



2023 Q4 Presentation

Fourth quarter 2023 Highlights

- **Revenue:** 199.1 +14.1% (174.6)
- **EBIT:** 18.0, +13.5% (15.9)
- **EBIT margin:** 9.1% (9.1%)
- **ROOC:** 26.9% (27.0%)
- **Cash Cycle Conversion days:** 95 (100)
- **NIBD:** 129.4 (154.8)
- **NIBD/EBITDA** 1.5 (2.6)
- **Net Gearing:** 0.7 (1.1)
- **Equity %:** 31.6% (25.6%)
- **Order Backlog:** 493.6, -14.9% (580.2)
- **EPS (EUR):** 0.062, +24% (0.050)

MNOK CORRESPONDING

- **Revenue:** 2320, +28% (1814)
- **EBIT:** 210, +28% (165)
- **EPS:** 0.73 NOK, +40% (0.52 NOK)
- **Order backlog:** 5548, -9% (6097)



YTD 2023 Highlights

- Revenue (€M): 775.2, +21% (641.0)
- EBIT (€M): 70.7, +56% (45.2)
- EBIT margin: 9.1% (7.1%)
- Net Income (€M): 51.1, +81% (28.3)
- Net margin: 6.6 % (4.4%)
- Cash Flow YTD (€M): 59.0 (18.2)
- Investments YTD (€M): 16.3 (9.6)*
- EPS (EUR): 0.258, +78 % (0.145)
- Proposed dividend: 0.75 NOK (0.50 NOK)

* Exclusive acquisition in 2022



MNOK CORRESPONDING

- Revenue: 8868, +37% (6487)
- EBIT: 809.7, +76% (459.6)
- EPS: 2.95 NOK, +102% (1.46 NOK)



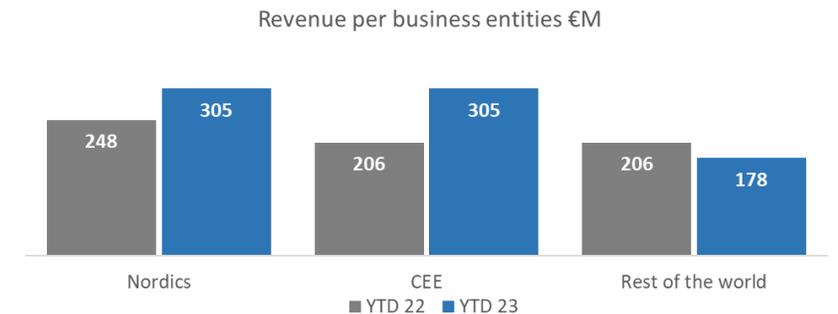
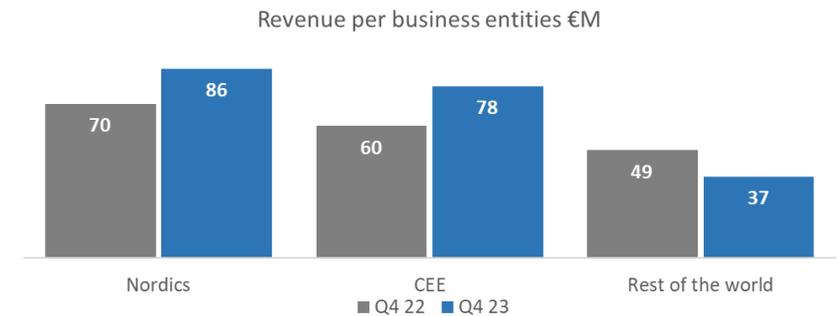
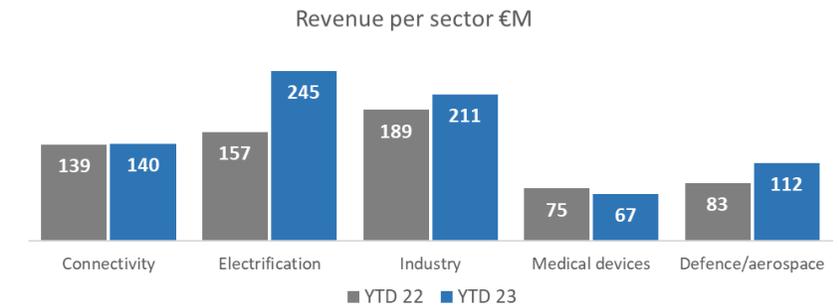
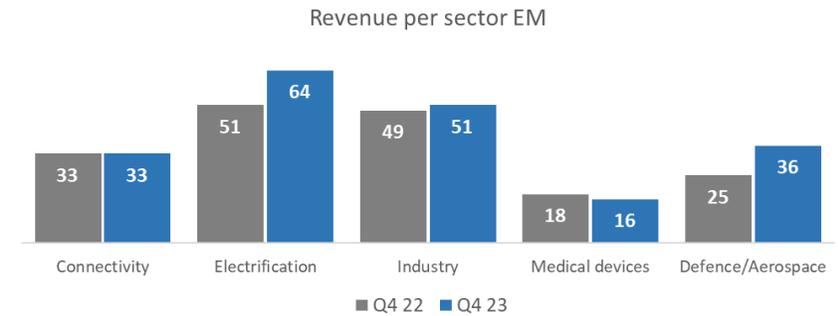
Fourth quarter trends

