

Growth potential valued low

DT reports Q3 results on Oct 30. Q3 will be another weak quarter, while Q4 could be relatively better. DT's earnings slump this year, but valuation is quite low relative to potential.

Q3 similarly weak as Q2, but Q4 should be more stable

DT's Q2 EBITA missed estimates as mix was unfavorably tilted to MBU rather than SBU; Q3 is unlikely to be much better since European aviation CT installations resume with a lag after the EU lifted its liquid rules. SBU fell 28% y/y in Q2, while we expect it to have stabilized a bit in Q3 but still down 15%. We estimate DT's Q3 EBITA to have declined by ca. EUR 2m y/y to EUR 2.4m. MBU also suffers from component shortages, meaning Q3 revenue will probably fall by a high single-digit rate. In our view IBU is the only area to grow over H2, however Q4 should already be relatively stronger since SBU and MBU could reach almost flat y/y top line then. We estimate such a development would leave DT's Q4 EBITA down by some EUR 0.5m y/y.

SBU and MBU are poised to recover next year

DT's FY'25 EBITA may decline some EUR 5m y/y, yet the long-term earnings growth drivers remain in place as about half of the total planned airport security investments might be completed over the next couple of years. SBU is then again positioned to grow at a double-digit rate as aviation accounts for about half of SBU sales. Meanwhile the recovery of Chinese MBU volumes may turn out to be a bit binary since local medical procurement is likely to happen in more bulk quantities. The growth outlook of MBU is therefore more uncertain than that of SBU, but we expect it to accelerate a bit next year to a high single-digit rate. IBU has delivered a relatively stable and strong performance over the past 2 years, and DT continues to develop its TFT panel capabilities by investing in software development. DT says its TFT panel sales have recently grown by some 40% y/y even when the MBU market is yet to contribute its volumes.

Valuation doesn't imply much growth expectations

FY'25 has disappointed, yet the growth drivers are still there so that a CAGR of almost 10% is realistic over the next few years as MBU and SBU turn. DT is valued around 13x EV/EBIT on soft FY'25 estimates; this by itself isn't too high, and the multiple is only slightly above 7x on our FY'26 estimates as we expect operating margin of some 14% then. Catalysts may be lacking still in H2'25, but next year should have enough upside drivers. Our new TP is EUR 10.5 (11.0) as we retain ACCUMULATE rating.

Rating

+ Accumulate



Share price, EUR (Last trading day's closing price)	9.82
Target price, EUR	10.5
Latest change in recommendation	16-Apr-25
Latest report on company	08-Aug-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	144
Free float, %	—
Exchange rate	—
Reuters code	DETEC.HE
Bloomberg code	DETEC FH
Average daily volume, EURm	0.1
Next interim report	30-Oct-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	103.1	8.9	8.7%	5.0	0.43	22.9	1.1	13.2	3.5%	0.28
2026E	112.9	15.6	13.8%	6.7	0.79	12.4	1.0	7.4	4.6%	0.52
2027E	123.1	17.8	14.5%	9.3	0.98	10.0	0.9	6.4	6.5%	0.65
Market cap, EURm	144	Gearing 2025E, %	—31.8 %	CAGR EPS 2024–27, %	9.1 %					
Net debt 2025E, EURm	–26	Price/book 2025E	1.8	CAGR Sales 2024–27, %	4.6 %					
Enterprise value, EURm	118	Dividend yield 2025E, %	2.9 %	ROE 2025E, %	7.7 %					
Total assets 2025E, EURm	102	Tax rate 2025E, %	20.4 %	ROCE 2025E, %	10.7 %					
Goodwill 2025E, EURm	0	Equity ratio 2025E, %	79.4 %	PEG, P/E 25/CAGR	0.6					

