KONE Q1 2017: INTERIM REPORT FOR JANUARY-MARCH 2017

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Sanna Kaje: Good afternoon, everyone, and welcome to KONE's Q1 results presentation. My name is Sanna Kaje, and I'm the head of Investor Relations. I have here with me today, our President and CEO, Henrik Ehrnrooth, and CFO, Ilkka Hara. Henrik will first go through the business highlights. Ilkka will then dig a bit deeper into the numbers, and Henrik will then conclude with the outlook. Henrik, please.

Henrik Ehrnrooth: Thank you, Sanna, and also, a warm welcome on my behalf to our Q1 results announcement. It's again my pleasure to share some interesting news with you. I shared with you how we have performed in the First Quarter of the year. In Q1, we had a solid start to the year with continued sales growth and a very strong cash flow. However, we did have a number of areas that burdened our result, and, therefore, despite good progress, our results declined slightly. What is also important in the Quarter is that we launched some new, very groundbreaking services that we can see already now that has great traction with our customers. During this presentation, I'll start with going through highlights of our performance and talk about a little bit broader how our markets and our market share developed last year. I will talk also about market development, and after that, I will hand over to Ilkka Hara to review our numbers a little bit more in detail, and then I'll wrap up with the outlook for the coming year, but if you go straight into the key highlights and the key figures for 2017, I see that our orders received, they were a little bit over €1.9 billion, and they declined slightly at 1.2% in comparable currencies. Order book continues to be strong. It is over €9 billion and has grown at about 5% over the prior year. Our sales continued its growth. It was over €1.8 billion, and in this environment, I would say a good 3.3% growth. We will come a little bit more in detail into what is behind this good development. Our operating income declined slightly from €221 million to €218 million, and here, despite good performance in many areas, we did have areas that burdened the result, and therefore also the margin declined slightly from 12.7 to 12%. It's clear that we are not happy with the fact that our results declined slightly, and we continue to take action to find areas where we can improve compared to the headwinds we are facing. What I'm happy about is that our cash flow was very strong again at €305 million, so we can see the cash conversion was very good again in the first quarter. EPS €0.36 compared to €0.37 compared to last year.

In the environment that we're going through, where we can see the environment is very mixed. We have some good markets, some very challenging markets, and I would say in quite an uncertain overall environment, what is important is that the company has a very clear direction. Employees understand where to focus, where the opportunities can be found, and there, I think our employees have again, again done a great job, so a big thank you to them, understanding that's how we drive performance also in a more challenging environment.

If you look at how our business mix is developing, we can see that the trends that we started to see during the second half of last year continues, which is that the services business is clearly our strongest growth driver at the moment and where we have good growth. The share of maintenance and share of modernization continues to increase. If you look again on a geographic basis, we can see that it's North America the share is clearly growing, and it was already 22% in the First Quarter of our revenues, and I think particularly the geographic share, it's good that we get a more balanced market share of our business, as we know that our markets do develop in different rhythm globally.

If you look at some of the highlights of our businesses and our business review in Q1, you can see that on the positive side, a continued good growth in our services, and good growth in both maintenance and modernization sales in all geographic areas. And what I'm very happy about is that the active development we put into our services business over the past two years is really continuing to deliver strong results. We also had a solid development in orders received in many markets, which is supported by some of the very successful product launches that we had during the last year when we continued to strengthen our product competitiveness. It's clear that we also had some areas that burdened the orders received, but, overall, many good performances. Ilkka will come back more detailed into this.

Also, during the quarter, we launched our new strategy and have been actively rolling it out throughout the quarter and discussing it very broadly with our customers, and what I'm very happy about is it's building great momentum and has been very positively received. Also, we opened our renewed high-rise test laboratory in Tytyri, Finland, which is a totally unique high-rise testing laboratory where we can bring again a lot of great solutions to add value to our customers.

From Market perspective, I would say that the positives thing that occurred during the Quarter was that we started to see a stabilization in the large Chinese market. If we look at volumes in the Chinese market, they were now stable year-on-year, and, as you all remember, the trend last year was that we clearly saw a clear price decline in China throughout 2016, but now, during the Quarter, we saw that our prices started to stabilize, and I would say some first positive signs that we're going in the right direction. That's also very positive.

In the First Quarter, we were also facing some clear headwinds, something that we had expected, and something we already talked about during last year and, and beginning of this year, and what is burdening our profitability is a combination of the price pressures we saw in the Chinese market last year and also clearly higher raw material costs. We're also seeing, particularly, I would say in larger project, intense and perhaps intensifying price competition. So, this highlights of our business from the First Quarter. An important highlight is that it really showed how we bring our strategy alive. We did a very important launch on 8th February 2017 when we launched some truly groundbreaking services, and what is perhaps most important with these new services that we launched is that these are not only a promise, these are services that we have been delivering to our customers in pilot mode, well, actually, in some countries a little bit broader, already during the year. So, we can see the results have been very positive and that we are definitely on the right path. So, what we launched on 8th February 2017 were two things. First, our 24/7 connected services. These are some of the first truly customer value-creating IOT services. You hear a lot about technology and technique when it comes to IOT, and that we have really the best partners, I believe, in the world to develop this, but perhaps the most important thing is how we have packaged this into something that truly adds value to our customers and something we've been able to show with customers, and they really appreciate it, and it's developing well. They get clear value in seeing improved safety, much better transparency in understanding how the building works, how people are moving there, and how the equipment overall are performing as well as being able to predict before problems occur.

The other thing we launched was our new KONE Care maintenance services. These are truly differentiated in market. We can see, as mentioned, we have been selling these for over a year. We already have thousands of customers who are benefitting from the value that we deliver through these services. What is new in this? The new thing here is that, as our industry, most places, most companies have three different offers what they want to sell to the customer. Here, we turn it on the head and instead go to our customers, truly want to understand what type of building, what type of tenants, what type of needs do they have, and based on that, based on certain modules that we have, we tailor an individual offer that meets their exact needs, and we can see that our customers are very much appreciating this, and it adds value to them, and the reason we can see it is we can see it from the customer feedback but also from the fact that our hit rates are up, and our prices are better when we work in this way. So, we can see that we are truly bringing differentiation also to the services businesses in this industry. So, that is about KONE's performance and our development during the First Quarter.

