

A large, semi-transparent X-ray image of an open suitcase is positioned on the left side of the slide. Inside the suitcase, various items are visible, including a water bottle, a pair of sunglasses, a belt, and some cables. The entire slide has a dark blue background.

FOREKNOW. FORESAVE.®

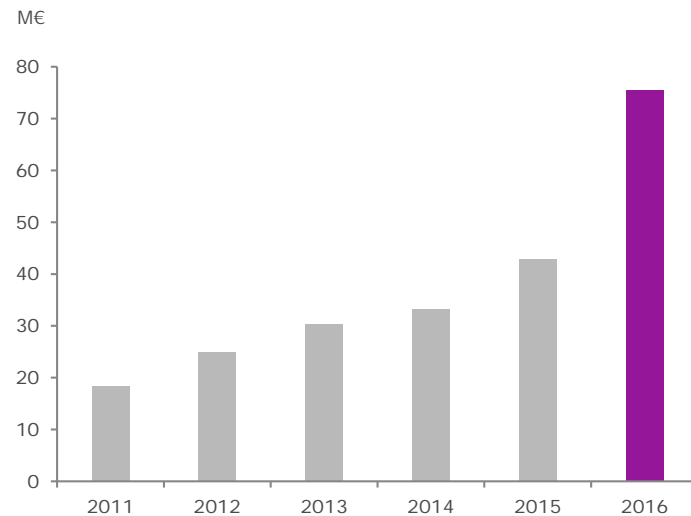
Financial Statements Review January-December 2016

Detection Technology Plc | 3 February 2017 | President and CEO Hannu Martola

DETECTION TECHNOLOGY

25
YEARS

FOREKNOW. FORESAVE.®



Net sales

HIGHLIGHTS Q4 2016

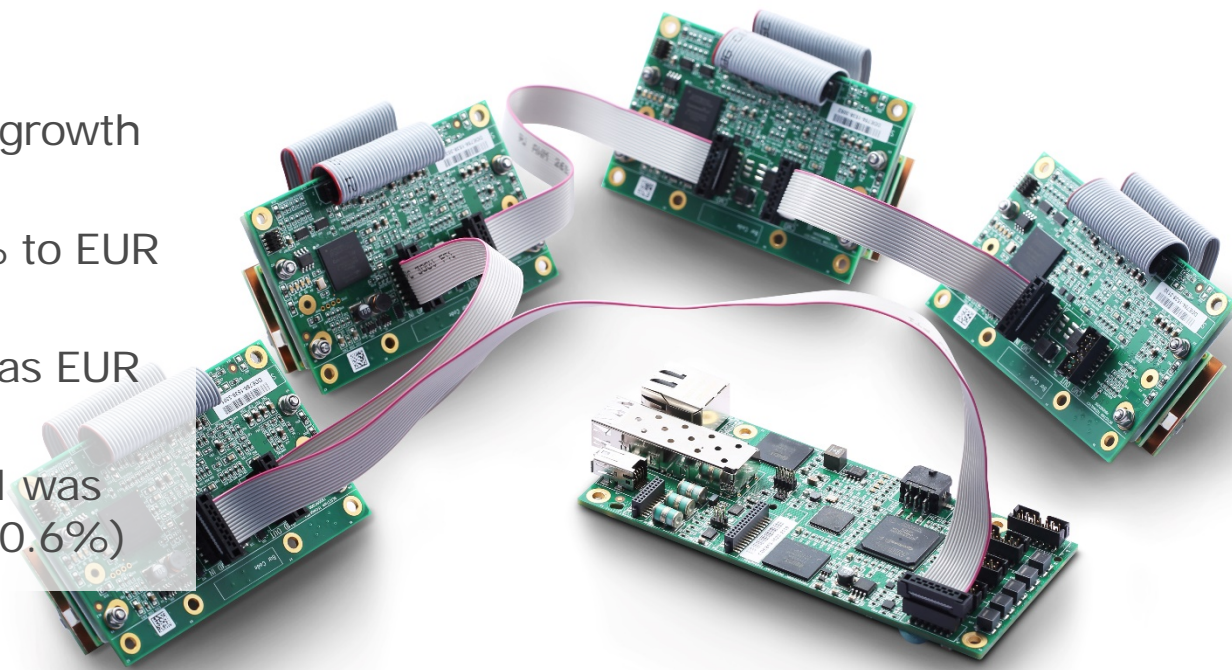
- Net sales increased by 54.7% YOY to EUR 23.5 million (15.2)
- EBIT excluding NRI was EUR 5.2 million (2.4)
- EBIT-% excluding NRI was 22.3% of net sales (16.0%)
- MBU had a strong growth
- Growth of SBU continued
- Balanced net sales split by businesses



