



Interim Report Q1 2023

20 April 2023

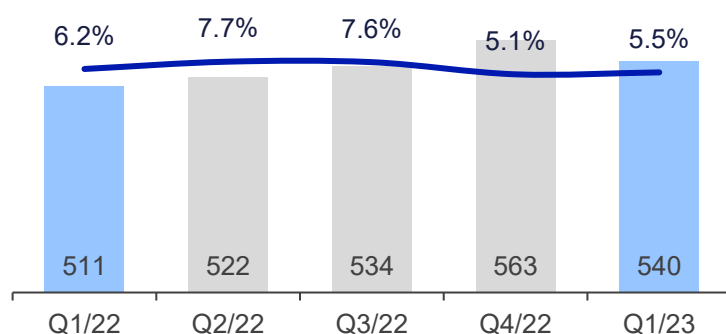
Q1 2023 highlights

- Revenue grew by 5.5%
- EBITDA up by 3.5%
- Mobile service revenue increased by 4.9%
- In Finland, post-paid churn decreased to 14.9% (16.2% in Q4 2022)
- Post-paid subscriptions grew by 19,400. M2M and IoT subscription base grew by 26,400.
- Fixed broadband subscription base increased by 2,600
- Good 5G momentum continuing: network covers 88% of Finnish population in over 200 towns and cities

Solid performance despite challenging circumstances

Revenue

● Revenue, €m — YoY change, %

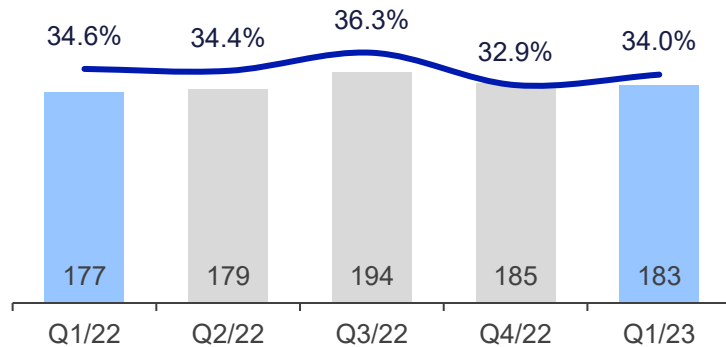


Increase

- Mobile and fixed services
- Digital services
- Equipment sales

EBITDA¹⁾

● EBITDA, €m — EBITDA-%

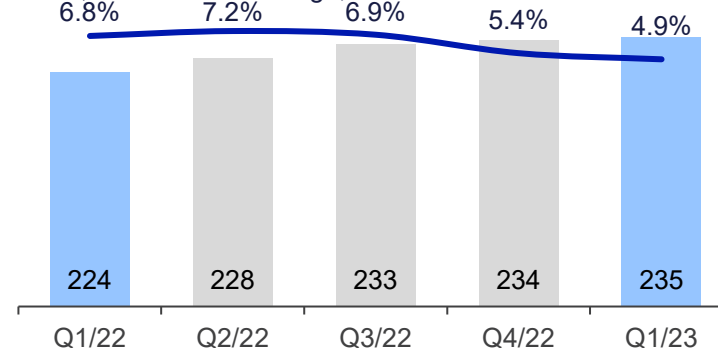


- Revenue growth
- Efficiency improvements

¹⁾ Comparable

Mobile service revenue

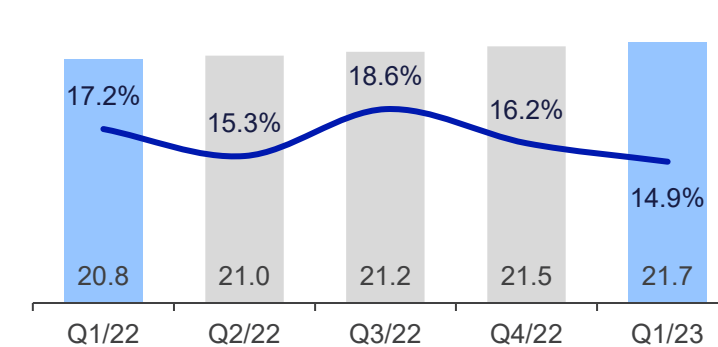
● MSR, €m — YoY change, %



- 5G upselling continuing
- Product changes

ARPU and churn²⁾

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



- YoY ARPU growth 4.3%
- Campaigning in 4G continuing
- Competition remains keen

²⁾ Finland, churn annualised

Growth continuing in all business areas

Consumer Customers

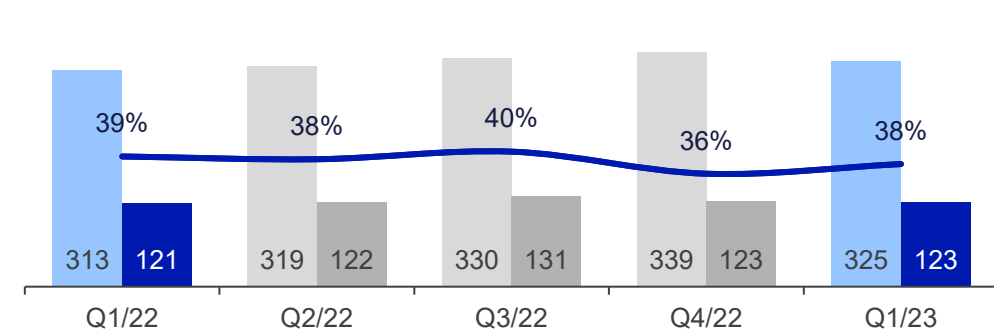
Revenue +4%

- + Mobile and fixed services
- + Digital services
- + Equipment sales
- Interconnection and traditional fixed-line services

