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PRESENTATION

Maija Hongas

Good morning, ladies and gentlemen and welcome to Kojamo's full year results news conference. My name is Maija Hongas and I'm Manager of Investor Relations here at Kojamo. Today's presenters will be Jani Nieminen, CEO, and Erik Hjelt, CFO. After the presentation we have some time for questions and first we will be taking the questions from the conference call line and after that from the chat.

Thanks for joining us today and let's get started. Please, Jani.

Jani Nieminen

Good morning, everyone. It's nice to be here. The sun is shining here in Finland today; the amount of light is increasing on a daily basis. Today, I'm providing colour on our full-year report and, I would say, compared to many countries of course COVID-19 impact has been limited here in Finland compared to many countries, but on the other hand, of course, it has had an impact in the housing market as well.

We have been able to run all our operations in quite a normal manner and we've been able to proceed with our strategy, strengthening our new development pipeline, publishing our digital roadmap, publishing our sustainability program. According to the estimates, urbanisation will continue after sufficient vaccination coverage will be achieved here in Finland. So, I think we are proceeding with our strategy providing profitable growth as planned and there will be a long-term demand for new homes here in Finland.

To provide some colour on the operating environment. Of course, the big mega trend creating long-term demand for new homes is urbanisation, which has been slower throughout the pandemic, but on the other hand, according to all the estimates, after the pandemic is over, urbanisation will continue here in Finland, creating demand in the bigger cities and still the same estimate that roughly 35,000 apartments should be completed on an annual basis in the biggest cities. Of course, still, Helsinki metropolitan area will be the most growing part of Finland.

It seems that according to the latest figures, the number of started apartments last year decreased less than expected and, I would say that, after summer the demand for owner-occupied apartments was recovering and it seems that financing has been a bit better available for construction companies, so they have been able to recover from the drop providing owner-occupied homes.

The supply/demand balance in the rental apartment market last year was different, as we've been providing information of course we knew that a lot of apartments were completed last year. On the other hand, as COVID-19 kicked in, and many apartments which were used for short-term leasing were converted into long-term rental apartments and at the same time, for example, a lot of students started remote studies, went back to their parent's homes, went back to their home countries, so I would say there was new supply coming to the market but a bigger impact because of lack of demand, or change in the demand, as students were moving out.

As I said, urbanisation will continue, and we see that this impact has been temporary.

Latest figures are not available concerning the estimates of rental increases, but we do believe that they will keep on the same level – so roughly a bit more than 1% a year in the market. And this year, the latest estimate is that roughly 31,000 apartments will be started, the construction here in Finland. Of that, roughly 11,000 are market-based apartment buildings, the decrease will be roughly 5,000 apartments compared to last year.

Keeping in mind the big trends behind the demand, urbanisation, development of household sizes, so the number of small households – one- and two-person households – will be increasing still and there is still a change in people's values, especially with millennials that they tend to value the freedom of rental apartments and not that anxious to take the housing loan, even though we have seen that housing trade has been a bit more active and there are media providing information that there's a lot of home buyers available, but on the other hand we see that not that many homes for sale.

What we have been seeing all the time is that the number of households living in rental apartments has been, and is still, increasing in all the big cities. And for example, in Helsinki, Turku and Tampere, actually more households today live in rental apartments than in owner-occupied homes.

Most of our housing assets are located here in the Helsinki region – roughly 74%. On the other hand, if we combine Helsinki, Turku and Tampere regions, it's roughly 88% of our assets are located in the three biggest growth centres in Finland. On the other hand, as I said, last year has been a bit more challenging renting apartments in the market. On the other hand, we have been able to keep the occupancy rate on a good level despite of the pandemic. We've been able to still improve our processes and make new tenant agreements on a fairly good level.

On the other hand, of course we have seen the impact of COVID-19 hitting the tenant turnover. Students leaving homes back to their parents and single-parent families moving out. So that has had an impact towards the occupancy.

To provide some colour on our numbers, I would say, last year, roughly 3,000 new agreements done by clients under 25 years. At the same time, a bit more than 2,000 rental agreements terminated by tenants under 25 years. So, there's been a lot of turnover with the youngest clients last year.

To wrap up the biggest numbers and the most important KPIs: We did have a solid year last year providing profitable growth. Total revenue increased 2.3%, net rental income 4.2%, growth and funds from operations grew by 7.7%.

