

# 1st Quarter Report 2017

Kongsberg Automotive



Enhancing the driving experience

2017

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# HIGHLIGHTS 1ST QUARTER 2017

- Revenues were MEUR 270.7 in the first quarter, MEUR 26.9 (11.0%) above the first quarter last year, including positive currency translation effects of MEUR 5.4.
- Adjusted EBIT was MEUR 13.5 in the first quarter, MEUR 1.7 above the first quarter last year.
- During the first quarter we concluded the sale of the North American Headrest and Armrest business. As a result of this, the North American Headrest and Armrest business is reported as discontinued operations.
- In March, we announced the closure of the Heiligenhaus facility in Germany. Restructuring costs of MEUR 6.6 were accrued.
- Annualized business wins in the first quarter amounted to MEUR 35 bringing the total business wins for the last twelve months to MEUR 282.
- The adjusted gearing ratio (NIBD/EBITDA) was 2.8X at the end of first quarter including discontinued operations. Excluding discontinued operations, the gearing ratio was 2.9X.

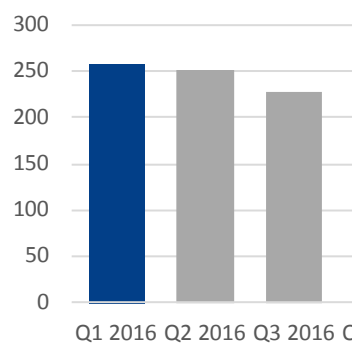
## KEY FIGURES

MEUR	Q1 2017	Q1 2016	FY 2016
Revenues	270.7	243.8	943.8
<b>EBITDA</b>	<b>18.0</b>	<b>21.9</b>	<b>60.1</b>
EBITDA %	6.7 %	9.0 %	6.4 %
Adjusted EBIT*	13.5	11.7	27.7
Adjusted EBIT (%)*	5.0%	4.8 %	2.9 %
<b>EBIT</b>	<b>6.9</b>	<b>11.7</b>	<b>17.6</b>
EBIT (%)	2.5 %	4.8 %	1.9 %
<b>Net profit continuing operations</b>	<b>(0.9)</b>	<b>12.3</b>	<b>2.7</b>
<b>Net profit discontinued operations**</b>	<b>1.1</b>	<b>0.7</b>	<b>(1.4)</b>
<b>Total net profit</b>	<b>0.2</b>	<b>13.0</b>	<b>1.3</b>
Adj. NIBD/EBITDA (LTM) cont. op.	2.9	2.4	2.9
Equity ratio (%)	29.1 %	32.3 %	30.2 %

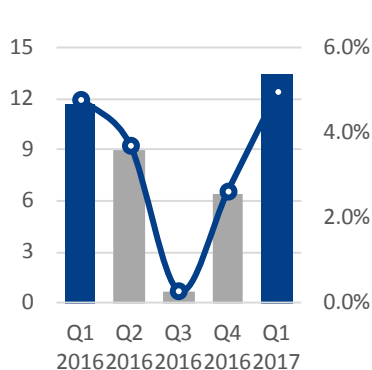
\* Adjusted for restructuring costs, see section APM for the reconciliation.

\*\* Discontinued operations refer to the Headrest and Armrest business in North America, which was sold during the first quarter 2017. See note 6 for more information.

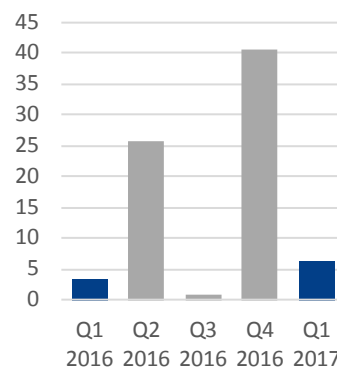
Revenues per quarter (MEUR)



Adj. EBIT and Adj. EBIT Margin per quarter (MEUR and %)



Cash flow from operating activities (MEUR)



The below graphs shows continuing business only, except cash flow from operation activities.

All amounts in the report represent MEUR unless otherwise noted and have been rounded to the nearest hundred thousand.

# CEO LETTER

Q1 in the automotive supply industry is traditionally a quarter that to a large extent sets the tone for the full year. I am delighted by the continued strong markets in the quarter as well as our ability to continue to perform operationally at the same time as we have initiated multiple improvement initiatives. We continue to be committed to our plan that we presented at our Capital Markets' Day.

## Overall Performance and Market Conditions

Our overall Q1 revenues grew by MEUR 26.9 from MEUR 243.8 in the prior year to MEUR 270.7, a growth rate of 11%. The largest single driver for this growth was increased volumes for the vehicle platforms of our customers where we have content, although we also experienced growth due to increased non-product sales (mostly tooling), favorable currency translation effects, and seasonality. The seasonality effect was driven by additional working days in Q1 2017 vs. 2016 as the Easter holiday period fell in Q1 in 2016, and in 2017 Easter falls in Q2. Adjusted EBIT for Q1 2017 vs. Q1 2016 grew by MEUR 1.7, a fall through of 6.5%. The fall through percentage was negatively impacted by increasing commodity raw material costs, increased non-product sales, and certain ramp up costs related to our footprint consolidation activities that are not classified as restructuring costs. Our performance improvement and cost reduction plans will increase our fall through percentage in the future by improving overall company efficiencies and performance.

Our overall market growth expectations for 2017 and 2018 as presented during our Capital Markets' Day in November 2016 were confirmed in Q1 2017.

The quarterly global light duty vehicle production increased by 2.4% vs. prior year, mainly driven by the European (5.3%) and North American (2.3%) markets where KA has its biggest revenue base. Light duty vehicle production in China was virtually flat in Q1.

The quarterly global commercial vehicle production increased by 10% vs. prior year, mainly driven by the Chinese (35.7%) and European (8%) markets. Commercial vehicle production in North America declined by 17.5%.

## Organizational Structure

The new Business Segment Structure has been implemented: Interior, Powertrain & Chassis Products, and Specialty Products. Each of the new Business Segments has dedicated, own leadership teams to manage the very different sets of challenges and opportunities, each segment is facing. The new Business Segment structure will enable the KA to perform better, both in the short and long-term.

The new Business segments are:

### Interior

The Interior Segment consists of Interior Comfort Systems (ICS) and the Light Duty Cable (LDC) businesses.

### Powertrain & Chassis Products (P&C)

P&C consists of our passenger car and heavy duty/truck/bus businesses within powertrain and chassis products.

### Specialty Products

The Specialty Products segment consists of niche products with a strong entrepreneurial focus on innovation and fitment rates. The business units within the Specialty Products segment consists of Couplings, Fluid Transfer Systems, Off Highway, and New Products.

A new organizational structure centered around the new corporate headquarters with the Group CEO, CFO and senior Business segment leadership positions in Switzerland, has been implemented. We are still in transition to transfer certain additional functions from other KA locations into the new Zürich office.

## Restructuring Activities and Footprint Rationalization

During Q1, we made further progress in the implementation of our restructuring plan. Specifically, we made further headway with our previously announced closure of our Rollag facility in Norway and the Basildon facility in the UK which was announced late last year. In March 2017, we announced that we had entered into negotiations relating to the proposed closure of our Heiligenhaus facility in Germany. Overall, we are on track with our restructuring plans that we presented in our Capital Markets' Day in November 2016.

# GROUP FINANCIALS

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

MEUR	Q1 2017	Q1 2016	FY 2016
Revenues	270.7	243.8	943.8
Opex	(252.7)	(222.0)	(883.7)
<b>EBITDA</b>	<b>18.0</b>	<b>21.9</b>	<b>60.1</b>
<i>EBITDA (%)</i>	<i>6.7 %</i>	<i>9.0 %</i>	<i>6.4 %</i>
Depreciation and amortization/impairment	(11.1)	(10.1)	(42.5)
<b>EBIT</b>	<b>6.9</b>	<b>11.7</b>	<b>17.6</b>
<i>EBIT (%)</i>	<i>2.5 %</i>	<i>4.8 %</i>	<i>1.9 %</i>
Adjusted EBIT*	13.5	11.7	27.7
Adjusted EBIT (%)*	5.0%	4.8 %	2.9 %
Net financial items	(2.6)	7.1	1.0
<b>Profit before taxes</b>	<b>4.2</b>	<b>18.9</b>	<b>18.6</b>
Income taxes	(5.1)	(6.6)	(15.9)
<b>Net profit continuing operations</b>	<b>(0.9)</b>	<b>12.3</b>	<b>2.7</b>
<b>Net profit discontinued operations**</b>	<b>1.1</b>	<b>0.7</b>	<b>(1.4)</b>
<b>Total net profit</b>	<b>0.2</b>	<b>13.0</b>	<b>1.3</b>

\* See section APM for the reconciliation.

