








Kitron






Your ambition. Our passion.

Full year and Q4 results 2020

Peter Nilsson, CEO
Cathrin Nylander, CFO
2021-02-11

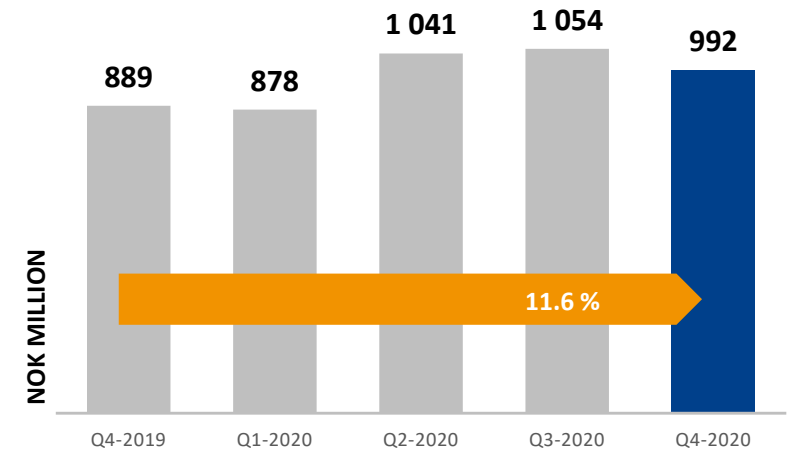
Strong finish to an exceptional year

NOK Million		Q4 2020 vs Q4 2019
Revenue 991.6		11.6 %
EBIT 75.7		39.6 %
Order Backlog 2 005.5		6.5 %
Operating cash flow 132.2		36.0 %
Net working capital 1 063.1		12.9 %

NOK Million		2020 vs 2019
Revenue 3 963.9		20.1 %
EBIT 312.6		55.1 %
Order Backlog 2 005.5		6.5 %
Operating cash flow 237.0		21.4 %
Net working capital 1 063.1		12.9 %

Highlights and important events

- Revenue growth 12 % in Q4: Strong growth in Industry. Medical devices volumes normalized.
- EBIT margin 7.6% (6.1%): Strong over all performance in Q4
- EPS NOK 0.26 (0.19) +36% - Full year 2020 EPS: 1.19 (0.74) +61%
- Order backlog growth 6%: strong growth in Industry and Energy/Telecoms
- Working capital: improved capital efficiency
- Proposed dividend NOK 0.70 per share, to be paid in equal tranches in May and October
- Capital Markets Day 17 March (webcast)



Important agreements in the fourth quarter

KONGSBERG awarded orders to Kitron

- In November, Kitron received order from 20 million from Kongsberg Defence & Aerospace AS with a value of over MNOK 20.
- Production of RL542A, a core component in the new Flexible High Capacity Radio Link (FHCL), supplied by Kongsberg for the Norwegian Armed Forces.
- Deliveries will start in 2021 and continue into 2022.
- Production will take place at Kitron's plant in Arendal, Norway

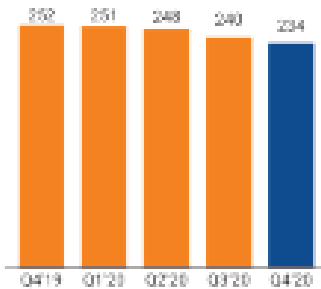
Nortrop Grumman awarded development contract to Kitron

- In November, Kitron was awarded awarded a development contract to update a F-35 test program set (TPS) and provide a repair capability for Kitron and a United States Government (USG) Depot.
- The contract is for a three-year development program, with a total value of NOK 20 million.
- The development will be done at Kitron's plant in Norway.

