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The Power of IoT

Q1 2025 Results

May 6th 2025

Kontron: Q1 Results & Company Highlights

Results Highlights

- **Leap in EBITDA**
  from EUR 35.4m (Q1 2024) to EUR 48.0m (Q1 2025)
- **Strong increase in Gross Margin**
  from EUR 147.2 (41.3%) to EUR 169.5m (44.0%)
- **Increased Backlog in Q1 2025**
  Book-to-bill ratio of 1.28 in Q1 2025 I Backlog of EUR 2.2bn exceeds annual revenue plan

Q1-25

Company Highlights

- **Strong growth in high-margin Software + Solutions**
- **Design Win Pipeline increased to > EUR 7bn** – driven by new technologies
- **Strong demand for 5G NADs**
  Cooperation with Qualcomm started
- **20% dividend increase to 60c proposed (2024 50c)**

KPIs Q1 2025

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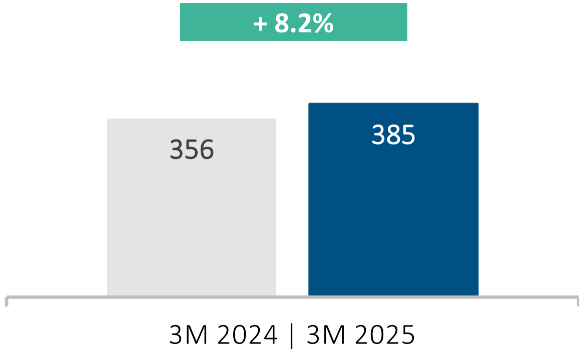
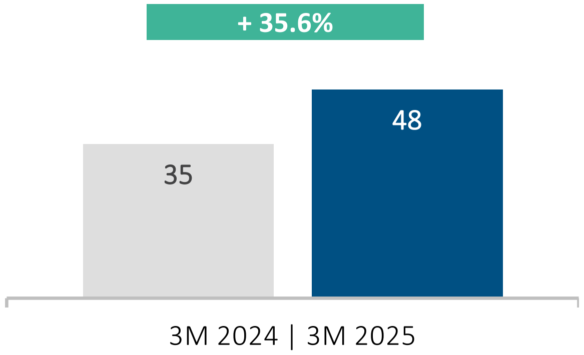
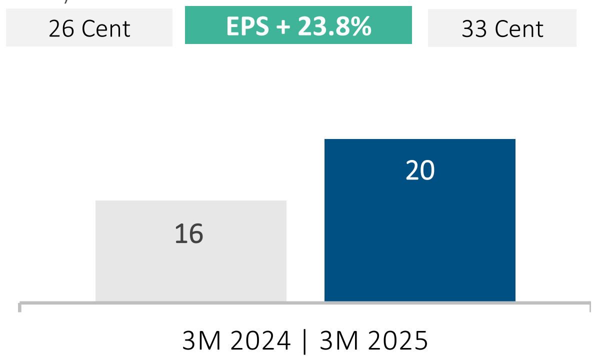
Revenues
(in EUR m)



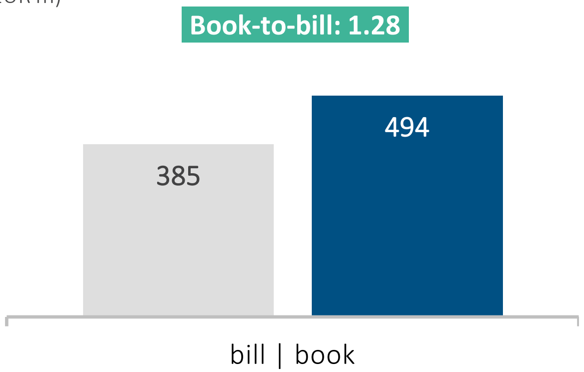
EBITDA
(in EUR m)



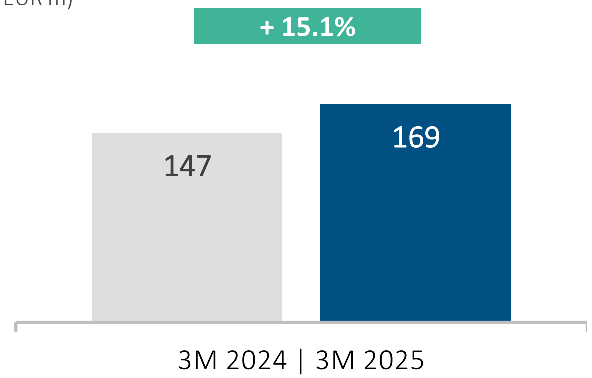
Net Result after NCI
(in EUR m)



