Corporate Customers business

Timo Katajisto

Executive Vice President

Elisa's unique strategy generates sustainable profit and growth

(1) Performance update

(2) Sustainable profit and growth generation
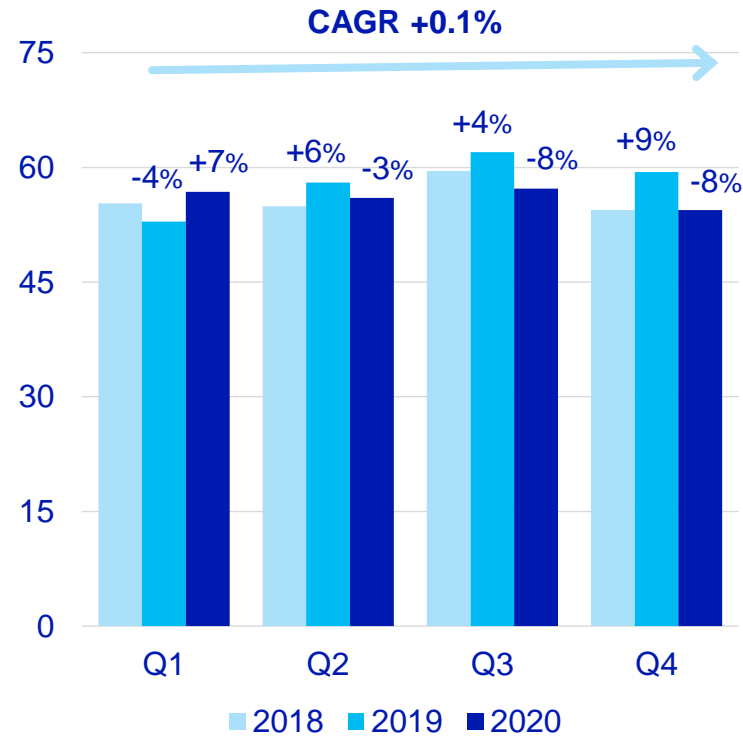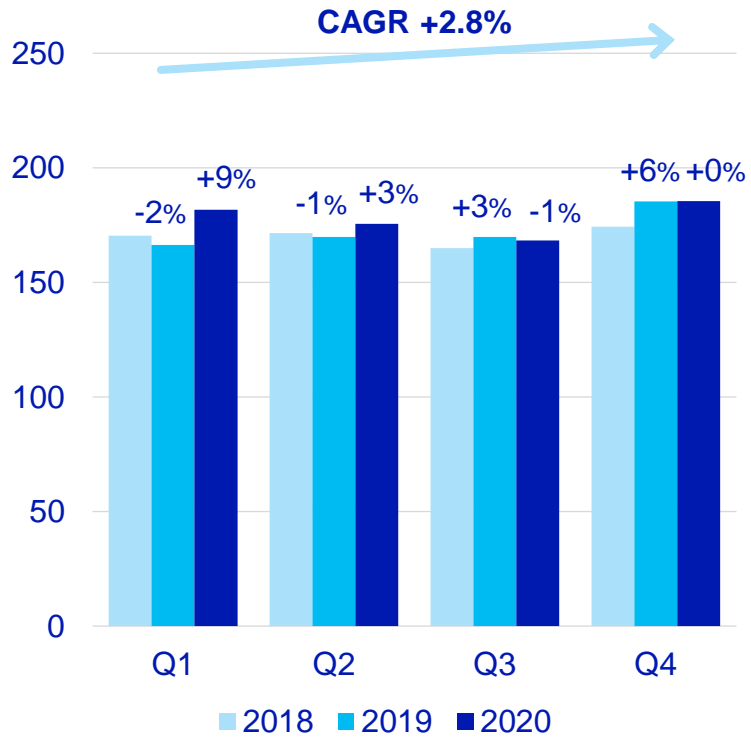
(3) Management priorities

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Performance update

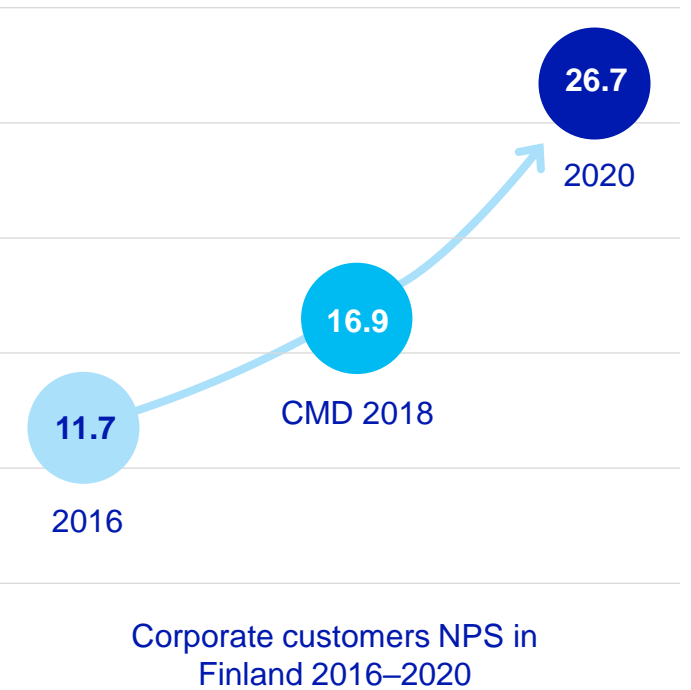# Good long-term performance – but COVID-19 visible in 2020 financials

