

# Q1 2019

## INTERIM REPORT

JANUARY - MARCH

### **Good start** for the year

- Adjusted operating margin of 10% supported by healthy performance in Industry Solutions
- Strong growth and profitability in Product Development Services
- Growth in local currencies 2% – strong order intake
- Strategy implementation progressing as planned, including efficiency measures





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# Key figures for the first quarter

- Sales growth totalled 0.5%, sales in local currencies up by 2.4%
- Adjusted operating profit amounted to EUR 40.9 (37.9) million, 10.0% (9.3) of sales
- In local currencies, the order backlog for 2019 provides support for Tieto's growth ambitions for the year

M&A impact visible in the tables of **the Financial Performance section**.

	1-3/2019	1-3/2018
Net sales, EUR million	408.4	406.3
Change, %	0.5	3.4
Change in local currencies, %	2.4	6.2
Operating profit (EBIT), EUR million	36.8	37.3
Operating margin (EBIT), %	9.0	9.2
Adjusted <sup>1)</sup> operating profit (EBIT), EUR million	40.9	37.9
Adjusted <sup>1)</sup> operating margin (EBIT), %	10.0	9.3
Profit after taxes, EUR million	27.1	29.9
EPS, EUR	0.37	0.41
Net cash flow from operations, EUR million	43.3	61.5
Return on equity, 12-month rolling, %	30.4	30.7
Return on capital employed, 12-month rolling, %	22.3	29.2
Capital expenditure, EUR million	9.4	8.2
Acquisitions, EUR million	0.7	6.2
Interest-bearing net debt, EUR million	273.2	100.7
Net debt/EBITDA <sup>2)</sup>	1.1	0.5
Order backlog	1 717	1 787
Personnel on 31 March	15 275	14 581

<sup>1)</sup> Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability

<sup>2)</sup> EBITDA is 12-month average and is modified to reflect the impact of IFRS 16 on depreciations

## Full-year outlook for 2019 unchanged

Tieto expects its full-year adjusted<sup>1)</sup> operating profit (EBIT) to increase from the previous year's level (EUR 168.0 million in 2018) added by the impact of IFRS 16<sup>2)</sup> to maintain the comparability after the adoption of the new standard.

<sup>1)</sup> Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability

<sup>2)</sup> The company estimates that the adoption of IFRS 16 will have a positive impact on operating profit in 2019. In the first quarter, the impact was EUR 0.9 million. Comparative periods are not restated. More information on the adoption of the standard can be found in the Accounting Policies in the tables section.

# CEO's comment

Comment regarding the interim report by Kimmo Alkio, President and CEO:

"We are pleased to start the year with a strong quarter, experiencing positive development in most of the businesses with all service lines posting an adjusted operating margin of over 10%. While overall growth was curbed by somewhat slow development in infrastructure services, we achieved strong order intake. Product Development Services performed well with 12% growth and profitability. Several investment areas accelerated performance with Customer Experience Management growing by over 30% and the Data-Driven Businesses unit more than doubling its revenues.

The market continues to be dynamic as our customers continue to prioritize investments in improving the attractiveness and competitiveness of their own products and services. The need to support clients' digital transformation drives

growth opportunities for all our businesses. For our product development services in the telecom and automotive sectors, the market to make customers' products connected and data-rich continues to gain good momentum.

Based on our new strategy and agile operations, we focus on helping our customers in their digital transformation. While the transition towards new structure is under way, we maintain attention on serving our customers. As estimated in connection with the strategy launch, related efficiency improvement will start to materialize during the second half of this year. Our Open Source Culture is a good foundation to continue on our path of innovation and renewal – and helps us support our employees during the change. Lifelong learning continues to be crucial both for employees' personal growth and overall success."

# The quarter in short

## Growth

▲  
**2%**  
in local  
currencies

Good growth in the Business Consulting and Implementation and Product Development Services businesses continued. Sales of infrastructure services within Technology Services and Modernization were affected by annual price discounts effective as from January and a delay in one large engagement. In Industry Solutions, Tieto's Payments and Lifecare solutions delivered healthy growth.

## Adjusted operating margin

▲  
**10%**

All service lines posted an adjusted operating margin of over 10%. Industry Solutions experienced healthy development with the capitalization of some development costs contributing to the improvement, as anticipated.

## Personnel

Tieto's recruitments have focused on roles such as software developers, industry consultants, solution consultants and eCommerce specialists. In total, the net number of employees increased by around 100.

## Customer wins

Tieto concluded several new agreements across all businesses. An agreement with Folksam worth more than SEK 600 million is among the company's important wins. Together with Tieto, Folksam will continue its modernization journey towards cloud-based solutions.

Customer wins in Product Development Services include an agreement with Goodyear in the automotive segment for the further development of a predictive tire maintenance solution.

## Strategy implementation

Tieto is gradually transitioning to its new operating model during the second quarter. Measures related to the simplified structure are expected to result in annualized gross savings of EUR 30–35 million, of which close to half is anticipated to affect performance in 2019.

Personnel negotiations related to the simplified structure were initiated in April. The savings are expected to contribute to profitability during the second half of the year.

## Investments in offerings

Investment are geared to taking the advantage of market growth opportunities, especially in software businesses and digital experience. Offering development investments were at the previous year's level. Largest investments are made in Lifecare and Tieto SmartUtilities. Investments continued in Customer Experience Management, which achieved growth of 33%.





# IT market development

The IT market continues to be dynamic, offering good opportunities for co-innovation with customers. Data is the prime enabler of the change and a large-scale revamp of business models is needed across industries, while ensuring business continuity. Operational agility and innovation of new data-driven business models remain high on customers' agenda. Enterprises and public institutions are increasing their investments in innovating new data-rich services and differentiating experiences for their customers, providing a significant opportunity for IT service providers.

In 2019, the Nordic IT market is anticipated to grow by 2–3%. The mix is continuing to see a major shift, with increased spending on consulting and application services and reduced spending on basic infrastructure services. The market for new services built around design, data and new cloud-native applications is anticipated to grow in the double digits.

Technology forms the backbone of the pursuit of this agenda. It is assumed that well-orchestrated hybrid infrastructure will ensure business agility and optimize costs. The technology architectures remain hybrid across public cloud, private cloud and on-premise platforms. Public cloud is assuming a greater significance while demand for private cloud and traditional infrastructure services is expected to remain good. Spending on public cloud is expected to grow annually by 25–30% and private cloud by 10–15% in the coming years.

The outsourcing market is shifting to be more application-centric, with increased efficiency requirements and price erosion in infrastructure services. Agreement terms are changing and the size of outsourcing contracts continues to shrink with the adoption of agile development practices (e.g. DevOps) and automation.

Demand for people and skills remains high. The same technology capabilities as in the software and IT services sector are needed across all industries.

## New strategy to enhance competitiveness

The change towards more personalized and real-time world is accelerating and data is the key enabler of this development. Enterprises and public organizations are increasing their investments in new service experiences for their customers. To gain an active role in the rapidly changing market, Tieto has taken the next big leap in its renewal. With its new strategy launched in February 2019, the company aims to enhance competitiveness further.

### Digital Experience as the main growth driver

Tieto has chosen to focus on services enabling customers' competitiveness and providing Tieto with the strongest growth potential. The company supports clients in their digital transformation through the design of differentiating service experiences, smart use of data and hybrid cloud solutions. The related services range from consulting to implementation and running the solutions.

Digital citizen services and preventive healthcare are examples of the new cutting-edge services Tieto has been developing. Tieto anticipates that it will add 2 500–3 000 competences to digital experience-related roles during the strategy period. The company currently has strong capabilities in many key areas,

such as customer experience management, where Tieto has around 700 experts. A major part of future investments is targeted at offering and competence development in the digital experience area.

### Investments in scalable industry software continue

In addition to accelerating digital experience services, the company continues to focus on the Industry Software, Hybrid Infrastructure and Product Development Services businesses. Tieto continues to invest in scalable industry software businesses and drive international expansion of selected globally competitive businesses. With strong capabilities and leading industry software, Tieto is well positioned to ensure customers' business-critical processes.

With its strong infrastructure foundation, Tieto Hybrid Infra continues to ensure Nordic customers' business continuity, efficiency and renewal. Product Development Services continues to focus on delivering software R&D services to connect customers' products. The scope of the services is global and Product Development Services continues to expand its customer base beyond the telecom sector.

## Networked ways of working enabling faster time to market and simplified operations

The market change towards shorter and more agile innovation and development sprints is calling for new ways of working. Tieto will adopt networked, simplified ways of working and overlapping roles of administrative nature cease to exist. The change will ensure both faster access to relevant capabilities for customers and faster time to market.

Tieto has built a great foundation with its Open Source Culture. The new strategy ushers in an elevated ambition level and the need to evolve the organizational culture even further to enable the change. The company has initiated a comprehensive step-by-step approach to make the accelerated cultural change real and tangible at Tieto.

Tieto will implement a simplified operating model gradually during the second quarter of 2019. The company anticipates that operational simplification will affect around 700 roles globally and result in annualized gross savings of EUR 30–35 million. The design of operations is ongoing and the impact on each business and country will be specified during the process.

## Accelerated value creation reflected in upgraded growth and profit ambition

- Growth over 5% (CAGR 2019–2022) – with continued active M&As supporting growth
- Adjusted operating margin 13%<sup>1)</sup> – main drivers include growth, simplified operations and automation
- Net debt/EBITDA below 2.0 in the long term<sup>2)</sup>
- Aim is to increase base dividend annually in absolute terms

<sup>1)</sup> Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability (in accordance with IFRS 16, effective as from 1 Jan 2019).

