



Eltel AB Q4 2024 presentation

14 February 2025



Today's presenters



Håkan Dahlström
President and CEO



Tarja Leikas
CFO

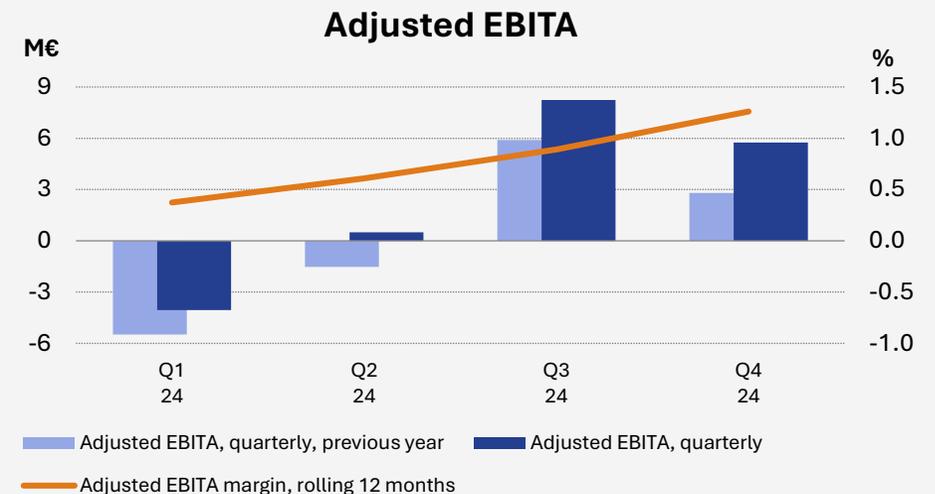
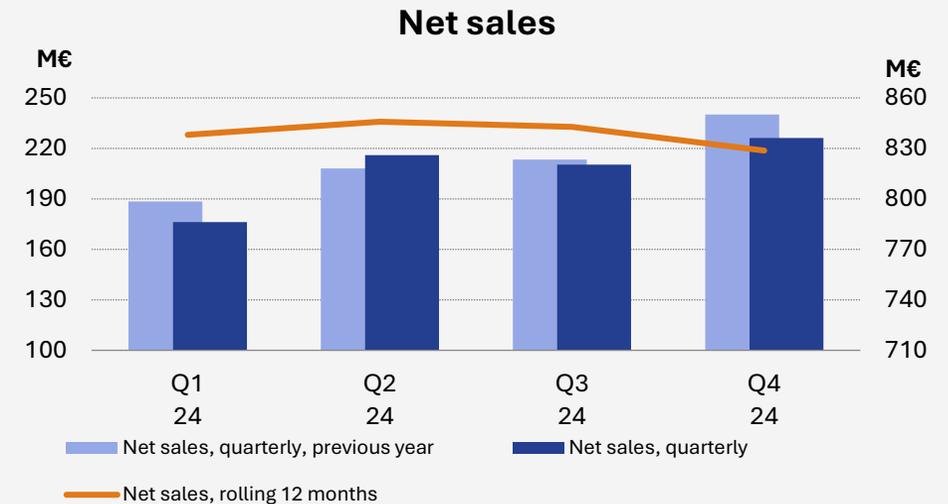


Alexandra Kärnlund
Communications Director

Financial highlights Q4 2024

Doubled profitability, strong sales and leverage reaching target

- Net sales decreased to EUR 226 million (240), mainly due to the divestment of HV Poland
- Organic growth in segments was flat
- Improved gross profit to EUR 27.7 million (24.5)
- Adjusted EBITA more than doubled to EUR 5.7 million (2.8) and adjusted EBITA margin improved to 2.5% (1.2)
- In segments adjusted EBITA improved to EUR 8.6 million (5.0) and adjusted EBITA margin improved to 4.0% (2.3)
- Sixth consecutive quarter with YoY adjusted EBITA improvement
- Strong sales, with signed contracts to a value of EUR 308 million (135)
- The orderbook value increased to EUR 1 220 million
- Leverage was 2.5, reaching target



Operational highlights Q4 2024

- Delivery of first BESS and first solar park
- Turnkey contract with Taaleri Energia to build and operate one of the largest solar parks in Finland
- Two contracts with the Swedish Transport Administration for nationwide communications network construction and maintenance
- Contract with Telia in Finland for fixed and mobile telecom services
- Contract with Avinor for telecom and electrical installations at 20 airports in Norway
- **Ingrid Therese Tjøsvold** appointed Managing Director for Eltel Norway
- Rescue team sent to Ireland



Highlights full-year 2024

- **Net Sales Organic growth 1,8%**
- **Adjusted EBITA EUR 10,5 million (1,7)**
- **Total Contract Value EUR 863 million**
- **Largest Nordic provider of 5G swap and FTTH connections**

Great progress in Public infra customer segment:

- Swedish Defence Materiel Administration agreement for FMV's air bases, valued at EUR 21 million
- Swedish Armed Forces agreement for the manufacture of masts and towers, valued at EUR 35 million
- Two agreements with the Swedish Transport Administration for nationwide communications network construction, valued at EUR 165 million
- Avinor agreement for telecom and electrical installations at 20 airports, valued at EUR 20 million

Important frame agreements in Communication extended:

- Telenor agreement extended for three years, valued at EUR 90-180 million
- Telia agreement extended with three years, valued at EUR 70 million
- Elisa agreement extended with two years, valued at EUR 62 million

Positive development in power and renewable energy:

- Won Taaleri Energia contract to build an OHL, Substation and a PV Solar park 129 MWP, worth EUR 73,5 million.
- Helen Electricity Network Ltd agreement for Helsinki's electricity distribution network, worth EUR 50 million
- TDC Net agreement in Denmark extended by two years, worth EUR 23 million
- First solar park delivered in Finland
- First BESS, delivered in Denmark and Finland

Total Group

Net sales Q4 2024

- Organic growth in segments flat
- Total net sales decline (-5.9%) largely due the divestment of High Voltage Poland

Net sales full-year 2024

- Organic growth 1.8% and in segments 1.5%

Adjusted EBITA Q4 2024

- Adjusted EBITA more than doubled vs. previous year, EUR 5.7 million (2.8)
- Adjusted EBITA margin 2.5% (1.2)

Items affecting comparability Q4 2024

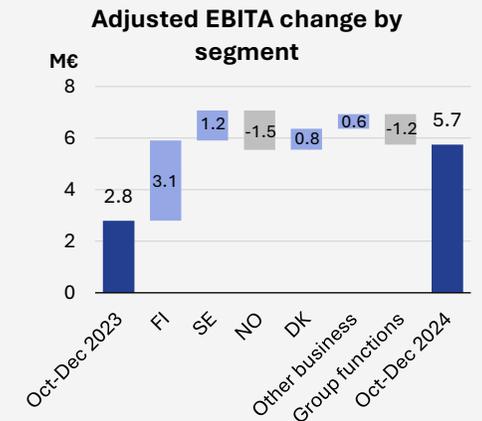
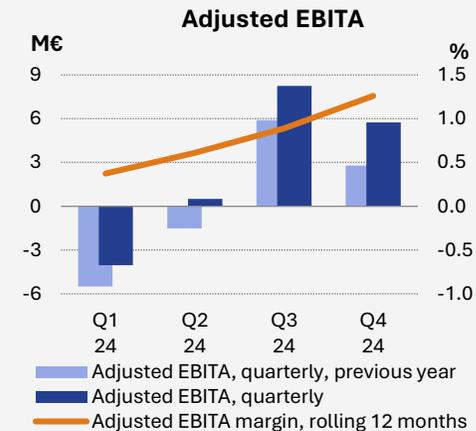
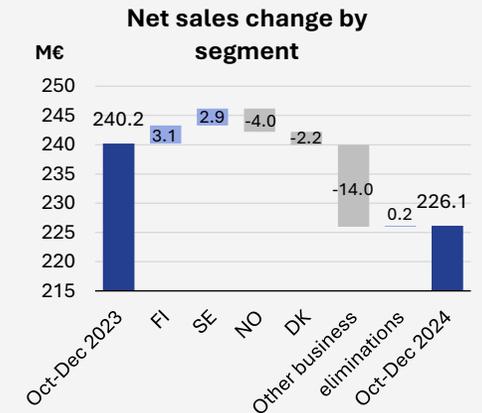
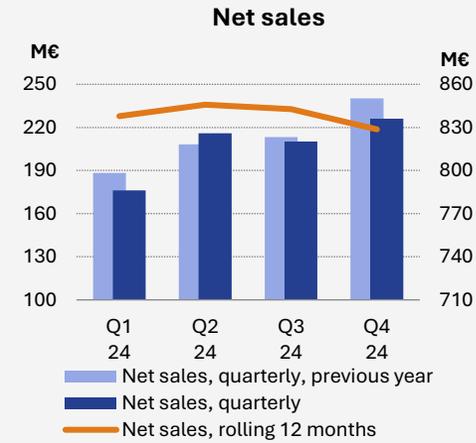
- Items affecting comparability EUR -1.6 million (0.1)
- Restructuring and resizing in Finland and Norway

Adjusted EBITA full-year 2024

- Adjusted EBITA EUR 10.5 million (1.7) and margin 1.3% (0.2)

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 EBITA	5.7	2.8	10.5	1.7
Adjusted EBITA margin, %	2.5%	1.2%	1.3%	0.2%
Return on operative capital employed, (ROCE) ¹ , %	102.4%	5.3%	102.4%	5.3%

1) Calculated on rolling 12-month basis.
2) Adjusted for divestments and currency effects.



