



Fourth quarter report 2023

Connectivity
Electrification
Industry
Medical Devices
Defence/Aerospace

Norway
Sweden
Denmark
Lithuania
Germany
Poland
Czech Republic
India
China
USA
Malaysia

Message from our CEO

In the final quarter of 2023, we continued our streak of growth with record fourth-quarter sales of over €199 million, a robust 14 per cent increase from the same period in 2022. This growth was primarily fueled by exceptional performance in the Electrification and Defence/Aerospace sectors. Our annual revenue crossed the €775 million mark, reflecting an impressive year-over-year growth of 21 per cent.

Our operational efficiency delivered in the fourth quarter, with an operating profit of €18 million, up by 13 per cent year-over-year. Notably, our EBIT margin stood at 9.1 per cent, marking the fifth consecutive quarter of sustaining margins above 9 per cent. This consistency underpins our commitment to achieving the long-term financial goals we shared during our Capital Markets Day last December.

The order backlog remained stable at €494 million towards the quarter's end, aligning with our expectations of market normalization. However, the Defence/Aerospace sector continues to show strong momentum, significantly contributing to our order book's growth over the year.

Our cash flow from operations was solid, totaling €33.4 million for the quarter and €59.0 million for the full year. We remain dedicated to carefully managing our resources, cash flow, and delivery commitments in a challenging market environment.

Despite the broader market uncertainties, our outlook, especially in the Defense/Aerospace and Electrification sectors, remains positive. To meet the demand in these sectors, we are adding to our operational footprint in Denmark and Poland, enhancing our capacity, and meeting regional needs more effectively.

Looking ahead to 2024, we anticipate stable demand in the first half, with an expectation for it to pick up in the latter half. While our visibility remains limited due to high inventory levels, early signs point to stronger demand as we approach the first quarter of 2025. Our revenue forecast for 2024 is set between €700 million and €800 million, with an operating profit (EBIT) projection of €60 million to €74 million. This outlook aligns with the projections we shared at the December 2023 Capital Markets Day, as we continue to navigate the market with confidence.

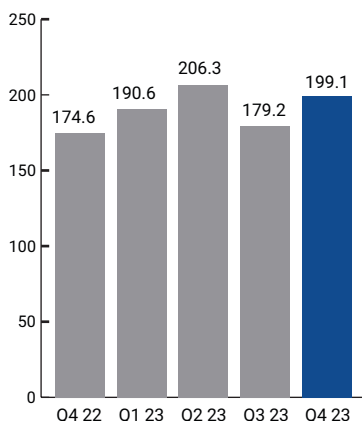


Peter Nilsson

Record fourth-quarter revenue

REVENUE Group

EUR million



Record fourth-quarter revenue

Kitron's revenue for the fourth quarter was EUR 199.1 million, an increase of 14 per cent compared to last year. Compared to last year, growth was particularly strong within the Electrification and Defence/Aerospace market sectors.

Full-year revenue of EUR 775.2 million gave an overall increase in revenue of 21 per cent for the year.

Solid order backlog

The order backlog ended at EUR 494 million, a decrease of 15 per cent compared to last year and a decrease of 2 per cent from the preceding quarter, reflecting the previously announced normalization as the gradually improving electronic component situation reduces lead times, but also reflecting continued strong demand. The exception to this trend is Defence/Aerospace, where the order backlog has grown substantially over the past year.

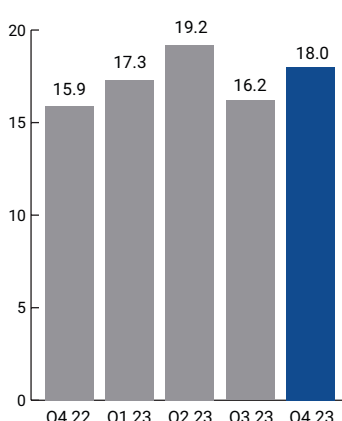
Margin at updated long-term target

Fourth quarter EBITDA* was EUR 22.8 million (EUR 19.6 million), an increase of 16 per cent compared to last year. Operating profit (EBIT)* for the fourth quarter ended at EUR 18.0 million (EUR 15.9 million), an increase of 13 per cent. Profitability expressed as EBIT margin* was 9.1 per cent (9.1 per cent), meaning the EBIT margin was at the long-term target that was presented at the Capital Markets Day in December, when the target was increased from above 8.0 per cent to 9.0 per cent.

