



# DNA Plc

## Stronger, bolder and more straightforward

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Timo Karppinen, CFO  
Marja Mäkinen, Head of IR

# Forward looking statement

This presentation contains, or may be deemed to contain, statements that are not historical facts but forward-looking statements. Such forward-looking statements are based on the current plans, estimates and expectations of DNA's management based on information available to it on the date of this presentation. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Future results of DNA may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. DNA undertakes no obligation to update this presentation after the date hereof.

## DNA today

## Business review

### January-March 2017 highlights:

- ✓ DNA's key operational KPIs and development of subscription base
- ✓ DNA's strategic objectives

## Financial review

## Appendices







# DNA in brief

# DNA is one of the leading Finnish telecommunications groups

- **Cost-efficiency**
- **Streamlined**
- **Agile**
- **Innovative**

## OUR VALUES

### **FAST**

DNA's customers receive quick and helpful service

### **STRAIGHTFORWARD**

DNA's approach is clear and responsible

### **BOLD**

We are direct, open-minded and ready for change

## 3.8 million

Mobile communications and fixed network customer subscriptions

## EUR 859 million

Net sales in 2016

## 1,668

At the end of 2016, there were **1,668 employees** working with DNA

## Customer

is in the center of DNA's strategy

## TV

Finland's largest cable operator and the leading pay TV provider

## EUR 91 million

Operating result in 2016

## 64 DNA stores

Finland's most extensive retailer of mobile phones, other mobile devices and mobile subscriptions

## Strong employee satisfaction

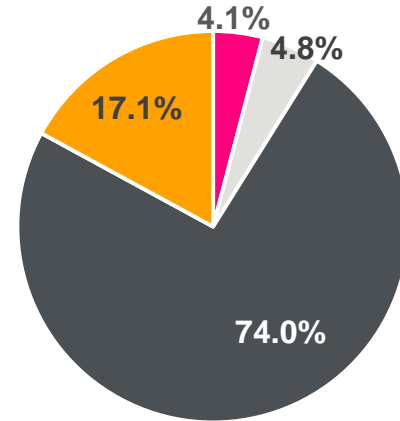
The personnel's satisfaction with DNA as an employer is at a record-breaking high level

## DNA became a listed company

- Trading in the DNA share began on the Nasdaq Helsinki Stock Exchange on 30 November 2016
- The final subscription price in the offering was EUR 10.10 per share
- DNA has today in total more than 13,000 shareholders
- Market cap is EUR ~1.5 billion  
(7 May, 2017)

## DNA's ownership structure

(30 April, 2017)



- Households
- Financial and insurance institutions
- Other Finnish institutions
- Nominee registered and non-Finnish holders

# From a mobile start-up to a strong player

– Both B2C and B2B with a challenger mindset

DNA’s net sales have increased steadily

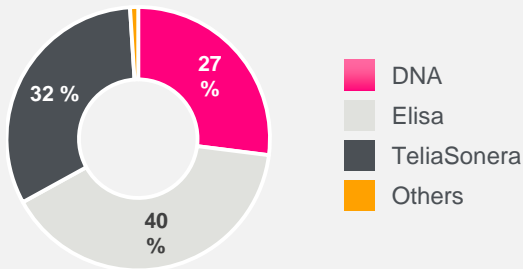


# Strong foothold in the growth markets

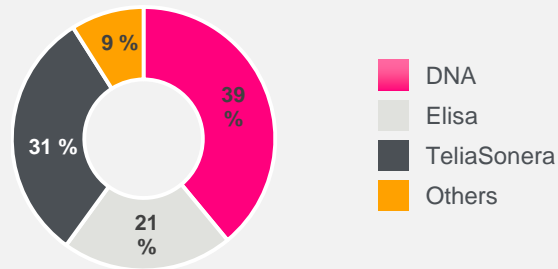
– DNA's market shares increased in mobile communications and fixed broadband in 2016

Growth markets

Mobile communications (voice and broadband)

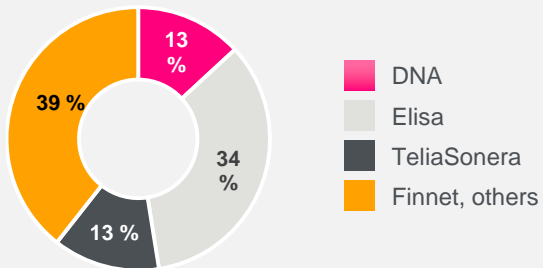


Cable TV

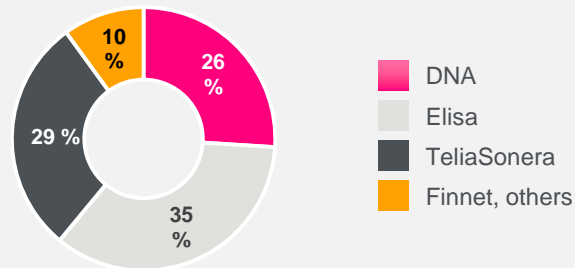


Established markets

Fixed voice



Fixed broadband





# DNA's strategy summary

— The cornerstone of DNA's strategy is customer satisfaction

## Main assumptions behind our strategy

- |  |  |   |   |
|--|--|---|---|
| 1  | 2  | 3   | 4   |
| Growing demand for faster, good quality mobile connections accelerates | Seamless, multi-channel customer experience and personal customer relationship - digitalization and physical channels unites | The best ecosystems and end-customer solutions globally, gets stronger foothold | B2B: Mobile work, digitalization, IoT, and centralized ICT sourcing |

## Our vision and mission

### THE MOST SATISFIED CUSTOMERS

We want to make our customers' lives more inspiring, productive and entertaining. We provide connections, services and devices – in a clear, easy and cost-effective manner.

## Aspired differentiation

Customer experience – especially in essential interaction with DNA  
Attitude – Service minded attitude according to our values

*Positive memory trace  
as a goal – in every  
customer meeting*

## Our values

**Fast – Straightforward – Bold**

## Our strategic goals

1. The most satisfied consumer and corporate customers
2. Industry-leading financial development
3. Faster than average market growth
4. Becoming one of the most desired employers in Finland

# Telecommunications market in transition

The **exponential growth of mobile data** has been an important industry trend in recent years.

The emerging **Industrial Internet applications** will further expand the volume of data traffic, providing new kinds of growth opportunities.

## Trend 1

The demand for **faster and better-quality connections** is growing at an increasing pace – mobile broadband traffic volumes are fuelled by the growing number of smart phones and other smart devices.

