



# Tecnotree

## H1 2025 Results

6<sup>th</sup> August 2025

# Presenters and Agenda



**Padma Ravichander**  
CEO



**Indiresht Vivekananda**  
CFO

- 1 CEO Review
- 2 H1 Financial Review and Highlights
- 3 Q&A

# Tecnotree's Expanding Global Footprint



A Finnish listed company with **12 locations worldwide**. Registered in 1978 and bringing **45+ years of deep domain experience** to the new digital age of telecommunications. Follow-the-sun delivery approach with 24x7 Delivery & Customer support Team spread in **32 Locations worldwide**

**1.3 Bn+**

Subscribers

**80+%**

Employees TM Forum  
Certified

**59+**

Open API Conformance  
with Diamond Badge

**90+**

Service Providers

**4,500+**

Product Features  
Delivered

**300+**

Prebuilt Journeys Across  
Order to Cash & Care

**75+**

Countries with  
Product Deployments

**40+**

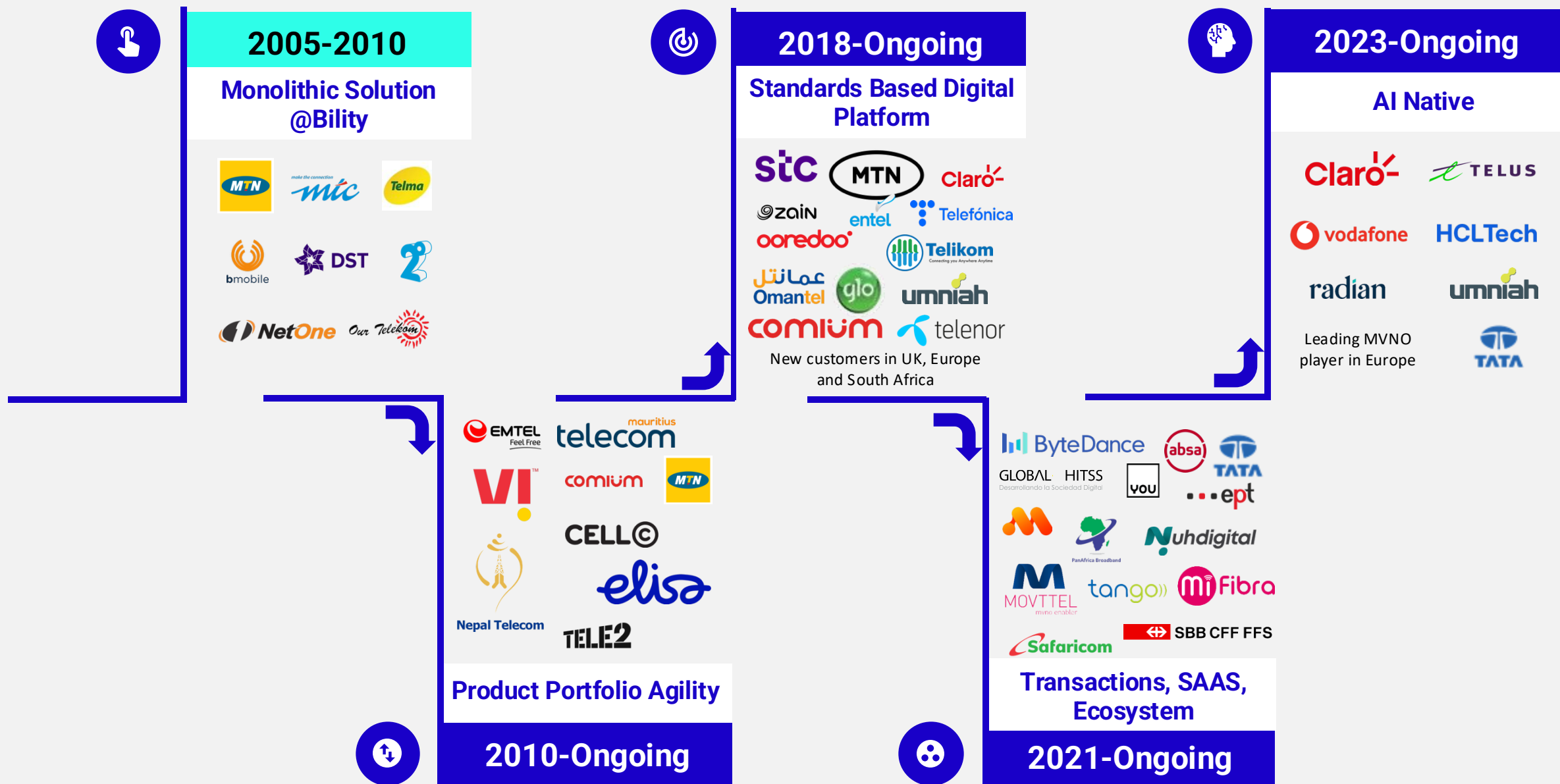
Product Lines/LOB  
Supported

**137+**

Patents in AIML across AI  
composition, AI orchestration,  
Hyper-personalization,



# Tecnotree's Portfolio Evolution



# Results H1 2025 – Key Metrics (1/2)

H1 YoY%



Free Cash Flow

2025: € 2.1 Mn  
2024: € -3.9 Mn

**+ € 6 Mn**

Revenue in Constant  
Currency

2025: € 35.9 Mn  
2024: € 34.9 Mn

**+2.7%**

Revenue

2025: € 34.2 Mn  
2024: € 34.9 Mn

