

An aerial photograph of a vast mountain valley. The terrain is rugged and rocky, with patches of green vegetation. A winding road snakes through the valley floor. In the distance, a small settlement is visible, surrounded by green fields. The sky is a mix of blue and orange, suggesting a sunset or sunrise. The overall scene is majestic and scenic.

IR & MEDIA CALL
KONGSBERG AUTOMOTIVE
DIVESTS A PART OF ITS
SHAWINIGAN OPERATIONS
AUGUST 09, 2022



KONGSBERG
AUTOMOTIVE

TRANSACTION DETAILS

SHAWINIGAN PLANT IN CANADA

Kongsberg Automotive and **BRP** have entered into a definitive agreement for the sale of a part of KA's Shawinigan operations on August 9, 2022.

TOTAL ENTERPRISE VALUE

CAD 136M // EUR 104M



With this sale approximately 300 employees will be integrated into **BRP**

KA will establish Shawinigan Tech Center, which will serve as a center of competence in electronics and software



WORLDWIDE

KA DIVESTS A PART OF ITS SHAWINIGAN OPERATIONS



- △ HEADQUARTERS
- 23 PLANTS
- 10 SITE OFFICES
- 6 TECHNICAL CENTERS
- ◇ 2 WAREHOUSES

34

LOCATIONS
IN 18 COUNTRIES
WORLDWIDE

OPTIMIZING
CAPACITY
GROWTH
AND COST
ACROSS ALL
REGIONS



OVERVIEW OF TRANSACTION

RATIONALE

- > **CLEAR TREND:** We see a clear trend of **vertical integration** by our customers and have been open when **BRP approached us**. The transaction will leverage growth and allow BRP to sustain their competitive position in the premium powersports segment. KA components are an integral part of many BRP products, and, with this transaction, we are pleased to enable them to integrate this business
- > **FINAL PRICE:** KA **achieved a fair and attractive price** (EV of 104 MEUR)
- > **SHIFT GEAR:** Initiated in 2021, the Shift Gear program has allowed KA to improve operationally, to review and adapt its strategy dynamically by reacting to changing markets and customer trends. This includes, but is not limited to, **reducing exposures** towards the global semi-conductor supply situation and **reduce dependencies, vulnerabilities and risks**. The divested business unit does not fit in our long-term aim to be a top global, scalable supplier that doesn't depends on single customer in the areas we operate
- > **FURTHER STEP:** The step allows KA to **focus even stronger** on its resources to actively **scale up its presence in agriculture, and construction sectors** within the Off-Highway business unit, within on-highway, as well as the segments we excel at including Couplings, Fluid Transfer Systems, and Powertrain & Chassis
- > **CANADA:** KA remains in Canada with a brand-new Tech Center which will be an integrated part of our electrification strategy
- > **STRONG POSITION:** This transaction will provide **additional net proceeds**, which will allow KA to **explore new markets, drive innovation, and invest into growth**

IMPACT OF DIVESTMENT

FULL YEAR FORECAST RESULTS

€~74M

UNIT REVENUE
(FY22 EST)

€9M

ADJ. EBIT
(FY22 EST)

€104M

TRANSACTION VALUE

€_{around} 90M

EXPECTED NET PROCEEDS

€-125M down to -35M

NET DEBT LEVEL



OUTLOOK **BUILDING THE NEW KA**



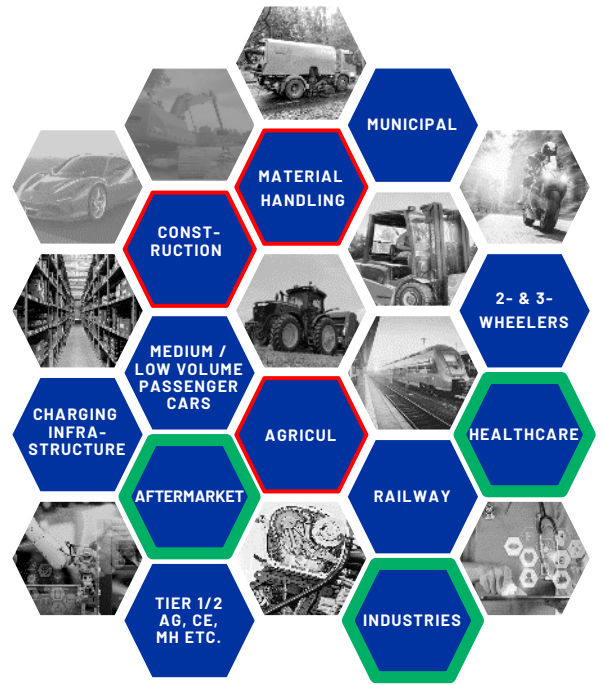
- This transaction will provide additional net proceeds, which will allow KA to **explore new markets, drive innovation,** and **invest in growth.**
- More latitude to **diversify** and **innovate**
- Focus our **resources** to actively scale up our presence in **on-highway, agriculture,** and **construction** sectors within the Off-Highway business unit, and the segments KA excels at including Couplings, Fluid Transfer Systems, and Powertrain & Chassis.

