

# Half year financial report

January - June 2022

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## Summary Q2 2022

**Strong demand continued, but profitability deteriorated in challenging operating environment**

	<b>Q2 2022</b>	<b>Q2 2021</b>	
▪ Net sales	38,4 M€	35,8 M€	+7,2 %
▪ Orders received	46,8 M€	43,9 M€	+6,7 %
▪ Adjusted EBIT	0,3 M€	1,1 M€	-70,2 %
▪ EBIT	0,2 M€	1,1 M€	-83,0 %
▪ Net profit	-1,5 M€	0,8 M€	-288,4 %
▪ Adjusted earnings per share	-0,07 €	0,04 €	-261,5 %
▪ Operative cash flow	4,1 M€	9,6 M€	-57,2 %
▪ Order book	139,1 M€	84,2 M€	+65,2 %

# Teleste Group – Q2 2022



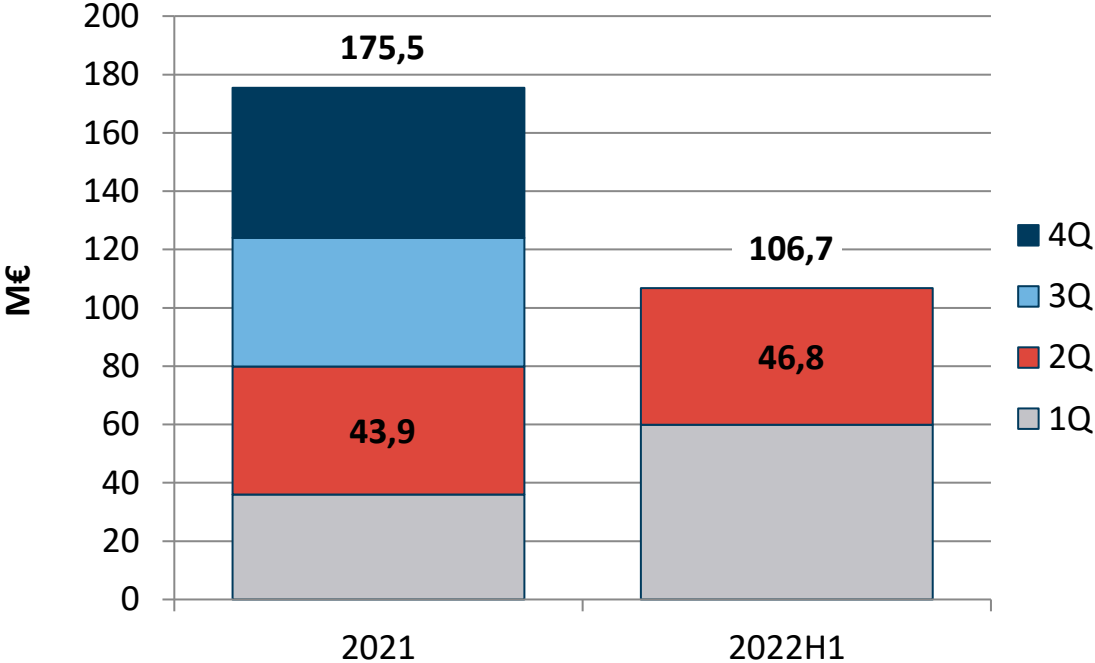
- Orders received increased year-on-year but decreased quarter-on-quarter. Growth took place in access network products.
- Order book increased by 65,2 % year-on-year to new record level and amounted to EUR 139.1 million. EUR 56 million (41 %) of the deliveries are scheduled for the current financial year.
- Net sales increased year-on-year and were at par the previous quarter. Material and component supply shortages were limiting the growth.
- Adjusted EBIT reduced significantly year-on-year but increased quarter-on-quarter. More than 5 ppt lower gross margin affected the adjusted EBIT. Gross margin was decreased by increased material costs and strengthened USD.
- Operative cash flow decreased year-on-year but increased quarter-on-quarter. The operative cash flow was exceptionally high in the reference period due to reduction of working capital in inventories and trade receivables and advances received for major projects.
- EPS decreased year-on-year and quarter-on-quarter. The company booked EUR 1.7 million of taxes in the Q2 due to tax reassessment decision received in Belgium. The company considers the tax reassessment decision unfounded and has appealed the decision.

	Q2 2022	Q2 2021	YoY change	Q1 2022	QoQ change
Orders received, M€	46,8	43,9	6,7 %	59,9	-21,9 %
Net sales, M€	38,4	35,8	7,2 %	38,0	1,0 %
Adjusted EBIT, M€	0,3	1,1	-70,2 %	0,1	237,7 %
Adjusted EBIT-%	0,9 %	3,2 %		0,3 %	
EBIT, M€	0,2	1,1	-83,0 %	0,1	92,1 %
Net profit, M€	-1,5	0,8	-288,4 %	0,1	
Adjusted EPS, €	-0,07	0,04	-261,5 %	0,01	
EPS, €	-0,08	0,04	-279,6 %	0,01	
Operative cash flow, M€	4,1	9,6	-57,2 %	-4,8	

