

KONČAR Group Results Q1–Q2 2025 Performance Overview

IR, 30 July 2025

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Q1-Q2 2025

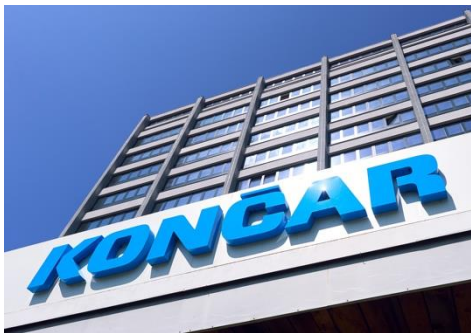
Performance overview

1 Key highlights of Q1–Q2 2025



- Our long-term partnership with HŽ Passenger Transport was further reinforced with the signing of contracts worth EUR 117.9 million, covering the delivery of five electro-diesel trains, four battery-electric multiple units, four battery-powered trains, and two charging stations.
- On 13 May 2025, a newly developed battery-electric multiple unit, designed and manufactured by KONČAR – Electric Vehicles for HŽ Passenger Transport, successfully completed its inaugural passenger journey from Zagreb Central Station to Bjelovar, marking a significant milestone in the advancement of sustainable rail transport in Croatia.
- KONČAR has been awarded a new contract for the construction of the small hydropower plant (sHPP) Peruća, located alongside the existing HPP. Valued at EUR 12.6 million, the project includes equipment manufacturing, assembly, commissioning, and all associated civil works. The execution will involve several KONČAR Group companies, further demonstrating the Group's integrated capabilities and commitment to renewable energy development.

1 Key highlights of Q1–Q2 2025



- KONČAR Group continued its robust investment momentum in the first half of 2025, nearly doubling its CAPEX compared to H1 2024, reaching EUR 34.1 million. A standout development was the groundbreaking of a cutting-edge testing laboratory for large electric drives and machines in Bedekovčina, a strategic facility that will support both KONČAR – Electrical Engineering Institute and the broader KONČAR Group.
- Further strengthening its industrial footprint, KONČAR signed a land acquisition agreement with the City of Zaprešić for a site in the Falečnjak business zone. This move will enable the expansion of manufacturing capacities for KONČAR – Distribution and Special Transformers and KONČAR – Instrument Transformers, enhancing the Group's global competitiveness and manufacturing scale.
- At General Assembly held on 12 June 2025, KONČAR Inc. shareholders approved all proposed resolutions, including a dividend distribution of EUR 3.00 per share, reflecting the Group's strong financial performance and commitment to shareholder value.

1 Key business indicators Q1–Q2 2025

Sales revenue

+33.0%

Export

+29.6%

Backlog

+27.9%

Book-to-bill ratio

1.4

Net profit

+75.1%

EBITDA

+54.1%

- Exports accounted for 71.5% of total sales revenue.
- International contracts remained the dominant contributor, totaling EUR 583.4 million.
- **Backlog** scheduled for delivery in 2025 EUR 731 million, for 2026 and beyond EUR 1,585.5 billion.
- Reflecting robust margin growth across the Group.

- Compared to January – June 2024
- Backlog compared as at 30 June 2024

1 Key business indicators Q1–Q2 2025

| in EUR 000 | Q I-II 2024 | Q I-II 2025 | Δ | Index 2025/2024 |
|---------------------------------------|------------------|------------------|----------------|--------------------|
| Operating Income | 486,325 | 643,305 | 156,980 | 132.3 |
| Sales revenue - total | 478,693 | 636,750 | 158,057 | 133.0 |
| Sales revenue - export | 351,348 | 455,274 | 103,926 | 129.6 |
| Operating Expenses | 406,914 | 516,765 | 109,851 | 127.0 |
| Operating profit | 79,411 | 126,540 | 47,129 | 159.3 |
| Operating margin | 16.6% | 19.9% | | |
| Normalized operating profit | 76,951 | 124,466 | 47,515 | 161.7 |
| Normalized operating margin | 16.1% | 19.5% | | |
| Net profit | 73,791 | 129,238 | 55,447 | 175.1 |
| Net margin | 15.4% | 20.3% | | |
| Normalized net profit | 71,331 | 127,164 | 55,833 | 178.3 |
| Normalized net margin | 14.9% | 20.0% | | |
| Depreciation and amortisation | 11,130 | 12,980 | 1,850 | 116.6 |
| EBITDA | 90,541 | 139,520 | 48,979 | 154.1 |
| EBITDA margin | 18.9% | 21.9% | | |
| Normalized EBITDA ¹ | 88,081 | 137,446 | 49,365 | 156.0 |
| Normalized EBITDA margin ¹ | 18.4% | 21.6% | | |
| Order intake | 866,212 | 916,651 | 50,439 | 105.8 |
| Backlog² | 1,810,057 | 2,315,473 | 505,416 | 127.9 |
| Book-to-bill-ratio | 1.8 | 1.4 | | |

