

A clear plastic bag filled with various items, including a water bottle, sunglasses, a belt, and a small container, set against a dark blue background.

FOREKNOW. FORESAVE.®

STRONG GROWTH CONTINUED IN NET SALES AND RESULT

Detection Technology Plc Half-yearly Report 2016 | President and CEO Hannu Martola

HIGHLIGHTS Q2 2016

- Strong demand of security X-ray imaging detectors continued in Asia
- Net sales increased by 87.8% to EUR 17.5 million (9.3)
- EBIT was EUR 3.2 million (0.6)
- EBIT-% was 18.3% of net sales (6.0%)



HIGHLIGHTS H1 2016

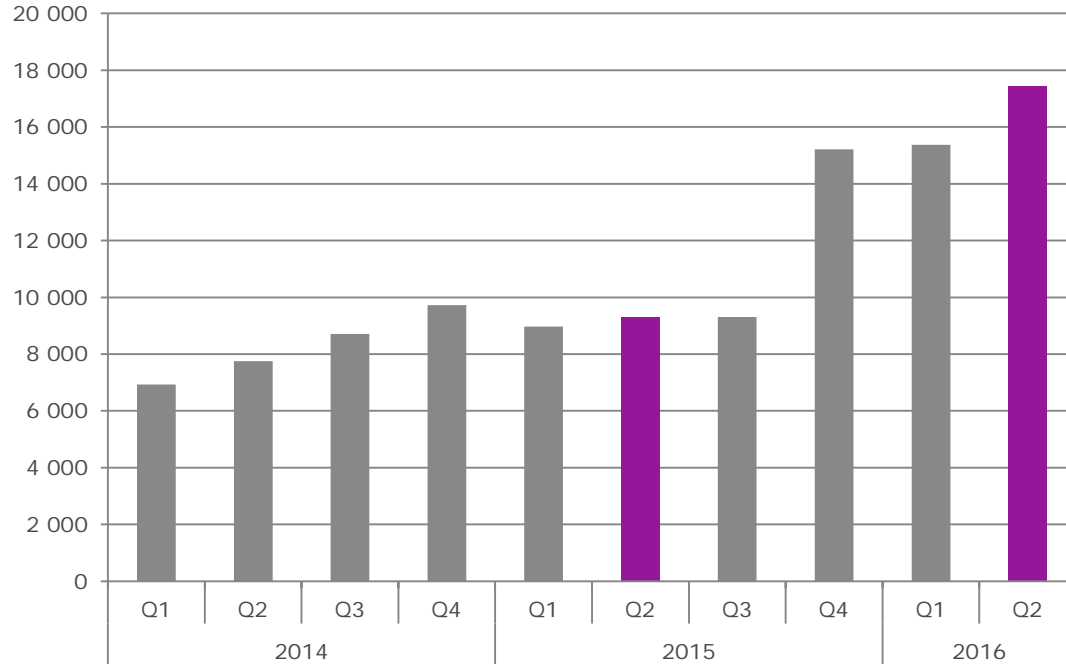


- Net sales grew 79.7% to EUR 32.8 million (18.3)
- EBIT was EUR 5.5 million (1.3)
- EBIT-% was 16.7% of net sales (7.1%)

