



Interim Report Q1 2021

21 APRIL 2021

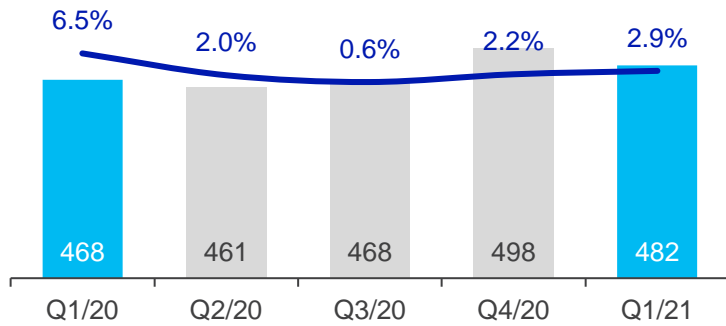
Q1 2021 highlights

- Good development continued
- Revenue grew by 3%
- EBITDA up by 2%
- Mobile service revenue increased by 0.9% YoY
 - Decrease in roaming revenue due to COVID-19
- Post-paid churn decreased to 18.3% (19.8% in Q4)
- Post-paid mobile subscription base increased by 27,100, of which M2M/IoT 13,000
- Fixed broadband subscription base decreased by 31,400 mainly due to reporting change and discontinuing of subscriptions in rented local loop
- Good 5G momentum continuing: network covers over 2.5 million Finns in over 80 towns and cities

Good performance continued amid COVID-19 situation

Revenue

● Revenue, €m — YoY change, %

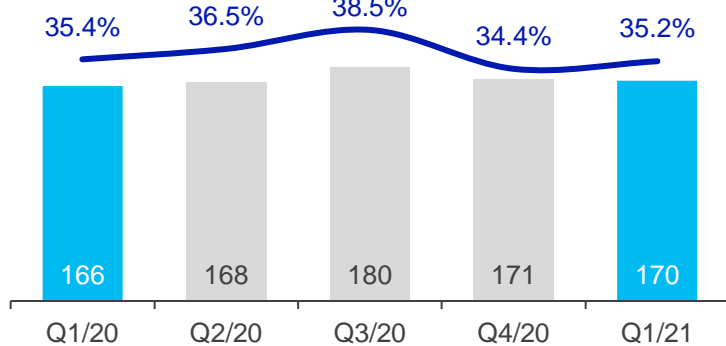


Increase

- Acquisition and cooperation
- Mobile services
- Domestic digital services
- Equipment sales

