

# Financial Statement January - December 2023

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**TELESTE**

A young woman with dark hair tied up, wearing glasses and a pink hoodie, is looking at her smartphone. She is holding a white coffee cup with a black lid. The background is a blurred city street with buildings and a car.

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Q4 2023 highlights

Q4 2023 financial review

## Key Figures Q4 and 1-12 2023

**Net sales and adjusted operating result decreased in Q4, driven by low market demand particularly in Broadband Networks.**

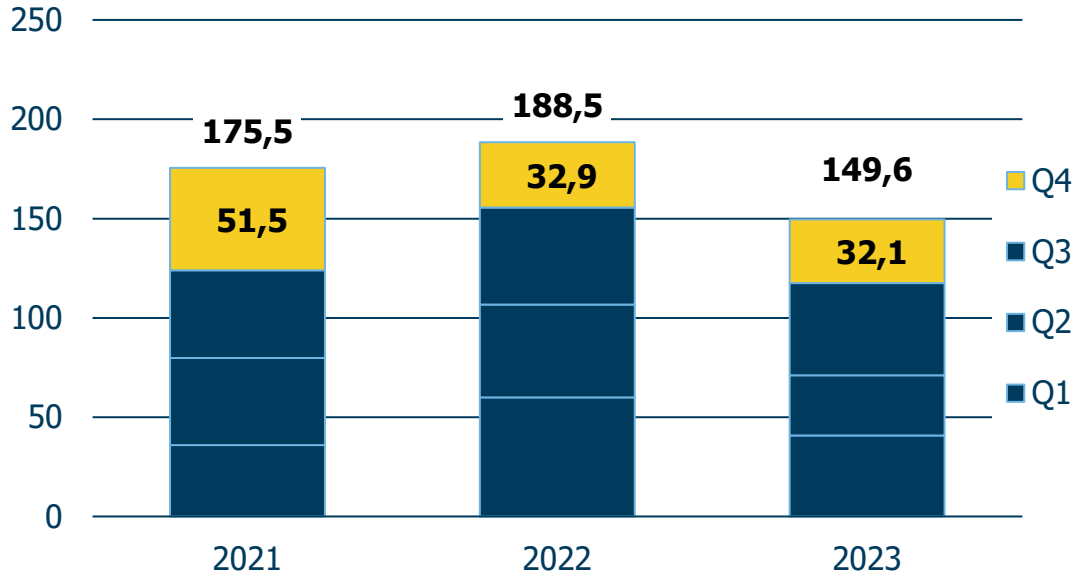
EUR million	Q4 2023	Q4 2022		1-12 2023	1-12 2022	
Net sales	30.7	46.0	-33 %	151.3	165.0	-8 %
Adjusted EBIT	-1.4	0.4	>-100 %	1.2	2.0	-41 %
EBIT	-2.3	-0.3	n/a	-0.5	-4.8	n/a
Cashflow from operations	-1.9	2.5	>-100 %	10.8	-7.8	n/a
Orders received	32.1	32.9	-3 %	149.6	188.5	-21 %
Order book				130.4	132.2	-1 %

## Orders received Q4 2023 and 1-12 2023

# Q4 orders received at comparison period level

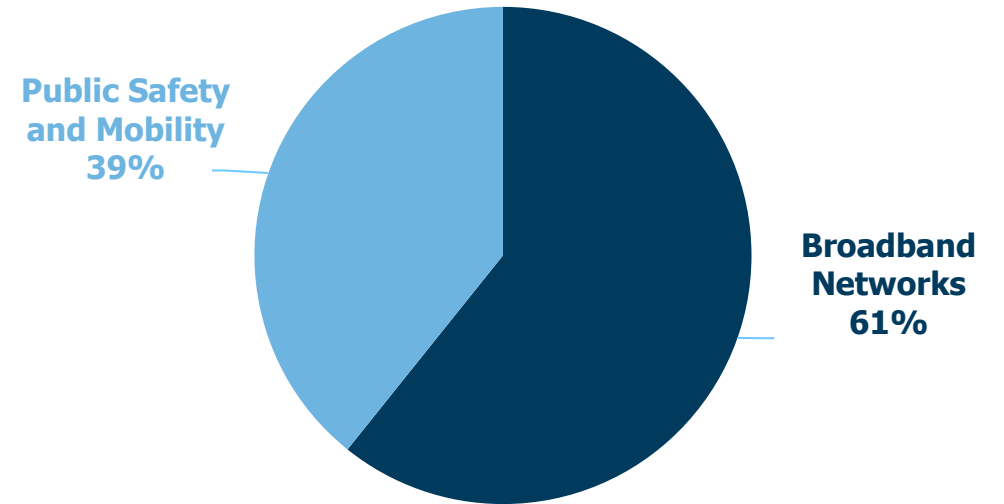
### Orders received

EUR million



- Orders received remained at previous quarter level. Demand on classical HFC products in European market at low level and ramp-up of next generation products has been slow.
- Year-on-year decrease resulted from European network operators reduced orders.

