

Financial Statement January - December 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
132.5 M€
year 2024

Listed in
Nasdaq Helsinki
since
1999

Adjusted EBITDA
9.2 M€
year 2024

Headquarters in
Turku, Finland

670
Employees, av. 2024

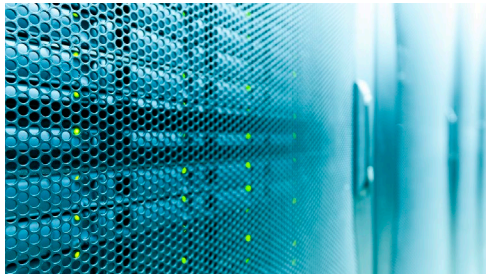


Our businesses and customers

Broadband Networks



Public Safety and Mobility



Our customers serve
100 million
Internet-users



In public transportation
1.5 billion
passengers using our technology
annually



Q4 and FY 2024 highlights

Q4 and FY 2024 financial review

Key Figures Q4 2024 and 2024

**IMPROVED ORDERS, NET SALES, AND ADJUSTED OPERATING RESULT.
INCREASE IN ORDERS IN NORTH AMERICA.**

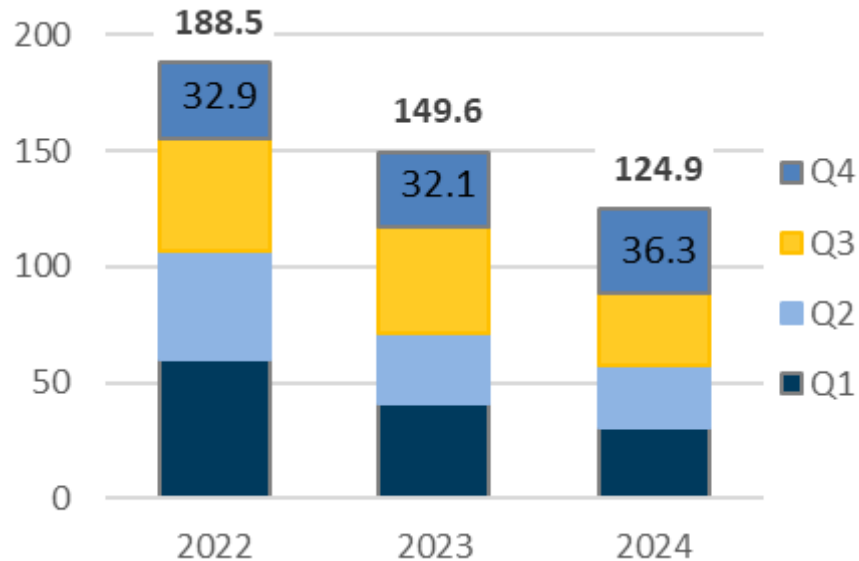
EUR million	10-12 2024	10-12 2023	1-12 2024	1-12 2023
Net sales	36.5	30.7	132.5	151.3
Adjusted EBITDA	2.1	0.4	9.2	7.2
Adjusted EBIT	0.8	-1.4	4.0	1.2
EBIT	-5.7	-2.3	-5.5	-0.5
Cashflow from operations	1.8	-1.9	12.4	10.8
Orders received	36.3	32.1	124.9	149.6
Order book			118.3	125.9

Orders received Q4 2024 and 1-12 2024

Orders increased, exceeding previous quarter and YoY

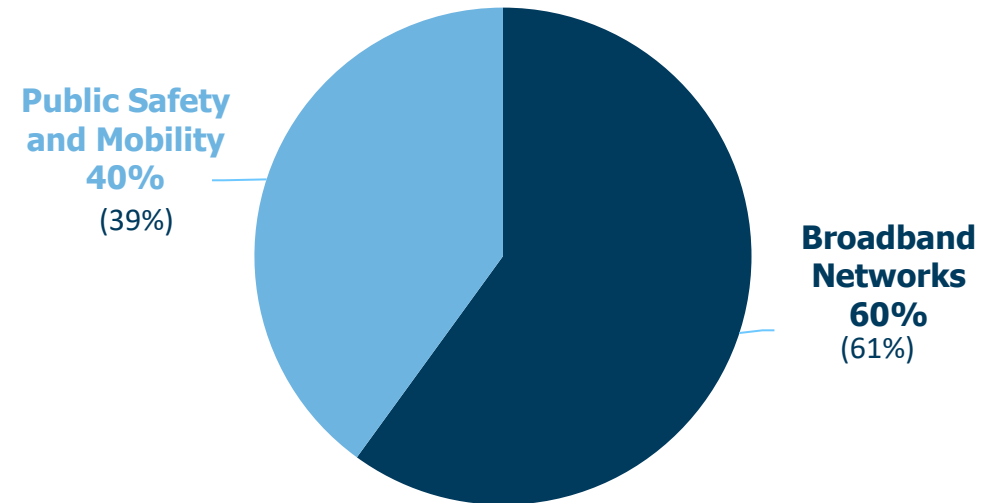
Orders received

EUR million



- Orders received grew in Q4'24 compared to previous quarter and Year-on-Year.
- North America demand is growing, while European market decline seems to have stabilized.
- Full-year orders decreased due to European network operator demand, which was not yet offset by increase in North America. Orders reduced also in Public Safety and Mobility segment

