

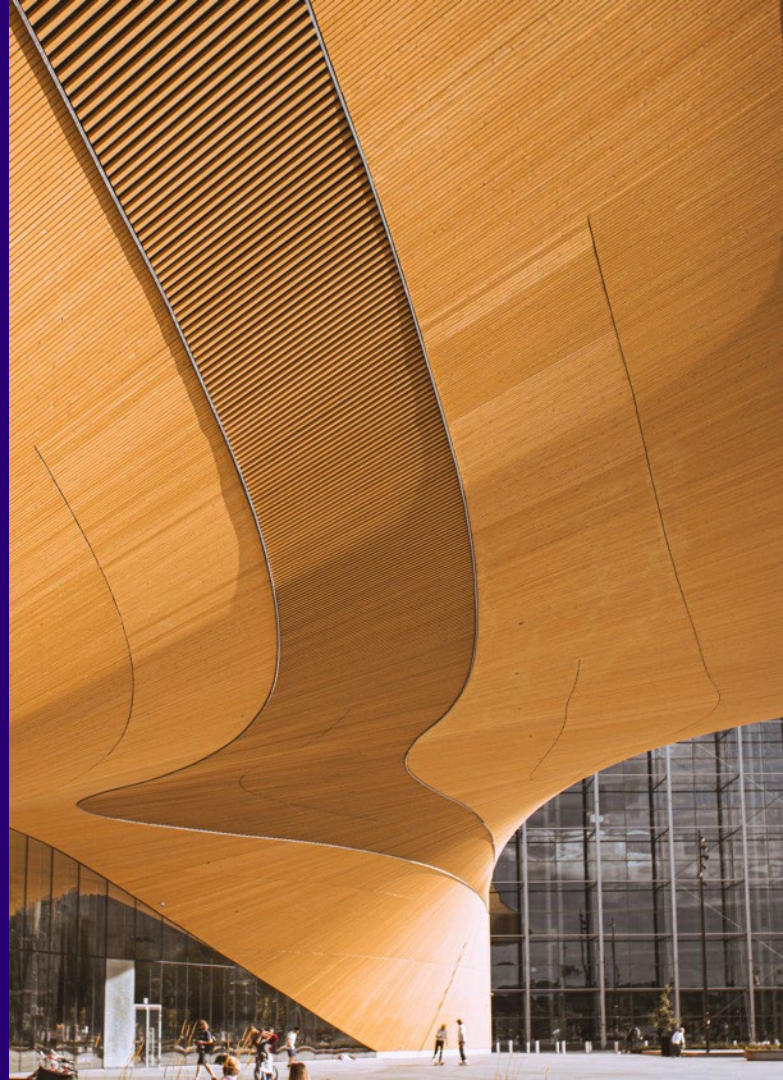


Q4 2022

Strong growth and profitability

Kimmo Alkio, President and CEO
Tomi Hyryläinen, CFO

 tietoevry



Q4: Strong growth and profitability



Growth of

9%

driven by Tietoevry Create, Tietoevry Banking and Tietoevry Care

Adj. EBITA margin of

15.4%

driven by strong growth and performance improvement programmes

Strategic reviews of Tietoevry Banking and Tietoevry Transform & Connect progressing according to the plans

Increased dividend of

€1.45

(1.40) per share proposed

2022: New strategy driving value and competitiveness



Solid strategy execution with six specialized businesses for value creation

Growth agenda materializing – five consecutive quarters of accelerating growth

Active drive for efficiency off-setting era of high inflation

Record-high employee engagement and high talent attraction with 4 800 new recruits

Continued high focus on the safety and well-being of our Ukrainian colleagues

Solid financial performance in 2022



Revenue
€2 928m
(€2 823m)

Organic growth¹
6%
(0%)

Adj. EBITA²
€379m, 13.0%
(€368m, 13.0%)

Operating cash flow
€277m
(€368m)

Order backlog
€3 327m
(€3 513m)
+6% for FY23¹

Net debt / EBITDA
1.5x
(1.1x)



Growth acceleration
and strong financial
position – a solid
foundation into 2023

Dividend of €1.45 per share proposed – representing a dividend yield of 5.8%³

1) Adjusted for currency effects, acquisitions and divestments

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

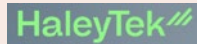
3) Calculated using volume-weighted share price 03.01.2022 – 30.12.2022 (€24.8)

Winning in the market through specialization



Digital engineering

expanding global customer base



Maa- ja metsätalousministeriö
Jord- och skogsbruksministeriet
Ministry of Agriculture and Forestry



