

# kontron

## Explore the Kontron Group

We are a fast-moving multinational technology leader.



May 2023



# New Kontron: High- and Lowlights Q1 2023



## Highlights

- › **Increase in net profitability**  
EUR 16.6m (6% margin)
- › **Positive operat. cash flow**  
EUR 5.2m (Q1-23) vs. EUR -60m (Q1-22)
- › **EUR 438m of liquidity**  
+EUR 59m payable by Vinci;  
EUR 83m debt reduced in Q1-23
- › **EUR 1.57bn backlog**  
Q1 book-to-bill ratio of 1.41



## Q1 2023

## Lowlights

- › **Chip shortage:** EUR 88m of overdue orders (down EUR 39m from peak)
- › **Inventory/cash drain back to normal:** EUR -57m op. cash flow 1-9/2022; Since then strong recovery of +EUR 106m
- › **Share price:** -5.4% in April

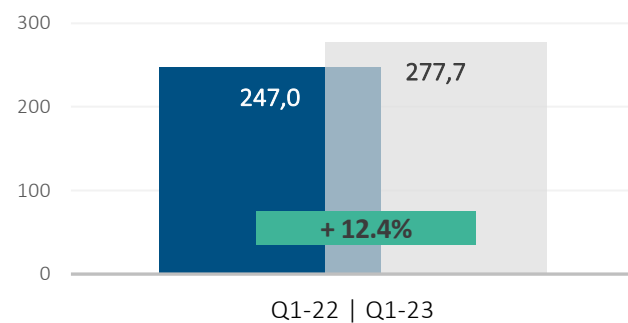
# KPI's Q1 2023

## Healthy start for the New Kontron



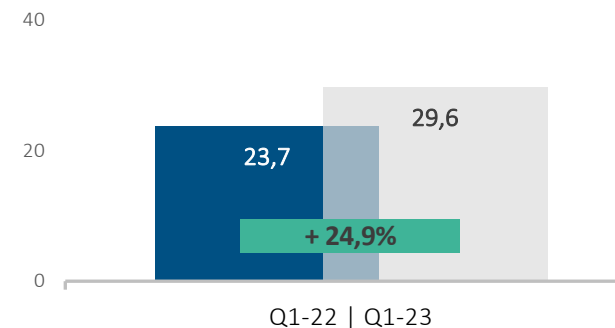
### Revenue

(in EUR m)



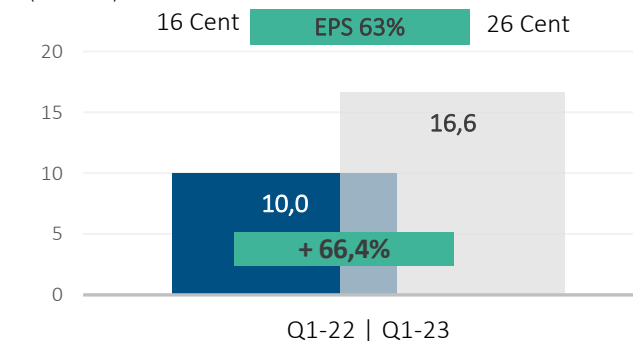
### EBITDA

(in EUR m)



### Operating Net Income after NCI\*

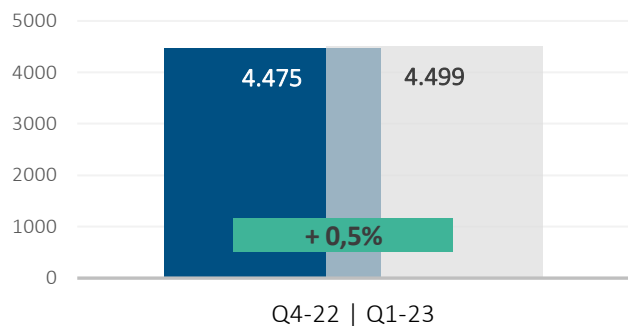
(in EUR m)



