



Interim Report Q3 2022

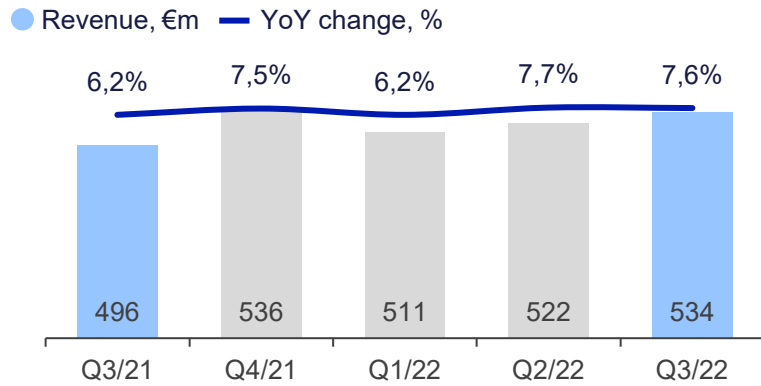
19 October 2022

Q3 2022 highlights

- Revenue grew by 7.6%
- EBITDA up by 4.2%
- Mobile service revenue increased by 6.9%
- In Finland, post-paid churn increased to 18.6% (15.3% in Q2)
- Post-paid subscriptions grew by 35,400. M2M and IoT subscription base grew by 37,200.
- Fixed broadband subscription base decreased by 1,700
- Good 5G momentum continues: network covers 83% of Finnish population in over 200 towns and cities
- Our systematic, long-term way of operating has ensured stable development and mitigated the impact of energy price rises

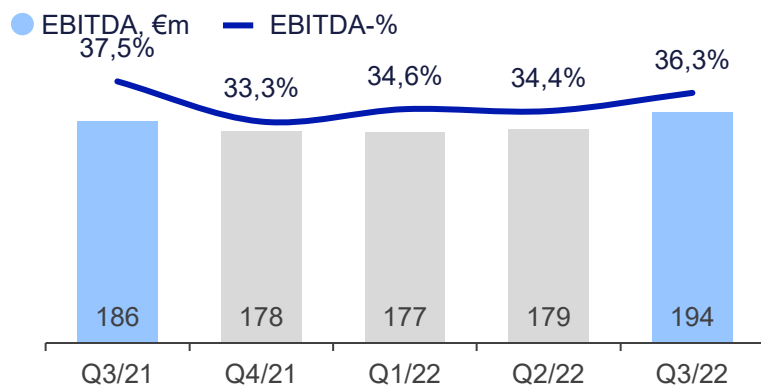
Solid performance continues

Revenue



- Increase
- Mobile and fixed services
 - Digital services
 - Equipment sales

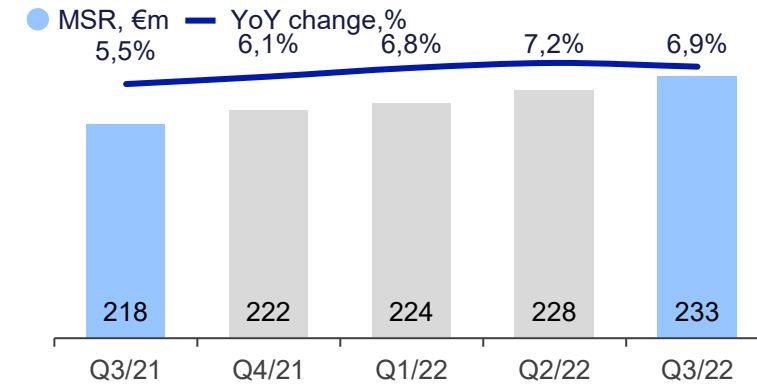
EBITDA¹⁾



- Revenue growth
- Efficiency improvements

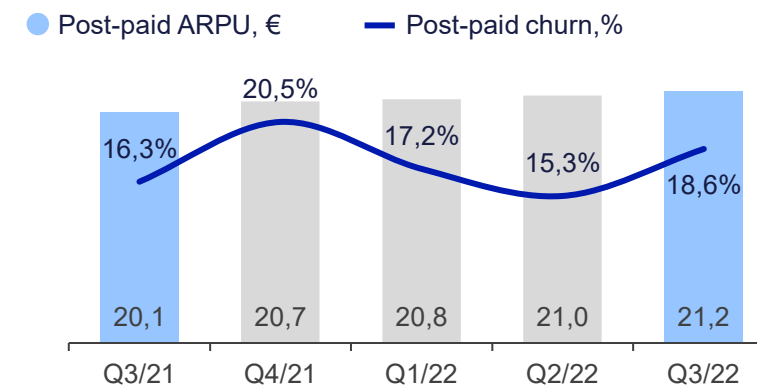
1) Comparable

Mobile service revenue



- 5G upselling continuing
- Product changes

ARPU and churn²⁾



- YoY ARPU growth 5.5%
- Campaigning in 4G continues
- Competition remains keen

2) Finland, churn annualised

Growth continued in all business areas

Consumer Customers

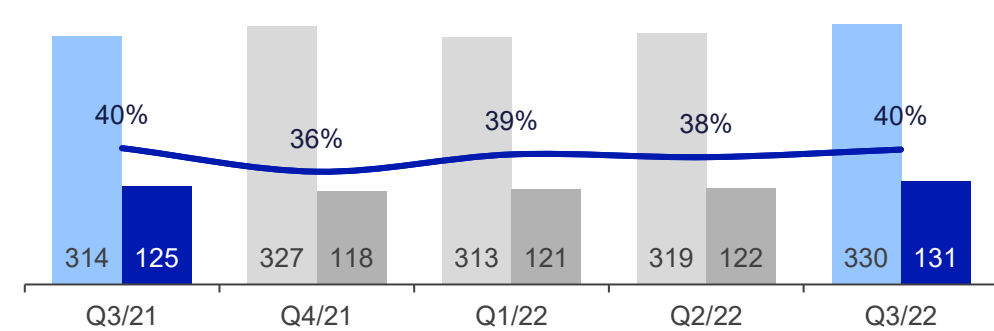
Revenue +5%

- + Mobile services
- + Digital services
- + Equipment sales
- Interconnection and traditional fixed-line services

