

# Q1

January–March 2022

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**Business review**

President and CEO Hannu Martola | 27 April 2022





Q1 2022

20.3

net sales, €m  
(18.3)

10.9

net sales change-%  
(-8.0)

1.5

EBIT, €m  
(1.4)

7.4

EBIT-%  
(7.5)

# Strong underlying demand, but component shortage postponed sales

## Industrial sales +45%

- Demand continued to be strong in all main applications
- Even higher potential for growth
- Some sales were postponed due to the component shortage

## Medical sales +5%

- Strong CT demand remained unchanged
- Escalation of the pandemic in China temporarily slowed down the recovery of the dental market
- Sales were postponed due to the component shortage

## Security sales +8%

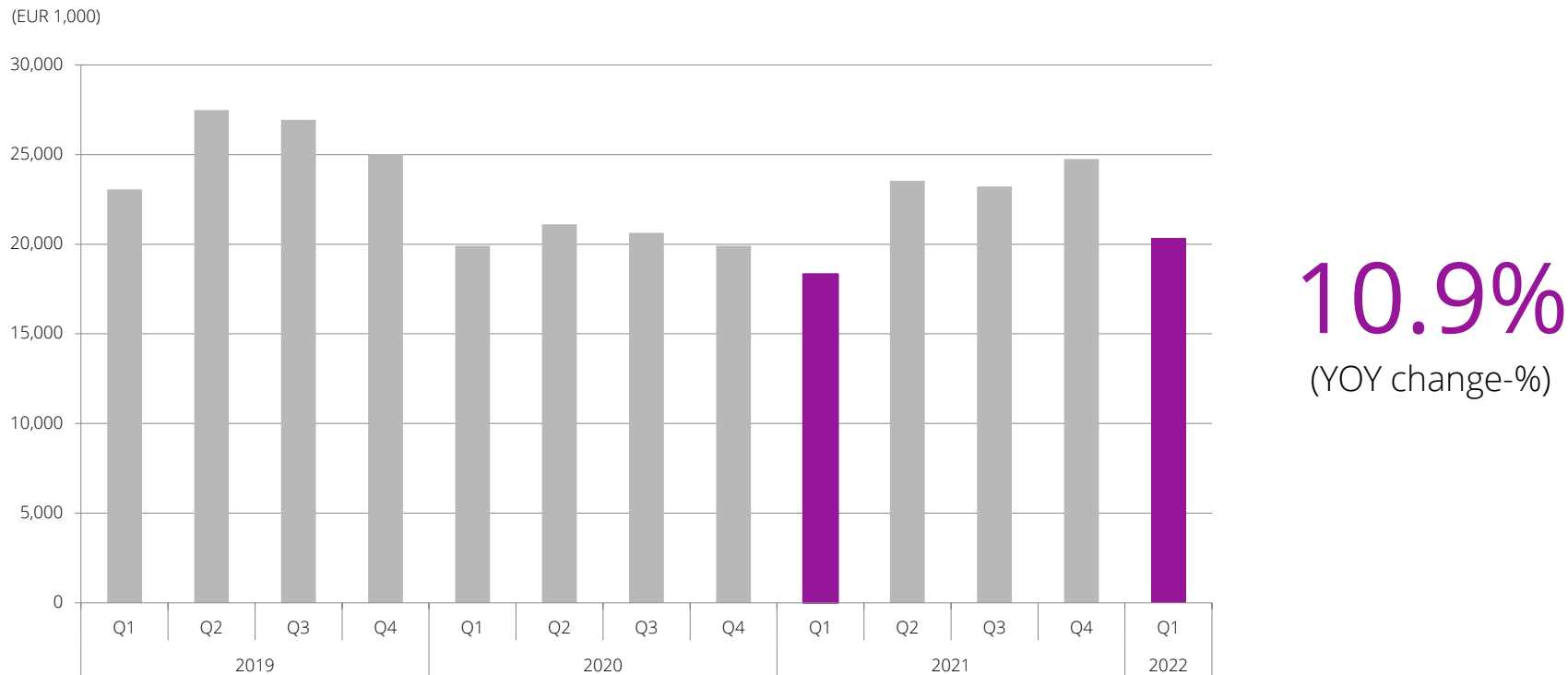
- Demand grew in all segments, including the aviation sector
- Growth still mainly attributed to non-aviation applications
- Delivery challenges significantly eroded sales