\* 2022 adj for DCO/sold IT

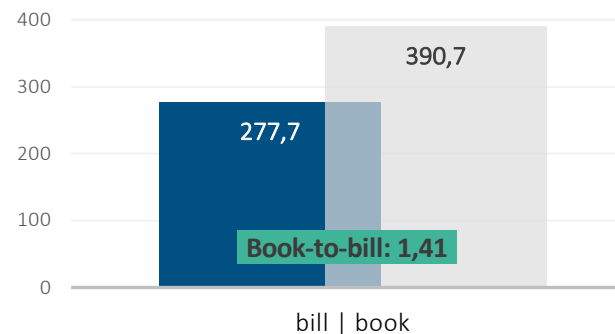
### Employees

(In FTEs)



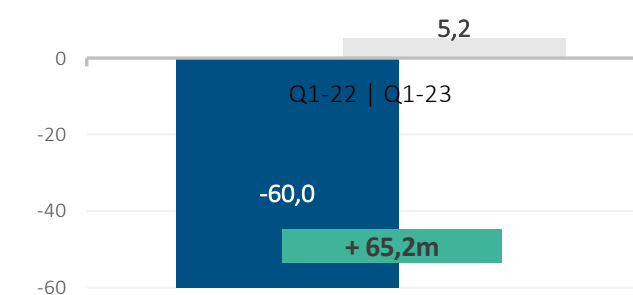
### Order Entry vs. Revenues; Total Backlog EUR 1,570m

(in EUR m)



### Operating Cash Flow

(in EUR m)



# Kontron Group Balance Sheet as of 31.03.2023



Equity and liquidity very strong

Mio. EUR	31.03.2023	31.12.2022
<b>NON-CURRENT ASSETS</b>	<b>413,2</b>	<b>412,1</b>
Fixed Assets	382,3	379,1
as of Property, plant and equipment	97,8	95,5
as of Goodwill	188,4	189,4
Other Assets	30,9	33,1
<b>CURRENT ASSETS</b>	<b>953,4</b>	<b>1028,8</b>
Inventories	213,4	192,6
Trade receivables	144,0	148,1
Contract Assets from Customers	47,0	54,2
Cash and cash equivalents	438,4	437,8
Other receivables and prepayments	104,6	189,8
assets classified as held for sales	6,0	6,3
<b>Total Assets</b>	<b>1366,6</b>	<b>1440,9</b>

	31.03.2023	31.12.2022
<b>EQUITY</b>	<b>645,8</b>	<b>635,7</b>
accumulated results	446,2	449,6
as of Treasury shares	-5,4	0,0
<b>NON-CURRENT LIABILITIES</b>	<b>258,5</b>	<b>268,7</b>
Long-term loans and borrowings	191,8	193,8
Other Non-Current Liabilities	66,7	74,9
<b>CURRENT LIABILITIES</b>	<b>462,3</b>	<b>552,6</b>
Trade payables	204,7	226,3
Contract Liabilities from Customers	79,6	78,5
Short-term loans and borrowings	61,6	125,7
Other Current Liabilities	116,4	117,3
liabilities classified as held for sale		4,8
<b>Total Liabilities &amp; Equity</b>	<b>1366,6</b>	<b>1440,9</b>

<b>Equity Ratio</b>	<b>47,3%</b>	<b>44,0%</b>
<b>Total Net Cash/(Net Debt)*</b>	<b>185,0</b>	<b>118,3</b>
<b>Working Capital excluding IFRS 15**</b>	<b>122,7</b>	<b>114,4</b>

➤ Very strong cash position: EUR 438m cash + EUR 59m open purchase price from Vinci

