tieto

Q2 2026

Strong profitability demonstrates resilience in a weak market

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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%

Solid execution of 4 strategic priorities continues

01 Customer first

- Sales recruitment and training with AI focus
- Teaming across business units to deliver full value of Tieto
- AI demand accelerating across customer base
- 1 500 people completed Microsoft Rapid AI Skilling program

02 Simplified core

- Divestments of Edlevo and HR & Payroll completed in June
- Tech Consulting transformation continues – competence shift ongoing and personnel reductions executed

03 Selective expansion

- 2 new customers in DACH for Caretech
- Positive momentum in building pipeline
- Iberia acquisition fully integrated
- 2 new wins in Iberia

04 Competitive cost base

- Run-rate savings of €115m at the end of Q2 – on track to target of €130m savings by end-2026
- Cost base reset substantially completed
- Cost discipline remains embedded across the organization

AI creating value across Tieto's businesses

	Tech Consulting	Banktech	Caretech	Indtech
AI capability	AI-powered software engineering	AI-powered anti-money laundering	AI-assisted documentation	AI-powered financial automation
Platform	AI Engineering Services	AML Solution	Lifecare Smart Notes	Eye-share
Customer	ASFINAG	A large Norwegian customer	The wellbeing services county of South Ostrobothnia	Multiple enterprise customers
Solution	AI across document processing, mobility analytics and software engineering	Real-time AI-based risk assessment	AI-assisted dictation integrated into clinical workflows	AI-powered invoice processing
Customer benefit	Improved operational efficiency, decision-making and software development productivity	50% fewer false positives and simplified case management	Up to 50% less documentation time and more time for patient care	Faster financial workflows and higher automation

Driving internal efficiency through AI tooling in software development

Q2: Strong profitability demonstrates resilience in a weak market

- Organic growth of -5%, mainly reflecting weaker consulting market demand
- Adjusted EBITA improved by 5.5 pp. to 14.9%, driven primarily by the cost optimization programme, with profitability improving across all businesses
- Transformation and reinvention of Tech Consulting accelerating through competence shift and AI upskilling
- Edlevo and HR & Payroll divestment completed – new €90m share buyback programme launched
- Full-year growth outlook updated to reflect weaker market condition

Organic growth

-5%

Adj. EBITA

14.9%

Tieto Group

Q2 key figures

Revenue, EUR million	Organic growth[1]	Adjusted operating profit (EBITA)[2], EUR million
427	**-5%**	**63 / 14.9%**
(463)	(-4%)	(44 / 9.4%)

Net debt/EBITDA	Order backlog[1]	Cash flow from operating activities[3], EUR million
1.0	**-4%**	**21**
(n/a)	year-on-year	(51)

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 information includes cash flow from divestments

Tieto Tech Consulting

Organic growth

-6%

(-7%)
€172m (203)

Adj. EBITA

12.7%

(10.0%)
€22m (20)

Strong profitability – transformation accelerating

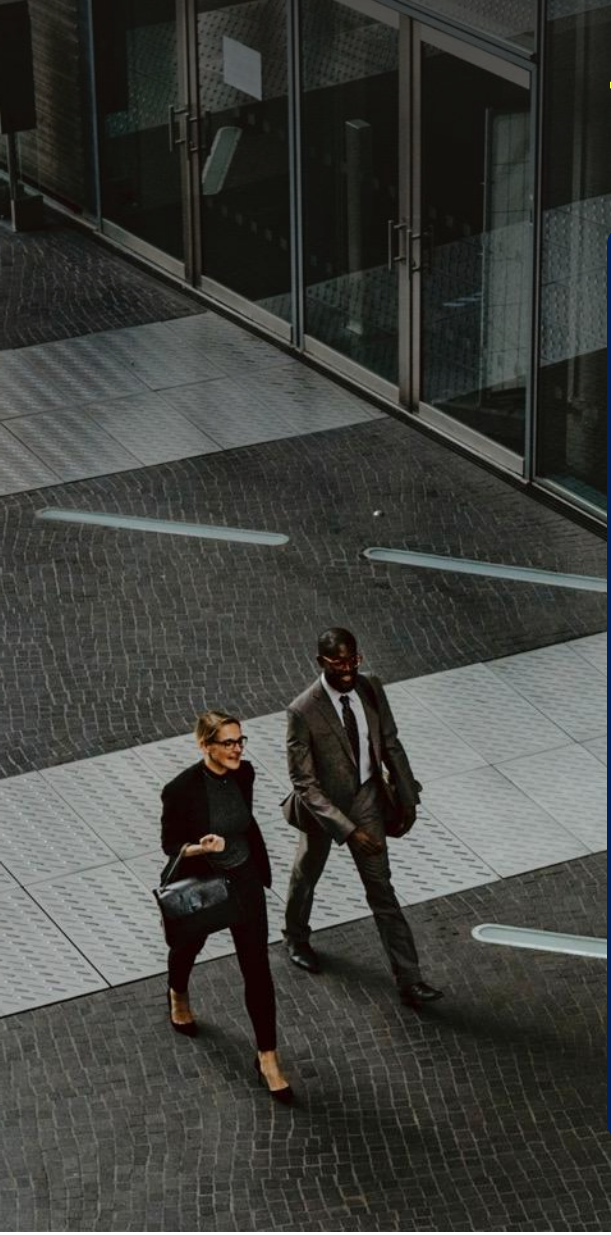
- Growth impacted by further deterioration in market demand
- Profitability supported by improved utilization and continued cost optimization

