



Q2

2022

Strong organic growth of 5% – growth outlook for the year upgraded

- Growth driven by TietoEVRY Create, up by 12%, and TietoEVRY Banking, up by 10%
- Adjusted operating margin 10.7% impacted by salary inflation – ongoing efficiency measures driving uplift in H2'22
- Successful talent attraction with 1 200 new joiners – personnel attrition rates stabilizing
- Full-year growth outlook upgraded to 3–5% from the previous range of 2–4%
- Strategic review of TietoEVRY Banking initiated to unlock its full value potential

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Key figures in the second quarter

Revenue, EUR million

739.1 (721.7)

Organic growth¹⁾

4.7% (1.5%)

Order backlog, EUR million

3 400 (3 275)

Adjusted²⁾ operating profit
(EBITA³⁾), EUR million

78.7 / 10.7%

(88.3)

(12.2%)

Operating profit (EBIT),
EUR million

39.7 / 5.4%

(139.7)

(19.4%)

Adjustment²⁾ items,
EUR million

-27.2 (63.2)

Net debt/EBITDA

1.6 (1.6)

¹⁾ Adjusted for currency effects and impact from acquisitions and divestments

²⁾ Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability

³⁾ Profit before interests, taxes and amortization of acquisition-related intangible assets. For reconciliation, see section Alternative performance measures.

Full-year outlook for 2022 – growth outlook upgraded

Tietoevry expects its organic¹⁾ growth to be 3% to 5% (revenue in 2021: EUR 2 823.4 million). Previously, the company estimated its growth to be 2% to 4%.

The company estimates its full-year adjusted operating margin²⁾ (adjusted EBITA) to be 13.1–13.6% (13.0% in 2021).

¹⁾ Adjusted for currency effects, acquisitions and divestments.

²⁾ Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability.

CEO's comment

Comment regarding the interim report by Kimmo Alkio, President and CEO:



"I am pleased with our continued strong growth in the second quarter, with our consulting business and banking software business reaching double-digit growth. While attrition levels are now stabilizing, profitability for the quarter was impacted by exceptionally high salary inflation, as anticipated. We are on schedule with the performance improvement programmes in TietoEVRY Connect and TietoEVRY Banking and we have also accelerated performance measures in TietoEVRY Transform. These programmes will contribute to our performance in the second half. TietoEVRY Transform ended the quarter with a strong order intake, which also provides a foundation for improved future performance.

We have today announced a strategic review of TietoEVRY Banking to enable its accelerated growth and realize its full value potential. The strategic review includes a process to study the potential separation of the Banking business into a new company and its listing on a stock exchange. We believe that operating as an independent entity would enable this business to have better focus, build a clear financial services software identity to attract the best talent and enhance value to its customers.

We continue to experience an active market with exciting customer initiatives for applying new cloud and data technologies – to the benefit of our customers' digital transformation agenda. Broad market demand provides a solid foundation for continued healthy growth, in line with our full-year ambitions.

It is inspiring to see how our Ukrainian colleagues remain firmly committed to high-quality customer deliveries every day. We at TietoEVRY are doing all that we can to support our colleagues and their families in these difficult times.

During the summer, we have been commended for our participation in societal discussions across the Nordics on topics such as cybersecurity, inclusion and climate change. More than ever, companies are expected to participate in public dialogue on environmental and social responsibility and the development of our societies. We at TietoEVRY are committed to continuing to be an active participant in the dialogue and contributing to our customers' sustainability agenda through our products and services."

Tietoevry's quarter in brief

Strong organic growth of 5%

Second-quarter organic growth totalled 5%. Tietoevry Create saw strong growth with revenue organically¹⁾ up by 12% driven by international markets. Strong growth continued in Tietoevry Banking, up by 10%. In Tietoevry Care, revenue was organically down by 4%, impacted by the high comparison figure. The second quarter of 2021 included extraordinary licence sales of 10%.

¹⁾ Adjusted for currency effects and impact from acquisitions and divestments.

Profitability impacted by salary inflation as anticipated – performance acceleration contributing to the second half of 2022

Adjusted operating margin of 10.7% was impacted by high salary inflation. The company is on schedule with the performance improvement programmes in Tietoevry Connect and Tietoevry Banking, which will contribute to performance in the second half of 2022. The company has also enhanced its performance measures in Tietoevry Transform.

Enhanced performance measures initiated in Tietoevry Transform

In Tietoevry Transform, order intake was at a healthy level. To address weak profitability, impacted by the combination of flat growth and high inflation, Tietoevry Transform has enhanced its measures to drive improved performance. With these measures, the business aims to increase automation, redeploy talent and improve utilization rates. Tietoevry expects that profit improvement will begin to materialize towards the end of 2022.

Significant wins

Tietoevry Transform to accelerate Region Stockholm's digital transformation

Region Stockholm awarded Tietoevry Transform an outsourcing agreement to accelerate its digital transformation by transforming its entire IT infrastructure and application environment. As part of the agreement, Tietoevry will provide leading hybrid-cloud and AI-ops capabilities based on a cost-efficient, future-proof and cohesive delivery model. The contract is valid for five years, with an option for an extension of a maximum of seven additional years. The total contract value, including the additional years, is approximately SEK 1 billion.

Tietoevry Create and a leading global semiconductor company entering a new level of co-operation

Tietoevry Create has won a new agreement with a leading global semiconductor company – as a continuation to over ten years' partnership in the area of specialized software engineering. With the new agreement, representing total contract value of EUR 2.9 million for 2022, Tietoevry was chosen as the go-to-market partner for new telecom products in the virtual radio access networks (vRAN) market. This takes the partnership to the next level, with Tietoevry helping the customer to gain market share in both Europe and Asia.

Reno de Medici chooses Tietoevry Industry as digital business transformation partner

Reno de Medici (RDM Group), headquartered in Italy, has selected Tietoevry Industry to modernize their core business processes and enable digitalization at their nine mills. RDM Group is the leading producer in the recycled carton board business and the largest producer in Italy, France, the Netherlands and the Iberian Peninsula. The renewal is based on Tietoevry's Sales and Manufacturing Execution System (MES) – TIPS Industry Solutions and Services. It will increase overall efficiency, reduce waste and improve customer service.

IT market development

The rapidly changing market provides significant growth opportunities for Tietoevry. Creating superior experiences enabled by hyperconnected data continues to be a strong driver for investments across industries. Customers are considering how to utilize the benefits of data even faster to be able to launch highly advanced digital experiences supported by real-time and personalized services.

Cloud technologies are at the core of customers' efficiency, agility and innovation. Investments are clearly geared towards cloud native development, data engineering and advanced analytics, adopting software-as-a-service as well as modernizing applications and infrastructure to cloud. Active programmes are ongoing with customers modernizing their business processes, applications and infrastructure to become cloud-enabled and reap the benefits from data.

While macroeconomic uncertainties exist, market activity level has remained healthy with no significant change in customer behaviour observed.

The overall addressable market for Tietoevry is anticipated to grow by around 3% during 2022, impacted by an estimated decline of 5–10% in traditional managed services. The market for software and cloud-native services is anticipated to grow by around 10%. This polarized market is calling for specialization reflecting a distinctive competitive advantage in each service segment in order to capture the identified opportunities.

Strategy driving growth and expansion through specialization

Tietoevry announced a new strategy in 2021, driving growth and expansion through specialization. Investments will be focused on businesses where the company sees competitive advantages and sustainable growth:

- cloud-native services
- data and software engineering
- scalable software businesses, including their global expansion potential.

In the areas of traditional managed application and infrastructure services, the company sees new partnerships as potential means to build scale and pursue joint investments.

Six specialized businesses

Tietoevry's specialized businesses have full operational responsibility, including go-to-market, service portfolio, delivery capabilities, investments and partnerships. Reflecting the distinct market dynamics of each, the individual businesses have optionality to build scale and prioritize investments. The businesses forming the reportable segments are:

Tietoevry Create accelerates customers' digital agenda to create competitive products and data-driven businesses utilizing design, data and cloud technologies. This is a global business with software and data engineering at its core.

Tietoevry Banking is a provider of scalable Banking-as-a-Service platform and leading software products to drive digital transformation and efficiency for financial institutions.

Tietoevry Care provides modular and interoperable software, reinventing Nordic health and social care for enhanced care personnel and citizen experience.

Tietoevry Industry is a portfolio of distinct competitive software and data solutions across a wide variety of industry domains. These domains include the public sector, pulp & paper and utilities.

Tietoevry Transform drives enterprise-wide transformation across customers' business processes, applications and infrastructure. Deep customer knowledge, global cloud & data competencies and automated operations form its foundation.

Tietoevry Connect is a multi-cloud platform provider with a full range of infrastructure choices at scale – ensuring security, resilience and compliance for the customer's business.

Scalable common functions, such as Finance, Strategy and HR, continue to support the businesses in driving portfolio development, performance management and efficiency across the company.

Investment priorities to support scale in distinct businesses

The following investment priorities will drive competitiveness and value creation in each business:

- Invest to expand in Tietoevry Create, Tietoevry Care and Tietoevry Banking – invest to accelerate products, services and capabilities; prioritize M&A.
- Partner to scale in Tietoevry Transform and Tietoevry Connect – invest in capabilities to drive scale and automated managed services; seek partners to jointly invest and build scale.
- Focus for value in Tietoevry Industry – optimize investments in selected businesses and develop portfolio to increase focus.

Long-term financial targets

The financial targets announced in 2020 have been maintained while the new strategy supports potential for enhanced performance. The targets include:

- Growth accelerating to 5% by 2023
- Adjusted EBITA 15% by 2023
- Net debt/EBITDA below 2 by the end of 2022
- One-time items around 1% of revenue post 2021
- Dividends increased annually.

In 2022, one-time costs are expected to be around 2% of revenue.

Performance in 2022

Strong order backlog and a healthy market are anticipated to contribute to continued growth in 2022. Following strong first-half growth of 4.6% and anticipated revenue development in the second half, growth guidance for the year has been upgraded. Tietoevry currently estimates its full-year organic growth¹⁾ to be 3% to 5%. The company anticipates over 4% growth to be feasible while recognizing macroeconomic related risks.

Tietoevry expects its adjusted operating profit (EBITA) to be 13.1–13.6% in the full year. Profitability in the first half of 2022 was 11.1%, which supports the trend towards the lower end of the guided range. Second-half profitability is anticipated to clearly improve from the first half, driven by the company's performance acceleration programmes and the impact of the seasonality of vacation periods. Salary inflation is anticipated to have a negative impact.

