

Half-Year Report

2024

16 July 2024

elisa

ELISA'S HALF-YEAR REPORT JANUARY–JUNE 2024

Second quarter 2024 financial highlights

- Revenue increased by 2 per cent, or EUR 9m, to EUR 541m.
- Mobile service revenue increased by 4.7 per cent to EUR 252m.
- EBITDA grew by 4 per cent, or EUR 7m, to EUR 190m.
- EBIT increased by 5 per cent, or EUR 6m, to EUR 121m.
- Comparable cash flow decreased by EUR 14m to EUR 94m, mainly due to higher capital expenditure and a change in net working capital.
- In Finland, mobile post-paid ARPU increased to EUR 23.1 (22.8 in the previous quarter), and mobile post-paid churn was at the same level, 15.0 per cent (15.0).
- During the quarter, the number of post-paid mobile subscriptions increased by 42,100. M2M and IoT subscriptions grew by 47,100.
- Prepaid subscriptions increased by 5,300 during the quarter.
- The number of fixed broadband subscriptions increased by 600 during the quarter.

Key indicators

EUR million	2Q24	2Q23	Δ %	1H/24	1H/23	Δ %
Revenue	541	533	1.6 %	1,076	1,072	0.3 %
EBITDA	190	183	4.0 %	370	366	1.0 %
Comparable EBITDA ⁽¹⁾	190	183	4.0 %	380	366	3.8 %
EBIT	121	116	4.8 %	233	233	0.2 %
Comparable EBIT ⁽¹⁾	121	116	4.8 %	243	233	4.6 %
Profit before tax	114	110	3.3 %	218	222	-2.2 %
Comparable profit before tax ⁽¹⁾	114	110	3.3 %	228	222	2.5 %
EPS, EUR	0.57	0.56	2.4 %	1.09	1.13	-3.6 %
Comparable EPS, EUR ⁽¹⁾	0.57	0.56	2.4 %	1.14	1.13	0.9 %
Capital expenditure	84	70	21.1 %	152	135	12.9 %
Net debt	1,383	1,459	-5.2 %	1,383	1,459	-5.2 %
Net debt / EBITDA ⁽²⁾	1.8	2.0		1.8	2.0	
Gearing ratio, %	125.2 %	134.9 %		125.2 %	134.9 %	
Equity ratio, %	34.8 %	35.2 %		34.8 %	35.2 %	
Cash flow ⁽³⁾	76	108	-29.5 %	138	179	-23.2 %
Comparable cash flow ⁽⁴⁾	94	108	-12.7 %	180	179	0.5 %

¹⁾ 1H2024 excluding EUR 10m in restructuring costs. ²⁾ (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). ³⁾ Cash flow before financing activities. ⁴⁾ 2Q2024 excluding EUR 18m in share investments and loans granted. 1H/24 excluding EUR 43m in share investments and loans granted.

Additional key performance indicators are available at elisa.com/investors (Elisa Operational Data.xlsx).

CEO's review:

Good earnings growth continuing, improving performance in B2B

In the second quarter, Elisa continued its good performance despite geopolitical and macroeconomic headwinds. Revenue increased by 2 per cent to EUR 541 million. EBITDA improved by 4 per cent to EUR 190 million, driven by mobile service revenue, efficiency improvements and improving momentum in the B2B segment where corporate investments in connectivity, software and IT services are starting to pick up. Earnings per share was EUR 0.57.

During the second quarter, we continued to expand the coverage of our high-speed connections and services. Elisa's standalone 5G network services make us a frontrunner in the international arena, and also during the second quarter, we introduced 5G+ (i.e. standalone 5G) to all of our new subscriptions, which differentiates us further from our competitors.

Since June, we have been building our fibre network utilising new technology (XGS-PON), taking energy-efficient steps towards 100 Gbps connections. At the beginning of July, we announced the acquisition of fibre networks in the eastern and northeastern parts of Finland from Kaisanet.

We continued to grow with bolt-on acquisitions in accordance with our strategy. The acquisition of Leanware Oy, announced in April, was closed and accelerates the growth of Elisa IndustriQ's industrial software business.

Elisa's Distributed Energy Storage (DES) solution has been deployed by Ålcom, a telco from the Åland Islands, to utilise energy from solar panels in mobile network operations. This is the first time that solar energy production has been added to an Elisa DES deployment.

Elisa is now the world's 66th most sustainable company and the best Finnish company on the ranking of the World's Most Sustainable Companies in 2024 by Time Magazine and Statista. Elisa continues to receive global recognition in this area, an indication that we have emerged as one of the world's leading companies from the sustainability point of view. It is also testament to Elisa's 15 years of commitment to working toward a sustainable future where net zero emissions by 2040 is our key target.

Our performance during the quarter clearly demonstrates our strong commitment to profitable growth, creating customer value by being a technology frontrunner as well as continuously improving productivity and quality.

Topi Manner

CEO

HALF-YEAR REPORT JANUARY–JUNE 2024

This interim report has been prepared in accordance with the IAS 34 standard. The information presented in this interim report is unaudited.

Market situation

The competitive environment has been active, especially in 4G subscriptions. The usage of mobile services has continued to evolve favourably. Brisk demand for 5G services has also continued due to the wider range of 5G devices and better network coverage. The current geopolitical situation has also increased the demand for cybersecurity services. Competition in the fixed broadband market has continued to be intense, and the number and usage of traditional fixed network subscriptions is declining.

The markets for IT services have continued to develop favourably. The prevailing uncertainty in the general economy and high interest rates have caused some companies to delay investment decisions and project implementation.

