

First Quarter Report 2020



CONTENT

Highlights first quarter 2020	3
Group financials	4
Segment reporting	7
Interior	7
Powertrain and Chassis.....	8
Specialty Products	9
Condensed consolidated financial statements	10
Notes to the consolidated financial statements	14
Alternative performance measures (APM)	19
Other company information	22

HIGHLIGHTS FIRST QUARTER 2020

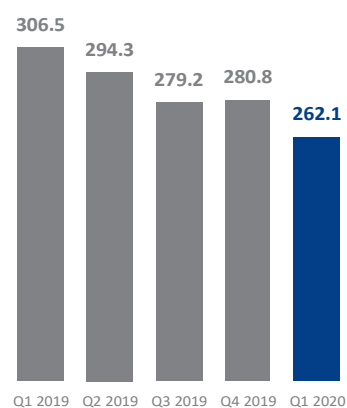
- > Revenues were **MEUR 262.1** in the first quarter, MEUR 44.4 (-14.5%) below the first quarter last year, including negative currency translation effects of MEUR 0.3.
- > Adjusted EBIT amounted to **MEUR 7.8** in the first quarter, which was MEUR 13.7 below than in Q1 2019.
- > Lifetime revenues business wins in the first quarter amounted to **MEUR 491.0** (MEUR 102.0 in annualized revenue).
- > The adjusted gearing ratio (NIBD/adj. EBITDA) increased to 3.5 from 3.0 compared to Q1 2019. Excluding the effect of the IFRS 16 it amounted to 3.0, a deterioration of 0.8 compared to last year's first quarter.

KEY FIGURES

(MEUR)	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Revenues	262.1	306.5	262.1	306.5	1,160.9
EBITDA	19.4	32.1	19.4	32.1	110.4
<i>in % revenues</i>	7.4%	10.5%	7.4%	10.5%	9.5%
Adjusted EBIT¹	7.8	21.5	7.8	21.5	70.9
<i>in % revenues</i>	3.0%	7.0%	3.0%	7.0%	6.1%
Operating profit / EBIT	7.4	20.3	7.4	20.3	62.4
<i>in % revenues</i>	2.8%	6.6%	2.8%	6.6%	5.4%
Net Profit / (Loss)	(12.1)	13.8	(12.1)	13.8	28.8
NIBD / Adjusted EBITDA (LTM)	3.5	3.0	3.5	3.0	3.1
<i>excluding IFRS 16</i>	3.0	2.2	3.0	2.2	2.5
Equity ratio	28.7%	29.0%	28.7%	29.0%	30.6%
<i>excluding IFRS 16</i>	32.2%	32.6%	32.2%	32.6%	34.5%

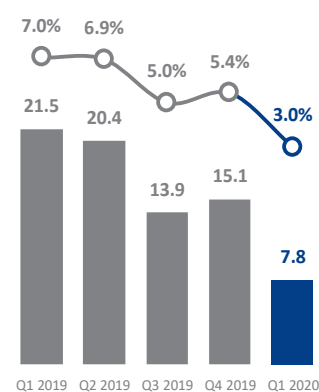
¹ Adjusted for restructuring costs (see section APM)

Revenues
MEUR



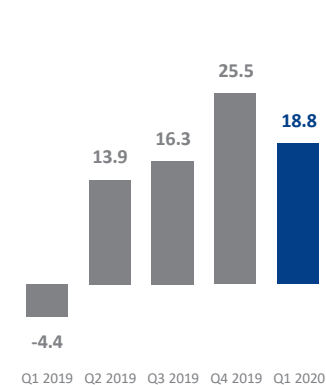
Adjusted EBIT

MEUR and in % revenues



Operating Cash Flow

MEUR



GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

(MEUR)	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Revenues	262.1	306.5	262.1	306.5	1,160.9
OPEX	(242.7)	(274.4)	(242.7)	(274.4)	(1,050.4)
EBITDA	19.4	32.1	19.4	32.1	110.4
<i>in % revenues</i>	<i>7.4%</i>	<i>10.5%</i>	<i>7.4%</i>	<i>10.5%</i>	<i>9.5%</i>
Depreciation, amortization and impairment	(12.0)	(11.9)	(12.0)	(11.9)	(48.0)
Operating profit / EBIT	7.4	20.3	7.4	20.3	62.4
<i>in % revenues</i>	<i>2.8%</i>	<i>6.6%</i>	<i>2.8%</i>	<i>6.6%</i>	<i>5.4%</i>
Adjusted EBIT¹	7.8	21.5	7.8	21.5	70.9
<i>in % revenues</i>	<i>3.0%</i>	<i>7.0%</i>	<i>3.0%</i>	<i>7.0%</i>	<i>6.1%</i>
Net financial items	(17.4)	(1.2)	(17.4)	(1.2)	(18.9)
Profit / (loss) before taxes	(10.0)	19.1	(10.0)	19.1	43.5
Income taxes	(2.1)	(5.2)	(2.1)	(5.2)	(14.8)
Net profit / (loss)	(12.1)	13.8	(12.1)	13.8	28.8

¹ See section APM for the reconciliation

REVENUES

Revenues for the Group amounted to MEUR 262.1 in the first quarter of 2020, MEUR 44.4 (-14.5%) below Q1 2019, including negative currency translation effects of MEUR 0.3. The decline in revenue in the current quarter has impacted all operating segments: Interior, Powertrain & Chassis and Specialty Products.

