

Q4

January–December 2021

Financial statements review

President and CEO Hannu Martola | 2 February 2022





Q4 2021

24.7

net sales, €m
(19.9)

24.3

net sales change-%
(-20.4)

3.0

EBIT, €m
(2.3)

12.0

EBIT-%
(11.8)

Q4: Growth accelerated in all businesses, component shortage had an impact

Industrial sales +22%

- Demand remained unchanged
- Sales lagged expectations as some deliveries were postponed
- Strengthened position in expanding business beyond hardware

Medical sales +24%

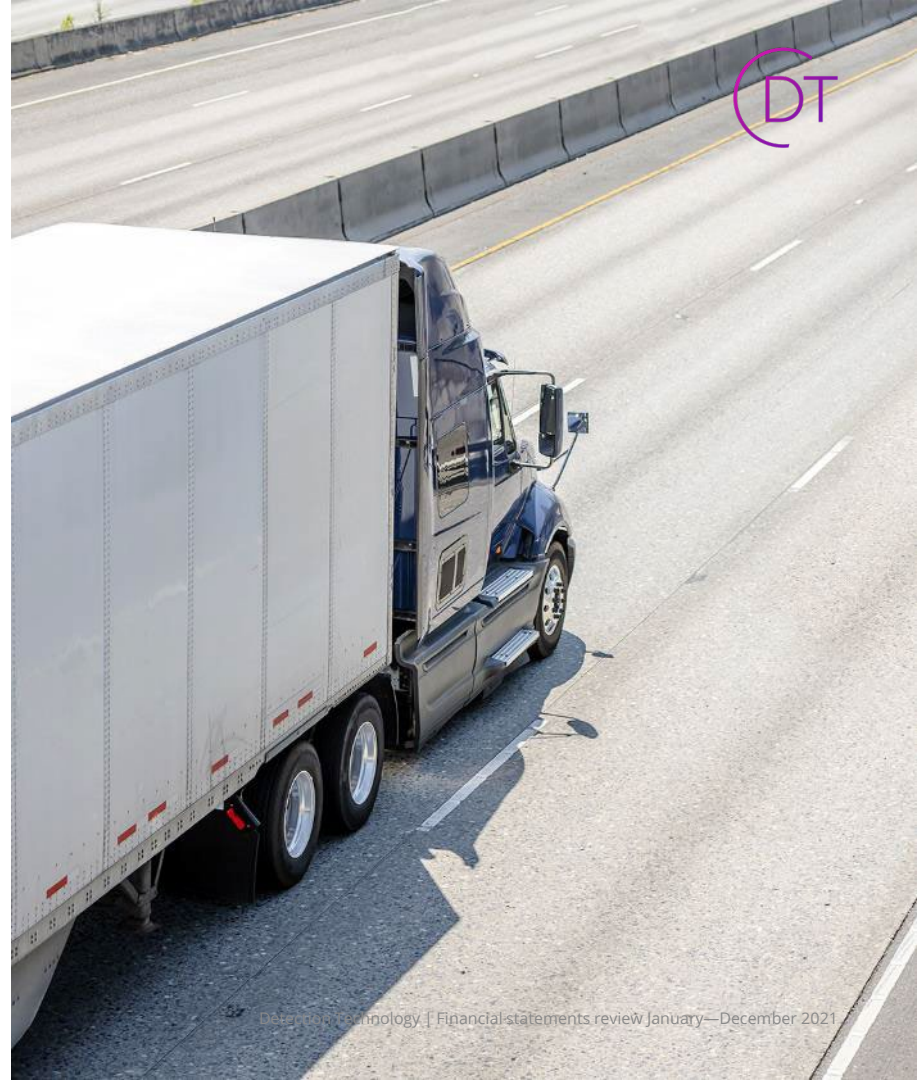
- Strong CT demand remained unchanged
- Some deliveries were postponed
- Position in the CT market stable

Security sales +27%

- Demand driven by non-aviation applications, aviation took a positive turn
- Less impacted by the supply issues than other businesses
- The Green Channel applications a new business growth opportunity in China

Profitability improved year-on-year (YOY) but was below Q3 as fixed costs increased

