
tieto
Q3 2026
Strong profitability –
growth investments accelerating
Endre Rangnes, President and CEO
Tomi Hyryläinen, CFO

Q3: Strong profitability – accelerating investments to support topline growth

- Organic growth of -11% – 7 pp. negative impact from known headwinds
- Strong adj. EBITA margin of 18.0% – solid execution of cost optimization and continued cost discipline
- Strategy execution progressing as planned – transformation and increased growth investments for future growth
- Agreement to divest Indtech's Pulp, Paper and Fibre software business
- Juuso Pajunen appointed as CFO, joining the company in January 2027
- Full-year growth and profitability outlook updated on 26 October

Organic growth

-11%

Adj. EBITA

18.0%

Full-year guidance for 2026 updated on 26 October

Organic growth

-6 to -5% (previous -5 to -3%)

- Continued soft demand and ongoing transformation in Tech Consulting – transformation's contribution to growth expected from 2027 onwards
- Decline in volume-based businesses in Tieto Banktech and Tieto Indtech

EBITA Adj.

15.5 – 16.0% (previous 14.8 - 15.8%)

- Successful execution of cost optimization programme and continued cost discipline

Continued strong execution of our 4 strategic priorities

01 Customer first

- Recruiting 70 new sales professionals
- Strengthening skills and talent to support changing customer demands – up to 1,000 AI and data consultant hires
- Microsoft Frontier Partner status and Snowflake Premier Partner – opportunities for joint go-to-market activities
- Nokia Diamond Award

02 Simplified core

- Agreement to divest Indtech's Pulp, Paper and Fibre software business
- AI Software Factory to improve speed, quality and competitiveness

03 Selective expansion

- Caretech opens the German market with University Medical Center Mainz
- Healthy sales pipeline development in Caretech and Banktech

04 Competitive cost base

- Run-rate savings of €125m – well on track to target of €130m savings by end-2026
- Incremental G&A and capacity optimization
- Cost discipline remains embedded across the organization

Building a stronger partner ecosystem to support growth

New recognitions strengthen joint go-to-market opportunities

Microsoft Frontier Partner

Validated AI and cloud capabilities – opportunities for joint customer engagement

Snowflake Premier Partner

Recognition of customer work, joint sales and technical capabilities

PARTNER ECO SYSTEM



Tieto Group

Q3 key figures

Revenue, EUR million

390

(454)

Organic growth[1]

-11%

(4%)

Adjusted operating profit (EBITA)[2], EUR million

70 / 18.0%

(88 / 19.3%)

Net debt/EBITDA

1.3

(2.4)

Order backlog[1]

-2%

year-on-year

Cash flow from operating activities[3], EUR million

3

(45)

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, as well as the contribution from the court ruling in Tieto Banktech



Tieto Tech Consulting

Organic growth

-11%

(-3%)
€153m (188)

Adj. EBITA

15.6%

(13.1%)
€24m (25)

Transformation progressing into building capabilities and pipeline for growth

Q3 reflects soft demand and the scale of transformation

- Soft demand and project postponements in parts of the consulting market
- Targeted competence adjustments to address a shift in market demand
- Termination of loss-making US customer contract – impact on growth -2 pp.
- Profitability supported by high utilization and reductions in delivery capacity and G&A

