



kontron

Explore the Kontron Group

We are a fast-moving multinational technology leader.

Investor Presentation FY 2022



March 29, 2023

High- and Lowlights FY 2022

Transformation update



Highlights

- › **Divestment of IT Services**
 - › IoT focus + clean legal structure
 - › EUR 232m net profit
- › **EUR 438m** of cash Dec 22 + EUR 138m of cash payable by Vinci
- › Strong backlog of ~**EUR 1.45bn** and 2022 book-to-bill ratio of 1.28



Lowlights

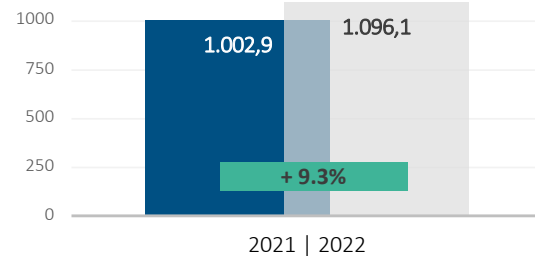
- › **Chip shortage:** EUR 96m of delayed but not lost orders – reduced from Q3 at EUR 124m
- › **EUR 120m** Cash drain until Q3 – disruptive supply chain but EUR 100m reversed in Q4
- › **Russian war: 2022** business in region already reduced by EUR 45m

KPI's FY2022: Continued Operating Result Adjusted

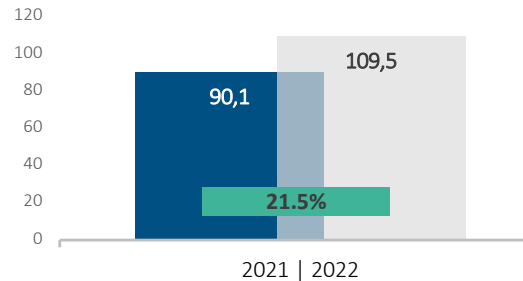


Healthy start into new area with positive momentum in CO

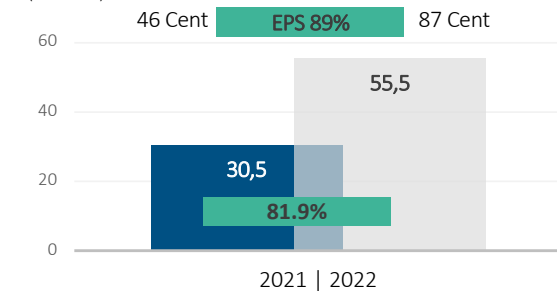
Revenue
(in EUR m)



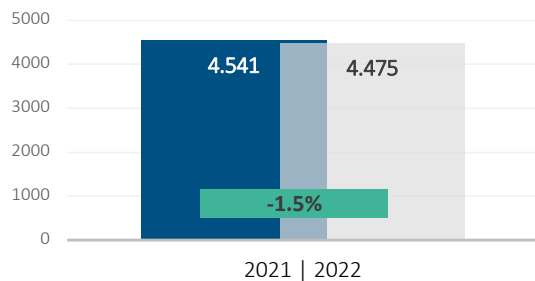
EBITDA
(in EUR m)



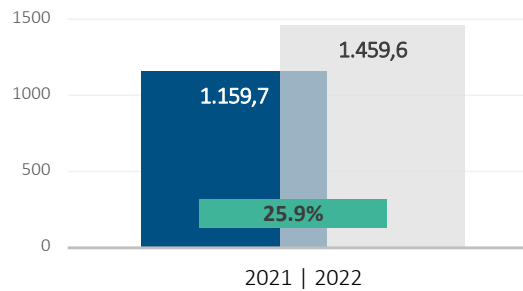
Operating Net Income after NCI
(in EUR m)



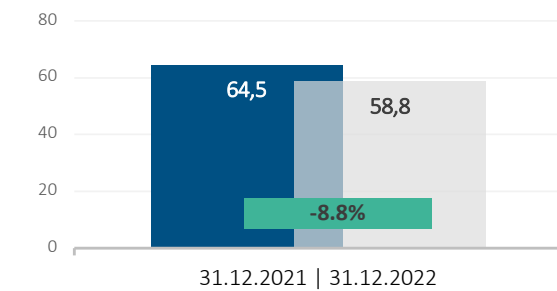
Employees
(In FTEs)



Order Entry – Book-to-bill: 1.28x
(in EUR m)



Operating Cash Flow
(in EUR m)



Kontron Group Balance Sheet

Equity and liquidity very strong



Mio. EUR	31.12.2022	31.12.2021
NON-CURRENT ASSETS	415,1	519,0
Fixed Assets	379,0	478,8
as of Property, plant and equipment	95,6	132,5
as of Goodwill	189,4	208,3
Other Assets	36,1	40,2
CURRENT ASSETS	1029,8	833,2
Inventories	192,6	187,3
Trade receivables	148,1	214,1
Contract Assets from Customers	54,2	51,3
Cash and cash equivalents	437,8	296,5
Other receivables and prepayments	190,8	83,9
assets classified as held for sales	6,3	0,0
Total Assets	1445,0	1352,2

