

Looking for signs of recovery

Detection Technology will report Q3 earnings next Tuesday, October 27th, at 9:00 EET. As usual, we look forward to hearing the latest developments and outlook regarding the security and medical imaging markets. We maintain our target price of 22 euros ahead of the report, our recommendation is HOLD (prev. BUY).

Expecting declining sales, but a better quarter than last

We expect Q3 net sales of 24 MEUR (23,5 MEUR cons) and EBIT of 4 MEUR (3,4 MEUR cons), meaning a decline of around -11% and -20% respectively compared to last year. Despite decline, we expect Q3 to be clearly better than Q2. The reason behind net sales decline is the lower demand in SBU due to the COVID-19 pandemic affecting the demand for security X-ray devices, especially in aviation segment. We expect SBU net sales to decline -27% to 13,5 MEUR. MBU is compensating for the decline in SBU, as demand for medical CT imaging is currently strong due to the pandemic. We expect MBU net sales to grow 26% on slightly weak comparison figures to 10,5 MEUR. We expect DT's Q3 EBIT to be 4 MEUR (17% EBIT margin), which is -20% lower y/y (high comparison figure), but clearly better than in Q2 (2,6 MEUR).

Looking for signs of recovery in SBU amidst low visibility

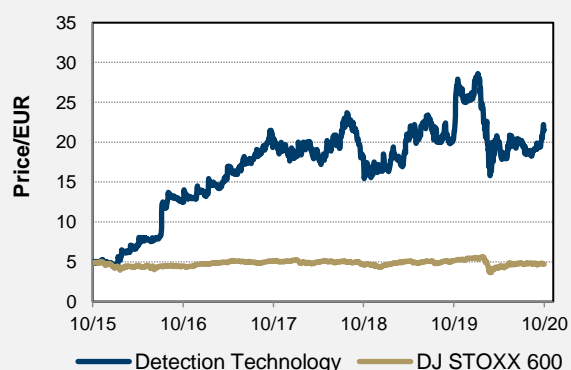
DT has stated that it expects lower demand in the security segment to continue in Q3 and SBU sales to decrease in 2020. DT however sees SBU sales starting to improve towards end of the year. DT estimated in its Q2 report that airport CT standard equipment upgrades in Europe and U.S. will be postponed at least 12 months. Regarding China, it remains unclear when similar Chinese airport standardization will start and if any security infrastructure related government recovery measures will take place. MBU sales growth is expected to continue in H2 driven by the demand in CT applications.

Situation regarding aviation main uncertainty

The situation regarding aviation remains the biggest near-term uncertainty for DT as SBU represents roughly 2/3 of net sales and we've estimated aviation to contribute roughly half of SBU net sales. We have not made any changes to our estimates, thus we maintain our target price of 22 euros ahead of the report, our recommendation is HOLD (prev. BUY).

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 21.50

Target price, EUR 22.0

Latest change in recommendation 23-Oct-20

Latest report on company 5-Aug-20

Research paid by issuer: YES

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

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

Market cap, EURm 309

Free float, % -

Exchange rate -

Reuters code DETEC.HE

Bloomberg code DETEC FH

Average daily volume, EURm -

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
2018	93.9	18.5	19.7%	1.4	1.03	15.1	2.2	11.1	0.6	0.38
2019	102.5	17.0	16.6%	7.6	0.87	29.5	3.4	20.4	2.1	0.38
2020E	92.3	12.5	13.5%	12.5	0.67	32.3	3.1	23.1	4.0	0.38
2021E	108.3	17.9	16.5%	9.0	0.98	21.9	2.6	16.0	2.9	0.39
2022E	123.5	21.6	17.5%	12.7	1.20	18.0	2.3	12.9	4.1	0.48
Market cap, EURm	309			Gearing 2020E, %	-36.5		CAGR EPS 2019-22, %	11.3		
Net debt 2020E, EURm	-20			Price/book 2020E	5.6		CAGR sales 2019-22, %	6.4		
Enterprise value, EURm	289			Dividend yield 2020E, %	1.8		ROE 2020E, %	16.8		
Total assets 2020E, EURm	72			Tax rate 2020E, %	20.3		ROCE 2020E, %	20.1		
Goodwill 2020E, EURm	0			Equity ratio 2020E, %	77.5		PEG, P/E 20/CAGR	1.7		