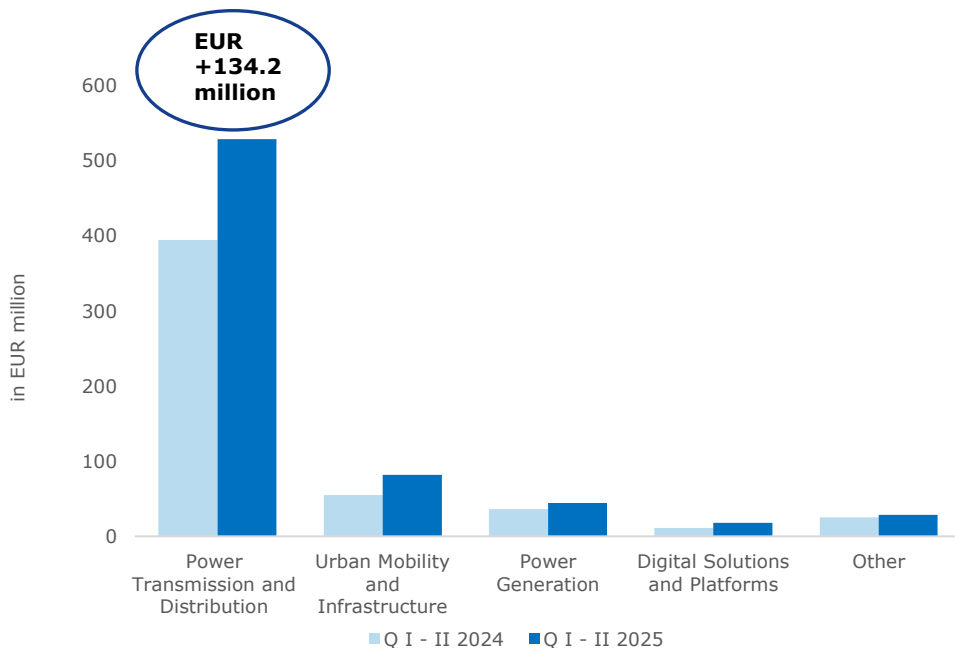
Normalized EBITDA¹: EBITDA adjusted for the net effect of provisioning, gains on the sale of assets, income from damage compensation, and increased by impairment of non-current and current assets.

Backlog²: as at 30 June 2024 and 30 June 2025

All key performance indicators point to strong growth

- Order intake continues to exceed revenue recognition, with a **book-to-bill** ratio of 1.4.
- As a result, the order, **backlog**, grew to EUR 2.3 billion, laying a robust foundation for future revenue.
- Growth in revenue, along with organisational and strategic optimisations, enabled the achievement of record-high profitability margins
 - Operating margin: 19.9%
 - Net profit margin: 20.3%
 - EBITDA margin: 21.9%

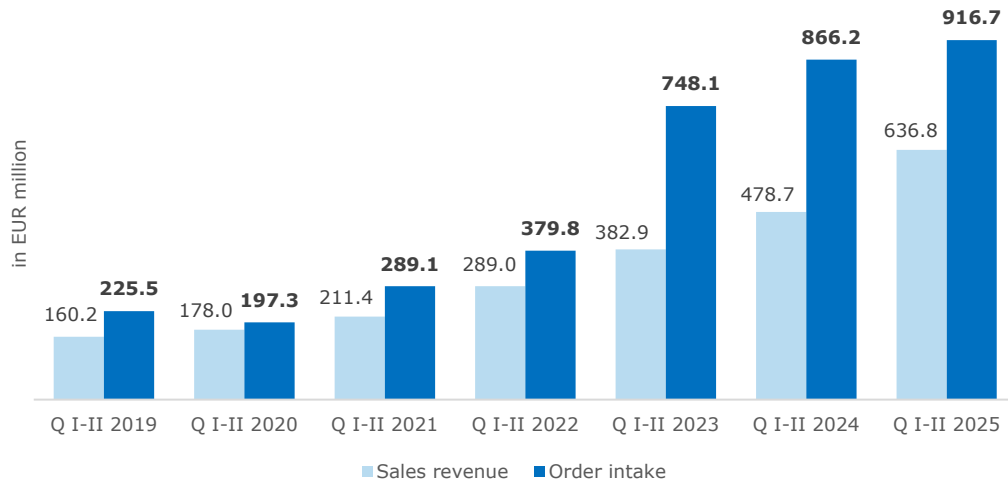
1 Revenue growth across all business segments/divisions



- The Power Transmission and Distribution segment continues to deliver robust performance, driven by strong market demand and ongoing strategic initiatives.
- KONČAR – Distribution and Special Transformers (D&ST) stood out as the Group's top performer, achieving record-breaking results in Q2.
- Dalekovod and KONČAR – Instrument Transformers are also delivering excellent results, currently engaged in several major projects across Norway, Sweden, Germany, the United States, the Netherlands, and Croatia.