## Teleste Group, January - June 2022

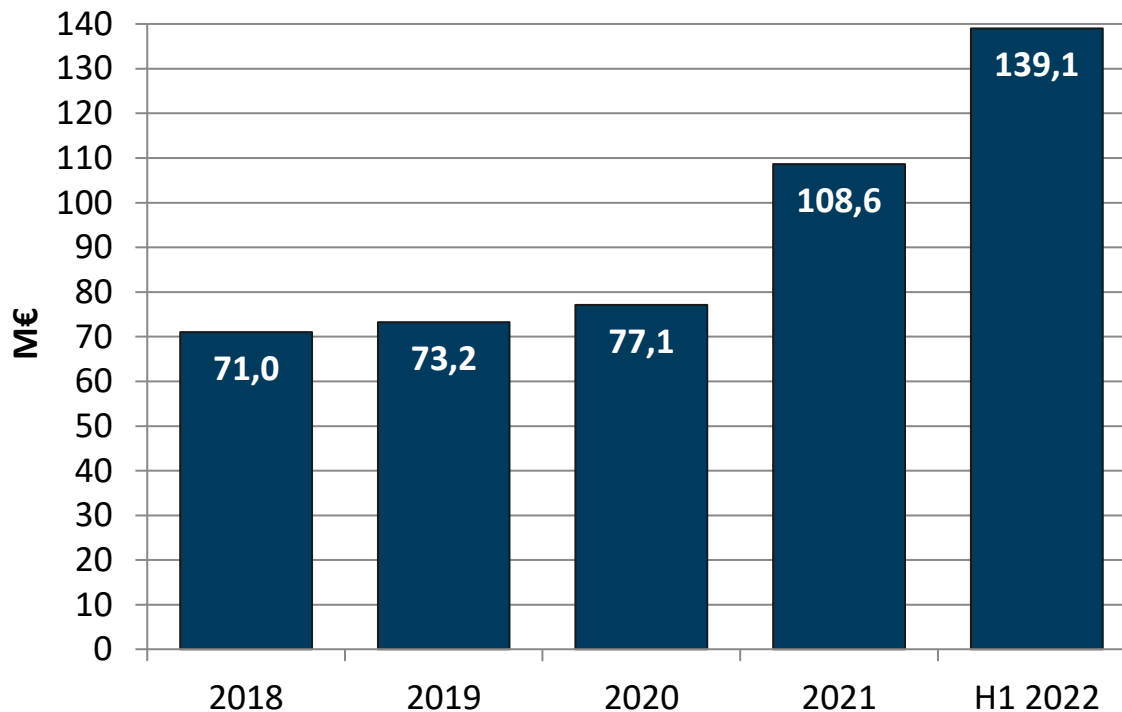
	1-6 2022	1-6 2021	YoY change	1-12 2021
Orders received, M€	106,7	79,9	33,6 %	175,5
Net sales, M€	76,3	72,8	4,8 %	144,0
Adjusted EBIT, M€	0,4	2,6	-83,3 %	5,5
Adjusted EBIT, %	0,6 %	3,6 %		3,8 %
EBIT, M€	0,3	5,8	-95,0 %	8,7
Net profit, M€	-1,4	4,5	-131,2 %	6,9
Adjusted EPS, €	-0,06	0,07	-186,0 %	0,21
EPS, €	-0,07	0,25	-128,8 %	0,39
Operative cash flow, M€	-0,7	12,2	-105,3 %	13,5