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	24.8	31.7	103.1
Medical	48.1	48.4	9.5	9.3	10.9	12.5	42.2	10.8	10.6	10.2	12.6	44.2
Security	34.4	39.3	9.6	11.5	11.3	13.9	46.3	7.7	8.2	9.6	13.5	39.0
Industrial	16.1	16.2	3.6	5.3	4.9	5.2	19.0	3.8	5.6	5.0	5.6	19.9
Adj. EBITA	6.1	9.7	2.3	3.3	4.2	5.2	14.9	1.4	1.7	2.4	4.6	10.1
<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>–8%</i>	<i>0%</i>	<i>–4%</i>
Medical	–2%	0%	–21%	–25%	1%	–5%	–13%	14%	14%	–6%	1%	5%
Security	23%	14%	32%	27%	16%	5%	18%	–20%	–28%	–15%	–3%	–16%
Industrial	26%	1%	5%	43%	23%	4%	18%	4%	4%	2%	7%	4%
<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>14%</i>	<i>9.8%</i>

DETECTION TECHNOLOGY	MCAP	EV/EBITDA			EV/EBIT			P/E		
PEER GROUP	MEUR	24	25	26	24	25	26	24	25	26
Hamamatsu Photonics	2800	10.3x	10.6x	9.6x	17.1x	23.1x	18.9x	22.6x	32.5x	27.3x
OSI Systems	3704	12.4x	16.2x	15.0x	15.4x	20.2x	18.8x	29.3x	26.2x	23.9x
Varex Imaging	416	9.4x	6.6x	6.2x	41.8x		9.7x	20.0x	16.4x	13.7x
ams—OSRAM	1173	3.9x	4.6x	4.1x	9.2x	9.2x	8.0x	388.6x	38.3x	10.2x
Analog Devices	100487	20.2x	24.4x	21.2x	28.1x	26.4x	22.1x	36.0x	29.7x	24.7x
Keysight Tech	24297	20.0x	18.5x	16.9x	22.4x	20.4x	18.3x	25.7x	22.9x	20.6x
Comet Holding	1688	31.8x	28.2x	16.2x	50.1x	47.2x	21.7x	44.9x	58.3x	25.4x
Texas Instruments	136669	25.4x	20.8x	17.6x	33.0x	27.6x	23.2x	33.7x	31.4x	26.4x
Oxford Instruments	1198	13.4x	11.6x	11.0x	15.4x	13.6x	12.8x	16.6x	18.2x	17.0x
Trimble	16067	18.3x	20.1x	18.5x	19.5x	21.3x	19.4x	27.6x	26.3x	23.4x
Hexagon	27504	13.8x	16.3x	14.9x	18.3x	23.1x	20.6x	22.7x	25.7x	22.9x
Konica Minolta	1482	24.6x	7.6x	5.8x		34.6x	13.2x		43.5x	9.9x
iRay Technology Company	2801	27.5x	27.7x	20.4x	32.8x	39.1x	30.5x	48.4x	37.9x	29.8x
Vieworks	107	6.9x	6.8x	5.8x	9.2x	9.2x	7.5x	9.3x	12.7x	8.9x
Peer Group Average	22885	17.0x	15.7x	13.1x	24.0x	24.2x	17.5x	55.8x	30.0x	20.3x
Peer Group Median	2800	16.1x	16.3x	15.0x	19.5x	23.1x	18.8x	27.6x	28.0x	23.1x
Detection Technology (Evli est.)	144	11.6x	9.7x	6.0x	14.3x	13.2x	7.4x	20.2x	22.9x	12.4x
<i>Detection Technology prem./disc. to peer median</i>		<i>–28 %</i>	<i>–40 %</i>	<i>–60 %</i>	<i>–27 %</i>	<i>–43 %</i>	<i>–61 %</i>	<i>–27 %</i>	<i>–18 %</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	–14.1%	–0.5%	7.1%	13.9%	9.1%	10.4%	2.3%	2.3%	2.4%
OSI Systems	1178	21.5%	6.4%	5.9%	13.9%	13.9%	14.2%			0.0%
Varex Imaging	826	–8.2%	–4.5%	3.4%	2.6%	–0.6%	8.8%			
ams—OSRAM	4819	–28.9%	–2.9%	3.4%	7.0%	9.0%	10.0%	0.0%	0.0%	0.0%
Analog Devices	11682	–22.4%	6.1%	13.1%	41.0%	41.9%	44.1%	1.5%	1.7%	1.8%
Keysight Tech	5231	–9.9%	–1.5%	6.3%	25.1%	25.4%	26.5%	0.0%	0.0%	0.0%
