

kontron

Explore the Kontron Group

We are a fast-moving multinational technology leader.

Acquisition of the majority in KATEK SE

18th January 2024



Our biggest acquisition so far

Date	Action	Impact	Comment
2 Jan	LOI signed for 59.4%	Start DD	Min EUR 400k cost
17 Jan	Financial + tax DD completed	Ebner Stolz	
17 Jan	Legal DD completed	Pinsent Mason	
17 Jan	Commercial DD completed	Kontron internal resources	
18 Jan	Signing SPA	Announcement + conference call	Start regulatory approval processes in Germany, Austria and United States
March	Close SPA for 59.4%	Consolidate	Changes in Katek SVB + Mgmt; Preparation of mandatory tender offer
April	Mandatory tender offer	Offer to freefloat	Prepare delisting

The transaction details



- › Kontron signed an agreement to buy 8,587,138 shares (= approx. 59.4%) of KATEK SE from Primepulse SE
- › Signing is conditional to antitrust approvals – closing expected in March 2024
- › Price for the stake: EUR 128.8m (EUR 15 per share), no capital increase for financing expected
- › Following the closing, Kontron will release a mandatory tender offer to acquire 100% in Katek at EUR 15 per share and delist Katek
- › Optional Kontron share offer for KATEK shareholders pending Bafin approval

About Katek SE

- › Katek SE is a technology company active in electronics and GreenTec listed in the prime market in Frankfurt
- › Katek forecasted more than EUR 750m revenues for 2023 and employs approx. 3,200 people
- › Main product and technology are control for solar systems and smart wall chargers for electric cars

KATEK: International company with German headquarter

Strong Footprint as First Mover with Green Technologies



eMobility, Renewables/Solar,
Aerospace & Defense, Electronics



>1,500 customers
(e.g. Porsche, Viessmann, Bosch)

EUR >750m (2023E)
Revenues



KATEK



HQ Munich, Germany
Footprint in Europe,
North America and Asia

EUR 38m (2023E) adj. EBITDA
EUR 26.8m (1-9M 2023) opCF



>3,200 employees

Katek management



- › At closing Klaus Weinmann (Chairman) and Markus Saller will leave Katek's SVB
- › Kontron will propose 2 new SVB Members
- › Constanze Chwallek will stay at the SVB to represent independent shareholders
- › CEO Rainer Koppitz will resign Feb 29th 2024 but supports the transaction as an advisor. He is expected to be replaced in March by Kontron CEO Hannes Niederhauser
- › CFO Dr Johannes Fues will leave KATEK end of April 2024, but is expected to join Kontron's management board responsible for the new division "GreenTec"

An industry changing merger – but smooth integration expected



- › Integration risks low:
 - › Similar beliefs
 - › Same language
 - › Complementary markets and products
 - › Entrepreneurial culture
 - › Close partnership since many years
 - › Identified home ports for technologies and products to flourish

Investment Rationale: Complementary solutions

Transform pioneering Green Technologies with leading IoT software



KATEK

kontron


Pioneering Green technologies

- › Power electronics (inverters) for solar energy storage systems
- › Charging solutions for electric vehicles



Leading IoT Software technology provider

- › Internet access with Firewall security
- › Remote control and grids
- › Remote maintenance

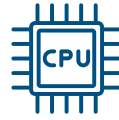
- 
- › Upgrade GreenTec products
 - › Increase Gross Margin > 5%
 - › Increase profitability > 5%

KATEK products

Strong foothold in green technologies



Electronics
manufacturing



Electronic prototyping, production and end-of-life services for complex and fast-moving products

eMobility



Intelligent charging solutions for electric vehicles (certified automotive supplier)

Renewables/Solar



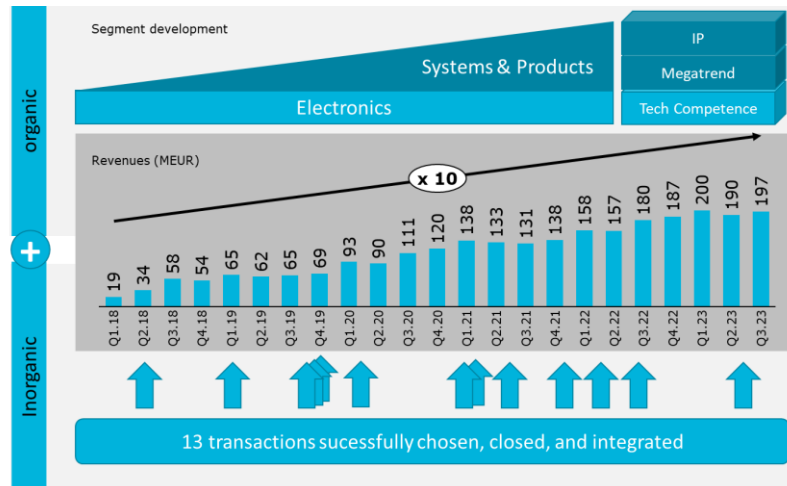
Hybrid inverters and energy storage systems for solar energy solutions with associated cloud software

