



2022 Q4 Presentation

Fourth quarter and full year 2022 Highlights

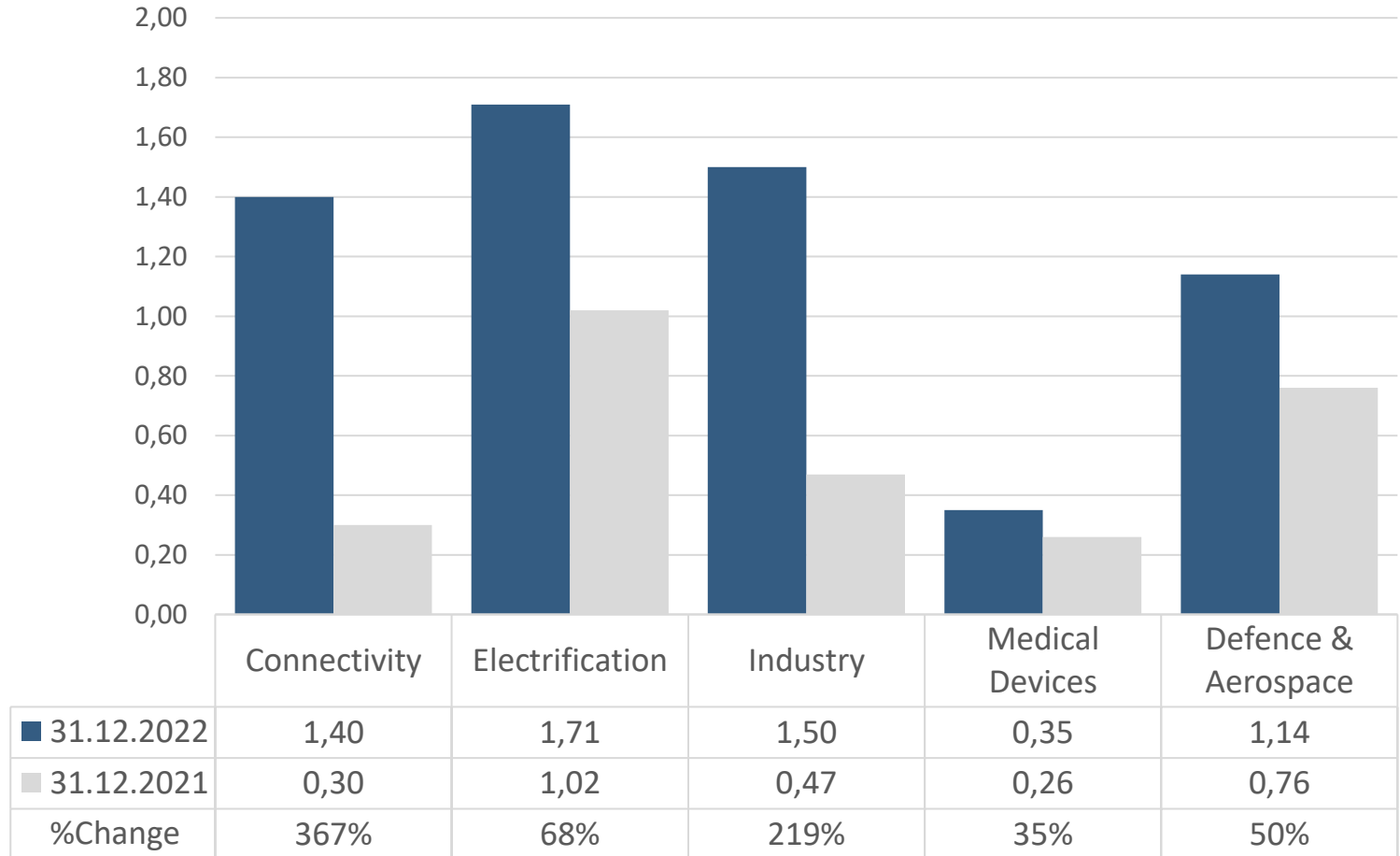
- Q4 Revenue: 1813 MNOK (an increase of 91% from 949 MNOK last year)
- Full Year Revenue: 6487 MNOK (an increase of 75% from 3711 MNOK last year)
- Q4 EBIT: 165 MNOK (an increase of 216% from 52 MNOK last year)
- Full Year EBIT: 460 MNOK (an increase of 91% from 241 MNOK last year)
- Cash Flow: 63 MNOK for the fourth quarter and 117 MNOK for the year
- Return on Operating Capital: 27.0% (up from 12.3% last year)
- Cash Cycle Conversion: 100 days (vs. 126 days last year)
- NIBD/EBITDA: 2.56 in the 4th quarter (vs. 3.5 in the 1st quarter of 2022)