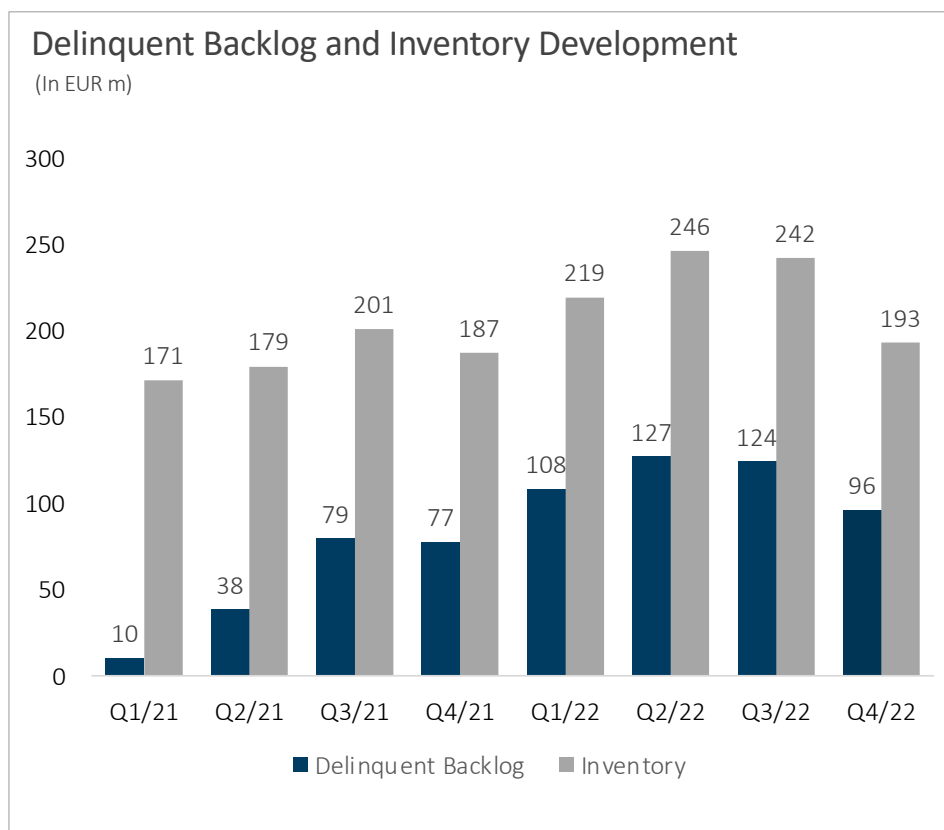
	31.12.2022	31.12.2021
CAPITAL AND RESERVES	635,7	423,3
Equity	442,8	423,3
as of Treasury shares	0,0	-46,8
NON-CURRENT LIABILITIES	268,7	348,2
Long-term loans and borrowings	193,8	238,4
Other Non-Current Liabilities	74,9	109,8
CURRENT LIABILITIES	587,7	580,7
Trade payables	226,3	270,0
Contract Liabilities from Customers	71,0	85,0
Short-term loans and borrowings	125,7	72,3
Other Current Liabilities	159,9	153,4
liabilities classified as held for sale	4,8	
Total Liabilities & Equity	1445,0	1352,1

Equity Ratio	44,0%	31,3%
Total Net Cash/(Net Debt)*	118,3	(14)
Working Capital excluding IFRS 15**	114,4	149,9

- Very strong cash position: EUR 438m cash and EUR 138m purchasing price Vinci yet to be paid (~EUR 80m in Q1/2023)
- Continued Operations inventory reduced in Q4/2022 by ~EUR 50m → Strong operating Cash Flow of EUR 109.3m in Q4/2022

Additional Disclosures

FY 2022



In TEUR	OP. CASH FLOW ADJUSTMENTS
44,443	STATED OP. CASH FLOW
-4,903	Increase in A/R factored in 2022
39,540	ADJUSTED OP. CASH FLOW

ORGANIC GROWTH		
In TEUR	FY21	FY22
Stated revenues	1,002,935	1,096,095
Divestment (RUS/UA/BY/MD)		44,803
ORGANIC GROWTH		13.8%

GEOGRAPHICAL SPLIT FY22		
(In %)	Revenue	EBITDA
Europe	77.1%	95.4%
North America	11.8%	4.4%
Asia	6.7%	8.1%
RUS/UA/BY/MD	4.5%	-7.9%

The New Kontron

Bigger acquisitions planned



M&A is a core competence of Kontron

- › Half of growth by M&A (10% /year), half organic
- › Target: Restructuring situations at no profit = low prices
- › High synergies with Kontron = achieve >10% EBITDA within 2 years

Kontron M&A pipeline

- › EUR 700m liquidity → go for major acquisitions
- › Pipeline of 4 gamechangers > EUR 1,100m rev. and several others
- › First transaction in H1/2023 likely

M&A targets

- › SW/solutions segment and go global (USA, China)

