

Eltel AB Q2 2025 presentation

24 July 2025



Today's presenters



Håkan Dahlström
President and CEO



Tarja Leikas
CFO

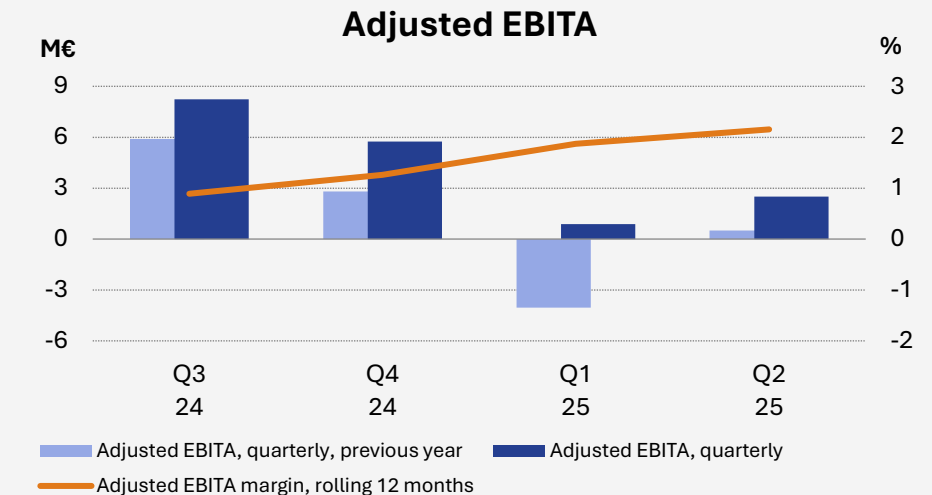
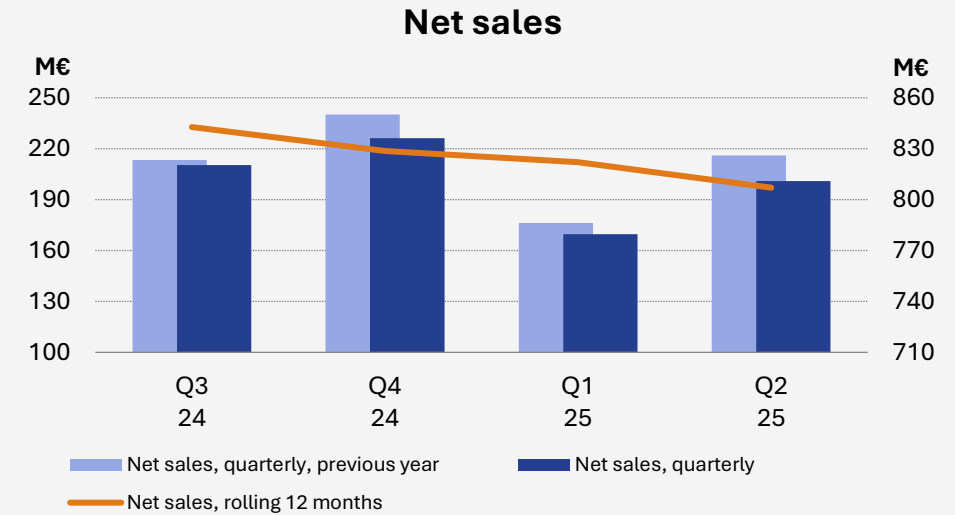


Alexandra Kärnlund
Communications Director

Financial highlights Q2 2025

Eighth consecutive quarter of improved profitability, with contributions from all segments.

- Net sales decreased by 6.9% to EUR 201.0 million (216.0)
- Gross profit improved to EUR 22.5 million (21.7)
- LTM gross profit improved from EUR 87.0 million to EUR 96.4 million
- Profitability continued to improve:
 - Adjusted EBITA was EUR 2.5 million (0.5)
 - Adjusted EBITA margin was 1.2% (0.2)
- LTM adjusted EBITA improved from EUR 5.2 million to EUR 17.4 million



Commercial and operational highlights Q2 2025

- Increased demand from public sector positively impacting net sales
- Two Power frame agreements signed with E.ON., valued at a total of EUR 42.6 million
- Data Center contract signed with Hyperco, valued at EUR 16 million
- Increased share of volumes from new business, now at 10%
- Refinancing of debt portfolio, including successful issue of a four-year senior bond amounting to EUR 130 million
- Klas Elmberg appointed new Managing Director for Sweden as of 1 August
- Yathukulan "Tuk" Kankesan appointed new Managing Director for Eltel Denmark & Germany as of 1 August



