

Interim report Q1 2021

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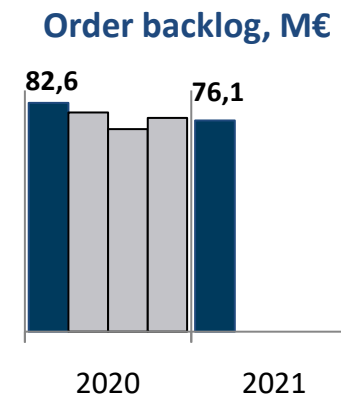
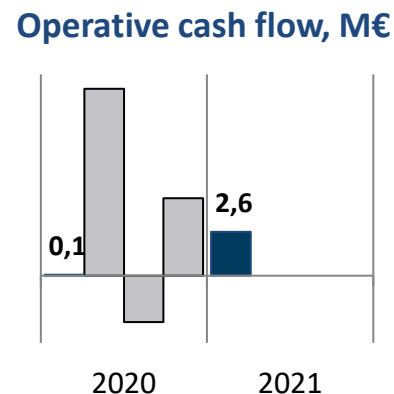
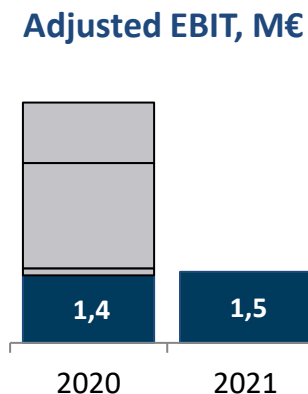
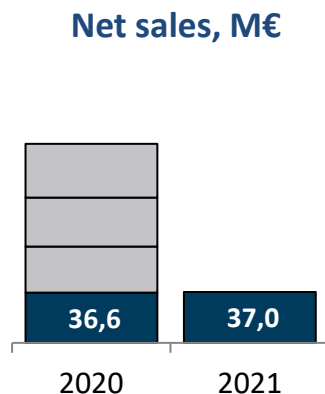
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Q1 2021 highlights

▪ Net sales	37,0 MEUR	(36,6)	+1,2 %
▪ Adjusted EBIT	1,5 MEUR	(1,4)	+5,1 %
▪ Earnings per share ¹⁾	0,21 EUR	(-0,07)	
▪ Operative cash flow ¹⁾	2,6 MEUR	(0,1)	
▪ Orders received	36,0 MEUR	(45,9)	-21,4 %
▪ Order backlog	76,1 MEUR	(82,6)	-7,8 %

¹⁾ 2020 includes discontinued operations



Promising start of the year

- The utilisation rate of broadband services by European data communication operators remained high mainly due to pandemic.
- The operators' network capacity has mostly been sufficient for service delivery.
- Operators aim to avoid non-critical network investments.
- Operators have started to design next-generation network solutions with us.
- We have made progress in the deployment of distributed access architecture among our customer base, as a good example the cooperation with Liberty Global announced in April.
- We started the development of products in accordance with the DOCSIS 4.0 standard and we continue the DAA development.

Promising start of the year

- The video security and public transport information systems investments and projects delayed partially caused by the COVID-19 pandemic.
- The planned investments have not been cancelled, but delayed..
- Our offer backlog remains promising and we believe the market will turn to growth this year.
- One significant event in our customer base in the first quarter was Alstom's acquisition of Bombardier Transportation's rolling stock business.
- During the quarter, we managed to avoid significant problems arising from the global shortage of materials and components, but we estimate the challenging situation to be continued.

Teleste Group – Q1 2021



- Orders received decreased in classical HFC products of access networks and in public transport systems. Order backlog decreased 7,8 % compared to the record level of reference period and amounted to 76,1 M€.
- Net sales increased year-on-year but decreased quarter-on-quarter. Net sales grew in access network products and public transport information solutions but decreased in access network services compared to the reference period.
- Adjusted EBIT increased year-on-year and quarter-on-quarter driven by access network products sales, sales-mix and reduced cost base.
- EBIT increased year-on-year and quarter-on-quarter. EBIT includes non-recurring income of 3,2 M€.
- Operative cash flow increased year-on-year, but increased quarter-on-quarter.
- EPS increased year-on-year and quarter-on-quarter.

