



Interim Report Q4 2023

26 January 2024

Q4 2023 highlights

- Revenue at the last year's level mainly due to divestments
- EBITDA up by 3.4%
- Mobile service revenue increased by 4.4%
- International digital services revenue declined by 8% resulting from customer delays in projects due to the current economic environment.
- In Finland, post-paid churn increased slightly to 15.4% (14.4% in Q3 2023)
- Post-paid subscriptions grew by 23,900. M2M and IoT subscriptions rose by 45,000.
- The fixed broadband subscription base increased by 1,300
- Good 5G momentum continuing: network covers more than 92% of Finnish population, geographical coverage build-out progressing according to plan
- The Board of Directors proposes to the Annual General Meeting a dividend of EUR 2.25 per share

A record year 2023: 2% revenue growth, 3% EBITDA growth

Comparable figures

Financials	2023	CHANGE IN 2023
Revenue	€2,180m	+2.4%
EBITDA	€756m	+2.8%
EBITDA-%	34.7%	+0.1 pp
Earnings per share	€2.37	+1.0%
CAPEX ¹⁾	€284m	+11.0%
CAPEX / sales	13%	+1.0 pp

Operational KPIs	2023	CHANGE IN 2023
Mobile service revenue	€962m	+4.7%
Mobile subs	5,164,100	+1,5%
Fixed broadband subs	654,900	+0.8%
Post-paid ARPU ²⁾	€22.0	+4.3%
Post-paid churn ²⁾	14.6%	-2.2 pp
Mobile data, GB ²⁾	2.15bn	+12%

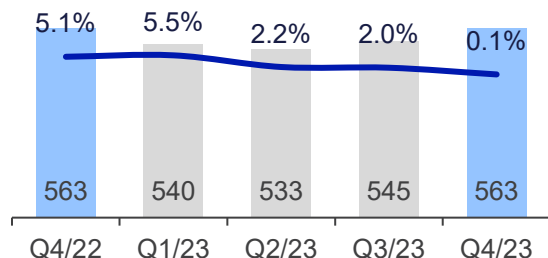
1) Excluding IFRS 16, licences, shares and business acquisitions

2) In Finland

Good performance continuing

Revenue

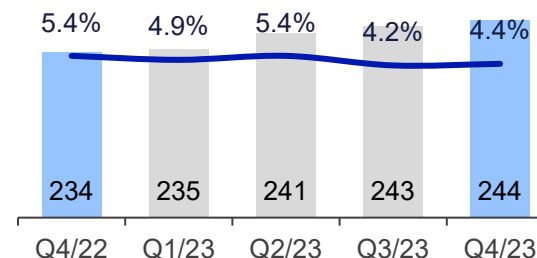
● Revenue, €m — YoY change, %



- Increase
- Mobile services
 - Fixed services
- Decrease
- Divestments
 - IDS
 - Equipment sales

Mobile service revenue

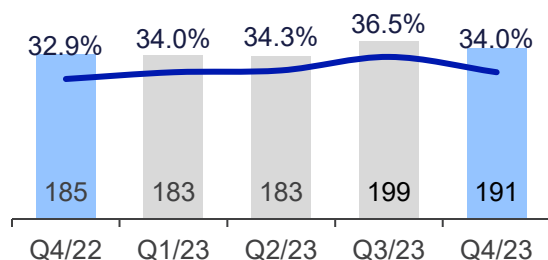
● MSR, €m — YoY change, %



- 5G upselling continuing
- Product changes

EBITDA¹⁾

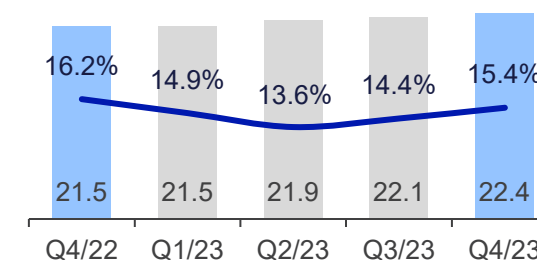
● EBITDA, €m — EBITDA-%



- Revenue growth
- Efficiency improvements

ARPU and churn²⁾

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



- YoY ARPU growth 4.2%
- 5G upselling
- Campaigning in 4G continuing
- Competition remains keen

