

Further growth in Sweden

Talenom announced the acquisition of two accounting firms in Sweden and raised its net sales guidance to EUR 78-82m (prev. EUR 75-80m). We retain our HOLD-rating and target price of EUR 11.5.

Two acquisitions in Sweden, net sales guidance raised

Talenom continues to expand in Sweden by acquiring accounting firms Crescendo AB and Progreedo AB and raised its net sales guidance for 2021. The acquired businesses had combined net sales of EUR 2.3m in 2020 and operating profit of EUR 0.3m. With the acquisitions Talenom expands to two new municipalities in Sweden, Östersund and Åre. As a result of the acquisitions Talenom raised its net sales guidance to EUR 78-82m (prev. 75-80m). The acquired businesses will be transferred to Talenom on April 1st, 2021. The acquisitions will not increase operating profit in the short term due to integration costs and the depreciation of the transaction and the operating profit guidance remains intact at EUR 14-16m. The purchase price at maximum corresponds to 1.1x and 8.0x net sales and EBIT respectively.

Minor increase to sales estimates

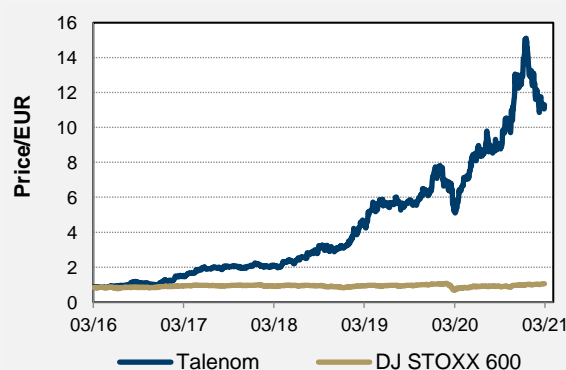
We have raised our 2021 net sales estimate to EUR 78.9m (prev. 76.7m) due to the acquisition and an overall minor increase in net sales expectations, with our operating profit estimate intact at EUR 15.3m. With the net sales guidance being revised this early on in the year, potential further acquisitions could likely prompt further revisions later on during the year, although the impact on earnings would likely not be as significant. The increased growth through the acquisitions, however, provide an additional base for continued organic growth and ramp up of operations in Sweden in the coming years.

HOLD-rating and target price of EUR 11.5

With only rather minor revisions to our estimate revisions we retain our target price of EUR 11.5 and HOLD-rating. Our target price values Talenom at approx. 43.5x 2021e P/E.

Rating

■ HOLD



Share price, EUR (Last trading day's closing price) 11.30

Target price, EUR 11.5

Latest change in recommendation 09-Feb-21

Latest report on company 09-Feb-21

Research paid by issuer: YES

No. of shares outstanding, '000's 43,466

No. of shares fully diluted, '000's 43,466

Market cap, EURm 491

Free float, % 58.5

Exchange rate 0.000

Reuters code TNOM.HE

Bloomberg code TNOM FH

Average daily volume, EURm 0.28

Next interim report 26-Apr-21

Web site talenom.fi/en/investors

Analyst Jerker Salokivi

E-mail jerker.salokivi@evli.com

Telephone +358 9 4766 9149

■ 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	58.0	10.4	18.0%	2.6	0.18	41.2	5.9	32.9	0.8	0.13
2020	65.2	12.9	19.8%	3.3	0.22	68.1	10.5	52.9	0.5	0.15
2021E	78.9	15.3	19.4%	0.3	0.26	42.7	6.7	34.3	0.1	0.18
2022E	89.9	18.0	20.0%	3.4	0.31	36.3	5.9	29.5	0.7	0.20
2023E	98.9	19.8	20.0%	10.6	0.34	32.9	5.3	26.7	2.2	0.22
Market cap, EURm	491		Gearing 2021E, %		94.8		CAGR EPS 2020-23, %		15.8	
Net debt 2021E, EURm	35		Price/book 2021E		13.2		CAGR sales 2020-23, %		14.9	
Enterprise value, EURm	526		Dividend yield 2021E, %		1.6		ROE 2021E, %		33.2	
Total assets 2021E, EURm	101		Tax rate 2021E, %		20.0		ROCE 2021E, %		19.9	
Goodwill 2021E, EURm	29		Equity ratio 2021E, %		37.0		PEG, P/E 21/CAGR		2.7	

