Highlights for Q2 2016

Operational & financial

- Henning Jensen started as CEO at the end of Q2, Bruce Taylor replaced him as Chairman of the Board
- Revenues of EUR 252.1 million in Q2, EUR 2.9 million below Q2 2015 before negative currency effects of EUR 11.0 million
- EBIT was EUR 10.5 mill. (4.2%), vs. adjusted EBIT of EUR 14.7 mill. (5.5%) in Q2 2015
- Gearing ratio at 2.2x NIBD/EBITDA
- Annualized business wins in Q2 of EUR 60 million bringing the last twelve month run rate to EUR 290 million
- KA is undergoing a thorough review of structural costs with the goal of sustainably improving operating margin & EPS performance

Update & Outlook

- Divestment of LDC & head/arm rest businesses proceeding along expected timelines
- Revenues for Q3 2016 expected to be slightly lower than Q3 last year
New business wins in Q2 2016

- Annualized new business wins of EUR 60 million booked in Q2 2016
- Continued good momentum in order intake
## Segment financials Q2 2016

### Revenues and EBIT margin
EUR million and percent

<table>
<thead>
<tr>
<th>Interior</th>
<th>Driveline</th>
<th>Driver Control</th>
<th>Fluid</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2015*</td>
<td>Q3 2015</td>
<td>Q4 2015</td>
<td>Q1 2016</td>
</tr>
<tr>
<td>82</td>
<td>80</td>
<td>86</td>
<td>88</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2015</td>
<td>Q3 2015</td>
<td>Q4 2015</td>
<td>Q1 2016</td>
</tr>
<tr>
<td>6.9%</td>
<td>8.7%</td>
<td>10.1%</td>
<td>8.8%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 2015</td>
<td>Q3 2015</td>
<td>Q4 2015</td>
<td>Q1 2016</td>
</tr>
<tr>
<td>5.7</td>
<td>6.9</td>
<td>8.6</td>
<td>7.7</td>
</tr>
</tbody>
</table>

* Excludes EUR 19.5 million in Goodwill write-off
Operational update

Interior

- Revenues down EUR 4.3 mill. to EUR 77.3 mill. in Q2
  - Negative currency effects of EUR 3.2 mill.
  - Strong European premium car segment more than offset by weak Outdoor Power Equipment (OPE) market in North America

- Q2 EBIT was EUR 5.0 mill., down EUR 0.7 mill., adjusted for write-off last year
  - Negative currency effect of EUR 0.3 mill.
  - Lower sales volume & additional engineering spend offset by operational improvements

- Two major program launches in Q216
  - Seat heat for FCA with yearly volume of 133K units
  - Seat support for VCC with yearly volume of 240k units
  - Both from Pruszkow, Poland facility
Operational update

Driveline

- Revenues down EUR 5.6 mill. to EUR 62.3 mill. in Q2
  - Negative currency effects of EUR 0.9 mill.
  - Drop in volume due to end of productions
  - Non-KA related recall last year, where KA supplied significant portion of replaced products

- EBIT declined EUR 0.9 mill to EUR -0.2 mill.
  - Negligible currency effects
  - Lower volumes partially offset by operational improvements

- 2 contracts for premium car maker
  - Supply of SBW shifter with est. annual value of EUR 3 mill. & EUR 4 mill.
  - Both programs have SOP in 2019 with life time of 8 years
Operational update

Fluid Transfer

- Revenues down EUR 2.6 mill. to EUR 54.6 mill. in Q2
  - Negative currency effects of EUR 2.8 million
  - Strength in Europe for air coupling systems to the CV market partially offset by weak CV and industrial market in North America

- EBIT rose by EUR 0.3 mill to EUR 8.6 mill.
  - Negative currency effects of EUR 0.2 mill., offset by favorable product mix and reduction of material costs

- Solid order intake within this business segment with solid future opportunities
  - 4 significant contracts in pipe/hose assemblies for powertrain; combined est. annual sales of EUR 8 mill.
  - SOP in 2017 and 2019
Operational update

Driver Control

- Revenues down EUR 2.1 million to EUR 66.8 mill. in Q2
  - Negative FX effects of EUR 4.3 mill.
  - Strong Commercial Vehicle business in Europe & recreational vehicle business in North America partly offset by weaker CV production in North America, South America & Asia

- EBIT declined EUR 1.2 mill to 4.3 mill.
  - Negative FX effects of EUR 0.3 mill.
  - Unfavorable product mix and start-up costs with new low-cost factory in Poland
Need to significantly improve our performance
- Started review of all aspects of our business
  - Clear and executable path to sustainably higher operating margin and EPS levels
    - Will include restructuring activities

Our goal is to deliver long term earnings growth
- Building on existing customer, product portfolio & engineering skills
- Balancing short term financial performance with restructuring initiatives, continued investments in R&D, and pursuit of new business opportunities

These measures will improve our performance and reduce sensitivity to industry cyclicality

