

THIRD QUARTER REPORT

2024



KONGBERG
AUTOMOTIVE

THE THIRD QUARTER 2024 EXECUTIVE SUMMARY

COST REDUCTIONS OFFSETTING LOWER VOLUMES - NEW COST INITIATIVES AND RECORD NEW BUSINESS WINS YTD SUPPORT LONG-TERM GROWTH AND PROFITABILITY

COMMENTS FROM LINDA NYQUIST-EVENRUD, PRESIDENT & CEO



2024 is a turnaround year for Kongsberg Automotive. The results of our initiatives to improve long-term profitability are materializing and visible despite the current weak demand from our customers in the latter part of the year. The cost reductions and operational efficiencies help us offset the financial impact of the lower volumes.

Last week, we announced additional measures to adjust costs, maintain efficiency and enhance competitiveness in response to near-term changes in customer demand while also updating our 2024 guidance.

Today, KA reports revenues of MEUR 181.6 in the third quarter of 2024, a decrease of 16.9% compared to third quarter last year. EBIT of MEUR 1.1, reflects the lower revenue and the communicated non-recurring provision for higher-than-expected warranty costs, offset by increased efficiencies.

Looking at the first nine months we clearly see the impact of a reduced cost base, with EBIT coming in at MEUR 17.6, an increase of MEUR 16.8 from the same period last year. This equals an EBIT margin of 2.9%, up from 0.1% a year earlier. The margin improvement is achieved despite lower revenue levels through a significantly reduced cost base. Cash flow from operations is positive both in the quarter and year-to-date, reflecting our attention to cash generation including reduction of working capital.

Two key drivers for KA's profitability and cash generation, are cost-efficient operations and growth in revenues from sales of existing and new products with higher margins.

The new cost measures are a continuation of ongoing improvement programs. We are delivering on the overhead reduction program with savings of MEUR 17 in 2024 and have identified additional annual savings of at least MEUR 10 with full effect from the third quarter of 2025.

These steps will help us stay efficient, sustainable and competitive in a market with strong underlying long-term growth.

We are also continuing the review of KA's operational structure to ensure closeness to our customers and to optimize production, technology and product portfolio based on our competitive advantages and profitability requirements. Potential actions will support delivery on our 2028 financial ambitions of revenues above EUR 1.0bn and an EBIT margin at or above 8.5%.

New Business Wins are at record MEUR 1,231 year-to-date, proving that KA's products are well-aligned with the needs of top-tier customers. We expect a relatively flat market in the first half of 2025, while aging truck fleets combined with stricter emissions regulations are projected to drive future demand.

Increased operational efficiency and New Business Wins year-to-date support our strategy founded on a resilient product portfolio, closeness to market, long-term customer relationships, trusted business partnerships and the dedication of our hardworking organization.

FINANCIAL HIGHLIGHTS Q3 2024

- > REVENUES MEUR 181.6 (MEUR 220.6)
- > EBIT MEUR 1.1 (MEUR 9.7)
- > NET PROFIT/LOSS MEUR -4.0 (MEUR 5.8)
- > FREE CASH FLOW MEUR -5.2 (MEUR -13.4)
- > NEW BUSINESS WINS MEUR 86 LIFETIME AND MEUR 35 ANNUALIZED REVENUES (MEUR 207.1 AND MEUR 66.9)

FINANCIAL HIGHLIGHTS NINE MONTHS 2024

- > REVENUES MEUR 603.0 (MEUR 673.9)
- > EBIT MEUR 17.6 (MEUR 0.8)
- > NET PROFIT / LOSS MEUR -0.8 (MEUR -32.7)
- > FREE CASH FLOW MEUR -24.5 (MEUR -39.4)
- > NEW BUSINESS WINS MEUR 1,231 LIFETIME AND MEUR 308 ANNUALIZED REVENUES (MEUR 576.6 AND MEUR 214.8)

GUIDANCE FOR 2024

On October 31, 2024, Kongsberg Automotive (KA) has adjusted the 2024 full year revenue and EBIT guidance, as presented in the table below:

(MEUR)	Revised Guidance			Previous Guidance		
	Core Business areas	Other operations	Full Group	Core Business Areas	Other operations	Full Group
Guidance						
Total External Revenues	640-665	120-125	760-790	670-700	120-130	790-830
EBIT / Operating result	13-17	5-6	18-23	25-30	3-5	28-35
New Business Wins	N/A	N/A	>1,500	N/A	N/A	>1,500
Book-to-Bill ratio	N/A	N/A	>1.5	N/A	N/A	>1.5

KEY FIGURES

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Sales/Earnings					
1 Operating revenues	181.6	220.6	603.0	673.9	884.9
2 Growth in sales (adjusted for currency effects)	(16.9)%	(4.0)%	(10.2)%	(7.5)%	1.9%
3 Operating profit/(loss) (EBIT)	1.1	9.7	17.6	0.8	(19.7)
4 EBIT margin (%)	0.6%	4.4%	2.9%	0.1%	(2.2)%
5 Adjusted EBIT	1.8	14.3	21.3	18.7	23.7
6 Adjusted EBIT margin (%)	1.0%	6.5%	3.5%	2.8%	2.7%
7 EBITDA	8.1	17.6	38.9	25.5	13.2
8 EBITDA margin (%)	4.5%	8.0%	6.5%	3.8%	1.5%
9 Adjusted EBITDA	8.8	22.2	42.6	43.4	56.6
10 Adjusted EBITDA margin (%)	4.8%	10.1%	7.1%	6.4%	6.4%
11 Net income	(8.3)	5.8	(5.1)	(32.7)	(59.1)
Cash flow					
12 Cash flow from (used by) operating activities	11.9	(1.4)	18.7	1.7	21.5
13 Cash flow from (used by) investing activities	(5.1)	(7.6)	(14.5)	(18.4)	(29.1)
14 Cash flow from (used by) financing activities	(7.6)	(14.8)	(83.8)	(34.0)	(39.7)
15 Free cash flow	(5.2)	(13.4)	(24.5)	(39.4)	(34.9)
Balance sheet					
16 Balance sheet total	602.0	748.4	602.0	748.4	721.5
17 Equity	208.1	250.3	208.1	250.3	218.1
18 Equity ratio (%)	34.6%	33.4%	34.6%	33.4%	30.2%
19 Net interest-bearing debt	119.1	89.2	119.1	89.2	100.2
20 Leverage ratio	2.1	1.4	2.1	1.4	1.8
21 Capital employed*	323.9	361.1	323.9	361.1	319.9
22 Return on capital employed (%) (LTM)*	(0.8)%	11.2%	(0.8)%	11.2%	(4.0)%
23 Liquidity reserve	95.2	216.1	95.2	216.1	219.2
Personnel					
24 Employees (as at end of quarter)	4,841	5,505	4,841	5,505	5,286
New Business Wins					
25 Annualized new business wins	35.2	66.9	308.1	214.8	296.9
26 Lifetime new business wins	86.1	207.1	1,230.9	576.6	989.4

* Definitions of Capital Employed and Return on capital employed have been changed in Q1 2024 (see APM section); figures in 2023 adjusted accordingly.

