

Growth drivers are still there

DT reports Q2 results on Aug 7. Q2 will not be great, and DT may not see earnings growth before Q4, but multiples are already relatively low on this year's soft earnings while medium-term growth drivers remain intact.

Earnings growth may not resume before Q4'25

DT cut Q2 guidance as security CT installations remained at a lower-than-expected level especially in Southern Europe; MBU and IBU still grew, but we estimate SBU revenue declined 24% y/y. We estimate DT Q2 revenue at EUR 24.1m, down 8% y/y. Earnings face another headwind due to unfavorable mix, and so we expect Q2 EBITA to fall by more than EUR 1m y/y to EUR 2.2m. Q2 will likely be the relatively weakest quarter this year, but Q3 EBITA may also decline y/y even if top line holds steady.

Security growth drivers remain intact

MBU and IBU saw slower organic growth than SBU not long ago, but the situation has at least temporarily reversed as the medical market in China is recovering while industrial TFT sales take off. Meanwhile SBU could see some gradual improvement in Q3, but it might not resume growth before Q4. DT has however recently unveiled a new detector family for high-speed cargo scanning; in our view there could be significant growth potential for DT within cargo and vehicle inspection at border checkpoints thanks to many recent developments, including the Nato pledge to spend 1.5% of GDP on things like infrastructure, however the relevant market size is still only a fraction of airport security screening while DT's sales have amounted to only some millions.

Valuation could turn very attractive towards next year

DT's FY'25 earnings are likely to decline a bit, even if revenue grows a couple of percentage points, as earnings mix tilts more towards MBU instead of SBU. We estimate FY'25 EBITA to decline by some EUR 1m; Q3 could reach almost flat results, while Q4 and FY'26 have strong potential to improve assuming SBU volumes recover. We expect double-digit SBU revenue growth beginning from Q4 and should such a rate be sustained next year DT could grow by almost 10%. DT should then be able to reach 15% EBITA margin, which would imply more than EUR 4m in earnings growth next year. The lack of growth so far this year is a disappointment, but DT is valued only around 10x EV/EBIT on our FY'25 estimates, while better FY'26 would imply a multiple of only about 7x. We retain our EUR 12.0 TP and ACCUMULATE rating.

Rating

Accumulate



Share price, EUR (Last trading day's closing price)	11.25
Target price, EUR	12.0
Latest change in recommendation	16-Apr-25
Latest report on company	25-Apr-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	165
Free float, %	—
Exchange rate	—
Reuters code	DETEC.HE
Bloomberg code	DETEC FH
Average daily volume, EURm	0.1
Next interim report	07-Aug-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	109.9	13.1	11.9%	12.2	0.67	16.7	1.2	10.1	7.4%	0.44
2026E	120.3	18.2	15.1%	8.8	0.98	11.4	1.1	7.1	5.3%	0.65
2027E	127.5	19.3	15.1%	12.7	1.07	10.5	1.0	6.6	7.7%	0.71

Market cap, EURm	165	Gearing 2025E, %	—39.0 %	CAGR EPS 2024–27, %	12.1 %
Net debt 2025E, EURm	—33	Price/book 2025E	1.9	CAGR Sales 2024–27, %	5.9 %
Enterprise value, EURm	132	Dividend yield 2025E, %	4.0 %	ROE 2025E, %	11.8 %
Total assets 2025E, EURm	107	Tax rate 2025E, %	21.5 %	ROCE 2025E, %	15.3 %
Goodwill 2025E, EURm	0	Equity ratio 2025E, %	79.3 %	PEG, P/E 25/CAGR	0.8

