



# FIRST 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

# Strong start to the year

- Continued momentum in Defence & Aerospace
- Expect sustained growth through 2025
- Growing order backlog
- Significant orders secured

As we close the first quarter of 2025, I am pleased to report a strong start to the year, driven by continued momentum in key sectors, particularly Defence & Aerospace. Our order backlog grew 11% sequentially to €525 million, reflecting robust demand in our strategic markets. Notably, Defence & Aerospace revenue saw 30% year-over-year growth.

During the quarter, we secured several significant orders from Kongsberg Defence & Aerospace, Thales and others totaling EUR 76 million. These include contracts for electronics in the Joint Strike Missile (JSM), Naval Strike Missile (NSM), Communications, Air defence systems and advanced optical assemblies tailored for the Unmanned Aerial Vehicle (UAV) and drone market. These wins reinforce our growing collaboration with key industry players. Production for these contracts will take place at our facilities in the Nordics and our Central and Eastern Europe (CEE) facilities.

Defence & Aerospace remains a core strategic focus, continuing to drive growth. With five Kitron sites focusing on D&A, we are well-positioned to capitalize on rapid advancements in defence technologies. We are also accrediting an additional EU site for Defence production. Meanwhile, the ramp-up in Norway is progressing as planned, targeting a 50% increase in defence volumes compared to last year, further solidifying our market position. Our capabilities in both the EU and U.S. provide the flexibility to scale production rapidly, potentially tripling output as demand rises.

The U.S. market, which represents approximately 15% of Kitron's revenue, remains critical to our strategy. We maintain a solid local presence, with up to 30% of our US sales produced domestically. Exports to the U.S. primarily come from our European sites, with customers managing import duties.


The current tariff situation continues to create uncertainty in global markets. While we have built flexibility into our supply chain, particularly in regions like the U.S., ongoing shifts in international trade policies and tariffs could affect pricing and demand patterns. We are closely monitoring these developments and remain focused on mitigating any potential impact on our operations and customer relationships.

Our new operations in Malaysia are progressing well, with positive feedback from customers and rapid deployment of new products.

While Q1 2024 saw the completion of high-volume firm orders tied to semiconductor constraints from 2023, creating an oversupply and leading to an extended period of de-stocking, we are confident that this phase is largely behind us. Quick-turn demand increases across Industry, Connectivity, and Medical Device sectors confirm this trend. However, the shift towards short-term decision-making reflects customers' growing risk aversion. Despite this, we remain optimistic about the recovery that is taking hold.

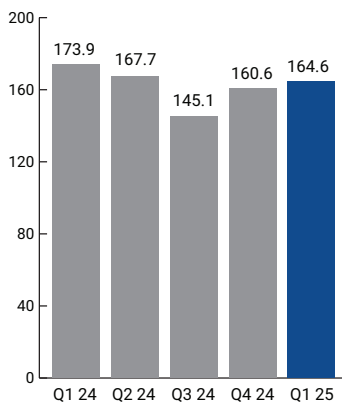
On the M&A front, our project is progressing as planned. Strategic acquisitions are aligned with our long-term growth objectives and will further enhance our capabilities and market presence.

Looking ahead, we remain focused on executing our strategy, expanding our capabilities in key growth areas—particularly Defence & Aerospace—and optimizing our global operations. We expect our strategic initiatives to drive sustained growth throughout 2025.

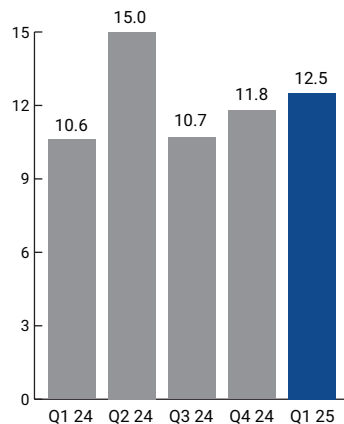


Peter Nilsson

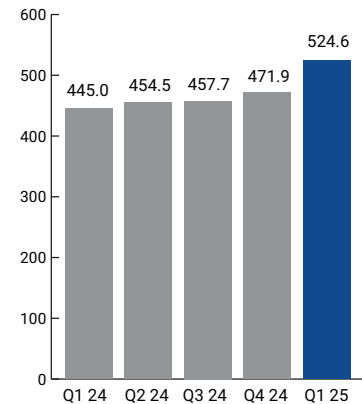
**REVENUE Group**  
EUR million



**EBIT Group**  
EUR million



**ORDER BACKLOG Group**  
EUR million



### Strong growth for Defence/Aerospace

Kitron's revenue for the first quarter was EUR 164.6 million, compared to EUR 173.9 million last year. Compared to last year, the Defence/Aerospace market sector showed strong growth. The trend for the other market sectors is mixed, but sequentially, the Industry sector grew in the first quarter.

