

Half year financial result H1 2019

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REVIEW BY CEO

**We make your everyday life
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Business areas



Video and Broadband Solutions

Broadband networks and video security and information solutions



Network Services

Comprehensive service solutions for cable networks

Teleste Group - Q2 2019

- Orders received decreased year-on-year in Network Services, but increased in Video and Broadband solutions.
- Compared with the end of the reference period, the order backlog increased by 27.6 % to record high 76.2 M€.
- Net sales decreased from the strong reference period but were on par quarter-on-quarter. Net sales decreased particularly in Network Services.
- Adjusted operating result decreased from the reference period, but increased quarter-on-quarter.
- Cash flow from operations decreased both from the reference period and quarter-on-quarter due to changes in working capital.

	Q2 2019	Q2 2018	YoY change	Q1 2019	QoQ change
Orders received, M€	59,0	60,2	-1,8 %	63,0	-6,3 %
Net sales, M€	58,2	65,2	-10,6 %	58,6	-0,6 %
Adjusted EBIT, M€	2,3	3,5	-34,2 %	1,3	74,3 %
Adjusted EBIT-%	3,9 %	5,3 %		2,2 %	
EBIT, M€	2,3	3,5	-34,2 %	-6,0	-138,1 %
Net profit, M€	1,4	2,3	-39,4 %	-6,4	-122,2 %
Adjusted EPS, €	0,08	0,13	-40,3 %	0,05	52,3 %
EPS, €	0,08	0,13	-40,3 %	-0,35	-122,5 %
Operative cash flow, M€	-3,2	3,1	-204,6 %	-0,9	253,4 %

Video and Broadband Solutions - Q2 2019



- Orders received increased from the reference period, but decreased quarter-on-quarter. Orders increased particularly in video security and information solutions, but also in access network products.
- Compared with the end of the reference period, the order backlog increased by 27.6 % to record high 76.2 M€. Approx 50 % of the orders in the order backlog will be delivered this year.
- Net sales decreased from the reference period and was on par quarter-on-quarter. Net sales decreased in access network products, but increased in video security and information solutions.
- The operating result decreased due to the net sales of access network products being lower than in the reference period.

	Q2 2019	Q2 2018	YoY change	Q1 2019	QoQ change
Orders received, M€	36,1	32,2	12,1 %	39,7	-9,1 %
Net sales, M€	35,3	37,2	-5,1 %	35,3	0,0 %
EBIT, M€	1,6	2,6	-40,6 %	2,2	-28,9 %
EBIT-%	4,4 %	7,1 %		6,3 %	
Average personnel	688	720	-4,5 %	672	2,3 %

Network Services - Q2 2019

- Orders received and net sales decreased from the reference period but were on par quarter-on-quarter. Net sales decreased in Germany and Finland, but increased in England. In Germany, the decrease in net sales was due to the completion of a significant project at the end of last year and the decrease in a key customer's demand for services.
- The operating result decreased from the reference period, but increased quarter-on-quarter and was positive. The operating result grew quarter-on-quarter as deliveries were focused on higher-margin services.

	Q2 2019	Q2 2018	YoY change	Q1 2019	QoQ change
Orders received, M€	23,0	28,0	-17,9 %	23,3	-1,6 %
Net sales, M€	23,0	28,0	-17,9 %	23,3	-1,6 %
EBIT, M€	0,7	0,8	-13,7 %	-0,9	-179,4 %
EBIT-%	3,1 %	3,0 %		-3,9 %	
Average personnel	679	710	-4,3 %	696	-2,4 %

Teleste Group, January – June 2019

	1-6 2019	1-6 2018	YoY change	1-12 2018
Orders received, M€	122,1	126,8	-3,7 %	264,0
Net sales, M€	116,8	124,5	-6,1 %	250,3
Adjusted EBIT, M€	3,6	4,3	-16,3 %	9,7
Adjusted EBIT, %	3,1 %	3,4 %		3,9 %
EBIT, M€	-3,7	4,3	-186,4 %	9,7
Net profit, M€	-5,0	2,9	-271,3 %	6,8
Operative cash flow, M€	-4,1	6,1	-167,5 %	15,0

