

Results were better than estimated

DT's Q4 results were somewhat better than estimated. All three units grew, while fixed costs decreased, and the EUR 4.6m EBITA figure came in above our EUR 4.2m estimate.

- DT Q4 revenue grew by 10.9% y/y to EUR 31.3m vs the EUR 30.4m/30.6m Evli/consensus estimates. Adjusted EBITA amounted to EUR 4.6m, compared to our EUR 4.2m estimate. EBIT was EUR 4.3m vs the EUR 3.7m/3.5m Evli/consensus estimates. Fixed costs decreased due to the measures carried out in Q3, while sales growth supported profitability.
 - Medical (MBU) revenue was up by 3.6% y/y to EUR 13.1m, compared to our EUR 13.3m estimate. The Chinese government's anti-corruption campaign caused demand softness in medical CT applications, however the closing of the Chinese public administration's annual budgets helped sales to increase.
 - Security (SBU) grew by 21.1% y/y to EUR 13.2m vs our EUR 12.4m estimate. The Chinese market remained challenging, but especially Americas and India drove higher demand within other geographies (strong increase in aviation demand as well as in CT and line scan applications).
 - Industrial (IBU) revenue increased by 7.1% y/y to EUR 5.0m vs our EUR 4.8m estimate. Growth was driven by TFT flat panel detector sales.
 - DT expects Q1 and H1 revenue to remain stable y/y. MBU sales will decrease, while SBU and IBU are to see double-digit growth over the course of H1. In our view DT could achieve roughly 5% y/y growth in H1.
- The BoD proposes a dividend per share of EUR 0.23 to be distributed for FY '23, compared to the EUR 0.19/0.18 Evli/consensus estimates.

Rating + BUY				
Q4'23	Actual	Evli	Year ago	Q3'23
Revenue	31.3	30.4	28.2	24.5
MBU	13.1	13.3	12.7	10.8
SBU	13.2	12.4	10.9	9.7
IBU	5.0	4.8	4.6	4.0
Adj. EBITA	4.6	4.2	2.8	2.2
Adj. EBITA-margin	14.8 %	13.9 %	9.9 %	9.0 %
Share price, EUR (Last trading day's closing price)				14.50
Target price, EUR				16.0
Latest change in				31-Jul-23
Latest report on company				26-Jan-24
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				213
Free float, %				-
Exchange rate				-
Reuters code				DETEC.HE
Bloomberg code				DETEC FH
Average daily volume, EURm				0.1
Next interim report				01-Feb-24
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BUY HOLD SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2021	89.8	10.6	11.8%	5.8	0.63	46.4	4.5	38.0	1.3	0.35
2022	98.6	5.8	5.9%	-1.9	0.34	46.0	2.3	39.2	-0.8	0.20
2023E	102.9	7.9	7.7%	-8.1	0.34	33.3	2.0	25.7	-3.8	0.19
2024E	113.8	14.4	12.7%	9.5	0.74	19.5	1.7	13.6	4.5	0.37
2025E	123.9	19.0	15.3%	18.9	1.01	14.4	1.5	9.6	8.9	0.50
Market cap, EURm	213		BV per share 2023E, EUR		-12.8		CAGR EPS 2022-25, %		40.0	
Net debt 2023E, EURm	-10		Price/book 2023E		2.8		CAGR sales 2022-25, %		7.9	
Enterprise value, EURm	203		Dividend yield 2023E, %		1.3		ROE 2023E, %		6.8	
Total assets 2023E, EURm	106		Tax rate 2023E, %		22.4		ROCE 2023E, %		9.6	
Goodwill 2023E, EURm	11		Equity ratio 2023E, %		71.2		PEG, P/E 23/CAGR		0.9	

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

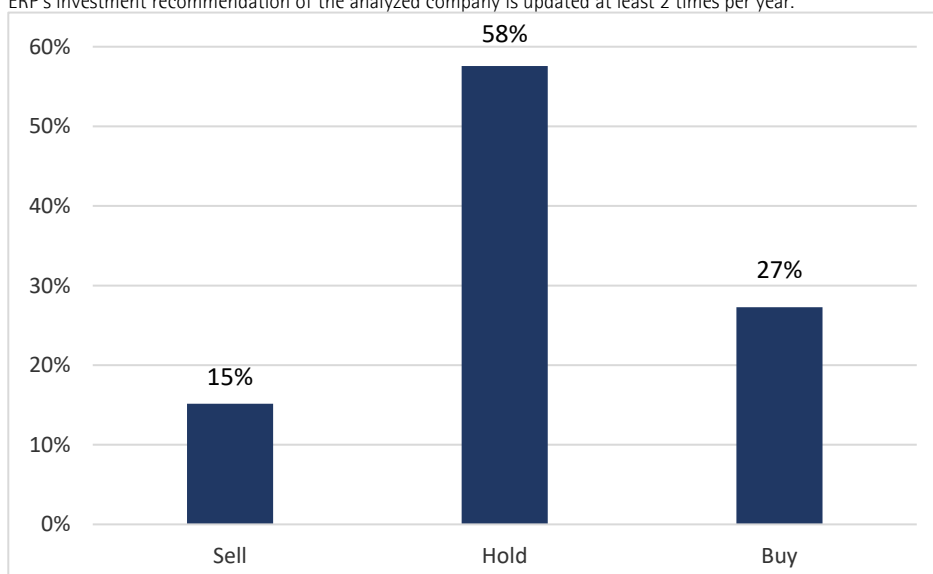
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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