

Interim report

January - September 2022

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Summary Q3 2022

Strong demand continues, adjusted EBIT recovering, cash flow and net working capital are of concern

	Q3 2022	Q3 2021	
▪ Net sales	42,6 M€	32,3 M€	+32,0 %
▪ Adjusted EBIT	1,1 M€	2,3 M€	-52,0 %
▪ EBIT	-4,8 M€	2,4 M€	
▪ Adjusted earnings per share	0,04 €	0,10 €	
▪ Cash flow from operations	-9,7 M€	3,0 M€	
▪ Orders received	48,9 M€	44,1 M€	+10,7 %
▪ Order book	145,3 M€	96,0 M€	+51,3 %

Teleste Group – Q3 2022



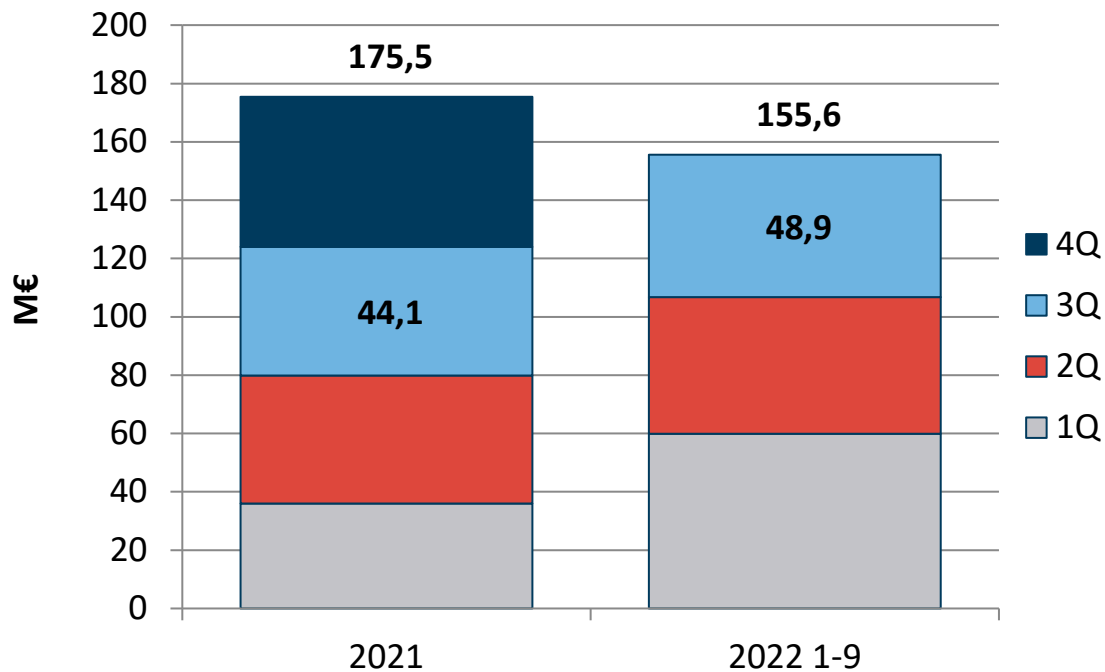
- Orders received grew Year-on-Year and Quarter-on-Quarter. Order book increased 51.3 % and reached new record of 145,3 M€. 23 % (33 M€) of the orders are scheduled for delivery before end of 2022.
- Net sales grew Year-on-Year and Quarter-on-Quarter. Orders and net sales increased in access network products, public transport information solutions and video security solutions. Material and component shortages continued to limit the growth.
- Adjusted EBIT decreased Year-on-Year but increased Quarter-on-Quarter. Higher material costs and increased other operating expenses had a negative effect on the adjusted operating result. Increases to the sales prices of Teleste's products have a delayed compensating effect for the negative impact of material costs.
- EBIT was -4,8 M€ including impairment of capitalized R&D expenses of 5,4 M€.
- Adjusted earnings per share decreased Year-on-Year but increased Quarter-on-Quarter.
- Cash flow from operations decreased Year-on-Year and Quarter-on-Quarter due to the growth of net working capital. Net working capital was increased by higher net sales, significant increases in inventory levels to ensure delivery capability, and the appreciation of the US dollar.

	Q3 2022	Q3 2021	YoY change	Q2 2022	QoQ change
Orders received, M€	48,9	44,1	10,7 %	46,8	4,4 %
Net sales, M€	42,6	32,3	32,0 %	38,4	11,2 %
Adjusted EBIT, M€	1,1	2,3	-52,0 %	0,3	223,0 %
Adjusted EBIT-%	2,6 %	7,1 %		0,9 %	
EBIT, M€	-4,8	2,3		0,2	
Net profit, M€	-4,2	1,9		-1,5	
Adjusted EPS, €	0,04	0,10	-65,9 %	-0,07	
EPS, €	-0,22	0,10		-0,08	
Operative cash flow, M€	-9,7	3,0		4,1	

