

Some more growth delays

DT's Q2 earnings were softer than estimated and disappointingly Q3 results too are about to decline, yet fundamental demand drivers should remain strong for FY'26.

Growth will be delayed by another quarter or two

DT's EUR 24.4m Q2 revenue was above the EUR 24.1m/23.9m Evli/cons. estimates, but sales mix was more tilted towards MBU than expected and so the EUR 1.7m EBITA missed the EUR 2.2m/2.3m Evli/cons. estimates. Another negative was the outlook, since previously growth was expected to resume in H2 while now revenue looks to decline a bit. There are three reasons why DT's growth will be further delayed: the data center construction boom limits availability of certain components, which is an issue for MBU supply chains, while within SBU there remains a lag for new European aviation CT system installations after the EU lifted its liquid rule restrictions. Another SBU volume delay is due to the fact that certain customers are relocating production to the US. DT takes some fixed cost measures, including personnel expense savings, to protect earnings.

We estimate 10% EBITA margin for the year

We estimate Q3 revenue to decline 7% y/y as neither MBU nor SBU seems to grow, but we see Q4 flat as especially security CT systems installations should begin to normalize and pick up towards next year. Q3 will still see EBITA decline for the same reasons as in Q2 (lower revenue and less favorable sales mix), and we estimate the respective EBITA at EUR 2.6m or 10% margin. For Q4 we estimate EBITA only slightly down y/y to EUR 5.0m as sales mix should remain roughly similar. In our view DT's FY'25 EBITA will decline by some EUR 4m to just below EUR 11m; this would represent a gain of EUR 1m relative to FY'23 (similar top line while sales mix should be slightly more favorable, in addition to which DT has found cost efficiencies).

Valuation is low assuming growth returns next year

DT's growth has been delayed further, but FY'26 should have the ingredients for double-digit growth especially due to SBU, while MBU and IBU also have drivers in place. Our FY'26 estimates are down modestly, but we still estimate EUR 120m revenue and 15% margin for the coming years. DT's multiples remain modest as it trades around 13x EV/EBIT on our FY'25 estimates and 7x next year. Valuation requires some patience due to the prolonged growth delay, yet upside potential is significant enough. Our new TP is EUR 11.0 (12.0) as we retain ACCUMULATE rating.

Rating

Accumulate



Share price, EUR (Last trading day's closing price)	10.60
Target price, EUR	11.0
Latest change in recommendation	16-Apr-25
Latest report on company	14-Jul-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	155
Free float, %	—
Exchange rate	—
Reuters code	DETEC.HE
Bloomberg code	DETEC FH
Average daily volume, EURm	0.1
Next interim report	30-Oct-25
Web site	deetee.com/investors/
Analyst	Joonas Ilvonen
E-mail	joonas.ilvonen@evli.com
Telephone	+358 44 430 9071

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	103.8	9.6	9.3%	5.3	0.48	22.2	1.2	13.4	3.4%	0.32
2026E	116.9	17.7	15.1%	6.9	0.93	11.3	1.1	7.2	4.4%	0.62
2027E	126.1	19.2	15.2%	11.0	1.06	10.0	1.0	6.5	7.1%	0.70
Market cap, EURm	155	Gearing 2025E, %	—32.0 %	CAGR EPS 2024–27, %	11.9 %					
Net debt 2025E, EURm	–26	Price/book 2025E	1.9	CAGR Sales 2024–27, %	5.5 %					
Enterprise value, EURm	129	Dividend yield 2025E, %	3.0 %	ROE 2025E, %	8.5 %					
Total assets 2025E, EURm	103	Tax rate 2025E, %	18.8 %	ROCE 2025E, %	11.5 %					
Goodwill 2025E, EURm	0	Equity ratio 2025E, %	79.4 %	PEG, P/E 25/CAGR	0.7					