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

INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3E	2020Q4E	2020E	2021E	2022E
Net sales	23.1	27.5	26.9	25.0	102.5	19.9	21.1	24.0	27.3	92.3	108.3	123.5
EBITDA	4.4	5.5	5.7	4.3	19.9	2.0	3.4	4.9	5.4	15.6	21.0	24.8
<i>EBITDA margin (%)</i>	<i>19.2</i>	<i>20.0</i>	<i>21.3</i>	<i>17.1</i>	<i>19.5</i>	<i>9.9</i>	<i>16.0</i>	<i>20.4</i>	<i>19.8</i>	<i>17.0</i>	<i>19.4</i>	<i>20.0</i>
EBIT	3.9	4.8	5.1	3.2	17.0	1.2	2.6	4.1	4.6	12.5	17.9	21.6
<i>EBIT margin (%)</i>	<i>16.7</i>	<i>17.5</i>	<i>19.1</i>	<i>12.8</i>	<i>16.6</i>	<i>6.0</i>	<i>12.3</i>	<i>17.1</i>	<i>16.8</i>	<i>13.5</i>	<i>16.5</i>	<i>17.5</i>
Net financial items	0.0	-0.7	-0.1	-0.2	-1.0	0.0	-0.3	0.0	0.0	-0.5	-0.3	-0.1
Pre-tax profit	3.9	4.2	5.0	3.0	16.0	1.2	2.3	4.1	4.6	12.0	17.6	21.5
Tax	-0.3	-0.9	-1.0	-1.3	-3.6	-0.2	-0.5	-0.8	-0.9	-2.4	-3.5	-4.3
<i>Tax rate (%)</i>	<i>9.1</i>	<i>22.9</i>	<i>20.0</i>	<i>41.6</i>	<i>22.2</i>	<i>20.0</i>	<i>21.6</i>	<i>20.0</i>	<i>20.0</i>	<i>20.3</i>	<i>20.0</i>	<i>20.0</i>
Net profit	3.5	3.2	4.0	1.8	12.5	0.9	1.8	3.2	3.6	9.6	14.1	17.2
EPS	0.24	0.22	0.28	0.12	0.87	0.06	0.12	0.23	0.25	0.67	0.98	1.20
EPS adjusted (diluted no. of shares)	0.24	0.22	0.27	0.12	0.84	0.06	0.12	0.22	0.24	0.64	0.95	1.16
Dividend per share	0.00	0.00	0.00	0.00	0.38	0.00	0.00	0.00	0.00	0.38	0.39	0.48
SALES, EURm												
MBU	8.6	8.1	8.4	8.6	33.7	8.4	9.9	10.5	10.8	39.6	45.3	51.4
SBU	14.5	19.4	18.6	16.4	68.9	11.5	11.2	13.5	16.5	52.7	63.1	72.1
Total	23.1	27.5	26.9	25.0	102.5	19.9	21.1	24.0	27.3	92.3	108.3	123.5
SALES GROWTH, Y/Y %												
<i>MBU</i>	<i>15.0</i>	<i>-12.1</i>	<i>-27.4</i>	<i>-14.9</i>	<i>-12.1</i>	<i>-2.3</i>	<i>22.2</i>	<i>25.7</i>	<i>25.6</i>	<i>17.7</i>	<i>14.3</i>	<i>13.5</i>
<i>SBU</i>	<i>22.9</i>	<i>27.6</i>	<i>41.6</i>	<i>5.8</i>	<i>23.8</i>	<i>-20.7</i>	<i>-42.3</i>	<i>-27.2</i>	<i>0.6</i>	<i>-23.5</i>	<i>19.7</i>	<i>14.3</i>
<i>Total</i>	<i>19.8</i>	<i>12.6</i>	<i>9.3</i>	<i>-2.3</i>	<i>9.2</i>	<i>-13.9</i>	<i>-23.3</i>	<i>-10.8</i>	<i>9.2</i>	<i>-10.0</i>	<i>17.4</i>	<i>14.0</i>

