

BUSINESS REVIEW Q3 2017

PRESIDENT AND CEO HANNU MARTOLA | DETECTION TECHNOLOGY PLC | 25 OCTOBER 2017

22.2

net sales, M€

16.1

net sales growth-%

5.1

EBIT, M€

22.9

EBIT-%

Growth continued in a competitive market

Business developed better than expected

MBU had a strong growth due to continued demand in Americas

SBU sales declined as demand peak for logistics segment levelled off in China

More balanced sales split by businesses and applications

1-9 2017

61.5

net sales, M€

18.3

net sales growth-%

12.9

EBIT, M€

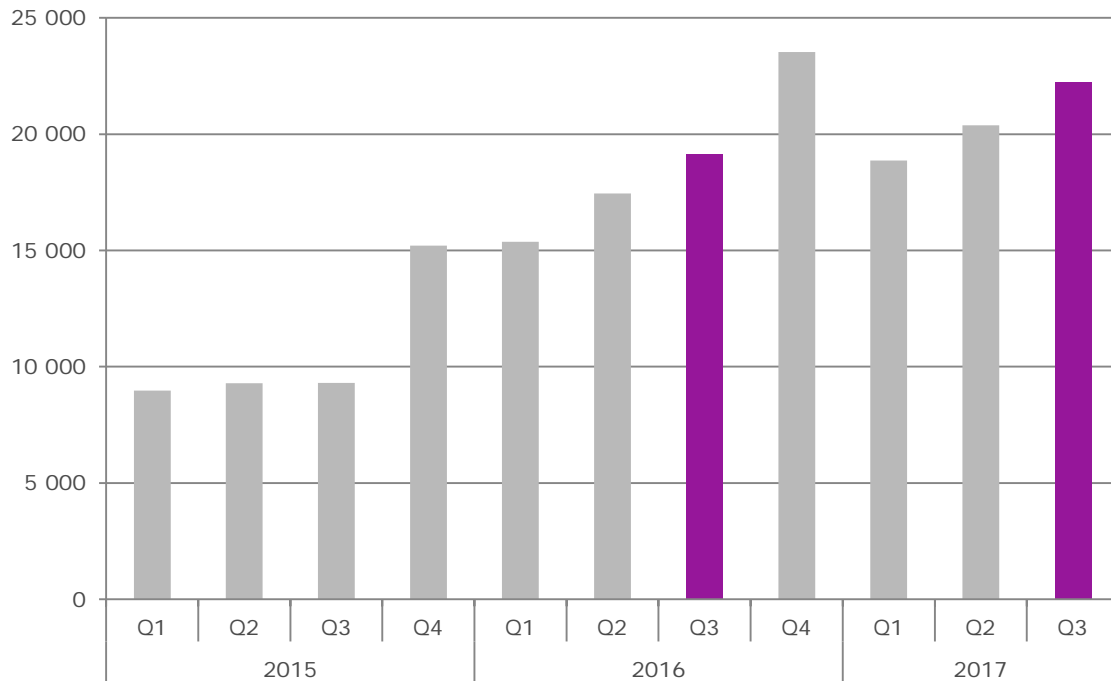
21.0

EBIT-%

NET SALES



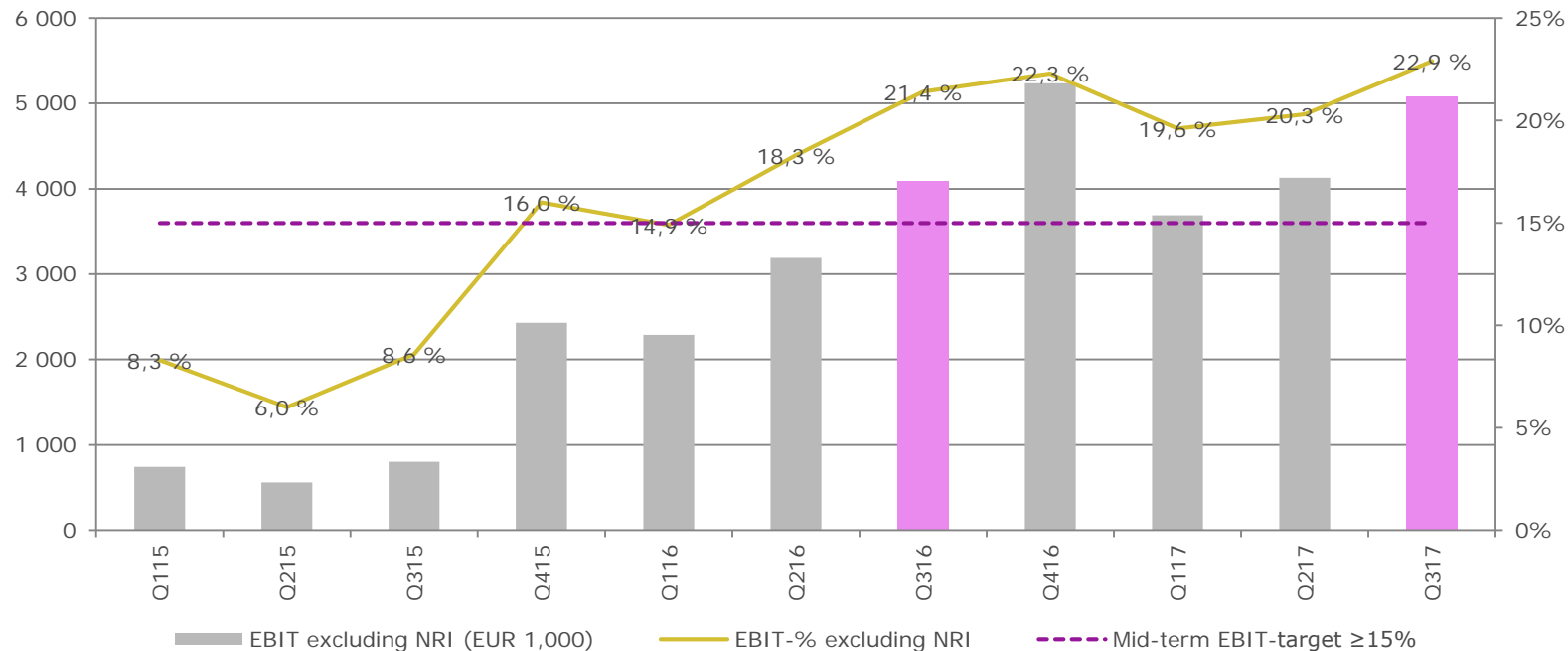
(EUR 1,000)



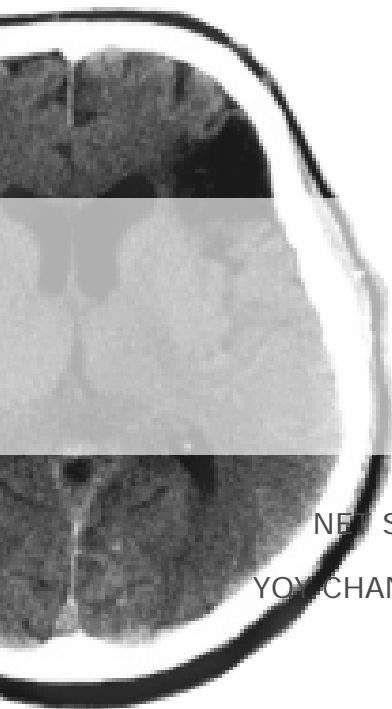
+16.1%
(YOY)

EBIT-% AT TARGET LEVEL

(EUR 1,000)