<sup>2)</sup> In accordance with IFRS 16 effective as from 1 Jan 2019 – equals around 1.5 prior to IFRS 16

## Performance drivers 2019

Tieto aims to grow faster than the market during the year. To support this ambition, Tieto is committed to actions driving competitiveness and will continue its investments in innovation and growth.

In 2019, acquisitions will support the ambition of accelerating growth. Aggregated annual sales of the companies acquired in 2018 amounted to around EUR 13 million, of which EUR 4 million was included in Tieto's sales in 2018.

Performance drivers also include:

- investments in offering development
- recruitments in new service areas and related competence development
- salary inflation
- continued drive for competitiveness and efficiency.

At the Group level, full-year offering development costs are anticipated to remain at around 5% of Group sales. Tieto will also capitalize some development costs during the coming quarters when the criteria are met. Capital expenditure (CAPEX) is anticipated to remain below 4% of Group sales.

Tieto continues to invest in new capabilities and competences. In 2018, Tieto recruited around 850 employees (net amount, including attrition), which will also affect the cost base in 2019. During the first quarter, net recruitments amounted to around 100. Salary inflation is anticipated to amount to over EUR 30 million in 2019, partly offset by increasing offshoring and management of the competence pyramid.

Tieto has anticipated that operational simplification will affect around 700 roles globally. In April, Tieto started personnel adjustment processes in Finland, Sweden and the Czech Republic. The personnel reductions are expected to impact up to 210 employees in Finland, 160 in Sweden and 250 in the Czech Republic. Additionally, the change is anticipated to impact some of the other countries in which Tieto operates.

The simplification is anticipated to result in annualized gross savings of EUR 30–35 million, of which close to half is expected to affect performance in 2019. Tieto estimates that related restructuring costs will amount to EUR 20–25 million, of which main the part will be booked during the second quarter.

# Financial performance in January–March

First-quarter net sales increased by 0.5% to EUR 408.4 (406.3) million, growth of 2.4% in local currencies. Healthy growth in Business Consulting and Implementation and Product Development Services businesses continued whereas Technology Services and Modernization was affected by annual price discounts effective as from January and a delay in one large delivery. Currency fluctuations had a negative impact of EUR 8 million on sales, mainly due to the weaker Swedish Krona. Acquisitions added EUR 2 million in sales and the impact of divestments on sales was EUR 1 million.

First-quarter operating profit (EBIT) amounted to EUR 36.8 (37.3) million, representing a margin of 9.0% (9.2). Adjusted<sup>1)</sup> operating profit stood at EUR 40.9 (37.9) million, or 10.0% (9.3) of net sales. Further details on first-quarter adjustments are available in the **Segment Information** paragraph in the tables section. Offering development investments were up by EUR 1 million and Tieto capitalized EUR 2.0 million of the development costs, resulting in a positive net impact of EUR 1 million on operating profit.

Operating profit was also supported by the adoption of IFRS 16, which had a positive impact of EUR 0.9 million. Currency changes had a negative impact of around EUR 1 million on operating profit, and profitability was affected by salary inflation.

Depreciation and amortization amounted to EUR 24.2 (13.8) million, including EUR 1.1 (1.3) million in amortization of acquisition-related intangible assets. Net financial expenses stood at EUR 2.7 (0.7) million in the first quarter. Net interest expenses were EUR 2.3 (0.4) million and net losses from foreign exchange transactions EUR 0.3 (0.1) million. Other financial income and expenses amounted to EUR -0.2 (-0.1) million.

Earnings per share (EPS) totalled EUR 0.37 (0.41). Adjusted<sup>1)</sup> earnings per share amounted to EUR 0.41 (0.41).

<sup>1)</sup> Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability

## Financial performance by service line

EUR million	Customer sales 1–3/2019	Customer sales 1–3/2018	Change, %	Operating profit 1–3/2019	Operating profit 1–3/2018
Technology Services and Modernization	187.3	189.5	-1	18.6	20.7
Business Consulting and Implementation	65.0	62.1	5	5.6	5.3
Industry Solutions	119.4	120.7	-1	13.1	10.9
Product Development Services	36.8	34.0	8	4.5	4.3
Support Functions and Global Management	-	-	-	-5.0	-3.8
<b>Total</b>	<b>408.4</b>	<b>406.3</b>	<b>1</b>	<b>36.8</b>	<b>37.3</b>

## Operating margin by service line

%	Operating margin 1–3/2019	Operating margin 1–3/2018	Adjusted <sup>1)</sup> operating margin 1–3/2019	Adjusted <sup>1)</sup> operating margin 1–3/2018
Technology Services and Modernization	9.9	10.9	10.4	11.0
Business Consulting and Implementation	8.7	8.5	10.4	9.4
Industry Solutions	10.9	9.0	11.1	8.2
Product Development Services	12.3	12.7	12.3	12.7
<b>Total</b>	<b>9.0</b>	<b>9.2</b>	<b>10.0</b>	<b>9.3</b>

<sup>1)</sup> Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability

For a comprehensive set of service line and industry group figures, see the tables section.



In **Technology Services and Modernization**, sales in local currencies remained at the previous year's level due to annual price discounts and a delay in one large delivery. Sales of infrastructure cloud<sup>2)</sup> were up by 8% and application services by 3%. Security Services' sales increased by 69% in local currencies, and organically by over 30%. The decline in traditional infrastructure services continued and amounted to 6%. Adjusted operating profit was EUR 19.5 (20.8) million and the margin somewhat declined from the previous year's corresponding quarter, which was supported by the 2017 efficiency programme. Second-quarter adjusted operating margin is anticipated to be below the previous year's corresponding quarter, as the savings from the simplified structure will start to come into effect only during the second half of 2019.

In **Business Consulting and Implementation**, sales in local currencies were up 7%. Strong growth in Customer Experience Management continued and sales in local currencies were up by 33%, supported by the acquisition of Meridium. Adjusted operating profit improved to EUR 6.8 (5.8) million. The second quarter is somewhat affected by the number of working days and the adjusted operating margin is anticipated to be close to the level of the previous year's corresponding quarter.

In **Industry Solutions**, sales in local currencies increased by 1%, organically up by 2%. The Hydrocarbon Management, Payments and Lifecare solutions saw healthy growth. Architectural renewal continues in SmartUtilities, Tieto's solution for the energy utility segment. Adjusted operating profit improved to EUR 13.3 (9.9) million. Tieto capitalized EUR 2 million of the development costs in Industry Solutions. In the second quarter, the adjusted operating margin is expected to improve from the low level of the previous year's corresponding quarter.

In **Product Development Services**, sales growth in local currencies amounted to 12%. Growth was attributable to strong volume development with the largest key customers and good development in the automotive segment. Adjusted operating profit amounted to EUR 4.5 (4.3) million and the margin remained strong at over 12%. Second-quarter adjusted operating margin is anticipated to be below or at the level of the corresponding quarter of the previous year as recruitments to drive growth are anticipated to contribute to performance towards the second half of 2019.

<sup>2)</sup> Based on infrastructure cloud (Infrastructure as a Service and Platform as a Service), excl. selected services such as cloud-enabled consulting and shared integration services, previously included in cloud services sales.

## Customer sales by industry group

EUR million	Customer sales 1–3/2019	Customer sales 1–3/2018	Change, %
Financial Services	91.4	96.4	-5
Public, Healthcare and Welfare	139.2	132.9	5
Industrial and Consumer Services	141.2	143.0	-1
Product Development Services	36.8	34.0	8
<b>Total</b>	<b>408.4</b>	<b>406.3</b>	<b>1</b>

In **Financial Services**, sales in local currencies were down by 3%. The decline was mainly attributable to the volume and price development in infrastructure services. Payment solutions experienced double-digit growth and have a healthy sales pipeline for the renewed Virtual Account Management solution.

In **Public, Healthcare and Welfare**, sales in local currencies were up by 7%. Development was positive across the markets and businesses with the Finnish public sector being the strongest segment. The outlook in the healthcare and welfare

market is positive with several digitalization programmes ongoing while the preparations for the large-scale social and healthcare reform in Finland were discontinued in March.

In **Industrial and Consumer Services**, sales in local currencies remained at the previous year's level. Hydrocarbon Management and Production Excellence solutions experienced good development. This, however, was offset by reduced volumes with one large customer and some annual price discounts.

# M&A impact in January–March

At the Group level, first-quarter sales in local currencies were organically up by 2.1%. Acquisitions added EUR 2 million in sales and the impact of divestments on sales was EUR 1 million.

## M&A impact by service line

	Growth, % (in local currencies) 1–3/2019	Organic growth, % (in local currencies) 1–3/2019
Technology Services and Modernization	0	0
Business Consulting and Implementation	7	4
Industry Solutions	1	2
Product Development Services	12	12
<b>Total</b>	<b>2</b>	<b>2</b>

## M&A impact by industry group

	Growth, % (in local currencies) 1–3/2019	Organic growth, % (in local currencies) 1–3/2019
Financial Services	-3	-4
Public, Healthcare and Welfare	7	6
Industrial and Consumer Services	0	0
Product Development Services	12	12
<b>Total</b>	<b>2</b>	<b>2</b>

# Cash flow, financing and investments

First-quarter net cash flow from operations amounted to EUR 43.3 (61.5) million, including an increase of EUR 2.8 (decrease of 18.0) million in net working capital. The increase in net working capital was due to higher trade receivables. Payments for restructuring amounted to EUR 2.3 (2.3) million. The adoption of IFRS 16 had a positive impact of over EUR 10 million on the cash flow from operating activities (offset in the cash flow from financing activities). First-quarter tax payments were EUR 12.4 (6.9) million.

