



Interim Report Q2 2021

16 JULY 2021

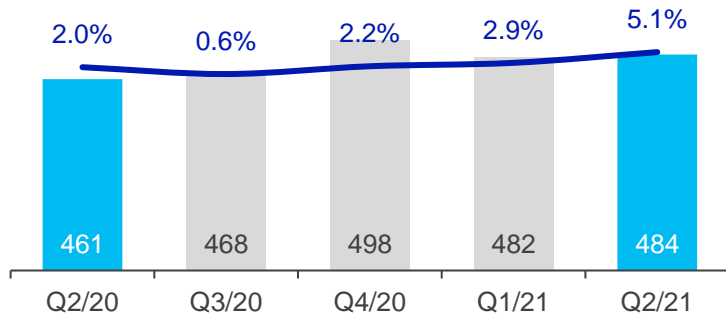
Q2 2021 highlights

- Good development continued
- Revenue grew by 5%
- Comparable EBITDA up by 2%
- Mobile service revenue increased by 4.2% YoY
- Post-paid churn at the same level 18.3% (18.3% in Q1)
- Post-paid mobile subscription base increased by 36,700, of which M2M/IoT 30,800
- Fixed broadband subscription base decreased by 5,100
- Good 5G momentum continuing: network covers over 50% of Finns in over 110 towns and cities
 - Increase of monthly billing for new 5G customers of more than €3

Solid performance continued

Revenue

● Revenue, €m — YoY change.%

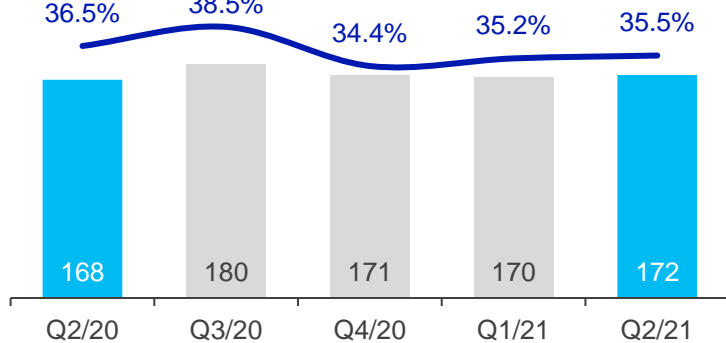


Increase

- Acquisition and content partnership
- Mobile services
- Domestic digital services
- Equipment sales

