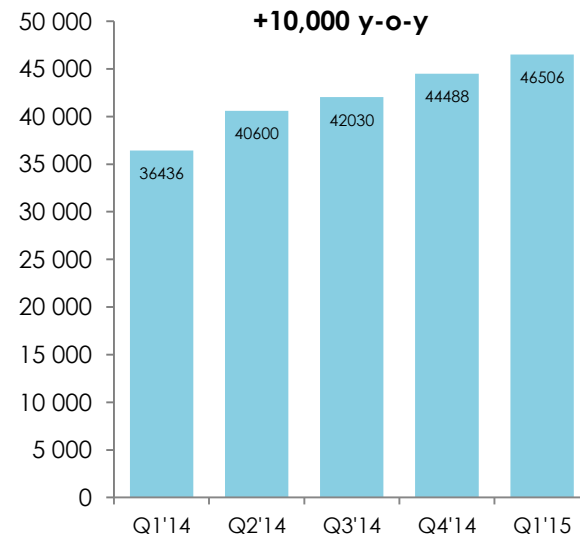
- Building mobile customer base
- Q3'14 revenues high due to vacation season (roaming)
- Pre-paid service to be launched in Q2 2015 – new distribution agreements established
- New services to be launched in 2015 are expected to gain momentum higher up in the SME segment with state of the art new IN-platform – bringing much demanded new end- user features



Revenues (NOKm)

