

# Financial overview

Faster Profitable Growth

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CFO



Reporting changes

# New reporting segment: International Software Services

## Change in segment reporting adds transparency

- International Software Services segment starting Q1 2025
- Comparable figures for 2024 published in data Excel worksheet<sup>1</sup>
- Revenue seasonality in software services – first & last quarters typically stronger

International Software Services	1Q24	2Q24	3Q24	4Q24	2024	2024 pro forma <sup>2</sup>
<b>Revenue</b>	<b>25</b>	<b>22</b>	<b>22</b>	<b>39</b>	<b>109</b>	<b>149</b>
<b>EBITDA</b>	<b>-1</b>	<b>-6</b>	<b>-6</b>	<b>1</b>	<b>-12</b>	<b>-9</b>
One-off items	-1	-	-	-2	-3	-3
EBITDA-%	-4%	-25%	-26%	2%	-11%	-6%
<b>EBIT</b>	<b>-3</b>	<b>-7</b>	<b>-8</b>	<b>-2</b>	<b>-20</b>	<b>-18</b>
CAPEX	0	0	0	1	2	2

1) Elisa operational and financial data excel, <https://elisa.com/corporate/investors/results-centre/>

2) Pro forma: 2024 acquisitions (sedApta, Lean Group, Romaric) consolidated for the full year



## AGENDA

1 Performance update

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2 Achieving medium-term targets

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3 Capital allocation

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4 CFO priorities



Performance update

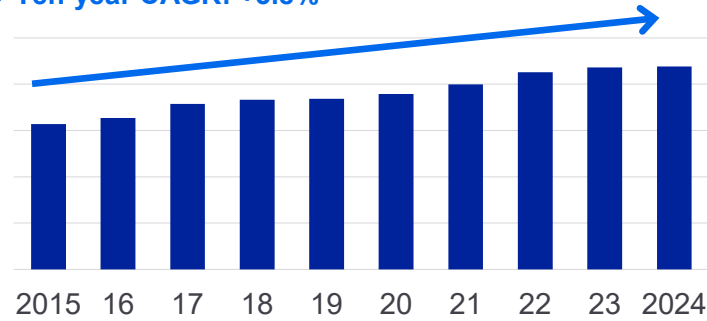
# Elisa's unique strategy yields consistent results

## Set of choices

- Market-leading position in home markets
- Customer-focused approach
- Culture of excellence
- Long-term, systematic way to improve productivity
- Rigorous CAPEX management
- Disciplined M&A policy

