

NORBIT

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Fourth quarter and full-year 2024 presentation

CEO Per Jørgen Weisethaunet
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13 February 2025

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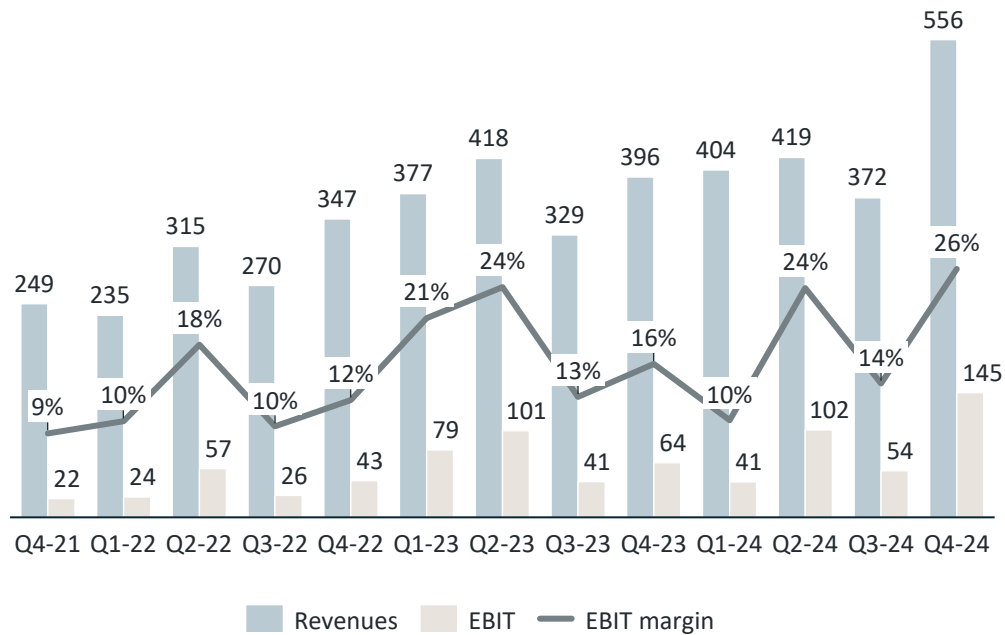
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Highlights

Ending the year with a record quarter

Revenues and EBIT

NOK million



Fourth quarter 2024

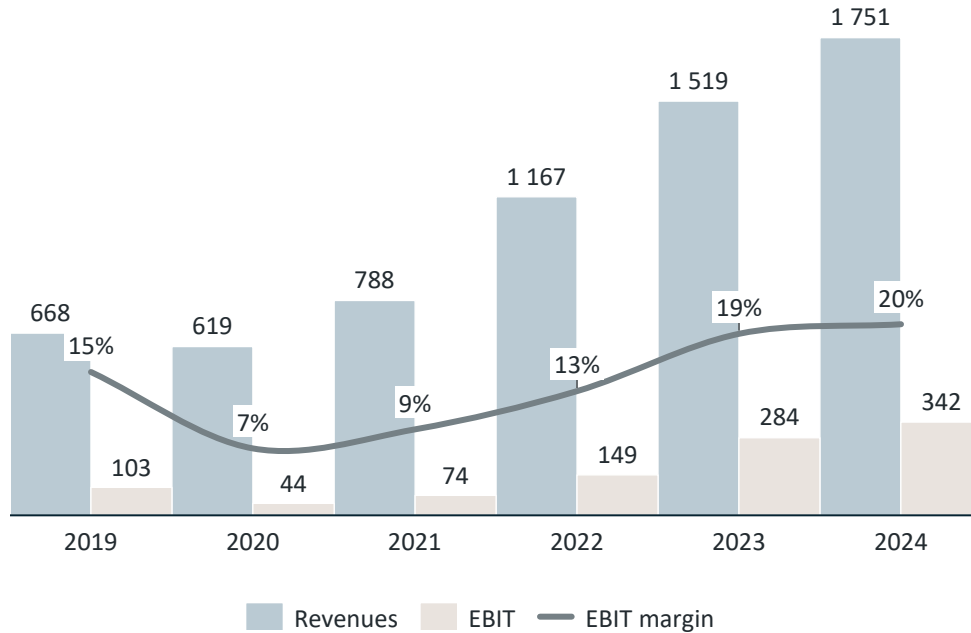
- 40 per cent revenue growth from Q4-23
- Strong underlying organic growth in all business segments, accelerated further with M&A
- EBIT ended at a record high NOK 145 million, resulting in a margin of 26 per cent

Highlights

A journey of sustained profitable growth

Revenues and EBIT

NOK million



Full-year 2024

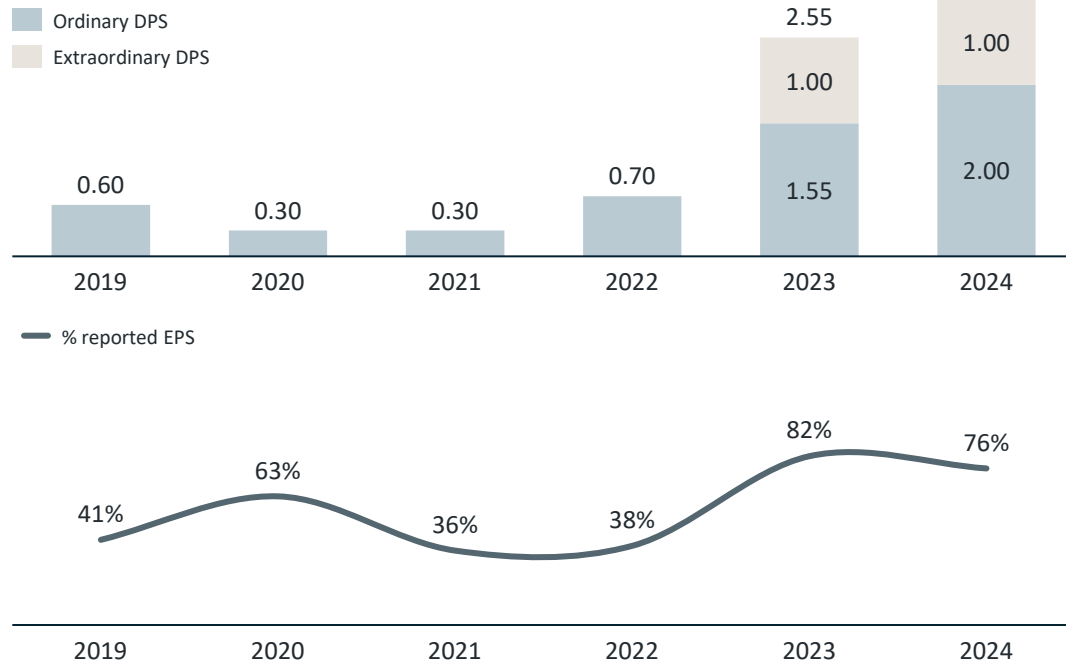
- Revenues of NOK 1 751 million, up 15 per cent from 2023
- Improved profitability with EBIT of NOK 342 million, representing a margin of 20 per cent
- Diluted earnings per share of NOK 3.93, a 27 per cent increase from NOK 3.10 in 2023