### Orders received by business, 1-12 2023



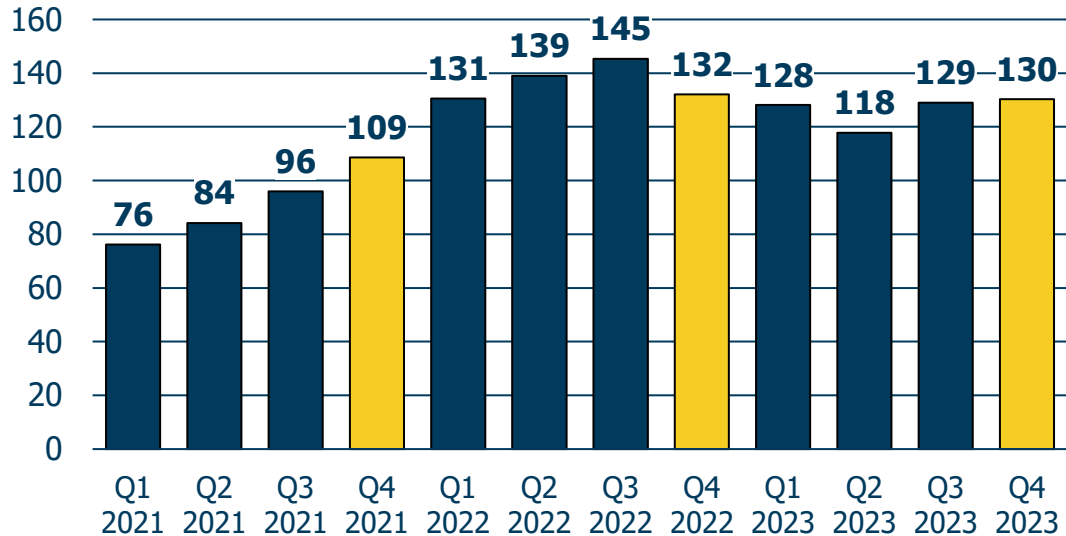
- Broadband Networks orders received reduced 24% year-on-year driven by customers inventory optimization and low network investments by European cable operators.
- Public Safety and Mobility orders received reduced 15% year-on-year resulting from decline by public transport and video security customers' orders.

## Order book 31 December 2023

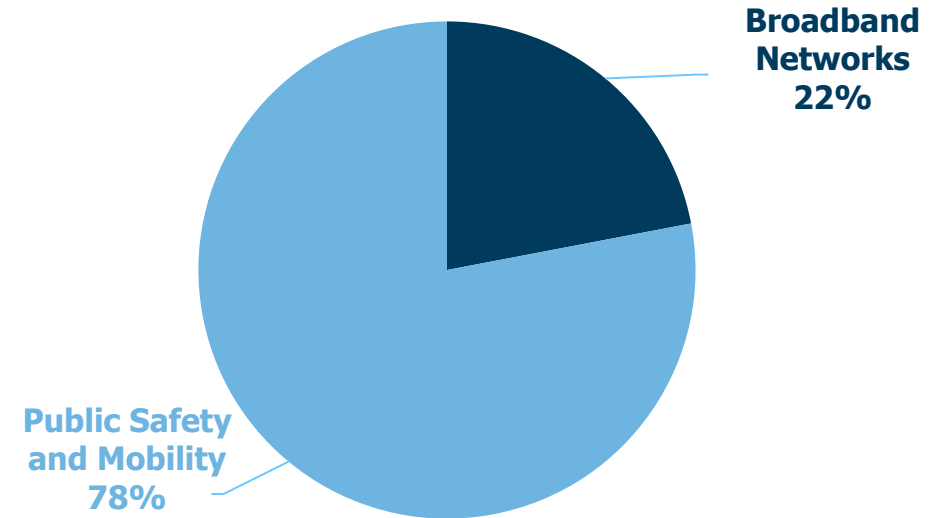
# Order book at previous quarter level

### Order book (end of the period)

EUR million



### Order book by business, 31 December 2023



- 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 43% of the deliveries in the order book are scheduled to take place before end of 2024.

