

Interim Report

Q1 2023

20 April 2023

*elisa*

# ELISA'S INTERIM REPORT JANUARY–MARCH 2023

## First quarter 2023 financial highlights

- Revenue increased by EUR 28m to EUR 540m due to growth in mobile, fixed and digital services as well as equipment sales.
- Mobile service revenue increased by 4.9 per cent to EUR 235m.
- EBITDA grew by EUR 6m to EUR 183m.
- EBIT increased by EUR 6m to EUR 117m.
- Comparable cash flow increased by EUR 5m to EUR 71m, mainly due to higher EBITDA and lower negative change in net working capital.
- In Finland, mobile post-paid ARPU increased to EUR 21.7 (21.5 in the previous quarter), and mobile post-paid churn decreased to 14.9 per cent (16.2).
- During the quarter, post-paid mobile subscriptions increased by 19,400. M2M and IoT subscriptions growth was 26,400.
- Prepaid subscriptions decreased by 12,000 during the quarter.
- The number of fixed broadband subscriptions increased by 2,600 during the quarter.

## Key indicators

EUR million	1Q23	1Q22	Δ %	2022
Revenue	540	511	5.5 %	2,130
EBITDA	183	177	3.5 %	733
Comparable EBITDA <sup>(1)</sup>	183	177	3.5 %	735
EBIT	117	111	4.9 %	470
Comparable EBIT <sup>(1)</sup>	117	111	4.9 %	472
Profit before tax	112	108	3.7 %	456
Comparable profit before tax <sup>(1)</sup>	112	108	3.7 %	458
EPS, EUR	0.57	0.55	3.8 %	2.33
Comparable EPS, EUR	0.57	0.55	3.8 %	2.34
Capital expenditure	66	59	11.6 %	290
Net debt	1,217	1,176	3.4 %	1,276
Net debt / EBITDA <sup>(2)</sup>	1.6	1.6		1.7
Gearing ratio, %	91.0 %	91.1 %		101.9 %
Equity ratio, %	42.6 %	40.7 %		40.6 %
Cash flow	71	53	33.5 %	300
Comparable cash flow <sup>(3)</sup>	71	66	7.5 %	321

<sup>1)</sup> 2022 excluding EUR 2m in restructuring costs <sup>2)</sup> (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). <sup>3)</sup> 1Q22 excluding EUR 13m in share investments.

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

## CEO's review:

### A good start to the year despite challenging circumstances

Elisa continued its solid development. In the first quarter, revenue increased by 6 per cent from the previous year to EUR 540 million. EBITDA improved by 4 per cent to EUR 183 million and earnings per share by 4 per cent to EUR 0.57. Despite increased energy costs, inflation and geopolitical challenges, all of our businesses have had solid performance.

Our solid 5G expansion continued in the first quarter. In Finland, our 5G population coverage reached 88 per cent and in Estonia over 70 per cent. Elisa has deployed the first distributed and fully automated 5G edge commercial solution in Europe. We continued to actively invest in our optical fibre network in the first quarter.

We continued to implement our mission: a sustainable future through digitalisation. Elisa's wind power purchase agreement came into force at the beginning of April, covering approximately 40 per cent of the electricity needed for Elisa's entire mobile network in Finland.

As part of our continuous cyber security development, the proportion of fraudulent phone calls has decreased by up to 84 percentage points (7/2021–2/2023) in Elisa's mobile network, compared to a decrease of only 15 percentage points at the overall country level in the number of Finns exposed to scam calls\*. Elisa was one of the first in the world to introduce a technical solution for anti-scam measures combatting caller ID spoofing.

Elisa's international digital services businesses continued to grow, with several global customer deals. In February, Elisa received a grant from the Finnish government to accelerate the rollout of Elisa's latest innovation – the Distributed Energy Storage solution – across its network to create a virtual power plant with an expected capacity of 150 MWh, making it the largest such project in Europe.

Elisa has had science-based climate targets (SBTi) since 2018. Now Elisa is among the first in Finland to have new, even more ambitious Science Based Targets approved, including our Net Zero 2040 climate target.

We work determinately to promote equality, and we have been included in the 2023 Bloomberg Gender-Equality Index, which globally evaluates the performance of public companies committed to reporting gender-related data. In the latest Sustainable Brand Index 2023, Finnish consumers perceived Elisa as the most sustainable brand in the industry for the fourth year in a row.

