

## Segment information

Tieto's operating model comprises of four businesses, forming the reportable operating segments according to IFRS. The businesses are: Digital Experience, Hybrid Infra, Industry Software and Product Development Services.

### Digital Experience

Tieto's Digital Experience business includes consulting services, including design of service experiences, smart use of data, IT architecture consulting, business process and change management as well as system integration services and application development and management. Services are delivered primarily by employees based in the Nordic countries but also through delivery centres in the Baltic countries and India.

### Hybrid Infra

Tieto's Hybrid Infra business provides enterprises with life cycle management of IT infrastructure, covering a wide variety of different technologies. The hybrid infrastructure foundation is to ensure Nordic customers' business continuity and renewal and services include capacity services, hybrid cloud orchestration, and managed security services. Services are delivered from both onshore locations in the Nordic countries and the main offshore delivery centre in the Czech Republic.

### Industry Software

Tieto's Industry Software provides with industry-specific software products for business-critical processes of clients in the financial services, public and healthcare and welfare sectors as well as in the forest industry and the energy and oil and gas segments. Customers are in the Nordic countries while Tieto also has industry software for its global customers in the payments segment and the oil and gas and forest sectors.

### Product Development Services

Product Development Services provides software R&D services. Services are provided globally for communications infrastructure companies, consumer electronics and semiconductor companies as well as automotive industry. Services are currently provided mainly from global delivery centres in Poland, China and the Czech Republic as well as Sweden and Finland.

**Other operations** consist of investments and revenue from few specific projects that aim to scale and create future business for Tieto. In addition, Group level costs, including costs related to global management and support functions and other non-allocated costs, are reported under Other operations.

### Customer sales by segment, EUR million

|                              | 2018<br>1–3  | 2018<br>4–6  | 2018<br>7–9  | 2018<br>10–12 | 2018<br>1–12   | 2019<br>1–3  |
|------------------------------|--------------|--------------|--------------|---------------|----------------|--------------|
| Digital Experience           | 125.0        | 126.6        | 105.9        | 129.8         | 487.3          | 129.7        |
| Hybrid Infra                 | 131.7        | 130.7        | 124.1        | 132.8         | 519.4          | 129.0        |
| Industry Software            | 115.4        | 112.7        | 104.7        | 122.2         | 455.0          | 112.7        |
| Product Development Services | 34.0         | 33.7         | 31.9         | 36.2          | 135.8          | 36.8         |
| <b>Segments total</b>        | <b>406.1</b> | <b>403.7</b> | <b>366.7</b> | <b>421.1</b>  | <b>1 597.5</b> | <b>408.1</b> |
| Other operations             | 0.3          | 0.5          | 0.5          | 0.8           | 2.1            | 0.3          |
| <b>Group total</b>           | <b>406.3</b> | <b>404.1</b> | <b>367.1</b> | <b>421.9</b>  | <b>1 599.5</b> | <b>408.4</b> |

### Operating profit (EBIT) by segment, EUR million

|                              | 2018<br>1–3 | 2018<br>4–6 | 2018<br>7–9 | 2018<br>10–12 | 2018<br>1–12 | 2019<br>1–3 |
|------------------------------|-------------|-------------|-------------|---------------|--------------|-------------|
| Digital Experience           | 16.5        | 16.5        | 11.1        | 15.2          | 59.2         | 18.0        |
| Hybrid Infra                 | 9.9         | 12.0        | 15.2        | 11.6          | 48.7         | 8.2         |
| Industry Software            | 12.8        | 6.6         | 16.6        | 23.7          | 59.7         | 13.8        |
| Product Development Services | 4.3         | 2.9         | 3.1         | 3.6           | 13.9         | 4.5         |
| <b>Segments total</b>        | <b>43.4</b> | <b>38.0</b> | <b>46.0</b> | <b>54.1</b>   | <b>181.5</b> | <b>44.5</b> |
| Other operations             | -6.1        | -6.7        | -5.6        | -8.4          | -26.8        | -7.7        |
| <b>Group total</b>           | <b>37.3</b> | <b>31.3</b> | <b>40.4</b> | <b>45.7</b>   | <b>154.7</b> | <b>36.8</b> |

