



KONGSBERG
AUTOMOTIVE

First Quarter Report 2019



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HIGHLIGHTS FIRST QUARTER 2019

- > Revenues were **MEUR 306.5** in the first quarter, MEUR 18.3 (+6.3%) above the first quarter last year, including positive currency translation effects of MEUR 4.9.
- > Adjusted EBIT amounted to **MEUR 21.5** in the first quarter, MEUR 1.4 above the first quarter last year.
- > Lifetime revenues business wins in the first quarter amounted to **MEUR 339.0** (MEUR 65.5 in annualized revenue).
- > The adjusted gearing ratio (NIBD/adj. EBITDA) was 3.0 for the first quarter 2019, including 0.8 negative effect of IFRS 16 implementation.

KEY FIGURES

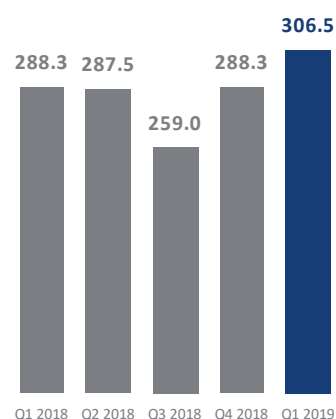
(MEUR)	Q1 2019	Q1 2018	FY 2018
Revenues	306.5	288.3	1,123.1
EBITDA ¹	32.1	25.0	89.3
in % Revenues	10.5%	8.7%	8.0%
Adjusted EBIT²	21.5	20.1	74.7
in % Revenues	7.0%	7.0%	6.7%
Operating profit / EBIT	20.3	14.8	53.7
in % Revenues	6.6%	5.1%	4.8%
Net Profit / (Loss)	13.8	9.7	23.8
NIBD / Adjusted EBITDA (LTM)	3.0	2.4	1.9
NIBD / Adjusted EBITDA (LTM) excluding IFRS 16 ³	2.2	2.4	1.9
Equity ratio	29.0%	25.9%	30.9%
Equity ratio excluding IFRS 16 ³	32.6%	25.9%	30.9%

¹ Includes MEUR 3.8 positive impact of the implementation of IFRS 16 (see Note 2)

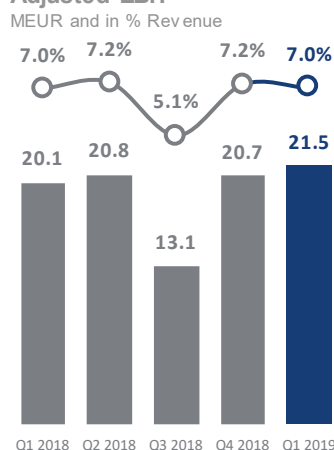
² Adjusted for restructuring costs (see section APM), includes MEUR 0.8 positive impact of the implementation of IFRS 16 (see Note 2)

³ See details in Note 2

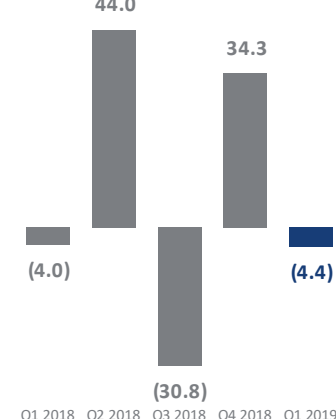
Revenues
MEUR



Adjusted EBIT



Operating Cash Flow
MEUR



GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

(MEUR)	Q1 2019	Q1 2018	FY 2018
Revenues	306.5	288.3	1,123.1
OPEX	(274.4)	(263.3)	(1033.8)
EBITDA	32.1	25.0	89.3
<i>in % Revenues</i>	<i>10.5%</i>	<i>8.7%</i>	<i>8.0%</i>
Depreciation, amortization and impairment	(11.8)	(10.2)	(35.6)
Operating profit / EBIT	20.3	14.8	53.7
<i>in % Revenues</i>	<i>6.6%</i>	<i>5.1%</i>	<i>4.8%</i>
Adjusted EBIT¹	21.5	20.1	74.7
<i>in % revenues</i>	<i>7.0%</i>	<i>7.0%</i>	<i>6.7%</i>
Net financial items	(1.2)	1.0	(15.2)
Profit / (loss) before taxes	19.1	15.7	38.5
Income taxes	(5.2)	(6.1)	(14.7)
Net profit / (loss)	13.8	9.7	23.8

¹ See section APM for the reconciliation

REVENUES

Revenues for the Group amounted to MEUR 306.5 in the first quarter of 2019. The revenues were MEUR 18.3 (+6.3%) above the same period last year, including positive currency translation effects of MEUR 4.9. Revenue increase was driven by both Interior Comfort Systems and Powertrain & Chassis.

In the Interior segment, which serves the passenger car end markets, revenues increased by MEUR 7.1 (+10.1%) compared to the first quarter of 2018, including positive currency translation effects of MEUR 0.7. The revenue growth took place in all regions for the comfort business as a result of the ramp ups of productions started in 2018.

In the Powertrain & Chassis segment, which serves the passenger car and commercial vehicle end markets, revenues increased by MEUR 10.4 (+9.6%) compared to the same quarter in 2018, including positive currency translation effects of MEUR 1.7. The growth was mainly driven by the European passenger car and North American commercial vehicles applications.

In the Specialty Products segment, which serves the passenger car, commercial vehicle end markets and general industrial customers, revenues increased by MEUR 0.8 (+0.7%) compared to the same quarter in 2018, including positive currency translation effects of MEUR 2.5. The growth was mainly driven by the Couplings business growing in all regions but was offset by lower sales in the Fluid Transfer Systems business.

ADJUSTED EBIT / EBIT

Adjusted EBIT for the Group was MEUR 21.5 in the first quarter of 2019, an increase of MEUR 1.4 compared to the first quarter of 2018. The effects of higher volumes were partially offset by costs for new products launches, increased Mexican labor cost, increased custom duties, unfavorable development of raw material cost as well as unfavorable product and market mix.

Including restructuring cost of MEUR 1.2, operating profit in Q1 2019 amounted to MEUR 20.3, compared to MEUR 14.8 in Q1 2018.

First adoption of the new IFRS 16 standard had a positive impact of MEUR 0.8 on the Group operating profit (see Note 2).

NET FINANCIAL ITEMS

Net financial items came to an expense of MEUR 1.2 in the first quarter of 2019, compared to an income of MEUR 1.0 in the same period in 2018 (see Note 7).