Video and Broadband Solutions, January – June 2019

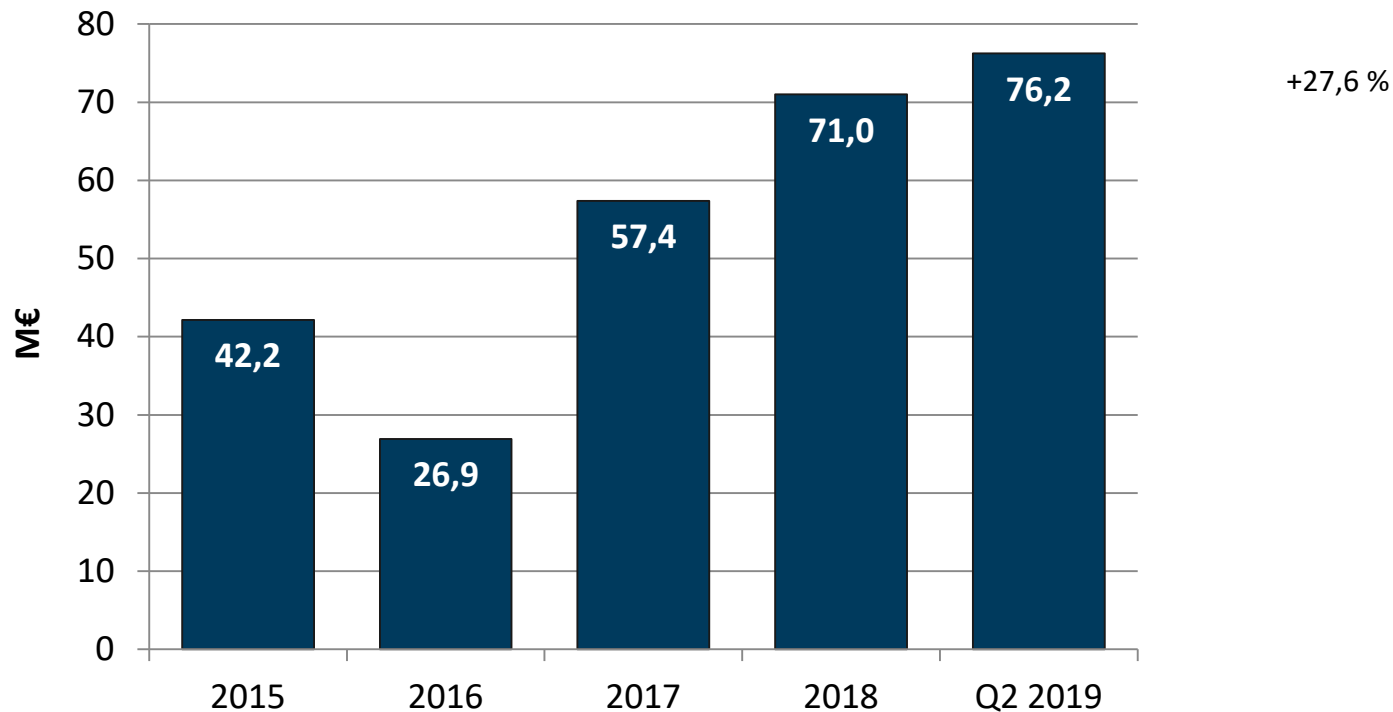
	1-6 2019	1-6 2018	YoY change	1-12 2018
Orders received, M€	75,8	72,1	+5,1 %	152,3
Net sales, M€	70,6	69,8	+1,1 %	138,7
EBIT, M€	3,8	3,1	+23,5 %	7,7
EBIT, %	5,4 %	4,4 %		5,6 %
Average personnel	680	719	-5,3 %	700

Network Services, January – June 2019

	1-6 2019	1-6 2018	YoY change	1-12 2018
Orders received, M€	46,3	54,7	-15,3 %	111,7
Net sales, M€	46,3	54,7	-15,3 %	111,7
EBIT, M€	-0,2	1,2	-115,1 %	2,0
EBIT, %	-0,4 %	2,3 %		1,8 %
Average personnel	688	703	-2,2 %	693