To provide a bit more colour on total revenue growth, of course is a combination of completed apartments during 2019 and '20 and the rental rent increases done last year. On the other hand, we've been able to increase the net rental income, couple of aspects, on the other hand, we did have a so-called mild weather last year here in Finland, so a bit less heating costs. And on the other hand, less need to remove the snow. On the other hand, people did spend a lot more time in their homes, so we saw an increase in water consumption and in cleaning of the properties.

Gross investments last year, €371 million, of course there the most important part was new development projects closed at €370 million. On the other hand, an important figure of cost profit excluding changes in value grew by 4.2% – 165 million. And then we had a net gain in fair values, a bit more than €225 million – a good solid number last year. Of course, we have to keep in mind that during the comparison year, we did adopt a yield-based valuation methodology and that year it had a positive impact of roughly €800 million.

For us, it's important that we are able to grow by using multiple sources. To provide some colour on the new development pipeline, we started last year the construction of more than 1,800 apartments; we did make several important agreements with construction companies. To pick a couple of those, agreement done with SRV during March, provides 676 apartments and another agreement with construction company Lehto in June provides close to 400 apartments. We have been able to still increase the number of apartments under construction. Now more than 2,600 apartments, all located in the Helsinki region.

So, a really strong pipeline providing growth where Finland is growing, so the population is growing. Then we still have cooperation agreements providing roughly 1,000 apartments, and in addition to that, the so-called Metropolia properties case, the zoning is proceeding, the first two properties the zoning was completed at the end of last year and of course, our aim is that the construction of the first properties or buildings will be started during this year.

And then our state of mind is such that the one building prior used to be the main building for University of Technology will be sold as a hotel project.

The strong pipeline here in the Helsinki region is matching all the most important parameters, when we consider our investments. So, the location, micro location, the sizes of the apartments, services available near the buildings, and of course, the net rental yield being about 4% and the additional development gains received from those projects.

The strong pipeline will provide also an increasing number of completed apartments starting this year, and as visible here on page 11, close to 1,300 apartments will be completed this year. Then more than 1,600 apartments 2022, and already we know a pipeline to be completed close to 700 apartments in year 2023. Still, we are working every day in order to find new projects.

For us, it's always been important that we are able to provide added value for our customers. Services for new customers entering the Lumo world, as well as the services during the tenancy period.

To provide some new colour, of course, for example, My Lumo services has been accepted and used on a fairly good level by our tenants. 75% of our tenants are using My Lumo application on a regular basis – more than 1,300 daily users. We've been providing a couple of new services like electricity tendering, moving installation services and then for example installation of washing machines and cleaning services for moving out. We've been also piloting direct payments from customers as they use the services. So, the first cash flows been entering last year. This year, of course, our aim is to increase the amount of services and create services that will generate cash flows as well.

On the right-hand side, an increasing number of agreements done online. Of course, today, more than 21,000 apartments rented from Lumo webstore. On the other hand, I guess, during this period of time the most important piece of news is that we've been able to increase the number of new tenant agreements last year compared to comparison year.

Sustainability has always been an important factor for us. We argue that it's a part of our company’s DNA. We published our sustainability programme in the beginning of December. Our key commitments are United Nations sustainability development goals, as well as carbon-neutral energy in our properties by 2030. In a couple of weeks, we will be launching our sustainability report as part of our annual report. We've been providing a lot of new information in Board of Directors report and financial statements. So, I think we have reached now a better level, providing information concerning sustainability.

Now I would ask Erik to provide some deeper colour on the numbers.

Erik Hjelt

Thank you, Jani, and good morning everybody from my side as well. So, we were able to provide a solid set of numbers and total revenue across was €8.6 million and like-for-like rental growth contributed 1.2% and there we have rent increases and water charges positive figure, 2.1%, and the occupancy rate negative figure, 0.9%. And the remaining part of the total revenue of course was contributed by the net of completed apartments last year and then at the end of 2019 as well as acquired and disposed apartments.

Profit before taxes without change in fair-value of investment properties grew €6.7 million. And profit on fair value and investment properties was €225.8 million and roughly half of that is due to the increase in cash flows and a little less than 40% is coming through because of the end in restrictions, and a little more than 10% was from the development gains from the development process completed last year. We kept yield requirements at the end of last year unchanged as anticipated.

