Kitron

THIRD QUARTER 2025

Connectivity
Electrification
Industry
Medical Devices
Defence/Aerospace

Norway
Sweden
Denmark
USA

Germany
Lithuania
Poland
Czech Republic

China
Malaysia
India

Message from our CEO

Momentum into a new growth cycle

- Record order backlog
- European rearmament driving growth
- New facilities expanding capacity
- Confident outlook for 2026

The third quarter of 2025 marked continued solid performance for Kitron. Sales and profitability remained in line with guidance, and our order backlog reached new highs, driven by record order intake within Defence & Aerospace. With a book-to-bill ratio above 1.5, Kitron is positioned for a strong close to the year and a confident start to 2026.

Defence & Aerospace – Leading growth
Defence & Aerospace continues to expand as anticipated, with strong demand across missile systems, air defence, communications, and advanced optics.

The war in Ukraine and recent incursions into Nato airspace have intensified European rearmament efforts, including discussions around a "drone wall". This creates significant opportunities for companies able to scale rapidly in supply chain, production, and logistics — an area where Kitron holds a unique advantage through its regional footprint and balanced global capacity.

Post-quarter-end we announced our fourth customer win in this sub sector, the largest order to date, with an initial order value of € 100 million.

Electrification – Temporary softness, solid outlook
Electrification saw a short-term slowdown in the energy transmission segment, as downstream partners build additional installation capacity. We view this as temporary, with underlying demand in power management, energy storage, and infrastructure remaining strong.

Growth is expected to accelerate as large-scale projects resume. Fortunately we are scaling up significant volumes in the U.S. for a customer signed in 2024. This should start to offset some of the softness in Europe.

Connectivity – Innovation creates new markets
The Connectivity sector continues to evolve rapidly. We see strong order intake in new technology segments, driven by AI-enabled next-generation sensor platforms.

Traditional customers remain cautious, maintaining tight inventory control and shorter forecast horizons, but innovation is clearly creating new markets that will shape the next growth cycle.

Industry & Medical Devices – Steady and strengthening
Industry demand remained stable through the first half and began to firm up toward the end of Q3, supported by design automation, subsea technologies, and industrial digitalization.

Medical Devices continue to demonstrate stability, with more than half of product groups showing sequential growth.

Strategic & operational progress

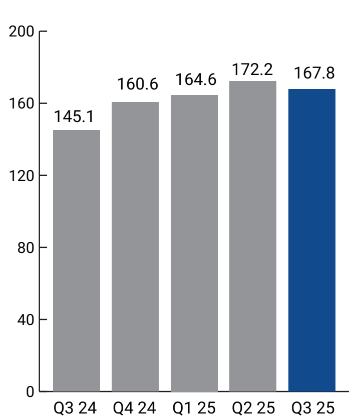
- Our new Swedish facility is completed. This will alleviate the workload in the existing facility and allow for further growth.
- The new Norwegian facility is on schedule to be inaugurated in the first half of 2026.
- Malaysia adds customers and receives positive feedback. Select customers favor an Asian component in their supply portfolios.
- Over the quarter, we have been in advanced stages of several M&A processes. We have concluded these projects and are currently reviewing several additional opportunities more strongly aligned with Kitron's strategic focus.

Closing – Forward to 2026
Given the current defence demand, we are raising our outlook for 2025. We now expect revenue to be between EUR 700 million and EUR 740 million, with EBIT (operating profit) expected to range from EUR 59 million to EUR 66 million.

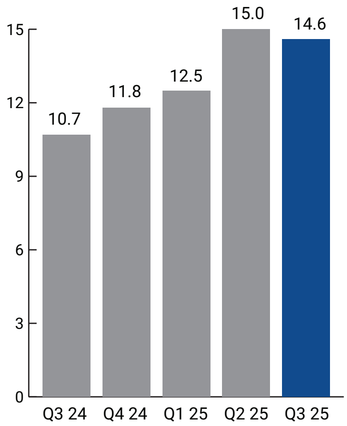
As we prepare for a new growth journey in 2026, we continue to close out a packed fourth quarter — focused, energized, and ready for the opportunities ahead.