- Accelerating the competence shift
  - 1,500 consultants enrolled in Microsoft's Rapid AI Skilling programme
  - 400+ employees participating in advanced AI training
  - Targeted recruitments to strengthen AI capabilities

ASFiNAG

PV PENSIONSVERSICHERUNGSANSTALT

Gjensidige



Tieto Banktech

Organic growth

-6%

(-1%)
€139m (141)

Adj. EBITA

15.6%

(10.5%)
€22m (15)

Improved profitability and solid order backlog

- Strong growth in BaaP following deepening customer relationships
- Growth impacted by legacy contract run-off (-6 pp.) and softer market conditions
- Improved profitability supported by cost optimization measures
- Solid order backlog providing strong momentum for H2 and beyond

Luminor NOBA NorgesGruppen

Tieto Caretech

Organic growth

-2%

(-3%)
€57m (58)

Adj. EBITA

25.3%

(24.4%)
€14m (14)

Continued strong performance - European expansion progressing

- Continued solid performance of the modern software portfolio, particularly in Social Care Sweden
- Growth impacted by legacy business decline (–5 pp.)
- Consistent strong profitability
- European expansion progressing: 2 new customers in DACH region

ETAB 1927 SOPHIES MINDE

The wellbeing services county of Western Uusimaa

The wellbeing services county of South Ostrobothnia

Tieto Indtech

Organic growth

0%

(-1%)
€65m (67)

Adj. EBITA

16.2%

(10.2%)
€11m (7)

Strong profitability driven by cost optimization

- Continued solid growth in Eye-Share and Public360
- Growth impacted by weak performance in Pulp, Paper & Fibre and our volume-based businesses
- Profitability improved driven mainly by cost optimization measures
- Divestment of Edlevo and HR & Payroll completed

KOILLIS-SATAKUNNAN SÄHKÖ OY

KapitalKontroll

ESCO Energy Service Company

CFO report

Improved profitability in all Businesses – New €90m share buyback programme launched

- Organic growth -5%
  - Continued weak market demand in Tech Consulting
  - Negative 2pp impact from legacy contract run-off in Banktech and Caretech
- Adj. EBITA 14.9%, 5.5pp YoY improvement
  - Improved profitability in all businesses
  - Supported by Cost optimization programme
  - IFRS5 cost burden impacting prior year (-1.3pp)
- Significant reported EBIT improvement, €35m operationally
- One-time items at €50m (income), impacted by €57m gain from Indtech divestments. One-time items expectation for the year unchanged at approx. 1.5% of revenue, excluding capital gains.
- Order backlog -3.9% YoY, impacted by softer market conditions
- New share buyback programme of €90m launched
- Long-term financing secured through €300m bond maturing in 2031
- Full-year guidance for 2026 updated: Org.growth -5% to -3% (previous -2% to 0%), EBITA Adj. 14.8-15.8% (previous 14.8.-15.8%)

