

Getting back to speed

DT reports Q4 results on Feb 5. Last year was challenging, but now Q1'26 should see double-digit growth; a similar pace could continue in Q2 and beyond, in which case earnings multiples would start to look quite cheap soon enough.

All regions and application areas should grow this year

DT saw softer than expected volumes in FY'25, and Q4'25 might be slightly weaker than previously estimated, yet demand outlook finally starts to look firmer for its bread-and-butter CT applications over the course of FY'26 as the recovery of SBU volumes should drive double-digit growth for Q1. Such a strong growth trend could continue over the summer, while the outlook in China remains a bit uncertain; MBU nevertheless should grow at least over H1. We expect Q4'25 revenue to decline 7% y/y and estimate EBITA to fall by EUR 1.5m y/y to EUR 3.7m. For FY'26 we estimate 10% revenue growth, however earnings are likely to fall a couple of percentage points short of the 15% EBITA target.

FY'26 earnings still not very high but improving significantly

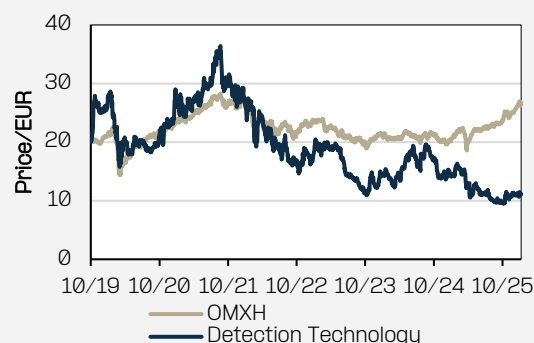
R&D investments are to grow in line with sales this year, while product mix is still not very favorable as it remains relatively tilted towards MBU since SBU is only recovering from the recent decline. Chinese pricing pressure continues, a headwind for gross margin although relatively strong TFT sales (driven by defence NDT applications within IBU) compensate so that it should stay quite flat. DT aims to grow at a CAGR of 10% over the next five years, and its target for TFT sales implies more than twice that rate. FY'26 may still be more characterized by the recovery of traditional CT volumes, while MBU TFT growth is yet to come. Line scan remains important for IBU, where the food industry drives volumes. DT also has high expectations for the X-Cargo product as European countries like Poland invest in cargo security. It thus seems DT has many growth drivers for H1'26, but this also means its inventories grow.

Earnings multiples could turn quite attractive soon

We estimate 12% EBIT margin for FY'26, on which basis DT is valued some 10x EV/EBIT; the margin is not yet very high, but earnings growth should continue also in FY'27 when the multiple would decline to around 8x. On the FY'25 EV/EBIT of 16x the valuation isn't very cheap yet still significantly below peer multiples. As FY'26 is now set to be significantly better than the previous one our new TP is EUR 12.0 (11.5); we retain ACCUMULATE rating.

Rating

➕ Accumulate



Share price, EUR (Last trading day's closing price)	10.95
Target price, EUR	12.0
Latest change in recommendation	16-Apr-25
Latest report on company	19-Nov-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	160
Free float, %	—
Exchange rate	—
Reuters code	DETEC.HE
Bloomberg code	DETEC FH
Average daily volume, EURm	0.1
Next interim report	05-Feb-26
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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	100.8	8.4	8.3%	5.8	0.40	27.3	1.3	16.0	3.6%	0.26
2026E	111.1	13.3	12.0%	4.2	0.63	17.3	1.2	10.1	2.6%	0.42
2027E	121.3	16.6	13.7%	8.3	0.91	12.0	1.1	7.9	5.2%	0.60
Market cap, EURm	160	Gearing 2025E, %		-33.0 %		CAGR EPS 2024-27, %		6.5 %		
Net debt 2025E, EURm	-27	Price/book 2025E		2.0		CAGR Sales 2024-27, %		4.1 %		
Enterprise value, EURm	134	Dividend yield 2025E, %		2.4 %		ROE 2025E, %		7.2 %		
Total assets 2025E, EURm	101	Tax rate 2025E, %		20.3 %		ROCE 2025E, %		10.0 %		
Goodwill 2025E, EURm	0	Equity ratio 2025E, %		79.6 %		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	Q3'25	Q4'25E	2025E
Net sales	98.6	103.8	22.7	26.1	27.1	31.6	107.5	22.2	24.4	24.7	29.4	100.7
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	11.7	37.4
Industrial	16.1	16.2	3.6	5.3	4.9	5.2	19.0	3.8	5.6	4.5	5.1	19.0
Adj. EBITA	6.1	9.7	2.3	3.3	4.2	5.2	14.9	1.4	1.7	2.8	3.7	9.7
<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>–9%</i>	<i>–7%</i>	<i>–6%</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>0%</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>–16%</i>	<i>–19%</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>–8%</i>	<i>–1%</i>	<i>0%</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>12%</i>	<i>13%</i>	<i>9.6%</i>

