

Q3

January–September 2022

Business review

President and CEO Hannu Martola | 26 October 2022



Q3 2022

27.3

net sales, €m
(23.2)

17.5

net sales change-%
(12.5)

0.6

EBIT excluding NRI, €m
(3.3)

2.3

EBIT-% excluding NRI
(14.1)

Double-digit growth in sales, unsatisfactory profitability

Industrial sales +3%

- Demand in the food segment continued at a good level and increased in mining and NDT applications
- Some sales were postponed due to the component shortage

Medical sales +24%

- Market continued to grow, the COVID-driven boom in CT applications has turned into a normal growth level
- Sales grew faster than the market due to new products and Q2 sales transfer
- Component shortage had a negative impact on outcome

Security sales +15%

- Demand grew in all segments, aviation CT investments progressed
- Sales was driven by aviation applications
- The component shortage eroded some sales

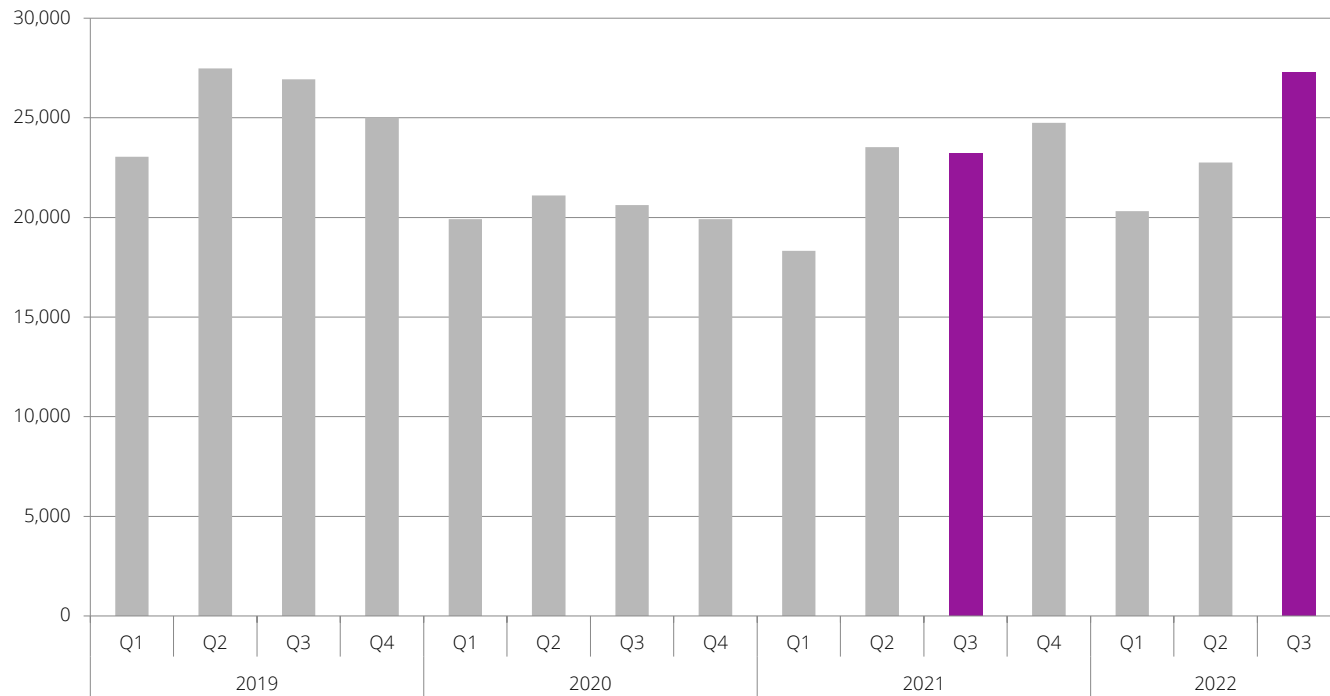
One-off provision, spot purchases, increased logistics costs, product modifications, and the timing of deliveries had an impact on result.



