

Stable demand, unstable tariffs

DT reports Q1 results on Apr 24. We make minor revisions at this point as the trade war's eventual outcome remains open.

We make only small downward revisions to our estimates

DT's Q1 may be muted as airport construction delays limit SBU volumes. Underlying margins should remain decent, yet the comparison period had a more favorable product mix and certain one-offs. We estimate flat Q1 revenue at EUR 22.6m while expecting EBITA to have declined a bit to EUR 2.1m. We believe MBU will return to significant growth this year, however the trade war doesn't help the more investment-driven SBU and IBU volumes. Direct sales to Americas amounted to 6% of last year's revenue, however that figure understates the importance of the US for DT as its customer OEMs' products have been an important driver of recent growth in SBU and IBU.

The trade war causes at least some short-term uncertainty

The tariffs create uncertainty especially around SBU, which already saw some delays due to the scheduling of airport projects. FY'25 outlook was still quite unchanged before the latest rounds of announcements; DT has sites also in Finland and India, but the latter is only ramping up while the former was planned to produce no more than 10% of sales. In our view DT's footprint quite well reflects that of all the relevant supply chains. Tariffs on Chinese manufacturing in the hundreds of percentage points would thus necessitate dramatic changes in the whole supply chain. We believe there will eventually be a compromise since many security upgrade investments still need to be done also in the US, while the role of China can't be replaced in the foreseeable future and the US currently has no detector manufacturing. We gather tariffs of e.g. around 10–20% wouldn't still be a very big issue for DT.

Low multiples but uncertainty limits upside potential for now

We expect MBU to add most growth in absolute terms this year, while IBU could remain the fastest grower relatively speaking. We still see high single-digit growth for the year; in our view DT could continue to grow at a double-digit rate in a reasonable scenario, yet the whirlwind politics still pose some negative estimate risks. DT is valued 10x EV/EBIT on our FY'25 estimates, a peer discount of 40%. The multiple further declines to 8x next year assuming SBU again drives growth. Our TP is now EUR 14.0 (17.0), and our rating ACCUMULATE (BUY) as the current regime limits upside potential.

Rating

+ Accumulate



Share price, EUR (Last trading) **12.80**
day's closing price)
Target price, EUR 14.0

Latest change in recommendation	16-Apr-25
Latest report on company	07-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	188
Free float, %	—
Exchange rate	—
Reuters code	DETEC.HE
Bloomberg code	DETEC FH
Average daily volume, EURm	0.1
Next interim report	24-Apr-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
2023	103.8	8.2	7.9%	21.1	0.38	29.3	1.8	23.1	10.5%	0.23
2024	107.5	13.8	12.8%	16.9	0.76	20.2	1.8	14.3	7.5%	0.50
2025E	116.7	15.9	13.7%	12.1	0.84	15.2	1.3	9.7	6.5%	0.56
2026E	125.9	19.3	15.3%	9.3	1.03	12.4	1.2	8.0	5.0%	0.68
2027E	132.2	19.9	15.1%	13.2	1.07	11.9	1.1	7.6	7.0%	0.71
Market cap, EURm	188	Gearing 2025E, %		-37.8 %		CAGR EPS 2024–27, %		12.3 %		
Net debt 2025E, EURm	-33	Price/book 2025E		2.1		CAGR Sales 2024–27, %		7.2 %		
Enterprise value, EURm	155	Dividend yield 2025E, %		4.4 %		ROE 2025E, %		14.6 %		
Total assets 2025E, EURm	110	Tax rate 2025E, %		20.6 %		ROCE 2025E, %		18.4 %		
Goodwill 2025E, EURm	0	Equity ratio 2025E, %		79.0 %		PEG, P/E 25/CAGR		1.3		

