Highlights for Q3 2017

Revenues

• Revenues of MEUR 240.7 in Q3 2017, up MEUR 22.4 (10.3%) from Q3 2016, including negative currency translation effects of MEUR 5.2

• Annualized business wins in the first quarter amounted to MEUR 62, bringing the total annualized business wins for the last twelve months to MEUR 286

Performance

• Adjusted EBIT was MEUR 7.7 in Q3, MEUR 7.1 above the third quarter last year

• To prepare for planned growth, two cost efficient new plants in Poland and Mexico are ramping up for operation by 2018

• In Q3, we announced the closure of its manufacturing facility in Easley, USA, and that closing the Burton plan is under consideration. We are also considering to divest the ePower business. Negotiations are on-going with a potential buyer.

Gearing

• The adjusted gearing ratio at the end of Q3 2017 was 2.5 X NIBD/EBITDA
Market Summary
Market summary

Global Passenger Car Production

- The global light vehicle production grew by 2.6% in the first nine months compared to the same period of 2016. This shows a further stable growth in Q3-17.
- The growth was driven by all markets except for the North American market, which is flat on a high level.
- Brazil is experiencing the long awaited recovery.

Global Truck Production

- The global commercial vehicle market experienced a strong growth of 22.0% until end of September compared to previous year.
- The Chinese market was the main driver with a growth of 57.5% as truck purchases were brought forward due to regulatory changes. As this is not sustainable growth it is expected that production in 2018 will decrease again.
- The European and North American markets are showing stable growth.
New business wins in Q3 2017

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

New business wins LTM (per annum value)
EUR Million
Operational Summary
### Key Figures

#### KA Group

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q3 2017</th>
<th>Q3 2016</th>
<th>YTD 2017</th>
<th>YTD 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>240.7</td>
<td>218.3</td>
<td>779.5</td>
<td>703.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>11.5</td>
<td>7.0</td>
<td>52.7</td>
<td>48.2</td>
</tr>
<tr>
<td>EBITDA %</td>
<td>4.8 %</td>
<td>3.2 %</td>
<td>6.8 %</td>
<td>6.9 %</td>
</tr>
<tr>
<td>Adjusted EBIT*</td>
<td>7.7</td>
<td>0.6</td>
<td>35.1</td>
<td>21.3</td>
</tr>
<tr>
<td>Adjusted EBIT (%)*</td>
<td>3.2 %</td>
<td>0.3 %</td>
<td>4.5 %</td>
<td>3.0 %</td>
</tr>
<tr>
<td>EBIT</td>
<td>(0.2)</td>
<td>(3.6)</td>
<td>19.4</td>
<td>17.1</td>
</tr>
<tr>
<td>EBIT (%)</td>
<td>-0.1 %</td>
<td>-1.7 %</td>
<td>2.5 %</td>
<td>2.4 %</td>
</tr>
<tr>
<td>Net profit continuing operations</td>
<td>0.3</td>
<td>(8.4)</td>
<td>2.3</td>
<td>9.4</td>
</tr>
<tr>
<td>Net profit discontinued operations**</td>
<td>0.0</td>
<td>(1.5)</td>
<td>1.1</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Total net profit</td>
<td>0.3</td>
<td>(9.9)</td>
<td>3.4</td>
<td>8.8</td>
</tr>
<tr>
<td>Adj. NBD/EBITDA (LTM) cont. op.</td>
<td>2.5</td>
<td>2.9</td>
<td>2.5</td>
<td>2.9</td>
</tr>
<tr>
<td>Equity ratio (%)</td>
<td>28.5 %</td>
<td>31.0 %</td>
<td>28.5 %</td>
<td>31.0 %</td>
</tr>
</tbody>
</table>

- We deliver in Q3 an adjusted EBIT of MEUR 7.7, MEUR 7.1 more than in Q3 2016, and Q3 YTD MEUR 13.8 higher EBIT compared to 2016
Operational update

Interior Systems

- Revenues of MEUR 58.3 in Q3, up MEUR 3.0 compared to Q3 2016
  - The increase was mainly related to growth in both the European and Chinese comfort business, partly offset by a decrease in both the North American Light Duty Cable and Comfort businesses
  - Negative currency effects of MEUR 0.7

- Adjusted EBIT was MEUR 0.5 in Q3, down MEUR 0.9 compared to Q3 2016
  - The decline in EBIT was related to industrialization costs of new production lines, negative change in raw material prices, negative transactional FX effects and supplier issue costs. This was partially offset by higher sales volume and operational improvements

