



Interim Report Q4 2021

27 January 2022

Q4 2021 highlights

- Revenue grew by 8%
- Comparable EBITDA up by 4%
- Mobile service revenue increased by 6.1% YoY
- In Finland, post-paid churn increased to 20.1% (16.3% in Q3)
- Post-paid subscriptions net increase was 7,100. M2M and IoT subscriptions grew by 17,200.
- Fixed broadband subscription base decreased by 200
- Good 5G momentum continuing: network covers more than 70% of Finns in over 150 towns and cities
- Dividend proposal €2.05 per share, pay-out ratio 94%

A record year 2021 – revenue growth 5%, EPS growth 7%

Comparable figures

Financials	2021	CHANGE IN 2021
Revenue	€1,998m	+5.5%
EBITDA	€706m	+3.0%
EBITDA-%	35.3%	-0.8 pp
Earnings per share	€2.19	+6.9%
CAPEX ¹⁾	€247m	+4.7%
CAPEX / sales	12%	-0.1 pp

Operational KPIs	2021	CHANGE IN 2021
Mobile service revenue	€862m	+4.2%
Mobile subs	4,919,100	+2,5%
Fixed broadband subs	666,200	-5.0%
Post-paid ARPU ²⁾	€20.1	+4.7%
Post-paid churn ²⁾	18.4%	+0.2 pp
Mobile data, GB ²⁾	1.64bn	+21%

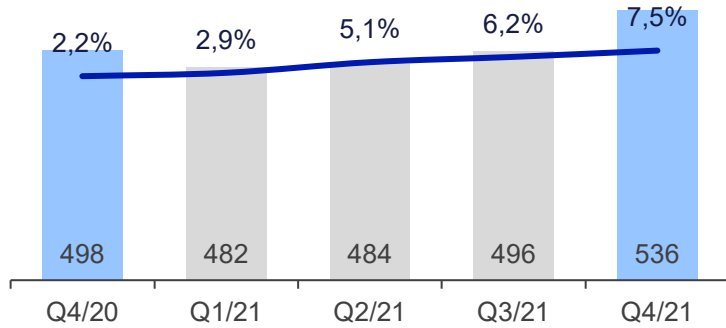
1) Excluding IFRS 16, investments in shares and licence fees

2) In Finland

Strong performance continued

Revenue

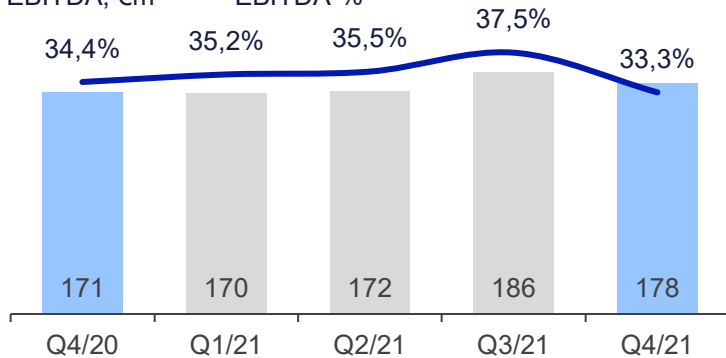
● Revenue, €m — YoY change, %



- Increase
- Acquisition and content partnership
 - Mobile and fixed services
 - Domestic digital services
 - Equipment sales

EBITDA¹⁾

● EBITDA, €m — EBITDA-%

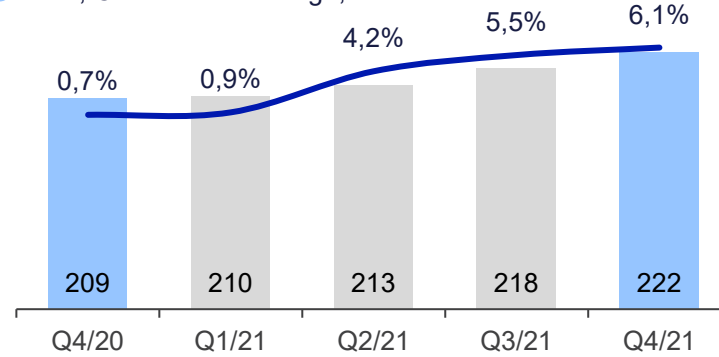


- Revenue growth
- Efficiency improvements

1) Comparable

Mobile service revenue

● MSR, €m — YoY change, %



- 5G up-selling continues
- Product changes

ARPU and churn²⁾

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



- YoY ARPU growth 7.3%
- Campaigning in 4G continues
- Competition remains keen

2) Finland, churn annualised

Good growth in Consumer Customers, strong improvement in Corporate Customers

Consumer Customers

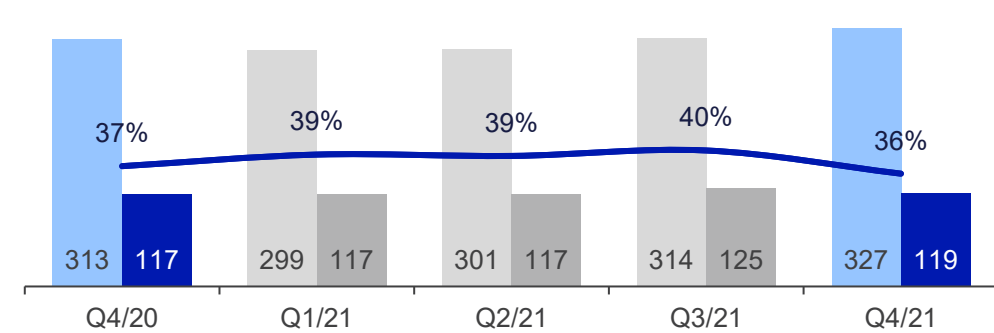
Revenue +5%

- + Mobile services
- + Entertainment services (organic and content partnership)
- + Equipment sales
- Fixed-line services