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

Estimates and peer valuation

Estimates	2022	2023	Q1'24	Q2'24	Q3'24	Q4'24	2024	Q1'25E	Q2'25E	Q3'25E	Q4'25E	2025E
Net sales	98.6	103.8	22.7	26.1	27.1	31.6	107.5	22.6	28.4	30.2	35.5	116.7
Medical	48.1	48.4	9.5	9.3	10.9	12.5	42.2	9.8	10.0	12.3	14.4	46.4
Security	34.4	39.3	9.6	11.5	11.3	13.9	46.3	8.7	12.5	12.7	15.3	49.2
Industrial	16.1	16.2	3.6	5.3	4.9	5.2	19.0	4.1	5.9	5.3	5.8	21.1
Adj. EBITA	6.1	9.7	2.3	3.3	4.2	5.2	15.0	2.1	4.1	4.8	6.0	16.9
<i>Net sales growth—%</i>	<i>10%</i>	<i>5%</i>	<i>0%</i>	<i>3%</i>	<i>11%</i>	<i>1%</i>	<i>4%</i>	<i>0%</i>	<i>9%</i>	<i>11%</i>	<i>12%</i>	<i>9%</i>
Medical	–2%	0%	–21%	–25%	1%	–5%	–13%	3%	7%	13%	15%	10%
Security	23%	14%	32%	27%	16%	5%	18%	–9%	9%	12%	10%	6%
Industrial	26%	1%	5%	42%	23%	4%	18%	13%	12%	8%	12%	11%
<i>Adj. EBITA margin</i>	<i>6.2%</i>	<i>9.3%</i>	<i>10%</i>	<i>13%</i>	<i>15%</i>	<i>16%</i>	<i>13.9%</i>	<i>9%</i>	<i>14%</i>	<i>16%</i>	<i>17%</i>	<i>14.5%</i>

DETECTION TECHNOLOGY PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Hamamatsu Photonics	2219	10.0x	6.7x	6.0x	16.1x	11.9x	10.1x	15.7x	17.8x	15.2x
OSI Systems	2848	12.5x	13.1x	12.4x	15.4x	16.1x	14.9x	22.1x	19.8x	18.0x
Varex Imaging	286	9.5x	6.7x	6.0x	20.4x	12.4x	10.5x	14.2x	12.3x	8.9x
ams—OSRAM	657	4.7x	3.7x	3.3x	9.2x	8.3x	6.3x	218.0x	13.4x	4.3x
Analog Devices	77925	20.3x	19.5x	17.4x	28.5x	21.4x	17.7x	27.4x	24.1x	19.8x
Keysight Tech	20734	20.0x	15.8x	14.2x	22.4x	17.2x	15.3x	21.3x	19.0x	16.8x
Comet Holding	1766	31.8x	17.9x	12.1x	50.1x	24.0x	14.8x	47.0x	30.4x	18.7x
Texas Instruments	120853	25.4x	18.5x	15.1x	33.0x	25.0x	19.6x	29.0x	28.7x	22.3x
Oxford Instruments	1120	13.5x	9.7x	8.8x	15.9x	11.5x	10.4x	15.6x	14.7x	13.4x
Trimble	12863	18.2x	16.0x	14.5x	19.5x	16.9x	15.2x	20.9x	20.7x	18.1x
Hexagon	21935	13.8x	12.0x	11.0x	18.3x	16.0x	14.5x	18.1x	18.4x	16.4x
Konica Minolta	1244	15.2x	7.4x	6.0x	22.4x	22.4x	12.4x		14.5x	7.4x
iRay Technology Company	2180	24.6x	25.2x	19.5x	27.8x	28.8x	23.1x	31.3x	25.9x	21.2x
Vieworks	137	6.9x	6.3x	5.4x	9.2x	7.9x	6.7x	11.6x	9.1x	7.4x
Peer Group Average	19055	16.2x	12.8x	10.8x	22.0x	17.1x	13.7x	37.9x	19.2x	14.8x
Peer Group Median	2200	14.5x	12.5x	11.5x	19.5x	16.5x	14.7x	21.3x	18.7x	16.6x
Detection Technology (Evli est.)	188	11.6x	7.9x	6.7x	14.3x	9.7x	8.0x	20.2x	15.2x	12.4x
<i>Detection Technology prem./disc. to peer median</i>		<i>–20%</i>	<i>–37%</i>	<i>–42%</i>	<i>–27%</i>	<i>–41%</i>	<i>–46%</i>	<i>–5%</i>	<i>–19%</i>	<i>–26%</i>

