

NextGenTel Holding ASA

Q1 2017 presentation

Eirik Lunde, CEO

Thon Hotel Vika Atrium, Oslo
4 May 2017

NextGenTel Group Q1 2017

Customers Q1'17

358,000

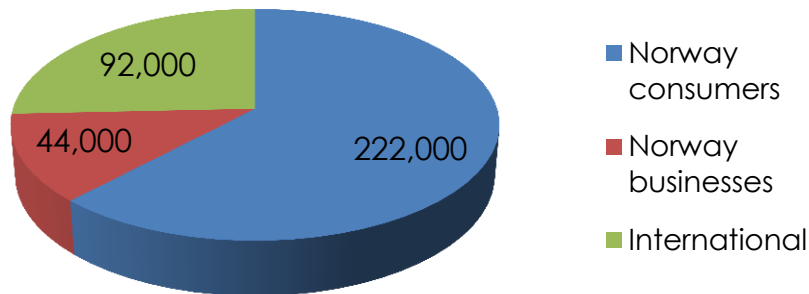
RGUs
(revenue generating units)

Revenues Q1'17

318

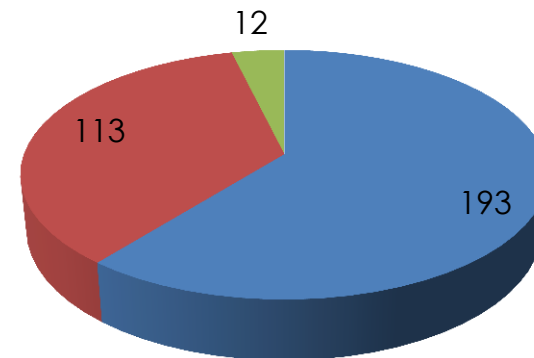
NOK million

Customers break-down



RGUs

Revenues break-down



xDSL

Datacom

TV

Fiber

Voice



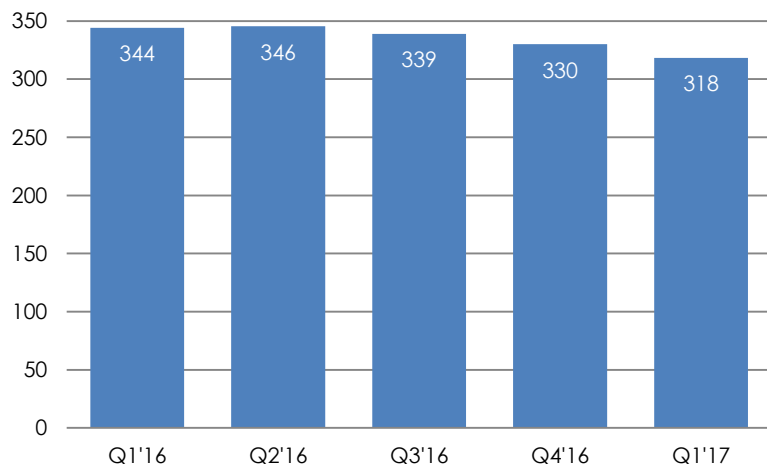
Highlights Q1

- Still a challenging consumer market
 - Positive development in the MDU segment
 - Oslo S Utvikling
 - Awaiting conclusion on modernization of the copper network in Q2
- Business segment showing a positive trend
 - New contracts
 - Nordic Choice Hotels, 3-year agreement
 - Phonect (annual revenue of NOK 60 million)
 - Renewal of 3-year agreement with Telia (annual revenue of NOK 75 million)
- Operations
 - Increase in business mobile customers y-o-y
 - Increase in TV customers y-o-y
 - Increase in fiber access customers y-o-y