Capital expenditure totalled EUR 9.4 (8.2) million. Capital expenditure represented 2.3% (2.0) of net sales and was mainly related to data centres. Net payments for acquisitions totalled EUR 0.7 (6.2) million.

The equity ratio was 29.7% (36.3). Gearing increased to 67.9% (25.8). Interest-bearing net debt totalled EUR 273.2 (100.7) million, including EUR 303.8 (155.2) million in interest-bearing

debt, EUR 157.5 (2.3) million in finance lease liabilities, EUR 1.3 (2.2) million in finance lease receivables, EUR 0.5 (0.7) million in other interest-bearing receivables and EUR 186.3 (53.9) million in cash and cash equivalents.

Interest-bearing long-term loans amounted to EUR 298.7 (101.7) million at the end of March, consisting of a EUR 100 million bond, an EUR 85 million loan from the European Investment Bank and EUR 114 million in lease liabilities. The bond of EUR 100 million will mature in September 2024 and it carries a coupon of fixed annual interest of 1.375%.

Interest-bearing short-term loans amounted to EUR 162.6 (55.7) million, mainly related to lease liabilities and joint venture cash pool balances in addition to the EUR 100 million bond maturing in May 2019. The syndicated revolving credit facility of EUR 150 million expiring in May 2021 was not in use at the end of March.

# Order backlog

The significance of traditional measures for the order backlog is impacted by the shift from traditional large outsourcing agreements towards agile methods and consumption-based business models. Additionally, traditional development programmes are cut into smaller projects. While this change in customer behaviour affects the order backlog levels, it is not expected to have any significant impact on Tieto's market opportunity and business outlook.

The order backlog was impacted by a negative currency effect and amounted to EUR 1 717 (1 787) million. Of the backlog, 47% (45) is expected to be invoiced during 2019, representing revenue value of EUR 803 (810) million for 2019. The order backlog includes all signed customer orders that have not been recognized as revenue, including estimates of the value of consumption-based contracts.

## Major agreements in January–March

During the quarter, Tieto signed a number of new agreements with customers across all the industry groups. However, according to the terms and conditions of these agreements, Tieto is not able to disclose most of the contracts.

In January, Tieto signed an agreement with Goodyear for further development of a predictive tire maintenance solution (Goodyear TPMS). This solution reduces operational costs and vehicle emissions by means of advanced integration of IoT sensors, digital maps and predictive analytics. Tieto is Goodyear's main supplier for IoT cloud back-end applications, web and mobile front-ends, Quality Assurance and Applications Operations, all in an Agile DevOps environment.

In January, Tieto made a strategic IT partnership agreement with Ahlstrom-Munksjö, a global leader in sustainable and innovative fiber-based solutions. The seven-year agreement, covering Ahlstrom-Munksjö's business applications (order to cash ERP, MES and B2B services) availability, maintenance and development, is worth around EUR 19 million and includes an option to extend for up to two years. The partnership supports the execution of Ahlstrom-Munksjö's business transformation strategy.

In January, Tieto signed an agreement with Getswish to deliver SIAM, development, maintenance and operations of the Swish ecosystem. This critical, high transaction payment service will be delivered 24/7/365 according to an end-to-end DevOps delivery model. The deal worth SEK 170 million is a continuation to the agreement concluded in 2017 and extends over five years.

In February, Tieto signed a deal with Sweden's Health and Social Care Inspectorate (IVO). The agreement covers the development and management of IVO's strategic solutions for enhancing digitalization and business development. The deal is for five years with an option to extend for another two years. The contract value for the first five years is estimated to be around SEK 110 million.

In March, the City of Stockholm and Tieto deepened their cooperation by signing a new agreement for Business Process Management and digital support for welfare and healthcare services. The agreement is valid until March 2027 and includes an option to extend the agreement for seven years. The Business Process Management platform enables modeling, automation, execution, control, measurement and flow optimization.

In March, Tieto signed an with Folksam to future-proof the customer's infrastructure. The two companies have cooperated since 2012. Folksam will use Tieto's standardized services within areas such as private cloud and service bundles such as IaaS, PaaS and SaaS. With the help of Tieto's Application Cloud Assessment service, Folksam will also get a clear overview of its application portfolio and continue its modernization journey towards cloud-based solutions. Folksam will also benefit from Avega's vast expertise within cloud solutions, agile change processes and Microsoft and RedHat services. The agreement is worth more than SEK 600 million and extends over five years.

## Personnel

The number of full-time employees amounted to 15 275 (14 581) at the end of March. The number of full-time employees in the global delivery centres totalled 7 767 (7 208), or 50.8% (49.4) of all personnel.

In the first quarter, the number of full-time employees was up by a net amount of close to 100. The net impact of acquisitions and outsourcing agreements was not significant.

Attrition has been on the rise across Tieto's markets. The company, however, has been very successful in attracting and retaining talent. The 12-month rolling employee turnover stood at 12.4% (11.7) at the end of March.

Group-level salary inflation is expected to be close to 4% on average in 2019. Tieto anticipates that more than half of the salary inflation will be offset by greater offshoring and management of the competence pyramid.

## Annual General Meeting

Tieto Corporation's Annual General Meeting approved the financial statements for 2018, decided to distribute a dividend of EUR 1.25 per share and an additional dividend of EUR 0.20 as well as to discharge the company's officers from liability for the financial year 2018.

The meeting decided that the Board of Directors shall consist of eight members and re-elected the Board's current members Kurt Jofs, Harri-Pekka Kaukonen, Timo Ahopelto, Liselotte Hägertz Engstam, Johanna Lamminen and Endre Rangnes. Tomas Franzén and Niko Pakalén were elected as new members. Kurt Jofs was re-elected as the Chairman of the Board of Directors. The meeting elected the firm of authorized public accountants Deloitte Oy as the company's auditor for the financial year 2019.

## Management

In line with networked ways of working, Tieto's Leadership Team will be transformed into a new Tieto Leadership Network headed by Kimmo Alkio, President and CEO. The following appointments in the Tieto Leadership Network have been effective from 1 April:

Satu Kiiskinen, Managing Partner, Finland  
Håkan Dahlström, Managing Partner, Sweden  
Thomas Nordås, Managing Partner, Norway  
Petteri Uljas, Head of Hybrid Infra  
Christian Segersven, Head of Industry Software  
Tom Leskinen, Head of Product Development Services  
Ari Järvelä, Head of Centers of Excellence  
Katariina Kravi, Chief of Talent and Culture  
Julius Manni, Chief of Experience  
Markus Suomi, Chief of Technology and Quality  
Kishore Ghadiyaram, Chief of Strategy  
Tomi Hyryläinen, Chief Financial Officer.



# Shares

The number of Tieto shares amounted to 74 109 252 at the end of March. In March, Tieto assigned a total of 110 658 treasury shares to the company's key employees as a reward payment for share-based incentive plans. After the transfer of the shares,

Tieto holds a total of 172 245 own shares, representing 0.2% of the total number of shares and voting rights. The number of outstanding shares, excluding the treasury shares, was 73 937 007 at the end of the period.

## Near-term risks and uncertainties

Consolidated net sales and profitability are sensitive to volatility in exchange rates, especially that of the Swedish Krona and Norwegian Krona. Sales to Sweden and Norway represent close to half of the Group's sales. Further details on management of currency risks are provided in the Financial Statements and on currency impacts at [www.tieto.com/currency](http://www.tieto.com/currency).

The transformation to the new operating model may affect performance in the short term while the impact of the simplified structure on the full-year results is anticipated to be positive. Tieto anticipates that the active employment market with high demand for specific competences may result in high attrition rates.

New disruptive technologies, such as cloud computing, drive customer demand towards standardized and less labour-intensive solutions where automation plays an important role. These changes may result in the need for restructuring. The company's development is relatively sensitive to changes in the demand from large customers as Tieto's top 10 customers currently account for 29% of its net sales, with Product Development Services having the highest customer concentration in the company. However, the share of top 10 customers has decreased by several percentage points during the past years.

Typical risks faced by the IT service industry relate to the development and implementation of new technologies and software. In Tieto's case these relate to both own software development and integration of third-party software carried out as project deliveries. Furthermore, additional technology licence fees and both the quality and timeliness of deliveries pose potential risks.

The new EU General Data Protection Regulation took effect in May 2018. Tieto is well prepared for the GDPR although there is still uncertainty with regards to how the authorities will interpret the regulation and impose fines in case of personal data breaches. In addition to fulfilling its regulatory and contractual obligations, Tieto can tap into opportunities by helping customers in businesses such as security and application services.

Companies around the world are facing new risks arising from tax audits and some countries may introduce new regulation. Additionally, changes in the tax authorities' interpretations could have unfavourable impacts on taxpayers.

## Full-year outlook for 2019 unchanged

Tieto expects its full-year adjusted<sup>1)</sup> operating profit (EBIT) to increase from the previous year's level (EUR 168.0 million in 2018) added by the impact of IFRS 16<sup>2)</sup> to maintain the comparability after the adoption of the new standard.