In the Interior segment, which serves the passenger car end markets, revenues decreased by MEUR 5.0 (-6.5%) compared to the first quarter of 2019, despite positive currency translation effects of MEUR 0.4. In nominal values, Interior Comfort System products suffered from the bigger decline in revenues than Light Duty Cables.

In the Powertrain & Chassis segment, which serves the passenger car and commercial vehicle end markets, revenues decreased by MEUR 24.5 (-20.6%) compared to the same quarter in 2019, including negative currency translation effects of MEUR 0.7. The revenues in the heavy duty market declined by MEUR 11.6 in total, of which MEUR 7.7 was related to the revenues decline in the United States.

In the Specialty Products segment, which serves the passenger car, commercial vehicle end markets and general industrial customers, revenues decreased by MEUR 14.8 (-13.5%) compared to the same quarter in 2019 with no net currency translation effects.

ADJUSTED EBIT / EBIT

Adjusted EBIT for the Group was MEUR 7.8 in the first quarter 2020, a decrease of MEUR 13.7 compared to last year. This was

mainly driven by the lower revenue levels due to the outbreak of COVID-19 in March 2019.

Including restructuring cost of MEUR 0.4, operating profit in Q1 2020 amounted to MEUR 7.4, compared to MEUR 20.3 in Q1 2019.

NET FINANCIAL ITEMS

Net financial items came to an expense of MEUR 17.4 in the first quarter of 2020, compared to an expense of MEUR 1.2 in the same period in 2019 (see Note 5).

The main driver for the significant negative changes in net financial items was the unfavorable development of the foreign currency gains/losses. The net currency loss of MEUR 12.2 contributed mainly to the increase in the financial expenses in the current quarter, compared to the net currency gain of MEUR 3.9 in Q1 2019. Any other financial items in Q1 2020 remained on the level comparable with Q1 2019.

PROFIT BEFORE TAX / NET PROFIT

Loss before tax amounted to MEUR 10.0 in the first quarter of 2020, a decrease of MEUR 29.1 compared to the profit in the same quarter of 2019. Net loss amounted to MEUR 12.1 as per Q1 2020, being a decline of MEUR 25.9 compared to the net profit of MEUR 13.8 in Q1 2019. Income tax expenses in Q1 2020 amounting to MEUR 2.0 are impacted by the valuation allowances on deferred tax assets at MEUR 6.3.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – CASH FLOW

(MEUR)	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Cash flow - Operating activities	18.8	(4.4)	18.8	(4.4)	51.4
Cash flow - Investing activities	(13.0)	(13.5)	(13.0)	(13.5)	(63.3)
Cash flow - Financing activities	(1.7)	(11.2)	(1.7)	(11.2)	(22.9)
Currency effects on cash	(1.9)	2.5	(1.9)	2.5	0.7
Change in cash	2.2	(26.6)	2.2	(26.6)	(34.0)
Cash as of beginning of period	25.2	59.2	25.2	59.2	59.2
Cash as of end of period	27.4	32.6	27.4	32.6	25.2
<i>Of this, restricted cash</i>	<i>0.9</i>	<i>0.2</i>	<i>0.9</i>	<i>0.2</i>	<i>0.8</i>

CASH FLOW FROM OPERATING ACTIVITIES

Cash from operating activities increased by MEUR 23.2 in comparison with the first quarter last year. The change in net working capital amounted to MEUR 3.0 compared to a change of MEUR (26.9) in Q1 2019.

Restructuring had a negative cash effect of MEUR 0.4 in first the quarter of 2020.

CASH FLOW USED IN INVESTING ACTIVITIES

Cash used by investing activities amounted to MEUR 13.0 in the first quarter of 2020. In addition, buildings were sold at MEUR 1.9. Investments continued to be made in capacity expansions to accommodate current and future business growth, along with some maintenance investments.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow used by financing activities was MEUR 1.7 in the first quarter, compared to MEUR 11.2 used in the same quarter last year. With the interest for the bond, revolving facility and other financial items being at comparable level, the main change

compared to Q1 2019 is the net draw of revolving facility at MEUR 10.0.

Payments related to interests on bond in the first quarter of 2020 amounted to MEUR 6.9. Moreover, the total payments for interest on lease liabilities were equal to MEUR 1.3. In Q1 2020 the repayment of lease liabilities amounted to MEUR 3.1.

CHANGE IN CASH

Cash increased by MEUR 2.2 during the first quarter, resulting in a cash position of MEUR 27.4 at the end of the quarter, compared to the balance at the end of last year of MEUR 25.2.

LIQUIDITY RESERVE

The liquidity reserve was MEUR 56.6 at the end of the first quarter, compared to MEUR 64.4 at year-end 2019 (excluding restricted cash MEUR 0.9). The unutilized RCF as at March 31, 2020 amounted to MEUR 30.0.

