

In line with our expectations

DT's Q2 result was broadly in line with our estimates. The net sales grew 11.5% on a group level to EUR 23.5m (EUR 23.8m/23.8m Evli/cons.). The operating profit grew to EUR 3.0m (EUR 3.0m/3.3m Evli/cons.). DT's business outlook for the end of the year has improved, and the company expects double-digit growth in all business units in H2.

- **Q2 result:** Q2 net sales amounted to EUR 23.5m (11.5% y/y) vs. EUR 23.8m/23.8m Evli/cons. estimates. Q2 EBIT was EUR 3.0m (12.6% margin) vs. EUR 3.0m/3.3m Evli/cons. R&D costs amounted to EUR 2.6m or 10.9% of net sales (Q2'20: 2.7m, 12.7%).
- **Security Business Unit (SBU)** net sales decreased 11.7% to EUR 6.9m vs. EUR 7.0m Evli estimate. The security market is recovering slowly, and SBU sales decreased at the beginning of Q2, but took an upward turn at the end of the review period. Detection Technology has received a good number of orders from customers, in particular in security CT applications.
- **Industrial Business Unit (IBU)** net sales decreased 10.4% to EUR 3.1m vs. EUR 3.4m Evli estimate. IBU sales continue to grow although year-on-year sales decreased due to a quarter-over-quarter fluctuation.
- **Medical Business Unit (MBU)** net sales increased 37.4% to EUR 13.6m which was broadly in line with our estimate of EUR 13.4m. Investments in healthcare infrastructure, globally and in particular in China, as well as the demand in higher-end CT equipment, boosted sales to grow strongly.
- Detection Technology's business outlook for the end of the year has improved, and the company expects double-digit growth in all business units in H2.

Rating	🟡 HOLD
Share price, EUR (Last trading day's closing price)	33.00
Target price, EUR	30.0
Latest change in recommendation	21-Apr-21
Latest report on company	30-Jul-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	14,375
No. of shares fully diluted, '000's	14,875
Market cap, EURm	474
Free float, %	-
Exchange rate	0.000
Reuters code	DETEC.HE
Bloomberg code	DETEC FH
Average daily volume, EURm	0.0
Next interim report	03-Aug-21
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🟢 BUY 🟡 HOLD 🔴 SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2019	102.5	17.0	16.6%	7.6	0.87	29.5	3.4	20.4	2.1	0.38
2020	81.6	8.7	10.7%	5.6	0.47	51.0	4.0	37.1	1.6	0.28
2021E	92.5	11.4	12.3%	6.0	0.64	51.5	4.9	39.8	1.3	0.38
2022E	106.8	17.2	16.1%	7.8	0.93	35.6	4.2	26.3	1.6	0.42
2023E	120.4	19.9	16.6%	9.3	1.08	30.6	3.7	22.4	2.0	0.54
Market cap, EURm		474	BV per share 2021E, EUR		-33.5	CAGR EPS 2020-23, %				31.9
Net debt 2021E, EURm		-21	Price/book 2021E		7.5	CAGR sales 2020-23, %				13.9
Enterprise value, EURm		453	Dividend yield 2021E, %		1.2	ROE 2021E, %				15.1
Total assets 2021E, EURm		84	Tax rate 2021E, %		17.6	ROCE 2021E, %				16.9
Goodwill 2021E, EURm		0	Equity ratio 2021E, %		76.5	PEG, P/E 21/CAGR				2.6

All the important disclosures can be found on the last pages of this report.

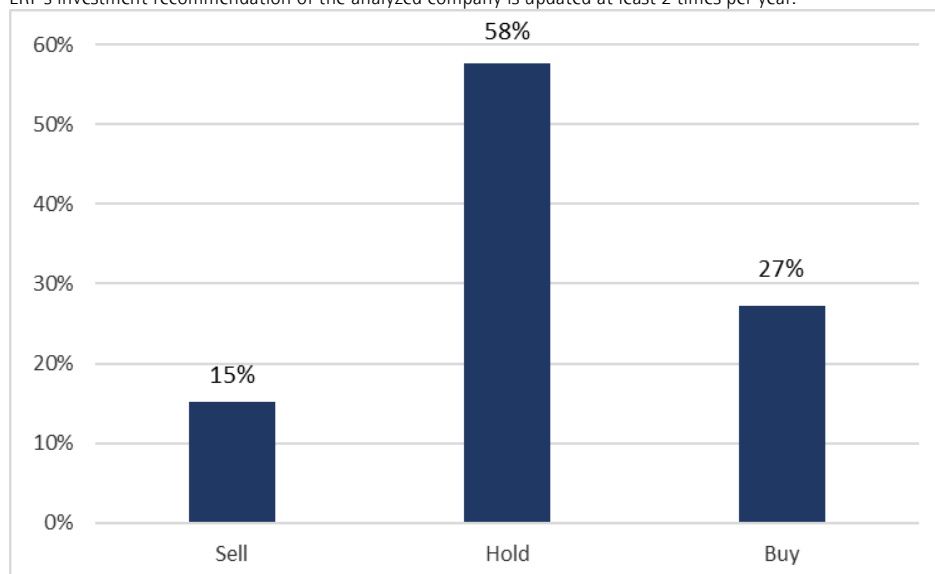
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Salokivi

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