Highlights

Returning cash to the shareholders in line with the dividend policy

Dividend declared

NOK



Dividend policy

NORBIT ASA's objective is to provide shareholders with a long-term competitive return through an increase in the share price and payment of dividends.

The dividend policy is to pay out annual ordinary dividends between 30 and 50 per cent of the company's net profit after tax, with the intention to pay out potential excess capital as extraordinary dividends.

When proposing the total dividend payment, the board of directors will take into account the company's financial position, investment plans, any restrictions by law, as well as the needed financial flexibility to provide for sustainable growth.

To that end, the company has set long-term financial targets relating to its capital structure to have a NIBD/EBITDA ratio between 1.0 – 2.5x.

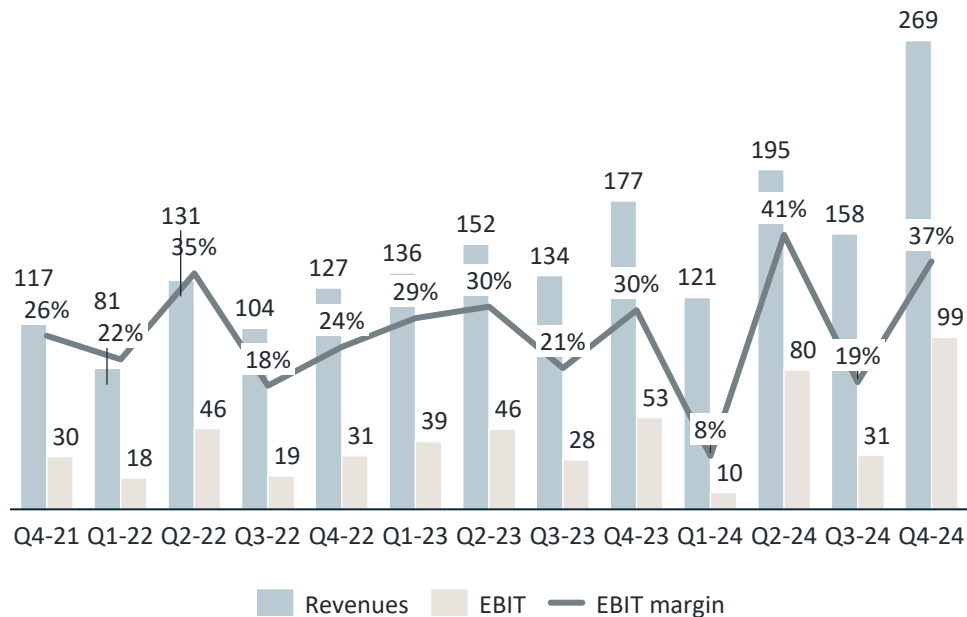


OCEANS

Strong growth and solid profitability in the quarter

Revenues and EBIT

NOK million



Fourth quarter 2024

- Revenues of NOK 269 million, an increase of 52 per cent from NOK 177 million in Q4-23
 - Adjusting for Innomar acquisition, growth was 36 per cent
 - No revenue recognition in the quarter on the NOK 75 million security project won in September
- EBIT margin of 37 per cent, up from 30 per cent in Q4-23
 - Strong revenue growth drove margins up in the quarter

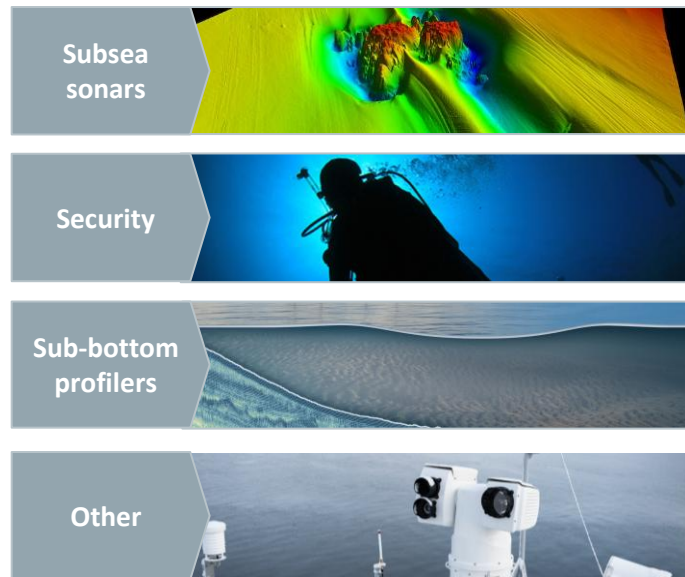
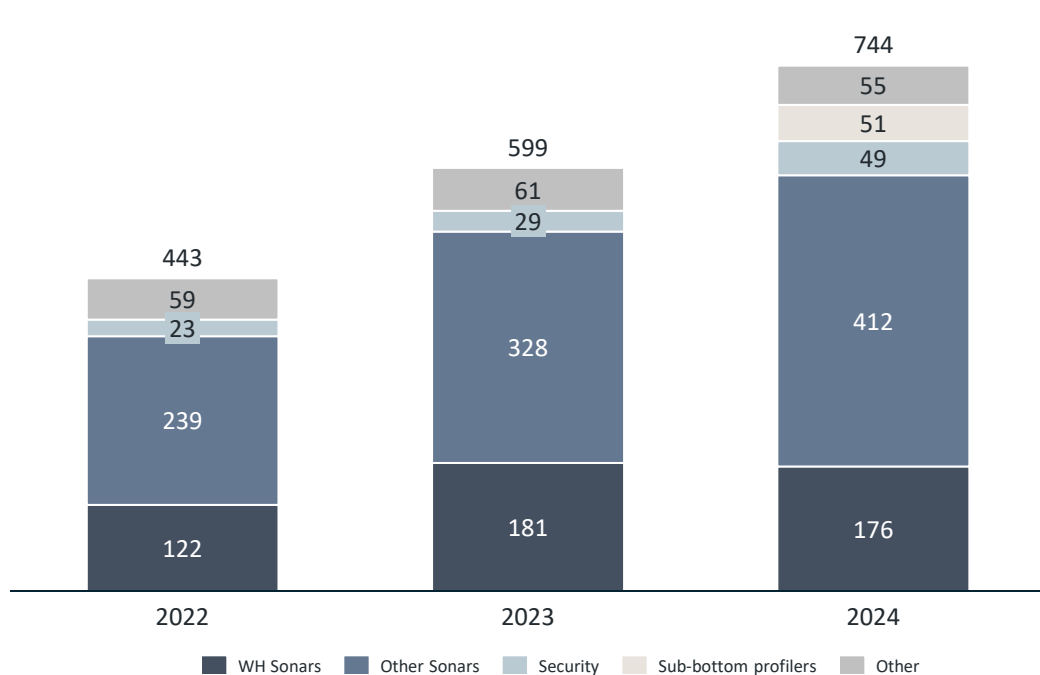
Full-year 2024