Comparable EBITDA +2%

Revenue and EBITDA¹⁾

● Revenue, €m ● EBITDA, €m — EBITDA-%



Corporate Customers

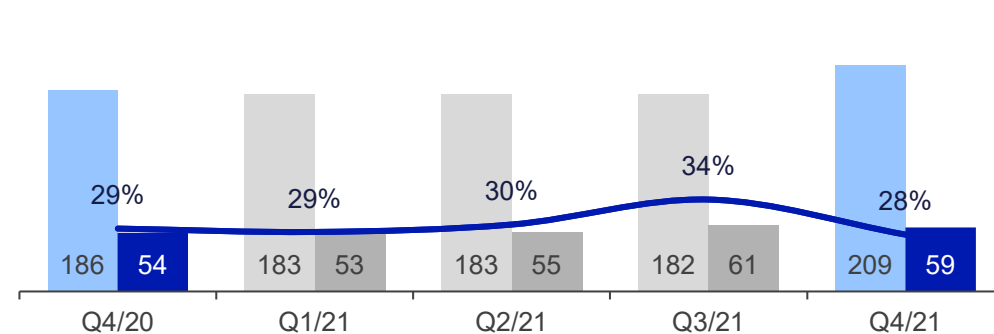
Revenue +12%

- + camLine acquisition
- + Mobile and fixed services
- + Domestic digital services
- + Equipment sales

Comparable EBITDA +9%

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

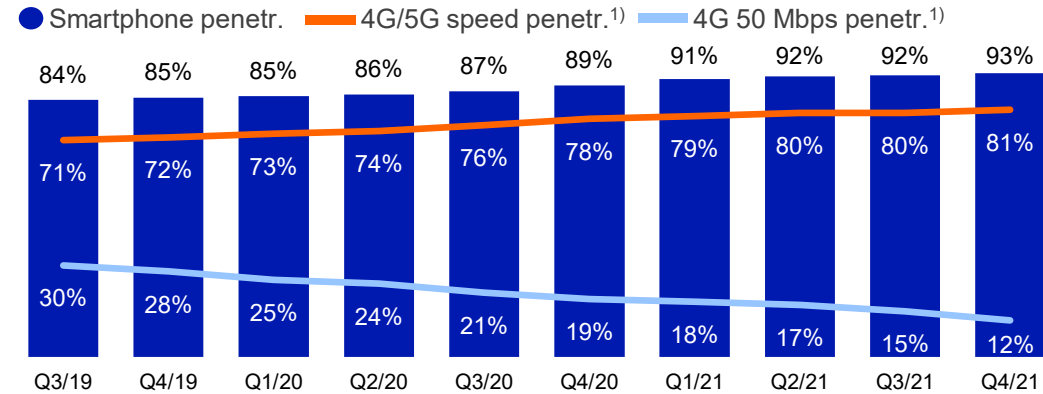


Upselling of mobile subs continuing, driven by 5G

Growth in smartphone penetration

- 93% of customers use a smartphone
 - 20% (14% in Q3) of smartphones are 5G devices
- 81% (78%) of voice subs at 4G or 5G speeds
 - Upselling to higher speeds continues
 - Share of 4G has turned into a decline offset by 5G

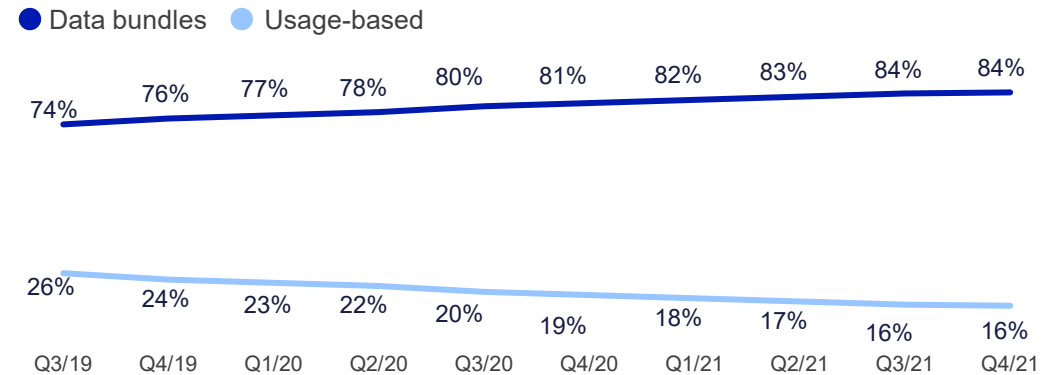
Smartphone and 4G/5G speed penetration, %