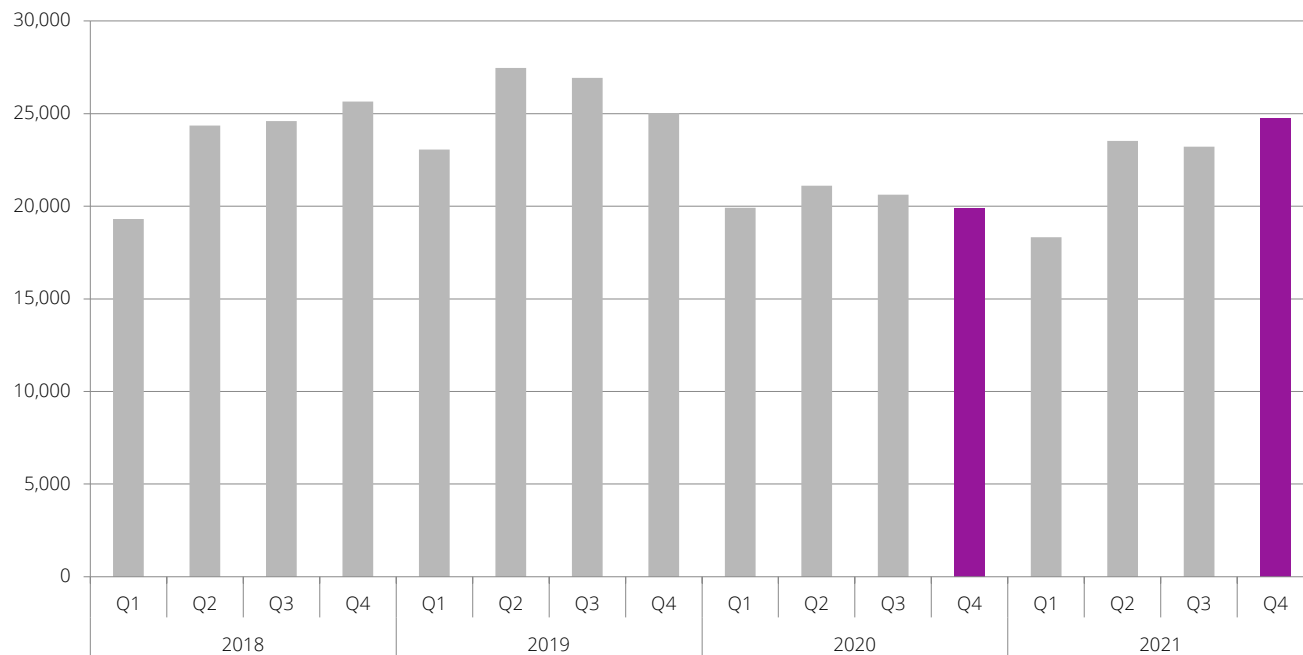
The risks related to the component shortage have increased



