kontron
The Power of IoT

Global Leader in Smart IoT Solutions

Quarterly Statement Q3 2026



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KONTRON GROUP OVERVIEWS

Keyfigures

IN EUR MIO.	9M 2026	9M 2025
Revenues	1,102.9	1,181.9
Revenues (adjusted)[1]	1,102.9	1,123.6
Delinquent Backlog[2]	68.6	0.0
EBITDA	125.9	193.6
EBITDA (adjusted)[3]	151.0	140.1
Net result attributable to owners of interest in parent company	52.7	110.8
Net result attributable to owners of interest in parent company (adjusted)[4]	74.1	69.6
Earnings per share undiluted (in EUR cent)	85 Cent	1 EUR 80 Cent
Earnings per share undiluted (in EUR cent) (adjusted)[4]	1 EUR 19 Cent	1 EUR 11 Cent
Operating cash flow	4.3	49.7

1) Adjusted for divestments and deconsolidation of COM biz

2) Not delivered due to the chip shortage

3) Adjusted for one-off effects in 2025 and restructuring costs in 2026

4) Adjusted for one-off effects in 2025 and restructuring costs in 2026, including a tax approximation

IN EUR MIO.	30.09.2026	31.12.2025
Cash and cash equivalents	246.1	263.5
Net Cash (+) / Net debt (-)[5]	-135.2	-147.1
Equity	777.1	746.1
Equity ratio	43.4%	41.8%
Backlog	2,751.9	2,495.3
Project-pipeline	7,910.0	8,075.7
Employees[6]	6,296	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

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FOREWORD



Partnership with Ennoconn/Foxconn Advances Further

In the third quarter, the growing cooperation with Ennoconn was the focus of Kontron's activities. After Ennoconn increased its stake in Kontron to 48% in the second quarter, it is now a matter of bringing the common goals to life. The cooperation has been concretized on several levels in recent months, and in the third quarter the first steps were taken to raise the ambitious synergy targets.

One focus is on North America, where we will work on the market together with Ennoconn in the future. The Kontron brand will be used as a sales channel. By combining Kontron, Foxconn and Ennoconn products, we will be able to offer the most comprehensive product portfolio in the IoT industry in the USA. In a second step, we are planning the same for the Southeast Asian tiger countries.

Foxconn's high level of interest in our solutions to comply with the European Union's Cyber Resilience Act (CRA) is particularly pleasing. From December 2027, all connected products sold in Europe will have to meet strict cybersecurity requirements. Kontron positioned itself in this area at an early stage and can now bring this know-how to the Foxconn Group. This shows that our partnership works in both directions.

Operationally, we largely completed our Cost Saving Program (CSP) in the third quarter and reduced the headcount to 6,300 employees. The first effects are already visible: personnel costs fell to EUR 108 million in the third quarter from EUR 113 million in the second quarter. The cost reductions were necessary to compensate for the slumping markets in the field of solar solutions and charging solutions for electric cars.

With the completion of the programme, there could be a need for devaluation in the valuation of intangible assets of up to EUR 25 million. This depreciation is not cash and does not affect EBITDA. This was triggered by settlement talks with the VW Group, which is not accepting the agreed quantities despite a binding order. As a further consequence, we have reduced the reported order backlog for VW in the amount of EUR 130 million. We expect an agreement on VW's damages payment before the end of 2026.

For 2026, our expectations remain unchanged in line with guidance. Revenues are expected to be in line with the previous year at EUR 1.6 billion. We continue to expect EBITDA of EUR 200 million or EUR 225 million adjusted for the one-off costs from the GreenTec restructuring. Due to the synergy effects with Ennoconn and the cost savings at GreenTec, we expect an additional increase in earnings of EUR 70 million per year in the coming years.

