Kongsberg Automotive ASA
First quarter 2015 | April 17, 2015

Enhancing the driving experience
Group highlights Q1

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

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

**MARKET**
- Europe: Light vehicle production down due to decline in Russia and some recovery in commercial vehicle segment
- North America: Steady growth in light- & commercial vehicle segment
New business wins (LTM)

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

New business wins (LTM per annum value)
EUR Million

1Q14: 190,0
2Q14: 165,0
3Q14: 204,7
4Q14: 282,0
1Q15: 240,147

Total LTM: 293,366

53,219
Hans Peter Havdal, CEO
OPERATIONAL REVIEW
Q1 2015: Business areas overview

**Interior**
- 30% of revenues
- Safety and comfort related products for vehicle interiors

**Driveline**
- 25% of revenues
- Gear shift systems for light duty vehicles

**Driver Control**
- 25% of revenues
- Driver control systems, cabin suspension and vehicle dynamics for commercial vehicles

**Fluid Transfer**
- 20% of revenues
- Fluid handling systems for commercial vehicles and passenger cars

**EBIT-margin**
- **1Q14**
  - Interior: 10.6%
  - Driveline: 0.9%
  - Driver Control: 9.8%
  - Fluid Transfer: 13.2%
- **1Q15**
  - Interior: 8.0%
  - Driveline: 1.4%
  - Driver Control: 6.6%
  - Fluid Transfer: 15.3%
Operational update

- In Q1 KA exited non core and sub critical mass cable business in Italy, to streamline future footprint.
  - Loss on sale approx EUR 1.5 million

- Continued higher R&D spend within Driver Control according to plan. Key focus is on automated transmission systems
Operational update

- Marketing activities and strengthened R&D activities are put in place to address growth opportunities.

- Some of the increased R&D costs has been balanced through improved operational improvements.

- New global program launches for Interior:
  - Two seat heat programs for Ford, produced from Reynosa (Mexico) and Wuxi (China).
  - Estimated annual volume of 45,000 from Reynosa & 210,000 from Wuxi.
Volvo Car SPA platform

- Volvo XC90 - first SPA platform vehicle launched to rave reviews

- Highest KA content ever:
  - Driveline:
    - AT shifter & "Shift-by-Wire" system
  - Interior:
    - Seat comfort systems:
    - Lumbar support, seat heat & seat ventilation, massage

- Expected annualized volume for SPA platform from 2015-2022 is 340 500 cars according to IHS
Leveraging global footprint for commercial success

▸ Supply complete manual gear shift systems to a global OEM platform

▸ For B Segment cars to be sold in Europe, South America & Asia under two different brands

▸ Total value of 83 MEUR over 7 years

▸ Product supply from 6 KA plants in 3 continents
  – Cluses, France
  – Vrable, Slovakia
  – Wuxi, China
  – Gurgaon, India
  – Nuevo Laredo, Mexico
  – Jundiai, Brazil

▸ Production to start in H1 2016 with a peak volume in 2020

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

Revenues
EUR million

Q1 2014: 256
Q2 2014: 254
Q3 2014: 229
Q4 2014: 240
Q1 2015: 270

EBIT and EBIT margin
EUR million and percent

Q1 2014: 18.1
Q2 2014: 17.8
Q3 2014: 13.2
Q4 2014: 5.7
Q1 2015: 16.7

7.1% 7.0% 5.8% 2.4% 6.2%

Enhancing the driving experience
Revenue development

REVENUES were EUR 14.4 (5.6 %) million above first quarter 2014

REVENUE run-rate significantly impacted by currency effects

* Variances excluding FX effects
EBIT development

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

Net Profit
EUR million

- Net profit impacted by unrealized FX effects with no cash effect
Free Cash Flow (LTM)