Growth in consumer segment, headwinds in corporate

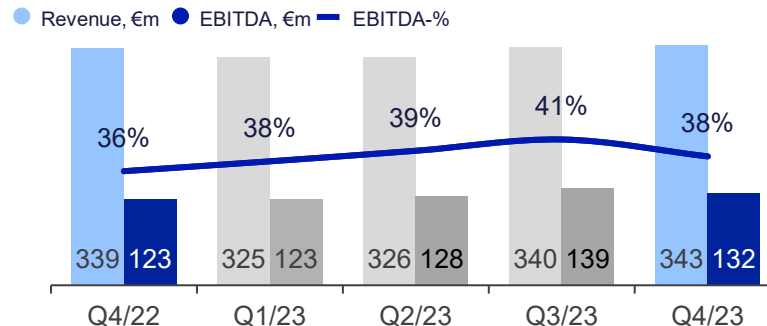
Consumer Customers

Revenue +1%

- + Mobile services
- + Equipment sales
- Domestic and other digital services (streaming service cooperation)
- Interconnection and traditional fixed-line services

EBITDA +7%

Revenue and EBITDA¹⁾



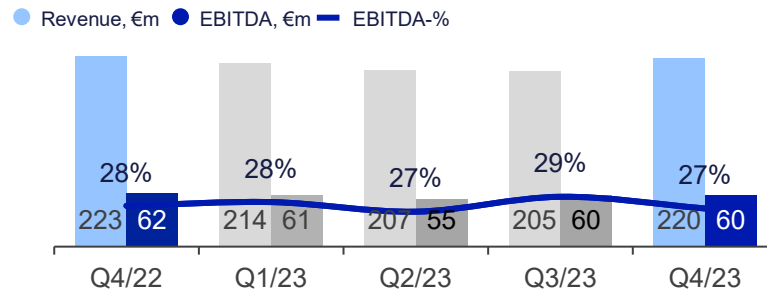
Corporate Customers

Revenue -1%

- + Mobile and fixed services
- International digital services
- Domestic and other digital services (Videra divestment)
- Equipment sales
- Interconnection and traditional fixed-line services

EBITDA -3%

Revenue and EBITDA¹⁾



Strategy execution

A sustainable future through digitalisation

Increase mobile and fixed service revenues

Grow digital service businesses

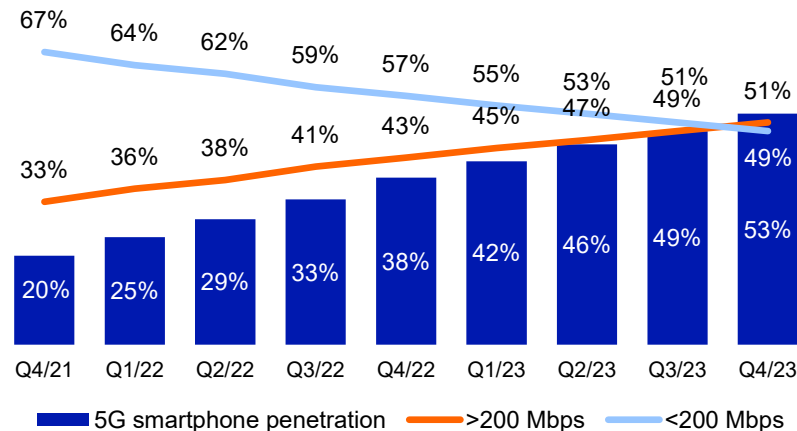
Improve efficiency and quality



Migration to higher speeds continuing

- 51% (43%) of voice subscriptions at >200 Mbps speeds¹⁾
 - Speed matters. Upselling to higher speeds continuing.
 - 5G base is growing, 4G decreasing
- 53% (38%) of smartphones are 5G devices¹⁾
 - 94% of all phones are smartphones