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	Q3'25E	Q4'25E	2025E
Net sales	98.6	103.8	22.7	26.1	27.1	31.6	107.5	22.2	24.4	25.3	32.0	103.8
Medical	48.1	48.4	9.5	9.3	10.9	12.5	42.2	10.8	10.6	10.4	12.6	44.3
Security	34.4	39.3	9.6	11.5	11.3	13.9	46.3	7.7	8.2	9.8	13.8	39.5
Industrial	16.1	16.2	3.6	5.3	4.9	5.2	19.0	3.8	5.6	5.1	5.6	20.0
Adj. EBITA	6.1	9.7	2.3	3.3	4.2	5.2	14.9	1.4	1.7	2.6	5.0	10.7
<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>−7%</i>	<i>−7%</i>	<i>1%</i>	<i>−3%</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>14%</i>	<i>−5%</i>	<i>1%</i>	<i>5%</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>−28%</i>	<i>−13%</i>	<i>−1%</i>	<i>−15%</i>
<i>Industrial</i>	<i>26%</i>	<i>1%</i>	<i>5%</i>	<i>43%</i>	<i>23%</i>	<i>4%</i>	<i>18%</i>	<i>4%</i>	<i>4%</i>	<i>3%</i>	<i>7%</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>7%</i>	<i>10%</i>	<i>16%</i>	<i>10.3%</i>