Building the next phase of growth

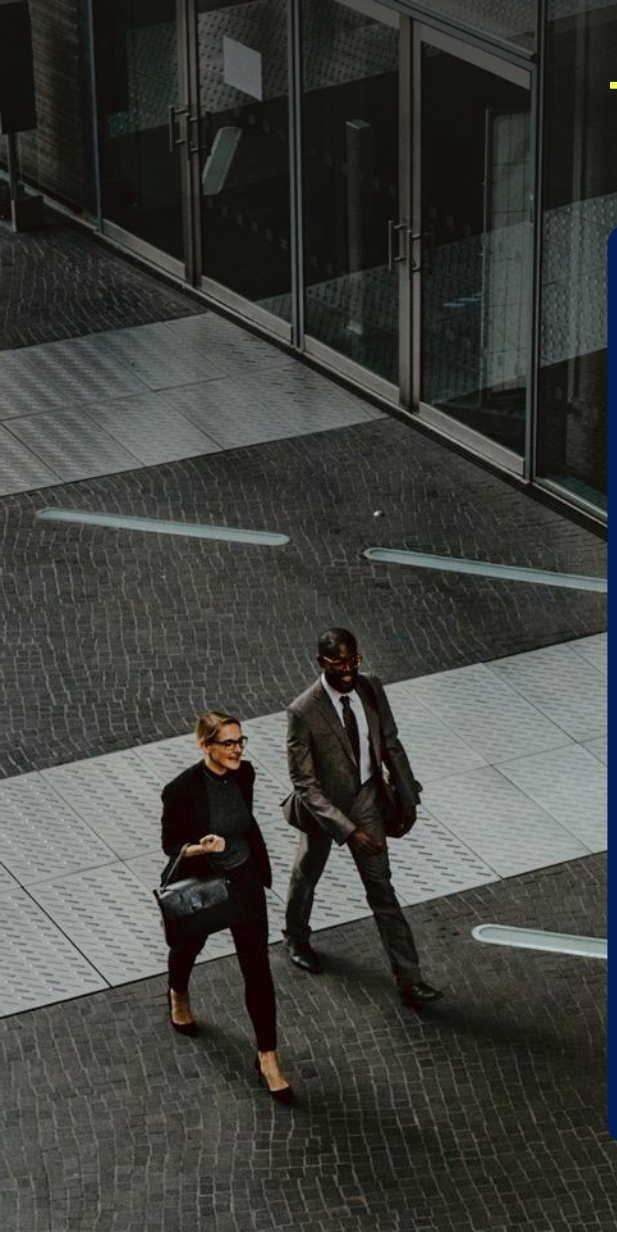
- Strengthening AI and data capabilities through partnerships and upskilling
- Sales capacity increased by 30%
- Hiring up to 1,000 consultants over the next 12 months, focus on AI and data capabilities

GN

TRAFICOM
Finnish Transport and Communications Agency



Tieto Banktech



Organic growth

-18%

(15%)
€134m (154)

Adj. EBITA

18.1%

(28.1%)
€24m (43)

Growth impacted by significant known headwinds

- Flat underlying growth
  - Comparison impact of -14 pp. from the 2025 court ruling
  - Legacy contract run-off impact of -4 pp.
- Growth impacted by continued pressure in certain volume-based businesses
- Underlying profitability improved, supported by cost optimization measures
  - Comparison period includes 11.9 pp. from the court ruling
- Strong order backlog starting to convert into revenue, supporting growth
- European sales pipeline developing well

Handelsbanken

NBX

A Nordic tier-1 financial institution



Tieto Caretech

Organic growth

-1%

(2%)
€54m (55)

Adj. EBITA

33.1%

(31.7%)
€18m (17)

Continued strong performance – European expansion progressing with German market entry