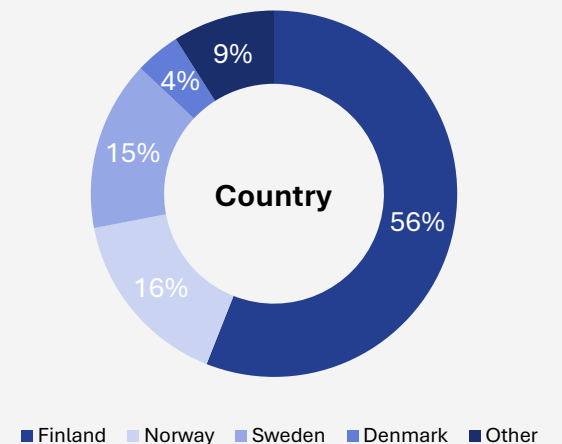
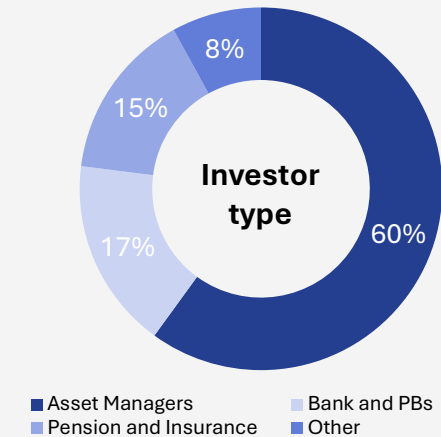
Refinancing of debt portfolio

A senior secured bond EUR 130 million and a super senior revolving credit facility EUR 60 million form a core of Eltel financing for the upcoming four years.

- The bond offer (Euribor 3m +525 bps with incurrence covenants) was well received by the investors and lead into major over-subscription
- A tender offer for the sustainability-linked hybrid bond was accepting valid tenders worth approximately EUR 24 million

The refinancing provides a long-term financing solution, improves liquidity and provides opportunities for business growth.

Final bond order book comprising high-quality Nordic investors



Total Group

Net sales

- Net sales decreased by 6.9%, HV Poland included until June 2024
- Major growth in Sweden
- New business' share of net sales increases to 10%

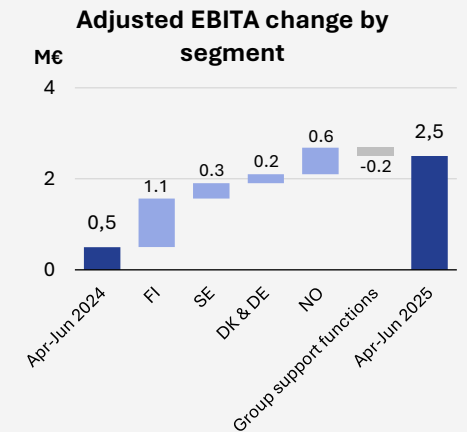
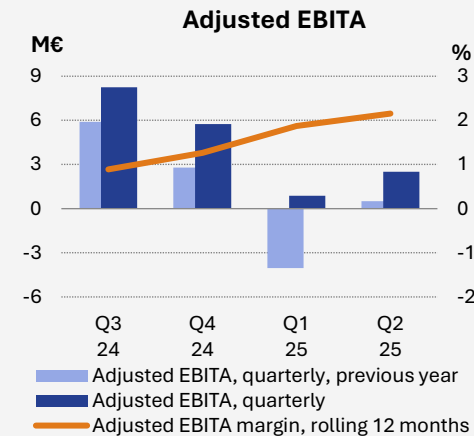
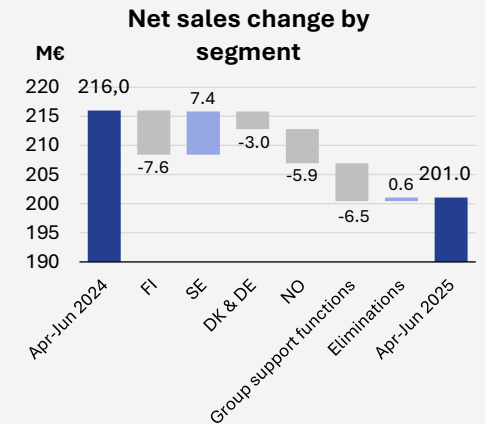
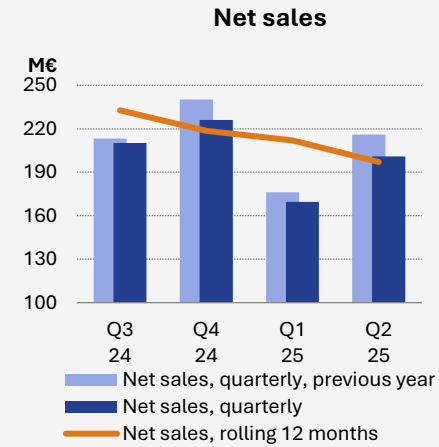
Adjusted EBITA

- Adjusted EBITA increased to EUR 2.5 million
- High focus on operational and commercial excellence
- Profitability improvement in all Eltel segments, strongest in Finland and Norway