On April 2, 2020, the RCF facility was increased by MEUR 20.0.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	31.03.20	31.03.19	31.12.19
Non-current assets	516.5	504.0	531.5
Cash and cash equivalents	27.4	32.6	25.2
Other current assets	367.1	398.8	370.2
Total assets	911.0	935.4	927.0
Equity	261.4	271.5	282.9
Interest-bearing liabilities	390.7	373.8	386.5
Other liabilities	258.9	290.1	257.5
Total equity and liabilities	911.0	935.4	927.0
NIBD	363.3	341.2	361.3
Equity ratio	28.7%	29.0%	30.5%

ASSETS

Total assets were MEUR 911.0 at the end of the first quarter, a decrease of MEUR 15.9 from year-end 2019. The decrease of the value of total assets as of March 31, 2020 resulted mainly from the negative currency translation effects in the amount of MEUR 31.1.

EQUITY

Equity as of March 31, 2020 decreased by MEUR 21.6 (-7.6%) to MEUR 267.9 in comparison with December 31, 2019.

The net loss for the year of MEUR 12.1 contributed to the equity decrease. The other comprehensive income contributed another negative MEUR 9.9 to that decrease, the share-based compensation led to positive MEUR 0.4 equity increase.

The equity ratio decreased by 1.8 percentage points to 28.7%.

INTEREST BEARING LIABILITIES

Interest-bearing liabilities amounted to MEUR 390.7 comprising the issued bond of MEUR 275.0, netted by the capitalized fees of MEUR 5.6, IFRS 16 lease interest-bearing liabilities of MEUR 100.1 and MEUR 20.0 drawn under the revolving facility.

As at March 31, 2020, long-term interest-bearing debt amounted to MEUR 358.2 after netting of MEUR 5.6 capitalized arrangements fees.

NET INTEREST BEARING DEBT

At the end of the first quarter 2020, net interest-bearing debt amounted to MEUR 363.3, an increase of MEUR 2.0 compared to year-end 2019, mainly driven by the translation adjustments of the lease liabilities as of March 31, 2020.

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, BMW and Tesla.

KEY FIGURES

(MEUR)	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Revenues	72.3	77.3	72.3	77.3	304.0
Adjusted EBITDA	3.0	5.6	3.0	5.6	23.8
<i>in % revenues</i>	<i>4.1%</i>	<i>7.2%</i>	<i>4.1%</i>	<i>7.2%</i>	<i>7.8%</i>
Adjusted EBIT	(0.8)	2.1	(0.8)	2.1	10.3
<i>in % revenues</i>	<i>-1.1%</i>	<i>2.7%</i>	<i>-1.1%</i>	<i>2.7%</i>	<i>3.4%</i>
Restructuring	(0.0)	(0.0)	(0.0)	(0.0)	(0.5)
Operating profit / EBIT	(0.8)	2.1	(0.8)	2.1	9.8
<i>in % revenues</i>	<i>-1.1%</i>	<i>2.7%</i>	<i>-1.1%</i>	<i>2.7%</i>	<i>3.2%</i>
Investments	(7.9)	(5.8)	(7.9)	(5.8)	(25.3)
Capital employed ¹	225.4	214.2	225.4	214.2	222.8

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

FINANCIAL UPDATE

Revenues in interior decreased by MEUR 5.0 (-6.5%) compared to the first quarter 2019, despite positive currency translation effects of MEUR 0.4. Interior Comfort System suffered from the bigger decline in revenues than Light Duty Cables. With a significant share of the business in Europe, customer shutdowns in this region contributed the most to the unfavorable revenue development.

Adjusted EBIT was MEUR (0.8) in the first quarter, a decrease of MEUR 2.9 compared to the positive adjusted EBIT in Q1 last year. Beyond the fall through from lower revenues, ICS was impacted by extraordinary ramp-up costs for the new plant in China and higher fixed cost from increased depreciation.

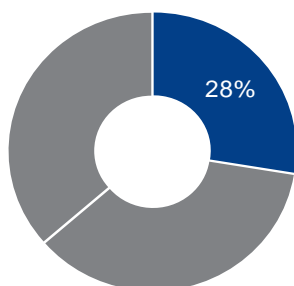
It should also be noted that Chinese legislation led to full payment of salaries and wages in China during the corona virus related shutdown period.

COMMERCIAL AND OPERATIONAL UPDATE

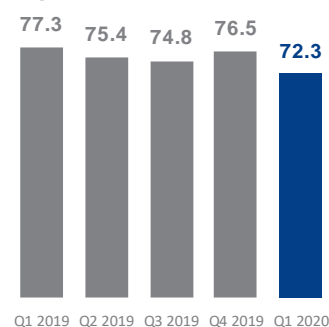
The business wins for the first quarter amounted to MEUR 128.0 in lifetime revenue for the Interior segment (MEUR 21.0 in annualized revenue).

Within the quarter, Interior was awarded a contract to supply seat support systems to a major premium European car maker. The program totals MEUR 4.0 in expected annualized revenues and MEUR 34.0 in expected lifetime revenues with start of production in 2022.

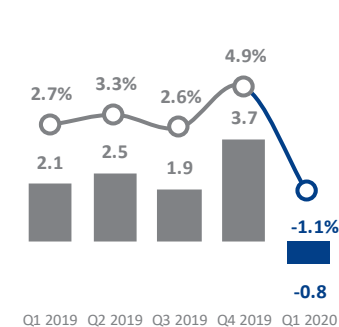
Group revenue share
Q1 2020



Revenues
MEUR



Adjusted EBIT
MEUR and in % revenues



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 markets, 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, Renault-Nissan and Geely.

