



# RESULTS FOR THE 12 MONTHS OF 2017

Telia Lietuva, AB Group





**Teo, Omnitel & Baltic  
Data Center united their  
efforts and became  
Telia Lietuva, AB  
#visakotinklas**



**TELIA LIETUVA PROVIDES TELECOMMUNICATION,  
IT & TV SERVICES IN LITHUANIA FROM A SINGLE  
POINT**

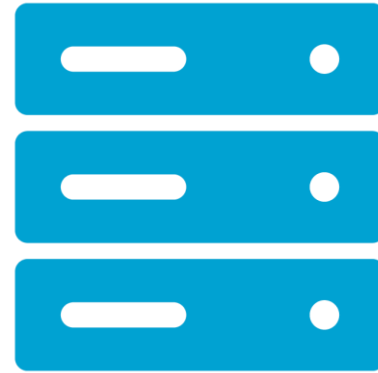
# TELIA LIETUVA MEANS:



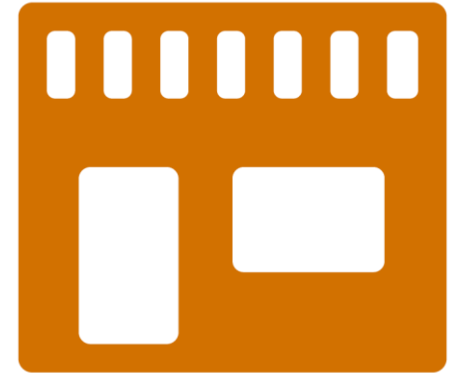
Wide range of  
services



The most developed  
networks



Modern data  
centres



Everything from a  
single point



# TELIA LIETUVA MEANS:



Customer care  
24/7/365



Quality of operations'  
management  
confirmed by ISO  
certificates



Team of 3,000  
professionals

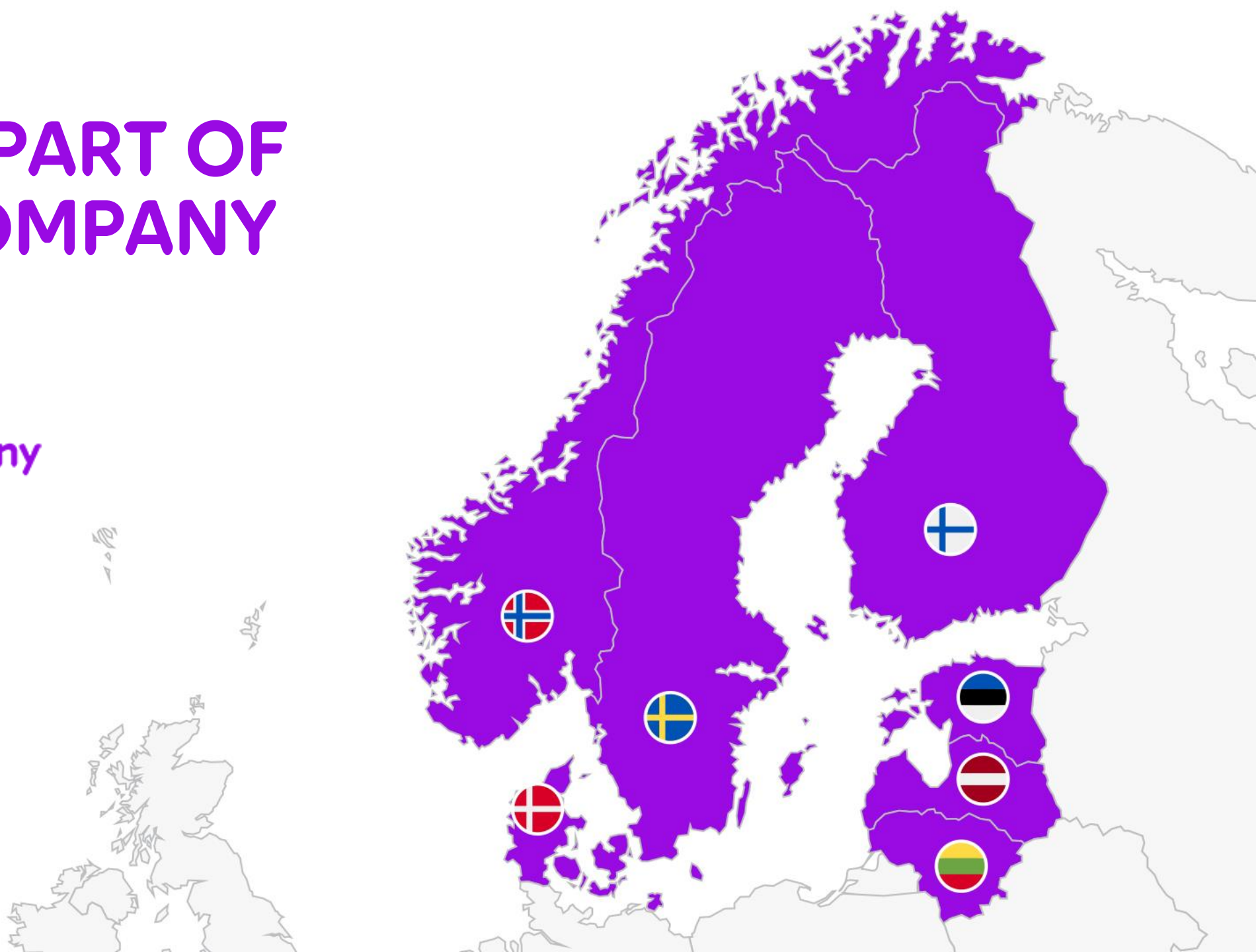


Sustainable and  
responsible  
business





# WE ARE PART OF TELIA COMPANY GROUP



**OUR PURPOSE:  
BRINGING THE  
WORLD CLOSER –  
ON THE CUSTOMER'S  
TERMS**



# OUR VALUES



## **We dare to:**

- innovate
- lead
- speak-up

## **We care for:**

- our customers
- each other
- our world

## **We simplify:**

- execution
- teamwork
- our operations





# TELIA LIETUVA GROUP

## TELIA LIETUVA, AB

Telia Customer Service LT, UAB	100 %
UAB Verslo Investicijos	100 %
UAB Kompetencijos Ugdymo Centras	100 %
VšĮ Numerio Perkėlimas	50 %
UAB Mobilieji Mokėjimai	33.3 %

- On 1 February 2017, subsidiaries **AB Omnitel** and **AB Baltic Data Center** were merged into the Company, and the Company changed its name to **Telia Lietuva, AB**
- On 1 February 2017, subsidiary UAB Lintel (Contact Centre) changed its name to **Telia Customer Service LT, UAB**
- **UAB Verslo Investicijos** implements an investment project, while **UAB Kompetencijos Ugdymo Centras** is a dormant subsidiary
- **VšĮ Numerio Perkėlimas** administers the central database to ensure telephone number portability in Lithuania (Tele2 and Bitė Lietuva owns 25% each)
- In December 2017, Telia Lietuva together with Tele2 and Bitė Lietuva each acquired a 33.3% stake in **UAB Mobilieji Mokėjimai**, which creates a platform for instant payments

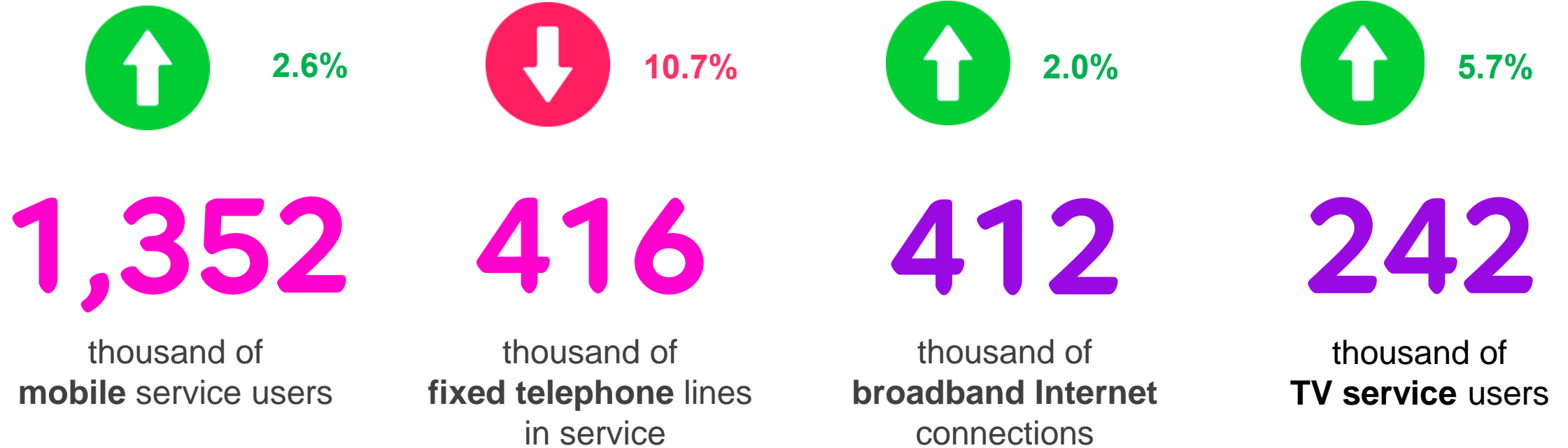


# Q4 2017 HIGHLIGHTS

- In October, Telia Lietuva launched the unique in the market converged offer “**Telia One**”, that gives more value to those who have both fixed and mobile services
- The Company obtained **Quality Management** (ISO 9001), **Environmental Management** (ISO 14001) and **Occupational Health & Safety** (OHSAS 18001) certificates
- From October customers of Telia Lietuva are the first in Lithuania to use **VoLTE technology**, that ensures HD voice quality and possibility to talk on the phone and use the Internet simultaneously
- During the National Responsible Business Awards Telia Lietuva was recognised as the **Environmental Company of the Year**, and also was ranked 2nd among **the most transparent** Lithuanian companies according to Transparency International rating



