



# Third quarter report 2023

Connectivity	Norway
Electrification	Sweden
Industry	Denmark
Medical Devices	Lithuania
Defence/Aerospace	Germany
	Poland
	Czech Republic
	India
	China
	USA

# Message from our CEO

In Q3 2023, we once again set a new benchmark in our performance with record third quarter sales close to 180€M, EBIT at 16.2€M, an EBIT growth of 41% and EBIT margin at 9.0%. Usually, the summer months of July and August are challenging due to lower utilization. This recent quarter underscores our resilience and capability, showcasing a period marked by robust profitability.

For Kitron, the current market sentiment echoes the challenges seen across diverse sectors. That said, we're bullish about our Defense/ Aerospace and Electrification sectors. We have strategies to tap into this momentum—taking our Norway and Sweden expertise and branching out to other key locations within Kitron, thereby utilizing available capacity and regional requirements more efficiently.

To meet uncertainties in the market, some customers in the Industrial, Medical, and Connectivity sectors are minimizing inventory risks by leveraging improved supply chain lead times and our adaptable manufacturing processes. This de-stocking and cautious replenishment leads to a shorter order and forecast window and hence a lower order intake and a declining order backlog.

In light of these conditions, the 502M€ order backlog has seen a modest rise of just shy of 10% compared to the same timeframe last year. Nonetheless, our R06 (Rolling six-month demand outlook) holds steady at 426M€ up from last year's 333M€, indicating a trend towards growth rather than a contraction.

The momentum to diversify supply chains beyond China is gaining speed. It's thrilling to see numerous inquiries from non-Kitron clients eager to shift their business to our CEE locations and Malaysia. Our facility in Malaysia is progressing as planned, and we expect to be fully operational and serving customers by year's end.



With rising costs in Western Europe, there's a notable uptick in transfer requests to our facilities in Poland, Czech, and Lithuania from both new and longstanding customers. We're keeping a close eye on this trend and seizing these fresh opportunities for customer engagement.

For future insights, join us on December 13, for a Capital Markets presentation as Kitron provides a comprehensive overview of our strategic plans and projections for the years ahead.

In conclusion, we reaffirm our forecast for the entirety of 2023, projecting revenues in the range of 750 to 800 EUR million and an operating profit (EBIT) between 65 and 75 EUR million.

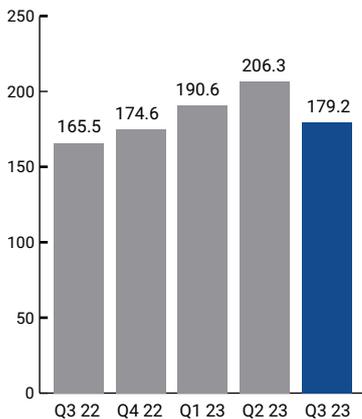


Lars Peter Nilsson  
CEO of Kitron ASA

## Growth and consistently strong profitability

### Record third-quarter revenue

**REVENUE Group**  
EUR million



#### Record third-quarter revenue

Kitron's revenue for the third quarter was EUR 179.2 million, an increase of 8 per cent compared to last year. Compared to last year, there was revenue growth year to date within every market sector except Medical devices. Growth was particularly strong within the Electrification market sector.

Kitron's revenue for the first three quarters was EUR 576.1 million (EUR 466.4 million), an increase of 24 per cent compared to last year.

#### Solid order backlog

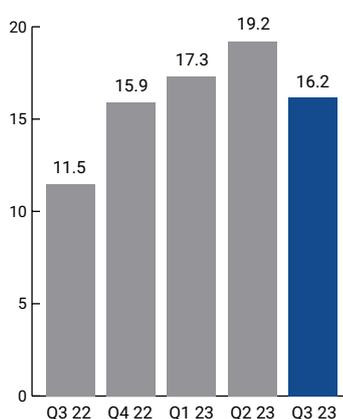
The order backlog ended at EUR 502 million, an increase of 10 per cent compared to last year, reflecting continued strong demand. The highest growth was in the market sectors Electrification and Defence/Aerospace. However, the order backlog is lower than in the preceding quarter as the gradually improving electronic component situation has reduced lead times.

