

Outlook has slightly deteriorated

DT releases its Q3 result on Wednesday, 26th of Oct. With weakened macroeconomic outlook and increased cost pressures, we adjusted our short-term estimates but still expect DT to deliver solid growth in coming years.

Growth is expected to continue in Q3 and H2

After the soft quarter of Q2, we expect DT to deliver double-digit topline growth both in Q3 and H2. With delayed Q2 net sales (due to supply chain issues), we expect MBU to grow by 16.4% y/y in Q3. Our SBU's Q3 growth estimate of 24.7% is supported by a favorable market trend after a weak performance during the pandemic times. IBU had a strong comparison period (Q3'21: EUR 3.8m) and thus we expect the BU to grow only by 2.4% y/y. Our Q3 group net sales estimate amounts to EUR 27.1m, reflecting 16.8% y/y growth. In total, we expect DT to grow by 9.8% to EUR 98.6m in 2022.

Margins are under short-term pressure

Due to reduced topline estimates and cost inflation, we expect Q3 EBIT to land at EUR 3.8m (13.9% margin). Elevated material costs and higher investment in R&D cause some stress on Q3 and H2 margins. Our 2022 EBIT estimate of EUR 9.7m (9.9% margin) is quite moderate against DT's margin potential and those seen in the past. We expect margins to significantly improve in 2023 when component availability improves and extraordinary R&D investments are over.

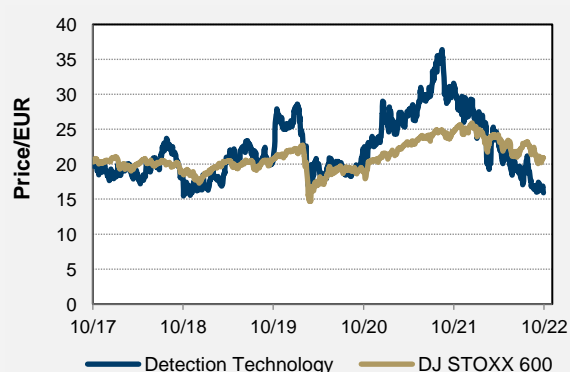
Outlook for security is favorable, medical growth to calm

Security market has performed well in 2022 and the demand outlook is bright. Major countries are investing in infrastructure security, aviation being one of the largest contributors. Both the company's management and OEMs have indicated that the growth in the medical markets might be slowing down. However, we expect MBU to grow also in the future, at or above long-term the market.

Valuation neutral ahead of Q3, but risks are elevated

Our 23 EBIT estimate was decreased by some 17% due to elevated risk levels. With the recent decline in DT's share price, 23E valuation seems quite neutral (23E EV/EBIT of 14x and P/E of 20x). We, however, don't see much upside potential in multiples given weakening economic and industrial activity. We retain our HOLD-rating but lower TP to EUR 17.0 (20.0) ahead of Q3 result.

Rating

■ HOLD


Share price, EUR (Last trading day's closing price) 15.90

Target price, EUR 17.0

Latest change in recommendation 20-Apr-21

Latest report on company 4-Aug-22

Research paid by issuer: YES

No. of shares outstanding, '000's 14,656

No. of shares fully diluted, '000's 15,156

Market cap, EURm 233

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 26-Oct-21

Web site deetee.com/investors/

Analyst Arttu Heikura

E-mail arttu.heikura@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 |
|--------------------------|---------------|--------------|-------------------------|-------------|------------|------------|-----------------------|----------------|----------------|------------|
| 2020 | 81.6 | 8.7 | 10.7% | 4.4 | 0.47 | 51.0 | 4.0 | 37.1 | 1.3 | 0.28 |
| 2021 | 89.8 | 10.6 | 11.8% | 5.8 | 0.63 | 46.4 | 4.5 | 38.0 | 1.3 | 0.35 |
| 2022E | 98.6 | 9.7 | 9.9% | 3.9 | 0.53 | 28.9 | 2.1 | 21.2 | 1.7 | 0.29 |
| 2023E | 111.7 | 14.9 | 13.4% | 4.9 | 0.80 | 19.9 | 1.8 | 13.8 | 2.1 | 0.40 |
| 2024E | 121.4 | 18.9 | 15.6% | 9.8 | 1.01 | 15.7 | 1.7 | 10.7 | 4.2 | 0.51 |
| Market cap, EURm | | 233 | Gearing 2022E, % | | | -34.6 | CAGR EPS 2021-24, % | | | 17.1 |
| Net debt 2022E, EURm | | -26 | Price/book 2022E | | | 3.1 | CAGR sales 2021-24, % | | | 10.6 |
| Enterprise value, EURm | | 207 | Dividend yield 2022E, % | | | 1.8 | ROE 2022E, % | | | 10.3 |
| Total assets 2022E, EURm | | 97 | Tax rate 2022E, % | | | 21.1 | ROCE 2022E, % | | | 12.6 |
| Goodwill 2022E, EURm | | 0 | Equity ratio 2022E, % | | | 78.9 | PEG, P/E 22/CAGR | | | 1.0 |