EBITDA +5%

Revenue and EBITDA¹⁾

● Revenue, €m ● EBITDA, €m — EBITDA-%



Corporate Customers

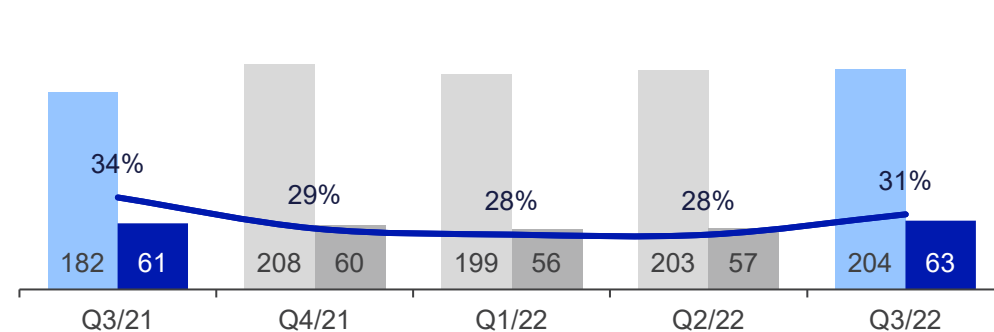
Revenue +12%

- + Mobile and fixed services
- + Digital services
- + Equipment sales
- Interconnection and traditional fixed-line services

EBITDA +3%

Revenue and EBITDA¹⁾

● Revenue, €m ● EBITDA, €m — EBITDA-%



1) Comparable

Strategy execution

A sustainable future through digitalisation

Increase mobile and fixed service revenues

Grow digital service businesses

Improve efficiency and quality

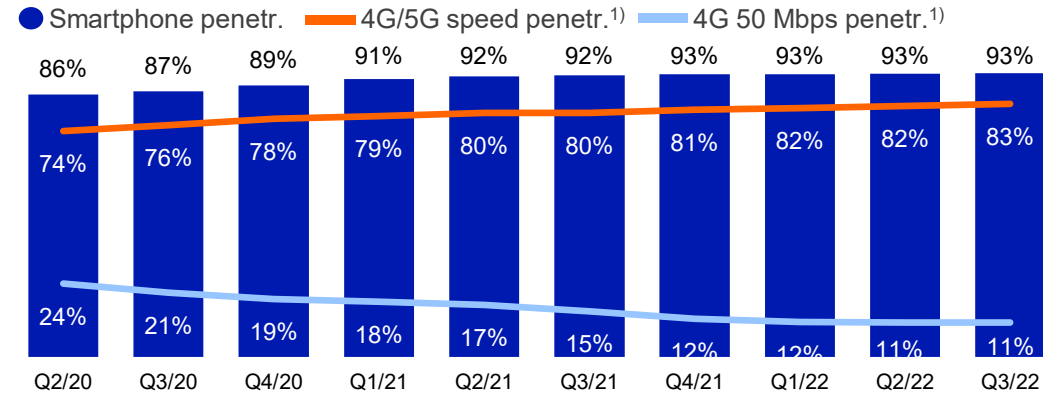


Transformation to data bundles has taken place while speed upgrades continue

Growth in smartphone penetration

- 93% of customers use a smartphone
 - 33% (29% in Q2/22) of smartphones are 5G devices
- 83% (80%) of voice subs at 4G or 5G speeds
 - Upselling to higher speeds continues
 - Share of 4G has begun declining, offset by 5G

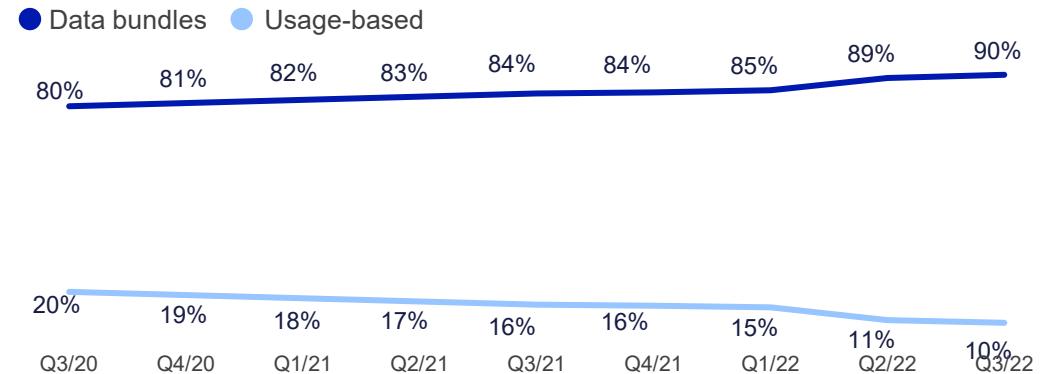
Smartphone and 4G/5G speed penetration.%



Proportion of data bundles continues to grow

- 90% of subscriptions¹⁾ are fixed-monthly-fee, “all-you-can-eat” bundles
- Strong demand for unlimited data bundles continues, driven by 5G

Subscription¹⁾ split



¹⁾ Post-paid voice subscriptions



Elisa leading 5G

- 5G coverage reached over 200 locations and over 83% population coverage
- Average billing increase of over €3 in 5G upgrades intact
- Elisa's 3G network in Finland will be phased out by the end of 2023
 - Preparatory measures have already started
 - 900 MHz and 2,100 MHz frequencies will be freed up for other services
 - Better customer experience and service quality with 5G and 4G
 - Improves energy efficiency and saves electricity
- The Estonian auction for the 3.5 GHz spectrum for Elisa ended in May 2022. The 700 MHz spectrum auction is scheduled to begin on 8 November 2022.



