

Interim Report

Q1 2022

22 April 2022

elisa

ELISA'S INTERIM REPORT JANUARY–MARCH 2022

First quarter 2022 financial highlights

- Revenue increased by EUR 30m to EUR 511m, mainly due to growth in mobile and digital services as well as equipment sales.
- Mobile service revenue increased by 6.8 per cent to EUR 224m.
- EBITDA grew by EUR 7m to EUR 177m.
- EBIT increased by EUR 9m to EUR 111m.
- Comparable cash flow increased by EUR 6m to EUR 66m, mainly due to higher EBITDA and lower financial expenses.
- In Finland, mobile post-paid ARPU increased to EUR 20.8 (20.7 in the previous quarter), and mobile post-paid churn decreased to 17.2 per cent (20.5).
- During the quarter, post-paid mobile subscriptions increased by 30,300, of which growth in M2M and IoT subscriptions was 30,000.
- Prepaid subscriptions decreased by 6,200 during the quarter.
- The number of fixed broadband subscriptions decreased by 6,800 during the quarter.

Key indicators

EUR million	1Q22	1Q21	Δ %	2021
Revenue	511	482	6.2 %	1,998
EBITDA	177	170	4.4 %	697
Comparable EBITDA	177	170	4.4 %	706
EBIT	111	102	9.1 %	431
Comparable EBIT	111	102	9.1 %	439
Profit before tax	108	99	9.2 %	418
Comparable profit before tax	108	99	9.2 %	427
EPS, EUR	0.55	0.51	8.0 %	2.15
Comparable EPS, EUR	0.55	0.51	8.0 %	2.19
Capital expenditure	59	53	11.1 %	265
Net debt	1,176	1,164	1.1 %	1,219
Net debt / EBITDA ⁽¹⁾	1.6	1.7		1.7
Gearing ratio, %	91.1 %	92.3 %		101.2 %
Equity ratio, %	40.7 %	41.1 %		39.9 %
Cash flow ⁽²⁾	53	50	6.2 %	322
Comparable cash flow ⁽³⁾	66	60	10.2 %	338

¹⁾ (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). ²⁾ Cash flow before financing activities. ³⁾ 1Q22 excluding EUR 13m share investments and 1Q21 excluding EUR 10m share investments.

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

CEO's review:

A good quarter in a challenging environment

Elisa continued its solid development. Revenue increased by 6 per cent from the previous year to EUR 511 million. EBITDA improved by 4 per cent, to EUR 177 million, and earnings per share by 8 per cent, to EUR 0.55. Despite increased geopolitical challenges and ongoing restrictions due to COVID-19, we achieved a strong result in the first quarter.

Russia's war in Ukraine has had no major direct impacts on Elisa; however, the crisis is expected to affect the general economic environment as a result of higher energy prices, challenges in supply chains, etc. These uncertainties may impact Elisa's business.

We continued our strong leadership in 5G: Elisa's coverage extends to 77 per cent of the Finnish population in over 160 municipalities. In February–March, an independent benchmarking study¹⁾ compared differences in 5G network coverage between operators. The results show that Elisa's 5G network clearly has better coverage than Telenor/DNA's and Telia's.

The international digital services business progressed well during the quarter. Elisa Polystar acquired FRINX s.r.o, a Slovak telecom network automation software supplier, and their combined offering helps communications service providers comprehensively automate their network management processes in a multivendor telecom network environment.

Sustainability has been part of Elisa's strategy for over ten years, and our updated sustainability goals emphasise the importance of our handprint. Additionally, we focus on transparency and consistency in reporting. Starting from this quarter, we will also be reporting the results of our key sustainability indicators in our Interim Reports. We published our annual assured Sustainability Report, including information in accordance with the EU Taxonomy Regulation. We also published climate-related financial information in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures in a separate report.

Our mission is a sustainable future through digitalisation. In the first quarter, we announced a ten-year wind power agreement, established our Sustainability Finance Framework, and joined Women4Cyber Finland to increase the employment of women in the Finnish cybersecurity industry.

We will continue to focus strongly on continuous improvement of the customer experience and quality. Increasing productivity, innovating and expanding our digital services internationally and creating value with data, as well as our strong investment capability, continue to lay a solid foundation for competitively creating value in the future.