Order backlog

- Strong demand for the products we build and the services we deliver.
- In the fourth quarter of 2022, we reached new all-time-high levels of demand, with an order backlog of 6.1B, a significant increase from 2.8B the previous year. A 116% increase.
- Our Book-to-Bill ratio was 1.7 in the fourth quarter and 1.3 for the year.

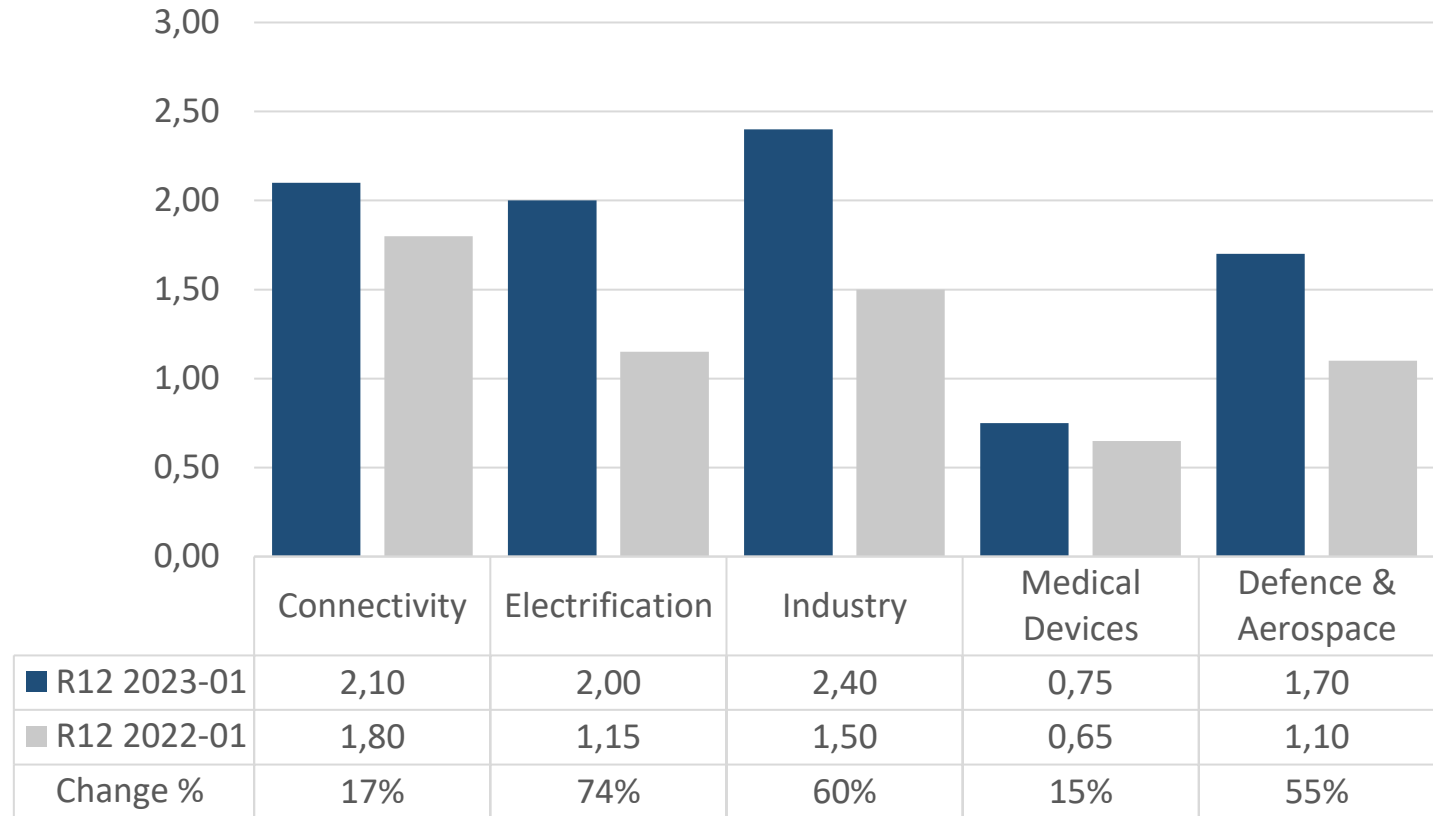
Order backlog (BNOK)