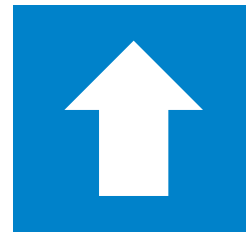
1 Continued growth in order intake

Order intake/Sales Revenue



Book-to-bill ratio

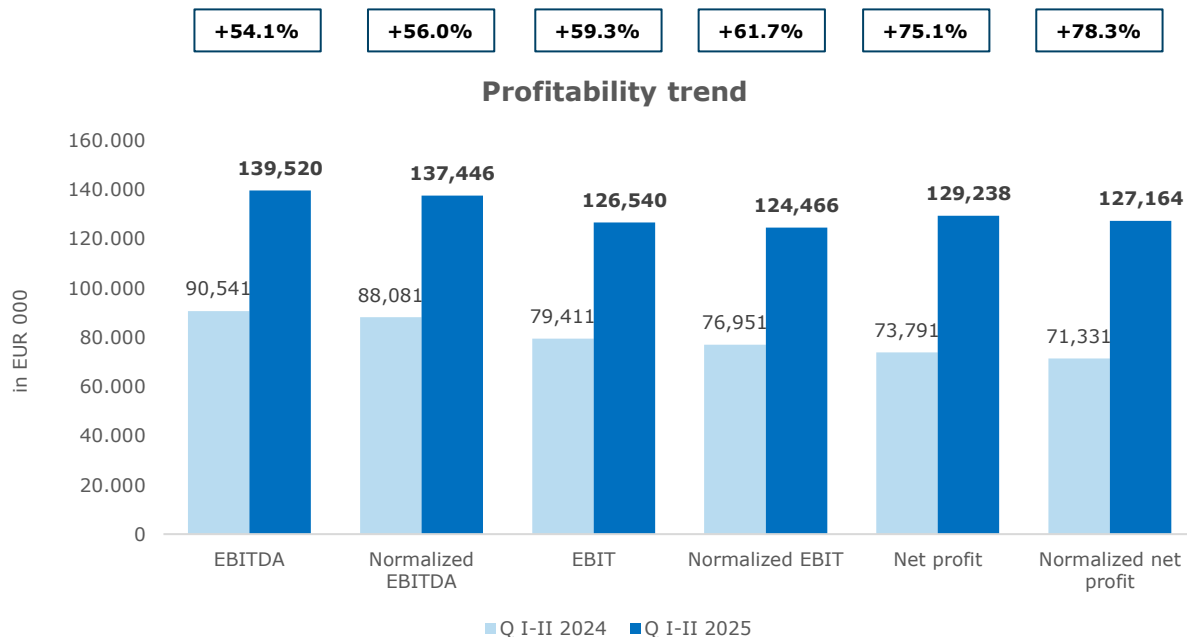
1.4



**Further
growth in
order intake**

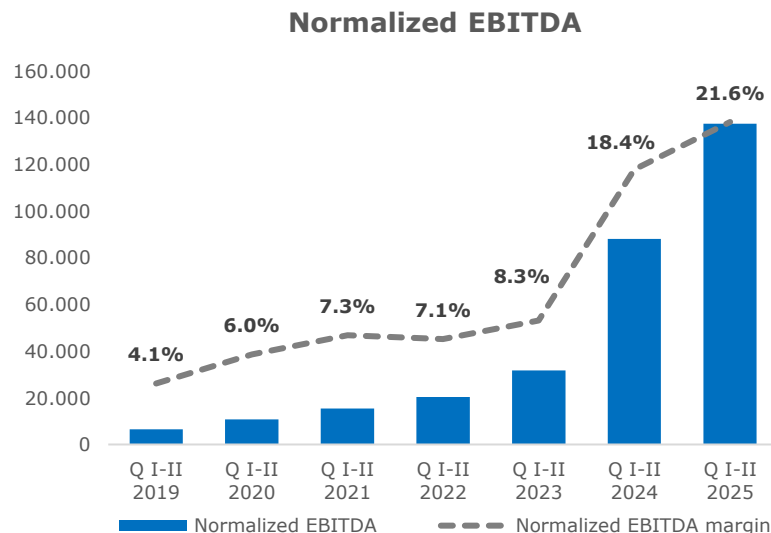
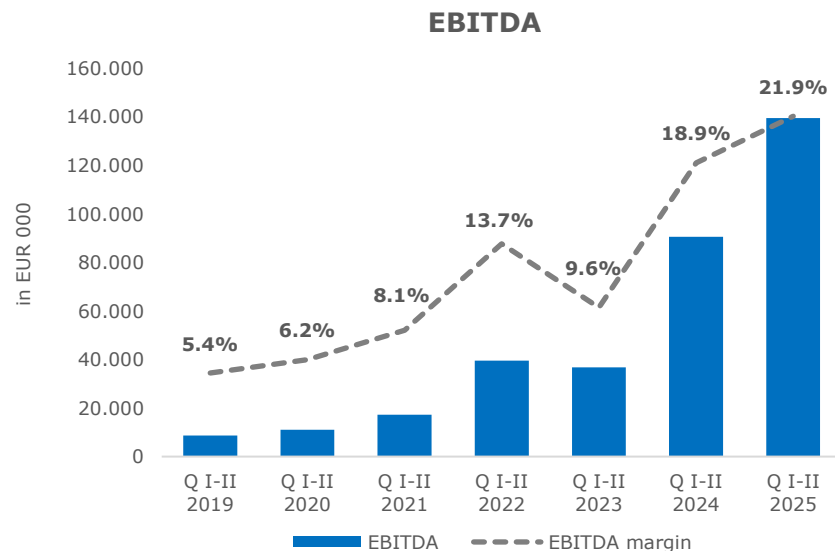
- New orders are outpacing revenue recognition, with international markets driving order intake totalling EUR 583.4 million
- A notable increase in domestic order intake was recorded in Q2, largely driven by major contracts secured with HŽ Passenger Transport
- The existing backlog provides full coverage of the 2025 revenue plan