#### Margin above long-term target

Third quarter EBITDA\* was EUR 20.7 million (EUR 15.8 million), an increase of 31 per cent compared to last year. Operating profit (EBIT)\* for the third quarter ended at EUR 16.2 million (EUR 11.5 million), an increase of 41 per cent. Profitability expressed as EBIT margin\* was 9.0 per cent (6.9 per cent), meaning the EBIT margin remains above the company's expressed long-term target of 8.0 per cent. Profit after tax was EUR 9.7 million (EUR 7.5 million), corresponding to EUR 0.05 earnings per share (EUR 0.04).

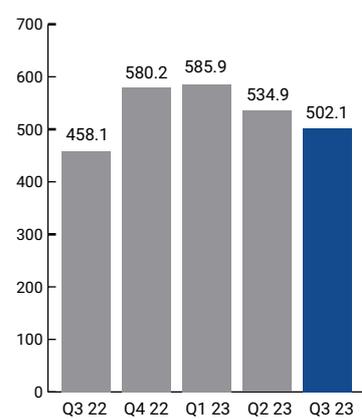
### Margin above long-term target

**EBIT Group**  
EUR million



### Solid order backlog

**ORDER BACKLOG Group**  
EUR million



First three quarters EBITDA\* was EUR 65.5 million (EUR 41.6 million), an increase of 57 per cent from last year. Operating profit (EBIT)\* ended at EUR 52.7 million (EUR 29.3 million), an increase of 80 per cent. Profitability expressed as EBIT margin\* was 9.1 per cent (6.3 per cent). Profit after tax was EUR 38.7 million (EUR 18.6 million), an increase of 108 per cent and corresponding to EUR 0.20 earnings per share (EUR 0.09).

#### Stable capital efficiency

Operating cash flow was EUR 5.0 million (EUR 14.6 million) for the third quarter. Net working capital was EUR 199.9 million, an increase of 19.0 per cent compared to the same quarter last year. Cash conversion cycle R3\* was up from 101 days to 103 days, and net working capital R3\* as a percentage of revenue was 26.7 per cent compared to 25.8 per cent last year. Return on operating capital (ROOC) R3\* was 23.2 per cent compared to 19.8 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.

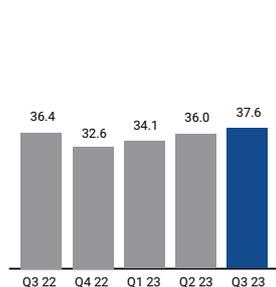
#### Increased interest level and disagio

Net interest-bearing debt amounted to EUR 141.6 million (EUR 156.3 million). Despite the reduced debt, finance costs have increased due to the general increase in interest rates and disagio. Net financial cost was EUR 3.9 million (cost of EUR 1.2 million). This includes a net disagio of EUR 1.4 million (agio of EUR 0.4 million)

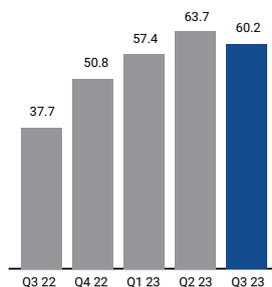
## Key figures

EUR million	Q3 2023	Q3 2022	Change	30.09.2023	30.09.2022	Change	Full year 2022
Revenue	179.2	165.5	13.7	576.1	466.4	109.7	641.0
EBIT	16.2	11.5	4.7	52.7	29.3	23.3	45.2
Order backlog	502.1	458.1	44.0	502.1	458.1	44.0	580.2
Operating cash flow	5.0	14.6	(9.5)	24.4	7.7	16.7	14.2
Net working capital	199.9	168.0	31.9	199.9	168.0	31.9	183.7