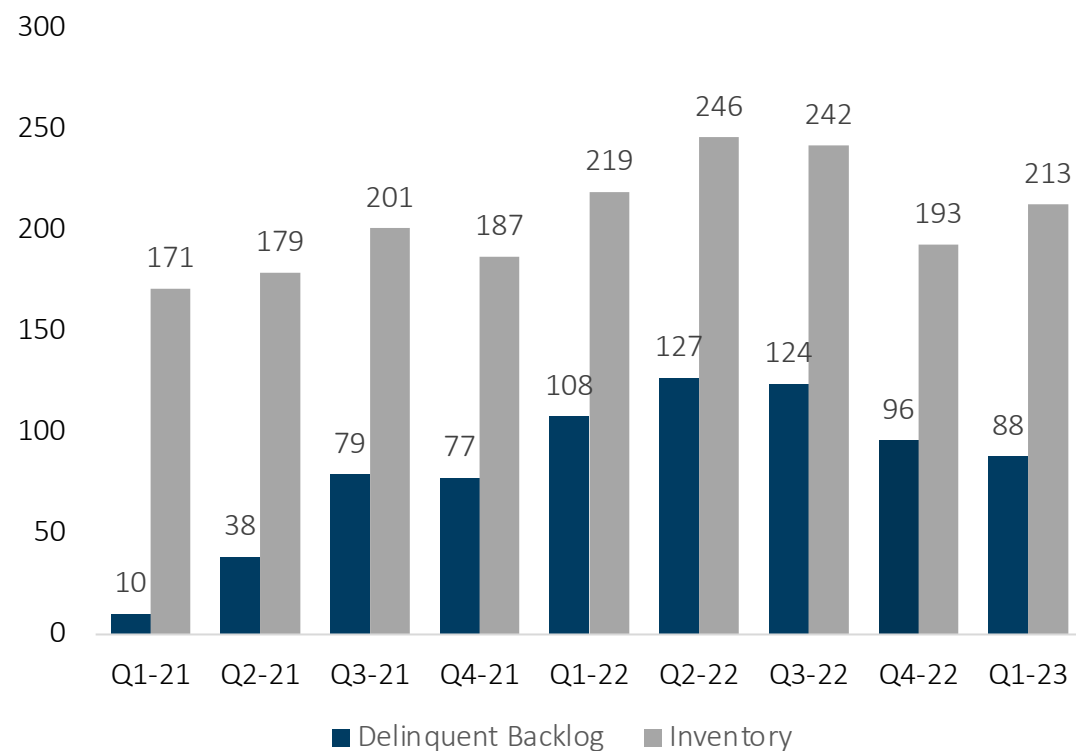
➤ In Q1 EUR 66,1m of financial debt and EUR 16.9m of factoring repaid

# Additional Disclosures

Q1 2023

## Delinquent Backlog and Inventory Development

(In EUR m)



## OP. CASH FLOW ADJUSTMENTS

In TEUR

5,224	STATED OP. CASH FLOW
16,905	Decrease in A/R factored in Q1-23
22,129	ADJUSTED OP. CASH FLOW

## ORGANIC GROWTH

In TEUR

	Q1-22	Q1-23
Stated revenues	247,019	277,671
Divestments (RUS/UA/BY/CZ+)		+7,372
Acquisitions (Lucom/Arce)		-4,470
ORGANIC GROWTH		<b>14.0%</b>

## GEOGRAPHICAL SPLIT Q1-23

(In %)