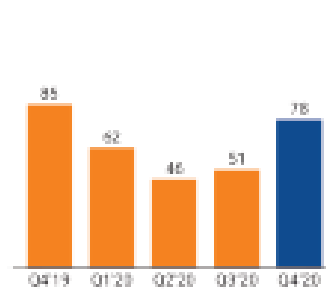
Financials

Industry sector shows strong growth

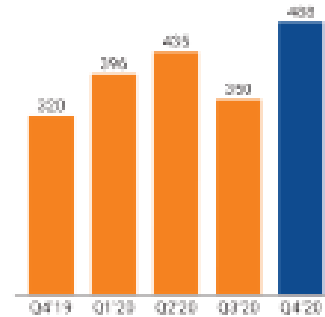
REVENUE
Defence/Aerospace
NOK million



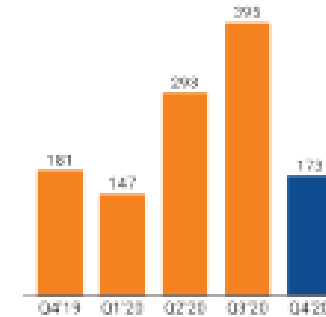
REVENUE
Energy/Telecoms
NOK million



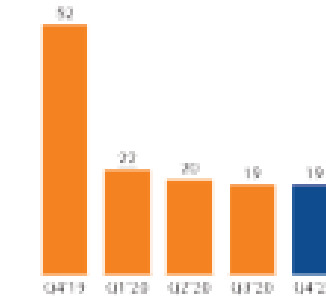
REVENUE
Industry
NOK million



REVENUE
Medical devices
NOK million



REVENUE
Offshore/Marine
NOK million



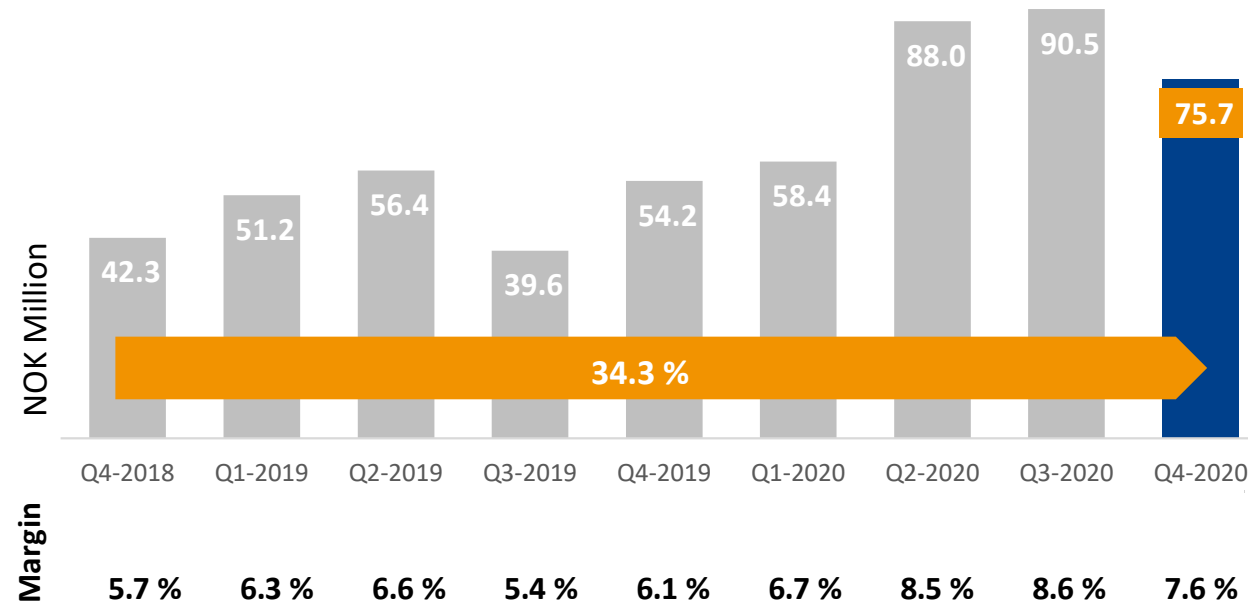
	Q4 2020 vs Q4 2019	Share of total revenue
Industry 488.5	52.9 %	49.3 %
Defence/Aerospace 234.0	-7.0 %	23.6 %
Medical devices 172.8	-4.3 %	17.4 %
Energy/Telecoms 77.6	-8.5 %	7.8 %
Offshore/Marine 18.8	-64.2 %	1.9 %

	Q4 2020 vs Q4 2019	Share of total revenue
Norway 283.6	16.4 %	28.6 %
Sweden 171.3	3.5 %	17.3 %
CEE 397.4	37.7 %	40.1 %
Others 189.6	-16.3 %	19.1 %