Sector trends

- Electrification sector: Energy grids and high voltage transmission show strength.
- Defense sector – solid growth and outlook.
- Connectivity & Industry sectors: Growth slowing or flattening out.

Regional trends

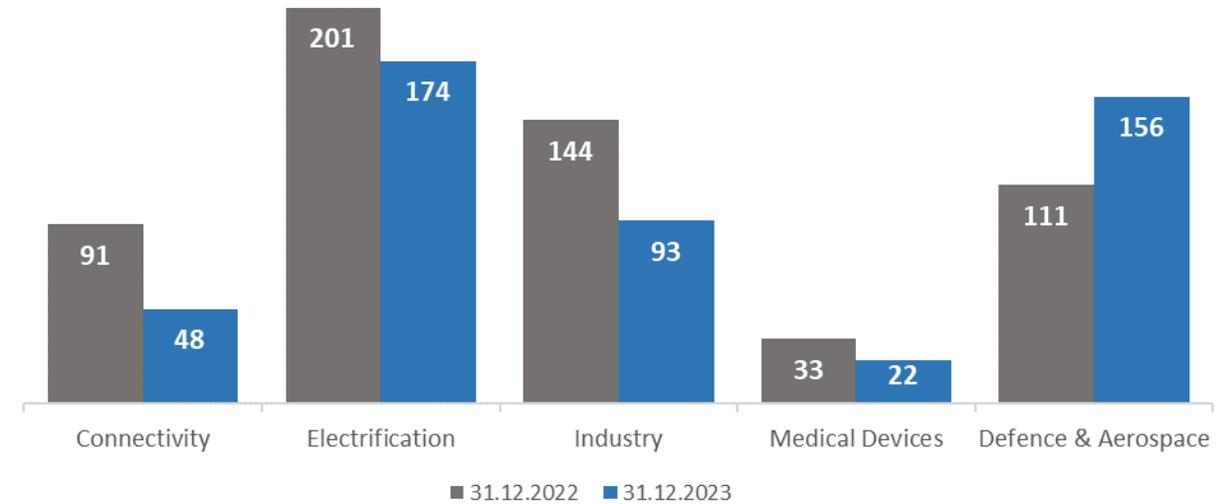
- Continued growth in Nordics and U.S. with Defense and Aerospace, Critical grid infrastructure and product segments capitalizing on AI driven growth.
- CEE finishes strong on quarter, however slowing down.



Order backlog

- Order backlog: 493.6 €M, -15% (580.2 €M) year-over year.
- Exceptional strength in the Defence/Aerospace sectors and critical electrical grid infrastructure.
- Other sectors – Shorter customer horizon on order placement reflecting the current market sentiment, reduction in lead-times and continued de-stocking of customer inventory.
- Sequentially the order backlog is somewhat stable compared to the previous quarter.

