

Global Leader in
Smart IoT Solutions

Quarterly Statement Q1 2026



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KONTRON GROUP OVERVIEWS

Keyfigures

IN EUR MIO.	Q1 2026	Q1 2025
Revenues	363.7	385.4
Revenues (adjusted) ¹⁾	363.7	357.5
Delinquent Backlog ²⁾	32.8	0.0
EBITDA	37.6	48.0
EBITDA (adjusted) ³⁾	46.1	45.3
Net result attributable to owners of interest in parent company	14.0	20.1
Net result attributable to owners of interest in parent company (adjusted) ³⁾	20.0	18.2
Earnings per share undiluted (in EUR cent)	22 Cent	33 Cent
Earnings per share undiluted (in EUR cent) (adjusted) ³⁾	32 Cent	30 Cent
Operating cash flow	-9.1	2.8
Operating cash flow (adjusted) ⁴⁾	2.2	17.9

1) Adjusted for divestments and deconsolidation of COM biz

2) Not delivered due to the chip shortage

3) Adjusted for divestments and deconsolidation of COM biz and restructuring costs in 2026

4) Adjusted for reduced factoring volume

IN EUR MIO.	31.03.2026	31.12.2025
Cash and cash equivalents	200.9	263.5
Net Cash (+) / Net debt (-) ⁵⁾	-190.5	-147.1
Equity	746.3	746.1
Equity ratio	42.5%	41.8%
Backlog	2,544.3	2,495.3
Project-pipeline	7,558.9	8,075.7
Employees ⁶⁾	6,587	6,696

5) Cash and cash equivalents less non-current and current financial liabilities

6) Number of employees on a full-time equivalent basis excluding employees on leave, interns, trainees and temporary workers



We need to adapt

The global economy has changed massively in the last two years. The wars in Ukraine and Iran are not only making political headlines, they are also having a huge impact on supply chains, while tariffs in the USA, dumping prices from China and excessive regulations in Europe are harming the economy. The working world is also undergoing change. Only with AI systems can companies remain competitive. Daily attacks on sensitive data require countermeasures; the Cyber Resilience Act (CRA) is becoming mandatory and a part of all products.

Kontron is using these new framework conditions to avoid risks and seize opportunities. We are focusing on the rapid growth in demand for products in the areas of defense, rail infrastructure, and cybersecurity. In terms of environmental technologies, we are concentrating on a few select products where we can be competitive in the long term. AI is part of our everyday work, both in development and in our products.

Our infrastructure solutions for high-speed trains also set further records in the first quarter of 2026 and revenue from this sector grew by 28% to EUR 58.1 million compared to EUR 45.4 million in the same quarter of the previous year. As a technology leader, we are showing the way forward on the European market with the new FRMCS standard (Future Railway Mobile Communication Standard), and are well positioned to continue gaining market share in this growing market in the future. Investments in this industry are paying off. Many European countries are investing in infrastructure, and Germany has made available EUR 500 billion for investments in this sector.

Kontron is investing strongly in the area of secure data communication for national defense and is a technology leader. In the first quarter of 2026, we achieved revenues of EUR 40.4 million in this field, which is 25% higher than Q1 in the previous year. Due to current global threat scenarios, the majority of NATO countries are increasing their defense spending. Long-term projects in this sector will lead to further major increases in growth over the next few years.

Starting in 2027, only CRA compliant products will be approved in the EU. Kontron already meets the technological specifications for CRA compatible products in critical applications. In 2026 alone, we will double our development capacities for cybersolutions to make all of our products CRA compatible. By 2028, we plan to install more than 28 million security packages with our KontronOS operating system and the Kontron AIShield defense system.