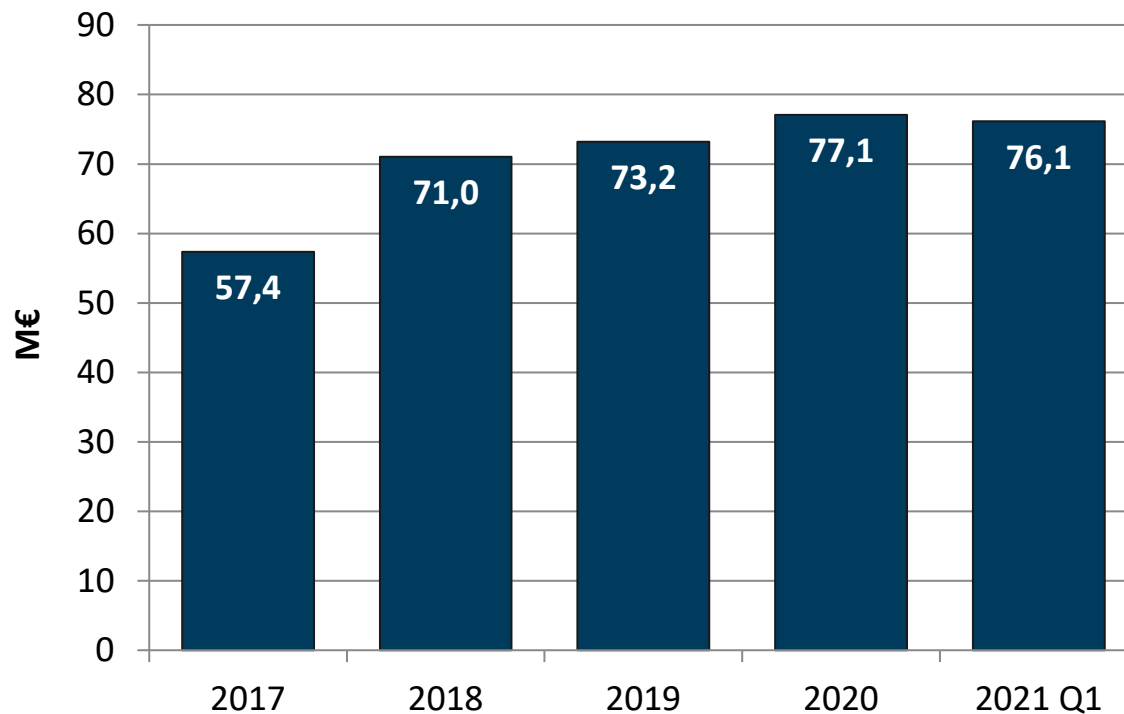
	Q1 2021	Q1 2020	YoY change	Q4 2020	QoQ change
Orders received, M€	36,0	45,9	-21,4 %	43,2	-16,5 %
Net sales, M€	37,0	36,6	1,2 %	39,2	-5,6 %
Adjusted EBIT, M€	1,5	1,4	5,1 %	1,3	17,4 %
Adjusted EBIT-%	4,0 %	3,9 %		3,3 %	
EBIT, M€	4,7	1,4	230,0 %	1,3	268,5 %
Net profit, M€ ¹⁾	3,7	-1,4		2,4	53,1 %
EPS, €	0,21	0,07	203,3 %	0,05	292,4 %
EPS, € ¹⁾	0,21	-0,07		0,14	52,1 %
Operative cash flow, M€ ¹⁾	2,6	0,1	3779,7 %	4,6	-43,4 %

¹⁾ Including discontinued operations

Order Backlog (at the end of period)

