



Interim report January - September 2024

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TELESTE

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Teleste in brief

International technology group with an integrated product portfolio that makes it possible to build a networked and secure society while reducing negative impacts on the environment.

Our solutions

- enable ultra-fast broadband services
- secure safety in public places
- guide usage of public transport

Founded
1954

Leading
technology company
in its field

Net sales
151.3 M€
year 2023

Listed in
Nasdaq Helsinki
since
1999

Adjusted EBITDA
7.2 M€
year 2023

Headquarters in
Turku, Finland

700
Employees, end 2023

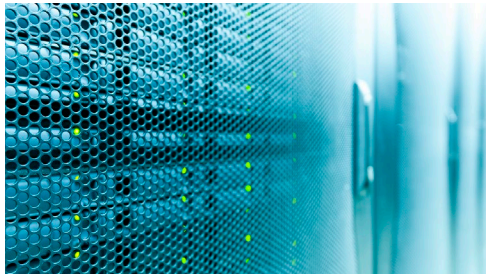


Our businesses and customers

Broadband Networks



Public Safety and Mobility



Our customers serve
100 million
Internet-users



In public transportation
1.5 billion
passengers using our technology
annually



Q3 2024 highlights

Q3 2024 financial review

Key Figures Q3 2024 and YTD end Q3 2024

Operating profit increased despite revenue decline. Deliveries in North America on the rise, low demand in Europe. Cash flow at a good level.

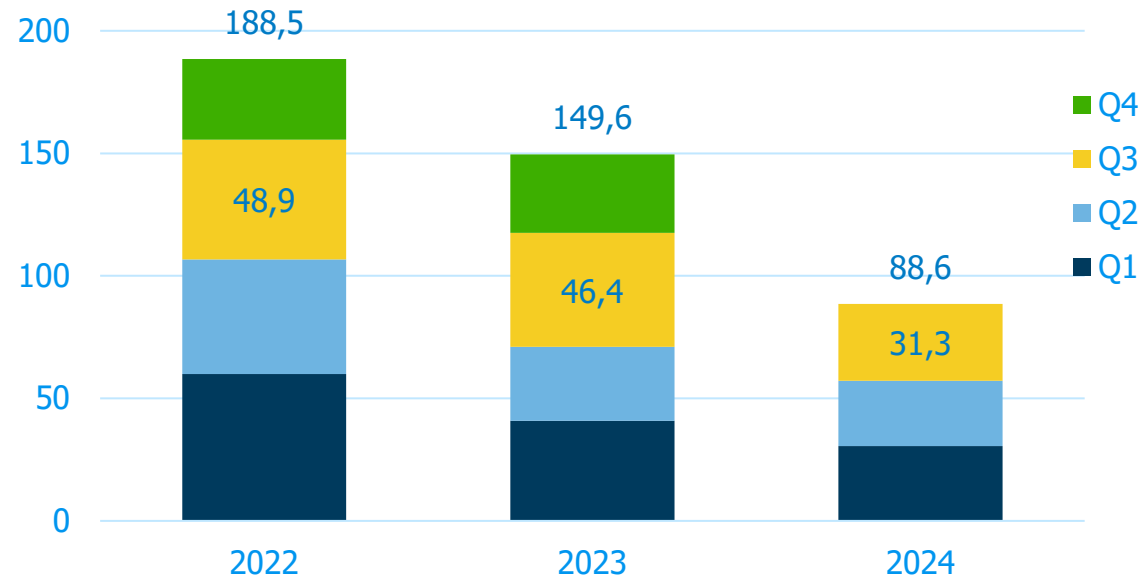
EUR million	7-9 2024	7-9 2023	1-9 2024	1-9 2023	1-12 2023
Net sales	29.9	35.2	96.0	120.7	151.3
Adjusted EBITDA	2.7	1.9	7.1	6.9	7.2
Adjusted EBIT	1.5	0.5	3.2	2.6	1.2
EBIT	1.3	0.5	0.2	1.8	-0.5
Cashflow from operations	3.5	0.9	10.6	12.6	10.8
Orders received	31.3	46.4	88.6	117.5	149.6
Order book			118.5	129.0	125.9

Orders received Q3 2024

Orders received decreased

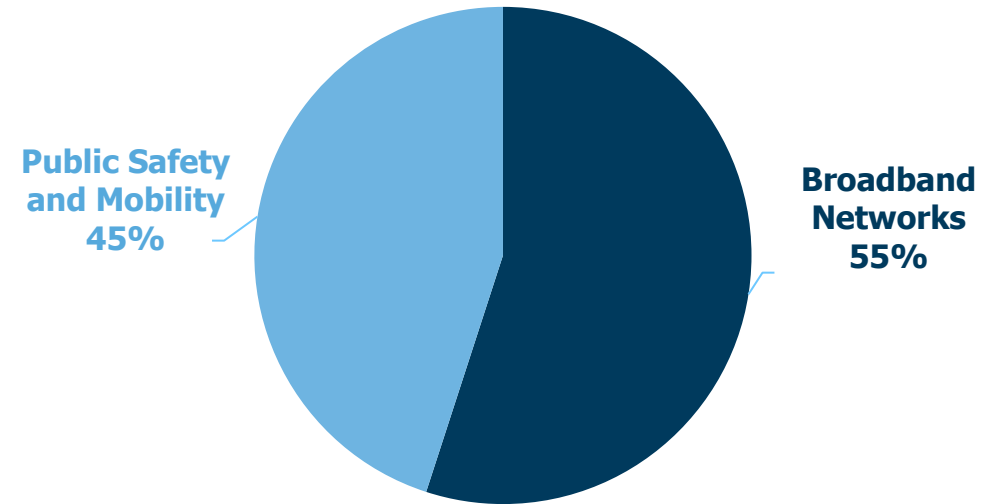
Orders received

EUR million



- Broadband Networks new orders decreased by 32,6 % year-on-year in Q3.
- Public Safety and Mobility orders decreased by 32,4 % year-on-year in Q2 due to typical volume fluctuation in project-driven business.