<sup>1)</sup> Adjusted for amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability

<sup>2)</sup> The company estimates that the adoption of IFRS 16 will have a positive impact on EBIT in 2019. In the first quarter, the impact was EUR 0.9 million. Comparative periods are not restated. More information on the adoption of the standard can be found in the Accounting Policies in the tables section.

## Financial calendar 2019

19 July	Interim report 2/2019 (8.00 am EET)
24 October	Interim report 3/2019 (8.00 am EET)



## Tables

Read more →

## Income statement

EUR million	2019 1-3	2018 1-3	Change %	2018 1-12
Net sales	408.4	406.3	1	1 599.5
Other operating income	5.5	7.2	-24	22.0
Materials and services	-59.1	-60.1	-2	-247.9
Employee benefit expenses	-241.3	-234.2	3	-905.0
Depreciation and amortization	-24.2	-13.8	76	-55.0
Impairment losses	-	-	-	-2.9
Other operating expenses	-54.0	-69.2	-22	-261.8
Share of results in joint ventures	1.4	1.0	36	5.8
<b>Operating profit (EBIT)</b>	<b>36.8</b>	<b>37.3</b>	<b>-1</b>	<b>154.7</b>
Interest and other financial income	0.6	0.5	11	2.3
Interest and other financial expenses	-3.0	-1.1	> 100	-5.2
Net foreign exchange gains/losses	-0.3	-0.1	> 100	1.0
<b>Profit before taxes</b>	<b>34.1</b>	<b>36.7</b>	<b>-7</b>	<b>152.8</b>
Income taxes	-6.9	-6.8	2	-29.6
<b>Net profit for the period</b>	<b>27.1</b>	<b>29.9</b>	<b>-9</b>	<b>123.2</b>
<b>Net profit for the period attributable to</b>				
Owners of the Parent company	27.1	29.9	-9	123.2
Non-controlling interest	0.0	0.0	-	0.0
	<b>27.1</b>	<b>29.9</b>	<b>-9</b>	<b>123.2</b>
<b>Earnings per share attributable to owners of the Parent company, EUR per share</b>				
Basic	0.37	0.41	-10	1.67
Diluted	0.37	0.41	-10	1.66

## Statement of other comprehensive income

EUR million	2019 1-3	2018 1-3	Change %	2018 1-12
Net profit for the period	27.1	29.9	-9	123.2
Items that may be reclassified subsequently to profit or loss				
Translation differences	1.5	-13.1	> 100	-15.9
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the defined benefit plans, net of tax	0.2	2.1	-90	-0.5
<b>Total comprehensive income</b>	<b>28.8</b>	<b>18.9</b>	<b>52</b>	<b>106.8</b>
<b>Total comprehensive income attributable to</b>				
Owners of the Parent company	28.8	18.9	52	106.8
Non-controlling interest	0.0	0.0	-	0.0
	<b>28.8</b>	<b>18.9</b>	<b>52</b>	<b>106.8</b>



## Statement of financial position

### Assets

EUR million	2019 31 Mar	2018 31 Mar	Change %	2018 31 Dec
Goodwill	442.4	437.4	1	442.6
Other intangible assets	45.4	46.1	-2	45.6
Property, plant and equipment	87.4	92.2	-5	92.3
Right-of-use assets	156.7	-	-	-
Interests in joint ventures	15.3	14.2	8	16.0
Deferred tax assets	22.7	26.6	-15	23.6
Defined benefit plan assets	4.0	7.0	-43	5.5
Finance lease receivables	0.6	0.7	-12	0.7
Other financial assets at amortized cost	0.5	0.7	-30	0.5
Other financial assets at fair value through profit or loss	0.5	0.5	-8	0.5
Other non-current receivables	15.4	8.7	77	14.9
<b>Total non-current assets</b>	<b>790.9</b>	<b>634.2</b>	<b>25</b>	<b>642.3</b>
Trade and other receivables	419.2	429.8	-2	379.4
Financial assets at fair value through profit or loss	5.6	2.2	> 100	3.6
Finance lease receivables	0.7	1.5	-53	0.9
Current tax assets	9.4	10.5	-10	6.9
Cash and cash equivalents	186.3	53.9	> 100	164.6
<b>Total current assets</b>	<b>621.3</b>	<b>497.9</b>	<b>25</b>	<b>555.3</b>
<b>Total assets</b>	<b>1 412.2</b>	<b>1 132.1</b>	<b>25</b>	<b>1 197.6</b>

### Equity and liabilities

EUR million	2019 31 Mar	2018 31 Mar	Change %	2018 31 Dec
Share capital, share issue premiums and other reserves	117.6	117.9	0	118.0
Invested unrestricted equity reserve	12.8	12.8	0	12.8
Retained earnings	272.0	260.0	5	351.7
<b>Equity attributable to owners of the Parent company</b>	<b>402.4</b>	<b>390.7</b>	<b>3</b>	<b>482.5</b>
Non-controlling interest	0.0	0.0	-	0.0
<b>Total equity</b>	<b>402.5</b>	<b>390.7</b>	<b>3</b>	<b>482.5</b>
Loans	184.7	100.3	84	184.6
Lease liabilities	114.0	1.5	> 100	0.8
Deferred tax liabilities	37.7	37.6	0	38.0
Provisions	2.2	2.5	-12	3.3
Defined benefit obligations	7.9	9.7	-19	9.9
Other non-current liabilities	3.1	5.2	-40	3.2
<b>Total non-current liabilities</b>	<b>349.6</b>	<b>156.8</b>	<b>&gt; 100</b>	<b>240.0</b>
Trade and other payables	484.0	510.7	-5	339.7
Financial liabilities at fair value through profit or loss	0.4	2.2	-82	0.4
Current tax liabilities	4.8	8.2	-41	8.9
Loans	119.1	54.9	> 100	117.8
Lease liabilities	43.5	0.8	> 100	0.8
Provisions	8.3	7.8	6	7.4
<b>Total current liabilities</b>	<b>660.1</b>	<b>584.6</b>	<b>13</b>	<b>475.0</b>
<b>Total equity and liabilities</b>	<b>1 412.2</b>	<b>1 132.1</b>	<b>25</b>	<b>1 197.6</b>

## Statement of changes in shareholders' equity

EUR million	Owners of the Parent company						Total	Non-controlling interest	Total equity
	Share capital	Share premium and other reserves	Own shares	Translation differences	Invested unrestricted equity reserve	Retained earnings			
31 Dec 2018	76.6	41.5	-5.1	-93.3	12.8	450.0	482.5	0.0	482.5
<b>Comprehensive income</b>									
Net profit for the period	-	-	-	-	-	27.1	27.1	0.0	27.1
<b>Other comprehensive income, net of tax</b>									
Remeasurements of the defined benefit plans, net of tax	-	-	-	-	-	0.2	0.2	-	0.2
Translation differences	-	-0.4	-	2.1	-	-0.2	1.5	-	1.5
<b>Total comprehensive income</b>	-	-0.4	-	2.1	-	27.1	28.8	0.0	28.8
<b>Transactions with owners</b>									
<b>Contributions and distributions</b>									
Share-based incentive plans	-	-	2.2	-	-	-3.9	-1.7	-	-1.7
Dividends	-	-	-	-	-	-107.2	-107.2	-	-107.2
<b>Changes in ownership interests</b>									
Acquisition of non-controlling interest without change in control	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	2.2	-	-	-111.1	-108.9	-	-108.9
31 Mar 2019	76.6	41.1	-2.9	-91.2	12.8	366.1	402.4	0.0	402.5

EUR million	Owners of the Parent company							Non-controlling interest	Total equity
	Share capital	Share premium and other reserves	Own shares	Translation differences	Invested unrestricted equity reserve	Retained earnings	Total		
<b>31 Dec 2017</b>	<b>76.6</b>	<b>42.6</b>	<b>-11.6</b>	<b>-78.5</b>	<b>12.8</b>	<b>433.3</b>	<b>475.2</b>	<b>0.4</b>	<b>475.6</b>
Adjustment on initial application of IFRS 9, net of tax	-	-	-	-	-	0.2	0.2	-	0.2
Adjustment on initial application of IFRS 2 amendment	-	-	-	-	-	4.0	4.0	-	4.0
Other adjustment	-	-	3.9	-	-	-3.9	0.0	-	0.0
<b>1 Jan 2018</b>	<b>76.6</b>	<b>42.6</b>	<b>-7.7</b>	<b>-78.5</b>	<b>12.8</b>	<b>433.5</b>	<b>479.4</b>	<b>0.4</b>	<b>479.7</b>
<b>Comprehensive income</b>									
Net profit for the period	-	-	-	-	-	29.9	29.9	0.0	29.9
<b>Other comprehensive income, net of tax</b>									
Remeasurements of the defined benefit plans, net of tax	-	-	-	-	-	2.1	2.1	-	2.1
Translation differences	-	-1.2	-	-12.7	-	0.8	-13.1	-	-13.1
<b>Total comprehensive income</b>	<b>-</b>	<b>-1.2</b>	<b>-</b>	<b>-12.7</b>	<b>-</b>	<b>32.8</b>	<b>18.9</b>	<b>0.0</b>	<b>18.9</b>
<b>Transactions with owners</b>									
<b>Contributions and distributions</b>									
Share-based incentive plans	-	-	2.6	-	-	-4.3	-1.7	-	-1.7
Dividends	-	-	-	-	-	-103.4	-103.4	-	-103.4
<b>Changes in ownership interests</b>									
Acquisition of non-controlling interest without change in control	-	-	-	-	-	-2.6	-2.6	-0.3	-2.9
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>2.6</b>	<b>-</b>	<b>-</b>	<b>-110.2</b>	<b>-107.6</b>	<b>-0.3</b>	<b>-107.9</b>
<b>31 Mar 2018</b>	<b>76.6</b>	<b>41.4</b>	<b>-5.1</b>	<b>-91.2</b>	<b>12.8</b>	<b>356.2</b>	<b>390.7</b>	<b>0.0</b>	<b>390.7</b>

