

A woman with long dark hair, wearing a white blouse and a brown shoulder bag, is looking down at a tablet computer she is holding. She is standing on a balcony with a glass railing. The background is a blurred view of a modern building with a blue-tinted sky.

Interim report January - September 2023

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Q3 2023 highlights

Q3 2023 financial review

Key Figures Q3 and 1-9 2023

**Net sales and adjusted operating result decreased in Q3.
Continued positive cash flow from operations**

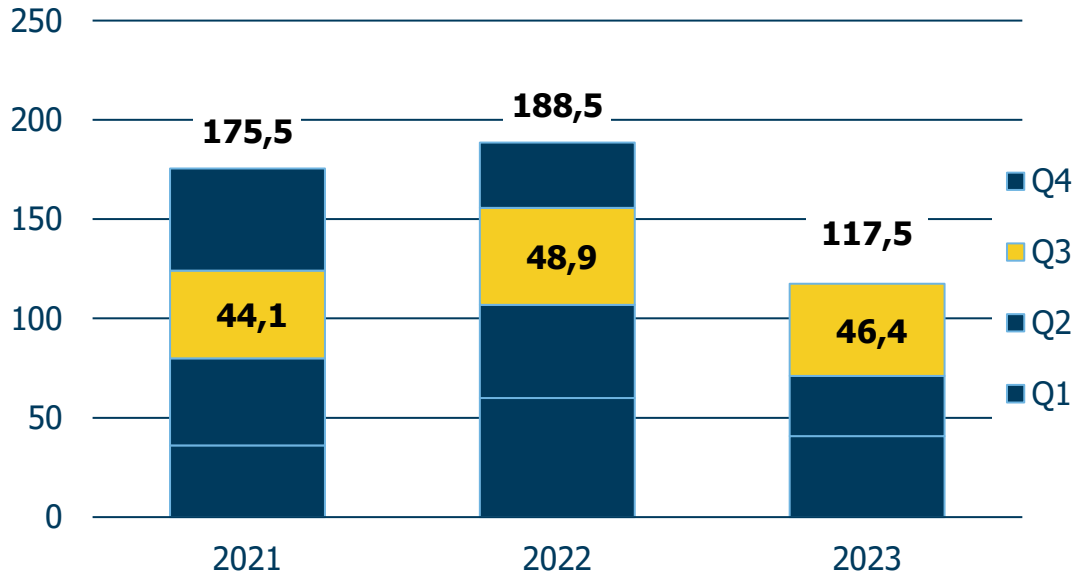
EUR million	Q3 2023	Q3 2022		1-9 2023	1-9 2022	
Net sales	35.2	42.6	-17.4 %	120.7	119.0	+1.4 %
Adjusted EBIT	0.5	1.1	-52.4 %	2.6	1.5	+68.1 %
EBIT	0.5	-4.8	n/a	1.8	-4.5	n/a
Cashflow from operations	0.9	-9.7	n/a	12.6	-10.3	n/a
Orders received	46.4	48.9	-5.0 %	117.5	155.6	-24.5 %
Order book				129.0	145.3	-11.2 %

Orders received Q3 2023

Back to normal level after modest H1

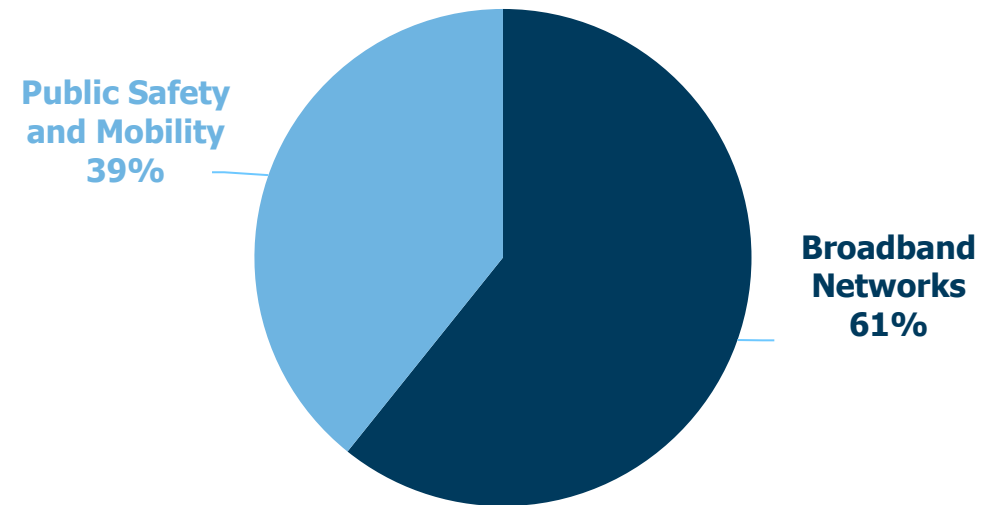
Orders received

EUR million



- Orders received recovered back to good level after low second quarter.
- Year-on-year decrease resulted from network operators lowering their buffer inventories.

