



2023 Q1 Presentation

First quarter 2023 Highlights

- Revenue: 190,6 €M +32.3% (144 €M)
- EBIT: 17,3 €M (+119% from 7,9 €M last year)
- EBIT margin: 9.1% (5.5%)
- Net income %: 7,0 % (3.1%)
- Cash Flow: 10.4 €M (-10.9 €M)
- ROOC: 26.0% (11.5%)
- Cash Cycle Conversion: 90 days (108)
- NIBD/EBITDA: 2.0 (3.6)
- Order Backlog: 586 €M +34.7% (435 €M)
- EPS: 0,74 NOK (0,22 NOK)

MNOK CORRESPONDING

- Revenue: 2098, +46,9% (1429)
- EBIT: 190, +144% (78)
- Cash Flow: 116 (-108)



First quarter trends

Demand

- Strong demand in Electrification and Defense Aerospace
- Demand remains robust in the market sector industry

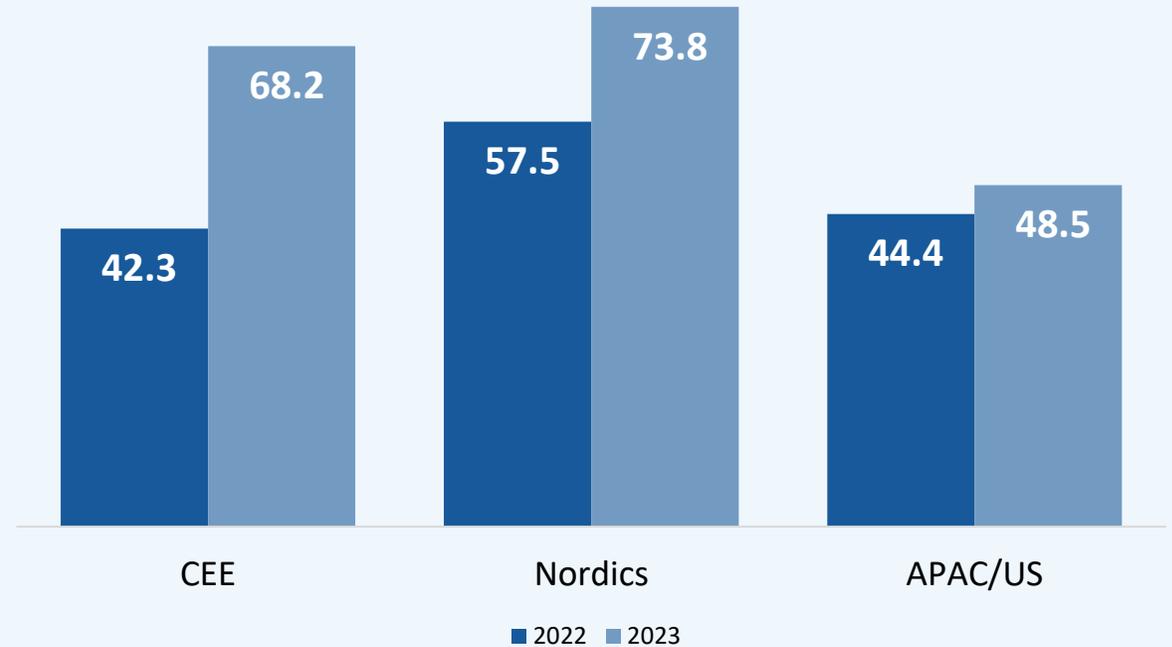
Supply Chain

- Broad improvement – but not back to normal
- Large node semiconductors and custom parts remain challenging

Sector trends

- Energy efficiency, Energy grids, and EV charging will continue with strong growth next several years
- Defense sector - very strong growth expected over the next several years
- Products that incorporate automation, mobility, connectivity and some level of autonomy meet the requirements for growth

Revenue Q1 (M€)



Regional trends

- Very strong growth within electrification in CEE
- The Nordics are strong on Defense sector
- Comparatively modest growth in in China as regionalization drives business back to Europe and local business has yet recover fully