Elisa's unique strategy generates sustainable profit and growth. Our competitiveness is based on continuously increasing our productivity and quality, our strong investment capability, and the growth opportunities from our innovative digital services globally. We continue to focus on creating value for our customers, engaging our employees and creating a positive impact on society to ensure solid financial performance for shareholders.

Veli-Matti Mattila

CEO

\*Source: IROResearch Oy *Tuhat suomalaista* study, February 2023

## INTERIM REPORT JANUARY–MARCH 2023

This interim report has been prepared in accordance with the IFRS recognition and measurement principles, although not all requirements of the IAS 34 standard have been followed. The information presented in this interim report is unaudited.

### Market situation

The competitive environment has been active, especially in 4G subscriptions. The post-COVID-19 situation continues to have some impact on the market situation. The amount of travel to Asia is still limited. On the other hand, 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. Also, the current geopolitical situation has 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 decreasing.

The markets for IT services have continued to develop favourably. The IPTV entertainment services market is growing, while competition in streaming services is keen. Demand for other digital services is also growing well.

### Revenue, earnings and financial position

EUR million	1Q23	1Q22	Δ %	2022
Revenue	540	511	5.5 %	2,130
EBITDA	183	177	3.5 %	733
EBITDA-%	34.0 %	34.6 %		34.4 %
Comparable EBITDA <sup>(1)</sup>	183	177	3.5 %	735
Comparable EBITDA-%	34.0 %	34.6 %		34.5 %
EBIT	117	111	4.9 %	470
EBIT-%	21.7 %	21.8 %		22.1 %
Comparable EBIT <sup>(1)</sup>	117	111	4.9 %	472
Comparable EBIT-%	21.7 %	21.8 %		22.2 %
Return on equity, %	31.3 %	30.1 %		30.4 %

<sup>1)</sup> 2022 excluding EUR 2m in restructuring costs.

Revenue increased by 6 per cent, mostly due to growth in mobile, fixed and digital services, as well as equipment sales. A decrease in usage and subscriptions of traditional fixed (PSTN) telecom services, as well as a decrease in interconnection and roaming, affected revenue negatively. EBITDA increased by 4 per cent. Efficiency improvements and revenue growth impacted EBITDA positively. EBIT grew by 5 per cent.

Net financial income and expenses were EUR -4 million (-3). Income taxes in the income statement amounted to EUR -21 million (-20). Net profit was EUR 92 million (88), and earnings per share were EUR 0.57 (0.55).

## Financial position

EUR million	1Q23	1Q22	Δ %	2022
Net debt	1,217	1,176	3.4 %	1,276
Net debt / EBITDA <sup>1)</sup>	1.6	1.6		1.7
Gearing ratio, %	91.0 %	91.1 %		101.9 %
Equity ratio, %	42.6 %	40.7 %		40.6 %
Cash flow	71	53	33.5 %	300
Comparable cash flow <sup>2)</sup>	71	66	7.5 %	321

<sup>1)</sup> (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). <sup>2)</sup> 1Q22 excluding EUR 13m in share investments.

Net debt increased by EUR 40 million to EUR 1,217 million. Comparable cash flow after investments increased by 7 per cent to EUR 71 million (66). Cash flow was positively affected by increased EBITDA and a lower negative change in net working capital, while it was negatively affected by higher CAPEX, taxes and interest.

The financial position and liquidity are strong. Cash and undrawn committed credit lines totalled EUR 482 million at the end of the quarter.

## Changes in corporate structure

There were no significant changes in the corporate structure during the quarter.

## Consumer Customers business

EUR million	1Q23	1Q22	Δ %	2022
Revenue	325	313	4.1 %	1,301
EBITDA	123	121	1.2 %	496
EBITDA-%	37.7 %	38.8 %		38.1 %
Comparable EBITDA <sup>(1)</sup>	123	121	1.2 %	497
Comparable EBITDA-%	37.7 %	38.8 %		38.2 %
EBIT	79	78	2.0 %	322
EBIT-%	24.3 %	24.8 %		24.7 %
Comparable EBIT <sup>(1)</sup>	79	78	2.0 %	323
Comparable EBIT-%	24.3 %	24.8 %		24.9 %
CAPEX	44	38	13.4 %	191

<sup>1)</sup> 2022 excluding EUR 1.6m in restructuring costs.