Market and operations

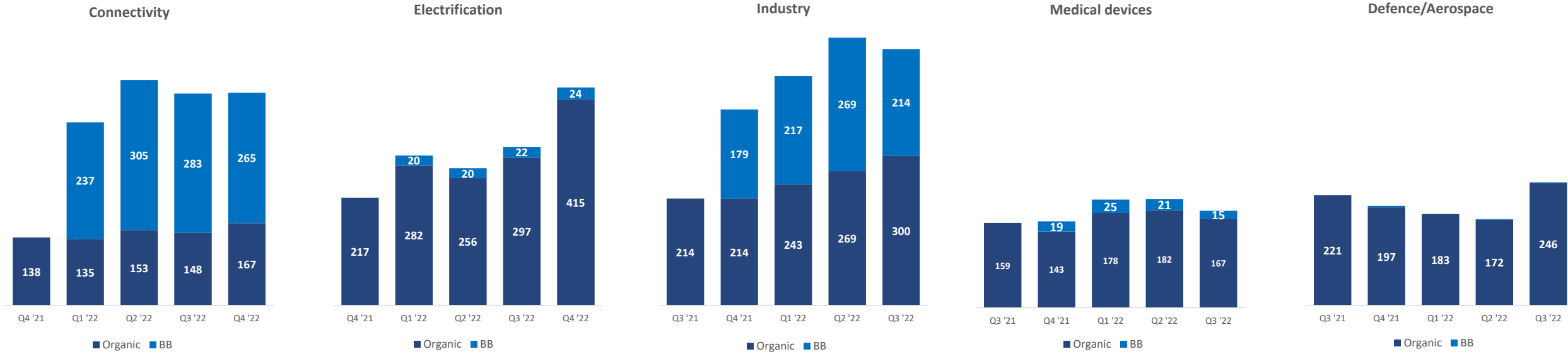
- Demand continues to be very strong in all market sectors
- Demand R12¹ increased to 8950 MNOK from 6200 MNOK. Close to 45% growth
- Global megatrends electrification, sustainable energy, connectivity, and defense with projections of up to 50% growth per year over the next several years for product applications within these sectors

12 month forward looking demand (BNOK)

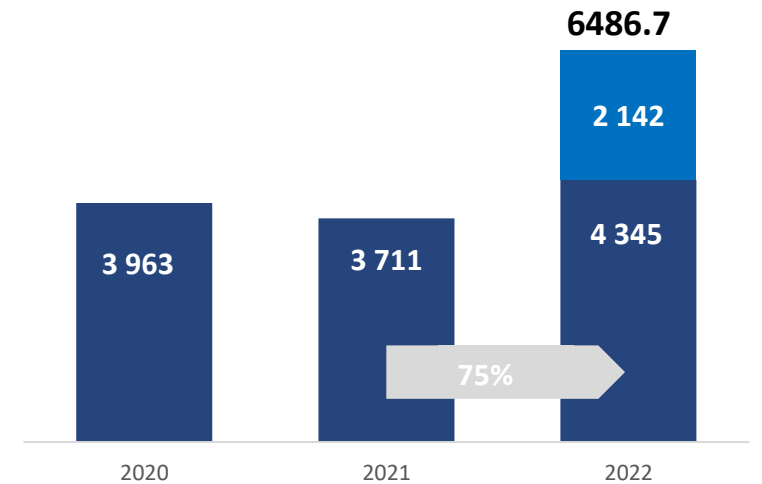


1. Customer demand - future looking Rolling 12 month
This contains all customer demand, firm demand and forecast.
Order backlog is more firm order driven.