Veli-Matti Mattila

CEO

¹⁾ Boftel: Operator comparison 15 February – 11 March 2022

INTERIM REPORT JANUARY–MARCH 2022

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 COVID-19 pandemic continued to impact the market situation to some extent. The amount of travel has been very low. On the other hand, the usage of mobile voice and data 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, current geopolitical situation has increased the demand for cybersecurity services. Competition in the fixed broadband market has continued to be intense in multi-dwelling units, and the number and usage of traditional fixed network subscriptions is decreasing.

The markets for IT and IPTV entertainment services have continued to develop favourably, while demand for other digital services is also growing.

Revenue, earnings and financial position

EUR million	1Q22	1Q21	Δ %	2021
Revenue	511	482	6.2 %	1,998
EBITDA	177	170	4.4 %	697
EBITDA-%	34.6 %	35.2 %		34.9 %
Comparable EBITDA	177	170	4.4 %	706
Comparable EBITDA-%	34.6 %	35.2 %		35.3 %
EBIT	111	102	9.1 %	431
EBIT-%	21.8 %	21.2 %		21.6 %
Comparable EBIT	111	102	9.1 %	439
Comparable EBIT-%	21.8 %	21.2 %		22.0 %
Return on equity, %	30.1 %	29.2 %		28.8 %

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 9 per cent.

Net financial income and expenses were EUR -3 million (-3). Income taxes in the income statement amounted to EUR -20 million (-18). Net profit was EUR 88 million (82), and earnings per share were EUR 0.55 (0.51).

Financial position

EUR million	1Q22	1Q21	Δ %	2021
Net debt	1,176	1,164	1.1 %	1,219
Net debt / EBITDA ¹⁾	1.6	1.7		1.7
Gearing ratio, %	91.1 %	92.3 %		101.2 %
Equity ratio, %	40.7 %	41.1 %		39.9 %
Cash flow ²⁾	53	50	6.2 %	322
Comparable cash flow ³⁾	66	60	10.2 %	338

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

³⁾ 1Q22 excluding EUR 13m share investments and 1Q21 excluding EUR 10m share investments

Net debt increased by EUR 13 million to EUR 1,176 million. Comparable cash flow after investments increased by 10 per cent to EUR 66 million (60). Cash flow was positively affected by increased EBITDA, and lower interest paid and licence fee instalments, while it was negatively affected by a change in net working capital.

The financial position and liquidity are strong. Cash and undrawn committed credit lines totalled EUR 601 million at the end of the quarter.

Changes in corporate structure

Elisa Polystar has acquired FRINX s.r.o, a Slovak telecom network automation software supplier. FRINX products and software will complement Elisa Polystar's zero-touch automation and analytics offering, which helps communications service providers (CSPs) to comprehensively automate their network management processes in a multivendor telecom network environment.

Consumer Customers business

EUR million	1Q22	1Q21 ¹⁾	Δ %	2021 ¹⁾
Revenue	313	299	4.4 %	1,243
EBITDA	121	118	2.9 %	476
EBITDA-%	38.8 %	39.4 %		38.3 %
Comparable EBITDA	121	118	2.9 %	479
Comparable EBITDA-%	38.8 %	39.4 %		38.5 %
EBIT	78	74	4.6 %	302
EBIT-%	24.8 %	24.8 %		24.3 %
Comparable EBIT	78	74	4.6 %	305
Comparable EBIT-%	24.8 %	24.8 %		24.5 %
CAPEX	38	32	18.5 %	169

¹⁾ Allocation rules between segments have been specified in 2022 and the figures for the comparison year have been updated.

Revenue increased by 4 per cent. Revenue was positively affected by growth in mobile 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 3 per cent, mainly due to revenue growth and efficiency improvements.

Corporate Customers business

EUR million	1Q22	1Q21 ⁽¹⁾	Δ %	2021 ⁽¹⁾
Revenue	199	182	9.1 %	755
EBITDA	56	52	7.9 %	221
EBITDA-%	28.1 %	28.4 %		29.3 %
Comparable EBITDA	56	52	7.9 %	227
Comparable EBITDA-%	28.1 %	28.4 %		30.0 %
EBIT	34	28	21.2 %	129
EBIT-%	17.0 %	15.3 %		17.0 %
Comparable EBIT	34	28	21.2 %	134
Comparable EBIT-%	17.0 %	15.3 %		17.8 %
CAPEX	20	20	-0.6 %	96

¹⁾ Allocation rules between segments have been specified in 2022 and the figures for the comparison year have been updated.