Orders received by business units, 1-9 2023



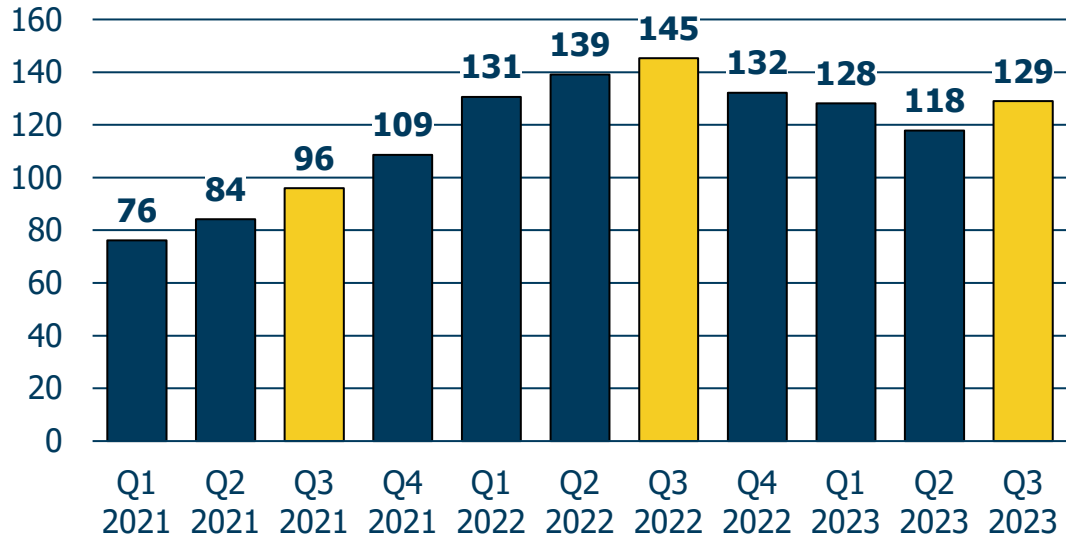
- Broadband Networks orders included also next generation access network products.
- Public Safety and Mobility orders received were driven by Rolling Stock Manufacturers.

Order book 30 September 2023

Order book increased quarter-on-quarter

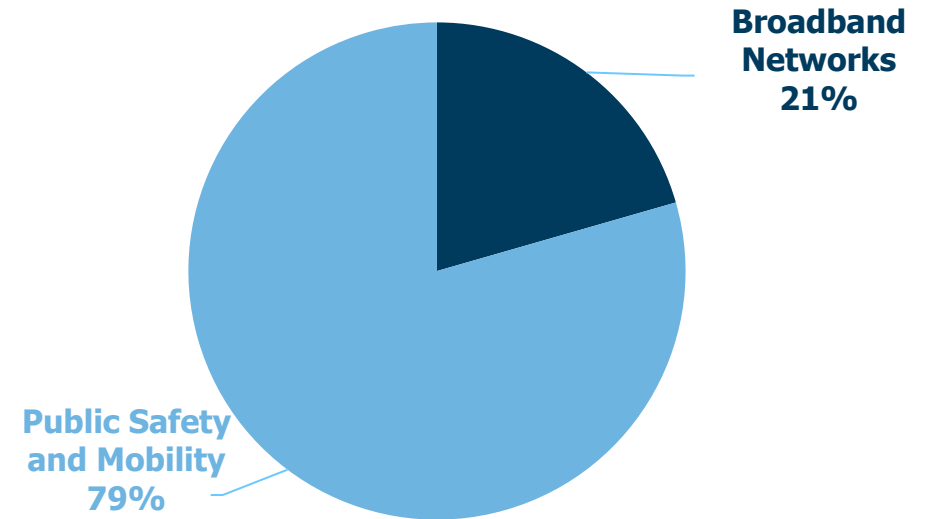
Order book (end of the period)

EUR million



- The Year-on-Year decrease in the order backlog was mainly resulting from deliveries of significant Benelux project order which Broadband Networks won in 2022.
- Approximately 24% of the deliveries in the order book are scheduled to take place during the 2023 financial period.