\*\* See note six for more information.

### REVENUES

Revenues for the Group amounted to MEUR 270.7 in the first quarter of 2017. The revenues were MEUR 26.9 (11%) above the comparable period last year, including positive currency translation effect of MEUR 5.4. On a constant currency basis, product revenues increased by 5.2% year over year. The higher revenues related to both product revenues and non-product revenues. On a constant currency basis, all three segments contributed to the increase in revenues.

In the Interior segment, which serves the passenger car end market, revenues increased by MEUR 4.2 (6.7%) compared to the first quarter of 2016, including positive currency translation effect of MEUR 1.0. The revenue increase was due to growth in both the European and Chinese Comfort business, partly offset by a decrease in the North American Light Duty Cable business.

In the Powertrain & Chassis segment, which serves both the passenger car and commercial vehicle end markets, revenues increased by MEUR 17.8 (21.0%) compared to the same quarter in 2016, including positive currency translation effect of MEUR 2.3. The revenue increase came from both the European and Chinese product revenues as well as from non-product revenues. The sales growth in Europe mainly related to new programs in the passenger car business for shift systems, and vehicle dynamics sales in the commercial vehicle business. The sales growth in China mainly related to shift systems to the passenger car business.

In the Specialty Products segment, which serves both the passenger car and commercial vehicle end markets, revenues increased by MEUR 5.6 (5.8%) compared to the same quarter in 2016, including positive currency translation effect of MEUR 2.0. The revenue increase was due to growth in Europe for the fluid handling systems, both for the automotive and commercial vehicle business, and coupling sales in the commercial vehicle business. The off-highway sales declined mainly related to the Outdoor Power Equipment and North American recreational vehicle businesses.

### EBIT

Adjusted EBIT for the Group was MEUR 13.5 in the first quarter of 2017, an increase of MEUR 1.7 (14.8%) compared to first quarter of 2016. The effects of higher volumes and operational improvements were partially offset by production relocation costs and increased raw material cost for metal and plastic products.

### NET FINANCIAL ITEMS

Net financial costs (see note 4.1) were MEUR -2.6 in the first quarter of 2017, compared to positive MEUR 7.1 in the same period in 2016, in total an increase of MEUR 9.7. Whereas significant positive unrealized currency gains contributed to the net financial income last year, these were minor this year. Increased interest expenses, due to the new bank waiver, also contributed to the change.

### PROFIT BEFORE TAX / NET PROFIT

Profit before tax amounted to MEUR 4.2 in the first quarter of 2017, while it amounted to MEUR 18.7 in the same quarter last year. This decrease of MEUR -14.6 was primarily caused by restructuring expenses of MEUR 6.6 in 2017, and an increase of net financial cost of MEUR 9.7 which was offset by an improvement in adjusted EBIT of MEUR 1.8. Income tax in the first quarter reflects the expectation that tax losses due to restructuring expenses will not be recoverable at full amount.

### Note

All "Group Financials" tables refer to total Kongsberg Automotive Group incl. continuing and discontinued operations, if not otherwise stated.



# GROUP FINANCIALS

## CONDENSED STATEMENT OF CASH FLOW

MEUR	Q1 2017	Q1 2016	FY 2016
Cash flow from operating activities	6.4	3.4	70.8
Cash flow from investing activities	(7.9)	(8.3)	(50.5)
Cash flow from financing activities	(0.6)	(10.4)	(26.4)
Currency effects on cash	(0.3)	(0.4)	0.8
Change in cash	(2.4)	(15.8)	(5.3)
Cash at beginning period	34.6	39.9	39.9
<b>Cash at period end</b>	<b>32.2</b>	<b>24.0</b>	<b>34.6</b>
Of this, restricted cash	0.5	0.3	0.4

### CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities increased by MEUR 3.1 to MEUR 6.4 in the first quarter of 2017 compared to the same quarter last year. The increase was mainly driven by a positive change in net working capital and an increase in adjusted EBITDA. Restructuring costs had no cash effect in the quarter.

### CASH FLOW FROM INVESTING ACTIVITIES

Net cash flow from investing activities amounted to MEUR -7.9 in the first quarter of 2017, MEUR 0.4 less than the comparable quarter last year. MEUR 10.3 was invested in capacity expansions to accommodate current and future manufacturing requirements and maintenance investments. This was partially offset by the proceeds from sale of the headrest/armrest business of MEUR 2.2,

### CASH FLOW FROM FINANCING ACTIVITIES

Net cash flow from financing activities was MEUR -0.6 in the first quarter, compared to MEUR -10.4 in the comparable quarter last year. The change is caused by lower debt repayments.

Borrowing amounted to MEUR 1.7 in the first quarter, compared to debt repayment of MEUR 8.6 in same period last year. Interest payments in the first quarter was MEUR 2.3, compared to MEUR 1.8 in the same period last year due to the new bank waiver.

### CHANGE IN CASH

Cash decreased by MEUR -2.4 during the first quarter, resulting in cash of MEUR 32.2 at the end of the quarter.

### LIQUIDITY RESERVE

The liquidity reserve was MEUR 135.9 at the end of the first quarter, compared to MEUR 140.8 at year-end 2016. The change relates to the negative free cash flow and negative currency effects. See note 3.4 for more information.

# GROUP FINANCIALS

## CONDENSED STATEMENT OF FINANCIAL POSITION

MEUR	Q1 2017	Q1 2016	FY 2016
Non-current assets	375.2	365.6	376.0
Cash and cash equivalents	32.2	24.0	34.6
Other current assets	319.1	285.8	281.0
Non-current assets held for sale*	0.0	2.2	0.0
<b>Total assets</b>	<b>726.5</b>	<b>677.5</b>	<b>691.6</b>
Equity	211.5	218.7	208.6
Interest bearing debt	237.4	233.3	238.4
Other liabilities	277.5	225.5	244.5
<b>Total equity and liabilities</b>	<b>726.5</b>	<b>677.5</b>	<b>691.6</b>
NIBD	206.1	216.2	203.9
Equity ratio	29.1%	32.3%	30.2%

\* Non-current assets related to discontinued business, which was written down to zero in the third quarter 2016.

### ASSETS

Total assets were MEUR 726.5 at the end of the first quarter, an increase of MEUR 34.9 from year-end 2016. The increase was due to an increase in working capital and net investments, partially offset by amortization of intangible assets. Seasonality was the main driver behind the increase in net working capital.

### EQUITY

Total equity increased by MEUR 2.9 to MEUR 211.5 in 2017. The main drivers were positive currency translation effects and the net profit for the period of MEUR 0.2. The equity ratio decreased by 1.0 percentage points to 29.1 percentage points.

### INTEREST BEARING DEBT

Long-term interest bearing debt amounted to MEUR 237.4 at the end of the first quarter, a decrease of MEUR 1.0 since year-end. The change primarily reflects positive currency effects of MEUR 1.5 and capitalized fees related to the exercise of the option to extend the termination date, partially offset by borrowing.

At the end of the first quarter, 2017, net interest bearing debt amounted to MEUR 206.1, an increase of MEUR 2.3 compared to year-end 2016. The increase was due to a negative free cash flow (free cash flow before debt repayment), partially offset by net positive currency effects.

# INTERIOR

## Segment Reporting

### INTERIOR

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 address the passenger car market, with particularly strong positions in the European and North American markets. Market 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 is 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, Audi, Volvo, Daimler and BMW.