Orders received by business units, 1-12 2024



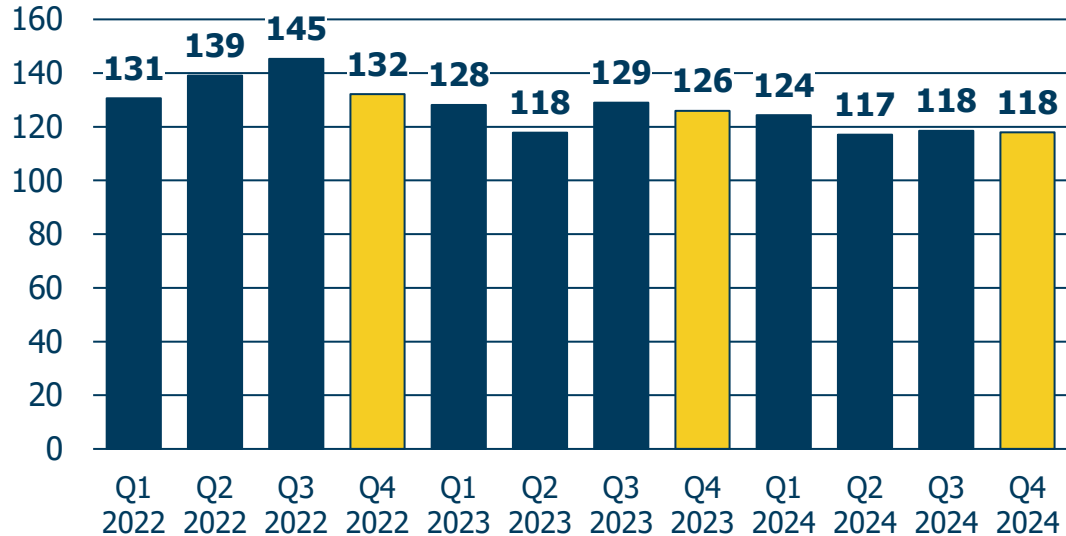
- Broadband Networks orders received reduced 11% year-on-year driven by customers inventory optimization and low network investments by European cable operators, which was not fully off set by North America growth.
- Public Safety and Mobility orders received reduced 18% year-on-year resulting from decline by public transport and video security customers' orders.

Order book 31 December 2024

Order book stabilized

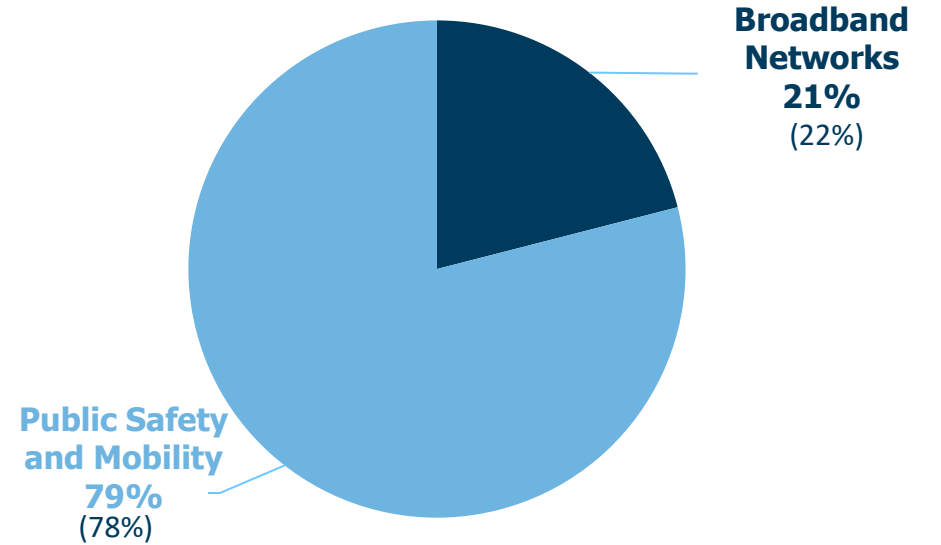
Order book (end of the period)

EUR million



- Order backlog has stabilized, though changes between geographies and businesses.
- Approximately 57% of the deliveries in the order book are scheduled to take place within 2025.