Revenue, earnings and financial position

EUR million	2Q24	2Q23	Δ %	1H/24	1H/23	Δ %
Revenue	541	533	1.6 %	1,076	1,072	0.3 %
EBITDA	190	183	4.0 %	370	366	1.0 %
EBITDA-%	35.1 %	34.3 %		34.4 %	34.1 %	
Comparable EBITDA ⁽¹⁾	190	183	4.0 %	380	366	3.8 %
Comparable EBITDA-%	35.1 %	34.3 %		35.3 %	34.1 %	
EBIT	121	116	4.8 %	233	233	0.2 %
EBIT-%	22.4 %	21.7 %		21.7 %	21.7 %	
Comparable EBIT ⁽¹⁾	121	116	4.8 %	243	233	4.6 %
Comparable EBIT-%	22.4 %	21.7 %		22.6 %	21.7 %	
Return on equity, %	29.6 %	31.2 %		29.6 %	31.2 %	

¹⁾ 1H2024 excluding EUR 10m in restructuring costs

Second quarter 2024

Revenue increased by 2 per cent. Growth in mobile, fixed and digital services increased revenue. The net impact of acquisitions and business disposals had a negative effect on revenue. Decrease in equipment sales, change in corporate service number regulation, declined usage and number of subscriptions in traditional fixed (PSTN) telecom services, as well as decrease in interconnection and roaming revenue, also affected revenue negatively. EBITDA was EUR 190 million. EBITDA increased by 4 per cent, mainly due to service revenue growth, business disposals and efficiency improvements. EBIT grew by 5 per cent.

Net financial income and expenses increased to EUR -9 million (-6), mainly due to increased interest rates. Income taxes in the income statement amounted to EUR -22 million (-21). Net profit was EUR 91 million (89), and earnings per share was EUR 0.57 (0.56).

January–June 2024

Revenue increased by 0.3 per cent on the previous year, mainly due to growth in mobile, fixed and digital services. A decrease in equipment sales, declined usage and number of subscriptions in traditional fixed (PSTN) telecom services, and decrease in interconnection and roaming revenue,

affected revenue negatively. Also, the net impact of acquisitions and business disposals had a negative effect on revenue.

Comparable EBITDA increased by 4 per cent and comparable EBIT by 5 per cent, mainly due to service revenue growth, business disposals and efficiency improvement measures.

Net financial income and expenses increased to EUR -16 million (-10), mainly due to increased interest rates. Income taxes in the income statement were EUR -44 million (-42). Comparable net profit was EUR 182 million (181), and comparable earnings per share was EUR 1.14 (1.13).

Financial position

EUR million	2Q24	2Q23	Δ %	1H/24	1H/23	Δ %
Net debt	1,383	1,459	-5.2 %	1,383	1,459	-5.2 %
Net debt / EBITDA ⁽¹⁾	1.8	2.0		1.8	2.0	
Gearing ratio, %	125.2 %	134.9 %		125.2 %	134.9 %	
Equity ratio, %	34.8 %	35.2 %		34.8 %	35.2 %	
Cash flow ⁽²⁾	76	108	-29.5 %	138	179	-23.2 %
Comparable cash flow ⁽³⁾	94	108	-12.7 %	180	179	0.5 %

¹⁾ (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA) ²⁾ Cash flow after financing activities.

³⁾ 2Q2024 excluding EUR 18m in share investments and loans granted. 1H24 excluding EUR 43m in share investments and loans granted.

Second quarter 2024

Net debt decreased by 5 per cent to EUR 1,383 million. Comparable cash flow after investments decreased by 13 per cent to EUR 94 million. Cash flow was negatively affected by higher capital expenditure and a change in net working capital, and positively affected by higher EBITDA and lower licence payments.

The financial position and liquidity are strong. Cash and undrawn committed credit lines totalled EUR 377 million at the end of the quarter.

January–June 2024

Comparable cash flow after investments increased by 1 per cent to EUR 180 million. Cash flow was positively affected by a change in net working capital, lower licence fee payments and higher EBITDA. Cash flow was negatively affected by higher capital expenditure, financial expenses and tax payments.

Changes in corporate structure

The acquisition of Leanware Oy was completed on 8 May 2024.

Consumer Customers business

EUR million	2Q24	2Q23	Δ %	1H/24	1H/23	Δ %
Revenue	323	326	-0.9 %	646	652	-0.8 %
EBITDA	134	128	4.9 %	261	251	4.1 %
EBITDA-%	41.5 %	39.2 %		40.3 %	38.5 %	
Comparable EBITDA ⁽¹⁾	134	128	4.9 %	266	251	6.0 %
Comparable EBITDA-%	41.5 %	39.2 %		41.1 %	38.5 %	
EBIT	89	84	5.9 %	170	163	4.5 %
EBIT-%	27.5 %	25.7 %		26.3 %	25.0 %	
Comparable EBIT ⁽¹⁾	89	84	5.9 %	175	163	7.5 %
Comparable EBIT-%	27.5 %	25.7 %		27.1 %	25.0 %	
CAPEX	58	45	27.8 %	101	89	14.0 %

¹⁾ 1H2024 excluding EUR 5m restructuring costs

Second quarter 2024

Revenue decreased by 1 per cent. The decrease in revenue was due to the end of the Viaplay cooperation. Also, decreases in equipment sales, interconnection and roaming, as well as usage and subscriptions of traditional fixed telecom services, affected revenue negatively. Revenue was positively affected by growth in mobile services. EBITDA increased by 5 per cent.

January–June 2024

Revenue decreased by 1 per cent. The decrease in revenue was due to the end of the Viaplay cooperation. Decrease in equipment sales, decrease in interconnection and roaming revenue, as well as declined usage and number of subscriptions in traditional fixed (PSTN) telecom services, also affected revenue negatively. Revenue was positively affected by growth in mobile services. Comparable EBITDA increased by 6 per cent.

Corporate Customers business

EUR million	2Q24	2Q23	Δ %	1H/24	1H/23	Δ %
Revenue	218	207	5.6 %	430	421	2.1 %
EBITDA	56	55	1.8 %	109	116	-5.7 %
EBITDA-%	25.6 %	26.5 %		25.3 %	27.4 %	
Comparable EBITDA ⁽¹⁾	56	55	1.8 %	114	116	-1.0 %
Comparable EBITDA-%	25.6 %	26.5 %		26.6 %	27.4 %	
EBIT	33	32	2.0 %	63	70	-9.9 %
EBIT-%	14.9 %	15.5 %		14.6 %	16.6 %	
Comparable EBIT ⁽¹⁾	33	32	2.0 %	68	70	-2.1 %
Comparable EBIT-%	14.9 %	15.5 %		15.9 %	16.6 %	
CAPEX	27	24	8.8 %	52	46	10.8 %

¹⁾ 1H2024 excluding EUR 5m in restructuring costs

Second quarter 2024

Revenue increased by 6 per cent. Revenue was positively affected by growth in mobile and fixed services, as well as domestic and international digital services. The divestment of Videra affected revenue negatively. Decrease in equipment sales, change in corporate service number regulation, decrease in interconnection and roaming revenue, as well as declined usage and number of

subscriptions in traditional fixed (PSTN) telecom services, also affected revenue negatively. EBITDA increased by 2 per cent.

