

# Tieto Investor Presentation

April 2026



tieto

# Investment highlights

1. Leading position in resilient Nordic markets
2. Focused software mix with high recurring revenue
3. Clear path to margin expansion
4. Scalable growth through selective European expansion
5. Strong positioning to benefit from AI transformation

# Tieto in brief



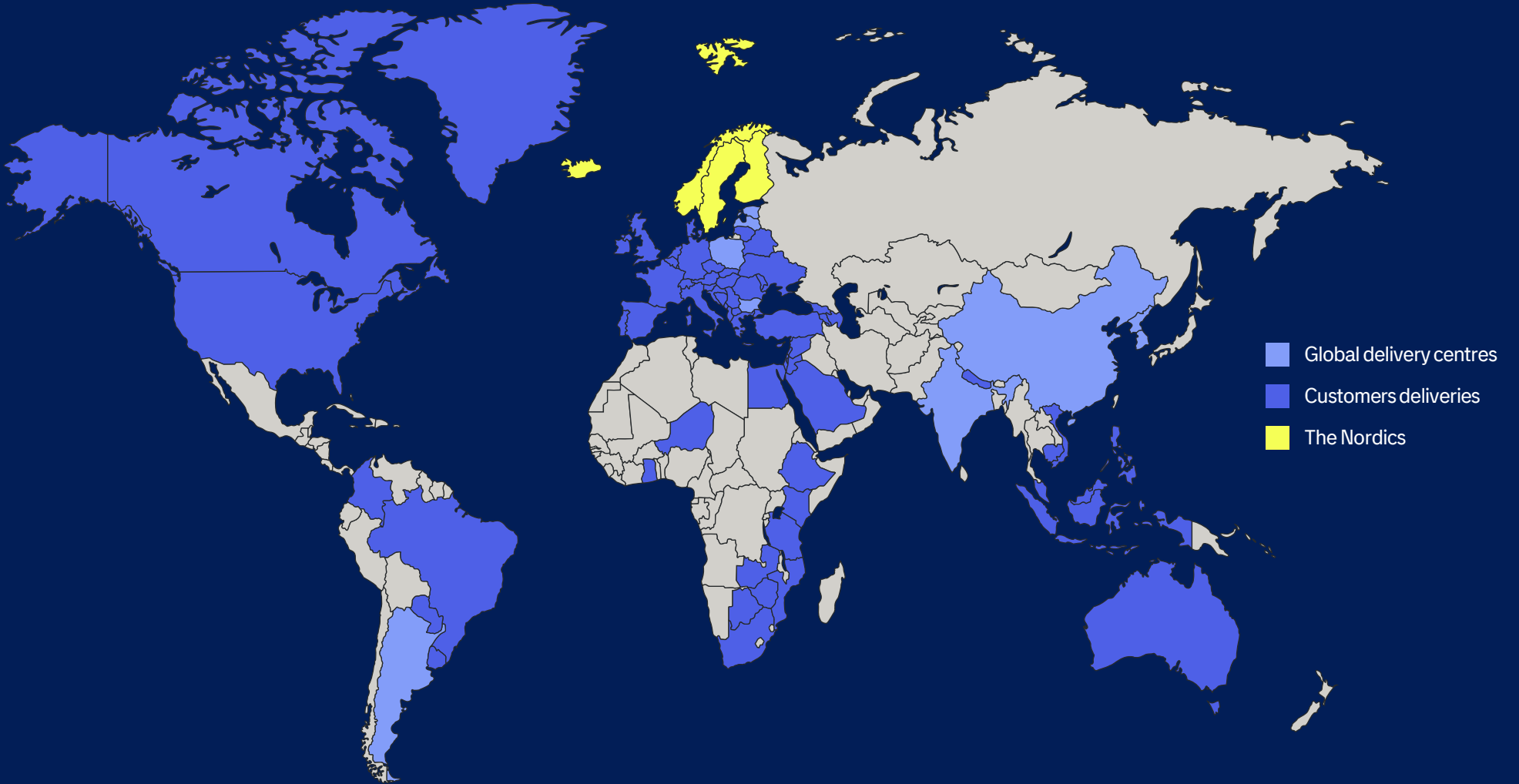
# Leading software and digital consulting company with a strong Nordic heritage and global capabilities

14 000  
professionals globally

Thousands  
of customers

Serving customers  
worldwide

Annual revenue  
~ € 1.9 billion

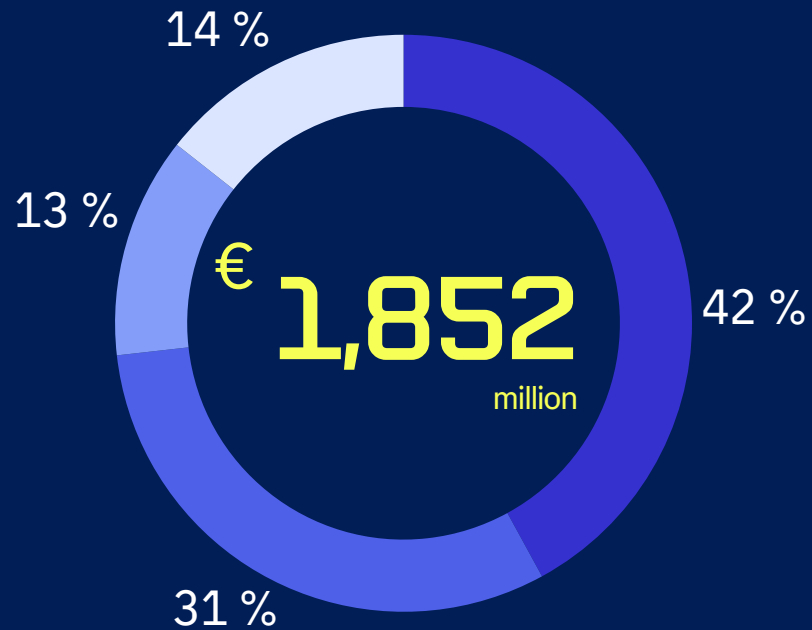


# Our businesses



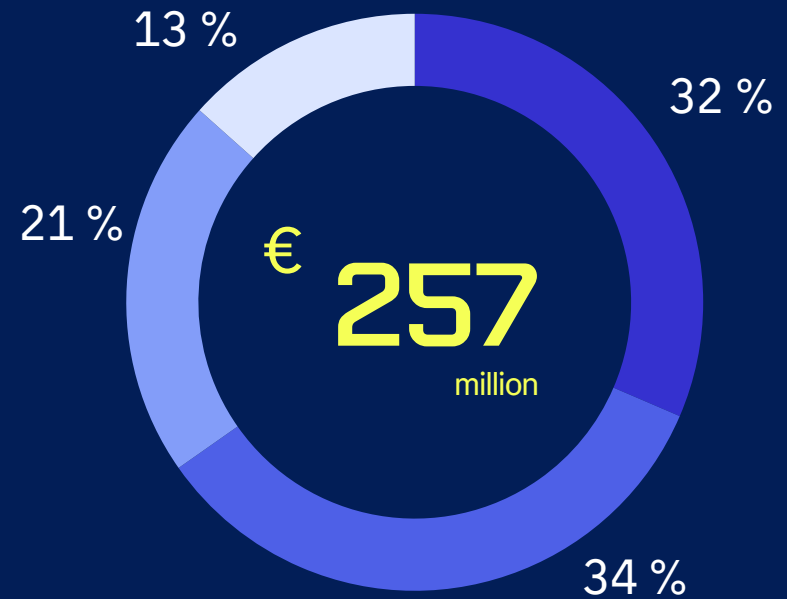
# Tieto in numbers

Revenue  
2025



■ Tech Consulting ■ Banktech ■ Caretech ■ Indtech

Adjusted operating profit (EBITA)  
2025



■ Tech Consulting ■ Banktech ■ Caretech ■ Indtech

# Trusted by leading brands in the Nordics and globally



# Advancing in sustainability

Our focus

Climate  
action

Social  
impact

Ethical  
conduct

## Achievements in 2025

- Rating **A** in Climate category on Carbon Disclosure Project (CDP)
- Science Based Targets initiative (SBTi) validated Tieto's new long-term ambitions and net-zero in full value chain by 2040
- Tieto India recognized as Top-Rated Mid-Sized Company, Top Workplace for Women, and Top IT/ITES Employer
- Top Female Workplace DACH 2025



# Group Executive Team



**Endre Rangnes**  
President and CEO



**Ari Järvelä**  
Tieto Caretech  
Managing Director



**Mario Blazevic**  
Tieto Banktech  
Managing Director



**Bent Philipps**  
Tieto Indtech  
Interim Managing Director



**Johan Enger Nygaard**  
Tieto Tech Consulting  
Interim Managing Director



**Jussi Tokola**  
General Counsel,  
Head of Group Legal  
and Compliance



**Tomi Hyryläinen**  
CFO



**Trine Rønningen**  
Head of HR



**Jonna Peltola**  
Head of Communications  
and Brand



**Oddgeir Hansen**  
Executive Project Lead



**Jacob Nestande**  
Head of Group Operations  
and Platforms

# Largest shareholders



#	Owner	Capital
1	Silchester International Investors LLP	14.1%
2	Solidium Oy	10.8%
3	Incentive AS	5.9%
4	Norges Bank Investment Management	3.6%
5	Vanguard	3.6%
6	BlackRock	3.4%
7	Dimensional Fund Advisors	2.9%
8	Ilmarinen Mutual Pension Insurance Company	2.3%
9	JPMorgan Asset Management	2.2%
10	Cevian Capital	2.0%

As of 31 Mar 2026. Source: Modular Finance

# Strategy and financial targets

02

# Strategy rejuvenated – execution through 4 strategic priorities

## Our strategy for 2026-2028

Become European software and technology consulting market leader within selected industries

## We execute through 4 strategic priorities

01

Customer first

02

Simplified core

03

Selective expansion

04

Competitive cost base

## Our success is measured by our financial targets

Growth (CAGR 2027-2028) **>5%**

Profitability (2028) **>16%**

# Customer first

From product-driven  
to customer-centricity

Targets – growth through  
stronger customer relationships

Improved customer  
satisfaction and  
loyalty

Increased footprint in  
the Nordic markets and  
selected international  
expansion

Actions – sharpen  
our commercial focus

## Strengthen client ownership

- Segmentation and prioritization
- Roles and responsibilities
- Key account structure
- New governance model

## Boost sales performance

- Stronger sales organization
- Sales forums
- CRM monitoring
- Harmonized processes
- New incentive structure

## Build capabilities

- Sales training
- Align R&D with customer needs

# 01

## Recent wins



# Simplified core

Focused software and services supplier to strengthen customer centricity

# 02

## Industry verticals

### Tech Consulting

- Focus on core verticals and strategic customers
- Invest in high growth areas and prepackaged offerings
- Strategic partnerships with industry software players

## Care providers

### Caretech

- Grow Nordic healthcare software
- Expand to Europe with modular clinical core software

## Banks

### Banktech

- Leverage Nordic position
- Expand European footprint with selected products

## Niche industries

### Indtech

- Optimize portfolio
- Simplify operations

# Selective expansion

From strong Nordic roots to broader European growth

Nordic  
**Grow faster than market**

Strengthen market leadership in core Nordic markets

Europe  
**>€500 million**

Total Contract Value from Europe by 2028

- Selected software products
- Spain, Portugal, Germany, Switzerland, Austria, UK, Ireland, Denmark, Netherlands
- Partnerships and targeted local presence

# 03

# Competitive cost base

Driving a leaner, more competitive cost base

- Reduce SG&A
- Adjust delivery capacity
- Consolidate supplier base
- Reduce purchasing volumes
- Rationalize and right-size facilities

€130  
million

run-rate savings  
by end of 2026

04

# Solid progress in execution of 4 strategic priorities

## 01

### Customer first

- Long-term contracts secured
- Significant wins in Caretech in Finland
- Sales acceleration programme – sales force strengthened with targeted hires
- Customer governance model rollout progressing
- AI demand accelerating
- Strategic partnerships with Microsoft and Databricks

## 02

### Simplified core

- Divestment of Bekk Consulting closed
- Divestments of Edlevo and HR & Payroll announced
- Tech Consulting operating model harmonized across markets
- AI tooling accelerated for internal processes
- Simplification of the Group support functions
- New Tieto brand launched

## 03

### Selective expansion

- Tieto Iberia established to drive expansion in the Iberian market. Two new signings in Spain in Q1
- Indtech entering the UK with Multichannel & BIX
- Indtech strengthening its presence in Denmark through a contract with National Bank
- Strategic partnership between Caretech, x-tention, and Better in DACH
- Agreement with Orange Business to strengthen our European footprint

## 04

### Competitive cost base

- Run-rate savings of €105m at the end of Q1 – target of €130m savings by end-2026
- New personnel reductions initiated in Tech Consulting

# AI reshaping our industry – Tieto well positioned to capture the AI opportunities

## WHO WINS IN AN AI-DRIVEN MARKET?

### Vendors with

- Vertical software
- Business-critical data management
- Software deeply embedded in core processes
- IT service providers with strong domain and integration expertise
- Strong position in regulated industries

## OUR COMPETITIVE EDGE

### Tieto has a strong foundation to scale AI

- Deep presence in vertical software businesses with sensitive data, high regulatory requirements and mission-critical processes
- Large installed base & long-term customer relationships
- AI already embedded in software, delivery & modernization
- Local customer knowledge and understanding

## Q1'26 AT TIETO

### Tangible AI advancements

- AI tooling embedded in all businesses
- Banktech: Agentic AI embedded in Loan, ATM, FCP etc.
- Tech Consulting software development productivity improvement

### Partnering with Microsoft

- Upskilling 5 000 consultants
- Co-selling & joint customer engagement

We measure our success by realistic and achievable financial targets

Growth<sup>1)</sup>

(CAGR 2027–2028)