Proportion of data bundles continues to grow

- 85% of subscriptions¹⁾ are fixed-monthly-fee, “all-you-can-eat” bundles
- Strong demand for unlimited data bundles continues, driven by 5G

Subscription¹⁾ split



¹⁾ Post-paid voice subscriptions



Elisa leading 5G

- 5G coverage expanded to more than 4 million Finns in over 150 locations – the widest coverage in Finland¹⁾
- Nearly 90% of mobile phones sold are 5G devices
- Elisa launched the first sustainable 5G subscription in Finland
 - Elisa Rehti 5G compensates for the carbon footprint of the manufacturing and usage of the phone, as well as providing identity protection
- Ericsson ConsumerLab Pacesetter report²⁾ highlighted Elisa as one of the Pacesetters that are leading in consumer perception, satisfaction and monetisation with 5G
- The Finnish public safety network Virve is transitioning to broadband technology, the service will use Elisa's nationwide 4G and 5G mobile networks
 - Authorities will have access to privileged subscriptions and new functions (e.g. speech recognition) that will improve the efficiency of incident management and communication. Elisa is the sole supplier for this Finnish government-owned network.

¹⁾ *Boftel: Operator comparison 16 November 2021 – 11 December 2021*

²⁾ *Ericsson Consumer and Market Insight report 11/2021*



Expansion of digital service businesses continued

Domestic digital services

- Entertainment services
 - Successful original content production continued. For example, Season 2 of Elisa Viihde original series *Artic Circle* broke all the previous records being the most popular content in Elisa Viihde Viaplay in Q4.
- IT services
 - Automation improves the competitiveness of our IT solutions. For example, OP Financial Group end-user workstation services are further developed by Elisa.

International digital services

- Elisa IndustrIQ
 - camLine and sedApta made record quarter in revenue and order intake, Tenforce opening US market through acquisition, CalcuQuote with strong SaaS revenue growth
- Elisa Polystar had a solid quarter
 - Strong growth in order backlog
- Elisa Videra
 - Q4 order intake strong

Outlook and guidance for 2022

Growth in the Finnish economy is expected to continue. However, there are some uncertainties, such as inflation and changes in the geopolitical environment. Competition in remains keen.

- Revenue at same level or slightly higher than in 2021
- Comparable EBITDA at same level or slightly higher than in 2021
- CAPEX* maximum 12% of revenue

