

Kongsberg Automotive ASA

First quarter 2015 | April 17, 2015



Group highlights Q1

REVENUES

- ▶ Q1 2015 revenues of EUR 270.0 million, above guiding
- ▶ Revenues in Q1 2015 were EUR 14.2 (5.6%) million above Q1 2014, including favorable currency effects of EUR 18.8 million

FINANCIALS

- ▶ EBIT was EUR 16.7 million in Q1 2015, EUR 1.4 million below the Q1 2014
 - Impacted by increased R&D activity to address the future growth opportunities (EUR 4.2 million), but in line with the estimated 6.5% of revenue level
- ▶ Gearing ratio at 2.4 x NIBD/EBITDA

MARKET

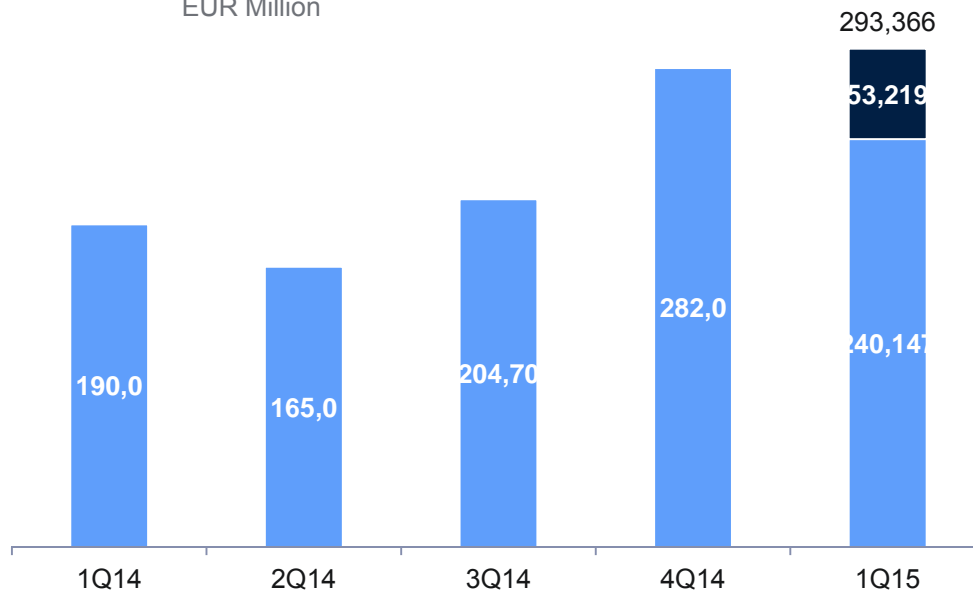
- ▶ Europe: Light vehicle production down due to decline in Russia and some recovery in commercial vehicle segment
- ▶ North America: Steady growth in light- & commercial vehicle segment

New business wins (LTM)

- ▶ EUR 53 million per annum of new business wins booked in Q1 2015, confirms good order intake

New business wins (LTM per annum value)

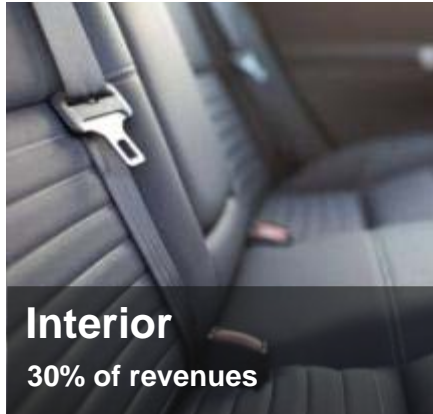
EUR Million





Hans Peter Havdal, CEO
OPERATIONAL REVIEW

Q1 2015: Business areas overview



Interior
30% of revenues

MARKET

Safety and comfort related products for vehicle interiors



Driveline
25% of revenues

MARKET

Gear shift systems for light duty vehicles



Driver Control
25% of revenues

MARKET

Driver control systems, cabin suspension and vehicle dynamics for commercial vehicles



