



# Interim Report Q2 2024

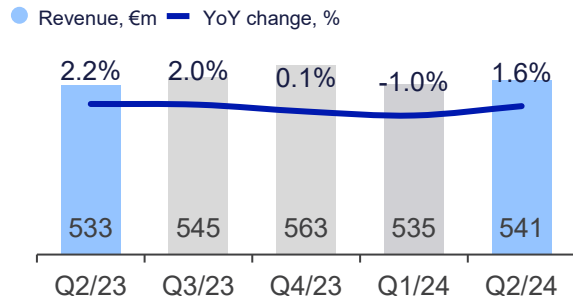
16 July 2024

## Q2 2024 highlights

- Revenue increased by 2%
- EBITDA up by 4%
- Mobile service revenue increased by 4.7%
- Improving performance in B2B. B2C segment continued strongly.
- International digital services revenue increased by 21%
- In Finland, post-paid churn remained at the same level: 15.0% (15.0% in Q1 2024)
- Post-paid subscriptions grew by 42,100. M2M and IoT subscriptions rose by 47,100.
- Fixed broadband subscription base increased by 600
- Good 5G momentum continuing: network covers more than 94% of Finnish population
- Elisa is first operator in Europe to launch standalone 5G for consumers and corporates
- Full-year outlook reiterated

# Good EBITDA growth driven by MSR and efficiency

## Revenue



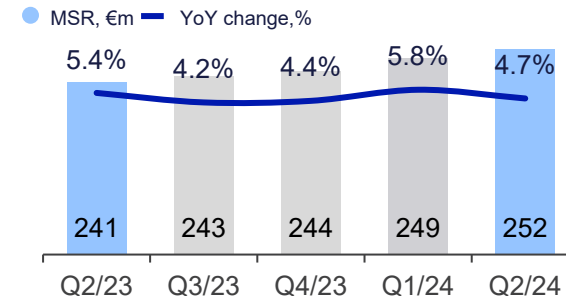
### Increase

- Mobile and fixed services
- IDS and M&A

### Decrease

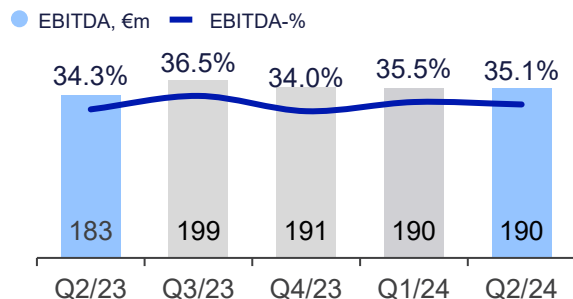
- Business disposals
- Service number regulation change
- Equipment sales
- Interconnection

## Mobile service revenue



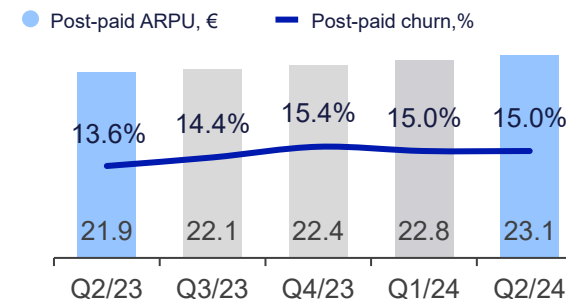
- 5G upselling continuing
- Product changes

## EBITDA<sup>1)</sup>



- Mobile services
- Business disposals
- Efficiency improvements

## ARPU and churn<sup>2)</sup>



- YoY ARPU growth 5.5%
- 5G upselling
- Campaigning in 4G continuing
- Competition remains keen

# EBITDA growth in both segments

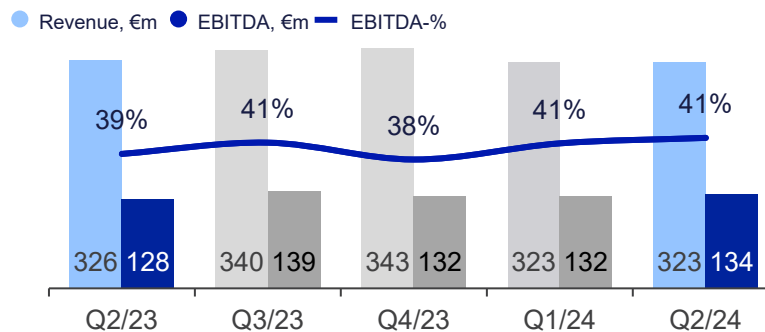
## Consumer Customers

Revenue -1%

- End of video streaming cooperation (Viaplay)
- Equipment sales
- Interconnection and traditional fixed-line services
- + Mobile services