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

Investments

EUR million	1Q22	1Q21	2021
Capital expenditure, of which	59	53	265
Consumer Customers	38	32	169
Corporate Customers	20	20	96
Shares and business acquisitions	14	10	28
Total investments	73	63	293
Leases	8	4	18
Capital expenditure excluding leases and business acquisitions	50	48	247
Capital expenditure as % of revenue	10	10	12

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

Personnel

In January–March, the average number of personnel at Elisa was 5,378 (5,347). Employee expenses totalled EUR 100 million (94). Personnel by segment at the end of the period:

	1Q22	1Q21	2021
Consumer Customers	2,867	2,917	2,845
Corporate Customers	2,537	2,462	2,526
Total	5,404	5,379	5,371

The number of personnel in the international digital services businesses grew by 95, of which 64 relates to acquisitions.

Sustainability

Key ESG indicators	1Q22	1Q21	4Q21
Mobile network's energy efficiency in Finland			
Change in energy consumption per GB from Q4 2021 level	-8.8 %	-	-
Population coverage of >100 Mbps connections	77.0 %	46.7 %	72.6 %
Proportion of female supervisors ¹⁾	-	-	27.4 %
Patent portfolio development			
Size of active patent portfolio ²⁾	293	203	265
Number of new first applications	6	9	19

¹⁾ Reported biannually. ²⁾ Number of active patent applications and patents.

All key figures are published in a 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 31 Mar 2022
Committed credit limits	300	0
Commercial paper programme (not committed)	350	140
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	1Q22	1Q21	2021
Nasdaq Helsinki, millions	19.7	25.0	81.6
Other marketplaces, millions ¹⁾	56.5	48.7	167.3
Total volume, millions	76.1	73.8	248.9
Value, EUR million	3,948.6	2,706.0	12,698.1
% of shares	45.5 %	44.1 %	148.7 %

Shares and market values	31 Mar 2022	31 Mar 2021	2021
Total number of shares	167,335,073	167,335,073	167,335,073
Treasury shares	7,075,378	7,156,924	7,147,772
Outstanding shares	160,259,695	160,178,149	160,187,301
Closing price, EUR	54.62	51.14	54.12
Market capitalisation, EUR million	9,140	8,558	9,056
Treasury shares, %	4.23 %	4.28 %	4.27 %

Number of shares	Total	Treasury	Outstanding
Shares on 31 Dec 2021	167,335,073	7,147,772	160,187,301
Performance Share Plan 1 Feb 2022 ²⁾		-72,394	72,394
Shares on 31 Mar 2022	167,335,073	7,075,378	160,259,695

¹⁾ Other marketplaces: Based on Bloomberg. ²⁾ Stock exchange bulletins 1 February 2022.

On 1 February 2022, Elisa transferred 72,394 treasury shares to persons involved in the Performance Share Plan for the period 2019–2021.

Significant legal and regulatory issues

The Estonian 3.5 GHz spectrum auction is scheduled to begin on 3 May 2022. Elisa Eesti AS has received approval to participate in the auction. There will be three licenses in the auction. The frequencies can be used for 5G networks. Four operators have announced their participation in the auction.

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 that restrictions being imposed on network providers' equipment 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. The tax authorities have taken a slightly more intense approach to tax inspection of late. Tax payments may be challenged by local tax authorities, and this may have a negative financial impact on Elisa.

There is an increasing level of uncertainty 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 is not essential, and Elisa is withdrawing from the Russian market.

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.

The direct and indirect effects of the coronavirus (COVID-19) pandemic are uncertain. If the pandemic continues for a prolonged period, this may significantly contribute to a slowdown in economic growth, which may have negative effects on Elisa through customer demand, suppliers' security of supply and employee health. Elisa has adapted its operations and taken many proactive measures due to the COVID-19 pandemic, e.g. more intensive follow-up of customer demand for existing services, as well as emerging demand for new business opportunities. Also, the company has moved to remote working in the duties where it is possible.

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.

COVID-19 has increased volatility in the financial markets. This might have an effect on Elisa's ability to raise funds and increase financing costs.

A detailed description of financial risk management can be found in Note 7.1 to the Annual Report 2021.