Teleste Group, January - September 2022

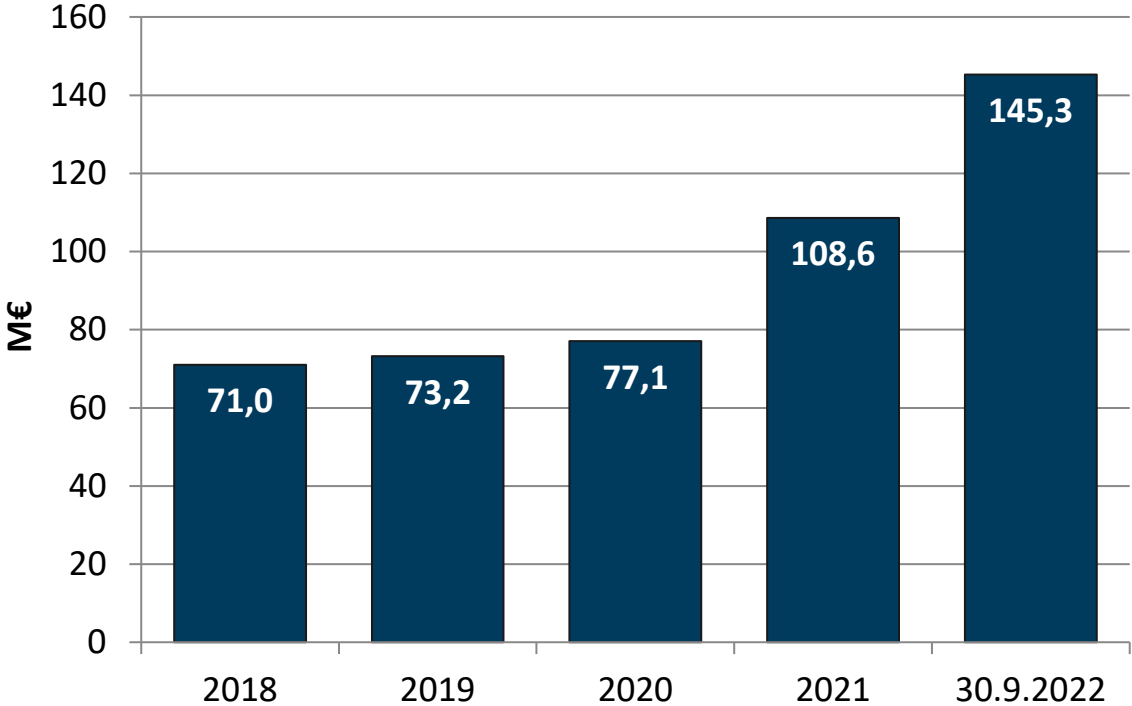
	1-9 2022	1-9 2021	YoY change	1-12 2021
Orders received, M€	155,6	124,0	25,5 %	175,5
Net sales, M€	119,0	105,1	13,2 %	144,0
Adjusted EBIT, M€	1,5	4,9	-68,8 %	5,5
Adjusted EBIT, %	1,3 %	4,7 %		3,8 %
EBIT, M€	-4,5	8,1	-156,1 %	8,7
EBIT, %	-3,8 %	7,7 %		6,1 %
Adjusted EPS, €	-0,03	0,18	-116,0 %	0,21
EPS, €	-0,30	0,35	-183,8 %	0,39
Operative cash flow, M€	-10,3	15,3	-167,7 %	13,5

Orders Received

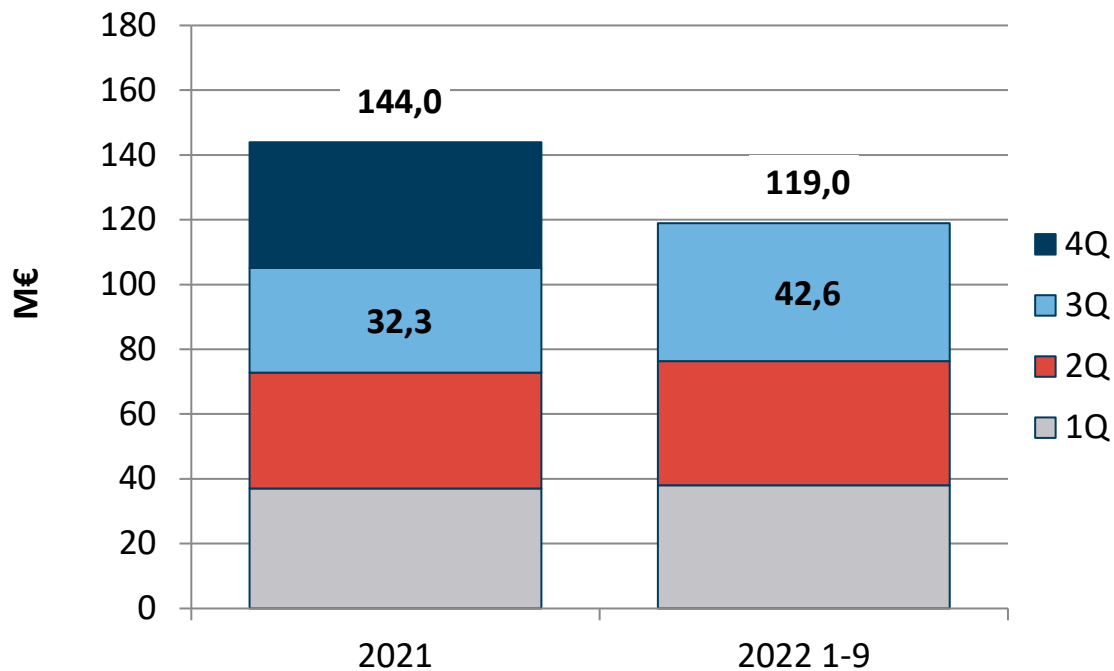


Order Book (at the end of period)

