Tecnotree

Tecnotree completes the global business rationalisation and personnel-related restructuring

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Following our global cost efficiency announcement on 28 March 2024, Tecnotree has concluded its personnel-related restructuring, which started on March 14, 2024, and ended on May 02, 2024. This restructuring project encompassed personnel in Finland, India, Middle East, and rationalising the non-telco resources in North America, and has resulted in a total reduction of 116 employees.

In North America, Tecnotree terminated its TrustStar product offering to the American mortgage market resulting in savings of EUR 1.5 million in sales, marketing, and infrastructure expenses. The AI-ML resources working on TrustStar have now been refocused to the telco BSS AI-ML activities globally. The TrustStar business was an incubation business within CognitiveScale and its closure does not have any impact on Tecnotree's revenue guidance.

Finally, Tecnotree is actively working on the in-sourcing of long-term contractors, in low-cost Jurisdictions near its customers. While this may result in increased headcount, it will impact opex positively by approximately EUR 200,000 in 2024.

The Opex impact of these efficiencies will result in cost savings of EUR 4.5 million in the year 2024 and further EUR 7 million in the year 2025.

The Company restates that this cost-cutting plan was in accordance with the guidance published by the Company on 22 February 2024.

"As our Digital Stack achieves maturity in the market, we have been able optimize our investments in R&D spend. We have also rationalized our business cost and operations in the United States of our TrustStar businesses. As the company seeks to grow in subscription driven economies of Middle-east, Europe and North America, the company will look to add opex , in those regions, subject to order wins. For existing markets and customers, the need of the hour is near shoring for effective agile delivery. This will further align our opex to where our revenues are earned." says Padma Ravichander, CEO Tecnotree OYJ.

Further information
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Tecnotree is a 5G-ready digital Business Support System (BSS) player, with AI/ML capabilities and multi-cloud extensibility. Tecnotree is as No.1 on the TM Forum Open API Conformance table with 59 Open APIs, and this is a result of our pursuit towards delivering excellence and consistently providing differentiated experiences and services to the CSPs and DSPs. Our agile and open-source Digital BSS Stack comprises the full range (order-to-cash) of business processes and subscription management for telecom and other digital services industries creating opportunities beyond connectivity. Tecnotree also provides Fintech and B2B2X multi-experience digital marketplace to its subscriber base through the Tecnotree Moments platform to empower digitally connected communities across gaming, health, education, OTT, and other vertical ecosystems. Tecnotree is listed on Helsinki Nasdaq (TEM1V).

For more information, please visit www.tecnotree.com or social media channels – LinkedIn I Facebook I Twitter