

Growth and Agility in a Shifting Geopolitical Landscape

Capital Markets Presentation
Kitron Group, April 2025 refresh

Our business

PRODUCT SERVICES



Development



Industrialisation



Sourcing and
Procurement



Manufacturing



Logistics and
Distribution



Redesign and
Repair

Kitron is a leading Scandinavian **Electronics Manufacturing Services (EMS)** company, delivering improved flexibility, cost efficiency, and innovation power through the value chain

MARKET SECTORS



Connectivity



Electrification



Industry



Medical Devices



Defence/
Aerospace

Kitron Group



Headquarters in Norway

 2400 + Employees	 60 + Years of experience	 11 Countries	 100 000 + sq. m of manufacturing	 300 + Engineers	 30 + SMT lines
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Our unique selling points



Financial strength



Global footprint



Highly specialized requirements and certifications (i.e. defence, medical)



Proven track record through excellent customer and project references



Speed and agility



Sustainability

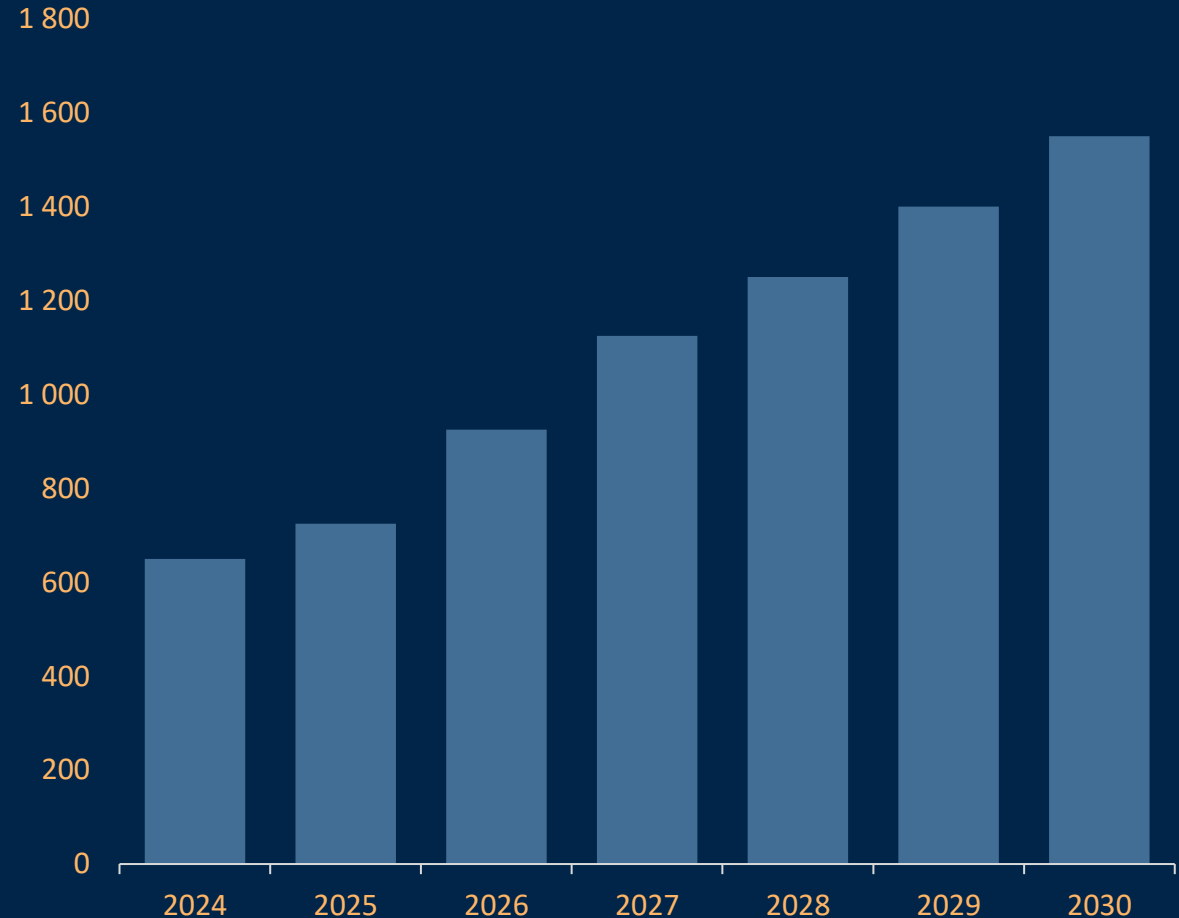


- Long-term, repeat business
- Customers often market leaders
- Often high-complexity products
- Regionalized supply chains and manufacturing