Net sales by quarter

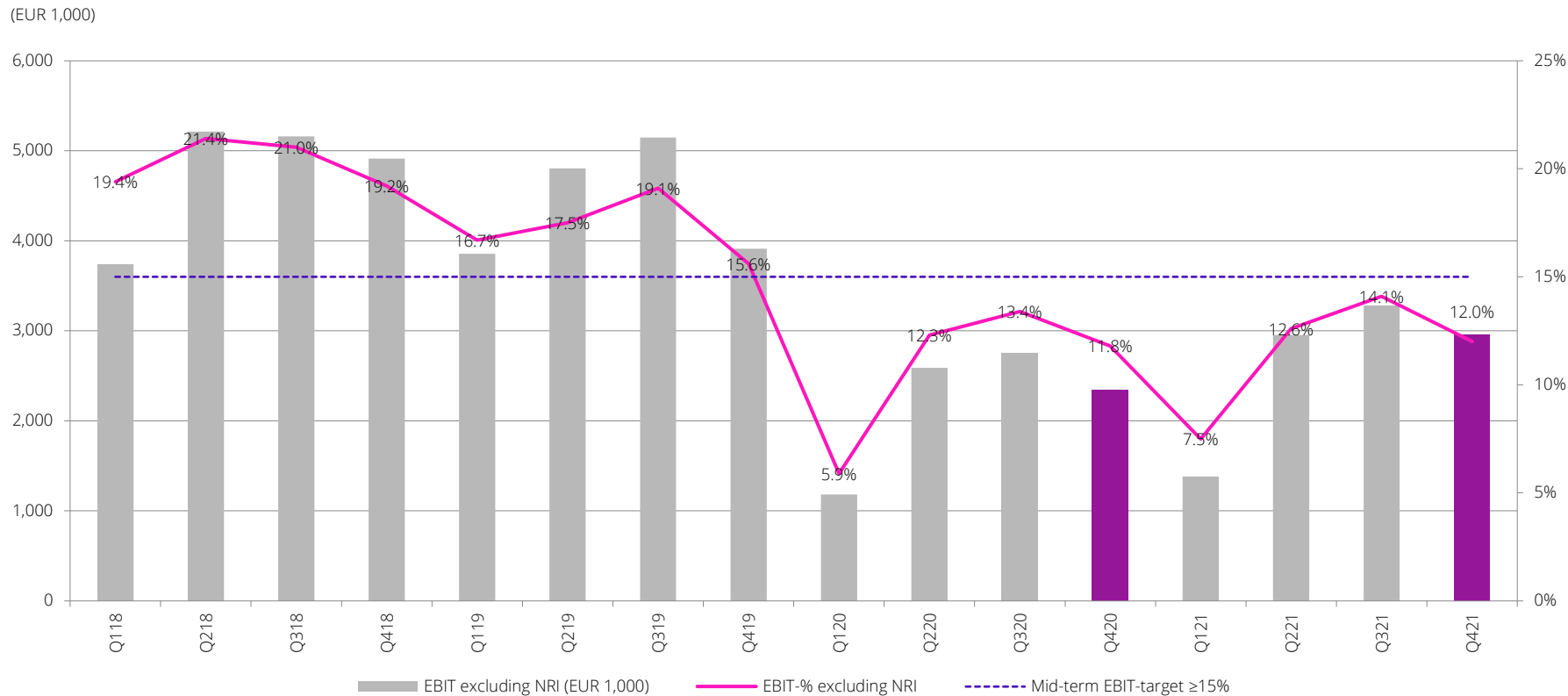


(EUR 1,000)

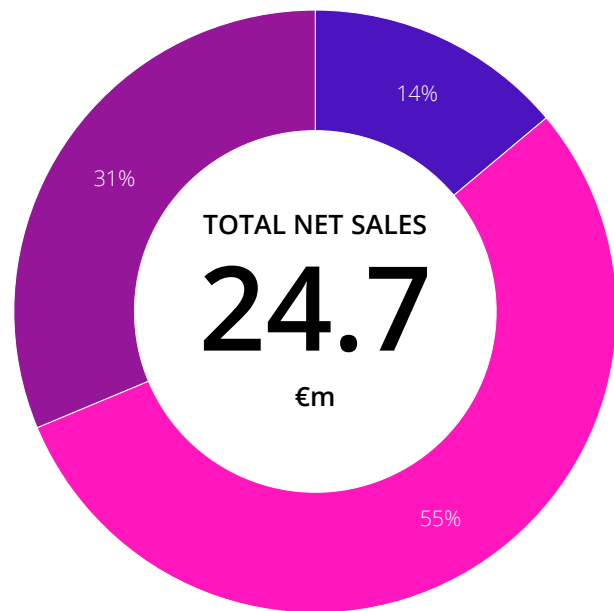


24.3%
(YOY change-%)

Operating profit

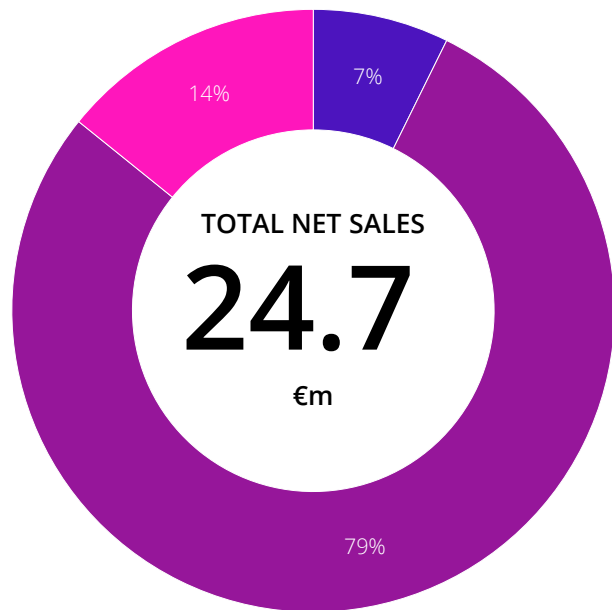


Q4 sales split by business units



	NET SALES €m	YOY CHANGE-%
IBU	3.4	21.7
MBU	13.6	23.8
SBU	7.8	26.5

Q4 sales split by region



	NET SALES €m	YOY CHANGE-%
AMERICAS	1.8	65.4
APAC	19.4	32.7
EMEA	3.5	-15.7

FY 2021

89.8

net sales, €m
(81.6)

