

Press release 15 December 2022 at 8:00 CET

Eltel announces estimated negative operative EBITA for the fourth quarter 2022

Eltel's market position is strong and there is high demand for our services. However, due to recently postponed customer investments, high inflation impact and cost overruns, Eltel expects slightly reduced net sales and significantly reduced operative EBITA in the fourth quarter, compared to the same period previous year. For the fourth quarter, operative EBITA is estimated to be negative, which risks resulting in the full year operative EBITA not being positive.

– The orderbook is strong but some of our customers have recently reduced their purchase volumes, which negatively impacts the net sales during the fourth quarter. Furthermore, with the inflation, the cost increases are more wide spread than we initially anticipated. We have secured agreements with most of our customers to recover parts of the cost increases. However, we have previously overestimated the degree of cost compensation. It is also clear that it will take time before the agreed indexation mechanisms take full effect. We are taking immediate actions to adjust the organisation to the current situation and we continue our efforts to increase prices both in our new and ongoing business, said Håkan Dahlström, President and CEO of Eltel.

The full interim report for the fourth quarter will be released on 16 February 2023, as previously announced.

For further information:

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This information is information that Eltel AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 CET on 15 December 2022.

About Eltel

Eltel is a leading service provider for critical infrastructure that enables renewable energy and high-performing communication networks. Eltel designs, plans, builds and secures the operation of networks for a more sustainable and connected world today and for future generations. In total, we have about 5,000 employees and in 2021 the annual sales was EUR 812.6 million. The head office is located in Sweden and Eltel's shares have been listed on Nasdaq Stockholm since 2015. Read more at www.eltelnetworks.com.