DETECTION TECHNOLOGY	MOAP	EV/EBITDA			EV/EBIT			P/E		
PEER GROUP	MEUR	24	25	26	24	25	26	24	25	26
Hamamatsu Photonics	3218	10.0x	10.8x	9.6x	16.4x	20.9x	17.2x	24.3x	29.0x	24.5x
OSI Systems	3180	12.5x	14.4x	13.3x	15.4x	17.8x	16.5x	25.3x	22.8x	20.8x
Varex Imaging	254	9.7x	7.4x	6.6x	20.6x	13.3x	11.2x	13.9x	15.1x	9.4x
ams—OSRAM	1108	3.9x	4.7x	4.1x	9.2x	9.1x	7.6x	372.0x	31.0x	11.2x
Analog Devices	95516	20.2x	23.8x	21.3x	28.3x	25.7x	21.7x	34.2x	29.1x	24.5x
Keysight Tech	23935	20.0x	18.6x	16.8x	22.5x	20.4x	18.2x	25.4x	22.7x	20.2x
Comet Holding	1606	31.8x	22.8x	13.7x	50.1x	34.6x	17.8x	43.2x	42.1x	22.1x
Texas Instruments	147803	25.4x	22.4x	18.9x	33.0x	29.7x	24.9x	36.5x	33.9x	28.5x
Oxford Instruments	1204	13.4x	11.0x	10.3x	15.4x	13.4x	12.5x	16.5x	17.1x	15.9x
Trimble	17081	18.3x	21.4x	19.7x	19.5x	23.8x	21.5x	29.3x	28.2x	25.1x
Hexagon	26065	13.8x	15.7x	14.1x	18.3x	21.7x	19.1x	21.9x	24.4x	21.5x
Konica Minolta	1435	24.6x	8.4x	6.3x		43.2x	13.4x		63.6x	9.9x
iRay Technology Company	2106	27.5x	23.7x	17.7x	32.8x	31.9x	25.2x	36.7x	29.6x	23.6x
Vieworks	123	6.9x	6.9x	5.8x	9.2x	9.3x	7.3x	10.2x	12.1x	8.5x
Peer Group Average	23188	17.0x	15.1x	12.7x	22.4x	22.5x	16.7x	53.0x	28.6x	19.0x
Peer Group Median	2643	16.1x	15.0x	13.5x	19.5x	21.3x	17.5x	25.4x	28.6x	21.2x
Detection Technology (Evli est.)	155	11.6x	10.0x	5.9x	14.3x	13.4x	7.1x	20.2x	22.2x	11.3x
<i>Detection Technology prem./disc. to peer median</i>		<i>−28 %</i>	<i>−33 %</i>	<i>−56 %</i>	<i>−27 %</i>	<i>−37 %</i>	<i>−59 %</i>	<i>−20 %</i>	<i>−22 %</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%	3.0%	6.5%	14.4 %	11.2 %	12.8 %	2.1 %	2.1 %	2.2 %
OSI Systems	1178	21.1%	5.4%	5.3%	14.0 %	14.0 %	14.3 %		0.0 %	
Varex Imaging	826	−9.1%	−7.2%	4.7%	5.3 %	7.0 %	8.0 %			
ams—OSRAM	4819	−28.9%	−3.1%	3.9%	7.0 %	8.9 %	10.2 %	0.0 %	0.0 %	0.0 %
Analog Devices	11682	−22.8%	3.4%	12.1%	41.0 %	41.9 %	44.2 %	1.6 %	1.8 %	1.9 %
Keysight Tech	5231	−10.1%	−2.1%	6.6%	25.0 %	25.4 %	26.7 %	0.0 %	0.0 %	0.0 %
Comet Holding	587	−20.9%	10.1%	16.4%	8.6 %	9.1 %	15.2 %	0.7 %	0.8 %	1.5 %
Texas Instruments	18370	−19.0%	2.2%	10.3%	34.7 %	34.7 %	37.4 %	2.8 %	2.9 %	3.0 %
Oxford Instruments	519	12.2%	−8.3%	0.4%	16.6 %	16.4 %	17.4 %	1.2 %	1.3 %	1.4 %
Trimble	3428	3.1%	−14.8%	6.8%	25.4 %	25.5 %	26.4 %	0.0 %		
Hexagon	5161	4.7%	0.7%	4.7%	28.3 %	25.5 %	27.8 %	1.5 %	1.4 %	1.4 %
Konica Minolta	7621	−9.1%	−8.8%	−2.7%	−3.7 %	1.3 %	4.3 %	0.2 %	1.5 %	2.5 %
iRay Technology Company	212	4.2%	18.5%	27.9%	26.5 %	28.6 %	28.3 %	1.2 %	0.9 %	1.1 %
Vieworks	169	−16.3%	4.8%	8.2%	10.0 %	9.8 %	11.4 %	2.8 %	2.8 %	2.9 %
Peer Group Average	4374	−7.4%	0.3%	7.9%	18.1 %	18.5 %	20.3 %	1.2 %	1.3 %	1.6 %
Peer Group Median	2434	−9.6%	1.4%	6.6%	15.5 %	15.2 %	16.3 %	1.2 %	1.3 %	1.5 %
Detection Technology (Evli est.)	104	3.6%	−3.4%	12.6%	12.8 %	9.3 %	15.1 %	3.3 %	3.0 %	5.8 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	10.60 PV of Free Cash Flow	90 Long-term growth, %	2.6 % Risk-free interest rate, %
DCF share value	18.37 PV of Horizon value	159 WACC, %	8.5 % Market risk premium, %
Share price potential, %	73.3 % Unconsolidated equity	0 Spread, %	0.0 % Debt risk premium %
Maximum value	18.4 Marketable securities	28 Minimum WACC, %	8.5 % Equity beta coefficient
Minimum value	18.4 Debt – dividend	–7 Maximum WACC, %	8.5 % Target debt ratio, %
Horizon value, %	63.8 % Value of stock	269 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	104	117	126	134	142	150	155	160	164	169	173
Sales growth (%)	3.6%	–3.4%	12.6%	7.9%	6.1%	6.1%	6.1%	3.0%	3.0%	3.0%	2.6%	2.6%
Operating income (EBIT)	14	10	18	19	21	22	23	24	25	25	26	27
Operating income margin %	12.8%	9.3%	15.1%	15.2%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
+ Depreciation+amort.	3	3	4	4	4	5	5	5	5	5	6	
EBITDA	17	12	22	23	25	27	28	29	30	31	32	
– Paid taxes	–2	–2	–4	–4	–4	–4	–4	–4	–5	–5	–5	
– Change in NWC	5	–2	–5	–4	–3	–3	–4	–2	–2	–2	–2	
NWC / Sales, %	35.9%	39.5%	39.7%	39.8%	39.8%	39.9%	40.0%	40.0%	40.0%	40.1%	40.1%	
+ Change in other liabs												
– Operative CAPEX	–2	–2	–6	–5	–5	–5	–6	–5	–5	–6	–6	
opCAPEX / Sales, %	2.1%	1.8%	5.1%	3.7%	3.7%	3.7%	3.7%	3.4%	3.4%	3.4%	3.3%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	17	6	7	11	13	14	15	18	18	19	20	341
= Discounted FCFF		6	6	9	10	10	10	10	10	9	9	159
= DFCF min WACC		6	6	9	10	10	10	10	10	9	9	159
= DFCF max WACC		6	6	9	10	10	10	10	10	9	9	159

Sensitivity analysis, EUR

		Terminal WACC				
		6.48 %	7.48 %	8.48 %	9.48 %	10.48 %
Terminal EBIT–%	13.50 %	24.35	19.63	16.50	14.28	12.62
	14.50 %	26.04	20.86	17.44	15.02	13.21
	15.50 %	27.73	22.08	18.37	15.75	13.80
	16.50 %	29.41	23.31	19.31	16.48	14.39
	17.50 %	31.10	24.54	20.24	17.21	14.97