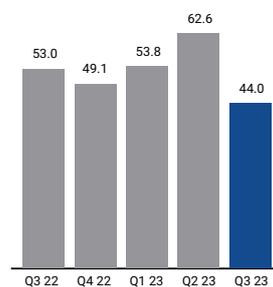
## REVENUE Connectivity EUR million



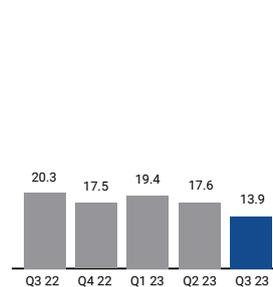
## REVENUE Electrification EUR million



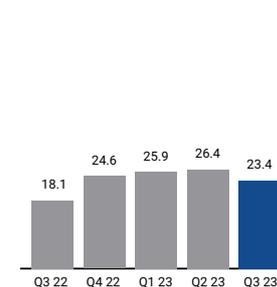
## REVENUE Industry EUR million



## REVENUE Medical Devices EUR million



## REVENUE Defence/Aerospace EUR million



### Order intake

Order intake in the quarter was EUR 146.4 million, which is 4 per cent lower than for the third quarter 2022. The order backlog ended at EUR 502.1 million, which is 10 per cent higher than the same period last year.

Four-quarter moving average order intake was down from EUR 201.5 million at the beginning of the third quarter to EUR 198.8 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 2023	Q3 2022	Change	01.01 - 30.09.2023	01.01 - 30.09.2022	Change	Full year 2022
Connectivity	37.6	36.4	1.2	107.9	106.1	1.8	138.7
Electrification	60.2	37.7	22.5	181.3	106.2	75.1	157.0
Industry	44.0	53.0	(9.0)	160.3	138.9	21.4	188.0
Medical devices	13.9	20.3	(6.4)	51.0	57.3	(6.3)	74.7
Defence/Aerospace	23.4	18.1	5.3	75.7	57.9	17.8	82.5
<b>Total group</b>	<b>179.2</b>	<b>165.5</b>	<b>13.7</b>	<b>576.1</b>	<b>466.4</b>	<b>109.7</b>	<b>641.0</b>

## Order backlog market sectors

EUR million	30.09.2023	30.09.2022	Change	31.12.2022
Connectivity	51.8	57.2	(5.4)	91.4
Electrification	178.3	132.4	46.0	200.7
Industry	110.5	134.6	(24.1)	143.6
Medical devices	27.7	22.8	5.0	33.3
Defence/Aerospace	133.8	111.2	22.6	111.2
<b>Total group</b>	<b>502.1</b>	<b>458.1</b>	<b>44.0</b>	<b>580.2</b>

## Operations

### Organisation

The Kitron workforce corresponded to 3 069 full-time employees (FTE) on 30 September 2023. This is an increase of 283 FTE since the third quarter of 2022. The company's total payroll expenses in the third

quarter were EUR 2.8 million higher than in the corresponding period in 2022. The relative payroll costs ended at 15.6 per cent, up from 15.2 per cent of revenue in the third quarter last year.

## Revenue business entities

EUR million	Q3 2023	Q3 2022	Change	01.01 - 30.09.2023	01.01 - 30.09.2022	Change	Full year 2022
Nordics	67.2	58.8	8.4	218.6	178.0	40.6	247.7
CEE	71.8	53.0	18.8	227.2	145.3	81.9	205.3
Rest of the world	42.8	57.9	(15.1)	140.3	157.0	(16.7)	205.4
Group and eliminations	(2.7)	(4.3)	1.6	(10.1)	(13.9)	3.9	(17.4)
<b>Total group</b>	<b>179.2</b>	<b>165.5</b>	<b>13.7</b>	<b>576.1</b>	<b>466.4</b>	<b>109.7</b>	<b>641.0</b>