Software and platforms

(Banking, Care, Industry)
expanding SaaS and data solutions

RenoDeMedici

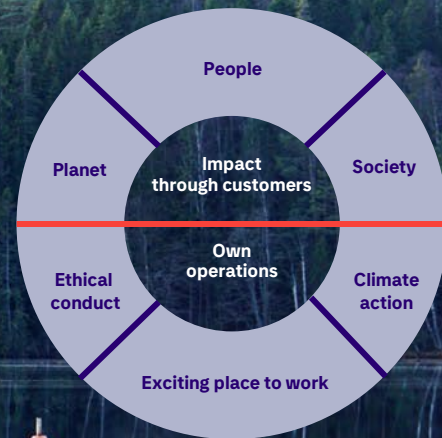


Managed services and transformation

large deal wins



Our focus and commitment to sustainability rewarded with highest market recognitions



70% reductions in scope 1 and 2 GHG emissions compared to year 2020¹



Commitment to Science Based Targets – limiting the global warming below 1.5 degrees

95% green electricity used in data centers and offices globally¹



The best A-class results retained on Carbon Disclosure Project (CDP)

31%- share of female employees, up by 2% from 2021¹



The best platinum level ranking retained on global Ecovadis Sustainability rating

Q4'22 financials

Tietoevry Q4'22

Business highlights

Revenue EUR 767.7 million, organic growth* 9%

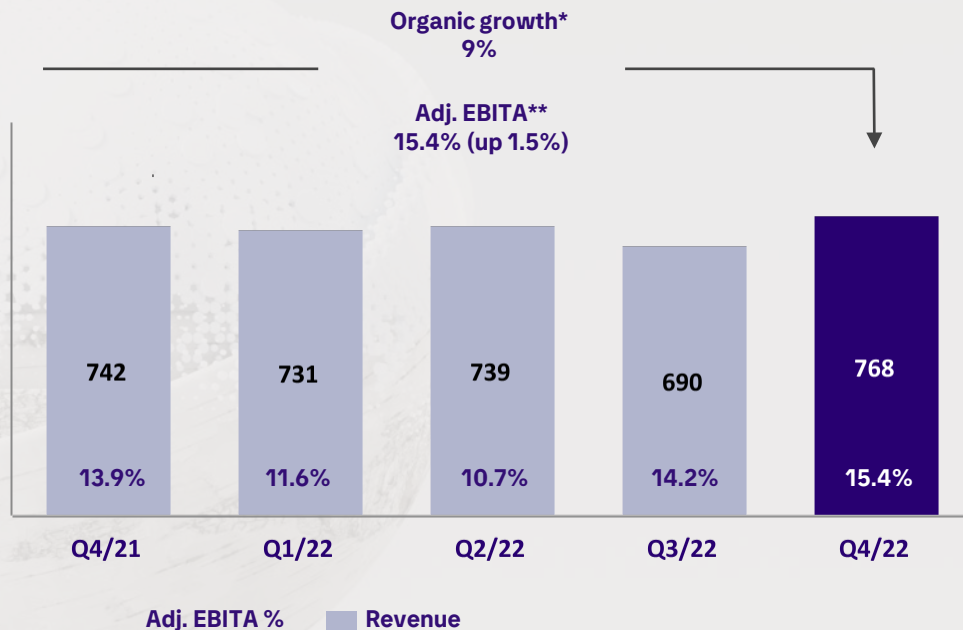
Reported growth 3.5%, currency and divestment impact net EUR 37 million negative

Growth 9% driven by Tietoevry Banking, Tietoevry Care and Tietoevry Create

Adjusted EBITA** EUR 118.0 (103.3) million, 15.4% (13.9)

