



# 2025 Q2 Presentation

# Quarter highlights

## Strong start to 2025

- Solid performance in Q2 driven by momentum in key sectors.
- Order backlog growth 12% YoY to 509 €M .
- Defence & Aerospace revenue up 25% year-over-year.

## Q2-2025 Performance

- Q2: REVENUE 172.2 €M; EBIT 15.0 €M; EBIT margin 8.7%
- Strong Cash Flow in the quarter 19.3 (18.8) €M

## Significant Contract Wins

- EUR 23 million in new Defence & Aerospace orders.
- EUR 14 million in new Connectivity & Industry orders.
- Contracts include:
  - Advanced Defence Communication systems
  - Airborne radar applications.
  - Unmanned Aerial Systems controls
  - Industrial Automation drives
  - Advanced Sensor Technology.





# Operations and Growth

- **Operational momentum remains solid**, with strong execution in key customer ramp-ups and new contract wins.
- **Profitability holding steady**, despite localized headwinds. All regions delivering 9% + EBIT margin
- **Strategic programs** in Defence, Industrial, and Electrification progressing across multiple sites.

## M&A Progress

- M&A project advancing.
- Aligned with long-term growth and capability expansion.

## Positioned for Growth in 2025

- 2025 H1 Order intake 374€M, Book-to-Bill ratio: 1.11
- Given our current momentum; We are raising our outlook for 2025. We now expect revenue to be between EUR 675 million and EUR 725 million, with EBIT expected to range from EUR 55 million to EUR 65 million.
- Trade wars, global economic uncertainties and rapid defense orders could impact demand.



# Sector trends Q2

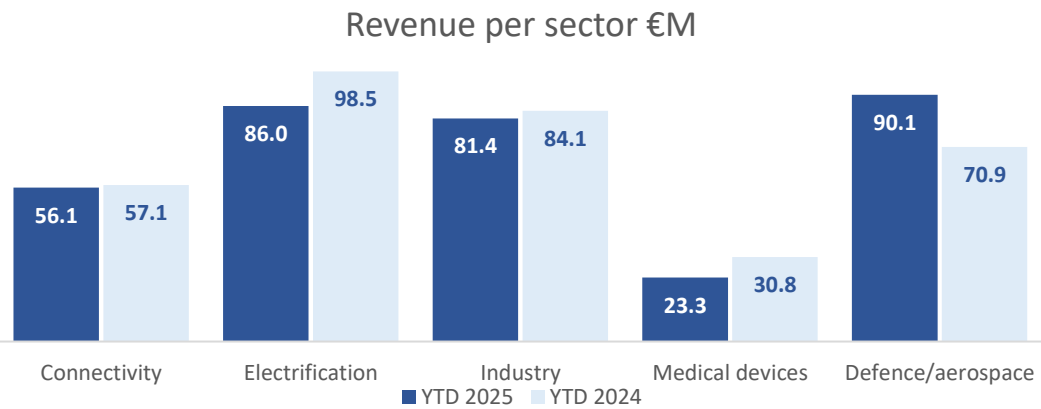
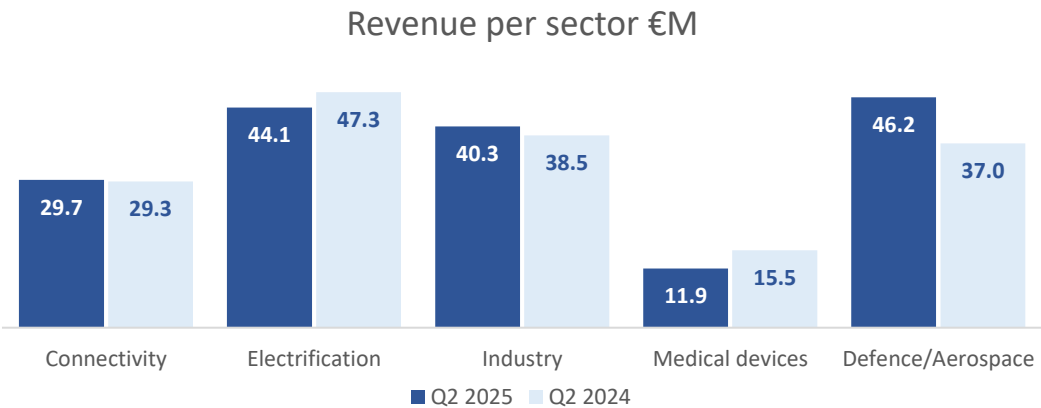
**Connectivity:** Q2 Growth: +1%, YTD Growth: -2%  
Mixed Performance: Growth in industrial IoT gateways, container tracking devices, and sensor-based platforms. Declines in legacy geostationary communication tech and tracking for construction equipment due to North American tariff driving market softness.