Revenues



- Growth in all sectors compared to last year
- Very strong growth in Electrification
- Sector development dependent on component availability



Business sectors

- Growth and improved profits across business sectors
- EBIT margin increased from 5.5% to 9.1%

Revenue Business Sectors	Q4 2022	Q4 2021	Change	Q-Q growth	Full year 2021	BB Q4 2022
Nordics	724,6	518,9	205,6	39,6 %	1 819,0	141,3
CEE	622,9	317,1	305,8	96,4 %	1 297,8	101,3
Rest of the world	510,9	141,4	369,5	261,3 %	696,3	285,6
Group and eliminations	-45,0	-28,8	-16,2	56,2 %	-101,4	-7,4
Revenue	1 813,3	948,6	864,7	91,2 %	3 711,7	520,8

EBIT Business Sectors	Q4 2022	Q4 2021	Change	Q-Q growth	Full year 2021	BB Q4 2022
Nordics	66,3	43,8	22,5	51,3 %	134,7	14,3
CEE	65,0	19,6	45,4	231,7 %	96,7	5,5
Rest of the world	54,3	12,1	42,2	350,0 %	37,7	34,1
Group and eliminations	-20,7	-24,7	4,0	-16,4 %	-28,3	0,0
EBIT	164,9	50,8	114,2	224,9 %	240,8	53,9

FTE	Q4 2022	Q4 2021	Change	Q-Q growth	Full year 2021	BB Q4 2022
Nordics	761	555	206	37,2 %	555	169
CEE	1 239	838	401	47,8 %	838	182
Rest of the world	848	356	492	138,2 %	356	626
FTE	2 848	1 749	1 099	62,8 %	1 749	977



Cash flow and working capital

- Q4 Cash flow from operating activities at 63 MNOK (9 MNOK)
- YTD Cash flow operating activities at 117 MNOK (126 MNOK)
- Net working capital at 1 774 MNOK and an increase of 156 MNOK in the quarter

Cash Flow	Q4 2022	Q4 2021	Change	31.12.2022	31.12.2021
Profit before tax	151,5	47,8	103,7	392,2	204,2
Depreciations	38,2	26,2	12,0	161,4	101,0
Change in inventory, accounts receivable, contract assets and accounts payable	-118,5	-70,2	-48,3	-348,3	-163,9
Change in net other current assets and other operating related items	0,0	-26,2	26,2	-65,9	-102,6
Change in factoring debt	-7,9	31,4	-39,3	-22,5	87,6
Net cash flow from operating activities	63,2	9,0	54,3	116,9	126,3
Investments	-63,6	-24,5	-39,1	-96,7	-46,0
Acquisition			0,0	-900,0	
Net cash flow from investing activities	-63,6	-24,5	-39,1	-996,7	-46,0
Net cash flow from financing activities	-79,5	341,6	-421,1	736,0	197,4

Net working capital	Q4 2022	Q4 2021	Change	31.12.2022	BB 31.12.2022
Inventory	1 815,5	880,3	935,2	880,3	518,3
Contract assets	624,6	400,6	224,0	400,6	102,5
Trade receivables	1 508,2	864,6	643,6	864,6	295,7
Trade payables	2 018,6	917,8	1 100,8	917,8	590,2
Net working capital	1 929,7	1 227,7	702,0	1 227,7	326,3