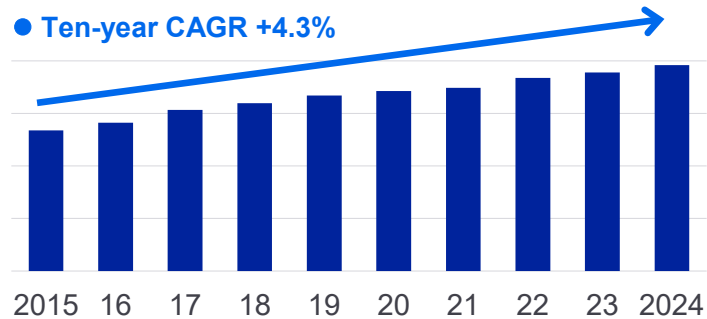
### Revenue growth >10 years in a row

● Ten-year CAGR: +3.8%



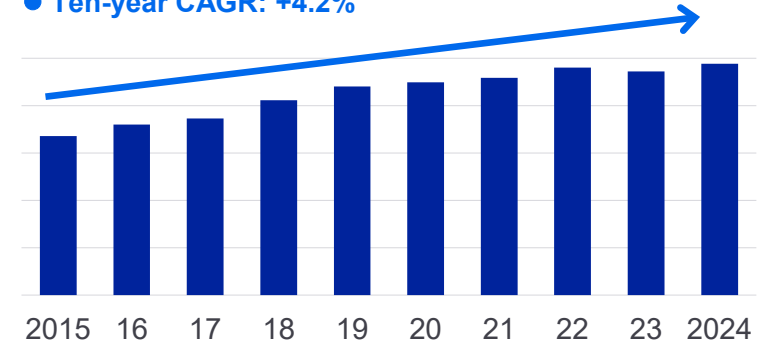
### EBITDA growth >10 years in a row

● Ten-year CAGR +4.3%



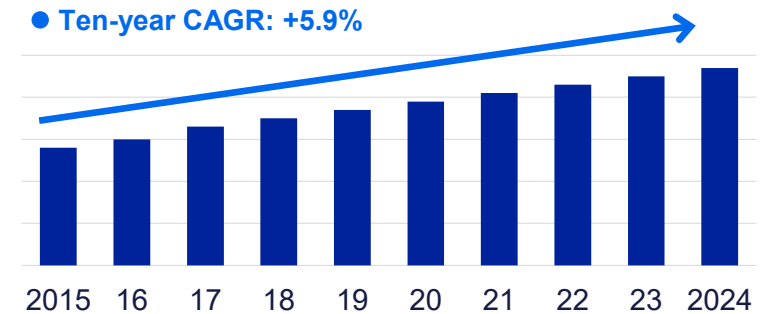
### Steady growth in operating cash flow