## Trend 2

Customers lead increasingly **digital lives** and want a seamless experience regardless of the service channel

## Trend 3

The strong growth of the variety of services and smart devices continues – **the best global services will gain a stronger foothold**

## Trend 4

**Mobile working, digitisation and the Internet of Things** will make business more flexible and productive

## We make sustainable business

### Reducing climate impact

We use renewable energy in our direct procurement of electricity. Green electricity is estimated to reduce our indirect greenhouse gas emissions by 40 per cent, which means about 13,000 tonnes less greenhouse gases per year. This amount equals about 2,000 trips around the world in a car.

### Record high job satisfaction

DNA's results in the Great Place to Work survey improved significantly again, despite the good results of the previous year. Results improved across the board for the organisation as a whole.

### Active in the society

We are a main partner of the “HundrED – 100 Koulua” initiative. Together with schools and experts, the initiative develops, produces and evaluates 100 innovations for the best education. In addition, we are a long term partner of the SOS Children's Village Association.



# Business Review, January-March 2017

# January-March 2017: DNA's year started strongly as expected



## **Net sales improved 5.7% and was EUR 213.4 million** (202.0 million)

- Strong growth of service revenue\* continued. Service revenue was boosted in particular by the positive development of the mobile subscription base and growing use of mobile data as 4G subscriptions become more common
- Good development on mobile device sales also had a positive effect on net sales



## **Ongoing improvement of profitability**

- EBITDA grew 9.7% and was EUR 65.9 million (60.1 million), the increase was mainly driven by growth in service revenue and improved operational efficiency
- Operating result improved 14.9% and was EUR 28.9 million (25.1 million)



## **Strong momentum of operational metrics**

- Revenue per user for mobile communications (ARPU) increased and was EUR 17.8 (EUR 16.4)
- Price increases in certain older DNA subscription types increased DNA's subscription turnover rate (CHURN) and it was 21.0% (13.6%)
- Mobile subscription base grew by 3.8% and was 2,732,000 (2,632,000) subscriptions.
- Subscription base for fixed broadband, cable and fixed voice services subscriptions increased by 8,000 and totalled 1,120,000 subscriptions. Our customers kept moving away from using fixed-voice subscriptions, but at the same time, fixed broadband and cable television subscriptions increased in total by 20,000.
- In Consumer Business, EBITDA increased 20.3%. The increase was fuelled by the positive development of service revenue and mobile device sales.
- In Corporate Business, EBITDA decreased 15.2% and was EUR 15.2 million (18.0 million). EBITDA was mostly affected by the decrease in service which included price changes of leased masts and equipment sites.

\* Service revenue = net sales – (devices sales and interconnection charges)

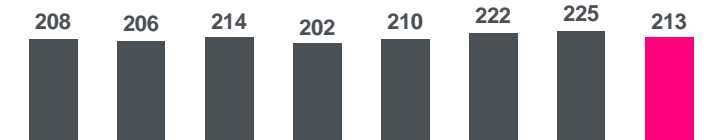


# Q1/2017 – good performance across all metrics

## Net sales grew from the comparison period + 5.7%

EUR million

+5.7% in Q1/2017



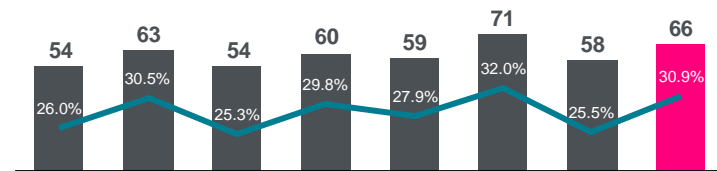
Q2/2015 Q3/2015 Q4/2015 Q1/2016 Q2/2016 Q3/2016 Q4/2016 Q1/2017

Net sales

## Strong EBITDA<sup>1</sup> margin expansion in each quarter (year-on-year)

EUR million

+ 9.7% in Q1/2017



Q2/2015 Q3/2015 Q4/2015 Q1/2016 Q2/2016 Q3/2016 Q4/2016 Q1/2017

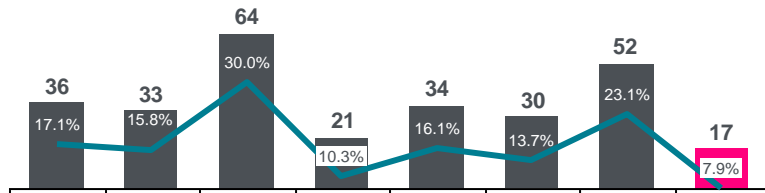
Comparable EBITDA as a % of Revenue

Comparable EBITDA

## The focus in operative capex was on network capacity expansion as well as fibre and transmission systems

EUR million

-19.4% in Q1/2017



Q2/2015 Q3/2015 Q4/2015 Q1/2016 Q2/2016 Q3/2016 Q4/2016 Q1/2017

Operative Capex as a % of Revenue

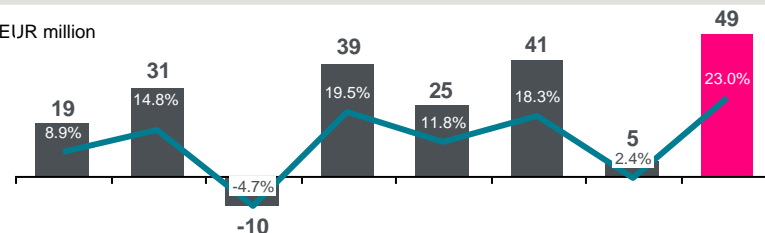
Operative Capex

### Notes

1. EBITDA excluding items affecting comparability
2. Operative capex excluding capex for spectrum licenses
3. Operating free cash flow defined as comparable EBITDA minus operative capex

