

Half-Year Report

2023

14 July 2023

The logo for elisa, written in a blue, lowercase, cursive script font.

ELISA'S HALF-YEAR REPORT JANUARY–JUNE 2023

Second quarter 2023 financial highlights

- Revenue increased by EUR 11m to EUR 533m, mainly due to growth in mobile and fixed services.
- Mobile service revenue increased by 5.4 per cent to EUR 241m.
- Year-on-year revenue growth of international digital services was slightly negative due to the expected volatility of the business. For the full year, strong double-digit organic growth is expected.
- Comparable EBITDA grew by EUR 3m to EUR 183m.
- Comparable EBIT increased by EUR 2m to EUR 116m.
- Comparable cash flow increased by EUR 27m to EUR 108m, mainly due to a positive change in net working capital.
- In Finland, mobile post-paid ARPU increased to EUR 21.9 (21.7 in the previous quarter), and mobile post-paid churn decreased to 13.6 per cent (14.9).
- During the quarter, the number of post-paid mobile subscriptions increased by 43,300, of which 32,900 were M2M and IoT subscriptions.
- Prepaid subscriptions increased by 2,200 during the quarter.
- The number of fixed broadband subscriptions decreased by 4,200 during the quarter.
- The guidance for the full year 2023 is unchanged.

Key indicators

EUR million	2Q23	2Q22	Δ %	1H/23	1H/22	Δ %
Revenue	533	522	2.2 %	1,072	1,033	3.8 %
EBITDA	183	177	3.0 %	366	354	3.3 %
Comparable EBITDA ⁽¹⁾	183	179	1.8 %	366	356	2.7 %
EBIT	116	111	3.8 %	233	223	4.4 %
Comparable EBIT ⁽¹⁾	116	113	2.0 %	233	225	3.5 %
Profit before tax	110	108	1.6 %	222	217	2.6 %
Comparable profit before tax ⁽¹⁾	110	110	-0.3 %	222	219	1.7 %
EPS, EUR	0.56	0.55	0.9 %	1.13	1.10	2.3 %
Comparable EPS, EUR	0.56	0.56	-0.9 %	1.13	1.11	1.4 %
Capital expenditure	70	67	4.1 %	135	125	7.6 %
Net debt	1,459	1,431	1.9 %	1,459	1,431	1.9 %
Net debt / EBITDA ⁽²⁾	2.0	2.0		2.0	2.0	
Gearing ratio, %	134.9 %	135.4 %		134.9 %	135.4 %	
Equity ratio, %	35.2 %	35.3 %		35.2 %	35.3 %	
Cash flow ⁽³⁾	108	82	32.2 %	179	135	32.7 %
Comparable cash flow ⁽⁴⁾	108	81	33.0 %	179	147	21.5 %

¹⁾ 2022 excluding EUR 2m in restructuring costs. ²⁾ (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). ³⁾ Cash flow before financing activities. ⁴⁾ 1H22 excluding EUR 12m in share investments.

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

CEO's review:

Good performance despite some anticipated headwinds

Elisa continued its good performance. In the second quarter, revenue increased by 2 per cent from the previous year to EUR 533 million. Comparable EBITDA improved by 2 per cent to EUR 183 million, and earnings per share were EUR 0.56. Despite increased salary costs, inflation and geopolitical challenges, all of our businesses have had solid performance.

During the second quarter, our 5G population coverage reached nearly 90 per cent in Finland. Also, Elisa was the first telco in Europe to deploy in-service software upgrade capability in a commercial 5G standalone network.

We continued our active investments in our fibre network, and in June, we announced EUR 200 million in investments in the coming years to expand e.g. fibre-to-the-home (FTTH) connections. The fibre rollout is based on customer demand, and customers value Elisa's reliability and simple pricing model. As the market leader in Finland, Elisa continues to develop its fixed network business.

Elisa has achieved the status of a strong and diverse IT player in the Finnish market by offering comprehensive IT solutions to businesses and organisations. Elisa's IT business won several significant new customers and received acknowledgement for its expertise in automation and artificial intelligence with the Microsoft Partner of the Year award.

Elisa's international digital services businesses continued to build momentum for growth. For example, Elisa Polystar recently won significant contracts for AI and analytics solutions from two large European operators.

We continued to implement our mission: a sustainable future through digitalisation. Elisa was ranked among the Financial Times Europe's Climate Leaders for the third year in a row, achieving the highest total score of any Finnish company.

