

The background is a purple-tinted collage. On the left is an open bag containing various items like a water bottle, sunglasses, and a camera. In the center is a white pill bottle. On the right is a sagittal MRI scan of a human head showing the brain.

BUSINESS REVIEW Q1 2017

PRESIDENT AND CEO HANNU MARTOLA | DETECTION TECHNOLOGY PLC | 26 APRIL 2017

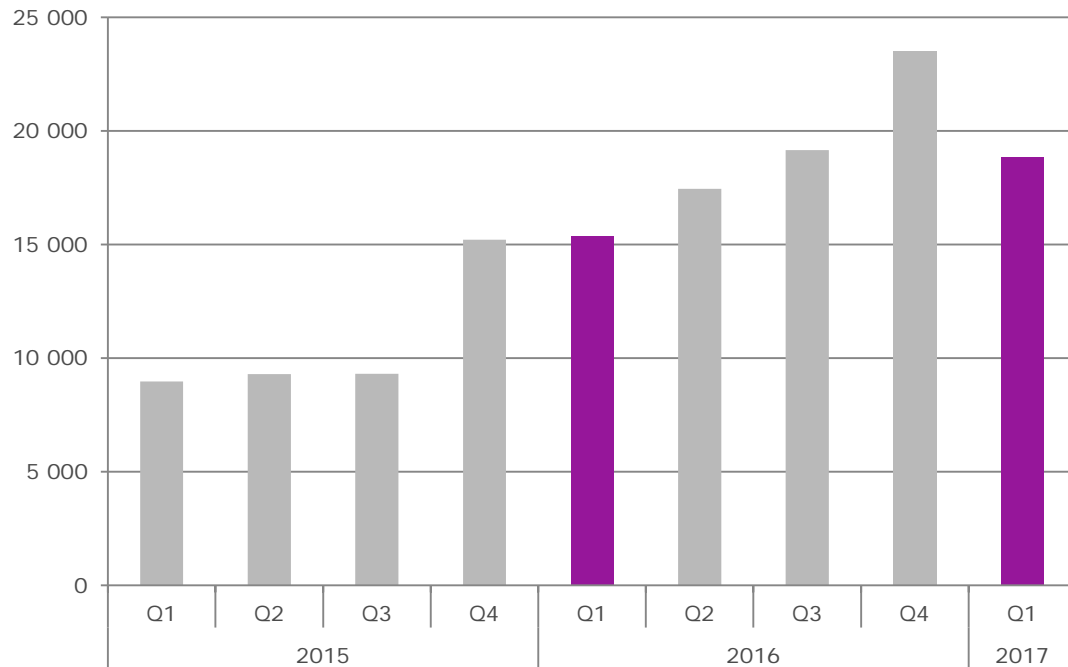
HIGHLIGHTS Q1 2017

- Net sales increased by 22.7% to EUR 18.9 M (15.4)
- EBIT was EUR 3.7 M (2.3)
- EBIT-% was 19.6% of net sales (14.9%)
- MBU sales grew 95% due to good demand for products transferred to production last year
- SBU had a moderate growth of 2% as logistics companies reduced their equipment purchases in Asia
- More balanced net sales split by businesses, application areas and regions

