

Kongsberg Automotive

Fourth quarter 2013 | February 14, 2014



Group highlights for Q4 and 2013

REVENUES

- ▶ **2013 revenues of EUR 991 million, in line with guiding**
- ▶ **Q4 revenues of EUR 242 million**
 - EUR 9.4 million (4.1%) up from Q4 2012

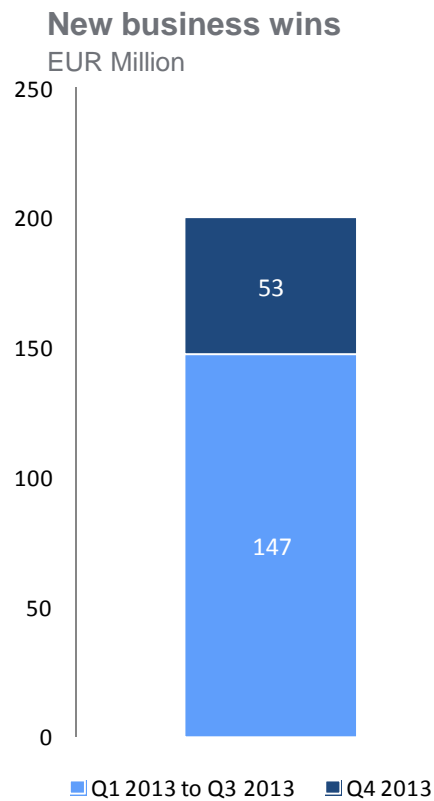
Financials

- ▶ **2013 EBITDA of EUR 97.1 million (9.8 %), up EUR 20.1 million from 2012 despite lower revenues**
- ▶ **Q4 EBITDA of EUR 19.0 million, in line with Q4 2012**
- ▶ **Gearing ratio further reduced to 2.5 x NIBD/EBITDA**
- ▶ **Improved financial flexibility through amended loan agreement**

MARKET

- ▶ **Europe: Commercial vehicle sales lifted by Euro 6 pre-buy in Q4**
- ▶ **North America: Steady growth in light vehicle segment**

New business wins last 4 quarters



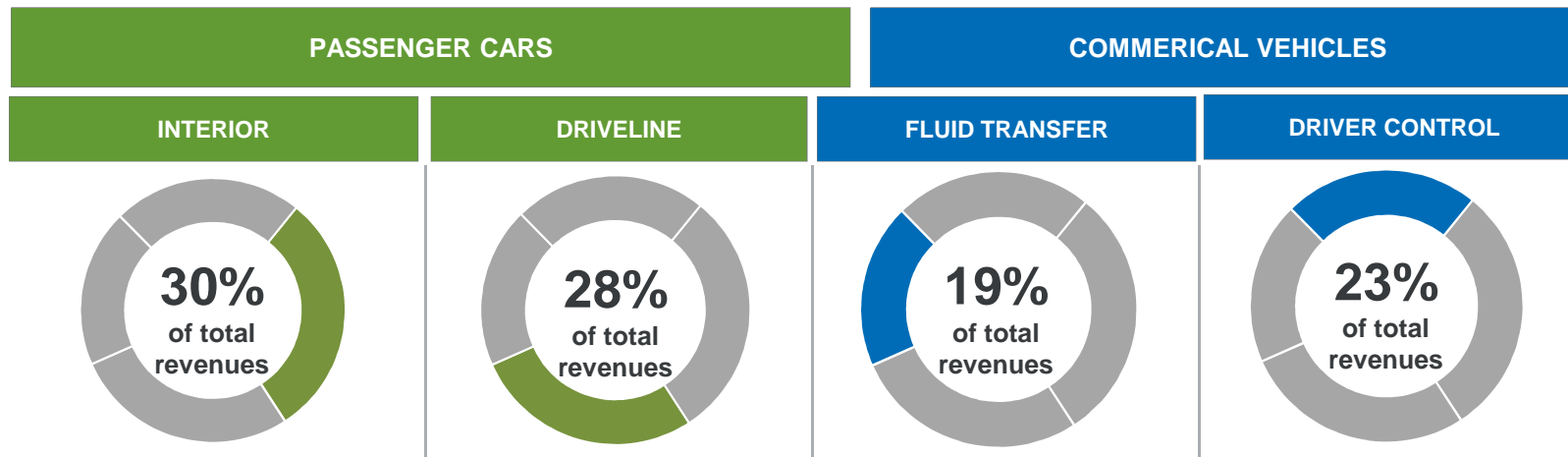
- ▶ EUR 200 million per annum of new business booked in 2013 and EUR 53 million in Q4 2013 confirms good order intake
- ▶ KA needs to secure business wins above 15% of annual revenue to compensate for expiring programs