- In Q3 Interior booked new business worth a total of MEUR 15.5 in annual value
  - Light Duty Cable contract awarded from a major U.S. car manufacturer of est. annual value of approx. MEUR 5.1
  - SOP in early 2020; to be manufactured in Mexico
Operational update

Powertrain & Chassis

- Revenues of 95.7 MEUR in Q3, up by 13.9 MEUR from Q3 2016
  - The revenue increase came from the European, American and Chinese business.
  - Negative currency effects of EUR 2.2 million

- Adjusted EBIT was 1.1 MEUR in Q3, up 1.2 MEUR compared to Q3 2016
  - Higher sales volumes and cost improvements, partially offset by plant and product start-up costs and increased raw material prices

- In Q3 Powertrain & Chassis booked new business worth a total of MEUR 12.9 in annual value
  - Supply of Gear Shift Systems to a major global OEM, with est. annual value of approx. MEUR 5.4
  - SOP in late 2019 from KA’s manufacturing facility in Nuevo Laredo, Mexico

- Rationalising the footprint and reduction of fixed costs
  - The closure of the Heiligenhaus facility is progressing according to plan
  - The closure of the Rollag facility and transfer of production to Poland is slightly behind plan due to increased volume demands
Operational update

Revenues of MEUR 86.7 mill. in Q3, up MEUR 5.6 from Q3 2016
- The increases in sales was mainly driven by growth in couplings sales and fluid handling business in the commercial vehicle business and industrial business in Europe and China.
- A slight decline in fluid handling systems for the North American automotive business, as well as some decrease of the off-highway sales due to divestments related to the Basildon closure.
- Negative currency effect of MEUR 2.3

Adjusted EBIT increased by MEUR 6.0, to MEUR 9.0 in Q3 2017 compared to Q3 2016
- Higher sales volume partially offset by increased material costs and freight costs
- The third quarter 2016 was impacted by one-offs totaling MEUR 4.5

In Q3 Specialty Products booked new business worth MEUR 33.5 in annual value
- Supply of PTFE Hose to an North American non-automotive customer with est. annual value of MEUR 3.6
- The production will take place in the KA Suffield Facility, CT (U.S.) with SOP from start of 2018

Closure of the manufacturing plant in Easley, South Carolina was announced in the third quarter
- The operations will be discontinued during the first quarter of 2018.
- A majority of the production and equipment will be moved to a new facility in Mexico
Revenue and Adjusted EBIT, continuing business

Revenues*
MEUR

Adjusted EBIT and Adjusted EBIT margin*
MEUR and percent

* Revenues from continued business and EBIT adjusted for restructuring. See details in the quarterly report.
**Revenue development**

Revenues continuing business
MEUR

<table>
<thead>
<tr>
<th>Q3 2016</th>
<th>Interior*</th>
<th>PAC*</th>
<th>SPR*</th>
<th>Others*</th>
<th>FX</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>218.3</td>
<td>3.7</td>
<td>16.1</td>
<td>7.9</td>
<td>0.0</td>
<td>-5.2</td>
<td>240.7</td>
</tr>
</tbody>
</table>

Revenue:
- MEUR 22.4 (10.3%) above the third quarter 2016
- Growth in all segments
- Growth across all regions especially in China and Europe
- New programs
- New launches

* Variances excluding FX effects
Adjusted EBIT development

Adjusted EBIT continued business
MEUR

<table>
<thead>
<tr>
<th>Q3 2016</th>
<th>Interior*</th>
<th>PAC*</th>
<th>SPR*</th>
<th>Others/FX</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.6</td>
<td>-0.9</td>
<td>1.1</td>
<td>6.0</td>
<td>1.0</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Adjusted EBIT:
- **MEUR 7.1** above the third quarter 2016
- **Interior**
  Due to industrialization costs of new production lines, increased cost of raw material not recharged to customers and costs for suppliers issues
- **PAC**
  Driven by higher sales volumes partially offset by the increase of raw material prices and start-up costs
- **SPR**
  Driven by higher sales volumes in part offset by costs increase in material and freight
  Q3 2016 was impacted by one-offs amounting to MEUR 4.5

* Variances excluding FX translation effects and restructuring costs
Net Profit development

Net profit:
- Higher adjusted EBIT driven by stronger sales volume
- Influenced by lower taxes
- Impacted by higher restructuring cost

*Including change in valuation of currency contracts
Third quarter Free Cash Flow before debt repayments:

- Cash flow from operations (MEUR -3.8): due to lower profit before tax including the impact of restructuring costs (ca. MEUR 4.5 cash out during the quarter)
- Changes in net working capital mainly on inventory
- Investments of MEUR 13.1
- Interest expenses
Cash flow and facility development

Available funds
MEUR

<table>
<thead>
<tr>
<th>Q2 2017</th>
<th>EBITDA</th>
<th>Change in total NWC, and taxes paid</th>
<th>Investments</th>
<th>Net financial expenses*</th>
<th>Change in drawn amount incl. overdraft</th>
<th>Change in unutilized facility (incl. FX)</th>
<th>Other</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>138.3</td>
<td>11.5</td>
<td>(15.3)</td>
<td>(13.1)</td>
<td>21.1</td>
<td>(23.9)</td>
<td>(0.1)</td>
<td></td>
<td>116.2</td>
</tr>
<tr>
<td>106.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>82.7</td>
</tr>
</tbody>
</table>

* Excluding unrealized foreign currency gains/losses

Cash (unrestricted)  Unutilized facility
Financial ratios

Adjusted NIBD/EBITDA* (Ltm) Times
- Q3 2016: 2.9
- Q4 2016: 2.9
- Q1 2017: 2.9
- Q2 2017: 2.5
- Q3 2017: 2.5

Adjusted ROCE (Ltm)* Percent
- Q3 2016: 7.2%
- Q4 2016: 6.1%
- Q1 2017: 6.5%
- Q2 2017: 7.7%
- Q3 2017: 9.2%

Equity ratio Percent
- Q3 2016: 31.0%
- Q4 2016: 30.2%
- Q1 2017: 29.1%
- Q2 2017: 29.4%
- Q3 2017: 28.5%

Avg. Capital Employed and turnover (Ltm)* MEUR and Times
- Q3 2016: 457
- Q4 2016: 456
- Q1 2017: 449
- Q2 2017: 444
- Q3 2017: 451

*Continued business and excludes restructuring costs, see details in the quarterly report.
Segment financials 3rd quarter, continued business

Revenues and Adjusted EBIT
MEUR and percent

**Interior**
- Revenues
  - Q3 2016: 55
  - Q4 2016: 60
  - Q1 2017: 66
  - Q2 2017: 63
  - Q3 2017: 58

- Adjusted EBIT
  - Q3 2016: 1.4%
  - Q4 2016: 0.9%
  - Q1 2017: 4.8%
  - Q2 2017: 1.8%
  - Q3 2017: 0.5%

**Powertrain & Chassis**
- Revenues
  - Q3 2016: 82
  - Q4 2016: 94
  - Q1 2017: 102
  - Q2 2017: 105
  - Q3 2017: 96

- Adjusted EBIT
  - Q3 2016: -0.1%
  - Q4 2016: 0.4%
  - Q1 2017: -1.3%
  - Q2 2017: 0.1%
  - Q3 2017: 1.1%

**Specialty Products**
- Revenues
  - Q3 2016: 81
  - Q4 2016: 87
  - Q1 2017: 103
  - Q2 2017: 100
  - Q3 2017: 87

- Adjusted EBIT
  - Q3 2016: 3.7%
  - Q4 2016: 11.1%
  - Q1 2017: 14.4%
  - Q2 2017: 14.6%
  - Q3 2017: 10.4%
Financial items

Net financial items
MEUR

Q3 2016  Q4 2016  Q1 2017  Q2 2017  Q3 2017

Q3 net financial items:
► Unrealized currency gain of MEUR 3.9
► Increased interest expenses versus 2016 due to new waiver agreement
Summary & Outlook
Summary

- The KA restructuring program is progressing as planned
  - The closure of the Heiligenhaus production facilities (Germany) is in progress
  - The closure of the Basildon plant (UK) was completed in Q2
  - The transfer of business and closure of the Rollag plant (Norway) is in progress
  - In Q3 KA announced the closure of the Easley production facilities (USA), and that the Burton facility (UK) is under consideration for a possible closure

- Portfolio adjustments:
  - KA completed the sales of its North American Headrest/Armrest business
  - In Q3 KA announced that the ePower business may be divested, and negotiations are on-going with a potential buyer

- To ramp up for the growth in demand, KA is ramping up two cost efficient plants in Poland and Mexico by 2018.

- Underlying market in the remainder of 2017 is expected to be stable
  - Commercial vehicle segment expected to be flat
  - Modest YoY growth (2.0%) in the Passenger vehicle segment expected

- Revenues in Q4 2017 are expected to be MEUR 260