The main driver was higher refinancing-related interest expenses of MEUR 4.0 following the issuance of the bond in July 2018, compared to MEUR 2.6 during the same period last year. The adoption of the new IFRS 16 standard also resulted in MEUR 1.2 additional interest expenses (see Note 2).

PROFIT BEFORE TAX / NET PROFIT

Profit before tax amounted to MEUR 19.1 in the first quarter of 2019, an improvement of MEUR 3.3 compared to the same quarter in 2018. Net profit increased by MEUR 4.1 and amounted to MEUR 13.8 as per Q1 2019 as a result of a significantly reduced effective tax rate.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – CASH FLOW

(MEUR)	Q1 2019	Q1 2018	FY 2018
Cash flow - Operating activities	(4.4)	(4.0)	43.2
Cash flow - Investing activities	(13.5)	(8.1)	(70.0)
Cash flow - Financing activities	(11.2)	13.7	44.9
Currency effects on cash	2.5	(0.6)	1.6
Change in cash	(26.6)	1.0	19.8
Cash at beginning period	59.2	39.5	39.5
Cash at period end	32.6	40.4	59.2
<i>Of this, restricted cash</i>	<i>0.2</i>	<i>0.2</i>	<i>0.1</i>

CASH FLOW FROM OPERATING ACTIVITIES

Cash from by operating activities decreased by MEUR 0.4 in comparison with the same quarter last year. The decrease was primarily driven by the increased net working capital due to sales growth.

Restructuring had a negative cash effect of MEUR 3.4 in the quarter.

In connection with first adoption of IFRS 16 the lease payments are split into interest and reduction of lease liabilities, negatively impacting the financing cash flow but positively impacting operating cash flow by MEUR 3.8.

CASH FLOW USED IN INVESTING ACTIVITIES

Cash used in investing activities amounted to MEUR 13.5 in the first quarter of 2019, MEUR 5.5 more than the same quarter last year. Investments continued to be made in capacity expansions to accommodate current and future business growth, as well as some maintenance investments.

CASH FLOW FROM FINANCING ACTIVITIES

Cash used in by financing activities was MEUR 11.2 in the first quarter, compared to MEUR 13.7 generated in the same quarter last year.

The net draw of debt in the first quarter amounted to MEUR 0.3, compared to MEUR 16.3 in the same period last year.

Interest payments in the first quarter of 2019 amounted to MEUR 8.2, whereas interest payments amounted to MEUR 2.6 last year for the same period. Those payments include interests on the new notes from its date of issuance on July 23, 2018 to the first interest payments on January 15, 2019 for a total amount of MEUR 6.5. In addition, IFRS 16 lease payments now reported as financing activities for a total amount of MEUR 3.8, comprised MEUR 1.2 of interest paid (see Note 2).

CHANGE IN CASH

Cash decreased by MEUR 26.6 during the first quarter, resulting in a cash position of MEUR 32.6 at the end of the quarter, compared to the balance at the end of last year of MEUR 59.2.

LIQUIDITY RESERVE

The liquidity reserve was MEUR 82.4 at the end of the first quarter, compared to MEUR 109.1 at year-end 2018. As at March 31, 2019, no amount was drawn under the new revolving credit facility after a temporary utilization of MEUR 7.5 during the quarter.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	31.03.19	31.03.18	31.12.18
Non-current assets	504.0	360.7	388.6
Cash and cash equivalents	32.6	40.4	59.2
Other current assets	398.8	354.7	372.4
Total assets	935.4	755.8	820.2
Equity	271.5	196.1	253.5
Interest-bearing liabilities	373.8	273.8	269.5
Other liabilities	290.1	285.9	297.2
Total equity and liabilities	935.4	755.8	820.2
NIBD	341.2	233.3	210.2
Equity ratio	29.0%	25.9%	30.9%

ASSETS

Total assets were MEUR 935.4 at the end of the first quarter, an increase of MEUR 14.0% from year-end 2018.

The significant growth in assets is mainly resulting from the adoption of the new IFRS 16 standard with MEUR 103.4 additional right-of-use assets (see Note 2).

EQUITY

Equity as of March 31, 2019 increased by MEUR 7.1% to MEUR 271.5 in comparison with December 31, 2018.

The net profit for the year of MEUR 13.8 contributed to the equity increase as well as positive translation differences after tax of MEUR 3.9.

The equity ratio decreased by 1.9 percentage points to 29.0% due to the first adoption of IFRS 16.

INTEREST BEARING LIABILITIES

Long-term interest-bearing loan and borrowing consisted mainly of the issued bond amounting to MEUR 275.0 and included capitalized bond financing cost of MEUR 6.5 at the end of the first quarter 2019. As at December 31, 2018, long-term interest-bearing debt amounted to MEUR 269.5 and included EUR 6.7 of capitalized arrangements fees.

Counterpart of the right-of-use assets, IFRS 16 lease interest-bearing liabilities amounted to MEUR 103.8 as at March 31, 2019.

NET INTEREST BEARING DEBT

At the end of the first quarter 2019, net interest-bearing debt amounted to MEUR 341.2, an increase of MEUR 130.9 compared to year-end 2018 mainly driven by IFRS 16 additional liabilities.

INTERIOR

SEGMENT REPORTING

Interior is a global leader in the development, design and manufacture of seat comfort systems and mechanical and electro-mechanical light-duty motion controls to Tier 1 and OEM customers. The product range includes seat adjuster cables and other cabling systems, lumbar support and side bolsters, seat heating, ventilation and massage systems and head restraints.

Interior addresses the passenger car market, with particularly strong positions on premium car platforms in Europe and North

America. The product penetration for products such as seat heating, seat ventilation and massage systems are especially high in medium to higher end cars, while headrests and light duty cables are found in all ranges of cars. Customers include all major European and North American car and seat manufacturers and most premium OEMs such as Adient, Magna, Faurecia, Lear, Jaguar, Land Rover, Audi, Volvo Cars, Daimler and BMW.

KEY FIGURES

(MEUR)	Q1 2019	Q1 2018	FY 2018
Revenues	77.3	70.2	285.6
Adjusted EBITDA	5.6	5.7	23.4
<i>in % Revenues</i>	<i>7.2%</i>	<i>8.2%</i>	<i>8.2%</i>
Adjusted EBIT	2.1	1.6	12.5
<i>in % Revenues</i>	<i>2.7%</i>	<i>2.3%</i>	<i>4.4%</i>
Restructuring	(0.0)	(1.1)	(4.2)
Operating profit / EBIT	2.1	0.5	8.3
<i>in % Revenues</i>	<i>2.7%</i>	<i>0.7%</i>	<i>2.9%</i>
Investments	(5.8)	(3.2)	(26.3)
Capital Employed ¹	190.0	170.8	178.5

¹ Includes PP&E, intangible assets, inventories, trade receivables and trade payables

FINANCIAL UPDATE

Revenues in interior increased by MEUR 7.1 (+10.1%) compared to the first quarter of 2018, including positive currency translation effects of MEUR 0.7. The revenue growth took place in all regions for the comfort business as a result of the ramp ups of productions started in 2018.