WE WILL FOCUS ON HIGHLY PROFITABLE SPECIALTY PRODUCTS IN NICHE MARKET SEGMENTS WITH A REGIONAL PRESENCE (GLOBAL)

MAINTAIN & STRENGTHEN STRONG MARKET POSITION



ESTABLISH KA AS CORE PLAYER AND ENTER WHITE SPOTS



LONG-TERM ADDITIONAL POTENTIAL MARKETS

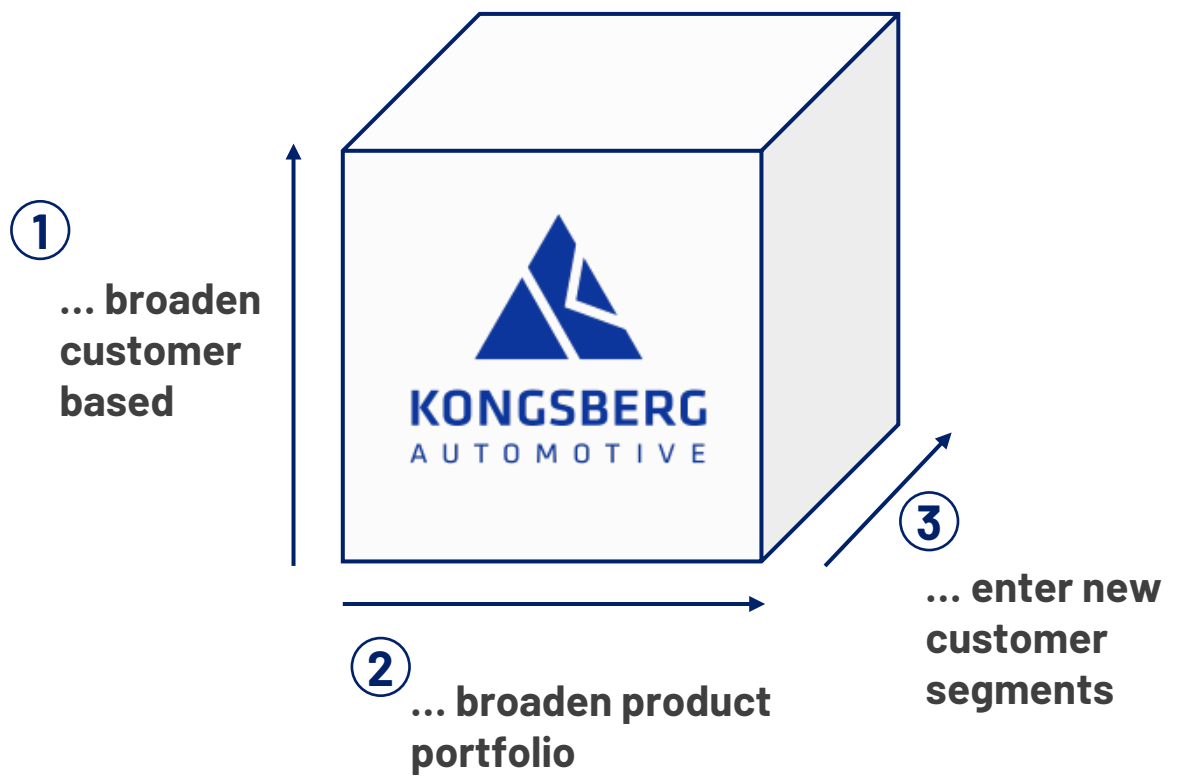


KA is in the process to set up **regional sales companies** target customers in our adapted operating model based on regional market knowledge and the **full KA product portfolio**



KA WILL LEVERAGE STRENGTHS IN MORE PROFITABLE SPECIALTY PRODUCT SEGMENT (SPP) BASED ON 3 GROWTH PILLARS:

Systematic approach too...