Order backlog €M

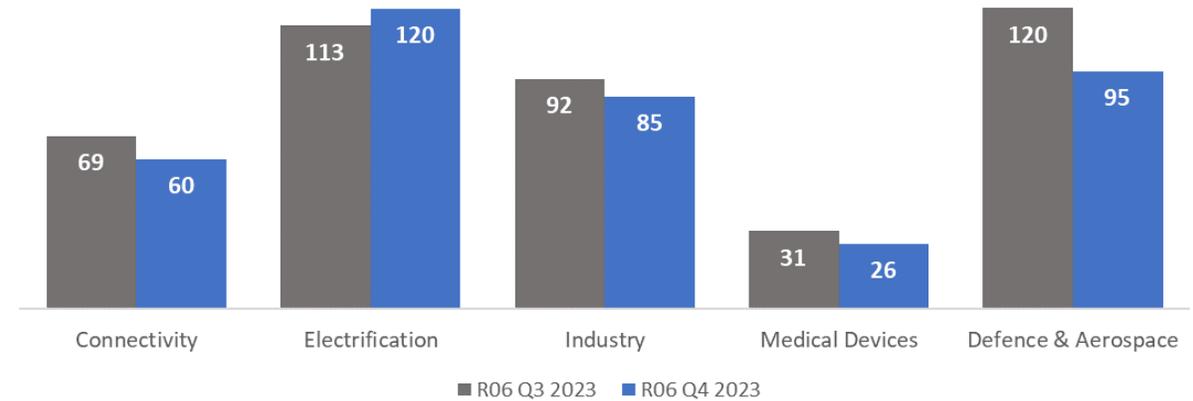


The Order backlog features all firm customer orders and the first 4 months of customer forecast. Historically, the Order backlog has been a good representation of the next 5-6 months of sales.

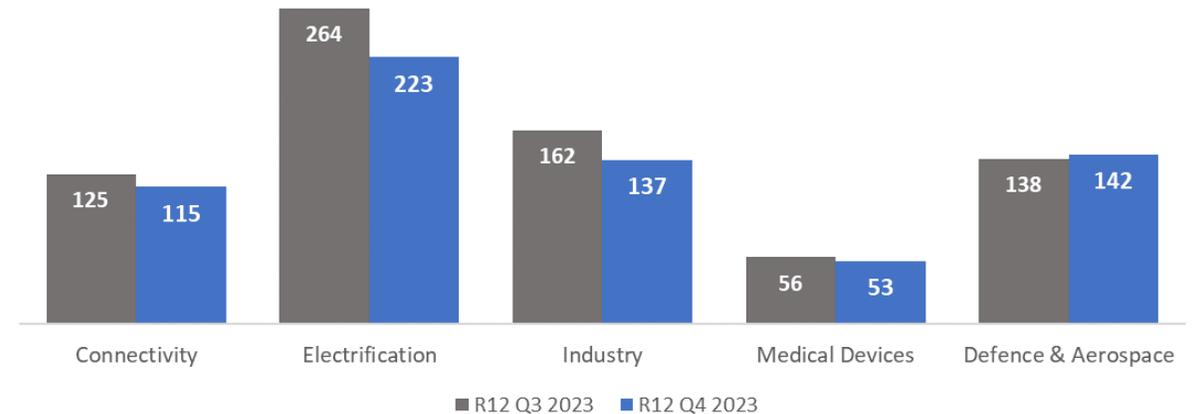
R06 and R12 Forward demand

- **Rolling six-month outlook 386 €M**
 - R06 demand relevant considering shorter demand horizon from customers
 - R06 demand decreases to 386 €M from 426 €M from last quarter
- **Rolling twelve-month outlook 670€M**
 - R12 demand decreases to 670 €M from 747 €M from last quarter.