DEFINITIONS

4 EBIT / Operating revenues	18 Equity / Balance sheet total
6 Adjusted EBIT / Operating revenues	20 NIBD / Adjusted EBITDA (LTM)
8 (EBIT + depreciation and amortization) / Operating revenues	21 Intangible Assets + PPE's + Right-of-use assets + Net Working Capital - Lease liabilities
10 Adjusted EBITDA / Operating revenues	22 EBIT (LTM) / Average capital employed
15 Net change in cash - sum of draw-down/repayment of debt, proceeds received from capital increase and purchase of treasury shares	23 Cash + Unutilized revolving credit facility + Accounts receivable securitization facility (excl. restricted cash)

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – PROFIT AND LOSS

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Revenues	181.6	220.6	603.0	673.9	884.9
Other income	0.0	0.1	3.1	1.4	1.5
OPEX	(173.5)	(203.0)	(567.2)	(639.1)	(846.2)
Impairment losses	0.0	(0.1)	0.0	(10.7)	(27.0)
EBITDA	8.1	17.6	38.9	25.5	13.2
<i>in % revenues</i>	4.5%	8.0%	6.5%	3.8%	1.5%
Depreciation and amortization	(7.0)	(7.9)	(21.3)	(24.7)	(32.9)
Operating profit (loss) / EBIT	1.1	9.7	17.6	0.8	(19.7)
<i>in % revenues</i>	0.6%	4.4%	2.9%	0.1%	-2.2%
Adjusted EBIT¹	1.8	14.3	21.3	18.7	23.7
<i>in % revenues</i>	1.0%	6.5%	3.5%	2.8%	2.7%
Net financial items	(7.9)	2.5	(14.3)	(18.6)	(26.0)
Profit / (loss) before taxes	(6.8)	12.2	3.3	(17.8)	(45.7)
Income taxes	(1.5)	(6.4)	(8.4)	(14.9)	(13.4)
Net profit / (loss)	(8.3)	5.8	(5.1)	(32.7)	(59.1)

¹ See APM section for the reconciliation.

REVENUES

Group revenues totaled MEUR 181.6 in Q3 2024, a decrease of MEUR 39.0 compared to Q3 2023, including negative currency translation effects of MEUR 1.7 (-16.9%). The decrease reflects the current lower demand in the automotive markets, primarily in Europe and North America.

Commercial vehicles revenues (53% of total revenues) were MEUR 95.5, or MEUR 96.9 in constant currencies, a decrease of MEUR 13.7 (-12.4%) compared to Q3 2023. Revenues in Europe declined by MEUR 8.1 (-14.2%) to MEUR 49.0, coming off the exceptionally high levels in 2023. Still, the development was better than the market performance (-17.8%). Due to high level of deliveries in the first half of the year, revenues in North America declined in Q3 by MEUR 7.5 (-21.2%) to MEUR 28.0 (in constant currencies), compared to the market which shrank by -11.3%. In Asia (incl. China), revenues were MEUR 14.1 in Q3 2024, representing a growth of MEUR 0.5 (+3.6%) compared to Q3 2023 in constant currencies while the production output in this region declined by -4.6%.

Passenger car revenues (31% of total revenues) totaled MEUR 57.3, or MEUR 57.6 at constant currencies, representing a decrease of MEUR 17.0 (-22.7%) compared to Q3 2023. This reflects declining production in passenger car market and the wind-down of the Driveline business. In Europe, revenues were MEUR 17.8, down by MEUR 7.6 (-30.0%) compared to Q3 2023 in constant currencies, while the market decline was at 6.7%. Revenues in the North America were MEUR 26.8 in Q3 2024, EUR 4.6 (-14.7%) lower than in Q3 2023 in constant currencies. The North American market decreased by 6.0% in the same period. In Asia (incl. China), revenues amounted to MEUR 9.8, a decrease of MEUR 4.8 (-32.8%) at constant currencies, following a 4.7% decline in the region's production output.

Revenues generated in other markets (mainly off-road applications for various industries and fluid systems for industrial applications) were MEUR 29.0 in Q3 2024, at constant currencies, compared to MEUR 35.1 in Q3 2023, mainly in line with the softening market.

EBIT

Q3 2024 EBIT was MEUR 1.1 (margin 0.6%) compared to MEUR 9.7 (margin 4.4%) in Q3 2023. The previous year period was impacted by positive net effects of MEUR 2.4, of which MEUR 5.7 related to prior periods and negative MEUR 3.3 was related to a one-time adjusting item.

Lost contribution due to declining revenues in the current quarter and higher warranty expenses by MEUR 6.2 (therein MEUR 4.0 higher than expected warranty costs related to a DCS product) were partially mitigated by reducing manufacturing costs and administrative expenses compared to Q3 2023 following the restructuring initiative announced end of last year. The YTD 2024 EBIT margin was 2.9% compared to 0.1% in the same period of 2023.

PROFIT (LOSS) BEFORE TAXES / NET PROFIT (LOSS)

Net financial items in Q3 2024 were negative MEUR 7.9, compared to positive MEUR 2.5 in Q3 2023. While net interest expense increased by MEUR 0.6, the currency result in Q3 2024 was negative MEUR 3.6, while it was positive MEUR 5.6 in Q3 2023. This change is mainly due to divergent development of NOK exchange rates. The loss before taxes of MEUR 6.8 led to an income tax expense of MEUR 1.5, as withholding taxes related to intercompany dividends of MEUR 1.1 were included and losses could not be capitalized.

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION - CASH FLOW

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Cash flow - Operating activities	11.9	(1.4)	18.7	1.7	21.5
Cash flow - Investing activities	(5.1)	(7.6)	(14.5)	(18.4)	(29.1)
Cash flow - Financing activities	(7.6)	(14.8)	(83.8)	(34.0)	(39.7)
Currency and translation effects on cash flow	(4.7)	4.6	(4.8)	(0.6)	(0.9)
Change in cash	(5.5)	(19.2)	(84.4)	(51.3)	(48.2)
Cash as of beginning of period	85.8	180.8	164.7	212.9	212.9
Cash as of end of period	80.3	161.6	80.3	161.6	164.7
<i>Of this, restricted cash</i>	<i>0.1</i>	<i>0.5</i>	<i>0.1</i>	<i>0.5</i>	<i>0.5</i>

CASH FLOW USED BY OPERATING ACTIVITIES

Net cash from operating activities was positive MEUR 11.9 in Q3 2024, compared to negative operating cash flow of MEUR 1.4 in Q3 2023. The change in Net Working Capital (NWC) resulted in an operating cash inflow of MEUR 12.3 compared to a cash outflow of MEUR 15.0 in Q3 2023. Tax payments in Q3 2024 included withholding taxes of MEUR 1.1 and amounted to MEUR 1.6 which was MEUR 0.9 higher in Q3 2024.

CASH FLOW USED BY INVESTING ACTIVITIES

Cash flow used by investing activities were MEUR 5.1 in Q3 2024 compared to MEUR 7.6 in Q3 2023. In Q3 2023, MEUR 2.0 were invested to buy interests in associates. In addition, interest received, and other financial items amounted to MEUR 1.2 in Q3 2023 compared to MEUR 0.3 in Q3 2024.

CASH FLOW USED BY FINANCING ACTIVITIES

Cash flow used by financing activities was MEUR 7.6 in Q3 2024, compared to MEUR 14.8 in the same quarter last year.