If you then go to Market Development, new equipment markets in the First Quarter, globally, they were rather stable. Europe, Middle East and Africa grew slightly, particularly in Central and North Europe. South Europe continued to recovery from a low level. Middle East more mixed and challenging. North America, particularly the United States continued to, market continued to grow. We're already coming into eighth year of growth, but the market is very solid across segments. And, in Asia Pacific, if I start with markets outside of China, we saw now a more challenging environment in the market. India market declined slightly because of demonetarization that happened in the Fourth Quarter last year, and, also, Australia is slightly declining from a high level, and Southeast Asia, I would say more mixed environment. Some growth markets, some more uncertain, where more political uncertainty is, is at the moment. China, as I mentioned already, markets overall stable, and during the Quarter, we started to see the prices are stabilizing. So, I would say first, very positive news from that market.

If you then go into a little bit of what is behind the stabilization of the Chinese market year-on-year in volumes and now during the Quarter in prices as well, of course, behind it is the Chinese property market. If you look at the market overall and start with inventories in the market, you can see that in the higher tier cities, inventories are at the healthy level where they continue to be for about a year, so they continue to be quite good. In the lower tier cities, inventories have clearly come4 down over the past years and continue to come down but are still elevated in many cities, so we still have some way to go but it's clear that the market is becoming healthier all the time.

We're now looking at housing sales and prices. As you all know, prices in the property market came up quite significantly particularly in the larger cities last year, and as a result of that, the government started to introduce restrictions for mortgages and number of apartments one can own, and we started to see that, that did start to have an impact particularly in the higher-tier cities. We already have about 32 large cities with restrictions, which represents close to half of the overall market. So, it's starting to have an impact, and because of these restrictions, we start to see that growth is now shifting more into tier three and tier four cities overall. Because of this, we can see also more confidence amongst developers, and because of that, also total real estate investments is growing up 9.1% year-on-year, and all this, as I mentioned, has created a more stable market for us now. When we look forward during the year, we still expect that the market is stable at -5%. You can see that there are positive things happening in the property market, but, on the other hand, we also have the restrictions being imposed by the government, and those, we believe, will start to have a bigger impact towards the end of the year. The new equipment market is a little bit more detailed on China.

If I then turn to the services market, maintenance development continued very much in line with last year. Slight growth in the market in Europe, Middle East, Africa and North America, and strong growth in the Asia Pacific market. Modernization, where the markets have been growing quite well for a couple of years now, we continue to see slight growth in both Europe, the Middle

East, and Africa, and in North America, and strong growth in Asia Pacific, although that's a slightly smaller market but continues to develop very well.

So, that was development in the First Quarter, and as we are now in connection with First Quarter result, we have also now, we have also had now as a habit for many years, to also look at our market share development in more detail for the last year and the market development in more detail for the prior year. So, if we look at the new equipment markets globally for the year 2016, we can see that the global new equipment market shrank by about 2% measured in number of units for about 840,000 units to about 825,000 units. In monetary value, the market declined last year by about 8%. If we look at the market development in the various markets, as we discussed, over the beginning of the year, the important China market, that declined by about 5% and was last year around 515,000 units overall. In monetary value, the Chinese market declined last year in the mid teen. we then had growth in Europe, Middle East, and Africa, growth in the rest of Asia Pacific as well as in North America.

KONE's market share last year was stable at 19% if we look at where it had come from. In China, our market share stayed stable about 20%, and as you know, our objective last year wasn't even to maximize market share in China. In a declining market, as a clear market leader, we focused more on a solid development there, which we had. Market share-wise, the best development last year was in Europe, Middle East and Africa, where we clearly improved our market share. If you look at North America, our market share improved in particularly if you look at in monetary value. So, those were the markets where we had the best overall development.

If you then look at the services market, the services market globally increased again last year, installed base of elevators and escalators was more than 14 million units globally, and it's clear that it's China that already represents 31% of the market is the clear growth driver globally.

At KONE, we clearly improved our market position in maintenance last year, and we can see that, given the growth and the good improvement that we have had, we already now own a shared number three position. In maintenance as well as in modernization, we clearly have a market-leading growth rate, and that's why we are clearly catching up with our larger competitors in services. Also, modernization market continued to grow with a single digit growth number for the market overall, and we grew at about 15%, so again, here we improved our market position also quite significantly. Overall stable market share in new equipment and clearly improved market positions in services.

If you then look at what are our market positions at the end of last year, you can see new equipment, we had very strong market positions particularly in the largest markets, even though they have been more challenging now in China and the rest of Asia Pacific, we know that those are the key markets for the future, and here we continue to be market leader in both. Europe, Middle East and Africa, we are the second-largest player, and in North America, we are number four. Now, what's interesting when we look at this number four position in North America, if I only go three years back, there was a very significant difference between our market share and that of our bigger competitors. Today, when I look at it, and we see the number two and number three and number four players, they are in a couple of percentage points of market share. Here, we can also see that we have clearly caught up with our larger competitors in that market, and that shows that in new equipment, we have very strong market positions throughout the world.

In maintenance, as we know, we continue to be the challenger, and that is a position we are taking very seriously, and that's why our objective is to grow faster than our key competitors, and that we are doing. Market positions continue to strengthen, and what I'm very happy about is that in the, what is going to be in the future the largest service market and the fastest growing market, the Chinese service market, we are the market leader, and also, in the rest of Asia Pacific, we have very strong positions. In other parts of the world, we also are strengthening our positions. So, good overall development, I would say.

So that is, in summary, our performance, what we have done within KONE markets, and our market share for last year. I will now hand over to Ilkka to review our financial performance and some other matters in a bit more detail.

Ilkka Hara: Thank you, Henrik. It's my pleasure to go through more in detail our financials for the First Quarter 2017 as well as then look at, as a heads-up item, more in detail the, the changes we have ahead of us in terms of our accounting standards, but let's first part with our financial performance and orders received development in the First Quarter. So, although we saw very good development in a number of areas, overall, we did see a decline in our orders received by 1.5% on a historical basis, and our orders received reached 1, over 1.9 billion in the Quarter. We look at the key drivers for this development. So, first of all, I would highlight a good performance in our modernization business, where we continued to see a, continued to see a positive contribution to our orders received growth. At the same time, I would also highlight new equipment in both Europe, Middle East and Africa as well as in Americas contributing positively to our orders received growth. At the same time, new equipment in Asia Pacific negatively contributed to our growth in orders received, and there, China playing a major role, so, we saw, in China, for orders received, a decline of about 10%, and, as said, we were aligned with the market overall from a volume perspective, but prices given the performance, although they stabilized in the Quarter, we still saw year-on-year decline by about 10%. Then, if we look at the relative margins of our orders received in the Quarter, so they declined slightly but remained at the healthy level, and contributing to this development, we saw both the, the development in pricing, especially in China contributing there but also the increasing enrolment through pricing having a negative impact there. Effects played a minor role this time, negative impact of €7 million to our orders received.