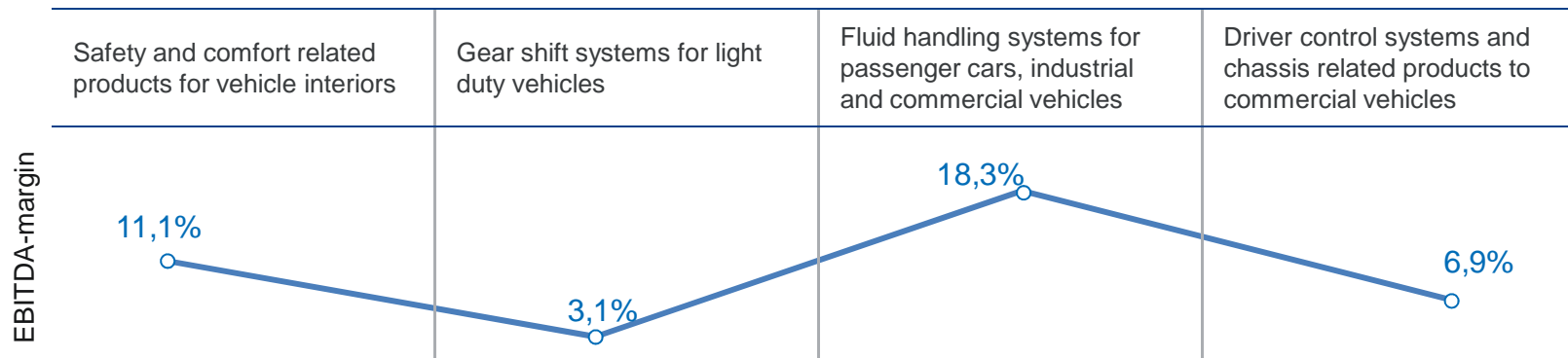


Hans Peter Havdal, CEO
OPERATIONAL REVIEW

Q4 2013: Business areas overview



Market



DRIVER CONTROL

Highlights and performance

► Operational update

- Q4 result hampered by costly overtime & unscheduled maintenance at Rollag & Hvittingfoss plants in Norway. Volumes were up due to Euro 6 pre-buy effect
- Higher capital expenditure for 2013 due to investments in new capacity and equipment upgrades
- New program launch for Leyland on clutch servo with volume of 9.000 units per year, from Hvittingfoss facility

► Market & Trends

- Stronger On-Highway demand partially driven by Euro 6 pre-buy effects and strong Brazilian market



Clutch Servo

FLUID TRANSFER

Highlights and performance

- ▶ **Operational update**
 - Major extension to plant in Normanton, UK
 - To meet demand from customers like Jaguar-Land Rover
 - Creates over 100 new jobs in 2014
 - Fluid transfer continued to win contracts globally
 - Strengthening position as a niche expert in passenger car & commercial vehicles segments

- ▶ **Market & trends**
 - Strong European commercial vehicle and North American passenger cars markets gave 10% growth for the year



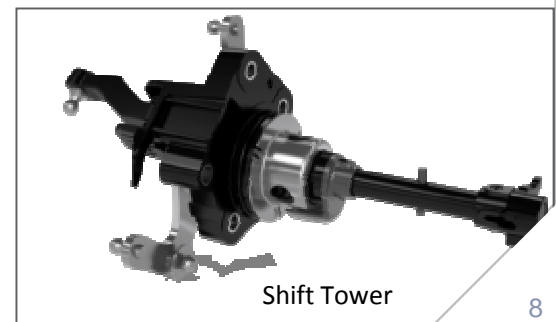
Highlights and performance

► Operational update

- Several actions related to capacity adjustments and cost reductions are implemented
- New program launch for PSA for shift towers with 700.000 units annually to be delivered from Cluses, France facility
- Continued to win significant global contracts with strong momentum in BRIC countries

► Market & Trends

- Decline in revenue mainly due to general sales decline in Europe



DRIVELINE

New contracts in Brazil & India – life time value of EUR 33 million

- ▶ Complete manual gearshift system for major European OEM for popular B segment car in India & South America
- ▶ Start of production in 2nd half of 2015; 4 year contract duration
- ▶ Production from KA's facilities in Gurgaon (India) and Jundiai (Brazil)



KA's global footprint and full system capability provides BRIC growth

INTERIOR

Highlights and performance

► Operational update

- Secured a major program with new Electro-Mechanical actuation system for automatic folding & tumbling of seats
 - Fold & tumble systems on rows 2 + 3
- New program launch for seat support from KA's Reynosa, Mexico facility







► Market & trends

- Launched European Tour with KA's innovation vehicle
 - Demonstrating innovative and premium features to key customers



INTERIOR

Global business wins for Interior

Country/region	Product	Content	Customer	Production Facility	Est. life time value EUR million	Planned SOP
		Lumbar support system to a high-end vehicle platform and seat cables to a very popular D segment sports car	Global Brand	Matamoros and Reynosa, Mexico	24MEUR*	Lumbar support system :2015 Seat cables: 2014
		Highly advanced massage system for driver and passenger seats in a premium car	Global Brand	Pruszkow, Poland	62.5MEUR	2015
		New generation seat actuator	Global Brand	Siofok, Hungary	25MEUR	2014

*Combined value of 3contracts

Customers value Kongsberg Automotive's seat comfort portfolio



Trond Stabekk, CFO
FINANCIAL UPDATE

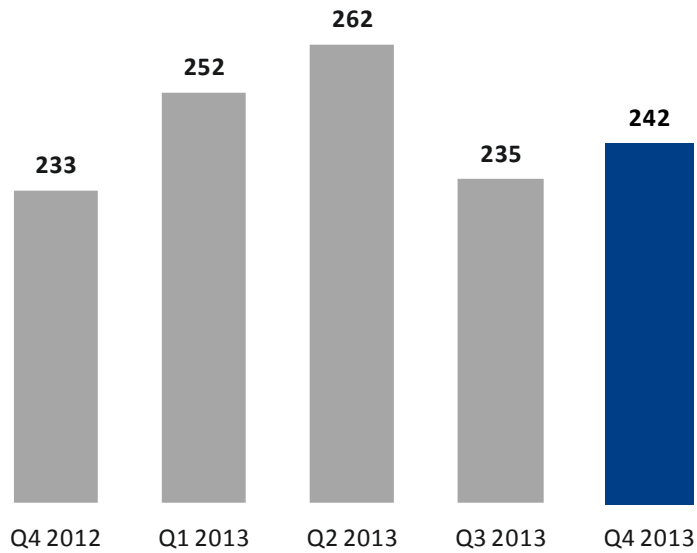
Speeding up the annual report process

- ▶ Changed the annual report process
 - Now: Simultaneous release of the Q4 report and 2013 Annual Report
- ▶ Benefits:
 - More efficient use for resources
 - All audits closed, and no open issues