KEY FIGURES

(MEUR)	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Revenues	94.4	119.0	94.4	119.0	461.1
Adjusted EBITDA	3.4	7.9	3.4	7.9	38.1
<i>in % revenues</i>	3.6%	6.6%	3.6%	6.6%	8.3%
Adjusted EBIT	(1.4)	2.9	(1.4)	2.9	19.0
<i>in % revenues</i>	-1.4%	2.4%	-1.4%	2.4%	4.1%
Restructuring	(0.1)	0.1	(0.1)	0.1	(0.2)
Operating profit / EBIT	(1.4)	2.9	(1.4)	2.9	18.7
<i>in % revenues</i>	-1.5%	2.5%	-1.5%	2.5%	4.1%
Investments	(4.2)	(6.8)	(4.2)	(6.8)	(22.8)
Capital employed ¹	214.2	226.6	214.2	226.6	221.1

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

FINANCIAL UPDATE

Revenues in Powertrain & Chassis decreased by MEUR 24.5 (-20.6%) to 94.4 MEUR in the first quarter 2020 compared to the same quarter in 2019, including negative currency translation effects of MEUR 0.7. The revenues in the heavy-duty market declined by MEUR 11.6 in total, of which MEUR 7.7 was related to the revenues decline in the United States. Similar to Interior, P&C saw the largest revenue decline in Europe due to plant shutdowns at our major customers.

Adjusted EBIT was (1.4) MEUR in the first quarter 2020, a decrease of 4.2 MEUR compared to the positive adjusted EBIT in Q1 of last year.

The adj. EBIT fall through was moderate due to a combination of better operational performance and stronger revenue declines or

the lower margin products. Q1 2019 was negatively impacted by launch issues which did not occur this year.

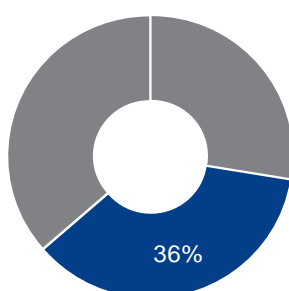
It should also be noted that Chinese legislation led to full payment of salaries and wages in China during the corona virus related shutdown period.

COMMERCIAL AND OPERATIONAL UPDATE

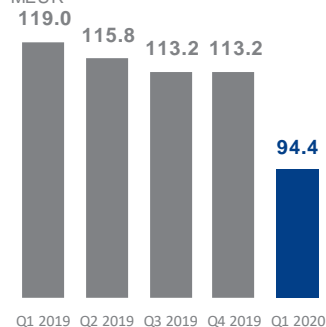
Business wins amounted to MEUR 275.0 lifetime revenue (MEUR 55.0 in annualized revenue) in the first quarter 2020.

New Business Wins included a heavy-duty truck Gear Shift System project to a North American tier 1 supplier with expected annualized revenues of MEUR 35.0 or MEUR 175.0 in expected lifetime revenues.

Group revenue share
Q1 2020

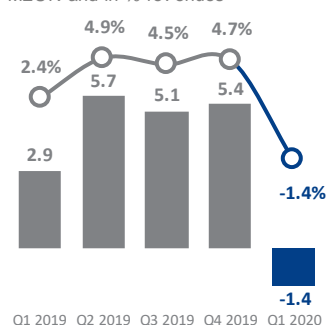


Revenues
MEUR



Adjusted EBIT

MEUR and in % revenues



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 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Revenues	95.4	110.2	95.4	110.2	395.7
Adjusted EBITDA	17.8	22.2	17.8	22.2	70.5
<i>in % revenues</i>	<i>18.7%</i>	<i>20.1%</i>	<i>18.7%</i>	<i>20.1%</i>	<i>17.8%</i>
Adjusted EBIT	15.1	19.4	15.1	19.4	58.8
<i>in % revenues</i>	<i>15.8%</i>	<i>17.6%</i>	<i>15.8%</i>	<i>17.6%</i>	<i>14.9%</i>
Restructuring	0.1	0.2	0.1	0.2	(2.1)
Operating profit / EBIT	15.1	19.6	15.1	19.6	56.8
<i>in % revenues</i>	<i>15.8%</i>	<i>17.8%</i>	<i>15.8%</i>	<i>17.8%</i>	<i>14.3%</i>
Investments	(3.5)	(1.8)	(3.5)	(1.8)	(16.7)
Capital employed ¹	243.1	217.3	243.1	217.3	228.8

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

FINANCIAL UPDATE

Revenues in Specialty Products decreased by MEUR 14.8 (13.4%) compared to the first quarter of 2019, with no net currency translation effects. Couplings had the most significant revenue declines in this segment driven by corona virus related OEM declines combined with a very good revenue quarter in Q1 2019.

Adjusted EBIT was 15.1 MEUR in the first quarter, a decrease of 4.4 MEUR compared to last year. The YoY decline in Adj. EBIT was in line with the expected fall through caused by the overall revenue decline.