Net rental income grew €10.3 million – biggest contributor there, of course, the total revenue growth of €8.6 million; maintenance cost was €0.6 million less than in the corresponding period. There was a couple of items moving in different directions. So, on the positive side, mild winter, heating €2.4 million less than in corresponding period. And we transported less snow last year, so that was €1 million less than in corresponding period.

On the opposite direction moved, water expenses were higher – €0.9 million; cleaning higher – €1.2 million; and waste, €0.7 million. And these are mainly because of the COVID-19. So, people spent more time at home, so that's why this part of our maintenance expenses was elevated last year.

Repairs were €1.1 million less than in corresponding period. And net rental income margin – 67.1%, and that was higher than in corresponding period where we had 65.9%.

FFO growth was €10.8 million; net rental income contributed €10.3 million, SG&A expenses was €0.3 million less than in corresponding period. There was slight impact because of the COVID-19, obviously we spent less time at the office, so there were some savings related to that.

Financial costs were up €4.5 million, due to the fact that the loan portfolio is much bigger than in the corresponding periods. And cash taxes were less – €3 million due to the fact that in corresponding period there was disposal of assets and that led to paid cash taxes.

Financial occupancy rate maintained in a good level, as Jani already discussed, and gross investments, €371.2 million, €331.3 million on development investments; acquisitions, €12.8 million; and modernisation investments €27.1 million. And modernisations investments and repairs put together – €62.9 million; €1.1 million savings what comes to repairs and €3.6 million what comes to modernisation investments.

And going forward, we still expect the modernisation investment and repairs put together to be between €60 million and €70 million per year.

Value of investment properties – growth was almost 10%. The biggest contributors there, of course, the developments as well as the profit on the changing fair value investment properties.

At the end of last year, we still had 2,275 apartments where there are restrictions regarding the valuation, and those restrictions will gradually end by the end of 2024 and there will be an uplift in values between €150 million and €170 million, and those uplifts will be back-weighted.

Our development pipeline and our land bank, if you like, from a euro point of view. On the left-hand side, we have apartments under construction – €370 million already invested and €262.9 million to be invested in order to complete those ongoing developments – 200 in mid column, €214 million, the cost of these apartments, almost 1,000 apartments. And the right-hand side column there's our land bank, if you like – so, pure land, Metropolia cases as well as those properties where the idea is to demolish an existing building and build a new one. We estimate that the total amount of investments in developments this year is going to be somewhere between €370 million and €420 million, and all these ongoing developments, as well as the land bank located in Helsinki region.

Equity Ratio and Loan to Value. Strong figures there as well. We have quite accessible buffer against our target levels to have Equity Ratio above 40% and Loan to Value to be below 50%, so we have there leeway to grow the company further.

Equity per share. Growth there as per last EPRA NAV. The EPRA NAV, going forward, we are going to report NRV. In our financials, we show all these three new EPRA NAV metrics, but we think that this NRV illustrates best Kojamo's business and Kojamo will use this one as the primary indicator of net assets going forward.

We have quite strong financial key figures – almost €3 billion loan portfolio, 57% of that from the bond market. Average interest rate included in cost of derivatives 1.8% and the average loan maturity and average fixed interest rate period, 4.5 year. The hedging ratio is quite high – 91% at the end of last year and we have credit lines committed unused –€300 million, and cash and cash equivalents, financial assets more than €300 million. And no major maturing loans in couple of coming years.

Strategic KPIs – strong figures there as well. Total revenue already discussed, annual investments on the high end of our strategic target range, close to €400 million, FFO against total revenue of close to 40%, Loan to Value Equity Ratio on the strong side, as well as a good NPS figure – 36.

Then the outlook for this year. So, we estimate that the top line growth is going to between 3% and 5% year-on-year and that is coming through the like-for-like rental growth as well as the number apartments to be completed this year. This estimate does not include any potential acquisitions. We are still actively looking for acquisitions to acquire apartments, but it's not included in these estimates.

Of course, we are not doctors, but this outlook is based on assumption that sufficient vaccination coverage will be achieved in the summer and migration will gradually recover to pre-pandemic levels thereafter. But still the fact is of course, that the vaccination is not going to happen overnight, so the development of like-for-like rental income most likely is going to be moderate during the first half of this year because of COVID-19.