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. Elisa and its entire personnel are engaged in creating value for our customers and a positive impact on society to ensure solid financial performance for shareholders.

Veli-Matti Mattila

CEO

HALF-YEAR REPORT JANUARY–JUNE 2023

This interim report has been prepared in accordance with the IAS 34 standard. The information presented in this interim report is unaudited.

Market situation

The competitive environment has been active, especially in 4G subscriptions. 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	2Q23	2Q22	Δ %	1H/23	1H/22	Δ %
Revenue	533	522	2.2 %	1,072	1,033	3.8 %
EBITDA	183	177	3.0 %	366	354	3.3 %
EBITDA-%	34.3 %	34.0 %		34.1 %	34.3 %	
Comparable EBITDA ⁽¹⁾	183	179	1.8 %	366	356	2.7 %
Comparable EBITDA-%	34.3 %	34.4 %		34.1 %	34.5 %	
EBIT	116	111	3.8 %	233	223	4.4 %
EBIT-%	21.7 %	21.4 %		21.7 %	21.6 %	
Comparable EBIT ⁽¹⁾	116	113	2.0 %	233	225	3.5 %
Comparable EBIT-%	21.7 %	21.8 %		21.7 %	21.8 %	
Return on equity, %	31.2 %	30.7 %		31.2 %	30.7 %	

¹⁾ 2022 excluding EUR 2m in restructuring costs

Second quarter 2023

Revenue increased by 2 per cent, mostly due to growth in mobile and fixed services. A decrease in digital services, usage and subscriptions of traditional fixed (PSTN) telecom services, and in interconnection and roaming, affected revenue negatively. Comparable EBITDA increased by 2 per cent. Efficiency improvements and revenue growth impacted EBITDA positively. Comparable EBIT grew by 2 per cent.

Net financial income and expenses increased to EUR -6 million (-3), mainly due to increased interest rates. Income taxes in the income statement amounted to EUR -21 million (-20). Net profit was EUR 89 million (88), and earnings per share were EUR 0.56 (0.55). Comparable earnings per share were EUR 0.56 (0.56).

January–June 2023

Revenue increased by 4 per cent on the previous year, mainly due to growth in mobile, fixed and digital services, as well as equipment sales. A decrease in usage and subscriptions of traditional fixed telecom services, and in interconnection and roaming revenue, affected revenue negatively.

Comparable EBITDA increased by 3 per cent and comparable EBIT by 3 per cent, mainly due to revenue growth and efficiency improvement measures.

Net financial income and expenses increased to EUR -10 million (-5) mainly due to increased interest rates. Income taxes in the income statement were EUR -42 million (-40). Net profit was EUR 181 million (176), and earnings per share were EUR 1.13 (1.10). Comparable earnings per share were EUR 1.13 (1.11).

Financial position

EUR million	2Q23	2Q22	Δ %	1H/23	1H/22	Δ %
Net debt	1,459	1,431	1.9 %	1,459	1,431	1.9 %
Net debt / EBITDA ¹	2.0	2.0		2.0	2.0	
Gearing ratio, %	134.9 %	135.4 %		134.9 %	135.4 %	
Equity ratio, %	35.2 %	35.3 %		35.2 %	35.3 %	
Cash flow ²	108	82	32.2 %	179	135	32.7 %
Comparable cash flow ³	108	81	33.0 %	179	147	21.5 %

¹) (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). ²) Cash flow before financing activities. ³) 1H22 excluding EUR 12m in share investments.

Second quarter 2023

Net debt increased by 2 per cent to EUR 1,459 million. Comparable cash flow after investments increased by 33 per cent to EUR 108 million. Cash flow was positively affected by a change in net working capital, lower licence fee payments and higher EBITDA. Cash flow was negatively affected by higher CAPEX, higher interest and tax payments.

The financial position and liquidity are strong. Cash and undrawn committed credit lines totalled EUR 420 million at the end of the quarter.

January–June 2023

Comparable cash flow after investments increased by 21 per cent to EUR 179 million. Cash flow was positively affected by a change in net working capital, higher EBITDA and lower licence fee payments. Cash flow was negatively affected by higher CAPEX, higher interest and tax payments.