Salary inflation impacting the speed of performance improvement

Personnel attrition and salary inflation are anticipated to remain at a high level. The company estimates full-year salary inflation to be 4%. It is offset by a number of actions including price increases, further offshoring, management of the competence pyramid and overall cost efficiency across businesses.

Performance acceleration in Tietoevry Connect and Tietoevry Banking contributing to H2'22 performance – enhanced measures in Tietoevry Transform

In order to drive growth and competitiveness, several measures are being carried out across businesses. Tietoevry Connect initiated consultation processes in February and the cost savings programme is expected to impact up to 600 roles. The targeted annual savings of around EUR 50 million mainly relate to personnel and external purchases. In March, Tietoevry Banking initiated measures to drive competitiveness and efficiency, focused on SG&A rationalization. These programmes are expected to contribute to the company's performance in the second half of the year.

Tietoevry Transform has initiated enhanced measures to drive improved performance. With these measures, Tietoevry Transform aims to increase automation, redeploy talent and improve utilization rates. Tietoevry expects that the profit improvement will begin to materialize towards the end of 2022.

Adjustment items

In 2022, one-time costs are expected to be around 2% of revenue, primarily driven by the efficiency programme in Tietoevry Connect, measures to drive competitiveness and efficiency in Tietoevry Banking as well as exit costs related to Russia and costs associated with ensuring employee wellbeing and business continuity in Ukraine. One-time costs also include the remaining integration costs, mainly related to the brand and identity programme.

¹⁾ Adjusted for currency effects, acquisitions and divestments.

Financial performance in April–June

	4–6/2022	4–6/2021
Revenue, EUR million	739.1	721.7
Change, %	2.4	5.1
Operating profit (EBIT), EUR million	39.7	139.7
Operating margin (EBIT), %	5.4	19.4
Adjusted ¹⁾ operating profit (EBITA ²⁾ , EUR million	78.7	88.3
Adjusted ¹⁾ operating margin (EBITA ²⁾ , %	10.7	12.2
Profit after taxes, EUR million	21.8	117.6
EPS, EUR	0.18	0.99
Net cash flow from operations, EUR million	8.4	11.2
Return on equity, 12-month rolling, %	11.6	14.2
Return on capital employed, 12-month rolling, %	10.4	11.2
Capital expenditure, EUR million	23.9	18.5
Order backlog	3 400	3 275
Interest-bearing net debt, EUR million	716.2	772.1
Personnel on 30 June	24 363	23 610

Second-quarter revenue was up by 2.4% to EUR 739.1 (721.7) million. Growth was driven by consulting business and the company's banking software businesses. Divestments had a negative impact of EUR 13 million and exchange rates a negative impact of EUR 4 million. Second-quarter operating profit (EBIT) amounted to EUR 39.7 (139.7) million, representing a margin of 5.4 (19.4). Operating profit includes EUR -27.2 (63.2) million in adjustment items, mainly related to Tietoevry Connect's efficiency programme, restructuring in Tietoevry Banking, the war in Ukraine and exiting the company's Russian operations. Adjusted¹⁾ operating profit (EBITA) stood at EUR 78.7 (88.3) million, or 10.7% (12.2) of revenue. Further details on adjustment items are available in the [Alternative Performance Measures](#) paragraph.

Depreciation and amortization amounted to EUR 41.6 (42.7) million, including EUR 17.5 (18.0) million in depreciation of right of use assets (IFRS 16 impact) and EUR 11.8 (11.8) million in amortization of acquisition-related intangible assets. Net financial expenses stood at EUR 9.2 (6.2) million. Net interest expenses were EUR 5.1 (5.3) million and net losses from foreign exchange transactions EUR 2.6 (losses 0.2) million. Other financial income and expenses amounted to EUR -1.5 (-0.7) million.

Earnings per share (EPS) totalled EUR 0.18 (0.99). Adjusted¹⁾ earnings per share amounted to EUR 0.46 (0.52).

¹⁾ Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability

²⁾ Profit before interests, taxes and amortization of acquisition-related intangible assets

Financial performance by segment

	Revenue, EUR million		Growth, %	Organic growth, % ³⁾	Adjusted ¹⁾ operating profit ²⁾ , EUR million	Adjusted ¹⁾ operating profit ²⁾ , EUR million	Adjusted ¹⁾ operating margin ²⁾ , %	Adjusted ¹⁾ operating margin ²⁾ , %
	4–6/2022	4–6/2021			4–6/2022	4–6/2021	4–6/2022	4–6/2021
Tietoevry Create	210.3	188.4	12	12	26.5	23.1	12.6	12.2
Tietoevry Banking	132.3	120.2	10	10	13.6	14.4	10.3	12.0
Tietoevry Care	58.3	61.5	-5	-4	17.5	19.5	30.1	31.7
Tietoevry Industry	68.3	78.5	-13	3	11.7	11.0	17.1	14.1
Tietoevry Transform	118.7	119.1	-0	0	5.4	11.9	4.5	10.0
Tietoevry Connect	230.7	231.4	-0	1	12.0	15.6	5.2	6.7
Eliminations and non-allocated costs	-79.4	-77.3	—	—	-7.9	-7.2	—	—
Group total	739.1	721.7	2	5	78.7	88.3	10.7	12.2

¹⁾ Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability

²⁾ Profit before interests, taxes and amortization of acquisition-related intangible assets

³⁾ Adjusted for currency effects and impact from acquisitions and divestments

For a comprehensive set of segment figures, see the [tables section](#).

In Tietoevry **Create**, revenue was organically up by 12%. The market for cloud native, and data and software engineering services remained active. Create saw continued high growth in international business with the new Nanjing R&D centre contributing to growth. The impact of the war in Ukraine on business in the second quarter was limited. Adjusted operating margin improved slightly from the previous year's level. In the third quarter, adjusted operating margin is anticipated to be at the level of the corresponding quarter of 2021.

In Tietoevry **Banking**, revenue was organically up by 10%. Healthy growth was driven by the Cards and Financial Crime Prevention businesses. Adjusted operating margin was below the previous year's level while measures to drive competitiveness and efficiency were on schedule in the second quarter and are anticipated to contribute to second-half performance. In the third quarter, adjusted operating margin is anticipated to be above the level of the corresponding quarter of 2021.

In Tietoevry **Care**, revenue was organically down by 4%. The second quarter of 2021 included extraordinary licence sales of 10%. Underlying growth of 6% was driven by the Healthcare and Welfare businesses. Profitability remained at a strong level while Tietoevry Care will continue to see increased investments for the year, focusing on software roadmap acceleration and reinforced go-to-market. In the third quarter, adjusted operating margin is anticipated to be below the level of the corresponding quarter of 2021.

In Tietoevry **Industry**, growth was impacted by the divestment of the oil & gas software business. Organically, revenue was up by 3%. Organic growth was driven by Tietoevry's case management software Public 360 and pulp and paper software. A large customer contract ending in Data Platform Services had a negative impact of 3 percentage points on growth. Profitability was healthy, above the previous year's level. In the third quarter, adjusted operating margin is anticipated to be below the level of the corresponding quarter of 2021.

In Tietoevry **Transform**, revenue remained organically at the previous year's level. The Industry & Forest segment saw healthy growth while revenue was declining in the Telecom & Consumer segment. While growth remained weak, order intake was at a healthy level. Profitability was impacted by the combination of flat growth and high inflation. Tietoevry Transform has initiated enhanced measures to drive improved performance. These measures focus on increasing automation, redeploying talent and improving utilization rates. Tietoevry expects that the profit improvement will begin to materialize towards the end of 2022. In the third quarter, adjusted operating margin is anticipated to be at the level of the corresponding quarter of 2021.

In Tietoevry **Connect**, revenue was organically up by 1%. Cloud platforms and security services grew by 14% and traditional infrastructure services' revenue was down by 6%. Profitability was impacted by high inflation. Ongoing efficiency measures are anticipated to contribute to second-half performance. In the third quarter, adjusted operating margin is anticipated to be above the level of the corresponding quarter of 2021.

Reportable segments are described in the [tables section](#).

Cash flow and investments

Second-quarter net cash flow from operations amounted to EUR 8.4 (11.2) million, including an increase of EUR 56.6 (increase of 83.9) million in net working capital. At the end of the second quarter, net working capital was at the level of the previous year's corresponding quarter.

Payments for restructuring amounted to EUR 4.9 (6.0) million.

Capital expenditure totalled EUR 23.9 (18.5) million, mainly consisting of business-related software licences, investments in data centres and the capitalized costs for the development of software. In the second quarter, capitalized costs for industry-specific software amounted to EUR 7.4 (10.4) million. Capital expenditure represented 3.2% (2.6) of revenue.

Financial performance in January–June

	1–6/2022	1–6/2021
Revenue, EUR million	1 470.1	1 433.3
Change, %	2.6	0.2
Operating profit (EBIT), EUR million	85.8	196.4
Operating margin (EBIT), %	5.8	13.7
Adjusted ¹⁾ operating profit (EBITA ²⁾ , EUR million	163.3	170.5
Adjusted ¹⁾ operating margin (EBITA ²⁾ , %	11.1	11.9
Profit after taxes, EUR million	54.8	154.6
EPS, EUR	0.46	1.31
Net cash flow from operations, EUR million	70.4	106.0
Return on equity, 12-month rolling, %	11.6	14.2
Return on capital employed, 12-month rolling, %	10.4	11.2
Capital expenditure, EUR million	45.0	40.1
Order backlog	3 400	3 275
Interest-bearing net debt, EUR million	716.2	772.1
Personnel on 30 June	24 363	23 610

First-half revenue increased by 2.6% to EUR 1 470.1 (1 433.3) million. Divestments had a negative impact of EUR 27 million. Organically, revenue was up by 5%. First-half operating profit (EBIT) amounted to EUR 85.8 (196.4) million, representing a margin of 5.8% (13.7).

Operating profit includes EUR -53.8 (49.5) million in adjustment items, mainly related to Tietoevry Connect's efficiency programme, the war in Ukraine and exiting the company's Russian operations. In 2021, adjustment items included substantial capital gains. Adjusted¹⁾ operating profit (EBITA) stood at EUR 163.3 (170.5) million, or 11.1% (11.9) of revenue. Further details on adjusted items are available in the [Alternative Performance Measures](#) paragraph.

Depreciation and amortization amounted to EUR 83.8 (86.5) million, including EUR 34.3 (36.5) million in depreciation of right of use assets (IFRS 16 impact) and EUR 23.7 (23.6) million in amortization of acquisition-related intangible assets. Net financial expenses stood at EUR 13.6 (14.5) million. Net interest expenses were EUR 9.5 (11.1) million and net losses from foreign exchange transactions EUR 2.0 (losses 2.0) million. Other financial income and expenses amounted to EUR -2.1 (-1.4) million.