Air & Defense



Highly complex products for critical applications, prototyping and low to medium-volume production (ITAR-registered)

KATEK background: 5 years of successful strategy implementation



Strategic Objectives (2019)

- › Become a Market Leader for High Value Electronics in Europa
- › Cover entire Value Chain of Electronics, especially Engineering, Prototyping & Production
- › Strong Organic & Inorganic Growth
- › Serve European Customers Globally „Local2Local“
- › Build a new Segment „Systems & Products“ with strong GreenTec Portfolio

Phase I fully achieved, Phase II accelerated by Kontron Merger

All Strategic Milestones Phase I achieved:

- › **Strongest growth** in the European electronics industry (10-folding revenues since start)
- › **Electronics partner of choice** for leading German and European brands (Porsche, Viessmann, Bosch, and other)
- › Successful Establishment of **Segment Systems & Products with Green Tech DNA**
- › From southern German provider to **multinational company** (Europe, USA, Canada, Malaysia and Singapore)
- › Use crisis such as the pandemic, supply bottlenecks for chips, etc. to massively **expand market shares**



Phase II: Turn size into profit

- › Strategy phase already started and announced in Q3 2023
- › Ready for the next bold thing: Merger with Kontron offers best opportunity to pursue future growth and profitability targets

Kontron financials – after KATEK acquisition

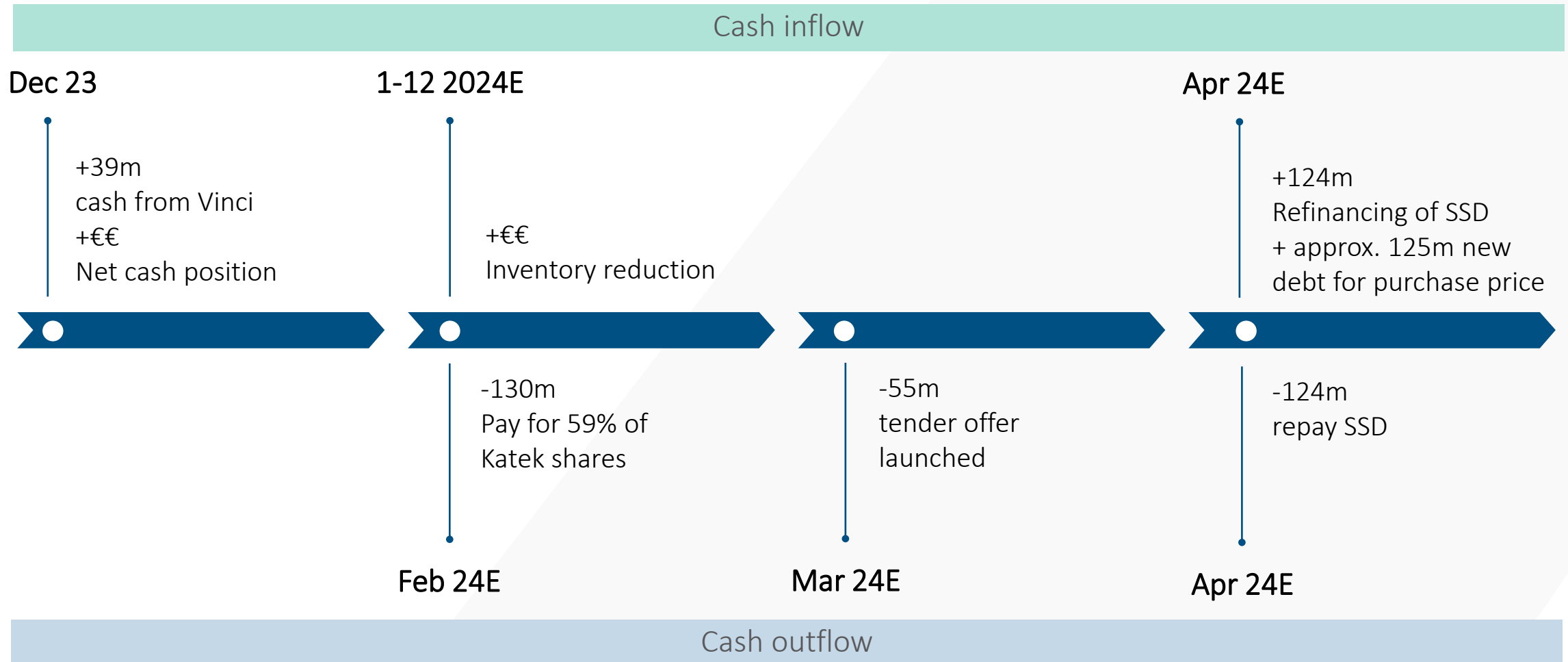
Agenda 2025 will be achieved



in EUR m	Kontron 2023E	Kontron (incl. Katek) 2024E	Comment
Revenues	1,200	1,900	Agenda 2025 within reach
Gross Margin (in %)	39%	37%	Phase out low margin business to achieve > 40% in 2025
Net profit	>72m	100	39% net profit growth (2024) after 28% in 2023