EBITDA +1%

Revenue and EBITDA¹⁾

● Revenue, €m ● EBITDA, €m — EBITDA-%



Corporate Customers

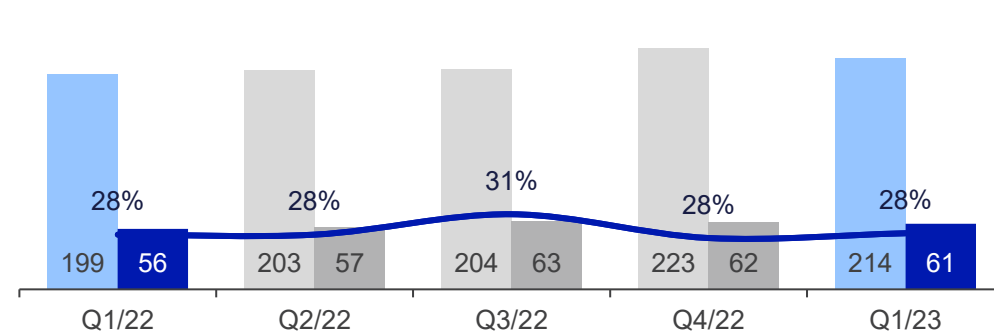
Revenue +8%

- + Mobile and fixed services
- + Digital services
- + Equipment sales
- Interconnection and traditional fixed-line services

EBITDA +9%

Revenue and EBITDA¹⁾

● Revenue, €m ● EBITDA, €m — EBITDA-%



1) Comparable

Strategy execution

A sustainable future through digitalisation

Increase mobile and fixed service revenues

Grow digital service businesses

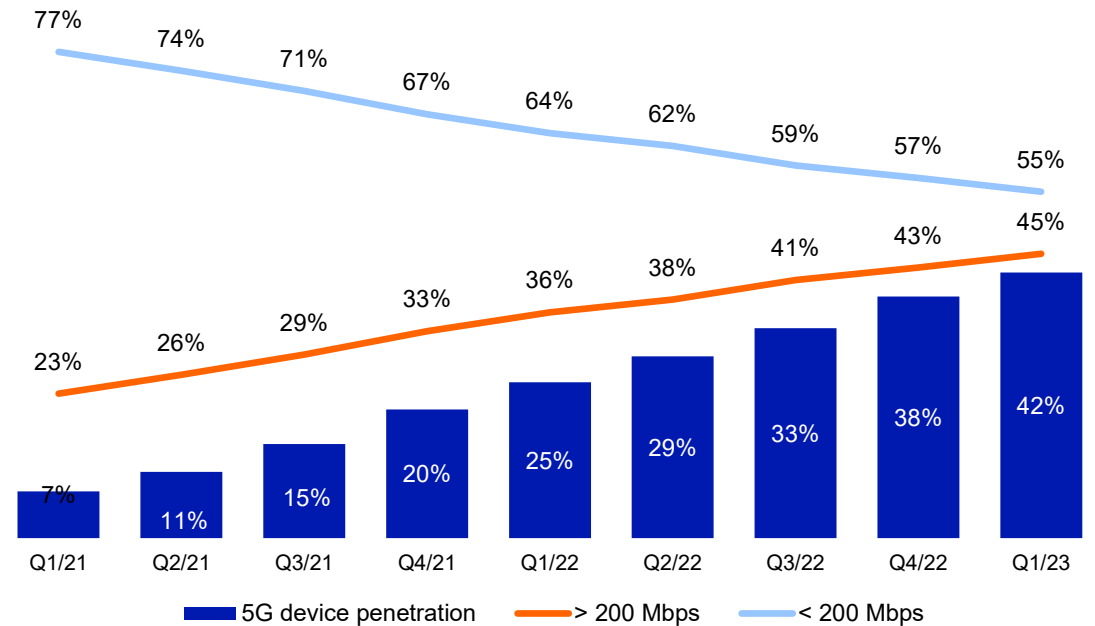
Improve efficiency and quality



Migration to higher speeds continuing

- 45% (36%) of voice subscriptions at >200 Mbps speeds
 - Speed matters. Upselling to higher speeds continuing.
 - 5G base is growing, 4G slightly decreasing
- 42% (25%) of smartphones are 5G devices

5G smartphone and speed penetration





Elisa leading in 5G, expansion of fiber network continuing

- 5G coverage
 - Finland: 88% population coverage
 - Estonia: over 70% population coverage
- Average billing increase of over €3 in 5G upgrades intact
- Elisa deploying Europe's first distributed and fully automated 5G edge commercial solution
- World-class concert experience in Finland – remote audience took part in concert via 5G and VR
- Active investments in fiber network continued. Elisa's fast connections already available to more than a million locations via fiber or cable modem.