EBITDA¹⁾

● EBITDA, €m — EBITDA-%

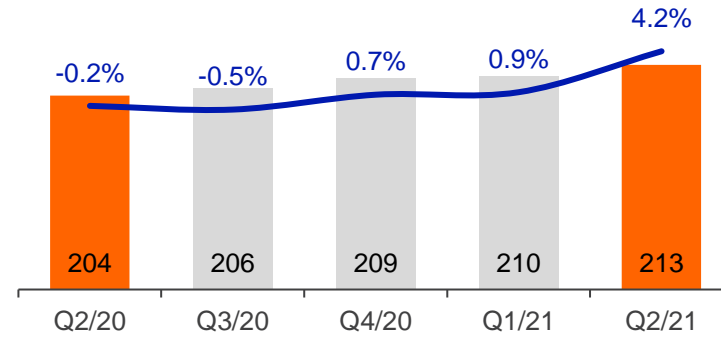


- Revenue growth
- Efficiency improvements

1) Comparable

Mobile service revenue

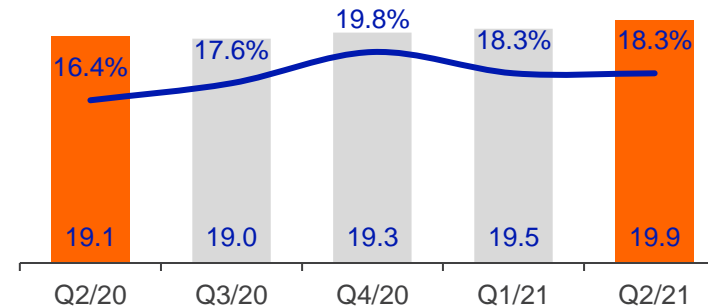
● MSR, €m — YoY change.%



- 5G and 4G up-selling continues
- Product changes

ARPU and churn²⁾

● Post-paid ARPU, € — Post-paid churn,%



- Campaigning continues
- Competition remained keen

2) Finland, churn annualised

Good growth in Consumer Customers, better trend in Corporate Customers

Consumer Customers

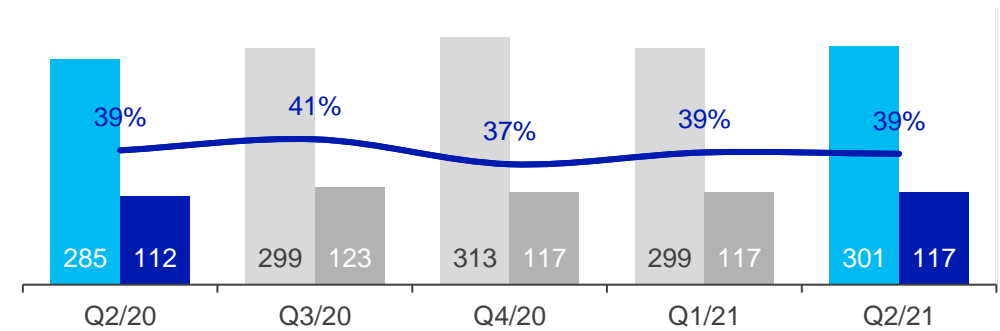
Revenue +6%

- + Mobile services
- + Entertainment services (organic and content partnership)
- + Equipment sales
- Traditional fixed-line services

EBITDA +5%

Revenue and EBITDA¹⁾

● Revenue, €m ● EBITDA, €m — EBITDA-%



Corporate Customers

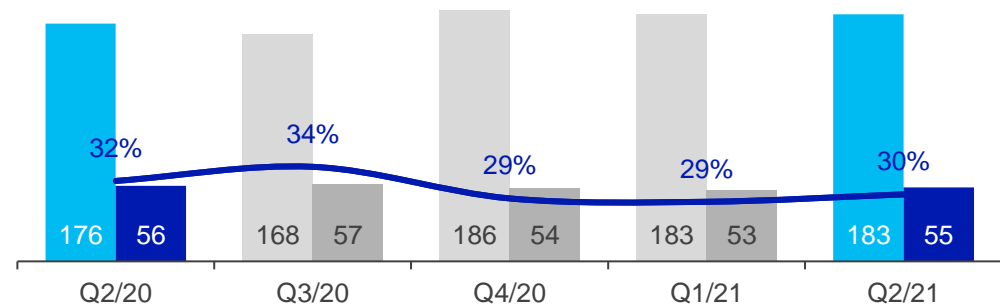
Revenue +4%

- + camLine acquisition
- + Domestic digital services
- + Equipment sales
- Traditional fixed-line services
- Other fixed services

EBITDA -2%

Revenue and EBITDA¹⁾

● Revenue, €m ● EBITDA, €m — EBITDA-%



Strategy execution

A sustainable future through digitalisation

Increase mobile and fixed service revenues

Grow digital service businesses

Improve efficiency and quality

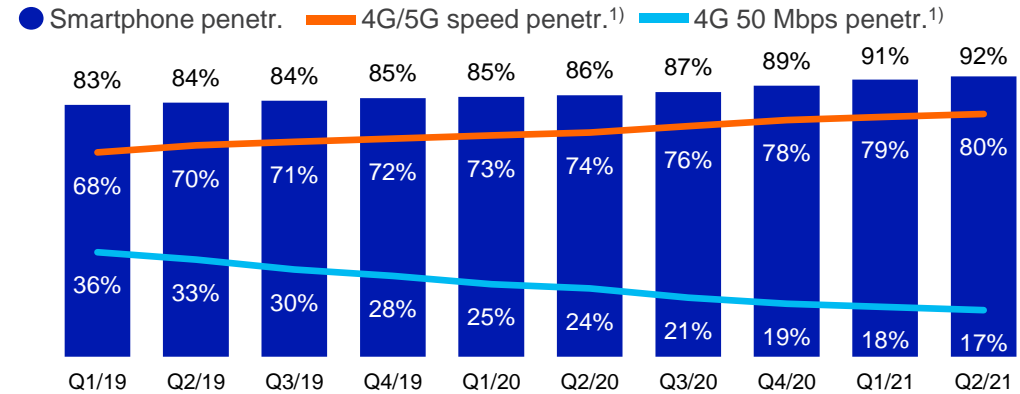


Up-selling of mobile subs continuing, driven by 5G

Growth in smartphone penetration

- 92% of customers use a smartphone
 - 10% (7% in Q1) of smartphones are 5G-phones
- 80% (74%) of voice subs at 4G or 5G speeds
 - Up-selling to higher speeds continues

