

# FOREKNOW. FORESAVE.®

Business Review January-September 2016

Detection Technology Plc | 26 October 2016 | President and CEO Hannu Martola

# HIGHLIGHTS Q3 2016

- Net sales increased by 105.9% to EUR 19.2 million (9.3)
- EBIT was EUR 4.1 million (0.4)
- EBIT-% was 21.4% of net sales (4.2%)
- MBU had a good growth
- Strong demand for security solutions continued

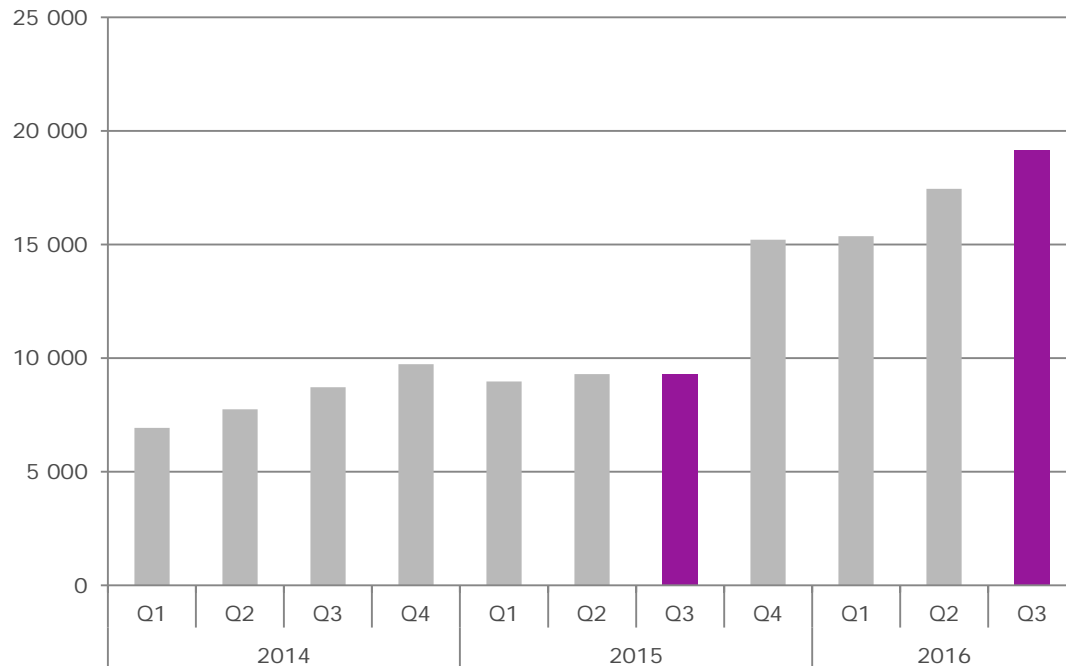
# HIGHLIGHTS 1-9 2016

- Net sales grew 88.5% to EUR 52.0 million (27.6)
- EBIT was EUR 9.6 million (1.7)
- EBIT-% was 18.4% of net sales (6.2%)