Changes in corporate structure

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

Consumer Customers business

EUR million	2Q23	2Q22	Δ %	1H/23	1H/22	Δ %
Revenue	326	319	2.3 %	652	631	3.2 %
EBITDA	128	121	5.8 %	251	242	3.5 %
EBITDA-%	39.2 %	37.9 %		38.5 %	38.3 %	
Comparable EBITDA ⁽¹⁾	128	122	4.4 %	251	244	2.8 %
Comparable EBITDA-%	39.2 %	38.4 %		38.5 %	38.6 %	
EBIT	84	77	8.3 %	163	155	5.2 %
EBIT-%	25.7 %	24.3 %		25.0 %	24.5 %	
Comparable EBIT ⁽¹⁾	84	79	6.1 %	163	157	4.1 %
Comparable EBIT-%	25.7 %	24.8 %		25.0 %	24.8 %	
CAPEX	45	45	1.1 %	89	83	6.8 %

¹⁾ 2022 excluding EUR 1.6m in restructuring costs.

Second quarter 2023

Revenue increased by 2 per cent. Revenue was positively affected by growth in mobile, fixed and digital services. Interconnection and roaming, as well as a decrease in usage and subscriptions of traditional fixed telecom services, affected revenue negatively. Comparable EBITDA increased by 4 per cent.

January–June 2023

Revenue increased by 3 per cent. Mobile and digital and fixed services as well as equipment sales affected revenue positively, while it was negatively affected by interconnection and roaming revenue as well as the decrease in traditional fixed telecom services. Comparable EBITDA increased by 3 per cent, mainly due to revenue growth and efficiency improvement measures.

Corporate Customers business

EUR million	2Q23	2Q22	Δ %	1H/23	1H/22	Δ %
Revenue	207	203	1.8 %	421	402	4.8 %
EBITDA	55	57	-3.1 %	116	112	2.7 %
EBITDA-%	26.5 %	27.9 %		27.4 %	28.0 %	
Comparable EBITDA ⁽¹⁾	55	57	-3.7 %	116	113	2.4 %
Comparable EBITDA-%	26.5 %	28.1 %		27.4 %	28.1 %	
EBIT	32	34	-6.3 %	70	68	2.7 %
EBIT-%	15.5 %	16.8 %		16.6 %	16.9 %	
Comparable EBIT ⁽¹⁾	32	34	-7.4 %	70	68	2.1 %
Comparable EBIT-%	15.5 %	17.0 %		16.6 %	17.0 %	
CAPEX	24	22	10.1 %	46	43	9.2 %

¹⁾ 2022 excluding EUR 0.4m in restructuring costs.

Second quarter 2023

Revenue grew by 2 per cent. Revenue was positively affected by growth in mobile and fixed services. A decrease in digital services, as well as interconnection and roaming, affected revenue negatively. Comparable EBITDA decreased by 4 per cent, mainly due to revenue growth and efficiency improvements.

January–June 2023

Revenue increased by 5 per cent. Revenue was positively affected by growth in mobile, fixed and digital services and equipment sales, whereas the decrease in traditional fixed services had a negative effect. Comparable EBITDA increased by 2 per cent.

Investments

EUR million	2Q23	2Q22	1H/23	1H/22
Capital expenditure ⁽¹⁾ , of which	70	67	135	125
Consumer Customers	45	45	89	83
Corporate Customers	24	22	46	43
Shares and business acquisitions	0	0	0	14
Total investments	70	67	135	140
Licenses	2	7	2	7
Leases	4	6	13	15
Capital expenditure excluding leases, licenses and business acquisitions	64	53	120	104
Capital expenditure as % of revenue	12	10	11	10

¹⁾ 2Q23 and 1H23 include EUR 2m for the 26 GHz frequency licence investment in Estonia. 2Q22 and 1H22 include EUR 7m for the 3.5 GHz frequency licence investment 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–June, the average number of personnel at Elisa was 5,673 (5,410) and employee expenses totalled EUR 215 million (198). In the second quarter, employee expenses were EUR 107 million (98). Personnel by segment at the end of the period:

	30 June 23	30 June 22	31 Dec 22
Consumer Customers	3,036	2,948	2,939
Corporate Customers	2,741	2,624	2,684
Total	5,777	5,572	5,623

Sustainability

Key ESG indicators	2Q23	2Q22
Energy efficiency of mobile network in Finland		
Change in energy consumption per GB from Q4 2021 level	-13.5 %	-8.8 %
Population coverage of >100 Mbps connections	89.3 %	80.8 %
Proportion of female supervisors	28.9 %	29.6 %
Patent portfolio development		
Number of active patents in portfolio ¹⁾	358	312
Number of new first applications	12	14

¹⁾ Number of active patent applications and patents.