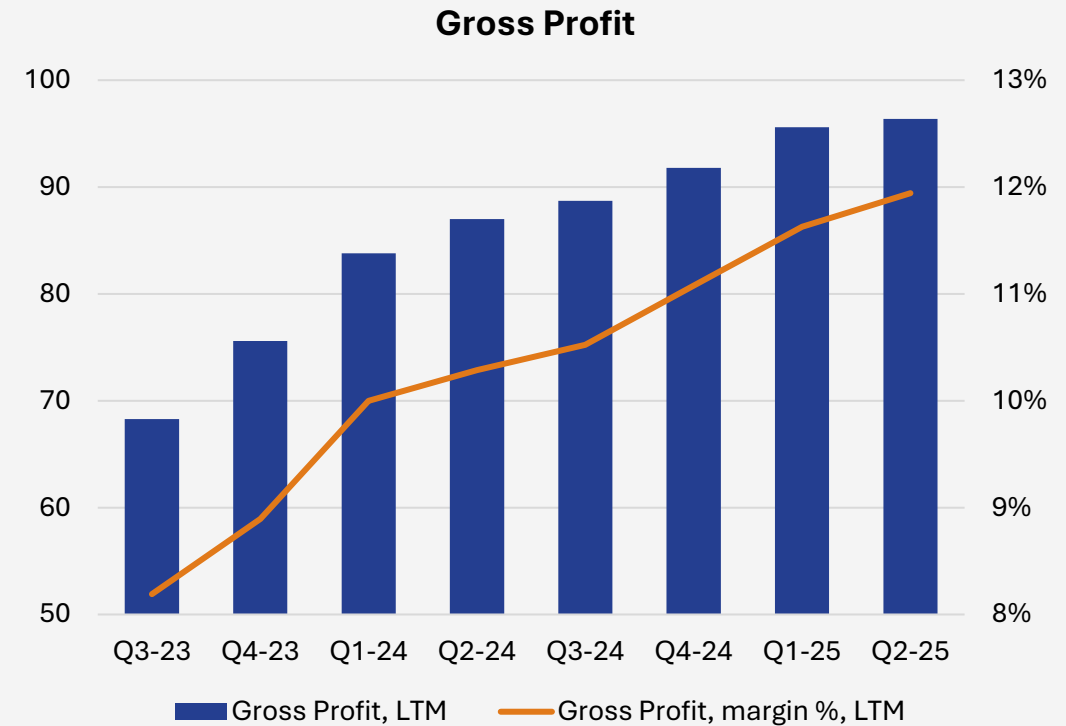
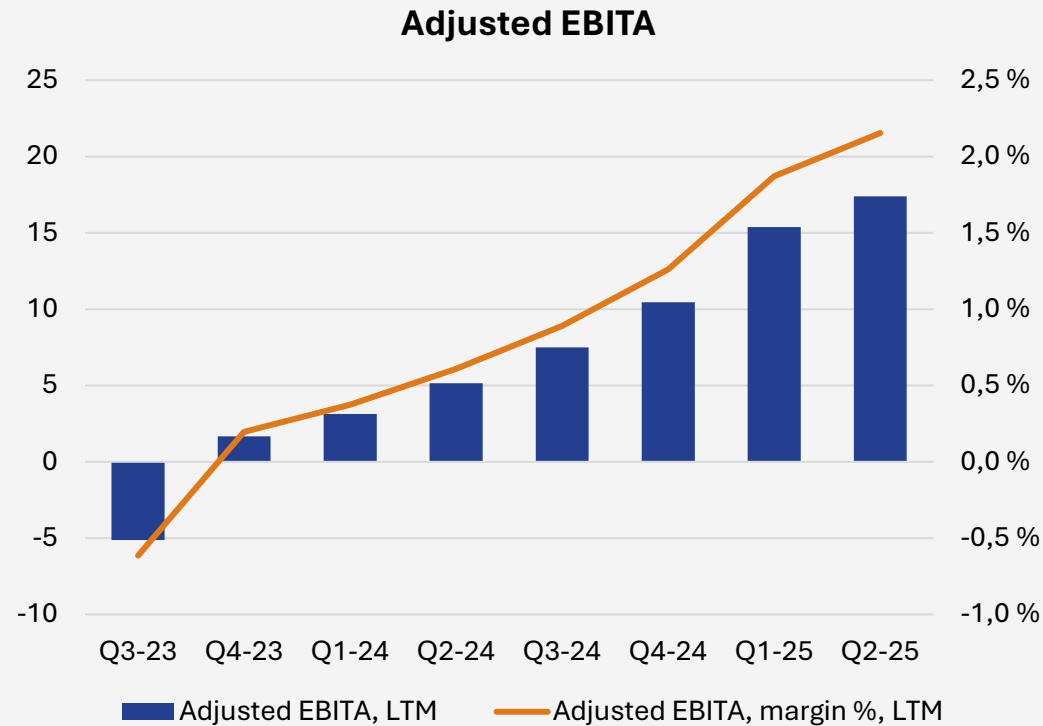
Refinancing