Revenue increased by 4 per cent. Revenue was positively affected by growth in mobile, fixed and digital services, as well as in equipment sales. Interconnection and roaming, as well as a decrease in usage and subscriptions of traditional fixed telecom services, affected revenue negatively. EBITDA increased by 1 per cent.

## Corporate Customers business

EUR million	1Q23	1Q22	Δ %	2022
Revenue	214	199	7.8 %	829
EBITDA	61	56	8.6 %	238
EBITDA-%	28.3 %	28.1 %		28.7 %
Comparable EBITDA <sup>(1)</sup>	61	56	8.6 %	238
Comparable EBITDA-%	28.3 %	28.1 %		28.7 %
EBIT	38	34	11.8 %	148
EBIT-%	17.6 %	17.0 %		17.9 %
Comparable EBIT <sup>(1)</sup>	38	34	11.8 %	148
Comparable EBIT-%	17.6 %	17.0 %		17.9 %
CAPEX	22	20	8.2 %	99

<sup>1)</sup> 2022 excluding EUR 0.4m in restructuring costs.

Revenue grew by 8 per cent. Revenue was positively affected by growth in mobile, fixed and digital services as well as equipment sales. Decreases in traditional fixed services affected revenue negatively. EBITDA increased by 9 per cent, mainly due to revenue growth and efficiency improvements.

## Investments

EUR million	1Q23	1Q22	2022
Capital expenditure <sup>(1)</sup> , of which	66	59	290
Consumer Customers	44	38	191
Corporate Customers	22	20	99
Shares and business acquisitions	0	14	25
Total investments	66	73	314
Licences			9
Leases	9	8	26
Capital expenditure excluding leases and business acquisitions	57	50	255
Capital expenditure as % of revenue	10	10	12

<sup>1)</sup> 2022 includes EUR 7m for the 3.5 GHz and EUR 2m for the 2x10 MHz frequency licence investments 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 January–March, the average number of personnel at Elisa was 5,637 (5,378). Employee expenses totalled EUR 108 million (100). Personnel by segment at the end of the period:

	1Q23	1Q22	2022
Consumer Customers	2,965	2,867	2,939
Corporate Customers	2,705	2,537	2,684
Total	5,670	5,404	5,623

The growth in personnel was mainly due to the Frinx and Cardinality acquisitions as well as an increase in Elisa's own sales channels.

## Sustainability

Key ESG indicators	1Q23	1Q22	4Q21
Energy efficiency of mobile network in Finland			
Change in energy consumption per GB from Q4 2021 level	-9.0 %	-8.8 %	-
Population coverage of >100 Mbps connections	87.8 %	77.0 %	72.6 %
Proportion of female supervisors	29.5 %	26.8 %	27.4 %
Patent portfolio development			
Number of active patents in portfolio <sup>1)</sup>	300	293	265
Number of new first applications	8	6	19

<sup>1)</sup> Number of active patent applications and patents.

All key figures are published in our certified annual sustainability report:  
[elisa.com/corporate/investors/annual-report](https://elisa.com/corporate/investors/annual-report).

More key figures: [elisa.com/corporate/investors/financial-key-figures/sustainability-key-figures/](https://elisa.com/corporate/investors/financial-key-figures/sustainability-key-figures/).

## Financing arrangements and ratings

EUR million	Maximum amount	In use on 31 Mar 2023
Committed credit limits	300	0
Credit facility (not committed)	100	0
Commercial paper programme (not committed)	350	159
EMTN programme (not committed)	1,500	900

  

Long-term credit ratings	Rating	Outlook
Credit rating agency		
Moody's Investor Services	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	1Q23	1Q22	2022
Nasdaq Helsinki, millions	19.1	19.7	71.2
Other marketplaces, millions <sup>1)</sup>	47.6	56.5	208.4
Total volume, millions	66.7	76.1	279.6
Value, EUR million	3,535.2	3,948.6	14,575.8
% of shares	39.8 %	45.5 %	167.1 %

