

Elisa Group overview

Veli-Matti Mattila

CEO

● **CMD 2023**

The Elisa logo is written in a white, lowercase, cursive script font. A thin white arc originates from the top of the 'e' and curves across the top of the slide, ending at the top of the 'a'.

- 1** Performance update
- 2** Market overview
- 3** Sustainable profit and growth generation
- 4** Medium-term targets and CEO priorities

Performance update

Elisa's unique strategy generates sustainable profit and growth



Value for
customers



Engaged
employees



Positive impact
on society



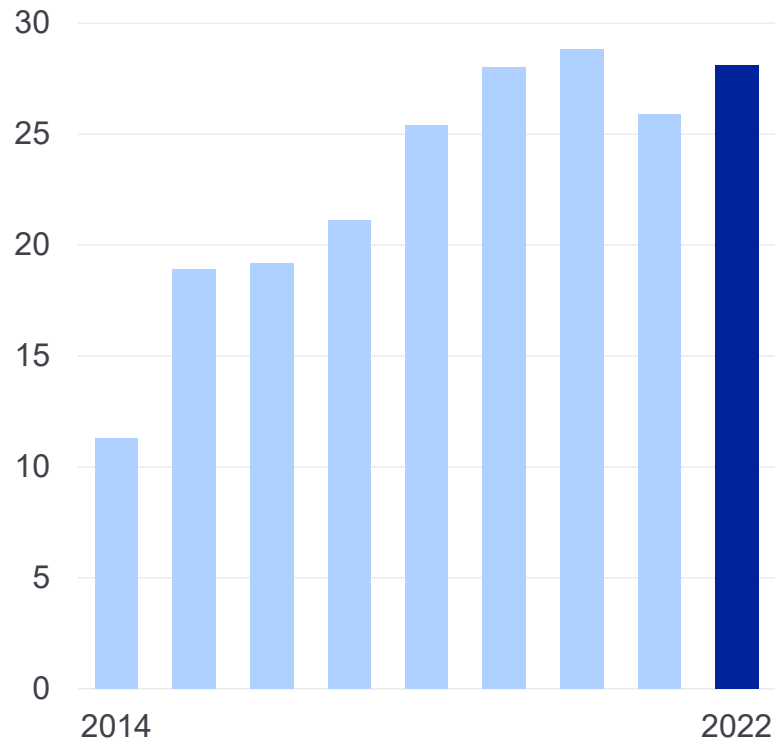
Unique financial performance
for **shareholders**



Performance update

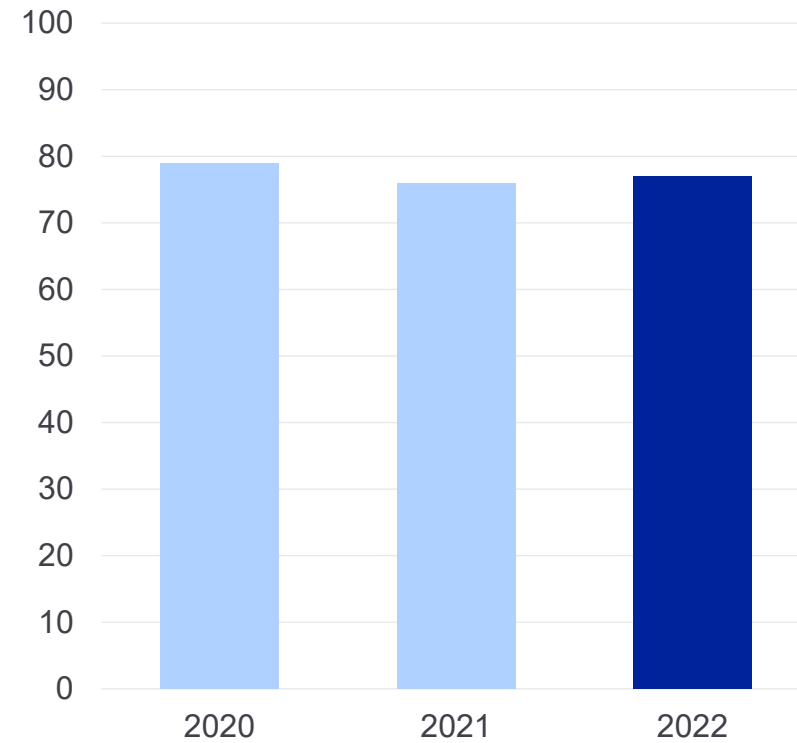
Strong track record of creating value for customers & employees...

Value for customers
NPS



Engaged employees

Employee engagement score



...holistic progress in sustainability...