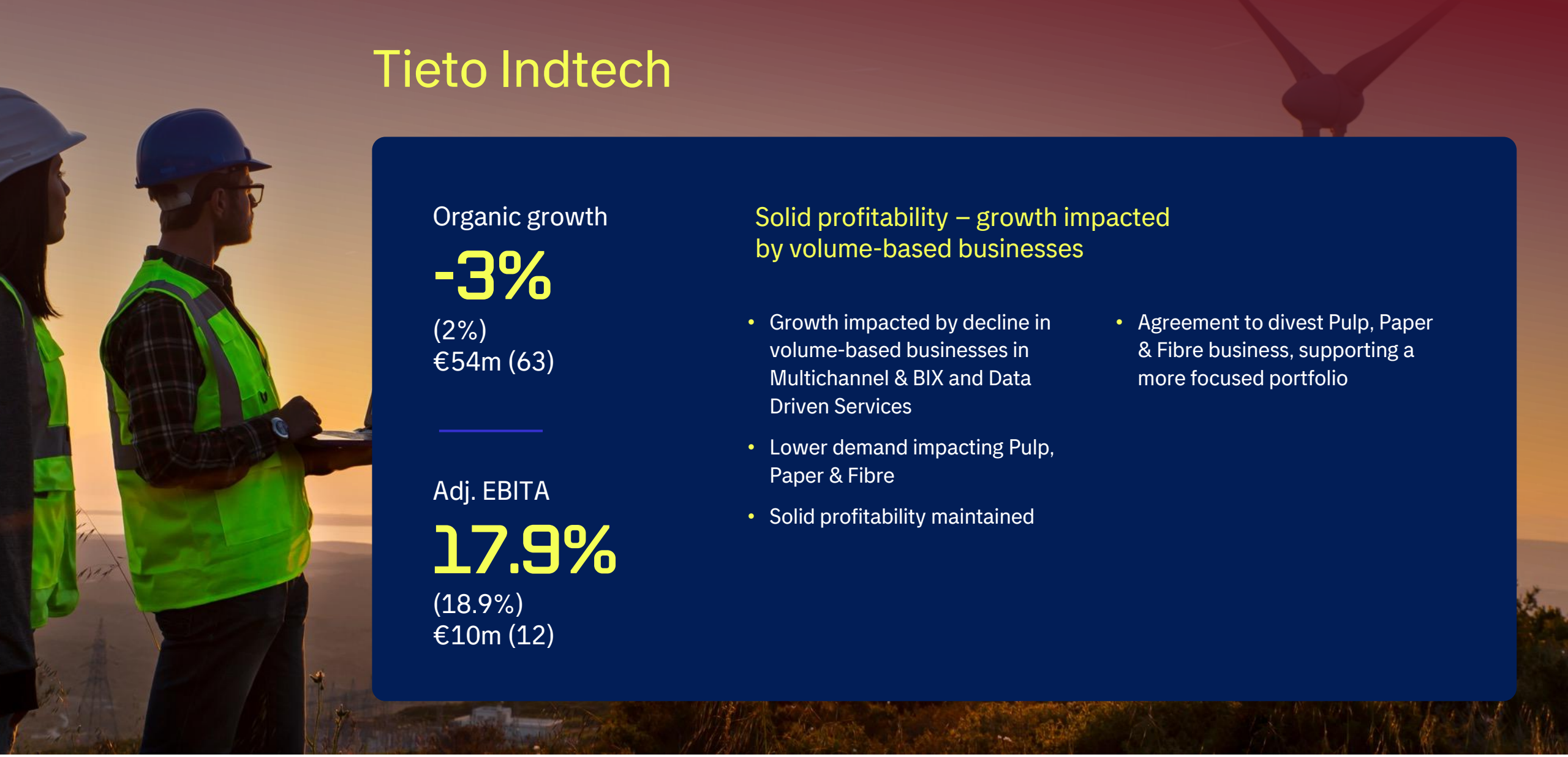
- Continued solid performance in the modern software portfolio
- Growth impacted by legacy business decline (-5 pp.)
- Continued strong profitability
- German market opened as University Medical Center Mainz selects Lifecare
- European sales pipeline developing well

UNIVERSITÄTSmedizin. MAINZ

Universitätsspital Basel

KESKI-SUOMEN HYVINVOINTI-ALUE

Tieto Indtech



Organic growth

-3%

(2%)
€54m (63)

Adj. EBITA

17.9%

(18.9%)
€10m (12)

Solid profitability – growth impacted by volume-based businesses

- Growth impacted by decline in volume-based businesses in Multichannel & BIX and Data Driven Services
- Lower demand impacting Pulp, Paper & Fibre
- Solid profitability maintained
- Agreement to divest Pulp, Paper & Fibre business, supporting a more focused portfolio

HELSE SØR-ØST

INPEX Idemitsu Norge

Siirto

CFO report

Strong profitability – supported by Cost optimization programme and continued cost discipline

