

Q3 2025

Early signs of margin recovery with transformation execution ongoing

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Born in the Nordics. Trusted everywhere.

15 000 experts around the world combining deep industry know-how with cutting-edge tech to accelerate customers' business.

Our current businesses

Tietoevry
Create

Tietoevry
Banking

Tietoevry
Care

Tietoevry
Industry

Early signs of margin recovery with transformation execution ongoing



Organic growth 4%, or -1% eliminating the revenue related to a court ruling in Tietoevry Banking

Tietoevry Care and Industry back to growth

Adjusted operating margin 19.3% (12.8%), or 15.2% eliminating the court ruling effect in Tietoevry Banking

Improved profitability in all businesses

Cost optimization progressing towards the 2026 target of EUR 115 million – run-rate savings of EUR 75 million achieved by the end of the third quarter

The divestment of the Tech Services business completed during the quarter

Progressing with actions to get back on track



Customer first



Restore growth



Competitive cost base



Sales focus programme to reinforce customer trust, incl.

- New sales governance model
- Harmonization of CRM systems
- Targeted sales training
- Rejuvenation of the salesforce

AI boost programme to drive innovation and improved productivity

- AI governance and compliance
- Best practices of embedding AI in offerings and sales
- AI tools for internal productivity

Re-organizing Tietoevry Create to become a stronger local player with global deliveries – competence shift ongoing

Cost optimization on track to deliver EUR 115 million run-rate savings by end of 2026

Tietoevry Group

Q3 key figures

Revenue, EUR million

454

(436)

Organic growth¹⁾

4%

(-1%)

Adjusted operating profit (EBITA)²⁾,
EUR million

88 / 19.3%

(56 / 12.8%)

Net debt/EBITDA

2.4

(2.1)

Order backlog¹⁾

+11%

year-on-year

Cash flow from operating activities³⁾,
EUR million

45

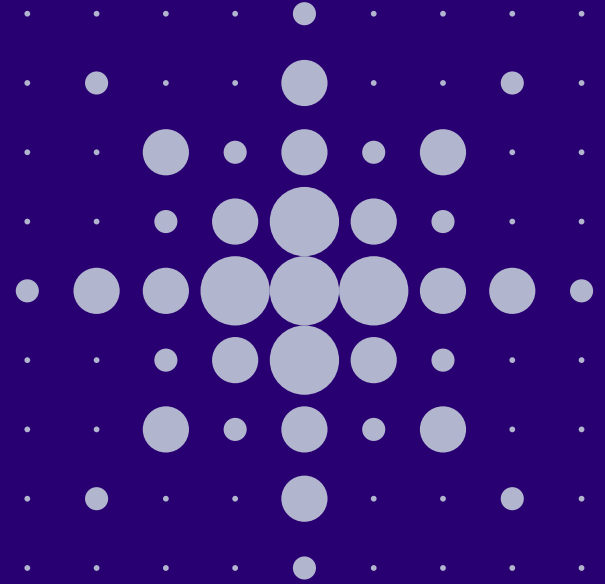
(58)

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) Continuing and discontinued operations combined

Business highlights



Tietoevry Create

Organic growth

-3%

(-4%)

€184m (191)

Adj. EBITA

12.8%

(12.1%)

€24m (23)

Cost optimization resulting in profitability improvement

- Growth impacted by challenging market conditions across geographies
- Profitability improvement driven by delivery capacity management and SG&A reductions – partly offset by salary inflation
- Renewing the operating model to increase market focus and customer centricity
- Several new wins during the quarter



Exclusive digital partner
for Park Holidays UK



Skatteetaten

Strategic agreement
with the Norwegian Tax



Low-code/no-code
development for the Finnish
Patent and Registration Office



of automotive
audio platforms

Developing next-generation
automotive audio platform

Tietoevry Banking

Organic growth

14%

(4%)
€157m (138)

Adj. EBITA

27.8%

(13.3%)
€44m (18)

Improved profitability

- Revenue includes EUR 22 million related to a customer dispute court ruling – underlying revenue growth -2% and margin 16.1% (13.3%)
- Expired margin-dilutive contract having a negative revenue impact (-2 pp.)
- Continued growth in BaaS and Financial Crime Prevention
- Strong order backlog – contribution starting mainly in 2027
- Profitability improved driven by cost optimization measures



ATM SaaS agreement
marking entry to German market



Ensuring scalable and future-ready
wealth management SaaS



The largest IT transformation project
in the Norwegian banking sector

Tietoevry Care

Organic growth

2%

(3%)

€55m (53)

Adj. EBITA

31.7%

(31.6%)