Our sustainability objectives

DIGITAL

We secure people's privacy in a safe and reliable digital environment

SOCIAL

We advance a fair and digitally inclusive society

ENVIRONMENTAL

We enable our customers to become more resource efficient

ECONOMIC

We intensify innovation and drive sustainable value creation

Selected KPIs & 2024 targets



Availability of Elisa's high-speed connections to **all Finnish households**



32% of supervisors are women

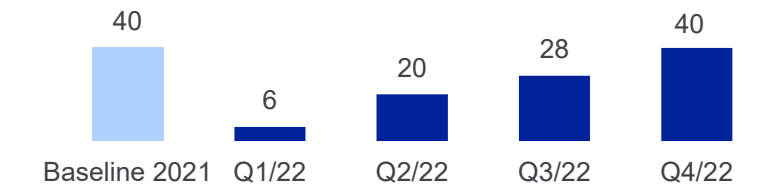
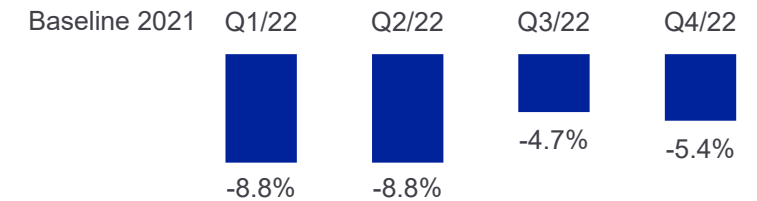
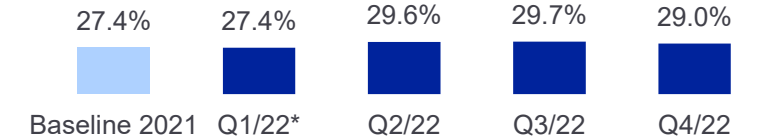
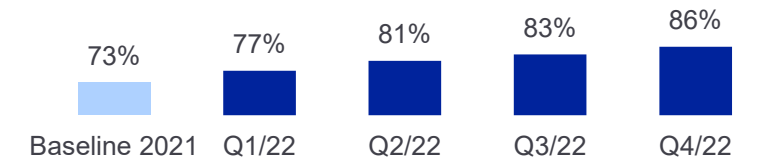


20% improvement in energy efficiency (kWh per GB) compared to Q4/21



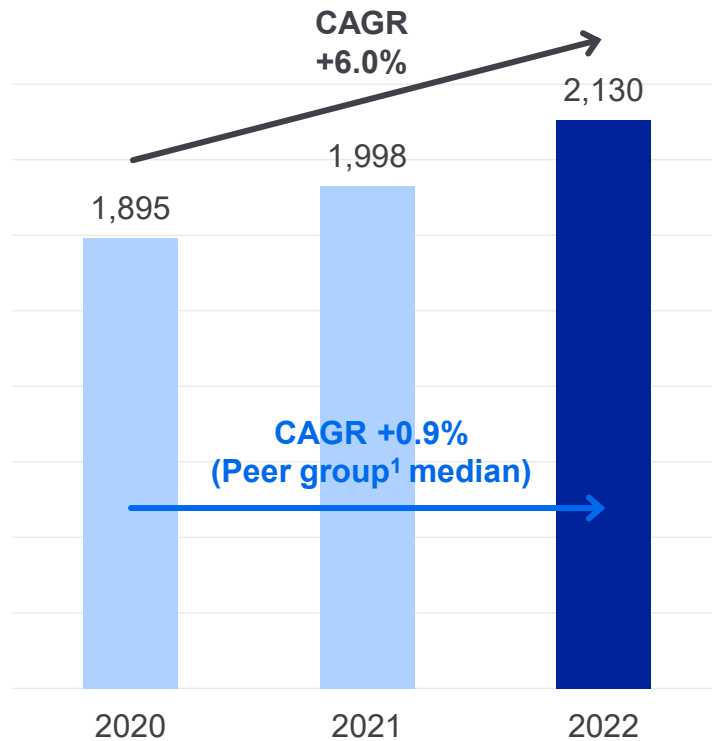
Over 100 patent applications (cumulative)

Performance



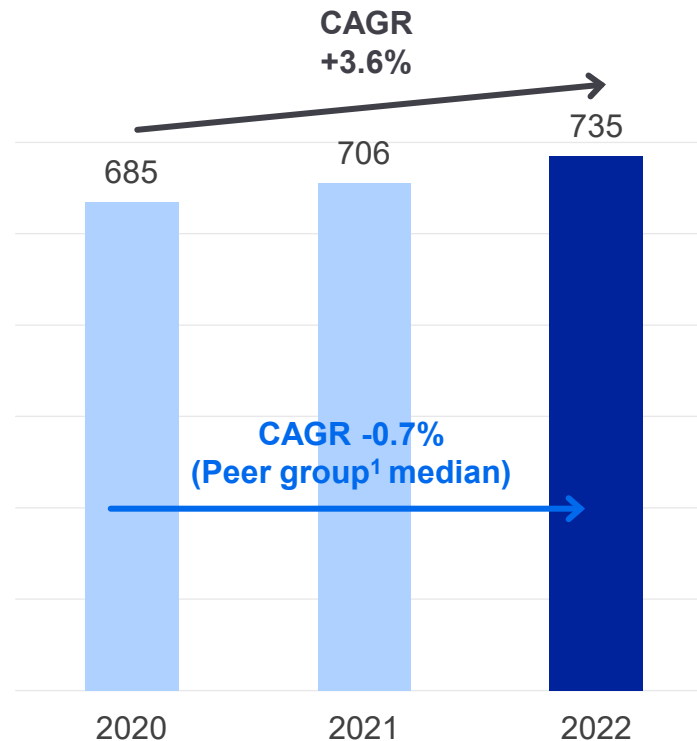
...with unique financial performance for our shareholders