5G smartphone and speed penetration¹⁾





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

- 5G population coverage reached over 92% in Finland and over 75% in Estonia
- Average billing increase of over €3 in 5G upgrades intact
- 5G standalone network is now available for consumers in the capital area in Finland
- We successfully completed the first calls in Europe over the cloud-based 5G network
- Elisa was the first operator in Finland to shut down its 3G network, in December
- Fibre network expanding based on customer demand
 - Nearly 40 locations constructed during H2
 - Acquisition of the fibre network constructed by Elenia in Central Finland, Tampere region and Northern Ostrobothnia
 - Fibre construction announced in over 450 new areas in the coming years



General economic situation impacting IDS revenue growth

- YoY revenue declined due to customers delaying projects
 - 2023 YoY growth +2%
- Record order intake and order backlog in Q4
- Double-digit organic growth target remains
 - Strong competitiveness and sales funnel



- Product portfolio synergies successful with new customer wins
 - 2 new automation customers and a major expansion with a European operator



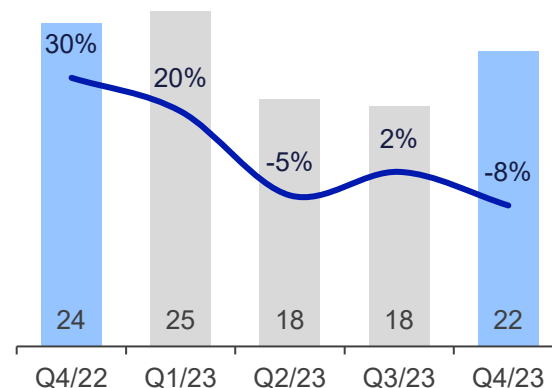
- Deal with Mitsubishi Logisnext Europe to modernise the company's manufacturing operations in its forklift truck factory
- Solid recurring revenue growth in Q4



- Elisa Distributed Energy Storage extends its reach in Finland's electricity reserve market
 - Approved by the grid operator Fingrid for the Frequency Containment Reserve for Disturbances (FCR-D) market in addition to the Automatic Frequency Restoration Reserve (aFRR)

Revenue and YoY growth

● Revenue, €m — YoY change, %





Solid performance in domestic digital services

Entertaining video services

- The renewed Elisa Viihde Plus service launched at the end of October with a strong start, offering an improved experience to discover and enjoy all movies, series and sports in one user interface.
- Since October 2023, Elisa Viihde Original Series have been available on the Ruutu streaming service. All four new series released* in Q4 were in the most watched list.
- Three Elisa Viihde Original series are among the Golden Venla finalists in five different categories.

* *Arctic Circle S3* (Ivalo), *Forgiven* (Kaikki anteeksi), *Evilside* (Korvessa kulkevi) and *Are We Still Us* (Eroja ja sovintoja)

IT services and solutions

- Demand for cyber security services increased during Q4
 - Experts from the Elisa Cyber Security Center successfully supported multiple customers with major digital forensics and incident response cases during Q4.
 - Detection- and response-related cyber resilience services are still the most sought-after capabilities.
- There was strong demand also for Elisa's generative AI capabilities and other AI solutions, also acknowledged globally at Microsoft Ignite.

A sustainable future through digitalisation

Key ESG indicators		4Q23	4Q22
Mobile network's energy efficiency in Finland			
Change in energy consumption per GB from Q4 2021 level		-26.1 %	-5.7 %
Population coverage of >100 Mbps connections		92.5 %	86.2 %
Proportion of female supervisors		28.7 %	29.6 %
Patent portfolio development in Elisa			
Number of active patents in portfolio ¹⁾		396	337
Number of new first applications		11	12

- Elisa's long-term sustainability work is also reflected in international assessments

- MSCI rating upgraded to the highest level: AAA
- Among the 100 most responsible companies in the world in the latest Corporate Knights Global 100 list
- Included in Sustainalytics' 2024 ESG Top-Rated Companies List
- Included in the Financial Times European Diversity Leaders 2024 ranking



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, uncertainty relating to Russia's war in Ukraine and other conflicts – such as inflation, energy prices and global supply chains – will continue. Competition remains keen.