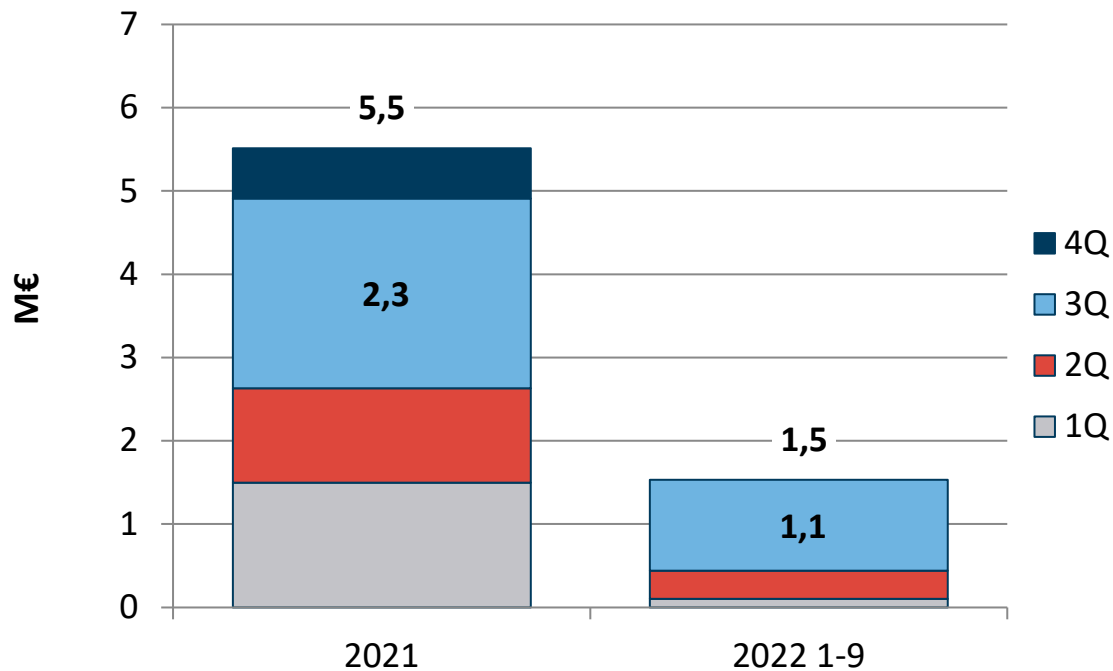
Teleste Group, M€



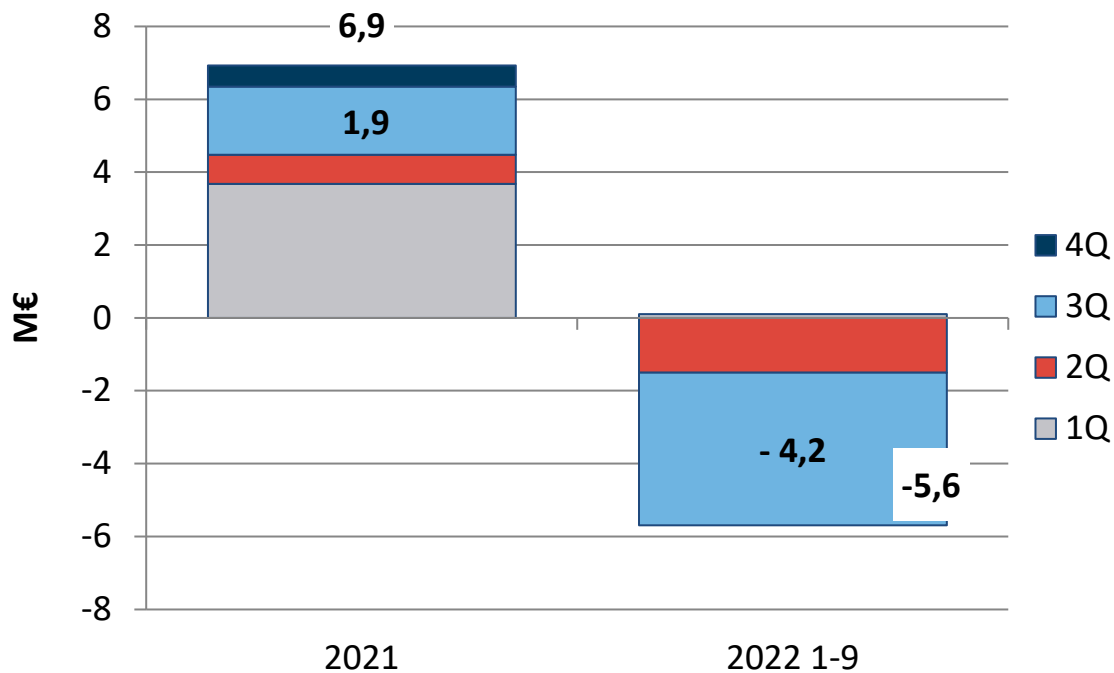
Net Sales



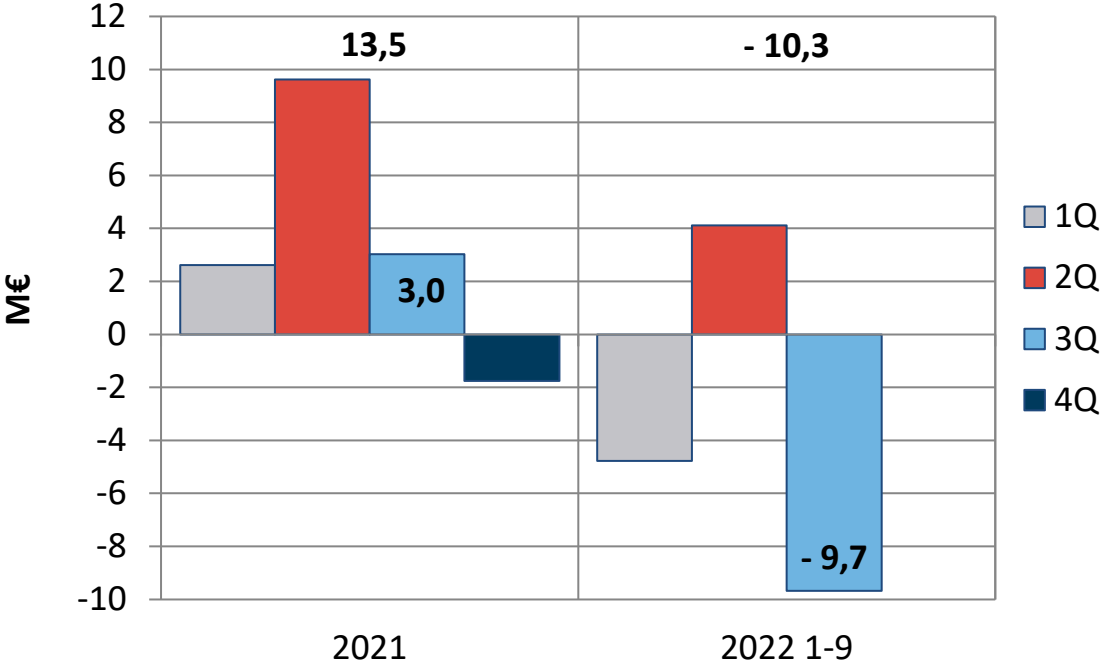
