Highlights for Q1 2018
Promising start into 2018 to achieve our set targets

- **New Business Wins almost doubled** (+84%) compared to Q1 2017
  - LTM New Business Wins reached new peak with MEUR 321
- **Revenues increased YoY by MEUR 7.9 (2.8%)** to MEUR 288.3 including negative FX effects of MEUR 18.7
  - Excluding FX effects and the HRAR divestiture, the YoY growth is ~13%
- **Adj. EBIT increased YoY by 32.7%** to MEUR 20.1 from MEUR 15.2 in Q1 2017
- **Free cash flow was MEUR -14.7** due to negative working capital effects linked to our growth in sales, cash outlays for previously accrued restructuring costs, and seasonality
- **The LTM adjusted gearing ratio (NIBD/EBITDA) was 2.4x**
- **Plant closures** are generally proceeding as announced in Q4 2017 presentation
  - Rollag (Norway) closed in Q1 bringing the total completed closures to 3
  - Easley (US) is slightly delayed but will close before year end
Revenue and Adjusted EBIT

Revenues and Profitability are consistently improving YoY

Revenues
MEUR

Adjusted EBIT and margin
MEUR and % Revenue

EBIT adjusted for restructuring - see details in the quarterly report.

Revenue including HRAR
Market Summary
New business wins
Best Q1 results since measuring NBWs

New business wins per quarter (per annum value)
EUR million

New business wins LTM (per annum value)
EUR Million
Market summary

Car market stable – Truck market still growing due to China

Global Passenger Car Production

- Global light vehicles production in Q1 2018 was 24.2m, a YoY decrease of 0.7%.
- The biggest contributor to this decrease was China and North America where production fell with 3.2% and 2.6%, respectively.
  - In North America, the trend to more high content cars is continuing at the cost of fewer low priced cars.
- Europe and Asia excluding China grew slightly, with YoY growth rates of 0.9% and 0.5%, respectively. The main drivers were Russia and India where production increased by 15% and 6.7%, respectively.
- South America experienced strong YoY growth at 11.5%, albeit from low levels. The South American growth was primarily driven by Brazil and Argentina.

Global Truck Production

- The production of medium and heavy-duty commercial vehicles increased by 14.4% (113k units) in Q1 2018 compared to same quarter last year. The strong growth derived mainly from the Chinese market (+22.9%).
- Asian production outside of China increased by 5.1% compared to Q1 2017.
- North and South America continued the strong growth seen in previous quarters with YoY growth rates of 19.4% and 26.4%, respectively.
- In Europe, the truck & bus YoY growth rate came in at a modest 0.9%.

Source: IHS Light Vehicle Production Base, March 2018

Source: LMC Global Commercial Vehicle Forecast, Q1 2018
Segment Highlights
Segment financials 1st quarter
Continuing strong SPP performance and P&C improvement

Revenues and Adjusted EBIT**
MEUR and percent

<table>
<thead>
<tr>
<th>Interior*</th>
<th>Powertrain &amp; Chassis</th>
<th>Specialty Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>Revenues</td>
<td>Revenues</td>
</tr>
<tr>
<td>76</td>
<td>102</td>
<td>103</td>
</tr>
<tr>
<td>63</td>
<td>105</td>
<td>100</td>
</tr>
<tr>
<td>58</td>
<td>96</td>
<td>87</td>
</tr>
<tr>
<td>67</td>
<td>105</td>
<td>96</td>
</tr>
<tr>
<td>70</td>
<td>109</td>
<td>109</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>Adjusted EBIT</td>
<td>Adjusted EBIT</td>
</tr>
<tr>
<td>8.6%</td>
<td>14.4%</td>
<td>14.8%</td>
</tr>
<tr>
<td>6.5</td>
<td>2.9%</td>
<td>14.6%</td>
</tr>
<tr>
<td>1.8</td>
<td>0.8%</td>
<td>13.2%</td>
</tr>
<tr>
<td>0.5</td>
<td>1.9%</td>
<td>18.2%</td>
</tr>
<tr>
<td>1.2</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>1.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Including HRAR; ** Excluding restructuring costs, see details in the quarterly report.

- Interior is still facing launch and operational challenges
- The improvements in P&C are gaining traction
- Continued strong performance by Specialty Products
Interior Segment - Update
Revenues in line with outlook – Profitability still unsatisfying

- In Q1, Interior New Business Wins (NBW) amounted to MEUR 4.3 annualized in Q1 2018
  - Virtually flat YoY NBWs
  - There is a high quoting activity in the Interior Segment with fewer than expected sourcing decisions in Q1

- 2018 Q1 Revenues increased by MEUR 7.3 (~10%) compared to Q1 2017 excl. effects from divestures and FX
  - 2018 Q1 Revenues of MEUR 70.2, including FX effects of MEUR -2.4
  - The high degree of launch activities is a result of the high NBW levels in 2016 and 2017. This is starting to impact the Interior revenues (primarily Interior Comfort Systems) this year