Orders received by business, 1-9 2024



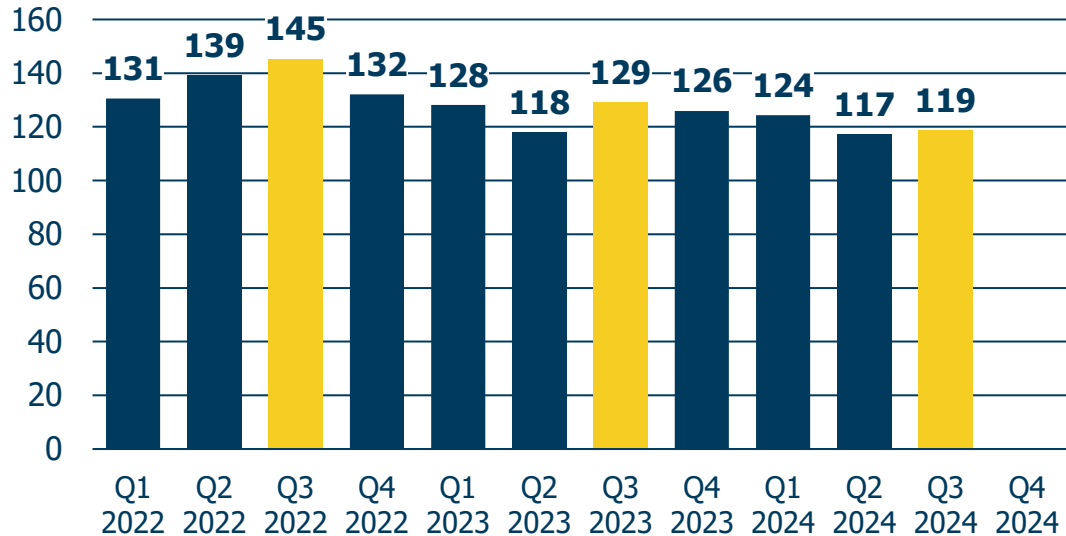
- Orders for ICON 1.8 GHz smart amplifiers grew significantly in North America.
- Demand on European cable market remained low.

Order book 30 September 2024

Order book slightly decreased towards comparison period

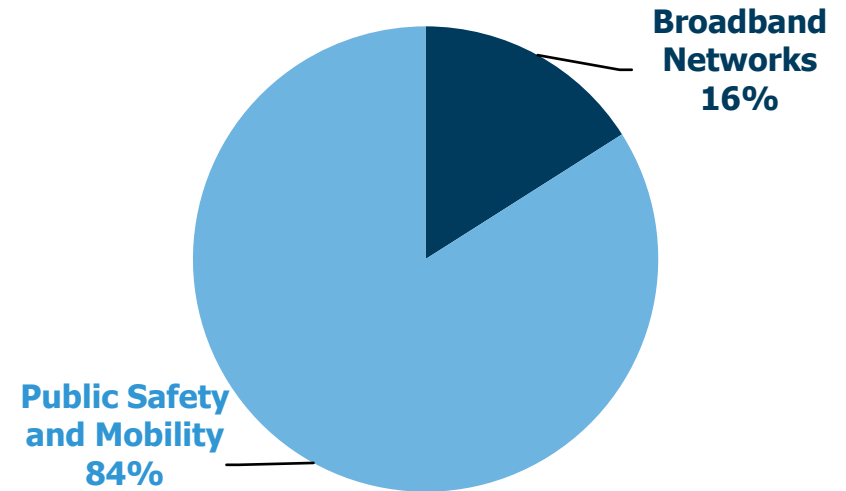
Order book (end of the period)

EUR million



- Order book at the end of the period decreased by 8,1 % compared to the previous year.
- Approximately 22 % of the deliveries in the order book are scheduled for 2024.