## Ongoing improvement of operating cash flow<sup>3</sup>

EUR million



Q2/2015 Q3/2015 Q4/2015 Q1/2016 Q2/2016 Q3/2016 Q4/2016 Q1/2017

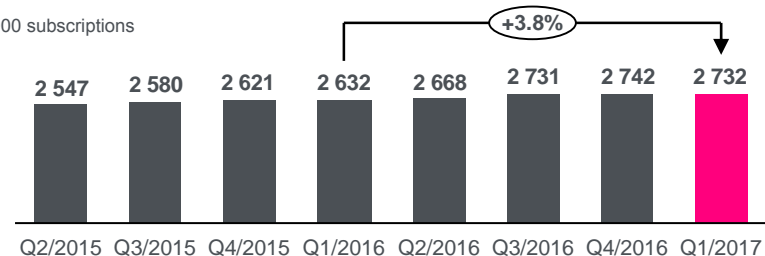
Operating FCF as a % of Revenue

Operating Free Cash Flow

# Both mobile communications network as well as fixed network subscriptions increased from the comparison period

## Mobile communication network subscription volumes were up 100,000 from the reference period

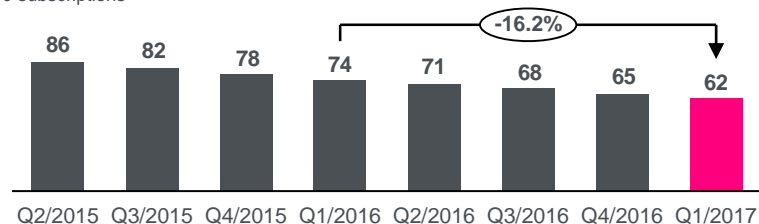
'000 subscriptions



■ Mobile subscriptions

## Our customers kept moving away from using fixed-voice subscriptions

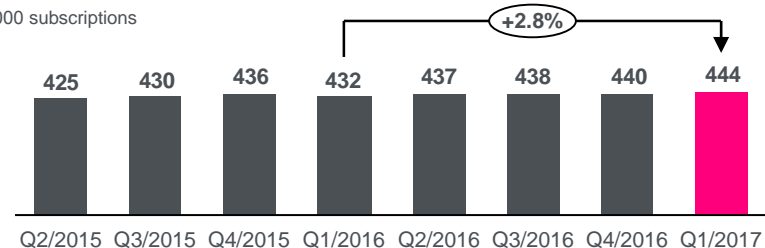
'000 subscriptions



■ Fixed voice subscriptions

## Our Fixed network increased by 12,000 subscriptions

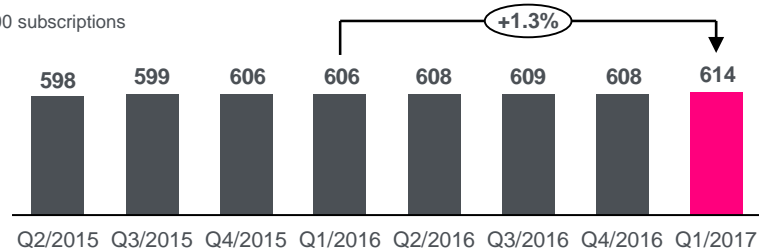
'000 subscriptions



■ Fixed broadband subscriptions

## Amount of cable TV subscriptions increased with 12,000 from the comparison period

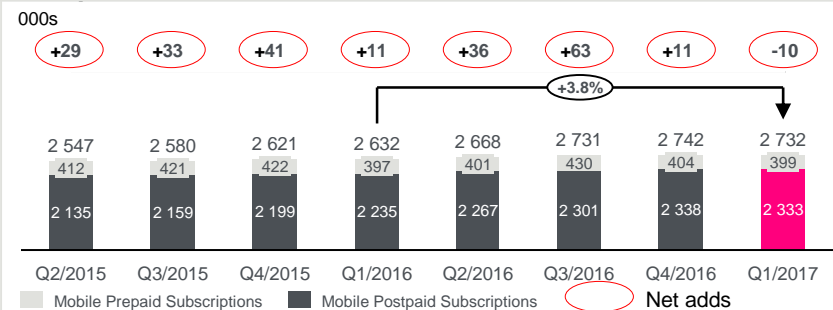
'000 subscriptions



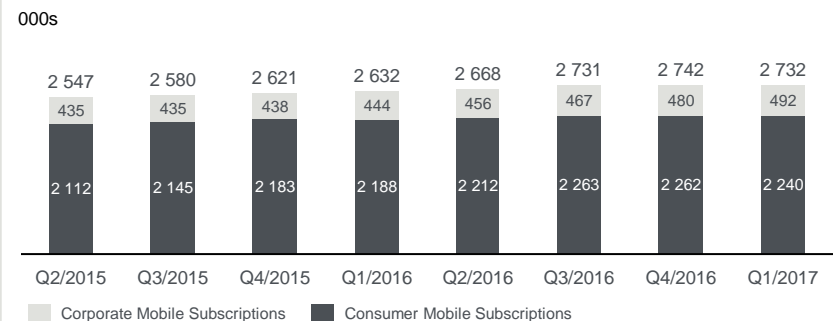
■ Cable TV subscriptions

# Corporate mobile subscriptions continued to increase, consumer subscriptions were impacted by price increases

## The mobile communication subscription turnover rate grew in the first quarter



## Net growth in both Consumer and Business segments

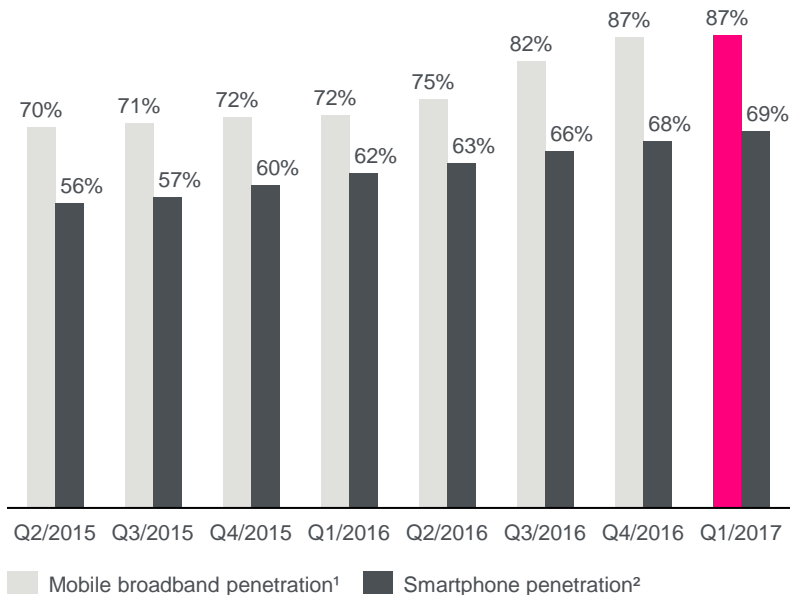


## Key highlights in Q1 2017

- Mobile communication network subscription volumes were up 100,000 from the reference period
  - + 2,000 prepaid mobile subscriptions
  - + 98,000 postpaid mobile subscriptions
 or
  - + 52,000 new Consumer Business customer subscriptions
  - + 48,000 new Corporate Business customer subscriptions
- The increasingly mobile and versatile ways of working have an impact on the access solutions and data communication services adopted by both the private and public sector as mobile data grows in importance.
- Amount of mobile subscriptions decreased somewhat during the first quarter compared to 2016 year-end situation
  - 22,000 consumer customer subscriptions
  - +12,000 new corporate customer subscriptions

# Steady growth of mobile broadband and smartphone penetration

## Mobile broadband and smartphone penetration



## Key highlights

- Smartphone penetration continues to increase
- Practically all phones sold in the market in the first quarter were smart phones and mostly 4G models
- Mobile broadband penetration level was 87%

