

CEO Report

Annual General Meeting 2021

Kimmo Alkio

President and CEO

 @kalkio



Big strides towards a data-driven world

DIGITAL PRODUCTS

DIGITAL ENTERPRISES

DIGITAL SOCIETIES

Circular economy

Personalized

Privacy

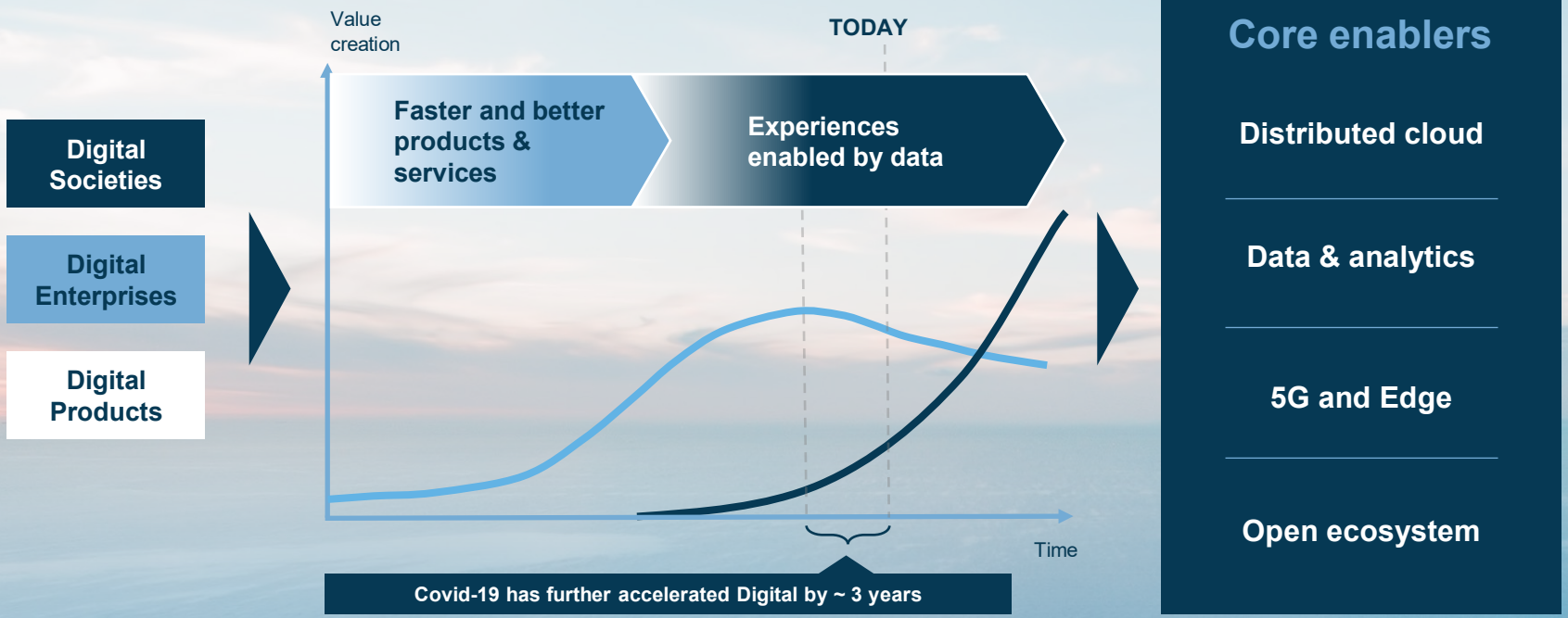
Sustainability

Cybersecurity

Ethics



Technology at the core of transformation to a data-driven world



TietoEVERY capturing opportunities of the data driven world

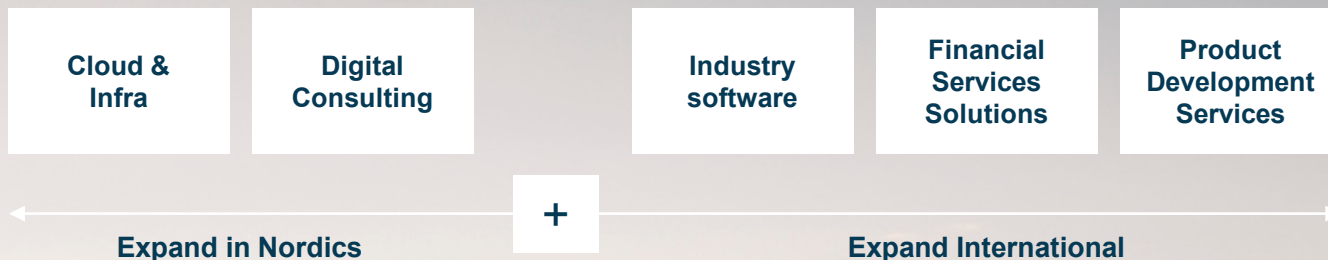
Market opportunities driven by accelerated digital adoption in the Nordic enterprises and public sector

