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PRESENTATION

Essi Nikitin
Good morning everyone and welcome to YIT's Full Year 2024 Results Webcast. My name is Essi Nikitin and I'm heading the Investor Relations at YIT. Together with me here are our CEO, Heikki Vuorenmaa and CFO, Tuomas Mäkipeska. Without further ado, I will hand over to Heikki. Please go ahead.

Heikki Vuorenmaa
Thank you, Essi and good morning and welcome to the webcast also from my behalf. We ended the year with positive news on our apartment sales. The quarterly apartment sales increased in Finland, with December being the best month in 2024. We started new projects to respond demand in certain Finnish cities. Also, the sales in our residential operations in the Baltic and CEE remained strong. Quarterly sales hitting a three year high. Total value YIT homes that we sold to the market during the Q4, as we include also the joint venture apartment sales exceeded 700 units during the fourth quarter. Our contracting segments improved performance and secured significant new orders from the industrial customers.

So despite the challenging market, Q4 operatively was a solid quarter. But before we are diving into the Q4 in details, let me first review the full year of 2024. At the start of 2024, we renewed our financing with a multi-step approach and extended debt maturities. Our net debt decreased by €150 million due to the strong cash flow during the fourth quarter. We completed our transformation program ahead of schedule, guiding €43 million of our fixed costs while enhancing organizational capabilities. I will discuss this further in the presentation and more in details.

In Q4, we also announced our new strategy and financial targets for 2025 up to 2029. Then when we look our segments full year, despite the weak market conditions in the Finnish residential market, our sales increased by 40% to almost 600 units for the full year. Market recovery in the Baltics and CEE led to over 50% increase in the project starts supporting our future profits. Finnish the infrastructure operation increased revenue, profit and order book during 2024. The building construction operational performance continued to improve, but the balance sheet remained an issue for us.

So overall year has included several important milestones for the company. When we look at our full year numbers, our revenue declined 16% compared to year 2023 and our adjusted operating profit decreased from €41 million to €32 million in 2024. Major impact on the financial numbers is due to the Finnish residential market conditions, but as we closed the year, it is also important to discuss our full year adjusted items more details. So our full year operating profit has been influenced by the actions taken both in our transformation program and on our business portfolio.

Firstly, a total of €54 million in adjusting items are related to the transformation program. Of this, €20 million are associated with the write-off of the company headquarter premises lease contract in Finland. The remaining €34 million in transformation costs consist of program costs, investments into the new capabilities, tools and systems during 2024. All cost associated to the transformation program have now been fully accounted for, with benefits expected to become visible in the coming years. As part of the decision to gradually exit from the business operations in Norway and Sweden, we have actively resolved all projects with clients.

Operations in Norway are now fully closed and operations in Sweden have reduced by 80% compared to the previous year, with only few final project ongoing with our customers. This has cost the company a total of €45 million during 2024, highlighting the significant challenges we have had in these operating countries.

Historically. Additionally, there was a positive adjustment item resulting from the sale of our equipment business during the first quarter of 2024. In conclusion, although the company operating profit in 2024 did not meet management expectations and we carried a load of adjusting items, we remain confident that these necessary actions will yield long term benefits.

We initiated our transformation program at the beginning of 2023 to address the short term market challenges and enhance the company's long term capabilities. The company structure and operating model cost excess amount of fixed costs, but project management in the contracting businesses faced operative performance challenges, and the procurement function operated mostly on a project basis, not fully leveraging the benefits of scale. As a management we identified several levers and operated under the transformation covenants for the past two years to address these shortcomings.

With the completion of the transformation program, our focus now shifts to continuous improvement of the business. We have achieved a fixed cost saving run rate that will result in €43 million savings from the company in the coming years. And additionally, various aspects such as procurement and the project management capabilities will develop within the program. Let's double click on some of the results on the following page and we start with the project management and the project management deviations to be precise.

On the left side of this page, you can find project margin net deviation for our contracting segments since 2020. The building construction segment has had historically poor performance, significantly impacting group results. However, since mid-2023 there has been an improvement and in 2024 project have already achieved a positive level of net deviations. This indicates improvement in operating performance and capabilities to generate profit on this segment. Infra operations in Finland have been well under control over the past two years, which is visible on the segment performance already.