	Q2'26	Q2'25
Revenue and growth		
Revenue	427	463
Organic growth, %	-5	-4
Acquisitions & divestments, %	-5	0
Foreign exchange rates, %	2	0
Reported growth, %	-8	-3
Org. growth adj. for working days, %	-5	-3
Order backlog	2 109	2 222
Profitability		
Adj. EBITA[1]	63	44
Adj. EBITA margin[1]	14.9%	9.4%
One-time items	50	-21
EBIT[2]	112	-66
EBIT margin[2]	26.2%	-14.3%
CAPEX	16	15
Cash flow and Leverage[3]		
Operating cash flow	21	51
Free cash flow	89	20
Net debt	389	875
Leverage (net debt/EBITDA)	1.0x	2.4x

All numbers in €m

1) Comparatives include cost burden due to IFRS 5, €5.9m / 1.3pp.
2) Comparatives include cost burden due to IFRS 5, €5.9m / 1.3pp and impairment of €80.4m in Banktech. Current quarter includes €57m gain from divestment.
3) Comparatives for Cash flow and Net debt include Discontinued Operations

New €90m share buyback programme launched

New €90m share buyback programme

- Share purchases to begin after completion of the €150m programme
- Represents approx. 5% of all shares with the current share price
- Execution expected to take up to 5 months depending on the trading volumes in the stock exchange
- Shares to be bought in public trading in Nasdaq Helsinki
- Shares to be cancelled on monthly basis

Status of the ongoing €150m share buyback programme

€109m / 73%

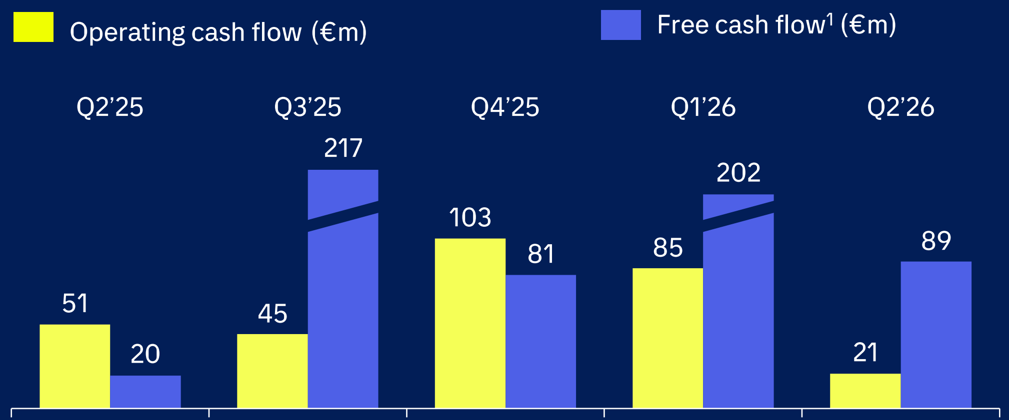
- As of 17 July 2026, 5.8 million shares bought with total value of €109m
- Average price €18.828 per share
- Programme expected to be completed early September

Aligned with our capital allocation principles to maintain an efficient capital structure

- Invest in organic growth
- Dividend 60-80% of net profit
- Deleveraging to <2x net debt/EBITDA
- With excess capital – share buybacks or extraordinary dividends

Q2 operating cash flow of €21m – leverage well below target

- Cash flow from operations €21m (51) – underlying improvement YoY approx. €3m/16%
  - Supported by improved profitability
  - Seasonal net working capital increase of €29m
  - Free cash flow[1] of €89m (20) impacted by net cash proceeds of €93m from the Indtech divestments
- Overall cash generation foundation remains healthy



Cash flow includes contribution from divested businesses; discontinued operations until Q3'25 and BEKK until Jan'26

- Net debt/EBITDA 1.0x, leverage target level <2x
- Interest bearing net debt €389m (875), with Q2 main drivers being dividend distribution €51m, ongoing share buyback programme €51m and Indtech divestment proceeds €93m
- EBITDA R12m include operational results and gain on sale of BEKK until Jan'27 and Edlevo and HR&Payroll until May'27