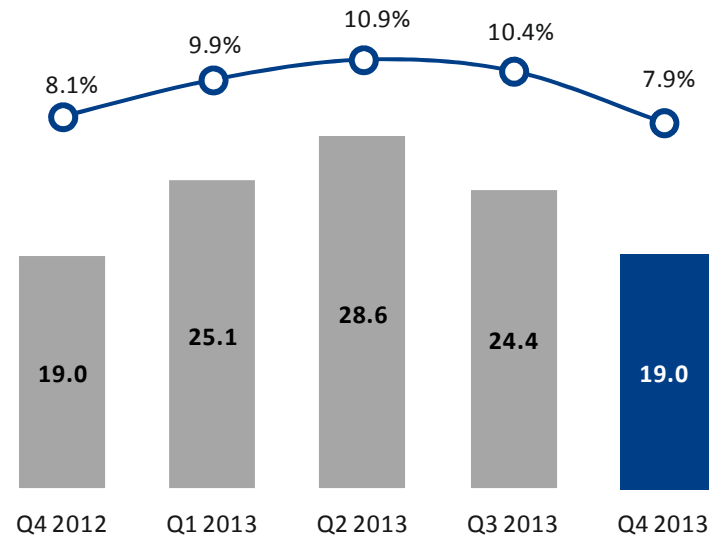


Revenue and EBITDA

Revenues
EUR million



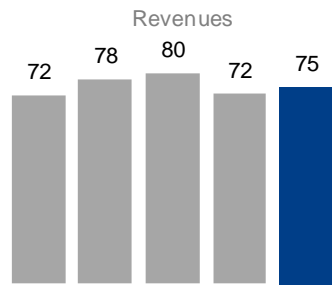
EBITDA and EBITDA margin
EUR million and percent



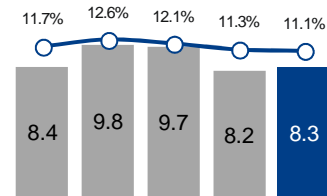
Segment financials Q4 2013

Revenues and EBITDA margin
EUR million and percent

Interior

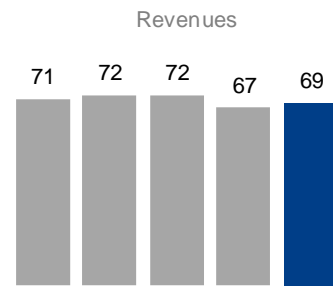


EBITDA

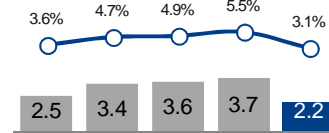


Q4 2012 Q1 2013 Q2 2013 Q3 2013 Q4 2013

Driveline

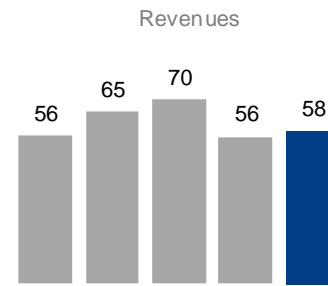


EBITDA

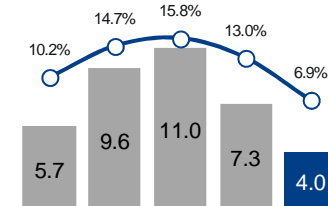


Q4 2012 Q1 2013 Q2 2013 Q3 2013 Q4 2013

Driver Control

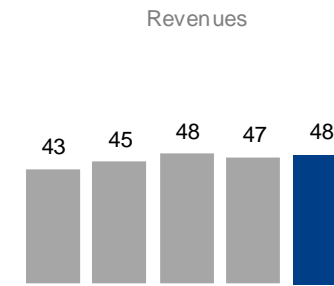


EBITDA

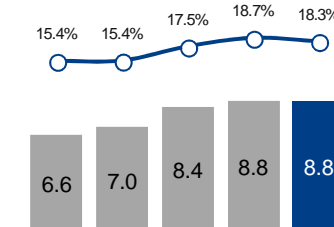


Q4 2012 Q1 2013 Q2 2013 Q3 2013 Q4 2013

Fluid



EBITDA



Q4 2012 Q1 2013 Q2 2013 Q3 2013 Q4 2013

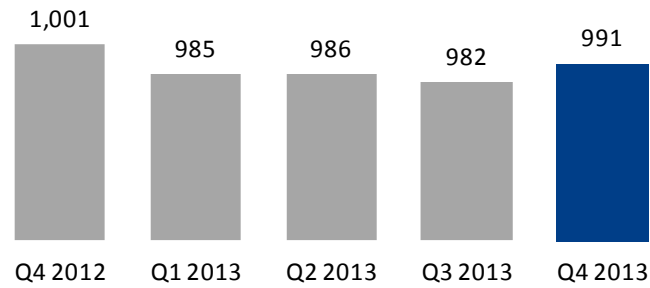
Consolidated income statement

EUR Million	Twelve months ending				
	31.12.12	31.03.13	30.06.13	30.09.13	31.12.13
Revenues	1001.1	985.4	985.8	981.5	990.9
OPEX	-924.1	-906.6	-898.3	-884.5	-893.8
EBITDA	77.0	78.9	87.5	97.0	97.1
EBITDA (%)	7.7%	8.0%	8.9%	9.9%	9.8%
D&A	-46.3	-47.5	-45.2	-44.6	-43.9
EBIT	30.7	31.4	42.3	52.5	53.2
EBIT (%)	3.1%	3.2%	4.3%	5.3%	5.4%
Financial items	-18.7	-31.1	-29.6	-35.3	-40.4
Profit before taxes	11.9	0.3	12.7	17.2	12.8
Tax	-6.7	-3.6	-6.9	-8.1	-6.2
Net profit	5.3	-3.4	5.8	9.1	6.6