Eltel has completed a comprehensive refinancing of the debt portfolio

EUR million	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jan-Dec 2024
Net sales	201.0	216.0	370.6	392.3	828.7
Net sales growth, %	-6.9%	3.8%	-5.5%	-1.1%	-2.5%
Adjusted EBITA	2.5	0.5	3.4	-3.5	10.5
Adjusted EBITA margin, %	1.2%	0.2%	0.9%	-0.9%	1.3%
Number of employees, average, FTE	3,971	4,717	3,982	4,801	4,550



Adjusted EBITA and Gross Profit (LTM)



Finland

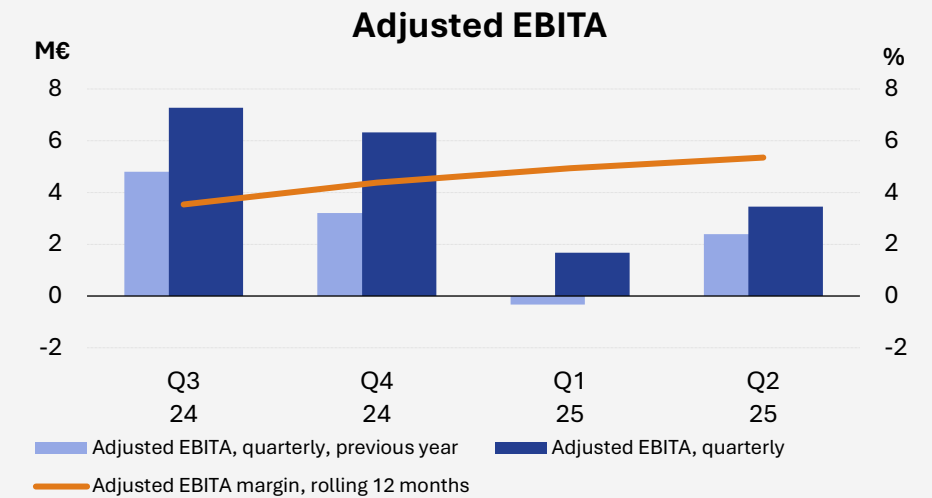
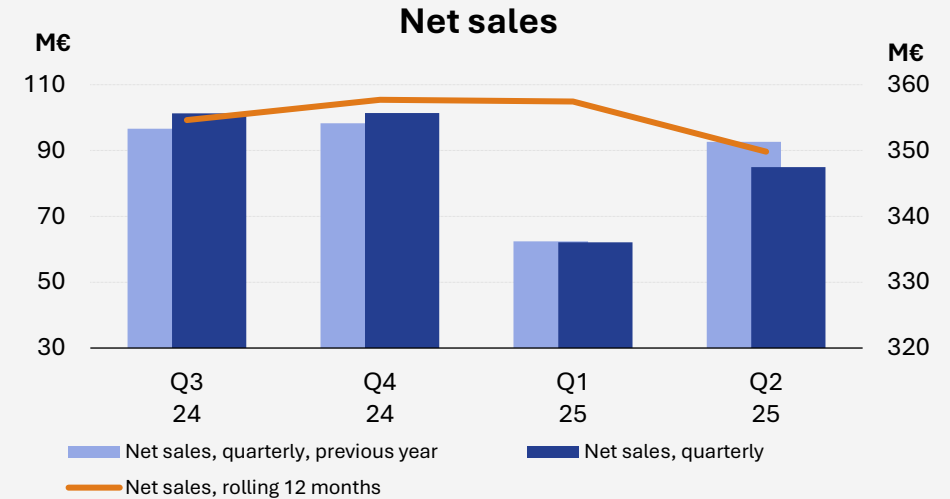
Net sales

- Net sales decline 8% in April–June 2025
- Fibre roll-out peaked during 2024, this year the pace is more moderate and Communications turnover lower
- Solar PV and Data Center drove Power growth

Adjusted EBITA

- Adjusted EBITA improvement continued, EUR 3.5 million (2.4)
- Both Communication and Power contributed to increasing margins

EUR million	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jan-Dec 2024
Net sales	85.0	92.6	147.1	155.0	357.7
Net sales growth, %	-8.2%	8.7%	-5.1%	3.6%	3.8%
Adjusted EBITA	3.5	2.4	5.1	2.1	15.7
Adjusted EBITA margin, %	4.1%	2.6%	3.5%	1.3%	4.4%
Number of employees, average, FTE	1,328	1,510	1,323	1,501	1,478