EBITDA¹⁾

● EBITDA, €m — EBITDA-%

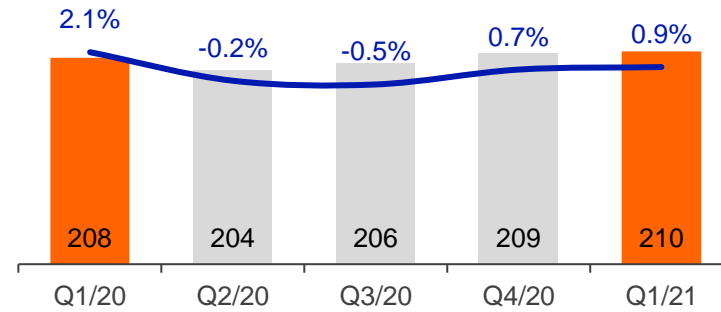


- Revenue growth
- Efficiency improvements

1) Comparable

Mobile service revenue

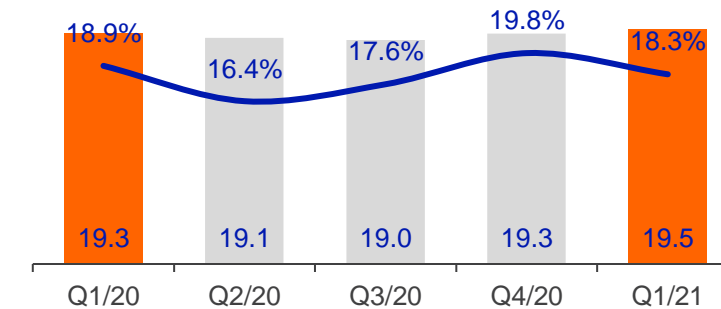
● MSR, €m — YoY change, %



- Roaming impact
- 4G and 5G up-selling continues
- Product changes

ARPU and churn²⁾

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



- Campaigning continues
- Competition remained keen

2) Finland, churn annualised

Good growth in Consumer Customers, roaming impacted on Corporate Customers

Consumer Customers

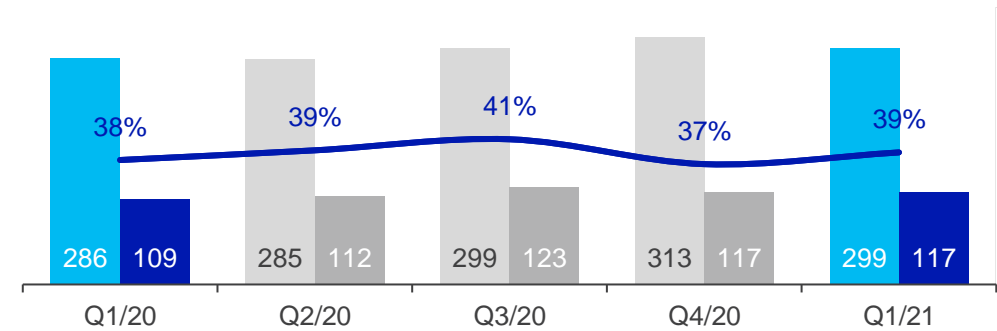
Revenue +4%

- + Elisa Viihde Viaplay cooperation
- + Mobile services
- + Equipment sales
- Roaming
- Traditional fixed-line services

EBITDA +7%

Revenue and EBITDA¹⁾

● Revenue, €m ● EBITDA, €m — EBITDA-%



Corporate Customers

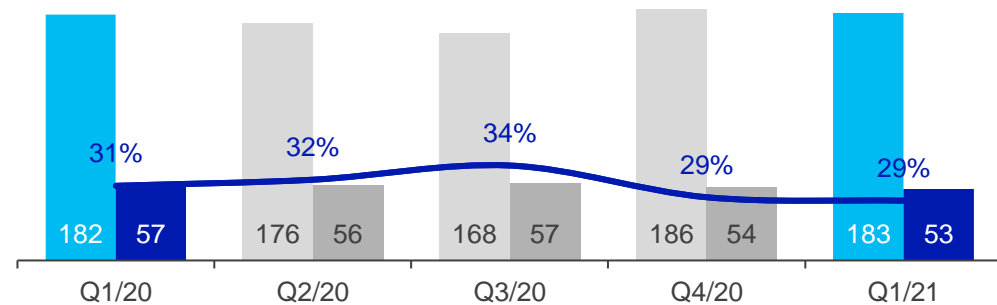
Revenue +1%

- + camLine acquisition
- + Domestic digital services
- + Equipment sales
- Roaming
- Fixed and mobile services

EBITDA -7%

Revenue and EBITDA¹⁾

● Revenue, €m ● EBITDA, €m — EBITDA-%



Strategy execution

A sustainable future through digitalisation

Increase mobile and fixed service revenues

Grow digital service businesses

Improve efficiency and quality

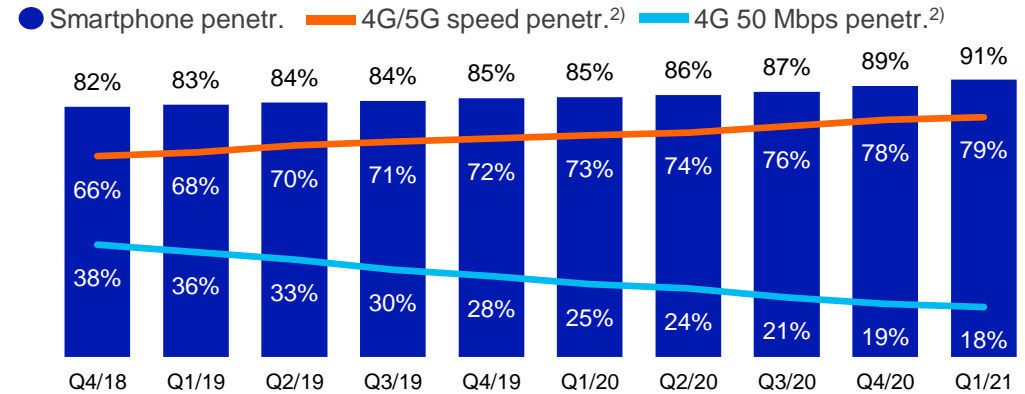


Up-selling of mobile subs continuing driven by 5G

Growth in smartphone penetration

- 91% of customers use a smartphone
 - 7% of smartphones are 5G-phones
- 79% (73%) of voice subs at 4G or 5G speeds
 - Up-selling to higher speeds continues

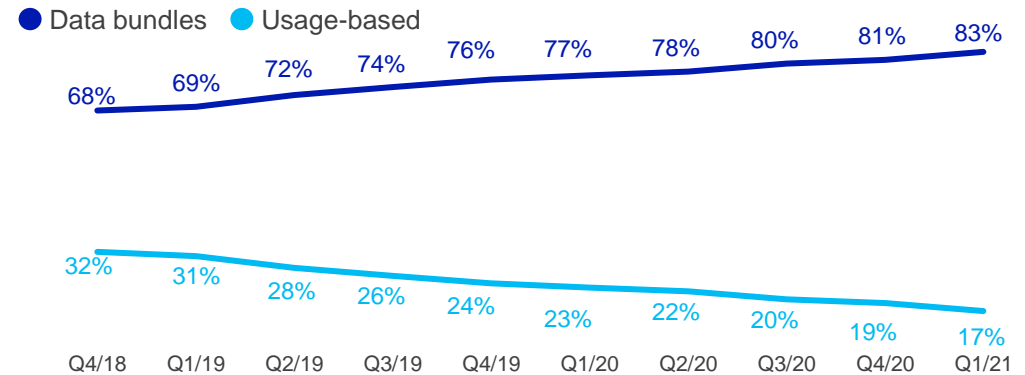
Smartphone and 4G speed penetration, %



Proportion of data bundles continues to grow

- 83% of subscriptions²⁾ fixed-monthly-fee, “all-you-can-eat” bundles
- Strong demand for unlimited data bundles continues
 - Elisa’s customers roam at domestic prices in EU and EEA countries