Adjusted Operating Profit



Net Profit

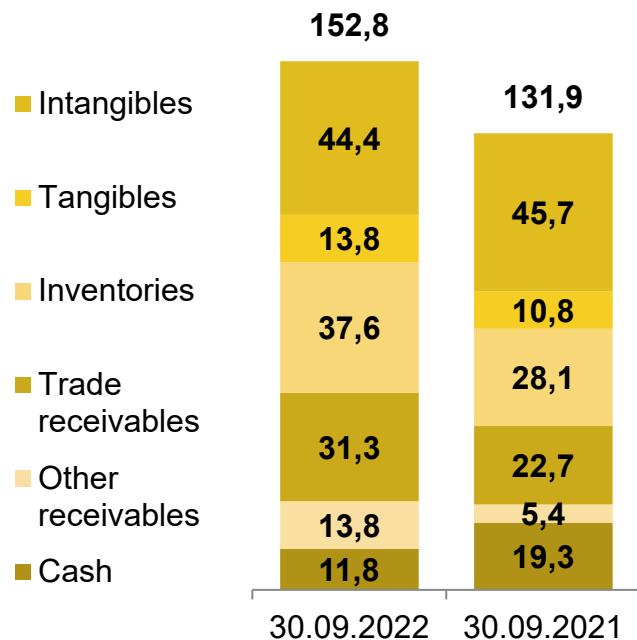


Cash Flow From Operations

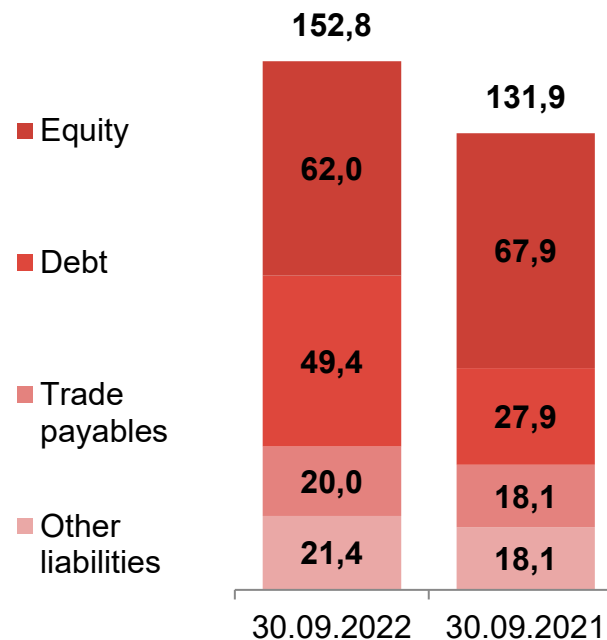


Balance sheet 30 September 2022