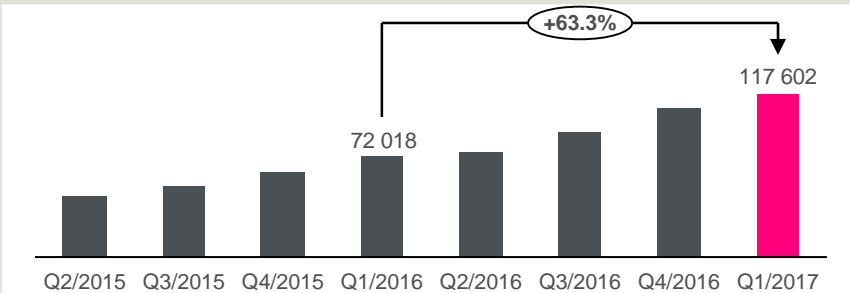
### Notes

1. Share of subscriptions containing Mokka and Liikkuva laajakaista additional services of the total mobile subscription base, excluding M2M (machine to machine), Service operator, Prepaid and Luuri subscriptions

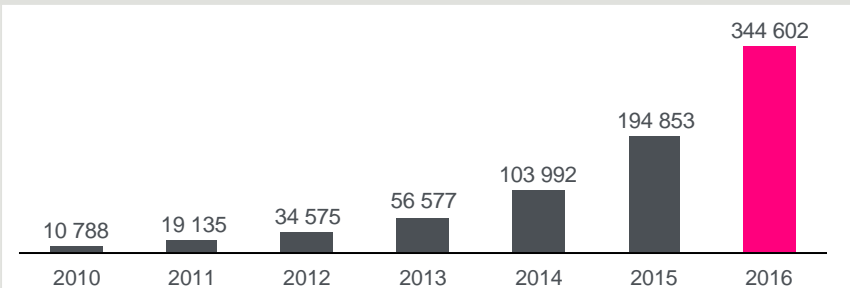
2. iOS (iPhone)-, Bada-, MeeGo-, Android-, Blackberry-, Symbian 3^ and Windows phones of the total phone base

# Mobile data usage continues to grow driven by 4G

Mobile data traffic (GB, '000)



Mobile data traffic (GB, '000)



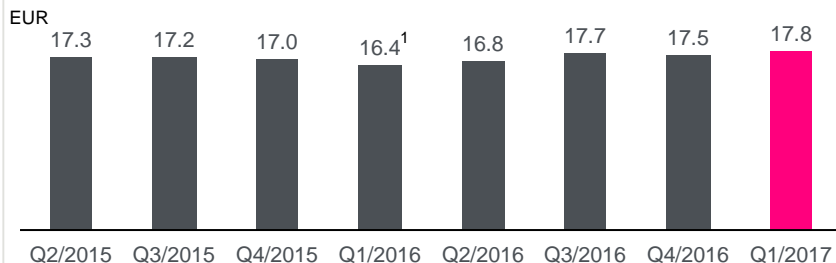
Key highlights during first quarter of 2017

- DNA's mobile data traffic increased 63.3% compared to last year
- At the end of March, 84% of all mobile data was transferred in the 4G network
- DNA tested the potential of the new 5G radio technology with Ericsson.
  - A transmission rate of some 25 Gbps and a delay of less than 3 ms were achieved in the radio connection in the 5G test.

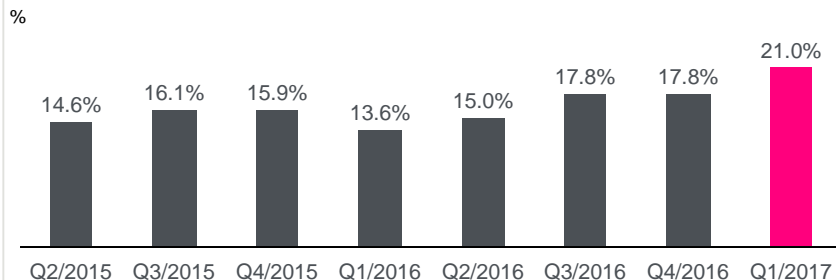


# Revenue per user (ARPU) for mobile communications improved

## Positive mobile postpaid ARPU development



## Mobile postpaid CHURN increased during Q1/2017



### Note

<sup>1</sup>) ARPU in Q1 2016 affected as interconnection revenues declined as MTR fees decreased from 1.87 eurocents per minute to 1.25 eurocents per minute in December 2015 (fixed at this level to December 2018)

ARPU = Average billing per user

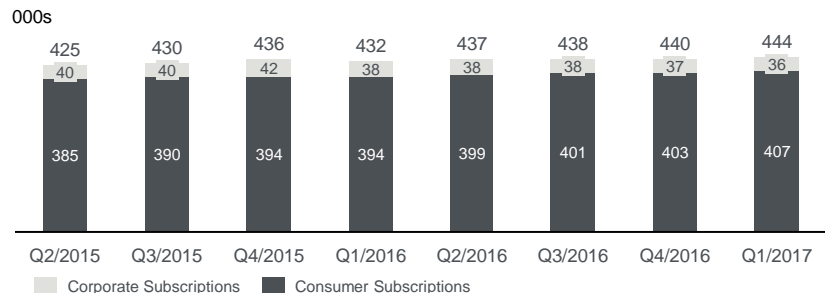
CHURN = Subscription turnover rate

## Key highlights during first quarter of 2017

- Steady growth of 4G subscriptions drives increase in ARPU, as customers are prepared to pay more for faster data connections
  - ✓ 8.5% increase in ARPU
  - ✓ 4G subscription base 48.1%
- Mobile communications subscription base grew 3.8 %
  - ✓ +100,000 subscriptions
- Price increases in certain older DNA subscription types increased DNA's subscription turnover rate (CHURN) in the first quarter.
  - ✓ CHURN increased and was 21.0 % (Q1/2016: 13.6 % and in 2016: 16.0%)

# Stable growth in fixed broadband and cable-TV subscription base

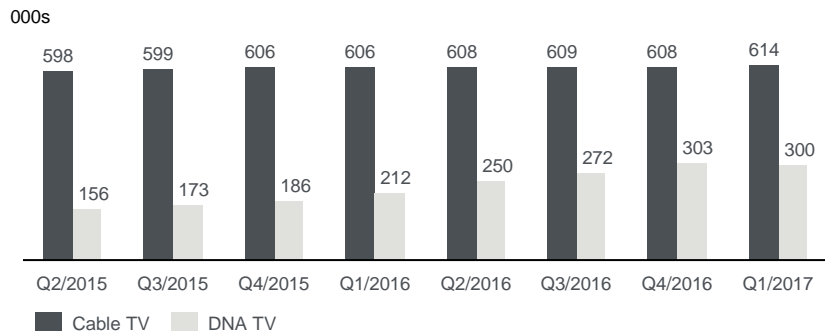
## Fixed broadband subscriptions



## Key highlights during first quarter of 2017

- Ongoing stable growth of consumer fixed broadband subscriptions, with net 12,000 subscriptions added
  - Large consumer customer base provides an opportunity to upsell additional DNA services
- Entrepreneurs in particular are switching from fixed-network broadband subscriptions to mobile broadband subscriptions.

