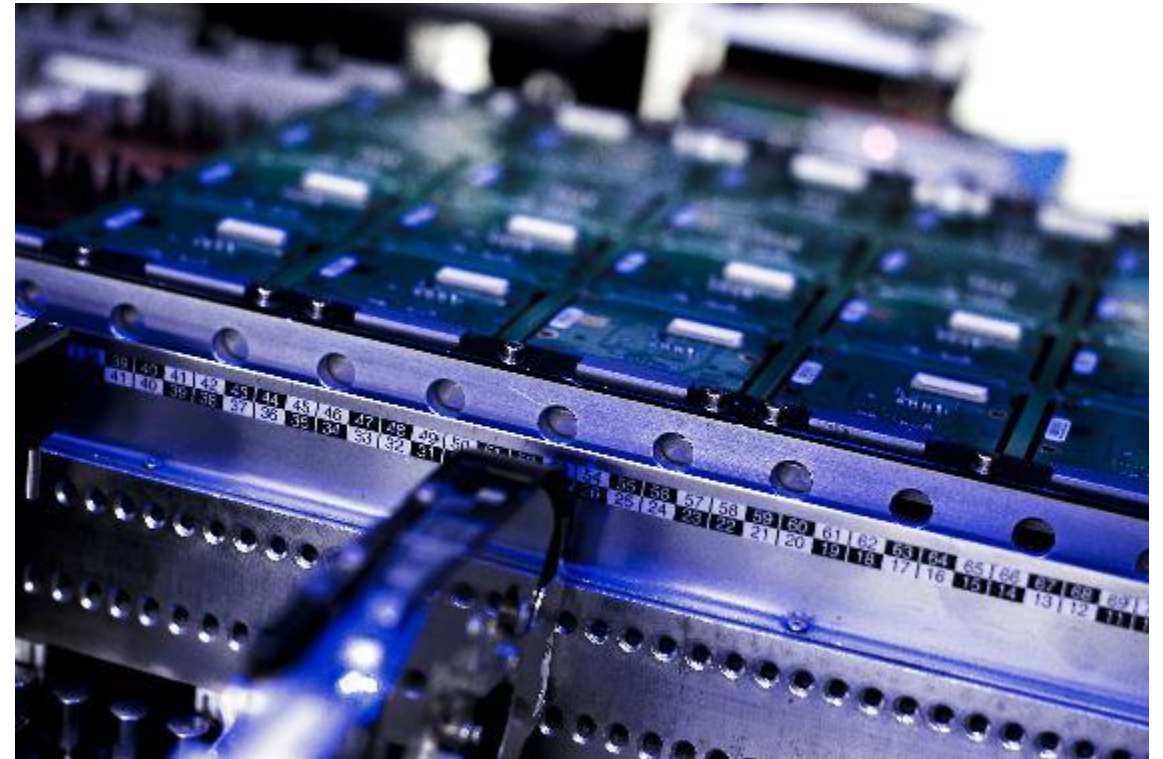




# 2022 Q1 Presentation

# Highlights

- Revenue of 1.429 BNOK<sup>1</sup> (0.931 BNOK 1Q 2021)
  - Growth of 52.5%, Growth L-F-L 20%, Organic 4%
- Demand R12 increased to 6.6 BNOK from 3.3 BNOK
  - Growth of 100% Growth L-F-L 50%, Organic 33%
- EBIT 78.5 MNOK ( 65.6 MNOK in 1Q 2021)
  - EBIT Margin at 5.5% (7.0%)
- Cash flow – 128 MNOK ( 78 MNOK in Q1 2021)