Decrease in roaming revenue is visible in growth and in profitability

Revenue, EURm

CAGR +2.8%

-2% +9%
-1% +3%
+3% -1%
+6% +0%

Q1 Q2 Q3 Q4

■ 2018 ■ 2019 ■ 2020

EBITDA[1], EURm

CAGR +0.1%

-4% +7%
+6% -3%
+4% -8%
+9% -8%

Q1 Q2 Q3 Q4

■ 2018 ■ 2019 ■ 2020

Customer satisfaction has progressed well

26.7
2020

16.9
CMD 2018

11.7
2016

Corporate customers NPS in Finland 2016–2020

[1] Comparable EBITDA (excluding one-offs)
CAGR = 2018 – 2020

4

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Sustainable profit and growth generation

Our strategic focus remains intact

MISSION
A SUSTAINABLE FUTURE THROUGHT DIGITALISATION

Increase mobile and fixed service revenues

Grow digital service businesses

Improve efficiency and quality

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Sustainable profit and growth generation

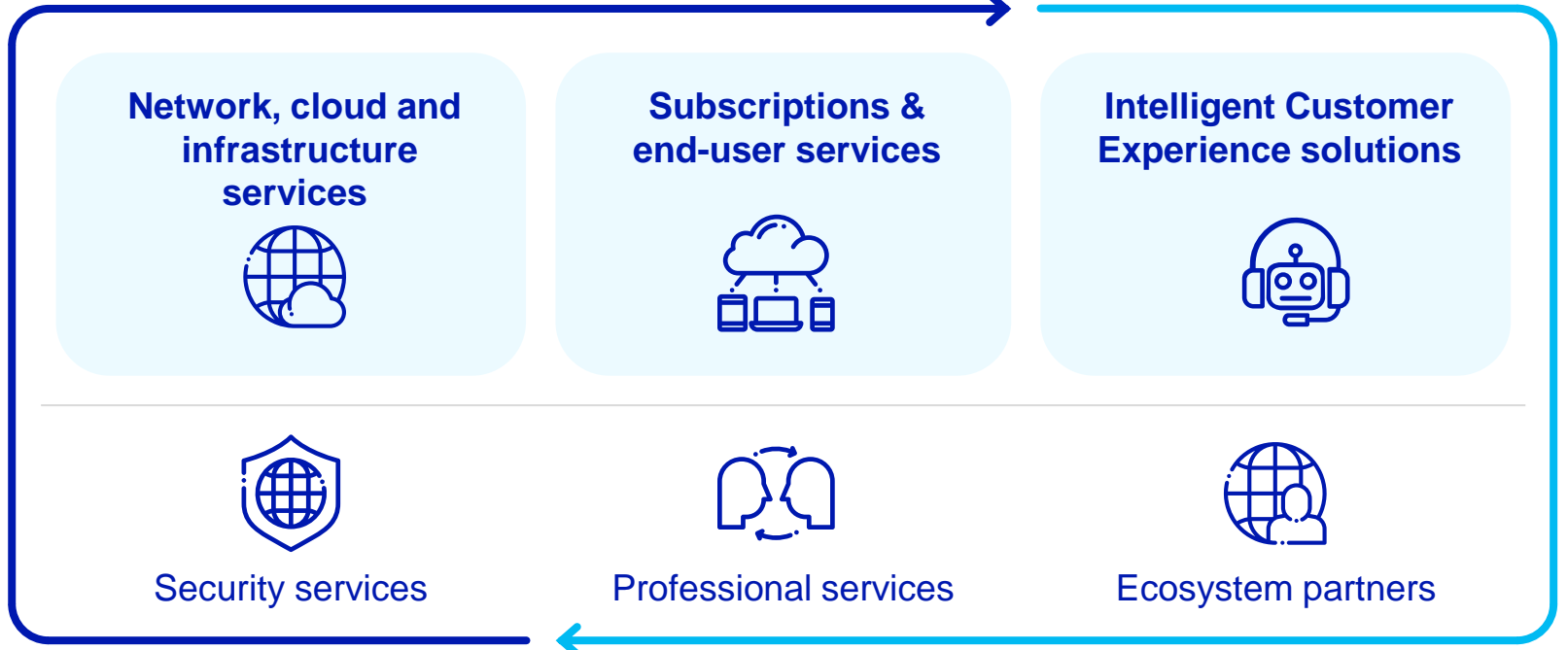# We deliver AI- and automation-driven IT and Communication services to benefit businesses and society

Differentiating strengths

✓ **Best 5G network** coverage and customer image[1]

✓ **Pioneer** in IT and Communication network integration[2]

✓ **Recognised expertise** Over 600 certified professionals

✓ Track record of continuous improvement with **automation & AI**

✓ Leadership in **engaging suppliers** on climate change[3]

Impactful services

We provide effortless IT and Communication services with leading quality

Network, cloud and infrastructure services	Subscriptions & end-user services	Intelligent Customer Experience solutions

Security services	Professional services	Ecosystem partners

We co-create digital edge with customers and leading partners

6

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Sustainable profit and growth generation