Order book by business units, 30 September 2023



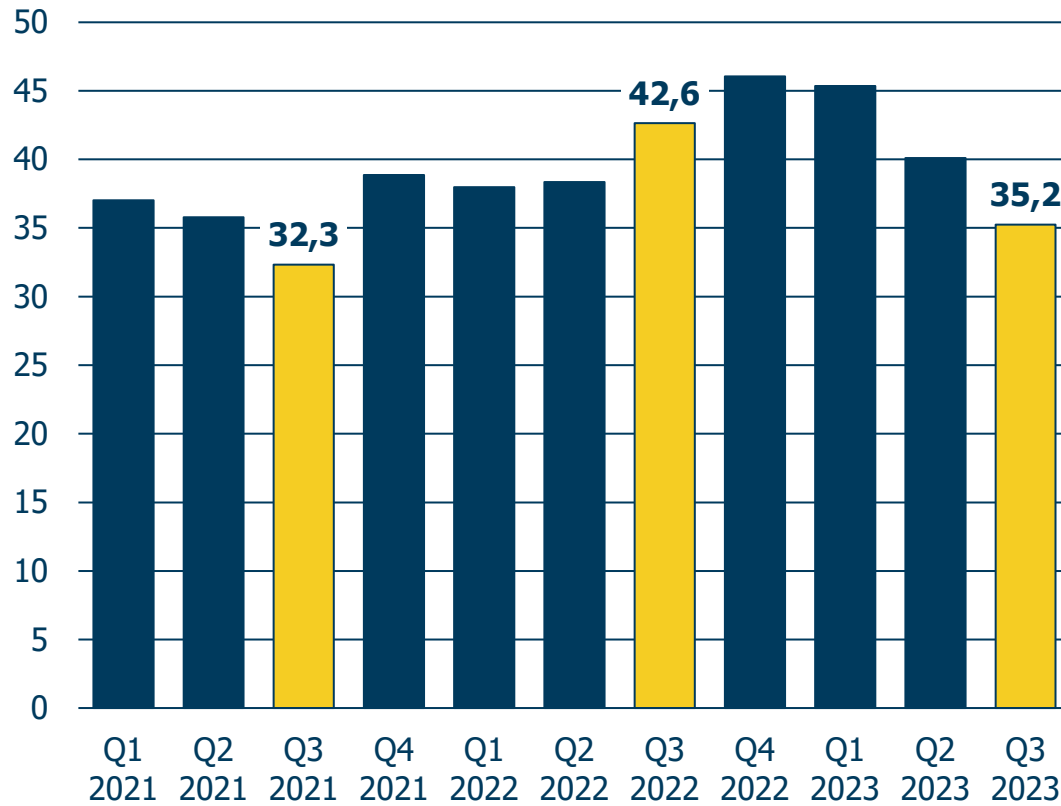
- The order book of Broadband Networks includes American customers' DOCSIS 4.0 capable amplifiers and large orders in the Benelux countries.
- Public Safety and Mobility order book at par with level at the end of the comparison period.

