

Interim Report Q3 2021

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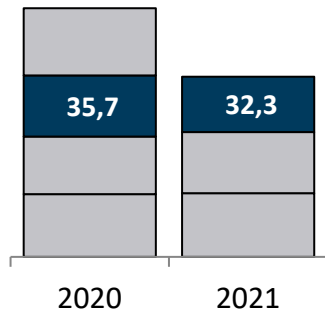
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Q3 2021 highlights

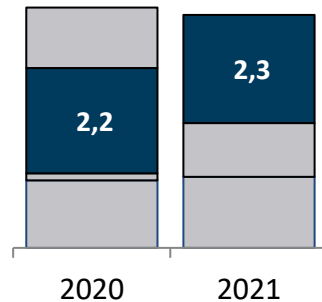
▪ Net sales	32,3 MEUR	(35,7)	-9,5 %
▪ Adjusted EBIT	2,3 MEUR	(2,2)	+2,6 %
▪ Earnings per share ¹⁾	0,10 EUR	(-0,38)	
▪ Operative cash flow ¹⁾	3,0 MEUR	(-2,8)	
▪ Orders received	44,1 MEUR	(29,8)	+48,3 %
▪ Order book	96,0 MEUR	(73,1)	+31,4 %

¹⁾ 2020 includes discontinued operations

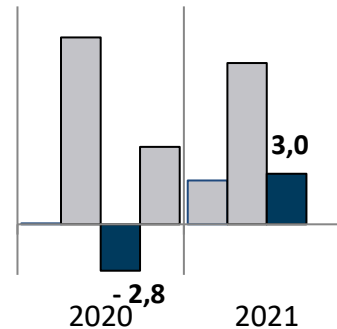
Net sales, M€



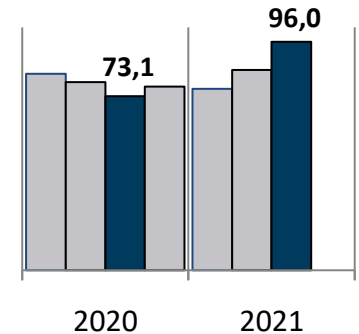
Adjusted EBIT, M€



Operative cash flow, M€



Order book, M€



Q3 2021 highlights

- Strong growth in orders received (+48%) was the highlight of the quarter
- Record-high order backlog 96 M€ (+31%), of which 26 M€ will be delivered in 2021
- Net sales declined (-9%) YoY in all businesses
 - Component availability problems but also the timing of customer deliveries
- Operating profit reach the reference period level (+3%) YoY
- COVID-19 pandemic is not over, but business is gradually returning to normal, new COVID-19 variants are still a risk

Q3 2021 highlights

- Distributed access architecture deployment projects are in the ramp-up stage
 - Major operators have also increased their orders for Teleste's DAA products
- Deliveries of traditional HFC technology products declined slightly, as expected
- We continued the product development of distributed architecture and DOCSIS 4.0 standard based products
- We introduced new smart energy-efficient next-generation amplifiers for the North American market
- Component shortage and material price increases affected our business performance

Teleste Group – Q3 2021

- Orders received increased significantly year-on-year and were on par with the previous quarter. Biggest growth was achieved in video security and public transport information solutions, but orders for access network products increased as well.
- Order book increased by 31,4 % to record level and amounted to 96,0 M€.
- Net sales decreased year-on-year and quarter-on-quarter. Reduction took place in access network products resulting from technology transformation and in public transport information solutions due to component availability issues.
- Adjusted EBIT was on par with the reference period and increased quarter-on-quarter.
- Operative cash flow increased year-on-year, but decreased quarter-on-quarter resulting from changes in net working capital.
- EPS increased year-on-year and quarter-on-quarter.

	Q3 2021	Q3 2020	YoY change	Q2 2021	QoQ change
Orders received, M€	44,1	29,8	48,3 %	43,9	0,6 %
Net sales, M€	32,3	35,7	-9,5 %	35,8	-9,7 %
Adjusted EBIT, M€	2,3	2,2	2,6 %	1,1	100,9 %
Adjusted EBIT-%	7,1 %	6,2 %		3,2 %	
EBIT, M€	2,3	2,2	2,6 %	1,1	100,9 %
Net profit, M€ ¹⁾	1,9	-7,0		0,8	134,6 %
EPS, €	0,10	0,10	6,3 %	0,04	136,2 %
EPS, € ¹⁾	0,10	-0,38		0,04	136,2 %
Operative cash flow, M€ ¹⁾	3,0	-2,8		9,6	-68,6 %