Margin at updated long-term target

EBIT Group

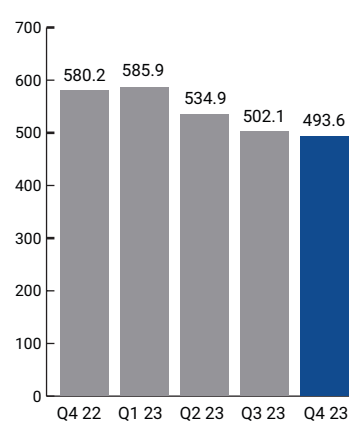
EUR million



Solid order backlog

ORDER BACKLOG Group

EUR million



Profit after tax was EUR 12.3 million (EUR 9.8 million), corresponding to EUR 0.06 earnings per share (EUR 0.05).

Full year EBITDA* was EUR 88.3 million (EUR 61.2 million), an increase of 44 per cent from last year. Operating profit (EBIT)* ended at EUR 70.7 million (EUR 45.2 million), an increase of 56 per cent. Profitability expressed as EBIT margin* was 9.1 per cent (7.0 per cent). Profit after tax was EUR 51.1 million (EUR 28.3 million), an increase of 80 per cent and corresponding to EUR 0.26 earnings per share (EUR 0.14).

The board proposes an ordinary dividend of NOK 0.75 per share (NOK 0.50).

Stable capital efficiency

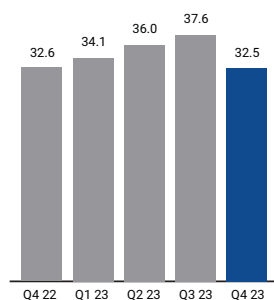
Operating cash flow was EUR 33.4 million (EUR 7.1 million) for the fourth quarter. Net working capital was EUR 193.8 million, an increase of 5.5 per cent compared to the same quarter last year. Cash conversion cycle R3* was down from 100 days to 95 days, and net working capital R3* as a percentage of revenue was 24.4 per cent compared to 26.1 per cent last year. Return on operating capital (ROOC) R3* was 26.9 per cent compared to 27.0 per cent in the same quarter last year. Capital efficiency ratios have stabilized. Our focus continues to be on improving the supply situation, as well as managing resources, cash and deliverables.

Key figures

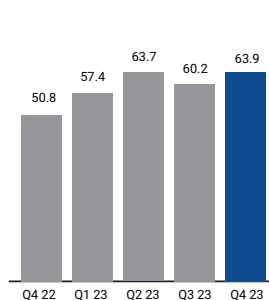
EUR million	Q4 2023	Q4 2022	Change	Full year 2023	Full year 2022	Change
Revenue	199.1	174.6	24.5	775.2	641.0	134.2
EBIT	18.0	15.9	2.1	70.7	45.2	25.5
Order backlog	493.6	580.2	(86.6)	493.6	580.2	(86.6)
Operating cash flow	33.4	7.1	26.3	59.0	18.2	40.8
Net working capital	193.8	183.6	10.2	193.8	183.6	10.2

* For definition – See Appendix «Definition of Alternative Performance Measures»

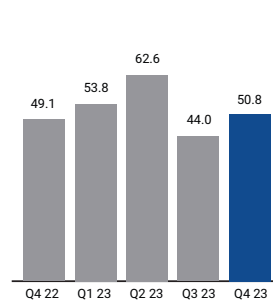
REVENUE Connectivity EUR million



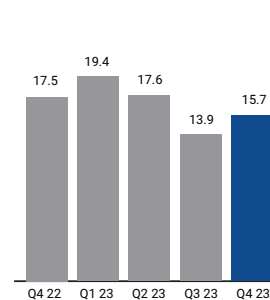
REVENUE Electrification EUR million



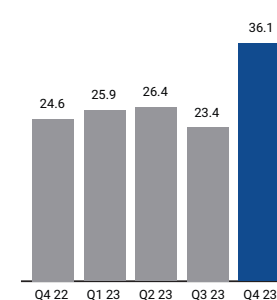
REVENUE Industry EUR million



REVENUE Medical Devices EUR million



REVENUE Defence/Aerospace EUR million



Increased interest level and disagio

Net interest-bearing debt amounted to EUR 129.4 million (EUR 154.8 million). Despite the reduced debt, finance costs have increased due to the general increase in interest rates. Net financial cost was EUR 1.2 million (cost of EUR 1.3 million). This includes a net agio of EUR 1.6 million (agio of EUR 0.9 million).