Net Sales Q3 2023

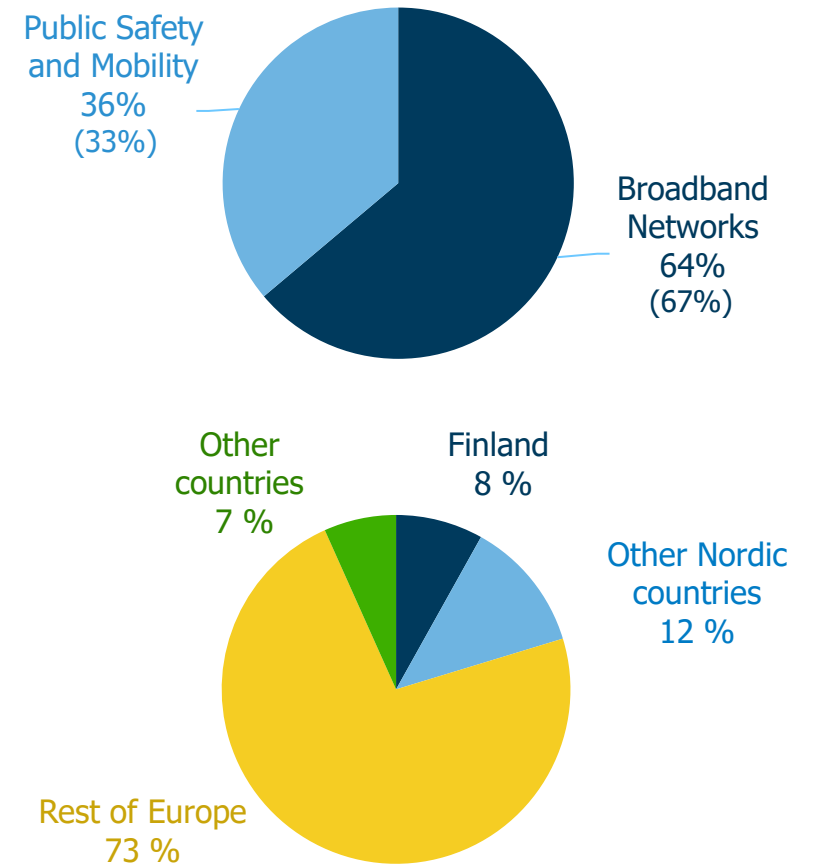
Net sales decreased

Net sales

EUR million



Net sales, 1-9 2023

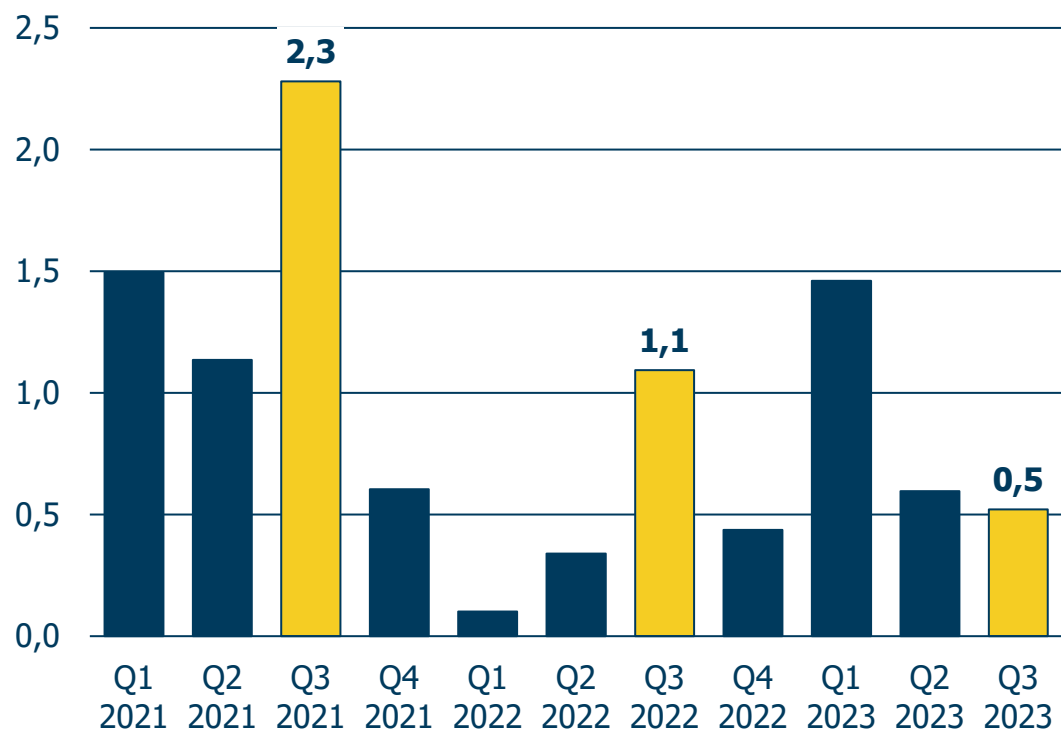


Adjusted operating result Q3 2023

Adjusted operating result decreased

Adjusted operating result

EUR million



- Adjusted operating result decreased driven by net sales decrease.
- Gross margin improved but did not set-off the impact of sales decrease of 17.4% Year-on-Year.
- Personnel expenses decreased by 6.6% Year-on-Year resulting from lower headcount.
- Other operating expenses increased by 1.7% Year-on-Year.
- Depreciation and amortisation decreased by 30.2% Year-on-Year.