Order book by business, 30 September 2024



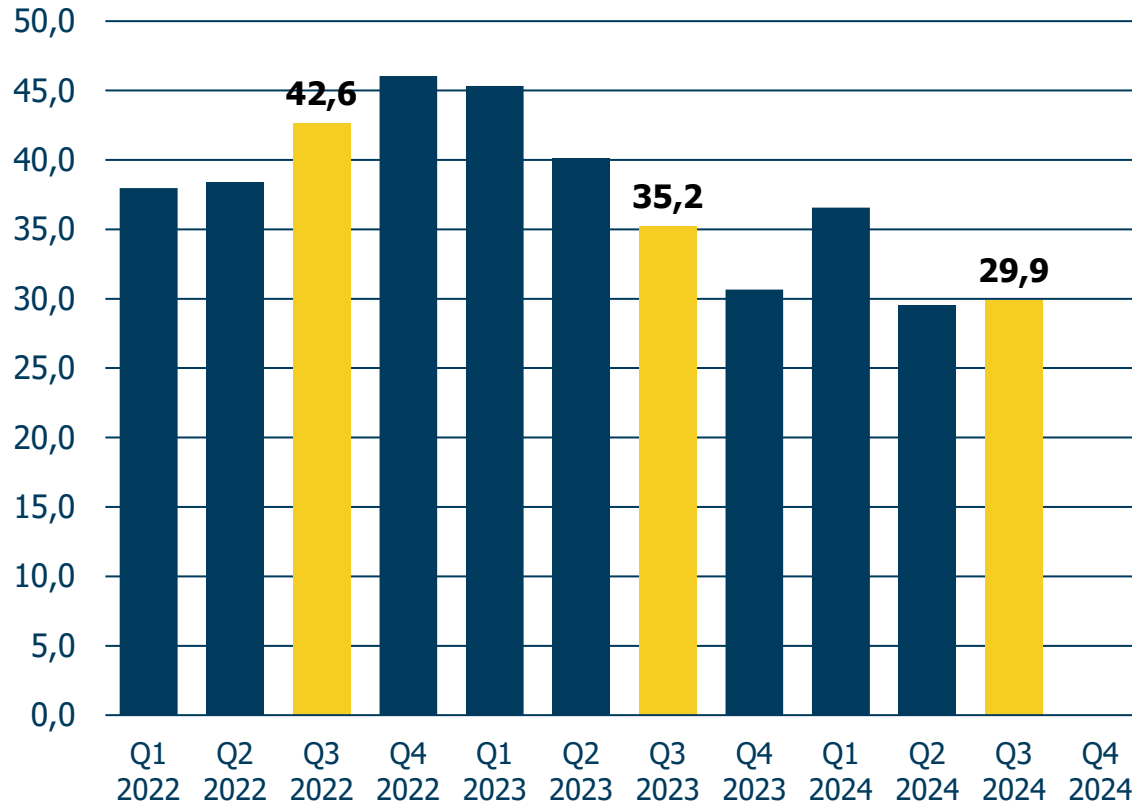
- Broadband Networks order book decreased by 28,1 % year-on-year. The decrease was due to the weak accumulation of new orders in Europe in 2024.
- Public Safety and Mobility order book decreased by 2,9 %. The order book is scheduled for several years.

Net Sales Q3 2024

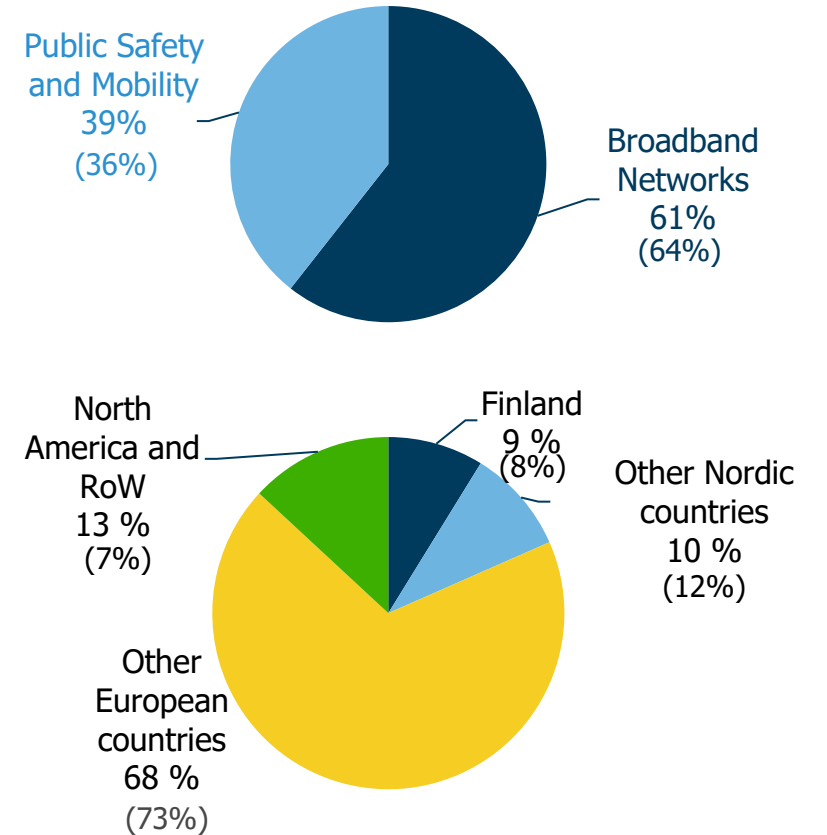
Net sales decreased due to low demand in Europe