Conversely, the area of networked environmental technologies (especially solar power) is losing importance. In 2024, we still reached a revenue of EUR 193 million, while in 2025 it was EUR 151 million, and in the first quarter of 2026 just EUR 26 million, a decline of 46% in two years. In order to become profitable again in this business segment, we will restructure our business unit and adapt it to the reduced market. The restructuring involves a reduction of 500 employees and 86 external workers. Of these, 339 employees (including 54 external workers) have already had their contracts terminated in Q1 of 2026, or are in the processes of having that done. This restructuring will result in annual savings of over EUR 30 million, taking effect from Q3 2026. The restructuring costs are expected to be EUR 25 million, of which EUR 8.5 million has already been incurred in the first quarter of 2026. The adjustment will be completed in the third quarter of 2026, and we will be profitable again in this segment from Q4 of 2026.

We will also adapt our working methods. "Local-for-local" production in the USA and closer cooperation with Ennoconn/Foxconn in China and Southeast Asia is helping us to be more successful in these markets. By 2028, 30% of group revenues should already be generated in these regions. Today, it is 15%. To achieve this, we will expand our technology cooperation with our major shareholder Ennoconn/Foxconn. The market for AI, trains, avionics, and cybersecurity is growing significantly faster in China than in Europe.

For 2026, we expect strong growth in our focus sectors of transport, defense, and cybersolutions. Due to the sell-offs in 2025 (JUMPtec, IT services in Hungary and Bulgaria) resulting in EUR 75 million in missing revenues in 2026, revenues 2026 are expected to be at the previous year's level, or grow organically by 8% when adjusted for the sell-offs. An EBITDA of EUR 225 million before restructuring costs, or EUR 200 million reported, should be achievable. Due to the uncertain economic situation, we no longer want to pursue our previously projected growth through acquisitions, and we will focus solely on selective purchases in 2026.

Hannes Niederhauser, CEO



NOTES TO THE COURSE OF BUSINESS

Revenues impacted by COM deconsolidation and disruptions to supply chains

In Q1 of the current financial year 2026, the Kontron Group's revenues dipped by 5.6% to EUR 363.7 million (PY: EUR 385.4 million). The decline is primarily due to the deconsolidation of the COM business, which contributed around EUR 19.4 million in the first quarter of last year. Due to the conflict in the Middle East and the resulting supply chain disruptions, revenues of around EUR 32.8 million could also not be delivered. Against this background, profitability in the past quarter was down with a gross margin of 41.9% compared to the previous year's figure of 44.0%. On a comparable basis, revenues increased by 1.7% in the first quarter of 2026. Operationally, Q1 of 2026 was burdened by restructuring costs of around EUR 8.5 million. Following a decline of 21.6%, EBITDA amounted to EUR 37.6 million (PY: EUR 48.0 million). Adjusted EBITDA increased by 1.5%.

These restructuring costs are also reflected in the net loss for the period. Net result attributable to Kontron shareholders (after non-controlling interests) amounted to EUR 14.0 million (PY: EUR 20.1 million), meaning that earnings per share (undiluted) were 22 cents in Q1 2026 (PY: 33 cents).

Results driven by the Software + Solutions segment

Starting on January 1, 2026, the group of companies has been reported and managed in two new segments: "Smart IoT" and "Software + Solutions".

Business development in the two segments of the Kontron Group is as follows:

"Smart IoT": In this segment, the Kontron Group bundles its activities to develop secure solutions for networked machines by means of a combined portfolio of hardware, software and IoT services in Europe, North America and Asia. This business segment focuses on Kontron Group proprietary technologies and solutions, divided into the Industrial Automation divisions, communication solutions that include 5G connectivity, medical technology and smart energy, as well as Kontron ODM and remaining IT services business. Also reported in this segment is the headquarters of the Kontron Group.

In Q1 2026, revenues of EUR 238.3 million were achieved in the "Smart IoT" segment (PY: EUR 263.3 million), which corresponds to a reduction in revenues of 9.5%. The decrease is primarily attributable to the deconsolidation of the COM business as well as the divestment of IT service activities, amounting to EUR -27.9 million. Due to the reasons mentioned above, the gross margin went down slightly to 37.3% (PY: 38.7%), and the EBITDA before headquarters charges was burdened by restructuring costs of EUR 5.2 million and amounts to EUR 17.2 million (PY: EUR 23.7 million).