NET SALES



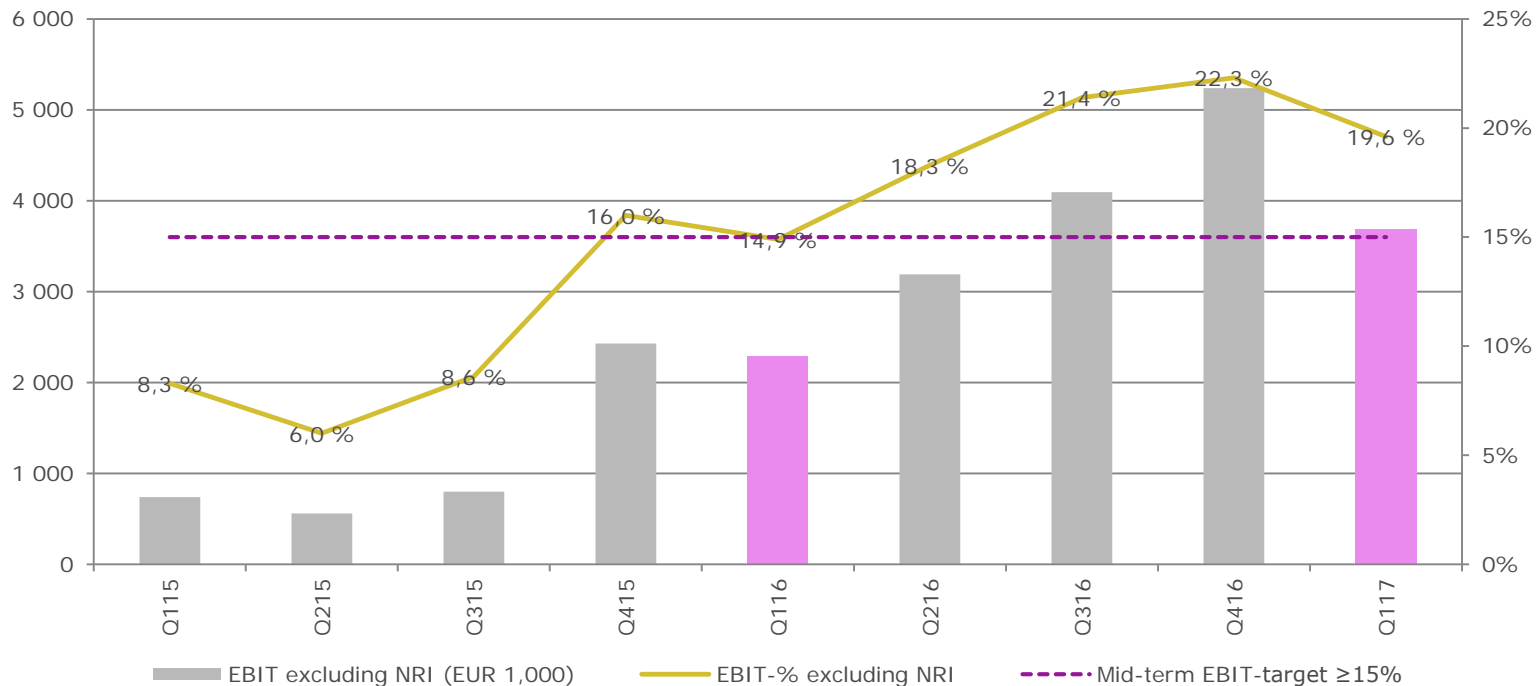
(EUR 1,000)



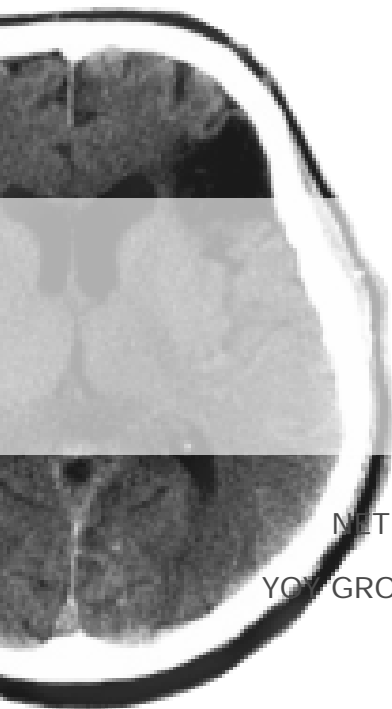
+22.7%
(YOY)

EBIT-% AT TARGET LEVEL

(EUR 1,000)