Order book by business units, 31 December 2024



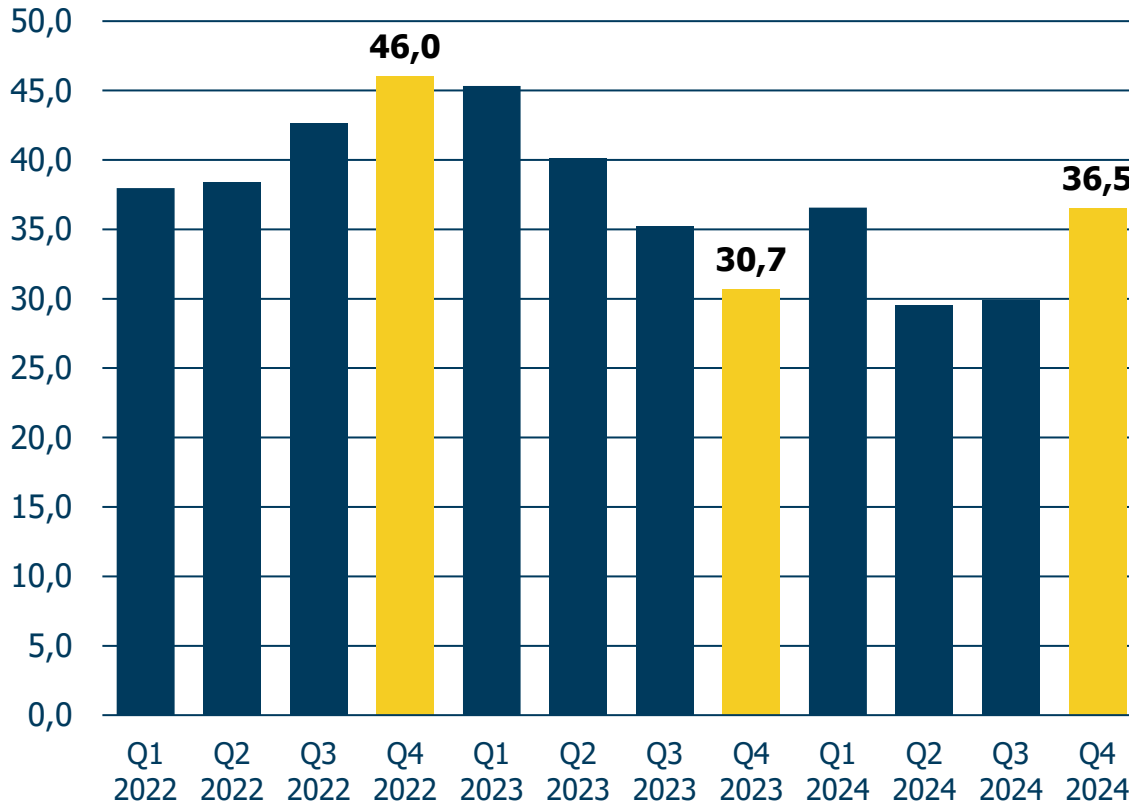
- Broadband Networks orderbook is traditionally for the shorter period, while Public Safety and Mobility orders have longer term project orders.

Net Sales Q4 2024 and 1-12 2024

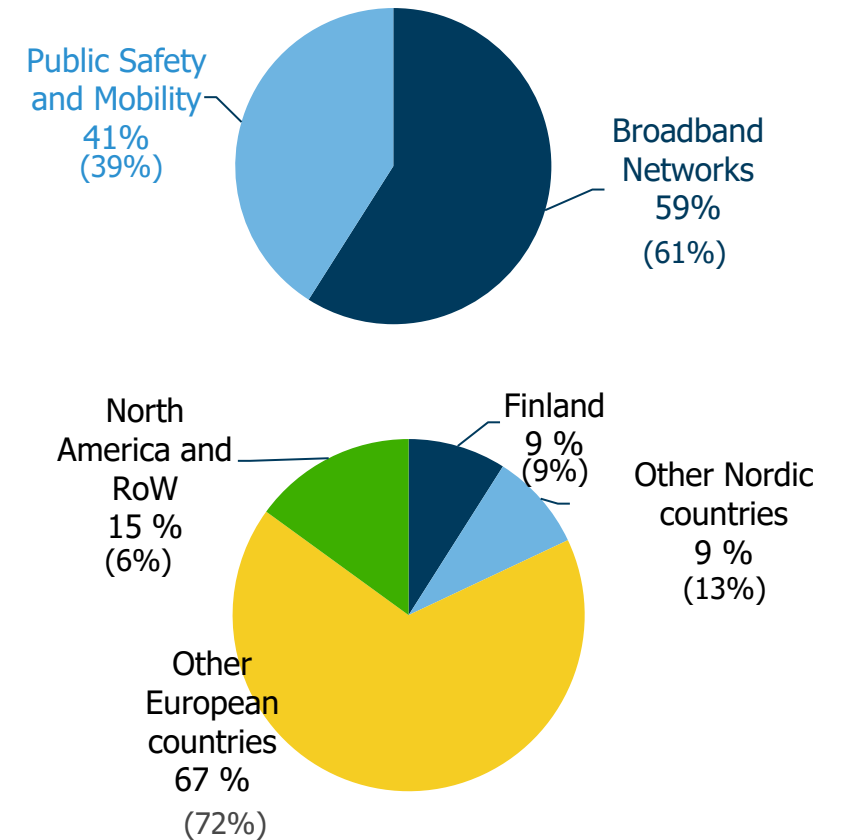
Net sales increased due to higher demand in both BU's