Comet Holding	587	–20.9%	9.8%	14.8%	8.6%	7.0%	13.3%	0.7%	0.7%	1.3%
Texas Instruments	18370	–19.0%	2.2%	10.1%	34.7%	34.6%	37.4%	3.0%	3.1%	3.2%
Oxford Instruments	519	12.2%	–11.9%	–1.1%	16.6%	16.9%	18.0%	1.2%	1.2%	1.3%
Trimble	3428	3.1%	–14.3%	7.1%	25.4%	26.8%	27.5%	0.0%		
Hexagon	5161	4.7%	1.0%	3.6%	28.3%	25.1%	27.2%	1.4%	1.3%	1.3%
Konica Minolta	7621	–9.1%	–10.5%	–4.0%	–3.7%	1.7%	4.5%	0.2%	1.4%	2.2%
iRay Technology Company	212	4.2%	19.2%	37.4%	26.5%	28.8%	26.9%	0.9%	0.3%	0.3%
Vieworks	169	–16.3%	2.0%	7.2%	10.0%	9.5%	10.9%	3.0%	3.0%	3.3%
Peer Group Average	4374	–7.4%	0.0%	8.2%	17.9%	17.8%	20.0%	1.2%	1.4%	1.4%
Peer Group Median	2434	–9.5%	0.2%	6.7%	15.3%	15.4%	16.1%	1.0%	1.3%	1.3%
Detection Technology (Evli est.)	104	3.6%	–4.1%	9.5%	12.8%	8.7%	13.8%	3.3%	2.9%	5.3%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	9.82 PV of Free Cash Flow	88 Long-term growth, %	2.6 % Risk-free interest rate, %	2.25 %
DCF share value	18.12 PV of Horizon value	157 WACC, %	8.5 % Market risk premium, %	5.8 %
Share price potential, %	84.5 % Unconsolidated equity	0 Spread, %	0.0 % Debt risk premium %	2.8 %
Maximum value	18.1 Marketable securities	28 Minimum WACC, %	8.5 % Equity beta coefficient	1.10
Minimum value	18.1 Debt – dividend	–7 Maximum WACC, %	8.5 % Target debt ratio, %	20 %
Horizon value, %	64.2 % Value of stock	266 No. of shares, Mn	14.7 Effective tax rate, %	18 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	108	103	113	123	131	138	147	151	156	160	164	169
Sales growth (%)	3.6%	–4.1%	9.5%	9.0%	6.0%	6.0%	6.0%	3.0%	3.0%	3.0%	2.6%	2.6%
Operating income (EBIT)	14	9	16	18	20	21	23	23	24	25	25	26
Operating income margin %	12.8%	8.7%	13.8%	14.5%	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	5	
EBITDA	17	12	20	22	25	26	28	28	29	30	31	
– Paid taxes	–2	–2	–4	–3	–4	–4	–4	–4	–4	–5	–5	
– Change in NWC	5	–2	–4	–4	–3	–3	–3	–2	–2	–2	–2	
NWC / Sales, %	35.9%	39.5%	39.6%	39.8%	39.8%	39.9%	39.9%	40.0%	40.0%	40.0%	40.0%	
+ Change in other liabs												
– Operative CAPEX	–2	–2	–5	–5	–5	–5	–5	–5	–5	–5	–5	
opCAPEX / Sales, %	2.1%	1.7%	4.8%	3.8%	3.7%	3.7%	3.7%	3.4%	3.4%	3.4%	3.3%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	17	6	7	9	13	14	15	17	18	18	19	333
= Discounted FCFF		6	6	8	10	10	10	10	10	9	9	157
= DFCF min WACC		6	6	8	10	10	10	10	10	9	9	157
= DFCF max WACC		6	6	8	10	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 %	23.96	19.33	16.27	14.09	12.47
	14.50 %	25.62	20.54	17.19	14.82	13.05
	15.50 %	27.29	21.76	18.12	15.55	13.64
	16.50 %	28.95	22.97	19.04	16.27	14.22
	17.50 %	30.61	24.18	19.97	17.00	14.80

