

## Earnings and multiples should gain

DT reports Q4 results on Feb 6. We make limited estimate revisions ahead of the report as outlook remains quite stable.

### The EUR 15m EBITA leaves further upside potential

DT's Q3'24 saw double-digit growth as comparison figures were low, however Q4'24 and Q1'25 are likely to see only incremental or flat growth due to stronger comparison figures. The situation isn't helped by the fact that MBU will still likely see slightly negative growth; its demand may soon start to improve as there are signs Chinese medical inventories have already hit their lows. The potential rebound of MBU this year could drive DT's growth to 10% even if medical still lags security and industrial. Security may well see another year of double-digit growth as it remains driven by the airport upgrade cycle, of which only around a third has been done so far, while the Americas region has low enough comparison figures to help it grow the fastest. Industrial could also continue double-digit growth, helped by e.g. nondestructive testing applications for defense industry. We estimate DT's Q4'24 revenue to have grown 2% y/y, while adj. EBITA may have increased only slightly to EUR 4.8m.

### Fundamentals are stable despite the political environment

Potential US tariffs can have a negative impact as China remains an important location for DT, however its recent investment in the Oulu manufacturing site as well as in India should help it to mitigate adversity. In our view the Trump administration policies are unlikely to cause very significant changes to the current high levels of demand seen for various security investments. The Chinese medical market is also likely to stabilize in any case. DT has probably achieved an EBITA margin of bit below 14% in FY'24, which could improve by more than 100bps in FY'25 as growth continues and product mix improves further with an even higher share of security applications. This would imply an EBITA gain of EUR 3m, and it should unfold quite evenly over the year, including also in Q1, however somewhat tilted to H2.

### Earnings growth and multiple expansion are upside drivers

DT is valued below 14x EV/EBIT on our FY'24 estimates, which is already clearly below peer multiples and continues to decrease further to below 11x in FY'25 as the company may hit its profitability target. Our new TP is EUR 17.0 (19.0) as our rating is BUY according to the updated rating methodology (see p. 3).

Rating ++ Buy



Share price, EUR (Last trading) **14.45**  
 day's closing price)  
 Target price, EUR 17.0

Latest change in recommendation	03-Feb-25
Latest report on company	03-Feb-25
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	212
Free float, %	–
Exchange rate	–
Reuters code	DETEC.HE
Bloomberg code	DETEC FH
Average daily volume, EURm	0.1
Next interim report	06-Feb-25
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++ BUY + ACCUMULATE - REDUCE - - SELL

## 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	107.9	14.2	13.2%	11.7	0.73	19.9	1.8	13.4	5.5%	0.36
2025E	118.4	17.6	14.9%	14.5	0.94	15.4	1.5	10.3	6.9%	0.47
2026E	126.3	20.2	16.0%	12.4	1.08	13.3	1.4	8.7	5.9%	0.54
Market cap, EURm		212	Gearing 2024E, %			-26.5 %	CAGR EPS 2023-26, %			32.2 %
Net debt 2024E, EURm		-21	Price/book 2024E			2.6	CAGR Sales 2023-26, %			6.8 %
Enterprise value, EURm		191	Dividend yield 2024E, %			2.5 %	ROE 2024E, %			13.9 %
Total assets 2024E, EURm		101	Tax rate 2024E, %			21.3 %	ROCE 2024E, %			17.4 %
Goodwill 2024E, EURm		0	Equity ratio 2024E, %			79.1 %	PEG, P/E 24/CAGR			1.4

