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Kongsberg Automotive ASA

First quarter 2018 - May 8, 2018

Highlights for Q1 2018

Promising start into 2018 to achieve our set targets

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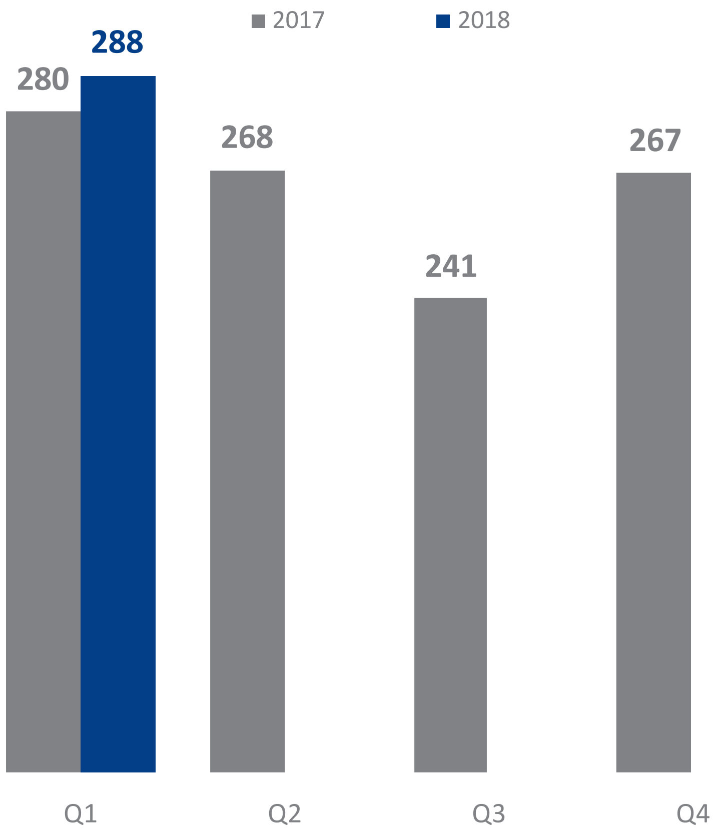
- **New Business Wins almost doubled** (+84%) compared to Q1 2017
  - LTM New Business Wins reached new peak with MEUR 321
- **Revenues increased YoY by MEUR 7.9 (2.8%)** to MEUR 288.3 including negative FX effects of MEUR 18.7
  - Excluding FX effects and the HRAR divestiture, the YoY growth is ~13%
- **Adj. EBIT increased YoY by 32.7%** to MEUR 20.1 from MEUR 15.2 in Q1 2017
- **Free cash flow was MEUR -14.7** due to negative working capital effects linked to our growth in sales, cash outlays for previously accrued restructuring costs, and seasonality
- **The LTM adjusted gearing ratio (NIBD/EBITDA) was 2.4x**
- **Plant closures** are generally proceeding as announced in Q4 2017 presentation
  - Rollag (Norway) closed in Q1 bringing the total completed closures to 3
  - Easley (US) is slightly delayed but will close before year end

Revenue and Adjusted EBIT

Revenues and Profitability are consistently improving YoY

Revenues

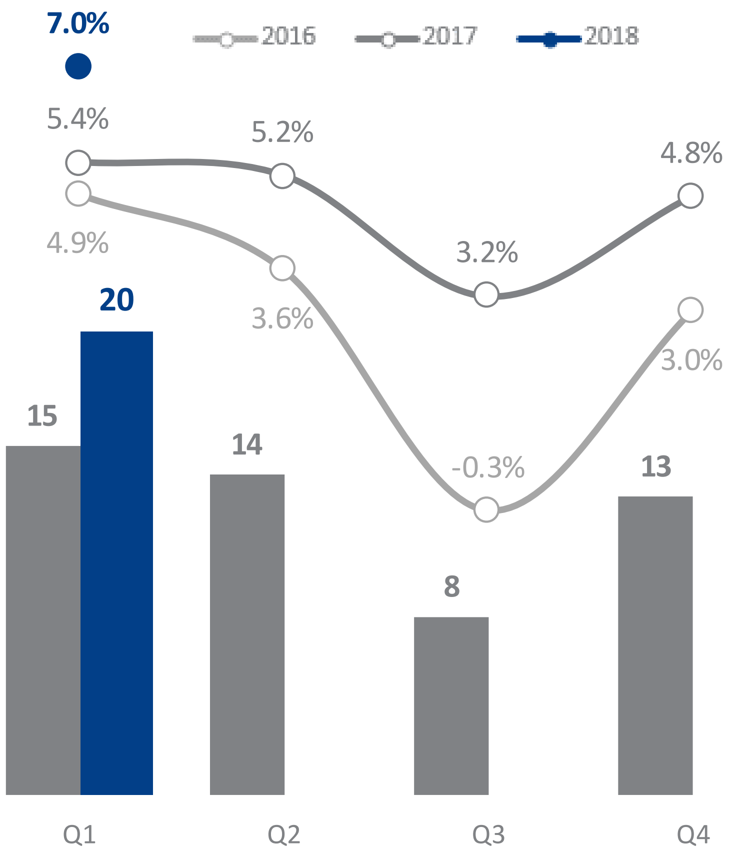
MEUR



Revenue including HRAR

Adjusted EBIT and margin

MEUR and % Revenue



EBIT adjusted for restructuring - see details in the quarterly report.