¹⁾Including discontinued operations

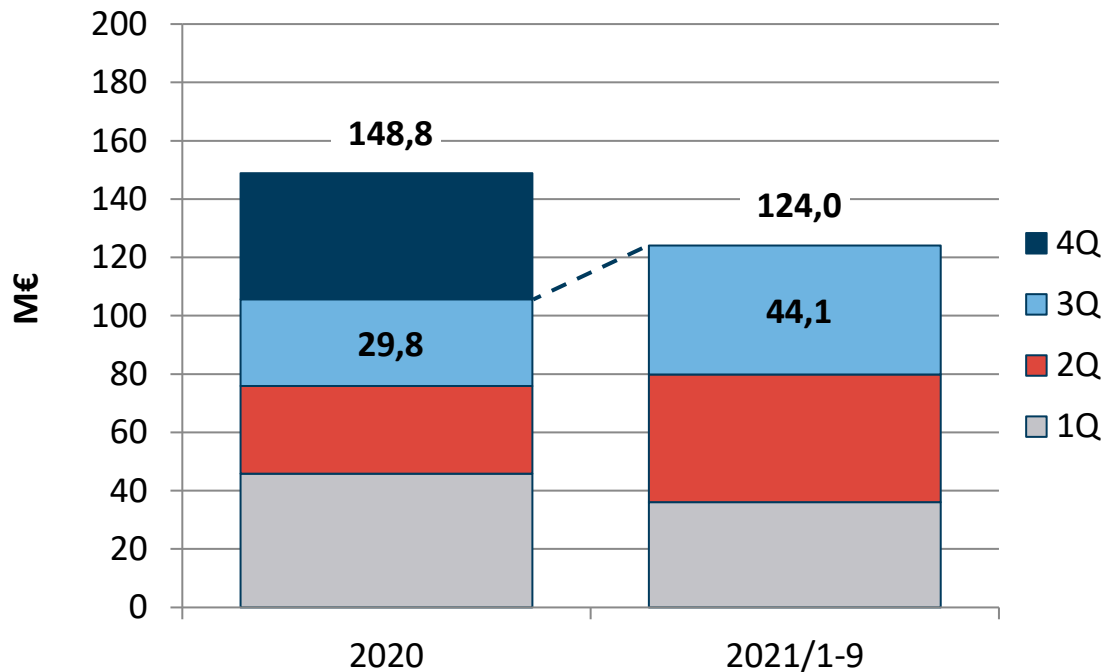
Teleste Group, January - September 2021

	1-9 2021	1-9 2020	YoY change	1-12 2020
Orders received, M€	124,0	105,7	+17,4 %	148,8
Net sales, M€	105,1	105,8	-0,6 %	145,0
Adjusted EBIT, M€	4,9	3,8	+29,5 %	5,1
Adjusted EBIT, %	4,7 %	3,6 %		3,5 %
EBIT, M€	8,1	3,2	+150,2 %	4,5
Net profit, M€ ¹⁾	6,3	-10,4		-8,0
EPS, €	0,35	0,11	+218,4 %	0,16
EPS, € ¹⁾	0,35	-0,57		-0,43
Operative cash flow, M€ ¹⁾	15,3	8,5	+80,6 %	13,1