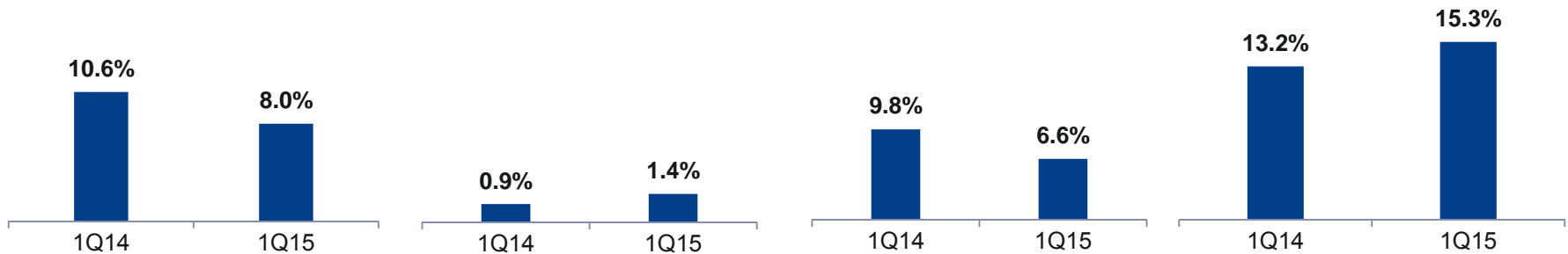
Fluid Transfer
20% of revenues

MARKET

Fluid handling systems for commercial vehicles and passenger cars



EBIT-margin



COMMERICAL VEHICLES

Operational update

- In Q1 KA exited non core and sub critical mass cable business in Italy, to streamline future footprint.
 - Loss on sale approx EUR 1.5 million
- Continued higher R&D spend within Driver Control according to plan. Key focus is on automated transmission systems



PASSENGER CARS

Operational update

- Marketing activities and strengthened R&D activities are put in place to address growth opportunities
- Some of the increased R&D costs has been balanced through improved operational improvements
- New global program launches for Interior
 - Two seat heat programs for Ford, produced from Reynosa (Mexico) and Wuxi (China)
 - Estimated annual volume of 45 000 from Reynosa & 210 000 from Wuxi



PASSENGER CARS

Volvo Car SPA platform

- ▶ **Volvo XC90 - first SPA platform vehicle launched to rave reviews**
- ▶ **Highest KA content ever:**
 - Driveline:
 - AT shifter & "Shift-by-Wire" system
 - Interior:
 - Seat comfort systems:
 - Lumbar support, seat heat & seat ventilation, massage
- ▶ **Expected annualized volume for SPA platform from 2015-2022 is 340 500 cars according to IHS**



DRIVELINE

Leveraging global footprint for commercial success

- ▶ Supply complete manual gear shift systems to a global OEM platform
- ▶ For B Segment cars to be sold in Europe, South America & Asia under two different brands
- ▶ Total value of 83 MEUR over 7 years
- ▶ Product supply from 6 KA plants in 3 continents
 - Cluses, France
 - Vrable, Slovakia
 - Wuxi, China
 - Gurgaon, India
 - Nuevo Laredo, Mexico
 - Jundiai, Brazil
- ▶ Production to start in H1 2016 with a peak volume in 2020



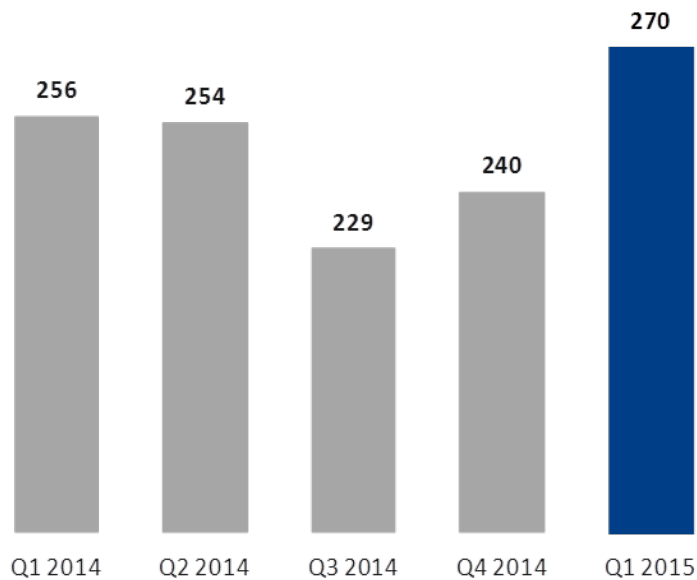
KA continues to leverage the benefit of being a global player with 32 manufacturing locations in 20 countries supporting global customers