Operating cash flow EUR 166 (169) million

Order backlog of EUR 3 327 million (3 513), +6% for FY23*



* Adjusted for currency effects, acquisitions and divestments

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

Tietoevry Create

Digital consulting, analytics and software engineering services

Business highlights

Revenue EUR 219.3 million, organic growth* 11%

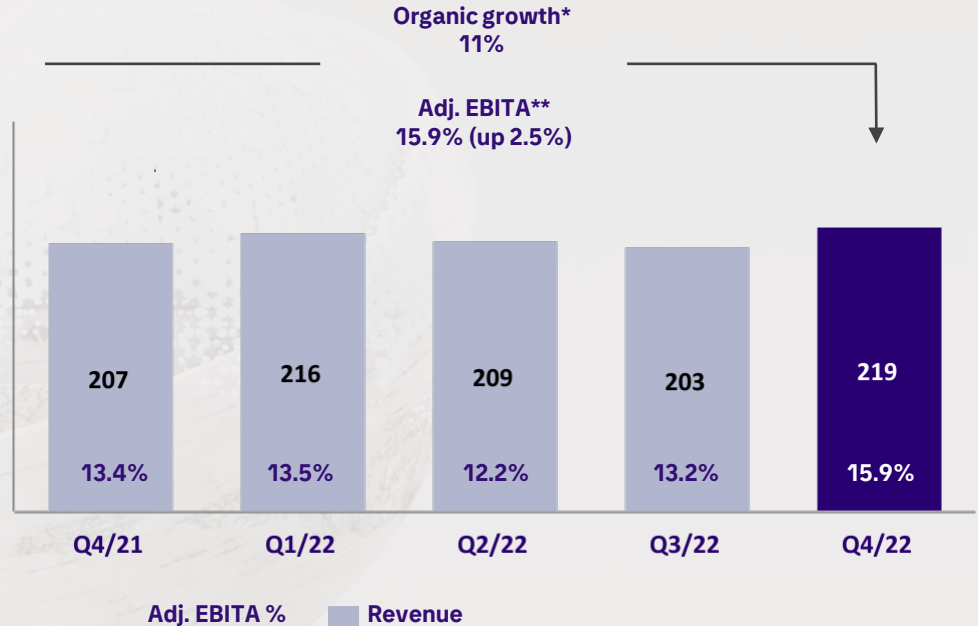
Adjusted EBITA** EUR 34.8 (27.9) million, 15.9% (13.4)

High market activity in cloud native, data and software engineering services

Strong growth driven by international markets and Norway

Net impact of -1 pp. on growth from working days and the new R&D center in Nanjing

In Q1'23, adjusted operating margin anticipated to be at or above Q1'22 level



* Adjusted for currency effects, acquisitions and divestments

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

Tietoevry Banking

Software for financial institutions

Business highlights

Revenue EUR 144.3 million, organic growth* 15%

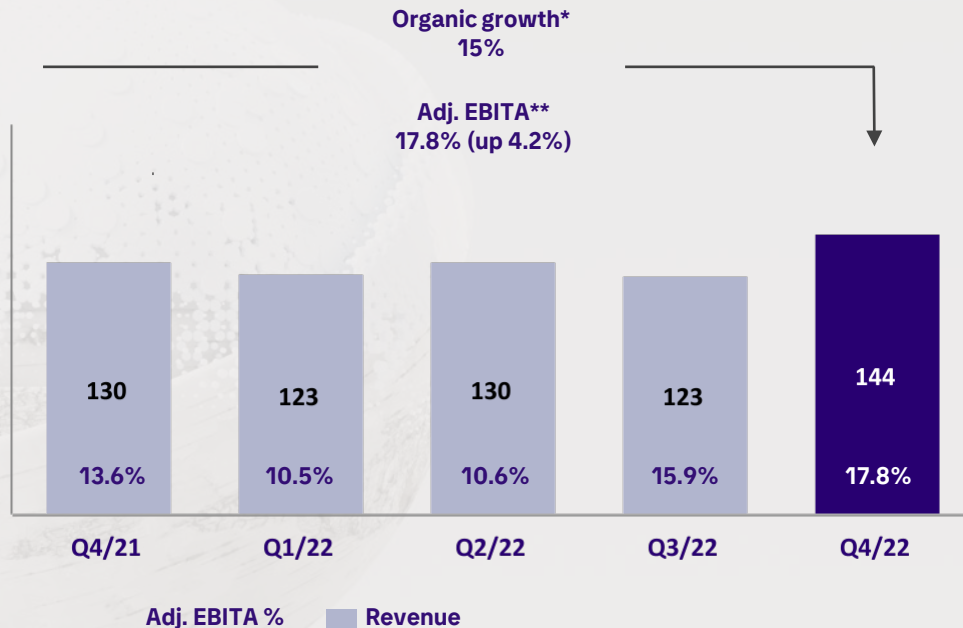
Adjusted EBITA** EUR 25.6 (17.7) million, 17.8% (13.6)

Strong growth across portfolio: Payments, Cards, Core Banking, Financial Crime Prevention, Credit, and Wealth

Impact of approx. 4 pp. on growth and margin from one-time license sales and closing of price renegotiations with retroactive impact