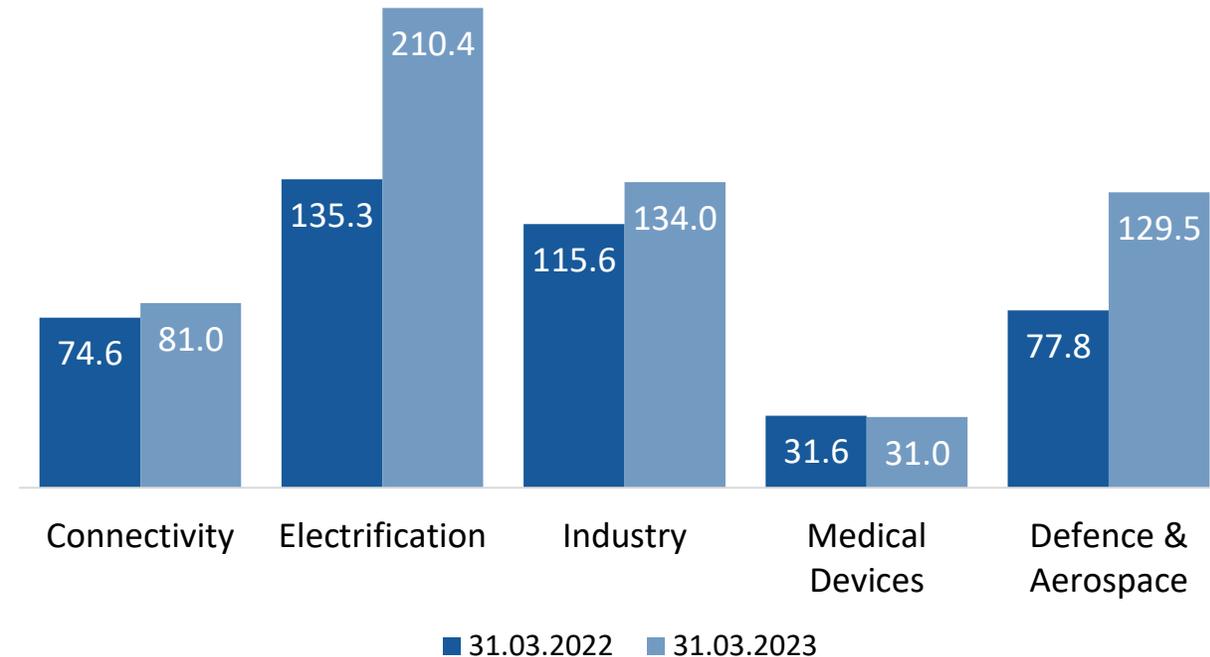
Order backlog

Figures in €M

- The growth is driven by products focused on automation, mobility, connectivity, and autonomy in the Electrification, Industry, and Defense sectors
- Another All-time-high for Order backlog: 585,9 €M!
- Trend