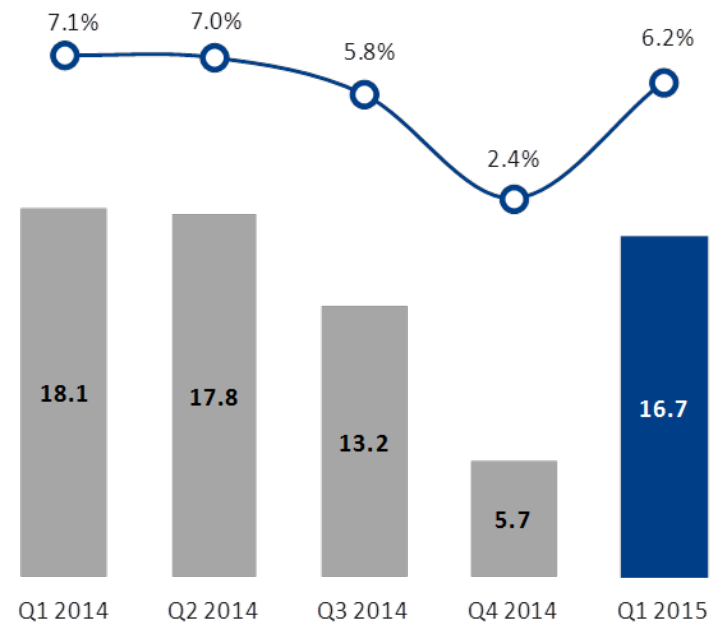
Trond Stabekk, CFO
FINANCIAL UPDATE

Revenue and EBIT

Revenues
EUR million

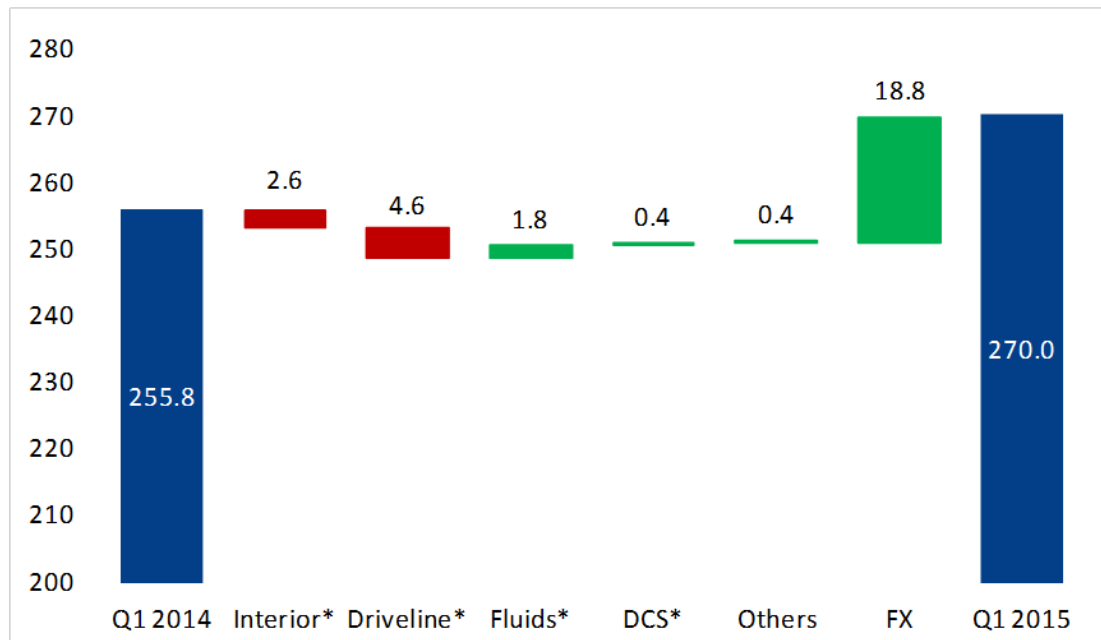


EBIT and EBIT margin
EUR million and percent



Revenue development

Revenues
EUR million

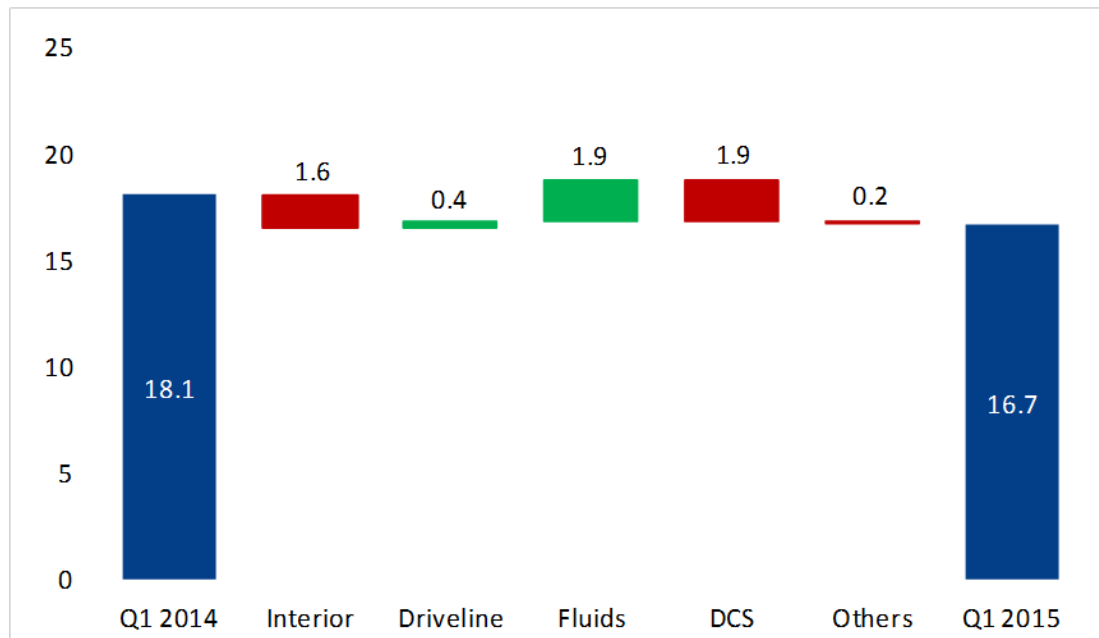


- ▶ REVENUES were EUR 14.4 (5.6 %) million above first quarter 2014
- ▶ REVENUE run-rate significantly impacted by currency effects