Earnings per share (EPS) totalled EUR 0.46 (1.31). Adjusted¹⁾ earnings per share amounted to EUR 1.00 (1.00).

¹⁾ Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability

²⁾ Profit before interests, taxes and amortization of acquisition-related intangible assets

Financial performance by segment

	Revenue,	Revenue,	Growth, %	Organic growth, % ³⁾	Adjusted ¹⁾ operating profit ²⁾ ,	Adjusted ¹⁾ operating profit ²⁾ ,	Adjusted ¹⁾ operating margin ²⁾ , %	Adjusted ¹⁾ operating margin ²⁾ , %
	EUR million	EUR million			EUR million	EUR million	margin ²⁾ , %	margin ²⁾ , %
	1–6/2022	1–6/2021			1–6/2022	1–6/2021	1–6/2022	1–6/2021
Tietoevry Create	428.4	376.7	14	14	57.7	50.0	13.5	13.3
Tietoevry Banking	257.4	233.7	10	9	26.0	26.0	10.1	11.1
Tietoevry Care	114.9	115.9	-1	0	34.1	33.2	29.7	28.7
Tietoevry Industry	139.3	161.3	-14	3	22.8	23.9	16.4	14.8
Tietoevry Transform	239.9	240.5	-0	0	15.7	25.0	6.5	10.4
Tietoevry Connect	454.9	458.7	-1	-0	21.2	25.7	4.7	5.6
Eliminations and non-allocated costs	-164.6	-153.7	—	—	-14.2	-13.3	—	—
Total	1 470.1	1 433.3	3	5	163.3	170.5	11.1	11.9

¹⁾ Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability

²⁾ Profit before interests, taxes and amortization of acquisition-related intangible assets

³⁾ Adjusted for currency effects and impact from acquisitions and divestments

For a comprehensive set of segment figures, see the [tables](#) section.

Cash flow and investments

First-half net cash flow from operations amounted to EUR 70.4 (106.0) million, including an increase of EUR 59.9 (increase of 83.7) million in net working capital.

Payments for restructuring amounted to EUR 8.8 (14.1) million.

First-half tax payments were EUR 27.4 (13.3) million. Tax rate was 24.2%.

Capital expenditure totalled EUR 45.0 (40.1) million, mainly consisting of investments in data centres and the capitalized costs for the development of software. Capitalized costs for industry-specific software amounted to EUR 17.4 (23.5) million. Capital expenditure represented 3.1% (2.8) of revenue.

Financial position at the end of the period

The equity ratio was 48.7% (48.3). Gearing decreased to 43.8% (46.4). Interest-bearing net debt totalled EUR 716.2 (772.1) million, including EUR 752.1 (770.7) million in interest-bearing debt, EUR 212.8 (220.1) million in lease liabilities, EUR 3.2 (4.9) million in finance lease receivables, EUR 25.2 (27.5) million in other interest-bearing receivables and EUR 220.3 (186.3) million in cash and cash equivalents.

Interest-bearing long-term liabilities amounted to EUR 838.6 (888.2) million at the end of June. The company has two bonds outstanding, EUR 100 million maturing in September 2024 and EUR 300 million in June 2025. Additionally, interest-bearing long-term liabilities primarily consist of a syndicated term loan, a loan from the European Investment Bank and lease liabilities of EUR 155.9 million.

Interest-bearing short-term liabilities amounted to EUR 126.3 (102.5) million, mainly related to leasing liabilities and the short-term part of the term loans.

In June, Tietoevry signed a new, sustainability-linked revolving credit facility of EUR 250 million to refinance the earlier facility. The new revolving credit facility has a maturity of five years with two one-year extension options. It is linked to selected sustainability targets of Tietoevry and hence supports the company's commitments to Science Based Targets. The credit facility was not in use at the end of June.

Order backlog

Tietoevry's order backlog amounted to EUR 3 400 (3 275) million at the end of June. Of the backlog, 36% (32) is expected to be invoiced during 2022. The order backlog includes all signed customer orders that have not been recognized as revenue, including estimates of the value of consumption-based contracts.

The significance of traditional measures for the order backlog is impacted by the shift from traditional large outsourcing agreements towards agile methods and consumption-based business models. Additionally, traditional development programmes are cut into smaller projects.

Major agreements in January–June

Tietoevry has signed a number of new agreements during the period with customers across all the businesses. However, according to the terms and conditions of these agreements, Tietoevry is not able to disclose most of the contracts.

In February, S Group, one of the largest retail groups in Finland, chose Tietoevry Transform as its partner to speed up the modernization of its IT functions and to support changes in its operating model. This co-operation will increase automation and the utilization of data in S Group's business operations. The five-year agreement covers co-operation in the management and development of services for next-generation applications.

In February, International Card Services and Tietoevry Connect prolonged the contract for the infrastructure carrying Tietoevry Banking cards software for a minimum of five additional years with an option of two more years. The agreement covers transformation of a private cloud infrastructure to a top of class hybrid cloud solution and the enablement of cloud transformation (One Cloud Platinum) including PCI/DSS compliance. The contract value is EUR 24 million.

In February, Kammarkollegiet, a central procurement function for governmental agencies in Sweden, and Tietoevry Create signed a frame agreement, securing two out of the five tender areas: Security in IT and IT projects, and IT consultancy solutions. Tietoevry has also been awarded two additional areas while appeal processes related to these areas are ongoing. These are part of one of the most extensive procurement initiatives in Sweden, providing access to purchases from all governmental agencies in Sweden.

In February, Huddinge municipality signed an agreement with Tietoevry on a delivery of a digital student administration system handling administrative processes for preschools, compulsory schools and upper secondary schools. The solution will be delivered as a cloud service including consulting and system support. The total value of the ten-year agreement is estimated to be SEK 20 million.

In February, the Swedish Central Bank (Riksbanken) chose Tietoevry as one of three vendors for a two-year frame agreement on banking and finance consultancy services that will be provided in collaboration by Tietoevry Banking and Tietoevry Create. The frame agreement, following Tietoevry's participation in Riksbankens E-krona Pilot, covers areas such as payments, financial infrastructure, financial standards and securities settlements.

In February, Tietoevry Create renewed its agreement with Goodyear, a leading automotive tire manufacturer, and will enhance co-operation in software development for tire management digital platforms during 2022. By leveraging Goodyear's patented predictive algorithms, Tietoevry continues to further develop and enrich the set of features and services the digital platform can provide, from geolocated real-time predictive

tire pressure monitoring (TPMS) for fleets of trucks, to automated tire-condition control with advanced sensors (tread depth). The digital platform helps prevent tire-related accidents, reduce fuel consumption for lower CO₂ emissions and increase the overall productivity of a fleet of trucks.

In March, Butterfield Bank chose Tietoevry Banking to provide a state-of-the-art credit card processing platform as well as card production and personalization services based on sustainable payment cards produced from recycled ocean plastic. Tietoevry Banking's credit ledger will enable Butterfield Bank to reimagine credit cards for the digital era. Deployed as software-as-a-service (SaaS), Tietoevry's credit ledger offers end-to-end credit card transaction processing, dispute handling, financial crime prevention, customer support and mobile and wallet-based payments.

In March, Worldline and Tietoevry Banking extended their strategic partnership for card acquiring processing services. The three-year agreement with contract value of EUR 17 million includes all of Worldline's authorization processing services in the Nordic market. The agreement includes an option for additional two years.

In March, Tietoevry Create and Sydvéd extended their partnership to create a data platform for the forest industry under the working title "Forest Data Market". This initiative's main goal is to help the forest industry become truly data driven by establishing a data platform containing business information. The platform will be flexible and adapted to the forest industry's common business processes, and customers will be able to combine data sources to gain valuable insights.

In April, Reno de Medici (RDM Group) selected Tietoevry Industry to modernize their core business processes and enable digitalization at their nine mills. RDM Group is the leading producer in the recycled carton board business and the largest producer in Italy, France, the Netherlands and the Iberian Peninsula. The renewal is based on Tietoevry's Sales and Manufacturing Execution System (MES) – TIPS Industry Solutions and Services. It will increase overall efficiency, reduce waste and improve customer service.

In April, Vattenfall Nuclear decided to continue its collaboration with Tietoevry Create. Tietoevry is helping to build an enterprise search solution called Supersök, based on the company's Findwise i3 software and Elasticsearch. Supersök is a set of search-driven tools helping maintenance personnel plan and follow up on maintenance- and facility-related activities at Forsmark nuclear plant. This is the first out of two planned steps to modernize the architecture and findability tools around Forsmark's maintenance process. The first part of this project, to be implemented during 2022, is worth SEK 5 million, on top of licences for SEK 2 million for the first three years.

In April, Tietoevry Connect concluded an agreement on cloud services with Kemira. In May, Bodø Kommune chose Tietoevry Connect as a partner for cloud services.

In May, Tietoevry Create concluded a new agreement with a leading global semiconductor company – as a continuation to over ten years' partnership in the area of specialized software engineering. With the new agreement, representing total contract value of EUR 2.9 million for 2022, Tietoevry was chosen as the go-to-market partner for new telecom products in the virtual radio access networks (vRAN) market. This takes the partnership to the next level, with Tietoevry helping the customer to gain market share in both Europe and Asia. Tietoevry's deep domain expertise in telecom software engineering will shorten time-to-market and improve the quality of the customers' products.

In May, Region Stockholm awarded Tietoevry Transform an outsourcing agreement to accelerate its digital transformation by transforming its entire IT infrastructure and application environment. As part of the agreement, Tietoevry will provide leading hybrid-cloud and AI-ops capabilities based on a cost-efficient, future-proof and cohesive delivery model. The contract is valid for five years, with an option for an extension of a maximum of seven additional years. The total contract value, including the additional years, is approximately SEK 1 billion.

In June, Lassila & Tikanoja and Tietoevry Transform decided to strengthen their strategic partnership with a new agreement with a view to speeding up digitalization at Lassila & Tikanoja and make more efficient use of data in its business operations. The five-year agreement covers end-user services, application management, service integration and management, hybrid infrastructure and transformation-related services.

Changes in Group structure

Tietoevry has sold its Russian operations through a local management buy-out. With this transaction, completed on 18 April, Tietoevry has ended all its local operations in Russia and transitions all its responsibilities including employees, customers, suppliers, legal and regulatory to the new owners.

Personnel

The number of full-time employees amounted to 24 363 (23 610) at the end of June. The number of full-time employees in the global delivery centres totalled 12 461 (11 388), or 51.1% (48.2) of all personnel.