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

**Estimates and peer valuation**

Estimates	2022	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q4'24E	2024E	2025E
<b>Net sales</b>	<b>98.6</b>	22.8	25.2	24.5	31.3	<b>103.8</b>	22.7	26.1	27.1	32.0	<b>107.9</b>	<b>118.4</b>
Medical	48.1	12.0	12.4	10.8	13.1	48.4	9.5	9.3	10.9	12.7	42.4	45.4
Security	34.4	7.3	9.1	9.7	13.2	39.3	9.6	11.5	11.3	13.6	46.0	51.9
Industrial	16.1	3.4	3.7	4.0	5.0	16.2	3.6	5.3	4.9	5.7	19.5	21.2
<b>Adj. EBITA</b>	<b>6.1</b>	1.5	1.4	2.2	4.6	<b>9.7</b>	2.3	3.3	4.2	4.8	<b>14.6</b>	<b>17.6</b>
<i>Net sales growth-%</i>	<i>10%</i>	<i>12%</i>	<i>11%</i>	<i>-10%</i>	<i>11%</i>	<i>5%</i>	<i>0%</i>	<i>3%</i>	<i>11%</i>	<i>2%</i>	<i>4%</i>	<i>10%</i>
<i>Medical</i>	<i>-2%</i>	<i>15%</i>	<i>22%</i>	<i>-27%</i>	<i>3%</i>	<i>0%</i>	<i>-21%</i>	<i>-25%</i>	<i>1%</i>	<i>-3%</i>	<i>-12%</i>	<i>7%</i>
<i>Security</i>	<i>23%</i>	<i>16%</i>	<i>5%</i>	<i>14%</i>	<i>21%</i>	<i>14%</i>	<i>32%</i>	<i>27%</i>	<i>16%</i>	<i>3%</i>	<i>17%</i>	<i>13%</i>
<i>Industrial</i>	<i>26%</i>	<i>-3%</i>	<i>-6%</i>	<i>2%</i>	<i>8%</i>	<i>1%</i>	<i>5%</i>	<i>42%</i>	<i>23%</i>	<i>13%</i>	<i>20%</i>	<i>9%</i>
<i>Adj. EBITA margin</i>	<i>6.2%</i>	<i>7%</i>	<i>5%</i>	<i>9%</i>	<i>15%</i>	<i>9.3%</i>	<i>10%</i>	<i>13%</i>	<i>15%</i>	<i>15%</i>	<i>13.6%</i>	<i>14.9%</i>

DETECTION TECHNOLOGY	MCAP	EV/EBITDA			EV/EBIT			P/E		
PEER GROUP	MEUR	23	24	25	23	24	25	23	24	25
Hamamatsu Photonics	3702	12.0x	10.0x	11.1x	15.7x	15.8x	18.5x	15.5x	24.6x	27.0x
OSI Systems	3160	11.0x	12.7x	13.5x	14.5x	15.5x	16.5x	27.4x	22.5x	20.2x
Varex Imaging	553	9.3x	9.8x	8.7x	14.3x	21.5x	16.8x	12.9x	24.8x	20.7x
ams-OSRAM	728	5.6x	3.3x	3.4x	12.2x	8.5x	8.3x	6.0x		12.4x
Analog Devices	101014	17.2x	19.3x	22.7x	18.9x	28.4x	25.0x	22.4x	32.7x	28.8x
Keysight Tech	28264	16.4x	20.2x	19.8x	17.9x	22.4x	21.4x	21.4x	26.7x	24.0x
Emerson Electric	71217	17.4x	17.1x	16.7x	19.3x	18.8x	18.4x	27.7x	23.3x	21.5x
Texas Instruments	160826	18.6x	25.4x	21.8x	21.7x	32.8x	29.4x	26.0x	35.4x	34.2x
Oxford Instruments	1454	14.3x	13.4x	12.1x	16.3x	15.7x	14.4x	19.4x	19.6x	18.6x
Trimble	17761	16.6x	18.4x	20.2x	17.4x	19.7x	21.6x	28.3x	26.5x	26.0x
Hexagon	30000	17.3x	14.3x	15.7x	22.3x	19.0x	20.6x	26.1x	27.0x	24.0x
Konica Minolta	1939	9.5x	13.2x	8.3x			21.6x			18.6x
iRay Technology Company	1907	45.2x	22.9x	21.7x	50.0x	24.7x	22.3x	20.9x	24.2x	20.2x
Vieworks	130	9.9x	6.4x	5.1x	13.6x	8.4x	6.3x	14.4x	11.5x	8.9x
Peer Group Average	30190	15.7x	14.7x	14.3x	19.5x	19.3x	18.6x	20.6x	24.9x	21.8x
Peer Group Median	3431	15.3x	13.8x	14.6x	17.4x	19.0x	19.5x	21.4x	24.7x	21.1x
Detection Technology (Evli est.)	212	16.1x	10.6x	8.4x	23.1x	13.4x	10.3x	29.3x	19.9x	15.4x
<i>Detection Technology prem./disc. to peer median</i>		<i>5%</i>	<i>-23%</i>	<i>-43%</i>	<i>33%</i>	<i>-29%</i>	<i>-47%</i>	<i>37%</i>	<i>-20%</i>	<i>-27%</i>