Moving forward and, then to sales, so, so for sales, we saw solid development and really driven by services. We saw growth of 3.5%, reaching slightly over €1.8 billion in the Quarter, and if we then look at the key drivers on the right-hand side for this, what came out to be a 3.3% growth in a comparable basis, and first, from a business perspective, so, both maintenance as well as modernization contributed positively, and there, modernization at 9.5% as well as maintenance at 7.1% clearly were highlights for, for growth in the Quarter. At the same time, new, new equipment was down 1.3%, really driven by the development in orders received that we saw in 2016 for that.

And then, geographically, looking at the development, so Europe, Middle East, Africa contributing at 5%, really good performance there, as well as Americas really as the highlight of the Quarter at 19.6% growth there. Asia Pacific declining at 5.8%, and there, China playing a, a major role where our revenue in China, driven by the orders written development that we saw in 2016, declining over 10%.

Then, moving forward and looking at the operating income, where, although we saw continued strong execution in number of fronts despite that several headwinds burdened our profitability, and we did see a decline of 1.7% on our operating income, reaching €218 million. So, clearly, that's not something we can really be happy with, and we clearly need to accelerate the actions we have to improve our profitability going forward. We look at the key drivers on the right-hand side for operating income. So, services growth contributing positively, positively to our operating income as well as the overall good execution in number of fronts in terms of driving profitability as well as product competitiveness forward. At the same time, we did see our accelerated investments to R&D and IT short-term negatively impacting our operating income, although we continue to see, as witnessed by the new launches that Henrik talked about, good potential going forward in these investments. Then, as discussed, so, the raw materials in the Quarter are a headwind already, and then, also, the margin pressure that we witnessed in the latter part of 2016 now is coming through in our P&L Operating income as well.

Now, shifting gears and really looking forward a bit as a heads-up item on the upcoming changes when it comes to how we recognize our sales from 2018 onwards. While we're adopting the new IFRS 15 principle in our accounting. It impacts about half of our sales, so the volume new equipment sales as well as modernization business, and if you look at on the right-hand side, at the top graph, you can see how we're accounting for our sales today. so, from the time when we start to manufacture the order all the way to installing it, we are recording it as a work in progress in our balance sheet, and once we actually hand over the project to our customers, we then record the responding revenue, the cost, and the relevant profit in our P&L. That's how we're doing the accounting for the volume business as well as the modernization business as of today.

Going forward, starting from 2018, we will move to a gradual recognition of our sales, and if you look at the right-hand side lower picture, you can see the difference in terms of how we're going to approach it. So, from a manufacturing all the way through deliveries of the first materials to the customer site is recorded as a work in progress, and from there onwards, we're going to record revenue as we our progressing throughout the project lifetime all the way to hand over to customer, where we are at the same point actually cumulatively as we are today. This change will not impact our major projects unit, as we're already recognizing gradually the sales there, and we will provide you with comparison data prior to release of our results for First Quarter 2018. And if we then look at the first estimates in terms of impact of these changes to our financials, so here are a few key items that we wanted to highlight. So, first of all, part of our profits from ongoing projects at the time of the cut-over will be booked straight to equity. So, this will mean that there's an impact to our audit book, and that decreases roughly about €1 billion is our estimate that, as of today. And then also, inventories will decrease by over 50% as we're starting to recognize the sales earlier than today, and the corresponding equity will increase as we book these ongoing projects there directly at the time of change. This will also impact our working capital items, so, advanced payments will decrease by roughly 30%, receivables will increase somewhat, and there are also minor changes to how deferred taxes and tax liabilities are recorded due to the fact that we are changing the recognition, and, as a whole, there will be over 10% less of negative working capital as a consequence. There are also other changes that will be coming here, so as we're starting to recognize the sales more as a function of the time and work we put into the projects, we are seeing less seasonality in both sales as well as in our profit recognition going forward. We will also impact our, our lead time to, from order to sales we'll develop, and it will become shorter going forward. And, as such, so as our equity increases, also then our equity ratio will increase as well as impact our return on equity negatively. But, more importantly, from a cash flow point of view, there will be no change going forward. So, this is as a heads up, and, and we'll continue providing you more, more information on the details during the year and will release comparable data before the first time of releasing our results with IFRS 15 standard.

And with that, I'll hand over back to Henrik on our market and business outlook for the remaining of the year.

Henrik Ehrnrooth: Thank you, Ilkka. Then, if I just wrap up with what we expect from our markets towards the end of this year and also our outlook. In new equipments, we expect that, in China, the market will be flat or down -5%, somewhere in that range, in units ordered, and we also expect that the intense competition will continue in that market. The rest of Asia Pacific, we expect to grow. Europe, Middle East, and Africa and North America, in new equipment, we continue to expect slight growth over the prior year.

Maintenance, here we expect the trends that we have seen so far this year and last year to continue for slight growth in Europe, Middle East, Africa, and North America, and continue good growth in the Asia Pacific market. In modernisation, overall market we expect to continue to grow, with slight growth in Europe and North America, and strong growth continued in Asia Pacific. And then if we look at our outlook, Kone's outlook for the full year, which have specified slightly. We now expect that our ad sales will be between 0 and 3% growth, whereas we previously said between -1, +3. So, because of the good start we had to the year, we have slightly improved it and taking one percentage point from the bottom and of the range.

Operating income, here we have also slightly specified our outlook, and we now expect our EBIT to be in the range of a billion, 200 million to a billion, 290 million, that is assumed that translation exchange rates will stay at the average level of the first quarter of 2017. Previously we estimated our EBIT to be in the range of a billion, 180 million to 1.3 billion. So here we have slightly specified and slightly improved our range. And I say we have done this despite the fact that when we look at, for example raw material headwinds, that they are slightly stronger than what we expected in January. So, we can see that the course of what has been good execution beginning of the year, we can expect that we can compensate and even higher headwind and get to this range.