### Margins improving

First quarter EBITDA\* was EUR 17.1 million (EUR 15.2 million), an increase of 13 per cent compared to last year. Operating profit (EBIT)\* for the first quarter ended at EUR 12.5 million (EUR 10.6 million). Profitability expressed as EBIT margin\* was 7.6 per cent (6.1 per cent). Profit after tax was EUR 7.6 million (EUR 6.5 million), corresponding to EUR 0.04 earnings per share (EUR 0.03).

### Order backlog growing

The order backlog ended at EUR 524.6 million, an increase of 18 per cent compared to last year and an increase of 11 per cent sequentially from the preceding quarter. Improved supply chain lead times over the past couple of years led to a shorter order and forecast window. The situation has now stabilized, and the order backlog is now growing robustly.

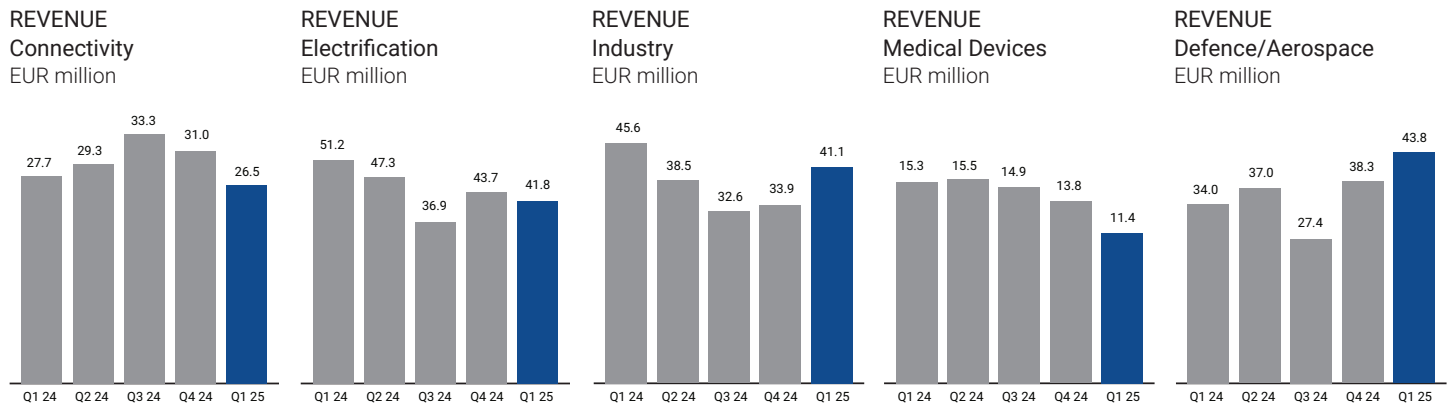
### Capital efficiency temporarily affected by lower revenue

Operating cash flow was EUR 12.1 million (EUR 8.5 million) for the first quarter. Net working capital was EUR 190 million, a decrease of 4 per cent compared to the same quarter last year. Cash conversion cycle R3\* was down from 113 days to 111 days, and net working capital R3\* as a percentage of revenue was 28.6 per cent compared to 28.0 per cent last year. Return on operating capital (ROOC) R3\* was 18.7 per cent compared to 15.4 per cent in the same quarter last year. Our focus continues to be on improving the supply situation, as well as managing resources, cash and deliverables.

## Key figures

EUR million	Q1 2025	Q1 2024	Change	Full year 2024
Revenue	164.6	173.9	(9.3)	647.2
EBIT	12.5	10.6	1.9	48.0
Order backlog	524.6	445.0	79.6	471.9
Operating cash flow	12.1	8.5	3.6	43.7
Net working capital	189.9	196.9	(6.9)	188.0

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



### Order intake

Order intake in the quarter was EUR 217.3 million, which is 73 per cent higher than for the first quarter 2024. The order backlog ended at EUR 524.6 million, which is 18 per cent higher than the same period last year.