DETECTION TECHNOLOGY	Sales	Sales gr.			EBIT-%			Div. yield		
PEER GROUP	22	23	24	25	23	24	25	23	24	25
Hamamatsu Photonics	1439	-7.3%	-4.2%	9.4%	23.3%	14.9%	13.0%	2.0%	2.0%	2.0%
OSI Systems	1178	8.7%	17.8%	10.7%	12.7%	13.9%	13.9%			0.0%
Varex Imaging	826	-2.1%	-4.1%	2.5%	9.0%	5.1%	6.2%			
ams-OSRAM	4819	-25.5%	-5.0%	-2.9%	6.4%	6.8%	7.5%	0.0%	0.0%	0.0%
Analog Devices	11682	-6.9%	-16.0%	9.4%	47.9%	41.1%	42.8%	1.6%	1.7%	1.9%
Keysight Tech	5231	-5.4%	-3.4%	6.3%	29.2%	25.2%	26.5%	0.0%	0.0%	0.0%
Emerson Electric	19860	-26.2%	12.0%	7.6%	23.4%	24.7%	25.2%	1.6%	1.6%	1.7%
Texas Instruments	18370	-12.5%	-7.5%	11.1%	41.8%	34.7%	34.6%	2.7%	2.8%	3.0%
Oxford Instruments	519	5.4%	6.6%	5.0%	17.2%	16.4%	16.6%	1.0%	1.0%	1.1%
Trimble	3428	2.9%	-0.9%	-5.8%	24.6%	25.5%	26.3%	0.0%	0.0%	0.0%
Hexagon	5161	5.3%	-1.2%	6.5%	26.8%	27.9%	28.7%	1.1%	1.2%	1.7%
Konica Minolta	7621	-7.5%	0.8%	0.8%	-0.3%	-0.1%	2.9%	1.0%	0.3%	0.8%
iRay Technology Company	212	14.5%	7.8%	19.6%	36.7%	30.9%	30.4%	1.3%	0.0%	0.0%
Vieworks	169	-10.1%	0.5%	9.3%	8.5%	10.5%	12.6%	1.7%	1.7%	1.7%
Peer Group Average	6592	-4.8%	0.2%	6.4%	21.9%	19.8%	20.5%	1.2%	1.0%	1.1%
Peer Group Median	4819	-6.1%	-1.1%	7.1%	23.3%	20.5%	20.9%	1.2%	1.1%	1.1%
Detection Technology (Evli est.)	99	5.3%	3.9%	9.8%	7.9%	13.2%	14.9%	1.7%	2.5%	3.3%

Source FactSet, Evli Research

We have amended our rating methodology since the previous update of the stock. Please see the updated and previous methodologies below.

**NEW**

Target price compared to share price	Recommendation
< -10%	SELL
-10 – 0%	REDUCE
0 – (+10)%	ACCUMULATE
> 10%	BUY