Shares and market values	31 Mar 2023	31 Mar 2022	2022
Total number of shares	167,335,073	167,335,073	167,335,073
Treasury shares	6,947,839	7,075,378	7,075,378
Outstanding shares	160,387,234	160,259,695	160,259,695
Closing price, EUR	55.56	54.62	49.46
Market capitalisation, EUR million	9,297	9,140	8,276
Treasury shares, %	4.15 %	4.23 %	4.23 %

Number of shares	Total	Treasury	Outstanding
Shares on 31 Dec 2022	167,335,073	7,075,378	160,259,695
Performance Share Plan 1 Feb 2023 <sup>2)</sup>		-127,539	127,539
Shares on 31 Mar 2023	167,335,073	6,947,839	160,387,234

<sup>1)</sup> Other marketplaces: Based on Bloomberg. <sup>2)</sup> Stock exchange bulletins 1 February 2023.

On 1 February 2023, Elisa transferred 127,539 treasury shares to people included in the Performance Share Plan for the period 2020–2022.

In February, Elisa's Board of Directors decided on the vesting period for the Restricted Stock Plan 2019. The vesting period, with a total allocation of 2,500 shares, ends on 31 December 2023. The purpose of using the Plan is to engage a number of key persons in Elisa businesses.

## Significant legal and regulatory issues

In January, Elisa initiated arbitration proceedings against Azerion related to Azerion's payment obligation for the shares in Sulake.

In February, Elisa returned the 3.5 GHz frequency licence in the province of the Åland Islands.

The Estonian 26 GHz spectrum auction is scheduled to begin on 10 May 2023. There will be six licences in the auction, with a maximum of two licences allowed per operator. The reserve price for one licence is EUR 800,000. The frequencies can be used for 5G networks.

## 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, has 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. Change in tax authorities' interpretation of tax laws may lead to an increase in the tax burden for corporations.

Uncertainty continues relating to Russia's war in Ukraine. 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 has withdrawn from the Russian market already 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 2022.

## Events after the reporting period

### Annual General Meeting 2023

On 5 April 2023, Elisa's Annual General Meeting decided to pay a dividend of EUR 2.15 per share based on the adopted financial statements 31 December 2022. The dividend will be paid to the shareholders registered in the company's share register maintained by Euroclear Finland Ltd on 11 April 2023. The dividend was paid on 19 April 2023.

The AGM adopted the financial statements for 2022. The members of the Board of Directors and the CEO were discharged from liability for 2022. The AGM adopted the Remuneration Report for the Company's governing bodies for 2022.

The number of the members of the Board of Directors was confirmed at eight (8). Mr Maher Chebbo, Mr Kim Ignatius, Ms Katariina Kravi, Ms Pia Käll, Mr Topi Manner, Ms Eva-Lotta Sjöstedt, Mr Anssi Vanjoki and Mr Antti Vasara were re-elected as members of the Board of Directors. Mr Vanjoki was appointed as the Chair and Ms Kravi as the Deputy Chair of the Board of Directors.

The AGM decided that the amount of annual remuneration for the members of the Board of Directors be changed. The Chair is paid annual remuneration of EUR 140,000, the Deputy Chair and the Chairs of the Committees EUR 86,000, and other Board members EUR 71,000. Additionally, they receive EUR 800 per meeting of the Board and of a Committee. However, if a Board member is physically present at a Board or Committee meeting that is held in a country other than his/her permanent home country, the meeting fee is EUR 1,600.

KPMG Oy Ab, Authorised Public Accountants Organisation, was re-elected as the company's auditor. APA Toni Aaltonen is the responsible auditor.

The AGM decided to amend the first paragraph of Section 11 of the Articles of Association to allow the General Meeting to also be held remotely without a meeting venue if the Board of Directors so decides, and to change the title of Section 11 to "General Meeting of Shareholders" so that the title would cover not only the Annual General Meetings, but also any Extraordinary General Meetings.

### Composition of the Committees of the Elisa's Board of Directors

The Board of Directors held its organising meeting and appointed Ms Katariina Kravi (chair), Mr Maher Chebbo and Ms Eva-Lotta Sjöstedt to the People and Compensation Committee. Mr Kim Ignatius (chair), Ms Pia Käll, Mr Topi Manner and Mr Antti Vasara were appointed to the Audit Committee.

