Scaling Resilience
– Profitably Growing in High-Reliability Markets

2025 Capital Markets Presentation

Kitron Group, December 2025

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AGENDA

- Introduction to Kitron (Peter Nilsson)
- Macro, Sales strategy & sector outlook (Hasse Faxe)
- Defence/Aerospace market sector (Hans Petter Thomassen)
- DeltaNordic joining Kitron group (Rickard Vahlberg)
- OPEX and AI implementation (Stian Haugen)
- Financial targets & outlook 2025/2026 (Cathrin Nylander)
- Summary, Q&A and wrap up (Peter Nilsson)

Peter Nilsson
President & CEO

Hasse Faxe
CCO

H.P. Thomassen
VP Nordics & N.A.

Rickard Vahlberg
CEO DeltaNordic AB

Stian Haugen
CTO

Cathrin Nylander
CFO

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Introduction to Kitron

Peter Nilsson
President & CEO

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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

Nordics & N.A

Norway
Sweden
Denmark
US

CEE

Lithuania
Poland
Czech Republic
Germany

Asia Pacific

China
India
Malaysia

Headquarters in Norway

~3200 Employees

60 + Years of experience

11 Countries

110 000 + sq. m of manufacturing

300 + Engineers

13 Plants

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Our Unique Strengths – One Kitron

Financial strength & strong balance sheet

Global footprint with local execution

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

Proven track record through excellent customer and project references

Speed and agility: One Kitron – common IT, production platforms, and global resource mobility

Sustainability and supply-chain resilience integrated into operations

Proven track record

Revenue growth

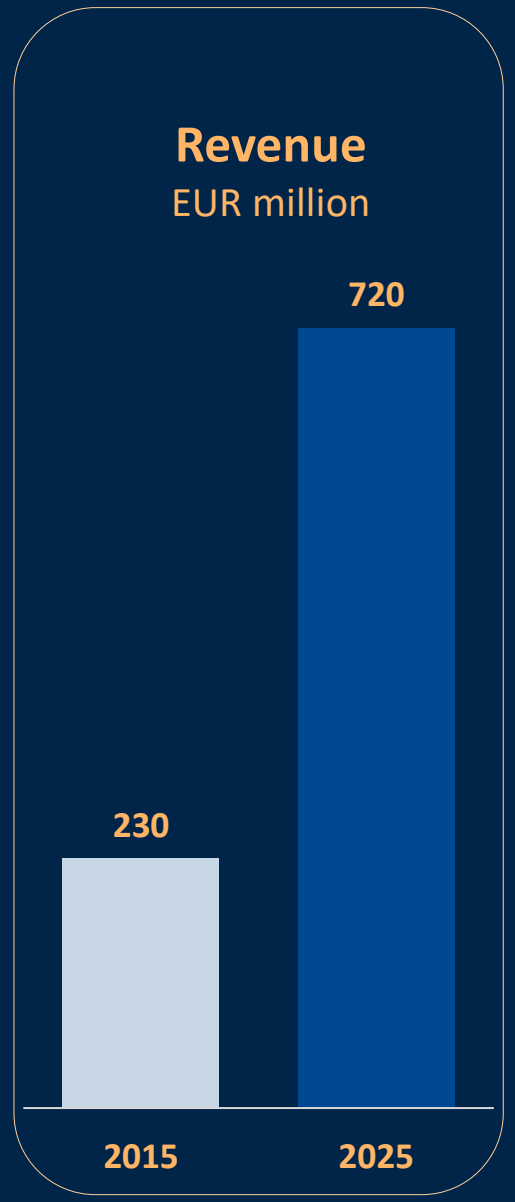
- Annual growth ~10% (ex. M&A) over a business cycle
- From 4 to 13 factories globally

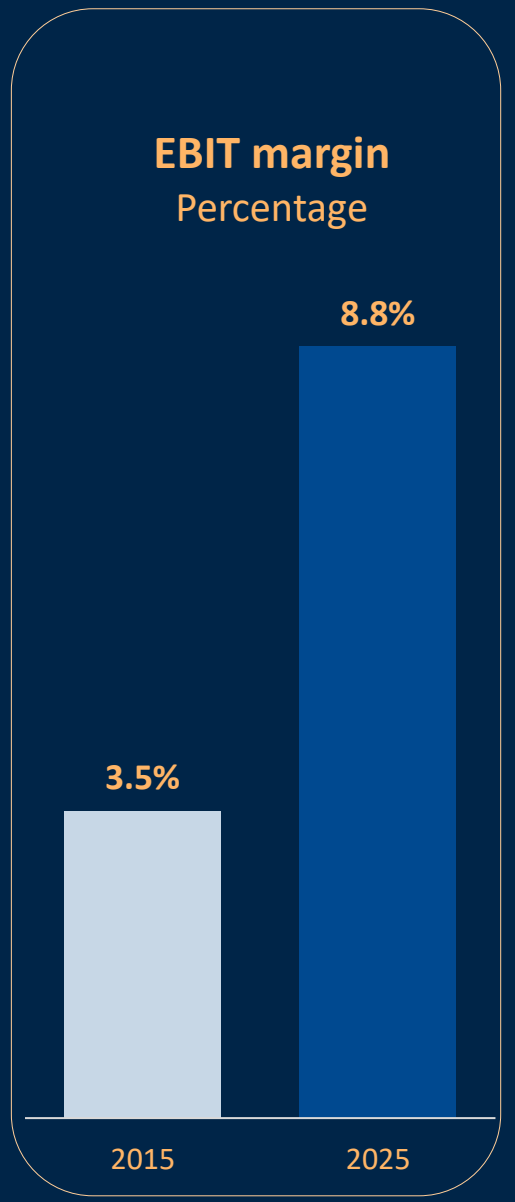
Margin improvement

- World-class operations management
- Proven economies of scale concept

Capacity expansion

- 3 international acquisitions
- Greenfield Poland and Malaysia, multiple site upgrades





2025 figures based on midpoint of communicated range.