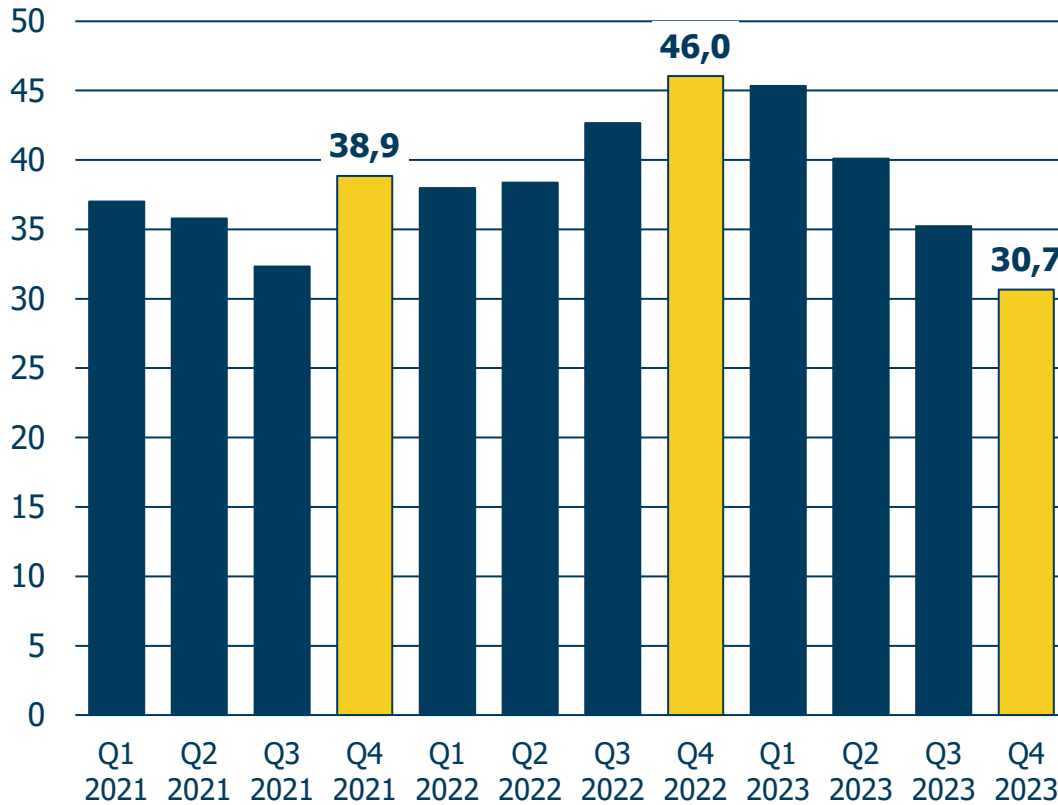
- Broadband Networks order book includes primarily deliveries to European cable operators. Most of shipments scheduled for Q1 2024.
- Public Safety and Mobility order book includes primarily deliveries to Rolling Stock Manufacturers' projects. Order book is scheduled over several years.