EBITDA +5%

Revenue and EBITDA<sup>1)</sup>



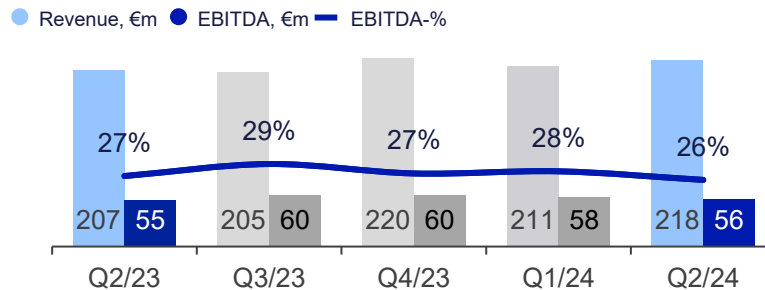
## Corporate Customers

Revenue +6%

- + Mobile and fixed services
- + Domestic and international digital services
- Divestment of Videra videoconferencing service
- Corporate number regulation change
- Equipment sales
- Interconnection and traditional fixed-line services

EBITDA +2%

Revenue and EBITDA<sup>1)</sup>



# Strategy execution

**Mission**

A sustainable  
future through  
digitalisation

**Strategic focus areas**

Increase mobile and fixed service revenues

Grow digital service businesses

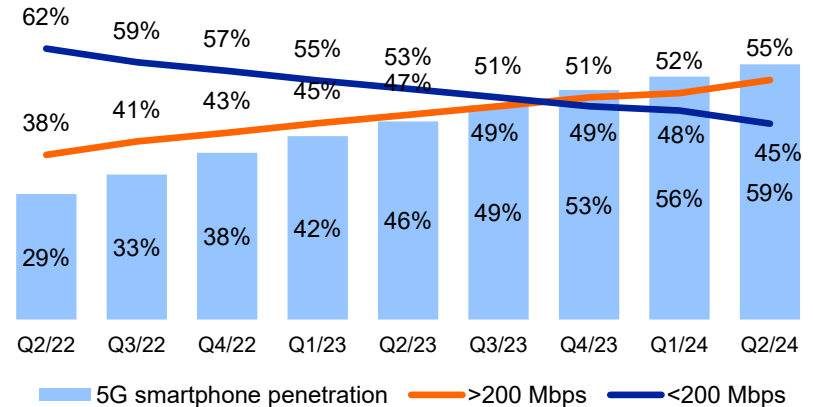
Improve efficiency and quality



# Migration to higher speeds continuing

- 55% (47%) of voice subscriptions at >200 Mbps speeds<sup>1)</sup>
  - Speed matters. Upselling to higher speeds continuing.
  - 5G base is growing, 4G decreasing
- 59% (46%) of smartphones are 5G devices<sup>1)</sup>
- Corporate 5G sales gaining momentum

## 5G smartphone and speed penetration<sup>1)</sup>





# Elisa leading in 5G, increasing demand met in fibre network

- 5G population coverage reached over 94% in Finland and over 76% in Estonia
- Average billing increase of over €3 in 5G upgrades intact
- Elisa pioneering standalone 5G network services
  - Standalone 5G offering expanded to all consumer customer mobile subscriptions
- Since June, we have built our fibre network with new technology<sup>1)</sup> taking energy-efficient steps towards 100 Gbps connections
- Acquisition of fibre networks in eastern and northeastern parts of Finland from Kaisanet



# IDS project implementations picking up

- YoY revenue increased by 21%
  - Growth boosted by acquisitions and good organic growth
- Good order backlog and intake
- Full-year double-digit organic growth target remains



- Successfully renewed quality and data security certificates (ISO 9001 and ISO 27001)
- Good YoY growth in order intake