DETECTION TECHNOLOGY	MCAP	EV/EBITDA			EV/EBIT			P/E		
PEER GROUP	MEUR	25	26	27	25	26	27	25	26	27
Hamamatsu Photonics	2749	11.8x	10.9x	9.5x	28.0x	24.1x	19.9x	35.4x	31.9x	27.1x
OSI Systems	3971	16.4x	16.3x	14.8x	19.9x	19.8x	18.2x	27.8x	25.2x	22.7x
Varex Imaging	494	6.1x	6.9x			11.2x	9.6x	15.6x	15.5x	12.9x
ams–OSRAM	863	4.3x	4.0x	3.7x	9.2x	8.4x	6.8x	30.1x	7.5x	5.1x
Analog Devices	127270	20.5x	19.7x	18.3x	29.0x	26.2x	23.2x	37.5x	30.0x	26.1x
Keysight Tech	31118	23.1x	21.3x	19.1x	25.3x	23.3x	20.9x	29.1x	25.7x	22.7x
Comet Holding	2385	35.3x	24.4x	16.7x	64.3x	33.6x	21.0x	103.2x	41.2x	25.7x
Texas Instruments	149391	20.8x	20.0x	17.3x	27.8x	27.3x	22.6x	35.4x	31.7x	26.0x
Oxford Instruments	1611	13.7x	15.6x	14.1x	15.9x	18.0x	16.5x	25.1x	22.9x	20.4x
Trimble	14406	19.4x	16.5x	14.9x	20.6x	17.2x	15.9x	23.0x	20.6x	17.9x
Hexagon	25656	16.1x	14.2x	13.0x	21.9x	19.4x	17.5x	23.7x	22.0x	19.2x
Konica Minolta	1807	8.2x	6.4x	6.3x	29.6x	12.6x	12.1x	33.4x	11.6x	10.9x
iRay Technology Company	2977	26.9x	22.9x	18.5x	33.8x	29.7x	24.0x	36.6x	28.8x	23.6x
Vieworks	104	6.8x	6.2x	5.4x	9.5x	8.4x	7.0x	12.6x	9.4x	8.0x
Peer Group Average	26057	16.4x	14.7x	13.2x	25.8x	19.9x	16.8x	33.5x	23.1x	19.2x
Peer Group Median	2863	16.3x	15.9x	14.8x	25.3x	19.6x	17.9x	29.6x	24.1x	21.5x
Detection Technology (Evli est.)	160	11.3x	7.8x	6.4x	15.9x	10.0x	7.9x	27.3x	17.3x	12.0x
<i>Detection Technology prem./disc. to peer median</i>		<i>–30%</i>	<i>–51%</i>	<i>–57%</i>	<i>–37%</i>	<i>–49%</i>	<i>–56%</i>	<i>–8%</i>	<i>–28%</i>	<i>–44%</i>