* Variances excluding FX effects

EBIT development

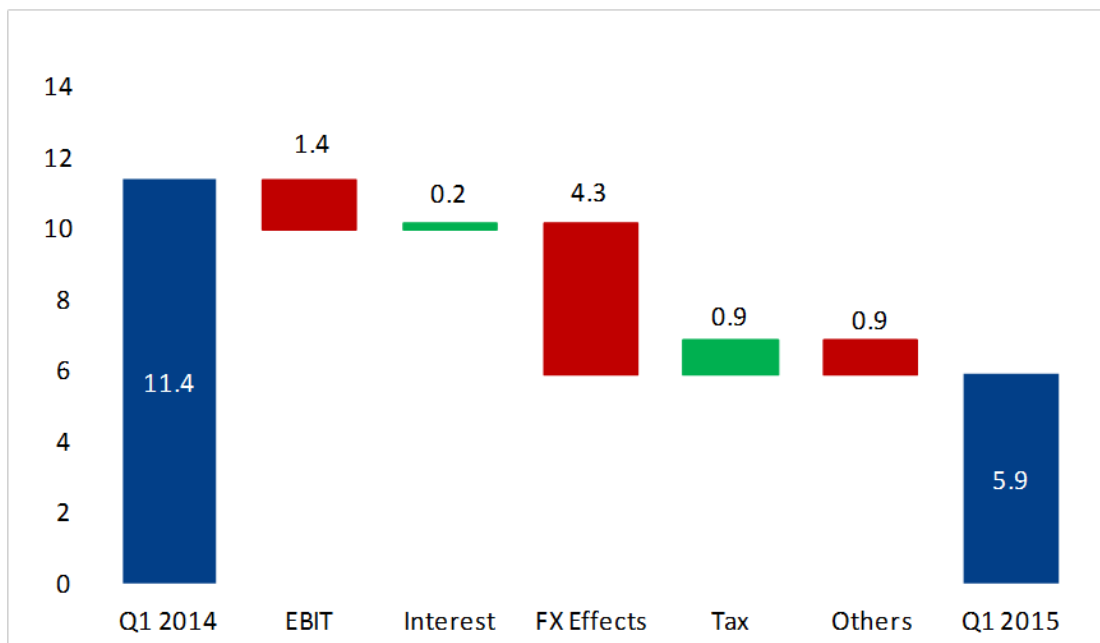
EBIT
EUR million



- ▶ EBIT impacted by increased activity to address the future growth opportunities and loss on the sale of a small cable plant in Italy
- ▶ Net translation FX effects of MEUR 1.3

Net Profit development

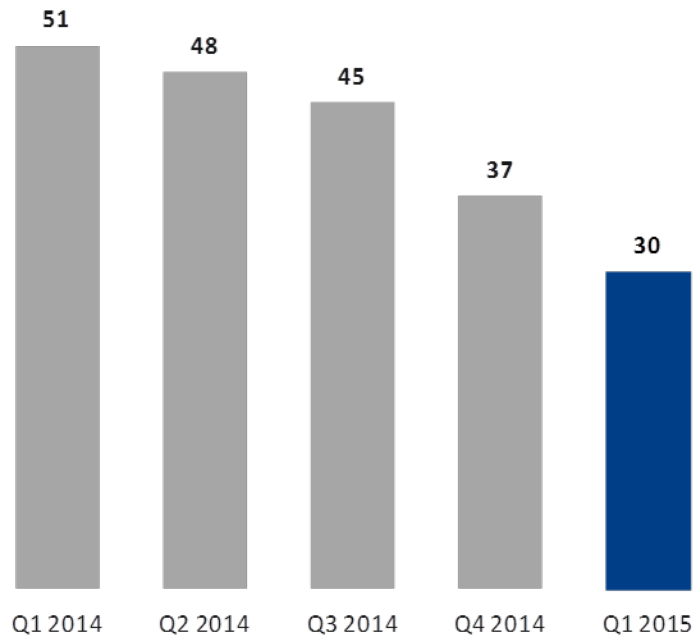
Net Profit
EUR million



- ▶ Net profit impacted by unrealized FX effects with no cash effect

Free Cash Flow (LTM)