## TV subscriptions



## Key highlights during first quarter of 2017

- Stable cable-TV subscription base, with net 8,000 subscriptions added
- Traditional TV viewing minutes have dropped slightly while the use of streaming and on-demand video services has increased, driving strong growth of DNA TV subscriptions

# We continue to strengthen the foundation for our competitiveness

## Team of top experts

### We develop our personnel

- Every task is performed by a dedicated and qualified person
- We aim to be one of the most desired employers in Finland

## 4G, Fibre-Optic and cable networks and service platforms

### We invest in a very competitive and cost-effective network and service platform infrastructure

- Good networks
- Cost-effective, linear TV distribution
- Service platforms that enable high-quality entertainment distribution and competitive business solutions

## Modern IT systems and analytics

### IT systems, customer, product and network databases and analytics tools to enable

- Measurably good customer experience
- Efficient and agile productisation and packaging, sales, invoicing and customer service

## Speed and cost-effectiveness

### We beat the competition in terms of speed and cost-effectiveness

- The most customer-oriented and agile processes
- Increased automation
- Rapid dismantling of ageing technologies and systems as well as continuous internal optimisation
- Boldly making changes, even major ones

## We are on track to achieve our strategic objectives

The most satisfied  
consumer and corporate  
customers

DNA is a great place to work:  
DNA aims to be one of the most  
desired employers in Finland

Industry-leading  
financial development

Faster than average market  
growth

## Market outlook for 2017

The Finnish economy is slowly returning to growth and the value of the telecommunications market has also returned to the growth path. Competition is expected to remain intense for the rest of the year 2017.

Strong growth of mobile data traffic is set to continue, boosted by the growing number of 4G subscriptions and increased mobile data usage per user.

In the coming years, mobile data use will shift mostly to 4G networks.

The SMS and voice revenue in the mobile communication network is forecasted to decrease somewhat.

In the consumer market, demand for broadband and entertainment services in particular is expected to increase.

The market for fixed-network voice services is expected to continue declining.

The demand for Industrial Internet solutions, and subsequently for M2M subscriptions, is expected to grow.

More mobile and versatile ways of working will boost demand for services such as cloud and video conference services.



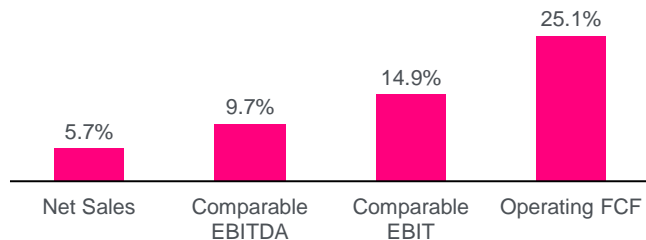
# Financial review

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# Strong momentum in net sales, profitability and cash flows

| EUR, millions                | Q1/2017 | Q1/2016 | Change % | FY 2016 |
|------------------------------|---------|---------|----------|---------|
| Net sales                    | 213,4   | 202,0   | 5,7%     | 858,9   |
| EBITDA                       | 65,9    | 60,1    | 9,7%     | 236,3   |
| Comparable EBITDA            | 65,9    | 60,1    | 9,7%     | 247,1   |
| % of Net Sales               | 30,9%   | 29,8%   |          | 28,8%   |
| Comparable Operating Result  | 28,9    | 25,1    | 14,9%    | 102,1   |
| % of Net Sales               | 13,5%   | 12,4%   |          | 11,9%   |
| Net Result                   | 21,2    | 18,2    | 16,7%    | 65,2    |
| % of Net Sales               | 9,9%    | 9,0%    |          | 7,6%    |
| Operative Capex              | 16,8    | 20,8    | -19,3%   | 136,9   |
| % of Net Sales               | 7,9%    | 10,3%   |          | 15,9%   |
| Operating FCF                | 49,2    | 39,3    |          | 110,2   |
| Net Debt                     | 314,3   | 383,4   |          | 321,7   |
| Net Debt / Comparable EBITDA | 1,2x    | 1,7x    |          | 1,3x    |

## YoY change, Q1/2017 – Q1/2016



## Key highlights during first quarter of 2017

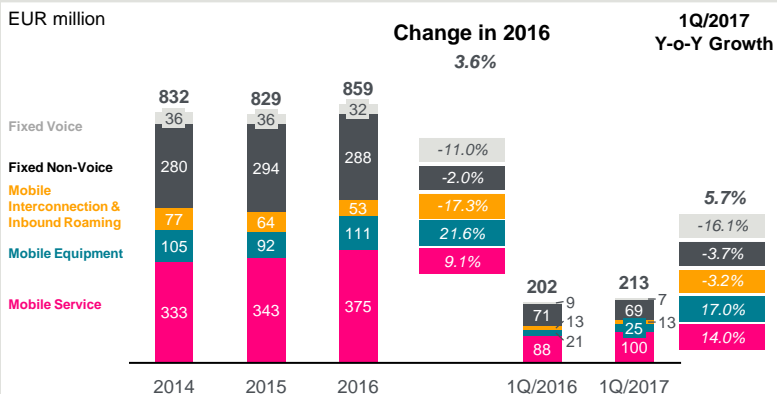
- DNA had strong beginning for the year, net sales grew 5.7%
  - ✓ Service revenue was boosted in particular by the positive development of the mobile subscription base and growing use of mobile data, as 4G subscriptions become more common.
  - ✓ Also mobile device sales developed well
  - ✓ 74.3% (72.1%) of net sales was generated by Consumer Business and 25.7% (27.9%) by Corporate Business
- EBITDA increased 9.7% and it was 30.9% (29.8%) of net sales.
  - ✓ The increase was fuelled by growth in service revenue and improved operational efficiency.
- The operating result increased 14.9% and it was 13.5% (12.4%) of net sales.
- Operative capex decreased 19.3% and was EUR 16.8 million (20.8 million), or 7.9% of net sales (10.9%).