2022-Q1	2022-Q4	2023-Q1
434,8	580,1	585,9

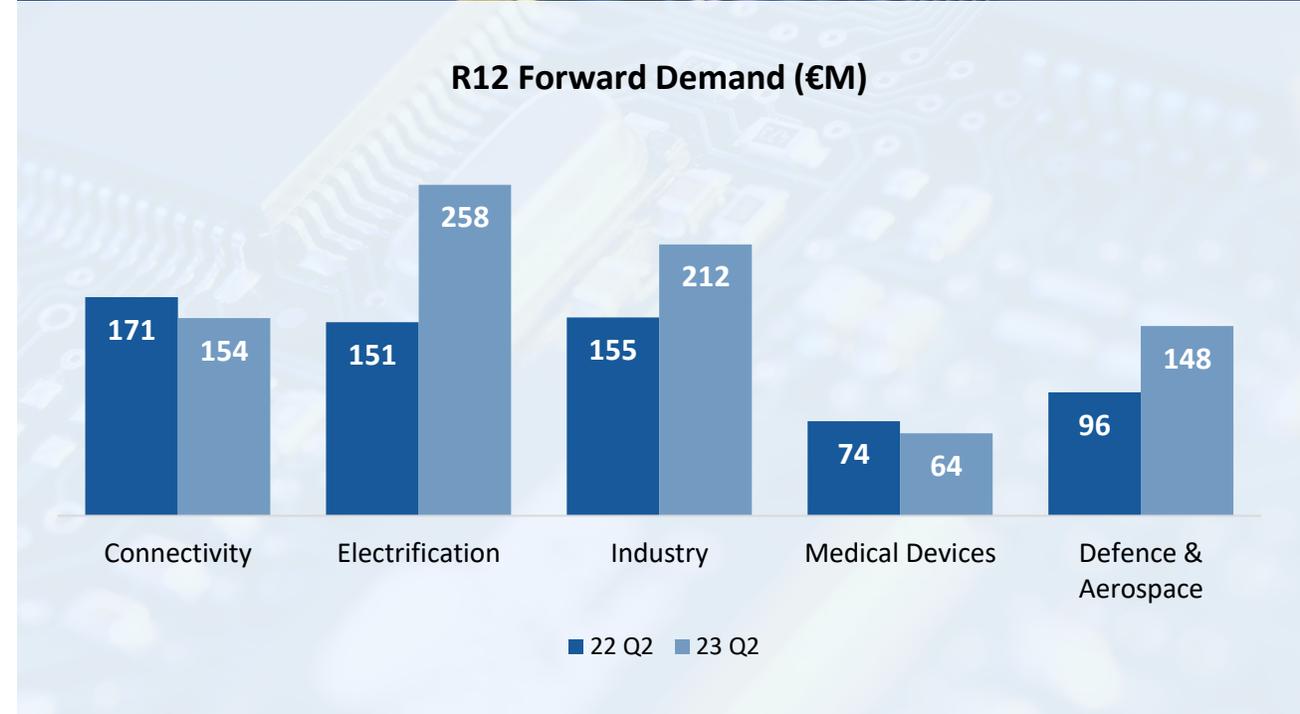
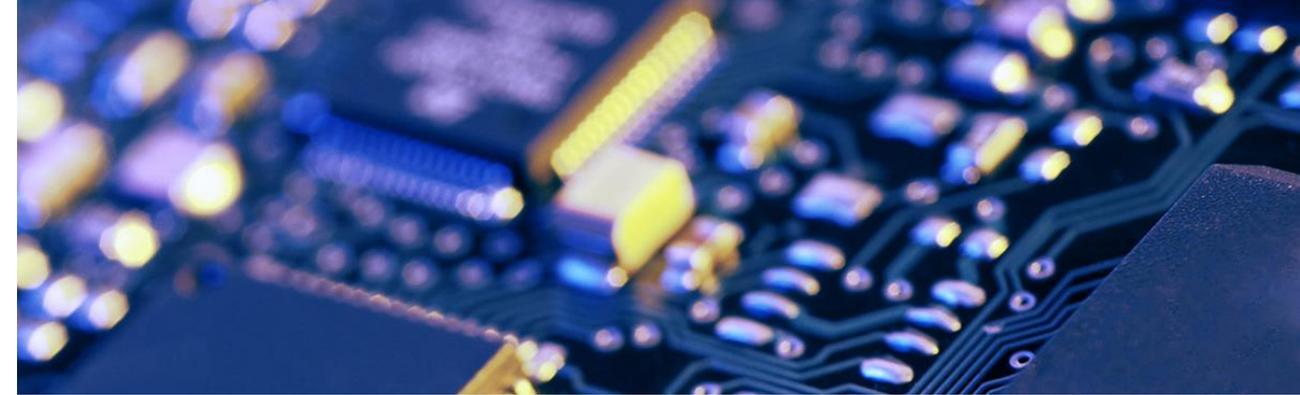
Order backlog