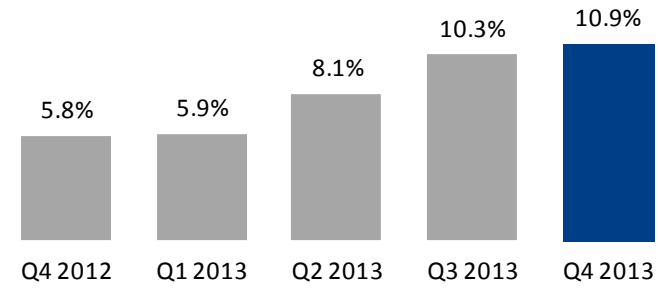
- ▶ Revenue run rate in line with full year guiding
- ▶ EBITDA for the year improved by EUR 20 million, despite lower sales
- ▶ Net profit influenced by unrealized FX effects

ROCE (Ltm)

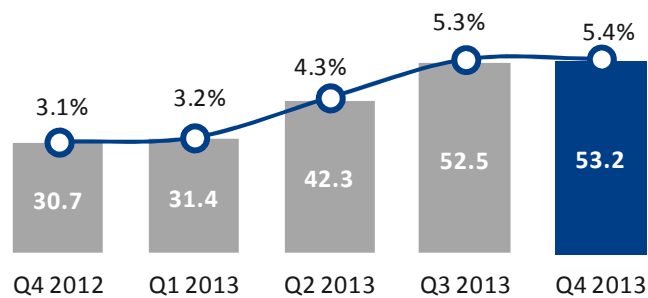
Revenues (Ltm)
EUR million



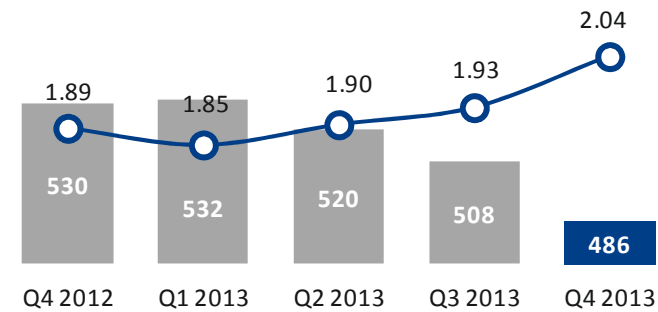
ROCE (Ltm)
Percent



EBIT and EBIT margin (Ltm)
EUR million and percent



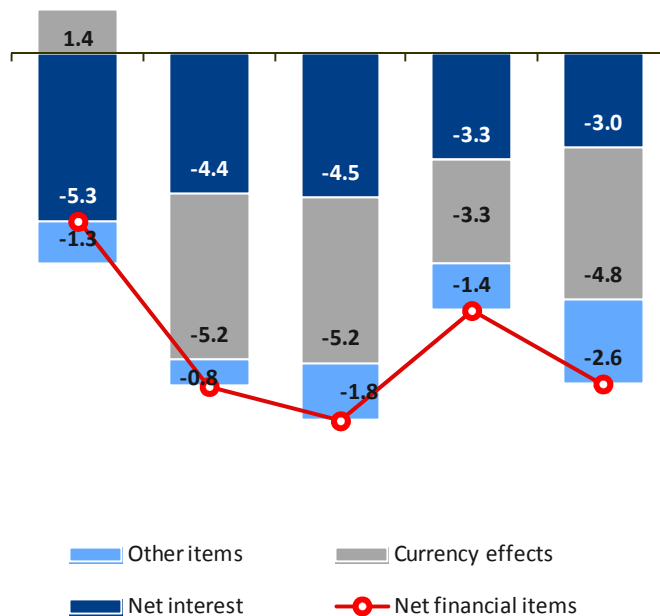
Avg. Capital Employed and turnover (Ltm)
EUR million and Times



Financial items

Net financial items
EUR million

Q4 2012 Q1 2013 Q2 2013 Q3 2013 Q4 2013



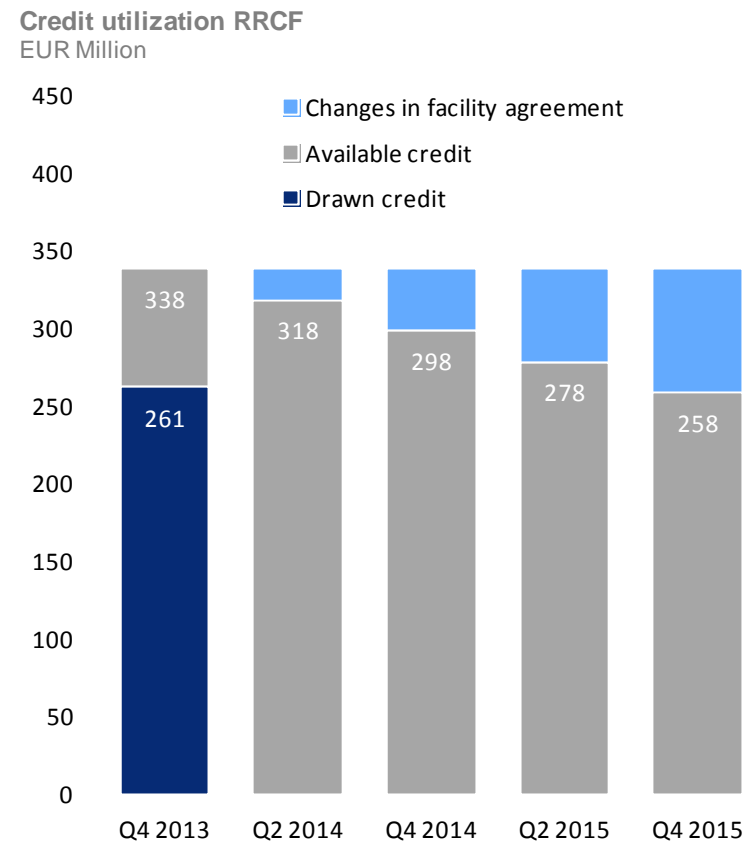
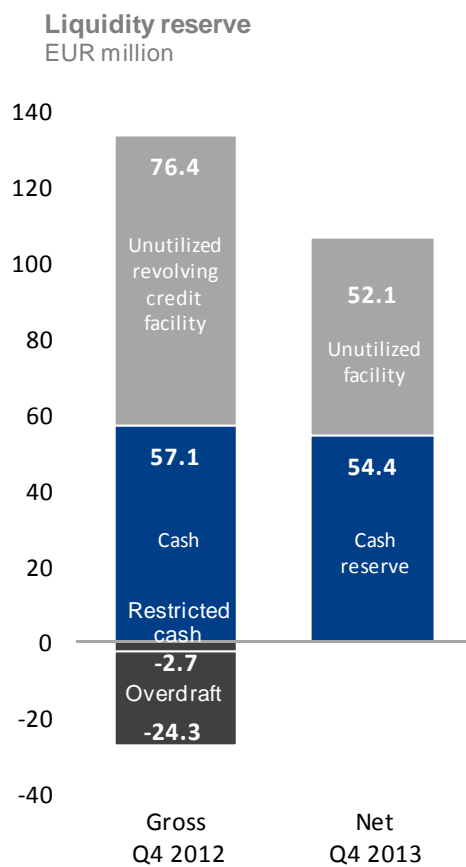
► Interest rate margin reduced as a consequence of lower gearing