Expansion of digital service businesses continued

Domestic digital services

- Entertainment services
 - Elisa Viihde original series *All the Sins (Kaikki synnit)* has been sold to more than 60 countries, making it currently the best-selling Elisa series internationally
 - Elisa Viihde original series *Next of Kin (Jälkeläiset)* has been sold to Hulu in the US, making it available to over 40 million subscribers
- IT services
 - Current uncertainties have increased demand for cyber services especially on end user-focused attacks
 - New customers for digital workplace and hybrid cloud services in finance, energy and manufacturing

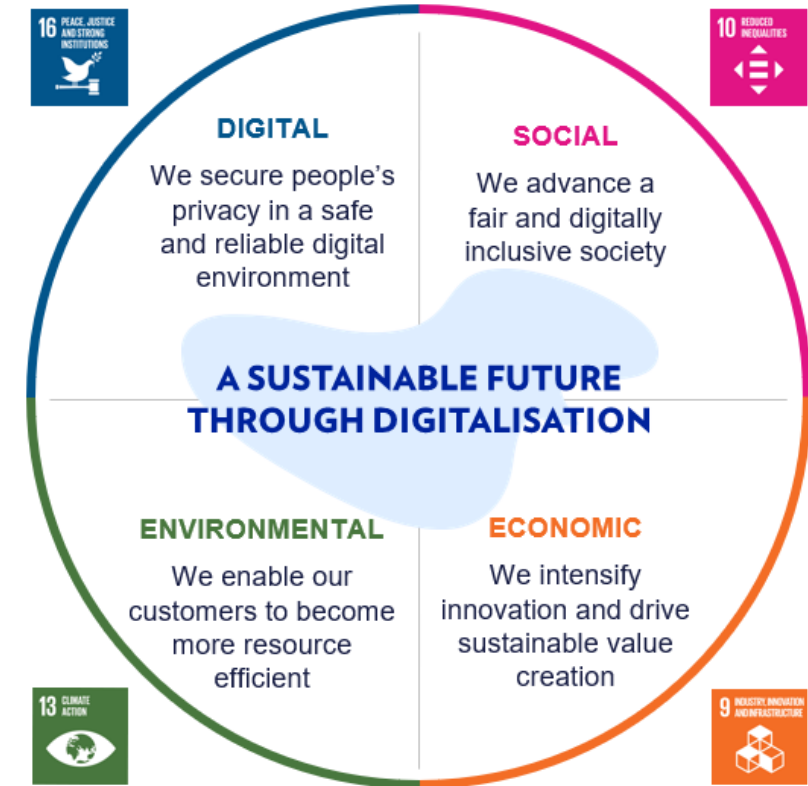
International digital services

- Elisa IndustrIQ
 - Major deals won by sedApta, TenForce and CalcuQuote in steel production and electronic manufacturing
 - CamLine forum showcased Elisa's international digital services in Dresden. Over 40 companies from various industries in 17 countries.
- Elisa Polystar
 - Cardinality integration and business proceeding well
 - Strong order backlog for Elisa Polystar
- Elisa Videra
 - The need for supporting a global hybrid workforce means reinvesting in spaces and related video meeting rooms. In Q3, Elisa Videra delivered over 100 solutions to 27 countries across Europe, Africa, Asia and North America.

A sustainable future through digitalisation

Key ESG indicators		3Q22	3Q21	4Q21
13 CLIMATE ACTION	Mobile network energy efficiency in Finland			
	Change in energy consumption per GB from Q4 2021 level	-4.7%	-	-
10 REDUCED INEQUALITIES	Population coverage of >100 Mbps connections in Finland	83.2%	64.4%	72.6%
	Proportion of female supervisors	29.7%	29.2%	27.4%
9 INDUSTRY INNOVATION AND INFRASTRUCTURE	Patent portfolio development			
	Size of active patent portfolio ¹⁾	321	228	265
	Number of first applications	8	1	19

- Waste heat from Elisa data centre used for district heating in Helsinki area
 - In cooperation with the energy company Helen, energy efficiency in Elisa's data centre will improve and become environmentally positive, i.e. the data centre will actually reduce global emissions
- Elisa participates in energy saving measures in many ways in Finland and Estonia. e.g. optimising the mobile network ²⁾
- Elisa recognised as one of the top-performing digital companies in the *Greening digital companies: Monitoring emissions and climate commitments* report ³⁾



¹⁾ Number of active patent applications and patents

²⁾ <https://elisa.com/corporate/our-actions/energy-efficiency/>

³⁾ <https://www.itu.int/en/ITU-D/Environment/Pages/Toolbox/Greening-Digital-Companies.aspx>

Upgraded outlook and guidance for 2022

Growth in the Finnish economy is expected to slow down to some extent. Increasing levels of uncertainty relating to Russia's war in Ukraine, such as inflation, energy prices and global supply chains, will continue. Competition remains keen.

