

Tear Sheet:

# Elisa Oyj

April 10, 2026

This report does not constitute a rating action.

**S&P Global Ratings expects Elisa to grow its revenue modestly by 2%-3% in 2026, reflecting telecom service growth and expanding digital services, despite macroeconomic and competitive pressures.** Mobile services revenue is projected to grow by 2%-3% in 2026, driven by increasing 5G traffic, customers' willingness to pay for higher-speed unlimited data packages, and bundled household connectivity services, which together support average revenue per user and reduce churn in Finland's mature mobile market. Although competitive pricing pressure intensified in late 2025, we anticipate the situation will gradually stabilize this year, helped by selective price increases. This is because Elisa's premium positioning is underpinned by its strong network quality and technology leadership. Beyond connectivity, Elisa continues to scale its international industrial software division (about 7% of total revenue in 2025), which we foresee grow by 15% annually.

**Elisa's transformation program and cost-saving initiatives will improve margins and cashflow generation in 2026.** We project S&P Global Ratings-adjusted EBITDA margin will recover to about 35% in 2026 after being pressured in 2025 due to heavy restructuring expenses and the marketing costs related to the spike in churn seen in the market. The recovery will be supported by operating leverage, lower restructuring costs, and ongoing cost-saving initiatives, such as Elisa's transformation program launched in the third quarter of 2025 targeting annual cost savings of about €40 million in 2026. Disciplined capital expenditure (capex) of about 12%-13% of revenue, a focus on working capital efficiency, and the transformation program's cost savings will support solid free operating cash flow (FOCF) of about €400 million annually in 2026-2027.

**Elisa continues to maintain its conservative financial policy, supporting its 'BBB+' rating.** The company has a publicly defined net debt-to-EBITDA target of 1.5x-2.0x, with actual leverage at 1.9x in 2025 (translating to 2.0x S&P Global Ratings-adjusted) and which we foresee edging down this year on firmer EBITDA. This should translate into S&P Global Ratings-adjusted leverage of below 2.0x. Elisa allocates its FOCF primarily to dividends, with a policy targeting 80%-100% of the previous fiscal year's net profit and the potential for additional distributions if excess capital is available. The company also continues to proactively manage its debt maturity profile, and strengthened its liquidity profile with the issuance of €500 million in bonds over the past several months.

## Ratings Score Snapshot

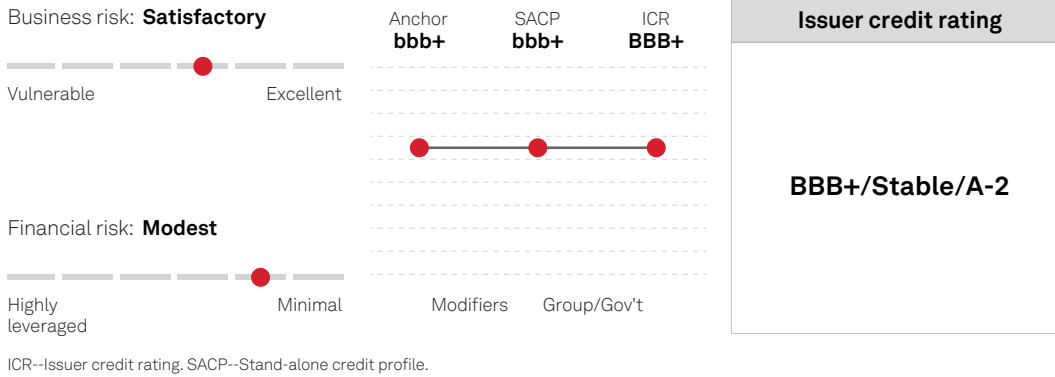
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## Elisa Oyj



## Recent Research

- [Elisa Oyj](#), April 15, 2025

## Company Description

Elisa is a telecom incumbent operator in Finland and operates also in Estonia (10% of revenue), providing fixed and mobile telecom services to consumers (60% of revenue in 2025) and corporate customers (33%), as well as information and communications technology and digital services in adjacent segments (7%). These include IT security for enterprise clients or internet protocol TV for consumers. Elisa's 5G network already covered over 96% of Finnish and 90% of Estonian population by end-2025, and in international markets the company is primarily represented by its digital services segment. At year-end 2025, Elisa had about 5.2 million mobile subscribers, of which about 92% were postpaid, and about 1.36 million fixed subscriptions, including about 691,000 in broadband and more than 646,000 in cable TV.