Guidance for the fiscal year 2023

(specified)

Teleste now estimates that net sales in 2023 will amount to EUR 150-160 million and that the adjusted operating result in 2023 will be EUR 2-3 million.

Previously, Teleste estimated that net sales in 2023 will amount to EUR 150-175 million and that the adjusted operating result in 2023 will be EUR 2-5 million.

The reason for the specification of the financial guidance range is the weakened market demand in the second half of the year, particularly in the Broadband Networks business unit. The key factors contributing to the weaker demand include the overall deteriorated macro-economic situation, particularly the development of inflation and interest rates. This has led to operator customers commencing cost-saving measures and cuts to investments, as well as the optimization of their own buffer stocks. There are also signs that network investments in Europe are starting to shift to next-generation technologies, which reduces the demand for the previous generation's products.



Q3 2023 highlights

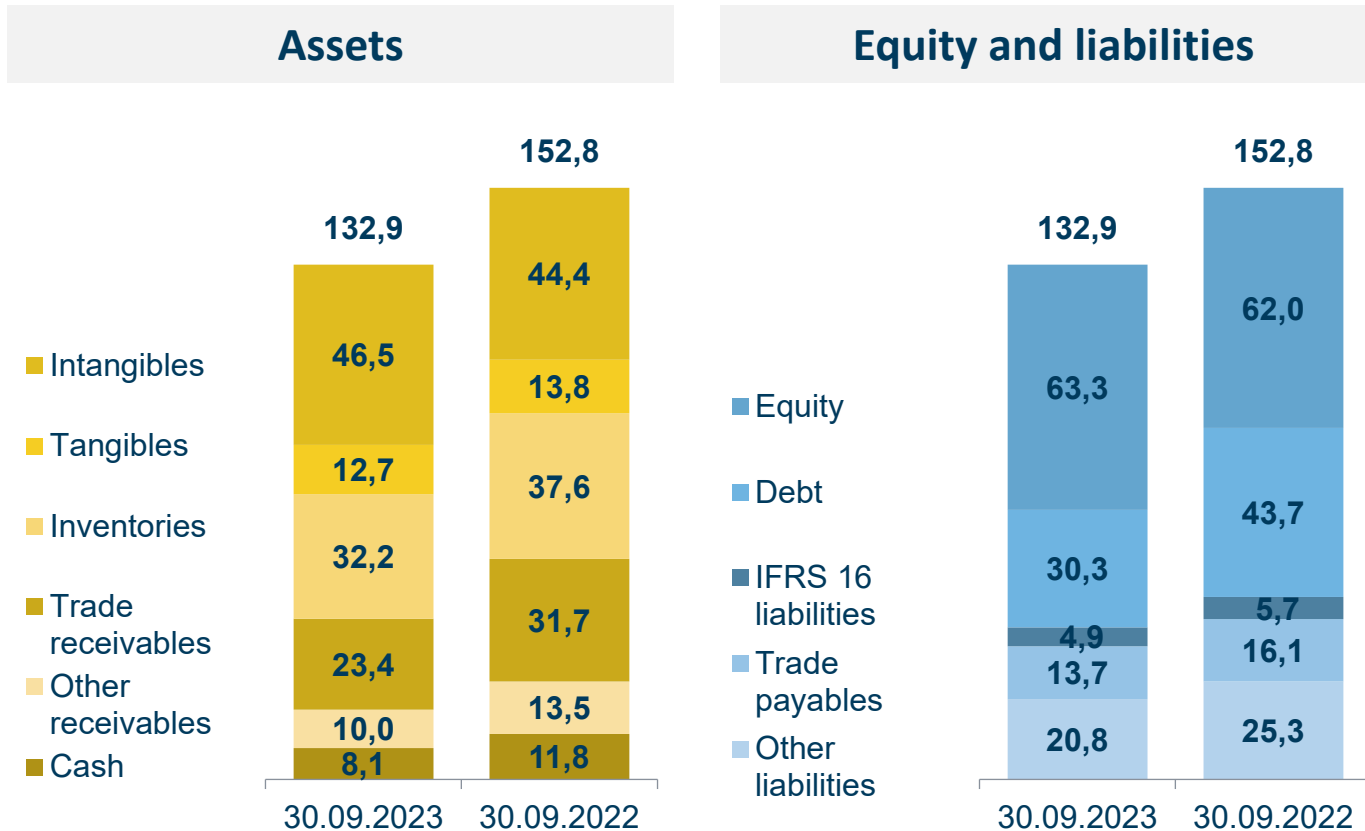
Q3 2023 financial review

Net sales and adjusted EBIT decreased. Positive cash flow.