- Revenue slightly higher than in 2021
- Comparable EBITDA slightly higher than in 2021
- CAPEX* maximum 12% of revenue

* Excluding leasing, licences and business acquisitions



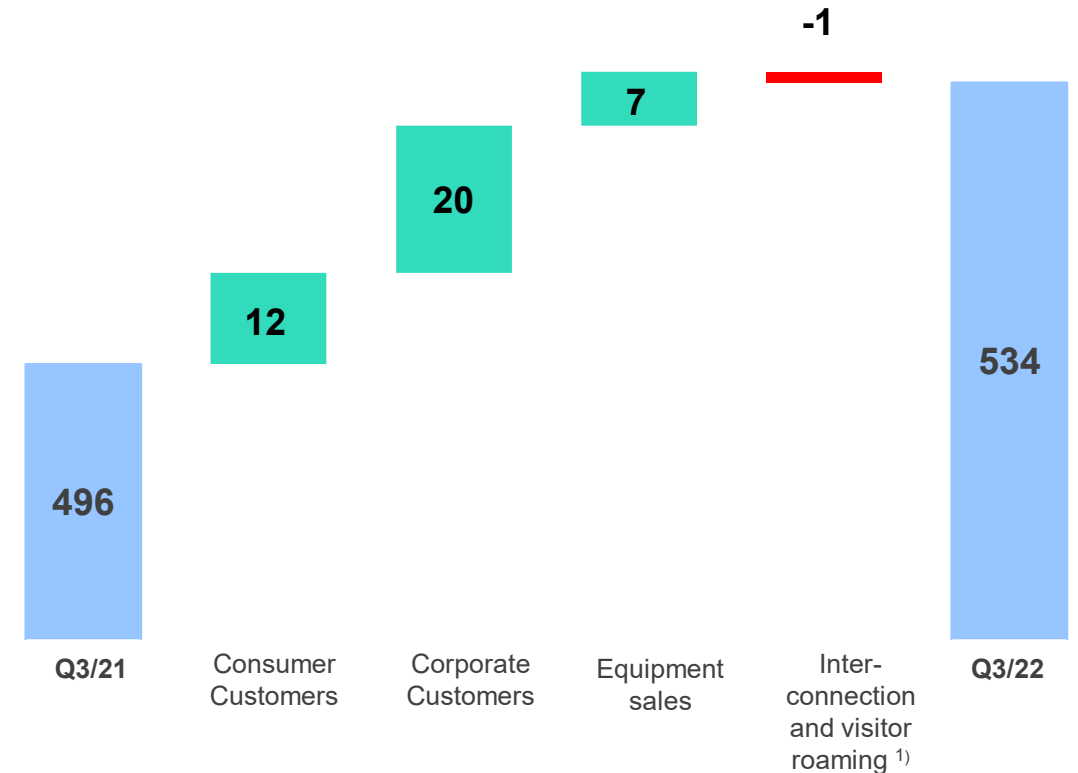
Financial review Q3 2022

Growth in revenue and earnings continuing

€ million 1)	Q3/22	Q3/21	Change	%
Revenue	534.0	496.5	37.6	7.6%
Other operating income	1.3	1.6	-0.3	-17.7%
Materials and services	-208.4	-188.3	-20.1	10.7%
Employee expenses	-89.1	-80.4	-8.6	10.7%
Other operating expenses	-44.1	-43.4	-0.7	1.5%
EBITDA	193.9	186.0	7.9	4.2%
<i>EBITDA %</i>	<i>36.3 %</i>	<i>37.5 %</i>		
Depreciation	-65.9	-65.4	-0.5	0.8%
EBIT	127.9	120.6	7.4	6.1%
<i>EBIT %</i>	<i>24.0%</i>	<i>24.3%</i>		
Financial expenses net	-3.9	-2.9	-1.1	
Profit before tax	124.0	117.7	6.3	5.3%
Net profit	100.8	96.7	4.1	4.3%
EPS, €	0.63	0.60	0.03	4.4%

1) With comparable figures. Growth is calculated using exact figures prior to rounding.

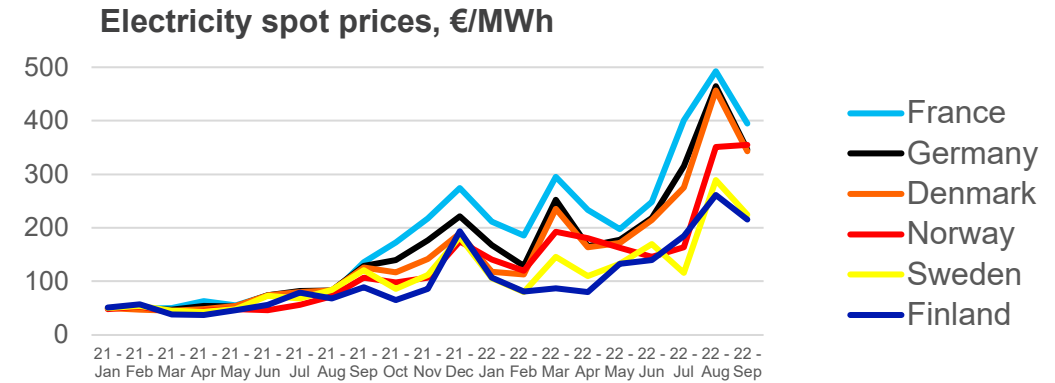
Q3 2022 YoY revenue change €38m



¹⁾ Mobile and fixed interconnection

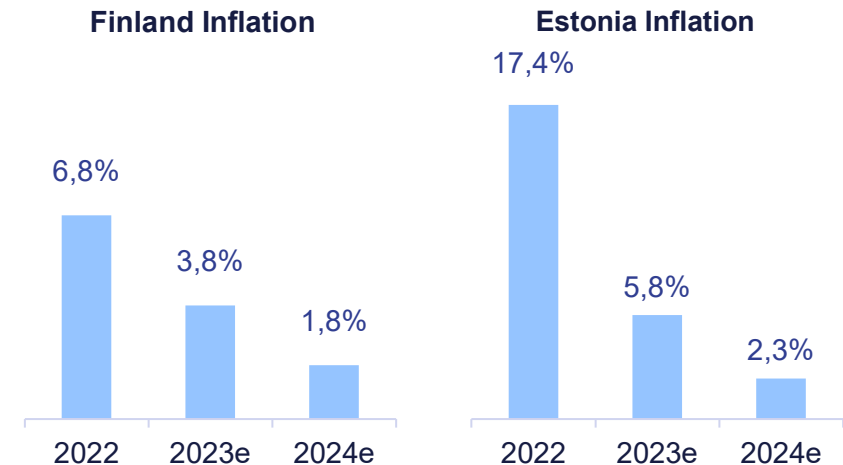
Our systematic, long-term way of operating has ensured stable development and mitigated the impact of energy price rises