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	Q1'25	Q2'25	Q3'25	Q4'25	2025E
Net sales	98.6	103.8	22.7	26.1	27.1	31.6	107.5	22.2	24.1	27.7	35.9	109.9
Medical	48.1	48.4	9.5	9.3	10.9	12.5	42.2	10.8	10.0	12.2	14.4	47.3
Security	34.4	39.3	9.6	11.5	11.3	13.9	46.3	7.7	8.7	10.5	15.7	42.5
Industrial	16.1	16.2	3.6	5.3	4.9	5.2	19.0	3.8	5.4	5.0	5.8	20.0
Adj. EBITA	6.1	9.7	2.3	3.3	4.2	5.2	14.9	1.4	2.2	4.0	6.4	14.0
<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>–2%</i>	<i>–8%</i>	<i>2%</i>	<i>14%</i>	<i>2%</i>
<i>Medical</i>	<i>–2%</i>	<i>0%</i>	<i>–21%</i>	<i>–25%</i>	<i>1%</i>	<i>–5%</i>	<i>–13%</i>	<i>14%</i>	<i>7%</i>	<i>12%</i>	<i>15%</i>	<i>12%</i>
<i>Security</i>	<i>23%</i>	<i>14%</i>	<i>32%</i>	<i>27%</i>	<i>16%</i>	<i>5%</i>	<i>18%</i>	<i>–20%</i>	<i>–24%</i>	<i>–8%</i>	<i>13%</i>	<i>–8%</i>
<i>Industrial</i>	<i>26%</i>	<i>1%</i>	<i>5%</i>	<i>42%</i>	<i>23%</i>	<i>4%</i>	<i>18%</i>	<i>4%</i>	<i>2%</i>	<i>2%</i>	<i>12%</i>	<i>5%</i>
<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>6%</i>	<i>9%</i>	<i>14%</i>	<i>18%</i>	<i>12.7%</i>

DETECTION TECHNOLOGY	MCAP	EV/EBITDA			EV/EBIT			P/E		
PEER GROUP	MEUR	24	25	26	24	25	26	24	25	26
Hamamatsu Photonics	3008	10.0x	10.3x	9.2x	16.4x	20.0x	16.4x	23.5x	28.1x	23.8x
OSI Systems	3306	12.5x	15.1x	13.9x	15.4x	18.5x	17.1x	26.3x	23.8x	21.7x
Varex Imaging	303	9.7x	8.1x	7.2x	20.6x	14.5x	12.2x	16.7x	18.0x	11.2x
ams–OSRAM	1281	3.9x	4.9x	4.2x	9.2x	9.4x	7.6x	425.7x	27.7x	10.0x
Analog Devices	104144	20.2x	25.7x	23.3x	28.3x	27.9x	23.7x	37.4x	31.8x	26.4x
Keysight Tech	24289	20.0x	18.8x	17.0x	22.5x	20.7x	18.4x	25.8x	23.0x	20.5x
Comet Holding	2314	31.8x	23.9x	15.9x	50.1x	32.1x	19.4x	61.7x	41.1x	24.7x
Texas Instruments	170845	25.4x	26.1x	22.2x	33.0x	35.0x	29.2x	42.2x	39.4x	32.5x
Oxford Instruments	1345	13.4x	11.8x	11.1x	15.4x	13.9x	12.9x	18.1x	18.1x	16.8x
Trimble	16510	18.3x	21.6x	19.7x	19.5x	22.9x	20.8x	28.4x	27.9x	24.6x
Hexagon	23896	13.8x	13.8x	12.4x	18.3x	18.9x	16.9x	19.9x	21.6x	19.2x
Konica Minolta	1280	24.6x	7.7x	5.7x		41.8x	12.9x		54.9x	8.8x
iRay Technology Company	2111	27.5x	23.4x	17.6x	32.8x	30.9x	24.6x	36.8x	29.4x	23.5x
Vieworks	122	6.9x	7.2x	5.8x	9.2x	9.9x	7.5x	10.1x	11.1x	8.0x
Peer Group Average	25340	17.0x	15.6x	13.2x	22.4x	22.6x	17.1x	59.4x	28.3x	19.4x
Peer Group Median	2661	16.1x	14.4x	13.2x	19.5x	20.3x	17.0x	26.3x	27.8x	21.1x
Detection Technology (Evli est.)	165	11.6x	8.0x	5.9x	14.3x	10.1x	7.1x	20.2x	16.7x	11.4x
<i>Detection Technology prem./disc. to peer median</i>		<i>–28 %</i>	<i>–45 %</i>	<i>–55 %</i>	<i>–27 %</i>	<i>–50 %</i>	<i>–58 %</i>	<i>–23 %</i>	<i>–40 %</i>	<i>–46 %</i>

