

# Interim Report January - March 2025

7.5.2025

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# Teleste

International technology company  
building a networked and safe society  
while minimizing environmental impacts.

## Value Drivers

- We enable fast broadband services
- We guide smooth public transport
- We ensure safety in public spaces

## Broadband Networks



## Public Safety and Mobility





# Our businesses and customers

## Broadband Networks



Our customers serve  
**100 million**  
Internet-users

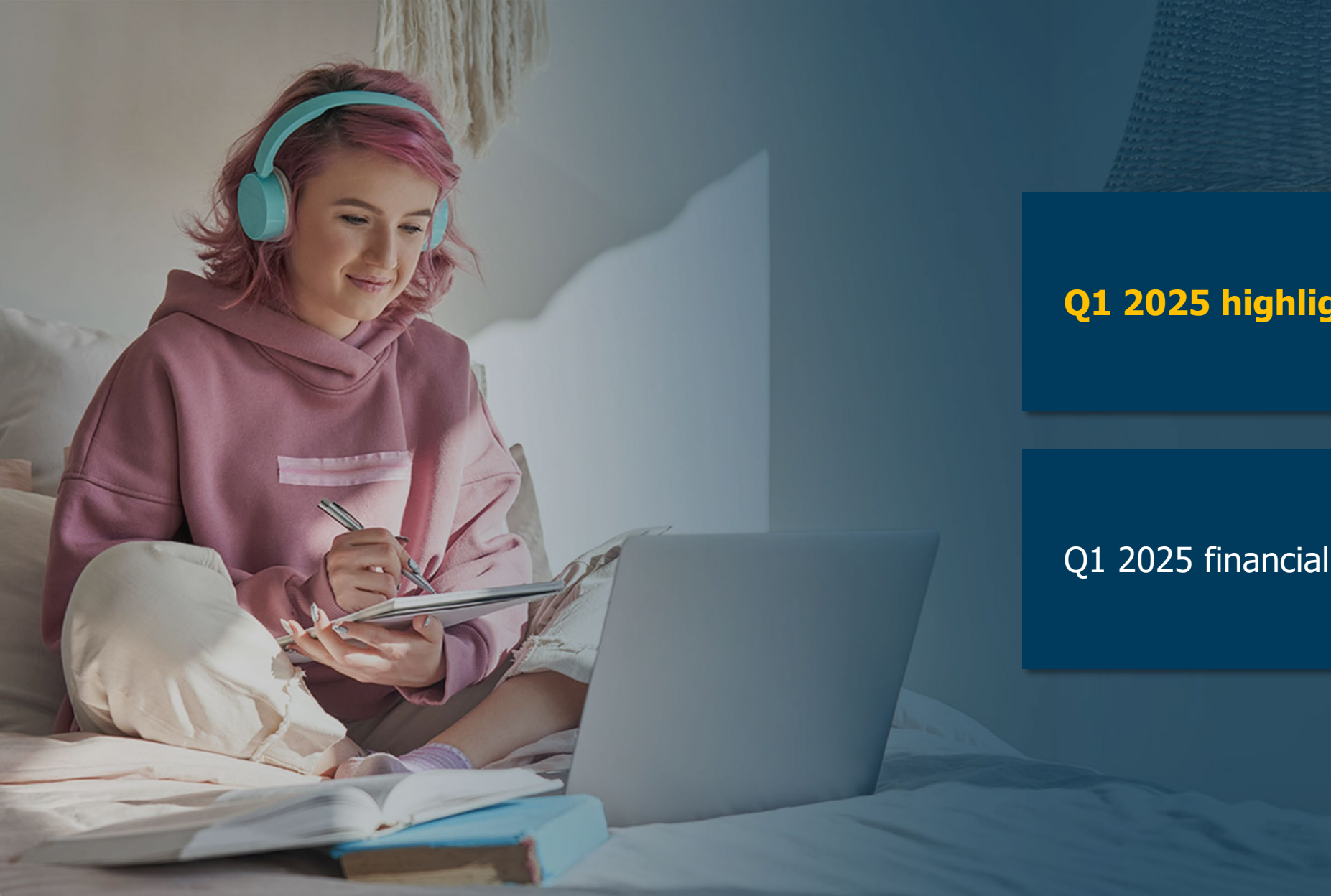
TELESTE

## Public Safety and Mobility



In public transportation  
**1.5 billion**  
passengers using our  
technology annually





**Q1 2025 highlights**

Q1 2025 financial review



## Key Figures Q1 2025

**STRONG GROWTH IN ORDERS. ADJUSTED OPERATING RESULT REMAINED UNCHANGED. IMPROVED EARNINGS PER SHARE.**

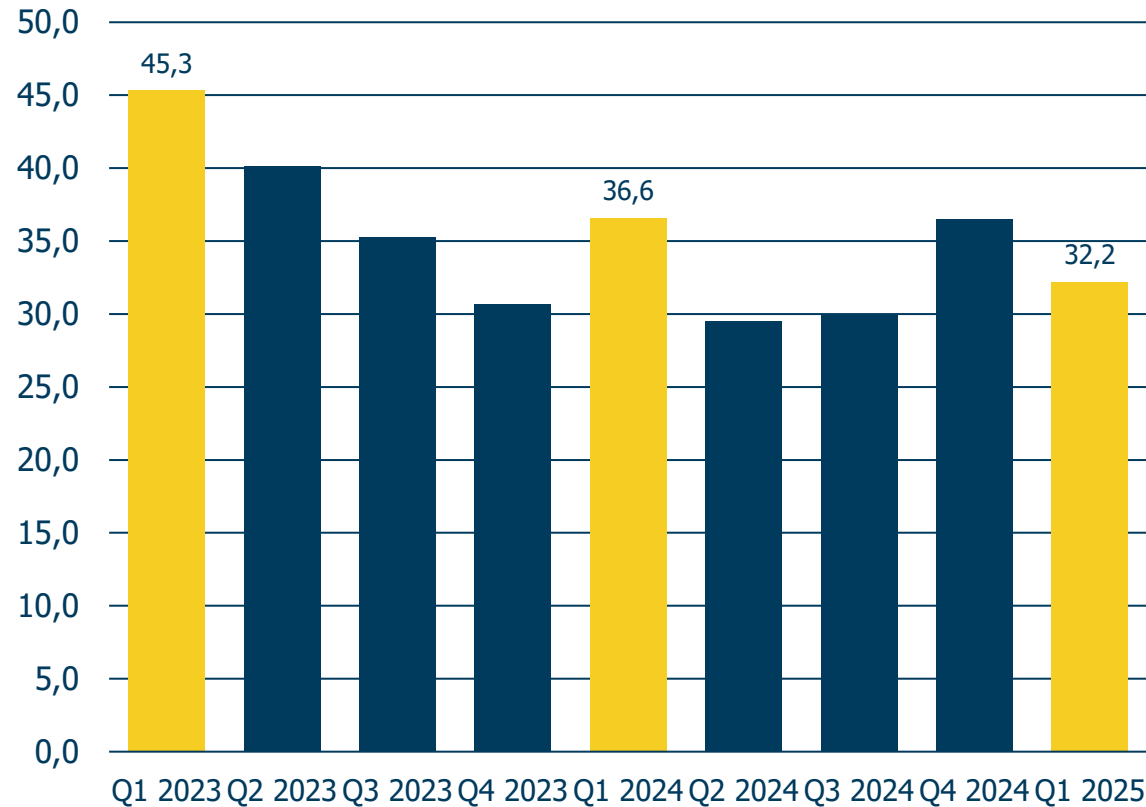
EUR million	1-3 2025	1-3 2024	change	1-12 2024
Net sales	32.2	36.6	-12.1%	132.5
Adjusted EBITDA	2.7	3.1	-11.3%	9.2
Adjusted EBIT	1.5	1.5	-5.9%	4.0
EBIT	1.5	-0.4	n/a	-5.5
Cashflow from operations	1.5	7.3	-79.3%	12.4
Orders received	37.1	30.5	21.5%	124.9
Order book	123.2	124.3	-0.9%	118.3