Hannes Niederhauser, CEO



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NOTES TO THE COURSE OF BUSINESS

COM deconsolidation and disruptions to supply chains impact 9M 2026

In the first nine months of the current financial year 2026, Kontron Group revenue dipped by 6.7% to EUR 1,102.9 million (9M 2025: EUR 1,181.9 million). The decline is primarily due to the deconsolidation of COM business in 2025. In addition, due to the ongoing conflict in the Middle East and the resulting disruptions to supply chains, EUR 68.6 million in order backlog could not be delivered. The gross margin was 41.6%; the same as the previous year's level. Operationally, the first nine months of 2026 were burdened by restructuring costs of EUR 25.1 million. After a decline of 35.0%, EBITDA amounted to EUR 125.9 million (9M 2025: EUR 193.6 million), following last year's high level inlcuding the profit from the COM deconsolidation. On a like-for-like basis, EBITDA increased by 7.8%.

These restructuring costs are also reflected in the net income for the period. Net income assignable to Kontron shareholders (after minority interests) amounted to EUR 52.7 million (9M 2025: EUR 110.8 million), meaning that earnings per share (undiluted) were 85 cents in the first nine months of 2026 (9M 2025: 1 EUR 80 cents). On a like-for-like basis, net income increased by 6.5%.

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 brings together its activities for developing secure solutions for networked machines in 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, as well as the ODM business. The headquarters of the Kontron Group are also reported in this segment.

In the first nine months 2026, revenues of EUR 722.8 million were achieved in the "Smart IoT" segment (9M 2025: EUR 837.3 million), which corresponds to a reduction in revenue of 13.7%. This reduction is primarily due to the deconsolidations of over EUR 50 million from the first half of 2025. The gross margin rose slightly to 36.9% (9M 2025: 36.7%), and EBITDA before headquarters costs was affected by restructuring costs of EUR 25.1 million and amounted to EUR 58.2 million (9M 2025: EUR 130.0 million including the income from the COM deconsolidation).

"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, a revenue of EUR 380.1 million was achieved in the first nine months of 2026 (9M 2025: EUR 344.7 million), which corresponds to a solid growth in revenue of 10.3%. The gross margin was 50.6% (9M 2025: 53.9), and is thus slightly below the previous quarters. EBITDA before headquarters costs increased from EUR 63.7 million in the first nine month 2025 to EUR 67.7 million, continuing the positive trend in this segment.

IN EUR MIO.	SMART IOT*)		SOFTWARE + SOLUTIONS		KONTRON GROUP	
	9M 2026	9M 2025	9M 2026	9M 2025	9M 2026	9M 2025
Total revenues	901.6	1,043.3	419.9	397.7	1,321.6	1,441.0
Internal revenues	-178.9	-206.1	-39.8	-53.0	-218.7	-259.1
Revenues	722.8	837.3	380.1	344.7	1,102.9	1,181.9
Gross profit	266.4	306.9	192.3	185.9	458.7	492.8
EBITDA	58.2	130.0	67.7	63.7	125.9	193.6
Depreciation and amortization	-34.6	-41.2	-20.7	-15.6	-55.2	-56.8
EBIT	23.7	88.8	47.0	48.1	70.6	136.8

*) Segment "Smart IoT" including Headquarter-charges not allocated

IN EUR MIO.	SMART IOT*)		SOFTWARE + SOLUTIONS		KONTRON GROUP	
	Q3 2026	Q3 2025	Q3 2026	Q3 2025	Q3 2026	Q3 2025
Total revenues	302.5	343.0	141.6	133.1	444.1	476.1
Internal revenues	-64.0	-60.1	-14.4	-15.3	-78.4	-75.3
Revenues	238.5	282.9	127.3	117.8	365.8	400.8
Gross profit	84.2	110.2	63.5	63.9	147.7	174.1
EBITDA	13.6	20.8	27.9	26.8	41.5	47.6
Depreciation and amortisation	-10.9	-13.4	-6.5	-5.3	-17.5	-18.7
EBIT	2.6	7.4	21.4	21.5	24.0	28.9

*) Segment "Smart IoT" including Headquarter-charges not allocated

Kontron focuses on the three markets Transportation, Aerospace and Defense, and Cyber Solutions.

