



Q2

January–June 2021
HALF-YEARLY REPORT

President and CEO Hannu Martola | 3 August 2021





Q2 2021

23.5
net sales, €m
(21.1)

11.5
net sales change-%
(-23.2)

3.0
EBIT, €m
(2.6)

12.6
EBIT-%
(12.3)

Q2 2021

Took an upward turn as total net sales grew double-digit, thanks to excellent medical CT demand

Security market remained subdued, although security sales started to grow at the end of Q2

The industrial demand experienced a normal fluctuation, but overall market remained stable

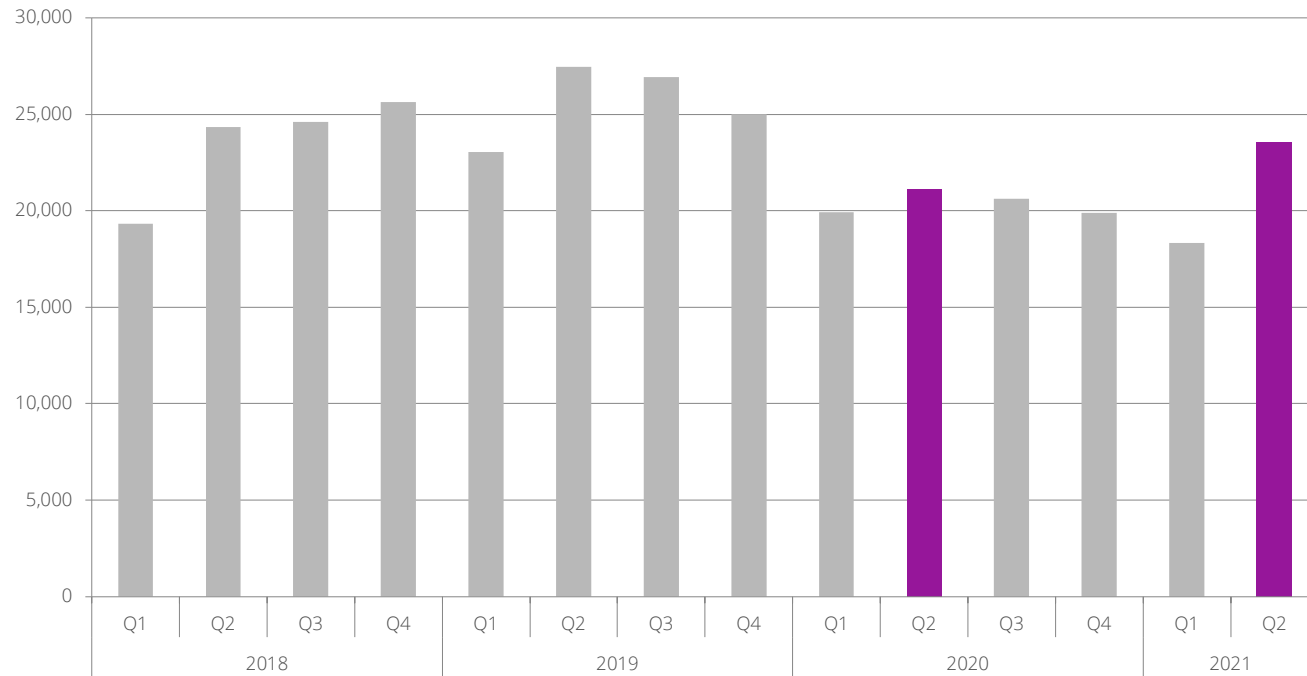
Profitability remained healthy, and cash flow improved despite most sales were generated at the end of Q2

Outlook improved, double-digit growth is expected in all businesses in H2

NET SALES BY QUARTER



(EUR 1,000)