DETECTION TECHNOLOGY	Sales	Sales gr.			EBIT–%			Div. yield		
PEER GROUP	23	24	25	26	24	25	26	24	25	26
Hamamatsu Photonics	1439	–13.0%	3.1%	6.5%	14.4 %	11.2 %	12.8 %	2.1 %	2.2 %	2.3 %
OSI Systems	1178	20.9%	5.1%	5.3%	14.0 %	14.0 %	14.3 %		0.0 %	
Varex Imaging	826	–9.2%	–7.6%	4.7%	5.3 %	7.0 %	8.0 %			
ams–OSRAM	4819	–28.9%	–1.8%	4.6%	7.0 %	8.6 %	10.3 %	0.0 %	0.0 %	0.0 %
Analog Devices	11682	–22.8%	3.0%	12.2%	41.0 %	41.9 %	44.1 %	1.5 %	1.6 %	1.7 %
Keysight Tech	5231	–10.1%	–2.5%	6.5%	25.1 %	25.5 %	26.8 %	0.0 %	0.0 %	0.0 %
Comet Holding	587	–20.9%	15.7%	19.6%	8.6 %	13.3 %	18.4 %	0.5 %	0.9 %	1.4 %
Texas Instruments	18370	–19.0%	0.1%	10.4%	34.7 %	34.4 %	37.4 %	2.4 %	2.5 %	2.6 %
Oxford Instruments	519	12.2%	–4.8%	1.9%	16.6 %	16.9 %	17.8 %	1.1 %	1.2 %	1.2 %
Trimble	3428	3.1%	–16.6%	7.5%	25.4 %	26.7 %	27.2 %	0.0 %	0.0 %	0.0 %
Hexagon	5161	4.7%	1.2%	5.8%	28.3 %	26.7 %	28.2 %	1.6 %	2.0 %	2.0 %
Konica Minolta	7621	–9.1%	–8.7%	–2.7%	–3.7 %	1.3 %	4.3 %	0.3 %	1.7 %	2.8 %
iRay Technology Company	212	4.2%	18.5%	26.3%	26.5 %	29.5 %	29.3 %	1.2 %	1.0 %	1.2 %
Vieworks	169	–16.3%	4.6%	8.7%	10.0 %	9.1 %	11.1 %	2.8 %	2.8 %	3.0 %
Peer Group Average	4374	–7.5%	0.7%	8.4%	18.1 %	19.0 %	20.7 %	1.1 %	1.2 %	1.5 %
Peer Group Median	2434	–9.7%	0.6%	6.5%	15.5 %	15.5 %	18.1 %	1.1 %	1.2 %	1.6 %
Detection Technology (Evli est.)	104	3.6%	2.3%	9.4%	12.8 %	11.9 %	15.1 %	3.3 %	3.9 %	5.8 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	11.25 PV of Free Cash Flow	100 Long-term growth, %	2.6 % Risk-free interest rate, %
DCF share value	18.96 PV of Horizon value	157 WACC, %	8.5 % Market risk premium, %
Share price potential, %	68.6 % Unconsolidated equity	0 Spread, %	0.0 % Debt risk premium %
Maximum value	19.0 Marketable securities	28 Minimum WACC, %	8.5 % Equity beta coefficient
Minimum value	19.0 Debt – dividend	–7 Maximum WACC, %	8.5 % Target debt ratio, %
Horizon value, %	61.0 % Value of stock	278 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	110	120	127	134	141	148	152	157	161	165	170
Sales growth (%)	3.6%	2.3%	9.4%	6.0%	5.0%	5.0%	5.0%	3.0%	3.0%	3.0%	2.6%	2.6%
Operating income (EBIT)	14	13	18	19	21	22	23	24	24	25	26	26
Operating income margin %	12.8%	11.9%	15.1%	15.1%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
+ Depreciation+amort.	3	3	5	4	4	5	5	5	5	5	5	
EBITDA	17	16	23	23	25	26	28	29	29	30	31	
– Paid taxes	–2	–3	–4	–4	–4	–4	–4	–4	–4	–5	–5	
– Change in NWC	5	2	–4	–3	–2	–2	–2	–2	–2	–2	–1	
NWC / Sales, %	35.9%	33.7%	33.8%	33.9%	34.0%	34.0%	34.1%	34.1%	34.1%	34.1%	34.2%	
+ Change in other liabs												
– Operative CAPEX	–2	–2	–7	–4	–5	–5	–5	–5	–5	–5	–6	
opCAPEX / Sales, %	2.1%	2.1%	5.4%	3.5%	3.6%	3.6%	3.6%	3.4%	3.4%	3.4%	3.3%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	17	13	9	13	14	15	16	18	18	19	19	339
= Discounted FCFF		12	8	10	11	10	10	10	10	9	9	157
= DFCF min WACC		12	8	10	11	10	10	10	10	9	9	157
= DFCF max WACC		12	8	10	11	10	10	10	10	9	9	157