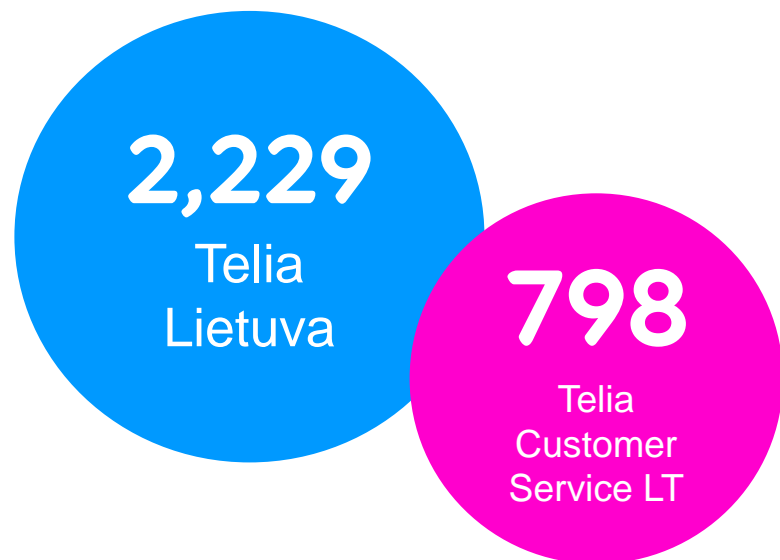
# OPERATING FIGURES



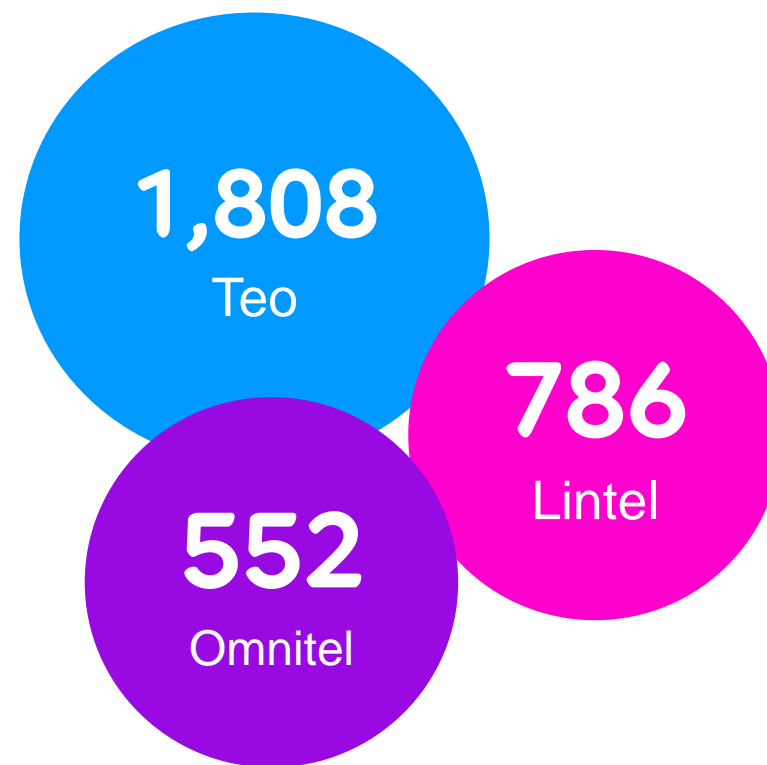
Data as of 31-12-2017 & change (y-o-y)



# NUMBER OF EMPLOYEES



In total **3,027** (31-12-2017)



In total **3,146** (31-12-2016)

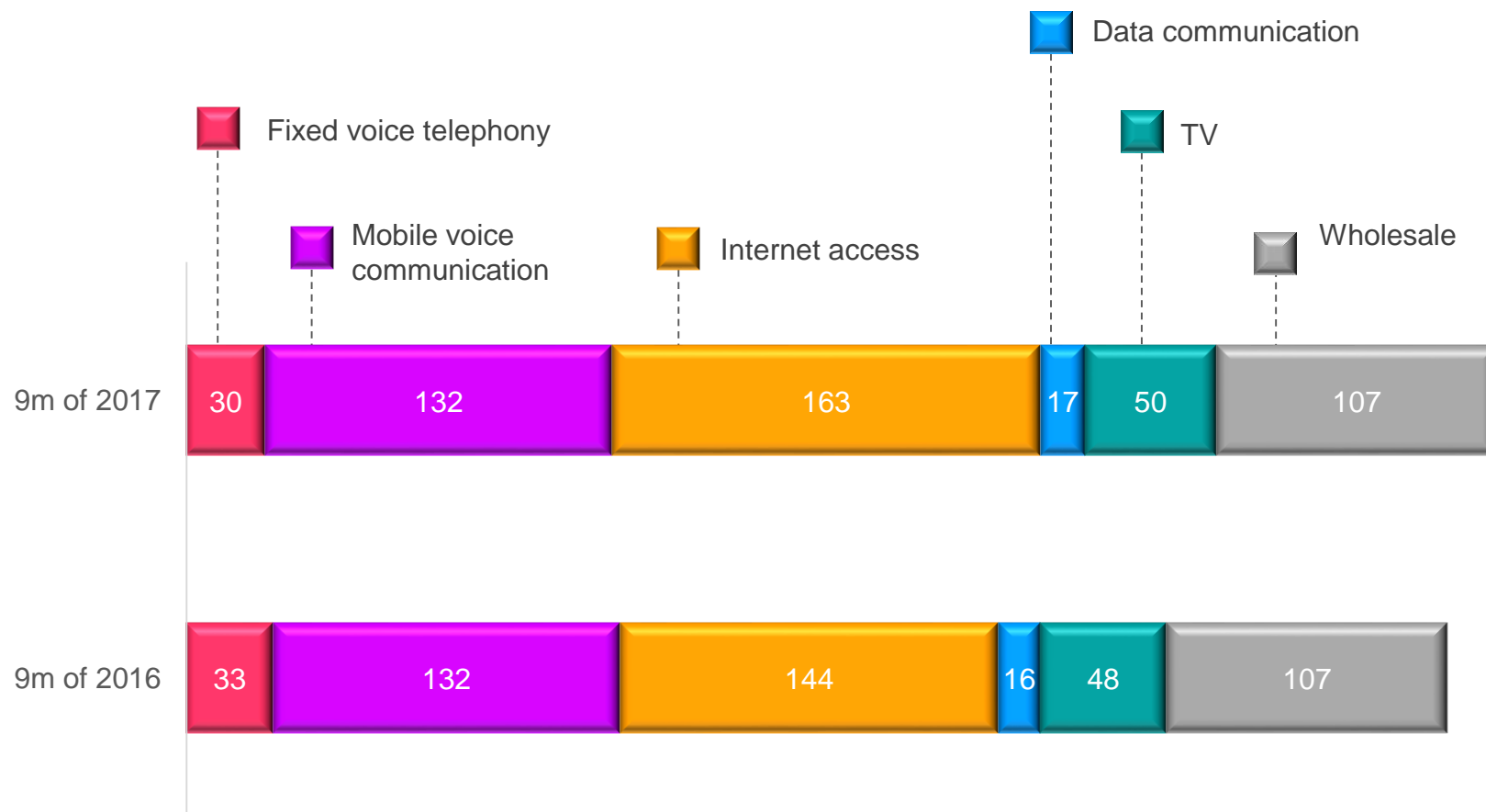


# **ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA**



# WE ARE OPERATING IN GROWING TELCO MARKET

(EUR MILLION)