Strong profitability supported by growth and efficiency measures

In Q1'23, adjusted operating margin anticipated to be above Q1'22 level



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Tietoevry Care

Software for health and care services

Business highlights

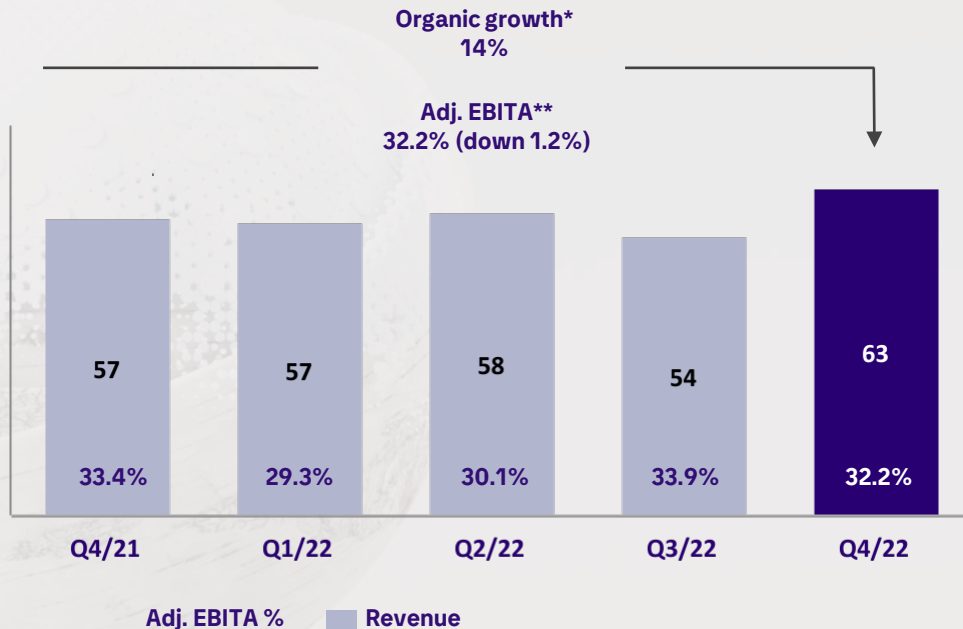
Revenue EUR 63.0 million, organic growth* 14%

Adjusted EBITA** EUR 20.3 (19.0) million, 32.2% (33.4)

Strong growth across Healthcare, Welfare and Custom Solutions & Laboratory Software

Strong profitability continued

In Q1'23, adjusted operating margin anticipated to be at or above Q1'22 level



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Tietoevry Industry

Industry-specific software and data platforms

Business highlights

Revenue EUR 69.7 million, organic growth* 3%

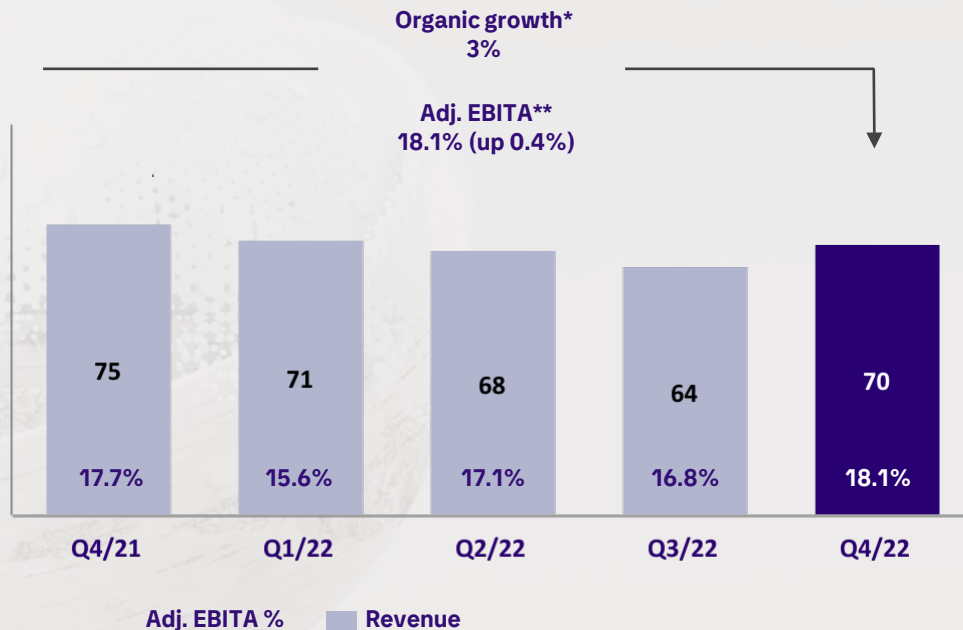
Adjusted EBITA** EUR 12.6 (13.2) million, 18.1% (17.7)

Growth acceleration in Pulp & Paper, and Education

Large customer contract ending in Data Platform Services with negative impact of 3 pp. on growth