	Revenue	EBITDA
Europe	79.6%	86.4%
North America	12.8%	8.5%
Asia	7.7%	5.1%

# The New Kontron

## Bigger acquisitions planned



### M&A is a core competence of Kontron

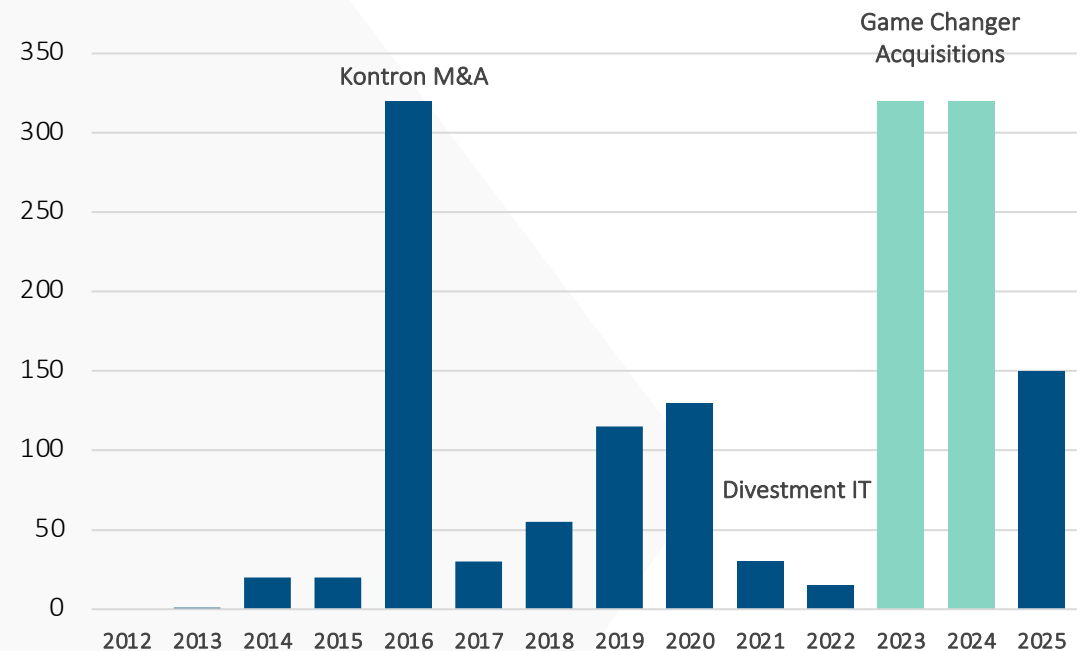
- › Half of growth by M&A (10% /year), half organic
- › Target: Restructuring situations at no profit = low prices
- › High synergies with Kontron = achieve >10% EBITDA within 2 years

### Kontron M&A pipeline

- › Currently 7 offers/LOIs running (av. size > EUR 100m revenue)
- › As of 5 for Software + Solutions, 1 for Europe, 1 for Global
- › As of 4 of them we have been working on > 1 year
- › As of 5 of them we expect a go/no go decision in the next 3 months
- › Only 1 target in structured process
- › Target is to close 2 transactions in 2023 (min. EUR 250m and up to EUR 700m in revenues)

### M&A Volume

(in EUR m)



We are negotiating hard to get the best price for Kontron, this takes time, but we are almost there



# The New Kontron

## Cash Usage 2023

### Liquidity on hand March 2022

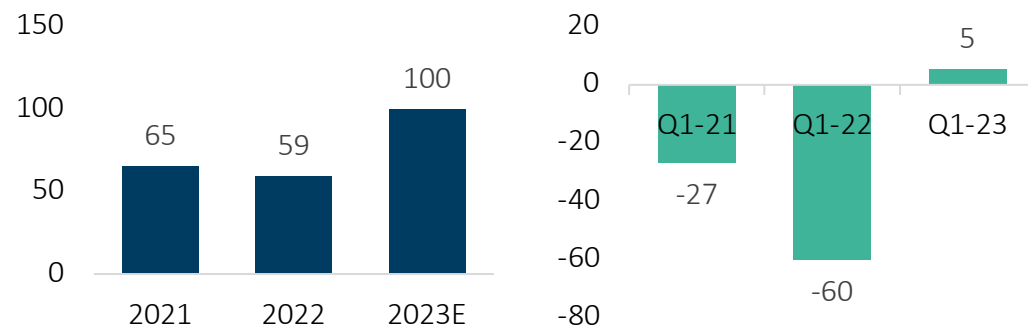
- › EUR 438.4m cash on hand
- › EUR 59m ST receivables from Vinci
- › EUR 180m non utilized lines
- › EUR 61.6 ST debt

➤ Liquidity amounts to EUR 700m

### Cash usage for acquisitions and operations

- › Q1 factoring reduced by 16.9m, ST debt by EUR 66.1m
- › Target Q2-Q4/23: reduce further EUR 20m debt
- › Spend ~EUR 300m in acquisitions