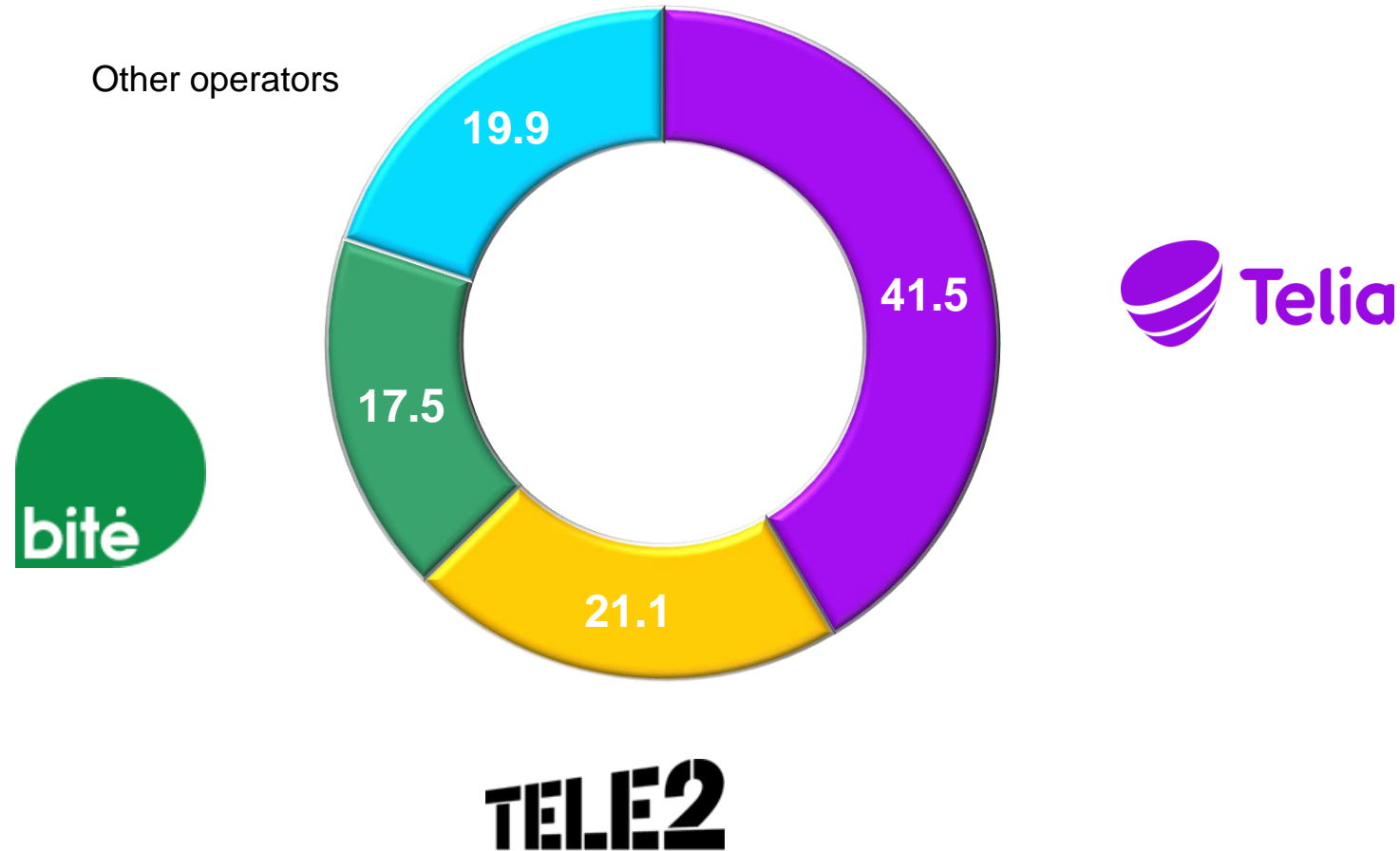


+4.4%

Source: Report of the Communications Regulatory Authority



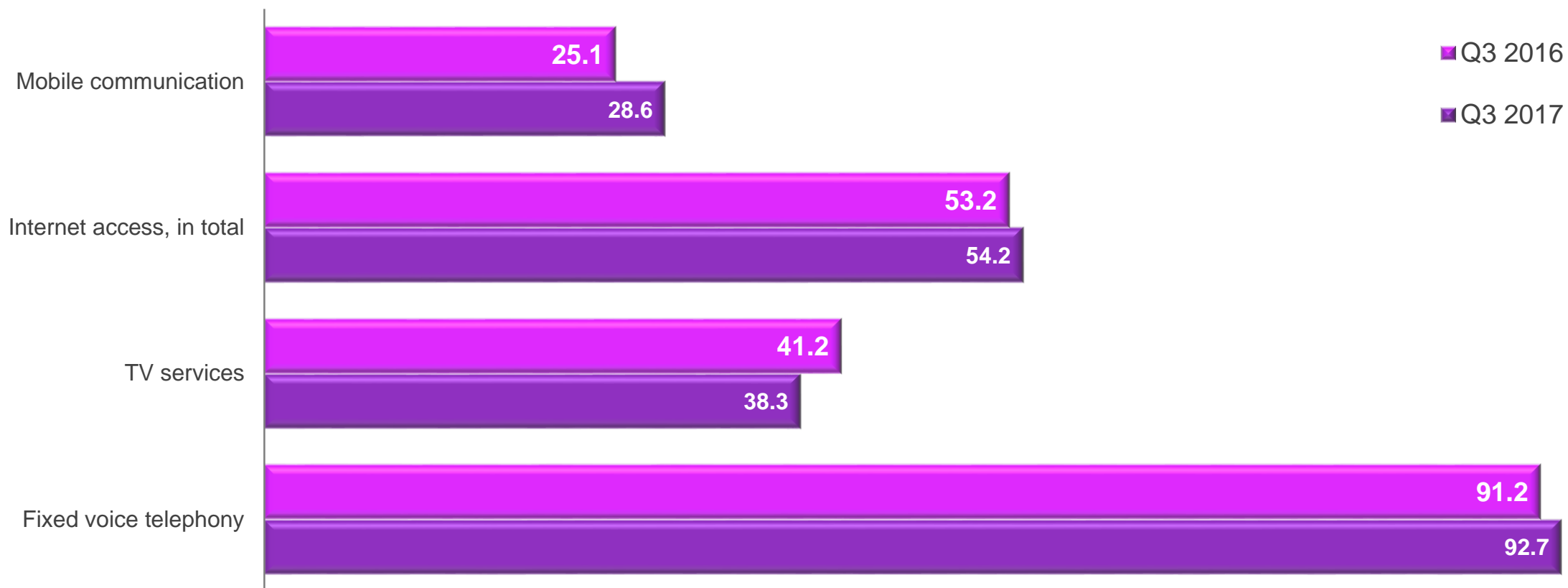
# BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q3 2017 (%)



Source: Report of the Communications Regulatory Authority



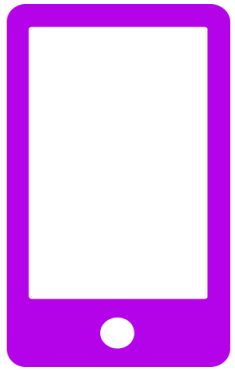
# TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



# MARKET: THE FASTEST GROWTH IN USAGE OF DATA



**24%**  
(q-o-q)

Increasing usage of  
**mobile data**

(uploaded/downloaded  
**53,156 million MB**  
of data per quarter)



**3.9%**  
(y-o-y)

Growing number of  
**FTTH/B connections**

(accounts for **70%** of all  
fixed Internet connections)



**11.8%**  
(y-o-y)

Growing number of  
**IPTV users**

(accounts for **31%** of all  
pay-TV service users)