DETECTION TECHNOLOGY	Sales	Sales gr.			EBIT—%			Div. yield		
PEER GROUP	25	25	26	27	25	26	27	25	26	27
Hamamatsu Photonics	1195	–17.0%	2.3%	6.5%	7.9%	9.0%	10.2%	2.2%	2.3%	2.4%
OSI Systems	1521	29.0%	5.8%	5.5%	14.3%	14.4%	14.9%		0.0%	
Varex Imaging	733	–11.2%	1.7%	4.5%	–0.3%	8.5%	9.4%			
ams–OSRAM	3325	–31.0%	0.9%	3.2%	8.0%	8.8%	10.5%	0.0%	0.0%	0.0%
Analog Devices	9805	–16.1%	15.6%	9.2%	42.5%	45.1%	46.6%	1.3%	1.4%	1.5%
Keysight Tech	4751	–9.2%	11.9%	6.2%	25.9%	25.9%	27.1%	0.0%	0.0%	0.0%
Comet Holding	499	–15.1%	16.6%	18.0%	5.9%	12.2%	16.6%	0.4%	0.9%	1.3%
Texas Instruments	15047	–18.1%	8.2%	10.8%	34.0%	35.5%	38.8%	2.8%	2.9%	3.0%
Oxford Instruments	513	–1.2%	–0.5%	5.5%	16.8%	18.0%	18.8%	0.9%	1.0%	1.1%
Trimble	3034	–11.5%	7.6%	8.7%	27.3%	27.7%	27.6%			
Hexagon	5443	5.5%	2.2%	6.0%	26.5%	27.4%	28.6%	1.3%	1.4%	1.6%
Konica Minolta	5970	–21.7%	–5.6%	–0.3%	2.1%	5.0%	5.3%	1.1%	2.1%	2.7%
iRay Technology Company	267	26.1%	48.0%	22.4%	29.2%	25.6%	25.8%	0.0%	0.0%	0.0%
Vieworks	137	–18.9%	7.8%	8.8%	8.6%	9.7%	10.6%	2.9%	3.1%	3.4%
Peer Group Average	3731	–7.9%	8.8%	8.2%	17.8%	19.5%	20.8%	1.2%	1.3%	1.5%
Peer Group Median	2277	–13.3%	6.7%	6.3%	15.5%	16.2%	17.7%	1.1%	1.2%	1.5%
Detection Technology (Evli est.)	101	–6.2%	10.2%	9.2%	8.3%	12.0%	13.7%	2.4%	3.8%	5.5%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	10.95 PV of Free Cash Flow	86 Long-term growth, %	2.6 % Risk-free interest rate, %	2.25 %
DCF share value	18.11 PV of Horizon value	158 WACC, %	8.5 % Market risk premium, %	5.8 %
Share price potential, %	65.4 % 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, %	64.7 % Value of stock	265 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	101	111	121	129	136	144	149	153	158	162	166
Sales growth (%)	3.6%	–6.3%	10.2%	9.2%	6.0%	6.0%	6.0%	3.0%	3.0%	3.0%	2.6%	2.6%
Operating income (EBIT)	14	8	13	17	20	21	22	23	24	24	25	26
Operating income margin %	12.8%	8.3%	12.0%	13.7%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
+ Depreciation+amort.	3	3	4	4	4	4	5	5	5	5	5	
EBITDA	17	11	18	20	24	26	27	28	29	30	30	
– Paid taxes	–2	–2	–4	–3	–4	–4	–4	–4	–4	–5	–5	
– Change in NWC	5	–1	–4	–4	–3	–3	–3	–2	–2	–2	–2	
NWC / Sales, %	35.9%	39.5%	39.6%	39.7%	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%	1.6%	4.8%	3.8%	3.7%	3.7%	3.7%	3.4%	3.4%	3.4%	3.3%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	17	7	4	8	13	14	14	17	17	18	19	328
= Discounted FCFF		7	4	7	10	10	10	10	10	9	9	158
= DFCF min WACC		7	4	7	10	10	10	10	10	9	9	158
= DFCF max WACC		7	4	7	10	10	10	10	10	9	9	158