All key figures are published in our 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 30 Jun 2023
Committed credit limits	300	0
Credit facility (uncommitted)	100	100
Commercial paper programme (uncommitted)	350	241
EMTN programme (uncommitted)	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	2Q23	2Q22	2022
Nasdaq Helsinki, millions	48.7	19.8	71.2
Other marketplaces, millions ¹⁾	15.0	58.7	208.4
Total volume, millions	63.7	78.5	279.6
Value, EUR million	3,418.9	3,652.1	14,575.8
% of shares	38.1 %	46.9 %	167.1 %

Shares and market values	30 Jun 2023	30 Jun 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	48.94	53.62	49.46
Market capitalisation, EUR million	8,189	8,973	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 ²⁾		-127,539	127,539
Shares on 30 Jun 2023	167,335,073	6,947,839	160,387,234

¹⁾ Other marketplaces: Based on Bloomberg. ²⁾ Stock exchange bulletin, 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 Share 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

The Estonian auction for the 26 GHz spectrum ended on 10 May 2023. Elisa won 800 MHz of spectrum according to its target. The new spectrum is being used to build Elisa's 5G network.

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. Changes 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 withdrew 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

There are no substantial events after the financial period.

Outlook and guidance for 2023

Development in 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 as 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 as or slightly higher than in 2022. Capital expenditure is expected to be a maximum of 12 per cent of revenue.

Elisa is continuing to develop to improve productivity, 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	4-6 2023	4-6 2022	1-6 2023	1-6 2022	1-12 2022
Revenue	1	532.7	521.5	1,072.4	1,032.9	2,129.5
Other operating income		1.3	1.1	5.7	2.0	6.9
Materials and services		-193.5	-199.0	-398.5	-388.6	-820.8
Employee expenses		-106.8	-97.6	-215.0	-197.7	-394.8
Other operating expenses		-51.0	-48.6	-98.6	-94.2	-187.5
EBITDA	1	182.7	177.4	366.1	354.5	733.3
Depreciation, amortisation and impairment	1	-66.9	-65.9	-133.5	-131.7	-263.4
EBIT	1	115.7	111.5	232.6	222.8	469.8
Financial income		2.4	1.9	3.9	3.4	5.6
Financial expenses		-8.0	-4.7	-13.8	-8.8	-18.7
Share of associated companies' profit		-0.1	-0.3	-0.2	-0.7	-0.7
Profit before tax		110.0	108.4	222.5	216.7	456.0
Income taxes		-20.6	-20.0	-41.5	-40.4	-83.2
Profit for the period		89.4	88.4	180.9	176.4	372.8
Attributable to						
Equity holders of the parent		89.7	88.8	181.3	177.0	374.1
Non-controlling interests		-0.3	-0.5	-0.4	-0.7	-1.3
		89.4	88.4	180.9	176.4	372.8
Earnings per share (EUR)						
Basic		0.56	0.55	1.13	1.10	2.33
Diluted		0.56	0.55	1.13	1.10	2.33
Average number of outstanding shares (1000 shares)						
Basic		160,387	160,260	160,365	160,247	160,253
Diluted		160,471	160,280	160,449	160,329	160,410

Consolidated statement of comprehensive income

Profit for the period	89.4	88.4	180.9	176.4	372.8
Other comprehensive income, net of tax					
Items, which may be reclassified subsequently to profit or loss					
Cash flow hedge	0.0	3.9	-1.4	4.0	-0.3
Translation differences	-3.4	-1.1	-4.7	-1.5	-4.7
	-3.4	2.8	-6.0	2.6	-5.1
Items that are not reclassified subsequently to profit or loss					
Remeasurements of the net defined benefit liability					0.4
Total comprehensive income	86.0	91.1	174.9	178.9	368.0
Total comprehensive income attributable to					
Equity holders of the parent	86.3	91.5	175.3	179.5	369.3
Non-controlling interest	-0.3	-0.4	-0.4	-0.6	-1.3
	86.0	91.1	174.9	178.9	368.0