10.1

net sales change-%
(-20.4)

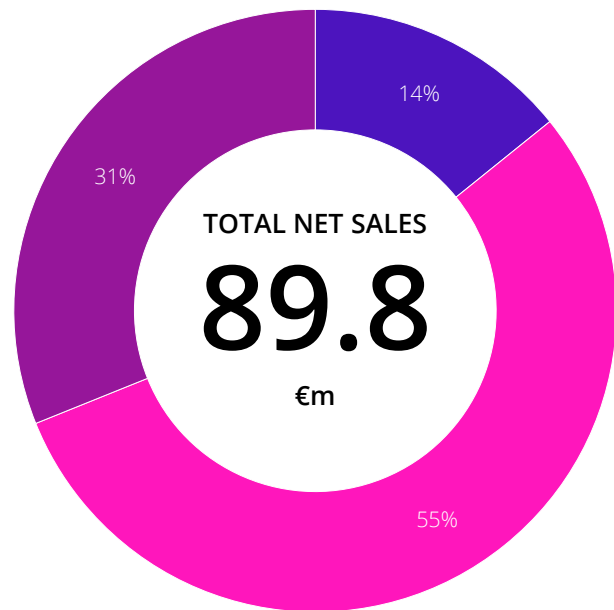
10.6

EBIT, €m
(8.7)

11.8

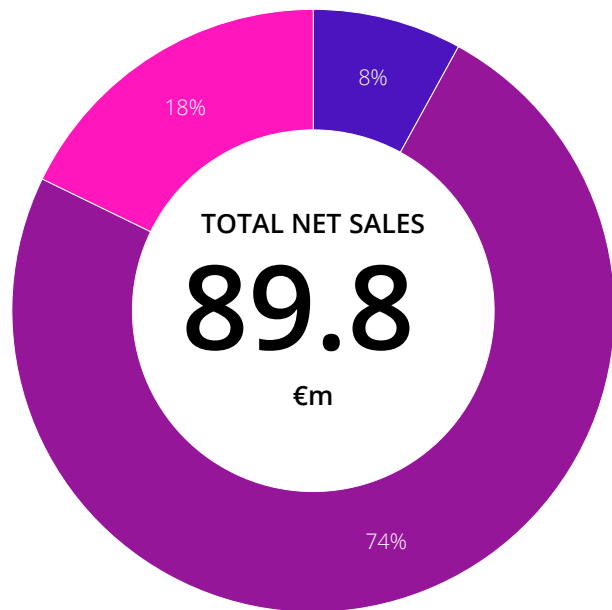
EBIT-%
(10.7)

FY 2021 sales split by business units



	NET SALES €m	YOY CHANGE-%
IBU	12.8	10.1
MBU	49.1	25.1
SBU	27.9	-9.1

FY 2021 sales split by region



AMERICAS

NET SALES €m

7.2

YOY CHANGE-%

-10.4

APAC

66.6

20.4

EMEA

16.0

-12.0

Key figures



	Q4 2021	Q4 2020	FY 2021	FY 2020
Net sales, EUR 1,000	24,747	19,909	89,813	81,561
Change in net sales, %	24.3%	-20.4%	10.1%	-20.4%
Operating profit, EUR 1,000	2,962	2,349	10,580	8,714
Operating margin, %	12.0%	11.8%	11.8%	10.7%
R&D costs, EUR 1,000	2,924	2,239	10,480	9,827
R&D costs, % of net sales	11.8%	11.2%	11.7%	12.0%
Cash flow from operating activities, EUR 1,000	3,288	3,429	7,121	7,522
Investments, EUR 1,000	664	1,529	1,359	3,226
Return on investment (ROI), %			15.1%	13.6%
Earnings per share, EUR	0.19	0.16	0.64	0.47

Strategy highlights



370

active customers at the end of 2021 (330)