Net sales by quarter

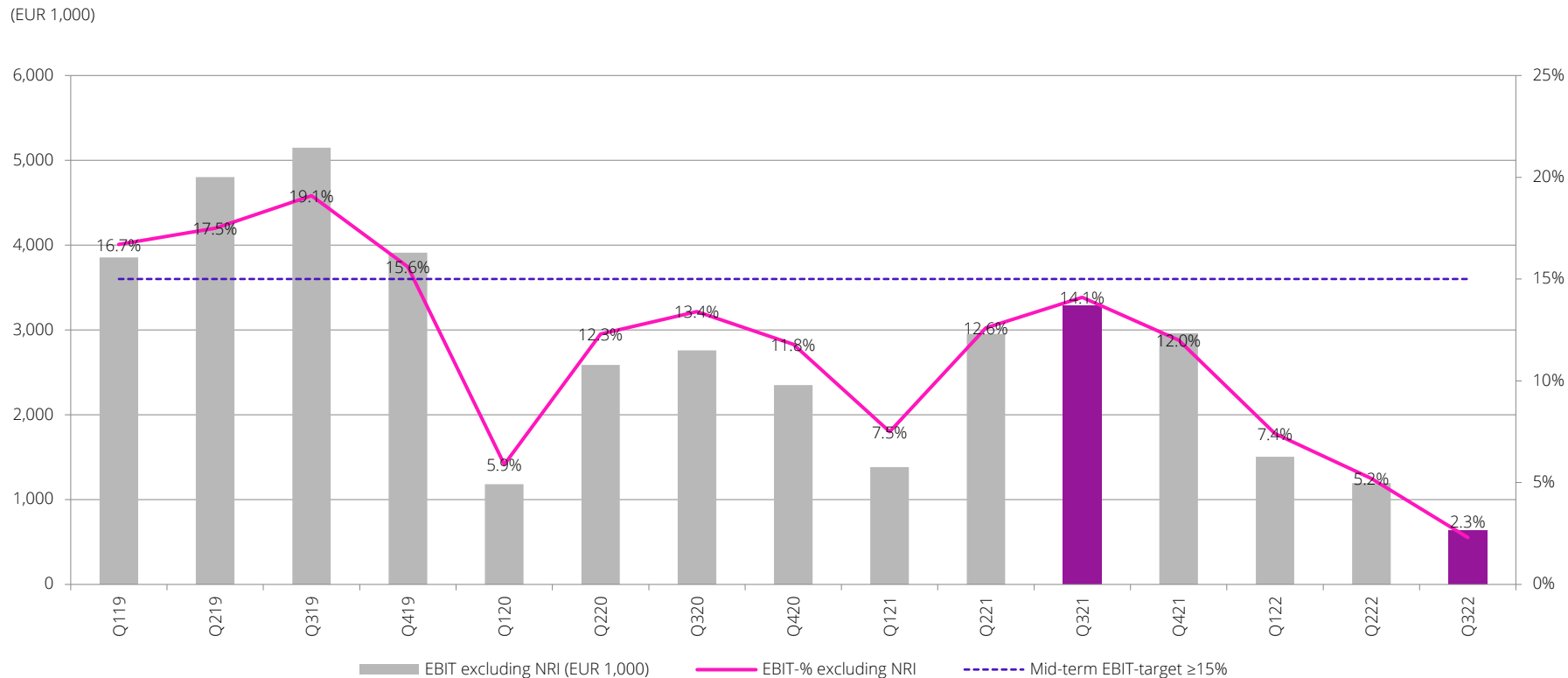


(EUR 1,000)

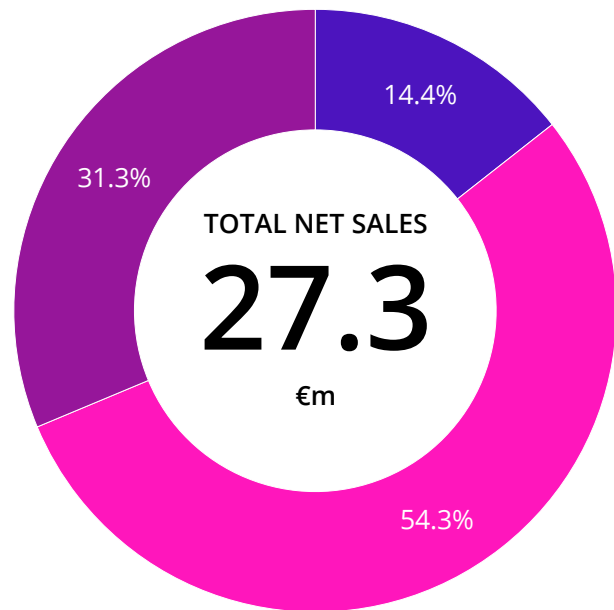


17.5%
(YOY change-%)