Subscription¹⁾ split



1) Post-paid voice subscriptions in Finland (unlimited usage)



Elisa leading in 5G

- Elisa's 5G network has the widest coverage: over 2.5 million Finns in over 80 towns and cities
- Remote working has become one of the main applications for 5G
- By 2023, it is estimated that 5G network usage will exceed 4G
- 5G customers' NPS is growing in both voice and mobile data subscriptions



Expansion of digital service businesses continued

Domestic digital services



- Two new Elisa Viihde original series were launched: *Mister8* and *Kioski*. Law drama series *Pohjolan laki* (Laws of Man) became the most-watched series in Elisa Viihde Viaplay during Q1.
- Elisa Viihde original series sold to several TV channels in Great Britain: contracts made for *All the Sins*, *Room 301*, *Bullets* and *Shadow Lines*



- Elisa has developed Finnish Natural Language Processing Capability, which provides world-class accuracy, and launched speech bot service (Elisa Puhebotti)
 - Trainable by customer's industry-specific vocabulary
 - Provides opportunities e.g. to automate customer service

International digital services



- Virtual NOC automation (SaaS) from Elisa cloud selected by Transtema
- Telefonica testing automation solutions in its Global Transport SDN Network laboratory



- Elisa acquired a minority share in sedApta Group, specialising in digital supply chain and smart manufacturing
 - Over 1,000 manufacturing industry customers for Elisa's AI/ML/SmartFactory solutions

Outlook and guidance for 2021

The uncertainty in the macroeconomic environment is still prevailing. Competition in the Finnish telecommunications market remains keen.

- Revenue slightly higher than in 2020
- Comparable EBITDA at same level or slightly higher than in 2020
- CAPEX* maximum 12% of revenue