Our residential operations in Finland and Central Eastern European countries faced fewer project management challenges due to the nature of the business as such. Then regarding to the fixed costs, we have reduced the company fixed costs by 25% from our 22 baseline through simplifying operational models and streamlining our work processes. While simultaneously, our revenue also has declined by 24% and the margins on the Finnish residential business has decreased. This development has overshadowed some of the benefits on our group finances. The third component which we have focused on our transformation is to release the capital from our operations.

And since the first quarter of 2023, our capital employed has decreased almost €300 million. But now let's return to the fourth quarter results. During the last quarter, the residential business in the Baltic and CEE was the primary profit contributor supported by strong sales and completions, profitability for the area was €25 million, with an almost 20% operating margin. The comparison period included €6 million higher gains from joint ventures that affected the comparability. That challenging market continued to impact the residential business in Finland and with the lower revenue, business profitability remained negative.

Infrastructure operations in Finland maintained a solid performance, resulting in over 5% operating margin for the fourth quarter. Building construction revenue declined substantially from last year and the operating profit was slightly positive for the quarter. Next we will go and deep dive on different areas and we will begin with the residential Finland operations. Our unsold apartment inventory in the Finnish residential business continues to decline, reducing our capital employed by nearly €50 million from the previous quarter. This trend is expected to continue as we sell our apartments from the inventory during the year.

The order book remains stable due to the new starts both with the government supported rentals as well as self-developed customer project. Overall profitability is negative and below our strategic target, mainly due to the market conditions. Then when we look at the outlook for the Finnish residential market completion, the outlook remains actually unchanged. There are limited starts from competitors and those are mainly outside of the capital area. As a result, the market supply for 2025 is projected to decrease further from 2024 levels. Regional tightness is already being observed, along with rising market prices on the secondary market. Moreover, the market downturn has also impacted the amount of industrial players.

Some of the developers have shifted their focus towards tendering business or commercial premises or completely actually made exit from the market already. In conclusion, the Finnish residential market is heading towards a tighter supply scenario with implications for both pricing and availability. Our inventory of unsold completed apartments is decreasing. We are currently retaining approximately 700 units, with nearly 70% located in the capital area. On some cities outside of the capital area, we are already running out of supply.

With increasing urbanization and demand for homes in prime locations, we anticipate these units will continue to attract interest from diverse buyer segments, including investors seeking stable rental income. And as we have discussed earlier, we expect that our inventory levels will normalize within this year. Moving on to our operations in the residents of Baltic and CEE, and our operations during Q4 on those countries remained strong. Our solid order book share is up and the order book is increasing. This increase in net sales volume highlights the positive market reception and consumer confidence in our products.

Adjusted operating profit margin for rolling 12 months is at 12%, nearing the strategic target of 15%. Our capital employed is controlled and aligns with our strategic target. So to conclude, this area is on a good track. Then let's move to the start. So we have now initiated new projects in Finland to address the demand on the – in the selected cities. Although the overall volume is still modest, we observe increasing pre-reservation rates in certain projects and cities outside of the capital area, especially.

The full year of 2024 apartments starts focused on central and Eastern European countries, where the market conditions are more favorable. These regions have shown consistent growth and demand for homes over the past quarters, and this is aligned well with our strategic objectives as well. When we discuss about the starts, it's good to note that our plot reserves, financial position and availability of funding supports the project starts. However, we remain cautious in assessing the market conditions and the pace of recovery when deciding to start new projects.

Then on production, residential production and operations are running smoothly. We have achieved lead time efficiencies as well as cost benefits, which is enhancing our competitiveness on the projects. Cost inflation has stabilized and the material availability is sufficient. Currently, the amount of unsold apartments under construction corresponds to some nine months of sales, which is clearly within the production lead time. Then as we looked at completions during 2025, we need to note that due to the low number of starts during 2023 and 2024, the apartment completions will be notably low. This is evident both in residential Finland and Central and Eastern European countries.

As a result, we estimate approximately 1,300 apartment completions in 2025, with substantially 75% of these completions occurring outside of Finland. This anticipated decline in completions directly affects our ability to generate profits from the Finnish residential business segment in 2025. Then let's move to the sales. As we told the positive news in the start, in the fourth quarter, we saw the highest number of apartments in Finland within the past two years. December was our strongest sales month in Finland during the last year.

The total volume in Finland increased by over 40% compared to the previous year and our sales for the year reached nearly 600 units. The strong sales in the Baltic and CEE countries reflect also the supportive market environment. Now, as we look forward, we continue to boost our sales and secure the planned growth and the new starts. One more update on the residential before moving to other areas of our businesses. Our joint venture operations are progressing well. We sold 255 units during Q4 from our joint venture projects.