Four-quarter moving average order intake was up from EUR 156.4 million at the beginning of the first quarter to EUR 179.4 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	Q1 2025	Q1 2024	Change	Full year 2024
Connectivity	26.5	27.7	(1.2)	121.3
Electrification	41.8	51.2	(9.4)	179.1
Industry	41.1	45.6	(4.5)	150.6
Medical devices	11.4	15.3	(3.9)	59.6
Defence & Aerospace	43.8	34.0	9.9	136.6
<b>Total group</b>	<b>164.6</b>	<b>173.9</b>	<b>(9.3)</b>	<b>647.2</b>

## Order backlog market sectors

EUR million	31.03.2025	31.03.2024	Change	31.12.2024
Connectivity	61.3	68.4	(7.1)	61.2
Electrification	143.6	149.6	(6.0)	137.1
Industry	65.0	75.0	(10.0)	64.6
Medical devices	18.9	20.1	(1.2)	17.4
Defence & Aerospace	235.8	131.8	104.0	191.6
<b>Total group</b>	<b>524.6</b>	<b>445.0</b>	<b>79.6</b>	<b>471.9</b>

## Operations

### Organisation

The Kitron workforce corresponded to 2 391 full-time employees (FTE) on 31 March 2025. This is a decrease of 380 FTE since the first quarter of 2024. The company's total payroll expenses in the first quarter were EUR 5.4 million lower than in the corresponding period in 2024. The

relative payroll costs ended at 17.5 per cent, down from 19.7 per cent of revenue in the first quarter last year. First quarter 2024 was impacted by restructuring charges of EUR 4.8 million.

## Revenue Business Sectors

EUR million	Q1 2025	Q1 2024	Change	Full year 2024
Nordics and US	93.7	92.0	1.7	355.6
CEE	51.6	61.9	(10.3)	205.7
Asia	21.1	22.6	(1.5)	95.7
Group and eliminations	(1.7)	(2.7)	1.0	(9.9)
<b>Total group</b>	<b>164.6</b>	<b>173.9</b>	<b>(9.2)</b>	<b>647.2</b>

## EBIT Business Sectors

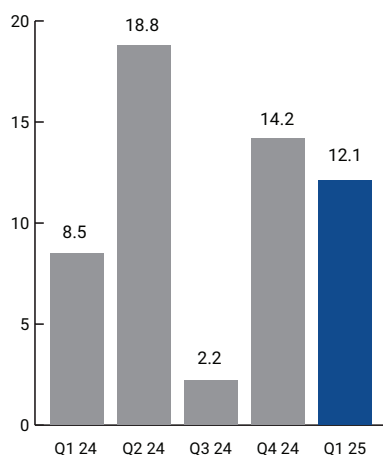
EUR million	Q1 2025	Q1 2024	Change	Full year 2024
Nordics and US	7.7	8.1	(0.4)	26.2
CEE	4.3	5.3	(1.0)	17.1
Asia	1.6	1.9	(0.3)	11.1
Group and eliminations	(1.2)	(4.7)	3.5	(6.4)
<b>Total group</b>	<b>12.5</b>	<b>10.6</b>	<b>1.9</b>	<b>48.0</b>

## FTE Business Sectors

	31.03.2025	31.03.2024	Change	31.12.2024
Nordics and US	1 014	1 009	5	994
CEE	902	1 209	(307)	930
Asia	475	553	(78)	488
<b>Total group</b>	<b>2 391</b>	<b>2 771</b>	<b>(380)</b>	<b>2 411</b>

