

Q3

January–September 2024

Business review

President and CEO Hannu Martola | 29 October 2024



Q3 2024

27.1

net sales, €m
(24.5)

10.6

net sales change-%
(-10.2)

4.2

EBITA, €m
(1.3)

15.3

EBITA-%
(5.4)



Improved result and double-digit growth



Industrial sales **+24%**

- Good demand continued; the food industry turned to a growth-path, and demand was also strong in the industrial CT and the specialty tire industry
- Sales grew above the market thanks to the legacy line scanner business

Medical sales **+1%**

- Market downturn levelled out
- Sales grew slightly but still lagged behind expectations mainly due to the indirect impacts of the Chinese healthcare reform

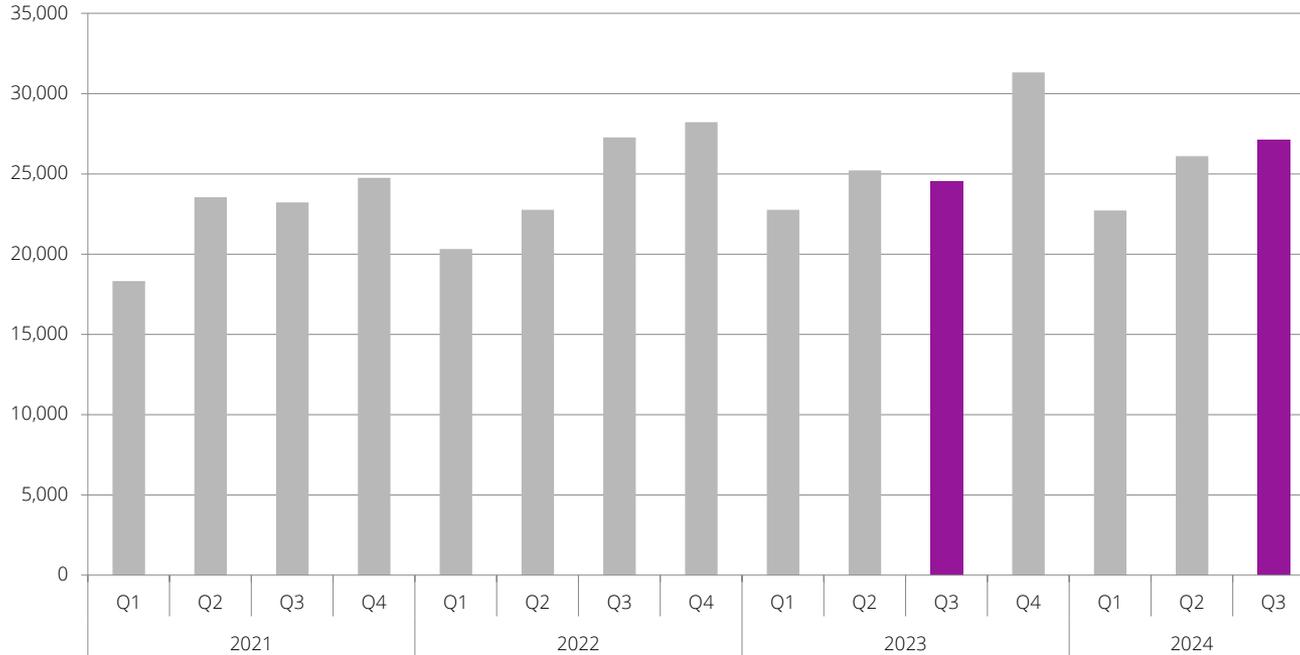
Security sales **+16%**

- Demand remained stable in the Western markets
- Sales grew above the market thanks to the aviation CT and line scanner business