**Electrification:** Q2 Sales: €44.1M (-7% YoY), YTD Sales: €86.0M (-13% YoY)  
Drivers: Strength on Power management (+5%), Weak demand on e-mobility (-25%), continued soft demand on sustainable energy solutions (-40%), Slower-than-expected ramp-ups in energy transmission projects (-11%).

**Industry:** Q2 Growth: +5%, YTD Growth: -3%  
Drivers: Broad strength across automation and process technologies in the quarter. Notable contributions from transportation (+11%) and Oil & Gas with new generations of sub-sea products (+81%).

**Medical Devices:** Q2 Sales: €11.9M (-23% YoY), YTD Sales: €23.3M (-24% YoY)  
Mixed Signals: Sequential and YoY growth on by life support systems, slowdown on diagnostic equipment, and rehab/mobility devices with tariff uncertainty as a backdrop. Q2 drop attributed to high prior-year comparable with disengaged customer.

**Defence & Aerospace:** Q2 Sales: €46.2M (+25% YoY), YTD Sales: €90.1M (+27% YoY)  
Drivers: Strong performance across missile systems, optical and sensor systems for UAVs, and encrypted battlefield communications (+40% YoY). Continued ramp-up in training & simulation systems and secure tactical networks. Benefiting from increased geopolitical demand and high program execution reliability.



<b>Connectivity</b> Expect full sector growth returning 2026.	<b>Electrification</b> Expect strengthening in consumer sector in 2026-2027	<b>Industry</b> Expect strength returning to the sector in late 2025
<b>Medical Devices</b> Demand stabilizing	<b>Defense Aerospace</b> Continued double digit growth over next several years	



# Order Backlog Review

## Performance, Trends, and Strategic Outlook

**Connectivity:** Industrial IoT and surveillance technologies are rebounding but declines in U.S.-focused construction equipment tracking—impacted by trade uncertainties.

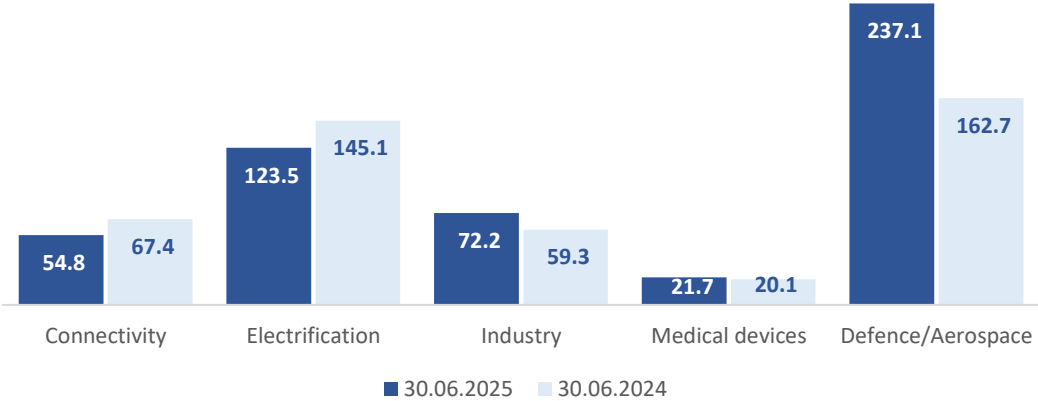
**Electrification:** Notable decline in order back log due to shortened order horizon affecting second half of 2026 and seasonal patterns in Q3. However, fundamentals are intact, and recovery is expected as capacity aligns with demand.

**Industry:** Delivered solid 22% YoY growth, powered by increased global demand, successful production ramp-up at our Malaysia facility, and growing adoption of advanced subsea technologies and chip-design automation tools. The easing of trade restrictions could further boost this segment.

**Medical Devices:** Steady recovery, with 15% sequential growth. Life support systems, mobility aids, and infusion technologies are in demand, although U.S. tariff risks remain a factor. Localized production is under consideration to mitigate this.

