

Eltel Group

Full-year report January-December 2024

Stockholm, Sweden, 14 February 2025

October–December 2024

- Net sales EUR 226.1 million (240.2), a decrease of 5.9%, mainly due to the divestment of High Voltage Poland. Organic growth¹⁾ was -2.0%, and organic growth in segments was 0.0%
- Adjusted EBITDA EUR 14.2 million (10.2)
- Adjusted EBITA²⁾ EUR 5.7 million (2.8) and adjusted EBITA margin 2.5% (1.2)
- Adjusted EBITA²⁾ in segments EUR 8.6 million (5.0) and adjusted EBITA margin in segments 4.0% (2.3)
- Items affecting comparability³⁾ EUR -1.6 million (0.1)
- Operating result (EBIT) EUR 4.2 million (2.9) and EBIT margin 1.9% (1.2)
- Net result EUR 3.9 million (10.3)
- Earnings per share EUR 0.02 (0.06), basic and diluted
- Cash flow from operating activities EUR 38.9 million (39.8)

January–December 2024

- Net sales EUR 828.7 million (850.1), a decrease of 2.5%, mainly due to the divestment of High Voltage Poland. Organic growth¹⁾ was 1.8% and organic growth in segments was 1.5%
- Adjusted EBITDA EUR 45.2 million (31.8)
- Adjusted EBITA²⁾ EUR 10.5 million (1.7) and adjusted EBITA margin 1.3% (0.2)
- Adjusted EBITA²⁾ in segments EUR 21.1 million (11.8) and adjusted EBITA margin in segments 2.7% (1.5)
- Items affecting comparability³⁾ EUR -28.5 million (-7.0)
- Operating result (EBIT) EUR -18.0 million (-5.3) and EBIT margin -2.2% (-0.6)
- Net result EUR -29.1 million (-7.6)
- Earnings per share EUR -0.21 (-0.07), basic and diluted
- Cash flow from operating activities EUR 27.5 million (34.0)
- Net debt EUR 114.0 million (100.6)

Significant events during and after the reporting period

- During the fourth quarter, Eltel signed new contracts with a combined value of about EUR 308.0 million (134.6) and the value of the total orderbook⁴⁾ was EUR 1,220 million. Read more on page 13.
- On 15 January 2025, it was announced that Ingrid Therese Tjøsvold has been appointed Managing Director for Eltel Norway and member of the Group Management Team as of 10 February 2025.
- On 5 and 19 December, Eltel Sweden signed two contracts with the Swedish Transport Administration, with a total value of EUR 165 million. Both contracts have a maximum duration of seven years.
- On 20 December, it was announced that Eltel Finland and Telia in Finland have signed a three-year continuation of a current frame agreement worth about EUR 70 million.
- On 27 December, it was announced that Eltel Norway and Avinor have signed a new contract worth up to a total EUR 20 million for the entire contract period, including five optional years.
- On 6 February, it was announced that Eltel Finland has been selected by Taaleri Energia to construct and maintain the second largest solar park in Finland, with a contract value of EUR 73.5 million.

Key figures

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	226.1	240.2	828.7	850.1
Net sales growth, %	-5.9%	7.2%	-2.5%	3.2%
Adjusted EBITDA	14.2	10.2	45.2	31.8
Adjusted EBITA ²⁾	5.7	2.8	10.5	1.7
Adjusted EBITA margin, %	2.5%	1.2%	1.3%	0.2%
Adjusted EBITA ²⁾ , segments	8.6	5.0	21.1	11.8
Adjusted EBITA margin, %, segments	4.0%	2.3%	2.7%	1.5%
Operating result (EBIT)	4.2	2.9	-18.0	-5.3
Return on operative capital employed (ROCE), %	102.4%	5.3%	102.4%	5.3%
Net working capital	-61.3	-49.8	-61.3	-49.8
Net debt	114.0	100.6	114.0	100.6
Number of employees, average	4,226	4,948	4,550	5,024

1) Organic growth is adjusted for currency effects and divestments.

2) Eltel follows the profitability of segments with adjusted EBITA, which does not include restructuring costs and other items affecting comparability. Please see pages 25–26 for definitions of the key ratios.

3) See reconciliation of segment results on page 21 for more information.

4) Total orderbook includes the committed order backlog and the best estimate for uncommitted remaining parts of frame agreements until the end of the agreement.

Comments by the CEO

I'm very happy to see that our efforts to improve profitability continued to deliver in the fourth quarter, with the adjusted EBITA doubling, leading to a margin of 2.5% (1.2). Q4 2024 was the sixth quarter in a row with improved adjusted EBITA for Eltel compared to the previous year.

The organic net sales in the segments was flat, whereas the total net sales had a decline, mainly due to the divestment of High Voltage Poland.

In the quarter we had an increase in both net sales and profitability in Finland and Sweden, and a strong profitability improvement in Denmark, in spite of a decrease in net sales. Our focus on operational excellence contributed heavily to improving the profitability. Broadening our customer base, particularly in public infrastructure, as well as strong progress in new and adjacent business areas, such as Solar and battery storage, continued to yield positive results within both growth and profitability.

In spite of a continuous wait-and-see market, our customers' confidence in us remained strong and our sales efforts resulted in a total contract value increase to EUR 308.1 million (134.6) during the quarter. Our orderbook is now at EUR 1.2 billion and I'm very confident that our positive development will continue. Two proof points of our strategy working well are that the gross profit grew with 13% in Q4 and with 21% for the full year, and that our leverage improved to 2.5, which means that we have reached this target.

Finland showed a strong development, especially profitability wise. Adjusted EBITA improved by EUR 3.1 million to EUR 6.3 million (3.2) and the adjusted EBITA margin was 6.2% (3.3). The growth of 3.1% was driven by Communication and especially by our fiber-to-the-home business. Profitability improved also in Power, despite an expected slight volume decline caused by an updated market regulation effective from 1 January 2024. During the quarter, the first large scale solar park, as well as the first BESS (Battery Energy Storage System) project, were finalized. At the end of the quarter, a conditional agreement was signed with Taaleri Energia regarding a turnkey contract on a very large solar park. On 6 February, the conditions had been met and we received the start order to carry out the establishment. The contract, which has a value of approximately EUR 73.5 million, also includes a substation and connection to the national grid as well as operation and maintenance of the facility, confirming Eltel's unique position as a turnkey supplier.

Sweden doubled its adjusted EBITA during this tenth consecutive quarter of positive adjusted EBITA. Both Communication and Power contributed to the improved profitability, especially our Smart Grids business. The growth of 5.1%, 4.8% in local currency, this quarter was related to Communication, and in particular to public infrastructure, which really started to show results this quarter.

Norway continued to be burdened by lower customer investments in Communication, impacting the volumes negatively, resulting in a net sales of EUR 29.8 million (33.8). From 1 January we operate in the new organization structure. The focus on margins and profitability, rather than on volumes, is continuously strong and the activity level of broadening the customer base is high, although not yet compensating for the decline in Communication. I look forward to working together with our newly appointed Managing Director Ingrid Therese Tjøsvold and the Norwegian team to develop Eltel Norway.

In Denmark the volume shift from Communication to Power was reflected in net sales. Power had a very strong growth but did not compensate for the decline in Communication. I'm very pleased with the strong profitability improvement in Q4 with an adjusted EBITA margin of 8.1% (4.6), especially as both Communication and Power have contributed to the margin improvement.

To simplify our operational structure and leverage our Danish management, we will update our segment structure from 1 January 2025. The operations in Denmark and Germany will be presented in one segment named Denmark & Germany, headed by our current Managing Director for Eltel Denmark, Claus Metzsch Jensen. Smart Grids Germany has been presented outside segments under Other business until 31 December 2024. The remaining part of the Other business and Group Functions will be combined and named as Group Support Functions. Starting from 1 January 2025 the segments will be Finland, Sweden, Denmark & Germany and Norway.

I want to thank all customers, colleagues, partners and investors for good collaboration and a productive 2024, where we've taken many important steps towards transforming the company. With an engaged and commercially oriented organization and a strong order book, I'm confident that we will make significant progress in 2025.

Håkan Dahlström, President & CEO



About Eltel and the Group strategy

Eltel in brief

Eltel is the leading service provider for critical infrastructure that enables renewable energy and high-performing communication networks. Operations are conducted in the Nordic countries, Germany, Poland (a Shared Services Center) and Lithuania within country-based organizations that have full responsibility for their financial results.

Within business area Communication, Eltel establishes networks and supports the societal need for greater digitalization. We provide design, installation, upgrades and service mainly to mobile and fixed communication network owners and operators and increasingly to private and public sector.

Within business area Power, Eltel enables the transition to renewable energy and the electrification of society. We provide maintenance and upgrades to power distribution and transmission, smart grid and turnkey solutions in e-Mobility, solar PV, wind energy and battery energy storage systems.

Eltel’s markets are characterized by a high concentration of customers, and competitors offering similar products and services.

Our strategy – towards sustainable profitable growth

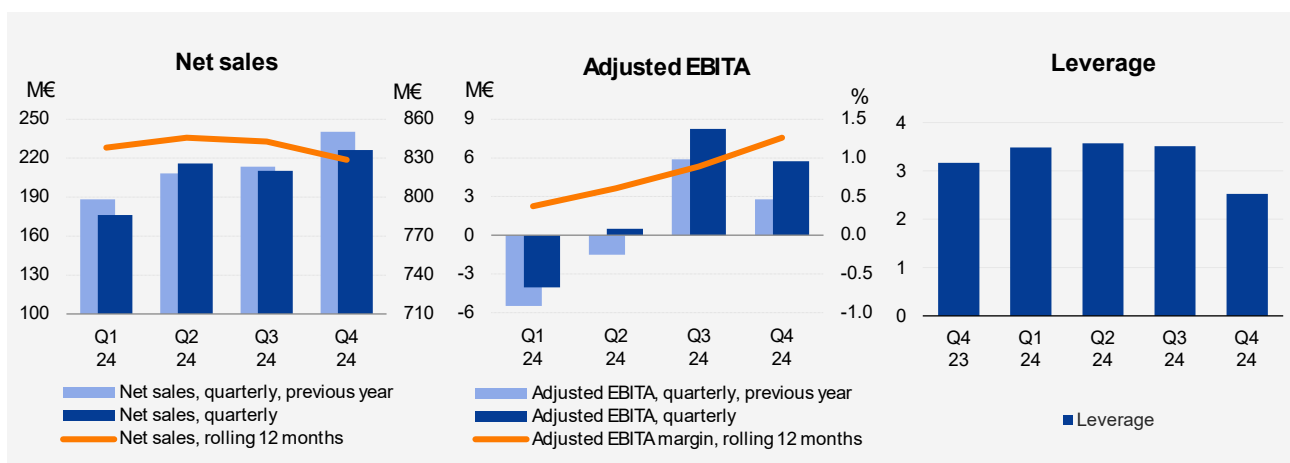
Through our strategy, we build the foundation for investing in sustainable profitable growth. This involves:

- Improve efficiency and profitability of the current business, including price increases
- Broaden the customer base
- Grow in new and adjacent markets, such as renewable energy and public infrastructure
- Integrate sustainability as part of our offerings and operations
- Develop our concepts and commercial capabilities
- Implement new business models and expand our position in the value chain

The strategy will enable Eltel to continue to develop, grow and invest in order to ensure long-term value creation for the company, its shareholders and society at large.