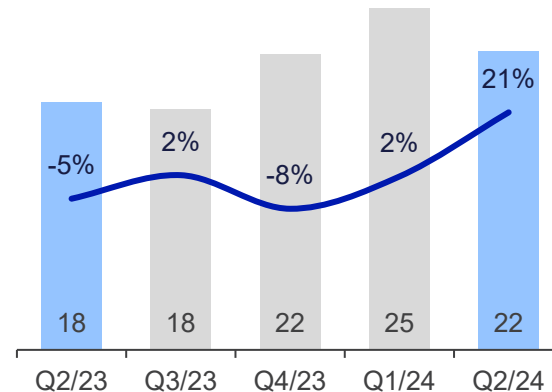
- Acquisition of Leanware Oy (Elisa IndustriQ Finland Oy) completed
- Strong YoY growth in order intake



- Solar energy utilisation introduced as part of Elisa's Distributed Energy Storage (DES) solution; first customer to utilise is Ålands Telekommunikation Ab (Ålcom)

Revenue and YoY growth

● Revenue, €m — YoY change, %



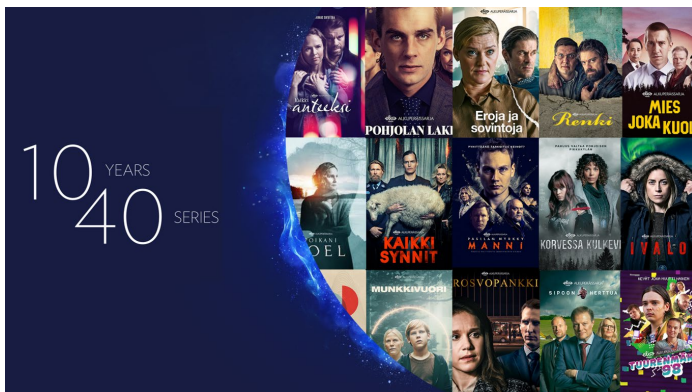




# Solid performance in domestic digital services

## Entertaining video services

- Elisa original series celebrate 10th anniversary and 40th original series
  - *Toinen tuleminen (Money Shot)* won student award for Best Short Form Series at Canneseries festival
- Streaming service portfolio extended with MAX and MTV Katsomo+, services provided to all customers
- In June, Elisa Kirja sold to BookBeat



## Strengthened competitiveness in IT services

- AI and automation increasingly incorporated into IT services and service production
  - Strong customer interest for Elisa's generative AI use cases bringing tangible benefits to customers and enabling scalability
  - Use case funnel growing rapidly
  - First AI solutions deployed in IT end-user service production improving scalability and productivity
- Continued growth in cybersecurity services



We are honored to be included on TIME and Statista's  
**World's most sustainable companies award list**

*elisa*

**66th in the world**  
**Best of Finnish companies**

# Outlook and guidance for 2024

The development of the general economy includes many uncertainties. Growth in the Finnish economy is expected to stall. In particular, there is continuing uncertainty in e.g. inflation, energy prices and global supply chains relating to Russia's war in Ukraine and other conflicts. Competition remains keen.

- Revenue at the same level or slightly higher than in 2023
- Comparable EBITDA at the same level as or slightly higher than in 2023
- CAPEX\* 12–13% of revenue



Financial review Q2 2024

# Good EBITDA growth continuing

EUR million <sup>1)</sup>	Q2/24	Q2/23	Change	%	2023
<b>Revenue</b>	<b>541.4</b>	<b>532.7</b>	<b>8.6</b>	<b>1.6%</b>	<b>2,180</b>
Other operating income	1.8	1.3	0.5	43.6%	10
Materials and services	-192.4	-193.5	1.1	-0.5%	-818
Employee expenses	-106.8	-106.8	0.0	0.0%	-417
Other operating expenses	-54.0	-51.0	-3.0	5.9%	-199
<b>EBITDA</b>	<b>189.9</b>	<b>182.7</b>	<b>7.3</b>	<b>4.0%</b>	<b>756</b>
<i>EBITDA %</i>	<i>35.1%</i>	<i>34.3%</i>	<i>0.8%</i>		<i>34.7%</i>
Depreciation	-68.6	-66.9	-1.7	2.5%	-268
<b>EBIT</b>	<b>121.3</b>	<b>115.7</b>	<b>5.6</b>	<b>4.8%</b>	<b>487</b>
<i>EBIT %</i>	<i>22.4%</i>	<i>21.7%</i>	<i>0.7%</i>		<i>22.4%</i>
Financial expenses net	-7.7	-5.7	-2.0	34.4%	-24
<b>Profit before tax</b>	<b>113.7</b>	<b>110.0</b>	<b>3.6</b>	<b>3.3%</b>	<b>464</b>
<b>Net profit</b>	<b>91.4</b>	<b>89.4</b>	<b>2.0</b>	<b>2.2%</b>	<b>379</b>
<b>EPS, €</b>	<b>0.57</b>	<b>0.56</b>	<b>0.01</b>	<b>2.4%</b>	<b>2.37</b>

