Highlights for Q4 2016

Revenues
- Revenues of MEUR 249.8 in Q4 2016, up MEUR 1.5 from Q4 2015, including negative translation currency effects of MEUR 1.8
- Annualized business wins in the fourth quarter amounted to MEUR 118 bringing the total business wins for 2016 to MEUR 282.

Performance
- Adjusted EBIT was MEUR 7.4 in Q4, down MEUR 4.5 (-37.7%) from Q4 2015
- Q4 EBIT was impacted by restructuring costs for MEUR 5.8

Gearing
- The adjusted gearing ratio at the end of Q4 2016 was 2.8 X NIBD/EBITDA
- We have received a waiver from our banks, valid until first quarter 2018, securing flexibility for the Group to continue with our restructuring plans.
Market Summary
New business wins in Q4 2016
- Continued good order intake

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>New Business Wins</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q15</td>
<td>53</td>
</tr>
<tr>
<td>2Q15</td>
<td>71</td>
</tr>
<tr>
<td>3Q15</td>
<td>68</td>
</tr>
<tr>
<td>4Q15</td>
<td>127</td>
</tr>
<tr>
<td>1Q16</td>
<td>36</td>
</tr>
<tr>
<td>2Q16</td>
<td>60</td>
</tr>
<tr>
<td>3Q16</td>
<td>69</td>
</tr>
<tr>
<td>4Q16</td>
<td>118</td>
</tr>
</tbody>
</table>

New business wins LTM (per annum value)
EUR Million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>New Business Wins</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q15</td>
<td>293</td>
</tr>
<tr>
<td>2Q15</td>
<td>318</td>
</tr>
<tr>
<td>3Q15</td>
<td>321</td>
</tr>
<tr>
<td>4Q15</td>
<td>319</td>
</tr>
<tr>
<td>1Q16</td>
<td>301</td>
</tr>
<tr>
<td>2Q16</td>
<td>290</td>
</tr>
<tr>
<td>3Q16</td>
<td>291</td>
</tr>
<tr>
<td>4Q16</td>
<td>282</td>
</tr>
</tbody>
</table>
Market summary

Global Light Vehicle production

- Light Vehicle production up 4.8% in Q4 2016
  - Growth in China (+10.1%), in Europe (+2.6%) and in North America (+1.9%)
  - 3.9% growth in FY2016 to 92.4 million vehicles
  - Expected growth for FY2017 is 1.6% YoY (approx. 93.8 million vehicles)

Global Commercial Vehicle production

- Commercial Vehicle (CV) production up 10.1% in Q4 2016
  - High growth in China (+42.9%), but decline in North America (-24.2%) and South America (-9.1%). Slight growth in Europe (+1.4%)
  - 6.0% growth for FY2016 to 2.71 million vehicles
  - CV production is expected to be flat next year, approx. 2.7 million vehicles

Source: LMC Automotive – Jan-2017
Operational Summary
Segment financials Q4 2016

Revenues and EBIT margin
MEUR and percent

**Interior**

Revenues:
- Q4 2015: 86
- Q1 2016: 88
- Q2 2016: 77
- Q3 2016: 73
- Q4 2016: 78

EBIT:
- Q4 2015: 10.1%
- Q1 2016: 8.8%
- Q2 2016: 6.4%
- Q3 2016: 0.2%
- Q4 2016: 2.8%

**Driveline**

Revenues:
- Q4 2015: 58
- Q1 2016: 60
- Q2 2016: 61
- Q3 2016: 56
- Q4 2016: 61

EBIT:
- Q4 2015: -1.2%
- Q1 2016: -1.8%
- Q2 2016: -2.6%
- Q3 2016: -2.3%
- Q4 2016: 0.4%

**Driver Control**

Revenues:
- Q4 2015: 61
- Q1 2016: 65
- Q2 2016: 67
- Q3 2016: 60
- Q4 2016: 69

EBIT:
- Q4 2015: 6.7%
- Q1 2016: 6.3%
- Q2 2016: 6.4%
- Q3 2016: -7.4%
- Q4 2016: -1.3%

**Fluid**

Revenues:
- Q4 2015: 52
- Q1 2016: 54
- Q2 2016: 55
- Q3 2016: 48
- Q4 2016: 50

EBIT:
- Q4 2015: 14.3%
- Q1 2016: 15.2%
- Q2 2016: 15.8%
- Q3 2016: 15.4%
- Q4 2016: 15.2%
Initiatives taken in Q4 2016

KA outlined its plan, among other initiatives, to improve its performance and substantially reduce costs at its CMD in November 2016. We are progressing nicely.