**OLD**

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

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	14.45 PV of Free Cash Flow	106 Long-term growth, %	2.6 % Risk-free interest rate, % 2.25 %
DCF share value	18.90 PV of Horizon value	162 WACC, %	8.5 % Market risk premium, % 5.8 %
Share price potential, %	30.8 % Unconsolidated equity	-1 Spread, %	0.0 % Debt risk premium % 2.8 %
Maximum value	18.9 Marketable securities	19 Minimum WACC, %	8.5 % Equity beta coefficient 1.10
Minimum value	18.9 Debt – dividend	-10 Maximum WACC, %	8.5 % Target debt ratio, % 20 %
Horizon value, %	60.3 % Value of stock	277 No. of shares, Mn	14.7 Effective tax rate, % 20 %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	104	108	118	126	133	139	146	154	158	163	167	171
Sales growth (%)	5.3%	3.9%	9.8%	6.7%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%	2.6%	2.6%
Operating income (EBIT)	8	14	18	20	20	22	23	24	25	25	26	27
Operating income margin %	7.9%	13.2%	14.9%	16.0%	15.0%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
+ Depreciation+amort.	4	4	4	4	5	5	5	5	5	6	6	
EBITDA	12	18	22	25	25	26	28	29	30	31	32	
- Paid taxes	-2	-3	-4	-4	-4	-4	-5	-5	-5	-5	-5	
- Change in NWC	2	2	2	-3	-2	-2	-2	-3	-2	-2	-1	
NWC / Sales, %	41.8%	38.7%	33.8%	33.9%	33.9%	34.0%	34.0%	34.1%	34.1%	34.1%	34.1%	
+ Change in other liabs												
- Operative CAPEX	-2	-4	-5	-5	-5	-5	-6	-6	-6	-6	-6	
opCAPEX / Sales, %	1.9%	4.1%	4.3%	4.0%	3.8%	3.8%	3.8%	3.8%	3.6%	3.6%	3.5%	
- Acquisitions	12											
+ Divestments												
- Other items												
= FCFF	22	12	15	13	13	14	15	16	18	18	19	333
= Discounted FCFF		12	14	11	10	10	10	10	10	10	9	162
= DFCF min WACC		12	14	11	10	10	10	10	10	10	9	162
= DFCF max WACC		12	14	11	10	10	10	10	10	10	9	162

**Sensitivity analysis, EUR**

	Terminal WACC				
	6.46 %	7.46 %	8.46 %	9.46 %	10.46 %
13.50 %	24.76	20.06	16.97	14.77	13.12
14.50 %	26.49	21.33	17.94	15.53	13.73
15.50 %	28.23	22.60	18.90	16.29	14.35
16.50 %	29.96	23.87	19.87	17.05	14.96
17.50 %	31.70	25.14	20.84	17.81	15.57