¹⁾ Including discontinued operations

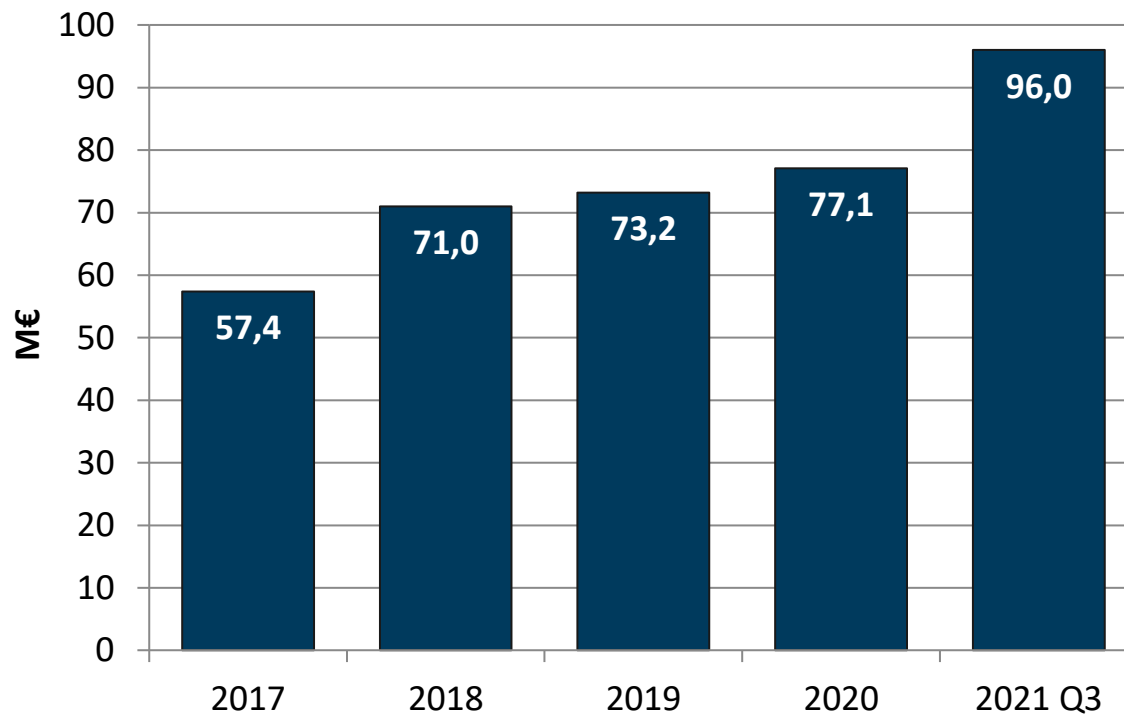
Orders Received

Discontinued operations excluded



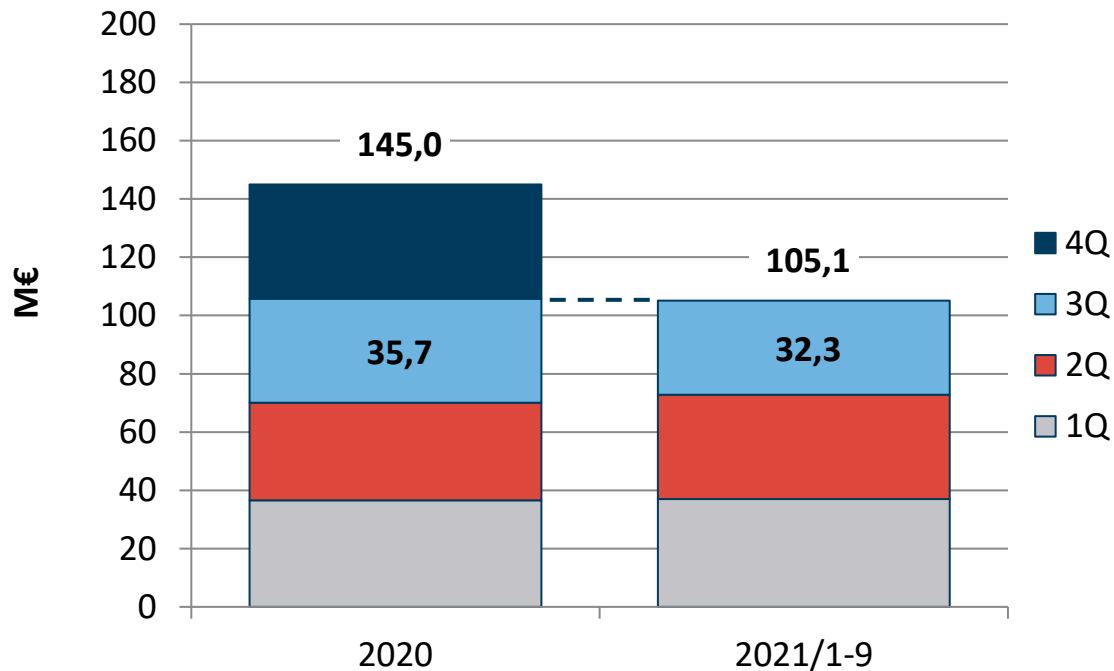
Order Book (at the end of period)