- The plan has three pillars:
  - Organizational Structure, Centralization
  - Improve Cost Competiveness
  - Actively manage our Portfolio

- Organizational Structure, Centralization
  - 3 distinct segments established:
    - Interior, Powertrain & Chassis Systems, Specialty Products
    - Leadership teams and organizations in place
  - Operational HQ established in Switzerland

- Cost Competiveness
  - This plan includes a reduction in the number of manufacturing facilities, from 31 to 25, mainly within the Powertrain and Chassis products segment in Europe
    - KA has initiated consultations relating to closing its production facility in Basildon, UK
      - The Basildon facility manufactures vehicle control systems, engineered pedals, electronic displays, cables and hand controls for the world’s top makers of commercial, industrial, agricultural and construction vehicles.
      - More to come

- Portfolio
  - We entered into an agreement to divest our NA head and armrest business in early January 2017
Operational update

Interior Systems

▸ Revenues of MEUR 78.1 in Q4, down MEUR 7.4 compared to 4Q15
  – Negative currency effects of MEUR 0.6
  – Lower sales in global headrests due to programs phasing out and the Outdoor Power Equipment (OPE) segments

▸ EBIT was MEUR 2.2 in Q4, down MEUR 6.5 compared to 4Q15
  – Including restructuring cost of MEUR 0.5 and one-off of MEUR 3.1 related to a loss making contracts
  – Lower sales volume & additional engineering spend to support innovations, new programs and future growth opportunities (MEUR 2.0)

▸ Interior booked MEUR 8.2 in annual value of new business Q4 2016

▸ Seat support contract awarded from a major German premium car manufacturer
  – Est. annual value of EUR 1.2 mill,
  – SOP in late 2020; To be manufactured in Poland

▸ We have entered into an agreement to sell our North American Head and Armrest business – closing expected before the end of Q2, 2017.
Operational update

Driveline

- Revenues of MEUR 61.3 in Q4, up MEUR 3.6 from 4Q15
  - Negative currency effects of MEUR 0.4
  - Higher sales in China and Europe business partially offset by North American business that declined
  - Driving the increase in revenues was a higher level of new programs coming in that old programs phasing out

- EBIT was MEUR 0.2 in Q4, up MEUR 0.9 from 4Q15
  - Including restructuring costs of MEUR 0.9
  - Increased in EBIT was due to higher sales volume and cost improvements, partially offsets by increased engineering cost (MEUR 0.7)

- Driveline booked MEUR 4.0 in annual value of new business in fourth quarter
  - Won SBW contract for a Chinese OEM, with est. annual value of MEUR 2.3
  - SOP in second half 2018 from our manufacturing location in Wuxi, China
Operational update

Fluid Transfer

▸ Revenues of MEUR 50.0 in Q4, down EUR 1.9 mill. from 4Q15
  – Negative currency effects of EUR 0.9 million
  – Weakness in the North American and Europe partially offset by higher tooling sales

▸ EBIT was MEUR 7.6 in Q4, up EUR 0.2 mill compared to 4Q15
  – Lower fixed and material cost

▸ Fluid Transfer booked a total of MEUR 63.6 in annual value of new business in Q4 2016
  – Major couplings contract from key customer in the commercial vehicle segment
  – Est. annual sales of MEUR 26.8, to be supplied from various manufacturing locations
Operational update