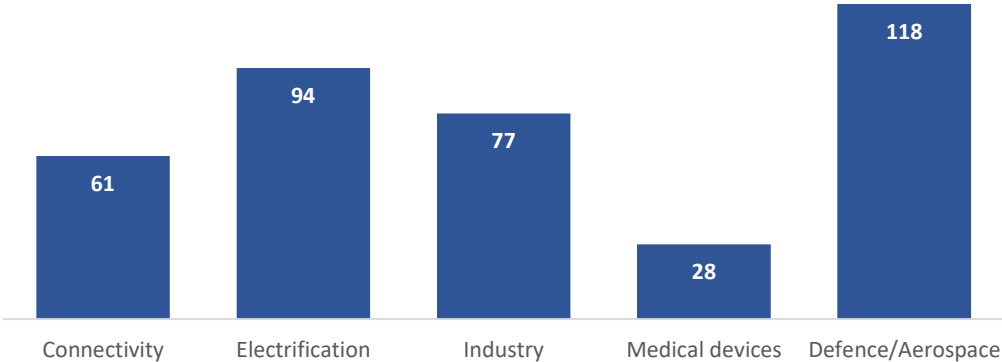
**Defence & Aerospace:** Our strongest growth engine, with a 46% YoY increase in order back log. Momentum is driven by substantial orders in missile systems, surveillance, avionics, and encryption technologies. Despite natural quarterly variability, the pipeline remains robust, and growth in advanced UAV optics, Control systems and complete assemblies underscores ongoing innovation.

Order backlog €M



The Order backlog features all firm customer orders and the first 4 months of customer forecast.

R6 Demand outlook second half 2025 (€M)



R6 Demand is a rolling 6-month outlook consisting of customer orders and forecast. Accuracy can vary depending on market sentiment, new product launches, supply chain constraints or other unforeseen conditions

# 2025 Q2 Highlights

- **Revenue:** 172.2, 2.7 % (167.6)
- **EBIT:** 15.0, 0.0% (15.0)
- **EBIT margin:** 8.7% (8.9%)
- **ROOC:** 23.0% (22.3%)
- **Cash Cycle Conversion days:** 104 (112)
- **Operating Cash flow:** 19.3 (18.8)
- **NIBD:** 96.0 (122.8)
- **NIBD/EBITDA:** 1.4 (1.6)
- **Net Gearing:** 0.46 (0.65)
- **Equity %:** 36.3% (33.9%)
- **Order Backlog:** 509.3, 12% (454.5)
- **Net Income:** 10.0 (10.4)
- **EPS (EUR):** 0.050 (0.052)