€17m (17)

Profitability remained strong

- Healthy growth particularly in Finland
- In Finland, 16/21 wellbeing services counties won – full growth contribution starting in 2027
- Four won customer contracts waiting for market court decisions impacting growth and profitability (-2 pp.)
- Growth impacted by decline of legacy product business (-4 pp.)
- International expansion progressing – introducing Lifecare Clinical Applications to Catalonia Health Region
- Strong profitability sustained by cost optimization measures



Lifecare EHR delivery to the wellbeing services counties of North Karelia and South Savo



Tietoevry and NTT DATA sign a strategic contract to co-develop Catalonia's Open Health Platform

Tietoevry Industry

Organic growth

3%

(1%)
€64m (62)

Adj. EBITA

19.4%

(16.3%)
€12m (10)

Improved performance – strong order backlog

- Healthy growth across all business units, except Pulp, Paper & Fibre with continued market-driven decline
- Market activity improving – significant increase in order backlog
- Several new wins across geographies
- Profitability improvement driven by cost optimization measures



Unified platform for procurement and invoice management to SpareBank 1 Utvikling



HR and payroll system with Sweden's National Government Service Centre

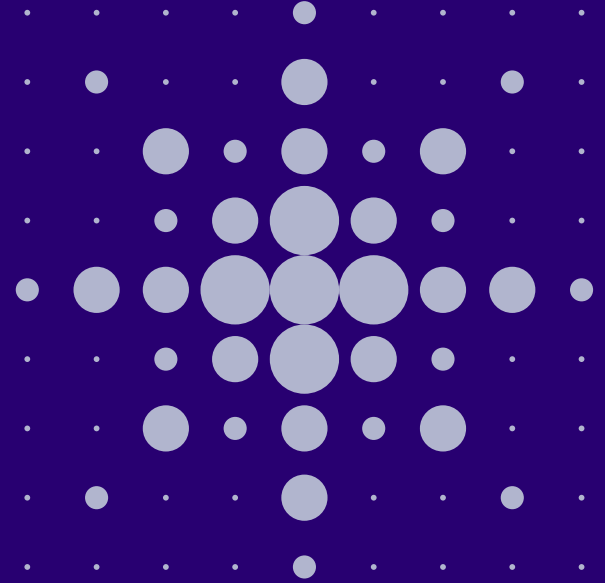


Kesko selects Tietoevry Industry to drive supply chain integration



Oslo City Council launches Plan & Bygg 360°

CFO report



Q3 profitability improved – Tech Services divestment closed

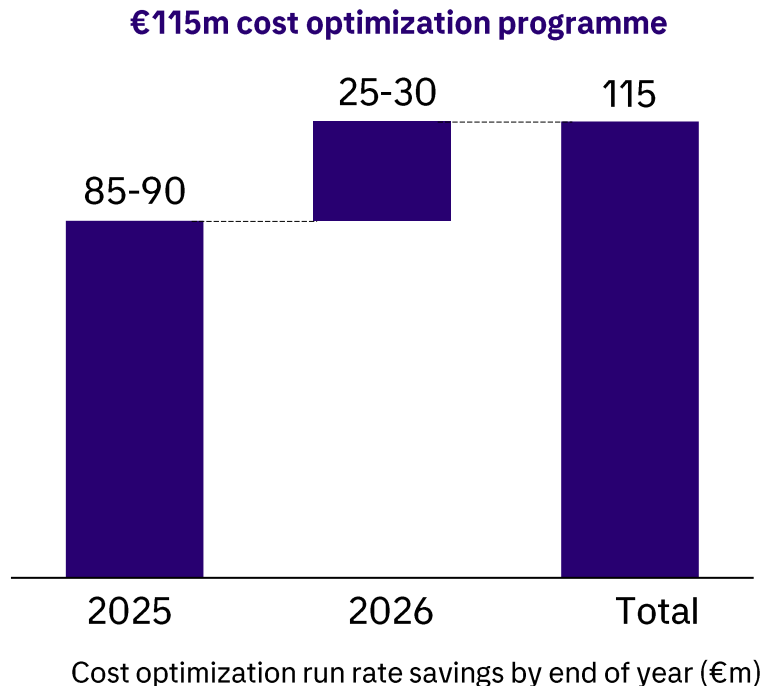
- Organic growth of 4% (-1% excl. Court ruling in Banking)
 - Court ruling resulted in positive revenue contribution of €22m related to prior periods
 - Impact from the court ruling for Q3'25 deliveries was €2m
- Adj. EBITA 19.3% (15.2% excl. Court ruling in Banking)
 - Profitability improved across all businesses
 - Cost optimization measures delivered €15m of savings
 - Cost burden of €4m/0.9pp related to unallocated costs (IFRS5)
- One-time items in the quarter €23m, mainly driven by cost optimization programme (restructuring)
- Closing of Tech Services divestment on 2nd of September
 - Consideration of €223m received at closing, net cash impact from the divestment €201m
 - Derecognition of Tech Services – net result of €-129m, majority arising from reclassification of foreign exchange losses from equity to income statement
- Updated outlook for 2025 on 15th of September: -2% to 0% organic growth, 12.7% to 13.3% adj. EBITA