Order intake

Order intake in the quarter was EUR 190.5 million, which is 36 per cent lower than for the fourth quarter 2022. The order backlog ended at EUR 493.6 million, which is 15 per cent lower than the same period last year.

Four-quarter moving average order intake was down from EUR 199 million at the beginning of the fourth quarter to EUR 172.1 million at the end of the quarter. Kitron's order backlog includes four months committed customer forecast plus all firm orders for later delivery.

Markets

Connectivity

Kitron's Connectivity sector is focused on connected devices. Many of these devices are sensors, continuously feeding data into increasingly advanced software, utilizing artificial intelligence to make predictions and improve efficiency and safety. Examples are multiplying, in everything from industrial control systems to medical devices monitoring vital functions and modern cars, containing many sensors communicating with the Internet. Another part of the connectivity market sector is communication, which supplies the backbone for sensors and IOT. Typical products here are wireless communication, optical transmission and networking products.

Electrification

Kitron's Electrification sector is focused on the megatrend that sees the world increasingly moving to renewable energy and electrification. Examples are battery management, power grid transmission, power and electric drive management, charging and fuel cell technology. Kitron is involved with electrification from the power grid to end-user products, from control systems for offshore wind power to battery management systems and charging stations.

Industry

Within the Industry sector, Kitron operates and delivers a complete range of services within industrial applications like automation, environmental, material warehousing and security. The Industry sector consists of three main product areas: control systems, electronic control units and automation.

Medical devices

The medical device sector consists of the product areas diagnostics, life support, surgical, hospital and home care. Kitron is especially strong in ultrasound and cardiology systems, respiratory medical devices and Lab/IVD (In-Vitro Diagnostics).

Defence/Aerospace

Aerospace is mainly navigation and communication equipment for civil and military avionics. Defence is primarily communication, encryption, and surveillance systems. The Defence/Aerospace sector is in general characterized by project deliveries.

Revenue market sectors

EUR million	Q4 2023	Q4 2022	Change	Full year 2023	Full year 2022	Change
Connectivity	32.5	32.6	(0.1)	140.4	138.7	1.7
Electrification	63.9	50.8	13.1	245.1	157.0	88.2
Industry	50.8	49.1	1.8	211.1	188.0	23.1
Medical devices	15.7	17.5	(1.8)	66.7	74.8	(8.0)
Defence/Aerospace	36.1	24.6	11.5	111.8	82.5	29.3
Total group	199.1	174.6	24.5	775.2	641.0	134.2

Order backlog market sectors

EUR million	31.12.2023	31.12.2022	Change
Connectivity	48.0	91.4	(43.4)
Electrification	174.4	200.7	(26.3)
Industry	93.2	143.6	(50.5)
Medical devices	22.2	33.3	(11.1)
Defence/Aerospace	155.8	111.2	44.6
Total group	493.6	580.2	(86.6)

Operations

Organisation

The Kitron workforce corresponded to 3 002 full-time employees (FTE) on 31 December 2023. This is an increase of 154 FTE since the fourth quarter of 2022. The company's total payroll expenses in the fourth

quarter were EUR 0.5 million higher than in the corresponding period in 2022. The relative payroll costs ended at 15.8 per cent, down from 17.8 per cent of revenue in the fourth quarter last year.

Revenue business entities

EUR million	Q4 2023	Q4 2022	Change	Full year 2023	Full year 2022	Change
Nordics	86.3	69.8	16.5	304.9	247.8	57.1
CEE	77.6	60.1	17.5	304.8	205.4	99.4
Rest of the world	37.1	48.9	(11.8)	177.5	206.0	(28.5)
Group and eliminations	(1.9)	(4.3)	2.4	(12.0)	(18.2)	6.2
Total group	199.1	174.6	24.5	775.2	641.0	134.2

