

Looking for signs of recovery in SBU

Detection Technology will report its Q1 result next Tuesday, April 27th, at 9:00 EET. As usual, we look forward to hearing the latest developments and outlook regarding the security, industrial and medical imaging markets. We expect DT to return to net sales and EBIT growth path this year, with the help of continued good performance in MBU and a recovery in SBU. We maintain our previous target price of €28.5 ahead of the earnings report, our recommendation is now HOLD (prev. BUY).

Light in the end of the SBU tunnel

In its Q4 report, DT was cautiously optimistic that SBU growth is turning a corner. SBU sales will still decrease in Q1 y/y, but start growing in Q2, although demand is still uncertain, as for example China's critical infrastructure and rail transport recovery projects have progressed slowly. MBU sales are expected to grow double digit in H1/2021. DT's total net sales are expected to decrease in Q1 and grow in H1 of 2021. We expect Q1 net sales to decline 4% to 19.2 MEUR (19.1 MEUR cons) and Q1 EBIT of 2.2 MEUR (1.9 MEUR cons).

SBU split into two separate segments: SBU and IBU (Industrial Solutions Business Unit)

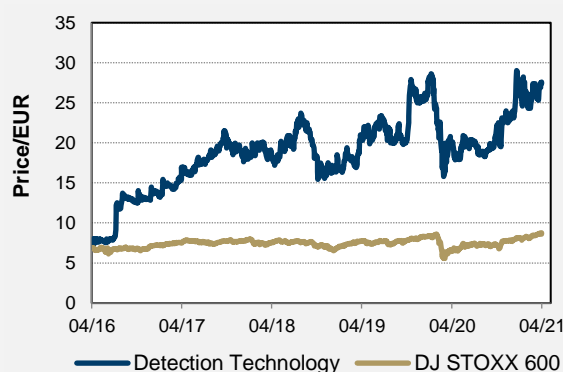
DT announced in conjunction with its Q4 result that it is splitting SBU into two separate business units to better boost both BU's development. The new SBU focuses solely on security application sales, while the newly launched Industrial Solutions Business Unit (IBU) focuses on the industrial segment. In 2020, IBU accounted for EUR 11.6m (27%) of SBU sales and 14% of total sales. As a result of the new segment, MBU currently represents the biggest segment with approximately 50% of sales thanks to strong momentum in MBU and pandemic headwinds in SBU. Industrial market is categorized as higher margin, but smaller volumes, a more fragmented customer base, and a variety of end applications. DT has said it aims to complement its industrial portfolio with software and algorithms. DT expects IBU sales to grow in H1. We have incorporated the new segment data with 2020 comparison figures into our models.

We maintain our previous target price of €28.5

Based on the new segment data, we have slightly calibrated our estimates upwards, but overall picture looks the same. We expect both net sales and EBIT growth to recover in 2021e with the help of continued good performance in MBU and a recovery in SBU. We maintain our previous target price of €28.5 ahead of the earnings report, our recommendation is now HOLD (prev. BUY).

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 27.60

Target price, EUR 28.5

Latest change in recommendation 20-Apr-21

Latest report on company

Research paid by issuer:

No. of shares outstanding, '000's 14,375

No. of shares fully diluted, '000's 14,875

Market cap, EURm 397

Free float, % 0.0

Exchange rate 0.000

Reuters code DETEC.HE

Bloomberg code DETEC FH

Average daily volume, EURm 0.0

Next interim report

Web site deetee.com/investors/

Analyst Jonas Forslund

E-mail jonas.forslund@evli.com

Telephone

■ BUY ■ HOLD ■ SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2019	102.5	17.0	16.6%	7.6	0.87	29.5	3.4	20.4	2.1	0.38
2020	81.6	8.7	10.7%	5.6	0.47	51.0	4.0	37.1	1.6	0.28
2021E	92.7	12.4	13.4%	6.5	0.68	40.7	4.0	30.2	1.6	0.38
2022E	107.0	17.1	16.0%	7.8	0.93	29.8	3.5	21.8	2.0	0.42
2023E	117.7	17.7	15.0%	8.8	0.95	29.0	3.1	20.9	2.2	0.48
Market cap, EURm		397	Gearing 2021E, %			-34.0	CAGR EPS 2020-23, %			26.6
Net debt 2021E, EURm		-22	Price/book 2021E			6.2	CAGR sales 2020-23, %			13.0
Enterprise value, EURm		375	Dividend yield 2021E, %			1.4	ROE 2021E, %			15.9
Total assets 2021E, EURm		84	Tax rate 2021E, %			20.0	ROCE 2021E, %			18.4
Goodwill 2021E, EURm		0	Equity ratio 2021E, %			77.0	PEG, P/E 21/CAGR			2.5

All the important disclosures can be found on the last pages of this report.