Net sales

EUR million



Net sales, 1-12 2024

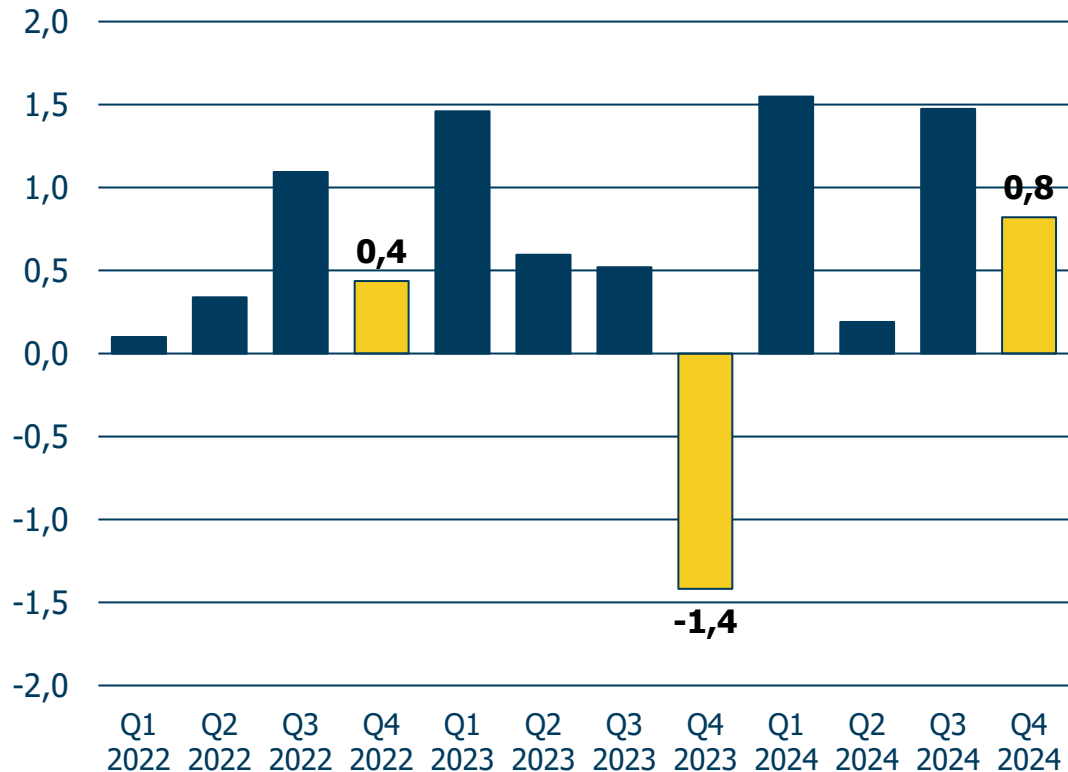


Adjusted operating result Q4 2024

Adjusted EBIT increased due to higher sales and cost savings

Adjusted EBIT

EUR million



Adjusted EBIT increased due to significant cost-saving and productivity measures through out the year.

- Gross profit improved along with higher Net Sales. Gross margin declined -2.4 ppt year-on-year due to product mix
- Personnel expenses decreased by 10.0 % year-on-year due to lower headcount.
- Other operating expenses where flat year-on-year.
- Depreciation and amortisation decreased by 26,1% year-on-year.



Guidance for the financial year 2025

Teleste estimates revenue for 2025 to be between 135 and 150 million euros, with adjusted operating profit in the range of 4 to 7 million euros.

The result is expected to be primarily realized in the second half of the year.

The potential implementation of import tariffs in the United States could negatively affect profitability in the short term.



Q4 2024 highlights

Q4 2024 financial review

Teleste Group, Q4 2024

Net sales, order intake and adj.EBIT increased following North America growth and stabilizing European market. Operating cash flow improved.

EUR million	10-12 2024	10-12 2023	1-12 2024	1-12 2023
Net sales	36.5	30.7	132.5	151.3
Adjusted EBITDA	2.1	0.4	9.2	7.2
<i>Adjusted EBITDA, %</i>	5.8 %	1.2 %	6.9 %	4.8 %
Adjusted EBIT	0.8	-1.4	4.0	1.2
<i>Adjusted EBIT, %</i>	2.3 %	-4.6 %	3.0 %	0.8%
EBIT	-5.7	-2.3	-5.5	-0.5
<i>EBIT, %</i>	-15.6 %	-7.6 %	-4.2 %	-0.3%
Result for the period	-5.0	-2.8	-6.1	-0.5
Adjusted earnings per share, EUR	0.08	-0.10	0.20	0.09
Earnings per share, EUR	-0.27	-0.15	-0.32	0.00
Cash flow from operations	1.8	-1.9	12.4	10.8
Orders received	36.3	32.1	124.9	149.6
Order book			118.3	125.9
Personnel at period-end			619	750