* Excluding IFRS 16, and investments in shares and licences

Financial review

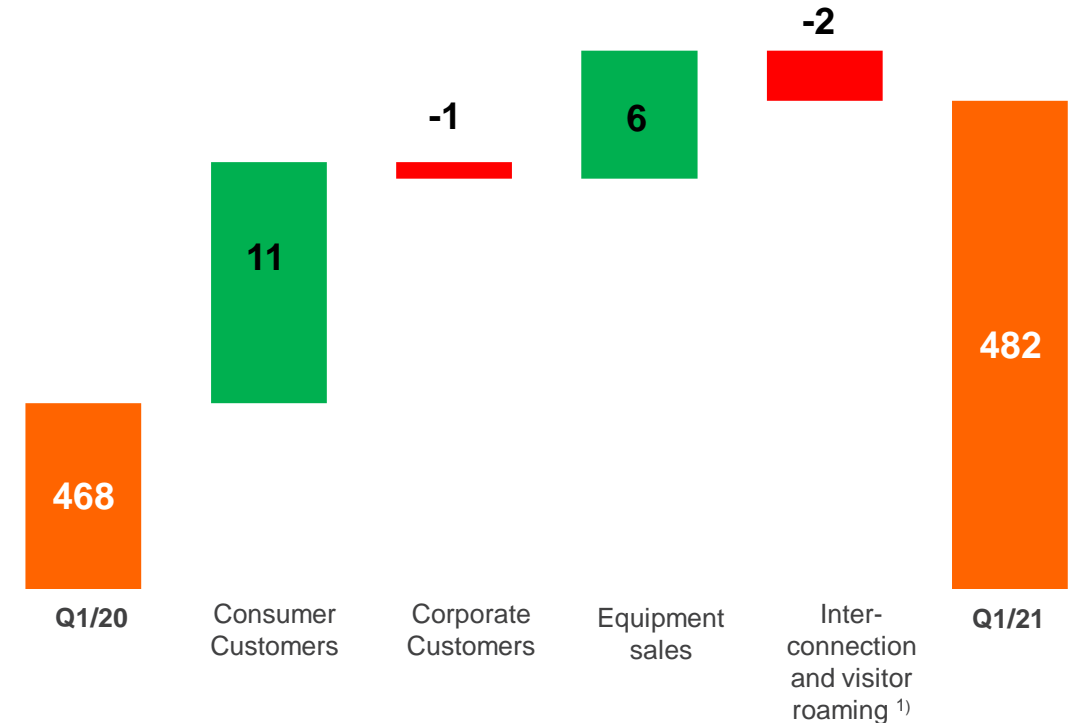
INTERIM REPORT Q1 2021

Growth in revenue and earnings

EUR million 1)	Q1/21	Q1/20	Change	%
Revenue	482	468	13.4	2.9 %
Other operating income	3	1	1.9	296.4 %
Materials and services	-182	-172	-10.4	6.1 %
Employee expenses	-94	-87	-7.1	8.2 %
Other operating expenses	-38	-44	6.1	-13.9 %
EBITDA	170	166	4.0	2.4 %
<i>EBITDA %</i>	35.2 %	35.4 %		
Depreciation	-68	-67	-0.9	1.3 %
EBIT	102	99	3.1	3.1 %
<i>EBIT %</i>	21.2 %	21.1 %		
Financial expenses net	-3	-4	1.2	
Profit before tax	99	95	4.3	4.5 %
Net profit	82	78	3.7	4.8 %
EPS, €	0.51	0.49	0.02	4.7 %

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

Q1 2021 YoY revenue change, €13m

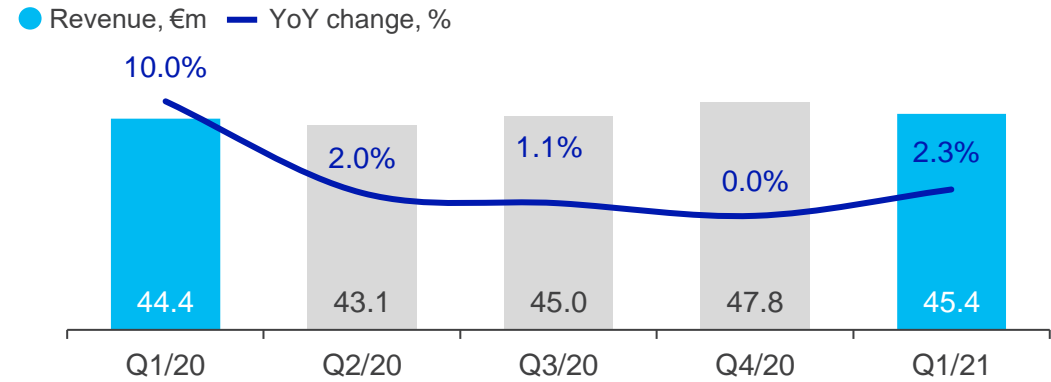


¹⁾ Mobile and fixed interconnection

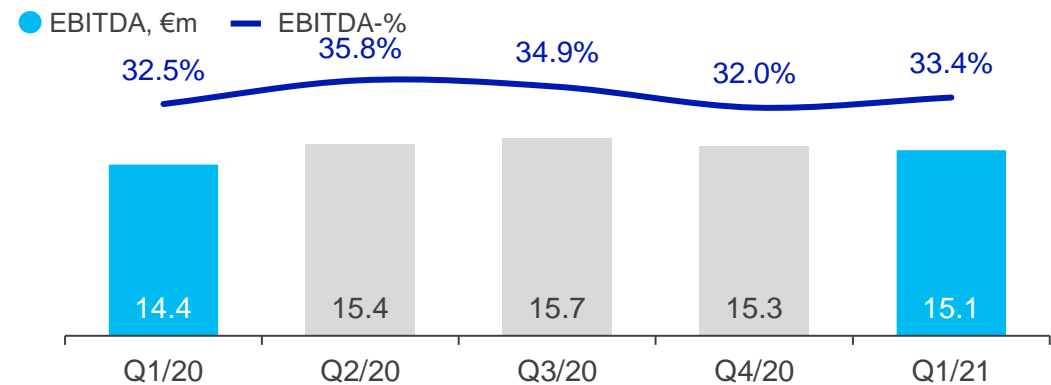
Growth in Estonia

- Revenue and EBITDA improved
 - Revenue +2.3%
 - EBITDA growth +4.9%
 - Mobile post-paid base +5,300, pre-paid -5,500
 - Churn 10.5% (9.7 in Q4)