### Note

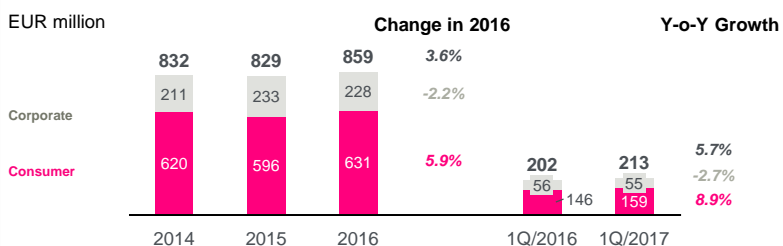
1 Operating free cash flow defined as comparable EBITDA minus operative capex

# Growing high-margin mobile service revenue

## Accelerating mobile service revenue growth



## Strong growth of consumer revenue in 4Q/2016 and full year



## Key highlights during first quarter of 2017

- Mobile service revenue continued to grow strongly during the first quarter
  - ✓ Growth was +14% in Q1/2017
  - ✓ Average revenue per user (ARPU) grew 8.5%
  - ✓ Average billing per user of new subscriptions contributed to higher average customer billing than in the average on the whole subscription base per user
- Net sales in the Consumer Business grew strongly and were boosted by the positive development in mobile subscriptions sales, increased share of 4G subscriptions in the subscription base, and the positive development of mobile device sales.
- Corporate Business net sales decreased slightly year-on-year and amounted to EUR 54.8 million. Net sales was mostly affected by the decrease in service revenue and interconnection sales.

ARPU = average revenue per user

## Business segments in Q1/2017

### Consumer business

#### Net sales EUR 158.6 million (+8.9 %)

- + Net sales were boosted by the positive development in mobile subscription sales, increased share of 4G subscriptions in the subscription base, and the positive development of mobile device sales
- + Revenue per user (ARPU), EUR 17.1 -> EUR 18.9

#### Comparable EBITDA EUR 50.7 million (+20.3 %)

- + The increase was fuelled by the positive development of service revenue and improved operational efficiency.

### Corporate business

#### Net sales EUR 54.8 million (-2.7 %)

- + Growth came mainly from the customer segment of small and mid size companies
- Net sales was affected by reduction in interconnection volumes
- Service revenue was impacted by the decline of voice services in mobile network as well as price changes of leased masts and equipment sites

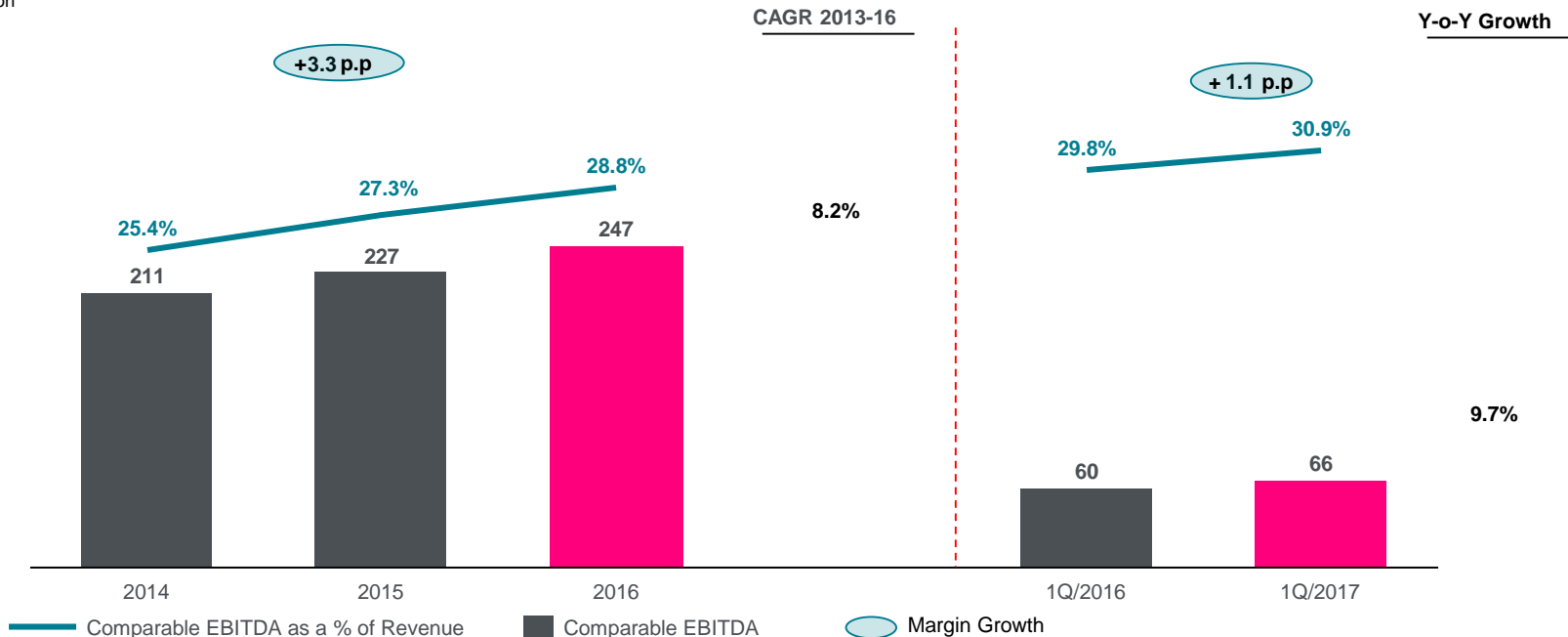
#### Comparable EBITDA EUR 15.2 million (-15.2 %)

- EBITDA was affected mainly by decreased service revenue

# Improving profitability driven by a changed revenue mix, operating leverage and cost reduction

Effective control over operating costs and change in revenue mix provide ground for comparable EBITDA improvement<sup>1</sup>

EUR million



## Notes

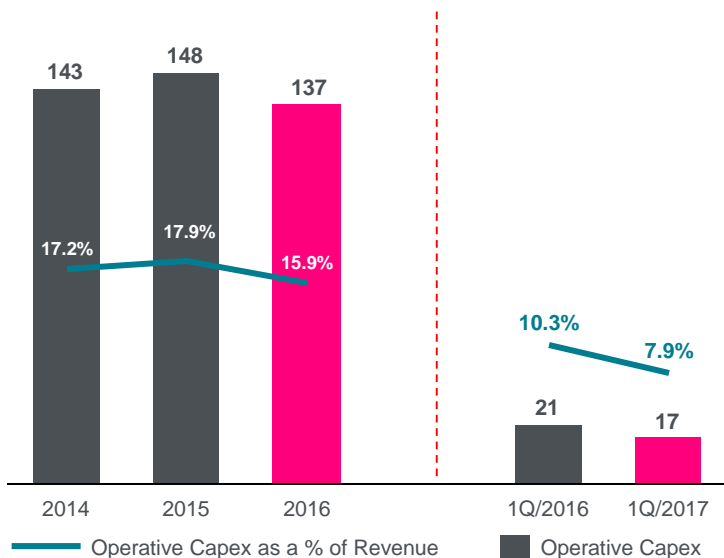
1. EBITDA excluding non-recurring items



# Operative capital expenditure

## Operative capex evolution<sup>1</sup>

EUR million



Source: Company Information

**Note**

1. Operative capex excluding capex for spectrum licenses

## Key highlights during first quarter of 2017

- Operative capex reduced to 15.9% of net sales, or EUR 137 million in 2016
  - Operative Capex reduction materialized in Q4 as the majority of the 4G roll out was completed