EUR million	7-9 2023	7-9 2022	Change	1-9 2023	1-9 2022	Change	1-12 2022
Orders received	46,4	48,9	-5,0 %	117,5	155,6	-24,5 %	188,5
Order book				129,0	145,3	-11,2 %	132,2
Net sales	35,2	42,6	-17,4 %	120,7	119,0	1,4 %	165,0
Adjusted EBIT	0,5	1,1	-52,4 %	2,6	1,5	68,1 %	2,0
Adjusted EBIT, %	1,5 %	2,6 %	-	2,1 %	1,3 %	-	1,2 %
EBIT	0,5	-4,8	n/a	1,8	-4,5	n/a	-4,8
EBIT, %	1,4 %	-11,3 %	-	1,5 %	-3,8 %	-	-2,9 %
Result for the period	0,3	-4,2	n/a	2,3	-5,6	n/a	-5,9
Adjusted earnings per share, EUR	0,03	0,04	-24,9 %	0,19	-0,03	n/a	-0,01
Earnings per share, EUR	0,03	-0,22	n/a	0,15	-0,30	n/a	-0,31
Cash flow from operations	0,9	-9,7	n/a	12,6	-10,3	n/a	-7,8

Balance sheet, EUR million

Working capital and debt decreased



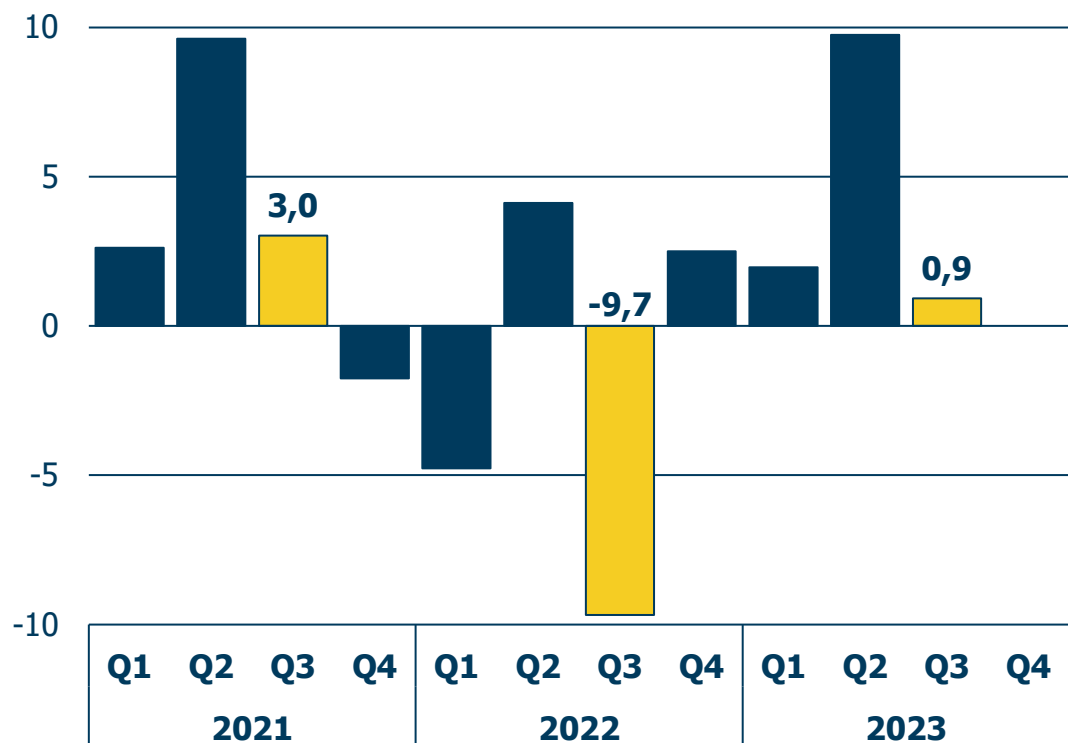
- Working capital released.
- Days of Sales Outstanding reduced to 58 days.
- Days in Inventory Outstanding increased resulting from continued long lead times of components resulting in high level of buffer stocks.
- Net debt decrease EUR 10.5 million Year-on-Year.
- Cash and unused credit facilities EUR 25.6 million at the end of Q3 2023.