Operating segments Q4 2024

Net sales and profitability improved in both Business Units

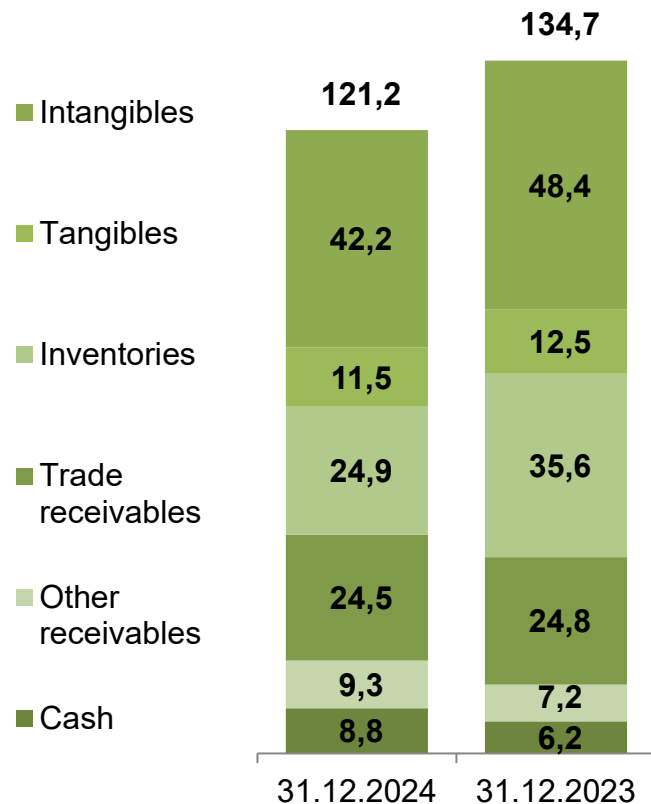
Broadband Networks	10-12 2024	10-12 2023	1-12 2024	1-12 2023
Net sales, MEUR	20.0	15.4	78.2	92.5
Adjusted EBITDA, MEUR	1.8	1.2	8.9	8.9
<i>Adjusted EBITDA, %</i>	9.0%	7.7%	11.3%	9.6%
Adjusted EBIT, MEUR	1.1	0.3	6.2	6.0
<i>Adjusted EBIT, %</i>	5.6%	2.0%	7.9%	6.5%
Orders received, MEUR	25.7	17.0	74.8	88.3
Order book, MEUR			25.0	28.4

Public Safety and Mobility	10-12 2024	10-12 2023	1-12 2024	1-12 2023
Net sales, MEUR	16.5	15.3	54.3	58.9
Adjusted EBITDA, MEUR	1.5	0.3	4.4	2.8
<i>Adjusted EBITDA, %</i>	8.8%	2.0%	8.1%	4.7%
Adjusted EBIT, MEUR	0.8	-0.6	1.9	-0.4
<i>Adjusted EBIT, %</i>	4.9%	-3.8%	3.5%	-0.7%
Orders received, MEUR	10.6	15.1	50.1	61.2
Order book, MEUR			93.3	97.5