### The Board of Directors' authorisations

The AGM decided to authorise the Board of Directors to resolve to repurchase or accept as pledge the company's own shares. The repurchase may be directed. The number of shares under this authorisation is five million shares at maximum. The authorisation is valid for 18 months from the date of the resolution of the General Meeting.

The AGM decided to authorise the Board of Directors to pass a resolution concerning the share issue, the right of assignment of treasury shares and/or the granting of special rights referred to in the Companies Act. The authorisation entitles the Board of Directors to execute the issue as directed. The

number of shares under this authorisation is 15 million shares at maximum. The authorisation is valid for 18 months from the date of the resolution of the General Meeting.

## Outlook and guidance for 2023

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, such as inflation and energy prices, is continuing. 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 or slightly higher than in 2022. Mobile data and digital services are expected to increase revenue. Full-year comparable EBITDA is anticipated to be at the same level or slightly higher than in 2022. However, the EBITDA growth potential is more challenging in the first half of the year. Capital expenditure is expected to be a maximum of 12 per cent of revenue.

Elisa is continuing its productivity improvement development, 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	1-3 2023	1-3 2022	1-12 2022
<b>Revenue</b>	1	<b>539.7</b>	<b>511.4</b>	<b>2,129.5</b>
Other operating income		4.5	0.9	6.9
Materials and services		-205.0	-189.5	-820.8
Employee expenses		-108.2	-100.1	-394.8
Other operating expenses		-47.6	-45.6	-187.5
<b>EBITDA</b>	1	<b>183.4</b>	<b>177.1</b>	<b>733.3</b>
Depreciation, amortisation and impairment	1	-66.5	-65.8	-263.4
<b>EBIT</b>	1	<b>116.9</b>	<b>111.4</b>	<b>469.8</b>
Financial income		1.5	1.5	5.6
Financial expenses		-5.9	-4.2	-18.7
Share of associated companies' profit		-0.1	-0.3	-0.7
<b>Profit before tax</b>		<b>112.4</b>	<b>108.4</b>	<b>456.0</b>
Income taxes		-20.9	-20.4	-83.2
<b>Profit for the period</b>		<b>91.5</b>	<b>88.0</b>	<b>372.8</b>
<b>Attributable to</b>				
Equity holders of the parent		91.6	88.2	374.1
Non-controlling interests		-0.1	-0.2	-1.3
		91.5	88.0	372.8
<b>Earnings per share (EUR)</b>				
Basic		0.57	0.55	2.33
Diluted		0.57	0.55	2.33
<b>Average number of outstanding shares (1000 shares)</b>				
Basic		160,342	160,234	160,253
Diluted		160,406	160,295	160,410

## Consolidated statement of comprehensive income

<b>Profit for the period</b>		<b>91.5</b>	<b>88.0</b>	<b>372.8</b>
<b>Other comprehensive income, net of tax</b>				
<b>Items, which may be reclassified subsequently to profit or loss</b>				
Cash flow hedge		-1.4	0.1	-0.3
Translation differences		-1.3	-0.3	-4.7
		-2.6	-0.2	-5.1
<b>Items that are not reclassified subsequently to profit or loss</b>				
Remeasurements of the net defined benefit liability				0.4
<b>Total comprehensive income</b>		<b>88.9</b>	<b>87.8</b>	<b>368.0</b>
<b>Total comprehensive income attributable to</b>				
Equity holders of the parent		89.0	88.0	369.3
Non-controlling interest		-0.1	-0.2	-1.3
		<b>88.9</b>	<b>87.8</b>	368.0