## Net Sales Q4 2023 and 1-12 2023

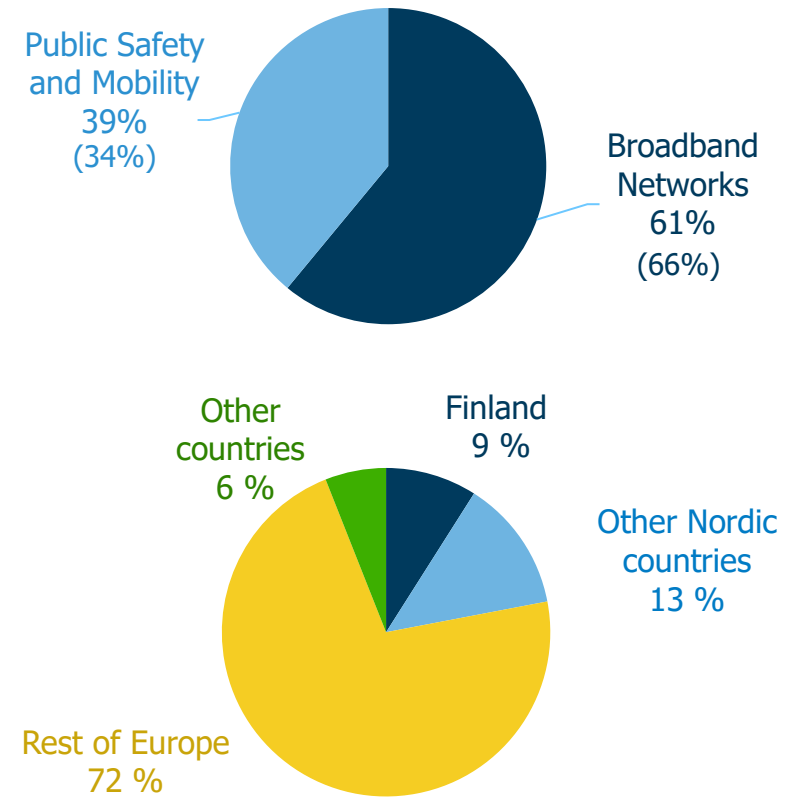
# Net sales decreased driven by Broadband Networks

### Net sales

EUR million



### Net sales, 1-12 2023

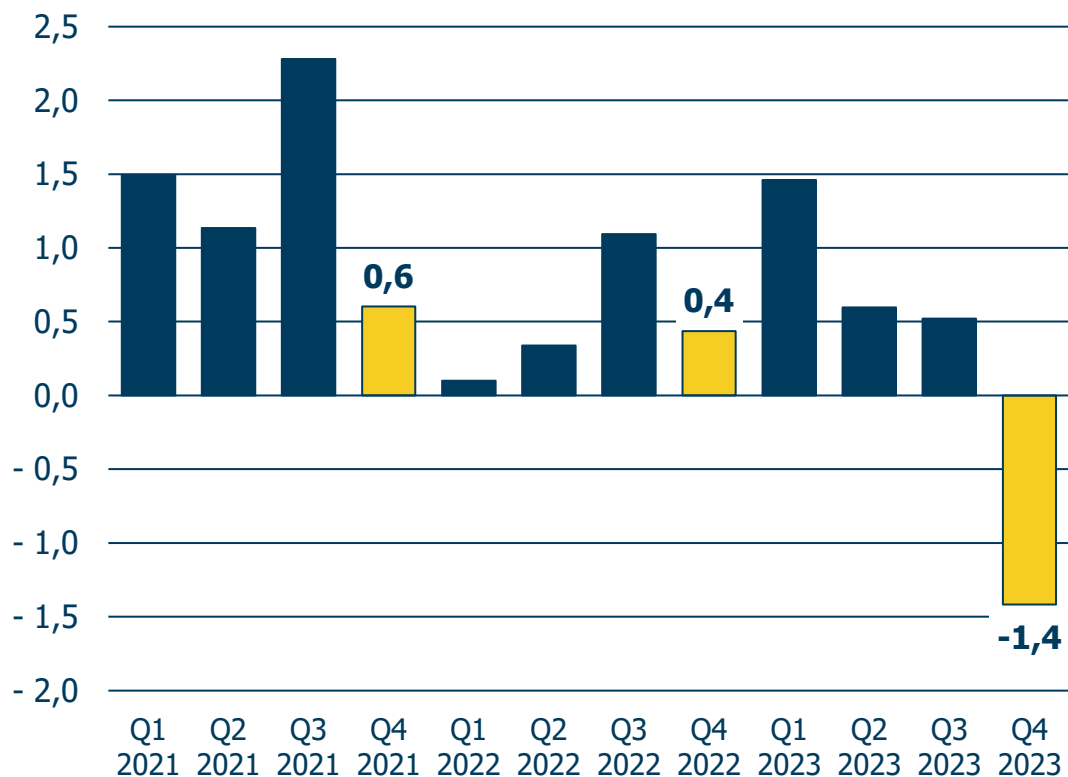


## Adjusted operating result Q4 2023

# Adjusted operating result decreased

### Adjusted operating result

EUR million



- Adjusted operating result decreased driven by net sales decrease of 33% year-on-year.
- Gross margin continued to improve but did not set-off the impact of sales decrease.
- Personnel expenses decreased by 17% year-on-year resulting from lower headcount and changes in R&D capitalizations.
- Other operating expenses decreased by 6% year-on-year.
- Depreciation and amortisation increased by 11% year-on-year.
- Actions on-going to further reduce operating expenses and improve profitability.