Spot purchases and higher than usual R&D costs had an impact on profitability

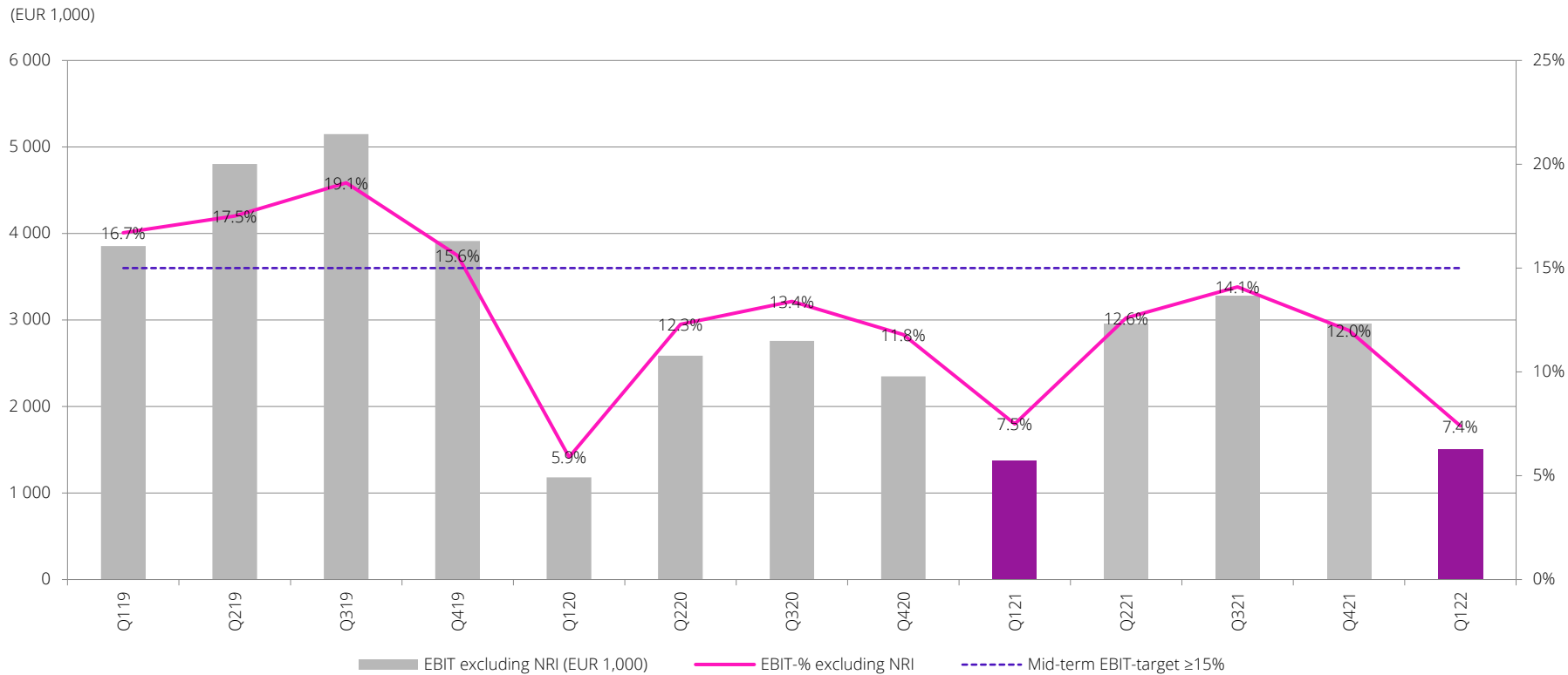
The risks related to the component shortage elevated