**INTERIM FIGURES**

<b>EVLI ESTIMATES, EURm</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	22.8	25.2	24.5	31.3	103.8	22.7	26.1	27.1	32.0	107.9	118.4	126.3
EBITDA	2.2	2.1	3.1	4.3	11.8	3.2	4.1	4.9	5.7	18.0	21.7	24.6
<i>EBITDA margin (%)</i>	<i>9.9%</i>	<i>8.4%</i>	<i>12.7%</i>	<i>13.7%</i>	<i>11.3%</i>	<i>14.2%</i>	<i>15.9%</i>	<i>18.2%</i>	<i>18.0%</i>	<i>16.7%</i>	<i>18.3%</i>	<i>19.5%</i>
EBIT	1.5	1.4	1.3	4.0	8.2	2.2	3.3	4.0	4.6	14.2	17.6	20.2
<i>EBIT margin (%)</i>	<i>6.5%</i>	<i>5.4%</i>	<i>5.4%</i>	<i>12.9%</i>	<i>7.9%</i>	<i>9.8%</i>	<i>12.8%</i>	<i>14.9%</i>	<i>14.4%</i>	<i>13.2%</i>	<i>14.9%</i>	<i>16.0%</i>
Net financial items	-0.3	-0.6	0.0	0.0	-0.9	-0.2	-0.3	-0.1	-0.1	-0.6	-0.2	-0.2
Pre-tax profit	1.2	0.8	1.3	4.0	7.3	2.1	3.1	3.9	4.5	13.6	17.4	20.0
Tax	-0.2	-0.3	-0.4	-0.8	-1.8	-0.4	-0.9	-0.7	-0.9	-2.9	-3.6	-4.1
<i>Tax rate (%)</i>	<i>20.1%</i>	<i>41.7%</i>	<i>20.1%</i>	<i>24.9%</i>	<i>24.5%</i>	<i>19.2%</i>	<i>29.1%</i>	<i>17.8%</i>	<i>20.0%</i>	<i>21.3%</i>	<i>20.0%</i>	<i>20.0%</i>
Net profit	0.9	0.5	0.9	3.2	5.5	1.7	2.2	3.2	3.5	10.6	13.8	15.9
EPS	0.06	0.03	0.06	0.22	0.38	0.11	0.15	0.22	0.24	0.73	0.94	1.08
EPS adj. (diluted)	0.06	0.03	0.12	0.25	0.47	0.11	0.15	0.22	0.24	0.73	0.94	1.08
Dividend per share					0.23					0.36	0.47	0.54
<b>SALES, EURm</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
MBU	12.0	12.4	10.8	13.1	48.4	9.5	9.3	10.9	12.7	42.4	45.4	48.1
SBU	7.3	9.1	9.7	13.2	39.3	9.6	11.5	11.2	13.6	45.9	51.9	55.8
IBU	3.4	3.7	3.9	5.0	16.1	3.6	5.3	5.0	5.7	19.6	21.2	22.5
Total	22.8	25.2	24.5	31.3	103.8	22.7	26.1	27.1	32.0	107.9	118.4	126.3
<b>SALES GROWTH, Y/Y%</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
MBU	14.6%	22.3%	-26.8%	3.5%	0.6%	-21.2%	-25.1%	0.5%	-3.0%	-12.4%	7.0%	6.0%
SBU	16.2%	5.0%	14.1%	20.8%	14.3%	31.8%	26.9%	14.9%	3.0%	16.8%	13.0%	7.5%
IBU	-3.0%	-6.2%	0.4%	7.9%	0.2%	5.2%	41.5%	27.2%	13.0%	21.4%	8.5%	6.0%
Total	12.0%	10.8%	-10.1%	10.9%	5.3%	-0.3%	3.5%	10.5%	2.1%	3.9%	9.8%	6.7%
<b>EBIT, EURm</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Group	1.5	1.4	1.3	4.0	8.2	2.2	3.3	4.0	4.6	14.2	17.6	20.2
Total	1.5	1.4	1.3	4.0	8.2	2.2	3.3	4.0	4.6	14.2	17.6	20.2
<b>EBIT margin %</b>	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Group	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	6.5%	5.4%	5.4%	12.9%	7.9%	9.8%	12.8%	14.9%	14.4%	13.2%	14.9%	16.0%