EBIT business entities

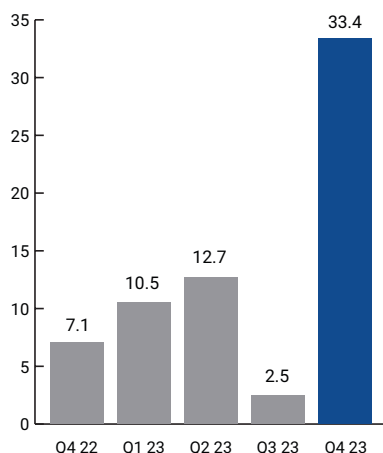
EUR million	Q4 2023	Q4 2022	Change	Full year 2023	Full year 2022	Change
Nordics	7.3	6.4	0.9	27.3	18.7	8.6
CEE	6.0	6.3	(0.3)	29.2	16.4	12.8
Rest of the world	3.7	5.3	(1.6)	19.8	16.4	3.4
Group and eliminations	1.0	(2.1)	3.1	(5.6)	(6.2)	0.6
Total group	18.0	15.9	2.1	70.7	45.2	25.5

Full time employees

	31.12.2023	31.12.2022	Change
Nordics	903	761	142
CEE	1 376	1 239	137
Rest of the world	722	848	(126)
Total group	3 002	2 848	154

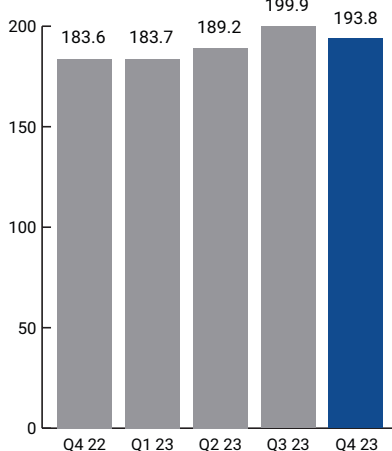
OPERATING CASH FLOW Group

EUR million



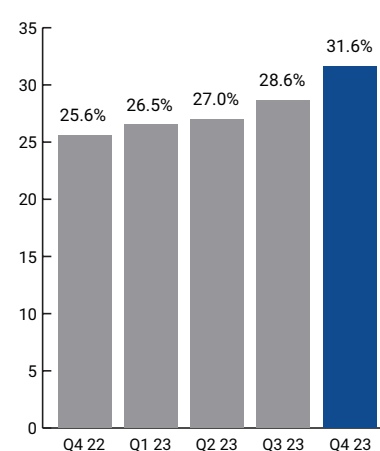
NET WORKING CAPITAL Group

EUR million



EQUITY RATIO Group

EUR million



Finance

Net financial items

During the quarter, net financial items amounted to a net cost of EUR 1.2 million. The corresponding figure for the fourth quarter last year was a net cost of EUR 1.3 million. Net agio for the fourth quarter amounted to EUR 1.6 million (agio EUR 0.9 million).

Balance sheet

Kitron's gross balance sheet as of 31 December 2023 amounted to EUR 580.8 million, compared to EUR 559.0 million at the same time in 2022.

Equity was EUR 183.5 million (EUR 143.3 million), corresponding to an equity ratio of 31.6 per cent (25.6 per cent). Return on equity was 28.0 per cent (27.5 per cent). Equity is influenced by foreign exchange effects from consolidation of foreign subsidiaries.

Inventory was EUR 166.4 million as of 31 December 2023 (EUR 172.7 million). Inventory turns* was 2.8 in the fourth quarter 2023, which is an increase compared to the fourth quarter last year (2.5). Deposits from customers are collected to partially offset the increased inventory.

Accounts receivables amounted to EUR 131.3 million at the end of the fourth quarter of 2023. The corresponding amount at the same time in 2022 was EUR 143.5 million.

Contract assets were EUR 77.9 million as of 31 December 2023, compared to EUR 59.4 million at the same time in 2022.

Right-of-use assets amounted to EUR 26.9 million at the end of the fourth quarter compared to EUR 24.2 million at the same time last year. Right-of-use assets consist of buildings, land and vehicles amounting to EUR 12.3 million (2022: EUR 12.6 million) and machinery and equipment amounting to EUR 14.6 million (2022: EUR 11.6 million). Depreciation and interest costs related to leased buildings, land and vehicles were EUR 0.7 million and EUR 0.2 million respectively for the fourth quarter (2022: EUR 0.9 million and EUR 0.2 million respectively).

The group's reported net interest-bearing debt* amounted to EUR 129.4 million as of 31 December 2023 (EUR 154.8 million). Net gearing of the company was 0.71 (1.08). Net interest-bearing debt/ EBITDA is 1.5 for 12 months rolling compared to 2.6 for the same period last year. The net gearing and net interest-bearing debt/ EBITDA exclusive IFRS 16 effects are 0.65 and 1.4 respectively.