* Excluding IFRS 16, and investments in shares and licences



Financial review Q4 2021

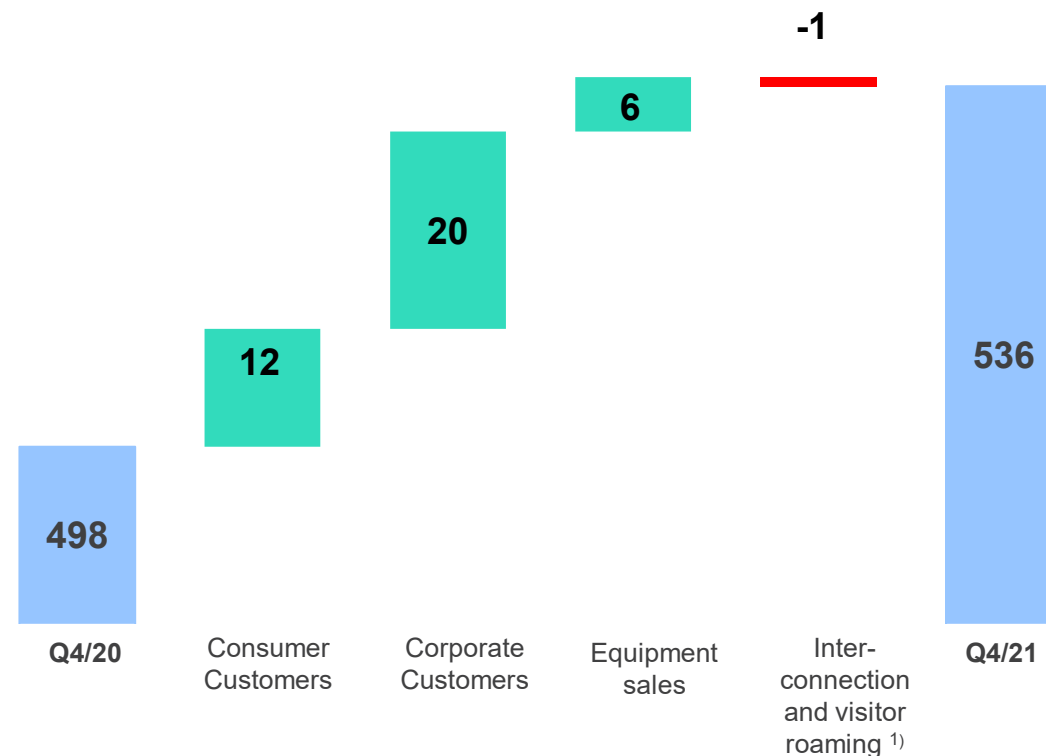
Growth continued – a record year 2021

EUR million ¹⁾	Q4/21	Q4/20	Change	%
Revenue	536	498	37.4	7.5 %
Other operating income	2	2	0.2	13.9 %
Materials and services	-212	-200	-12.5	6.3 %
Employee expenses	-100	-83	-17.7	21.5 %
Other operating expenses	-49	-46	-3.1	6.6 %
EBITDA	178	171	6.8	4.0 %
<i>EBITDA %</i>	<i>33.3 %</i>	<i>34.4 %</i>		
Depreciation	-67	-74	7.1	-9.6 %
EBIT	111	103	7.9	7.6 %
<i>EBIT %</i>	<i>20.8 %</i>	<i>20.8 %</i>		
Financial expenses, net ²⁾	-3	-5	1.3	
Profit before tax	108	99	8.6	8.7 %
Net profit	88	82	6.4	7.8 %
EPS, €	0.55	0.51	0.04	7.8 %

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

2) Q4/20 excluding sale of Sulake shares €6m

Q4 2021 YoY revenue change €37m

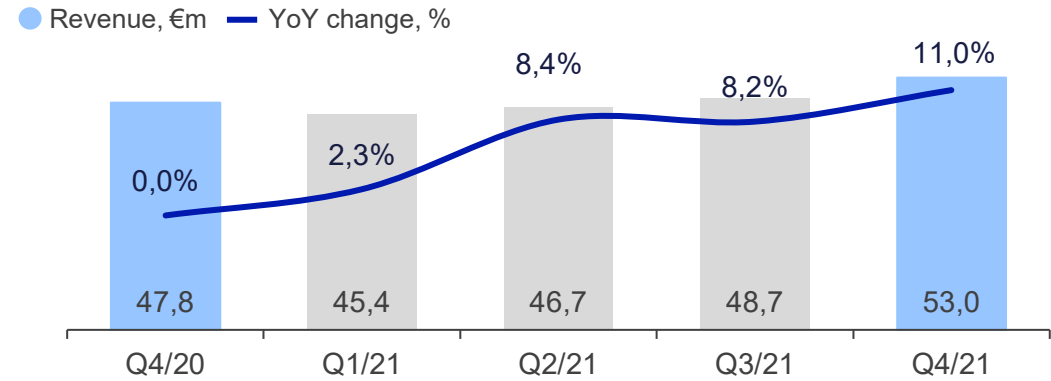


¹⁾ Mobile and fixed interconnection

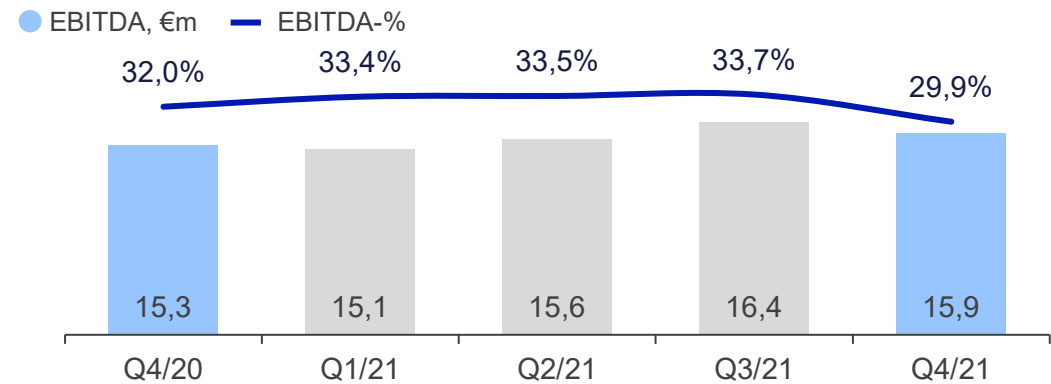
Strong growth in Estonia continuing

- Revenue and EBITDA improved
 - Revenue +11%
 - Mobile and fixed services
 - Equipment sales
 - EBITDA growth +3.6%
 - Mobile post-paid base +4,500, pre-paid +1,100
 - Churn 9.2% (8.9% in Q3)