Elisa is listed on the Nasdaq Helsinki Large Cap, with market capitalization of over €7.0 billion as of March 24, 2026. Its largest shareholder is the Finnish government with a 10.5% stake.

## Outlook

The stable outlook reflects our expectation that Elisa will report steady adjusted EBITDA margins of about 35% and 2%-3% revenue growth in the next two years and strong FOCF, and maintain a conservative financial policy. We anticipate that S&P Global Ratings-adjusted debt to EBITDA will be below 2x and FOCF to debt at about 25%.

### Downside scenario

We could lower our ratings if Elisa's EBITDA or FOCF weakens. For example, if intense competition causes a pronounced revenue decline or leads to weaker margins, or if unexpected competitive developments force the company to significantly step up its capex. We could also downgrade Elisa if its adjusted debt to EBITDA increases to 2x or more, or adjusted FOCF to debt declines toward 20% for a prolonged period, for instance, due to debt-financed acquisitions or higher shareholder returns.

### Upside scenario

Rating upside is remote, given Elisa's limited scale, diversification, and financial policy parameters.

## Key Metrics

### Elisa Oyj--Forecast summary

Period ending	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Mil. EUR)	2022a	2023a	2024a	2025a	2026e	2027f	2028f
Revenue	2,130	2,181	2,192	2,257	2,315	2,385	2,461
Gross profit	1,300	1,374	1,414	1,477	818	844	871
EBITDA	739	758	765	753	807	832	859
Less: Cash interest paid	(13)	(24)	(33)	(36)	(44)	(49)	(49)
Less: Cash taxes paid	(85)	(82)	(87)	(82)	(98)	(100)	(104)
Funds from operations (FFO)	642	653	645	635	665	683	706
Cash flow from operations (CFO)	584	639	642	675	678	695	718
Capital expenditure (capex)	263	296	298	266	284	293	302
Free operating cash flow (FOCF)	321	343	344	409	394	402	416
Dividends	328	344	360	381	389	401	413
Discretionary cash flow (DCF)	(7)	(0)	(16)	28	5	1	3
Debt	1,291	1,313	1,490	1,527	1,562	1,603	1,642
<b>Adjusted ratios</b>							
Debt/EBITDA (x)	1.7	1.7	1.9	2.0	1.9	1.9	1.9
FFO/debt (%)	49.7	49.7	43.3	41.6	42.6	42.6	43.0
FFO cash interest coverage (x)	51.9	28.2	20.4	18.7	16.2	15.0	15.5
EBITDA interest coverage (x)	46.5	25.3	18.5	16.6	18.5	17.1	17.7
FOCF/debt (%)	24.9	26.1	23.1	26.8	25.2	25.1	25.3
DCF/debt (%)	(0.6)	(0.0)	(1.1)	1.8	0.3	0.1	0.2
Annual revenue growth (%)	6.6	2.4	0.5	3.0	2.6	3.0	3.2
EBITDA margin (%)	34.7	34.8	34.9	33.3	34.9	34.9	34.9

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. EUR--euro.

## Financial Summary

### Elisa Oyj--Financial summary

Period ending	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025
Reporting period	2020a	2021a	2022a	2023a	2024a	2025a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	1,895	1,998	2,130	2,181	2,192	2,257

## Elisa Oyj

### Elisa Oyj--Financial summary

EBITDA	684	697	739	758	765	753
Funds from operations (FFO)	598	604	642	653	645	635
Interest expense	20	16	16	30	41	45
Cash interest paid	18	17	13	24	33	36
Operating cash flow (OCF)	592	589	584	639	642	675
Capital expenditure	241	252	263	296	298	266
Free operating cash flow (FOCF)	351	337	321	343	344	409
Discretionary cash flow (DCF)	55	26	(7)	(0)	(16)	28
Cash and short-term investments	220	114	85	63	90	190
Gross available cash	220	114	85	63	90	190
Debt	1,229	1,235	1,291	1,313	1,490	1,527
Common equity	1,184	1,204	1,252	1,294	1,293	1,259
<b>Adjusted ratios</b>						
EBITDA margin (%)	36.1	34.9	34.7	34.8	34.9	33.3
Return on capital (%)	17.2	17.5	18.6	18.6	17.8	16.3
EBITDA interest coverage (x)	34.7	44.4	46.5	25.3	18.5	16.6
FFO cash interest coverage (x)	34.6	35.7	51.9	28.2	20.4	18.7
Debt/EBITDA (x)	1.8	1.8	1.7	1.7	1.9	2.0
FFO/debt (%)	48.7	48.9	49.7	49.7	43.3	41.6
OCF/debt (%)	48.2	47.7	45.2	48.7	43.1	44.2
FOCF/debt (%)	28.5	27.3	24.9	26.1	23.1	26.8
DCF/debt (%)	4.5	2.1	(0.6)	(0.0)	(1.1)	1.8