Continuing operations	Q3'25	Q3'24
Revenue and growth		
Revenue	454	436
Organic growth, %	4%	-1%
Acquisitions & divestments, %	0%	1%
Foreign exchange rates, %	0%	-1%
Total growth, %	4%	0%
Org. growth adj. for working days, %	4%	-2%
Order backlog	2 048	1 822
Profitability		
Adj. EBITA	88	56
Adj. EBITA margin	19.3%	12.8%
One-time items	23	11
EBIT	57	36
EBIT margin	12.4%	8.1%
CAPEX	13	12
Continuing and discontinued operations combined	Q3'25	Q3'24
Leverage		
Net debt	552	900
Leverage (net debt/EBITDA)	2.4x	2.1x
Cash flow		
Operative cash flow	45	58
Free cash flow	217	26

All numbers in €m

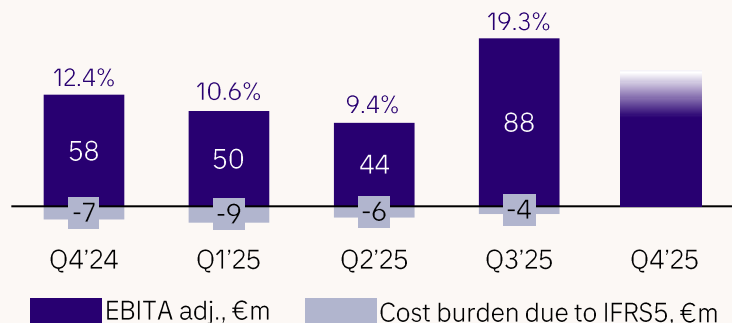
Run rate savings of €75m executed – on track to achieve €115m by end of 2026

- Cost optimization aiming for €115m run rate savings by end of 2026, with €75m executed by end of Q3'25
- Q3 result supported by approximately €15m in savings
- Total one-time cost associated with the programme expected to be in the range of €45-50m – one-time costs of €41m booked year to date

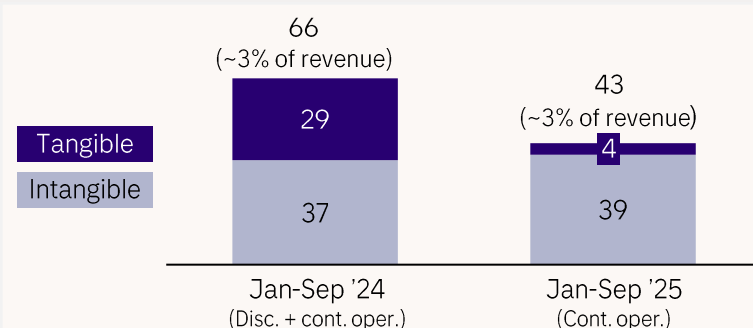


Key financial profile changes post Tech Services divestment

Profitability has been impacted by IFRS5 cost burden
– to be offset by TSA income from Q4'25 onwards



CAPEX shifting from tangible to intangible assets
(CAPEX in €m)

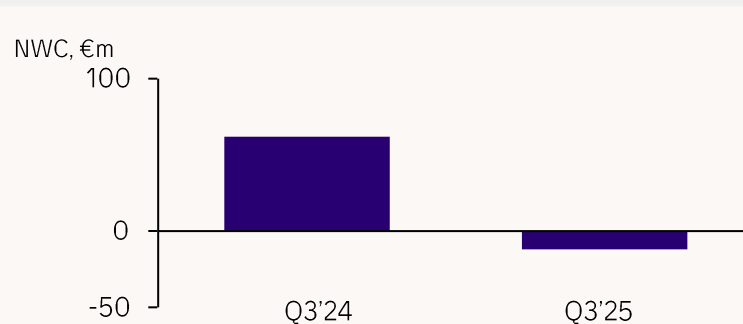


Net debt reduced – leverage impacted by IFRS5

	Q4'24	Q1'25	Q2'25	Q3'25 ¹
Net debt	872	807	875	552
EBITDA R12m	394	372	359	228
Leverage	2.2x	2.2x	2.4x	2.4x
Leverage excl. IFRS5 cost burden				2.2x