## Net Sales Q1 2025

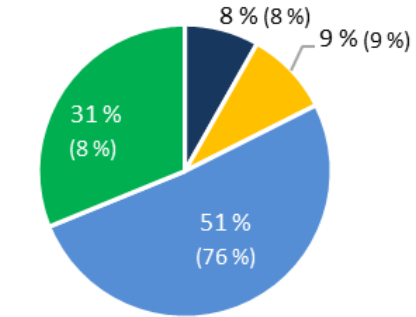
# Net sales decreased YoY, whilst geographic mix is changing

### Net sales

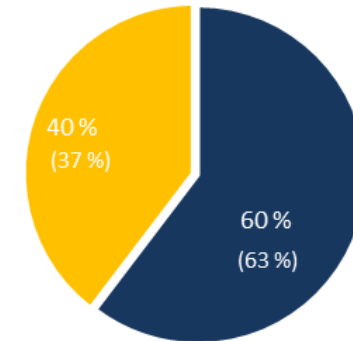
EUR million



### Net sales, 1-3 2025



- Finland
- Other Nordic countries
- Other Europe
- North America and other countries

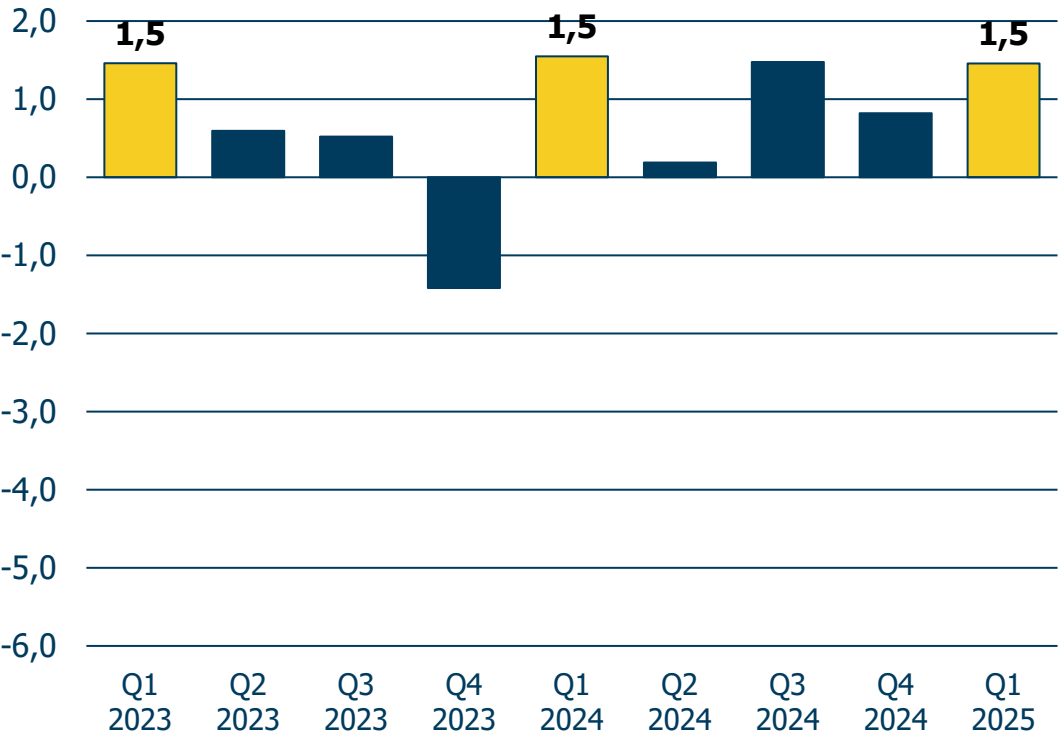


- Broadband Networks
- Public Safety and Mobility

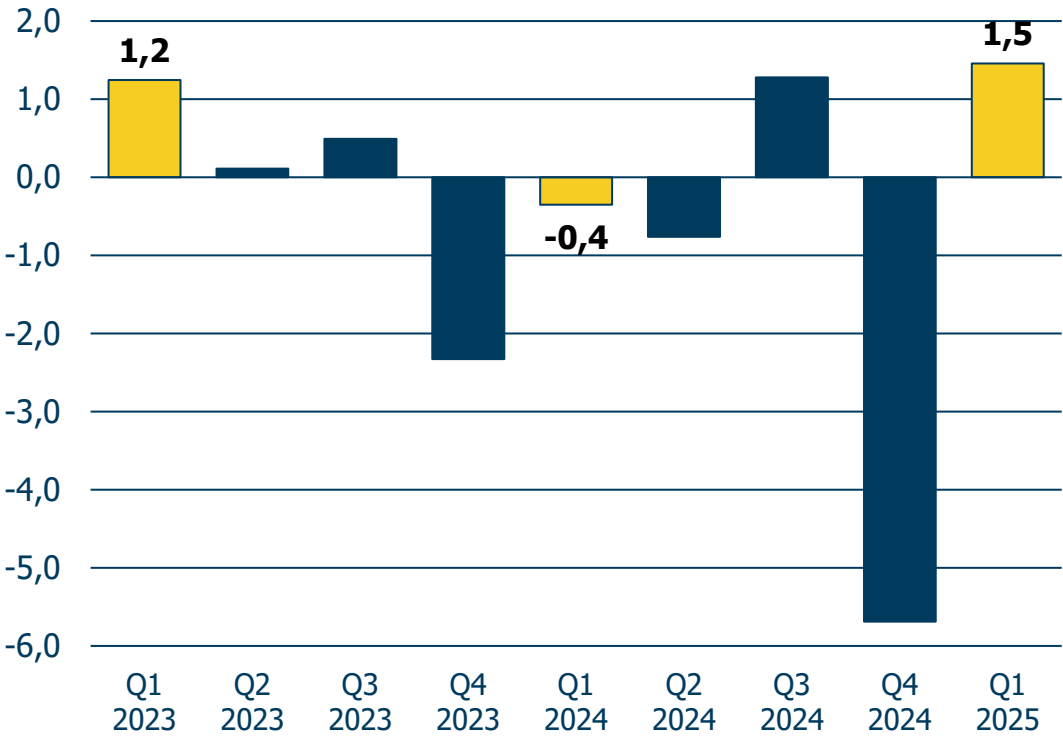
# Adjusted operating result Q1 2025

## Adjusted EBIT remained unchanged, but EBIT improved

**Adjusted EBIT**  
EUR million



**EBIT (IFRS)**  
EUR million



Teleste has been undergoing organizational restructuring in response to market changes. As a result, one-off costs have been reported as adjusted items to enhance comparability in adjusted EBIT.