Adjusted EBIT was MEUR 2.1 in the first quarter, an increase of MEUR 0.5 compared to the first quarter 2018. The first quarter adjusted EBIT margin increased by 0.5 percentage points to 2.7%. The improvement of EBIT was mainly related to volume increase but was partially offset by unfavorable product and market mix effects including lower Light Duty Cable business, increase of raw material costs, as well as increased Mexican labor cost, and custom duties.

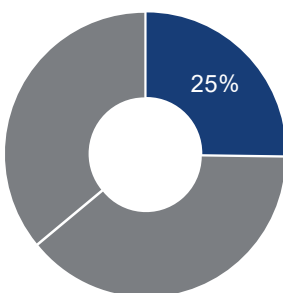
The adoption of the new IFRS 16 standard had a positive impact of MEUR 0.2 on the Adjusted EBIT (see Note 2).

COMMERCIAL AND OPERATIONAL UPDATE

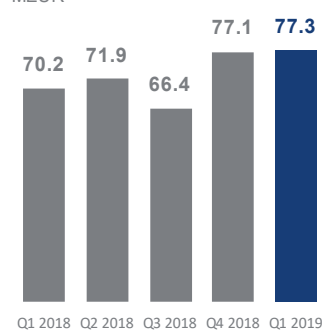
The business wins for the first quarter amounted to MEUR 141.7 in lifetime revenue for the Interior segment (MEUR 22.5 in annualized revenue), a significant increase compared to the first quarter of 2018,

Those figures include an awarded business to supply Seat Heat, Ventilation and Massage Systems to a European Tier 1 supplier with lifetime revenue estimated at approximately MEUR 107 with an expected SOP in 2021.

Group revenue share
Q4 2018

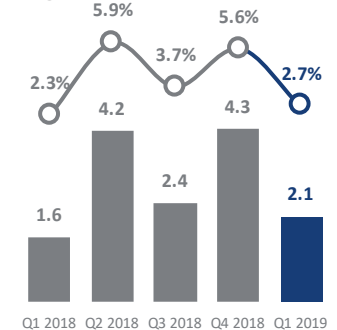


Revenues
MEUR



Adjusted EBIT

MEUR and in % Revenue



POWERTRAIN AND CHASSIS

SEGMENT REPORTING

Powertrain & Chassis is a global Tier 1 supplier of driver control and driveline products into the passenger and commercial vehicle automotive markets. The portfolio includes custom-engineered cable controls and complete shift systems, clutch actuation systems, vehicle dynamics, shift cables and shift towers for transmissions.

Powertrain & Chassis serves the passenger car and the commercial vehicle market, with particularly strong positions in Europe and the Americas. With a global footprint, Powertrain & Chassis is able to support customers worldwide. Key customers include Ford, General Motors, FCA, Volvo, Scania, DAF, John Deere, PSA and Renault-Nissan.

KEY FIGURES

(MEUR)	Q1 2019	Q1 2018	FY 2018
Revenues	119.0	108.5	437.1
Adjusted EBITDA	7.9	6.2	28.2
<i>in % Revenues</i>	6.6%	5.7%	6.4%
Adjusted EBIT	2.9	2.5	13.0
<i>in % Revenues</i>	2.4%	2.3%	3.0%
Restructuring	0.1	(2.2)	(5.1)
Operating profit / EBIT	2.9	0.2	7.9
<i>in % Revenues</i>	2.5%	0.2%	1.8%
Investments	(6.8)	(4.7)	(21.5)
Capital Employed ¹	178.9	162.6	169.2

¹ Includes PP&E, intangible assets, inventories, trade receivables and trade payables

FINANCIAL UPDATE

Revenues in Powertrain & Chassis increased by MEUR 10.4 (+9.6%) to MEUR 119.0 in the first quarter 2019 compared to the same quarter in 2018, including positive currency translation effects of MEUR 1.7. The revenue growth was mainly driven by the European passenger car and North American commercial vehicles applications.

Adjusted EBIT was MEUR 2.9 in the first quarter, an increase of MEUR 0.4 compared to the first quarter 2018. The first quarter adjusted EBIT margin increased by 0.1 percentage points to 2.4%. The fall through of the increasing volume sales was negatively impacted by unfavorable raw material price development,

extraordinary launch costs, increased Mexican labor cost and custom duties.

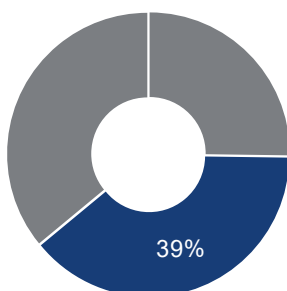
The adoption of the new IFRS 16 standard had a positive impact of MEUR 0.4 on the Adjusted EBIT (see Note 2).

COMMERCIAL AND OPERATIONAL UPDATE

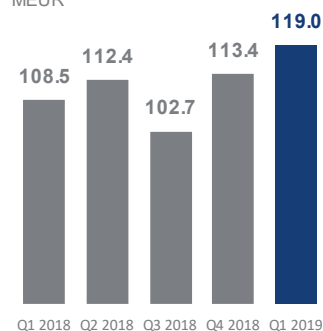
Business wins amounted to MEUR 184.9 lifetime revenue (MEUR 32.6 in annualized revenue) in the first quarter 2019, demonstrating Powertrain & Chassis continuous momentum.

Those figures include an awarded business to supply Gear Shift Systems to a North American Tier 1 supplier with lifetime revenue estimated at approximately MEUR 124.

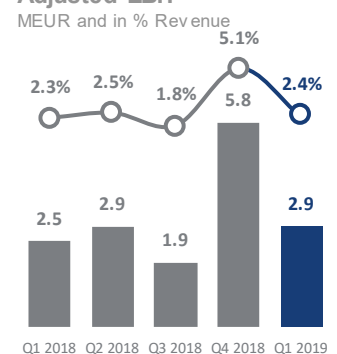
Group revenue share
Q4 2018



Revenues
MEUR



Adjusted EBIT



SPECIALTY PRODUCTS

SEGMENT REPORTING

Specialty Products designs and manufactures fluid handling systems for both the automotive and commercial vehicle markets, couplings systems for compressed-air circuits in heavy-duty vehicles, operator control systems for power sports construction, agriculture, outdoor power equipment and power electronics based products.