1 Profitability indicators

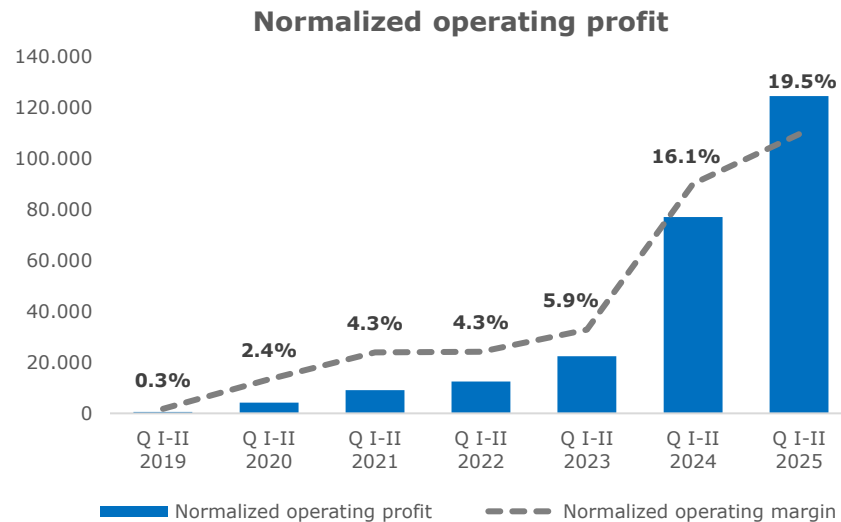
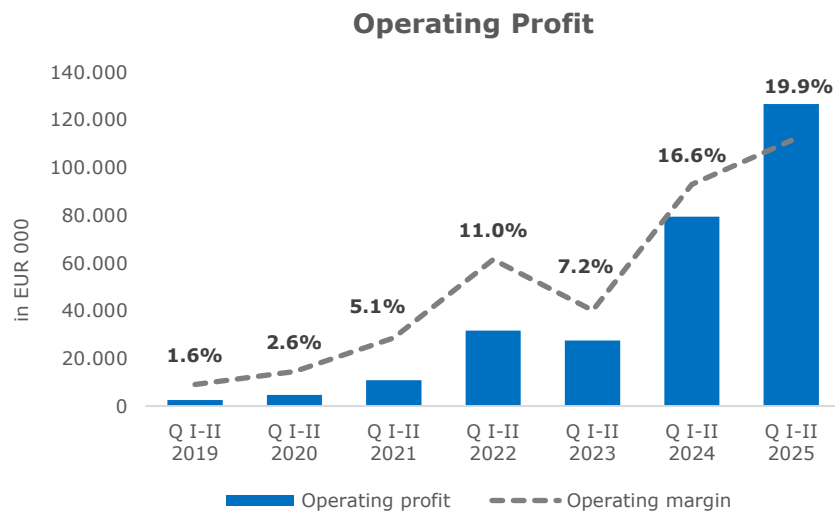


**Strong
year-on-year
profitability
growth achieved
in all key
performance
metrics**

1 Reflecting robust margin growth across the Group



1 Reflecting robust margin growth across the Group



1 Consolidated balance sheet

| in EUR 000 | 31 December 2024 | 30 June 2025 | Δ |
|-------------------------------------|------------------|------------------|----------------|
| Non-current assets | 366,115 | 420,957 | 54,842 |
| Current assets | 881,517 | 944,806 | 63,289 |
| Assets | 1,247,632 | 1,365,763 | 118,131 |
| Capital and reserves | 650,053 | 751,781 | 101,728 |
| Non-current liabilities | 66,380 | 76,371 | 9,991 |
| Current liabilities | 531,199 | 537,611 | 6,412 |
| Total equity and liabilities | 1,247,632 | 1,365,763 | 118,131 |

| in EUR 000 | 31 December 2024 | 30 June 2025 | Δ |
|--|------------------|--------------|--------|
| Current assets | 881,517 | 944,806 | 63,289 |
| Current liabilities | 531,199 | 537,611 | 6,412 |
| Current Assets to Current Liabilities Ratio | 1.7 | 1.8 | |

- Total assets, equity and liabilities at the end of H1 2025 amounted to EUR 1,365.8 million, up EUR 118.1 million compared to year-end 2024.
- Equity and reserves reached EUR 751.8 million, up by EUR 101.7 million.
- The ratio of current assets to current liabilities and accrued expenses of future periods stands at 1.8, reflecting a strong short-term liquidity position.
- The structure of the consolidated balance sheet highlights the alignment between sources of funds and investment activities, reaffirming the KONČAR Group's solid financial stability.