**-2.1%**

EBIT in Constant  
Currency

2025 : € 10.6 Mn  
2024 : € 8.0 Mn

**+32.5%**

EBIT

2025 : € 9.6 Mn  
2024 : € 8.0 Mn

**+20.6%**

# Results H1 2025 – Key Metrics (2/2)

H1 YoY%



**Capex/Sales**

2025 : 14%  
2024 : 21%

**-7%**

**ARR**

2025: € 14.2 Mn  
2024: € 15 Mn

**-5%**

**DSO Days**

2025 : 174  
2024 : 170

**2%**

**Order Backlog**

2025 : € 105.7 Mn  
2024 : € 72.6 Mn

**46%**

# H1 2025 Go Lives and Recognitions



## Key Deals

1. BSS Deal with Customer in UK and European countries

2. European customer in Netherlands

3. Tier 1 customer in South Africa



## 10 Go-Lives



BAHRAIN – Phase 1



Campaign Manager



DAP for fiber business



- Postpaid
- Dealer app
- B2C



- Ivory coast
- Nigeria
- South Africa - COE

## Achievements

- € 2.1Mn FCF IN H1
- 695 Features delivered
- BSS Stack entry in Europe
- MVNX Stack and Cloud BSS – Growth

## Key Customers contributing to ARR



## Recognitions

### Ookla Award



Telecom Solutions Provider of the Year – UAE for the Emtel Transformation



### 3 Hype Cycles –

- Enterprise Communication Services
- Operations and Automation
- Customer experience and monetization

### 3 Market guides -

- B2B Digital Marketplace Solutions
- Revenue Management & Monetization Solutions
- Customer Management & Experience solutions



