KONGSBERG AUTOMOTIVE
Q1 2024

MAY 08, 2024

KONGSBERG
AUTOMOTIVE

FORWARD-LOOKING STATEMENTS AND NON-IFRS MEASURES

FORWARD-LOOKING STATEMENTS

This presentation contains certain "forward-looking statements". These statements are based on management's current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance, financial condition or achievements to differ materially from anticipated results, performance, financial condition or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words "anticipate," "believe," "expect," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. We have no intention and are under no obligation to update or alter (and expressly disclaim any such intention or obligation to do so) our forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by law. The forward-looking statements in this presentation include statements addressing our future financial condition and operating results. Examples of factors that could cause actual results to differ materially from those described in the forward-looking statements include, among others, business, economic, competitive and regulatory risks, such as conditions affecting demand for products, particularly in the automotive industries; competition and pricing pressure; fluctuations in foreign currency exchange rates and commodity prices; natural disasters and political, economic and military instability in countries in which we operate; developments in the credit markets; future goodwill impairment; compliance with current and future environmental and other laws and regulations; and the possible effects on us of changes in tax laws, tax treaties and other legislation. More detailed information about these and other factors is set forth in the 2021 Kongsberg Automotive Annual Report and the Kongsberg Automotive Quarterly Reports.

NON-IFRS MEASURES

Where we have used non-IFRS financial measures, reconciliations to the most comparable IFRS measure are provided, along with a disclosure on the usefulness of the non-IFRS measure, in this presentation.

TODAY'S PRESENTERS

LINDA NYQUIST-EVENRUD
CEO & PRESIDENT

FRANK HEFFTER
CFO

AGENDA

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY – Q1 2024

IMPROVED PROFITABILITY WITH ALL-TIME HIGH NEW BUSINESS WINS

€10.1M
EBIT
Increased by MEUR 6.5 vs. Q1 2023

€450.0M
NEW BUSINESS[3]
Increase from MEUR 198.0 in Q1 2023

€212.1M
REVENUES
Decrease of 7.3% vs. Q1 2023

€-14.9M
FREE CASH FLOW
Improved from the FCF of MEUR (30.8) in Q1 2023

1.8x
LEVERAGE RATIO[1,2]
Up from 1.3x in Q1 2023

€114.9M
NIBD[4]
Deteriorated from MEUR 84.0 as of 31/03/2023

CORE BUSINESS

€5.1M
EBIT
Increase by MEUR 0.6 vs. Q1 2023

€175.2M
REVENUES
Decrease of 6.2% vs. Q1 2023

NON-CORE BUSINESS

€5.0M
EBIT
Increase by MEUR 5.9 vs. Q1 2023

€36.9M
REVENUES
Decrease of 11.9% vs. Q1 2023

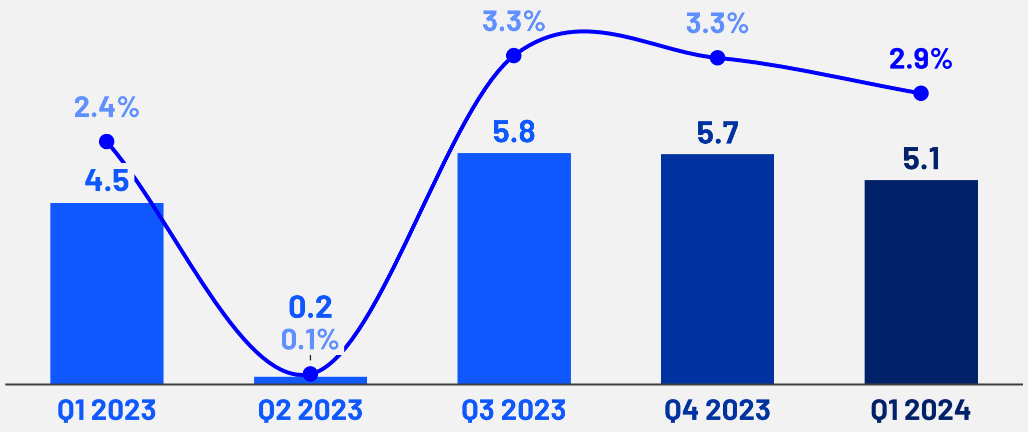
[1] Includes IFRS 16
[2] NIBD / Adjusted EBITDA (LTM)
[3] Lifetime revenue of business wins during the quarter
[4] Net Interest-Bearing Debt