Strong growth continued in international digital services

- Good order intake: YTD +35% YoY
- We aim to continue strong double-digit organic growth and accelerate growth with M&As



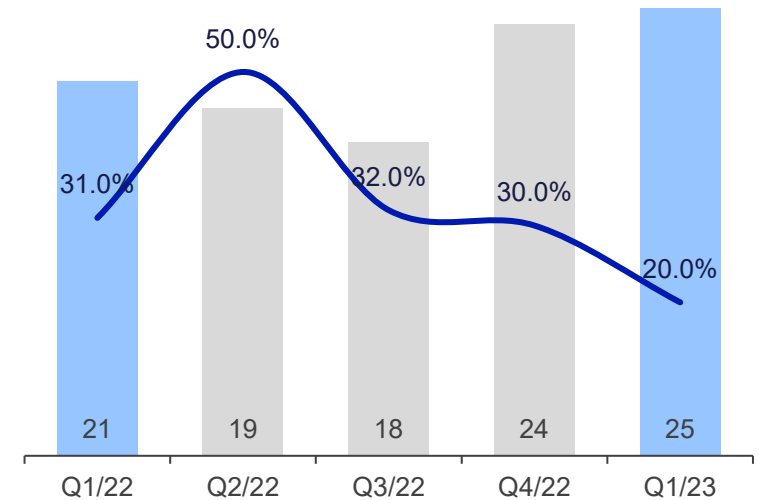
- Q1 double digit YoY growth
- Record high quarter in data management order intake
- High-interest customer feedback at MWC Barcelona



- Several new deals globally
 - Incl. two new customers in Finland for Production planning and Environment, health, safety and quality (EHSQ) solution
- Strong year-end order intake and increased demand for customer deliveries

Revenue and YoY growth

● Revenue, €m — YoY change, %





Solid performance in domestic & other digital services

Entertaining video services

- Elisa Viihde original series *Pohjolan Laki* and *The Invincibles* (*Rosvopankki*) were launched with exceptional interest in media, and both became one of the most viewed content in Elisa Viihde Viaplay streaming service

IT services and solutions

- Elisa one of three companies entitled to be called "A Solutions Partner of Microsoft Cloud" in Finland
 - All six Microsoft Designation competences achieved
- Increasing interest among customers in speech as a source of data for AI applications
 - AI deployment expanded from natural language processing capabilities to integration of ChatGPT

Visual communications

- Demand for visual communication solutions remains strong. During Q1, Elisa Videra delivered to over 30 unique countries across over 40 customers

A sustainable future through digitalisation

Key ESG indicators		1Q23	1Q22	4Q21
Mobile network's energy efficiency 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 in Elisa				
Number of active patents in portfolio ¹⁾		300	293	265
Number of new first applications		8	6	19

- Net Zero 2040 climate target among the first in Finland to receive approval from Science Based Targets initiative
- Included in 2023 Bloomberg Gender-Equality Index
- CDP Supplier Engagement Leader recognition
- Elisa perceived as the most sustainable brand in the industry according to Finnish consumers for 4th year in a row ²⁾



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, energy prices and global supply chains, will continue. Competition remains keen.

- Revenue at the same level or slightly higher than in 2022
- Comparable EBITDA at the same level or slightly higher than in 2022
 - EBITDA growth potential is more challenging in the first half of the year
- CAPEX* maximum 12% of revenue