Outlook

For 2024, Kitron expects revenues between EUR 700 and 800 million. Operating profit (EBIT) is expected to be between EUR 60 and 74 million.

Oslo, 13 February 2024, Board of directors, Kitron ASA

Condensed profit and loss statement

EUR million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Revenue	199.1	174.6	775.2	641.0
Cost of materials	134.7	117.3	528.3	439.4
Payroll expenses	31.6	31.1	122.4	108.0
Other operational expenses	9.9	9.3	37.2	32.7
Other gains / (losses)	(0.1)	2.7	1.1	0.2
Operating profit before depreciation and impairments (EBITDA)	22.8	19.6	88.3	61.2
Depreciation	4.8	3.7	17.6	16.0
Operating profit (EBIT)	18.0	15.9	70.7	45.2
Net financial items	(1.2)	(1.3)	(6.0)	(6.6)
Profit (loss) before tax	16.9	14.6	64.7	38.6
Tax	4.5	4.8	13.7	10.3
Profit (loss) for the period	12.3	9.8	51.1	28.3
Earnings per share-basic	0.06	0.05	0.26	0.14
Earnings per share-diluted	0.06	0.05	0.26	0.14

Condensed balance sheet

EUR million	31.12.2023	31.12.2022
ASSETS		
Goodwill	44.8	45.0
Other intangible assets	27.2	30.3
Property, plant and equipment	47.8	34.2
Right-of-use assets	26.9	24.2
Deferred tax assets	6.2	8.7
Other receivables	0.9	1.0
Total non-current assets	153.9	143.5
Inventory	166.4	172.7
Accounts receivable	131.3	143.5
Contract assets	77.9	59.4
Other receivables	12.2	13.9
Cash and cash equivalents	39.0	25.9
Total current assets	426.9	415.5
Total assets	580.8	559.0
LIABILITIES AND EQUITY		
Equity	183.5	143.3
Total equity	183.5	143.3
Deferred tax liabilities	5.4	6.3
Loans	113.3	119.4
Pension commitments	0.5	0.5
Other liabilities	1.1	1.2
Total non-current liabilities	120.3	127.4
Accounts payable	181.9	192.1
Other payables	33.8	28.6
Tax payable	6.3	6.2
Loans	55.1	61.3
Total current liabilities	277.1	288.2
Total liabilities and equity	580.8	559.0

Condensed cash flow statement

EUR million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit before tax	16.9	14.6	64.7	38.6
Depreciations	4.8	3.7	17.6	16.0
Change in inventory, accounts receivable, contract assets and accounts payable	6.6	(16.1)	(10.2)	(32.1)
Change in net other current assets and other operating related items	5.1	5.0	(13.2)	(4.4)
Net cash flow from operating activities*)	33.4	7.1	59.0	18.2
Net cash flow from investing activities	(7.6)	(2.6)	(16.3)	(96.4)
Net cash flow from financing activities*)	(18.6)	(12.6)	(29.5)	60.2
Change in cash and cash equivalent	7.1	(8.1)	13.3	(18.1)
Cash and cash equivalent opening balance	31.7	32.7	25.9	42.8
Currency conversion of cash and cash equivalent	0.2	1.4	(0.2)	1.2
Cash and cash equivalent closing balance	39.0	25.9	39.0	25.9

*) Change in factoring debt is reclassified from net cash flow from operating activities to net cash flow from financing activities

Condensed statement of comprehensive income

EUR million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit (loss) for the period	12.3	9.8	51.1	28.3
Actuarial gain / losses pensions	(0.0)	(0.0)	(0.0)	(0.0)
Gain/losses forward contract	(0.1)	(0.1)	(0.1)	0.6
Exchange differences on translation	3.0	2.9	(1.9)	3.4
Total comprehensive income for the period	15.2	12.5	49.0	32.2
Allocated to shareholders	15.2	12.5	49.0	32.2

Changes in equity

EUR million	31.12.2023	31.12.2022
Equity opening balance	143.3	122.9
Profit (loss) for the period	51.1	28.3
Paid dividends	(8.4)	(4.8)
Issue of ordinary shares	0.0	0.1
Employee share schemes	(0.5)	0.0
Other comprehensive income for the period	(2.0)	(3.2)
Equity closing balance	183.5	143.3

Notes to the financial statements

Note 1 – General information and principles

The condensed consolidated financial statements for the fourth quarter of 2023 have been prepared in accordance with International Financial Accounting Standards (IFRS) and IAS 34 for interim financial reporting. Kitron has applied the same accounting policies as in the consolidated financial statements for 2022. From 1 January 2023 Kitron changed the presentation currency from NOK to EUR. The interim financial statements do not include all the information required for a full financial report and should therefore be read in conjunction with the consolidated financial statements for 2022, which were prepared in accordance with the Norwegian Accounting Act and IFRS, as adopted by the EU. The consolidated financial statements for 2022 are available upon request from the company and at www.kitron.com.