January–June 2024

Revenue increased by 2 per cent. Revenue was positively affected by growth in mobile and fixed services, as well as domestic and international digital services. The divestment of Videra affected revenue negatively. Also, decreases in equipment sales, corporate service number regulation change, interconnection and roaming, as well as a decrease in usage and subscriptions of traditional fixed telecom services, affected revenue negatively. Comparable EBITDA decreased by 1 per cent.

Investments

EUR million	2Q24	2Q23	1H/24	1H/23
Capital expenditure ⁽¹⁾ , of which	84	70	152	135
Consumer Customers	58	45	101	89
Corporate Customers	27	24	52	46
Shares	17	0	47	0
Total investments	101	70	200	135
Shares and business acquisitions	17	0	47	0
Licenses		2		2
Leases	4	4	14	13
Capital expenditure excluding leases, licenses, shares and business acquisitions	81	64	139	120
Capital expenditure as % of revenue	15	12	13	11

¹⁾ 2Q23 and 1H23 include EUR 2m for the 26 GHz frequency licence investment in Estonia.

The main capital expenditures were related to the capacity and coverage increases in 5G networks, fibre and other networks, as well as IT investments.

Personnel

In the second quarter, employee expenses were EUR 107 million (107). In January–June, the average number of personnel at Elisa was 5,722 (5,673) and employee expenses totalled EUR 227 million (215), which includes a one-off, EUR 10 million restructuring cost. Personnel by segment at the end of the period:

	30 June 24	30 June 23	31 Dec 23
Consumer Customers	3,013	3,036	2,976
Corporate Customers	2,785	2,741	2,690
Total	5,798	5,777	5,666

Sustainability

Key ESG indicators	2Q24	2Q23
Energy efficiency of mobile network in Finland		
Change in energy consumption per GB from Q4 2021 level	-26.1 %	-13.5 %
Population coverage of >100 Mbps connections	94.6 %	89.3 %
Proportion of female supervisors	28.8 %	28.9 %
Patent portfolio development		
Number of active patents in portfolio ¹⁾	483	358
Number of new first applications	8	12

¹⁾ Number of active patent applications and patents.

All key figures are published in our certified annual sustainability report: elisa.com/corporate/investors/annual-report.

More key figures: elisa.com/corporate/investors/financial-key-figures/sustainability-key-figures/.

Financing arrangements and ratings

EUR million	Maximum amount	In use on 30 Jun 2024
Committed credit limits	300	0
Credit facility (not committed)	100	40
Commercial paper programme (not committed)	350	230
EMTN programme (not committed)	1,500	900

Long term credit ratings	Rating	Outlook
Credit rating agency		
Moody's Ratings	Baa2	Stable
S&P Global Ratings	BBB+	Stable

Share

Share trading volumes are based on trades made on the Nasdaq Helsinki and alternative marketplaces. Closing prices are based on the Nasdaq Helsinki.

Trading of shares, millions	2Q24	2Q23	2023
Nasdaq Helsinki	20.0	15.0	64.4
Cboe	35.9	38.5	148.8
London Stock Exchange	10.8	8.4	29.8
Other marketplaces	2.7	2.2	10.3
Total volume ¹⁾	69.4	64.1	253.3
Value, EUR million	2,941	3,426	12,375
% of shares	41.5 %	38.3 %	151.4 %

Shares and market values	30 Jun 2024	30 Jun 2023	2023
Total number of shares	167,335,073	167,335,073	167,335,073
Treasury shares	6,812,476	6,947,839	6,946,654
Outstanding shares	160,522,597	160,387,234	160,388,419
Closing price, EUR	42.84	48.94	41.87
Market capitalisation, EUR million	7,169	8,189	7,006
Treasury shares, %	4.07 %	4.15 %	4.15 %

Number of shares	Total	Treasury	Outstanding
Shares on 31 Dec 2023	167,335,073	6,946,654	160,388,419
Performance Share Plans 31 January 2024 ²⁾		-134,178	134,178
Shares on 30 Jun 2024	167,335,073	6,812,476	160,522,597

¹⁾ Sources: Nasdaq and Modular Finance. Reporting has been changed to reflect more transparent information available.

²⁾ Stock exchange release 31 January 2024.

On 31 January 2024, Elisa transferred 134,178 treasury shares to people included in the Performance Share Plan for the period 2021–2023 and the Restricted Share Plan 2019 for the period 2022–2023.

In January, Elisa's Board of Directors decided on the vesting periods for the Restricted Share Plan 2023 for the CEO. The first vesting period, with a total allocation of 4,782 shares, ends on 31 December 2024, and the second, with 7,172 shares, ends on 31 December 2025.

In May, Elisa's Board of Directors decided on the vesting period for the Restricted Share Plan 2023. The vesting period, with a total allocation of 13,630 shares, ends on 31 May 2026. The purpose of using the plan is to engage a number of key persons in Elisa businesses.

Significant legal and regulatory issues

In April, the EU issued a regulation on measures to reduce the cost of deploying gigabit electronic communications networks (the Gigabit Infrastructure Act), with the aim of reducing the costs of and obstacles to network construction as well as reusing existing physical infrastructure. The Act also states that, from 1 January 2029, providers should not charge different retail prices for domestic and intra-EU communications, pending a review by the European Commission of the situation and obligations, which will take place by 30 June 2027. The Act will enter into force on 12 November 2025.

Substantial risks and uncertainties associated with Elisa's operations

Risk management is part of Elisa's internal control system. It aims to ensure that risks affecting the company's business are identified, influenced and monitored. The company classifies risks into strategic, operational, hazard and financial risks.

Strategic and operational risks:

The telecommunications industry is intensely competitive in Elisa's main market areas, which may have an impact on Elisa's business. The telecommunications industry is subject to heavy regulation. Elisa and its businesses are monitored and regulated by several public authorities. This regulation also affects the price level of some products and services offered by Elisa and may also require investments that have long payback times.