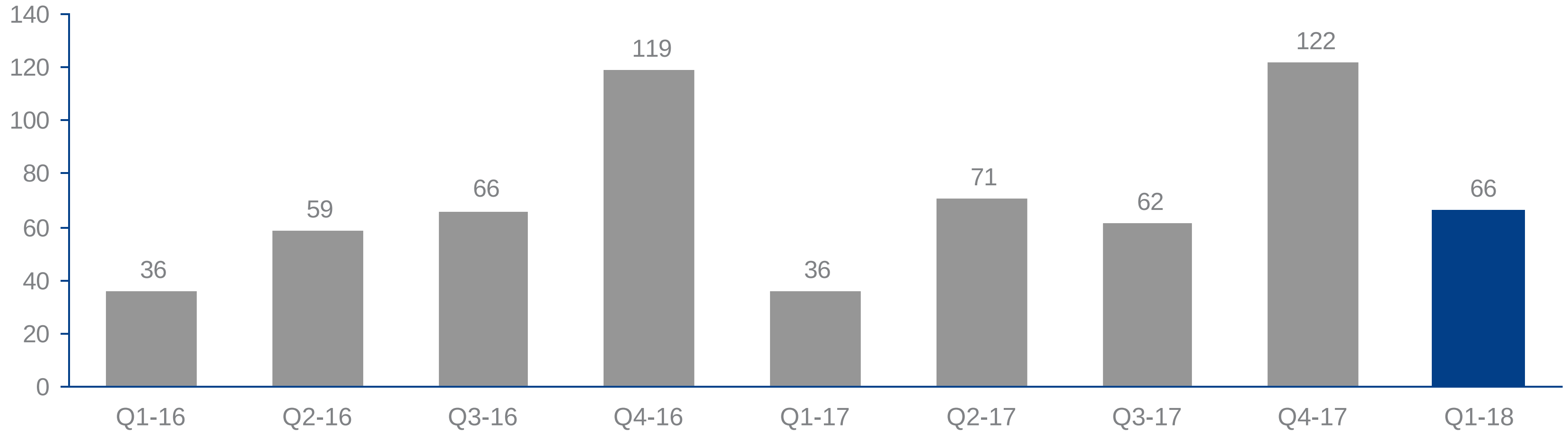
Market Summary

New business wins

Best Q1 results since measuring NBWs

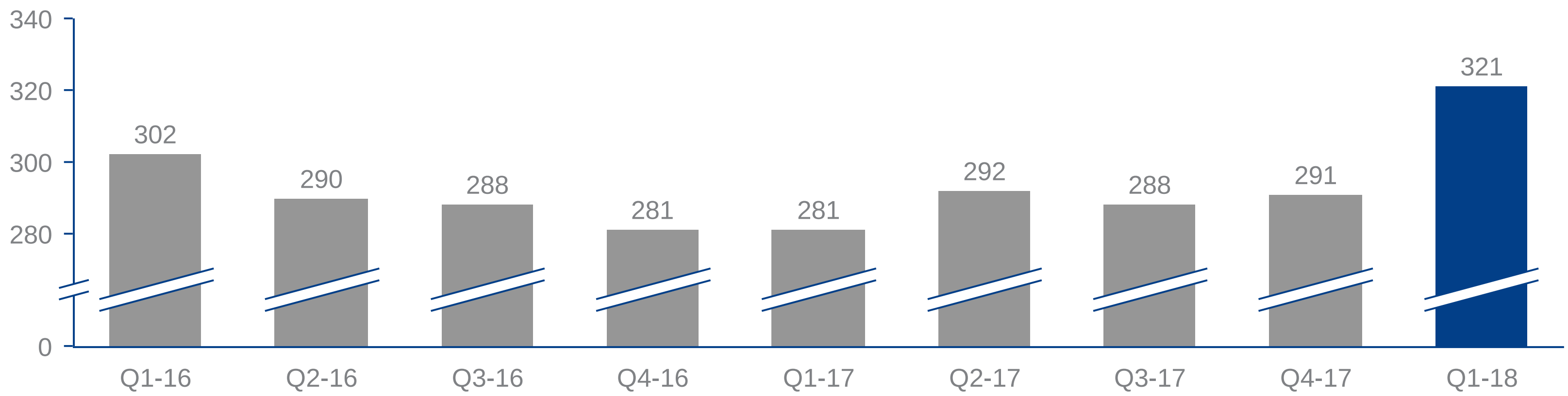
New business wins per quarter (per annum value)

EUR million



New business wins LTM (per annum value)