COVID-19 situation and impacts

The impact of COVID-19 on Elisa's business has been limited. Operations have continued as planned and all supply chains have operated normally. Elisa has continued its way of working mainly as remote working. The financial effects have been seen mainly in lower roaming revenue due to the reduced amount of travel. Elisa's financial position and cash flow have remained strong. Elisa has prepared for various scenarios to secure its financial position.

Events after the reporting period

Annual General Meeting 2022

On 6 April 2022, Elisa's Annual General Meeting decided to pay a dividend of EUR 2.05 per share based on the adopted financial statements for 31 December 2021. The dividend was paid on 20 April 2022 to the shareholders registered in the company's share register maintained by Euroclear Finland Ltd on 8 April 2022.

The Annual General Meeting adopted the financial statements for 2021. The members of the Board of Directors and the CEO were discharged from liability for 2021. The Annual General Meeting approved the Remuneration Report of the Company's governing bodies for 2021.

The number of the members of the Board of Directors was confirmed at nine. Ms Clarisse Berggårdh, Mr Maher Chebbo, Mr Kim Ignatius, Mr Topi Manner, Ms Eva-Lotta Sjöstedt, Mr Anssi Vanjoki and Mr Antti Vasara were re-elected as members of the Board of Directors, and Ms Katariina Kravi and Ms Pia Kåll as new members of the Board of Directors. Mr Anssi Vanjoki was appointed as the Chair and Ms Clarisse Berggårdh as the Deputy Chair of the Board of Directors.

The Annual General Meeting decided that the amount of annual remuneration for the members of the Board of Directors and remuneration for meeting participation be changed. The Chair is paid annual remuneration of EUR 130,000, the Deputy Chair and the Chairs of the Committees EUR 85,000, and other Board members EUR 70,000. Additionally, members are paid 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.

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

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

The Board of Directors' authorisations

The Annual General Meeting 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 amount of shares under this authorisation is 5 million shares at maximum. The authorisation is valid for 18 months from the date of the resolution of the General Meeting.

The Annual General Meeting 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 amount 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 2022

Growth in the Finnish economy is expected to continue; however, the outlook for GDP growth has deteriorated from the beginning of the year. There are increasing levels of uncertainty relating to Russia's war in Ukraine, such as inflation and energy prices. 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 2021. 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 2021. 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 interactions, 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 2022	1-3 2021	1-12 2021
Revenue	1	511.4	481.6	1,997.9
Other operating income		0.9	2.5	9.0
Materials and services		-189.5	-182.0	-763.6
Employee expenses		-100.1	-94.3	-373.8
Other operating expenses		-45.6	-38.2	-172.2
EBITDA	1	177.1	169.7	697.4
Depreciation, amortisation and impairment	1	-65.8	-67.6	-266.6
EBIT	1	111.4	102.0	430.8
Financial income		1.5	1.4	4.6
Financial expenses		-4.2	-4.2	-16.5
Share of associated companies' profit		-0.3	0.0	-0.5
Profit before tax		108.4	99.2	418.4
Income taxes		-20.4	-17.6	-74.9
Profit for the period		88.0	81.6	343.5
Attributable to				
Equity holders of the parent		88.2	81.6	343.6
Non-controlling interests		-0.2	0.1	-0.2
		88.0	81.6	343.5
Earnings per share (EUR)				
Basic		0.55	0.51	2.15
Diluted		0.55	0.51	2.15
Average number of outstanding shares (1000 shares)				
Basic		160,234	160,143	160,174
Diluted		160,295	160,143	160,174

Consolidated statement of comprehensive income

Profit for the period		88.0	81.6	343.5
Other comprehensive income, net of tax				
Items, which may be reclassified subsequently to profit or loss				
Cash flow hedge		0.1	-0.2	0.9
Translation differences		-0.3	-1.6	-1.2
		-0.2	-1.8	-0.3
Items that are not reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit liability				-2.8
Total comprehensive income		87.8	79.8	340.4
Total comprehensive income attributable to				
Equity holders of the parent		88.0	79.7	340.5
Non-controlling interest		-0.2	0.1	-0.1
		87.8	79.8	340.4

