

Q4

January–December 2022

Financial statements review

President and CEO Hannu Martola | 2 February 2022





Q4 2022

28.2

net sales, €m
(24.7)

14.1

net sales change-%
(24.3)

2.8

EBIT, €m
(3.0)

9.9

EBIT-%
(12.0)

Record net sales, improving profitability

Industrial sales +35%

- Demand continued at a good level in all industrial applications
- Record-high sales due to the improved delivery capability, sales postponed from previous quarters, and new active customers

Medical sales -7%

- Market softened as COVID restrictions in China destabilized demand dynamics
- Sales decreased due to the decline in the markets, component shortage, and delayed customer payments

Security sales +41%

- Recovery in the market continued but is still behind pre-pandemic levels
- Sales growth due to the improved demand, the increased market share in CT and in higher-end line scan applications, and new active customers

Profitability improved quarter-on-quarter. However, spot purchases, logistics costs, the product modification project, and overtime allowances eroded profitability.

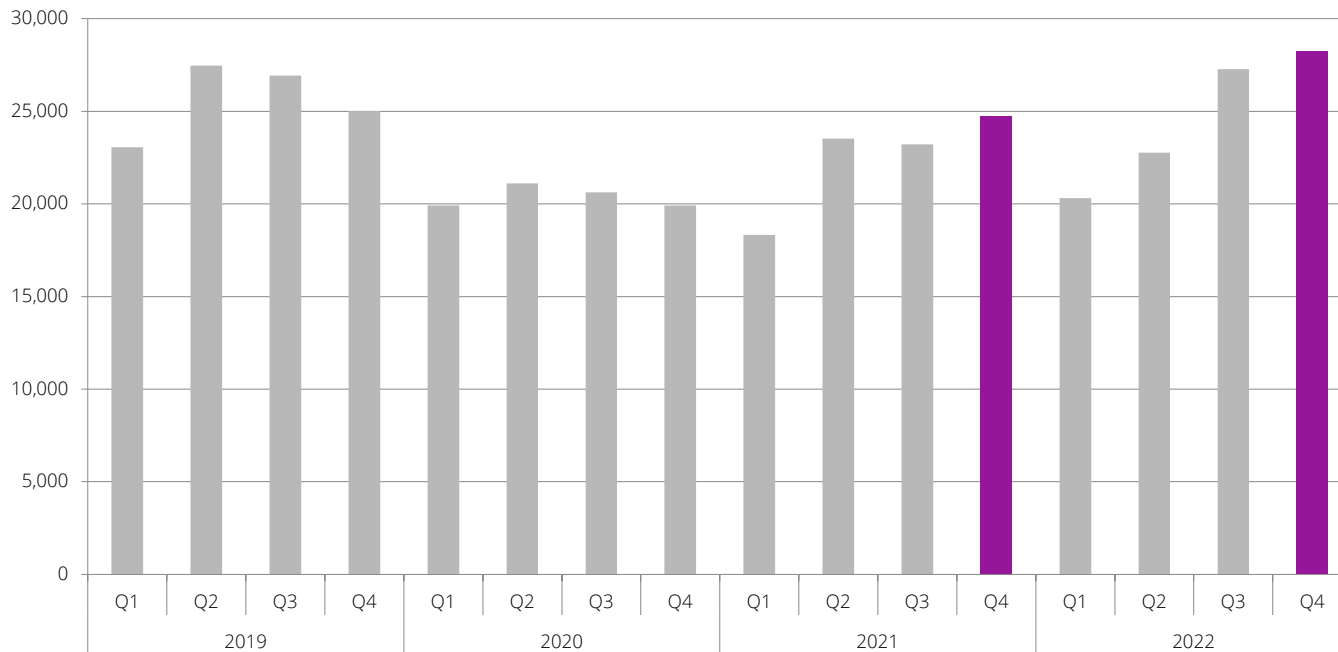
In 2023, profitability to be somewhat below the medium term target of 15%.



Net sales by quarter



(EUR 1,000)



14.1%
(YOY change-%)

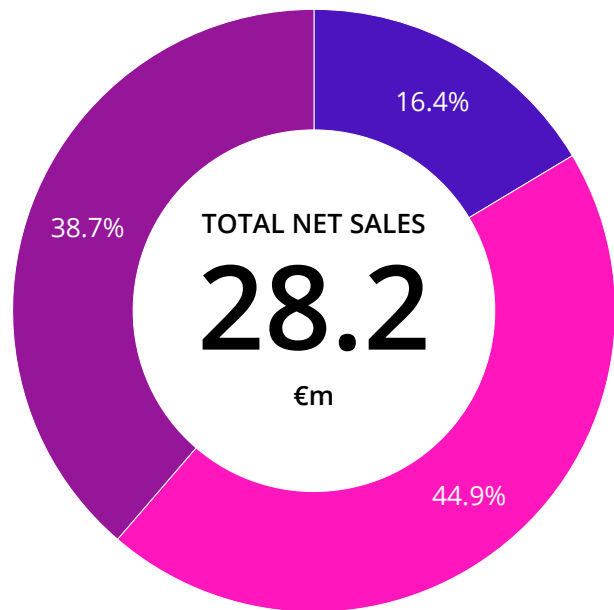
Operating profit



(EUR 1,000)