Best-in-class revenue growth



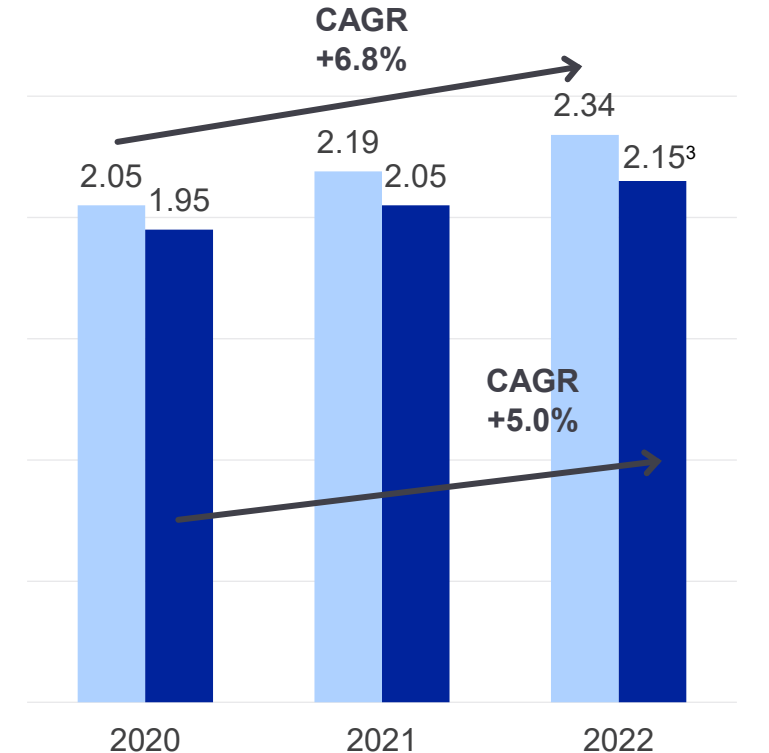
● Revenue, EURm

Further improving profitability



● EBITDA², EURm

Growing EPS and dividend



● EPS², EUR ● Dividend per share, EUR

¹ Peer group: BT, KPN, Proximus, Swisscom; Tele2, Telecom Italia, Telekom Austria; Telenor, Telia. Source: Bloomberg

² Comparable

² Comparable

³ Proposal to the AGM

Performance update

We are on track to meet all our 2023 medium-term targets

Parameter		Target by end of 2023	
Revenue growth	→	2020–2023 CAGR >2%	●
EBITDA growth	→	2020–2023 CAGR >3%	●
CAPEX-to-sales	→	≤12%	●
Capital structure			
Net debt / EBITDA	→	1.5–2×	●
Equity ratio	→	>35%	●

Performance end-2022

● = On track

● = Below track

We operate in digitally advanced and attractive markets...

Finland is EU's most advanced digital society¹



Regulator supports digitalisation & competitiveness

- Proactive dialogue between stakeholders
- Market-based and technology-neutral broadband policy
- Balanced frequency policy

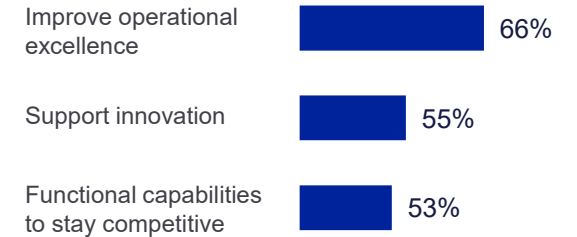
Fast-growing global software businesses

TELECOM SW

>50%

of telco CIOs named **cost optimisation & digitalisation** as their #1 priorities for 2023²

INDUSTRIAL SW



Top needs of smart manufacturing customers³

¹European Commission 2022, *The Digital Economy and Society Index (DESI), EU27 + UK*

²Gartner 2023, *Top Priorities, Technologies and Challenges in Telecom in 2023*

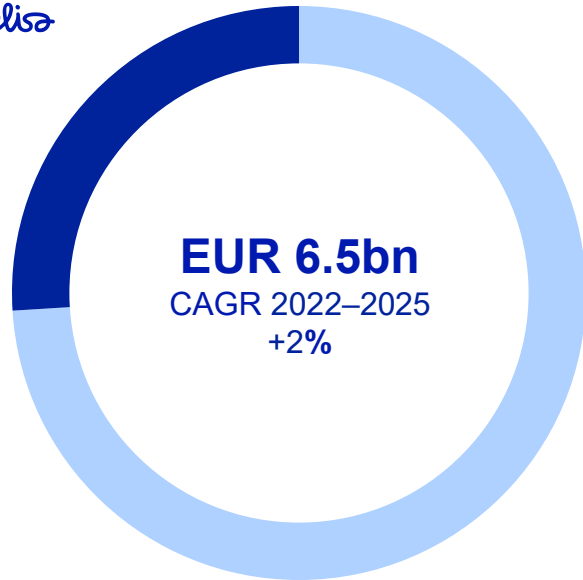
³Gartner 2020, *Most Important Factors When Generating the Smart Manufacturing Business Case.*

Market overview

...with sizeable telco & digital services markets...