NET SALES GROWTH CONTINUED

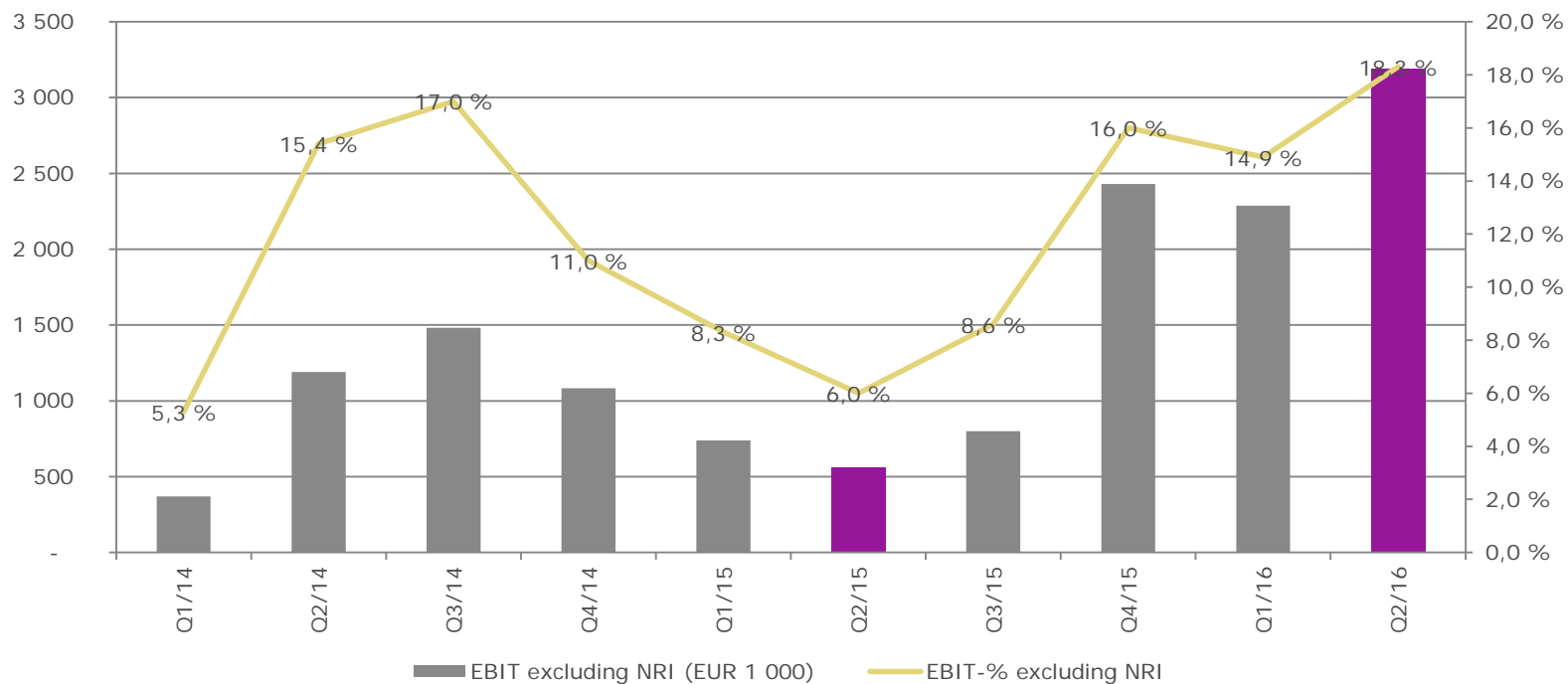


(EUR 1 000)



+87.8%
(Y/Y)

EBIT-% AT TARGET LEVEL

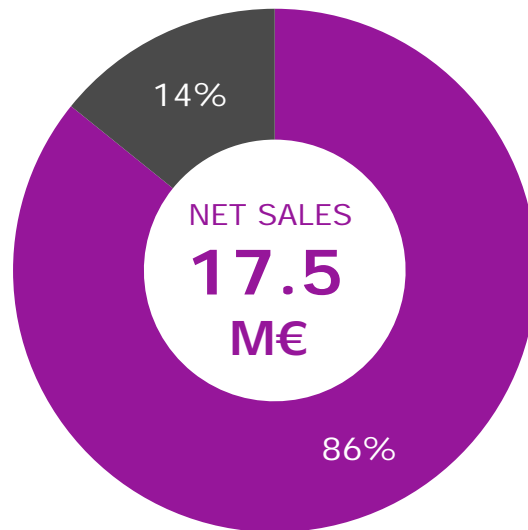


OUR BUSINESSES IN Q2 2016



MEDICAL BUSINESS UNIT (MBU)

NET SALES M€ **2.5**
Y/Y GROWTH-% **-40.7**



SECURITY AND INDUSTRIAL BUSINESS UNIT (SBU)

15.0 NET SALES M€
193.1 Y/Y GROWTH-%

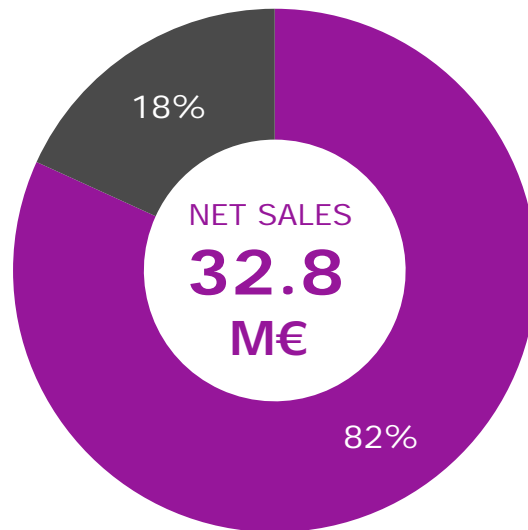


OUR BUSINESSES IN H1 2016



MEDICAL BUSINESS UNIT (MBU)