In Q3 2024, payments related to interests on bond notes were MEUR 2.6, down from MEUR 5.0 in Q3 2023. This reflects quarterly interest payments on the new bond issued earlier

this year, refinancing the old bond notes which had bi-annual interest payments.

In Q3 2024, the repayments of lease liabilities and interest on lease liabilities amounted to MEUR 2.2 and MEUR 1.1, respectively, which was MEUR 0.1 lower than in Q3 2023.

In Q3 2023, KA repurchased MEUR 5.8 of own bonds.

CHANGE IN CASH

The cash balance at end Q3 2024 was MEUR 80.3, a decrease from MEUR 85.8 at the end of Q2 2024 and from MEUR 164.7 at December 31, 2023.

LIQUIDITY RESERVE

The liquidity reserve was MEUR 95.2 (excluding the restricted cash of MEUR 0.1) at the end of Q3 2024, compared to MEUR 219.2 as of December 31, 2023. At end Q3 2024, the liquidity reserve consisted of MEUR 80.2 of cash and cash equivalents (excluding the restricted cash of MEUR 0.1) and the revolving credit facility (RCF) of MEUR 15.0

GROUP FINANCIALS

SELECTED FINANCIAL INFORMATION – FINANCIAL POSITION

(MEUR)	30.09.24	30.09.23	31.12.23
Non-current assets	253.5	265.0	264.6
Cash and cash equivalents	80.3	161.6	164.7
Other current assets	268.2	321.8	292.2
Total assets	602.0	748.4	721.5
Equity	208.1	250.3	218.1
Interest-bearing liabilities	199.4	250.8	264.9
Other liabilities	194.5	247.3	238.5
Total equity and liabilities	602.0	748.4	721.5
Net working capital (NWC)	150.7	170.0	146.4
NIBD	119.1	89.2	100.2
Equity ratio	34.6%	33.4%	30.2%

ASSETS

Total assets were MEUR 602.0 at September 30, 2024, a decrease of MEUR 119.5 (-16.6%) from year-end 2023, of which MEUR 10.0 is related to negative currency translation effects. The total net book value of property, plant and equipment, intangible assets and right-of-use assets decreased by MEUR 9.3 to MEUR 239.8, compared to year-end 2023, of which negative MEUR 4.5 was attributable to translation.

Additions from investments in property, plant and equipment (excluding additions from leases) and intangible assets were MEUR 5.3 (Q3 2023: MEUR 7.1) in the quarter and MEUR 16.3 YTD.

Current assets amounted to MEUR 348.5 in Q3 2024, compared to MEUR 456.9 at year-end 2023. The decrease reflected a reduction in the cash balance of MEUR 84.4 YTD, predominantly resulting from the financing activities, as well as a decrease in inventory and account receivables of MEUR 7.9 and MEUR 12.3, respectively.

NET WORKING CAPITAL

Net working capital, comprising inventories and account receivables less account payables, totaled MEUR 150.7 at end Q3 2024, marking an increase of MEUR 4.3 (3.0%) compared to December 31, 2023, and a decrease of MEUR 19.3 (-11.4%) compared to September 30, 2023. This decrease was primarily driven by a significant reduction in account receivables and inventories by MEUR 34.6 and MEUR 13.1, respectively, following the decline in revenues, partially offset by decreases in account payables of MEUR 28.4. Negative translation effects of MEUR 4.1 also contributed to the decrease.

As a percentage of revenues for the past twelve months, the net working capital ratio at September 30, 2024, was 18.5%, compared to 19.1% at September 30, 2023, and 16.5% at year-end 2023.

EQUITY

Equity was MEUR 208.1 at September 30, 2024, a decrease of MEUR 10.0 (-4.6%) from year-end 2023.

The total comprehensive income YTD was negative MEUR 7.8, comprising the net loss of MEUR 5.1 and negative other comprehensive income of MEUR 2.7. The latter resulted from negative translation differences on non-foreign operations of MEUR 12.0 (fully attributable to share capital, share premium and treasury shares) caused by weakening NOK against EUR exceeding the positive translation differences on foreign operations of MEUR 9.3. Furthermore, Kongsberg Automotive repurchased its own shares in Q1 2024, which led to the change in equity of MEUR 2.2. The dividend of MEUR 0.6 allocated to the minority shareholder contributed to the change of the equity as of September 30, 2024, offset by the equity increase due to share-based compensation.

INTEREST BEARING LIABILITIES

At September 30, 2024, total interest-bearing liabilities were MEUR 199.4, consisting mainly of the new senior secured bonds of MEUR 107.7 (MEUR 110.0 after netting with the unamortized capitalized arrangement fees of MEUR 2.3), the drawn Securitization facility of MEUR 25.0 and lease liabilities of MEUR 66.6.

Long-term interest-bearing debt amounted to MEUR 190.2.

NET INTEREST BEARING DEBT

At period-end, net interest-bearing debt was MEUR 119.1, an increase of MEUR 18.9 compared to year-end 2023. Compared to end of second quarter of 2024 the increase was MEUR 2.6, whereby the reduction in cash balance (caused by negative currency effects) was partially offset by the reduction of interest-bearing liabilities (partially due to favorable currency effects).

DRIVE CONTROL SYSTEMS

SEGMENT REPORTING

Drive Control Systems develops and manufactures a comprehensive range of drive control products for heavy and light duty vehicles, including clutch actuation systems, advanced vehicle systems, operator control systems for construction, agriculture, outdoor power equipment and power electronics-based products.

Drive Control Systems serves the commercial vehicle, and the off-highway and passenger car markets, with particularly strong positions in Europe and the Americas. With a global footprint, Drive Control Systems can support customers worldwide. Key customers include Volvo, Scania, Eaton, Traton, Changan Group, FAW Group, Club Car and Paccar.

KEY FIGURES¹

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Revenues	80.9	101.4	268.9	309.2	410.4
EBITDA	1.5	13.5	19.0	23.4	33.3
<i>in % revenues</i>	1.9%	13.3%	7.1%	7.6%	8.1%
Operating profit (loss)/ EBIT	(1.9)	10.1	8.9	13.2	19.7
<i>in % revenues</i>	-2.3%	10.0%	3.3%	4.3%	4.8%
Adjusting and restructuring items	(0.1)	(0.5)	(0.5)	(0.9)	(1.3)
Adjusted EBIT	(1.8)	10.6	9.4	14.1	21.0
<i>in % revenues</i>	-2.2%	10.5%	3.5%	4.6%	5.1%
Investments	(2.4)	(2.9)	(7.5)	(7.8)	(11.8)
Capital employed ²	140.3	151.1	140.3	151.1	144.6

¹ Figures in 2023 were restated due to implementation of new segment structure as announced in Q4 2023

² Includes intangible assets, PP&E, right-of-use assets, inventories, trade receivables less trade payables and lease liabilities

FINANCIAL UPDATE

Revenues in Drive Control Systems decreased by MEUR 20.5 to MEUR 80.9 in Q3 2024 compared to Q3 2023, including negative currency translation effects of MEUR 0.7 (-19.4%). Coming off the exceptionally high levels in the commercial vehicles market in 2023, revenues declined in Europe by MEUR 4.2 (-14.9%) to MEUR 24.1, which was slightly better than the market performance (-17.8%). Due to high level of deliveries in the first half of the year, revenues in North America declined by MEUR 7.5 (-25.1%) to MEUR 22.3 (in constant currencies), underperforming the market which shrank by 11.3%. In Off-Highway, revenues amounted to MEUR 14.8, down by MEUR 5.4 (-26.8% in constant currencies), which was mainly due to a decline in the North American market.