Assets

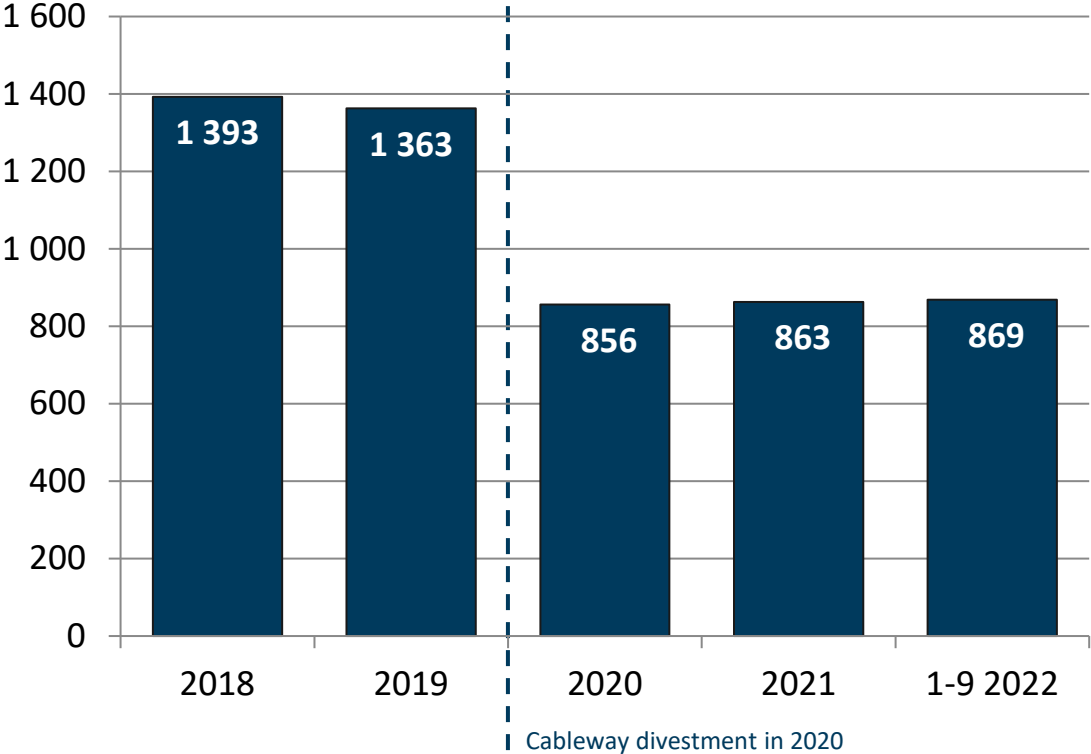


Equity and Liabilities



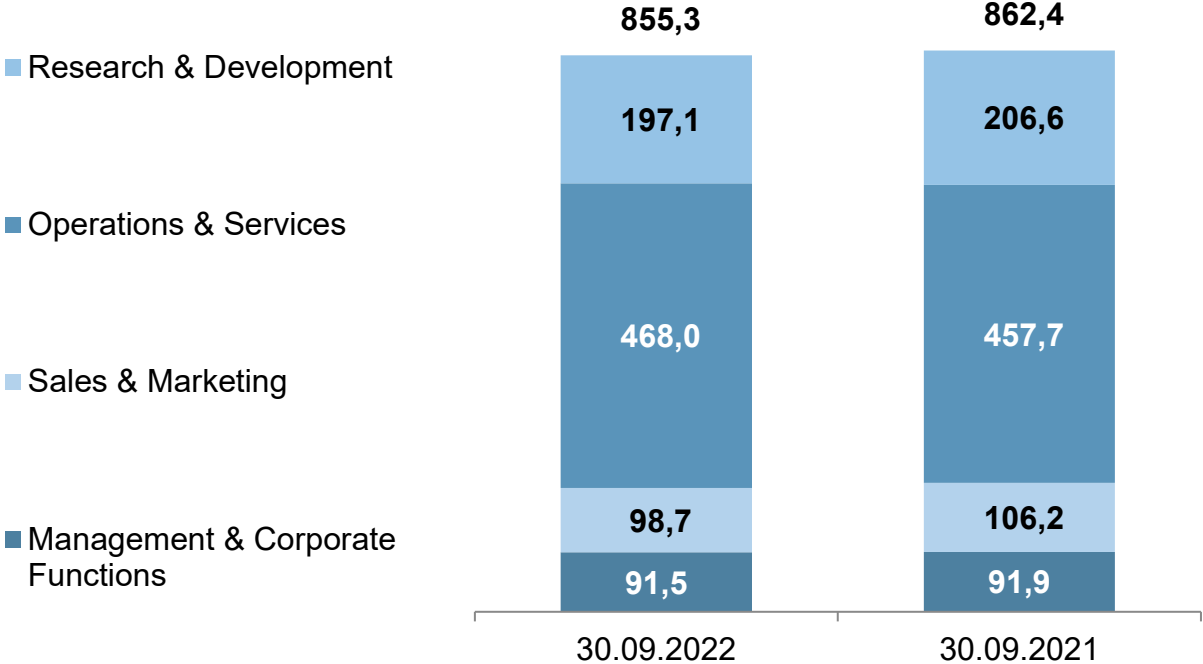
Personnel (average during the period)