As Ilkka mentioned, I also mentioned earlier, it's clear that we are not happy with the fact that our results slightly decline in Q1, and we continue to take action to improve that. As always, some of the most important actions to take are improve customer activity and providing value to our customer, because that can be seen in pricing, and that is always the most important one. Our productivity, overall, we continue to develop that, something that we constantly do, and accelerating some actions there. And of course, we are looking at efficiency throughout the organisation all the time as we have done. So that we can continue to find opportunities. And as we have seen in the past years, we have continuously had a very good development of our overall product competitiveness and cost, and clearly, we continue with actions there to develop our competitiveness, and there I also see continued good progress. So, we have lots in store, develop our competitiveness, although we can see that the headwinds from big raw materials and others, are going to be stronger in the coming quarter than the first quarter. But still we have full confidence for our full year outlook, as you can see from this specification that we have done.

And with that, if I just summarise for Q1. We had a solid start to the year in mixed operating environment. We have both headwinds and tailwinds ahead of us. Headwinds are slightly, will be stronger now in the coming quarter than in the first quarter, but also, I believe that our execution continues to be strong, and what I am very happy about is that the new strategic phase that we started this year, has started with very good momentum, great feedback from most employees and our customers. That is [inaudible] to continue to develop positively going forward. With that, we again have good time for your questions.

Sanna Kaje: Yes, we are now ready for your questions. Are there any from the audience? If not, then let us start taking questions from the telephone lines. Please state your name and the company before asking the question. Operator, I will hand over to you.

Operator: Ladies and gentlemen, if you would like to ask a question today, you can do so by pressing star one. We will now take our first question from Andre Cookman from Credit Suisse.

Andre Cookman: Ah, yes, good afternoon. And thanks very much for taking my questions. I will go one at a time if that is okay. Firstly, on your comment on China orders received margin versus year ago, that is very clear. Could you give us an indication where the margin of orders received is versus your current margin in Q1, now that we are 70 basis points lower?

Henrik Ehrnrooth: Of course, the global margin is a function of many different things. And then, you know, in China margin is clear that, you know, when we saw during last year that prices came down throughout last year. We start to see, particular second half of the year, some headwinds to the margins. Those are only what we are started to deliver now. So clearly, as they slightly increase during last year, we continue to have those headwinds. So that is what we continue to work on our productivity, quality, in delivering to our customers. And, of course, going forward, that was very focused on pricing where, you know, where we see that we are starting to make first, we see first positive signs, particularly in China here.

Andre Cookman: Okay. Thank you. Can I ask on the China revenue's run rate, now that we have had three quarters of consecutive double-digit declines? Where are we in that run rate versus what is in the order book run rate? Do we need to take a further step down?

Henrik Ehrnrooth: I am not sure I fully understand your question, but we had now, our revenues in China decline at around 10% and that is clear, that is a functional effect that our orders received last year declined in China and orders received, the monetary value continue to decline, so I think it is a very logical result of that.

Andre Cookman: Yeah, so maybe I will just clarify. We have seen your orders in China declining around 12% in 2016. You were down 10% in Q1 and we have had three quarters of double-digit revenue declines. That sounds like we are kind of two quarters away given what you are pointing in terms of stabilisation for units and pricing during Q1. Would that be the right logic?

Henrik Ehrnrooth: Of course. Very much depends on, you know that orders can be quite fast turning in China, so depends on how we perform from hereon but otherwise logical of course what you say.

Andre Cookman: Great. Thank you. And then just a couple of questions. Firstly, on digital. Could you give us some idea on how much of your install base, so your maintenance base is connected now? To the IoT platform?

Henrik Ehrnrooth: I would say that we have two things. We have our new IoT platform, then we have more legacy connectivity, which of course we are going to move into the new IoT platform. But [inaudible] to that corner we are about some 150,000 connected units. Everything of course that we can move into the IoT platform where we see the fastest take up and growth of the new services we are selling. It is clearly, well some Europe, but clearly China is the fastest take up. And that is happening quite rapidly at the moment.

Andre Cookman: Great. Thank you, Henrik. And if I may just last one for Ilkka. On IFRS15 change, if we just can [inaudible] a thing about the change, the shape of it, will it be a kind of a one-off lift to one year's sales and profits. And then the pull through happens and then the run rates stay the same. Or is it a lift across the years from this earlier recognition, if you see what I mean.

Henrik Ehrnrooth: If I understand your questions, at the time we actually implement the change, so we actually book the profit to equity straight so it does not influence our P&L in 2017. And then from 2018 onwards, we will then be in the, IFRS15 so recognise them as the projects progress. So, in that sense, it does not have a one-off impact. We will come back more in detail on the impact to P&L and the comparable data later. So, in that sense, hold on and wait before we give you more details. We just wanted to give a heads up on the changes to come as well as the key impacts on the P&L to start with.

Andre Cookman: It is very helpful. Thank you. But it lifts '18 but it does not come out in '19. If you see what I mean.

Henrik Ehrnrooth: From '18 to '19 they are comparable thereafter. And we will provide the data for '17 as well.

Andre Cookman: Got it. Got it. Thanks so much for your time to both of you. Thank you.

Operator: Our next question is from Guillermo Peigneux from UBS.

Guillermo Peigneux: Good afternoon, everyone. Guillermo Peigneux from UBS. I had a question regarding raw materials. Then another two regarding M&A. And one on the North American market. On raw materials first. In slide 17, seems like raw materials had a very limited impact, even I would say a low single-digit number. I am guessing just one or two million. And the rest is actually R&D, according to that commentary that you actually put out on the presentation and on your release. Is that meaning that, you know, after your comment, the raw material pressure is going to be a lot greater during the quarters to come? And obviously, a lot greater in the framework of the 50-100 million increase that you saw before or even higher as your comments recently?

Henrik Ehrnrooth: Ilkka, you want to answer that?

Ilkka Hara: Yes. So, let us start twofold. So, our investments first to R&D and IT, they are ongoing and visible right now in, I would say, give or take, we said 0.2% more either, and now we are roughly about 0.5 percentage points, which is a bit more seasonal than normal. So, we are not investing more as such, just hit first quarter more.

And then from a raw material point of view, so we talked about this 50 to 100 impact earlier, and I think we were at the beginning of the year more on the 50 side of that range. And now with increasing raw materials, we may be worth higher of that range as of now. But at the same time, as Henrik said, so our specified guidance takes that into account. So regardless of that we see that we can raise the bottom end as such.