### Operating margin (EBIT) by segment, %

|                                | 2018<br>1-3 | 2018<br>4-6 | 2018<br>7-9 | 2018<br>10-12 | 2018<br>1-12 | 2019<br>1-3 |
|--------------------------------|-------------|-------------|-------------|---------------|--------------|-------------|
| Digital Experience             | 13.2        | 13.0        | 10.5        | 11.7          | 12.2         | 13.9        |
| Hybrid Infra                   | 7.5         | 9.2         | 12.2        | 8.8           | 9.4          | 6.4         |
| Industry Software              | 11.1        | 5.9         | 15.8        | 19.4          | 13.1         | 12.2        |
| Product Development Services   | 12.7        | 8.7         | 9.7         | 9.9           | 10.2         | 12.3        |
| <b>Operating margin (EBIT)</b> | <b>9.2</b>  | <b>7.7</b>  | <b>11.0</b> | <b>10.8</b>   | <b>9.7</b>   | <b>9.0</b>  |

### Adjusted operating profit (EBIT) by segment, EUR million

|                              | 2018<br>1-3 | 2018<br>4-6 | 2018<br>7-9 | 2018<br>10-12 | 2018<br>1-12 | 2019<br>1-3 |
|------------------------------|-------------|-------------|-------------|---------------|--------------|-------------|
| Digital Experience           | 17.1        | 16.2        | 11.6        | 19.0          | 63.8         | 19.3        |
| Hybrid Infra                 | 9.9         | 14.1        | 15.5        | 12.9          | 52.4         | 8.9         |
| Industry Software            | 11.9        | 8.4         | 17.7        | 22.0          | 59.9         | 14.0        |
| Product Development Services | 4.3         | 2.9         | 3.2         | 3.7           | 14.1         | 4.5         |
| <b>Segments total</b>        | <b>43.2</b> | <b>41.7</b> | <b>47.9</b> | <b>57.5</b>   | <b>190.2</b> | <b>46.8</b> |
| Other operations             | -5.3        | -5.5        | -4.9        | -6.5          | -22.2        | -5.8        |
| <b>Group total</b>           | <b>37.9</b> | <b>36.2</b> | <b>43.0</b> | <b>51.0</b>   | <b>168.0</b> | <b>40.9</b> |

### Adjusted operating margin (EBIT) by segment, %

|   | 2018<br>1-3 | 2018<br>4-6 | 2018<br>7-9 | 2018<br>10-12 | 2018<br>1-12 | 2019<br>1-3 |
|---|-------------|-------------|-------------|---------------|--------------|-------------|
| Digital Experience                      | 13.7        | 12.8        | 10.9        | 14.6          | 13.1         | 14.9        |
| Hybrid Infra                            | 7.5         | 10.8        | 12.5        | 9.7           | 10.1         | 6.9         |
| Industry Software                       | 10.3        | 7.5         | 16.9        | 18.0          | 13.2         | 12.5        |
| Product Development Services            | 12.7        | 8.7         | 9.9         | 10.1          | 10.4         | 12.3        |
| <b>Adjusted operating margin (EBIT)</b> | <b>9.3</b>  | <b>9.0</b>  | <b>11.7</b> | <b>12.1</b>   | <b>10.5</b>  | <b>10.0</b> |

### Depreciation by segment, EUR million

|                              | 2018<br>1-3 | 2018<br>4-6 | 2018<br>7-9 | 2018<br>10-12 | 2018<br>1-12 | 2019<br>1-3 |
|------------------------------|-------------|-------------|-------------|---------------|--------------|-------------|
| Digital Experience           | 0.1         | 0.1         | 0.1         | 0.1           | 0.3          | 0.8         |
| Hybrid Infra                 | 7.9         | 8.2         | 7.8         | 7.7           | 31.5         | 10.0        |
| Industry Software            | 0.1         | 0.1         | 0.1         | 0.1           | 0.3          | 0.4         |
| Product Development Services | 0.0         | 0.0         | 0.0         | 0.0           | 0.0          | 0.0         |
| <b>Segments total</b>        | <b>8.1</b>  | <b>8.4</b>  | <b>7.9</b>  | <b>7.8</b>    | <b>32.2</b>  | <b>11.1</b> |
| Other operations             | 1.7         | 1.7         | 1.7         | 1.9           | 7.0          | 9.9         |
| <b>Group total</b>           | <b>9.8</b>  | <b>10.1</b> | <b>9.6</b>  | <b>9.7</b>    | <b>39.2</b>  | <b>21.0</b> |