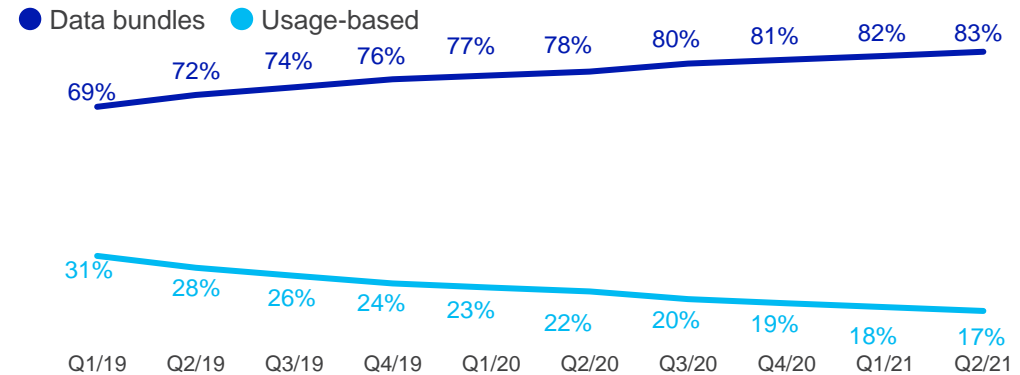
Smartphone and 4G speed penetration, %



Proportion of data bundles continues to grow

- 83% of subscriptions¹⁾ are fixed-monthly-fee, “all-you-can-eat” bundles
- Strong demand for unlimited data bundles continues
 - Elisa’s customers roam at domestic prices in EU and EEA countries

Subscription¹⁾ split



¹⁾ Post-paid voice subscriptions in Finland



Elisa leading in 5G

- Elisa continued its leadership in 5G, with the most extensive network in Finland
 - Available in over 110 towns and cities, population coverage over 50%, and up to 90% in the largest cities
 - Good customer demand for 5G continued, with an increase of over €3 per new 5G customer in monthly billing
- Elisa was the first operator in the Nordics to pilot a standalone 5G network in a commercial network
- Elisa has delivered private 5G networks for e.g. the ports of Pori and HaminaKotka
 - Companies utilising private networks can benefit from more advanced applications for the needs of industry and logistics, among other things



Expansion of digital service businesses continued

Domestic digital services

- Two new Elisa Viihde original series were launched successfully: *Bad Apples* and *Bull by the Horns* became the most popular titles in the service during their launch period
- IT Services had solid sales growth
 - E.g. increased deliveries of Google Cloud Platform

International digital services

- Record Q2 for camLine in invoiced services and CalcuQuote for customer acquisition Europe
 - First sale of 3DVisualizr to SedApta customer base
- Active scanning for new acquisition possibilities for international digital businesses continues

Outlook and guidance for 2021

The uncertainty in the macroeconomic environment is still prevailing. Competition in the Finnish telecommunications market remains keen.

- Revenue slightly higher than in 2020
- Comparable EBITDA at same level or slightly higher than in 2020
- CAPEX* maximum 12% of revenue