> 5%

Profitability<sup>2)</sup>

> 16%

Dividend distribution of net profit

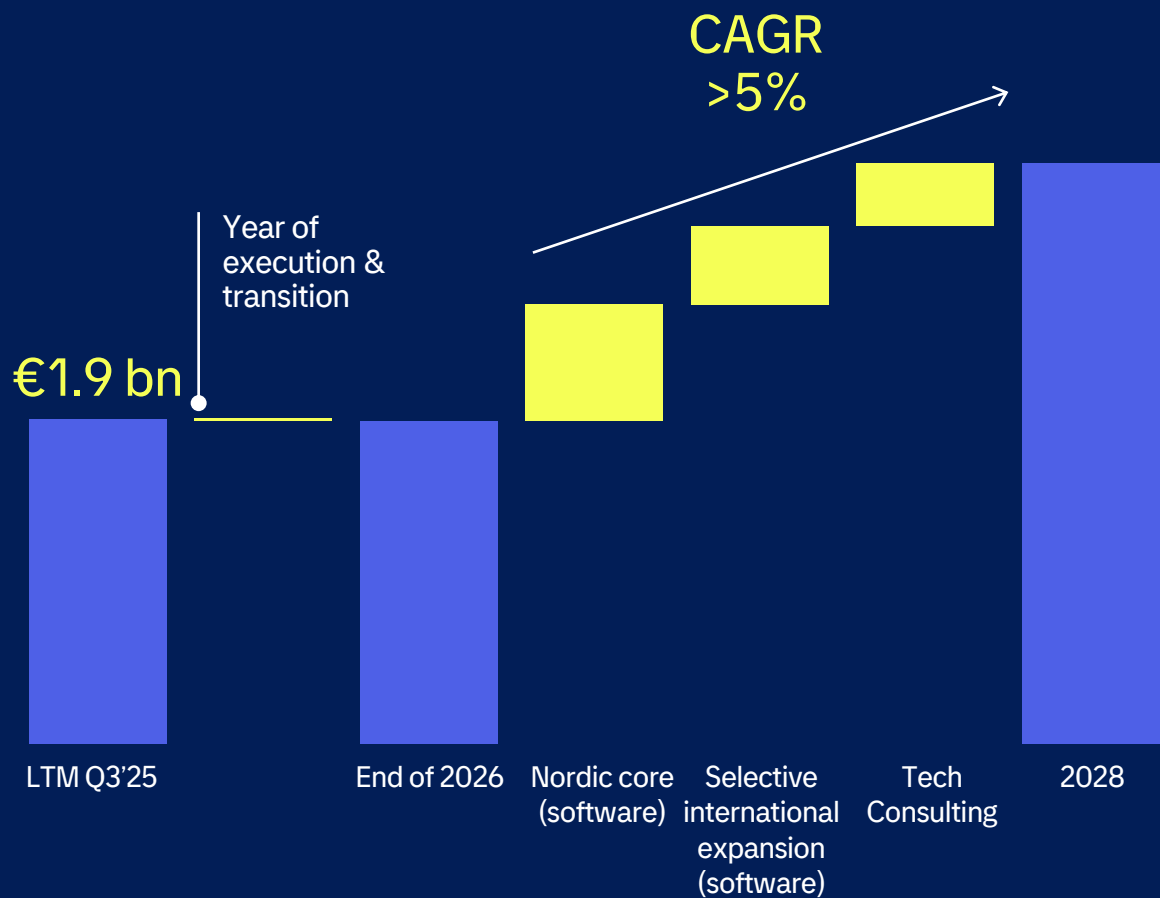
60-80%

Net debt/ EBITDA

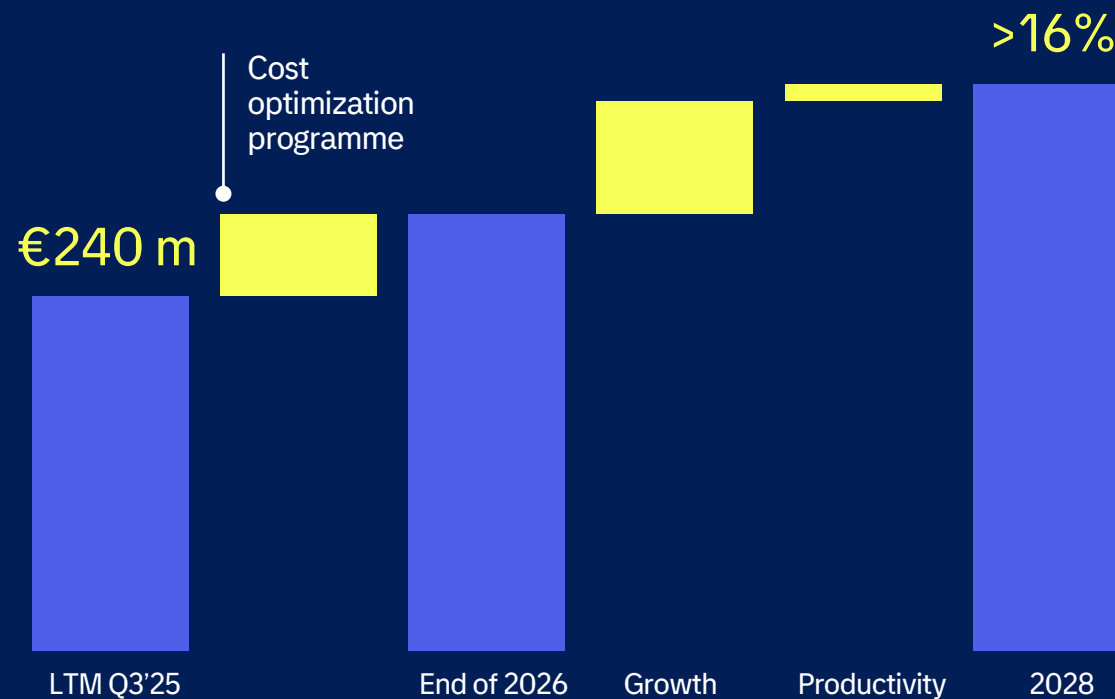
< 2x

# Profitable growth is driven by rigorous execution – 2026 to be a year of execution and transition

Revenue



Profit  
Adj. EBITA



# Our new capital allocation principles enable growth focus while delivering attractive shareholder returns

- 01 Invest in organic growth
- 02 Dividend 60-80% of net profit
- 03 Deleveraging to  $<2x$  net debt/EBITDA

With excess capital

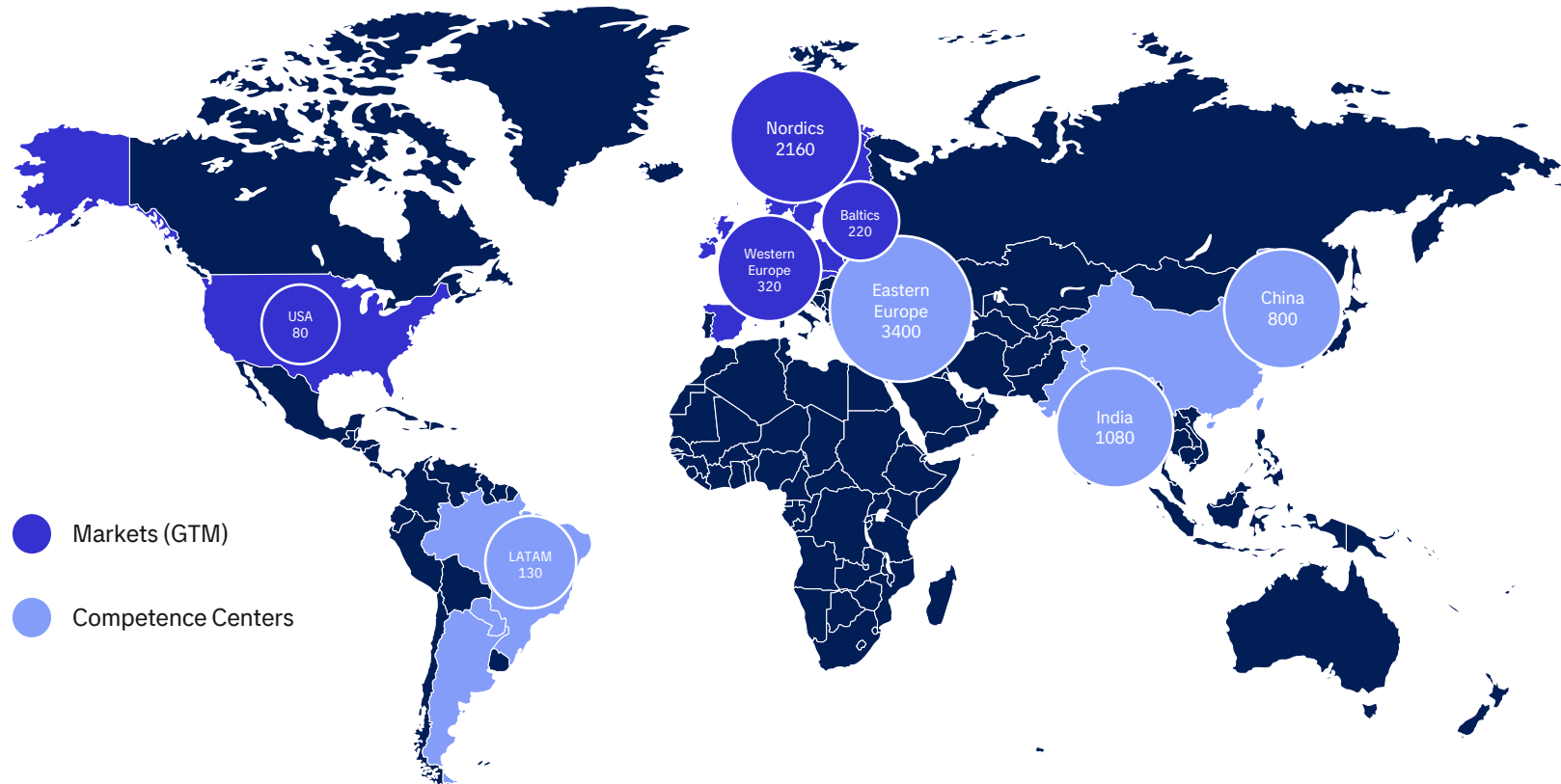
Share buybacks  
Extraordinary dividends

# Tieto Tech Consulting

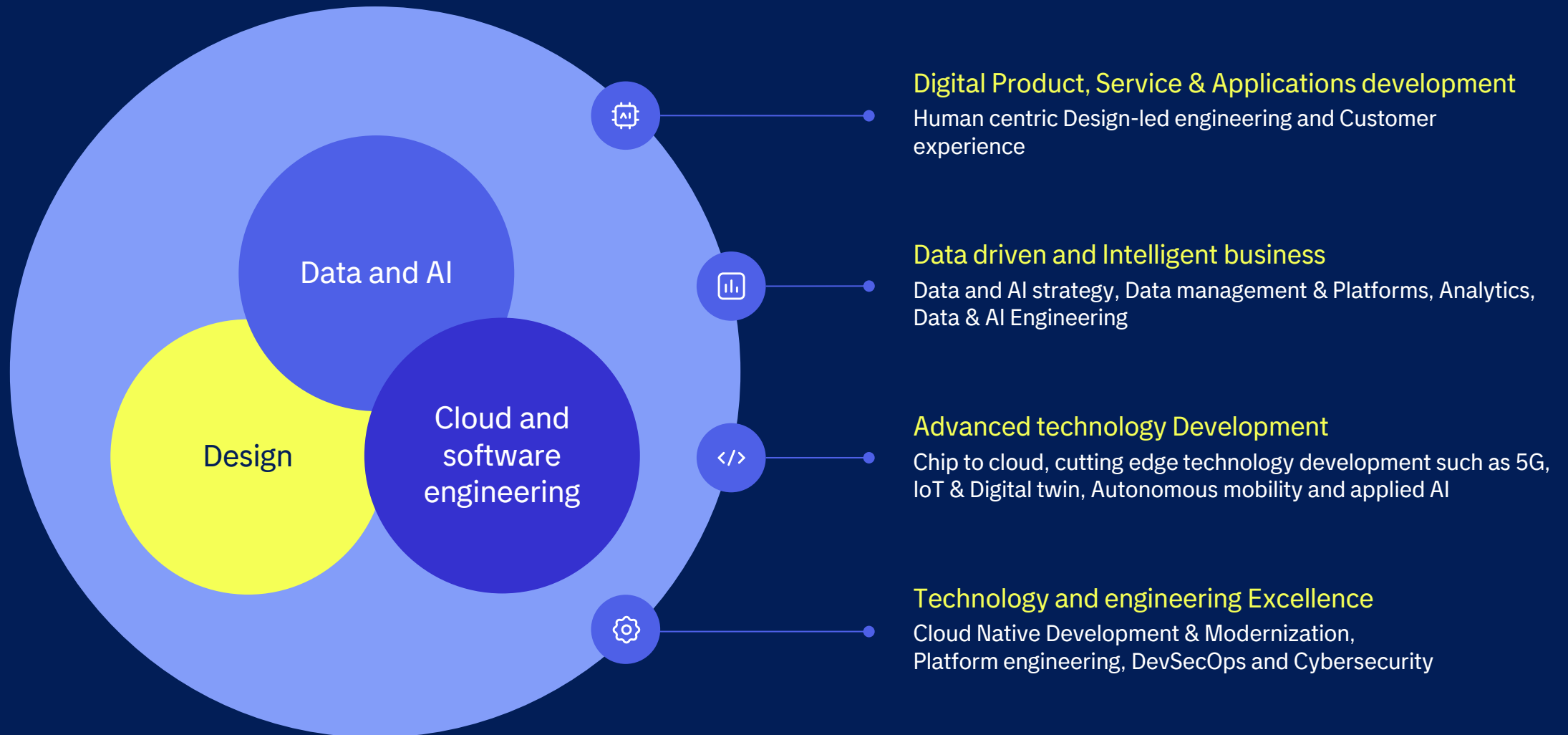
03

# Tieto Tech Consulting

Global digital engineering expertise  
with Nordic heritage



# World-class digital engineering services



# Industry knowledge expertise

Healthcare



Financial Services



Telecommunications



Automotive



Manufacturing



Public



Energy & Utilities



Agriculture



CPG & Retail

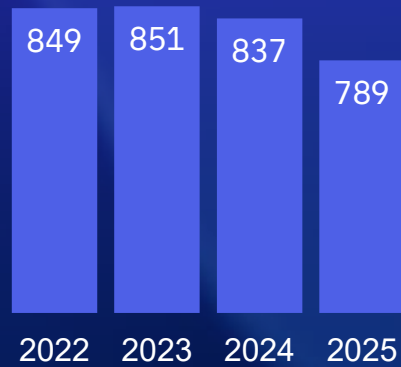


Transportation



# Tieto Tech Consulting in figures

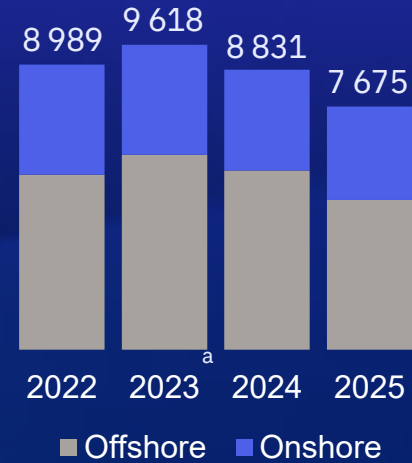
Revenue, €m



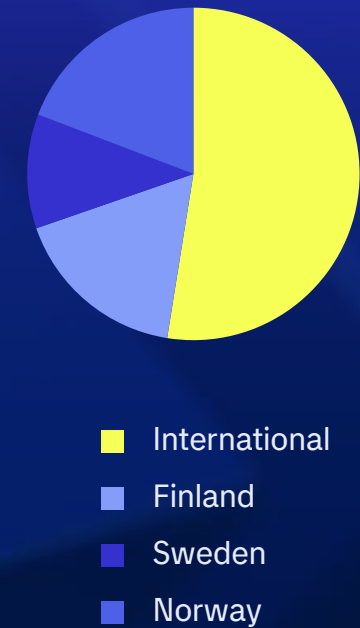
Adj. EBITA, €m



Personnel, end of period



Revenue composition



<sup>a</sup> On 21 July 2023, Tieto acquired MentorMate, a digital engineering company, with approximately 1 000 employees. 2023 business financials have been recast due to minor changes between segments.