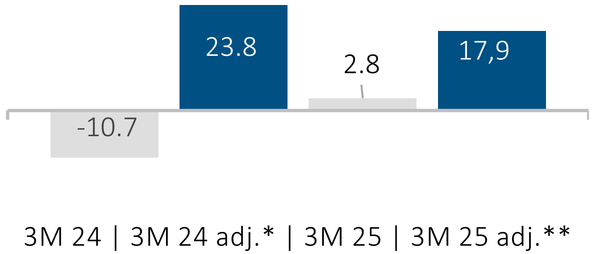
Order Entry vs. Revenues
(in EUR m)



Gross Profit
(in EUR m)



Operating Cash Flow
(in EUR m)



* adjusted for the reduced factoring and a deferral effect for 2023
** adjusted for the reduced factoring for 2024

Kontron Group Balance Sheet Q1 2025

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Equity and liquidity very strong

in EUR m	31.03.2025	31.12.2024
NON-CURRENT ASSETS	**746.9**	**744.8**
Tangible assets	234.7	238.1
Intangible assets	162.6	157.3
Goodwill	263.4	262.6
Other assets	86.2	86.8
CURRENT ASSETS	**971.6**	**1,078.9**
Inventories	382.6	373.3
Trade receivables	215.6	249.6
Contract assets from customers	81.5	71.6
Cash and cash equivalents	208.1	315.6
Other receivables and prepayments	83.8	68.8
Total assets	**1,718.5**	**1,823.7**

in EUR m	31.03.2025	31.12.2024
EQUITY	**668.8**	**652.3**
Accumulated results	542.8	522.7
as of treasury shares	-50.1	-50.1
NON-CURRENT LIABILITIES	**428.9**	**452.9**
Long-term loans and borrowings	283.7	305.8
Other liabilities and provisions	145.1	147.2
CURRENT LIABILITIES	**620.9**	**718.5**
Trade payables	264.2	272.4
Contract liabilities from customers	77.0	91.2
Short-term loans and borrowings	116.3	173.0
Other liabilities and provisions	163.3	181.9
Total liabilities & equity	**1,718.5**	**1,823.7**

Equity ratio	**38.9%**	**35.8%**
Total net cash/(net debt)*	**-191.9**	**-163.1**
Working capital**	**334.0**	**350.6**

Very strong improvement in Equity ratio from 35.8% to 38.9% within Q1 2025

* Definition Net Cash: Cash and cash equivalents less non-current and current financing liabilities (excl. liabilities from leasing according to IFRS 16)
** Definition Working Capital: Inventories plus trade receivables less trade payables (excl. IFRS 15 contract assets and liabilities)

Additional disclosures

Q1 2025

Katek share in Q1 results

In EUR m

	Kontron Q1/25	Katek share Q1/25
Reported revenues	385	108
Gross margin (in %)	44.0%	37.5%
EBITDA	48.0	9.5

Operative Cashflow	Q1 2025
Reported	2.7
Reduction Factoring	15.2
Adjusted operative CF	17.9

Organic Revenues Growth

	Q1 2025
Reported 3rd party revenues	385.4
Acquisition Katek	-53.9
Other divestments	+13.8
ORGANIC GROWTH	**-3,1%**

Organic Gross Profit Growth

	Q1 2025
Reported 3rd party Gross Margin	169.5
Acquisition Katek	-21,6
Other divestments	+3.9
ORGANIC GROWTH	**3.3%**

Status liquidity

- EUR 208m cash on hand
- EUR 220m available lines

Kontron: Major KPIs

Strong operational development

in EUR m	Q1 2023	Q1 2024	Q1 2025	Comment
Revenues	262.0	356.1	385.4	+47.1% growth
Gross Margin (in %)	41.0%	41.3%	44.0%	Reflects transition in segment mix and intro of new products and technologies
EBITDA	29.6	35.4	48.0	Strong improvement over last years
Net profit	16.6	16.2	20.1	Growth despite burdened by PPA amortization
Equity ratio	47.3%	35.6%	38.9%	Already improved within 2024 and 2025 following Katek acquisition
Working Capital	122.7	357.8	334.0	Increased due to Katek acquisition, shrinking since HY 2024
Operating CF	5.2	-10.7	2.8	Q1 seasonal lower CF than full year
FTE	4,499	7,838	7,122	3,200 experienced engineers
Net cash/debt	185	-81.4	-191.9	< 1x EBITDA – improved from –EUR 220 m in the course of 2024