| Detection Technology Peer Group | Security identifier | MCAP MEUR | EBIT % | | EBITDA % | | ROCE % | | ROE % | | DIV % | | Equity ratio % | |
|----------------------------------|---------------------|--------------|--------|------|----------|------|--------|------|-------|------|-------|-----|----------------|------|
| | | | 22E | 23E | 22E | 23E | 22E | 23E | 22E | 23E | 22E | 23E | 22E | 23E |
| First Sensor AG | SIS-DE | 601 | | | | | | | | | | | | |
| Hamamatsu Photonics K.K. | 6965-JP | 7131 | 25.4 | 25.5 | 33.3 | 33.9 | 17.8 | 16.7 | 15.0 | 13.9 | 1.0 | 1.1 | 78.9 | 80.6 |
| OSI Systems, Inc. | OSIS-US | 1151 | 10.8 | 11.8 | 16.6 | 16.8 | 15.4 | 17.7 | 16.3 | 15.8 | | | 44.2 | 49.6 |
| Varex Imaging Corporation | VREX-US | 767 | 12.1 | 13.1 | 17.0 | 17.6 | 10.2 | 10.9 | | | | | 46.3 | 48.7 |
| ams-OSRAM AG | AMS-CH | 1472 | 8.7 | 11.2 | 19.3 | 19.8 | 6.1 | 7.4 | 4.3 | 5.4 | 0.6 | 0.7 | 35.3 | 35.6 |
| Analog Devices, Inc. | ADI-US | 69396 | 49.2 | 48.4 | 50.1 | 49.3 | 12.3 | 12.3 | 12.7 | 13.6 | 2.1 | 2.3 | 72.7 | 72.0 |
| Keysight Technologies Inc | KEYS-US | 27302 | 28.9 | 29.1 | 31.5 | 31.2 | 23.1 | 22.4 | 34.8 | 32.2 | 0.0 | 0.0 | 50.6 | 54.0 |
| National Instruments Corporation | NATI-US | 4825 | 17.6 | 20.1 | 20.7 | 23.8 | 15.9 | 18.9 | 22.2 | 27.0 | 2.9 | 3.0 | 54.7 | 58.7 |
| Spectris plc | SXS-GB | 3492 | 16.8 | 17.1 | 20.0 | 20.3 | 15.5 | 16.0 | 14.1 | 15.9 | 2.7 | 2.8 | 70.1 | 69.5 |
| Oxford Instruments plc | OXIG-GB | 1256 | 17.2 | 17.3 | 20.4 | 20.6 | | | 16.2 | 15.2 | 1.1 | 1.2 | | |
| Trimble Inc. | TRMB-US | 12580 | 23.4 | 24.1 | 25.4 | 26.0 | 15.5 | 15.4 | 17.3 | 18.2 | 0.0 | 0.0 | 57.1 | 59.6 |
| Hexagon AB Class B | HEXA.B-SE | 27084 | 28.2 | 28.4 | 36.3 | 37.3 | 10.6 | 10.7 | 13.1 | 12.2 | 1.3 | 1.4 | 60.8 | 62.8 |
| Thales SA | HO-FR | 25014 | 10.9 | 11.6 | 15.2 | 15.7 | 14.0 | 14.4 | 21.9 | 21.4 | 2.4 | 2.6 | 22.4 | 24.7 |
| Agfa-Gevaert NV | AGFB-BE | 472 | 1.5 | 4.0 | 5.5 | 7.4 | 2.0 | 5.2 | -1.0 | 4.5 | 0.0 | 0.0 | 35.4 | 37.2 |
| Konica Minolta, Inc. | 4902-JP | 1561 | 1.2 | 3.1 | 7.1 | 9.0 | 1.4 | 3.8 | 0.8 | 3.5 | 4.5 | 4.3 | 41.5 | 42.2 |
| Iray Technology Co., Ltd Class A | 688301-CN | 5282 | 40.2 | 40.0 | 41.5 | 41.8 | 17.9 | 20.1 | 19.0 | 20.9 | 0.4 | 0.6 | 87.9 | 87.5 |
| Vieworks Co., Ltd | 100120-KR | 235 | 20.5 | 19.6 | 23.0 | 21.7 | 23.4 | 22.1 | 16.4 | 18.2 | 2.3 | 2.3 | 79.0 | 80.5 |
| Vaisala Oyj Class A | VAIAS-FI | 1365 | 13.2 | 13.9 | 17.7 | 18.3 | 21.7 | 23.4 | 21.7 | 22.1 | 1.8 | 2.0 | 54.7 | 60.5 |
| Peer Group Average | | 10610 | 19.2 | 19.9 | 23.6 | 24.1 | 13.9 | 14.8 | 15.3 | 16.3 | 1.5 | 1.6 | 55.7 | 57.7 |
| Peer Group Median | | 2526 | 17.2 | 17.3 | 20.4 | 20.6 | 15.4 | 15.7 | 16.2 | 15.9 | 1.3 | 1.4 | 54.7 | 59.1 |
| Detection Technology (Evli est.) | | 233 | 9.7 | 10.6 | 13.0 | 13.9 | 12.6 | 17.6 | 10.3 | 14.6 | 1.8 | 2.5 | 78.9 | 76.4 |