Further financial flexibility improvement

- ▶ **Negotiated changes to current loan agreement**
- ▶ **The revolver will be frozen at the current level**
 - EUR 206 million and USD 182 million
 - No more mandatory amortization of the revolver, which previously was EUR 40 million per year

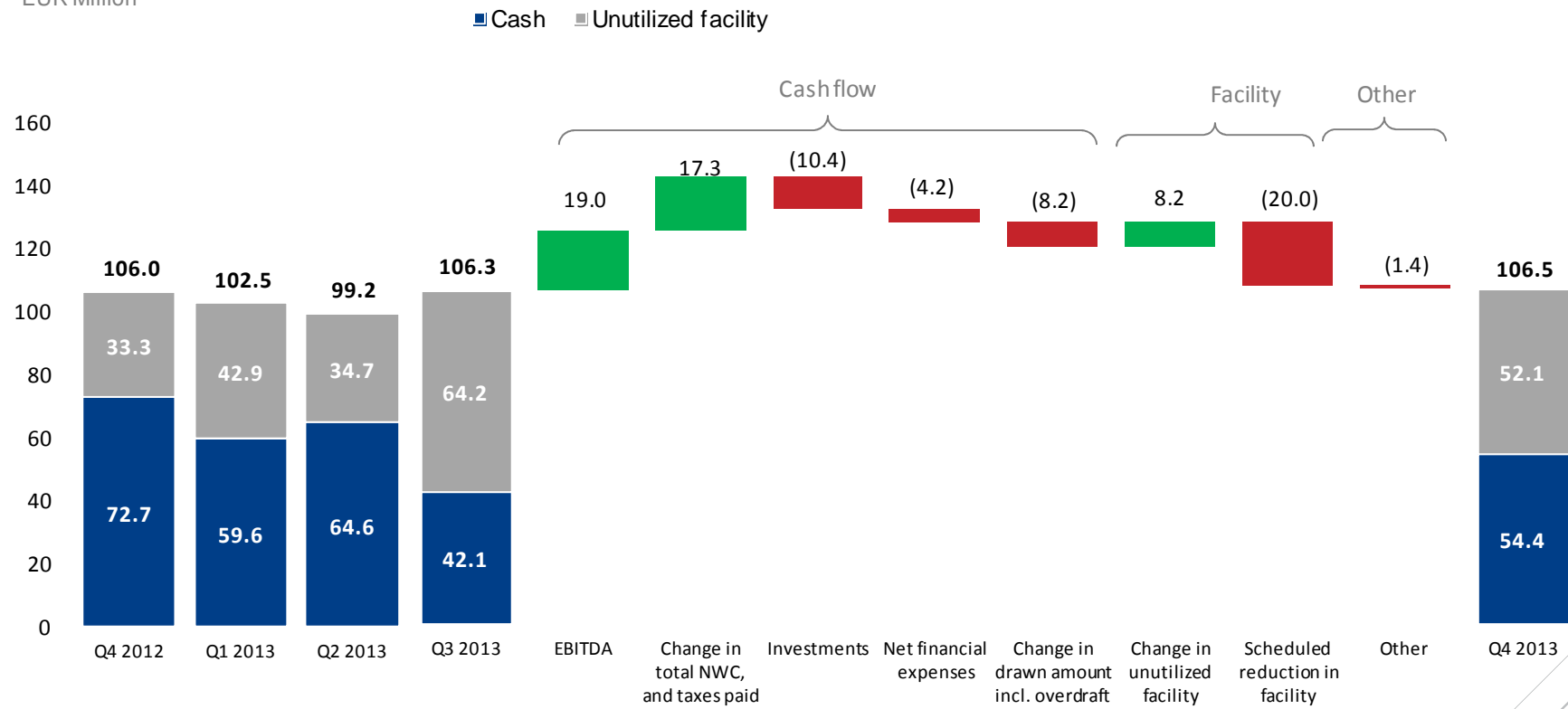


Available funds and utilization



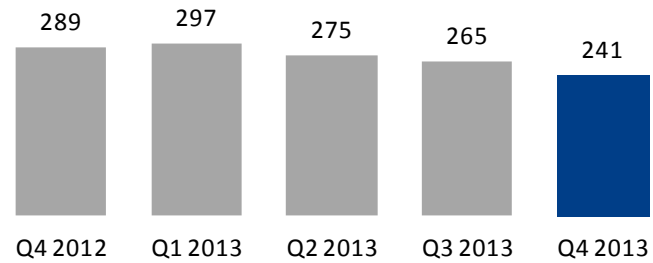
Cash flow and facility development

Available funds
EUR Million

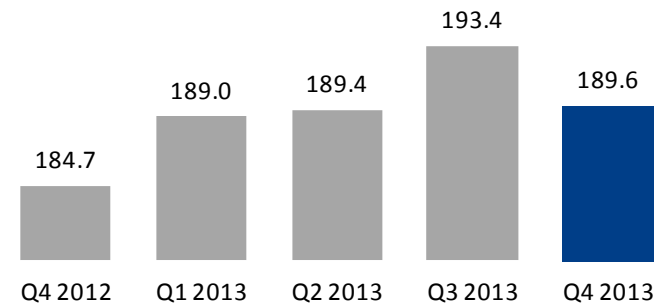


Financial ratios

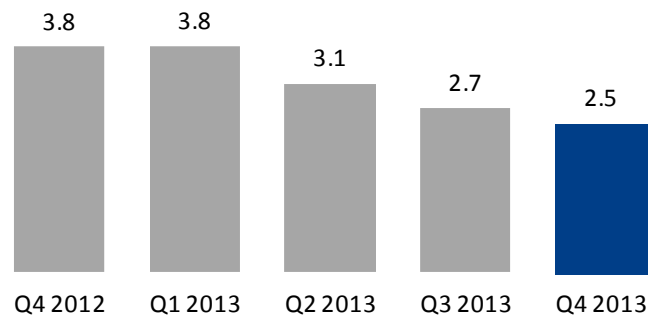
NIBD
EUR million



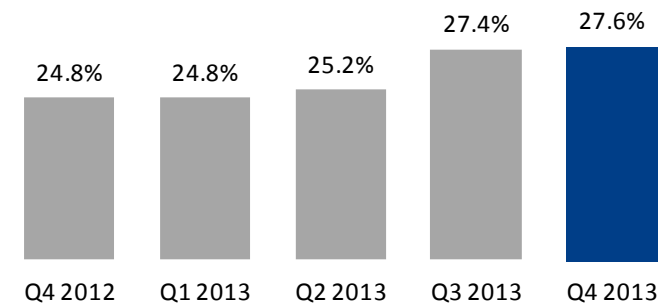
Equity
EUR million



NIBD/EBITDA
Times



Equity ratio