- Organic growth -11% (underlying -4%)
  - Tech Consulting org. growth –11%, slightly below our own expectations
  - Negative 2pp impact from legacy contract run-off in Banktech and Caretech
  - Negative 5pp impact from the court ruling in Banktech in Q3'25
- Strong profitability - Adj. EBITA 18.0%
  - Continued strong profitability in all businesses
  - Supported by Cost optimization programme and continued cost discipline
  - Prior year 19.3% Adj. EBITA impacted by IFRS5 cost burden -0.9pp and SB1 compensation +4.1pp
- One-time items at €7m. One-time items expectation for the year increased to approx. 2% (1.5%) of revenue, excluding capital gains. Increase due to further G&A and capacity optimization.
- Order backlog -1.6% YoY, impacted by softer market conditions and decline in volume-based businesses.
- Operating cash flow €3m. Prior year includes cash flow from divested businesses and SB1 compensation.
- Full-year guidance for 2026 updated on 26 October
- €150m share buyback programme concluded in August. €90m share buyback programme expected to be completed mid-January 2027.

	Q3'26	Q3'25
Revenue and growth		
Revenue	390	454
Organic growth, %	-11	4
Acquisitions & divestments, %	-6	0
Foreign exchange rates, %	2	0
Reported growth, %	-14	4
Org. growth adj. for working days, %	-11	4
Order backlog	2 009	2 048
Profitability		
Adj. EBITA[1]	70	88
Adj. EBITA margin[1]	18.0%	19.3%
One-time items	-7	-23
EBIT[1]	57	57
EBIT margin[1]	14.5%	12.4%
CAPEX	14	13
Cash flow and Leverage[2]		
Operating cash flow	3	45
Free cash flow	-18	217
Net debt	491	552
Leverage (net debt/EBITDA)	1.3x	2.4x

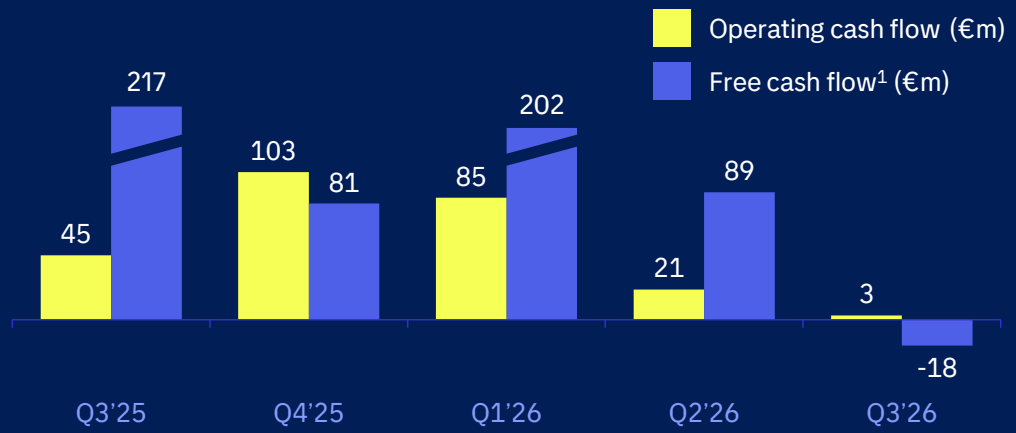
All numbers in €m

[1]) Comparatives include cost burden due to IFRS 5, €4.0m / 0.9pp and positive €22m related to the SB1 compensation in Banktech.
[2]) Comparatives for Cash flow and Net debt include Discontinued Operations.

Q3 operating cash flow of €3m – impacted by seasonality

- Cash flow from operations €3m (45)
  - Net working capital increase of €57m (52), impacted by seasonality
  - Free cash flow[1] of €-18m (€217m, incl. net cash flow on disposal of €201m)
- Overall cash generation foundation remains healthy

- Net debt/EBITDA 1.3x, leverage target level <2x
- Interest bearing net debt €491m (552), with Q3 impacted by share buyback programme of €81m
- EBITDA R12m include operational results and gain on sale of BEKK until Jan'27 and Edlevo and HR&Payroll until May'27



Cash flow includes contribution from divested businesses; discontinued operations until Q3'25, BEKK until Jan'26 and Edlevo, HR&Payroll until May'26