R06 : Rolling 6 month demand(M€)



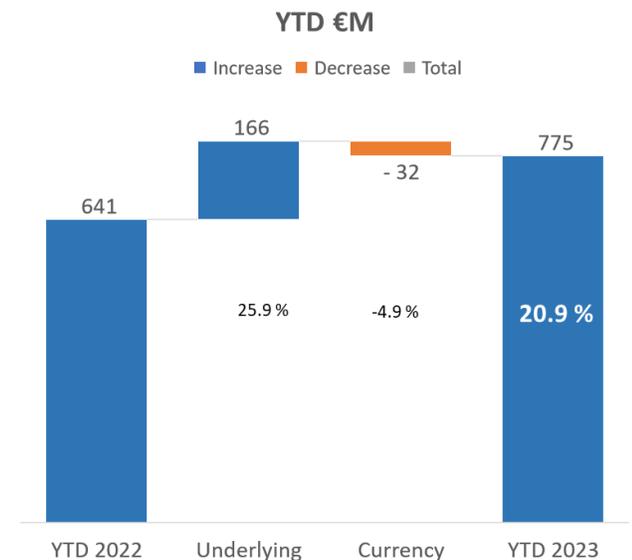
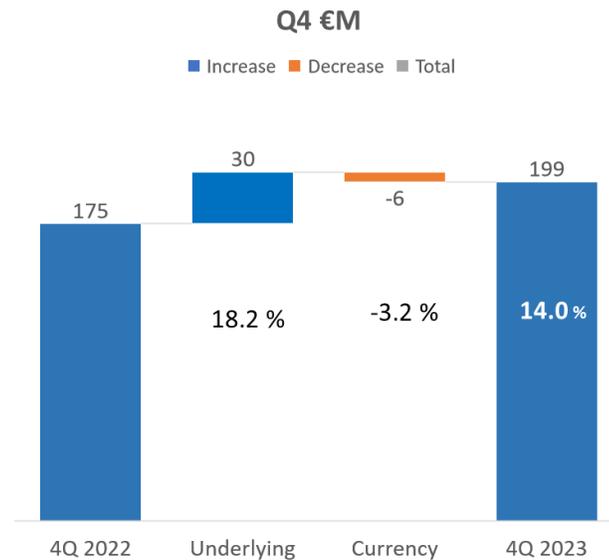
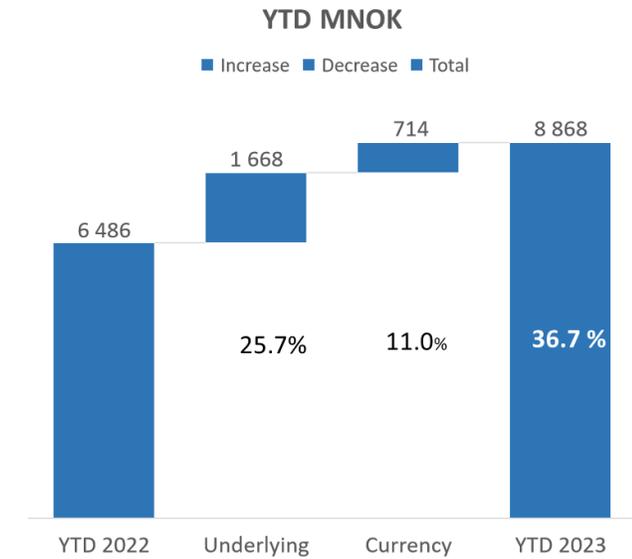
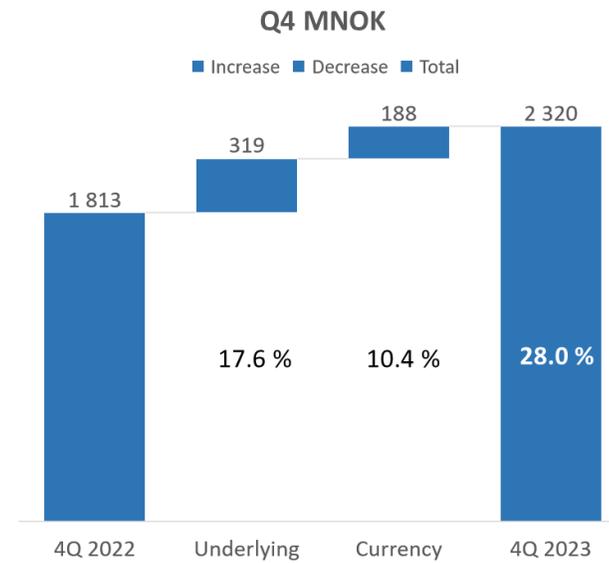
R12: Rolling 12 month demand (M€)



The R12 AND R06 forward demand covers the future rolling 12 and 6-month period. This contains all customer demand, firm demand and forecast. Historically the R06 and R12 demand has been a good representation of the next 5-6 and next 9-10 months of sales.