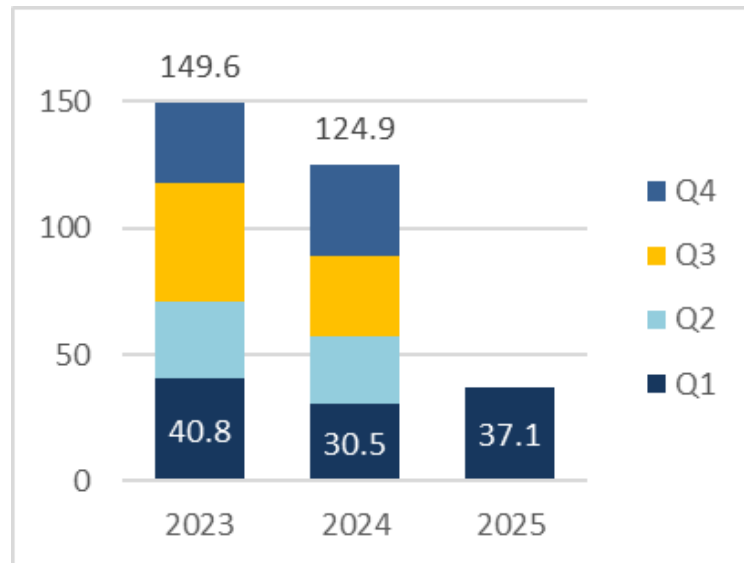


## Orders received Q1 2025

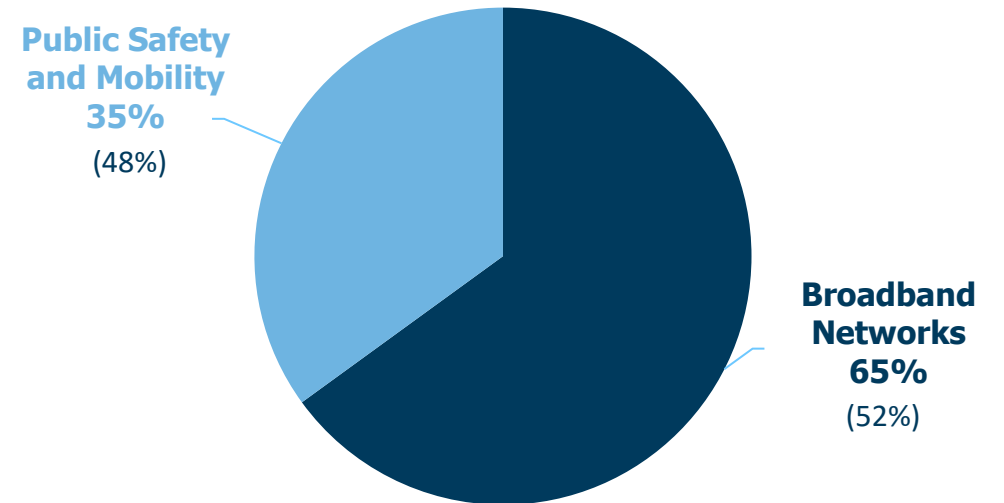
# Orders increased, driven by Broadband Networks

### Orders received

EUR million



### Orders received by business units, 1-3 2025



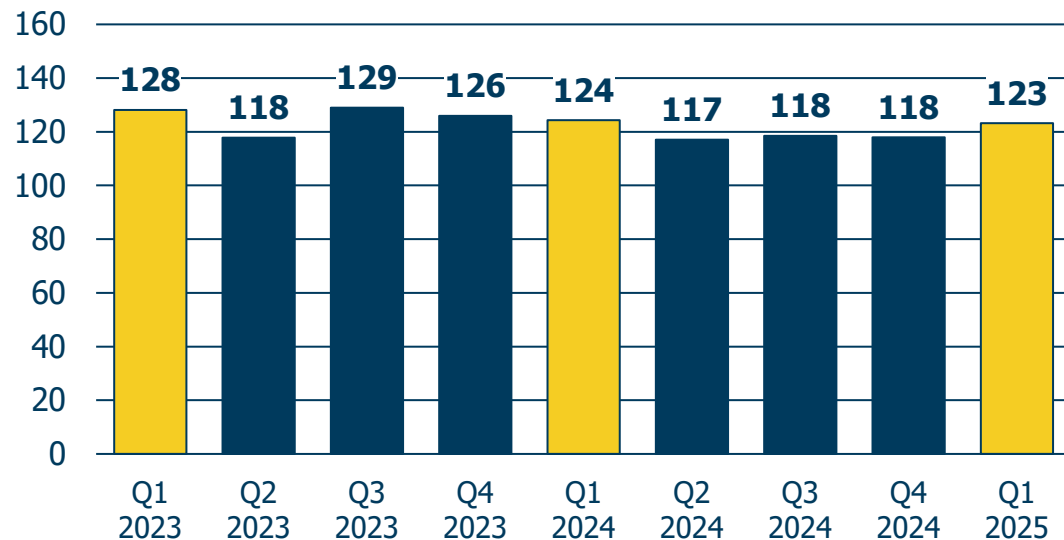
- Orders received grew 21.5% in Q1'25 compared to Year-on-Year.
- Broadband Networks orders from North America increased significantly. Orders grew in Europe as well.
- In the Public Safety and Mobility orders received may fluctuate over the time

# Order book 31 March 2025

## Order book stabilized

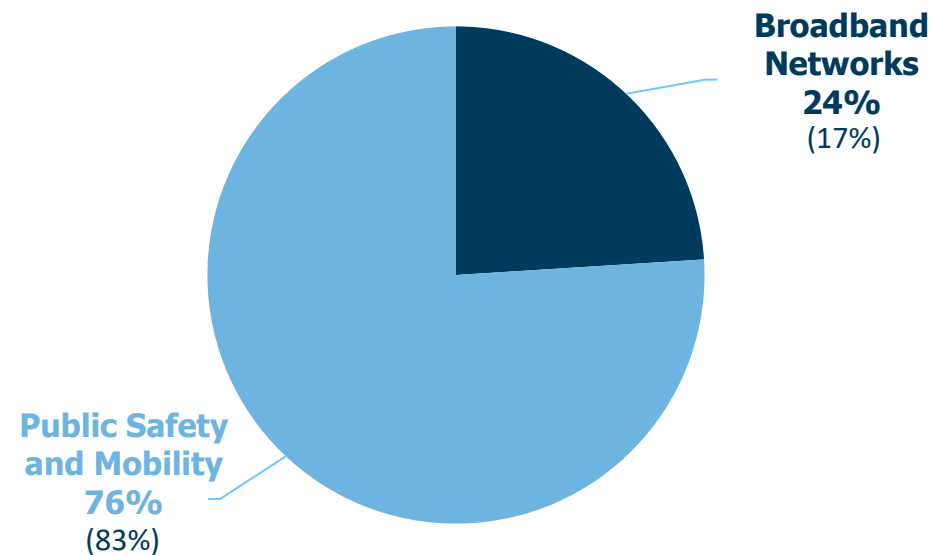
### Order book (end of the period)

EUR million



- Order backlog has stabilized, though changes between geographies and businesses are larger
- Circa 49% of the deliveries scheduled for the year 2025

### Order book by business units, 31 March 2025



- Broadband Networks order book increased by 41% year-on-year and decreased by 9% in the Public Safety and Mobility



# Market outlook for 2025

## **Broadband Networks:**

- Demand in the European market is expected to remain at the previous year's level. The first investments in DOCSIS 4.0 will start in the second half of the year.
- The North American investments in DOCSIS 4.0 technology are expected to significantly increase market demand. However, the US tariffs are causing uncertainty in the short-term.
- The North American market's share of our net sales is expected to continue to grow.

## **Public Safety and Mobility:**

- We expect moderate and steady market growth in both information and security systems.
- The strategic focus is particularly on public transport information and security solutions, as well as selected security solutions for other public infrastructure.
- We are looking for profitable growth and increasing value creation in all product categories.



## **Financial outlook for 2025** (unchanged)

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.

Import tariffs in the United States may negatively affect profitability in the short term.