we are finalists



Leader in IDC MarketScape for Worldwide CX Platforms for Telecommunications 2025

# H1 25 – Revenue Update & Guidance

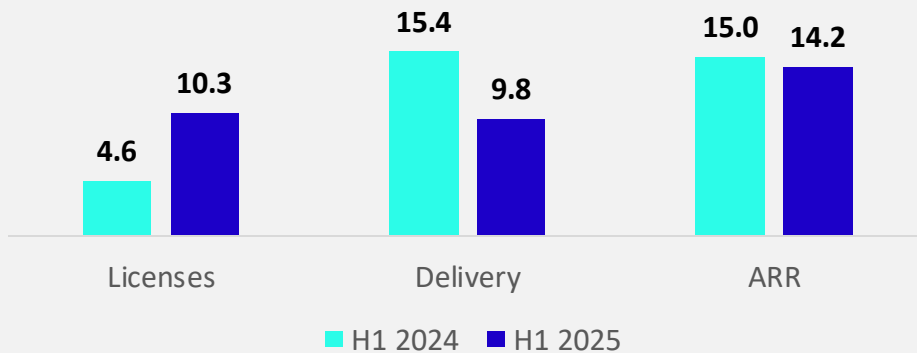


Raised 2025 Guidance: Low to High single digit % growth in constant currency

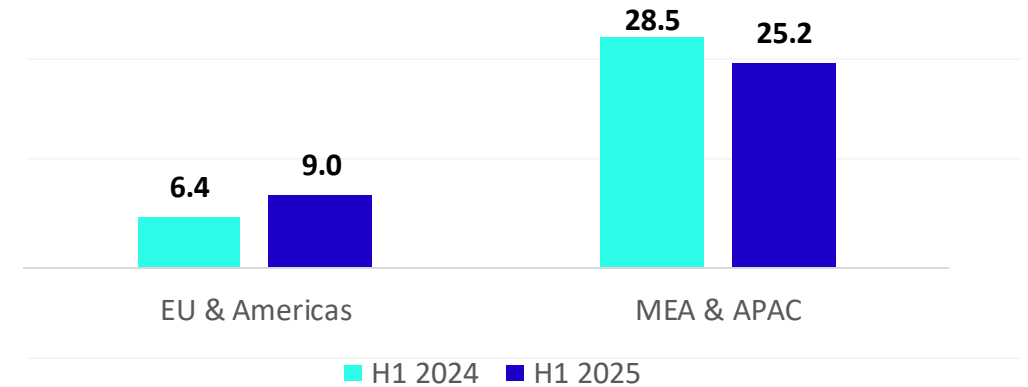
## 2025 H1

- € 34.2 Mn in real terms and € 35.9 Mn in constant currency (+2.7% YoY)
- FX headwind due to weakening Dollar against Euro
- H1 focus on licenses to increase ARR potential through 2025-2026
- Strategic focus shift into mature markets
- Record Order Book paving path to achieve revenue guidance

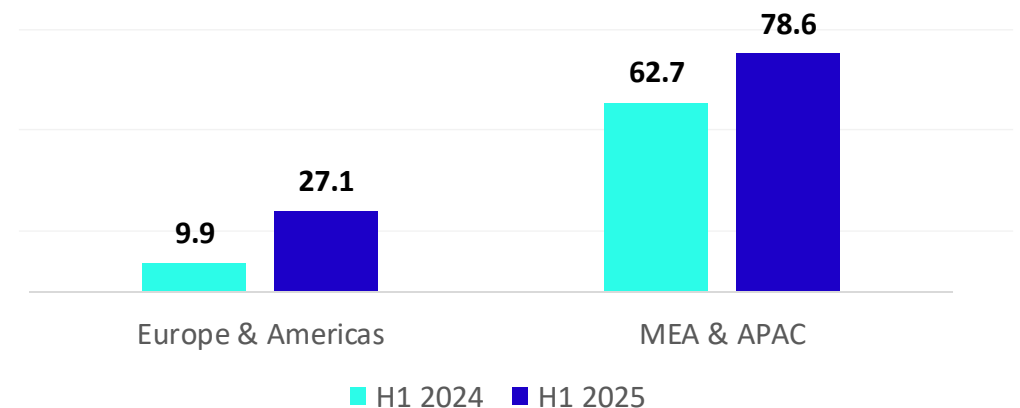
## H1 2025 vs 2024 Revenue by Type



## H1 2025 vs 2024 Revenue by Region



## H1 2025 vs 2024 OBL by Region



# H1 2025 EBIT Update and Guidance



- 2025 Guidance: EBIT Margin Improvement of 200 basis points on track
- Capex to Sales at 10-12% by 2025

## H1 EBIT Update

- EBIT growth on track to achieve guidance
  - Operating result of € 9.6 Mn (€ 8.0 Mn) +20.6% YoY
  - Operating margin of 28.0% (22.8%).
- Capex/Sales reduced by 7 percentage points (14% from 21% H1 YoY)