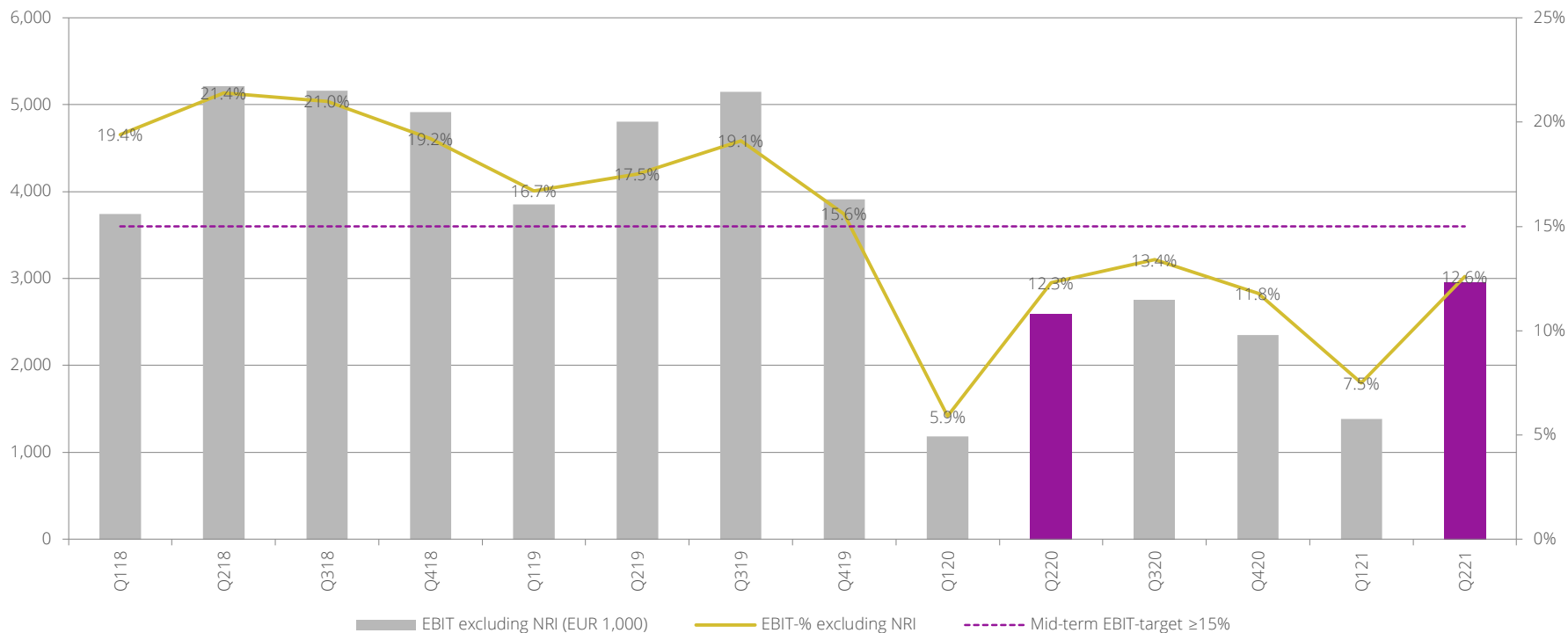


11.5%
(YOY change-%)

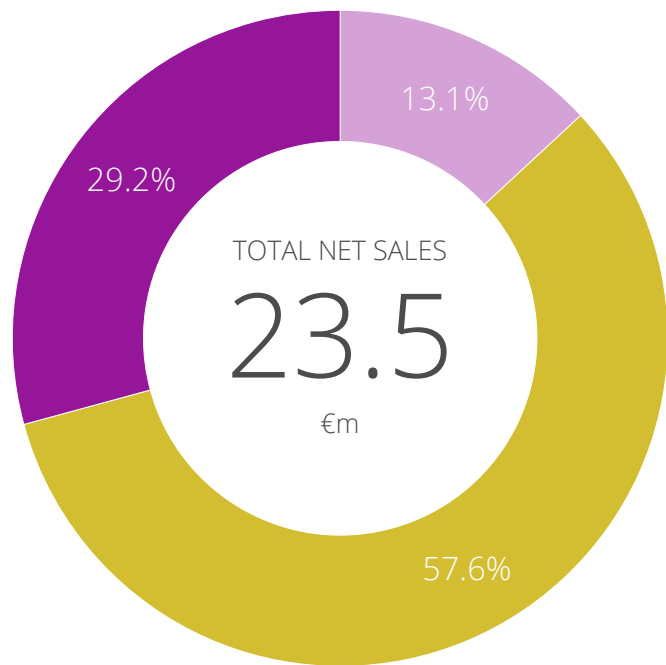
OPERATING PROFIT



(EUR 1,000)