## **Guidance for the fiscal year 2024**

Teleste estimates that the net sales in 2024 will amount to EUR 140-165 million and that the adjusted operating result in 2024 will be EUR 3-6 million euros.



Q4 2023 highlights

Q4 2023 financial review

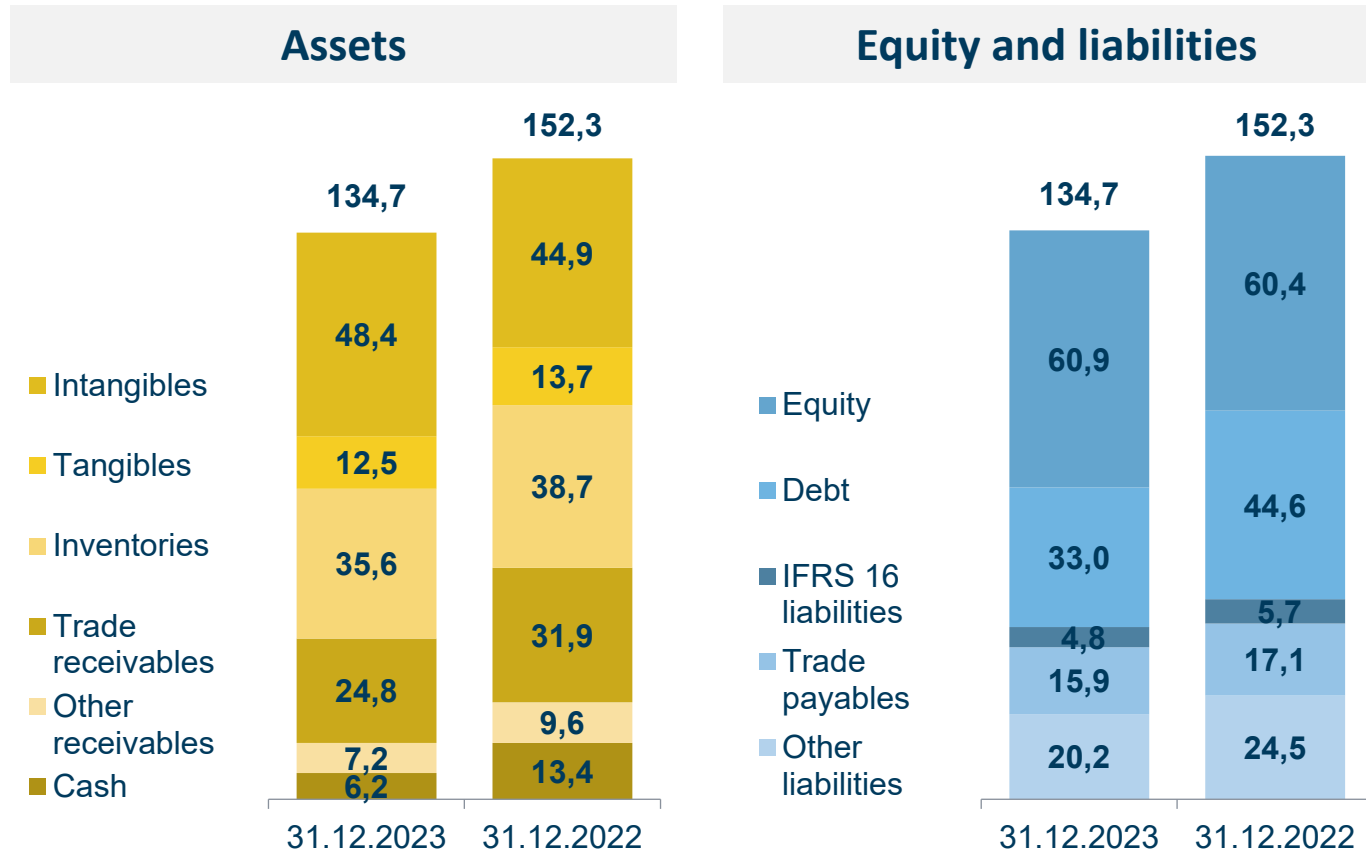
## Teleste Group, Q4 2023 and 1-12 2023

# Net sales and adjusted EBIT decreased.

EUR million	10-12 2023	10-12 2022	Change	1-12 2023	1-12 2022	Change
Orders received	32.1	32.9	-2.6 %	149.6	188.5	-20.7 %
Order book				130.4	132.2	-1.4 %
Net sales	30.7	46.0	-33.4 %	151.3	165.0	-8.3 %
Adjusted EBIT	-1.4	0.4	>-100 %	1.2	2.0	-41.2 %
Adjusted EBIT, %	-4.6 %	0.9 %	-5.6 pp	0.8 %	1.2 %	-0.4 pp
EBIT	-2.3	-0.3	n/a	-0.5	-4.8	n/a