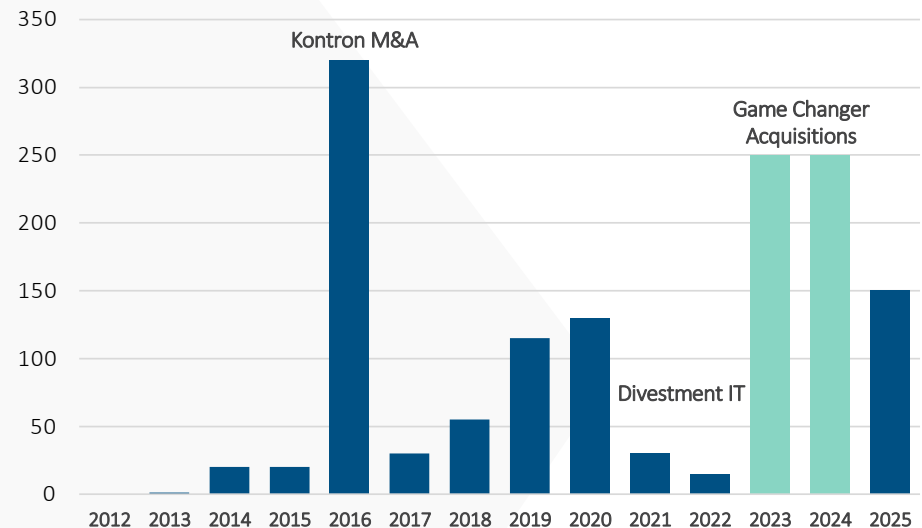
Divestments 2022

- › Russia, Belarus, Ukraine, IT Services/Focus

➤ First transaction H1/2023, Kontron intends to acquire min. EUR 250m in 2023 and another EUR 250m in 2024 (chance > 50%)

M&A Volume

(in EUR m)



The New Kontron



Cash Usage

Status liquidity Dec. 2022

- › EUR 437.8m cash on hand
- › EUR 138m ST receivables from Vinci (80m in Q1)
- › EUR 120m available lines
- › EUR 125.7m ST debt

➤ Liquidity amounts to EUR 700m

Cash usage for acquisitions and operations

- › Reduce factoring ST/debt by min. EUR 50m
- › Saves EUR 2m interest p.a.
- › Spend min. EUR 300m in acquisitions

Cash generation

Operat. CF	2022	2022	2021	2021
EUR m	Total	Cont. Op.	Total	Cont. Op.
Total	44.4	58.8	95.3	64.5

➤ We expect operat. CF of min. EUR 70m in 2023

Shareholder participation

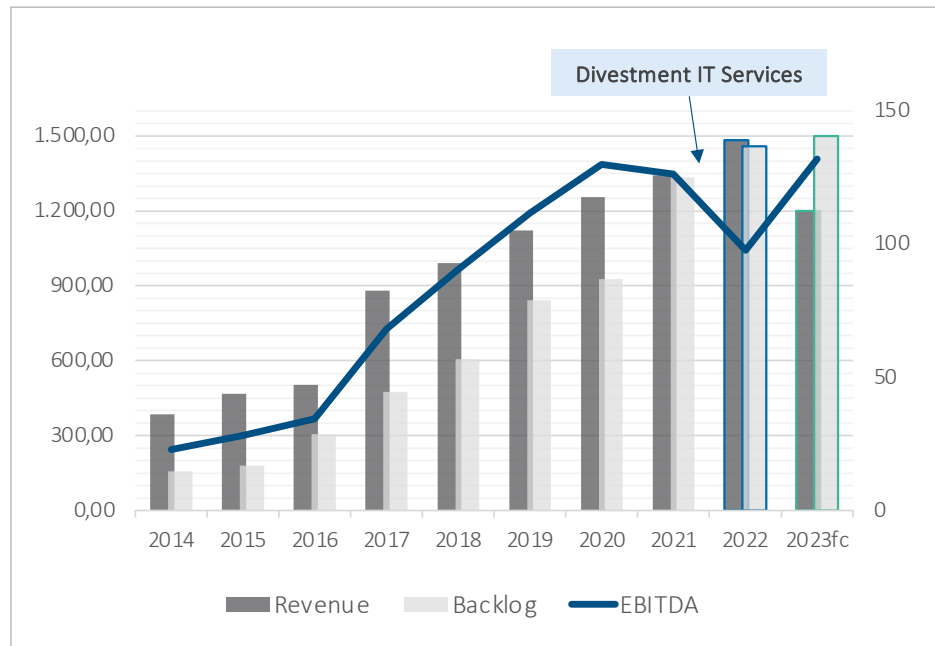
- › EUR 63m: Propose dividend of 1EUR/share in May
- › Rule: Spend 50% of net earnings in Dividend or SBB
- › 2023: SBB EUR 10m started, increase depending on share price

➤ 2023 spend min. EUR 75m (up to EUR 150m)
2024 est. min. EUR 35m

The New Kontron



Guidance 2023 increased by 10% to EUR 66m – we expect no extraordinary effects



Guidance 2023 & Outlook 2025		
	2023E	2025E
Revenue	EUR 1,200m	EUR 2,000m
EBITDA	>11%	13%
Net Profit	66m	140m

➤ Vision 2030: Transformation to IoTaaS / SLAs will boost Net Earnings close to 10%

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