Sensitivity analysis, EUR

		Terminal WACC				
		6.48 %	7.48 %	8.48 %	9.48 %	10.48 %
Terminal EBIT–%	13.50 %	24.97	20.26	17.14	14.92	13.26
	14.50 %	26.62	21.46	18.05	15.63	13.83
	15.50 %	28.26	22.66	18.96	16.35	14.40
	16.50 %	29.91	23.85	19.87	17.06	14.98
	17.50 %	31.56	25.05	20.79	17.78	15.55

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	22.7	26.1	27.1	31.6	107.5	22.2	24.1	27.7	35.9	109.9	120.3	127.5
EBITDA	3.1	4.1	4.9	4.8	17.0	2.0	2.9	4.6	7.0	16.3	22.7	23.3
<i>EBITDA margin (%)</i>	<i>13.8%</i>	<i>15.7%</i>	<i>18.2%</i>	<i>15.3%</i>	<i>15.8%</i>	<i>9.0%</i>	<i>12.0%</i>	<i>16.7%</i>	<i>19.6%</i>	<i>14.8%</i>	<i>18.9%</i>	<i>18.2%</i>
EBIT	2.2	3.3	4.0	4.2	13.8	1.2	2.0	3.7	6.1	13.1	18.2	19.3
<i>EBIT margin (%)</i>	<i>9.8%</i>	<i>12.8%</i>	<i>14.9%</i>	<i>13.1%</i>	<i>12.8%</i>	<i>5.4%</i>	<i>8.2%</i>	<i>13.5%</i>	<i>17.1%</i>	<i>11.9%</i>	<i>15.1%</i>	<i>15.1%</i>
Net financial items	-0.2	-0.3	-0.1	0.1	-0.4	-0.2	-0.1	-0.1	-0.1	-0.5	-0.2	-0.1
Pre-tax profit	2.1	3.1	3.9	4.2	13.3	1.0	1.9	3.6	6.0	12.6	18.0	19.2
Tax	-0.4	-0.9	-0.7	-0.2	-2.2	-0.3	-0.8	-0.8	-0.8	-2.7	-3.6	-3.6
<i>Tax rate (%)</i>	<i>19.2%</i>	<i>29.1%</i>	<i>17.8%</i>	<i>5.6%</i>	<i>16.8%</i>	<i>30.0%</i>	<i>42.4%</i>	<i>22.0%</i>	<i>13.3%</i>	<i>21.5%</i>	<i>19.4%</i>	<i>18.0%</i>
Net profit	1.7	2.2	3.2	4.0	11.1	0.7	1.1	2.8	5.2	9.9	14.4	15.6
EPS	0.11	0.15	0.22	0.27	0.76	0.05	0.07	0.19	0.36	0.67	0.98	1.07
EPS adj. (diluted)	0.11	0.15	0.22	0.27	0.76	0.05	0.07	0.19	0.36	0.67	0.98	1.07
Dividend per share					0.50					0.44	0.65	0.71
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
MBU	9.5	9.3	10.9	12.5	42.2	10.8	10.0	12.2	14.4	47.4	50.7	53.2
SBU	9.6	11.5	11.2	14.0	46.3	7.7	8.7	10.5	15.7	42.6	48.1	51.7
IBU	3.6	5.3	5.0	5.1	19.0	3.8	5.4	5.0	5.8	20.0	21.5	22.6
Total	22.7	26.1	27.1	31.6	107.5	22.2	24.1	27.7	35.9	109.9	120.3	127.5
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
MBU	-21.0%	-25.3%	0.5%	-4.6%	-12.8%	13.7%	7.3%	12.0%	15.0%	12.2%	7.0%	5.0%
SBU	31.5%	27.1%	14.9%	6.1%	17.8%	-20.0%	-24.2%	-6.7%	12.2%	-8.1%	13.0%	7.5%
IBU	5.2%	41.5%	27.2%	2.0%	18.0%	4.2%	2.0%	0.5%	14.2%	5.3%	7.5%	5.0%
Total	-0.2%	3.5%	10.5%	1.0%	3.6%	-2.0%	-7.7%	2.2%	13.6%	2.3%	9.4%	6.0%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	2.2	3.3	4.0	4.2	13.8	1.2	2.0	3.7	6.1	13.1	18.2	19.3
Total	2.2	3.3	4.0	4.2	13.8	1.2	2.0	3.7	6.1	13.1	18.2	19.3
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	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%	5.4%	8.2%	13.5%	17.1%	11.9%	15.1%	15.1%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	81.6	89.8	98.6	103.8	107.5	109.9	120.3	127.5
<i>Sales growth (%)</i>	-20.4%	10.1%	9.8%	5.3%	3.6%	2.3%	9.4%	6.0%
EBITDA	11.9	13.9	9.1	11.8	17.0	16.3	22.7	23.3
<i>EBITDA margin (%)</i>	14.6%	15.4%	9.2%	11.3%	15.8%	14.8%	18.9%	18.2%
Depreciation	-3.2	-3.3	-3.3	-3.6	-3.2	-3.2	-3.9	-3.4
EBITA	8.7	10.6	5.8	8.2	13.8	13.1	18.8	19.9
Goodwill amortization / writedown							-0.6	-0.6
EBIT	8.7	10.6	5.8	8.2	13.8	13.1	18.2	19.3
<i>EBIT margin (%)</i>	10.7%	11.8%	5.9%	7.9%	12.8%	11.9%	15.1%	15.1%
Reported EBIT	8.7	10.6	5.8	8.2	13.8	13.1	18.2	19.3
<i>EBIT margin (reported) (%)</i>	10.7%	11.8%	5.9%	7.9%	12.8%	11.9%	15.1%	15.1%
Net financials	-0.6	0.8	-0.2	-0.9	-0.4	-0.5	-0.2	-0.1
Pre-tax profit	8.1	11.4	5.6	7.3	13.3	12.6	18.0	19.2
Taxes	-1.4	-2.1	-0.4	-1.8	-2.2	-2.7	-3.6	-3.6
Minority shares								
Net profit	6.7	9.3	5.1	5.5	11.1	9.9	14.4	15.6
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	10	9	7	17	16	15	17	18
Goodwill							-1	-1
Right of use assets								
Inventory	16	22	25	24	23	21	23	24
Receivables	25	31	36	35	33	34	37	40
Liquid funds	25	30	24	19	28	37	38	39
Total assets	76	92	91	95	100	107	116	120
Liabilities								
Shareholders' equity	58	74	73	73	82	85	93	99
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	17	18	19
Other interest-free debt	1	1	1	1	1	1	1	1
Total liabilities	76	92	91	95	100	107	116	120
CASH FLOW, EURm								
+ EBITDA	12	14	9	12	17	16	23	23
- Net financial items	-1	3	-6	-1	0	-1	0	0
- Taxes	-3	-1	-2	-2	-2	-3	-4	-4
- Increase in Net Working Capital	0	-6	-9	2	5	2	-4	-3
+/- Other	-1	-3	7					
= Cash flow from operations	8	7	0	11	19	15	15	17
- Capex	-3	-1	-2	-2	-2	-2	-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	7	10	10
+/- Other	1	-7	2	-20	-6	4	-1	-3
Change in cash	-1	5	-6	-5	9	8	2	0