DETECTION TECHNOLOGY PEER GROUP	Sales 23	Sales gr.			EBIT—%			Div. yield		
		24	25	26	24	25	26	24	25	26
Hamamatsu Photonics	1439	–12.0%	6.8%	7.3%	14.8%	12.3%	13.6%	3.1%	3.2%	3.3%
OSI Systems	1178	22.3%	6.3%	5.2%	13.9%	14.0%	14.4%		0.0%	
Varex Imaging	826	–7.9%	–3.5%	4.2%	5.3%	7.0%	7.9%			
ams—OSRAM	4819	–28.9%	–0.6%	5.4%	7.0%	8.0%	10.1%	0.0%	0.0%	0.0%
Analog Devices	11682	–22.9%	2.8%	11.9%	40.9%	41.7%	45.0%	2.1%	2.2%	2.4%
Keysight Tech	5231	–9.9%	–1.2%	6.2%	25.2%	26.1%	27.6%	0.0%	0.0%	0.0%
Comet Holding	587	–20.9%	16.5%	19.6%	8.6%	13.5%	18.3%	0.7%	1.2%	1.9%
Texas Instruments	18370	–19.0%	0.6%	13.1%	34.7%	34.3%	38.7%	3.5%	3.6%	3.8%
Oxford Instruments	519	9.9%	4.6%	5.7%	16.1%	16.4%	17.1%	1.3%	1.4%	1.5%
Trimble	3428	3.1%	–14.6%	7.4%	25.4%	26.6%	27.6%	0.0%	0.0%	0.0%
Hexagon	5161	4.7%	4.2%	6.9%	28.4%	28.2%	29.1%	1.8%	1.9%	1.9%
Konica Minolta	7621	–9.0%	–2.5%	–0.7%	–1.2%	2.6%	4.6%	0.3%	1.2%	2.7%
iRay Technology Company	212	10.9%	18.3%	18.4%	28.1%	29.7%	31.3%	0.7%	0.9%	1.1%
Vieworks	169	–16.3%	8.4%	10.4%	10.0%	12.1%	13.1%	2.4%	2.2%	2.4%
Peer Group Average	4374	–6.9%	3.3%	8.6%	18.4%	19.5%	21.3%	1.3%	1.4%	1.7%
Peer Group Median	2434	–9.4%	3.5%	7.1%	15.4%	15.2%	17.7%	1.0%	1.2%	1.9%
Detection Technology (Evli est.)	104	3.6%	8.5%	7.9%	12.8%	13.7%	15.3%	3.3%	4.3%	5.3%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	12.80 PV of Free Cash Flow	100 Long-term growth, %	2.6 % Risk-free interest rate, %
DCF share value	19.35 PV of Horizon value	156 WACC, %	8.5 % Market risk premium, %
Share price potential, %	51.1 % Unconsolidated equity	0 Spread, %	0.0 % Debt risk premium %
Maximum value	19.3 Marketable securities	28 Minimum WACC, %	8.5 % Equity beta coefficient
Minimum value	19.3 Debt – dividend	0 Maximum WACC, %	8.5 % Target debt ratio, %
Horizon value, %	61.0 % Value of stock	284 No. of shares, Mn	14.7 Effective tax rate, %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	108	117	126	132	139	146	153	158	162	167	172	176
Sales growth (%)	3.6%	8.6%	7.9%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	2.6%	2.6%
Operating income (EBIT)	14	16	19	20	22	23	24	24	25	26	27	27
Operating income margin %	12.8%	13.7%	15.3%	15.1%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
+ Depreciation+amort.	3	4	5	4	5	5	5	5	5	6	6	
EBITDA	17	20	24	24	26	27	29	30	31	31	32	
– Paid taxes	–2	–3	–4	–4	–4	–5	–5	–5	–5	–5	–5	
– Change in NWC	5	–1	–3	–2	–2	–2	–3	–2	–2	–2	–2	
NWC / Sales, %	35.9%	33.8%	33.9%	33.9%	34.0%	34.0%	34.1%	34.1%	34.1%	34.2%	34.2%	
+ Change in other liabs												
– Operative CAPEX	–2	–3	–7	–4	–5	–5	–5	–5	–5	–6	–6	
opCAPEX / Sales, %	2.1%	2.5%	5.7%	3.4%	3.6%	3.6%	3.6%	3.4%	3.4%	3.4%	3.3%	
– Acquisitions												
+ Divestments												
– Other items												
= FCOFF	17	12	9	13	14	15	16	18	18	19	20	343
= Discounted FCOFF		12	8	11	11	10	10	10	10	9	9	156
= DFCF min WACC		12	8	11	11	10	10	10	10	9	9	156
= DFCF max WACC		12	8	11	11	10	10	10	10	9	9	156

Sensitivity analysis, EUR

		Terminal WACC				
		6.46 %	7.46 %	8.46 %	9.46 %	10.46 %
Terminal EBIT–%	13.50 %	25.35	20.61	17.48	15.26	13.59
	14.50 %	27.05	21.84	18.41	15.98	14.17
	15.50 %	28.74	23.07	19.35	16.71	14.75
	16.50 %	30.44	24.30	20.28	17.44	15.34
	17.50 %	32.13	25.53	21.21	18.17	15.92