Peter Nilsson

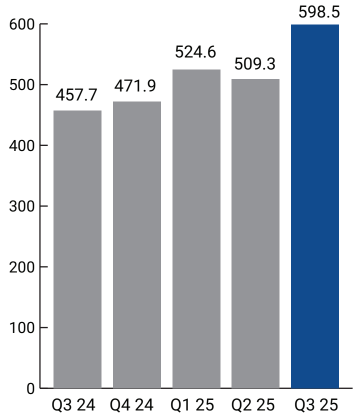
REVENUE Group
EUR million



EBIT Group
EUR million



ORDER BACKLOG Group
EUR million



Accelerating growth
Kitron's revenue for the third quarter was EUR 167.8 million (EUR 145.1 million), an increase of 15.6 per cent from last year. The Defence/Aerospace market sector showed particularly strong growth.

Kitron's revenue for the first three quarters was EUR 504.6 million (EUR 486.6 million), an increase of 3.7 per cent compared to last year.

EBIT margin approaching target of 9 per cent
Third quarter EBITDA* was EUR 19.1 million (EUR 15.3 million). Operating profit (EBIT)* for the third quarter ended at EUR 14.6 million (EUR 10.7 million). Profitability expressed as EBIT margin* was 8.7 per cent (7.4 per cent). Profit after tax was EUR 9.1 million (EUR 6.1 million), corresponding to EUR 0.05 earnings per share (EUR 0.03).

EBITDA* for the first three quarters was EUR 55.7 million (EUR 50.1 million), an increase of 11 per cent from last year. Operating profit (EBIT)* for the first three quarters ended at EUR 42.0 million (EUR 36.3 million), an increase of 16 per cent. Profitability expressed as EBIT margin* was 8.3 per cent (7.5 per cent). Profit after tax was EUR 26.6 million (EUR 23.1 million), an increase of 15 per cent and corresponding to EUR 0.13 earnings per share (EUR 0.12).

Record order backlog
The order backlog ended at EUR 598.5 million, an increase of 31 per cent compared to last year and 18 per cent compared to the second quarter this year. This is the highest order backlog in Kitron's history, reflecting intense activity in the Defence/Aerospace market sector.

Exceptional cash flow
Operating cash flow was EUR 44.2 million (EUR 2.2 million) for the third quarter. Net working capital was EUR 151.0 million, a decrease of 18 per cent compared to the same quarter last year. Cash conversion cycle R3* was down from 123 days to 78 days, and net working capital R3* as a percentage of revenue was 21.6 per cent compared to 31.0 per cent last year. Return on operating capital (ROOC) R3* was 26.3 per cent compared to 16.8 per cent in the same quarter last year.

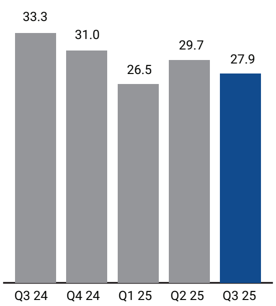
Customers have made significant cash deposits this quarter. This has led to a temporary increase in operating cash flow, cash and cash equivalents, and accounts payable. Consequently, several alternative performance measures (APMs) derived from these line items are affected.