### Cash generation (op. CF)



### Shareholder participation

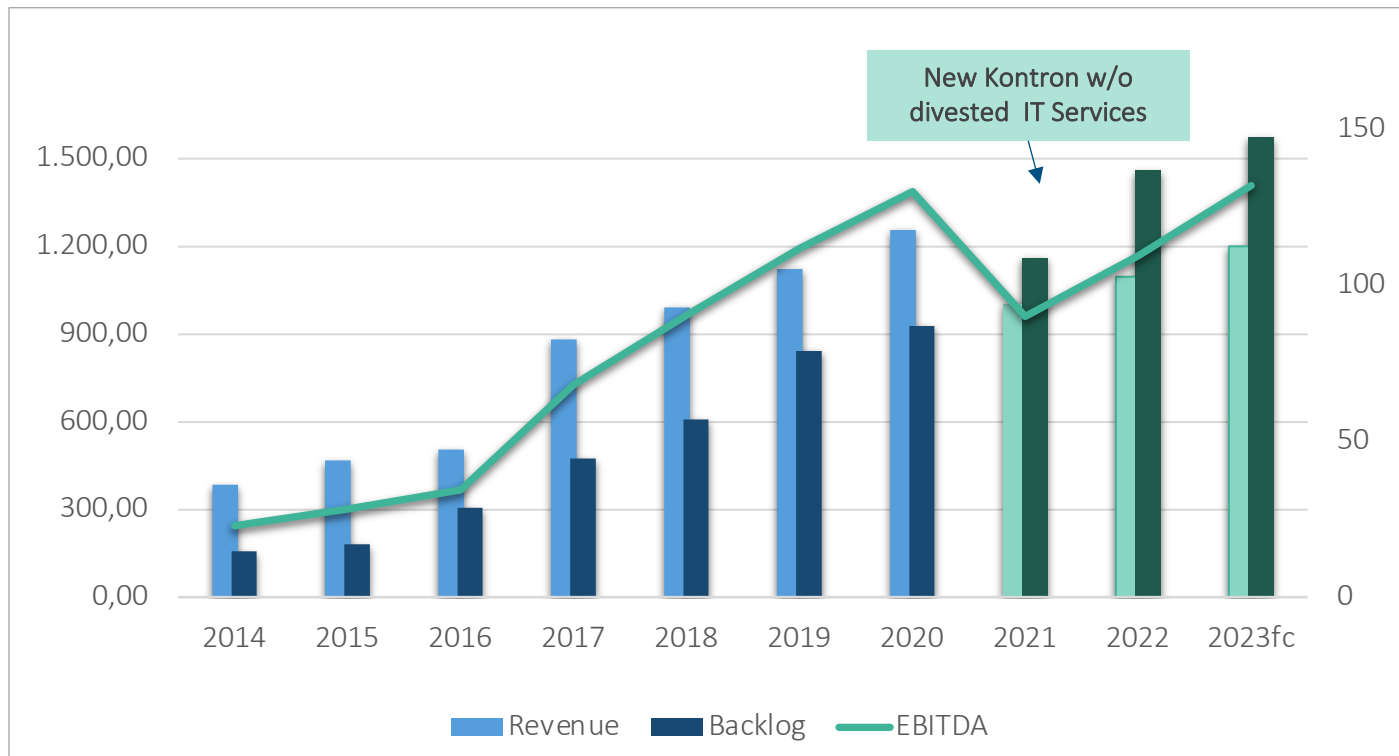
- › EUR 63m: Propose dividend of 1EUR/share in May
- › Rule: Spend 50% of net earnings in Dividend or SBB
- › 2023: SBB EUR 10m started, increase depending on share price

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

# The New Kontron



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



## Guidance 2023 & Outlook 2025

In EUR million	2023E	2025E
Revenue	1,200m	2,000m*
EBITDA	11%	13%
Net Profit	66m	140m

\* Incl. M&A

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



# Disclaimer

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