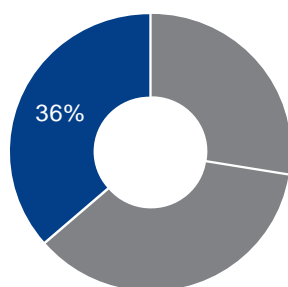
COMMERCIAL AND OPERATIONAL UPDATE

During the first quarter 2020, total business wins amounted to MEUR 88.0 in lifetime revenue (MEUR 25.0 in annualized revenue).

The wins include fluid transfer systems to a premium European OEM. This program accounts for approximately MEUR 3.0 in annualized revenues, or MEUR 32.0 in expected lifetime revenues as the program length is approximately ten years.

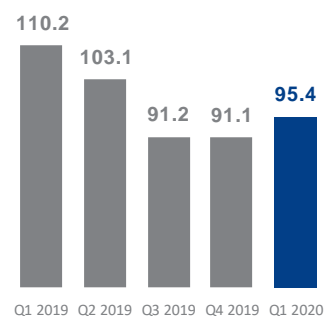
Group revenue share

Q1 2020



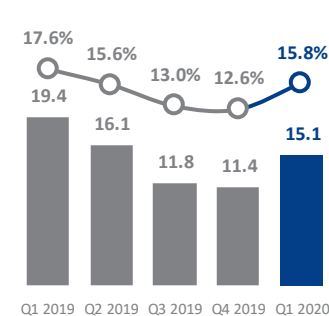
Revenues

MEUR



Adjusted EBIT

MEUR and in % revenues



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Revenues	262.1	306.5	262.1	306.5	1,160.9
OPEX	(242.7)	(274.4)	(242.7)	(274.4)	(1,050.4)
EBITDA	19.4	32.1	19.4	32.1	110.4
<i>in % revenues</i>	7.4%	10.5%	7.4%	10.5%	9.5%
Depreciation, amortization and impairment	(12.0)	(11.9)	(12.0)	(11.9)	(48.0)
Operating profit / EBIT	7.4	20.3	7.4	20.3	62.4
<i>in % revenues</i>	2.8%	6.6%	2.8%	6.6%	5.4%
Adjusted EBIT¹	7.8	21.5	7.8	21.5	70.9
<i>in % revenues</i>	3.0%	7.0%	3.0%	7.0%	6.1%
Net financial items	(17.4)	(1.2)	(17.4)	(1.2)	(18.9)
Profit / (loss) before taxes	(10.0)	19.1	(10.0)	19.1	43.5
Income taxes	(2.1)	(5.2)	(2.1)	(5.2)	(14.8)
Net profit / (loss)	(12.1)	13.8	(12.1)	13.8	28.8
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on foreign operations	69.9	(9.8)	69.9	(9.8)	(0.8)
Tax on translation differences	(9.2)	0.6	(9.2)	0.6	(0.6)
<i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on non-foreign operations	(70.6)	13.1	(70.6)	13.1	3.7
Remeasurement of net pension benefit obligation	0.0	0.0	0.0	0.0	(3.3)
Tax on net pension benefit obligation remeasurement	0.0	0.0	0.0	0.0	0.2
Other comprehensive income	(9.9)	3.9	(9.9)	3.9	(0.8)
Total comprehensive income	(22.0)	17.7	(22.0)	17.7	28.0
Net profit attributable to:					
Equity holders (parent company)	(12.1)	13.8	(12.1)	13.8	28.6
Non-controlling interests	0.0	(0.0)	0.0	(0.0)	0.2
Total	(12.1)	13.8	(12.1)	13.8	28.9
Total comprehensive income attributable to:					
Equity holders (parent company)	(22.0)	17.6	(22.0)	17.6	27.8
Non-controlling interests	0.0	0.2	0.1	0.2	0.2
Total	(22.0)	17.7	(22.0)	17.7	28.0
Earnings per share (EUR):					
Basic earnings per share	(0.03)	0.03	(0.03)	0.03	0.06
Diluted earnings per share	(0.03)	0.03	(0.03)	0.03	0.06

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(MEUR)	31.03.20	31.03.19	31.12.19
Intangible assets	158.3	163.4	160.3
Property, plant and equipment	226.5	205.1	232.1
Right-of-use assets	97.6	103.4	103.8
Deferred tax assets	19.5	21.5	19.9
Other non-current assets	14.6	10.6	15.3
Non-current assets	516.5	504.0	531.5
Inventories	106.7	124.9	102.9
Accounts receivable	214.4	225.6	216.8
Other short-term receivables	46.0	48.3	50.6
Cash and cash equivalents	27.4	32.6	25.2
Current assets	394.5	431.4	395.4
Total assets	911.0	935.4	927.0
Share capital	19.6	23.2	22.8
Share premium reserve	177.7	212.0	207.6
Other equity	60.2	32.5	48.8
Non-controlling interests	3.8	3.8	3.8
Total equity	261.4	271.5	282.9
Long-term interest-bearing liabilities	358.2	363.6	362.7
Deferred tax liabilities	26.8	26.3	21.8
Other long-term liabilities	20.1	21.2	21.6
Non-current liabilities	405.1	411.0	406.1
Short-term interest-bearing liabilities	32.5	10.2	23.8
Accounts payable	135.1	152.1	130.5
Other short-term liabilities	76.9	90.6	83.5
Current liabilities	244.5	252.9	237.9
Total liabilities	649.7	663.9	644.0
Total equity and liabilities	911.0	935.4	927.0