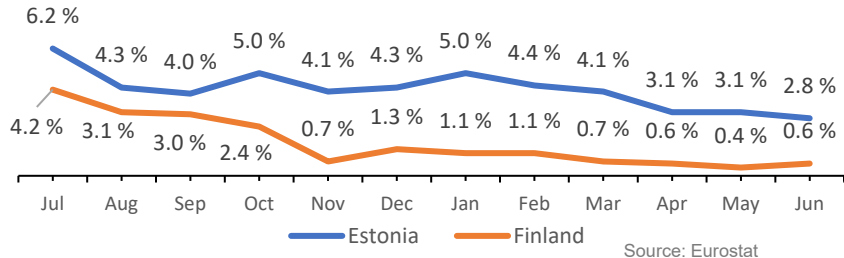
Q2 2024 YoY revenue change: €9m



# Growth in Estonia

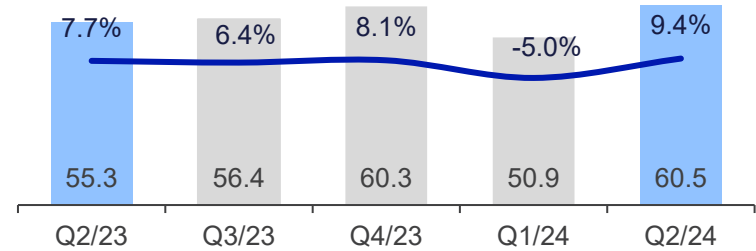
- Revenue increased by EUR 5m, +9%
  - Positively impacted by fixed revenue (software licences and equipment) and negatively by interconnection and mobile equipment sales
- EBITDA increase 1%
  - Despite inflation pressures
- Mobile post-paid base -2,100, pre-paid +400
- Churn 11.9% (9.5 in Q1)

