

IR & MEDIA CALL
KONGSBERG AUTOMOTIVE
DIVESTS ITS ICS AND LDC BUSINESSES
OCTOBER 29, 2021



KONGSBERG
AUTOMOTIVE

CONTEXT

SHIFT GEAR PROGRAM AND THE TRANSACTIONS



ON OUR WAY TO A "NEW"
KONGSBERG AUTOMOTIVE

1. IMPROVE PERFORMANCE

2. PRODUCT PORTFOLIO TRANSFORMATION

3. STRENGTHEN SUSTAINABILITY

OUR AMBITION >>>
**BECOMING SECOND
TO NONE**
in all we do

Be the top global supplier in any area
where we are operating



CONTEXT

SHIFT GEAR PROGRAM

1. IMPROVE PERFORMANCE

2. PRODUCT PORTFOLIO TRANSFORMATION

- > **Shift Gear portfolio transformation aims to ensure KA is a top-3 supplier in all its product areas**
- > **two divestments** signed (*after the balance-sheet date*)
- > Strong future Leverage on the significant growth opportunities of KA's **On highway and Off Highway Portfolio**
- > Builds on KA strengths of engineering excellence , innovation and strong customer relationships

3. STRENGTHEN SUSTAINABILITY



OVERVIEW OF THE TWO DIVESTMENTS

INTERIOR COMFORT SYSTEMS (ICS)

Lear Corporation and **Kongsberg Automotive** entered into sales agreement for Interior Comfort Systems business unit on October 28, 2021.



LIGHT-DUTY CABLES BUSINESS (LDC)

Suprajit Engineering Limited and **Kongsberg Automotive** entered into sales agreement for Light-Duty Cables business unit on October 28, 2021.



ICS

WHY THE TRANSACTION MAKES SENSE



FOR ICS BUSINESS

- > Market Trend towards **vertical integration and intelligent seats**
- > **Joining forces** instead of facing a customer-turned-competitor.
- > Lear's **large market reach offers opportunities for growth** to ICS



FOR ICS EMPLOYEES

- > Joining a respected **dedicated automotive seating powerhouse** where it's all about seats
- > Bringing comfort component know-how together with seat structure know-how to **generate innovative upsides**
- > Individual **development opportunities** within a Fortune 500 company.



ICS GLOBAL FOOTPRINT



~3,800
EMPLOYEES IN
9
COUNTRIES
WORLDWIDE



LDC

WHY THE TRANSACTION MAKES SENSE



FOR LDC BUSINESS

- > **Further growth** perspective for LDC **at KA** as one out of the six product units competing for transformation **was limited**.
- > LDC moves now to a full **dedicated, focused and specialized expert** in this field
- > In Suprajit's market, the business will find **perspectives for growth** and **leverage economies of scale**



FOR LDC EMPLOYEES

- > Ideal environment with **promising perspectives** in multicultural environment
- > Suprajit appreciates **know-how and expertise** of LDC experts
- > Landing in a **long term oriented** LDC environment

LDC GLOBAL FOOTPRINT



~1,300

EMPLOYEES IN
4 COUNTRIES

3 PLANTS

MEXICO
HUNGARY
CHINA

1 WAREHOUSE

USA

- PLANT
- ◻ SITE OFFICE
- ◻ TECHNICAL CENTER
- ◊ WAREHOUSE



PRELIMINARY OUTLOOK

TRANSACTION IMPACTS

RATIONALE

- > **IMPROVED FOCUS IMPROVES FUTURE PROFITABILITY**
- > **We are evaluating and developing our technology-driven business towards e-mobility in order to position the company effectively and sustainably for the future**
- > The divested business units do not fit with our aim to be a top global supplier in the areas we operate
- > Transactions are value-accretive on both revenue/employee and earnings/employee basis... *despite one-off transaction costs, which impact EBIT in 2021.*