Currency and growth

- Revenue growth in €M of 14.0% in Q4 and 20.9% YTD.
- Waterfalls describe underlying growth and currency effects in MNOK vs €M.
- EUR Rate AVE:
 - Q4 NOK 11.65
 - Q3 NOK 11.40
 - Q2 NOK 11.66
 - Q1 NOK 11.00



Business sectors

- Strong growth in Nordics and CEE and improved profits overall.
- EBIT margin increased from 7.1 % to 9.1%.
- All sites continue to be profitable.



Revenue Business Sectors	Q4 2023	Q4 2022	Change	31.12.2023	31.12.2022	Change	Full year 2022
Nordics	86.3	69.8	16.5	304.9	247.8	57.1	247.8
CEE	77.6	60.1	17.5	304.8	205.4	99.4	205.4
Rest of the world	37.1	48.9	-11.8	177.5	206.0	-28.5	206.0
Group and eliminations	-1.9	-4.3	2.4	-12.0	-18.2	6.2	-18.2
Revenue	199.2	174.6	24.6	775.3	641.0	134.3	641.0

EBIT Business Sectors	Q4 2023	Q4 2022	Change	31.12.2023	31.12.2022	Change	Full year 2022
Nordics	7.3	6.4	0.9	27.3	18.7	8.6	18.7
CEE	6.0	6.3	-0.3	29.2	16.4	12.8	16.4
Rest of the world	3.7	5.3	-1.6	19.8	16.4	3.4	16.4
Group and eliminations	1.0	-2.1	3.2	-5.6	-6.2	0.6	-6.2
EBIT	18.0	15.9	2.1	70.8	45.2	25.6	45.2

FTE Business Sectors	Q4 2023	Q4 2022	Change	Full year 2022
Nordics	903	761	142	761
CEE	1 376	1 239	137	1 239
Rest of the world	722	848	-126	848
EBIT	3 001	2 848	153	2 848

Cash flow and working capital

- Q4 Cash flow from operating activities at 33.4 €M (7.3 €M).
- Re-classification of factoring debt from operating to financing activities. Comparison data restated.
- Net working capital at 193.7 €M (183.5 €M), up 5.6 % from last year, down 3% from last quarter.

					€M	
Cash Flow *	Q4 2023	Q4 2022	Change	31.12.2023	31.12.2022	
Profit before tax	16.9	14.6	2.3	64.7	38.6	
Depreciations	4.8	3.7	1.1	17.6	16.0	
Change in inventory, accounts receivable, contract assets and accounts payable	6.6	-16.1	22.7	-10.2	-32.1	
Change in net other current assets and other operating related items	5.1	5.0	0.1	-13.2	-4.4	
Net cash flow from operating activities	33.4	7.3	26.1	59.0	18.2	
Net cash flow from investing activities	-7.6	-2.6	-5.0	-16.3	-96.4	
Net cash flow from financing activities	-18.6	-12.6	-6.0	-29.5	60.2	

					€M	
Net working capital	31.12.2023	31.12.2022	Change	31.12.2022		
Inventory	166.4	172.7	-6.3	172.7		
Contract assets	77.9	59.4	18.5	59.4		
Trade receivables	131.3	143.5	-12.2	143.5		
Trade payables	181.9	192.1	-10.2	192.1		
Net working capital	193.7	183.5	10.2	183.5		

Ratios

- Net gearing and NIBD/EBITDA 0.71 and 1.5
- Strong earnings per share development +24% in Q4 and +78% YTD vs last year.
- Proposed dividend NOK 0.75 (NOK 0.50)