We estimate that the FFO this year is going to be between €150 million and €163 million and there are couple assumptions in the midpoint of that range. So, first of all, the midpoint of that range is based on the assumption that the weather's going to be normal this year, that the repair project is going to proceed as planned. The SG&A expenses are going to be in the ballpark, on the same level as last year, and no disposal or additional taxes to be paid. And then the financing of the ongoing developments at €374 million and €420 million this year. So, these are the assumptions of the midpoint of this FFO range.

And the Board's proposal for dividend – €0.37 per share. And of course, that finally will be decided by the AGM later.

And now, back to Jani.

Jani Nieminen

Thank you, Erik.

I think, as to summarise, we did have a solid year 2020. We created sustainable growth, we've been able to increase total revenue, net rental income and FFO. For us, it's important that we are able to grow profitable, using multiple sources; so, creating new development projects, where we succeeded last year exceptionally good. Then of course, we are able to convert buildings into apartments. The Metropolia case will be coming and then we are able to make acquisitions when we find suitable portfolios according to our parameters.

So, we do have a solid and strong foundation for our future growth. We do see that in the short term, the operating environment is still challenging, but on the other hand, we expect the urbanisation to continue even stronger after COVID-19 pandemic and of course, it's dependent on the sufficient vaccination coverage.

But with these words, I think we're ready to pass it to Maija. Thank you.

Maija Hongas

Thank you, Jani and Erik. So, we are now ready for the questions and we will start with the conference call line. So please, Operator, we're ready.

Q&A

Operator

Thank you. Ladies and gentlemen, if you do wish to ask a question please press 01 on your telephone keypad. If you wish to withdraw your question, you may do so by pressing 02 to cancel.

Our first question comes from the line of Anssi Kiviniemi from SEB. Please go ahead.

Anssi Kiviniemi

Hi guys. It's Anssi from SEB. Thanks for taking my questions; I have a couple of them. First one is related to rental trends. What kind of changes are you seeing in new contracts, tenant turnover and in customer retention when we got closer to the end of the year? And also, what kind of trends do you see in these lines when we enter into 2021? That's the first one.

Jani Nieminen

Yes, if I pick that one. Thank you, Anssi for the question. As I provided colour, we saw already in March that many students terminated their rental agreements and actually, that kept on going throughout the year, so we saw that many younger clients did rent the apartment, but a couple of months later, terminated their rental agreement. So, I guess one of the reasons behind there was that the decision that all universities started only remote studies in the autumn. And some of the students did hope that they would be able to do their studies in a normal manner and meet all the new friends.

Towards the later part of the year, we saw a small increase with tenant agreements terminated by single-parent families. When we look at what's been happening with our clients changing from one Lumo apartment to another Lumo apartment, a bigger portion of clients have been actually moving towards a slightly more expensive apartment. Typically, it seems that they are still moving inside the same city between the same age class of buildings, in many cases actually from a similar size apartment to a similar size apartment. So, nothing radical, but the tenant turnover has been high as we provided colour.

Anssi Kiviniemi

Okay, thanks. Then the next one is on fair value changes and especially in Q4. I mean, Market rents probably contributed to the fair value game. But how much of the total figure come from restrictions ending?

Jani Nieminen

Would you take that, Erik?

Erik Hjelt

So, during the Q4, the uplift in value that came through because of ending restrictions was approximately €35 million.

Anssi Kiviniemi

And could you also split the rest? Where did that kind of fair value gains come from?

Erik Hjelt

In Q4, a little less than €9 million was the development gain and almost €120 million was increased cash flows.

Anssi Kiviniemi

Okay, that's clear, thanks.

Erik Hjelt

That figure of course, in that calculation, was modernisation investments that was €7 million during Q4.

Anssi Kiviniemi

Okay, thanks. Then, on supply/demand balance when we enter into 2021. I understand that the picture is quite blurry still, but how do you see 2021 compared to 2020 in terms of market balance?

Jani Nieminen

We expect that a bit less new apartments will be completed to the market than last year. But I would say that by far a bigger question is when we have reached the sufficient level with vaccination and the urbanisation will continue in the normal level and students will come back to do their studies in a normal manner. So, I think the demand side is there, it's ready to move towards the biggest cities and that will have by far a bigger impact.

Anssi Kiviniemi

Okay, and you have had a lot of apartments basically come into the market during the coronavirus period. Has the COVID impacted to the new apartment rent levels? So, what are your strategies on that side?