Our unsold inventory is now under 90 units. Also here this year completions will be lower than in 2023 or 2024 due to the fewer starts in the past two years. All right. Now it's time to shift focus and we start with the infrastructure business. Our Finland operations have truly transformed. Now we operate with negative capital employed. Profitability over the past 12 months is at 4.3% and we are improving efficiency to meet our strategic targets. The order book has grown, including new orders from tramway investments and industrial customers, for example.

Our capability to attract talent is increasing. It's driven by attractive new strategy, our market positioning and actually the team spirit that in infra team has. Overall, infra team is performing well and we expect continued success. And with a solid operational performance, growing order book and talented workforce, the infra team is well positioned to achieve strategic target set earlier last year. Then to the building construction segment. The building construction segment is undergoing a similar transformation as the infrastructure segment has done.

While we are not yet satisfied with the profitability or the balance sheet, we do recognize the steps towards the right direction. Our project management has significantly improved as we discussed earlier. However, operational costs linked to the balance sheet still remains a burden for us. The order book here has declined due to the fierce tendering conditions. As we avoid projects with negative margins. Additionally, moving away from self-development project has lowered the order book value compared to historical levels. The building construction team has made significant progress, though it's not fully reflected in the performance yet, and I am confident they will deliver better results moving forward.

Then concluding with the market outlook before handing over to our CFO. We have upgraded the Central Eastern Europe residential market from stable to improving. We see normal conditions in all areas except the Finnish residential market. However, we do expect a primary apartment market sales volumes slightly increase in the Finnish residential market in 2025. But now it's the time to hand over to our CFO, Tuomas Mäkipeska, for a detailed financial performance review. So, Tuomas over to you.

Tuomas Mäkipeska
Thank you, Heikki. As you pointed out the year 2024 was an important and successful year from a financial perspective. And we managed to improve our financial position during the year. The profitability was driven by good performances in the Baltic and CEE countries, residential businesses and in the infrastructure segment while the residential market in Finland challenged us and burdened our revenues and profits. Cash flow was strong and improved significantly from the previous year. And as you pointed out, the capital employed decreased clearly over €200 million and consequently, we lowered the net debt by some €115 million from the comparison period.

But let's have a closer look at the financials. The capital released from the balance sheet under capital efficiency and business operations are top priorities in our strategy. On group level capital employed decreased throughout the year and all in all, we released over €200 million of capital in 2024 driven by the successful capital relief measures. We took a major step forward, especially during the last quarter, as all segments contributed to the good development in capital employed. In housing Finland, strong sales of the apartments from inventory and low construction volume supported the decrease in capital employed.

And in housing Baltics and CEE we released capital altogether some €20 million during the year, mainly as a result of the formed joint ventures to develop large area projects together with our partners. In infrastructure we reached the target to operate with negative capital employed already in Q2 and the trend has continued since. In total, some €100 million of capital was released during the year. In business premises, capital employed decreased during the Q4 driven by the net working capital efficiency.

According to our strategy, the execution of capital release actions will continue and this will consequently improve the return on capital employed of the company. Let's then look at the cash flow development. The operating cash flow was clearly positive and amounted to €110 million for the year, which is a significant improvement from the previous year. The cash flow was mainly driven by positive operational cash flow in the residential businesses, both in Finland and CEE countries. The measures to improve the net working capital efficiency have continued through results. Maintaining positive cash flow has been a key focus for us. The 12 months rolling operating cash flow has now been positive for the past four quarters.

As we look at the key balance sheet metrics, they developed positively during the Q4. One of the definite highlights in the quarter was the fact that the net interest bearing debt decreased significantly. Overall, we decreased our net debt by €150 million during the year. This was directly reflected also in gearing, which decreased to 88%, driven by the favorable net debt development. Then maturity structure of the interest bearing debt, having only minor amortizations to be performed this year provides us stability and allows us to focus on improving the financial performance of the company. We are currently preparing for the 2026 refinancing as a part of the ordinary financing planning of the company, and we will naturally inform the market when any decisions are made.