## Inflation in Estonia and Finland



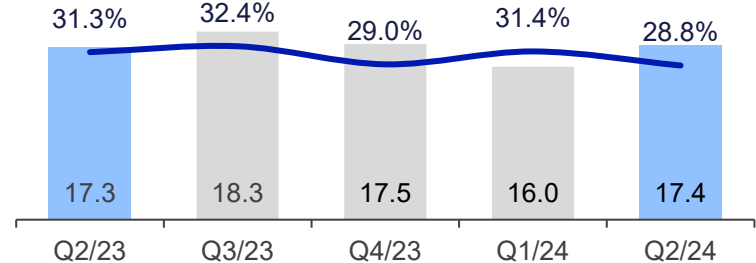
## Revenue

● Revenue, €m — YoY change, %



## EBITDA

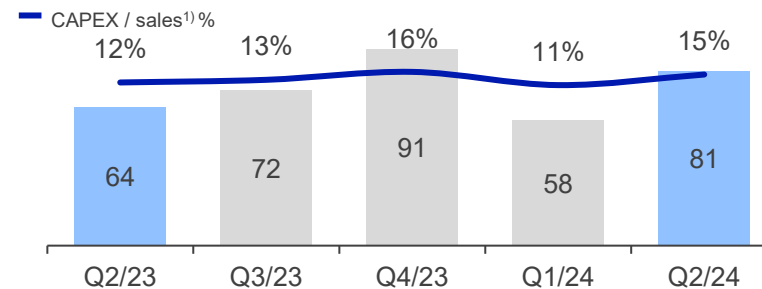
● EBITDA, €m — EBITDA-%



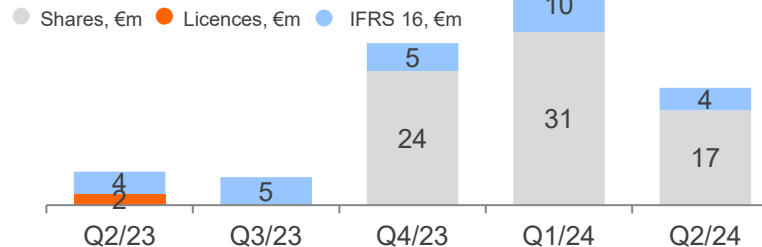
# CAPEX in line with guidance

- CAPEX €84m (70), excl. licences, lease agreements and acquisitions €81m (64)
  - Consumer €58m (45)
  - Corporate €27m (24)
- Main CAPEX areas
  - 5G coverage increase
  - Fibre and other networks
  - IT investments

## CAPEX<sup>1)</sup>



## Shares, business acquisitions, licences and rental agreements (IFRS 16)

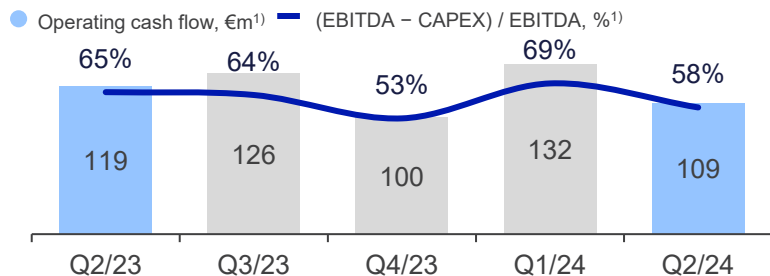


<sup>1)</sup> Investments excluding shares, business acquisitions, licences and rental agreements (IFRS 16)

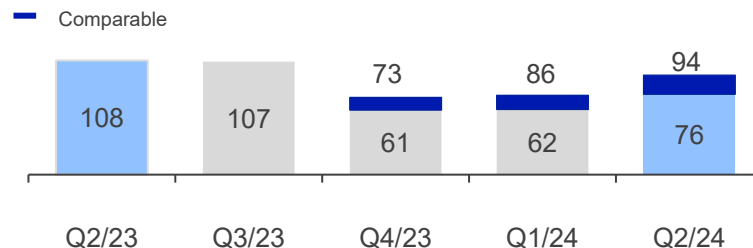
# Comparable cash flow affected by higher CAPEX

- Comparable cash flow €94m (108), decrease 13%
  - + Higher EBITDA, lower licence fee payments
  - Higher CAPEX and interest, NWC change less positive
- H1 comparable cash flow €180m (179), +1%
  - + Higher EBITDA, lower licence fee payments, NWC change
  - Higher CAPEX and interest

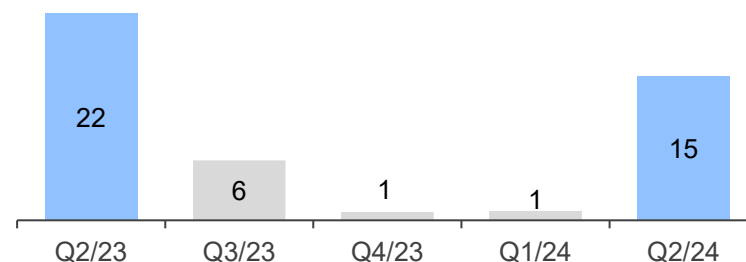
## Cash conversion



## Cash flow and comparable cash flow, €m



## Change in net working capital, €m

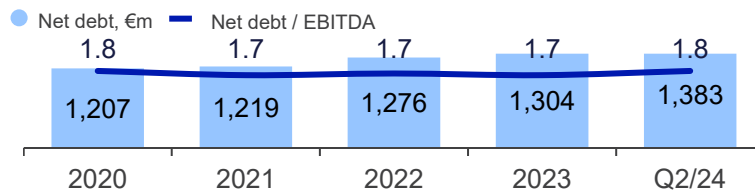




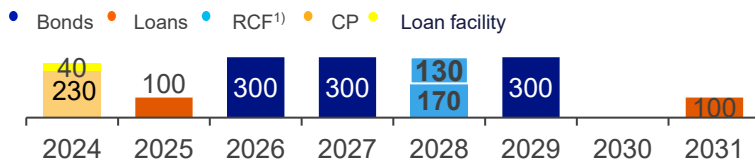
# Efficient capital structure and good returns

