

## Strong Q2 numbers and a (small) raise of the 2023 guidance

Kontron published strong Q2 figures that were a notch better than consensus expectations. Segment-wise, Global and Software & Solution exhibited a strong development. Moreover, order entry remained at a high level of 310m in the second quarter, resulting in a book-to-bill ratio of 1.1x. Kontron sticks to the guidance for 2023 regarding revenues and EBITDA but management now believes that the guided EUR 66m net income will be exceeded. Also, the 2025 guidance was re-iterated (revenues of 2bn@13% EBITDA margin). Our PT is EUR 28, the recommendation is buy.

Kontron AG (EURm)	Q2 2022	Actual		Pareto		Consensus		Pareto (pre Q2)		Consensus (pre Q2)	
		Q2 2023	Q2 2023	yoy (%)	Q2 2023	Delta (%)	Q2 2023	Delta (%)	2023e	2024e	2023e
<b>Revenues</b>	<b>246</b>	<b>283</b>	<b>15</b>	<b>282</b>	<b>0.4</b>	<b>279</b>	<b>1.5</b>	<b>1,287</b>	<b>1,739</b>	<b>1,220</b>	<b>1,360</b>
<b>Gross profit margin</b>	<b>37.8%</b>	<b>40.6%</b>	<b>24</b> 278 bps	<b>109</b> 38.7%				<b>515</b> 40.0%	<b>696</b> 40.0%	<b>464</b> 38.0%	<b>511</b> 37.6%
<b>EBITDA margin</b>	<b>24.8</b> 10.1%	<b>31.3</b> 11.1%	<b>26</b> 97 bps	<b>29.9</b> 10.6%	<b>4.8</b>	<b>30.1</b> 10.8%	<b>4.1</b> 27 bps	<b>142</b> 11.0%	<b>209</b> 12.0%	<b>129</b> 10.6%	<b>150</b> 11.1%
Europe	18	18	0								
Global	2	5	139								
Software & Solutions	4	8	84								
<b>EBIT margin</b>	<b>12.6</b> 5.1%	<b>22.2</b> 7.9%	<b>77</b> 274 bps	<b>20.9</b> 7.4%				<b>92</b> 7.2%	<b>133</b> 7.6%	<b>88</b> 7.2%	<b>103</b> 7.6%
<b>Net Income margin</b>	<b>9.0</b> 3.7%	<b>17.4</b> 6.1%	<b>93</b> 248 bps	<b>17.0</b> 6.0%	<b>2.1</b>	<b>16.7</b> 3.9%	<b>4.2</b> 229 bps	<b>69</b> 5.4%	<b>99</b> 5.7%	<b>70</b> 5.7%	<b>85</b> 6.3%
<b>EPS</b>	<b>0.14</b>	<b>0.30</b>	<b>111</b>	<b>0.27</b>	<b>10.3</b>			<b>1.09</b>	<b>1.56</b>	<b>1.07</b>	<b>1.32</b>

Source: Pareto, Company, Factset

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