X-ACE 16 & X-ACE 32

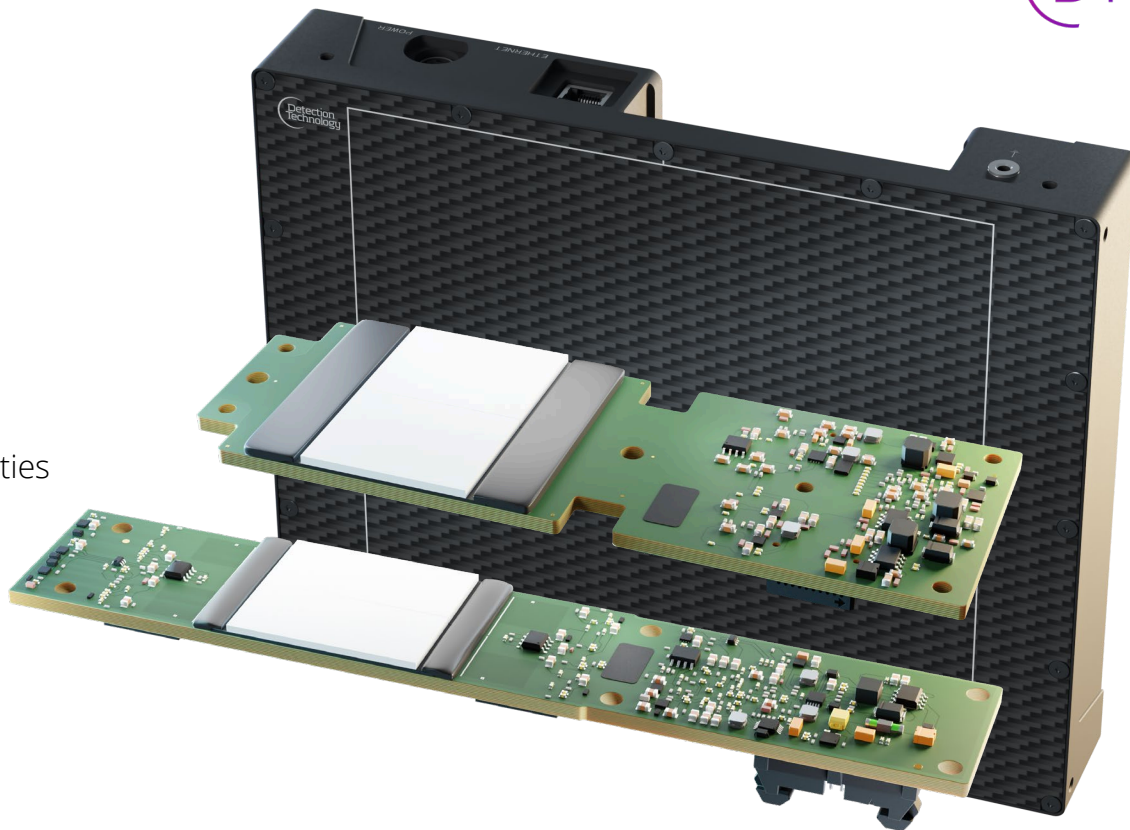
standard solutions for all medical CT modalities

X-Panel 2222s

a trendsetter for mobile and mini C-arms

Nanjing talent hub

to speed up the beyond hardware targets



Sales expectation Q1 and Q2 2022



Industrial

Boosted double-digit growth



Medical

Single-digit growth



Security

Boosted double-digit growth



Demand will continue strongly in all main markets and all three business units in Q1 and Q2 2022.

Business outlook

In Detection Technology's view, the medical and industrial markets will grow in line with the pre-pandemic estimates by the experts, on average about 5% per year. The market disturbance caused by the pandemic is passing in the security market, as demand has taken an upward turn also in the aviation segment, but the normalization of growth to the pre-pandemic level of 6% will be slow.

- 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 total net sales both in Q1 and Q2 of 2022**, although the shortage of materials and components is expected to curb some of the growth.