Revenue



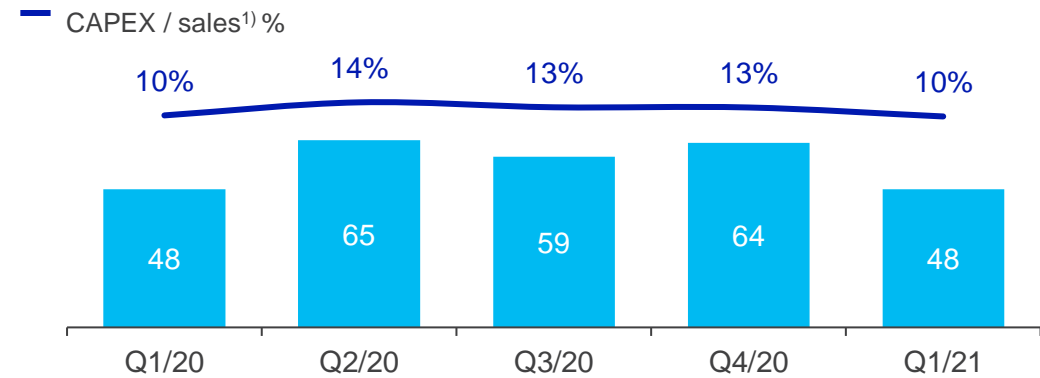
EBITDA



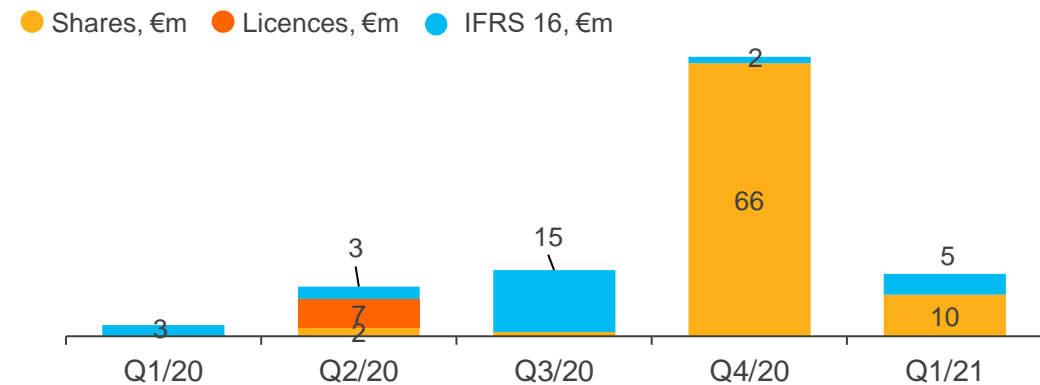
CAPEX in line with guidance

- CAPEX €53m (51), excl. shares, licences and lease agreements €48m (48)
 - Consumer €32m (32)
 - Corporate €20m (18)
- Main CAPEX areas
 - 5G and 4G capacity and coverage increases
 - Other network and IT investments

CAPEX¹⁾



Shares, licences and rental agreements (IFRS 16)

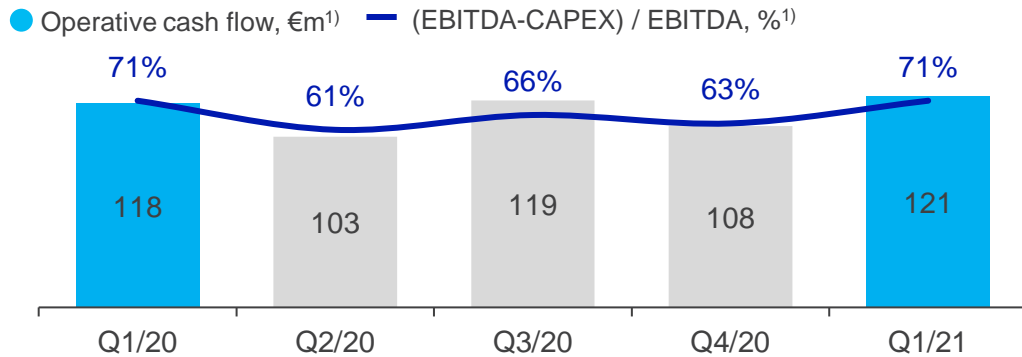


¹⁾ Investments excluding shares, licences and rental agreements (IFRS 16)

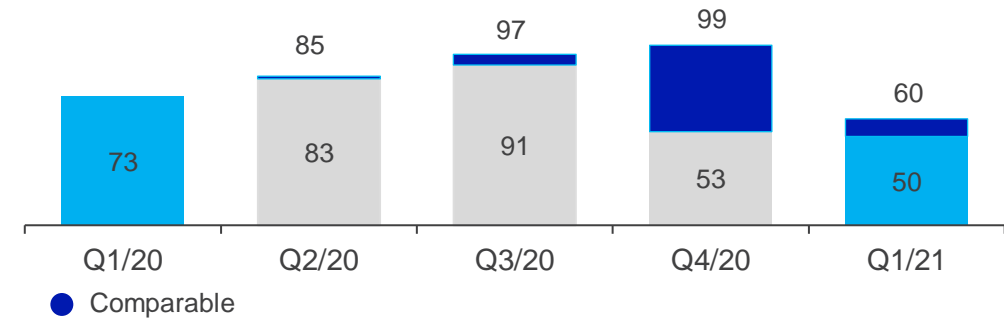
Negative NWC change affected cash flow

- Q1 cash flow €50m (73)
- Q1 comparable cash flow €60m (73)
 - NWC change, higher inventory and lower payables
 - Higher taxes
 - + Higher EBITDA