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Macro, sales strategy & sector outlook

Hasse Faxe
CCO

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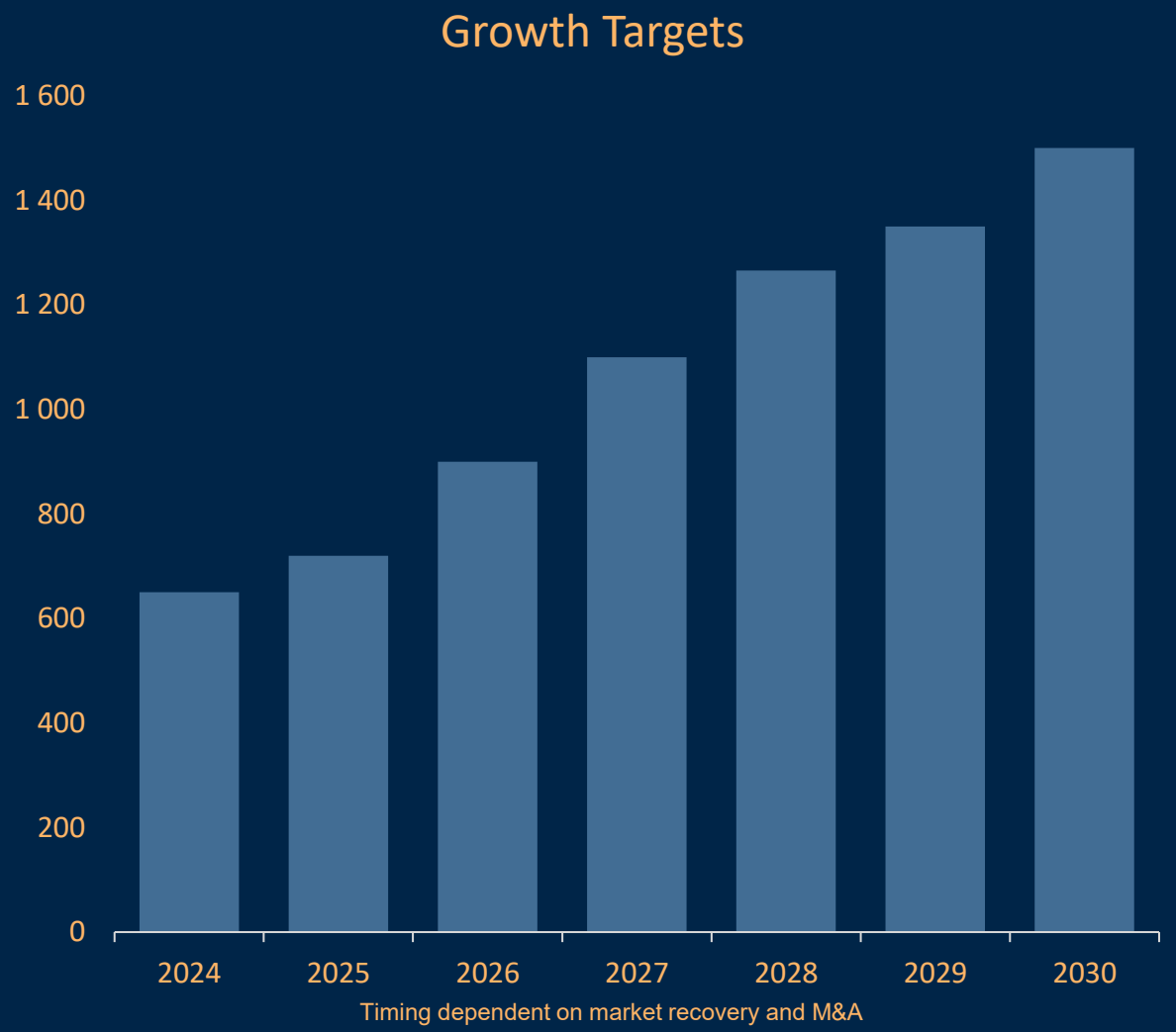
Macro and sales strategy

- Strength in Nordic and U.S. markets
- Recovery in European markets expected in 2026
- Strategy:
  - New partnerships with Global OEMs
  - Growth in home markets: sovereign capabilities and localization
  - Target new innovation and technology creating the market
- New acquisitions: Expand with Kitron global network



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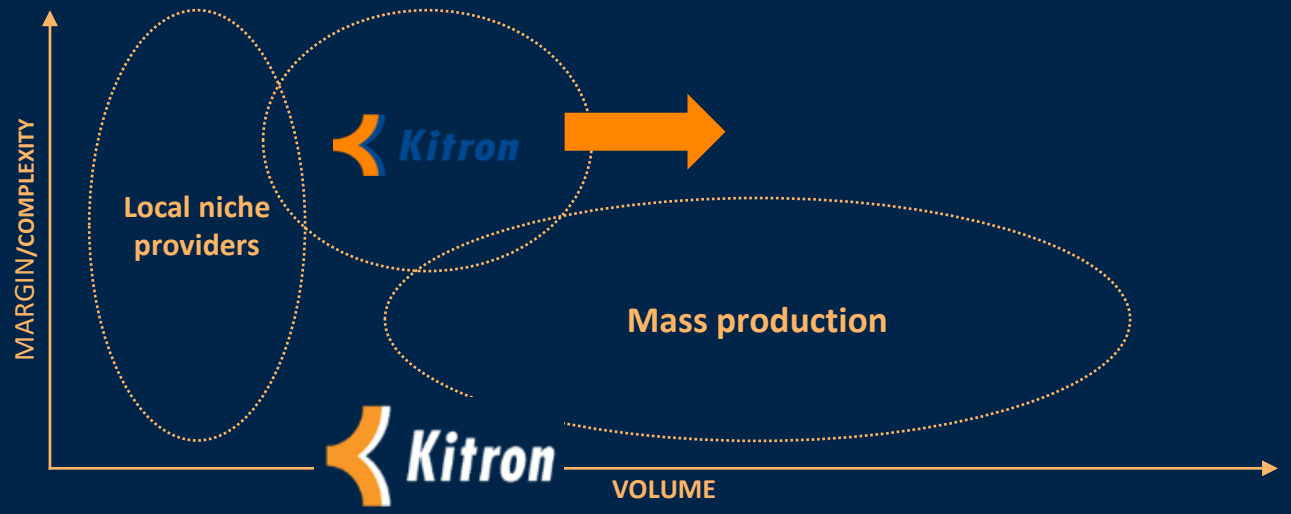
Customers and positioning