"Software + Solutions": This segment comprises the group-wide software portfolio, primarily for the industrial automation sector, the Kontron operating system KontronOS, and the solutions business in the transport, avionics and defense sectors. The segment has the areas with the highest margins and the highest growth rates in the Group.

In the Software + Solutions segment, revenues of EUR 125.5 million was achieved in Q1 2026 (PY: EUR 122.1 million), which corresponds to a modest growth in revenue of 2.8%. The gross margin was 50.7% (PY: 55.2%), so just below the same quarter in the previous year. EBITDA before headquarters charges went down by 16.1% from EUR 24.3 million to EUR 20.4 million as a result of restructuring measures costing around EUR 3.3 million in the solar and wall charger sector.

IN EUR MIO.	SMART IOT ¹⁾		SOFTWARE + SOLUTIONS		KONTRON GROUP	
	Q1 2026	Q1 2025	Q1 2026	Q1 2025	Q1 2026	Q1 2025
Total revenues	289.9	335.1	137.1	138.4	427.0	473.5
Internal revenues	-51.6	-71.7	-11.6	-16.3	-63.2	-88.0
Revenues	238.3	263.3	125.5	122.1	363.7	385.4
Gross profit	88.9	102.0	63.6	67.5	152.5	169.5
EBITDA	17.2	23.7	20.4	24.3	37.6	48.0
Depreciation and amortization	-11.9	-13.5	-6.8	-5.8	-18.7	-19.3
EBIT	5.3	10.2	13.6	18.4	18.9	28.6

1) Segment "SMART IoT" including Headquarter-charges not allocated

Kontron focuses on the following three core markets : Transportation, Aerospace and Defense, Cyber Solutions

Transportation: In this division, Kontron consolidates its activities in the field of high-speed trains as well as public transportation. In the first quarter of 2026, external revenues increased significantly year-on-year by 27.8%, from EUR 45.4 million to EUR 58.1 million. EBITDA in this division decreased from EUR 12.0 million in the prior-year quarter to EUR 10.4 million, mainly due to project-related effects.

Aerospace and Defense: In this division, Kontron consolidates its activities in the defense sector. Kontron supplies exclusively to NATO countries. This division recorded strong growth of 25.2%, increasing from EUR 32.3 million in the first quarter of 2025 to EUR 40.4 million. At the same time, EBITDA rose from EUR 5.5 million to EUR 6.4 million.

Cyber Solutions: In this division, Kontron consolidates its security software expertise as well as AI solutions compliant with the Cyber Resilience Act. With external revenues growth of 19.3%, this division also achieved significantly above-average growth, increasing from EUR 31.0 million in the same quarter of the previous year to EUR 37.0 Mio. EBITDA increased by 44.1%, from EUR 2.8 million to EUR 4.0 million.

IN EUR MIO.	TRANSPORTATION		AEROSPACE & DEFENSE		CYBER SOLUTIONS	
	Q1 2026	Q1 2025	Q1 2026	Q1 2025	Q1 2026	Q1 2025
Total revenues	65.9	53.2	43.4	37.7	37.8	31.8
External revenues	58.1	45.4	40.4	32.3	37.0	31.0
EBITDA	10.4	12.0	6.4	5.5	4.0	2.8

In addition, we report on our business activities in the North American market. Due to the deconsolidation of COM, revenues declined from EUR 55.8 million in the first quarter of 2025 to EUR 52.5 million. At the same time, EBITDA increased by 23.8%, from EUR 4.1 million to EUR 5.1 million.

Solid financial position

The assets and liquidity situation at the end of the first quarter of 2026 is positive. Equity including non-controlling interest shares remains solid from EUR 746.1 million as of December 31, 2025 to EUR 746.3 million as of March 31, 2026, while the balance sheet total decreased by 1.7% from EUR 1,787 million as of December 31, 2025 to EUR 1,757 million as of March 31, 2026. The equity ratio remains within the target range at 42.5% (December 31, 2025: 41.8%).