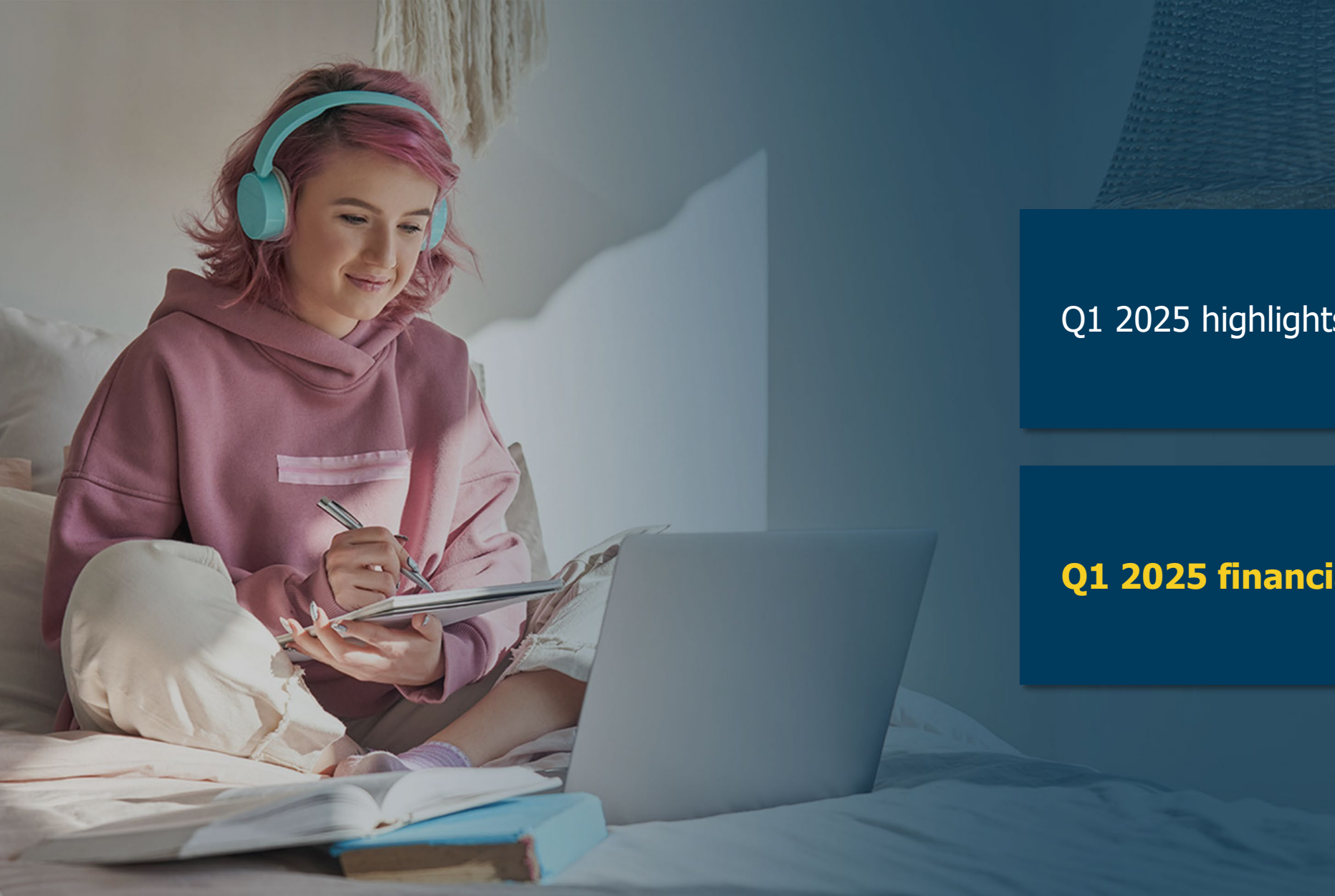
# Long-term strategic growth targets until 2030

Press release 22.4.2025

The company aims for:

- Profitable growth in both of Teleste's business segments (Broadband Networks and Public Safety and Mobility).
- An average annual revenue growth of 10% until 2030. There may be variations between individual years.
- An adjusted operating profit margin of 7% to 12% by 2030.

Teleste does not consider this long-term strategic growth target to be market guidance for any specific year.



Q1 2025 highlights

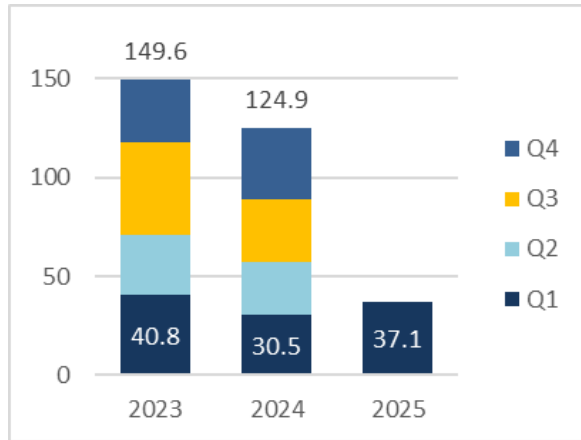
**Q1 2025 financial review**

# STRONG GROWTH IN ORDERS. IMPROVED EARNINGS PER SHARE. FULL-YEAR OUTLOOK REMAINS UNCHANGED.

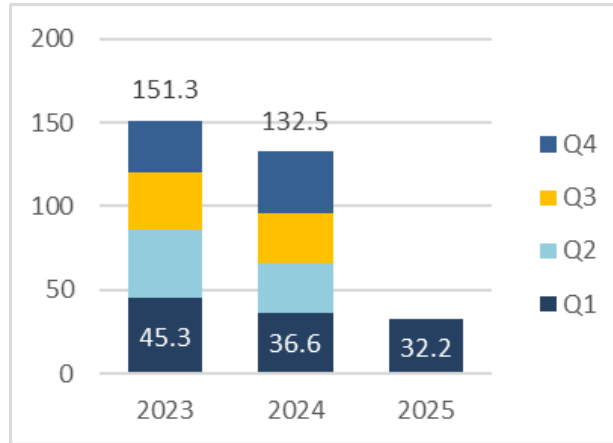
EUR million	1-3 2025	1-3 2024	Change	2024
Net sales	32.2	36.6	-12.1%	132.5
Adjusted EBITDA	2.7	3.1	-11.3%	9.2
<i>Adjusted EBITDA, %</i>	<i>8.4%</i>	<i>8.4%</i>	<i>0.1 ppt</i>	<i>6.9%</i>
Adjusted EBIT 1)	1.5	1.5	-5.9%	4.0
<i>Adjusted EBIT, %</i>	<i>4.5%</i>	<i>4.2%</i>	<i>0.3 ppt</i>	<i>3.0 %</i>
EBIT	1.5	-0.4	n/a	-5.5
<i>Operating result, %</i>	<i>4.5%</i>	<i>-1.0 %</i>	<i>5.5 ppt</i>	<i>-4.2%</i>
Net result for the period	0.6	-0.5	n/a	-6.1
Adjusted earnings per share, EUR	0.03	0.08	-56.7%	0.20
Earnings per share, EUR	0.03	-0.02	n/a	-0.32
Cash flow from operations	1.5	7.3	-79.3%	12.4
Orders received	37.1	30.5	21.5%	124.9
Order book	123.2	124.3	-0.9%	118.3
Personnel (average)	633	709	-10.7 %	673

# Group Financials, Q1'2025

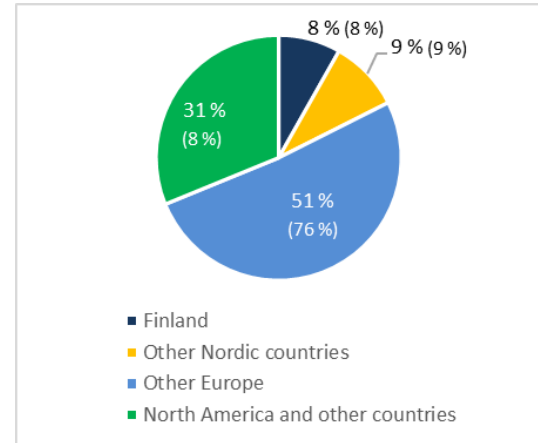
Orders received Q1'25



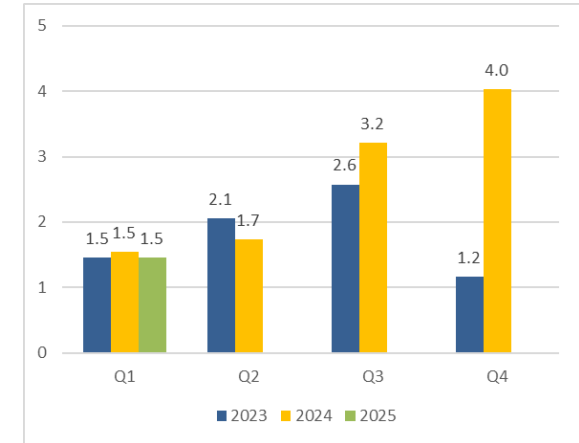
Net Sales Q1'25



Net Sales by geography Q1'25



Cumulative Adjusted EBIT Q1'25



- Strong order-in-take especially from Broadband Networks North America and Europe, increase of 21.5%
- Net Sales declined year on year, though mix of geographic moving towards North America and rest of the world
- Cumulative Adjusted EBIT on the same level year on year due to improved gross margin and cost savings since Q1'24 offsetting lower Net sales.



