



Review by the President and CEO

Prerequisites for growth in place

The year 2023 culminated in record-breaking quarterly sales and significant improvements in our results. We maintained our market position, and strategic investments improved our competitiveness. The prerequisites for growth are in place.

Global political and financial turbulence continued, and the eased component shortage alone was not sufficient to boost our business towards growth. All of our main markets were soft, demand, in particular, in China remained low-key for the entire year and competition became fiercer. Finding a footing for the growth path took some time and we were only able to regain our profit-making ability towards the end of the year.

Despite the challenges, we experienced double-digit growth in all but the third quarter. Our annual net sales increased by 5%, boosted by sales in security applications, and was 104 million euros.

Industrial application sales were characterized by a turbulent demand. Our key customers continued to clear their stocks that they had accumulated after the component shortage, which led to stagnant growth in Industrial Business Unit (IBU) sales. Thanks to our new TFT (thin-film transistor) flat panel detector portfolio, sales grew in Q4, but still lagged behind the set target.

The annual sales of the Medical Business Unit (MBU) also lagged behind our expectations. After Q1, demand began to soften globally. The Chinese government's anticorruption campaign targeted at health-care end operators came as an unpleasant surprise and slowed down our medical sales in H2.

Although demand in security applications remained stagnant in China for the entire year, demand recovered in aviation as well as computed tomography (CT) and line scanner applications, in particular, in the Americas and India. The annual sales of our

Security Business Unit (SBU) increased by over 14%.

Lower-than-expected sales, sales mix, greater credit loss provision and the last spot purchases as remnants of component shortages all negatively affected our profitability in H1. We tightened our belts in H2 to ensure an enduring improvement on our profitability.

We carried out several efficiencies at the global level. In addition, we reduced the number of personnel on financial and production-related grounds. The efficiencies carried out, along with good growth in sales, boosted our financial result to the target level in Q4.

Strategically important year

The year 2023 was strategically important. We acquired Haobo Imaging and decided to invest in TFT flat panel detectors. These strategic decisions nearly doubled our total addressable market.

“The strategic acquisition of Haobo Imaging energized our people.”



All feedback received from the markets has been positive, because the business acquisition will create customer and technology synergies. Our product portfolio now covers all digital X-ray imaging detector technologies. In our view, the new business will grow faster than our current business.

It has been particularly delightful to see how the corporate acquisition has energized our staff. We successfully completed the integration process of the new business, and we have enthusiastically continued the development and sales of our new product portfolio.

Another strategically important decision was the expansion of production in Oulu, Finland. Thanks to this investment, we are able to offer a wider range of

EU origin products, enhanced customer experience and minimize risks.

This will also improve our learning curve. We are building the production capability for photon-counting detector solutions in our new Oulu facility, because dialogue between product development and production is crucial in the industrialization of new technology.

Development on multiple fronts

In addition to the aforementioned strategic decisions, we strengthened our prerequisites for growth on numerous fronts. For example, we focused on promoting our value-based corporate culture and our ability to produce quality through Six Sigma and Kaizen.

The work is bearing fruit: the Excellence Supplier Award — Quality, which we received from one of our key medical customers, serves as an example. The award is a recognition of our sustained ability to both meet and exceed customer expectations.

We can also be proud of the fact that we achieved all of our sustainability goals set for 2023. We are committed to sustainable growth, and we also seek growth from sustainable development, for example, in the quality control of batteries used in electric cars.

A warmest thanks to you – our customers, owners, the DT team and partners – for your support! Let's continue securing our future together!

We have all it takes to achieve profitable growth in 2024! There will be bumps on the road but I'm sure that the journey will be rewarding to us all.

Hannu Martola
President and CEO