## Statement of cash flows

EUR million	2019 1-3	2018 1-3	2018 1-12
<b>Cash flow from operating activities</b>			
Net profit for the period	27.1	29.9	123.2
Adjustments			
Depreciation, amortization and impairment losses <sup>1)</sup>	24.2	13.8	57.9
Profit/loss on sale of property, plant and equipment, subsidiaries and business operations	0.0	-3.2	-5.0
Share of results in joint ventures	-1.4	-1.0	-5.8
Other adjustments	0.1	2.6	-0.1
Net financial expenses	2.7	0.7	1.9
Income taxes	6.9	6.8	29.6
Change in net working capital	-2.8	18.0	-3.2
<b>Cash generated from operating activities before interests and taxes</b>	<b>56.9</b>	<b>67.5</b>	<b>198.6</b>
Net financial expenses paid	-3.5	-2.3	-6.1
Dividends received	2.2	3.2	3.2
Income taxes paid	-12.4	-6.9	-21.4
<b>Cash flow from operating activities</b>	<b>43.3</b>	<b>61.5</b>	<b>174.2</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiaries and business operations, net of cash acquired	-0.7	-6.2	-14.5
Capital expenditure	-9.4	-8.2	-45.0
Disposal of subsidiaries and business operations, net of cash disposed	0.3	6.1	8.4
Proceeds from sale of property, plant and equipment	-	0.0	0.6
Change in loan receivables	0.3	0.6	1.2
<b>Cash flow from investing activities</b>	<b>-9.5</b>	<b>-7.6</b>	<b>-49.3</b>
<b>Cash flow from financing activities</b>			
Dividends paid	-0.1	-	-103.4
Repayments of lease liabilities <sup>1)</sup>	-14.1	-0.2	-0.8
Change in interest-bearing liabilities	1.3	-80.8	66.5
Other financing cash flow	-	-	-3.5
<b>Cash flow from financing activities</b>	<b>-12.9</b>	<b>-81.0</b>	<b>-41.2</b>
<b>Change in cash and cash equivalents</b>	<b>20.9</b>	<b>-27.1</b>	<b>83.7</b>
Cash and cash equivalents at the beginning of period	164.6	78.2	78.2
Foreign exchange differences	0.9	2.8	2.7
Change in cash and cash equivalents	20.9	-27.1	83.7
<b>Cash and cash equivalents at the end of period</b>	<b>186.3</b>	<b>53.9</b>	<b>164.6</b>

<sup>1)</sup> IFRS 16 Leases adopted on 1 January 2019 retrospectively by using the cumulative catch up method and 2018 comparatives have not been restated.



## Basis of preparation

This interim report is unaudited and it is prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. The accounting policies adopted are consistent with those used in the annual financial statements for the year ended on 31 December 2018, except for the adoption of IFRS 16, as described below.

All presented figures in this interim report have been rounded and consequently, the sum of individual figures can deviate from the presented sum figure. Key figures have been calculated using exact figures.

The sales and profitability of Tieto are subject to seasonal variations. Usually, the third-quarter sales are affected by vacation period and the reversal of vacation accruals has a positive effect on profitability. Typically, the fourth-quarter sales and margins are positively affected by higher licence sales for Tieto's industry-specific software.

### Adoption of new and amended IFRS standards and interpretations

IFRS 16 Leases became effective on 1 January 2019. The standard removed the distinction between operating and finance leases. Under the new standard, an asset (right to use the leased item) and a financial liability to pay rentals are recognized in the statement of financial position. The Group adopted IFRS 16 retrospectively by using the cumulative catch up method where the requirements of the standard are applied to open contracts on the date of transition. Comparatives are not restated. Adoption of IFRS 16 had no effect on Group equity.

### Nature and the effect of adoption of IFRS 16

#### Group as a lessee - Leases previously classified as operating leases

Upon transition to IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as operating leases and reported as straight-line expenses during the lease term in other operating expenses or employee benefit expenses. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities upon transition was 3.85%.

Leases previously classified as finance leases were carried forward at the same carrying amounts of lease assets and liabilities immediately before transition.

Upon transition, it was identified that operating lease commitments included payments of services of EUR 15.1 million. These have been excluded from the table below which illustrates the bridge between previous off-balance sheet leases and lease liabilities on 1 Jan 2019.

	EUR million
<b>Rent and Operating lease commitments on 31 Dec 2018</b>	<b>166.9</b>
Changes in lease term considerations	18.0
Other	-2.0
<b>Rent and Operating lease commitments subject to discounting</b>	<b>182.9</b>
Discounting effect	-17.8
Finance lease liabilities	1.6
<b>Lease liabilities on 1 Jan 2019</b>	<b>166.7</b>

The right-of-use assets were measured at the same value as lease liabilities, adjusted for any prepayments or accrued costs or discounts immediately before transition. The IFRS 16 transition had the following impact on statement of financial position:

## Assets

EUR million	31.12.2018	IFRS 16	1.1.2019
Capitalized finance leases	1.6	-1.6	-
Right-of-use assets			
Buildings	-	144.3	144.3
Machinery and equipment	-	19.3	19.3
	<b>1.6</b>	<b>162.0</b>	<b>163.6</b>

## Liabilities

EUR million	31.12.2018	IFRS 16	1.1.2019
Trade and other payables	-3.1	3.1	-
Lease liabilities			
Current	-0.8	-45.2	-46.0
Non-current	-0.8	-119.9	-120.7
	<b>-4.7</b>	<b>-162.0</b>	<b>-166.7</b>

In the first quarter, the impact of IFRS 16 on EBITDA was EUR 12.4 million, on EBIT EUR 0.9 million and on net result EUR -0.4 million. The standard had a positive impact of EUR 13.8 million in the cash flow from operating activities (offset in the cash flow from financing activities). Effect on Net debt/EBITDA was +0.5 while the effect on EPS was zero.

## Practical expedients applied

The Group applied the following practical expedients upon transition:

- At the date of initial application it was not reassessed whether a contract is a lease
- Where the contract contained options to extend or terminate the lease hindsight was used in determining the lease term
- The Group relied on its assessment of whether leases are onerous immediately before the date of initial application
- Initial direct costs for the measurement of the right-of-use asset at the date of initial application were excluded

## Group as a lessor

IFRS 16 did not change lessor accounting and, therefore, there was no impact on the Group upon transition.

## New accounting policies

Tieto leases premises, IT equipment and cars. Lease terms are negotiated on individual basis and contain a wide range of renewal and termination options. Weighted average lease term for lease contract is 5.3 years (lease term varies between 1 – 21 years).

In monetary terms, the highest portion of the Group's lease portfolio is for leasing premises. The Group leases also equipment for datacentres to support continuous service delivery to its customers. Rent of company cars is part of employees' benefit package, the portion of employee share in payment being subject to local HR policies and varies between 0% to 100%.

Initially, lease liabilities are measured at the commencement date at the present value of the lease payments, discounted using the interest rate implicit in the lease, if it can be readily determined. If the rate can't be readily determined, such as in real estate leases, the incremental borrowing rate is used. Incremental borrowing rate is defined for each legal entity, differentiated based on lease contract length and updated on a yearly basis.

Lease payments include fixed payments, in substance fixed payments, lease payments that depend on index or rate and exercise price of purchase option, if it is reasonably certain to be exercised.

Subsequently, lease liabilities are measured at amortized cost, by increasing or reducing the carrying amount to reflect interest on the lease liability and the lease payments made, respectively. Lease liabilities are remeasured for lease reassessments done or modified to reflect revised in-substance fixed lease payments.

Interest expenses are recognized in profit or loss.

Right-of-use assets are initially measured at the amount equal to lease liability:

- less payments made at or before commencement date and lease incentives received
- adding initial direct costs; and
- adjusting by estimated dismantling or site restoration costs

Subsequently, right-of-use assets are measured applying cost model, where asset cost is reduced by accumulated depreciation and impairment losses and adjusted by remeasurement of a respective lease liability. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

Tieto has applied exemptions allowed by the standard not to capitalize short term leases (lease term less than 1 year at commencement, where there is no purchase option) and leases of low value assets. Typically, such assets would include lease of mobile phones, tablets and office furniture. Payments for such assets are recognized in profit or loss on straight-line basis during the lease term.

The Group has also elected to separate service component of a lease for all asset types, except for cars, where only variable lease payments are excluded from the measurement of lease liability.

The Group presents cash payments for the principal portion of lease liabilities as cash flows from financing activities and interest portion within cash flows from operating activities. Previously all the lease payments for operating leases were presented in the cash flow from operating activities. Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented as part of operating activities.

### **Critical accounting estimates and assumptions**

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from the estimates. The critical accounting estimates and assumptions are disclosed in the 2018 consolidated financial statements.