Eltel’s financial targets

Group adjusted EBITA margin	5%
Annual growth	2–4%
Leverage	1.5–2.5x net debt/adjusted EBITDA
Dividend payout	Subject to leverage target



Net sales and earnings Group

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	226.1	240.2	828.7	850.1
Adjusted EBITDA	14.2	10.2	45.2	31.8
Adjusted EBITA	5.7	2.8	10.5	1.7
Items affecting comparability	-1.6	0.1	-28.5	-7.0
EBIT	4.2	2.9	-18.0	-5.3
Net result	3.9	10.3	-29.1	-7.6
Key ratios				
Net sales growth, %	-5.9%	7.2%	-2.5%	3.2%
Organic growth ¹⁾ , % in segments	0.0%	10.9%	1.5%	8.8%
Currency translation effect in net sales, MEUR	-0.3	-6.8	0.1	-32.4
Effect of divestment in net sales, MEUR	-9.1	-	-20.9	-
Adjusted EBITA margin, %	2.5%	1.2%	1.3%	0.2%
Tax rate, %	N/A	N/A	5.3%	57.6%
Earnings per share after dilution, EUR	0.02	0.06	-0.21	-0.07

1) Organic growth is adjusted for currency effects and divestments.

October–December 2024

Within the segments, net sales remained almost flat with a decrease of 0.2 million euros. The organic net sales in the segments, adjusted for currency effects, remained flat at 0.0%. Mainly as a result of the divestment of High Voltage Poland, net sales decreased by 5.9% to 226.1 million euros (240.2). The organic growth, adjusted for currency effects and divested businesses, was -2.0%. Currency effects had a negative impact of 0.3 million euros.

Adjusted EBITDA was EUR 14.2 million (10.2). Adjusted EBITA increased to EUR 5.7 million (2.8) and the adjusted EBITA margin was 2.5% (1.2). Adjusted EBITA in segments was EUR 8.6 million (5.0) and the margin was 4.0% (2.3). In Other business, adjusted EBITA was EUR 1.1 million (0.5).

Items affecting comparability amounted to EUR -1.6 million (0.1) comprising a restructuring and resizing charge in Norway and Finland, consisting mainly of personnel related expenses.

For further information regarding net sales and adjusted EBITA development, refer to the respective sections on the segments.

EBIT amounted to EUR 4.2 million (2.9).

Net financial expenses amounted to EUR 3.3 million (3.7).

Taxes amounted to EUR 2.9 million (11.1). Taxes in Q4 2024 and Q4 2023 were mainly impacted by recognition of previously non-valuated tax losses.

Net result for the period was EUR 3.9 million (10.3). Earnings per share were EUR 0.02 (0.06).

January–December 2024

In segments, net sales increased by EUR 10.4 million. Organic net sales in segments, adjusted for currency effects, increased by 1.5%. Mainly as a consequence of the divestment of High Voltage Poland, net sales decreased by 2.5% to EUR 828.7 million (850.1). Organic growth, adjusted for currency effects and divestments was 1.8%. Currency effects had a positive impact of EUR 0.1 million.

Adjusted EBITDA was EUR 45.2 million (31.8). Adjusted EBITA improved to EUR 10.5 million (1.7) and the adjusted EBITA margin was 1.3% (0.2). Adjusted EBITA in segments was EUR 21.1 million (11.8) and the margin was 2.7% (1.5). In Other business, adjusted EBITA was EUR 0.7 million (-1.0).

Items affecting comparability amounted to EUR -28.5 million (-7.0), EUR -23.1 million for divestment of the Polish High Voltage business and EUR -5.3 million restructuring and resizing charge in Norway and Finland, consisting mainly of impairment losses on right-of-use assets in Norway (mainly related to car leases) and personnel related expenses.

For further information regarding net sales and adjusted EBITA development, refer to the respective sections on the segments.

EBIT amounted to EUR -18.0 million (-5.3).

Net financial expenses amounted to EUR 12.7 million (12.7).

Taxes amounted to EUR 1.6 million (10.3) representing net of tax cost in countries with taxable profits and recognition of previously non-valuated tax losses. The effective tax rate was 5.3% (57.6). Taxes in January-December 2023 were mainly impacted by recognition of previously non-valuated tax losses.

Net result for the period was EUR -29.1 million (-7.6). Earnings per share were EUR -0.21 (-0.07).

Overview of segments

Net sales

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Finland	101.4	98.3	357.7	344.5
Sweden	59.5	56.6	211.8	198.5
Norway	29.8	33.8	114.9	130.1
Denmark	26.0	28.2	92.0	93.0
Sum segments	216.6	216.9	776.5	766.1
Other business	12.9	26.9	61.9	93.7
Eliminations	-3.4	-3.5	-9.7	-9.7
Total net sales	226.1	240.2	828.7	850.1

Adjusted EBITA

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Finland	6.3	3.2	15.7	6.5
Sweden	2.5	1.3	6.1	2.9
Norway	-2.3	-0.8	-5.7	-2.5
Denmark	2.1	1.3	5.0	4.9
Sum segments	8.6	5.0	21.1	11.8
Other business	1.1	0.5	0.7	-1.0
Group functions	-3.9	-2.8	-11.3	-9.1
Total adjusted EBITA	5.7	2.8	10.5	1.7

Adjusted EBITA margin

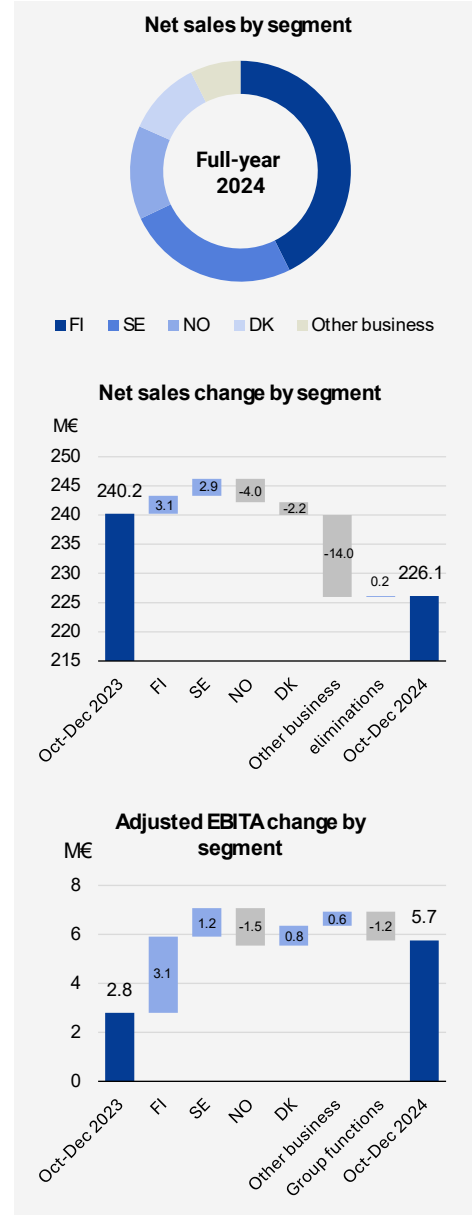
EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Finland	6.2%	3.3%	4.4%	1.9%
Sweden	4.2%	2.3%	2.9%	1.5%
Norway	-7.7%	-2.3%	-4.9%	-1.9%
Denmark	8.1%	4.6%	5.4%	5.2%
Sum segments	4.0%	2.3%	2.7%	1.5%
Other business	8.5%	2.0%	1.1%	-1.1%
Total adjusted EBITA margin, %	2.5%	1.2%	1.3%	0.2%

Etel's main operations in the four Nordic countries are presented as segments. In Q4 2024, the segments represented 94% of the net sales.

Management follows segment results by adjusted EBITA, which does not include items affecting comparability.

Other business includes High Voltage Poland until its divestment in Q2 2024, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International.

To simplify our operational structure and leverage our Danish management, the segment structure will be updated from 1 January 2025. The operations in Denmark and Germany will be presented in one segment named Denmark & Germany. Smart Grids Germany has been presented outside segments under Other business until 31 December 2024. The remaining part of the Other business and Group Functions will be combined and named as Group Support Functions. Starting from 1 January 2025 the segments will be Finland, Sweden, Denmark & Germany and Norway. The Group Support Functions will include Group Functions and Lithuania as well as closing activities for Power Transmission International and High Voltage Poland until its divestment in Q2 2024. Comparative figures will be presented according to the new segment structure starting from the January–March 2025 Interim Report.



Net sales and adjusted EBITA – Segments

Finland

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	101.4	98.3	357.7	344.5
Adjusted EBITA ¹⁾	6.3	3.2	15.7	6.5
Number of employees, average	1,419	1,512	1,478	1,503
Key ratios				
Net sales growth, %	3.1%	22.4%	3.8%	18.7%
Adjusted EBITA margin, %	6.2%	3.3%	4.4%	1.9%

1) Excluding restructuring costs.