Net sales

EUR million



Net sales, 1-9 2024

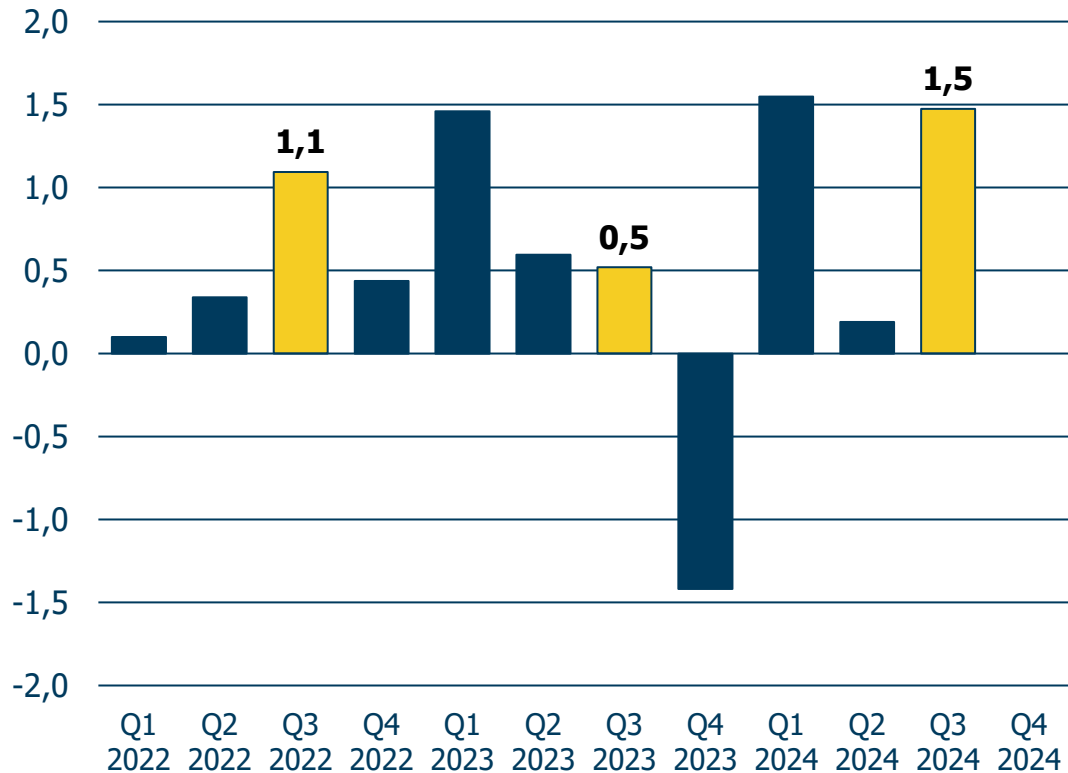


Adjusted operating result Q3 2024

Adjusted EBIT increased due to gross margin and lower OPEX

Adjusted EBIT

EUR million



Adjusted EBIT increased due to significant cost-saving and productivity measures.

- Gross margin continued to improve, with an increase of +3.6 ppt year-on-year.
- Personnel expenses decreased by 20.0 % year-on-year due to lower headcount.
- Other operating expenses decreased by 13.5% year-on-year.
- Depreciation and amortisation decreased by 12% year-on-year.



Guidance for the financial year 2024 (updated 16.9.2024)

Teleste estimates that the net sales in 2024 will amount to 120-135 million euros and that the adjusted operating result in 2024 will be 1-4 million euros.



Q3 2024 highlights

Q3 2024 financial review

Net sales decreased following low demand on European cable market, but adjusted EBIT improved

EUR million	7-9 2024	7-9 2023	1-9 2024	1-9 2023	1-12 2023
Net sales	29.9	35.2	96.0	120.7	151.3
Adjusted EBITDA	2.7	1.9	7.1	6.9	7.2
<i>Adjusted EBITDA, %</i>	<i>9.0 %</i>	<i>5.4 %</i>	<i>7.4 %</i>	<i>5.7 %</i>	<i>4.8 %</i>
Adjusted EBIT	1.5	0.5	3.2	2.6	1.2
<i>Adjusted EBIT, %</i>	<i>4.9 %</i>	<i>1.5 %</i>	<i>3.3 %</i>	<i>2.1 %</i>	<i>0.8%</i>
EBIT	1.3	0.5	0.2	1.8	-0.5
<i>EBIT, %</i>	<i>4.3%</i>	<i>1.4 %</i>	<i>0.2%</i>	<i>1.5 %</i>	<i>-0.3%</i>
Result for the period	0.6	0.3	-1.1	2.3	-0.5
Adjusted earnings per share, EUR	0.05	0.03	0.12	0.19	0.09
Earnings per share, EUR	0.04	0.03	-0.05	0.15	0.00
Cash flow from operations	3.5	0.9	10.6	12.6	10.8
Orders received	31.3	46.4	88.6	117.5	149.6
Order book			118.5	129.0	125.9
Personnel at period-end			642	789	750