- Capital structure according to target
  - Net debt / EBITDA 1.8× (target 1.5–2×)
  - Equity ratio 35% (target >35%)
- Return ratios at good level
  - Efficient capital structure
- Average interest expense ~2.6%

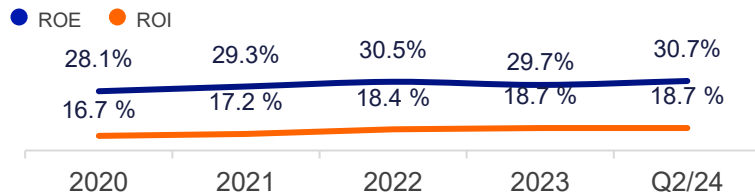
## Net debt



## Maturities as of 30 Jun 2024, €m



## Return ratios<sup>2)</sup>



<sup>1)</sup> RCFs were undrawn as of 31 Mar 2024

<sup>2)</sup> Comparable

elisa

Q&A

# P&L by quarter

EUR million	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22
<b>Revenue</b>	<b>541.4</b>	<b>534.5</b>	<b>563.3</b>	<b>544.7</b>	<b>532.7</b>	<b>539.7</b>	<b>562.6</b>	<b>534.0</b>	<b>521.5</b>
<i>YoY growth</i>	1.6%	-1.0%	0.1%	2.0%	2.2%	5.5%	5.1%	7.6%	7.7%
Other operating income	1.8	0.7	2.4	1.7	1.3	4.5	3.5	1.3	1.1
Materials and services	-192.4	-185.2	-213.7	-205.7	-193.5	-205.0	-223.9	-208.4	-199.0
Employee expenses	-106.8	-120.0	-105.0	-97.1	-106.8	-108.2	-108.0	-89.1	-97.6
Other operating expenses	-54.0	-50.3	-55.7	-45.0	-51.0	-47.6	-49.3	-44.1	-48.6
<b>EBITDA</b>	<b>189.9</b>	<b>179.7</b>	<b>191.3</b>	<b>198.6</b>	<b>182.7</b>	<b>183.4</b>	<b>184.9</b>	<b>193.9</b>	<b>177.4</b>
<i>EBITDA %</i>	35.1%	33.6%	34.0%	36.5%	34.3%	34.0%	32.9%	36.3%	34.0%
<i>YoY Growth</i>	4.0%	-2.0%	3.4%	2.4%	3.0%	3.5%	5.4%	4.2%	6.7%
<b>Comparable EBITDA</b>	<b>189.9</b>	<b>190.0</b>	<b>191.3</b>	<b>198.6</b>	<b>182.7</b>	<b>183.4</b>	<b>184.9</b>	<b>193.9</b>	<b>179.4</b>
<i>YoY Growth</i>	4.0%	3.6%	3.4%	2.4%	1.8%	3.5%	3.9%	4.2%	4.3%
<i>Comparable EBITDA %</i>	35.1%	35.5%	34.0%	36.5%	34.3%	34.0%	32.9%	36.3%	34.4%
Depreciation, amortisation and impairment	-68.6	-68.1	-73.4	-67.2	-66.9	-66.5	-65.8	-65.9	-65.9
<b>EBIT</b>	<b>121.3</b>	<b>111.7</b>	<b>117.9</b>	<b>131.3</b>	<b>115.7</b>	<b>116.9</b>	<b>119.1</b>	<b>127.9</b>	<b>111.5</b>
<b>Comparable EBIT</b>	<b>121.3</b>	<b>121.9</b>	<b>123.5</b>	<b>131.3</b>	<b>115.7</b>	<b>116.9</b>	<b>119.1</b>	<b>127.9</b>	<b>113.5</b>
Financial income	2.7	2.4	2.3	2.6	2.4	1.5	0.6	1.6	1.9
Financial expense	-11.8	-8.8	-10.0	-8.2	-8.0	-5.9	-4.5	-5.4	-4.7
Share of associated companies' profit	1.4	-1.2	0.5	-0.7	-0.1	-0.1	0.1	-0.1	-0.3
<b>Profit before tax</b>	<b>113.7</b>	<b>-104.0</b>	<b>110.6</b>	<b>125.0</b>	<b>110.0</b>	<b>112.4</b>	<b>115.3</b>	<b>124.0</b>	<b>108.4</b>
<b>Comparable profit before tax</b>	<b>113.7</b>	<b>114.3</b>	<b>116.2</b>	<b>125.0</b>	<b>110.0</b>	<b>112.4</b>	<b>115.3</b>	<b>124.0</b>	<b>110.4</b>
Income taxes	-22.3	-21.4	-17.7	-24.9	-20.6	-20.9	-19.7	-23.2	-20.0
<b>Profit for the period</b>	<b>91.4</b>	<b>82.6</b>	<b>92.9</b>	<b>100.2</b>	<b>89.4</b>	<b>91.5</b>	<b>95.6</b>	<b>100.8</b>	<b>88.4</b>
<b>Comparable Profit</b>	<b>91.4</b>	<b>90.8</b>	<b>97.4</b>	<b>100.2</b>	<b>89.4</b>	<b>91.5</b>	<b>95.6</b>	<b>100.8</b>	<b>90.0</b>
<b>Earnings per share (EUR)</b>	0.57	<b>0.52</b>	<b>0.58</b>	<b>0.63</b>	<b>0.56</b>	<b>0.57</b>	<b>0.60</b>	<b>0.63</b>	<b>0.55</b>
<b>Comparable EPS</b>	0.57	<b>0.57</b>	<b>0.61</b>	<b>0.63</b>	<b>0.56</b>	<b>0.57</b>	<b>0.60</b>	<b>0.63</b>	<b>0.56</b>
<i>YoY Growth</i>	2.4%	-0.5%	2.0%	-0.7%	-0.9%	3.8%	8.9%	4.4%	7.7%