Free Cash Flow (LTM)*
EUR million

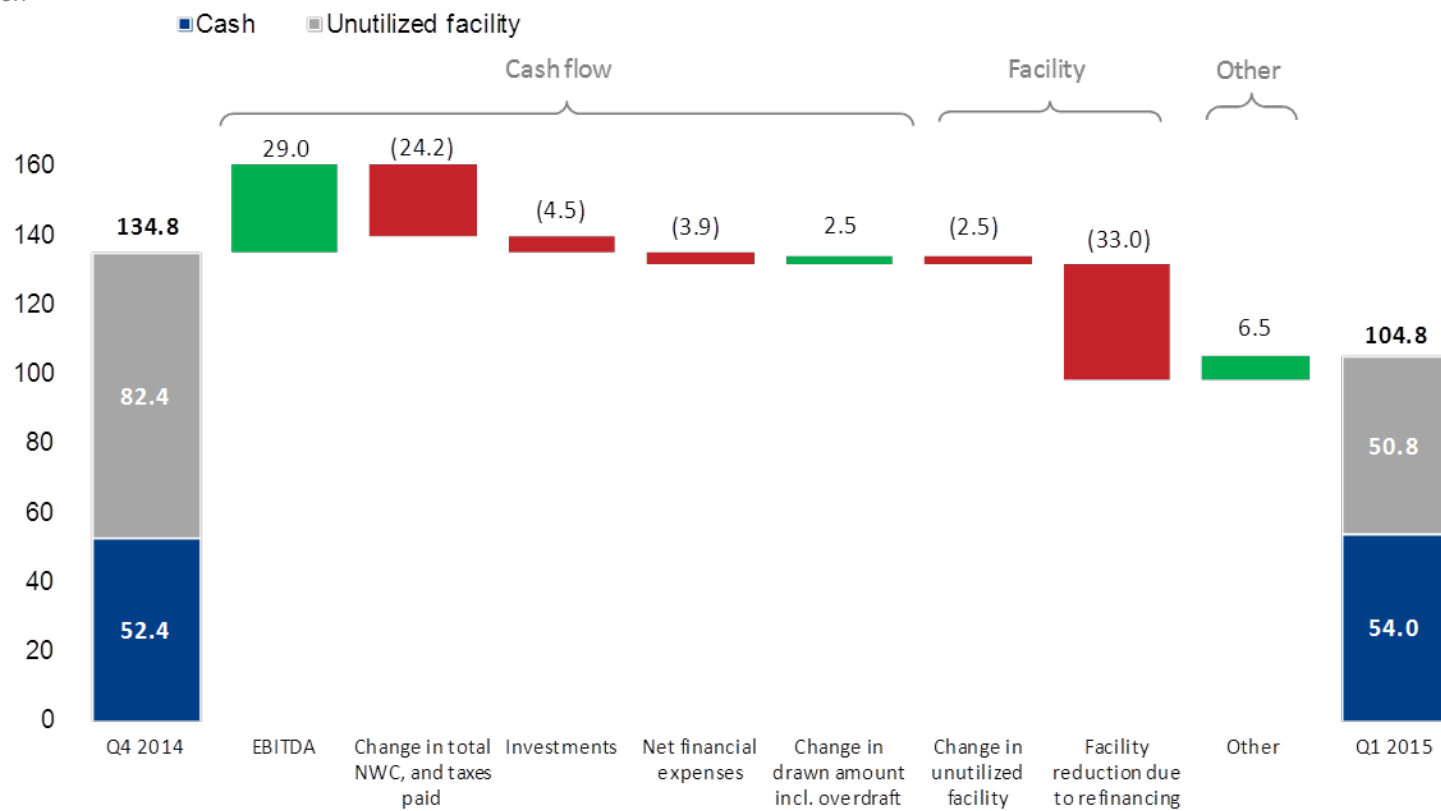


- ▶ Free Cash Flow trend mainly impacted by increased investments and change in NWC