More to come at the next Capital Markets Day in November
Revenue and EBIT

Revenues
EUR million

Q2 2015: 266
Q3 2015: 235
Q4 2015: 250
Q1 2016: 259
Q2 2016: 252

EBIT and EBIT margin
EUR million and percent

Q2 2015*: 14.7
Q3 2015: 11.5
Q4 2015: 13.1
Q1 2016: 14.1
Q2 2016: 10.5

* Excludes EUR 19.5 million in Goodwill write-off
Revenue development

Revenues:
- EUR 13.9 (-5.2%) million below second quarter 2015
- Currency effects EUR 11 mill
- Non KA related recall sales last year
- End of productions
- Slightly better EU truck market
- Negative OPE market

* Variances excluding FX effects
EBIT development (adjusted EBIT)*

EBIT
EUR million

Higher R&D costs
Lower volumes
Operational improvements
Product mix effects

* Variances excluding FX effects and write-off effect from last year
Net Profit development

Net Profit:
- Second quarter last year impacted by write-off related to the Headrest and Armrest business.
Free Cash Flow

Second quarter Free Cash Flow before debt repayments

- Trend is improving
- Q1 understated due to accounting error, Q2 overstated as its corrected, YTD cash flow not influenced
Cash flow and facility development

Available funds
EUR million

<table>
<thead>
<tr>
<th>Q1 2016</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</th>
<th>Other Q2 2016</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>27.0</td>
<td>47.5</td>
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<tr>
<td>113.6</td>
<td>21.2</td>
<td></td>
<td>7.9</td>
<td>(11.6)</td>
<td>(1.4)</td>
<td>(9.8)</td>
<td>9.8</td>
<td>130.5</td>
</tr>
<tr>
<td>93.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.9</td>
<td>103.5</td>
</tr>
</tbody>
</table>

- Cash (unrestricted)
- Unutilized facility
Financial ratios

**NIBD/EBITDA**

- Times
  - Q2 2015: 2.4
  - Q3 2015: 2.4
  - Q4 2015: 2.1
  - Q1 2016: 2.2
  - Q2 2016: 2.2

**ROCE (Ltm)**

- Percent
  - Q2 2015: 10.4%
  - Q3 2015: 9.9%
  - Q4 2015: 11.8%
  - Q1 2016: 11.0%
  - Q2 2016: 10.6%

**Equity ratio**

- Percent
  - Q2 2015: 30.7%
  - Q3 2015: 31.4%
  - Q4 2015: 31.3%
  - Q1 2016: 32.4%
  - Q2 2016: 32.7%

**Avg. Capital Employed and turnover (Ltm)**

- EUR million and Times
  - Q2 2015: 463
  - Q3 2015: 469
  - Q4 2015: 466
  - Q1 2016: 476
  - Q2 2016: 463

- Times
  - Q2 2015: 2.17
  - Q3 2015: 2.15
  - Q4 2015: 2.19
  - Q1 2016: 2.12
  - Q2 2016: 2.15
Market Summary & Outlook
Market summary & outlook

▸ Light Vehicle production up 1.8% in 1H 2016
  - Higher growth in China (+5.2%), North America (+4.3%), Europe (+2.7%)
  - Forecasted 3.2% growth for FY2016 to 91.5 million vehicles

▸ Commercial Vehicle production up 7.2% in 1H 2016
  - Driven by growth in Asia (China +18.5) & Europe (+6.3%); North America -11%
  - Production for FY 2016 expected to grow by 1.5%

Data source: LMC Automotive, July 4 2016
Summary

▸ Corrective measures & initiatives to sustainably improve operating margin & EPS performance

▸ US automotive market growth rates expected to slow. Macro uncertainties regarding BREXIT impact and market demand

▸ No signs of major changes in overall trend lines for the industry

▸ Next 2 quarters expected to be flat with combined 2H 2016 revenues of EUR 480 mill.
Thank you for your attention!

Questions & answers
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Consolidated income statement

- **REVENUE** run rate impacted by negative currency effects
- **Adjusted EBIT** run rate impacted lower sales volumes and increased R&D activity to support future growth opportunities
- **Net profit** run rate impacted by the write-off in the second quarter last year

<table>
<thead>
<tr>
<th>EUR Million</th>
<th>Twelve months ending</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.06.15</td>
</tr>
<tr>
<td>Revenues</td>
<td>1004.9</td>
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<tr>
<td>OPEX</td>
<td>-909.3</td>
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<tr>
<td>EBITDA</td>
<td>95.6</td>
</tr>
<tr>
<td>EBITDA (%)</td>
<td>9.5%</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>-64.8</td>
</tr>
<tr>
<td>EBIT</td>
<td>30.8</td>
</tr>
<tr>
<td>EBIT (%)</td>
<td>3.1%</td>
</tr>
<tr>
<td>Financial items</td>
<td>-34.7</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>-3.9</td>
</tr>
<tr>
<td>Tax</td>
<td>-10.7</td>
</tr>
<tr>
<td>Net profit</td>
<td>-14.7</td>
</tr>
</tbody>
</table>
Financial items

Net financial items
EUR million

Q2 2015 Q3 2015 Q4 2015 Q1 2016 Q2 2016

Positive change in valuation of currency contracts
  - Partially offset by higher unrealized currency losses