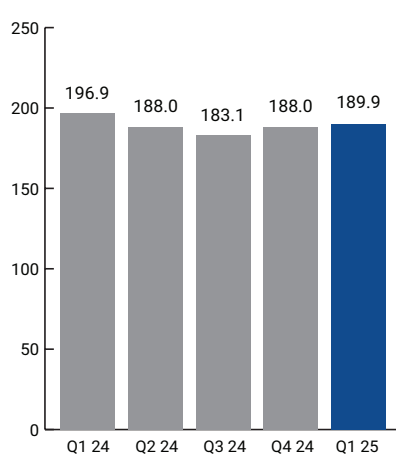
## OPERATING CASH FLOW Group

EUR million



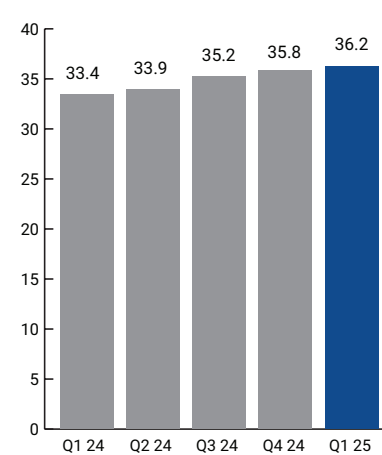
## NET WORKING CAPITAL Group

EUR million



## EQUITY RATIO Group

Percent



## Finance

### Net financial items

During the quarter, net financial items amounted to a net cost of EUR 2.5 million. The corresponding figure for the first quarter last year was a net cost of EUR 1.9 million. Net disagio for the first quarter amounted to EUR 0.8 million (agio EUR 0.7 million).

### Balance sheet

Kitron's gross balance sheet as of 31 March 2025 amounted to EUR 574.4 million, compared to EUR 569.0 million at the same time in 2024.

Equity was EUR 207.8 million (EUR 189.9 million), corresponding to an equity ratio of 36.2 per cent (33.4 per cent). Return on equity was 15.0 per cent (13.8 per cent). Equity is influenced by foreign exchange effects from consolidation of foreign subsidiaries.

Inventory was EUR 151.3 million as of 31 March 2025 (EUR 155.5 million). Inventory turns\* was 3.5 in the first quarter 2025 (2024: 3.4). Deposits from customers are collected to partially offset the increased inventory.

Accounts receivables amounted to EUR 129.4 million at the end of the first quarter of 2025. The corresponding amount at the same time in 2024 was EUR 123.8 million.

Contract assets were EUR 79.4 million as of 31 March 2025, compared to EUR 75.8 million at the same time in 2024.

Right-of-use assets amounted to EUR 27.1 million at the end of the first quarter compared to EUR 25.5 million at the same time last year. Right-of-use assets consist of buildings, land and vehicles amounting to EUR 14.3 million (2024: EUR 11.9 million) and machinery and equipment amounting to EUR 12.8 million (2024: EUR 13.6 million). Depreciation and interest costs related to leased buildings, land and vehicles were EUR 0.9 million and EUR 0.2 million respectively for the first quarter (2024: EUR 1.0 million and EUR 0.3 million respectively).

The group's reported net interest-bearing debt\* amounted to EUR 108.1 million as of 31 March 2025 (2024: EUR 123.1 million). Net gearing of the company was 0.5 (0.7). Net interest-bearing debt/ EBITDA is 1.6 for 12 months rolling compared to 1.5 for the same period last year. The net gearing and net interest-bearing debt / EBITDA exclusive IFRS 16 effects are 0.4 and 1.4 respectively.

## Outlook

For 2025, Kitron expects revenues to be between EUR 640 and 710 million. Operating profit (EBIT) is expected to be between EUR 47 and 65 million.

Oslo, 23 April 2025, Board of directors, Kitron ASA

## Condensed profit and loss statement

EUR million	Q1 2025	Q1 2024	Full year 2024
Revenue	164.6	173.9	647.2
Cost of materials	110.2	113.9	432.8
Payroll expenses	28.9	34.3	115.5
Other operational expenses	7.9	10.4	32.2
Other gains / (losses)	(0.4)	(0.0)	0.1
<b>Operating profit before depreciation and impairments (EBITDA)</b>	<b>17.1</b>	<b>15.2</b>	<b>66.7</b>
Depreciation	4.6	4.7	18.7
<b>Operating profit (EBIT)</b>	<b>12.5</b>	<b>10.6</b>	<b>48.0</b>
Net financial items	(2.5)	(1.9)	(8.2)
<b>Profit (loss) before tax</b>	<b>10.0</b>	<b>8.6</b>	<b>39.9</b>
Tax	2.4	2.1	11.9
<b>Profit (loss) for the period</b>	<b>7.6</b>	<b>6.5</b>	<b>28.0</b>
Earnings per share-basic	0.04	0.03	0.14
Earnings per share-diluted	0.04	0.03	0.14