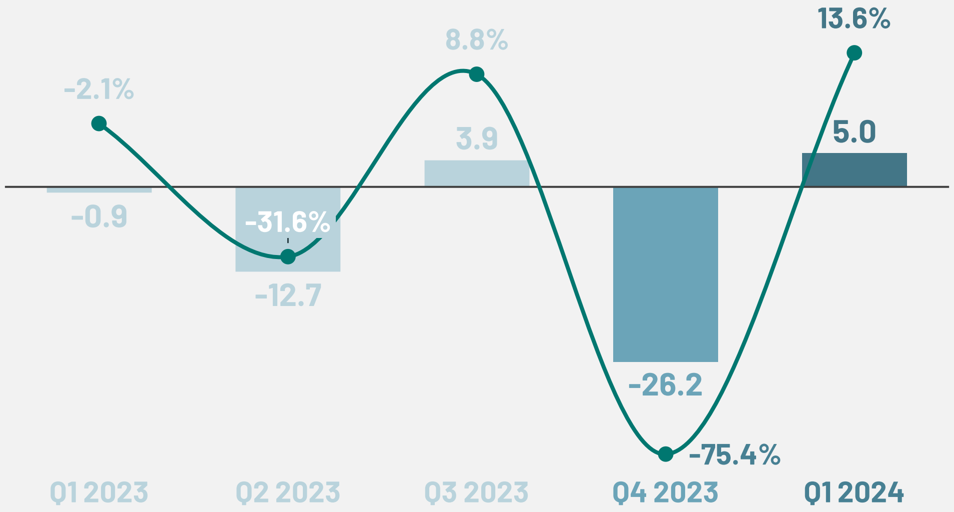
CORE BUSINESS VS. NON-CORE BUSINESS

CORE

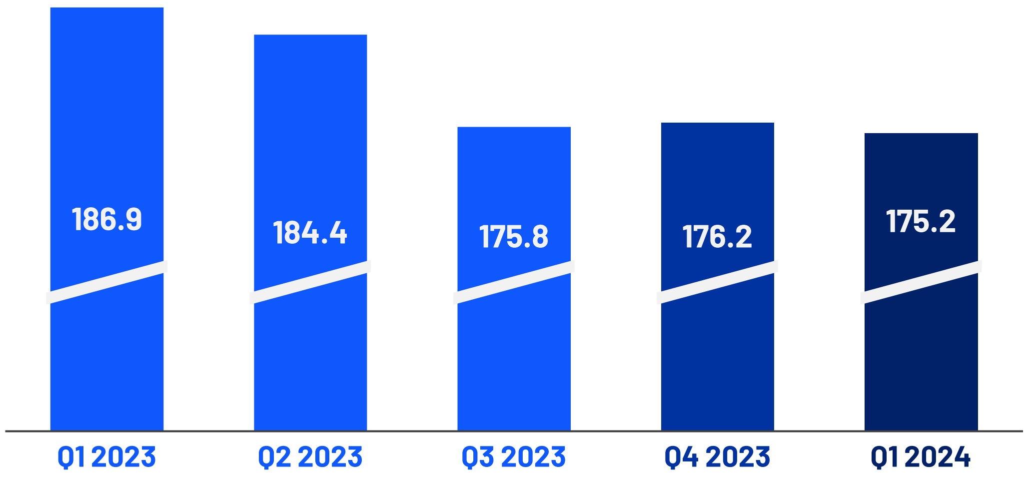
NON-CORE

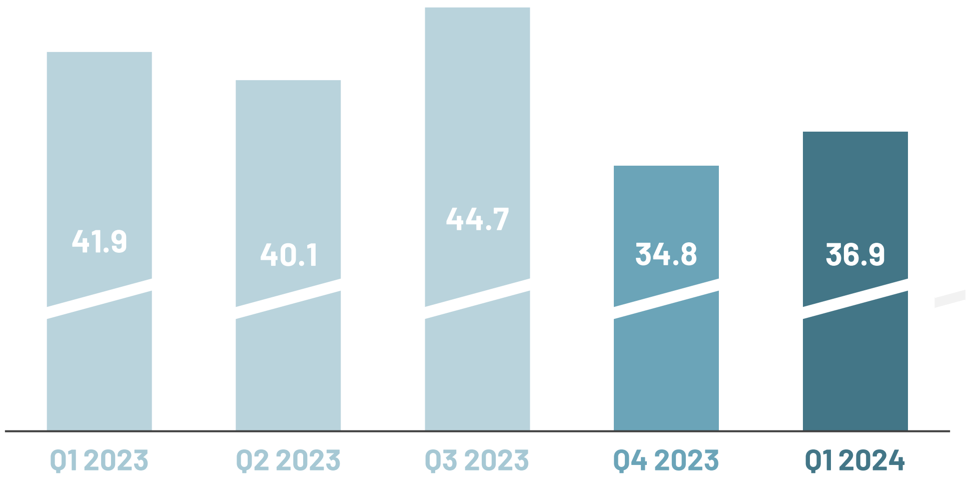
EBIT





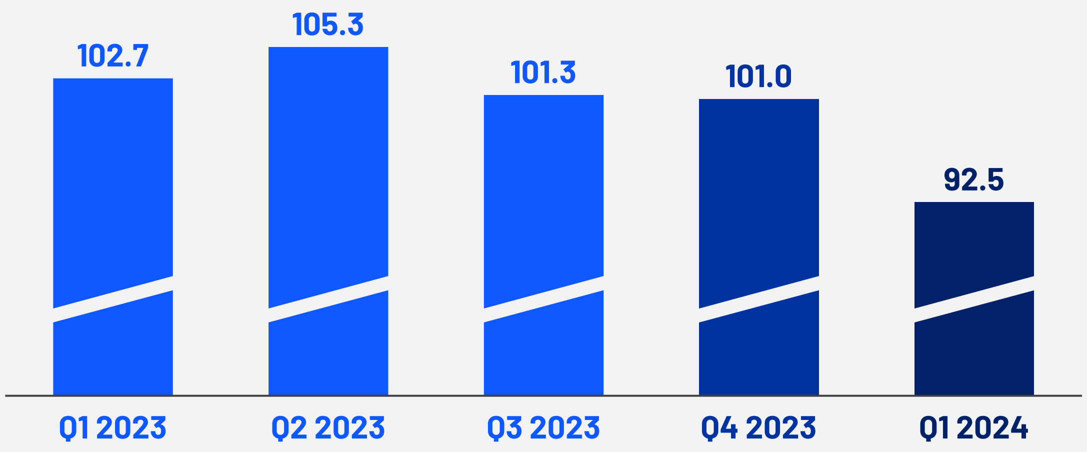
REVENUES



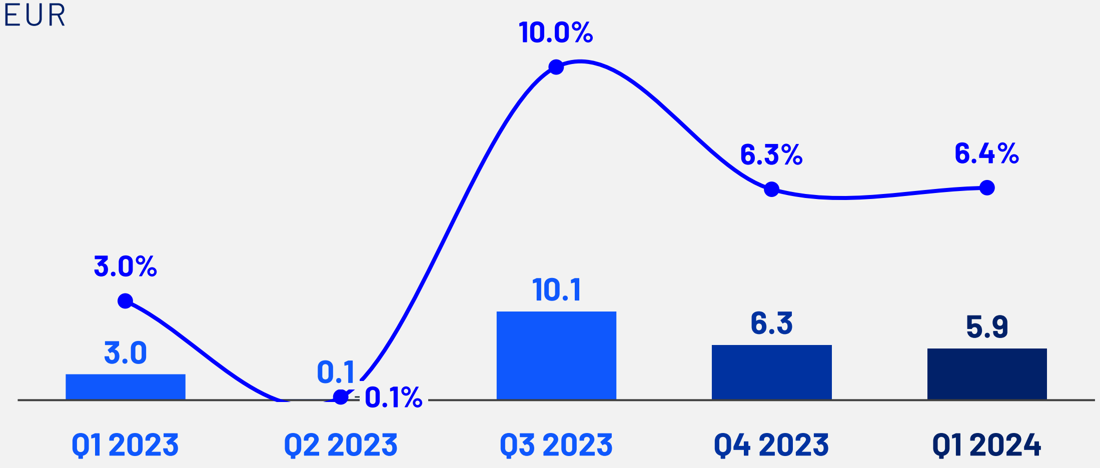


DRIVE CONTROL SYSTEMS
BUSINESS AREA UPDATE

REVENUES, MEUR



EBIT MARGIN, %
EBIT, MEUR

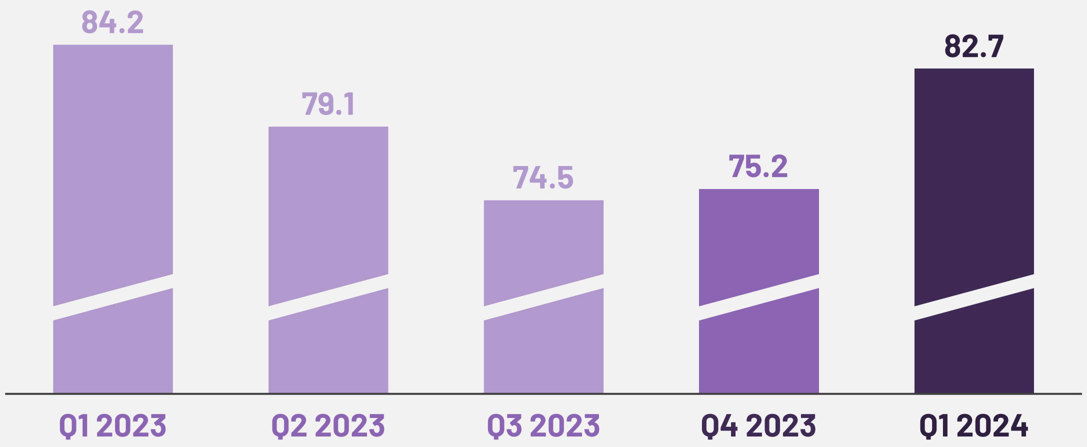


Q1 2024

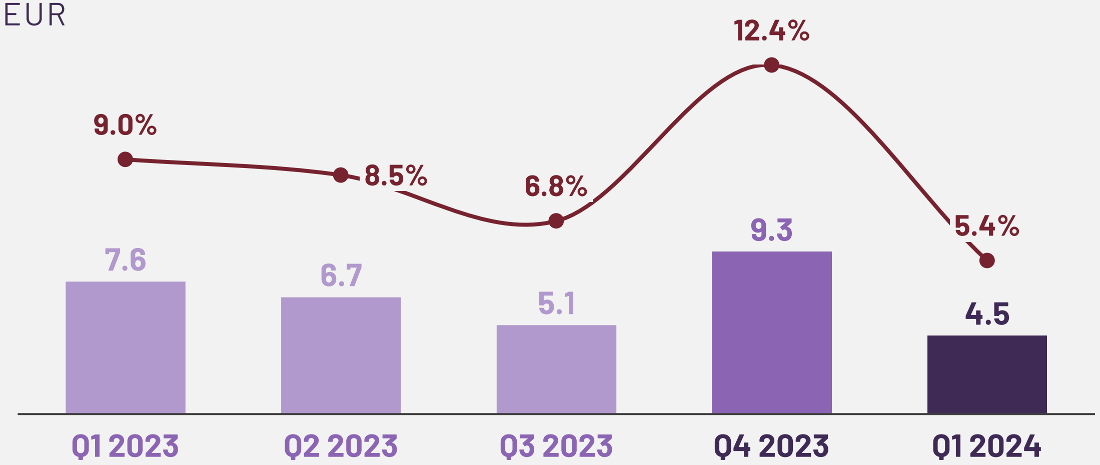
- Compared to Q1 2023, revenues decreased by MEUR 9.1 (at constant currencies). This was mainly attributable to exceptionally high revenues in Q1 2023 for Clutch Actuation Systems in Europe.
- The impact of declining volumes was offset by benefits from operational improvements in variable costs and other operational costs.
- Compared to Q1 2023, the change in impact from valuation in relation to inventory was negative MEUR 2.3. The settlement with a supplier on a warranty claim led to a one-time income of MEUR 2.8.