EBIT, %	-7.6 %	-0.6 %	-7.0 pp	-0.3 %	-2.9 %	+2.6 pp
Result for the period	-2.8	-0.3	n/a	-0.5	-5.9	n/a
Adjusted earnings per share. EUR	-0.10	0.02	>-100 %	0.09	-0.01	n/a
Earnings per share. EUR	-0.15	-0.01	n/a	0.00	-0.31	n/a
Cash flow from operations	-1.9	2.5	>-100 %	10.8	-7.8	n/a

# Balance sheet, EUR million

## Working capital and debt decreased



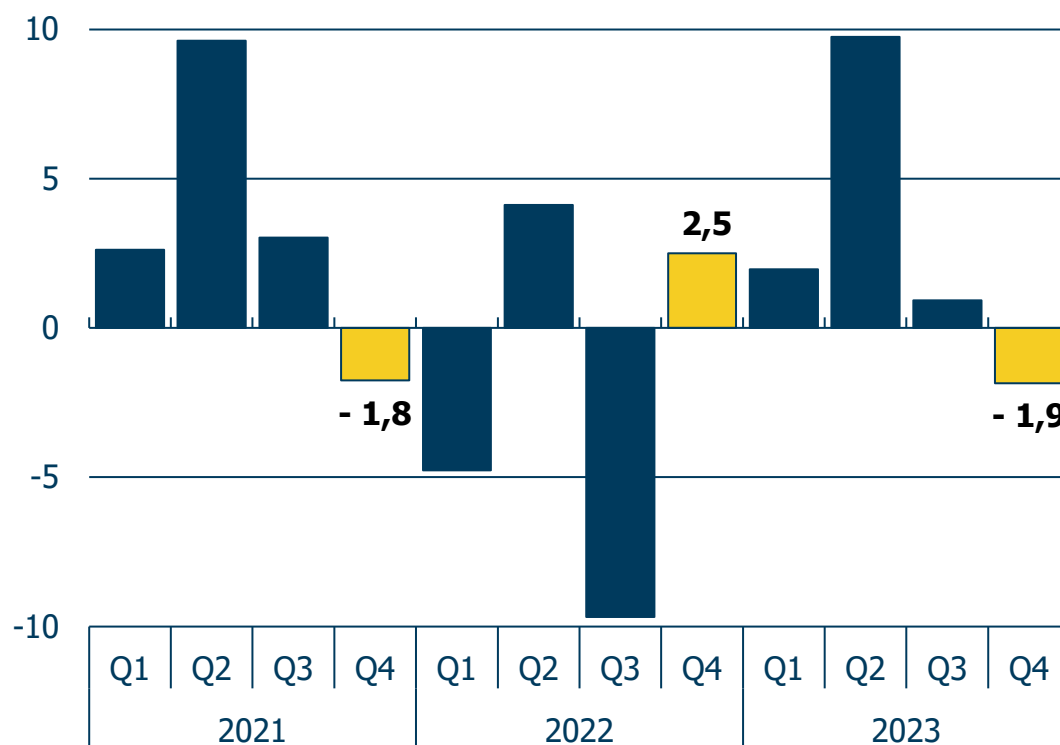
- Working capital released.
- Interest bearing debt decreased.
- Days in Inventory Outstanding (rolling 3mth) increased significantly resulting from high level of buffer stocks and declining Broadband Networks sales in Q4 2023.
- Net debt decreased EUR 5.4 million Year-on-Year.
- Cash and unused credit facilities EUR 20.9 million at the end of 2023.

