

SBU and IBU drove strong results

DT's Q2 results clearly topped estimates as SBU and IBU grew a lot faster than expected, while MBU sales were lower than estimated. The top line beat and favorable sales mix led to an EBITA of EUR 3.3m, compared to our EUR 2.7m estimate.

- DT Q2 revenue grew by 3.5% y/y to EUR 26.1m vs the EUR 25.6m/25.4m Evli/consensus estimates while adjusted EBITA amounted to EUR 3.3m, compared to the EUR 2.7m/2.7m Evli/consensus estimates. Operating margin thus already reached 12.7% thanks to improved productivity, sales mix and sales growth.
- Medical (MBU) top line declined by 25.3% y/y to EUR 9.3m vs our EUR 10.8m estimate. Sales were negatively affected by the same factors as in Q1, but there were also some positive signals with regards to the easing of the Chinese anti-corruption campaign towards the end of the year. Improved order book and sales prospects suggest growth from Q3 onwards.
- Security (SBU) grew by 26.7% y/y to EUR 11.5m, compared to our EUR 10.7m estimate. The aviation industry's CT applications demand remained strong but was also good for line scanner applications.
- Industrial (IBU) top line increased by 42.6% y/y to EUR 5.3m vs our EUR 4.2m estimate. Demand was better than expected in TFT flat panel detectors in Asia and improved in all main applications (including for the food industry).
- DT expects its top line to grow at a double-digit rate in Q3 and H2.

Rating + BUY				
Q2'24	Actual	Evli	Year ago	Q1'24
Revenue	26.1	25.6	25.2	22.7
MBU	9.3	10.8	12.4	9.5
SBU	11.5	10.7	9.1	9.6
IBU	5.3	4.2	3.7	3.6
Adj. EBITA	3.3	2.7	1.4	2.3
Adj. EBITA-margin	12.7 %	10.5 %	5.4 %	10.0 %
Share price, EUR (Last trading day's closing price)				15.05
Target price, EUR				18.5
Latest change in				31-Jul-23
Latest report on company				24-Jul-24
Research paid by issuer:				YES
No. of shares outstanding, '000's				14,656
No. of shares fully diluted, '000's				14,656
Market cap, EURm				221
Free float, %				-
Exchange rate				-
Reuters code				DETEC.HE
Bloomberg code				DETEC FH
Average daily volume, EURm				0.1
Next interim report				06-Aug-24
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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
2022	98.6	5.8	5.9%	-1.9	0.35	45.3	2.3	39.2	-0.8	0.20
2023	103.8	8.2	7.9%	21.1	0.38	29.3	1.8	23.1	10.5	0.23
2024E	111.1	14.4	13.0%	11.0	0.75	20.1	1.8	13.9	5.0	0.37
2025E	121.3	18.7	15.4%	15.3	1.00	15.0	1.6	10.2	6.9	0.50
2026E	131.7	20.7	15.7%	11.5	1.11	13.5	1.4	9.0	5.2	0.56
Market cap, EURm	221		BV per share 2024E, EUR		-25.5		CAGR EPS 2023-26, %		33.3	
Net debt 2024E, EURm	-21		Price/book 2024E		2.7		CAGR sales 2023-26, %		8.3	
Enterprise value, EURm	201		Dividend yield 2024E, %		2.5		ROE 2024E, %		14.3	
Total assets 2024E, EURm	102		Tax rate 2024E, %		20.0		ROCE 2024E, %		17.6	
Goodwill 2024E, EURm	0		Equity ratio 2024E, %		79.9		PEG, P/E 24/CAGR		1.4	

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

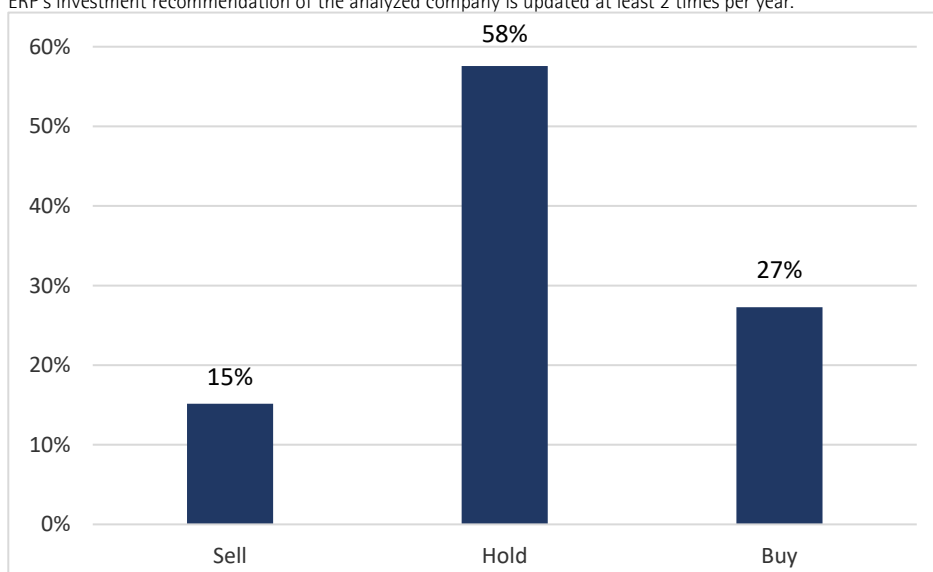
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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