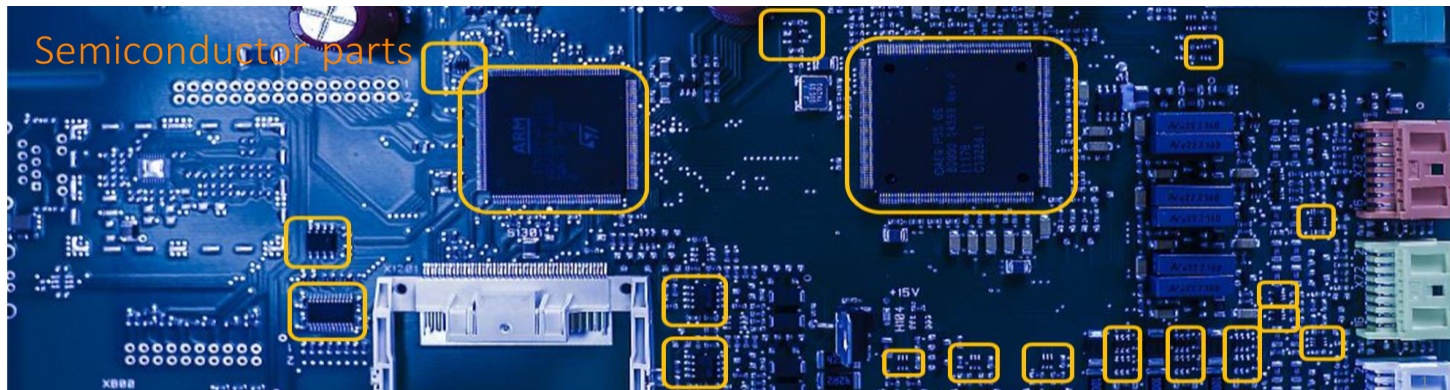
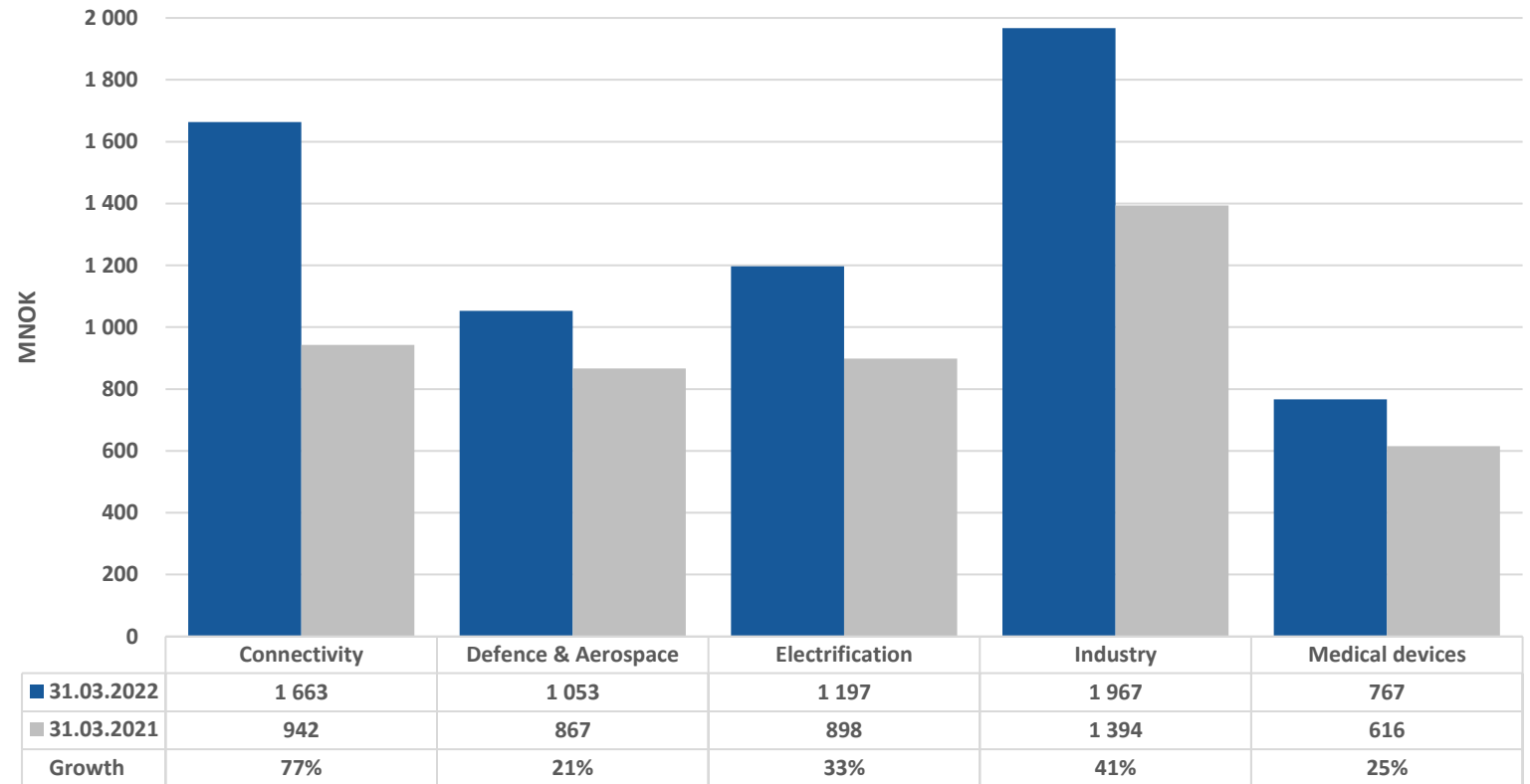
- The order backlog is record-high, and we could have grown more, but the component challenges continue to affect what we can deliver. Nevertheless, many areas of our business show their best first quarter ever.
- Material, energy and freight cost increases affects the results