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

*Free Cash Flow before repayment of loans
Financial ratios

**NIBD**
EUR million
- Q1 2014: 238.6
- Q2 2014: 223.4
- Q3 2014: 227.7
- Q4 2014: 218.2
- Q1 2015: 236.1

**Equity**
EUR million
- Q1 2014: 198.6
- Q2 2014: 206.0
- Q3 2014: 222.5
- Q4 2014: 210.3
- Q1 2015: 232.6

**NIBD/EBITDA**
Times
- Q1 2014: 2.4
- Q2 2014: 2.2
- Q3 2014: 2.3
- Q4 2014: 2.2
- Q1 2015: 2.4

**Equity ratio**
Percent
- Q1 2014: 28.7%
- Q2 2014: 30.1%
- Q3 2014: 31.2%
- Q4 2014: 30.5%
- Q1 2015: 30.7%
Financial KPIs

Revenues (Ltm) EUR million

ROCE (Ltm) Percent

EBIT and EBIT margin (Ltm) EUR million and percent

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

Enhancing the driving experience
Light vehicle production – LMC Automotive Q1 2015

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

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

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

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

Source: LMC Automotive – April 2015
Commercial vehicle production – LMC Automotive Q1-15

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

- Europe: EU showing some signs of recovery on Heavy Duty segment. Medium Duty is still down while Russia continues to decline (-9%).
- North America: Continued growth, low fuel cost and positive macro enable investments in new trucks.
- China: Large freight reductions due to overcapacity in manufacturing and heavy industry pull down production.

Source: LMC Automotive – April 2015
## Market summary and outlook
### Global industry growth

<table>
<thead>
<tr>
<th>Country/region</th>
<th>2015</th>
<th>Outlook</th>
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</thead>
<tbody>
<tr>
<td>Eurozone</td>
<td>![Image]</td>
<td>- Growth in some Western European countries. Russia pulls down.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- 2015 is expected to become quite close to 2014</td>
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<tr>
<td></td>
<td></td>
<td>- Modest growth, with some positive signs</td>
</tr>
<tr>
<td>United States</td>
<td>![Image]</td>
<td>- Growth leveling of to around 3% for 2015. Overcapacity in production causing stock build</td>
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<tr>
<td></td>
<td></td>
<td>- North American market expected to continue good development from 2014, at least the first half of 2015</td>
</tr>
<tr>
<td>China</td>
<td>![Image]</td>
<td>- China still growing, but at lower rates than expected</td>
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<tr>
<td></td>
<td></td>
<td>- Overapacity in manufacturing and heavy industry causes large freight reductions. Government focus on domestic consumer spending</td>
</tr>
</tbody>
</table>

Source: LMC Automotive – April 2015
Hans Peter Havdal
SUMMARY & OUTLOOK
Summary and outlook

▸ Outlook for main addressable markets:
  – North America & China remain positive while European outlook is still flat for light vehicles
  – North America is strongest growing region in commercial vehicles

▸ KA expects Q2 2015 revenues of approx. EUR 265 million

▸ Higher R&D effort will continue through 2016 as previously communicated
ANNUAL GENERAL MEETING ON MAY 7, 2015
PLACE: FELIX KONFERANSESENCENTER
Thank you for your attention!

QUESTIONS & ANSWERS
“Enhancing the driving experience”

Passionate  Accountable  Prepared
### Share price and shareholders

Data: 31.03.2015

<table>
<thead>
<tr>
<th>Current Position</th>
<th>% Share Outstanding</th>
<th>Investor Name</th>
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#### Graph

![Graph showing KOA and OSEBX stock prices from 02.01.15 to 27.03.15]
Financial calendar and Investor Relations contacts

Financial calendar 2015

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Interim Reports</th>
<th>Presentation</th>
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<tbody>
<tr>
<td>Q1 2015</td>
<td>16th of April</td>
<td>17th of April</td>
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<tr>
<td>Q2 2015</td>
<td>9th of July</td>
<td>10th of July</td>
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<tr>
<td>Q3 2015</td>
<td>14th of October</td>
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