# MARKET PENETRATION PER 100 INHABITANTS



152.6

**mobile** communications  
subscribers



17.3

**fixed telephony** lines



40.7

broadband **Internet**  
access



56.6

**pay-TV** subscribers  
(households)

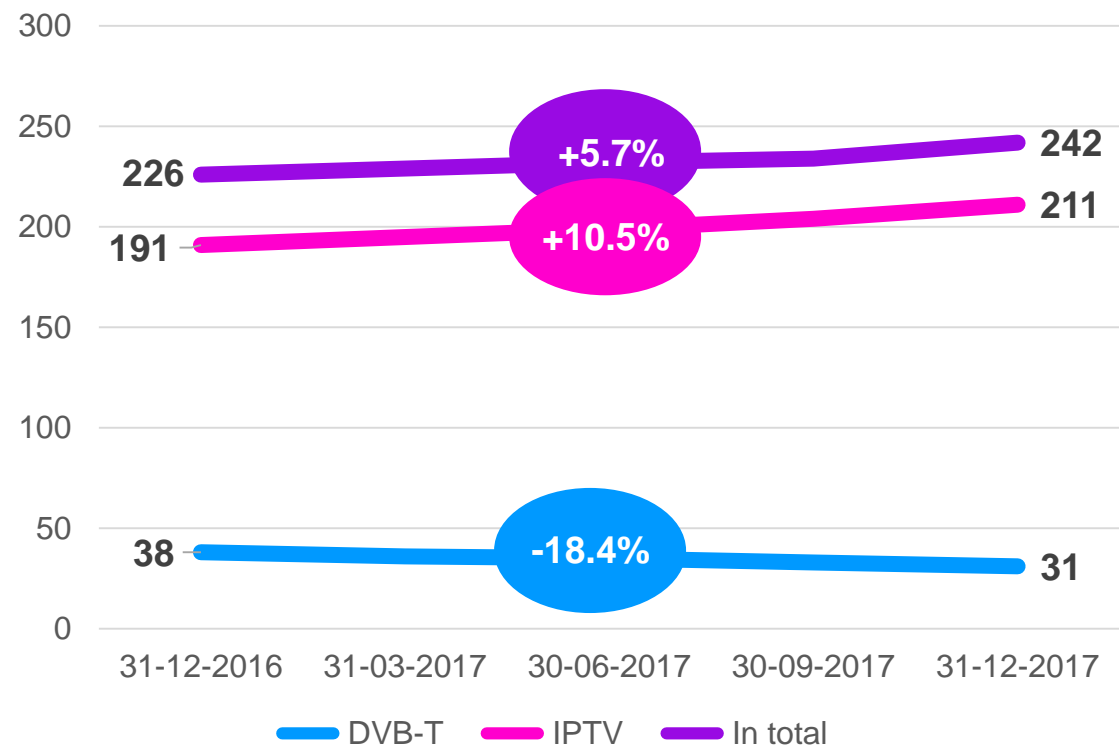




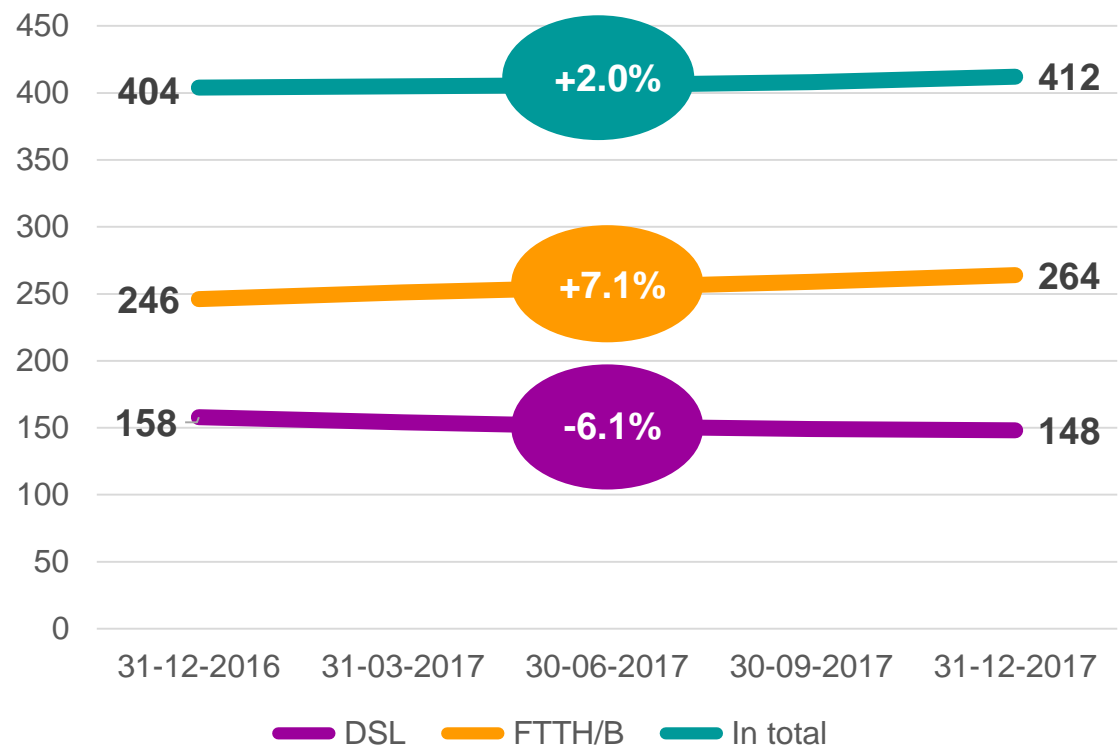
# OPERATING AND FINANCIAL RESULTS

# CONTINUOUS GROWTH IN NUMBER OF IPTV AND FTTH USERS

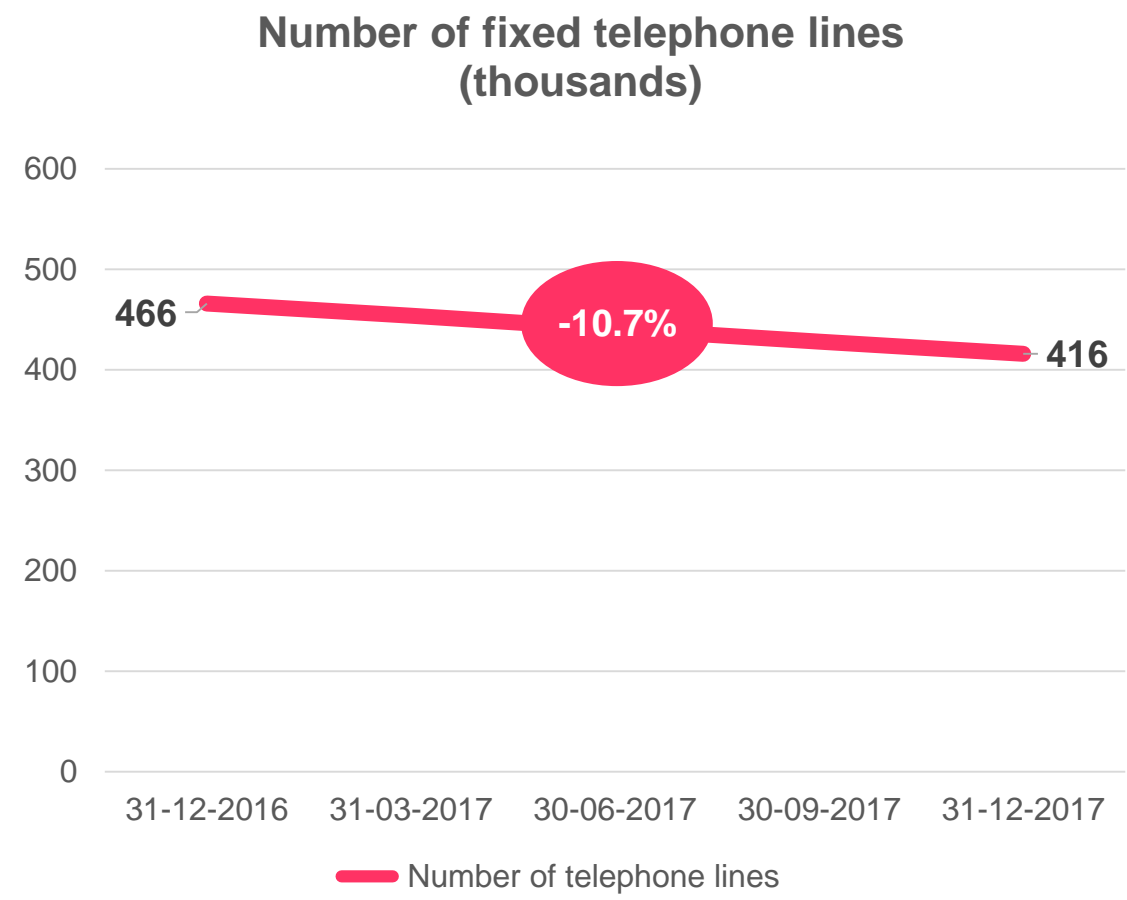
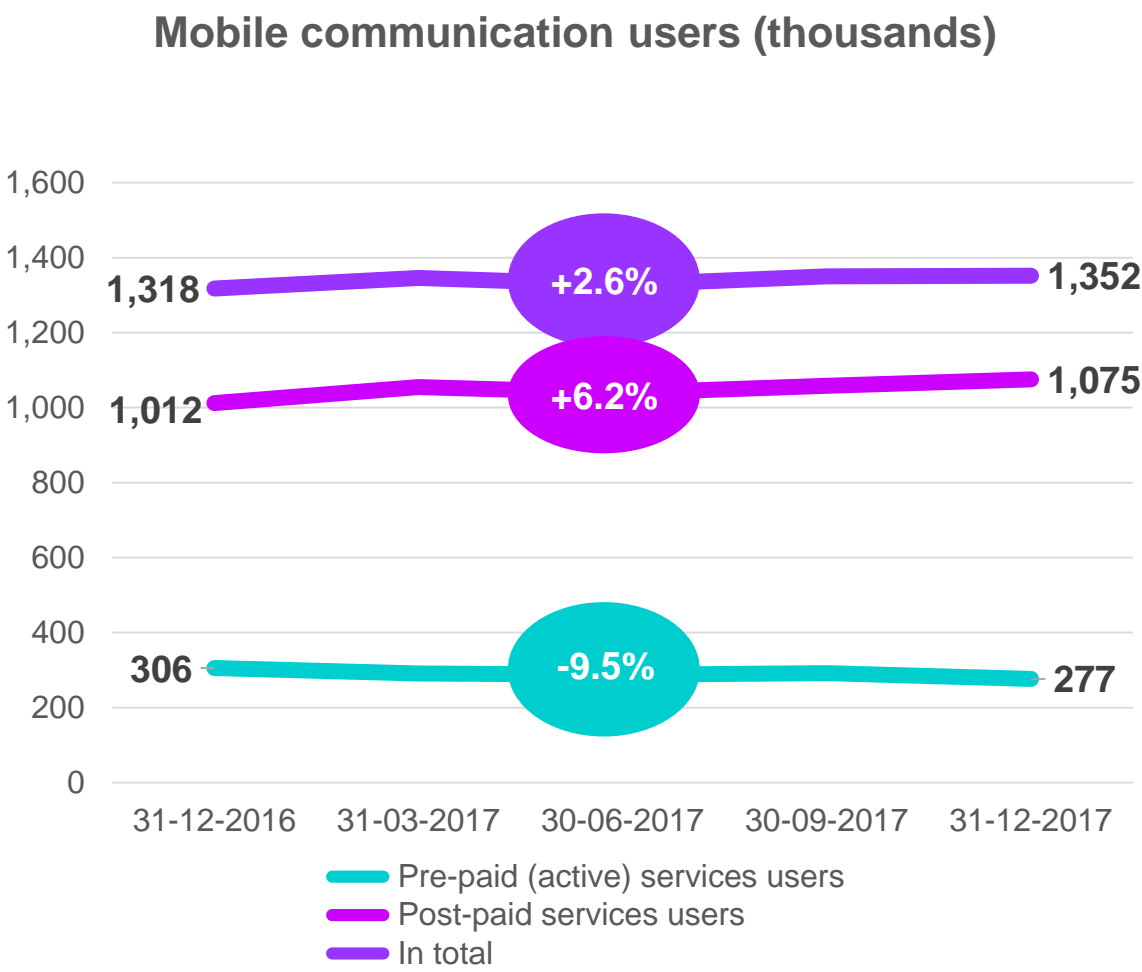
Number of TV service users (thousands)



Number of broadband Internet users (thousands)