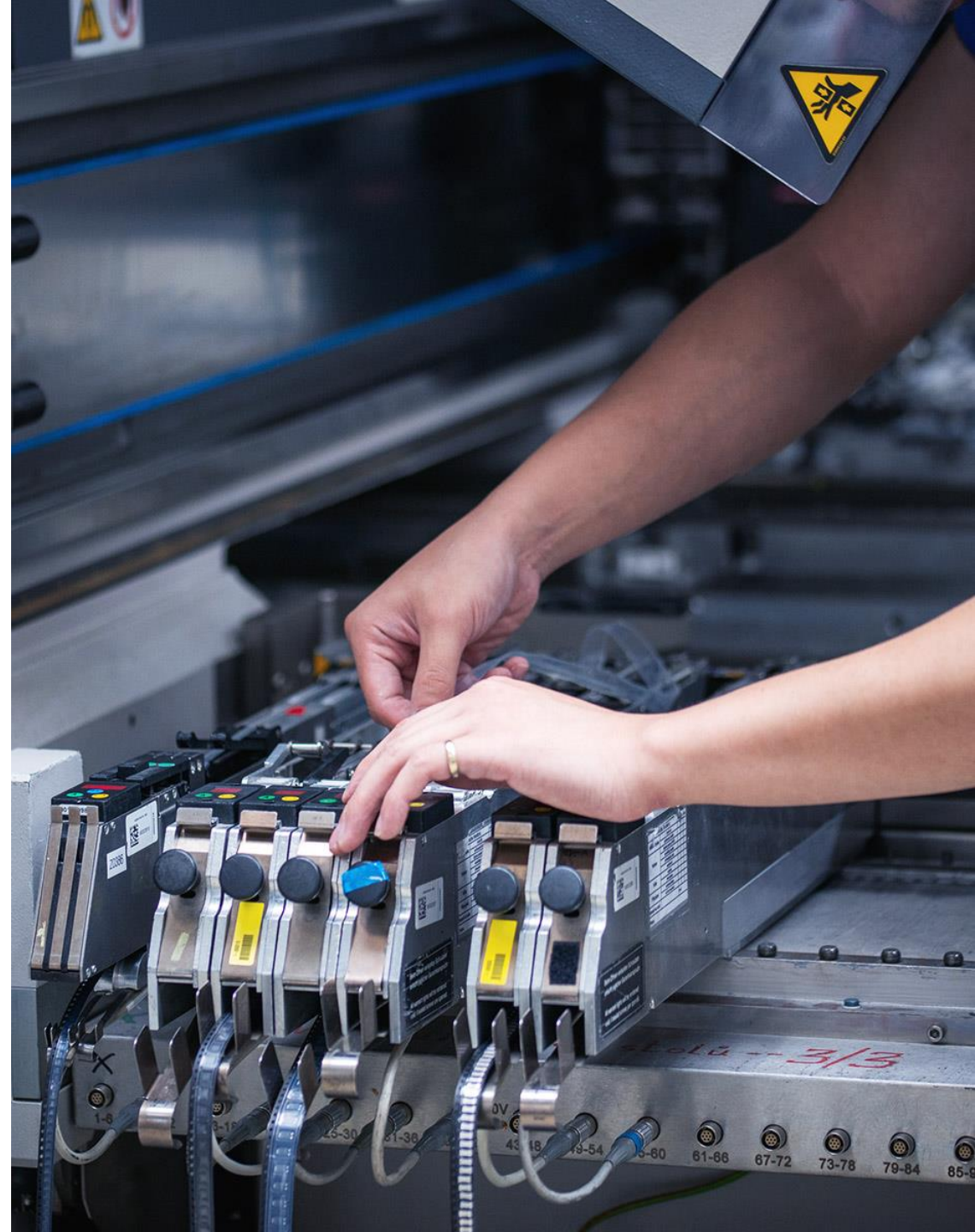
\*Performance measures expressed in €M



# 2025 Half year Highlights

- **Revenue:** 336.8, -1.4 % (341.4)
- **EBIT:** 27.5, 7.8% (25.5)
- **EBIT margin:** 8.2% (7.4%)
- **Operating Cash flow:** 31.4 (27.3)
- **Net Income:** 17.6, 4.1% (16.9)
- **EPS (EUR):** 0.09 (0.09)

\*Performance measures expressed in €M





# Business sectors

- All Business sectors grew sequentially
- All sectors above 9% EBIT Margin
- No of employees 2474, reduced with 73 compared to last year, but grew 83 sequentially.

Revenue Business Sectors	Q2 2025	Q2 2024	Change	30.06.2025	30.06.2024	Change	31.12.2024
Nordics & North America	96.0	94.1	1.9	189.7	186.1	-90.1	355.6
CEE	56.7	50.7	6.0	108.2	112.6	-55.9	205.7
Asia	22.3	24.8	-2.5	43.4	47.4	-25.1	95.7
Group and eliminations	-2.8	-1.9	-0.9	-4.5	-4.6	1.8	-9.9
<b>Revenue</b>	<b>172.2</b>	<b>167.6</b>	<b>4.6</b>	<b>336.8</b>	<b>341.5</b>	<b>-169.3</b>	<b>647.2</b>

EBIT Business Sectors	Q2 2025	Q2 2024	Change	30.06.2025	30.06.2024	Change	31.12.2024
Nordics & North America	9.4	8.7	0.7	17.1	16.8	-7.4	26.2
CEE	5.4	4.7	0.7	9.7	9.8	-4.4	16.8
Asia	2.1	2.9	-0.8	3.8	4.9	-2.8	11.1
Group and eliminations*	-1.9	-1.3	-0.6	-3.1	-6.0	4.2	-6.4
<b>EBIT</b>	<b>15.0</b>	<b>15.0</b>	<b>0.0</b>	<b>27.5</b>	<b>25.5</b>	<b>-10.5</b>	<b>47.7</b>

FTE Business Sectors	30.06.2025	30.06.2024	Change	31.12.2024
Nordics & North America	1 061	1 088	-27	994
CEE	929	955	-26	930
Asia	484	504	-20	488
<b>FTE</b>	<b>2 474</b>	<b>2 547</b>	<b>-73</b>	<b>2 411</b>



# Cash flow and working capital

- Cash flow from operating activities at 19.3 €M (18.8 €M).
- Net working capital at 180.7 €M (188.1 €M), down 4% from last year, and down 4.8 % from last quarter.