Revenue



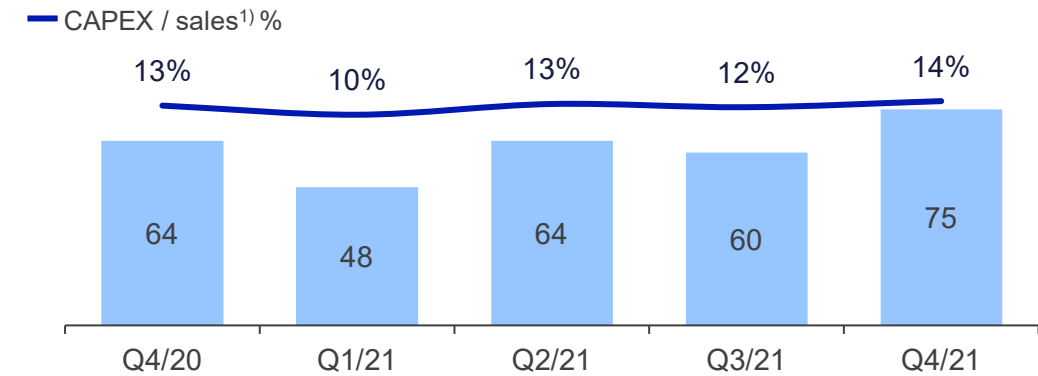
EBITDA



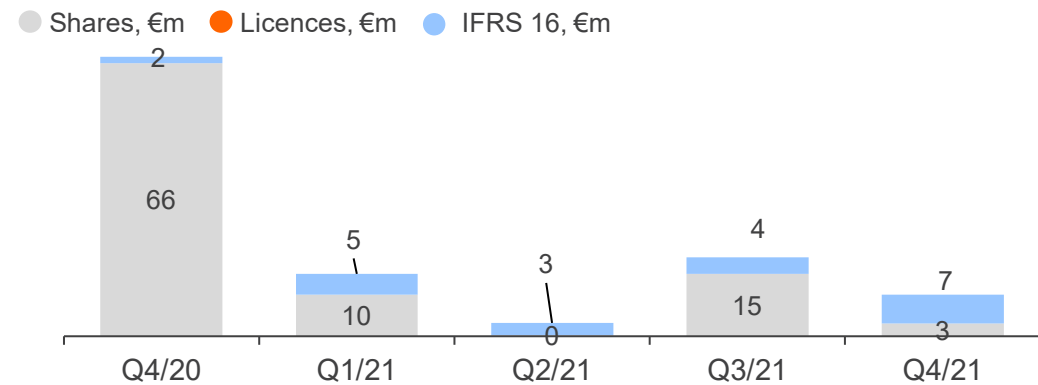
CAPEX in line with guidance

- CAPEX €82m (65), excl. licences, lease agreements and acquisitions €75m (64)
 - Consumer €54m (43)
 - Corporate €27m (23)
- FY CAPEX excl. licences, lease agreements and acquisitions €247m (236)
 - FY CAPEX/Sales 12%
- Main CAPEX areas
 - 5G coverage increase
 - Other network and IT investments

CAPEX¹⁾



Shares, licences and rental agreements (IFRS 16)

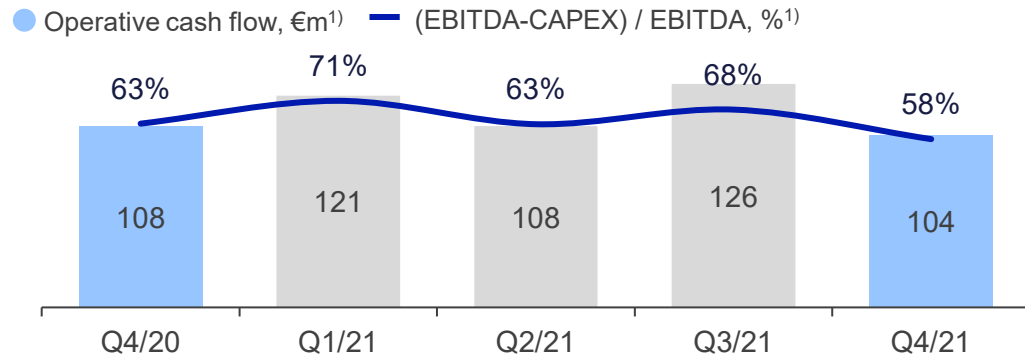


¹⁾ Investments excluding shares, licences and rental agreements (IFRS 16)

Solid cash flow

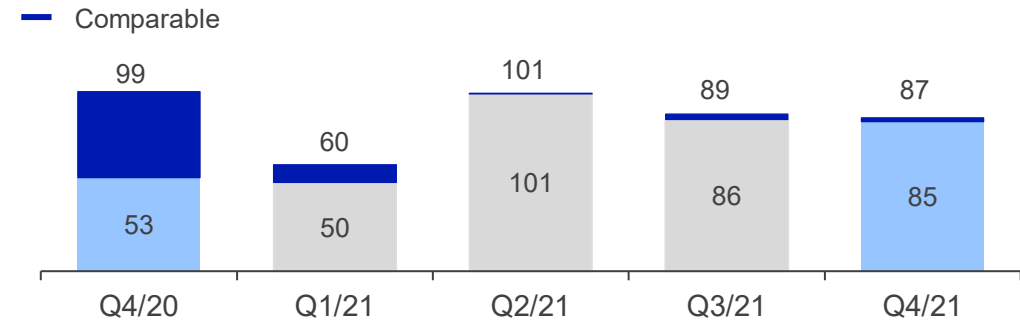
- Q4 cash flow €85m (53)
- Q4 comparable cash flow €87m (99)
 - + Higher EBITDA
 - Higher CAPEX, NWC change mainly due to higher inventory
- FY comparable cash flow €338m (351)