* Excluding IFRS 16, and investments in shares and licences

Financial review

INTERIM REPORT Q2 2021

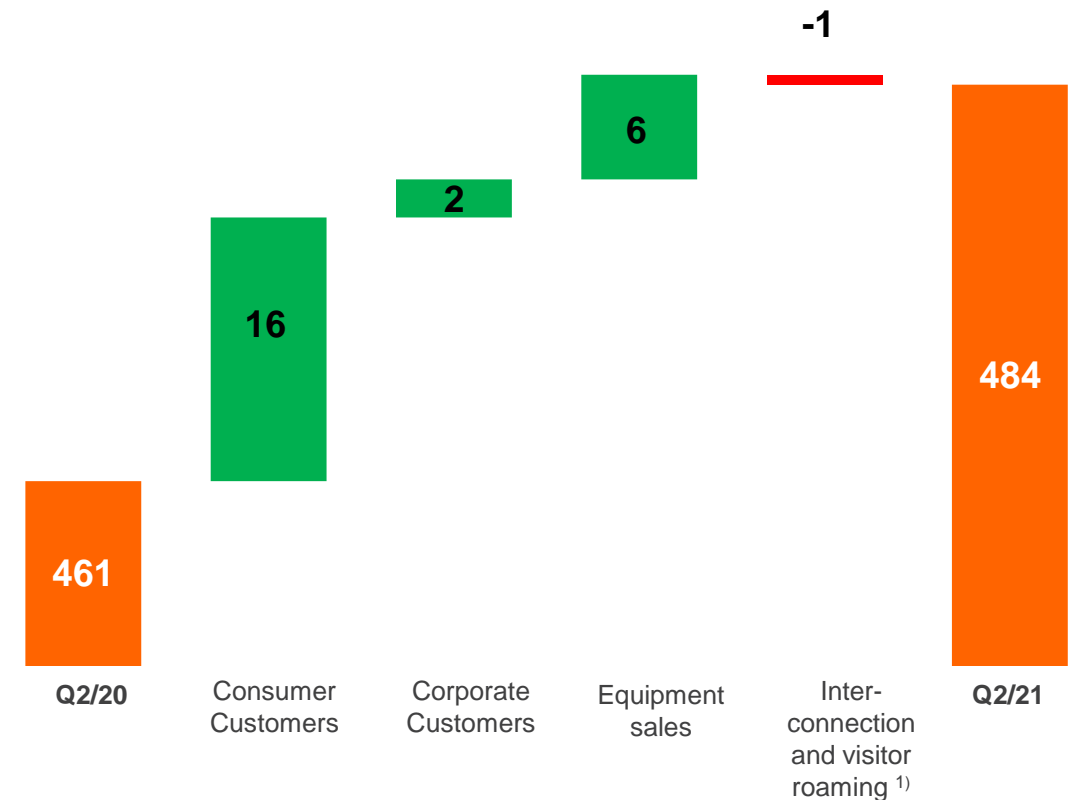
Growth in revenue and earnings

EUR million ¹⁾	Q2/21	Q2/20	Change	%
Revenue	484	461	23.5	5.1 %
Other operating income	3	1	2.4	379.8 %
Materials and services	-181	-167	-14.3	8.6 %
Employee expenses ²⁾	-99	-82	-16.9	20.7 %
Other operating expenses	-41	-45	3.2	-7.1 %
EBITDA	172	168	3.7	2.2 %
<i>EBITDA %</i>	35.5 %	36.5 %		
Depreciation	-67	-67	0.8	-1.1 %
EBIT	105	101	4.5	4.4 %
<i>EBIT %</i>	21.8 %	21.9 %		
Financial expenses, net	-3	-4	1.2	
Profit before tax	102	97	5.7	5.9 %
Net profit	84	79	4.7	6.0 %
EPS, €	0.52	0.49	0.03	5.9 %

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

2) Includes EUR 6m restructuring costs

Q2 2021 YoY revenue change, €24m

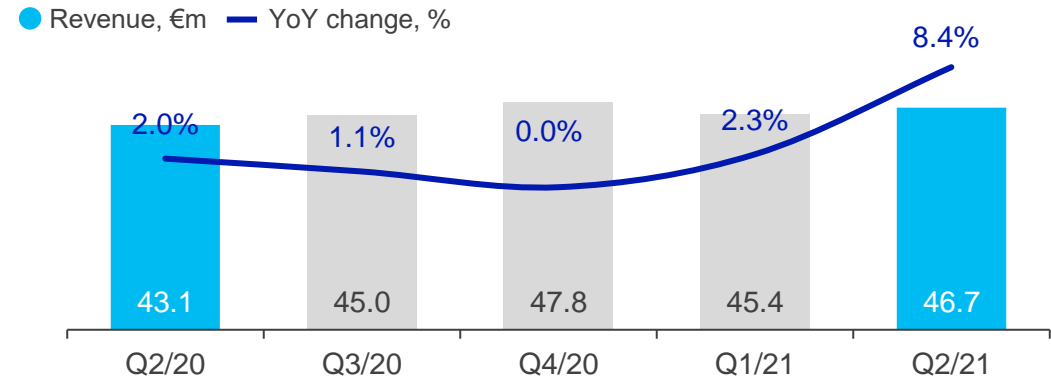


¹⁾ Mobile and fixed interconnection

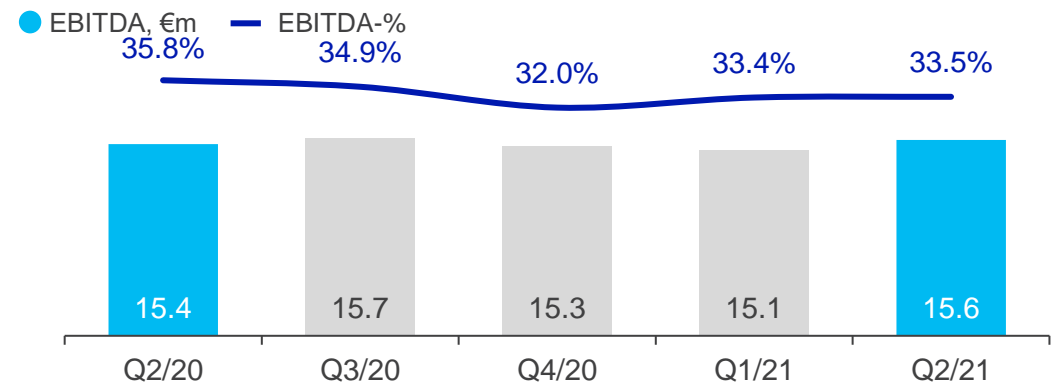
Strong growth in Estonia

- Revenue and EBITDA improved
 - Revenue +8.4%
 - Equipment sales
 - Fixed and mobile services
 - EBITDA growth +1.4%
 - Mobile post-paid base +10,800, pre-paid -2,900
 - Churn 8.5% (10.5% in Q1)