EBIT amounted to negative MEUR -1.9 in Q3 2024, a decrease of MEUR 12.0 compared to Q3 2023. Q3 2023 was positively impacted by MEUR 5.7 of one-time effects related to prior periods. However, this quarter's EBIT was negatively impacted by the reduced volumes and higher warranty expenses (therein MEUR 4.0 higher than expected warranty

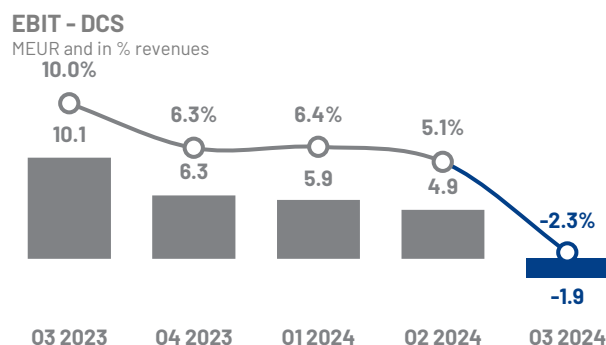
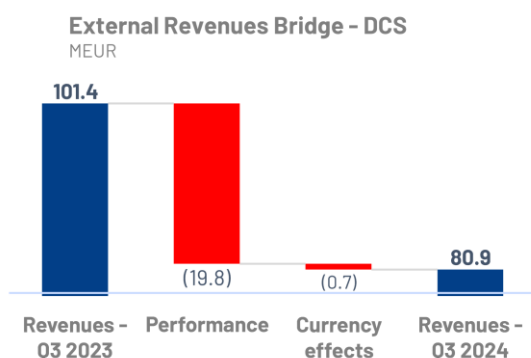
costs on a product), partially offset by flexing manufacturing costs as well as savings of administrative expenses.

COMMERCIAL AND OPERATIONAL UPDATE

In Q3 2024, business wins amounted to MEUR 29.9 of lifetime revenues (MEUR 10.5 in annualized revenues).

In the quarter, a leading American OEM awarded Drive Control Systems a contract with MEUR 12.4 in expected lifetime revenues and MEUR 2.5 in expected annual revenues for supply of Gear Control Unit.

The YTD New Business Wins were MEUR 937.3 of lifetime revenues (MEUR 215.0 in annualized revenues).



FLOW CONTROL SYSTEMS

SEGMENT REPORTING

Flow Control Systems designs and manufactures fluid handling systems for both the automotive and commercial vehicle markets, as well as industrial applications, couplings systems for compressed-air circuits in heavy-duty vehicles.

Key customers include Volvo Trucks/Group, Jaguar Land Rover, Scania, Martinrea, Paccar/DAF, Mercedes Benz, ZF, Renault Trucks, and several Tier 1 customers in addition to an industrial customer base.

KEY FIGURES¹

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Revenues	71.4	74.5	233.8	237.8	313.0
EBITDA	8.9	8.1	25.2	28.4	40.9
<i>in % revenues</i>	12.5%	10.9%	10.8%	11.9%	13.1%
Operating profit / EBIT	5.6	5.1	15.3	19.4	28.8
<i>in % revenues</i>	7.8%	6.8%	6.5%	8.2%	9.2%
Adjusting and restructuring items	0.1	0.0	(0.1)	(0.1)	(0.6)
Adjusted EBIT	5.5	5.1	15.4	19.5	29.4
<i>in % revenues</i>	7.7%	6.8%	6.6%	8.2%	9.4%
Investments	(2.8)	(3.5)	(8.4)	(9.1)	(14.1)
Capital employed ²	180.1	178.7	180.1	178.7	170.2

¹ Figures in 2023 were restated due to implementation of new segment structure as announced in Q4 2023

² Includes intangible assets, PP&E, right-of-use assets, inventories, trade receivables less trade payables and lease liabilities

FINANCIAL UPDATE

Revenues in Flow Control Systems decreased by MEUR 3.1 to MEUR 71.4 in Q3 2024 compared to Q3 2023, including negative currency translation effects of MEUR 0.4 (-3.6%). While revenues of Fluid Transfer Systems remained constant, Couplings' revenues decreased in Europe coming off from the high levels in 2023. This was partially offset by higher volumes in Asia and the Americas.

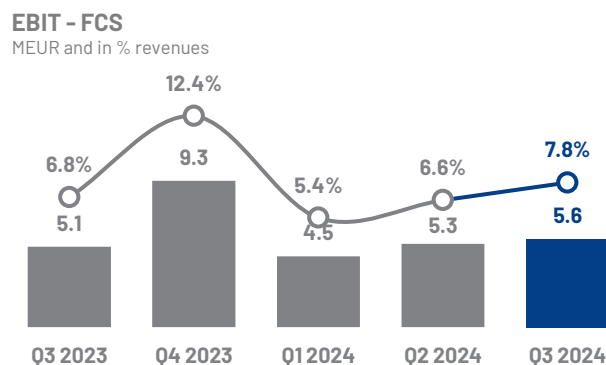
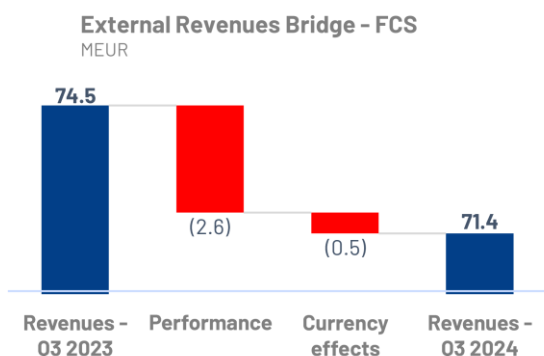
EBIT was MEUR 5.6 in Q3 2024, an increase of MEUR 0.5 (8.8%) compared to the same quarter last year. The impact of reduced volumes and unfavorable product mix effects were offset by operational improvements.

COMMERCIAL AND OPERATIONAL UPDATE

During the third quarter 2024, total business wins amounted to MEUR 56.2 of lifetime revenues (MEUR 24.7 in annualized revenues).

Flow Control Systems was awarded contract extension worth MEUR 13.5 in expected lifetime revenues (MEUR 4.6 in expected annual revenues) for the supply of KA Raufoss ABC™ System's air couplings to a global brake manufacturer.

The YTD New Business Wins were MEUR 271.1 of lifetime revenues (MEUR 88.6 in annualized revenues).