① **Broaden customer based** in current application fields



② **Broaden Product Portfolio** for selected applications – e.g. for Couplings



③ **Enter new customer segments** – to raise for potentials e.g. in:



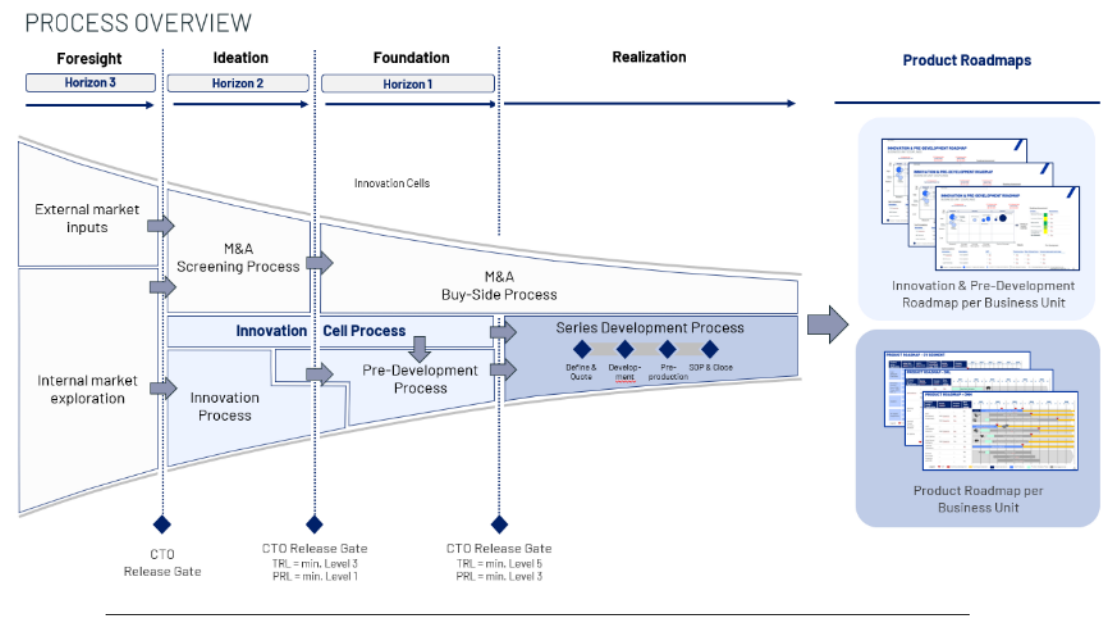
> **The future of our product portfolio** lies in **profitable niche segments** closely related to our current markets with **clear second to none strategy**

WE STREAMLINED OUR INNOVATION AND R&D PROCESSES TO SHORTEN TIME-TO-MARKET SIGNIFICANTLY

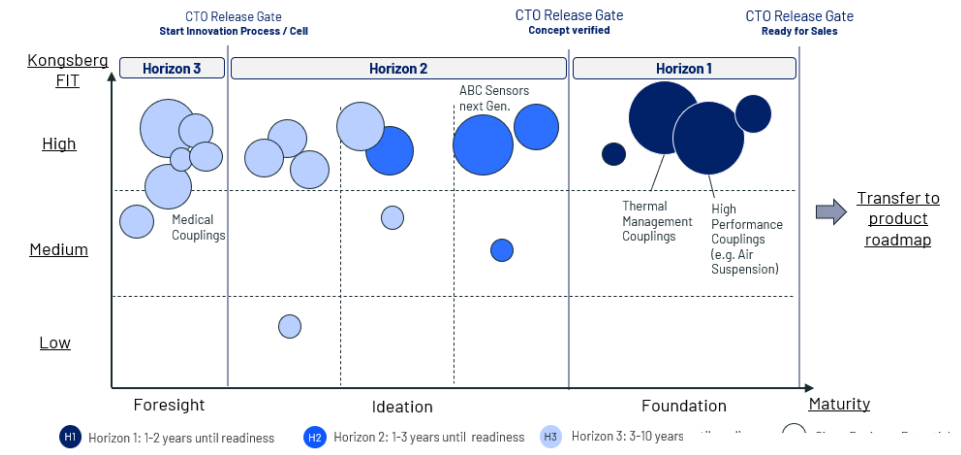
- > The newly defined innovation processes provides clear structure for
 - » **Agile and Focused innovations** to shorten Time-to-Market and
 - » for selected **M&A activities**

- > **Structured Gate Releases** to ensure needed maturity levels

- > Our approach is to **grow majorly intrinsically** but selectively also **via M&A in case of product/ technological gaps**



INNOVATION ROADMAP – E.G. COUPLINGS



Q&A





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