Before group entities and eliminations

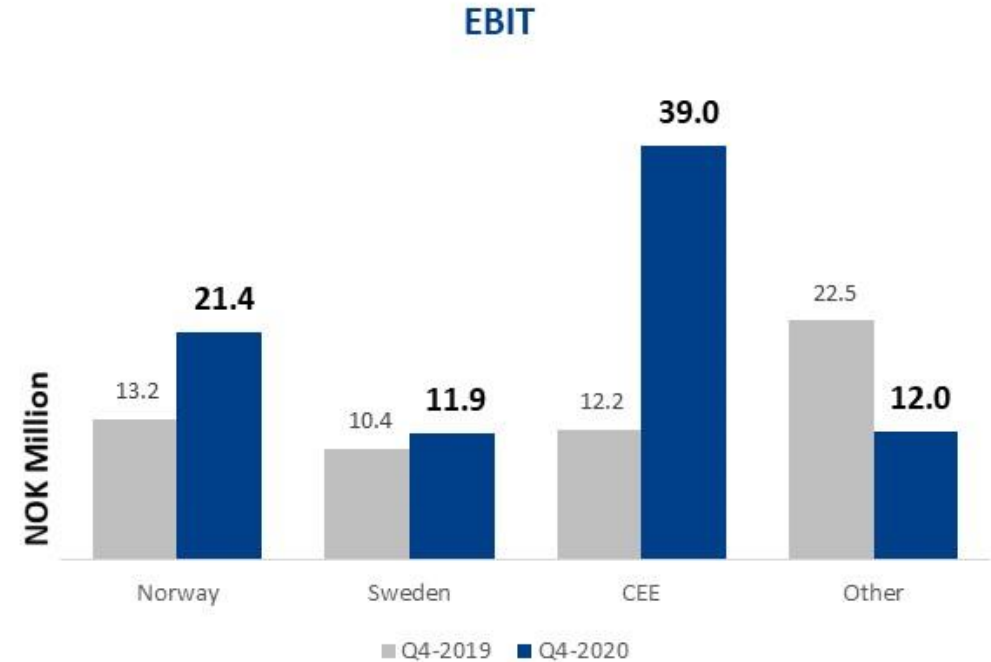
Outstanding full year results

- Q4 EBIT strong improvement compared to last year
- EBIT driven by over all strong performance,
- Economies of scale and exceptional utilization of overhead Q2/Q3



Q4 EBIT by country: Improved profits and profitability

- Norway and Sweden at strong margin levels and with improved profits
- CEE (Lithuania and Poland) ended at solid profitability levels
- Others (China and US) in total below strategic levels due to weak 4Q.



	Norway	Sweden	CEE	Others
Q4-2020	7.5 %	6.9 %	9.8 %	6.3 %
Q4-2019	5.4 %	6.3 %	4.2 %	9.9 %

Balance sheet: Working capital efficiency improvement

Working capital ratios

- NOWC* 26.3% (26.3%)
- Cash conversion cycle* 98 (102)
- ROOC* 18.9% (14.8%)
 - exclusive IFRS16 ROOC% 21.3%

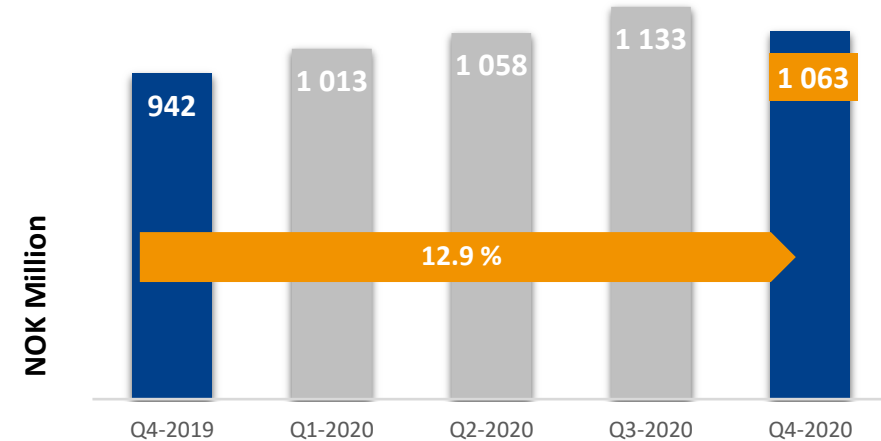
Cash flow

- Q4 Cash flow from operations MNOK 132 (97)
- YTD Cash flow from operations MNOK 237 (195)