Operating profit

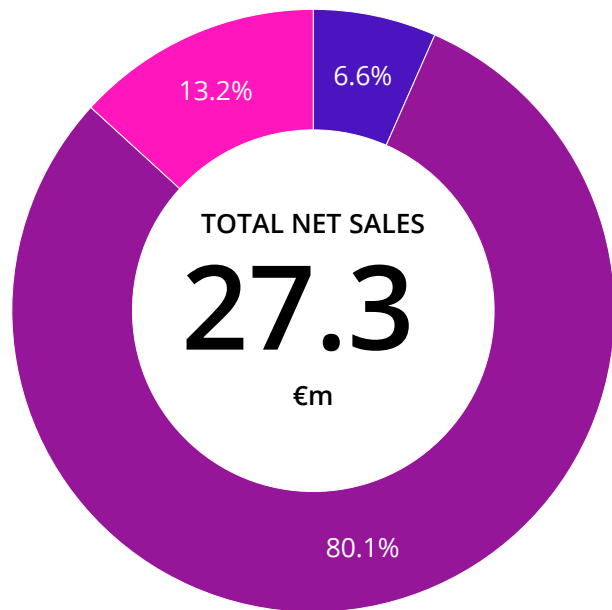


Q3 sales split by business units



	NET SALES €m	YOY CHANGE-%
IBU	3.9	2.8
MBU	14.8	24.0
SBU	8.5	14.6

Q3 sales split by region



AMERICAS

APAC

EMEA

NET SALES €m

YOY CHANGE-%

1.8

55.0

21.9

27.0

3.6

-25.3



Q1-Q3

70.4

net sales, €m
(65.1)

8.1

net sales change-%
(5.5)

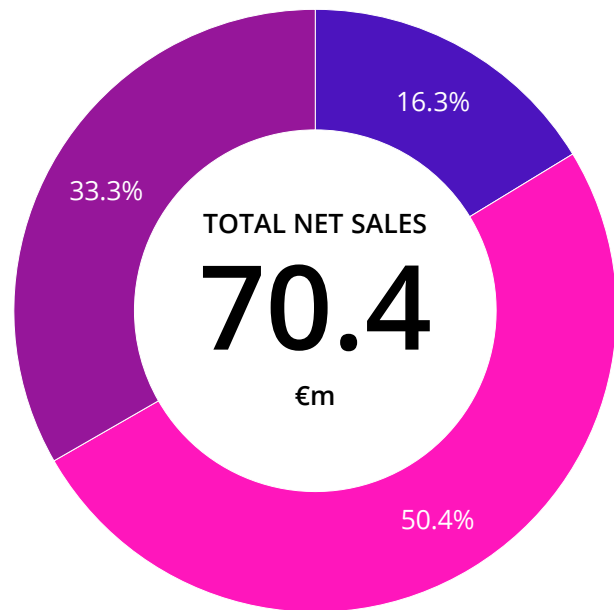
3.3

EBIT excluding NRI, €m
(7.6)

4.7

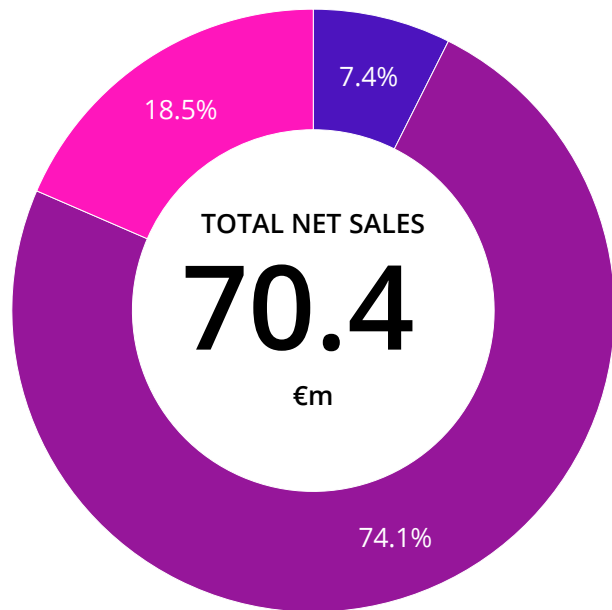
EBIT-% excluding NRI
(11.7)