Jani Nieminen

The projects we completed last year actually, the renting did succeed very nicely, as we provided colour during the Investors' Day. So, I think one change there has been due to COVID-19 that most of the new tenants have moved in from the same city, or close to this new development projects; so, less people coming from other cities.

Anssi Kiviniemi

Okay, thanks. Then, the last, let's say, housekeeping question is on Q1, the costs and winter conditions, they supported the result in 2020. Will there be a setback in Q1 as the weather is how it is? And what's the magnitude of the potential cost increase?

Erik Hjelt

This morning when I drove to the office, we had here minus 20 degrees Centigrade, so it's rather cold. So, it's too early to estimate what is going to be the impact and what is going to be the impact of the whole year. But as we speak, it's rather cold here.

Anssi Kiviniemi

Okay, it's pretty cold also out here. So, thanks for that. That's all from me.

Operator

Our next question comes from the line of Svante Krokfors from Nordea. Please go ahead.

Svante Krokfors

Yes, good morning, Jani, Erik and Maija. Svante from Nordea. Yeah couple of questions left after Anssi. The first one is on top line guidance. It appears a bit cautious given an assumption of around 2% rental growth. Do you expect rental headwinds or is it mainly owing to the timing of completions of new apartments in 2021?

Erik Hjelt

It's actually of combination of several things. As mentioned, of course we estimated like-for-like rental growth to be moderate during the first half of this year, given the COVID-19 and the estimates when the sufficient vaccination coverage will be reached. And so that plays a role as well. And it's good to note of course that the guidance is given without any impact or potential acquisitions. We are still actively looking for acquisitions, but it is not included in this guidance.

And what comes to the timing of completions, there’s no change there.

Svante Krokfors

Okay, thank you. And then the 130 million fair value changes. You said that almost 100 million was owing to cash flow. That's quite a lot – some around 4 million, probably, but what's the source of that?

Erik Hjelt

We've been able to increase the rents in a normal manner the whole last year basically, and that of course pushes the rents slightly up and that has a positive impact for cash flows, and because of that, of course the value goes up. And there's some savings regarding the maintenance cost as well that plays a role there as well. But it’s coming through the fact that we've been able to increase the rents.

Svante Krokfors

Okay, and then the last one regarding the valuation yield. It didn't change much during the year and my understanding is that there has been some reference deals that you also have been looking at but not participated, given the low yields in that – when do you expect those to come through to your numbers or do you expect that to happen at all?

Jani Nieminen

Thank you for the question, Svante. I think it's still the same ones. Of course, we have seen that in the market, deals have been done with quite aggressive yields. On the other hand, we've been talking with the brokers and the valuation advisors and we have to be patient and wait whether they feel that there is enough evidence in the market to provide any changes in valuation yields. So, we don't have any colour to provide any possible timing.

Svante Krokfors

Thank you and then perhaps an add-on on that regarding the investor activity, especially among foreign investors, making direct investments into residential, for example. How has the activity there developed during the year? Did they return after the summer and that activity levels have stayed high? Or how do you see it?

Jani Nieminen

Of course, there was an impact because of the pandemic and nobody was able to travel, but we saw that activities started again after the summer. It still seems the same that all the international investors are interested in the Finnish market. We do have here a good operational environment; so, the legislation, the long-term demand, and there's plenty of money in the world seeking good investment opportunities, but on the other hand, all the competitors are welcome to join Finland. We don't own the market.

Svante Krokfors

Okay, thanks for answering my questions.

Operator

Our next question comes from the line of Erik Granström from Carnegie. Please go ahead.

Erik Granström

Thank you very much. Good morning, everyone. Most of my questions have already been answered, but I had one or two left. Could you say something about your expected vacancy rate? You mentioned that you think that like-for-like is going to be back and loaded this year. It seems like you're completing a majority of your projects towards the second half of 2021 as well. But what do you see underlying vacancies developing in '21 versus 2020?

Jani Nieminen

We have not been providing any kind of outlook concerning the vacancy. Last year we were able to keep it in a fairly good level despite of the current situation and as we provide information we do believe that we expect urbanisation to continue even stronger after COVID-19; so, as Erik provided colour, the like-for-like growth will be stronger during the last part of the year than during the first part of the year.

Erik Granström

Okay, but does that basically then mean that vacancy rates underlying should be rather stable the first half of the year and then slowly start to decrease as we get into the second half, if that plays into the like-for-like development as well?