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



Financial review Q4 2023

Revenue impacted by divestments, EBITDA growth continuing

EUR million ¹⁾	Q4/23	Q4/22	Change	%	2023
Revenue	563.3	562.6	0.7	0.1%	2,180
Other operating income	2.4	3.5	-1.1	-30.9%	10
Materials and services	-213.7	-223.9	10.2	-4.5%	-818
Employee expenses	-105.0	-108.0	3.0	-2.7%	-417
Other operating expenses	-55.7	-49.3	-6.4	13.1%	-199
EBITDA	191.3	184.9	6.3	3.4%	756
EBITDA %	34.0%	32.9%	1.1%		34.7%
Depreciation	-67.8	-65.8	-2.0	3.0%	-268
EBIT	123.5	119.1	4.4	3.7%	487
EBIT %	21.9%	21.2%	0.7%		22.4%
Financial expenses net	-7.3	-3.8	-3.5	91.0%	-24
Profit before tax	116.2	115.3	0.9	0.8%	464
Net profit	97.4	95.6	1.8	1.9%	379
EPS, €	0.61	0.60	0.01	2.0%	2.37

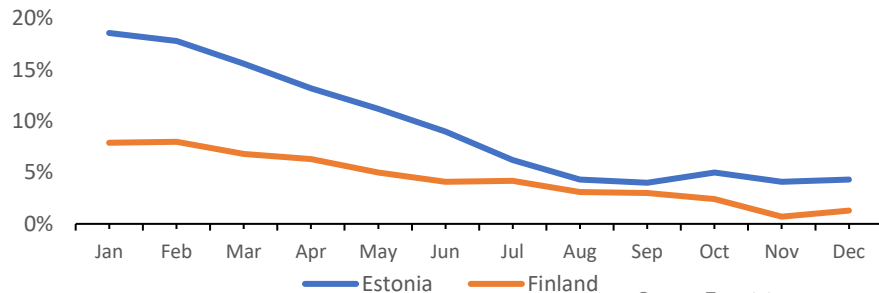
Q4 2023 YoY revenue change: €1m



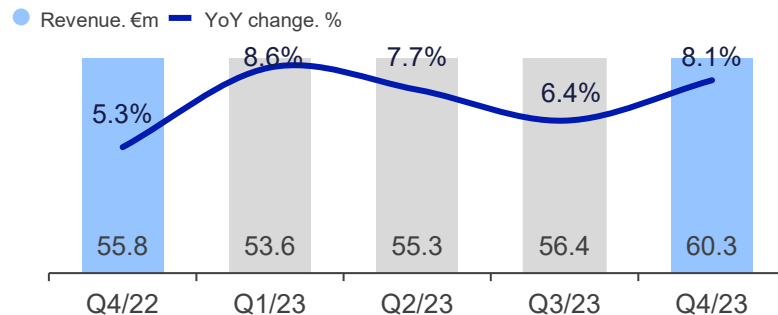
Growth continuing in Estonia

- Revenue growth 8.1%
 - Mobile services and equipment sales
- EBITDA increase 1.2%
 - Wage and energy price inflation
- Mobile post-paid base -800, pre-paid -1,200
- Churn 10.1% (10.8 in Q3)