- Electricity price for 2022 nearly fully hedged
 - Elisa has a long-term hedging policy for electricity purchases
 - 2022 close to 100% hedged and 2023 more that 60%
 - In 2023, hedge ratio increases in April due to new 10y wind power PPA
 - with fixed price, price level set in 2021
 - Ongoing energy-saving programmes, e.g. network energy efficiency using Elisa Polystar software and new technology



Source: Nordpool

- Minor effects from inflation
 - Wage inflation based on collective agreement modest in 2022, average salary increase approx. 2%
 - Next collective agreement negotiations in early 2023
 - Inflation rate approx. 7% in Finland and 17% in Estonia
 - No material change in customer behaviour for Elisa services
 - Mitigations: cost efficiency and price changes

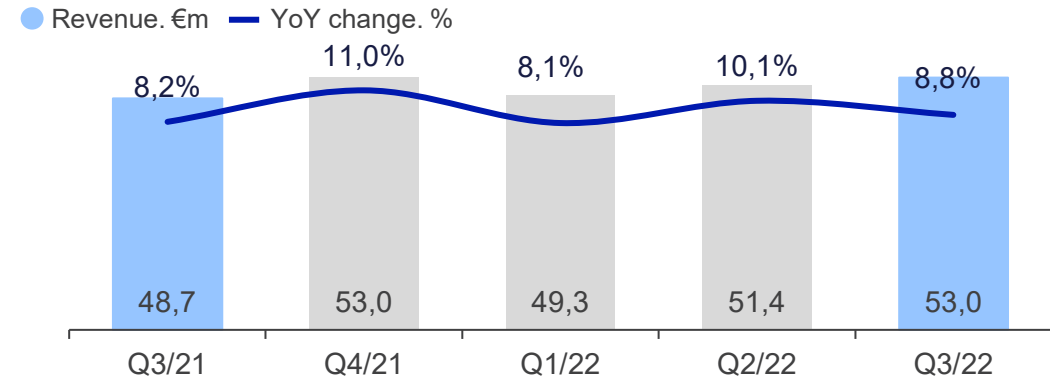


Source: Average of selected financial institutions

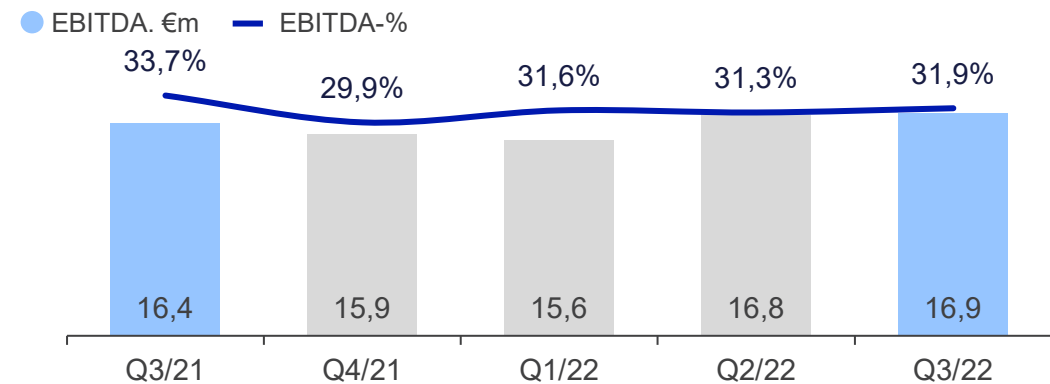
Strong growth in Estonia

- Revenue and EBITDA improved
- Revenue +9%
 - Mobile services
 - Equipment sales
 - Fixed services
- EBITDA growth +3%
- Mobile post-paid subscription base +300, pre-paid +4,200
- Churn 9.5% (9.1 in Q2)