October–December 2024

Net sales increased by EUR 3.1 million, or 3.1%, to EUR 101.4 million (98.3). The growth was attributed to Communication and in particular to the fiber to the home business. In Power, volumes in services related to power infrastructure declined, due to impact of the market regulation that came into force in January 2024. Net sales in renewables business offering increased as the first large scale solar park, as well as the first BESS (Battery Energy Storage System) project, were finalized.

Adjusted EBITA improved by EUR 3.1 million to EUR 6.3 million (3.2). The adjusted EBITA margin was 6.2% (3.3). Profitability improved in both Communication and Power, as a result of continuous actions to improve efficiency.

To fit our offering and organization to future market demand, change negotiations were initiated and completed, resulting in a reduction of 74 positions.

On 20 December, it was announced that Eltel Finland and Telia in Finland have signed a three-year continuation of a current frame agreement regarding fixed and mobile telecom services. The agreement is worth about EUR 70 million.

On 6 February, it was announced that Eltel Finland has been selected by Taaleri Energia to construct and maintain the second largest solar park in Finland, with a contract value of EUR 73.5 million. An EPC contract, with an uncertain likelihood of materialization, was signed in the end of 2024.

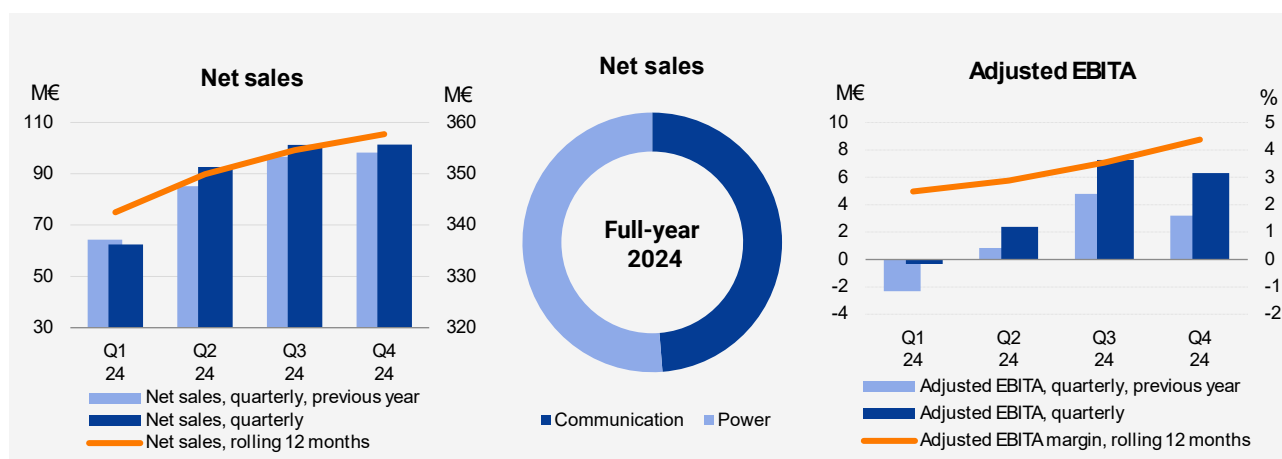
January–December 2024

Net sales increased by EUR 13.3 million, or 3.8%, to EUR 357.7 million (344.5). Growth in Communication, especially in the fiber-to-the-home business continued to be strong in 2024. Customers' investments into fiber have remained at high levels and volumes of other Communication business offerings have been stable throughout the year.

In line with our expectations, our Power services related to power infrastructure experienced a slight decline in volumes, mainly as a result from the market regulation. Power transmission volumes declined, mainly due to postponed customer decisions and investments in green energy transition projects. To fit our offering and organization to future market demand, we initiated and completed change negotiations, resulting in a reduction of 74 positions.

Adjusted EBITA improved by EUR 9.1 million to EUR 15.7 million (6.5). The adjusted EBITA margin was 4.4% (1.9). The profitability improvement is partly due to the increased volumes in Communication, but is also attributed to efficiency improvements and rightsizing the operations for the future market demands.

During 2024, Eltel Finland signed new contracts with a combined value of about EUR 383.0 million (232.2) adding to the total orderbook.



Sweden

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	59.5	56.6	211.8	198.5
Adjusted EBITA	2.5	1.3	6.1	2.9
Number of employees, average	955	963	950	988
Key ratios				
Net sales growth, %	5.1%	0.3%	6.7%	2.4%
Organic growth ¹⁾ , %	4.8%	5.8%	6.2%	10.7%
Currency translation effect in net sales, MEUR	0.1	-3.1	1.0	-15.9
Adjusted EBITA margin, %	4.2%	2.3%	2.9%	1.5%

1) Adjusted for currency effects.

October–December 2024

Net sales increased by EUR 2.9 million to EUR 59.5 million (56.6). Growth in local currency was 4.8%. Currency effects had a positive impact of EUR 0.1 million. Good growth in Communication, especially related to public infrastructure.

Adjusted EBITA increased to EUR 2.5 million (1.3). The adjusted EBITA margin was 4.2% (2.3). The improved profitability was mainly a result of increased margins in Communication. Power also continued to have a positive effect on profitability.

On 5 December, Eltel Sweden and the Swedish Transport Administration signed a contract for maintenance and fault rectification of the nationwide communication network, valued at EUR 82 million for up to seven years.

On 19 December, another contract with the Swedish Transport Administration was signed for the construction of the nationwide communications network, valued at EUR 83 million for up to seven years.

Furthermore, the prolongation of a frame agreement with Telia worth EUR 11.8 million was signed on 20 December.

The total value of contracts signed in Q4 was EUR 96.7 million (33.7).

January–December 2024

Net sales increased by EUR 13.3 million, or 6.7%, to EUR 211.8 million (198.5). Growth in local currency was 6.2%. Currency effects had a positive impact of EUR 1.0 million. Net sales growth was mainly a result of good volumes in Power. In Communication, the strong fourth quarter resulted in full year net sales growth.

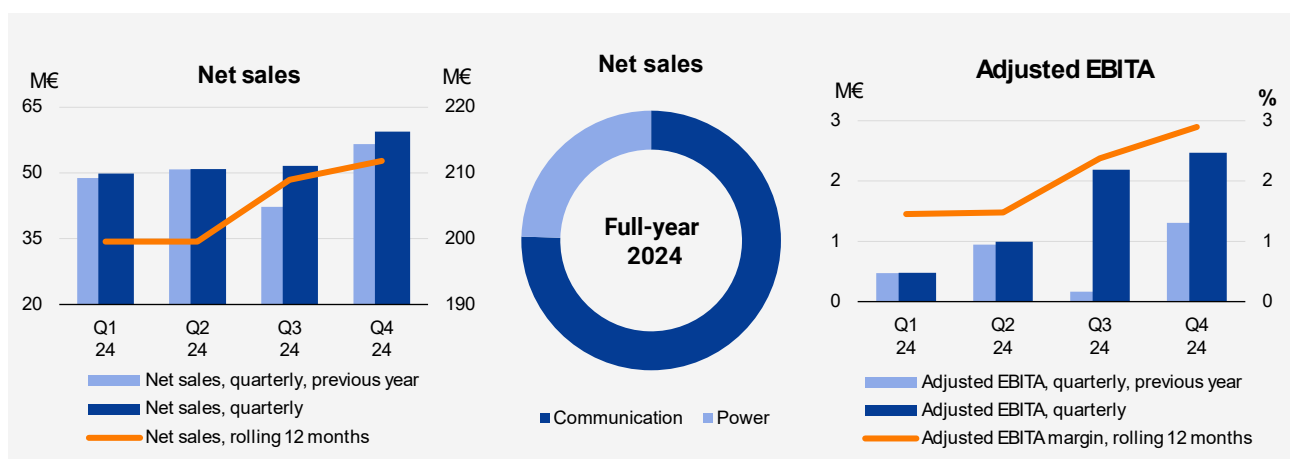
Adjusted EBITA amounted to EUR 6.1 million (2.9). The adjusted EBITA margin was 2.9% (1.5). The improved profitability mainly resulted from better margins in Power, both in services related to power infrastructure and to the Smart Grids business. Also in Communication, the adjusted EBITA improved slightly.

Several prolonged framework agreements were signed with Telia throughout the year.

Major framework agreements were signed with new Communication customers in public infrastructure, e.g. The Defense Materiel Administration, as well as with existing customers like the Swedish Transport Administration.

In Power new business offerings within Solar PV have started to yield results, which has had a positive effect on both net sales and profitability.

During 2024, Eltel Sweden signed new contracts with a combined value of about EUR 234.5 million (198.2) adding to the total orderbook.



Norway

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Sep 2024	Jan-Dec 2023
Net sales	29.8	33.8	114.9	130.1
Adjusted EBITA ¹⁾	-2.3	-0.8	-5.7	-2.5
Number of employees, average	705	807	761	860
Key ratios				
Net sales growth, %	-11.8%	-23.8%	-11.7%	-26.4%
Organic growth ²⁾ , %	-10.4%	-14.6%	-10.3%	-16.6%
Currency translation effect in net sales, MEUR	-0.5	-4.1	-1.7	-17.4
Adjusted EBITA margin, %	-7.7%	-2.3%	-4.9%	-1.9%

1) Excluding restructuring costs.

2) Adjusted for currency effects.

October–December 2024

Net sales decreased by EUR 4.0 million, or 11.8%, to EUR 29.8 million (33.8). The currency effect was EUR -0.5 million, growth in local currency was -10.4%. The decline in net sales was due to reduced volumes in Communication, caused by lower customer investments in 5G and fiber.

Adjusted EBITA decreased by EUR 1.5 million to EUR -2.3 million (-0.8). The adjusted EBITA margin was -7.7% (-2.3). The decrease was a result of declining volumes in Communication.

Rightsizing the operations for the future market demands, including a restructuring process with reduction of over 200 employees and fleet, continued. In line with Eltel’s strategy, the focus has been, and will continue to be, on margins and profitability rather than volumes.

On 27 December, it was announced that Eltel Norway has signed a new contract with Avinor for the delivery of telecom installations and electrical services for 20 of Avinor’s airports in Norway, including Oslo airport. The agreement is valid for three years, with an option for up to an additional five years. The contract value is estimated at approximately EUR 20 million in total, with the first three years accounting for about EUR 8 million.

On 15 January, it was announced that Ingrid Therese Tjøsvold will replace Thor-Egel Bråthen as Managing Director for Eltel Norway on 10 February.