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	22.7	26.1	27.1	31.6	107.5	22.6	28.4	30.2	35.5	116.7	125.9	132.2
EBITDA	3.1	4.1	4.9	4.8	17.0	2.8	4.7	5.5	6.6	19.5	23.9	24.0
EBITDA margin (%)	13.8%	15.7%	18.2%	15.3%	15.8%	12.2%	16.5%	18.1%	18.7%	16.8%	19.0%	18.2%
EBIT	2.2	3.3	4.0	4.2	13.8	1.9	3.8	4.6	5.7	15.9	19.3	19.9
EBIT margin (%)	9.8%	12.8%	14.9%	13.1%	12.8%	8.3%	13.4%	15.1%	16.1%	13.7%	15.3%	15.1%
Net financial items	-0.2	-0.3	-0.1	0.1	-0.4	-0.1	-0.1	-0.1	-0.1	-0.4	-0.2	-0.1
Pre-tax profit	2.1	3.1	3.9	4.2	13.3	1.8	3.7	4.5	5.6	15.5	19.1	19.8
Tax	-0.4	-0.9	-0.7	-0.2	-2.2	-0.8	-0.8	-0.8	-0.8	-3.2	-3.9	-4.1
Tax rate (%)	19.2%	29.1%	17.8%	5.6%	16.8%	45.3%	21.6%	17.9%	14.2%	20.6%	20.0%	20.0%
Net profit	1.7	2.2	3.2	4.0	11.1	1.0	2.9	3.7	4.8	12.3	15.2	15.7
EPS	0.11	0.15	0.22	0.27	0.76	0.07	0.20	0.25	0.33	0.84	1.03	1.07
EPS adj. (diluted)	0.11	0.15	0.22	0.27	0.76	0.07	0.20	0.25	0.33	0.84	1.03	1.07
Dividend per share					0.50					0.56	0.68	0.71
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
MBU	9.5	9.3	10.9	12.5	42.2	9.8	10.0	12.3	14.4	46.4	49.6	52.1
SBU	9.6	11.5	11.2	14.0	46.3	8.7	12.5	12.7	15.3	49.2	53.6	56.3
IBU	3.6	5.3	5.0	5.1	19.0	4.1	5.9	5.3	5.8	21.1	22.7	23.8
Total	22.7	26.1	27.1	31.6	107.5	22.6	28.4	30.2	35.5	116.7	125.9	132.2
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
MBU	-21.2%	-25.1%	0.5%	-4.6%	-12.8%	3.0%	7.0%	12.5%	15.0%	9.9%	7.0%	5.0%
SBU	31.8%	26.9%	14.9%	6.1%	17.8%	-9.0%	9.0%	13.0%	9.2%	6.3%	9.0%	5.0%
IBU	5.2%	41.5%	27.2%	2.0%	18.0%	13.0%	12.0%	5.4%	14.2%	11.0%	7.5%	5.0%
Total	-0.3%	3.5%	10.5%	1.0%	3.6%	-0.5%	8.9%	11.4%	12.3%	8.6%	7.9%	5.0%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	2.2	3.3	4.0	4.2	13.8	1.9	3.8	4.6	5.7	15.9	19.3	19.9
Total	2.2	3.3	4.0	4.2	13.8	1.9	3.8	4.6	5.7	15.9	19.3	19.9
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
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	9.8%	12.8%	14.9%	13.1%	12.8%	8.3%	13.4%	15.1%	16.1%	13.7%	15.3%	15.1%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	81.6	89.8	98.6	103.8	107.5	116.7	125.9	132.2
<i>Sales growth (%)</i>	-20.4%	10.1%	9.8%	5.3%	3.6%	8.6%	7.9%	5.0%
EBITDA	11.9	13.9	9.1	11.8	17.0	19.5	23.9	24.0
<i>EBITDA margin (%)</i>	14.6%	15.4%	9.2%	11.3%	15.8%	16.8%	19.0%	18.2%
Depreciation	-3.2	-3.3	-3.3	-3.6	-3.2	-3.6	-4.0	-3.5
EBITA	8.7	10.6	5.8	8.2	13.8	15.9	19.9	20.5
Goodwill amortization / writedown							-0.6	-0.6
EBIT	8.7	10.6	5.8	8.2	13.8	15.9	19.3	19.9
<i>EBIT margin (%)</i>	10.7%	11.8%	5.9%	7.9%	12.8%	13.7%	15.3%	15.1%
Reported EBIT	8.7	10.6	5.8	8.2	13.8	15.9	19.3	19.9
<i>EBIT margin (reported) (%)</i>	10.7%	11.8%	5.9%	7.9%	12.8%	13.7%	15.3%	15.1%
Net financials	-0.6	0.8	-0.2	-0.9	-0.4	-0.4	-0.2	-0.1
Pre-tax profit	8.1	11.4	5.6	7.3	13.3	15.5	19.1	19.8
Taxes	-1.4	-2.1	-0.4	-1.8	-2.2	-3.2	-3.9	-4.1
Minority shares								
Net profit	6.7	9.3	5.1	5.5	11.1	12.3	15.2	15.7
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	10	9	7	17	16	15	18	19
Goodwill							-1	-1
Right of use assets								
Inventory	16	22	25	24	23	22	24	25
Receivables	25	31	36	35	33	36	39	41
Liquid funds	25	30	24	19	28	37	37	37
Total assets	76	92	91	95	100	110	118	122
Liabilities								
Shareholders' equity	58	74	73	73	82	87	94	100
Minority interest				0	0	0	0	0
Convertibles								
Lease liabilities								
Deferred taxes								
Interest bearing debt	6	2	3	6		4	3	
Non-interest bearing current liabilities	11	15	14	14	16	18	19	20
Other interest-free debt	1	1	1	1	1	1	1	1
Total liabilities	76	92	91	95	100	110	118	122
CASH FLOW, EURm								
+ EBITDA	12	14	9	12	17	20	24	24
- Net financial items	-1	3	-6	-1	0	0	0	0
- Taxes	-3	-1	-2	-2	-2	-3	-4	-4
- Increase in Net Working Capital	0	-6	-9	2	5	-1	-3	-2
+/- Other	-1	-3	7					
= Cash flow from operations	8	7	0	11	19	15	17	18
- Capex	-3	-1	-2	-2	-2	-3	-7	-4
- Acquisitions				12				
+ Divestments								
= Free cash flow	4	6	-2	21	17	12	9	13
+/- New issues/buybacks	-1	10	-1	-2	2			
- Paid dividend	4	5	3	3	7	8	10	10
+/- Other	1	-7	2	-20	-6	4	-1	-3
Change in cash	-1	5	-6	-5	9	8	1	0