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1E	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	19.9	21.1	20.6	19.9	81.6	19.2	23.9	24.2	25.4	92.7	107.0	117.7
EBITDA	2.0	3.4	3.4	3.1	11.9	3.1	3.5	4.0	5.1	15.7	20.0	20.2
<i>EBITDA margin (%)</i>	<i>9.9</i>	<i>15.9</i>	<i>16.5</i>	<i>15.9</i>	<i>14.6</i>	<i>15.9</i>	<i>14.6</i>	<i>16.5</i>	<i>20.1</i>	<i>16.9</i>	<i>18.7</i>	<i>17.1</i>
EBIT	1.2	2.6	2.6	2.3	8.7	2.2	2.7	3.2	4.3	12.4	17.1	17.7
<i>EBIT margin (%)</i>	<i>6.0</i>	<i>12.3</i>	<i>12.6</i>	<i>11.8</i>	<i>10.7</i>	<i>11.5</i>	<i>11.3</i>	<i>13.2</i>	<i>16.9</i>	<i>13.4</i>	<i>16.0</i>	<i>15.0</i>
Net financial items	0.0	-0.3	-0.1	-0.1	-0.6	0.0	0.0	0.0	0.0	-0.2	-0.5	-0.6
Pre-tax profit	1.2	2.3	2.5	2.2	8.1	2.2	2.7	3.2	4.3	12.2	16.6	17.1
Tax	-0.2	-0.5	-0.8	0.1	-1.4	-0.4	-0.5	-0.6	-0.8	-2.4	-3.3	-3.4
<i>Tax rate (%)</i>	<i>20.0</i>	<i>21.6</i>	<i>31.5</i>	<i>-6.6</i>	<i>16.7</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.9	1.8	1.7	2.4	6.7	1.7	2.1	2.5	3.4	9.8	13.3	13.7
EPS	0.06	0.12	0.12	0.16	0.47	0.12	0.15	0.18	0.24	0.68	0.93	0.95
EPS adjusted (diluted no. of shares)	0.06	0.12	0.11	0.16	0.45	0.12	0.14	0.17	0.23	0.66	0.90	0.92
Dividend per share	0.00	0.00	0.00	0.00	0.28	0.00	0.00	0.00	0.00	0.38	0.42	0.48
SALES, EURm												
MBU	8.4	9.9	10.1	10.9	39.3	10.5	11.9	11.7	12.6	46.7	54.0	59.4
SBU	9.4	7.8	7.4	6.1	30.7	6.0	8.3	9.3	9.8	33.4	38.6	42.4
IBU	2.2	3.4	3.1	2.8	11.6	2.7	3.6	3.2	3.0	12.5	14.4	15.9
Total	19.9	21.1	20.6	19.9	81.6	19.2	23.9	24.2	25.4	92.7	107.0	117.7
SALES GROWTH, Y/Y %												
<i>MBU</i>	<i>-2.3</i>	<i>22.2</i>	<i>20.4</i>	<i>26.7</i>	<i>16.6</i>	<i>25.0</i>	<i>20.7</i>	<i>16.4</i>	<i>15.6</i>	<i>19.1</i>	<i>15.5</i>	<i>10.0</i>
<i>SBU</i>						<i>-35.9</i>	<i>7.2</i>	<i>25.0</i>	<i>59.9</i>	<i>8.9</i>	<i>15.3</i>	<i>10.0</i>
<i>IBU</i>						<i>23.6</i>	<i>4.5</i>	<i>2.0</i>	<i>6.0</i>	<i>7.8</i>	<i>15.4</i>	<i>10.0</i>
Total	-13.7	-23.1	-23.3	-20.6	-20.4	-3.7	13.1	17.3	27.9	13.7	15.4	10.0
EBIT, EURm												
Total	1.2	2.6	2.6	2.3	8.7	2.2	2.7	3.2	4.3	12.4	17.1	17.7
EBIT margin, %												
<i>Total</i>	<i>6.0</i>	<i>12.3</i>	<i>12.6</i>	<i>11.8</i>	<i>10.7</i>	<i>11.5</i>	<i>11.3</i>	<i>13.2</i>	<i>16.9</i>	<i>13.4</i>	<i>16.0</i>	<i>15.0</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	75.5	89.0	93.9	102.5	81.6	92.7	107.0	117.7