January–December 2024

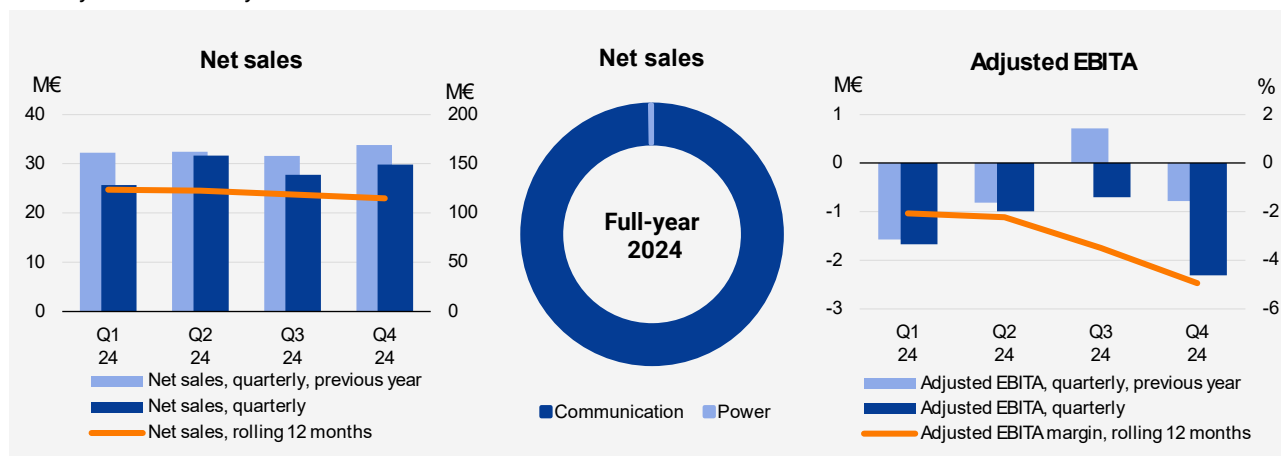
Net sales decreased by EUR 15.2 million, or 11.7%, to EUR 114.9 million (130.1). Currency effect was EUR -1.7 million. Growth in local currency was -10.3%. Decreased customer investments in Communication burdened net sales heavily throughout the year. However, the strong focus on broadening the customer base started to yield results during the year.

Adjusted EBITA was EUR -5.7 million (-2.5). The adjusted EBITA margin was -4.9% (-1.9). The profitability was negatively impacted by declining volumes in Communication.

Rightsizing the operations for the future market demands, including a restructuring process with reduction of over 200 employees and fleet, continued. In line with Eltel’s strategy, the focus has been, and will continue to be, on margins and profitability rather than volumes.

See reconciliation of segment results on page 21 for more information about the financial impact of the restructuring.

During 2024, Eltel Norway signed new contracts with a combined value of about EUR 184.6 million (161.2) adding to the total orderbook.



Denmark

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	26.0	28.2	92.0	93.0
Adjusted EBITA	2.1	1.3	5.0	4.9
Number of employees, average	463	514	487	511
Key ratios				
Net sales growth, %	-7.9%	34.9%	-1.1%	25.3%
Organic growth ¹⁾ , %	-7.9%	35.2%	-1.0%	25.4%
Currency translation effect in net sales, MEUR	0.0	-0.1	-0.1	-0.1
Adjusted EBITA margin, %	8.1%	4.6%	5.4%	5.2%

1) Adjusted for currency effects.

October–December 2024

Net sales decreased by EUR 2.2 million, or 7.9%, to EUR 26.0 million (28.2). The volume shift from Communication to Power was clearly reflected in net sales. The Communication net sales decline, mainly due to expired contracts, was not compensated by the Power net sales growth.

Adjusted EBITA was EUR 2.1 million (1.3). The adjusted EBITA margin was 8.1% (4.6). The strong profitability improvement was attributed to the increased volumes in Power, as well operational excellence.

January–December 2024

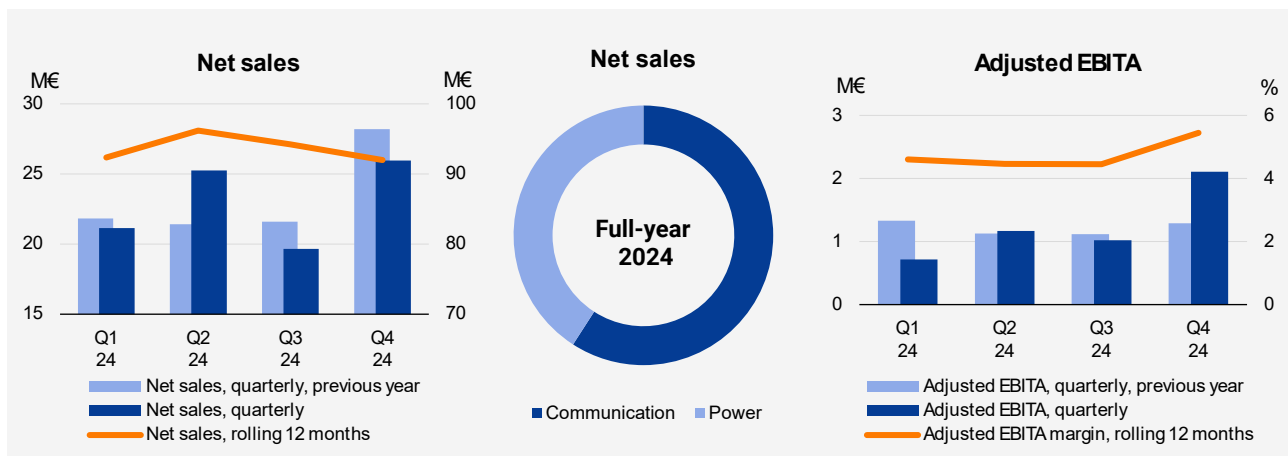
Net sales decreased by EUR 1.0 million, or 1.1%, to EUR 92.0 million (93.0). Net sales continued to decline in Communication, while the Power business showed a strong growth, albeit not compensating for the decline in Communication.

Adjusted EBITA was EUR 5.0 million (4.9). The adjusted EBITA margin was 5.4% (5.2). Thanks to improved profitability in Communication as well as in the Smart Grids business in Power, margins were kept at a healthy level.

The focus on new business offerings in Power, especially in BESS (Battery Energy Storage System), started to yield results in 2024.

During 2024, Eltel Denmark signed new contracts with a combined value of about EUR 36.2 million (48.1) adding to the total orderbook. New business represented 19.6% (9.7%) of the total contract value.

To simplify our operational structure and leverage our Danish management, the segment structure will be updated from 1 January 2025. The operations in Denmark and Germany will be presented in one segment named Denmark & Germany. Smart Grids Germany has been presented outside segments under Other business until 31 December 2024. The remaining part of the Other business and Group Functions will be combined and named as Group Support Functions. Starting from 1 January 2025 the segments will be Finland, Sweden, Denmark & Germany and Norway. The Group Support Functions will include Group Functions and Lithuania as well as closing activities for Power Transmission International and High Voltage Poland until its divestment in Q2 2024. Comparative figures will be presented according to the new segment structure starting from the January–March 2025 Interim Report.



Other business

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	12.9	26.9	61.9	93.7
Adjusted EBITA	1.1	0.5	0.7	-1.0
Number of employees, average	509	968	693	995

Other business includes High Voltage Poland until its divestment in Q2 2024, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International.

October–December 2024

Net sales decreased by EUR 14.0 million to EUR 12.9 million (26.9), mainly due to the divestment of High Voltage Poland in Q2 2024. In Q4 2023, the net sales in High Voltage Poland amounted to EUR 9.1 million.

Adjusted EBITA improved by EUR 0.6 million to EUR 1.1 million (0.5). In High Voltage Poland adjusted EBITA was EUR -1.7 million in Q4 2023.

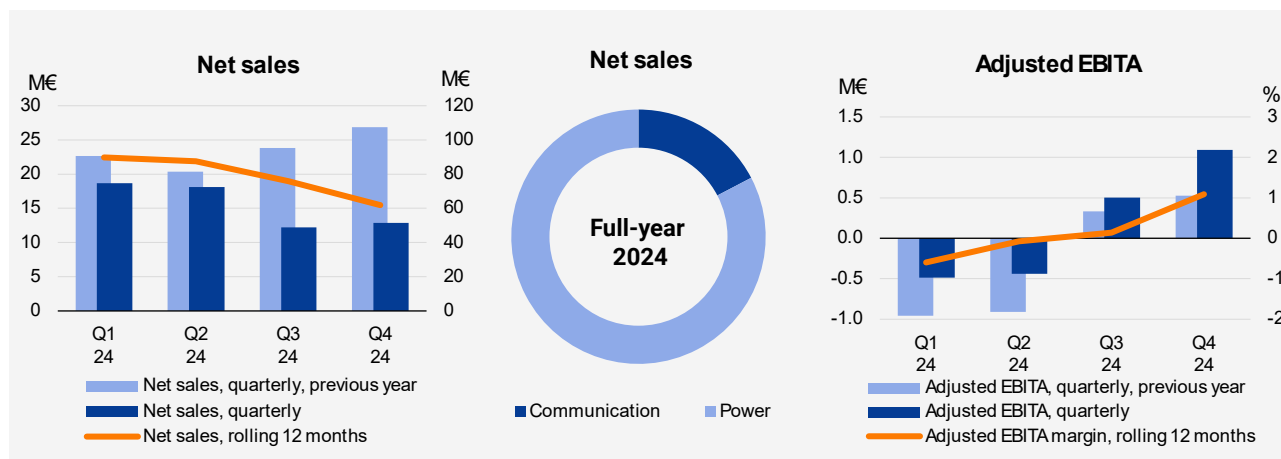
January–December 2024

Net sales decreased by EUR 31.8 million to EUR 61.9 million (93.7). Of the decline EUR 20.9 million came from High Voltage Poland, which was divested in Q2 2024. In 2023, the net sales in High Voltage Poland amounted to EUR 36.3 million.

Adjusted EBITA improved by EUR 1.7 million to EUR 0.7 million (-1.0). In High Voltage Poland adjusted EBITA was EUR -1.0 million (-4.9), which contributed to the improved profitability until its divestment in Q2 2024.