We have a stable telecom business…

Slightly declining telecom revenue

CAGR -1.4%

```
600
450
300
150
  0
      2018    2019    2020
```

● Telecom revenue, EURm
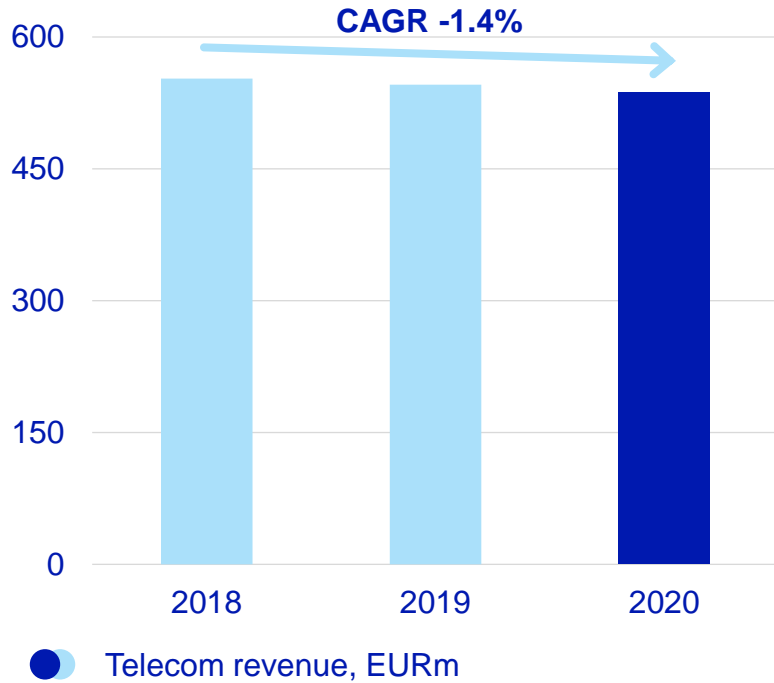
Good balance between mobile and fixed services

7.2%

9.5%

43.0%

40.3%

■ Fixed service revenue (incl. LAN devices)
■ Mobile service revenue
■ Equipments
■ Interconnection & operator sales
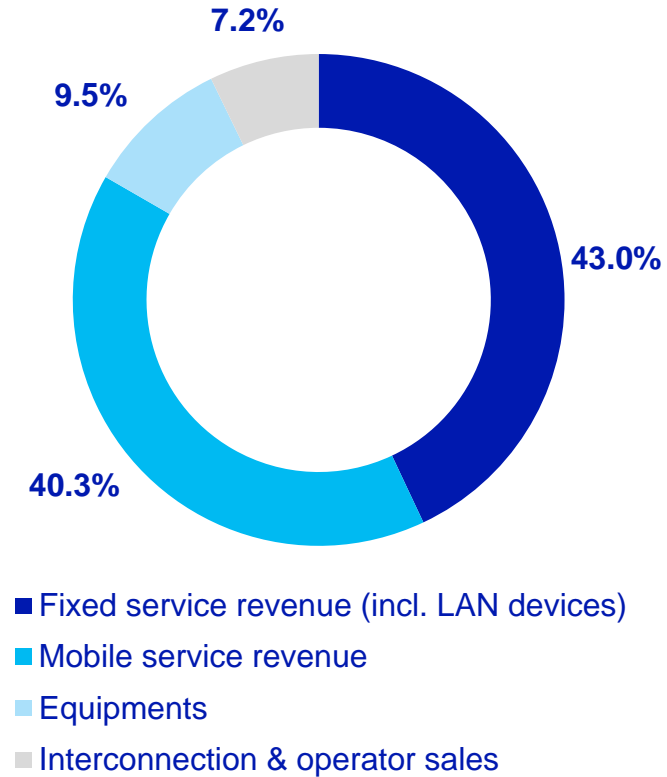
MSR suffered from COVID-19 - yet underlying trend positive

CAGR -2.1%

```
300
225
150
 75
  0
      2018    2019    2020
```
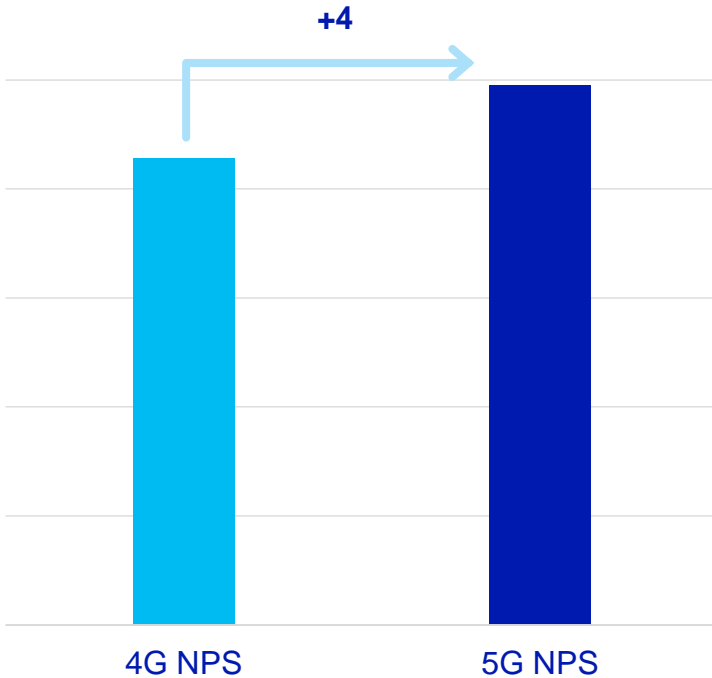
● Mobile service revenue, EURm