<i>Sales growth (%)</i>	<i>76.5</i>	<i>17.9</i>	<i>5.5</i>	<i>9.2</i>	<i>-20.4</i>	<i>13.7</i>	<i>15.4</i>	<i>10.0</i>
EBITDA	17.3	22.1	20.9	19.9	11.9	15.7	20.0	20.2
<i>EBITDA margin (%)</i>	<i>22.9</i>	<i>24.9</i>	<i>22.3</i>	<i>19.5</i>	<i>14.6</i>	<i>16.9</i>	<i>18.7</i>	<i>17.1</i>
Depreciation	-2.5	-2.2	-2.4	-2.9	-3.2	-3.2	-2.9	-2.5
EBITA	14.8	19.9	18.5	17.0	8.7	12.4	17.1	17.7
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	14.8	19.9	18.5	17.0	8.7	12.4	17.1	17.7
<i>EBIT margin (%)</i>	<i>19.6</i>	<i>22.4</i>	<i>19.7</i>	<i>16.6</i>	<i>10.7</i>	<i>13.4</i>	<i>16.0</i>	<i>15.0</i>
Reported EBIT	14.8	19.9	18.5	17.0	8.7	12.4	17.1	17.7
<i>EBIT margin (reported) (%)</i>	<i>19.6</i>	<i>22.4</i>	<i>19.7</i>	<i>16.6</i>	<i>10.7</i>	<i>13.4</i>	<i>16.0</i>	<i>15.0</i>
Net financials	-0.7	-0.5	-0.1	-1.0	-0.6	-0.2	-0.5	-0.6
Pre-tax profit	14.1	19.4	18.4	16.0	8.1	12.2	16.6	17.1
Taxes	-3.2	-4.2	-3.6	-3.6	-1.4	-2.4	-3.3	-3.4
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	10.9	15.2	14.9	12.5	6.7	9.8	13.3	13.7
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET, EURm								
Assets								
Fixed assets	6	6	9	10	10	9	10	11
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	0	0	0	0	0
Inventory	11	9	13	14	16	18	21	23
Receivables	22	21	27	27	25	28	32	35
Liquid funds	16	27	22	26	25	29	33	36
Total assets	54	62	71	77	76	84	96	105
Liabilities								
Shareholder's equity	31	42	51	58	58	64	72	80
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	7	5	4	6	6	7	9	9
Non-interest bearing current liabilities	14	15	15	12	11	12	14	16
Other interest-free debt	3	1	0	1	1	1	1	1
Total liabilities	54	62	71	77	76	84	96	105
CASH FLOW, EURm								
+ EBITDA	17	22	21	20	12	16	20	20
- Net financial items	8	11	0	-1	-1	0	0	-1
- Taxes	-1	-3	-5	-4	-1	-2	-3	-3
- Increase in Net Working Capital	-11	1	-10	-3	-1	-4	-5	-4
+/- Other	-9	-12	0	0	0	0	0	0
= Cash flow from operations	5	19	6	12	9	9	11	12
- Capex	-2	-2	-5	-4	-3	-2	-3	-3
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	3	17	1	8	6	7	8	9
+/- New issues/buybacks	0	-1	0	0	-1	0	0	0
- Paid dividend	-1	-3	-5	-5	-5	-4	-5	-6
+/- Other	6	-2	0	2	0	1	2	0
Change in cash	8	11	-4	4	-1	3	4	3