### KEY FIGURES

MEUR	Q1 2017	Q1 2016	FY 2016
Revenues	66.1	61.9	235.8
Adjusted EBITDA continuing operations	7.3	7.5	20.8
<i>Adjusted EBITDA (%) continuing operations</i>	<i>11.1 %</i>	<i>12.1 %</i>	<i>8.8 %</i>
Adjusted EBIT continuing operations	4.8	5.2	11.5
<i>Adjusted EBIT (%) continuing operations</i>	<i>7.3 %</i>	<i>8.4 %</i>	<i>4.9 %</i>
Restructuring	0.1	0.0	(0.7)
EBIT	4.9	5.2	10.8
<i>EBIT (%)</i>	<i>7.3 %</i>	<i>8.4 %</i>	<i>4.6 %</i>
Investments	(4.1)	(2.9)	(19.3)
Capital Employed *	158.4	142.2	147.1

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

### FINANCIAL UPDATE

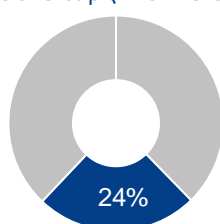
Revenues in Interior segment increased by MEUR 4.2 (6.7%) to MEUR 66.1 in the first quarter 2017 compared to the same quarter in 2016, including a positive currency effect of MEUR 1.0. The increase was mainly related to growth in both the European and Chinese Interior Comfort business, and non-product revenues, partly offset by a decrease in the North American Light Duty Cable business.

Adjusted EBIT was MEUR 4.8 in the first quarter, a decrease of MEUR 0.4 compared to the first quarter 2016. The change in EBIT was related to one-off costs and increased R&D efforts (MEUR 0.4), partially offset by the higher sales volume and operational improvements. The first quarter adjusted EBIT margin decreased by 1.2 percentage points to 7.3%.

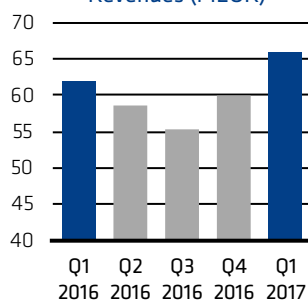
### COMMERCIAL & OPERATIONAL UPDATE

The first quarter total business wins for the Interior Comfort Systems business unit amounted to MEUR 1.7 in annual sales, while business wins for the Light Duty Cable business unit amounted to MEUR 2.1 in annual sales. The new contracts were booked with existing customers on vehicles in the E Segment and C Segment extending our coverage into additional variants of global platforms.

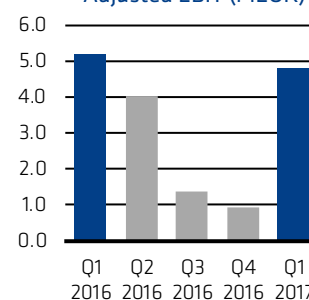
Share of Group Q1 2017 revenues



Revenues (MEUR)



Adjusted EBIT (MEUR)





# POWERTRAIN & CHASSIS PRODUCTS

## Segment Reporting

### POWERTRAIN & CHASSIS PRODUCTS

Powertrain & Chassis Products 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 Products 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 2017	Q1 2016	FY 2016
Revenues	102.3	84.5	350.4
Adjusted EBITDA	3.1	1.7	14.2
<i>Adjusted EBITDA (%)</i>	<i>3.1 %</i>	<i>2.0 %</i>	<i>4.0 %</i>
Adjusted EBIT	(1.3)	(2.2)	(3.2)
<i>Adjusted EBIT (%)</i>	<i>-1.3 %</i>	<i>-2.6 %</i>	<i>-0.9 %</i>
Restructuring	(4.6)	0.0	(4.7)
EBIT	(5.9)	(2.2)	(7.9)
<i>EBIT (%)</i>	<i>-5.7 %</i>	<i>-2.6 %</i>	<i>-2.3 %</i>
Investments	(4.5)	(3.9)	(19.6)
Capital Employed *	149.9	144.6	140.4

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

### FINANCIAL UPDATE

Revenues in Powertrain & Chassis Products increased by MEUR 17.8 (21.0%) to MEUR 102.3 in the first quarter 2017 compared to the same quarter in 2016, including positive currency effects of MEUR 2.3. The revenue increase relates partially to positive currency translation effects, more working days in Q1 2017 versus Q2 2016 and to market effects from both, the European and Chinese business, and non-product revenues. The sales growth in Europe was positively influenced by new programs in the passenger car business for shift systems, and vehicle dynamics sales in the commercial vehicle business. The sales growth in China mainly relates to new programs for shift systems to the passenger car business.

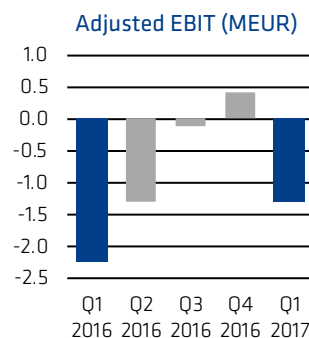
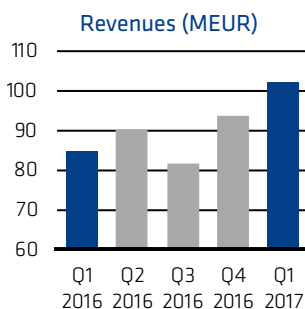
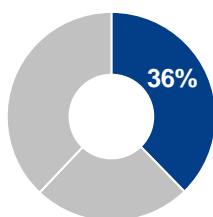
Adjusted EBIT was MEUR -1.3 in the first quarter, an increase of MEUR 0.9 compared to the first quarter 2016. The first quarter adjusted EBIT margin increased by 1.4 percentage points to -1.3%. The main drivers for the increase in adjusted EBIT were higher sales volumes, cost improvements and lower givebacks, partially

offset by plant and product start-up costs, and increased R&D and S&M efforts (MEUR 1.4) to support innovations, new business wins and future growth opportunities.

### COMMERCIAL & OPERATIONAL UPDATE

Overall project activity is high with strong new business win opportunities. Business wins for the first quarter amounted to MEUR 21 in annual sales. Engineering activity remains high to support upcoming product launches and will continue through 2017. Our main focus has been the preparation of customer product introductions along with operational efficiency improvement measures and fixed costs reductions. To sustainably enhance efficiency and reduce fixed cost levels we have started the closure of the Heiligenhaus (Germany) facility, which was announced first of March 2017.

### Share of Group Q1 2017 revenues



# SPECIALTY PRODUCTS

## Segment Reporting

### SPECIALTY PRODUCTS

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

Key customers include Volvo Trucks/Group, Navistar, Paccar, 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 2017	Q1 2016	FY 2016
Revenues	103.0	97.4	357.5
Adjusted EBITDA	18.5	16.5	50.5
<i>Adjusted EBITDA (%)</i>	<i>18.0 %</i>	<i>17.0 %</i>	<i>14.1 %</i>
Adjusted EBIT	14.8	12.8	36.0
<i>Adjusted EBIT (%)</i>	<i>14.4 %</i>	<i>13.2 %</i>	<i>10.1 %</i>
Restructuring	(2.1)	0.0	(4.4)
EBIT	12.7	12.8	31.6
<i>EBIT (%)</i>	<i>12.3 %</i>	<i>13.2 %</i>	<i>8.8 %</i>
Investments	(0.8)	(1.2)	(9.9)
Capital Employed *	180.6	183.1	175.0

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

### FINANCIAL UPDATE

Revenues in Specialty Products increased by MEUR 5.6 (5.8%) to MEUR 103.0 in the first quarter of 2017 compared to the same quarter in 2016, including a positive currency effect of MEUR 2.0. The revenue increase was due to growth in Europe for the fluid handling systems, both for the automotive and commercial vehicle business, and coupling sales in the commercial vehicle business. The off-highway sales declined, mainly related to the Outdoor Power Equipment and North American recreational vehicle businesses.

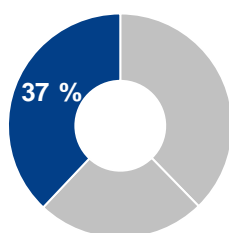
Adjusted EBIT was MEUR 14.8 in the first quarter, an increase of MEUR 2.0 compared to the first quarter 2016. The first quarter adjusted EBIT margin increased by 1.2 percentage points to 14.4%. The change reflects the higher sales volume, net positive translation effects, and a favorable product mix.