Sensitivity analysis, EUR

		Terminal WACC				
		6.48 %	7.48 %	8.48 %	9.48 %	10.48 %
Terminal EBIT–%	13.50 %	23.87	19.28	16.24	14.09	12.47
	14.50 %	25.54	20.50	17.18	14.82	13.06
	15.50 %	27.21	21.72	18.11	15.55	13.66
	16.50 %	28.88	22.94	19.04	16.29	14.25
	17.50 %	30.54	24.16	19.97	17.02	14.84

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Net sales	22.7	26.1	27.1	31.6	107.5	22.2	24.4	24.8	29.4	100.8	111.1	121.3
EBITDA	2.9	3.8	4.8	5.5	17.0	1.8	2.1	3.5	4.4	11.1	17.7	20.3
<i>EBITDA margin (%)</i>	<i>12.8%</i>	<i>14.4%</i>	<i>17.7%</i>	<i>17.5%</i>	<i>15.8%</i>	<i>8.1%</i>	<i>8.6%</i>	<i>14.1%</i>	<i>14.9%</i>	<i>11.0%</i>	<i>16.0%</i>	<i>16.7%</i>
EBIT	2.0	3.0	3.9	4.9	13.8	1.1	1.4	2.4	3.5	8.4	13.3	16.6
<i>EBIT margin (%)</i>	<i>8.8%</i>	<i>11.5%</i>	<i>14.4%</i>	<i>15.4%</i>	<i>12.8%</i>	<i>5.0%</i>	<i>5.7%</i>	<i>9.7%</i>	<i>11.8%</i>	<i>8.3%</i>	<i>12.0%</i>	<i>13.7%</i>
Net financial items	-0.2	-0.2	0.0	0.0	-0.4	-0.2	-0.6	-0.1	-0.1	-1.0	-0.4	-0.1
Pre-tax profit	1.9	2.8	3.9	4.8	13.3	0.9	0.8	2.3	3.4	7.4	12.9	16.5
Tax	-0.4	-0.4	-0.6	-0.8	-2.2	-0.2	0.2	-0.7	-0.8	-1.5	-3.6	-3.1
<i>Tax rate (%)</i>	<i>21.6%</i>	<i>13.0%</i>	<i>16.5%</i>	<i>17.3%</i>	<i>16.8%</i>	<i>22.2%</i>	<i>-23.5%</i>	<i>29.4%</i>	<i>23.7%</i>	<i>20.3%</i>	<i>26.7%</i>	<i>18.0%</i>
Net profit	1.5	2.4	3.2	4.0	11.1	0.7	1.0	1.6	2.6	5.9	9.3	13.4
EPS	0.10	0.16	0.22	0.27	0.76	0.05	0.07	0.11	0.18	0.40	0.63	0.91
EPS adj. (diluted)	0.10	0.16	0.22	0.27	0.76	0.05	0.07	0.11	0.18	0.40	0.63	0.91
Dividend per share					0.50					0.26	0.42	0.60
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	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	47.9	51.5
SBU	9.6	11.5	11.2	14.0	46.3	7.7	8.2	9.9	11.7	37.5	42.3	47.4
IBU	3.6	5.3	5.0	5.1	19.0	3.8	5.6	4.5	5.1	18.9	20.8	22.4
Total	22.7	26.1	27.1	31.6	107.5	22.2	24.4	24.8	29.4	100.8	111.1	121.3
SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
MBU	-21.0%	-25.3%	0.5%	-4.6%	-12.8%	13.7%	13.9%	-4.5%	0.5%	5.1%	8.0%	7.5%
SBU	31.5%	26.7%	15.3%	6.1%	17.8%	-20.0%	-28.2%	-12.0%	-16.6%	-19.1%	13.0%	12.0%
IBU	5.2%	42.6%	26.1%	2.0%	18.0%	4.2%	4.3%	-9.6%	0.9%	-0.3%	10.0%	7.5%
Total	-0.2%	3.5%	10.5%	1.0%	3.6%	-2.0%	-6.6%	-8.6%	-7.0%	-6.3%	10.2%	9.2%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Group	2.0	3.0	3.9	4.9	13.8	1.1	1.4	2.4	3.5	8.4	13.3	16.6
Total	2.0	3.0	3.9	4.9	13.8	1.1	1.4	2.4	3.5	8.4	13.3	16.6
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	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%	9.7%	11.8%	8.3%	12.0%	13.7%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	81.6	89.8	98.6	103.8	107.5	100.8	111.1	121.3
<i>Sales growth (%)</i>	-20.4%	10.1%	9.8%	5.3%	3.6%	-6.3%	10.2%	9.2%
EBITDA	11.9	13.9	9.1	11.8	17.0	11.1	17.7	20.3
<i>EBITDA margin (%)</i>	14.6%	15.4%	9.2%	11.3%	15.8%	11.0%	16.0%	16.7%
Depreciation	-3.2	-3.3	-3.3	-3.6	-3.2	-2.7	-3.9	-3.1
EBITA	8.7	10.6	5.8	8.2	13.8	8.4	13.9	17.2
Goodwill amortization / writedown							-0.6	-0.6
EBIT	8.7	10.6	5.8	8.2	13.8	8.4	13.3	16.6
<i>EBIT margin (%)</i>	10.7%	11.8%	5.9%	7.9%	12.8%	8.3%	12.0%	13.7%
Reported EBIT	8.7	10.6	5.8	8.2	13.8	8.4	13.3	16.6
<i>EBIT margin (reported) (%)</i>	10.7%	11.8%	5.9%	7.9%	12.8%	8.3%	12.0%	13.7%
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	7.4	12.9	16.5
Taxes	-1.4	-2.1	-0.4	-1.8	-2.2	-1.5	-3.6	-3.1
Minority shares								
Net profit	6.7	9.3	5.1	5.5	11.1	5.9	9.3	13.4
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	23	26	28
Receivables	25	31	36	35	33	33	37	40
Liquid funds	25	30	24	19	28	30	30	30
Total assets	76	92	91	95	100	101	108	115
Liabilities								
Shareholders' equity	58	74	73	73	82	81	86	94
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	15	17	18
Other interest-free debt	1	1	1	1	1	1	1	1
Total liabilities	76	92	91	95	100	101	108	115
CASH FLOW, EURm								
+ EBITDA	12	14	9	12	17	11	18	20
- 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	-1	-4	-4
+/- Other	-1	-3	7					
= Cash flow from operations	8	7	0	11	19	7	10	13
- Capex	-3	-1	-2	-2	-2	-2	-5	-5
- Acquisitions				12				
+ Divestments								
= Free cash flow	4	6	-2	21	17	6	4	8
+/- New issues/buybacks	-1	10	-1	-2	2			
- Paid dividend	4	5	3	3	7	4	6	9
+/- Other	1	-7	2	-20	-6	4	-1	-2
Change in cash	-1	5	-6	-5	9	2	0	0