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Revenues	181.6	220.6	603.0	673.9	884.9
Other income	0.0	0.1	3.1	1.4	1.5
OPEX	(173.5)	(203.0)	(567.2)	(639.1)	(846.2)
Impairment losses	0.0	(0.1)	0.0	(10.7)	(27.0)
EBITDA	8.1	17.6	38.9	25.5	13.2
<i>in % revenues</i>	4.5%	8.0%	6.5%	3.8%	1.5%
Depreciation and amortization	(7.0)	(7.9)	(21.3)	(24.7)	(32.9)
Operating profit (loss) / EBIT	1.1	9.7	17.6	0.8	(19.7)
<i>in % revenues</i>	0.6%	4.4%	2.9%	0.1%	-2.2%
Net financial items	(7.9)	2.5	(14.3)	(18.6)	(26.0)
Profit / (loss) before taxes	(6.8)	12.2	3.3	(17.8)	(45.7)
Income taxes	(1.5)	(6.4)	(8.4)	(14.9)	(13.4)
Net profit / (loss)	(8.3)	5.8	(5.1)	(32.7)	(59.1)
<i>Other comprehensive income (items that may be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on foreign operations	2.8	(16.8)	9.3	33.5	31.8
<i>Other comprehensive income (items that will not be reclassified to profit or loss in subsequent periods):</i>					
Translation differences on non-foreign operations	(8.6)	17.2	(12.0)	(29.7)	(32.3)
Remeasurement of net pension benefit obligation	0.0	0.0	0.0	0.0	(0.5)
Tax on net pension benefit obligation remeasurement	0.0	0.0	0.0	0.0	0.1
Other comprehensive income	(5.8)	0.4	(2.7)	3.8	(0.9)
Total comprehensive income	(14.1)	6.2	(7.8)	(28.9)	(60.0)
Net profit attributable to:					
Equity holders (parent company)	(8.3)	5.8	(5.0)	(33.1)	(59.5)
Non-controlling interests	(0.1)	0.0	(0.1)	0.4	0.4
Total	(8.4)	5.8	(5.1)	(32.7)	(59.1)
Total comprehensive income attributable to:					
Equity holders (parent company)	(14.0)	6.4	(7.7)	(29.1)	(60.1)
Non-controlling interests	(0.1)	(0.2)	(0.1)	0.2	0.1
Total	(14.1)	6.2	(7.8)	(28.9)	(60.0)
Earnings per share (EUR):					
Basic earnings per share	(0.01)	0.01	(0.00)	(0.03)	(0.06)
Diluted earnings per share	(0.01)	0.01	(0.00)	(0.03)	(0.06)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
<i>Operating activities</i>					
Profit / (loss) before taxes	(6.8)	12.2	3.3	(17.8)	(45.7)
Depreciation	6.8	7.7	20.7	24.0	31.9
Amortization	0.2	0.2	0.6	0.7	1.0
Impairment losses / (Reversal)	(0.7)	0.1	(1.8)	10.7	27.0
Interest and other financial income	(0.3)	(1.1)	(2.1)	(2.3)	(1.9)
Interest and other financial expenses	4.6	4.2	13.8	11.8	16.9
Taxes paid	(1.6)	(0.7)	(7.7)	(12.2)	(14.7)
(Gain) / loss on sale of non-current assets	0.1	0.5	0.0	(0.2)	(0.8)
Changes in receivables	22.6	4.9	12.3	(17.3)	5.0
Changes in inventory	4.3	(3.8)	7.9	(10.2)	(5.0)
Changes in payables	(14.6)	(16.1)	(24.5)	(1.4)	(5.3)
Currency (gain) / loss	3.4	(5.7)	3.7	5.0	5.7
Difference between pension funding contributions paid/pensions paid and the net pension cost	0.0	0.1	0.0	0.1	(1.2)
Changes in other items ¹	(6.1)	(3.9)	(7.5)	10.8	8.6
Cash flow - Operating activities	11.9	(1.4)	18.7	1.7	21.5
<i>Investing activities</i>					
Investments	(5.3)	(7.1)	(16.3)	(19.0)	(28.5)
Sale of tangible and intangible assets	0.0	0.3	0.2	0.3	0.8
Interest received and other financial items	0.3	1.2	2.2	2.3	1.2
Investments / Loans in associates/other	(0.1)	(2.0)	(0.6)	(2.0)	(2.6)
Cash flow - Investing activities	(5.1)	(7.6)	(14.5)	(18.4)	(29.1)
<i>Financing activities</i>					
Purchase of treasury shares	0.0	0.0	(2.4)	(2.5)	(3.9)
Net proceeds from issuing the new bond notes	(0.4)	0.0	107.6	0.0	0.0
Payments for redemption of the old bond notes	0.0	(5.8)	(190.2)	(9.4)	(9.4)
Securitization facility drawn / (repaid)	0.0	0.0	25.0	0.0	0.0
Other debt drawn / (repaid)	0.1	0.0	0.1	0.0	0.0
Interest paid and other financial items	(4.5)	(6.7)	(16.9)	(15.1)	(16.6)
Dividends paid to the subsidiary's minority interest	(0.6)	0.0	(0.6)	0.0	0.0
Repayment of lease liabilities	(2.2)	(2.3)	(6.4)	(7.0)	(9.8)
Cash flow - Financing activities	(7.6)	(14.8)	(83.8)	(34.0)	(39.7)
Currency and translation effects on cash flow	(4.7)	4.6	(4.8)	(0.6)	(0.9)
Change in cash	(5.5)	(19.2)	(84.4)	(51.3)	(48.2)
Cash as of beginning of period	85.8	180.8	164.7	212.9	212.9
Cash as of end of period	80.3	161.6	80.3	161.6	164.7
<i>Of this, restricted cash</i>	<i>0.1</i>	<i>0.5</i>	<i>0.1</i>	<i>0.5</i>	<i>0.5</i>

¹ Includes changes in accruals, provisions, contract assets and contract liabilities, other current receivables like receivables from public duties, customer developments and prepaid expense, and other non-current assets

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(MEUR)	30.09.24	30.09.23	31.12.23
Intangible assets	79.6	80.1	78.3
Property, plant and equipment	114.1	123.9	115.8
Right-of-use assets	46.1	48.8	55.0
Deferred tax assets	9.7	8.7	11.4
Other non-current assets	4.0	3.5	4.1
Non-current assets	253.5	265.0	264.6
Inventories	93.6	106.7	101.5
Accounts receivable	149.2	183.8	161.5
Other short-term receivables	25.4	31.3	29.2
Cash and cash equivalents	80.3	161.6	164.7
Current assets	348.5	483.4	456.9
Total assets	602.0	748.4	721.5
Share capital	80.8	90.1	84.6
Treasury shares	(5.1)	(23.7)	(3.2)
Share premium	172.5	187.1	180.6
Other equity	(43.8)	(7.6)	(48.3)
Non-controlling interests	3.7	4.4	4.4
Total equity	208.1	250.3	218.1
Long-term interest-bearing liabilities	190.2	241.4	254.7
Deferred tax liabilities	20.4	25.4	21.0
Other long-term liabilities	12.8	17.4	15.7
Non-current liabilities	223.4	284.2	291.4
Bank overdraft	0.1	0.0	0.0
Current lease liabilities	9.1	9.4	10.2
Current income tax liabilities	2.8	1.5	4.2
Trade payables	92.1	120.5	116.6
Other current payables	66.4	82.5	81.0
Current liabilities	170.5	213.9	212.0
Total liabilities	393.9	498.1	503.4
Total equity and liabilities	602.0	748.4	721.5

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGE IN EQUITY

(MEUR)	30.09.24	30.09.23	31.12.23
Equity as of start of period	218.1	280.5	280.5
Net profit / (loss) for the period	(5.1)	(32.7)	(59.1)
Translation differences	(2.7)	3.8	(0.5)
Remeasurement of the net pension benefit obligation	0.0	0.0	(0.5)
Tax on remeasurement of the net pension benefit obligation	0.0	0.0	0.1
Total comprehensive income	(7.8)	(28.9)	(60.0)
Stock-based compensation	0.6	1.0	1.5
Purchase of treasury shares	(2.2)	(2.3)	(3.9)
Dividends allocated or paid	(0.6)	0.0	0.0
Equity as of end of period	208.1	250.3	218.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – DISCLOSURES

GENERAL INFORMATION

Kongsberg Automotive ASA and its subsidiaries develop, manufacture and sell products to the automotive and commercial vehicle industry globally. Kongsberg Automotive ASA is a limited liability company, which is listed on the Oslo Stock Exchange. The consolidated interim financial statements are not audited.