Cash conversion

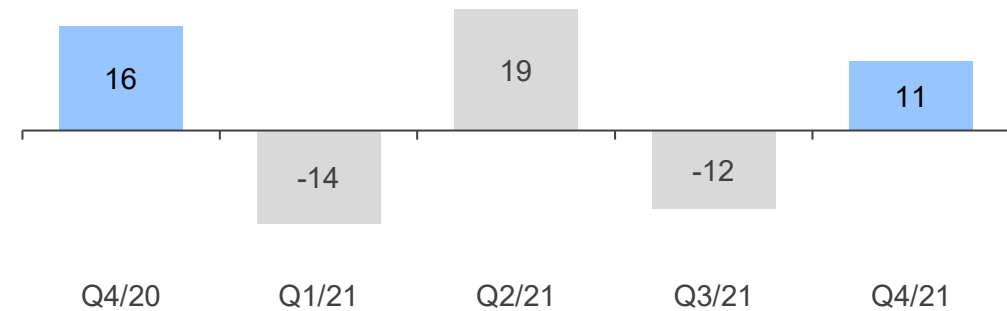


¹⁾ Comparable EBITDA – CAPEX excluding investments in shares, licences and finance leases (IFRS 16)

Cash flow and comparable cash flow, €m



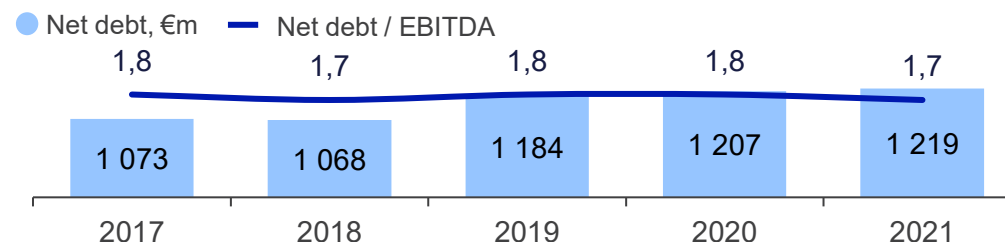
Change in net working capital, €m



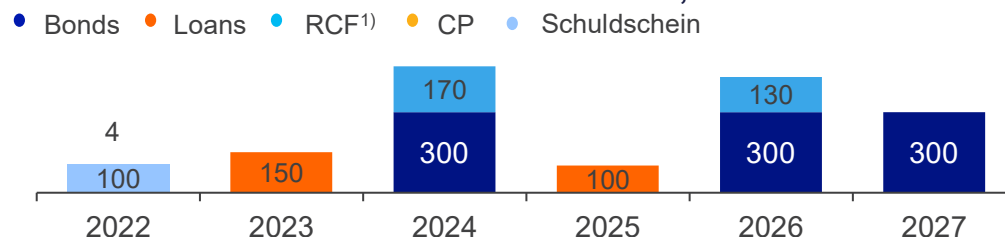
Efficient capital structure and good returns

- Capital structure according to target
 - Net debt / EBITDA 1.7x (target 1.5–2x)
 - Equity ratio 39.9% (target >35%)
- Return ratios at good level
 - Efficient capital structure
- Average interest expense below 1%