# We are executing a change in three key areas to improve performance

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Customer  
centricity

Focus on strategic  
customers

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Service mix

Prioritize high  
growth areas as  
part of IT services

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Operational  
efficiency

Simplification of  
organization to improve  
decision making and SG&A

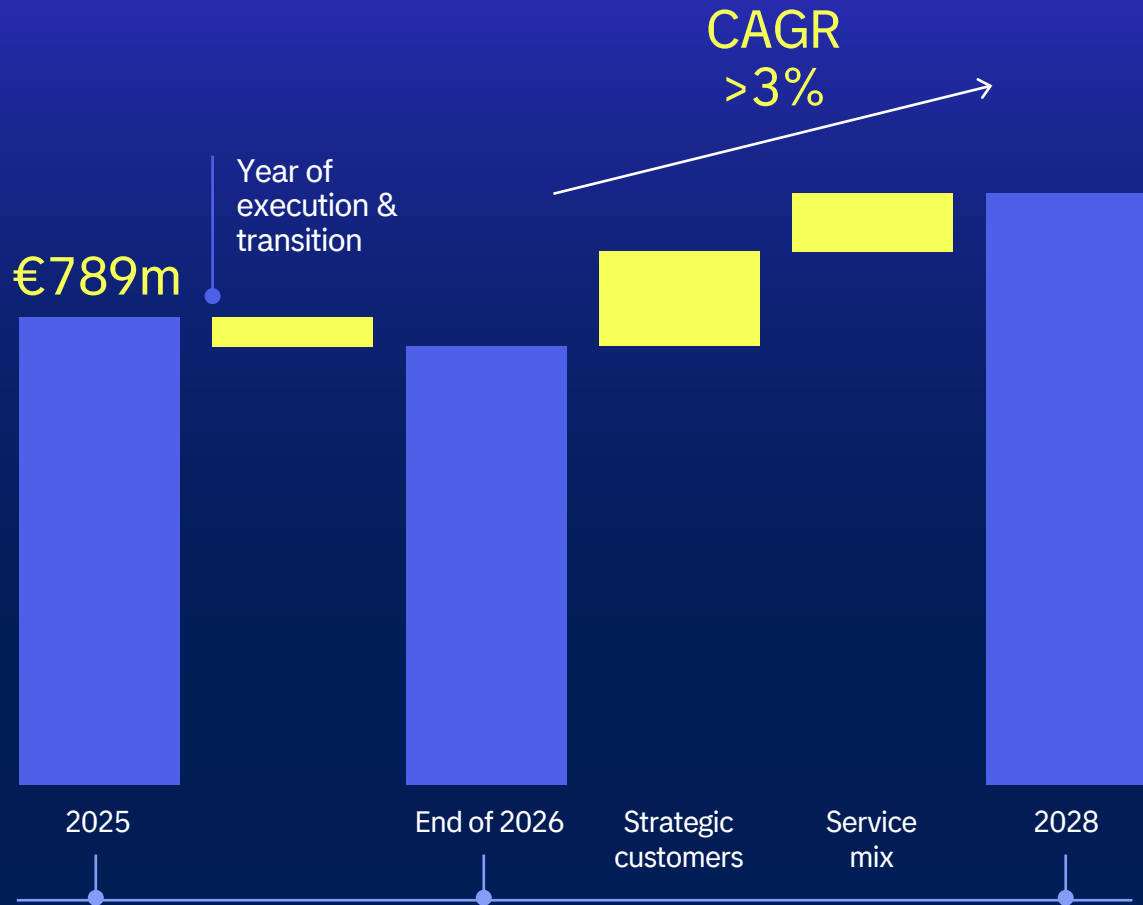
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# Clear targets to improve customer centricity, service mix and efficiency

Customer centricity	Focus on <b>60</b> strategic customers and prospects	<ul style="list-style-type: none"><li>• Industry focus on Banking, Healthcare, Public and Telecom</li><li>• Strengthen key account management and increase hunting sales</li></ul>
Service mix	Revenue <b>+15%</b> in new growth areas	<ul style="list-style-type: none"><li>• Expand in AI, cloud and data</li><li>• Invest in enterprise app's</li><li>• Increase customer wallet share</li><li>• Drive competence shift for ~1,400 people</li><li>• Deepen collaboration with strategic partners</li><li>• Extend Tieto software businesses</li></ul>
Operational efficiency	SG&A costs <b>-22%</b>	<ul style="list-style-type: none"><li>• Simplify organization and implement new operating model</li><li>• Increase accountability and local decision making</li><li>• Aiming for integrated organization</li></ul>

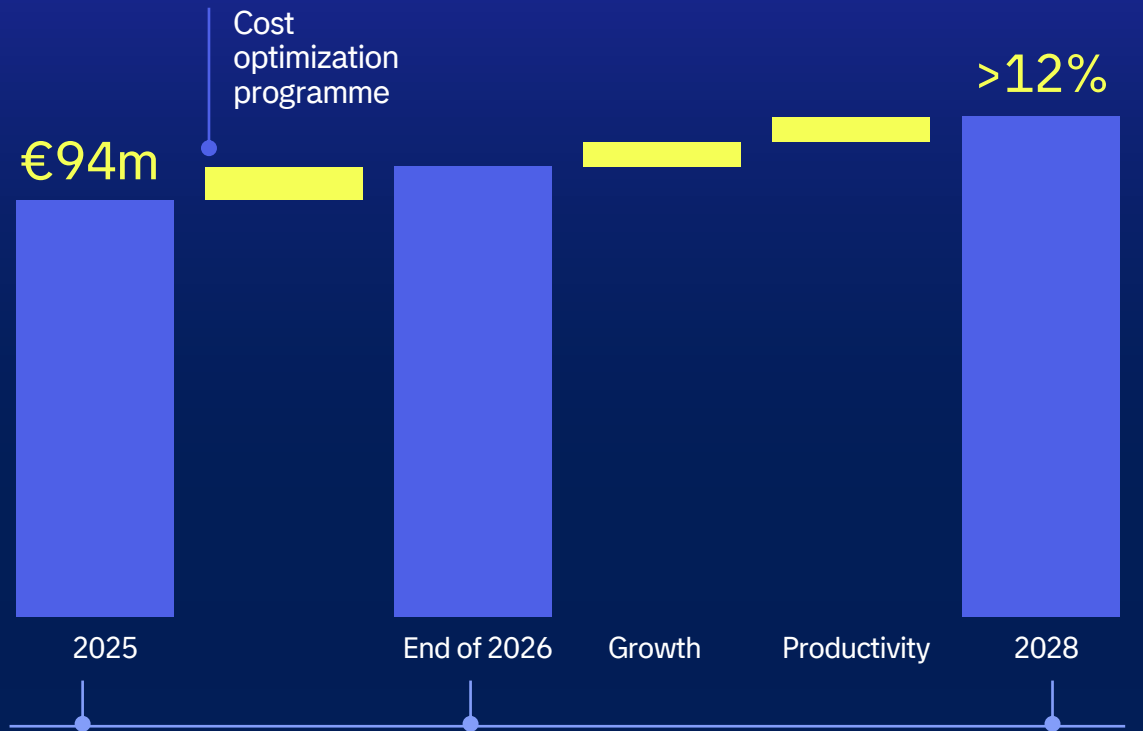
# Our strategic choices set the course for growth

## Revenue



## Profit

Adj. EBITA



# We have a clear path to improve growth and profitability

01

Improved customer centricity and service mix to accelerate growth

Growth

> 3%

02

AI, cloud and data are creating new opportunities

Profitability

> 12%

03

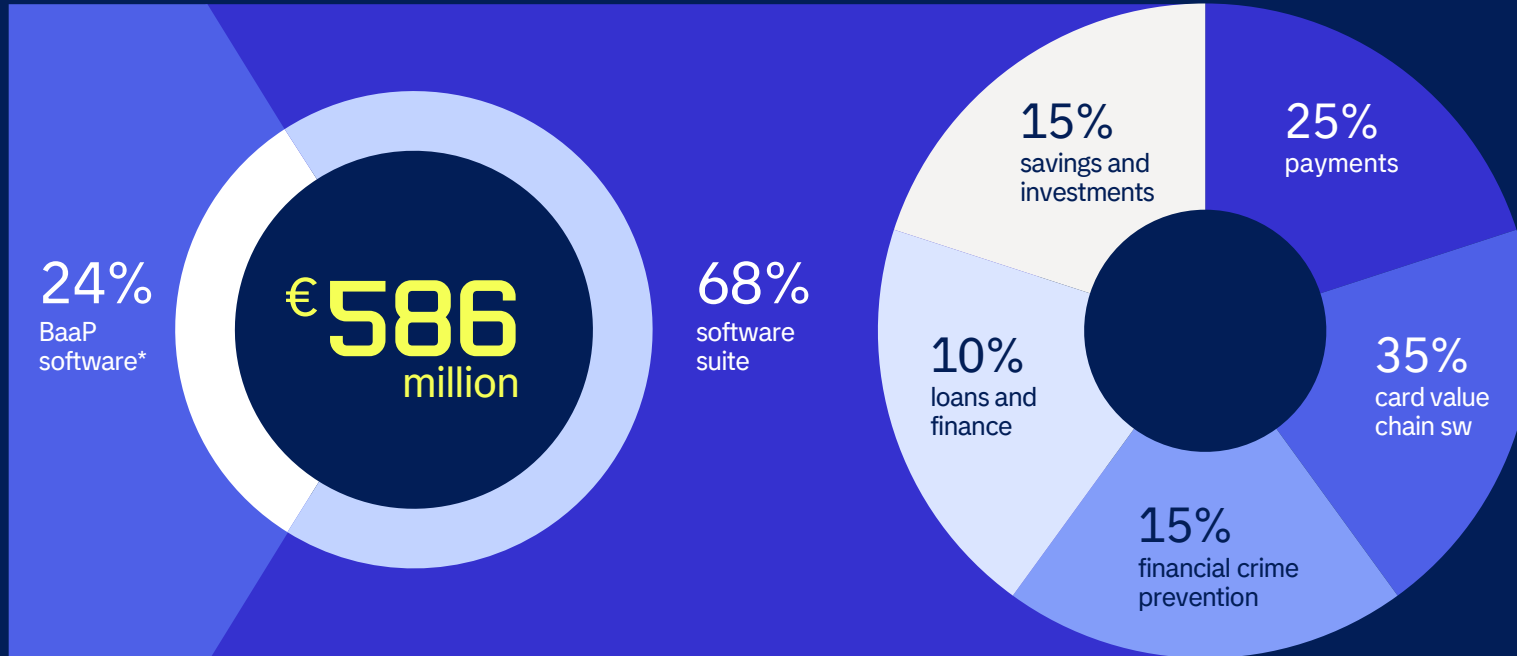
Focus on internal efficiency to improve profitability

# Tieto Banktech

# 04

# We are positioned at the sweet spot of banking digitalization

## Banking revenue 2025





(\*) Banking-as-a-Platform  
Other revenue (8%) from professional services

## Key capabilities

Proven track-record for driving **digital bank transformations** 

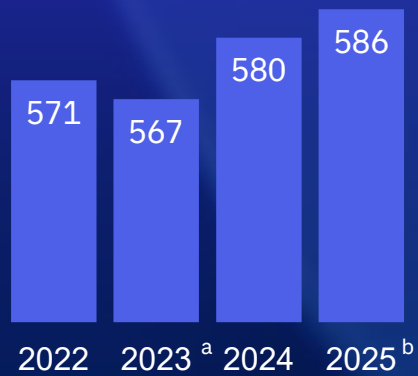
**78%** recurring revenue

**400+** customers with long-term relationship 

 **Modular solutions**  
for key banking processes

# Tieto Banktech in figures

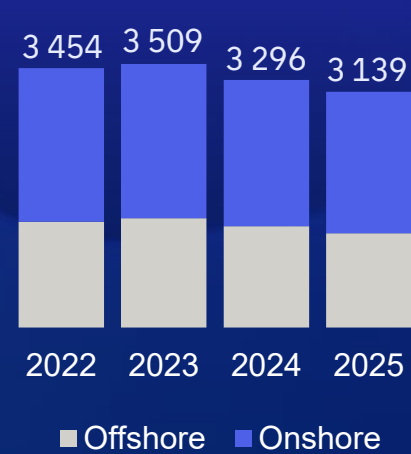
Revenue, €m



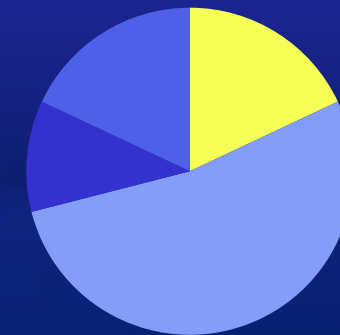
Adj. EBITA, €m



Personnel, end of period



Software business revenue streams



- License & maintenance
- as-a-Service
- Professional services
- Other services

Share of recurring revenue 78%, comprised mainly of maintenance, as-a-Service and application management (part of professional services)