Result improved YOY and QOQ, **strong cash flow**

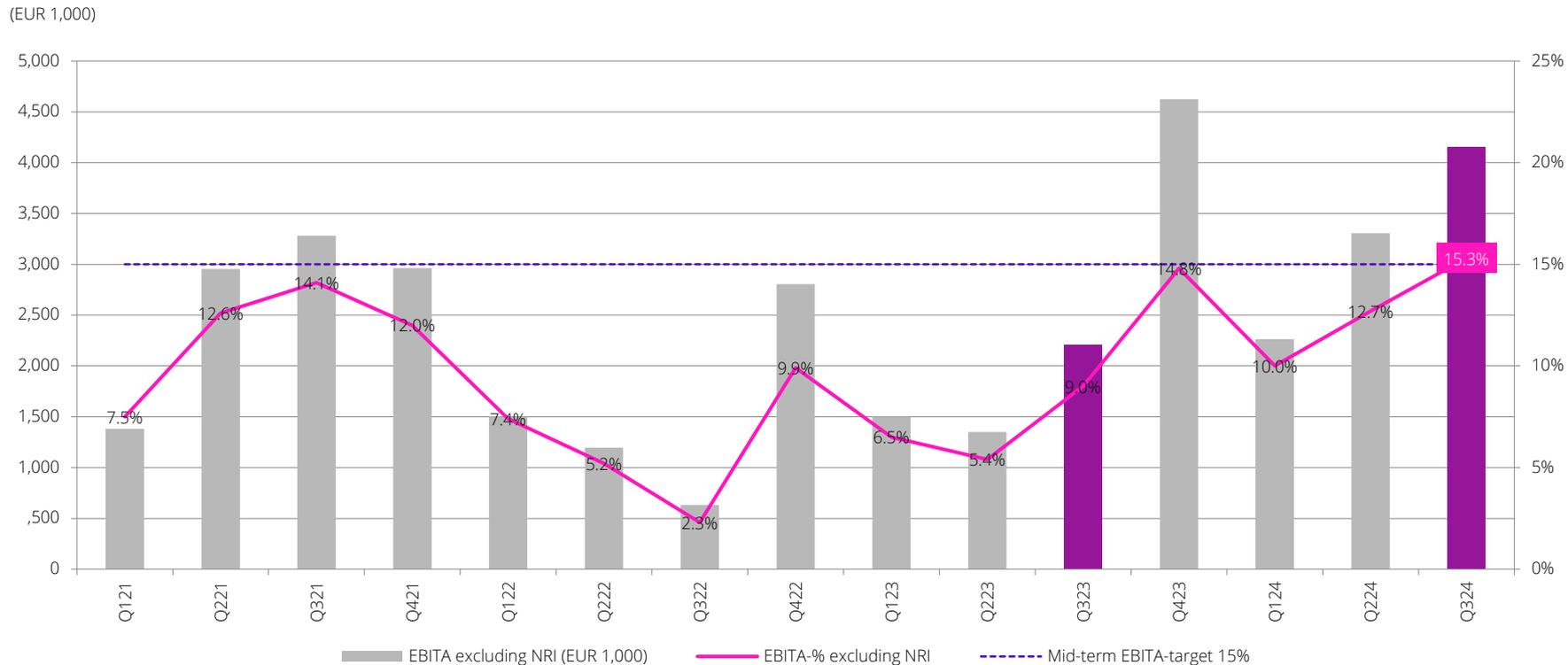
Net sales by quarter

(EUR 1,000)

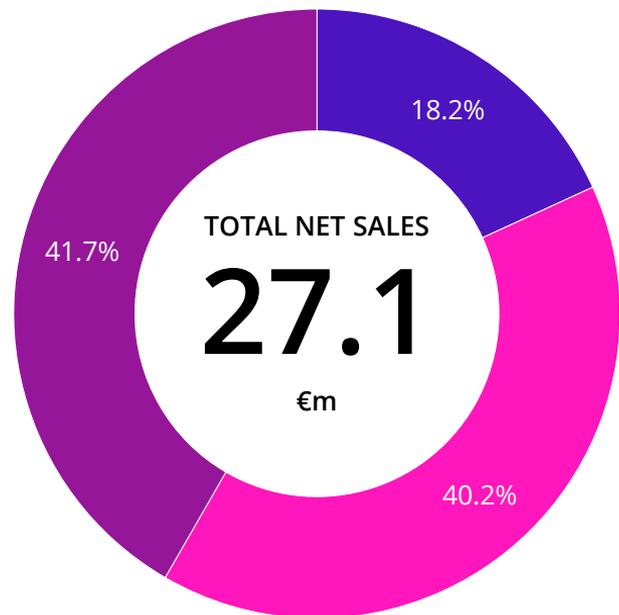


10.6
(YOY change-%)