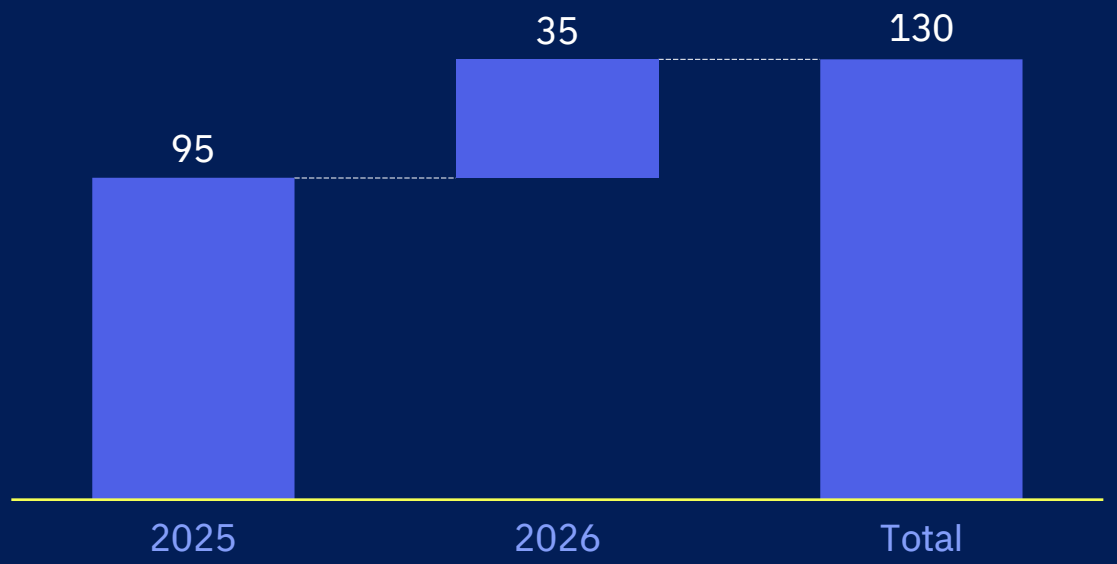
	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Net debt	552	556	377	389	491
EBITDA R12m	228	252	296	382	379
Leverage	2.4x	2.2x	1.3x	1.0x	1.3x
Fully adjusted Leverage[2]				1.9x	1.9x

[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

The €130m cost optimization programme is substantially complete with €125m run rate realized by end of Q3

- Cost optimization target to deliver €130m run rate savings by end of 2026
- Execution substantially completed with €125m run rate executed by end of Q3’26 (€115m in Q2’26) - tail activities on track for Q4'26 completion
- Total one-time programme costs estimated to be approx. €55m (earlier €55-60m), of which €53m have been incurred