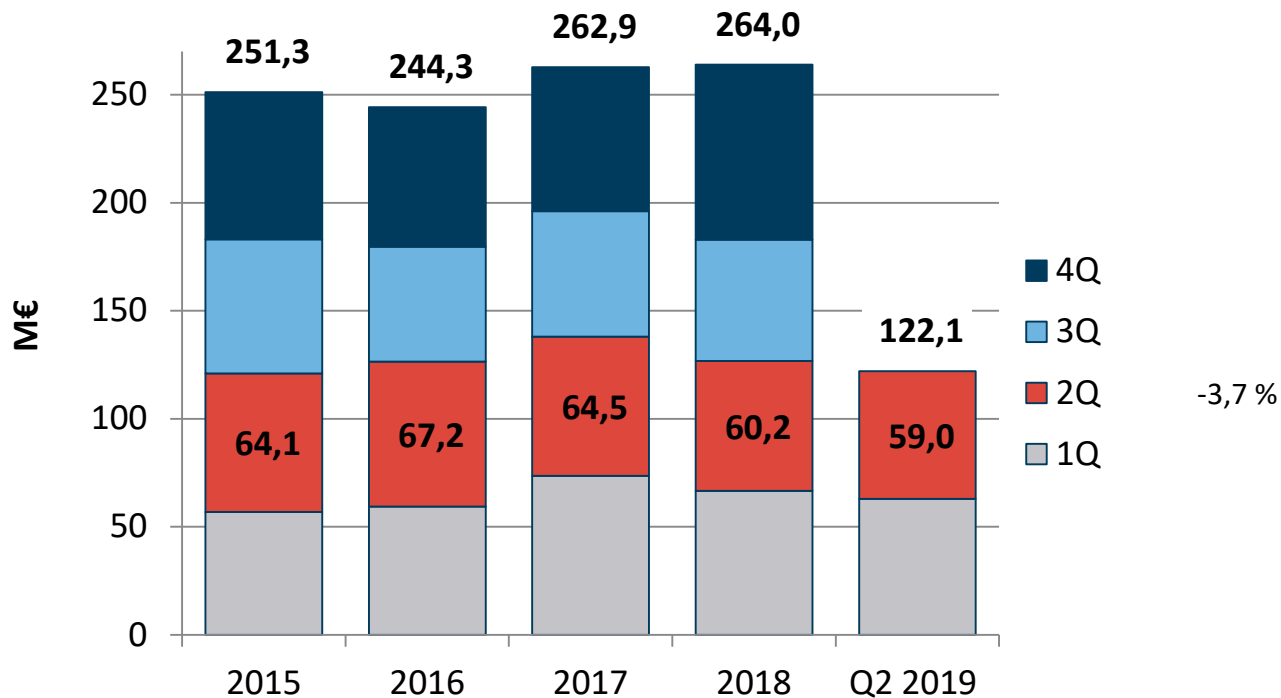
Order Backlog (at the end of period)