### COMMERCIAL & OPERATIONAL UPDATE

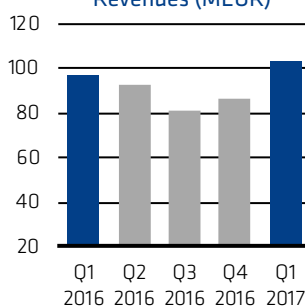
In the first quarter total business awards amounted to MEUR 10.5 in annual sales. Sales opportunities and quoting activity remain robust. To sustainably enhance efficiency and reduce fixed cost levels we have started the closure and transfer of activities from the Heiligenhaus (Germany) facility, in addition to the ongoing closure and transfer of the Basildon (UK) facility announced in the fourth quarter of 2016.

During the first quarter the manufacturing facility in Easley, South Carolina USA was recognized by Cummins, Inc. as a "Category Partner". This award is given to suppliers in recognition of superior performance with a commitment to deliver value.

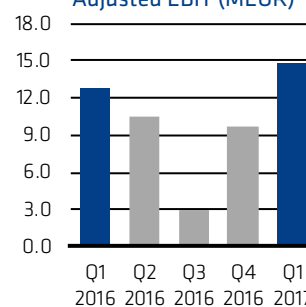
Share of Group Q1 2017 revenues



Revenues (MEUR)



Adjusted EBIT (MEUR)



# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF COMPREHENSIVE INCOME

MEUR	Q1 2017	Q1 2016	FY 2016
Revenues	270.7	243.8	943.8
Opex	(252.7)	(222.0)	(883.7)
<b>EBITDA</b>	<b>18.0</b>	<b>21.9</b>	<b>60.1</b>
<i>EBITDA (%)</i>	<i>6.7 %</i>	<i>9.0 %</i>	<i>6.4 %</i>
Depreciation and amortization/impairment	(11.1)	(10.1)	(42.5)
<b>EBIT</b>	<b>6.9</b>	<b>11.7</b>	<b>17.6</b>
<i>EBIT (%)</i>	<i>2.5 %</i>	<i>4.8 %</i>	<i>1.9 %</i>
Net financial items	(2.6)	7.1	1.0
<b>Profit before taxes</b>	<b>4.2</b>	<b>18.9</b>	<b>18.6</b>
Income taxes	(5.1)	(6.6)	(15.9)
<b>Net profit continuing operations</b>	<b>(0.9)</b>	<b>12.3</b>	<b>2.7</b>
<b>Net profit discontinued operations*</b>	<b>1.1</b>	<b>0.7</b>	<b>(1.4)</b>
<b>Total net profit</b>	<b>0.2</b>	<b>13.0</b>	<b>1.3</b>
Other comprehensive income (Items that may be reclassified to profit or loss in subsequent periods):			
Translation differences	2.3	(12.9)	(8.5)
Tax on translation differences	0.3	4.2	1.5
Other comprehensive income (Items that will not be reclassified to profit or loss in subsequent periods):			
Remeasurement of the net PBO	(0.0)	0.0	(1.2)
Tax on remeasurement of the net PBO	0.0	0.0	0.3
<b>Other comprehensive income</b>	<b>2.6</b>	<b>(8.7)</b>	<b>(7.8)</b>
<b>Total comprehensive income</b>	<b>2.9</b>	<b>4.3</b>	<b>(6.5)</b>
Net profit attributable to:			
Equity holders (parent comp)	0.2	13.0	1.3
Non-controlling interests	0.0	(0.0)	0.1
<b>Total</b>	<b>0.2</b>	<b>13.0</b>	<b>1.3</b>
Total comprehensive income attributable to:			
Equity holders (parent comp)	2.9	4.3	(6.6)
Non-controlling interests	0.0	(0.0)	0.1
<b>Total</b>	<b>2.9</b>	<b>4.3</b>	<b>(6.5)</b>
<b>Earnings per share:</b>			
Basic earnings per share, EUR	0.00	0.03	0.00
Diluted earnings per share, EUR	0.00	0.03	0.00

\* Discontinued operations refer to the Headrest and Armrest business in North America, which was sold during the first quarter 2017. See note 6 for more information.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF FINANCIAL POSITION

MEUR	Note	Q1 2017	Q1 2016	FY 2016
Deferred tax assets		31.1	40.4	32.4
Intangible assets		179.5	186.5	182.3
Property, plant and equipment		163.6	139.8	160.2
Other non-current assets		1.1	1.1	1.1
<b>Non-current assets</b>		<b>375.2</b>	<b>367.7</b>	<b>376.0</b>
Inventories		87.6	81.0	78.6
Accounts receivable		187.1	162.9	155.2
Other short term receivables		44.4	39.7	47.3
Cash and cash equivalents		32.2	24.0	34.6
<b>Current assets</b>		<b>351.3</b>	<b>307.6</b>	<b>315.6</b>
Non-current assets held for sale*		0.0	2.2	0.0
Continued assets		726.5	675.4	691.6
<b>Total assets</b>		<b>726.5</b>	<b>677.5</b>	<b>691.6</b>
Share capital		22.2	21.6	22.4
Share premium reserve		183.9	179.1	185.6
Other equity		1.7	14.4	(3.1)
Non-controlling interests		3.8	3.7	3.8
<b>Total equity</b>		<b>211.5</b>	<b>218.7</b>	<b>208.6</b>
Interest bearing loans and borrowings	3	237.4	233.3	238.4
Deferred tax liabilities		26.2	30.1	27.1
Other long term liabilities		20.6	18.1	20.7
<b>Non-current liabilities</b>		<b>284.2</b>	<b>281.5</b>	<b>286.2</b>
Bank overdraft		0.9	6.8	0.0
Other short term liabilities, interest bearing		0.1	0.0	0.0
Accounts payable		126.8	98.9	111.0
Other short term liabilities		103.0	71.5	85.8
<b>Current liabilities</b>		<b>230.7</b>	<b>177.3</b>	<b>196.8</b>
<b>Total liabilities</b>		<b>514.9</b>	<b>458.8</b>	<b>483.0</b>
<b>Total equity and liabilities</b>		<b>726.5</b>	<b>677.5</b>	<b>691.6</b>

\* Non-current assets related to discontinued business, which was written down to zero in the third quarter 2016.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF CHANGE IN EQUITY

MEUR	Q1 2017	Q1 2016	FY 2016
<b>Equity as of start of period</b>	<b>208.6</b>	<b>214.2</b>	<b>214.2</b>
Net profit for the period	0.2	13.0	1.3
Translation differences	2.3	(12.9)	(8.5)
Tax on translation differences	0.3	4.2	1.5
Remeasurement of the net pension benefit obligation	(0.0)	0.0	(1.2)
Tax on remeasurement of the net pension benefit obligation	0.0	0.0	0.3
<b>Total comprehensive income</b>	<b>2.9</b>	<b>4.3</b>	<b>(6.5)</b>
Options contracts (employees)	0.2	0.2	0.5
Treasury shares	0.0	0.0	0.4
Other changes in non-controlling interests	0.0	0.0	0.0
Other changes in equity	(0.2)	0.0	(0.0)
<b>Equity as of end of period</b>	<b>211.5</b>	<b>218.7</b>	<b>208.6</b>