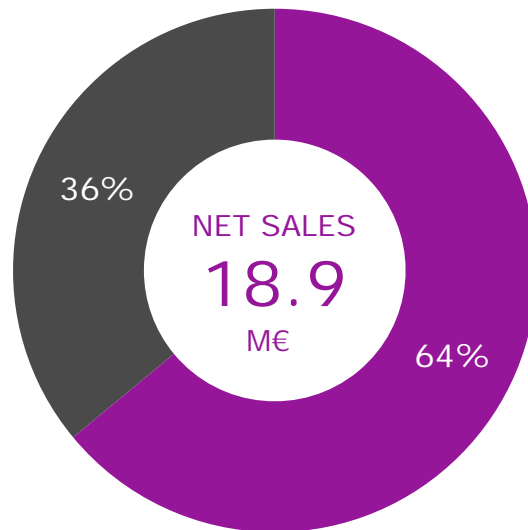


OUR BUSINESSES IN Q1 2017



MBU MEDICAL BUSINESS UNIT

NET SALES M€ **6.8**
YOY GROWTH-% **94.5**

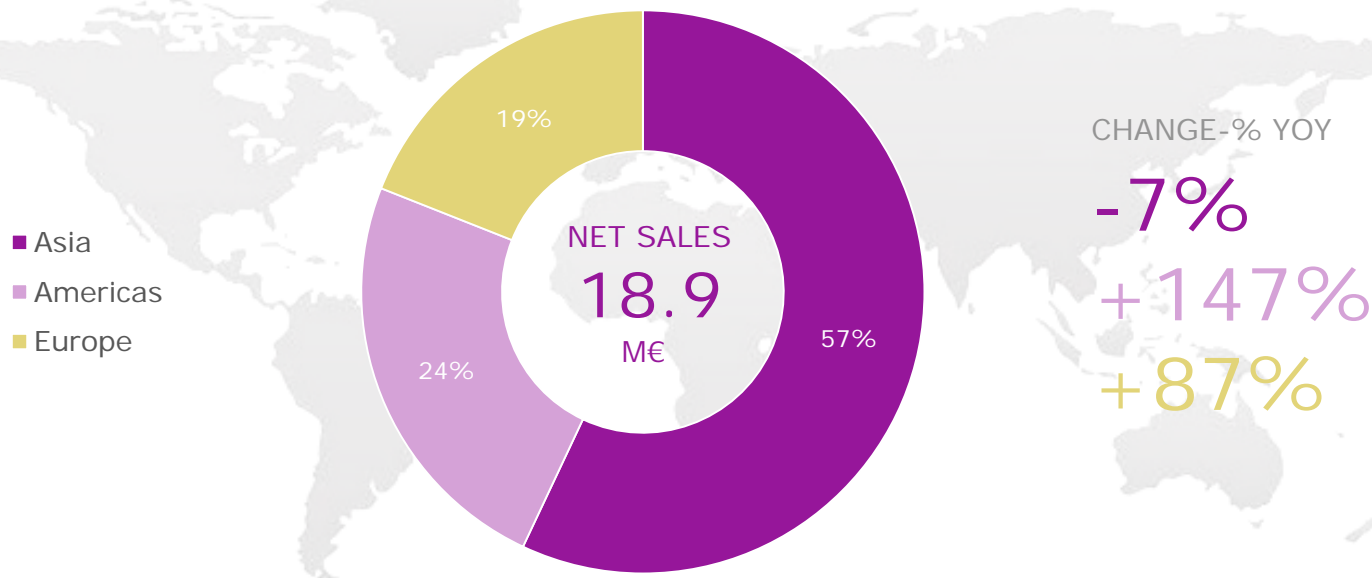


SBU SECURITY AND INDUSTRIAL BUSINESS UNIT

12.1 NET SALES M€
1.7 YOY GROWTH-%



SALES ESCALATED IN AMERICAS



KEY FIGURES

(EUR 1 000)

	Q1 2017	Q1 2016	2016
Net sales	18,863	15,373	75,509
Net sales growth, %	22.7%	71.3%	76.5%
Operating profit	3,690	2,287	14,808
Operating margin, %	19.6%	14.9%	19.6%
R&D costs	1,529	1,623	6,071
R&D costs, % of net sales	8.1%	10.6%	8.0%
Cash flow from operating activities	1,154	325	5,412
Capital expenditure	324	875	1,612
Earnings per share, EUR	0.20	0.11	0.81

STRATEGY IMPLEMENTATION



- Focus on ensuring sufficient shipments and production capacity to meet market needs
- Expansion of the Beijing factory started, new facilities will be taken into use in May
- Winning new customers and projects
- Broadening of technology base

BUSINESS OUTLOOK



MEDICAL MARKET
ANNUAL GROWTH RATE

5%



SECURITY MARKET
ANNUAL GROWTH RATE

7%



INDUSTRIAL MARKET
ANNUAL GROWTH RATE

5%



ASIA-PACIFIC IS THE
FASTEST GROWING
MARKET

- Growth to continue in 2017 but expected to be more moderate than in 2016
- There is uncertainty with the demand for the rest of the year as competition tightens and affects product prices.

FINANCIAL TARGETS UNCHANGED



MEDIUM TERM TARGET
Annual
sales growth

> 15%

MEDIUM TERM TARGET
Operating
margin

≥ 15%

ANNUAL
Dividend or
returned capital

30-60%