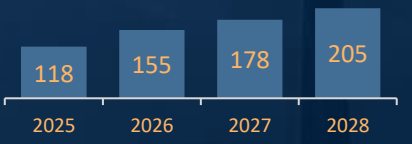


- Long-term, repeat business
- Customers often market leaders
- Often high-complexity products
- Regionalized supply chains and manufacturing

Growth strategy in market sectors

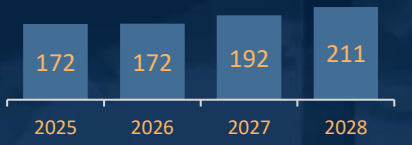
Connectivity: Medium-term 10-20% annual growth

- Focus: Sensors, optical networks, encrypted communication and data acquisition
- Drive for high utilization, high automation – economies of scale
- Take advantage of application know-how, proven track record and rapid time-to-market



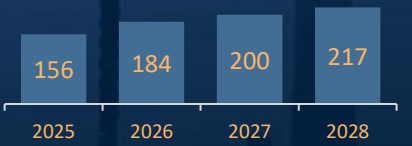
Electrification: Medium-term 5-10% annual growth

- Focus: Energy storage, power grid solutions and energy transmission
- Manage emerging tech, normalization of the market and build high-level assemblies
- Support scaling, deliver on scale, technology and time-to-market



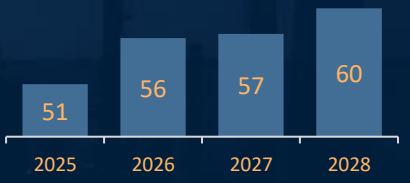
Industry: Medium-term 5-10% annual growth

- Focus: Industrial automation, robotics, infrastructure and autonomous systems
- Manage cost competitiveness, purchasing strength, effective automation and rapid demand-change flexibility
- Leverage know-how from the Defence sector



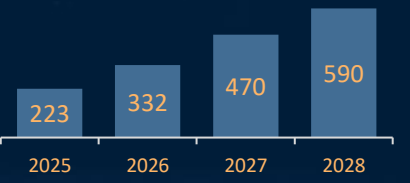
Medical devices: Medium-term 3-7% annual growth

- Focus: Laboratory instruments, In vitro diagnostics, digital morphology and home care
- Position as strategic partner for innovation and outsourcing
- Continue to build capabilities and customer relationships, pursue targeted M&A or carve-outs



Defence/Aerospace: Medium-term 20-30% annual growth

- Focus: Communication, guidance systems, combat vehicles, and unmanned systems
- Take advantage of market entry barriers and well-established position
- Capitalize on long-term relationships, NATO defense spend and localization of manufacturing



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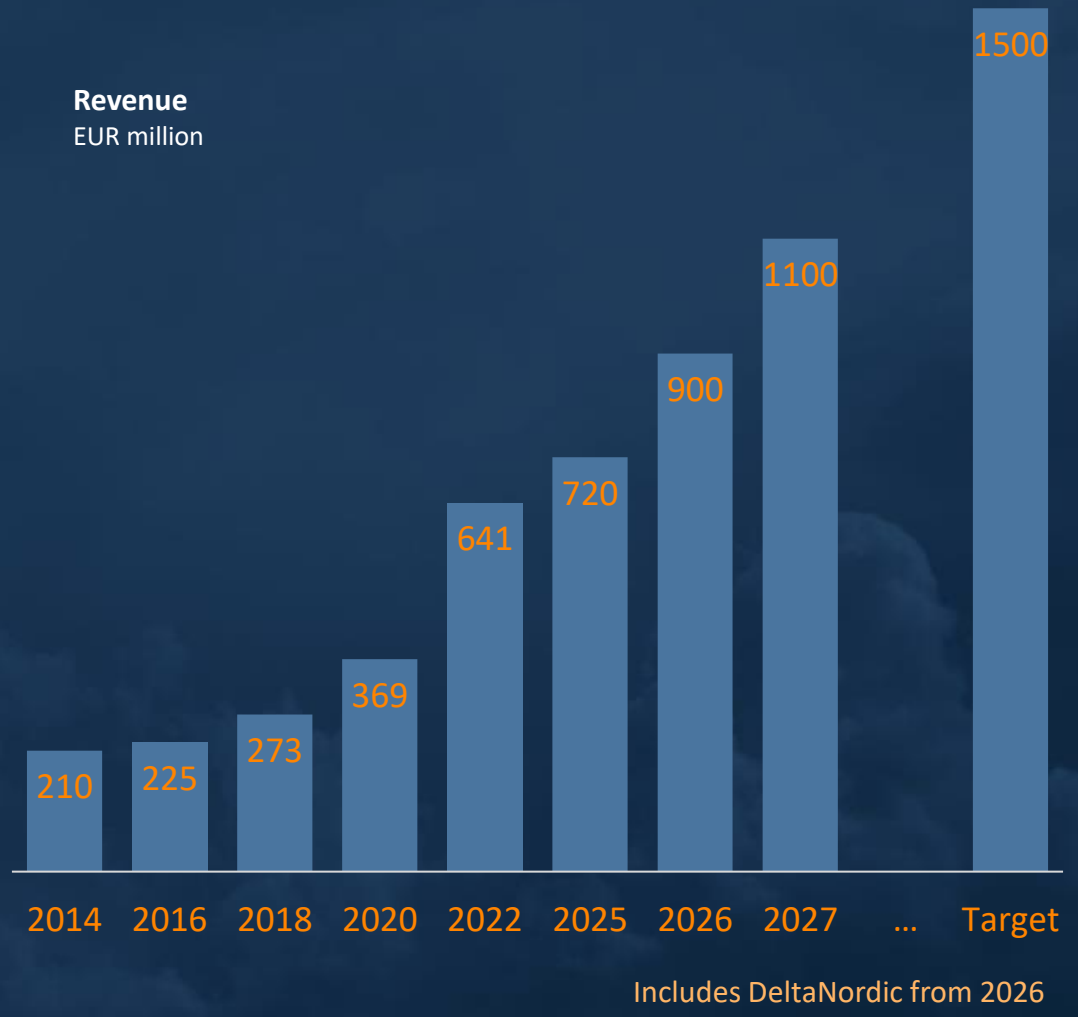
Medium-term ambition