Net debt and EBITDA R12m in €m

Net working capital level improved

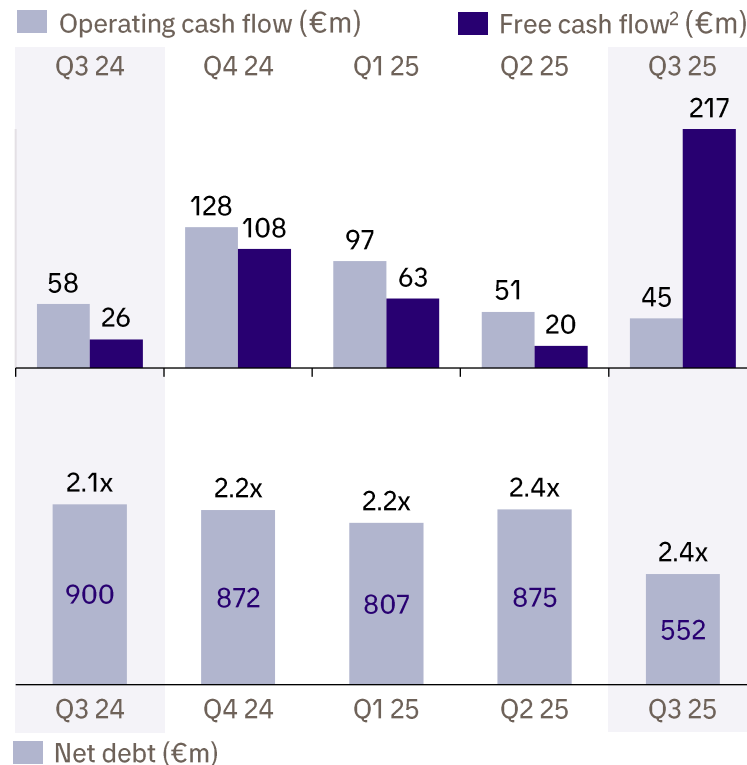


Cash flow from operations €45m – Tech Services divestment impacting free cash flow

- Cash flow from operations¹ €45m (58)
 - Net working capital increase of €52m (20), driven mainly by seasonal decrease in vacation accruals
 - Free cash flow² of €217m (26) impacted by net cash flow on disposal of €201m
- Overall cash generation foundation remains strong
- Interest bearing net debt €552m (900) - Tech Services divestment resulted in €102m reduction of lease liabilities in addition to €201m net cash flow on disposal
- Bank debt of €220m repaid
- Net debt/EBITDA 2.4x at end of Q3'25 – leverage at 2.2x when excluding IFRS5 cost burden

¹ Consolidated cash flows from both the continuing and the discontinuing operations

² Operating cash flow less cash flow from investing activities less payments of lease liabilities

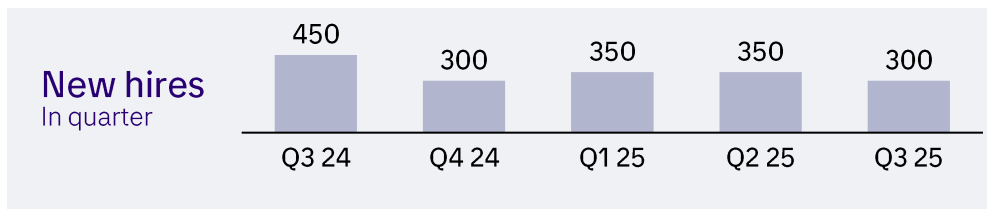
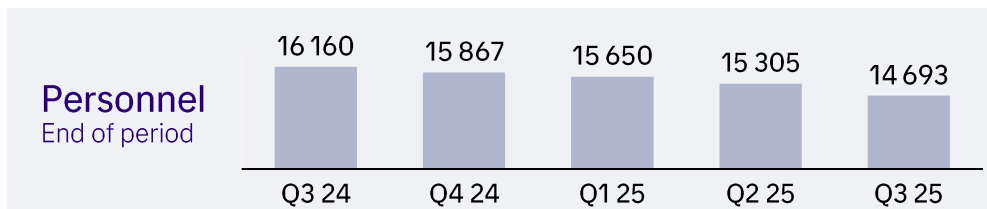
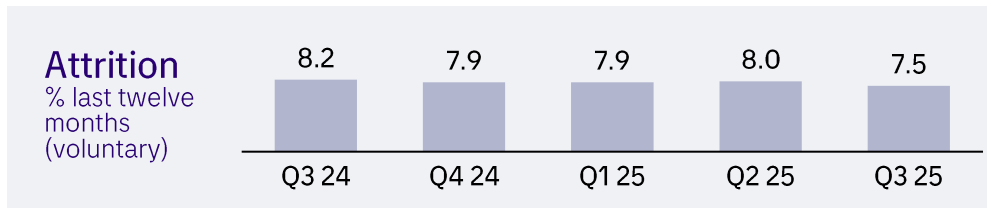


Cash flow includes contribution from Tech Services until divestment.