Transportation: This division brings together Kontron activities in the fields of critical communications solutions for high-speed trains and public transport. In the first nine months of 2026, external revenue rose significantly by 4.8% compared to the previous year, from EUR 169.8 million to EUR 178.0 million. EBITDA in this segment increased from EUR 30.9 million in the same period of the previous year to EUR 33.8 million.

Aerospace and Defense: This division encompasses Kontron defense activities. Kontron only supplies NATO countries. With 35.6%, this division recorded strong growth from EUR 91.2 million in the first nine months of 2025 to EUR 123.6 million, while EBITDA rose from EUR 17.6 million to EUR 23.3 million during the same period.

Cyber Solutions: In this division, Kontron combines security software expertise and AI solutions that meet the requirements of the Cyber Resilience Act. With revenue growth of 14.5%, this division also recorded significantly above-average growth, from EUR 90.1 million in the same period of the previous year to EUR 103.1 million. EBITDA increased from EUR 12.1 million to EUR 13.8 million in the same period of the previous year.

IN EUR MIO.	TRANSPORTATION		AEROSPACE & DEFENSE		CYBER SOLUTIONS	
	9M 2026	9M 2025	9M 2026	9M 2025	9M 2026	9M 2025
Total revenues	204.7	205.1	133.5	101.6	106.4	94.7
External revenues	178.0	169.8	123.6	91.2	103.1	90.1
EBITDA	33.8	30.9	23.3	17.6	13.8	12.1

Solid financial position

Assets and liquidity saw very solid development at the end of Q3 in 2026. Equity including shares with non-controlling interest is very solid after increasing from EUR 746.1 million as of December 31, 2025 to EUR 777.1 million as of September 30, 2026. The balance sheet total increased slightly by 0.2% from EUR 1,787.1 million as of December 31, 2025 to EUR 1,791.0 million as of September 30, 2026. The equity ratio increased yet again to 43.4% and is within the target range (December 31, 2025: 41.8%).

As a result of supply chain distortions, inventories grew from EUR 318.5 million as of December 31, 2025 to EUR 400.3 million as of September 30, 2026. The increase in inventories are also the main reason why working capital went up from EUR 287.4 million as of December 31, 2025 to EUR 345.9 million as of September 30, 2026. Cash and cash equivalents went down to EUR 246.1 million (December 31, 2025: EUR 263.5 million), while non-current financing liabilities increased from EUR 216.7 million as of December 31, 2025 to EUR 294.4 million. Net debt, however, continued to go down and stood at just EUR 135.2 million at the end of Q3 2026 (December 31, 2025: EUR 147.1 million).

Following two quarters of slightly negative cash flow, operating cash flow increased significantly and amounted to EUR 18.2 million in the third quarter of 2026 (Q3 2025: EUR 33.5 million).

The number of employees as of September 30, 2026 was 6,296 (December 31, 2025: 6,696 employees).

Forecast confirmed

Kontron confirms its forecast of revenue at the previous year's level, which corresponds to organic revenue growth of around 8% due to the deconsolidations. EBITDA before restructuring expenses is expected to remain unchanged at around EUR 225 million.