Operating margin (EBITA) excluding NRI

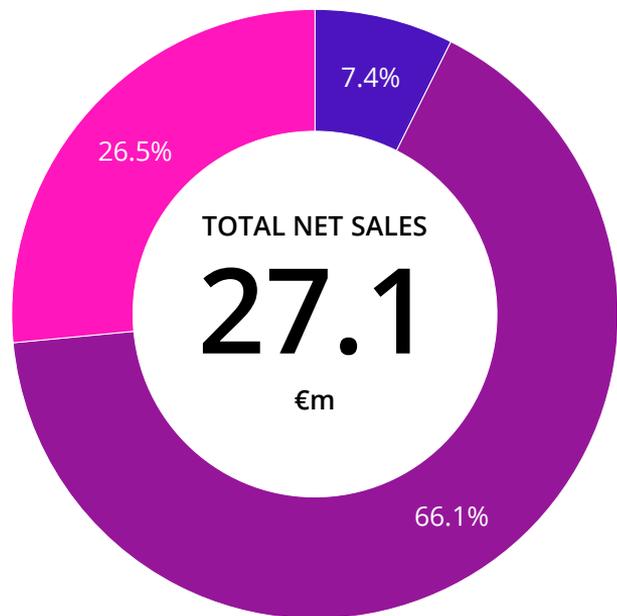


Q3 2024 sales split by business units



	NET SALES €m	YOY CHANGE-%
IBU	4.9	24.0
MBU	10.9	0.6
SBU	11.3	16.2

Q3 2024 sales split by region



	NET SALES €m	YOY CHANGE-%
AMERICAS	2.0	-14.5
APAC	17.9	3.8
EMEA	7.2	46.4

Q1-Q3

75.9

net sales, €m
(72.5)

4.7

net sales change-%
(3.0)

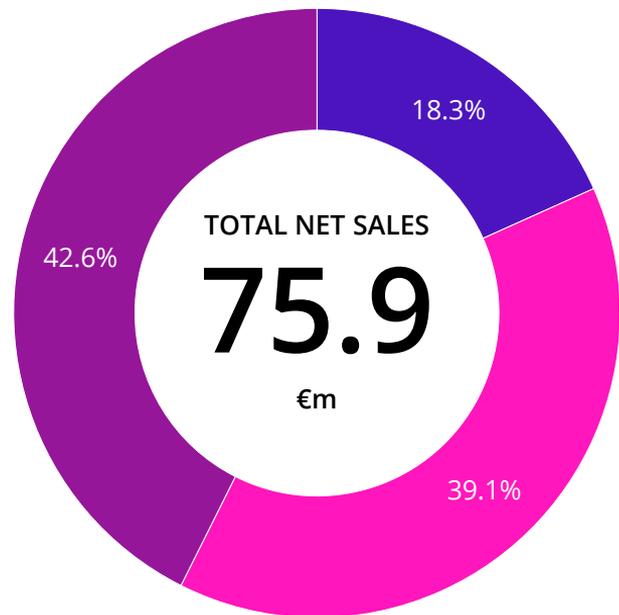
9.7

EBITA, €m
(4.2)