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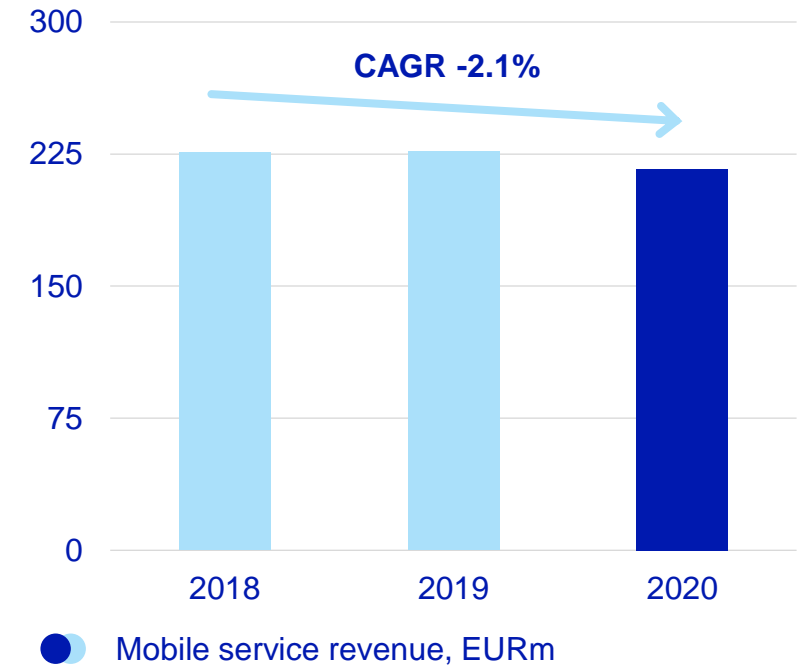
Sustainable profit and growth generation

…a good pace in 5G upgrades…

Customers appreciate faster speeds[1]

Customer NPS (12/2020)

+4

4G NPS   5G NPS

Opportunity for value capture[1]

Average billing increase
in upgrades (4Q2020)

+€3

+€3

<50 Mbps
(2G/3G/4G)

50-300 Mbps
(4G)

100-1,000 Mbps
(5G)
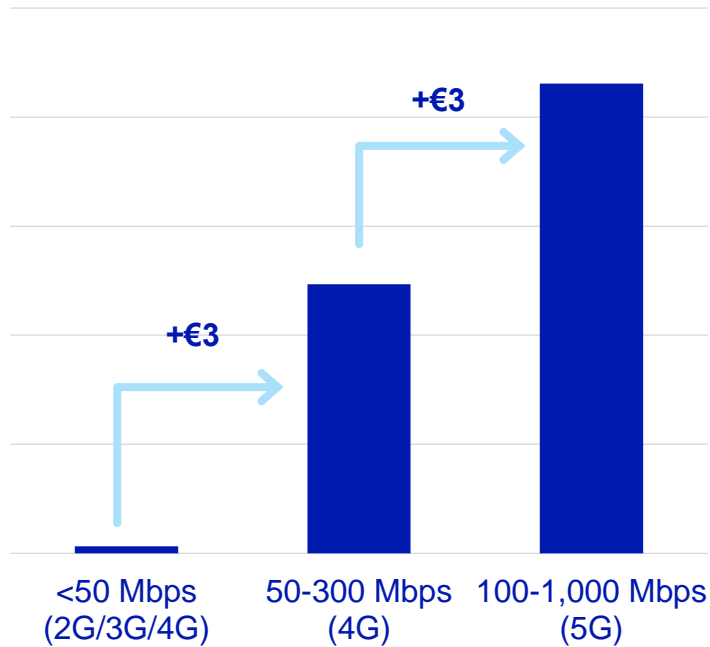
Further upgrade potential in both 4G and to 5G customer base[1]

● Share of subscriptions in total base

<50 Mbps
(2G/3G/4G)

50-300 Mbps
(4G)

100-1,000 Mbps
(5G)

[1] Finland only

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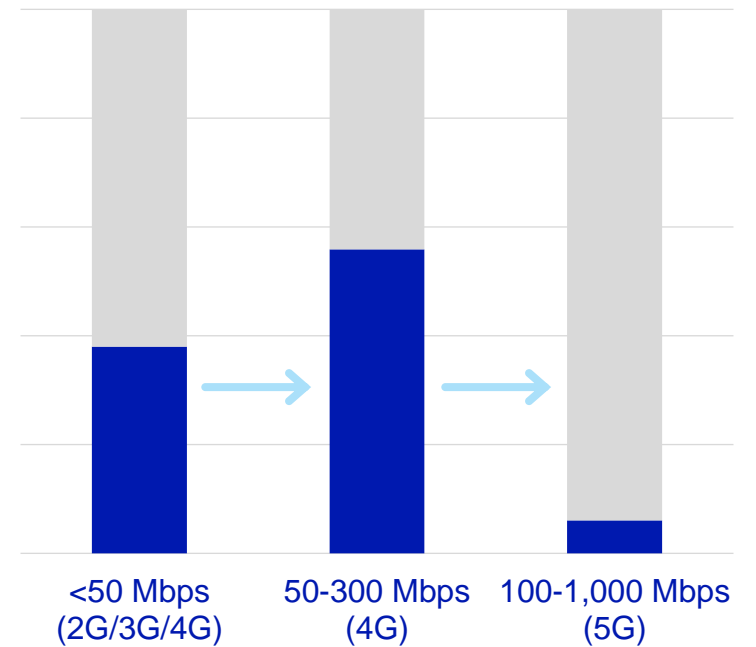
Sustainable profit and growth generation

…long-term potential in digital transformation of industries…

Each industry generates thousands of use cases that depend on different combinations of technologies, e.g.[1]

- 5G (network slicing, low latency, uplink enhancement, massive IoT capacity)

- Edge computing

- Open APIs, cloudification, NLP[2], DevOps[3]

We are working closely with over 60 customers in 5G-related service pilots in public and private networks