Europe: Strong growth in industrial IoT technology

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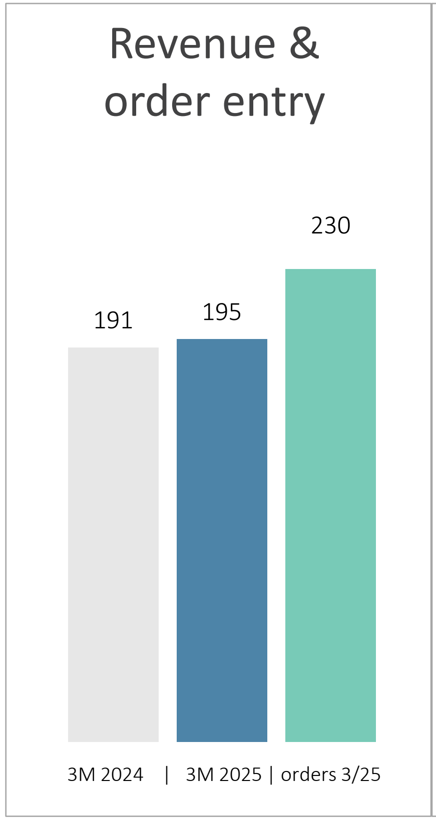
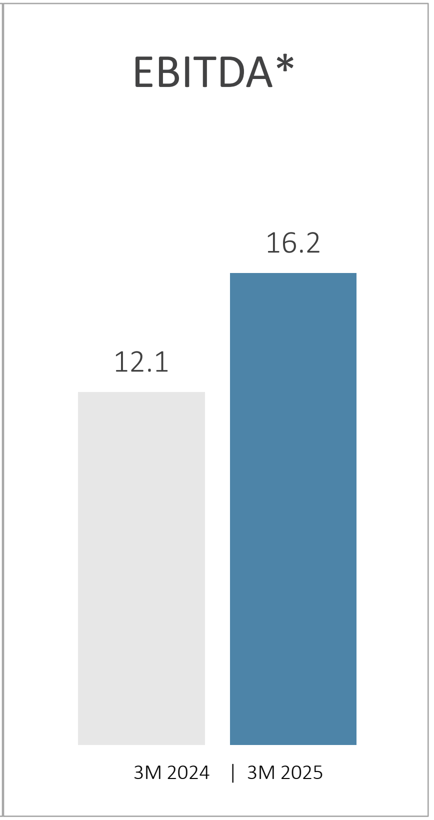




About the segment

- Broad base of IoT products for various industries
- 8.3% EBITDA margin currently
- Represents 51% of group revenues and 34% of group EBITDA in 2024
- Growth driven by smart factories and reshoring to Europe
- Long-term healthy customer relations over decades

Comments on Q1 2025

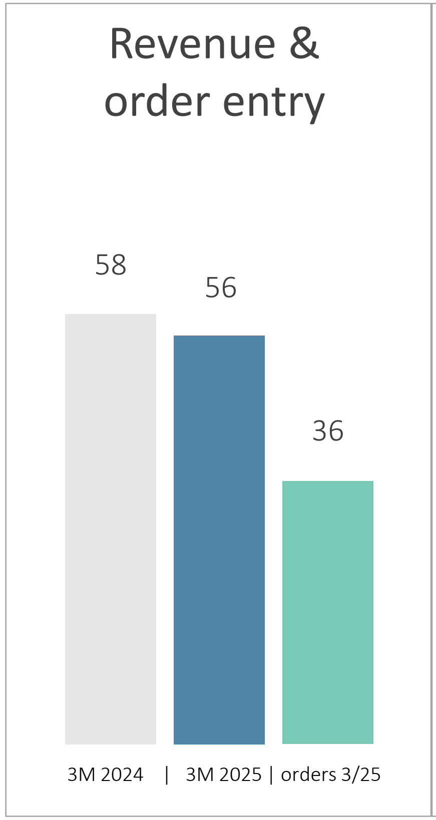
- Several major design wins on 5G NADs for automotive (> EUR 350m)
- Qualcomm cooperation on 5G and ARM edge devices (huge potential)
- Burdened by Katek streamlining – target > 10% EBITDA
- Demand driven by more and more Software

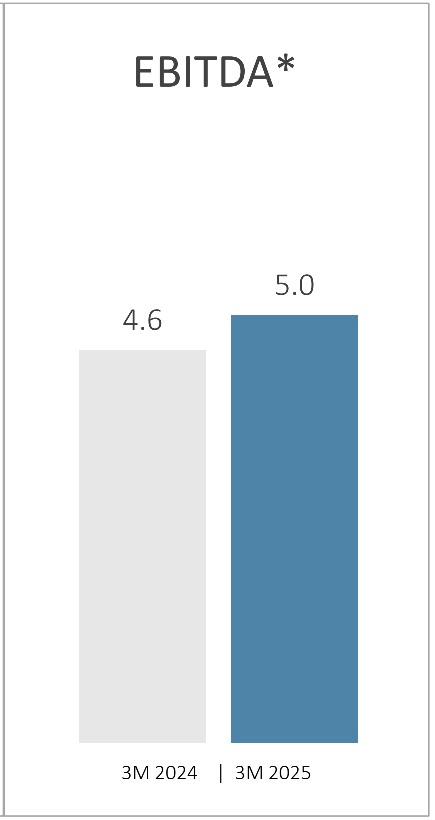
Cash cow for Kontron Group

* EBITDA before Intercompany HQ fees (part of Europe Segment)

