





Review by the President and CEO

# Turn to the double-digit growth path

“Double digit profitable growth” would aptly summarize 2021. Despite challenges related to the COVID-19 pandemic, the company took a turn onto the growth path and our profitability was good. We will continue our journey on the growth path and also seek growth from sustainable development.

In spite of challenges related to the COVID-19 pandemic, our total net sales grew by 10%, totaling EUR 90 million in FY 2021. Demand in medical CT (computer tomography) applications was strong and that of industrial applications remained stable. The security market battered by the pandemic started to recover and growth accelerated toward the end of the year.

Sales grew by over 20% in all our businesses in Q4. We are happy to say that the company achieved double-digit growth again. Unfortunately, we were unable to exploit the growth potential to the fullest due to the shortage of materials. However, we gained more than we lost.

We expect rapid growth to continue, although barriers to growth due to challenges in the supply chain have increased. In spite of these challenges, we see plenty of opportunities for growth and also new potential in the market.

Despite quarterly fluctuation, demand for imaging solutions in the food, pharmaceutical, and mining industries developed favorably. As a result, the Industrial Solutions Business Unit (IBU) achieved record sales, even though some deliveries at the end of the year had to be postponed due to the components shortage. IBU sales increased by 10%, totaling EUR 13 million.

The net sales of our Medical Business Unit (MBU) increased by 25% to EUR 49 million, boosted by demand for CT applications. The growth percentage would have been higher without challenges in the supply chain. The strong demand is generated by investments in the healthcare infrastructure both globally and particularly in China, and demand for higher-end CT applications. A great part of the growth was generated by standard CT solution sales. This means that our product launches have been successful.

The security market, stagnated by the dramatic drop in air transport and limitations to mass gatherings, started to recover slowly. Demand took a positive turn at the end of H1, and demand in aviation restarted at the end of the year, too. The sprint at the end of the year was, however, not enough, and the net sales of our Security and Industrial Business Unit (SBU) decreased by -9%, amounting to EUR 28 million.

“One-stop shop for all imaging needs”

The distribution of net sales between business units changed: over half of sales originated from medical applications. There were no significant changes in the geographical distribution of our sales: Asia was still our largest market by far.

Our profitability remained good and we achieved double-digit profit margins. Our operating profit was EUR 10.6 million, which is 12% of net sales.

### Improved competitiveness

Our competitiveness improved in all our main markets. Our position in the CT market is solid, in particular in medical but also security applications. We secured our position in the industrial market, where we progressed in line with our “Beyond hardware” strategy.

FY 2021 was the first operating year for IBU. The new business structure has enhanced customer service, the recognition of weak market signals and customer needs, and the building of a more targeted offering. In addition, the commercialization of software and services has been boosted.

Our product launches also played an important role in strengthening our competitive position. The Aurora XS, launched for urban security applications, is a good example. Its price-quality ratio has met the needs of the target segment well.

The X-ACE made us the first and so far the only detector supplier in the world with a product portfolio that includes standard solutions for all medical CT imaging price points. We are a one-stop shop for CT solutions from the standard to the premium segments.

We expanded our presence in China, by establishing a talent hub in Nanjing. This will support the expansion of our product portfolio with higher-end solutions, in which software and algorithms play a key role.



We won new customers and strategically important projects. The number of active customers increased in all our businesses and, in particular, in the industrial segment. We are happy to serve a total of 370 customers in more than 40 countries.

In our view, we have a good position to open new business opportunities in years to come. Growth drivers in our target markets are good, and we are able to flexibly meet the growing demand.

### **Better leadership and corporate culture**

We launched major leadership and corporate culture development programs throughout the company. This global work is not yet complete, nor will it ever be: it is about continuous reflection on changing circumstances.

One key element of this development work is dialogue to enhance our feedback culture. We have encouraged our employees to give, ask for, and receive feedback in a number of ways, both in one-on-one meetings and at team and company levels.

We also clarified who we are from a values perspective as a company and how we reflect them in our daily actions. We redefined our values and their corresponding behaviors.

### **Growth from sustainable development**

We want profitable growth but only in a sustainable way. We clarified our sustainability agenda and used it as a basis for developing our operating models. We reached most of our sustainability goals for 2021.

We are committed to sustainable growth, and we also seek growth from sustainable development. Our core businesses focus on the promotion of wellbeing and safety. We have also recognized a great number of needs for X-ray technology in the circular and eco economies.

“Sustainable growth and growth from sustainable development”

The world needs more sustainable products, and that means better quality control and better efficiency. Reuse is increasing, which will require more efficient sorting of materials and components.

X-ray technology is increasingly used in recycling and sorting, in the optimization of production processes, and the quality control of components. Our solutions have a clearly positive environmental impact, and we are determined to utilize this growth potential.

The turn to a sustainable growth path took place in 2021. Warmest thanks to you—our customers, owners, partners, and especially to the DT team! We survived another challenging year and grew stronger towards the end of the year despite the challenges. Let's continue working with passion and pride to secure our future.

**Hannu Martola**  
President and CEO