- Remote control, autonomous vehicles, high-quality video, asset tracking

- Factories, ports, mines, hospitals

Valtra: remote-controlled tractor with 5G and 360° camera

[1] 5G-driven industrial transformation, Analysys Mason, 12/2020
[2] NLP = natural language processing 3) DevOps = a set of practices that combines software development (Dev) and IT operations (Ops)
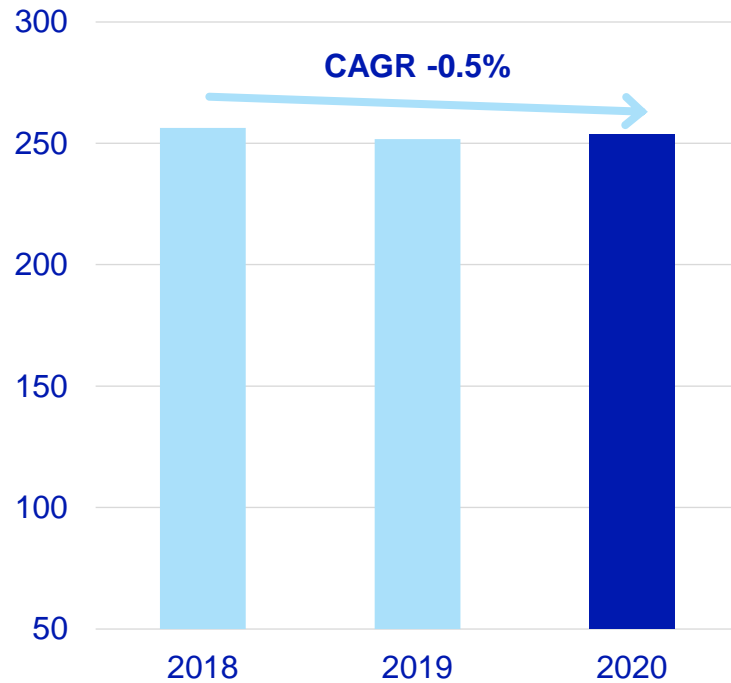
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Sustainable profit and growth generation

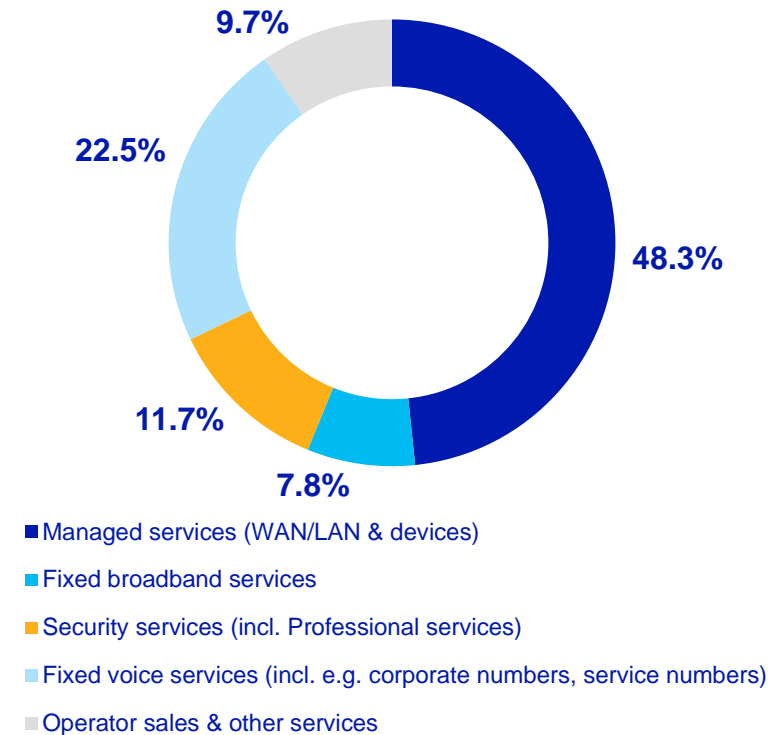# …and ongoing transformation of business networks with new technologies and security services

## Stable development in fixed services

Fixed service revenue[1], EURm

CAGR -0.5%

New opportunities to improve managed services with SDN[2]

Fixed service revenue breakdown 2020[1]

9.7%
22.5%
11.7%
7.8%
48.3%

■ Managed services (WAN/LAN & devices)
■ Fixed broadband services
■ Security services (incl. Professional services)
■ Fixed voice services (incl. e.g. corporate numbers, service numbers)
■ Operator sales & other services