Teleste Group, M€



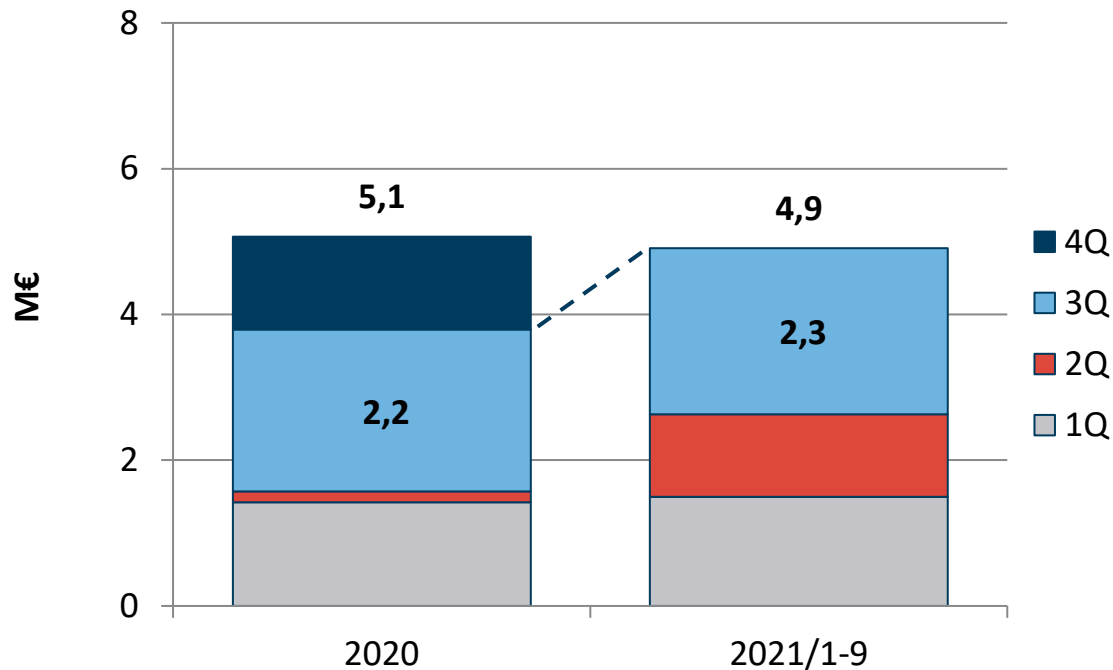
Net Sales

Discontinued operations excluded



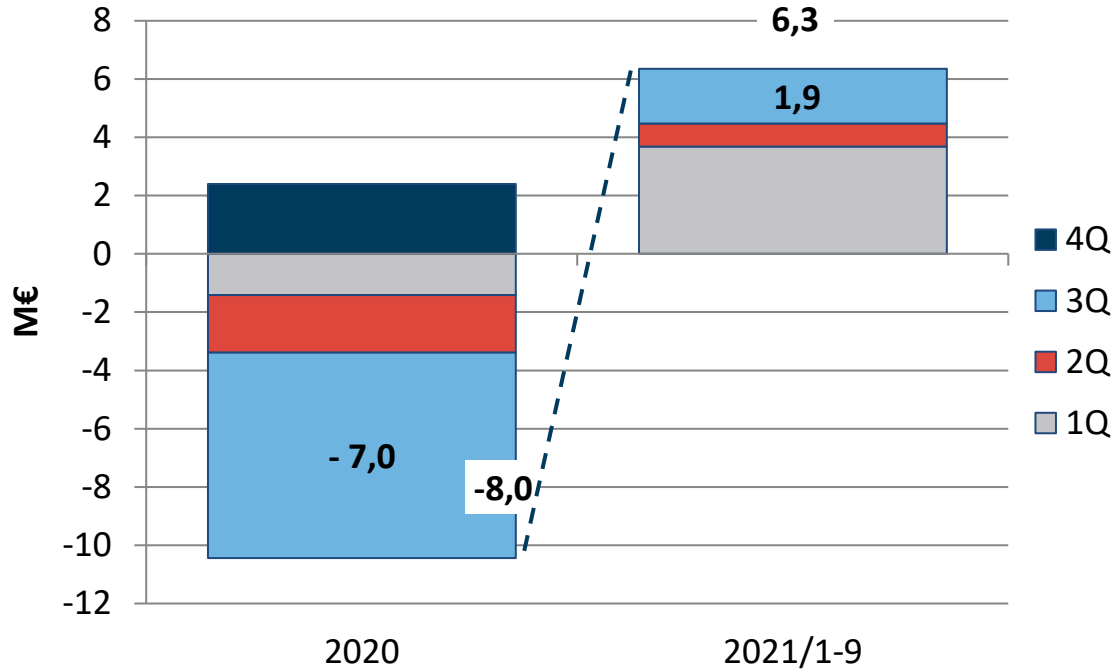
Adjusted Operating Profit

Discontinued operations excluded