● Ten-year CAGR: +4.2%



### Dividend growth >10 years in a row

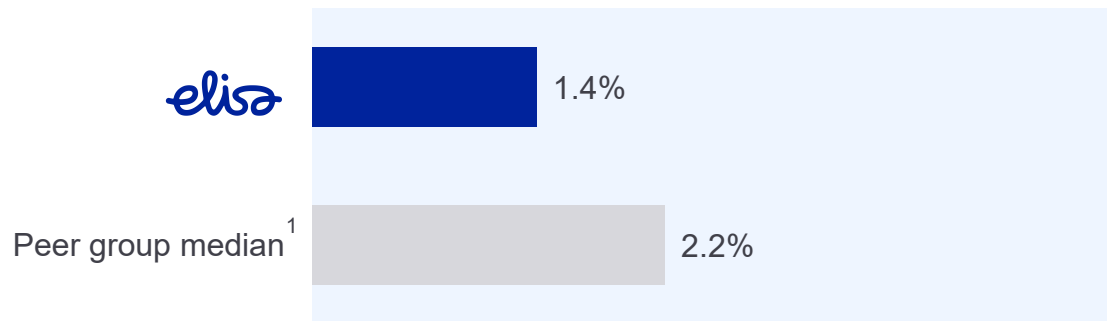
● Ten-year CAGR: +5.9%



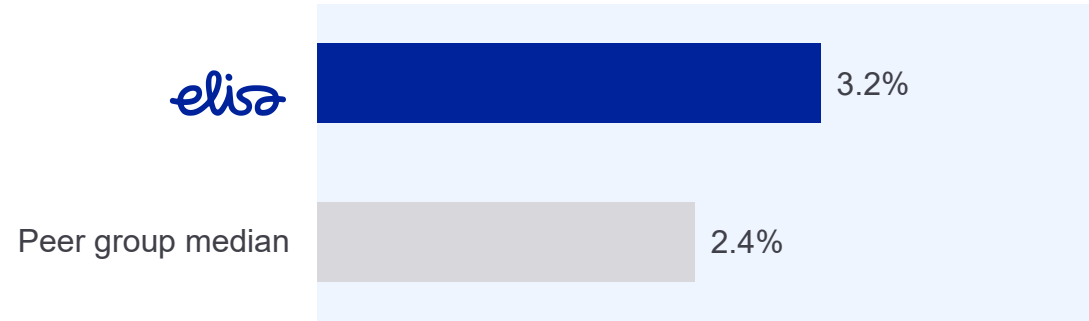
Performance update

# Industry-leading ROCE

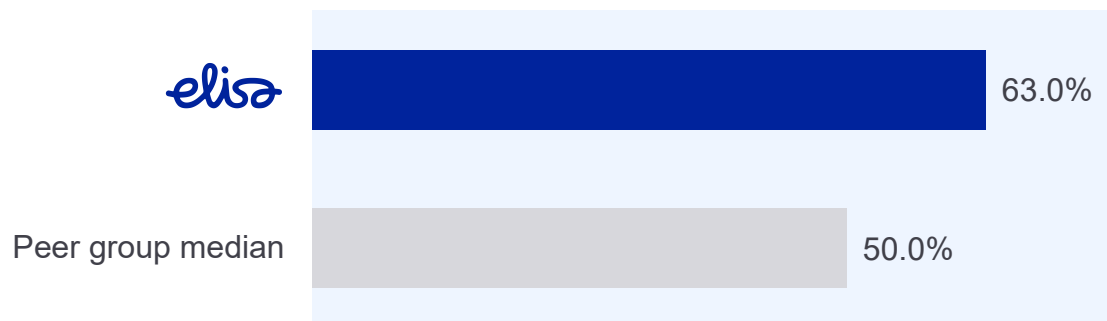
## Revenue growth (CAGR) 2022–2024



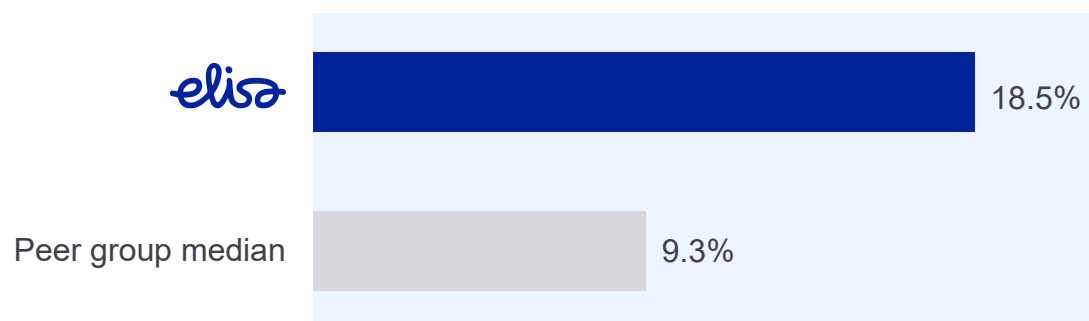
## EBITDA growth (CAGR) 2022–2024



## Average operating cash flow conversion 2022–2024



## Average ROCE 2022–2024



(Comparable EBITDA – CAPEX) / comparable EBITDA

5 1) Peer group: BT Group, KPN, Proximus, Swisscom, Tele2, Telecom Italia, Telekom Austria, Telenor, Telia  
Source: company reports, Elisa analysis



Achieving medium-term targets

# Growth targets raised

Medium-term targets	2022–2025	2024–2027
Revenue growth CAGR	● >2%	>4%
EBITDA growth CAGR	● >3%	>4%
CAPEX-to-sales	● ≤12%	≤12%
Net debt / EBITDA	● 1.5–2×	1.5–2×
Equity ratio	● >35%	>35%
Profit distribution policy	Pay-out 80–100% of net result	Pay-out 80–100% of net result

Achieving medium-term targets

# High-quality service revenues set for faster profitable growth...

	EURm 2024	Share of revenue 2024	CAGR 2022–2024	Medium-term levers for 2024–2027
<b>Service revenues</b>	<b>1,770</b>	<b>81%</b>	<b>3%</b>	
Mobile services	1,009	46%	5%	Upsell, value-added services, product changes & pricing
Fixed services	362	17%	0%	Managed networks & cybersecurity, fiber uptake & upsell, less headwind from legacies
Domestic digital services	290	13%	0%	Differentiating with AI-driven IT services, sharper cross-sales for home services
International software services	109	5%	15%	Geographical expansion, recurring revenue
Equipment sales <sup>1</sup>	<b>373</b>	<b>17%</b>	<b>-2%</b>	Driven by services demand, long-term stable
Interconnection and other	<b>48</b>	<b>2%</b>	<b>-28%</b>	Expected to be flat
<b>Total revenue</b>	<b>2,191</b>	<b>100%</b>	<b>1%</b>	

*Elisa operational and financial data excel will follow this categorisation starting Q1 2025, <https://elisa.com/corporate/investors/results-centre/>*



Achieving medium-term targets

# ...together with our proven capability for improving productivity...

## Culture of continuous improvement

- Sharp procurement
- Right-shoring, selective in-/outsourcing

## Simplifying operations

- Legacy ramp-downs
- Synergy capture in International Software Services

## Pioneer in utilising new technologies for productivity

- Long history of utilising AI/ML for automation & continuing towards autonomous operations in networks
- Accelerating utilisation of AI & its evolution in customer processes, software & IT development