Consistent healthy profitability

In Q1'23, adjusted operating margin anticipated to be at Q1'22 level



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Tietoevry Transform

Enterprise IT services for selected customers

Business highlights

Revenue EUR 125.7 million, organic growth* 6%

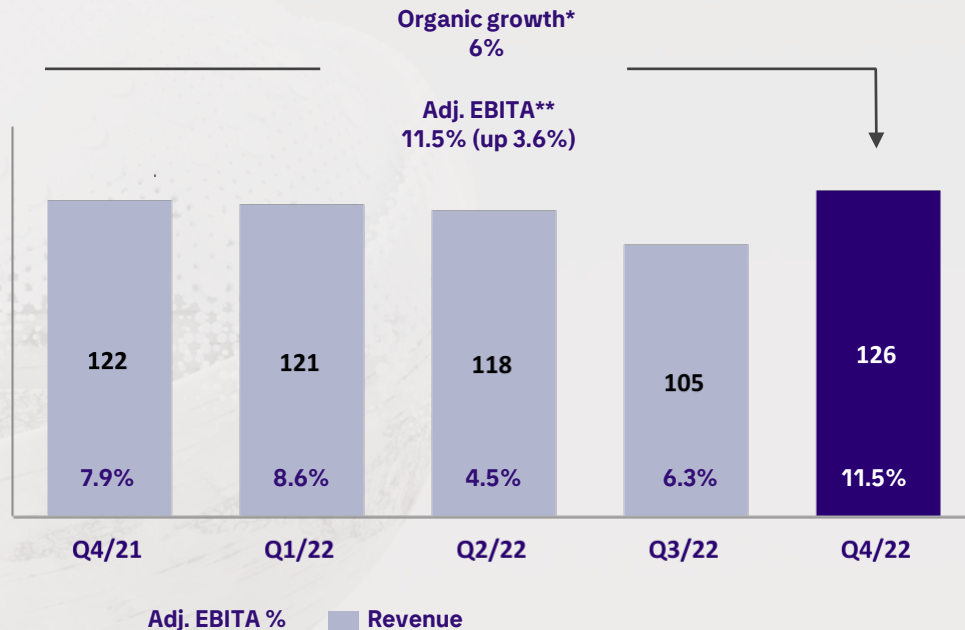
Adjusted EBITA** EUR 14.4 (9.6) million, 11.5% (7.9)

Healthy growth in Industry & Forest, decline in Retail & Financial Services

Profitability improvement driven by growth and efficiency improvement measures

Strong order intake, with new multiyear contracts

In Q1'23, adjusted operating margin anticipated to be at or above Q1'22 level



* Adjusted for currency effects, acquisitions and divestments

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Tietoevry Connect

Infrastructure capacity and services

Business highlights

Revenue EUR 216.4 million, organic growth* -3%

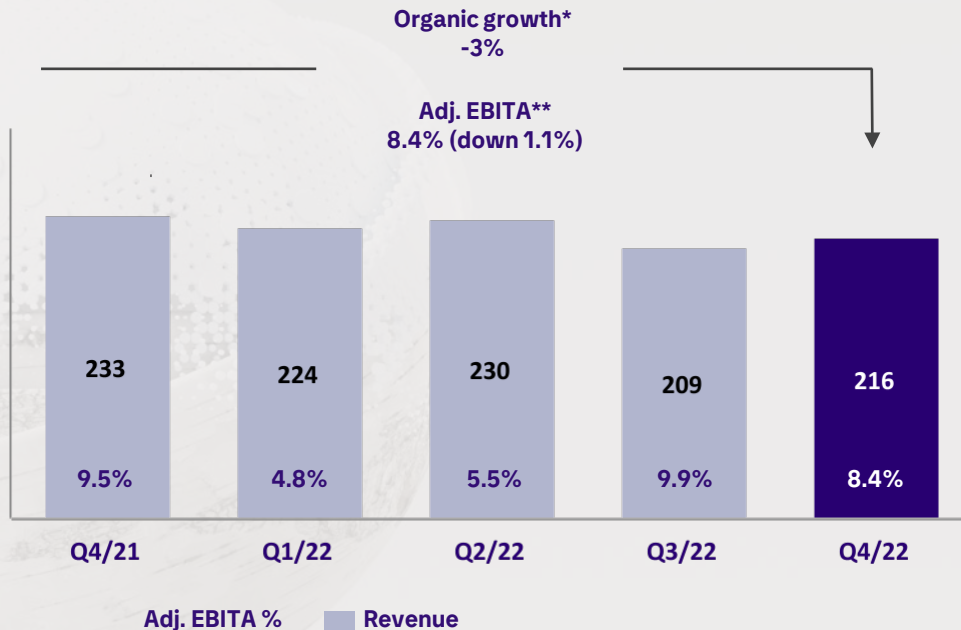
Adjusted EBITA** EUR 18.3 (22.1) million, 8.4% (9.5)

Growth of 11% in Cloud Platforms and Security Services

Traditional infrastructure services' revenue declined by 9%

Profitability impacted by negative growth and overall high inflation, while supported by performance improvement programme