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CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT IN TEUR	9M 2026	9M 2025	Q3 2026	Q3 2025
Revenues	1,102,888	1,181,909	365,778	400,760
Capitalized development costs	34,561	33,869	9,889	10,342
Other income	35,219	101,761	12,671	168
Expenses for materials and other services purchased	-644,154	-689,151	-218,062	-226,665
Personnel expenses	-330,000	-341,135	-107,730	-106,221
Depreciation and amortization	-55,246	-56,791	-17,475	-18,715
Other operating expenses	-72,623	-93,621	-21,095	-30,790
Result from operations	**70,645**	**136,841**	**23,976**	**28,879**
Finance income	9,861	4,405	3,386	3,147
Finance expenses	-19,352	-19,341	-6,798	-5,826
Financial result	**-9,491**	**-14,936**	**-3,412**	**-2,679**
Result from associated companies	54	-132	-30	32
Earnings before taxes	**61,208**	**121,773**	**20,534**	**26,232**
Income taxes	-8,682	-11,970	-2,646	-4,014
Net income	**52,526**	**109,803**	**17,888**	**22,218**
Results from the period attributable to owners of non-controlling interests	-213	-977	7	331
Results from the period attributable to owners of interests in parent company	**52,739**	**110,780**	**17,881**	**21,887**
Earnings per share attributable to owners of interests in parent company (undiluted)	0.85	1.80	0.29	0.36
Earnings per share attributable to owners of interests in parent company (diluted)	0.84	1.75	0.29	0.35
Average number of shares in circulation (in thousands undiluted)	62,149	61,403	61,984	61,430
Average number of shares in circulation (in thousands diluted)	62,889	63,222	62,321	63,134

STATEMENT OF OTHER COMPREHENSIVE INCOME

STATEMENT OF OTHER COMPREHENSIVE INCOME IN TEUR	9M 2026	9M 2025	Q3 2026	Q3 2025
Net income	**52,526**	**109,803**	**17,888**	**22,218**
Items that will not be reclassified to profit or loss				
Remeasurement according to IAS 19				
Gains (+) / losses (-) from remeasurement	74	59	79	36
	74	59	79	36
Items that may be subsequently reclassified to profit or loss				
Unrealized gains/losses from currency translation	4,773	-12,678	-780	-810
	4,773	-12,678	-780	-810
Other comprehensive income	**4,847**	**-12,619**	**-701**	**-774**
Comprehensive income	**57,373**	**97,184**	**17,187**	**21,444**
of which attributable to				
the owners of non-controlling interests	-205	-984	15	363
the owners of interests in parent company	57,578	98,168	17,172	21,081

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CONSOLIDATED BALANCE SHEET

ASSETS IN TEUR	30.09.2026	31.12.2025
NON-CURRENT ASSETS		
Property, plant and equipment	235,939	236,265
Intangible assets	184,774	166,411
Goodwill	255,368	255,117
Investments in associated companies	2,647	2,593
Financial assets non-current	12,833	100,341
Contract assets non-current	1,409	2,121
Other non-current assets	10,520	11,304
Deferred tax assets	63,949	59,730
	767,439	**833,882**
CURRENT ASSETS		
Inventories	400,313	318,516
Trade receivables	197,516	196,936
Contract assets current	92,170	77,782
Financial assets current	17,410	43,132
Corporate income tax receivables	7,446	5,839
Other receivables and assets current	62,660	47,508
Cash and cash equivalents	246,084	263,482
	1,023,599	**953,195**
Total assets	**1,791,038**	**1,787,077**

EQUITY AND LIABILITIES IN TEUR	30.09.2026	31.12.2025
EQUITY		
Subscribed capital	63,861	63,861
Capital reserves	83,930	90,136
Accumulated results	679,688	626,949
Other reserves	-12,205	-17,044
Treasury shares	-38,396	-22,351
Equity attributable to owners of interests in parent company	776,878	741,551
Non-controlling interests	173	4,576
	777,051	**746,127**
NON-CURRENT LIABILITIES		
Financing liabilities non-current	294,400	216,720
Other financial liabilities non-current	77,986	84,313
Contract liabilities	21,388	19,730
Deferred tax liabilities	10,900	2,903
Provisions non-current	31,297	31,387
	435,971	**355,053**
CURRENT LIABILITIES		
Financing liabilities current	86,871	193,871
Trade payables	251,972	228,041
Contract liabilities	61,034	58,902
Other financial liabilities current	77,191	70,618
Corporate income tax liabilities	4,778	7,185
Provisions current	26,716	52,256
Other liabilities current	69,454	75,024
	578,016	**685,897**
Total equity and liabilities	**1,791,038**	**1,787,077**