Elisa processes different kinds of data, including personal and traffic data. Therefore, the applicable data protection legislation, especially the General Data Protection Regulation, as well as other data-related legislation, might have a significant impact on Elisa and its businesses.

The rapid developments in telecommunications technology may have a significant impact on Elisa's business.

Changes in governmental relationships, including in the security environment, may increase the risk of restrictions being imposed on equipment from particular network providers that is also used in Elisa's network. This could have financial or operational impacts on Elisa's business.

Elisa's main market is Finland, where the number of mobile phones per inhabitant is among the highest in the world and growth in subscriptions is therefore limited. Furthermore, the volume of phone traffic on the fixed network has been decreasing during recent years. These factors may limit opportunities for growth. New international business expansion and possible future acquisitions abroad may increase risks.

Elisa is liable to pay direct and indirect taxes and withholding taxes in the countries in which it operates. Changes in tax authorities' interpretations of tax laws may lead to an increase in the tax burden for corporations.

Uncertainty relating to regional conflicts globally, especially Russia's war in Ukraine, is continuing. This is expected to affect the general economic environment, e.g. inflation and energy prices. Challenges in global supply chains may also result in uncertainties in volumes and prices. Disturbances related to running infrastructure may also occur, for example due to cyber incidents. Elisa's business in Russia was not essential, and Elisa withdrew from the Russian market in 2022.

Hazard risks:

The company's core operations are covered by insurance against damage and interruptions caused by accidents and disasters. Accident risks also include litigation and claims.

Financial risks:

In order to manage the interest rate risk, the Group's loans and investments are diversified into fixed- and variable-rate instruments. Interest rate swaps can be used to manage the interest rate risk.

As most of Elisa's operations and cash flow are denominated in euros, the exchange rate risk is minor. Currency derivatives can be used to manage the currency risk.

The objective of liquidity risk management is to ensure the Group's financing in all circumstances. Elisa has cash reserves, committed credit facilities and a sustainable cash flow to cover its foreseeable financing needs.

Liquid assets are invested within confirmed limits in financially solid banks, domestic companies and institutions. Credit risk concentrations in accounts receivable are minor, as the customer base is broad.

Russia's war in Ukraine and higher inflation have increased volatility in the financial markets. This might have an effect on Elisa's ability to raise funds and may increase financing costs.

A detailed description of financial risk management can be found in Note 7.1 to the Annual Report 2023.

Events after the reporting period

On 3 July 2024, Elisa announced the acquisition of fibre network in North Karelia from Kaisanet Oy, and Koillisnet Oy and its fibre network in the Kuusamo area from Kaisanet Oy and Oulun Seudun Sähkö Kuitu Oy.

Outlook and guidance for 2024

The development in 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 and energy prices relating to Russia's war in Ukraine and other conflicts. Challenges in global supply chains may also result in uncertainties in volumes and prices. Competition in the Finnish telecommunications market remains keen.

Full-year revenue is estimated to be at the same level as or slightly higher than in 2023. Mobile data and digital services are expected to increase revenue. Full-year comparable EBITDA is anticipated to be at the same level as or slightly higher than in 2023. Capital expenditure is expected to be 12–13 per cent of revenue.

Elisa continues to improve productivity, for example by increasing automation and data analytics in different processes, such as customer interaction, network operations and delivery. Additionally, Elisa's continuous quality improvement measures will increase customer satisfaction and efficiency, and reduce costs.

Elisa's transformation into a provider of exciting, new and relevant services for its customers is continuing. Long-term revenue growth and profitability improvement will derive from growth in the mobile data market, as well as domestic and international digital services.

BOARD OF DIRECTORS

Unaudited

Consolidated income statement

EUR million	Note	4-6 2024	4-6 2023	1-6 2024	1-6 2023	1-12 2023
Revenue	1	541.4	532.7	1,075.9	1,072.4	2,180.5
Other operating income		1.8	1.3	2.5	5.7	9.8
Materials and services		-192.4	-193.5	-377.6	-398.5	-817.9
Employee expenses		-106.8	-106.8	-226.8	-215.0	-417.1
Other operating expenses		-54.0	-51.0	-104.4	-98.6	-199.3
EBITDA	1	189.9	182.7	369.7	366.1	755.9
Depreciation, amortisation and impairment	1	-68.6	-66.9	-136.7	-133.5	-274.1
EBIT	1	121.3	115.7	233.0	232.6	481.8
Financial income		2.7	2.4	5.1	3.9	8.7
Financial expenses		-11.8	-8.0	-20.6	-13.8	-32.0
Share of associated companies' profit		1.4	-0.1	0.2	-0.2	-0.4
Profit before tax		113.7	110.0	217.7	222.5	458.1
Income taxes		-22.3	-20.6	-43.7	-41.5	-84.1
Profit for the period		91.4	89.4	174.0	180.9	374.0
Attributable to						
Equity holders of the parent		91.9	89.7	174.9	181.3	375.2
Non-controlling interests		-0.6	-0.3	-0.9	-0.4	-1.2
		91.4	89.4	174.0	180.9	374.0
Earnings per share (EUR)						
Basic		0.57	0.56	1.09	1.13	2.34
Diluted		0.57	0.56	1.09	1.13	2.34
Average number of outstanding shares (1000 shares)						
Basic		160,523	160,387	160,500	160,365	160,376
Diluted		160,600	160,471	160,577	160,449	160,530

Consolidated statement of comprehensive income

Profit for the period	91.4	89.4	174.0	180.9	374.0
Other comprehensive income, net of tax					
Items, which may be reclassified subsequently to profit or loss					
Cash flow hedge	0.3	0.0	-0.6	-1.4	-0.1
Translation differences	1.1	-3.4	-1.4	-4.7	-0.4
	1.4	-3.4	-2.0	-6.0	-0.5
Items that are not reclassified subsequently to profit or loss					
Remeasurements of the net defined benefit liability					1.2
Total comprehensive income	92.7	86.0	172.0	174.9	374.8
Total comprehensive income attributable to					
Equity holders of the parent	93.3	86.3	172.9	175.3	376.0
Non-controlling interest	-0.6	-0.3	-0.9	-0.4	-1.2
	92.7	86.0	172.0	174.9	374.8