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	24.8	31.7	103.1	112.9	123.1
EBITDA	2.9	3.8	4.8	5.5	17.0	1.8	2.1	3.0	5.2	11.5	20.1	21.5
EBITDA margin (%)	12.8%	14.4%	17.7%	17.5%	15.8%	8.1%	8.6%	12.2%	16.4%	11.2%	17.8%	17.5%
EBIT	2.0	3.0	3.9	4.9	13.8	1.1	1.4	2.1	4.3	8.9	15.6	17.8
EBIT margin (%)	8.8%	11.5%	14.4%	15.4%	12.8%	5.0%	5.7%	8.6%	13.6%	8.7%	13.8%	14.5%
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	0.9	0.8	2.0	4.2	7.9	15.2	17.7
Tax	-0.4	-0.4	-1.2	-0.2	-2.2	-0.2	0.2	-0.8	-0.8	-1.6	-3.6	-3.3
Tax rate (%)	21.6%	13.0%	32.8%	4.8%	16.8%	22.2%	-23.5%	39.4%	19.0%	20.4%	22.8%	18.0%
Net profit	1.5	2.4	2.5	4.7	11.1	0.7	1.0	1.2	3.4	6.3	11.6	14.4
EPS	0.10	0.16	0.17	0.32	0.76	0.05	0.07	0.08	0.23	0.43	0.79	0.98
EPS adj. (diluted)	0.10	0.16	0.17	0.32	0.76	0.05	0.07	0.08	0.23	0.43	0.79	0.98
Dividend per share					0.50					0.28	0.52	0.65
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	10.2	12.6	44.3	47.6	50.9
SBU	9.6	11.5	11.2	14.0	46.3	7.7	8.2	9.6	13.5	39.0	43.9	49.1
IBU	3.6	5.3	5.0	5.1	19.0	3.8	5.6	5.0	5.6	19.9	21.5	23.1
Total	22.7	26.1	27.1	31.6	107.5	22.2	24.4	24.8	31.7	103.1	112.9	123.1
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%	-6.0%	1.0%	4.9%	7.5%	7.0%
SBU	31.5%	26.7%	15.3%	6.1%	17.8%	-20.0%	-28.2%	-14.6%	-3.7%	-15.8%	12.5%	12.0%
IBU	5.2%	42.6%	26.1%	2.0%	18.0%	4.2%	4.3%	0.8%	9.1%	4.6%	8.0%	7.5%
Total	-0.2%	3.5%	10.5%	1.0%	3.6%	-2.0%	-6.6%	-8.3%	0.2%	-4.1%	9.5%	9.0%
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	1.1	1.4	2.1	4.3	8.9	15.6	17.8
Total	2.0	3.0	3.9	4.9	13.8	1.1	1.4	2.1	4.3	8.9	15.6	17.8
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%	5.0%	5.7%	8.6%	13.6%	8.7%	13.8%	14.5%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	81.6	89.8	98.6	103.8	107.5	103.1	112.9	123.1
<i>Sales growth (%)</i>	-20.4%	10.1%	9.8%	5.3%	3.6%	-4.1%	9.5%	9.0%
EBITDA	11.9	13.9	9.1	11.8	17.0	11.5	20.1	21.5
<i>EBITDA margin (%)</i>	14.6%	15.4%	9.2%	11.3%	15.8%	11.2%	17.8%	17.5%
Depreciation	-3.2	-3.3	-3.3	-3.6	-3.2	-2.6	-3.9	-3.2
EBITA	8.7	10.6	5.8	8.2	13.8	8.9	16.2	18.4
Goodwill amortization / writedown							-0.6	-0.6
EBIT	8.7	10.6	5.8	8.2	13.8	8.9	15.6	17.8
<i>EBIT margin (%)</i>	10.7%	11.8%	5.9%	7.9%	12.8%	8.7%	13.8%	14.5%
Reported EBIT	8.7	10.6	5.8	8.2	13.8	8.9	15.6	17.8
<i>EBIT margin (reported) (%)</i>	10.7%	11.8%	5.9%	7.9%	12.8%	8.7%	13.8%	14.5%
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	7.9	15.2	17.7
Taxes	-1.4	-2.1	-0.4	-1.8	-2.2	-1.6	-3.6	-3.3
Minority shares								
Net profit	6.7	9.3	5.1	5.5	11.1	6.3	11.6	14.4
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	10	9	7	17	16	15	16	18
Goodwill							-1	-1
Right of use assets								
Inventory	16	22	25	24	23	24	26	28
Receivables	25	31	36	35	33	34	37	41
Liquid funds	25	30	24	19	28	29	31	31
Total assets	76	92	91	95	100	102	110	116
Liabilities								
Shareholders' equity	58	74	73	73	82	81	89	96
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	17	19
Other interest-free debt	1	1	1	1	1	1	1	1
Total liabilities	76	92	91	95	100	102	110	116
CASH FLOW, EURm								
+ EBITDA	12	14	9	12	17	12	20	22
- Net financial items	-1	3	-6	-1	0	-1	0	0
- Taxes	-3	-1	-2	-2	-2	-2	-4	-3
- Increase in Net Working Capital	0	-6	-9	2	5	-2	-4	-4
+/- Other	-1	-3	7					
= Cash flow from operations	8	7	0	11	19	7	12	14
- Capex	-3	-1	-2	-2	-2	-2	-5	-5
- Acquisitions				12				
+ Divestments								
= Free cash flow	4	6	-2	21	17	5	7	9
+/- New issues/buybacks	-1	10	-1	-2	2			
- Paid dividend	4	5	3	3	7	4	8	10
+/- Other	1	-7	2	-20	-6	4	-1	-2
Change in cash	-1	5	-6	-5	9	1	2	-1