Driver Control

- Revenues of MEUR 69.2 mill. in Q4, up MEUR 8.1 compared to 4Q15
  - The increases in sales was driven by other revenues and growth in vehicle dynamics in both Europe and Asia

- EBIT declined MEUR 5.0 in Q4, to MEUR - 0.9 in 4Q15
  - Restructuring costs of MEUR 4.1
  - Unfavorable mix effect, partially offset by volume effects

- Driver Control booked MEUR 42.6 in annual value of new business in Q4 2016
  - Major AMT contract with est. annual revenue of MEUR 25
  - Supply from Nuevo Laredo facility (Mexico), with SOP from second half 2019
Norbert Loers

Financial Update
Revenue and EBIT

Revenues
MEUR

<table>
<thead>
<tr>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>248</td>
<td>257</td>
<td>251</td>
<td>228</td>
<td>250</td>
</tr>
</tbody>
</table>

* Results adjusted for restructuring costs (see details in the quarterly report)

Adjusted EBIT and Adjusted EBIT margin
MEUR and percent

<table>
<thead>
<tr>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.8%</td>
<td>4.9%</td>
<td>3.6%</td>
<td>0.6%</td>
<td>3.0%*</td>
</tr>
</tbody>
</table>

* Results adjusted for restructuring costs (see details in the quarterly report)
Revenue development

Revenues
MEUR

- 248.3

Q4 2015

- 6.9

Interior*

+ 4.0

Driveline*

- 1.0

Fluids*

+ 8.0

DCS*

- 1.0

Elim. and others*

- 1.8

FX

249.8

Q4 2016

Revenue:
- MEUR 1.5 (0.6%) above the fourth quarter 2015
- Higher other revenues offset by lower product sales
- Head-restraint and Outdoor Power Equipment
- New programs
- Vehicle dynamics

* Variances excluding FX effects
Adjusted EBIT: MEUR 7.4, MEUR 4.5 (-37.7%) below fourth quarter 2015

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

Net profit:
- Influenced by lower EBIT and unrealized and realized FX effects
- Positive tax development reflecting a lower profit before tax and net difference in derecognition of deferred tax assets

*Including change in valuation of currency contracts
Free Cash Flow

Fourth quarter Free Cash Flow before debt repayments:

- Positive change in net working capital
- Decrease in taxes paid
- Investments
Financial ratios

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

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Times</td>
<td>2.2</td>
<td>2.4</td>
<td>2.3</td>
<td>2.8</td>
<td>2.8</td>
</tr>
</tbody>
</table>

**Equity ratio**

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td>31.3%</td>
<td>32.4%</td>
<td>32.7%</td>
<td>31.0%</td>
<td>30.2%</td>
</tr>
</tbody>
</table>

**ROCE** *(Ltm)*

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td>7.0%</td>
<td>6.1%</td>
<td>9.5%</td>
<td>6.2%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEUR</td>
<td>466</td>
<td>476</td>
<td>463</td>
<td>459</td>
<td>458</td>
</tr>
<tr>
<td>Times</td>
<td>2.18</td>
<td>2.11</td>
<td>2.14</td>
<td>2.15</td>
<td>2.15</td>
</tr>
</tbody>
</table>

*Excludes restructuring costs, see details in the quarterly report*
Financial items

Net financial items:

- Unfavorable currency effects drove the increase in net finance costs.
- Lower interest bearing debt and interest rates drove the positive development in interest expenses. The maturing of interest rate swaps in early October contributed to the latter.
Summary & Outlook
Summary

- Initiatives taken according to plan outlined at CMD
  - 3 distinct segments established; leadership teams & organizations in place
  - Closure of the manufacturing facility in Basildon, UK
  - Headquarters established in Zürich (Switzerland)
  - Divestiture of the North American Head and Armrest business

- Restructuring program continues in 2017 as planned

- Underlying market in 2017 is expected to be stable
  - Commercial vehicle segment expected to be flat
  - Passenger vehicle segment expected to have modest growth at 1.6%

- Revenues in Q1 2017 are expected to be MEUR 270, up 5% compared to Q1 2016