# Cash flow YoY comparison

EUR million	Q2/24	Q2/23	Change <sup>1)</sup>	%	H1/24	H1/23	Change <sup>1)</sup>	%	2023
EBITDA	<b>189.9</b>	<b>182.7</b>	7.3	4%	<b>369.7</b>	<b>366.1</b>	3.6	1%	756
Change in receivables	2.9	7.2	-4.3	-59%	51.3	51.1	0.2	0%	-2
Change in inventories	0.4	7.0	-6.6	-94%	1.8	7.5	-5.8	-76%	15
Change in payables	12.1	7.8	4.3	54%	-36.7	-50.8	14.1	-28%	2
Change in NWC	<b>15.4</b>	<b>22.1</b>	-6.6		<b>16.4</b>	<b>7.9</b>	8.6		15
Financials (net)	<b>-4.5</b>	<b>-3.7</b>	-0.9	23%	<b>-16.6</b>	<b>-11.9</b>	-4.7	40%	-18
Taxes for the year	-21.1	-20.7	-0.4	2%	-42.3	-39.9	-2.4	6%	-81
Taxes for the previous year					-2.3		-2.3		0
Taxes	<b>-21.1</b>	<b>-20.7</b>	-0.4	2%	<b>-44.6</b>	<b>-39.9</b>	-4.7	12%	-82
CAPEX	<b>-80.1</b>	<b>-63.9</b>	-16.2	25%	<b>-137.9</b>	<b>-120.5</b>	-17.5	15%	-296
Licence fees <sup>2)</sup>		<b>-1.6</b>	1.6			<b>-6.9</b>	6.9		-8
Investments in shares <sup>3)</sup>	<b>-18.2</b>	<b>-1.4</b>	-16.7		<b>-42.6</b>	<b>-1.8</b>	-40.8		-5
Sale of shares	<b>0.1</b>	<b>0.3</b>	-0.1	-45%	<b>0.1</b>	<b>0.3</b>	-0.1	-45%	4
Sale of assets and adjustments	<b>-5.7</b>	<b>-5.6</b>	-0.1	1%	<b>-7.0</b>	<b>-13.9</b>	6.9	-49%	-18
Cash flow after investments	<b>76.0</b>	<b>107.9</b>	-31.9	-30%	<b>137.6</b>	<b>179.2</b>	-41.6	-23%	347
Cash flow after investments excl. acquisitions <sup>4)</sup>	<b>94.2</b>	<b>107.9</b>	-13.7	-13%	<b>180.1</b>	<b>179.2</b>	0.9	1%	361

<sup>1)</sup> Difference is calculated using exact figures prior to rounding.