Cash flow from operations

Positive cash flow in Q3 2023

Cash flow from operations

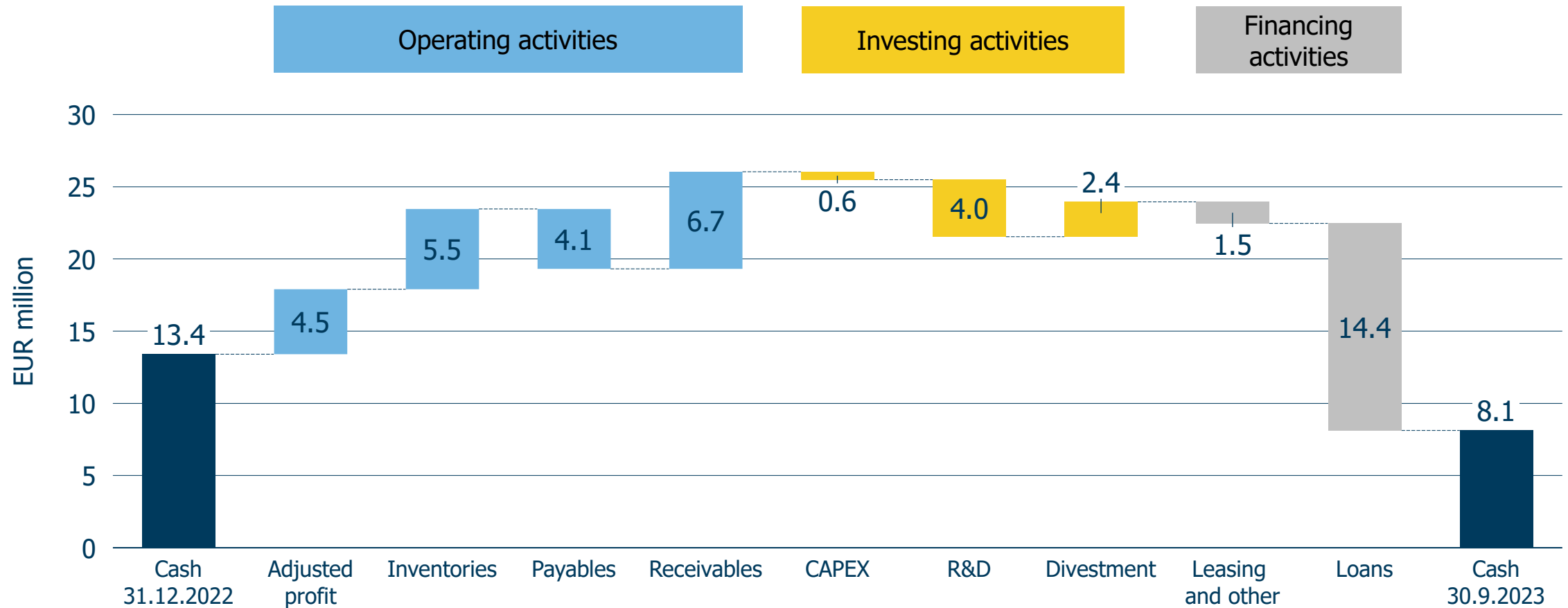
EUR million



- Cash flow from operating activities was positive for 4th consecutive quarter.
- Working capital at previous quarter level.

