Highlights for Q1 2017 (continuing business)

Revenues

- Revenues of MEUR 270.7 in Q1 2017, up MEUR 26.9 (11.0%) from Q1 2016, including positive translation currency effects of MEUR 5.4
- Annualized business wins in the first quarter amounted to MEUR 35, maintaining the run-rate of last twelve months at MEUR 282

Performance

- Adjusted EBIT was MEUR 13.5 in Q1, an increase of MEUR 1.7 (14.8%) from Q1 2016
- The sale of the North American Headrest and Armrest business was completed in the first quarter. The business is reported as discontinued operations
- In March, KA announced the intention to close the Heiligenhaus facility in Germany.
  - The restructuring costs for the period amounted to MEUR 6.6; most of which relates to the accruals in conjunction with the proposed Heiligenhaus closure

Gearing

- The adjusted gearing ratio at the end of Q1 2017 was 2.86 X NIBD/EBITDA
Market Summary
New business wins in Q1 2017
- Trend in line with previous years

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

New business wins LTM (per annum value)
EUR Million

Enhancing the driving experience
Market summary

- Light Vehicle production up YoY 2.4% in Q1 2017
  - Flat production in China (-0.8%), in Europe (+5.3%) and in North America (+2.3%)
  - Expected growth for FY2017 is 2.0% YoY (approx. 94.9 million vehicles)

- Commercial Vehicle (CV) production YoY up 10.2% in Q1 2017
  - Significant growth in China (+35.7%), still decline in North America (-17.5%) and South America (-7.5%). High growth in Europe (+8.0%)
  - CV production is expected to be flat in 2017, approx. 2.8 million vehicles

Source: LMC Automotive – March 2017
Operational Summary
Initiatives taken in Q1 2017

KA’s cost restructuring plan - which includes reducing the manufacturing footprint from 31 to 25 facilities – is progressing as planned

- **Cost Competitiveness:**
  - In Q1 KA announced the intention to close the Heiligenhaus plant
  - In December 2016, KA initiated measures relating to closing its Basildon, UK facility

- **Portfolio:** KA completed the sales of its North American Headrest/Armrest business
  - KA sold the HR/AR business to Futuris Group (Futuris), and all contracts, employees, and other assets were transferred to Futuris at the closing the deal in mid March.
  - The sale enables KA to focus its Interior segment on the seat climate and support systems and Light Duty Cable products

- **Organization:**
  - The new Business segments organization is in place
  - The new Swiss based, operational headquarter in Zürich is operational
  - Mr. Norbert Loers, assumed his position as KA’s CFO in January 2017
Operational update (continuing business)

Kongsberg Automotive

Revenues

- Strong quarterly revenues with 11% growth YoY
- Growth rate at constant FX rates was 9%

Adjusted EBIT

- YoY sales / adj. EBIT increase amounted to MEUR 26.9 / 1.7
- On a constant currency basis this represents an improvement of MEUR 17.1 in revenues and MEUR 1.3 adj. EBIT

- The main drivers behind the adj. EBIT improvement were (MEUR);
  - Translational FX +0.4
  - Volume / Seasonality / Mix +1.7
  - Raw Materials (commodities) headwind (1.1)
  - Performance +0.7
Operational update

Interior Systems

- Revenues of MEUR 66.1 in Q1, up MEUR 4.2 compared to Q1 2016
  - Positive currency effects of MEUR 1.0
  - The increase was mainly related to growth in both the European and Chinese comfort business, partly offset by a decrease in the North American Light Duty Cable business

- Adjusted EBIT was MEUR 4.8 in Q1, down MEUR 0.4 compared to Q1 2016
  - The decline in EBIT was related to one–off costs and increased engineering costs (MEUR 0.4), partially offset by higher sales volume and operational improvements
  - Increased engineering costs due to upcoming launches

- In Q1 Interior booked new business worth a total of MEUR 3.9 in annual value
  - Very high quoting activities going on in early and advances stages

- Divestiture of the North American Head and Armrest business completed in Q1 2017
  - This includes a transfer of 170 employees in the Milan / USA facility
Operational update

Powertrain & Chassis

- Revenues of MEUR 102.3 in Q1, up by EUR 17.8 mill. from Q1 2016
  - Positive currency effects of EUR 2.3 million
  - The revenue increase came from both the European and Chinese businesses, and non-product revenues
  - A higher level of new programs drove the increase in revenues

- Adjusted EBIT was MEUR -1.3 in Q1, up EUR 0.9 mill compared to 1Q16
  - Higher sales volumes and cost improvements, partially offset by plant and product start-up costs and increased engineering efforts (MEUR 1.4)

- In Q1 Powertrain & Chassis booked new business worth a total of MEUR 20.9 in annual value
  - Supply of actuators to a major Chinese OEM, with est. annual value of MEUR 7.9
    - SOP in 2019 from KA's manufacturing facility in Wuxi, China

- The transfers of production and closures of the Rollag and Basildon facilities are progressing according to plan.
- The intention to close of the Heiligenhaus facility was announced.
Operational update

Revenues of MEUR 103.0 mill. in Q4, up MEUR 5.6 from Q1 2016
- Positive currency effect of MEUR 2.0
- The increases in sales was driven by growth in Europe for fluid handling systems, and couplings sales in the commercial vehicle business.
- Off-highway sales declined, mainly related to the North American recreational vehicle business.