<sup>2)</sup> Finland last payment of 3.5 GHz licence in Q1/23 EUR 5.3m. Finland 26 GHz licence payment EUR 1.4m in Q3/23 and Estonia EUR 1.6m in Q2/23.

<sup>3)</sup> Romaric and Moontalk in Q1/24. Leanware and loans granted in Q2/24.

<sup>4)</sup> Excludes share and business acquisitions and sales.

# Cash flow by quarter

EUR million	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22
EBITDA	190	180	191	199	183	183	185	194	177
Change in receivables	3	48	-53	0	7	44	-42	0	-17
Change in inventories	0	1	8	0	7	0	5	-9	-3
Change in payables	12	-49	46	7	8	-59	63	-9	6
Change in NWC	15	1	1	6	22	-14	27	-19	-14
Financials (net)	-5	-12	-3	-4	-4	-8	-2	-1	0
Taxes for the year	-21	-21	-20	-21	-21	-19	-24	-23	-19
Taxes for the previous year		-2	0						
Taxes	-21	-24	-20	-21	-21	-19	-24	-23	-19
CAPEX	-80	-58	-104	-72	-64	-57	-90	-62	-53
Licence fees	0		0	-1	-2	-5	-2	-1	-7
Investments in shares	-18	-24	-2	0	-1	0	0	-8	0
Sale of shares	0		4		0		0		
Sale of assets and adjustments	-6	-1	-5	1	-6	-8	-9	-1	-3
Cash flow after investments	76	62	61	107	108	71	86	79	82
Cash flow after investments excl. acquisitions	94	86	73	107	108	71	86	87	81

# Debt structure

EUR million at the end of the quarter	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22
Bonds and notes	895	894	1,141	1,140	894	893	892	891	890
Commercial papers	230	183	35	152	241	159	125	169	180
Credit facility	40	70	0	70	100	0	0	0	0
Loans from financial institutions	204	103	103	103	253	253	253	283	353
Lease liabilities <sup>1)</sup>	91	93	89	90	91	94	91	93	95
Committed credit lines <sup>2)</sup>				120					
<b>Interest-bearing debt, total</b>	<b>1,460</b>	<b>1,344</b>	<b>1,367</b>	<b>1,675</b>	<b>1,578</b>	<b>1,398</b>	<b>1,361</b>	<b>1,436</b>	<b>1,518</b>
Cash and cash equivalents	77	84	63	318	120	182	85	78	87
<b>Net debt <sup>3)</sup></b>	<b>1,383</b>	<b>1,260</b>	<b>1,304</b>	<b>1,356</b>	<b>1,459</b>	<b>1,217</b>	<b>1,276</b>	<b>1,358</b>	<b>1,431</b>

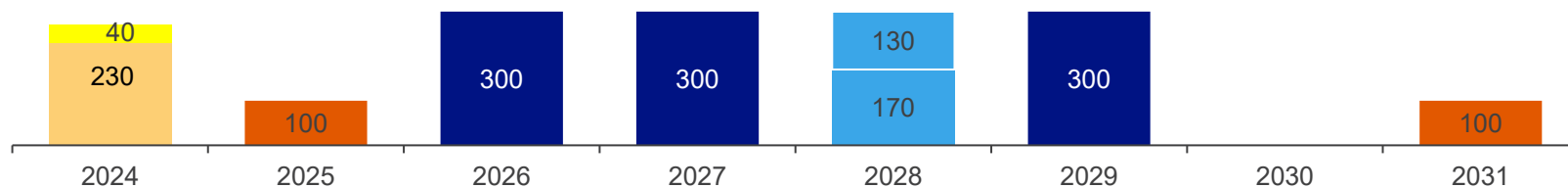
<sup>1)</sup> Lease liabilities are classified as interest-bearing debt in accordance with IFRS 16 from Q1/2019 onwards.

<sup>2)</sup> The committed credit lines are €130m and €170m facilities that Elisa may use flexibly at agreed-upon pricing.

<sup>3)</sup> Net debt is interest-bearing debt less cash and interest-bearing receivables.

## Nominal values of bond, bank loan and CP maturities, 30 June 2024

● Bonds ● Loans ● RCF<sup>1)</sup> ● CP ● Loan facility





## A SUSTAINABLE FUTURE THROUGH DIGITALISATION

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Forward-looking statements: 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.