# Orders Received

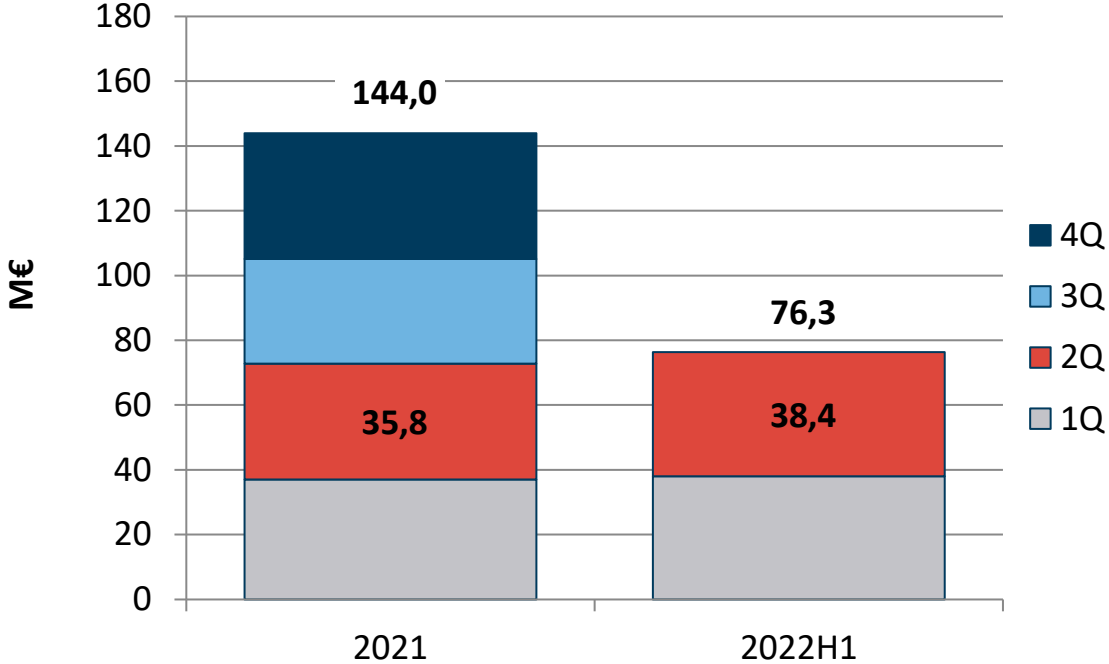


# Order Book (at the end of period)

Teleste Group, M€

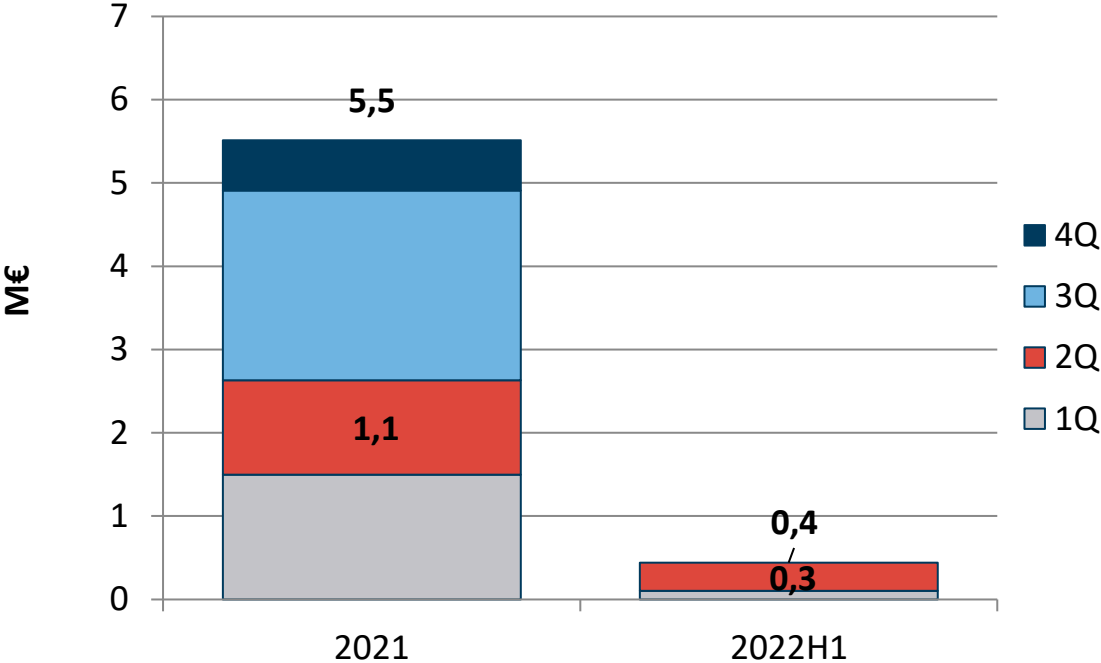


# Net Sales

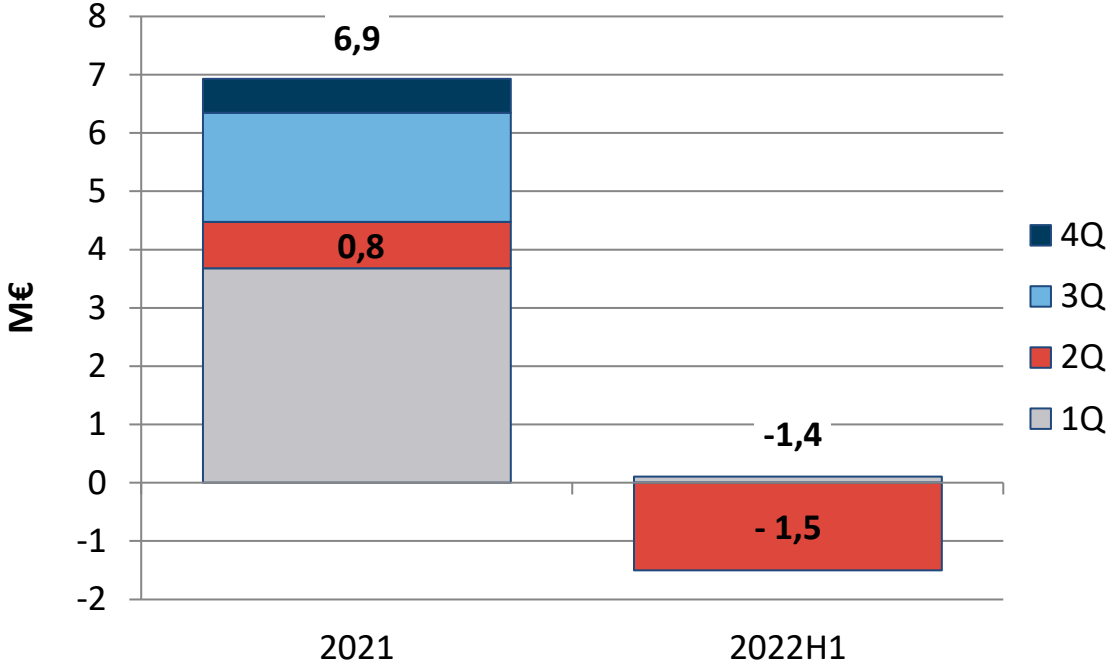