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	429	248	202	224	144	144	144
Net debt (excl. convertibles)	-28	-21	-13	-28	-26	-28	-30
Enterprise value	402	227	189	196	118	116	114
Sales	90	99	104	108	103	113	123
EBITDA	14	9	12	17	12	20	22
EBIT	11	6	8	14	9	16	18
Pre-tax	11	6	7	13	8	15	18
Earnings	9	5	5	11	6	12	14
Equity book value (excl. minorities)	74	73	73	82	81	89	96

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	4.5	2.3	1.8	1.8	1.1	1.0	0.9
EV/EBITDA	29.0	25.0	16.1	11.6	10.3	5.8	5.3
EV/EBITA	38.0	39.2	23.1	14.3	13.2	7.2	6.2
EV/EBIT	38.0	39.2	23.1	14.3	13.2	7.4	6.4
EV/OCF	56.4	-772.5	17.7	10.3	17.6	9.6	8.2
EV/FCF	78.5	-132.7	8.7	11.4	20.5	16.6	12.1
P/FCFR	74.5	-128.9	9.6	13.3	29.0	21.6	15.4
P/E	46.4	45.3	29.3	20.2	22.9	12.4	10.0
P/BV	5.8	3.4	2.8	2.7	1.8	1.6	1.5
Target EV/EBITDA					11.1	6.3	5.8
Target EV/EBIT					14.3	8.1	7.0
Target EV/FCFF					25.8	18.9	13.3
Target P/BV					1.9	1.7	1.6
Target P/E, diluted	44.4	49.2	36.8	23.4	24.4	13.3	10.7