Teleste Group



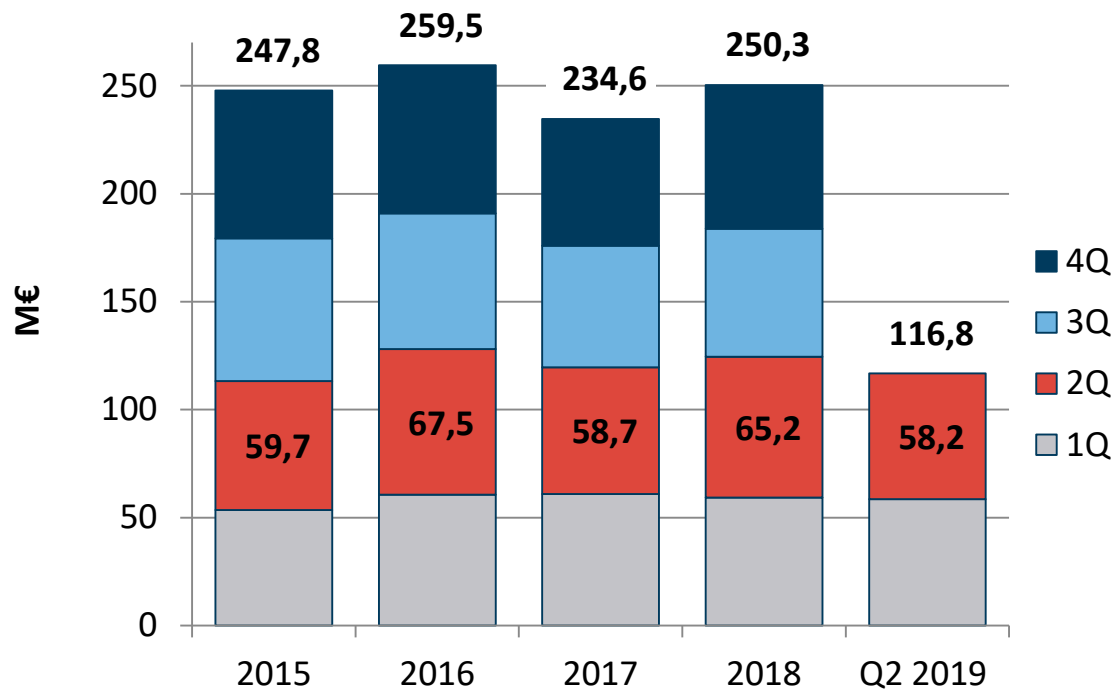
Orders Received

Teleste Group, M€



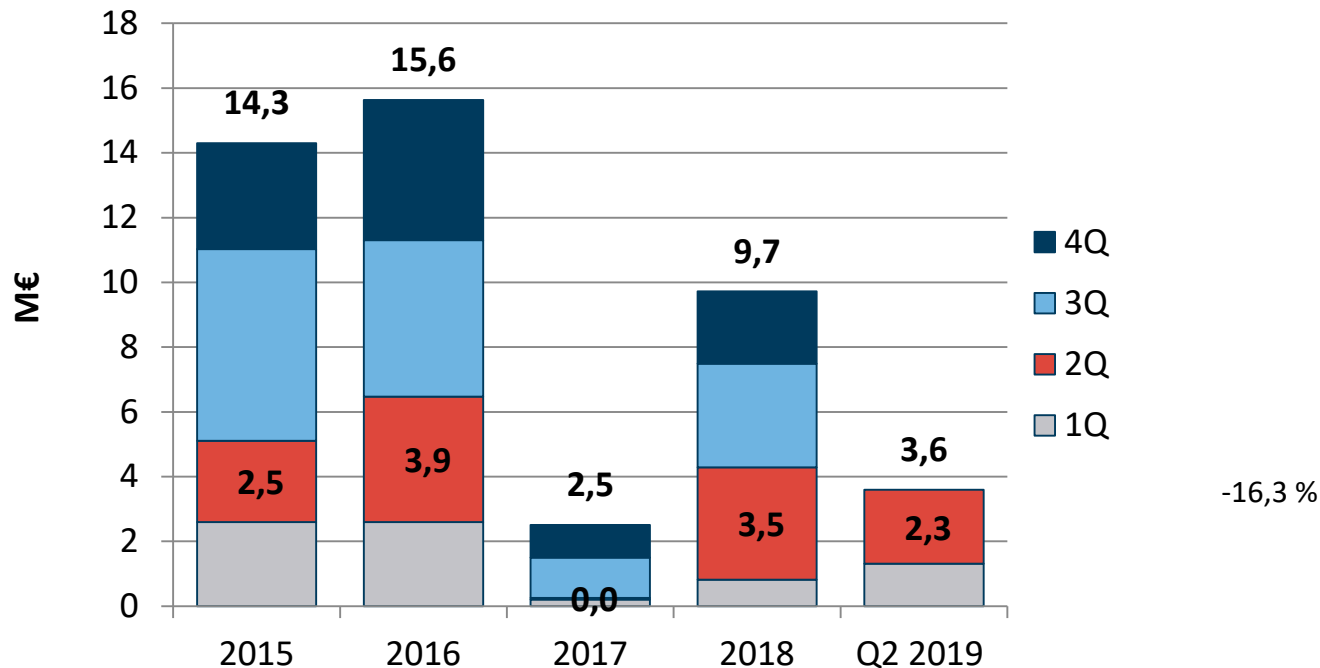
Net Sales

Teleste Group, M€



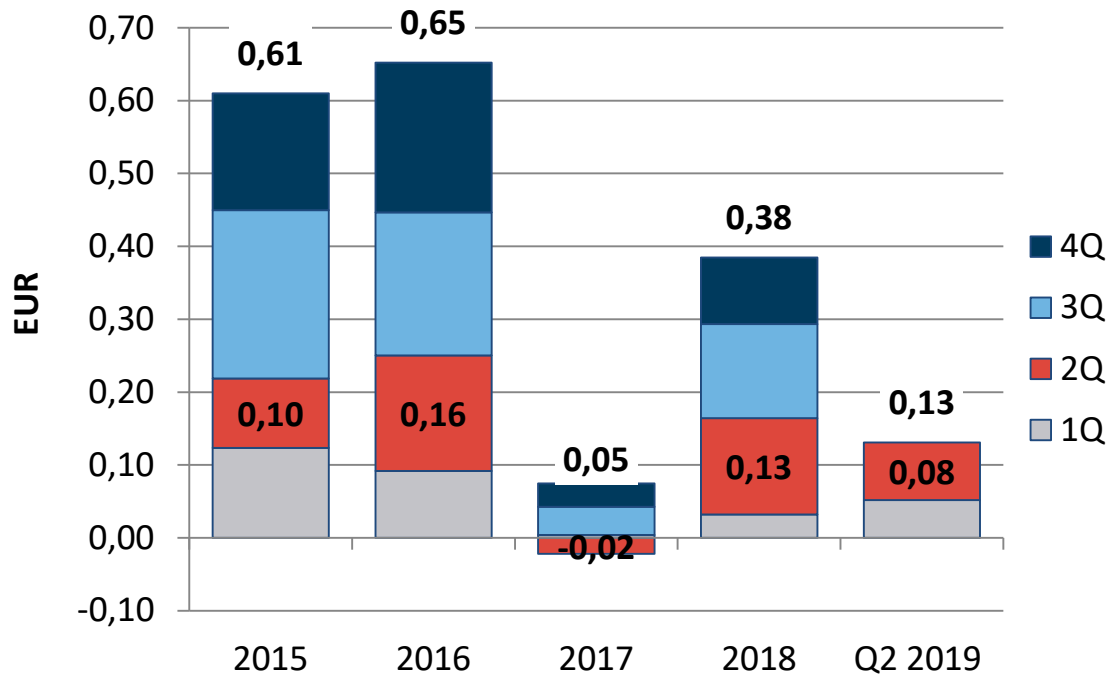
Adjusted Operating Profit