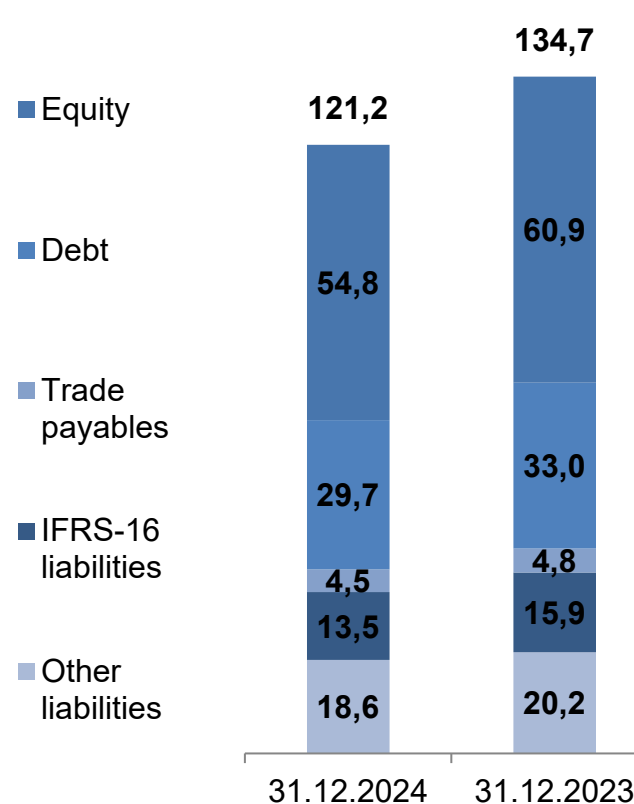
Balance sheet, EUR million

Net working capital improved primarily due to lower inventory levels

Assets



Equity and liabilities



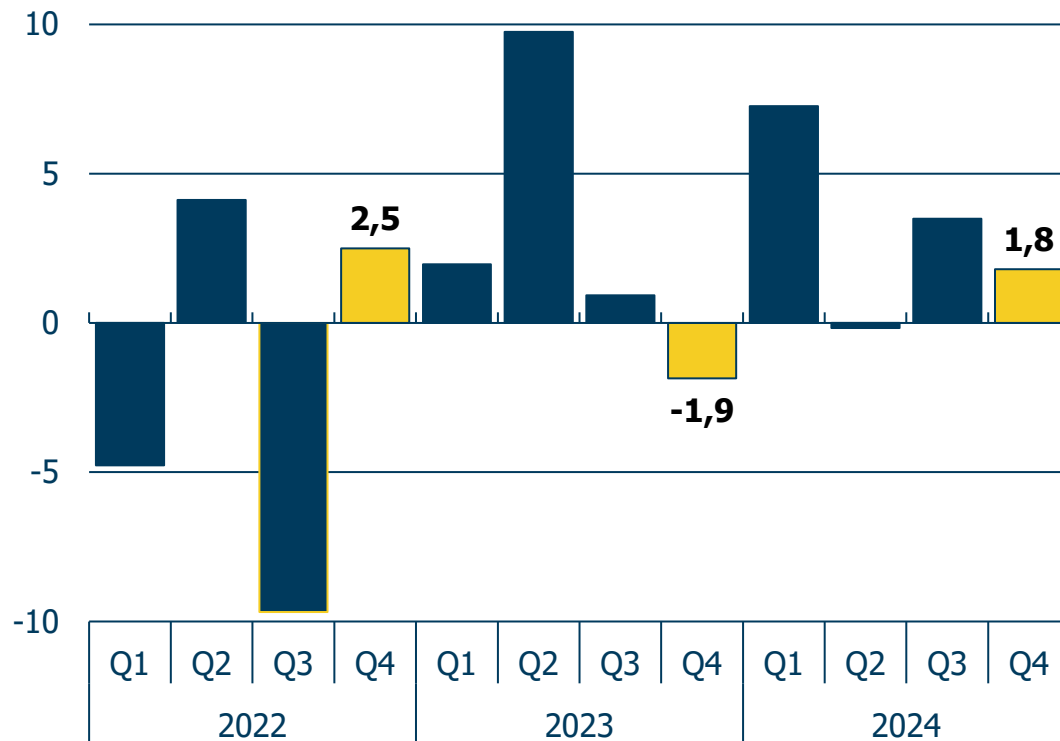
- Intangibles decreased 6,2 million EUR year-on-year due to impairment on activated RnD.
- Net Working Capital released EUR 8.7 million year-on-year, mainly from inventories.
- Interest bearing debt decreased EUR 3.3 million year-on-year along with refinancing arrangement.
- Interest-bearing Net Debt EUR 25.4 million
- Cash and unused credit facilities amounted to EUR 22.8 million 31 December 2024.