<b>INCOME STATEMENT, EURm</b>	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	102.5	81.6	89.8	98.6	103.8	107.9	118.4	126.3
<i>Sales growth (%)</i>	9.2%	-20.4%	10.1%	9.8%	5.3%	3.9%	9.8%	6.7%
EBITDA	19.9	11.9	13.9	9.1	11.8	18.0	21.7	24.6
<i>EBITDA margin (%)</i>	19.5%	14.6%	15.4%	9.2%	11.3%	16.7%	18.3%	19.5%
Depreciation	-2.9	-3.2	-3.3	-3.3	-3.6	-3.7	-3.5	-3.8
EBITA	17.0	8.7	10.6	5.8	8.2	14.3	18.2	20.8
Goodwill amortization / writedown						-0.1	-0.6	-0.6
EBIT	17.0	8.7	10.6	5.8	8.2	14.2	17.6	20.2
<i>EBIT margin (%)</i>	16.6%	10.7%	11.8%	5.9%	7.9%	13.2%	14.9%	16.0%
Reported EBIT	17.0	8.7	10.6	5.8	8.2	14.2	17.6	20.2
<i>EBIT margin (reported) (%)</i>	16.6%	10.7%	11.8%	5.9%	7.9%	13.2%	14.9%	16.0%
Net financials	-1.0	-0.6	0.8	-0.2	-0.9	-0.6	-0.2	-0.2
Pre-tax profit	16.0	8.1	11.4	5.6	7.3	13.6	17.4	20.0
Taxes	-3.6	-1.4	-2.1	-0.4	-1.8	-2.9	-3.6	-4.1
Minority shares								
Net profit	12.5	6.7	9.3	5.1	5.5	10.6	13.8	15.9
Cash NRIs								
Non-cash NRIs								
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	10	10	9	7	17	17	19	20
Goodwill						0	-1	-1
Right of use assets								
Inventory	14	16	22	25	24	26	23	24
Receivables	27	25	31	36	35	32	36	38
Liquid funds	26	25	30	24	19	25	34	39
Total assets	77	76	92	91	95	101	110	120
Liabilities								
Shareholders' equity	58	58	74	73	73	80	89	98
Minority interest					0	0	0	0
Convertibles								
Lease liabilities								
Deferred taxes								
Interest bearing debt	6	6	2	3	6	4	4	3
Non-interest bearing current liabilities	12	11	15	14	14	15	17	18
Other interest-free debt	1	1	1	1	1	1	1	1
Total liabilities	77	76	92	91	95	101	110	120
<b>CASH FLOW, EURm</b>								
+ EBITDA	20	12	14	9	12	18	22	25
- Net financial items	4	-1	3	-6	-1	-1	0	0
- Taxes	-5	-3	-1	-2	-2	-3	-4	-4
- Increase in Net Working Capital	-2	0	-6	-9	2	2	2	-3
+/- Other	-5	-1	-3	7				
= Cash flow from operations	12	8	7	0	11	16	20	17
- Capex	-4	-3	-1	-2	-2	-4	-5	-5
- Acquisitions					12			
+ Divestments								
= Free cash flow	8	4	6	-2	21	12	15	12
+/- New issues/buybacks		-1	10	-1	-2			
- Paid dividend	5	4	5	3	3	5	7	8
+/- Other	2	1	-7	2	-20	-2	-1	-1
Change in cash	4	-1	5	-6	-5	6	9	5

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	344	429	248	202	212	212	212
Net debt (excl. convertibles)	-19	-28	-21	-13	-21	-30	-36
Enterprise value	324	402	227	189	191	182	176
Sales	82	90	99	104	108	118	126
EBITDA	12	14	9	12	18	22	25
EBIT	9	11	6	8	14	18	20
Pre-tax	8	11	6	7	14	17	20
Earnings	7	9	5	5	11	14	16
Equity book value (excl. minorities)	58	74	73	73	80	89	98

Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	4.0	4.5	2.3	1.8	1.8	1.5	1.4
EV/EBITDA	27.3	29.0	25.0	16.1	10.6	8.4	7.2
EV/EBITA	37.1	38.0	39.2	23.1	13.3	10.0	8.5
EV/EBIT	37.1	38.0	39.2	23.1	13.4	10.3	8.7
EV/OCF	43.1	56.4	-772.5	17.7	11.8	9.3	10.1
EV/FCF	65.2	78.5	-132.7	8.7	15.6	12.4	14.0
P/FCFR	77.4	74.5	-128.9	9.6	18.1	14.6	17.0
P/E	51.0	46.4	45.3	29.3	19.9	15.4	13.3
P/BV	5.9	5.8	3.4	2.8	2.6	2.4	2.2
Target EV/EBITDA					12.6	10.1	8.7
Target EV/EBIT					16.1	12.4	10.6
Target EV/FCFF					19.5	15.1	17.1
Target P/BV					3.1	2.8	2.6
Target P/E, diluted	59.7	44.4	49.2	36.8	23.4	18.1	15.7

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	14.38	14.66	14.66	14.66	14.66	14.66	14.66
Number of shares (diluted, million)	14.88	15.16	15.16	14.66	14.66	14.66	14.66
EPS	0.47	0.63	0.35	0.38	0.73	0.94	1.08
Operating cash flow per share	0.52	0.49	-0.02	0.73	1.10	1.34	1.19
Free cash flow per share	0.31	0.39	-0.13	1.44	0.80	0.99	0.85
Book value per share	4.06	5.02	4.96	4.97	5.46	6.04	6.65
Dividend per share	0.28	0.35	0.20	0.23	0.36	0.47	0.54
Dividend payout ratio, %	59.7%	55.4%	57.0%	61.3%	50.0%	50.0%	50.0%
Dividend yield, %	1.2%	1.2%	1.2%	1.7%	2.5%	3.3%	3.8%
FCF yield, %	1.3%	1.3%	-0.8%	10.5%	5.5%	6.9%	5.9%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	11.6%	14.0%	7.0%	7.6%	13.9%	16.4%	17.1%
ROCE	13.6%	15.1%	7.7%	10.6%	17.4%	20.0%	20.9%