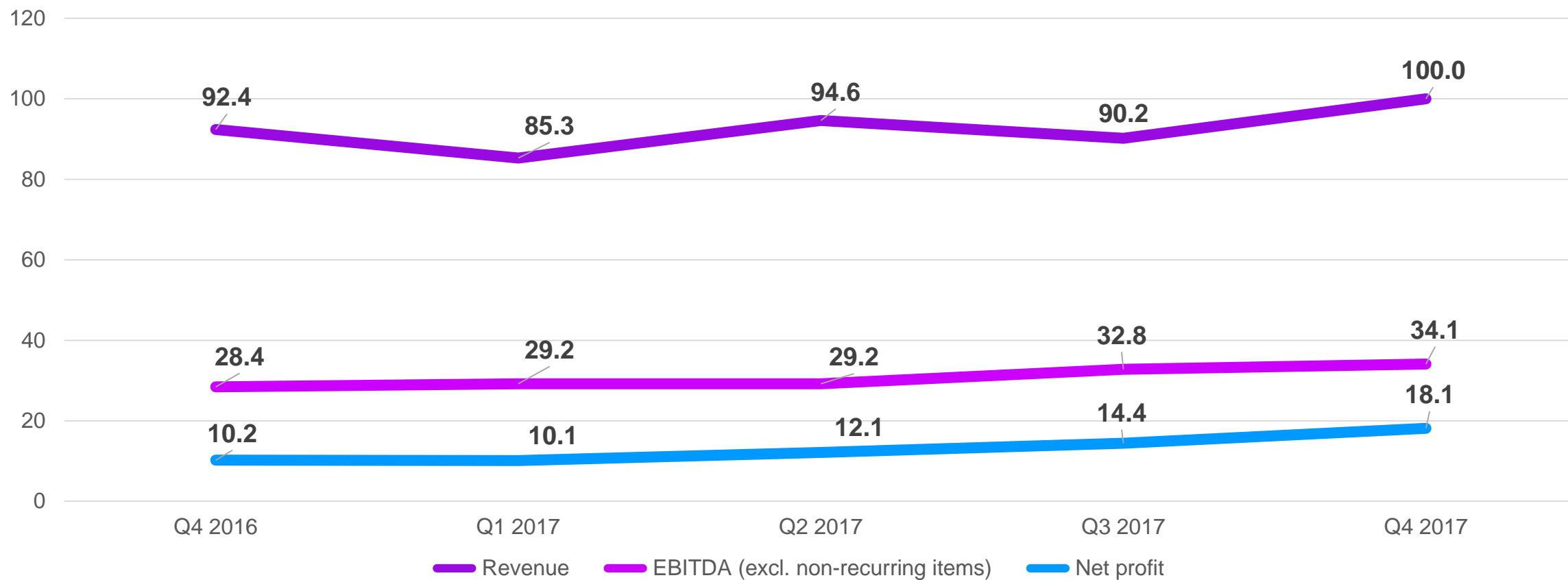


# NUMBER OF MOBILE POST-PAID SERVICE USERS IS GROWING



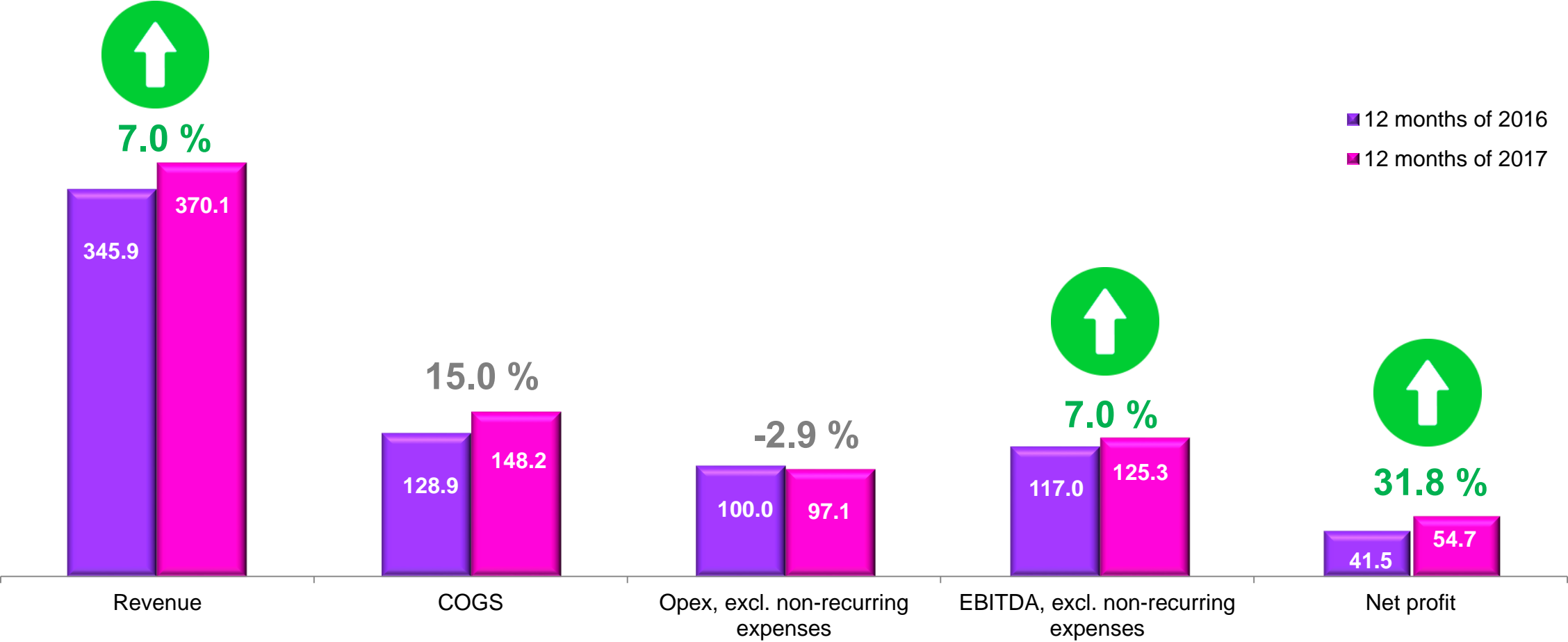
# REVENUE, EBITDA & NET PROFIT

(EUR millions)



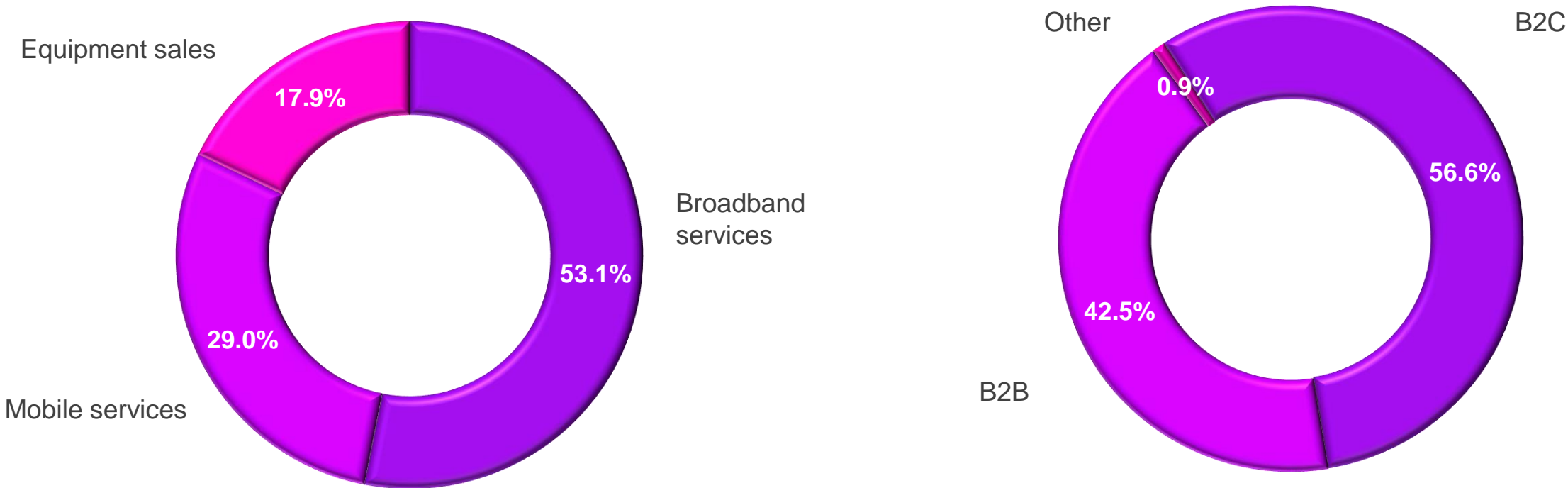
# DYNAMICS OF MAIN FINANCIAL INDICATORS

(EUR million)