Growing demand for security services

Security services (incl. Professional services) revenue, EURm

CAGR +5.6%
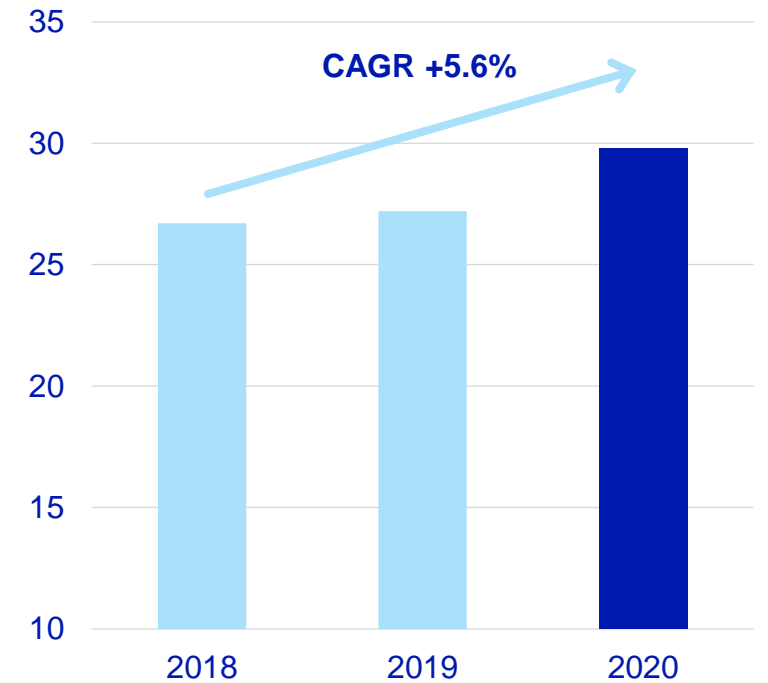
1) Excluding Interconnection
2) Software-defined network: a scalable, automated, cost-efficient and centralised way to deploy and operate business networks
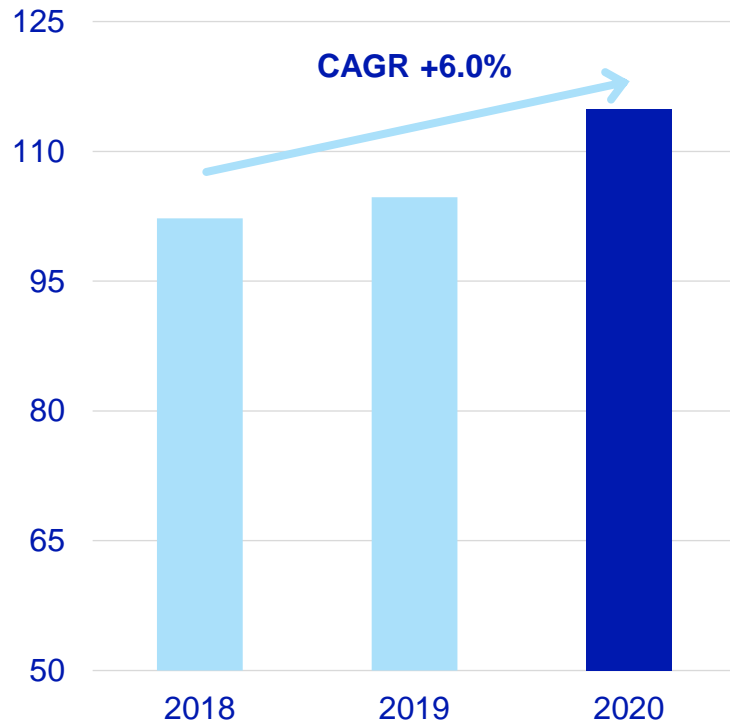
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Sustainable profit and growth generation
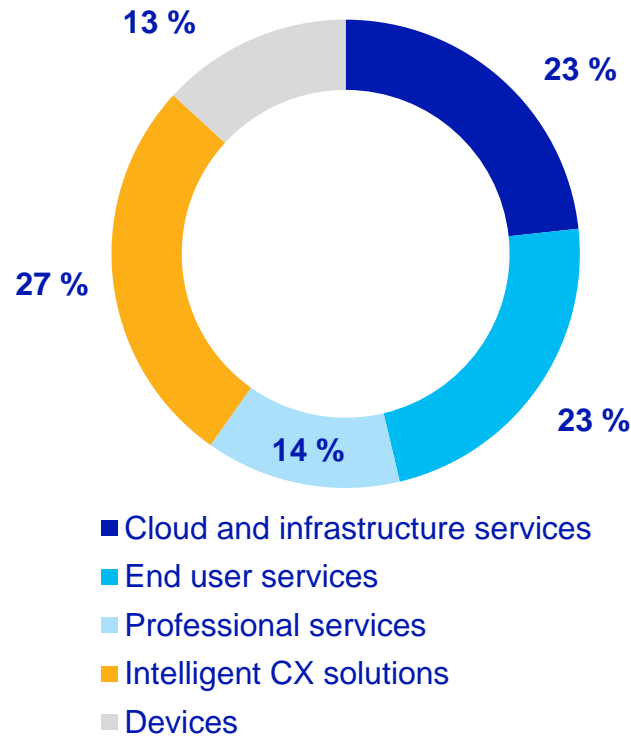
We have a growing IT business…

Good growth in IT business

IT revenue[1,2], EURm

CAGR +6.0%

- 2018
- 2019
- 2020

Balanced and future-proof portfolio

IT revenue breakdown 2020[2]

- 23 %
- 23 %
- 14 %
- 27 %
- 13 %

- ■ Cloud and infrastructure services
- ■ End user services
- ■ Professional services
- ■ Intelligent CX solutions
- ■ Devices

Validated growth potential in Intelligent CX solutions[3]