Geopolitics, Macro and sector outlook

- Strength in Nordic and U.S markets
- Recovery in European markets 2026
- New Partnerships with Global OEM's
- New Acquisitions
- Geo-politics, European Security, Tariffs Sovereign capabilities and Localization drives uncertainties and opportunities

Growth Targets

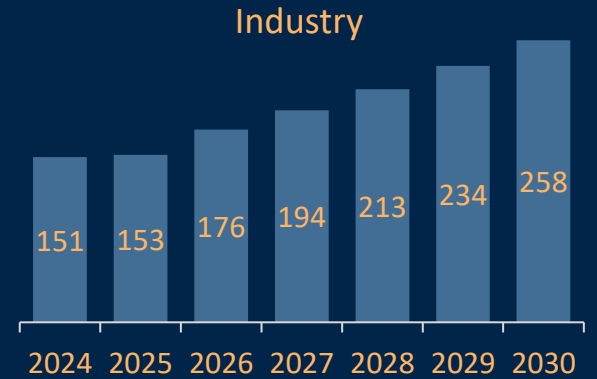
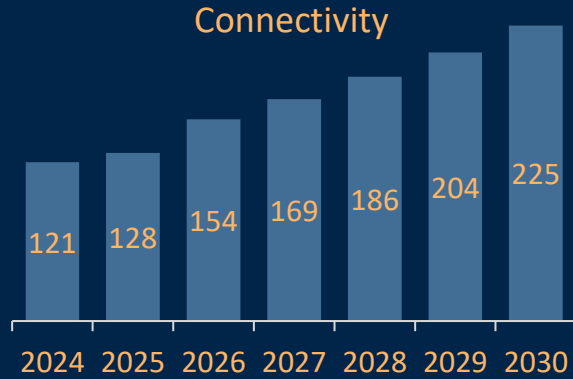


Timing dependent on market recovery and M&A

Market sectors

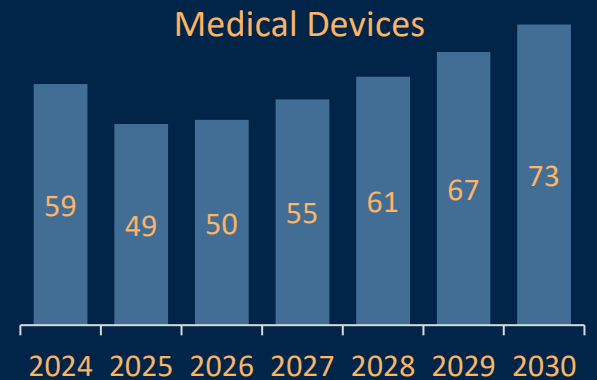
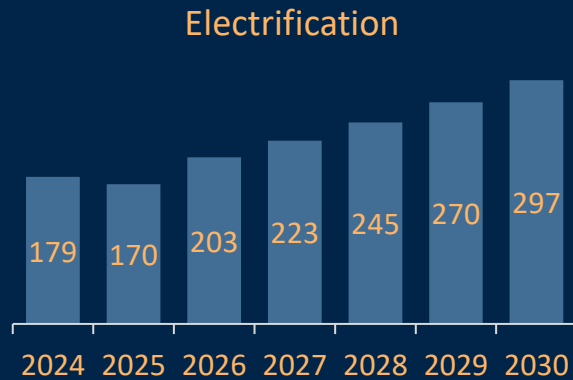
Connectivity:

- Expect approx. 6% growth in 2025 but with >20% growth in 2026 as market broadly recovers driven by Industrial IoT.
- Sensor and tracking equipment performing well in 2024 and 2025.



Electrification:

- Tough comps. with Q1 2024 driven by reduction in Greentech.
- We expect >15% growth in 2026 driven mainly by new customers.
- Electricity transmission and maritime electrification continues to grow. We expect a broadening of strength in 2026 with Greentech leading the way.



Industry:

- Underlying demand for 2025 is firmed up vs. Dec 2024 with an increase of >25%. Demand driven by renewed investments in industrial capacity.
- Sector growth flat in 2025 and 15% growth in 2026.

Medical Devices:

- Sector growth 2025 affected by EOL major product line.
- Strong focus on M&A for renewed growth.