## Cash flow from operations

# 2023 cash flow positive EUR 10,8 million

### Cash flow from operations

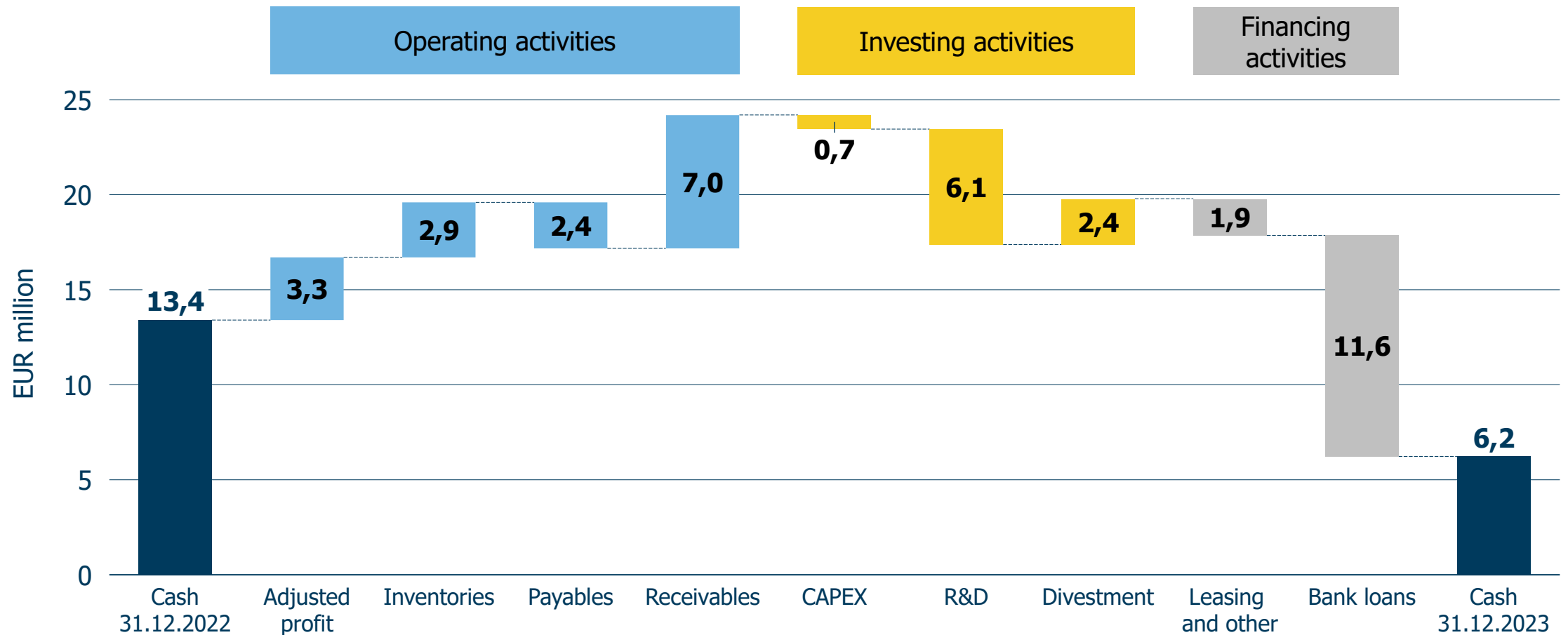
EUR million



- Q4 2023 cash flow from operating activities was negative due to adjusted operating loss and one-off restructuring costs.
- Working capital reduction slowed down in Q4 2023 due to high buffer stocks in inventories.
- Inventories are high especially for distributed access architecture products.