# NET SALES DOUBLED

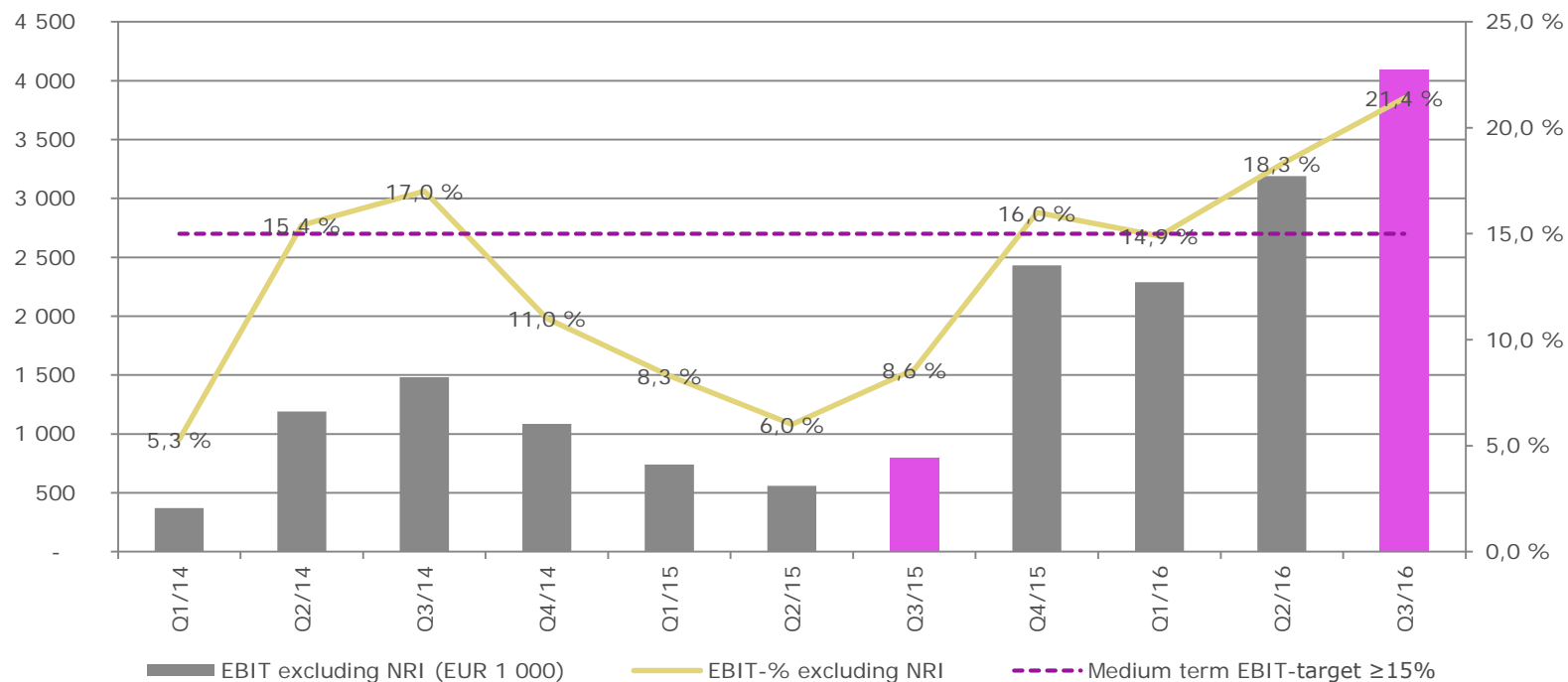


(EUR 1 000)