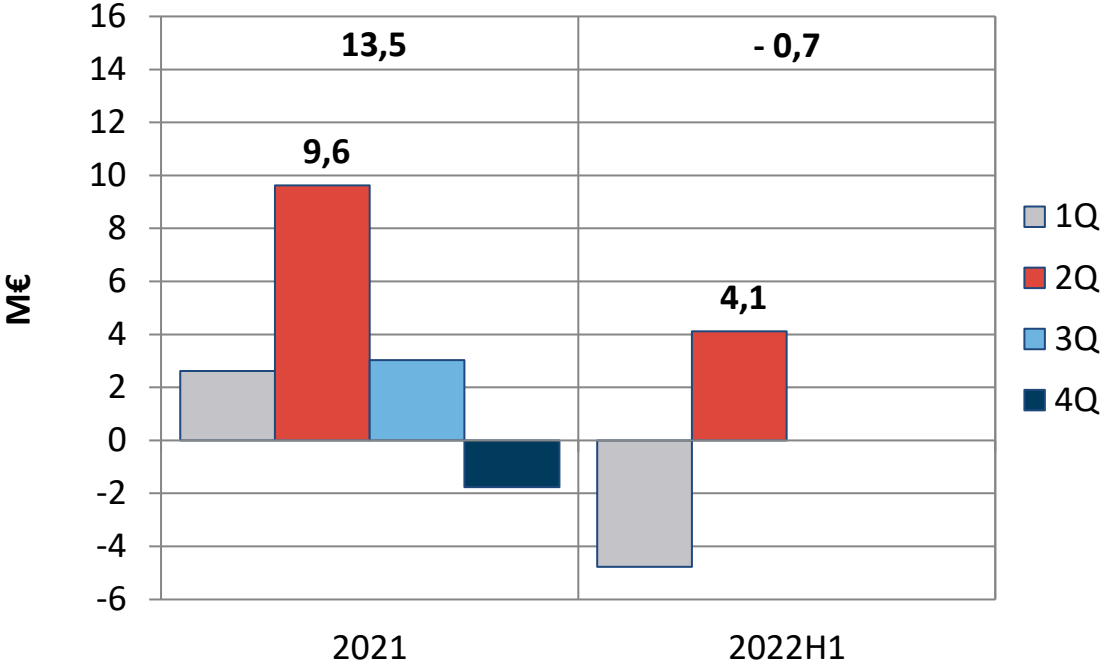
# Adjusted Operating Profit



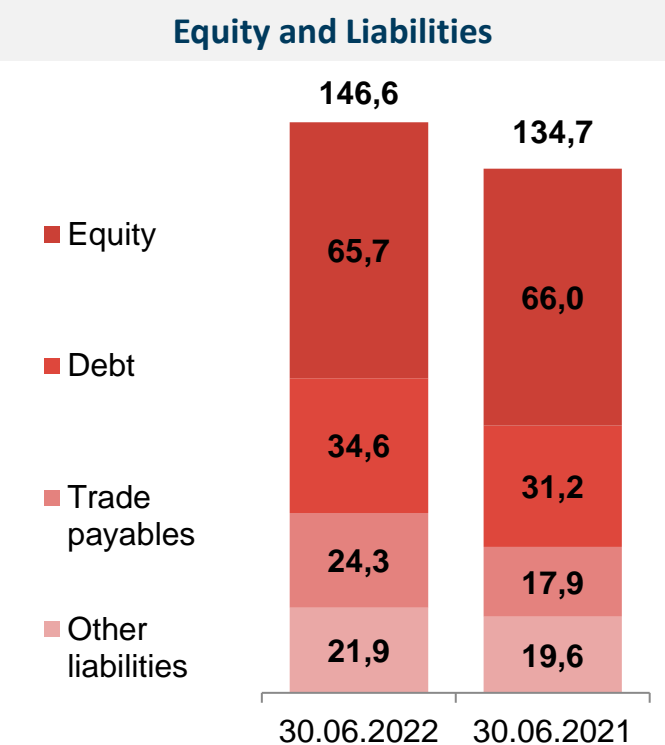
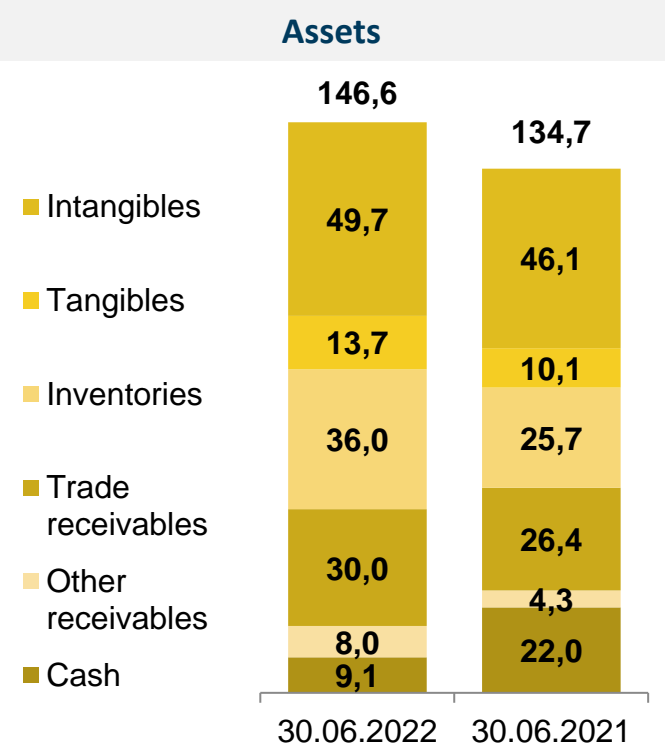
# Net Profit