## Condensed balance sheet

EUR million	31.03.2025	31.03.2024	31.12.2024
<b>ASSETS</b>			
Goodwill	44.8	44.7	44.4
Other intangible assets	26.2	27.3	26.3
Property, plant and equipment	46.9	49.7	47.2
Right-of-use assets	27.1	25.5	27.9
Deferred tax assets	6.1	6.5	7.1
Other receivables	0.9	0.9	0.9
<b>Total non-current assets</b>	<b>152.0</b>	<b>154.7</b>	<b>153.8</b>
Inventory	151.3	155.5	141.4
Accounts receivable	129.4	123.8	124.1
Contract assets	79.4	75.8	77.6
Other receivables	13.3	11.6	10.4
Cash and cash equivalents	48.9	47.6	48.7
<b>Total current assets</b>	<b>422.4</b>	<b>414.3</b>	<b>402.2</b>
<b>Total assets</b>	<b>574.4</b>	<b>569.0</b>	<b>556.0</b>
<b>LIABILITIES AND EQUITY</b>			
Equity	207.8	189.9	198.9
<b>Total equity</b>	<b>207.8</b>	<b>189.9</b>	<b>198.9</b>
Deferred tax liabilities	7.8	5.5	8.6
Interest bearing debt	106.9	108.8	108.2
Pension commitments	0.5	0.4	0.4
Other liabilities	1.0	1.1	1.0
<b>Total non-current liabilities</b>	<b>116.1</b>	<b>115.9</b>	<b>118.2</b>
Accounts payable	170.3	158.3	155.1
Other payables	28.7	37.9	27.6
Tax payable	1.3	5.2	2.1
Interest bearing debt	50.1	61.9	54.0
<b>Total current liabilities</b>	<b>250.4</b>	<b>263.2</b>	<b>238.8</b>
<b>Total liabilities and equity</b>	<b>574.4</b>	<b>569.0</b>	<b>556.0</b>

## Condensed cash flow statement

EUR million	Q1 2025	Q1 2024	Full year 2024
Profit before tax	10.0	8.6	39.9
Depreciations	4.6	4.7	18.7
Change in inventory, accounts receivable, contract assets and accounts payable	(2.0)	(3.1)	5.8
Change in net other current assets and other operating related items	(0.5)	(1.7)	(20.6)
<b>Net cash flow from operating activities</b>	<b>12.1</b>	<b>8.5</b>	<b>43.7</b>
<b>Net cash flow from investing activities</b>	<b>(1.6)</b>	<b>(2.6)</b>	<b>(8.6)</b>
<b>Net cash flow from financing activities</b>	<b>(9.5)</b>	<b>2.1</b>	<b>(27.2)</b>
Change in cash and cash equivalents	1.0	8.0	7.9
Cash and cash equivalents opening balance	48.7	39.0	39.0
Currency conversion of cash and cash equivalents	(0.8)	0.6	1.8
<b>Cash and cash equivalents closing balance</b>	<b>48.9</b>	<b>47.6</b>	<b>48.7</b>

## Condensed statement of comprehensive income

EUR million	Q1 2025	Q1 2024	Full year 2024
Profit (loss) for the period	7.6	6.5	28.0
Actuarial gain / losses pensions	-	-	(0.0)
Gain / losses forward contract	-	-	0.0
Exchange differences on translation	1.2	(0.1)	1.1
<b>Total comprehensive income for the period</b>	<b>8.8</b>	<b>6.4</b>	<b>29.1</b>
<b>Allocated to shareholders</b>	<b>8.8</b>	<b>6.4</b>	<b>29.1</b>

## Changes in equity

EUR million	31.03.2025	31.03.2024	31.12.2024
<b>Equity opening balance</b>	<b>198.9</b>	<b>183.5</b>	<b>183.5</b>
Profit (loss) for the period	7.6	6.5	28.0
Paid dividends	-	-	(12.8)
Issue of ordinary shares	-	-	0.0
Employee share schemes	0.1	0.0	(0.8)
Other comprehensive income for the period	1.2	(0.1)	1.1
<b>Equity closing balance</b>	<b>207.8</b>	<b>189.9</b>	<b>198.9</b>



## Notes to the financial statements

### Note 1 – General information and principles

The condensed consolidated financial statements for the first 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](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 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

#### Return on Equity

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



Kitron is a leading 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 United States, 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 industrialization, 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, resilience testing, or sourcing any other part of the customer's product. Customers typically serve international markets and provide equipment or systems for professional or industrial use.