## 2025 EBIT Strategy

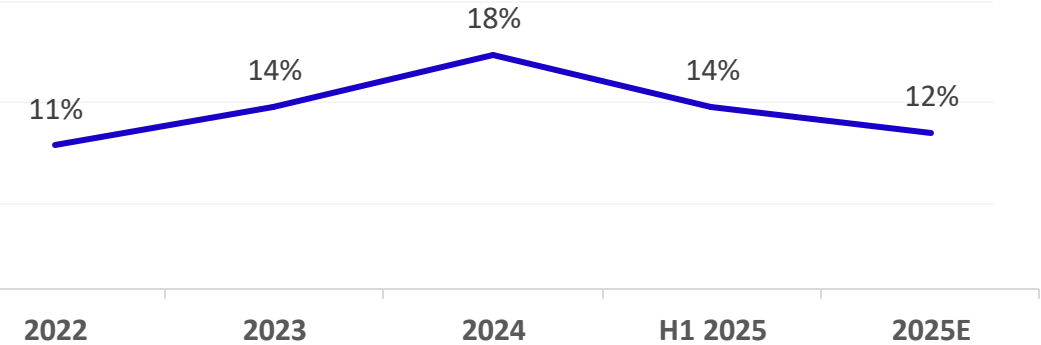
- Expanded revenue growth guidance – low to high single digit growth
- OpEx reduction commenced in 2024 to continue–reviewed Q-o-Q
- Increased use of AI to boost engineering delivery capability and efficiency
- Mature product stack with 4,500+ features to yield higher EBIT margins
- Capex expected at ~ € 9 Mn in 2025 (€ 13 Mn in 2024) –within guidance to reach 12% capex/sales

## EBIT Margin Evolution

H1 2025	FY 2025e Guidance
+520bp (28% in H1 2025 vs 22.8% in H1 2024)	+200bp

EBIT Margin of 33% in 2024 and EBIT Margin forecast of 35% in 2025

## Capex/Sales Trends



# H1 2025 Free Cash Flow (FCF) Update



2025 FY Guidance: Greater than € 4 Mn in FCF

## 2025 FCF Status

- Five consecutive quarters of positive FCF
- H1 25 FCF € 2.1 Mn despite € 4 Mn FX losses

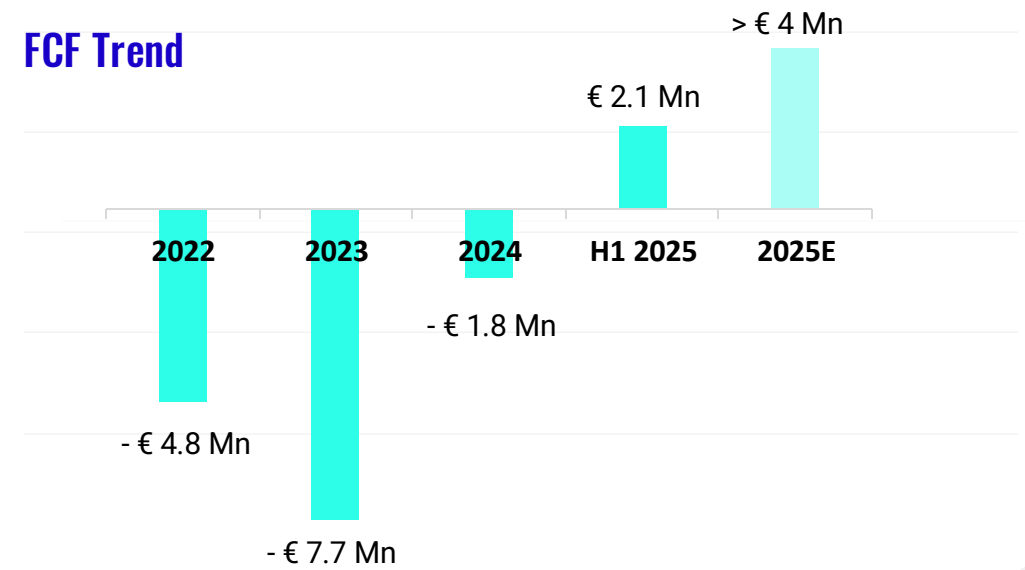
## 2025 FCF Drivers

- Revenue growth driven by entry to developed markets
- Timely OpEx cuts in 2024 with benefits realized in 2025
- Structurally improved business model with focus on ARR
- Pivot towards more AI driven efficient execution to scale growth
- Financial discipline and operational rigour for collections