Finland

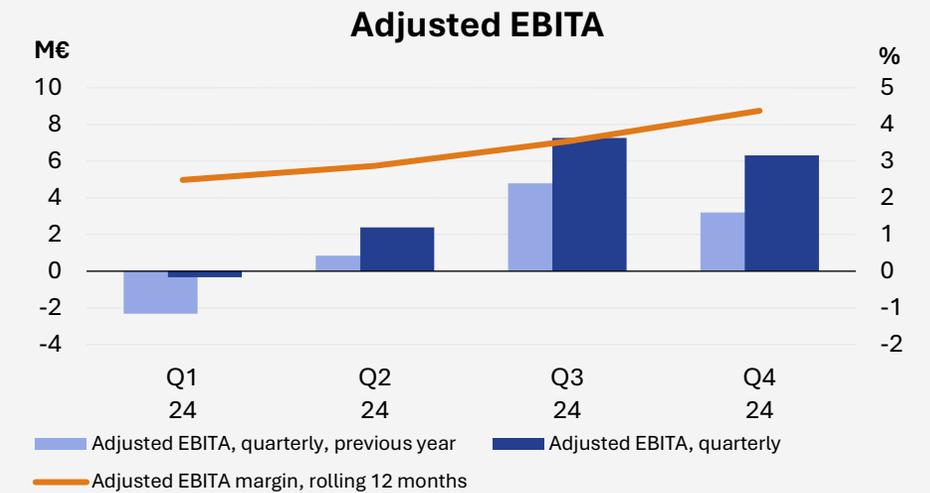
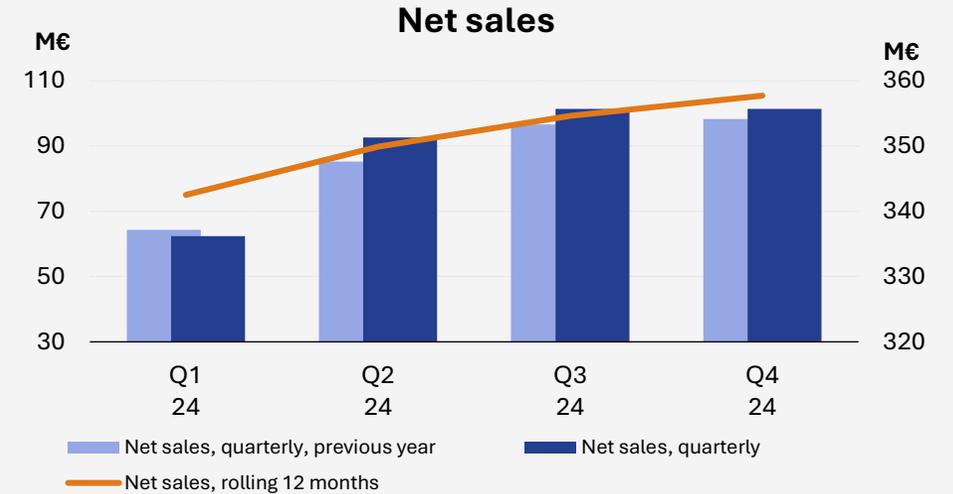
Net sales Q4 2024

- 3.1% growth driven by Communication and FTTH business
- Positive development in renewable area

Adjusted EBITA Q4 2024

- Major profitability (EUR 3.1 million) improvement
- Both Communication and Power improving profitability
- Margin 6.2%
- Resizing measures executed