## Peer Comparison

### Elisa Oyj--Peer Comparisons

	Elisa Oyj	Telenor ASA	Telia Co. AB	Tele2
Foreign currency issuer credit rating	BBB+/Stable/A-2	A-/Stable/A-2	BBB+/Stable/A-2	BBB/Stable/A-2
Local currency issuer credit rating	BBB+/Stable/A-2	A-/Stable/A-2	BBB+/Stable/A-2	BBB/Stable/A-2
Period	Annual	Annual	Annual	Annual
Period ending	2025-12-31	2025-12-31	2025-12-31	2024-12-31
Mil.	EUR	EUR	EUR	EUR
Revenue	2,257	6,467	7,483	2,582
EBITDA	753	3,154	2,910	1,027
Funds from operations (FFO)	635	2,575	2,368	830
Interest	45	303	270	104
Cash interest paid	36	264	373	97
Operating cash flow (OCF)	675	2,626	2,539	853
Capital expenditure	266	1,008	1,376	347
Free operating cash flow (FOCF)	409	1,619	1,162	506
Discretionary cash flow (DCF)	28	346	367	90
Cash and short-term investments	190	1,410	1,099	34
Gross available cash	190	1,410	1,153	34

**Elisa Oyj--Peer Comparisons**

Debt	1,527	7,809	6,661	2,881
Equity	1,259	6,390	5,914	1,928
EBITDA margin (%)	33.3	48.8	38.9	39.8
Return on capital (%)	16.3	12.0	10.5	10.6
EBITDA interest coverage (x)	16.6	10.4	10.8	9.9
FFO cash interest coverage (x)	18.7	10.8	7.3	9.6
Debt/EBITDA (x)	2.0	2.5	2.3	2.8
FFO/debt (%)	41.6	33.0	35.6	28.8
OCF/debt (%)	44.2	33.6	38.1	29.6
FOCF/debt (%)	26.8	20.7	17.4	17.6
DCF/debt (%)	1.8	4.4	5.5	3.1

## Liquidity

We assess Elisa's liquidity as adequate because we expect its sources will cover uses by at least 1.2x over the 12 months from Dec. 31, 2025. In our view, Elisa has solid relationships with banks and benefits from a generally satisfactory standing in credit markets.

Principal liquidity sources	Principal liquidity uses
<ul style="list-style-type: none"> <li>• Cash and liquid investments of about €420 million;</li> <li>• €300 million under undrawn committed long-term revolving credit facility maturing between May 2028 and May 2030; and</li> <li>• Cash funds from operations of €650 million-€660 million.</li> </ul>	<ul style="list-style-type: none"> <li>• Debt maturities of about €275 million over the next 12 months;</li> <li>• Annual capex of about €300 million; and</li> <li>• Dividend payments of about €400 million.</li> </ul>

**Rating Component Scores**

<b>Foreign currency issuer credit rating</b>	<b>BBB+/Stable/A-2</b>
<b>Local currency issuer credit rating</b>	<b>BBB+/Stable/A-2</b>
<b>Business risk</b>	<b>Satisfactory</b>
Country risk	Very Low
Industry risk	Intermediate
Competitive position	Satisfactory
<b>Financial risk</b>	<b>Modest</b>
Cash flow/leverage	Modest
<b>Anchor</b>	<b>bbb+</b>
<b>Modifiers</b>	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
<b>Stand-alone credit profile</b>	<b>bbb+</b>

## Related Criteria

- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10 2021
- [General Criteria: Group Rating Methodology](#), July 1 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28 2018
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7 2017
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16 2014
- [General Criteria: Methodology: Industry Risk](#), Nov. 19 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16 2011

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