## FCF 2025

H1 2024	H1 2025	2025 FCF Target
-3.9	2.1	>4

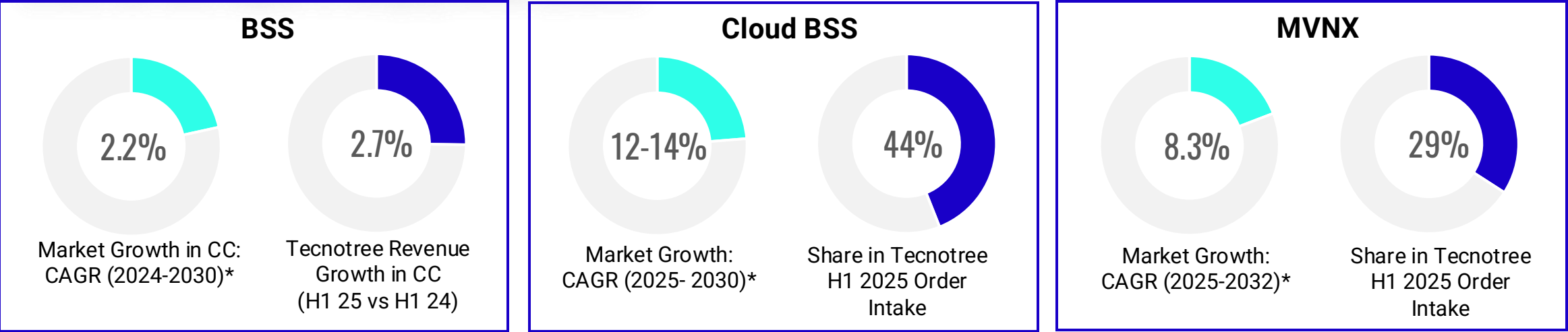
## FCF Trend



# Tecnotree strategically poised to grow

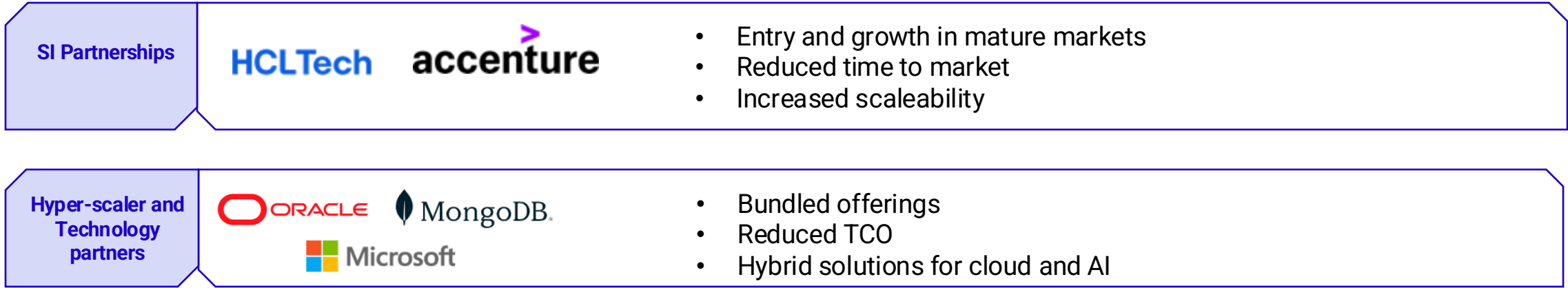


## Growth and focus aligned to changing market dynamics



\*Source: 1) Gartner 2025, 2) [Mordor intelligence](#), [Reanin](#), [skyquest](#), [cognitivemarketresearch](#) , 3) [Fortune Business Insights](#)

## Partner-led strategy for mature markets



# Guidance 2025



Guidance for 2025 is a continuation of our strategy to drive higher returns and more FCF (free cashflow) for our shareholders