Henrik Ehrnrooth: One of your questions, Guillermo, was yes, it had a smaller impact in Q1. We expect that the impact in the coming quarters will be bigger. Yup. But despite that we, as you have mentioned, we still believe that, we still slightly improve our guidance.

Guillermo Peigneux: Oh, of course. But is it right to assume - do you put the numbers in the bar, in the waterfall chart? Is it right to assume, you know, one or two million increase in raw materials so far?

Henrik Ehrnrooth: That would be a negligible number that we probably would not mention.

Guillermo Peigneux: All right. Okay, understood. Then recently ThyssenKrupp and also Toshiba have basically commented on how core their elevator businesses are to their strategy, and I was wondering. In fact, someone did suggest just like yesterday or two days ago, that they do not see any further consolidation in the market. So, I was wondering what is your commentary on that?

Henrik Ehrnrooth: We cannot of course comment on other companies. That is of course their decision and their views. I have nothing more to comment on that. You know that in general, we are interesting to find further growth also by acquisitions. We have a strong balance sheet, we can do that. We see a great value creating potential in all of them. Last year again we acquired nearly twenty companies and our appetite for that continues to be there. That is what I can say about this.

Guillermo Peigneux: Okay, fantastic. Thank you. One last question, I promise. Regarding again, your competitors are suggesting that the USA market is very strong for them. I only see a slight improvement on yours. Is this referring to the fact that, you know, maybe your critical mass was, already grew a lot during 2016 and probably is also a mixed comment rather than an overall market comment?

Henrik Ehrnrooth: Well if you look at our top line, it grew almost 20% in North America, which is very strong growth rate, if you think about how big a role services play in that market. And our orders received in new equipment in North America grew very substantially.

Guillermo Peigneux: Okay, it is just a market comment. Okay. Thank you.

Henrik Ehrnrooth: Okay. Thanks.

Operator: Our next question comes from Klaus Berglund from Citi.

Klaus Berglund: Yes. Hi, Henrik and Ilkka. It is Klaus from Citi. A couple of questions, please. First on pricing and mix in China as -10%, you have said before that current tendering is roughly showing up in orders on four months later. So, I was wondering when you talk about stabilisation I guess you mean that on tenders, pricing is now stable quarter-on-quarter, which means that price mix on the orders in the second quarter will only look better because of the easier year-year comp, or are you saying that pricing and mix is sequentially improving as well? I will start there.

Henrik Ehrnrooth: What we are saying is that within the quarter we are starting to see a stabilisation of the price and mix, and clearly then we look at both actual prices as well as what we can see in our tender book. So that is what we see actually happening.

Klaus Berglund: Okay. So, no sequential improvement so far?

Henrik Ehrnrooth: No, so, you know, we then talk about what has happened within the quarter.

Klaus Berglund: Okay. Good. My second question is on raw materials - the 50 to 100 million guide. You say that you likely going to end up towards the higher end of that range. Some of your peers are now saying that the raw material drag at current commodity prices can also last into 2018. So, if you stay at current price levels, will you also see a cost drag next year?

Henrik Ehrnrooth: You know, raw material prices, we know that they can be very volatile. It all depends on also what current negotiations we can have with our suppliers. You know, we went into this year with prices locked at very favourable levels. And this is, you know, then impacting of course, the headwinds we see going forward. I think it is too early to say what we can negotiate, what actions we can take, and where prices are going to be. What we have seen in the material markets recently has actually been quite high volatility. Most recently comes slightly down but I am not going to speculate whether it is going to be worse toward the end of the year. But if they would stay at the current level, yes, it would be a continued drag for next year. But I think it is too early to draw any conclusions here.

Klaus Berglund: Yup. Then in order to understand the orders there in America, as in modernisation, and also orders in Asia Pac ex-China. You are down a lot in modernisation all of a sudden in America. Is this year a tough comp or is the market weakening there? And in Asia Pac outside of China, is this only India that is coming down for all these reasons? Or is the weakness in other countries as well in Asia Pac ex-China?

Henrik Ehrnrooth: You know, I want to say again, we have to remember is there is always going to be fluctuations quarter-to-quarter. Both in smaller and larger projects, so, the market in North America continues to be quite solid. So, I would not put this down to anything but quarter-to-quarter fluctuation. In Asia Pacific, the two largest markets there are India and Australia. Both of those markets are declining slightly so those are the ones that had the biggest impact on our orders received there.

Klaus Berglund: Okay. My final one quickly is on China and the demand and discussions with your customers. You keep your guidance for the year but have you seen that the business has picked up towards the end of the quarter. Market is flat in the quarter but was the market also flat in March and how is the market trending in April? Are you just being cautious given that we are early in the year? I mean I am just trying to understand, you know, the exit rate, in terms of China elevator demand.

Henrik Ehrnrooth: Right, so, clear that in the first quarter, we are at the high end of that range. Why do we still believe it can be as negative as 5%? That is because we expect that the restrictions in some of the bigger cities will start to have an impact on overall activity. But I would say that, you know, we have to remember that Chinese New Year was quite early this year. So, it was quite difficult to compare January and February to previous year. That has huge impact on activity. I would say that therefore March again, this year, very important and, yeah, pretty good activity in March overall. But our third quarter is so much impacted by Chinese New Year when volumes are low.

Klaus Berglund: Okay. Thank you, Henrik.

Henrik Ehrnrooth: Thank you.

Operator: Our next question is from Michael Caligaris from Bank of America.

Michael Calligeris: Yeah, hi. Good afternoon, everyone. My first question, just clarification on all the raw material comments. Can you, now that you have done one quarter, you usually hedge two, three quarters ahead so you should have a very precise view on what is the raw material headwind going into there so. I hear that you now point to the higher end of the guidance, should we assume 75-100 or is it 100 headwind, if you could just comment on that? And just looking on the sequential development, should we hit the kind of highest increase in raw material bill in Q4, and grow gradually into Q4?

Henrik Ehrnrooth: Ilkka, you want to take that.

Ilkka Fara: Yes, certainly. So, you know, if I step back a bit and what we said about how we are locking our pricing. So, we lock our prices for our components for, let us say, three to nine months for what, really depending a bit on the component. We also did say that we are halfway locked in the beginning of the year. And now we have increased that somewhat, somewhat that locking. And pricing around us, thus they are all obviously when we have the negotiations on the prices so we are seeing more of an impact in the coming quarters. But at the same time, it is maybe too early to call fourth quarter impact yet. But in that range, we are on the higher end, and mathematically that means it is more the 75-100 than anything else, I would say.