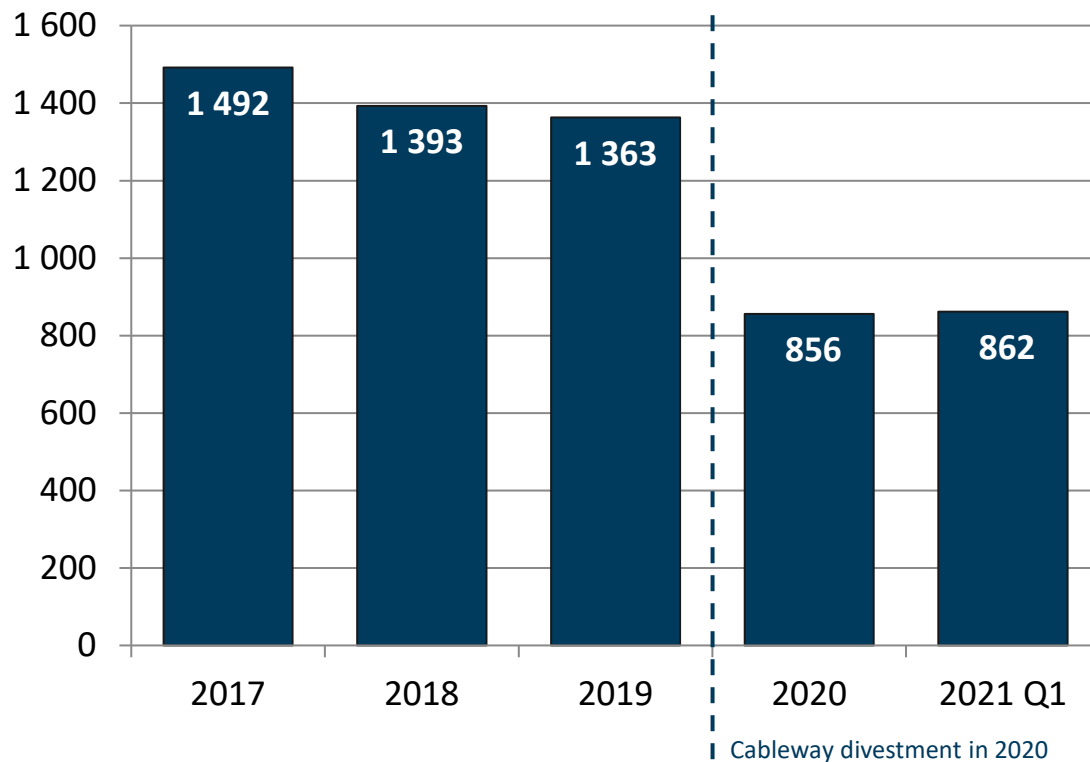
Teleste Group, M€

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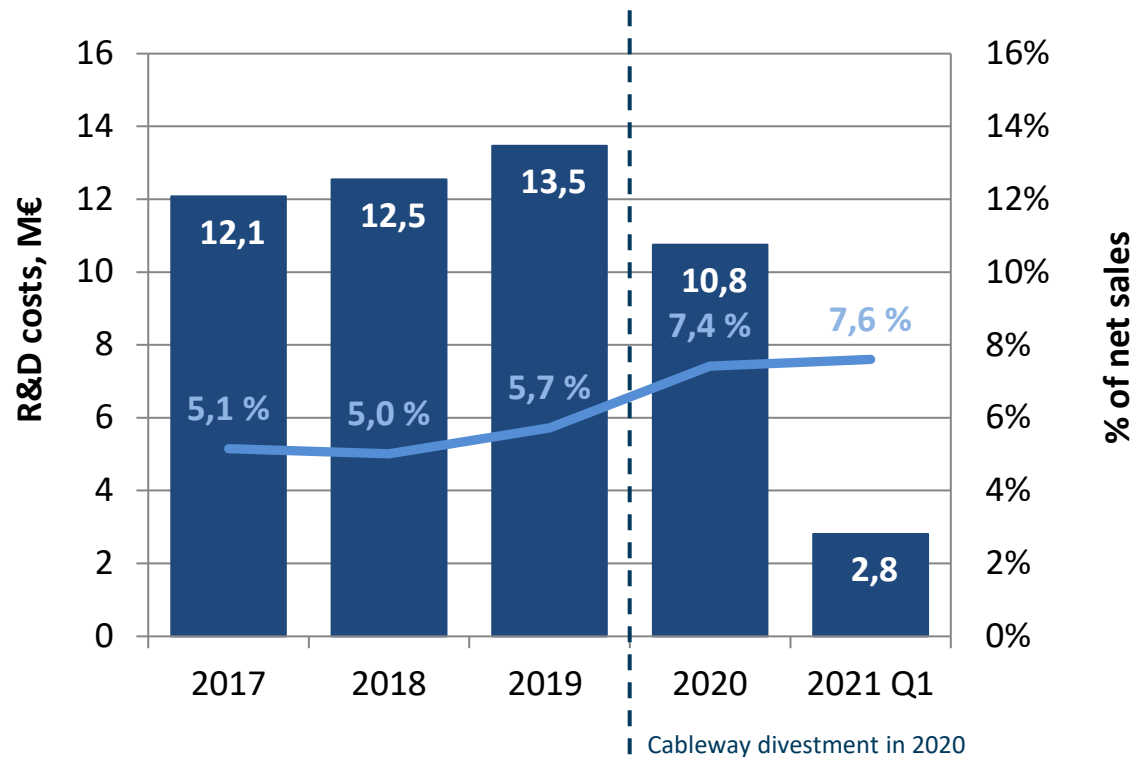
Personnel (average during the period)