*Free Cash Flow before repayment of loans

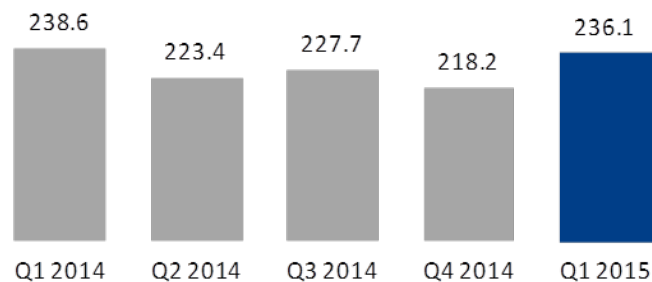
Cash flow and facility development

Available funds
EUR million

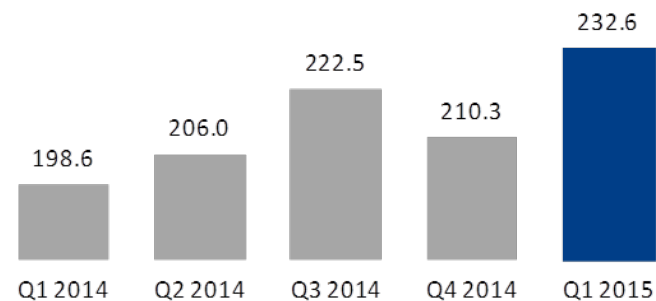


Financial ratios

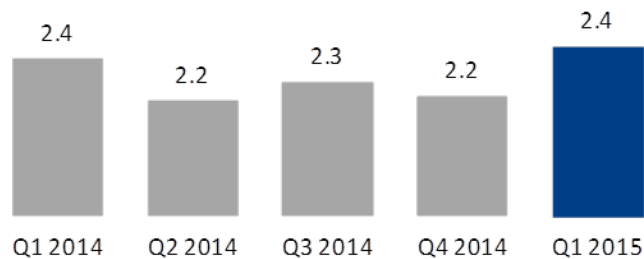
NIBD
EUR million



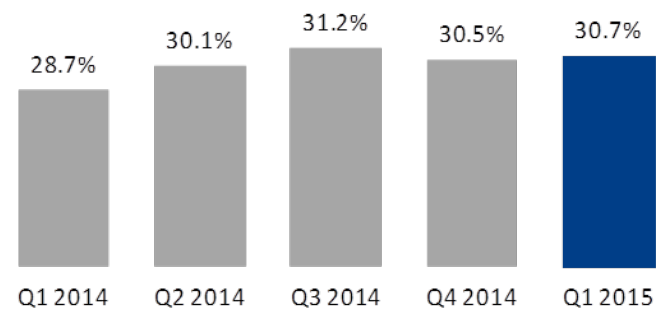
Equity
EUR million



NIBD/EBITDA
Times

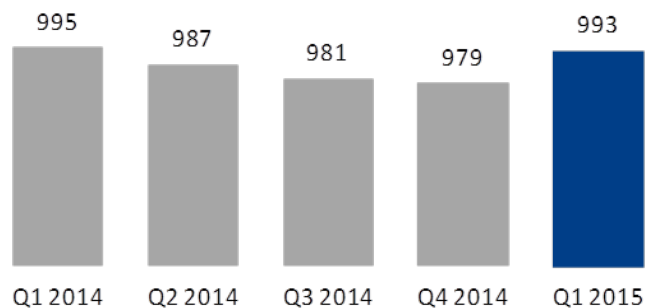


Equity ratio
Percent

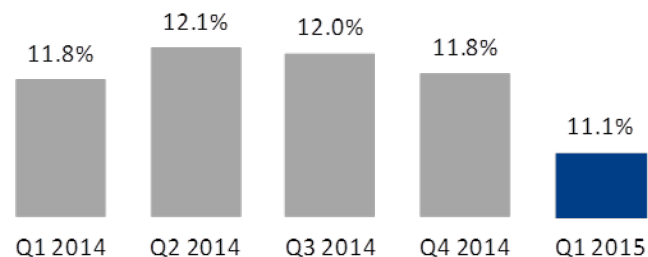


Financial KPIs

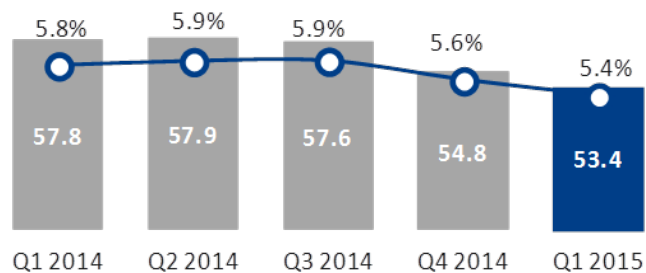
Revenues (Ltm)
EUR million



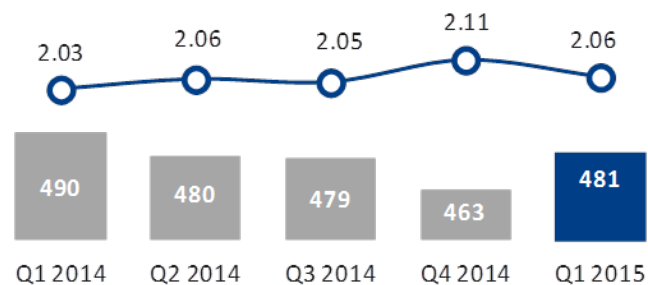
ROCE (Ltm)
Percent



EBIT and EBIT margin (Ltm)
EUR million and percent



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

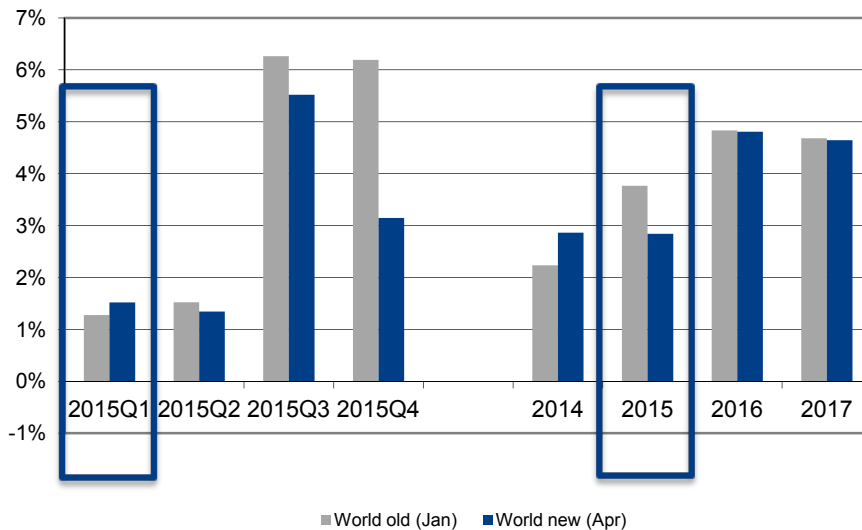




Philippe Toth, SVP Business Development & IR
MARKET UPDATE

Light vehicle production – LMC Automotive Q1 2015

Light vehicle production growth: revised world estimates (ch Y/Y)



Europe: Growth has come back in UK, Germany and some other countries. However European growth is still muted

-1.0%

North America: Slower production rate, some factories closed for a week in March to prevent stock pile-up

2.0%

China: Steady growth toward a 23.5 Mill vehicle production this year

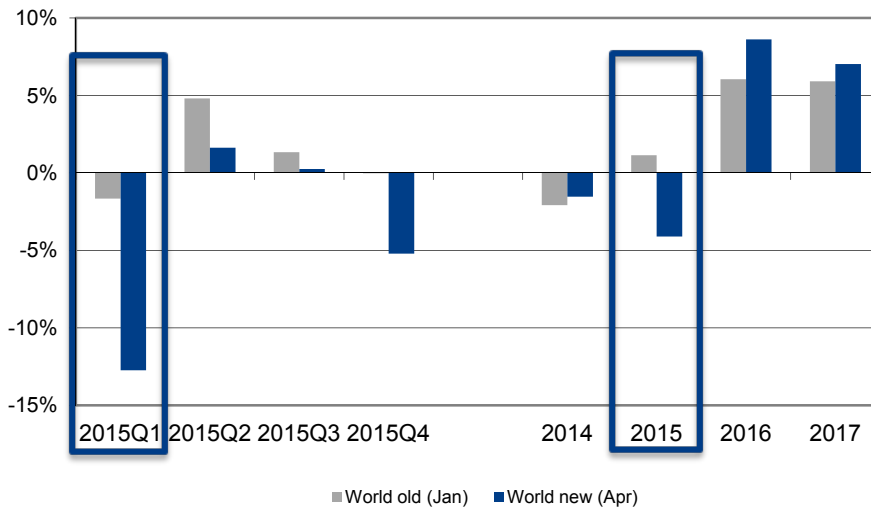
6.8%

Global production in Q1 2015, ended 1.5% higher than the Q1 2014, mainly driven by China. Forecasted 2.8% growth for whole year to 89.8 million vehicles

1.5%