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

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	11.30 PV of Free Cash Flow	122 Long-term growth, %	2.5 Risk-free interest rate, %
DCF share value	10.01 PV of Horizon value	343 WACC, %	6.9 Market risk premium, %
Share price potential, %	-11.4 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %
Maximum value	11.5 Marketable securities	9 Minimum WACC, %	6.4 Equity beta coefficient
Minimum value	8.8 Debt - dividend	-38 Maximum WACC, %	7.4 Target debt ratio, %
Horizon value, %	73.8 Value of stock	435 Nr of shares, Mn	43.5 Effective tax rate, %

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	65	79	90	99	106	111	117	123	129	135	138	142
<i>Sales growth, %</i>	<i>12.4</i>	<i>21.1</i>	<i>14.0</i>	<i>10.0</i>	<i>7.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>2.5</i>	<i>2.5</i>
Operating income (EBIT)	13	15	18	20	23	26	28	31	32	34	35	35
<i>Operating income margin, %</i>	<i>19.8</i>	<i>19.4</i>	<i>20.0</i>	<i>20.0</i>	<i>22.0</i>	<i>23.0</i>	<i>24.0</i>	<i>25.0</i>	<i>25.0</i>	<i>25.0</i>	<i>25.0</i>	<i>25.0</i>
+ Depreciation+amort.	10	11	13	12	13	14	15	16	16	17	18	
EBITDA	23	27	31	32	37	40	43	46	48	51	53	
- Paid taxes	-2	-3	-4	-4	-5	-5	-6	-6	-6	-7	-7	
- Change in NWC	1	1	1	1	1	0	0	0	0	1	0	
<i>NWC / Sales, %</i>	<i>-7.8</i>	<i>-7.8</i>	<i>-7.8</i>	<i>-7.8</i>	<i>-7.8</i>	<i>-7.8</i>	<i>-7.8</i>	<i>-7.8</i>	<i>-7.8</i>	<i>-7.8</i>	<i>-7.8</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-15	-15	-17	-15	-15	-15	-16	-17	-17	-18	-17	
<i>opCAPEX / Sales, %</i>	<i>26.3</i>	<i>21.3</i>	<i>21.2</i>	<i>17.6</i>	<i>16.4</i>	<i>15.6</i>	<i>15.6</i>	<i>15.6</i>	<i>15.6</i>	<i>15.6</i>	<i>14.6</i>	
- Acquisitions	-2	-7	-5	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	1	0	0	0	0	0	0	0	0	0	0	
= FCFF	6	3	6	14	17	20	22	24	25	26	29	660
= Discounted FCFF		3	5	11	13	15	15	15	15	15	15	343
= DFCF min WACC		3	6	11	14	15	15	16	15	15	16	404
= DFCF max WACC		3	5	11	13	14	14	15	14	14	14	294