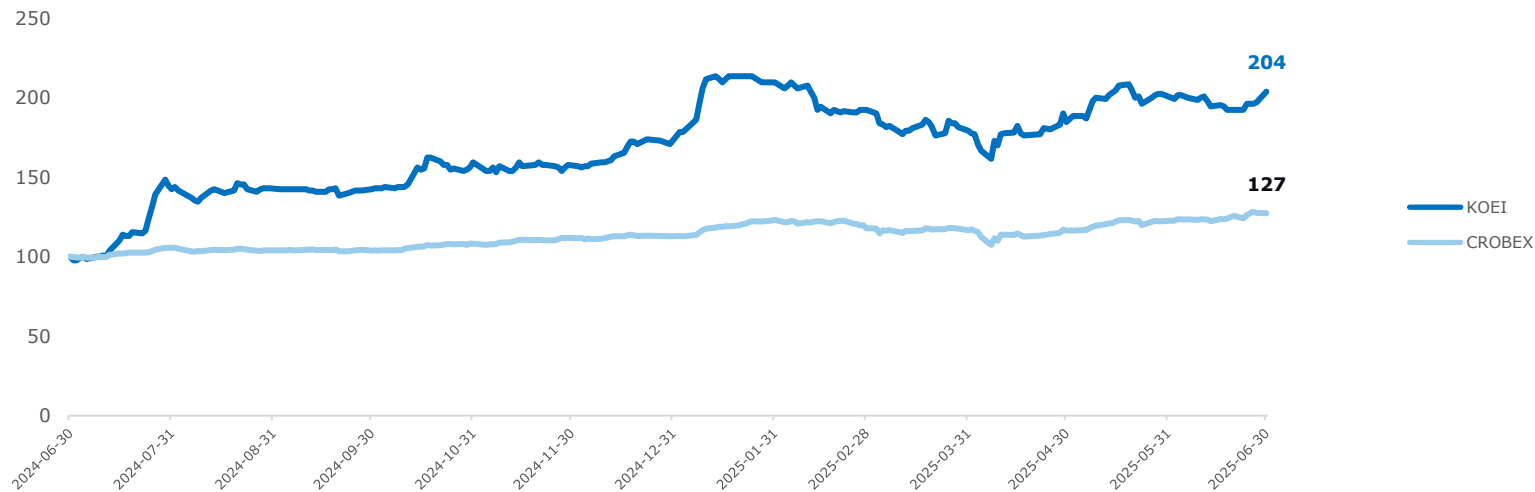
1 Financial position

| in EUR 000 | 31 December 2024 | 30 June 2025 | Δ |
|---|------------------|-----------------|----------------|
| Liabilities to banks and financial institutions | 29,043 | 41,703 | 12,660 |
| Lease liabilities – future payments | 461 | 1,018 | 557 |
| Liabilities for loans | 1 | 0 | -1 |
| Non-current liabilities | 29,505 | 42,721 | 13,216 |
| Liabilities for loans and to banks and financial institutions | 41,358 | 54,334 | 12,976 |
| Interest liabilities | 207 | 192 | -15 |
| Lease liabilities – future payments | 280 | 352 | 72 |
| Current liabilities | 41,845 | 54,878 | 13,033 |
| TOTAL DEBT | 71,350 | 97,599 | 26,249 |
| Cash and cash equivalents | 147,964 | 180,015 | 32,051 |
| Current financial assets | 80,666 | 111,757 | 31,091 |
| NET DEBT | -157,280 | -194,173 | -36,893 |
| Net debt / normalized EBITDA | neg | neg | |

Key changes compared to 31 December 2024

- Cash and equivalents rose by EUR 32.1 million
- Non-current financial liabilities were up by EUR 12.7 million
- Current financial liabilities increased by EUR 13.0 million