- Revenues of NOK 744 million, an increase of 24 per cent from 2023
- EBIT margin of 29 per cent, up from 28 per cent in 2023

Continued growth in 2024 primarily driven by strong sonar sales and M&A

Oceans' revenue mix

NOK million



Oceans

Increasing the addressable market for ocean exploration by broadening the product offering



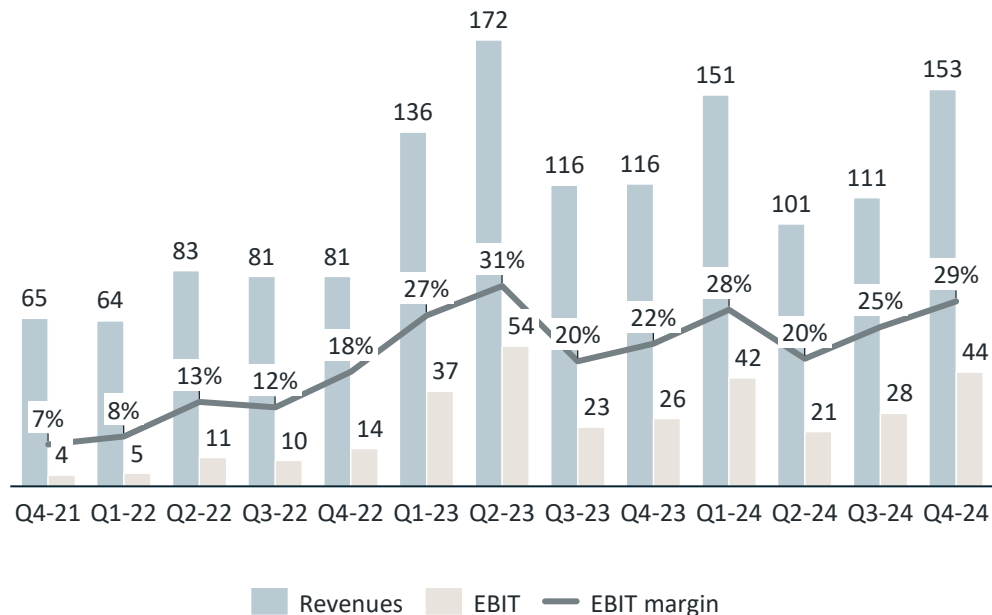


CONNECTIVITY

Solid quarter delivered with improved margins

Revenues and EBIT

NOK million



Fourth quarter 2024

- Revenues of NOK 153 million, representing an increase of 31 per cent from Q4-23
 - Driven by increased sales of On-Board Units (OBU's)
 - Supply chain constraints pushed ~NOK 20 million of orders of enforcement modules for tachographs into 2025
- EBIT margin of 29 per cent, up from 22 per cent in Q4-23

Full-year 2024

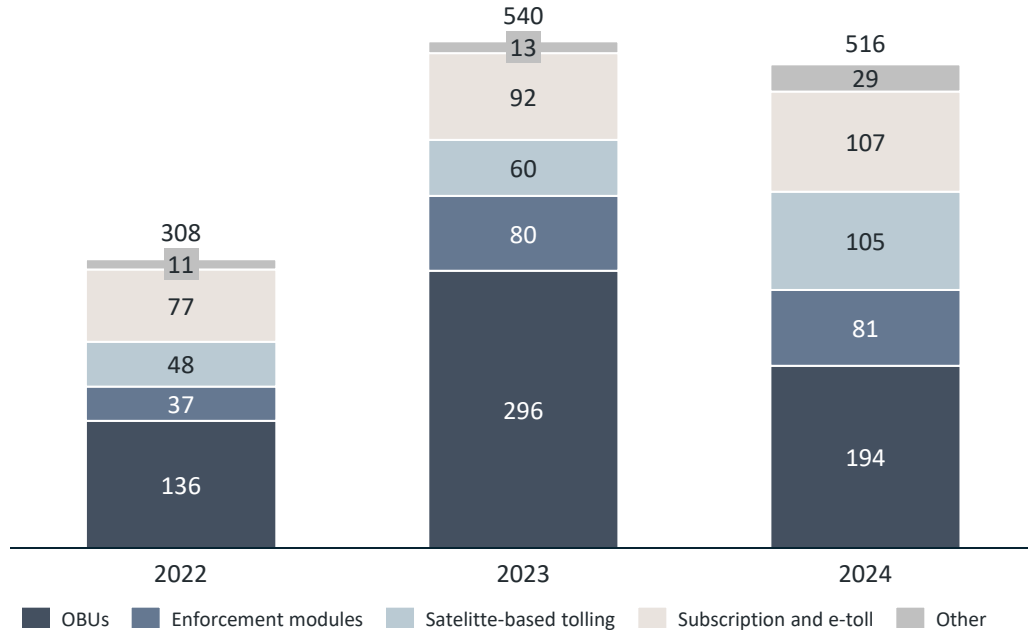
- Revenues of NOK 516 million, a decrease of 5 per cent from the same period last year
- EBIT margin of 26 per cent, on par with EBIT margin reported in full-year 2023