## EBIT business entities

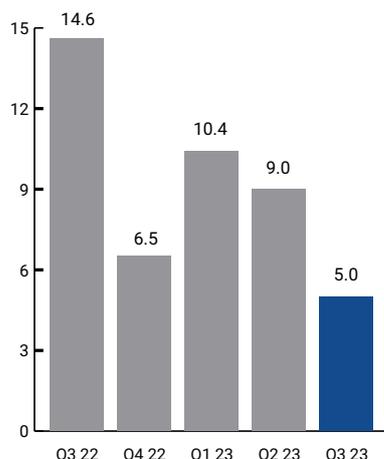
EUR million	Q3 2023	Q3 2022	Change	01.01 - 30.09.2023	01.01 - 30.09.2022	Change	Full year 2022
Nordics	5.7	4.5	1.2	20.0	12.2	7.8	18.6
CEE	7.0	3.5	3.5	23.2	10.1	13.1	16.3
Rest of the world	5.7	5.1	0.6	16.0	11.1	4.9	16.4
Group and eliminations	(2.3)	(1.6)	(0.6)	(6.6)	(4.0)	(2.6)	(6.1)
<b>Total group</b>	<b>16.2</b>	<b>11.5</b>	<b>4.7</b>	<b>52.7</b>	<b>29.3</b>	<b>23.3</b>	<b>45.2</b>

## Full time employees

	30.09.2023	30.09.2022	Change	31.12.2022
Nordics	904	717	188	761
CEE	1 402	1 132	270	1 239
Rest of world	763	937	(174)	848
<b>Total group</b>	<b>3 069</b>	<b>2 786</b>	<b>283</b>	<b>2 848</b>

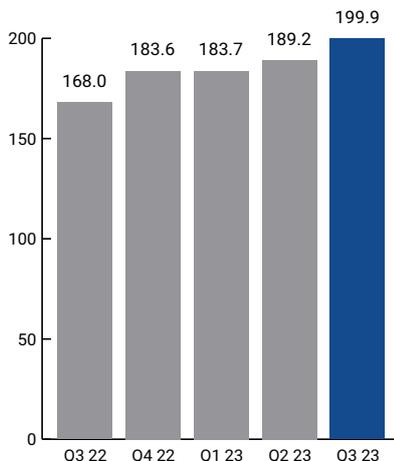
## OPERATING CASH FLOW Group

EUR million



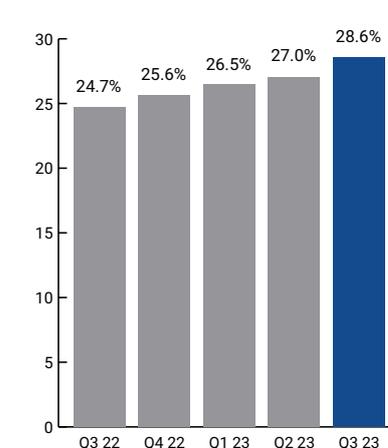
## NET WORKING CAPITAL Group

EUR million



## EQUITY RATIO Group

EUR million



## Finance

### Net financial items

During the quarter, net financial items amounted to a net cost of EUR 3.9 million. The corresponding figure for the third quarter last year was a net cost of EUR 1.2 million. Net disagio for the third quarter amounted to EUR 1.4 million (2022: agio EUR 0.4 million).

### Balance sheet

Kitron's gross balance sheet as of 30 September 2023 amounted to EUR 584.7 million, compared to EUR 560.9 million at the same time in 2022.

Equity was EUR 167.5 million (EUR 138.3 million), corresponding to an equity ratio of 28.6 per cent (24.7 per cent). Return on equity was 23.9 per cent (21.9 per cent) Equity is influenced by foreign exchange effects from consolidation of foreign subsidiaries.

Inventory was EUR 184.4 million as of 30 September 2023 (EUR 172.6 million). Inventory turns\* was 2.9 in the third quarter 2023, which is an increase compared to the third quarter last year (2.5). Deposits from customers are collected to partially offset the increased inventory.

Accounts receivables amounted to EUR 146.1 million at the end of the third quarter of 2023. The corresponding amount at the same time in 2022 was EUR 131.2 million.

Contract assets were EUR 68.0 million as of 30 September 2023, compared to EUR 59.7 million at the same time in 2022.