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	429	248	202	224	165	165	165
Net debt (excl. convertibles)	-28	-21	-13	-28	-33	-35	-39
Enterprise value	402	227	189	196	132	130	127
Sales	90	99	104	108	110	120	127
EBITDA	14	9	12	17	16	23	23
EBIT	11	6	8	14	13	18	19
Pre-tax	11	6	7	13	13	18	19
Earnings	9	5	5	11	10	14	16
Equity book value (excl. minorities)	74	73	73	82	85	93	99

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	4.5	2.3	1.8	1.8	1.2	1.1	1.0
EV/EBITDA	29.0	25.0	16.1	11.6	8.1	5.7	5.4
EV/EBITA	38.0	39.2	23.1	14.3	10.1	6.9	6.4
EV/EBIT	38.0	39.2	23.1	14.3	10.1	7.1	6.6
EV/OCF	56.4	-772.5	17.7	10.3	9.1	8.5	7.4
EV/FCF	78.5	-132.7	8.7	11.4	10.5	14.5	9.9
P/FCFR	74.5	-128.9	9.6	13.3	13.5	18.8	13.0
P/E	46.4	45.3	29.3	20.2	16.7	11.4	10.5
P/BV	5.8	3.4	2.8	2.7	1.9	1.8	1.7
Target EV/EBITDA					8.8	6.2	5.9
Target EV/EBIT					10.9	7.7	7.1
Target EV/FCFF					11.7	16.0	10.9
Target P/BV					2.1	1.9	1.8
Target P/E, diluted	44.4	49.2	36.8	23.4	17.8	12.2	11.2