Discontinued operations excluded 2020 onwards



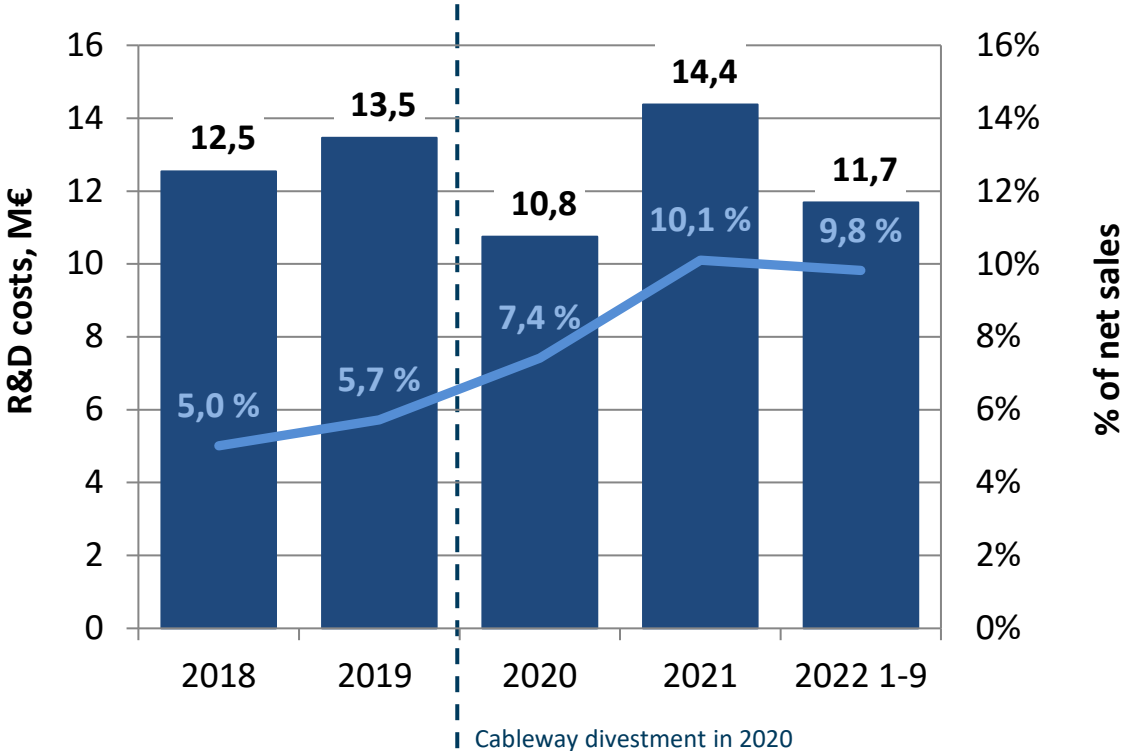
Personnel (full-time equivalent at the end of period)