	€M			
Ratios	31.12.2023	31.12.2022	Change	31.12.2022
R3 NWC % sales	24.4 %	26.1 %	-1.7 %	26.1 %
R3 ROOC % sales	26.9 %	27.0 %	-0.1 %	27.0 %
R3 Cash Cycle Conversion	95	100	-5	100
Net Interest bearing debt €M	129.4	154.8	-25.4	154.8
Net gearing	0.71	1.08	-0.37	1.08
NIBD/EBITDA	1.5	2.6	-1.1	2.6
Equity percent	31.6 %	25.6 %	6.0 %	25.6 %
Earnings per share quarter	0.062	0.050	0.012	0.050
Earnings per share ytd	0.258	0.145	0.113	0.145

Outlook full-year 2024

We maintain 2024 outlook presented on Capital Markets Presentation in December 2023

Our current outlook:

- For 2024, Kitron expects revenues between 700 and 800 EUR million with an operating profit (EBIT) between 60 and 74 EUR million.



Key take-ways

- Fourth quarter delivered a strong finish of a double-digit growth year.
- Record performance for Revenue, EBIT, Margins, Earnings and Cash flow.
- Continued growth in Nordics and U.S. driven by Defense and specific product segments of Electrification.
- There's a noticeable deceleration of growth among customers in Industry and Connectivity due to some macro challenges, de-stocking, and benefit from quicker lead-times, subsequently minimizing their risks.
- We have solid demand for first half of 2024 and expect second half to improve further.





Q&A

Appendix: Definition of alternative performance measures

Order backlog

All firm orders and 4 months of committed customers forecast at revenue value as at balance sheet date.

Foreign exchange effects

Group consolidation restated with exchange rates as comparable period the previous year. Change in volume or balance calculated with the same exchange rates for the both periods are defined as underlying growth. Change based on the change in exchange rates are defined as foreign exchange effects. The sum of underlying growth and foreign exchange effects represent the total change between the periods.

EBITDA

Operating profit (EBIT) + Depreciation and Impairments

EBIT

Operating profit

EBIT margin (%)

Operating profit (EBIT) / Revenue

Net working capital

Inventory + Accounts Receivable – Accounts Payable

Operating capital

Other intangible assets + Tangible fixed assets + Net working capital

Return on operating capital (ROOC) %

Annualised Operating profit (EBIT) / Operating Capital

Return on operating capital (ROOC) R3 %

(Last 3 months Operating profit (EBIT))*4 / (Last 3 months Operating Capital /3)

Return on capital employed (ROCE)

EBIT/(Total assets - short term debt)

Return on equity

Net Income/Equity

Direct Cost

Cost of material + Direct wages (subset of personnel expenses only to include personnel directly involved in production)

Days of Inventory Outstanding

360/ (Annualised Direct Costs/Inventory)

Days of Inventory Outstanding R3

360/ ((Last 3 months Direct Costs *4) / (Last 3 months Inventory/3))

Days of Receivables Outstanding

360/ (Annualised Revenue/Trade Receivables)

Days of Receivables Outstanding R3

360/ (((Last 3 months Revenue*4)/(Last 3 months Trade Receivables/3))

Days of Payables outstanding

360/ ((Annualised Cost of Material + Annualised other operational expenses) / Trade Payables)

Days of Payables Outstanding (R3)

360/ (((Last 3 months (Cost of Material + other operational expenses)*4) / (Last 3 months Trade Payables/3))

Cash conversion cycle (CCC)

Days of inventory outstanding + Days of receivables outstanding – Days of payables outstanding

Cash conversion cycle (CCC) R3

Days of inventory outstanding (R3) + Days of receivables outstanding (R3) – Days of payables outstanding (R3)

Net Interest-bearing debt

- Cash and cash equivalents + Loans (Non- current liabilities) + Loans (Current liabilities)

Interest-bearing debt

Loans (Non- current liabilities) + Loans (Current liabilities)

Net gearing

Net Interest-bearing debt / Equity

Free Cash flow

Net Cash Flow from operating activities – Cash flows from acquisition of tangible fixed assets – Cash flows from acquisition of other intangible assets

Equity ratio

Total Equity / Total Assets

EPS

Earnings Per Share