Q2 SALES SPLIT BY BUSINESS UNIT



IBU

NET SALES €m

3.1

YOY CHANGE-%

-10.4

MBU

13.6

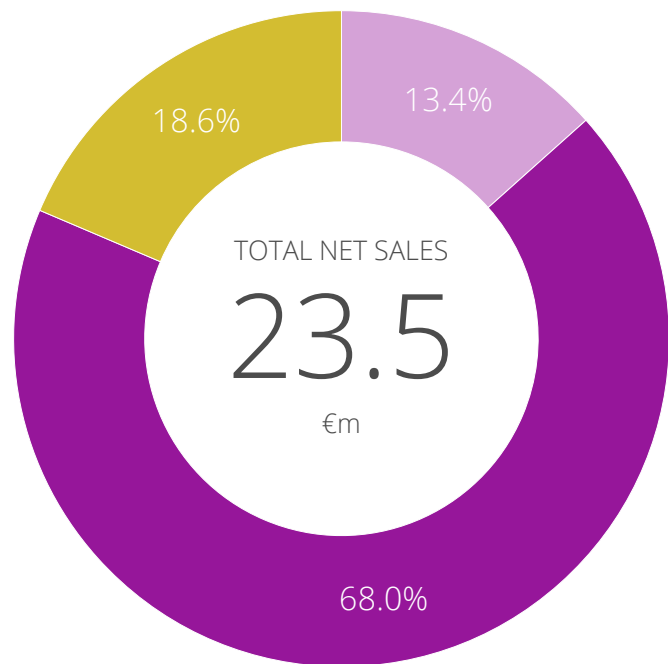
37.4

SBU

6.9

-11.7

Q2 SALES SPLIT BY REGION



	NET SALES €m	YOY CHANGE-%
AMERICAS	3.2	48.5
APAC	16.0	8.6
EMEA	4.4	3.1



H1 2021

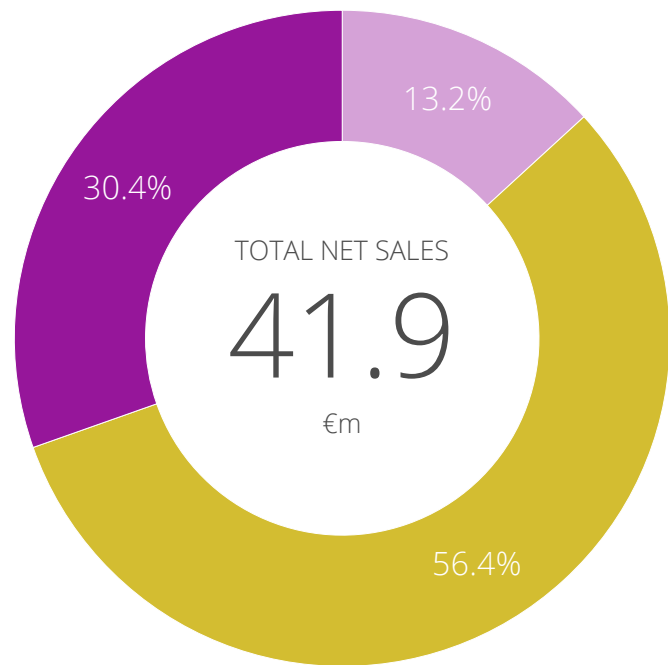
41.9
net sales, €m
(41.0)

2.0
net sales change-%
(-18.8)