Expectations for 2025 remains aligned with CMP Dec-24, but with slightly changed distribution and with demand firmed up with additional customer orders and forecast for 2025.

Defense & Aerospace

Beginning of investment cycle

- Nato countries gearing up defense budgets from below 1% to close to 3.5% or above by 2030.
- Close to 80% of European equipment needs were purchased outside of the EU in 2023.
- European defense companies outpace the U.S. on growth

Next steps:

- Large platform orders
- Naval vessels, Surveillance Systems, Air defense, Air supremacy assets
- Kitron well positioned to serve multiple customers across multiple platforms, sites and regions.

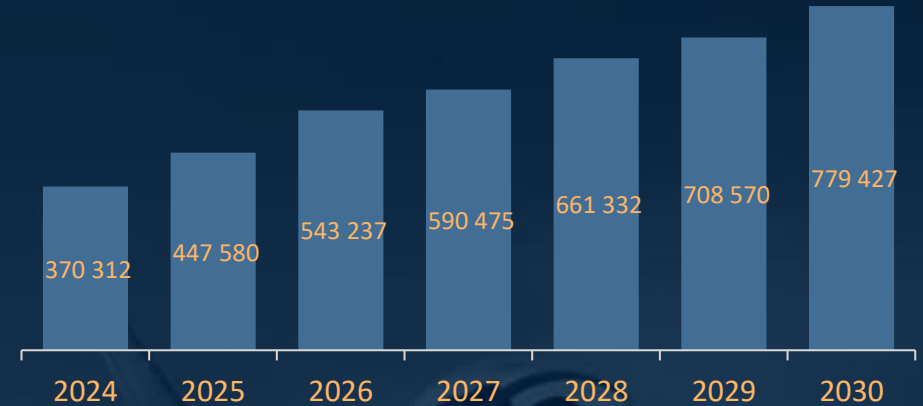
Defence capable Kitron sites:

- Norway, Sweden, Denmark, Poland, Czech, Lithuania and U.S.
- Expect > 30% growth in 2025

Customers:

- Kongsberg, SAAB, Thales, Terma, Leonardo DRS, Northrop Grumman, L3Harris, Lockheed Martin, Aimpoint, Comrod, Covidence, Axnes, Raytheon, Rheinmetall, Nammo, Mildef
- Strong focus on M&A for further growth

European Defense Spend (MUSD)



Kitron's strategic defence sector positioning

- Long-standing commitment to the defence sector
- Strategic vision that aligns with industry growth.
- Strong, sustainable partnerships with leading defence OEMs. Rolling 3-year frame orders common.
- Management protocols fully compliant with defence contracting requirements.
- Stringent security measures are prioritized.
- Comprehensive cybersecurity framework that meets regulatory demands.
- Strategic geographic expansion of factory locations enables Kitron to efficiently serve leading OEMs across the transatlantic sphere.
- Capability to qualify the entire European footprint for defence manufacturing.