## Segment information

Tieto's operating model comprises of industry groups and service lines, the service lines forming the reportable operating segments according to IFRS. The service lines are: Technology Services and Modernization, Business Consulting and Implementation, Industry Solutions and Product Development Services.

### Technology Services and Modernization

Tieto's Technology Services and Modernization service line provides enterprises with life cycle management services of customer application and IT infrastructure, covering a wide variety of different technologies. The services include e.g. cloud and other emerging services, security services as well as software application development and management. The service line has a clear geographical focus on Finland, Sweden and Norway, and Tieto is positioned as the number one provider in Finland and among top 3 providers in Sweden. Services are delivered from both onshore locations in the Nordic countries and offshore delivery centres in the Czech Republic, India and Baltic countries.

### Business Consulting and Implementation

Tieto's Business Consulting & Implementation (BCI) service line includes IT architecture consulting, customer experience management, business process and change management and transformation and system integration services. BCI focuses on building repeatable concepts for customers with predefined business practises. The segment currently focuses on Finland and Sweden, and it serves customers also in Norway, Austria, the Baltic countries and Russia. Services are delivered primarily by employees based in the Nordic countries but also through delivery centres in the Baltic countries and India. BCI service line has the largest market share in Finland.

### Industry Solutions

Tieto's Industry Solutions service line is embedded in its three industry groups having their customers mainly in the Nordic countries. Tieto has industry solutions for its global customer base in the oil and gas, payments and forest sectors.

### Product Development Services

Product Development Services provides product development services with focus on telecom, expanding to new domains such as automotive. Services are provided globally for communications infrastructure companies, consumer electronics and semiconductor companies as well as automotive industry. Global services are currently provided mainly from its centres in Poland, China, Sweden, Czech and Finland.

Group level costs, e.g. costs related to Global management, Group's share of support functions and other non-allocated costs are not included in the service line segments but are reported under Support Functions and Global Management in the segment reporting.

#### Customer sales by service line

EUR million	2019 1-3	2018 1-3	Change %	2018 1-12
Technology Services and Modernization	187.3	189.5	-1	740.0
Business Consulting and Implementation	65.0	62.1	5	244.6
Industry Solutions	119.4	120.7	-1	478.9
Product Development Services	36.8	34.0	8	135.8
<b>Group total</b>	<b>408.4</b>	<b>406.3</b>	<b>1</b>	<b>1 599.5</b>

#### Customer sales by industry group

EUR million	2019 1-3	2018 1-3	Change %	2018 1-12
Financial Services	91.4	96.4	-5	377.6
Public, Healthcare and Welfare	139.2	132.9	5	530.8
Industrial and Consumer Services	141.2	143.0	-1	554.9
Product Development Services	36.8	34.0	8	135.8
<b>Group total</b>	<b>408.4</b>	<b>406.3</b>	<b>1</b>	<b>1 599.5</b>

## Customer sales by country

EUR million	2019 1-3	2018 1-3	Change %	Share %	2018 1-12	Share %
Finland	177.0	176.6	0	43	692.7	43
Sweden	158.5	164.6	-4	39	625.1	39
Norway	40.1	37.2	8	10	155.9	10
Other	32.9	28.0	17	8	125.9	8
<b>Group total</b>	<b>408.4</b>	<b>406.3</b>	<b>1</b>	<b>100</b>	<b>1 599.5</b>	<b>100</b>

## Customer sales from long-term fixed-price contracts by segment

EUR million	2019 1-3	2018 1-3	2018 1-12
Technology Services and Modernization	-0.7	2.1	4.4
Business Consulting and Implementation	1.2	0.7	3.6
Industry Solutions	2.2	4.8	19.2
Product Development Services	0.4	0.1	0.2
<b>Group total</b>	<b>3.0</b>	<b>7.7</b>	<b>27.5</b>

Tieto does not have individual significant customers as defined in IFRS 8.

## Operating profit (EBIT) by service line

EUR million	2019 1-3	2018 1-3	Change %	2018 1-12
Technology Services and Modernization	18.6	20.7	-10	85.4
Business Consulting and Implementation	5.6	5.3	7	18.9
Industry Solutions	13.1	10.9	20	54.4
Product Development Services	4.5	4.3	5	13.9
Support Functions and Global Management	-5.0	-3.8	-33	-18.1
<b>Operating profit (EBIT)</b>	<b>36.8</b>	<b>37.3</b>	<b>-2</b>	<b>154.7</b>

## Operating margin (EBIT) by service line

%	2019 1-3	2018 1-3	Change pp	2018 1-12
Technology Services and Modernization	9.9	10.9	-1	11.5
Business Consulting and Implementation	8.7	8.5	0	7.7
Industry Solutions	10.9	9.0	2	11.4
Product Development Services	12.3	12.7	0	10.2
<b>Operating margin (EBIT)</b>	<b>9.0</b>	<b>9.2</b>	<b>0</b>	<b>9.7</b>



## Calculation of alternative performance measures

Tieto presents certain financial measures, which, in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority, are not accounting measures defined or specified in IFRS and are, therefore, considered alternative performance measures. Tieto believes that alternative performance measures provide meaningful supplemental information to the financial measures presented in the consolidated financial statements prepared in accordance with IFRS and increase the understanding of the profitability of Tieto's operations. Alternative performance measures are not accounting measures defined or specified in IFRS and, therefore, they are considered non-IFRS measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures.

Adjusted operating profit (EBIT)	= Operating profit + adjustments
Adjusted operating profit margin (EBIT), %	= $\frac{\text{Adjusted operating profit (EBIT)}}{\text{Net sales}}$
Adjustments	= Amortization of acquisition-related intangible assets, restructuring costs, capital gains/losses, goodwill impairment charges and other items affecting comparability

### Adjusted operating profit (EBIT) by service line

EUR million	2019 1-3	2018 1-3	Change %	2018 1-12
Technology Services and Modernization	19.5	20.8	-6	92.5
Business Consulting and Implementation	6.8	5.8	16	20.2
Industry Solutions	13.3	9.9	34	54.7
Product Development Services	4.5	4.3	4	14.1
Support Functions and Global Management	-3.1	-3.0	-5	-13.4
<b>Adjusted operating profit (EBIT)</b>	<b>40.9</b>	<b>37.9</b>	<b>8</b>	<b>168.0</b>

### Adjusted operating margin (EBIT) by service line

%	2019 1-3	2018 1-3	Change pp	2018 1-12
Technology Services and Modernization	10.4	11.0	-1	12.5
Business Consulting and Implementation	10.4	9.4	1	8.3
Industry Solutions	11.1	8.2	3	11.4
Product Development Services	12.3	12.7	0	10.4
<b>Adjusted operating margin (EBIT)</b>	<b>10.0</b>	<b>9.3</b>	<b>1</b>	<b>10.5</b>

### Reconciliation of alternative performance measures

EUR million	2019 1-3	2018 1-3	2018 1-12
Operating profit (EBIT)	36.8	37.3	154.7
+ restructuring costs	3.1	0.9	9.3
+ premises related expenses	-	-	0.3
- capital gains	-	-3.2	-4.6
+ capital losses	-	-	-
+/- M&A related items	0.4	0.1	1.4
+ amortization of acquisition-related intangible assets	1.1	1.3	5.2
+/- other items	-0.4	1.5	1.8
<b>Adjusted operating profit (EBIT)</b>	<b>40.9</b>	<b>37.9</b>	<b>168.0</b>

## Personnel by service line

	End of period					Average	
	2019 1-3	Change %	Share %	2018 1-3	2018 1-12	2019 1-3	2018 1-3
Technology Services and Modernization	6 145	5	40	5 836	6 123	6 136	5 798
Business Consulting and Implementation	2 392	7	16	2 245	2 404	2 421	2 248
Industry Solutions	4 147	3	27	4 021	4 081	4 121	4 004
Product Development Services	1 624	6	11	1 530	1 608	1 626	1 521
<b>Service lines total</b>	<b>14 308</b>	<b>5</b>	<b>94</b>	<b>13 632</b>	<b>14 217</b>	<b>14 304</b>	<b>13 571</b>
Industry groups	337	2	2	331	345	340	330
Support Functions and Global Management	630	2	4	618	628	633	621
<b>Group total</b>	<b>15 275</b>	<b>5</b>	<b>100</b>	<b>14 581</b>	<b>15 190</b>	<b>15 278</b>	<b>14 522</b>

## Personnel by country

	End of period					Average	
	2019 1-3	Change %	Share %	2018 1-3	2018 1-12	2019 1-3	2018 1-3
Finland	3 356	0	22	3 360	3 392	3 384	3 370
Sweden	3 124	2	20	3 050	3 106	3 126	3 056
India	2 720	2	18	2 670	2 721	2 721	2 638
Czech Republic	2 593	11	17	2 329	2 538	2 567	2 306
Latvia	678	12	4	604	671	679	610
Poland	677	18	4	575	662	673	561
Norway	609	2	4	599	607	605	597
China	498	8	3	462	497	501	458
Estonia	291	4	2	279	301	296	280
Austria	170	20	1	141	162	168	139
Lithuania	113	3	1	110	115	115	109
Other	447	11	3	403	418	441	398
<b>Group total</b>	<b>15 275</b>	<b>5</b>	<b>100</b>	<b>14 581</b>	<b>15 190</b>	<b>15 278</b>	<b>14 522</b>
Onshore countries	7 507	2	49	7 373	7 498	7 531	7 385
Offshore countries	7 769	8	51	7 209	7 692	7 746	7 136
<b>Group total</b>	<b>15 275</b>	<b>5</b>	<b>100</b>	<b>14 581</b>	<b>15 190</b>	<b>15 278</b>	<b>14 522</b>

## Non-current assets by country

EUR million	2019 31 Mar	2018 31 Mar	Change %	2018 31 Dec
Finland	78.7	80.4	-2	81.4
Sweden	37.3	40.0	-7	39.7
Norway	7.7	10.8	-29	8.1
Other	9.0	7.2	26	8.8
<b>Total non-current assets</b>	<b>132.8</b>	<b>138.4</b>	<b>-4</b>	<b>137.9</b>

Non-current assets include property, plant and equipment and intangible assets excluding goodwill.