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	429	248	202	224	188	188	188
Net debt (excl. convertibles)	-28	-21	-13	-28	-33	-34	-37
Enterprise value	402	227	189	196	155	154	150
Sales	90	99	104	108	117	126	132
EBITDA	14	9	12	17	20	24	24
EBIT	11	6	8	14	16	19	20
Pre-tax	11	6	7	13	16	19	20
Earnings	9	5	5	11	12	15	16
Equity book value (excl. minorities)	74	73	73	82	87	94	100

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	4.5	2.3	1.8	1.8	1.3	1.2	1.1
EV/EBITDA	29.0	25.0	16.1	11.6	7.9	6.4	6.3
EV/EBITA	38.0	39.2	23.1	14.3	9.7	7.7	7.3
EV/EBIT	38.0	39.2	23.1	14.3	9.7	8.0	7.6
EV/OCF	56.4	-772.5	17.7	10.3	10.3	9.3	8.5
EV/FCF	78.5	-132.7	8.7	11.4	12.4	16.2	11.3
P/FCFR	74.5	-128.9	9.6	13.3	15.5	20.1	14.2
P/E	46.4	45.3	29.3	20.2	15.2	12.4	11.9
P/BV	5.8	3.4	2.8	2.7	2.1	2.0	1.9
Target EV/EBITDA					8.8	7.2	7.0
Target EV/EBIT					10.8	8.9	8.4
Target EV/FCFF					14.2	18.3	12.7
Target P/BV					2.3	2.2	2.0
Target P/E, diluted	44.4	49.2	36.8	23.4	16.6	13.5	13.0