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



Sweden

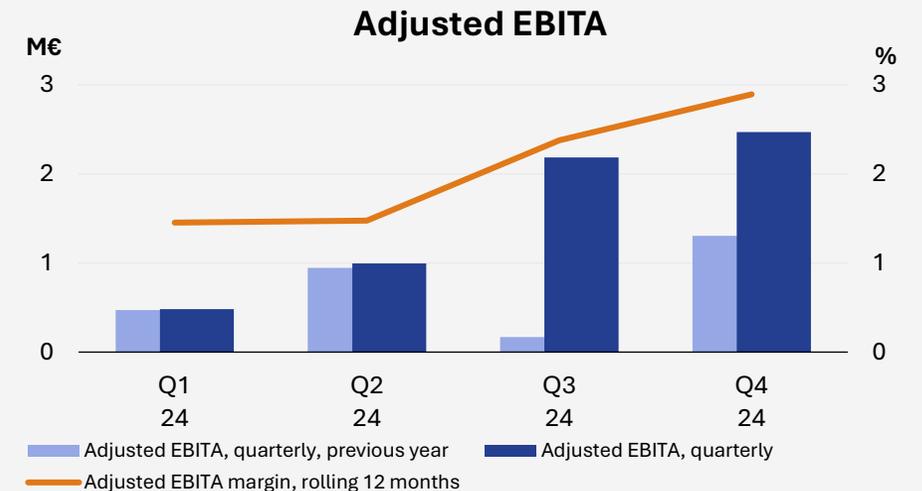
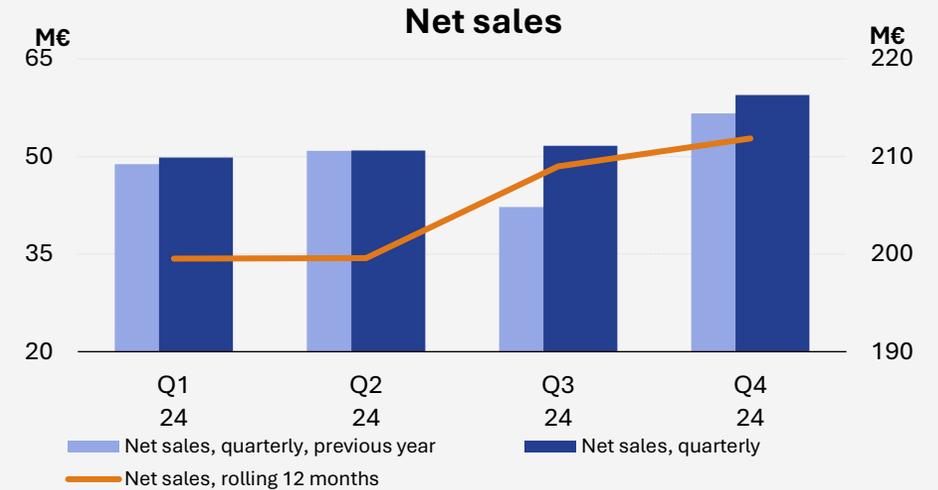
Net sales Q4 2024

- Net sales growth 5.1% (4.8% in loc.)
- Communication, and public infrastructure driving growth

Adjusted EBITA Q4 2024

- Tenth consecutive quarter of positive adjusted EBITA
- Both Communication and Power improving profitability

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	59.5	56.6	211.8	198.5
Net sales growth, %	5.1%	0.3%	6.7%	2.4%
Adjusted EBITA	2.5	1.3	6.1	2.9
Adjusted EBITA margin, %	4.2%	2.3%	2.9%	1.5%
Number of employees, average	955	963	950	988



Norway

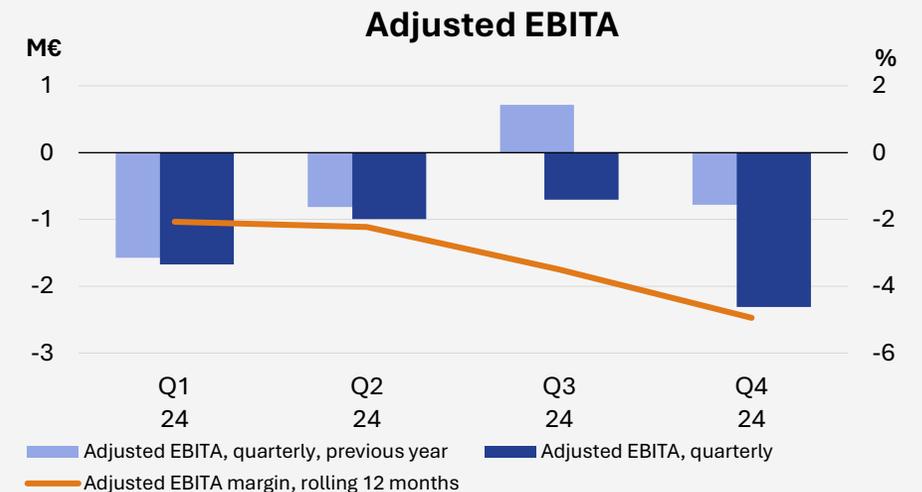
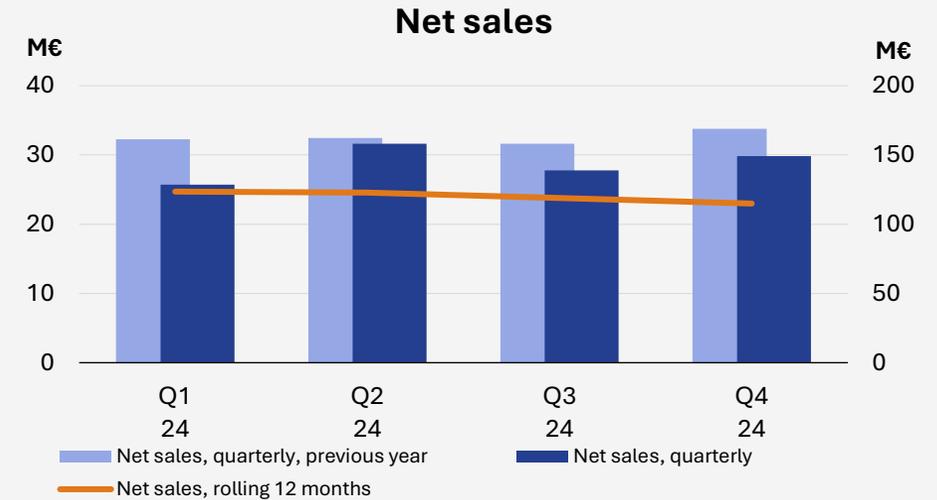
Net sales Q4 2024

