

A large, stylized image of a soccer player's foot in a black and purple cleat, positioned as if about to kick a soccer ball. The foot and ball are on the right side of the slide, while the left side is a solid purple background with a white diagonal line separating the two sections.

Q2 2019

January-June

Half-yearly report

President and CEO Hannu Martola 2 August 2019



Q2 2019 ›

27.5 M€
net sales (24.4)

12.8%
net sales change-% (19.5)

4.8 M€
EBIT (5.2)

17.5%
EBIT-% (21.4)

Q2 2019 ›

Security CT sales boosted revenue growth to double-digit regardless of some temporary setbacks in medical business

SBU sales increased over 27% due to strong demand for CT systems especially in China, demand starting also in other regions

E-commerce escalates growth of air cargo screening

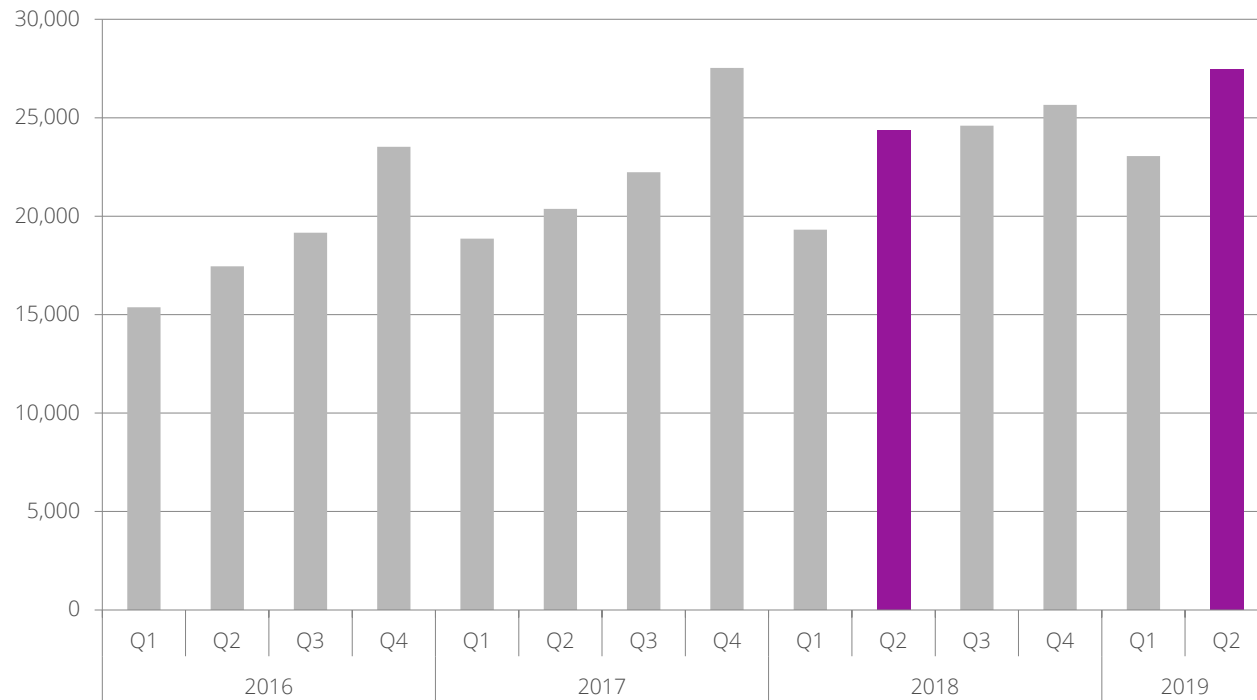
MBU sales decreased by nearly 12% as the medical CT business has softened, and a major customer started ramping down production of a solution significant to DT sales

