



Q2 2020

January-June

Half-yearly report

President and CEO Hannu Martola | 4 August 2020



Q2 2020 ›

21.1

net sales, €m
(27.5)

-23.2

net sales change-%
(12.8)

2.6

EBIT, €m
(4.8)

12.3

EBIT-%
(17.5)

Q2 2020 ›

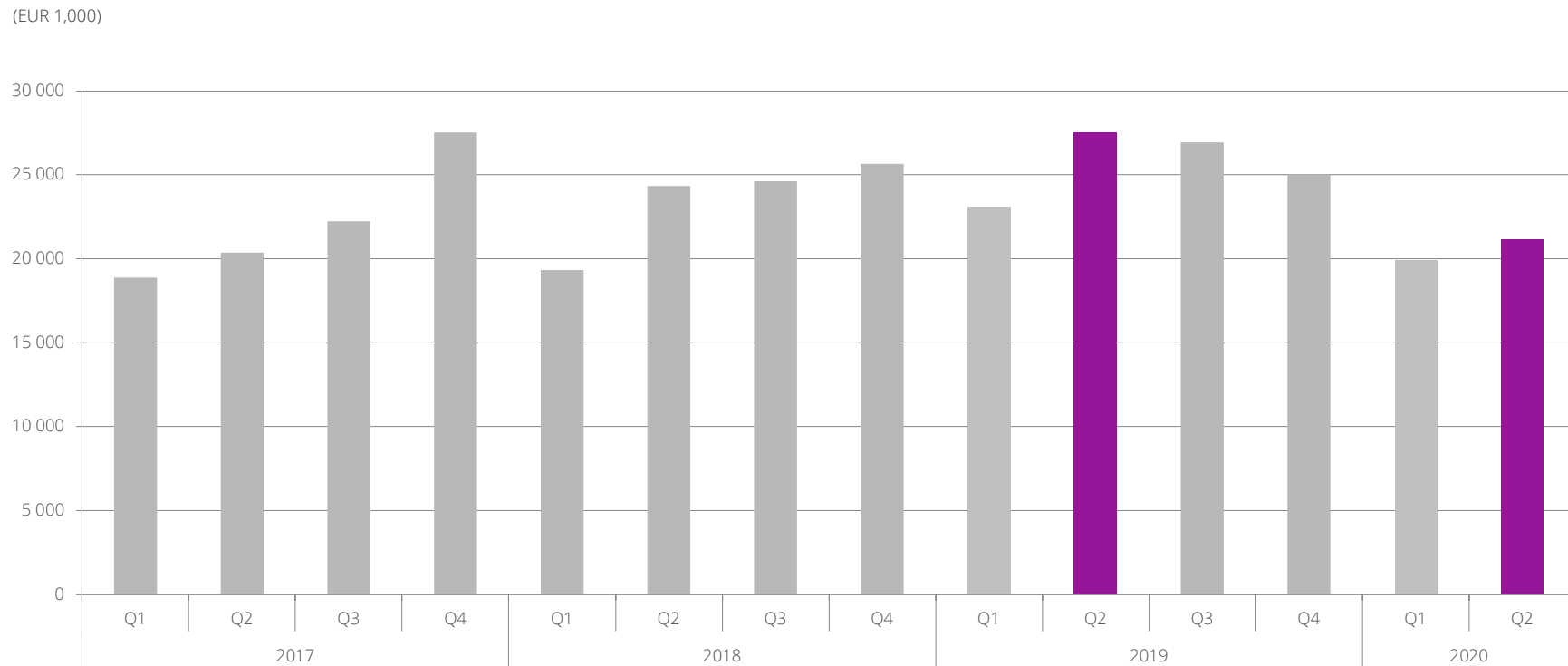
Strong headwind in security and some tailwind in medical markets, total net sales and EBIT decreased year-on-year despite growth in medical CT sales

However, managed to weather the challenging markets and beat way forward as both sales and EBIT improved from Q1 – had a double-digit operating margin