In Q1'23, adjusted operating margin anticipated to be at Q1'22 level

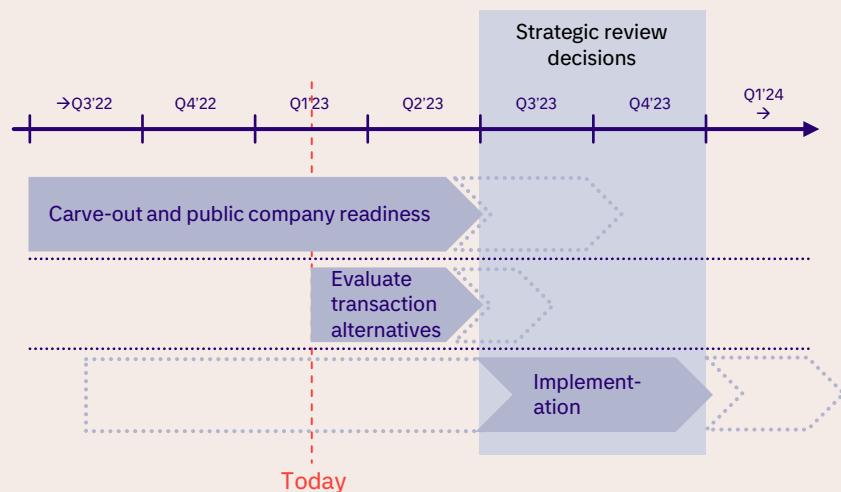


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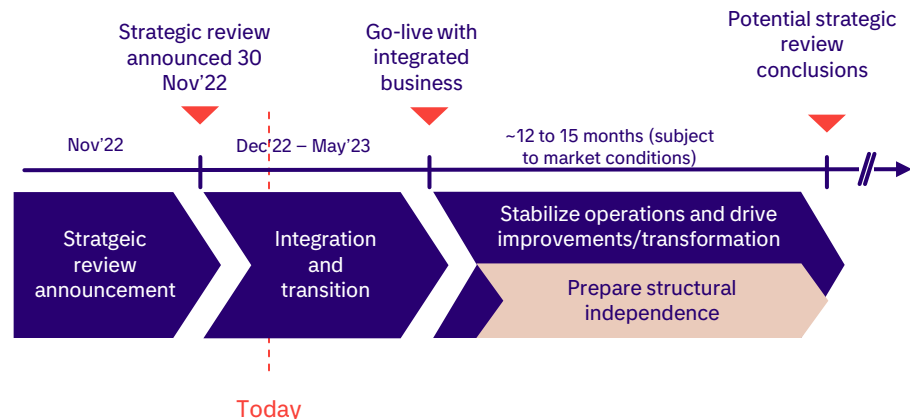
Strategic reviews to accelerate value creation – progressing as planned

TIETOEVRY BANKING STRATEGIC REVIEW



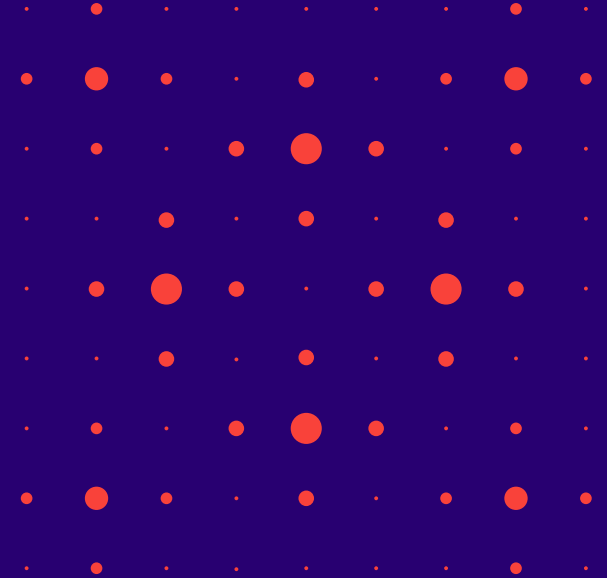
- Main focus on carve-out and public company readiness
- Klaus Andersen appointed as CEO of Tietoevry Banking effective 1st February 2023

TIETOEVRY TRANSFORM & CONNECT STRATEGIC REVIEW



- Integration progressing as planned - Go-live in Q2'23
- Satu Kiiskinen appointed as Managing Director for Tietoevry Tech Services effective 1st April 2023

CFO report



CFO highlights



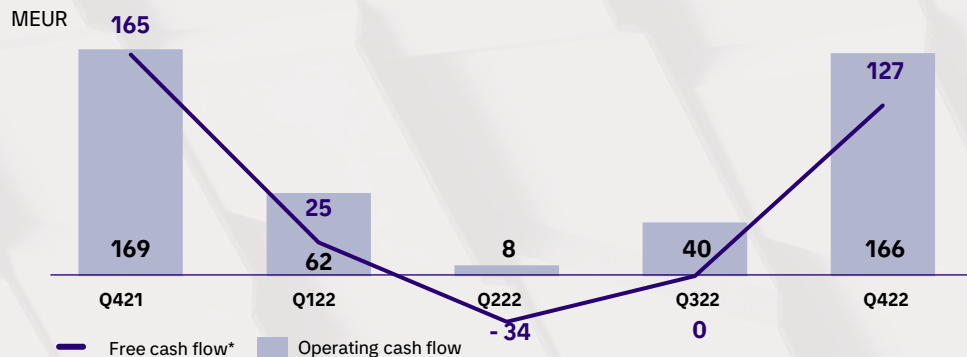
Q4'22 financials – strong growth and profitability