Erik Hjelt

How we see the market is that as long as the COVID-19 is here and urbanisation is slightly muted and students are not able to move in a normal manner, so that of course is going to have an impact for the market as a whole. And after the vaccination coverage is enough and urbanisation is starting to speed up again, we estimate that then of course the situation and the demand side is going to be stronger, and as we discussed, our outlook, we estimate that the positive things are going to happen in the second half of this year, but it's of course related to the timing when the vaccination coverage is there and things are starting to normalise, if you like.

Erik Granström

Okay, thank you. And then my last question is perhaps sort of a follow-up on your ability to look for acquisitions. It sounds like you are actively looking to acquire properties. At the same time, you're also stating that the investor market is quite tough because you have aggressive players pushing the yields downwards. So where do you stand from here? Does it mean that you need to lower your yield requirements in order to be able to acquire something? Or do you expect prices to all of a sudden fall and investors leave the market so that you can step in and acquire? Could we just get some sense of your strategy in terms of acquiring assets?

Jani Nieminen

Yeah, thank you for the question and it's an important one. As I provided colour, for us it's most important that we are able to create growth by using multiple sources. So, we are optimising different ways. We are creating the growth based on new development projects, typically half of the projects are based on our own land and half of the projects we buy from construction companies. Sometimes when situations change, and operational environment gets a bit more challenging, like last year, we are able to actually move fast and use the potential in the market. So, for example, last year we ended up making a couple of big agreements with construction companies providing more new development projects. Then we are converting buildings into apartments. The Metropolia case is proceeding and then we are able to move fast and buy a portfolio if it is suitable for us. But we are in no hurry to buy anything at any cost. So, we are aiming to grow by using all the elements all the time.

Erik Granström

Okay, thank you, very clear. Those were my questions. Thank you.

Operator

Next question comes from the line of Celine Huynh from Barclays. Please go ahead.

Celine Huynh

Hi everyone. Just one question from me please. I was wondering if you could expand a little bit more on your new long-term incentive plan. How is it different from the previous one? It seems to me that there are already strategic targets for total revenue growth, so how different are the new thresholds for the new scheme? Thank you.

Jani Nieminen

I didn't quite hear.

Erik Hjelt

The new LTI is pretty much in line with the previous one. So, the management team as well as certain other people included in that and there is three-years' earnings period. And it's linked to the shares, the amount of shares each participant can get through this programme and key metrics there are top-line growth and FFO per share.

Celine Huynh

Yeah, I'm just more interested on the targets, because you're already setting a target, like you say, 3 to 5% total revenue growth. So how is the LTI different in terms of that target? Is that both at 5%?

Erik Hjelt

It's an average of three years top line growth and it's in line with the strategy targets.

Celine Huynh

Okay, thank you.

Operator

Thank you. I remind you that if you wish to ask a question, please press 01 on your telephone keypad. If you wish to withdraw your question, you may do so by pressing 02. There will now be a brief pause while questions are being registered.

And there are no further audio questions at this time. Please go ahead, speakers.

Maija Hongas

Thank you very much. We have received some questions from the chat. A lot of them we have already discussed, but I try to take those that we haven't yet. There is a question: What was the financial occupancy rate for the last quarter?

Erik Hjelt

We haven't disclosed occupancy rate on a quarterly basis. So, the occupation rate was slightly up 0.1 percentage point during Q4 compared to Q3.

Maija Hongas

And then, how we are considering the high supply of new homes in the market might also have impacted the turnover, and the high supply of new builds entering the market, is this only impacting small units?

Jani Nieminen

I think as I said, we have seen a lot of apartments completed in the market last year. And less demand as urbanisation hasn't been proceeding in a normal manner, and many students moving out of their apartments; on the other hand, one factor is, as we've been saying, that urbanisation will continue. On the other hand, our strategy and our business is not based on only creating not enough supply in the market; we aim to be the best player in the market providing added value for our customers and our aim is that we will be the customer's number one choice. So, in the long run of course, we see that there is a long-term demand in the market, but on the other hand, we want to be the best player in the market.

Maija Hongas

Okay, I think all the other questions we have already discussed. So, thank you very much for all the questions and participating in our event today. Our next report will be published in May, so we will be meeting then again. Thank you very much.

Operator

Thank you. This now concludes our conference calls. Thank you for attending. You may now disconnect your lines.