1 KOEI-R-A and CROBEX index trends

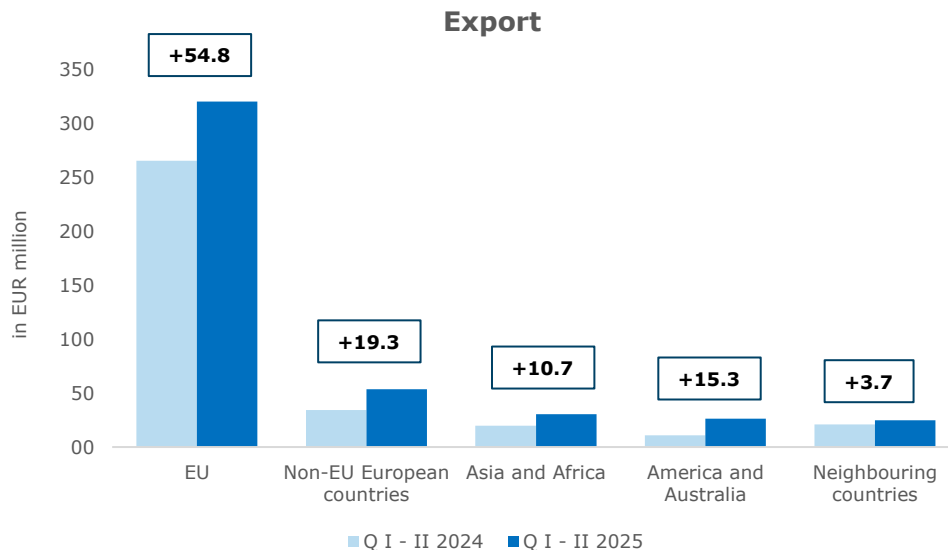
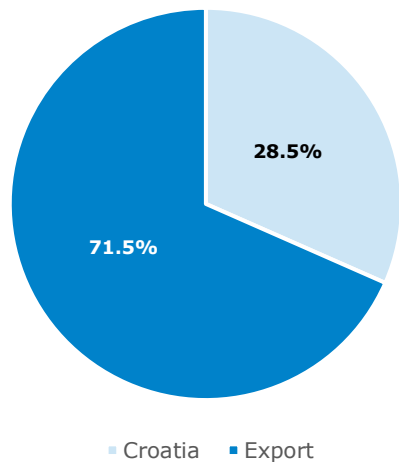


- KONČAR's share remains one of the most actively traded stocks on the Zagreb Stock Exchange, supported by a strong upward trend in price
- Compared to H1 2024, the share price has doubled
- Market capitalization reached EUR 1.35 billion
- At the General Assembly held on 12 June 2025, shareholders approved a dividend payout of EUR 3.00 per share

2

Market position

2 Market position



- Domestic sales rose by EUR 54.1 million
- Export revenue reached EUR 455.3 million, up by EUR 103.9 million year-on-year
- Revenue growth was achieved across all markets
- EU countries accounted for 70.4% of total exports

2 Export revenue

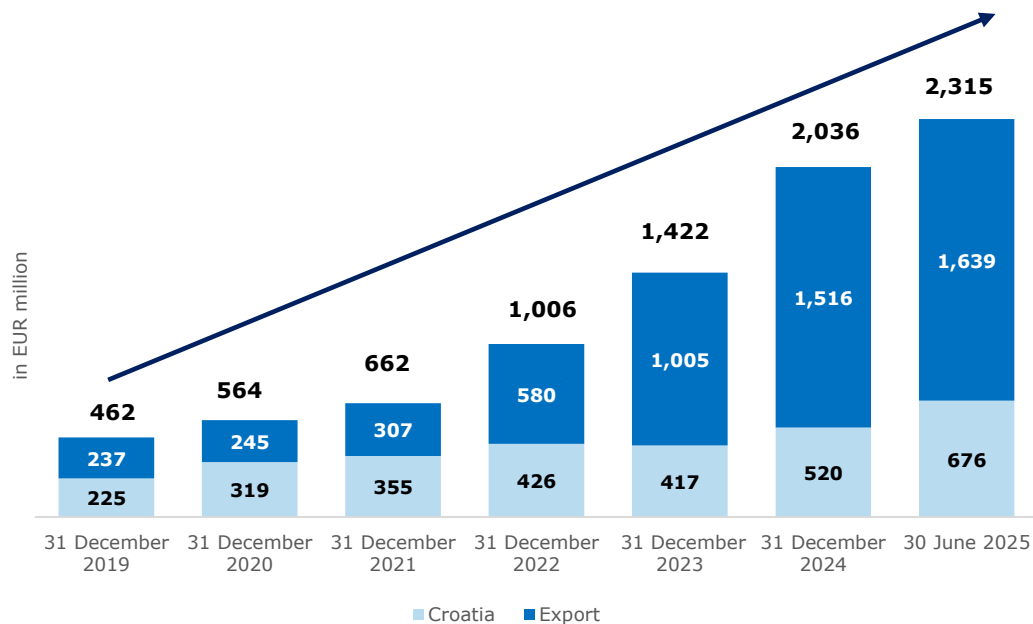
| EU countries: EUR 320.4 million | | EUR million | % growth / decline |
|---|--|-------------|--------------------|
| Germany | | 98.2 | +75.1 |
| Sweden | | 67.6 | +41.5 |
| Austria | | 28.4 | +2.5 |
| Non-EU European countries: EUR 53.6 million | | EUR million | % growth / decline |
| Norway | | 35.0 | +137.9 |
| UK | | 7.9 | -22.5 |
| Switzerland | | 5.3 | +175.9 |
| Neighbouring countries: EUR 24.7 million | | EUR million | % growth / decline |
| Bosnia and Herzegovina | | 160. | +47.8 |
| North Macedonia | | 6.7 | -27.9 |
| Serbia | | 1.8 | n/a |
| America and Australia: EUR 26.2 million | | EUR million | % growth / decline |
| USA | | 21.4 | +225.0 |
| Canada | | 2.0 | +85.0 |
| Australia | | 1.9 | -24.0 |
| Asia and Africa: EUR 30.4 million | | EUR million | % growth / decline |
| Iraq | | 10.4 | +158.7 |
| Tanzania | | 4.8 | +24.6 |
| Saudi Arabia | | 2.0 | -20.0 |