Key customers include Volvo Trucks/Group, Scania, Navistar, Paccar/DAF, Ford, Jaguar Land Rover, Club Car, John Deere, CAT, Husqvarna, CNH and BRP and several Tier 1 customers in addition to an industrial customer base.

KEY FIGURES

(MEUR)	Q1 2019	Q1 2018	FY 2018
Revenues	110.2	109.4	400.2
Adjusted EBITDA	22.2	22.1	75.1
in % Revenues	20.1%	20.2%	18.8%
Adjusted EBIT	19.4	19.9	66.6
in % Revenues	17.6%	18.2%	16.6%
Restructuring	0.2	(1.0)	(7.2)
Operating profit / EBIT	19.6	18.9	59.4
in % Revenues	17.8%	17.3%	14.8%
Investments	(1.8)	(2.2)	(19.3)
Capital Employed ¹	197.3	171.9	183.7

¹ Includes PP&E, intangible assets, inventories, trade receivables and trade payables

FINANCIAL UPDATE

Revenues in Specialty Products increased by MEUR 0.8 (+0.7%) to MEUR 110.2 in the first quarter 2019 compared to the same quarter in 2018, including positive currency translation effects of MEUR 2.5. The growth was mainly driven by the Couplings business growing in all regions but was offset by lower sales in the Fluid Transfer Systems business.

Adjusted EBIT was MEUR 19.4 in the first quarter, a decrease of MEUR 0.5 compared to the same quarter 2018. The first quarter adjusted EBIT margin decreased by 0.6 percentage points to

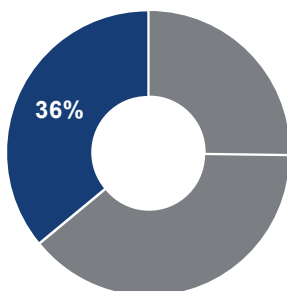
17.6%. Higher sales volumes in this segment were offset by an unfavorable product mix, higher raw material costs as well as increased custom duties and Mexican labor cost.

The adoption of the new IFRS 16 standard had a positive impact of MEUR 0.2 on the Adjusted EBIT (see Note 2).

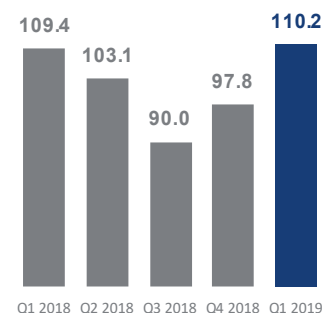
COMMERCIAL AND OPERATIONAL UPDATE

During the first quarter 2019, total business wins amounted to MEUR 13.3 in lifetime revenue (MEUR 10.4 in annualized revenue).

Group revenue share
Q4 2018

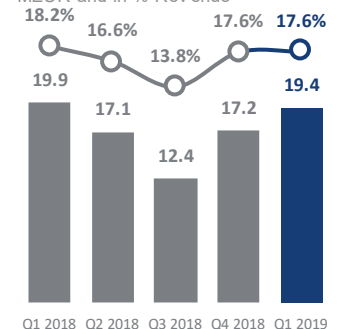


Revenues
MEUR



Adjusted EBIT

MEUR and in % Revenue



CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q1 2019	Q1 2018	FY 2018
Revenues	306.5	288.3	1,123.1
OPEX	(274.4)	(263.3)	(1033.8)
EBITDA	32.1	25.0	89.3
<i>in % Revenues</i>	<i>10.5%</i>	<i>8.7%</i>	<i>8.0%</i>
Depreciation, amortization and impairment	(11.8)	(10.2)	(35.6)
Operating profit / EBIT	20.3	14.8	53.7
<i>in % Revenues</i>	<i>6.6%</i>	<i>5.1%</i>	<i>4.8%</i>
Adjusted EBIT¹	21.5	20.1	74.7
<i>in % revenues</i>	<i>7.0%</i>	<i>7.0%</i>	<i>6.7%</i>
Net financial items	(1.2)	1.0	(15.2)
Profit / (loss) before taxes	19.1	15.7	38.5
Income taxes	(5.2)	(6.1)	(14.7)
Net profit / (loss)	13.8	9.7	23.8
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>			
Translation differences on foreign operations	(9.8)	(8.7)	7.5
Tax on translation differences	0.6	2.3	(3.1)
<i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i>			
Translation differences on non-foreign operations	13.1	1.3	(7.2)
Remeasurement of net pension benefit obligation	0.0	0.0	(0.2)
Tax on net pension benefit obligation remeasurement	0.0	0.0	0.1
Other comprehensive income	3.9	(5.0)	(3.0)
Total comprehensive income	17.7	4.7	20.8
Net profit attributable to:			
Equity holders (parent company)	13.8	9.7	23.7
Non-controlling interests	0.0	0.0	(0.1)
Total	13.8	9.7	23.7
Total comprehensive income attributable to:			
Equity holders (parent company)	17.6	4.7	20.7
Non-controlling interests	0.2	0.0	0.0
Total	17.7	4.7	20.8
Earnings per share (EUR):			
Basic earnings per share	0.03	0.02	0.06
Diluted earnings per share	0.03	0.02	0.06

¹ Adjusted for restructuring costs, see section APM for the reconciliation.

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF FINANCIAL POSITION

(MEUR)	31.03.19	31.03.18	31.12.18
Intangible assets	163.4	159.8	162.2
Property, plant and equipment	205.1	167.5	196.3
Right-of-use assets ¹	103.4	0.0	0.0
Deferred tax assets	21.5	28.4	20.1
Other non-current assets	10.6	4.9	10.1
Non-current assets	504.0	360.7	388.6
Inventories	124.9	106.7	120.4
Accounts receivable	225.6	205.2	210.7
Other short-term receivables	48.3	42.8	41.2
Cash and cash equivalents	32.6	40.4	59.2
Current assets	431.4	395.1	431.6
Total assets	935.4	755.8	820.2
Share capital	23.2	21.0	22.6
Share premium reserve	212.0	174.2	205.8
Other equity	32.5	(2.8)	21.5
Non-controlling interests	3.8	3.6	3.6
Total equity	271.5	196.1	253.5
Long-term interest-bearing liabilities ²	363.6	273.6	269.4
Deferred tax liabilities	26.3	22.9	23.6
Other long-term liabilities	21.2	19.3	21.9
Non-current liabilities	411.0	315.9	314.9
Short-term interest-bearing liabilities ³	10.2	0.1	0.1
Accounts payable	152.1	133.8	159.7
Other short-term liabilities	90.6	109.8	92.0
Current liabilities	252.9	243.8	251.8
Total liabilities	663.9	559.7	566.7
Total equity and liabilities	935.4	755.8	820.2