Consolidated statement of financial position

EUR million	Note	30.6. 2024	31.12. 2023
Non-current assets			
Property, plant and equipment	3	827.5	815.6
Right-of-use assets	3	89.0	87.3
Goodwill	3	1,210.3	1,157.2
Intangible assets	3	221.8	210.3
Investments in associated companies	12	20.9	20.8
Other financial assets	4	16.0	16.0
Trade and other receivables	4	95.3	107.9
Deferred tax assets		12.3	11.5
		2,493.1	2,426.6
Current assets			
Inventories		75.8	77.1
Trade and other receivables		538.2	555.8
Tax receivables		3.3	1.7
Cash and cash equivalents		77.4	63.4
		694.7	698.0
Total assets		3,187.8	3,124.6
Equity attributable to equity holders of the parent			
	6	1,096.1	1,290.4
Non-controlling interests			
		7.9	3.3
Total shareholders' equity		1,104.1	1,293.7
Non-current liabilities			
Deferred tax liabilities		27.6	24.7
Interest-bearing financial liabilities	4, 7	1,098.9	996.7
Interest-bearing lease liabilities	4	69.7	67.8
Trade payables and other liabilities	4, 5	21.1	19.4
Pension obligations		7.5	9.3
Provisions	8	4.4	3.4
		1,229.3	1,121.3
Current liabilities			
Interest-bearing financial liabilities	4, 7	270.1	282.2
Interest-bearing lease liabilities	4	21.3	20.8
Trade and other payables	4, 5	554.4	402.5
Tax liabilities		2.3	3.1
Provisions	8	6.4	1.0
		854.5	709.6
Total equity and liabilities		3,187.8	3,124.6

Condensed consolidated cash flow statement

EUR million	1-6 2024	1-6 2023	1-12 2023
Cash flow from operating activities			
Profit before tax	217.7	222.5	458.1
Adjustments			
Depreciation, amortisation and impairment	136.7	133.5	274.1
Other adjustments	8.1	-8.1	0.3
	144.8	125.3	274.4
Change in working capital			
Increase (-) / decrease (+) in trade and other receivables	51.3	51.1	-2.4
Increase (-) / decrease (+) in inventories	1.8	7.5	15.0
Increase (+) / decrease (-) in trade and other payables	-36.7	-50.8	2.4
	16.4	7.9	15.1
Financial items, net	-16.6	-11.9	-18.1
Taxes paid	-44.6	-39.9	-81.6
Net cash flow from operating activities	317.7	303.9	647.8
Cash flow from investing activities			
Capital expenditure	-137.9	-127.3	-304.7
Investments in shares and business combinations	-39.6	-1.8	-4.7
Loans granted	-3.0		
Proceeds from disposal of assets	0.4	4.4	8.6
Net cash used in investing activities	-180.1	-124.7	-300.8
Cash flow before financing activities	137.6	179.2	347.0
Cash flow from financing activities			
Proceeds from long-term borrowings	99.8		298.2
Repayments of long-term borrowings	-261.1	-0.1	-201.7
Increase (+) / decrease (-) in short-term borrowings	235.6	215.5	-90.5
Repayment of lease liabilities	-12.1	-12.6	-25.4
Acquisition of non-controlling interests			-7.3
Dividends paid	-184.9	-346.9	-343.5
Net cash used in financing activities	-122.8	-144.1	-370.1
Change in cash and cash equivalents	14.8	35.1	-23.1
Translation differences	-0.8	-0.8	1.1
Cash and cash equivalents at beginning of period	63.4	85.4	85.4
Cash and cash equivalents at end of period	77.4	119.7	63.4

Consolidated statement of changes in equity

EUR million	Share capital	Treasury shares	Reserve for invested non-restricted equity	Other reserves	Retained earnings	Non-controlling interests	Total equity
Balance at 1 January 2023	83,0	-124,5	90,9	373,9	823,2	5,4	1 251,9
Profit for the period					181,3	-0,4	180,9
Translation differences					-4,6	0,0	-4,7
Cash flow hedge				-1,4			-1,4
Total comprehensive income				-1,4	176,7	-0,4	174,9
Dividend distribution					-344,8	-0,2	-345,1
Share-based compensation		2,8					2,8
Other changes					-3,2	-0,1	-3,2
Balance at 30 June 2023	83,0	-121,7	90,9	372,5	651,9	4,8	1 081,3
EUR million							
Balance at 1 January 2024	83,0	-121,7	90,9	375,1	863,1	3,3	1 293,7
Profit for the period					174,9	-0,9	174,0
Translation differences					-1,4	0,0	-1,4
Cash flow hedge				-0,6			-0,6
Total comprehensive income				-0,6	173,5	-0,9	172,0
Dividend distribution					-361,2	-0,1	-361,3
Share-based compensation		2,9					2,9
Acquisition of subsidiary with non-controlling interests						-0,3	-0,3
Acquisition of non-controlling interests					-6,0	6,0	0,0
Other changes					-2,9	0,0	-2,9
Balance at 30 June 2024	83,0	-118,8	90,9	374,5	666,5	7,9	1 104,1

Notes

ACCOUNTING PRINCIPLES

The interim report has been prepared in compliance with IAS 34 *Interim Financial Reporting*. The information has been prepared in accordance with the International Financial Reporting Standards (IFRS) effective at the time of preparation and adopted for use by the European Union. Apart from the changes in accounting principles stated below, the accounting principles applied in the interim report are the same as in the financial statements on 31 December 2023.

Changes in the accounting principles

Revisions to IFRS standards applied since 1 January 2024 did not have a material impact on the consolidated financial statements.