EUR 1.5 billion in revenue
> 9% EBIT margin
> 25% Return on Operating Capital

Timing dependent on market recovery and M&A



Includes DeltaNordic from 2026

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Defence and Aerospace market

H.P. Thomassen
VP Nordics & N.A.

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Reindustrialization of European defense capabilities

Beginning of an investment “super cycle”

- NATO budgets accelerating toward ~3.5% of GDP and above.
- Civil defence, infrastructure resilience and cyber readiness expanding scope
- Nearly 80% of EU equipment was imported in 2023. 2025 saw a sharp shift toward regional sourcing as European defence companies outpaced U.S. growth

Next steps:

- Major platform orders: Naval vessels, Surveillance Systems, Air defense, Air supremacy assets
- NATO rearmament and the “Drone Wall” initiative provide long-term tailwinds
- 30% growth in 2025; >20% annualized potential through 2030

Kitron status:

- Defence-capable sites: All of Europe and U.S.
- +82% YoY revenue; +100% order backlog Q3 2025

KEY TAKE-AWAY

Europe’s push for autonomy

- 2025–2027: Accelerating spend and early capability upgrades
- By 2030: Stronger industrial base, joint procurement, reduced external reliance
- By 2035: Toward 5% of GDP in defence spending and a fully credible deterrence posture

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
- European and U.S. footprint qualified for defence manufacturing

Customers:

- Kongsberg, SAAB, Thales, Terma, Leonardo, Northrop Grumman, L3Harris, Lockheed Martin, Aimpoint, Comrod, Covidence, Axnes, Raytheon, Rheinmetall, Nammo, Mildef + multiple customers for unmanned systems
- Focus on M&A for platform and customer expansion

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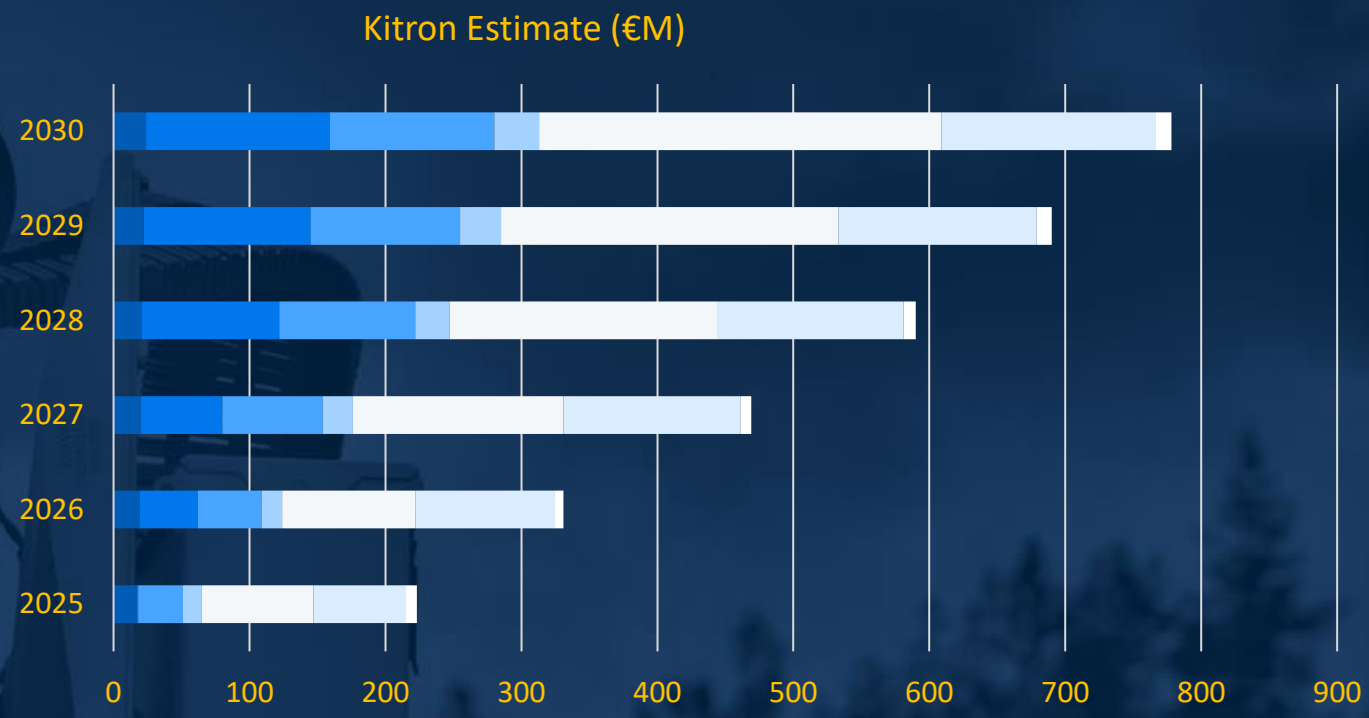
Kitron’s strategic defence sector positioning

- Focus efforts on systems where Kitron has strong **application knowledge**
  - Long range precision munitions
  - Weapon control systems
  - Communication equipment
  - Radar systems
  - Combat vehicles
  - Unmanned systems
  - Countermeasure systems