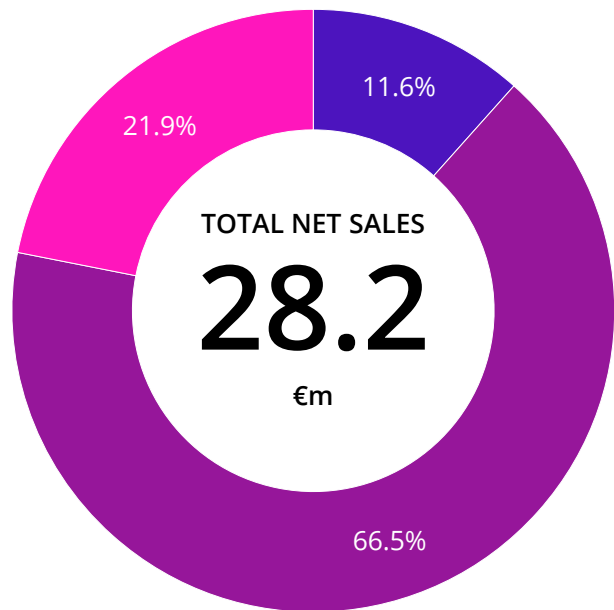


Q4 2022 sales split by business units



	NET SALES €m	YOY CHANGE-%
IBU	4.6	34.5
MBU	12.7	-6.6
SBU	10.9	41.0

Q4 2022 sales split by region



	NET SALES €m	YOY CHANGE-%
AMERICAS	3.3	81.2
APAC	18.8	-3.3
EMEA	6.2	75.4



FY 2022

98.6

net sales, €m
(89.8)

9.8

net sales change-%
(10.1)

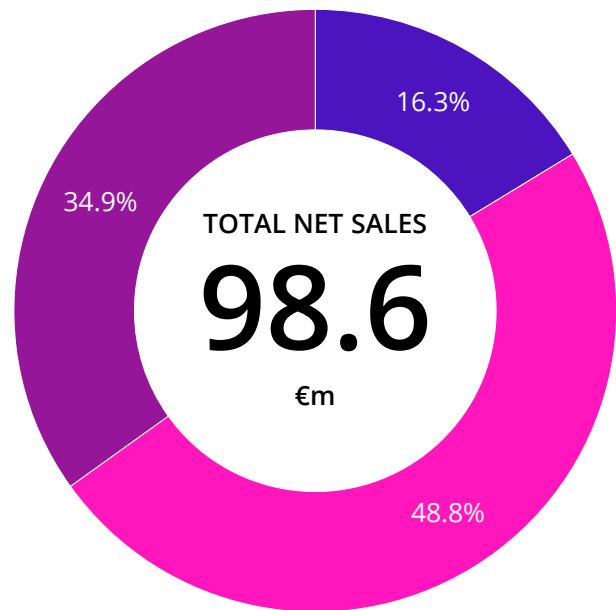
6.1

EBIT excluding NRI, €m
(10.6)

6.2

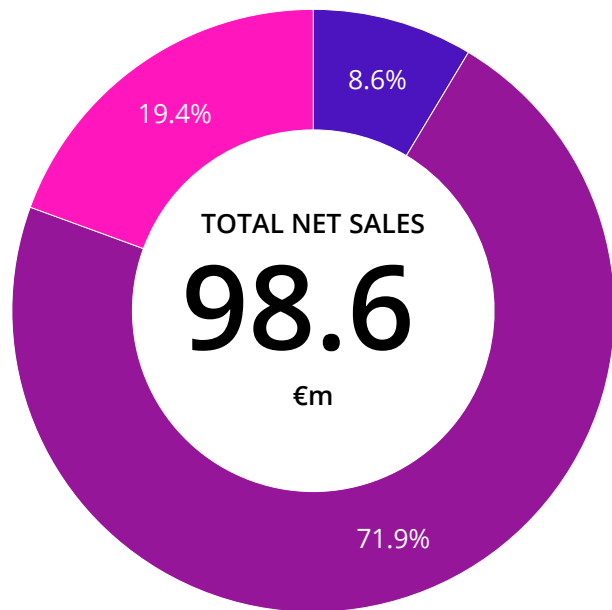
EBIT-% excluding NRI
(11.8)