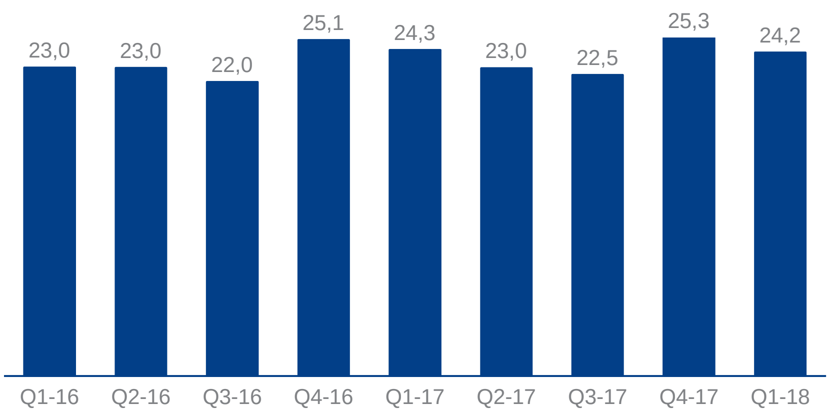
EUR Million



Market summary

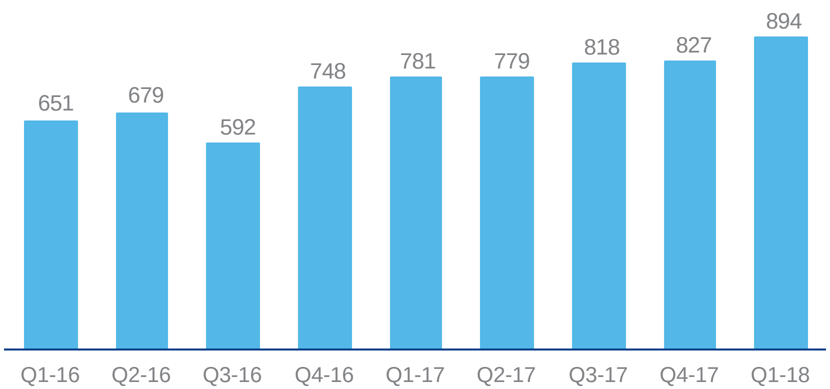
Car market stable – Truck market still growing due to China

Global Passenger Car Production, Units in millions



Source: IHS Light Vehicle Production Base, March 2018

Global Truck Production, Units in thousands



Source: LMC Global Commercial Vehicle Forecast, Q1 2018

- **Global Passenger Car Production**
  - Global light vehicles production in Q1 2018 was 24.2m, a YoY decrease of 0.7%.
  - The biggest contributor to this decrease was China and North America where production fell with 3.2% and 2.6%, respectively.
    - In North America, the trend to more high content cars is continuing at the cost of fewer low priced cars.
  - Europe and Asia excluding China grew slightly , with YoY growth rates of 0.9% and 0.5%, respectively. The main drivers were Russia and India where production increased by 15% and 6,7%, respectively.
  - South America experienced strong YoY growth at 11.5%, albeit from low levels. The South American growth was primarily driven by Brazil and Argentina.
- **Global Truck & Bus Production**
  - The production of medium and heavy-duty commercial vehicles increased by 14.4% (113k units) in Q1 2018 compared to same quarter last year. The strong growth derived mainly from the Chinese market (+22.9%).
  - Asian production outside of China increased by 5.1% compared to Q1 2017.
  - North and South America continued the strong growth seen in previous quarters with YoY growth rates of 19.4% and 26.4%, respectively
  - In Europe, the truck & bus YoY growth rate came in at a modest 0.9%.

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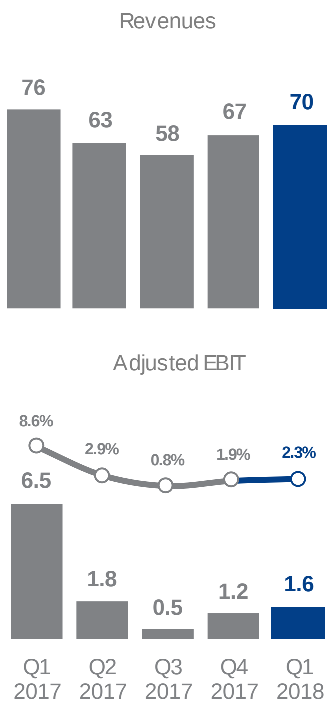
Segment Highlights

Segment financials 1st quarter

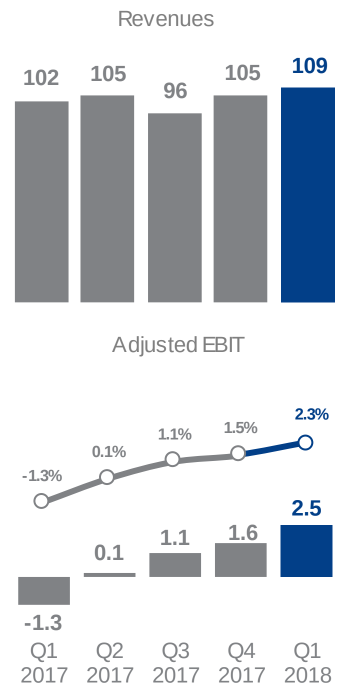
Continuing strong SPP performance and P&C improvement

Revenues and Adjusted EBIT**
MEUR and percent

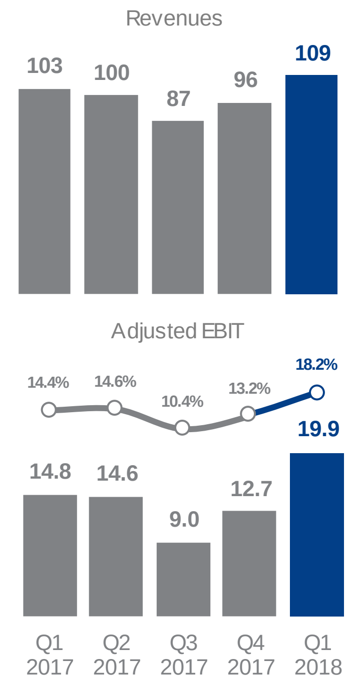
Interior*



Powertrain & Chassis



Specialty Products



* Including HRAR; ** Excluding restructuring costs, see details in the quarterly report.