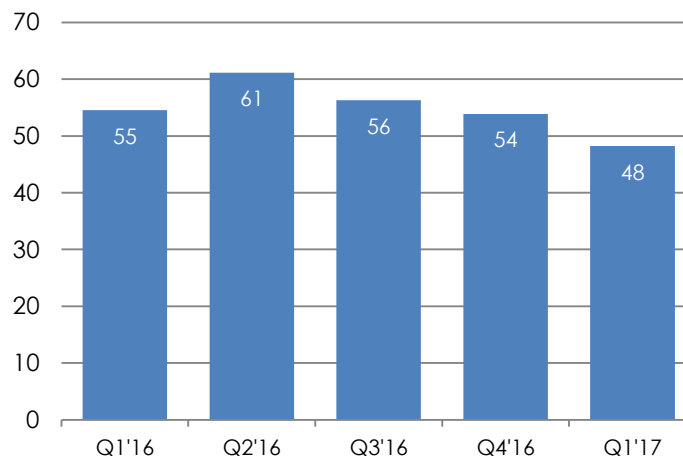
Q1 2017 financials in brief

Revenues	EBITDA	EBIT	CASH	EQUITY RATIO	NET DEBT/EBITDA
318.3	48.2 ¹⁾	15.7 ¹⁾	18.0	19.8%	1.22
NOK million	NOK million	NOK million	NOK million		

Revenues (NOKm)

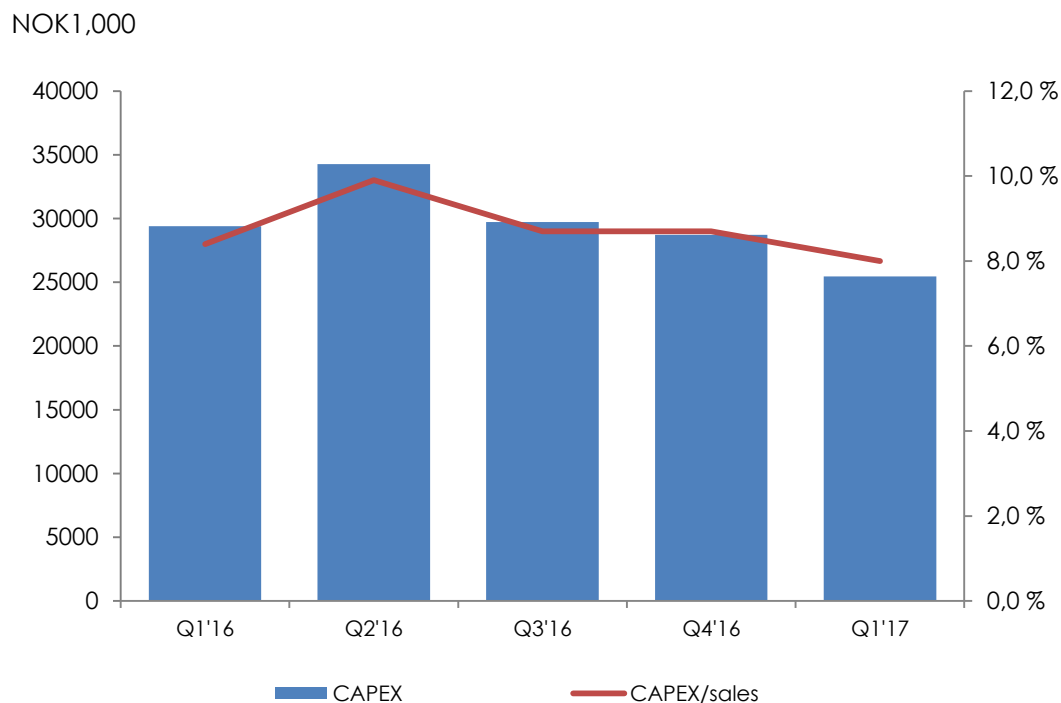


EBITDA (NOKm)



1) EBITDA and EBIT adjusted for non-recurring items and EBIT adjusted for amortization of excess values related to business combinations (acquisitions of NextGenTel and Kvantel).