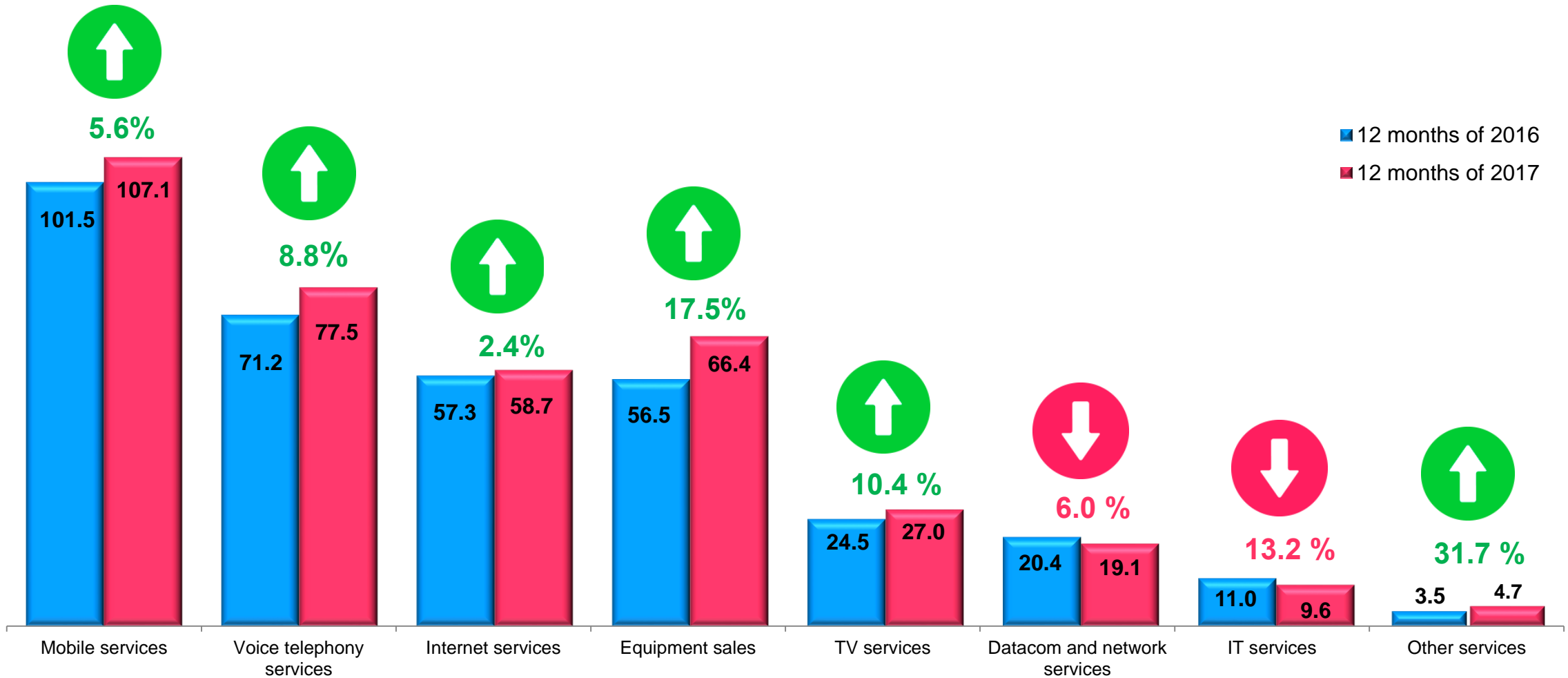


# 12 MONTHS OF 2017 REVENUE BREAKDOWN



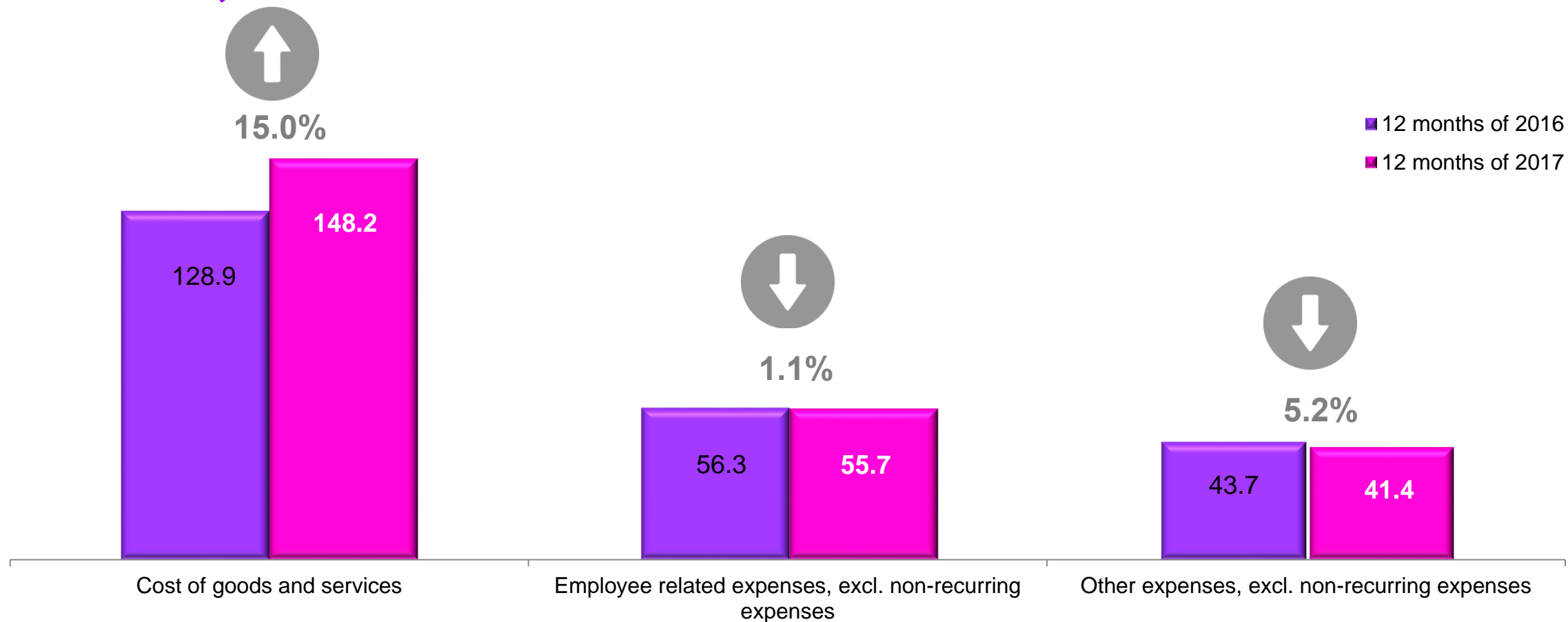
# REVENUE BY SERVICES

(EUR million)

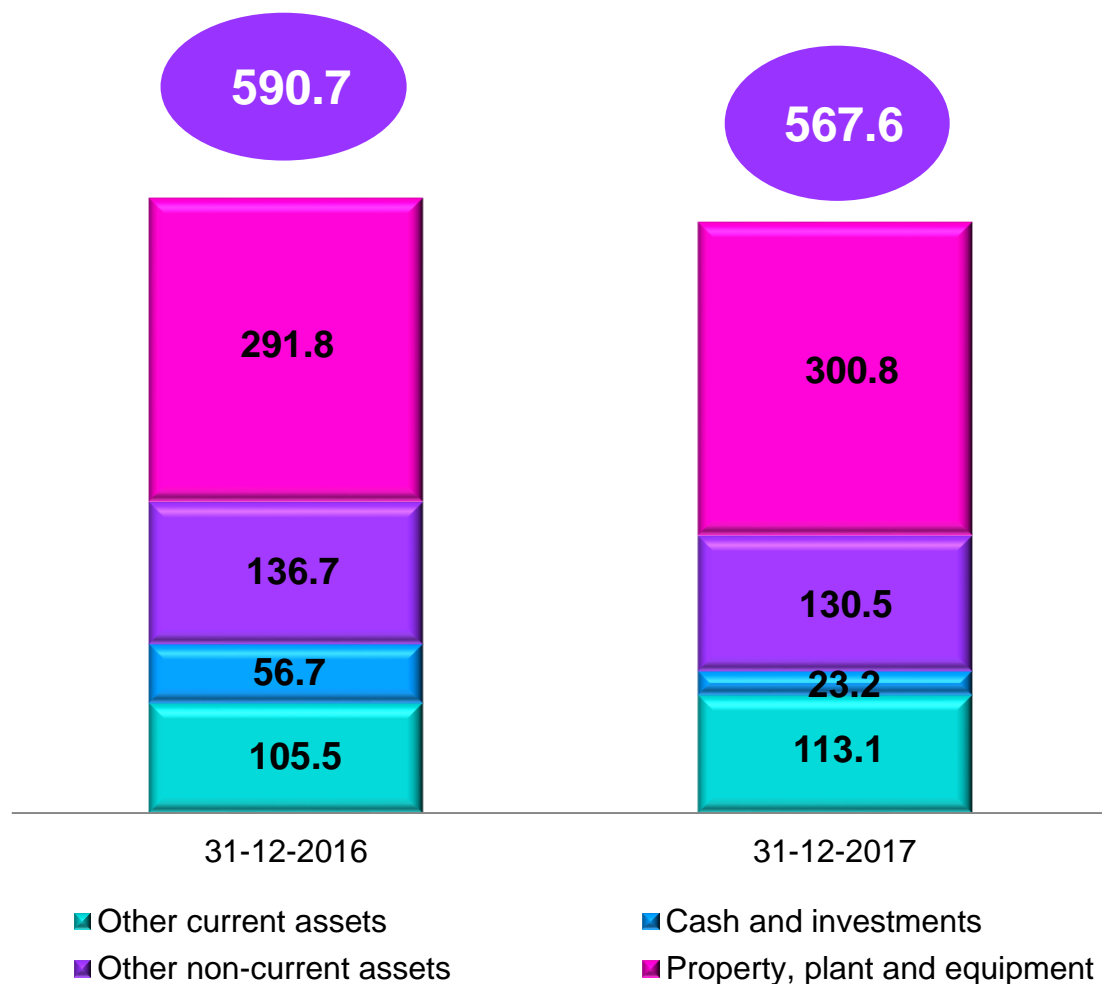


# OPERATING EXPENSES

(EUR million)



# ASSETS (EUR million)

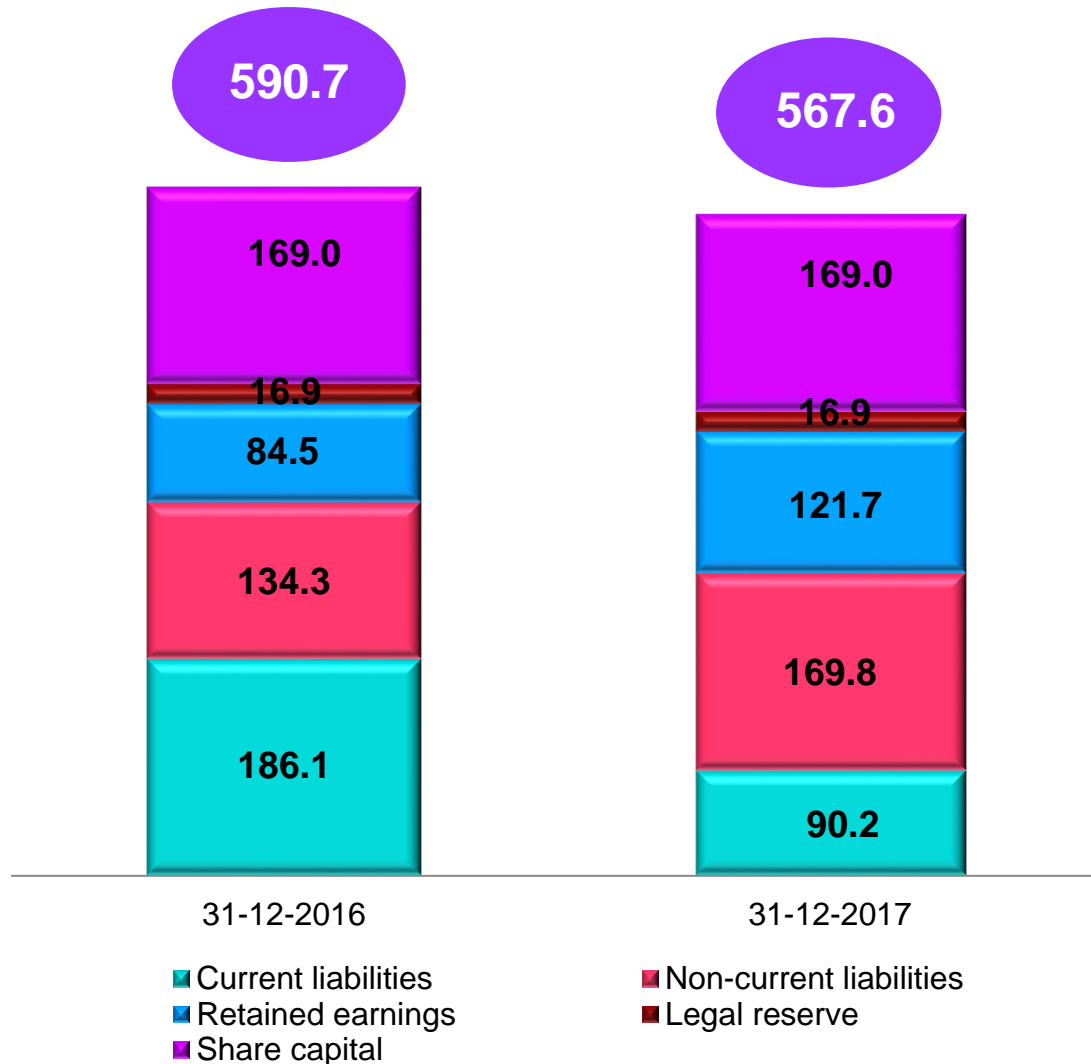


- During 12 months of 2017, **total assets** decreased by 3.9%
- **Non-current assets** amounted to 76% of total assets (31-12-2017)
- **Cash** alone amounted to 4.1%
- **Return on capital employed:** 13%
- **Return on average assets:** 10.7%