FLOW CONTROL SYSTEMS
BUSINESS AREA UPDATE

REVENUES, MEUR



EBIT MARGIN, %
EBIT, MEUR



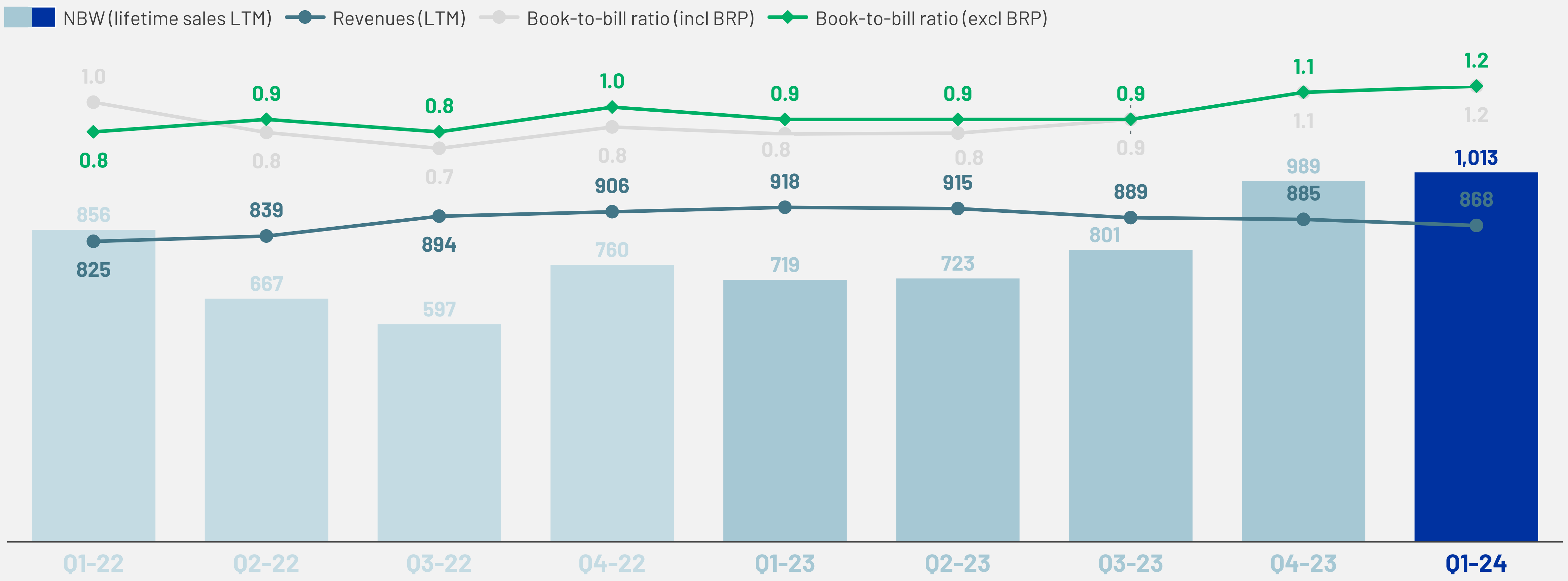
Q1 2024

- Revenues decreased by MEUR 1.4 (at constant currencies) compared to Q1 2023, which was driven by lower revenues into the Commercial Vehicle market in Europe and Asia, partially offset by increase in sales of Passenger Car Assemblies in Europe.
- One-time valuation effects in relation to inventory in Q1 2023 were positive at MEUR 1.0, whereas in Q1 2024 they were negative at MEUR 2.0.
- Disregarding this one-time effect, FCS benefitted from a significant improvement in variable cost.

BOOK-TO-BILL

BOOK-TO-BILL RATIO ABOVE 1 AS GUIDED, SECURING FUTURE GROWTH

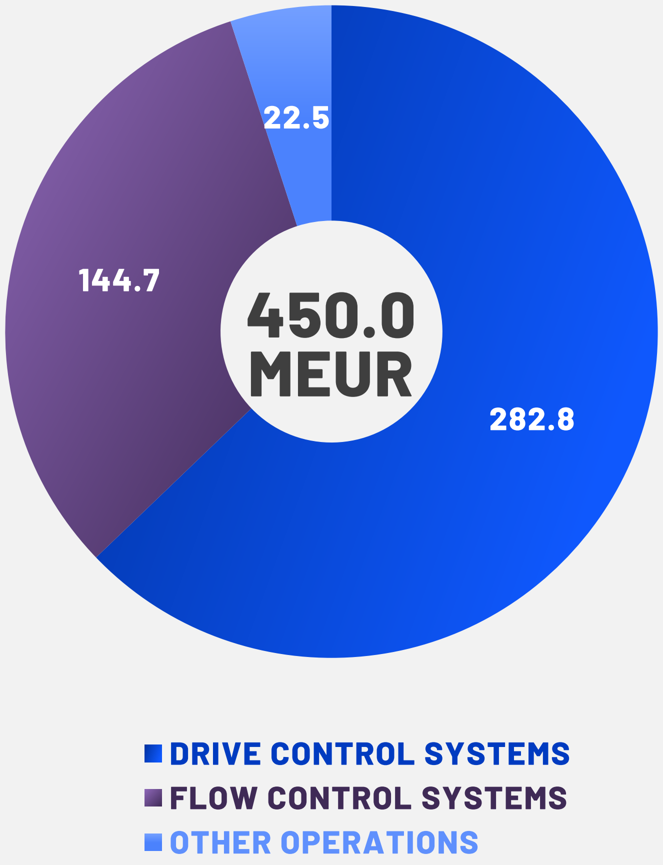
BOOK-TO-BILL PERFORMANCE, MEUR



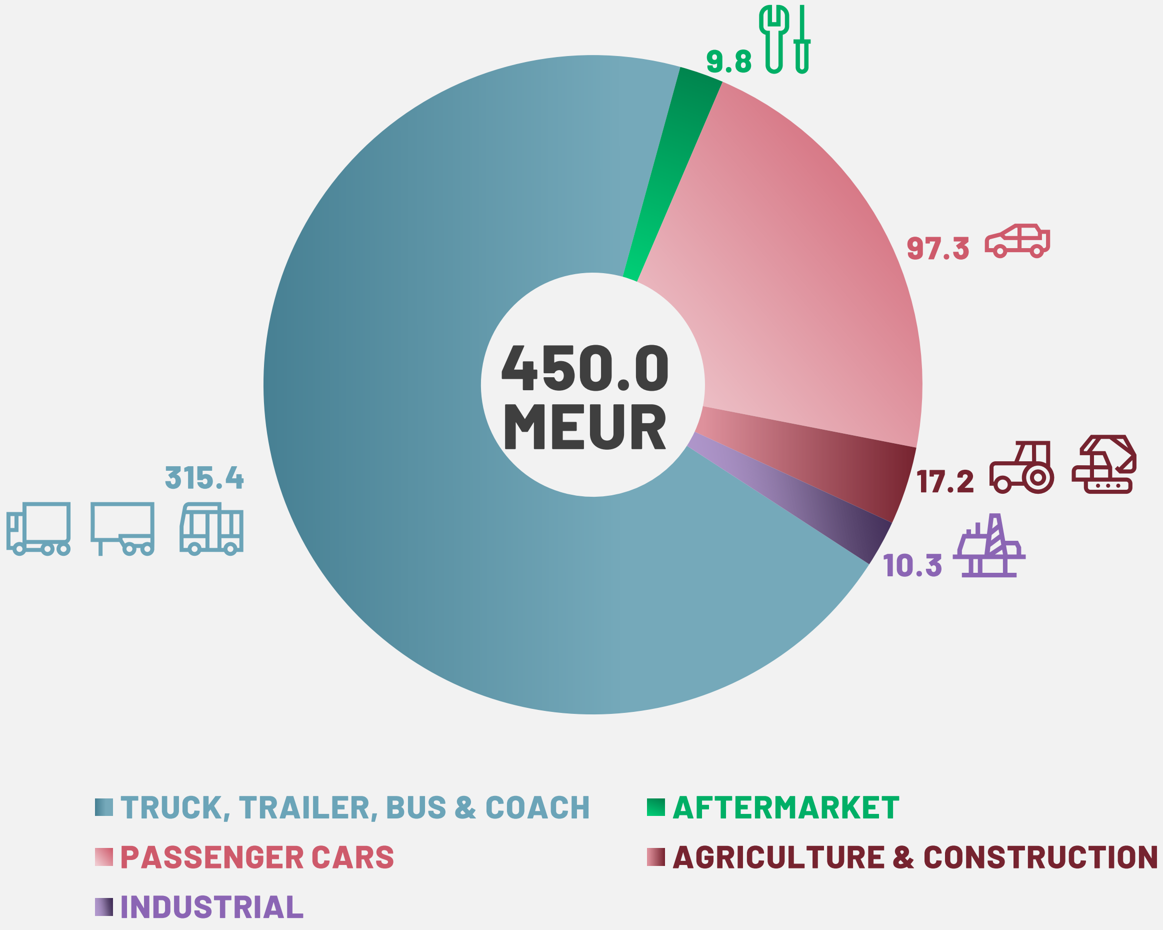
1. Lifetime sales assumptions are based on IHS and LMC production estimates at the time of the booking