Share of export in
sales revenue

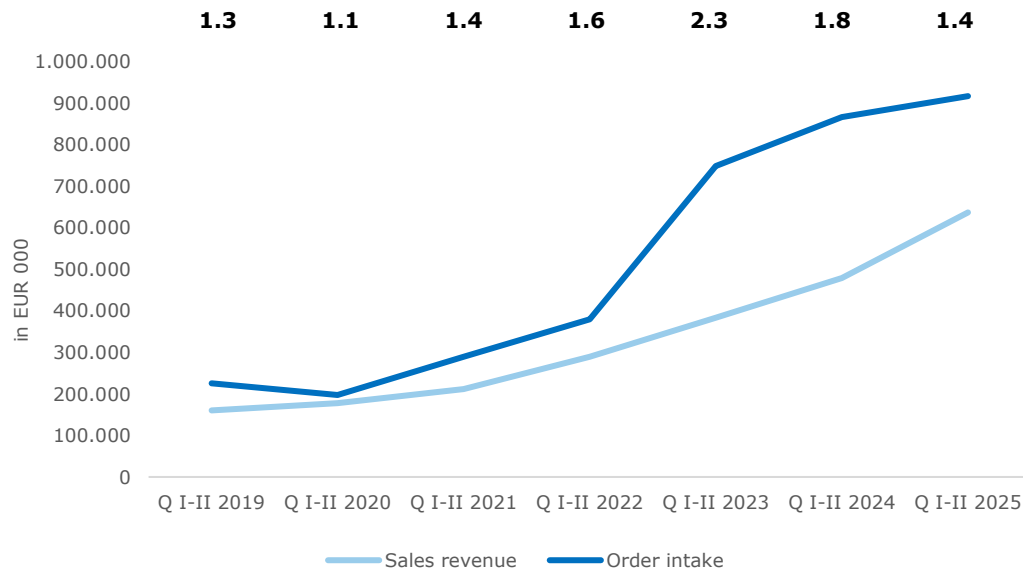
71.5%

2 Backlog EUR 2.32 billion



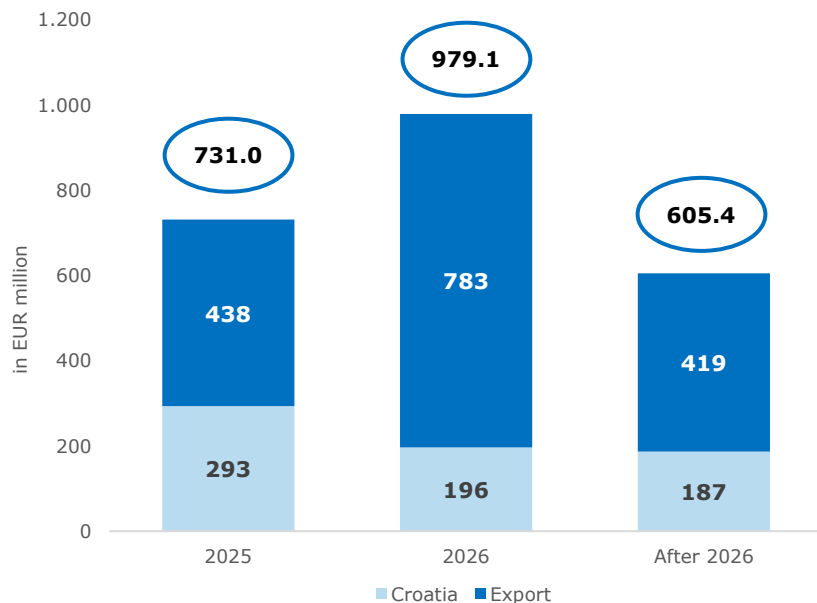
**Backlog
increased by
EUR 279.9 million
compared to
31 December 2024**

2 Book-to-bill ratio



Despite strong revenue growth, order intake significantly outpaced deliveries

2 Expected revenue from *backlog*



- As at 30 June 2025, the order *backlog* amounted to EUR 2.32 billion.
- Contracts in the 2025 *backlog* amount to EUR 731.0 million, covering the full-year revenue plan and potentially exceeding initial projections.
- Contracts worth EUR 1.58 billion are scheduled for execution in the 2026 and coming years.