Global: Back to normal profitability

Sales channel to sell European technology





About the segment
- Sales/Support channel for the complete Kontron technology portfolio
- 9.0% EBITDA margin currently
- Represents 14% of group revenues and 11% of group EBITDA
- Expand to 25% in the next 4 years
- Competence center for aerospace and defense in USA

Q1 2025 in North America
- Positive impact for tariffs in H2 (factories in CAD and USA)
- Investments started to increase capacity in the USA
- Benefit from strength in defense + aerospace
- Several huger projects > 100m

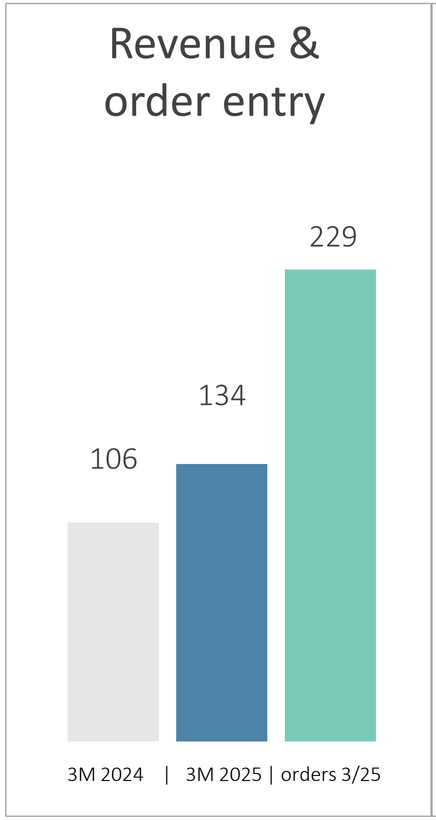
Q1 2025 in Asia
- China EBITDA burdened by "buy Chinese" strategy
- High potential in avionics and high-speed trains (Air China, CR)
- Expand cooperation with Foxconn in technology (innovatExel program)

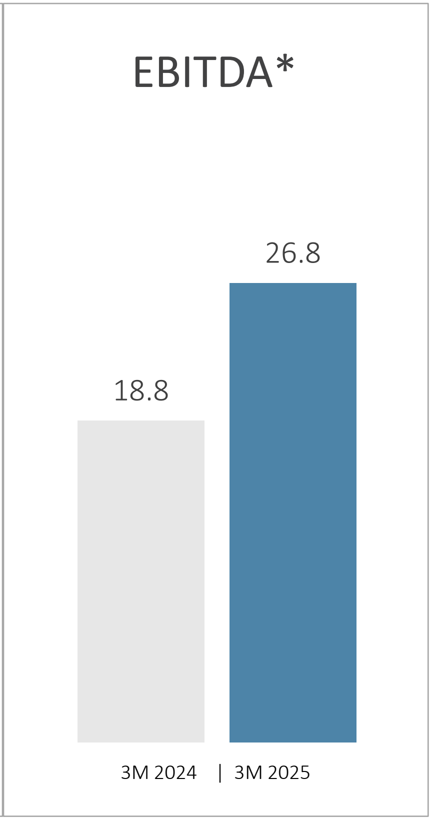
Tailwind for Q2-4 by tariffs: to be local in R&D and productions pays off

* EBITDA before Intercompany HQ fees (part of Europe Segment)

Software + Solutions: Fast growing

Biggest EBITDA contributor 2024, just started in 2020





Segment trend
- Offer unique IoT technology for special vertical markets (low competition)
- 19.9% EBITDA margin despite solar burden
- Represents 35% of group revenues and 43% of group EBITDA
- More than 50% of recurring revenues and SLAs (up to 15 years)
- Significant Software share -> GM 60%, Technology leader

KontronOS and IoT Software (susietec®)
- KontronOS and KontronGrid to become the de facto standard 30m licenses in 2028
- Spread in avionics, WBX, ARM-based volume IoT equipment

Transportation (high-speed trains)
- > 27% of EBITDA, only supplier for FRMCS, market leader in Europe

Defense and aerospace
- ~ 20% of EBITDA, huge design wins in the pipeline

New segment GreenTec
- 2024 major orders for IoT chargers (EUR 400m): main ramp up 2025
- Shrinking solar biz (slight loss) due to market environment, costs adjusted accordingly

Most profitable and strongest growth segment, Q1 2025 EBITDA margin ~ 20%

* EBITDA before Intercompany HQ fees (part of Europe Segment)

Massive design win volume increases to EUR 7.45bn

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Backlog rose to EUR 2.19bn driven by great order intake

Kontron Transportation has been awarded a GSM-R project in Spain valued at over 20 million Euros