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	42.8	75.5	89.0	93.9	102.5	92.3	108.3	123.5
<i>Sales growth (%)</i>	<i>29.2</i>	<i>76.5</i>	<i>17.9</i>	<i>5.5</i>	<i>9.2</i>	<i>-10.0</i>	<i>17.4</i>	<i>14.0</i>
EBITDA	5.8	17.3	22.1	20.9	19.9	15.6	21.0	24.8
<i>EBITDA margin (%)</i>	<i>13.4</i>	<i>22.9</i>	<i>24.9</i>	<i>22.3</i>	<i>19.5</i>	<i>17.0</i>	<i>19.4</i>	<i>20.0</i>
Depreciation	-1.3	-2.5	-2.2	-2.4	-2.9	-3.2	-3.1	-3.1
EBITA	4.5	14.8	19.9	18.5	17.0	12.5	17.9	21.6
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.5	14.8	19.9	18.5	17.0	12.5	17.9	21.6
<i>EBIT margin (%)</i>	<i>10.5</i>	<i>19.6</i>	<i>22.4</i>	<i>19.7</i>	<i>16.6</i>	<i>13.5</i>	<i>16.5</i>	<i>17.5</i>
Reported EBIT	3.4	14.8	19.9	18.5	17.0	12.5	17.9	21.6
<i>EBIT margin (reported) (%)</i>	<i>8.0</i>	<i>19.6</i>	<i>22.4</i>	<i>19.7</i>	<i>16.6</i>	<i>13.5</i>	<i>16.5</i>	<i>17.5</i>
Net financials	-2.4	-0.7	-0.5	-0.1	-1.0	-0.5	-0.3	-0.1
Pre-tax profit	2.1	14.1	19.4	18.4	16.0	12.0	17.6	21.5
Taxes	-0.1	-3.2	-4.2	-3.6	-3.6	-2.4	-3.5	-4.3
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	0.9	10.9	15.2	14.9	12.5	9.6	14.1	17.2
Cash NRIs	-1.1	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	7	6	6	9	10	10	11	11
Goodwill	0	0	0	0	0	0	0	0
Right of use assets	0	0	0	0	0	0	0	0
Inventory	7	11	9	13	14	13	15	17
Receivables	14	22	21	27	27	24	28	32
Liquid funds	7	16	27	22	26	25	27	31
Total assets	35	54	62	71	77	72	81	91
Liabilities								
Shareholder's equity	21	31	42	51	58	55	64	75
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	1	7	5	4	6	5	4	1
Non-interest bearing current liabilities	11	14	15	15	12	11	13	15
Other interest-free debt	2	3	1	0	1	1	1	1
Total liabilities	35	54	62	71	77	72	81	91
CASH FLOW, EURm								
+ EBITDA	6	17	22	21	20	16	21	25
- Net financial items	4	8	11	0	-1	0	0	0
- Taxes	0	-1	-3	-5	-4	-2	-4	-4
- Increase in Net Working Capital	-2	-11	1	-10	-3	3	-4	-4
+/- Other	-8	-9	-12	0	0	0	0	0
= Cash flow from operations	0	5	19	6	12	16	13	16
- Capex	-5	-2	-2	-5	-4	-3	-4	-3
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-4	3	17	1	8	12	9	13
+/- New issues/buybacks	19	0	-1	0	0	-7	0	0
- Paid dividend	0	-1	-3	-5	-5	-5	-5	-6
+/- Other	-10	6	-2	0	2	-1	-1	-3
Change in cash	4	8	11	-4	4	-1	2	4

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	188	250	224	368	309	309	309
Net debt (excl. convertibles)	-9	-22	-18	-20	-20	-24	-31
Enterprise value	179	228	206	348	289	285	278
Sales	76	89	94	103	92	108	123
EBITDA	17	22	21	20	16	21	25
EBIT	15	20	19	17	12	18	22
Pre-tax	14	19	18	16	12	18	21
Earnings	11	15	15	12	10	14	17
Equity book value (excl. minorities)	31	42	51	58	55	64	75
Valuation multiples							
EV/sales	2.4	2.6	2.2	3.4	3.1	2.6	2.3
EV/EBITDA	10.3	10.3	9.8	17.4	18.5	13.6	11.2
EV/EBITA	12.1	11.5	11.1	20.4	23.1	16.0	12.9
EV/EBIT	12.1	11.5	11.1	20.4	23.1	16.0	12.9
EV/OCF	36.6	12.3	33.6	28.9	18.6	22.3	17.2
EV/FCFF	48.3	13.3	142.7	41.6	22.4	31.0	21.7
P/FCFE	57.3	14.9	162.4	48.5	24.7	34.4	24.3
P/E	17.2	16.5	15.1	29.5	32.3	21.9	18.0
P/B	6.1	6.0	4.4	6.3	5.6	4.8	4.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	18.9	13.9	11.5
Target EV/EBIT	0.0	0.0	0.0	0.0	23.7	16.4	13.2
Target EV/FCF	0.0	0.0	0.0	0.0	23.7	32.6	22.4
Target P/B	0.0	0.0	0.0	0.0	5.7	5.0	4.2
Target P/E	0.0	0.0	0.0	0.0	34.2	23.2	19.0
Per share measures							
Number of shares	13,426	13,901	14,375	14,375	14,375	14,375	14,375
Number of shares (diluted)	13,426	13,901	14,849	14,875	14,875	14,875	14,875
EPS	0.81	1.09	1.03	0.87	0.67	0.98	1.20
Operating cash flow per share	0.36	1.34	0.43	0.84	1.08	0.89	1.12
Free cash flow per share	0.24	1.21	0.10	0.53	0.87	0.62	0.89
Book value per share	2.30	3.00	3.57	4.06	3.84	4.44	5.24
Dividend per share	0.25	0.35	0.38	0.38	0.38	0.39	0.48
Dividend payout ratio, %	30.8	32.1	36.7	43.9	57.1	40.0	40.0
Dividend yield, %	1.8	1.9	2.4	1.5	1.8	1.8	2.2
FCF yield, %	1.7	6.7	0.6	2.1	4.0	2.9	4.1
Efficiency measures							
ROE	41.9	41.8	32.0	22.7	16.8	23.7	24.7
ROCE	48.2	47.4	36.4	28.5	20.1	28.0	30.1
Financial ratios							
Inventories as % of sales	14.0	9.6	14.2	13.8	13.8	13.8	13.8
Receivables as % of sales	28.6	24.1	28.4	25.9	25.9	25.9	25.9
Non-interest bearing liabilities as % of sales	18.7	16.8	16.4	12.1	12.1	12.1	12.1
NWC/sales, %	21.5	15.7	25.9	27.0	27.0	27.1	27.1
Operative CAPEX/sales, %	2.1	2.1	5.0	4.4	3.3	3.5	2.8
CAPEX/sales (incl. acquisitions), %	2.1	2.1	5.0	4.4	3.3	3.5	2.8
FCFF/EBITDA	0.2	0.8	0.1	0.4	0.8	0.4	0.5
Net debt/EBITDA, book-weighted	-0.5	-1.0	-0.9	-1.0	-1.3	-1.1	-1.2
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	57.8	67.5	73.0	76.6	77.5	79.2	83.1
Gearing, %	-29.2	-52.3	-35.6	-34.9	-36.5	-37.1	-40.8