Commercial vehicle production – LMC Automotive Q1-15

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



Europe: EU showing some signs of recovery on Heavy Duty segment. Medium Duty is still down while Russia continues to decline (-9%)

1.7%

North America: Continued growth, low fuel cost and positive macro enable investments in new trucks

15.4%

China: Large freight reductions due to overcapacity in manufacturing and heavy industry pull down production










-44.9%

Global production in Q1 2015, ended 12.7% lower compared to Q1 2014, mainly driven by a weak Chinese CV market. 2015 is expected to decline by 4% compared to 2014

-12.7%

Market summary and outlook

Global industry growth

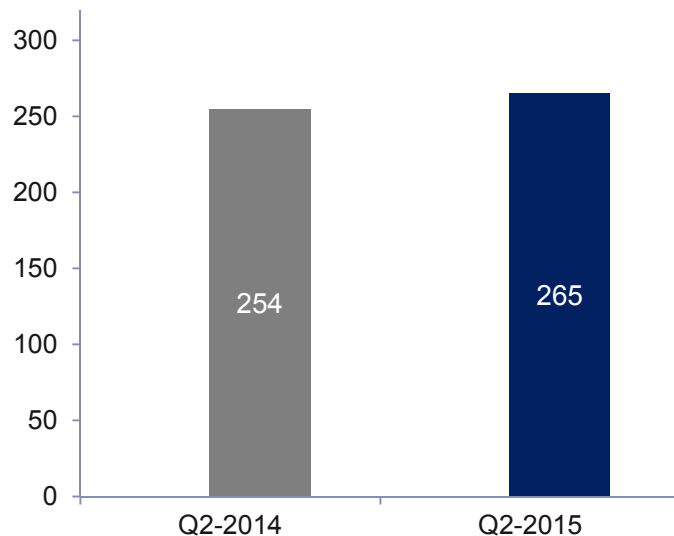
Country/region	2015	Outlook
	 →  →	<ul style="list-style-type: none"> • Growth in some Western European countries. Russia pulls down. • 2015 is expected to become quite close to 2014 <ul style="list-style-type: none"> • Modest growth, with some positive signs
	 →  →	<ul style="list-style-type: none"> • Growth leveling of to around 3% for 2015. Overcapacity in production causing stock build • North American market expected to continue good development from 2014, at least the first half of 2015
	 →  →	<ul style="list-style-type: none"> • China still growing, but at lower rates than expected • Over capacity in manufacturing and heavy industry causes large freight reductions. Government focus on domestic consumer spending