15.04.2025 | Linz, Austria

Q2

Kontron secures another major defense and security order expected to be worth around EUR 165 million

Kontron announces new order for satellite communication

Kontron wins a EUR 34 Mio. contract for a GSM-R system in the Czech Republic

Kontron secures another EUR 40 million order in the automotive sector

05.03.2025 | Linz, Austria

Q1

Kontron continues successful collaboration with a leading U.S. Aerospace & Defense firm

Kontron AG: Major order for smart wallboxes

Contract wins - Kontron signs 3 major railway contracts worth exceeding EUR 100m

Kontron Secures Contract with Leading Supplier to the Automotive Industry $250 Mio

20.02.2025 | Linz, Austria

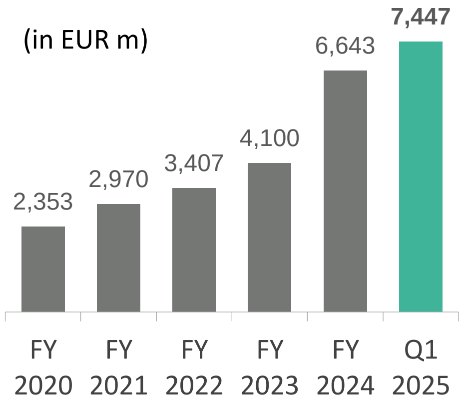
Q1

Kontron secures a EUR 65 Mio design win in rail infrastructure

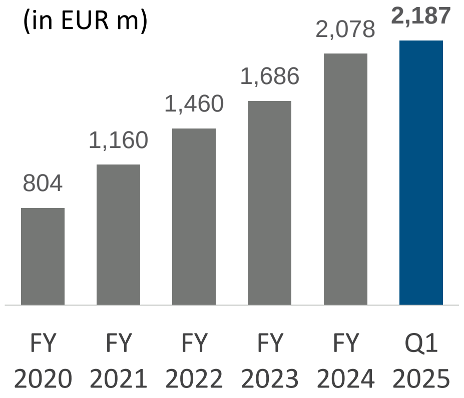
E-mobility picks up speed: Another major order for intelligent wallboxes goes into production

Kontron signs a contract over EUR 30m for optical network solutions

Design Wins



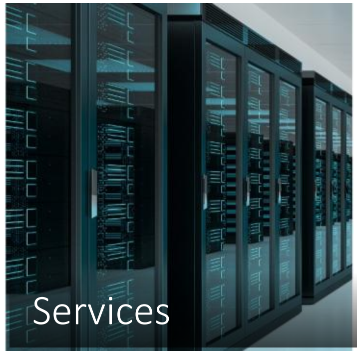
Backlog



Kontron Structure

10 divisions in 3 segments

Europe



Target FC 25

€ 850m

EBITDA 10%

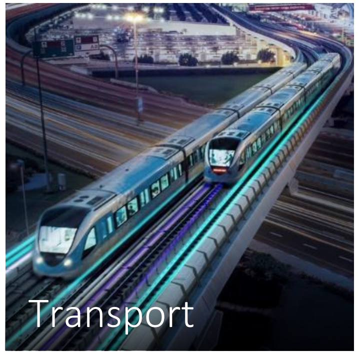
Global

Target FC 25

€ 300m

EBITDA 10%

Software + Solutions



Target FC 25

€ 800m

EBITDA 17%

Unique IoT solutions for special markets

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	High-Speed trains	Defense & Aerospace	Charger for eCars	Automotive NADs
Market	EU: triple high-speed lines (2030) DE infrastructure package	Global increase in defense budgets	EU permits only eCars 2035	Smart autonomous cars (2026) need IOT connectivity > 5 Gbps
Position of Kontron	> 50% market share in EU	Leading ITAR Technology supplier for defense communication	Preferred technology for car makers to bundle with eCars	1 out of 2 „non-Chinese supplier“
Competitors	Nokia, Huawei	Mercury, Curtiss-Wright	None – unique technology	Chinese players, LG
Technology USP	Only supplier for FRMCS edge devices, new standard	VPX secured/encrypted 6.25 Gb/s data connectivity	smart IoT connected wallboxes -> less cost, longer battery life	Ultrafast 5G rel18 modules in coop with Qualcomm
KPIs (2025e)	EUR 230m biz @ 25% Ebitda	EUR 140m biz @ 20% Ebitda	EUR 100m biz @ 12% Ebitda	EUR 100m biz @ 10% Ebitda Potential 1000m
Next steps	Volume on FRMCS	Penetrate NATO	2026 EU market leader in residential market, bidirectional	Ramp up production in DÜS

Mega technology drivers

Kontron has 3,200 experienced engineers = #1 brainpower in IoT

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Mega technologies for IoT end devices