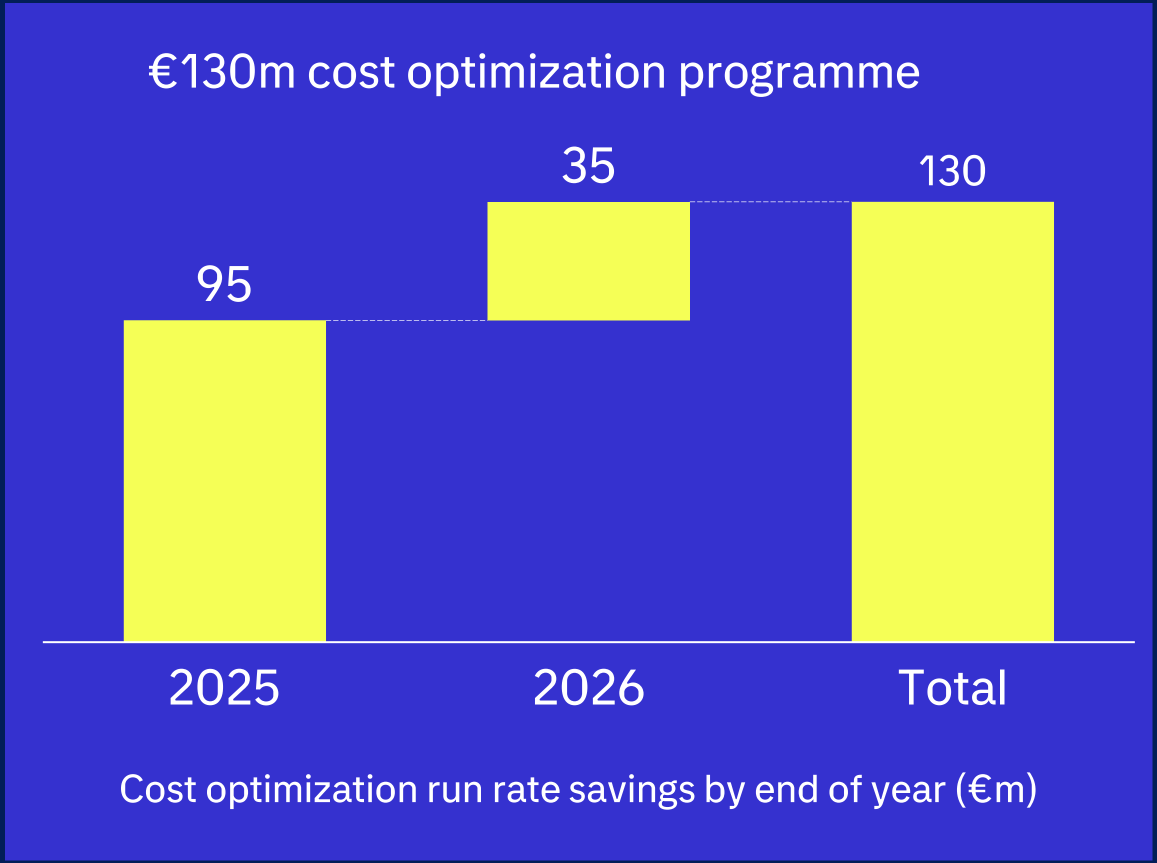
	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Net debt	875	552	556	377	389
EBITDA R12m	359	228	252	296	382
Leverage	2.4x	2.4x	2.2x	1.3x	1.0x
Fully adjusted Leverage[2]					1.9x

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

1) Operating cash flow less cash flow from investing activities less payments of lease liabilities
2) Excludes cash received from 2026 divestments reduced with share buyback programme execution and full exclusion of the P&L impact of the divested businesses

Cost optimization programme on track to deliver €130m – with €115m run rate realized by end of Q2

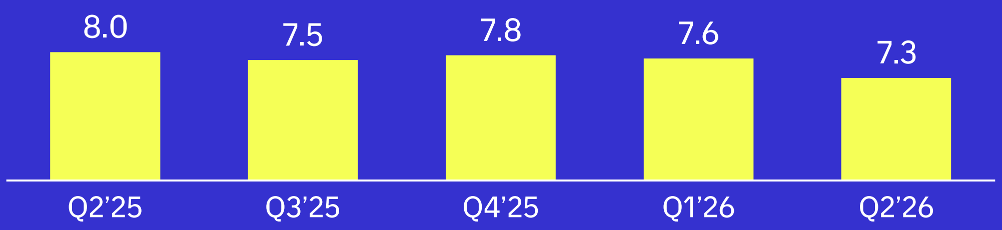
- Cost optimization target to deliver €130m run rate savings by end of 2026
- Execution on track with €115m run rate executed by end of Q2’26 (€105m in Q1’26)
- Total one-time programme costs estimated to be in the range of €55-60m, of which €49m have been incurred