- Interior is still facing launch and operational challenges
- The improvements in P&C are gaining traction
- Continued strong performance by Specialty Products

Interior Segment - Update

Revenues in line with outlook – Profitability still unsatisfying

- In Q1, Interior New Business Wins (NBW) amounted to MEUR 4.3 annualized in Q1 2018
  - Virtually flat YoY NBWs
  - There is a high quoting activity in the Interior Segment with fewer than expected sourcing decisions in Q1
- 2018 Q1 Revenues increased by MEUR 7.3 (~10%) compared to Q1 2017 excl. effects from divestures and FX
  - 2018 Q1 Revenues of MEUR 70.2, including FX effects of MEUR -2.4
  - The high degree of launch activities is a result of the high NBW levels in 2016 and 2017. This is starting to impact the Interior revenues (primarily Interior Comfort Systems) this year
- 2018 Q1 Adjusted EBIT decrease MEUR 3.3 compared to Q1 2017 excl. effects from divestures and FX
  - 2018 Q1 Adjusted EBIT of MEUR 1.6
  - We continue to struggle with operational issues related to new product technology launches and expansions.
    - We expect to improve our operational performance gradually over the next quarters
- Footprint activities
  - Ramp-up of the new location in Poland is ongoing

Powertrain & Chassis Segment - Update

Restructuring measures are showing first results

- P&C New Business Wins (NBW) amounted to MEUR 31.5 annualized in Q1 2018
  - Major win included Gear Shift Systems products to a major global OEM
  - Estimated annual revenue of this win is MEUR 15.2 with an expected SOP in early 2019
- 2018 Q1 Revenues grew by MEUR 13.4 (~13%) compared to Q1 2017 excl. effects from FX
  - Revenues of MEUR 108.5, including FX effects of MEUR -7.2
  - North American was the main driver of sales growth due to new customers/ products and continued ramping of recently launched products
- 2018 Q1 Adjusted EBIT increased by MEUR 4.4 compared to Q1 2017 excl. effects from FX
  - 2018 Q1 adjusted EBIT of MEUR 2.5
  - Volume fall through and restructuring were the main contributors to the YoY improvements
- Footprint activities
  - The closure of the Rollag plant (Norway) was completed in Q1 2018 slightly ahead of Q2 2018 as previously communicated

Specialty Products Segment - Update

Continuing to deliver well

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- Specialty Products New Business Wins (NBW) amounted to MEUR 30.3 annualized in Q1 2018
  - Couplings was awarded a program with a major North American OEM with an estimated annual value of MEUR 9.6
  - FTS won a contract with a major European passenger car OEM with an estimated annual value of MEUR 4.5
- 2018 Q1 Revenues grew by MEUR 15.5 (~15%) compared to Q1 2017 excl. effects from FX
  - 2018 Q1 Revenues amounted to MEUR 109.4, including FX effects of MEUR -9.1
  - Couplings benefited from increased customer demand primarily in EMEA and Asia
  - FTS and Off-Highway are on track with solid performance in particular due to a stronger North American business
- 2018 Q1 Adjusted EBIT increased by MEUR 6.9 compared to Q1 2017 excl. effects from FX
  - 2018 Q1 adjusted EBIT of MEUR 19.9
  - Similarly to last year, particularly Couplings are affected by unfavorable raw material price developments
    - FTS and Off-Highway experienced less raw material headwinds, which were fully offset by savings
- Footprint activities
  - Easley closure slightly delayed as we now expect final closure to take place in Q3 rather than Q2
  - Burton closure is still on track for the fourth quarter of 2018
  - The growth in Couplings, particularly in Asia and North America has led us to set up assembly activities for Couplings in these regions

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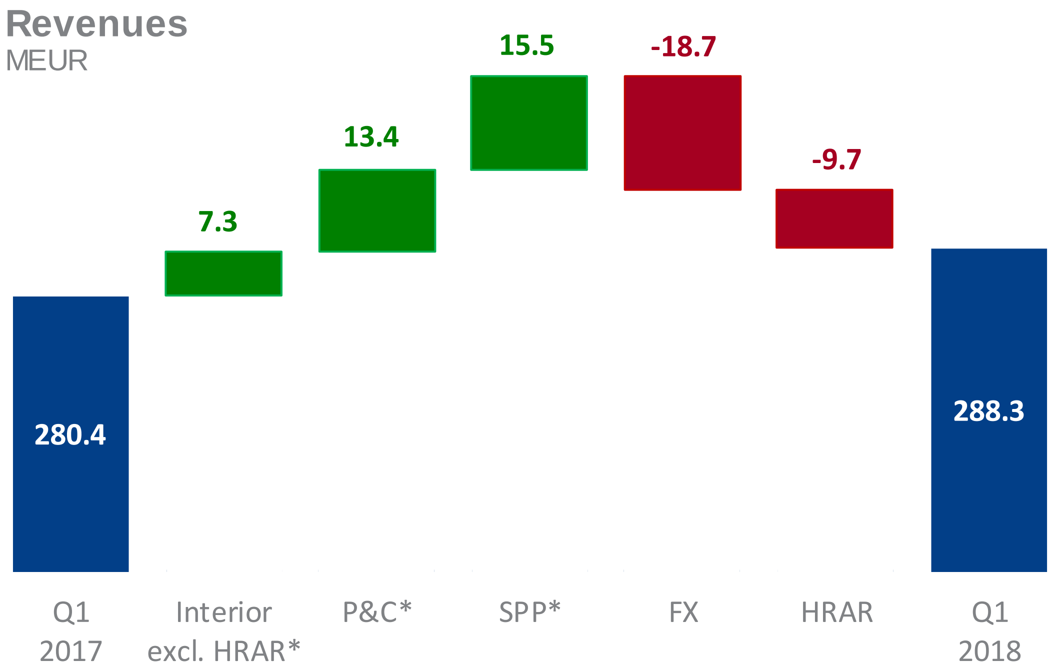
Norbert Loers