1. Segment information

4-6/2024	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	323.2	218.2		541.4
EBITDA	134.1	55.9		189.9
Depreciation, amortisation and impairment	-45.3	-23.3		-68.6
EBIT	88.7	32.6		121.3
Financial income			2.7	2.7
Financial expenses			-11.8	-11.8
Share of associated companies' profit			1.4	1.4
Profit before tax				113.7
Investments	57.6	26.6		84.2
4-6/2023	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	326.1	206.6		532.7
EBITDA	127.8	54.8		182.7
Depreciation, amortisation and impairment	-44.0	-22.9		-66.9
EBIT	83.8	31.9		115.7
Financial income			2.4	2.4
Financial expenses			-8.0	-8.0
Share of associated companies' profit			-0.1	-0.1
Profit before tax				110.0
Investments	45.0	24.5		69.5

1-6/2024	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	646.3	429.6		1,075.9
EBITDA	260.8	108.9		369.7
Depreciation, amortisation and impairment	-90.6	-46.1		-136.7
EBIT	170.2	62.8		233.0
Financial income			5.1	5.1
Financial expenses			-20.6	-20.6
Share of associated companies' profit			0.2	0.2
Profit before tax				217.7
Investments	100.9	51.5		152.5
1-6/2023	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	651.6	420.8		1,072.4
EBITDA	250.6	115.5		366.1
Depreciation, amortisation and impairment	-87.7	-45.8		-133.5
EBIT	162.9	69.7		232.6
Financial income			3.9	3.9
Financial expenses			-13.8	-13.8
Share of associated companies' profit			-0.2	-0.2
Profit before tax				222.5
Investments	88.5	46.5		135.0
1-12/2023	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	1,334.7	845.8		2,180.5
EBITDA	520.8	235.1		755.9
Depreciation, amortisation and impairment	-179.3	-94.9		-274.1
EBIT	341.6	140.3		481.8
Financial income			8.7	8.7
Financial expenses			-32.0	-32.0
Share of associated companies' profit			-0.4	-0.4
Profit before tax				458.1
Investments	213.0	108.4		321.4
Total assets	1,900.5	1,110.7	113.4	3,124.6

2. Acquisitions and disposals

Acquisition of Romaric Automation Design Inc.

On 15 February 2024, camLine acquired Romaric Automation Design Inc. Romaric is a US-based software provider of material control systems (MCS). The acquisition strengthens camLine's manufacturing excellence software portfolio and improves its footprint in the US market.

The acquisition price was EUR 14.5 million including the contingent consideration of EUR 2.8 million. The acquisition resulted in EUR 12.7 million of goodwill related to Group's growth in digital services internationally and acceleration of the development of the software business. The calculation of the purchase price allocation is preliminary, as the valuation of the acquired net assets has not been fully completed.

The acquired company has been consolidated from 1 February 2024 onwards. External revenue after the acquisition was EUR 1.0 million, and the impact on Group's profit for the period was EUR -0.2 million. Had the acquisition been made as of the beginning of the year 2024, the impact on Group revenue would have been EUR 1.1 million and the effect on profit for the period EUR -0.3 million.

Consideration transferred

EUR million	Preliminary
Cash paid	11.7
Contingent consideration	2.8
Total acquisition price	14.5

Net assets acquired

EUR million	
Tangible assets	0.0
Right-of-use assets	0.2
Trade and other receivables	0.7
Tax receivables	0.2
Cash and cash equivalents	2.2
Lease liabilities	-0.2
Trade payables and other liabilities	-1.4
	1.7

Effects of acquisition on cash flow

EUR million	
Purchase price paid in cash	-11.7
Cash and cash equivalents of the acquired entity	2.2
	-9.5

Goodwill arising from business combination

EUR million	
Consideration transferred	14.5
Identifiable net assets of the acquired entity	1.7
Goodwill	12.7

EUR 0.3 million of acquisition-related costs, such as professional fees, are recorded in other operating expenses. EUR 0.1 (0.2) million of these are recorded in year 2024.

Acquisition of Moontalk Oy

On 5 March 2024, Elisa acquired a majority stake of 64.5% in Moontalk. Moontalk is a software supplier in the mobile communications service software market.

The acquisition price was EUR 16.6 million including the contingent consideration of EUR 1.0 million. EUR 1.5 million of the total acquisition price was allocated to customer base, which will be amortised over four years. The acquisition resulted in EUR 16.0 million of goodwill related to strengthening Elisa's application development expertise, especially in accelerating SaaS-based applications development. The calculation of the purchase price allocation is preliminary, as the valuation of the acquired net assets has not been fully completed.

On 1 June 2024, Elisa transferred the Ring business to Moontalk in exchange for new shares in Moontalk Oy issued by the company. As a result of the directed share issue, Elisa Corporation's holding in Moontalk Oy increased to 92.7%.

The acquired company has been consolidated from 1 March 2024 onwards. External revenue after the acquisition was EUR 1.5 million, and the impact on Group's profit for the period was EUR -0.3 million. Had the acquisition been made as of the beginning of the year 2024, the impact on Group revenue would have been EUR 2.2 million and the effect on profit for the period EUR -0.4 million.

Consideration transferred

EUR million	Preliminary
Cash paid	15,6
Contingent consideration	1,0
Total acquisition price	16,6

Net assets acquired

EUR million	
Tangible assets	0,1
Right-of-use assets	0,1
Intangible assets	2,9
Trade and other receivables	0,6
Cash and cash equivalents	0,3
Deferred tax liabilities	-0,3
Interest-bearing liabilities	-1,0
Lease liabilities	-0,1
Trade payables and other liabilities	-2,0
	0,6

Effects of acquisition on cash flow

EUR million	
Acquisition price paid in cash	-15,6
Cash and cash equivalents of the acquired entity	0,3
	-15,2

Goodwill arising from business combination

EUR million	
Consideration transferred	16,6
Identifiable net assets of the acquired entity	0,6
Goodwill	16,0

EUR 0.5 million of acquisition-related costs, such as professional fees and transfer tax, are recorded in other operating expenses. EUR 0.3 (0.2) million of these are recorded in year 2024.

Acquisition of Leanware Oy

On 8 May 2024, Elisa acquired Lean Group Oy. Lean Group's subsidiary Leanware Oy is a Finnish provider of production, supply chain and logistics software for companies. With the acquisition, Leanware's name changed to Elisa IndustrIQ Finland Oy.

The acquisition price was EUR 16.1 million. EUR 2.6 million of the total acquisition price was allocated to customer base, which will be amortised over four years. The acquisition resulted in EUR 25.2 million of goodwill related to acceleration of the growth of Elisa IndustrIQ's industrial software business and to strengthening Elisa's foothold in the Finnish manufacturing customer base. The calculation of the purchase price allocation is preliminary, as the valuation of the acquired net assets has not been fully completed.