Percent





Philippe Toth, VP Investor Relations and M&A
MARKET UPDATE

Production and revenue growth (YoY change)

North America	
CV production growth *	-3.2 %
LV production growth **	5.0 %
KA revenue growth***	0.4%

35% of KA sales

KA is holding it's position in NA

Worldwide	
CV production growth *	4.3 %
LV production growth **	2.7 %
KA revenue growth***	1.4 %

Europe	
CV production growth *	-1.0 %
LV production growth **	-1.1 %
KA revenue growth***	3.6%

54% of KA sales

KA is doing better than the market in EU, but still challenging

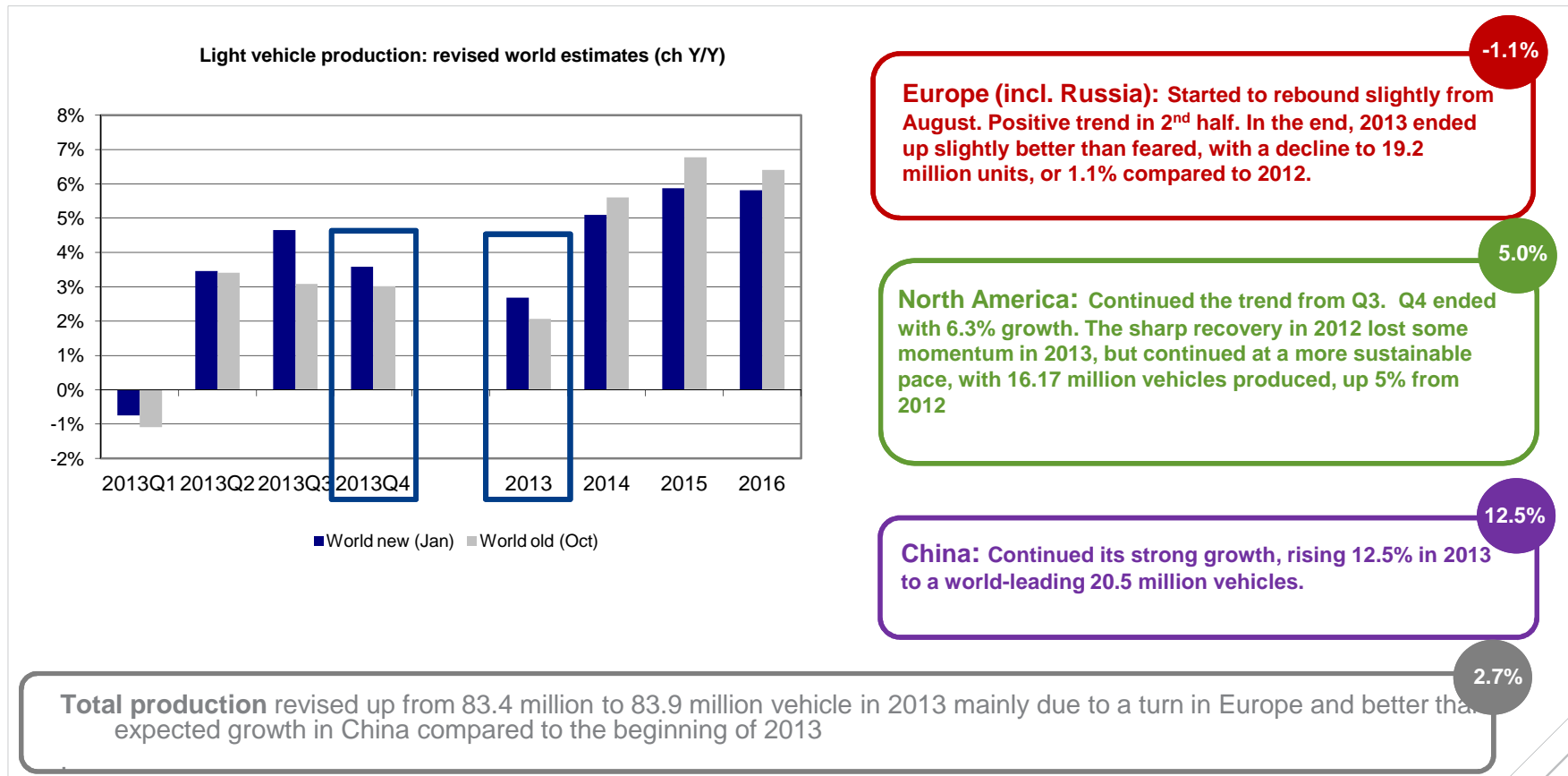
Asia	
CV production growth *	4.4 %
LV production growth **	4.1 %
KA revenue growth***	-12.5 %