Cash flow from operations

Notably stronger operative cash flow in Q4 2024 compared to YoY

Cash flow from operations

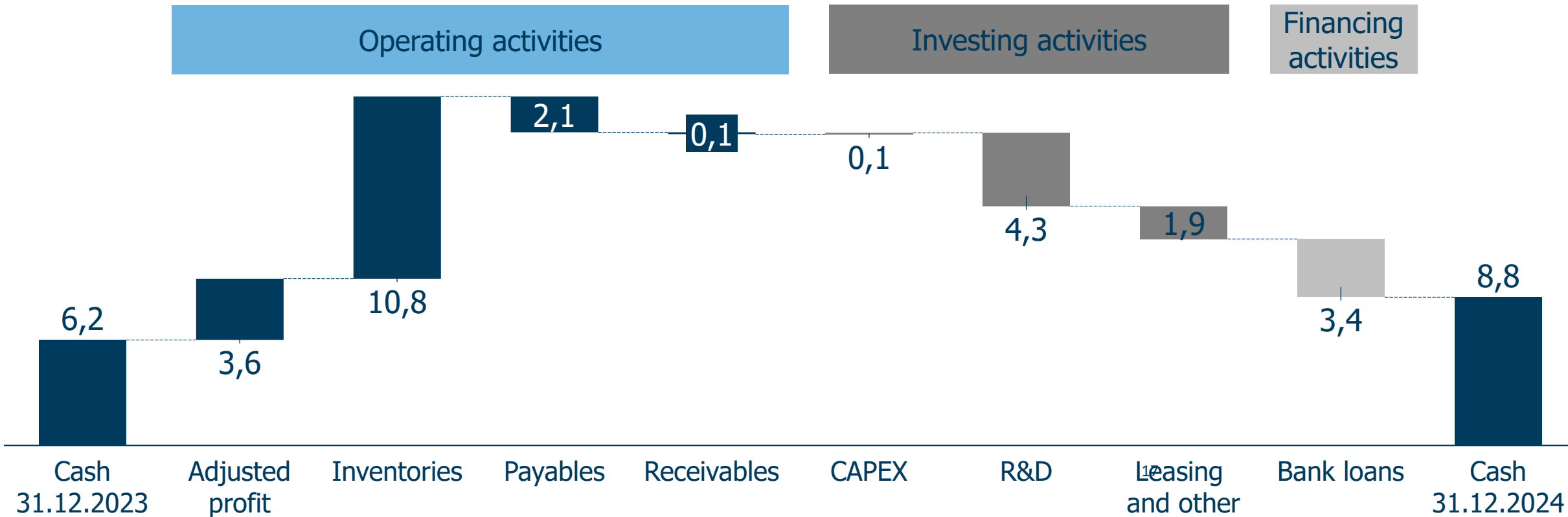
EUR million



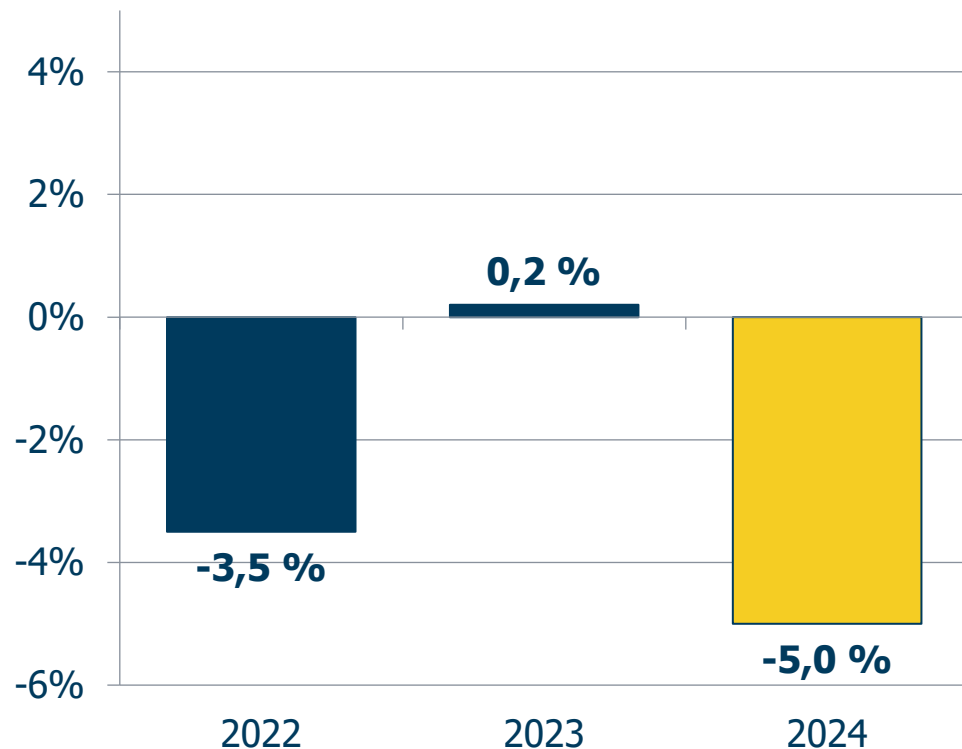
- Q4 2024 operative cash flow EUR was 1.8 reflecting notable improvement YoY.
- Cost saving actions, NWC release from inventories, and changes in trade payables and receivables improved operating cash flow.

Cash flow 1-12 2024

Working capital released. Interest bearing debt reduced.



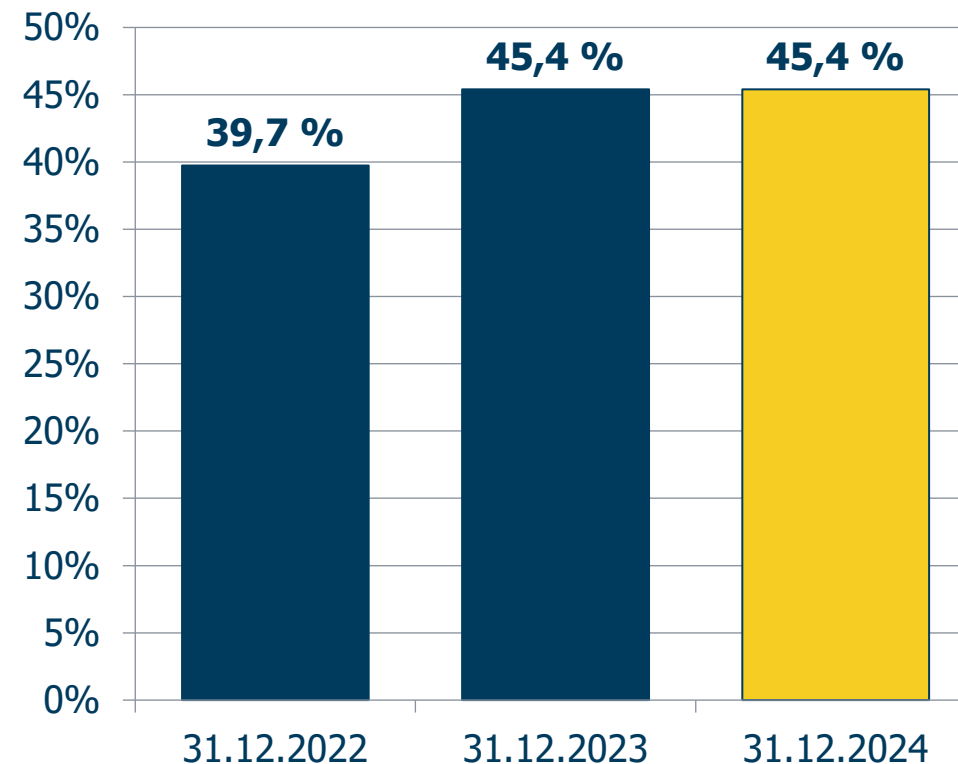
Return on capital employed



- Return on Capital Employed was impacted by impairment of intangible assets (6,7M€) and other one-offs 3.2M€.