## Revenues

Constant Currency 2025



**Revised:**

**Low to high single digit % growth**

Originally: Low to mid-single digit % growth

## EBIT Margin



**Margin growth of + 200 basis points (2%)**

## Free Cashflow 2025



**Greater than € 4 Mn**

## Existing Financial Guidance for 2025

### Receivables Days

Target 2025+



**100-140**

### Capex: Sales %

Target 2025+



**10-12%**

### Dividend Payout Policy

of FCF



**10%**

### FX

**Reduce exposure to  
frontier country FX  
risk to 10-15% in 3  
years**

Tecnotree

# CFO Update

Indiresh Vivekananda

# H1 2025 – Summary Financial Performance



- Operating margin 28.0% (22.8%)
- Net sales in constant currency increased 2.7% to € 35.9 Mn
- Exchange rate losses in the financial items € 4.0 Mn (-2.5)
- Free cash flow € 2.1 Mn (-3.9)
- Order backlog increased 45%

EUR million	H1/25	H1/24	H1/23	H1/22
<b>Net sales</b>	<b>34.2</b>	<b>34.9</b>	<b>34.8</b>	<b>31.6</b>
<i>Change YoY%</i>	-2%	+0%	+10%	+9%
<b>EBIT</b>	<b>9.6</b>	<b>8.0</b>	<b>9.8</b>	<b>7.1</b>
<i>Change YoY%</i>	+21%	-19%	+39%	-33%
Financial items	-5.2	-3.0	-2.9	0.3
Taxes	-1.8	-1.2	-1.4	-2.5
<b>Net income</b>	<b>2.6</b>	<b>3.7</b>	<b>5.5</b>	<b>5.0</b>
<i>Change YoY%</i>	-30%	-33%	+10%	-36%
<b>SCIF</b>	<b>30.8</b>	<b>26.1</b>	<b>31.5</b>	<b>26.0</b>
<i>Change YoY%</i>	+18%	-3%	+21%	8%
<b>Orders received</b>	<b>74.0</b>	<b>23.4</b>	<b>32.1</b>	<b>45.9</b>
<i>Change YoY%</i>	+215%	-27%	-30%	-9%
<b>Order backlog</b>	<b>105.7</b>	<b>72.6</b>	<b>68.4</b>	<b>72.8</b>
<i>Change YoY%</i>	+46%	+6%	-6%	32%
<b>EPS</b>	<b>0.15</b>	<b>0.22</b>	<b>0.02</b>	<b>0.02</b>

# Q2 2025 – Summary Financial Performance



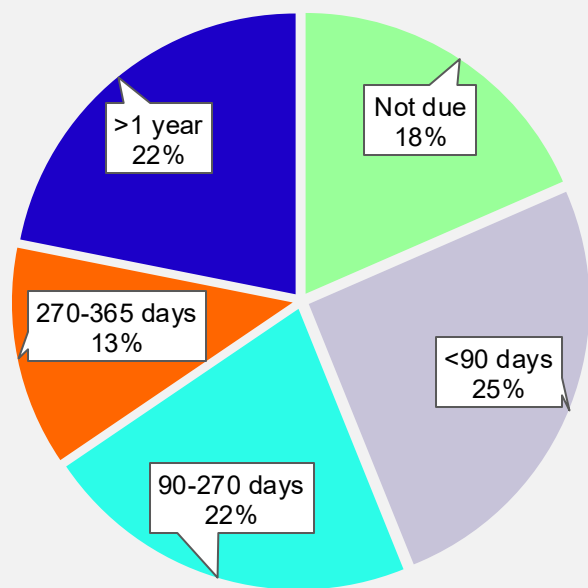
- Operating margin 29.2% (18.8%)
- Net sales in constant currency increased 0.7% to € 18.8 Mn
- Exchange rate losses in the financial items € 2.7 Mn (-0.8)
- Free cash flow € 1.1 Mn (0.8)