8% of KA sales

China drop compounded by phase-out of certain non-profitable businesses

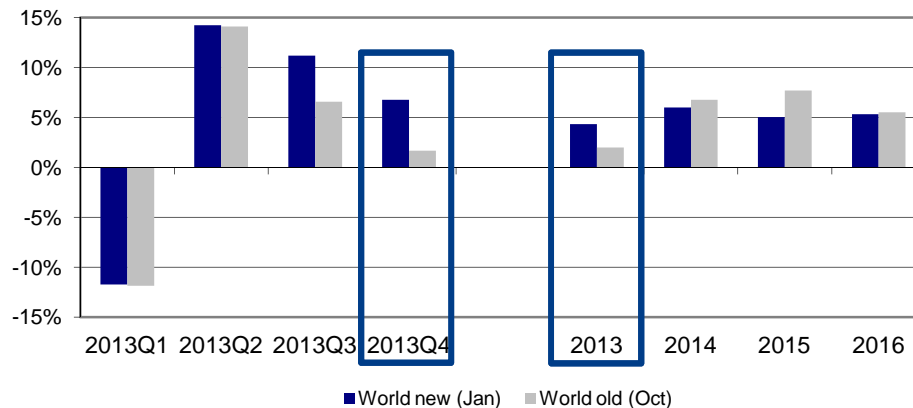
* CV: Commercial Vehicles (GVW>6t) estimates by LMC
 ** LV: Light Vehicle (GVW<6t) estimates by LMC
 ***: adjusted for currency effect

Light vehicle production – 2013 summary



Commercial vehicle production – 2013 summary

Medium and heavy duty truck production: revised world estimates (ch Y/Y)



Europe (incl. Russia): Now also see results of the pre-buy effect leading to Jan. 14 EURO6 introduction. Q4 ended with a production increase of +16% (vs. Q4 2012), and 2013 looks now to end down 1% compared to 2012

-1.0%

North America: Continued strong growth trend from Q3 (+8,6%), but total for 2013 still showed a decline following strong growth in 2012 (+10%). 2013 ended with -3.2% to 449k units.

-3.2%

China: 13% growth in 2013 to 994k units










13.0%

Total production of medium and heavy-duty commercial vehicles grew by 4.3% to 2.75 million in 2013. The main increase came in China, as truck purchase again accelerated after a decline in 2012.

4.3%

Market summary and outlook

Global industry growth

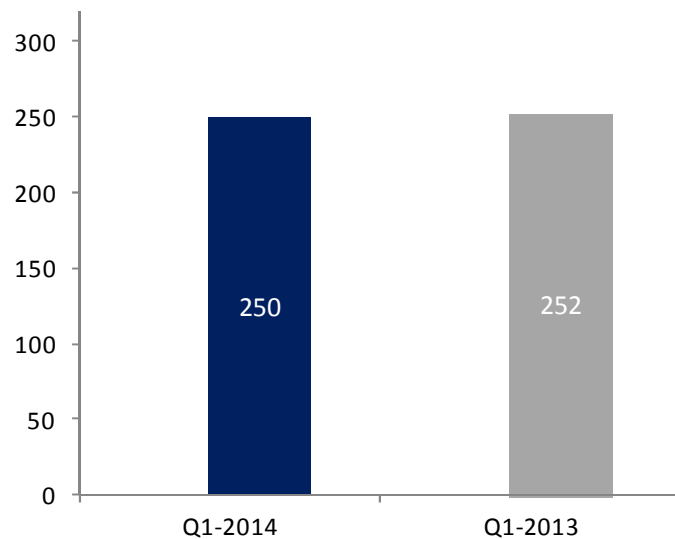
Country/region	Expected 2014 growth rate	Outlook
	 →  →	<ul style="list-style-type: none"> • Europe looks to be turning the corner, but some time before reaching 2008 levels • With the positive turn of GDP growth, we expect a slightly positive development, but still far off reaching 2008 levels.
	 →  →	<ul style="list-style-type: none"> • Favorable outlook but various threats to the forecast remain • North American market expected to continue good development from H2-13 into 2014.
	 →  →	<ul style="list-style-type: none"> • China outlook is good with some risks linked to ownership level restriction • Forecasted GDP growth to be similar to 2013, combined with increased need for replacements, should see good growth in 2014