Due to the pandemic, global economy and the company's business have faced exceptional and temporary uncertainty. Predictability of the company's target markets is still lower than usual, and risks related to the availability of materials have increased. 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

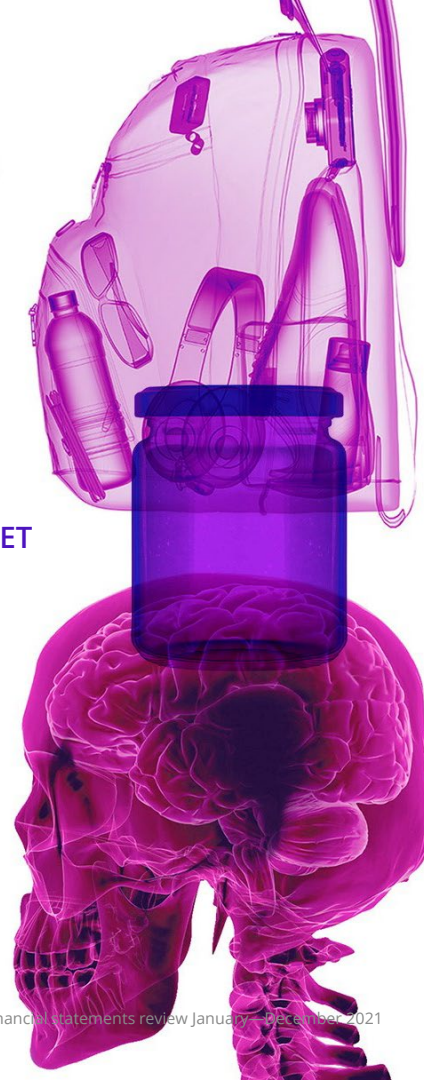
5%

INDUSTRIAL MARKET
annual growth rate

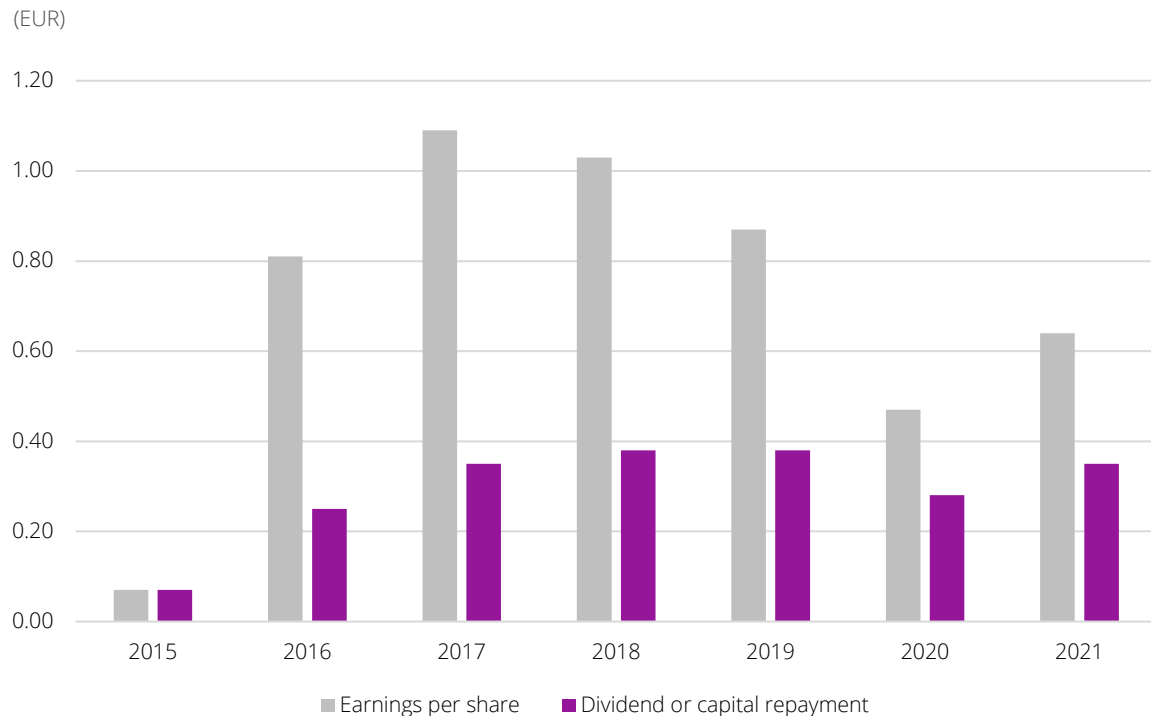
6%

MEDICAL MARKET
annual growth rate

5%



EPS and payout



0.35 € dividend (0.28)
55% payout (60%)

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
 $\geq 15\%$

ANNUAL
Dividend or
returned capital
30-60%



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