The number of full-time employees remained at the end-of-first-quarter level. The impact of divestment in Russia was around 100. The 12-month rolling employee turnover stood at 16.3% (11.7) at the end of June, somewhat down from 16.5% at the end of the first quarter.

Group-level salary inflation is expected to be around 4% on average in 2022. It is offset by a number of actions including price increases, further offshoring, management of the competence pyramid and overall cost efficiency across businesses.

Shares

On 30 June, the number of shares totalled 118 425 771. At the end of the quarter, the number of shares in the company's or its subsidiaries' possession totalled 12 468, representing 0.01% of the total number of shares and voting rights. The number of outstanding shares, excluding the treasury shares, was 118 413 303.

Significant risks and uncertainties

Consolidated revenue and operating profit are sensitive to volatility in exchange rates, especially that of the Swedish Krona and Norwegian Krone. Sales in Sweden and Norway represent around two thirds of the Group's sales.

Due to the Covid-19 pandemic, the market outlook in Tietoevry's main markets involves uncertainties while sensitivity to uncertainty varies by business. The company's portfolio comprises services based on multi-year agreements in infrastructure and application services as well as in industry-specific software businesses. The consulting business has shorter contractual periods and is likely to be more affected during times of economic uncertainty. Tietoevry operates in multiple countries, balancing workforce availability. The company has taken several measures to secure the health and safety of employees and ensure critical services to customers.

To address the war in Ukraine, the company has taken actions to ensure the safety of its employees in the country and business continuity for its clients. However, the geopolitical situation remains unstable and might result in a weaker economic outlook in the company's main markets. While there are some early signals of postponements of new projects, customers have increased their focus on cybersecurity and continuity of operations.

The active global talent market has increased personnel attrition. While the company has accelerated new hirings globally, higher attrition levels may impact performance.

In light of the global supply shortage of semiconductors and associated technology products, software and service companies such as Tietoevry may experience delays in deliveries.

New disruptive technologies, such as cloud computing, drive customer demand towards standardized and less labour-intensive solutions where automation plays an important role. These changes may result in accelerated volume reductions in traditional infrastructure services and the need for restructuring.

The company's development is relatively sensitive to changes in the demand from large customers, as Tietoevry's top 10 customers currently account for around 20% of its revenue, with Tietoevry Transform having the highest customer concentration in the company.

Typical risks faced by the IT service industry relate to partnerships with external vendors. A potential failure in deliveries by partners could lead to quality and financial consequences.

Risks in the IT services industry include the development and implementation of new technologies and software. In Tietoevry's case, implementations relate to both own software development, the scope of related project deliveries and integration of third-party software. Additional technology licence fees and failures to meet both the agreed quality and schedule of deliveries could pose potential risks.

Risks related to cybersecurity breaches or malicious attacks could seriously affect Tietoevry's ability to provide its services and have an adverse impact on the company's financials and reputation.

The new EU General Data Protection Regulation took effect in May 2018. The company continues to develop its GDPR practices across businesses and functions, and with its customers. In light of the overall regulatory development of GDPR, there continues to be uncertainty with regards to how the authorities will interpret the regulation and Schrems II judgement by the Court of Justice of the European Union – and impose fines in cases involving personal data breaches.

Companies around the world are facing new risks arising from tax audits and some countries may introduce new regulation. Additionally, changes in the tax authorities' interpretations could have unfavourable impacts on taxpayers.

Full-year outlook for 2022 – growth outlook upgraded

Tietoevry expects its organic¹⁾ growth to be 3% to 5% (revenue in 2021: EUR 2 823.4 million). Previously, the company estimated its growth to be 2% to 4%.

The company estimates its full-year adjusted operating margin²⁾ (adjusted EBITA) to be 13.1–13.6% (13.0% in 2021).

¹⁾ Adjusted for currency effects, acquisitions and divestments.

²⁾ Adjustment items include restructuring costs, capital gains/losses, impairment charges and other items affecting comparability.

Events after the period

On 22 July, the company announced that it initiates a strategic review of Tietoevry Banking business, including a process to study the potential separation into an independent company that would be listed on a stock exchange. The aim is to accelerate growth profile, scale, profitability of Tietoevry Banking, and enhance its strategic and financial flexibility to drive value creation for all stakeholders.

The separation of the Banking business from the Tietoevry Group will require a carve out process that is expected to be completed in the second half of 2023. Should the listing assessment proceed favourably, the company aims to subsequently list Tietoevry Banking in the second half of 2023. Further details about the progress will be provided in due course.

Financial calendar 2022

27 October Interim report 3/2022 (8.00 am EET)

30 November Capital Markets Day



Q2

2022

Consolidated interim financial statements

Income statement

	2022	2021	2022	2021	Change	2021
EUR million	4–6	4–6	1–6	1–6	%	1–12
Revenue	739.1	721.7	1 470.1	1 433.3	3	2 823.4
Other operating income	4.5	74.6	9.8	77.8	-87	125.1
Materials and services ¹⁾	-144.1	-131.4	-275.8	-261.9	5	-513.5
Employee benefit expenses	-414.0	-396.3	-842.1	-799.5	5	-1 527.0
Depreciation and amortization	-41.6	-42.7	-83.8	-86.5	-3	-170.1
Impairment losses	-0.0	-0.2	-0.0	-1.5	-100	-5.3
Other operating expenses ¹⁾	-104.4	-86.1	-192.7	-165.7	16	-352.0
Share of results in joint ventures	0.1	0.0	0.3	0.5	-29	1.5
Operating profit (EBIT)	39.7	139.7	85.8	196.4	-56	382.0
Interest and other financial income	0.6	0.4	1.4	0.8	74	1.9
Interest and other financial expenses	-7.2	-6.4	-12.9	-13.3	-3	-25.3
Net foreign exchange gains/losses	-2.6	-0.2	-2.0	-2.0	-1	-4.8
Profit before taxes	30.5	133.5	72.2	181.9	-60	353.8
Income taxes	-8.7	-15.9	-17.5	-27.3	-36	-62.2
Net profit for the period	21.8	117.6	54.8	154.6	-65	291.6
Net profit for the period attributable to						
Owners of the Parent company	21.8	117.6	54.8	154.6	-65	291.6
Non-controlling interest	—	0.0	—	0.0	—	0.0
	21.8	117.6	54.8	154.6	-65	291.6
Earnings per share attributable to owners of the Parent company, EUR per share						
Basic	0.18	0.99	0.46	1.31	-65	2.46
Diluted	0.18	0.99	0.46	1.30	-65	2.46

¹⁾ Tietoevry has clarified its accounting policy for costs related to shared platforms in infrastructure services. These costs are recognized in other operating expenses when they are not directly linked to any specific customer. Due to the clarification, Tietoevry has reclassified costs between Materials and Services and Other operating expenses in the comparative periods.

Statement of other comprehensive income

	2022	2021	2022	2021	Change	2021
EUR million	4–6	4–6	1–6	1–6	%	1–12
Net profit for the period	21.8	117.6	54.8	154.6	-65	291.6
Items that may be reclassified subsequently to profit or loss						
Translation differences	-112.1	-23.2	-74.3	41.4	> 100	60.2
Items that will not be reclassified subsequently to profit or loss						
Remeasurements of the defined benefit plans, net of tax	2.2	0.6	3.0	2.4	25	-1.6
Total comprehensive income	-88.1	95.0	-16.5	198.4	> 100	350.3
Total comprehensive income attributable to						
Owners of the Parent company	-88.1	95.0	-16.5	198.4	> 100	350.3
Non-controlling interest	—	0.0	—	0.0	—	0.0
	-88.1	95.0	-16.5	198.4	> 100	350.3

Statement of financial position

Assets

	2022	2021	Change	2021
EUR million	30 Jun	30 Jun	%	31 Dec
Goodwill	1 876.5	1 935.1	-3	1 943.7
Other intangible assets	365.6	388.1	-6	387.9
Property, plant and equipment	91.5	89.3	3	87.4
Right-of-use assets	200.9	209.9	-4	192.4
Interests in joint ventures	15.3	18.4	-17	16.7
Deferred tax assets	12.3	21.4	-42	19.1
Defined benefit plan assets	2.5	0.9	> 100	0.7
Finance lease receivables	0.6	2.3	-73	2.7
Other financial assets at amortized cost	12.7	13.7	-7	15.7
Other financial assets at fair value	0.6	0.6	-1	0.6
Other non-current receivables	29.1	36.4	-20	35.4
Total non-current assets	2 607.6	2 715.9	-4	2 702.3
Inventories	5.0	5.6	-9	7.2
Trade and other receivables	551.5	578.4	-5	517.0
Financial assets at fair value	29.9	17.0	76	23.3
Finance lease receivables	2.6	2.6	-2	2.9
Current tax assets	9.5	15.5	-39	10.8
Cash and cash equivalents ¹⁾	220.3	186.3	18	323.8
Total current assets	818.8	805.3	2	884.9
Total assets	3 426.4	3 521.2	-3	3 587.2

¹⁾ Cash and cash equivalents includes restricted cash of EUR 11.3 million held within bank accounts in Ukraine.

Equity and Liabilities

	2022	2021	Change	2021
EUR million	30 Jun	30 Jun	%	31 Dec
Share capital, share issue premiums and other reserves	116.8	118.4	-1	118.0
Invested unrestricted equity reserve	1 203.5	1 203.5	0	1 203.5
Retained earnings	315.8	343.3	-8	499.6
Equity attributable to owners of the Parent company	1 636.0	1 665.2	-2	1 821.1
Non-controlling interest	—	0.0	—	—
Total equity	1 636.0	1 665.2	-2	1 821.1
Loans	682.6	735.0	-7	731.6
Lease liabilities	155.9	153.2	2	144.0
Deferred tax liabilities	2.1	12.5	-83	9.1
Provisions	4.3	3.4	26	2.8
Defined benefit obligations	29.0	35.3	-18	38.7
Other non-current liabilities	28.9	37.8	-23	34.7
Total non-current liabilities	902.9	977.1	-8	960.8
Trade and other payables	716.5	737.9	-3	672.3
Financial liabilities at fair value	3.4	0.6	> 100	0.8
Current tax liabilities	9.1	12.5	-27	18.5
Loans	69.5	35.7	95	31.5
Lease liabilities	56.9	66.9	-15	62.5
Provisions	32.1	25.3	27	19.6
Total current liabilities	887.5	878.9	1	805.3
Total equity and liabilities	3 426.4	3 521.2	-3	3 587.2