Telecom

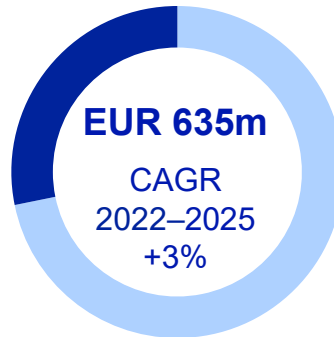
Telecom services



Telecom services addressable market 2022 (incl. devices), consumer and corporate, FIN & EST
Source: Traficom; FiCom; Gotech; Statistics Finland; company reports; Gartner; Statista; Elisa Analysis

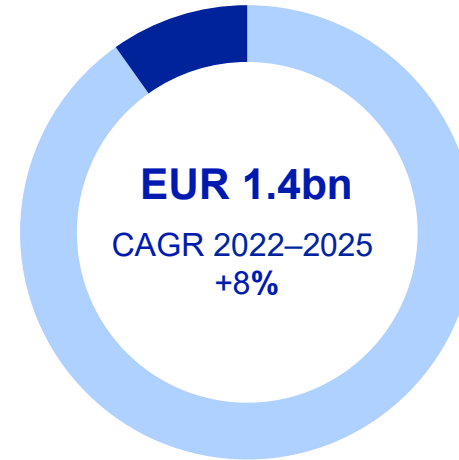
Domestic & other digital services

Entertaining video services



Entertaining video services addressable market 2022, FIN & EST
Sources: Ficomm Statistics Finland; Mediavision; Finnpanel; Company reports; Elisa analysis

IT services and solutions



IT addressable market 2022 (incl. devices), Finland.
Source: Gartner; Statista; Elisa Analysis

Visual communications



Addressable market: cloud-based video 2022
Source: Gartner; Elisa analysis

...and internationally, we have significant growth opportunities

International Digital Services

Telecom software



Industrial software



Addressable market: network analytics, probe systems, intelligent performance & fault management.
Source: Analysys Mason; Market Forecast; Appledore Research; Elisa analysis

Addressable market: consumer packaged goods, food & beverage, electronics & semiconductors.
Source: MarketsAndMarkets; Verdantix; Gartner; Presedence Research; Fortune Business Insights;
Market Research Future; Elisa analysis

Sustainable profit and growth generation

Our pursuit of our mission & vision...



MISSION



VISION

**A SUSTAINABLE
FUTURE THROUGH
DIGITALISATION**

We are the global benchmark for generating value in communication and digital services.

Our constant pursuit of excellence and innovation makes us better every day.

Sustainable profit and growth generation

...guides our efforts in three strategic focus areas

Increase mobile and fixed service revenues

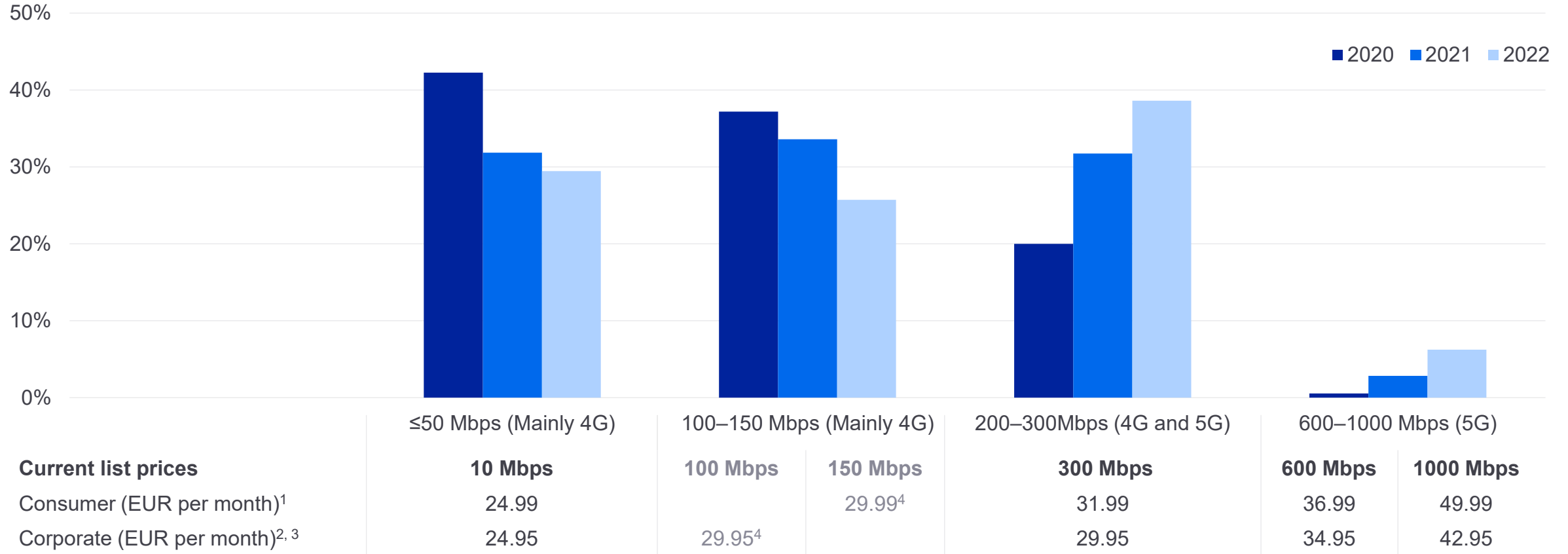
Grow digital service businesses

Improve efficiency and quality

Sustainable profit and growth generation

Upselling continues to drive mobile service revenue growth...