Hans Peter Havdal
SUMMARY & OUTLOOK

Summary and outlook

Company outlook for Q1 2014
EUR Million



- ▶ **KA delivered improved margins and reduced gearing in 2013**
 - Gearing ratio cut from 2.7 to 2.5 x NIBD/EBITDA
- ▶ **2014 revenues expected to be in line with 2013**
- ▶ **Outlook for main addressable markets in North America & Europe shows 1-2% growth in 2014**
- ▶ **KA expects Q1 2014 revenue of approx. EUR 250 million**



Questions & Answers

“Enhancing the driving experience”



Passionate

Accountable

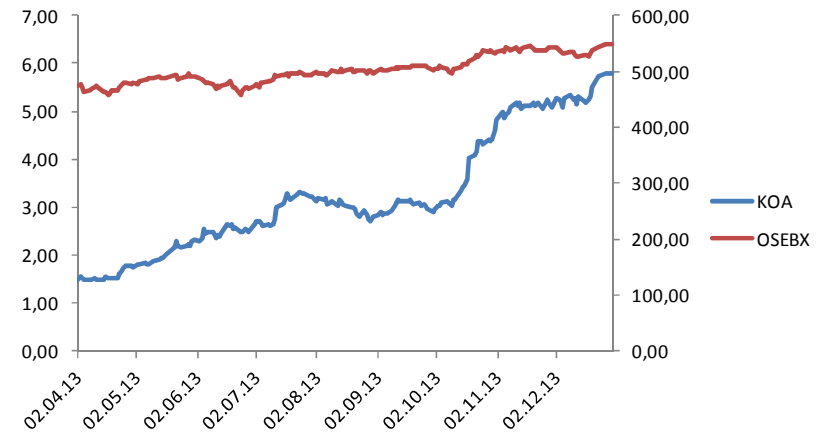
Prepared



Share price and shareholders

Data: 31.12.2013

Current Position	% Share Outstanding	Investor Name	Nationality
11 485 050	2,82	MP PENSJON PK	NOR
10 167 813	2,50	CITIBANK, N.A. S/A DFA-INTL SML CAP	USA
10 086 252	2,48	KLP AKSJE NORGE VPF	NOR
8 672 063	2,13	EUROCLEAR BANK S.A. / 25% CLIENTS	BEL
8 419 558	2,07	VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	NOR
7 995 329	1,97	JP Morgan Chase Bank HANDELSBANKEN NORDIC	SWE
7 575 000	1,86	VERDIPAPIRFONDET DNB	NOR
7 325 350	1,80	J.P. Morgan Chase Ba NORDEA RE:NON-TREATY	GBR
7 063 208	1,74	The Bank of New York NON-TREATY BNY Mello	LUX
7 043 126	1,73	KOMMUNAL LANDSPENSJO	NOR
7 010 732	1,72	MORGAN STANLEY & CO S/A MSIL IPB CLIENT	GBR
6 572 268	1,62	KONGSBERG AUTOMOTIVE	NOR
6 529 384	1,61	THE NORTHERN TRUST C NON-TREATY ACCOUNT	GBR
6 000 000	1,48	VERDIPAPIRFONDET HAN NORGE	NOR
5 500 000	1,35	ERLING NEBY AS	NOR
5 312 245	1,31	Goldman Sachs & Co E GOLDMAN SACHS & CO -	USA
4 700 000	1,16	VICAMA AS	NOR
4 323 800	1,06	VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	NOR
4 277 530	1,05	CLEARSTREAM BANKING	LUX
3 411 729	0,84	DEUTSCHE BANK AG	GBR
152.120.373	37,4		



The Board of Directors of Kongsberg Automotive Holding ASA



Ulla-Britt Fräjdin-Hellqvist

- *Chairwoman of the Board since 2010*
- *Other Corporate Affiliations:*
 - *Chairman of Data Respons ASA and SinterCast AB*
 - *Board member, Castellum, e-man, Fouriertransform, MicronicMydata, SEI and Tallberg Foundation*



Thomas Falck

- *Member of the Board since 2010*
- *Other Corporate Affiliations:*
 - *Chairman of Making Waves AS and Filmparken AS*
 - *Board member, EMS Seven Seas ASA, Vizrt ASA*
 - *Board of several fund-of-fund investment companies*



Maria Borch Helsengreen

- *Member of the Board since 2012*
- *Other Corporate Affiliations:*
 - *CFO, TV2*
 - *Board member, Norsk Tillitsmann and GIEK*



Magnus Jonsson

- *Member of the Board since 2011*
- *Other Corporate Affiliations:*
 - *Board member, Powercell AB, LeanNova AB and Senseair AB*



Halvor Stenstadvold

- *Member of the Board since 2011*
- *Other Corporate Affiliations:*
 - *Chairman of SOS barnebyerNorge, Henie OnstadKunstsenter and Civita AS*
 - *Board member, Storebrand ASA, Statkraft SF/Statkraft AS, Navamedic ASA, SosChildrens Villages International and SOS CV USA*



Eivind Holvik

- *Member of the Board (Employee representative)*
- *Manager Research and Development, Kongsberg Automotive*



Tonje Sivesindtjet

- *Member of the Board (Employee representative)*
- *Measuring Operator, Kongsberg Automotive*



Kjell Kristiansen

- *Member of the Board (Employee representative)*
- *HSE, Kongsberg Automotive*

Financial calendar and Investor Relations contacts

Financial calendar 2014

	Interim Reports	Presentation
1th Quarter 2014	10 April 2014	11 April 2014
2th Quarter 2014	10 July 2014	11 July 2014
3th Quarter 2014	15 Oct 2014	16 Oct 2014
4th Quarter 2014	TBD	TBD

IR contacts

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For more information, see: <http://kongsbergautomotive.com/INVESTOR-RELATIONS/>

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