Key figures

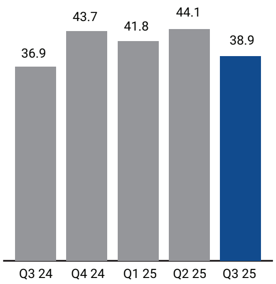
EUR million	Q3 2025	Q3 2024	Change	30.09.2025	30.09.2024	Change	Full year 2024
Revenue	167.8	145.1	22.7	504.6	486.6	18.1	647.2
EBIT	14.6	10.7	3.8	42.0	36.3	5.8	48.0
Order backlog	598.5	457.7	140.8	598.5	457.7	140.8	471.9
Operating cash flow	44.2	2.2	42.0	75.6	29.4	46.2	43.7
Net working capital	151.0	183.1	(32.1)	151.0	183.1	(32.1)	188.0

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

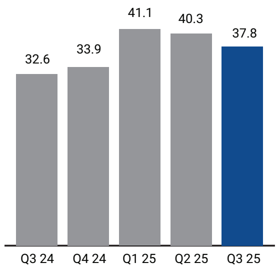
REVENUE
Connectivity
EUR million



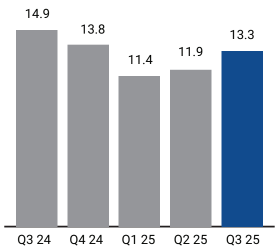
REVENUE
Electrification
EUR million



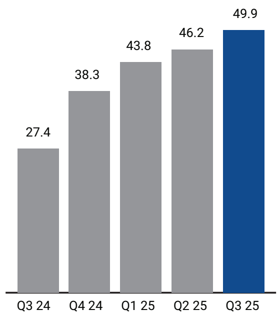
REVENUE
Industry
EUR million



REVENUE
Medical Devices
EUR million



REVENUE
Defence/Aerospace
EUR million



Order intake

Order intake in the quarter was EUR 257.0 million, which is 73 per cent higher than for the third quarter of 2024. The order backlog ended at EUR 598.5 million, which is 31 per cent higher than the same period last year.

Four-quarters moving average order intake was up from EUR 174.3 million at the beginning of the third quarter to EUR 201.5 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	Q3 2025	Q3 2024	Change	01.01-30.09.2025	01.01-30.09.2024	Change	Full year 2024
Connectivity	27.9	33.3	(5.4)	84.0	90.3	(6.3)	121.3
Electrification	38.9	36.9	2.0	124.9	135.4	(10.5)	179.1
Industry	37.8	32.6	5.2	119.2	116.8	2.4	150.6
Medical devices	13.3	14.9	(1.6)	36.6	45.7	(9.1)	59.6
Defence & Aerospace	49.9	27.4	22.5	139.9	98.3	41.6	136.6
Total group	167.8	145.1	22.7	504.6	486.6	18.1	647.2

Order backlog market sectors

EUR million	30.09.2025	30.09.2024	Change	31.12.2024
Connectivity	67.9	53.6	14.3	61.2
Electrification	117.5	157.0	(39.5)	137.1
Industry	65.8	63.4	2.4	64.6
Medical devices	21.0	20.3	0.7	17.4
Defence & Aerospace	326.3	163.4	162.9	191.6
Total group	598.5	457.7	140.8	471.9

Operations

Organisation

The Kitron workforce corresponded to 2 781 full-time employees (FTE) on 30 September 2025. This is an increase of 307 FTE since the third quarter of 2024. The company's total payroll expenses in the third quarter were EUR 4.1 million higher than in the corresponding period in 2024. The relative payroll costs ended at 17.4 per cent, up from 17.3 per cent of revenue in the third quarter last year.

Revenue Business Sectors

EUR million	Q3 2025	Q3 2024	Change	01.01-30.09.2025	01.01-30.09.2024	Change	Full year 2024
Nordics & US	91.7	79.6	12.1	281.4	265.7	15.7	355.6
CEE	54.8	42.3	12.5	163.0	154.9	8.1	205.7
Asia	23.3	24.7	(1.4)	66.7	72.0	(5.3)	95.7
Group and eliminations	(2.1)	(1.5)	(0.6)	(6.6)	(6.1)	(0.5)	(9.9)
Total group	167.8	145.1	22.7	504.6	486.6	18.1	647.2