¹ resulting from the adoption of the new IFRS 16 standard (see Note 2)

² includes MEUR 93.7 resulting from the adoption of the new IFRS 16 standard (see Note 2)

³ includes MEUR 10.1 resulting from the adoption of the new IFRS 16 standard (see Note 2)

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF CHANGE IN EQUITY

<i>(MEUR)</i>	31.03.19	31.03.18	31.12.18
Equity as of start of period	253.5	190.7	190.7
Net profit for the period	13.8	9.7	23.8
Translation differences	3.4	(7.3)	0.3
Tax on translation differences	0.6	2.3	(3.1)
Remeasurement of the net pension benefit obligation	0.0	0.0	(0.2)
Tax on remeasurement of the net pension benefit obligation	0.0	0.0	0.1
Total comprehensive income	17.7	4.7	20.8
Options contracts (employees)	0.2	0.1	0.6
Increase in Equity	(0.0)	0.0	39.7
Other changes in non-controlling interests	0.0	0.0	0.0
IFRS 15 and IFRS 9 first adoption ¹		0.7	0.7
Net result of treasury shares sale/purchase and other changes in equity	0.0	0.0	0.9
Equity as of end of period	271.5	196.1	253.5

¹ Adjustments of the 2018 opening balance due to first time adoption of IFRS 15 (MEUR +2.5) and IFRS 9 (MEUR -1.8)

CONDENSED CONSOLIDATED FINANCIAL STATEMENT

STATEMENT OF CASH FLOW

<i>(MEUR)</i>	Q1 2019	Q1 2018	FY 2018
<i>Operating activities</i>			
Profit / (loss) before taxes	19.1	15.7	38.5
Depreciation	10.7	9.0	30.9
Amortization	1.1	1.2	4.7
Interest income	(0.2)	(0.0)	(0.6)
Interest and other financial expenses ¹	2.2	2.6	6.0
Taxes paid	(0.5)	(1.3)	(8.9)
(Gain) / loss on sale of non-current assets	0.1	(1.3)	2.0
Changes in receivables	(14.9)	(25.2)	(30.7)
Changes in inventory	(4.5)	(2.0)	(15.8)
Changes in payables	(7.6)	3.2	29.0
Currency (gain) / loss	(3.9)	(3.7)	3.0
Changes in value financial derivatives	0.0	(0.0)	0.0
Changes in other items	(6.0)	(2.3)	(15.0)
Cash flow - Operating activities	(4.4)	(4.0)	43.2
<i>Investing activities</i>			
Investments	(14.3)	(10.8)	(68.2)
Sale of fixed assets	0.4	2.5	3.2
Interest received	0.2	0.0	0.6
Proceeds from sale of subsidiaries	0.0	0.2	(0.0)
Net payments for other long-term investments	0.1	0.0	(5.5)
Cash flow - Investing activities	(13.5)	(8.1)	(70.0)
<i>Financing activities</i>			
Proceeds from increases in equity	0.2	0.0	41.2
Sale/purchase of treasury shares	0.0	0.0	0.0
Net draw down of debt	0.3	16.3	11.2
Interest paid	(8.2)	(2.6)	(6.5)
Other financial charges	(3.5)	(0.0)	(1.1)
Cash flow - Financing activities	(11.2)	13.7	44.9
Currency effects on cash	2.5	(0.6)	1.6
Change in cash	(26.6)	1.0	19.8
Cash at beginning period	59.2	39.5	39.5
Cash at period end	32.6	40.4	59.2
<i>Of this, restricted cash</i>	<i>0.2</i>	<i>0.2</i>	<i>0.1</i>

¹ Includes Other financial items – See Note 7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

NOTE 1 – DISCLOSURES

GENERAL INFORMATION

Kongsberg Automotive ASA and its subsidiaries develop, manufacture and sell products to the automotive industry globally. Kongsberg Automotive ASA is a limited liability company, which is listed on the Oslo Stock Exchange. The consolidated interim financial statements are not audited.

BASIS OF PREPARATION

This condensed consolidated interim financial information, for the three months ended March 31, 2019, has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year-ended December 31, 2018, which have been prepared in accordance with IFRS.

ACCOUNTING POLICIES

The accounting policies are consistent with those of the annual financial statements for the year-ended December 31, 2018, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the estimated effective tax rate.

RISK

Kongsberg Automotive continuously monitors its risk factors. Our activities are exposed to different types of risk.

The single most important risk that Kongsberg Automotive is exposed to is the development of demand in the end markets for light duty and commercial vehicles worldwide. Some of the most important additional risk factors are foreign-exchange rates, interest rates, raw material prices, credit risks, as well as an increasing tariffs risk. As we operate in many countries, we are vulnerable to currency risk. The most significant currency exposure for Kongsberg Automotive is associated with EUR, NOK and USD exchange rate. The greatest raw material exposures are for copper, zinc, aluminum and steel. As most of our revenues are earned from automotive OEMs and automotive Tier 1 and Tier 2 customers, the financial health of these automotive companies is critical to our credit risk.

SEASONALITY

The Group quarterly results are to some extent influenced by seasonality. The seasonality is mainly driven by the vacation period in the third quarter and December each year having lower sales. Also, year-over-year seasonality differences may occur as a result of varying number of working days in each quarter.

NOTE 2 – NEW AND AMENDED STANDARDS AND INTERPRETATIONS

IMPACT OF INITIAL APPLICATION OF IFRS16 LEASES

In the context of the transition to IFRS 16, right-of-use assets of MEUR 106.3 were recognized as at January 1, 2019. Accordingly, lease liabilities totaling MEUR 106.6 were recognized as interest-bearing liabilities as at January 1, 2019. The Group transitioned to IFRS 16 in accordance with the modified retrospective approach therefore the prior year figures have not been adjusted.

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- > the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- > reliance on previous assessments on whether leases are onerous

- > the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- > the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- > the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease..

In addition, as allowed by the standards optional exemptions, the Group has elected to not apply the new guidance to leases of low value assets. Lease payments under these contracts are generally recognized on a straight-line basis of the lease term as other operating expenses.

The weighted average incremental borrowing rate for the lease liabilities initially recognized as at January 1, 2019 was 4.7%.