## Consolidated statement of financial position

EUR million	31.3. 2023	31.12. 2022
<b>Non-current assets</b>		
Property, plant and equipment	763.5	766.7
Right-of-use assets	93.0	90.4
Goodwill	1,156.3	1,157.3
Intangible assets	210.0	210.5
Investments in associated companies	9.9	9.9
Other financial assets	16.5	16.2
Trade and other receivables	114.0	116.8
Deferred tax assets	12.8	13.1
	2,376.0	2,380.9
<b>Current assets</b>		
Inventories	94.1	95.5
Trade and other receivables	502.9	537.1
Tax receivables	2.2	1.8
Cash and cash equivalents	181.6	85.4
	780.9	719.9
<b>Total assets</b>	<b>3,156.9</b>	<b>3,100.8</b>
<b>Equity attributable to equity holders of the parent</b>	<b>1,331.7</b>	<b>1,246.5</b>
<b>Non-controlling interests</b>	<b>5.3</b>	<b>5.4</b>
<b>Total shareholders' equity</b>	<b>1,336.9</b>	<b>1,251.9</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	24.1	25.7
Interest-bearing financial liabilities	697.7	995.0
Lease liabilities, interest-bearing	73.0	70.8
Trade payables and other liabilities	29.6	30.3
Pension obligations	12.9	12.9
Provisions	3.9	2.9
	841.2	1,137.7
<b>Current liabilities</b>		
Interest-bearing financial liabilities	606.7	275.0
Lease liabilities, interest-bearing	20.9	20.4
Trade and other payables	344.2	412.9
Tax liabilities	5.1	2.1
Provisions	1.8	0.8
	978.7	711.2
<b>Total equity and liabilities</b>	<b>3,156.9</b>	<b>3,100.8</b>

## Condensed consolidated cash flow statement

EUR million	1-3 2023	1-3 2022	1-12 2022
<b>Cash flow from operating activities</b>			
Profit before tax	112.4	108.4	456.0
Adjustments			
Depreciation, amortisation and impairment	66.5	65.8	263.4
Other adjustments	-7.6	-4.2	-5.2
	59.0	61.5	258.2
Change in working capital			
Increase (-) / decrease (+) in trade and other receivables	43.9	42.9	-16.2
Increase (-) / decrease (+) in inventories	0.5	-6.2	-13.3
Increase (+) / decrease (-) in trade and other payables	-58.6	-58.1	2.0
	-14.2	-21.4	-27.5
Financial items, net	-8.2	-7.0	-10.0
Taxes paid	-19.2	-19.9	-85.0
<b>Net cash flow from operating activities</b>	<b>129.8</b>	<b>121.6</b>	<b>591.8</b>
<b>Cash flow from investing activities</b>			
Capital expenditure	-61.8	-55.3	-270.9
Investments in shares and business combinations	-0.3	-13.0	-21.0
Repayment of loan receivables		0.1	0.1
Proceeds from disposal of assets	3.7	0.0	-0.1
<b>Net cash used in investing activities</b>	<b>-58.5</b>	<b>-68.2</b>	<b>-291.9</b>
<b>Cash flow before financing activities</b>	<b>71.3</b>	<b>53.4</b>	<b>299.9</b>
<b>Cash flow from financing activities</b>			
Proceeds from long-term borrowings		0.1	
Repayments of long-term borrowings	-0.1	0.0	-100.3
Increase (+) / decrease (-) in short-term borrowings	33.5	139.9	124.8
Repayment of lease liabilities	-6.3	-5.9	-24.9
Dividends paid	-2.1	-1.8	-328.1
<b>Net cash used in financing activities</b>	<b>25.1</b>	<b>132.3</b>	<b>-328.5</b>
<b>Change in cash and cash equivalents</b>	<b>96.4</b>	<b>185.7</b>	<b>-28.6</b>
Translation differences	-0.2	0.7	-0.1
Cash and cash equivalents at beginning of period	85.4	114.1	114.1
<b>Cash and cash equivalents at end of period</b>	<b>181.6</b>	<b>300.5</b>	<b>85.4</b>

## 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
<b>Balance at 1 January 2022</b>	<b>83.0</b>	<b>-126.1</b>	<b>90.9</b>	<b>373.9</b>	<b>776.1</b>	<b>6.3</b>	<b>1,204.1</b>
Profit for the period					88.2	-0.2	88.0
Translation differences					-0.3		-0.3
Cash flow hedge				0.1			0.1
<b>Total comprehensive income</b>				<b>0.1</b>	<b>87.9</b>	<b>-0.2</b>	<b>87.8</b>
Share-based compensation		1.6					1.6
Other changes					-2.7	0.8	-1.9
<b>Balance at 31 March 2022</b>	<b>83.0</b>	<b>-124.5</b>	<b>90.9</b>	<b>374.0</b>	<b>861.3</b>	<b>6.9</b>	<b>1,291.5</b>
EUR million							
<b>Balance at 1 January 2023</b>	<b>83.0</b>	<b>-124.5</b>	<b>90.9</b>	<b>373.9</b>	<b>823.2</b>	<b>5.4</b>	<b>1,251.9</b>
Profit for the period					91.6	-0.1	91.5
Translation differences					-1.2	0.0	-1.3
Cash flow hedge				-1.4			-1.4
<b>Total comprehensive income</b>				<b>-1.4</b>	<b>90.4</b>	<b>-0.1</b>	<b>88.9</b>
Share-based compensation		2.8					2.8
Other changes					-6.6	0.0	-6.6
<b>Balance at 31 March 2023</b>	<b>83.0</b>	<b>-121.7</b>	<b>90.9</b>	<b>372.5</b>	<b>906.9</b>	<b>5.3</b>	<b>1,336.9</b>