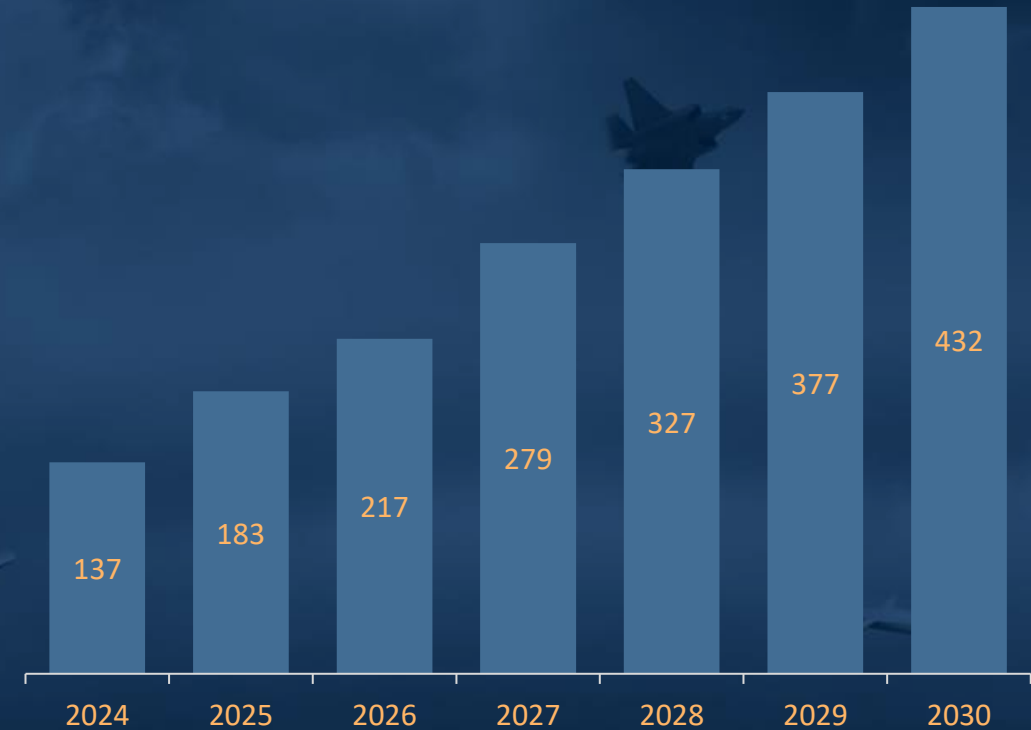
KEY TAKE-AWAY

Entering the defense industry is challenging due to complex contracting requirements. Kitron's advanced skills and strong market presence make us well-positioned for growth

Reindustrialization of European Defense Capabilities

- Outlook Defense for 2025 increased
- Scaling up production capabilities and infrastructure
- Qualify further European sites for defense manufacturing
- Transfer of production from the Nordics to the US for US end-user products
- Leverage growth opportunities with current customer base
- Target identified home market opportunities in the national long-term defense equipment acquisition plans and use of civilian assets in traditional military tasks.

Defense outlook Kitron



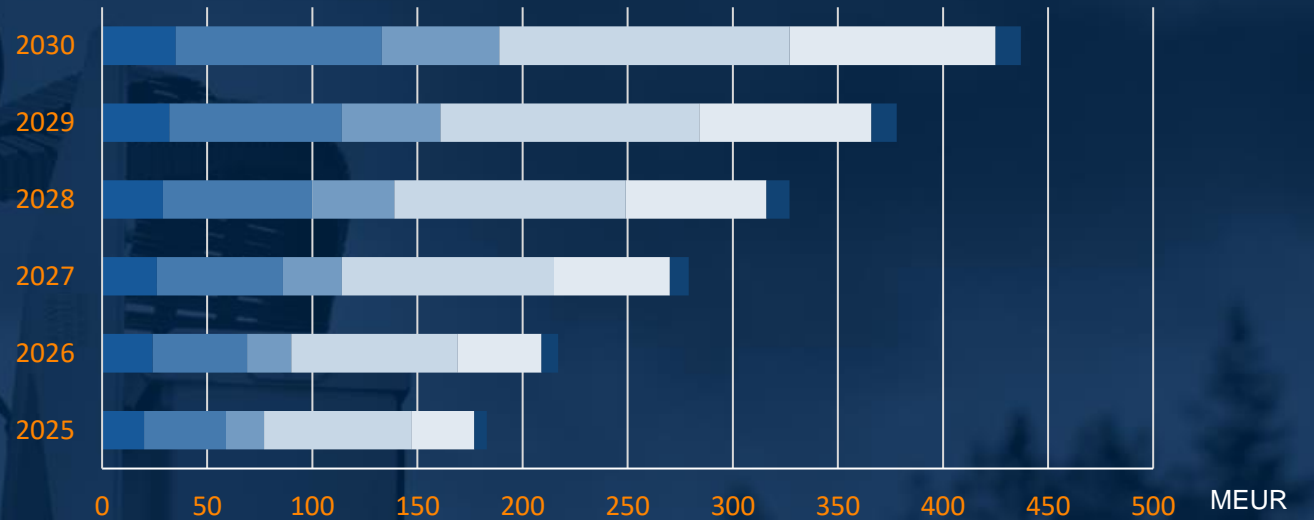
KEY TAKE-AWAY

Annual growth potential in Kitron's relevant market exceeds 20% YoY

Reindustrialization of European Defense Capabilities

- Focus efforts on systems where Kitron has strong **application knowledge**
 - Long range precision munitions
 - Weapon control systems
 - Communication equipment
 - Radar systems
- Target companies with **disruptive technologies** providing faster fielding and less expensive mass-volume capacities
 - Drones
 - Countermeasure systems