NEW BUSINESS WINS – Q1 2024
LIFETIME REVENUES, MEUR

PER BUSINESS SEGMENT



PER AREA



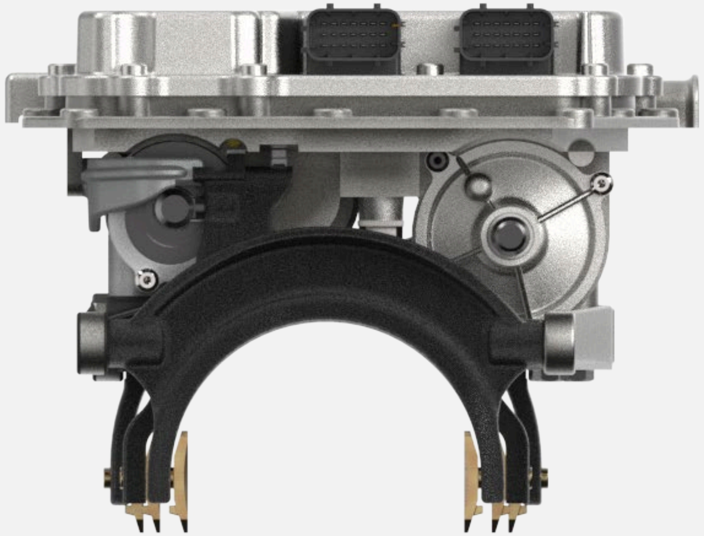
Q2
NEW BUSINESS WINS
GEAR CONTROL UNIT (GCU)

Q2 NEW BUSINESS WIN ON GEAR CONTROL UNIT (GCU)

OVER **MEUR 523** IN ESTIMATED LIFETIME REVENUE

ANNOUNCED ON APRIL 26, 2024

- **ROBUST AND DURABLE DESIGN**
- **MAXIMUM COMFORT AND PERFORMANCE FOR THE DRIVER**
- **HIGH PERFORMANCE**
- **LOW TOTAL COST OF OWNERSHIP**
- **ONLY GCU IN THE MARKET WITH SELF-ADJUSTING CLUTCH ACTUATOR**
- **OUTSTANDING SERVICEABILITY**



The product shown is only a visual representation for reference. Actual product developed may slightly vary.

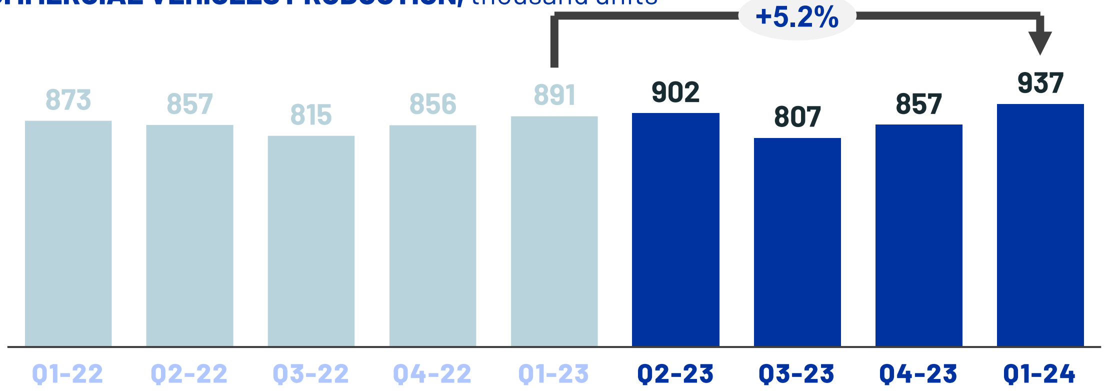
MARKET UPDATE

MARKET TRENDS

COMMERCIAL VEHICLE MARKET WITH GROWTH VS. A WEAKER PASSENGER CAR MARKET

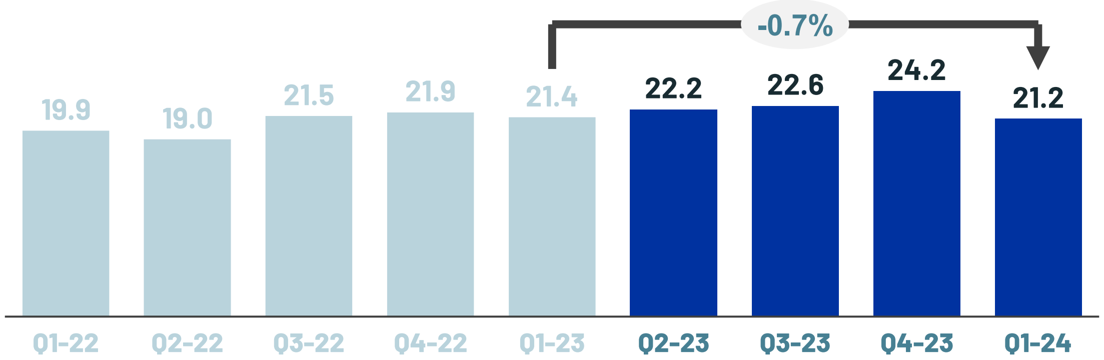
MARKET DEVELOPMENT

GLOBAL COMMERCIAL VEHICLES PRODUCTION, thousand units



REGION	Δ Q1-24 vs. Q1-23	Δ 2024 vs. 2023
China	+4.8%	+5.2%
APAC w/o China	+14.8%	+5.6%
Europe	+6.6%	+4.9%
North America	-8.4%	+4.8%
South America	+4.9%	+4.9%
Rest of World	+4.7%	+4.7%
Total	**+5.2%**	**+5.2%**
Total (excl. China)	**+5.5%**	**+5.2%**

GLOBAL PASSENGER CAR PRODUCTION, million units



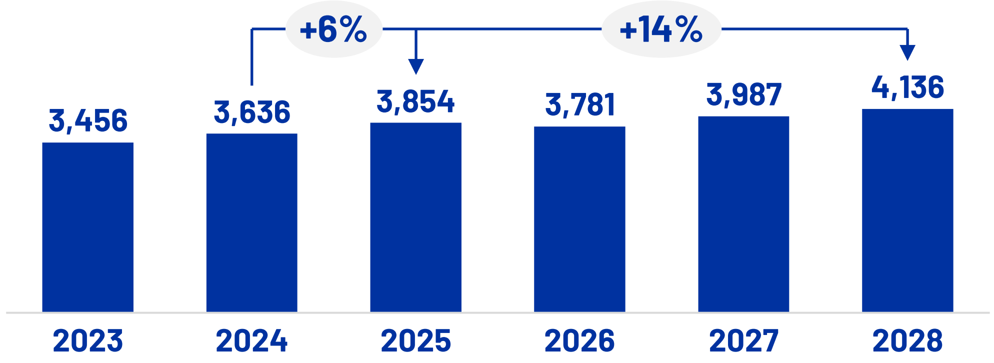
REGION	Δ Q1-24 vs. Q1-23	Δ 2024 vs. 2023
China	+7.8%	+2.3%
APAC w/o China	-7.1%	-2.6%
Europe	-4.5%	-2.6%
North America	+0.3%	+0.6%
South America	-6.3%	-0.3%
Rest of World	+7.3%	-0.9%
Total	**-0.7%**	**-0.4%**
Total (excl. China)	**-3.9%**	**-1.6%**

Source: LMC Global Commercial Vehicle Forecast (March 2024); IHS Light Vehicle Production Base (March 2024)