Revenue



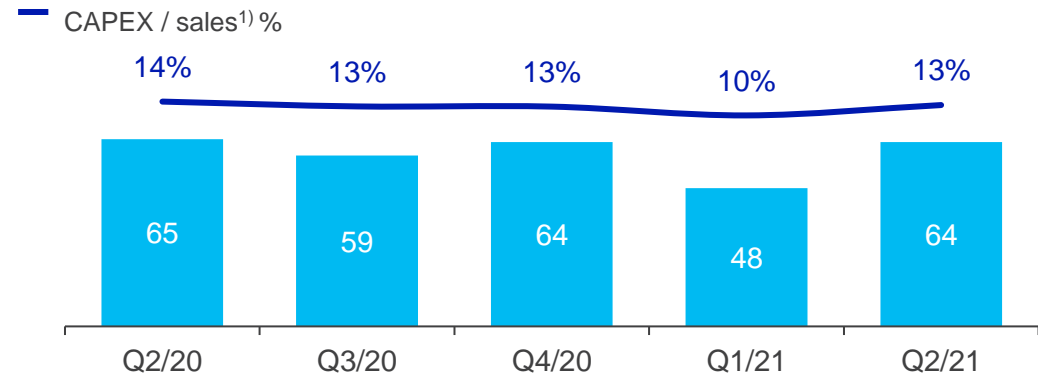
EBITDA



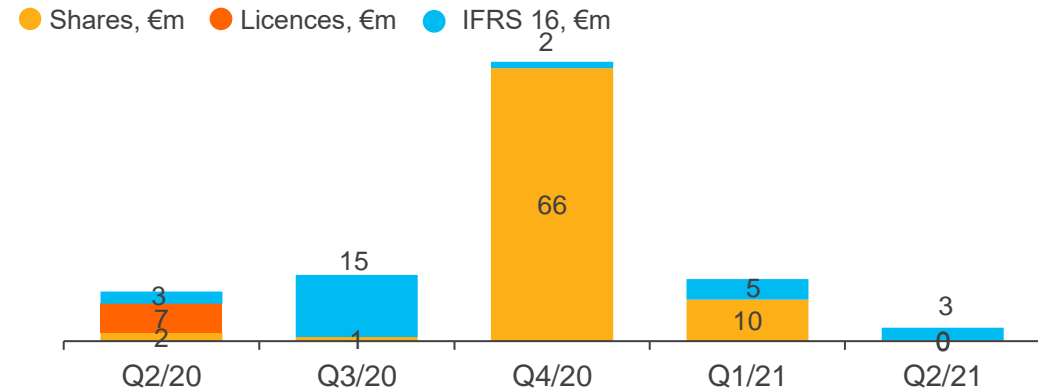
CAPEX inline with guidance

- CAPEX €67m (75), excl. licences and lease agreements €64m (65)
 - Consumer €42m (49)
 - Corporate €25m (26)
- H1 CAPEX excl. licences and lease agreements €112m (113)
 - H1 CAPEX/sales 11.6%
- Main CAPEX areas
 - 5G and 4G capacity and coverage increases
 - Other network and IT investments

CAPEX¹⁾



Shares, licences and rental agreements (IFRS 16)

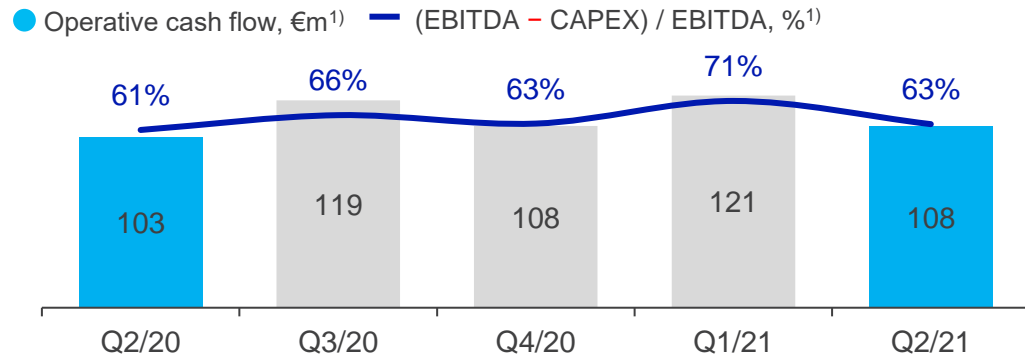


¹⁾ Investments excluding shares, licences and rental agreements (IFRS 16)