Kitron estimate



	2025	2026	2027	2028	2029	2030
■ Aerospace	20	24	26	29	32	35
■ Encryption & Communication	39	45	60	71	82	98
■ Surveillance	18	21	28	39	47	56
■ Guidance, Control, Targeting	70	79	101	110	123	138
■ Drones, Robotics	30	40	55	67	82	98
■ Training	6	8	9	11	12	12

Defence Capacity and regional growth opportunities

Current capacity plans 2025-2027

- How much D&A capacity does Kitron have?
- Three elements are foundational for efficient, effective, and competitive manufacturing operations.
- **People** – Employees and teams who operate, manage, and support the production. Lead time 3- 9 months.
- **Plants** – Facilities, machinery, equipment, and infrastructure used in production.
New equipment lead time 3months.
Existing extra building lead time 3months.
New building lead time 12-18 months.
- **Processes** – Methods, procedures, and systems for converting materials into finished goods. Lead time 3 months.
- EU Capacity for defence can quickly be ramped in two steps to 525M€. Capacity in U.S can be ramped to 200M€
- With current outlook we see no capacity restrictions before end of 2028 as we can scale up operations on existing planned footprint.

Outlook 2025

- Demand is firming up, de-risking capital markets' outlook.
- Since Kitrons Capital Markets Day, the underlying customer demand for 2025 has increased close to 20%, firming up and strengthening our original estimate.
- Previous outlook: revenue between EUR 600 and 700 million, and an EBIT between EUR 42 and 63 million.
- The outlook is now updated:
 - Revenue expected between EUR 640 to 710 million, reflecting market risk and growth opportunities.
 - Operating profit (EBIT) expected between EUR 47 and EUR 65 million.



2025 GUIDANCE
Revenue:
EUR 640M to 710M
EBIT:
EUR 47M to 65M

Key take-aways

- Strong growth outlook on and Defence & Aerospace for 2025-2035
- Other market sectors recovering 2025.
- Focus on capacity utilization and maximizing economies of scale ensuring competitiveness and profitability
- Balance sheet positioned for growth
- Strong focus on new customer acquisition and M&A
- Continue delivering superior performance to customers and shareholders



2025 GUIDANCE
Revenue:
EUR 640M to 710M
EBIT:
EUR 47M to 65M

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 %

$(\text{Last 3 months Operating profit (EBIT)} * 4) / (\text{Last 3 months Operating Capital} / 3)$

Return on capital employed (ROCE)

$\text{EBIT} / (\text{Total assets} - \text{short term debt})$

Return on equity

$\text{Net Income} / \text{Equity}$

Direct Cost

Cost of material + Direct wages (subset of personnel expenses only to include personnel directly involved in production)

Days of Inventory Outstanding

$360 / (\text{Annualised Direct Costs} / \text{Inventory})$

Days of Inventory Outstanding R3

$360 / ((\text{Last 3 months Direct Costs} * 4) / (\text{Last 3 months Inventory} / 3))$

Days of Receivables Outstanding

$360 / (\text{Annualised Revenue} / \text{Trade Receivables})$

Days of Receivables Outstanding R3

$360 / (((\text{Last 3 months Revenue} * 4) / (\text{Last 3 months Trade Receivables} / 3)))$

Days of Payables outstanding

$360 / ((\text{Annualised Cost of Material} + \text{Annualised other operational expenses}) / \text{Trade Payables})$

Days of Payables Outstanding (R3)

$360 / (((\text{Last 3 months (Cost of Material} + \text{other operational expenses)} * 4) / (\text{Last 3 months Trade Payables} / 3)))$

Cash conversion cycle (CCC)

$\text{Days of inventory outstanding} + \text{Days of receivables outstanding} - \text{Days of payables outstanding}$

Cash conversion cycle (CCC) R3

$\text{Days of inventory outstanding (R3)} + \text{Days of receivables outstanding (R3)} - \text{Days of payables outstanding (R3)}$

Net Interest-bearing debt

$-\text{Cash and cash equivalents} + \text{Loans (Non-current liabilities)} + \text{Loans (Current liabilities)}$

Interest-bearing debt

$\text{Loans (Non-current liabilities)} + \text{Loans (Current liabilities)}$

Net gearing

$\text{Net Interest-bearing debt} / \text{Equity}$

Free Cash flow

$\text{Net Cash Flow from operating activities} - \text{Cash flows from acquisition of tangible fixed assets} - \text{Cash flows from acquisition of other intangible assets}$

Equity ratio

$\text{Total Equity} / \text{Total Assets}$

EPS

Earnings Per Share