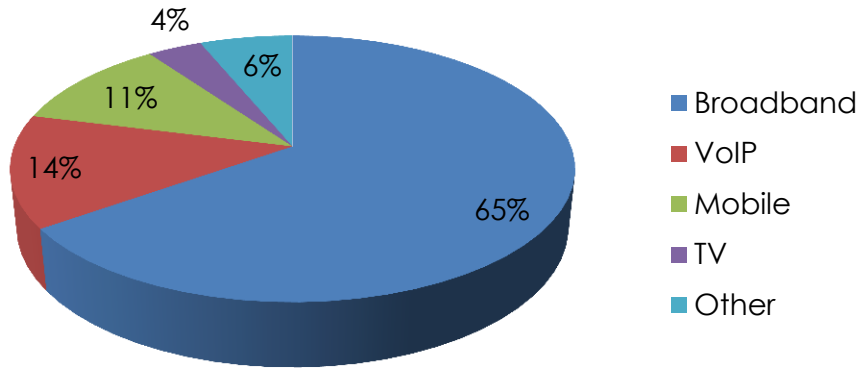


RGUs

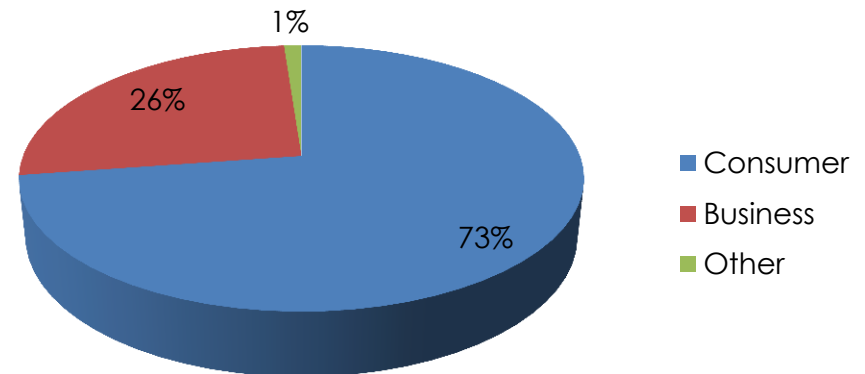


Revenues by product and segment

Revenues by product Q1'15

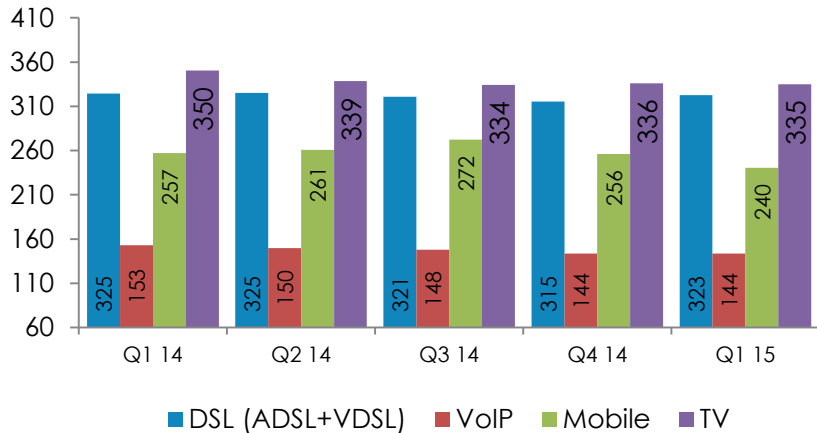


Revenues by segment Q1'15

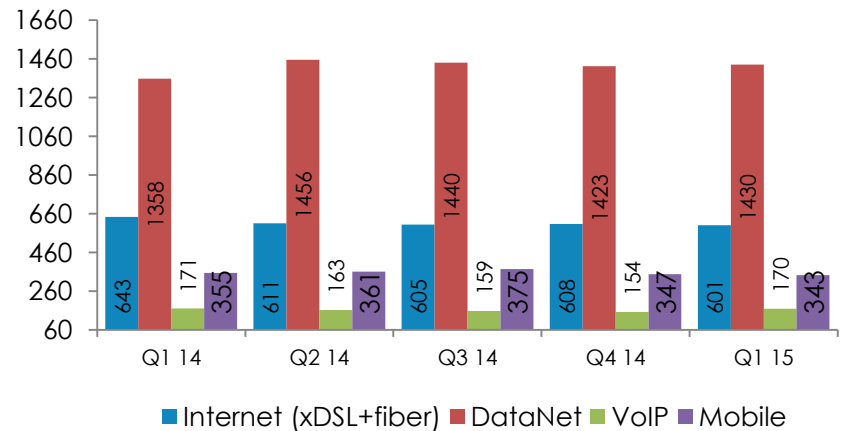


ARPU by product/segment

Consumer segment – monthly ARPU by product (NOK)



Business segment – monthly ARPU by product (NOK)

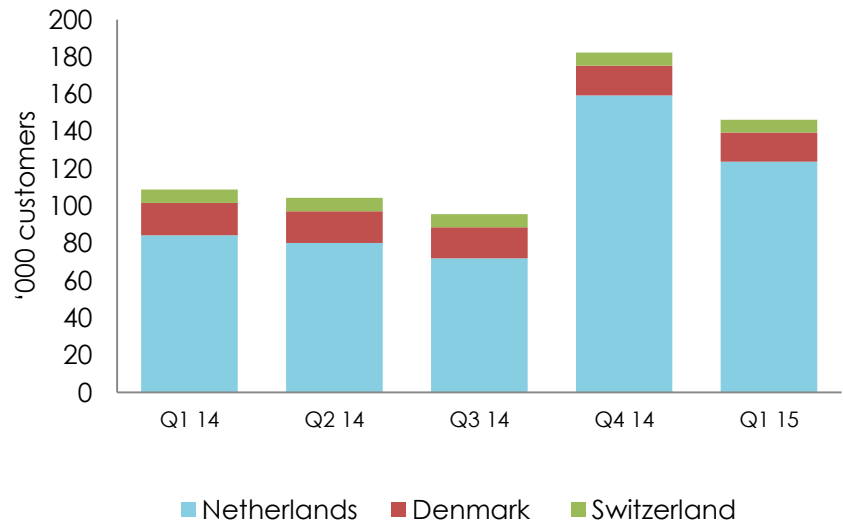


International markets

- Telio brand (DK and CH)
 - Primary focus to maintain customer base and profitability
- Netherlands
 - Majority of KPN ITNS customers migrated out (approx 12,000 customers left to be migrated later this year)