* Excluding leasing, licences and business acquisitions



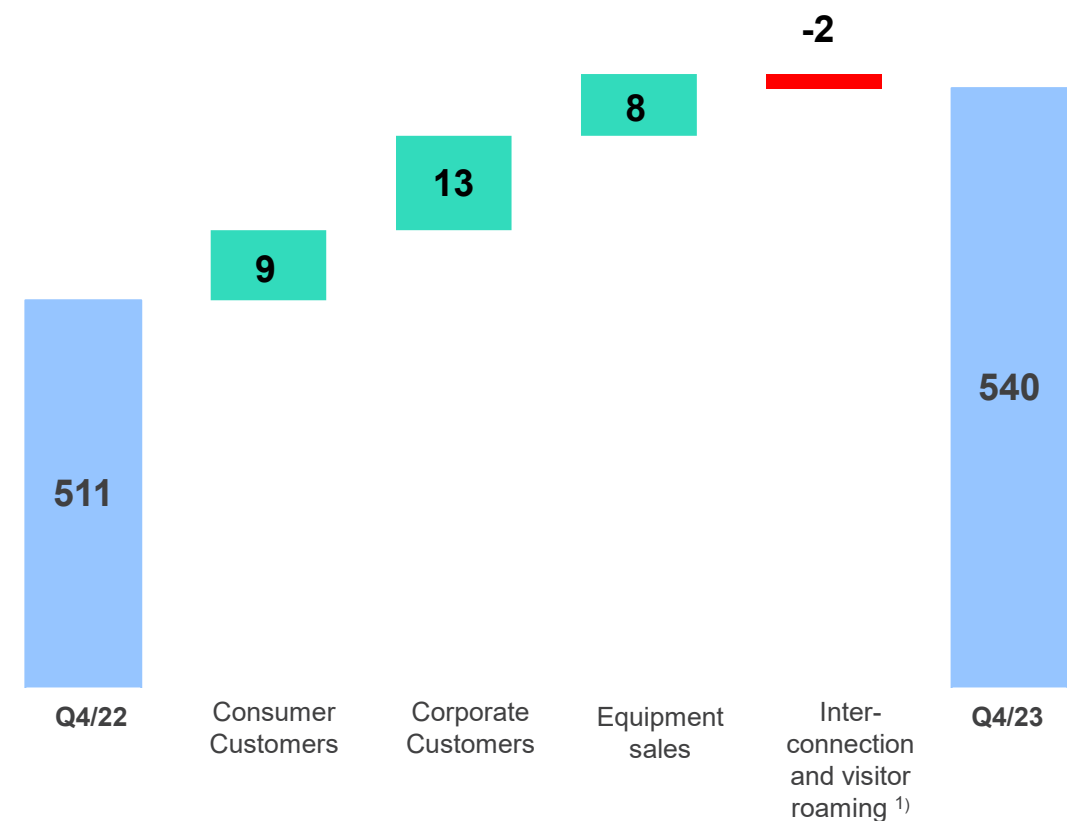
Financial review Q1 2023

Growth in revenue and earnings continuing

EUR million ¹⁾	Q1/23	Q1/22	Change	%	2022
Revenue	539.7	511.4	28.3	5.5%	2,130
Other operating income	4.5	0.9	3.5	-	7
Materials and services	-205.0	-189.5	-15.5	8.2%	-821
Employee expenses	-108.2	-100.1	-8.1	8.1%	-395
Other operating expenses	-47.6	-45.6	-2.0	4.3%	-188
EBITDA	183.4	177.1	6.3	3.5%	735
<i>EBITDA %</i>	<i>34.0%</i>	<i>34.6%</i>			<i>34.5%</i>
Depreciation	-66.5	-65.8	-0.8	1.1%	-263
EBIT	116.9	111.4	5.5	4.9%	472
<i>EBIT %</i>	<i>21.7%</i>	<i>21.8%</i>			<i>22.2%</i>
Financial expenses net	-4.5	-3.0	-1.5	48.8%	-14
Profit before tax	112.4	108.4	4.0	3.7%	458
Net profit	91.5	88.0	3.5	4.0%	374
EPS, €	0.57	0.55	0.02	3.8%	2.34

¹⁾ With comparable figures. Growth is calculated using exact figures prior to rounding.

Q1 2023 YoY revenue change €28m

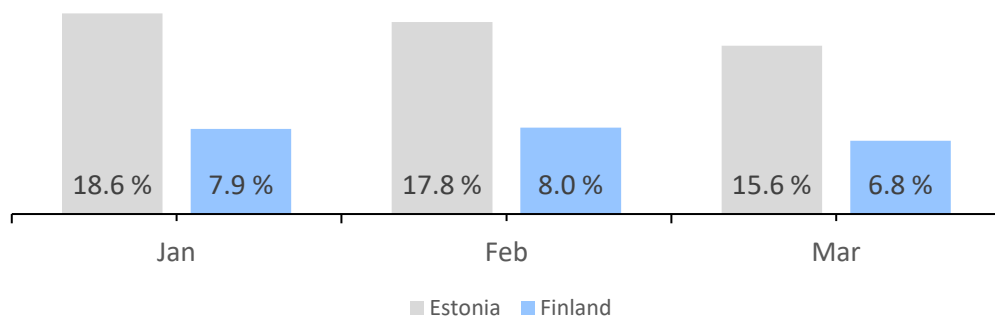


¹⁾ Mobile and fixed interconnection

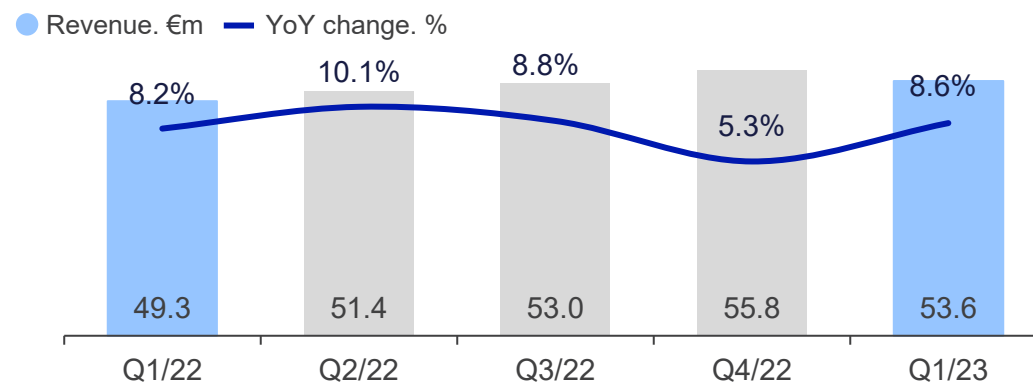
Revenue growth continuing in Estonia

- Revenue growth 8.6%
 - Mobile and fixed services
 - Equipment sales
- EBITDA decrease 0.4%
 - energy prices and wage increases
- Mobile post-paid base -1,000, pre-paid -5,700
- Churn 10.1% (10.0 in Q4)