# Cash Flow From Operations

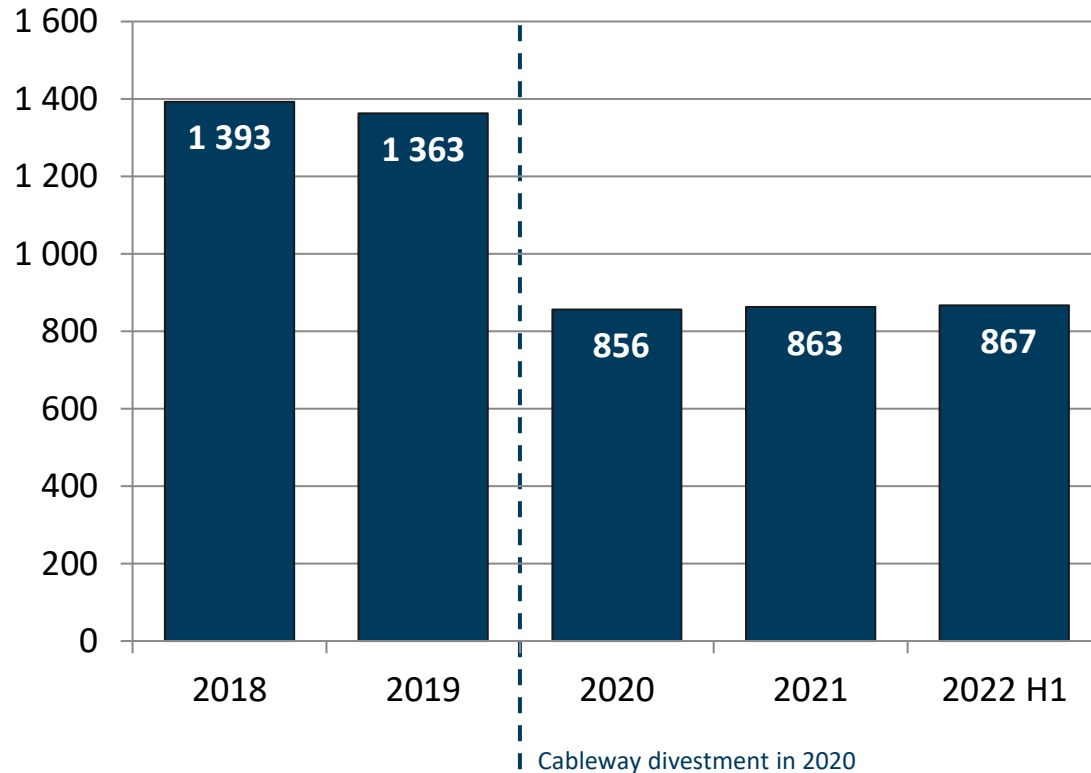


# Balance sheet 30 June 2022



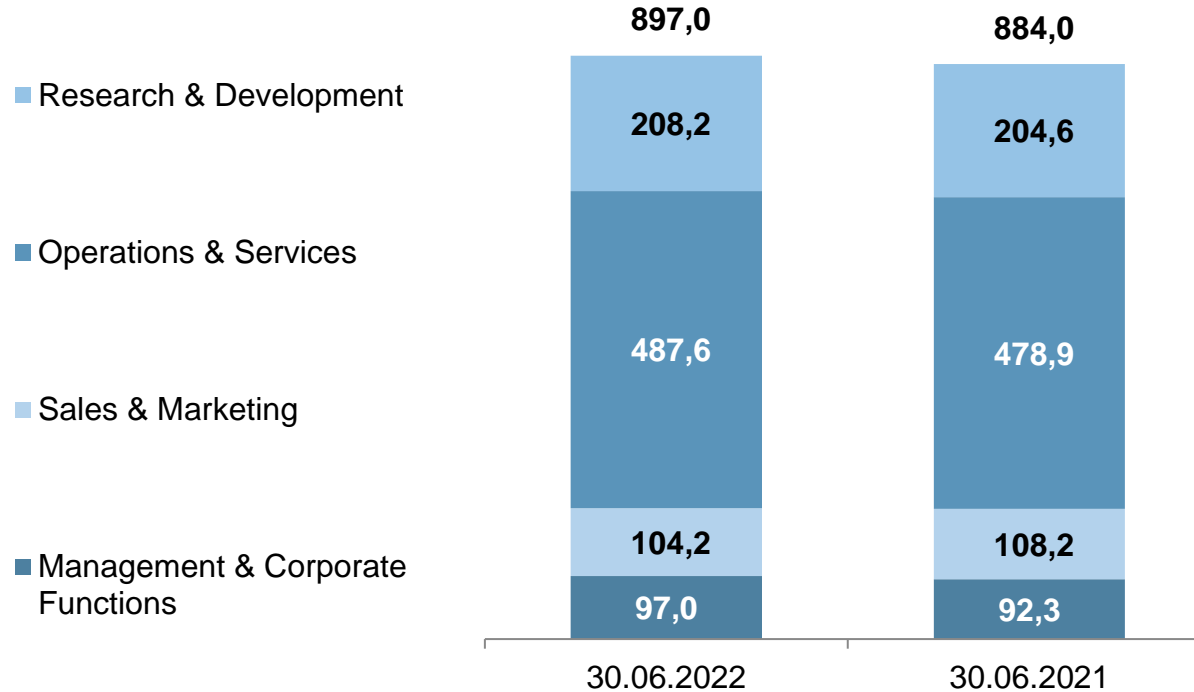
# Personnel (average during the period)