Revenue



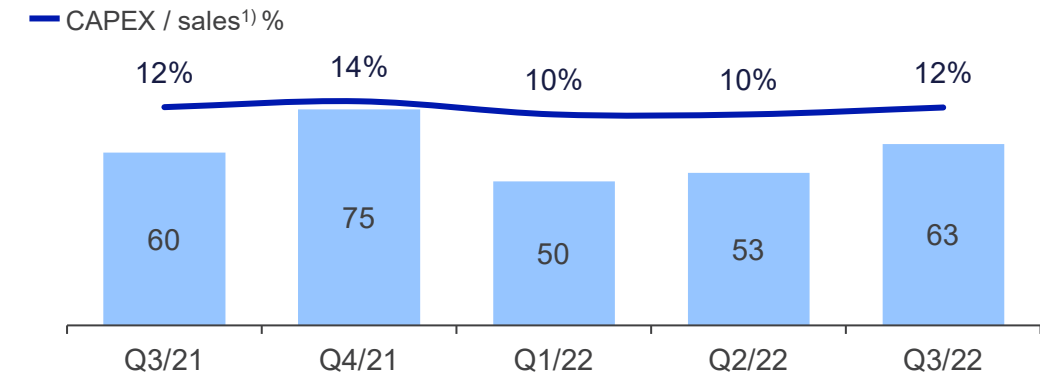
EBITDA



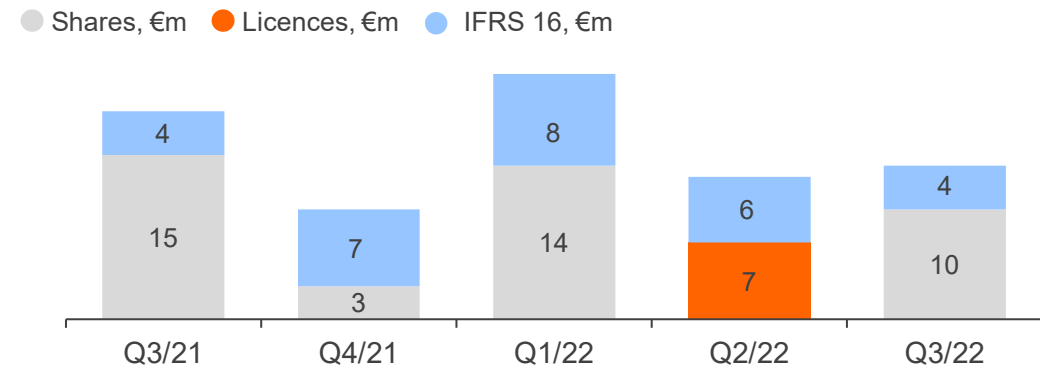
YTD CAPEX lower, full-year guidance intact

- CAPEX €67m (64). excl. licences, lease agreements and acquisitions €63m (60)
 - Consumer €45m (40)
 - Corporate €22m (23)
- Main CAPEX areas
 - 5G coverage increase
 - Other network and IT investments

CAPEX¹⁾



Shares, licences and rental agreements (IFRS 16)

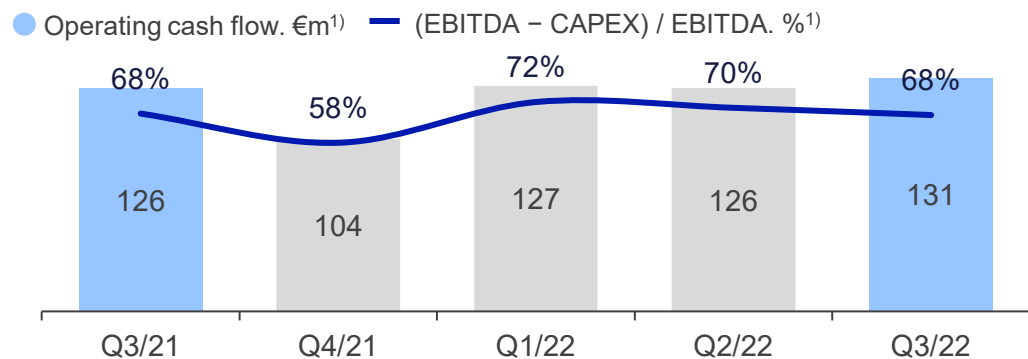


¹⁾ Investments excluding shares, licences and rental agreements (IFRS 16)

Cash flow affected by NWC change

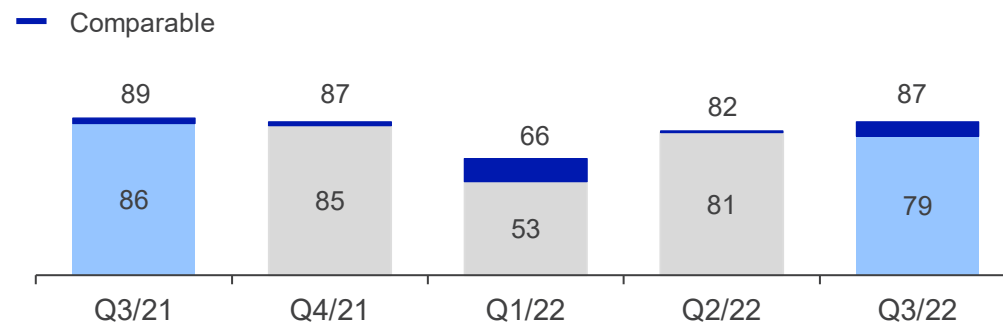
- Q3 cash flow €79m (86)
- Q3 comparable cash flow €87m (89)
 - + Higher EBITDA
 - NWC change, taxes

Cash conversion

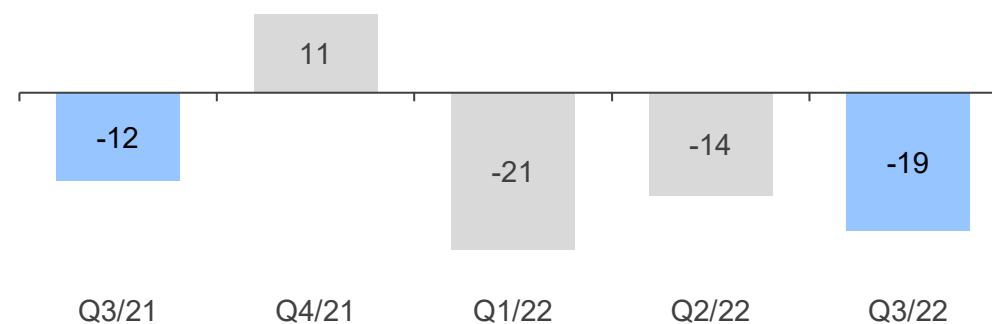


¹⁾ Comparable EBITDA – CAPEX excluding investments in shares, licences and finance leases (IFRS 16)