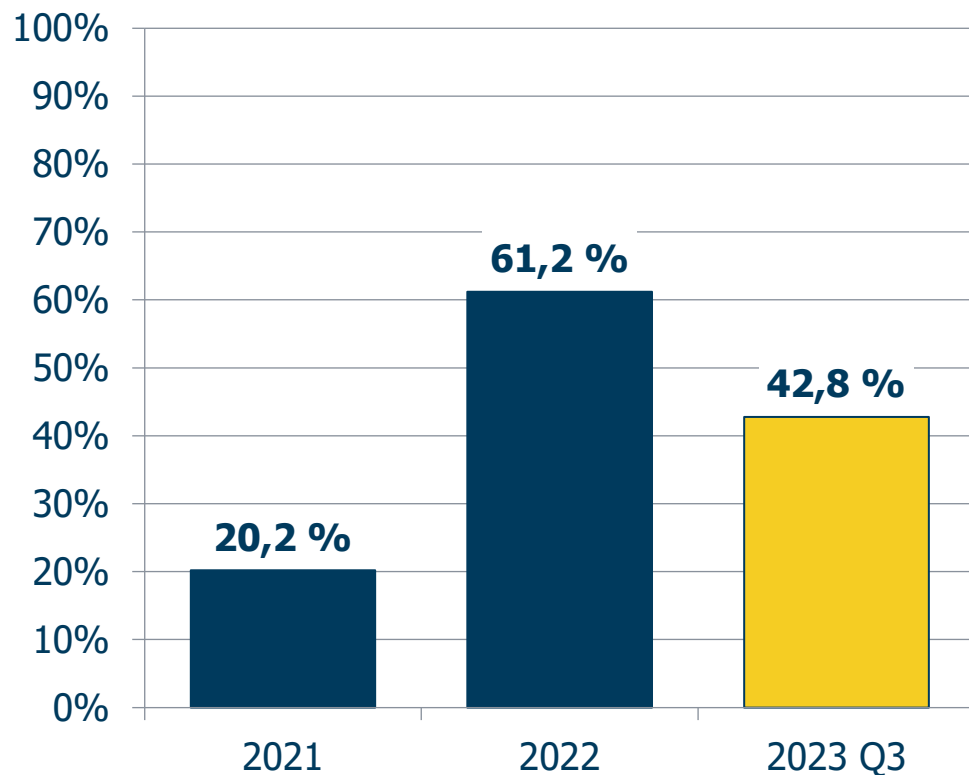
Cash flow 1-9 2023

Working capital released. Interest bearing debt reduced.



Net gearing

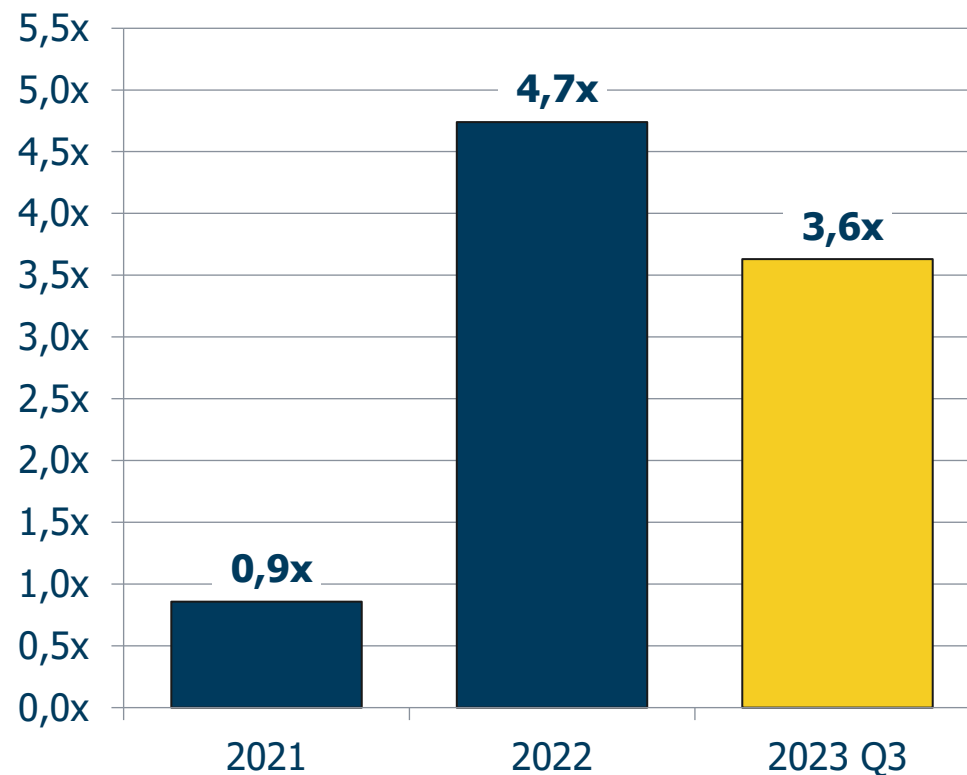
At the end of the reporting period



- Net gearing has decreased since the second quarter.

Net debt / EBITDA

Last twelve months



- Net debt decreased resulting from released net working capital.