Financial Update

Q1 2018 - Revenue development

Revenue growth in all segments*



- **Group:**
  - Revenue is MEUR 7.9 (2.8%) above the first quarter 2017.
- **Interior:**
  - Revenue growth is driven by the European and Chinese Comfort business.
- **P&C:**
  - Strong US and Brazilian markets driving the sales increase.
- **SPP:**
  - Revenue increased for all Business Units. The main driver was Couplings sales in the European and Chinese regions. Also, the SPP revenues include all proceeds from the sale of the E-power business including fixed assets and inventories.
- **FX effects:**
  - Interior: MEUR -2.4
  - P&C: MEUR -7.2
  - SPP: MEUR -9.1

** Variances excluding FX translation effects*

Q1 2018 - Adjusted EBIT development

Group increased profitability driven by SPP and P&C

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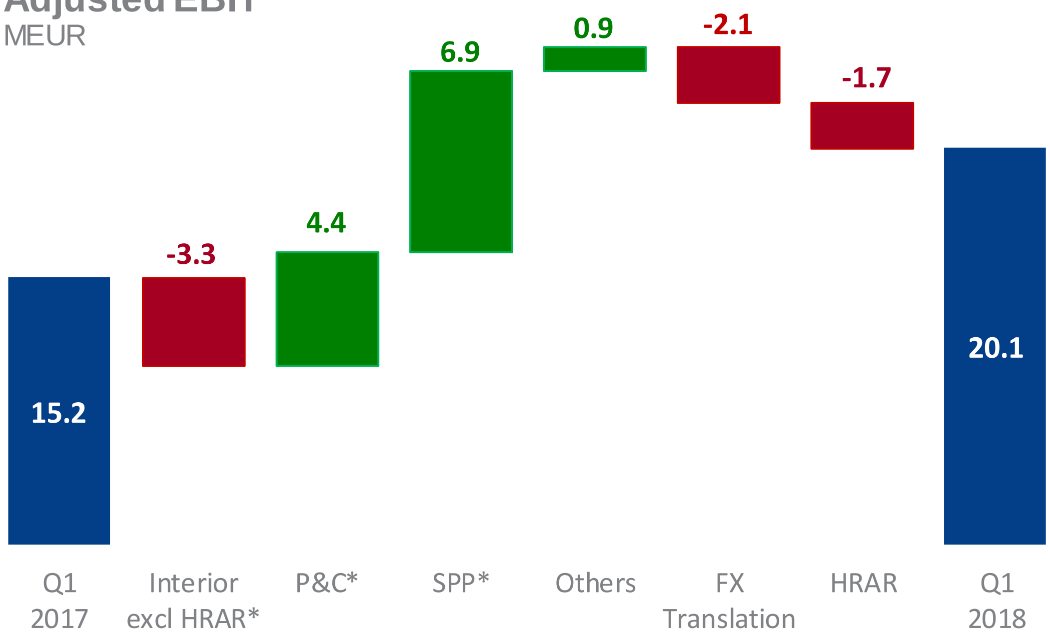
Adjusted EBIT**