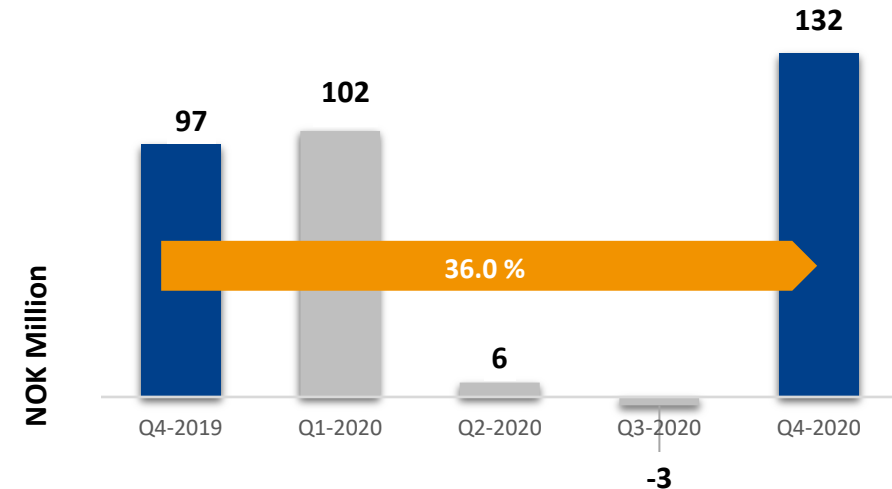
Financial gearing

- NIBD/EBITDA 1.8 (2.8)
 - exclusive IFRS16 NIBD/EBITDA 1.6

Net working capital













Operating cash flow

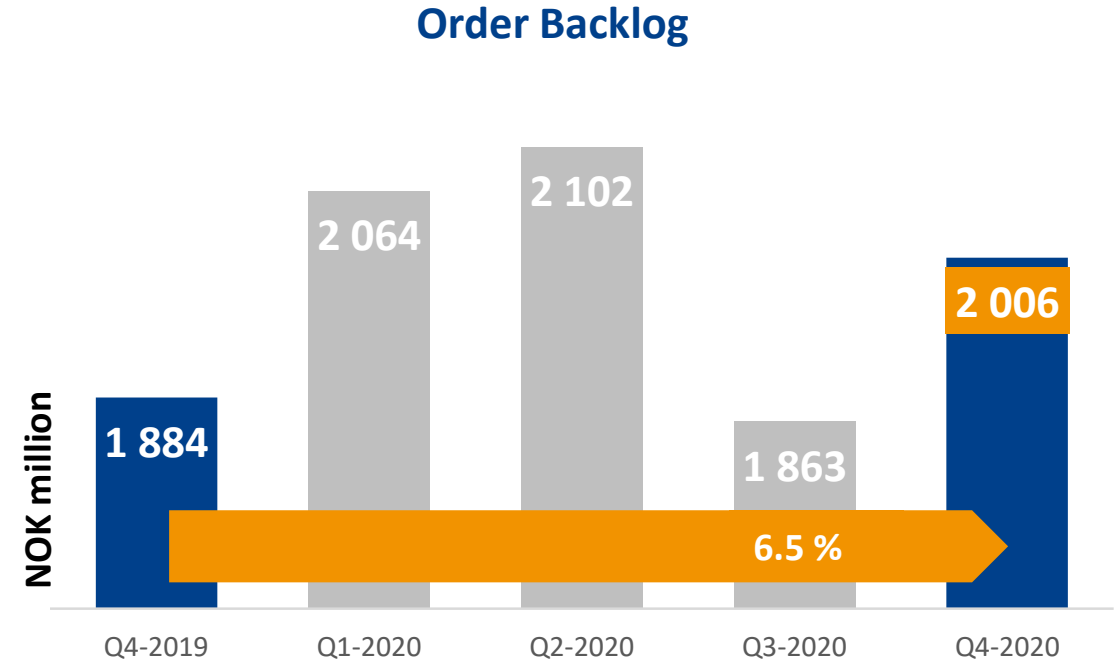


Market development

Strong order backlog

- Particularly strong growth in Industry and Energy/Telecom

	Q4 2020 vs Q4 2019	Share of total revenue
Industry 629.1	28.5 % 	31.4 % 
Defence/Aerospace 768.8	-9.4 % 	38.3 % 
Medical devices 234.5	11.1 % 	11.7 % 
Energy/Telecoms 311.9	42.2 % 	15.6 % 
Offshore/Marine 61.1	-47.1 % 	3.0 % 



Outlook

Outlook

- For 2021, Kitron expects revenue between NOK 3 900 and 4 200 million. EBIT margin is expected to be between 6.8 and 7.4 per cent.
- The outlook for 2021 implies that Kitron is back on its long term trajectory for revenue and profitability after exceptional growth in 2020, largely driven by Corona-related demand within the Medical devices sector.
- Growth is driven by Defence/Aerospace, Electrification and Connectivity within Energy/Telecom and Industry Sectors. Medical devices are expected to be normalised and in line with previous years.
- The board emphasizes that every assessment of future conditions necessarily involves an element of uncertainty

Key takeaways

Summary Q4 2020

- Outstanding full-year results
- Kitron is back on its long term trajectory for revenue and profitability
- Proposed dividend of NOK 0.70 per share
- Capital Markets Day 17 March (webcast)

Thank You!