

Q2

January–June 2024

Half-yearly report

President and CEO Hannu Martola | 6 August 2024





Q2 2024

26.1

net sales, €m
(25.2)

3.5

net sales change-%
(10.8)

3.3

EBITA, €m
(1.4)

12.7

EBITA-%
(5.4)



Strong result, record industrial sales



Industrial sales +43%

- Demand improved in all main applications, including the food industry
- Record quarterly sales due to better-than-expected demand in TFT flat panel detectors in Asia and growth in legacy business

Medical sales -25%

- Demand was weak as expected
- Sales was negatively affected by the same factors as in Q1, including the healthcare reform and the anticorruption campaign in China
- Some positive market signals indicating the easing of the anticorruption campaign towards the end of the year

Security sales +27%

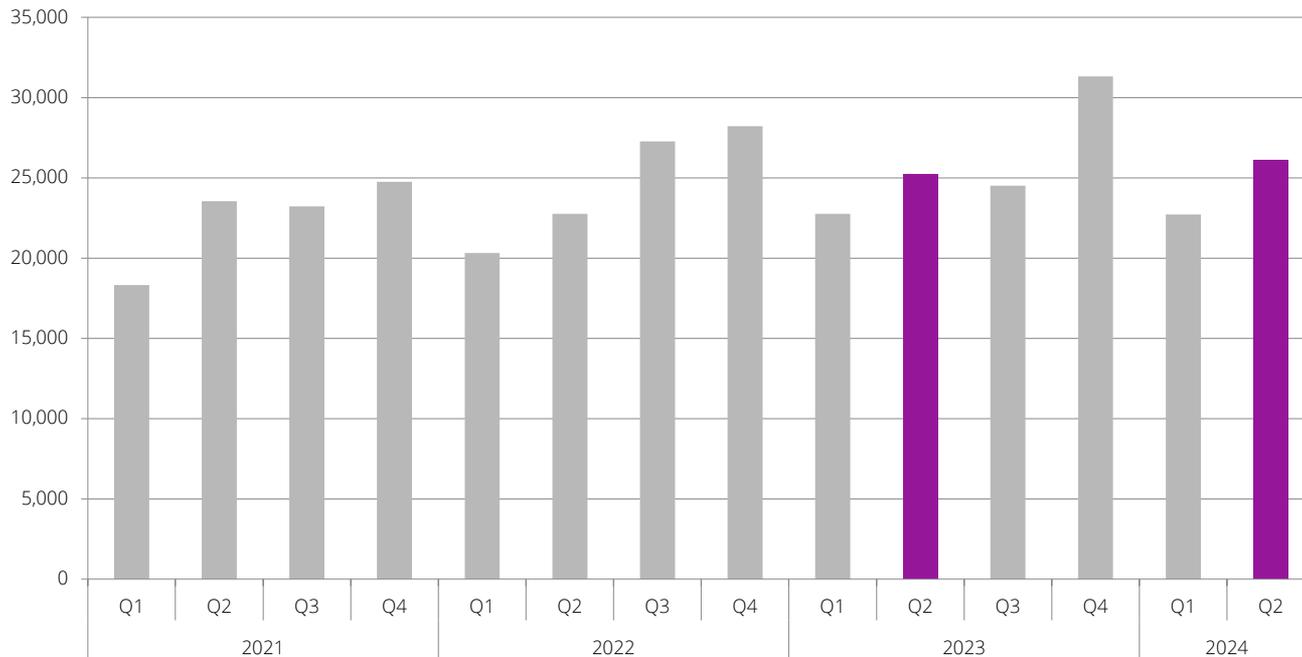
- Robust demand continued in aviation
- Sales growth was driven by CT solutions in the Western market and line scanners

Result improved YOY and QOQ, strong cash flow
Earnings have improved for five quarters in a row