KontronOS Software for IoT devices

susietec
A Brand of Kontron

- Current IoT networks do not comply to NIS-2 requirements
- KontronOS offers security, remote control, remote maintenance to protect edge devices and the KontronGrid
- Install 30 million licenses, main OS for machines
- Expand by KontronGrid

Artificial Intelligence

- 75% of needed AI data are generated by IoT devices
- AI will not work without connected IoT devices
- AI needs higher IoT bandwith eg FRMCS
- 1st product released AI shield

Partnerships for IoT grids + end devices

Qualcomm

Qualcomm

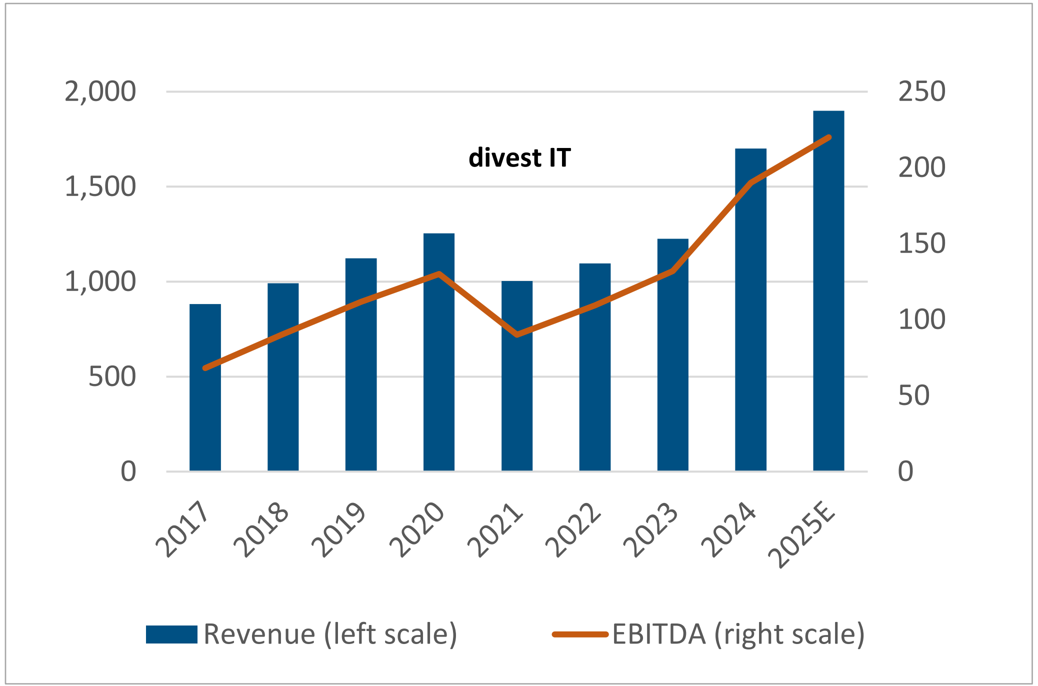
- Joint development for 5G/6G/FRMCS radio modems
- Design of IoT edge devices based on connected ARM chips
- Use of AI functionality in embedded devices (AI shield)
- IoT Software support toolset
- Mayn design wins on NADs

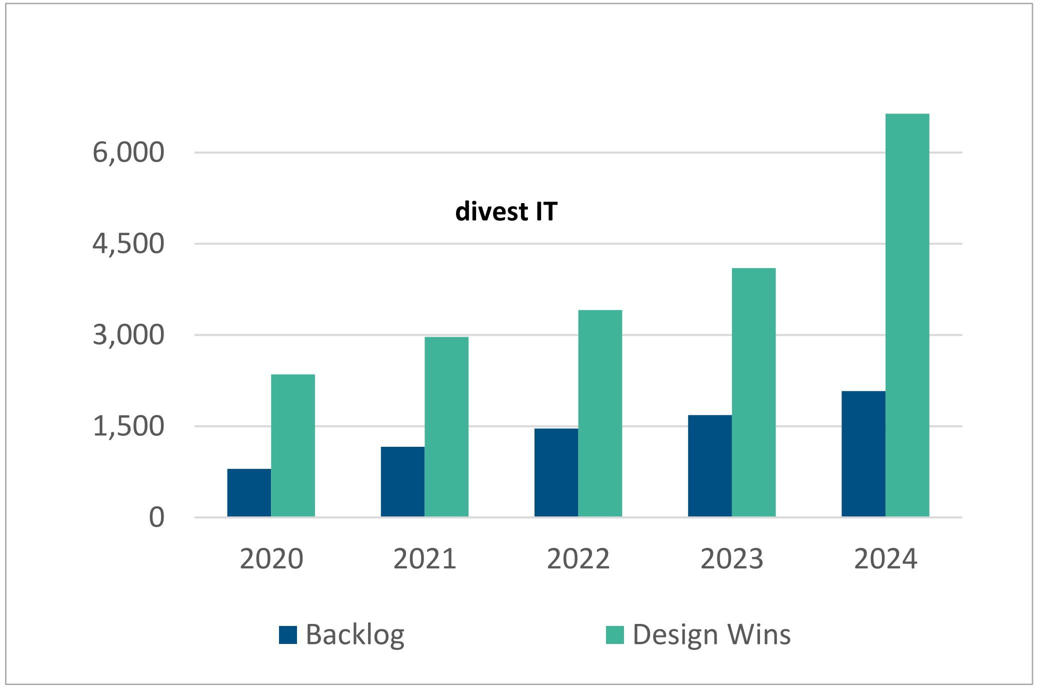
Foxconn (Sharp)