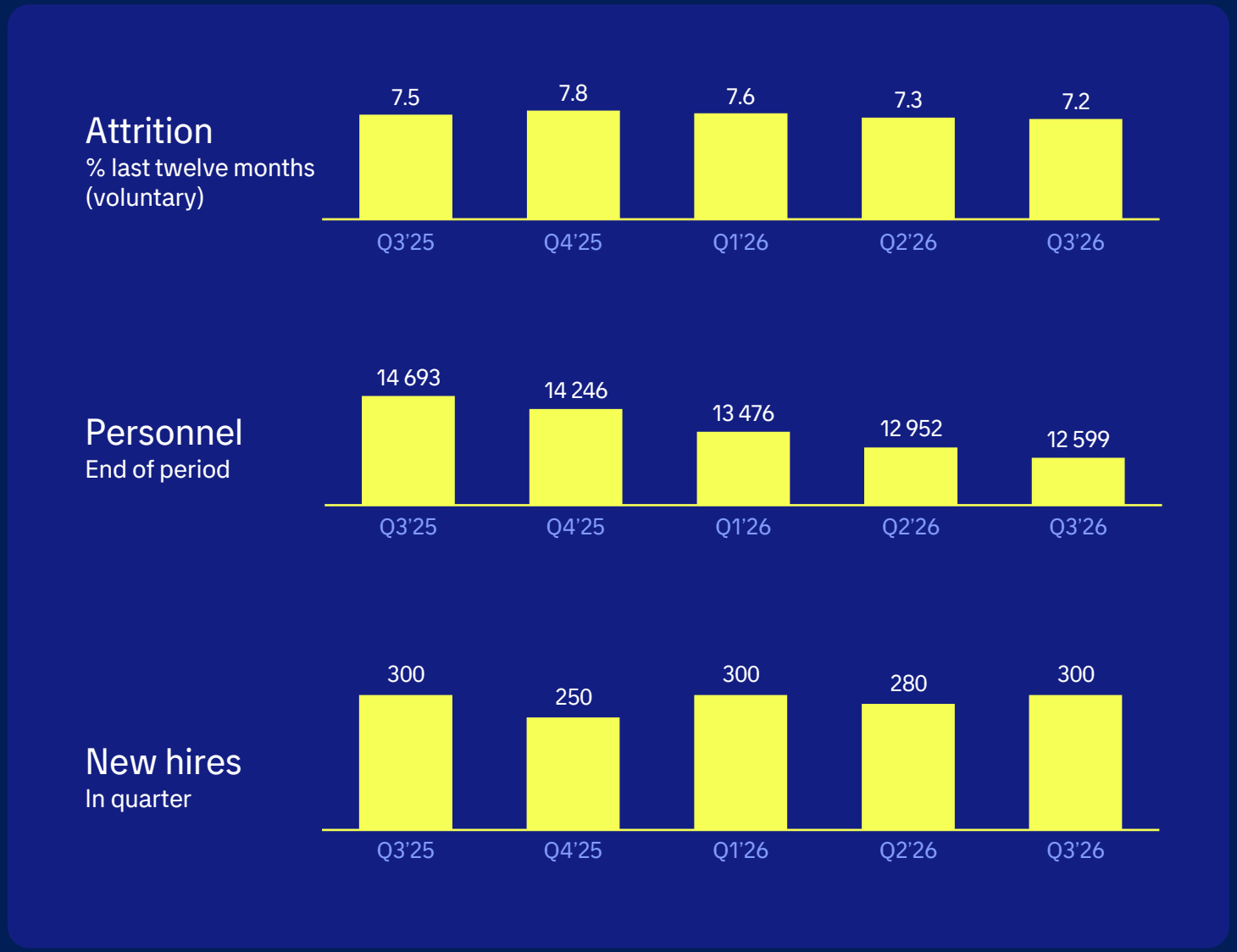
€130m cost optimization programme



Cost optimization run rate savings by end of year (€m)

Personnel reductions continued - attrition at very low level

- LTM attrition at 7.2%, reflecting continued soft market environment
- Cost optimization continued – net reduction of ~350 FTEs during the quarter
  - Tech Consulting personnel reduced by ~360 FTEs
- Overall Group personnel reduction of ~14% YoY (~2 100 FTEs) of which net ~650 FTEs due to acquisition and divestments
- Group-level salary inflation expectation unchanged at 3.0-3.5% in 2026 (4% in 2025)



Outlook remarks – Q4’26

Growth

- **Tieto Tech Consulting:** Growth expected to slightly improve from Q3 level. Market demand remains soft.
- **Tieto Banktech:** Expected to turn to growth (no structural headwinds), supported by strong order backlog
- **Tieto Caretech:** Order backlog supporting underlying growth, headwind from declining legacy product business -4 pp.
- **Tieto Indtech:** Slight improvement from Q3 expected as temporary pressures ease. Continued softness in Pulp, Paper & Fibre and in volume-based businesses.

Profit

- Cost optimization programme continue to contribute to profitability in all businesses