- Net sales declined EUR 4 million
- Commercial activity strong
- Broadening of the customer base ongoing

Adjusted EBITA Q4 2024

- Profitability declined EUR 1.5 million
- Restructuring measures continued
- Focus on margins and profitability
- New organization in January 2025

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	29.8	33.8	114.9	130.1
Net sales growth, %	-11.8%	-23.8%	-11.7%	-26.4%
Adjusted EBITA	-2.3	-0.8	-5.7	-2.5
Adjusted EBITA margin, %	-7.7%	-2.3%	-4.9%	-1.9%
Number of employees, average	705	807	761	860



Denmark

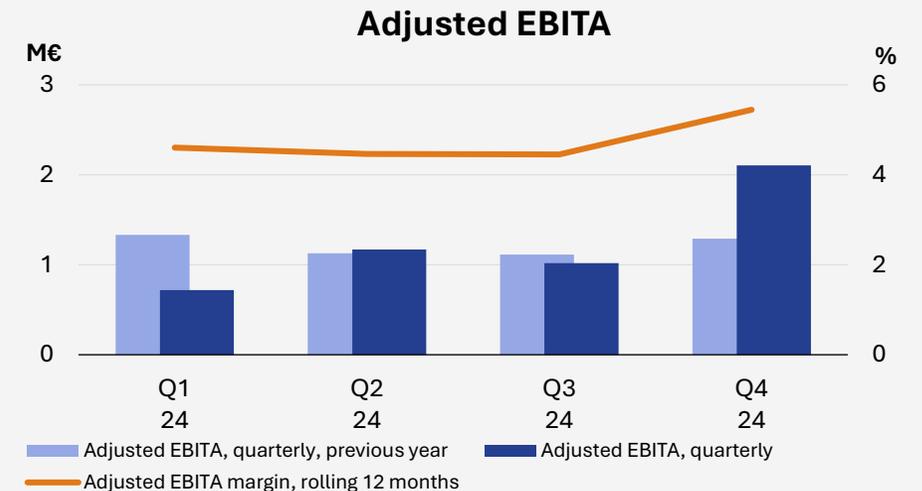
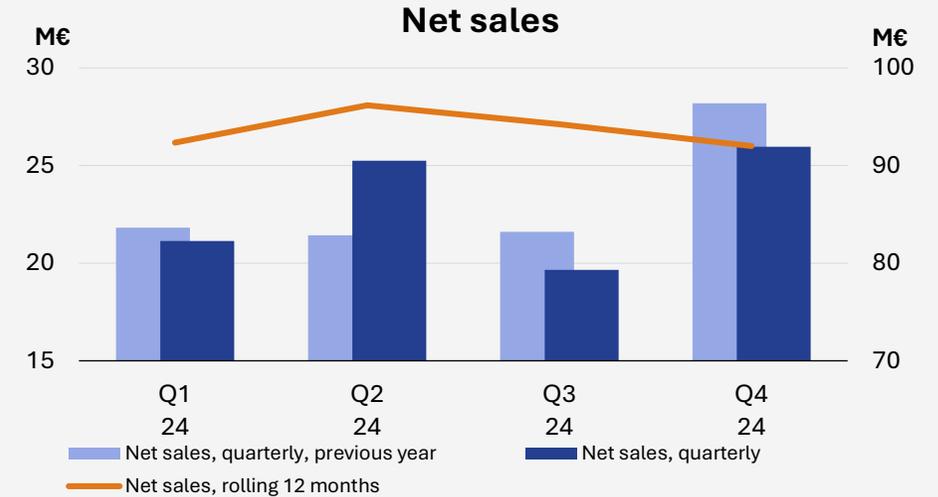
Net sales Q4 2024

- Net sales declined EUR 2.2 million
- Strong growth in Power
- Declining volumes in Communication

Adjusted EBITA Q4 2024

- Major profitability improvement
- Margin increase to 8.1% (4.6)
- Both Communication and Power improving profitability

EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	26.0	28.2	92.0	93.0
Net sales growth, %	-7.9%	34.9%	-1.1%	25.3%
Adjusted EBITA	2.1	1.3	5.0	4.9
Adjusted EBITA margin, %	8.1%	4.6%	5.4%	5.2%
Number of employees, average	463	514	487	511