MEUR



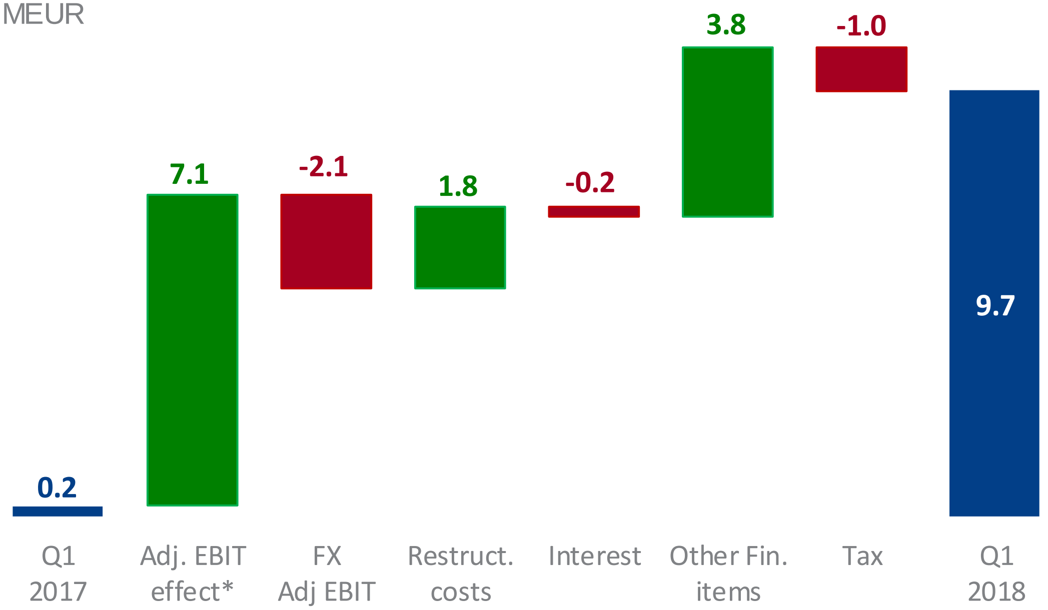
- **Group:**
  - Adjusted EBIT increased by MEUR 4.9 compared to Q1 2017.
- **Interior:**
  - Ramp-up costs for new launches and associated ongoing operational challenges continue to impact profitability.
- **P&C:**
  - Profitability benefits from scale of higher sales volume and improving traction from the restructuring actions.
- **SPP:**
  - Driven by all business units within Specialty Products. Sales growth of Couplings was partly offset by unfavorable raw material prices.
- **Others:**
  - Overhead reduction
- **FX Translation:**
  - Negative translation effects mainly due to USD and CAD

** Variances excluding FX translation effects; ** Excluding restructuring costs*

Q1 2018 - Net Profit development

Net profit development following strong EBIT performance

Net Profit
MEUR

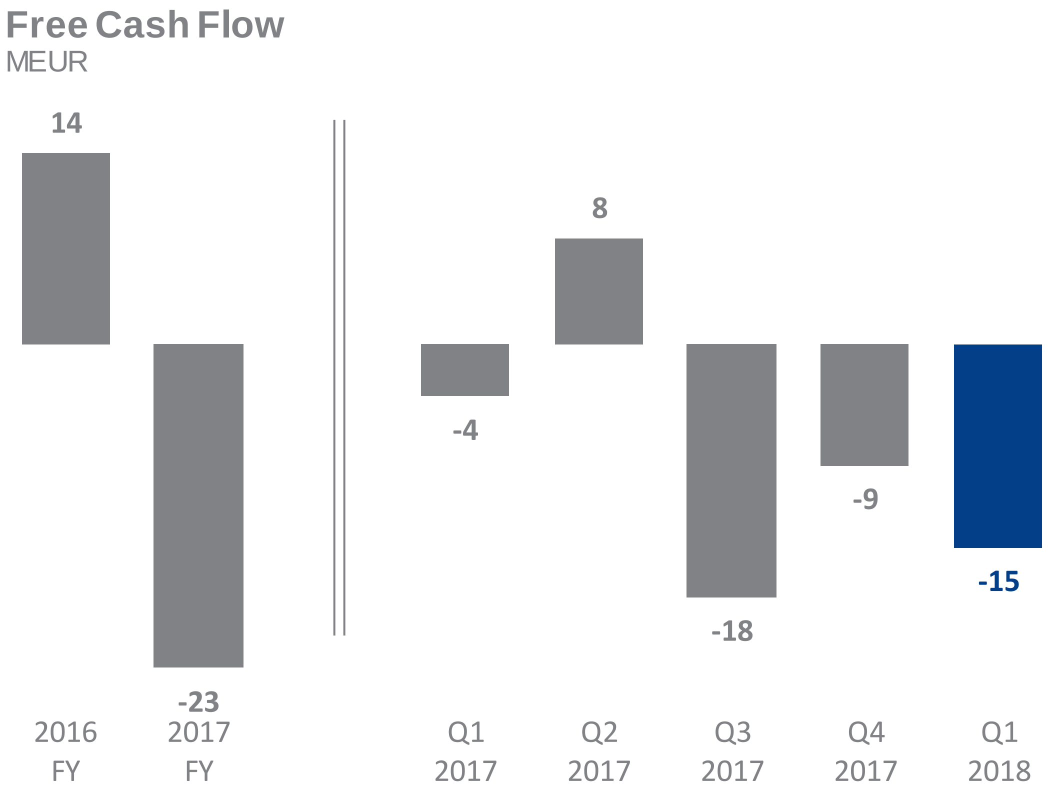


- **Group:**
  - Net Profit is MEUR 9.4 above Q1 2017 mainly driven by the operational result.
- **Restructuring:**
  - Reduced costs due to the advanced stage of the restructuring activities.
- **Interests:**
  - In line with the increased borrowing and higher LIBOR.
- **Other financial items:**
  - Net unrealized gain of MEUR 3.9, mainly driven by currency effects on loans
- **Tax:**
  - Positive effect of a decreasing tax rate was offset by a higher taxable base as profit before taxes almost tripled.