## Key investments in Q1 2017

- The focus of DNA's mobile communication network investments has shifted from coverage expansion to capacity expansion
- the Gigabit class speed became available to all 600,000 households in the DNA network
- Payments for 700 MHz spectrum started in Q1 2017 and were 4.4 million euros
- Total consideration of EUR 22 million payable in 5 equal annual instalments

## Rapidly improving cash conversion and free cash flow to equity generation

### CASH FLOW SUMMARY

| € MM; FYE: Dec-31        | 2014       | 2015       | 2016       | Q12017    |
|--------------------------|------------|------------|------------|-----------|
| <b>Comparable EBITDA</b> | <b>211</b> | <b>227</b> | <b>247</b> | <b>66</b> |
| Operative Capex          | (143)      | (148)      | (137)      | (17)      |
| <b>Operating FCF</b>     | <b>68</b>  | <b>79</b>  | <b>110</b> | <b>49</b> |
| <i>Margin %</i>          | 8.2%       | 9.5%       | 12.8%      | 23.0%     |
| <i>Cash Conversion %</i> | 32.3%      | 34.7%      | 44.6%      | 74.6%     |
| Cash Interest            | (9)        | (8)        | (9)        | (5)       |
| Cash Tax                 | (11)       | 2          | (5)        | (4)       |
| Adjusted Change in NWC   | (2)        | 38         | (1)        | (25)      |
| Change in Provisions     | 3          | (9)        | (2)        | (1)       |
| <b>FCFE</b>              | <b>49</b>  | <b>101</b> | <b>93</b>  | <b>15</b> |
| <i>Margin %</i>          | 5.9%       | 12.2%      | 10.8%      | 6.9%      |

### Key highlights during first quarter of 2017

- Operating free cash flow conversion is high due to strong EBITDA and low operating capex, change was mainly due to increase of EBITDA and low operating investments
- Interest payments are high in Q1 due to payment due date
- Net working capital change negative in the first quarter because of payments of trade payables, mostly investments, from 2016. Also most of the listing costs have been paid in Q1 this year.

## Low cost capital structure

Low weighted average cost of debt of 2.22%

|                                    | Maturity | Nominal Amount € MM | Book Value € MM | Cost of Debt |
|------------------------------------|----------|---------------------|-----------------|--------------|
| Unsecured € Bond 2.875% Coupon     | Mar-2021 | 150                 | 149             | 2.93%        |
| Unsecured € Bond 2.625% Coupon     | Nov-2018 | 100                 | 99              | 2.73%        |
| Bank Loans and Commercial Paper    |          | 110                 | 110             | 0.83%        |
| <b>Total</b>                       |          | <b>360</b>          | <b>359</b>      | <b>2.23%</b> |
| Cash & Cash Equivalents            |          |                     | -44             |              |
| <b>Net Debt</b>                    |          |                     | <b>314</b>      |              |
| <b>Net Debt/EBITDA<sup>1</sup></b> |          |                     | <b>1.2x</b>     |              |

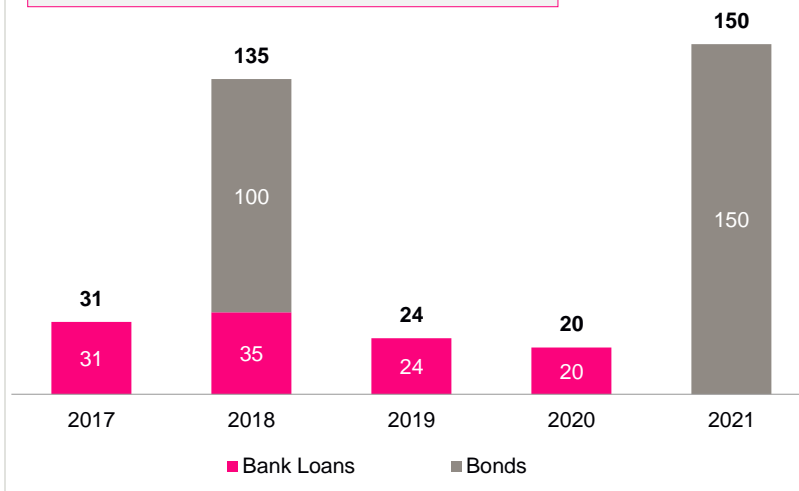
### Notes

1. Defined as net debt divided by comparable EBITDA

## No large near term maturity payments

Debt Maturity Schedule, EUR million

EUR 150 million fully undrawn RCF providing additional liquidity and financial flexibility



# Financial objectives and policy

## Financial guidance for 2017

- DNA's net sales are expected to stay at the same level and the comparable operating result is expected to improve somewhat in 2017 compared to 2016. The Group's financial position and liquidity is expected to remain at a healthy level.

## Mid-term financial targets re-iterated

- Net sales growth – faster than average market growth
- EBITDA margin of at least 30%
- Operative capital expenditure<sup>1</sup> less than 15% of sales

## Leverage policy

- Net debt/EBITDA less than 2.0x
  - Can be temporarily exceeded in case of potential attractive bolt-on in-market M&A opportunities

## Dividend policy and dividend for 2016

- Target dividend payout of 70-90% of free cash flow to equity
- The Annual General Meeting decided a dividend of EUR 0.55 per share for 2016.
- The total dividend of EUR 73 million was paid on April 7, 2017 - dividend yield 5.4% (per 30 Dec 2016)

<sup>1</sup> Operative capex excluding capex for spectrum licenses

# Thank you!

CFO Timo Karppinen  
+358 44 044 5007  
timo.karppinen@dna.fi

More information:  
DNA's Investor Relations  
Marja Mäkinen  
+358 44 044 1262,  
marja.makinen@dna.fi