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales	19.5%	24.8%	25.2%	22.7%	24.0%	19.0%	19.0%
Receivables as % of sales	30.1%	34.8%	36.2%	33.8%	30.0%	30.0%	30.0%
Non-int. bearing liabilities as % of sales	13.4%	17.1%	14.2%	13.4%	14.0%	14.0%	14.0%
NWC/sales, %	35.6%	41.3%	45.6%	41.8%	38.7%	33.8%	33.9%
Operative CAPEX/Sales, %	3.8%	1.5%	1.7%	1.9%	4.1%	4.3%	4.0%
CAPEX/sales (incl. acquisitions), %	3.8%	1.5%	1.7%	13.9%	4.1%	4.3%	4.0%
FCFF/EBITDA	0.4	0.4	-0.2	1.9	0.7	0.7	0.5
Net Debt/EBITDA, book-weighted	-1.6	-2.0	-2.3	-1.1	-1.2	-1.4	-1.5
Debt/equity, market-weighted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity ratio, book-weighted	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Gearing, %	-33.2%	-37.6%	-28.3%	-17.7%	-26.5%	-34.3%	-36.9%

**COMPANY DESCRIPTION:** Detection Technology is a global provider of off-the-shelf and customized X-ray imaging solutions for medical, security and industrial applications. DT's product portfolio ranges from photodiodes to complete detector systems with ASICs, electronics, mechanics and software. The company was established in 1991 and it listed on Nasdaq First North Finland in 2015. The company is headquartered in Finland and has volume production in Beijing, China. Detection Technology has ~450 employees in Finland, China, France and USA, serving 370 active customers in over 40 countries.

**INVESTMENT CASE:** Demand for Detection Technology's detector solutions is increasing due to expansion of healthcare to a wider share of population in the emerging economies, aging population, growth in travelling and freight transport, urbanization, increased security concerns and increasing need for X-ray imaging applications in industrial inspection. We see investment case attractive due to strong market drivers, especially in China, as well as DT's compelling strategy and execution capabilities, which should enable DT to grow faster than the market and maintain above target level margins. Supported by the underlying megatrends and market expansion in TFT-flat panel markets, DT has lots of long-term potential in our view. Low valuation compared to historical multiples and peers provides a decent yield also on a short-term in our view.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ahlstrom Capital Bv	5 280 167	76.298	36.0 %
OP-Finland Fund	617 376	8.921	4.2 %
Varma Mutual Pension Insurance Company	515 000	7.442	3.5 %
Sijoitusrahassto Aktia Capital	463 654	6.700	3.2 %
Ilimarinen Mutual Pension Insurance Company	435 737	6.296	3.0 %
Martola Hannu Veikko	431 690	6.238	2.9 %
Veritas Pension Insurance Company Ltd.	389 387	5.627	2.7 %
Evli Finnish Small Cap Fund	352 000	5.086	2.4 %
OP-Finland Small Firms Fund	330 019	4.769	2.3 %
Säästöpankki Kotimaa	260 000	3.757	1.8 %
Ten largest	9 075 030	131.134	61.9 %
Residual	5 580 900	80.644	38.1 %
Total	14 655 930	211.778	100%

#### EARNINGS CALENDAR

February 06, 2025	FY 2024 Results
April 24, 2025	Q1 report
August 07, 2025	Q2 report
October 30, 2025	Q3 report

#### OTHER EVENTS

#### COMPANY MISCELLANEOUS

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CFO: Matti Nylander	Tel: +358 20 766 9700
IR: Johanna Tarkiainen	