NET SALES M€ **6.0**
Y/Y GROWTH-% **-22.1**

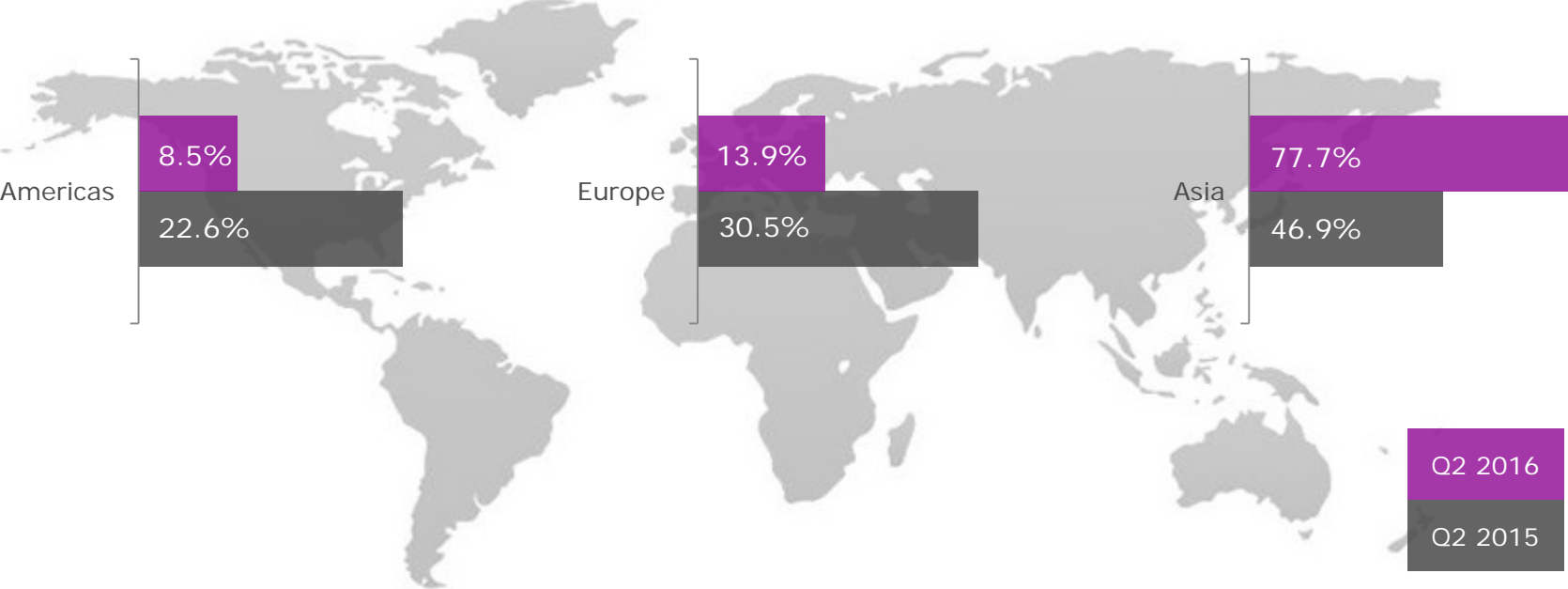


SECURITY AND INDUSTRIAL BUSINESS UNIT (SBU)

26.9 NET SALES M€
153.3 Y/Y GROWTH-%



GROWTH DRIVEN BY ASIA



KEY FIGURES

(EUR 1 000)	4-6/2016	4-6/2015	1-6/2016	1-6/2015
Net sales	17 451	9 292	32 823	18 265
Net sales growth, %	87.8%	20.0%	79.7%	24.4%
Operating profit	3 189	561	5 475	1 302
Operating margin, %	18.3%	6.0%	16.7%	7.1%
Non-recurring items (NRI)	0	0	0	0
R&D costs	1 155	1 480	2 778	2 660
R&D costs, % of net sales	6.6%	15.9%	8.5%	14.6%
Cash flow from operating activities	-1 525	-2 629	-1 200	-2 059
Capital expenditure	133	310	1 008	857



STRATEGY IMPLEMENTATION



- Focused on winning new customers and product projects, developing new technology, meeting the strong demand and securing high capacity during H1 2016
- More factory floor space reserved enabling to increase the capacity by quarter in Beijing starting from the beginning of 2017

BUSINESS OUTLOOK UNCHANGED



MEDICAL MARKET
ANNUAL GROWTH RATE

5%



SECURITY MARKET
ANNUAL GROWTH RATE

7%



INDUSTRIAL MARKET
ANNUAL GROWTH RATE

5%



DT WELL-POSITIONED TO **GROW FASTER** THAN THE MARKET

- SBU due to increased spending on security
- MBU driven by customer projects already under development

FINANCIAL TARGETS



MEDIUM TERM TARGET

**Annual
sales growth**

> 15%

MEDIUM TERM TARGET

**Operating
margin**

≥ 15%

ANNUAL

**Dividend or
returned capital**

30-60%