- Organic growth 9% (3%) – driven by Tietoevry Create, Tietoevry Banking and Tietoevry Care
- Adjusted operating margin EUR 118 (103) million / 15.4% (13.9%), profitability supported by growth and performance improvement programmes
- Reported operating profit at EUR 103 (113) million / 13.4% (15.3%), prior year impacted by EUR 33 million capital gains
- Operative cash flow of EUR 166 (169) million
- Net debt / EBITDA 1.5x (1.1)
- Order backlog EUR 3.3 (3.5) bn, +6% organically for FY23

Q4'22 other

- Dividend of EUR 1.45/share, total EUR 172 million proposed for FY2022 – EPS EUR 1.59 (2.46)
- CAPEX of EUR 24.3 million (25.0), representing 3.2% (3.4) of revenue
- One-time items (OTI) EUR 3.5 million (positive 22.0)
- FX revenue headwind of EUR -32 million

Solid Q4 operating cash flow – Net debt / EBITDA 1.5x



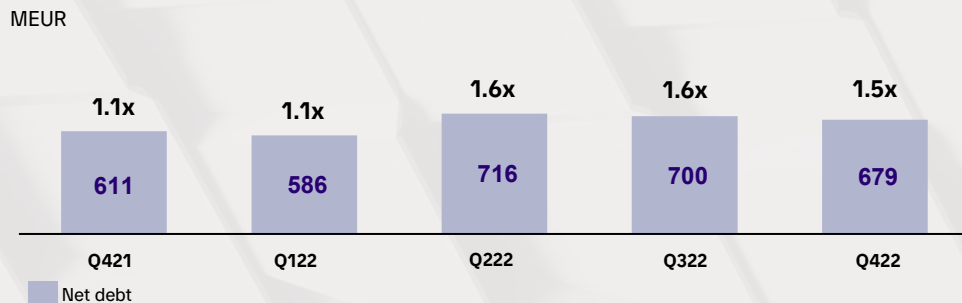
EUR 166 (169) million cash flow from operations

- Seasonal net working capital decrease of EUR 34 million
- Impact of growth on working capital

Free cash flow of EUR 127 (165) million

- Q4'21 free cash flow impacted by sale of three software businesses (EUR 38 million)

Cash generation foundation remains healthy



Net debt/EBITDA 1.5x (1.1x) at end of Q4'22 – well within target level of 1-2x

Interest bearing net debt EUR 679 (611) million

Attrition decreasing while inflation remains at high levels

Attrition continued to decrease – rolling 12-month attrition 14.4% in Q4'22, compared to 15.3% in Q3'22

Net personnel increase of approx. 250 FTEs year-over-year¹

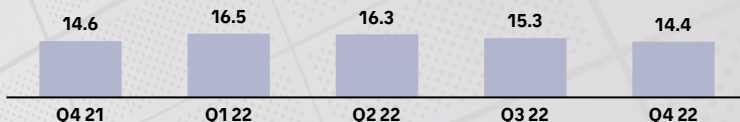
- Tietoevry Create increased personnel base by ~450 employees since Q4'21 (approx. +5%)
- Tietoevry Care increased personnel base by ~150 employees since Q4'21 (approx. +10%)
- Performance improvement measures in Tietoevry Connect contributed to net reduction of ~250 personnel from Q4'21 (approx. -5%), while increasing off-shore ratio by 8pp to 52%
- Tietoevry Transform net reduction of ~100 personnel from Q4'21 (approx. -4%), impacted by performance improvement programme

New hires reduced in response to lower attrition and high intake of graduates in Q3'22 – full-year new hires 4 800 with high talent attraction

Estimated salary inflation ~4% in 2022 – with 4-5% expected in 2023, mainly taking effect from April

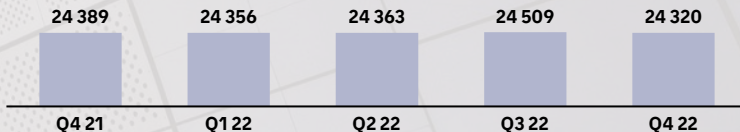
Attrition

% last twelve months (voluntary)