Teleste Group, M€



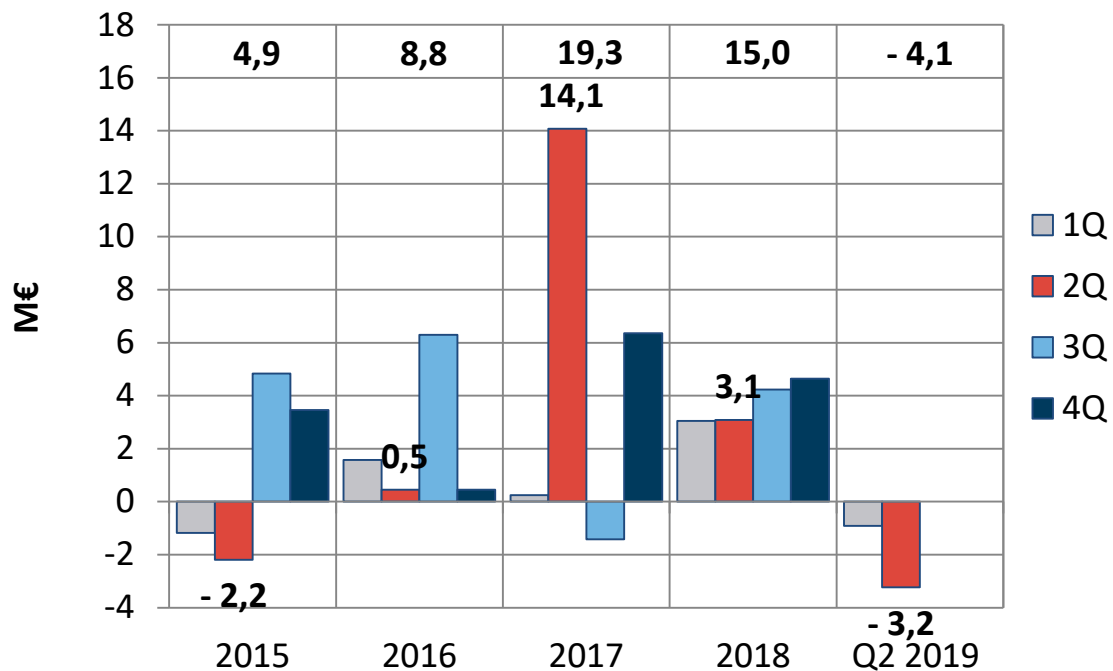
Adjusted Earnings Per Share

Teleste Group, EUR



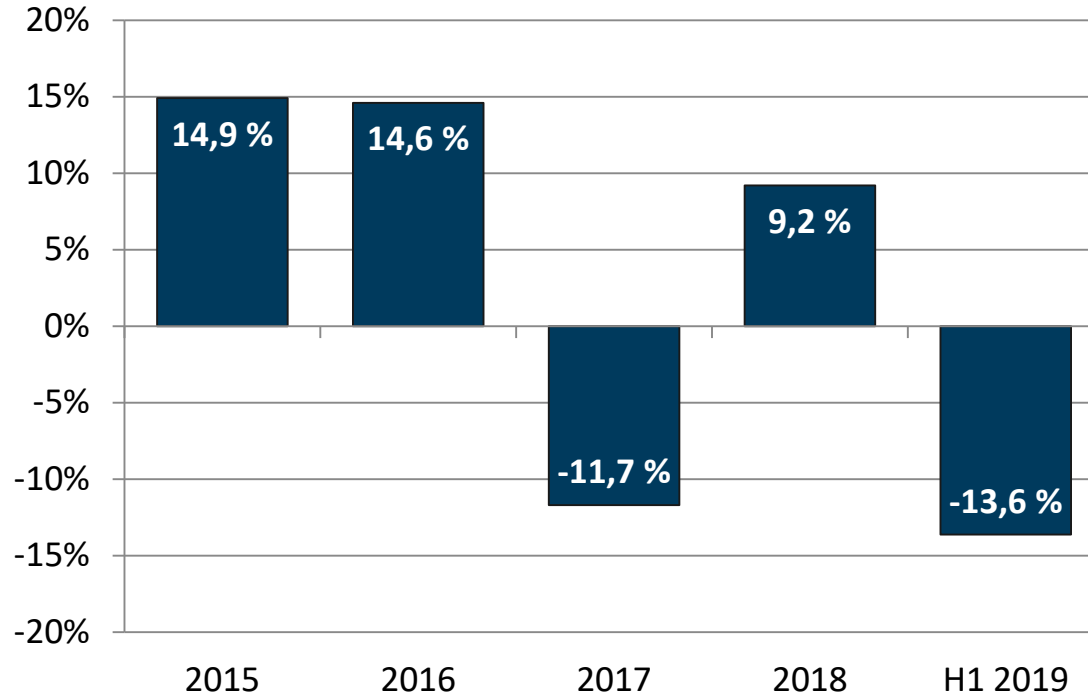
Cash Flow From Operations

Teleste Group, M€