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	429	248	202	224	160	160	160
Net debt (excl. convertibles)	-28	-21	-13	-28	-27	-27	-29
Enterprise value	402	227	189	196	134	134	132
Sales	90	99	104	108	101	111	121
EBITDA	14	9	12	17	11	18	20
EBIT	11	6	8	14	8	13	17
Pre-tax	11	6	7	13	7	13	16
Earnings	9	5	5	11	6	9	13
Equity book value (excl. minorities)	74	73	73	82	81	86	94

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	12.1	7.5	6.5
EV/EBITA	38.0	39.2	23.1	14.3	16.0	9.6	7.7
EV/EBIT	38.0	39.2	23.1	14.3	16.0	10.1	7.9
EV/OCF	56.4	-772.5	17.7	10.3	18.2	14.1	10.2
EV/FCF	78.5	-132.7	8.7	11.4	20.5	30.0	15.6
P/FCFR	74.5	-128.9	9.6	13.3	27.9	38.6	19.3
P/E	46.4	45.3	29.3	20.2	27.3	17.3	12.0
P/BV	5.8	3.4	2.8	2.7	2.0	1.9	1.7
Target EV/EBITDA					13.5	8.4	7.2
Target EV/EBIT					17.8	11.2	8.8
Target EV/FCFF					25.9	35.8	17.7
Target P/BV					2.2	2.0	1.9
Target P/E, diluted	44.4	49.2	36.8	23.4	29.9	18.9	13.1