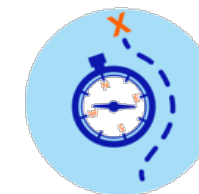
**>20% growth** in total data transferred in networks with flat network OPEX



**>20%** AI-generated code approved for production



**>10%** improved value from AI/ML-assisted campaign management



**>20% less** customer contacts & **>20% less** manual work in incident management process through AI



Achieving medium-term targets

# ...result in faster EBITDA growth

## Faster revenue growth

- 5G & fiber upsell
- Home services
- Corporate IT & cyber
- International Software Services

## Simplicity & productivity

- Culture of continuous improvement
- Simplifying operations
- Pioneer in utilising new technologies for productivity

## Additional lever for increasing EBITDA

- International Software Services positive contribution to EBITDA
- Clear measures to improve gross margins
- Synergy capture & economies of scale

**Clear path to >4% EBITDA growth**

# Disciplined 12% CAPEX-to-sales and M&A policy

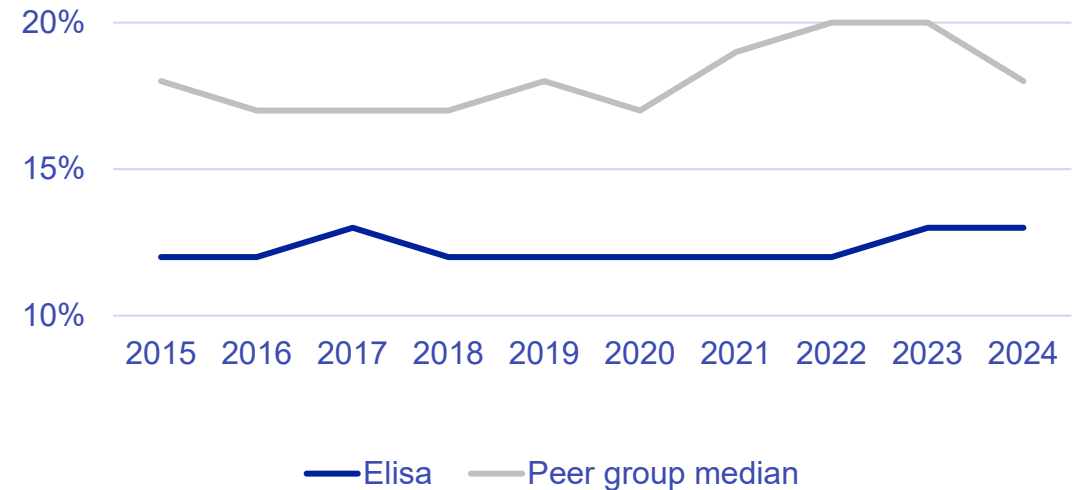
## Strict CAPEX management

- Customer demand-driven approach
- Continuous prioritisation & reallocations
- Value creation focus

## Disciplined, value-driving M&A

- Organic growth ambition – selective use of bolt-on M&As
- Accelerates profitable growth
- EPS accretion through clear sources of value creation
- Shareholder remuneration intact