Property, plant and equipment went down from EUR 236.3 million as of December 31, 2025 to EUR 229.5 million as of March 31, 2026. Inventories increased slightly from EUR 318.5 million as of December 31, 2025 to EUR 334.0 million as of March 31, 2026. At the same time, working capital improved again in the first three months and amounted to EUR 283.3 million as of March 31, 2026 (EUR 287.4 million as of December 31, 2025). Cash and cash equivalents went down to EUR 200.9 million (December 31, 2025: EUR 263.5 million), while financing liabilities non-current decreased from EUR 216.7 million as of December 31, 2025 to EUR 201.6 million. Net debt stood at EUR 190.5 million at the end of Q1 2026 (December 31, 2025: EUR 147.1 million).

Operating cash flow amounted to EUR -9.1 million after EUR 2.7 million in the previous year.

The number of employees as of March 31, 2026 was 6,587 (December 31, 2025: 6,695 employees).

Organic revenue growth expected for 2026

For the 2026 financial year, Kontron expects sales to be slightly above the previous year's level, which corresponds to organic growth of 8%, despite the lack of EUR 75 million in sales of the units disposed in 2025. The undelivered customer orders (delinquent backlog) of EUR 32.8 million in Q1 2026 due to disrupted supply chain distortions are to be reduced by the end of the year. Given the current economic uncertainty, we have decided to distance ourselves from the revenue growth through acquisitions that had previously been projected.

The Management Board continues to expect adjusted EBITDA of EUR 225 million before restructuring expenses of around EUR 25 million in the 2026 financial year. The GreenTec division is expected to return to profitability as early as the fourth quarter of 2026.

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CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT IN TEUR	Q1 2026	Q1 2025
Revenues	363,749	385,446
Capitalized development costs	11,396	12,486
Other income	7,015	2,994
Expenses for materials and other services purchased	-211,233	-215,970
Personnel expenses	-108,778	-111,859
Depreciation and amortization	-18,684	-19,311
Other operating expenses	-24,564	-25,147
Result from operations	18,901	28,639
Finance income	3,243	801
Finance expenses	-6,044	-6,865
Financial result	-2,801	-6,064
Result from associated companies	-51	0
Earnings before taxes	16,049	22,575
Income taxes	-2,249	-2,431
Net income	13,800	20,144
Results from the period attributable to owners of non-controlling interests	-221	61
Results from the period attributable to owners of interests in parent company	14,021	20,083
Earnings per share attributable to owners of interests in parent company (undiluted)	0.22	0.33
Earnings per share attributable to owners of interests in parent company (diluted)	0.22	0.32
Average number of shares in circulation (in thousands undiluted)	62,737	61,386
Average number of shares in circulation (in thousands diluted)	63,755	63,346

STATEMENT OF OTHER COMPREHENSIVE INCOME

STATEMENT OF OTHER COMPREHENSIVE INCOME IN TEUR	Q1 2026	Q1 2025
Net income	13,800	20,144
Items that will not be reclassified to profit or loss		
Remeasurement according to IAS 19		
Gains (+) / losses (-) from remeasurement	23	31
	23	31
Items that may be subsequently reclassified to profit or loss		
Unrealized gains/losses from currency translation	2,498	-4,015
	2,498	-4,015
Other comprehensive income	2,521	-3,984
Comprehensive income	16,321	16,160
of which attributable to		
the owners of non-controlling interests	-220	49
the owners of interests in parent company	16,541	16,111