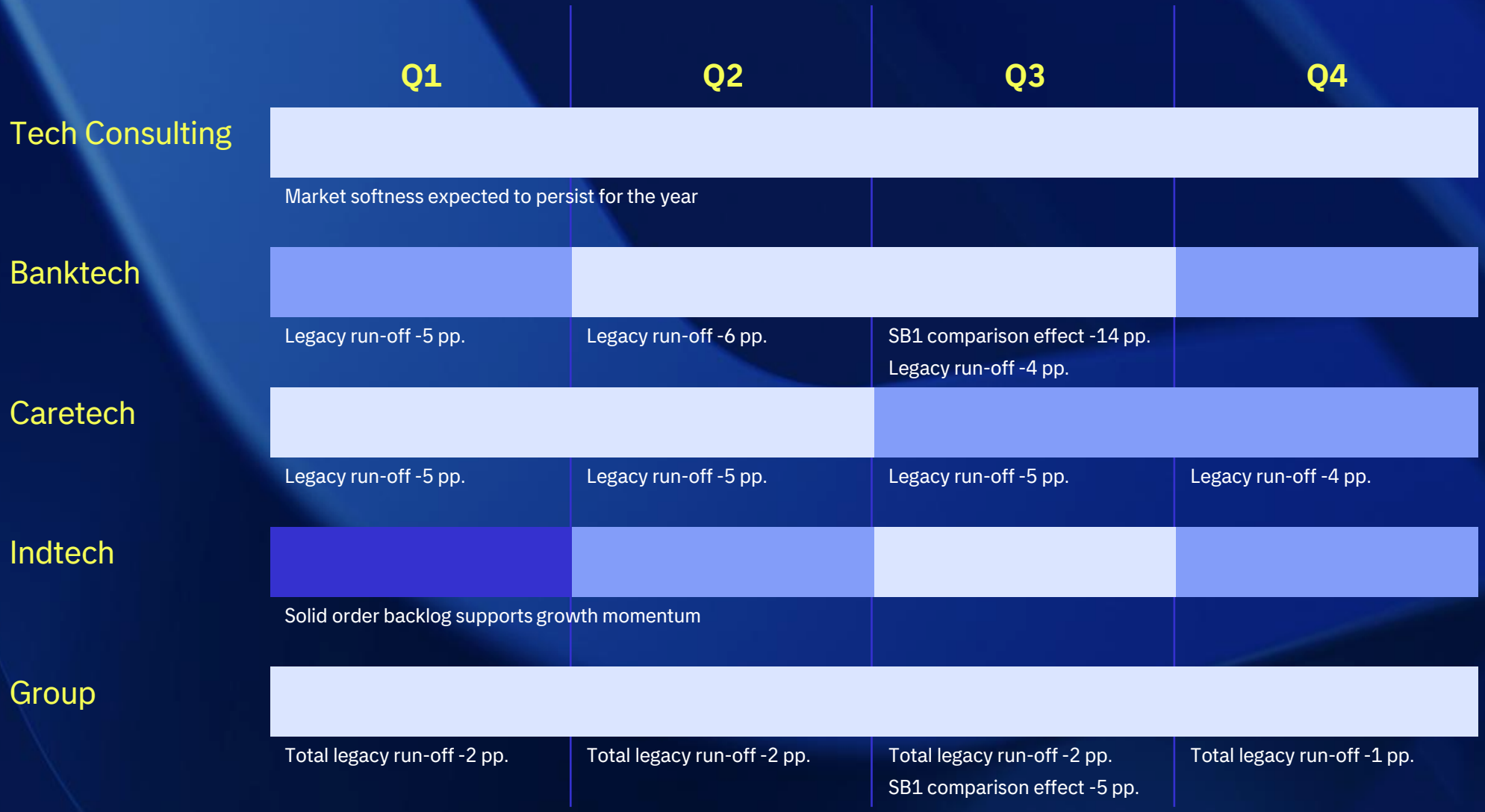
Other

- Positive 0.5 pp impact from working days

Q4'26 profitability outlook

Business	Q4’25 adj. EBITA %	Profitability outlook
Tech Consulting	13.8%	At or below Q4’25 level
Banktech	18.3%	Below Q4’25 level
Caretech	28.9%	At or above Q4’25 level
Indtech	16.3%	Above Q4’25 level

2026 revenue growth dynamics



Positive growth momentum

Neutral growth momentum

Growth headwind

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

Our way forward



From transformation to growth

2026 RESET AND STRENGTHEN

- Simplified the portfolio
- Cost base reset
- Reshaped competencies towards AI and data skills
- Built strategic partnerships

2027 CONVERT AND SCALE

- Legacy headwinds cease
- Strong order backlog converting into revenue
- Developing European sales pipeline creates growth
- Tech Consulting: Strengthen AI and data offerings, partnerships, sales and relevant consultant capacity