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGE IN EQUITY

(MEUR)	31.03.20	31.03.19	31.12.19
Equity as of start of period	282.9	253.5	253.5
Net profit / (loss) for the period	(12.1)	13.8	28.8
Translation differences	(0.7)	3.4	2.9
Tax on translation differences	(9.2)	0.6	(0.6)
Remeasurement of the net pension benefit obligation	0.0	0.0	(3.3)
Tax on remeasurement of the net pension benefit obligation	0.0	0.0	0.2
Total comprehensive income	(22.0)	17.7	28.0
Stock based compensation	0.4	0.2	1.4
Net result of treasury shares sale/purchase and other changes in equity	0.0	0.0	0.0
Equity as of end of period	261.4	271.5	282.9

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(MEUR)	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
<i>Operating activities</i>					
Profit / (loss) before taxes	(10.0)	19.1	(10.0)	19.1	43.5
Depreciation	10.9	10.7	10.9	10.7	42.9
Amortization	1.0	1.1	0.9	1.1	5.1
Interest income	(0.0)	(0.2)	(0.0)	(0.2)	(0.6)
Interest and other financial expenses ¹	5.3	2.2	5.3	2.2	22.5
Taxes paid	(2.0)	(0.5)	(2.0)	(0.5)	(14.4)
(Gain) / loss on sale of non-current assets	(0.3)	0.1	(0.3)	0.1	(0.3)
Changes in receivables	2.4	(14.9)	2.4	(14.9)	(6.0)
Changes in inventory	(3.9)	(4.5)	(3.9)	(4.5)	17.6
Changes in payables	4.5	(7.6)	4.5	(7.6)	(29.1)
Currency (gain) / loss	12.2	(3.9)	12.1	(3.9)	(3.0)
Changes in other items	(1.3)	(6.0)	(1.3)	(6.0)	(26.9)
Cash flow - Operating activities	18.8	(4.4)	18.8	(4.4)	51.4
<i>Investing activities</i>					
Investments	(14.9)	(14.3)	(14.9)	(14.3)	(65.0)
Sale of fixed assets	1.9	0.4	1.9	0.4	1.2
Interest received	0.0	0.2	0.0	0.2	0.6
Proceeds from sale of subsidiaries	0.0	0.0	0.0	0.0	0.0
Net payments for other long-term investments	(0.0)	0.1	(0.0)	0.1	(0.0)
Cash flow - Investing activities	(13.0)	(13.5)	(13.0)	(13.5)	(63.3)
<i>Financing activities</i>					
Proceeds from increases in equity	0.0	0.2	0.0	0.2	(0.0)
Net draw down of debt	10.0	0.3	10.0	0.3	10.3
Interest paid and other financial items	(8.6)	(8.2)	(8.6)	(8.2)	(21.3)
Repayment of lease liabilities and other	(3.1)	(3.5)	(3.1)	(3.5)	(11.9)
Cash flow - Financing activities	(1.7)	(11.2)	(1.7)	(11.2)	(22.9)
Currency effects on cash	(1.9)	2.5	(1.9)	2.5	0.7
Change in cash	2.2	(26.6)	2.2	(26.6)	(34.0)
Cash as of beginning of period	25.2	59.2	25.2	59.2	59.2
Cash as of end of period	27.4	32.6	27.4	32.6	25.2
<i>Of this, restricted cash</i>	<i>0.9</i>	<i>0.2</i>	<i>0.9</i>	<i>0.2</i>	<i>0.8</i>

¹ Includes Other financial items and the repayment of lease liabilities – See Note 5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – DISCLOSURES

GENERAL INFORMATION

Kongsberg Automotive ASA and its subsidiaries develop, manufacture and sell products to the automotive and commercial vehicle 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, 2020, 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, 2019, 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, 2019, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the estimated effective tax rate.

RISK AND UNCERTAINTIES

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, raw material prices, credit risks, and 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.

All concerned risk factors that Kongsberg Automotive must face in its normal business operations are additionally impacted by the COVID-19 pandemic since its outbreak in Q1 2020. These risks and uncertainties include, but are not limited to: the severity and duration of the COVID-19 pandemic, related economic effects and the resulting negative impact on demand for the Company's products; operational challenges relating to the COVID-19 pandemic and efforts to mitigate the spread of the virus, including logistical challenges, protecting the health and well-being of employees, remote work arrangements, performance of contracts and supply chain disruptions etc.