Discontinued operations excluded 2020 onwards



R&D costs

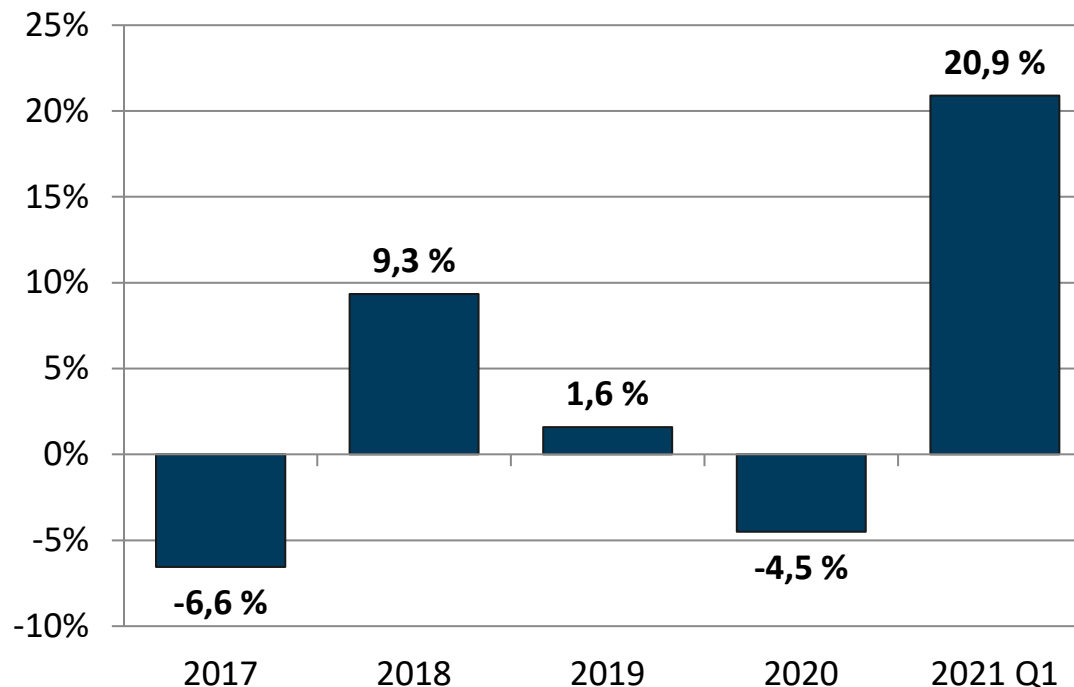
	1-3 2021	1-3 2020
M€	2,8	3,2
% of sales	7,6 %	8,8 %