Discontinued operations excluded 2020 onwards



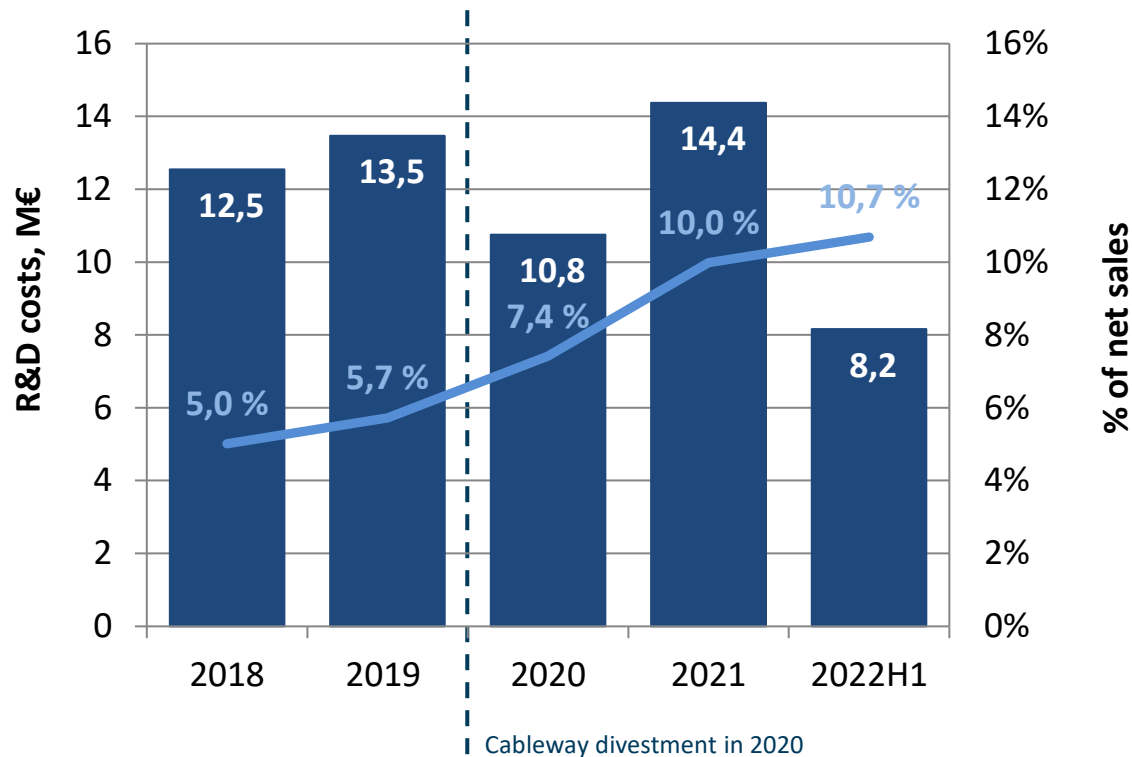
# Personnel (full-time equivalent at the end of period)

