



Fourth quarter report 2024

Connectivity

Electrification

Industry

Medical Devices

Defence/Aerospace

Norway
Sweden
Denmark
USA

Germany
Lithuania
Poland
Czech Republic

China
Malaysia
India

Message from our CEO

Advancing with strength and focus

- Profitable execution in a shifting market
- Strategic expansion and key contract wins
- Transforming operations for profitability
- Positioned for growth in 2025

2024 was a year of decisive action and resilience. While we faced headwinds in some markets, our commitment to efficiency and strong execution led to successful restructuring efforts during the first quarter. Although de-stocking continues to affect some sub-sectors, we expect that most of this should be cleared up by mid-2025. The Defence & Aerospace sector has remained a primary growth driver during 2024, with sustained demand continuing well beyond 2025. The Electrification and Industry sectors stabilized in the third quarter. Connectivity is showing encouraging signs of recovery with sensory technology as a backbone for growth.

In addition, potential new trade wars could impact industry, pushing manufacturers to seek alternative sourcing and regional production. Kitron's multi-regional production footprint and strong supply chain partnerships provide a competitive advantage in mitigating these challenges.

Profitable Execution in a Shifting Market

Fourth-quarter revenue was EUR 160.6 million. Full-year revenue was €647.2 million, down 16.5 percent year-over-year, primarily due to weaker demand in these market sectors: Connectivity, Industry and the consumer part of Electrification. However, Defence & Aerospace saw continued growth, increasing 22 percent year-over-year.

Our order backlog remains strong, close to EUR 472 million, with sequential growth of 3 percent. The Defence & Aerospace backlog grew 23 percent, reinforcing our position in this sector. Connectivity saw a 28 percent backlog improvement, indicating a turnaround driven by renewed IoT demand and continued growth of advanced asset-tracking solutions.

Transforming Operations for Profitability

At the beginning of 2024, we saw a significant downturn in key markets, leading us to transform, improve, and optimize our global operations for greater efficiency. A restructuring program was completed and resulted in one-off costs of EUR 4.8 million. From the third quarter onward, the benefits of these initiatives were fully realized. In the fourth quarter, we recognized additional accruals of EUR 1.3 million for inventory impairment and bad debt.

Excluding these one-off costs, our 2024 EBIT would have been EUR 54.1 million, reflecting an adjusted EBIT margin of 8.4 percent. With no further restructuring planned, we are well-positioned for 2025.

Strategic Expansion and Key Contract Wins

New contract wins reinforced our market strength, including:

- Marine IoT technology ~ 15 €M
- Defence-related electronics for the U.S. Army ~ 5 €M

In addition, two large contracts were announced in January 2025:

- Naval Strike Missile electronics (Kongsberg) 300 MNOK ~ 25 €M
- Advanced optics for UAVs ~ 30 €M

To support our long-term growth strategy, we are expanding our capabilities and capacity:


- A new site in Longum, Norway, adding production capacity from Q1 2026.
- An expanded footprint in Sweden, enabling additional growth from Q4 2025.

Our M&A strategy remains on track, with targeted acquisitions aimed at strengthening technological capabilities and expanding our regional presence.

Positioned for Growth in 2025

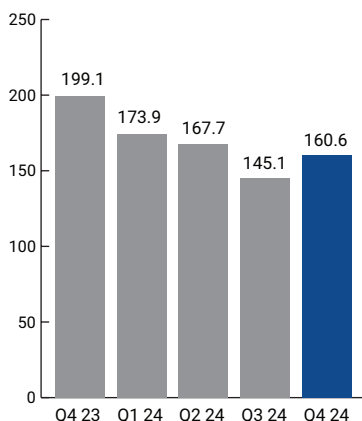
- Defence & Aerospace continues to drive demand, though short lead times require supply chain agility.
- Electrification: Growth is expected in 2025, driven by the expansion of energy generation and the increasing need for advanced transmission solutions, with acceleration possible if European consumer-driven demand for EVs and heat pumps returns.
- Connectivity is expected to recover substantially in the second half of 2025, supported by increased demand for IoT and asset-tracking solutions.
- For the Industry sector, we see strong development in maritime, subsea and exploration.
- Our 2025 revenue outlook remains between EUR 600 million and EUR 700 million. While the current expectation is to exceed EUR 650 million, trade wars and other uncertainties could affect demand unfavorably.
- Customer demand for the first half of 2025 is strong, supporting a solid start to the year.