We expect mid-single digit MSR growth in 2023



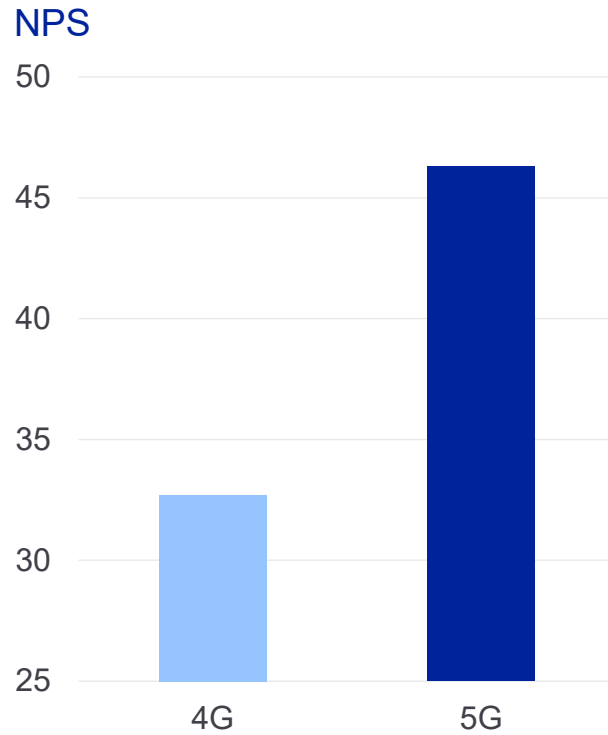
¹ First 12 months campaign prices for consumer voice subscriptions in Finland
² List prices for SME voice subscription in Finland, excluding VAT, public and private tendering excluded
³ All new SME subscriptions are 5G-capable
⁴ No longer in new sales

Sustainable profit and growth generation

...also when moving to 5G

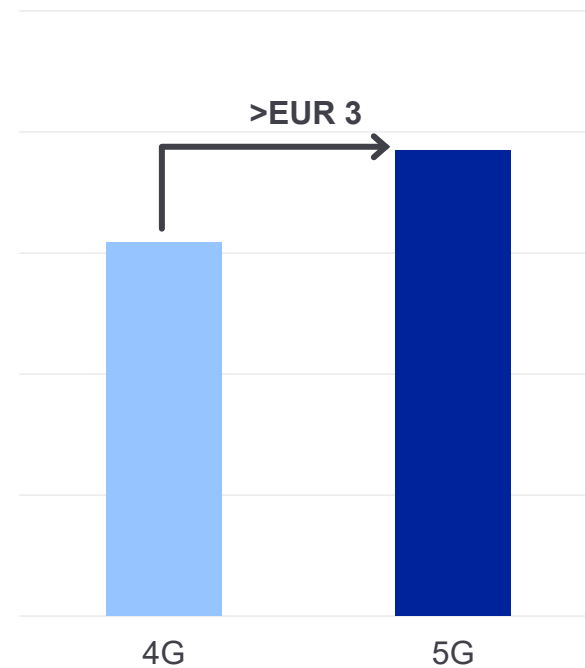


5G customers more satisfied...



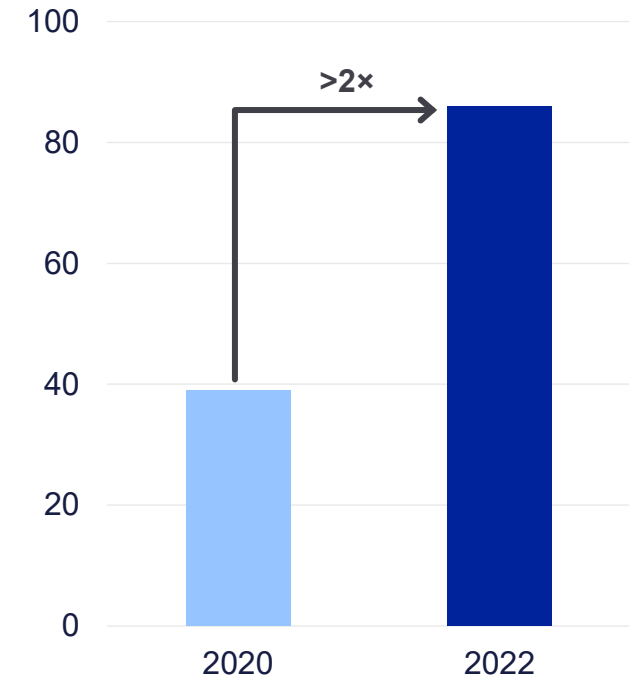
...and they are willing to pay more...