Connectivity

Growth in deliveries of satellite-based units offset by decline on On-Board Units due to rescheduling of orders

Connectivity revenue mix

NOK million



The GNSS OBU project moving forward

- Development of GNSS OBU continuing with full force
- Sourcing of components well underway
- New robotised production line to be installed in April
- Deliveries under the NOK 160 million contract awarded by Toll4Europe to start from July 2025



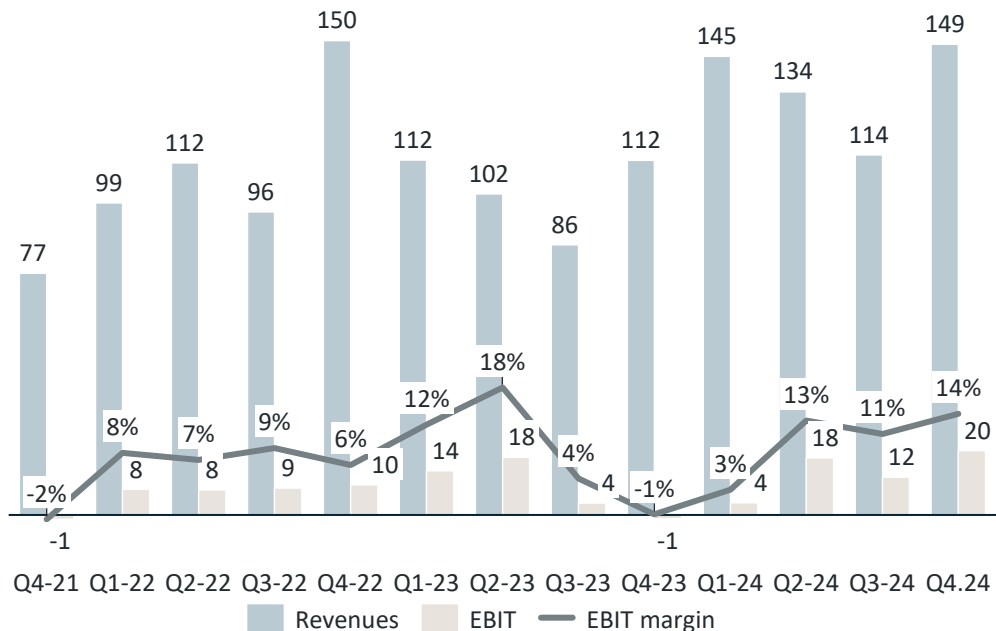


PIR

Growth and improved profitability

Revenues and EBIT

NOK million



Fourth quarter 2024

- Revenues of NOK 149 million, up 33 per cent from Q4-23
 - Driven by increased demand from the defence and security sectors within contract manufacturing
- EBIT margin of 14 per cent, up from -1 per cent in Q4-23 on improvement in gross margin and higher revenue base

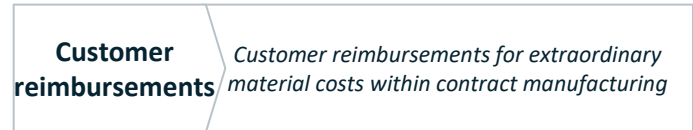
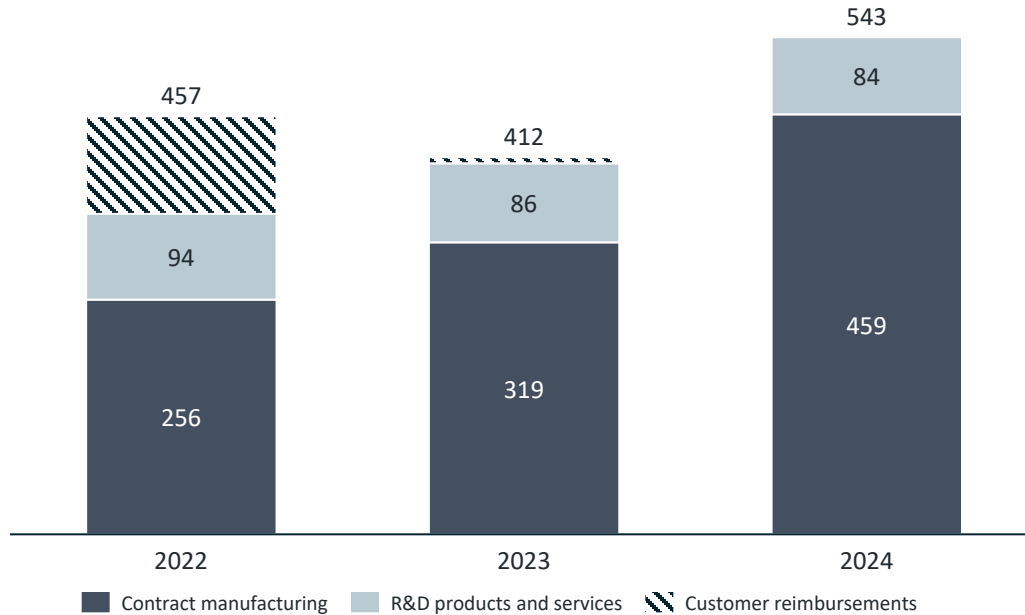
Full-year 2024

- Revenues of NOK 543 million, up 32 per cent from full year 2023
- EBIT margin of 10 per cent, compared to 8 per cent in 2023

Strong demand from the defence and security sectors within contract manufacturing