Other business

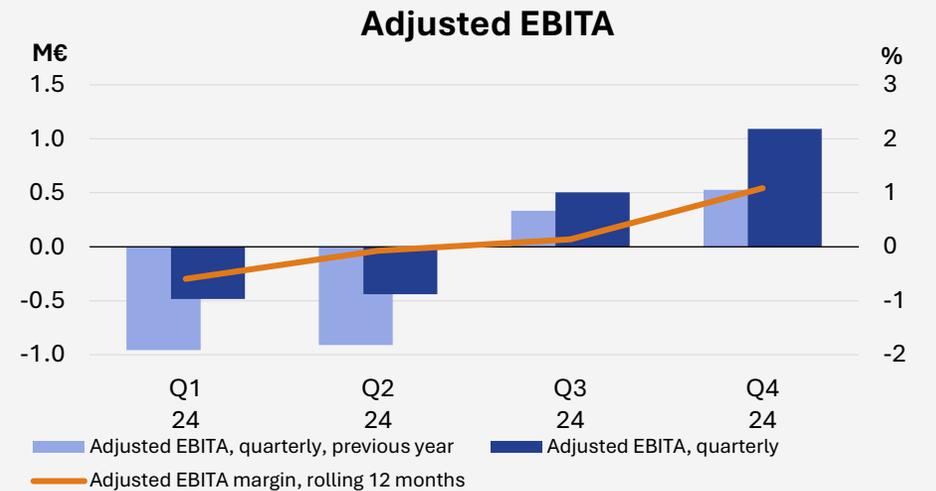
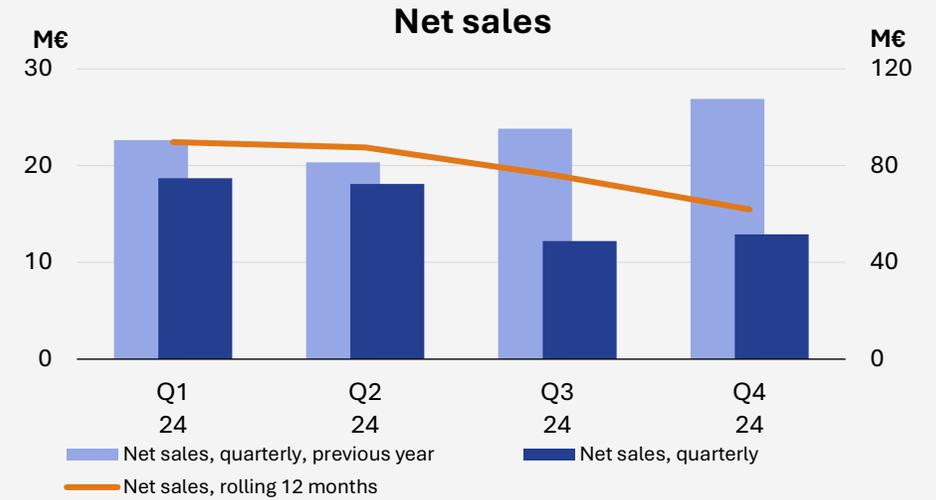
Net sales Q4 2024