# Appendices

# KPI Overview

## Mobile KPIs

| Mar-31  | 2014         | 2015         | 2016         | 1Q/2016      | 1Q/2017      |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>Mobile Revenue (€ MM)</b>                                    | <b>515</b>   | <b>499</b>   | <b>539</b>   | <b>122</b>   | <b>138</b>   |
| Service   | 333          | 343          | 375          | 88           | 100          |
| Equipment Sales   | 105          | 92           | 111          | 21           | 25           |
| Interconnection & Inbound Roaming                               | 77           | 64           | 53           | 13           | 13           |
| <b>Mobile Subscriptions (000s)<sup>1</sup></b>                  | <b>2 505</b> | <b>2 621</b> | <b>2 742</b> | <b>2 632</b> | <b>2 732</b> |
| Postpaid  | 2 086        | 2 199        | 2 338        | 2 235        | 2 333        |
| Prepaid   | 419          | 422          | 404          | 397          | 399          |
| Consumer  | 2 070        | 2 183        | 2 262        | 2 188        | 2 240        |
| Corporate   | 435          | 438          | 480          | 444          | 492          |
| <b>ARPU, Mobile Handset Subscriptions (€/month)<sup>2</sup></b> |              |              |              |              |              |
| Postpaid  | 17.8         | 17.0         | 17.1         | 16.4         | 17.8         |
| Prepaid   | 4.6          | 4.1          | 3.8          | 3.8          | 3.6          |
| Consumer (postpaid)   | 18.3         | 17.7         | 18.0         | 17.1         | 18.9         |
| Corporate (postpaid)  | 15.8         | 14.6         | 13.9         | 13.9         | 13.8         |
| <b>Annualised Mobile Handset Subscriptions Churn (%)</b>        |              |              |              |              |              |
| Postpaid  | 16.9%        | 16.0%        | 16.1%        | 13.6%        | 21.0%        |

### Notes

1. Excludes M2M subscriptions

2. Includes interconnection revenues

## Fixed KPIs

| Mar-31                                      | 2014       | 2015       | 2016       | 1Q/2016    | 1Q/2017    |
|---|------------|------------|------------|------------|------------|
| <b>Fixed Revenue (€ MM)</b>                 | <b>316</b> | <b>330</b> | <b>320</b> | <b>80</b>  | <b>76</b>  |
| Non-Voice Revenues                          | 280        | 294        | 288        | 71         | 69         |
| Voice Revenues                              | 36         | 36         | 32         | 9          | 7          |
| <b>Fixed Broadband Subscriptions (000s)</b> | <b>415</b> | <b>436</b> | <b>440</b> | <b>432</b> | <b>444</b> |
| Consumer                                    | 374        | 394        | 403        | 394        | 407        |
| Corporate                                   | 41         | 42         | 37         | 38         | 36         |
| <b>Fixed Voice Subscriptions (000s)</b>     | <b>100</b> | <b>78</b>  | <b>65</b>  | <b>74</b>  | <b>62</b>  |
| Consumer                                    | 51         | 37         | 30         | 35         | 28         |
| Corporate                                   | 49         | 41         | 35         | 39         | 33         |
| <b>Cable-TV Subscriptions (000s)</b>        | <b>593</b> | <b>606</b> | <b>608</b> | <b>606</b> | <b>614</b> |



# Consumer business

**(73.5 % OF NET SALES IN 2016)**

DNA provides its consumer customers with diverse services for communication and entertainment: smart phones, tablets and accessories; voice services in mobile and fixed networks; broadband services in mobile and fixed networks; and diverse entertainment services in cable, terrestrial and broadband networks.

Smart phones and subscriptions

Broadband subscriptions (mobile and fixed)

Modern entertainment services

## STRENGTHS

- Strong retail and online store sales
- We aim to provide straightforward, high-quality service in every channel, every time
- Clear and competitive product-service combinations for customers

## GROWTH DRIVERS

- TV and entertainment business
- Mobile data market
  - The increased adoption of smart phones, tablets and other smart devices as well as the wider availability of 4G speeds significantly boosted data transfer volumes

## DNA's consumer business in brief

### Customer satisfaction is the key

We improve the quality of our customer service and the efficiency of our operations systematically and introduce easy-to-use services needed by customers into the market. Our customer service metrics have shown extremely positive development.

### Handset Business

Our rapidly expanded 4G network and 4G mobile devices, whose prices keep going down, make us well-equipped to provide our customers with increasingly faster connections.

### Entertainment Business

We want it to be easy for everyone to find the entertainment content they want, regardless of the technology or devices. When our cable, terrestrial and mobile TV customers are put together, DNA had over million television service customers at the end of 2016.

### 4G subscriptions

Of the phones we sell, about 99% are smart phones and almost all of them are 4G capable. The demand for 4G subscriptions is increasing steadily.

### Growth drivers

Increasingly networked lifestyles, new TV and home entertainment services and growth of mobile data volumes are trends boosting operators' business.

### Net sales increased

Net sales of our Consumer Business increased in 2016, amounting to EUR 631 million. Operating result increased significantly and was EUR 75 million.

# Corporate business

(26.5 % OF NET SALES IN 2016)

DNA provides easily deployable and high-quality mobile and fixed network communications and network services for companies and communities.

Data security services

Network management and monitoring  
services

Hosting services

Access and networking services

Social communication

Internet of Things (IoT)

## STRENGTHS

- Extensive own fibre, backbone and distribution networks
- Efficient and extensive mobile network, largely with IPv6 protocol
- Strong regional presence
- Excellent price-quality ratio and customer-oriented product development

## GROWTH DRIVERS

- Both the public and private sector are digitalising their businesses and expanding mobile working at an increasing pace
- Companies are using more and more cloud services
- The Industrial Internet and its future possibilities

## DNA's Corporate Business in brief

Customer satisfaction  
is the key

Strong partner for companies, public corporations and integrators. Good services and expert customer service.

Comprehensive  
partner network

Our comprehensive and modern backbone network reaches Stockholm, Amsterdam and Frankfurt: flexible and convenient access points to global cloud services.

Customer numbers  
are increasing

The number of DNA's corporate customers has grown steadily over many years.

Pioneer in new ways  
of working

Digitalisation is speeding up change in the working culture. We are creating new ways of working with the help of innovative tools, fast connections and reliable network services.

Net sales remained  
steady

Net sales remained at a similar level year-on-year, amounting to EUR 227.5 million. Net sales were boosted by the increase in the mobile broadband subscription base and burdened by the reduction in interconnection prices and lower voice traffic volumes.

Industrial Internet

The addition of sensors to vehicles, machines and structures to monitor their status and condition automatically, together with increasing health and well-being monitoring of people, will expand the M2M subscription base many times over by 2020. The Industrial Internet is one of DNA's main priority areas.

## DNA Investor Relations



**Timo Karppinen**  
CFO  
timo.karppinen@dna.fi  
+358 44 044 5007



**Marja Mäkinen**  
Head of IR  
marja.makinen@dna.fi  
+358 44 044 1262



**Meeting requests:**  
**Kirsi Kurki**  
Assistant  
kirsi.kurki@dna.fi  
+358 44 044 2696

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### Next events:

January - March results on 21 April 2017

Half Year Financial Report on 18 July 2017

January - September results on 20 October 2017



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