Statement of changes in shareholders' equity

EUR million	Owners of the Parent company							Non-control-ling interest	Total equity
	Share capital	Share premium and other reserves	Own shares	Trans-lation differ-ences	Invested unre-stricted equity reserve	Retained earnings	Total		
31 Dec 2021	76.6	41.5	-0.2	-66.0	1 203.5	565.8	1 821.1	—	1 821.1
Comprehensive income									
Net profit for the period	—	—	—	—	—	54.8	54.8	—	54.8
Other comprehensive income, net of tax									
Remeasurements of the defined benefit plans, net of tax	—	—	—	—	—	3.0	3.0	—	3.0
Translation differences	—	-1.2	—	-74.9	—	1.8	-74.3	—	-74.3
Total comprehensive income	—	-1.2	—	-74.9	—	59.6	-16.5	—	-16.5
Transactions with owners									
Contributions and distributions									
Share-based incentive plans	—	—	3.6	—	—	-2.7	0.9	—	0.9
Dividends	—	—	—	—	—	-165.8	-165.8	—	-165.8
Repurchase of own shares	—	—	-3.7	—	—	—	-3.7	—	-3.7
Total transactions with owners	—	—	-0.1	—	—	-168.5	-168.6	—	-168.6
30 Jun 2022	76.6	40.2	-0.3	-140.9	1 203.5	457.0	1 636.0	—	1 636.0

EUR million	Owners of the Parent company							Non-control-ling interest	Total equity
	Share capital	Share premium and other reserves	Own shares	Trans-lation differ-ences	Invested unre-stricted equity reserve	Retained earnings	Total		
31 Dec 2020	76.6	42.1	-0.3	-133.8	1 203.5	438.2	1 626.2	0.0	1 626.2
Comprehensive income									
Net profit for the period	—	—	—	—	—	154.6	154.6	0.0	154.6
Other comprehensive income, net of tax									
Remeasurements of the defined benefit plans, net of tax	—	—	—	—	—	2.4	2.4	—	2.4
Translation differences	—	-0.3	—	33.0	—	8.7	41.4	—	41.4
Total comprehensive income	—	-0.3	—	33.0	—	165.7	198.4	0.0	198.4
Transactions with owners									
Contributions and distributions									
Share-based incentive plans	—	—	3.9	—	—	-3.3	0.6	—	0.6
Dividends	—	—	—	—	—	-156.3	-156.3	—	-156.3
Repurchase of own shares	—	—	-3.8	—	—	—	-3.8	—	-3.8
Total transactions with owners	—	—	0.1	—	—	-159.6	-159.5	—	-159.5
30 Jun 2021	76.6	41.8	-0.2	-100.8	1 203.5	444.5	1 665.3	0.0	1 665.2

Statement of cash flows

	2022	2021	2022	2021	2021
EUR million	4-6	4-6	1-6	1-6	1-12
Cash flow from operating activities					
Net profit for the period	21.9	117.6	54.8	154.6	291.6
Adjustments					
Depreciation, amortization and impairment losses	41.5	42.8	83.7	88.0	175.5
Profit/loss on sale of property, plant and equipment, subsidiaries and business operations	9.0	-71.4	8.9	-71.4	-104.1
Share of results in joint ventures	-0.1	0.0	-0.3	-0.5	-1.5
Other adjustments	1.1	-0.8	-4.4	-1.5	0.2
Net financial expenses	9.2	6.2	13.6	14.5	28.1
Income taxes	8.7	15.9	17.5	27.3	62.2
Change in net working capital	-56.6	-83.9	-59.9	-83.7	-26.9
Cash generated from operating activities before interests and taxes	34.7	26.4	113.9	127.3	425.2
Net financial expenses paid	-13.0	-9.3	-17.5	-10.0	-19.2
Dividends received	1.4	2.1	1.4	2.1	2.1
Income taxes paid	-14.7	-8.0	-27.4	-13.3	-40.6
Cash flow from operating activities	8.4	11.2	70.4	106.0	367.5
Cash flow from investing activities					
Capital expenditure	-24.9	-18.5	-45.7	-40.1	-80.8
Disposal of subsidiaries and business operations, net of cash disposed	-3.3	142.5	-1.2	142.5	179.5
Proceeds from sale of property, plant and equipment	-0.1	0.1	-0.0	0.2	0.8
Change in loan receivables	0.7	0.2	1.5	1.0	0.3
Cash flow from investing activities	-27.6	124.3	-45.4	103.6	99.8
Cash flow from financing activities					
Dividends paid	-82.9	-78.2	-82.9	-78.2	-156.3
Repurchase of own shares	—	—	-3.7	-3.8	-3.8
Repayments of lease liabilities	-15.1	-19.7	-33.8	-37.4	-73.1
Other short-term financing, net	-0.8	-9.1	-0.7	-9.6	-19.7
Repayments of long-term borrowings	-6.5	-145.8	-6.5	-145.8	-145.8
Cash flow from financing activities	-105.3	-252.8	-127.6	-274.8	-398.8
Change in cash and cash equivalents	-124.4	-117.3	-102.5	-65.2	68.5
Cash and cash equivalents at the beginning of period	342.5	307.5	323.8	252.3	252.3
Foreign exchange differences	2.2	-4.0	-0.9	-0.8	3.0
Change in cash and cash equivalents	-124.4	-117.3	-102.5	-65.2	68.5
Cash and cash equivalents at the end of period¹⁾	220.3	186.3	220.3	186.3	323.8

¹⁾ Cash and cash equivalents includes restricted cash of EUR 11.3 million held within bank accounts in Ukraine.

Notes to the interim financial statements

This interim report is unaudited and it is prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those used in the annual financial statements for the year ended on 31 December 2021. Changes to IFRSs which have been effective from 1 January 2022 have had no material impact on the Group's financial statements.

All presented figures in this interim report have been rounded and consequently, the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

Revenue and profitability of Tietoevry are subject to seasonal variations. Usually, the third-quarter sales are affected by vacation period and the reversal of vacation accruals has a positive effect on profitability. Typically, the fourth-quarter sales and margins are positively affected by higher licence sales for Tietoevry's industry-specific software.

New reporting structure

Tietoevry has established six specialized end-to-end businesses which form the reportable segments as from 1 January 2022. More information in [Segment information](#).

Changes in Group structure

Tietoevry has sold its Russian operations through a local management buy-out. With this transaction, completed on 18 April, Tietoevry has ended all its local operations in Russia and transitions all its responsibilities including employees, customers, suppliers, legal and regulatory to the new owners. The loss recognised on the disposal was EUR 9.1 million.

Critical accounting estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported and disclosed at the reporting date. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from the estimates. The areas requiring the exercise and judgement where a different opinion could result in significant changes to reported results are the same as reported in the 2021 consolidated financial statements.

Events after the end of the reporting period

On 22 July, the company announced that it initiates a strategic review of Tietoevry Banking business, including a process to study the potential separation into an independent company that would be listed on a stock exchange. The aim is to accelerate growth profile, scale, profitability of Tietoevry Banking, and enhance its strategic and financial flexibility to drive value creation for all stakeholders.

The separation of the Banking business from the Tietoevry Group will require a carve out process that is expected to be completed in the second half of 2023. Should the listing assessment proceed favourably, the company aims to subsequently list Tietoevry Banking in the second half of 2023. Further details about the progress will be provided in due course.

Segment information

Tietoevry Group comprises six operating segments: Tietoevry Create, Tietoevry Banking, Tietoevry Care, Tietoevry Industry, Tietoevry Transform and Tietoevry Connect. The operating segments are reported in a manner consistent with the internal reporting provided to the Group Executive Management, which has been identified as Tietoevry's chief operating decision maker being responsible for allocating resources and assessing performance of the operating segments as well as deciding on strategy.

The Group Executive Management assesses the profitability of segments principally on the basis of adjusted operating profit (EBITA). Operating profit (EBIT) is, however, also an essential measure and is disclosed in this segment note as it is most consistent with the result reported in accordance with IFRS. Transactions between the segments are made on market-term basis.

Eliminations include internal revenues between operating segments and Group function sales of internal services to the businesses.

Non-allocated costs relate to Global management and Support functions and are shown separately in the operating profit (EBIT).

Tietoevry Create

Tietoevry Create is a leading accelerator for digital innovation and cloud-native development, providing business advisory and design, data engineering and specialized software R&D services across a range of industry sectors. It is a high-growth, market-leading vendor in the Nordics and expanding in international markets, which currently represent over 40% of Tietoevry Create revenue. Tietoevry Create has almost 9 000 employees in competence centres in Europe, India and China – they leverage their expertise and the latest technologies to support clients from nearly 20 countries.

Tietoevry Banking

Tietoevry Banking is modernizing the financial sector in the Nordics and globally with modular, pre-integrated Banking-as-a-Service and a full suite of market-leading, scalable software and services within domains such as payments, cards, wealth management, financial crime prevention and credit. Built by unmatched industry expertise, the solutions help accelerate growth through digital customer engagement, real-time operational efficiency and regulatory compliance. Tietoevry Banking's team consists of around 3 500 specialists.

Tietoevry Care

Tietoevry Care offers modular, open and interoperable software for customers in the health and social care sectors to enhance the care experience across the Nordics. Using advanced analytics and embedded AI, it provides decision support and process automation. Demand for software and services in healthcare segments such as hospitals, primary and secondary care, as well as elderly, home and family care is increasing rapidly on the back of the growing demand for better care outcomes, improved citizen experience, higher staff satisfaction and increased efficiency. Tietoevry Care employs over 1 400 specialists.

Tietoevry Industry

Tietoevry Industry provides industry-specific software and data platform services for customers looking to enhance their critical processes – with software increasingly delivered as a service. Product areas include software for case management, pulp & paper, education, and energy and utilities. Furthermore, data platform services deliver data in processes such as billing & invoicing and industry messaging. Its team consists of close to 1 700 specialists with extensive industry knowledge and in-depth expertise of utilizing data to create insights and add value across core business and operational processes.

Tietoevry Transform

Tietoevry Transform drives enterprise-wide transformation for customers across their business processes and applications by means of automation, cloud and data capabilities. It helps customers improve enterprise agility and reduce time to market. Its team of over 3 000 experts provides full stack IT services across modernizing existing IT infrastructure, the renewal of core business applications, next-generation services as well as data and AI services for selected large and mid-sized customers in both public and private enterprises in the Nordics.

Tietoevry Connect

Tietoevry Connect is a Nordic multi-cloud platform provider with a full range of infrastructure choices at scale – aiming to ensure resilience, security and compliance for customers' business. Its business comprises cloud platforms and security services, traditional infrastructure services, end-user services and hardware/software reselling. It is the leading provider of managed services in the Nordics, and the partner of choice for businesses looking to drive and achieve cloud adoption at scale. Its team of 5 000 experts delivers services to customer operations in more than 90 countries.