<sup>1</sup>BB Electronics included in accounts from Q1 2022

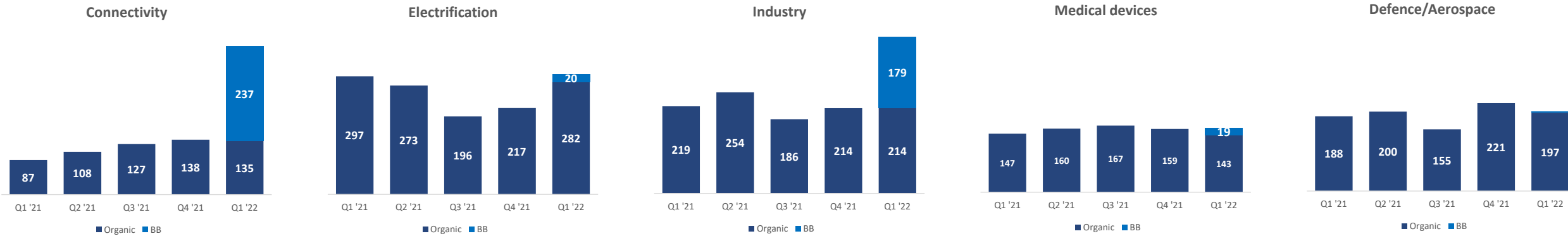
# Market and operations

- Demand continues to grow to new all-time high levels.
- Availability of material is a key bottleneck to higher growth:
- Balancing of plans towards component availability and customer expectations
- Secure improved cash flow. Inventory management continues to critical in 2022.

R12 Demand (MNOK)



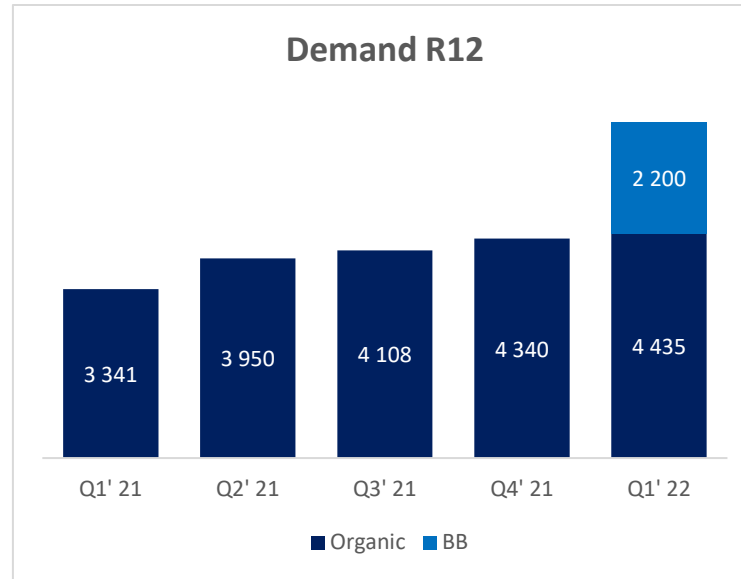
# Revenues



- BB Electronics products mainly in connectivity and Industry
- Fairly stable by sector, but growth in NOK and % in connectivity
- Revenue growth dependent on timing of component availabilities

# Demand and Order backlog

- Demand R12 increased to 6.6 BNOK from 3.3 BNOK
  - Growth of 100%
  - Growth L-F-L 50%
  - Organic 33%



- Order backlog increased to 4.2 BNOK from 2.1 BNOK
  - Growth of 105% Growth L-F-L 59%, Organic 53%

	31.03.2022	31.03.2021	Change	31.12.2021	31.03.2021	BB
<b>Order backlog</b>						
Connectivity	940.2	167.5	772.6	303.5	628.0	
Electrification	1 137.2	533.2	604.1	1 024.4	43.3	
Industry	1 096.4	355.8	740.6	473.8	367.6	
Medical Devices	306.7	239.2	67.5	264.1	30.3	
Defence & Aerospace	741.7	764.7	-23.0	761.2	2.1	
<b>Net working capital</b>	<b>4 222.2</b>	<b>2 060.4</b>	<b>2 161.8</b>	<b>2 827.0</b>	<b>1 071.3</b>	

# Business sectors

- Nordics; Norway, Sweden and Denmark
- CEE: Lithuania Poland and Czech
- Rest of the world: China, US
- Revenue affected overall by material delays and CEE more vulnerable due to high degree of Electronics.
- Material, energy and freight cost increases affects the results.