The heavy flooding in southern Germany affected the Smart Grids business during the first half of the year but from Q3 and onwards the business was back to normal.

To simplify our operational structure and leverage our Danish management, the segment structure will be updated from 1 January 2025. The operations in Denmark and Germany will be presented in one segment named Denmark & Germany. Smart Grids Germany has been presented outside segments under Other business until 31 December 2024. The remaining part of the Other business and Group Functions will be combined and named as Group Support Functions. Starting from 1 January 2025 the segments will be Finland, Sweden, Denmark & Germany and Norway. The Group Support Functions will include Group Functions and Lithuania as well as closing activities for Power Transmission International and High Voltage Poland until its divestment in Q2 2024. Comparative figures will be presented according to the new segment structure starting from the January–March 2025 Interim Report.



Cash flow

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
EBIT	4.2	2.9	-18.0	-5.3
Depreciation and amortization	8.4	7.4	34.7	30.1
EBITDA	12.6	10.3	16.7	24.8
Changes in working capital	27.3	33.2	-2.5	29.4
Total financial expenses and taxes	-4.6	-2.5	-13.3	-15.3
Adjustment for gain/loss on sales of assets and business	0.0	0.0	22.8	-0.1
Other	3.7	-1.1	3.7	-4.9
Cash flow from operating activities	38.9	39.8	27.5	34.0
Cash flow from investing activities	-0.5	-0.8	-6.6	-4.3
Cash flow from financing activities	-33.5	-23.6	-24.0	-52.3
Net change in cash and cash equivalents	4.9	15.4	-3.1	-22.6
Cash and cash equivalents at beginning of period	16.6	9.0	24.7	47.9
Foreign exchange rate effect	-0.2	0.3	-0.3	-0.6
Cash and cash equivalents at end of period	21.3	24.7	21.3	24.7

Condensed consolidated statement of cash flows is presented on page 17.

October–December 2024

Cash flow from operating activities was EUR 38.9 million (39.8). Main items included EBITDA EUR 12.6 million (10.3), cash flow from change in net working capital EUR 27.3 million (33.2), financial items EUR -3.8 million (-2.9) and income taxes EUR -0.8 million (0.4). Cash flow from financial items and income taxes is impacted by timing differences between income statement and payments.

Net cash flow from investing activities was EUR -0.5 million (-0.8) from net capital expenditure on machinery and equipment.

Cash flow from financing activities was EUR -33.5 million (-23.6). Utilization of short-term financing decreased by EUR 25.5 million (decrease of 14.1). Amortization of term loan amounted to EUR 1.0 million (3.5) and payments of lease liabilities were EUR 6.9 million (6.0). In Q4 2023 Eltel also issued and purchased shares in accordance with a long-term incentive program, which had a cash flow impact of EUR 2.4 million and EUR -2.4 million, respectively.

January–December 2024

Cash flow from operating activities was EUR 27.5 million (34.0). Main items included EBITDA EUR 16.7 million (24.8), adjustment for gain/loss on sale of assets and business EUR 22.8 million (-0.1), cash flow from change in net working capital EUR -2.5 million (29.4, including EUR 28.3 million positive impact from tax deferral in Sweden), financial items EUR -12.4 million (-12.0) and income taxes EUR -0.9 million (-3.2). Cash flow from financial items and income taxes is impacted by timing differences between income statement and payments.

Cash flow has historically displayed a strong seasonal pattern, with weaker cash flow recorded during the period until the end of the third quarter due to higher production activity. Eltel's net working capital level is also impacted by phasing of projects. These projects, and delays in them, might result in continued tie up of working capital and can create volatility in the net working capital also going forward.

Net cash flow from investing activities was EUR -6.6 million (-4.3) including EUR -4.6 million cash flow impact from divestment of the Polish High Voltage business in Q2 2024 and net capital expenditure on machinery and equipment EUR -2.0 million (-4.3).

Cash flow from financing activities was EUR -24.0 million (-52.3). Utilization of short-term financing increased by EUR 8.9 million (decrease of 42.5). Amortization of term loan amounted to EUR 4.0 million (11.0), payment of hybrid bond interests amounted to EUR 3.4 million (0.8) and payments of lease liabilities were EUR 25.2 million (22.1). In addition, in January–December 2023 net proceeds from issue of the hybrid bond and related transaction costs amounted to EUR 24.2 million. In January–December 2023 Eltel also issued and purchased shares in accordance with a long-term incentive program, which had a cash flow impact of EUR 2.4 million and EUR -2.4 million, respectively.

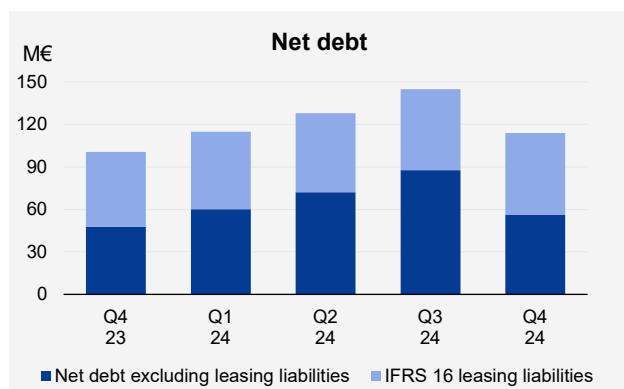
Financial position, cash and cash equivalents

Equity at the end of the period was EUR 189.3 million (223.6) and total assets were EUR 585.4 million (624.3). The equity ratio was 35.5% (39.6).

Interest-bearing liabilities and net debt

EUR million	31 Dec 2024	31 Dec 2023
Interest-bearing debt	76.3	71.1
Leasing liabilities	58.7	53.9
Allocation of effective interest to periods	0.2	0.3
Less cash and cash equivalents	-21.3	-24.7
Net debt	114.0	100.6

EUR million	31 Dec 2024	31 Dec 2023
Non-current interest-bearing debt	15.8	20.7
Current interest-bearing debt	60.5	50.4
Total interest-bearing debt	76.3	71.1
Non-current leasing liabilities	36.0	33.9
Current leasing liabilities	22.7	19.9
Total leasing liabilities	58.7	53.9



Credit facilities

EUR million	31 Dec 2024	Maturity
Term loan, current	4.0	Mar 2025-Dec 2025
Term loan, non-current	16.0	Jan 2026
Revolving credit facility	90.0	Jan 2026
Account overdrafts	15.0	Jan 2026
Total committed credit facilities	125.0	
Commercial paper program	150.0	N/A

Available liquidity reserves, including the committed revolving credit facility, account overdrafts and cash and cash equivalents, amounted to EUR 80.3 million (90.7). Additional to the committed facilities, the Group also has access to short-term debt capital markets via a commercial paper program of EUR 150 million. On 31 December 2024, EUR 10.0 million (8.0) of the commercial paper program and EUR 46.0 million (39.0) of the revolving credit facility were utilized.

Commercial guarantees

On 31 December 2024, the commercial guarantees issued by the banks and other financial institutions on behalf of the Group amounted to EUR 52.3 million (89.3).

Other information

Dividend distribution

The Board proposes that no dividend will be paid for the year 2024.

Risks and uncertainty factors

The current market volatility and the unpredictability of the volume of customer investments may have a negative impact on Eltel's net sales, especially in Communication.

Eltel has performed an impairment test of goodwill showing that there was no impairment in Q4 2024. However, the value of goodwill in country unit Norway is sensitive to impairment. Since the beginning of 2024, customer investments in Norway have been lower than earlier expected and visibility to the development of market demand for Eltel's core offerings has been limited. Restructuring activities were initiated during the third quarter 2024 and the execution continues. Eltel follows any triggering events and impairment test is conducted in case of any indicators of impairment.

If any business risks materialize, it may lead to the breach of leverage covenant under the existing financing agreement. Seasonal variation in Eltel's operations and related working capital build-up may also expose the company to liquidity risk.

For additional information regarding risks and uncertainties, please refer to Eltel's 2023 Annual Report which was published on 27 March 2024 and is available on Eltel's website at www.eltelgroup.com.

Large agreements announced during and after the reporting period

On 5 December, Eltel Sweden and the Swedish Transport Administration signed a contract for maintenance and fault rectification of the nationwide communication network, valued at EUR 82 million for up to seven years.

On 19 December, another contract with the Swedish Transport Administration was signed for the construction of the nationwide communications network, valued at EUR 83 million for up to seven years.

On 20 December, it was announced that Eltel Finland and Telia in Finland have signed a three-year continuation of a current frame agreement regarding fixed and mobile telecom services. The agreement is worth about EUR 70 million.

On 27 December, it was announced that Eltel Norway has signed a new contract with Avinor for the delivery of telecom installations and electrical services for 20 of Avinor's airports in Norway, including Oslo airport. The contract value is estimated at a total EUR 20 million for up to eight years.

On 6 February, it was announced that Eltel Finland has been selected by Taaleri Energia to construct and maintain the second largest solar park in Finland, with a contract value of EUR 73.5 million. An EPC contract, with an uncertain likelihood of materialization, was signed in the end of 2024.

Related party transactions

During the quarter, no significant transactions took place between Eltel and related parties.

Seasonality

Eltel's businesses are generally characterized by seasonal patterns and cyclical nature of the project business that adds volatility to net sales, adjusted EBITA and cash flow. Seasonality is normally driven by a number of factors, including weather conditions, the timing of customer order placements and completion of work phases. The Eltel Group has historically reported higher revenues and operating profit in the second half of the year. Cash flow has historically displayed a strong seasonal pattern, with weaker cash flow recorded during the period until the end of the third quarter due to higher production activity. At the end of the year, as production volumes decrease as a result of completion of projects, cash flow has normally been stronger. For more details, please refer to quarterly key financial figures for the Group on page 19.

Presentation of the full-year and Q4 2024

Analysts and media are invited to participate in the full-year and Q4 2024 interim report briefing on 14 February 2025 at 10:00 am CET where Eltel's President and CEO Håkan Dahlström and CFO Tarja Leikas will host a presentation. A combined webcast and teleconference as well as the presentation will be available at www.eltelgroup.com/investors.