| | Security identifier | MCAP MEUR | EV/S | | EV/EBITDA | | EV/EBIT | | P/E | | Sales growth % | | Net debt / EBITDA | |
|----------------------------------|---------------------|--------------|-------|-------|-----------|-------|---------|-------|-------|-------|----------------|------|-------------------|------|
| | | | 22E | 23E | 22E | 23E | 22E | 23E | 22E | 23E | 22E | 23E | 22E | 23E |
| First Sensor AG | SIS-DE | 601 | | | | | | | | | | | | |
| Hamamatsu Photonics K.K. | 6965-JP | 7131 | 4.9x | 4.5x | 14.6x | 13.4x | 19.1x | 17.7x | 26.6x | 25.5x | 18.1 | 4.8 | -1.6 | -1.8 |
| OSI Systems, Inc. | OSIS-US | 1151 | 1.3x | 1.1x | 7.7x | 6.8x | 11.8x | 9.6x | 12.3x | 11.7x | 3.2 | 0.0 | 1.5 | 1.0 |
| Varex Imaging Corporation | VREX-US | 767 | | | | | | | 17.4x | 14.1x | 4.1 | 5.1 | | |
| ams-OSRAM AG | AMS-CH | 1472 | 0.7x | 0.8x | 3.7x | 4.1x | 8.1x | 7.3x | 10.6x | 8.3x | -8.8 | -6.4 | 2.0 | 2.3 |
| Analog Devices, Inc. | ADI-US | 69396 | 6.5x | 6.4x | 13.0x | 13.0x | 13.2x | 15.1x | 15.1x | 14.8x | 63.0 | 1.5 | 0.8 | 0.7 |
| Keysight Technologies Inc | KEYS-US | 27302 | 5.3x | 4.9x | 16.8x | 15.7x | 18.4x | 16.9x | 21.5x | 20.0x | 8.8 | 5.5 | -0.2 | -0.5 |
| National Instruments Corporation | NATI-US | 4825 | 3.1x | 2.8x | 15.1x | 11.9x | 17.8x | 14.1x | 18.8x | 14.9x | 15.1 | 0.0 | 0.7 | 0.3 |
| Spectris plc | SXS-GB | 3492 | 2.2x | 2.0x | 11.0x | 10.0x | 13.1x | 11.8x | 18.5x | 16.3x | -5.1 | 6.2 | -0.8 | -1.0 |
| Oxford Instruments plc | OXIG-GB | 1256 | 2.5x | 2.3x | 12.2x | 11.2x | 14.5x | 13.4x | 19.8x | 18.8x | 8.4 | 4.0 | -1.0 | -1.3 |
| Trimble Inc. | TRMB-US | 12580 | 3.7x | 3.4x | 14.4x | 13.0x | 15.6x | 14.0x | 19.4x | 17.3x | 3.4 | 6.0 | 0.6 | 0.3 |
| Hexagon AB Class B | HEXA.B-SE | 27084 | 5.6x | 5.2x | 15.5x | 14.0x | 20.0x | 18.4x | 21.8x | 20.7x | 25.2 | 5.1 | 1.5 | 1.1 |
| Thales SA | HO-FR | 25014 | 1.4x | 1.2x | 9.3x | 7.8x | 12.9x | 10.6x | 16.6x | 15.1x | 7.6 | 7.1 | -0.2 | -0.8 |
| Agfa-Gevaert NV | AGFB-BE | 472 | 0.2x | 0.1x | 2.8x | 2.0x | 10.0x | 3.6x | | 14.7x | 6.1 | 1.2 | -1.8 | -1.4 |
| Konica Minolta, Inc. | 4902-JP | 1561 | 0.5x | 0.5x | 7.4x | 5.5x | 44.0x | 15.8x | 48.5x | 11.1x | 11.8 | 1.8 | 4.2 | 3.1 |
| Iray Technology Co., Ltd Class A | 688301-CN | 5282 | 21.7x | 15.9x | 52.2x | 38.0x | 53.9x | 39.7x | 59.0x | 45.0x | 38.5 | 35.3 | -2.3 | -2.1 |
| Vieworks Co., Ltd | 100120-KR | 235 | | | | | | | 9.8x | 8.1x | 22.1 | 15.1 | | |
| Vaisala Oyj Class A | VAIAS-FI | 1365 | 2.7x | 2.5x | 15.2x | 13.8x | 20.4x | 18.1x | 26.7x | 23.4x | 16.9 | 4.0 | -0.5 | -0.8 |
| Peer Group Average | | 10610 | 4.1x | 3.6x | 14.1x | 12.0x | 19.5x | 15.0x | 22.7x | 17.6x | 14.0 | 6.4 | 0.2 | -0.1 |
| Peer Group Median | | 2526 | 2.7x | 2.5x | 13.0x | 11.9x | 15.6x | 14.0x | 19.1x | 15.1x | 8.8 | 5.1 | -0.2 | -0.5 |
| Detection Technology (Evli est.) | | 233 | 2.1x | 1.8x | 15.9x | 11.9x | 21.2x | 13.8x | 28.9x | 19.9x | 10.1 | 10.4 | -2.0 | -1.6 |