As we expect the COVID-19 pandemic to have significant negative impact on Kongsberg Automotive's income and liquidity, we have initiated actions to strengthen our liquidity. Such actions are spelled out in the invitation for an extraordinary general meeting (EGM) of April 7th as well as in our company presentation published April 15th. Both these documents have been published on Oslo Stock Exchange. With the proposed measures, Kongsberg Automotive believes it will be properly funded through the expected duration of the effects of the Covid-19 pandemic.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SEGMENT REPORTING (FIRST QUARTER 2020)

Q1 2020 (MEUR)	Interior	Powertrain & Chassis	Speciality Products	Other ¹	Total Group
Revenues²	72.3	94.4	95.4	(0.0)	262.1
Adjusted EBITDA	3.0	3.4	17.8	(4.5)	19.7
Depreciation ³	(3.7)	(4.1)	(2.7)	(0.4)	(10.9)
Amortization ³	(0.1)	(0.7)	(0.1)	(0.2)	(1.0)
Adjusted EBIT	(0.8)	(1.4)	15.1	(5.1)	7.8
<i>Timing of revenue recognition</i>					
Ownership transferred at a point in time	72.3	94.4	95.4	(0.0)	262.1
<i>Assets and liabilities</i>					
Goodwill	56.2	23.0	68.9	0.0	148.1
Other intangible assets	0.5	8.2	1.0	0.5	10.2
Property, plant and equipment	91.3	77.2	56.9	1.1	226.5
Right-of-use assets	28.8	31.3	24.9	12.6	97.6
Inventories	22.5	41.0	44.5	(1.3)	106.7
Trade receivables	60.4	82.9	78.9	(7.8)	214.4
Other assets	12.7	10.1	3.9	1.8	28.5
Segment assets	272.5	273.7	279.0	7.0	832.1
Unallocated assets				78.9	78.9
Total assets	272.5	273.7	279.0	85.9	911.0
Trade payables	43.9	54.4	33.6	3.1	135.1
Non-current lease interest-bearing liabilities	25.6	26.6	24.3	11.0	87.6
Current lease interest-bearing liabilities	3.2	5.0	2.2	2.0	12.5
Segment liabilities	72.7	86.1	60.2	16.2	235.2
Unallocated liabilities				414.5	414.5
Total liabilities	72.7	86.1	60.2	430.7	649.7
Total equity				261.4	261.4
Total equity and liabilities	72.7	86.1	60.2	692.0	911.0
Capital expenditure	(7.9)	(4.2)	(3.5)	(0.0)	(14.9)

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 STATEMENTS

NOTE 2 – 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	36.3	63.8	63.7	(11.7)	152.1
Non-current lease interest-bearing liabilities	18.3	35.5	28.1	11.9	93.7
Current lease interest-bearing liabilities	2.8	4.2	1.7	1.4	10.1
Segment liabilities	57.4	103.4	93.5	1.6	255.9
Unallocated liabilities				408.1	408.1
Total liabilities	57.4	103.4	93.5	409.7	664.0
Total equity				271.5	271.5
Total equity and liabilities	57.4	103.4	93.5	681.2	935.4
Capital expenditure	(5.7)	(6.5)	(1.8)	0.1	(13.9)

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 STATEMENTS

NOTE 3 – SALES AND NON-CURRENT ASSETS BY GEOGRAPHICAL LOCATION

3.1 SALES TO CUSTOMERS BY GEOGRAPHICAL LOCATION

<i>(MEUR)</i>	2020		2019	
	YTD March	%	YTD March	%
Europe	124.9	47.7%	156.1	50.9%
Northern America	102.1	39.0%	111.2	36.3%
Southern America	4.5	1.7%	5.2	1.7%
Asia	29.2	11.1%	31.6	10.3%
Other	1.3	0.5%	2.4	0.8%
Total operating revenues	262.1		306.5	

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

<i>(MEUR)</i>	31.03.20		31.03.19	
		%		%
Europe	287.7	59.6%	283.5	60.1%
Northern America	148.9	30.9%	146.3	31.0%
Southern America	2.9	0.6%	6.4	1.4%
Asia	43.0	8.9%	35.8	7.6%
Total Intangible assets, PPE and RoU	482.5		471.9	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – INTEREST-BEARING LOANS AND BORROWINGS

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

(MEUR)	31.03.20	31.03.19	31.12.19
Long-term interest-bearing loan and borrowing	276.2	276.4	276.4
IFRS 16 long-term lease liabilities	87.6	93.7	92.2
Capitalized arrangement fees ¹	(5.6)	(6.5)	(5.8)
Current interest-bearing liabilities	32.5	10.2	23.8
Total interest-bearing liabilities	390.7	373.8	386.5

¹ As at March 31, 2020 and December 31, 2019, the fees relate to the bond emission and are amortized over the 7-years period of the bond

Long-term interest-bearing liabilities by currency

(MEUR)	31.03.20	31.03.19	31.12.19
EUR	273.1	275.0	297.1
USD	8.1	0.0	8.1
Other currencies	115.2	1.4	87.2
Capitalized arrangement fees	(5.6)	(6.5)	(5.8)
Total long-term interest-bearing loan and borrowing	390.7	269.9	386.5

4.2 LIQUIDITY RESERVE

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

(MEUR)	31.03.20	31.03.19	31.12.19
Cash reserve	27.4	32.6	25.2
Restricted cash	(0.9)	(0.2)	(0.8)
Undrawn facility	30.0	50.0	40.0
Liquidity reserve	56.6	82.4	64.4

NOTE 5 – NET FINANCIAL ITEMS

(MEUR)	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Interest income	0.1	0.2	(0.1)	0.2	0.6
Interest expenses	(4.9)	(5.1)	(4.9)	(5.1)	(21.1)
Foreign currency gains (losses) ¹	(12.2)	3.9	(12.2)	3.9	2.9
Other financial items	(0.4)	(0.2)	(0.2)	(0.2)	(1.3)
Net financial items	(17.4)	(1.2)	(17.4)	(1.2)	(18.9)

¹ Is made up of an unrealized currency loss of MEUR 12.9 and of a realized currency gain of MEUR 0.7 (Q1 2019: unrealized gain MEUR 4.1 and realized loss MEUR 0.2)

NOTE 6 – SUBSEQUENT EVENTS

On 2 April 2020, the RCF facility was increased by the amount of MEUR 20.0.