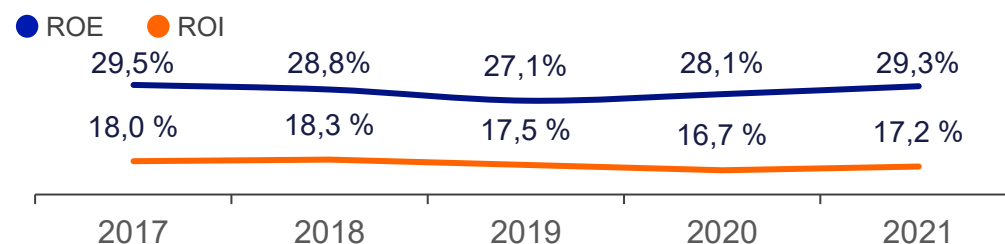
Net debt



Maturities as at 31 December 2021, €m



Return ratios²⁾



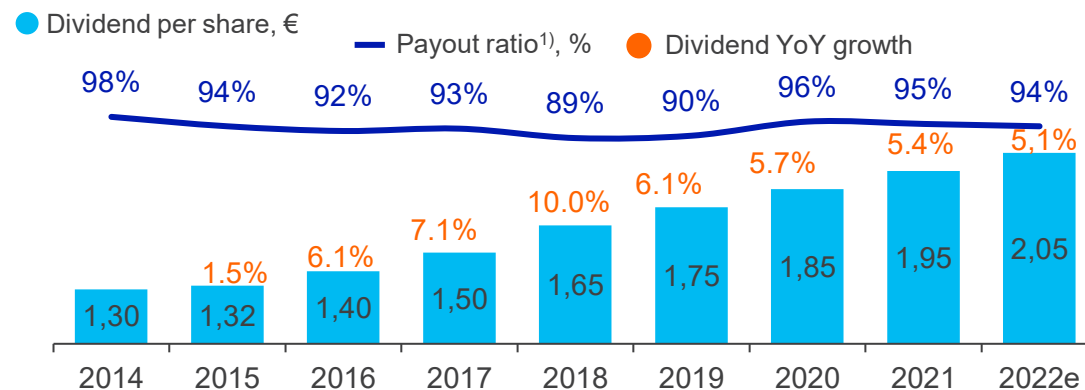
¹⁾ RCFs are fully undrawn

²⁾ Comparable. 2017 excluding sale of Comptel shares

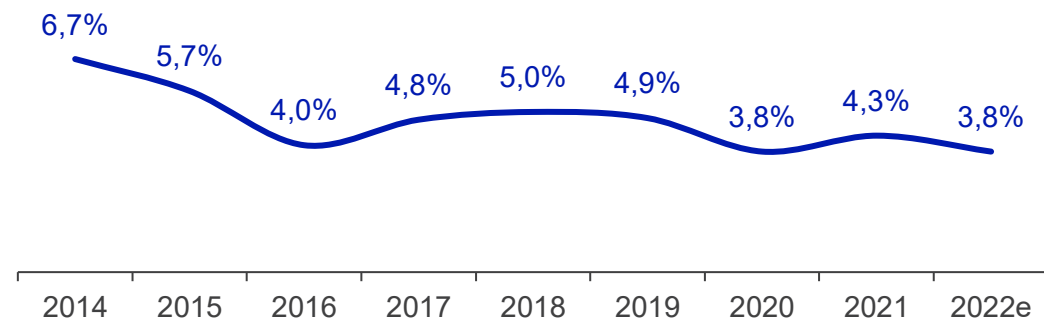
Growing dividend for 8 consecutive years

- Dividend proposal of €2.05 per share
 - Dividend growth +5.1%
 - Total amount €328m
 - Ex-dividend date 7 April 2022
 - Payment date 20 April 2022
- Payout ratio¹⁾ 94%
 - Dividend yield 3.8%²⁾
- Proposal for 5m share buyback authorisation
- Strong commitment of competitive shareholder remuneration
 - Distribution policy 80–100% of net profit

Dividend



Dividend yield²⁾



¹⁾ 2021e calculated from comparable EPS

²⁾ As a share price of last trading date of the year (€54.12 in 2021)

elisa

Q&A

APPENDIX

P&L by quarter

EUR million	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19
Revenue	535.5	496.5	484.3	481.6	498.2	467.5	460.8	468.1	487.3
<i>YoY growth</i>	7.5 %	6.2 %	5.1 %	2.9 %	2.2 %	0.6 %	2.0 %	6.5 %	3.5 %
Other operating income	1.8	1.6	3.0	2.5	1.6	1.3	0.6	0.6	3.0
Materials and services	-212.2	-188.3	-181.0	-182.0	-199.7	-175.6	-166.8	-171.6	-191.7
Employee expenses	-100.4	-80.4	-98.7	-94.3	-82.7	-74.1	-81.8	-87.1	-80.9
Other operating expenses	-49.2	-43.4	-41.4	-38.2	-46.1	-39.1	-44.6	-44.3	-49.6
EBITDA	175.5	186.0	166.2	169.7	171.2	180.0	168.3	165.7	168.1
<i>EBITDA %</i>	32.8 %	37.5 %	34.3 %	35.2 %	34.4 %	38.5 %	36.5 %	35.4 %	34.5 %
<i>YoY Growth</i>	2.5 %	3.4 %	-1.2 %	2.4 %	1.9 %	0.8 %	5.7 %	6.9 %	6.3 %
Comparable EBITDA	178.1	186.0	172.0	169.7	171.2	180.0	168.3	165.7	168.1
<i>YoY Growth</i>	4.0 %	3.4 %	2.2 %	2.4 %	1.9 %	0.8 %	2.9 %	5.2 %	6.3 %
<i>Comparable EBITDA %</i>	33.3 %	37.5 %	35.5 %	35.2 %	34.4 %	38.5 %	36.5 %	35.4 %	34.5 %
Depreciation, amortisation and impairment	-66.8	-65.4	-66.6	-67.6	-73.9	-68.1	-67.4	-66.8	-67.9
EBIT	108.7	120.6	99.5	102.0	97.3	111.9	100.9	99.0	100.1
Comparable EBIT	111.2	120.6	105.3	102.0	103.4	111.9	100.9	99.0	100.1
Financial income	0.9	1.3	1.0	1.4	6.3	1.2	-0.2	1.4	0.4
Financial expenses	-4.4	-4.1	-3.8	-4.2	-5.4	-5.4	-4.7	-5.7	-4.6
Share of associated companies' profit	-0.2	-0.1	-0.2	0.0	0.3	0.7	0.7	0.2	-0.3
Profit before tax	105.0	117.7	96.5	99.2	98.5	108.3	96.6	94.9	95.6
Comparable profit before tax	107.6	117.7	102.3	99.2	98.9	108.3	96.6	94.9	95.6
Income taxes	-19.0	-21.0	-17.3	-17.6	-16.2	-19.4	-17.5	-17.0	-16.6
Profit for the period	86.0	96.7	79.2	81.6	82.3	88.9	79.1	77.9	79.0
Comparable profit	88.1	96.7	83.9	81.6	81.7	88.9	79.1	77.9	79.0
Earnings per share (EUR)	0.54	0.60	0.49	0.51	0.51	0.55	0.49	0.49	0.49
Comparable EPS	0.55	0.60	0.52	0.51	0.51	0.55	0.49	0.49	0.49
<i>YoY Growth</i>	7.8 %	8.9 %	5.9 %	4.7 %	3.4 %	5.2 %	5.6 %	10.1 %	4.0 %