12.8

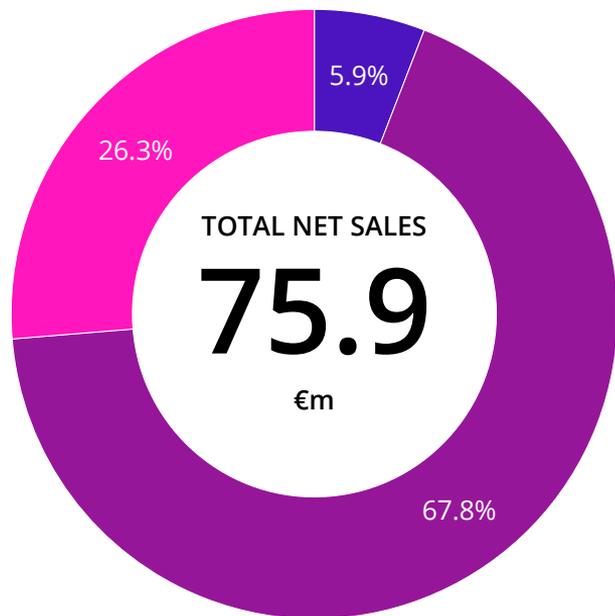
EBITA-%
(5.7)

Q1-Q3 2024 sales split by business units



	NET SALES €m	YOY CHANGE-%
IBU	13.9	24.5
MBU	29.7	-15.9
SBU	32.3	24.1

Q1-Q3 2024 sales split by region



	NET SALES €m	YOY CHANGE-%
AMERICAS	4.5	-46.9
APAC	51.5	3.4
EMEA	20.0	39.9

Key figures



	Q3 2024	Q3 2023	Q1-Q3 2024	Q1-Q3 2023	FY 2023
Net sales, EUR 1,000	27,103	24,507	75,901	72,479	103,794
Change in net sales, %	10.6%	-10.2%	4.7%	3.0%	5.3%
EBITA excluding NRI, EUR 1,000	4,157	2,207	9,726	5,034	9,656
EBITA excluding NRI, %	15.3%	9.0%	12.8%	6.9%	9.3%
Non-recurring items (NRI), EUR 1,000	0	-873	0	-873	-873
EBITA, EUR 1,000	4,157	1,334	9,726	4,161	8,784
EBITA, %	15.3%	5.4%	12.8%	5.7%	8.5%
R&D costs, EUR 1,000	2,694	2,938	8,255	8,979	11,702
R&D costs, % of net sales	9.9%	12.0%	10.9%	12.4%	11.3%
Cash flow from operating activities, EUR 1,000	6,415	3,279	13,242	5,598	9,672
Investments, EUR 1,000	248	11,389	1,733	12,217	14,426
Return on investment (ROI), %	17.0%	6.9%	17.0%	6.9%	9.9%
Earnings per share, EUR	0.22	0.05	0.48	0.13	0.38