BASIS OF PREPARATION

This condensed consolidated interim financial information, for the year ended September 30, 2024, 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 on December 31, 2023, 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 on December 31, 2023, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the estimated effective tax rate.

RISK AND UNCERTAINTIES

Risks and opportunities for the financial year are subject to a high level of uncertainty and are continuously monitored, evaluated and, if applicable, taken into account in planning during the year.

Due to the geopolitical risks, especially due to the Russia-Ukraine war and the Israeli-Palestinian conflict, global macroeconomic risks have significantly increased and have led to further increases in costs for raw material, energy and transportation and considerably higher inflation rates worldwide than in comparable periods. Rising inflation rates could reduce purchasing power, adversely affect end customer behavior, and put a damper on demand on the products offered to customers.

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. As

Kongsberg Automotive operates in many countries, Kongsberg Automotive is vulnerable to currency risk. The most significant external currency exposure is associated with the USD exchange rate. As most of the revenues are earned from automotive OEMs and automotive Tier 1 and Tier 2 customers, the financial health of these automotive companies is critical to the credit risk.

On the supply side Kongsberg Automotive is exposed to risks related to the availability and cost of copper, brass, resin, zinc, aluminum, steel, and electronic components.

Kongsberg Automotive faces both climate change related risks and opportunities arising from climate change itself and from actions taken in climate change mitigating. These are embedded in the Company's risk management and business strategy. The financial implications of risks of climate change can be classified into two types of risks: physical risks and transition risks. Physical risks are related to the increase and severity of extreme weather and long-term climate changes. Transition risks are related to decarbonization including new technological advances and requirements imposed by regulators or public opinion. Both are considered in the Company's risk assessment as part of the annual budget process and in impairment testing at year end. There is still significant uncertainty about the future financial impact of climate risks and opportunities. During the budget process, several scenarios are considered, and the best estimate is included in the assumptions for the final budget. As of September 30, 2024, climate risk changes have not resulted in adjustments to the useful lives of long-term assets. Further, climate related risk considerations have not resulted in adjustments of the carrying amounts of assets or liabilities.

SEASONALITY

The Group's quarterly results are to some extent influenced by seasonality. The seasonality is mainly driven by the vacation period in the third quarter and December each year having lower sales. Also, year-over-year seasonality differences may occur as a result of varying number of working days in each quarter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SEGMENT REPORTING (THIRD QUARTER 2024)

Q3 2024 (MEUR)	Drive Control Systems	Flow Control Systems	Corporate & Other	Total Core	Other operations	Total Group
Revenues¹	80.9	71.4	0.0	152.3	29.3	181.6
EBITDA	1.5	8.9	(4.2)	6.2	1.9	8.1
Depreciation	(3.3)	(3.2)	(0.3)	(6.8)	0.0	(6.8)
Amortization	(0.1)	(0.1)	0.0	(0.2)	0.0	(0.2)
EBIT	(1.9)	5.6	(4.5)	(0.8)	1.9	1.1
<i>Timing of revenue recognition</i>						
Ownership transferred at a point in time	80.9	71.4	0.0	152.3	29.3	181.6
<i>Assets and liabilities</i>						
Goodwill	16.3	54.1	0.0	70.4	0.0	70.4
Other intangible assets	5.2	3.5	0.1	8.8	0.4	9.2
Property, plant and equipment	51.4	60.9	1.8	114.1	0.0	114.1
Right-of-use assets	14.7	28.1	3.3	46.1	0.0	46.1
Inventories	32.7	46.7	0.0	79.4	14.2	93.6
Trade receivables	72.5	54.4	0.0	126.9	22.3	149.2
Other assets	1.1	3.1	0.0	4.2	0.1	4.3
Segment assets	193.9	250.8	5.2	449.9	37.0	486.9
Unallocated assets			115.1	115.1		115.1
Total assets	193.9	250.8	120.3	565.0	37.0	602.0
Trade payables	35.5	33.1	2.0	70.6	21.5	92.1
Accrued expenses	18.0	12.2	4.7	34.9	16.8	51.7
Provisions	7.0	0.1	2.9	10.0	0.9	10.9
Non-current lease interest-bearing liabilities	13.9	32.7	3.0	49.6	8.0	57.6
Current lease interest-bearing liabilities	3.1	1.8	0.3	5.2	3.9	9.1
Segment liabilities	77.5	79.9	12.9	170.3	51.1	221.4
Unallocated liabilities			172.5	172.5		172.5
Total liabilities	77.5	79.9	185.4	342.8	51.1	393.9
Total equity			208.1	208.1		208.1
Total equity and liabilities	77.5	79.9	393.5	550.9	51.1	602.0
Capital expenditure	(2.4)	(2.8)	(0.2)	(5.4)	0.0	(5.4)

¹ For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – SEGMENT REPORTING (THIRD QUARTER 2023)¹

Q3 2023 (MEUR)	Drive Control Systems	Flow Control Systems	Corporate & Other	Total Core	Other operations	Total Group
Revenues²	101.4	74.5	0.0	175.9	44.7	220.6
EBITDA	13.5	8.1	(9.1)	12.5	5.1	17.6
Depreciation	(3.3)	(2.9)	(0.4)	(6.6)	(1.1)	(7.7)
Amortization	(0.1)	(0.1)	0.0	(0.2)	0.0	(0.2)
EBIT	10.1	5.1	(9.5)	5.7	4.0	9.7
Impairment losses, thereof:	0.0	0.0	0.0	0.0	(0.1)	(0.1)
- allocated to Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
- allocated to assets other than Goodwill	0.0	0.0	0.0	0.0	(0.1)	(0.1)
<i>Timing of revenue recognition</i>						
Ownership transferred at a point in time	101.4	74.5	0.0	175.9	44.7	220.6
<i>Assets and liabilities</i>						
Goodwill	16.4	56.3	0.0	72.7	0.0	72.7
Other intangible assets	4.9	2.2	0.0	7.1	0.3	7.4
Property, plant and equipment	52.5	60.0	1.0	113.5	10.4	123.9
Right-of-use assets	18.6	22.7	3.2	44.5	4.3	48.8
Inventories	41.1	46.0	0.0	87.1	19.6	106.7
Trade receivables	87.7	57.5	0.0	145.2	38.6	183.8
Other assets	2.7	4.6	0.0	7.3	(0.0)	7.3
Segment assets	223.9	249.3	4.2	477.4	73.2	550.6
Unallocated assets			197.8	197.8		197.8
Total assets	223.9	249.3	202.0	675.2	73.2	748.4
Trade payables	49.2	40.3	1.7	91.2	29.3	120.5
Accrued expenses	16.7	17.3	9.9	43.9	19.4	63.3
Provisions	7.8	0.1	2.9	10.8	0.8	11.6
Non-current lease liabilities	17.6	23.7	2.4	43.7	8.6	52.3
Current lease liabilities	3.2	2.0	1.2	6.4	3.0	9.4
Segment liabilities	94.6	83.4	18.1	196.1	61.0	257.1
Unallocated liabilities			241.0	241.0		241.0
Total liabilities	94.6	83.4	259.1	437.1	61.0	498.1
Total equity			250.3	250.3		250.3
Total equity and liabilities	94.6	83.4	509.4	687.4	61.0	748.4
Capital expenditure	(2.9)	(3.5)	(0.1)	(6.5)	(0.5)	(7.0)

¹ Figures presented in this table were restated following the adoption of a new segment structure.