Intelligent CX solutions revenue[2], EURm

CAGR +8.4%

- 2018
- 2019
- 2020
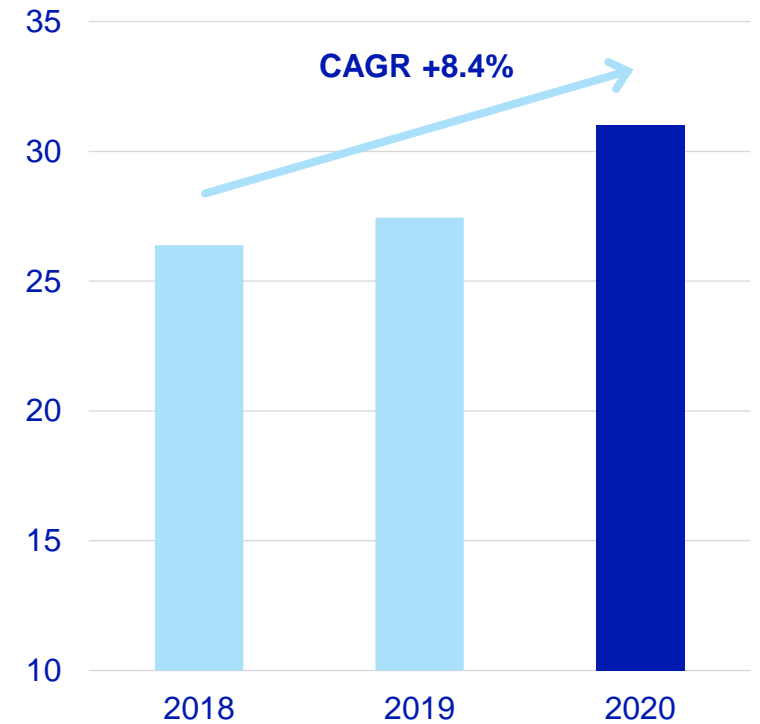
[1] Excluding divestments [2] Finland only
[3] Intelligent CX solutions transform customer interactions channels from voice to digital for improved customer experience (CX)
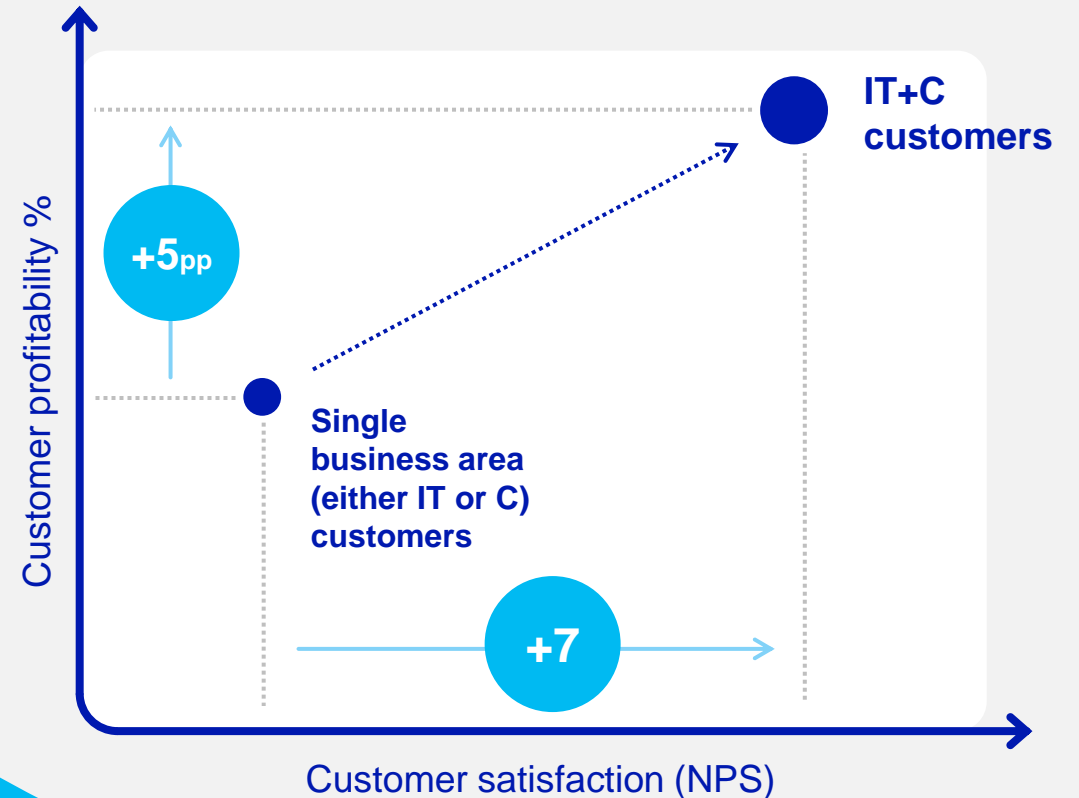
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Sustainable profit and growth generation

…with a unique position to improve customer satisfaction and profitability

Significantly higher satisfaction and profitability with customers having both IT and Communication services

Q: Which is the most positively distinguishable IT service provider regarding services such as service innovation, excellent customer care and continuous service development?

#1

2016	2018	2020
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Chil	CGI	ATEA
INMICS	FUJITSU	CGI
NORDCLOUD	Telia	Microsoft

IT+C customers

Single business area (either IT or C) customers

+5pp

+7

Customer profitability %

Customer satisfaction (NPS)

Sources: GartnerLINE: IT-service provider awareness in 2018 in Finland, GartnerLINE: IT purchasing in Finnish organizations 2016 & 2020

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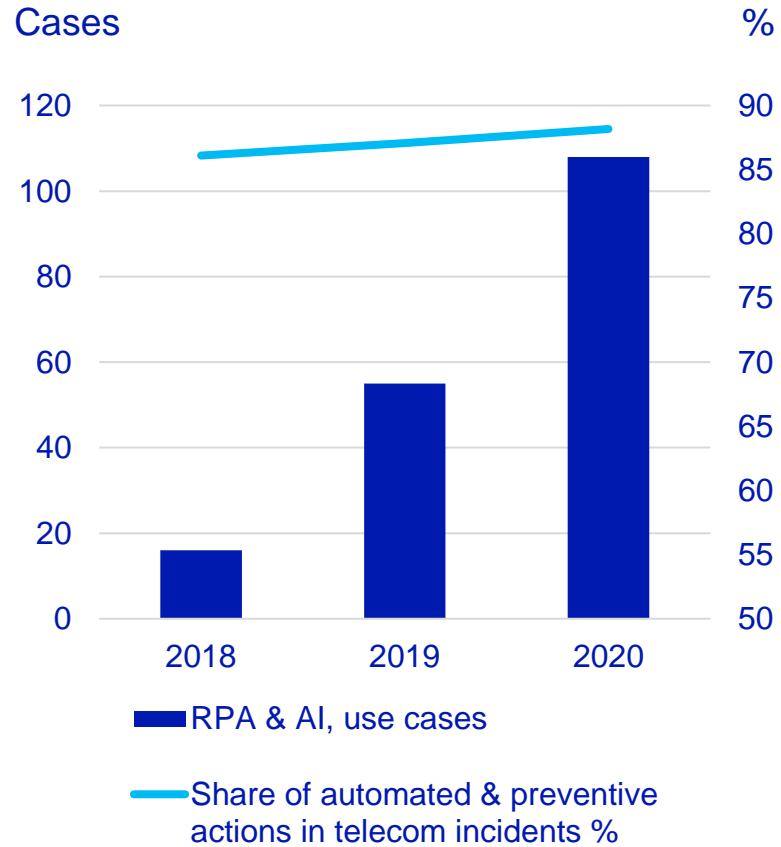
Sustainable profit and growth generation

Automation & AI is our spearhead in improving performance

Increasing use of automation & AI…

Cases   %

■ RPA & AI, use cases

— Share of automated & preventive actions in telecom incidents %

…improves process quality...