Sweden

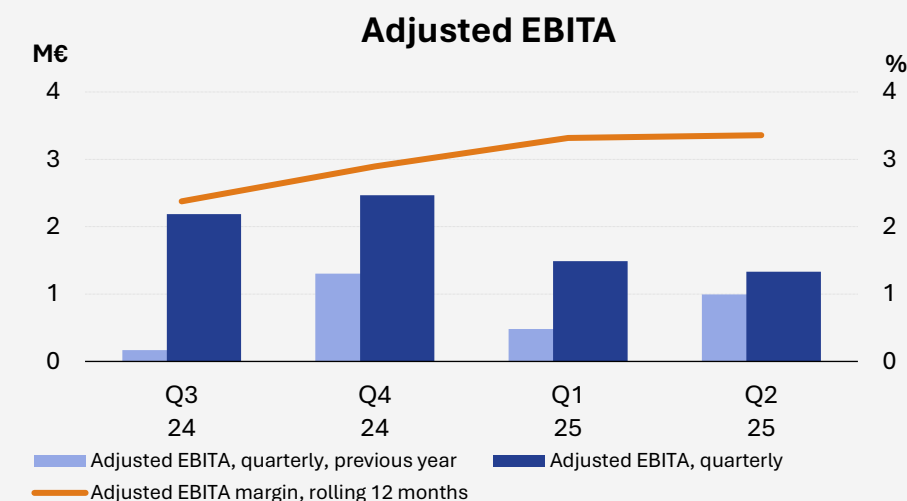
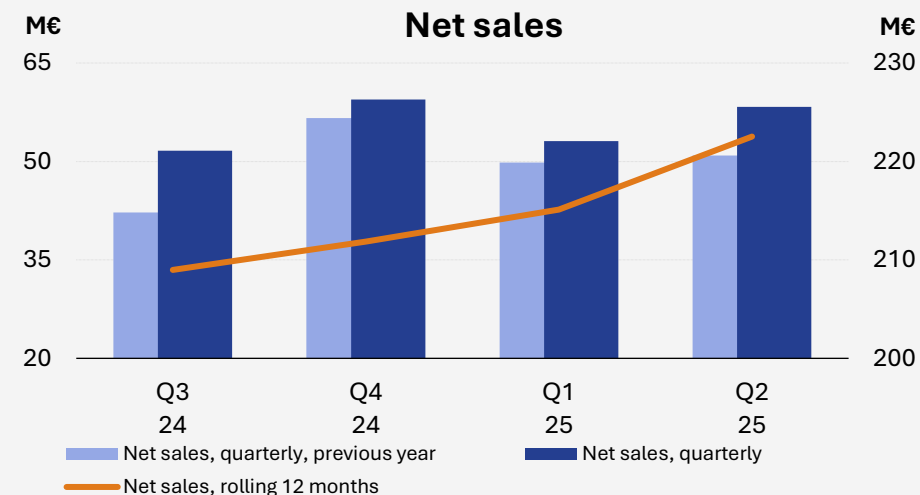
Net sales

- Strong 15% net sales growth
- The consecutive quartal growth y-o-y continues, now seventh on a row
- Public sector driven Communication growth
- Solar PV growth offset by Smart Grids decline

Adjusted EBITA

- 13th consecutive quarter with adjusted EBITA y-o-y improvement
- The EBITA improvement was driven by higher volumes in Communication and stronger margins in the Power business

EUR million	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jan-Dec 2024
Net sales	58.3	50.9	111.4	100.7	211.8
Net sales growth, %	14.6%	0.1%	10.6%	1.1%	6.7%
Adjusted EBITA	1.3	1.0	2.8	1.5	6.1
Adjusted EBITA margin, %	2.3%	2.0%	2.5%	1.5%	2.9%
Number of employees, average, FTE	972	955	967	953	950