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1E	2021Q2E	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	17.4	16.5	14.8	16.5	65.2	19.9	20.4	18.4	20.2	78.9	89.9	98.9
EBITDA	6.2	5.5	6.5	5.0	23.3	7.2	7.1	6.5	5.8	26.6	31.2	32.2
<i>EBITDA margin (%)</i>	<i>36.0</i>	<i>33.6</i>	<i>43.4</i>	<i>30.7</i>	<i>35.7</i>	<i>36.3</i>	<i>34.9</i>	<i>35.1</i>	<i>28.8</i>	<i>33.7</i>	<i>34.7</i>	<i>32.5</i>
EBIT	3.7	3.6	3.1	2.4	12.9	4.4	4.3	3.6	3.0	15.3	18.0	19.8
<i>EBIT margin (%)</i>	<i>21.4</i>	<i>21.8</i>	<i>21.2</i>	<i>14.7</i>	<i>19.8</i>	<i>22.1</i>	<i>21.1</i>	<i>19.7</i>	<i>14.9</i>	<i>19.4</i>	<i>20.0</i>	<i>20.0</i>
Net financial items	-0.2	-0.2	-0.2	-0.2	-0.9	-0.2	-0.2	-0.2	-0.2	-1.0	-1.1	-1.2
Pre-tax profit	3.5	3.4	2.9	2.2	12.0	4.2	4.1	3.4	2.8	14.4	16.9	18.6
Tax	-0.7	-0.7	-0.6	-0.4	-2.4	-0.8	-0.8	-0.7	-0.6	-2.9	-3.4	-3.7
<i>Tax rate (%)</i>	<i>20.1</i>	<i>21.2</i>	<i>21.1</i>	<i>18.4</i>	<i>20.3</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	2.8	2.7	2.3	1.8	9.6	3.3	3.2	2.7	2.2	11.5	13.5	14.9
EPS	0.06	0.06	0.05	0.04	0.22	0.08	0.07	0.06	0.05	0.26	0.31	0.34
EPS adjusted (diluted no. of shares)	0.06	0.06	0.05	0.04	0.22	0.08	0.07	0.06	0.05	0.26	0.31	0.34
Dividend per share	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.18	0.20	0.22
SALES, EURm												
Talenom	17.4	16.5	14.8	16.5	65.2	19.9	20.4	18.4	20.2	78.9	89.9	98.9
Total	17.4	16.5	14.8	16.5	65.2	19.9	20.4	18.4	20.2	78.9	89.9	98.9
SALES GROWTH, Y/Y %												
Talenom	17.4	11.8	10.0	10.4	12.4	14.7	23.6	23.9	22.7	21.1	14.0	10.0
Total	17.4	11.8	10.0	10.4	12.4	14.7	23.6	23.9	22.7	21.1	14.0	10.0
EBIT, EURm												
Talenom	3.7	3.6	3.1	2.4	12.9	4.4	4.3	3.6	3.0	15.3	18.0	19.8
Total	3.7	3.6	3.1	2.4	12.9	4.4	4.3	3.6	3.0	15.3	18.0	19.8
EBIT margin, %												
Talenom	21.4	21.8	21.2	14.7	19.8	22.1	21.1	19.7	14.9	19.4	20.0	20.0
Total	21.4	21.8	21.2	14.7	19.8	22.1	21.1	19.7	14.9	19.4	20.0	20.0