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED STATEMENT OF CASH FLOWS IN TEUR	9M 2026	9M 2025	Q3 2026	Q3 2025
CASHFLOW FROM OPERATING ACTIVITIES				
Earnings before tax	61,208	121,773	20,534	26,232
Depreciation and amortization	55,246	56,791	17,475	18,715
Interest expenses	19,352	19,341	6,798	5,826
Interest and other income from the disposal of financial assets	-9,861	-4,405	-3,386	-3,147
Result from associated companies	-54	132	30	-32
Increase/decrease of provisions	-26,011	-11,412	-12,165	-1,980
Gains/losses from the disposal of non-current non-financial assets	-471	1,240	-652	1,238
Changes in inventories	-81,133	36,269	-34,110	10,917
Changes in trade receivable and contract assets	-14,258	2,154	-11,331	-14,456
Changes in other receivables and assets	-16,411	-6,388	1,784	11,738
Changes in trade payable and contract liabilities	27,721	-48,518	27,017	-11,620
Changes in other liabilities	5,807	-591	4,503	-4,381
Other non-cash income and expenses	-34	-6,246	1,347	-116
Result from the deconsolidation of subsidaries	-7,625	-93,584	0	0
Cash and cash equivalents from operations	**13,476**	**66,556**	**17,844**	**38,934**
Income taxes paid	-9,128	-16,820	341	-5,483
Cashflow from operating activities	**4,348**	**49,736**	**18,185**	**33,451**
CASHFLOW FROM INVESTING ACTIVITIES				
Payments to acquire property, plant and equipment and intangible assets	-57,271	-64,399	-23,614	-32,293
Payments received for the disposal of property, plant and equipment and intangible assets	3,780	637	1,894	-531
Disposal/purchase of financial instruments	2,265	-77	692	-656
Payments to acquire subsidiaries and other business units less cash assumed	-1,464	-1,158	-562	0
Proceeds /Payments from disposal/sale of subsidiaries less cash disposed	120,936	21,294	120,936	26,845
Interest income	9,479	3,366	6,003	2,388
Cash flow from investing activities	**77,725**	**-40,337**	**105,349**	**-4,247**
CASHFLOW FROM FINANCING ACTIVITIES				
Increase in financing liabilities and financial liabilities	120,791	82,322	29,564	16,000
Decrease in financing liabilities and financial liabilities	-174,360	-165,710	-82,274	-52,048
Interests paid	-18,012	-17,930	-5,301	-4,040
Payments related to the acquisition of non-controlling interests	-8,313	4,956	0	4,956
Payments for cash settlement of share options	8,660	-1,048	9,569	-122
Dividends to owners of interests in parent company	0	-36,855	0	0
Cash flow for treasury shares	-30,062	886	0	795
Cash flow from financial activities	**-101,296**	**-133,379**	**-48,442**	**-34,459**
Changes in exchange rates	1,825	-4,106	-468	-696
Changes in cash and cash equivalents	**-17,398**	**-128,086**	**74,624**	**-5,951**
Cash and cash equivalents as of the beginning of the period	263,482	315,637	171,460	193,502
Cash and cash equivalents as of the end of the period	**246,084**	**187,551**	**246,084**	**187,551**

FINANCIAL CALENDAR

2026

05.11.2026	Q3-quarterly statement 2026 (Earnings-Call Q3 2026)
17.11.2026	Berenberg Pan-European Discovery Conference USA (17.11.-18.11.2026, virtual)
23.11.2026	German Equity Forum Frankfurt (23.11.-24.11.2026)

Further details available under
https://www.kontron.com/en/group/investors/financial-calendar

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