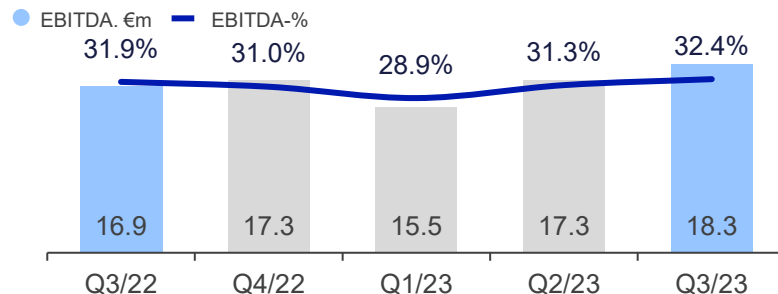
Inflation in Estonia and Finland



Revenue



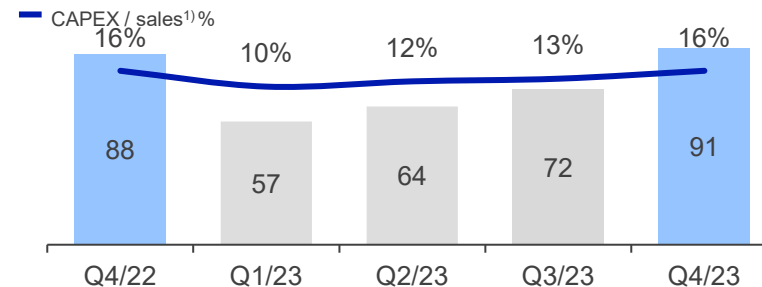
EBITDA



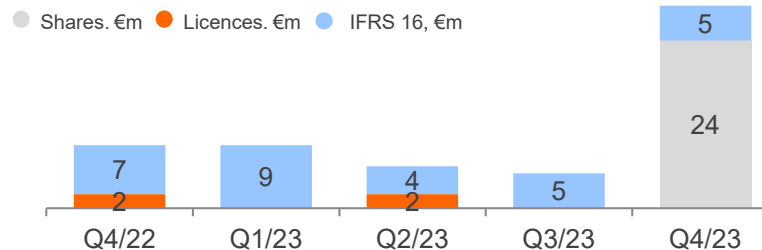
FY CAPEX / sales was 13%, last two years' average 12%

- CAPEX €109m (97), excl. licences, lease agreements and acquisitions €91m (88)
 - Consumer €72m (62)
 - Corporate €36m (35)
- Main CAPEX areas
 - 5G coverage increase
 - Fibre and other networks
 - IT investments
- One-off €6m depreciation in Q4
 - 3G network shutdown, completed by end of year
 - No cash flow impact

CAPEX¹⁾



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

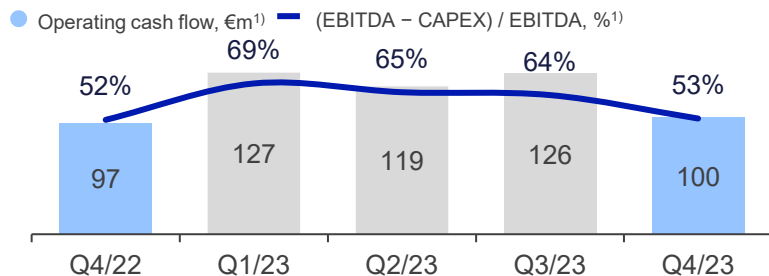


¹⁾ Investments excluding shares, business acquisitions, licences and rental agreements (IFRS 16)

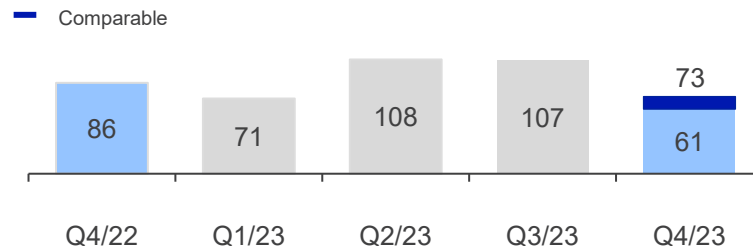
Q4 cash flow cut by NWC, FY cash flow record high

- Comparable cash flow €73m (86), -15%
 - NWC, higher CAPEX
 - + Higher EBITDA, lower taxes
- Comparable FY cash flow €361m (321), +12%
 - + NWC, higher EBITDA, lower taxes
 - Higher CAPEX and interest paid