Consolidated statement of financial position

EUR million	Note	30.6. 2023	31.12. 2022
Non-current assets			
Property, plant and equipment	3	767.5	766.7
Right-of-use assets	3	90.0	90.4
Goodwill	3	1,153.6	1,157.3
Intangible assets	3	211.0	210.5
Investments in associated companies	12	9.7	9.9
Other financial assets	4	16.0	16.2
Trade and other receivables	4	110.6	116.8
Deferred tax assets		13.6	13.1
		2,372.0	2,380.9
Current assets			
Inventories		89.0	95.5
Trade and other receivables		506.3	537.1
Tax receivables		1.8	1.8
Cash and cash equivalents		119.7	85.4
		716.8	719.9
Total assets		3,088.8	3,100.8
Equity attributable to equity holders of the parent			
	6	1,076.6	1,246.5
Non-controlling interests			
		4.8	5.4
Total shareholders' equity			
		1,081.3	1,251.9
Non-current liabilities			
Deferred tax liabilities		23.5	25.7
Interest-bearing financial liabilities	4, 7	698.6	995.0
Lease liabilities, interest-bearing	4	70.3	70.8
Trade payables and other liabilities	4, 5	27.7	30.3
Pension obligations		12.8	12.9
Provisions	8	4.1	2.9
		836.9	1,137.7
Current liabilities			
Interest-bearing financial liabilities	4, 7	788.7	275.0
Lease liabilities, interest-bearing	4	20.6	20.4
Trade and other payables	4, 5	353.8	412.9
Tax liabilities		6.1	2.1
Provisions	8	1.3	0.8
		1,170.6	711.2
Total equity and liabilities		3,088.8	3,100.8

Condensed consolidated cash flow statement

EUR million	1-6 2023	1-6 2022	1-12 2022
Cash flow from operating activities			
Profit before tax	222.5	216.7	456.0
Adjustments			
Depreciation, amortisation and impairment	133.5	131.7	263.4
Other adjustments	-8.1	-3.9	-5.2
	125.3	127.7	258.2
Change in working capital			
Increase (-) / decrease (+) in trade and other receivables	51.1	26.0	-16.2
Increase (-) / decrease (+) in inventories	7.5	-9.5	-13.3
Increase (+) / decrease (-) in trade and other payables	-50.8	-52.3	2.0
	7.9	-35.8	-27.5
Financial items, net	-11.9	-6.9	-10.0
Taxes paid	-39.9	-38.6	-85.0
Net cash flow from operating activities	303.9	263.2	591.8
Cash flow from investing activities			
Capital expenditure	-127.3	-115.8	-270.9
Investments in shares and business combinations	-1.8	-12.6	-21.0
Repayment of loan receivables		0.1	0.1
Proceeds from disposal of assets	4.4	0.1	-0.1
Net cash used in investing activities	-124.7	-128.2	-291.9
Cash flow before financing activities	179.2	135.0	299.9
Cash flow from financing activities			
Repayments of long-term borrowings	-0.1	-0.1	-100.3
Increase (+) / decrease (-) in short-term borrowings	215.5	179.9	124.8
Repayment of lease liabilities	-12.6	-12.1	-24.9
Dividends paid	-346.9	-330.1	-328.1
Net cash used in financing activities	-144.1	-162.5	-328.5
Change in cash and cash equivalents	35.1	-27.5	-28.6
Translation differences	-0.8	0.4	-0.1
Cash and cash equivalents at beginning of period	85.4	114.1	114.1
Cash and cash equivalents at end of period	119.7	87.0	85.4

Consolidated statement of changes in equity

EUR million	Share capital	Treasury shares	Reserve for invested non-restricted equity	Other reserves	Retained earnings	Non-cont-rolling interests	Total equity
Balance at 1 January 2022	83.0	-126.1	90.9	373.9	776.1	6.3	1,204.1
Profit for the period					177.0	-0.7	176.4
Translation differences					-1.6	0.1	-1.5
Cash flow hedge				4.0			4.0
Total comprehensive income				4.0	175.5	-0.6	178.9
Dividend distribution					-328.5	-0.1	-328.7
Share-based compensation		1.6					1.6
Other changes					0.4	0.6	1.0
Balance at 30 June 2022	83.0	-124.5	90.9	377.9	623.4	6.2	1,056.9
EUR million							
Balance at 1 January 2023	83.0	-124.5	90.9	373.9	823.2	5.4	1,251.9
Profit for the period					181.3	-0.4	180.9
Translation differences					-4.6	0.0	-4.7
Cash flow hedge				-1.4			-1.4
Total comprehensive income				-1.4	176.7	-0.4	174.9
Dividend distribution					-344.8	-0.2	-345.1
Share-based compensation		2.8					2.8
Other changes					-3.2	-0.1	-3.2
Balance at 30 June 2023	83.0	-121.7	90.9	372.5	651.9	4.8	1,081.3