Note 2 - Estimates

The preparation of the interim financial statements requires the use of evaluations, estimates and assumptions that affect the application of the accounting principles and amounts recognised as assets and liabilities, income and expenses. The actual results may deviate from these estimates. The important assessments underlying the application of Kitron's accounting policy and the main sources of uncertainty are the same for the interim financial statements as for the consolidated statements for 2022.

Note 3 – Financial risk management

Kitron's business exposes the company to financial risks. The purpose of the company's procedures for risk management is to minimise possibly negative effects caused by the company's financial arrangements.

Note 4 – Other gains and losses

Other gains and losses consist of net currency gains and losses.

Note 5 – Change in presentation currency

Kitron is from 1 January 2023 presenting its consolidated financial statements in EUR. The change in presentation currency from NOK to EUR is due to Kitron's activities now being primarily outside of Norway and transactions, revenue and costs increasingly being denominated in EUR.

The change in presentation currency has been treated as a change in accounting policy in accordance with IAS 8.

Balance sheet items including opening balance at 1 January 2022 are converted by using currency rate at balance sheet date. For profit and loss statements currency conversion is based on weighted average currency rates for the reporting period. Currency rates used in conversion is as follows:

	31.12.2022	01.01.2022	01.10.2022- 31.12.2022	01.01.2022- 31.12.2022
EUR/NOK	10.51	9.99	10.39	10.11

Weighted average currency rate (EUR/NOK) for the period 01.01.2023 - 31.12.2023 is 11.44. Currency rate (EUR/NOK) at 31.12.2023 is 11.24.

Converted financial statements from implementation are disclosed below and are also available at www.kitron.com.

Condensed profit and loss statement

	EUR million		NOK million	
	Q4 2022	Full year 2022	Q4 2022	Full year 2022
Revenue	174.6	641.0	1 813.4	6 486.7
Cost of materials	117.3	439.4	1 218.5	4 445.3
Payroll expenses	31.1	108.0	322.9	1 092.5
Other operational expenses	9.3	32.7	97.0	330.9
Other gains / (losses)	2.7	0.2	28.2	3.0
Operating profit before depreciation and impairments (EBITDA)	19.6	61.2	203.2	621.0
Depreciation	3.7	16.0	38.2	161.4
Operating profit (EBIT)	15.9	45.2	165.0	459.6
Net financial items	(1.3)	(6.6)	(13.5)	(67.4)
Profit before tax	14.6	38.6	151.5	392.2
Tax	4.8	10.3	50.3	105.1
Profit for the period	9.8	28.3	101.2	287.1

Condensed balance sheet

	EUR million		NOK million	
	31.12.2022	01.01.2022	31.12.2022	01.01.2022
ASSETS				
Goodwill	45.0	3.7	472.9	36.9
Other intangible assets	30.3	4.5	318.5	44.9
Property, plant and equipment	34.2	21.3	359.9	212.9
Right-of-use assets	24.2	24.0	254.6	239.5
Deferred tax assets	8.7	7.4	91.7	74.0
Other receivables	1.0	1.0	10.4	10.3
Total non-current assets	143.5	61.9	1 507.9	618.6
Inventory	172.7	88.1	1 815.5	880.3
Accounts receivable	143.5	86.5	1 508.2	864.6
Contract assets	59.4	40.1	624.6	400.6
Other receivables	13.9	11.7	145.8	117.3
Cash and cash equivalents	25.9	42.8	272.7	428.0
Total current assets	415.5	269.4	4 366.7	2 690.8
Total assets	559.0	331.3	5 874.7	3 309.4
LIABILITIES AND EQUITY				
Equity	143.3	122.9	1 506.5	1 228.0
Total equity	143.3	122.9	1 506.5	1 228.0
Deferred tax liabilities	6.3	0.4	66.4	4.2
Loans	119.4	20.6	1 255.2	206.2
Pension commitments	0.5	0.6	5.3	5.6
Other liabilities	1.2	0.4	12.1	4.2
Total non-current liabilities	127.4	22.0	1 339.0	220.2
Accounts payable	192.1	91.9	2 018.6	917.8
Other payables	28.6	13.1	301.1	131.1
Tax payable	6.2	1.9	65.4	19.1
Loans	61.3	79.4	644.1	793.2
Total current liabilities	288.2	186.3	3 029.1	1 861.1
Total liabilities and equity	559.0	331.3	5 874.7	3 309.4