Reconciliation of Lease Liabilities as at January 1, 2019

(MEUR)	01.01.19
Minimum lease payments under operating leases as of December 31, 2018	119.7
<i>Recognition exemption</i>	
for leases ending within 12 months	(0.4)
for leases of low value assets	(2.0)
Adjustments as a result of a different treatment of extension options	16.8
Effect from discounting at the incremental borrowing rate as at January 1, 2019	(27.5)
Liabilities from leases as at January 1, 2019	106.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

NOTE 2 – NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

IMPACT OF INITIAL APPLICATION OF IFRS16 LEASES (CONTINUED)

Recognized right-of-use assets

The recognized right-of-use assets relate to the following types of assets as at January 1, 2019:

Buildings	103.3
Equipment	3.0
TOTAL	106.3

Effect in 2019

EBITDA, segment assets and segment liabilities during Q1 2019 increased as a result of the change in accounting policy.

The following table shows how the reporting segments were affected by the change in policy as at March 31, 2019:

(MEUR)	Interior	Powertrain & Chassis	Specialty Products	Other	Group
Statement of financial position					
Right-of use assets	21.0	39.5	29.6	13.2	103.4
Deferred tax assets	0.0	0.0	0.0	0.0	0.1
Total assets	21.0	39.5	29.6	13.3	103.5
Result of the year	(0.0)	(0.1)	(0.2)	(0.0)	(0.3)
Total equity	(0.0)	(0.1)	(0.2)	(0.0)	(0.3)
Long-term interest-bearing liabilities	18.3	35.5	28.1	11.9	93.7
Short-term interest-bearing liabilities	2.8	4.2	1.7	1.4	10.1
Total liabilities	21.1	39.6	29.8	13.3	103.8
Total equity and liabilities	21.0	39.5	29.6	13.3	103.5
Statement of comprehensive income - YTD					
EBITDA	1.0	1.5	0.8	0.5	3.8
Depreciation, amortization	(0.8)	(1.2)	(0.6)	(0.4)	(2.9)
Operating profit / EBIT	0.2	0.4	0.2	0.1	0.8
Adjusted EBIT	0.2	0.4	0.2	0.1	0.8
Net financial items	(0.3)	(0.5)	(0.4)	(0.2)	(1.2)
Profit / (loss) before taxes	(0.0)	(0.1)	(0.2)	(0.1)	(0.4)
Deferred taxes	0.0	0.0	0.0	0.0	0.1
Net profit / (loss)	(0.0)	(0.1)	(0.2)	(0.0)	(0.3)
Total comprehensive income	(0.0)	(0.1)	(0.2)	(0.0)	(0.3)
Statement of cash flow - YTD					
Profit / (loss) before taxes	(0.0)	(0.1)	(0.2)	(0.1)	(0.4)
Cashflow from operating activities	1.0	1.5	0.8	0.5	3.8
Cashflow from financing activities	(1.0)	(1.5)	(0.8)	(0.5)	(3.8)
Net change in cash	0.0	0.0	0.0	0.0	0.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

NOTE 3 – SEGMENT REPORTING (FIRST QUARTER 2019)

Q1 2019 (MEUR)	Interior	Powertrain & Chassis	Speciality Products	Other ¹	Total Group
Revenues²	77.3	119.0	110.2	0.0	306.5
Adjusted EBITDA	5.6	7.9	22.2	(2.3)	33.4
Depreciation ³	(3.3)	(4.4)	(2.5)	(0.5)	(10.7)
Amortization ³	(0.1)	(0.6)	(0.2)	(0.1)	(1.1)
Adjusted EBIT	2.1	2.9	19.4	(2.9)	21.5
<i>Timing of revenue recognition</i>					
Ownership transferred at a point in time	77.3	119.0	110.2	0.0	306.5
<i>Assets and liabilities</i>					
Goodwill	57.5	23.2	68.7	0.0	149.4
Other intangible assets	0.6	11.2	1.2	1.0	14.0
Property, plant and equipment	78.3	72.2	53.2	1.5	205.1
Right-of-use assets	21.0	39.5	29.6	13.2	103.4
Inventories	26.2	45.4	54.6	(1.3)	124.9
Trade receivables	64.8	87.8	72.6	0.4	225.6
Segment assets	248.4	279.3	279.9	14.8	822.4
Unallocated assets				112.9	112.9
Total assets	248.4	279.3	279.9	127.8	935.4
Trade payables	37.4	60.9	53.0	0.9	152.1
Lease interest-bearing liabilities	21.1	39.6	29.8	13.3	103.8
Unallocated liabilities				408.0	408.0
Total liabilities	58.4	100.5	82.8	422.2	663.9
Capital expenditure	(5.7)	(6.5)	(1.8)	0.1	(13.9)

¹The column Other includes corporate costs, transactions and balance sheet items related to tax, pension and financing.

²For segment reporting purposes the revenues are only external revenues, the related expenses are adjusted accordingly. The adjusted EBIT is thus excluding IC profit.

³Excluding restructuring costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

NOTE 3 – SEGMENT REPORTING (FIRST QUARTER 2018)

Q1 2018 (MEUR)	Interior	Powertrain & Chassis	Speciality Products	Other ¹	Total Group
Revenues²	70.2	108.5	109.4	0.1	288.3
Adjusted EBITDA	5.7	6.2	22.1	(3.7)	30.3
Depreciation ³	(4.0)	(3.2)	(1.8)	(0.1)	(9.0)
Amortization ³	(0.2)	(0.6)	(0.3)	(0.1)	(1.2)
Adjusted EBIT	1.6	2.5	19.9	(3.9)	20.1
<i>Timing of revenue recognition</i>					
Ownership transferred at a point in time	70.2	108.5	109.4	0.1	288.3
<i>Assets and liabilities</i>					
Goodwill	55.9	22.7	65.1	0.0	143.8
Other intangible assets	1.2	11.6	2.1	1.2	16.1
Property, plant and equipment	59.7	63.4	42.7	1.7	167.5
Inventories	21.0	40.9	46.5	(1.8)	106.7
Trade receivables	62.3	76.8	66.4	(0.3)	205.2
Segment assets	200.0	215.4	222.9	0.9	639.2
Unallocated assets				116.6	116.6
Total assets	200.0	215.4	222.9	117.6	755.8
Trade payables	29.2	52.8	51.0	0.8	133.8
Unallocated liabilities				425.9	425.9
Total liabilities	29.2	52.8	51.0	426.7	559.7
Capital expenditure	(3.2)	(4.7)	(1.7)	(0.7)	(10.3)

¹ The column Other includes corporate costs, transactions and balance sheet items related to tax, pension and financing.

² For segment reporting purposes the revenues are only external revenues, the related expenses are adjusted accordingly. The adjusted EBIT is thus excluding IC profit.