Market and operations

- Global megatrends electrification, sustainable energy, automation and defence show strong growth
- Investments in capacity continue and are on track.
- Lead times and stock levels are reducing on Connectivity and Medical devices
- Demand R12¹ increased to 837 €M (647 €M)

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



EUR as presentation currency

- Greater transparency
 - activities primarily outside of Norway
 - transactions, revenue, costs increasingly denominated in EUR.
- Treated as change in accounting policy in accordance with IAS 8.
- Currency conversion according to indirect method
- Opening balance at 1 January 2022 are converted by using currency rate at balance sheet date.
- For profit and loss statements currency conversion are based on weighted average currency rates for the reporting period.
- Restated numbers on Kitron for the last three years

	31.03.2022	31.12.2022	01.01.2022	01.01.2022- 31.03.2022	01.01.2022- 31.12.2022	31.03.2023	01.01.2023- 31.03.2023
EUR/NOK	9.71	10.51	9.99	9.92	10.11	11.39	11.00

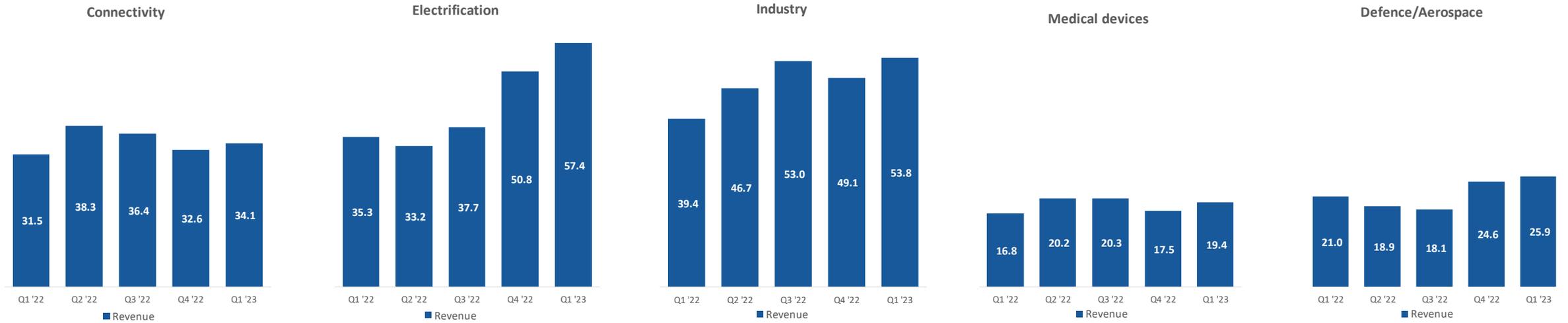
EUR / NOK development

		2017	2018	2019	2020	2021	2022	CAGR
Revenue	MNOK	2436.7	2619.3	3299.4	3945.3	3711.4	6486.7	21.6 %
Revenue	€M	261.2	272.8	335.0	369.3	365.7	641.4	19.7 %
Growth	MNOK		7 %	26 %	20 %	-6 %	75 %	
Growth	€M		4 %	23 %	10 %	-1 %	75 %	
<i>Deviation</i>			3 %	3 %	9 %	-5 %	0 %	
NOK/EUR		9.33	9.60	9.85	10.73	10.16	10.10	1.6 %
<i>Change</i>			3 %	3 %	9 %	-5 %	-1 %	

- CAGR deviation over time linked to NOK weakening
- Less variation in growth
- Underlying growth the same, but with less «noise» in EUR

	MNOK			€M		
	2022 Q1	2022 Q4	2023 Q1	2022 Q1	2022 Q4	2023 Q1
	1428.7	1813.4	2 098.2	144.0	174.6	190.6
Growth		16 %	47 %		9 %	32 %
Currency		5 %	11 %		-1 %	-4 %
Underlying		11 %	36 %		11 %	36 %

Revenues



- Growth in all sectors compared to last year
- Very strong growth in Electrification, industry and defence aerospace
- Sector development dependent on component availability