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	0.43	0.79	0.98
Operating cash flow per share	0.49	-0.02	0.73	1.30	0.46	0.82	0.95
Free cash flow per share	0.39	-0.13	1.44	1.15	0.34	0.45	0.64
Book value per share	5.02	4.96	4.97	5.62	5.55	6.06	6.52
Dividend per share	0.35	0.20	0.23	0.50	0.28	0.52	0.65
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%	2.9%	5.3%	6.6%
FCF yield, %	1.3%	-0.8%	10.5%	7.5%	3.5%	4.6%	6.5%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	14.0%	7.0%	7.6%	14.3%	7.7%	13.6%	15.6%
ROCE	15.1%	7.7%	10.6%	17.0%	10.7%	17.6%	18.9%

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%	39.6%	39.8%
Operative CAPEX/Sales, %	1.5%	1.7%	1.9%	2.1%	1.7%	4.8%	3.8%
CAPEX/sales (incl. acquisitions), %	1.5%	1.7%	13.9%	2.1%	1.7%	4.8%	3.8%
FCFF/EBITDA	0.4	-0.2	1.9	1.0	0.5	0.3	0.4
Net Debt/EBITDA, book-weighted	-2.0	-2.3	-1.1	-1.7	-2.3	-1.4	-1.4
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%	-31.8%	-32.0%	-31.5%

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	51.851	36.0 %
OP-Finland Fund	617 376	6.063	4.2 %
Varma Mutual Pension Insurance Company	515 000	5.057	3.5 %
Sijoitusrahasto Aktia Capital	463 654	4.553	3.2 %
Iimarinen Mutual Pension Insurance Company	435 737	4.279	3.0 %
Martola Hannu Veikko	431 690	4.239	2.9 %
Veritas Pension Insurance Company Ltd.	389 387	3.824	2.7 %
Evli Finnish Small Cap Fund	352 000	3.457	2.4 %
OP-Finland Small Firms Fund	330 019	3.241	2.3 %
Säästöpankki Kotimaa	260 000	2.553	1.8 %
Ten largest	9 075 030	89.117	61.9 %
Residual	5 580 900	54.804	38.1 %
Total	14 655 930	143.921	100%

EARNINGS CALENDAR

October 30, 2025 Q3 report

OTHER EVENTS

November 18, 2025 CMD

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

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Investment recommendations are defined as follows:

Target price compared to share price

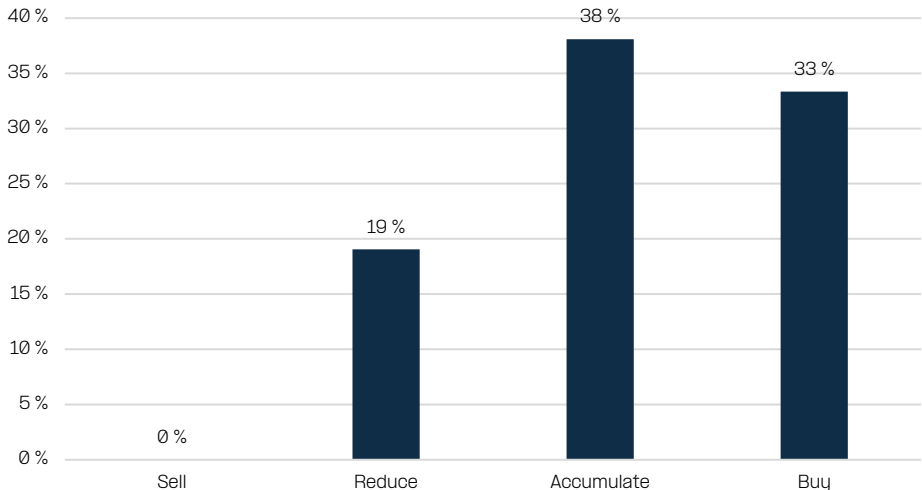
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

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

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