Kitron Acquires DeltaNordic, Strengthening Its Position in Defence

(2025-11-19) Kitron ASA, through its subsidiary Kitron Holding AB, has entered into an agreement to acquire DeltaNordic AB, a Swedish provider of advanced electronics and electrical systems with a strong foothold in the defence market.

"DeltaNordic has established itself as a reputable supplier of robust electronics and advanced electrical systems for defence and other demanding sectors such as mining, construction, and infrastructure. These markets are expected to drive significant growth, with a three-year outlook exceeding SEK 3.4 billion. Given DeltaNordic's strong growth trajectory, we are confident this transaction will be earnings accretive and create substantial value for Kitron shareholders," says Peter Nilsson, CEO of Kitron.

DeltaNordic serves blue-chip customers in defence, mining, and infrastructure. Revenues are projected at approximately SEK 815 million (approximately EUR 74 million) in 2026. Currently, about half of its revenue comes from defence customers—a share that continues to grow. The company operates two production facilities in Sweden and one in Nanjing, China.

"*We look forward to joining the Kitron group. We share Nordic roots, a focus on high-cost-of-failure segments, and a commitment to profitable growth. Together, we can leverage our combined strengths to unlock new opportunities for DeltaNordic,*" says Rickard Vahlberg, CEO of DeltaNordic.

Transaction Details

- Kitron will acquire 100% of DeltaNordic AB shares from Mind Industrial Group AB (majority owner) and JSLS Holding AB (minority owner), both of whom have agreed to the transaction.
- The purchase is based on an enterprise value of SEK 1,255 million (EUR 114 million) on a debt- and cash-free basis.
- EV/EBITDA multiple of 9.65 based on estimated 2026 EBITDA of SEK 130 million (EUR 12 million).
- Settlement will include:
  - Cash: SEK 760 million (EUR 69 million)
  - Kitron shares: SEK 150 million (EUR 14 million)
  - Earn-out payment subject to revenue target: SEK 345 million (EUR 31 million)
- Completion is subject to approval from the Swedish Competition Authority and that the Swedish Inspectorate of Strategic Products has cleared or given its approval to the acquisition and is expected in late December 2025 or early January 2026.

Strategic Rationale

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- Adds unique expertise in designing and manufacturing electronics and electrical systems for demanding environments, enhancing Kitron's capabilities in design, prototyping, and high-level system production.
- Kitron is uniquely positioned to fuel DeltaNordic's growth
- Minimal customer overlap creates new growth opportunities for both companies
- Expected to be earnings accretive and deliver significant shareholder value.

Financial Outlook

- DeltaNordic expects revenue of SEK 770–860 million (EUR 70–78 million) in 2026, supported by a strong order book.
- EBITDA is estimated at SEK 120–140 million (EUR 11–13 million) in 2026.
- Financing of the acquisition is contemplated by way of available funds and facilities. Kitron may consider existing facilities in combination with other financing alternatives, including new bank facilities, debt, equity or other third party financing, to settle the cash part of the purchase price at closing. There are no financing conditions for the acquisition.

Kitron Outlook

- 2025 (excluding DeltaNordic): Revenue EUR 700–740 million. EBIT EUR 59–66 million.
- 2026 (excluding DeltaNordic): Revenue EUR 785-865 million. EBIT EUR 70-84 million.

Advisors

MP Corporate Finance is acting as financial advisor and Advokatfirmaet Selmer as legal advisor to Kitron. In addition, EY has been engaged to carry out financial due diligence, and Bird&Bird has carried out legal due diligence.

Webcast Invitation

Kitron will host an online presentation of the transaction at 10:00 CET tomorrow, 20 November. Access the webcast here:
https://channel.royalcast.com/landingpage/hegnarmedia/20251120_5/

To schedule a meeting with Kitron management, please contact Stine Kvamme Greve at Nordea Corporate Access (+47 402 43 124 / stine.kvamme.greve@nordea.com).

For further information, please see attached presentation to this announcement.

For further information, please contact:
Peter Nilsson, President and CEO, tel. +47 948 40 850
Cathrin Nylander, CFO, tel.: +47 900 43 284

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group has operations located in Norway, Sweden, Denmark, Lithuania, Germany, Poland, the Czech Republic, India, Malaysia, China and the United States. Kitron has about 2 400 employees, and revenues were EUR 647 million in 2024.
www.kitron.com

Important Information

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