<sup>a)</sup> Profitability in Tieto Banktech impacted by legal separation costs (April '23 onwards) – profit impact ca. 1.1 pp. <sup>b)</sup> 2025 financials impacted by customer dispute court ruling

# Our Nordic market leader position sets a solid foundation for future growth

## Unique position

- Deeply rooted trust relationship with Nordic banks
- Proven track-record of driving digital transformations
- Built for scale – Cloud & SaaS ready



## Nordic growth strategy

Increase share-of-wallet by:

- Up-selling
- Cross-selling
- New innovation

> € 1 bn

Nordic order backlog

22%

Market share

€ 2.0 bn

market 5% CAGR



## Ambition

- Grow at or above market >5%
- Maintaining stronghold in Norway
- Growing market shares in remain Nordic markets

# Selected SaaS solutions with proven Nordic success are well suited for of European roll-out

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→ Expansion in UK, Spain, Germany, Austria, Switzerland

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→ Card, Payment , Financial Crime Prevention, ATM



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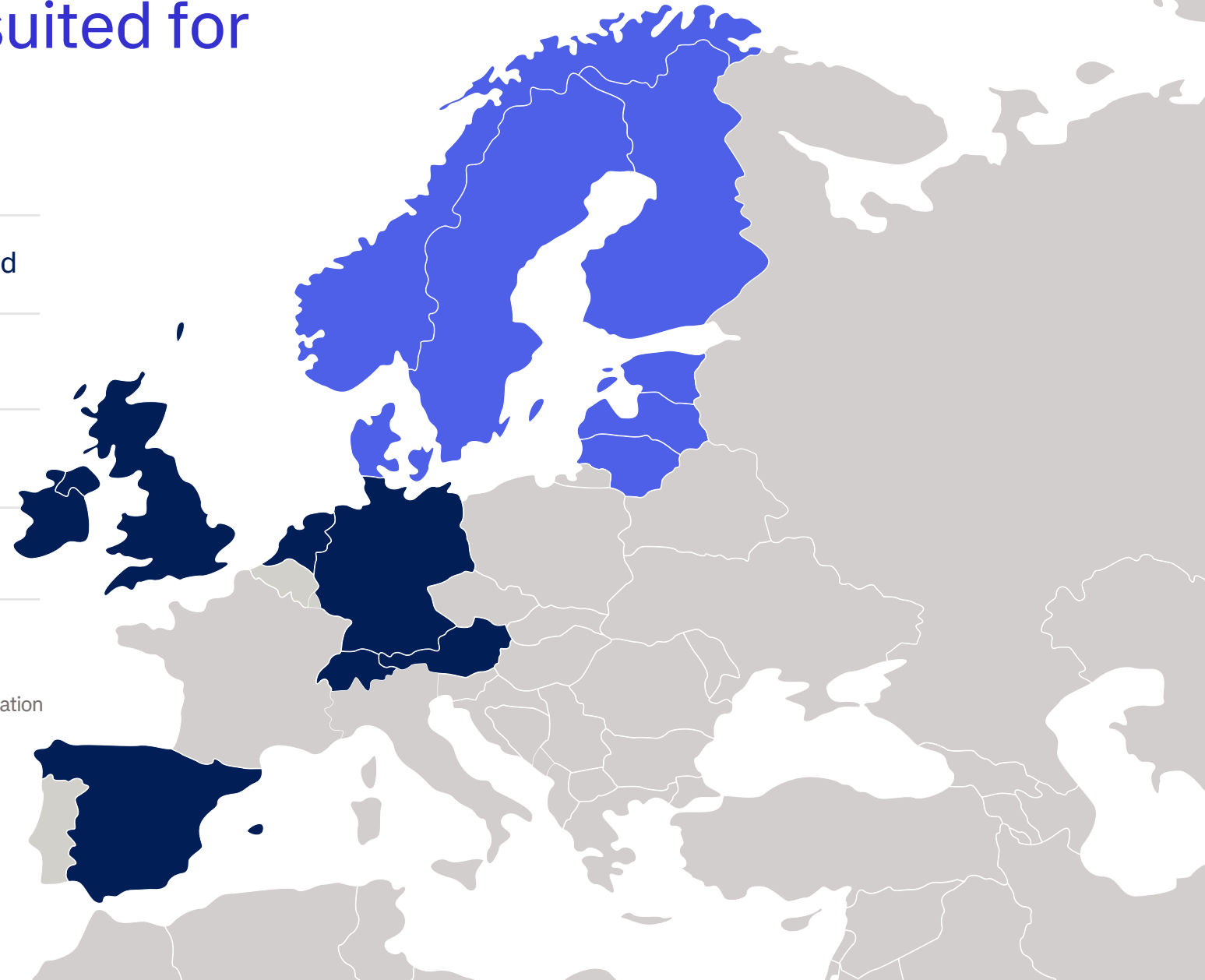
→ Flexible go-to-market model with local sales

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→ Our highly competitive solutions fit for market

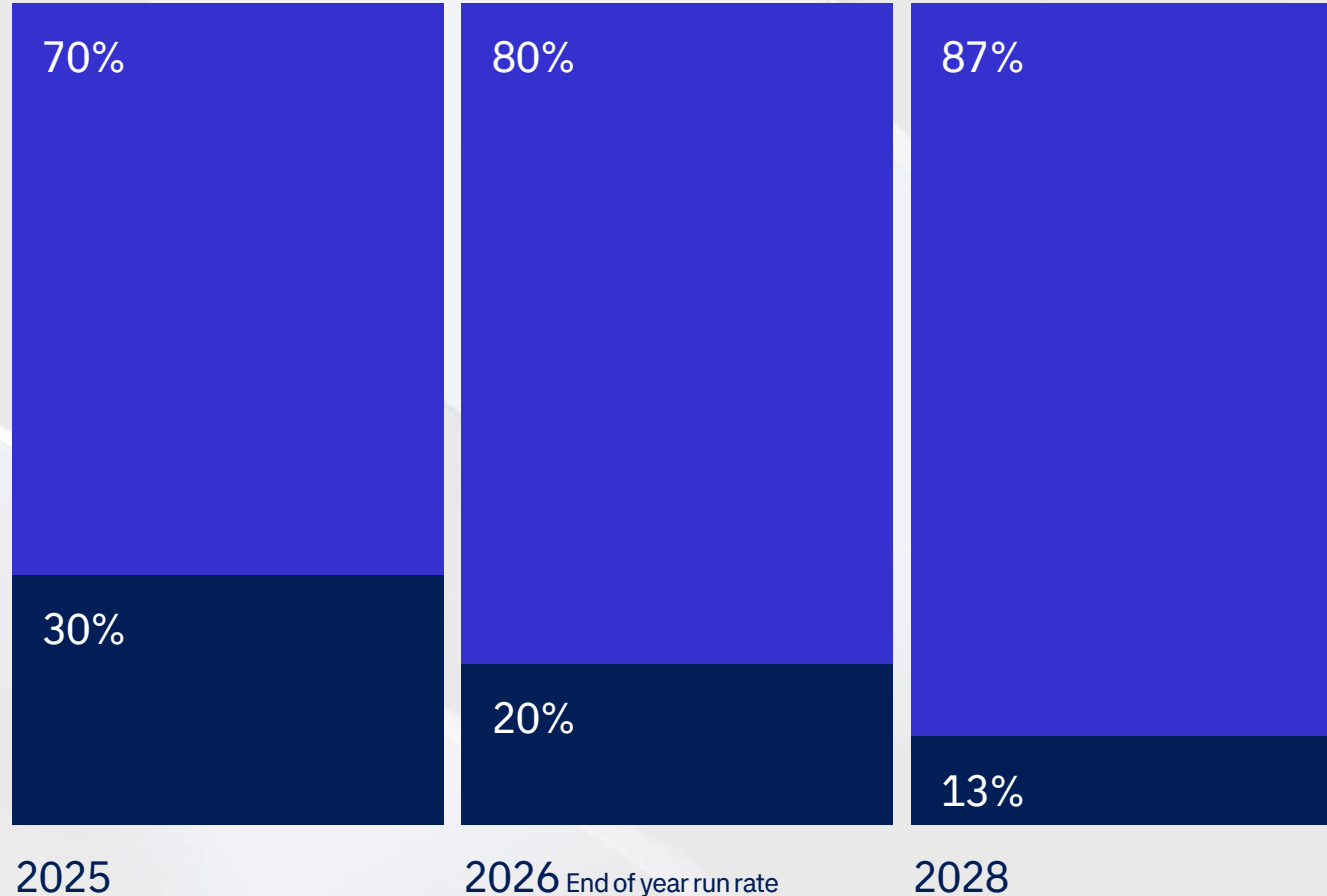
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 Home market with 35 million population  
 Selective expansion