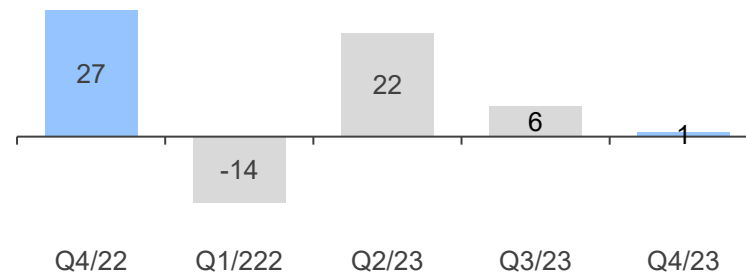
Cash conversion



Cash flow and comparable cash flow, €m



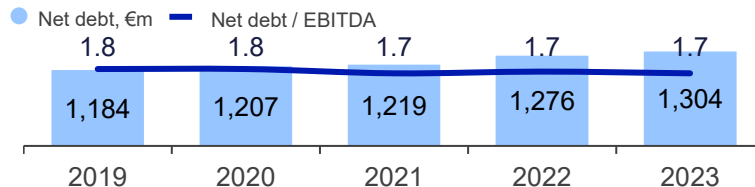
Change in net working capital, €m



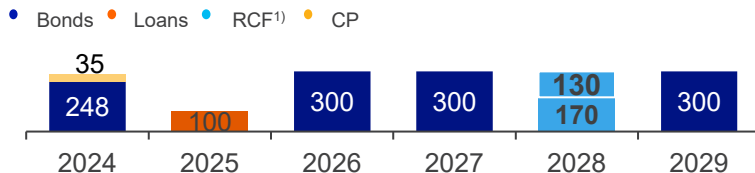
Efficient capital structure and good returns

- Capital structure according to target
 - Net debt / EBITDA 1.7× (target 1.5–2×)
 - Equity ratio 41.6% (target >35%)
- Return ratios at good level
 - Efficient capital structure
- Average interest expense ~2.2%

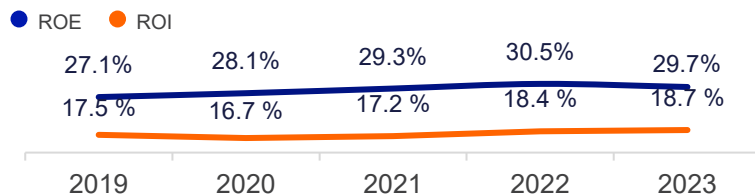
Net debt



Maturities as of 31 Dec 2023, €m



Return ratios²⁾



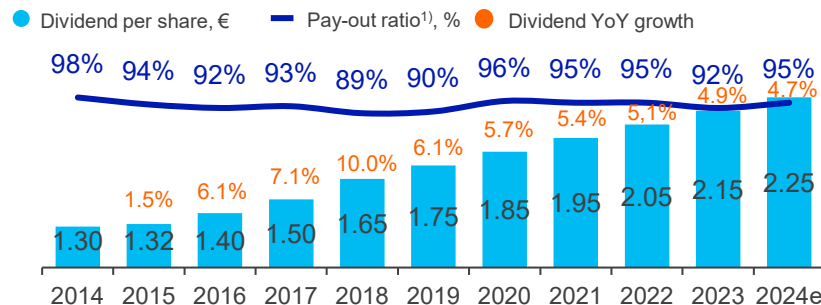
¹⁾ RCFs were undrawn as of 31 Dec 2023

²⁾ Comparable

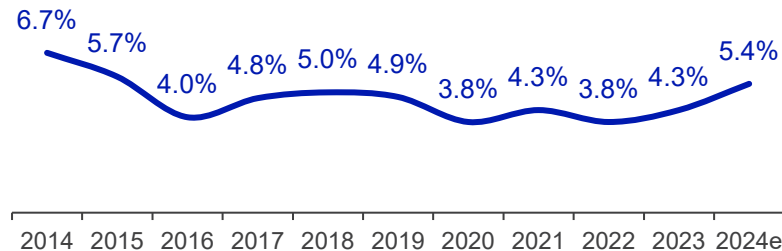
Competitive remuneration continues

- Dividend proposal of €2.25 per share
 - Two instalments: €1.13 and €1.12
 - Dividend growth: +4.7%
 - Total amount: €361m
 - Payment dates: 23 April 2024 and 30 October 2024
- Pay-out ratio 95%
 - Dividend yield: 5.4%²⁾
- 5m share buyback authorisation
- Strong commitment to competitive shareholder remuneration
 - Distribution policy: 80–100% of net profit