If we then move on and compare our key assets to the net interest bearing debt, we can see that our underlying asset base continues to be very strong and amounts actually to over two times the net debt. We have a land bank of almost €800 million to serve as a platform for future operations and profits. Our completed apartments and real estate in our inventory amounts to some €400 million, as already mentioned the net debt decreased significantly and amounted to €680 million at the year end. The biggest component behind the year over year development is the housing company loans related to the unsold apartments, which have decreased along with our stock of unsold apartments.

Some €450 million of the net debt is related to the IFRS 16 lease liabilities and long maturity housing company loans. When deducting these two components, the adjusted net debt amounted to some €230 million. So the key takeaway here is that the balance sheet is asset rich and the adjusted net debt is very moderate in comparison. Then moving on to the guidance for the year. YIT expects its group adjusted operating profit for continuing operations to be between €20 million and €60 million. The residential market in Baltic countries and Central Eastern Europe is expected to continue favorable, contributing positively the residential CEE segments capability to generate profit.

In Finland, the primary apartment market sales volumes are expected to slightly increase during 2025. And in residential Finland segment low amount of completions during 2025 will limit the segment's capability to generate profit. In building construction, the operational performance is expected to improve and in infrastructure, the operational performance is expected to remain stable. So before handing back to you, Heikki, it's time to summarize the finance section here. According to our strategy, we are focused on reinforcing our financial stability and during the financial year of 2024, we took a major step forward.

Capital employed decreased throughout the year, driven by the successful capital release measures and the actions to release capital an increased capital efficiency continue in the coming years. Our net debt decreased significantly and cash flow was strong. And thirdly, our financial position provides us the capacity to start new residential projects to support our future profitable growth. Thank you and now back to you, Heikki.

Heikki Vuorenmaa
Thank you, Tuomas and that is concluding our 2024 our financial review part, but maybe one topic before we actually opening for the questions. I would like to take us back on November when we released our updated strategy for the years 2025 to 2029. It was a major milestone for us and something that we have discussed rather extensively also within the company where we are heading to. And as we decided our strategic priorities, we said that we want to deliver the industry leading productivity and financial performance. We are focused on generating targeted growth and resilience for the company in the coming years, and also elevate customer and employee experience.

Couple of highlights already from the execution, but we are in concrete terms meaning. We said that there are megatrends that are supporting our growth plan. The megatrends are, for example, increasing investments to growth, energy and data sectors. We've been very pleased that the customers have chosen us as their main partner to develop these two great examples with them that we announced during the fourth quarter. These projects are really important for us and we are continuing to invest in our capabilities to deliver these industry leading solutions for these and other similar projects that are on the market.

So it's time to conclude here. And operator, it is time for questions.

Q&A

Operator
The next question comes from Anssi Raussi from SEB. Please go ahead.

Anssi Raussi
Thank you and thank you for the presentation and hi, all. I have a few questions and if you may, I start with the cash flow. So as you mentioned, Tuomas, this is related to working capital items and I think especially work in progress items and the plot. So should we assume that now you have started a lot of investor apartments, so we maybe shouldn't expect that much of cash flows during 2025 from this project or how should we think about this? And also, maybe in a broader picture, cash flow expectations for 2025, if you could talk about those? Thanks.

Tuomas Mäkipeska

Yes. So, first of all, what we mentioned already in the Q4, the residential businesses both in Finland and CEE countries really supported the cash flow since we increased the sales in both of the segments, nowadays segments. And those are the main sources for the cash flow for the future as well. As Heikki mentioned in your part of the presentation, we are really focused on on selling the apartment from the inventory and both in CEE and Finland. So that will support the cash flow. Then also looking at the other segments, the capital employed in infrastructure, it's on the negative side and the segment is able to provide positive cash flows and the same goes for the business construction segment.

So all in all, all of the segments are able to generate positive cash flows, but on a yearly basis, we are not guiding exactly the cash flow so that's what we can comment here.

Heikki Vuorenmaa
Yeah. Actually on asset maybe double click on the residential business side. And if you look at the amount of unsold inventory on our balance sheet, I think we still amounted some €390 million in total in terms of value. And of course, that business model when or the fact that when you have those on your balance sheet, so that buys capital and consequently the cash. And as you can see now, the capital is released significantly from our residential business in Finland, as we are releasing or selling off our inventory and we see that we continue to sell from our inventory as we also have been communicating is that we expect that our inventory levels will normalize during this year by the pace we have had and we actually are kind of sold out from the inventory already like end of Q3 or so. So that is a big part of source of the cash flow. Not much of the investor project that maybe or that is more significant source of cash flow than investor project that investor projects that was discussed.