Net sales by quarter

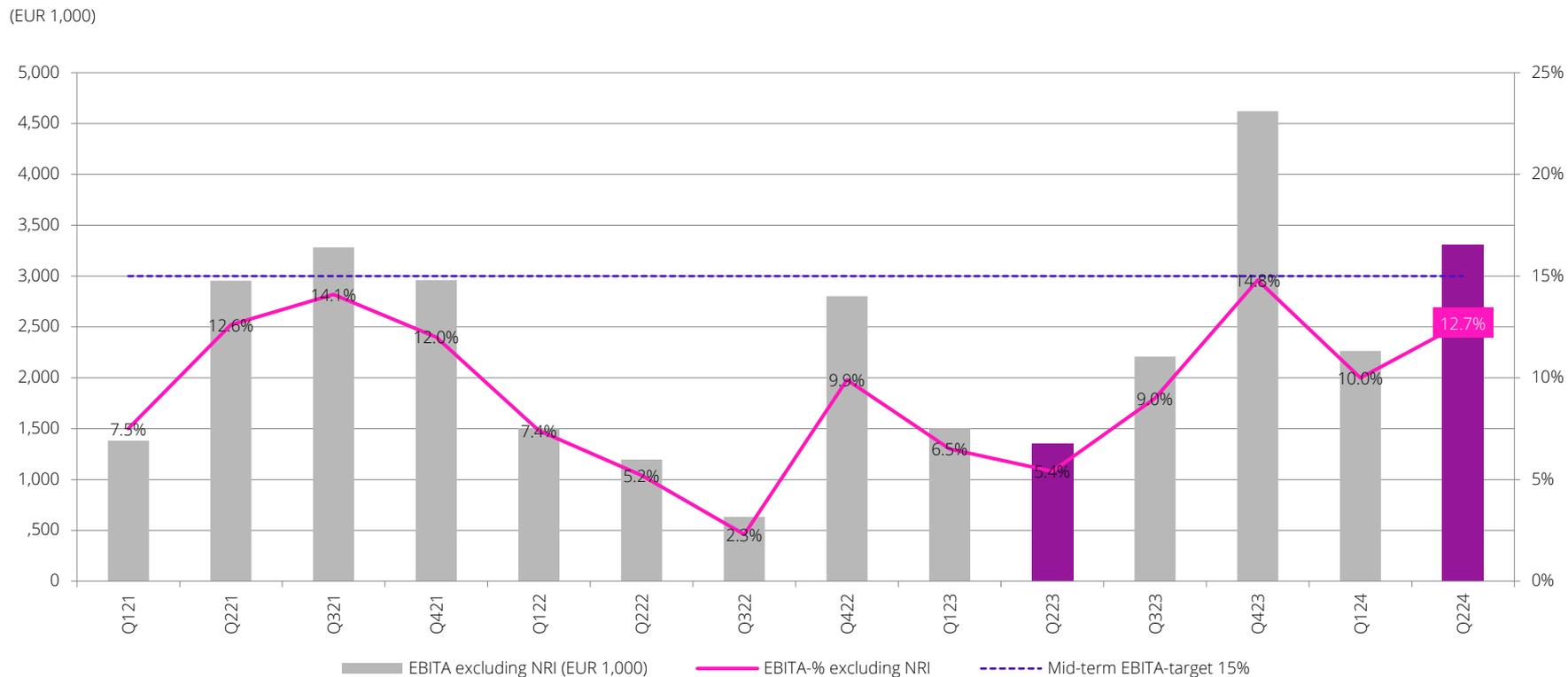


(EUR 1,000)

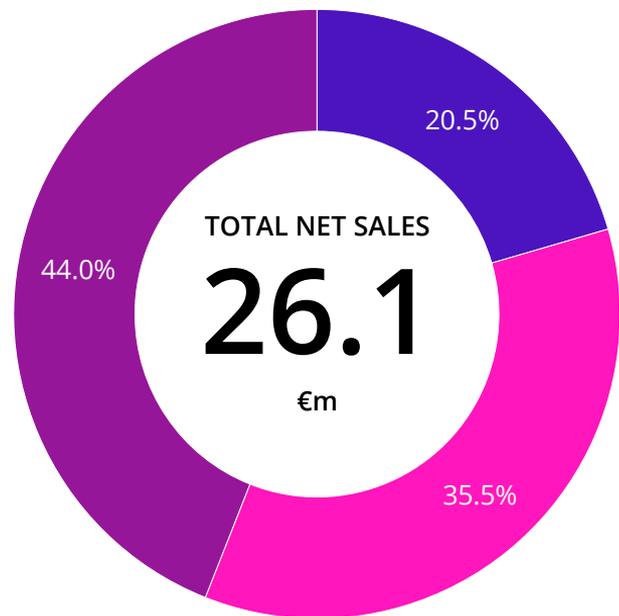


3.5
(YOY change-%)