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	250	224	368	344	397	397	397
Net debt (excl. convertibles)	-22	-18	-20	-19	-22	-24	-27
Enterprise value	228	206	348	324	375	373	370
Sales	89	94	103	82	93	107	118
EBITDA	22	21	20	12	16	20	20
EBIT	20	19	17	9	12	17	18
Pre-tax	19	18	16	8	12	17	17
Earnings	15	15	12	7	10	13	14
Equity book value (excl. minorities)	42	51	58	58	64	72	80
Valuation multiples							
EV/sales	2.6	2.2	3.4	4.0	4.0	3.5	3.1
EV/EBITDA	10.3	9.8	17.4	27.3	24.0	18.6	18.3
EV/EBITA	11.5	11.1	20.4	37.1	30.2	21.8	20.9
EV/EBIT	11.5	11.1	20.4	37.1	30.2	21.8	20.9
EV/OCF	12.3	33.6	28.9	37.7	41.8	33.9	30.0
EV/FCFF	13.3	142.7	41.6	52.7	56.1	45.7	39.9
P/FCFE	14.9	162.4	48.5	61.1	60.9	51.1	44.9
P/E	16.5	15.1	29.5	51.0	40.7	29.8	29.0
P/B	6.0	4.4	6.3	5.9	6.2	5.5	5.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	24.8	19.3	19.0
Target EV/EBIT	0.0	0.0	0.0	0.0	31.3	22.5	21.7
Target EV/FCF	0.0	0.0	0.0	0.0	59.5	49.6	43.3
Target P/B	0.0	0.0	0.0	0.0	6.4	5.7	5.1
Target P/E	0.0	0.0	0.0	0.0	43.4	31.8	31.0
Per share measures							
Number of shares	13,901	14,375	14,375	14,375	14,375	14,375	14,375
Number of shares (diluted)	13,901	14,849	14,875	14,875	14,875	14,875	14,875
EPS	1.09	1.03	0.87	0.47	0.68	0.93	0.95
Operating cash flow per share	1.34	0.43	0.84	0.60	0.62	0.77	0.86
Free cash flow per share	1.21	0.10	0.53	0.39	0.45	0.54	0.61
Book value per share	3.00	3.57	4.06	4.06	4.46	5.01	5.54
Dividend per share	0.35	0.38	0.38	0.28	0.38	0.42	0.48
Dividend payout ratio, %	32.1	36.7	43.9	59.7	56.0	45.0	50.0
Dividend yield, %	1.9	2.4	1.5	1.0	1.4	1.5	1.7
FCF yield, %	6.7	0.6	2.1	1.6	1.6	2.0	2.2
Efficiency measures							
ROE	41.8	32.0	22.7	11.5	15.9	19.6	18.0
ROCE	47.4	36.4	28.5	13.6	18.4	22.5	20.8
Financial ratios							
Inventories as % of sales	9.6	14.2	13.8	19.5	19.5	19.5	19.5
Receivables as % of sales	24.1	28.4	25.9	30.1	30.1	30.1	30.1
Non-interest bearing liabilities as % of sales	16.8	16.4	12.1	13.4	13.4	13.4	13.4
NWC/sales, %	15.7	25.9	27.0	35.6	35.7	35.7	35.8
Operative CAPEX/sales, %	2.1	5.0	4.4	3.6	2.6	3.0	3.0
CAPEX/sales (incl. acquisitions), %	2.1	5.0	4.4	3.6	2.6	3.0	3.0
FCFF/EBITDA	0.8	0.1	0.4	0.5	0.4	0.4	0.5
Net debt/EBITDA, book-weighted	-1.0	-0.9	-1.0	-1.6	-1.4	-1.2	-1.3
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	67.5	73.0	76.6	77.9	77.0	75.7	76.1
Gearing, %	-52.3	-35.6	-34.9	-33.2	-34.0	-33.5	-33.8