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	14.66	14.66	14.66	14.66	14.66	14.66	14.66
Number of shares (diluted, million)	15.16	15.16	14.66	14.66	14.66	14.66	14.66
EPS	0.63	0.35	0.38	0.76	0.84	1.03	1.07
Operating cash flow per share	0.49	-0.02	0.73	1.30	1.03	1.13	1.20
Free cash flow per share	0.39	-0.13	1.44	1.15	0.83	0.64	0.90
Book value per share	5.02	4.96	4.97	5.62	5.96	6.44	6.83
Dividend per share	0.35	0.20	0.23	0.50	0.56	0.68	0.71
Dividend payout ratio, %	55.4%	57.0%	61.3%	66.0%	66.0%	66.0%	66.0%
Dividend yield, %	1.2%	1.2%	1.7%	3.9%	4.4%	5.3%	5.5%
FCF yield, %	1.3%	-0.8%	10.5%	7.5%	6.5%	5.0%	7.0%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	14.0%	7.0%	7.6%	14.3%	14.6%	16.7%	16.2%
ROCE	15.1%	7.7%	10.6%	17.0%	18.4%	20.5%	20.1%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	24.8%	25.2%	22.7%	21.2%	19.0%	19.0%	19.0%
Receivables as % of sales	34.8%	36.2%	33.8%	31.1%	31.1%	31.1%	31.1%
Non-int. bearing liabilities as % of sales	17.1%	14.2%	13.4%	15.1%	15.1%	15.1%	15.1%
NWC/sales, %	41.3%	45.6%	41.8%	35.9%	33.8%	33.9%	33.9%
Operative CAPEX/Sales, %	1.5%	1.7%	1.9%	2.1%	2.5%	5.7%	3.4%
CAPEX/sales (incl. acquisitions), %	1.5%	1.7%	13.9%	2.1%	2.5%	5.7%	3.4%
FCFF/EBITDA	0.4	-0.2	1.9	1.0	0.6	0.4	0.6
Net Debt/EBITDA, book-weighted	-2.0	-2.3	-1.1	-1.7	-1.7	-1.4	-1.6
Debt/equity, market-weighted	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, %	-37.6%	-28.3%	-17.7%	-34.2%	-37.8%	-36.3%	-37.4%

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	67.586	36.0 %
OP-Finland Fund	617 376	7.902	4.2 %
Varma Mutual Pension Insurance Company	515 000	6.592	3.5 %
Sijoitusrahasto Aktia Capital	463 654	5.935	3.2 %
Iimarinen Mutual Pension Insurance Company	435 737	5.577	3.0 %
Martola Hannu Veikko	431 690	5.526	2.9 %
Veritas Pension Insurance Company Ltd.	389 387	4.984	2.7 %
Evli Finnish Small Cap Fund	352 000	4.506	2.4 %
OP-Finland Small Firms Fund	330 019	4.224	2.3 %
Säästöpankki Kotimaa	260 000	3.328	1.8 %
Ten largest	9 075 030	116.160	61.9 %
Residual	5 580 900	71.436	38.1 %
Total	14 655 930	187.596	100%

EARNINGS CALENDAR

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

Important Disclosures

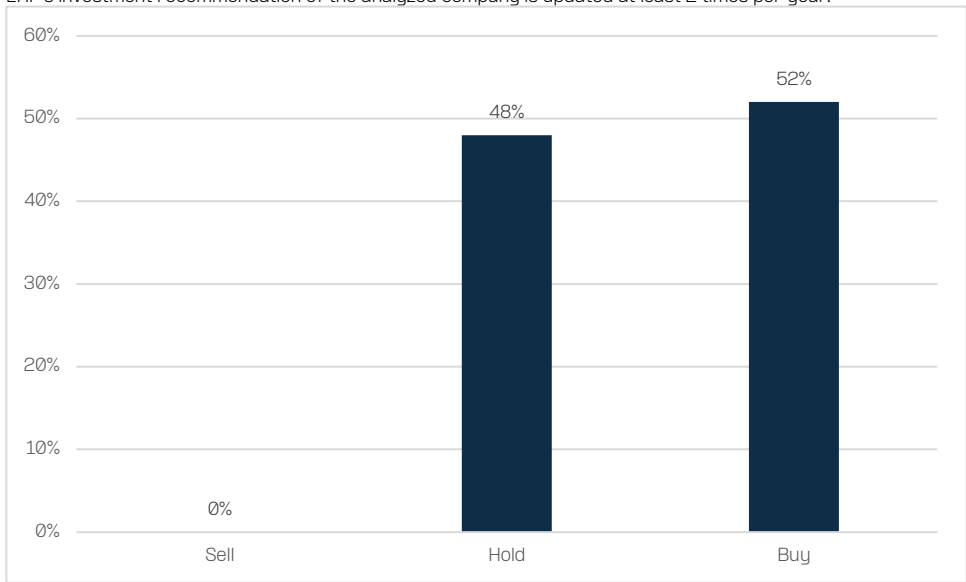
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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

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