- Net sales decline EUR 14 million following High Voltage Poland divestment

Adjusted EBITA Q4 2024

- Profitability improved by EUR 0.6 million

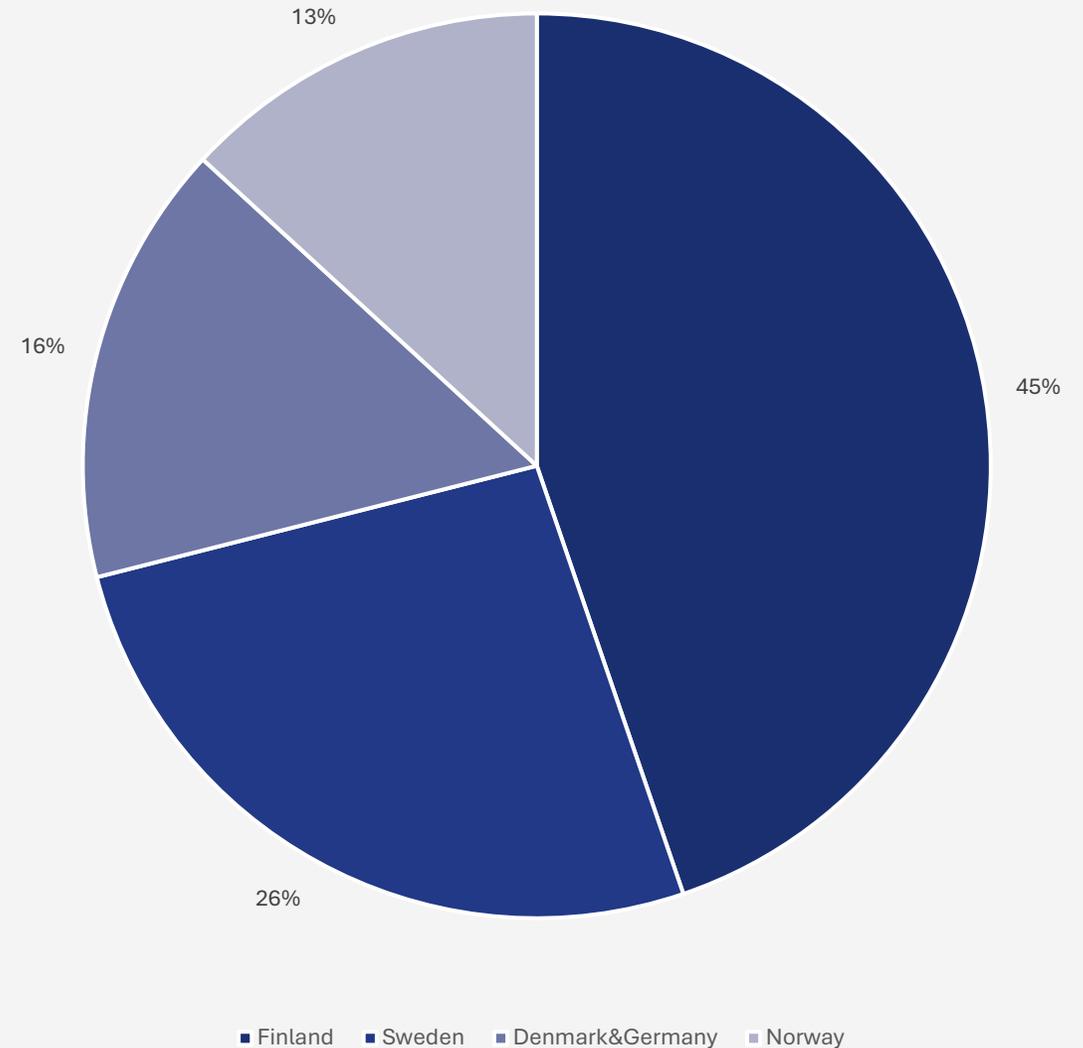
EUR million	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	12.9	26.9	61.9	93.7
Adjusted EBITA	1.1	0.5	0.7	-1.0
Number of employees, average	509	968	693	955



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

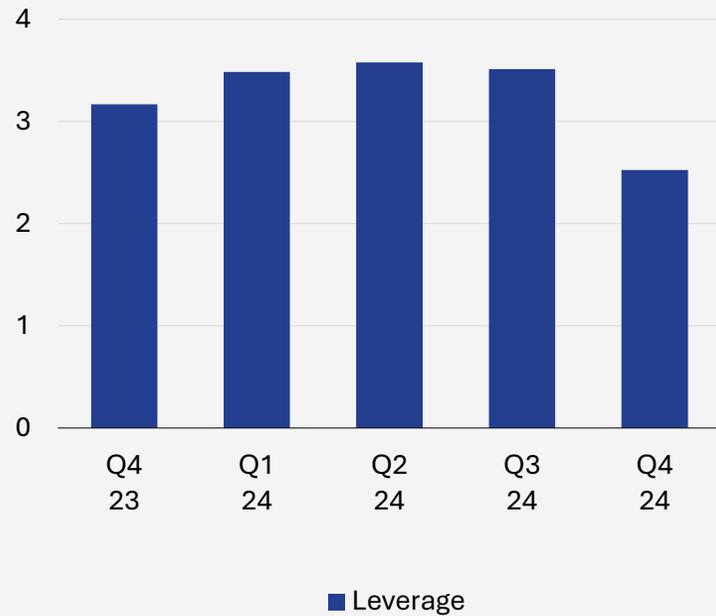
New segment structure

- New segment structure in place from 1 January 2025 onwards
- The change will simplify operational structure
- Eltel segments going forward are Finland, Sweden, Denmark & Germany and Norway
- Claus Metzsch Jensen, current Managing Director for Eltel Denmark leads the new Denmark & Germany segment
- The remaining part of the Other business and Group Functions are combined and named Group Support Functions.