The acquired companies have been consolidated from 1 May 2024 onwards. External revenue after the acquisition was EUR 1.8 million, and the impact on Group's profit for the period was EUR -0.1 million. Had the acquisition been made as of the beginning of the year 2024, the impact on Group revenue would have been EUR 5.6 million and the effect on profit for the period EUR -0.5 million.

Consideration transferred

EUR million	Preliminary
Cash paid	16.1
Total acquisition price	16.1

Net assets acquired

EUR million	
Tangible assets	0.1
Right-of-use assets	0.4
Intangible assets	4.7
Trade and other receivables	1.2
Cash and cash equivalents	1.4
Deferred tax liabilities	-0.5
Interest-bearing liabilities	-12.8
Lease liabilities	-0.4
Trade payables and other liabilities	-3.1
	-9.1

Effects of acquisition on cash flow

EUR million	
Acquisition price paid in cash	-16.1
Cash and cash equivalents of the acquired entities	1.4
	-14.7

Goodwill arising from business combination

EUR million	
Consideration transferred	16.1
Identifiable net assets of the acquired entities	-9.1
Goodwill	25.2

EUR 0.7 million of acquisition-related costs, such as professional fees and transfer tax, are recorded in other operating expenses.

Disposals

There were no significant disposals during the reporting period.

3. Property, plant and equipment and intangible assets

30.6.2024	Property plant and equipment	Goodwill	Other intangible assets
EUR million			
Acquisition cost at 1 January 2024	4,482.4	1,178.3	1,020.9
Business acquisitions	1.2	53.9	8.4
Additions	104.3		34.3
Additions, right-of-use assets	13.8		
Disposals	-4.9		-1.0
Reclassifications	-43.1	-2.5	-0.6
Translation differences	0.0	-0.8	-0.1
Acquisition cost at 30 June 2024	4,553.7	1,229.0	1,062.0
Accumulated depreciation, amortisation and impairment at 1 January 2024	3,579.5	21.2	810.6
Depreciation, amortisation and impairment	105.6		31.1
Accumulated depreciation and amortisation on business acquisitions	0.3		0.1
Accumulated depreciation and amortisation on disposals and reclassifications	-48.1	-2.5	-1.4
Translation differences	0.0	0.1	-0.2
Accumulated depreciation, amortisation and impairment at 30 June 2024	3,637.2	18.8	840.3
Book value at 1 January 2024	902.9	1,157.2	210.3
Book value at 30 June 2024	916.5	1,210.3	221.8
<hr/>			
30.6.2023	Property plant and equipment	Goodwill	Other intangible assets
EUR million			
Acquisition cost at 1 January 2023	4,643.4	1,178.4	969.6
Additions	90.6		31.5 ⁽¹⁾
Additions, right-of-use assets	13.0		
Disposals	-4.0		0.0
Reclassifications	-25.7		-1.0
Translation differences	-0.3	-3.6	-0.4
Acquisition cost at 30 June 2023	4,716.9	1,174.8	999.7
Accumulated depreciation, amortisation and at 1 January 2023	3,786.3	21.1	759.1
Depreciation, amortisation and impairment	103.3		30.1
Accumulated depreciation and amortisation on disposals and reclassifications	-30.1		0.0
Translation differences	-0.1	0.1	-0.5
Accumulated depreciation, amortisation and impairment at 30 June 2023	3,859.4	21.2	788.8
Book value at 1 January 2023	857.1	1,157.3	210.5
Book value at 30 June 2023	857.5	1,153.6	211.0

¹⁾ Includes Estonian 26 GHz spectrum licence in a carrying amount of EUR 1.63 million.

Commitments to purchase property, plant and equipment and intangible assets amounted to EUR 100.2 (79.5) million on 30 June 2024. The lease commitments for rental agreements commencing in the future, in accordance with IFRS 16, were EUR 2.7 (2.4) million on 30 June 2024.

4. Carrying amounts of financial assets and liabilities by category

30.6.2024 EUR million	Financial assets/liabilities measured at fair value through profit or loss	Financial assets/liabilities measured at fair value through other compre- hensive income	Financial assets/ liabilities measured at amortised cost	Book values	Fair values
Non-current financial assets					
Other financial assets ⁽¹⁾	0.6		15.4	16.0	16.0
Trade and other receivables		0.3	95.0	95.3	95.3
Current financial assets					
Trade and other receivables			538.2	538.2	538.2
	0.6	0.3	648.6	649.5	649.5
Non-current financial liabilities					
Financial liabilities			1,168.6	1,168.6	1,137.9
Trade and other payables ⁽²⁾	2.8		14.3	17.1	17.1
Current financial liabilities					
Financial liabilities			291.4	291.4	291.4
Trade and other payables ⁽²⁾	2.2		540.1	542.3	542.3
	5.0		2,014.4	2,019.4	1,988.7
31.12.2023 EUR million					
Non-current financial assets					
Other financial assets ⁽¹⁾	0.6		15.4	16.0	16.0
Trade and other receivables		1.0	106.9	107.9	107.9
Current financial assets					
Trade and other receivables			555.8	555.8	555.8
	0.6	1.0	678.1	679.7	679.7
Non-current financial liabilities					
Financial liabilities			1,064.5	1,064.5	1,041.4
Trade and other payables ⁽²⁾			14.6	14.6	14.6
Current financial liabilities					
Financial liabilities			303.0	303.0	301.8
Trade and other payables ⁽²⁾	1.1		390.4	391.5	391.5
	1.1		1,772.5	1,773.6	1,749.3

¹⁾ "Other financial assets" includes Groups' listed and unlisted equity investments.

²⁾ Excluding advances received

The Group's financial assets and liabilities are classified as financial assets and liabilities measured at amortised cost, financial assets and liabilities measured at fair value through other comprehensive income, and financial assets and liabilities measured at fair value through profit or loss. Financial assets and liabilities measured at amortised cost include fixed-term contracts whose cash flow includes payments of principal and interest on the principal outstanding. Financial assets and liabilities measured at fair value through other comprehensive income include those financial items that are expected both to collect contractual cash flows and to sell financial assets. Financial assets and liabilities measured at fair value through profit or loss include items that do not meet the criteria of the other groups.