	2025	2026	2027	2028	2029	2030
Aerospace	17	19	20	21	22	24
Combat Vehicles	1	43	60	101	123	135
Encryption & Communication	33	47	74	100	110	121
Surveillance	14	15	22	25	30	33
Guidance, Control, Targeting	82	98	155	197	248	296
Unmanned Systems	68	102	130	137	146	157
Training	8	7	8	9	11	12

Based on customers and products that we currently are doing business with or where we have a clear line of sight of products and volumes

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DeltaNordic
joining Kitron Group

Rickard Vahlberg
CEO DeltaNordic AB

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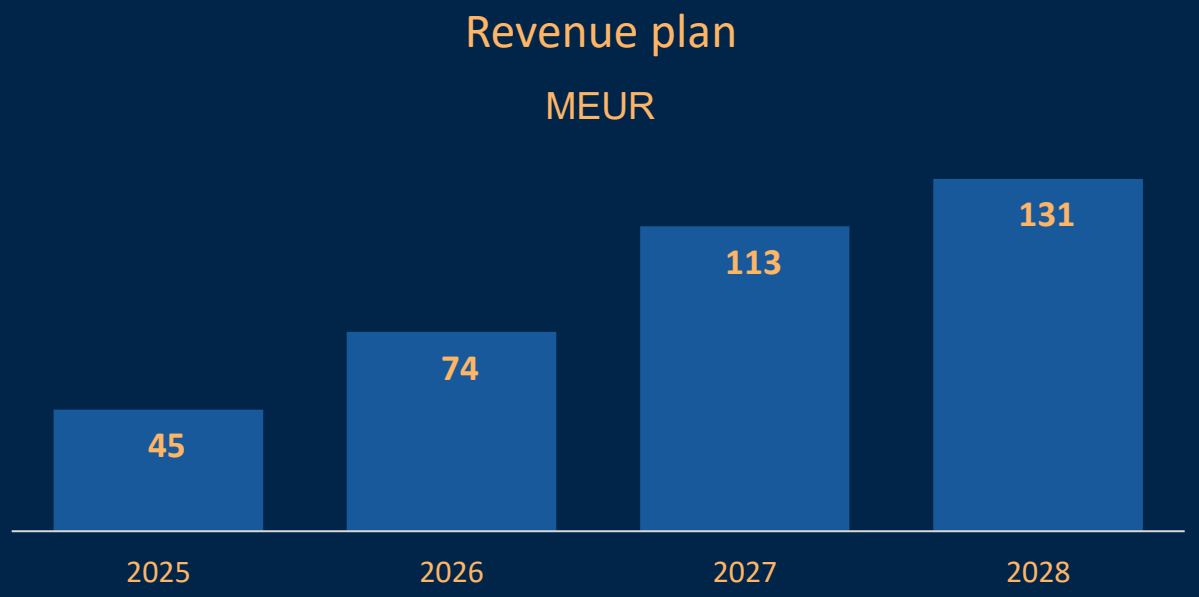
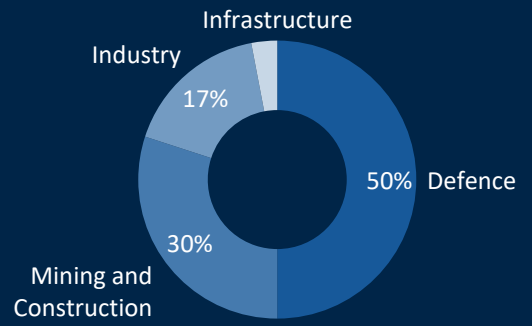
DeltaNordic at a glance

- Provider of robust electronics, electric cabinets and complete systems. Processes range from stand-alone PCBAs to box-build assemblies
- Integrated end-to-end partner delivering mission-critical systems for high cost-of-failure environments
- Based in Sweden, a NATO-country at the forefront of military technology innovation
- High-mix, low volume series to blue-chip defence and heavy industry customers
- High revenue visibility, driven by a large share of repeat business with long-term customers. Three-year revenue outlook exceeding EUR >300 million
- Two locations in Sweden with expansions under implementation



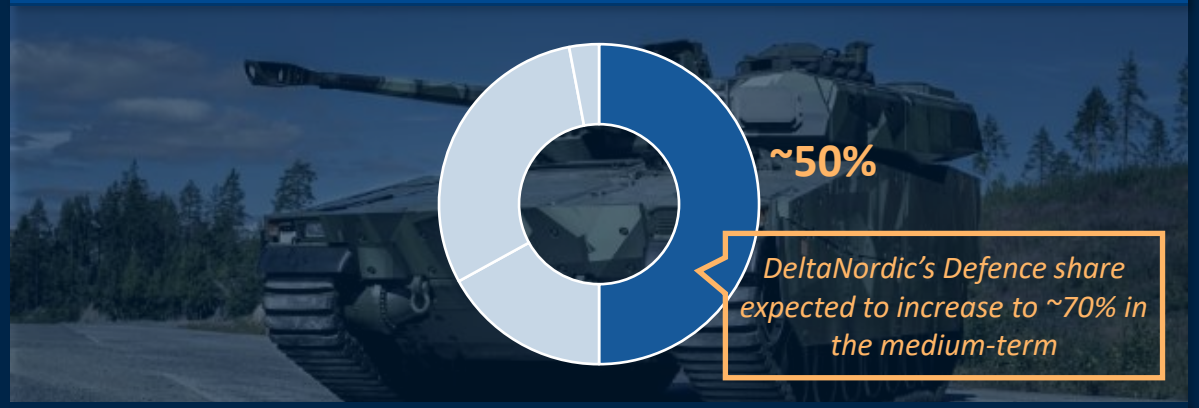
BAE SYSTEMS ALSTOM Epiroc engcon

BAE Systems Hägglunds, supplier of CV90, CATV and Beowolf combat vehicles, constitute ~47% of DeltaNordic's revenue