Premium/discount relative to peer group median

-22% -27% 22% 0% 36% -1% 51% 32%

| VALUATION RESULTS | BASE CASE DETAILS | VALUATION ASSUMPTIONS | ASSUMPTIONS FOR WACC | |
|--------------------------|----------------------------|------------------------|--------------------------------|------|
| Current share price | 15.90 PV of Free Cash Flow | 86 Long-term growth, % | 5.0 Risk-free interest rate, % | 2.25 |
| DCF share value | 26.61 PV of Horizon value | 281 WACC, % | 8.5 Market risk premium, % | 5.8 |
| Share price potential, % | 67.3 Unconsolidated equity | 0 Spread, % | 0.0 Debt risk premium, % | 2.8 |
| Maximum value | 26.6 Marketable securities | 30 Minimum WACC, % | 8.5 Equity beta coefficient | 1.10 |
| Minimum value | 26.6 Debt - dividend | -7 Maximum WACC, % | 8.5 Target debt ratio, % | 20 |
| Horizon value, % | 76.5 Value of stock | 390 Nr of shares, Mn | 14.7 Effective tax rate, % | 20 |

| DCF valuation, EURm | 2021 | 2022E | 2023E | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | Horizon |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net sales | 90 | 99 | 112 | 121 | 130 | 138 | 145 | 152 | 160 | 168 | 176 | 185 |
| <i>Sales growth, %</i> | <i>10.1</i> | <i>9.9</i> | <i>13.3</i> | <i>8.7</i> | <i>7.1</i> | <i>6.0</i> | <i>5.0</i> | <i>5.0</i> | <i>5.0</i> | <i>5.0</i> | <i>5.0</i> | <i>5.0</i> |
| Operating income (EBIT) | 11 | 10 | 15 | 19 | 21 | 23 | 25 | 26 | 27 | 28 | 30 | 31 |
| <i>Operating income margin, %</i> | <i>11.8</i> | <i>9.9</i> | <i>13.4</i> | <i>15.6</i> | <i>16.4</i> | <i>17.0</i> | <i>17.0</i> | <i>17.0</i> | <i>17.0</i> | <i>17.0</i> | <i>17.0</i> | <i>17.0</i> |
| + Depreciation+amort. | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | |
| EBITDA | 14 | 13 | 17 | 22 | 24 | 27 | 28 | 29 | 31 | 32 | 34 | |
| - Paid taxes | -1 | -2 | -3 | -4 | -4 | -5 | -5 | -5 | -5 | -6 | -6 | |
| - Change in NWC | -6 | -4 | -6 | -4 | -4 | -3 | -3 | -3 | -3 | -3 | -4 | |
| <i>NWC / Sales, %</i> | <i>41.3</i> | <i>41.5</i> | <i>41.7</i> | <i>41.8</i> | <i>41.9</i> | <i>42.0</i> | <i>42.0</i> | <i>42.1</i> | <i>42.2</i> | <i>42.2</i> | <i>42.3</i> | |
| + Change in other liabs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| - Operative CAPEX | -1 | -3 | -4 | -4 | -4 | -4 | -4 | -4 | -4 | -5 | -5 | |
| <i>opCAPEX / Sales, %</i> | <i>1.5</i> | <i>3.3</i> | <i>3.3</i> | <i>3.0</i> | <i>2.9</i> | <i>2.9</i> | <i>2.8</i> | <i>2.8</i> | <i>2.8</i> | <i>2.8</i> | <i>2.8</i> | |
| - Acquisitions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| + Divestments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| - Other items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| = FCFF | 5 | 4 | 5 | 10 | 13 | 15 | 16 | 17 | 18 | 19 | 20 | 593 |
| = Discounted FCFF | | 4 | 5 | 8 | 10 | 10 | 11 | 10 | 10 | 10 | 9 | 281 |
| = DFCF min WACC | | 4 | 5 | 8 | 10 | 10 | 11 | 10 | 10 | 10 | 9 | 281 |
| = DFCF max WACC | | 4 | 5 | 8 | 10 | 10 | 11 | 10 | 10 | 10 | 9 | 281 |