PIR revenue mix

NOK million



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Group financials



Profit and loss statement

<i>Amounts in NOK million</i>	Q4 2024	Q4 2023	FY 2024	FY 2023
Revenues	556.1	396.0	1 751.4	1 518.9
Raw materials and change in inventories	211.3	159.7	704.6	614.7
Employee benefit expenses	119.1	104.3	416.3	360.3
Other operating expenses	43.4	40.0	156.4	152.2
EBITDA	182.4	92.1	474.0	391.8
Depreciation and amortisation expenses	33.9	28.5	128.9	107.7
Impairment expenses	3.4	-	3.4	-
Operating profit / EBIT	145.0	63.6	341.7	284.2
Net financial items	(9.4)	(7.6)	(23.4)	(38.1)
Profit before tax	135.6	56.0	318.3	246.0
Income tax expense	(29.6)	(13.2)	(75.0)	(60.8)
Profit for the period	105.9	42.9	243.3	185.3

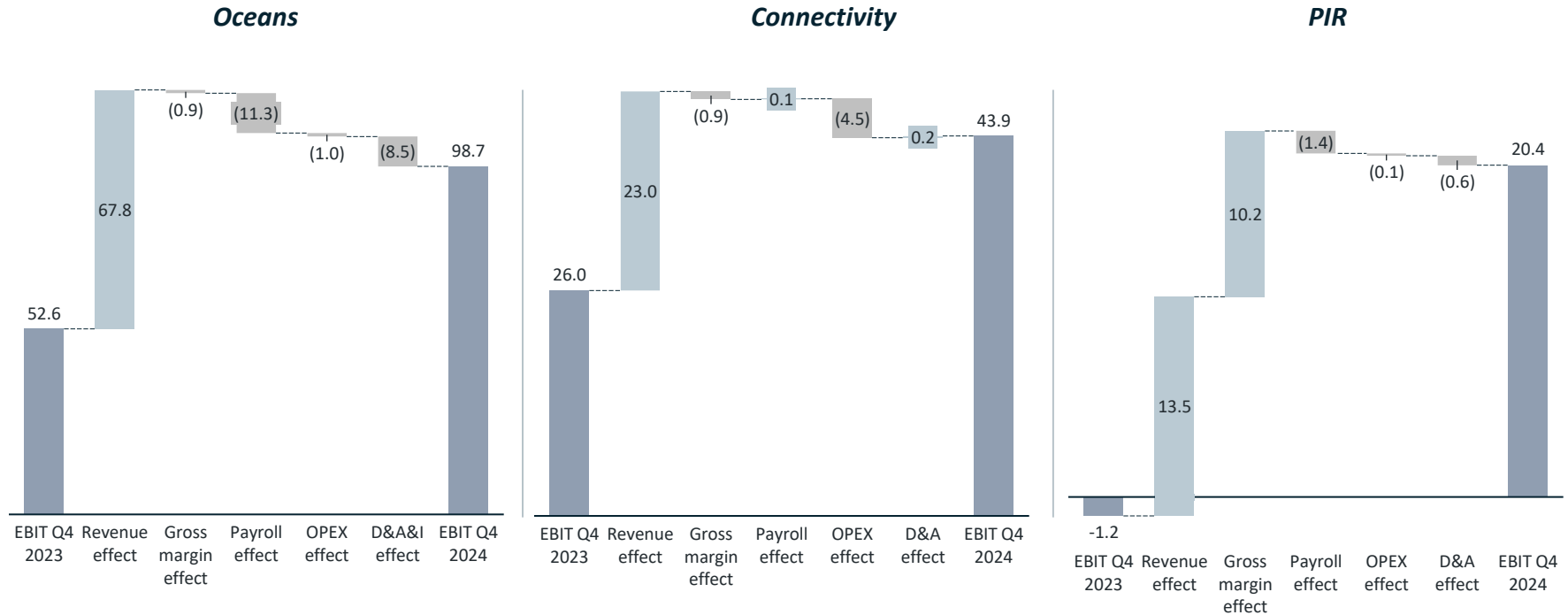
Fourth quarter of 2024

- Revenues of NOK 556.1 million, up 40 per cent from Q4-23
 - Adjusted for the Innomar acquisition, growth rate was 33 per cent
- Gross margin of 62 per cent, up from 60 per cent in Q4-23
 - Explained by improved margin in segment PIR and segment mix
- Increase in employee benefit of NOK 14.8 million from Q4-23, primarily due to the inclusion of Innomar (NOK 7.3 million), wage inflation and new hires in line with growth strategy
- EBITDA of NOK 182.4 million (33 cent margin), up from NOK 92.1 million in Q4 2023 (23 per cent margin)
- EBIT of NOK 145.0 million (26 per cent margin), up from NOK 63.6 million in Q4 2023 (16 per cent margin)
- Net financial items of negative NOK 9.4 million (negative NOK 7.6 million)
 - This included NOK 9.9 million in net interest expenses and NOK 0.6 million in foreign exchange gains and other financial income
- Net profit for the period of NOK 105.9 million

Improved profitability in all three business segments

Segment EBIT development Q4 2024 vs. Q4 2023

NOK million



Balance sheet

Amounts in NOK million

	31.12.24	30.09.24	31.12.23
ASSETS			
Property, plant and equipment (incl. right-of-use assets)	274.0	268.5	220.5
Intangible assets	418.9	402.8	303.2
Goodwill	497.4	495.4	111.1
Deferred tax asset	14.6	17.7	13.9
Inventories	434.7	473.0	562.0
Trade receivables	273.4	193.8	170.3
Other receivables and prepayments	66.4	49.3	48.1
Other assets	12.6	17.7	6.6
Cash and cash equivalents	193.3	116.1	60.7
Total assets	2 185.3	2 034.3	1 496.4
LIABILITIES			
Interest-bearing borrowings	447.2	468.4	211.5
Lease liabilities	95.3	93.2	54.7
Trade payables	145.9	114.4	174.5
Other current liabilities	227.1	183.0	191.8
Other liabilities	112.4	134.3	70.5
Total liabilities	1 027.9	993.4	702.9
Total equity	1 157.3	1 040.9	793.4
Total liabilities and equity	2 185.3	2 034.3	1 496.4

Fixed and intangible assets

- Land and PPE: An increase of NOK 5.5 million due to investments in machinery and equipment
- Intangible assets: An increase of NOK 16.1 million primarily related to investments in R&D with high activity on the GNSS OBU project

Working capital

- Inventories: Down NOK 38.2 million from prior quarter due to strong focus on inventory management and purchasing strategies
- Trade receivables: Increased NOK 79.6 million on Oceans' sequential revenue growth and intra-quarter effects
- Trade payables: Increase of NOK 31.5 million