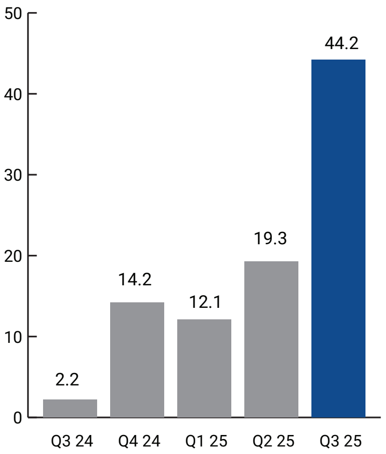
EBIT Business Sectors

EUR million	Q3 2025	Q3 2024	Change	01.01-30.09.2025	01.01-30.09.2024	Change	Full year 2024
Nordics & US	8.7	5.4	3.3	25.8	22.2	3.6	26.2
CEE	5.6	3.6	2.0	15.3	13.4	1.9	17.1
Asia	2.6	2.7	(0.1)	6.4	7.6	(1.2)	11.1
Group and eliminations	(2.4)	(1.0)	(1.4)	(5.5)	(7.0)	1.5	(6.4)
Total group	14.6	10.7	3.8	42.0	36.3	5.8	48.0

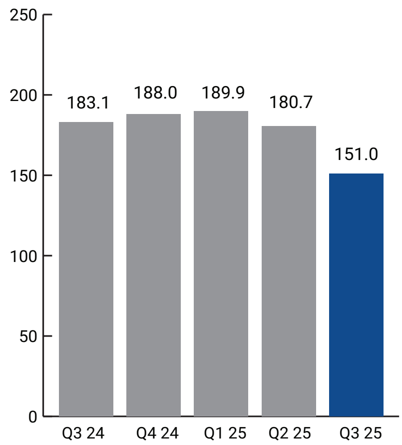
FTE Business Sectors

	30.09.2025	30.09.2024	Change	31.12.2024
Nordics & US	1 127	1 048	79	994
CEE	1 144	944	200	930
Asia	510	482	28	488
Total group	2 781	2 474	307	2 411

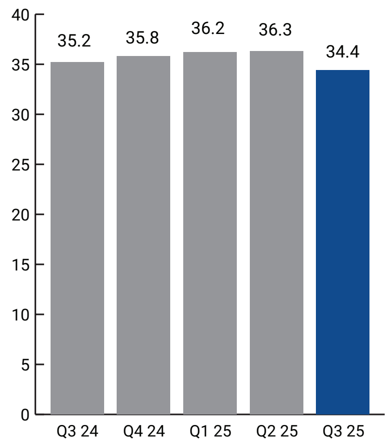
OPERATING CASH FLOW Group
EUR million



NET WORKING CAPITAL Group
EUR million



EQUITY RATIO Group
Percent



Finance

Net financial items

During the quarter, net financial items amounted to a net cost of EUR 2.6 million. The corresponding figure for the third quarter last year was a net cost of EUR 2.3 million. Net disagio for the third quarter amounted to EUR 0.3 million (disagio EUR 0.2 million).

Balance sheet

Kitron's gross balance sheet as of 30 September 2025 amounted to EUR 619.6 million, compared to EUR 547.7 million at the same time in 2024.

Equity was EUR 213.4 million (EUR 192.9 million), corresponding to an equity ratio of 34.4 per cent (35.2 per cent). Return on equity was 17.0 per cent (12.9 per cent). Equity is influenced by foreign exchange effects from consolidation of foreign subsidiaries.

Inventory was EUR 149.8 million as of 30 September 2025 (EUR 145.9 million). Inventory turns* was 2.8 in the third quarter 2025 (2024: 2.4). Deposits from customers are collected to partially offset the increased inventory.

Accounts receivable amounted to EUR 134.1 million at the end of the third quarter of 2025. The corresponding amount at the same time in 2024 was EUR 115.9 million.