INTERIM FIGURES

| EVLI ESTIMATES, EURm | 2021Q1 | 2021Q2 | 2021Q3 | 2021Q4 | 2021 | 2022Q1 | 2022Q2 | 2022Q3E | 2022Q4E | 2022E | 2023E | 2024E |
|--------------------------------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Net sales | 18.3 | 23.5 | 23.2 | 24.7 | 89.8 | 20.3 | 22.8 | 27.1 | 28.5 | 98.6 | 111.7 | 121.4 |
| EBITDA | 1.4 | 4.6 | 4.1 | 3.8 | 13.9 | 2.3 | 1.7 | 4.6 | 4.4 | 13.0 | 17.4 | 21.7 |
| <i>EBITDA margin (%)</i> | <i>7.6</i> | <i>19.7</i> | <i>17.6</i> | <i>15.2</i> | <i>15.4</i> | <i>11.3</i> | <i>7.3</i> | <i>16.9</i> | <i>15.5</i> | <i>13.2</i> | <i>15.6</i> | <i>17.9</i> |
| EBIT | 1.4 | 3.0 | 3.3 | 3.0 | 10.6 | 1.5 | 0.9 | 3.8 | 3.6 | 9.7 | 14.9 | 18.9 |
| <i>EBIT margin (%)</i> | <i>7.6</i> | <i>12.6</i> | <i>14.1</i> | <i>12.0</i> | <i>11.8</i> | <i>7.4</i> | <i>3.8</i> | <i>13.9</i> | <i>12.7</i> | <i>9.9</i> | <i>13.4</i> | <i>15.6</i> |
| Net financial items | 0.3 | -0.1 | 0.2 | 0.3 | 0.8 | 0.1 | 0.2 | -0.1 | -0.1 | 0.1 | -0.3 | -0.4 |
| Pre-tax profit | 1.7 | 2.9 | 3.5 | 3.3 | 11.4 | 1.6 | 1.0 | 3.7 | 3.5 | 9.8 | 14.6 | 18.6 |
| Tax | -0.5 | -0.6 | -0.6 | -0.5 | -2.1 | -0.3 | -0.3 | -0.7 | -0.7 | -2.1 | -2.9 | -3.7 |
| <i>Tax rate (%)</i> | <i>26.6</i> | <i>19.4</i> | <i>18.0</i> | <i>14.3</i> | <i>18.6</i> | <i>20.0</i> | <i>30.3</i> | <i>20.0</i> | <i>20.0</i> | <i>21.1</i> | <i>20.0</i> | <i>20.0</i> |
| Net profit | 1.2 | 2.3 | 2.8 | 2.8 | 9.3 | 1.3 | 0.7 | 2.9 | 2.8 | 7.7 | 11.7 | 14.9 |
| EPS | 0.09 | 0.16 | 0.19 | 0.19 | 0.63 | 0.09 | 0.05 | 0.20 | 0.19 | 0.53 | 0.80 | 1.01 |
| EPS adjusted (diluted no. of shares) | 0.08 | 0.15 | 0.19 | 0.19 | 0.61 | 0.08 | 0.07 | 0.19 | 0.18 | 0.53 | 0.77 | 0.98 |
| Dividend per share | 0.00 | 0.00 | 0.00 | 0.00 | 0.35 | 0.00 | 0.00 | 0.00 | 0.00 | 0.29 | 0.40 | 0.51 |
| SALES, EURm | | | | | | | | | | | | |
| MBU | 10.1 | 13.6 | 11.9 | 13.6 | 49.2 | 10.5 | 10.1 | 13.9 | 14.9 | 49.5 | 54.3 | 58.1 |
| SBU | 5.8 | 6.9 | 7.5 | 7.8 | 27.9 | 6.3 | 8.6 | 9.3 | 9.4 | 33.6 | 39.9 | 44.2 |
| IBU | 2.4 | 3.1 | 3.8 | 3.4 | 12.7 | 3.5 | 4.0 | 3.9 | 4.2 | 15.6 | 17.5 | 19.0 |
| Total | 18.3 | 23.5 | 23.2 | 24.7 | 89.8 | 20.3 | 22.8 | 27.1 | 28.5 | 98.6 | 111.7 | 121.4 |
| SALES GROWTH, Y/Y % | | | | | | | | | | | | |
| <i>MBU</i> | <i>20.2</i> | <i>37.0</i> | <i>18.8</i> | <i>24.3</i> | <i>25.2</i> | <i>4.1</i> | <i>-25.2</i> | <i>16.4</i> | <i>10.0</i> | <i>0.6</i> | <i>9.8</i> | <i>7.0</i> |
| <i>SBU</i> | <i>-38.0</i> | <i>-11.7</i> | <i>0.2</i> | <i>26.5</i> | <i>-9.2</i> | <i>8.1</i> | <i>25.4</i> | <i>24.8</i> | <i>21.3</i> | <i>20.5</i> | <i>18.6</i> | <i>11.0</i> |
| <i>IBU</i> | <i>9.9</i> | <i>-10.4</i> | <i>21.5</i> | <i>21.7</i> | <i>9.9</i> | <i>47.0</i> | <i>29.3</i> | <i>2.3</i> | <i>20.5</i> | <i>22.2</i> | <i>12.7</i> | <i>8.5</i> |
| <i>Total</i> | <i>-8.2</i> | <i>11.4</i> | <i>12.5</i> | <i>24.6</i> | <i>10.1</i> | <i>11.0</i> | <i>-3.3</i> | <i>16.8</i> | <i>15.0</i> | <i>9.9</i> | <i>13.3</i> | <i>8.7</i> |
| EBIT, EURm | | | | | | | | | | | | |
| MBU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 9.1 |
| SBU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.9 |
| IBU | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 |
| Group | 1.4 | 3.0 | 3.3 | 3.0 | 10.6 | 1.5 | 0.9 | 3.8 | 3.6 | 9.7 | 14.9 | 0.0 |
| Total | 1.4 | 3.0 | 3.3 | 3.0 | 10.6 | 1.5 | 0.9 | 3.8 | 3.6 | 9.7 | 14.9 | 18.9 |
| EBIT margin, % | | | | | | | | | | | | |
| <i>MBU</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>15.6</i> |
| <i>SBU</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>15.6</i> |
| <i>IBU</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>0.0</i> | <i>15.6</i> |
| <i>Total</i> | <i>7.6</i> | <i>12.6</i> | <i>14.1</i> | <i>12.0</i> | <i>11.8</i> | <i>7.4</i> | <i>3.8</i> | <i>13.9</i> | <i>12.7</i> | <i>9.9</i> | <i>13.4</i> | <i>15.6</i> |