3

Outlook

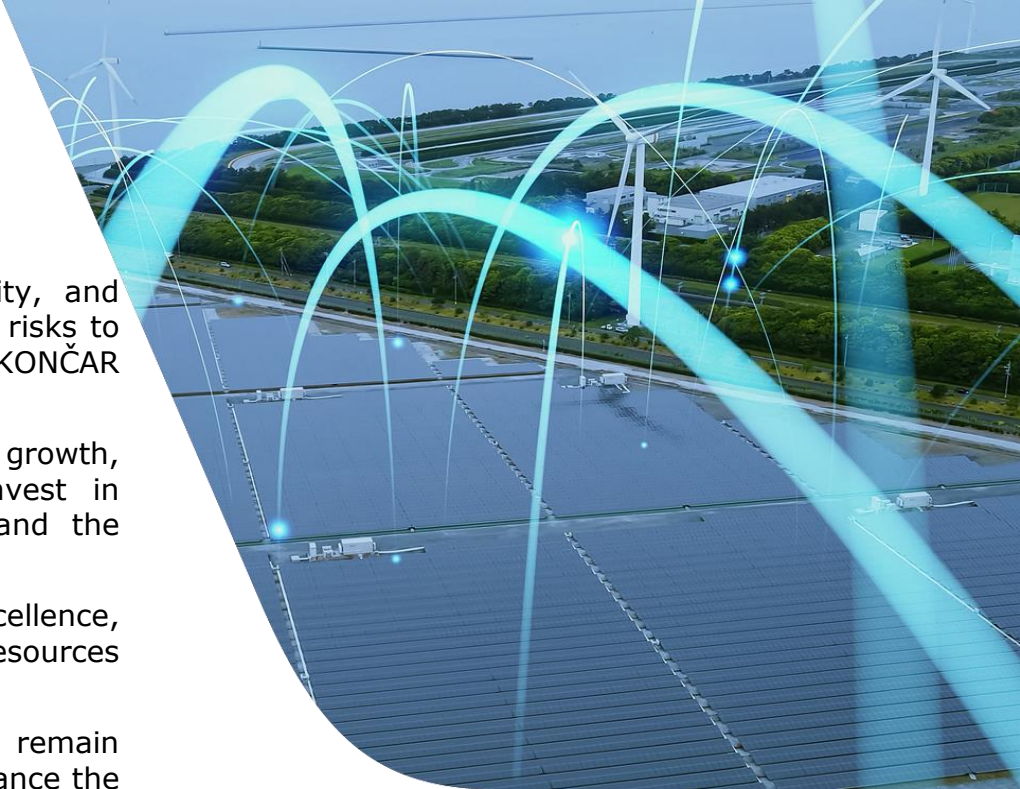
3 Key events following 30 June 2025

- A new contract worth EUR 18.5 million was signed on 25 July 2025 with Gradski prijevoz putnika d.o.o. Osijek, marking the second individual contract under the Framework Agreement for the procurement of new trams to modernise the Osijek tram fleet. The contract foresees the delivery of all 10 vehicles within 24 months.
- On 17 July 2025, KONČAR Inc. and Solarna Elektrana d.o.o., a subsidiary of Spanish company Acciona Energía, signed a contract for the construction of a new 400 kV transformer substation in Promina. The agreement, valued at EUR 15.3 million, includes a turnkey delivery of the entire facility.
- Following the approval from the Croatian Competition Agency, KONČAR Inc. has fulfilled one of the necessary condition precedents in accordance with the Share Purchase Agreement, which defines a series of terms and legal actions which the contracting parties shall perform for the purpose of the completion of the transaction and acquisition of the ownership share by KONČAR Inc. The acquisition will further strengthen KONČAR's resources and capabilities, enhancing system adaptability and expanding the product and service portfolio in power engineering.



3 Strategic outlook for H2 2025

- Ongoing geopolitical tensions, economic volatility, and political instability continue to present significant risks to the global economy, with direct implications for KONČAR Group's operations.
- Strategic focus remains firm: driving sustained growth, especially via exports, while continuing to invest in equipment, innovation, product development, and the long-term growth of our employees.
- A strong customer focus, operational excellence, innovation, and responsible use of natural resources remain central to our business philosophy.
- Despite ongoing macroeconomic headwinds, we remain confident in our ability to sustain growth and advance the strategic vision of KONČAR Group, outlined in People, Technologies, Investments – KONČAR 2030.
- The 2026 Business Plan is slated for adoption in December 2025.



The background features a dark blue field with vertical stripes of varying shades of blue. Overlaid on this are several white geometric shapes: a large triangle on the left, a smaller one on the right, and a central shape resembling a stylized mountain or a large 'A'. A white line starts horizontally from the left, then curves upwards and to the right, passing behind the text.

**Thank you for
your attention!**

KONČAR
Inspired by challenge