

A photograph of a man and a woman in a meeting. The man, wearing a brown shirt, is sitting in a white chair and pointing at a tablet. The woman, wearing a blue top, is sitting in a white chair and looking at the tablet. They are both looking at the tablet. The background is a light blue wall.

# Corporate Business: Continuing to deliver long-term and stable profitability

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Capital  
Markets  
Day 2017

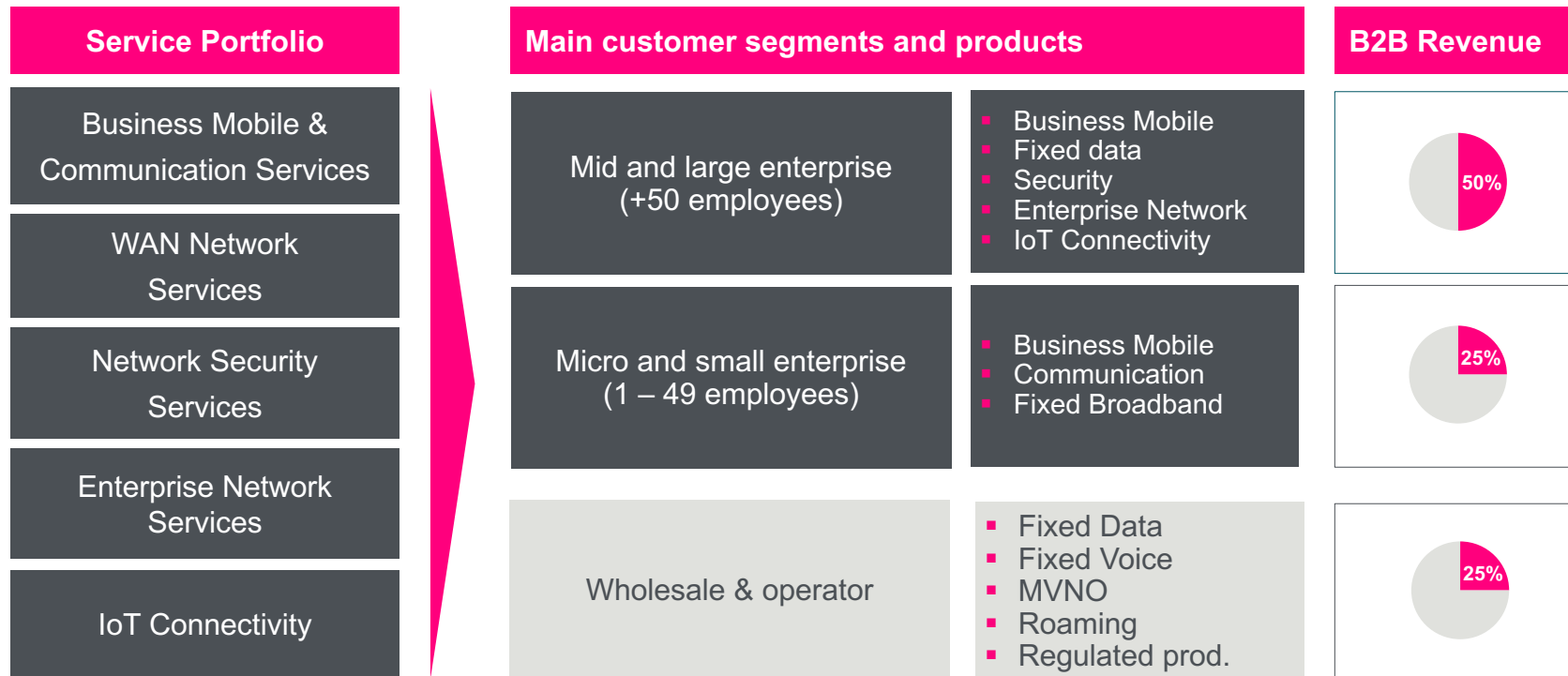
## Continuing to deliver long-term and stable profitability

1. Growing across all three customer segments
2. Opportunity to decrease costs and increase margins
3. Well positioned to win market share and increase revenues