| INCOME STATEMENT, EURm | 2017 | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| Sales | 89.0 | 93.9 | 102.5 | 81.6 | 89.8 | 98.6 | 111.7 | 121.4 |
| <i>Sales growth (%)</i> | <i>17.9</i> | <i>5.5</i> | <i>9.2</i> | <i>-20.4</i> | <i>10.1</i> | <i>9.9</i> | <i>13.3</i> | <i>8.7</i> |
| EBITDA | 22.1 | 20.9 | 19.9 | 11.9 | 13.9 | 13.0 | 17.4 | 21.7 |
| <i>EBITDA margin (%)</i> | <i>24.9</i> | <i>22.3</i> | <i>19.5</i> | <i>14.6</i> | <i>15.4</i> | <i>13.2</i> | <i>15.6</i> | <i>17.9</i> |
| Depreciation | -2.2 | -2.4 | -2.9 | -3.2 | -3.3 | -3.2 | -2.5 | -2.8 |
| EBITA | 19.9 | 18.5 | 17.0 | 8.7 | 10.6 | 9.7 | 14.9 | 18.9 |
| Goodwill amortization / writedown | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | 19.9 | 18.5 | 17.0 | 8.7 | 10.6 | 9.7 | 14.9 | 18.9 |
| <i>EBIT margin (%)</i> | <i>22.4</i> | <i>19.7</i> | <i>16.6</i> | <i>10.7</i> | <i>11.8</i> | <i>9.9</i> | <i>13.4</i> | <i>15.6</i> |
| Reported EBIT | 19.9 | 18.5 | 17.0 | 8.7 | 10.6 | 9.7 | 14.9 | 18.9 |
| <i>EBIT margin (reported) (%)</i> | <i>22.4</i> | <i>19.7</i> | <i>16.6</i> | <i>10.7</i> | <i>11.8</i> | <i>9.9</i> | <i>13.4</i> | <i>15.6</i> |
| Net financials | -0.5 | -0.1 | -1.0 | -0.6 | 0.8 | 0.1 | -0.3 | -0.4 |
| Pre-tax profit | 19.4 | 18.4 | 16.0 | 8.1 | 11.4 | 9.8 | 14.6 | 18.6 |
| Taxes | -4.2 | -3.6 | -3.6 | -1.4 | -2.1 | -2.1 | -2.9 | -3.7 |
| Minority shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit | 15.2 | 14.9 | 12.5 | 6.7 | 9.3 | 7.7 | 11.7 | 14.9 |
| 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 | 9 | 10 | 10 | 9 | 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 | 9 | 13 | 14 | 16 | 22 | 24 | 28 | 30 |
| Receivables | 21 | 27 | 27 | 25 | 31 | 34 | 39 | 42 |
| Liquid funds | 27 | 22 | 26 | 25 | 30 | 30 | 34 | 36 |
| Total assets | 62 | 71 | 77 | 76 | 92 | 97 | 110 | 120 |
| Liabilities | | | | | | | | |
| Shareholder's equity | 42 | 51 | 58 | 58 | 74 | 76 | 84 | 93 |
| 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 | 5 | 4 | 6 | 6 | 2 | 3 | 7 | 5 |
| Non-interest bearing current liabilities | 15 | 15 | 12 | 11 | 15 | 16 | 18 | 20 |
| Other interest-free debt | 1 | 0 | 1 | 1 | 2 | 2 | 2 | 2 |
| Total liabilities | 62 | 71 | 77 | 76 | 92 | 97 | 110 | 120 |
| CASH FLOW, EURm | | | | | | | | |
| + EBITDA | 22 | 21 | 20 | 12 | 14 | 13 | 17 | 22 |
| - Net financial items | 11 | -4 | 4 | -1 | 3 | 0 | 0 | 0 |
| - Taxes | -3 | -5 | -5 | -3 | -1 | -2 | -3 | -4 |
| - Increase in Net Working Capital | 1 | -10 | -2 | 0 | -6 | -4 | -6 | -4 |
| +/- Other | -12 | 4 | -5 | -1 | -3 | 0 | 0 | 0 |
| = Cash flow from operations | 19 | 6 | 12 | 8 | 7 | 7 | 9 | 13 |
| - Capex | -2 | -5 | -4 | -3 | -1 | -3 | -4 | -4 |
| - Acquisitions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| + Divestments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| = Free cash flow | 17 | 1 | 8 | 4 | 6 | 4 | 5 | 10 |
| +/- New issues/buybacks | -1 | 0 | 0 | -1 | 10 | 0 | 0 | 0 |
| - Paid dividend | -3 | -5 | -5 | -5 | -4 | -5 | -4 | -6 |
| +/- Other | -2 | 0 | 2 | 1 | -7 | 1 | 3 | -1 |
| Change in cash | 11 | -4 | 4 | -1 | 5 | 0 | 4 | 3 |