Operating margin (EBITA) excluding NRI



Q2 2024 sales split by business units



NET SALES €m

YOY CHANGE-%

IBU

5.3

42.6

MBU

9.3

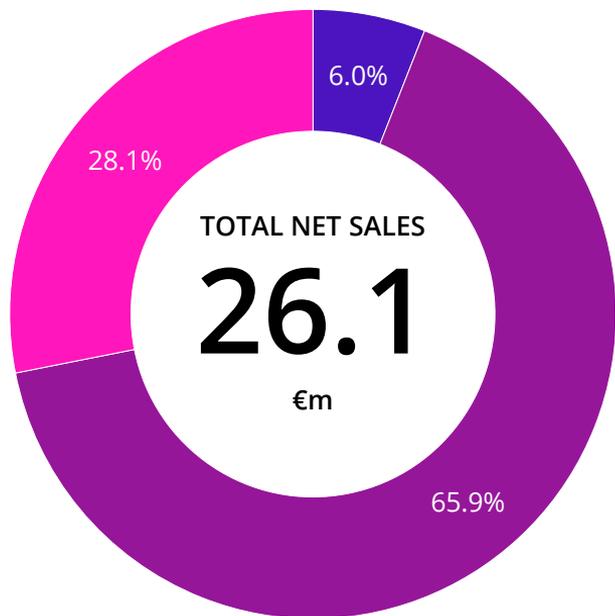
-25.3

SBU

11.5

26.7

Q2 2024 sales split by region



	NET SALES €m	YOY CHANGE-%
AMERICAS	1.6	-56.3
APAC	17.2	1.5
EMEA	7.3	56.0

H1 2024

48.8

net sales, €m
(48.0)

1.7

net sales change-%
(11.4)

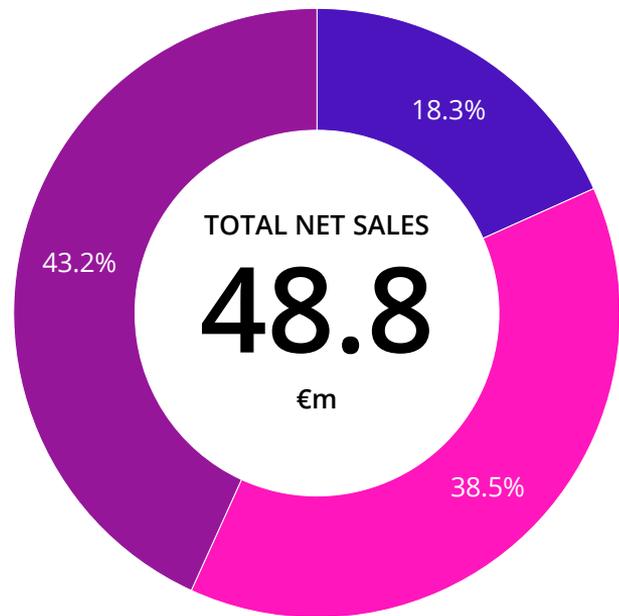
5.6

EBITA, €m
(2.8)

11.4

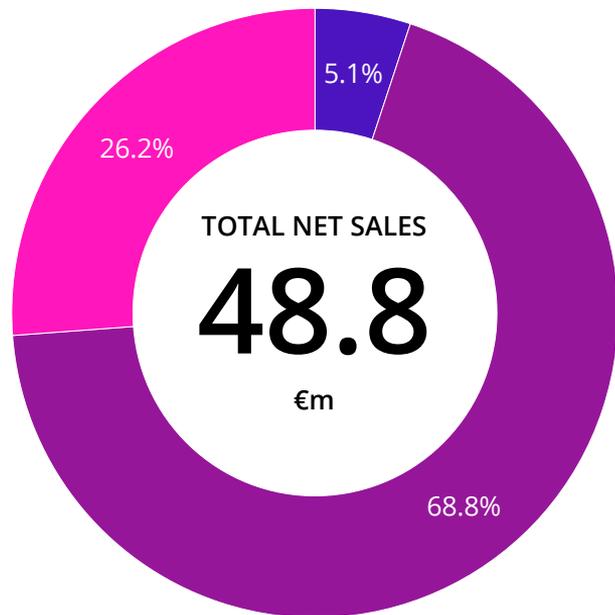
EBITA-%
(5.9)