Q1-Q3 sales split by business units



	NET SALES €m	YOY CHANGE-%
IBU	11.4	22.6
MBU	35.5	-0.3
SBU	23.4	16.2

Q1-Q3 sales split by region



	NET SALES €m	YOY CHANGE-%
AMERICAS	5.2	-3.6
APAC	52.1	10.4
EMEA	13.0	4.4

Key figures



	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021	FY 2021
Net sales, EUR 1,000	27,276	23,210	70,354	65,066	89,813
Change in net sales, %	17.5%	12.5%	8.1%	5.5%	10.1%
Operating profit excluding NRI, EUR 1,000	631	3,282	3,331	7,618	10,580
Operating margin excluding NRI, %	2.3%	14.1%	4.7%	11.7%	11.8%
Non-recurring items (NRI), EUR 1,000	0	0	-335	0	0
Operating profit, EUR 1,000	631	3,282	2,997	7,618	10,580
Operating margin, %	2.3%	14.1%	4.3%	11.7%	11.8%
R&D costs, EUR 1,000	3,203	2,706	9,480	7,913	10,951
R&D costs, % of net sales	11.7%	11.7%	13.5%	12.2%	12.2%
Cash flow from operating activities, EUR 1,000	-496	453	-4,024	3,833	7,121
Investments, EUR 1,000	166	306	973	695	1,359
Return on investment (ROI), %	10.9%	15.8%	10.9%	15.8%	16.5%
Earnings per share, EUR	0.05	0.20	0.19	0.44	0.64

Continued to develop its business in line with the DT-2025-strategy

Beyond hardware

- Made progress in the commercialization of software and algorithms
- The myDT+ service portfolio launched in Q2 has been well received on the markets

Product modifications

Completed the second stage in Q3, expects delivery capability improvement as of Q4.

Sales expectation Q4 2022 and Q1 2023



Industrial

sales to grow
double-digit in Q4



Medical

sales to grow
double-digit in Q4



Security

sales to grow
double-digit in Q4



Strong order book and market position, grows faster than the market.
Expects **double-digit growth in total net sales both in Q4 2022 and Q1 2023.**

Business outlook

- According to Detection Technology's view, demand will continue to be strong in all of its main markets.
- The company expects **double-digit growth in total net sales in Q4 2022**, although the shortage of materials and components is expected to postpone at least some sales.
- Expects **double-digit growth in total net sales also in Q1 2023**.

The company's business risks have increased. The indirect impacts of the war in Ukraine, inflation, energy crisis, U.S.–China relations and the overall geopolitical situation create uncertainty. In addition, some of the company's customers have higher inventories, and direct and indirect risks related to the availability of materials remain elevated. The impacts of material and component shortage have been acknowledged as a limiting factor in the outlook, however a further degradation in supply chain might affect business outlook.

SECURITY MARKET

annual growth rate

5%

INDUSTRIAL MARKET

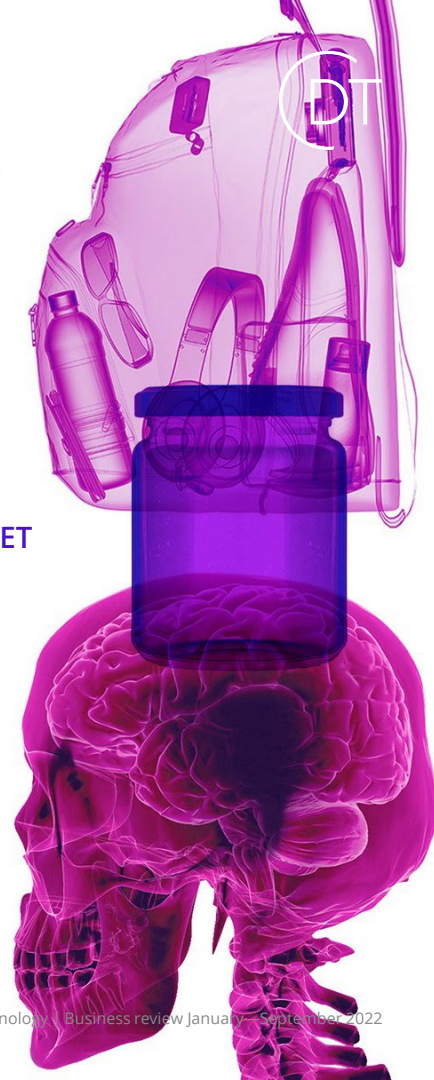
annual growth rate

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%



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