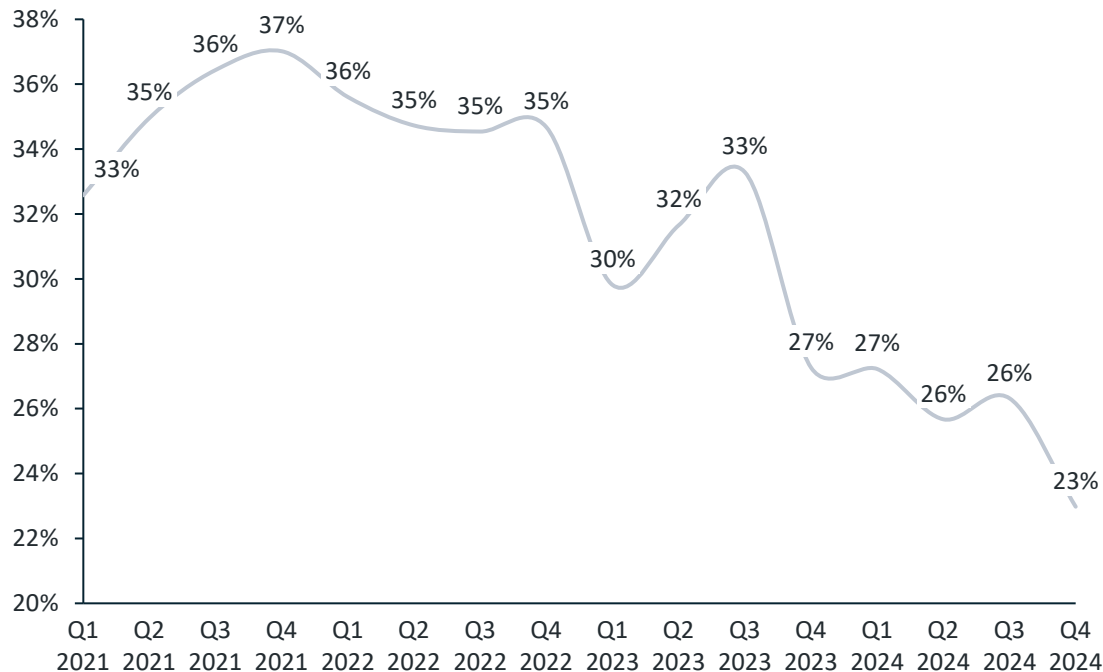
Net-interest bearing debt and equity

- Total borrowings of NOK 447.2 million vs. NOK 468.4 million as per end of Q3
- Net-interest bearing debt (excl. lease liabilities) of NOK 254.0 million, a reduction of NOK 98.4 million from end Q3
- Equity of NOK 1 157.3 million, representing an equity ratio of 53 per cent

Continued improvement in working capital efficiency

Net working capital¹

Per cent of last twelve months revenues



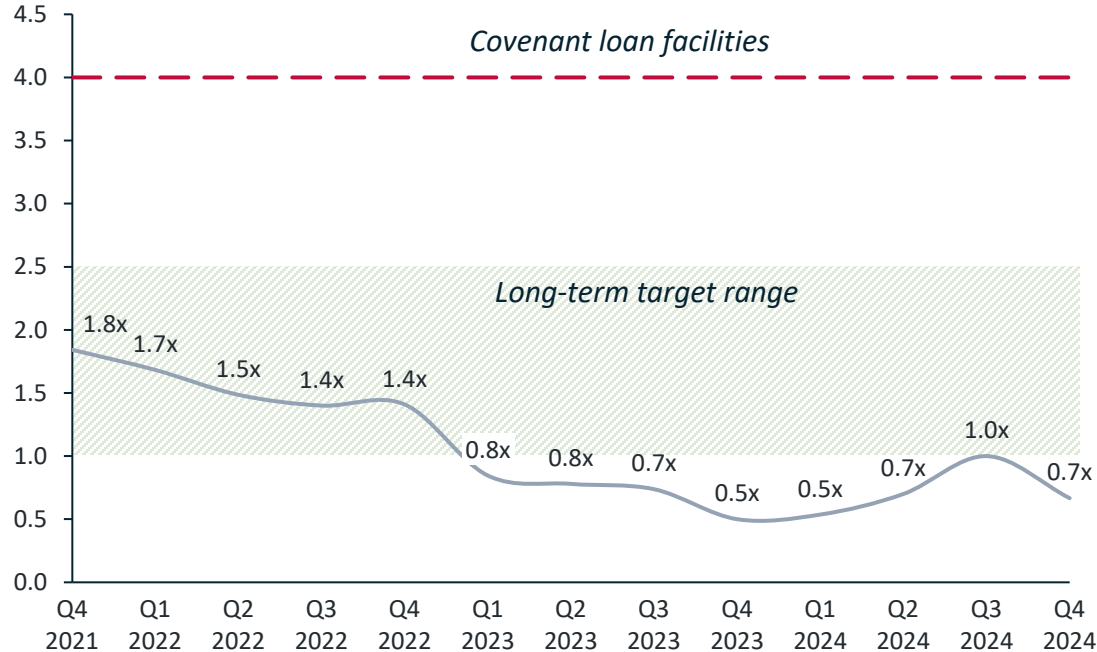
- Working capital efficiency improving post a challenging period in the supply market for raw material components last years:
 - Net working capital ratio at 23 per cent of last twelve months revenues and 18 per cent Q4-24 annualized
- Inventory reduced approximately NOK 130 million in 2024 on improved inventory management and adapting purchasing strategies
- Continuing to maintain high cash conversion rate on receivables
- Larger fluctuations in working capital, especially on inventory, must be expected in 2025 given revenue plan and with the introduction of GNSS OBU

1) Net working capital defined as trade receivables + inventory + other receivables and prepayments, less trade payables and other current liabilities

A strong balance sheet that enables flexibility

NIBD/EBITDA

EBITDA 12 month rolling



- Maintaining a strong balance sheet and liquidity position are first priorities for capital allocation:
 - Provide for financial flexibility
 - Prudent risk management
 - Operating well within covenants
 - Maintain strong creditworthiness