Michael Calligeris: Okay. Maybe one for you, Henrik. Thank you. When you adjusted guidance, you adjust a bit the volume and you say like it was a better start to the year. Can I ask you what was, you know, indeed better this year in Q1 than that you originally expected? And where was the surprise from? And also, you flagged that you are able to compensate the big raw materials headwind in your guidance what is your opinion on doing that?

Henrik Ehrnrooth: When I say it was literally a stronger start to the year, it was not any specific area. I think that just we continue to execute quite well, which you can see in our services business, you know, with a 7.1% growth in maintenance and close to double-digit in modernisation. Just this are things you need to execute on every day and drive the growth every day and I think there we have done a good job. So that then overall impacted the growth rate and also good execution in installations. I do not think there was anything more specific into that. And as Ilkka already mentioned, we went into this year, we had for first quarter quite well, prices for our components locked, so and at pretty good prices that we knew already and that of course helped manage that headwind in Q1.

Michael Calligeris: Okay. Last question. On the new services concept. You have been saying that you rolled out in several countries and you have got thousands of clients signing to those new offerings. Can you maybe give us some indication on, I mean first on the timing of the full rollout? I think you say that in the release that you will last until 2018 but, you know, in terms of how much of, you know, the countries your install base would be, you know, offered those services by the end of the year maybe, and maybe the potential benefit when those clients sign a contract with you. Is it, you know, I do not know, 10% higher scope versus, you know, current contracts? What is the penetration of these contracts? Or is it a competitive balance, you know, factor? Can you give any indication on the benefit for, of business services as you have seen in your launch?

Henrik Ehrnrooth: So, what you are saying on both of this, both the [inaudible] maintenance offering which we already have in several countries rolled out and continue to roll out and these 24/7 connected services, we are rolling them out country by country. Because when you roll out something like this, you want to make sure that you really have all the capabilities in place delivering in a really good way to your customers. And that will be very focused on a, I believe we have done a very good job where we have rolled it out already. So that is something we continue. You have to remember that in the maintenance business, you have a lot of customers and each customer usually has a small number of units in service, so the roll out also depends on how quickly you are able to bring those to your customers. So usually it does not happen so that you have a mid-part covered immediately but the point is that we will have this available in these markets roll out for the benefit of our customers. And immediately, always when we have the capability in place that is where we push the accelerator and roll them out. But you still have to remember that in a maintenance business, to roll it out, throughout the customer base takes actually quite a long time.

Michael Calligeris: Okay, understood. And maybe on the cost side, should we assume that the R&D and IT effort that you put in place to support this initiative, they continue into 2018, as you can see on rolling those concepts out? And maybe just in terms of the trajectory of this cost, should we expect basically, I mean you took a step up now and we keep those costs going into 2018, or now that you launched that in more and more countries, you can reduce a bit those investments or you have to increase them as you go into more countries? Can you just give us an idea of the trajectory of this cost?

Henrik Ehrnrooth: We have to remember, now we just talk about one offering. Clearly, we have a pipeline of a lot of new products and solutions and services that we looking to roll out over the coming year. So, it is not only about you do one and you are done. It is a constantly moving situation where we all the time bring new things, you know the things that adds value to our customers. And that we will continue to do. And therefore, I continue to see quite high activity in overall development, you know, R&D, IT, process development and so forth for the coming years. Because there are just so many great new things we are seeing that we can bring, really add further value to our customers. And the good thing is that we can see that when we bring them out that they actually do have good impact. So, I do believe we are on the right path here.

Ilkka Hara: Also, to add to that. We continuously evaluate the project we have ongoing and the impact it has to our financial return we have. So, in that sense it is not a discrete, it is rather continuous deficient point we have on the project so, in the sense, something that we validate every month, every quarter, going forward.

Michael Calligeris: Got it. Thank you very much.

Henrik Ehrnrooth: Thank you.

Operator: Our next question is from James Moore from Redburn.

James Moore: Yeah, hi everyone, Henrik, Ilkka, thanks for taking my questions. I will go on as time as well please. Accelerating actions, you have talked about responding there. Could perhaps put a euro million number of percentage of sales on savings and general productivity. I know you have it every year but I sense that you feel that you are going to put some additional action in place. Could you sort of quantify the change or what you are doing there, please?

Henrik Ehrnrooth: I would not put the number in. I would say that as you know that we have year over year get good through quality productivity actions, we improve our operations. That we continue to do, we continue to see also that some of the things that we put in place over the past years are enabling us to slightly accelerate this. I would not put this particular number on it, more that we are putting significant effort to make sure that we can even better counteract these headwinds. If you look over the past years, we have had very significant improvements. For example, in our overall product competitiveness. And that of course is now little bit more challenging giving the raw material headwinds. But of course, on top of that we are doing, continue to do a lot, and have good progress there. And then of course in field productivity which is very important to us, through good quality measures, we continue to also make progress. I would not put a specific number to that at all. We have very high attention to this.

James Moore: Okay. Thanks. And on the raw material headwind, why has your expectation nearly doubled when Chinese steel prices have fallen quite a bit since we spoke three months ago?

Henrik Ehrnrooth: I do not think it has doubled. We say that we were perhaps slightly lower end and we are now slightly at the higher end or range. If you look at now, maybe the recent week, it has come down. It has been extremely volatile and where we see where we are able to lock down prices still in December or in January. We are at better prices than today.

James Moore: Okay. And on your China slide. Your macro charts. The right hand one. You show the elevator units going slower than investments. And if I look at start date, they are going a little bit slow as we have perhaps grown more in line in the past. What do you attribute that negative gap to? Do you think it is something structural that persists or temporary?

Henrik Ehrnrooth: There are many things that go into that…Let me see if I can find it here. We have to remember in this real estate investment, you have infrastructure there. You have land purchase cost there. And we know land purchase cost has come up a lot. So that has, I cannot give you an exact breakdown but, that has an impact why there is perhaps a slightly bigger gap between these two than in the past.

James Moore: Thank you. And on your service margin. I am not entirely clear whether the language in the report relates to absolute EBIT or margin. I think it is margin. I think you said the service margin has lifted. Can you put a bit more colour on that and say whether you are achieving new service margin highs? Is it pricing driven? Do you see…How is pricing in service and what do you see the outlook on service margin from here? Further increases?