Business sectors

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

Revenue Business Sectors						€M
	Q1 2023	Q1 2022	Change	Q-Q growth	Full year 2022	
Nordics	74.6	57.7	16.9	29.3 %	247.8	
CEE	70.5	44.2	26.3	59.5 %	205.4	
Rest of the world	49.4	46.0	3.4	7.4 %	206.0	
Group and eliminations	-3.9	-3.9	0.0	0.0 %	-17.8	
Revenue	190.6	144.0	46.6	32.4 %	641.4	

EBIT Business Sectors						€M
	Q1 2023	Q1 2022	Change	Q-Q growth	Full year 2022	
Nordics	7.3	3.8	3.4	92.1 %	18.7	
CEE	7.2	2.8	4.4	157.1 %	16.4	
Rest of the world	4.6	2.5	2.1	84.0 %	16.4	
Group and eliminations	-1.7	-1.3	-0.5	30.8 %	-6.1	
EBIT	17.3	7.9	9.4	119.0 %	45.3	

FTE						
	Q1 2023	Q1 2022	Change	Q-Q growth	Full year 2022	
Nordics	828	744	84	11.3 %	761	
CEE	1 382	1070	312	29.2 %	1 239	
Rest of the world	979	974	5	0.5 %	848	
FTE	3 189	1749	401	82.3 %	2 848	



Cash flow and working capital

- Q1 Cash flow from operating activities at 10,4 €M (-10,9 €M)
- Net working capital at 183,5 €M, stable from last quarter and 9,4% increase from last year.

	€M			
Cash Flow	Q1 2023	Q1 2022	Change	31.12.2022
Profit before tax	16.3	5.5	10.8	38.6
Depreciations	4.1	3.8	0.3	16.0
Change in inventory, accounts receivable, contract assets and accounts payable	0.1	-17.8	17.9	-32.1
Change in net other current assets and other operating related items	-10.0	3.5	-13.5	-4.4
Change in factoring debt	-0.1	-6.0	5.9	-3.9
Net cash flow from operating activities	10.4	-10.9	21.3	14.2
Net cash flow from investing activities	-3.4	-89.0	85.6	-96.4
Net cash flow from financing activities	-6.1	71.8	-77.9	64.1

Net working capital	Q1 2023	Q1 2022	Change	31.12.2022
Inventory	188.7	153.9	34.8	172.7
Contract assets	59.4	56.9	2.5	59.4
Trade receivables	152.0	117.1	34.9	143.5
Trade payables	216.6	160.6	56.0	192.1
Net working capital	183.5	167.3	16.2	183.5