On April 3, 2020, the Company announced its intention to raise around €100 million through a capital increase and that the Board of Directors of the Company summons for an extraordinary general meeting in the Company to be held on April 30, 2020.

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 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-time effects, the Group also reports the adjusted EBIT, which is the EBIT excluding restructuring items.

<i>(MEUR)</i>	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Operating profit / EBIT ¹	7.4	20.3	7.4	20.3	62.4
Restructuring items ²	0.4	1.2	0.4	1.2	8.5
Adjusted EBIT¹⁺²	7.8	21.5	7.8	21.5	70.9

EBITDA/ADJUSTED EBITDA

EBITDA is defined as EBIT (previously defined) before depreciation and amortization. Adjusted EBITDA is therefore EBITDA excluding restructuring items.

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

<i>(MEUR)</i>	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Operating profit / EBIT	7.4	20.3	7.4	20.3	62.4
Depreciation	11.0	10.7	11.0	10.7	42.9
Amortization	0.9	1.1	0.9	1.1	5.1
EBITDA¹	19.4	32.1	19.4	32.1	110.4
Restructuring items ^{(*)2}	0.4	1.2	0.4	1.2	7.4
Adjusted EBITDA¹⁺²	19.7	33.4	19.7	33.4	117.9

(*) Excluding impairment, depreciation and amortization

ALTERNATIVE PERFORMANCE MEASURES (APM)

RESTRUCTURING ITEMS PER SEGMENT

(MEUR)	Q1 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Interior	0.0	0.0	0.0	0.0	0.5
Powertrain & Chassis	0.1	(0.1)	0.1	(0.1)	0.2
Specialty Products	(0.1)	(0.2)	(0.1)	(0.2)	2.1
Other	0.4	1.5	0.4	1.5	5.6
Group total	0.4	1.2	0.4	1.2	8.5

The restructuring items in Q1 2020 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 drawn and paid.

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 2020	Q1 2019	YTD 2020	YTD 2019	FY 2019
Cash flow - Operating activities	18.8	(4.4)	18.8	(4.4)	51.4
Cash flow - Investing activities	(13.0)	(13.5)	(13.0)	(13.5)	(63.3)
Cash flow - Financing activities	(1.7)	(11.2)	(1.7)	(11.2)	(22.9)
Net (draw down) / repayment of debt ¹	(6.9)	(0.3)	(6.9)	(0.3)	1.6
Free Cash Flow	(2.8)	(29.4)	(2.8)	(29.4)	(33.2)

¹ includes the repayments of lease liabilities

NIBD

Net Interest-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 interest-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)	31.03.20	31.03.19	31.12.19
Long-term interest-bearing liabilities	358.2	363.6	362.7
Other short-term interest-bearing liabilities	32.5	10.2	23.8
Cash and cash equivalents	(27.4)	(32.6)	(25.2)
Net Interest Bearing Debt	363.3	341.2	361.3

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)	31.03.20	31.03.19	31.12.19
Total assets	911.0	935.4	927.0
Deferred tax liabilities	(26.8)	(26.3)	(21.8)
Other long-term liabilities	(20.1)	(21.2)	(21.6)
Current liabilities	(244.5)	(252.9)	(237.9)
Capital employed	619.6	635.0	645.6

ADJUSTED 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 2020		Q1 2019	FY 2019
Capital employed beginning ¹	01.04.2019	635.0	01.04.2018	469.8	629.2
Capital employed at end ²	31.03.2020	619.6	31.03.2019	635.0	645.6
Adjusted EBIT last twelve months ³		57.1		76.1	70.9
Adjusted ROCE ^{3 / (1+2) * 200%}		9.1%		13.8%	11.1%

OTHER COMPANY INFORMATION

THE BOARD OF DIRECTORS

Firas Abi-Nassif	Chairman
Emese Weissenbacher	Shareholder elected
Peter Schmitt	Shareholder elected
Ellen M. Hanetho	Shareholder elected
Gerard Cordonnier	Shareholder elected
Leif Harvard Stromhaug	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 Mackinovski	Executive Vice President, Purchasing
Virginia Grando	Executive Vice President, Quality
Marcus von Pock	Executive Vice President, Human Resources & Communications
Jon Munthe	General Counsel
Doug Tushar	Senior Vice President, IS&T

CORPORATE COMMUNICATION

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Hallstein Kvam Oma	Investor Relations	+41 43 508 89 63

FINANCIAL CALENDAR

The quarterly reports and financial statements will be published on the following days:

2 nd quarter 2020 and Half-yearly Report	August 06, 2020
3 rd quarter 2020	November 11, 2020

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