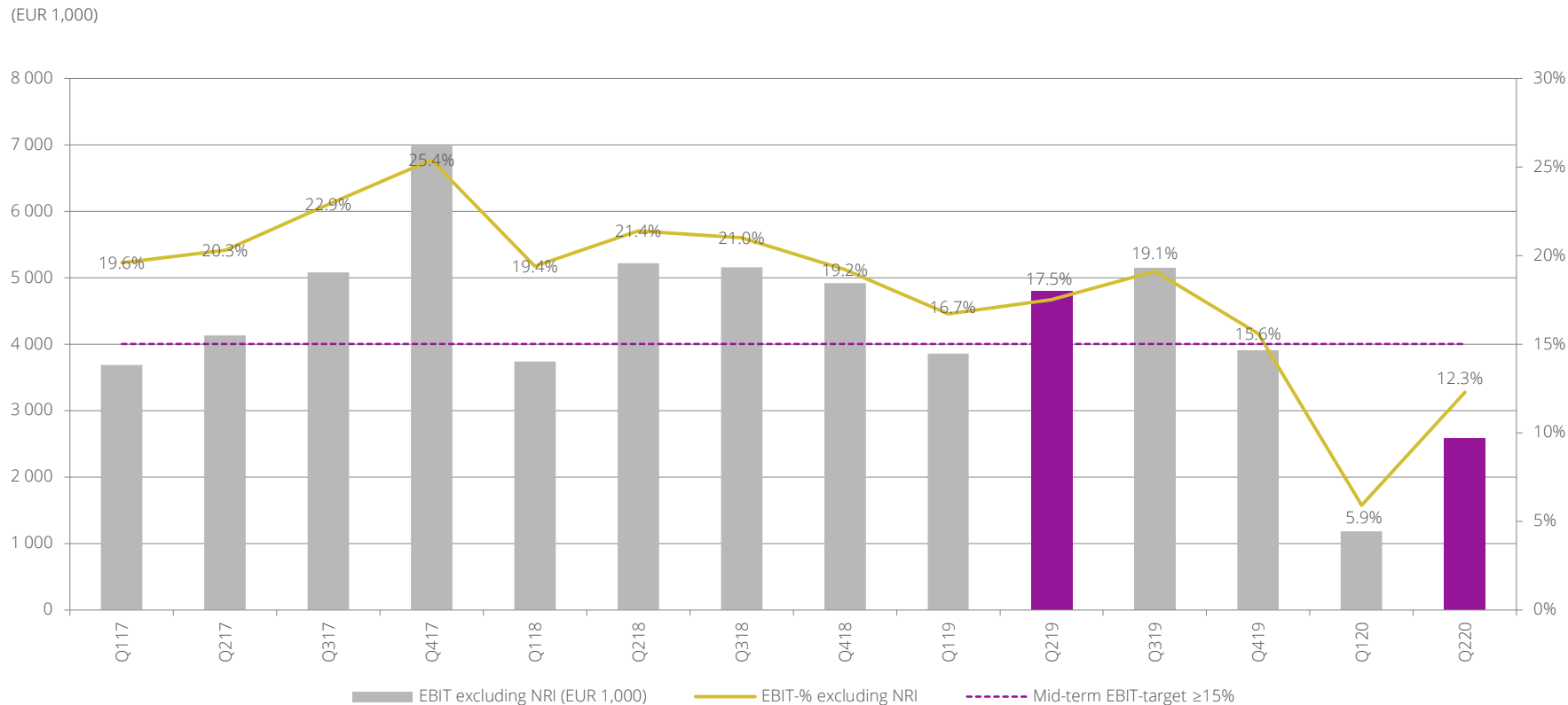
COVID-19 hit SBU sales hard – the security market was characterized by stagnation, demand increased slightly only in the food and pharmaceutical industries

MBU sales grew as the strong demand in medical CT applications continued, X-Panel sales started and recovery of the dental market began in China but was slower than expected

NET SALES BY QUARTER



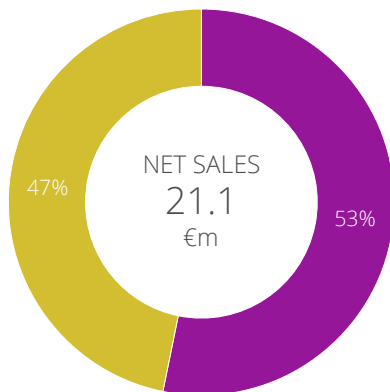
OPERATING PROFIT



SALES SPLIT Q2 2020



BY BUSINESS UNIT >



MBU

NET SALES €m 9.9

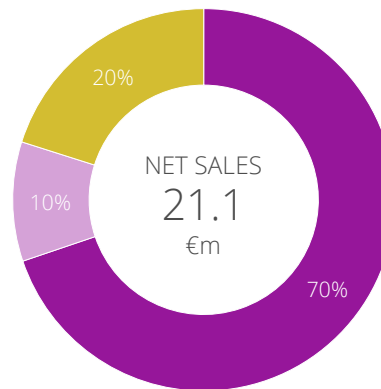
Y-O-Y CHANGE-% 22.5

SBU

11.2 NET SALES €m

-42.1 Y-O-Y CHANGE-%

BY REGION >



APAC

-12.8

AMERICAS

-52.8

EMEA

-30.0 Y-O-Y CHANGE-%

H1 2020 ›

41.0
net sales, €m
(50.5)