## Depreciation by service line

EUR million	2019 1-3	2018 1-3	Change %	2018 1-12
Technology Services and Modernization	10.0	7.8	28	31.2
Business Consulting and Implementation	0.6	0.0	> 100	0.2
Industry Solutions	0.6	0.2	> 100	0.8
Product Development Services	0.0	0.0	-	0.0
Support Functions and Global Management	9.8	1.7	> 100	6.9
<b>Group total</b>	<b>21.0</b>	<b>9.8</b>	<b>&gt; 100</b>	<b>39.2</b>

## Amortization on intangible assets recognized at fair value from acquisitions by service line

EUR million	2019 1-3	2018 1-3	Change %	2018 1-12
Technology Services and Modernization	-	-	-	-
Business Consulting and Implementation	0.4	0.4	-15	1.6
Industry Solutions	0.7	0.9	-19	3.6
Product Development Services	-	-	-	-
Support Functions and Global Management	-	-	-	-
<b>Group total</b>	<b>1.1</b>	<b>1.3</b>	<b>-17</b>	<b>5.2</b>

## Amortization on other intangible assets by service line

EUR million	2019 1-3	2018 1-3	Change %	2018 1-12
Technology Services and Modernization	2.0	1.9	2	9.0
Business Consulting and Implementation	0.1	0.1	23	0.4
Industry Solutions	-	0.1	-	0.4
Product Development Services	-	-	-	-
Support Functions and Global Management	0.1	0.5	-80	0.8
<b>Group total</b>	<b>2.2</b>	<b>2.7</b>	<b>-19</b>	<b>10.6</b>

## Net working capital in the statement of financial position

EUR million	2019 31 Mar	2018 31 Mar	Change %	2018 31 Dec
Trade receivables	320.8	320.7	0	294.9
Other working capital receivables	117.2	118.6	-1	102.8
<b>Working capital receivables included in assets</b>	<b>438.0</b>	<b>439.2</b>	<b>0</b>	<b>397.7</b>
Trade payables	96.4	111.6	-14	101.5
Personnel related accruals	159.9	168.5	-5	140.9
Provisions	10.6	10.2	3	10.8
Other working capital liabilities	117.1	123.2	-5	93.5
<b>Working capital liabilities included in liabilities</b>	<b>384.0</b>	<b>413.6</b>	<b>-7</b>	<b>346.7</b>
<b>Net working capital in the statement of financial position</b>	<b>54.0</b>	<b>25.7</b>	<b>&gt; 100</b>	<b>51.0</b>

## Derivatives

### Nominal amounts of derivatives

Includes the gross amount of all nominal values for contracts that have not yet been settled or closed. The amount of nominal value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by other contracts.

EUR million	2019 31 Mar	2018 31 Dec
Foreign exchange forward contracts	228.9	170.0

### Fair values of derivatives

The net fair values of derivative financial instruments at the end of the reporting period	2019 31 Mar	2018 31 Dec
Foreign exchange forward contracts	3.6	2.2

Derivatives are used for economic hedging purposes only.

Gross positive fair values of derivatives	2019 31 Mar	2018 31 Dec
Foreign exchange forward contracts	4.0	2.6

Gross negative fair values of derivatives	2019 31 Mar	2018 31 Dec
Foreign exchange forward contracts	-0.4	-0.4

Foreign exchange derivatives' fair values are calculated according to foreign exchange and interest rates on the closing date.

### Fair value measurement of financial assets and liabilities

There have been no changes in fair value methodology and input levels: foreign exchange forward contracts are valued based on Level 2 inputs and Other financial assets at fair value through profit or loss' (EUR 0.5 million on 31 Mar 2019) fair value measurement is based on their initial value. The fair market value cannot be reliably estimated, due to lack of proper market for the assets.

Trade receivables sold under non-recourse factoring agreements (EUR 1.6 million on 31 Mar 2019) are classified as Financial assets at fair value through profit or loss. Group estimates that the carrying amount approximates the fair value due to their short-term nature.

## Commitments and contingencies

EUR million	2019 31 Mar	2018 31 Dec
For Tieto obligations		
Guarantees <sup>1)</sup>		
Performance guarantees	26.3	26.5
Lease guarantees	8.1	8.1
Other	1.2	0.8
Other Tieto obligations		
Rent commitments due in one year	-	39.6
Rent commitments due in 1–5 years	-	113.7
Rent commitments due after 5 years	-	8.3
Operating lease commitments due in one year	-	8.8
Operating lease commitments due in 1–5 years	-	11.6
Operating lease commitments due after 5 years	-	0.0
Commitments to purchase assets	5.0	5.3
Other	5.1	0.8

<sup>1)</sup> In addition, commitments of EUR 8.2 (8.0) million related to liabilities in the consolidated statement of financial position.

## Number of shares

	2019 1–3	2018 1–3	2018 1–12
<b>Outstanding shares, end of period</b>			
Basic	73 937 007	73 826 349	73 826 349
Effect of dilutive share-based incentive plans	133 930	45 810	189 324
Diluted	74 070 937	73 872 159	74 015 673
<b>Outstanding shares, average</b>			
Basic	73 848 481	73 742 594	73 809 855
Effect of dilutive share-based incentive plans	133 930	45 810	189 324
Diluted	73 982 411	73 788 404	73 999 179
<b>Company's possession of its own shares</b>			
End of period	172 245	282 903	282 903
Average	260 771	366 658	303 555



## Key figures

	2019 1-3	2018 1-3	2018 1-12
Earnings per share, EUR			
Basic	0.37	0.41	1.67
Diluted	0.37	0.41	1.66
Equity per share, EUR	5.44	5.29	6.54
Return on equity, 12-month rolling, %	30.4	30.7	25.7
Return on capital employed, 12-month rolling, %	22.3	29.2	20.9
Equity ratio, %	29.7	36.3	41.3
Interest-bearing net debt, EUR million	273.2	100.7	137.4
Gearing, %	67.9	25.8	28.5
Capital expenditure, EUR million	9.4	8.2	45.0
Acquisitions, EUR million	0.7	6.2	14.5

## Quarterly figures

### Key figures

	2019 1-3	2018 10-12	2018 7-9	2018 4-6	2018 1-3
Earnings per share, EUR					
Basic	0.37	0.48	0.45	0.33	0.41
Diluted	0.37	0.48	0.45	0.33	0.41
Equity per share, EUR	5.44	6.54	6.03	5.55	5.29
Return on equity, 12-month rolling, %	30.4	25.7	27.8	30.5	30.7
Return on capital employed, 12-month rolling, %	22.3	20.9	23.5	24.1	29.2
Equity ratio, %	29.7	41.3	41.9	38.2	36.3
Interest-bearing net debt, EUR million	273.2	137.4	199.7	209.2	100.7
Gearing, %	67.9	28.5	44.8	51.1	25.8
Capital expenditure, EUR million	9.4	16.7	8.7	11.4	8.2
Acquisitions, EUR million	0.7	4.3	-	4.0	6.2

### Income statement

EUR million	2019 1-3	2018 10-12	2018 7-9	2018 4-6	2018 1-3
Net sales	408.4	421.9	367.1	404.1	406.3
Other operating income	5.5	8.0	3.3	3.5	7.2
Materials and services	-59.1	-67.2	-57.3	-63.3	-60.1
Employee benefit expenses	-241.3	-239.7	-199.6	-231.5	-234.2
Depreciation, amortization and impairment losses	-24.2	-15.9	-13.0	-15.2	-13.8
Other operating expenses	-54.0	-63.7	-61.2	-67.7	-69.2
Share of results in joint ventures	1.4	2.4	1.1	1.3	1.0
Operating profit (EBIT)	36.8	45.7	40.4	31.3	37.3
Financial income and expenses	-2.7	-0.8	0.3	-0.6	-0.7
Profit before taxes	34.1	44.8	40.7	30.6	36.7
Income taxes	-6.9	-9.2	-7.7	-5.9	-6.8
<b>Net profit for the period</b>	<b>27.1</b>	<b>35.6</b>	<b>33.0</b>	<b>24.7</b>	<b>29.9</b>