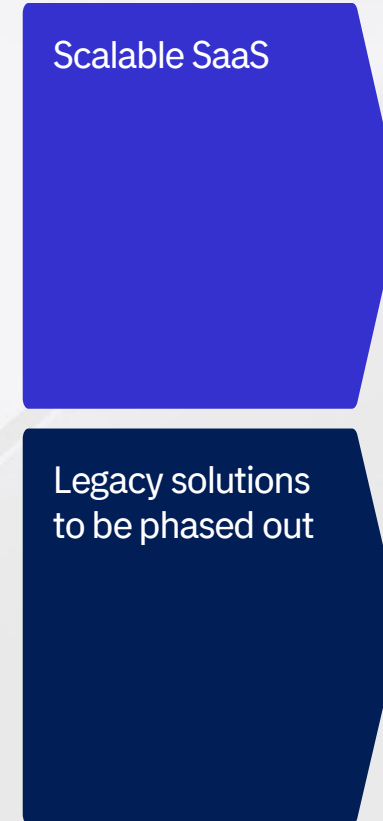


# Transitioning to a pure play standardised and scalable SaaS portfolio

## Portfolio mix



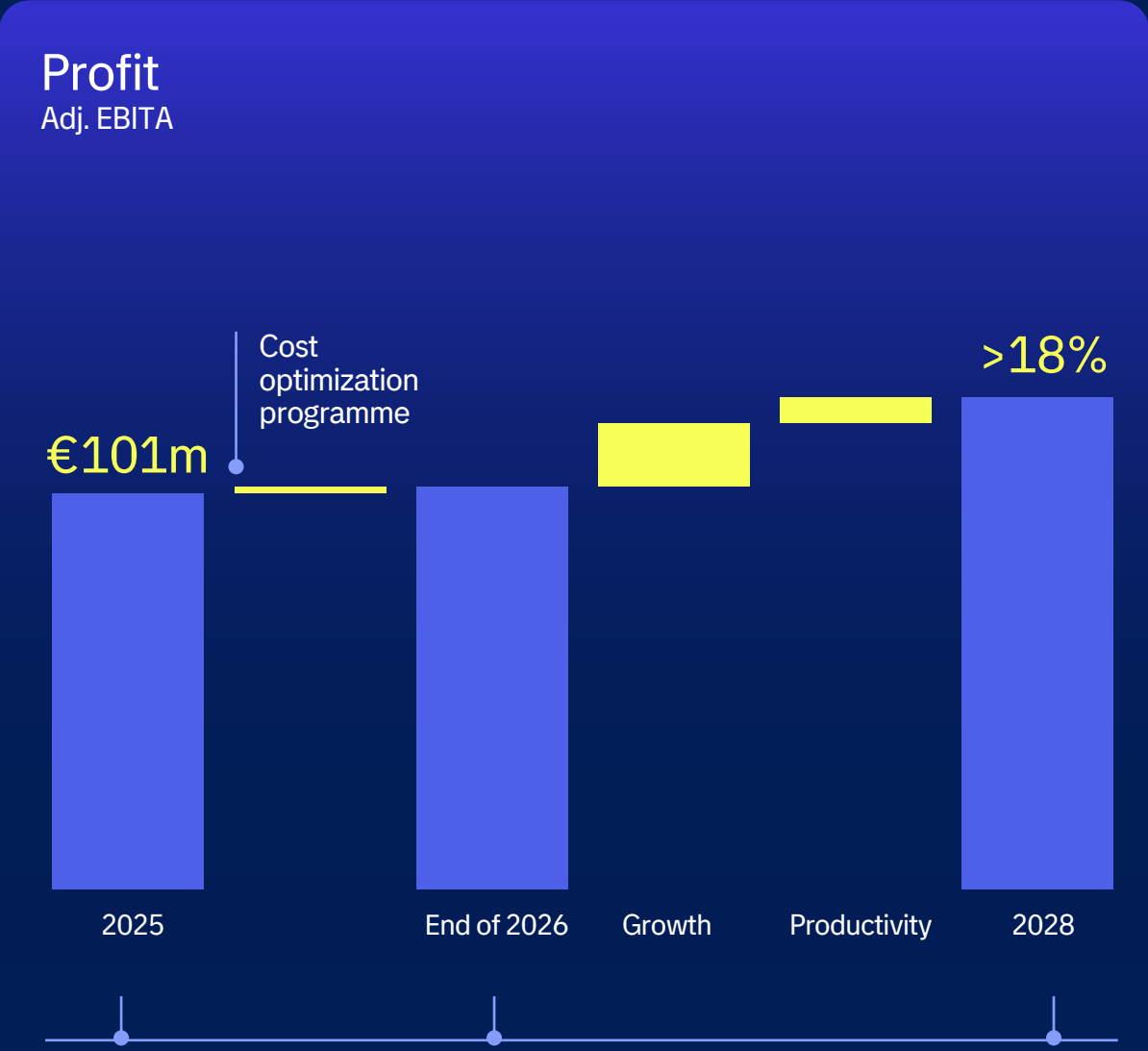
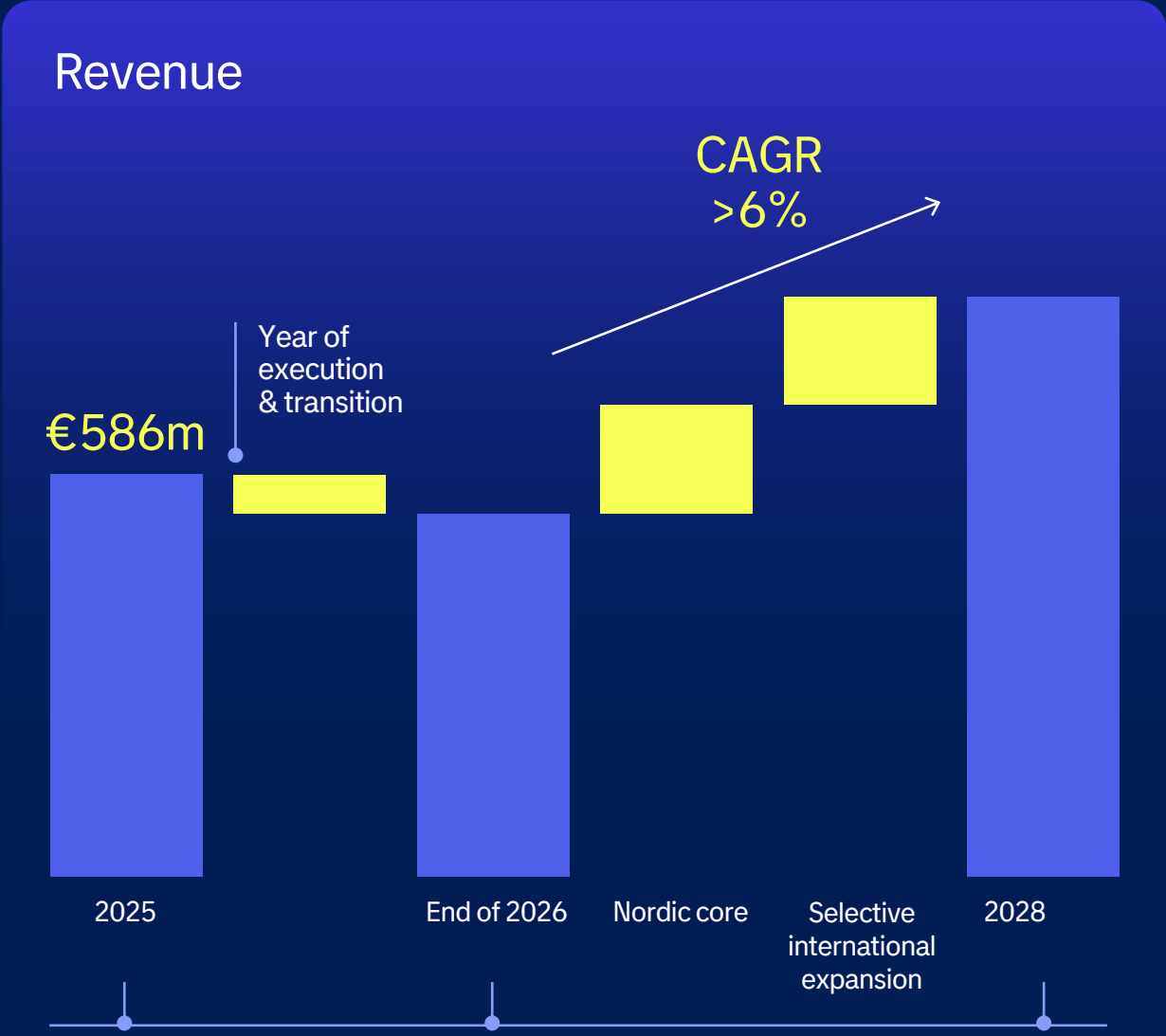
## Growth levers



## Drivers

- Core banking modernization and customer migrations
- Payments and cards solutions from 4 to 1 platform
- Sunsetting highly customized solutions – migrating customers to modernized platforms

# Clear path to margin expansion and profitable growth



# Our performance is best-in-class with consistent development

## Strategic growth levers

Increased market share in the Nordics



Selective market expansion



## Business enablers

Product and platform investments



Flexible go-to-market model



2025

2028

Addressable market

€ **15** bn

€ **18** bn

Recurring revenue

**78%**

**80%**

SaaS

**53%**

**65%**

Investments<sup>1)</sup>

**8%**

**8%**

<sup>1)</sup> OPEX/CAPEX

# We have a tangible route to achieve improved growth and solid profitability

01

We are leading Nordic banking digitalization

02

Our proven Nordic success is the foundation of European roll-out

03

We access a €18 billion market in selected European countries

Growth

> 6%

Profitability

> 18%

Tieto Caretech

05



Lifecare

## Market leading care software in the Nordics

### Healthcare

Healthcare software covering the full value chain of primary and secondary care for Nordic public and private care providers.

### Social care

Social Care software covering the case management and care delivery for Family and Elderly care in Nordic municipalities.

### Data, AI and Analytics

Advanced analytics and AI-based software for care analytics. Providing care organizations with clinical and operative intelligence.


### Laboratory

Laboratory software covering the production process, automation and information management in Nordic healthcare laboratories.

# Leading with technology: the open and modular Lifecare software portfolio

Caretech revenue  
2025



 Lifecare  
**86%**  
of Caretech revenue

- Comprehensive software portfolio
- A technology leader in EHR<sup>1)</sup> software
- Open and modular architecture
- Advance data and AI solutions

Key differentiators

Interoperability

Flexibility

Less complexity

Go-to-market offerings

Nordic care core  
“best of suite”

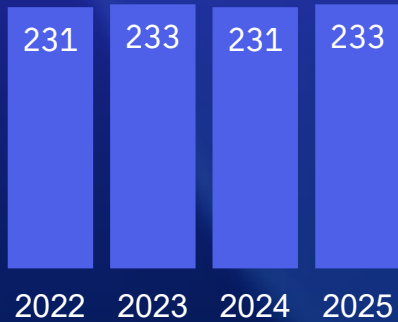
Data-driven care  
“AI enablement”

European clinical  
core “modular core”

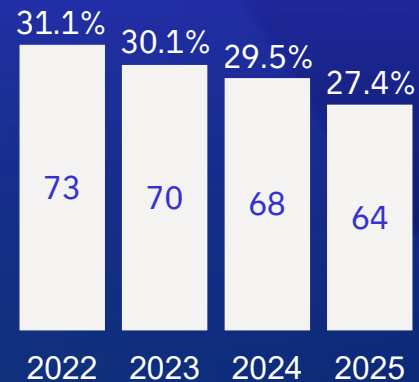
<sup>1)</sup> EHR Electronic Health Record

# Tieto Caretech in figures

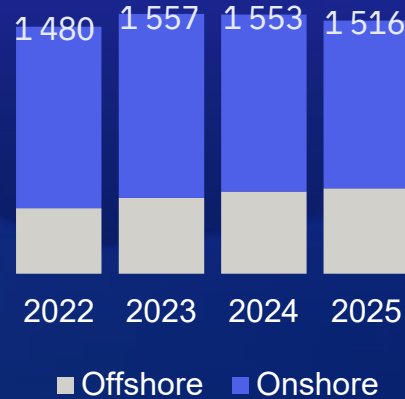
Revenue, €m



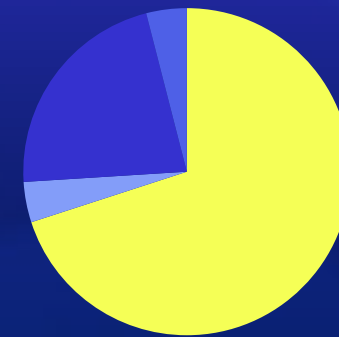
Adj. EBITA, €m



Personnel, end of period



Software business revenue streams



- License & maintenance
- as-a-Service
- Professional services
- Other services

Share of recurring revenue 74%, comprised mainly of maintenance, as-a-Service and application management (part of professional services)

2023 business financials have been recast due to minor changes between segments.

# Secured Nordic leadership – accelerating growth with best-of-suite solutions

## Secured position

- Nordics as a leader<sup>1)</sup> in the future of care
- We are central to building Nordic healthcare interoperability
- We are pioneering open and modular healthcare software

#1

Nordic healthcare software provider

1,000

customers

## Growth areas

- Increase share of wallet in Finland
- Gain market share in health and social care in Sweden
- Drive success in integrated primary care in Norway

16<sup>of</sup> 21

new wellbeing services counties as our customers in Finland

Implementation of next-generation open healthcare data platform at

**Karolinska**

University Hospital

<sup>1)</sup> The Future of Health in Europe, Deloitte

# Entering Europe with Lifecare – leveraging partnerships for growth

## Selected markets

- High need of EHR modernization
- National focus on integrated care
- Interest in open standards