Return on Capital Employed

Including discontinued operations

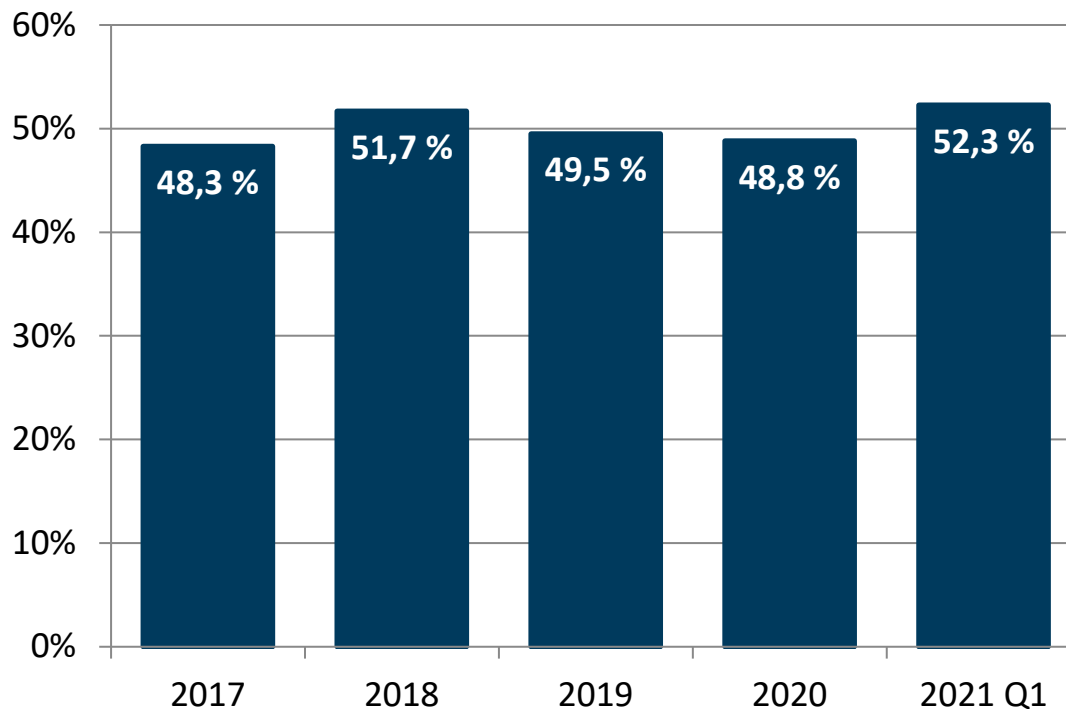
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Equity Ratio (at the end of period)

Including discontinued operations

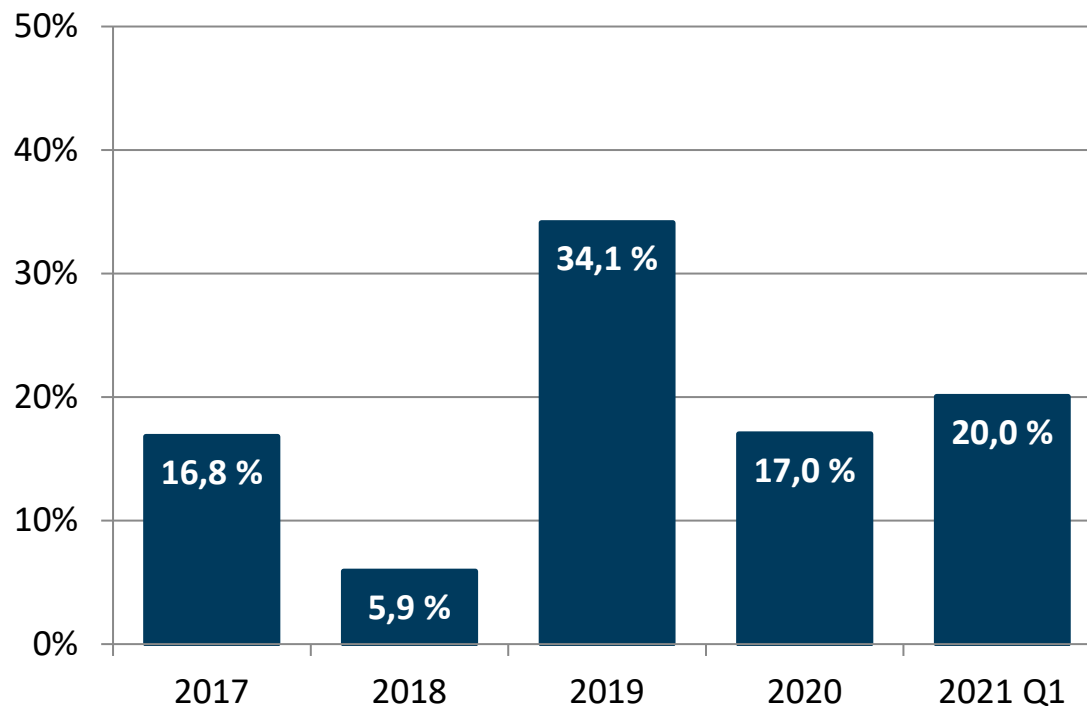
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Net gearing (at the end of period)

Including discontinued operations

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Outlook for 2021

Teleste estimates that the net sales of the continuing operations in 2021 will reach or exceed the level of 2020 and that the adjusted operating result will exceed the adjusted operating result of 2020. The net sales of the continuing operations in 2020 were EUR 145.0 million, and the adjusted operating result was EUR 5.1 million.

However, the COVID-19 pandemic continues to cause uncertainty among Teleste's customers' and in the company's own operations in the 2021 financial period.