Avg. billing increase in 5G upgrades



...while we continue to grow our addressable market

5G population coverage, %

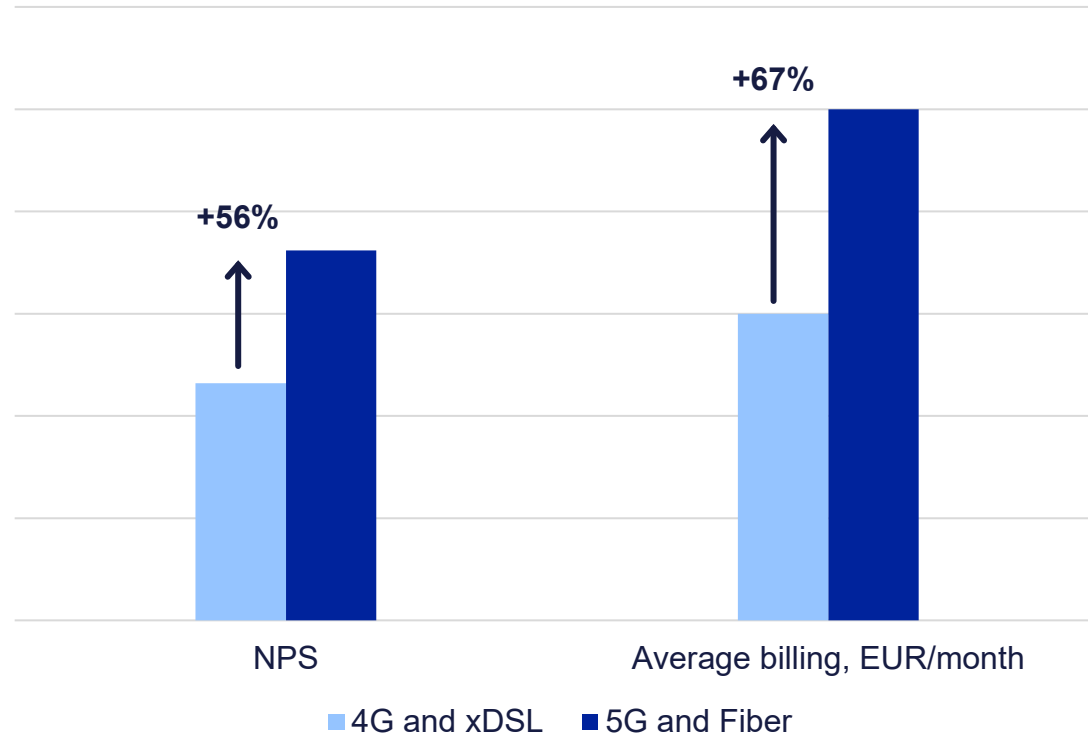


Sustainable profit and growth generation

Fiber complements offering to meet growing connectivity demands...



- Optimal mix of mobile & fixed
- Strong preference for Elisa
 - 41% ready to choose Elisa
- Utilising existing assets
 - Serving both consumers & corporates





...and we have additional revenue streams

Demand drivers

SECURITY



Uncertain geopolitical circumstances



Increased awareness of security due to public cyber threats and breaches

INTERNET OF THINGS



Faster and more reliable internet connections available



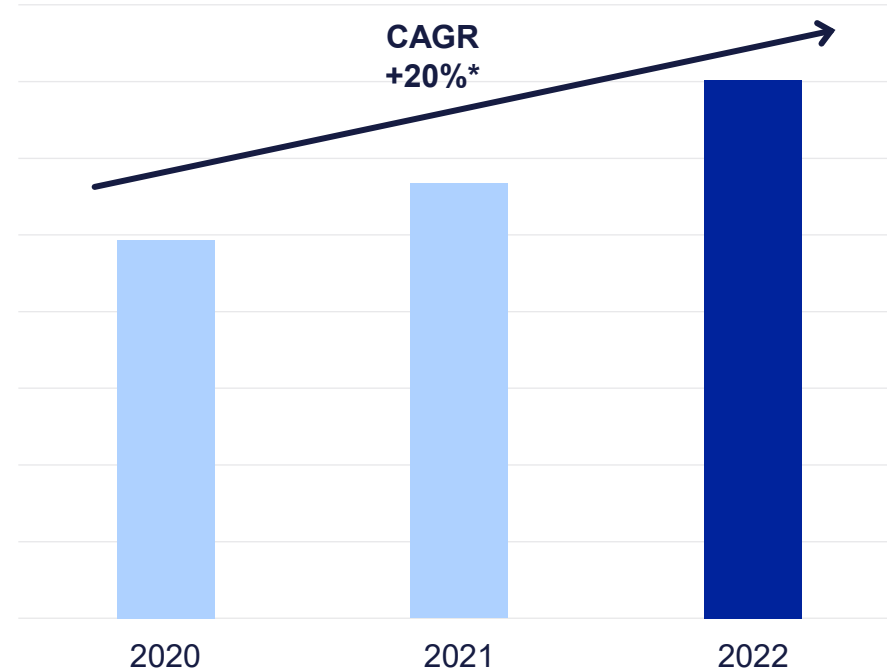
IoT technology innovations with more sophisticated and affordable components

Additional profitable growth

IoT and security business

Revenue: EUR 70m^{1*}

EBITDA: 20–40%



Sustainable profit and growth generation

We continue to grow our domestic & other digital services...