With an optimized operational base, strategic contract wins, an aggressive stance on M&A, and market recovery on the horizon, Kitron is well-positioned to deliver on growth and profitability.

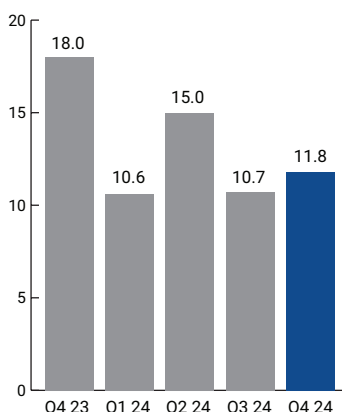



Peter Nilsson

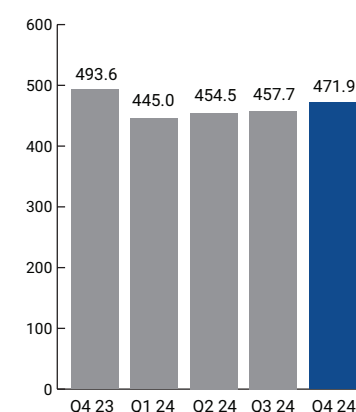
REVENUE Group
EUR million



EBIT Group
EUR million



ORDER BACKLOG Group
EUR million



Mixed revenue development

Kitron's revenue for the fourth quarter was EUR 160.6 million, compared to 199.1 million last year. There was growth within the Defence/Aerospace market sector, mainly benefitting the Nordic sites. Meanwhile, several major customers within the market sectors Electrification and Industry have continued to reduce and postpone demand for the third and fourth quarters of 2024 as destocking continues and end markets have not developed as expected. This affects the sites in Central and Eastern Europe (CEE).

Several product transfers have been planned to facilitate further growth for the Nordic sites, where demand is strong, and stabilize the load for the CEE sites. These will continue into the first half of 2025.

Kitron's revenue for the full year was EUR 647.2 million (EUR 775.2 million), a decrease of 16.5 per cent compared to last year.

Actions taken to maintain margins

Fourth quarter EBITDA* was EUR 16.6 million (EUR 22.8 million), a decrease of 27 per cent compared to last year. Operating profit (EBIT)* for the fourth quarter ended at EUR 11.8 million (EUR 18.0 million). Profitability expressed as EBIT margin* was 7.3 per cent (9.1 per cent). Profit after tax was EUR 4.9 million (EUR 12.3 million), corresponding to EUR 0.02 earnings per share (EUR 0.06).

The cost initiatives announced in the first-quarter report have been completed, and the headcount has been adjusted. The current number of full-time employees is 2 411, a 20 percent reduction from a year ago.

Full year EBITDA* was EUR 66.7 million (EUR 88.3 million), a decrease of 24 per cent from last year. Operating profit (EBIT)* ended at EUR 48.0 million (EUR 70.7 million). Profitability expressed as EBIT margin* was 7.4 per cent (9.1 per cent), including the restructuring charges of 4.8 million EUR in the first quarter. Profit after tax was EUR 28.0 million (EUR 51.1 million), corresponding to EUR 0.14 earnings per share (EUR 0.26). The Board proposes an ordinary dividend of NOK 0.35 per share (NOK 0.75).

Order backlog growing sequentially

The order backlog ended at EUR 471.9 million, a decrease of 4 per cent compared to last year but an increase of 3 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 has shown modest gains over the past three quarters.

Capital efficiency temporarily affected by lower revenue

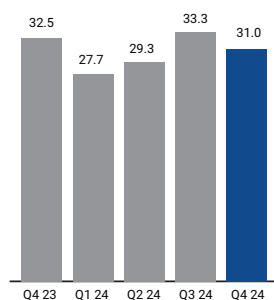
Operating cash flow was EUR 14.2 million (EUR 33.4 million) for the fourth quarter. Net working capital was EUR 188.0 million, a decrease of 2 per cent compared to the same quarter last year. Cash conversion cycle R3* was up from 95 days to 106 days, and net working capital R3* as a percentage of revenue was 28.8 per cent compared to 24.4 per cent last year. Return on operating capital (ROOC) R3* was 18.0 per cent compared to 26.9 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