** Increase of Adjusted EBIT of MEUR 5.0 + reversal of the negative FX translation effect on Adjusted EBIT (MEUR +2.1)*

Free Cash Flow

Seasonal increase of Net Working Capital and ongoing Restructuring



- **Operational NWC:**
  - Mainly receivables increase driven by sales growth and seasonality
- **Restructuring:**
  - Cash out related to restructuring activities amounted to MEUR 5.7 for Q1 2018.
- **Investments:**
  - Capex was maintained at a stable level (MEUR 10.8 in Q1 2018) in order to support current and future sales.
- **Interest:**
  - Interest payments increased to MEUR 2.6 in Q1 2018 which is in line with increased borrowing & higher LIBOR

Q1 2018 - Cash flow and facility development

Strong EBITDA contribution offset by NWC increase

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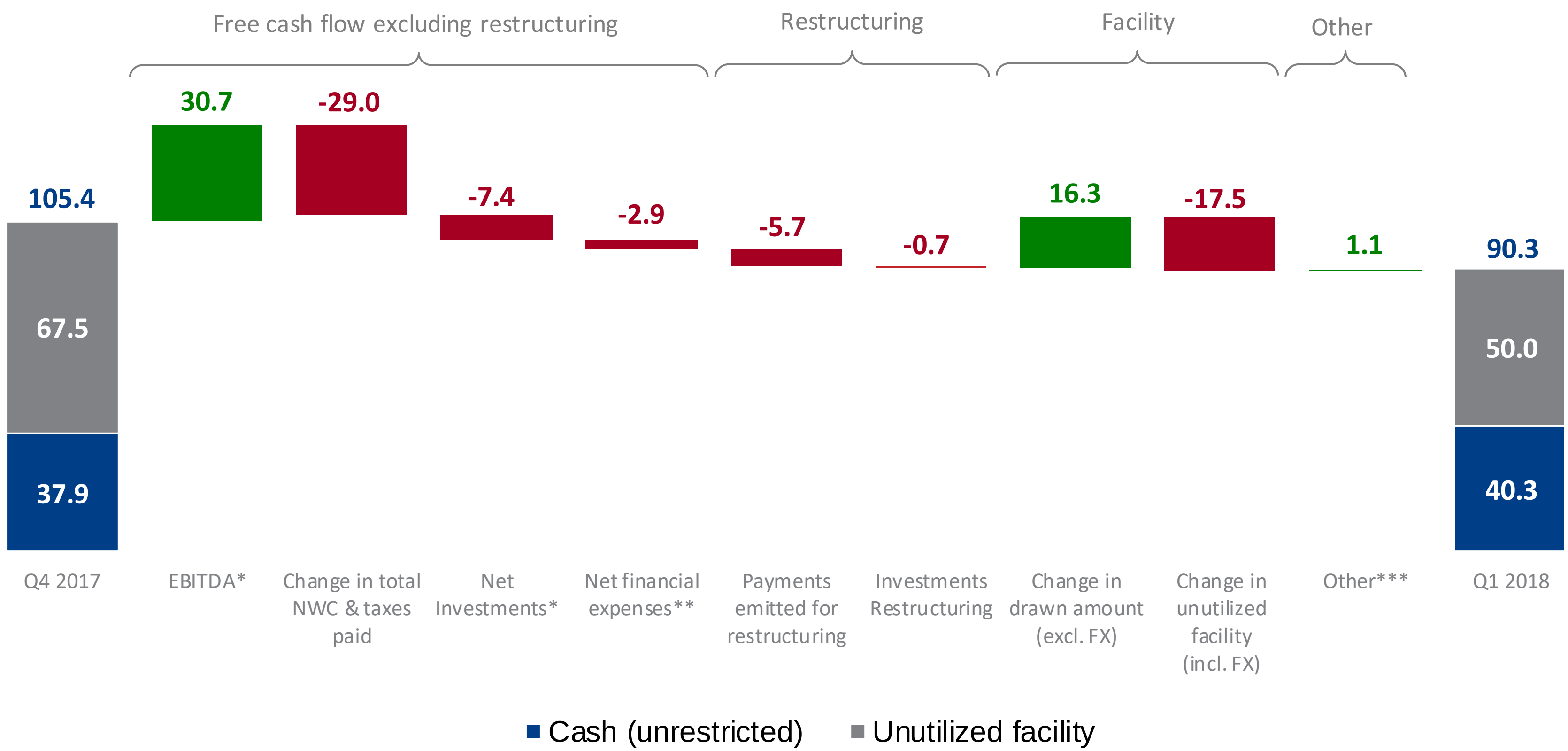
Available funds
MEUR