- 2018 Q1 Adjusted EBIT decrease MEUR 3.3 compared to Q1 2017 excl. effects from divestures and FX
  - 2018 Q1 Adjusted EBIT of MEUR 1.6
  - We continue to struggle with operational issues related to new product technology launches and expansions.
    - We expect to improve our operational performance gradually over the next quarters

- Footprint activities
  - Ramp-up of the new location in Poland is ongoing
P&C New Business Wins (NBW) amounted to MEUR 31.5 annualized in Q1 2018
- Major win included Gear Shift Systems products to a major global OEM
- Estimated annual revenue of this win is MEUR 15.2 with an expected SOP in early 2019

2018 Q1 Revenues grew by MEUR 13.4 (~13%) compared to Q1 2017 excl. effects from FX
- Revenues of MEUR 108.5, including FX effects of MEUR -7.2
- North American was the main driver of sales growth due to new customers/products and continued ramping of recently launched products

2018 Q1 Adjusted EBIT increased by MEUR 4.4 compared to Q1 2017 excl. effects from FX
- 2018 Q1 adjusted EBIT of MEUR 2.5
- Volume fall through and restructuring were the main contributors to the YoY improvements

Footprint activities
- The closure of the Rollag plant (Norway) was completed in Q1 2018 slightly ahead of Q2 2018 as previously communicated
Specialty Products Segment - Update
Continuing to deliver well

- Specialty Products New Business Wins (NBW) amounted to MEUR 30.3 annualized in Q1 2018
  - Couplings was awarded a program with a major North American OEM with an estimated annual value of MEUR 9.6
  - FTS won a contract with a major European passenger car OEM with an estimated annual value of MEUR 4.5

- 2018 Q1 Revenues grew by MEUR 15.5 (~15%) compared to Q1 2017 excl. effects from FX
  - 2018 Q1 Revenues amounted to MEUR 109.4, including FX effects of MEUR -9.1
  - Couplings benefited from increased customer demand primarily in EMEA and Asia
  - FTS and Off-Highway are on track with solid performance in particular due to a stronger North American business

- 2018 Q1 Adjusted EBIT increased by MEUR 6.9 compared to Q1 2017 excl. effects from FX
  - 2018 Q1 adjusted EBIT of MEUR 19.9
  - Similarly to last year, particularly Couplings are affected by unfavorable raw material price developments
    - FTS and Off-Highway experienced less raw material headwinds, which were fully offset by savings

- Footprint activities
  - Easley closure slightly delayed as we now expect final closure to take place in Q3 rather than Q2
  - Burton closure is still on track for the fourth quarter of 2018
  - The growth in Couplings, particularly in Asia and North America has led us to set up assembly activities for Couplings in these regions
Q1 2018 - Revenue development

Revenue growth in all segments*

Revenues
MEUR

Q1 2017
Interior excl. HRAR*
P&C*
SPP*
FX
HRAR
Q1 2018

Group:
- Revenue is MEUR 7.9 (2.8%) above the first quarter 2017.

Interior:
- Revenue growth is driven by the European and Chinese Comfort business.

P&C:
- Strong US and Brazilian markets driving the sales increase.

SPP:
- Revenue increased for all Business Units. The main driver was Couplings sales in the European and Chinese regions. Also, the SPP revenues include all proceeds from the sale of the E-power business including fixed assets and inventories.

FX effects:
- Interior: MEUR -2.4
- P&C: MEUR -7.2
- SPP: MEUR -9.1

* Variances excluding FX translation effects
Q1 2018 - Adjusted EBIT development
Group increased profitability driven by SPP and P&C

Adjusted EBIT**
MEUR

-3.3  4.4  6.9  0.9  -2.1  -1.7  20.1
15.2

Q1 2017  Q1 2018

Group:
- Adjusted EBIT increased by MEUR 4.9 compared to Q1 2017.

Interior:
- Ramp-up costs for new launches and associated ongoing operational challenges continue to impact profitability.

P&C:
- Profitability benefits from scale of higher sales volume and improving traction from the restructuring actions.

SPP:
- Driven by all business units within Specialty Products. Sales growth of Couplings was partly offset by unfavorable raw material prices.

Others:
- Overhead reduction

FX Translation:
- Negative translation effects mainly due to USD and CAD

* Variances excluding FX translation effects; ** Excluding restructuring costs
### Q1 2018 - Net Profit development

Net profit development following strong EBIT performance

<table>
<thead>
<tr>
<th>Item</th>
<th>Q1 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBIT effect*</td>
<td>7.1 MEUR</td>
<td>11.7 MEUR</td>
</tr>
<tr>
<td>FX Adj EBIT</td>
<td>-2.1 MEUR</td>
<td>-1.0 MEUR</td>
</tr>
<tr>
<td>Restruct. costs</td>
<td>1.8 MEUR</td>
<td>2.8 MEUR</td>
</tr>
<tr>
<td>Interest</td>
<td>-0.2 MEUR</td>
<td>-0.2 MEUR</td>
</tr>
<tr>
<td>Other Fin. items</td>
<td>3.8 MEUR</td>
<td>2.8 MEUR</td>
</tr>
<tr>
<td>Tax</td>
<td>-1.0 MEUR</td>
<td>-1.0 MEUR</td>
</tr>
<tr>
<td>Total</td>
<td>0.2 MEUR</td>
<td>9.7 MEUR</td>
</tr>
</tbody>
</table>

**Group:**
- Net Profit is MEUR 9.4 above Q1 2017 mainly driven by the operational result.

**Restructuring:**
- Reduced costs due to the advanced stage of the restructuring activities.

**Interests:**
- In line with the increased borrowing and higher LIBOR.

**Other financial items:**
- Net unrealized gain of MEUR 3.9, mainly driven by currency effects on loans

**Tax:**
- Positive effect of a decreasing tax rate was offset by a higher taxable base as profit before taxes almost tripled.