Continuing operations



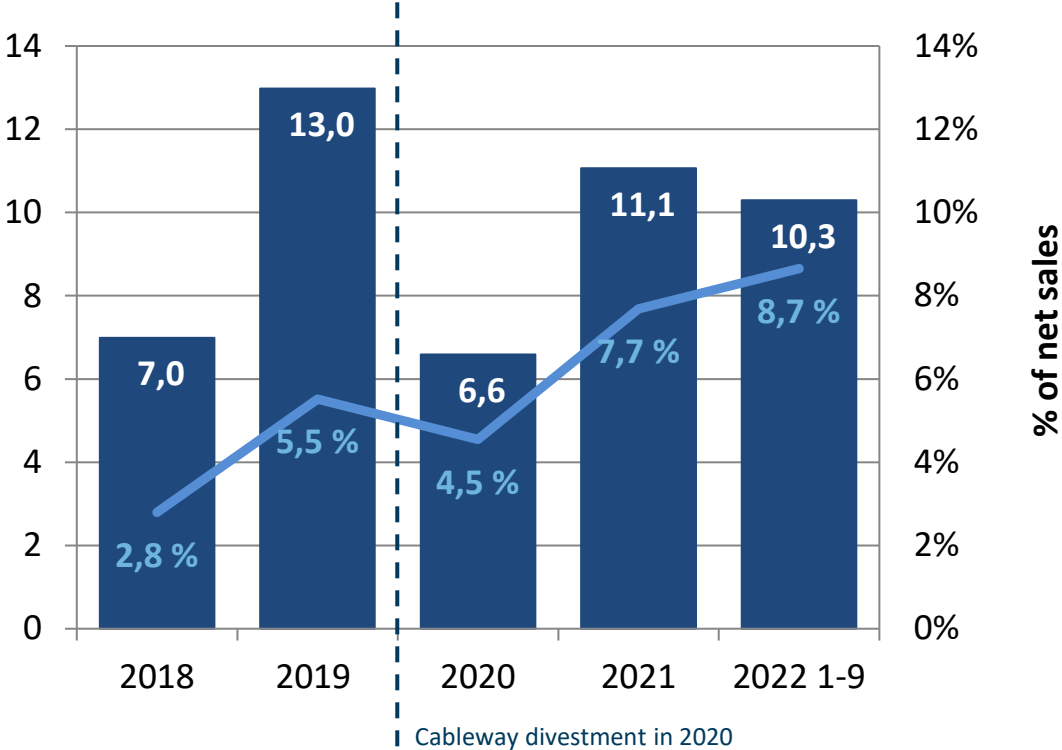
R&D costs

	1-9 2022	1-9 2021
M€	11,7	10,6
% of sales	9,8 %	10,1 %



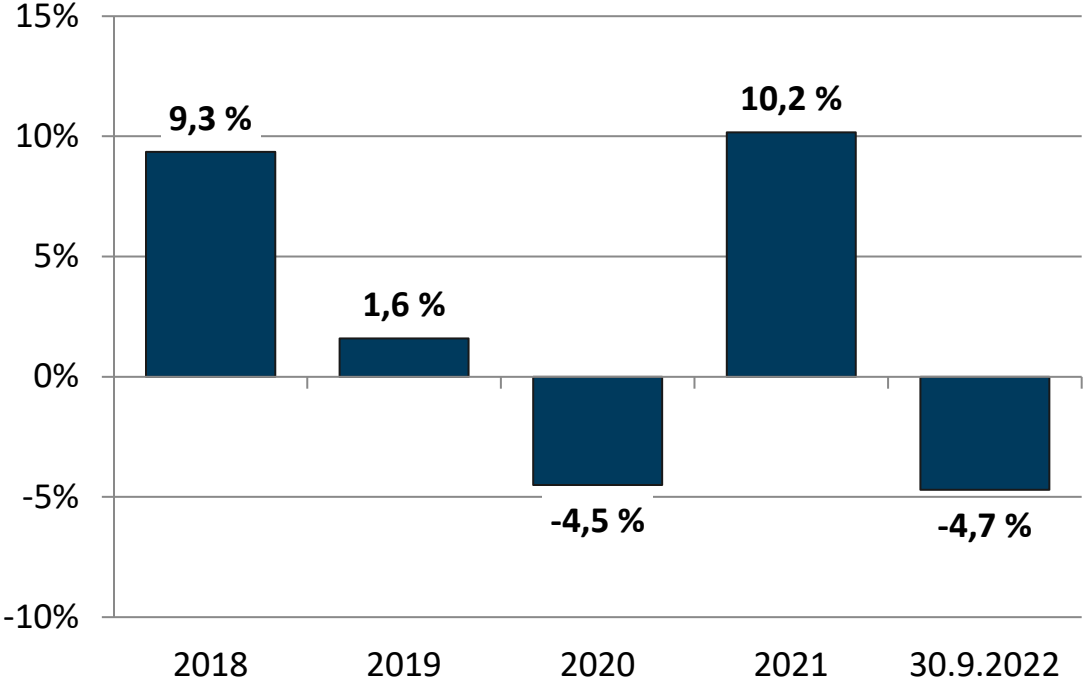
Investments

	1-9 2022	1-9 2021
M€	10,3	7,5
% of sales	8,7 %	7,1 %



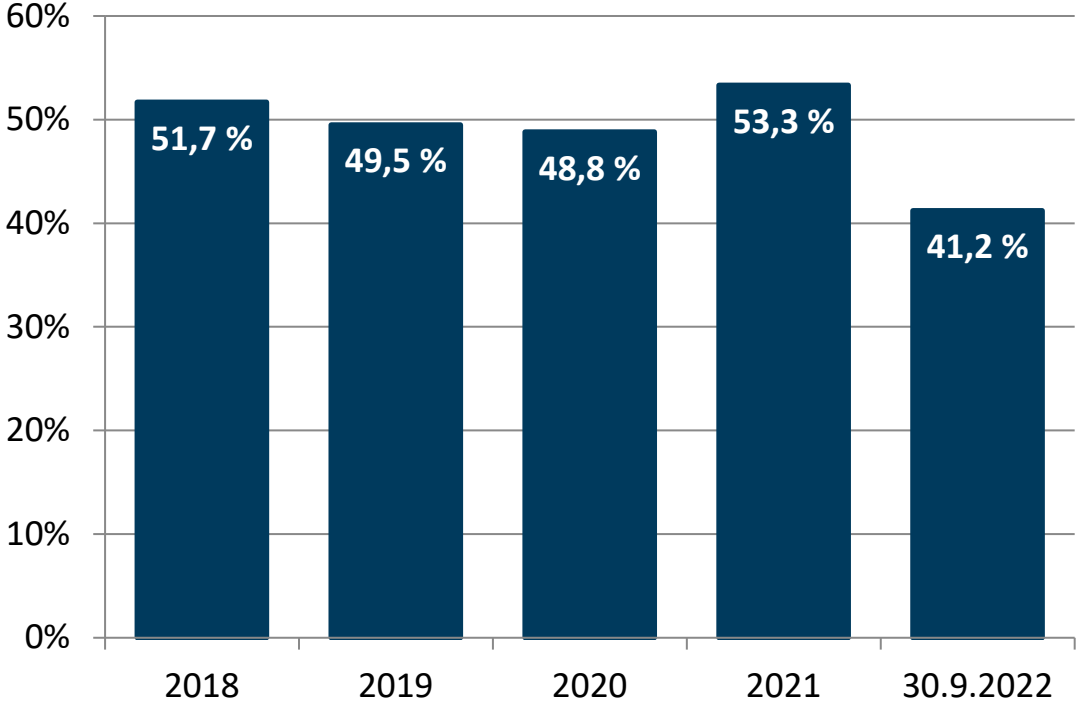
Return on Capital Employed

Including discontinued operations



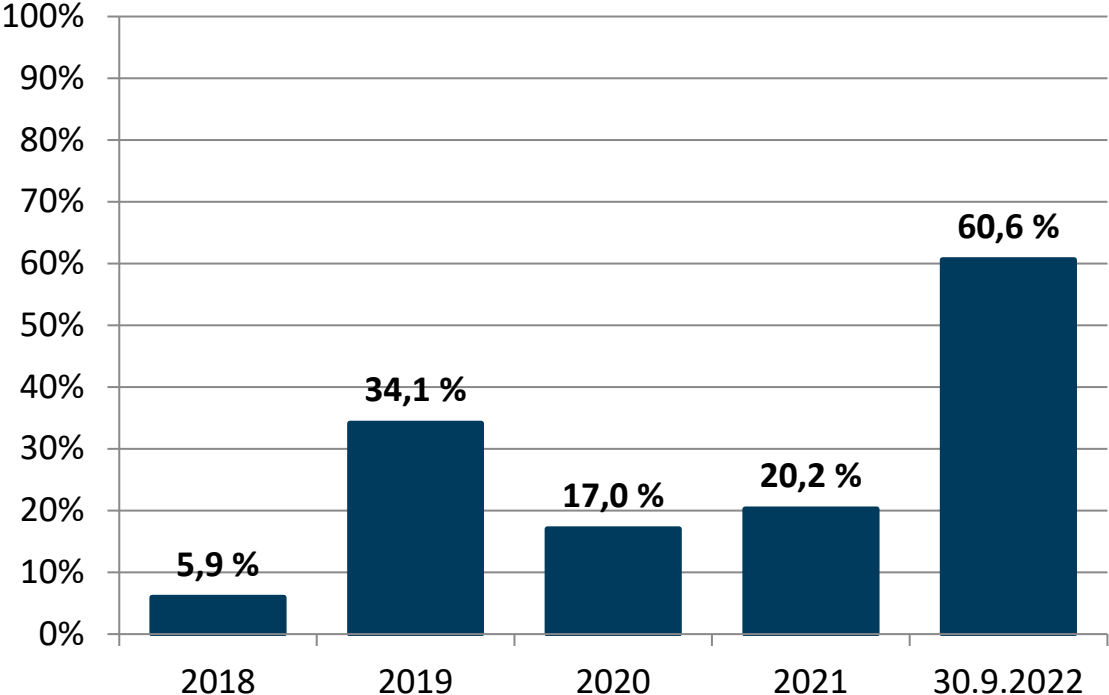