- Long-term target level between 1.0 – 2.5x NIBD/EBITDA over the cycle

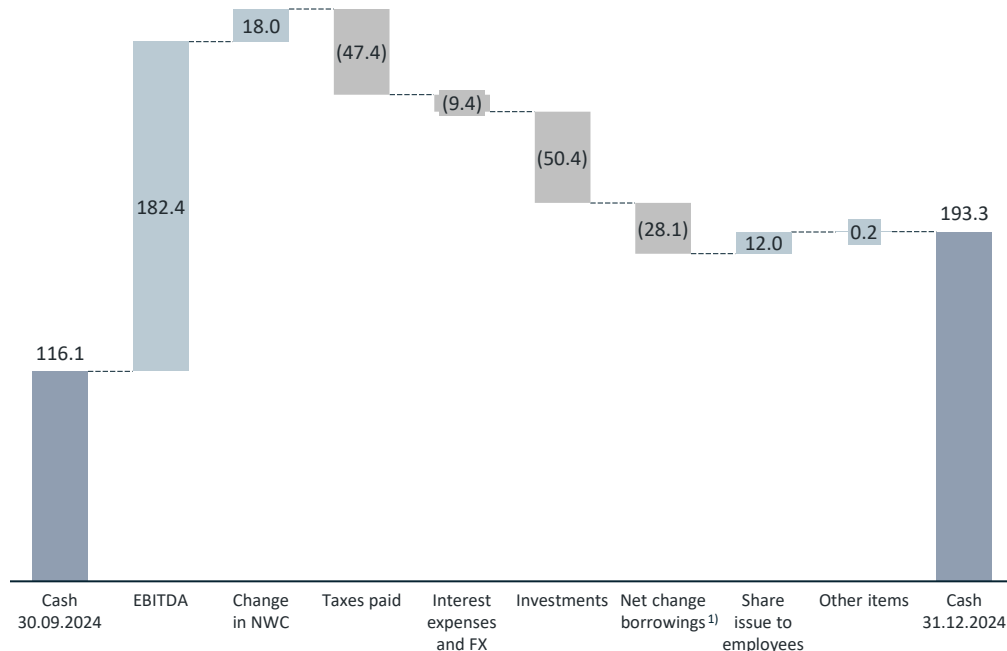
- Covenants in loan facilities at 4.0x NIBD/EBITDA and equity ratio > 30%
 - 53% equity ratio at Q4 2024

- Cash and undrawn credit facilities were NOK 743.3 million per end of Q4

Cash flow for the quarter

Cash flow development fourth quarter 2024

NOK million



1) Including repayment of leases

Fourth quarter of 2024

- Operating cash flow of positive NOK 143.7 million
 - Net decrease in working capital of NOK 18.0 million, mainly related to reduction in inventories, increase in trade payables, partly offset by an increase in trade receivables
- Net cash used in investing activities totalled NOK 50.4 million
 - NOK 36.8 million invested in R&D
 - NOK 13.6 million invested in machinery and equipment
 - Guidance for 2025 ~ NOK 100 million in R&D investments and ~ NOK 110 million investments in fixed assets
- Financing activities led to a cash outflow of NOK 16.1 million following repayment of debt and leases

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Outlook



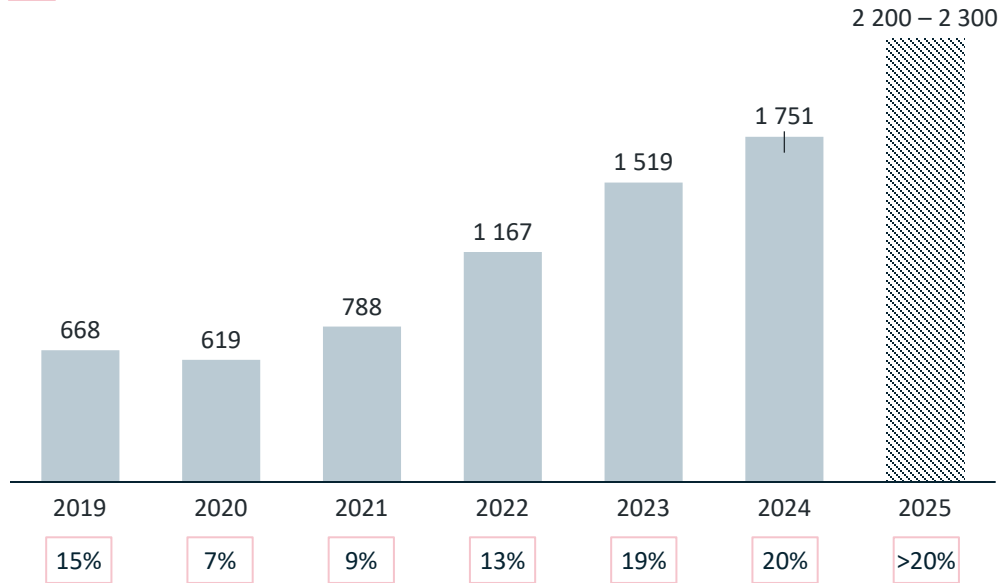
Outlook

2025 outlook

Revenue and profitability margins

NOK million

x% EBIT margin



2025 Outlook

- Revenue target of NOK 2.2 - 2.3 billion supported by growth in all business segments
- EBIT margin improvement compared to the 20 per cent reported in 2024 driven by improved financial performance in the business segments
- Continue to explore value-accretive acquisitions to add to organic growth

Short-term outlook



- In the first quarter, Oceans is expected to report strong growth in revenues compared to first quarter of 2024 and Innomar will further contribute with inorganic growth. Revenues for the quarter expected to be in excess of NOK 200 million
- No revenue recognition on the NOK 75 million security project included in guidance



- For the first quarter, Connectivity is expected to deliver between NOK 140 and 150 million in revenues supported by deliveries of On-Board Units and enforcement modules to tachographs



- PIR is expected to deliver between NOK 170 and 180 million in revenues in the first quarter driven by growth in demand from the defense and security sectors

