

Net income in 2023 slightly above expectations, 2024 guidance confirmed

Kontron reports final numbers for 2023. Revenues and net income were above expectations, while EBITDA and EBIT were slightly below, which we attribute to costs in the context of the five acquisitions announced in the 2nd half of 2023, among them the listed Katek SE. The company confirms the outlook for 2024, which points at revenue of at least EUR 1.9bn and a net profit of EUR 100m, which is roughly 10% above the current Factset consensus (PAsE: EUR 101m). We have a buy rating on the stock, TP EUR 31.

Kontron AG (EURm)	2022	Actual 2023	yoy (%)	Pareto 2023	Delta (%)	Consensus 2023	Delta (%)
Revenues	1,063	1,226	15	1,253	-2.1	1,236	-0.8
EBITDA margin	70.0 6.6%	126.0 10.3%	80 369 bps	135.1 10.8%	-6.7	134.1 10.8%	-6.0 -57 bps
EBIT margin	-2.0 -0.2%	86.5 7.1%	nm 724 bps	94.1 7.5%			
Net Income margin	55.5 5.2%	75.3 6.1%	36 92 bps	74.4 5.9%	1.2	72.3 5.8%	4.1 29 bps
EPS	3.65	1.23	-66	1.17	5.2		

Source: Pareto, Company, Factset

More first insights:

- The dividend proposal is at EUR 0.50 per share (PAsE: EUR 0.80).
- The order back is at EUR 1.7bn.
- There will be an analyst call today at 9 a.m. CET.

Knud Hinkel
+49 69 58997 419, knud.hinkel@paretosec.com

Pareto Securities AS has been paid by the issuer to produce this research report. This material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to the EU MIFID 2 directive.

For disclosures on relevant definitions, methods, risks, potential conflicts of interests etc. and disclaimers please see www.paretosec.com. Investment Recommendations should be reviewed in conjunction with the information therein. When distributed in the US: This document is intended for institutional investors and is not subject to all of the independence and disclosure standards applicable to equity/debt research reports prepared for retail investors. This material is considered by Pareto Securities to qualify as an acceptable minor non-monetary benefit according to Directive 2014/65/EU Article 24 (7)(8) and Commission Delegated Directive 2017/593.