FY 2022 sales split by business units



	NET SALES €m	YOY CHANGE-%
IBU	16.1	25.8
MBU	48.1	-2.0
SBU	34.4	23.1

FY 2022 sales split by region



	NET SALES €m	YOY CHANGE-%
AMERICAS	8.5	17.6
APAC	70.9	6.4
EMEA	19.2	20.1

Key figures



	Q4 2022	Q4 2021	FY 2022	FY 2021
Net sales, EUR 1,000	28,226	24,747	98,580	89,813
Change in net sales, %	14.1%	24.3%	9.8%	10.1%
Operating profit excluding NRI, EUR 1,000	2,804	2,962	6,135	10,580
Operating margin excluding NRI, %	9.9%	12.0%	6.2%	11.8%
Non-recurring items (NRI), EUR 1,000	0	0	335	0
Operating profit, EUR 1,000	2,804	2,962	5,801	10,580
Operating margin, %	9.9%	12.0%	5.9%	11.8%
R&D costs, EUR 1,000	3,069	3,038	12,549	10,951
R&D costs, % of net sales	10.9%	12.3%	12.7%	12.2%
Cash flow from operating activities, EUR 1,000	3,730	3,288	-294	7,121
Investments, EUR 1,000	654	664	1,628	1,359
Return on investment (ROI), %	7.5%	15.1%	7.5%	15.1%
Earnings per share, EUR	0.16	0.19	0.35	0.64

Strategy highlights



390

active customers at the end of 2022 (370)

Manufacturing in Oulu

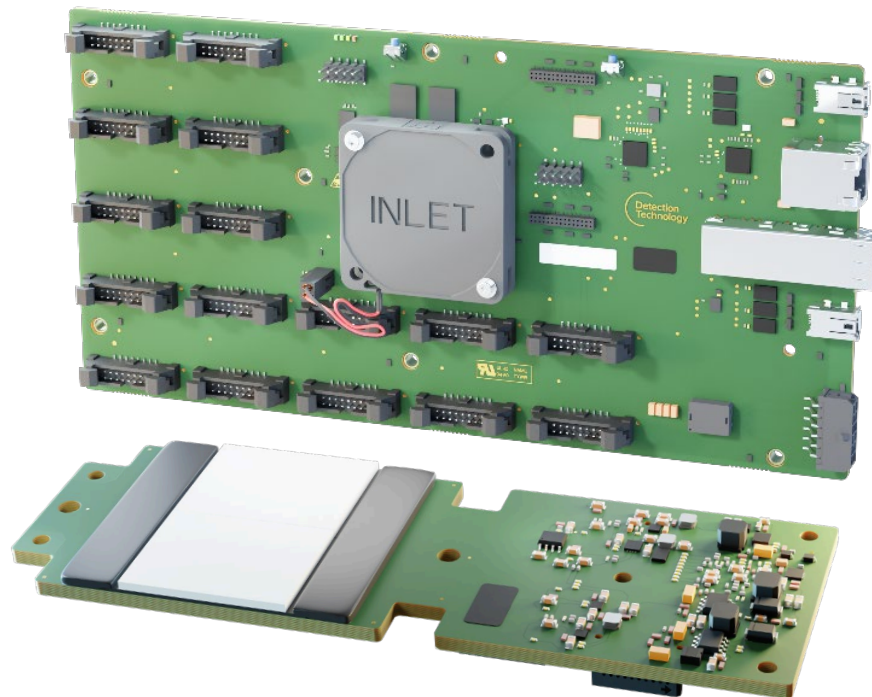
to be expanded for a wider range of EU Origin products

X-ACE HD

a subsystem to the standard medical CT product portfolio

Product modifications

improved delivery capability in all businesses



Other events



Succeeded to keep production running in Beijing despite COVID restrictions, thanks to its contingency plan and management

Developed Design for Environment (DfE) processes and tools

Conducted an internal DT Heartbeat pulse survey

Awarded the first Values Champion

Celebrated Quality Month and Children's Rights Week in November

Sales expectation Q1 and H1 2023



Industrial

sales to grow
double-digit in Q1
and H1



Medical

sales to grow
double-digit in Q1
and H1



Security

sales to grow
double-digit in Q1
and H1



Growth barriers are easing off and has an even stronger position than before.
Expect **double-digit growth in all businesses both in Q1 and H1 2023.**

Business outlook

- According to Detection Technology's view, demand will continue to be strong in security and industrial X-ray imaging solutions and good in medical.
- The company expects **double-digit growth in total net sales in Q1 and H1 of 2023.**

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. Direct and indirect risks related to the availability of materials have reduced. 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