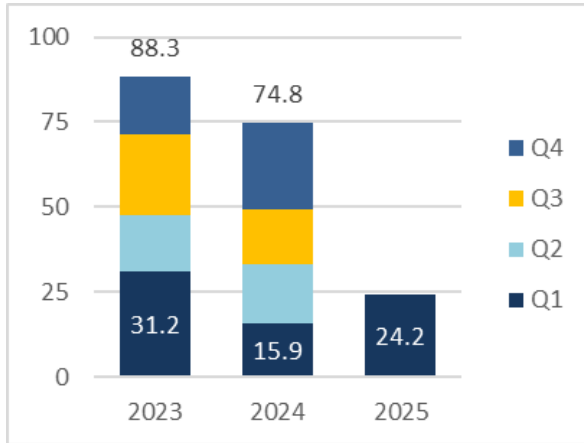
## Operating segments Q1 2025

# Orders improved in Broadband Networks, while profitability improved in Public Safety and Mobility

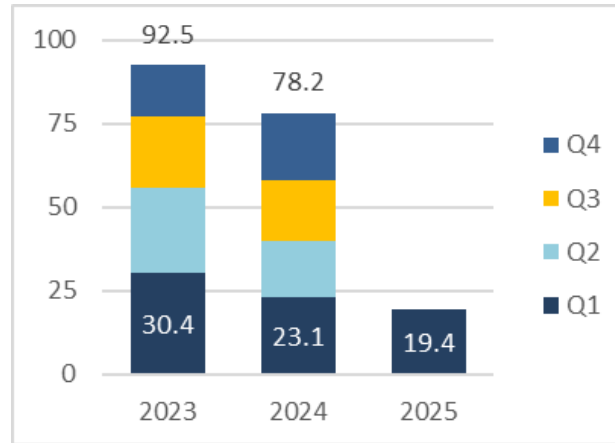
<b>Broadband Networks</b>	<b>1-3 2025</b>	<b>1-3 2024</b>	<b>Change</b>	<b>2024</b>
Net sales, MEUR	19.4	23.1	-16.1%	78.2
Adjusted EBITDA, MEUR	2,004	3,364	-40.4%	8,869
<i>Adjusted EBITDA, %</i>	<i>10.3%</i>	<i>14.5%</i>	<i>-4.2 ppt</i>	<i>11.3%</i>
Adjusted EBIT, MEUR	1,357	2,546	-46.7%	6,201
<i>Adjusted EBIT, %</i>	<i>7.0%</i>	<i>11.0%</i>	<i>-4.0 ppt</i>	<i>7.9%</i>
Orders received, MEUR	24.2	15.9	52.2%	74.8
Order book, MEUR	29.8	21.2	40.8%	25.0
<b>Public Safety and Mobility</b>	<b>1-3 2025</b>	<b>1-3 2024</b>	<b>Change</b>	<b>2024</b>
Net sales, MEUR	12.7	13.4	-5.2%	54.3
Adjusted EBITDA, MEUR	1,792	914	96.0%	4,389
<i>Adjusted EBITDA, %</i>	<i>14.1%</i>	<i>6.8 %</i>	<i>7.3 ppt</i>	<i>8.1%</i>
Adjusted EBIT, MEUR	1,183	224	427.6%	1,902
<i>Adjusted EBIT, %</i>	<i>9.3 %</i>	<i>1.7 %</i>	<i>7.6 ppt</i>	<i>3.5%</i>
Orders received, MEUR	12.9	14.6	-11.9%	50.1
Order book, MEUR	93.4	103.2	-9.5%	93.3

# Broadband Networks, Q1'2025

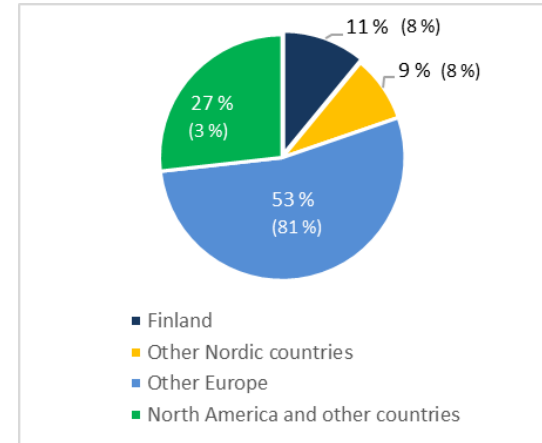
Orders received Q1'25



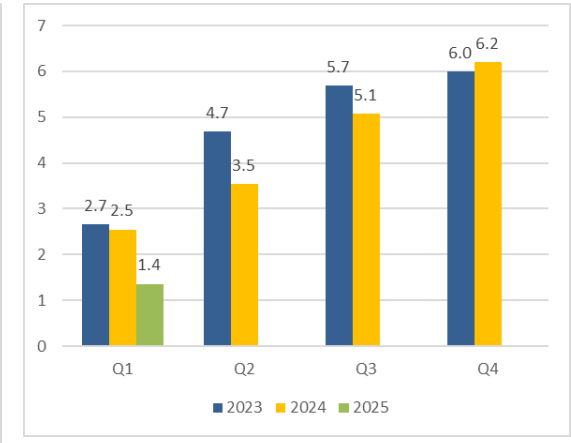
Net Sales Q1'25



Net Sales by geography Q1'25



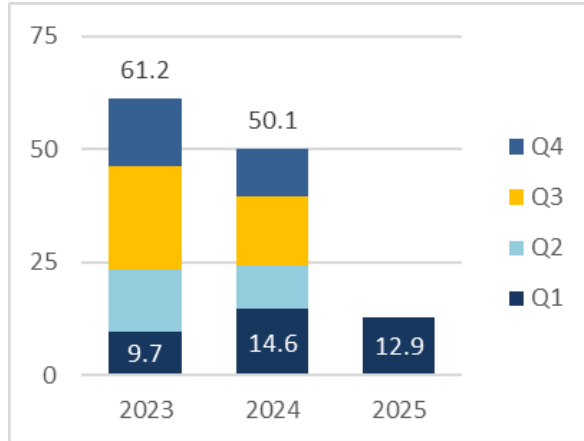
Cumulative Adjusted EBIT Q1'25



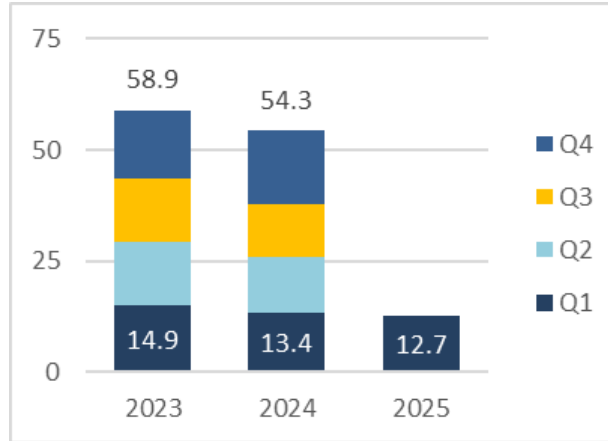
- Strong **order-in-take** especially from North America and from Europe
- **Net Sales** declined in Europe, which was partly offset by significant increase in North America
- Adjusted EBIT declined due to lower net sales and moderate investments to North America, which was partially off set by better gross margin and cost savings since Q1'24.