Group balance sheet

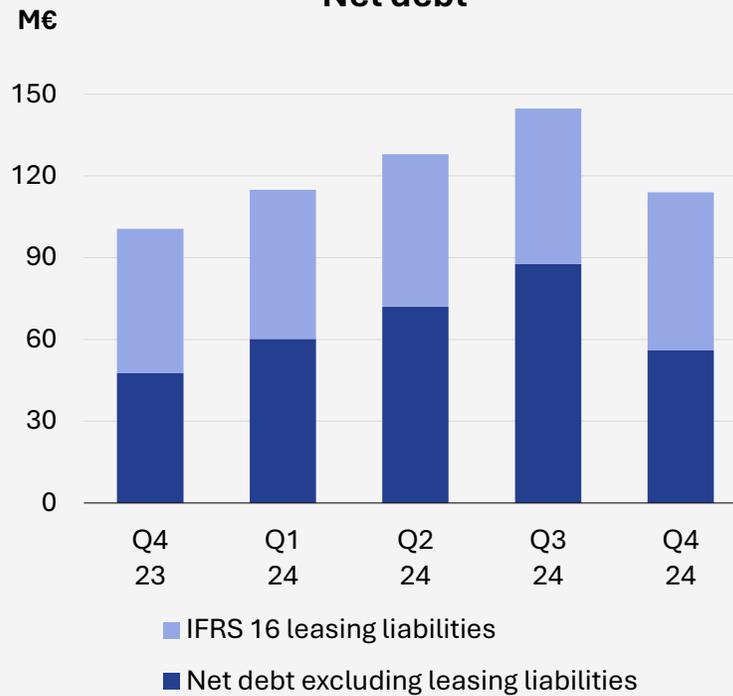
Leverage



Leverage: Net debt/Adjusted EBITDA. Eitel's leverage target is 1.5–2.5x net debt/Adjusted EBITDA.

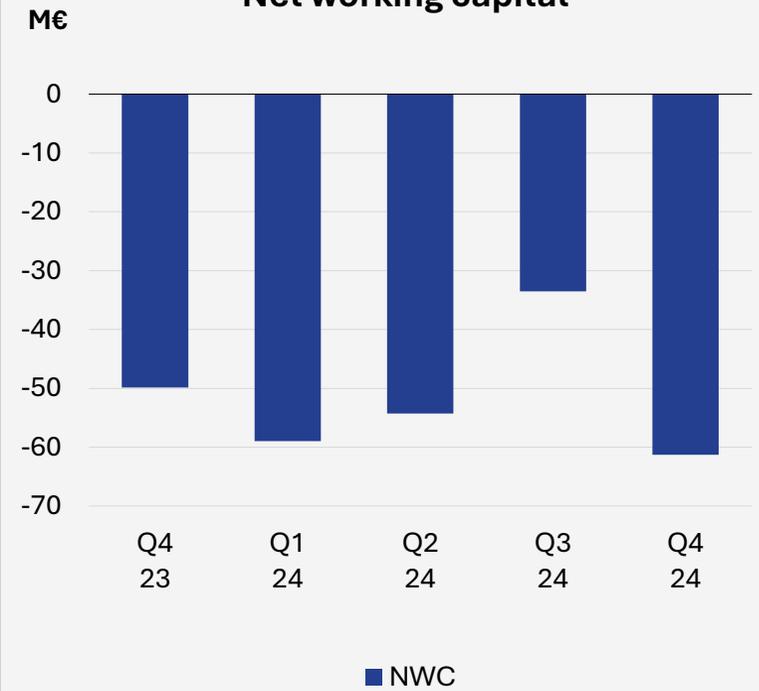
Net debt: Interest bearing debt less cash and cash equivalents.

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, 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



Progress in strategy execution

Improved profitability and financial position

- Gross profit YoY 21% improvement
- Profitability improvement in Power services in Finland despite declining volumes
- Profitability improvement in most segments in Communication, showing that efficiency measures are yielding results
- Adjusted EBITA improved in all segments but Norway
- Six consecutive quarters with YoY adjusted EBITA
- Leverage was 2.5 in Q4, in line with target

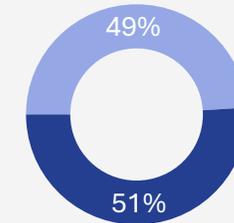
Broadened customer base

- The orderbook value increased to EUR 1,220 million
- Signed contracts to a value of EUR 308.1 million (134.6)
- Signed contracts in 2024 at a total value of EUR 863 million (714)

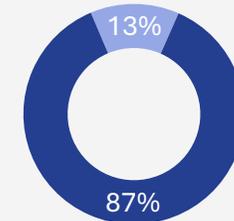
Growth in new and adjacent markets

- Signed contracts to a value of EUR 111 million in 2024 (10.1)
- 13% of the signed contract value in 2024 (4%)

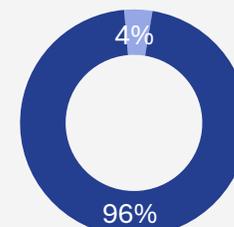
Pipeline



Signed contracts in 2024



Revenue



■ New business ■ Classic business

Eltel to build and operate one of Finland's largest solar plants

- Contract with Taaleri Energia to build solar power plant in Joroinen
- Second largest solar park in Finland when ready, with a capacity of 129 MWp
- Will generate enough green electricity to supply around 18,000 households
- ...and facilitate the reduction of approximately 29,300 tonnes of carbon dioxide annually.
- Construction will begin in Q1 2025 and full operations expected by mid 2026
- Turnkey contract, which includes the establishment of the solar park, transformer station, and the connection to the main grid, as well as responsibility for the operation and maintenance of the plant
- Contract value is EUR 73.5 million = the largest single order for Eltel Finland



Questions

Next report

Q1 2025: 30 April 2025