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	22.7	26.1	27.1	31.6	107.5	22.2	24.4	25.3	32.0	103.8	116.9	126.1
EBITDA	2.9	3.8	4.8	5.5	17.0	1.9	2.0	3.3	5.7	12.2	22.2	23.1
EBITDA margin (%)	12.8%	14.4%	17.7%	17.5%	15.8%	8.5%	8.2%	12.9%	17.8%	11.8%	19.0%	18.3%
EBIT	2.0	3.0	3.9	4.9	13.8	1.2	1.3	2.4	4.8	9.6	17.7	19.2
EBIT margin (%)	8.8%	11.5%	14.4%	15.4%	12.8%	5.4%	5.3%	9.3%	15.0%	9.3%	15.1%	15.2%
Net financial items	-0.2	-0.2	-0.1	0.1	-0.4	-0.2	-0.6	-0.1	-0.1	-1.0	-0.4	-0.1
Pre-tax profit	1.9	2.8	3.8	4.9	13.3	1.0	0.7	2.3	4.7	8.6	17.3	19.1
Tax	-0.4	-0.4	-1.2	-0.2	-2.2	-0.2	0.2	-0.8	-0.8	-1.6	-3.6	-3.5
Tax rate (%)	21.6%	13.0%	32.8%	4.8%	16.8%	20.0%	-26.9%	35.4%	17.1%	18.8%	20.1%	18.0%
Net profit	1.5	2.4	2.5	4.7	11.1	0.8	0.9	1.5	3.9	7.0	13.7	15.5
EPS	0.10	0.16	0.17	0.32	0.76	0.05	0.06	0.10	0.27	0.48	0.93	1.06
EPS adj. (diluted)	0.10	0.16	0.17	0.32	0.76	0.05	0.06	0.10	0.27	0.48	0.93	1.06
Dividend per share					0.50					0.32	0.62	0.70
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
MBU	9.5	9.3	10.9	12.5	42.2	10.8	10.6	10.4	12.6	44.4	47.7	50.1
SBU	9.6	11.5	11.2	14.0	46.3	7.7	8.2	9.8	13.8	39.5	47.8	53.5
IBU	3.6	5.3	5.0	5.1	19.0	3.8	5.6	5.1	5.6	20.0	21.5	22.5
Total	22.7	26.1	27.1	31.6	107.5	22.2	24.4	25.3	32.0	103.8	116.9	126.1
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
MBU	-21.0%	-25.3%	0.5%	-4.6%	-12.8%	13.7%	13.9%	-5.0%	1.0%	5.1%	7.5%	5.0%
SBU	31.5%	26.7%	15.3%	6.1%	17.8%	-20.0%	-28.2%	-12.6%	-1.7%	-14.7%	21.0%	12.0%
IBU	5.2%	42.6%	26.1%	2.0%	18.0%	4.2%	4.3%	2.3%	9.1%	5.0%	7.5%	5.0%
Total	-0.2%	3.5%	10.5%	1.0%	3.6%	-2.0%	-6.6%	-6.8%	1.1%	-3.4%	12.6%	7.9%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Group	2.0	3.0	3.9	4.9	13.8	1.2	1.3	2.4	4.8	9.6	17.7	19.2
Total	2.0	3.0	3.9	4.9	13.8	1.2	1.3	2.4	4.8	9.6	17.7	19.2
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	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	8.8%	11.5%	14.4%	15.4%	12.8%	5.4%	5.3%	9.3%	15.0%	9.3%	15.1%	15.2%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	81.6	89.8	98.6	103.8	107.5	103.8	116.9	126.1
<i>Sales growth (%)</i>	-20.4%	10.1%	9.8%	5.3%	3.6%	-3.4%	12.6%	7.9%
EBITDA	11.9	13.9	9.1	11.8	17.0	12.2	22.2	23.1
<i>EBITDA margin (%)</i>	14.6%	15.4%	9.2%	11.3%	15.8%	11.8%	19.0%	18.3%
Depreciation	-3.2	-3.3	-3.3	-3.6	-3.2	-2.6	-3.9	-3.3
EBITA	8.7	10.6	5.8	8.2	13.8	9.6	18.3	19.8
Goodwill amortization / writedown							-0.6	-0.6
EBIT	8.7	10.6	5.8	8.2	13.8	9.6	17.7	19.2
<i>EBIT margin (%)</i>	10.7%	11.8%	5.9%	7.9%	12.8%	9.3%	15.1%	15.2%
Reported EBIT	8.7	10.6	5.8	8.2	13.8	9.6	17.7	19.2
<i>EBIT margin (reported) (%)</i>	10.7%	11.8%	5.9%	7.9%	12.8%	9.3%	15.1%	15.2%
Net financials	-0.6	0.8	-0.2	-0.9	-0.4	-1.0	-0.4	-0.1
Pre-tax profit	8.1	11.4	5.6	7.3	13.3	8.6	17.3	19.1
Taxes	-1.4	-2.1	-0.4	-1.8	-2.2	-1.6	-3.6	-3.5
Minority shares								
Net profit	6.7	9.3	5.1	5.5	11.1	7.0	13.7	15.5
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	24	27	29
Receivables	25	31	36	35	33	34	39	42
Liquid funds	25	30	24	19	28	30	32	32
Total assets	76	92	91	95	100	103	113	119
Liabilities								
Shareholders' equity	58	74	73	73	82	82	91	98
Minority interest				0	0	0	0	0
Convertibles								
Lease liabilities								
Deferred taxes								
Interest bearing debt	6	2	3	6		4	3	1
Non-interest bearing current liabilities	11	15	14	14	16	16	18	19
Other interest-free debt	1	1	1	1	1	1	1	1
Total liabilities	76	92	91	95	100	103	113	119
CASH FLOW, EURm								
+ EBITDA	12	14	9	12	17	12	22	23
- Net financial items	-1	3	-6	-1	0	-1	0	0
- Taxes	-3	-1	-2	-2	-2	-2	-4	-4
- Increase in Net Working Capital	0	-6	-9	2	5	-2	-5	-4
+/- Other	-1	-3	7					
= Cash flow from operations	8	7	0	11	19	7	13	16
- Capex	-3	-1	-2	-2	-2	-2	-6	-5
- Acquisitions				12				
+ Divestments								
= Free cash flow	4	6	-2	21	17	5	7	11
+/- New issues/buybacks	-1	10	-1	-2	2			
- Paid dividend	4	5	3	3	7	5	9	10
+/- Other	1	-7	2	-20	-6	4	-1	-2
Change in cash	-1	5	-6	-5	9	2	2	0