Henrik Ehrnrooth: Main thing that we are achieving in service, I would say, we know that there are certain markets that continue to be incredibly competitive. So I would say, let us say, pictured in some markets we are clearly improving our service markets. In others, it is more challenging but what we are seeing is that through the growth we are gaining operational leverage. That is perhaps the key thing. And in the slightly stronger markets, yes, pricing is more favourable. But then large markets such as, for example, south Europe, continue to be very, very competitive. So it is kind of - it is a mix. But overall the good growth we have there is translating to good absolute profit growth.

James Moore: And just in terms of the absolute service margin. Are we at a high level against history, and is there more to go? Or do you see that medium-term projector?

Henrik Ehrnrooth: We are at a pretty good level I would say.

James Moore: Can you do more?

Henrik Ehrnrooth: We can always do more. I do not think we are happy where we are. We can always do more and always strive for doing more.

James Moore: Brilliant. Thanks, Henrik.

Henrik Ehrnrooth: Thank you.

Operator: Once again, ladies and gentlemen. If you would like to ask a question it is star one or you can remove yourself from the queue if your question hass already been asked by pressing star two. We will now take our next question from Manu Vipola[?] from Nodia[?].

Manu Vimpola: Good afternoon. Just one question on the volume outlook. So, we see in clearly improving trend in industrial indicators and also in construction leading indicators, so just wondering that you keep your outlooks for the end markets on change, so are you seeing any sort of improvement in the volume trends in Europe for instance, or why are you not taking a more positive stance on that?

Henrik Ehrnrooth: What we are seeing in Europe is a improving picture but not strong growth. So, we see slight improvement. It is particularly on the residential side where we can see a stronger market. But we are not seeing any strong growth. And it again varies, market to market. There are some markets are growing really well. And then there are more challenging markets. So, I think the overall picture is slight growth, not more than that. And I think it is in line if you look at overall, for example, for Europe, for construction outlook.

Manu Vimpola: Okay. And then how do you see the relationship playing about between, if you start seeing a pickup in volumes and then pricing in both new equipment, but more importantly in the maintenance business. So what type of a lag do you see there typically?

Henrik Ehrnrooth: Well usually it is clear that the higher volume in a market is usually favourable to pricing as you all know. In the maintenance business, it can take quite a while. Because, what is the challenge in southern Europe? It is very small, the overall organic growth in the market, because of the low, new equipment volumes over the past years. If you now start to see improvement in orders received, it does take time for its ordered, installed, delivered and past its, you know, first service period. So it can be quite a lag before you start to see a stronger market overall. But clearly it comes over time.

Manu Vimpola: Okay. Finally, did you comment on what the organic growth rate in the Chinese maintenance was in the first quarter?

Henrik Ehrnrooth: It will continue to be in the strong double digits.

Manu Vimpola: Okay. Has that rate changed in terms of what we see in last year? Because I think you commented that it was in the positive 20% range.

Henrik Ehrnrooth: Yeah, you know, when you are service based, it gets bigger. It is clear also that the absolute growth this year is higher than last year. You know the percentage comes slightly down. Also, you have to remember that maintenance revenue consists of two things, or actually several things. It is the contracted revenues, it is repairs, but also you have the first service revenue part. So, the number of units we are converting, that is accelerating, but what given a more stable or actually slightly declining new equipment business, the impact on this first service revenue is then more stable therefore. But when we look at how much we are converting, actually there we continue to have very good performance.

Manu Vimpola: Okay. No further questions. Thank you.

Henrik Ehrnrooth: Thank you.

Operator: Our next question is from Chris Madey[?] from Berenburg.

Chris Madey: Yes, hi, and good afternoon. Thank you for taking my questions. I have three please. So firstly, and I will take them one at a time. So firstly, I am wondering why you are not turning more positive on the outlook for China elevator units this year, given, I mean if you look at Houssen Starts[?] real estate investments, they have been up strongly over to the past twelve to eighteen months. And then to your point on the government measures to cool the property market. If these were to have any effect that would impact your units demand next year, and not this year, so if you could just clarify this please?

Henrik Ehrnrooth: I would think as you say, there is definitely both positive factors, such as, you know, real estate investments, how do overall volumes in real estate developing and also inventories. But then on the other hand, we do expect…we start to see these restrictions happening, you know, during second half of last year, and they are again stronger so, we think that they can have an impact and therefore can also have slight impact on our market. Let us see where we end up. Now Q1, we are slightly at the better end of the range. But it is still our best estimate for the full year.

Chris Madey: Okay, thank you. And just a follow-up on, I think was Andre's question initially. So the margins in orders declined slightly year-over-year. Can you say how, if these margins are actually flat, or down versus the Q4 level. You see what I mean, in the background?

Henrik Ehrnrooth: Okay. If I explain as follows, if you think about during Q4 prices continue to decline. So, end of Q4 was lower than beginning of Q4. Then, you know, if you look at Q1, we now see more of a stabilisation. So probably on average, we are probably still slightly below but starting to see a stabilisation now.

Chris Madey: Sorry, is that a stabilisation as well on the margin in the back log as well? On a sequential basis?

Henrik Ehrnrooth: Yeah, probably still slightly down, quarter-on-quarter.

Chris Madey: Okay. Thank you. And then finally just on the negotiations that you are having with your suppliers. Year to date, I am just wondering how these are going. If could give us a little bit more colour there. How open are they to actually absorb some of the pricing pressure? How easy is it for you to push these pricing pressures up to them, kind of into the value chain and how easy is it for you to switch from a supplier to another if they do not want to actually to get the, the, the price headwind?

Henrik Ehrnrooth: As always, it is not a new thing. This is something we have been working on year over year. It is not only about pushing prices to your suppliers. Clearly, we continue to work with some of the key ones. How do we improve each of the components? How do we improve our setups and competitiveness? I would say we are in a really good situation in that I believe we clearly have the most harmonised and modular product portfolio in our industry if you look from global basis. We clearly have the largest volumes in China which is very key for supply. So we have a possibility. We have a very good situation in how we can concentrate and get great volume benefits from our suppliers. This is of course something we have been working over years and the fact that they are coming up now is not - if raw material price is coming down, we of course continue to work with them to reduce costs. And now, of course, you know, we need to work maybe even a bit harder. But it is nothing new. But clearly, we need to have several suppliers usually to key components and that is a normal thing. But I do not see a step change or a - because I would think that, and I would claim that our sourcing is quite well managed.

Chris Madey: Okay. Thank you.

