

Press Release
November 07, 2016

Telia Company acquires Phonero in Norway

Telia Company acquires Norwegian Phonero at an enterprise value of NOK 2,300 million on a cash and debt free basis. The transaction will strengthen Telia's position in the Norwegian enterprise segment and expects to generate annual cost synergies of approximately NOK 400 million.

Phonero offers telecommunication services to small and medium sized corporate customers as well as public companies in Norway. Phonero's customer base comprises 25,000 invoiced enterprises with approximately 250,000 mobile subscriptions. The transaction will increase Telia's market share in the mobile enterprise segment from approximately 13 percent to 27 percent.

During the twelve-month period ending June 30, 2016, Phonero reported net sales of NOK 1,104 million and an adjusted EBITDA of NOK 217 million. Telia expects to realize annual cost synergies of approximately NOK 400 million, mainly from transferring traffic to its own network, with limited effect in 2017 and full effect in 2018. Based on Phonero's results in the last twelve-month period combined with expected synergies, the purchase price corresponds to an EV/EBITDA multiple of 3.7x.

"I am glad to welcome Phonero employees to Telia Company and Phonero customers to Telia Norway. This is another important step in creating a leading converged player in both consumer and enterprise across the Nordics and Baltics", says Johan Dannelind, President and CEO of Telia Company.

"The transaction will strengthen Telia's position as a true alternative to the incumbent in the Norwegian B2B market. We have complementary knowledge, expertise and service solutions that will help to create added value for business customers. It will strengthen the competition in the Norwegian B2B market and enables us to create more innovation, better customer journeys and ensure a diversity of services for the benefit of all customers", says Abraham Foss, CEO of Telia Company's Norwegian operation.

Following a successful rebranding in early 2016, Telia continues to develop and improve its services to the Norwegian customers. In the past couple of years, Telia has made significant investments in 4G coverage and capacity across Norway. Today, the network covers 98 percent of the Norwegian population and Telia has this year received independent awards for the best 4G network in the country.

The acquisition is subject to approval from the Norwegian competition authorities and is expected be completed in the first quarter of 2017.

Telia Company invites to a press and analyst call today at 8.30 AM CET

Dial-in numbers:

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You can also listen to the conference call afterwards until November 11, 2016.

Replay number:

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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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