Operating segments Q3 2024

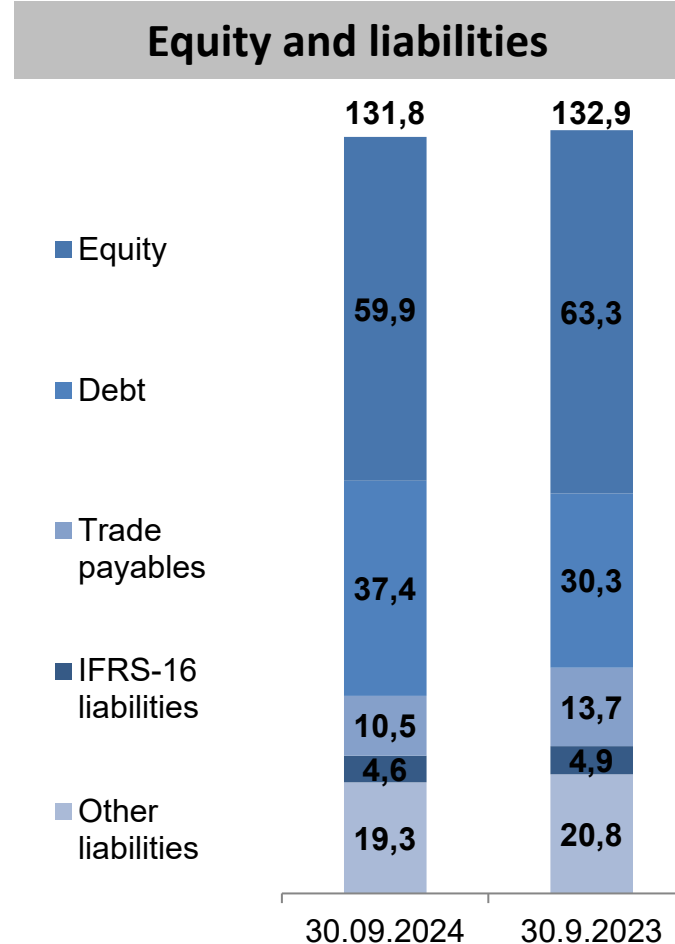
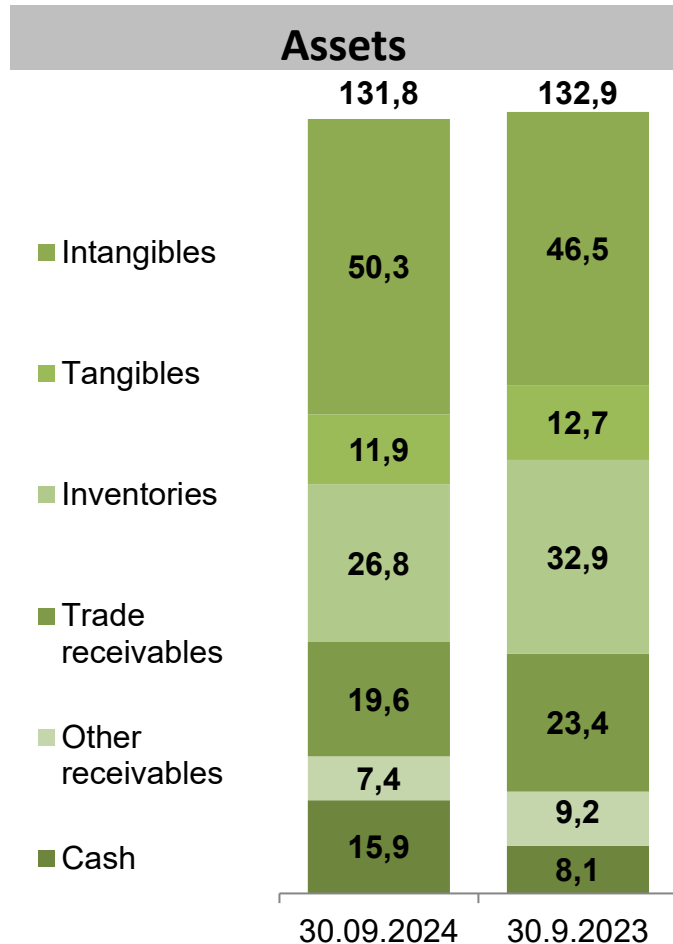
Net sales decreased in both Business Units; quarterly profitability improved

Broadband Networks	7-9 2024	7-9 2023	1-9 2024	1-9 2023	1-12 2023
Net sales, MEUR	18.1	21.1	58.2	77.1	92.5
Adjusted EBITDA, MEUR	2.2	1.6	7.1	7.7	8.9
<i>Adjusted EBITDA, %</i>	<i>12.8%</i>	<i>7.7%</i>	<i>12.2%</i>	<i>10.0%</i>	<i>9.6%</i>
Adjusted EBIT, MEUR	1.5	1.0	5.1	5.7	6.0
<i>Adjusted EBIT, %</i>	<i>8.5%</i>	<i>4.8%</i>	<i>8.7%</i>	<i>7.4%</i>	<i>6.5%</i>
Orders received, MEUR	16.0	23.3	49.1	71.4	88.3
Order book, MEUR			19.3	26.8	28.4

Public Safety and Mobility	7-9 2024	7-9 2023	1-9 2024	1-9 2023	1-12 2023
Net sales, MEUR	11.8	14.2	37.8	43.6	58.9
Adjusted EBITDA, MEUR	1.2	0.9	2.9	2.5	2.8
<i>Adjusted EBITDA, %</i>	<i>10.2%</i>	<i>6.7%</i>	<i>7.8%</i>	<i>5.6%</i>	<i>4.7%</i>
Adjusted EBIT, MEUR	0.7	0.2	1.1	0.2	-0.4
<i>Adjusted EBIT, %</i>	<i>5.7%</i>	<i>1.2%</i>	<i>2.9%</i>	<i>0.4%</i>	<i>-0.7%</i>
Orders received, MEUR	15.4	22.8	39.5	46.1	61.2
Order book, MEUR			99.2	102.2	97.5