Right-of-use assets amounted to EUR 21.9 million at the end of the third quarter compared to EUR 22.8 million at the same time last year. Right-of-use assets consist of buildings, land and vehicles amounting to EUR 10.3 million (2022: EUR 12.6 million) and machinery and equipment amounting to EUR 11.6 million (2022: EUR 10.2 million). Depreciation and interest costs related to leased buildings, land and vehicles were EUR 0.5 million and EUR 0.3 million respectively for the third quarter (2022: EUR 0.7 million and EUR 0.2 million respectively).

The group's reported net interest-bearing debt\* amounted to EUR 141.6 million as of 30 September 2023 (EUR 156.3 million). Net gearing of the company was 0.85 (1.13). Net interest-bearing debt/ EBITDA is 1.7 for 12 months rolling compared to 2.9 for the same period last year. The net gearing and net interest-bearing debt/ EBITDA exclusive IFRS 16 effects are 0.78 and 1.6 respectively.

## Outlook

For 2023, Kitron reiterates its outlook from the second-quarter report and expects revenues between 750 and 800 EUR million with an operating profit (EBIT) between 65 and EUR 75 million.

Oslo, 24 October 2023, Board of directors, Kitron ASA

## Condensed profit and loss statement

EUR million	Q3 2023	Q3 2022	01.01 - 30.09.2023	01.01 - 30.09.2022	Full Year 2022
Revenue	179.2	165.5	576.1	466.4	641.0
Cost of materials	122.7	114.4	393.6	322.1	439.4
Payroll expenses	28.0	25.2	90.8	76.9	108.0
Other operational expenses	8.3	8.3	27.3	23.3	32.7
Other gains / (losses)	0.5	(1.8)	1.2	(2.5)	0.2
<b>Operating profit before depreciation and impairments (EBITDA)</b>	<b>20.7</b>	<b>15.8</b>	<b>65.5</b>	<b>41.6</b>	<b>61.2</b>
Depreciation	4.5	4.2	12.8	12.3	16.0
<b>Operating profit (EBIT)</b>	<b>16.2</b>	<b>11.5</b>	<b>52.7</b>	<b>29.3</b>	<b>45.2</b>
Net financial items	(3.9)	(1.2)	(4.8)	(5.3)	(6.6)
<b>Profit (loss) before tax</b>	<b>12.3</b>	<b>10.3</b>	<b>47.9</b>	<b>24.0</b>	<b>38.6</b>
Tax	2.6	2.8	9.1	5.4	10.3
<b>Profit (loss) for the period</b>	<b>9.7</b>	<b>7.5</b>	<b>38.7</b>	<b>18.6</b>	<b>28.3</b>
Earnings per share-basic	0.05	0.04	0.20	0.09	0.14
Earnings per share-diluted	0.05	0.04	0.19	0.09	0.14

## Condensed balance sheet

EUR million	30.09.2023	30.09.2022	31.12.2022
<b>ASSETS</b>			
Goodwill	44.8	26.9	45.0
Other intangible assets	27.4	54.1	30.3
Property, plant and equipment	38.4	32.7	34.2
Right-of-use assets	21.9	22.8	24.2
Deferred tax assets	8.3	8.8	8.7
Other receivables	0.9	1.0	1.0
<b>Total non-current assets</b>	<b>141.8</b>	<b>146.3</b>	<b>143.5</b>
Inventory	184.4	172.6	172.7
Accounts receivable	146.1	131.2	143.5
Contract assets	68.0	59.7	59.4
Other receivables	12.7	18.3	13.9
Cash and cash equivalents	31.7	32.7	25.9
<b>Total current assets</b>	<b>442.9</b>	<b>414.6</b>	<b>415.5</b>
<b>Total assets</b>	<b>584.7</b>	<b>560.9</b>	<b>559.0</b>
<b>LIABILITIES AND EQUITY</b>			
Equity	167.5	138.3	143.3
<b>Total equity</b>	<b>167.5</b>	<b>138.3</b>	<b>143.3</b>
Deferred tax liabilities	5.7	11.8	6.3
Loans	115.7	119.8	119.4
Pension commitments	0.5	0.5	0.5
Other liabilities	1.2	1.2	1.2
<b>Total non-current liabilities</b>	<b>123.0</b>	<b>133.3</b>	<b>127.4</b>
Accounts payable	198.5	195.5	192.1
Other payables	29.8	21.7	28.6
Tax payable	8.2	2.9	6.2
Loans	57.6	69.2	61.3
<b>Total current liabilities</b>	<b>294.2</b>	<b>289.3</b>	<b>288.2</b>
<b>Total liabilities and equity</b>	<b>584.7</b>	<b>560.9</b>	<b>559.0</b>