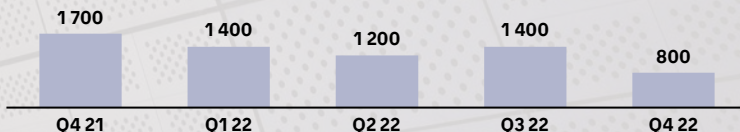
Personnel

End of period



New hires

In quarter



Performance drivers – Q1'23

Growth drivers

- Continued good momentum in Tietoevry Create, Tietoevry Banking and Tietoevry Care
- Decline in traditional infrastructure services anticipated to continue, driven by acceleration of cloud transformation
- Price increases gradually taking effect

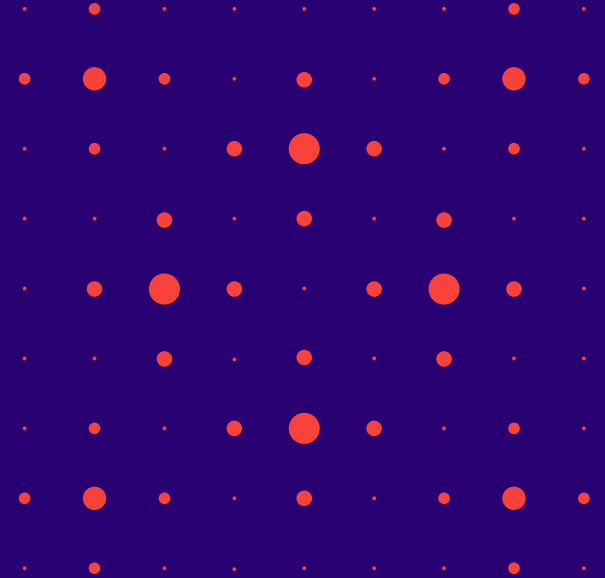
Profit drivers

- Continued high inflation – demanding agenda to maintain and expand margins
- High technology cost inflation impacting especially Tietoevry Connect and Tietoevry Banking businesses
- Annual customer price discounts effective in January, impacting Tietoevry Connect and Tietoevry Transform
- Continued impact from performance improvement programmes executed during 2022

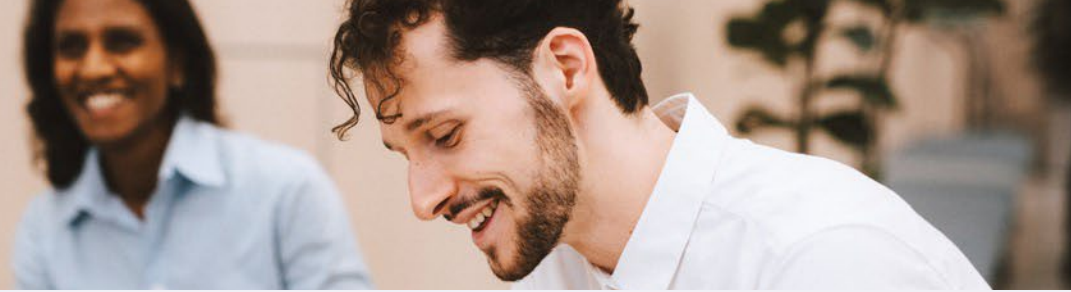
Other drivers

- Negative FX impact on revenue ~EUR 23 million
- 0.8 working days more – positive ~0.8% impact on growth

Our way forward



Market driven by customers resilience needs in an inflationary era



2023 dynamics

Market with high inflation and geopolitical uncertainty

Customer focus on resilience, efficiency and business continuity

Diligent spending from customers – focus on fast returns

Accelerated demand for cloud, data and security services

Talent market to stabilize from a heated 2022

Implications on technology services and software industry

- Software and digital engineering services driving growth
- Outsourcing to accelerate with high expectations on efficiency and cloud transformation
- Faster decline and price erosion in traditional services
- Demanding agenda for service providers to maintain / accelerate margins
- Normalizing attrition levels and slight improvement in talent availability

Guidance for 2023



Tietoevry expects its organic growth¹ to be

5–7%

(Revenue in 2022: EUR 2 928.1 million / 6%*)

The company expects its full year adjusted operating margin² (adjusted EBITA) to be

13.0–13.5%

(13.0% in 2022)

1) Adjusted for currency effects, acquisitions and divestments

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

Active market and strong order backlog for FY23 supporting growth ambition

Continued good momentum in software and digital engineering businesses

Cloud transformation accelerating – impacting the decline of traditional services

High inflation era continues – mitigated through price increases and productivity improvements

Way forward – specialization at the core of competitiveness



Continued profitable growth in software and digital engineering businesses

Tietoenvy Banking and Tietoenvy Transform & Connect strategic reviews for value acceleration

Emphasis on efficiency, price increases and productivity in a high inflation era

Go to place for tech professionals – build on strong engagement foundation

Thank you