Entertaining video services

Most popular entertainment video service in Finland

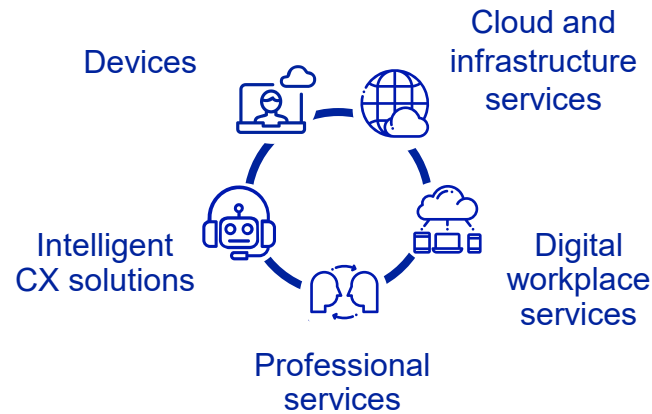
- EUR 180m revenue, CAGR +10%*
- EBITDA level 10–15%*
- Attractive Finnish & Estonian original content



IT services and solutions

#1 in delivering customer value from integrated IT+C

- EUR 140m revenue, CAGR +10%*
- EBITDA level 5%*
- Intelligent automation and AI



Visual communications

Transforming virtual comms with interoperable & secure technology solutions

- EUR 25m revenue, CAGR +8%*
- Close to breakeven
- Industry-leading services, end-user experience



17 CMD 2021: Entertaining video services revenue (2020) EUR 149m, EBITDA 15-20%

* 2020-2022; Approx. figures

CMD 2021: IT services revenue (2020) EUR 113m, EBITDA approx. 5% CX (customer experience)

CMD 2021: Visual communications revenue (2020) EUR 21m



Sustainable profit and growth generation

...and scale up our global software businesses

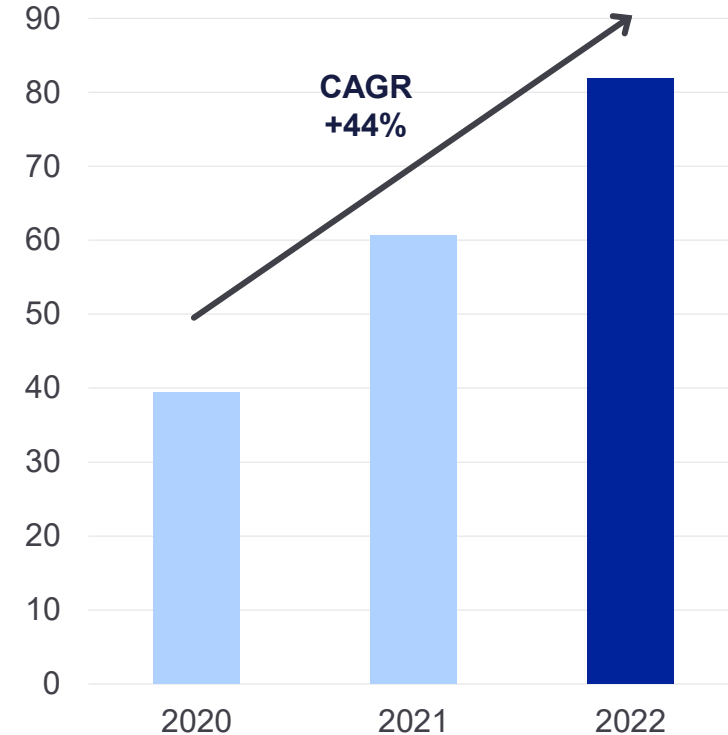


International digital services

- EUR 82m revenue
 - 2022 YoY growth +35%
 - Organic growth +22%
- High share of growing recurring revenues
- EBITDA close to breakeven
- Technology leaders focused on selected product & industry verticals
 - AI and analytics
- We aim to continue strong double-digit organic growth and accelerate growth with M&A



Revenue growth in international digital services (EURm)



Sustainable profit and growth generation

Unique approach drives excellence, innovation & productivity



Solid bedrock of culture and values

- Customer-centric
- Long-term systems thinking

Continuous improvement and innovation

- Robust system with over 100 shared practices
- Extensive experimentation over 12 years