# EQUITY AND LIABILITIES

(EUR million)



- Shareholders' **equity** amounted to 54.2% of the total assets (31-12-2017)
- In May, the Company signed **EUR 60 million 5 years-term loan** agreement to refinance the loan previously extended by Telia Company to Omnitel
- During 2017, the Company repaid EUR 52.5 million of the long-term **loan of EUR 150 million** taken to finance Omnitel acquisition, and EUR 92 million of internal loans from Telia Company
- Total **borrowings** amounted to EUR 161.4 million (31-12-2017)
- **Gearing ration**: 44.9%
- **Debt to equity**: 52.5%
- **Return on equity**: 19%
- In May, following the AGM decision the Company paid **EUR 17.5 million of dividends for the year 2016**, and EUR 50.6 million as not distributed profit was carried forwards to the next financial year





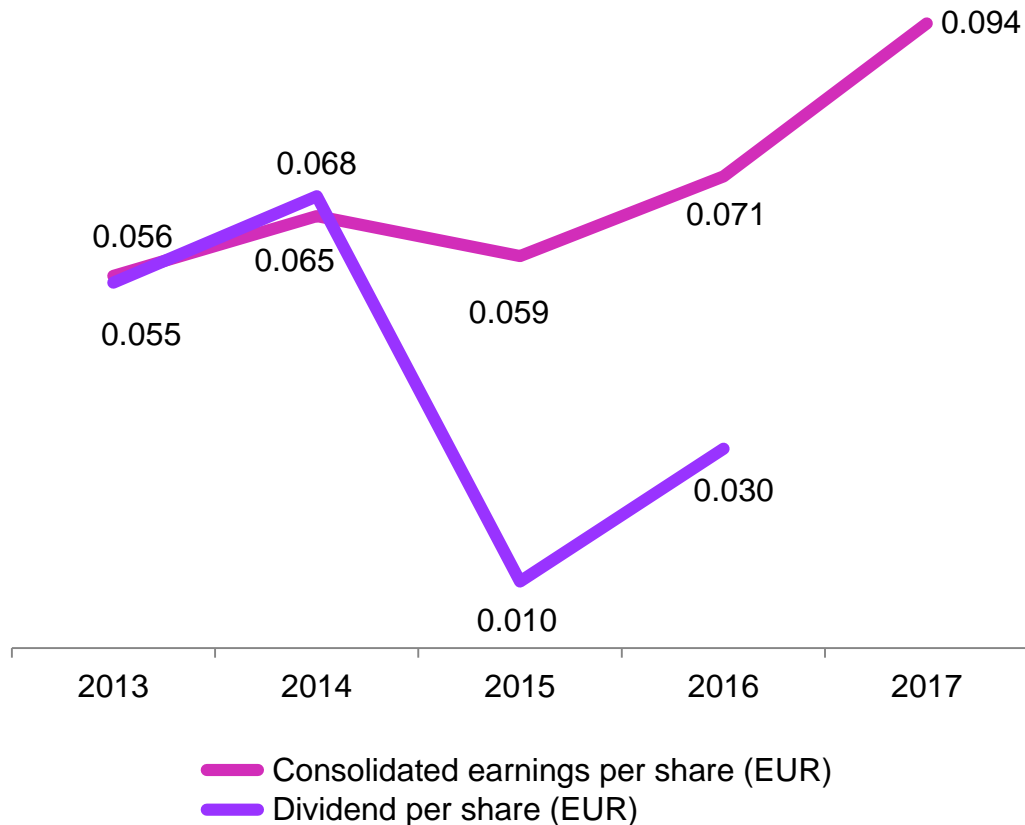
# CASH FLOW

(thousand EUR)	12 months of 2017	12 months of 2016
Net cash from operating activities	117 487	112 429
Net cash used in investing activities	(63 614)	(197 790)
Net cash used in financing activities	(87 357)	129 113
Increase (decrease) in cash and cash equivalents	(33 484)	43 752

- **Free Cash Flow** during 12 months of 2017 was EUR 54.4 million (EUR 44.3 million a year ago)
- **Investments** during 12 months of 2017 amounted to EUR 63.8 million (EUR 57.7 million a year ago)
- EUR 23 million invested into expansion of the **fixed network**, EUR 12 million – to development of **mobile network**, EUR 13 million – into **IT systems** and EUR 8.6 million – other investments (transport, renovation of premises, etc.)
- In January 2016, the Company took a long-term **loan of EUR 150 million** to finance acquisition of Omnitel, and by the end of December 2017, it had repaid in total EUR 52.5 million
- In May 2017, the Company took a 5-years term **loan of EUR 60 million** from the banks to refinance the loan previously extended by Telia Company to Omnitel
- During 2017, the Company repaid in total **EUR 92 million** of internal loans extended by Telia Company



# DIVIDENDS



- Earnings and dividends till 2014 are allocated to **776,817,518** shares, from 2014 – to **582,613,138** shares
- On 17 November 2014 shareholders got **0.072 euro** per share payment **due to reduction of authorized capital**
- On 27 April 2017, the AGM of Shareholders decided to pay **EUR 0.03 dividend per share for the year 2016**
- The Board set a target to maintain the Company's **net debt to EBITDA ratio** not higher than 1.5 and to pay out up to 80 per cent of free cash flow as dividend
- According to the Law, dividends should be paid from **retained earnings of the Parent company**
- As of 31 December 2017, retained earnings of the Parent company amounted to **EUR 119.6 million**



# SHARES AND SHAREHOLDERS

The background of the slide is composed of several diagonal stripes of different colors. From top-left to bottom-right, the colors are red, purple, and yellow. The stripes are of varying widths and create a dynamic, modern look.

# SHAREHOLDERS

- **Telia Company AB** (Sweden) is the largest shareholder of Telia Lietuva, AB
- The Company's share capital consist of **582,613,138** ordinary registered shares of **EUR 0.29** nominal value each
- On **24 October 2014**, **authorized capital was reduced** by LTL 194 million (EUR 56.2 million) and accordingly number of **voting shares was reduced** from 776,817,518 to **582,613,138**
- The **total number of Telia Lietuva shareholders is 11,344** (as of 20-04-2017)