Condensed cash flow statement

	EUR million		NOK million	
	Q4 2022	Full year 2022	Q4 2022	Full year 2022
Profit before tax	14.6	38.6	151.5	392.2
Depreciations	3.7	16.0	38.2	161.4
Change in inventory, accounts receivable, contract assets and accounts payable	(16.1)	(32.1)	(170.1)	(399.9)
Change in net other current assets and other operating related items	5.0	(4.4)	94.8	29.0
Net cash flow from operating activities *)	7.1	18.2	114.4	182.8
Net cash flow from investing activities	(2.6)	(96.4)	(27.3)	(960.5)
Net cash flow from financing activities *)	(12.6)	60.2	158.3	620.2
Change in cash and cash equivalents	(8.1)	(18.1)	(71.2)	(157.4)
Cash and cash equivalents opening balance	32.7	42.8	323.7	428.0
Currency conversion of cash and cash equivalents	1.4	1.2	20.2	2.1
Cash and cash equivalents closing balance	25.9	25.9	272.7	272.7

*) Change in factoring debt is reclassified from net cash flow from operating activities to net cash flow from financing activities

Condensed statement of comprehensive income

	EUR million		NOK million	
	Q4 2022	Full year 2022	Q4 2022	Full year 2022
Profit (loss) for the period	9.8	28.3	101.2	287.1
Actuarial gain / losses pensions	(0.0)	(0.0)	(0.2)	(0.2)
Gain / losses forward contract	(0.1)	0.6	(1.5)	5.8
Exchange differences on translation	2.9	3.4	29.8	34.4
Total comprehensive income for the period	12.5	32.2	129.3	327.3
Allocated to shareholders	12.5	32.2	129.3	327.3

Appendix

Definition of Alternative Performance Measures

Kitron uses terms in the consolidated financial statements that are not anchored in the IFRS accounting standards. As being an Electronics Manufacturing Services company, Kitron uses Alternative Performance Measures which are relevant for understanding and evaluation of performance within manufacturing.

Our definitions and explanations of these terms follow below.

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 + Contract assets + Accounts Receivables – 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 %

$(\text{Last 3 months Operating profit (EBIT)}) \times 4 / (\text{Last 3 months Operating Capital} / 3)$

Direct Cost

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

Days of Inventory Outstanding

$360 / (\text{Annualised Direct Costs} / (\text{Inventory} + \text{Contract assets}))$

Days of Inventory Outstanding R3

$360 / ((\text{Last 3 months Direct Costs} \times 4) / (\text{Last 3 months Inventory and Contract assets} / 3))$

Days of Receivables Outstanding

$360 / (\text{Annualised Revenue} / \text{Trade Receivables})$

Days of Receivables Outstanding R3

$360 / ((\text{Last 3 months Revenue} \times 4) / (\text{Last 3 months Trade Receivables} / 3))$

Days of Payables outstanding

$360 / ((\text{Annualised Cost of Material} + \text{Annualised other operational expenses}) / \text{Trade Payables})$

Days of Payables Outstanding (R3)

$360 / (((\text{Last 3 months (Cost of Material} + \text{other operational expenses})} \times 4) / (\text{Last 3 months Trade Payables} / 3))$

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)

Inventory turns

Annualised direct costs / (Inventory + Contract assets)