Contract assets were EUR 93.1 million as of 30 September 2025, compared to EUR 73.2 million at the same time in 2024.

Right-of-use assets amounted to EUR 25.6 million at the end of the third quarter compared to EUR 22.0 million at the same time last year. Right-of-use assets consist of buildings, land and vehicles amounting to EUR 13.8 million (2024: EUR 11.5 million) and machinery and equipment amounting to EUR 11.8 million (2024: EUR 10.5 million). Depreciation and interest costs related to leased buildings, land and vehicles were EUR 1.0 million and EUR 0.2 million respectively for the third quarter (2024: EUR 1.0 million and EUR 0.3 million respectively).

The group's reported net interest-bearing debt* amounted to EUR 58.6 million as of 30 September 2025 (2024: EUR 118.4 million). Net gearing of the company was 0.3 (0.6). Net interest-bearing debt/ EBITDA is 0.8 for 12 months rolling compared to 1.6 for the same period last year. The net gearing and net interest-bearing debt / EBITDA exclusive IFRS 16 effects are 0.2 and 0.6 respectively.

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Outlook

At this time, Kitron expects revenue for the full year 2025 to be between EUR 700 and 740 million. Operating profit (EBIT) is expected to be between EUR 59 and 66 million. The previous outlook was for revenue between EUR 675 and 725 million, with an operating profit (EBIT) between EUR 55 and 65 million. The increase is due to growing demand in the Defence/Aerospace market sector.

Oslo, 22 October 2025, Board of directors, Kitron ASA

Condensed profit and loss statement

EUR million	Q3 2025	Q3 2024	01.01-30.09.2025	01.01-30.09.2024	Full year 2024
Revenue	167.8	145.1	504.6	486.6	647.2
Cost of materials	111.3	96.7	335.1	322.4	432.8
Payroll expenses	29.2	25.1	88.0	87.5	115.5
Other operational expenses	9.5	8.4	26.3	26.9	32.2
Other gains / (losses)	1.3	0.4	0.5	0.4	0.1
Operating profit before depreciation and impairments (EBITDA)	**19.1**	**15.3**	**55.7**	**50.1**	**66.7**
Depreciation	4.5	4.6	13.7	13.8	18.7
Operating profit (EBIT)	**14.6**	**10.7**	**42.0**	**36.3**	**48.0**
Net financial items	(2.6)	(2.3)	(7.4)	(6.7)	(8.2)
Profit (loss) before tax	**12.0**	**8.4**	**34.7**	**29.6**	**39.9**
Tax	2.9	2.3	8.0	6.5	11.9
Profit (loss) for the period	**9.1**	**6.1**	**26.6**	**23.1**	**28.0**
Earnings per share-basic	0.05	0.03	0.13	0.12	0.14
Earnings per share-diluted	0.05	0.03	0.13	0.12	0.14

Condensed balance sheet

EUR million	30.09.2025	30.09.2024	31.12.2024
ASSETS			
Goodwill	44.5	44.6	44.4
Other intangible assets	25.8	26.5	26.3
Property, plant and equipment	45.3	49.1	47.2
Right-of-use assets	25.6	22.0	27.9
Deferred tax assets	5.5	5.7	7.1
Other receivables	0.3	0.9	0.9
Total non-current assets	**147.0**	**148.8**	**153.8**
Inventory	149.8	145.9	141.4
Accounts receivable	134.1	115.9	124.1
Contract assets	93.1	73.2	77.6
Other receivables	13.1	15.2	10.4
Cash and cash equivalents	82.5	48.7	48.7
Total current assets	**472.6**	**398.9**	**402.2**
Total assets	**619.6**	**547.7**	**556.0**
LIABILITIES AND EQUITY			
Equity	213.4	192.9	198.9
Total equity	**213.4**	**192.9**	**198.9**
Deferred tax liabilities	7.7	5.2	8.6
Interest bearing debt	97.0	107.2	108.2
Pension commitments	0.4	0.4	0.4
Other liabilities	1.1	1.0	1.0
Total non-current liabilities	**106.3**	**113.9**	**118.2**
Accounts payable	226.1	151.9	155.1
Other payables	27.5	24.9	27.6
Tax payable	2.3	4.2	2.1
Interest bearing debt	44.1	59.9	54.0
Total current liabilities	**299.9**	**240.9**	**238.8**
Total liabilities and equity	**619.6**	**547.7**	**556.0**