COMPANY DESCRIPTION: Detection Technology is a global provider of off-the-shelf and customized X-ray imaging solutions for medical, security and industrial applications. DT's product portfolio ranges from photodiodes to complete detector systems with ASICs, electronics, mechanics and software. The company was established in 1991 and it listed on Nasdaq First North Finland in 2015. The company is headquartered in Finland and has volume production in Beijing, China. Detection Technology has over 500 employees in Finland, China, France and USA, serving 260 active customers in over 40 countries.

INVESTMENT CASE: Demand for Detection Technology's detector solutions is increasing due to expansion of healthcare to a wider share of population in the emerging economies, aging population, growth in travelling and freight transport, urbanization, increased security concerns and increasing need for X-ray imaging applications in industrial inspection. We see investment case attractive due to strong market drivers, especially in China, as well as DT's compelling strategy and execution capabilities, which should enable DT to grow faster than the market and maintain above target level margins. Due to its proximity to the fastest growing market China and inexpensive valuation, DT could be also become an acquisition target.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ac Invest Seven B.V.	5,205,167	143.663	36.2%
OP-Finland Value Fund	651,065	17.969	4.5%
Ilmarinen Mutual Pension Insurance Company	554,000	15.290	3.9%
Varma Mutual Pension Insurance Company	515,000	14.214	3.6%
Sijoitusrahasto Aktia Capital	484,762	13.379	3.4%
Fondita Nordic Micro Cap	390,000	10.764	2.7%
Evli Finnish Small Cap Fund	327,259	9.032	2.3%
Martola Hannu Veikko	322,875	8.911	2.2%
Saastopankki Kotimaa	200,000	5.520	1.4%
Ten largest	8,650,128	238.744	60%
Residual	5,725,302	158.018	40%
Total	14,375,430	396.762	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Hannu Martola

Elektroniikkatie 10, 90590 Oulu

CFO: Petri Hiljanen

Tel: +358 20 766 9700

IR: Johanna Tarkiainen

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

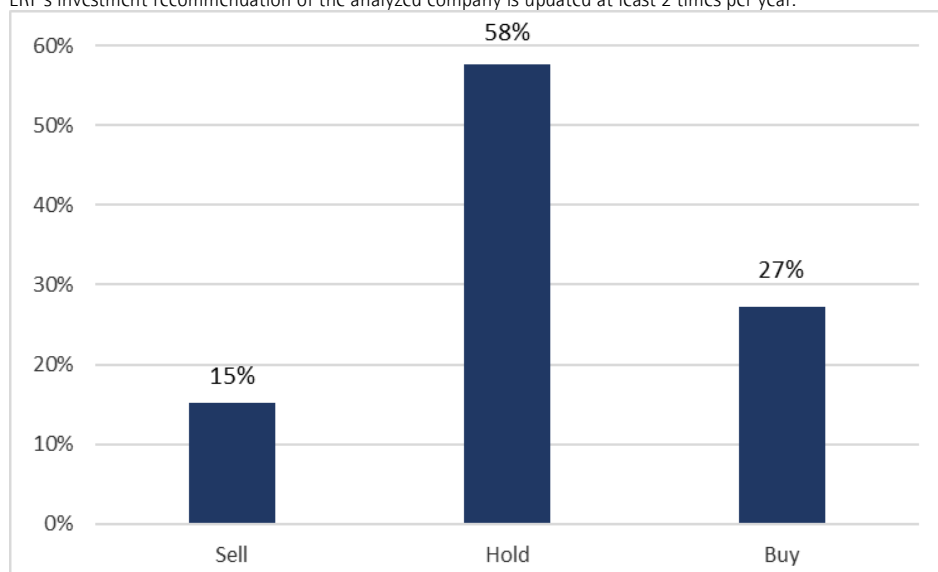
Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Forslund

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Bank Plc. Production of the investment recommendation has been concluded on 21.4.2021, 8:50. This report has been published on 21.4.2021, 8:50.

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

IF APPLICABLE: According to ERP's best knowledge, the issuer(s) of the securities hold(s) in excess of 5% of the total issued share capital of the issuer(s).

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Bank Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Bank Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli Bank is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Bank Plc is supervised by the Finnish Financial Supervision Authority.

Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

Trading

Lauri Vehkaluoto (Head)	+358 9 4766 9120
Pasi Väisänen	+358 9 4766 9120
Antti Kässi	+358 9 4766 9120
Miika Ronkanen	+358 9 4766 9120

Structured Investments

Heikki Savijoki	+358 9 4766 9726
Aki Lakkisto	+358 9 4766 9123

Equity Research

Jonas Forslund	+358 9 4766 9314
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149
Anna-Liisa Rissanen	+358 40 157 9919
Teemu Reiman	+358 40 352 6175

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
Markku Reinikainen	+358 9 4766 9669



EVLI BANK PLC
 Aleksanterinkatu 19 A
 P.O. Box 1081
 FIN-00101 Helsinki, FINLAND
 Phone +358 9 476 690
 Fax +358 9 634 382
 Internet www.evli.com
 E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
 STOCKHOLMSFILIAL**
 Regeringsgatan 67 P.O. Box 16354
 SE-103 26 Stockholm
 Sverige
 stockholm@evli.com
 Tel +46 (0)8 407 8000
 Fax +46 (0)8 407 8001