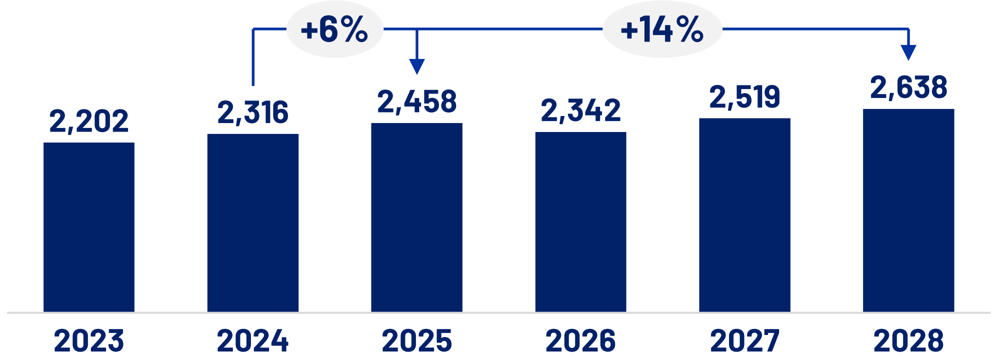
MARKET FORECASTS
REDUCED DEPENDENCY ON CHINA IN COMING YEARS

GLOBAL COMMERCIAL VEHICLES PRODUCTION, thousand units

INCLUDING CHINA

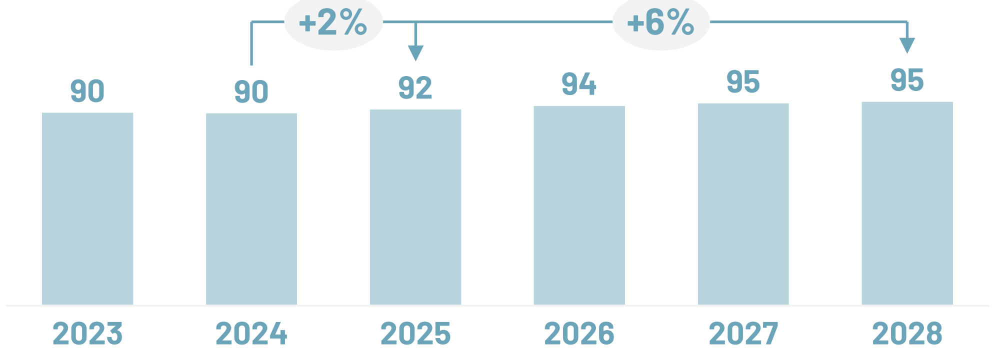


EXCLUDING CHINA

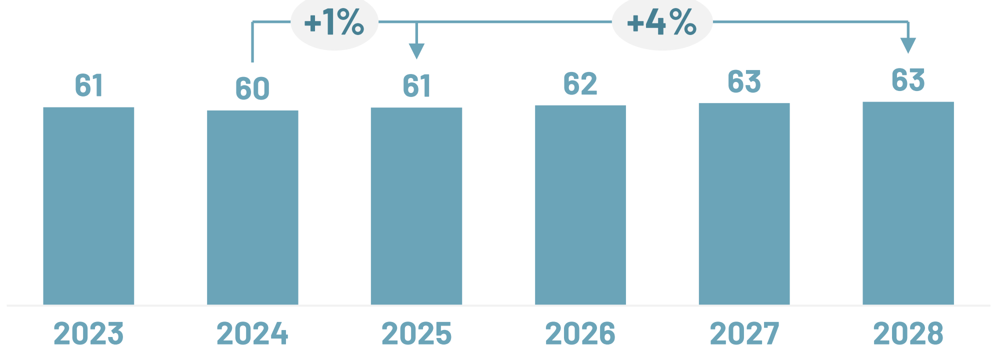


GLOBAL PASSENGER CAR PRODUCTION, million units

INCLUDING CHINA



EXCLUDING CHINA



Source: LMC Global Commercial Vehicle Forecast (March 2024); IHS Light Vehicle Production Base (March 2024)

MACROECONOMIC STABILIZATION
KA`S REVENUES DECOUPLED FROM MARKET ON THE BACK OF TOUGH 2023 COMPARABLES

REVENUE GROWTH VS MARKET GROWTH IN Q1 24 vs. Q1 23[1]

GLOBAL

	KA	MARKET
COMMERCIAL VEHICLES	-7.1%	+5.2%
PASSENGER VEHICLES	-3.0%	-0.7%
OTHER (ONLY KA)	-5.5%	

CHINA

	KA	MARKET
COMMERCIAL VEHICLES	+34.4%	+4.8%

AMERICAS

	KA	MARKET
PASSENGER VEHICLES	+2.9%	-0.6%

PERFORMANCE IN KEY MARKETS

> **COMMERCIAL VEHICLES**

» While production output was relatively low in Q1 2023 , KA's sales in this period were exceptionally high, especially in relation to Clutch Actuation Systems in Europe.

» Revenues from the commercial vehicle market in China have increased compared to Q1 2023, significantly above the market growth, mainly due to new customer programs related to Gear Shift Systems.

> **PASSENGER VEHICLES**

» Decline in Europe and China was as expected for certain customer programs (predominantly Gear Shift Systems and Electronic Actuators), partially offset by increase in sales of FTS' Assemblies in Europe.

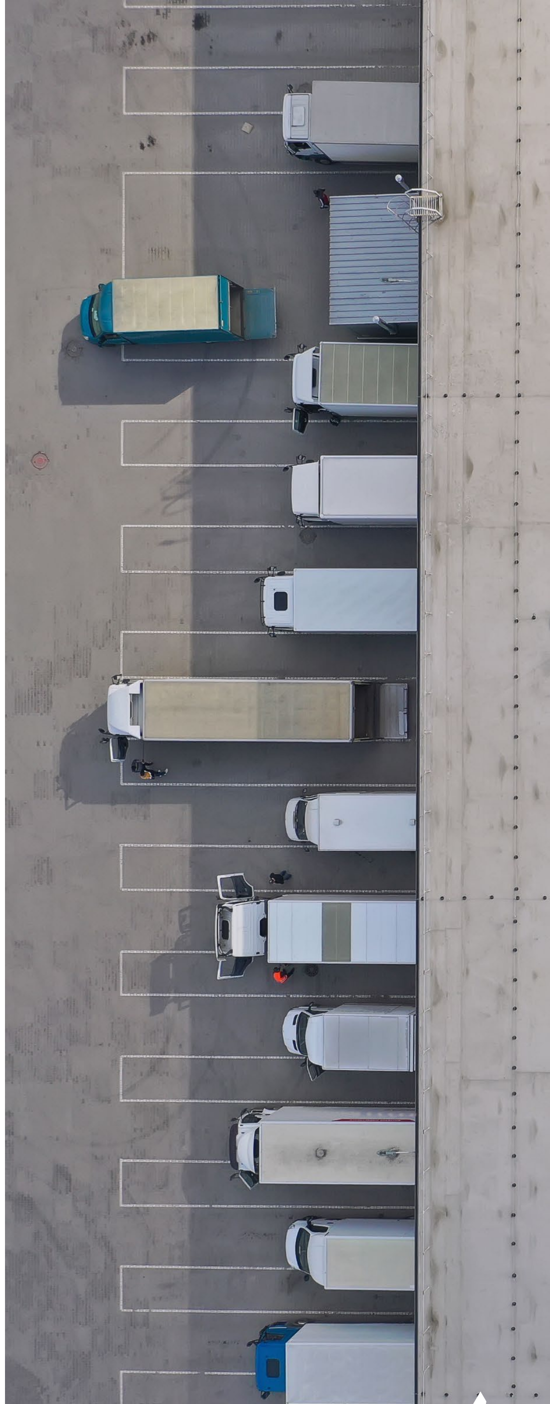
» The decrease in those regions could not fully be offset by the slightly increased revenues in the North American passenger car market (mainly FCS' Hoses).