Operator: Our next question is from Martin Flueckiger from Kepler Cheuvreux.

Martin Flueckiger: Good afternoon, gentlemen. Martin Flueckiger here from Kepler Cheuvreux. Three questions please and I will take one at a time as well. Starting off with the capacity issue in new equipment in China. What is your current perception of the capacity situation in China for new equipment on the manufacturing side? And how does that compare with last year? And if you could share your thoughts about what you think the trend or the development will be with respect to overall or under capacities, I presume it is over capacities. I was wondering, you know, what kind of time frame are we looking at…what kind of industry consolidation or degree of industry consolidation is required here to balance supply and demand back again? That would be my first question.

Henrik Ehrnrooth: Okay. As we have discussed in the past. Let us take a step back and think about times when the Chinese market was growing, you know, over 20% close to 30%. Capacity was never a bottleneck or issue to growth. It was more installation resource and so forth. And we have to remember, I mean, most of you have been to elevator factories and you can see that they actually tie very limited capital and they are very modular – the factories – how you set them up. So, while there always nominal capacity much more is needed. I do not see that this is clearly a factor. But I do not see that is being the main factor for driving price competition. We have to remember that the amount of components and parts that each of the players in industry make themselves in-house is quite limited. So you actually have to look at much broader than the elevator and escalator makers, you have to look at the supply chain and so forth. So, and I think it is quite flexible and modular, so in that sense, my view that is not the biggest reason. It is a reason, but not the biggest reason. So that is not one of my key worries.

Martin Flueckiger: Okay. Thanks. And my second question would be on, looking at your competitors' results over the last two to three days, and judging from your Q1 results, it looks like the majority of international players show strong growth in north in new equipment in the US. And I was just wondering why it is still guiding for only slight market growth in North America this year. Do you expect a significant slowdown for the remainder of the year? Or what is your reason for your cautious view?

Henrik Ehrnrooth: Well when we guided market, we guided it in number of units and if we look at the first quarter. I cannot say for the competition but my understanding is that, and what I have seen, is that there has been quite a lot of larger projects have been awarded now in the beginning of this year. And that probably has an impact, positive impact, on many of us, and that is not only we have had good growth in our volume, and very strong in our major projects business.

Martin Flueckiger: Okay and if I understand you correctly, that means that you do not expect a repetition of these larger projects as you have seen in Q1 and therefore a slowdown going forward. Is that correct?

Henrik Ehrnrooth: I would think that - yes, that is correct. Because get it in perspective, we are coming to the eighth year of growth in the North America, particularly US market, which is clearly the largest market there. And we are at a good and high level. Yes, we see solid development in all segments. But I think what is actually restricting growth in the US at the moment, is availability of labour, not only in our industry but the whole construction trade. So, there is clearly a limit of how much it can further grow and therefore I think Q1 was probably from a market perspective, a very, very strong performance compared to probably what we will see in the rest of the year.

Martin Flueckiger: Okay. Thanks. That is very helpful. And my final question would be on…based on what I have heard from other companies, not necessarily in the elevator and escalator space, but there has been a working days impact and in some cases rather significant. I was just wondering how do you see the impact or the effect of two to three more working days in Q1 and you know, if you can specify the number, that will be helpful. Again, the fact that this will most likely be reversed in Q2 and the fact that Q2 has higher comp in terms of revenues. Do you expect, or do you still expect to be, to show positive sales growth for Q2?

Henrik Ehrnrooth: You know, we guide our full year. Sales and results. That is what is important. I actually have not counted the days in Q1 and Q2. You know, you always have various number of days and you have weather, and you have various things of the impact but we continue to have to run our business so we usually do not pay too much attention to those. Just want to continue to stay focused on good execution. So, I would say about rest of the year we have a clear guidance for the full year as we always have. We do not specifically guide Q2, Q3 or Q4. What we can say is that we have a good order backlog. But also, what we have said is when we look at the headwinds that we are facing, that they are probably stronger in the coming quarters than in the first quarter. But even with that, we slightly improve our range. So, that is what we think about how we are executing at the moment.

Martin Flueckiger: Okay. Very helpful. Thank you very much.

Henrik Ehrnrooth: Thank you.

Sanna Kaje: One more question and then we need to close.

Operator: No problem, M’am. Our next question comes from Glen Liddy from JP Morgan.

Glen Liddy: Hi. In light of the changes IFRS15, could you give us an indication the duration of your order backlog for China and the whole business?

Henrik Ehrnrooth: Yes, so we have not specified in detail the order backlog as such. But there are differences market by market also depending on the nature of the project. So, if you look at IFRS15 perspective, so it really depends also on the size of the project what the impact is. As of today, we complete the whole project in most cases, and then at the handover then recognise the revenue. So, in that case, if you have multiple different equipment there, it actually could, could actually have a more considerable impact. But all in all, from an order book point of view, it is more than one year, kind of one year to, one year and a half, which is impacted here.

Glen Liddy: And is China radically different to the rest of the world?

Henrik Ehrnrooth: What is clear is that when you recognise your revenue earlier, which will do in the future based on what Ilkka is expecting, it is clear that the rotation, it starts to get shorter. And the impact probably be bigger in Europe and North America than in China.

Glen Liddy: Okay. And on raw materials, you said that the lead time or the coverage you have is between three and nine months. Historically, in periods of rising input costs, how long have you been able to lock things in for, historically?

Henrik Ehrnrooth: Similar to what we do now. I think one of the challenges, you know, biggest raw material we have is steel. There is not that, you know, liquid markets. You know, for example, copper you have much more liquid markets. You can lock the prices for longer. That is clearly the challenge but that has not been a significant change to what has been in the past.

Glen Liddy: Okay. And in Q3 and Q4 last year, you commented on the price in, or the margin in the order backlog declining. Could you give us an update on whether it is getting a bigger decline this quarter to the previous quarters?

Henrik Ehrnrooth: We are talking about pretty similar impacts.

Glen Liddy: Okay then. Thanks very much.

Henrik Ehrnrooth: Thank you.

Operator: I will now turn the call back for any closing comments from our speakers.

Sanna Kaje: Thank you very much again for your questions. I would also like to remind you that we have now announced the date and location for our Capital Markets day which will be held in London on September 29. So, we hope to see many of you there. With that, thank you very much and have a nice rest of the week.

Henrik Ehrnrooth: Thank you for participating.

Ilkka Hara: Thank you.