



TietoEVERY announces new strategy – focused, specialized and expansion driven

TietoEVERY Corporation

INSIDE INFORMATION

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TietoEVERY is announcing its new strategy to drive customer value and growth through specialization. The technology industry is being reshaped with cloud as the foundation, providing expansion opportunities for the company. Expansion will focus on cloud-native services, data & software engineering and scalable software businesses. In managed application and infrastructure services, the company will seek partnerships to invest and build scale. The company confirms its 5% growth and 15% adjusted EBITA targets for 2023 while the new strategy supports potential for enhanced performance.

Hyperconnected data, enabled by cloud, is redefining customer priorities and reshaping the technology industry. These trends are widening the divide between cloud-native services and software with high growth, and traditional managed services in which automation and scale are important drivers for competitiveness.

TietoEVERY is today announcing a new strategy to drive specialization and focus. Investments will be focused on businesses where the company sees competitive advantages and sustainable growth: cloud-native services, data & software engineering and scalable software businesses, including their global expansion potential. In the areas of traditional managed application and infrastructure services, the company sees new partnerships as potential means to build scale and pursue joint investments.

To capture the momentum of cloud-native and software market, TietoEVERY is establishing six specialized end-to-end businesses. These businesses will have full operational responsibility, including go-to-market, service portfolio, investments and partnerships. Reflecting the distinct market dynamics of each, the individual businesses will have optionality to scale, and prioritize investments. These businesses, built on the solid foundation of the current service lines, are: Business Design & Engineering, Health & Care Software, Financial Services Solutions, Industry Software, Enterprise Modernization and Cloud Platform Services.

The following investment priorities will drive competitiveness and value creation in each business:

- **Invest to expand** in Business Design & Engineering, Health & Care Software and Financial Services Solutions – invest to accelerate products, services and capabilities; prioritized M&A.
- **Partner to scale** in Enterprise Modernization and Cloud Platform Services – invest in capabilities to drive scale and automated managed services; seek partners (operational and structural) to jointly invest and scale.
- **Focus for value** in Industry Software - optimized investments for selected businesses and develop portfolio to increase focus.

TietoEVERY Group continues to support the businesses through scalable common functions (Finance, Strategy, global Operations and HR) driving portfolio development, performance management and efficiency across the company.

“The global technology market is going through a profound change as the market is becoming cloud-enabled and new technologies are at the core of enterprise business renewal. This is the right time to renew our strategy, also in light of our integration progress, and capture the opportunities stemming from the high-growth markets for cloud and software.

The change in the market opens up opportunities for TietoEVERY to provide high value creation, operational agility and innovation for our clients through specialization. We believe this specialization-focused strategy with six end-to-end businesses will be highly competitive in the market. Our businesses will be able to explore alternative means to accelerate growth and expansion through business-specific investments, partnerships and potential M&A. With this strategy, we also enable further value creation for our shareholders.

The direction we are setting today is the biggest change in the company’s history – and we are taking a quantum leap forward in our potential. I trust these changes will also be highly rewarding to our employees, as we will all gain enhanced learning opportunities and a sense of pride from our individual contributions to our customers’ success. I am excited to embark on this new phase and the opportunities it brings to unlock the full potential of our global team of 24 000 experts – towards solutions that make a world of difference,” says **Kimmo Alkio, the President and CEO**.

New businesses and TietoEVERY’s Executive Management

The new structure, dismantling the current matrix, and appointments in Executive Management will take effect on 1 January 2022. The businesses forming the reportable segments as from the first quarter of 2022 are described below:

Business Design & Engineering

Cloud-native development, data and software engineering expanding globally
To be led by Christian Pedersen

Health & Care Software

Open and modular software for Health & Care, expanding Nordic customer base and markets
To be led by Ari Järvelä

Financial Services Solutions

Modular and integrated software suite for Nordic and global financial institutions
To be led by Christian Segersven

Industry Software

Software for core processes in the public, energy and industrial sectors
To be led by Ari Järvelä

Enterprise Modernization

Automated managed services and transformation to drive enterprise efficiency and agility across business processes, applications and infrastructure for selected Nordic customers
To be led by Satu Kiiskinen

Cloud Platform Services

Secure multi-cloud capacity driving scale and platforms for customers’ cloud adoption
To be led by Johan Torstensson

The business executives together with

Tomi Hyryläinen, CFO

Kishore Ghadiyaram, Head of Strategy

Trond Vinje, Head of Human Resources

Malin Fors-Skjæveland, Head of Operations

will form TietoEVERY’s Executive Management led by Kimmo Alkio, the President and CEO.

Financial targets

The financial targets announced in December 2020 are maintained while the new strategy supports potential for enhanced performance. The targets include:

- Growth accelerating to 5% by 2023
- Adjusted EBITA 15% by 2023
- One-time items ~1% of revenue by 2022
- Net debt/EBITDA below 2 by the end of 2022 (achieved in 2021)
- Dividends increased annually

Updated long-term financial targets for the Group and for the businesses will be announced at a Capital Markets Day at a later stage.

Further information

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Invitation to a press conference

A virtual press conference for analysts and media will be held on Wednesday 13 October 2021 at 1.00 p.m. EEST. Kimmo Alkio, President and CEO, and Tomi Hyryläinen, CFO, will introduce the strategy online in English.

The link to the event webcast will be available at TietoEVRY's website www.tietoevry.com/Investors. Participants will have an opportunity to ask questions after the presentation via a Teams meeting. Instructions for the Q&A session are available on the company's website. The company will publish a video replay of the presentations after the event.

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Headquartered in Finland, TietoEVRY employs around 24 000 experts globally. The company serves thousands of enterprise and public sector customers in more than 90 countries. TietoEVRY's annual turnover is approximately EUR 3 billion and its shares are listed on the NASDAQ in Helsinki and Stockholm as well as on the Oslo Børs. www.tietoevry.com