-18.8
net sales change-%
(15.7)

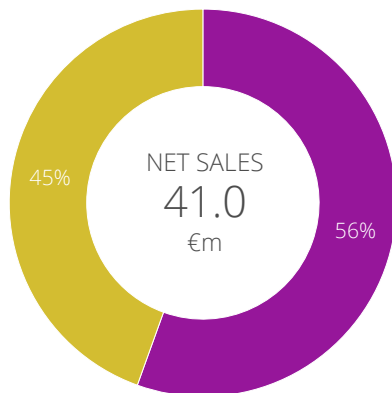
3.8
EBIT, €m
(8.7)

9.2
EBIT-%
(17.1)

SALES SPLIT H1 2020



BY BUSINESS UNIT >



MBU

NET SALES €m 18.3

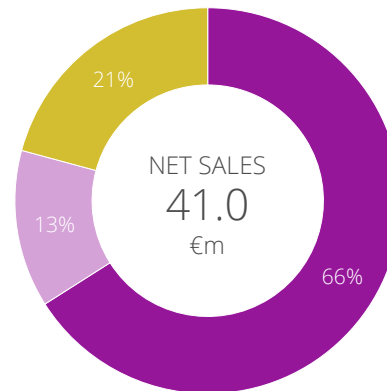
Y-O-Y CHANGE-% 9.7

SBU

22.8 NET SALES €m

-32.8 Y-O-Y CHANGE-%

BY REGION >



APAC

-13.3

AMERICAS

-34.5

EMEA

-22.6 Y-O-Y CHANGE-%

KEY FIGURES



	Q2 2020	Q2 2019	H1 2020	H1 2019	FY 2019
Net sales, EUR 1,000	21,108	27,473	41,025	50,525	102,480
Change in net sales, %	-23.2%	12.8%	-18.8%	15.7%	9.1%
Operating profit, EUR 1,000	2,589	4,804	3,770	8,659	17,019
Operating margin, %	12.3%	17.5%	9.2%	17.1%	16.6%
R&D costs, EUR 1,000	2,688	2,945	5,306	5,443	10,706
R&D costs, % of net sales	12.7%	10.7%	12.9%	10.8%	10.4%
Cash flow from operating activities, EUR 1,000	-1,218	-5,136	2,169	-88	11,599
Investments, EUR 1,000	314	700	1,009	1,407	4,041
Return on investment (ROI), %			20.5%	35.9%	28.5%
Earnings per share, EUR	0.12	0.22	0.19	0.47	0.87

STRATEGY ›

Started X-Panel sales for dental applications

Launched several new solutions in all of its markets
– X-Panel 1615 for surgical and dental, Aurora CT for security and industrial, and X-Scan C for food and pharmaceutical applications

Continued product migration to Wuxi as planned, expects the new site to be a profitable investment in terms of productivity, cost-efficiency, and corporate strategy

Proceeded with ME projects, operations in France moving to new premises in the fall



BUSINESS OUTLOOK



5%

MEDICAL MARKET
annual growth rate



6%

SECURITY MARKET
annual growth rate



5%

INDUSTRIAL MARKET
annual growth rate



- Estimates market disruption to continue until at least the end of 2020, and 2020 growth to be lower than the estimates above in all segments except medical CT imaging.
- Expects demand in the security segment to continue at a lower level, and SBU sales to decrease in Q3. Estimates the said demand to decrease at least until the end of the year and industrial segment demand to increase, but growth is likely to fall short of the 5% industry forecast. As a result, expects SBU sales to decrease in 2020.
- Estimates CT demand to continue at a good level, and MBU sales to grow in Q3. Expects medical CT demand to continue at a good level in H2, and MBU sales to increase in 2020.
- The COVID-19 pandemic creates extraordinary uncertainty for the global economy and the company's business, and the predictability of the market is still lower than usual.

FINANCIAL TARGETS ›

MEDIUM TERM
Annual
sales growth
 $>10\%$

MEDIUM TERM
Operating
margin
 $\geq 15\%$

ANNUAL
Dividend or
returned capital
30-60%