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	0.67	0.98	1.07
Operating cash flow per share	0.49	-0.02	0.73	1.30	0.99	1.04	1.17
Free cash flow per share	0.39	-0.13	1.44	1.15	0.83	0.60	0.86
Book value per share	5.02	4.96	4.97	5.62	5.79	6.33	6.75
Dividend per share	0.35	0.20	0.23	0.50	0.44	0.65	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%	3.3%	4.0%	5.8%	6.3%
FCF yield, %	1.3%	-0.8%	10.5%	7.5%	7.4%	5.3%	7.7%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	14.0%	7.0%	7.6%	14.3%	11.8%	16.2%	16.3%
ROCE	15.1%	7.7%	10.6%	17.0%	15.3%	19.7%	19.8%

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%	33.7%	33.8%	33.9%
Operative CAPEX/Sales, %	1.5%	1.7%	1.9%	2.1%	2.1%	5.4%	3.5%
CAPEX/sales (incl. acquisitions), %	1.5%	1.7%	13.9%	2.1%	2.1%	5.4%	3.5%
FCFF/EBITDA	0.4	-0.2	1.9	1.0	0.8	0.4	0.5
Net Debt/EBITDA, book-weighted	-2.0	-2.3	-1.1	-1.7	-2.0	-1.6	-1.7
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%	-39.0%	-38.2%	-39.0%

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	59.402	36.0 %
OP-Finland Fund	617 376	6.945	4.2 %
Varma Mutual Pension Insurance Company	515 000	5.794	3.5 %
Sijoitusrahasto Aktia Capital	463 654	5.216	3.2 %
Iimarinen Mutual Pension Insurance Company	435 737	4.902	3.0 %
Martola Hannu Veikko	431 690	4.857	2.9 %
Veritas Pension Insurance Company Ltd.	389 387	4.381	2.7 %
Evli Finnish Small Cap Fund	352 000	3.960	2.4 %
OP-Finland Small Firms Fund	330 019	3.713	2.3 %
Säästöpankki Kotimaa	260 000	2.925	1.8 %
Ten largest	9 075 030	102.094	61.9 %
Residual	5 580 900	62.785	38.1 %
Total	14 655 930	164.879	100%

EARNINGS CALENDAR

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

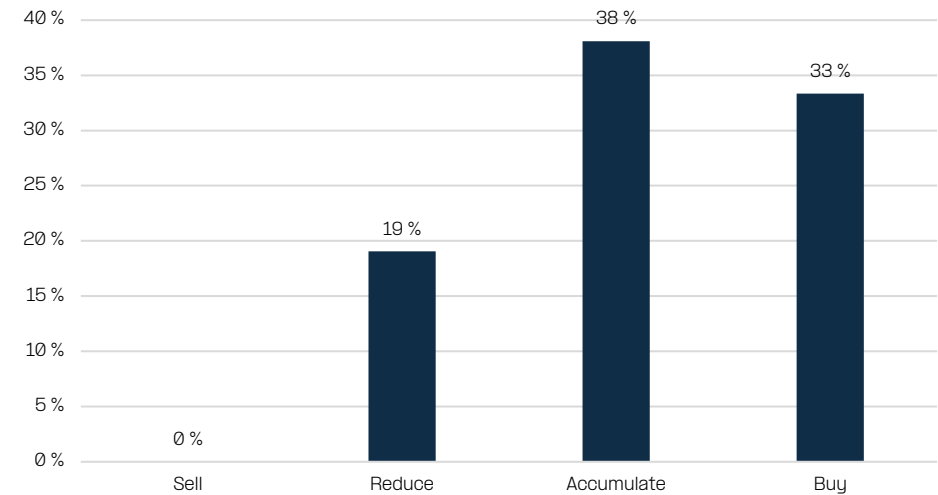
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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

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