³ Excluding restructuring costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

NOTE 4 – SALES AND NON-CURRENT ASSETS BY GEOGRAPHICAL LOCATION

4.1 SALES TO CUSTOMERS BY GEOGRAPHICAL LOCATION

(MEUR)	2019		2018	
	YTD March	%	YTD March	%
Europe	156.1	51%	153.4	53%
Northern America	111.2	36%	93.2	32%
Southern America	5.2	2%	6.6	2%
Asia	31.6	10%	34.1	12%
Other	2.4	1%	0.9	0%
Total operating revenues	306.5		288.3	

4.2 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT (PP&E) AND RIGHT-OF USE ASSETS BY GEOGRAPHICAL LOCATION

(MEUR)	31.03.19		31.03.18	
		%		%
Europe	283.5	60%	191.4	58%
Northern America	146.3	31%	107.4	33%
Southern America	6.4	1%	1.7	1%
Asia	35.8	8%	26.9	8%
Total non-current assets	471.9		327.4	

As at March 31, 2019, right-of-use assets relating to the adoption of IFRS 16 standard amounted to MEUR 103.4 (see Note 2).

NOTE 5 – IMPACT OF IFRS 15 ON THE CONSOLIDATED FINANCIAL STATEMENT

(MEUR)	31.12.18	Activity Q1 2019	31.03.19
Statement of financial position			
Total non-current assets	4.1	(0.1)	4.0
Total current assets	1.2	(0.1)	1.1
Total assets	5.3	(0.2)	5.2
Prior retained earnings	2.5	0.0	3.8
Result of the year	1.3	(0.1)	(0.1)
Total equity	3.8	(0.1)	3.7
Total non-current liabilities	1.1	(0.0)	1.1
Total current liabilities	0.4	(0.0)	0.4
Total liabilities	1.5	(0.0)	1.5
Total equity and liabilities	5.3	(0.2)	5.2
Statement of comprehensive income - YTD			
Operating revenues	2.6		(0.2)
Profit / (loss) before taxes	1.7		(0.2)
Income taxes	(0.4)		0.0
Net profit / (loss)	1.3		(0.1)
Total comprehensive income	1.3		(0.1)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

NOTE 6 – INTEREST-BEARING LOANS AND BORROWINGS

6.1 INTEREST-BEARING LIABILITIES AS PRESENTED IN STATEMENT OF FINANCIAL POSITION

(MEUR)	31.03.19	31.03.18	31.12.18
Long-term interest-bearing loan and borrowing	276.4	274.9	276.1
IFRS 16 long-term lease liabilities	93.7	0.0	0.0
Capitalized arrangement fees ¹	(6.5)	(1.2)	(6.7)
Current interest-bearing liabilities	10.2	0.1	0.1
Total interest-bearing liabilities	373.8	273.8	269.5

¹ As at March 31, 2019 and December 31, 2018, the fees relate to the bond emission and are amortized over the 7-years period of the bond.

Long-term interest-bearing loan and borrowing by currency

(MEUR)	31.03.19	31.03.18	31.12.18
EUR	275.0	162.0	275.0
USD	0.0	109.6	0.0
Other currencies	1.4	1.1	1.1
IFRS 9 - First time adoption	0.0	2.1	0.0
Total long-term interest-bearing loan and borrowing	276.4	274.9	276.1

6.2 LIQUIDITY RESERVE

The liquidity reserve of KA Group consists of cash equivalents in addition to undrawn credit facilities

(MEUR)	31.03.19	31.03.18	31.12.18
Cash reserve	32.6	40.4	59.2
Restricted cash	(0.2)	(0.2)	(0.1)
Undrawn facility	50.0	50.0	50.0
Liquidity reserve	82.4	90.3	109.1

NOTE 7 – NET FINANCIAL ITEMS

(MEUR)	Q1 2019	Q1 2018	FY 2018
Interest income	0.2	0.0	0.6
Interest expenses	(5.1)	(2.6)	(12.8)
Foreign currency gains (losses) ¹	3.9	3.7	(3.0)
Change in valuation currency contracts	0.0	0.0	0.0
Other financial items	(0.2)	(0.1)	0.0
Net financial items	(1.2)	1.0	(15.2)

¹ Includes unrealized currency gain of MEUR 4.1 and realized currency loss of MEUR 0.2 in Q1 2019 (Q1 2018: unrealized gain MEUR 3.9 and realized loss MEUR 0.3)

The adoption of the new IFRS 16 standard resulted in MEUR 1.2 additional interest expenses in Q1 2019 (see Note 2).

NOTE 8 – SUBSEQUENT EVENTS

No significant subsequent event occurred.

ALTERNATIVE PERFORMANCE MEASURES (APM)

This section describes the non-GAAP financial measures that are used in this report and in the quarterly presentation.

The following measures are neither defined nor specified in the applicable financial reporting framework of the IFRS GAAP. They may be considered as non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to the IFRS GAAP.

- > Operating profit - EBIT/Adjusted EBIT
- > EBITDA/Adjusted EBITDA
- > Restructuring per segment
- > Free cash flow
- > NIBD
- > Capital employed
- > ROCE (last twelve months)

OPERATING PROFIT - EBIT/ADJUSTED EBIT

EBIT, earnings before interest and tax, is defined as the earnings excluding the effects of how the operations were financed, taxed and excluding foreign exchange gains & losses. As such IFRS 16 effect in 2019 has not been excluded from this measurement however 2018 figures have not been restated. Adjusted EBIT is defined as EBIT excluding restructuring items, which are defined as any incurred costs or sales reduction of an unusual or non-recurring nature in connection with the considered restructuring of the activities of the Group.

EBIT is used as a measure of operational profitability. In order to exclude restructuring one timers, the Group also report the adjusted EBIT, which is the EBIT excluding restructuring items.

<i>(MEUR)</i>	Q1 2019	Q1 2018	FY 2018
Operating profit / EBIT ¹	20.3	14.8	53.7
Restructuring items ²	1.2	5.4	21.0
Adjusted EBIT¹⁺²	21.5	20.1	74.7

EBITDA/ADJUSTED EBITDA

EBITDA is defined as EBIT (previously defined) before depreciation and amortization. Adjusted EBITDA is therefore EBITDA excluding restructuring items. As such IFRS 16 effect in 2019 has not been excluded from this measurement however 2018 figures have not been restated.

EBITDA is used as an additional measure of the Group's operational profitability, excluding the impact from depreciation and amortization.