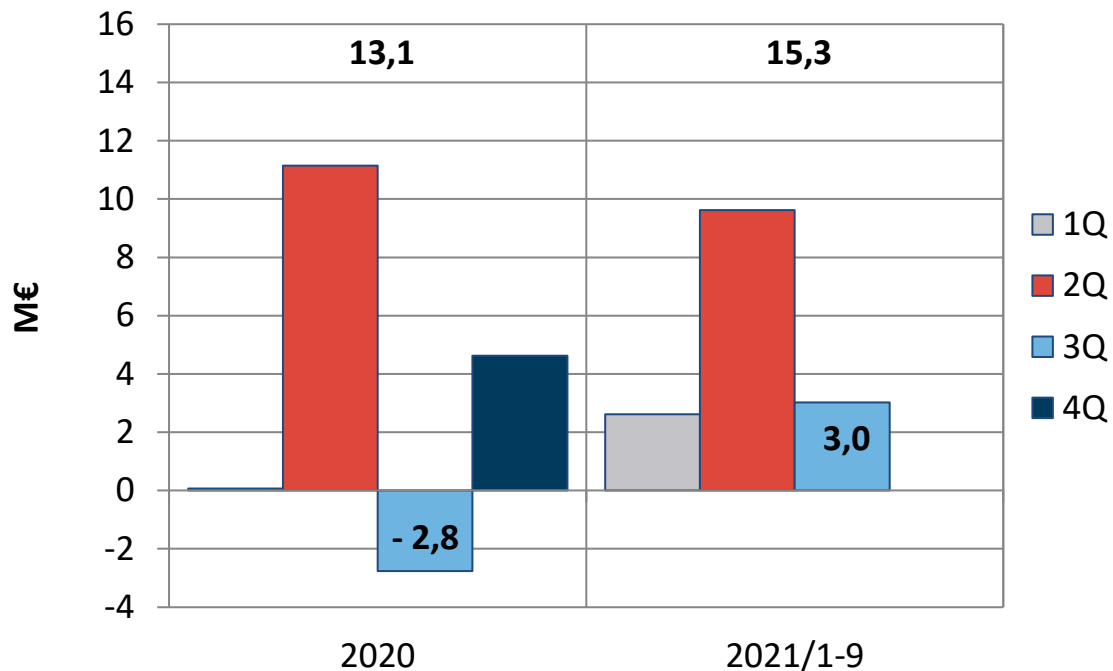
Net Profit

Discontinued operations included



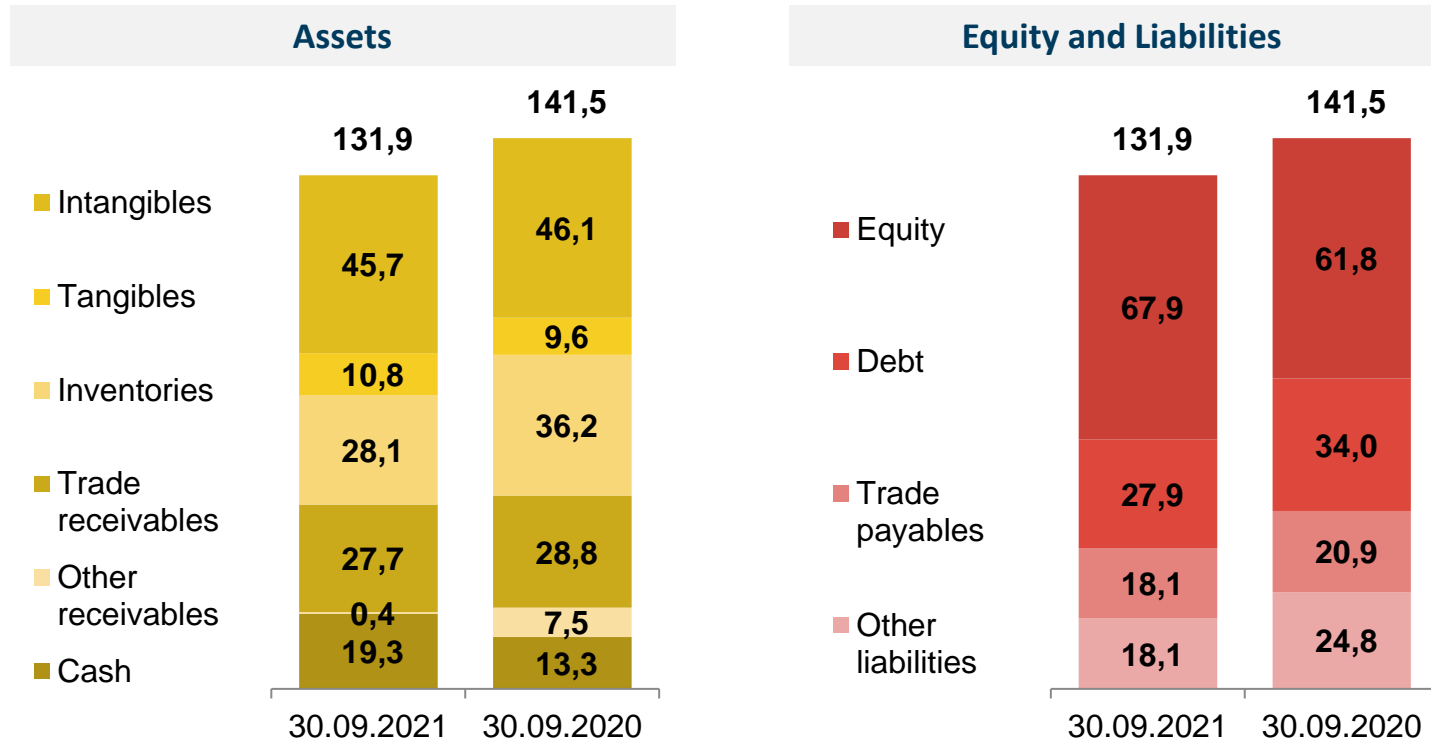
Cash Flow From Operations

Discontinued operations included