CAPEX development



- Quarterly variations in capex depending on maintenance needs, customer inflow, changes in customer equipment and development projects
- Capex reduced by 11.3% from Q4'16
- The target for capex/sales in 2017 is below 8% for the full year and closer to 7% towards the end of the year

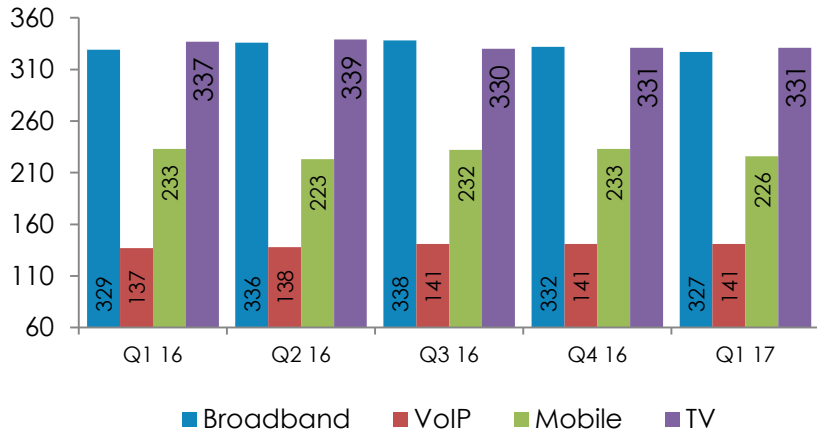
Norway (excl Kvantel) Financials – P&L

NOK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Total revenue	263.8	276.7	283.9	287.7	286.9
Gross profit	116.4	126.9	131.4	136.8	136.7
Gross margin	44.1%	45.9%	46.3%	47.5%	47.6%
Total opex	(78.0)	(84.2)	(86.9)	(84.1)	(88.9)
EBITDA	38.4	42.7	44.5	52.7	47.8
D&A	(28.4)	(27.9)	(27.7)	(25.8)	(26.9)
EBIT	10.0	14.8	16.8	26.9	20.9
CAPEX	20.1	22.9	23.5	31.2	26.8

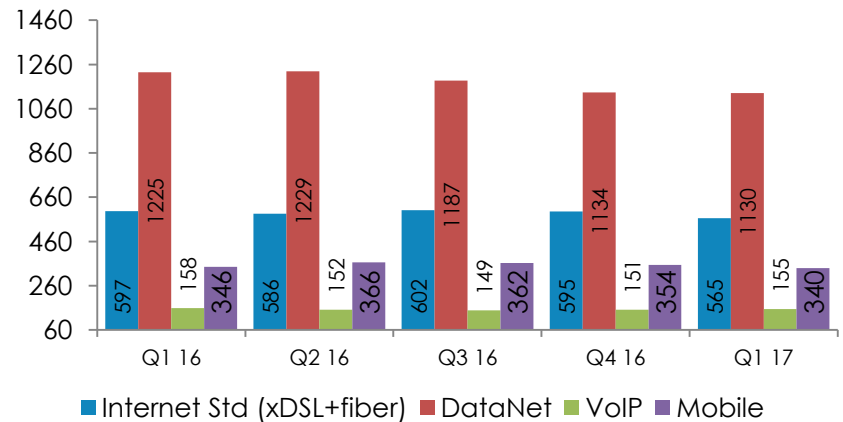
- High margin revenues being replaced by lower margin revenues
- Gross profit negatively affected by lower revenues and reduced margin
- Significant contracts signed in the quarter
 - Renewal of 3-year agreement with Telia (annual revenue of NOK 75 million)
 - Oslo S Utvikling
- The target for opex/sales in 2017 is 30% for the full year, declining to 28% towards the end of the year
- Increase in high-speed Internet access and business mobile (RGUs)
- Positive cash generation

ARPU by product/segment

Consumer segment – monthly ARPU by product (NOK)



Business segment – monthly ARPU by product (NOK)



Modernization of the copper network

- Negotiations are still ongoing in Bredbåndsforum and between xDSL operators (Telenor, Broadnet and NextGenTel)
- According to correspondence between the Ministry of Transportation and Communication and NKOM dated 20 February 2017, a conclusion on the modernization issue is expected to be reached by the end of the second quarter in 2017.