Notes

ACCOUNTING PRINCIPLES

The interim report has been prepared in compliance with IAS 34 Interim Financial Reporting. 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

4-6/2023	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	326.1	206.6		532.7
EBITDA	127.8	54.8		182.7
Depreciation, amortisation and impairment	-44.0	-22.9		-66.9
EBIT	83.8	31.9		115.7
Financial income			2.4	2.4
Financial expenses			-8.0	-8.0
Share of associated companies' profit			-0.1	-0.1
Profit before tax				110.0
Investments	45.0	24.5		69.5

4-6/2022	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	318.7	202.9		521.5
EBITDA	120.8	56.6		177.4
Depreciation, amortisation and impairment	-43.4	-22.5		-65.9
EBIT	77.4	34.1		111.5
Financial income			1.9	1.9
Financial expenses			-4.7	-4.7
Share of associated companies' profit			-0.3	-0.3
Profit before tax				108.4
Investments	44.5	22.2		66.8

1-6/2023	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	651.6	420.8		1,072.4
EBITDA	250.6	115.5		366.1
Depreciation, amortisation and impairment	-87.7	-45.8		-133.5
EBIT	162.9	69.7		232.6
Financial income			3.9	3.9
Financial expenses			-13.8	-13.8
Share of associated companies' profit			-0.2	-0.2
Profit before tax				222.5
Investments	88.5	46.5		135.0
1-6/2022	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	631.4	401.5		1,032.9
EBITDA	242.0	112.5		354.5
Depreciation, amortisation and impairment	-87.1	-44.6		-131.7
EBIT	154.9	67.9		222.8
Financial income			3.4	3.4
Financial expenses			-8.8	-8.8
Share of associated companies' profit			-0.7	-0.7
Profit before tax				216.7
Investments	82.9	42.6		125.5
1-12/2022	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. Acquisitions and disposals

There were no significant acquisitions or disposals during the reporting period.

3. Property, plant and equipment and intangible assets

30.6.2023 EUR million	Property plant and equipment	Goodwill	Other intangible assets
Acquisition cost at 1 January 2023	4,643.4	1,178.4	969.6
Additions	90.6		31.5 ¹⁾
Additions, right-of-use assets	13.0		
Disposals	-4.0		0.0
Reclassifications	-25.7		-1.0
Translation differences	-0.3	-3.6	-0.4
Acquisition cost at 30 June 2023	4,716.9	1,174.8	999.7
Accumulated depreciation, amortisation and impairment at 1 January 2023	3,786.3	21.1	759.1
Depreciation, amortisation and impairment	103.3		30.1
Accumulated depreciation and amortisation on disposals and reclassifications	-30.1		0.0
Translation differences	-0.1	0.1	-0.5
Accumulated depreciation, amortisation and impairment at 30 June 2023	3,859.4	21.2	788.8
Book value at 1 January 2023	857.1	1,157.3	210.5
Book value at 30 June 2023	857.5	1,153.6	211.0

30.6.2022 EUR million	Property plant and equipment	Goodwill	Other intangible assets
Acquisition cost at 1 January 2022	4,622.6	1,160.6	903.5
Business acquisitions	0.0	13.9	0.1
Additions	76.5		34.3 ²⁾
Additions, right-of-use assets	14.7		
Disposals	-62.0		0.0
Reclassifications	-8.6		0.7
Translation differences	0.5	-2.0	-0.3
Acquisition cost at 30 June 2022	4,643.7	1,172.5	938.3
Accumulated depreciation, amortisation and at 1 January 2022	3,778.9	21.2	705.4
Depreciation, amortisation and impairment	102.8		28.9
Accumulated depreciation and amortisation on business acquisitions	0.0		0.1
Accumulated depreciation and amortisation on disposals and reclassifications	-65.9		-4.0
Translation differences	0.3	-0.1	-0.3
Accumulated depreciation, amortisation and impairment at 30 June 2022	3,816.1	21.2	730.2
Book value at 1 January 2022	843.7	1,139.4	198.1
Book value at 30 June 2022	827.6	1,151.3	208.2

¹⁾ Includes Estonian 26 GHz spectrum licence in a carrying amount of EUR 1.63 million.