Dividend



Dividend yield²⁾



¹⁾ Calculated from comparable EPS

²⁾ Based on share price on last trading day of year (€41.87 in 2023)

elisa

Q&A

P&L by quarter

EUR million	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21
Revenue	563.3	544.7	532.7	539.7	562.6	53.0	52.5	511.4	53.5
YoY growth	0.1%	2.0%	2.2%	5.5%	5.1%	7.6%	7.7%	6.2%	7.5%
Other operating income	2.4	1.7	1.3	4.5	3.5	1.3	1.1	0.9	1.8
Materials and services	-213.7	-205.7	-193.5	-205.0	-223.9	-208.4	-199.0	-189.5	-212.2
Employee expenses	-105.0	-97.1	-106.8	-108.2	-108.0	-89.1	-97.6	-100.1	-100.4
Other operating expenses	-55.7	-45.0	-51.0	-47.6	-49.3	-44.1	-48.6	-45.6	-49.2
EBITDA	191.3	198.6	182.7	183.4	184.9	193.9	177.4	177.1	175.5
EBITDA %	34.0%	36.5%	34.3%	34.0%	32.9%	36.3%	34.0%	34.6%	32.8%
YoY Growth	3.4%	2.4%	3.0%	3.5%	5.4%	4.2%	6.7%	4.4%	2.5%
Comparable EBITDA	191.3	198.6	182.7	183.4	184.9	193.9	179.4	177.1	178.1
YoY Growth	3.4%	2.4%	1.8%	3.5%	3.9%	4.2%	4.3%	4.4%	4.0%
Comparable EBITDA %	34.0%	36.5%	34.3%	34.0%	32.9%	36.3%	34.4%	34.6%	33.3%
Depreciation, amortisation and impairment	-67.8	-67.2	-66.9	-66.5	-65.8	-65.9	-65.9	-65.8	-66.8
EBIT	117.9	131.3	115.7	116.9	119.1	127.9	111.5	111.4	108.7
Comparable EBIT	123.5	131.3	115.7	116.9	119.1	127.9	113.5	111.4	111.2
Financial income	2.3	2.6	2.4	1.5	0.6	1.6	1.9	1.5	0.9
Financial expense	-10.0	-8.2	-8.0	-5.9	-4.5	-5.4	-4.7	-4.2	-4.4
Share of associated companies' profit	0.5	-0.7	-0.1	-0.1	0.1	-0.1	-0.3	-0.3	-0.2
Profit before tax	110.6	125.0	110.0	112.4	115.3	124.0	108.4	108.4	105.0
Comparable profit before tax	116.2	125.0	110.0	112.4	115.3	124.0	110.4	108.4	107.6
Income taxes	-18.8	-24.9	-20.6	-20.9	-19.7	-23.2	-20.0	-20.4	-19.0
Profit for the period	92.9	100.2	89.4	91.5	95.6	100.8	88.4	88.0	86.0
Comparable Profit	97.4	100.2	89.4	91.5	95.6	100.8	90.0	88.0	88.1
Earnings per share (EUR)	0.58	0.63	0.56	0.57	0.60	0.63	0.55	0.55	0.54
Comparable EPS	0.61	0.63	0.56	0.57	0.60	0.63	0.56	0.55	0.55
YoY Growth	2.0%	-0.7%	-0.9%	3.8%	8.9%	4.4%	7.7%	8.0%	7.8%

Cash flow YoY comparison

EUR million	Q4/23	Q4/22	Change ¹⁾	%	2023	2022	Change ¹⁾	%
EBITDA	191	185	6	3%	756	733	23	3%
Change in receivables	-53	-42	-11	27%	-2	-16	14	
Change in inventories	8	5	2	42%	15	-13	28	
Change in payables	46	63	-17	-27%	2	2	0	
Change in NWC	1	27	-26		15	-27	43	
Financials (net)	-3	-2	-1	57%	-18	-10	-8	82%
Taxes for the year	-20	-24	4	-15%	-81	-83	1	-2%
Taxes for the previous year	0	0	0		0	-2	2	
Taxes	-20	-24	4	-15%	-82	-85	3	-4%
CAPEX	-104	-90	-14	16%	-296	-255	-41	16%
Licence fees ²⁾	0	-2	2		-8	-16	8	
Investments in shares ³⁾	-2	0	-2	-	-5	-21	16	-78%
Sale of shares	4	0	4		4	0	4	
Sale of assets and adjustments	-5	-9	4	-42%	-18	-19	1	-5%
Cash flow after investments	61	86	-25	-29%	347	300	47	16%
Cash flow after investments excl. acquisitions ⁴⁾	73	86	-13	-15%	361	321	40	12%

¹⁾ Difference is calculated using exact figures prior to rounding

²⁾ Estonian 5G licence in Q2/22, Q4/22 and Q2/23.