From Q3'25 onwards leverage (net debt/EBITDA) fully excludes Tech Services.

Cost measures visible in reduced personnel across all businesses

- LTM attrition at 7.5%, reflecting continued soft market environment
- Cost optimization ongoing in all businesses – net reduction of ca. 600 FTEs during the quarter
 - Tietoevry Create personnel reduced by 515 FTEs
 - Tietoevry Banking, Care and Industry personnel reduced by approx. 90 FTEs
 - Ongoing personnel reductions in Group functions
- Overall Group personnel reduction of ca. 9% year-over-year
- Group-level salary inflation expected to be approx. 4% in 2025 (prior year approx. 4.5%)



Outlook remarks – Q4'25

Growth



- Tietoevry Create: Impacted by continued weak demand across all markets
 - Tietoevry Banking: Impacted by ending of a significant margin-dilutive mainframe contract – negative ~5 pp.
 - Tietoevry Care: Headwind from declining legacy product business in Norway and Sweden (negative ~4 pp.)
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Profit



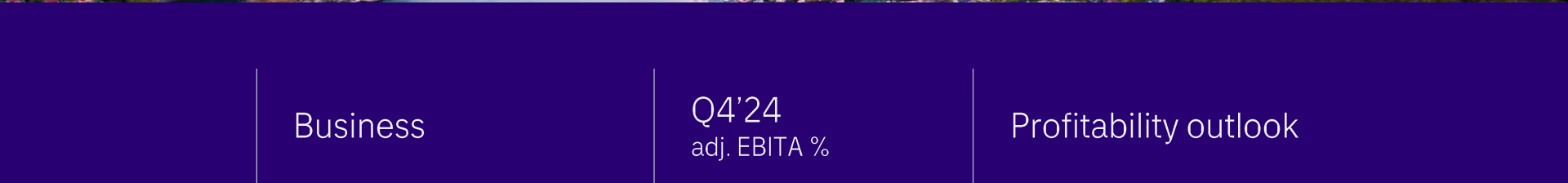
- Increased non-deductible VAT in Banking due to Tech Services divestment – negative 1 pp.
 - Cost optimization measures across all businesses contribute to profit
 - Cost burden (IFRS 5) mitigated by Transitional Services Agreement income
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Other



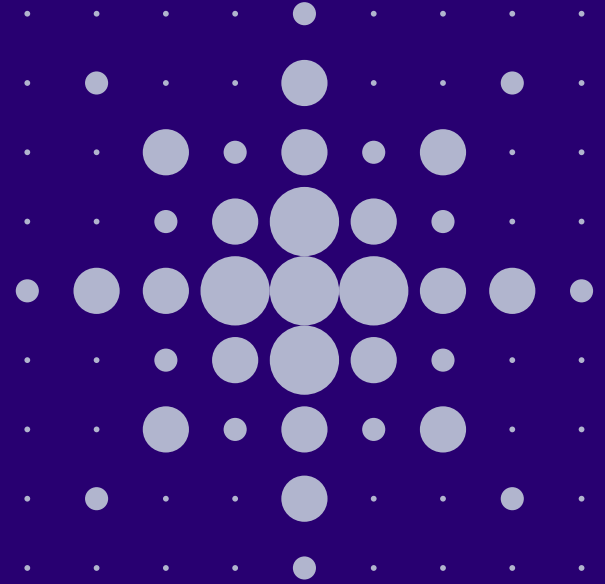
- Positive FX impact on revenue of €4m

Q4 profitability outlook



Business	Q4'24 adj. EBITA %	Profitability outlook
Tietoenvy Create	11.2%	At or above Q4'24 level
Tietoenvy Banking	14.6%	Above Q4'24 level
Tietoenvy Care	32.1%	At or below Q4'24 level
Tietoenvy Industry	12.1%	Above Q4'24 level

To be continued



Tietoevry Capital Markets Day

on 25 Nov 2025
in London

Leveraging our strong
foundation and focusing
on execution, we aim for
long-term growth