| KEY FIGURES | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|--------|--------|--------|--------|--------|--------|--------|
| M-cap | 224 | 368 | 344 | 429 | 233 | 233 | 233 |
| Net debt (excl. convertibles) | -18 | -20 | -19 | -28 | -26 | -27 | -31 |
| Enterprise value | 206 | 348 | 324 | 402 | 207 | 206 | 202 |
| Sales | 94 | 103 | 82 | 90 | 99 | 112 | 121 |
| EBITDA | 21 | 20 | 12 | 14 | 13 | 17 | 22 |
| EBIT | 19 | 17 | 9 | 11 | 10 | 15 | 19 |
| Pre-tax | 18 | 16 | 8 | 11 | 10 | 15 | 19 |
| Earnings | 15 | 12 | 7 | 9 | 8 | 12 | 15 |
| Equity book value (excl. minorities) | 51 | 58 | 58 | 74 | 76 | 84 | 93 |
| Valuation multiples | | | | | | | |
| EV/sales | 2.2 | 3.4 | 4.0 | 4.5 | 2.1 | 1.8 | 1.7 |
| EV/EBITDA | 9.8 | 17.4 | 27.3 | 29.0 | 15.9 | 11.9 | 9.3 |
| EV/EBITA | 11.1 | 20.4 | 37.1 | 38.0 | 21.2 | 13.8 | 10.7 |
| EV/EBIT | 11.1 | 20.4 | 37.1 | 38.0 | 21.2 | 13.8 | 10.7 |
| EV/OCF | 33.6 | 30.0 | 43.1 | 56.4 | 28.9 | 24.2 | 15.0 |
| EV/FCFF | 142.7 | 41.7 | 65.2 | 78.5 | 54.2 | 40.4 | 20.0 |
| P/FCFE | 162.4 | 48.7 | 77.4 | 74.5 | 60.3 | 47.9 | 23.8 |
| P/E | 15.1 | 29.5 | 51.0 | 46.4 | 28.9 | 19.9 | 15.7 |
| P/B | 4.4 | 6.3 | 5.9 | 5.8 | 3.1 | 2.8 | 2.5 |
| Target EV/EBITDA | 0.0 | 0.0 | 0.0 | 0.0 | 17.2 | 12.8 | 10.0 |
| Target EV/EBIT | 0.0 | 0.0 | 0.0 | 0.0 | 22.9 | 14.9 | 11.5 |
| Target EV/FCF | 0.0 | 0.0 | 0.0 | 0.0 | 57.7 | 45.7 | 22.3 |
| Target P/B | 0.0 | 0.0 | 0.0 | 0.0 | 3.3 | 3.0 | 2.7 |
| Target P/E | 0.0 | 0.0 | 0.0 | 0.0 | 31.9 | 22.0 | 17.3 |
| Per share measures | | | | | | | |
| Number of shares | 14,375 | 14,375 | 14,375 | 14,656 | 14,656 | 14,656 | 14,656 |
| Number of shares (diluted) | 14,849 | 14,875 | 14,875 | 15,156 | 15,156 | 15,156 | 15,156 |
| EPS | 1.03 | 0.87 | 0.47 | 0.63 | 0.53 | 0.80 | 1.01 |
| Operating cash flow per share | 0.43 | 0.81 | 0.52 | 0.49 | 0.49 | 0.58 | 0.92 |
| Free cash flow per share | 0.10 | 0.53 | 0.31 | 0.39 | 0.26 | 0.33 | 0.67 |
| Book value per share | 3.57 | 4.06 | 4.06 | 5.02 | 5.20 | 5.70 | 6.32 |
| Dividend per share | 0.38 | 0.38 | 0.28 | 0.35 | 0.29 | 0.40 | 0.51 |
| Dividend payout ratio, % | 36.7 | 43.9 | 59.7 | 55.4 | 55.0 | 50.0 | 50.0 |
| Dividend yield, % | 2.4 | 1.5 | 1.2 | 1.2 | 1.8 | 2.5 | 3.2 |
| FCF yield, % | 0.6 | 2.1 | 1.3 | 1.3 | 1.7 | 2.1 | 4.2 |
| Efficiency measures | | | | | | | |
| ROE | 32.0 | 22.7 | 11.5 | 14.0 | 10.3 | 14.6 | 16.9 |
| ROCE | 36.4 | 28.5 | 13.6 | 15.1 | 12.6 | 17.6 | 20.1 |
| Financial ratios | | | | | | | |
| Inventories as % of sales | 14.2 | 13.8 | 19.5 | 24.8 | 24.8 | 24.8 | 24.8 |
| Receivables as % of sales | 28.4 | 25.9 | 30.1 | 34.8 | 34.8 | 34.8 | 34.8 |
| Non-interest bearing liabilities as % of sales | 16.4 | 12.1 | 13.4 | 16.3 | 16.3 | 16.3 | 16.3 |
| NWC/sales, % | 25.9 | 27.0 | 35.6 | 41.3 | 41.5 | 41.7 | 41.8 |
| Operative CAPEX/sales, % | 5.0 | 3.9 | 3.8 | 1.5 | 3.3 | 3.3 | 3.0 |
| CAPEX/sales (incl. acquisitions), % | 5.0 | 3.9 | 3.8 | 1.5 | 3.3 | 3.3 | 3.0 |
| FCFF/EBITDA | 0.1 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.5 |
| Net debt/EBITDA, book-weighted | -0.9 | -1.0 | -1.6 | -2.0 | -2.0 | -1.6 | -1.4 |
| Debt/equity, market-weighted | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Equity ratio, book-weighted | 73.0 | 76.6 | 77.9 | 80.4 | 78.9 | 76.4 | 77.8 |
| Gearing, % | -35.6 | -34.9 | -33.2 | -37.6 | -34.6 | -32.3 | -33.4 |