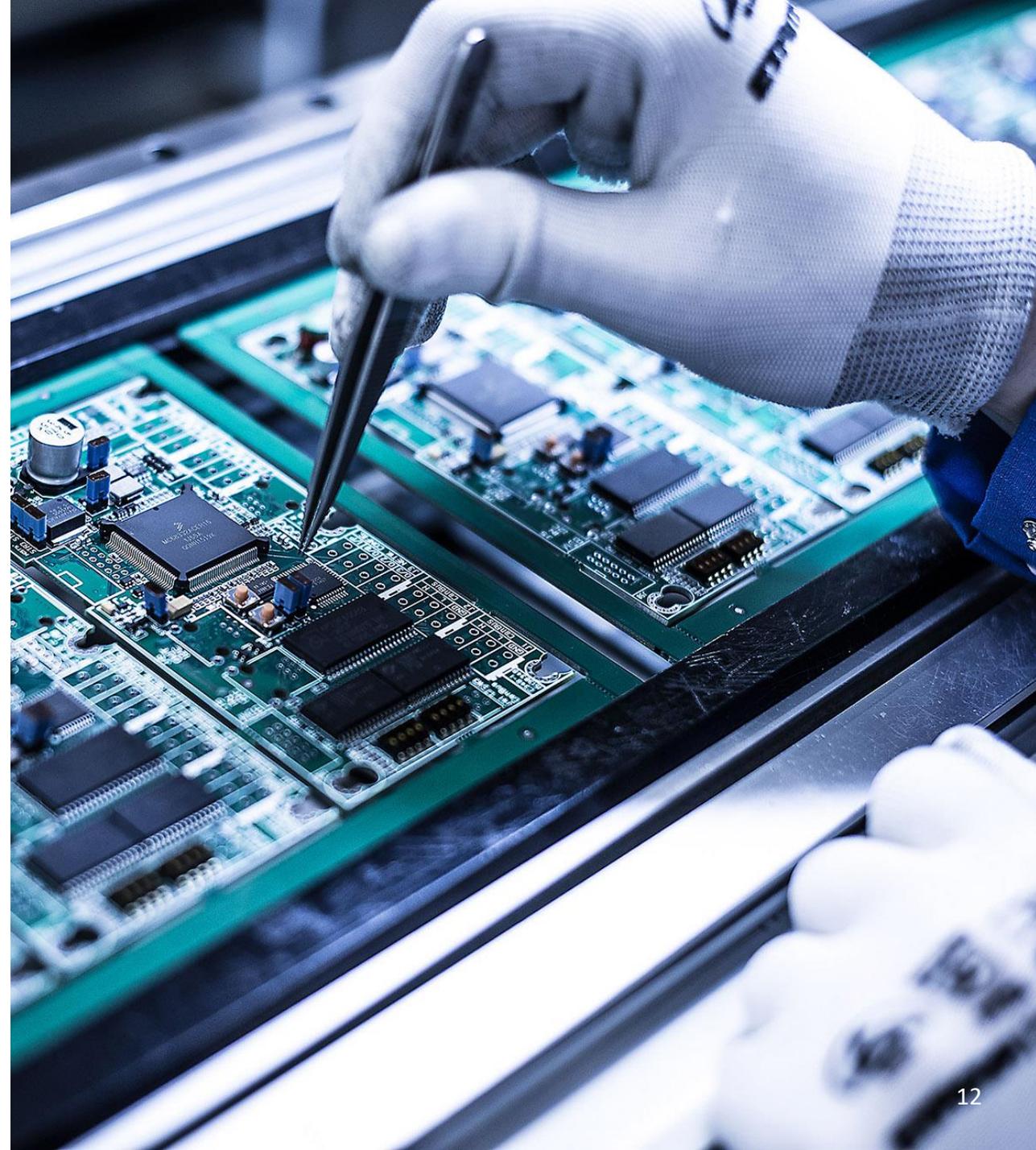
Ratios

- Positive development on all key ratios
- Net gearing / NIBD at 2,0 and 1,9 excl. IFRS
- Earnings per share improvement, above last year for quarter and accumulated
- Dividend NOK 0.50 (NOK 0.25)

Ratios	31.03.2023	31.03.2022	Change	31.12.2022
R3 NWC % sales	23.7 %	27.8 %	-4.1 %	26.2 %
R3 ROOC % sales	26.0 %	11.5 %	14.5 %	22.9 %
R3 Cash Cycle conversion	90	108	-18	100
Net gearing	0.91	1.30	-0.39	1.08
NIBD/EBITDA	2.0	3.6	-1.6	2.5
Equity percent	25.6 %	25.2 %	0.4 %	25.7 %
Earnings per share quarter	0.07	0.02	0.05	0.14
Earnings per share ytd	0.07	0.02	0.05	0.14

Outlook full-year 2023

- Demand continues to be strong, and EBIT margin and capital efficiency are improving
- Our previous outlook expected revenues between 670 and 730 EUR million with an operating profit (EBIT) between 45 and EUR 55 million
- Our updated outlook expects revenues between 700 and 800 EUR million with an operating profit (EBIT) between 60 and EUR 75 million



Key take-ways

- Solid Quarter-on-Quarter growth
- Supply chain constraints have been improved
- Q1 margins are strong due to growing demand from customers in Electrification, Industry and Defence sectors
- Robust demand is expected to continue in Q2
- Proposed dividend of 0.50 NOK
- Company is well-positioned for continued 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

EPS

Earnings Per Share