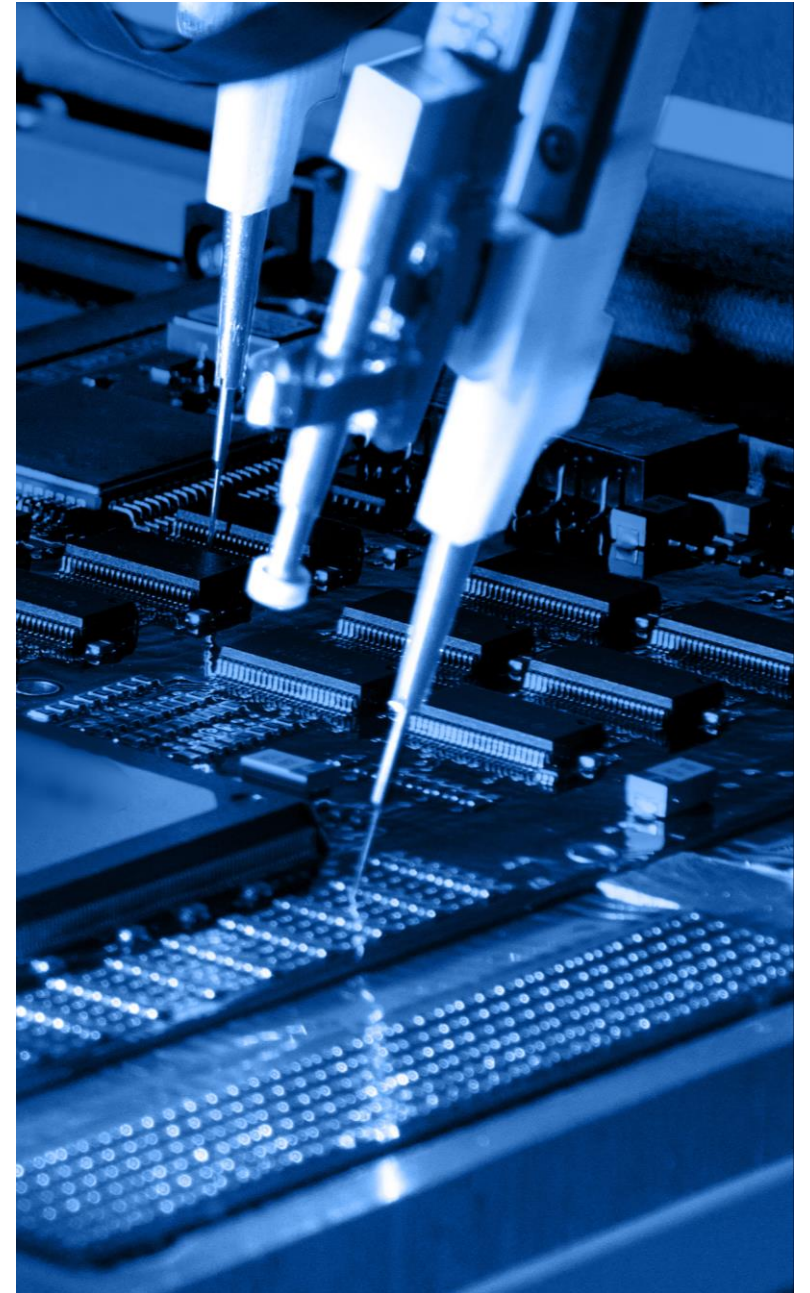
Ratios

- Positive development on NWC % sales, ROOC%, CCC
- Net gearing / NIBD at 2,6 and 2,56 excl. IFRS
- Earnings per share improvement, above last year for quarter and accumulated
- Proposed dividend NOK 0.50 (NOK 0.25)

Ratios	31.12.2022	31.12.2021	Change	31.12.2021
R3 NWC % sales	26,1 %	31,7 %	-5,6 %	31,7 %
R3 ROOC % sales	27,0 %	12,3 %	14,7 %	12,3 %
R3 Cash Cycle conversion	100	126	-26	126
Net gearing	1,09	0,47	0,62	0,47
NIBD/EBITDA	2,6	1,7	0,9	1,7
Equity percent	25,6 %	37,1 %	-11,5 %	37,1 %
Earnings per share quarter	0,52	0,20	0,32	
Earnings per share ytd	1,46	0,85	0,61	0,78

Outlook full-year 2023

- Demand continues to be strong, and EBIT margin and capital efficiency are improving.
- For 2023, Kitron expects revenues between NOK 6 700 and 7 300 million.
- Operating profit (EBIT) is expected to be between NOK 450 and 550 million.
- Revenue and EBIT are now expected to be in the higher end of the ranges.



Key take-ways

- Positive quarter-over-quarter growth in 2022
- Easing of supply constraints enabled increased production and improved operational efficiency.
- Strong margins in Q4 due to growing demand from customers
- Robust demand across diverse market sectors, including defense sector
- High level of activity among customers driving growth and expansion
- Positive trend from last year expected to continue in 2023.
- Proposed dividend 0.50 NOK
- Positioned to continue growth journey



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

Return on equity

(Last 3 months Profit (loss) for the period * 4)/(Last 3 months Equity/3)

EPS

Earnings Per Share