[1]Change in revenues at constant currencies and changes to vehicle production levels for selected regions and markets from Q1 2023 to Q1 2024. The split across vehicle types does not correspond to our business unit segments

Source: LMC Global Commercial Vehicle Forecast (March 2024); IHS Light Vehicle Production Base (March 2024)

DEVELOPMENT OF THE GLOBAL MARKET SITUATION
SUPPLY MARKETS GRADUALLY IMPROVING

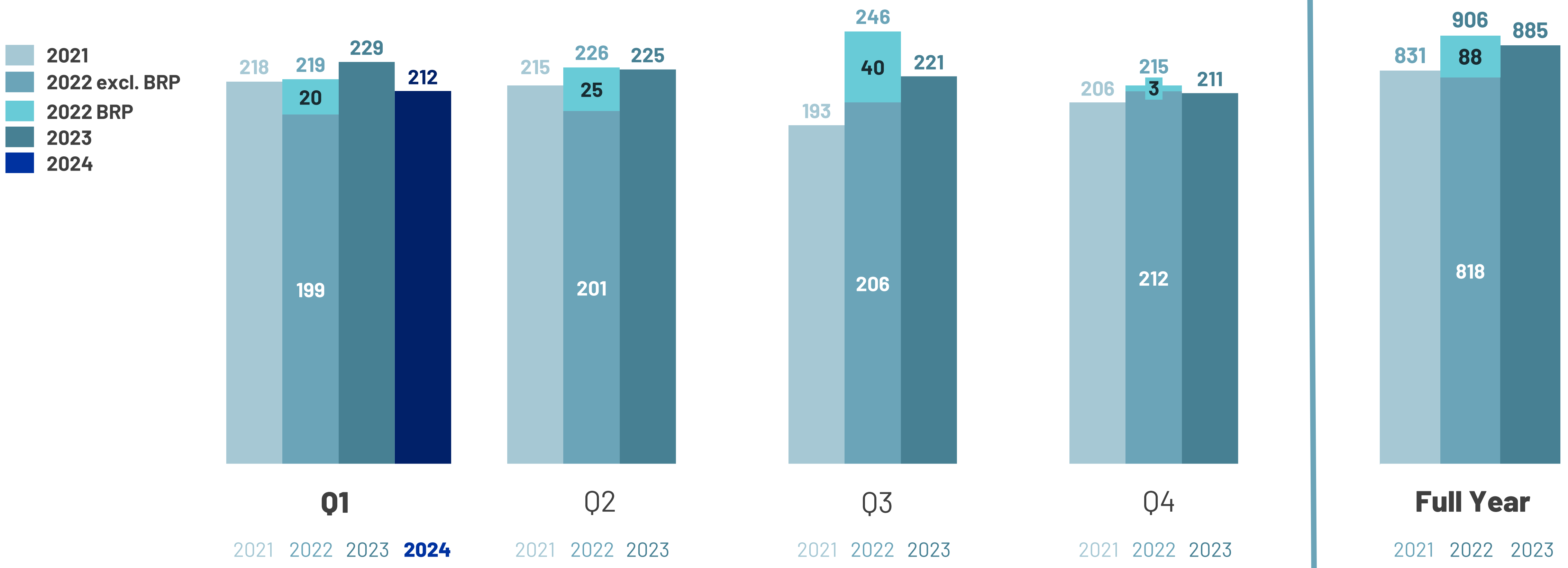
CURRENT TRIGGERS FOR DISRUPTION	MACROECONOMIC FACTORS AFFECTING GLOBAL MARKET ENVIRONMENT
SEMICONDUCTOR SHORTAGE	Availability is further improving. Shortage limited to individual components only
LABOR COSTS	Increased in best cost countries from low base
SUPPLY CHAIN	Freight services and costs are normalizing, with additional costs in container cargos due to constraints at Suez and Panama Canal
ENERGY/MATERIAL COST	Energy prices are flattening. Raw material cost differ with volatile steel price and increased copper and aluminum prices
CUSTOMER DEMAND	Limited ability of KA to influence short-term demand, high dependency on large customer programs



FINANCIAL UPDATE

REVENUES
CORE WITH LOWER E-ACTUATOR AND TRAILER REVENUES, NON-CORE STARTING TO DECLINE

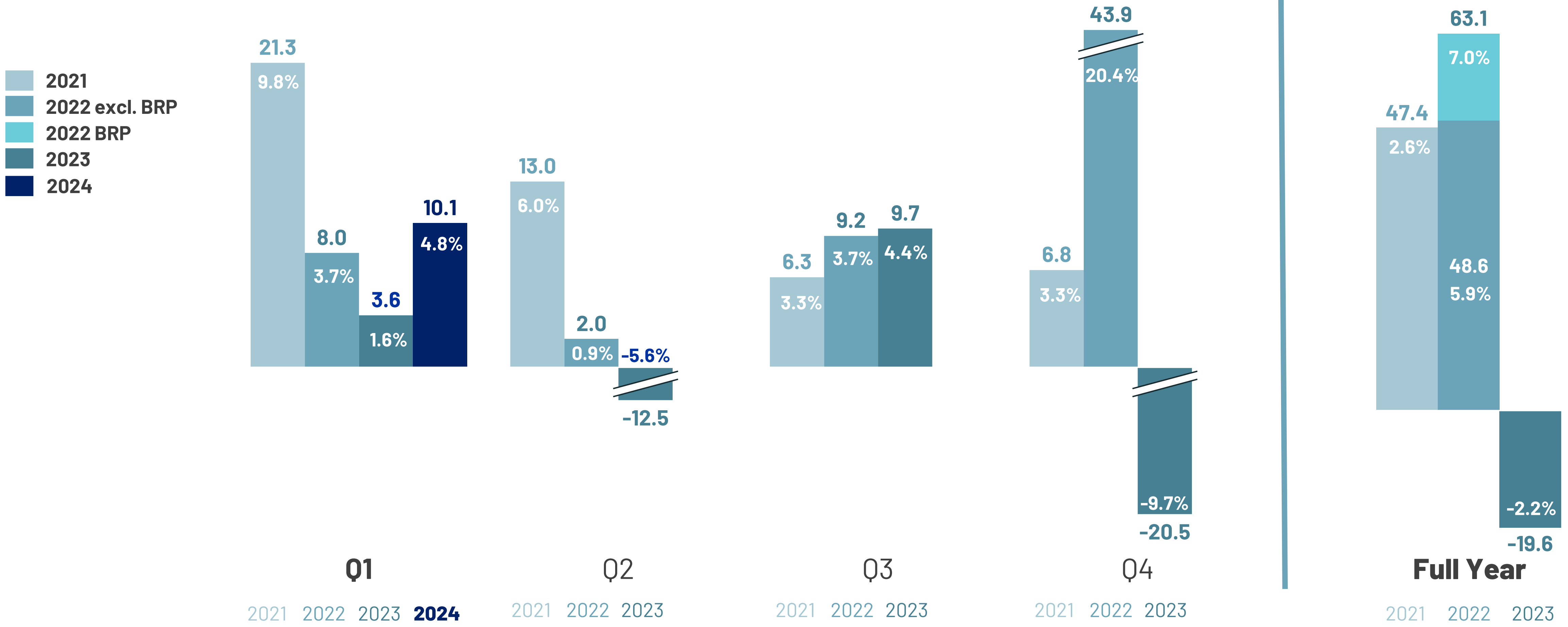
REVENUES (continuing operations), MEUR



EBIT

IMPROVED EARNINGS DESPITE LOWER REVENUES - COST OPTIMIZATIONS MATERIALIZING

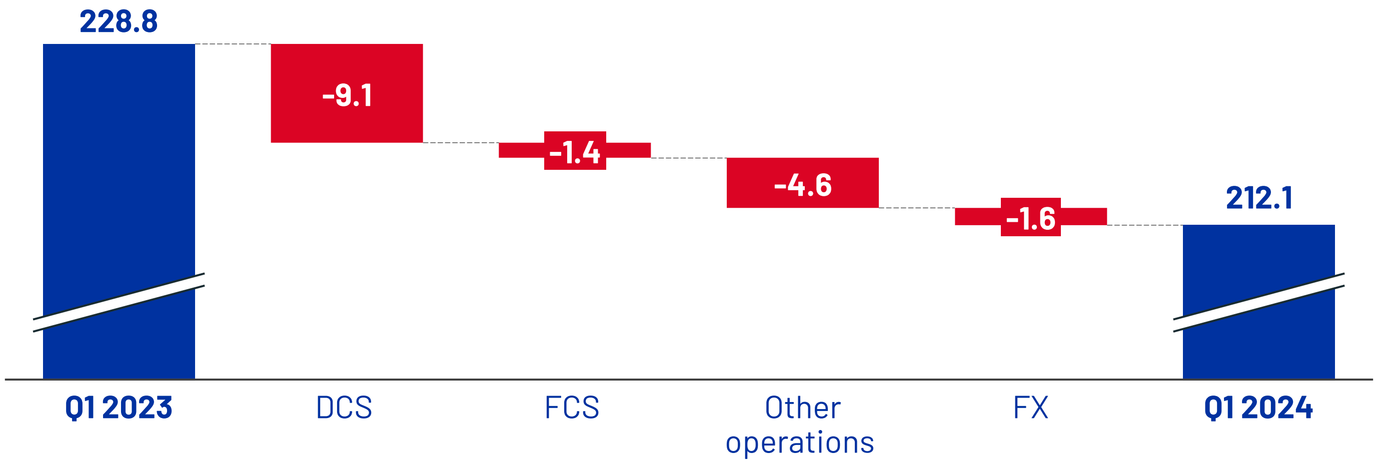
EBIT (continuing operations), MEUR and % of revenues