IMPACT OF ICS DIVESTMENT

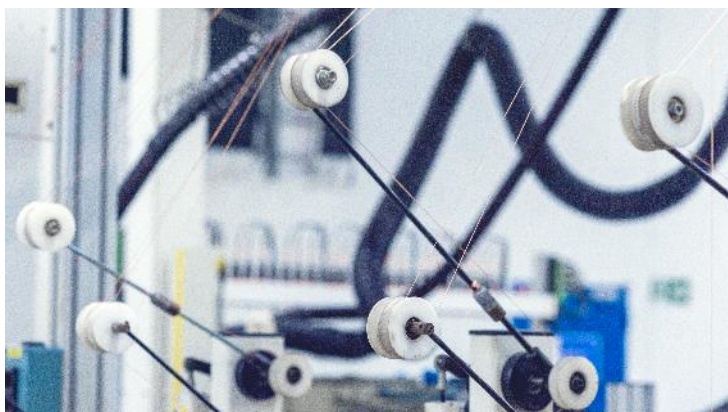
€175M

TRANSACTION
VALUE

€~240M
UNIT REVENUE

€-8M
ADJ. EBIT

2021 with special impact by semi conductor shortage challenged market conditions



IMPACT OF LDC DIVESTMENT

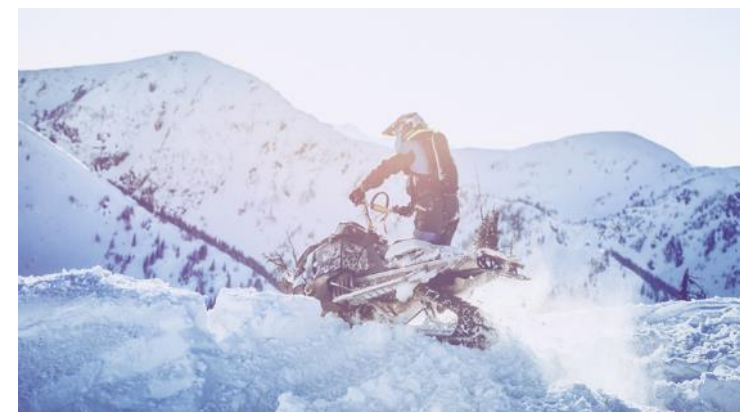
€37.7M

TRANSACTION
VALUE

€~80M
UNIT REVENUE

€3M
ADJ. EBIT

2021 with special impact by semi conductor shortage challenged market conditions



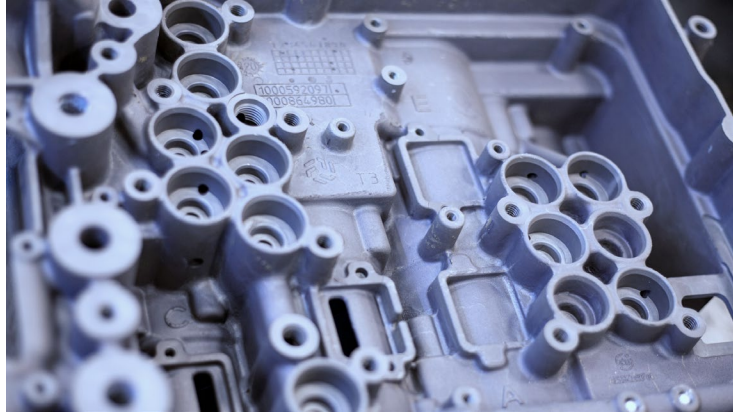
OUTLOOK

BUILDING THE NEW KA



We concentrate our full focus on

- **ON-HIGHWAY** > P&C, new product innovations that support transformation to EV
- **OFF-HIGHWAY**, new products, new regions, new markets
- **TRANSFER SYSTEMS**
Fluid Transfer Systems & Couplings, new additional markets and regions



Proceeds from the sale provide opportunities

- To focus on profitable growth with **strong product focus plus attractive innovations**
- To **deleverage** and strengthen our balance sheet
- To maximize **shareholder value** and support **stock price developments**



A strategy update on “Kongsberg Automotive’s future mobility solutions” will follow in late Q4 2021.



Q&A





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