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	111.911	36.2%
OP-Finland Value Fund	651,065	13.998	4.5%
Ilmarinen Mutual Pension Insurance Company	554,000	11.911	3.9%
Varma Mutual Pension Insurance Company	515,000	11.072	3.6%
Sijoitusrahasto Aktia Capital	484,762	10.422	3.4%
Fondita Nordic Micro Cap	390,000	8.385	2.7%
Evli Finnish Small Cap Fund	327,259	7.036	2.3%
Martola Hannu Veikko	322,875	6.942	2.2%
Saastopankki Kotimaa	200,000	4.300	1.4%
Ten largest	8,650,128	185.978	60%
Residual	5,725,302	123.094	40%
Total	14,375,430	309.072	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Hannu Martola

CFO: Petri Hiljanen

IR: Johanna Tarkiainen

Elektroniikkatie 10, 90590 Oulu

Tel: +358 20 766 9700

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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

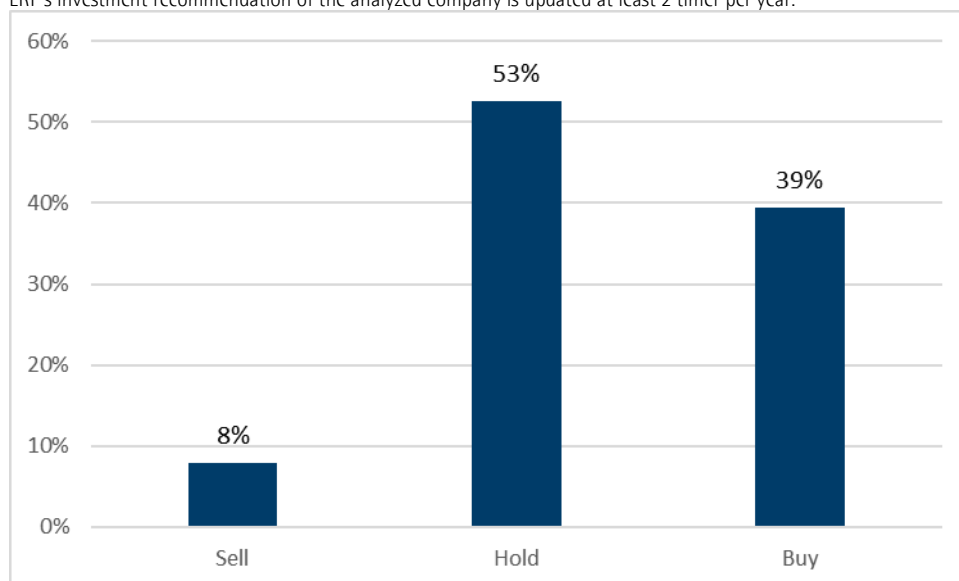
Important Disclosures

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 1st of February 2019. 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 23.10.2020,8:25. This report has been published on 23.10.2020,8:35.

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.

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 Sales**

Ari Laine +358 9 4766 9115
Lauri Ahokanto +358 9 4766 9117
Niclas Henelius +358 9 4766 9116

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

ETFs and Derivatives

Joachim Dannberg +358 9 4766 9123
Kimmo Lijja +358 9 4766 9130

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

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