Revenue by segment

	2022	2021	Change	2022	2021	Change	2021
EUR million	4–6	4–6	%	1–6	1–6	%	1–12
Tietoevry Create	210.3	188.4	12	428.4	376.7	14	756.3
Tietoevry Banking	132.3	120.2	10	257.4	233.7	10	475.8
Tietoevry Care	58.3	61.5	-5	114.9	115.9	-1	221.9
Tietoevry Industry	68.3	78.5	-13	139.3	161.3	-14	303.4
Tietoevry Transform	118.7	119.1	-0	239.9	240.5	-0	467.9
Tietoevry Connect	230.7	231.4	-0	454.9	458.7	-1	907.5
Eliminations	-79.4	-77.3	> 100	-164.6	-153.7	> 100	-309.5
Group total	739.1	721.7	2	1 470.1	1 433.3	3	2 823.4

Customer revenue from fixed-price contracts by segment

	2022	2021	2022	2021	2021
EUR million	4–6	4–6	1–6	1–6	1–12
Tietoevry Create	4.3	3.2	8.7	7.5	16.0
Tietoevry Banking	10.3	4.7	14.2	11.8	25.2
Tietoevry Care	0.3	0.2	0.4	0.3	1.0
Tietoevry Industry	0.8	1.1	1.6	3.0	5.0
Tietoevry Transform	3.1	1.3	6.7	2.1	7.1
Tietoevry Connect	0.5	0.9	1.1	4.5	6.1
Group total	19.2	11.4	32.7	29.2	60.5

Tietoevry does not have individual significant customers as defined in IFRS 8.

Operating profit (EBIT) by segment

	2022	2021	Change	2022	2021	Change	2021
EUR million	4–6	4–6	%	1–6	1–6	%	1–12
Tietoevry Create	12.4	20.2	-39	39.6	44.6	-11	88.6
Tietoevry Banking	2.7	8.6	-69	9.5	14.7	-35	38.1
Tietoevry Care	17.4	19.0	-8	33.9	32.7	4	68.3
Tietoevry Industry	8.7	79.0	-89	19.3	90.6	-79	149.8
Tietoevry Transform	5.1	11.3	-55	15.1	24.2	-37	40.8
Tietoevry Connect	5.8	9.4	-38	-10.5	11.1	> 100	38.5
Non-allocated costs	-12.3	-7.9	> 100	-21.1	-21.5	1	-42.1
Group total	39.7	139.7	-72	85.8	196.4	-56	382.0

Operating margin (EBIT) by segment

	2022	2021	Change	2022	2021	Change	2021
%	4–6	4–6	pp	1–6	1–6	pp	1–12
Tietoevry Create	5.9	10.7	-5	9.2	11.8	-3	11.7
Tietoevry Banking	2.0	7.2	-5	3.7	6.3	-3	8.0
Tietoevry Care	29.9	30.9	-1	29.5	28.2	1	30.8
Tietoevry Industry	12.7	100.7	-88	13.9	56.2	-42	49.4
Tietoevry Transform	4.3	9.5	-5	6.3	10.0	-4	8.7
Tietoevry Connect	2.5	4.0	-2	-2.3	2.4	-5	4.2
Operating margin (EBIT)	5.4	19.4	-14	5.8	13.7	-8	13.5

Personnel by segment

	End of period				Average ¹⁾	
	2022	2021	Change	Share	2021	2022
	1–6	1–6	%	%	1–12	1–6
Tietoevry Create	8 852	8 007	11	36	8 653	8 744
Tietoevry Banking	3 509	3 394	3	14	3 495	3 515
Tietoevry Care	1 431	1 279	12	6	1 346	1 390
Tietoevry Industry	1 656	1 895	-13	7	1 819	1 723
Tietoevry Transform	3 402	3 228	5	14	3 395	3 378
Tietoevry Connect	4 827	5 123	-6	20	4 994	4 937
Group functions	687	684	0	3	687	697
Group total	24 363	23 610	3	100	24 389	24 385

¹⁾ 2021 comparative information for the average number of personnel by segment is not available due to the implementation of the group's new organization structure as of 1 January 2022.

Personnel by country

	End of period				Average		
	2022	2021	Change	Share	2021	2022	2021
	1–6	1–6	%	%	1–12	1–6	1–6
Sweden	4 048	4 332	-7	17	4 286	4 177	4 337
Norway	4 174	4 288	-3	17	4 274	4 183	4 437
Finland	3 160	3 122	1	13	3 130	3 153	3 050
India	4 580	4 349	5	19	4 592	4 598	4 279
Czech Republic	2 630	2 463	7	11	2 505	2 584	2 462
Ukraine	2 190	2 007	9	9	2 123	2 160	1 939
Latvia	1 042	966	8	4	999	1 021	958
China	973	433	> 100	4	842	903	432
Poland	692	723	-4	3	710	683	744
Other	875	928	-6	4	928	923	1 055
Group total	24 363	23 610	3	100	24 389	24 385	23 693
Onshore countries	11 903	12 222	-3	49	12 192	12 021	12 334
Offshore countries	12 461	11 388	9	51	12 197	12 364	11 359
Group total	24 363	23 610	3	100	24 389	24 385	23 693

Non-current assets by country

EUR million	2022	2021	Change	2021
	30 Jun	30 Jun	%	31 Dec
Finland	99.7	92.4	8	85.2
Sweden	126.8	125.9	1	117.6
Norway	403.1	431.8	-7	433.5
Other	28.4	37.1	-23	31.3
Total non-current assets	658.1	687.2	-4	667.7

Non-current assets include property, plant and equipment, right-of-use assets and intangible assets excluding goodwill.

Depreciation by segment

	2022	2021	Change	2022	2021	Change	2021
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Tietoevry Create	1.9	2.1	-13	3.5	4.2	-16	8.0
Tietoevry Banking	1.2	1.0	19	2.4	2.0	19	4.1
Tietoevry Care	0.2	0.2	23	0.4	0.3	20	0.7
Tietoevry Industry	0.1	0.3	-50	0.3	0.5	-43	1.0
Tietoevry Transform	0.4	0.1	> 100	0.7	0.2	> 100	0.5
Tietoevry Connect	10.1	11.0	-8	20.3	22.1	-8	43.4
Group functions	13.5	13.5	0	25.5	27.6	-8	53.5
Group total	27.4	28.2	-3	53.2	57.0	-7	111.2

Amortization of other intangible assets by segment

	2022	2021	Change	2022	2021	Change	2021
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Tietoevry Create	0.0	0.1	> 100	0.1	0.1	-30	0.3
Tietoevry Banking	0.7	0.8	-21	1.3	1.7	-21	3.3
Tietoevry Care	0.4	0.2	> 100	0.8	0.3	> 100	0.9
Tietoevry Industry	0.1	0.3	-74	0.1	0.6	-74	1.1
Tietoevry Transform	0.0	0.0	0	0.1	0.1	71	0.1
Tietoevry Connect	1.1	0.9	20	4.3	2.2	92	4.1
Group functions	0.0	0.4	> 100	0.2	0.9	-80	1.8
Group total	2.3	2.7	-13	6.9	5.9	18	11.6

Amortization of acquisition-related intangible assets by segment

	2022	2021	Change	2022	2021	Change	2021
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Tietoevry Create	2.6	2.6	-3	5.2	5.2	-2	10.5
Tietoevry Banking	5.4	5.4	0	10.9	10.8	1	21.7
Tietoevry Care	0.0	0.0	0	0.1	0.1	-3	0.2
Tietoevry Industry	1.6	1.5	2	3.2	3.1	3	6.3
Tietoevry Transform	—	—	—	—	—	—	—
Tietoevry Connect	2.2	2.2	0	4.4	4.4	1	8.7
Group functions	—	—	—	—	—	—	—
Group total	11.8	11.8	0	23.7	23.6	1	47.3

Derivatives

Nominal amounts of derivatives

Includes the gross amount of all nominal values for contracts that have not yet been settled or closed. The amount of nominal value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by other contracts.

	2022	2021
EUR million	30 Jun	31 Dec
Forward contracts outside hedge accounting at fair value through profit or loss	323.6	479.7
Foreign exchange forward contracts	323.6	479.7

Fair values of derivatives

	30 Jun 2022			31 Dec 2021		
EUR million	Gross positive fair values	Gross negative fair values	Net fair values	Gross positive fair values	Gross negative fair values	Net fair values
Forward contracts outside hedge accounting at fair value through profit or loss	8.5	-3.4	5.2	4.2	-0.8	3.3
Foreign exchange forward contracts	8.5	-3.4	5.2	4.2	-0.8	3.3

Derivatives are used for economic hedging purposes only.

Foreign exchange derivatives' fair values are calculated according to foreign exchange and interest rates on the closing date. All outstanding derivative contracts will expire within 12 months after the reporting date.

Fair value measurement of financial assets and liabilities

There have been no changes in fair value methodology and input levels: foreign exchange forward contracts are valued based on Level 2 inputs and Other financial assets at fair value through profit or loss' (EUR 0.6 million on 30 Jun 2022) fair value measurement is based on their initial value. The fair market value cannot be reliably estimated, due to lack of proper market for the assets.

Trade receivables to be sold under non-recourse factoring agreements (EUR 21.3 million on 30 Jun 2022) are classified as Financial assets at fair value through profit or loss. The company estimates that the carrying amount approximates the fair value due to their short-term nature.

Number of shares

	2022	2021	2022	2021	2021
	4–6	4–6	1–6	1–6	1–12
Outstanding shares, end of period					
Basic	118 413 303	118 418 184	118 413 303	118 418 184	118 418 184
Effect of dilutive share-based incentive plans	375 928	176 896	386 023	176 903	276 585
Diluted	118 789 231	118 595 080	118 799 326	118 595 087	118 694 769
Outstanding shares, average					
Basic	118 413 303	118 418 184	118 397 884	118 398 096	118 408 223
Effect of dilutive share-based incentive plans	375 928	176 896	386 023	176 903	276 585
Diluted	118 789 231	118 595 080	118 783 907	118 574 999	118 684 808
Company's possession of its own shares					
End of period	12 468	7 587	12 468	7 587	7 587
Average	12 468	7 587	27 877	27 675	17 548

Alternative performance measures (APMs)

Tietoevry presents certain financial measures, which, in accordance with the “Alternative Performance Measures” guidance issued by the European Securities and Markets Authority, are not accounting measures defined or specified in IFRS and are, therefore, considered alternative performance measures. Tietoevry believes that alternative performance measures provide meaningful supplemental information to the financial measures presented in the consolidated financial statements prepared in accordance with IFRS and increase the understanding of the profitability of Tietoevry’s operations. In addition, they are seen as useful indicators of the Group's financial position and ability to obtain funding. Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures.