## Statement of financial position

EUR million	2019 31 Mar	2018 31 Dec	2018 30 Sep	2018 30 Jun	2018 31 Mar
Goodwill	442.4	442.6	439.7	437.5	437.4
Other intangible assets	45.4	45.6	43.2	43.7	46.1
Property, plant and equipment	87.4	92.3	88.9	90.4	92.2
Right-of-use assets	156.7	-	-	-	-
Interests in joint ventures	15.3	16.0	16.5	15.4	14.2
Other non-current assets	43.7	45.7	46.9	41.5	44.3
Total non-current assets	790.9	642.3	635.3	628.5	634.2
Trade receivables and other current assets	434.9	390.7	413.5	418.3	444.0
Cash and cash equivalents	186.3	164.6	51.0	67.4	53.9
Total current assets	621.3	555.3	464.5	485.7	497.9
<b>Total assets</b>	<b>1 412.2</b>	<b>1 197.6</b>	<b>1 099.8</b>	<b>1 114.3</b>	<b>1 132.1</b>
Total equity	402.5	482.5	445.3	409.5	390.7
Non-current loans	298.7	185.5	100.7	1.7	101.7
Other non-current liabilities	50.9	54.5	54.1	54.7	55.0
Total non-current liabilities	349.6	240.0	154.8	56.5	156.8
Trade payables and other current liabilities	489.2	349.0	341.2	364.8	521.1
Provisions	8.3	7.4	6.2	5.9	7.8
Current loans	162.6	118.6	152.3	277.6	55.7
Total current liabilities	660.1	475.0	499.7	648.3	584.6
<b>Total equity and liabilities</b>	<b>1 412.2</b>	<b>1 197.6</b>	<b>1 099.8</b>	<b>1 114.3</b>	<b>1 132.1</b>

## Statement of cash flows

EUR million	2019 1-3	2018 10-12	2018 7-9	2018 4-6	2018 1-3
Cash flow from operating activities					
Net profit for the period	27.1	35.6	33.0	24.7	29.9
Adjustments	32.5	21.9	16.9	19.9	19.5
Change in net working capital	-2.8	25.9	-24.7	-22.4	18.0
Cash generated from operating activities before interests and taxes	56.9	83.6	25.2	22.2	67.5
Net financial expenses paid	-3.5	0.3	-1.1	-3.0	-2.3
Dividends received	2.2	-	0.0	0.0	3.2
Income taxes paid	-12.4	-2.2	-5.4	-6.9	-6.9
<b>Cash flow from operating activities</b>	<b>43.3</b>	<b>81.7</b>	<b>18.7</b>	<b>12.3</b>	<b>61.5</b>
<b>Cash flow from investing activities</b>	<b>-9.5</b>	<b>-20.2</b>	<b>-7.8</b>	<b>-13.6</b>	<b>-7.6</b>
<b>Cash flow from financing activities</b>	<b>-12.9</b>	<b>50.9</b>	<b>-25.4</b>	<b>14.3</b>	<b>-81.0</b>
<b>Change in cash and cash equivalents</b>	<b>20.9</b>	<b>112.4</b>	<b>-14.5</b>	<b>13.0</b>	<b>-27.1</b>
Cash and cash equivalents at the beginning of period	164.6	51.0	67.4	53.9	78.2
Foreign exchange differences	0.9	1.3	-1.9	0.5	2.8
Change in cash and cash equivalents	20.9	112.4	-14.5	13.0	-27.1
<b>Cash and cash equivalents at the end of period</b>	<b>186.3</b>	<b>164.6</b>	<b>51.0</b>	<b>67.4</b>	<b>53.9</b>

## Quarterly figures by segments

### Customer sales by service line

EUR million	2019 1-3	2018 10-12	2018 7-9	2018 4-6	2018 1-3
Technology Services and Modernization	187.3	190.3	173.4	186.8	189.5
Business Consulting and Implementation	65.0	66.6	51.5	64.3	62.1
Industry Solutions	119.4	128.7	110.1	119.4	120.7
Product Development Services	36.8	36.2	31.9	33.7	34.0
<b>Group total</b>	<b>408.4</b>	<b>421.9</b>	<b>367.1</b>	<b>404.1</b>	<b>406.3</b>

### Customer sales by industry group

EUR million	2019 1-3	2018 10-12	2018 7-9	2018 4-6	2018 1-3
Financial Services	91.4	97.7	88.2	95.3	96.4
Public, Healthcare and Welfare	139.2	144.0	120.8	133.2	132.9
Industrial and Consumer Services	141.2	143.9	126.2	141.9	143.0
Product Development Services	36.8	36.2	31.9	33.7	34.0
<b>Group total</b>	<b>408.4</b>	<b>421.9</b>	<b>367.1</b>	<b>404.1</b>	<b>406.3</b>

### Operating profit (EBIT) by service line

EUR million	2019 1-3	2018 10-12	2018 7-9	2018 4-6	2018 1-3
Technology Services and Modernization	18.6	20.6	23.5	20.7	20.7
Business Consulting and Implementation	5.6	5.1	1.6	7.1	5.3
Industry Solutions	13.1	22.9	15.7	5.0	10.9
Product Development Services	4.5	3.6	3.1	2.9	4.3
Support Functions and Global Management	-5.0	-6.4	-3.5	-4.4	-3.8
<b>Operating profit (EBIT)</b>	<b>36.8</b>	<b>45.7</b>	<b>40.4</b>	<b>31.3</b>	<b>37.3</b>

### Operating margin (EBIT) by service line

%	2019 1-3	2018 10-12	2018 7-9	2018 4-6	2018 1-3
Technology Services and Modernization	9.9	10.8	13.6	11.1	10.9
Business Consulting and Implementation	8.7	7.6	3.1	11.0	8.5
Industry Solutions	10.9	17.8	14.2	4.2	9.0
Product Development Services	12.3	9.9	9.7	8.7	12.7
<b>Operating margin (EBIT)</b>	<b>9.0</b>	<b>10.8</b>	<b>11.0</b>	<b>7.7</b>	<b>9.2</b>

## Adjusted operating profit (EBIT) by service line

EUR million	2019 1-3	2018 10-12	2018 7-9	2018 4-6	2018 1-3
Technology Services and Modernization	19.5	24.8	24.0	22.9	20.8
Business Consulting and Implementation	6.8	5.9	1.9	6.7	5.8
Industry Solutions	13.3	21.1	16.7	6.8	9.9
Product Development Services	4.5	3.7	3.2	2.9	4.3
Support Functions and Global Management	-3.1	-4.5	-2.7	-3.2	-3.0
<b>Adjusted operating profit (EBIT)</b>	<b>40.9</b>	<b>51.0</b>	<b>43.0</b>	<b>36.2</b>	<b>37.9</b>

## Adjusted operating margin (EBIT) by service line

%	2019 1-3	2018 10-12	2018 7-9	2018 4-6	2018 1-3
Technology Services and Modernization	10.4	13.0	13.8	12.3	11.0
Business Consulting and Implementation	10.4	8.8	3.6	10.4	9.4
Industry Solutions	11.1	16.4	15.2	5.7	8.2
Product Development Services	12.3	10.1	9.9	8.7	12.7
<b>Adjusted operating margin (EBIT)</b>	<b>10.0</b>	<b>12.1</b>	<b>11.7</b>	<b>9.0</b>	<b>9.3</b>

## Major shareholders on 31 March 2019

	Shares	%
1 Cevian Capital	11 004 295	14.8
2 Solidium	7 415 418	10.0
3 Silchester International Investors <sup>1)</sup>	7 401 027	10.0
4 Swedbank Robur fonder	1 950 019	2.6
5 Ilmarinen Mutual Pension Insurance Company	1 471 095	2.0
6 Elo Mutual Pension Insurance Company	893 000	1.2
7 The State Pension Fund of Finland	723 000	1.0
8 The Society of Swedish Literature in Finland	636 345	0.9
9 Åbo Akademi University Foundation	441 558	0.6
10 OP Life Assurance Company	346 540	0.5
<b>Top 10 shareholders total</b>	<b>32 282 297</b>	<b>43.6</b>
- of which nominee registered	7 401 027	10.0
Nominee registered other	30 241 466	40.8
Others	11 585 489	15.6
<b>Total</b>	<b>74 109 252</b>	<b>100.0</b>

Based on the ownership records of Euroclear Finland Oy and Euroclear Sweden AB.

<sup>1)</sup> On 23 June 2015, Silchester International Investors LLP announced that its holding in Tieto Corporation was 7 401 027 shares, which represents 10.0% of the shares and voting rights.

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**A teleconference for analysts and media** will be held on Thursday 25 April 2019 at **10.00 am EET** (9.00 am CET, 8.00 am UK time). Kimmo Alkio, President and CEO, and Tomi Hyryläinen, CFO, will present the results online in English. **The presentation** can be followed on **Tieto's website**, for which attendees need Adobe Flash plugin version 10.1.0 or newer. The teleconference details can be found below. [🔗](#)

#### Teleconference numbers

Finland: +358 (0)9 7479 0361  
Sweden: +46 (0)8 5033 6574  
UK: +44 (0)330 336 9125  
US: +1 323 794 2093  
Conference code: 8080410

To ensure that you are connected to the conference call, please dial in a few minutes before the start of the press and analyst conference. The teleconference is recorded and it will be available on demand later during the day.

Tieto publishes its financial information in English and Finnish.

#### TIETO CORPORATION

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**Tieto** aims to capture the significant opportunities of the data-driven world and turn them into lifelong value for people, business and society. We aim to be customers' first choice for business renewal by combining our software and services capabilities with a strong drive for co-innovation and ecosystems.

Headquartered in Finland, Tieto has around 15 000 experts in close to 20 countries. Tieto's turnover is approximately EUR 1.6 billion and shares listed on NASDAQ in Helsinki and Stockholm.

[www.tieto.com](http://www.tieto.com). [🔗](#)

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