### Amortization on intangible assets recognized at fair value from acquisitions by segment, EUR million

|                              | 2018<br>1-3 | 2018<br>4-6 | 2018<br>7-9 | 2018<br>10-12 | 2018<br>1-12 | 2019<br>1-3 |
|------------------------------|-------------|-------------|-------------|---------------|--------------|-------------|
| Digital Experience           | 0.4         | 0.4         | 0.4         | 0.4           | 1.6          | 0.4         |
| Hybrid Infra                 | -           | -           | -           | -             | -            | -           |
| Industry Software            | 0.9         | 1.0         | 1.0         | 0.8           | 3.6          | 0.7         |
| Product Development Services | -           | -           | -           | -             | -            | -           |
| <b>Segments total</b>        | <b>1.3</b>  | <b>1.4</b>  | <b>1.4</b>  | <b>1.2</b>    | <b>5.2</b>   | <b>1.1</b>  |
| Other operations             | -           | -           | -           | -             | -            | -           |
| <b>Group total</b>           | <b>1.3</b>  | <b>1.4</b>  | <b>1.4</b>  | <b>1.2</b>    | <b>5.2</b>   | <b>1.1</b>  |

### Amortization on other intangible assets by segment, EUR million

|                              | 2018<br>1–3 | 2018<br>4–6 | 2018<br>7–9 | 2018<br>10–12 | 2018<br>1–12 | 2019<br>1–3 |
|------------------------------|-------------|-------------|-------------|---------------|--------------|-------------|
| Digital Experience           | 0.1         | 0.1         | 0.1         | 0.1           | 0.4          | 0.1         |
| Hybrid Infra                 | 1.9         | 3.4         | 1.8         | 1.9           | 9.0          | 2.0         |
| Industry Software            | 0.1         | 0.1         | 0.1         | 0.1           | 0.4          | -0.1        |
| Product Development Services | -           | -           | -           | -             | -            | -           |
| <b>Segments total</b>        | <b>2.1</b>  | <b>3.6</b>  | <b>1.9</b>  | <b>2.0</b>    | <b>9.7</b>   | <b>2.0</b>  |
| Other operations             | 0.5         | 0.1         | 0.1         | 0.1           | 0.9          | 0.1         |
| <b>Group total</b>           | <b>2.7</b>  | <b>3.7</b>  | <b>2.0</b>  | <b>2.2</b>    | <b>10.6</b>  | <b>2.2</b>  |

### Personnel by segment, end of period

|                              | 2018<br>1–3   | 2018<br>4–6   | 2018<br>7–9   | 2018<br>10–12 | 2018<br>1–12  | 2019<br>1–3   |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Digital Experience           | 4 804         | 4 968         | 5 023         | 5 064         | 5 064         | 5 077         |
| Hybrid Infra                 | 3 326         | 3 382         | 3 449         | 3 510         | 3 510         | 3 508         |
| Industry Software            | 3 910         | 3 996         | 4 002         | 3 976         | 3 976         | 4 033         |
| Product Development Services | 1 530         | 1 570         | 1 606         | 1 608         | 1 608         | 1 624         |
| <b>Segments total</b>        | <b>13 571</b> | <b>13 916</b> | <b>14 080</b> | <b>14 159</b> | <b>14 159</b> | <b>14 242</b> |
| Other operations             | 749           | 768           | 759           | 759           | 759           | 771           |
| <b>Group total</b>           | <b>14 581</b> | <b>14 956</b> | <b>15 109</b> | <b>15 190</b> | <b>15 190</b> | <b>15 275</b> |