Cash flow and comparable cash flow, €m



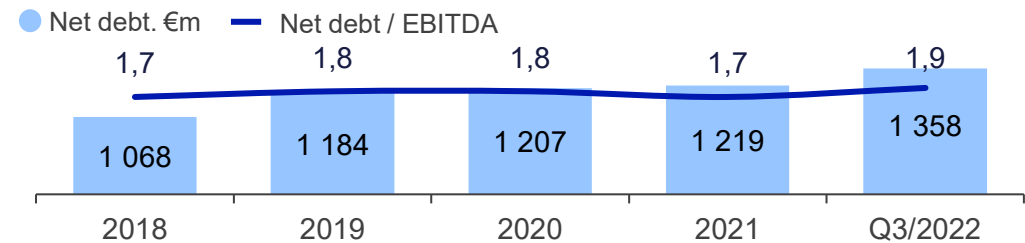
Change in net working capital, €m



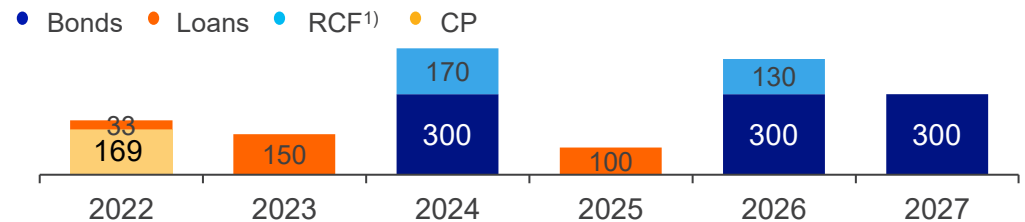
Efficient capital structure and good returns

- Capital structure according to target
 - Net debt / EBITDA 1.9× (target 1.5–2×)
 - Equity ratio 38.6% (target >35%)
- Return ratios at good level
 - Efficient capital structure
- Average interest expense approx. 1%

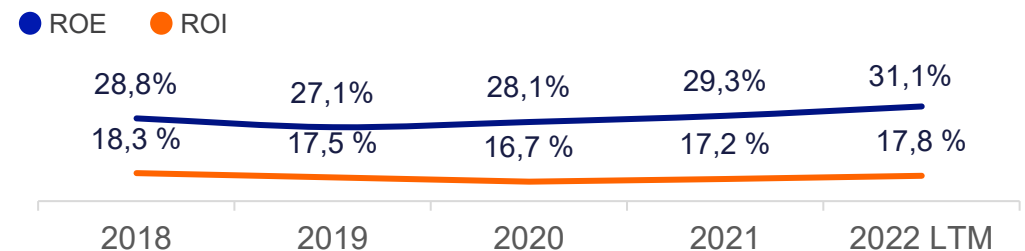
Net debt



Maturities as of 30 Sep 2022, €m



Return ratios²⁾



¹⁾ RCFs are fully undrawn

²⁾ Comparable

elisa

Q&A

APPENDIX

P&L by quarter

€ million	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20
Revenue	534.0	521.5	511.4	535.5	496.5	484.3	481.6	498.2	467.5
<i>YoY growth</i>	7.6%	7.7%	6.2%	7.5%	6.2%	5.1%	2.9%	2.2%	0.6%
Other operating income	1.3	1.1	0.9	1.8	1.6	3.0	2.5	1.6	1.3
Materials and services	-208.4	-199.0	-189.5	-212.2	-188.3	-181.0	-182.0	-199.7	-175.6
Employee expenses	-89.1	-97.6	-100.1	-100.4	-80.4	-98.7	-94.3	-82.7	-74.1
Other operating expenses	-44.1	-48.6	-45.6	-49.2	-43.4	-41.4	-38.2	-46.1	-39.1
EBITDA	193.9	177.4	177.1	175.5	186.0	166.2	169.7	171.2	180.0
<i>EBITDA %</i>	36.3%	34.0%	34.6%	32.8%	37.5%	34.3%	35.2%	34.4%	38.5%
<i>YoY Growth</i>	4.2%	6.7%	4.4%	2.5%	3.4%	-1.2%	2.4%	1.9%	0.8%
Comparable EBITDA	193.9	179.4	177.1	178.1	186.0	172.0	169.7	171.2	180.0
<i>YoY Growth</i>	4.2%	4.3%	4.4%	4.0%	3.4%	2.2%	2.4%	1.9%	0.8%
<i>Comparable EBITDA %</i>	36.3%	34.4%	34.6%	33.3%	37.5%	35.5%	35.2%	34.4%	38.5%
Depreciation, amortisation and impairment	-65.9	-65.9	-65.8	-66.8	-65.4	-66.6	-67.6	-73.9	-68.1
EBIT	127.9	111.5	111.4	108.7	120.6	99.5	102.0	97.3	111.9
Comparable EBIT	127.9	113.5	111.4	111.2	120.6	105.3	102.0	103.4	111.9
Financial income	1.6	1.9	1.5	0.9	1.3	1.0	1.4	6.3	1.2
Financial expense	-5.4	-4.7	-4.2	-4.4	-4.1	-3.8	-4.2	-5.4	-5.4
Share of associated companies' profit	-0.1	-0.3	-0.3	-0.2	-0.1	-0.2	0.0	0.3	0.7
Profit before tax	124.0	108.4	108.4	105.0	117.7	96.5	99.2	98.5	108.3
Comparable profit before tax	124.0	110.4	108.4	107.6	117.7	102.3	99.2	98.9	108.3
Income taxes	-23.2	-20.0	-20.4	-19.0	-21.0	-17.3	-17.6	-16.2	-19.4
Profit for the period	100.8	88.4	88.0	86.0	96.7	79.2	81.6	82.3	88.9
Comparable Profit	100.8	90.0	88.0	88.1	96.7	83.9	81.6	81.7	88.9
Earnings per share (EUR)	0.63	0.55	0.55	0.54	0.60	0.49	0.51	0.51	0.55
Comparable EPS	0.63	0.56	0.55	0.55	0.60	0.52	0.51	0.51	0.55
<i>YoY Growth</i>	4.4%	7.7%	8.0%	7.8%	8.9%	5.9%	4.7%	3.4%	5.2%