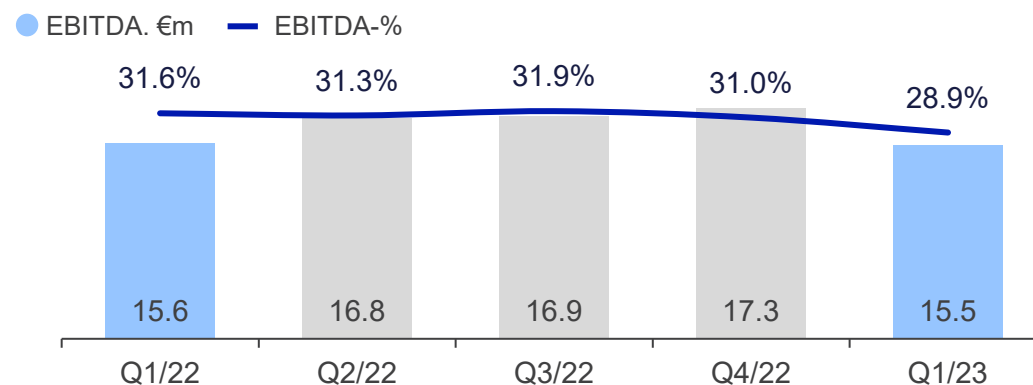
Inflation in Finland and Estonia



Revenue



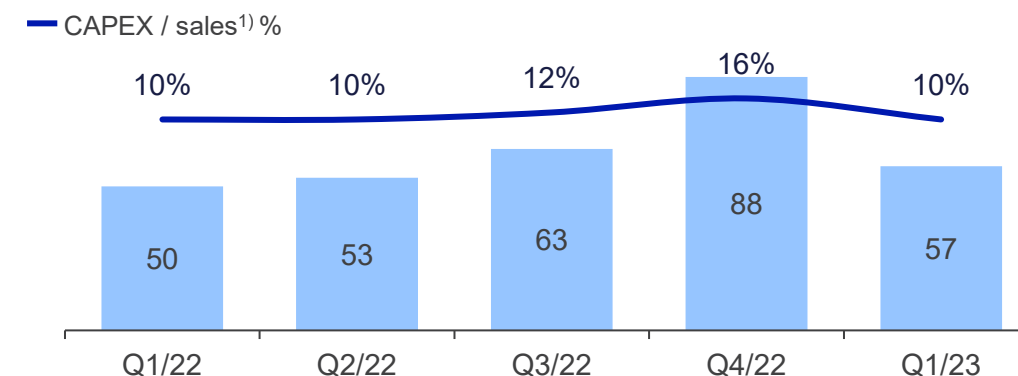
EBITDA



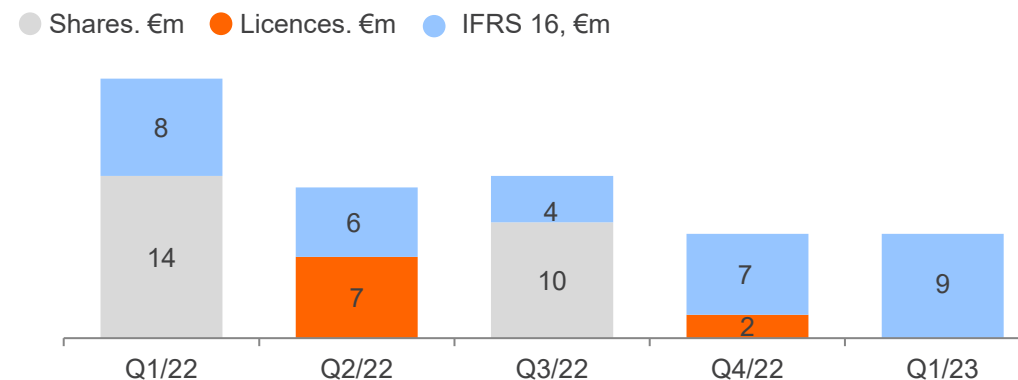
CAPEX in line with guidance

- CAPEX €66m (59), excl. licences, lease agreements and acquisitions €57m (50)
 - Consumer €44m (38)
 - Corporate €22m (20)
- Main CAPEX areas
 - 5G coverage increase
 - Fibre and other networks
 - IT investments

CAPEX¹⁾



Shares, licences and rental agreements (IFRS 16)

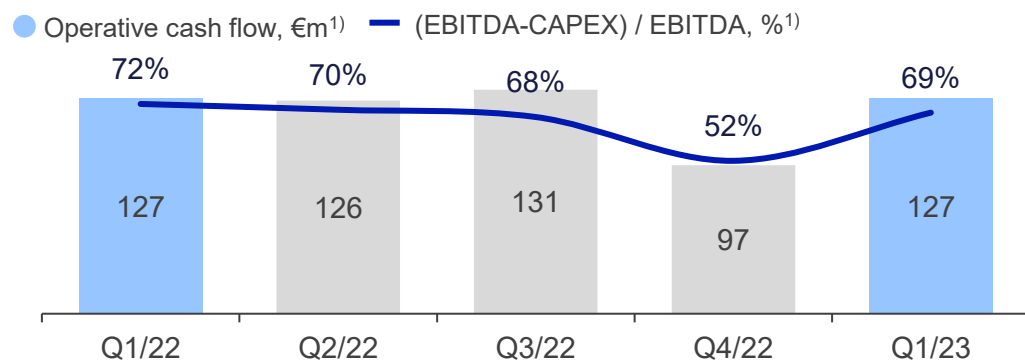


¹⁾ Investments excluding shares, licences and rental agreements (IFRS 16)