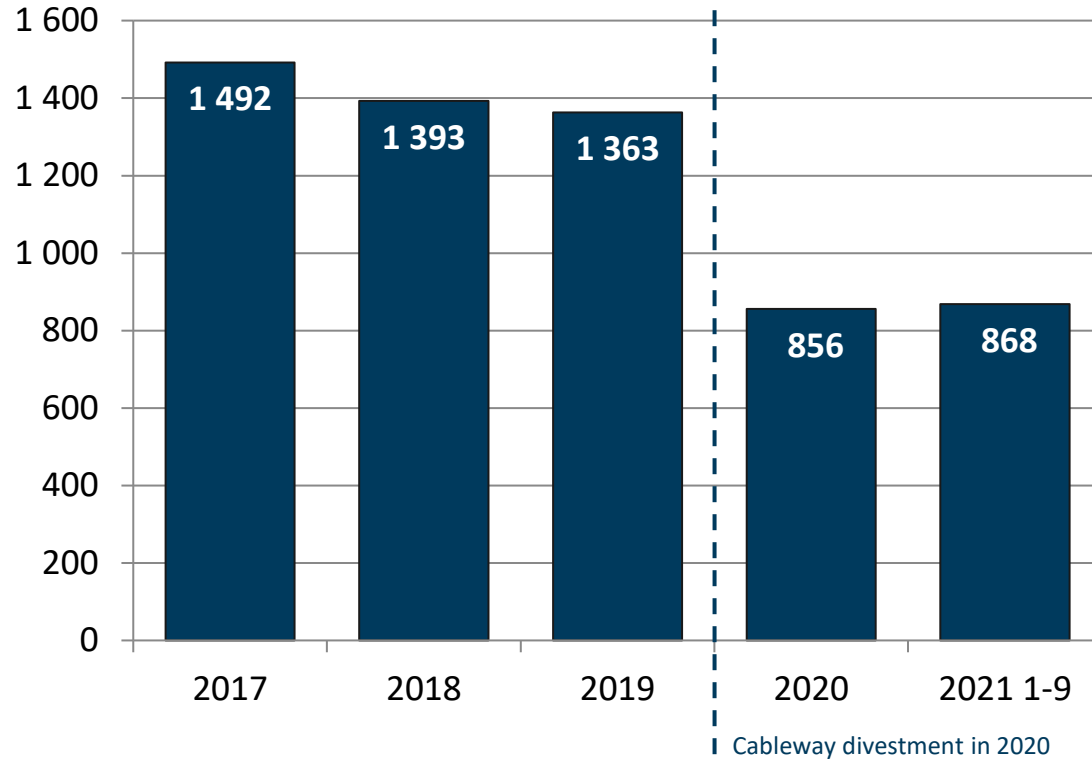
Balance sheet 30 September 2021

Discontinued operations included on 30 September 2020



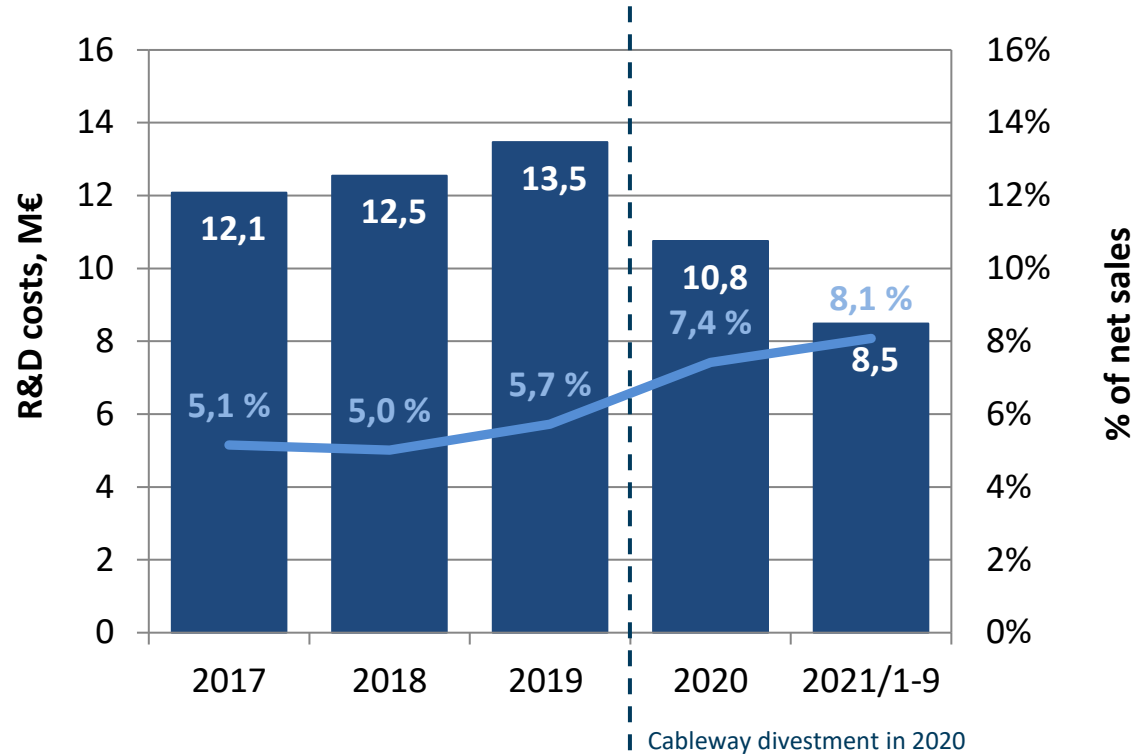
Personnel (average during the period)