Consolidated statement of financial position

EUR million	31.3. 2022	31.12. 2021
Non-current assets		
Property, plant and equipment	737.6	752.7
Right-of-use assets	93.5	91.0
Goodwill	1,152.6	1,139.4
Intangible assets	203.5	198.1
Investments in associated companies	10.3	10.6
Other financial assets	16.3	16.4
Trade and other receivables	103.8	103.2
Deferred tax assets	12.7	13.1
	2,330.2	2,324.5
Current assets		
Inventories	88.8	82.8
Trade and other receivables	471.6	506.3
Tax receivables	0.4	0.7
Cash and cash equivalents	300.5	114.1
	861.4	703.9
Total assets	3,191.6	3,028.4
Equity attributable to equity holders of the parent	1,284.6	1,197.8
Non-controlling interests	6.9	6.3
Total shareholders' equity	1,291.5	1,204.1
Non-current liabilities		
Deferred tax liabilities	23.6	25.3
Interest-bearing financial liabilities	1,142.4	1,141.4
Lease liabilities, interest-bearing	74.4	73.4
Trade payables and other liabilities	35.2	41.0
Pension obligations	14.4	14.4
Provisions	2.8	2.8
	1,292.7	1,298.3
Current liabilities		
Interest-bearing financial liabilities	240.1	100.2
Lease liabilities, interest-bearing	19.9	18.1
Trade and other payables	341.2	401.6
Tax liabilities	4.2	2.9
Provisions	1.9	3.1
	607.4	526.0
Total equity and liabilities	3,191.6	3,028.4

Condensed consolidated cash flow statement

EUR million	1-3 2022	1-3 2021	1-12 2021
Cash flow from operating activities			
Profit before tax	108.4	99.2	418.4
Adjustments			
Depreciation, amortisation and impairment	65.8	67.6	266.6
Other adjustments	-4.2	-4.1	-2.9
	61.5	63.6	263.7
Change in working capital			
Increase (-) / decrease (+) in trade and other receivables	42.9	23.2	-31.7
Increase (-) / decrease (+) in inventories	-6.2	-7.1	-17.6
Increase (+) / decrease (-) in trade and other payables	-58.1	-30.4	52.6
	-21.4	-14.3	3.3
Financial items, net	-7.0	-11.3	-14.0
Taxes paid	-19.9	-19.2	-75.7
Net cash flow from operating activities	121.6	118.0	595.7
Cash flow from investing activities			
Capital expenditure	-55.3	-58.5	-258.8
Investments in shares and business combinations	-13.0	-9.4	-15.7
Loans granted		-0.5	-0.5
Repayment of loan receivables	0.1		
Proceeds from disposal of assets	0.0	0.7	0.8
Net cash used in investing activities	-68.2	-67.7	-274.1
Cash flow before financing activities	53.4	50.3	321.6
Cash flow from financing activities			
Proceeds from long-term borrowings	0.1	100.4	100.4
Repayments of long-term borrowings	0.0	-174.0	-174.1
Increase (+) / decrease (-) in short-term borrowings	139.9	83.5	-19.6
Repayment of lease liabilities	-5.9	-5.3	-23.1
Dividends paid	-1.8	-0.5	-310.9
Net cash used in financing activities	132.3	4.1	-427.4
Change in cash and cash equivalents	185.7	54.4	-105.8
Translation differences	0.7	-0.5	-0.2
Cash and cash equivalents at beginning of period	114.1	220.1	220.1
Cash and cash equivalents at end of period	300.5	274.0	114.1

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 2021	83.0	-128.4	90.9	375.7	761.5	1.5	1,184.2
Profit for the period					81.6	0.1	81.6
Translation differences					-1.6	0.0	-1.6
Cash flow hedge				-0.2			-0.2
Total comprehensive income				-0.2	80.0	0.1	79.8
Share-based compensation		2.1					2.1
Other changes					-5.1		-5.1
Balance at 31 March 2021	83.0	-126.3	90.9	375.5	836.4	1.6	1,261.1
EUR million							
Balance at 1 January 2022	83.0	-126.1	90.9	373.9	776.1	6.3	1,204.1
Profit for the period					88.2	-0.2	88.0
Translation differences					-0.3		-0.3
Cash flow hedge				0.1			0.1
Total comprehensive income				0.1	87.9	-0.2	87.8
Share-based compensation		1.6					1.6
Other changes					-2.7	0.8	-1.9
Balance at 31 March 2022	83.0	-124.5	90.9	374.0	861.3	6.9	1,291.5

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 2021.