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	37.0	41.4	48.9	58.0	65.2	78.9	89.9	98.9
<i>Sales growth (%)</i>	<i>12.0</i>	<i>12.1</i>	<i>18.0</i>	<i>18.6</i>	<i>12.4</i>	<i>21.1</i>	<i>14.0</i>	<i>10.0</i>
EBITDA	6.8	9.5	13.7	18.9	23.3	26.6	31.2	32.2
<i>EBITDA margin (%)</i>	<i>18.5</i>	<i>23.0</i>	<i>28.0</i>	<i>32.6</i>	<i>35.7</i>	<i>33.7</i>	<i>34.7</i>	<i>32.5</i>
Depreciation	-2.6	-4.7	-5.1	-8.5	-10.4	-11.3	-13.2	-12.4
EBITA	4.2	4.8	8.5	10.4	12.9	15.3	18.0	19.8
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.2	4.8	8.5	10.4	12.9	15.3	18.0	19.8
<i>EBIT margin (%)</i>	<i>11.3</i>	<i>11.7</i>	<i>17.5</i>	<i>18.0</i>	<i>19.8</i>	<i>19.4</i>	<i>20.0</i>	<i>20.0</i>
Reported EBIT	4.0	4.7	8.5	10.4	12.9	15.3	18.0	19.8
<i>EBIT margin (reported) (%)</i>	<i>10.7</i>	<i>11.3</i>	<i>17.5</i>	<i>18.0</i>	<i>19.8</i>	<i>19.4</i>	<i>20.0</i>	<i>20.0</i>
Net financials	-0.5	-0.5	-0.6	-0.8	-0.9	-1.0	-1.1	-1.2
Pre-tax profit	3.6	4.3	8.0	9.6	12.0	14.4	16.9	18.6
Taxes	-0.7	-0.9	-1.6	-2.0	-2.4	-2.9	-3.4	-3.7
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	2.7	3.3	6.4	7.6	9.6	11.5	13.5	14.9
Cash NRIs	-0.2	-0.1	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	14	17	21	28	37	44	51	56
Goodwill	18	18	18	21	24	29	34	34
Right of use assets	0	0	8	8	8	8	7	7
Inventory	0	0	0	0	0	0	0	0
Receivables	5	5	5	7	7	9	10	11
Liquid funds	4	5	6	8	9	11	13	14
Total assets	42	46	59	71	85	101	114	122
Liabilities								
Shareholder's equity	12	14	19	24	32	37	43	49
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	8	8	8	8	7	7
Deferred taxes	0	1	1	1	2	2	2	2
Interest bearing debt	23	23	24	28	30	39	45	44
Non-interest bearing current liabilities	7	8	8	10	12	15	17	18
Other interest-free debt	1	1	0	0	1	1	1	1
Total liabilities	42	46	59	71	85	101	114	122
CASH FLOW, EURm								
+ EBITDA	7	10	14	19	23	27	31	32
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	0	0	-1	-2	-2	-3	-3	-4
- Increase in Net Working Capital	0	1	-1	1	1	1	1	1
+/- Other	0	0	0	1	1	0	0	0
= Cash flow from operations	6	9	12	18	23	24	28	28
- Capex	-4	-5	-9	-13	-17	-17	-19	-17
- Acquisitions	0	0	-1	-2	-2	-7	-5	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	2	5	3	3	3	0	3	11
+/- New issues/buybacks	0	0	1	1	4	0	0	0
- Paid dividend	0	-1	-2	-4	-5	-7	-8	-9
+/- Other	-3	-3	0	2	-1	8	6	-1
Change in cash	-1	1	1	2	1	2	2	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	87	131	314	652	491	491	491
Net debt (excl. convertibles)	18	26	29	29	35	40	38
Enterprise value	105	157	342	681	526	531	529
Sales	41	49	58	65	79	90	99
EBITDA	10	14	19	23	27	31	32
EBIT	5	9	10	13	15	18	20
Pre-tax	4	8	10	12	14	17	19
Earnings	3	6	8	10	11	14	15
Equity book value (excl. minorities)	14	19	24	32	37	43	49
Valuation multiples							
EV/sales	2.5	3.2	5.9	10.5	6.7	5.9	5.3
EV/EBITDA	11.0	11.5	18.1	29.3	19.8	17.0	16.4
EV/EBITA	21.6	18.4	32.9	52.9	34.3	29.5	26.7
EV/EBIT	21.6	18.4	32.9	52.9	34.3	29.5	26.7
EV/OCF	11.1	13.4	19.3	29.9	22.1	19.3	18.9
EV/FCFF	45.8	48.3	64.9	115.1	179.2	85.7	39.0
P/FCFE	108.0	282.4	732.8	196.3	1,517.9	145.7	46.3
P/E	23.4	20.6	41.2	68.1	42.7	36.3	32.9
P/B	6.2	7.0	13.3	20.3	13.2	11.5	10.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	20.1	17.3	16.7
Target EV/EBIT	0.0	0.0	0.0	0.0	34.9	30.0	27.2
Target EV/FCF	0.0	0.0	0.0	0.0	1,653.6	160.0	50.7
Target P/B	0.0	0.0	0.0	0.0	13.4	11.7	10.2
Target P/E	0.0	0.0	0.0	0.0	43.5	37.0	33.5
Per share measures							
Number of shares	40,872	41,231	41,836	43,352	43,466	43,466	43,466
Number of shares (diluted)	40,872	41,231	41,836	43,352	43,466	43,466	43,466
EPS	0.08	0.15	0.18	0.22	0.26	0.31	0.34
Operating cash flow per share	0.23	0.28	0.42	0.53	0.55	0.63	0.64
Free cash flow per share	0.12	0.07	0.06	0.08	0.01	0.08	0.24
Book value per share	0.34	0.45	0.56	0.74	0.86	0.99	1.13
Dividend per share	0.05	0.09	0.13	0.15	0.18	0.20	0.22
Dividend payout ratio, %	63.9	59.4	68.7	67.9	68.0	65.0	65.0
Dividend yield, %	2.5	2.9	1.7	1.3	1.6	1.8	2.0
FCF yield, %	5.6	2.1	0.8	0.5	0.1	0.7	2.2
Efficiency measures							
ROE	26.6	39.0	36.0	34.4	33.2	33.8	32.5
ROCE	13.7	19.7	18.8	19.8	19.9	20.2	20.2
Financial ratios							
Inventories as % of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables as % of sales	13.2	11.2	11.3	10.8	10.8	10.8	10.8
Non-interest bearing liabilities as % of sales	20.2	15.8	17.6	18.6	18.6	18.6	18.6
NWC/sales, %	-7.0	-4.6	-6.4	-7.8	-7.8	-7.8	-7.8
Operative CAPEX/sales, %	11.0	17.7	22.9	26.3	21.3	21.2	17.6
CAPEX/sales (incl. acquisitions), %	11.0	16.7	19.3	22.7	12.9	15.4	17.6
FCFF/EBITDA	0.2	0.2	0.3	0.3	0.1	0.2	0.4
Net debt/EBITDA, book-weighted	1.9	1.9	1.5	1.2	1.3	1.3	1.2
Debt/equity, market-weighted	0.3	0.2	0.1	0.0	0.1	0.1	0.1
Equity ratio, book-weighted	30.4	31.5	33.0	37.9	37.0	37.5	40.3
Gearing, %	126.4	138.0	121.8	90.3	94.8	92.6	77.3