<i>(MEUR)</i>	Q1 2019	Q1 2018	FY 2018
Operating profit / EBIT	20.3	14.8	53.7
Depreciation	10.7	9.0	30.9
Amortization	1.1	1.2	4.7
EBITDA¹	32.1	25.0	89.3
Restructuring items ²	1.2	5.4	21.0
Adjusted EBITDA¹⁺²	33.4	30.3	110.3

² Excluding impairment, depreciation and amortization.

ALTERNATIVE PERFORMANCE MEASURES (APM)

RESTRUCTURING ITEMS PER SEGMENT

(MEUR)	Q1 2019	Q1 2018	FY 2018
Interior	0.0	1.1	4.2
Powertrain & Chassis Products	(0.1)	2.2	5.1
Specialty Products	(0.2)	1.0	7.2
Others	1.5	1.0	4.6
Group total	1.2	5.4	21.0

The restructuring items in Q1 2019 mainly relate to corporate systems transition costs.

FREE CASH FLOW

Free cash flow is measured based on cash flow from operations, investments and financing excluding debt repayments.

Free Cash Flow is used to measure the Group's ability to generate cash. It allows the Group to view how much cash it generates from its operations after subtracting the cash flow from investing and financing activities excluding debt repayments. The Group considers that this measurement illustrates the amount of cash the Group has at its disposal to pursue additional investments or to repay debt.

(MEUR)	Q1 2019	Q1 2018	FY 2018
Cash flow - Operating activities	(4.4)	(4.0)	43.2
Cash flow - Investing activities	(13.5)	(8.1)	(70.0)
Cash flow - Financing activities	(11.2)	13.7	44.9
Net draw down / (repayment) of debt	(0.3)	(16.3)	(11.2)
Free Cash Flow	(29.4)	(14.7)	6.9

NIBD

Net Interesting Bearing Debt (NIBD), consists of interest-bearing liabilities less cash and cash equivalents.

The Group risk of default and financial strength is measured by the net interesting bearing debt. It shows the Group's financial position and leverage. As cash and cash equivalents can be used to repay debt, this measurement shows the net overall financial position of the Group.

(MEUR)	31.03.19	31.03.18	31.12.18
Long-term interest-bearing liabilities ¹	363.6	273.6	269.4
Other short-term interest-bearing liabilities ²	10.2	0.1	0.1
Cash and cash equivalents	(32.6)	(40.4)	(59.2)
Net Interesting Bearing Debt	341.2	233.3	210.2

¹ As at March 31, 2019, includes MEUR 93.7 resulting from the adoption of the new IFRS 16 standard (see Note 2)

² As at March 31, 2019, includes MEUR 10.1 resulting from the adoption of the new IFRS 16 standard (see Note 2)

ALTERNATIVE PERFORMANCE MEASURES (APM)

CAPITAL EMPLOYED

Capital employed is equal to operating assets less operating liabilities. Operating assets and liabilities are items, which are involved in the process of producing and selling goods and services. Long term financial assets and obligations are excluded, as those are involved in raising cash for operations and disbursing excess cash from operations.

Capital employed is measured in order to assess how much capital is needed for the operations/business to function and evaluate if the capital employed can be utilized more efficiently and/or if operations should be discontinued.

(MEUR)	31.03.19	31.03.18	31.12.18
Total assets	935.4	755.8	820.2
Deferred tax liabilities	(26.3)	(22.9)	(23.6)
Other long-term liabilities	(21.2)	(19.3)	(21.9)
Current liabilities	(252.9)	(243.8)	(251.8)
Capital employed	635.0	469.8	522.9

As at March 31, 2019, the capital employed includes MEUR 93.3 resulting from the adoption of IFRS 16 (see Note 2).

ROCE (LAST TWELVE MONTHS)

Return on Capital Employed (ROCE) is based on EBIT for the last twelve months divided by the average of capital employed at the beginning and end of the period.

Return on Capital Employed is used to measure the return on the capital employed without taking into consideration the way the operations and assets are financed during the period under review. The Group considers this ratio as appropriate to measure the return of the period.

(MEUR)		Q1 2019		Q1 2018	FY 2018
Capital employed beginning ¹	01.04.2018	469.8	01.04.2017	448.9	450.8
Capital employed at end ²	31.03.2019	635.0	31.03.2018	469.8	522.9
Adjusted EBIT last twelve months ³		76.1		54.7	74.7
ROCE ^{3 / (1+2) * 200%}		13.8%		11.9%	15.3%

1 Capital employed beginning Full Year 2018 as at January 1, 2018 includes adjustments due to the first adoption of IFRS 15 of MEUR 2.3.

2 Capital employed at end as at March 31, 2019 includes MEUR 93.3 resulting from IFRS 16 adoption.

OTHER COMPANY INFORMATIONS

THE BOARD OF DIRECTORS

Firas Abi-Nassif	Chairman
Thomas Falck	Shareholder elected
Gunilla Nordstrom	Shareholder elected
Ellen M. Hanetho	Shareholder elected
Ernst Kellermann	Shareholder elected
Jon-Ivar Jørnby	Employee elected
Bjørn Ivan Ødegård	Employee elected
Tonje Sivesindtjet	Employee elected

EXECUTIVE COMMITTEE

Henning E. Jensen	President & CEO
Norbert Loers	Executive Vice President & CFO
Ralf Voss	Executive Vice President, Interior Systems
Bob Riedford	Executive Vice President, Powertrain & Chassis
Henning E. Jensen	Executive Vice President, Specialty Products (acting)
Dzeki Mackinowski	Executive Vice President, Purchasing
Virginia Grando	Executive Vice President, Quality
Marcus von Pock	Executive Vice President, Human Resources & Communications
Jon Munthe	General Counsel

CORPORATE COMMUNICATION

Marcus von Pock	Communications	+41 43 508 94 93
Hallstein Kvam Oma	Investor relations	+41 43 508 89 63

FINANCIAL CALENDAR

Publication of the quarterly financial statements:

	Interim reports	Presentation
2 nd quarter 2019	July 26, 2019	July 26, 2019
3 rd quarter 2019	November 7, 2019	November 7, 2019
4 th quarter 2019	February 28, 2020	February 28, 2020

Kongsberg Automotive ASA	Operational Headquarters
Dyrmyrgata 48	KA Group AG
3601 Kongsberg, Norway	Europaallee 39
Phone +47 32 77 05 00	8004 Zürich, Switzerland
	Phone +41 43 508 65 60

www.kongsbergautomotive.com



KONGSBERG
AUTOMOTIVE

Enhancing the driving experience

Kongsberg Automotive ASA, Dyrmyrgata 48, 3601 Kongsberg, Norway, Phone +47 32 77 05 00

www.kongsbergautomotive.com