# Public Safety and Mobility, Q1'2025

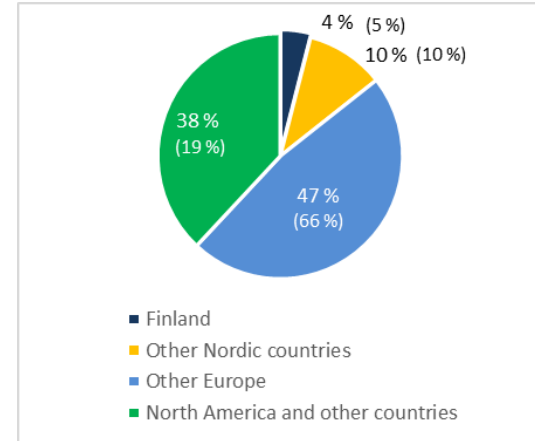
Orders received Q1'25



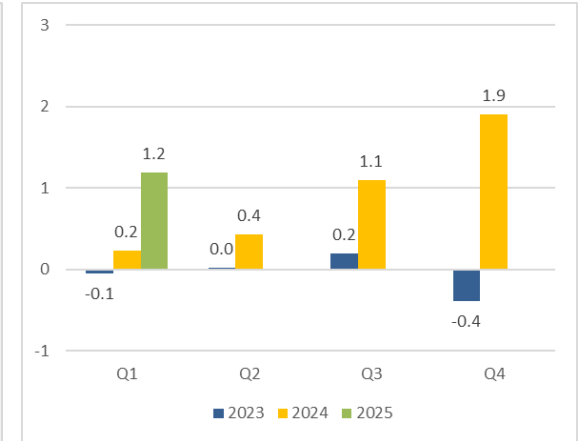
Net Sales Q1'25



Net Sales by geography Q1'25



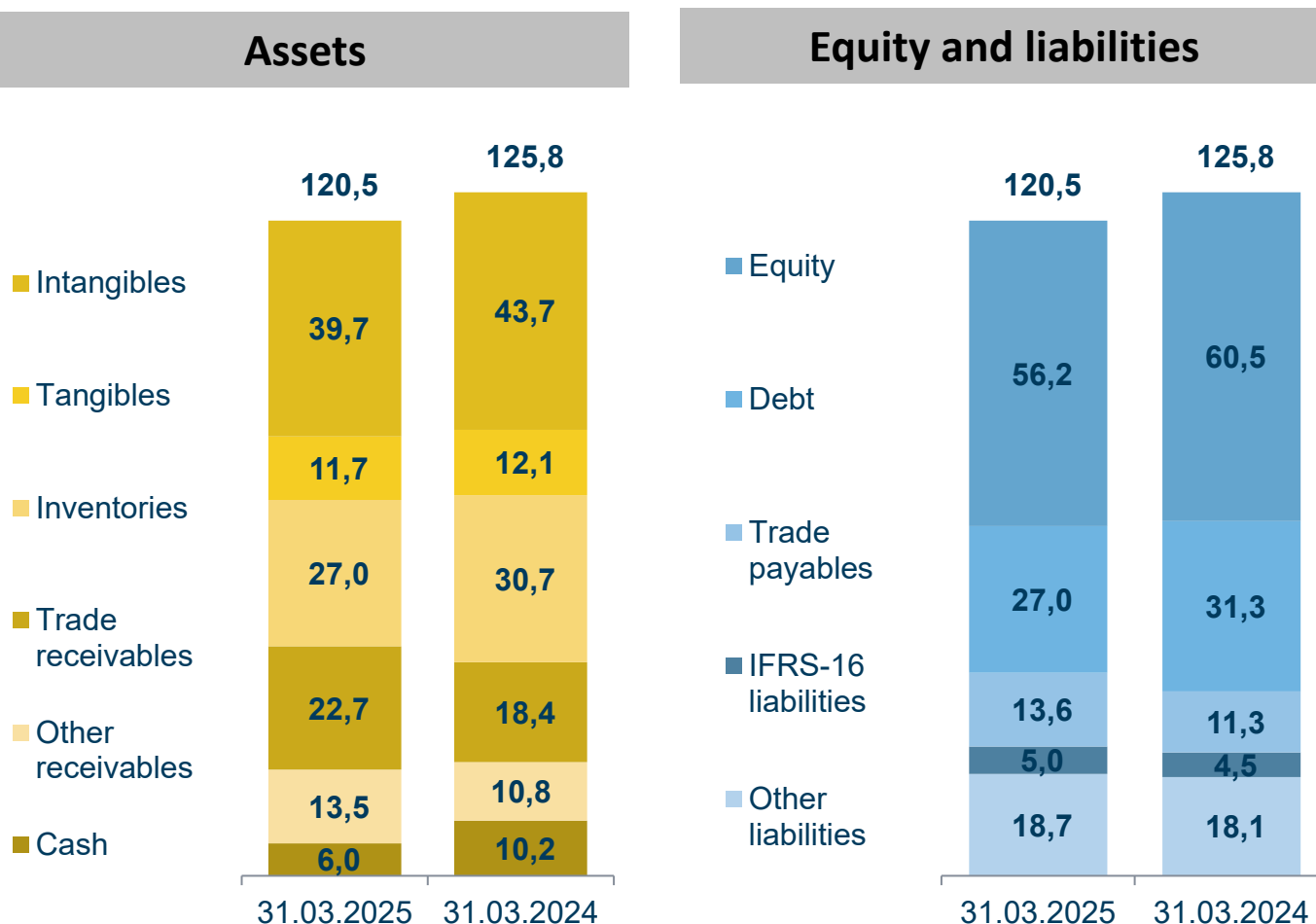
Cumulative Adjusted EBIT Q1'25



- The orders received decreased 11.9% year-on-year bases, due to fluctuations in project business. The comparison period included an exceptionally large order for a maintenance project.
- Net Sales declined due to variations of rolling stock manufacturing project business, which was partly offset by video security project.
- Adjusted EBIT grew to 1.2 (0.2) million EUR as a result of different product mix yielding higher gross margin and cost savings in particular on the other fixed costs.

## Balance sheet, EUR million

# Net working capital at similar level on year-on-year, interest bearing net debt decreased



- Intangibles decreased 4,0 million EUR due to impairment on activated RnD in Q4 2024.
- Net Working Capital at similar level to Q1 2024.
- Equity decreased due to RnD impairments in Q4 2024, partly offset by profit.
- Interest bearing debt decreased EUR 4.3 million year-on-year along with refinancing arrangement and efficient use of RCF facilities.
- Interest-bearing Net Debt EUR 26.0 million.
- Cash and unused credit facilities amounted to EUR 20.0 million 31 March 2025.