HIGHLIGHTS FY 2016



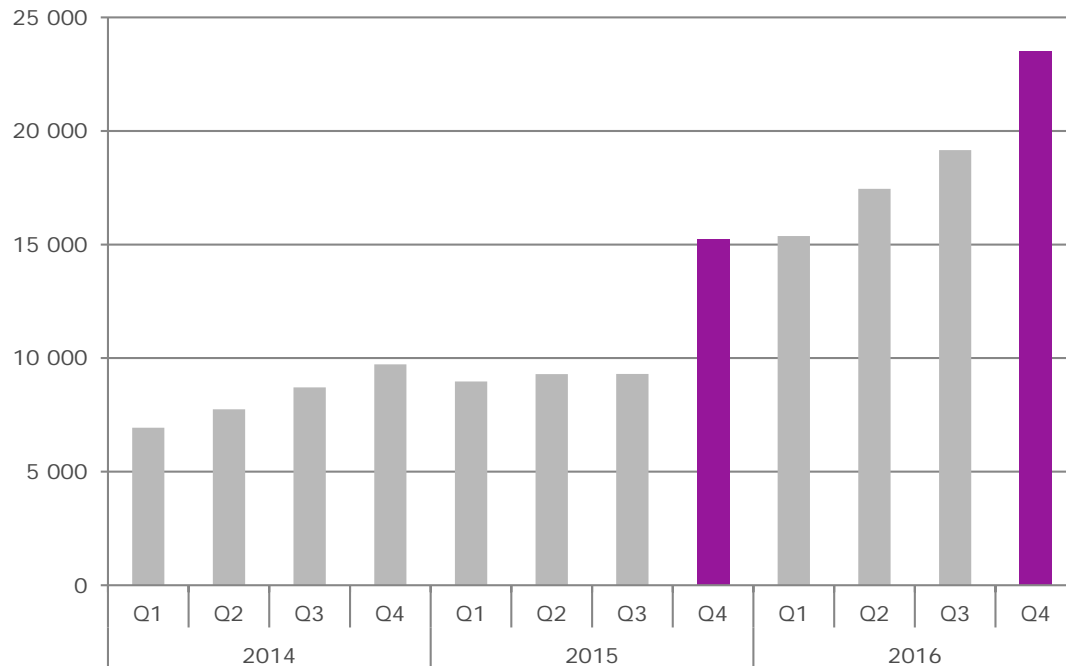
- A year of exceptional growth and profitability
- Net sales grew 76.5% to EUR 75.5 million (42.8)
- EBIT excluding NRI was EUR 14.8 million (4.5)
- EBIT-% excluding NRI was 19.6% of net sales (10.6%)