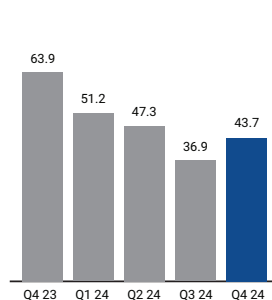
EUR million	Q4 2024	Q4 2023	Change	Full year 2024	Full year 2023	Change
Revenue	160.6	199.1	(38.5)	647.2	775.2	(128.1)
EBIT	11.8	18.0	(6.3)	48.0	70.7	(22.7)
Order backlog	471.9	493.6	(21.7)	471.9	493.6	(21.7)
Operating cash flow	14.2	33.4	(19.2)	43.7	59.0	(15.3)
Net working capital	188.0	193.8	(5.8)	188.0	193.8	(5.8)

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

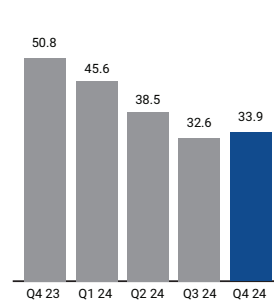
REVENUE Connectivity EUR million



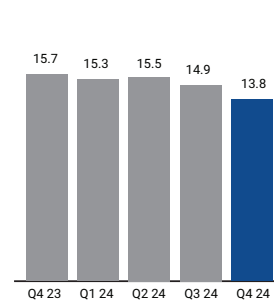
REVENUE Electrification EUR million



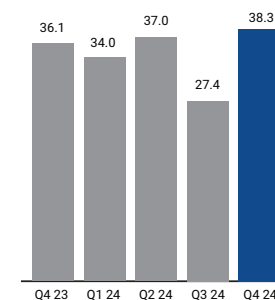
REVENUE Industry EUR million



REVENUE Medical Devices EUR million



REVENUE Defence/Aerospace EUR million



Order intake

Order intake in the quarter was EUR 174.8 million, which is 8 per cent lower than for the fourth quarter 2023. The order backlog ended at EUR 471.9 million, which is 4 per cent lower than at the same time last year.

Four-quarter moving average order intake was down from EUR 160.3 million at the beginning of the fourth quarter to EUR 156.4 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	Q4 2024	Q4 2023	Change	Full year 2024	Full year 2023	Change
Connectivity	31.0	32.5	-1.6	121.3	140.4	(19.1)
Electrification	43.7	63.9	-20.2	179.1	245.1	(66.1)
Industry	33.9	50.8	-17.0	150.6	211.1	(60.5)
Medical devices	13.8	15.7	-1.9	59.6	66.7	(7.2)
Defence/Aerospace	38.3	36.1	2.1	136.6	111.8	24.8
Total group	160.6	199.1	-38.5	647.2	775.2	(128.0)

Order backlog market sectors

EUR million	31.12.2024	31.12.2023	Change
Connectivity	61.2	48.0	13.2
Electrification	137.1	174.4	(37.3)
Industry	64.6	93.2	(28.6)
Medical devices	17.4	22.2	(4.8)
Defence/Aerospace	191.6	155.8	35.8
Total group	471.9	493.6	(21.7)

Operations

Organisation

The Kitron workforce corresponded to 2 411 full-time employees (FTE) on 31 December 2024. This is a decrease of 591 FTE since the fourth quarter of 2023. The company's total payroll expenses in the fourth

quarter were EUR 3.6 million lower than in the corresponding period in 2023. The relative payroll costs ended at 17.4 per cent, up from 15.9 per cent of revenue in the fourth quarter last year.

Revenue Business Sectors

EUR million	Q4 2024	Q4 2023	Change	Full year 2024	Full year 2023	Change
Nordics & North America	89.9	91.4	(1.4)	355.6	325.0	30.6
CEE	50.8	77.6	(26.8)	205.7	304.8	(99.1)
Asia	23.7	32.1	(8.4)	95.7	157.4	(61.7)
Group and eliminations	(3.8)	(1.9)	(1.9)	(9.9)	(12.0)	2.1
Total group	160.6	199.1	(38.5)	647.2	775.2	(128.0)

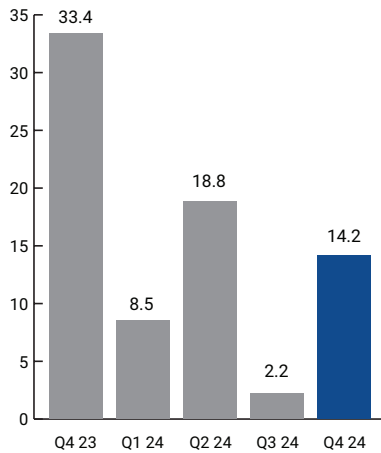
EBIT Business Sectors

EUR million	Q4 2024	Q4 2023	Change	Full year 2024	Full year 2023	Change
Nordics & North America	4.0	7.3	(3.3)	26.2	27.3	(1.1)
CEE	3.6	6.0	(2.4)	17.1	29.2	(12.1)
Asia	3.5	3.7	(0.2)	11.1	19.8	(8.7)
Group and eliminations	0.7	1.0	(0.3)	(6.4)	(5.6)	(0.8)
EBIT	11.8	18.0	(6.2)	48.0	70.7	(22.7)