Tuomas Mäkipeska
And maybe if I can still continue so from the other perspective also what we have communicated earlier as well, so our plot reserve is large and there are no big major needs to make new investments to the plot reserve. So that also supports the cash flow going forward .

Anssi Raussi
Right. Thank you. And then maybe about again, 2025 and your expected adjustment items. So for example, Swedish infra business and these kind of items, maybe additional cost savings. So what kind of adjustment items we should expect in 2025?

Heikki Vuorenmaa
Yeah. So...

Anssi Raussi
If you can give any ballpark here.

Heikki Vuorenmaa
Yeah. If I start a bit on here. So the transformation program is now completed, closed, fully accounted. And we looked at operations, Sweden and Norway. So Norway that is completely kind of completed there. And we have been scaling our operations in Sweden down already by 80%. So that volume and the magnitude of that business is substantially smaller than it has historically been.

Tuomas Mäkipeska
And also, if I may continue, so the transformation program, which accounted the majority of the adjusting items for the last year as Anssi mentioned so that's now completed and we are shifting to continuous improvement mode in the company. So also from that source the adjusting items was seen in 2024.

Anssi Raussi
Right. Thank you. That's all from me.

Heikki Vuorenmaa
Thank you, Anssi.

Operator
The next question comes from Svante Krokfors from Nordea. Please go ahead.

Svante Krokfors
Yes, good morning. Thank you, gentlemen for the presentation. A couple of questions. Given your relatively high sales apartment – consumer apartment sales in Finland, could you elaborate a bit on what kind of pricing you have used there, rebates or campaigns? And a follow up on that also of the 174 sold apartments in Finland, are all the consumers or are there any sales to JVs or are there bundled deals?

Heikki Vuorenmaa
Okay. Let me start from the first on the latter part of your question. So no sales to JVs. We haven't sold to any of our JVs since second quarter 2023. And we didn't sell any apartments also to the JVs during Q4. There are certain bundle smaller, smaller bundle deals for private investors so we see that there are private investors are looking at the return to the market and we were capable to execute certain transactions there. And then when it comes to the customer or the consumer demand or the private home buyers so it varies quite a lot between the project, between the region, city and apartment, and the pricing discussion what we have had during the Q4.

We haven't had any if you think about like an interest rate gaps or kind of major campaigns, so we didn't actually those so much during the fourth quarter.

Svante Krokfors
Thank you. So it's basically discussions apartment by apartment?

Heikki Vuorenmaa
It is indeed. And then if you look that we are we also the new project what we are starting so in those, the pricing what we are setting is already extremely competitive on the market meaning is that the – for the new starts and then for the project, it really depends on city and the location and also that the amount of unsold apartments on that single project so it varies quite a bit.

Svante Krokfors
Thank you. And then thinking about the capacity to start new consumer apartment in self-developed in Finland, are there any external bottlenecks like what kind of housing company loan availability do you have and so on?

Heikki Vuorenmaa
Yeah. So we have started the new project so we have availability on funding. We have our plots, we have themes, we have pre-reservations. What we are looking is thorough risk management so the micro-location and we want to be sure that when we start the project, we actually are then ensuring that there is a demand for that. But also then looking at on the time wise, what is the most optimum time to start the construction also in certain parts of Finland there is a heavy winter ongoing so doing the groundworks or it might not be optimal exactly on this point in time. So those are the elements that what we are then considering as we make the startups.

Svante Krokfors
Thank you. That's helpful. And then the last question, could you elaborate a bit on the demand for investor apartments? How that has developed recently?

Heikki Vuorenmaa
For the full kind of investor projects in Finland we see that there is not the high demand at the moment, it hasn't been there and we do not expect that market to open before, you know, significantly in a short period of time. But then what comes to the private investors buying individual apartments so that demand has been there already and increased since mid last year.

Svante Krokfors
Thank you. That is all for me.

Heikki Vuorenmaa
Thank you, Svante.

Operator
The next question comes from Emil Immonen from Carnegie. Please go ahead.

Emil Immonen
Hi, Heikki and Tuomas. Thanks for taking my questions. Could you help us understand a little bit in detail what's the different – difference between the adjusted EBIT on a group level and the segment wise adjusted EBIT?