²⁾ Includes Estonian 3.5 GHz spectrum licence in a carrying amount of EUR 7.2 million.

Commitments to purchase property, plant and equipment and intangible assets amounted to EUR 79.5 (69.9) million on 30 June 2023.

The lease commitments for rental agreements commencing in the future, in accordance with IFRS 16, were EUR 2.4 (0.1) million on 30 June 2023.

4. Carrying amounts of financial assets and liabilities by category

30.6.2023 EUR million	Financial assets/liabilities measured at fair value through profit or loss	Financial assets/liabilities measured at fair value through other compre- hensive income	Financial assets/ liabilities measured at amortised cost	Book values	Fair values
Non-current financial assets					
Other financial assets ⁽¹⁾	0.6		15.4	16.0	16.0
Trade and other receivables			110.6	110.6	110.6
Current financial assets					
Trade and other receivables			506.3	506.3	506.3
	0.6		632.3	632.9	632.9
Non-current financial liabilities					
Financial liabilities			768.9	768.9	703.0
Trade and other payables ⁽²⁾	2.3	0.6	20.6	23.4	23.4
Current financial liabilities					
Financial liabilities			809.3	809.3	809.3
Trade and other payables ⁽²⁾	1.3		342.2	343.5	343.5
	3.6	0.6	1,941.0	1,945.2	1,879.3
31.12.2022 EUR million					
	Financial assets/liabilities measured at fair value through profit or loss	Financial assets/liabilities measured at fair value through other compre- hensive income	Financial assets/ liabilities measured at amortised cost	Book values	Fair values
Non-current financial assets					
Other financial assets ⁽¹⁾	0.6		15.6	16.2	16.2
Trade and other receivables		1.2	115.6	116.8	116.8
Current financial assets					
Trade and other receivables			537.1	537.1	537.1
	0.6	1.2	668.3	670.1	670.1
Non-current financial liabilities					
Financial liabilities			1,065.9	1,065.9	994.0
Trade and other payables ⁽²⁾	4.6	0.0	21.4	26.0	26.0
Current financial liabilities					
Financial liabilities			295.4	295.4	295.4
Trade and other payables ⁽²⁾	0.3		402.3	402.6	402.6
	4.9	0.0	1,785.0	1,789.9	1,718.0

¹⁾ "Other financial assets" includes Groups' listed and unlisted equity investments.

²⁾ Excluding advances received

The Group's financial assets and liabilities are classified as financial assets and liabilities measured at amortised cost, financial assets and liabilities measured at fair value through other comprehensive income, and financial assets and liabilities measured at fair value through profit or loss. Financial assets and liabilities measured at amortised cost include fixed-term contracts whose cash flow includes payments of principal and interest on the principal outstanding. Financial assets and liabilities measured at fair value through other comprehensive income include those financial items that are expected both to collect contractual cash flows and to sell financial assets. Financial assets and liabilities measured at fair value through profit or loss include items that do not meet the criteria of the other groups.

The Group categorises electricity and currency derivatives that qualify for hedge accounting as financial assets or liabilities measured at fair value through other comprehensive income. Contingent considerations in business combinations and listed equity investments are recognised as financial assets or liabilities measured at fair value through profit or loss. Other financial assets and liabilities are measured at amortised cost.

5. Financial assets and liabilities recognised at fair value

EUR million	30.6.2023	Level 1	Level 2	Level 3
Financial assets/liabilities measured at fair value through other comprehensive income				
Electricity derivatives	-0.5		-0.5	
Currency derivatives	-0.1		-0.1	
Financial assets/liabilities measured at fair value through profit or loss				
Listed equity investments	0.6	0.6		
Contingent considerations relating to business combinations	-3.6			-3.6
	-3.5	0.6	-0.6	-3.6

EUR million	31.12.2022	Level 1	Level 2	Level 3
Financial assets/liabilities recognised at fair value other comprehensive income				
Electricity derivatives	1.2		1.2	
Currency derivatives	0.0		0.0	
Financial assets/liabilities measured at fair value through profit or loss				
Listed equity investments	0.6	0.6		
Contingent considerations relating to business combinations	-4.9			-4.9
	-3.1	0.6	1.1	-4.9

Level 1 includes instruments with quoted prices in active markets. Level 2 includes instruments with observable prices based on market data. Level 3 includes instruments with prices that are not based on verifiable market data, but instead on the company's internal information, for example.