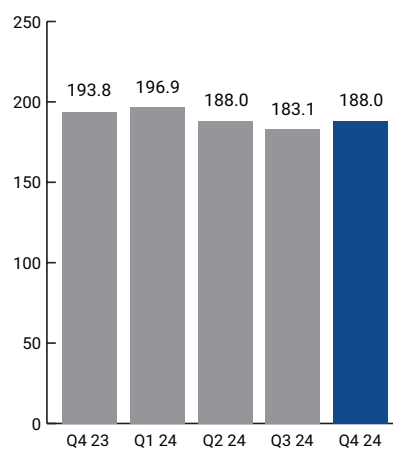
FTE Business Sectors

	31.12.2024	31.12.2023	Change
Nordics & North America	994	994	(1)
CEE	930	1 376	(446)
Asia	488	631	(144)
FTE	2 411	3 001	(591)

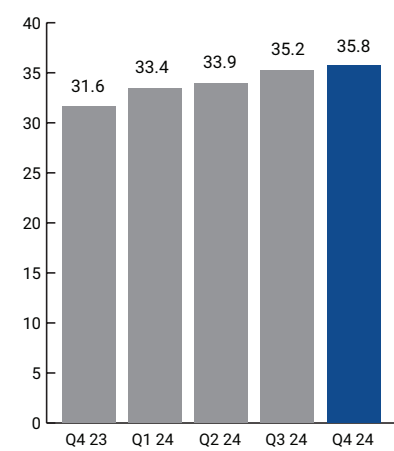
OPERATING CASH FLOW Group EUR million



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 1.5 million. The corresponding figure for the fourth quarter last year was a net cost of EUR 1.2 million. Net agio for the fourth quarter amounted to EUR 1.2 million (2023: agio EUR 1.6 million).

Balance sheet

Kitron's gross balance sheet as of 31 December 2024 amounted to EUR 556.0 million, compared to EUR 580.8 million at the same time in 2023.

Equity was EUR 198.9 million (EUR 183.5 million), corresponding to an equity ratio of 35.8 per cent (31.6 per cent). Return on equity was 10.0 per cent (28.0 per cent). Equity is influenced by foreign exchange effects from consolidation of foreign subsidiaries.

Inventory was EUR 141.4 million as of 31 December 2024 (EUR 166.4 million). Inventory turns* was 2.1 in the fourth quarter 2024 (2023: 2.8). Deposits from customers are collected to partially offset the increased inventory.

Accounts receivables amounted to EUR 124.1 million at the end of the fourth quarter of 2024. The corresponding amount at the same time in 2023 was EUR 131.3 million.

Contract assets were EUR 77.6 million as of 31 December 2024, compared to EUR 77.9 million at the same time in 2023.

Right-of-use assets amounted to EUR 27.9 million at the end of the fourth quarter compared to EUR 26.9 million at the same time last year. Right-of-use assets consist of buildings, land and vehicles amounting to EUR 14.6 million (2023: EUR 12.3 million) and machinery and equipment amounting to EUR 13.3 million (2023: EUR 14.6 million). Depreciation and interest costs related to leased buildings, land and vehicles were EUR 0.8 million and EUR 0.3 million respectively for the fourth quarter (2023: EUR 0.7 million and EUR 0.2 million respectively).

The group's reported net interest-bearing debt* amounted to EUR 113.5 million as of 31 December 2024 (2023: EUR 129.4 million). Net gearing of the company was 0.6 (0.7). Net interest-bearing debt/ EBITDA is 1.7 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 0.5 and 1.5 respectively.

Outlook

For 2025, Kitron reiterates the outlook given at the Capital Markets Presentation in December and expects revenues between EUR 600 and 700 million. Operating profit (EBIT) is expected to be between EUR 42 and 63 million.