Growth in cash flow

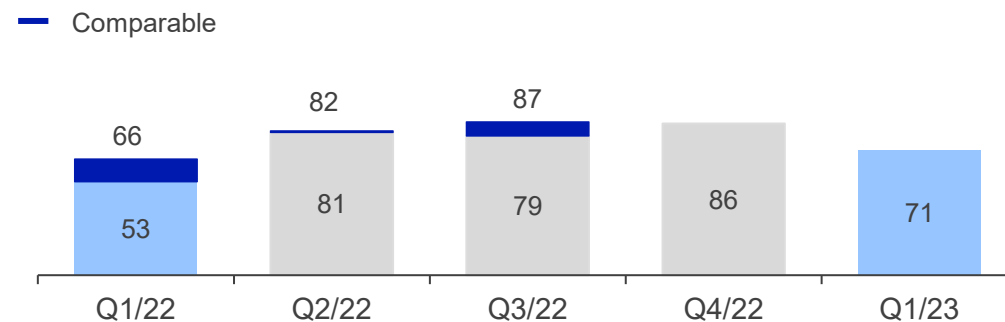
- Q1 cash flow €71m (53)
- Q1 comparable cash flow €71m (66)
 - + Higher EBITDA, NWC change
 - CAPEX, taxes, interest payments

Cash conversion

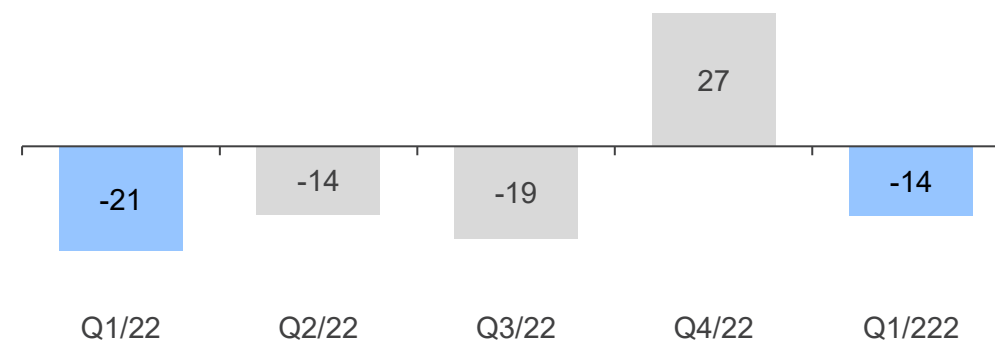


¹⁾ Comparable EBITDA – CAPEX excluding investments in shares, licences and finance leases (IFRS 16)

Cash flow and comparable cash flow, €m



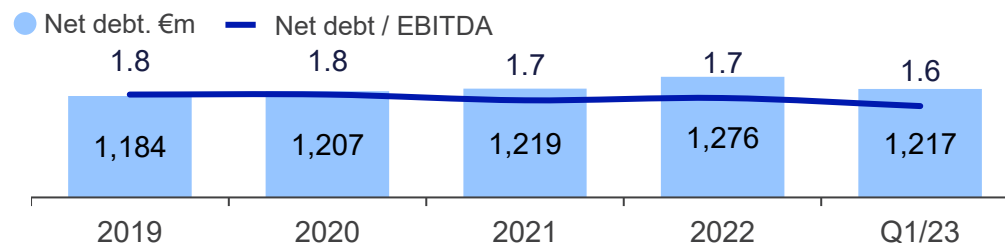
Change in net working capital, €m



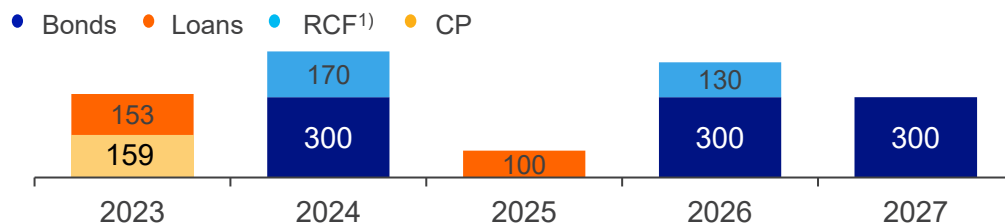
Efficient capital structure and good returns

- Capital structure according to target
 - Net debt / EBITDA 1.6× (target 1.5–2×)
 - Equity ratio 42.6% (target >35%)
- Return ratios at good level
 - Efficient capital structure
- Average interest expense ~1.5%