H1 2024 sales split by business units



	NET SALES €m	YOY CHANGE-%
IBU	8.9	24.8
MBU	18.8	-23.1
SBU	21.1	28.8

H1 2024 sales split by region



	NET SALES €m	YOY CHANGE-%
AMERICAS	2.5	-59.4
APAC	33.6	3.2
EMEA	12.8	36.5

Key figures



	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Net sales, EUR 1,000	26,093	25,219	48,799	47,972	103,794
Change in net sales, %	3.5%	10.8%	1.7%	11.4%	5.3%
EBITA excluding NRI, EUR 1,000	3,306	1,351	5,570	2,827	9,656
EBITA excluding NRI, %	12.7%	5.4%	11.4%	5.9%	9.3%
Non-recurring items (NRI), EUR 1,000	0	0	0	0	-873
EBITA, EUR 1,000	3,306	1,351	5,570	2,827	8,784
EBITA, %	12.7%	5.4%	11.4%	5.9%	8.5%
R&D costs, EUR 1,000	3,049	3,079	5,560	6,041	11,702
R&D costs, % of net sales	11.7%	12.2%	11.4%	12.6%	11.3%
Cash flow from operating activities, EUR 1,000	3,911	2,426	6,827	1,941	9,672
Investments, EUR 1,000	352	376	1,485	828	14,426
Return on investment (ROI), %	13.9%	6.5%	13.9%	6.5%	9.9%
Earnings per share, EUR	0.15	0.03	0.26	0.09	0.38



Strategy highlights

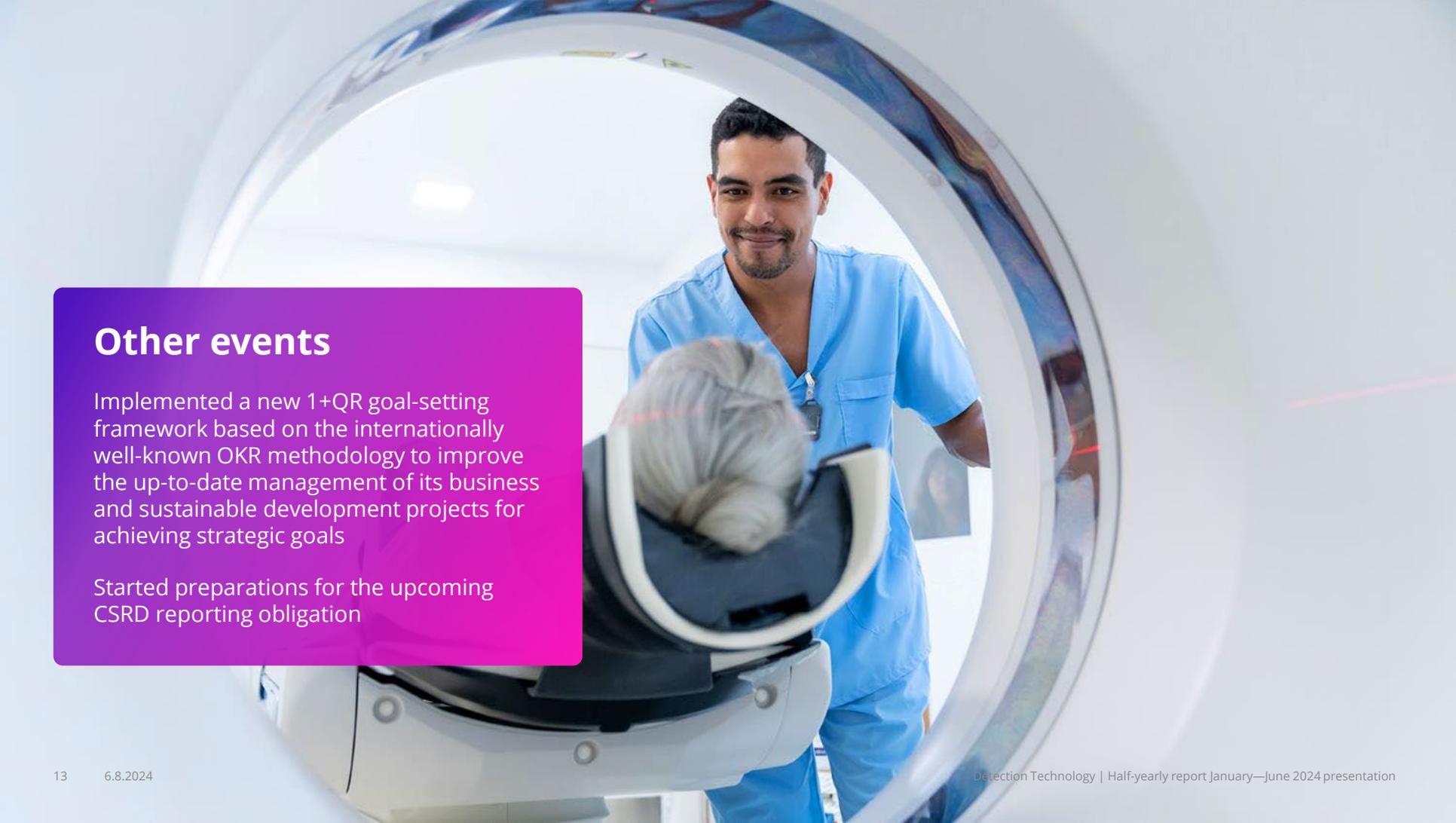
Founded a subsidiary in the New Delhi area