Employees	Approx. 4,700	Approx. 8,000	Increasing manpower & engineering strength
Equity ratio	39%	37%	2025: Back to 40%
Cash	292 (9/23)	255	Assumptions: no additional share buy backs; Already in place: EUR 130m non-utilized lines
Net cash	>70	-95	<0.75x EBITDA expected, will improve in view of planned inventory reduction

Liquidity and cash development (expected)

Net cash inflow will outweigh net cash outflow in 2024



Planned deal timeline

Highlights of Transaction



18 January

Announcement
acquisition of 59.4%
of Katek SE shares

pending

Issuance of the
necessary antitrust
approvals

March

Completing
acquisition of 59.4%
of Katek SE shares

Mandatory
Take-Over Offer for
remaining Katek SE
shareholders

April/May

Completion
mandatory takeover
offer + Delisting

End of Share
buyback program II
2023

Consolidation of
Katek SE

Integration of Katek
business initiated

January

March

April/May

Kontron 2024 – incl. KATEK (preliminary structure)

10 new divisions in 3 segments

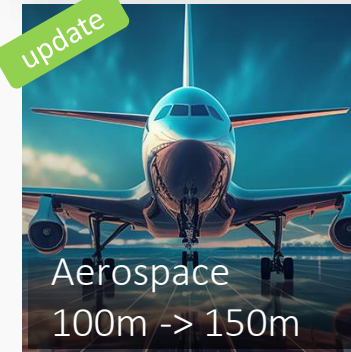
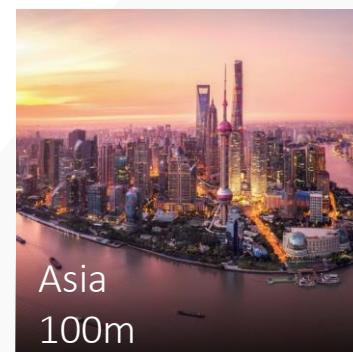
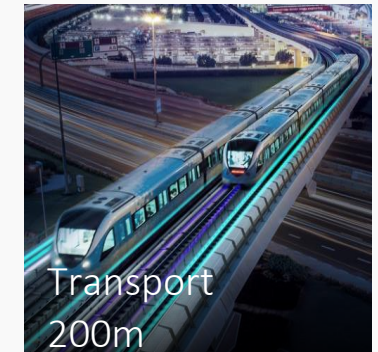
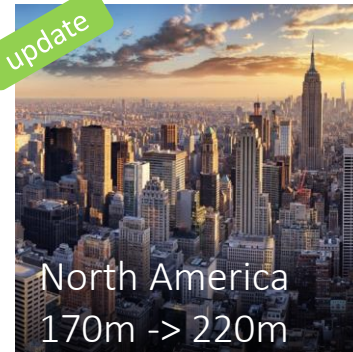
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KATEK

Lead the category

Europe

Global

Software & Solutions



Rev FC 24	EBITDA**	9%
€ 1,290m	GM	35%

Rev FC24	EBITDA**	8%
€ 320m	GM	30%

Rev FC24	EBITDA**	15%
€ 770m	GM	50%

New Guidance (incl. KATEK)

2024E: Net profit of EUR 100m and revenues of EUR 1,900m

New Guidance 2024 & Outlook 2025				
(in EUR million)	2024E (excl. M&A) old	2024E (incl. Katek) new	2025target (incl. M&A) old	2025target (incl. Katek) new
Revenue	1,400m	1,900m	2,000m	2,200m
Net Profit	>87m	100m	140m	140m

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

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Q&A