Discontinued operations excluded 2020 onwards



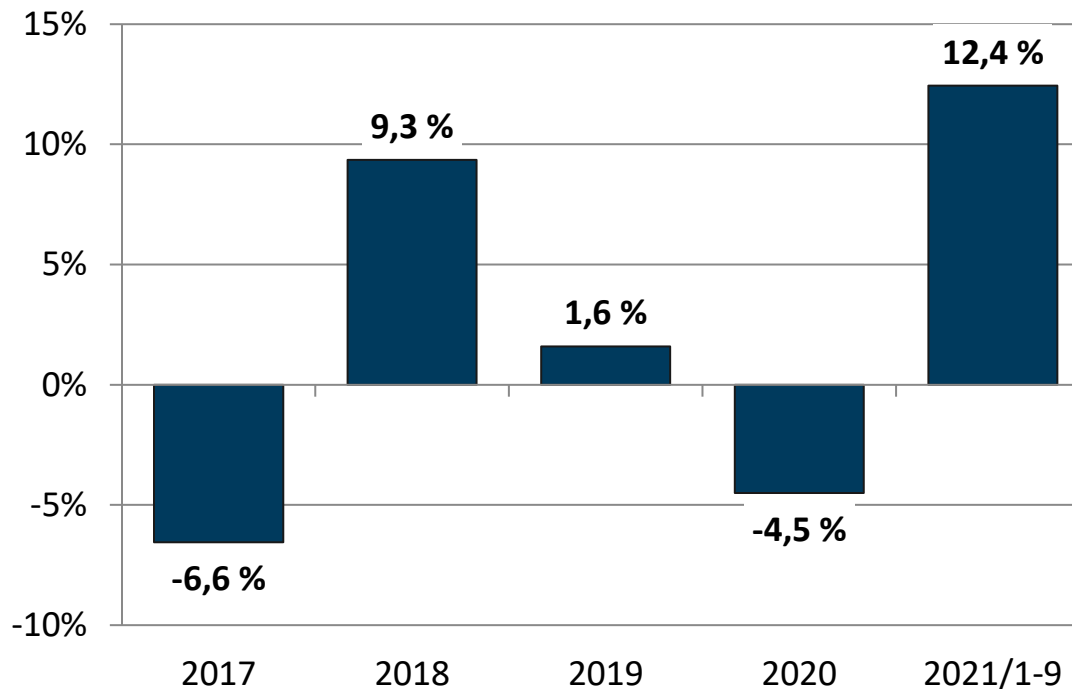
R&D costs

	1-9 2021	1-9 2020
M€	8,5	8,5
% of sales	8,1 %	8,0 %



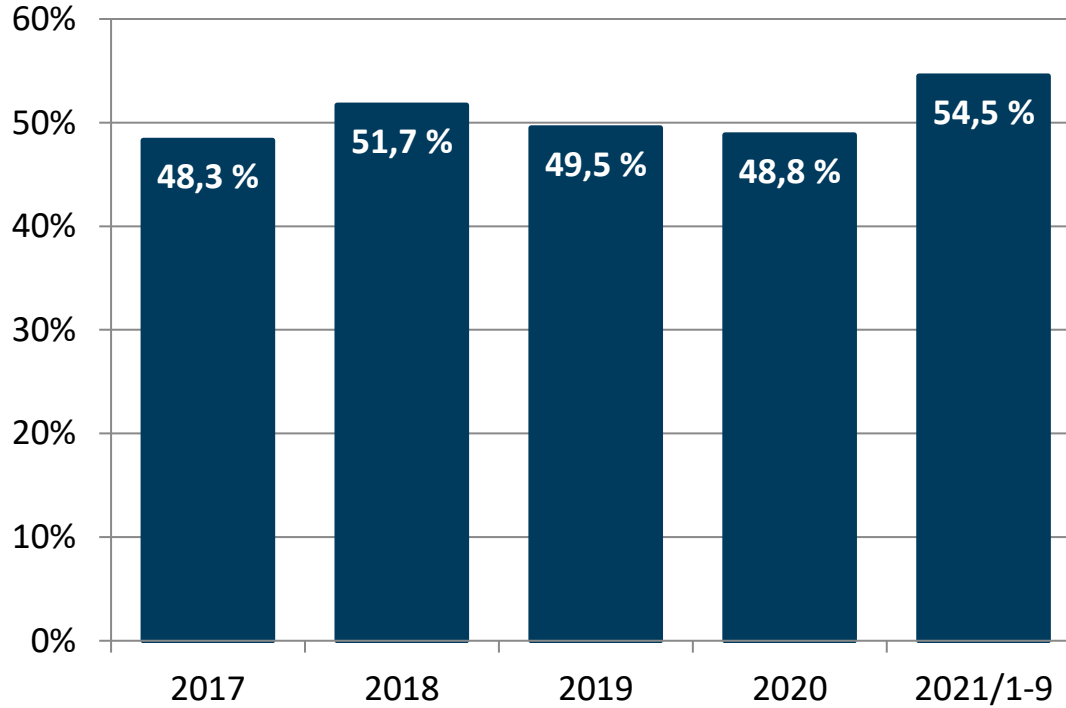
Return on Capital Employed

Including discontinued operations

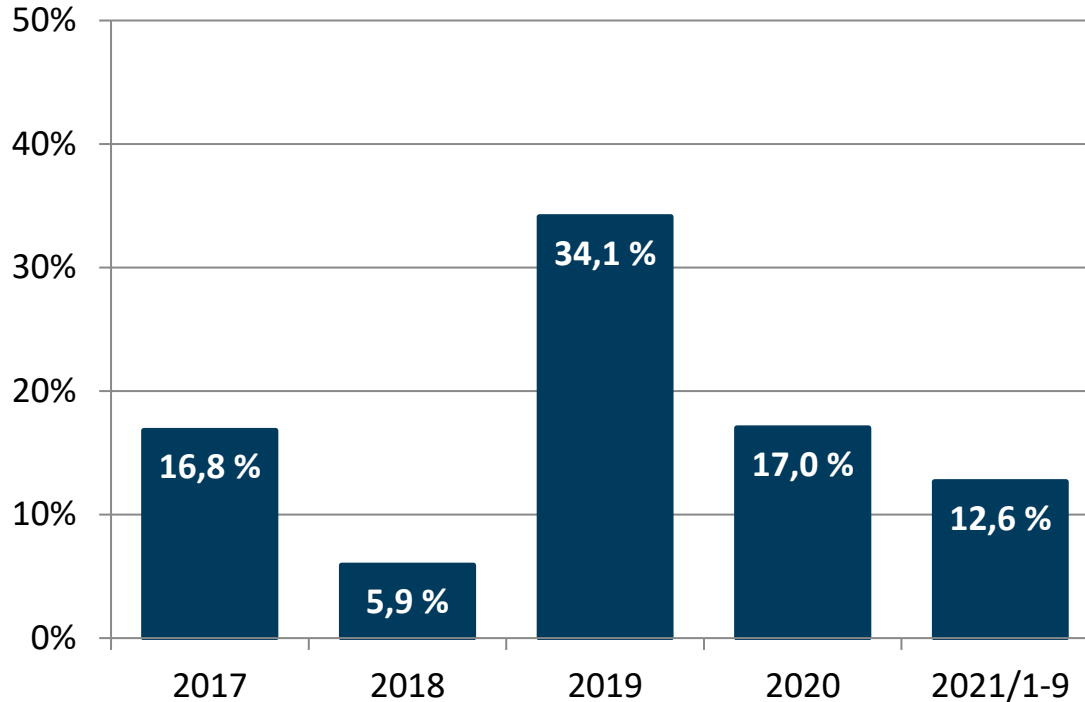


Equity Ratio (at the end of period)

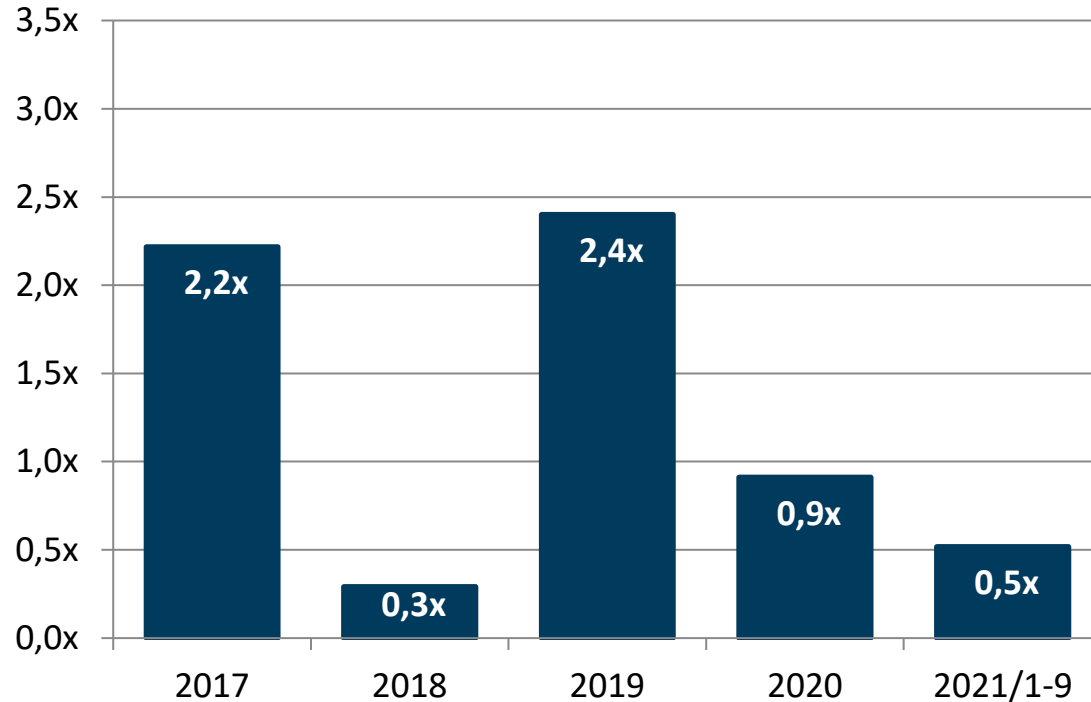
Including discontinued operations



Net gearing (at the end of period) Including discontinued operations



Net Debt / EBITDA (12 mth rolling)



Outlook for 2021 (updated)

Teleste estimates that the net sales of the continuing operations in 2021 will reach 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.

Global supply chain disruptions and component availability issues have restricted the deliveries of Teleste's products and cause uncertainty to the deliveries of the remainder of the year in spite of the strong order backlog.