² For segment reporting purposes revenues are only external revenues; related expenses are adjusted accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

3.1 REVENUES BY GEOGRAPHICAL LOCATION OF CUSTOMERS

(MEUR)	YTD 2024	%	YTD 2023	%
Europe	263.5	43.7%	309.3	45.9%
Northern America	212.1	35.2%	228.6	33.9%
Southern America	34.1	5.7%	36.2	5.4%
Asia	90.7	15.0%	95.2	14.1%
Other	2.6	0.4%	4.6	0.6%
Total revenues	603.0		673.9	

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

(MEUR)	30.09.24	%	30.09.23	%
Europe	142.0	59.2%	139.7	55.3%
Northern America	76.6	31.8%	87.3	34.5%
Southern America	1.8	0.8%	2.9	1.1%
Asia	19.4	8.1%	22.9	9.1%
Total intangible assets, PPE and RoU	239.8		252.8	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – INTEREST-BEARING LOANS AND BORROWINGS

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

(MEUR)	30.09.24	30.09.23	31.12.23
Long-term interest-bearing loan and borrowing	110.0	190.6	190.6
Capitalized arrangement fees	(2.3)	(1.5)	(1.3)
Drawn Securitization facility	25.0	0.0	0.0
IFRS 16 long-term lease liabilities	57.5	52.3	65.4
Current IFRS 16 long-term lease liabilities	9.1	9.4	10.2
Other current interest-bearing liabilities	0.1	0.0	0.0
Total interest-bearing liabilities	199.4	250.8	264.9

In Q2 2024, the previous senior secured five-year bonds with the net outstanding principal amount of MEUR 190.6 as of March 31, 2024, was settled and new senior secured four-year bonds with the principal amount of MEUR 110.0 were issued. The bond notes have an interest rate of 3M EURIBOR plus a margin of 5.25% (quarterly payable) and are listed on the Open Market of Frankfurt Stock Exchange and Oslo Stock Exchange.

Interest-bearing liabilities by currency

(MEUR)	30.09.24	30.09.23	31.12.23
EUR	170.0	230.2	228.3
USD	10.5	9.2	11.7
Other currencies	21.2	26.2	26.2
Capitalized arrangement fees	(2.3)	(1.9)	(1.3)
Total interest-bearing liabilities	199.4	263.7	264.9

4.2 LIQUIDITY RESERVE

The liquidity reserve of the Group consists of cash equivalents in addition to undrawn RCF and securitization facilities.

(MEUR)	30.09.24	30.09.23	31.12.23
Cash reserve	80.3	161.6	164.7
Restricted cash	(0.1)	(0.5)	(0.5)
Undrawn RCF facility ¹	15.0	30.0	30.0
Undrawn Securitization facility	0.0	25.0	25.0
Liquidity reserve	95.2	216.1	219.2

¹ In Q2 2024, the Revolving Credit has been decreased from MEUR 30.0 to MEUR 15.0 as part of the issuance of the new senior secured four-year bonds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 – NET FINANCIAL ITEMS

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Interest income	0.3	0.5	1.4	1.5	2.0
Interest expenses	(4.3)	(3.7)	(11.4)	(11.3)	(15.1)
Foreign currency gains (losses) ¹	(3.6)	5.6	(2.6)	(9.1)	(13.3)
Change in fair value of cash equivalents	0.0	0.2	0.0	1.4	2.8
Account receivables securitization - Expenses	0.0	(0.1)	(0.3)	(0.6)	(0.9)
Other financial items	(0.3)	0.0	(1.4)	(0.5)	(1.5)
Net financial items	(7.9)	2.5	(14.3)	(18.6)	(26.0)

¹ Is made up of unrealized currency loss of MEUR 3.4 and realized currency loss of MEUR 0.2 in Q3 2024 (Q3 2023: realized currency gain of MEUR 5.7 and unrealized currency loss of MEUR 0.1)

NOTE 6 – SUBSEQUENT EVENTS

On October 31, 2024, Kongsberg Automotive (KA) announced new initiatives to adjust costs, maintain efficiency and enhance competitiveness in response to lower near-term customer demand. They foresee a reduction of the global workforce by approximately 150 positions. The measures will be introduced during Q4 2024 and the first half of 2025, with full effect from Q3 2025 at the latest. The company expects to recognize MEUR 2.0 of related non-recurring costs in Q4 2024.

ALTERNATIVE PERFORMANCE MEASURES (APM)

This section describes the non-GAAP financial measures that are used in this report and in the quarterly presentation.

The following measures are neither defined nor specified in the applicable financial reporting framework of IFRS. They may be considered as non-GAAP financial measures that may include or exclude amounts that are calculated and presented according to IFRS.

- > Operating profit (loss)- EBIT/Adjusted EBIT
 - > EBITDA/Adjusted EBITDA
 - > Adjusting and restructuring per segment
 - > Operating revenues at constant currencies
 - > New Business Wins
- > Free cash flow
 - > NIBD
 - > Capital employed
 - > ROCE (last twelve months)

OPERATING PROFIT (LOSS) - EBIT/ADJUSTED EBIT

EBIT, earnings before interest and tax, is defined as the earnings excluding the effects of how the operations were financed, taxed, and excluding foreign exchange gains & losses. Adjusted EBIT is defined as EBIT excluding unusual or non-recurring items as well as restructuring items. Restructuring items include severance costs related to the overhead cost optimization program and rightsizing of a plant within Driveline business.

EBIT is used as a measure of operational profitability. Consequently, the Group also reports the adjusted EBIT, which is the EBIT excluding restructuring items and impairment losses.

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Operating profit / EBIT	1.1	9.7	17.6	0.8	(19.7)
Impairment losses	0.0	0.1	0.0	10.7	27.0
Other adjusting and restructuring items	0.7	4.5	3.7	7.2	16.4
Adjusted EBIT	1.8	14.3	21.3	18.7	23.7

EBITDA/ADJUSTED EBITDA

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

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

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Operating profit / EBIT	1.1	9.7	17.6	0.8	(19.7)
Depreciation	6.8	7.7	20.7	24.0	31.9
Amortization	0.2	0.2	0.6	0.7	1.0
EBITDA	8.1	17.6	38.9	25.5	13.2
Impairment losses	0.0	0.1	0.0	10.7	27.0
Other adjusting and restructuring items	0.7	4.5	3.7	7.2	16.4
Adjusted EBITDA	8.8	22.2	42.6	43.4	56.6

ALTERNATIVE PERFORMANCE MEASURES (APM)

ADJUSTING AND RESTRUCTURING ITEMS PER SEGMENT

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Drive Control Systems	0.1	0.5	0.5	0.9	1.3
Flow Control Systems	(0.1)	0.0	0.1	0.1	0.6
Corporate & Other	(0.1)	3.9	0.6	5.2	7.2
Other operations (Driveline excl. Electronic Actuators)	0.8	0.1	2.5	1.0	7.3
Adjusting and restructuring items Total	0.7	4.5	3.7	7.2	16.4

OPERATING REVENUES AT CONSTANT CURRENCIES

To measure the actual revenue development and to have it comparable year-over-year, currency translation effects are excluded. For that reason, the actual operating revenues are remeasured at prior year's currency rates (constant currencies).