- Sales in avionics, railway and industrial in China
- Target: use marketing channel in Asia / SEA
- Smart energy cooperation on batteries
- Manufacturing cooperation (factory Kunshan)
- innovateXel technology program

History and 2025 forecast

Continuous strong growth





(in EUR million)	Results 2023	Results 2024	Guidance 2025
Revenue	1,226	1,685	1,900 – 2,000
EBITDA	126	192	> 220

Q&A

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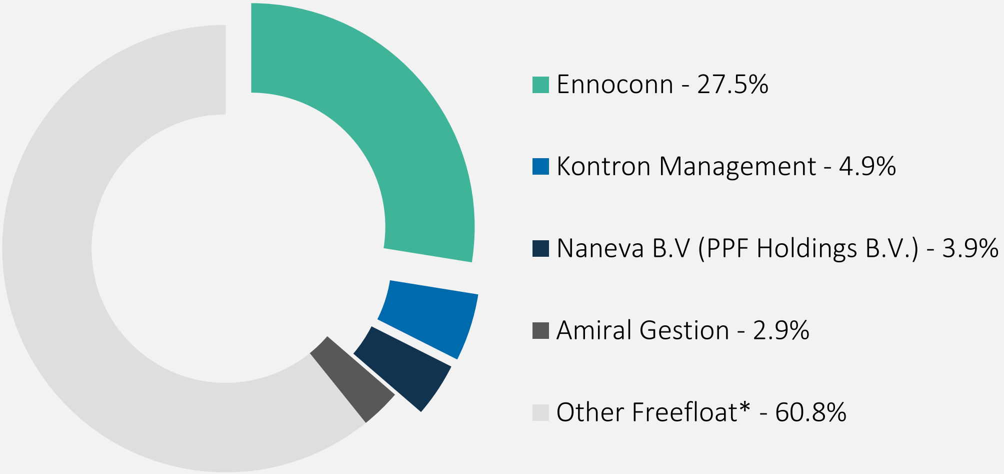
APPENDIX

The Kontron Share

Price target clearly above current share price

Shareholder Structure



Shareholder base

Coverage

Hauck & Aufhäuser	Buy: EUR 37.00
Jefferies	Buy: EUR 27.00
Kepler Cheuvreux	Buy: EUR 25.00
mwb research (prev. Alster)	Buy: EUR 35.00
ODDO BHF	Buy: EUR 25.00
Pareto Securities	Buy: EUR 29.00
Warburg	Buy: EUR 28.40
Average Target Share Price	**EUR 29.49**

1 additional analyst will take on coverage of Kontron

Share ID as of June 2024
* incl. 3.3% Treasury Shares
** Latest Analysts' recommendation change as of 31.04.2025

Update on ESG: Achievements

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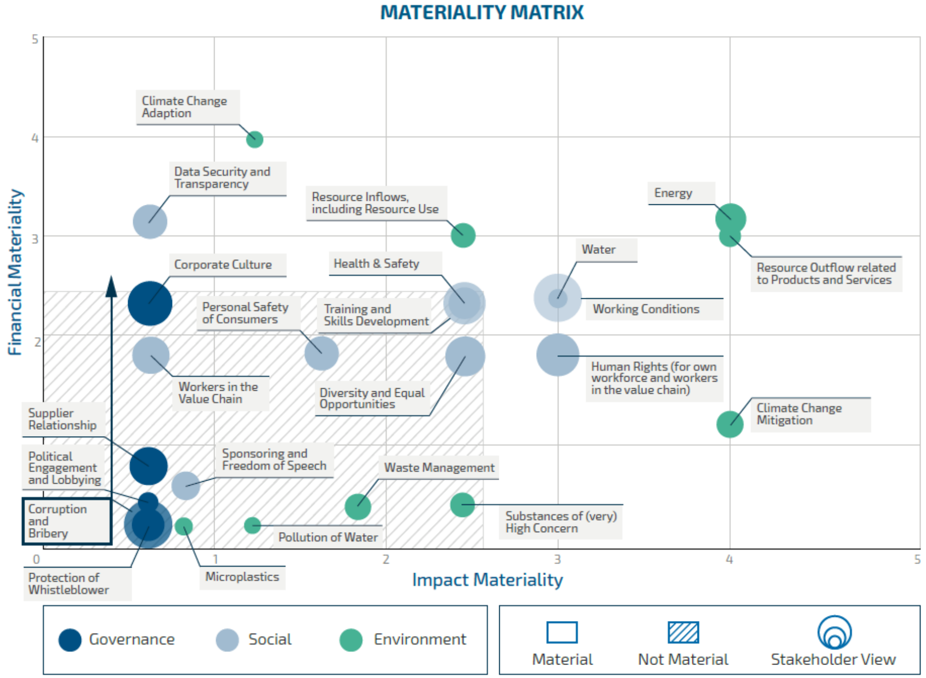
Recognition of Kontron’s ESG efforts