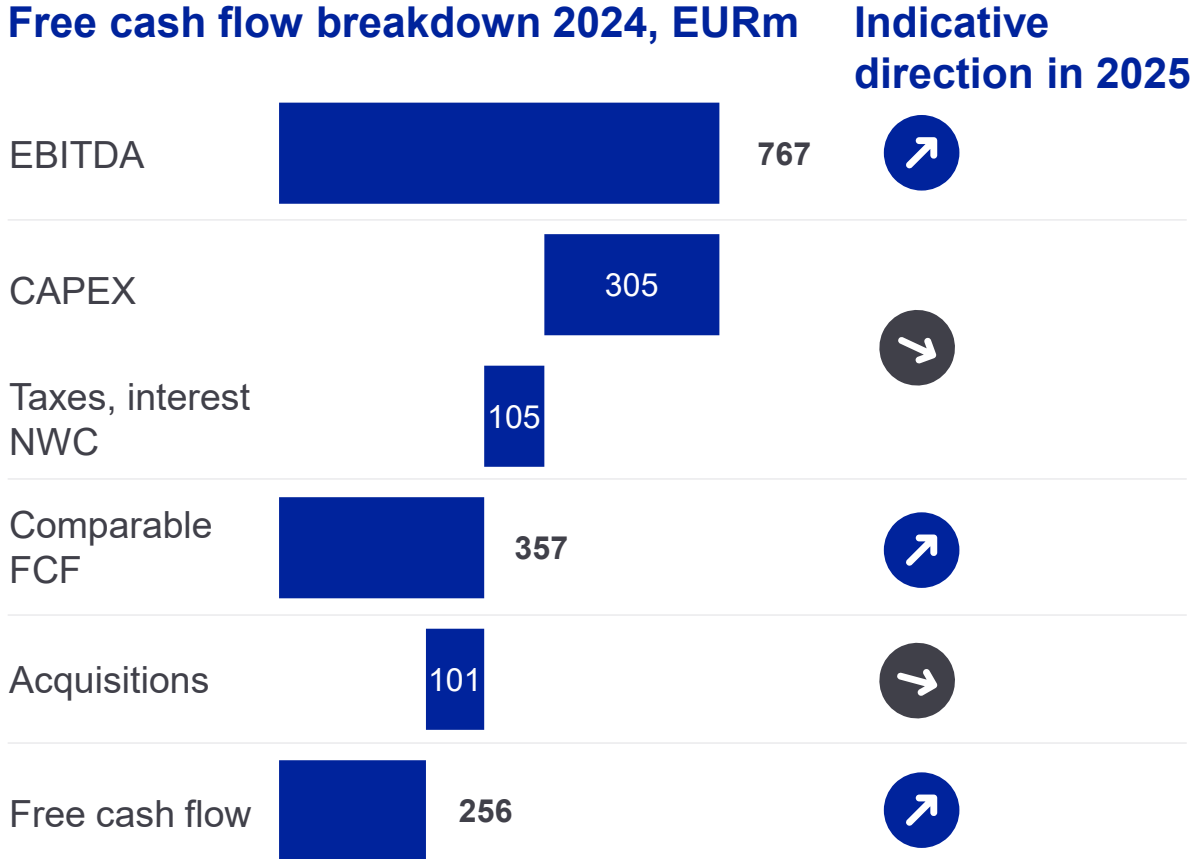
## CAPEX-to-sales clearly better than peers



Source: Bloomberg

Capital allocation

# Growing EBITDA converts to cash flow growth



## Cash flow levers

Strong path to >4% EBITDA growth (CAGR) in 2025–2027

Lower CAPEX-to-sales  
No licence cash outflow expected

Less negative YoY change in financial costs (vs. 2024)  
Target to improve net working capital