The Group categorises electricity and currency derivatives that qualify for hedge accounting as financial assets or liabilities measured at fair value through other comprehensive income. Contingent considerations in business combinations and listed equity investments are recognised as financial assets or liabilities measured at fair value through profit or loss. Other financial assets and liabilities are measured at amortised cost.

5. Financial assets and liabilities recognised at fair value

EUR million	30.6.2024	Level 1	Level 2	Level 3
Financial assets/liabilities measured at fair value through other comprehensive income				
Electricity derivatives	0.3		0.3	
Currency derivatives	0.0		0.0	
Financial assets/liabilities measured at fair value through profit or loss				
Listed equity investments	0.6	0.6		
Contingent considerations relating to business combinations	-5.0			-5.0
	-4.1	0.6	0.3	-5.0

EUR million	31.12.2023	Level 1	Level 2	Level 3
Financial assets/liabilities recognised at fair value other comprehensive income				
Electricity derivatives	1.0		1.0	
Currency derivatives	0.1		0.1	
Financial assets/liabilities measured at fair value through profit or loss				
Listed equity investments	0.6	0.6		
Contingent considerations relating to business combinations	-1.1			-1.1
	0.5	0.6	1.0	-1.1

Level 1 includes instruments with quoted prices in active markets. Level 2 includes instruments with observable prices based on market data. Level 3 includes instruments with prices that are not based on verifiable market data, but instead on the company's internal information, for example.

6. Equity

	Number of shares pcs	Treasury shares pcs	Holding, % of shares and votes
Shares at 31 December 2023	167,335,073	6,946,654	4.15 %
Disposal of treasury shares		-134,178	
Shares at 30 June 2024	167,335,073	6,812,476	4.07 %

Dividend

On 12 April 2024, Elisa's Annual General Meeting decided on a dividend of EUR 2.25 per share. The dividend will be paid in two instalments. The first instalment of the dividend, EUR 1.13 per share, was paid on 23 April 2024. The second instalment of the dividend, EUR 1.12 per share, will be paid on 30 October 2024. The total dividend amounts to EUR 361.2 million.

7. Issuance and repayment of debt securities

For short-term financing, Elisa has an EUR 350 million uncommitted commercial paper programme and a EUR 100 million credit facility with Landesbank Baden-Württemberg. Current financial liabilities include outstanding commercial papers of EUR 230.0 million and EUR 40 million drawn from credit facility.

On 10 April 2024, Elisa signed a new, EUR 100 million loan from the Nordic Investment Bank (NIB). The seven-year loan is linked to sustainability targets.

On 18 March 2024, Elisa paid back the remaining EUR 248 million of the bonds maturing in March 2024.

The unused amount of the EUR 1,500 million EMTN programme is EUR 600 million as of 30 June 2024.

EUR million	30.6. 2024	31.12. 2023
Issued bonds, nominal value	900.0	1,148.0
Issued commercial papers	230.0	34.5
Withdrawn credit facilities	100.0	0.0
Withdrawn committed credit lines	0.0	0.0

8. Provisions

EUR million	Termination benefits	Other	Total
1 January 2024	2.8	1.7	4.5
Increase in provisions	10.7		10.7
Reversals of unused provisions	-0.8		-0.8
Utilised provisions	-3.5		-3.5
30 June 2024	9.1	1.7	10.8

EUR million	Termination benefits	Other	Total
1 January 2023	2.0	1.7	3.7
Increase in provisions	2.7		2.7
Reversals of unused provisions	-0.2		-0.2
Utilised provisions	-0.8		-0.8
30 June 2023	3.7	1.7	5.4

9. Off-balance sheet lease commitments

The future minimum lease payments under non-cancellable off-balance sheet leases:

EUR million	30.6. 2024	31.12. 2023
Within one year	15.2	14.4
Later than one year, not later than five years	5.1	5.1
Later than five years	1.0	1.4
	21.2	20.9

Lease commitments are exclusive of value added tax.

10. Contingent liabilities

EUR million	30.6. 2024	31.12. 2023
For our own commitments		
Mortgages	5.9	3.8
Guarantees	2.8	0.8
Deposits	0.6	0.5
On behalf of others		
Guarantees	0.5	0.5
	9.8	5.6
Other contractual obligations		
Venture capital investment commitment	0.2	0.2
	0.2	0.2

11. Derivative instruments

EUR million	30.6. 2024	31.12. 2023
Nominal values of derivatives		
Electricity derivatives	3.3	3.5
Currency derivatives	3.3	3.3
	6.6	6.8
Fair values of derivatives		
Electricity derivatives	0.3	1.0
Currency derivatives	0.0	0.1
	0.3	1.0

12. Related party transactions

The Group's related parties include the parent company, subsidiaries, associates and joint ventures. The related parties also include Elisa's Board of Directors, the CEO, the Executive Board as well as entities controlled by them and close members of their family.

Related party transactions with associated companies EUR million	1-6 2024	1-6 2023	1-12 2023
Revenue	1.0	0.2	0.7
Purchases	0.5	0.5	0.9
Receivables	3.9	0.6	11.6
Liabilities	0.1	0.0	0.5

There were no related party transactions with the key management. The salaries and remuneration paid to the management of Elisa Group will be published in the annual consolidated financial statements.

13. Key figures

EUR million	1-6 2024	1-6 2023	1-12 2023
Shareholders' equity per share, EUR	6.83	6.71	8.05
Interest-bearing net debt	1,382.7	1,458.5	1,304.1
Gearing, %	125.2 %	134.9 %	100.8 %
Equity ratio, %	34.8 %	35.2 %	41.6 %
Return on investment (ROI), % *)	18.1 %	18.2 %	18.5 %
Gross investments in fixed assets, of which right-of-use assets	152.5 13.8	135.0 13.0	321.4 23.3
Gross investments as % of revenue	14.2 %	12.6 %	14.7 %
Investments in shares and business combinations	47.1	0.2	11.8
Average number of employees	5,722	5,673	5,721

*) Rolling 12 months' profit preceding the reporting date

Financial calendar

Interim Report Q3 2024

18 October 2024

Contact information

Investor Relations:

investor.relations@elisa.fi

Press:

mediadesk@elisa.fi

Elisa website:

www.elisa.com