For further information, please contact:

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Financial calendar

- Interim report January–March: 30 April 2025
- Half-year report January–June: 24 July 2025
- Interim report January–September: 30 October 2025
- Annual Report 2024: week 13, 2025
- Annual General meeting 2025: 13 May 2025

This information is information that Eltel AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 14 February 2025.

Signature of the Board of Directors and CEO

Stockholm, Sweden, 14 February 2025

Eltel AB (publ)

Per Sjöstrand, Chairman
Ann Emilson
Johan Nordström
Joakim Olsson
Erja Sankari
Roland Sundén

Employee representatives:
Stefan Söderholm
Björn Tallberg

Håkan Dahlström, President and CEO

The information in this interim report has not been reviewed by the company's auditors.

Condensed financial information

Condensed consolidated income statement

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	226.1	240.2	828.7	850.1
Cost of sales	-198.5	-215.7	-736.8	-774.5
Gross profit	27.7	24.5	91.8	75.6
Other income	1.3	1.3	4.3	3.5
Selling and administrative expenses	-23.6	-21.9	-88.2	-82.4
Other expenses ¹⁾	-1.1	-1.0	-25.9	-2.0
Operating result (EBIT)	4.2	2.9	-18.0	-5.3
Financial income	0.5	0.3	1.0	1.2
Financial expenses	-3.8	-4.0	-13.7	-13.9
Net financial expenses	-3.3	-3.7	-12.7	-12.7
Result before taxes	0.9	-0.8	-30.7	-17.9
Taxes	2.9	11.1	1.6	10.3
Net result	3.9	10.3	-29.1	-7.6
Attributable to:				
Equity holders of the parent	3.8	10.2	-29.7	-7.9
Non-controlling interest	0.1	0.1	0.6	0.3
Earnings per share (EPS)				
Basic, EUR	0.02	0.06	-0.21	-0.07
Diluted, EUR	0.02	0.06	-0.21	-0.07

1) Other expenses in January-December 2024 include EUR -23.1 million from divestment of the Polish High Voltage business in Q2 2024.

Condensed consolidated statement of comprehensive income

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net profit for the period	3.9	10.3	-29.1	-7.6
Other comprehensive income:				
Items that will not be reclassified to profit and loss				
Revaluation of defined benefit plans, net of tax	2.4	-6.5	3.8	-1.5
Items that may be subsequently reclassified to profit and loss				
Net investment hedges, net of tax	-	-	-0.1	-
Currency translation differences	-2.0	4.7	-5.5	-1.9
Total	-2.0	4.7	-5.6	-1.9
Other comprehensive income/loss for the period, net of tax	0.4	-1.8	-1.8	-3.4
Total comprehensive income/loss for the period	4.2	8.5	-30.9	-11.0
Total comprehensive income/loss attributable to:				
Equity holders of the parent	4.1	8.4	-31.5	-11.3
Non-controlling interest	0.1	0.1	0.6	0.3

Condensed consolidated balance sheet

EUR million	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Goodwill	249.3	253.6
Intangible assets	30.3	32.9
Property, plant and equipment	5.9	10.5
Right-of-use assets	53.5	51.9
Deferred tax assets	27.2	27.9
Financial assets	13.4	9.8
Total non-current assets	379.6	386.7
Current assets		
Inventories	19.3	17.3
Trade and other receivables	165.3	195.6
Cash and cash equivalents	21.3	24.7
Total current assets	205.8	237.7
TOTAL ASSETS	585.4	624.3
EQUITY AND LIABILITIES		
Equity		
Equity attributable to shareholders of the parent	156.3	191.0
Hybrid bond	25.0	25.0
Non-controlling interest	8.0	7.6
Total equity	189.3	223.6
Non-current liabilities		
Interest-bearing debt	15.8	20.7
Leasing liabilities	36.0	33.9
Retirement benefit obligations	6.6	5.6
Deferred tax liabilities	10.7	11.3
Provisions	5.2	3.4
Other non-current liabilities ¹⁾	31.3	0.6
Total non-current liabilities	105.7	75.5
Current liabilities		
Interest-bearing debt	60.5	50.4
Leasing liabilities	22.7	19.9
Provisions	3.8	3.7
Advances received	51.4	59.3
Trade and other payables	152.0	191.8
Total current liabilities	290.3	325.2
Total liabilities	396.0	400.7
TOTAL EQUITY AND LIABILITIES	585.4	624.3

1) The increase in other non-current liabilities is due to transfer of tax deferral in Sweden from current to non-current liabilities.

Condensed consolidated statement of cash flows

EUR million	Jan-Dec 2024	Jan-Dec 2023
Cash flow from operating activities		
Operating result (EBIT)	-18.0	-5.3
Adjustments:		
Depreciation and amortization	34.7	30.1
Gain/loss on sales of assets and business	22.8	-0.1
Defined benefit pension plans	2.0	-3.1
Other non-cash adjustments	1.8	-1.7
Cash flow from operations before interests, taxes and changes in working capital	43.3	19.9
Interest and other financial expenses paid, net	-12.4	-12.0
Income taxes received/paid	-0.9	-3.2
Total financial expenses and taxes	-13.3	-15.3
Changes in working capital:		
Trade and other receivables	11.4	-18.0
Trade and other payables	-8.6	39.8
Inventories	-5.3	7.7
Changes in working capital	-2.5	29.4
Net cash from operating activities	27.5	34.0
Cash flow from investing activities		
Purchases of property, plant and equipment (PPE)	-2.4	-4.4
Proceeds from sale of property, plant and equipment (PPE)	0.4	0.1
Disposal of business, net of cash disposed of	-4.6	-
Net cash from investing activities	-6.6	-4.3
Cash flow from financing activities		
Proceeds from issuance of hybrid bond	-	24.4
Payments of transaction costs and interests for hybrid bond	-3.4	-1.1
Proceeds from issuance of share capital	-	2.4
Acquisition of own shares	-	-2.4
Proceeds from short-term financial liabilities	49.0	54.5
Payments of short-term financial liabilities	-40.1	-97.1
Payments of financial liabilities, term loans	-4.0	-11.0
Payments of lease liabilities	-25.2	-22.1
Dividends to non-controlling interest	-0.2	-0.0
Change in non-liquid financial assets	-0.1	0.0
Net cash from financing activities	-24.0	-52.3
Net change in cash and cash equivalents	-3.1	-22.6
Cash and cash equivalents at beginning of period	24.7	47.9
Foreign exchange rate effect	-0.3	-0.6
Cash and cash equivalents at end of period	21.3	24.7

Condensed consolidated statement of changes in equity

EUR million	Equity attributable to shareholders of the parent							Hybrid bond	Non-controlling interest	Total equity
	Share capital	Other paid-in capital	Accumulated losses	Revaluation of defined benefit plans, net of tax	Hedging reserve	Currency translation	Total			
Equity at 1 Jan 2024	162.0	487.5	-390.8	-32.6	10.9	-45.9	191.0	25.0	7.6	223.6
Total comprehensive income for the period	-	-	-29.7	3.8	-0.1	-5.5	-31.5	-	0.6	-30.9
Interests on hybrid bond	-	-	-3.4	-	-	-	-3.4	-	-	-3.4
Transactions with owners:										
Equity-settled share-based payment	-	-	0.2	-	-	-	0.2	-	-	0.2
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-0.2	-0.2
Total transaction with owners	-	-	0.2	-	-	-	0.2	-	-0.2	-0.1
Equity at 31 Dec 2024	162.0	487.5	-423.7	-28.8	10.8	-51.5	156.3	25.0	8.0	189.3

EUR million	Equity attributable to shareholders of the parent							Hybrid bond	Non-controlling interest	Total equity
	Share capital	Other paid-in capital	Accumulated losses	Revaluation of defined benefit plans, net of tax	Hedging reserve	Currency translation	Total			
Equity at 1 Jan 2023	159.6	489.9	-381.2	-31.1	10.9	-44.0	204.0	-	7.4	211.3
Total comprehensive income for the period	-	-	-7.9	-1.5	-	-1.9	-11.3	-	0.3	-11.0
Proceeds from hybrid bond	-	-	-	-	-	-	-	25.0	-	25.0
Transaction costs and interests on hybrid bond	-	-	-1.7	-	-	-	-1.7	-	-	-1.7
Transactions with owners:										
Proceeds from shares issued	2.4	-	-	-	-	-	2.4	-	-	2.4
Purchase of own shares	-	-2.4	-	-	-	-	-2.4	-	-	-2.4
Equity-settled share-based payment	-	-	0.0	-	-	-	0.0	-	-	0.0
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-0.0	-0.0
Total transaction with owners	2.4	-2.4	0.0	-	-	-	0.0	-	-0.0	-0.0
Equity at 31 Dec 2023	162.0	487.5	-390.8	-32.6	10.9	-45.9	191.0	25.0	7.6	223.6

Key figures

Key figures for the period

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	226.1	240.2	828.7	850.1
Net sales growth, %	-5.9	7.2	-2.5	3.2
Adjusted EBITDA	14.2	10.2	45.2	31.8
Adjusted EBITA	5.7	2.8	10.5	1.7
Adjusted EBITA margin, %	2.5	1.2	1.3	0.2
Adjusted EBITA, segments	8.6	5.0	21.1	11.8
Adjusted EBITA margin, %, segments	4.0	2.3	2.7	1.5
Items affecting comparability	-1.6	0.1	-28.5	-7.0
EBITDA	12.6	10.3	16.7	24.8
Operating result (EBIT)	4.2	2.9	-18.0	-5.3
EBIT margin, %	1.9	1.2	-2.2	-0.6
Result after financial items	0.9	-0.8	-30.7	-17.9
Net result for the period	3.9	10.3	-29.1	-7.6
Earnings per share EUR, basic and diluted	0.02	0.06	-0.21	-0.07
Return on equity (ROE), % ¹⁾	-16.0	-3.7	-16.0	-3.7
Return on operative capital employed (ROCE), % ¹⁾	102.4	5.3	102.4	5.3
Leverage ratio ¹⁾	2.5	3.2	2.5	3.2
Net working capital	-61.3	-49.8	-61.3	-49.8
Number of personnel, average	4,226	4,948	4,550	5,024