Kvantel

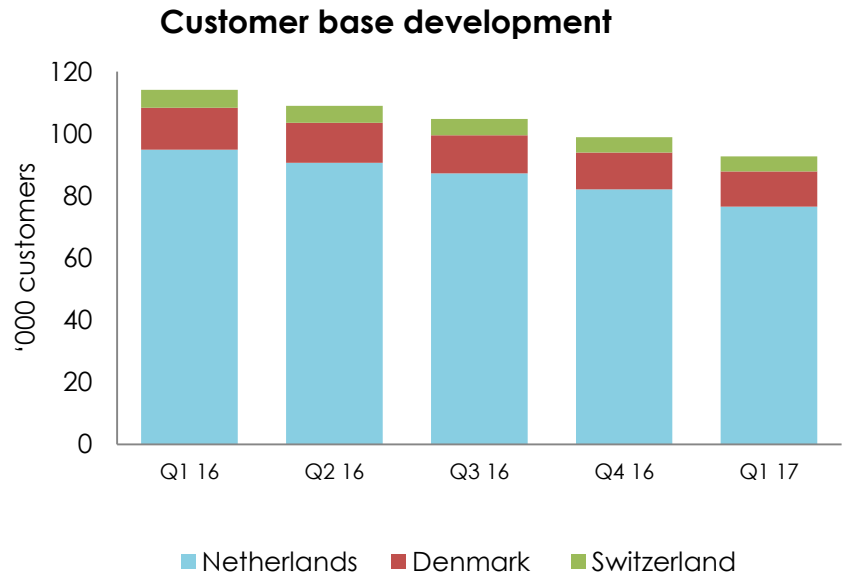
NOK million	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Total revenue	44.9	45.8	44.3	45.2	45.5
Gross profit	18.7	19.5	17.5	18.2	17.0
Gross margin	41.7%	42.5%	39.6%	40.3%	37.3%
Total opex	(14.0)	(13.6)	(11.3)	(13.1)	(15.2)
EBITDA	4.7	5.9	6.2	5.1	1.8
D&A	(3.8)	(3.6)	(3.2)	(3.0)	(3.2)
EBIT	0.9	2.3	3.0	2.1	(1.4)
CAPEX	5.7	5.8	6.2	2.4	1.9

- Positive order intake
- New contracts signed not taken effect in Q1
 - Nordic Choice Hotels, 3-year agreement
 - Phonect (annual revenue of NOK 60 million)
- Some seasonal revenue variations

International markets

- Primary focus to maintain customer base and profitability

NOK million	Q1'17	Q4'16	Q3'16	Q2'16	Q1'16
Total revenue	12.0	12.9	14.3	14.6	15.9
Gross profit	8.2	8.1	8.8	8.9	9.7
Gross margin	69%	63%	62%	61%	61%



Dividend

- Based on a resolution by the board, the company paid a dividend of NOK 0.50 per share on 8 March 2017
- Future dividend distribution will depend on the prevailing investment plans, financial covenants and necessary financial flexibility

Summary Q1

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 - Increase in TV customers y-o-y
 - Increase in fiber access customers y-o-y



Q&A

Thank you!

Financial calendar 2017

Q4 2016

Wednesday 15 February at 09:00

Annual general meeting

Thursday 20 April at 15:00

Q1 2017

Thursday 4 May at 09:00

Q2 2017

Wednesday 16 August at 09:00

Q3 2017

Friday 27 October at 09:00

Investor relations:
www.nextgentelholding.com

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