* Increase of Adjusted EBIT of MEUR 5.0 + reversal of the negative FX translation effect on Adjusted EBIT (MEUR +2.1)
Free Cash Flow
Seasonal increase of Net Working Capital and ongoing Restructuring

Free Cash Flow
MEUR

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 FY</td>
<td>14</td>
<td>-4</td>
<td>8</td>
<td>-18</td>
<td>-15</td>
</tr>
<tr>
<td>2017 FY</td>
<td>-23</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

- **Operational NWC:**
  - Mainly receivables increase driven by sales growth and seasonality

- **Restructuring:**
  - Cash out related to restructuring activities amounted to MEUR 5.7 for Q1 2018.

- **Investments:**
  - Capex was maintained at a stable level (MEUR 10.8 in Q1 2018) in order to support current and future sales.

- **Interest:**
  - Interest payments increased to MEUR 2.6 in Q1 2018 which is in line with increased borrowing & higher LIBOR
Q1 2018 - Cash flow and facility development

Strong EBITDA contribution offset by NWC increase

**Available funds**

<table>
<thead>
<tr>
<th>MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash (unrestricted)</td>
</tr>
<tr>
<td>Unutilized facility</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA*</td>
<td>30.7</td>
</tr>
<tr>
<td>Change in total NWC &amp; taxes paid</td>
<td>-29.0</td>
</tr>
<tr>
<td>Net Investments*</td>
<td>-7.4</td>
</tr>
<tr>
<td>Net financial expenses**</td>
<td>-2.9</td>
</tr>
<tr>
<td>Payments emitted for restructuring</td>
<td>-5.7</td>
</tr>
<tr>
<td>Investments Restructuring</td>
<td>-0.7</td>
</tr>
<tr>
<td>Change in drawn amount (excl. FX)</td>
<td>16.3</td>
</tr>
<tr>
<td>Change in unutilized facility (incl. FX)</td>
<td>-17.5</td>
</tr>
<tr>
<td>Other***</td>
<td>1.1</td>
</tr>
</tbody>
</table>

* Variance excluding Restructuring; ** Excluding unrealized foreign currency gain/loss; *** Including MEUR 1.4 decrease of restricted cash
Net financial items - Breakdown
MEUR 3.9 unrealized currency gain

Net financial items
MEUR

Q1 2017  Q2 2017  Q3 2017  Q4 2017  Q1 2018

Other items  Currency effects  Net interest  Net financial items

► Currency effects:
- Mainly due to unrealized gains amounting to MEUR 3.9 in Q1 2018 majority refers to USD and CAD FX variations.

► Interest:
- In line with increased level of borrowing.
Financial ratios

Adjusted ROCE increase driven by EBIT growth

Adjusted NIBD/EBITDA* (LTM)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.7</td>
<td>2.4</td>
<td>2.4</td>
<td>2.4</td>
<td>2.4</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12.3%</td>
</tr>
</tbody>
</table>

Adjusted ROCE* (LTM)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>6.8%</td>
<td>7.9%</td>
<td>9.9%</td>
<td>11.2%</td>
<td>12.3%</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Equity ratio

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>29.1%</td>
<td>29.4%</td>
<td>28.5%</td>
<td>26.4%</td>
<td>25.9%</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Avg. Capital Employed
MEUR

<table>
<thead>
<tr>
<th></th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>458</td>
<td>452</td>
<td>446</td>
<td>444</td>
<td>445</td>
</tr>
<tr>
<td>2018</td>
<td></td>
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</tbody>
</table>

* Excluding restructuring costs; ** Including IFRS 15 and IFRS 9 adjustments on equities amounting to MEUR +0.7
Summary

- Q1 continues our steady YoY quarterly improvements and largely confirms our 2017 CMD outlook for 2018. This is the fifth consecutive quarter with quarterly YoY improvements. This despite unfavorable FX and raw material price movements.
- In Q1, we achieved unseasonably strong New Business Wins (NBW). Although we do not control the OEM calendars for business awards, we feel that the strong start to the 2018 NBW further support our long term sales growth ambitions.
- Our restructuring actions in P&C are starting to show modest first results.
- The initiated plant closures are progressing – Burton is on time, and Easley slightly behind the timing plan.
- We expect Q2 2018 revenues of MEUR 280, an increase of MEUR 12 compared to Q2 2017.