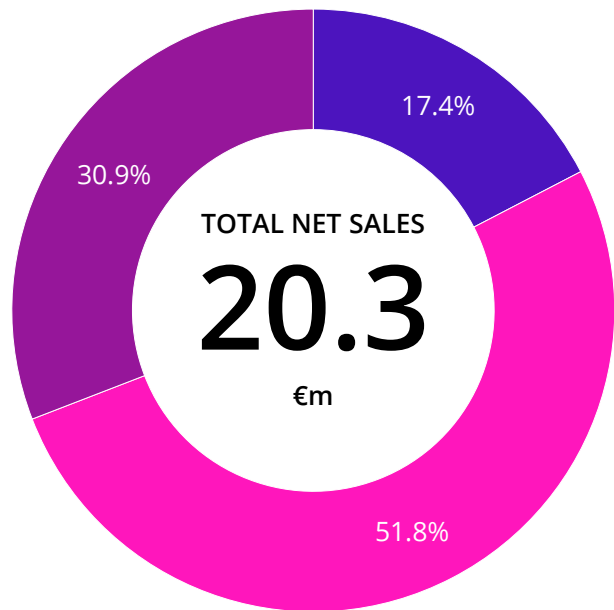
# Net sales by quarter



# Operating profit

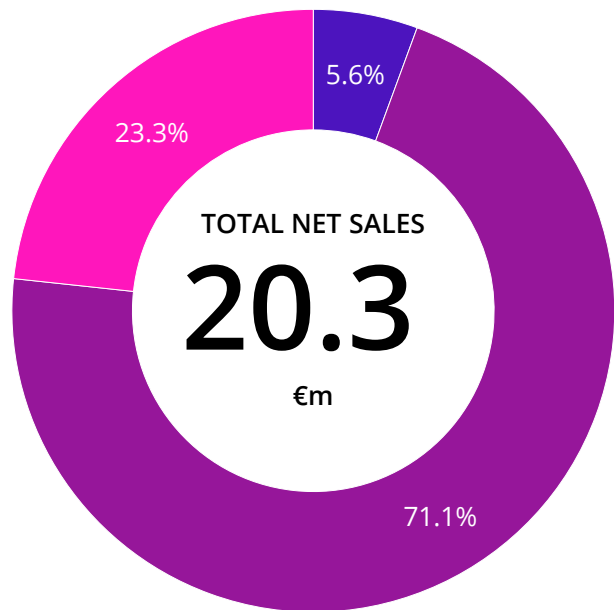


# Q1 sales split by business units



	NET SALES €m	YOY CHANGE-%
IBU	3.5	45.2
MBU	10.5	4.5
SBU	6.3	7.5

# Q1 sales split by region



	NET SALES €m	YOY CHANGE-%
AMERICAS	1.1	4.8
APAC	14.4	3.1
EMEA	4.7	46.4

# Key figures



	Q1 2022	Q1 2021	FY 2021
Net sales, EUR 1,000	20,313	18,323	89,813
Change in net sales, %	10.9%	-8.0%	10.1%
Operating profit, EUR 1,000	1,506	1,382	10,580
Operating margin, %	7.4%	7.5%	11.8%
R&D costs, EUR 1,000	2,942	2,405	10,480
R&D costs, % of net sales	14.5%	13.1%	11.7%
Cash flow from operating activities, EUR 1,000	666	1,098	7,121
Investments, EUR 1,000	201	142	1,359
Return on investment (ROI), %	17.0%	13.8%	16.5%
Earnings per share, EUR	0.09	0.09	0.64



# Strategy highlights



## Product modifications

Carried out a tactical, large-scale project to tackle the component shortage

- Includes the entire product portfolio, industrial, medical and security solutions
- Completes the first stage by the end of Q2 and the second by the end of Q3 2022.

## Nanjing talent hub

Launched operations at the new site to boost its business beyond hardware.

# Sales expectation Q2 and H2 2022



## Industrial

sales to grow  
double-digit



## Medical

sales likely to  
decline



## Security

sales to grow  
double-digit



Demand will continue strongly in all main markets and all three business units in Q2 and H2 2022. Expects double-digit growth in total net sales in H1 and intensifying growth in H2.

# Business outlook

- According to Detection Technology's view, demand will continue to be strong in all of the company's main markets.
- The company expects **double-digit growth in net sales both in Q2 and H2 of 2022**, although the shortage of materials and components is expected to postpone at least some of the growth in Q2.

Due to the war in Ukraine, the pandemic and inflation, the global economy and the company's businesses face uncertainty. Predictability of the company's target markets is lower than usual, and direct and indirect risks related to the availability of materials remain elevated. The effect of material and component shortage has been acknowledged as a limiting factor in the outlook, however a further degradation in supply chain might affect the business outlook.

**SECURITY MARKET**  
annual growth rate

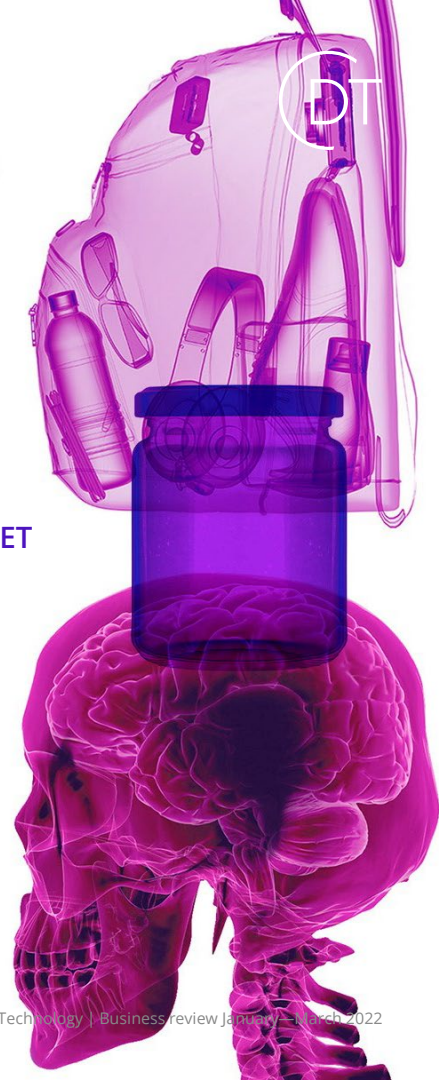
**5%**

**INDUSTRIAL MARKET**  
annual growth rate

**6%**

**MEDICAL MARKET**  
annual growth rate

**5%**





## FINANCIAL TARGETS

MEDIUM TERM  
Annual  
sales growth  
**>10%**

MEDIUM TERM  
Operating  
margin  
**≥15%**

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



# Detection Technology

[www.deetee.com](http://www.deetee.com)