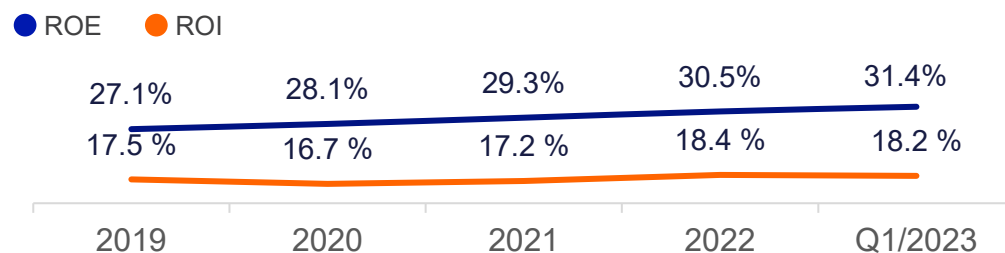
Net debt



Maturities as of 31 Mar 2023, €m



Return ratios²⁾



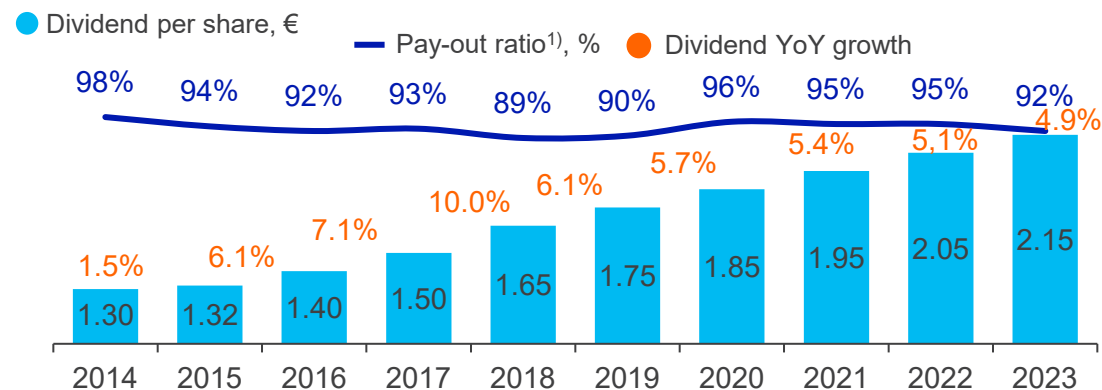
¹⁾ RCFs are fully undrawn

²⁾ Comparable

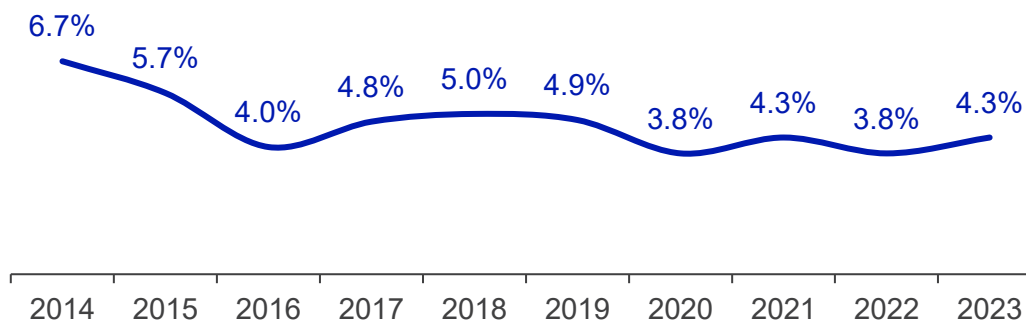
Growing dividend for 9 consecutive years

- Dividend €2.15 per share
 - Dividend growth +4.9%
 - Total amount €345m
 - Dividend was paid on 19 April
- Pay out ratio¹⁾ 92%,
 - Dividend yield 4.3%²⁾
- 5m share buyback authorisation from AGM
- Strong commitment of competitive shareholder remuneration
 - Distribution policy 80–100% of net profit

Dividend



Dividend yield²⁾



1) 2020e calculated from comparable EPS

2) As a share price of last trading date of the year (in 2022 €49,46)

elisa

Q&A

APPENDIX

P&L by quarter

EUR million	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
Revenue	539.7	562.6	534.0	521.5	511.4	535.5	496.5	484.3	481.6
<i>YoY growth</i>	5.5%	5.1%	7.6%	7.7%	6.2%	7.5%	6.2%	5.1%	2.9%
Other operating income	4.5	3.5	1.3	1.1	0.9	1.8	1.6	3.0	2.5
Materials and services	-205.0	-223.9	-208.4	-199.0	-189.5	-212.2	-188.3	-181.0	-182.0
Employee expenses	-108.2	-108.0	-89.1	-97.6	-100.1	-100.4	-80.4	-98.7	-94.3
Other operating expenses	-47.6	-49.3	-44.1	-48.6	-45.6	-49.2	-43.4	-41.4	-38.2
EBITDA	183.4	184.9	193.9	177.4	177.1	175.5	186.0	166.2	169.7
<i>EBITDA %</i>	34.0%	32.9%	36.3%	34.0%	34.6%	32.8%	37.5%	34.3%	35.2%
<i>YoY Growth</i>	3.5%	5.4%	4.2%	6.7%	4.4%	2.5%	3.4%	-1.2%	2.4%
Comparable EBITDA	183.4	184.9	193.9	179.4	177.1	178.1	186.0	172.0	169.7
<i>YoY Growth</i>	3.5%	3.9%	4.2%	4.3%	4.4%	4.0%	3.4%	2.2%	2.4%
<i>Comparable EBITDA %</i>	34.0%	32.9%	36.3%	34.4%	34.6%	33.3%	37.5%	35.5%	35.2%
Depreciation, amortisation and impairment	-66.5	-65.8	-65.9	-65.9	-65.8	-66.8	-65.4	-66.6	-67.6
EBIT	116.9	119.1	127.9	111.5	111.4	108.7	120.6	99.5	102.0
Comparable EBIT	116.9	119.1	127.9	113.5	111.4	111.2	120.6	105.3	102.0
Financial income	1.5	0.6	1.6	1.9	1.5	0.9	1.3	1.0	1.4
Financial expense	-5.9	-4.5	-5.4	-4.7	-4.2	-4.4	-4.1	-3.8	-4.2
Share of associated companies' profit	-0.1	0.1	-0.1	-0.3	-0.3	-0.2	-0.1	-0.2	0.0
Profit before tax	112.4	115.3	124.0	108.4	108.4	105.0	117.7	96.5	99.2
Comparable profit before tax	112.4	115.3	124.0	110.4	108.4	107.6	117.7	102.3	99.2
Income taxes	-20.9	-19.7	-23.2	-20.0	-20.4	-19.0	-21.0	-17.3	-17.6
Profit for the period	91.5	95.6	100.8	88.4	88.0	86.0	96.7	79.2	81.6
Comparable Profit	91.5	95.6	100.8	90.0	88.0	88.1	96.7	83.9	81.6
Earnings per share (EUR)	0.57	0.60	0.63	0.55	0.55	0.54	0.60	0.49	0.51
Comparable EPS	0.57	0.60	0.63	0.56	0.55	0.55	0.60	0.52	0.51
<i>YoY Growth</i>	3.8%	8.9%	4.4%	7.7%	8.0%	7.8%	8.9%	5.9%	4.7%