Strong cash flow

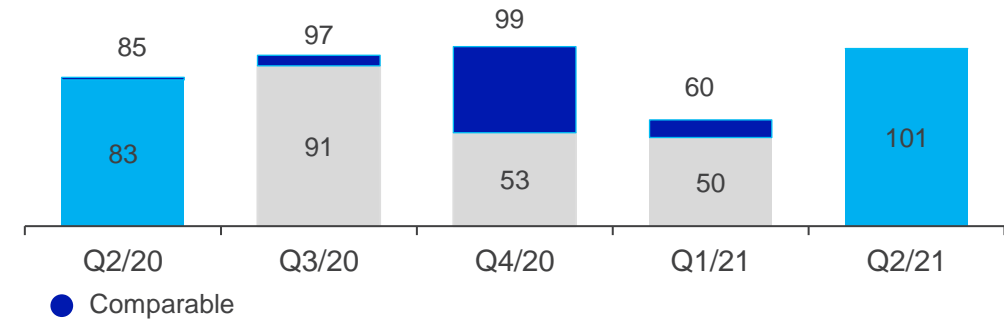
- Q2 cash flow €101m (83)
- Q2 comparable cash flow €101m (85)
 - + NWC change, lower inventory and higher payables
 - Higher taxes
 - Lower reported EBITDA
- H1 comparable cash flow €161m (158)

Cash conversion

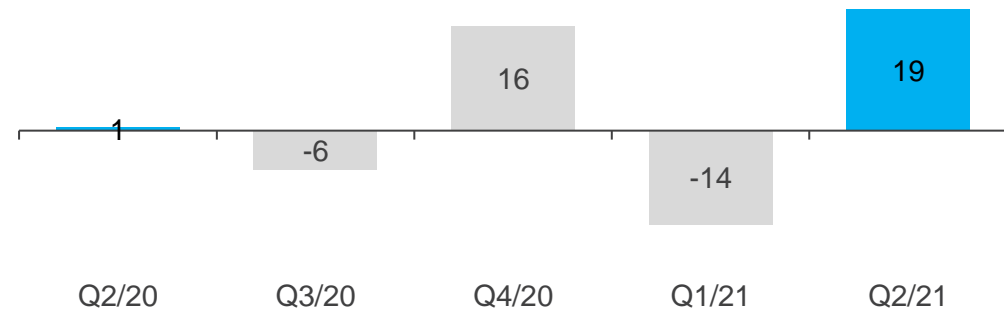


¹⁾ Comparable EBITDA – CAPEX excluding investments in shares, licences and finance leases (IFRS 16)

Cash flow and comparable cash flow, €m



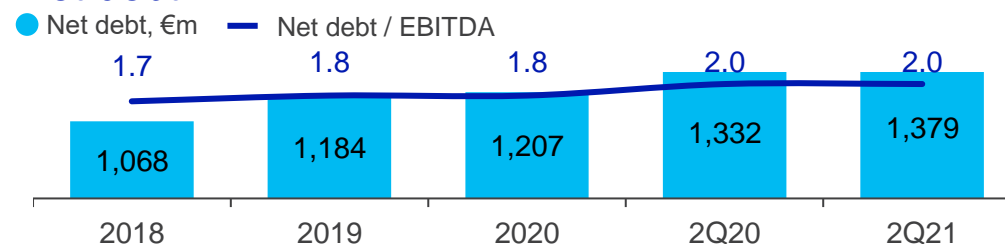
Change in net working capital, €m



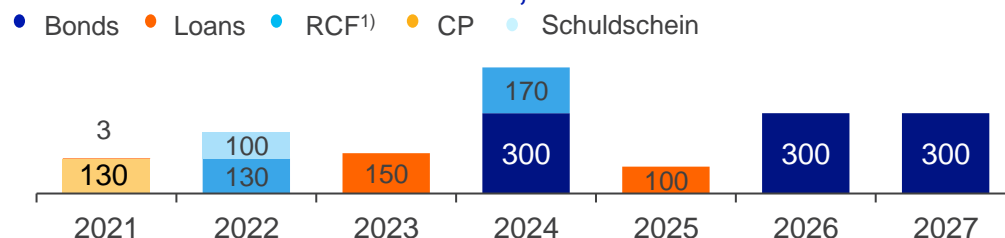
Efficient capital structure and good returns

- Capital structure according to target
 - Net debt / EBITDA 2.0x (2.0, target 1.5–2x)
 - Equity ratio 35.8% (target >35%)
- Return ratios at good level
 - Efficient capital structure
- Average interest expense below 1%