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## STATEMENT OF CASH FLOW

<i>MEUR</i>	Q1 2017	Q1 2016	FY 2016
<i>Operating activities</i>			
(Loss) / profit before taxes	5.3	19.7	19.3
Depreciation	7.3	6.9	30.4
Amortization/impairment	3.8	3.6	14.7
Interest income	(0.0)	(0.0)	(0.2)
Interest expenses	2.4	1.7	6.9
Taxes paid	(1.7)	(2.3)	(6.9)
(Gain) / loss on sale of non-current assets	(0.5)	0.0	0.0
Changes in receivables	(31.9)	(18.3)	(10.6)
Changes in inventory	(10.9)	(0.5)	2.0
Changes in payables	15.8	(2.1)	10.0
Currency (gain)/ loss	(0.4)	(7.6)	(5.4)
Changes in value fin. derivatives	0.2	(1.4)	(3.4)
Changes in other items	16.8	3.6	14.1
<b>Cash flow from operating activities</b>	<b>6.4</b>	<b>3.4</b>	<b>70.8</b>
<i>Investing activities</i>			
Investments	(10.3)	(8.6)	(51.3)
Sale of fixed assets/business	2.2	0.0	0.4
Investments in subsidiaries	0.0	0.0	0.0
Interest received	0.0	0.0	0.2
Proceeds from sale of subsidiaries	0.2	0.2	0.2
<b>Cash flow from investing activities</b>	<b>(7.9)</b>	<b>(8.3)</b>	<b>(50.5)</b>
<i>Financing activities</i>			
Sale/purchase of treasury shares	0.0	0.0	0.4
Net repayment of debt	1.7	(8.6)	(19.8)
Interest paid	(2.3)	(1.8)	(6.9)
Dividends paid*	0.0	0.0	0.0
Other financial charges	(0.0)	(0.0)	(0.0)
<b>Cash flow from financing activities</b>	<b>(0.6)</b>	<b>(10.4)</b>	<b>(26.4)</b>
<b>Currency effects on cash</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>0.8</b>
<b>Change in cash</b>	<b>(2.4)</b>	<b>(15.8)</b>	<b>(5.3)</b>
Cash at beginning period	34.6	39.9	39.9
<b>Cash at period end</b>	<b>32.2</b>	<b>24.0</b>	<b>34.6</b>
Of this, restricted cash	0.5	0.3	0.4

\* Dividend to JV partner in Shanghai Kongsberg Automotive Dong Feng Morse Co Ltd (China)



# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## 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 not defined or specified in the applicable financial reporting framework, the IFRS GAAP. They may be considered non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to the IFRS GAAP.

- **EBIT/Adjusted EBIT**
- **EBITDA/Adjusted EBITDA**
- **Free Cash Flow**
- **NIBD**
- **Capital Employed**
- **ROCE**
- **Gearing Ratio/Adjusted Gearing Ratio**
- **Restructuring per segment**

### EBIT/Adjusted EBIT

EBIT, earnings before interest and tax, is defined as the earnings excluding the effects from how the operations were financed, taxed and excluding foreign exchange gains & losses. EBIT adjusted is defined as EBIT excluding restructuring. Restructuring costs is defined, as any incurred and payable costs of an unusual or non-recurring nature in connection with the contemplated restructuring of the activities of the Group.

#### Why we measure

EBIT is used as a measure to view the Group's operational profitability. In order to view the running business, as usual, the Group also lists the adjusted EBIT, the EBIT excluding restructuring costs.

#### Reconciliation

See the section Condensed Financial Statements for a reconciliation of the EBIT measure. See below for a reconciliation of the adjusted EBIT.

Adjusted EBIT	Q1 2017	Q1 2016	FY 2016
EBIT (1)	6.9	12.6	17.6
Restructuring costs (2)	6.6	0.0	10.0
<b>Adjusted EBIT, (1) + (2)</b>	<b>13.5</b>	<b>12.6</b>	<b>27.7</b>

The table shows continuing business only.

### EBITDA/Adjusted EBITDA

Earnings before interest expenses and interest income, tax, depreciation, amortization and excluding foreign exchange gains and losses. EBITDA adjusted is defined as EBITDA excluding restructuring costs.

#### Why we measure

EBITDA is used as an additional measure the view the Group's operational profitability, excluding the timing impact from depreciations and amortizations.

#### Reconciliation

See the section Condensed Financial Statements for a reconciliation of the measure. See below for the reconciliation of the adjusted EBITDA.

Adjusted EBITDA	Q1 2017	Q1 2016	FY 2016
EBITDA (1)	18.0	23.1	60.1
Restructuring costs (2)*	6.3	0.0	9.6
<b>Adjusted EBITDA, (1) + (2)</b>	<b>24.3</b>	<b>23.1</b>	<b>69.7</b>

The table shows continuing business only.

\* Excluding impairment, depreciation and amortization.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## Free Cash Flow

Free cash flow from operations (FCF), investments and finance excluding debt repayments.

### Why we measure

Free Cash Flow is used in order 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 activities and financing excluding debt repayments. We believe this shows how much money the Group has to pursue additional investments or to repay debt.

### Reconciliation

<b>Free Cash Flow (MEUR) from reported cash flow statement</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.12.2016</b>
Cash flow from operating activities	6.4	3.4	70.8
Cash flow from investing activities	(7.9)	(8.3)	(50.5)
Cash flow from financing activities	(0.6)	(10.4)	(26.4)
Net repayment of debt	(1.7)	8.6	19.8
<b>Free Cash Flow</b>	<b>(3.9)</b>	<b>(6.8)</b>	<b>13.7</b>

## NIBD

Net interesting bearing debt (NIBD), consists of interest-bearing liabilities less cash and cash equivalents.

### Why we measure

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. Since the cash can be used to repay debt, the interest-bearing liabilities less cash shows the net overall financial position. The measure is useful information for investors as well as the Group.

### Reconciliation

<b>Net Interest Bearing Debt (MEUR) from reported balance sheet</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.12.2016</b>
Interest bearing loans and borrowings	237.4	233.3	238.4
Other short term liabilities, interest bearing	0.1	0.0	0.0
Bank overdraft	0.9	6.8	0.0
Cash and cash equivalents	32.2	24.0	34.6
<b>Net Interesting Bearing Debt</b>	<b>206.1</b>	<b>216.2</b>	<b>203.9</b>

## Capital Employed

Capital Employed (CE) is equal to operating assets less operating liabilities. Operating assets and liabilities are assets which are involved in the process of selling goods and services, the business. Financial assets and obligations are excluded, these assets are involved in raising cash for operations and disbursing excess cash from operations.

### Why we measure

Capital employed is measured in order to assess how much capital is needed for the operations/business to function. In order to evaluate if the capital employed can be utilized more efficient and if operations should be discontinued. The capital employed is also used to measure the profitability of the operations compared to the capital employed.

### Reconciliation

<b>Capital Employed (MEUR) from reported balance sheet</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.12.2016</b>
Total assets	726.5	675.4	691.6
Deferred tax liabilities	(26.2)	(30.1)	(27.1)
Other long term liabilities	(20.6)	(18.1)	(20.7)
Current liabilities incl. other short-term interest bearing liabilities	(230.7)	(177.3)	(196.8)
Other short term liabilities, interest bearing	0.1	0.0	0.0
<b>Capital Employed</b>	<b>449.0</b>	<b>449.9</b>	<b>447.0</b>

The table shows continuing business only.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## ROCE (Last twelve Months)

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

Why we measure

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 believes this is a good measure for the results from the period.

Reconciliation

Return on Capital Employed		31.03.2017
Capital Employed at period beginning (1)	31.03.2016	449.9
Capital Employed at period end (2)	31.03.2017	449.0
Adjusted EBIT last twelve months (3)		29.4
<b>ROCE, (3) / ((1) + (2)/2)</b>		<b>6.5%</b>

The table shows continuing business only.

## Gearing ratio / Adjusted Gearing Ratio

Gearing ratio is calculated as the net interest bearing debt divided by the last twelve months EBITDA, adjusted for restructuring costs.

Why we measure

Gearing ratio is a covenant from the Group's lenders which sets the interest margin on the Group's debt. The Group also believe this is a good measure of the Groups financial gearing and financial position.

Reconciliation – incl. all restructuring costs LTM

Adjusted Gearing Ratio		31.03.2017
EBITDA last twelve months (1)		56.3
Restructuring costs last twelve months (2)*		15.9
EBITDA last twelve months adjusted for restructuring costs (3), (1) + (2)		72.2
NIBD (4)		206.1
<b>Adjusted Gearing Ratio (4)/(3)</b>		<b>2.9</b>

The table shows continuing business only.

\* Excluding impairment, depreciation and amortization.

Reconciliation – Gearing Ratio according to bank covenants

Adjusted Gearing Ratio		31.03.2017
EBITDA last twelve months (1)		56.3
Restructuring costs last twelve months (2)*		12.8
EBITDA last twelve months adjusted for restructuring costs (3), (1) + (2)		69.1
NIBD (4)		206.1
<b>Adjusted Gearing Ratio (4)/(3)</b>		<b>3.0</b>

The table shows continuing business only.