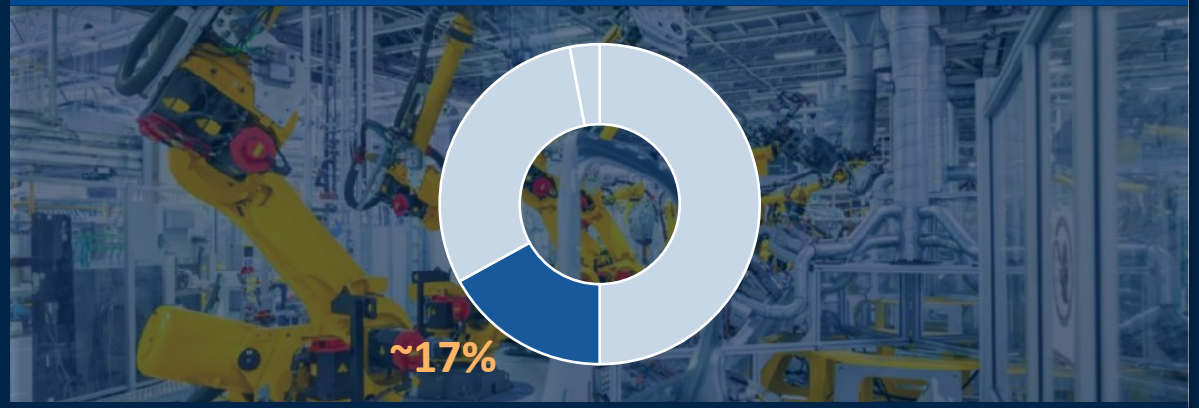
Supplies mission-critical components to high cost-of-failure applications

Defence



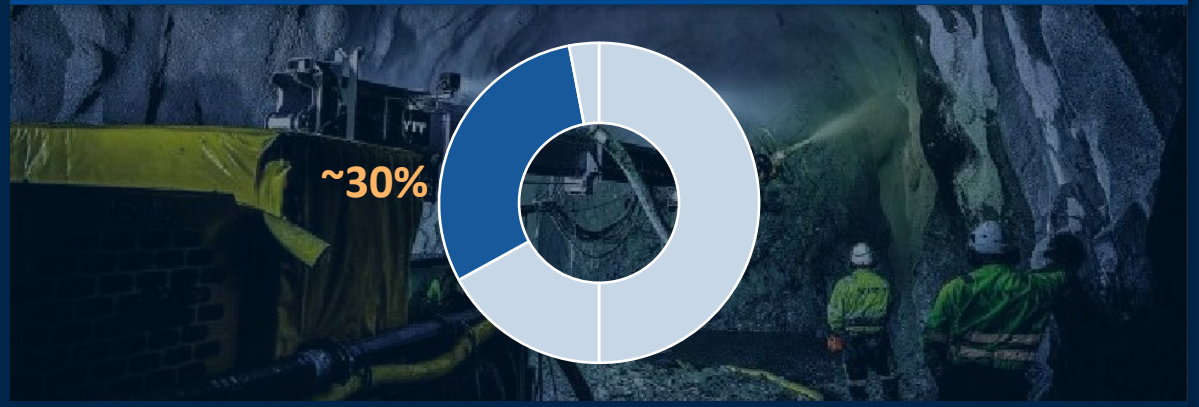
Used in combat vehicles, assault crafts and all-terrain vehicles

Industry



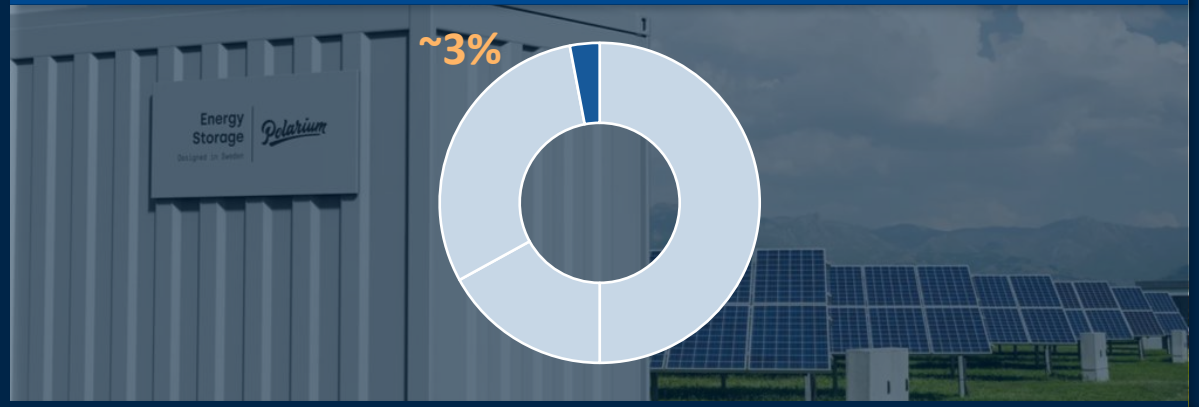
Used in various control and automation systems

Mining and Construction



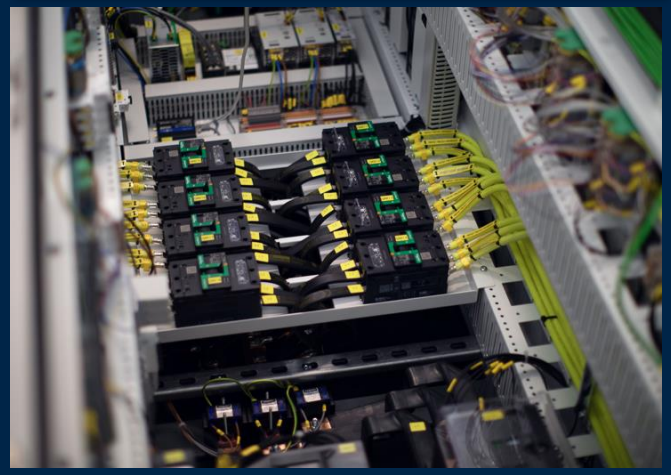
Used in drill rigs, rock reinforcement equipment and tilt rotators