	€M					
Cash Flow	Q2 2025	Q2 2024	Change	30.06.2025	30.06.2024	31.12.2024
Profit before tax	12.7	12.6	0.1	22.7	21.2	39.9
Depreciations	4.5	4.6	-0.1	9.2	9.3	18.7
Change in inventory, accounts receivable, contract assets and accounts payable	9.2	8.9	0.3	7.3	5.8	5.8
Change in net other current assets and other operating related items	-7.2	-7.3	0.1	-7.7	-9.0	-20.6
<b>Net cash flow from operating activities</b>	<b>19.3</b>	<b>18.8</b>	<b>0.5</b>	<b>31.4</b>	<b>27.3</b>	<b>43.7</b>
<b>Net cash flow from investing activities</b>	<b>-2.0</b>	<b>-2.1</b>	<b>0.1</b>	<b>-3.6</b>	<b>-4.7</b>	<b>-8.6</b>
<b>Net cash flow from financing activities</b>	<b>-10.4</b>	<b>-23.4</b>	<b>13.0</b>	<b>-19.9</b>	<b>-21.2</b>	<b>-16.3</b>

	€M			
Net working capital	30.06.2025	30.06.2024	Change	31.12.2024
Inventory	144.1	148.6	-4.5	141.4
Contract assets	81.5	72.5	9.0	77.6
Trade receivables	132.1	126.0	6.1	124.1
Trade payables	177.0	159.0	18.0	155.1
<b>Net working capital</b>	<b>180.7</b>	<b>188.1</b>	<b>-7.4</b>	<b>188.0</b>

# Ratios

- Net gearing and NIBD/EBITDA 0.46 and 1.4
- Finance cost -2.3 (-2.4)
- Dividend paid in Q2 of 6 €M

Ratios	30.06.2025	30.06.2024	Change	31.12.2024
R3 NWC % sales	26.8 %	28.4 %	-5.6 %	28.8 %
R3 ROOC % sales	23.0 %	22.3 %	3.1 %	18.0 %
R3 Cash Cycle Conversion	104	112	-8	106
Net Interest bearing debt €M	95.9	123.1	-27.2	113.5
Net gearing	0.46	0.65	-0.19	0.57
NIBD/EBITDA	1.4	1.6	-0.2	1.7
Equity percent	36.3 %	33.9 %	2.4 %	35.8 %
Earnings per share quarter €	0.050	0.050	0.0 %	0.020
Earnings per share ytd €	0.090	0.090	0.0 %	0.140





# 2025 Q2 Key take-ways

- Revenue of 172.2 up 2.7 % YoY (167.6)
- Order backlog growth 12% YoY to 509 €M .
- Defence & Aerospace revenue up 25% year-over-year with a 46% YoY increase in order back log.
- Non-Defense Sectors strengthening outlook for second half
- New defense tech is creating substantial new opportunities with rapid scalability in production and supply chain requirements. Five Kitron sites focused on Defence & Aerospace to quickly scale new opportunities.
- We are raising our outlook for 2025. We now expect revenue to be between EUR 675 million and EUR 725 million, with EBIT expected to range from EUR 55 million to EUR 65 million.
- Rolling 6-month customer outlook support stronger outlook in second half of 2025.





2025 Q2

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



## NEW AGREEMENT

Kitron has signed an agreement covering manufacturing services for a new generation of high-performance drive modules used in automation and motion control systems. Valued at EUR 7 million annually

“

Following our recent win in the Connectivity sector, this agreement reflects continued momentum in building long-term value across multiple industrial segments.



## NEW CONTRACT

Kitron has received a contract with an estimated value between EUR 4 and 8 million for the production and supply of advanced electronic components used in unmanned aerial systems

“

We are proud to strengthen our role as a trusted manufacturing partner in the rapidly evolving UAS segment. This award reflects our proven capability to deliver mission-critical solutions.



**MINDAUGAS ŠEŠTOKAS**  
VP Central Eastern Europe



## NEW ORDER

Kitron has received an order valued at EUR 11 million to produce advanced military communication products destined for the European market.

“

This contract award strengthens Kitron's role as an important manufacturing partner of advanced communication products for military applications.



## NEW ORDER

Kitron has received an order valued at EUR 4 million to produce electronics modules for airborne radar application, destined for the US market.

“

This contract award confirms our position and our ability to grow market share, as a partner within a long term defense program.



**HANS PETTER THOMASSEN**  
VP Nordics & North America