\* Excluding impairment, depreciation and amortization.

Refer to the annual report for further information on covenants.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## Restructuring costs per segment

MEUR	Q1 2017	Q1 2016	FY 2016
Interior	0.1	-	(0.7)
Powertrain & Chassis Products	(4.6)	-	(4.7)
Specialty Products	(2.1)	-	(4.4)
Others	0.1	-	(0.2)
Group continuing business	(6.6)	-	(10.0)
Group discontinued business	(0.6)	-	-
Group total	(7.2)	-	(10.0)

The restructuring costs within the first quarter 2017 mainly relate to closure and transfer of activities in the Heiligenhaus facility within the Powertrain & Chassis and Specialty Products segments.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## 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, ended March 31, 2017, and 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, 2016, 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, 2016, 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, and credit risks. As we operate in many countries, we are vulnerable to currency risk. The most significant currency exposure for Kongsberg Automotive is associated with MEUR 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 -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.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## Note 2 – Segment Reporting

### 2.1 OPERATING REPORTABLE SEGMENTS

Q1 2017

MEUR	Interior	Powertrain & Chassis	Speciality Products	Others	Continuing operations Group	Discontinued operations	Total Group
<b>Revenues</b>	66.1	102.3	103.0	(0.6)	270.7	9.7	280.4
<b>Adjusted EBITDA</b>	7.3	3.1	18.8	(5.0)	24.3	1.7	26.0
Adjusted depreciation	(1.7)	(3.3)	(1.9)	(0.1)	(7.0)	(0.0)	(7.0)
Adjusted amortization	(0.9)	(1.1)	(1.8)	(0.1)	(3.8)	0.0	(3.8)
<b>Adjusted EBIT</b>	4.8	(1.3)	14.8	(4.9)	13.5	1.7	15.2
<i>Assets and liabilities</i>							
Goodwill	59.7	23.5	71.7	0.1	155.0	0.0	155.0
Other intangible assets	3.2	10.0	8.2	3.1	24.5	0.0	24.5
Property, plant and equipment	49.0	67.6	45.9	1.1	163.6	0.0	163.6
Inventories	15.0	34.1	40.0	(1.4)	87.6	0.0	87.6
Trade receivables	63.8	62.4	60.8	(0.0)	187.1	0.0	187.1
<b>Segment assets</b>	190.6	197.7	226.6	2.8	617.8	0.0	617.8
Unallocated assets	0.0	0.0	0.0	108.7	108.7	0.0	108.7
<b>Total assets</b>	190.6	197.7	226.6	111.5	726.5	0.0	726.5
Trade payables	32.2	47.7	46.1	0.8	126.8	0.0	126.8
Unallocated liabilities	0.0	0.0	0.0	388.2	388.2	0.0	388.2
<b>Total liabilities</b>	32.2	47.7	46.1	389.0	514.9	0.0	514.9
Capital expenditure	4.1	4.9	0.8	(0.4)	9.5	0.0	9.5

The column others includes corporate cost, transactions and balance sheet items related to tax, pension and financing. See next section for specification of unallocated assets and liabilities.

The sale of the headrest/armrest business was comprised of the fixed assets and inventories, while all other current assets and liabilities remain with the Group. For this reason, these figures are included in the respective line items in the Interior segment in the table above.

For segment reporting purposes the revenues represents external revenues, the related expenses are adjusted accordingly.



# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Q1 2016

MEUR					Continuing	Discontinued	Total Group
	Interior	Powertrain & Chassis	Speciality Products	Others	operations Group	operations	
<b>Revenues</b>	61.9	84.5	97.4	0.1	243.8	13.4	257.2
<b>Adjusted EBITDA</b>	7.5	1.7	16.5	(3.9)	21.9	1.2	23.1
Adjusted depreciation	(1.7)	(2.9)	(1.8)	(0.1)	(6.5)	(0.4)	(6.9)
Adjusted amortization	(0.6)	(1.1)	(1.9)	(0.1)	(3.6)	0.0	(3.6)
<b>Adjusted EBIT</b>	5.2	(2.2)	12.8	(4.1)	11.7	0.8	12.6
<i>Assets and liabilities</i>							
Goodwill	57.7	23.3	69.6	0.0	150.7	0.0	150.7
Other intangible assets	5.1	14.0	15.4	1.3	35.8	0.0	35.8
Property, plant and equipment	35.3	59.1	43.8	1.6	139.8	2.2	141.9
Inventories	13.4	31.0	37.5	(0.9)	81.0	0.0	81.0
Trade receivables	57.6	51.4	54.0	(0.0)	162.9	0.0	162.9
Segment assets	169.1	178.8	220.3	2.1	570.2	2.2	572.4
Unallocated assets	0.0	0.0	0.0	105.1	105.1	0.0	105.1
<b>Total assets</b>	<b>169.1</b>	<b>178.8</b>	<b>220.3</b>	<b>107.2</b>	<b>675.4</b>	<b>2.2</b>	<b>677.5</b>
Trade payables	26.9	34.2	37.1	0.7	98.9	0.0	98.9
Unallocated liabilities	0.0	0.0	0.0	359.8	359.8	0.0	359.8
<b>Total liabilities</b>	<b>26.9</b>	<b>34.2</b>	<b>37.1</b>	<b>360.5</b>	<b>458.8</b>	<b>0.0</b>	<b>458.8</b>
Capital expenditure	2.9	3.9	1.2	(0.5)	7.6	(0.0)	7.6

Q2 2016

MEUR					Continuing	Discontinued	Total Group
	Interior	Powertrain & Chassis	Speciality Products	Others	operations Group	operations	
<b>Revenues</b>	58.6	90.1	92.3	0.0	241.0	9.7	250.7
<b>Adjusted EBITDA</b>	6.3	2.9	14.2	(4.0)	19.3	0.5	19.8
Adjusted depreciation	(1.7)	(3.0)	(1.8)	(0.1)	(6.7)	(0.4)	(7.0)
Adjusted amortization	(0.6)	(1.1)	(1.9)	(0.1)	(3.6)	0.0	(3.6)
<b>Adjusted EBIT</b>	4.0	(1.3)	10.5	(4.2)	9.0	0.1	9.1
<i>Assets and liabilities</i>							
Goodwill	57.4	23.4	70.3	0.0	151.1	0.0	151.1
Other intangible assets	4.6	12.9	13.6	1.2	32.3	0.0	32.3
Property, plant and equipment	36.1	63.2	43.4	1.6	144.3	1.9	146.2
Inventories	14.1	32.3	36.7	(1.0)	82.1	0.0	82.1
Trade receivables	54.5	54.3	53.3	0.0	162.1	0.0	162.1
Segment assets	166.7	186.0	217.4	1.9	571.9	1.9	573.9
Unallocated assets	0.0	0.0	0.0	109.9	109.9	0.0	109.9
<b>Total assets</b>	<b>166.7</b>	<b>186.0</b>	<b>217.4</b>	<b>111.8</b>	<b>681.9</b>	<b>1.9</b>	<b>683.8</b>
Trade payables	26.6	38.3	35.0	0.9	100.8	0.0	100.8
Unallocated liabilities	0.0	0.0	0.0	359.5	359.5	0.0	359.5
<b>Total liabilities</b>	<b>26.6</b>	<b>38.3</b>	<b>35.0</b>	<b>360.3</b>	<b>460.3</b>	<b>0.0</b>	<b>460.3</b>
Capital expenditure	3.0	6.9	1.6	7.7	19.2	0.1	19.2