4.3
EBIT, €m
(3.8)

10.4
EBIT-%
(9.2)

H1 SALES SPLIT BY BUSINESS UNIT



IBU

NET SALES €m

5.5

YOY CHANGE-%

-2.0

MBU

23.6

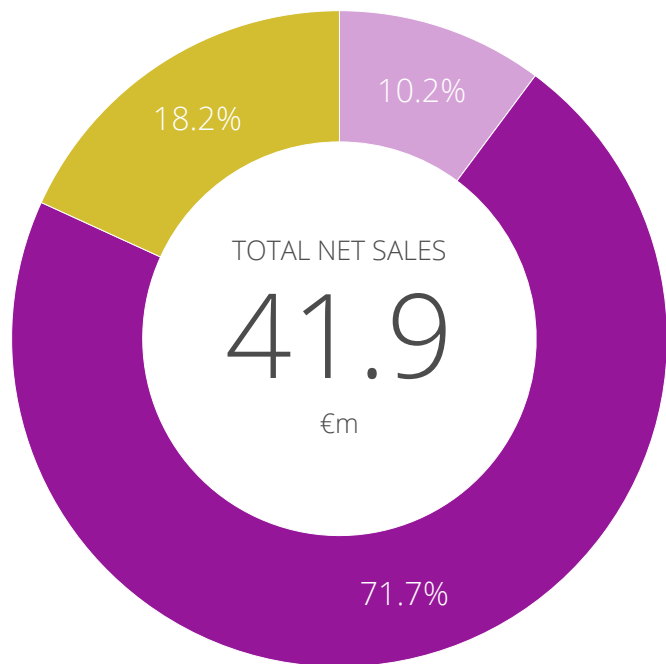
29.4

SBU

12.7

-25.8

H1 SALES SPLIT BY REGION



AMERICAS

APAC

EMEA

NET SALES €m

YOY CHANGE-%

4.3 -21.6

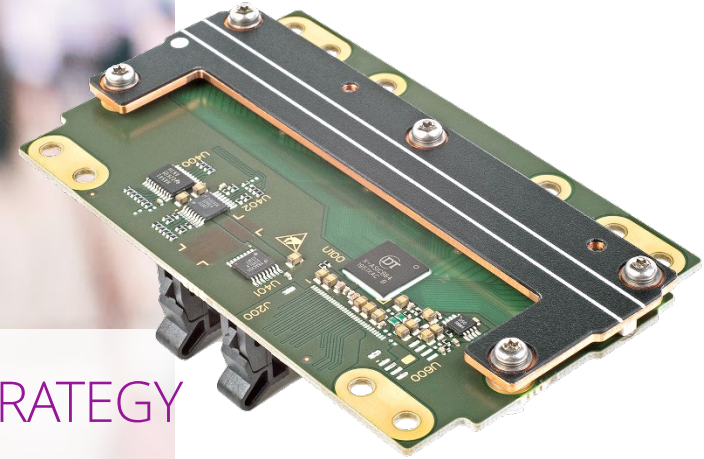
30.0 10.8

7.6 -11.0

KEY FIGURES



	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Net sales, EUR 1,000	23,533	21,108	41,856	41,025	81,561
Change in net sales, %	11.5%	-23.2%	2.0%	-18.8%	-20.4%
Operating profit, EUR 1,000	2,954	2,589	4,336	3,770	8,714
Operating margin, %	12.6%	12.3%	10.4%	9.2%	10.7%
R&D costs, EUR 1,000	2,562	2,688	4,968	5,306	9,827
R&D costs, % of net sales	10.9%	12.7%	11.9%	12.9%	12.0%
Cash flow from operating activities, EUR 1,000	2,168	-1,218	3,875	2,169	7,522
Investments, EUR 1,000	223	314	653	1,009	3,081
Return on investment (ROI), %			14.5%	20.5%	13.6%
Earnings per share, EUR	0.16	0.12	0.25	0.19	0.47



STRATEGY

Launched Aurora XS that enables dual energy imaging by using only one sensor

- Its innovativeness is based on a smart combination of algorithms, application-optimized ASIC and mechanics
- Targeted for urban security line-scan applications used for example in train and metro stations, ports, public buildings, stadiums, and hotels

Strengthened the TDI technology based X-Scan T product family with new variants



OTHER EVENTS

Continued to recognize essential sustainability aspects, to prepare sustainability themes and agenda, and to develop its RBA (Responsible Business Alliance) based operation model

Completed medical ISO 13485:2016 certification at the Wuxi site

Received Quality Management Excellence plaque granted by Lloyd's Register for 20 years of successful cooperation

BUSINESS OUTLOOK

In Detection Technology's view, the medical and industrial markets are growing in line with the estimates given by experts prior COVID-19 outbreak. The market disturbance caused by the pandemic in the security market is passing, and the segment will slowly head towards growth in H2 2021.

EXPECTS TOTAL NET SALES TO GROW DOUBLE-DIGIT IN Q3 AND H2 2021

- MBU sales to grow double-digit in Q3 and stronger in H2 than in H1
- IBU sales to grow double-digit in Q3 and H2
- SBU sales to turn for growth in Q3 and to grow double-digit in H2, but there is some uncertainty in the demand.

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



5%

Annual growth rate of MEDICAL MARKET



6%

Annual growth rate of SECURITY MARKET



5%

Annual growth rate of INDUSTRIAL MARKET



FINANCIAL TARGETS

MEDIUM TERM
Annual
sales growth
 $>10\%$

MEDIUM TERM
Operating
margin
 $\geq 15\%$

ANNUAL
Dividend or
returned capital
30-60%