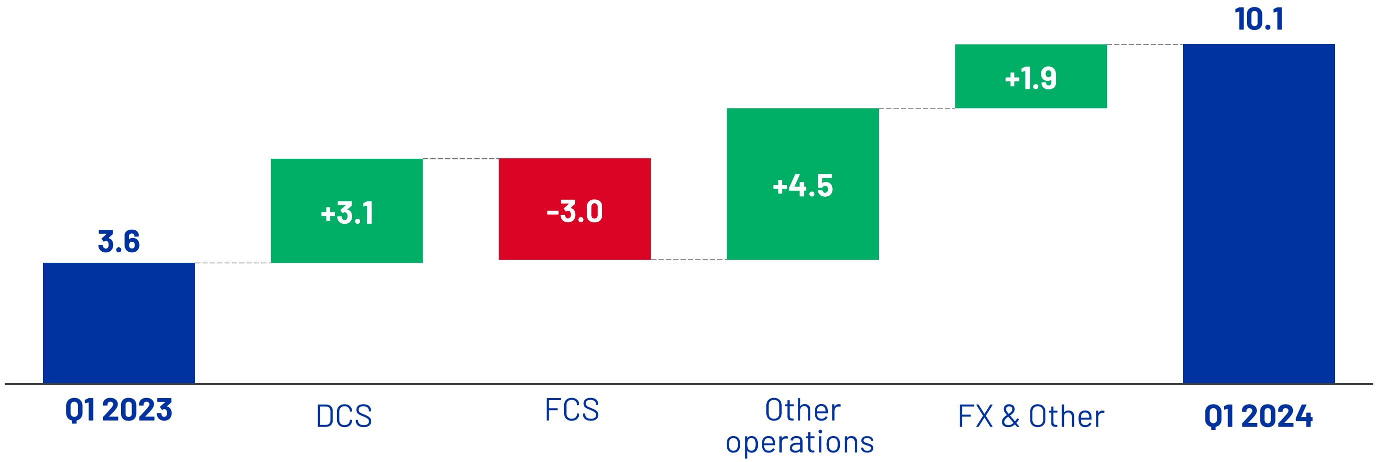
REVENUES & EBIT BRIDGES

IMPROVED PROFITABILITY DESPITE LOWER VOLUME

REVENUES, MEUR



EBIT, MEUR



DCS

> The impact of declining volumes was offset by benefits from operational improvements in variable costs and other operational costs.

> Compared to Q1 2023, the change in impact from valuation in relation to inventory was negative MEUR 2.3. The settlement with a supplier on a warranty claim led to a one-time income of MEUR 2.8.

FCS

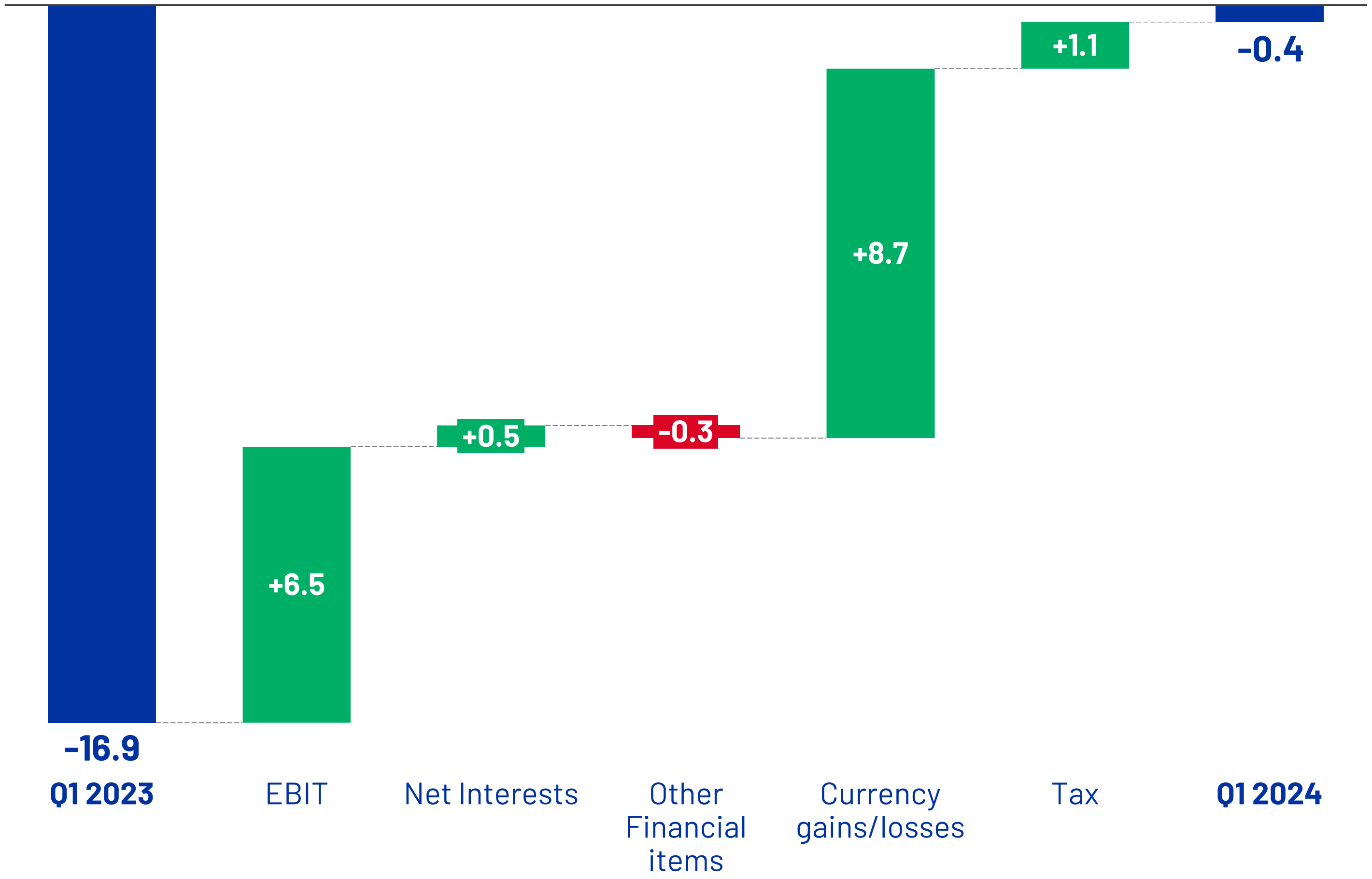
> One-time valuation effects in relation to inventory in Q1 2023 were positive at MEUR 1.0, whereas in Q1 2024 they were negative at MEUR 2.0. Disregarding this one-time effect, FCS benefitted from a significant improvement in variable cost.

Other operations

> Operating result of other operations significantly benefitted from one-time effects of MEUR 1.3, the impaired assets and onerous contracts provisions of 2023.