Condensed cash flow statement

EUR million	Q3 2025	Q3 2024	01.01-30.09.2025	01.01-30.09.2024	Full year 2024
Profit before tax	12.0	8.4	34.7	29.6	39.9
Depreciations	4.5	4.6	13.7	13.8	18.7
Change in inventory, accounts receivable, contract assets and accounts payable	29.7	3.9	37.0	9.7	5.8
Change in net other current assets and other operating related items	(2.0)	(14.7)	(9.7)	(23.6)	(20.6)
Net cash flow from operating activities	44.2	2.2	75.6	29.4	43.7
Net cash flow from investing activities	(2.4)	0.2	(6.0)	(4.5)	(8.6)
Net cash flow from financing activities	(13.7)	5.0	(33.6)	(16.3)	(27.2)
Change in cash and cash equivalents	28.2	7.4	36.1	8.7	7.9
Cash and cash equivalents opening balance	54.3	40.8	48.7	39.0	39.0
Currency conversion of cash and cash equivalents	-	0.5	(2.3)	1.1	1.8
Cash and cash equivalents closing balance	82.5	48.7	82.5	48.7	48.7

Condensed statement of comprehensive income

EUR million	Q3 2025	Q3 2024	01.01-30.09.2025	01.01-30.09.2024	Full year 2024
Profit (loss) for the period	9.1	6.1	26.6	23.1	28.0
Actuarial gain / losses pensions	-	-	-	-	(0.0)
Gain / losses forward contract	-	-	-	-	0.0
Exchange differences on translation	(0.2)	(0.2)	(2.4)	(1.9)	1.1
Total comprehensive income for the period	8.9	6.0	24.2	21.1	29.1
Allocated to shareholders	8.9	6.0	24.2	21.1	29.1

Changes in equity

EUR million	30.09.2025	30.09.2024	31.12.2024
Equity opening balance	198.9	183.5	183.5
Profit (loss) for the period	26.6	23.1	28.0
Paid dividends	(6.0)	(12.8)	(12.8)
Issue of ordinary shares	0.0	0.0	0.0
Employee share schemes	(1.4)	1.0	(0.8)
Other adjustment	(2.4)	-	-
Other comprehensive income for the period	(2.4)	(1.9)	1.1
Equity closing balance	213.4	192.9	198.9

Notes to the financial statements

Note 1 – General information and principles

The condensed consolidated financial statements for the third quarter of 2025 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 2024. 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 2024, which were prepared in accordance with the Norwegian Accounting Act and IFRS, as adopted by the EU. The consolidated financial statements for 2024 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 2024.

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.

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 %
(Last 3 months Operating profit (EBIT))*4) / (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/ (Annualised Direct Costs/(Inventory + Contract assets))

Days of Inventory Outstanding R3
360/ ((Last 3 months Direct Costs *4) / (Last 3 months Inventory and Contract assets/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)