Adjusted EBIT increased by MEUR 2.0, to MEUR 14.8 in Q1 2017
- Higher sales volume and a favorable product mix
- Significant headwinds from increased raw material commodity prices

In Q1 Specialty Products booked new business worth MEUR 10.6 in annual value
- Supply of PTFE to a major tier 1 with est. annual value of MEUR 1.4
- Supply from KA's Suffield facility (U.S), with SOP from the second half of 2018
Norbert Loers

Financial Update
Revenue and Adjusted EBIT (continuing business)

Revenues*
MEUR

<table>
<thead>
<tr>
<th>Quarter</th>
<th>MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>244</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>241</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>218</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>241</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>271</td>
</tr>
</tbody>
</table>

Adjusted EBIT and Adjusted EBIT margin*
MEUR and percent

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted EBIT</th>
<th>Adjusted EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>11.7</td>
<td>4.8%</td>
</tr>
<tr>
<td>Q2 2016</td>
<td>9.0</td>
<td>3.7%</td>
</tr>
<tr>
<td>Q3 2016</td>
<td>0.6</td>
<td>0.3%</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>6.4</td>
<td>2.6%</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>13.5</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

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

Revenues continued business
MEUR

Revenue:
- MEUR 26.9 (11.0%) above the first quarter 2016
- Higher product sales and non-product sales
- Growth in Europe and China
- New programs

* Variances excluding FX effects
Adjusted EBIT development (continuing business)

Adjusted EBIT continued business
MEUR

Adjusted EBIT: MEUR 1.7, MEUR 4.5 (14.8%) above first quarter last year

* Variances excluding FX translation effects and restructuring costs
Net Profit development (total Group)

Net profit:
- Influenced by restructuring costs, and;
- unrealized and realized FX effects
- Interest expenses impacted by new bank waiver

*related to non-cash unrealized FX gains in Q1 2016
Free Cash Flow (continuing business)

First quarter Free Cash Flow before debt repayments:

- Positive change in net working capital
- Operating profit, excluding restructuring costs
- Decrease in taxes paid
- Investments
- Sale of HR/AR adds 2,2 from the sale of HR/AR business
Cash flow and facility development

Available funds
MEUR

<table>
<thead>
<tr>
<th>Q4 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</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>106.6</td>
<td>19.1</td>
<td>(10.9)</td>
<td>(7.9)</td>
<td>(2.3)</td>
<td>1.7</td>
<td>(1.7)</td>
<td>(2.9)</td>
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<tr>
<td>34.2</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31.7</td>
</tr>
</tbody>
</table>

Cash (unrestricted)  Unutilized facility
**Financial ratios**

*Continued business and excludes restructuring costs, see details in the quarterly report.*

### Adjusted NIBD/EBITDA* (Ltm) Times

- Q1 2016: 2.37
- Q2 2016: 2.42
- Q3 2016: 2.86
- Q4 2016: 2.92
- Q1 2017: 2.86

### Adjusted ROCE (Ltm)* Percent

- Q1 2016: 10.3%
- Q2 2016: 9.3%
- Q3 2016: 7.2%
- Q4 2016: 6.1%
- Q1 2017: 6.5%

### Equity ratio Percent

- Q1 2016: 32.3%
- Q2 2016: 32.7%
- Q3 2016: 31.0%
- Q4 2016: 30.2%
- Q1 2017: 29.1%

### Avg. Capital Employed and turnover (Ltm)* MEUR and Times

- Q1 2016: 463
- Q2 2016: 460
- Q3 2016: 457
- Q4 2016: 456
- Q1 2017: 449

*Continued business and excludes restructuring costs, see details in the quarterly report.*
Segment financials 1st quarter (continuing business)

Revenues and Adjusted EBIT
MEUR and percent

**Interior**
- **Revenues**
  - Q1 2016: 62 MEUR, Q2 2016: 59 MEUR, Q3 2016: 55 MEUR, Q4 2016: 60 MEUR, Q1 2017: 66 MEUR
- **Adjusted EBIT**
  - Q1 2016: 8.4% EBIT, Q2 2016: 6.9% EBIT, Q3 2016: 2.5% EBIT, Q4 2016: 1.5% EBIT, Q1 2017: 7.3% EBIT

**Powertrain & Chassis**
- **Revenues**
  - Q1 2016: 85 MEUR, Q2 2016: 90 MEUR, Q3 2016: 82 MEUR, Q4 2016: 94 MEUR, Q1 2017: 102 MEUR
- **Adjusted EBIT**
  - Q1 2016: -2.2%, Q2 2016: -1.5%, Q3 2016: -0.1%, Q4 2016: 0.4%, Q1 2017: -1.3%

**Specialty Products**
- **Revenues**
  - Q1 2016: 97 MEUR, Q2 2016: 92 MEUR, Q3 2016: 81 MEUR, Q4 2016: 87 MEUR, Q1 2017: 103 MEUR
- **Adjusted EBIT**
  - Q1 2016: 13.2%, Q2 2016: 11.4%, Q3 2016: 3.7%, Q4 2016: 11.1%, Q1 2017: 14.4%
Financial items

Net financial items:

- Change in currency effects related to non-cash unrealized FX gains in Q1 2016
- Increased interest expenses due to waiver agreement conditions
Summary & Outlook
Summary

▸ We expect the underlying markets to be fairly stable throughout 2017
  – Commercial vehicle segment is expected to be flat
  – Modest growth (2.0%) expected in the Passenger vehicle segment

▸ We expect Q2 2017 Revenues to be around MEUR 260, up MEUR 20 compared to Q2 2016

▸ Raw material commodity pricing continues to be challenging
  – There is some level of ramping taking place
  – Some of our sales contracts call for price adjustments based on material price movements on a retroactive basis

▸ We confirm our CMD plan:
  – 3 footprint closure actions underway