Q3 2024

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
Operating revenues (incl. currency effects)	80.9	71.4	29.3	181.6
Currency translation effects	(0.7)	(0.5)	(0.6)	(1.8)
Operating revenues (excl. currency effects)	81.6	71.9	29.9	183.4

NEW BUSINESS WINS

New Business Wins are reported when KA is awarded: (1) new contracts, (2) extension of the existing contract, (3) price or volume adjustments to existing programs/business awards. Annualized New Business Wins are calculated as the annual average of total awarded future revenues, disregarding the sales in years of start of production and end of production.

Q3 2024

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
Annualized New Business Wins	10.5	24.7	0.0	35.2
Lifetime New Business Wins	29.9	56.2	0.0	86.1

YTD Q3 2024

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
Annualized New Business Wins	215.0	88.6	4.4	308.1
Lifetime New Business Wins	937.3	271.1	22.5	1,230.9

ALTERNATIVE PERFORMANCE MEASURES (APM)

NEW BUSINESS WINS (CONTINUED)

Q3 2023

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
Annualized New Business Wins	38.6	26.4	1.9	66.9
Lifetime New Business Wins	147.3	52.3	7.4	207.1

NINE MONTHS 2023

(MEUR)	Drive Control Systems	Flow Control Systems	Other operations	GROUP
Annualized New Business Wins	104.2	72.8	37.9	214.8
Lifetime New Business Wins	242.8	195.3	138.6	576.6

FREE CASH FLOW

Free Cash Flow is measured based on sum of cash flow from operating activities, investing activities, financial activities, and currency and translation effects on cash flow (together described as Change in cash), excluding net draw-down/repayment of debt and proceeds received from capital increase/purchase of treasury shares.

The Group considers that this measurement illustrates the amount of additional cash generated by the Group that it has at its disposal to pursue additional investments or to repay debt.

(MEUR)	Q3 2024	Q3 2023	YTD 2024	YTD 2023	FY 2023
Cash flow - Operating activities	11.9	(1.4)	18.7	1.7	21.5
Cash flow - Investing activities	(5.1)	(7.6)	(14.5)	(18.4)	(29.1)
Cash flow - Financing activities	(7.6)	(14.8)	(83.8)	(34.0)	(39.7)
Currency and translation effects on cash flow	(4.7)	4.6	(4.8)	(0.6)	(0.9)
<i>Add back / less:</i>					
Purchase of treasury shares	0.0	0.0	2.4	2.5	3.9
Net proceeds from issuing the new bond notes	0.4	0.0	(107.6)	0.0	0.0
Payments for redemption of the old bond notes	0.0	5.8	190.2	9.4	9.4
Securitization facility drawn / (repaid)	0.0	0.0	(25.0)	0.0	0.0
Other debt drawn / (repaid)	(0.1)	0.0	(0.1)	0.0	0.0
Free Cash Flow	(5.2)	(13.4)	(24.5)	(39.4)	(34.9)

ALTERNATIVE PERFORMANCE MEASURES (APM)

NIBD

Net Interest-Bearing Debt (NIBD) consists of interest-bearing liabilities less cash and cash equivalents.

The Group risk of default and financial strength is measured by the net interest-bearing debt. It shows the Group's financial position and leverage. As cash and cash equivalents can be used to repay debt, NIBD shows the net overall financial position of the Group.

(MEUR)	30.09.24	30.09.23	31.12.23
Long-term interest-bearing liabilities	190.2	241.4	254.7
Other short-term interest-bearing liabilities	9.2	9.4	10.2
Cash and cash equivalents	(80.3)	(161.6)	(164.7)
Net Interest Bearing Debt	119.1	89.2	100.2

CAPITAL EMPLOYED

Capital employed includes the total sum of intangible assets, property, plant and equipment, net working capital (which in turn comprises trade receivables and inventories net of trade payables) and right-of-use assets less lease liabilities.

Capital Employed is measured to assess how much capital is needed for the operations/business to function and evaluate if the capital employed can be utilized more efficiently and/or if operations should be discontinued.

(MEUR)	30.09.24	30.09.23*	31.12.23*
Intangible assets	79.6	80.1	78.3
Property, plant and equipment	114.1	123.9	115.8
Right-of-use assets	46.1	48.8	55.0
Net working capital (Inventories and Trade Receivables less Trade Payables)	150.7	170.0	146.4
IFRS 16 lease liabilities (long-term and short-term)	(66.6)	(61.7)	(75.6)
Capital Employed	323.9	361.1	319.9

* Adjusted to align with the updated capital employed definition starting Q1 2024

ROCE (LAST TWELVE MONTHS)

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

Return on Capital Employed is used to measure the return on the capital employed and is used to assess the company's profitability and efficiency during the period under review. The Group considers this ratio as appropriate to measure the return of the period.

(MEUR)		Q3 2024		Q3 2023*	FY 2023*
Capital employed beginning ¹	01.10.2023	361.1	01.10.2022	429.8	344.4
Capital employed at end ²	30.09.2024	323.9	30.09.2023	361.1	319.9
EBIT (LTM) ³		(2.9)		44.3	(13.3)
ROCE ^{(3 / (1+2)) * 200%}		-0.8%		11.2%	-4.0%

* Adjusted to align with the updated capital employed definition and transition from adjusted EBIT to EBIT starting Q1 2024

OTHER COMPANY INFORMATION

THE BOARD OF DIRECTORS

Peter Thostrup	Chairman
Christina Hallin	Shareholder elected
Erik Volden	Shareholder elected
Junyang (Jenny) Shao	Shareholder elected
Brian Kristoffersen	Shareholder elected
Siw Reidun Wærås	Employee elected
Bjørn Ivan Ødegård	Employee elected
Knut Magne Alfsvåg	Employee elected

EXECUTIVE COMMITTEE

Linda Nyquist-Evenrud	President & CEO
Christian Johansson	Executive Vice President & CFO (effective from 03.06.2024)
Frank Heffter	Executive Vice President & CFO (until 02.06.2024)
Dr. Christian Amsel	Executive Vice President & CTO
David Redfearn	Executive Vice President & CSO
Oscar Jaeger	Executive Vice President & CHRO
Robert Pigg	Executive Vice President, Drive Control Systems
Eduardo Pamies	Executive Vice President, Flow Control Systems
Dzeki Mackinowski	Executive Vice President, Purchasing
Henrik Ruud	Executive Vice President, Information Systems and Technology
Jon Munthe	General Counsel

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FINANCIAL CALENDAR

Next quarterly report and financial statements will be published on the following days:

4th quarter 2024 February 25, 2025

Annual Report 2024 March 27, 2025

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