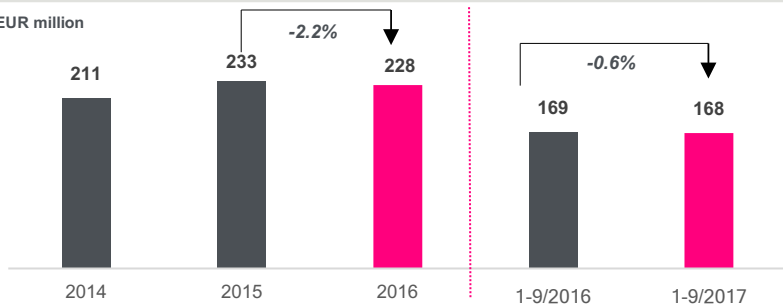
# Full telecommunications service provider: telecommunication, network and value-added services



# Corporate business net sales have remained steady, core B2B business growing

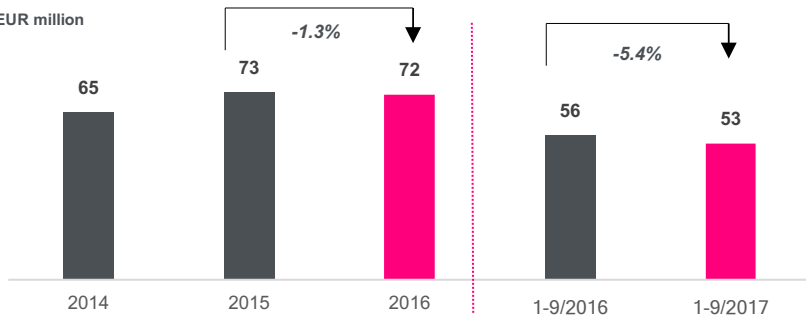
## Corporate business net sales have remained steady in 2017

EUR million



## Corporate business comparable EBITDA has decreased in 2017

EUR million



## Positive impact by the increase in mobile subscriptions and improved cost efficiency of our modern network

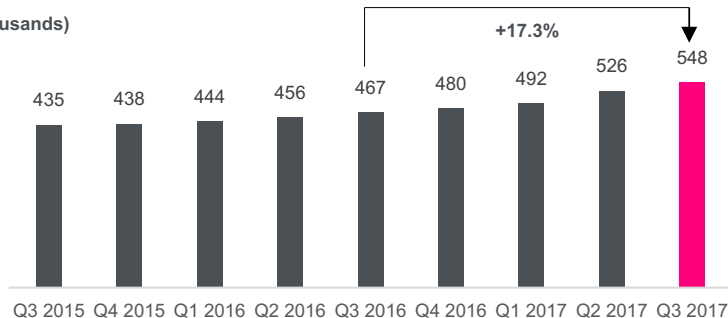
- Our core B2B business is growing steadily
  - Major new customers rolled out with new hybrid PBX (Call Centre)
  - Corporate mobile subscription base has increased throughout 2017
  - Fixed data, Enterprise Network and Security growing steadily
- In 2017, Corporate business net sales & EBITDA affected negatively by changes in contracts between operators
  - Mast & site rental and local loop rental prices decreased in spring 2017
  - Net effect on DNA level positive



# Consistent growth in corporate mobile subscription base

Corporate mobile subscriptions have increased by 17% from Q3 2016

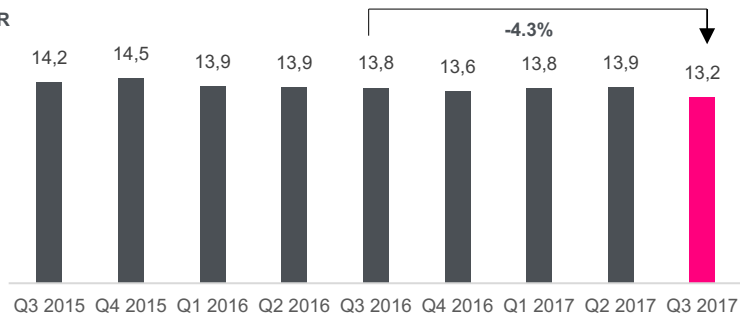
(thousands)



- In the January–September 2017 period, the subscription base has increased by 68,000 subs.
- The growth is coming equally from three segments:
  - Stable new sales in small-sized corporations throughout the year
  - New large customers rolling out 3<sup>rd</sup> generation call centre and mobile services
  - Growth in MVNO's subscription base