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CONSOLIDATED BALANCE SHEET

ASSETS IN TEUR	31.03.2026	31.12.2025
NON-CURRENT ASSETS		
Property, plant and equipment	229,486	236,265
Intangible assets	172,148	166,411
Goodwill	255,248	255,117
Investments in associated companies	2,542	2,593
Financial assets non-current	69,799	100,341
Contract assets non-current	2,107	2,121
Other non-current assets	11,718	11,304
Deferred tax assets	60,610	59,730
	803,658	833,882
CURRENT ASSETS		
Inventories	333,951	318,516
Trade receivables	183,530	196,936
Contract assets current	89,724	77,782
Financial assets current	77,237	43,132
Corporate income tax receivables	7,271	5,839
Other receivables and assets current	61,157	47,508
Cash and cash equivalents	200,939	263,482
	953,809	953,195
Total assets	1,757,467	1,787,077
EQUITY AND LIABILITIES IN TEUR		
31.03.2026		
31.12.2025		
EQUITY		
Subscribed capital	63,861	63,861
Capital reserves	86,528	90,136
Accumulated results	640,970	626,949
Other reserves	-14,521	-17,044
Treasury shares	-30,713	-22,351
Equity attributable to owners of interests in parent company	746,125	741,551
Non-controlling interests	157	4,576
	746,282	746,127
NON-CURRENT LIABILITIES		
Financing liabilities non-current	201,574	216,720
Other financial liabilities non-current	82,425	84,313
Contract liabilities	17,836	19,730
Deferred tax liabilities	4,015	2,903
Provisions non-current	31,820	31,387
	337,670	355,053
CURRENT LIABILITIES		
Financing liabilities current	189,829	193,871
Trade payables	234,164	228,041
Contract liabilities	57,409	58,902
Other financial liabilities current	67,293	70,618
Corporate income tax liabilities	7,494	7,185
Provisions current	45,600	52,256
Other liabilities current	71,726	75,024
	673,515	685,897
Total equity and liabilities	1,757,467	1,787,077

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED STATEMENT OF CASH FLOWS IN TEUR

Q1 2026

Q1 2025

	Q1 2026	Q1 2025
CASHFLOW FROM OPERATING ACTIVITIES FROM CONTINUING AND DISCONTINUED OPERATIONS		
Earnings before tax from continuing and discontinued operations	16,049	22,575
Depreciation and amortization	18,683	19,311
Interest expenses	6,044	6,865
Interest and other income from the disposal of financial assets	-3,243	-801
Result from associated companies	51	0
Increase/decrease of provisions	-6,324	-10,367
Gains/losses from the disposal of non-current non-financial assets	48	-20
Changes in inventories	-15,434	-9,156
Changes in trade receivable and contract assets	1,478	24,140
Changes in other receivables and assets	-17,335	-14,333
Changes in trade payable and contract liabilities	2,735	-22,841
Changes in other liabilities	-10,391	-3,085
Other non-cash income and expenses	1,638	-1,618
Cash and cash equivalents from operations	-6,001	10,670
Income taxes paid	-3,138	-7,899
Cashflow from operating activities	-9,139	2,771
CASHFLOW FROM INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment and intangible assets	-13,982	-17,363
Payments received for the disposal of property, plant and equipment and intangible assets	63	546
Disposal/purchase of financial instruments	31	561
Payments to acquire subsidiaries and other business units less cash assumed	0	-1,100
Interest income	3,068	658
Cash flow from investing activities	-10,820	-16,698
CASHFLOW FROM FINANCING ACTIVITIES		
Increase in financing liabilities and financial liabilities	158	485
Decrease in financing liabilities and financial liabilities	-26,067	-87,644
Interests paid	-4,573	-5,068
Payments related to the acquisition of non-controlling interests	-8,313	0
Payments for cash settlement of share options	-739	0
Cash outflow for treasury shares	-3,506	0
Cash flow from financial activities	-43,040	-92,227
Changes in exchange rates	456	-1,337
Changes in cash and cash equivalents	-62,543	-107,491
Cash and cash equivalents as of the beginning of the period	263,482	315,637
Cash and cash equivalents as of the end of the period	200,939	208,146

FINANCIAL CALENDAR

2026

07.05.2026	Q1-quarterly statement 2026 (Earnings-Call Q1 2026)
12.05.2026	UBS Pan European Small and Mid-Cap Conference 2026
30.06.2026	Annual General Meeting
06.08.2026	Half-year report 2026 (Earnings-Call Q2 2026)
05.11.2026	Q3-quarterly statement 2026 (Earnings-Call Q3 2026)

Further details available under

<https://www.kontron.com/en/group/investors/financial-calendar>

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