Adjusted operating profit (EBITA) by segment

	2022	2021	Change	2022	2021	Change	2021
EUR million	4–6	4–6	%	1–6	1–6	%	1–12
Tietoevry Create	26.5	23.1	15	57.7	50.0	16	99.6
Tietoevry Banking	13.6	14.4	-5	26.0	26.0	-0	60.3
Tietoevry Care	17.5	19.5	-10	34.1	33.2	3	69.6
Tietoevry Industry	11.7	11.0	6	22.8	23.9	-4	50.8
Tietoevry Transform	5.4	11.9	-55	15.7	25.0	-37	43.9
Tietoevry Connect	12.0	15.6	-23	21.2	25.7	-18	66.3
Non-allocated costs	-7.9	-7.2	> 100	-14.2	-13.3	> 100	-22.8
Group total	78.7	88.3	-11	163.3	170.5	-4	367.8

Adjusted operating margin (EBITA) by segment

	2022	2021	Change	2022	2021	Change	2021
%	4–6	4–6	pp	1–6	1–6	pp	1–12
Tietoevry Create	12.6	12.2	0	13.5	13.3	0	13.2
Tietoevry Banking	10.3	12.0	-2	10.1	11.1	-1	12.7
Tietoevry Care	30.1	31.7	-2	29.7	28.7	1	31.4
Tietoevry Industry	17.1	14.1	3	16.4	14.8	2	16.7
Tietoevry Transform	4.5	10.0	-6	6.5	10.4	-4	9.4
Tietoevry Connect	5.2	6.7	-2	4.7	5.6	-1	7.3
Adjusted operating margin (EBITA)	10.7	12.2	-2	11.1	11.9	-1	13.0

Reconciliation of adjusted operating profit (EBITA)

	2022	2021	2022	2021	2021
EUR million	4-6	4-6	1-6	1-6	1-12
Operating profit (EBIT)	39.7	139.7	85.8	196.4	382.0
+ Amortization of intangible assets recognized at fair value from acquisitions	11.8	11.8	23.7	23.6	47.3
Adjustment items:					
+ Restructuring costs	6.7	3.0	6.7	3.0	7.1
- Capital gains	—	-71.4	-0.2	-71.4	-104.0
+/- M&A related items	1.1	-1.3	1.3	0.8	1.0
+ Tietoevry Connect performance acceleration programme	3.8	—	26.4	—	—
+ War in Ukraine and exit from Russia	11.2	—	12.0	—	—
+ Tietoevry integration	2.7	3.2	4.6	9.4	25.8
+ Kyndryl (IBM) partner agreement and SmartUtilities	—	2.3	—	6.5	3.2
+/- Other items ¹⁾	1.8	1.0	3.0	2.0	5.4
Adjusted operating profit (EBITA)	78.7	88.3	163.3	170.5	367.8

¹⁾Including costs related to new strategy implementation

Other key figures

	2022	2021	2022	2021	2021
	4-6	4-6	1-6	1-6	1-12
Adjusted earnings per share, EUR	0.46	0.52	1.00	1.00	2.20
Equity per share, EUR	13.82	14.06	13.82	14.06	15.38
Return on equity, 12-month rolling, %	11.6	14.2	11.6	14.2	16.9
Return on capital employed, 12-month rolling, %	10.4	11.2	10.4	11.2	13.7
Equity ratio, %	48.7	48.3	48.7	48.3	51.6
Interest-bearing net debt, EUR million	716.2	772.1	716.2	772.1	610.6
Gearing, %	43.8	46.4	43.8	46.4	33.5
Net debt/EBITDA	1.6	1.6	1.6	1.6	1.1
Capital expenditure, EUR million	23.9	18.5	45.0	40.1	80.8

Calculation of alternative performance measures

Adjusted earnings per share	=	$\frac{\text{Net profit for the period excluding adjustment items, amortization of acquisition-related intangible assets and related tax impact per country}}{\text{Weighted average number of shares}}$
Adjustment items	=	Restructuring costs + capital gains/losses + impairment charges + other items affecting comparability
Operating profit (EBIT)	=	Net profit + interests + taxes
Operating margin (EBIT), %	=	$\frac{\text{Operating profit (EBIT)}}{\text{Revenue}}$
Adjusted operating profit (EBITA)	=	Operating profit (EBITA) + adjustment items
Adjusted operating margin (EBITA), %	=	$\frac{\text{Adjusted operating profit (EBITA)}}{\text{Revenue}}$
Equity per share	=	$\frac{\text{Total equity}}{\text{Number of shares at the year-end}}$
Capital expenditure	=	Acquisitions of intangible assets and property, plant and equipment
Acquisitions	=	Acquisitions of subsidiaries and business operations, net of cash acquired
Return on equity, 12-month rolling, %	=	$\frac{\text{Profit before taxes and non-controlling interests – income taxes}}{\text{Total equity (12-month average)}} * 100$
Return on capital employed, 12-month rolling, %	=	$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Total assets – non-interest-bearing liabilities (12-month average)}} * 100$
Equity ratio, %	=	$\frac{\text{Total equity}}{\text{Total assets – advance payments}} * 100$
Interest-bearing net debt	=	Interest-bearing liabilities – interest-bearing receivables – cash and cash equivalents
Net debt/EBITDA	=	$\frac{\text{Interest-bearing net debt}}{\text{EBITDA (12-month average)}}$
Gearing, %	=	$\frac{\text{Interest-bearing net debt}}{\text{Total equity}} * 100$

Quarterly figures

Key figures

	2022	2022	2021	2021	2021	2021
	4–6	1–3	10–12	7–9	4–6	1–3
Earnings per share, EUR						
Basic	0.18	0.28	0.75	0.41	0.99	0.31
Diluted	0.18	0.28	0.75	0.41	0.99	0.31
Adjusted earnings per share, EUR	0.46	0.53	0.64	0.55	0.52	0.48
Equity per share, EUR	13.82	14.57	15.38	14.42	14.06	13.24
Return on equity, 12-month rolling, %	11.6	17.5	16.9	16.2	14.2	6.3
Return on capital employed, 12-month rolling, %	10.4	13.8	13.7	13.1	11.2	5.7
Equity ratio, %	48.7	48.1	51.6	49.6	48.3	42.9
Interest-bearing net debt, EUR million	716.2	586.2	610.6	702.3	772.1	825.7
Gearing, %	43.8	34.0	33.5	41.1	46.4	52.7
Net debt/EBITDA	1.6	1.1	1.1	1.4	1.6	2.3
Capital expenditure, EUR million	23.9	21.1	25.0	15.7	18.5	21.6

Income statement

	2022	2022	2021	2021	2021	2021
EUR million	4–6	1–3	10–12	7–9	4–6	1–3
Revenue	739.1	730.9	742.0	648.1	721.7	711.5
Other operating income	4.5	5.3	41.2	6.0	74.6	3.2
Materials and services ¹⁾	-144.1	-131.7	-140.9	-110.6	-131.4	-130.5
Employee benefit expenses	-414.0	-428.2	-390.3	-337.2	-396.3	-403.2
Depreciation, amortization and impairment losses	-41.6	-42.2	-45.7	-41.8	-42.8	-45.2
Other operating expenses ¹⁾	-104.4	-88.3	-93.6	-92.7	-86.1	-79.6
Share of results in joint ventures	0.1	0.2	0.6	0.3	-0.0	0.5
Operating profit (EBIT)	39.7	46.1	113.4	72.2	139.7	56.7
Financial income and expenses	-9.2	-4.4	-5.9	-7.7	-6.2	-8.3
Profit before taxes	30.5	41.7	107.4	64.5	133.5	48.4
Income taxes	-8.7	-8.8	-18.5	-16.4	-15.9	-11.3
Net profit for the period	21.8	32.9	88.9	48.1	117.6	37.0

¹⁾ Tietoevry has clarified its accounting policy for costs related to shared platforms in infrastructure services. These costs are recognized in other operating expenses when they are not directly linked to any specific customer. Due to the clarification, Tietoevry has reclassified costs between Materials and Services and Other operating expenses in the comparative periods.

Statement of Financial Position

	2022	2022	2021	2021	2021	2021
EUR million	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
Goodwill	1 876.5	1 978.3	1 943.7	1 931.7	1 935.1	1 950.3
Other intangible assets	365.6	392.5	387.9	384.2	388.1	397.3
Property, plant and equipment	91.5	87.0	87.4	87.4	89.3	94.3
Right-of-use assets	200.9	188.8	192.4	199.1	209.9	227.0
Interests in joint ventures	15.3	17.2	16.7	15.9	18.4	19.4
Other non-current assets	57.7	62.8	74.2	67.2	75.2	74.8
Total non-current assets	2 607.6	2 726.7	2 702.3	2 685.5	2 715.9	2 763.0
Trade receivables and other current assets	598.5	604.9	561.1	580.8	619.0	586.9
Cash and cash equivalents	220.3	342.5	323.8	241.1	186.3	307.5
Total current assets	818.8	947.4	884.9	822.0	805.3	894.5
Assets held for sale	—	—	—	—	—	88.1
Total assets	3 426.4	3 674.2	3 587.2	3 507.4	3 521.2	3 745.5
Total equity	1 636.0	1 725.0	1 821.1	1 707.7	1 665.2	1 567.7
Non-current loans	838.6	871.8	875.6	881.9	888.2	1 056.1
Other non-current liabilities	64.3	72.7	85.2	85.2	88.9	90.2
Total non-current liabilities	902.9	944.4	960.8	967.1	977.1	1 146.3
Trade payables and other current liabilities	729.0	882.5	691.6	710.5	751.1	880.5
Provisions	32.1	33.7	19.6	26.1	25.3	30.7
Current loans	126.3	88.6	94.0	96.0	102.5	111.5
Total current liabilities	887.5	1 004.8	805.3	832.6	878.9	1 022.7
Liabilities attributable to assets held for sale	—	—	—	—	—	8.8
Total equity and liabilities	3 426.4	3 674.2	3 587.2	3 507.4	3 521.2	3 745.5

Statement of cash flows

	2022	2022	2021	2021	2021	2021
EUR million	4–6	1–3	10–12	7–9	4–6	1–3
Cash flow from operating activities						
Net profit for the period	21.9	32.9	88.9	48.1	117.6	37.0
Adjustments	69.4	49.6	36.7	67.2	-7.3	63.7
Change in net working capital	-56.6	-3.3	68.5	-11.6	-83.9	0.1
Cash generated from operating activities before interests and taxes	34.7	79.2	194.1	103.8	26.4	100.9
Net financial expenses paid	-13.0	-4.5	-4.5	-4.7	-9.3	-2.0
Dividends received	1.4	—	—	—	2.1	—
Income taxes paid	-14.7	-12.7	-20.3	-7.0	-8.0	-5.3
Cash flow from operating activities	8.4	62.0	169.3	92.1	11.2	94.8
Cash flow from investing activities	-27.6	-17.8	14.0	-17.7	124.3	-20.7
Cash flow from financing activities	-105.3	-22.4	-102.1	-21.9	-252.8	-22.0
Change in cash and cash equivalents	-124.4	21.8	81.2	52.5	-117.3	52.1
Cash and cash equivalents at the beginning of period	342.5	323.8	241.1	186.3	307.5	252.3
Foreign exchange differences	2.2	-3.1	1.4	2.4	-4.0	4.4
Cash classified as assets held for sale	—	—	—	—	—	-1.2
Change in cash and cash equivalents	-124.4	21.8	81.2	52.5	-117.3	52.1
Cash and cash equivalents at the end of period	220.3	342.5	323.8	241.1	186.3	307.5

Quarterly figures by segments

The tables below include previous quarters' reported figures restated in accordance with the new segment structure.