Profitability remained at a good level

NET SALES BY QUARTER



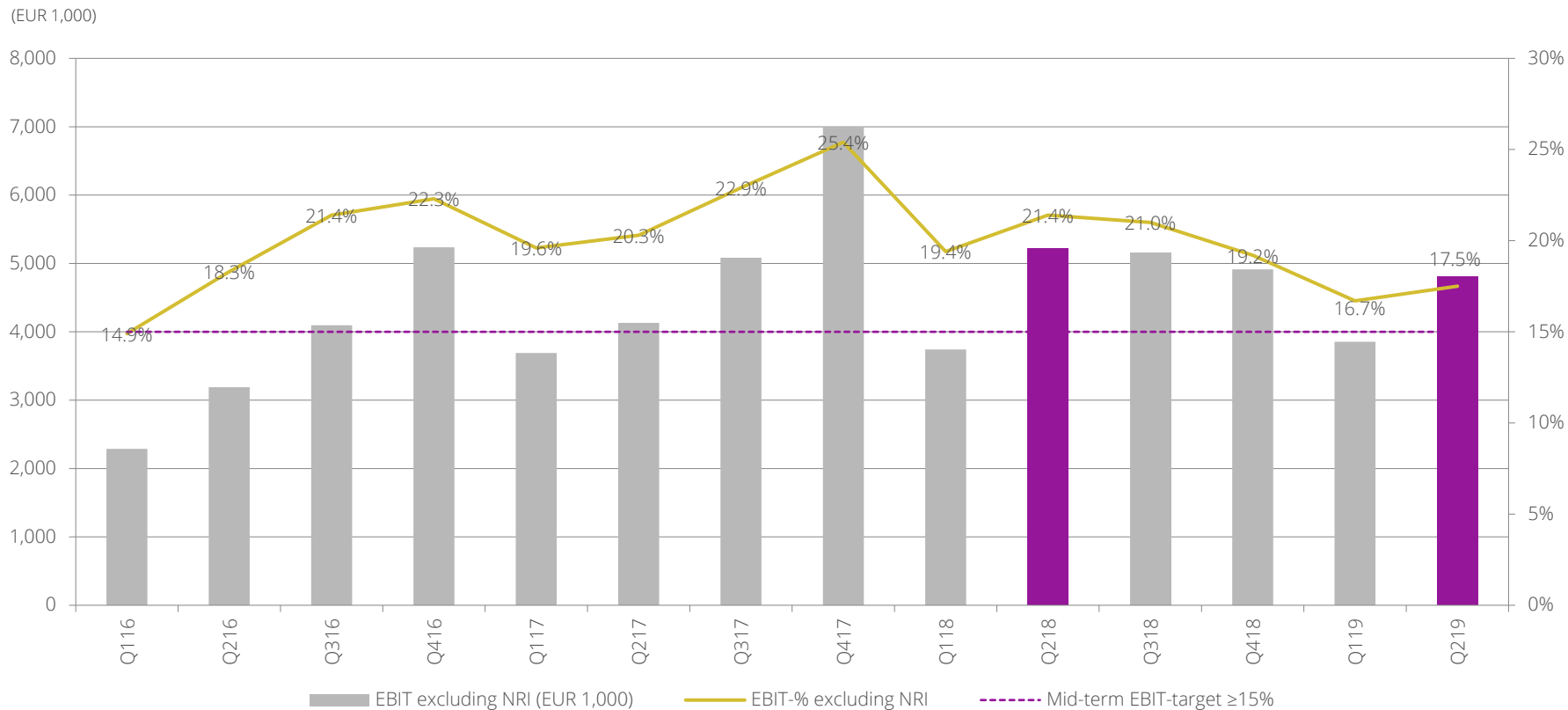
(EUR 1,000)



12.8%

(YOY change-%)

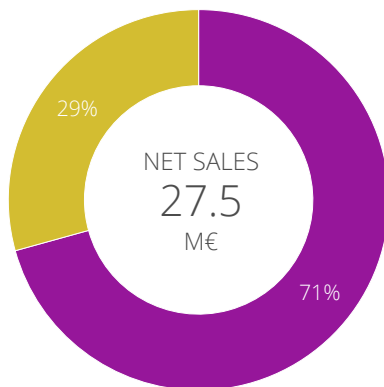
OPERATING PROFIT



SALES SPLIT Q2 2019



BY BUSINESS UNIT >



MBU

NET SALES M€ 8.1

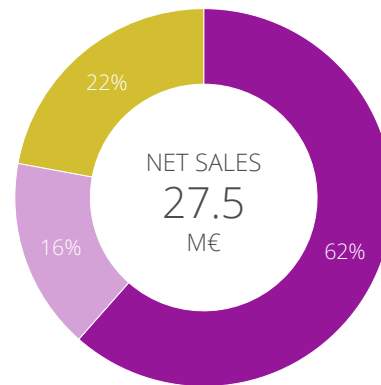
YOY CHANGE-% -11.5%

SBU

19.4 NET SALES M€

27.4% YOY CHANGE-%

BY REGION >



ASIA

3.2%

AMERICAS

43.7%

EUROPE

25.2% YOY CHANGE-%



H1 2019 ›

50.5 M€
net sales (43.7)

15.7%
net sales change-% (11.3)