- Builds a service and manufacturing site as India is spending big on healthcare and traffic infrastructures, and manufacturing industry

Commenced production of EU Origin products at the new facility in Oulu, Finland

- Has the capability to manufacture 10% of its sales in Finland by the end of 2024

Launched a wide range of TFT flat panel detector solutions to international sales, including IGZO solutions for dental imaging

A man in blue scrubs is looking through a circular opening in a medical machine, possibly a CT scanner. He is smiling and looking towards the camera. The machine is white and metallic, with a large circular opening in the center. The background is a bright, clinical setting.

Other events

Implemented a new 1+QR goal-setting framework based on the internationally well-known OKR methodology to improve the up-to-date management of its business and sustainable development projects for achieving strategic goals

Started preparations for the upcoming CSRD reporting obligation

Sales expectation Q3 and H2



Industrial

to grow double-digit
in Q3



Medical

to grow
in Q3



Security

to grow double-digit
in Q3



**Total net sales expected to grow double-digit
in Q3 and H2 of 2024.**

Business outlook

Detection Technology expects its **total net sales to grow double-digit in Q3 and H2 of 2024.**

Geopolitical situation, U.S.–China relations, global economy, the measures taken in China to reform its healthcare, price competition especially in China, the indirect impacts of the war in Ukraine, and events in the Middle East create uncertainty.

SECURITY MARKET
annual growth rate

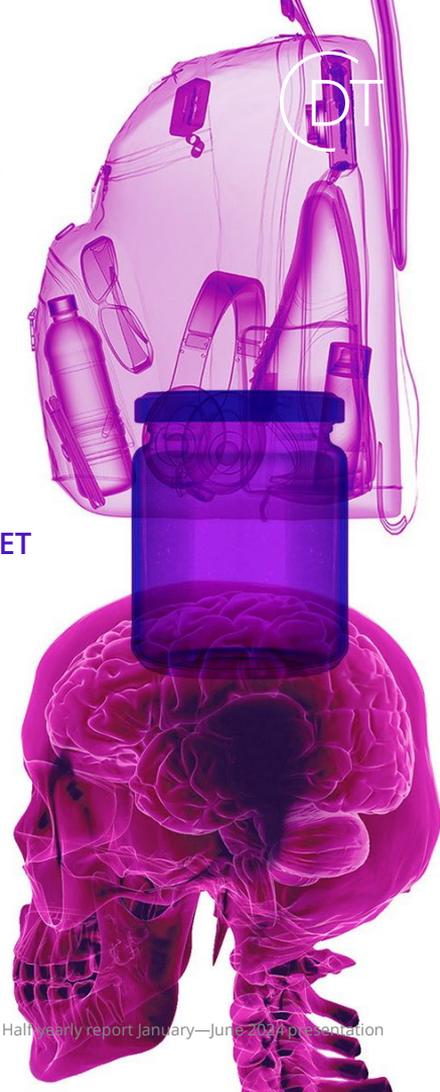
8%

INDUSTRIAL MARKET
annual growth rate

6%

MEDICAL MARKET
annual growth rate

5%



FINANCIAL TARGETS

MEDIUM TERM
Annual
sales growth
>10%

MEDIUM TERM
Operating
margin (EBITA)
15%

ANNUAL
Dividend or
returned capital
30-60%



Detection Technology

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