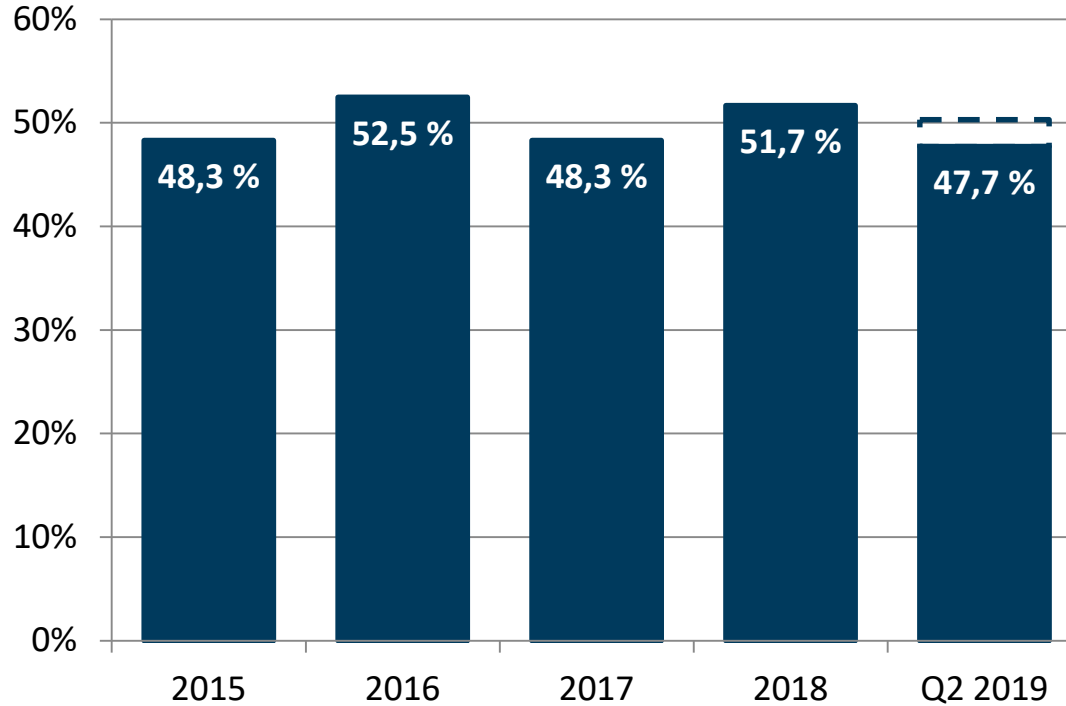
Return on Equity

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Equity Ratio (at the end of period)

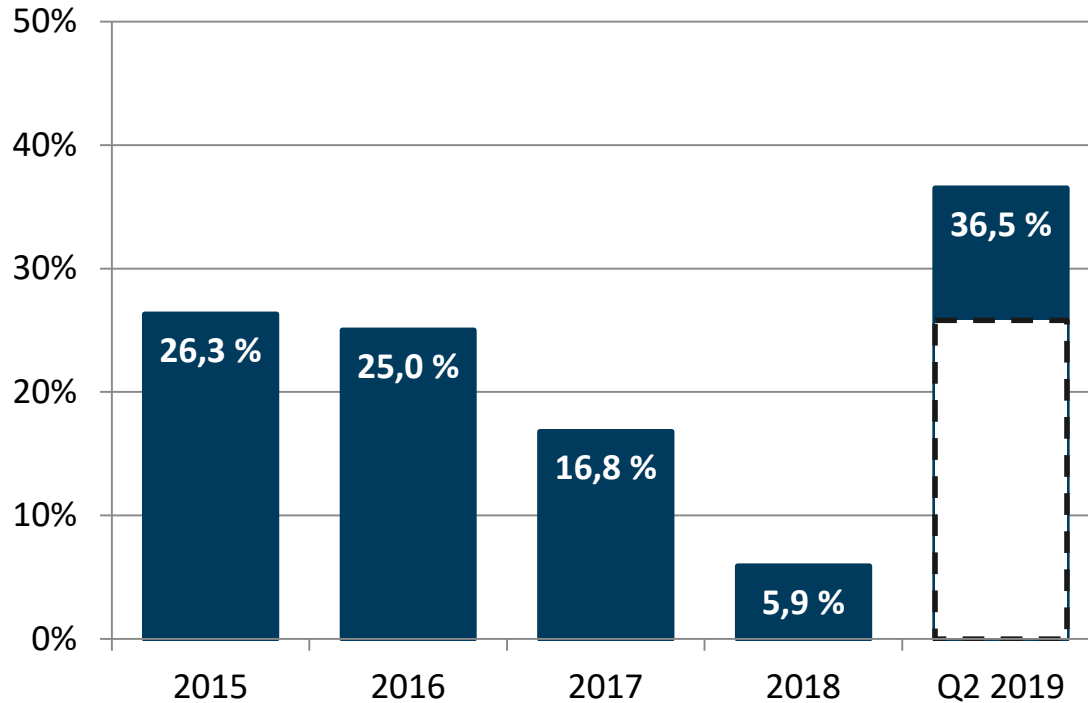
Teleste Group



Adoption of IFRS 16 standard decreased equity ratio by 2,6 ppt

Net gearing (at the end of period)

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Adoption of IFRS 16
standard increased gearing
by 10,7 ppt

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