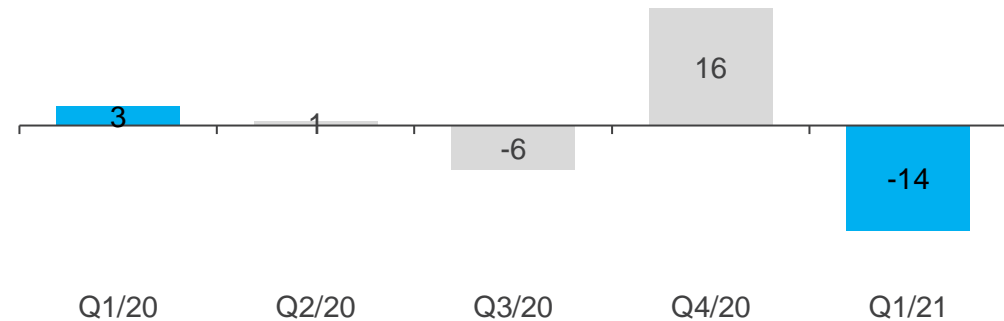
Cash conversion



Cash flow and comparable cash flow, €m



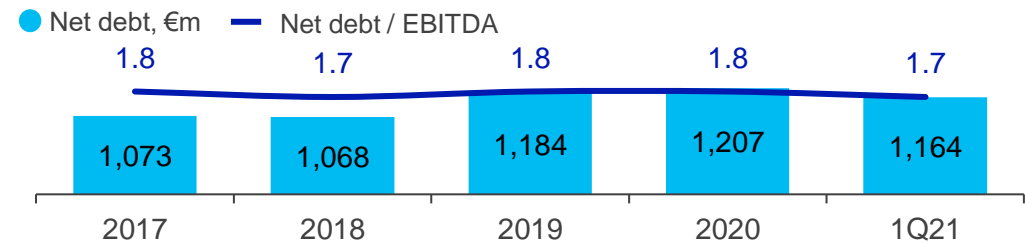
Change in net working capital, €m



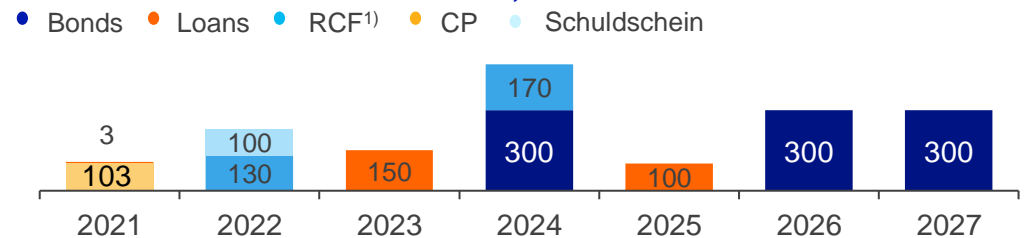
Efficient capital structure and good returns

- Capital structure according to target
 - Net debt / EBITDA 1.7x (target 1.5–2x)
 - Equity ratio 41.1% (target >35%)
- Return ratios at good level
 - Efficient capital structure
- January 2021 repayment of EUR 174m bond
- Schuldschein loan issue EUR 100m
 - Negative interest
- Average interest expense below 1%