Denmark & Germany

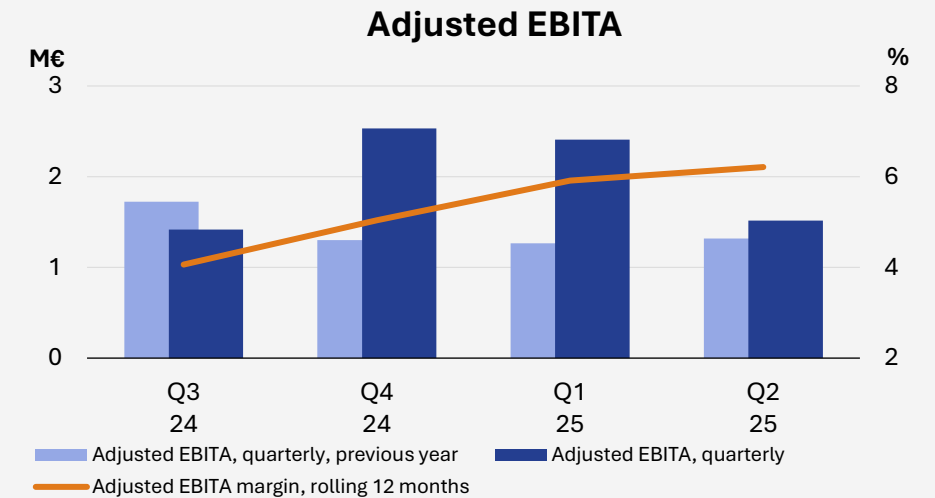
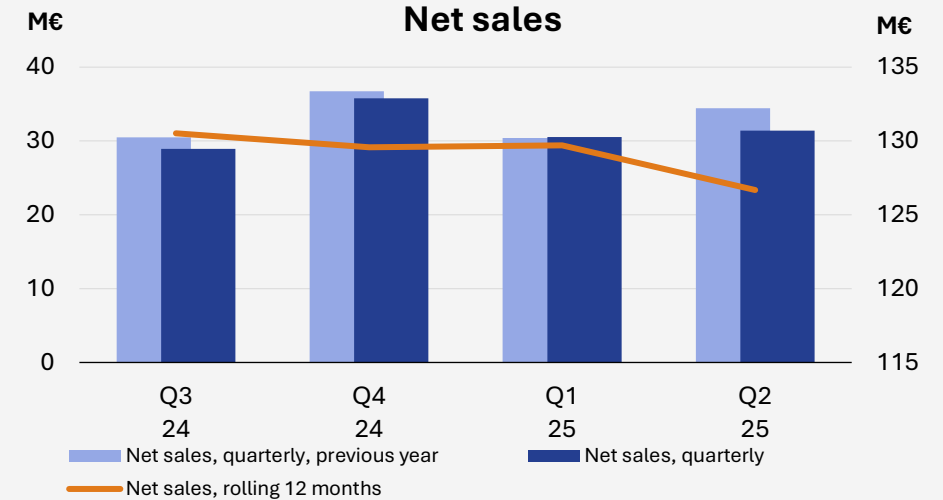
Net sales

- Decline of 9% mainly due to lower volumes in Communication
- Growth in Smart Grids

Adjusted EBITA

- Profitability improvement, adjusted EBITA margin now 4.8%
- Operational excellence behind the profitability improvement

EUR million	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jan-Dec 2024
Net sales	31.4	34.4	61.9	64.8	129.6
Net sales growth, %	-8.8%	13.6%	-4.5%	4.1%	0.1%
Adjusted EBITA	1.5	1.3	3.9	2.6	6.5
Adjusted EBITA margin, %	4.8%	3.8%	6.3%	4.0%	5.0%
Number of employees, average, FTE	755	843	777	847	829



Norway

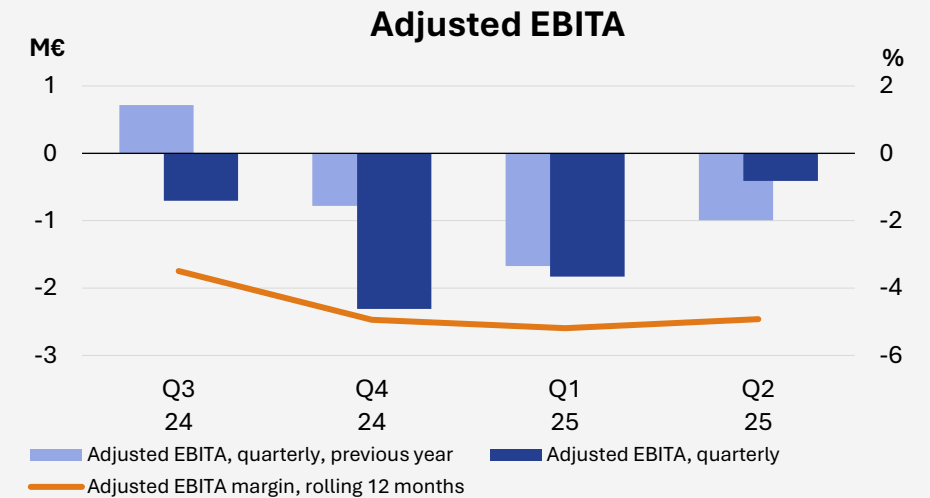
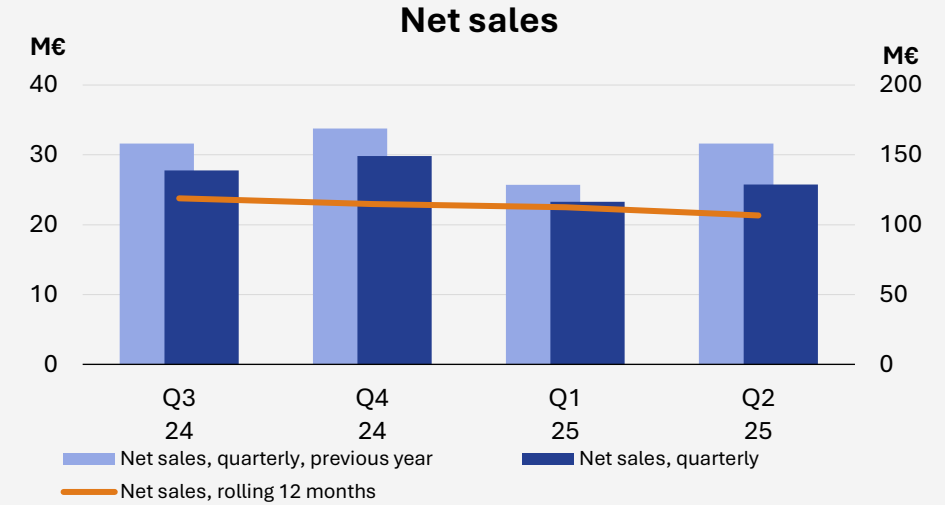
Net sales