6. Equity

	Number of shares pcs	Treasury shares pcs	Holding, % of shares and votes
Shares at 31 December 2022	167,335,073	7,075,378	4.23 %
Disposal of treasury shares		-127,539	
Shares at 30 June 2023	167,335,073	6,947,839	4.15 %

Dividend

On 5 April 2023, Elisa's Annual General Meeting decided on a dividend of EUR 2.15 per share. The total dividend amounts to EUR 344.8 million, and payment started on 19 April 2023.

7. Issuance and repayment of debt securities

For short-term financing, Elisa has an EUR 350 million uncommitted commercial paper programme and a EUR 100 million credit facility with Landesbank Baden-Württemberg. Current financial liabilities include outstanding commercial papers of EUR 240.5 million and EUR 100 million drawn from credit

On 17 May 2023, Elisa signed a new, EUR 170 million syndicated, sustainability-linked revolving credit facility. The five-year facility has an options to extend it by two years. The facility replaces the facility of the same size that was signed in 2017, which matures in July 2024.

The unused amount of the EUR 1,500 million EMTN programme is EUR 600 million as of 30 June 2023.

EUR million	30.6. 2023	31.12. 2022
Issued bonds, nominal value	900.0	900.0
Issued commercial papers	240.5	125.0
Withdrawn credit facilities	100.0	100.0
Withdrawn committed credit lines	0.0	0.0

8. Provisions

EUR million	Termination benefits	Other	Total
1 January 2023	2.0	1.7	3.7
Increase in provisions	2.7		2.7
Reversals of unused provisions	-0.2		-0.2
Utilised provisions	-0.8		-0.8
30 June 2023	3.7	1.7	5.4

EUR million	Termination benefits	Other	Total
1 January 2022	4.3	1.7	5.9
Increase in provisions	1.5		1.5
Reversals of unused provisions	-0.5		-0.5
Utilised provisions	-2.2		-2.2
30 June 2022	3.1	1.7	4.8

9. Off-balance sheet lease commitments

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

EUR million	30.6. 2023	31.12. 2022
Within one year	12.9	13.2
Later than one year, not later than five years	3.9	4.3
Later than five years	1.2	1.0
	18.0	18.4

Lease commitments are exclusive of value added tax.

10. Contingent liabilities

EUR million	30.6. 2023	31.12. 2022
For our own commitments		
Mortgages	3.8	3.8
Guarantees	0.5	0.6
Deposits	0.5	0.6
On behalf of others		
Guarantees	0.6	0.3
	5.3	5.2
Other contractual obligations		
Venture capital investment commitment	0.3	0.5
	0.3	0.5

11. Derivative instruments

EUR million	30.6. 2023	31.12. 2022
Nominal values of derivatives		
Electricity derivatives	2.1	5.8
Currency derivatives	3.4	3.3
	5.5	9.1
Fair values of derivatives		
Electricity derivatives	-0.5	1.2
Currency derivatives	-0.1	0.0
	-0.6	1.1

12. Related party transactions

The Group's related parties include the parent company, subsidiaries, associates and joint ventures. The related parties also include Elisa's Board of Directors, the CEO, the Executive Board as well as entities controlled by them and close members of their family.

Related party transactions with associated companies EUR million	1-6 2023	1-6 2022	1-12 2022
Revenue	0.2	0.3	0.5
Purchases	0.5	0.5	1.0
Receivables	0.6	0.6	0.6
Liabilities	0.0	0.0	0.0

There were no related party transactions with the key management. The salaries and remuneration paid to the management of Elisa Group will be published in the annual consolidated financial statements.

13. Key figures

EUR million	1-6 2023	1-6 2022	1-12 2022
Shareholders' equity per share, EUR	6.71	6.56	7.78
Interest-bearing net debt	1,458.5	1,430.9	1,275.8
Gearing, %	134.9 %	135.4 %	101.9 %
Equity ratio, %	35.2 %	35.3 %	40.6 %
Return on investment (ROI), % *)	18.2 %	17.5 %	18.3 %
Gross investments in fixed assets, of which right-of-use assets	135.0 13.0	125.5 14.7	289.7 25.5
Gross investments as % of revenue	12.6 %	12.2 %	13.6 %
Investments in shares and business combinations	0.2	14.4	24.8
Average number of employees	5,673	5,410	5,523

*) Rolling 12 months' profit preceding the reporting date

Financial calendar

Interim Report Q3 2023

19 October 2023

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