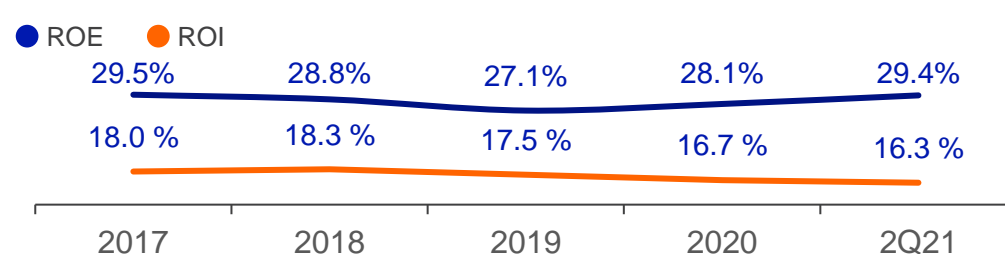
Net debt



Maturities at 30 June 2021, €m



Return ratios²⁾



¹⁾ RCFs are fully undrawn

²⁾ Comparable, 2017 excluding sale of Comptel shares



Q&A

APPENDIX

P&L by quarter

EUR million	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19
Revenue	484.3	481.6	498.2	467.5	460.8	468.1	487.3	464.9	451.6
<i>YoY growth</i>	5.1 %	2.9 %	2.2 %	0.6 %	2.0 %	6.5 %	3.5 %	2.4 %	-1.3 %
Other operating income	3.0	2.5	1.6	1.3	0.6	0.6	3.0	0.9	1.1
Materials and services	-181.0	-182.0	-199.7	-175.6	-166.8	-171.6	-191.7	-172.1	-168.8
Employee expenses	-98.7	-94.3	-82.7	-74.1	-81.8	-87.1	-80.9	-74.0	-82.0
Other operating expenses	-41.4	-38.2	-46.1	-39.1	-44.6	-44.3	-49.6	-41.3	-42.8
EBITDA	166.2	169.7	171.2	180.0	168.3	165.7	168.1	178.5	159.2
<i>EBITDA %</i>	34.3 %	35.2 %	34.4 %	38.5 %	36.5 %	35.4 %	34.5 %	38.4 %	35.2 %
<i>YoY Growth</i>	-1.2 %	2.4 %	1.9 %	0.8 %	5.7 %	6.9 %	6.3 %	5.8 %	-0.4 %
Comparable EBITDA	172.0	169.7	171.2	180.0	168.3	165.7	168.1	178.5	163.6
<i>YoY Growth</i>	2.2 %	2.4 %	1.9 %	0.8 %	2.9 %	5.2 %	6.3 %	5.8 %	4.4 %
<i>Comparable EBITDA %</i>	35.5 %	35.2 %	34.4 %	38.5 %	36.5 %	35.4 %	34.5 %	38.4 %	36.2 %
Depreciation, amortisation and impairment	-66.6	-67.6	-73.9	-68.1	-67.4	-66.8	-67.9	-66.0	-66.8
EBIT	99.5	102.0	97.3	111.9	100.9	99.0	100.1	112.5	92.4
Comparable EBIT	105.3	102.0	103.4	111.9	100.9	99.0	100.1	112.5	96.8
Financial income	1.0	1.4	6.3	1.2	-0.2	1.4	0.4	0.5	1.6
Financial expense	-3.8	-4.2	-5.4	-5.4	-4.7	-5.7	-4.6	-6.6	-6.9
Share of associated companies' profit	-0.2	0.0	0.3	0.7	0.7	0.2	-0.3	0.2	0.0
Profit before tax	96.5	99.2	98.5	108.3	96.6	94.9	95.6	106.6	87.0
Comparable profit before tax	102.3	99.2	98.9	108.3	96.6	94.9	95.6	106.6	91.4
Income taxes	-17.3	-17.6	-16.2	-19.4	-17.5	-17.0	-16.6	-22.3	-15.8
Profit for the period	79.2	81.6	82.3	88.9	79.1	77.9	79.0	84.3	71.2
Comparable Profit	83.9	81.6	81.7	88.9	79.1	77.9	79.0	84.3	74.9
Earnings per share (EUR)	0.49	0.51	0.51	0.55	0.49	0.49	0.49	0.53	0.45
Comparable EPS	0.52	0.51	0.51	0.55	0.49	0.49	0.49	0.53	0.47
<i>YoY Growth</i>	5.9 %	4.7 %	3.4 %	5.2 %	5.6 %	10.1 %	4.0 %	-0.6 %	0.2 %

Cash flow YoY comparison

	Q2/21	Q2/20	Change ¹⁾	%	1H/21	1H/20	Change ¹⁾	%	2020
EBITDA	166	168	-2	-1 %	336	334	2	1 %	685
Change in receivables	5	8	-4	-43 %	28	31	-3	-10 %	11
Change in inventories	1	-10	11	-108 %	-6	-8	2	-23 %	-1
Change in payables	13	2	11	532 %	-17	-20	3	-13 %	3
Change in NWC	19	1	18		4	3	1		13
Financials (net)	0	-1	1	-83 %	-12	-13	1	-9 %	-15
Taxes for the year	-18	-16	-2	14 %	-37	-30	-7	22 %	-68
Taxes for the previous year	0	0	0		0	0	0		0
Taxes	-18	-16	-2	14 %	-37	-30	-7	22 %	-68
CAPEX	-65	-65	0	0 %	-114	-113	0	0 %	-238
Licence fees ²⁾	0	-1	1		-10	-11	1	-13 %	-11
Investments in shares ³⁾	0	-2	2		-10	-3	-8	301 %	-57
Sale of shares	0	0	0		0	1	-1		6
Sale of assets and adjustments	-1	-1	-1		-7	-12	5		-10
Cash flow after investments	101	83	17	21 %	151	156	-5	-3 %	300
Cash flow after investments excl. acquisitions ⁴⁾	101	85	16	18 %	161	158	3	2 %	351