- MSCI: A (previously BBB)

- EcoVadis: 50 (rated above industry average)
- Sustainalytics: 17.9 (low risk)
- Moody’s: 38 (improvement by 4 points since 2022)
- ISS ESG: C (previously C-)



- Double Materiality Analysis (CSRD requirement) was completed – 10 material topics identified
- Education
  Kontron Sustainable Leadership Academy 2024 (focus on female employees)
  Data Security Training Focus
- Employee Survey – conducted among approx. 4,700 employees

Update on ESG: Outlook & Targets

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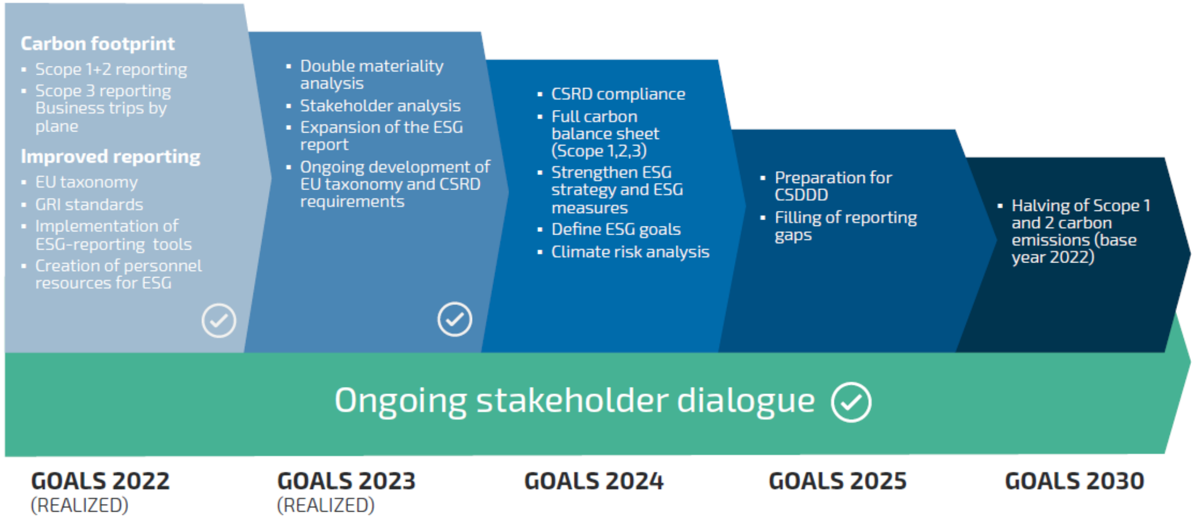
- Corporate Carbon Footprint (Full disclosure on Scope I, II, III)
- Climate Risk Analysis
- EU Taxonomy alignment
- CSRD compliance – Sustainability Statement 2024 (ESRS) based on Double Materiality Analysis
- Kontron's Green Products – communicating our products better (product carbon footprint)
- Kontron's Green Products – Connecting sustainable Energy and ESG for higher performance
- GreenTec – Upgrading GreenTec with IoT
- CSDDD preparation
- Compliance targets – update of policies (Supplier Code of Conduct, Code of Conduct, etc), increase in number of participants and participation rate of compliance trainings, integration of acquired companies



Competitive landscape

Leap forward in 2024

Selected competitors in Industrial IoT	Revenue (in USD m)	Region
Curtiss Wright*	2,845	North America
Kontron	2,100	Europe
Advantech	2,000	Asia
Beckhoff**	1,600	Europe
ABB B&R	1,100	Europe
Mercury*	1,000	North America
Adlink	370	Asia
Seco	230	Europe
Eurotech	100	Europe
% as of total market (USD 254bn)	4%	

* Also not Industrial IoT revenues
** FY22 revenues

Our distinctive competitive advantages

- Unmatched R&D scale: EUR 200m annual investments
- Cost efficient solutions: EUR 55k p.a. average salary
- Differentiated technology platform for high-value low-volume use cases
- Tech Alliance with Foxconn, Ennoconn, Sharp, ARM

Source: Statista, management estimates