Index 2018 = 100

■ IT incidents per workstation
■ Telecom incidents
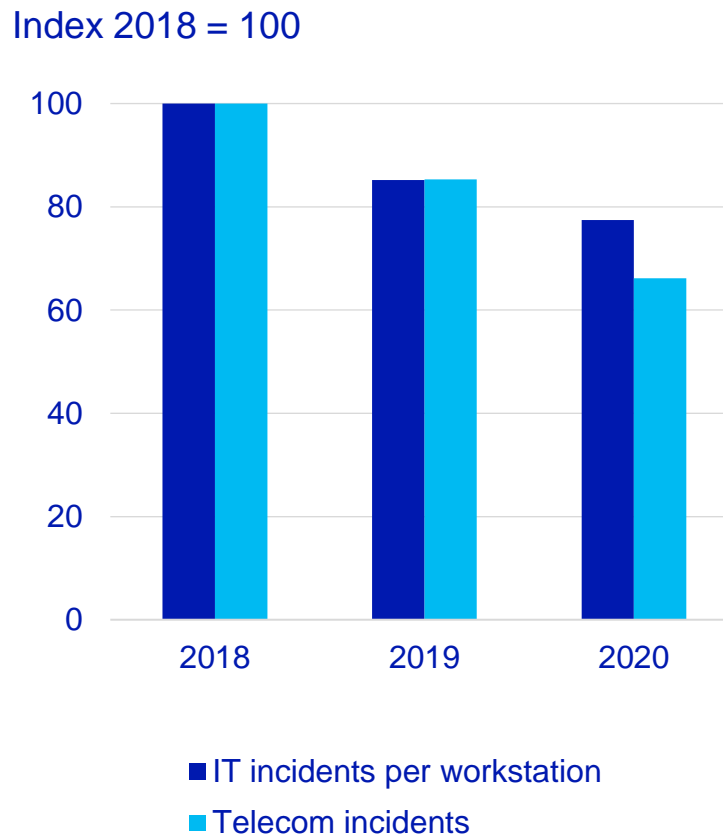
...and reduces operational costs

Index 2018 = 100

■ Production opex, Telecom
■ Customer service costs per subscription
■ Sales costs / Net annual contract value
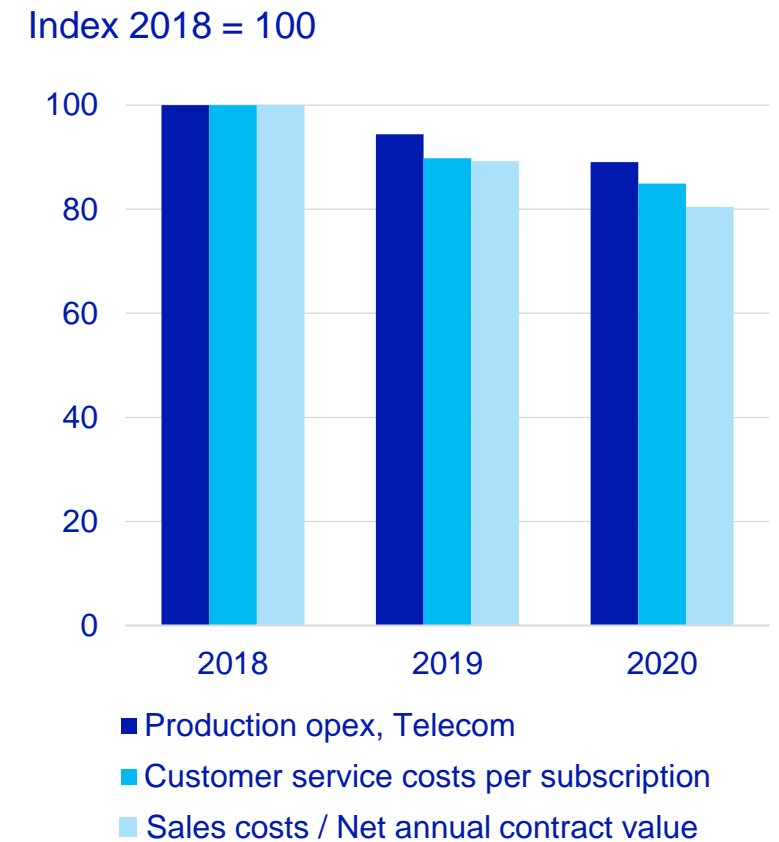
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Management priorities

Elisa's unique strategy generates sustainable profit and growth

Elisa's strategy

Sustainable profit and growth generation

Increase mobile and
fixed service revenues

- Continue upgrading to 5G and fibre with price premium

Grow digital service businesses

- Drive IT and Communication service convergence

Improve efficiency and quality

- Continuously improve performance with automation and AI

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CMD**2021**

THANK YOU.

Statements made in this document relating to the future, including future performance and other trend projections, are forward-looking statements.
By their nature, forward-looking statements involve risks and uncertainties 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 of Elisa's control.

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