Growing EBITDA with improving cash flow leverage

Disciplined M&A, bolt-on acquisitions

**Leads to solid cash flow growth**

Capital allocation

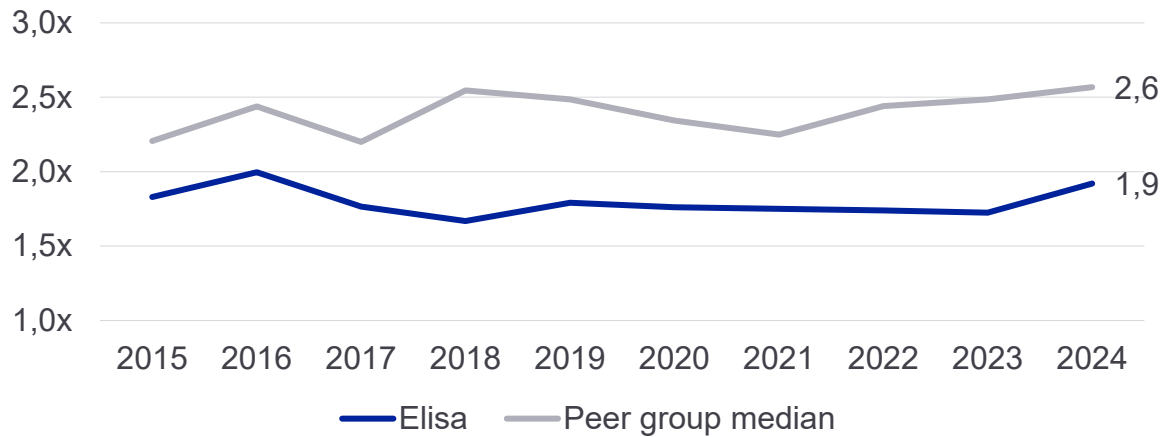
# Strong balance sheet intact

## Solid capital structure supports growth

Unchanged capital structure targets

- Net debt / EBITDA 1.5–2.0x
- Equity ratio >35%

## Net debt / EBITDA development



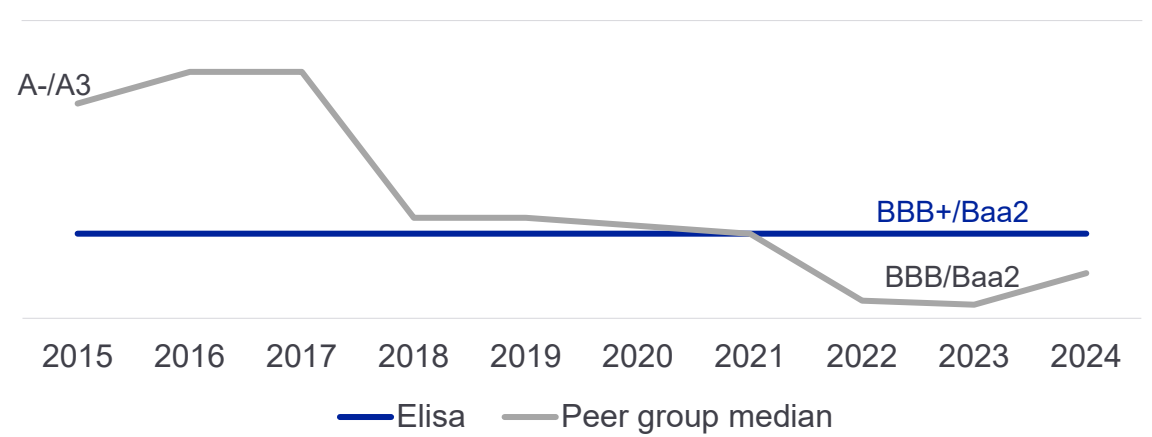
Source: Bloomberg

## Elisa ratings

S&P Global Ratings    BBB+ (stable)

Moody's Ratings        Baa2 (stable)