NET SALES

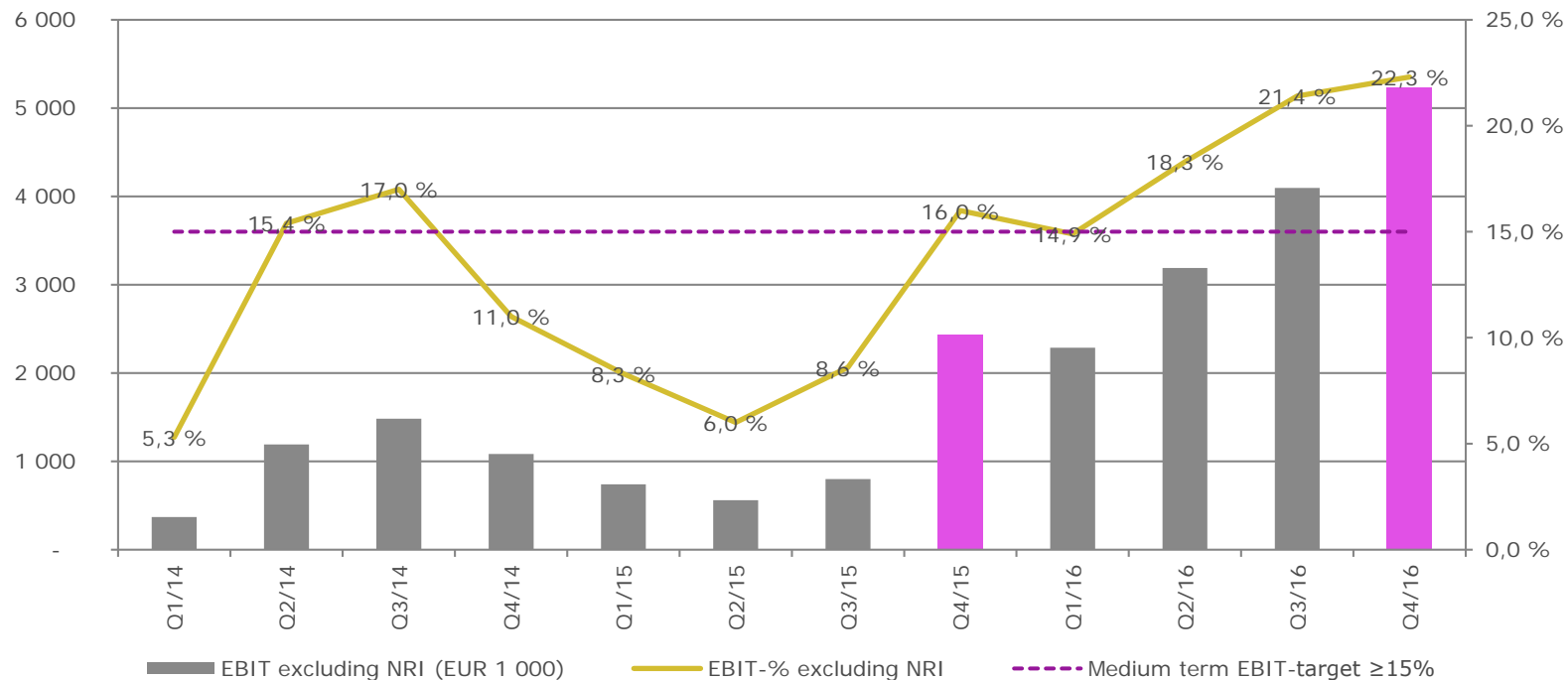


(EUR 1 000)



+54.7%
(YOY)

EBIT-% AT TARGET LEVEL

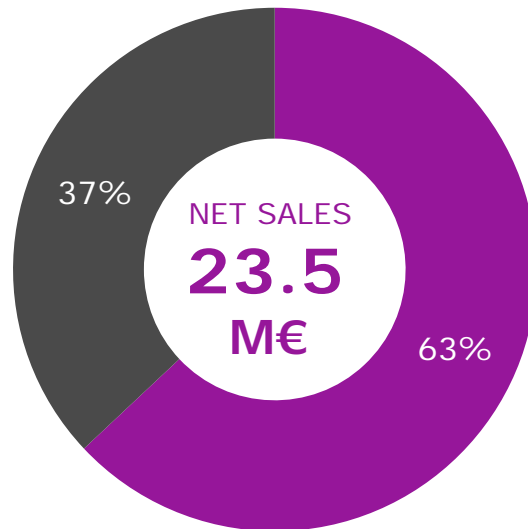


OUR BUSINESSES IN Q4 2016



MEDICAL BUSINESS UNIT (MBU)

NET SALES M€ **8.7**
YOY GROWTH-% **68.8**



NET SALES
23.5
M€

SECURITY AND INDUSTRIAL BUSINESS UNIT (SBU)

14.8 NET SALES M€
47.4 YOY GROWTH-%

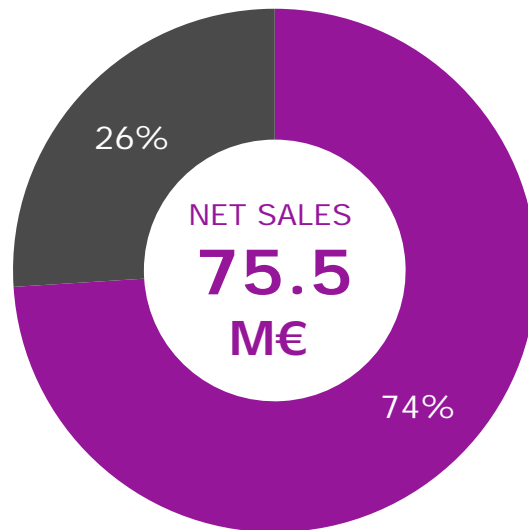


OUR BUSINESSES IN FY 2016



MEDICAL BUSINESS UNIT (MBU)

NET SALES M€ **19.8**
YOY GROWTH-% **22.5**



SECURITY AND INDUSTRIAL BUSINESS UNIT (SBU)