Oslo, 12 February 2025, Board of directors, Kitron ASA

Condensed profit and loss statement

EUR million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Revenue	160.6	199.1	647.2	775.2
Cost of materials	110.3	134.7	432.8	528.3
Payroll expenses	28.0	31.6	115.5	122.4
Other operational expenses	5.3	9.9	32.2	37.2
Other gains / (losses)	(0.3)	(0.1)	0.1	1.1
Operating profit before depreciation and impairments (EBITDA)	16.6	22.8	66.7	88.3
Depreciation	4.8	4.8	18.7	17.6
Operating profit (EBIT)	11.8	18.0	48.0	70.7
Net financial items	(1.5)	(1.2)	(8.2)	(6.0)
Profit (loss) before tax	10.3	16.9	39.9	64.7
Tax	5.3	4.5	11.9	13.7
Profit (loss) for the period	4.9	12.3	28.0	51.1
Earnings per share-basic	0.02	0.06	0.14	0.26
Earnings per share-diluted	0.02	0.06	0.14	0.26

Condensed balance sheet

EUR million	31.12.2024	31.12.2023
ASSETS		
Goodwill	44.4	44.8
Other intangible assets	26.3	27.2
Property, plant and equipment	47.2	47.8
Right-of-use assets	27.9	26.9
Deferred tax assets	7.1	6.2
Other receivables	0.9	0.9
Total non-current assets	153.8	153.9
Inventory	141.4	166.4
Accounts receivable	124.1	131.3
Contract assets	77.6	77.9
Other receivables	10.4	12.2
Cash and cash equivalents	48.7	39.0
Total current assets	402.2	426.9
Total assets	556.0	580.8
LIABILITIES AND EQUITY		
Equity	198.9	183.5
Total equity	198.9	183.5
Deferred tax liabilities	8.6	5.4
Interest bearing debt	108.2	113.3
Pension commitments	0.4	0.5
Other liabilities	1.0	1.1
Total non-current liabilities	118.2	120.3
Accounts payable	155.1	181.9
Other payables	27.6	33.8
Tax payable	2.1	6.3
Interest bearing debt	54.0	55.1
Total current liabilities	238.8	277.1
Total liabilities and equity	556.0	580.8

Condensed cash flow statement

EUR million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Profit before tax	10.3	16.9	39.9	64.7
Depreciations	4.8	4.8	18.7	17.6
Change in inventory, accounts receivable, contract assets and accounts payable	(4.9)	6.6	5.8	(10.2)
Change in net other current assets and other operating related items	4.0	5.1	(20.6)	(13.2)
Net cash flow from operating activities *)	14.2	33.4	43.7	59.0
Net cash flow from investing activities	(4.1)	(7.6)	(8.6)	(16.3)
Net cash flow from financing activities *)	(10.9)	(18.6)	(27.2)	(29.5)
Change in cash and cash equivalents	(0.8)	7.1	7.9	13.3
Cash and cash equivalents opening balance	48.7	31.7	39.0	25.9
Currency conversion of cash and cash equivalents	0.7	0.2	1.8	(0.2)
Cash and cash equivalents closing balance	48.7	39.0	48.7	39.0

*) Change in factoring debt is reclassified from net cash flow from operating activities to net cash flow from financing activities

Condensed statement of comprehensive income

EUR million	Q4 2024	Q4 2023	Full year 2024	Full year 2023
Profit (loss) for the period	4.9	12.3	28.0	51.1
Actuarial gain / losses pensions	(0.0)	(0.0)	(0.0)	(0.0)
Gain / losses forward contract	0.0	(0.1)	0.0	(0.1)
Exchange differences on translation	3.0	3.0	1.1	(1.9)
Total comprehensive income for the period	7.9	15.2	29.1	49.0
Allocated to shareholders	7.9	15.2	29.1	49.0

Changes in equity

EUR million	31.12.2024	31.12.2023
Equity opening balance	183.5	143.3
Profit (loss) for the period	28.0	51.1
Paid dividends	(12.8)	(8.4)
Issue of ordinary shares	0.0	0.0
Employee share schemes	(0.8)	(0.5)
Other comprehensive income for the period	1.1	(2.0)
Equity closing balance	198.9	183.5

Notes to the financial statements

Note 1 – General information and principles

The condensed consolidated financial statements for the fourth quarter of 2024 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 2023. 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 2023, which were prepared in accordance with the Norwegian Accounting Act and IFRS, as adopted by the EU. The consolidated financial statements for 2023 are available upon request from the company and at 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 2023.

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 %

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

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 leading Scandinavian Electronics Manufacturing Services company. The company has manufacturing facilities in Norway, Sweden, Denmark, Lithuania, Poland, the Czech Republic, India, China, Malaysia and the US and has about 2 500 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.