Equity ratio

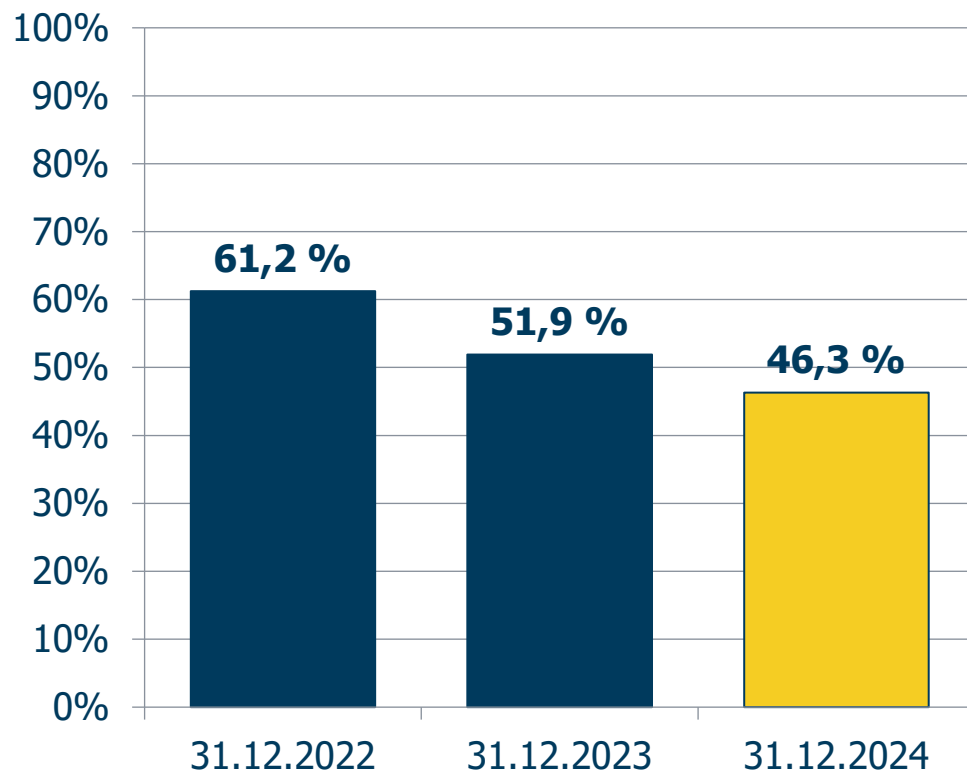
At the end of the period



- The equity ratio is unchanged compared to 31.12.2023. Own equity declined 6.1M€, while at the same time debt, lease- and other liabilities declined taking total BS value by 13,5M€ lower.

Net gearing

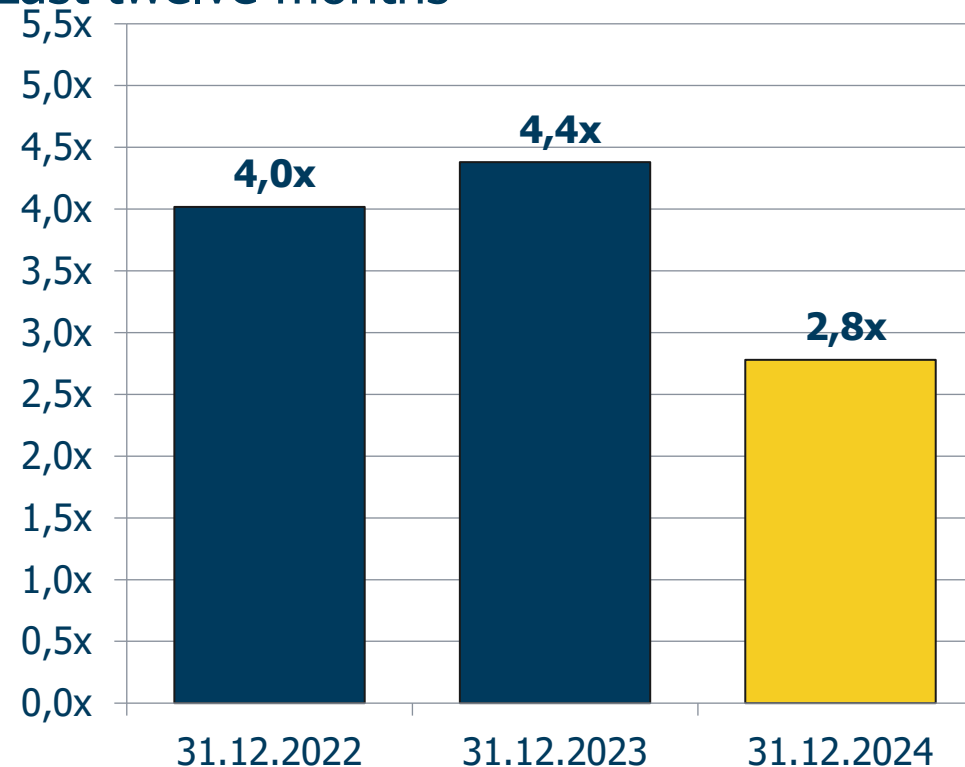
At the end of the reporting period



- Net Gearing decreased in 2024 due to improved cash position, and decrease in interest-bearing debt.

Interest-bearing Net debt / adj. EBITDA

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.