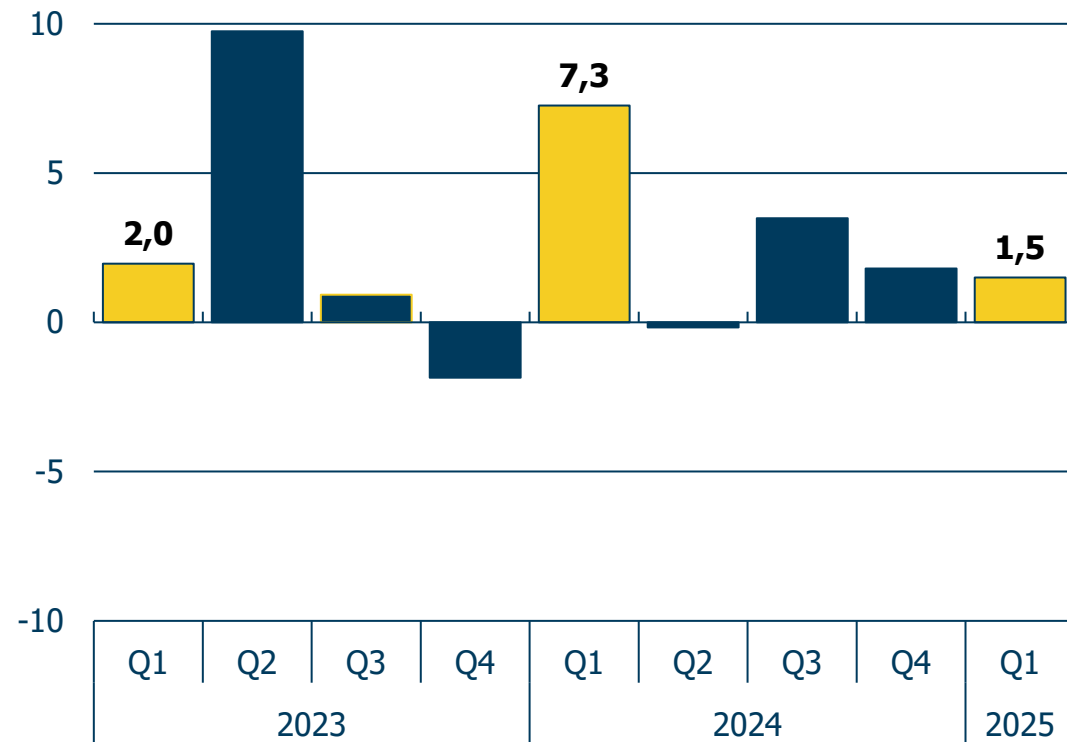


## Cash flow from operations

# Operative cash flow in Q1 2025 was tied up in new orders

### Cash flow from operations

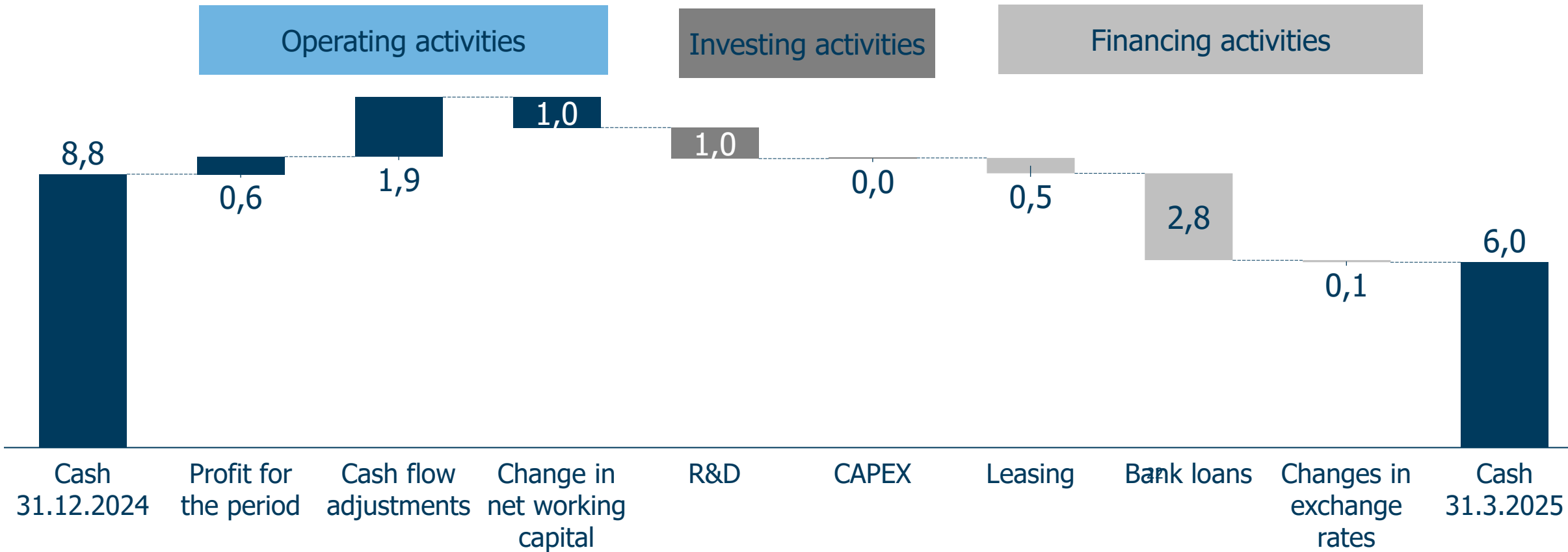
EUR million



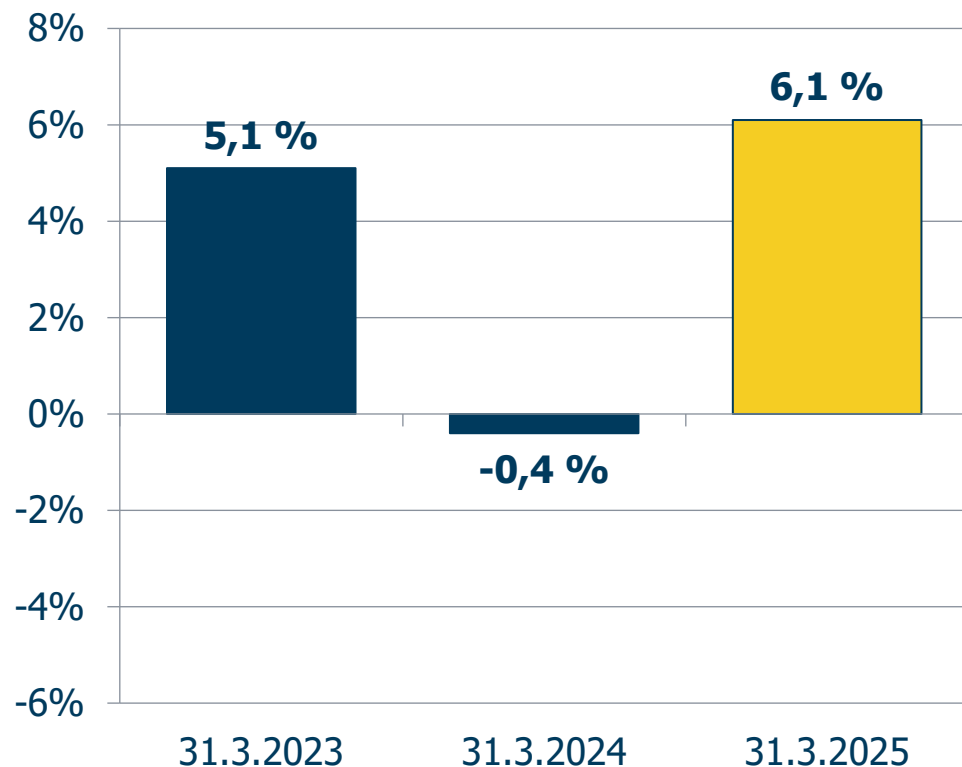
- Q1 2025 operative cash flow EUR was 1.5 tying up net working capital for late Q1 and early Q2 deliveries. Networking capital follows quarterly revenue fluctuation.
- In the comparison period, Q1'24, cash flow was particularly owing to a significant release of net working capital due to higher net sales and the related collection of receivables from customers.