Equity Ratio (at the end of period)

Including discontinued operations

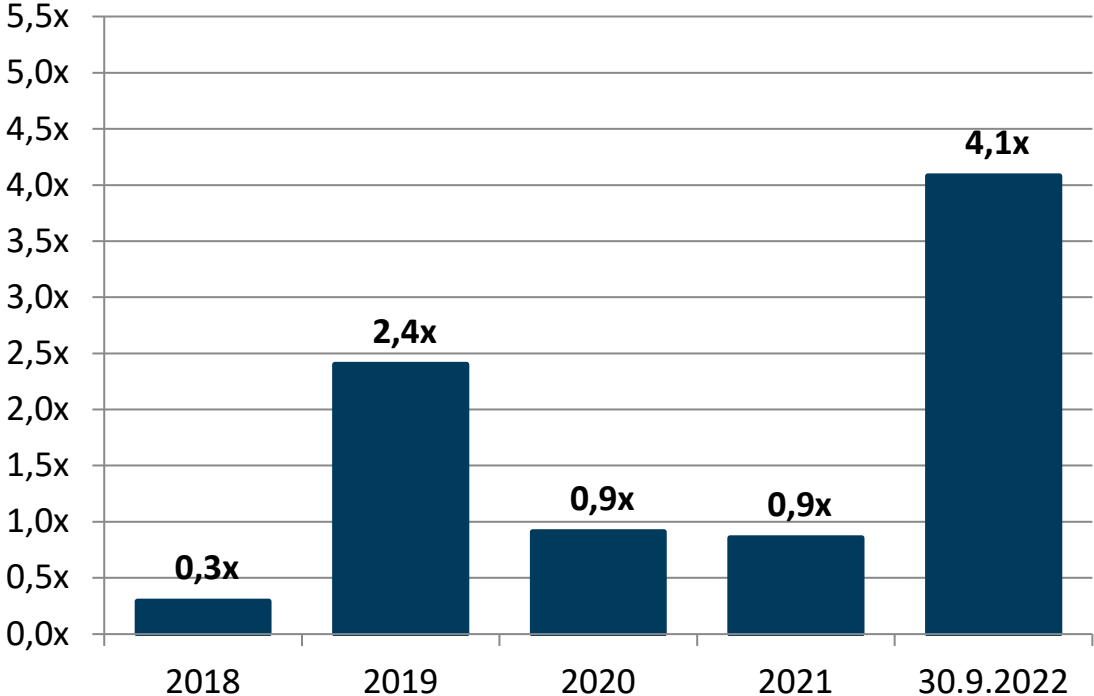


Net gearing (at the end of period)

Including discontinued operations



Net Debt / EBITDA (12 mth rolling)





Outlook for 2022 (updated)

Teleste estimates that net sales in 2022 will reach or exceed 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.