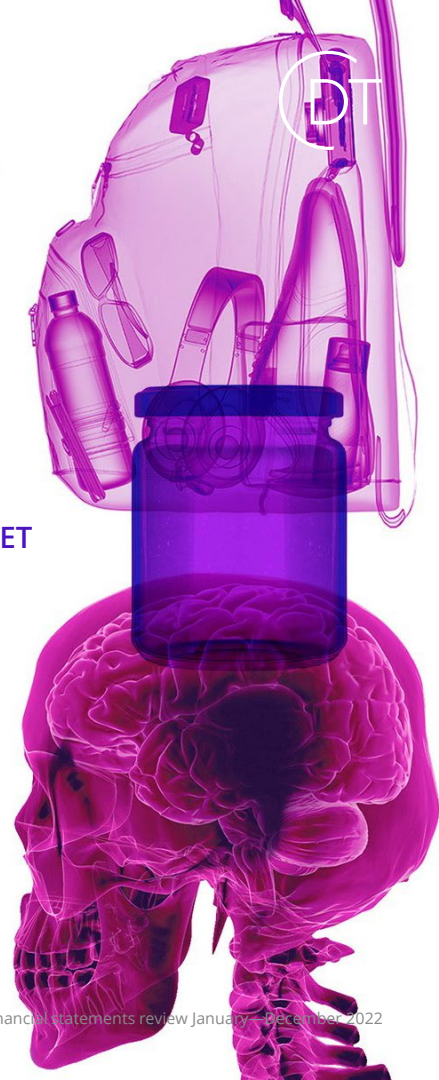
5%

INDUSTRIAL MARKET
annual growth rate

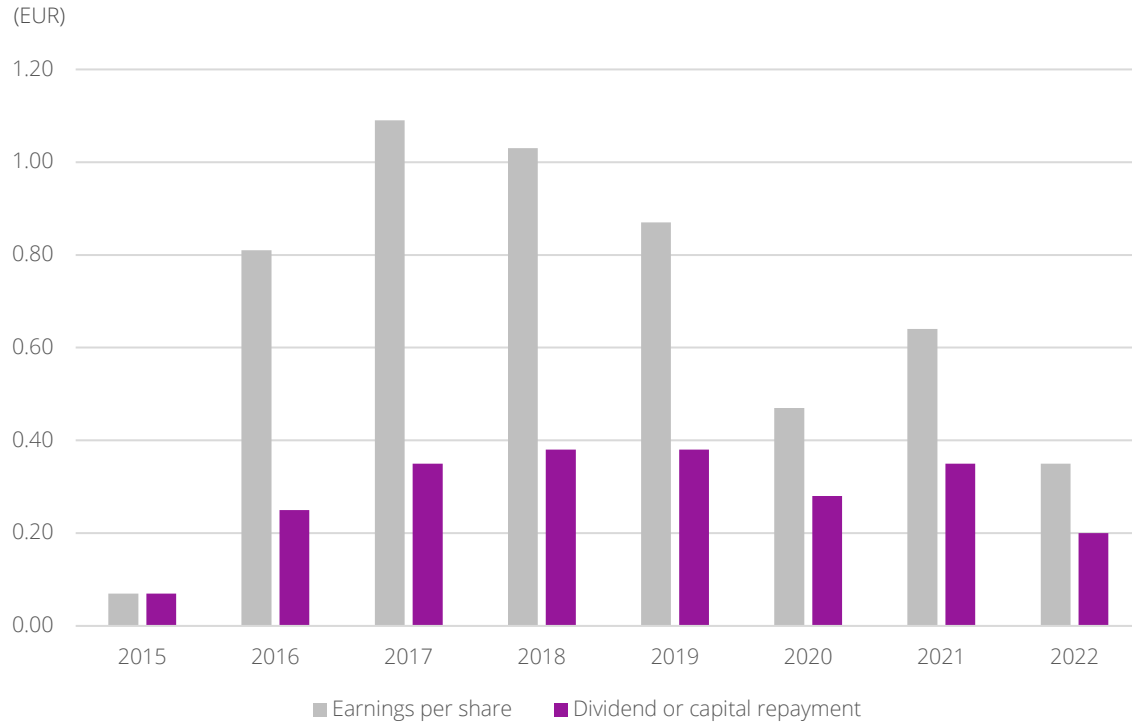
6%

MEDICAL MARKET
annual growth rate

5%



EPS and payout



0.20 € dividend (0.35)

57% payout (55%)

The Board's proposal to the AGM

The company aims to distribute approximately 30–60% of the Group's annual result (earnings per share) to shareholders either in the form of dividend or returned capital.



FINANCIAL TARGETS

MEDIUM TERM
Annual
sales growth
>10%

MEDIUM TERM
Operating
margin
15%

ANNUAL
Dividend or
returned capital
30-60%



Detection Technology

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