Changes in the accounting principles

Amendments to IFRS standards adopted as of 1 January 2022 do not have a material impact on the Company's consolidated financial statements.

1. Segment information

1-3/2022	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
1-3/2021	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue ⁽¹⁾	299.4	182.2		481.6
EBITDA ⁽¹⁾	117.9	51.8		169.7
Depreciation, amortisation and impairment ⁽¹⁾	-43.7	-23.9		-67.6
EBIT ⁽¹⁾	74.1	27.9		102.0
Financial income			1.4	1.4
Financial expenses			-4.2	-4.2
Share of associated companies' profit			0.0	0.0
Profit before tax				99.2
Investments	32.4	20.5		52.8

¹⁾ Allocation rules for revenue and expenses allocated to the segments have been further specified in 2022 and the comparable figures have been updated to reflect the advanced allocations. In comparison period 1-3/2021, Consumer Customers revenue was EUR 298.9 million; EBITDA EUR 117.0 million; depreciation, amortisation and impairment EUR -40.6 million and EBIT EUR 76.4 million. In comparison period 1-3/2021, Corporate Customers revenue was EUR 182.6 million; EBITDA EUR 52.7 million and depreciation, amortisation and impairment EUR -27.0 million and EBIT EUR 25.7 million.

1-12/2021	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue ⁽¹⁾	1,242.5	755.4		1,997.9
EBITDA ⁽¹⁾	476.1	221.2		697.4
Depreciation, amortisation and impairment ⁽¹⁾	-174.0	-92.5		-266.6
EBIT ⁽¹⁾	302.1	128.7		430.8
Financial income			4.6	4.6
Financial expenses			-16.5	-16.5
Share of associated companies' profit			-0.5	-0.5
Profit before tax				418.4
Investments	168.7	96.3		265.1
Total assets	1,822.3	1,051.2	154.9	3,028.4

¹⁾ Allocation rules for revenue and expenses allocated to the segments have been further specified in 2022 and the comparable figures have been updated to reflect the advanced allocations. In comparison period 1-12/2021, Consumer Customers revenue was EUR 1,241.3 million; EBITDA EUR 475.1 million; depreciation, amortisation and impairment EUR -160.7 million and EBIT EUR 314.4 million. In comparison period 1-12/2021, Corporate Customers revenue was EUR 756.6 million; EBITDA EUR 222.3 million; depreciation, amortisation and impairment EUR -105.8 million and EBIT EUR 116.5 million.

2. Off-balance sheet lease commitments

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

EUR million	31.3. 2022	31.12. 2021
Within one year	12.5	12.5
Later than one year, not later than five years	4.5	4.7
Later than five years	1.1	1.2
	18.2	18.4

Lease commitments are exclusive of value added tax.

3. Contingent liabilities

EUR million	31.3. 2022	31.12. 2021
For our own commitments		
Mortgages	3.8	3.8
Guarantees	0.4	0.4
Deposits	0.4	0.4
	4.6	4.6
Other contractual obligations		
Venture capital investment commitment	0.8	0.8
Repurchase obligations		0.0
	0.8	0.8

4. Derivative instruments

EUR million	31.3. 2022	31.12. 2021
Nominal values of derivatives		
Electricity derivatives	2.2	1.9
Currency derivatives	3.6	3.5
	5.9	5.5
Fair values of derivatives		
Electricity derivatives	1.7	1.6
Currency derivatives	0.0	0.0
	1.7	1.6

13. Key figures

EUR million	1-3 2022	1-3 2021	1-12 2021
Shareholders' equity per share, EUR	8.02	7.86	7.48
Interest-bearing net debt	1,176.3	1,163.7	1,219.1
Gearing, %	91.1 %	92.3 %	101.2 %
Equity ratio, %	40.7 %	41.1 %	39.9 %
Return on investment (ROI), % *)	17.2 %	16.2 %	16.9 %
Gross investments in fixed assets, of which right-of-use assets	58.7 8.4	52.8 4.5	265.1 18.0
Gross investments as % of revenue	11.5 %	11.0 %	13.3 %
Investments in shares and business combinations	14.2	9.7	28.1
Average number of employees	5,378	5,347	5,391

*) Rolling 12 months' profit preceding the reporting date

Financial calendar

Half-year financial report 2022
Interim report Q3 2022

15 July 2022
19 October 2022

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