COMPANY DESCRIPTION: Talenom operates as an accounting company, with services targeted towards small and mid-size companies. The company offers accounting, bookkeeping, taxation, and legal services, as well as invoicing, financial performance monitoring and management software, and payroll services. Talenom also provides other services aimed at assisting entrepreneurs, such as staffing services.

INVESTMENT CASE: The fragmented bookkeeping market offers ample opportunities for Talenom to continue on its track of profitable growth. The opening of its first offices should also start to contribute to growth once its sales force has been established. Margin upside potential exists but is in our view quite limited and affected by the growth pace, and earnings growth should primarily derive from top-line growth. The recurring nature of Talenom's revenue provides exceptionally good predictability and revenue stability.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Tahkola Harri	8,665,015	97.915	19.9%
Skandinaviska Enskilda Banken (nominee reg.)	6,278,154	70.943	14.4%
Tahkola Markus	5,065,824	57.244	11.7%
Nordea Bank Abp (nominee reg.)	3,657,891	41.334	8.4%
Danske Invest Finnish Institutional Equity fund	2,300,000	25.990	5.3%
Conficap	1,850,000	20.905	4.3%
Ilmarinen Mutual Pension Insurance Company	1,645,517	18.594	3.8%
Evli Finnish Small Cap fund	1,585,000	17.910	3.6%
Föreningen Konstsamfundet r.f	780,000	8.814	1.8%
Siuruainen Mikko	694,716	7.850	1.6%
Ten largest	32,522,117	367.500	75%
Residual	10,943,505	123.662	25%
Total	43,465,622	491.162	100%

EARNINGS CALENDAR

April 26, 2021	Q1 report
August 02, 2021	Q2 report
November 01, 2021	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Otto-Pekka Huhtala

Töölönlahdenkatu 2, 00100 Helsinki

CFO: Antti Aho

Tel:

IR:

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

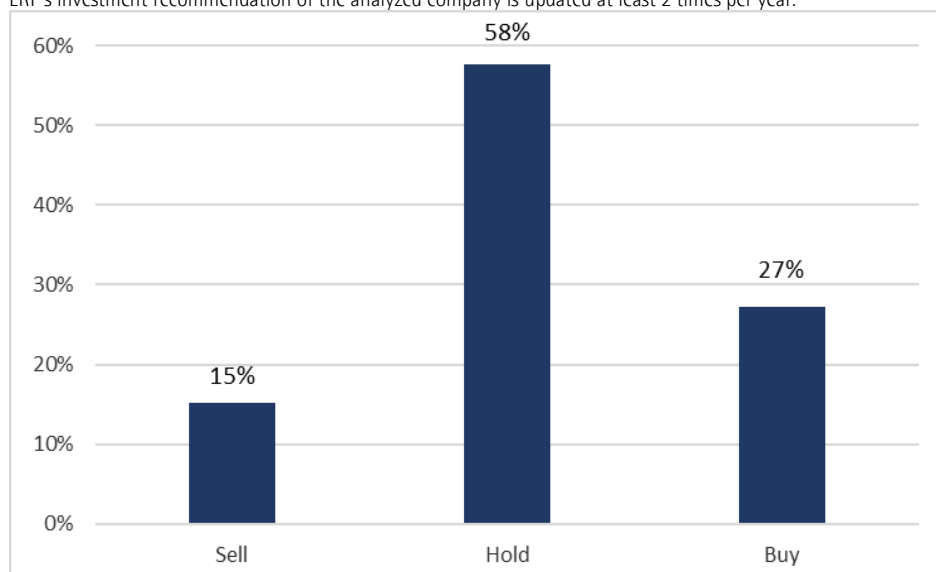
Important Disclosures

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): Salokivi

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 19.3.2021, 8:15. This report has been published on 19.3.2021, 8:30.

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, 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