Cash flow YoY comparison

	Q4/21	Q4/20	Change ¹⁾	%	2021	2020	Change ¹⁾	%
EBITDA	176	171	4	3%	697	685	12	2%
Change in receivables	-53	-20	-34		-32	11	-43	
Change in inventories	-9	-2	-7		-18	-1	-16	
Change in payables	73	37	36		53	3	50	
Change in NWC	11	16	-5	-32%	3	13	-9	-74%
Financials (net)	-1	-1	1	-43%	-14	-15	1	-4%
Taxes for the year	-20	-20	1	-3%	-76	-70	-5	8%
Taxes for the previous year	0	0	0		0	3	-3	
Taxes	-20	-20	1	-3%	-76	-68	-8	12%
CAPEX	-72	-63	-9	14%	-248	-238	-10	4%
Licence fees ²⁾	0	0	0		-11	-11	0	0%
Investments in shares ³⁾	-2	-49	46	-95%	-16	-57	41	-72%
Sale of shares	0	3	-3		0	6	-6	
Sale of assets and adjustments	-6	-1	-5		-14	-12	-1	
Cash flow after investments	85	53	32	60%	322	300	22	7%
Cash flow after investments excl. acquisitions ⁴⁾	87	99	-12	-12%	338	351	-14	-4%

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 and Q3/21 in Finland.

3) Polystar and camLine 2020. sedApta, LE-Kuitu and TenForce in 2021

4) Excluding share purchases and sale of shares.

Cash flow by quarter

EUR million	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19
EBITDA	176	186	166	170	171	180	168	166	168
Change in receivables	-53	-6	5	23	-20	0	8	23	-32
Change in inventories	-9	-2	1	-7	-2	9	-10	2	-6
Change in payables	73	-3	13	-30	37	-15	2	-22	27
Change in NWC	11	-12	19	-14	16	-6	1	3	-11
Financials (net)	-1	-2	0	-11	-1	-1	-1	-11	-4
Taxes for the year	-20	-19	-18	-19	-20	-17	-16	-17	-21
Taxes for the previous year	0	0	0	0	0	0	1	2	0
Taxes	-20	-19	-18	-19	-20	-17	-16	-15	-21
CAPEX	-72	-62	-65	-49	-63	-62	-65	-48	-71
Licence fees	0	-1	0	-10	0	0	-1	-10	0
Investments in shares	-2	-4	0	-10	-49	-6	-2	0	0
Sale of shares			0		3	2	0	1	0
Sale of assets and adjustments	-6	-1	-1	-6	-1	0	-1	-11	-4
Cash flow after investments	85	86	101	50	53	91	83	73	55
Cash flow after investments, excl. acquisitions	87	89	101	60	99	97	85	73	55

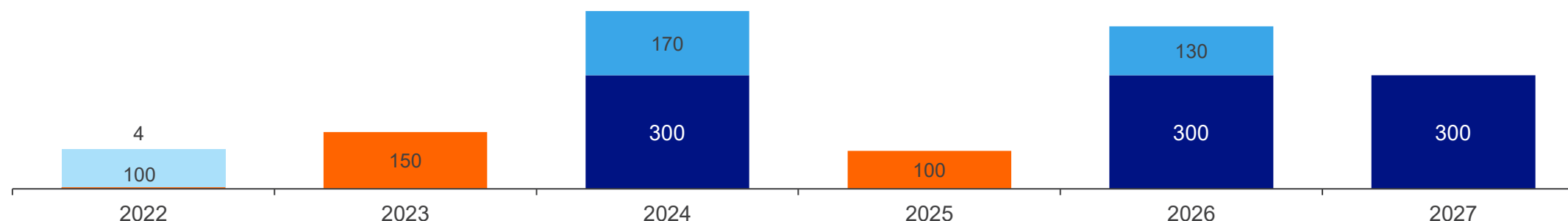
Debt structure

EUR million at the end of quarter	Q4/21	Q3/21	Q2/21	Q1/21	Q4/20	Q3/20	Q2/20	Q1/20	Q4/19
Bonds and notes	888	887	886	885	1 058	1 057	759	758	757
Commercial papers	0	55	130	103	20	152	307	176	133
Schuldschein	100	100	100	100					
Loans from financial institutions	254	254	253	253	252	250	250	250	250
Lease liabilities ¹⁾	92	91	94	96	97	100	90	93	96
Committed credit lines ²⁾	0	0	0	0	0	0	0	0	0
Interest-bearing debt, total	1,333	1,387	1,463	1,438	1,427	1,559	1,406	1,277	1,236
Cash and cash equivalents	114	89	84	274	220	303	74	161	52
Net debt ³⁾	1,219	1,298	1,379	1,164	1,207	1,256	1,332	1,117	1,184

- 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 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 December 2021

● Bonds ● Loans ● RCF¹⁾ ● CP ● Schuldschein



¹⁾ RCFs are fully undrawn



A SUSTAINABLE FUTURE THROUGH DIGITALISATION

Contacts

Mr Vesa Sahivirta
vesa.sahivirta@elisa.fi
+358 50 520 5555

Ms Kati Norppa
kati.norppa@elisa.fi
+358 50 308 9773

investor.relations@elisa.fi

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