## Ratings development



Source: Bloomberg

Capital allocation

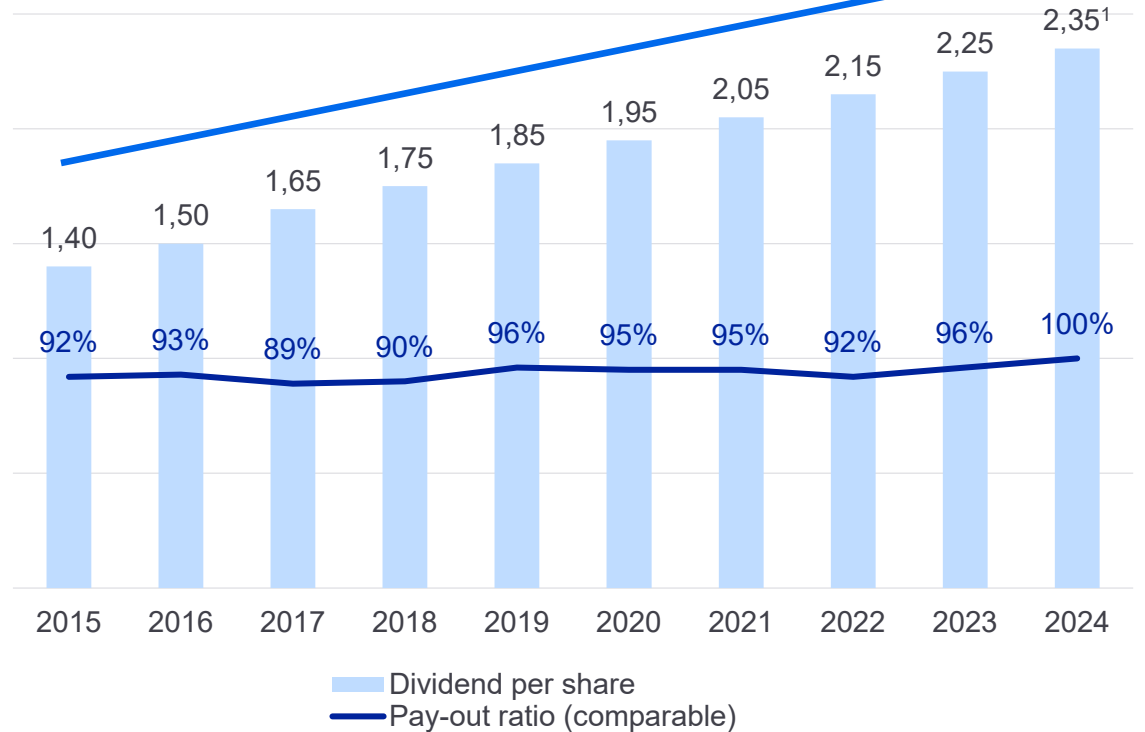
# Best-in-class profit distribution

## Distribution policy reiterated

- Payout ratio 80–100%
- Excess capital can be distributed to shareholders
- Decision-making criteria
  - Company’s financial position
  - Future financial needs
  - Financial targets
- Profit distribution includes
  - Dividend payment
  - Share buybacks
  - Capital repayment

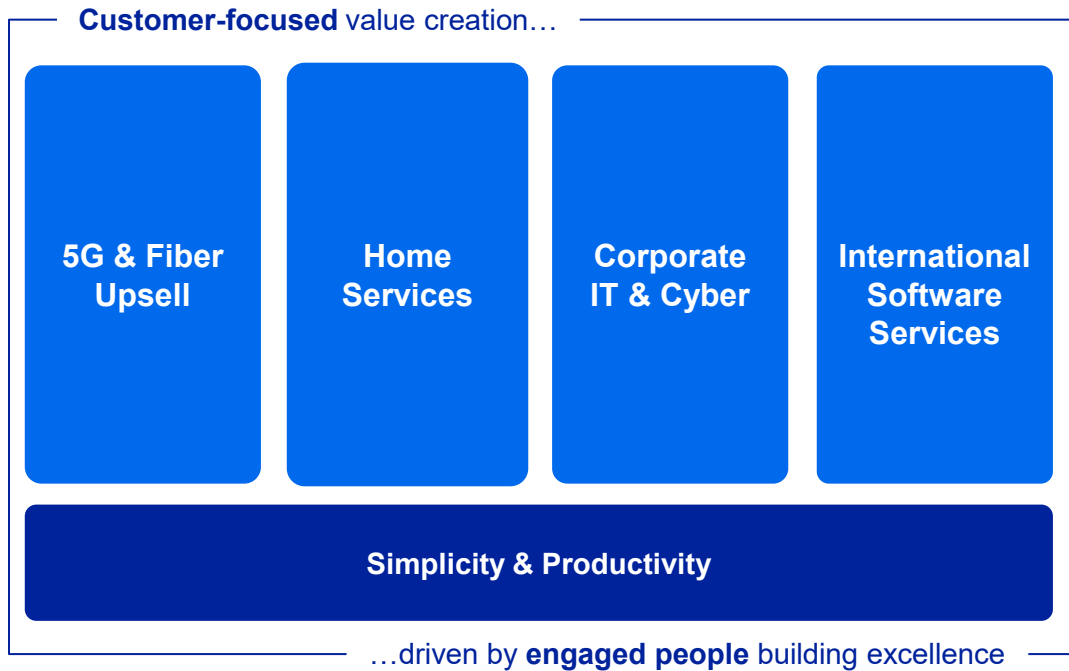
## Increasing dividend for 11 consecutive years

● Ten-year CAGR: +5.9%



Management priorities

# Faster profitable growth



## Supporting revenue growth

- Driving resource reallocation to growth
- Focus on high-quality service revenues

## Driving profitability

- Simplicity & productivity
- Strict cost management

## Ensuring capital efficiency

- Commitment to 12% CAPEX
- Disciplined, value-driving M&As

*elisa*

CMD  
2025

## FORWARD-LOOKING STATEMENTS

Certain information and statements in this presentation, including those related to future performance and other trend projections, contain "forward-looking statements". By their nature, forward-looking statements involve unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. These statements are not guarantees of future performance and undue reliance should not be placed on them.