Cash flow YoY comparison

€ million	Q3/22	Q3/21	Change ¹⁾	%	1-9/22	1-9/21	Change ¹⁾	%	2021
EBITDA	194	186	8	4%	548	522	26	5%	697
Change in receivables	0	-6	6		26	22	4		-32
Change in inventories	-9	-2	-7	359%	-19	-8	-10	126%	-18
Change in payables	-9	-3	-6	187%	-61	-21	-41	199%	53
Change in NWC	-19	-12	-7	62%	-55	-7	-47	649%	3
Financials (net)	-1	-2	0	-22%	-8	-13	5	-38%	-14
Taxes for the year	-23	-19	-4	19%	-59	-55	-4	7%	-74
Taxes for the previous year	0	0	0		-2	-1	-1		-1
Taxes	-23	-19	-4	19%	-61	-56	-5	9%	-76
CAPEX	-62	-62	0	0%	-165	-176	10	-6%	-248
Licence fees ²⁾	-1	-1	0		-14	-11	-3		-11
Investments in shares ³⁾	-8	-4	-5	140%	-21	-14	-7	53%	-16
Sale of shares	0	0	0		0	0	0		0
Sale of assets and adjustments	0	-1	1		-10	-8	-2	26%	-14
Cash flow after investments	79	86	-7	-8%	214	237	-23	-10%	322
Cash flow after investments excl. acquisitions ⁴⁾	87	89	-2	-2%	235	250	-15	-6%	338

1) Difference is calculated using exact figures prior to rounding

2) Estonian 5G licence in Q2/22. Last instalment €4m for 700 MHz was paid in Q1/21.

3) sedApta, LE-kuitu and TenForce in 2021. Frinx and Cardinality in 2022.

4) Excluding share purchases and sale of shares.

APPENDIX

Cash flow by quarter

€ million	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20
EBITDA	194	177	177	176	186	166	170	171	180
Change in receivables	0	-17	43	-53	-6	5	23	-20	0
Change in inventories	-9	-3	-6	-9	-2	1	-7	-2	9
Change in payables	-9	6	-58	73	-3	13	-30	37	-15
Change in NWC	-19	-14	-21	11	-12	19	-14	16	-6
Financials (net)	-1	0	-7	-1	-2	0	-11	-1	-1
Taxes for the year	-23	-19	-18	-20	-19	-18	-18	-20	-17
Taxes for the previous year			-2	0	0	0	-1	0	0
Taxes	-23	-19	-20	-20	-19	-18	-19	-20	-17
CAPEX	-62	-53	-50	-72	-62	-65	-49	-63	-62
Licence fees	-1	-7	-5	0	-1	0	-10	0	0
Investments in shares	-8	0	-13	-2	-4	0	-10	-49	-6
Sale of shares	0		0		0	0		3	2
Sale of assets and adjustments	-1	-3	-7	-6	-1	-1	-6	-1	0
Cash flow after investments	79	82	53	85	86	101	50	53	91
Cash flow after investments excl. acquisitions	87	81	66	87	89	101	60	99	97

APPENDIX

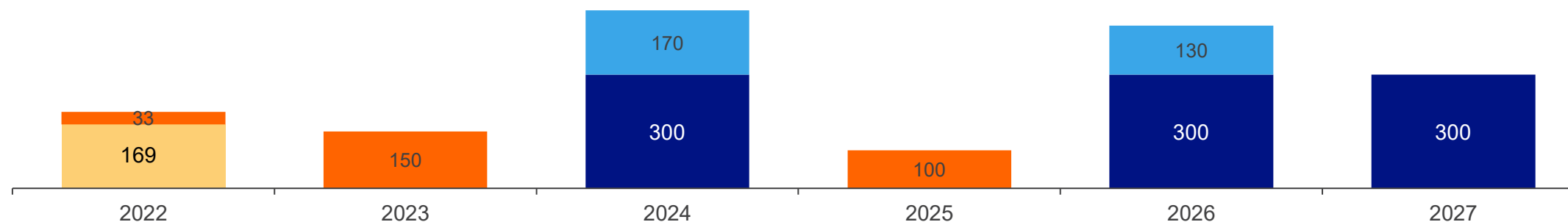
Debt structure

€ million at end of quarter	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20
Bonds and notes	891	890	889	888	887	886	885	1 058	1 057
Commercial papers	169	180	140	0	55	130	103	20	152
Schuldschein	0	0	100	100	100	100	100		
Loans from financial institutions	283	353	253	254	254	253	253	252	250
Lease liabilities ¹⁾	93	95	94	92	91	94	96	97	100
Committed credit lines ²⁾		0	0	0	0	0	0	0	0
Interest-bearing debt. total	1 436	1 518	1 477	1 333	1 387	1 463	1 438	1 427	1 559
Cash and cash equivalents	78	87	301	114	89	84	274	220	303
Net debt ³⁾	1 358	1 431	1 176	1 219	1 298	1 379	1 164	1 207	1 256

- 1) Lease liabilities are classified as interest-bearing debt in accordance with IFRS 16 from Q1/19 onwards
2) The committed credit lines are €130m and €170m facilities that Elisa may use flexibly on agreed upon pricing
3) Net debt is interest-bearing debt less cash and interest-bearing receivables

Nominal values of bond, bank loan and CP maturities, 30 September 2022

● Bonds ● Loans ● RCF¹⁾ ● CP



¹⁾ RCFs are fully undrawn



A SUSTAINABLE FUTURE THROUGH DIGITALISATION

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