Balance sheet, EUR million

Net working capital



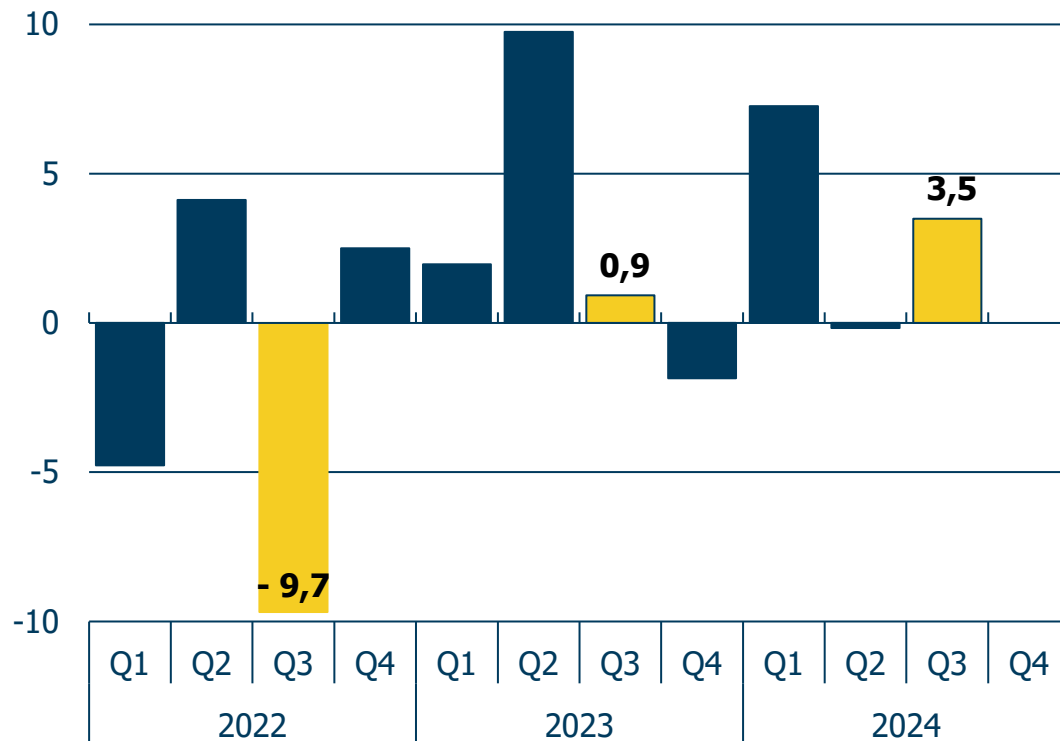
- Net Working Capital released EUR 6.6 million year-on-year.
- Interest bearing debt increased EUR 6.8 million year-on-year along with refinancing arrangement.
- Interest-bearing Net Debt EUR 26.1 million
- Cash and unused credit facilities were EUR 22.9 million 30 September 2024.