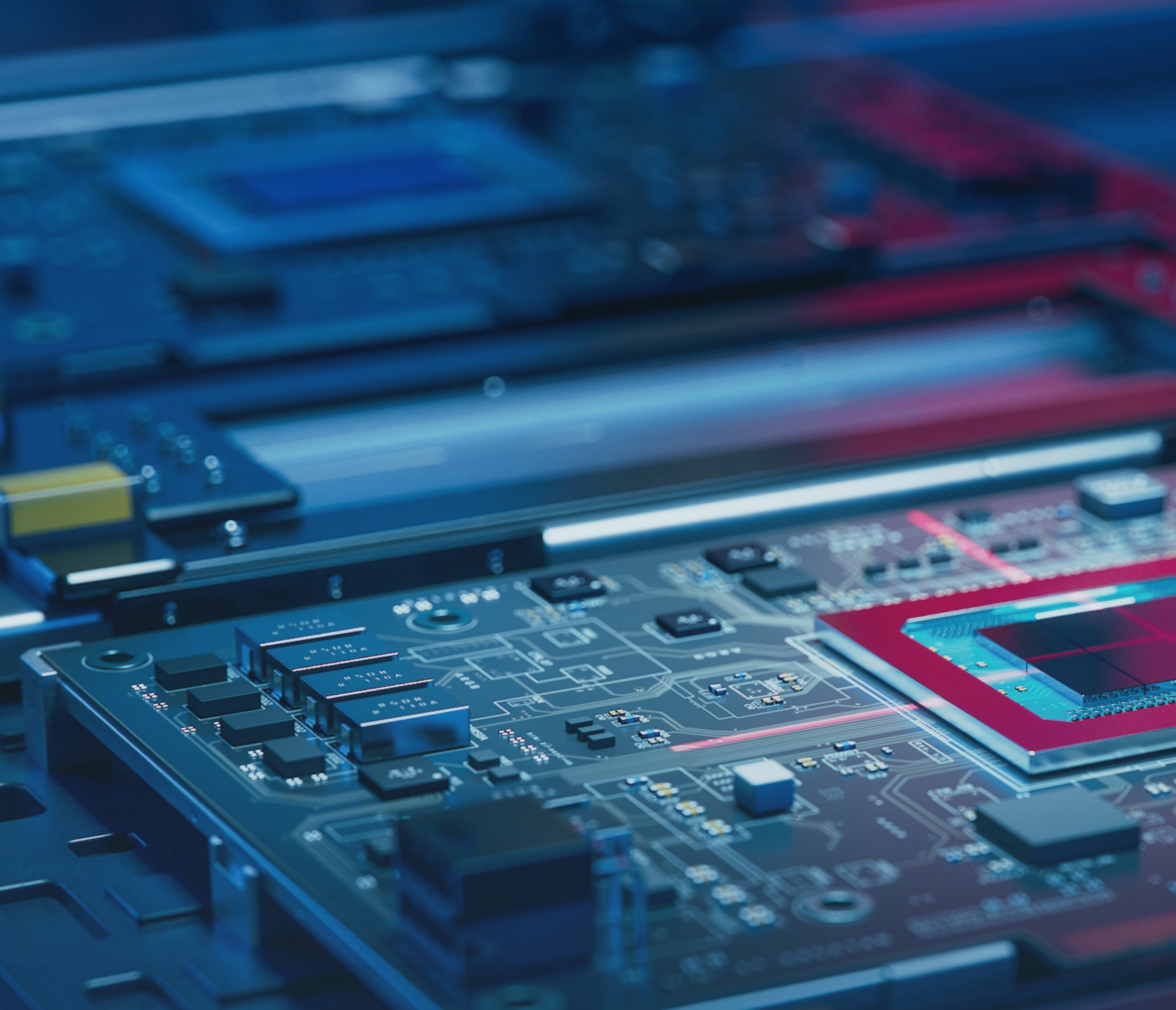
Interest-bearing debt
Loans (non-current liabilities) + Loans (current liabilities)

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



Kitron is a leding Scandinavian electronics manufacturing services company for the Connectivity, Electrification, Industry, Medical devices, and Defence/Aerospace sectors. The group is located in Norway, Sweden, Denmark, Lithuania, Germany, Poland, the Czech Republic, India, China, Malaysia and the US and has about 2 400 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.

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