EUR million	Q2/25	Q2/24	Q2/23	Q2/22
<b>Net sales</b>	<b>17.3</b>	<b>18.7</b>	<b>19.3</b>	<b>18.3</b>
<i>Change YoY%</i>	-7%	-3%	+5%	+10%
<b>EBIT</b>	<b>5.1</b>	<b>3.5</b>	<b>6.2</b>	<b>5.1</b>
<i>Change YoY%</i>	+44%	-44%	+22%	-33%
Financial items	-3.0	-0.7	-1.9	0.7
Taxes	-1.0	-0.8	-1.2	-1.9
<b>Net income</b>	<b>1.0</b>	<b>2.1</b>	<b>3.7</b>	<b>4.0</b>
<i>Change YoY%</i>	-49%	-44%	-8%	-25%
<b>SCIF</b>	<b>16.4</b>	<b>16.6</b>	<b>17.1</b>	<b>15.2</b>
<i>Change YoY%</i>	-1%	-3%	+13%	24%
<b>Orders received</b>	<b>62.4</b>	<b>13.4</b>	<b>20.3</b>	<b>25.2</b>
<i>Change YoY%</i>	365%	-34%	-19%	4%
<b>Order backlog</b>	<b>105.0</b>	<b>72.6</b>	<b>68.4</b>	<b>72.8</b>
<i>Change YoY%</i>	+45%	+6%	-6%	32%
<b>EPS</b>	<b>0.06</b>	<b>0.12</b>	<b>0.01</b>	<b>0.02</b>

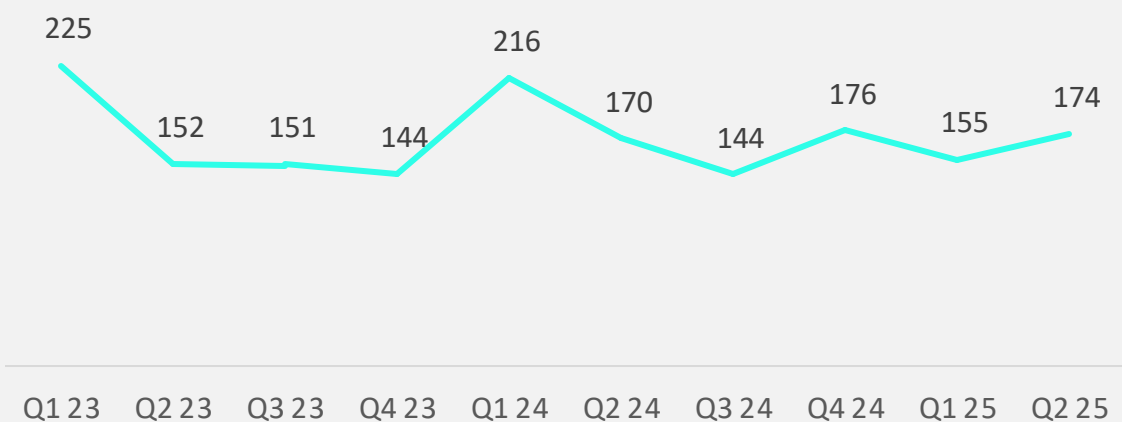
# H1 25 – Ongoing effort to reduce DSO days



**H1 2025 Receivables € 35.9 Mn**  
(€ 3.1 Mn is provided for)



**DSO Days**



# 2025 Currency Risk

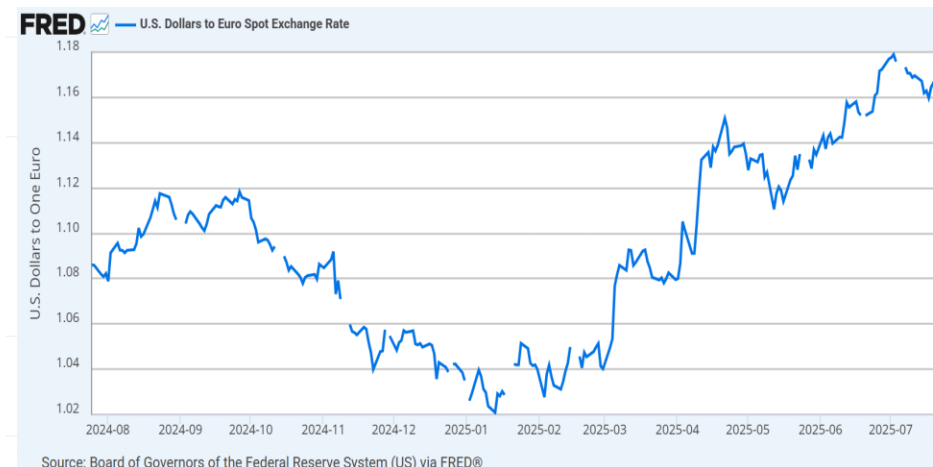
Guidance: Reduce exposure to frontier country FX risk to 10-15% by 2027