- Decrease of EUR 5.9 million compared to previous year
- Progress in new customer acquisition
- New business visible in net sales

Adjusted EBITA

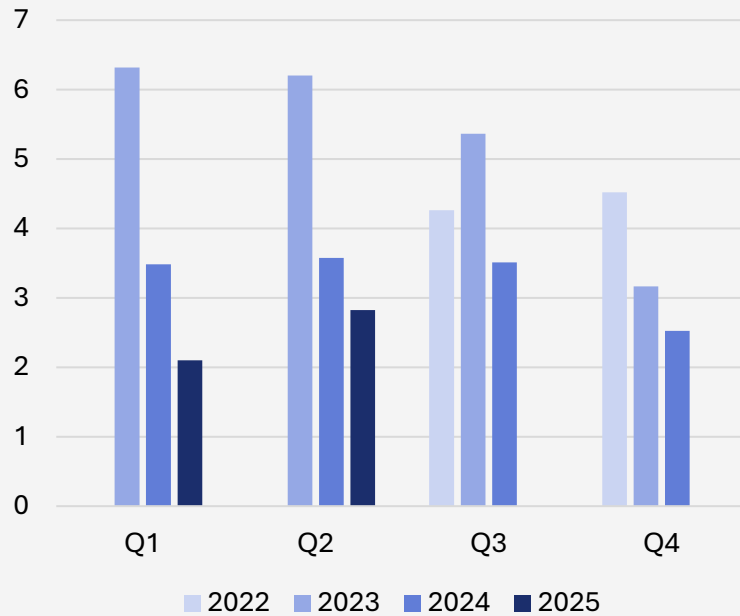
- Norway joins the other segments in the profitability improvement
- Profitability improving steadily
- Rightsizing completed, personnel amount appr. 220 less than previous year

EUR million	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jan-Dec 2024
Net sales	25.8	31.6	49.1	57.3	114.9
Net sales growth, %	-18.6%	-2.5%	-14.4%	-11.3%	-11.7%
Adjusted EBITA	-0.4	-1.0	-2.2	-2.7	-5.7
Adjusted EBITA margin, %	-1.6%	-3.1%	-4.6	-4.7%	-4.9%
Number of employees, average, FTE	576	783	589	790	761



Group balance sheet

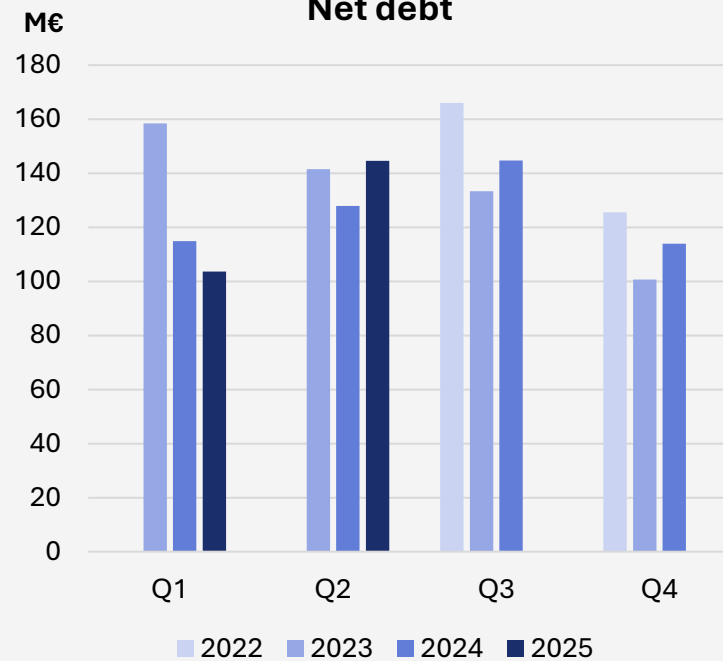
Leverage



Leverage: Net debt/Adjusted EBITDA. Eltel's leverage target by end of 2025 is 1.5–2.5x net debt/Adjusted EBITDA.