1) Difference is calculated using exact figures prior to rounding

2) €4.4m for 700 MHz and €5.3m for 3.5 GHz in Q1/20 and Q1/21, €1.4m for 26 GHz Q2/20 in Finland.

3) Polystar and camLine 2020, sedApta and LE-kuitu in 2021

4) Excluding share purchases and sale of shares.

APPENDIX

Cash flow by quarter

EUR million	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19
EBITDA	166	170	171	180	168	166	168	179	159
Change in receivables	5	23	-20	0	8	23	-32	-2	5
Change in inventories	1	-7	-2	9	-10	2	-6	-1	-1
Change in payables	13	-30	37	-15	2	-22	27	-9	5
Change in NWC	19	-14	16	-6	1	3	-11	-12	10
Financials (net)	0	-11	-1	-1	-1	-11	-4	-1	0
Taxes for the year	-18	-19	-20	-17	-16	-15	-21	-17	-17
Taxes for the previous year	0	0	0	0	0		0	0	4
Taxes	-18	-19	-20	-17	-16	-15	-21	-17	-13
CAPEX	-65	-49	-63	-62	-65	-48	-71	-51	-55
Licence fees	0	-10	0	0	-1	-10	0	0	
Investments in shares	0	-10	-49	-6	-2	0	0	-2	-65
Sale of shares	0		3	2	0	1	0		
Sale of assets and adjustments	-1	-6	-1	0	-1	-11	-4	0	1
Cash flow after investments	101	50	53	91	83	73	55	97	37
Cash flow after investments excl. acquisitions	101	60	99	97	85	73	55	98	102

APPENDIX

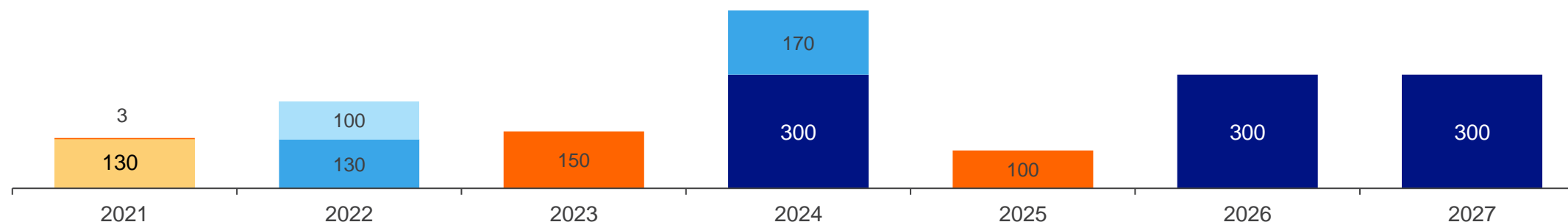
Debt structure

EUR million at the end of the quarter	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19
Bonds and notes	886	885	1 058	1 057	759	758	757	943	941
Commercial papers	130	103	20	152	307	176	133	65	80
Schuldschein	100	100							
Loans from financial institutions	253	253	252	250	250	250	250	290	290
Lease liabilities ¹⁾	94	96	97	100	90	93	96	92	93
Committed credit lines ²⁾	0	0	0	0	0	0	0	0	0
Interest-bearing debt. total	1 463	1 438	1 427	1 559	1 406	1 277	1 236	1 389	1 404
Cash and cash equivalents	84	274	220	303	74	161	52	154	85
Net debt ³⁾	1 379	1 164	1 207	1 256	1 332	1 117	1 184	1 235	1 319

- 1) Lease liabilities are classified as interest-bearing debt according to IFRS 16 from Q1/19 onwards
- 2) The committed credit lines are €130m and €170m facilities that Elisa can use flexibly at 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 June 2021

● Bonds ● Loans ● RCF¹⁾ ● CP ● Schuldschein



¹⁾ RCFs are fully undrawn

elisa

Contacts:

Mr Vesa Sahivirta
vesa.sahivirta@elisa.fi
+358 50 520 5555

Ms Kati Norppa
kati.norppa@elisa.fi
+358 50 308 9773



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.