Cash flow from operations

Strong cash flow in Q3 2024

Cash flow from operations

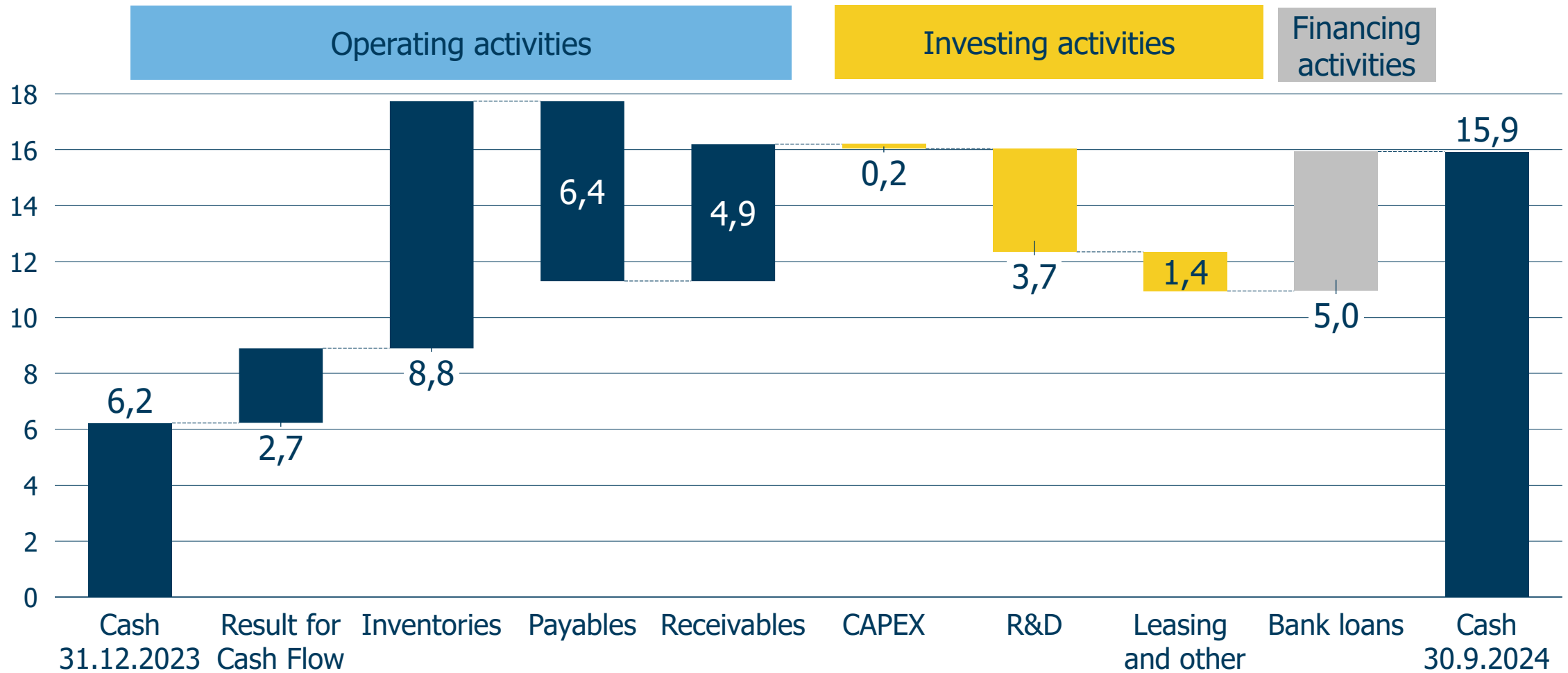
EUR million



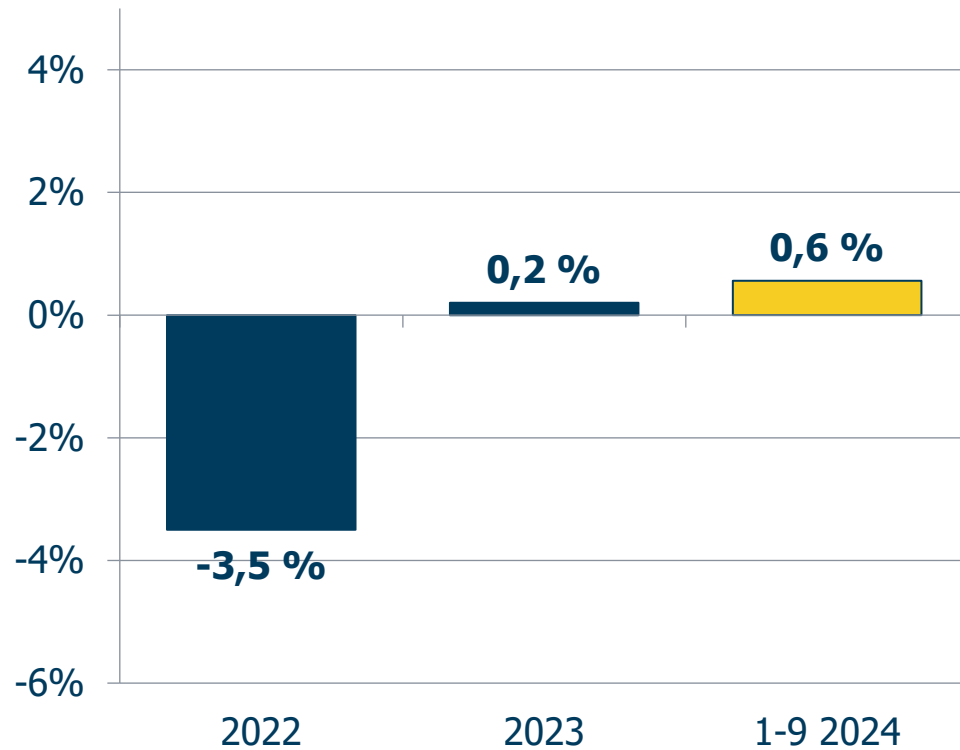
- Q3 2024 operative cash flow EUR 3.5 Million.
- Working capital was released from inventories and trade receivables, partly along with changes of net sales

Cash flow 1-9 2024

Teleste Group M€



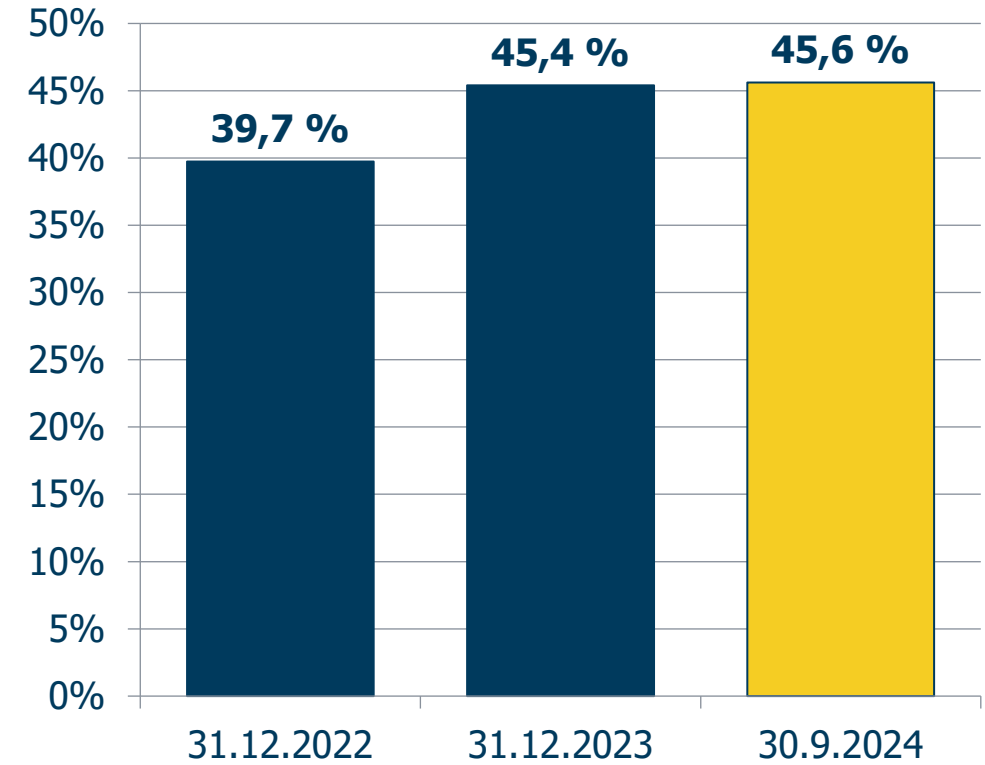
Return on capital employed



- Slightly positive Return on Capital Employed despite restructuring costs related to cost-saving programmes.