## Condensed cash flow statement

EUR million	Q3 2023	Q3 2022	01.01 - 30.09.2023	01.01 - 30.09.2022	Full year 2022
Profit before tax	12.3	10.3	47.9	24.0	38.6
Depreciations	4.5	4.2	12.8	12.3	16.0
Change in inventory, accounts receivable, contract assets and accounts payable	(11.1)	4.2	(16.8)	(15.9)	(32.1)
Change in net other current assets and other operating related items	(3.1)	(3.5)	(18.2)	(9.3)	(4.4)
Change in factoring debt	2.5	(0.7)	(1.3)	(3.4)	(3.9)
<b>Net cash flow from operating activities</b>	<b>5.0</b>	<b>14.6</b>	<b>24.4</b>	<b>7.7</b>	<b>14.2</b>
<b>Net cash flow from investing activities</b>	<b>(1.6)</b>	<b>(1.5)</b>	<b>(8.6)</b>	<b>(93.7)</b>	<b>(96.4)</b>
<b>Net cash flow from financing activities</b>	<b>7.8</b>	<b>(0.4)</b>	<b>(9.5)</b>	<b>76.1</b>	<b>64.1</b>
Change in cash and cash equivalents	11.1	12.6	6.2	(9.9)	(18.1)
Cash and cash equivalents opening balance	20.8	20.7	25.9	42.8	42.8
Currency conversion of cash and cash equivalents	(0.2)	(0.7)	(0.4)	(0.2)	1.2
<b>Cash and cash equivalents closing balance</b>	<b>31.7</b>	<b>32.7</b>	<b>31.7</b>	<b>32.7</b>	<b>25.9</b>

## Condensed statement of comprehensive income

EUR million	Q3 2023	Q3 2022	01.01- 30.09.2023	01.01- 30.09.2022	Full year 2022
Profit (loss) for the period	9.7	7.5	38.7	18.6	28.3
Actuarial gain / losses pensions	-	-	-	-	-
Gain/losses forward contract	-	(0.5)	-	0.7	0.6
Exchange differences on translation	1.0	(5.4)	(5.2)	0.5	(3.8)
<b>Total comprehensive income for the period</b>	<b>10.7</b>	<b>1.6</b>	<b>33.5</b>	<b>19.8</b>	<b>25.1</b>
<b>Allocated to shareholders</b>	<b>10.7</b>	<b>1.6</b>	<b>33.5</b>	<b>19.8</b>	<b>25.1</b>

## Changes in equity

EUR million	30.09.2023	30.09.2022	31.12.2022
<b>Equity opening balance</b>	<b>143.3</b>	<b>122.9</b>	<b>122.9</b>
Profit (loss) for the period	38.7	18.6	28.3
Paid dividends	(8.8)	(4.7)	(4.8)
Issue of ordinary shares	0.1	-	0.1
Employee share schemes	(0.6)	(0.2)	0.0
Other comprehensive income for the period	(5.2)	1.7	(3.2)
<b>Equity closing balance</b>	<b>167.5</b>	<b>138.3</b>	<b>143.3</b>

## Notes to the financial statements

### Note 1 – General information and principles

The condensed consolidated financial statements for the third 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](http://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:

	30.09.2022	31.12.2022	01.01.2022	01.07.2022-30.09.2022	01.01.2022-30.09.2022	01.01.2022-31.12.2022
EUR/ NOK	10.59	10.51	9.99	10.05	10.01	10.11

Weighted average currency rate (EUR/NOK) for the period 01.01.2023 - 30.09.2023 is 11.35. Currency rate (EUR/NOK) at 30.09.2023 is 11.25.