Hans Peter Havdal
SUMMARY & OUTLOOK

Summary and outlook

Company outlook for Q2 2015
EUR Million



- ▶ **Outlook for main addressable markets :**
 - North America & China remain positive while European outlook is still flat for light vehicles
 - North America is strongest growing region in commercial vehicles
- ▶ **KA expects Q2 2015 revenues of approx. EUR 265 million**
- ▶ **Higher R&D effort will continue through 2016 as previously communicated**

**ANNUAL GENERAL MEETING ON MAY 7, 2015
PLACE: FELIX KONFERANSESENTER**



Thank you for your attention!
QUESTIONS & ANSWERS



“Enhancing the driving experience”

Passionate

Accountable

Prepared

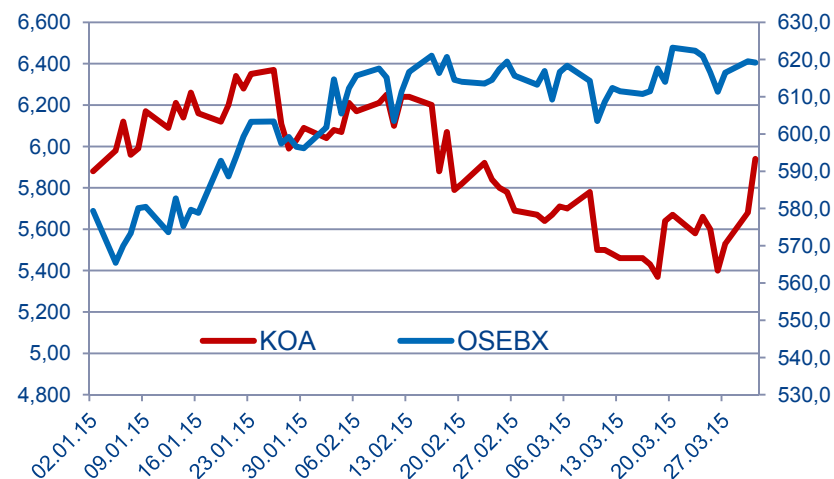


Appendix

Share price and shareholders

Data: 31.03.2015

Current Position	% Share Outstanding	Investor Name	Nationality
19.946.236	4,90	JPMORGAN CHASE BANK, S/A ESCROW ACCOUNT	GBR
15.013.388	3,69	THE NORTHERN TRUST C NON-TREATY ACCOUNT	GBR
12.506.194	3,07	KLP AKSJE NORGE VPF	NOR
12.301.869	3,02	Swedbank AB (publ) CLIENTS ACCOUNT	SWE
12.277.732	3,02	FOLKETRYGDFONDET	NOR
11.859.273	2,92	J.P. Morgan Chase Ba NORDEA RE:NON-TREATY	GBR
9.760.506	2,40	CITIBANK, N.A. S/A DFA-INTL SML CAP	USA
9.603.387	2,36	MP PENSJON PK	NOR
9.336.253	2,30	EUROCLEAR BANK S.A./ 25% CLIENTS	BEL
9.284.958	2,28	VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	NOR
8.317.206	2,04	VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	NOR
8.281.550	2,04	JP Morgan Chase Bank HANDELSBANKEN NORDIC	SWE
8.070.832	1,98	KOMMUNAL LANDSPENSJO	NOR
7.098.610	1,75	VERDIPAPIRFONDET DNB	NOR
6.500.000	1,60	ERLING NEBY AS	NOR
4.811.567	1,18	STATE STREET BANK & A/C CLIENT FUND NUMB	USA
4.303.408	1,06	VERDIPAPIRFONDET DEL JPMORGAN EUROPE LTD,	NOR
4.132.884	1,02	STATE STREET BANK AN A/C CLIENT OMNIBUS F	USA
3.990.410	0,98	The Bank of New York BNYM SA/NV - BNY GCM	GBR
3.624.246	0,89	KLP AKSJE NORGE INDE	NOR
181.020.509	44,5		



Financial calendar and Investor Relations contacts

Financial calendar 2015

	Interim Reports	Presentation
Q1 2015	16 th of April	17 th of April
Q2 2015	9 th of July	10 th of July
Q3 2015	14 th of October	15 th of October

IR contacts

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For more information, see: <http://www.kongsbergautomotive.com/investor-relations/>

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