## Continuing operations



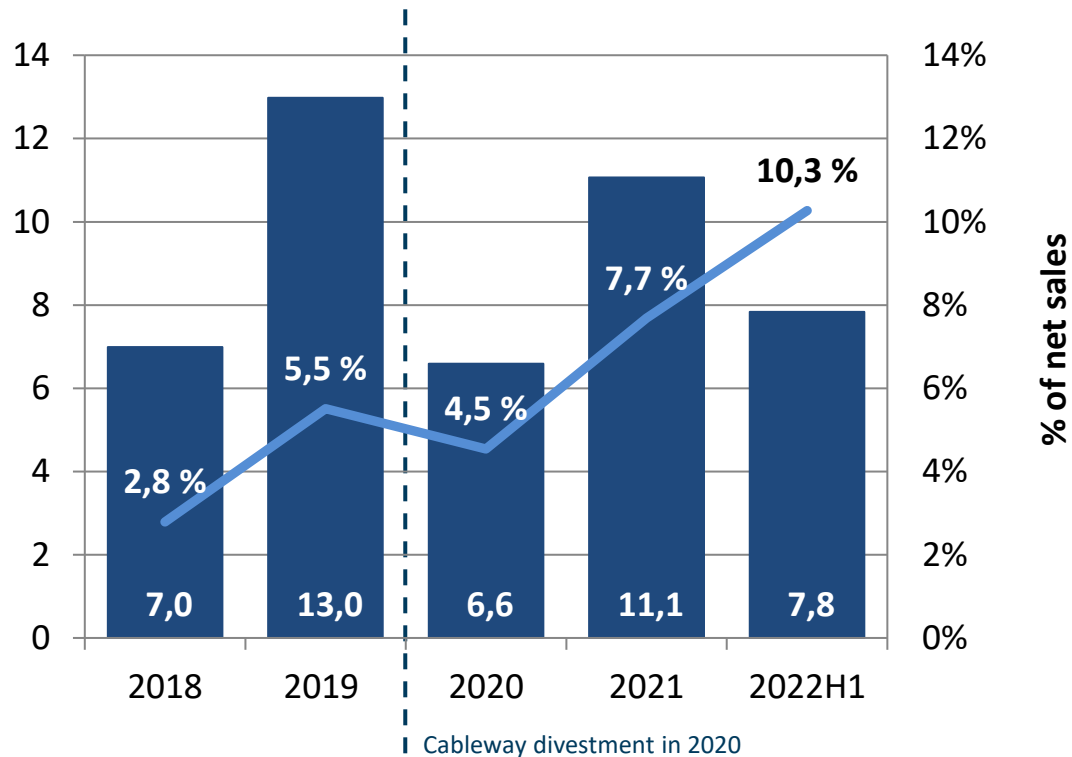
# R&D costs

	1-6 2022	1-6 2021
M€	8,2	7,1
% of sales	10,7 %	9,8 %



# Investments

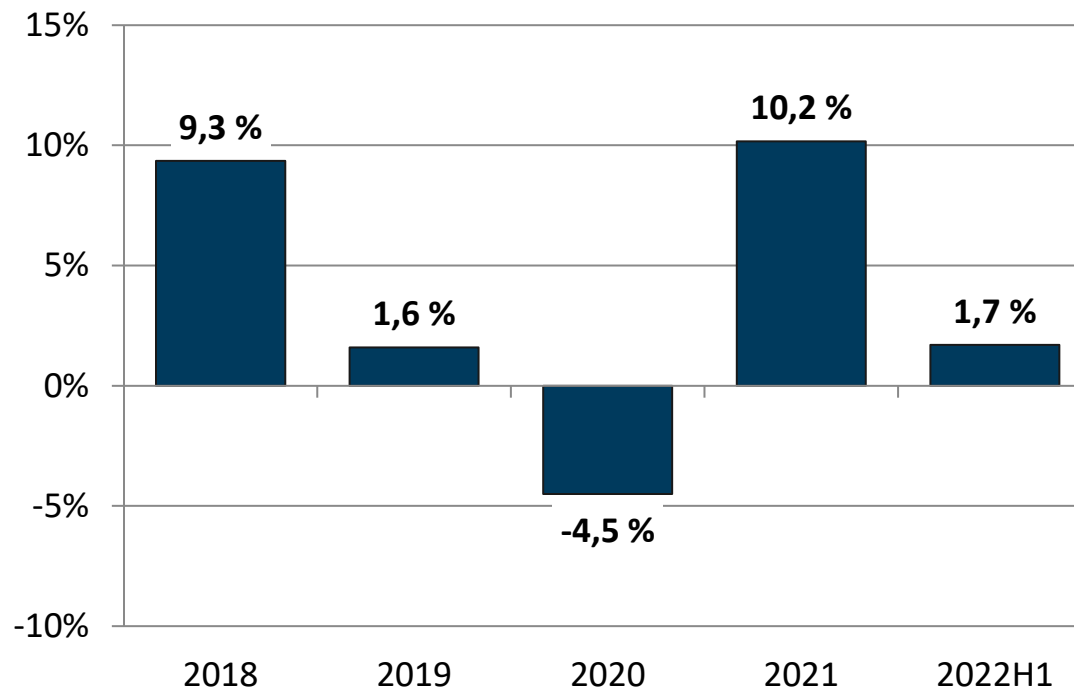
	1-6 2022	1-6 2021
M€	7,8	4,8
% of sales	10,3 %	6,7 %