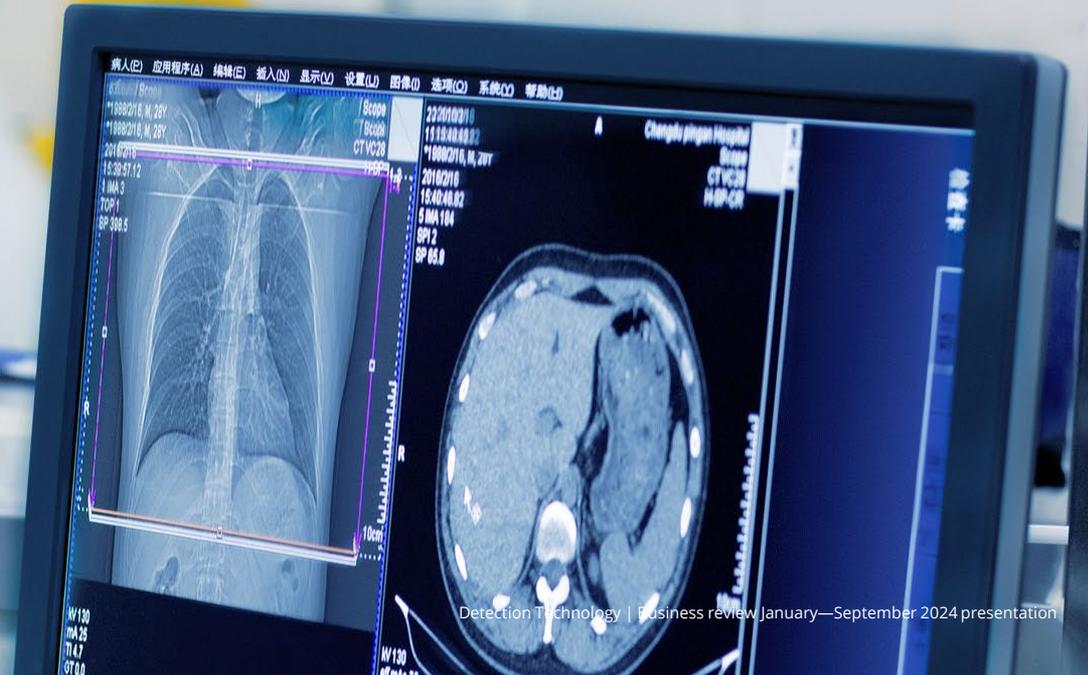
Strategy highlights

Commenced the establishment of a service and production facility in the New Delhi area for Made in India offering

- Focuses on the end-assembly and final testing
- Starts first deliveries in H1 2025

Progressed as planned in manufacturing of EU Origin products at its new facility in Oulu, Finland

- Has the capability to manufacture 10% of its sold products by the end of 2024



Events after the review period ended

Has plans to reform its operating model and corresponding organization as of 1 January 2025

- Establishes regional business units: APAC, EMEIA and Americas

Aims to improve customer service, sharpen the regional key account management, and speed up decision-making

Changes the net sales split reporting accordingly

Sales expectation Q4 2024 and Q1 2025



Industrial

to grow
in Q4



Medical

to decline slightly
in Q4



Security

to grow
in Q4



YOY total net sales to remain stable in
Q4 2024 and Q1 2025.

Business outlook

Detection Technology expects its **year-on-year total net sales to remain stable in Q4 of 2024 and Q1 of 2025.**

Detection Technology refines its previous H2 of 2024 estimate of double-digit growth in total net sales (published 6 August 2024) to growth in total net sales for H2 of 2024.

Geopolitical situation, U.S.–China relations, global economy, the measures taken in China to reform its healthcare, price competition especially in China, the indirect impacts of the war in Ukraine, and events in the Middle East create uncertainty.

SECURITY MARKET
annual growth rate

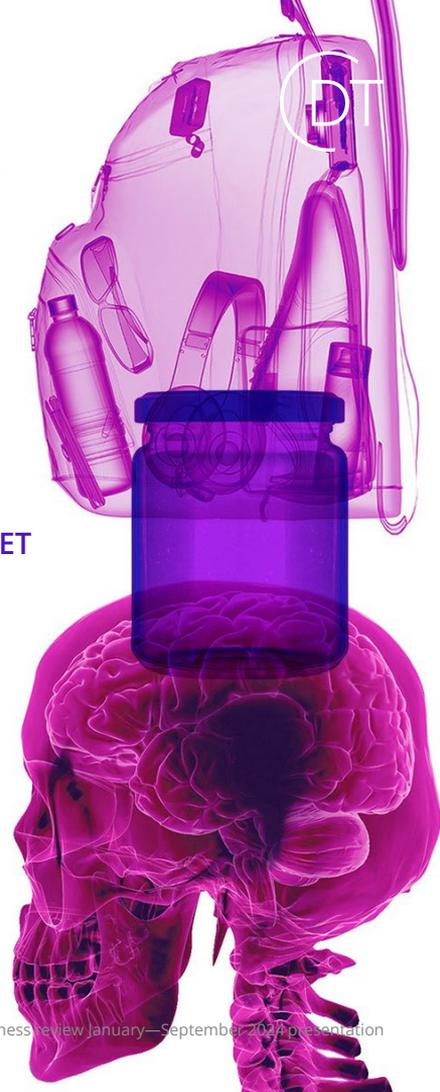
8%

INDUSTRIAL MARKET
annual growth rate

6%

MEDICAL MARKET
annual growth rate

5%



FINANCIAL TARGETS

MEDIUM TERM
Annual
sales growth
>10%

MEDIUM TERM
Operating
margin (EBITA)
15%

ANNUAL
Dividend or
returned capital
30-60%



Detection Technology

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