**+ 106%**  
(YOY)

# EBIT-% AT TARGET LEVEL

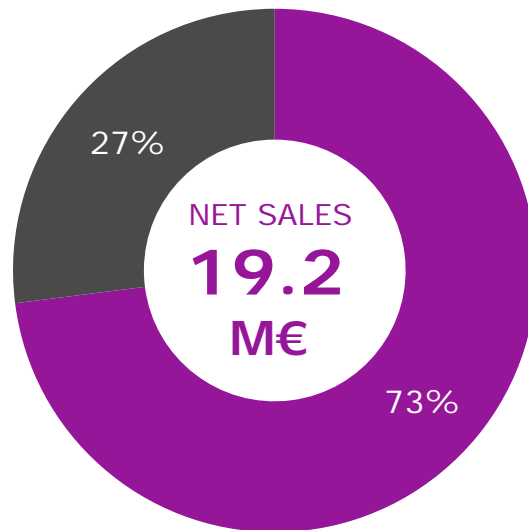


# OUR BUSINESSES IN Q3 2016



## MEDICAL BUSINESS UNIT (MBU)

NET SALES M€ **5.1**  
YOY GROWTH-% **54**



## SECURITY AND INDUSTRIAL BUSINESS UNIT (SBU)

**14.1** NET SALES M€  
**135** YOY GROWTH-%



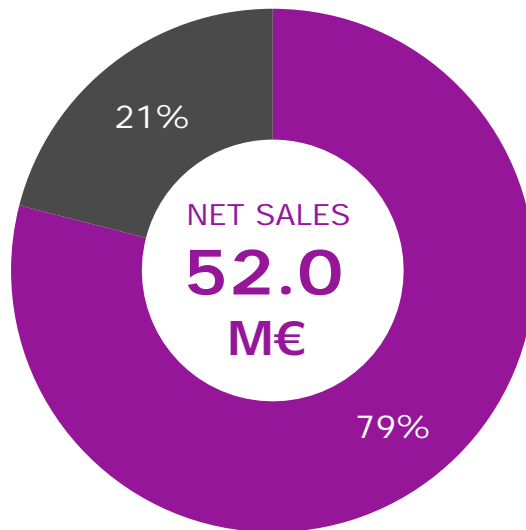


# OUR BUSINESSES IN 1-9 2016



## MEDICAL BUSINESS UNIT (MBU)

NET SALES M€ **11.1**  
YOY GROWTH-% **0.7**



## SECURITY AND INDUSTRIAL BUSINESS UNIT (SBU)

**40.9** NET SALES M€  
**147** YOY GROWTH-%



# GROWTH DRIVEN BY ASIA

YoY GROWTH-% BY REGION

+62%  
+70%  
+131%

SALES SPLIT BY REGION

Q3 2016

16%

15%

69%

Q3 2015

21%

18%

61%

Americas

Europe

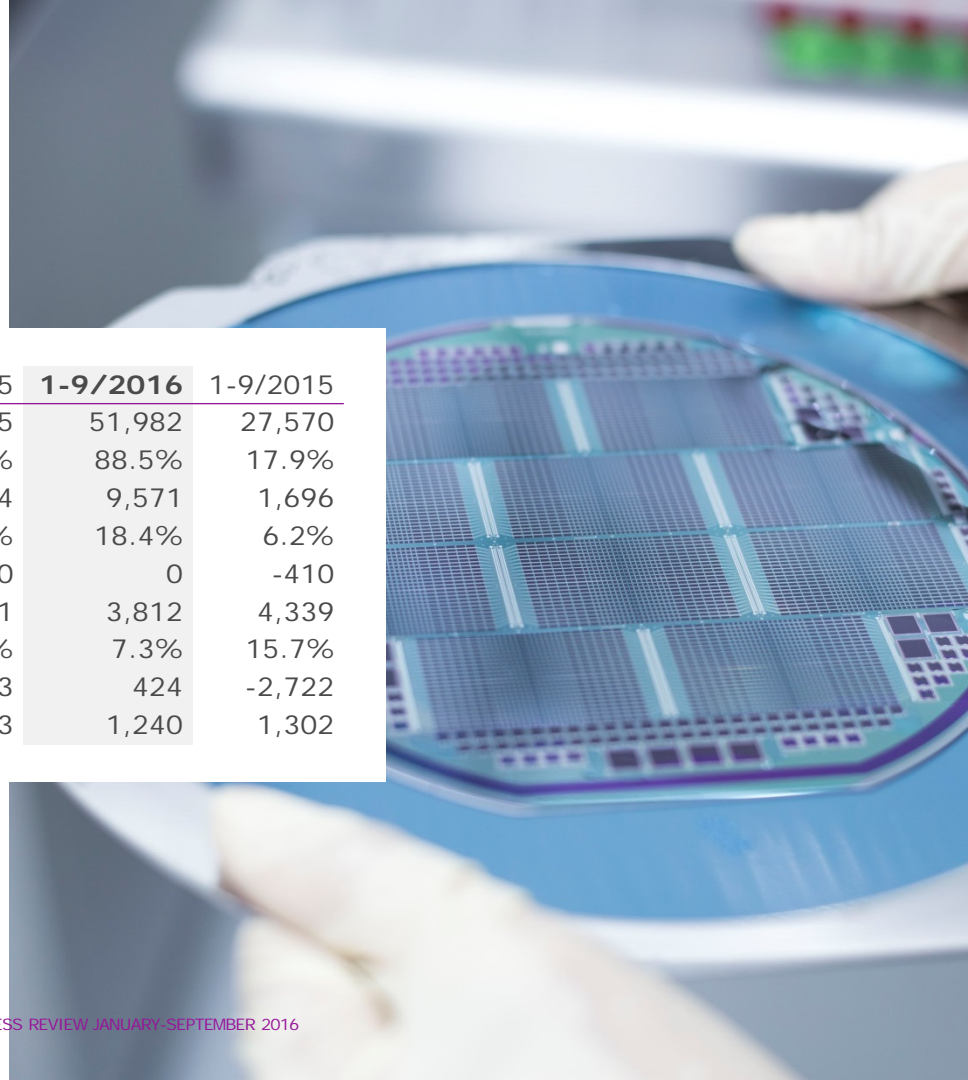
Asia



# KEY FIGURES

(EUR 1,000)

|                                     | <b>7-9/2016</b> | 7-9/2015 | <b>1-9/2016</b> | 1-9/2015 |
|-------------------------------------|-----------------|----------|-----------------|----------|
| Net sales                           | 19,159          | 9,305    | 51,982          | 27,570   |
| Net sales growth, %                 | 105.9%          | 6.8%     | 88.5%           | 17.9%    |
| Operating profit                    | 4,096           | 394      | 9,571           | 1,696    |
| Operating margin, %                 | 21.4%           | 4.2%     | 18.4%           | 6.2%     |
| Non-recurring items (NRI)           | 0               | -410     | 0               | -410     |
| R&D costs                           | 1,034           | 1,681    | 3,812           | 4,339    |
| R&D costs, % of net sales           | 5.4%            | 18.1%    | 7.3%            | 15.7%    |
| Cash flow from operating activities | 1,624           | -663     | 424             | -2,722   |
| Capital expenditure                 | 232             | 463      | 1,240           | 1,302    |



# STRATEGY IMPLEMENTATION IN Q3



- Launching of new MBU products with successful ramp-up of production and start of customer shipments
- Securing higher production capacity to meet strong demand growth
- Broadening of technology and customer bases as planned

# BUSINESS OUTLOOK



**MEDICAL MARKET**  
ANNUAL GROWTH RATE

**5%**



**SECURITY MARKET**  
ANNUAL GROWTH RATE

**8%**



**INDUSTRIAL MARKET**  
ANNUAL GROWTH RATE

**5%**



Detection Technology's growth is estimated to be exceptionally strong in 2016. The company expects the sales to level off and competition to tighten in 2017.

# FINANCIAL TARGETS



MEDIUM TERM TARGET

**Annual  
sales growth  
> 15%**

MEDIUM TERM TARGET

**Operating  
margin  
≥ 15%**

ANNUAL

**Dividend or  
returned capital  
30-60%**