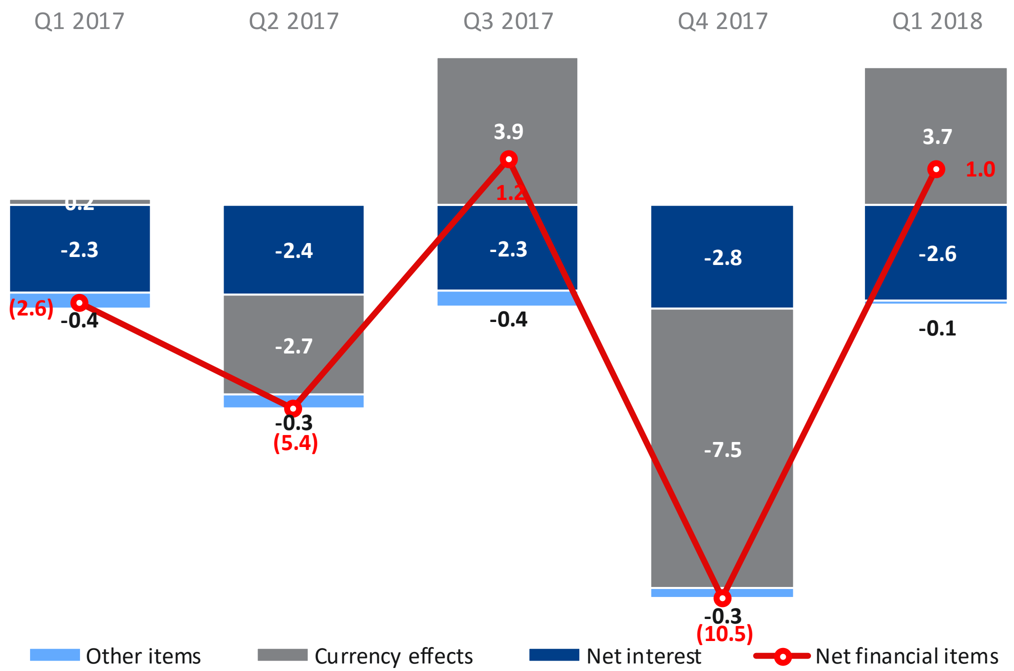
** Variance excluding Restructuring; ** Excluding unrealized foreign currency gain/loss; *** Including MEUR 1.4 decrease of restricted cash*

Net financial items - Breakdown

MEUR 3.9 unrealized currency gain

Net financial items

MEUR

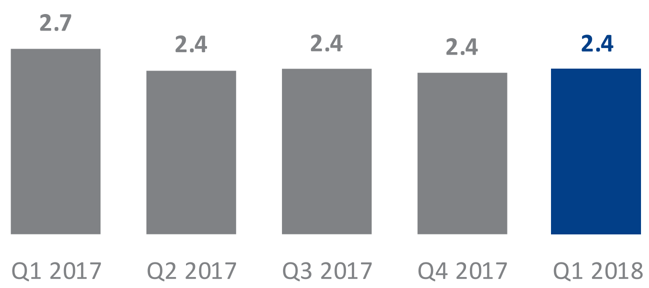


- **Currency effects:**
  - Mainly due to unrealized gains amounting to MEUR 3.9 in Q1 2018 majority refers to USD and CAD FX variations.
- **Interest:**
  - In line with increased level of borrowing.

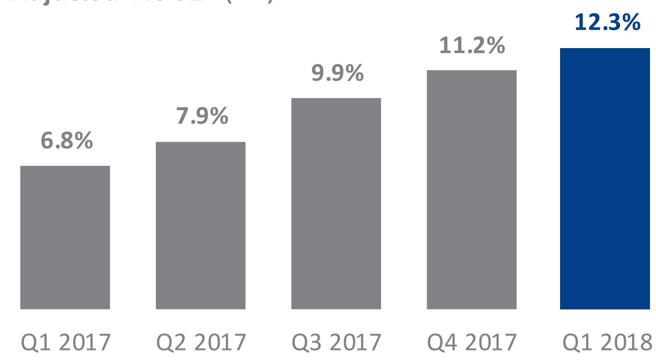
Financial ratios

Adjusted ROCE increase driven by EBIT growth

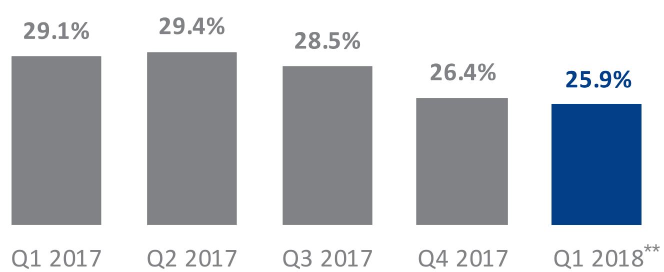
Adjusted NIBD/EBITDA* (LTM)



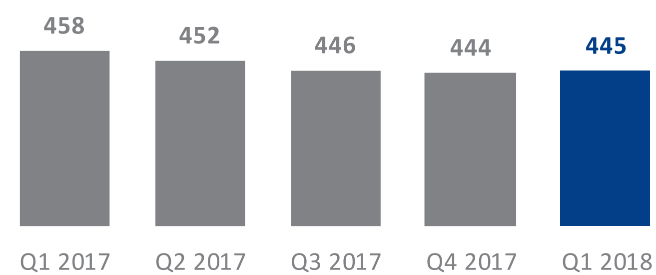
Adjusted ROCE* (LTM)



Equity ratio



Avg. Capital Employed
MEUR



** Excluding restructuring costs; ** Including IFRS 15 and IFRS 9 adjustments on equities amounting to MEUR +0.7*

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Summary & Outlook

Summary

- Q1 continues our steady YoY quarterly improvements and largely confirms our 2017 CMD outlook for 2018. This is the fifth consecutive quarter with quarterly YoY improvements. This despite unfavorable FX and raw material price movements.
- In Q1, we achieved unseasonably strong New Business Wins (NBW). Although we do not control the OEM calendars for business awards, we feel that the strong start to the 2018 NBW further support our long term sales growth ambitions.
- Our restructuring actions in P&C are starting to show modest first results.
- The initiated plant closures are progressing – Burton is on time, and Easley slightly behind the timing plan.
- We expect Q2 2018 revenues of MEUR 280,
an increase of MEUR 12 compared to Q2 2017.