Infrastructure



Used in road, rail and airport infrastructure, grid applications and energy storage

Electric systems a platform addition to Kitron

Product service	Power	Automation	Systems
Overview			
Examples	• Electric cabinets with high robustness • Power sub-stations • Electric distribution and control • Motor starters	• Box-builds with high robustness • Operator panels • Remote controls • Signal distribution boxes	• Assembly of complete finished products • Energy storage containers • Process control systems • Measurement and data collection devices

Summary: DeltaNordic is an attractive addition to Kitron

Complete supplier of advanced electronics and electric systems	• Extensive manufacturing expertise from over 75 years of industry experience • Prototyping and new product introduction drive new sales and enhance engagement with customers
Mission-critical components serving high cost-of-failure applications	• Robust and highly engineered products designed for harsh conditions • Premium offering encompassing an attractive value-added service and aftermarket offering
Trusted long-term partner with low customer churn	• Partnering with customers through deep involvement in R&D processes and product lifecycle • Blue-chip customers at the forefront of technological advancement
High revenue visibility through extensive customer demand	• Three-year revenue outlook exceeding SEK 3.4 billion. • Additional large, publicly announced expected orders from several NATO countries yet to be included
Ready for growth	• Strong management team and organization with capabilities to deliver continued high growth • Flexible options to grow with market and customers

Operational excellence & AI

Stian Haugen
CTO

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Kitron’s scalable operating model

- Unified “One Kitron” operating model across Europe/US/Asia
- Standardized equipment, automation platforms
- Common IT systems ERP, MES and QMS systems
- Kitron Academy and Kitron Leadership program
- Mobility of workforce

Industry 4.0 & AI: Quantifiable value creation

- 1,500+ OPEX projects since 2018 → structural efficiency
- Automation reduces labor %, increases OEE
- Lights-out ready lines by 2027 on selected flows
- Targets: Increase OEE YoY 10%, Failure rates approaching six sigma
- Improved cash conversion through cycle-time reduction

Operational excellence efficiency improvements

Growth without constraints

- Expansion
  - Sweden +6,000 m² (2025)
  - Poland +3,500 m² (2025)
  - Norway +7,000 m² (2026)
- Delta Nordic acquisition adds to new sites in Sweden
  - Stockholm
  - Örnsköldsvik
- Poland +15,000 m² expansion under evaluation for 2027.
  - Multiple expansion opportunities.
- Europe & US defense-ready, scalable footprint
- “More with the same”: top-line grows without proportional cost

Financial targets & outlook 2025/2026

Cathrin Nylander
CFO

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Setting the course for sustainable financial success

Revenue: ~10% organic growth

Targeting 10% yearly organic revenue growth over a business cycle, with M&A adding upside

Profitability: > 9% EBIT margin

>9% EBIT margin, leveraging growth and efficiency.

ROOC: >25%

ROOC above 25%, indicating a strong business model

Cash flow: > 80% of EBITDA

Cash flow from operations projected at 80% of EBITDA

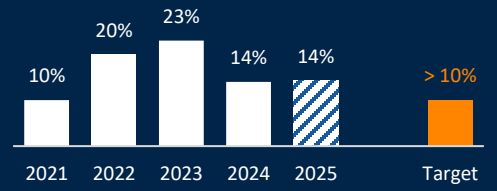
NIBD/EBITDA: < 2.5

NIBD to EBITDA ratio maintained below 2.5 for financial health

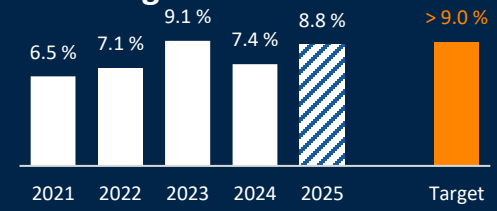
Five financial goals Development 2021-2025

Promoting enduring profitability and a robust balance sheet for strategic growth and shareholder value

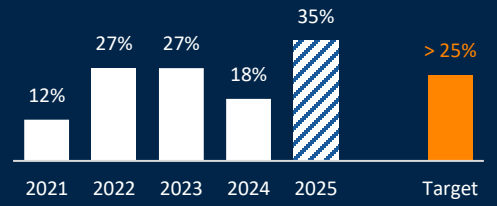
CAGR % 5 year



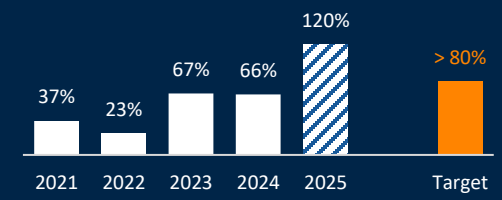
EBIT margin %



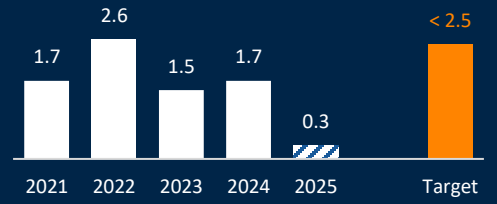
ROOC %



CF % EBITDA



NIBD/EBITDA



2025 figures are estimates. CAGR and EBIT margin based on midpoint of communicated range.
NIBD/EBITDA approx. -0.7 if closing of DN transaction in 2026

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Financial Strength

59 MEUR
Net debt

0.8
NIBD/EBITDA

35%
Equity / Asset %

Positioned for growth

self funded organic expansion

Investments

capabilities and efficiency

M & A

attractive and growing sectors

Dividend policy

Annual dividend of 20 to 60 per cent of the company's consolidated net profit before non-recurring items.

When deciding on the annual dividend the company will take into account the company's financial position, investment plans as well as the needed financial flexibility to provide for sustainable growth.