³⁾ Frinx and Cardinality in 2022

⁴⁾ Excluding share and business acquisitions and sales.

Cash flow by quarter

EUR million	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21
EBITDA	191	199	183	183	185	194	177	177	176
Change in receivables	-53	0	7	44	-42	0	-17	43	-53
Change in inventories	8	0	7	0	5	-9	-3	-6	-9
Change in payables	46	7	8	-59	63	-9	6	-58	73
Change in NWC	1	6	22	-14	27	-19	-14	-21	11
Financials (net)	-3	-4	-4	-8	-2	-1	0	-7	-1
Taxes for the year	-20	-21	-21	-19	-24	-23	-19	-18	-20
Taxes for the previous year	0							-2	
Taxes	-20	-21	-21	-19	-24	-23	-19	-20	-20
CAPEX	-104	-72	-64	-57	-90	-62	-53	-50	-72
Licence fees	0	-1	-2	-5	-2	-1	-7	-5	0
Investments in shares	-2	0	-1	0	0	-8	0	-13	-2
Sale of shares	4		0		0			0	0
Sale of assets and adjustments	-5	1	-6	-8	-9	-1	-3	-7	-6
Cash flow after investments	61	107	108	71	86	79	82	53	85
Cash flow after investments excl. acquisitions	73	107	108	71	86	87	81	66	87

Debt structure

EUR million at the end of the quarter	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21
Bonds and notes	1,141	1,140	894	893	892	891	890	889	888
Commercial papers	35	152	241	159	125	169	180	140	0
Credit facility	0	70	100	0	0	0	0	100	100
Loans from financial institutions	103	103	253	253	253	283	353	253	254
Lease liabilities ¹⁾	89	90	91	94	91	93	95	94	92
Committed credit lines ²⁾		120							
Interest-bearing debt, total	1,367	1,675	1,578	1,398	1,361	1,436	1,518	1,477	1,333
Cash and cash equivalents	63	318	120	182	85	78	87	301	114
Net debt ³⁾	1,304	1,356	1,459	1,217	1,276	1,358	1,431	1,176	1,219

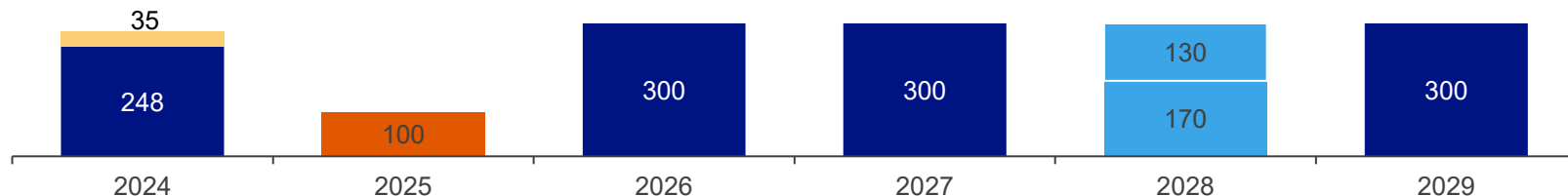
¹⁾ Lease liabilities are classified as interest-bearing debt in accordance with IFRS 16 from Q1/2019 onwards

²⁾ The committed credit lines are €130m and €170m facilities that Elisa may 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, 31 December 2023

● Bonds ● Loans ● RCF¹⁾ ● CP



elisa

Q&A



A SUSTAINABLE FUTURE THROUGH DIGITALISATION

Contacts

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

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

investor.relations@elisa.fi

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.