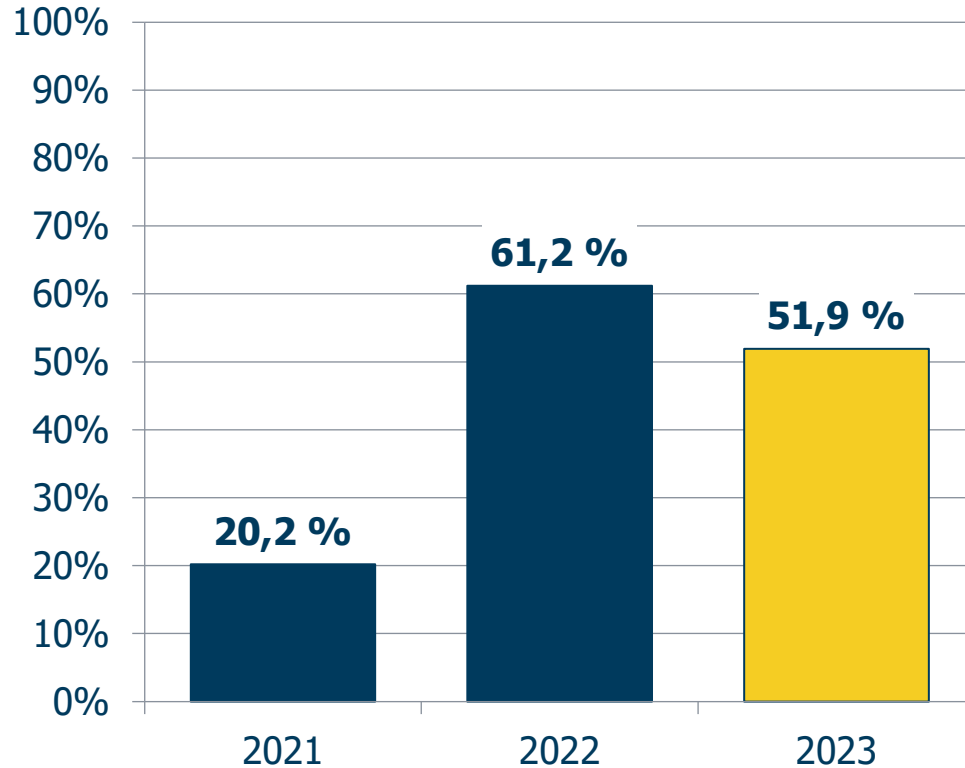
## Cash flow 1-12 2023

# Working capital released. Interest bearing debt reduced.



## Net gearing

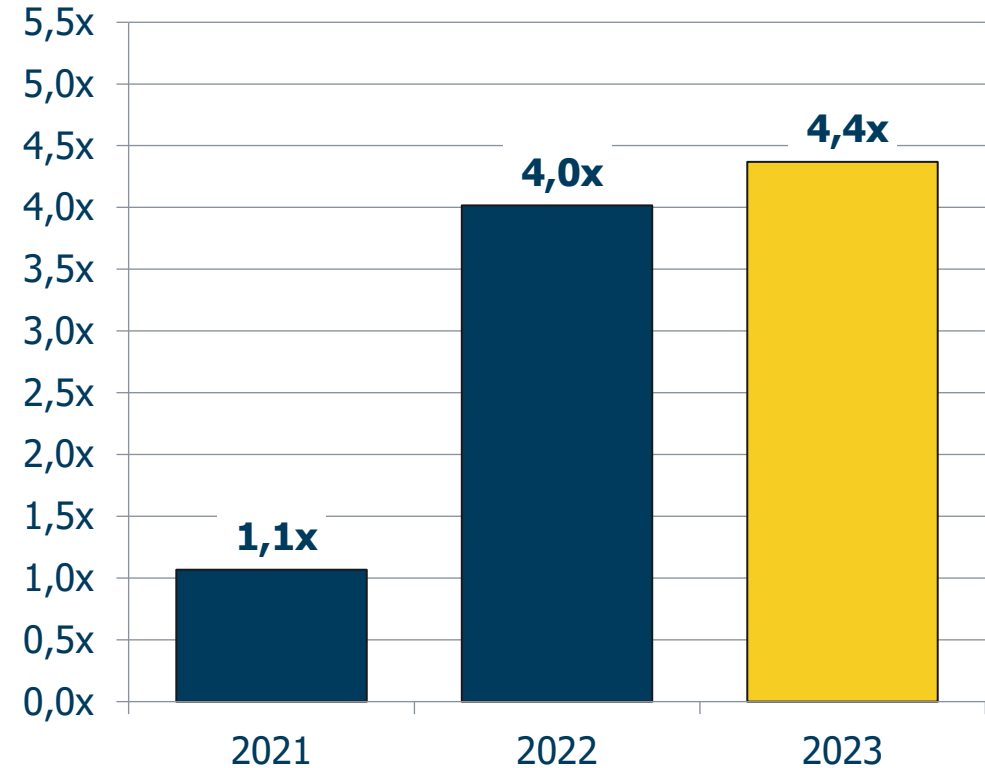
At the end of the reporting period



- Net gearing decreased slightly in 2023.

## Net debt / adjEBITDA

Last twelve months



- The decrease in adjEBITDA has increased the debt ratio, although net debt has decreased during 2023.