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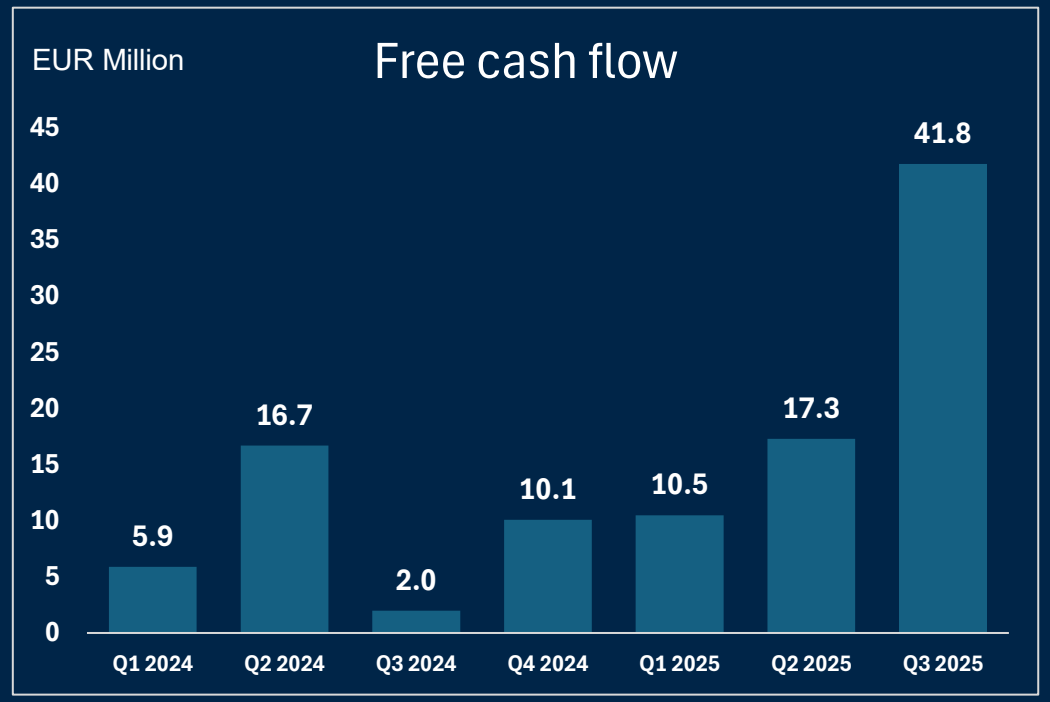
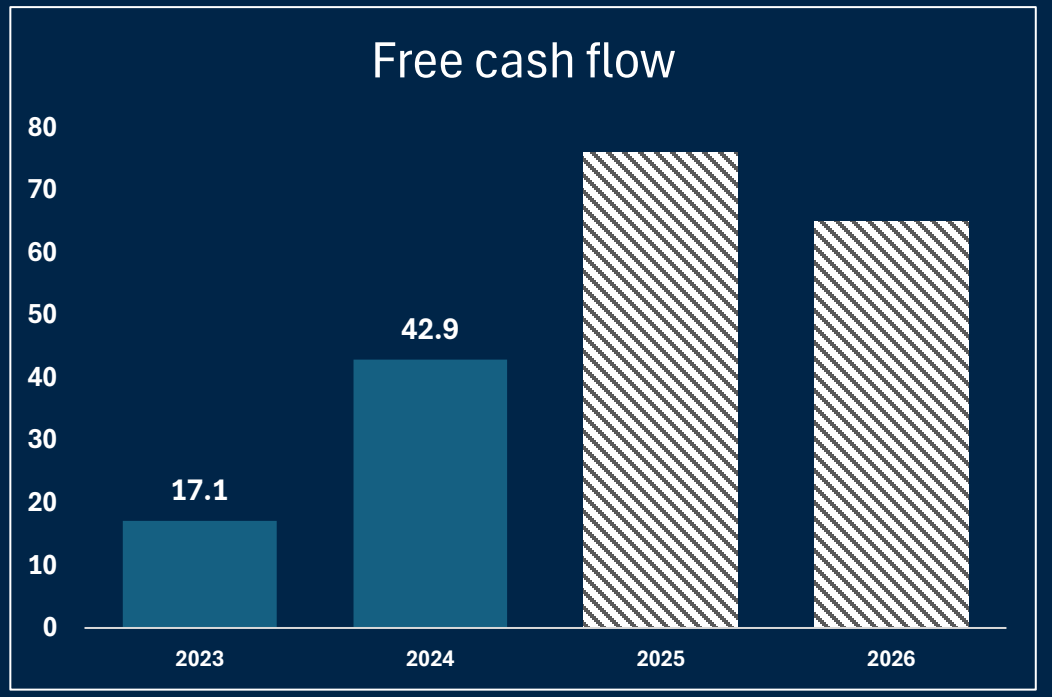
Numbers as at 30.09.2025

Free cash flow development and outlook





2026
- Inclusive of DN operations
- Exclusive of DN acquisition payment

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Financial Outlook

2025 Outlook:

Revenue €700–740M | EBIT €59–66M

- 2025 targets:
  - Operating Cash flow €80M–90M
  - Leverage < 1
  - ROOC >35%
  - CCC 60 days

- **2026 Outlook:**

  Revenue €855–943M | EBIT €77–93M

- 2026 targets:
  - Operating Cash flow €80M–90M
  - Leverage < 1
  - ROOC >35%
  - CCC 60 days

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Key take-aways

- Our 5 market sectors provide a stable base for technology, growth and scale
- Europe is entering a decade of accelerated defence demand
- Secure, high-reliability manufacturing is a strategic capability
- Kitron brings proven defence execution, certified secure sites, and a global footprint ready to support scaling across Europe
- Strong financials and unified “One Kitron” operations enable rapid ramp-ups and cross-border redundancy
- Record order backlog & strong Defence pipeline
- Diversified growth + cost discipline = margin expansion

2026 TARGETS
Revenue:
EUR 855M to 943M
EBIT:
EUR 77M to 93M

2026 Revenue and profit targets based on combined entities Kitron ASA and Delta Nordic AB. Including amortization and depreciation: Revenue 70-78 MEUR and EBIT 6.8-8.8 MEUR

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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

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