



Inside information: Tietoevry initiates a strategic review of its Tietoevry Transform and Tietoevry Connect as a combined business

Tietoevry Corporation INSIDE INFORMATION 30 November 2022, 08:00 a.m. EET

Tietoevry aims to unlock value by separating its managed services and transformation businesses (Tietoevry Transform and Tietoevry Connect) and software and digital engineering businesses (Tietoevry Create, Tietoevry Banking, Tietoevry Care and Tietoevry Industry). Tietoevry is initiating a process to evaluate strategic opportunities for the combined Tietoevry Transform and Tietoevry Connect businesses including a potential sale or listing as a spin-off.

On a standalone basis, the combined Tietoevry Transform and Tietoevry Connect would be a competitive Nordic managed services and transformation player, serving more than 1 000 Nordic enterprises and the public sector customers. The combined annual revenue of the two businesses is around EUR 1.2 billion and they have approximately 8 700 employees globally. These businesses will be combined and organized under one leadership team dedicated to executing a common strategy, leveraging the best-in-class capabilities of both businesses. Tietoevry will create a standalone legal structure for the combined Tietoevry Transform and Tietoevry Connect businesses, providing increased structural independence from the Tietoevry Group. The combined Tietoevry Transform and Tietoevry Connect will drive dedicated focus on managed services and transformation offerings across applications, infrastructure and cloud.

The IT services market is going through a major transformation, as traditional applications and infrastructure are being actively transformed to new cloud-native technologies and services. The change is impacting and creating opportunities for all players in the market covering software, digital engineering and managed services with outsourcing foundation. The success of businesses with an outsourcing foundation relies on the scale of capabilities and infrastructure volumes needed to drive customers' continuous efficiency, agility and modernization needs. The combination of Tietoevry Transform and Tietoevry Connect, would be better positioned to achieve higher scale, building on its competitive Nordic market position, large enterprise customer base, competitive services, and global delivery capability. The potential separation of the businesses from the Tietoevry Group would better enable the combined business to participate in industry consolidation.

The intended actions will accelerate Tietoevry's strategy implementation, positioning the company as a software and digital engineering business. The software and digital engineering businesses have a combined annual revenue of around EUR 1.7 billion and approximately 16 000 employees with global reach.

"Today we announce a major step in our strategy implementation. We are reconfiguring our portfolio for clear identity and higher shareholder value, by separating managed services and transformation businesses and software and digital engineering businesses. Through the separation, businesses will become more competitive and accelerate value creation. We believe that the planned actions create better outcomes to all stakeholders," says Kimmo Alkio, President and CEO.

The strategic review of the combined Tietoevry Transform and Tietoevry Connect and subsequent potential sale or listing as spin-off is expected to take 12–18 months. The strategic review does not impact Tietoevry Create, Tietoevry Care, Tietoevry Industry or Tietoevry

Banking business, nor the ongoing strategic review of Tietoevry Banking.

While no decisions have been taken, any sale or listing as a spin-off remains subject to market conditions, including but not limited to the prevailing macroeconomic conditions and investor sentiment.

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Read more about Tietoevry [Transform](#) and Tietoevry [Connect](#).

Tietoevry Corporation

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Our 24 000 experts globally specialize in cloud, data, and software, serving thousands of enterprise and public-sector customers in more than 90 countries. Tietoevry's annual turnover is approximately EUR 3 billion and the company's shares are listed on the NASDAQ exchange in Helsinki and Stockholm, as well as on Oslo Børs. www.tietoevry.com