Focus on markets where national reforms drive demand for interoperability



Offer modern, data-driven and modular clinical core solutions

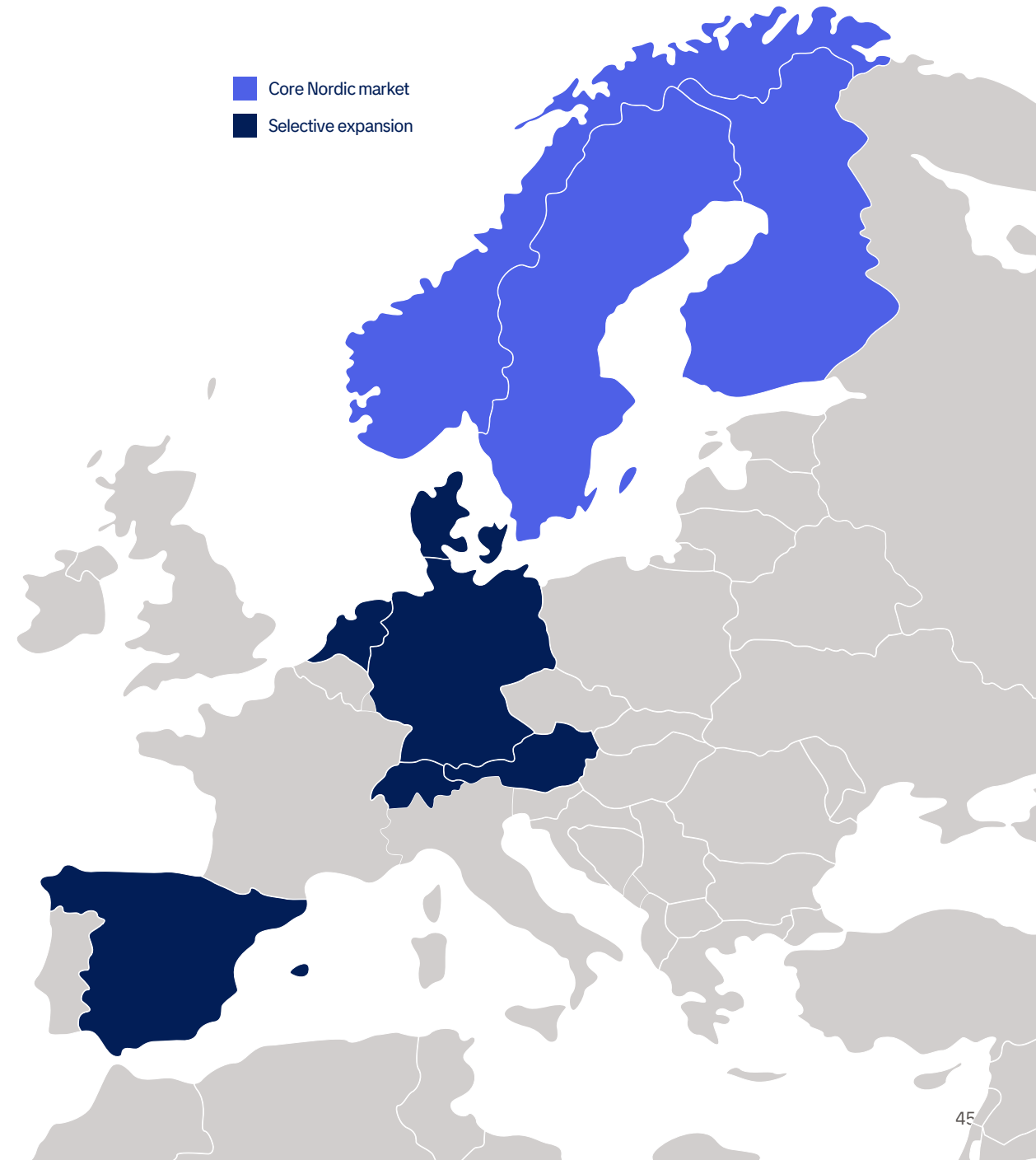


Expand through partner-led go-to-market



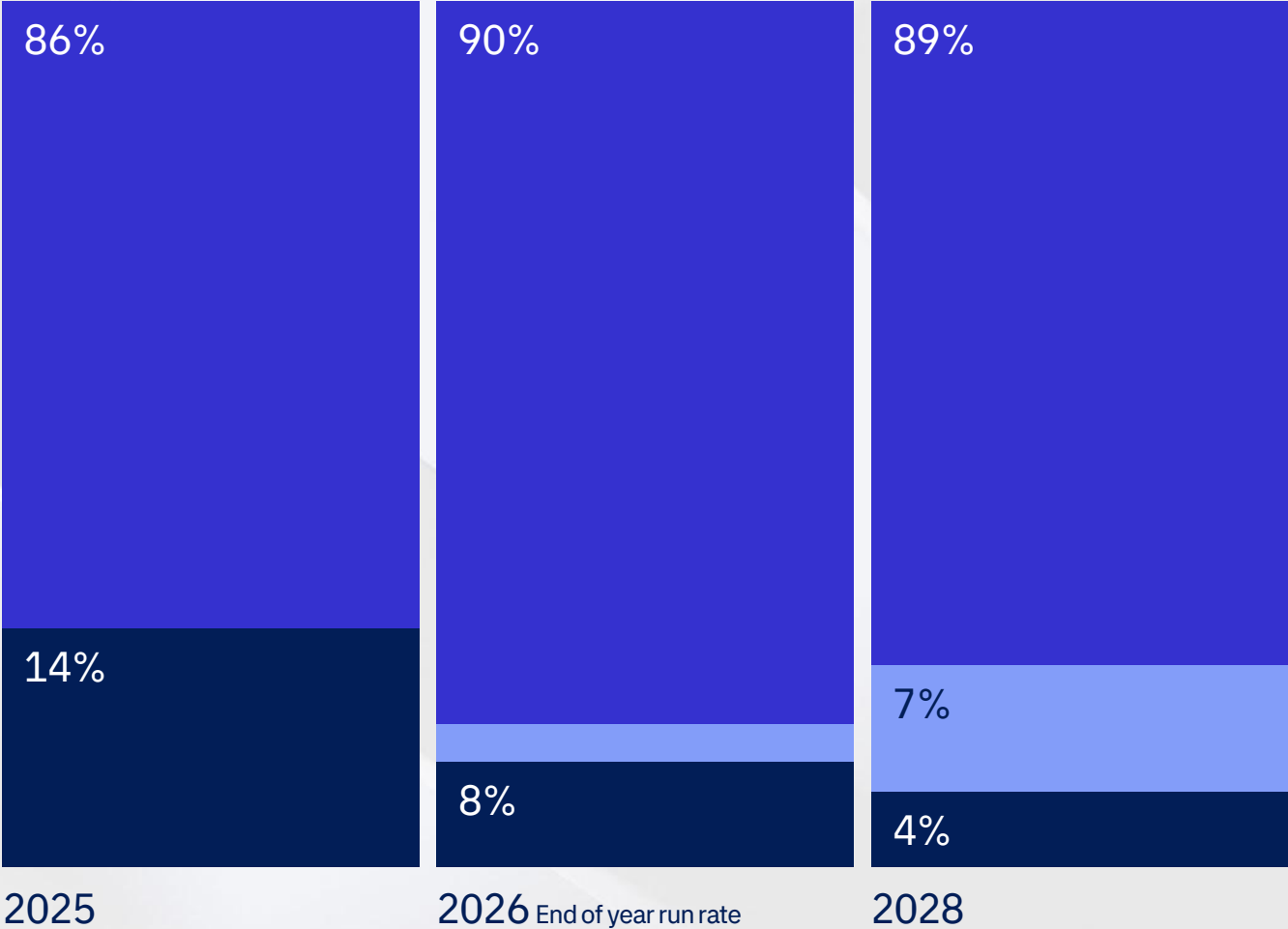
Tieto and NTT DATA into a strategic contract to co-develop Catalonia's Open Health Platform

- Core Nordic market
- Selective expansion



# Transforming our portfolio for higher performance and scale

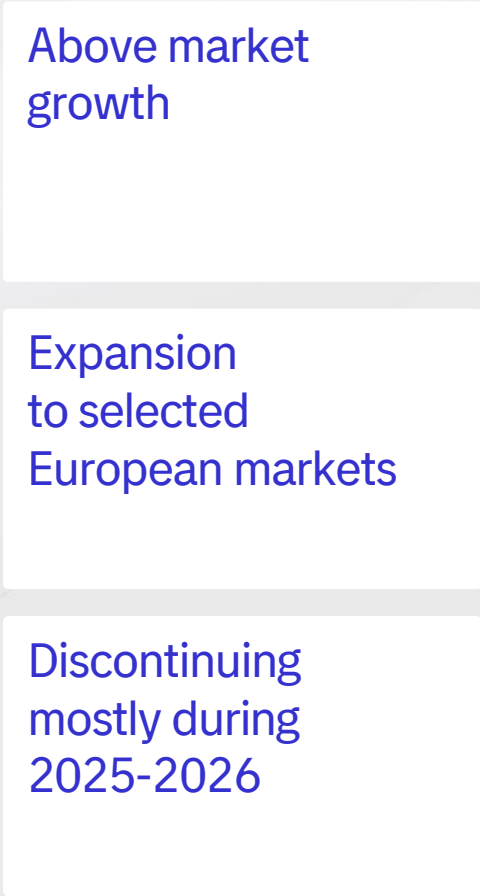
## Portfolio mix



## Growth levers

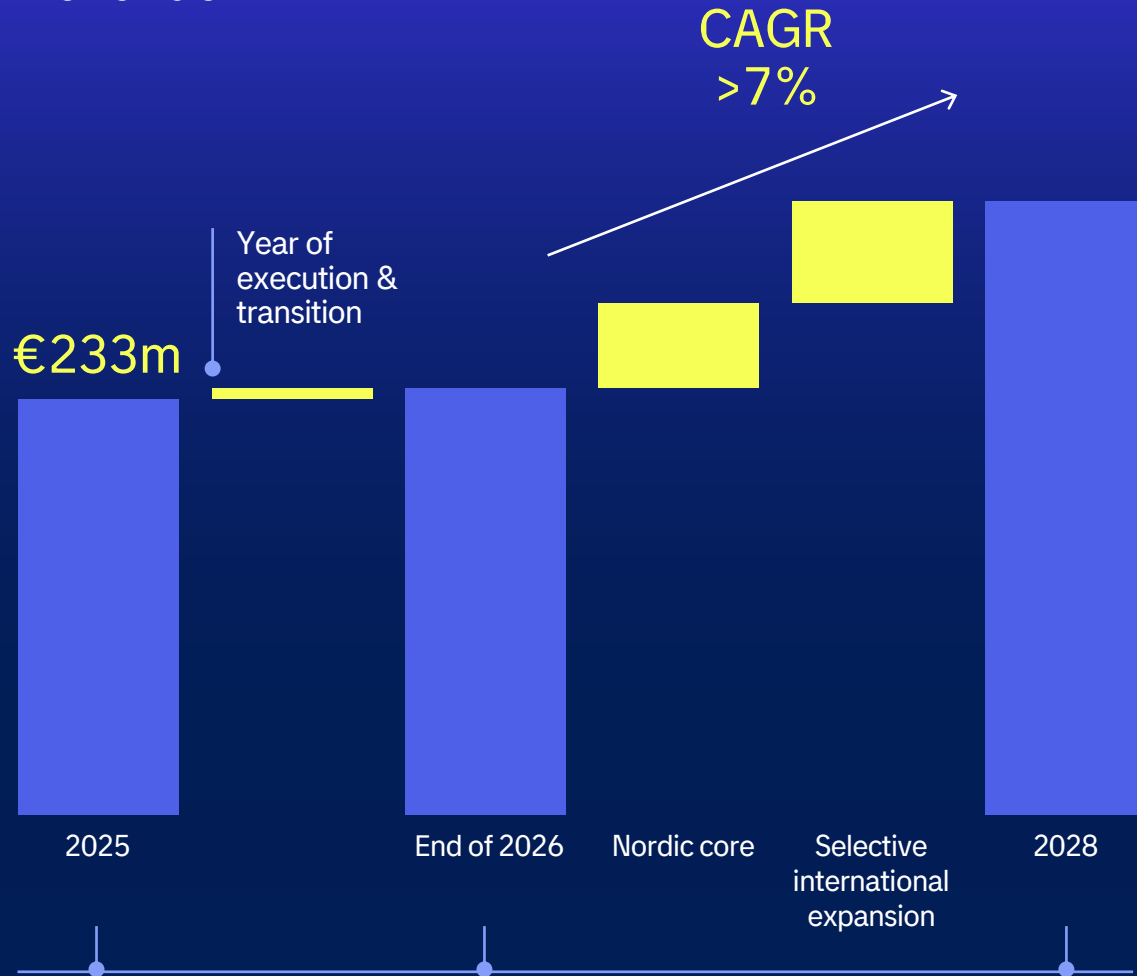


## Drivers



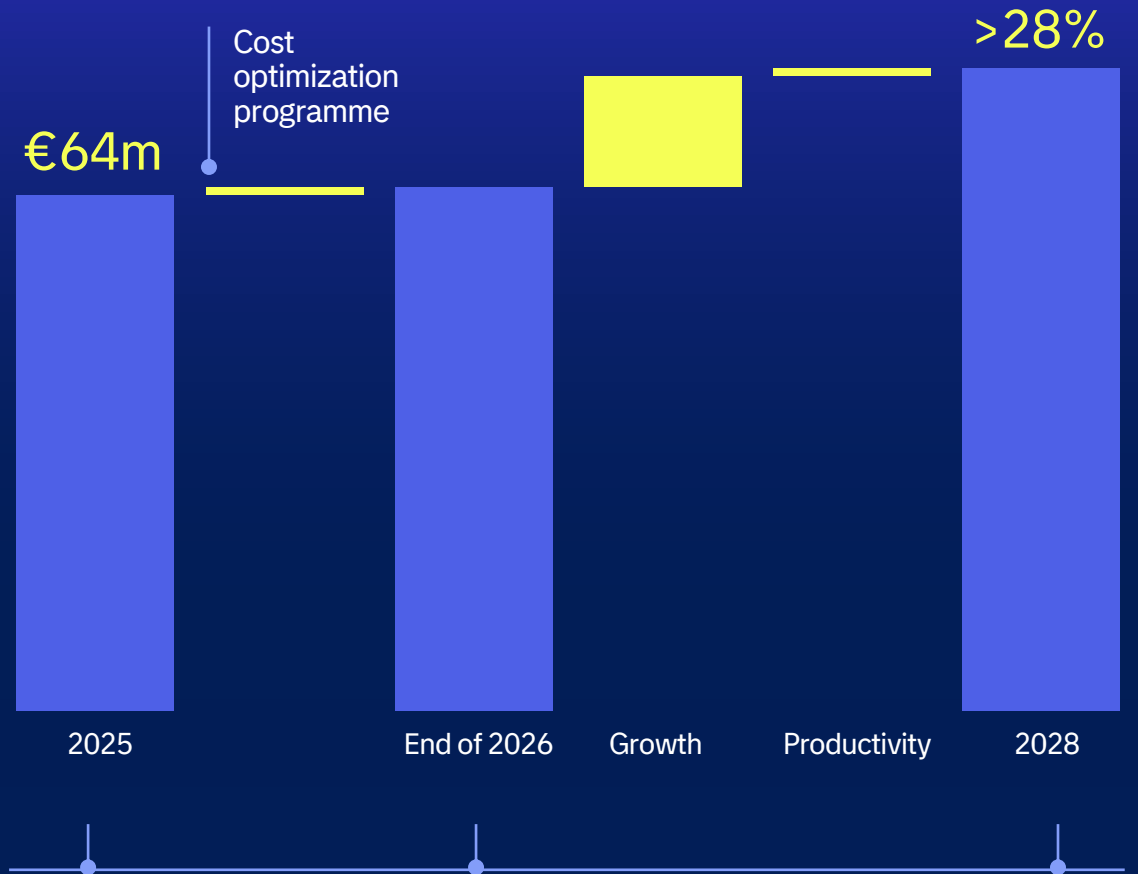
# Growth is fuelled by our Lifecare expansion

## Revenue



## Profit

Adj. EBITA



# Our performance is best-in-class with consistent development

## Strategic growth levers

Increased market share in the Nordics with best of suite



Selected expansion with clinical core



## Business enablers

Product and platform investments



Partner-led delivery model



Greater subscription license contribution and lower SaaS contribution reflecting market trends

2025

2028

Addressable market

€ **650**<sub>m</sub>

€ **3,650**<sub>m</sub>

Recurring revenue

**74%**

**78%**

SaaS

**4%**

**15%**

Investments<sup>1)</sup>

**17%**

**16%**

<sup>1)</sup> OPEX and CAPEX

# We have a tangible route to achieve improved growth and solid profitability

**01** We have technological leadership with our open and modular Lifecare software portfolio

**02** Our position in the Nordics offers us strong add-on sales opportunities

**03** Through partners, we access a €3.7 billion market in selected European countries

Growth

> 7%

Profitability

> 28%

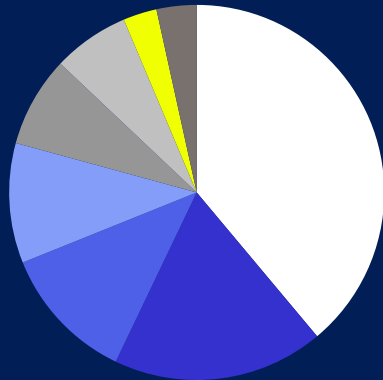
Tieto Indtech

06

# Our business consists of 8 distinct products with strong position in the Nordics...

## Revenue split

- Multichannel & BIX
- Public 360
- TIPS
- Edlevo
- Eye-Share
- Data Driven Services
- Energy & Utility Suite
- HR & Payroll



**87%**  
of revenue

**Multichannel & BIX**  
Messaging, invoicing, logistics

**20%**  
market share in Sweden and Norway

**Public 360°**  
Case management for public sector

**20%**  
market share Nordics

**TIPS**  
Production system for paper industry

**#1**  
standard production system globally

**Edlevo**  
Learning administration software

**45%**  
market share in Sweden

**Eye-share**  
Purchase-to-pay process automation

**50%**  
market share in Norway

**Data Driven Services**  
Data hub for asset and population data

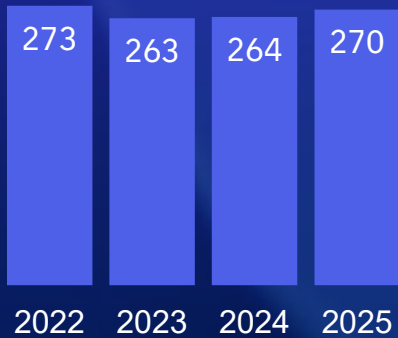
**#1**  
in Norway

**Energy & Utility Suite**  
Core systems for energy and utilities

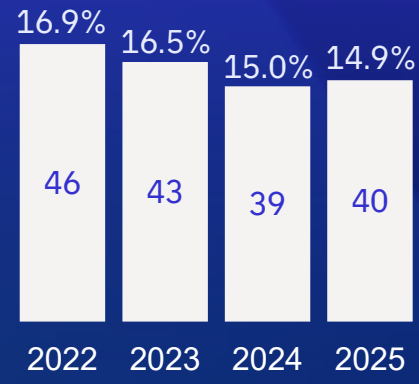
**HR & Payroll**  
Swedish municipalities, universities, and government