Tuomas Mäkipeska
Yeah, thank you, Emil for the question. The explanation behind there is really some of the costs related to the transformation program. So there's – if you look at the segment adjusted EBIT and the group level so you can see – and the adjusting items there so you can see that a lot of the – or the adjusting items are actually booked to the other segment and that's related to the measures in the transformation program.

Emil Immonen
Okay. So it's not sales to the other segments?

Tuomas Mäkipeska
There are as part of normal course of action, there are always eliminations between group eliminations between the segment operations, but that's just a minor part of that.

Emil Immonen
Okay. So then on the consumer sales, I was wondering, have you seen any impact or something slowing down in the market? The sales overall, for example, banks being slow with strapping loans to consumers?

Heikki Vuorenmaa
Well, I think in the most of the – most of the cases when we have a consumer discussion is that how did they ensure that their own home is sold before buying the new one or funding the bridge there? So that may be is the majority of the conversations and discussion, what we are having with the customers on our sales themes.

Tuomas Mäkipeska
Yeah. If I can continue so it's basically in a big picture related to the consumer confidence, which has been on a quite a low level, even though it has increased from the lowest point but that's mainly the thing behind decision making and not not that much any other external factors such as lending from the banks.

Emil Immonen
Okay. Thank you. Then maybe one question on business premises. What exactly – why did the profitability decreased there? I saw the value of pre-plot increased a little bit. So what are the balance sheet related items?

Heikki Vuorenmaa
Yeah. So we have a – we have disclosed there also in the on our full report, some millions that were connected to those. But there are – as you carry amount of a balance sheet that doesn't really create your value so there are running costs, that are operational costs, there are several other elements that have impacted our profitability there. And also during the Q4, which kind of in a normal course of business one should not carry. And therefore, we want to kind of explicitly state that if you look our performance and the project management that the team has done and executed there, so it's really on the right track as we have discussed on the operative performance improvements.

But unfortunately, it's not visible on the numbers yet but we will work on to solve that equation. We will work on to get the balance sheet to the level where we are targeting to and we will continue to work. That's the way that we are reaching those strategic targets and we are confident that, that we can do during the strategic period.

Tuomas Mäkipeska

And also, if I may, Heikki, continue so there of course, the big item in the balance sheet is the Mall of Tripla and the costs are not related to that item. Actually, the Mall of Tripla is performing very well so that's to be precise here. So no kind of various regarding Tripla, actually, it's performing really well and looks good.

Emil Immonen
But if I understand correctly, it's so that excluding the Mall of Tripla, when you get the capital employed down in the segment and the operational performance also improves or it's more visible?

Heikki Vuorenmaa
It's then more visible.

Tuomas Mäkipeska
Exactly. And we are targeting also as we communicated as a part of the strategy, we are also in that segment targeting to operate with negative capital employed as in infra.

Emil Immonen
Okay, excellent. That's all from me. Thank you.

Heikki Vuorenmaa
Thank you, Emil.

Tuomas Mäkipeska
Thank you, Emil.

Operator
The next question comes from Anssi Raussi from SEB. Please go ahead.

Anssi Raussi
One more from me. So how big share of your portfolio of unsold completed apartments has been in the market for over one year? And maybe do you have to take some, let's say, additional actions to offload these apartments? And do you think that this will have a significant impact on your EBIT this year 2025? Thanks.

Heikki Vuorenmaa
I don't have that number, honestly, on top of my head. There has been – we have been taking already actions with the – with some of the older apartments during the past two years. And I do not see that, that would be – that would be the kind of a driver in 2025, mostly what we have in the capital area like I said, that 70% locates here, they are produced then started then in a few years window. But I don't have that split on top of my head. Apologies for that.

Tuomas Mäkipeska
But probably to continue on that so the age distribution of the inventory so what we have been now for example in Q4, the increased sales from the inventory so it has been across all age distribution of the inventory so I think that's good to note. Also a bit of the older apartments we have been selling now as the sales have increased so that's good to note.

Anssi Raussi
Yeah. Basically, yeah. I was asking that is it becoming a problem but it's good to hear that it's not scaling.

Heikki Vuorenmaa
No, no.

Anssi Raussi
Thanks.

Operator
There are no more questions at this time so I hand the conference back to the speakers.

Essi Nikitin

Okay. There are no more questions so we thank you all for participating and wish you all a great rest of the day. Thank you.

Heikki Vuorenmaa
Thank you.

Tuomas Mäkipeska
Thank you.