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 ~450 employees in Finland, China, France and USA, serving 370 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 | % |
|--|------------|---------|-------|
| Ahlstrom Capital Bv | 5,280,167 | 83.955 | 36.0% |
| Skandinaviska Enskilda Banken AB | 2,030,278 | 32.281 | 13.9% |
| OP-Finland Fund | 617,376 | 9.816 | 4.2% |
| Sijoitusrahasto Aktia Capital | 548,762 | 8.725 | 3.7% |
| Varma Mutual Pension Insurance Company | 515,000 | 8.189 | 3.5% |
| Ilmarinen Mutual Pension Insurance Company | 435,737 | 6.928 | 3.0% |
| Martola Hannu Veikko | 431,690 | 6.864 | 2.9% |
| Evli Finnish Small Cap Fund | 387,925 | 6.168 | 2.6% |
| Op-Suomi Mikroyhtiöt -Erikoissijoitusrahasto | 247,081 | 3.929 | 1.7% |
| Säästöpankki Kotimaa | 240,000 | 3.816 | 1.6% |
| Ten largest | 10,734,016 | 170.671 | 73% |
| Residual | 3,921,914 | 62.358 | 27% |
| Total | 14,655,930 | 233.029 | 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, % | $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$ | | |

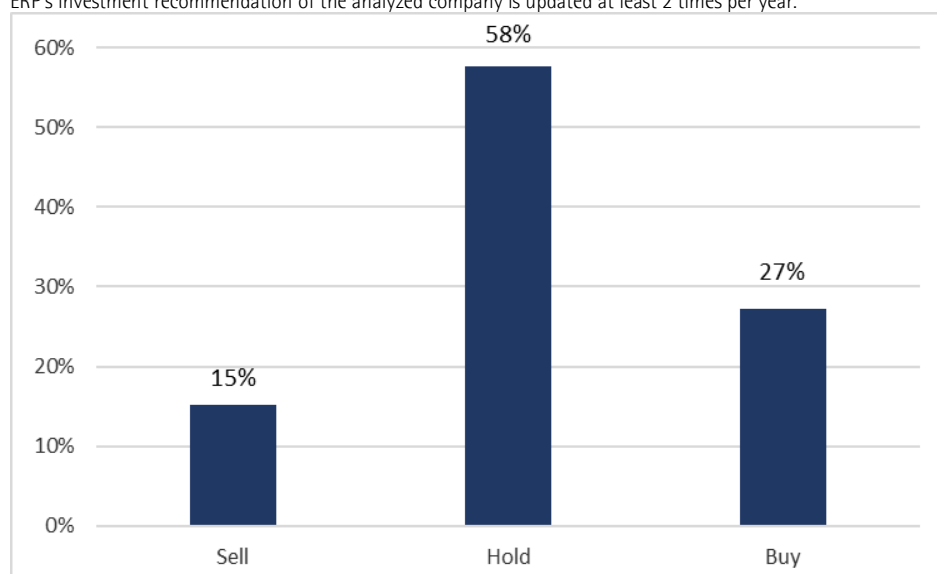
Important Disclosures

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 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Plc. Production of the investment recommendation has been concluded on 21.10.2022, 09:00. This report has been published on 21.10.2022, 09:15.

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 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 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 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 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

Arttu Heikura +358 40 082 8098
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205



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

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