Revenue by segment

	2022	2022	2021	2021	2021	2021
EUR million	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	210.3	218.1	207.3	172.3	188.4	188.4
Tietoevry Banking	132.3	125.0	130.3	111.8	120.2	113.5
Tietoevry Care	58.3	56.6	57.1	48.9	61.5	54.4
Tietoevry Industry	68.3	71.0	74.6	67.4	78.5	82.9
Tietoevry Transform	118.7	121.2	122.3	105.1	119.1	121.4
Tietoevry Connect	230.7	224.2	233.3	215.5	231.4	227.3
Eliminations	-79.4	-85.1	-82.9	-72.9	-77.3	-76.4
Group total	739.1	730.9	742.0	648.1	721.7	711.5

Operating profit (EBIT) by segment

	2022	2022	2021	2021	2021	2021
EUR million	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	12.4	27.1	24.9	19.0	20.2	24.3
Tietoevry Banking	2.7	6.8	12.2	11.2	8.6	6.0
Tietoevry Care	17.4	16.5	18.8	16.9	19.0	13.7
Tietoevry Industry	8.7	10.7	47.4	11.8	79.0	11.6
Tietoevry Transform	5.1	10.0	8.8	7.8	11.3	12.9
Tietoevry Connect	5.8	-16.3	17.3	10.1	9.4	1.8
Non-allocated costs	-12.3	-8.8	-16.0	-4.7	-7.9	-13.6
Group total	39.7	46.1	113.4	72.2	139.7	56.7

Operating margin (EBIT) by segment

	2022	2022	2021	2021	2021	2021
%	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	5.9	12.4	12.0	11.1	10.7	12.9
Tietoevry Banking	2.0	5.5	9.4	10.0	7.2	5.3
Tietoevry Care	29.9	29.1	32.9	34.6	30.9	25.1
Tietoevry Industry	12.7	15.1	63.5	17.5	100.7	14.0
Tietoevry Transform	4.3	8.3	7.2	7.4	9.5	10.6
Tietoevry Connect	2.5	-7.3	7.4	4.7	4.0	0.8
Operating margin (EBIT)	5.4	6.3	15.3	11.1	19.4	8.0

Adjusted operating profit (EBITA) by segment

	2022	2022	2021	2021	2021	2021
EUR million	4-6	1-3	10-12	7-9	4-6	1-3
Tietoevry Create	26.5	31.3	27.9	21.8	23.1	26.9
Tietoevry Banking	13.6	12.3	17.7	16.6	14.4	11.6
Tietoevry Care	17.5	16.6	19.0	17.4	19.5	13.7
Tietoevry Industry	11.7	11.2	13.2	13.7	11.0	12.8
Tietoevry Transform	5.4	10.3	9.6	9.3	11.9	13.1
Tietoevry Connect	12.0	9.2	22.1	18.5	15.6	10.1
Non-allocated costs	-7.9	-6.3	-6.2	-3.3	-7.2	-6.1
Group total	78.7	84.6	103.3	94.0	88.3	82.1

Adjusted operating margin (EBITA) by segment

	2022	2022	2021	2021	2021	2021
%	4–6	1–3	10–12	7–9	4–6	1–3
Tietoevry Create	12.6	14.3	13.4	12.7	12.2	14.3
Tietoevry Banking	10.3	9.9	13.6	14.9	12.0	10.2
Tietoevry Care	30.1	29.3	33.4	35.5	31.7	25.2
Tietoevry Industry	17.1	15.7	17.7	20.3	14.1	15.5
Tietoevry Transform	4.5	8.5	7.9	8.8	10.0	10.8
Tietoevry Connect	5.2	4.1	9.5	8.6	6.7	4.5
Adjusted operating margin (EBITA)	10.7	11.6	13.9	14.5	12.2	11.5

Depreciation by segment

	2022	2022	2021	2021	2021	2021
EUR million	4–6	1–3	10–12	7–9	4–6	1–3
Tietoevry Create	1.9	1.7	1.8	1.9	2.1	2.1
Tietoevry Banking	1.2	1.2	1.1	1.0	1.0	1.0
Tietoevry Care	0.2	0.2	0.2	0.2	0.2	0.2
Tietoevry Industry	0.1	0.1	0.2	0.2	0.3	0.2
Tietoevry Transform	0.4	0.3	0.2	0.1	0.1	0.1
Tietoevry Connect	10.1	10.2	10.5	10.8	11.0	11.2
Group functions	13.5	12.0	12.8	13.1	13.5	14.1
Group total	27.4	25.7	26.9	27.3	28.2	28.9

Amortization of other intangible assets by segment

	2022	2022	2021	2021	2021	2021
EUR million	4–6	1–3	10–12	7–9	4–6	1–3
Tietoevry Create	0.0	0.1	0.1	0.1	0.1	0.1
Tietoevry Banking	0.7	0.7	0.8	0.8	0.8	0.8
Tietoevry Care	0.4	0.4	0.4	0.2	0.2	0.2
Tietoevry Industry	0.1	0.1	0.2	0.3	0.3	0.3
Tietoevry Transform	0.0	0.0	0.0	0.0	0.0	0.0
Tietoevry Connect	1.1	3.2	1.0	0.9	0.9	1.3
Group functions	0.0	0.1	0.6	0.4	0.4	0.5
Group total	2.3	4.6	3.1	2.6	2.7	3.2

Amortization of acquisition-related intangible assets by segment

	2022	2022	2021	2021	2021	2021
EUR million	4–6	1–3	10–12	7–9	4–6	1–3
Tietoevry Create	2.6	2.6	2.6	2.6	2.6	2.6
Tietoevry Banking	5.4	5.5	5.5	5.3	5.4	5.4
Tietoevry Care	0.0	0.0	0.0	0.0	0.0	0.0
Tietoevry Industry	1.6	1.6	1.6	1.7	1.5	1.6
Tietoevry Transform	—	—	—	—	—	—
Tietoevry Connect	2.2	2.2	2.2	2.2	2.2	2.2
Group functions	—	—	—	—	—	—
Group total	11.8	11.9	12.0	11.8	11.8	11.8

Major shareholders on 30 Jun 2022

	Shares	%
1 Solidium Oy	12 857 918	10.9
2 Cevian Capital Partners Ltd ¹⁾	9 381 731	7.9
3 Incentive Investment Funds ICAV ²⁾	6 041 221	5.1
4 Silchester International Investors LLP ³⁾	5 939 679	5.0
5 Ilmarinen Mutual Pension Insurance Company	2 196 095	1.9
6 Elo Mutual Pension Insurance Company	1 167 301	1.0
7 Nordea funds	1 000 132	0.8
8 Svenska litteratursällskapet i Finland r.f.	979 845	0.8
9 The State Pension fund	858 000	0.8
10 Swedbank Robur fonder	705 000	0.7
Top 10 shareholders total	41 126 922	34.7
- of which nominee registered	21 362 631	18.0
Nominee registered other	49 216 264	41.6
Others	28 082 585	23.7
Total	118 425 771	100.0

Based on the ownership records of Euroclear Finland Oy, Euroclear Sweden AB and Norwegian Central Securities Depository (VPS).

¹⁾ Based on the ownership records of Euroclear Finland Oy, Cevian Capital Partners Ltd's holding on 23 March 2022 was 9 381 731 shares, representing 7.9% of shares and voting rights.

²⁾ On 21 September, Incentive AS announced that the holding of Incentive Investment Funds ICAV in Tietoevry Corporation was 6 041 221 shares, representing 5.1% of the shares.

³⁾ On 10 February 2022, Silchester International Investors LLP has announced that its holding has increased to 5 939 679 shares, representing 5.02% of the total number of shares

For further information, please contact:

Tomi Hyryläinen, Chief Financial Officer, tel. +358 50 555 0363, tomi.hyrylainen (at) tietoevry.com

Tanja Lounevirta, Head of Financial Communications, tel. +358 50 321 7510, tanja.lounevirta (at) tietoevry.com

A teleconference for analysts and media will be held on Friday 22 July 2022 at 10.00 a.m. EEST (09.00 a.m. CEST, 08.00 a.m. UK time). Kimmo Alkio, President and CEO, and Tomi Hyryläinen, CFO, will present the results online in English. [The presentation can be followed on Tietoevry's website.](#)

Teleconference numbers

Finland: +358 981 710 310
Sweden: +46 856 642 651
Norway: +47 235 002 43
United Kingdom: +44 333 300 0804
United States: +1 631 913 1422
PIN: 66506729#

To ensure that you are connected to the conference call, please dial in a few minutes before the start of the press and analyst conference. The teleconference is recorded and it will be available on demand later during the day.

Tietoevry publishes its financial information in English and Finnish.

Tietoevry Corporation

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Tietoevry creates purposeful technology that reinvents the world for good. We are a leading technology company with a strong Nordic heritage and global capabilities. Based on our core values of openness, trust and diversity, we work with our customers to develop digital futures where businesses, societies, and humanity thrive.

Our 24 000 experts globally specialize in cloud, data, and software, serving thousands of enterprise and public-sector customers in more than 90 countries. Tietoevry's annual turnover is approximately EUR 3 billion and the company's shares are listed on the NASDAQ exchange in Helsinki and Stockholm, as well as on Oslo Børs. www.tietoevry.com

Tietoevry Corporation

Business ID: 0101138-5
Keilahdentie 2-4
PO Box 2
FI-02101 ESPOO, FINLAND
Tel +358 207 2010
Registered office: Espoo
E-mail: [ir \(at\) tietoevry.com](mailto:ir@tietoevry.com)
www.tietoevry.com