Variable contribution

Revenue - Direct cost

Net gearing

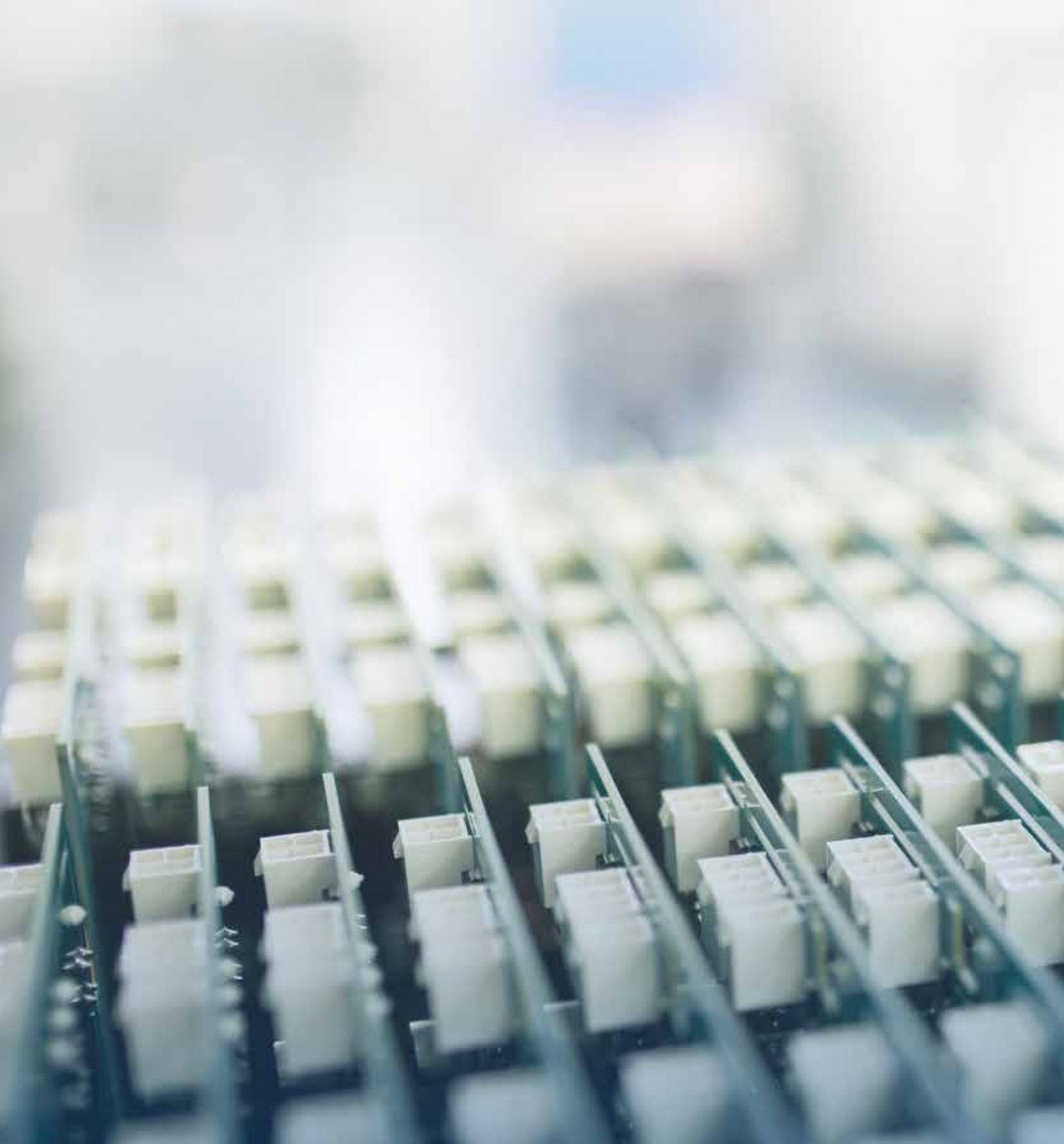
Net interest bearing debt / Equity

Equity Ratio

The ratio of Equity to Total Assets

Return on Equity

$(\text{Last 3 months Profit (loss) for the period} \times 4) / (\text{Last 3 months Equity} / 3)$



Kitron is a Scandinavian Electronics Manufacturing Services company. The company has manufacturing facilities in Norway, Sweden, Denmark, Lithuania, Poland, the Czech Republic, India, China, Malaysia and the US and has about 3 000 employees. Kitron manufactures both electronics that are embedded in the customers' own product, as well as box-built electronic products. Kitron also provides high-level assembly (HLA) of complex electromechanical products for its customers.

Kitron offers all parts of the value chain: From design via industrialisation, manufacturing and logistics, to repairs. The electronics content may be based on conventional printed circuit boards or ceramic substrates.

Kitron also provides various related services such as cable harness manufacturing and components analysis, and resilience testing, and source any other part of the customer's product. Customers typically serve international markets and provide equipment or systems for professional or industrial use.