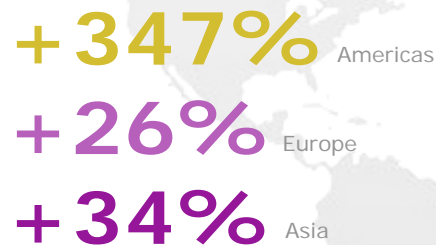
55.8 NET SALES M€
109.2 YOY GROWTH-%



ASIA REMAINS AS BIGGEST MARKET



YoY GROWTH-% BY REGION



SALES SPLIT BY REGION

Q4 2016

20%

13%

67%

Q4 2015

7%

15%

78%

Americas

Europe

Asia

KEY FIGURES

(EUR 1,000)	10-12/2016	10-12/2015	1-12/2016	1-12/2015
Net sales	23,527	15,212	75,509	42,782
Net sales growth, %	54.7%	56.4%	76.5%	29.2%
Operating result (EBIT) excl. NRI	5,237	2,433	14,808	4,534
Operating result (EBIT) excl. NRI, %	22.3%	16.0%	19.6%	10.6%
Non-recurring items (NRI)	0	688	0	1,098
R&D costs	2,259	1,357	6,071	5,696
R&D costs, % of net sales	9.6%	8.9%	8.0%	13.3%
Cash flow from operating activities	4,988	5,355	5,412	2,622
Capital expenditure	372	3,450	1,612	4,770
Earnings per share, EUR	0.31*	0.10	0.81*	0.07

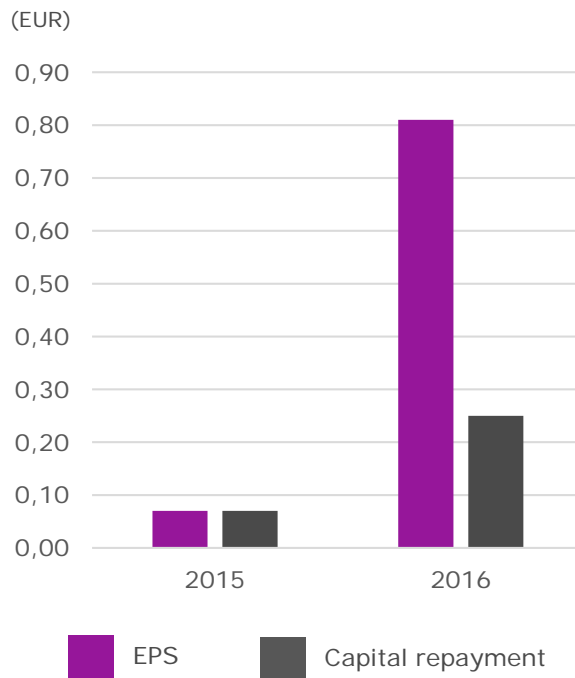
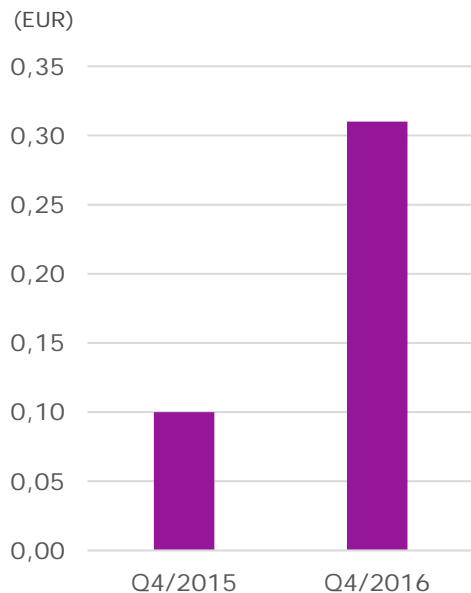
*Used for the entire review period increased number of shares (13,425,775) due to the share incentive programs.

STRATEGY IMPLEMENTATION IN Q4

- Launching of new products and starting customer shipments
- Strengthening its position in the US
- Broadening of technology base
- Expanding customer base as planned



EPS AND PAYOUT



31%

PAYOUT FOR 2016

The Board's proposal to AGM

BUSINESS OUTLOOK



MEDICAL MARKET
ANNUAL GROWTH RATE

5%



SECURITY MARKET
ANNUAL GROWTH RATE

8%



INDUSTRIAL MARKET
ANNUAL GROWTH RATE

5%



- **More moderate growth** in the beginning of 2017
- Uncertainty in the markets, for 2017 **increased competition** and a **slowdown in sales** growth expected
- Continuing development and commercialization of new products in line with the strategy, R&D expenses expected to increase in 2017.

FINANCIAL TARGETS UNCHANGED



MEDIUM TERM TARGET

**Annual
sales growth
> 15%**

MEDIUM TERM TARGET

**Operating
margin
≥ 15%**

ANNUAL

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