# Cash flow Q1 2025:

## Working capital tied for upcoming deliveries. Loans reduced.



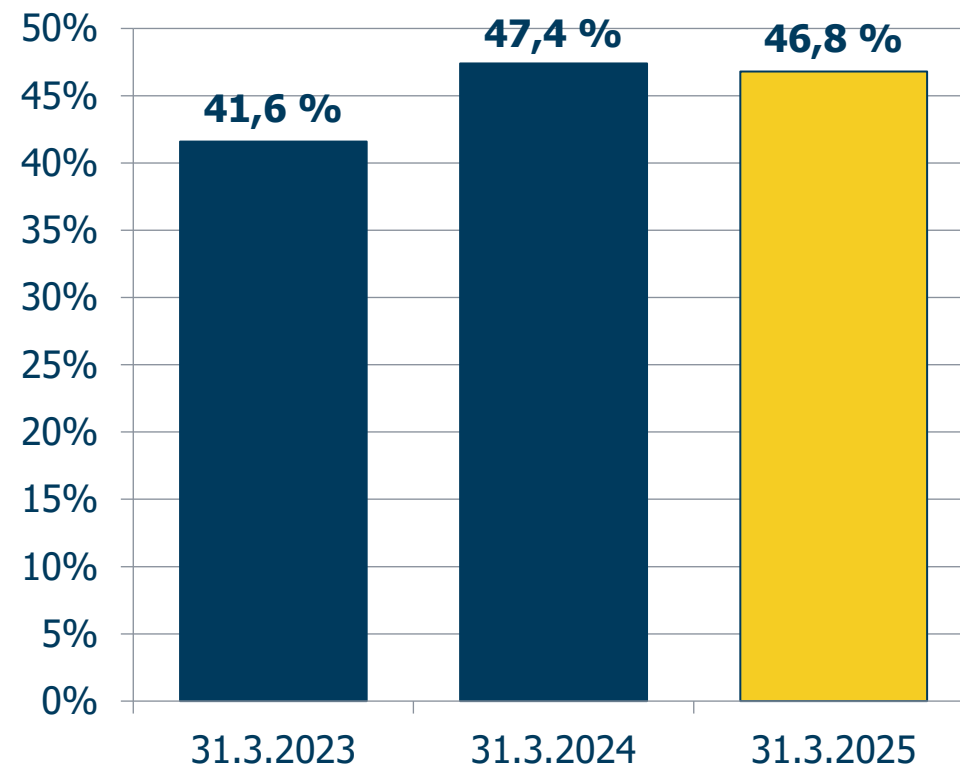
## Return on capital employed



- Return on Capital Employed (ROCE) was 6.1%. In 2024 ROCE was impacted by impairment of intangible assets (6,7M€) and other one-offs 3.2M€ in 2024

## Equity ratio

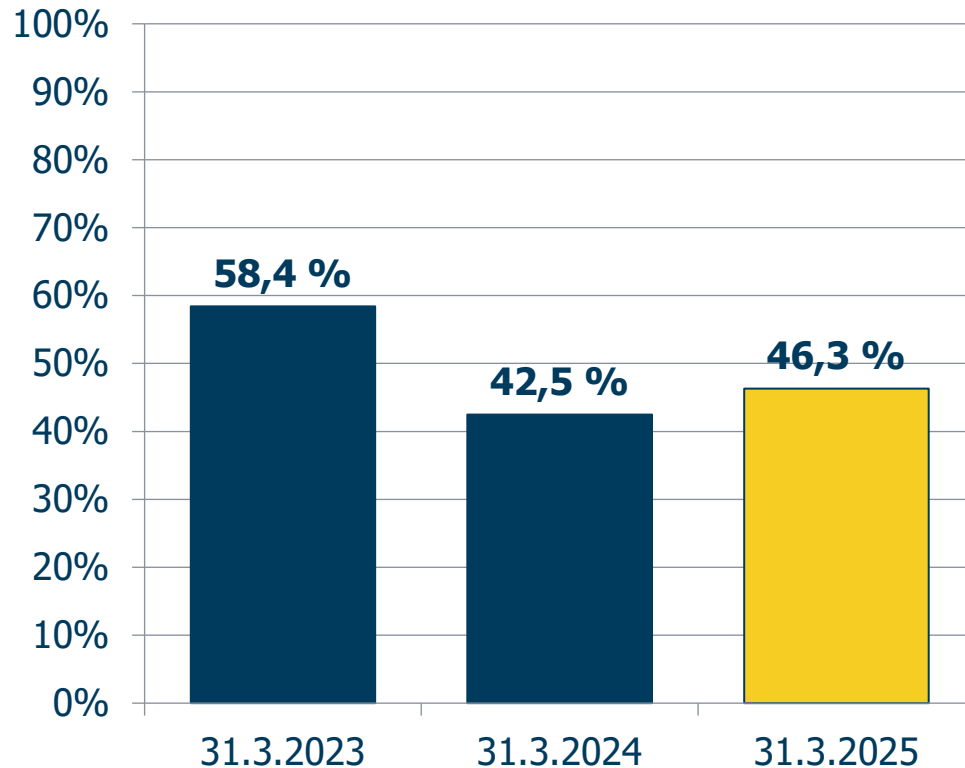
At the end of the period



- The equity ratio slightly improved from the year end 2024 due to profitability improvement.

## Net gearing

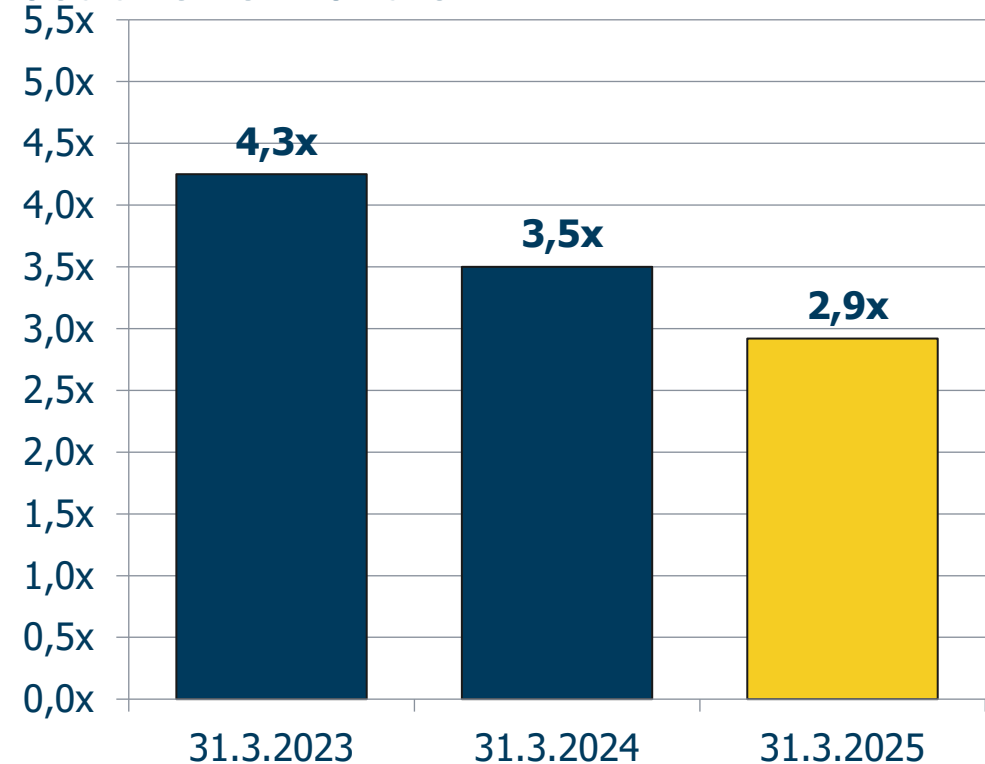
At the end of the reporting period



- Year on year Net Gearing slightly increased due to lower equity.

## Interest-bearing Net debt / adj. EBITDA

Last twelve months



- Interest-bearing net debt to adjusted EBITDA ratio improved year on year along the profitability improvement.