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Q3 2016

MEUR					Continuing		Total Group
	Interior	Powertrain & Chassis	Speciality Products	Others	operations Group	Discontinued operations	
<b>Revenues</b>	55.3	81.9	81.1	0.0	218.3	9.7	228.0
<b>Adjusted EBITDA</b>	3.7	4.3	6.7	(3.5)	11.2	0.6	11.8
Adjusted depreciation	(1.7)	(3.2)	(1.8)	(0.1)	(6.9)	(1.9)	(8.8)
Adjusted amortization	(0.6)	(1.2)	(1.8)	(0.1)	(3.7)	0.0	(3.7)
<b>Adjusted EBIT</b>	1.4	(0.1)	3.0	(3.6)	0.6	(1.4)	(0.8)
<i>Assets and liabilities</i>							
Goodwill	58.0	23.3	69.8	0.0	151.1	0.0	151.1
Other intangible assets	4.1	11.4	11.6	1.2	28.4	0.0	28.4
Property, plant and equipment	37.9	63.7	42.8	1.6	146.0	0.0	146.0
Inventories	14.8	31.1	36.1	(1.2)	80.9	0.0	80.9
Trade receivables	54.0	52.1	50.8	(0.0)	156.9	0.0	156.9
Segment assets	168.8	181.7	211.1	1.8	563.3	0.0	563.3
Unallocated assets	0.0	0.0	0.0	112.2	112.2	0.0	112.2
<b>Total assets</b>	<b>168.8</b>	<b>181.7</b>	<b>211.1</b>	<b>113.9</b>	<b>675.5</b>	<b>0.0</b>	<b>675.5</b>
Trade payables	23.9	35.0	33.1	1.4	93.5	0.0	93.5
Unallocated liabilities	0.0	0.0	0.0	372.6	372.6	0.0	372.6
<b>Total liabilities</b>	<b>23.9</b>	<b>35.0</b>	<b>33.1</b>	<b>374.0</b>	<b>466.1</b>	<b>0.0</b>	<b>466.1</b>
Capital expenditure	3.4	3.4	1.7	19.1	27.5	(0.0)	27.5

Q4 2016

MEUR					Continuing		Total Group
	Interior	Powertrain & Chassis	Speciality Products	Others	operations Group	Discontinued operations	
<b>Revenues</b>	60.0	93.9	86.7	0.0	240.6	9.1	249.8
<b>Adjusted EBITDA</b>	3.3	5.3	13.4	(4.7)	17.3	1.0	18.4
Adjusted depreciation	(1.7)	(3.9)	(1.6)	(0.1)	(7.3)	(0.0)	(7.3)
Adjusted amortization	(0.6)	(1.1)	(1.9)	(0.1)	(3.7)	(0.0)	(3.7)
<b>Adjusted EBIT</b>	0.9	0.4	9.6	(4.6)	6.4	1.0	7.4
<i>Assets and liabilities</i>							
Goodwill	59.1	23.6	72.3	0.0	155.0	0.0	155.0
Other intangible assets	3.7	10.7	10.2	2.8	27.3	0.0	27.3
Property, plant and equipment	45.3	65.9	47.3	1.6	160.2	0.0	160.2
Inventories	14.6	29.8	35.6	(1.4)	78.6	0.0	78.6
Trade receivables	54.5	51.8	48.1	0.8	155.2	0.0	155.2
Segment assets	177.1	181.7	213.5	3.8	576.2	0.0	576.2
Unallocated assets	0.0	0.0	0.0	115.4	115.4	0.0	115.4
<b>Total assets</b>	<b>177.1</b>	<b>181.7</b>	<b>213.5</b>	<b>119.2</b>	<b>691.6</b>	<b>0.0</b>	<b>691.6</b>
Trade payables	30.1	41.3	38.5	1.0	111.0	0.0	111.0
Unallocated liabilities	0.0	0.0	0.0	372.0	372.0	0.0	372.0
<b>Total liabilities</b>	<b>30.1</b>	<b>41.3</b>	<b>38.5</b>	<b>373.0</b>	<b>483.0</b>	<b>0.0</b>	<b>483.0</b>
Capital expenditure	10.0	5.4	5.4	27.4	48.1	(0.0)	48.1

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

Full year 2016

MEUR					Continuing	Discontinued	Total Group
	Interior	Powertrain & Chassis	Speciality Products	Others	operations Group	operations	
<b>Revenues</b>	235.8	350.4	357.5	0.1	943.8	41.9	985.7
<b>Adjusted EBITDA</b>	<b>20.8</b>	<b>14.2</b>	<b>50.8</b>	<b>(16.1)</b>	<b>69.7</b>	<b>3.3</b>	<b>73.0</b>
Adjusted depreciation	(6.9)	(13.0)	(7.0)	(0.6)	(27.4)	(2.6)	(30.0)
Adjusted amortization	(2.4)	(4.4)	(7.5)	(0.3)	(14.7)	0.0	(14.7)
<b>Adjusted EBIT</b>	<b>11.5</b>	<b>(3.2)</b>	<b>36.0</b>	<b>(16.6)</b>	<b>27.7</b>	<b>0.6</b>	<b>28.3</b>
<i>Assets and liabilities</i>							
Goodwill	59.1	23.6	72.3	0.0	155.0	0.0	155.0
Other intangible assets	3.7	10.7	10.2	2.8	27.3	0.0	27.3
Property, plant and equipment	45.3	65.9	47.3	1.6	160.2	0.0	160.2
Inventories	14.6	29.8	35.6	(1.4)	78.6	0.0	78.6
Trade receivables	54.5	51.8	48.1	0.8	155.2	0.0	155.2
Segment assets	177.1	181.7	213.5	3.8	576.2	0.0	576.2
Unallocated assets	0.0	0.0	0.0	115.4	115.4	0.0	115.4
<b>Total assets</b>	<b>177.1</b>	<b>181.7</b>	<b>213.5</b>	<b>119.2</b>	<b>691.6</b>	<b>0.0</b>	<b>691.6</b>
Trade payables	30.1	41.3	38.5	1.0	111.0	0.0	111.0
Unallocated liabilities	0.0	0.0	0.0	372.0	372.0	0.0	372.0
<b>Total liabilities</b>	<b>30.1</b>	<b>41.3</b>	<b>38.5</b>	<b>373.0</b>	<b>483.0</b>	<b>0.0</b>	<b>483.0</b>
Capital expenditure	19.3	19.6	9.9	(0.8)	48.1	0.0	48.1

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## 2.2 SALES AND NON-CURRENT ASSETS BY GEOGRAPHICAL LOCATION

### 2.2.1 Sales to customers by geographical location

MEUR	2017		2016		2016	
	Jan - March	%	Jan - March	%	Jan - Dec	%
Sweden	30.3	11.2 %	23.3	9.5 %	91.4	9.7 %
Germany	22.5	8.3 %	23.0	9.4 %	83.4	8.8 %
France	20.3	7.5 %	20.5	8.4 %	74.0	7.8 %
United Kingdom	17.5	6.5 %	17.9	7.3 %	64.7	6.9 %
Other EUR	54.3	20.1 %	45.1	18.5 %	172.3	18.3 %
<b>Total EUR</b>	<b>144.9</b>	<b>53.5 %</b>	<b>129.8</b>	<b>53.2 %</b>	<b>485.8</b>	<b>51.5 %</b>
USA	61.6	22.8 %	60.2	24.7 %	235.6	25.0 %
Canada	10.0	3.7 %	14.1	5.8 %	46.4	4.9 %
NA other	19.5	7.2 %	17.1	7.0 %	61.4	6.5 %
<b>Total NA</b>	<b>91.1</b>	<b>33.7 %</b>	<b>91.3</b>	<b>37.4 %</b>	<b>343.4</b>	<b>36.4 %</b>
Brazil	3.7	1.4 %	2.7	1.1 %	12.3	1.3 %
SA other	1.6	0.6 %	0.8	0.3 %	4.2	0.4 %
<b>Total SA</b>	<b>5.3</b>	<b>2.0 %</b>	<b>3.5</b>	<b>1.4 %</b>	<b>16.5</b>	<b>1.7 %</b>
China	20.7	7.6 %	14.1	5.8 %	66.5	7.0 %
Asia Other	7.0	2.6 %	4.9	2.0 %	23.3	2.5 %
<b>Total Asia</b>	<b>27.6</b>	<b>10.2 %</b>	<b>19.0</b>	<b>7.8 %</b>	<b>89.7</b>	<b>9.5 %</b>
Other countries	1.7	0.6 %	0.3	0.1 %	8.3	0.9 %
<b>Revenues total</b>	<b>270.7</b>	<b>100 %</b>	<b>243.8</b>	<b>100 %</b>	<b>943.8</b>	<b>100 %</b>

The table shows continuing business only.