Converted financial statements from implementation are disclosed below and are also available at [www.kitron.com](http://www.kitron.com).

## Condensed profit and loss statement

	EUR million			NOK million		
	Q3 2022	01.01 - 30.09.2022	Full year 2022	Q3 2022	01.01 - 30.09.2022	Full year 2022
Revenue	165.5	466.4	641.0	1 664.4	4 673.3	6 486.7
Cost of materials	114.4	322.1	439.4	1 149.6	3 226.8	4 445.3
Payroll expenses	25.2	76.9	108.0	253.7	769.6	1 092.5
Other operational expenses	8.3	23.3	32.7	83.7	233.9	330.9
Other gains / (losses)	(1.8)	(2.5)	0.2	(18.6)	(25.2)	3.0
<b>Operating profit before depreciation and impairments (EBITDA)</b>	<b>15.8</b>	<b>41.6</b>	<b>61.2</b>	<b>158.9</b>	<b>417.8</b>	<b>621.0</b>
Depreciation	4.2	12.3	16.0	42.6	123.3	161.4
<b>Operating profit (EBIT)</b>	<b>11.5</b>	<b>29.3</b>	<b>45.2</b>	<b>116.3</b>	<b>294.6</b>	<b>459.6</b>
Net financial items	(1.2)	(5.3)	(6.6)	(12.4)	(53.8)	(67.4)
<b>Profit before tax</b>	<b>10.3</b>	<b>24.0</b>	<b>38.6</b>	<b>103.9</b>	<b>240.7</b>	<b>392.2</b>
Tax	2.8	5.4	10.3	28.6	54.8	105.1
<b>Profit for the period</b>	<b>7.5</b>	<b>18.6</b>	<b>28.3</b>	<b>75.2</b>	<b>186.0</b>	<b>287.1</b>

## Condensed balance sheet

	EUR million			NOK million		
	30.09.2022	31.12.2022	01.01.2022	30.09.2022	31.12.2022	01.01.2022
<b>ASSETS</b>						
Goodwill	26.9	45.0	3.7	284.3	472.9	36.9
Other intangible assets	54.1	30.3	4.5	572.5	318.5	44.9
Property, plant and equipment	32.7	34.2	21.3	345.9	359.9	212.9
Right-of-use assets	22.8	24.2	24.0	241.5	254.6	239.5
Deferred tax assets	8.8	8.7	7.4	93.4	91.7	74.0
Other receivables	1.0	1.0	1.0	10.6	10.4	10.3
<b>Total non-current assets</b>	<b>146.3</b>	<b>143.5</b>	<b>61.9</b>	<b>1 548.2</b>	<b>1 507.9</b>	<b>618.6</b>
Inventory	172.6	172.7	88.1	1 826.0	1 815.5	880.3
Accounts receivable	131.2	143.5	86.5	1 388.0	1 508.2	864.6
Contract assets	59.7	59.4	40.1	632.1	624.6	400.6
Other receivables	18.3	13.9	11.7	193.8	145.8	117.3
Cash and cash equivalents	32.7	25.9	42.8	346.2	272.7	428.0
<b>Total current assets</b>	<b>414.6</b>	<b>415.5</b>	<b>269.4</b>	<b>4 386.2</b>	<b>4 366.7</b>	<b>2 690.8</b>
<b>Total assets</b>	<b>560.9</b>	<b>559.0</b>	<b>331.3</b>	<b>5 934.4</b>	<b>5 874.7</b>	<b>3 309.4</b>
<b>LIABILITIES AND EQUITY</b>						
Equity	138.3	143.3	122.9	1 463.7	1 506.5	1 228.0
<b>Total equity</b>	<b>138.3</b>	<b>143.3</b>	<b>122.9</b>	<b>1 463.7</b>	<b>1 506.5</b>	<b>1 228.0</b>
Deferred tax liabilities	11.8	6.3	0.4	124.4	66.4	4.2
Loans	119.8	119.4	20.6	1 267.0	1 255.2	206.2
Pension commitments	0.5	0.5	0.6	5.6	5.3	5.6
Other liabilities	1.2	1.2	0.4	12.9	12.1	4.2
<b>Total non-current liabilities</b>	<b>133.3</b>	<b>127.4</b>	<b>22.0</b>	<b>1 410.0</b>	<b>1 339.0</b>	<b>220.2</b>
Accounts payable	195.5	192.1	91.9	2 068.7	2 018.6	917.8
Other payables	21.7	28.6	13.1	229.2	301.1	131.1
Tax payable	2.9	6.2	1.9	31.1	65.4	19.1
Loans	69.2	61.3	79.4	731.7	644.1	793.2
<b>Total current liabilities</b>	<b>289.3</b>	<b>288.2</b>	<b>186.3</b>	<b>3 060.6</b>	<b>3 029.1</b>	<b>1 861.1</b>
<b>Total liabilities and equity</b>	<b>560.9</b>	<b>559.0</b>	<b>331.3</b>	<b>5 934.4</b>	<b>5 874.7</b>	<b>3 309.4</b>