Revenue Business Sectors	Q1 2022	Q1 2021	Change	Q-Q growth	Full year 2021	BB Q1 2022
Nordics	572.0	423.8	148.2	35.0 %	1 819.0	115.3
CEE	438.4	366.6	71.8	19.6 %	1 297.8	91.2
Rest of the world	456.7	167.9	288.8	172.0 %	696.3	250.8
Group and eliminations	-38.5	-20.8	-17.7	85.1 %	-101.4	0.0
<b>Revenue</b>	<b>1 428.6</b>	<b>937.5</b>	<b>491.1</b>	<b>52.4 %</b>	<b>3 711.7</b>	<b>457.3</b>

EBIT Business Sectors	Q1 2022	Q1 2021	Change	Full year 2021	BB Q1 2022
Nordics	38.1	29.9	8.2	134.7	9.3
CEE	28.2	36.4	-8.1	96.7	5.5
Rest of the world	24.4	3.8	20.6	37.7	10.0
Group and eliminations	-12.7	-4.7	-8.0	-28.3	-6.4
<b>EBIT</b>	<b>78.1</b>	<b>65.4</b>	<b>12.7</b>	<b>240.8</b>	<b>18.5</b>

FTE	Q1 2022	Q1 2021	Change	Full year 2021	BB Q1 2022
Nordics	744	533	211	556	172
CEE	1070	956	114	839	196
Rest of the world	974	318	656	354	625
<b>FTE</b>	<b>2788</b>	<b>1807</b>	<b>981</b>	<b>1749</b>	<b>993</b>



# Cash flow and working capital

- Acquisition of BB Electronics closed in beginning of January
  - Net MNOK 872 paid, financed by share issue in Dec 2021 and loans in 2022.
- Cash flow operating activities at -106.9 MNOK (78.3 MNOK).
- Cash flow effect of networking capital is -162 MNOK ( 28.3 MNOK )
- Less utilization of factoring debt reduces operating cash flow

Cash Flow	Q1 2021	Q1 2020	Change	31.03.2021
Profit before tax	54.4	52.3	2.1	204.2
Depreciations	38.2	24.8	13.3	101.0
Change in inventory, accounts receivable, contract assets and accounts payable	-161.5	28.3	-189.8	-163.9
Change in net other current assets and other operating related items	30.9	-19.0	49.9	-102.6
Change in factoring debt	-68.8	-8.1	-60.7	87.7
<b>Net cash flow from operating activities</b>	<b>-106.9</b>	<b>78.3</b>	<b>-185.2</b>	<b>126.3</b>
Investments	-13.0	-5.0	-8.0	-46.0
Acquisition	-872.0		<b>-872.0</b>	
<b>Net cash flow from investing activities</b>	<b>-885.0</b>	<b>-5.0</b>	<b>-880.0</b>	<b>-46.0</b>
<b>Net cash flow from financing activities</b>	<b>-716.8</b>	<b>-32.3</b>	<b>-684.5</b>	<b>221.4</b>

Net working capital	31.03.2022	31.03.2021	Change	31.12.2021	BB 31.03.2021
Inventory	1 494.1	551.8	942.3	880.3	540.5
Contract assets	552.3	367.3	185.0	400.6	76.2
Trade receivables	1 072.1	849.2	222.9	864.6	232.2
Trade payables	1 409.3	732.8	676.4	917.8	404.4
<b>Net working capital</b>	<b>1 709.3</b>	<b>1 035.5</b>	<b>673.8</b>	<b>1 227.7</b>	<b>444.5</b>

# Ratios

- Capital efficiency continues to be challenged by the material situation
- Positive development on CCC and NWC % sales since last quarter.
- Equity variations due to share capital issue in last quarter and acquisition of BB in this quarter
- Earnings per share a decline compared to last year.