Outlook

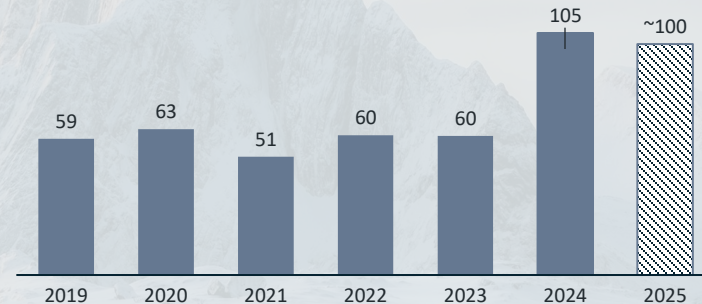
Investing for future growth

- Allocating capital to accretive R&D projects in line with capital allocation framework
 - High activity in first half of 2025 to complete GNSS OBU
- Investments in fixed assets to increase capacity at the factories to deliver growth and for robotising production of new products to strengthen competitiveness
 - New production line for GNSS OBU
 - New production module for prototype PCB manufacturing, freeing up capacity for volume production at the Selbu factory
 - Investing in SMT (Surface Mount Technology) lines and doubling capacity at the Røros factory. Europe's fastest SMT line to start production in April
- Entered into agreement with Selbu municipality to expand the Selbu factory, increasing floor capacity by 70%
 - NORBIT to lease the new premises from the municipality at attractive terms starting early 2026

1) PPE investments include lease additions of machinery equipment

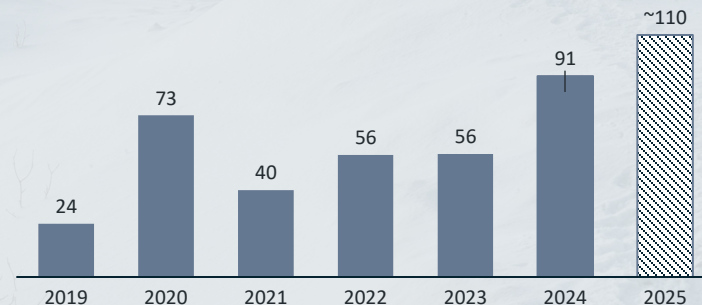
R&D investments

NOK million

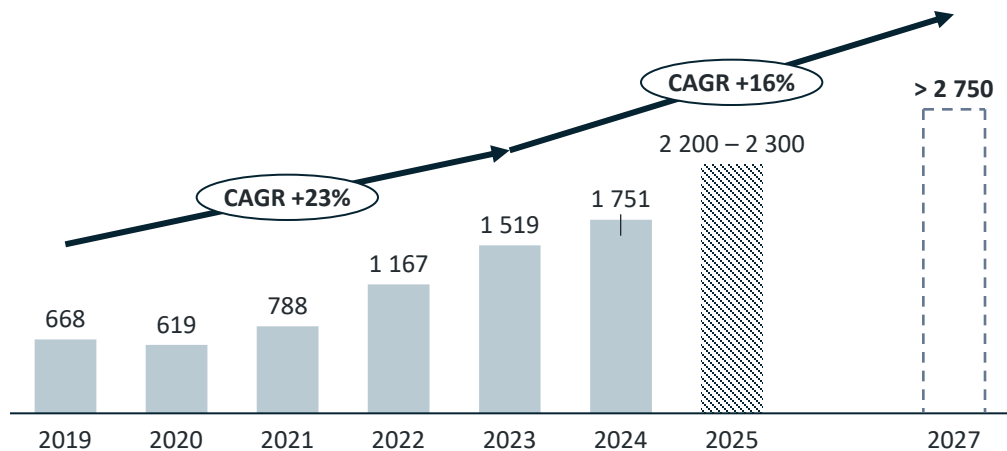


PPE investments¹⁾

NOK million



2024 - 2027 ambition plan - Organic revenue growth



Revenue
CAGR
~16%

EBIT margin
~20%

Return on
capital employed
~30%

Leverage policy
(NIBD/EBITDA)
1.0 – 2.5x



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TECHNOLOGY
IS PART OF THE SOLUTION



NORBIT is to be recognised as world class, enabling people to explore more



EXPLORING
SINCE 1995



~550 EMPLOYEES



~ 20 COUNTRIES

NORBIT

EURONEXT
OSLO BØRS



Victory awaits him who has everything in order. Luck people call it...

Defeat is certain for him who has neglected to take necessary precaution in time. This is called bad luck"

Roald Amundsen 1912

Technology is part of the solution

Diversified and robust business model



Oceans is offering tailored technology solutions to global maritime markets



Connectivity is a leading technology solution provider for asset identification, monitoring and tracking



Product Innovation & Realization (PIR) is offering R&D services and contract manufacturing to key customers

Shareholder overview, updated 11 February 2025

#	Investor	# of shares	%
1	PETORS AS – CEO Per Jørgen Weisethaunet	7,091,320	11.12
2	VHF INVEST AS – founder Steffen Kirknes	6,164,495	9.67
3	REITAN KAPITAL AS	6,086,781	9.55
4	DRAUPNIR INVEST AS – family of founder Steffen Kirknes	3,602,949	5.65
5	J.P. Morgan SE - Handelsbanken Nordiska Småbolag	3,227,089	5.06
6	The Bank of New York Mellon SA/NV - Arctic Funds	2,866,809	4.50
7	AWC AS	2,397,472	3.76
8	EIDCO A/S	2,330,628	3.66
9	ESMAR AS	2,162,286	3.39
10	J.P. Morgan SE - Handelsbanken Norden Tema	1,200,000	1.88
11	VERDIPAPIRFONDET DNB SMB	1,103,502	1.73
12	UBS Switzerland AG	930,087	1.46
13	Danske Bank A/S (mostly held by MD Oceans - Peter Eriksen)	859,227	1.35
14	SONSTAD AS	840,000	1.32
15	Deutsche Bank Aktiengesellschaft (Innomar founding mngt)	726,272	1.14
16	USEGI AS - CTO Arild Sjøraunet	671,989	1.05
17	KVANTIA AS	615,577	0.97
18	J.P. Morgan SE - Handelsbanken Microcap Norden	570,392	0.89
19	The Northern Trust Comp	536,583	0.84
20	State Street Bank and Trust Comp	515,224	0.81
	Total top 20 shareholders	44,498,682	69.80
	Other shareholders	19,251,345	30.20
	Total	63,750,027	100.00