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	429	248	202	224	155	155	155
Net debt (excl. convertibles)	-28	-21	-13	-28	-26	-29	-31
Enterprise value	402	227	189	196	129	127	125
Sales	90	99	104	108	104	117	126
EBITDA	14	9	12	17	12	22	23
EBIT	11	6	8	14	10	18	19
Pre-tax	11	6	7	13	9	17	19
Earnings	9	5	5	11	7	14	16
Equity book value (excl. minorities)	74	73	73	82	82	91	98

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	10.6	5.7	5.4
EV/EBITA	38.0	39.2	23.1	14.3	13.4	7.0	6.3
EV/EBIT	38.0	39.2	23.1	14.3	13.4	7.2	6.5
EV/OCF	56.4	-772.5	17.7	10.3	18.1	9.9	8.0
EV/FCF	78.5	-132.7	8.7	11.4	21.0	17.6	11.2
P/FCFR	74.5	-128.9	9.6	13.3	29.2	22.6	14.1
P/E	46.4	45.3	29.3	20.2	22.2	11.3	10.0
P/BV	5.8	3.4	2.8	2.7	1.9	1.7	1.6
Target EV/EBITDA					11.0	6.0	5.7
Target EV/EBIT					14.0	7.5	6.8
Target EV/FCFF					25.4	19.3	11.9
Target P/BV					2.0	1.8	1.7
Target P/E, diluted	44.4	49.2	36.8	23.4	23.0	11.8	10.4