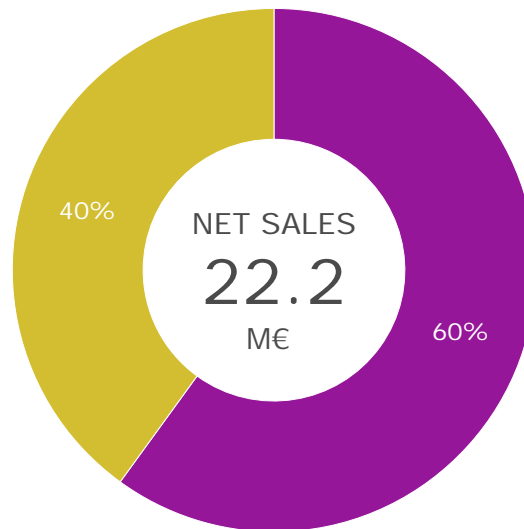


OUR BUSINESSES IN Q3 2017



MBU MEDICAL BUSINESS UNIT

NET SALES M€ **8.9**
YOY CHANGE-% **74.8**

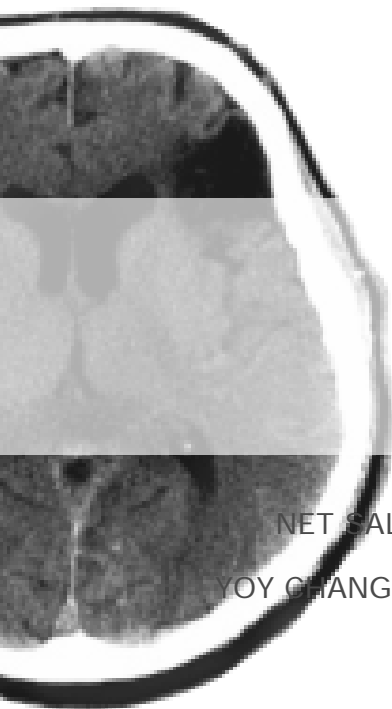


SBU SECURITY AND INDUSTRIAL BUSINESS UNIT

13.3 NET SALES M€
-5.2 YOY CHANGE-%

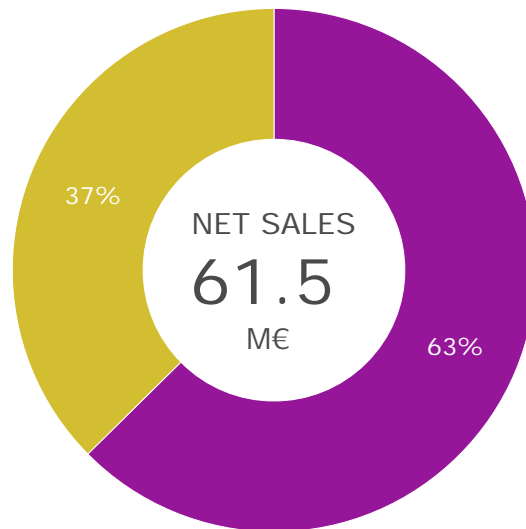


OUR BUSINESSES IN 1-9 2017



MBU MEDICAL BUSINESS UNIT

NET SALES M€ **23.0**
YOY CHANGE-% **107.8**

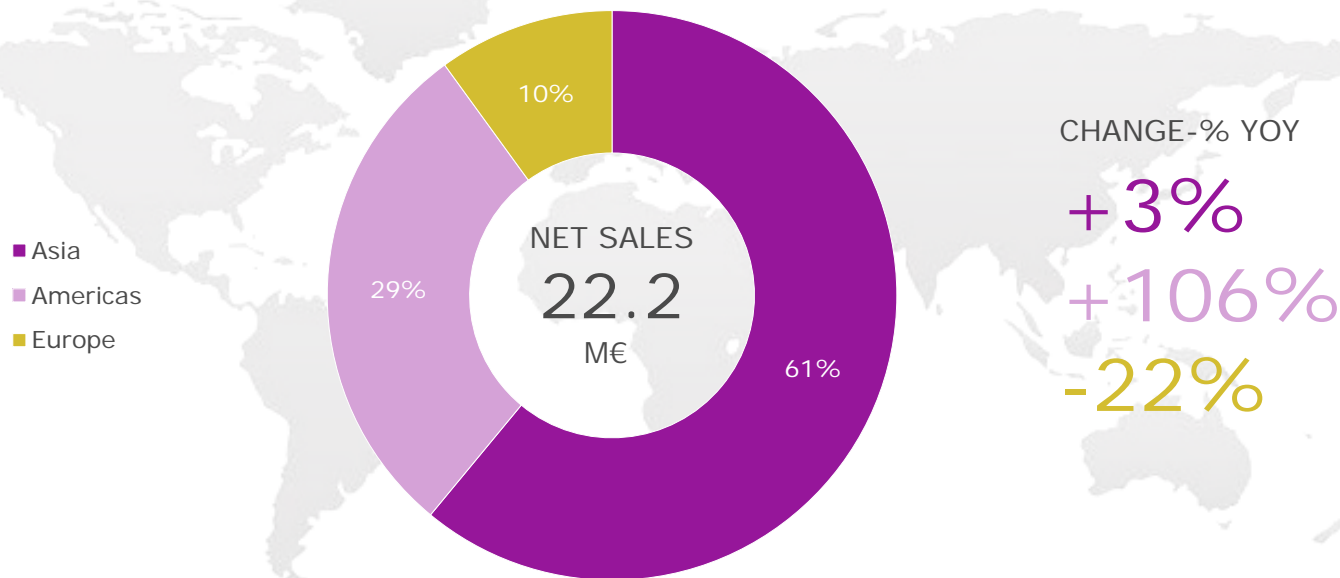


SBU SECURITY AND INDUSTRIAL BUSINESS UNIT

38.5 NET SALES M€
-5.9 YOY CHANGE-%



Q3 SALES DOUBLED IN AMERICAS

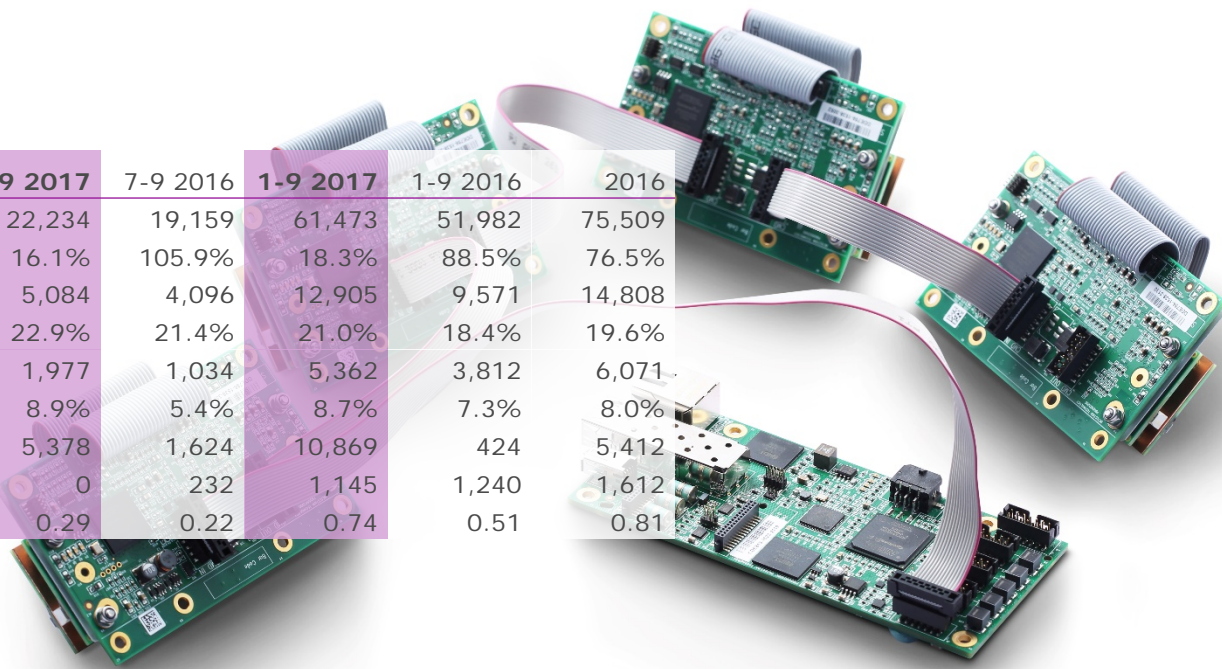


KEY FIGURES



(EUR 1,000)

	7-9 2017	7-9 2016	1-9 2017	1-9 2016	2016
Net sales	22,234	19,159	61,473	51,982	75,509
Net sales growth, %	16.1%	105.9%	18.3%	88.5%	76.5%
Operating profit	5,084	4,096	12,905	9,571	14,808
Operating margin, %	22.9%	21.4%	21.0%	18.4%	19.6%
R&D costs	1,977	1,034	5,362	3,812	6,071
R&D costs, % of net sales	8.9%	5.4%	8.7%	7.3%	8.0%
Cash flow from operating activities	5,378	1,624	10,869	424	5,412
Capital expenditure	0	232	1,145	1,240	1,612
Earnings per share, EUR	0.29	0.22	0.74	0.51	0.81



STRATEGY IMPLEMENTATION



- Won new customers and projects
- Invested in developing new technologies
- Focused on renewing its information systems to support more effectively the growth targets
 - ERP, PDM and PDC projects ongoing

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

- Moderate growth to continue during Q4 2017 and Q1 2018
- There is uncertainty in demand as competition intensifies, and this is reflected in 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%