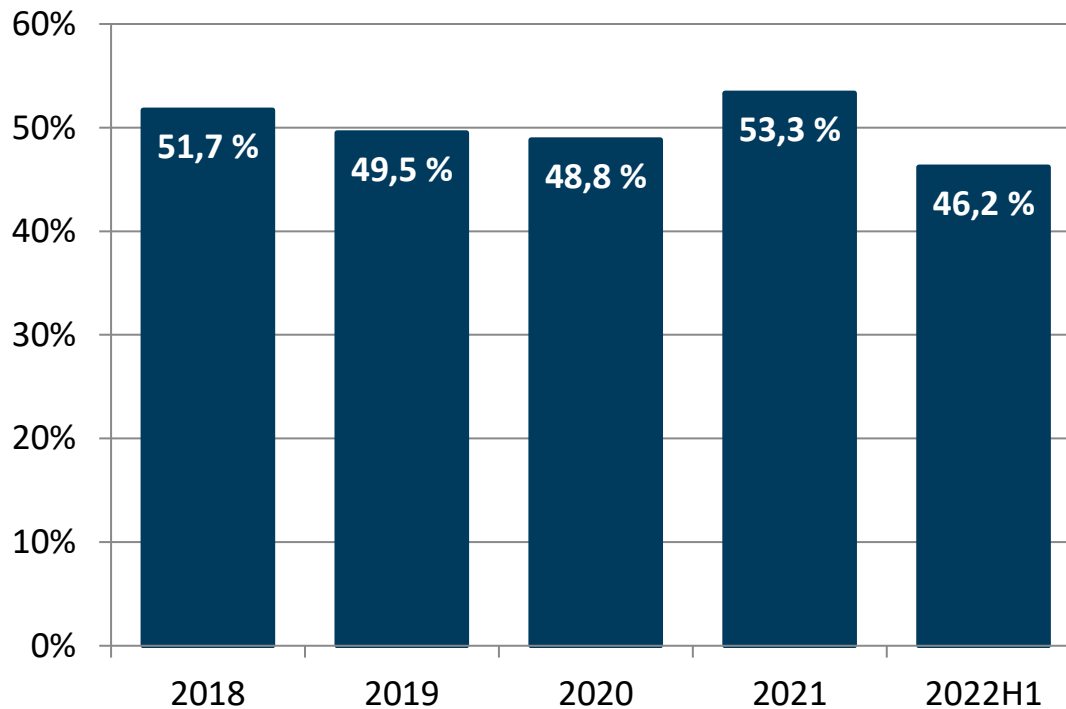
# Return on Capital Employed

## Including discontinued operations



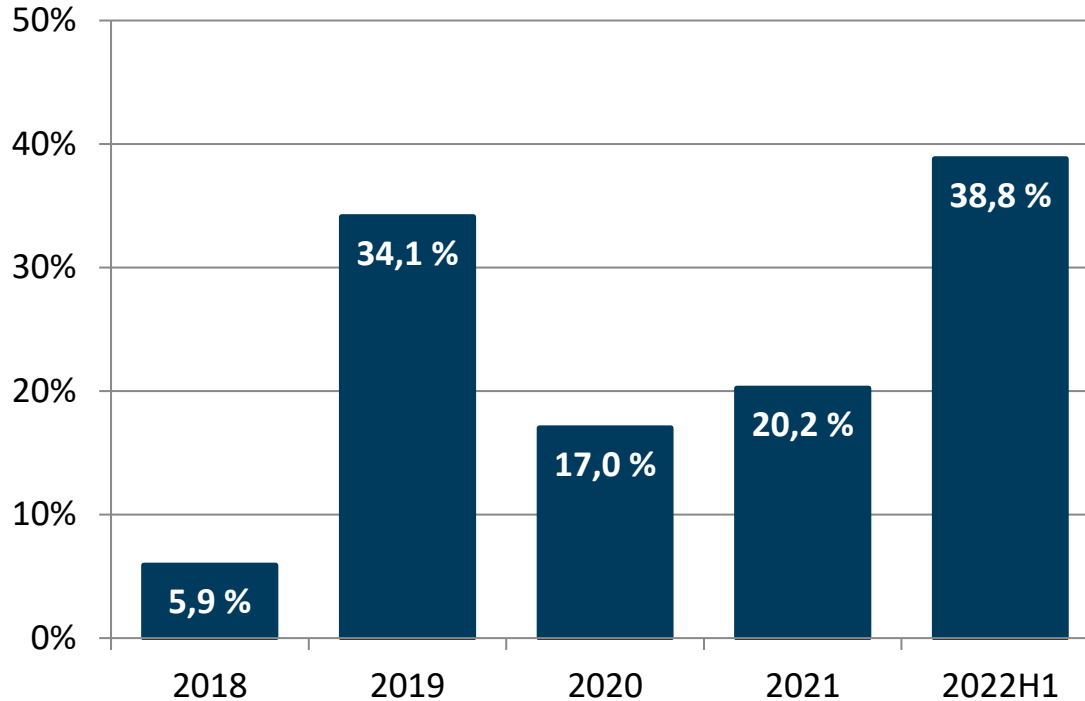
# Equity Ratio (at the end of period)

## Including discontinued operations

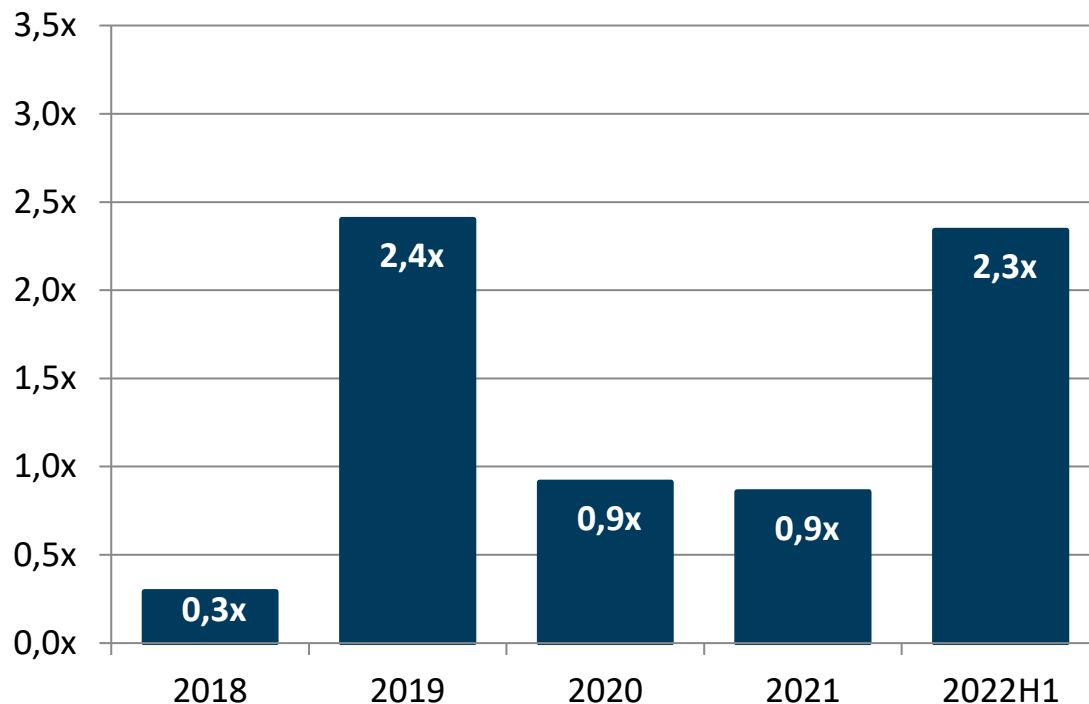


# Net gearing (at the end of period)

## Including discontinued operations



# Net Debt / EBITDA (12 mth rolling)





**TELESTE**

## Outlook for 2022

Teleste estimates that net sales in 2022 will reach the level of net sales of 2021 and that the adjusted operating result in 2022 will remain significantly below the adjusted operating result of 2021. Net sales in 2021 were EUR 144.0 million, and the adjusted operating result was EUR 5.5 million.

Worsened component shortage, increasing costs and strengthened USD exchange rate have a significant adverse effect on company's operations and results.