### 2.2.2 Non-current assets by geographical location

MEUR	2017		2016		2016	
	Jan - March	%	Jan - March	%	Jan - Dec	%
USA	100.3	29.2 %	101.2	31.0 %	105.5	30.8 %
UK	10.7	3.1 %	12.5	3.8 %	10.9	3.2 %
Norway	27.1	7.9 %	25.6	7.8 %	27.6	8.1 %
Germany	13.5	3.9 %	14.5	4.5 %	13.8	4.0 %
Sweden	27.7	8.1 %	31.2	9.6 %	29.5	8.6 %
Poland	62.2	18.1 %	44.8	13.7 %	56.9	16.6 %
Other	101.6	29.6 %	96.4	29.5 %	98.2	28.7 %
<b>Total Non-Current Assets*</b>	<b>343.1</b>	<b>100 %</b>	<b>326.3</b>	<b>100 %</b>	<b>342.5</b>	<b>100.0 %</b>

\* Includes intangible assets, property, plant and equipment for continued business

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## Note 3 – Interest-bearing loans and borrowings

### 3.1 Interest-bearing liabilities as presented in statement of financial position

MEUR	31.03.2017	31.12.2016
Non current interest-bearing loans and borrowings	239.2	240.0
Other current interest-bearing liabilities	0.1	0.0
Capitalized arrangement fees*	(1.9)	(1.7)
<b>Total interest-bearing liabilities</b>	<b>237.4</b>	<b>238.4</b>

MEUR	31.03.2017	31.12.2016
EUR	134.0	120.0
USD	103.8	118.6
Other currencies	1.5	1.5
Capitalized arrangement fee*	(1.9)	(1.7)
<b>Total interest-bearing liabilities</b>	<b>237.4</b>	<b>238.4</b>

\* The fee relates to borrowing costs, and amortized over the duration of the loan period.

### 3.2 Specification of interest-bearing loans and borrowings (in local currencies)

Facilities	Currency	Total amounts	Maturity/ date	Drawn amount	Interest rate (incl margin)
Tranche EUR*	EUR	182.0	01.03.2020	134.0	3.00%
Tranche USD	USD	172.0	01.03.2020	111.0	3.98%

\* The EUR facility will be reduced by 10.8 MEUR and the USD facility by 11.5 MUSD from 01.03.2019 to 01.03.2020.

The Group has a short-term bank overdraft facility of MEUR 20.0. MEUR 0.9 was drawn against the overdraft facility at 31.03.17.

### 3.3 Facility reduction schedule - Interest-bearing loans and borrowings (in local currencies)

Year	EUR	USD
2017	-	-
2018	-	-
2019	10.8	11.5
2020	171.2	160.5
<b>Total</b>	<b>182.0</b>	<b>172.0</b>

In the first quarter the Group exercised an option to extend the termination date of the revolving credit facility by one year, from 01.03.2019 to 01.03.2020. The available facility will be slightly reduced in the extension period.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

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

MEUR	31.03.2017	31.12.2016
Cash reserve, excl. restricted cash	31.7	34.2
Undrawn facility*	105.1	106.6
<b>Total (before bank overdraft)</b>	<b>136.7</b>	<b>140.8</b>
Bank overdraft	(0.9)	(0.0)
<b>Liquidity reserve</b>	<b>135.9</b>	<b>140.8</b>

\*Including a short-term overdraft facility of MEUR 20.0, which can be renewed each year.

## Note 4 – Net financial items

### 4.1 Net financials

MEUR	Q1 2017	Q1 2016	2016
Interest income	0.0	0.0	0.2
Interest expenses	(2.3)	(1.7)	(6.9)
Foreign currency gains (losses)	0.4	7.6	5.4
Change in valuation currency contracts	(0.2)	1.4	3.4
Other financial items*	(0.5)	(0.1)	(1.1)
<b>Net financial items</b>	<b>(2.6)</b>	<b>7.1</b>	<b>1.0</b>

\* Other financial items include arrangement fees, interest component on pension liability, and other fees and charges.

## Note 5 – Other events

### Loan Agreement

In the first quarter the Group exercised an option to extend the termination date of the revolving credit facility by one year, from 01.03.2019 to 01.03.2020. The available facility will be slightly reduced in the extension period.



# CONDENSED CONSOLIDATED FINANCIAL STATEMENT

## Note 6 – Sale of North American Headrest and Armrest business

The sale of the North American Headrest and Armrest was concluded on March 17, 2017. The Group will continue to supply various components and provide some services to the buyer during a transition period not to exceed 9 months. All 170 employees within our North American Headrest and Armrest factory location in Milan, USA transitioned over to the buyer.

As a result of the sale, the North American Headrest and Armrest business has been classified and is reported as discontinued business according to IFRS 5.

### STATEMENT OF INCOME FOR DISCONTINUED BUSINESS

MEUR	Q1 2017	Q1 2016	FY 2016
Revenues	9.7	13.4	41.9
Opex	(8.6)	(12.2)	(38.6)
<b>EBITDA</b>	<b>1.1</b>	<b>1.2</b>	<b>3.3</b>
<i>EBITDA (%)</i>	<i>11.3 %</i>	<i>9.0 %</i>	<i>7.9 %</i>
Depreciation and amortization/impairment	(0.0)	(0.4)	(2.6)
<b>EBIT</b>	<b>1.1</b>	<b>0.8</b>	<b>0.6</b>
<i>EBIT (%)</i>	<i>11.3 %</i>	<i>6.3 %</i>	<i>1.5 %</i>
Adjusted EBIT*	1.7	0.8	0.6
Adjusted EBIT (%)*	17.7%	6.3 %	1.5 %
Net financial items	0.0	0.0	0.0
<b>Profit before taxes</b>	<b>1.1</b>	<b>0.8</b>	<b>0.6</b>
Income taxes	0.0	(0.1)	(2.0)
<b>Net profit</b>	<b>1.1</b>	<b>0.7</b>	<b>(1.4)</b>

### STATEMENT OF INCOME DISCONTINUED BUSINESS

The statement of income for discontinued business includes the business operations and the sales transaction.

### STATEMENT OF CASH FLOW FOR DISCONTINUED BUSINESS

MEUR	Q1 2017	Q1 2016	2016
Cash flow from operating activities	0.4	(0.2)	(3.4)
Cash flow from investing activities	2.2	0.0	(0.0)
Cash flow from financing activities	0.0	0.0	0.0
Currency effects on cash	0.0	0.0	0.0
<b>Change in cash</b>	<b>2.6</b>	<b>(0.2)</b>	<b>(3.4)</b>

### STATEMENT OF CASH FLOW DISCONTINUED BUSINESS

The statement of cash flow for discontinued business includes the running business and the sale of the business.

# OTHER COMPANY INFORMATION

## THE BOARD OF DIRECTORS:

Bruce E. Taylor	Chairman
Thomas Falck	Shareholder elected
Malin Persson	Shareholder elected
Ellen M. Hanetho	Shareholder elected
Jon Ivar Jørnby	Employee elected
Kari Brænden Aaslund	Employee elected
Kjell Kristiansen	Employee elected

## EXECUTIVE COMMITTEE:

Henning E. Jensen	President & CEO
Norbert Loers	Executive Vice President & CFO
Anders Nyström	Executive Vice President, Interior
Geert Quaegebeur	Executive Vice President, Powertrain & Chassis
Henning E. Jensen	Executive Vice President, Specialty Products
Lovisa Söderholm	Executive Vice President, Purchasing
Staffan Spethz	Director Marketing
Helga Bollmann Leknes	Executive Vice President, Human Resources & Communications
Jon Munthe	General Counsel

## CORPORATE COMMUNICATIONS:

Fredrik Tangeraaas +47 924 646 99

## FINANCIAL CALENDAR:

Publication of the quarterly financial statements:

	Interim reports	Presentation
1st quarter 2017	9 May 2017	9 May 2017
2nd quarter 2017	8 August 2017	8 August 2017
3rd quarter 2017	8 November 2017	8 November 2017
4th quarter 2017	TBD	TBD

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