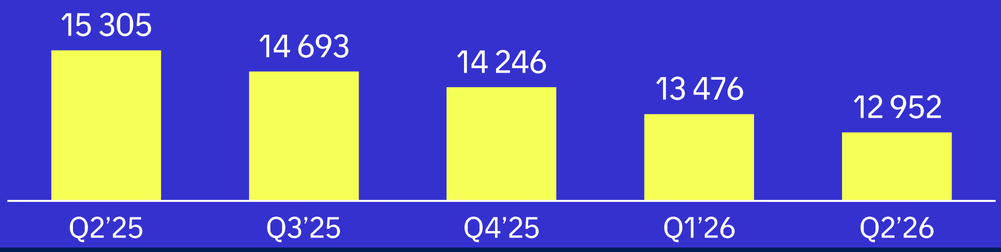
Personnel reductions continued - attrition at very low level

- LTM attrition at 7.3%, reflecting continued soft market environment
- Cost optimization continued – net reduction of ~520 FTEs during the quarter
  - Tech Consulting personnel reduced by ~280 FTEs
  - Indtech personnel reduced by ~250 FTEs due to the divestment
- Overall Group personnel reduction of ~15% YoY (~2 350 FTEs) of which net ~650 FTEs due to acquisition and divestments
- Group-level salary inflation expected to be 3.0-3.5% in 2026 (4% in 2025)

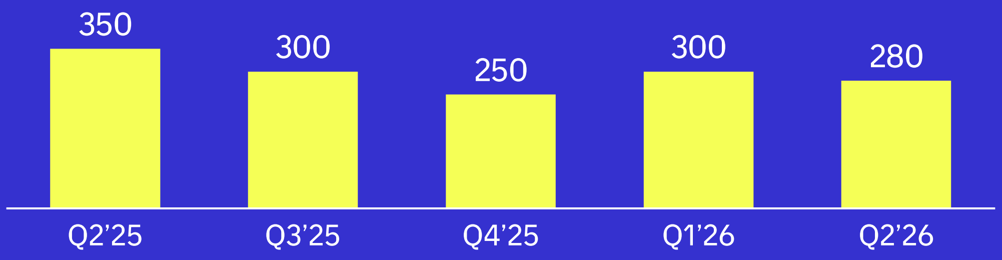
Attrition
% last twelve months (voluntary)



Personnel
End of period



New hires
In quarter



Outlook remarks – Q3’26

Growth

- **Tieto Tech Consulting:** Impacted by continued weak market demand – growth expected to be slightly below Q2 level
- **Tieto Banktech:** Order backlog supporting growth, impacted by ending of a significant (margin-dilutive) mainframe contract -4 pp. and SB1 comparison effect of -14pp.
- **Tieto Caretech:** Order backlog supporting growth, headwind from declining legacy product business -5pp.
- **Tieto Indtech:** Solid order backlog supporting positive growth momentum into Q3

Profit

- Cost optimization programme continue to contribute to profitability in all businesses
- Comparison period Q3’25 includes SB1 one-time income – impact on Banktech 11.9pp and Group 4.1pp.

Other

- Positive 0.2pp impact from working days

Q3 profitability outlook

Business	Q3'25 adj. EBITA %	Profitability outlook
Tech Consulting	13.1%	Below Q3'25 level
Banktech	28.1%	Below Q3'25 level
Caretech	31.7%	At Q3'25 level
Indtech	18.9%	At or Above Q3'25 level

Full-year guidance for 2026 updated on 17 July

Organic growth

-5 to -3% (previous -2 to 0%)

- Growth guidance updated due to weaker-than-expected market demand
- As anticipated, market conditions in Tech Consulting have remained challenging
- However, demand has softened further as increased geopolitical uncertainty has led customers to postpone investment decisions and transformation programmes

EBITA Adj.

14.8 – 15.8% (unchanged)

- Profitability outlook for 2026 is maintained
- The company has continued to execute its cost optimization programme successfully and improved utilisation in Tech Consulting

2026 revenue growth dynamics – Tech Consulting H2 outlook has weakened

Colors illustrate directional growth dynamics by quarter, reflecting relative growth momentum rather than quantified guidance.

Focused execution in 2026

Focused execution in the year of transformation – building momentum towards 2028

2026 KEY PRIORITIES

- Building the workforce of the future
- Strengthen client relationships
- Selective international expansion
- Leverage strategic partnerships
- Continue simplification activities
- Finalize the cost efficiency programme