Investing in people and leadership

- Everyday learning
- Elisa Way leadership

Elisa Business System



Simplified version

Sustainable profit and growth generation

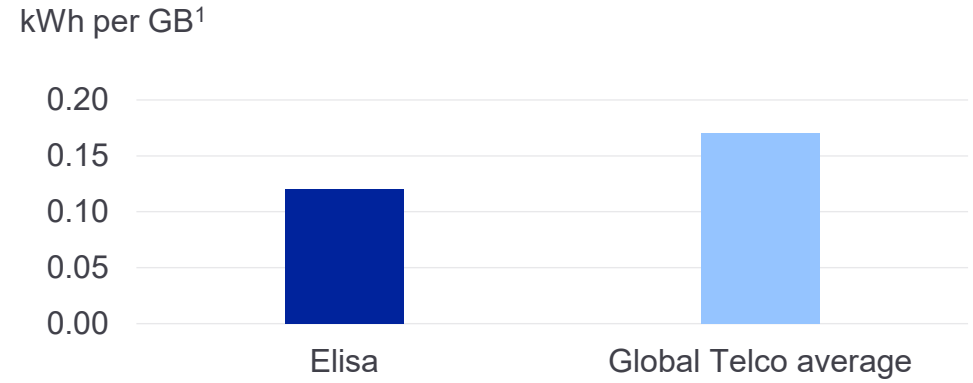
Via unique approach, automation & AI continue to deliver improvements in our network...



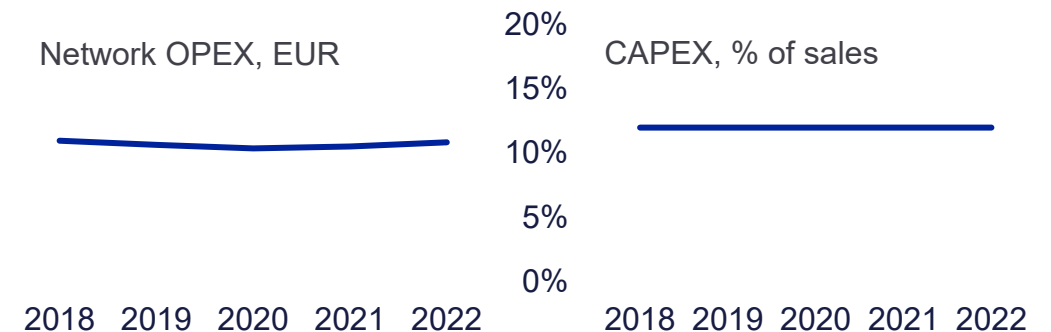
Automating how we plan & run networks, for example...

<p>High-level planning AI-driven automated network design algorithms define most efficient plans, e.g. next new base station & capacity requirements</p>	147,000 events a day
<p>Planning & rollout Handle all relevant configurations and parameters for new sites</p>	27,000 actions a day
<p>Optimisation Optimise number of changes required to run high-quality network performance</p>	10,000 actions a day
<p>Operations Focus on preventive action, ensuring highly fault-tolerant network</p>	10,000 actions a day

...enables us to operate efficiently...



...and maintain steady network OPEX & CAPEX levels



Sustainable profit and growth generation

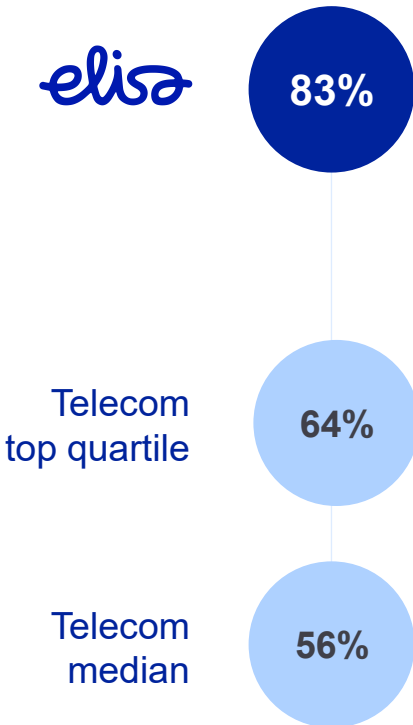
...and significant further potential in processes close to customers



2022 examples

	Consumer Customers	Corporate Customers
130,000 cases resolved Chatbot	260 distinct use cases → 24/7 customer response	→ 10 percentage point improvement in case resolution
70,000 cases resolved Voicebot	First point of contact in customer call → 10k less call transfers a mth	Finnish postal service: 70% of phone calls in morning post distribution center. → CSAT² increased by 30 pts
300,000 cases resolved Predictive care	Proactive SMS dialogues → reinforcing the feeling that Elisa cares	Predictive fault repair automation → issues resolved before inbound contacts

Customer Effort Score¹



¹ Gartner: How to Measure and Interpret Customer Effort Score (CES), 2021, Elisa analysis

² Customer satisfaction score

Medium-term targets and CEO priorities

We continue with same medium-term targets by the end of 2025

Parameter		Target by end of 2025
Revenue growth	→	2022–2025 CAGR >2%
EBITDA growth	→	2022–2025 CAGR >3%
CAPEX-to-sales	→	≤12%
Capital structure		
Net debt / EBITDA	→	1.5–2×
Equity ratio	→	>35%
		Policy
Profit distribution	→	Pay-out 80–100% of net result

Medium-term targets and CEO priorities

Elisa's unique strategy generates sustainable profit and growth

Increase mobile and fixed service revenues

Grow digital service businesses

Improve efficiency and quality



elisa

CMD 2023

THANK YOU.

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.