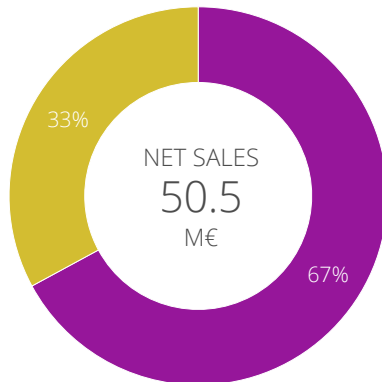
8.7 M€
EBIT (9.0)

17.1%
EBIT-% (20.5)

SALES SPLIT H1 2019



BY BUSINESS UNIT >



MBU

NET SALES M€ 16.6

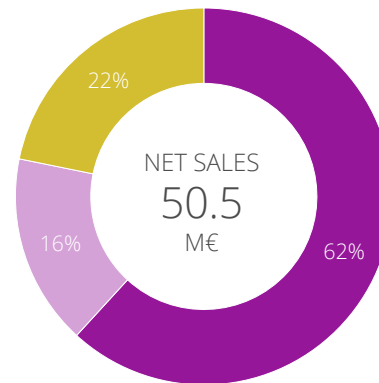
YOY CHANGE-% -0.1%

SBU

33.9 NET SALES M€

25.4% YOY CHANGE-%

BY REGION >



ASIA

19.1%

AMERICAS

-0.3%

EUROPE

20.4% YOY CHANGE-%

KEY FIGURES

(EUR 1,000)	Q2 2019	Q2 2018	H1 2019	H1 2018	2018
Net sales	27,473	24,350	50,525	43,669	93,916
Change in net sales, %	12.8%	19.5%	15.7%	11.3%	5.5%
Operating profit	4,804	5,213	8,659	8,954	18,522
Operating margin, %	17.5%	21.4%	17.1%	20.5%	19.7%
R&D costs	2,945	2,414	5,443	4,362	8,839
R&D costs, % of net sales	10.7%	9.9%	10.8%	10.0%	9.4%
Cash flow from operating activities	-5,136	-599	-88	4,606	6,122
Capital expenditure	700	1,261	1,407	2,221	4,741
Return on investment (ROI), %			35.9%	49.9%	36.4%
Earnings per share, EUR	0.22	0.31	0.47	0.52	1.03

2025 STRATEGY ›

Updating the company's strategy until 2025

The new strategic target is to be a growth leader in digital x-ray imaging detector solutions

› The new addressable market size is estimated to be around EUR 3 billion in 2025

Target in the 2020 strategy is to be a leader in the CT and line scan x-ray detectors, and a significant player in other technologies where the company sees good business opportunities

› Estimated to be around EUR 700 million market in 2020

The strategy cornerstones and the business model will remain the same

Q2 STRATEGY IMPLEMENTATION ›

Interest in Aurora has exceeded expectations, volume production is about to begin

In addition to dental applications, X-Panel noted also in other medical segments - small series production started

Market has also welcomed the new multi-energy solutions marked with ME abbreviation, industrialization of the ME product line progressing as planned

Second factory in China will be located in the Greater Shanghai area in Wuxi - production ramp up in Q1 2020



BUSINESS OUTLOOK



5%

MEDICAL MARKET
annual growth rate



6%

SECURITY MARKET
annual growth rate



5%

INDUSTRIAL MARKET
annual growth rate



ASIA-PACIFIC IS THE FASTEST
GROWING MARKET

- Expects a temporary slowdown in medical imaging market growth in H2
- Estimates Q3 sales to grow in SBU and decline in MBU, and Q3 total net sales to increase in line with its financial targets
- Uncertainty on demand and competition might be reflected in product prices



FINANCIAL
TARGETS
UNCHANGED >

MEDIUM TERM
Annual
sales growth
 $>15\%$

MEDIUM TERM
Operating
margin
 $\geq 15\%$

ANNUAL
Dividend or
returned capital
30-60%