# Tieto Indtech in figures

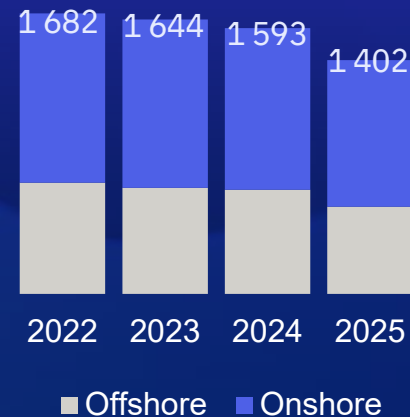
Revenue, €m



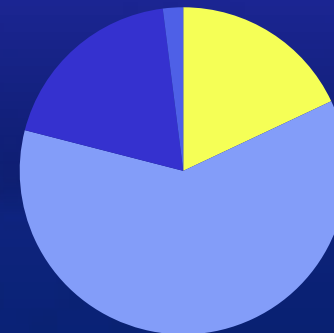
Adj. EBITA, €m



Personnel, end of period



Software business revenue streams



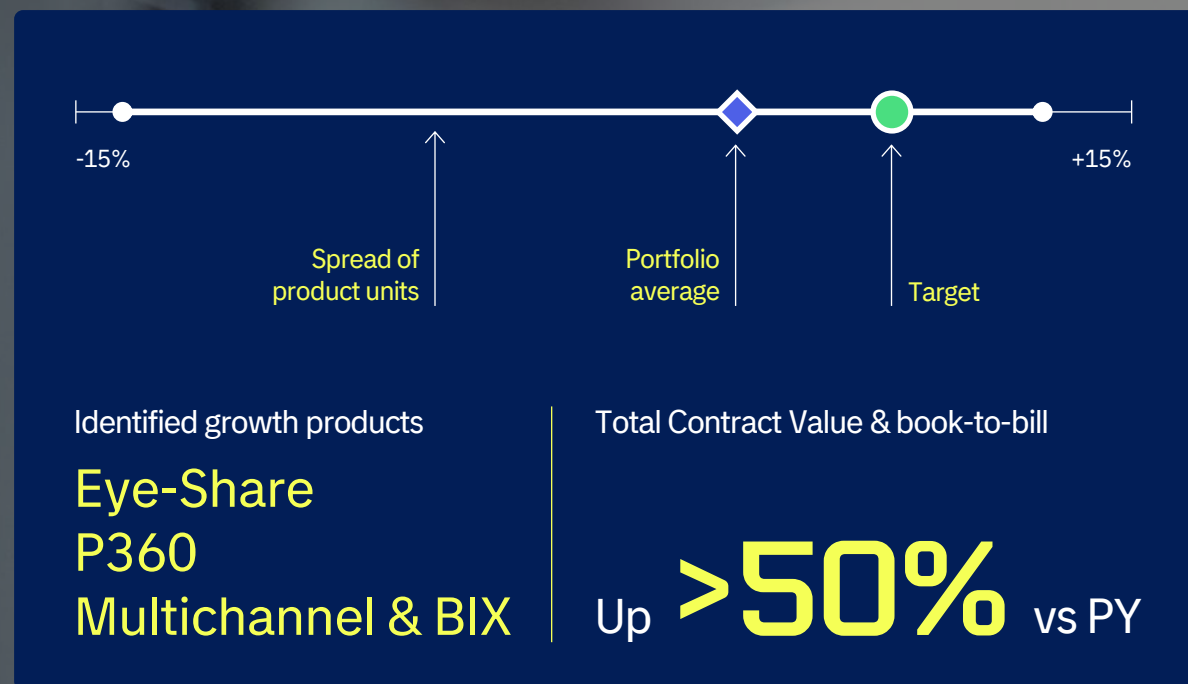
- License & maintenance
- as-a-Service
- Professional services
- Other services

Share of recurring revenue 80%, comprised mainly of maintenance, as-a-Service and application management (part of professional services)

2023 business financials have been recast due to minor changes between segments.

# We have identified clear steps to improve our financial performance

## Growth, %



## Profitability, %



# Steps towards a stronger portfolio of Software products

## Strategic assets

## Application of growth lever

## 2025

## 2028

Strong products  
→

Activate Nordic customer base  
→

Strong customer base  
→

Focused niche expansion  
→

Addressable market

€ 7.2 bn

€ 9.2 bn

Recurring revenue

80%

84%

SaaS

61%

68%

Investments<sup>1)</sup>

7%

7%

Strong demand for automation

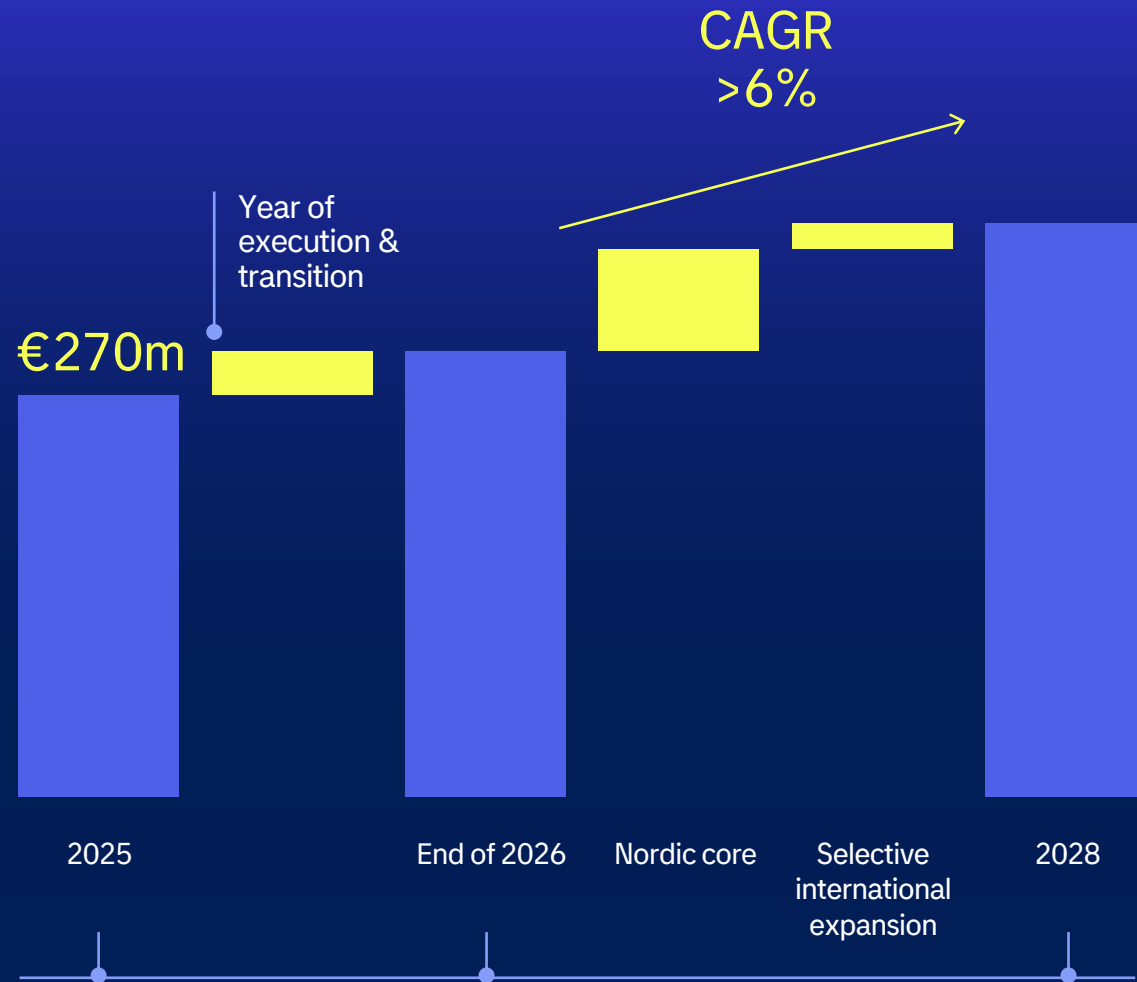
Increasing demand from regulatory needs

Significant barriers for entry

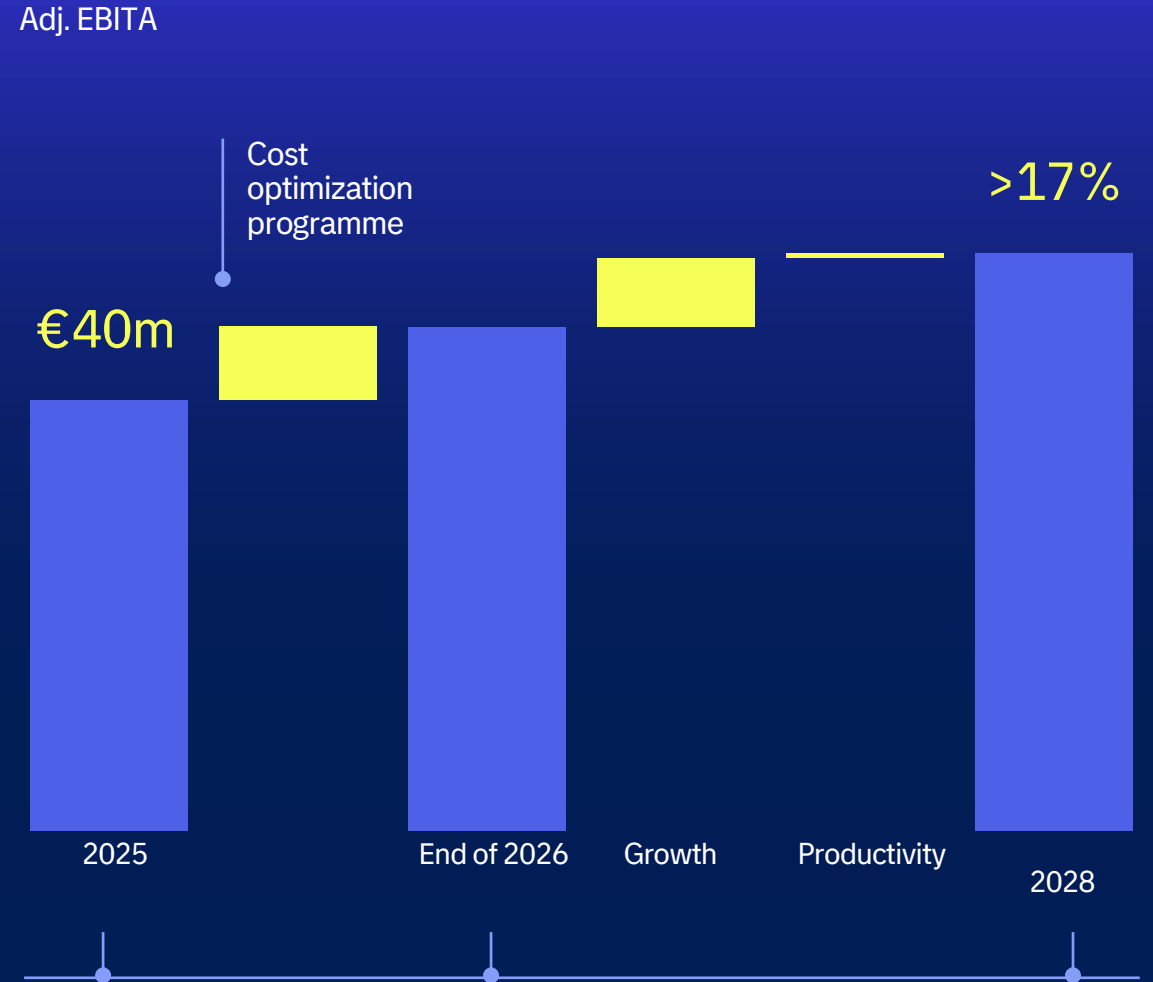
<sup>1)</sup>OPEX and CAPEX

# ...and strengthen our growth and profitability

## Revenue



## Profit



# We have a tangible route to achieve improved growth and solid profitability

01

We have technological leadership with our open and modular Lifecare software portfolio

02

Our position in the Nordics offers us strong add-on sales opportunities

03

Through partners, we access a €3.7 billion market in selected European countries

Growth

> 7%

Profitability

> 28%

# Latest financial results: Q1'26



# Q1: Strong profitability and solid performance in software businesses

- Growth -3%, 2 pp. negative impact from known headwinds – software businesses delivered healthy underlying growth
- Adj. EBITA improved by 4.1 pp. to 14.7%, driven by cost optimization programme and strong margins in software businesses
- Tieto Tech Consulting impacted by weak market conditions – additional cost saving measures initiated
- Strategic transformation continues, including sales focus, large-scale AI upskilling and strengthening of strategic partnerships

Organic growth

**-3%**

Adj. EBITA

**14.7%**

# Tieto Group

## Q1 key figures

Revenue, EUR million

**448**

(471)

Organic growth<sup>1</sup>

**-3%**

(-4%)

Adjusted operating profit (EBITA)<sup>2</sup>,  
EUR million

**66 / 14.7%**

(50 / 10.6%)

Net debt/EBITDA

**1.3**

(n/a)

Order backlog<sup>1</sup>

**+8%**

year-on-year

Cash flow from operating activities<sup>3</sup>,  
EUR million

**85**

(97)

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) Comparative figure includes cash flow for the divested Tech Services business and Bekk Consulting

# Tieto Tech Consulting

Organic growth

**-7%**

(-6%)  
€185m (215)

Adj. EBITA

**11.5%**

(12.1%)  
€21m (26)

## Market weakness impacting performance – significant AI partnership with Microsoft

- Growth impacted by challenging market conditions
- Profitability impacted by lower utilization rate
- Up to 500 employees to be reduced
  - 1/3 earlier indicated SG&A reductions
  - 1/3 adjusting delivery capacity to demand
  - 1/3 related to a delivery model with a customer
- Simplification and upskilling continues
- Strengthened AI capabilities through Microsoft and Databricks partnerships
- Johan Nygaard appointed as interim Managing Director of Tieto Tech Consulting

# Tieto Banktech

Organic growth

**1%**

(-3%)  
€141m (137)

Adj. EBITA

**17.3%**

(11.2%)  
€24m (15)