Ratios	31.03.2022	31.03.2021	Change	31.12.2021
R3 NWC % sales	29.2 %	27.9 %	1.3 %	31.7 %
R3 ROOC % sales	11.1 %	16.6 %	-5.5 %	12.3 %
R3 Cash Cycle conversion	119	103	16	126
Net gearing	1.30	0.74	0.56	0.47
NIBD/EBITDA	3.5	1.6	1.9	1.7
Equity percent	25.5 %	34.1 %	-8.6 %	37.1 %
Earnings per share	0.23	0.25	-0.02	0.78

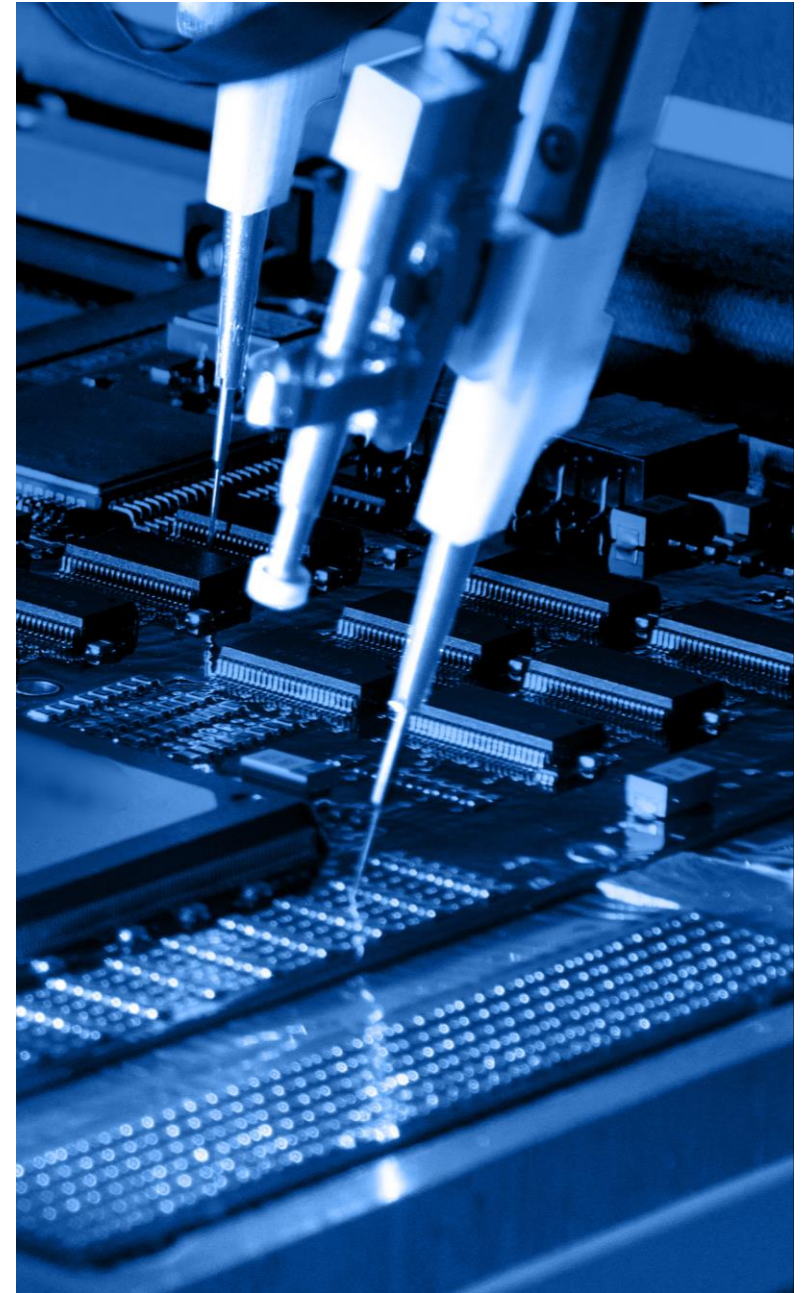




# Outlook

# Outlook

- For 2022, Kitron expects revenue between NOK 5 200 and 5 800 million, including BB Electronics.  
The operating profit (EBIT) is expected to be between NOK 330 and 430 million.
- Growth is driven by the Electrification, Connectivity and Industry market sectors.
- Currently, the growth is constrained by the material supply situation.



# Key take-ways

- Growth in 2022 is propelled by acquisition of BB Electronics.
- Order backlog and 2022 demand outlook 2022 and 2023 supports strong continued growth.
- In addition, new programs are being introduced to sufficiently to follow our strategic trajectory.



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