Quarterly key figures

EUR million	Oct-Dec 2024	Jul-Sep 2024	Apr-Jun 2024	Jan-Mar 2024	Oct-Dec 2023	Jul-Sep 2023	Apr-Jun 2023	Jan-Mar 2023
Net sales	226.1	210.3	216.0	176.3	240.2	213.4	208.1	188.4
Net sales growth, %	-5.9	-1.4	3.8	-6.4	7.2	3.1	-0.2	2.4
Adjusted EBITDA	14.2	19.0	8.4	3.6	10.2	13.6	5.6	2.4
Adjusted EBITA	5.7	8.2	0.5	-4.0	2.8	5.9	-1.5	-5.5
Adjusted EBITA margin, %	2.5	3.9	0.2	-2.3	1.2	2.8	-0.7	-2.9
Adjusted EBITA, segments	8.6	9.8	3.6	-0.8	5.0	6.8	2.1	-2.1
Adjusted EBITA margin, %, segments	4.0	4.9	1.8	-0.5	2.3	3.5	1.1	-1.2
Items affecting comparability	-1.6	-3.8	0.0	-23.2	0.1	-0.9	-	-6.1
EBITDA	12.6	15.2	8.5	-19.6	10.3	12.6	5.6	-3.7
Operating result (EBIT)	4.2	4.5	0.5	-27.2	2.9	5.0	-1.5	-11.6
EBIT margin, %	1.9	2.1	0.2	-15.4	1.2	2.3	-0.7	-6.2
Result after financial items	0.9	0.8	-2.3	-30.2	-0.8	1.9	-4.5	-14.5
Net result for the period	3.9	0.3	-2.7	-30.5	10.3	1.8	-4.6	-15.1
Earnings per share EUR, basic and diluted	0.02	-0.01	-0.02	-0.20	0.06	0.00	-0.03	-0.10
Return on equity (ROE), % ¹⁾	-16.0	-12.9	-12.2	-12.8	-3.7	-12.3	-13.5	-12.2
Return on operative capital employed (ROCE), % ¹⁾	102.4	18.7	14.3	9.7	5.3	-7.1	-11.7	-7.9
Leverage ratio ¹⁾	2.5	3.5	3.6	3.5	3.2	5.4	6.2	6.3
Net working capital	-61.3	-33.5	-54.3	-59.0	-49.8	-15.5	-2.4	-5.4
Number of personnel, average	4,226	4,372	4,717	4,885	4,948	5,004	5,041	5,103

¹⁾ Calculated on a rolling 12-month basis.
Please see pages 25–26 for definitions of the key ratios.

Notes to the condensed consolidated interim financial statements

Accounting principles

This condensed interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations in the Swedish Annual Accounts Act. The accounting principles adopted are the same with those of the Group's and the Parent Company's annual financial statements for the year ended 31 December 2023 except for the following amendment that is effective from 1 January 2024: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1) which clarify the criteria used to determine whether liabilities are classified as current or non-current. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendment did not have any material impact on Group's financial statements.

The other new IFRS standards and amendments effective for the first time for 2024 financial year did not have any material impact on Group's financial statements.

New segment structure

To simplify our operational structure and leverage our Danish management, the segment structure will be updated from 1 January 2025. The operations in Denmark and Germany will be presented in one segment named Denmark & Germany. Smart Grids Germany has been presented outside segments under Other business until 31 December 2024. The remaining part of the Other business and Group Functions will be combined and named as Group Support Functions. Starting from 1 January 2025 the segments will be Finland, Sweden, Denmark & Germany and Norway. The Group Support Functions will include Group Functions and Lithuania as well as closing activities for Power Transmission International and High Voltage Poland until its divestment in Q2 2024. Comparative figures will be presented according to the new segment structure starting from the January–March 2025 Interim Report.

Net sales by segment

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Finland	101.4	98.3	357.7	344.5
Sweden	59.5	56.6	211.8	198.5
Norway	29.8	33.8	114.9	130.1
Denmark	26.0	28.2	92.0	93.0
Other business ¹⁾	12.9	26.9	61.9	93.7
Eliminations	-3.4	-3.5	-9.7	-9.7
Net sales, total	226.1	240.2	828.7	850.1

1) Other business includes High Voltage Poland until its divestment in Q2 2024, Smart Grids Germany, Lithuania as well as closing activities for Power Transmission International. Other business is not considered a segment.

Net sales by segment and by business

EUR million		Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Finland	Communication	52.0	45.9	174.4	154.3
	Power	49.4	52.4	183.4	190.2
Sweden	Communication	50.6	43.8	159.9	158.0
	Power	8.9	12.8	52.0	40.5
Norway	Communication	29.8	33.7	114.6	129.8
	Power	0.0	0.1	0.3	0.3
Denmark	Communication	13.5	17.5	54.4	66.4
	Power	12.5	10.7	37.6	26.6
Other business	Communication	3.0	3.7	10.7	14.5
	Power	9.8	17.8	51.2	73.0
	Other operations	0.0	5.4	0.0	6.2
Eliminations		-3.4	-3.5	-9.7	-9.7
Net sales, total		226.1	240.2	828.7	850.1

Internal net sales consist mainly of net sales from Communication in Lithuania, reported in Other business.

There are no material internal net sales in any of the segments.

Net sales by business

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Communication	145.8	141.6	505.9	514.8
Power	80.3	93.2	322.8	329.1
Other operations	-	5.4	0.0	6.2
Net sales, total	226.1	240.2	828.7	850.1

Net sales by service split

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Project delivery	42.8	57.6	185.6	194.8
Upgrade services	115.6	122.1	401.8	441.1
Maintenance	67.8	60.5	241.3	214.2
Net sales, total	226.1	240.2	828.7	850.1

Reconciliation of segment results

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Adjusted EBITA by segment				
Finland	6.3	3.2	15.7	6.5
Sweden	2.5	1.3	6.1	2.9
Norway	-2.3	-0.8	-5.7	-2.5
Denmark	2.1	1.3	5.0	4.9
Sum segments	8.6	5.0	21.1	11.8
Other business	1.1	0.5	0.7	-1.0
Group functions	-3.9	-2.8	-11.3	-9.1
Adjusted EBITA, Group	5.7	2.8	10.5	1.7
Restructuring and resizing	-1.6	0.1	-5.3	-7.0
Divestments	-	-	-23.1	-
Total items affecting comparability in EBITA	-1.6	0.1	-28.5	-7.0
Operating result (EBIT)	4.2	2.9	-18.0	-5.3
Financial expenses, net	-3.3	-3.7	-12.7	-12.7
Result before taxes	0.9	-0.8	-30.7	-17.9

The January–December 2024 result includes EUR -23.1 million from divestment of the Polish High Voltage business, recognized in other expenses in the income statement and EUR 5.3 million restructuring and resizing charge in Norway and Finland, recognized in selling and administrative expenses in the income statement. The January–December 2023 result includes a EUR 7.0 million restructuring charge due to reduced customer investments in Norway and declining results in Norway and Finland, recognized in selling and administrative expenses in the income statement.

Personnel by segment

	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Finland	1,419	1,512	1,478	1,503
Sweden	955	963	950	988
Norway	705	807	761	860
Denmark	463	514	487	511
Other business	509	968	693	995
Group functions	175	184	180	166
Total personnel, average	4,226	4,948	4,550	5,024
Total personnel, end of period	4,160	4,931	4,160	4,931

Committed order backlog

EUR million	31 Dec 2024	31 Dec 2023
Committed order backlog	385.1	532.3

Committed order backlog in Eltel is defined as the total value of committed purchase orders received but not yet recognized as net sales. It does not include frame agreements unless a binding purchase order has been received. Committed order backlog is therefore the best measure of unsatisfied performance obligations according to IFRS 15 Revenue from contracts with customers. The currency impact in committed order backlog at 31 Dec 2024 was EUR -4.1 million. The committed order backlog at 31 Dec 2024 does not include High Voltage Poland due to the divestment in Q2 2024.

Net working capital and operative capital employed

EUR million	31 Dec 2024	31 Dec 2023
Inventories	19.3	17.3
Trade and other receivables	165.3	195.6
Provisions	-8.4	-6.8
Advances received	-51.4	-59.3
Trade and other payables	-152.0	-191.8
Other	-34.1	-4.8
Net working capital	-61.3	-49.8
Intangible assets excluding acquisition-related allocations	4.1	6.4
Property, plant and equipment	5.9	10.5
Right-of-use assets	53.5	51.9
Restructuring provisions	-0.5	-0.3
Operative capital employed	1.7	18.7

Provisions

EUR million	31 Dec 2024	31 Dec 2023
Non-current provisions	5.2	3.4
Current provisions	3.8	3.7
Total provisions	8.9	7.1

EUR million	31 Dec 2024	31 Dec 2023
1 Jan	7.1	5.9
Changes:		
Restructuring provisions	0.2	0.3
Other provisions	1.6	1.0
Balance at the end of reporting period	8.9	7.1

Contract balances

EUR million	31 Dec 2024	31 Dec 2023
Trade receivables	89.6	106.2
Contract assets	58.9	66.7
Total assets related to contracts with customers	148.5	172.9
Advances received from contracts with customers	46.7	54.6
Total liabilities related to contracts with customers	46.7	54.6

Trade receivables and contract assets are included in the trade and other receivable line in the above net working capital table. Advances received from contracts with customers represent contract liabilities.

Deferred taxes

EUR million	31 Dec 2024	31 Dec 2023
Deferred tax assets	27.2	27.9
Deferred tax liabilities	-10.7	-11.3
Net deferred tax assets	16.4	16.6

In December 2024, gross amount of EUR 22.9 million (20.7) deferred tax assets for losses carried forward was recognized, of which EUR 14.9 million (11.4) related to operations in Sweden. Deferred tax assets are recognized for tax loss carry forwards to the extent that the utilization against current year taxable profits and future taxable profits is probable. The future taxable profit estimate is based on current business plans approved by management.

Acquisitions, disposals and assets held for sale

Disposal of Polish High Voltage business

In April 2024, Eltel signed an agreement to divest its Polish High Voltage business via sale of 100% of the shares in Eltel Networks Energetyka S.A. and Eltel Networks Engineering S.A. to Mutares SE & Co. KGaA, a listed private equity investor headquartered in Munich, Germany. The transaction was completed on 6 June 2024 following receipt of customary regulatory approval. The transaction had negative cash flow impacts of EUR 4.0 million in the second quarter of 2024 and EUR 0.6 million in the third quarter of 2024. Total negative cash flow impact for January-December 2024 was EUR 4.6 million.