## Notes

### ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with the IFRS recognition and measurement principles, although not all requirements of IAS 34 *Interim Financial Reporting* have been followed. 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 2022.

### Changes in the accounting principles

Amendments to IFRS standards adopted as of 1 January 2023 do not have a material impact on the Company's consolidated financial statements.



## 1. Segment information

<b>1-3/2023</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	325.4	214.2		539.7
EBITDA	122.7	60.7		183.4
Depreciation, amortisation and impairment	-43.6	-22.9		-66.5
EBIT	79.1	37.8		116.9
Financial income			1.5	1.5
Financial expenses			-5.9	-5.9
Share of associated companies' profit			-0.1	-0.1
Profit before tax				112.4
Investments	43.5	22.0		65.5
<b>1-3/2022</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	312.7	198.7		511.4
EBITDA	121.3	55.9		177.1
Depreciation, amortisation and impairment	-43.7	-22.1		-65.8
EBIT	77.6	33.8		111.4
Financial income			1.5	1.5
Financial expenses			-4.2	-4.2
Share of associated companies' profit			-0.3	-0.3
Profit before tax				108.4
Investments	38.4	20.3		58.7
<b>1-12/2022</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	1,300.9	828.6		2,129.5
EBITDA	495.7	237.6		733.3
Depreciation, amortisation and impairment	-174.0	-89.5		-263.4
EBIT	321.7	148.1		469.8
Financial income			5.6	5.6
Financial expenses			-18.7	-18.7
Share of associated companies' profit			-0.7	-0.7
Profit before tax				456.0
Investments	190.6	99.1		289.7
Total assets	1,891.9	1,082.4	126.5	3,100.8

## 2. Off-balance sheet lease commitments

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

EUR million	31.3. 2023	31.12. 2022
Within one year	13.0	13.2
Later than one year, not later than five years	3.9	4.3
Later than five years	0.9	1.0
	17.8	18.4

Lease commitments are exclusive of value added tax.

## 3. Contingent liabilities

EUR million	31.3. 2023	31.12. 2022
For our own commitments		
Mortgages	3.8	3.8
Guarantees	0.6	0.6
Deposits	0.5	0.6
On behalf of others		
Guarantees	0.3	0.3
	5.2	5.2
Other contractual obligations		
Venture capital investment commitment	0.4	0.5
	0.4	0.5

## 4. Derivative instruments

EUR million	31.3. 2023	31.12. 2022
Nominal values of derivatives		
Electricity derivatives	2.4	5.8
Currency derivatives	3.4	3.3
	5.8	9.1
Fair values of derivatives		
Electricity derivatives	-0.6	1.2
Currency derivatives	0.0	0.0
	-0.6	1.1

### 13. Key figures

EUR million	1-3 2023	1-3 2022	1-12 2022
Shareholders' equity per share, EUR	8.30	8.02	7.78
Interest-bearing net debt	1,216.7	1,176.3	1,275.8
Gearing, %	91.0 %	91.1 %	101.9 %
Equity ratio, %	42.6 %	40.7 %	40.6 %
Return on investment (ROI), % *)	18.1 %	17.2 %	18.3 %
Gross investments in fixed assets, of which right-of-use assets	65.5 8.9	58.7 8.4	289.7 25.5
Gross investments as % of revenue	12.1 %	11.5 %	13.6 %
Investments in shares and business combinations	0.1	14.2	24.8
Average number of employees	5,637	5,378	5,523

\*) Rolling 12 months' profit preceding the reporting date

### Financial calendar

Half-year financial report 2023  
Interim report Q3 2023

14 July 2023  
19 October 2023

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