Corporate mobile postpaid handset subscription ARPU has decreased slightly

EUR

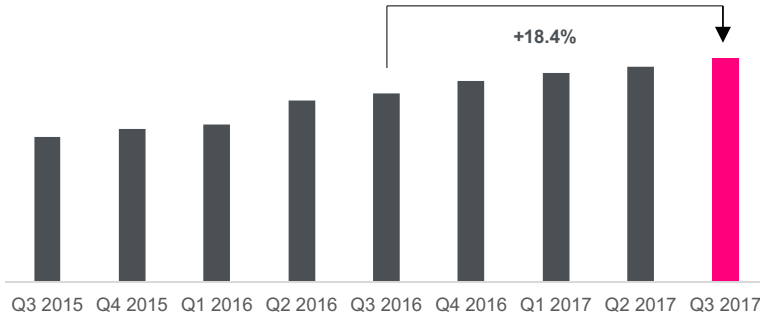


- ARPU was impacted by the increased share of public sector subscriptions in the second half
- 30% of public sector customers are still without mobile data, potential for upselling

## SMALL &amp; MID SIZED CUSTOMERS SWITCHING FROM FIXED BROADBAND TO MOBILE BROADBAND

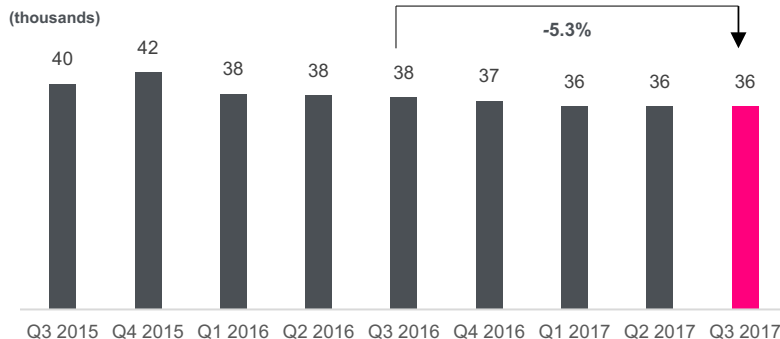
## DNA's M2M subscription base increasing fast

DNA's M2M subscription base is increasing rapidly



- The demand for Industrial Internet solutions, and subsequently for M2M subscriptions, is expected to continue strong growth in the future
- DNA rolling out the NB-IoT technology
  - Pilot project: sensors measuring air pressure and temperature were connected to the Internet in a Kesko Corporation retail store

Our stabilised, fixed broadband subscription base provides an opportunity for upselling



- Entrepreneurs in particular are switching from xDSL broadband subscriptions to mobile broadband subscriptions
- Number of IP-VPN (secured private network) and Business Internet is growing and supports up/cross-selling of value-added services



## Significant new agreements and extensions to existing contracts with enterprises and the public sector

### City of Vantaa

- A three-year extension agreement on the delivery of an even larger set of telecommunications services
- The solution includes all connections of the city, the LANs and WLANs of offices, firewall services and the Internet connections, online authorisation solutions and optionally a cyber security service
- Contract period initially three years, after which continues until further notice
- The total value for the first three years is over EUR 8 million

### Large listed Finnish industrial corporation

- A three-year agreement on the delivery of WAN network in Finland, mobile call center and over 1,000 mobile subscriptions
- The total value of the agreement is over EUR 2 million

# Excellent position to grow the corporate business

Strong basics in place	Good position to win market share	With additional revenue streams...	...and cost measures
<ul style="list-style-type: none"><li>▪ Modern telco service portfolio</li><li>▪ Excellent mobile and fixed network services</li><li>▪ Excellent customer satisfaction in customer service (NPS +30)</li><li>▪ Stable growth with long-term contracts in corporate segment</li></ul>	<ul style="list-style-type: none"><li>▪ New 3rd Generation Mobile call centre in production – SMB customers rollout starts on H1 2018</li><li>▪ Growth potential in broad segment of micro companies</li><li>▪ Strong brand position</li></ul>	<ul style="list-style-type: none"><li>▪ Cross-sell (~50% 1P customers)</li><li>▪ Up-sell (30% of mobile subscriptions without mobile data)</li><li>▪ IoT</li><li>▪ The Finnish economy has returned to the growth path</li></ul>	<ul style="list-style-type: none"><li>▪ Reduction of legacy in IT and billings systems</li><li>▪ Increased use of robotic process automation</li><li>▪ Increased cost effectiveness visible from 2019 onwards</li></ul>





# Capital Markets Day 2017

DNA CMD 2017