## 2025 Status and Strategy

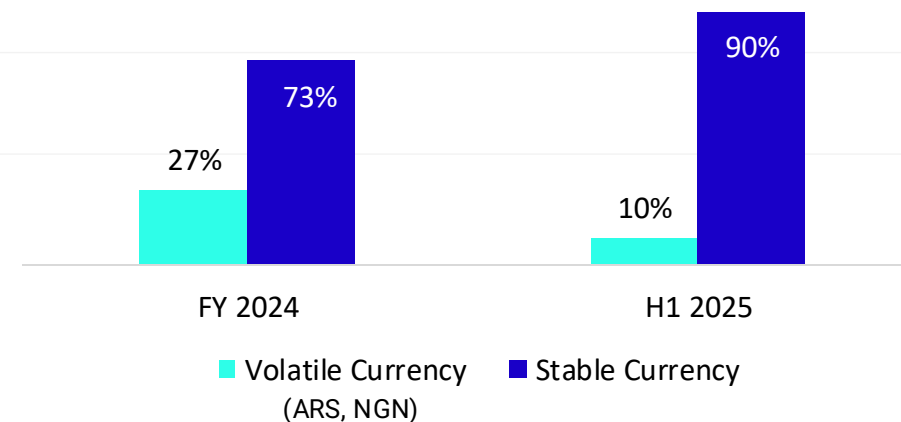
- € 4 Mn FX loss in H1 2025 due to headwind with 13% weakening of USD against EUR
- Exposure to frontier country FX risk reduced to 10% in H1 2025
- Growth in mature markets expected to reduce impact of currency risks over time
- Since quarter end, dollar has stabilized versus the Euro



## USD/EUR Trend 2024-25



## % of H1 Revenue In Volatile Currencies



# H1 2025 Balance Sheet



- Minor growth in intangible assets compared to year end 2024
- Trade and other receivables reduced by 9% compared to year end 2024
- Growth in cash and cash equivalents driven by free cash flow generated from operations
- Significant reduction in current liabilities

Consolidated balance sheet, EUR million	30.6.2025	30.6.2024	31.12.2024
Non-current assets			
Intangible assets	44.2	40.1	43.1
Tangible assets	0.1	0.3	0.1
Deferred tax assets	0.0	0.4	0.0
Other non-current trade and other receivables	2.0	2.2	2.2
Current assets			
Trade receivables	32.8	32.6	34.5
Other receivables	37.7	41.0	42.0
Cash and cash equivalents	19.1	16.8	16.8
<b>Assets total</b>	<b>136.0</b>	<b>133.5</b>	<b>138.9</b>
<b>Shareholders' equity</b>	<b>93.1</b>	87.6	92.6
Compulsory convertible debentures	23.1	23.1	23.1
Non-current liabilities			
Non-current interest-bearing liabilities	0.0	0.0	0.0
Other non-current liabilities	4.0	4.1	4.2
Current liabilities			
Current interest-bearing liabilities	5.3	4.7	3.9
Trade payables and other liabilities	10.4	14.1	15.1
<b>Equity and liabilities total</b>	<b>136.0</b>	<b>133.5</b>	<b>138.9</b>



- Order Book at Record High
- 5 Quarters of FCF and on Track to Meet FY Guidance of Greater Than € 4 Mn
- Cost Cutting Measures Last Year Paying Off, With Substantial Margin Improvement In H1 25
- Dollar Based Contracts Hurt By Dollar Weakness in H1
- Healthy Underlying Performance – Guidance on Target



# Q&A Session

# Tecnotree

# Thank You



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