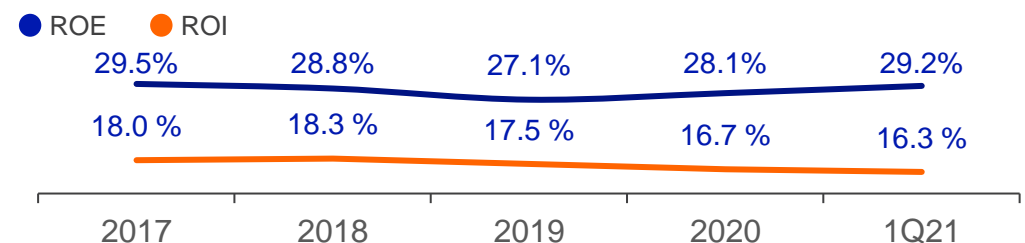
Net debt



Maturities as 31 Mar 2021, €m



Return ratios²⁾



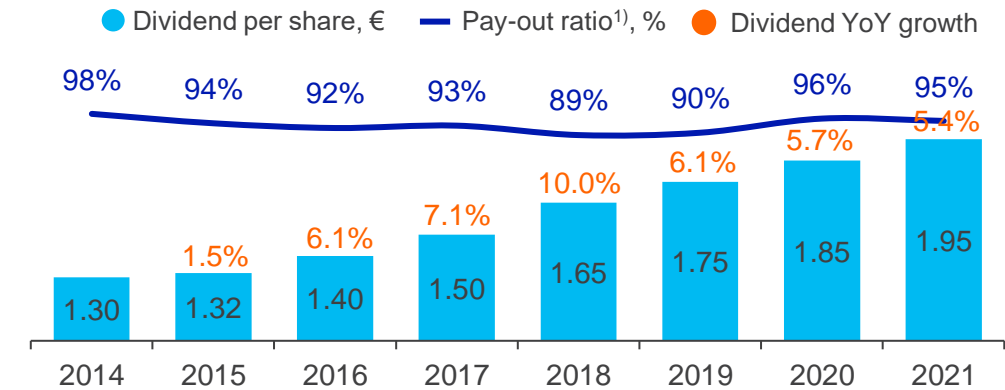
¹⁾ RCFs are fully undrawn

²⁾ Comparable, 2017 excluding sale of Comptel shares

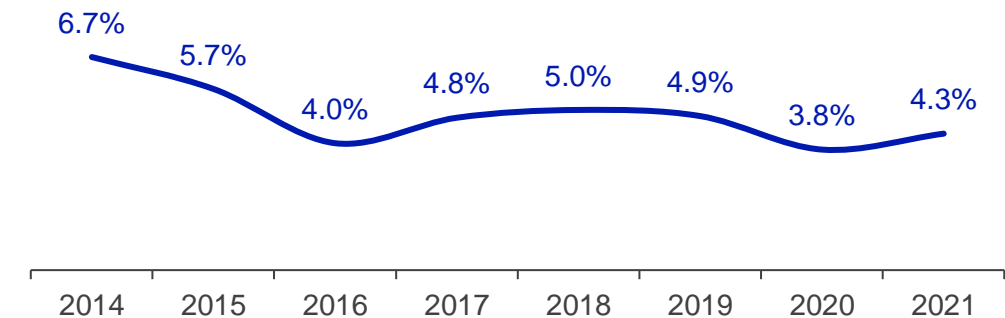
Increasing dividend for 7 consecutive years

- Dividend of €1.95 per share
 - Total amount €312m
 - Paid on 20 April 2021
- Pay out ratio¹⁾ 95%,
 - Dividend yield 4.3%²⁾
- 5m share buyback authorisation
- Strong commitment of competitive shareholder remuneration
 - Distribution policy 80–100% of net profit

Dividend



Dividend yield²⁾





Q&A

APPENDIX

P&L by quarter

EUR million	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Revenue	481.6	498.2	467.5	460.8	468.1	487.3	464.9	451.6	439.7
<i>YoY growth</i>	2.9 %	2.2 %	0.6 %	2.0 %	6.5 %	3.5 %	2.4 %	-1.3 %	-2.2 %
Other operating income	2.5	1.6	1.3	0.6	0.6	3.0	0.9	1.1	0.7
Materials and services	-182.0	-199.7	-175.6	-166.8	-171.6	-191.7	-172.1	-168.8	-160.5
Employee expenses	-94.3	-82.7	-74.1	-81.8	-87.1	-80.9	-74.0	-82.0	-83.5
Other operating expenses	-38.2	-46.1	-39.1	-44.6	-44.3	-49.6	-41.3	-42.8	-41.4
EBITDA	169.7	171.2	180.0	168.3	165.7	168.1	178.5	159.2	155.1
<i>EBITDA %</i>	35.2 %	34.4 %	38.5 %	36.5 %	35.4 %	34.5 %	38.4 %	35.2 %	35.3 %
<i>YoY Growth</i>	2.4 %	1.9 %	0.8 %	5.7 %	6.9 %	6.3 %	5.8 %	-0.4 %	1.1 %
Comparable EBITDA	169.7	171.2	180.0	168.3	165.7	168.1	178.5	163.6	157.5
<i>YoY Growth</i>	2.4 %	1.9 %	0.8 %	2.9 %	5.2 %	6.3 %	5.8 %	4.4 %	1.2 %
<i>Comparable EBITDA %</i>	35.2 %	34.4 %	38.5 %	36.5 %	35.4 %	34.5 %	38.4 %	36.2 %	35.8 %
Depreciation, amortisation and impairment	-67.6	-73.9	-68.1	-67.4	-66.8	-67.9	-66.0	-66.8	-65.1
EBIT	102.0	97.3	111.9	100.9	99.0	100.1	112.5	92.4	90.0
Comparable EBIT	102.0	103.4	111.9	100.9	99.0	100.1	112.5	96.8	92.4
Financial income	1.4	6.3	1.2	-0.2	1.4	0.4	0.5	1.6	3.6
Financial expenses	-4.2	-5.4	-5.4	-4.7	-5.7	-4.6	-6.6	-6.9	-10.8
Share of associated companies' profit	0.0	0.3	0.7	0.7	0.2	-0.3	0.2	0.0	-0.1
Profit before tax	99.2	98.5	108.3	96.6	94.9	95.6	106.6	87.0	82.7
Comparable profit before tax	99.2	98.9	108.3	96.6	94.9	95.6	106.6	91.4	85.1
Income taxes	-17.6	-16.2	-19.4	-17.5	-17.0	-16.6	-22.3	-15.8	-14.0
Profit for the period	81.6	82.3	88.9	79.1	77.9	79.0	84.3	71.2	68.7
Comparable profit	81.6	81.7	88.9	79.1	77.9	79.0	84.3	74.9	70.6
Earnings per share (EUR)	0.51	0.51	0.55	0.49	0.49	0.49	0.53	0.45	0.43
Comparable EPS	0.51	0.51	0.55	0.49	0.49	0.49	0.53	0.47	0.44
<i>YoY Growth</i>	4.7 %	3.4 %	5.2 %	5.6 %	10.1 %	4.0 %	-0.6 %	0.2 %	-7.4 %