NOK million	Q1'15	Q1'14	FY'14
Total revenue	21.9	26.1	95.9
Gross profit	12.5	14.7	54.1
Gross margin	57%	56%	56%

Customer base development



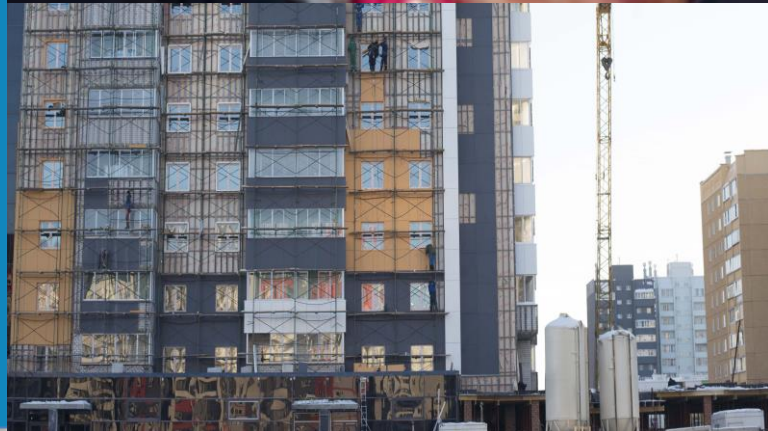
Growth opportunities

Consumer segment

- Increased focus on fiber and collective agreements (“Borettslag”)

Business segment

- Launch of major new voice services



Consumers – focus on fiber and collective agreements

- Fiber via Telenor
 - Approximately 60,000 target customers per February 2015
 - Sales in progress since February
 - 2,000 customers per 6 May
 - >75% with TV and VoIP
 - ARPU = NOK 660
- Fiber via other partners
 - 8,000 customers as of end Q1
 - ARPU = NOK 536
- Collective agreements – disruptive offering
 - NextGenTel intends to become a key supplier to collective agreements
 - Target market is approximately 600,000 end customers, through condominiums and cooperative agreements
 - Freedom of choice for the customer by disabling TV from Internet

Business – success in the retail segment

- Strengthened position within the retail chain segment
 - Internet/Datanet , mobile and VoIP
 - Great customer wins in Q1 2015



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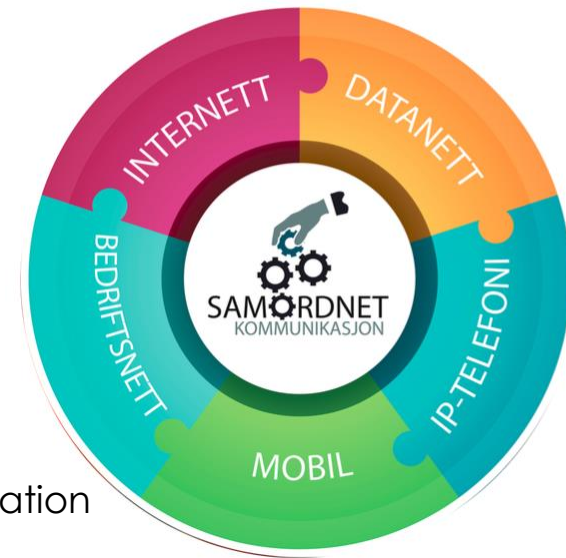


Kredinor



Business – new services

- Total tele-/datacom solution from NextGenTel to business customers
 - Gaining competitive edge with new product innovation
 - Meets demand in higher end customer segments and public tenders
 - Cloud based switchboard; Mobile & Sip Trunk with Lync integration
 - One-number – full presence, use any device
 - PC, tablet, mobile phone, desk phone
 - Extended usability and features for end users





Thank
you!

Financial calendar 2015

Q1: 7 May at 9:00

Q2: 27 August at 9:00

Q3: 5 November at 9:00

AGM: 24 April at 15:00

Investor relations:

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