## Condensed cash flow statement

	EUR million			NOK million		
	Q3 2022	01.01 - 30.09.2022	Full year 2022	Q3 2022	01.01 - 30.09.2022	Full year 2022
Profit before tax	10.3	24.0	38.6	103.9	240.7	392.2
Depreciations	4.2	12.3	16.0	42.6	123.3	161.4
Change in inventory, accounts receivable, contract assets and accounts payable	4.2	(15.9)	(32.1)	12.7	(229.8)	(399.9)
Change in net other current assets and other operating related items	(3.5)	(9.3)	(4.4)	(19.9)	(65.8)	29.0
Change in factoring debt	(0.7)	(3.4)	(3.9)	(0.2)	(14.6)	(22.5)
<b>Net cash flow from operating activities</b>	<b>14.6</b>	<b>7.7</b>	<b>14.2</b>	<b>139.0</b>	<b>53.8</b>	<b>160.3</b>
<b>Net cash flow from investing activities</b>	<b>(1.5)</b>	<b>(93.7)</b>	<b>(96.4)</b>	<b>(14.9)</b>	<b>(933.1)</b>	<b>(960.5)</b>
<b>Net cash flow from financing activities</b>	<b>(0.4)</b>	<b>76.1</b>	<b>64.1</b>	<b>73.5</b>	<b>793.1</b>	<b>642.7</b>
Change in cash and cash equivalents	12.6	(9.9)	(18.1)	197.6	(86.2)	(157.4)
Cash and cash equivalents opening balance	20.7	42.8	42.8	(72.3)	222.4	428.0
Currency conversion of cash and cash equivalents	(0.7)	(0.2)	1.2	(7.2)	(18.1)	2.1
<b>Cash and cash equivalents closing balance</b>	<b>32.7</b>	<b>32.7</b>	<b>25.9</b>	<b>118.1</b>	<b>118.1</b>	<b>272.7</b>

## Condensed statement of comprehensive income

	EUR million			NOK million		
	Q3 2022	01.01 - 30.09.2022	Full year 2022	Q3 2022	01.01 - 30.09.2022	Full year 2022
Profit (loss) for the period	7.5	18.6	28.3	75.2	186.0	287.1
Actuarial gain / losses pensions	-	-	-	-	-	(0.2)
Gain / losses forward contract	(0.5)	0.7	0.6	-	-	5.8
Exchange differences on translation	(5.4)	0.5	(3.8)	46.2	100.8	34.4
<b>Total comprehensive income for the period</b>	<b>1.6</b>	<b>19.8</b>	<b>25.1</b>	<b>121.4</b>	<b>286.8</b>	<b>327.3</b>
<b>Allocated to shareholders</b>	<b>1.6</b>	<b>19.8</b>	<b>25.1</b>	<b>121.4</b>	<b>286.8</b>	<b>327.3</b>

## 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 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.