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	0.48	0.93	1.06
Operating cash flow per share	0.49	-0.02	0.73	1.30	0.49	0.87	1.07
Free cash flow per share	0.39	-0.13	1.44	1.15	0.36	0.47	0.75
Book value per share	5.02	4.96	4.97	5.62	5.60	6.22	6.66
Dividend per share	0.35	0.20	0.23	0.50	0.32	0.62	0.70
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%	3.0%	5.8%	6.6%
FCF yield, %	1.3%	-0.8%	10.5%	7.5%	3.4%	4.4%	7.1%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	14.0%	7.0%	7.6%	14.3%	8.5%	15.8%	16.5%
ROCE	15.1%	7.7%	10.6%	17.0%	11.5%	19.7%	19.9%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	24.8%	25.2%	22.7%	21.2%	23.0%	23.0%	23.0%
Receivables as % of sales	34.8%	36.2%	33.8%	31.1%	33.0%	33.0%	33.0%
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%	39.5%	39.7%	39.8%
Operative CAPEX/Sales, %	1.5%	1.7%	1.9%	2.1%	1.8%	5.1%	3.7%
CAPEX/sales (incl. acquisitions), %	1.5%	1.7%	13.9%	2.1%	1.8%	5.1%	3.7%
FCFF/EBITDA	0.4	-0.2	1.9	1.0	0.5	0.3	0.5
Net Debt/EBITDA, book-weighted	-2.0	-2.3	-1.1	-1.7	-2.1	-1.3	-1.3
Debt/equity, market-weighted	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, %	-37.6%	-28.3%	-17.7%	-34.2%	-32.0%	-31.3%	-31.2%

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	55.970	36.0 %
OP-Finland Fund	617 376	6.544	4.2 %
Varma Mutual Pension Insurance Company	515 000	5.459	3.5 %
Sijoitusrahasto Aktia Capital	463 654	4.915	3.2 %
Iimarinen Mutual Pension Insurance Company	435 737	4.619	3.0 %
Martola Hannu Veikko	431 690	4.576	2.9 %
Veritas Pension Insurance Company Ltd.	389 387	4.128	2.7 %
Evli Finnish Small Cap Fund	352 000	3.731	2.4 %
OP-Finland Small Firms Fund	330 019	3.498	2.3 %
Säästöpankki Kotimaa	260 000	2.756	1.8 %
Ten largest	9 075 030	96.195	61.9 %
Residual	5 580 900	59.158	38.1 %
Total	14 655 930	155.353	100%

EARNINGS CALENDAR

October 30, 2025 Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Hannu Martola
CFO: Matti Nylander
IR: Johanna Tarkiainen

Elektroniikkatie 10, 90590 Oulu
Tel: +358 20 766 9700

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, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

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Investment recommendations are defined as follows:

Target price compared to share price

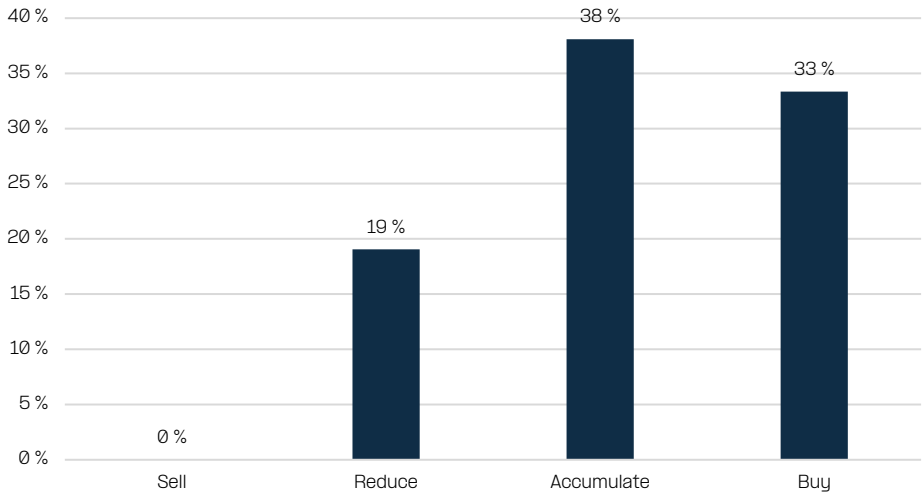
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

Recommendation

SELL
RECUDE
ACCUMULATE
BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

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The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

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

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Contact information**SALES, TRADING AND RESEARCH****Equity Sales & Trading**

Joachim Dannberg (head)	+358 9 4766 9123
Aleksi Jalava	+358 9 4766 9123
Pasi Väisänen	+358 9 4766 9123

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------

Equity Research

Jerker Salokivi (head)	+358 9 4766 9149
Joonas Ilvonen	+358 44 430 9071
Atte Jortikka	+358 40 054 3725
Atte Pitkälampi	+358 44 047 6597

EVLI

EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000