Equity ratio

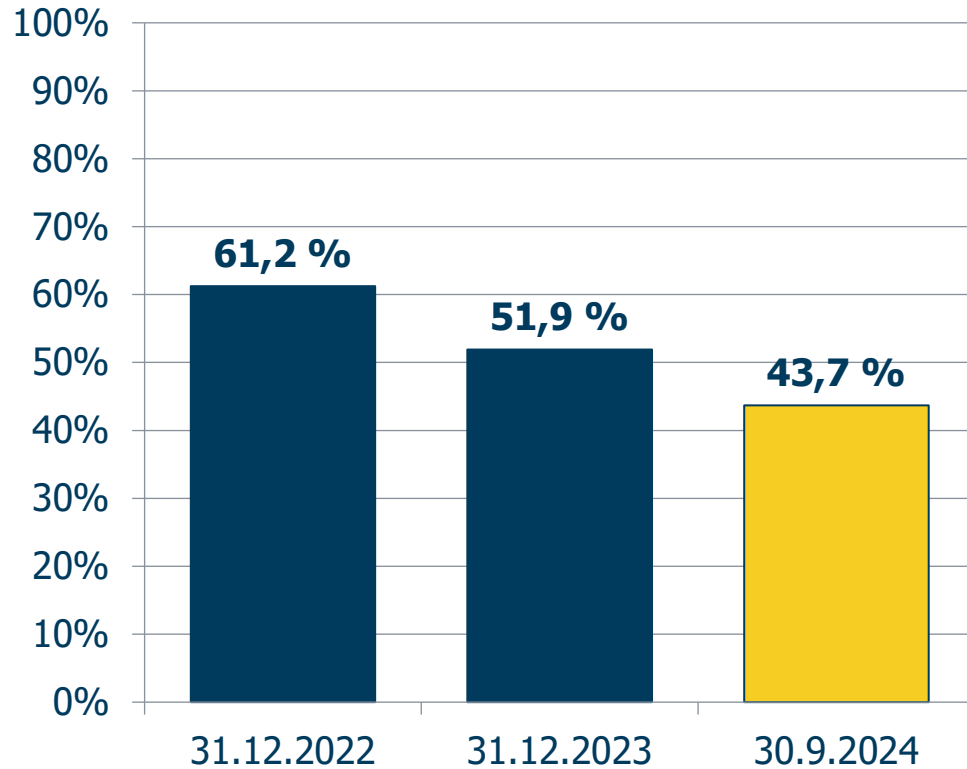
At the end of the period



- The equity ratio is unchanged compared to 31.12.2023

Net gearing

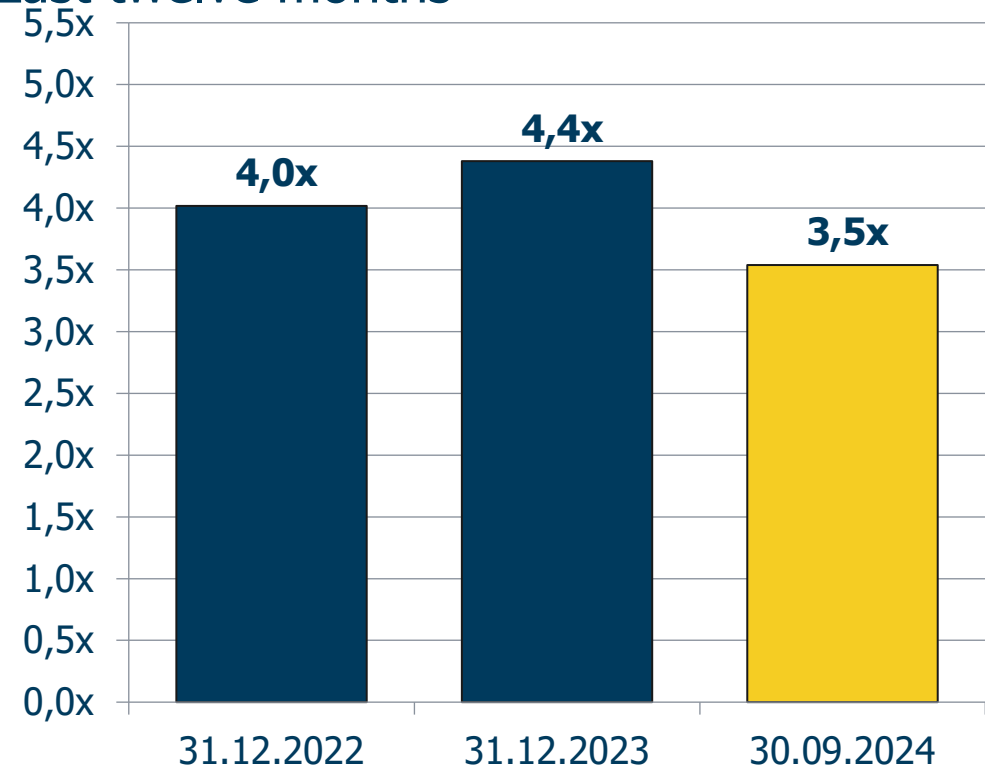
At the end of the reporting period



- Net Gearing decreased in the beginning of year 2024 due to significantly improved cash position, compared to increased interest-bearing debt increase and slightly decreased shareholder capital

Interest-bearing Net debt / adjEBITDA

Last twelve months



- Interest-bearing net debt to adjusted EBITDA ratio improved due to improvements in aEBITDA and higher cash compared to increased interest-bearing debt.