In the first quarter of 2024 the Polish High Voltage business was recognized as asset held for sale, resulting in a negative impact on Group EBIT of EUR 23.2 million. The negative impact on Group EBIT in January-December 2024 was EUR 23.1 million.

In 2023, the net sales in High Voltage Poland amounted to about EUR 36 million, adjusted EBITA amounted to EUR -4.9 million and the business consisted of about 410 employees. After completion of the divestment, Eltel no longer has any High Voltage business in Poland.

Leasing

Right-of-use assets		31 Dec	31 Dec
EUR million		2024	2023
Buildings		19.2	20.5
Machinery and equipment		34.3	31.4
Total		53.5	51.9

Changes in the right-of-use assets during the period		31 Dec	31 Dec
EUR million		2024	2023
1 Jan		51.9	46.5
Additions		35.9	34.3
Depreciations		-25.5	-22.3
Impairment losses		-3.1	-0.9
Divestments		-1.0	-
Other		-4.7	-5.7
Balance at the end of period		53.5	51.9

Leasing liabilities		31 Dec	31 Dec
EUR million		2024	2023
Non-current		36.0	33.9
Current		22.7	19.9
Total		58.7	53.9

Financial instruments

Derivative financial instruments	31 Dec 2024		31 Dec 2023	
	Nominal values	Net fair values	Nominal values	Net fair values
EUR million				
Foreign exchange rate derivatives	35.5	0.0	52.8	-0.1
Total	35.5	0.0	52.8	-0.1

Financial assets recognized at fair value through profit and loss comprise solely derivatives. Fair values of the derivative instruments are based on market values (level 2 observable input information) at balance sheet date.

Fair value of financial instruments measured at cost

The carrying amount of financial assets and financial liabilities is a reasonable approximation of their fair value. Changes in the market interest rates are reflected in the future interest flows of interest-bearing debt within a short period.

Earnings per share	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2024	2023	2024	2023
Net result attributable to equity holders of the parent	3.8	10.2	-29.7	-7.9
Interest on hybrid bond	-0.8	-0.8	-3.4	-2.5
Net result attributable to ordinary shares	2.9	9.4	-33.1	-10.4
Weighted average number of ordinary shares, basic	156,736,781	156,736,781	156,736,781	156,736,781
Weighted average number of ordinary shares, diluted	156,736,781	156,736,781	156,736,781	156,736,781
Earnings per share EUR, basic	0.02	0.06	-0.21	-0.07
Earnings per share EUR, diluted	0.02	0.06	-0.21	-0.07

Definitions and key ratios

Eltel applies ESMA's (European Securities and Markets Authority) guidelines for alternative performance measures (APM). In addition to the financial measures defined in IFRS, certain key figures, which qualify as alternative performance measures (APMs) are presented to reflect the underlying business performance, facilitate analysis of the Group's development as followed by Group Management and enhance comparability from period to period. The definition of these key figures is presented below and relevant information enabling reconciliations to IFRS measures can be found in connection with relevant parts of the report. These APMs should not be considered as a substitute for measures in accordance with IFRS.

IFRS key ratios

Earnings per share (EPS)	$\frac{\text{Net result attributable to equity holders of the parent} - \text{interest on hybrid bond}}{\text{Weighted average number of ordinary shares}}$
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Alternative performance measures (APMs)

Key Figure	Definition and reason for use	Reference
Adjusted EBITA and -margin	<p>Adjusted EBITA and -margin, % are used by management to measure business and segment profitability and exclude items affecting comparability. Income statement line items below adjusted EBITA are not allocated to segments.</p> <p>Adjusted EBITA: Operating result before acquisition-related amortizations and items affecting comparability</p> <p>Adjusted EBITA margin, %: $\frac{\text{Adjusted EBITA} \times 100}{\text{Net sales}}$</p> <p>Adjusted EBITA and -margin, % for segments represent the sum of segments: Finland, Sweden, Norway and Denmark.</p>	Reconciliation of segment results
Items affecting comparability	These include capital gains and/or losses and transaction costs related to divestments and acquisitions, restructuring and resizing expenses and other items that according to Eltel's management's assessment are not related to normal business operations.	Reconciliation of segment results
EBITDA and adjusted EBITDA	EBITDA is operating result (EBIT) before depreciations and amortizations. Adjusted EBITDA excludes items affecting comparability. Adjusted EBITDA is used in calculating the leverage ratio.	Cash flow, key figures, quarterly key figures
EBIT margin	<p>Operating result (EBIT) and -margin% are used to measure profitability before interest and taxes.</p> <p>EBIT margin, %: $\frac{\text{EBIT} \times 100}{\text{Net sales}}$</p>	Income statement
Return on equity (ROE), %	<p>Return on equity (ROE), % represents the rate of return that shareholders receive on their investments.</p> <p>Return on equity (ROE), %¹⁾: $\frac{\text{Net result} \times 100}{\text{Total equity (average over the reporting period)}}$</p>	Income statement and balance sheet

1) Calculated on a rolling 12-month basis.

Key figure	Definition and reason for use	Reference
<p>Operative capital employed</p> <p>and</p> <p>Return on operative capital employed (ROCE), %</p>	<p>Operative capital employed is the amount of net operating assets the business uses in its operations.</p> <p>Return on operative capital employed (ROCE), % represents how effectively total net operating assets are used in order to generate return in the operating business.</p> <p>Operative capital employed: Net working capital + Intangible assets excluding goodwill and acquisition-related allocations + Property, plant and equipment and Right-of-use assets</p> <p>Return on operative capital employed (ROCE), %¹⁾: $\frac{\text{Adjusted EBITA} \times 100}{\text{Operative capital employed (average over the reporting period)}}$</p>	<p>Net working capital and operative capital employed</p>
<p>Net debt and leverage ratio</p>	<p>Net debt represents Eltel's indebtedness. It is used to monitor capital structure and financial capacity. It is also used in calculating the leverage ratio. The leverage ratio is defined as covenant in Eltel's financing agreement.</p> <p>Net debt: Interest-bearing debt - cash and cash equivalents</p> <p>Leverage ratio¹⁾: $\frac{\text{Net debt}}{\text{Adjusted EBITDA}}$</p>	<p>Interest-bearing liabilities and net debt</p>
<p>Net working capital</p>	<p>Net working capital is used to follow the amount of capital needed for the business to operate. Used also as a factor to calculate operative capital employed.</p> <p>Net working capital: Net of inventories, trade and other receivables, provisions, advances received and trade and other payables, excluding items in these balance sheet items that are not considered to form part of operative working capital: derivative valuations and income tax liabilities.</p>	<p>Net working capital and operative capital employed</p>
<p>Committed order backlog</p>	<p>Committed order backlog is the total value of committed orders received but not yet recognized as sales. It does not include frame agreements unless a binding purchase order has been received. It is the best measure of unsatisfied performance obligations according to IFRS 15 Revenue from contracts with customer.</p>	

1) Calculated on a rolling 12-month basis.

Parent Company

Eltel AB is the ultimate parent company of Eltel Group. The operational and strategic management functions of Eltel Group are centralized in Eltel AB but it has no operative business activities. Eltel AB owns and governs the shares related to Eltel Group and its risks are mainly attributable to the value and activities of its subsidiaries. The interim report for the parent company is prepared in accordance with the chapter 9, Interim report, in the Swedish Annual Accounts Act.

Parent Company condensed income statement

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	7.3	0.8	8.3	1.9
Administrative expenses	-3.0	-2.5	-9.1	-7.4
Operating result	4.3	-1.7	-0.8	-5.6
Interest and other financial income	5.5	5.3	21.2	20.8
Interest and other financial expenses	-1.0	-1.0	-4.2	-3.6
Net financial items	4.5	4.2	17.0	17.3
Result after financial items	8.8	2.5	16.2	11.7
Group contributions given	-16.0	-11.6	-16.0	-11.6
Net result	-7.2	-9.1	0.2	0.1

Parent Company condensed balance sheet

EUR million	31 Dec 2024	31 Dec 2023
ASSETS		
Non-current assets		
Financial assets		
Shares in Group companies	68.3	68.3
Long-term loans receivable from Group companies	490.8	481.7
Other financial assets	0.9	-
Intangible assets	0.0	0.0
Non-current assets	560.0	550.0
Current assets		
Trade and other receivables	8.0	1.1
Cash pool receivable	4.4	4.4
Cash and cash equivalents	0.1	0.1
Current assets	12.6	5.6
TOTAL ASSETS	572.6	555.5

EUR million	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES		
Restricted equity		
Share capital	162.0	162.0
Statutory reserve	0.7	0.7
Restricted equity	162.6	162.6
Non-restricted equity		
Retained earnings	278.2	281.2
Hybrid bond	25.0	25.0
Net result for the period	0.2	0.1
Non-restricted equity	303.3	306.4
Total equity	466.0	469.0
Non-current liabilities		
Retirement benefit obligation	0.9	-
Provisions	0.2	-
Non-current liabilities	1.1	-
Current liabilities		
Debt	9.9	7.9
Liabilities to Group companies	94.0	78.0
Trade and other payables	1.6	0.6
Current liabilities	105.5	86.5
Total liabilities	106.6	86.5
TOTAL EQUITY AND LIABILITIES	572.6	555.5

Etel has secured its debt obligations towards the banks by share and intragroup loan pledges and floating charges over certain assets of the Group, all on customary terms and conditions.

Equity

EUR million	1 Jan 2024	Interest on hybrid bond	Equity-settled share-based payment	Net result	31 Dec 2024
Share capital	162.0	-	-	-	162.0
Statutory reserve	0.7	-	-	-	0.7
Non-restricted equity	306.4	-3.4	0.2	0.2	303.3
Total	469.0	-3.4	0.2	0.2	466.0

As of 31 December 2024, the total number of registered and outstanding shares of Eltel amounts to 160,585,581, whereof 156,736,781 are ordinary shares and 3,848,800 are class C shares. The number of votes in Eltel amounts to 157,121,661 and the registered share capital amounts to EUR 161,950,203.

**Always powered, always connected -
we make it happen by transforming society
for a sustainable future.**

Eltel AB

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