Cash flow YoY comparison

EUR million	Q1/23	Q1/22	Change ¹⁾	%	2022
EBITDA	183	177	6	4%	733
Change in receivables	44	43	1	2%	-16
Change in inventories	0	-6	7	-108%	-13
Change in payables	-59	-58	-1	1%	2
Change in NWC	-14	-21	7		-27
Financials (net)	-8	-7	-1	17%	-10
Taxes for the year	-19	-18	-1	6%	-83
Taxes for the previous year	0	-2	2	-100%	-2
Taxes	-19	-20	1	-4%	-85
CAPEX	-57	-50	-7	13%	-255
Licence fees ²⁾	-5	-5	0		-16
Investments in shares ³⁾	0	-13	13	-97%	-21
Sale of shares	0	0	0		0
Sale of assets and adjustments	-8	-7	-1	13%	-19
Cash flow after investments	71	53	18	33%	300
Cash flow after investments excl. acquisitions ⁴⁾	71	66	5	7%	321

1) Difference is calculated using exact figures prior to rounding

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

3) Frinx and Cardinality in 2022

4) Excluding share purchases and sale of shares.

Cash flow by quarter

EUR million	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
EBITDA	183	185	194	177	177	176	186	166	170
Change in receivables	44	-42	0	-17	43	-53	-6	5	23
Change in inventories	0	5	-9	-3	-6	-9	-2	1	-7
Change in payables	-59	63	-9	6	-58	73	-3	13	-30
Change in NWC	-14	27	-19	-14	-21	11	-12	19	-14
Financials (net)	-8	-2	-1	0	-7	-1	-2	0	-11
Taxes for the year	-19	-24	-23	-19	-18	-20	-19	-18	-18
Taxes for the previous year					-2				-1
Taxes	-19	-24	-23	-19	-20	-20	-19	-18	-19
CAPEX	-57	-90	-62	-53	-50	-72	-62	-65	-49
Licence fees	-5	-2	-1	-7	-5	0	-1	0	-10
Investments in shares	0	0	-8	0	-13	-2	-4	0	-10
Sale of shares	0	0			0			0	
Sale of assets and adjustments	-8	-9	-1	-3	-7	-6	-1	-1	-6
Cash flow after investments	71	86	79	82	53	85	86	101	50
Cash flow after investments excl. acquisitions	71	86	87	81	66	87	89	101	60

Debt structure

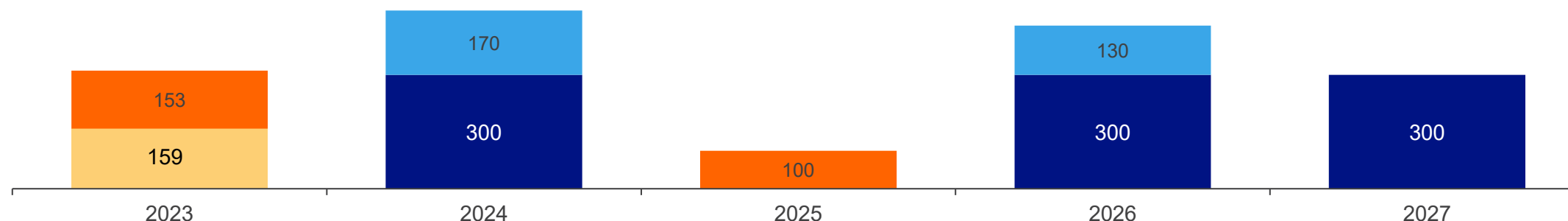
EUR million at the end of the quarter

	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21	Q3/21	Q2/21	Q1/21
Bonds and notes	893	892	891	890	889	888	887	886	885
Commercial papers	159	125	169	180	140	0	55	130	103
Schuldschein	0	0	0	0	100	100	100	100	100
Loans from financial institutions	253	253	283	353	253	254	254	253	253
Lease liabilities ¹⁾	94	91	93	95	94	92	91	94	96
Committed credit lines ²⁾				0	0	0	0	0	0
Interest-bearing debt, total	1,398	1,361	1,436	1,518	1,477	1,333	1,387	1,463	1,438
Cash and cash equivalents	182	85	78	87	301	114	89	84	274
Net debt ³⁾	1,217	1,276	1,358	1,431	1,176	1,219	1,298	1,379	1,164

- 1) Lease liabilities are classified as interest-bearing debt in accordance with IFRS 16 from Q1/19 onwards
 2) The committed credit lines are €130m and €170m facilities that Elisa may use flexibly at agreed upon pricing
 3) Net debt is interest-bearing debt less cash and interest-bearing receivables

Nominal values of bond, bank loan and CP maturities, 31 March 2023

● Bonds ● Loans ● RCF¹⁾ ● CP



¹⁾ RCFs are fully undrawn



**A SUSTAINABLE
FUTURE THROUGH
DIGITALISATION**

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