Cash flow YoY comparison

	Q1/21	Q1/20	Change ¹⁾	%	2020
EBITDA	170	166	4	2 %	685
Change in receivables	23	23	0	1 %	11
Change in inventories	-7	2	-9	-510 %	-1
Change in payables	-30	-22	-8	38 %	3
Change in NWC	-14	3	-17		13
Financials (net)	-11	-11	0	-1 %	-15
Taxes for the year	-19	-15	-5	32 %	-68
Taxes for the previous year	0	0	0		0
Taxes	-19	-15	-5	32 %	-68
CAPEX	-49	-48	0	1 %	-238
Licence fees ²⁾	-10	-10	0		-11
Investments in shares ³⁾	-10	0	-10		-57
Sale of shares	0	1	-1		6
Sale of assets and adjustments	-6	-11	5	-42 %	-10
Cash flow after investments	50	73	-22	-31 %	300
Cash flow after investments excl. acquisitions ⁴⁾	60	73	-13	-17 %	351

1) Difference is calculated using exact figures prior to rounding

2) €4m 700 MHz and €5m 3.5 GHz in Q1/20 and Q1/21, €1.4m 26 GHz Q2/20 in Finland.

3) Polystar and camLine 2020.

4) Excluding share purchases and sale of shares.

Cash flow by quarter

EUR million	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
EBITDA	170	171	180	168	166	168	179	159	155
Change in receivables	23	-20	0	8	23	-32	-2	5	9
Change in inventories	-7	-2	9	-10	2	-6	-1	-1	6
Change in payables	-30	37	-15	2	-22	27	-9	5	-7
Change in NWC	-14	16	-6	1	3	-11	-12	10	8
Financials (net)	-11	-1	-1	-1	-11	-4	-1	0	-16
Taxes for the year	-19	-20	-17	-16	-15	-21	-17	-17	-16
Taxes for the previous year	0	0	0	0		0	0	4	-2
Taxes	-19	-20	-17	-16	-15	-21	-17	-13	-18
CAPEX	-49	-63	-62	-65	-48	-71	-51	-55	-50
Licence fees	-10	0	0	-1	-10	0	0		-4
Investments in shares	-10	-49	-6	-2	0	0	-2	-65	0
Sale of shares		3	2	0	1	0			
Sale of assets and adjustments	-6	-1	0	-1	-11	-4	0	1	-6
Cash flow after investments	50	53	91	83	73	55	97	37	68
Cash flow after investments excl. acquisitions	60	99	97	85	73	55	98	102	68

APPENDIX

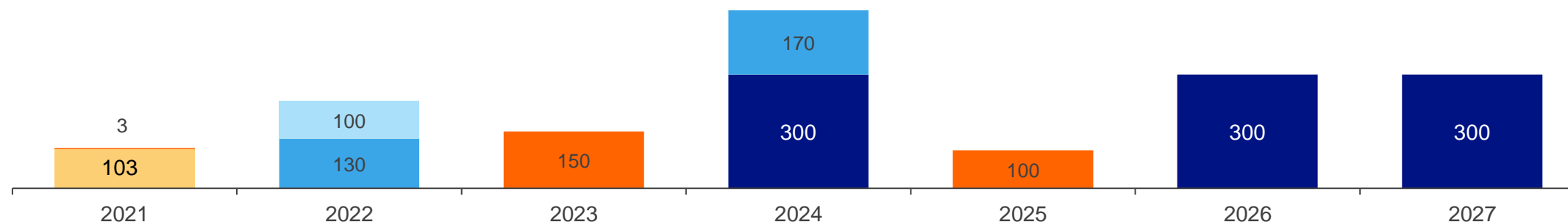
Debt structure

EUR million at the end of the quarter	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19	Q3/19	Q2/19	Q1/19
Bonds and notes	885	1 058	1 057	759	758	757	943	941	939
Commercial papers	103	20	152	307	176	133	65	80	10
Schuldschein	100								
Loans from financial institutions	253	252	250	250	250	250	290	290	250
Lease liabilities ¹⁾	96	97	100	90	93	96	92	93	90
Committed credit lines ²⁾	0	0	0	0	0	0	0	0	0
Interest-bearing debt. total	1 438	1 427	1 559	1 406	1 277	1 236	1 389	1 404	1 290
Cash and cash equivalents	274	220	303	74	161	52	154	85	215
Net debt ³⁾	1 164	1 207	1 256	1 332	1 117	1 184	1 235	1 319	1 075

- 1) Lease liabilities are classified as interest bearing debt according IFRS 16 from Q1/19 onwards
- 2) The committed credit lines are €130m and €170m facilities which Elisa may use flexibly on 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 2021

● Bonds ● Loans ● RCF¹⁾ ● CP ● Schuldschein



¹⁾ RCFs are fully undrawn

elisa

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Forward-looking statements

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.