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	0.40	0.63	0.91
Operating cash flow per share	0.49	-0.02	0.73	1.30	0.50	0.65	0.88
Free cash flow per share	0.39	-0.13	1.44	1.15	0.39	0.28	0.57
Book value per share	5.02	4.96	4.97	5.62	5.52	5.89	6.39
Dividend per share	0.35	0.20	0.23	0.50	0.26	0.42	0.60
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%	2.4%	3.8%	5.5%
FCF yield, %	1.3%	-0.8%	10.5%	7.5%	3.6%	2.6%	5.2%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	14.0%	7.0%	7.6%	14.3%	7.2%	11.1%	14.9%
ROCE	15.1%	7.7%	10.6%	17.0%	10.0%	15.3%	18.0%

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%	39.7%
Operative CAPEX/Sales, %	1.5%	1.7%	1.9%	2.1%	1.6%	4.8%	3.8%
CAPEX/sales (incl. acquisitions), %	1.5%	1.7%	13.9%	2.1%	1.6%	4.8%	3.8%
FCFF/EBITDA	0.4	-0.2	1.9	1.0	0.6	0.3	0.4
Net Debt/EBITDA, book-weighted	-2.0	-2.3	-1.1	-1.7	-2.4	-1.5	-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%	-33.0%	-31.2%	-31.1%

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	57.818	36.0 %
OP-Finland Fund	617 376	6.760	4.2 %
Varma Mutual Pension Insurance Company	515 000	5.639	3.5 %
Sijoitusrahasto Aktia Capital	463 654	5.077	3.2 %
Iimarinen Mutual Pension Insurance Company	435 737	4.771	3.0 %
Martola Hannu Veikko	431 690	4.727	2.9 %
Veritas Pension Insurance Company Ltd.	389 387	4.264	2.7 %
Evli Finnish Small Cap Fund	352 000	3.854	2.4 %
OP-Finland Small Firms Fund	330 019	3.614	2.3 %
Säästöpankki Kotimaa	260 000	2.847	1.8 %
Ten largest	9 075 030	99.372	61.9 %
Residual	5 580 900	61.111	38.1 %
Total	14 655 930	160.482	100%

EARNINGS CALENDAR

February 05, 2026	FY 2025 Results
April 23, 2026	Q1 report
August 06, 2026	Q2 report
October 29, 2026	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, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

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Investment recommendations are defined as follows:

Target price compared to share price

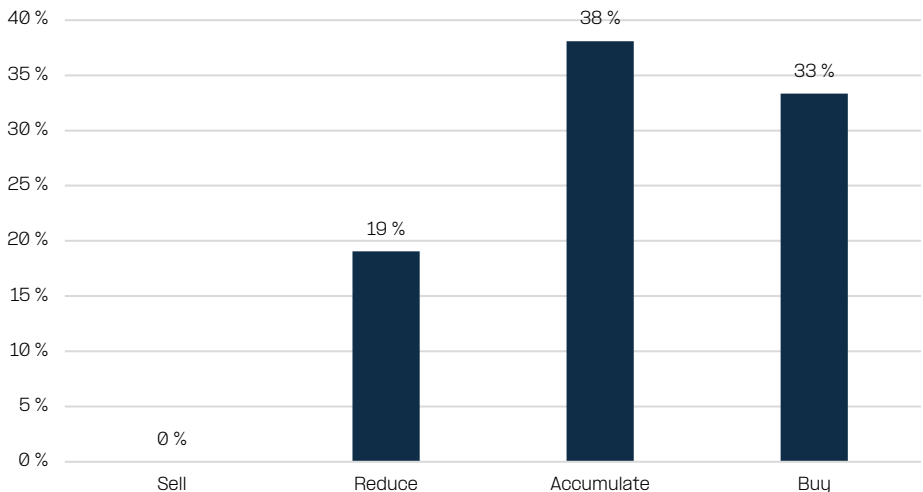
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

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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