Expand value through software businesses with higher scale and international expansion

Realize full potential of the merger – synergies, growth and scale



A leading digital services and software company in the Nordics



Advanced digital - Cloud, Data and Software capabilities

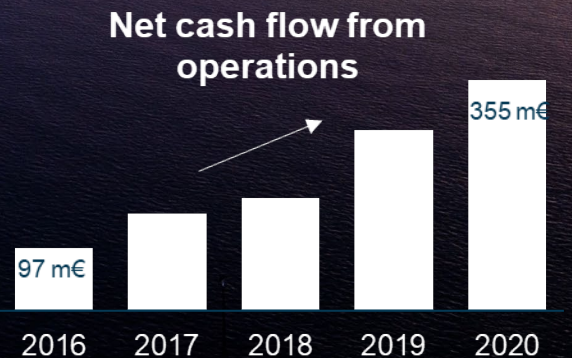
Serving customers on 85+ countries

~24 000 experts in 20 countries

Building on combined TietoEVERY capabilities



Continuous improvement in key financial indicators



*Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability

** Additional dividend
*** Board's proposal

Upgraded financial targets 2023

Growth* accelerating to 5% by 2023

Adjusted EBITA 15% by 2023

One-time items ~1% of revenue post 2021

Net debt/EBITDA below 2 by the end of 2022

Dividends to increase annually

**Attractive
shareholder
returns**

* Excluding large M&A, adjusted for FX

Highlights 2020 – solid performance in the midst of integration and pandemic

Covid-19 activities for engagement, well-being and cost control

Integration on plan to deliver merger value including synergies

Key wins demonstrating competitiveness and customer trust

Solid financial performance with strong cashflow

2020 key financials

Revenue
€ 2.786m

EBIT Adj.**
€355m
12.7%

**Operating cash
flow**
€ 355m

Revenue growth
Reported -6%
Organic* -2%

EBIT
€ 146.9m
5.3%

Net debt / EBITDA
2.5

The Board proposes
a dividend at EUR
1.32 per share -
representing a
dividend yield of
4.9%

* Adjusted for currency effects, acquisitions and divestments

**Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability

Business dynamics in a year of pandemic – favorable underlying profitability development

	Revenue & growth*		Adjusted EBIT		Comments
	M€	%	M€	%	
Digital Consulting	662	-6%	93	14%	<ul style="list-style-type: none"> • Pandemic impacting growth • Clear profitability improvement
Cloud and Infra	932	-5%	94	10%	<ul style="list-style-type: none"> • Major partnership redefined • Active cost structure management
Industry Software	501	2%	92	18%	<ul style="list-style-type: none"> • Organic growth maintained • Clear profitability improvement
Financial Services Solutions	419	-4%	54	13%	<ul style="list-style-type: none"> • Strong customer wins • Investments for future growth and scale
Product Development Services	142	-3%	18	13%	<ul style="list-style-type: none"> • Pandemic impacting growth in automotive • Clear profitability improvement

* Adjusted for currency effects, acquisitions and divestments

Engaging integration – key milestones reached



Expanding value from the merger



Enriched service portfolio and market reach

Competitive Software businesses with avenues for expansion

Integration on plan to deliver merger value including synergies

Nordic heritage and values as a strong cultural foundation

Brighter
Future.
Together.

Shifting to a growth agenda in 2021

Drivers

Technology at the core of customer's competitiveness – investments driven by cloud, data and automation

Covid-19 continues to impact market growth and ways-of-working – drive and investments for post pandemic growth

Integration focus shifting to growth, personal development and innovation



**Realize value
from the
merger and
market share
gains**

Creating an inclusive workplace – and exciting careers

Nordic values

- Openness, Trust and Diversity
- #CultureCode

Lifelong learning

- Multiple curriculums
- Empowered communities and thought leaders

Purposeful work

- Sustainable societies
- Corporate social responsibility

Inclusive workplace

- Flexibility and responsibility
- Active engagement
- Future of Work

Sustainability – towards a carbon neutral and equal world

PEOPLE



Gender balanced

Workforce by 2030



Human rights

Risk and impact assessment



Fair and green supply chain



Zero

Breaches of privacy



Carbon neutral

In own operations by 2025

Science Based Targets 2021

PLANET



100% Circularity

Reuse and recycling of hardware - own and customer



100%

Use of green electricity in datacenters and offices



80%

Reduction of CO2 emissions in scope 1 and 2 in 2020-2023



Avoided emissions

Increase customer avoided CO2 with 10-15% annually

Solid foundation for the future

Capturing opportunities of the data driven world

Competitiveness
and growth

Merger value
expansion

Attractive shareholder
returns

Exciting and meaningful place to work

tieto *EVRY*