

# MOODY'S

## RATINGS

### **Announcement of Periodic Review: Moody's Ratings announces completion of a periodic review of ratings of Elisa Corporation**

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30 Jul 2024

Madrid, July 30, 2024 -- Moody's Ratings (Moody's) has completed a periodic review of the ratings of Elisa Corporation and other ratings that are associated with this issuer.

The review was conducted through a rating committee held on 29 July 2024 in which we reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), and recent developments.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Please see the Issuer page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Key Rating considerations and rationale are summarized below.

Elisa Corporation's Baa2 long-term issuer rating reflects the company's integrated business profile and leading positions in Finland's fixed and mobile markets; the stable operating environment in Finland (Aa1 stable), which supports a rational pricing environment; the company's solid financial profile; its track record of operating with predictable financial policies, including a target leverage (net reported debt/EBITDA) of 1.5x-2.0x; and its solid and stable credit metrics for the Baa2 rating. The rating also factors in Elisa's small scale and revenue concentration in Finland, except for small geographic diversification into Estonia; the company's limited free cash flow generation because of the generous shareholder remuneration policy that targets a distribution of between 80% and 100% of its annual net income; and its weak liquidity management, due to the fact that management heavily relies on access to its CP program and good current access to debt capital markets, but tends to refinance its debt maturities under a year in advance of due dates, posing a risk in volatile markets.

This document summarizes our view as of the publication date and will not be

updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Telecommunications Service Providers published in November 2023. Please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

This announcement applies only to EU rated, UK rated, EU endorsed and UK endorsed ratings. Non-EU rated, non-UK rated, non-EU endorsed and non-UK endorsed ratings may be referenced herein to the extent necessary, if they are part of the same organization list.

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