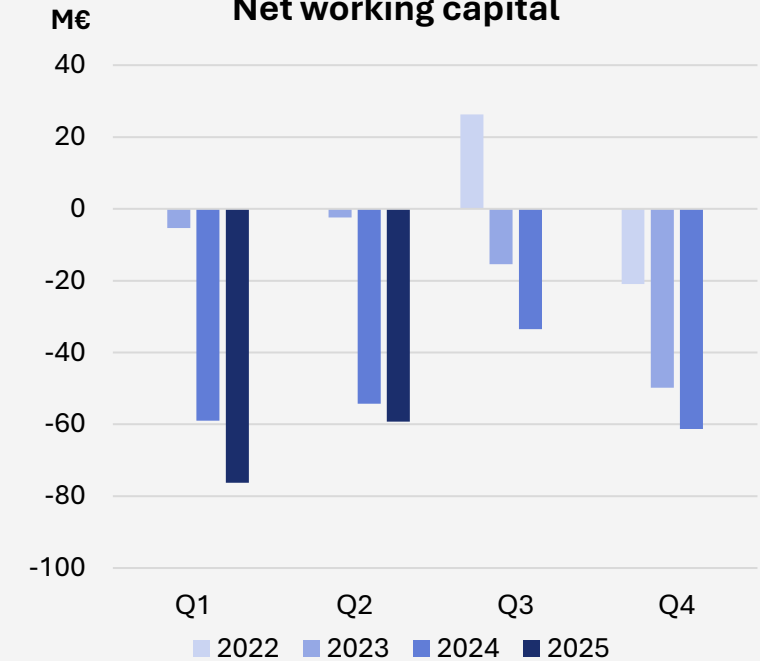
Net debt: Interest bearing debt less cash and cash equivalents.

Net debt



Net debt: Interest bearing debt less cash and cash equivalents.

Net working capital



Eltel Group financial targets

Profitability

- Group adjusted EBITA margin 5%

Growth

- Annual growth 2–4%

Leverage

- 1.5–2.5x net debt/adjusted EBITDA

Dividend payout

- Subject to leverage target

Our strategy in short

- Improve efficiency and profitability of the current business
- Broaden the customer base
- Grow in new and adjacent markets, such as renewable energy
- Integrate sustainability as part of our offerings and operations
- Develop our concepts and commercial capabilities



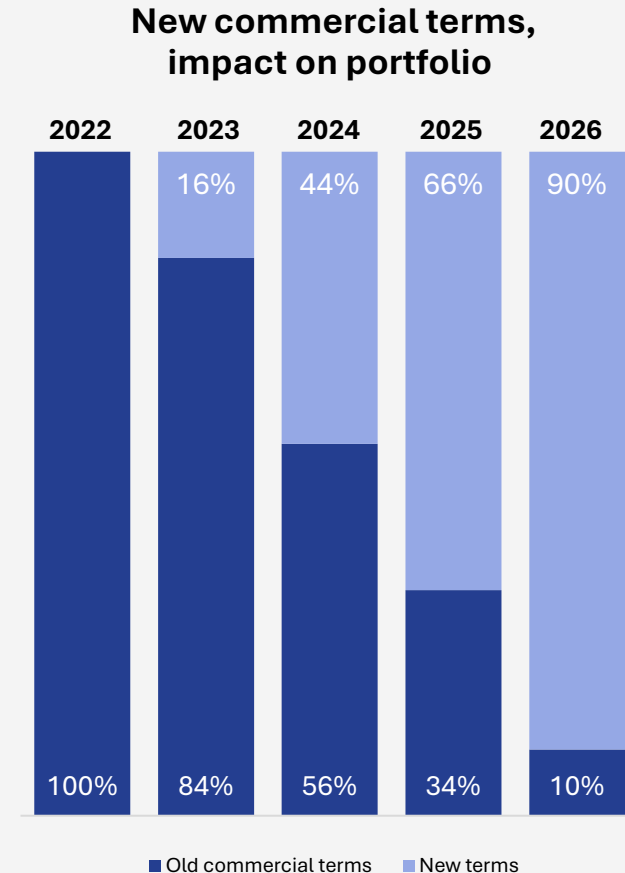
Progress in strategy execution

Operational excellence

- Streamlining and rightsizing the organization
- Increased efforts in digitalization and automation
- Cross border collaboration

Commercial excellence

- New commercial terms since late 2022, have contributed to protection against inflation and a positive development of gross profit, cashflow and net working capital
 - Actual development up until 2024 in line with estimates
 - First half of 2025 showed a slow-down, affecting our estimate for 2025
- **Broadened customer base**
 - Growing demand from the public sector
 - Slow market in Q2
 - Strong pipeline and high level of customer interaction pave way for great future opportunities in all segments and business areas



Progress in strategy execution

Improved profitability and financial position

- Gross profit improved YoY to EUR 22.5 million (21.7)
- LTM gross profit improved by EUR 9.4 million
- LTM adjusted EBITA improved with more than EUR 12 million
- Adjusted EBITA: EUR 2.5 million (0.5)
- Adjusted EBITA margin: 1.2% (0.2)

Growth in new and adjacent markets

- Good growth in Solar PV and Data Centers
- 6% of signed contract value from new business and nearly 50% of pipeline related to new business
- 10% of net sales from new business



Questions

Next report

Q3 2025: 30 October 2025