## Strong profitability and good underlying growth

- Strong growth in Financial Crime Prevention and BaaS
- Growth impacted by legacy contract run-off (-5 pp.)
- One-time positive impact of 3 pp. on growth and profitability related to a customer contract – a 2-year extension signed
- Improved profitability supported by cost optimization measures
- Strong order backlog with long-term revenue visibility (from 2027)

# Tieto Caretech

Organic growth

**-2%**

(-2%)  
€58m (57)

Adj. EBITA

**26.0%**

(24.7%)  
€15m (14)

## Continued strong performance

- Solid growth in modern software portfolio
- Growth impacted by legacy business decline (-5 pp.)
- Consistent strong profitability maintained
- Strong order intake
- Significant win for Lifecare solutions with City of Stockholm
- New offerings launched empowered by AI technology

# Tieto Indtech

Organic growth

**2%**

(-2%)  
€71m (68)

Adj. EBITA

**15.1%**

(11.8%)  
€11m (8)

## Continued solid performance

- Solid growth in all businesses except Pulp, Paper & Fibre and Energy & Utilities
- Profitability improved driven by stronger business momentum and cost optimization measures
- Multichannel & BIX expanding to the UK
- Divestment of Edlevo & HR & Payroll announced - expected to close in Q2
- Bent Philipps appointed as interim Managing Director of Tieto Indtech

# Significant profitability uplift - solid performance in software businesses

- Organic growth -3%
  - Good underlying growth in Banktech and Caretech - negative 2pp impact at Group level from legacy contract run-off
  - Continued weak market demand in Tech Consulting
- Adj. EBITA 14.7%, improvement of 4.1pp YoY
  - Strong profitability in software businesses
  - Supported by Cost optimization programme
  - IFRS5 cost burden impacting prior year (-1.8pp)
- One-time items at €15m of income, impacted by €20m gain from BEKK divestment. One-time items for the year unchanged at 1.5% of revenue, excluding capital gains.
- Solid order backlog, up by 8% YoY driven by Banktech and Indtech
- Seasonally strong operating cash flow of €85m
- Share buyback programme of €150m proceeding well, expected to be completed in September
- Minor business moves within the Group carried out in Q1, changes recasted to prior periods

	Q1'26	Q1'25
<b>Revenue and growth</b>		
Revenue	448	471
Organic growth, %	-3%	-4%
Acquisitions & divestments, %	-3%	0%
Foreign exchange rates, %	1%	0%
Total growth, %	-5%	-4%
Org. growth adj. for working days, %	-3%	-3%
Order backlog	2 210	2 047
<b>Profitability</b>		
Adj. EBITA <sup>1</sup>	66	50
Adj. EBITA margin <sup>1</sup>	14.7%	10.6%
One-time items	+15	-15
EBIT <sup>1</sup>	80	26
EBIT margin <sup>1</sup>	17.8%	5.5%
CAPEX	15	15
<b>Cash flow and Leverage<sup>2</sup></b>		
Operating cash flow	85	97
Free cash flow	202	63
Net debt	377	807
Leverage (net debt/EBITDA)	1.3x	2.2x

All numbers in €m

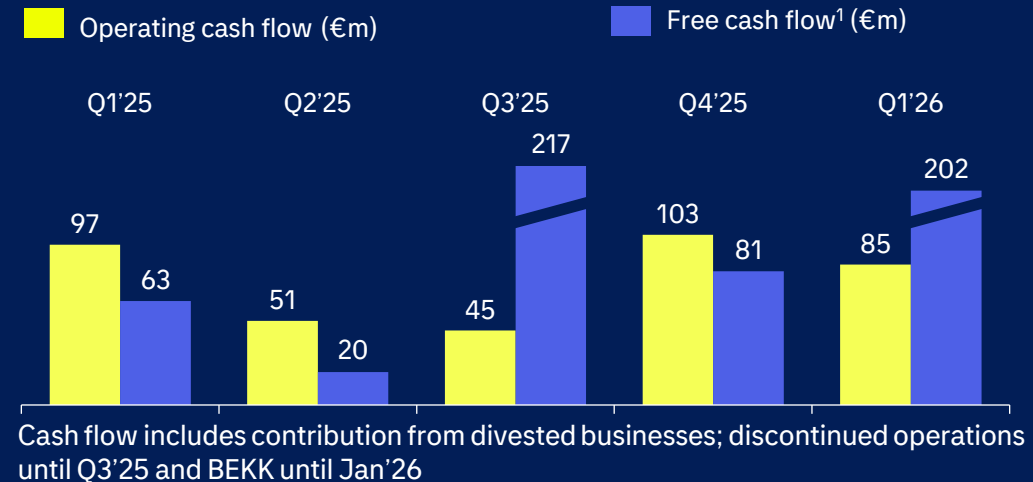
<sup>1)</sup> Comparatives include cost burden due to IFRS 5, €8.5m / 1.8pp

<sup>2)</sup> Comparatives for Cash flow and Net debt include Discontinued Operations

# Seasonally strong Q1 operating cash flow of €85m

- Cash flow from operations €85m (97) – underlying improvement YoY approx. €7m/9%
  - Supported by improved profitability
  - Seasonal net working capital decrease of €14m
  - Free cash flow<sup>1</sup> of €202m (63) impacted by net cash proceeds of €147m from the BEKK divestment
- Overall cash generation foundation remains healthy

- Interest bearing net debt €377m (807)
- Net debt/EBITDA 1.3x at end of Q1'26 – leverage at 1.2x excluding IFRS5 cost burden
- Net debt impacted by BEKK divestment proceeds, EBITDA R12m includes BEKK until Jan'27
- Leverage target level < 2x

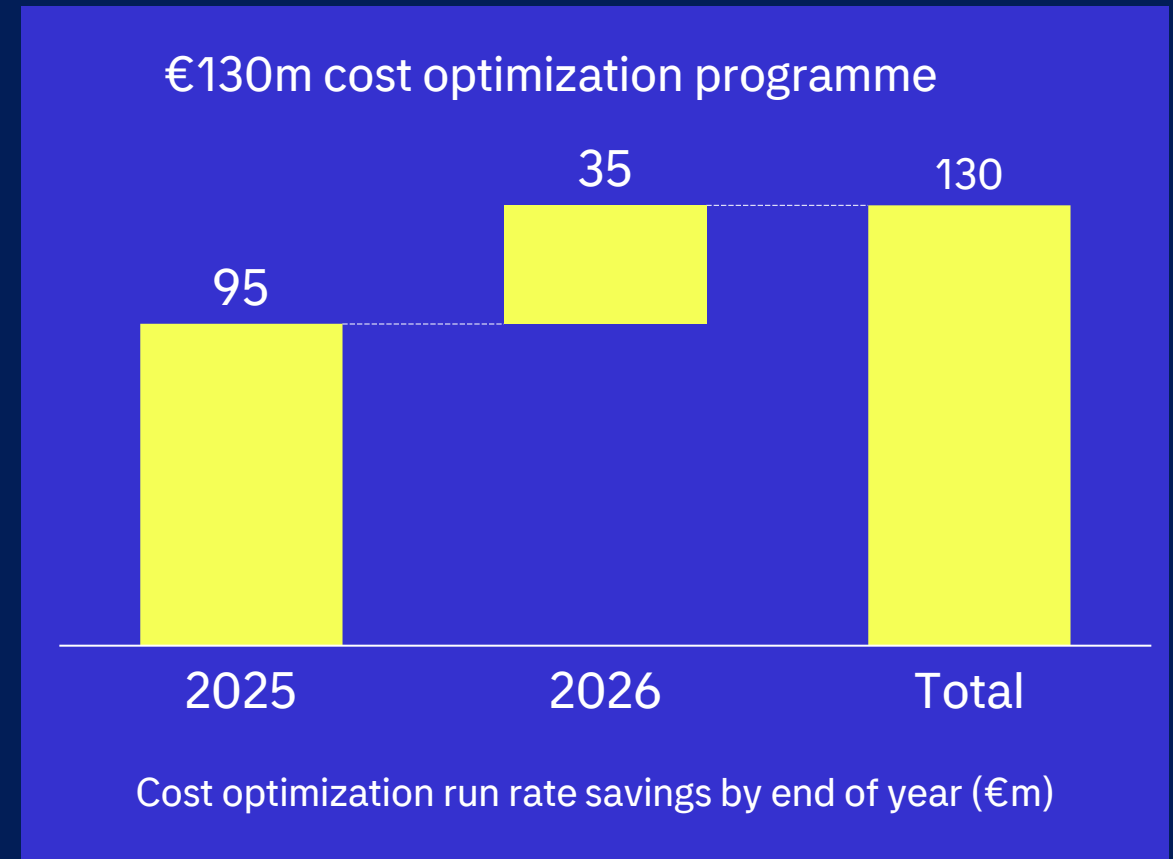


	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26
Net debt	807	875	552	556	377
EBITDA R12m	372	359	228	252	296
Leverage	2.2x	2.4x	2.4x	2.2x	1.3x
Leverage excl. IFRS5 cost burden			2.2x	2.1x	1.2x

From Q3'25 onwards leverage (net debt/EBITDA) fully excludes Discontinued Operations

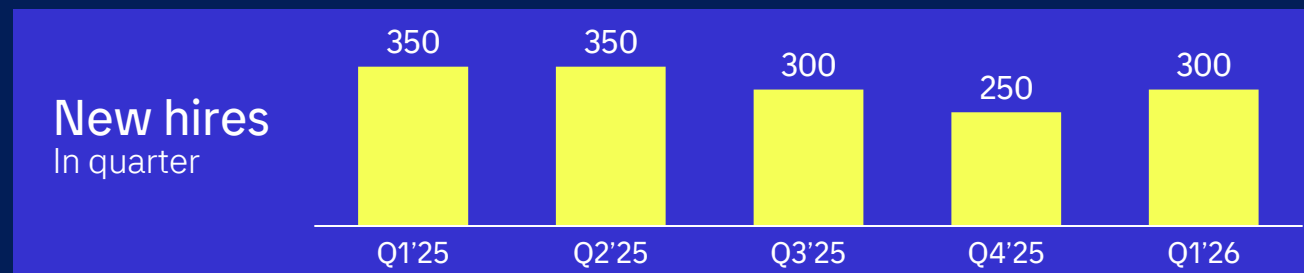
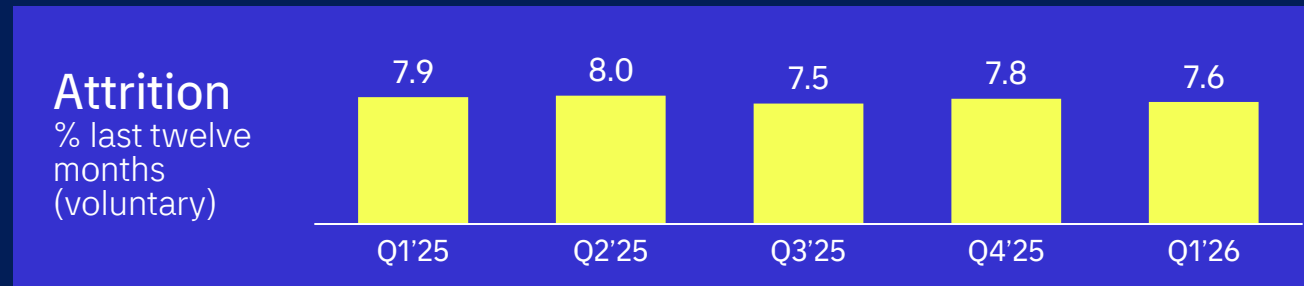
# Cost optimization programme on track to deliver €130m – with €105m run rate realized by end of Q1

- Cost optimization target to deliver €130m run rate savings by end of 2026
- Execution on track with €105m run rate executed by end of Q1'26 (€95m in Q4'25)
- Total one-time programme costs estimated to be in the range of €55-60m, of which €46m have been incurred



# Personnel reductions across all businesses

- LTM attrition at 7.6%, reflecting continued soft market environment
- Cost optimization continuing – net reduction of ~800 FTEs during the quarter
  - Tech Consulting personnel reduced by ~770 FTEs, of which net M&A reduction ~430 FTEs
  - Caretech personnel reduced by ~30 FTEs
- Overall Group personnel reduction of ~14% year-over-year (~2 100 FTEs)
- Group-level salary inflation expected to be 3-4% in 2026 (4% in 2025)



# Outlook remarks – Q2'26

## Growth drivers



### Group revenue growth expected to improve from Q1 level

- **Tieto Tech Consulting:** Impacted by continued weak demand across all markets - growth expected to improve, but still remain negative
- **Tieto Banktech:** Impacted by ending of a significant (margin-dilutive) mainframe contract (negative ~6 pp.)
- **Tieto Caretech:** Headwind from declining legacy product business (negative ~5 pp.)
- **Tieto Indtech:** Solid order backlog supporting growth

## Profit drivers



- Cost optimization programme across all businesses and support functions contributing to profit
- Annual salary increases taking effect from April

## Other drivers



- Positive 0.1pp impact from working days

# Q2 profitability outlook

## Business

## Q2'25 adj. EBITA %

## Profitability outlook

Tech Consulting

10.0%

**Above** Q2'25 level

Banktech

10.5%

**Above** Q2'25 level

Caretech

24.4%

**At or above** Q2'25 level

Indtech

10.2%

**Above** Q2'25 level

# 2026 revenue growth dynamics – unchanged from Q4'25



# Guidance for 2026 – step-change in profitability

- Soft market environment expected to continue into 2026, affecting Tech Consulting growth
- ~3 pp. known growth headwinds
  - ~2 pp. run-off of legacy contracts in Banktech and Caretech
  - ~1 pp. one-off SB1 court ruling compensation recognized in 2025
- Profitability improvement driven by the cost optimization programme. Impact of SB1 compensation in 2025 and the IFRS 5 impact no longer affecting is net zero



Organic growth

**-2% to 0%**

2025: €1 852m / -2%

Adj. EBITA

**14.8-15.8%**

2025: €256m / 13.8%

# Focused execution in 2026 – building momentum towards 2028

## 2026 Key priorities

- Strengthen client relationships
- Selective international expansion
- Leverage strategic partnerships
- Continue simplification activities
- Finalize the cost efficiency program