## Shareholders as of 31-12-2017

	Part of shares and votes
Telia Company AB	88.15%
Other	11.85%

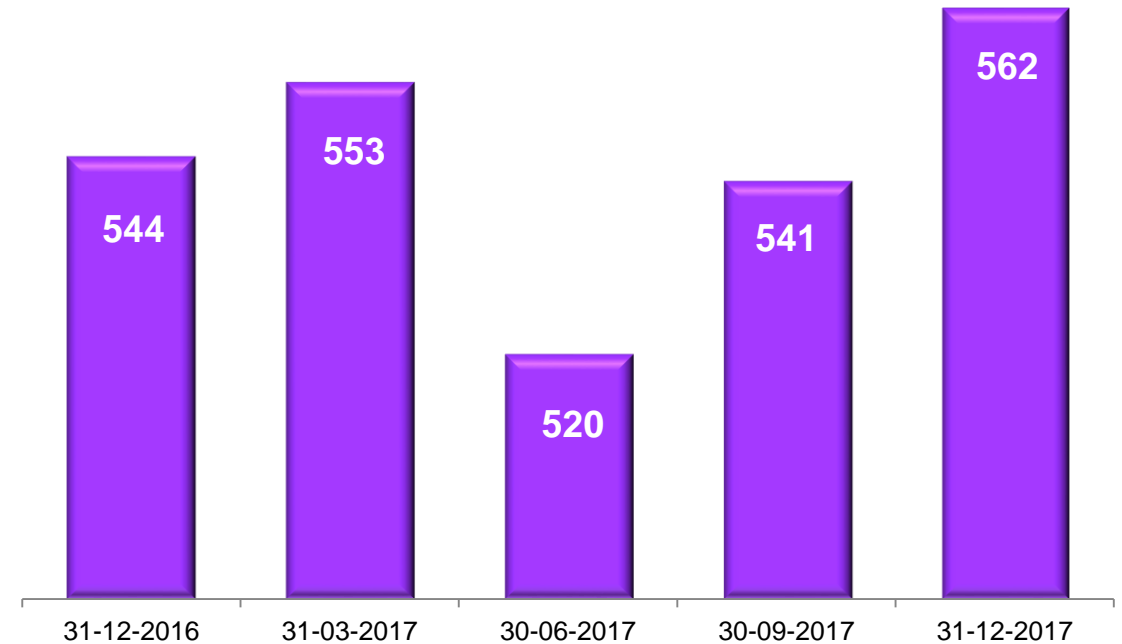


# SHARES

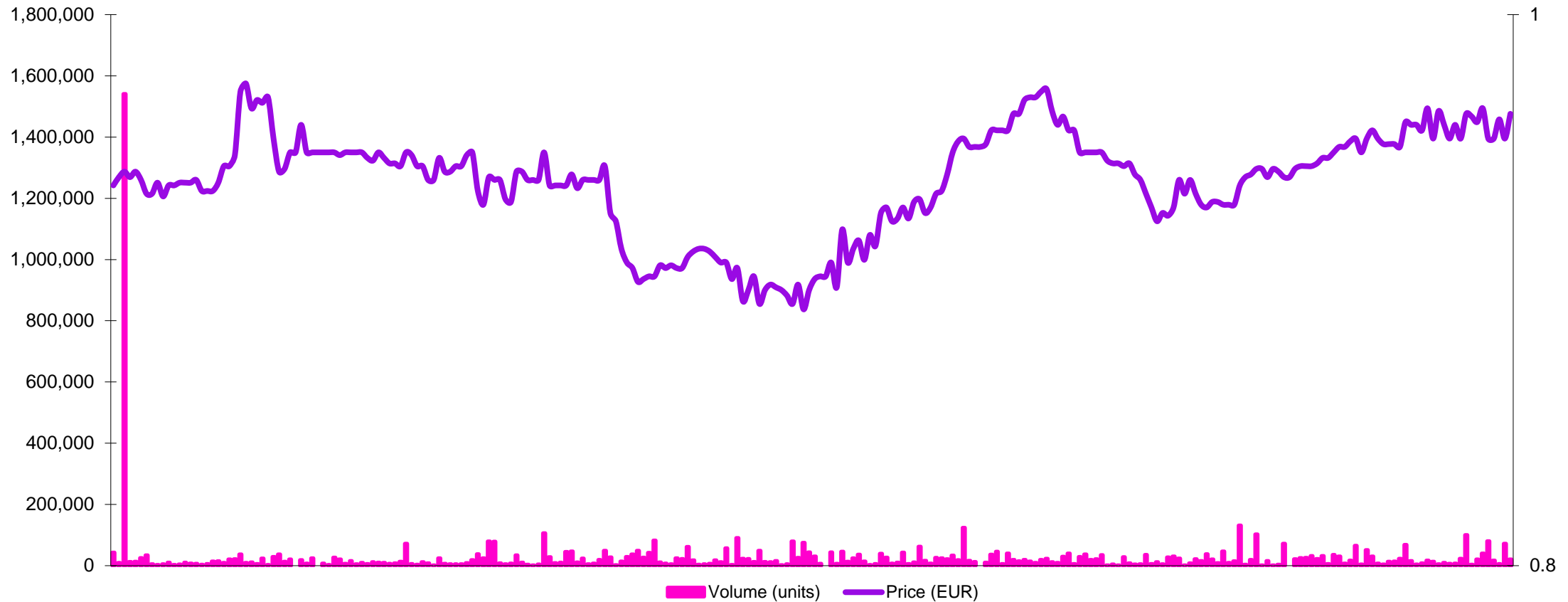
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January–September 2017: 6.9 million of shares or EUR 6.5 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2017	0.933
High	0.979
Low	0.888
31-12-2017	0.964

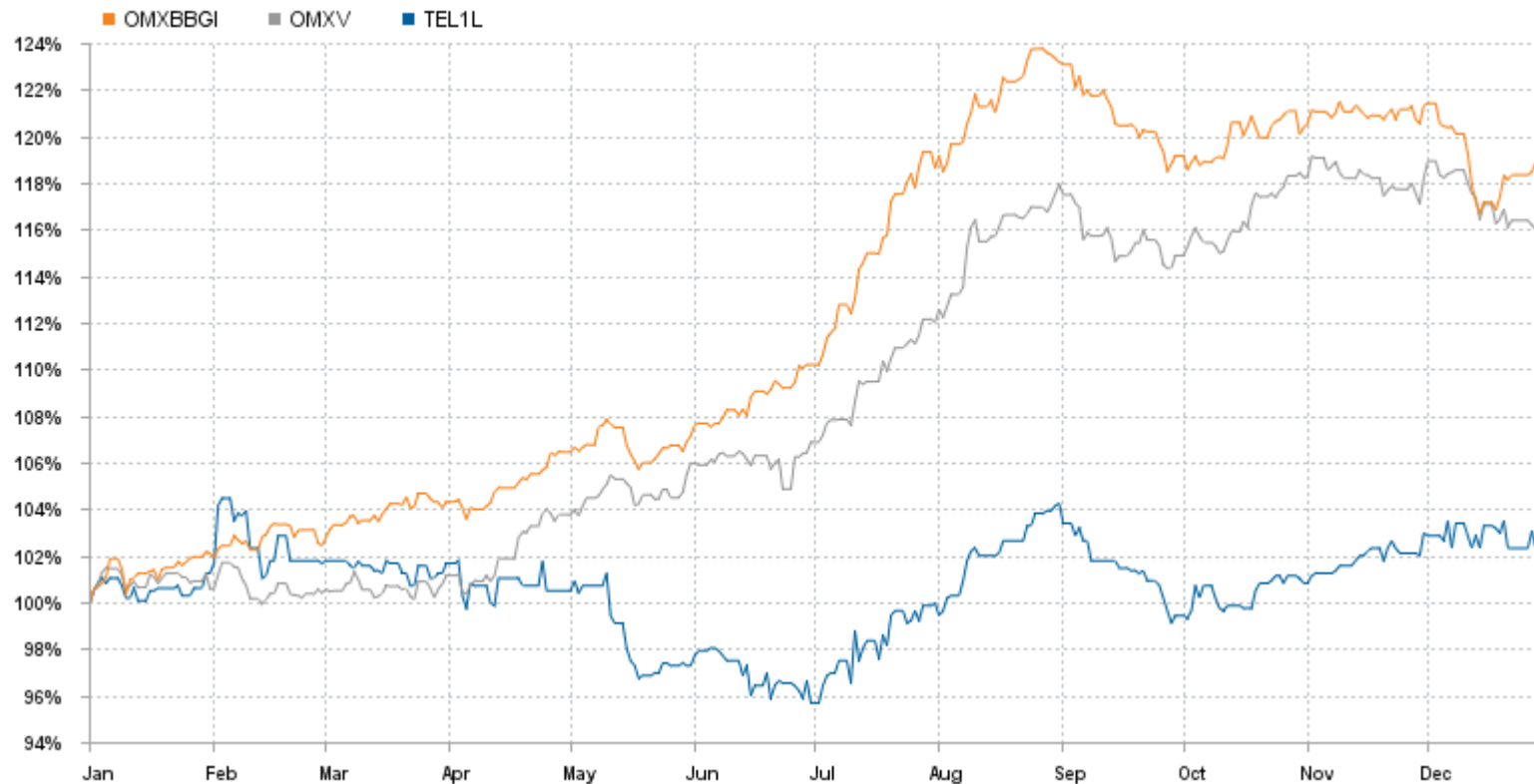
**Market capitalization (EUR million)**



# TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE IN 2017



# THE COMPANY SHARE PRICE AND NASDAQ VILNIUS INDEXES COMPARISON



Source: Nasdaq Vilnius



# CORPORATE GOVERNANCE

The background of the slide is composed of several overlapping, wavy bands of color. From top to bottom, the colors are: a deep purple, a vibrant blue, a bright yellow, a warm orange, and a teal green. The bands flow diagonally from the top left towards the bottom right, creating a dynamic and modern aesthetic.



# GOVERNING BODIES

- The Annual **General Meeting of Shareholders** was held on 27 April 2017
- The **Board** consist of 6 members elected for the 2 year term
- Upon termination of the 2 year term of the Board, the AGM **re-elect** Stefan Block, Claes Nycander, Inga Skisaker and Rolandas Viršilas (the last both as independent member of the Board) and instead of Robert Andersson and Hannu-Matti Mäkinen **elected** Henriette Wendt and Ole Stenkil to the Board
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** is the Company's independent auditor for the year 2017
- The Board elects and recalls **CEO**



# BOARD



**Henriette Wendt** (born in 1969),  
**Chairwoman** of the Board,  
represents Telia Company AB,  
Chairwoman of the Remuneration  
Committee



**Ole Stenkil** (born in 1973),  
**Member** of the Board,  
represents Telia Company AB,  
Member of the Audit Committee



**Stefan Block** (born in 1967),  
**Member** of the Board,  
represents Telia Company AB,  
Chairman of the Audit Committee



**Inga Skisaker** (born in 1971),  
**Independent member** of the Board,  
Member of the Audit Committee



**Claes Nycander** (born in 1963),  
**Member** of the Board,  
represents Telia Company AB,  
Member of the Audit Committee



**Rolandas Viršilas** (born in 1963),  
**Independent member** of the Board,  
Member of the Remuneration  
Committee

- Rolandas Viršilas has 75,000 shares of Telia Lietuva, other members of the Board have no direct interest in the share capital of Telia Lietuva



# GOVERNING STRUCTURE

VALID FROM 15 DECEMBER 2017



# MANAGEMENT TEAM



**Kęstutis Šliužas,**  
CEO



**Mindaugas Ubartas,**  
Head of B2B



**Haval van Drumpt,**  
Head of B2C



**Andrius Šemeškevičius,**  
Head of Technology



**Laimonas Devyžis,**  
Head of Finance



**Ramūnas Bagdonas,**  
Head of Human Resources



**Giedrė Kaminskaitė–Salters,**  
General Counsel &  
Head of Public Affairs



**Mantas Goštautas,**  
Head of Business  
Development



**Vytautas Bučinskas,**  
Head of Operational Excellence



# RESPONSIBLE BUSINESS



Anti-bribery and  
corruption



Freedom of  
expression



Customer privacy



Occupational health  
and safety



Responsible  
procurement



Environmental  
responsibility



Children online





Telia

**#VISA KOTINKLAS**