**DEFINITIONS**

<p><b>P/E</b></p> $\frac{\text{Price per share}}{\text{Earnings per share}}$	<p><b>EPS</b></p> $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
<p><b>P/BV</b></p> $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	<p><b>DPS</b></p> <p>Dividend for the financial period per share</p>
<p><b>Market cap</b></p> <p>Price per share * Number of shares</p>	<p><b>OCF (Operating cash flow)</b></p> <p>EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments</p>
<p><b>EV (Enterprise value)</b></p> <p>Market cap + net debt + minority interest at market value – share of associated companies at market value</p>	<p><b>FCF (Free cash flow)</b></p> <p>Operating cash flow – Operative CAPEX – acquisitions + divestments</p>
<p><b>EV/Sales</b></p> $\frac{\text{Enterprise value}}{\text{Sales}}$	<p><b>FCF yield, %</b></p> $\frac{\text{Free cash flow}}{\text{Market cap}}$
<p><b>EV/EBITDA</b></p> $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	<p><b>Operative CAPEX / Sales</b></p> $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
<p><b>EV/EBIT</b></p> $\frac{\text{Enterprise value}}{\text{Operating profit}}$	<p><b>Net working capital</b></p> <p>Current assets – current liabilities</p>
<p><b>Net debt</b></p> <p>Interest bearing debt – financial assets</p>	<p><b>Capital employed / Share</b></p> $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<p><b>Total assets</b></p> <p>Balance sheet total</p>	<p><b>Gearing</b></p> $\frac{\text{Net debt}}{\text{Equity}}$
<p><b>Div yield, %</b></p> $\frac{\text{Dividend per share}}{\text{Price per share}}$	<p><b>Debt/Equity, %</b></p> $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
<p><b>Payout ratio, %</b></p> $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	<p><b>Equity ratio, %</b></p> $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
<p><b>ROCE, %</b></p> $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	<p><b>CAGR, %</b></p> <p>Cumulative annual growth rate = Average growth rate per year</p>
<p><b>ROE, %</b></p> $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

**Important Disclosures**

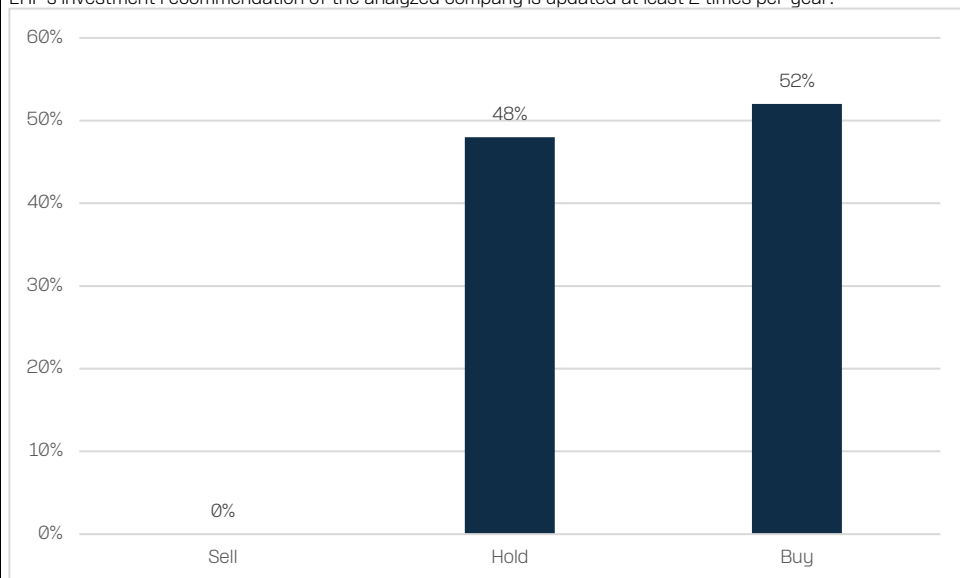
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
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Name(s) of the analyst(s): Joonas Iivonen

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