NET INCOME BRIDGE
IMPROVED OPERATIONAL AND FINANCIAL RESULT

NET INCOME, MEUR



CURRENCY GAINS/LOSSES

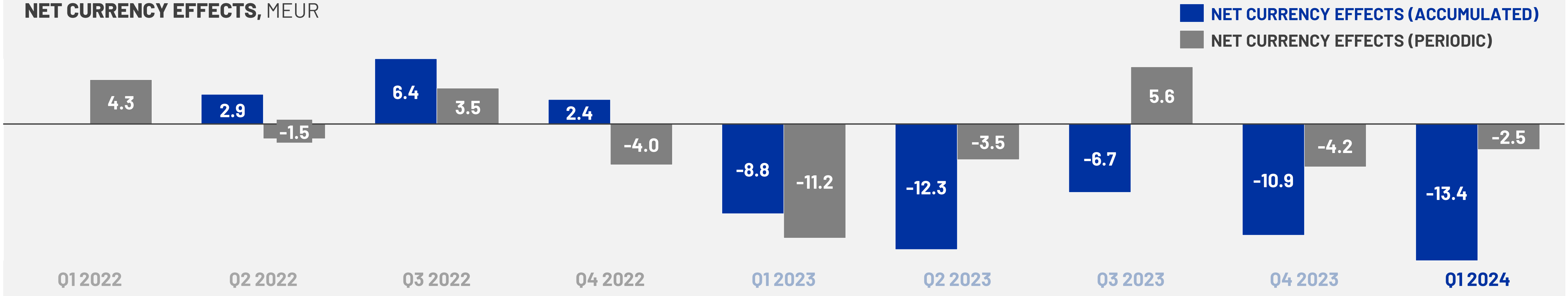
- Foreign currency losses were significantly lower by MEUR 8.7 in Q1 2024 and amounted to MEUR 2.5. This is mainly due to less unfavorable NOK development impacting the revaluation of Intercompany loan of MEUR 200 in Norway.

TAX

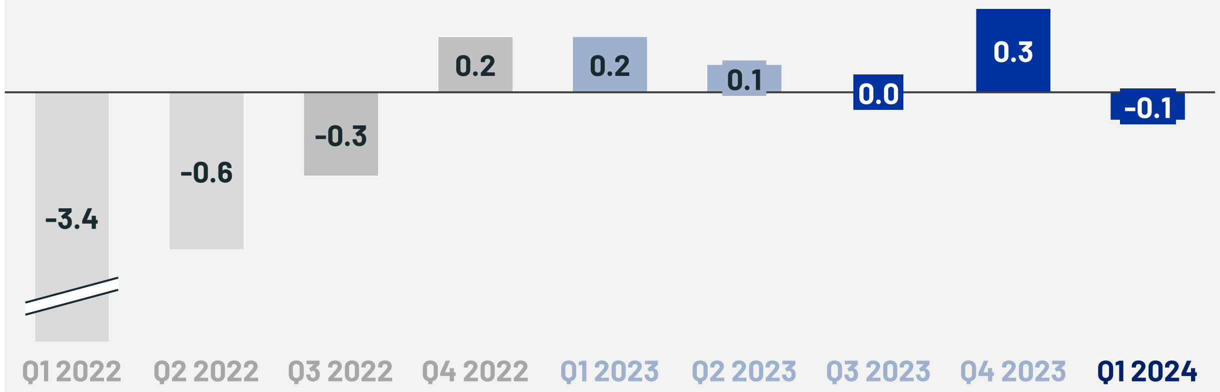
- Despite the significant increase in earnings before tax, income tax expenses in Q1 2024 were lower than in Q1 2023, mainly due to less losses not to be capitalizable.

NET FINANCIAL ITEMS

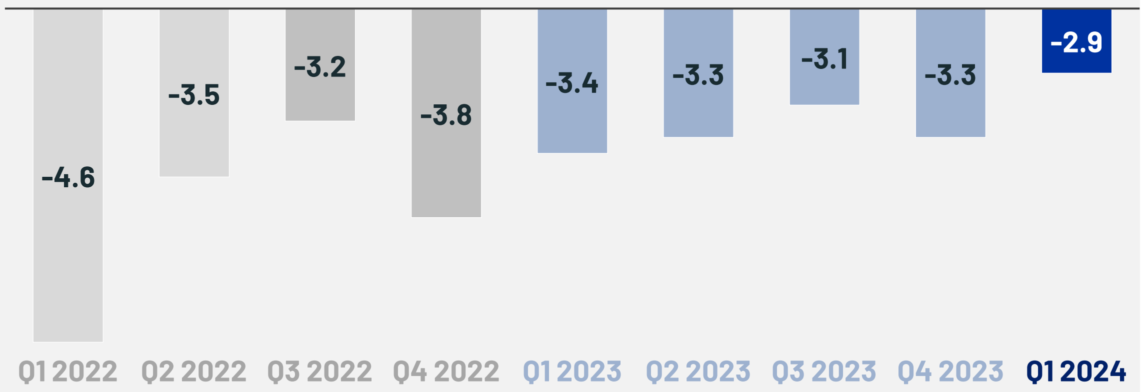
NET CURRENCY EFFECTS, MEUR



OTHER FINANCIAL ITEMS, MEUR

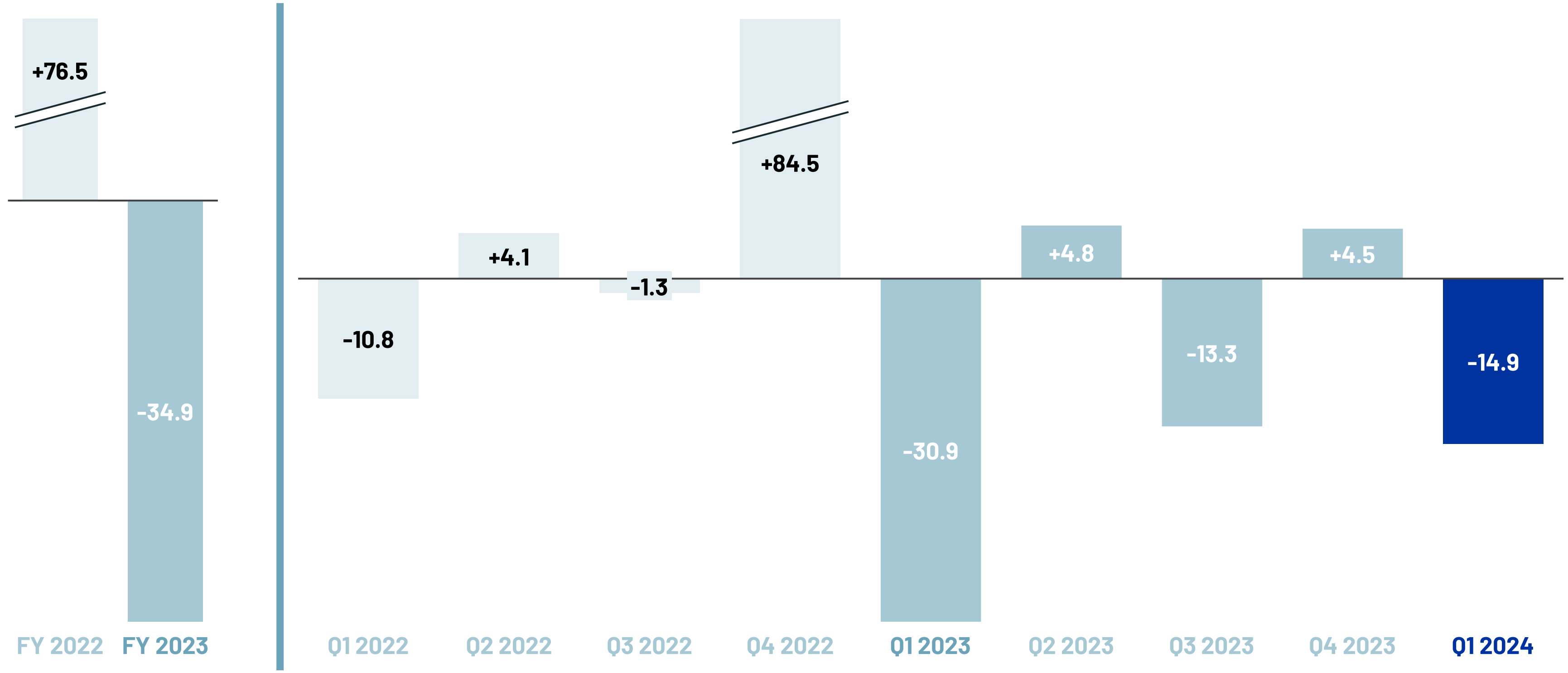


NET INTERESTS, MEUR



FREE CASH FLOW
INTEREST AND NEGATIVE CASH FLOW FROM OPERATIONS WEIGHING ON Q1 2024 FCF

FREE CASH FLOW[1], MEUR

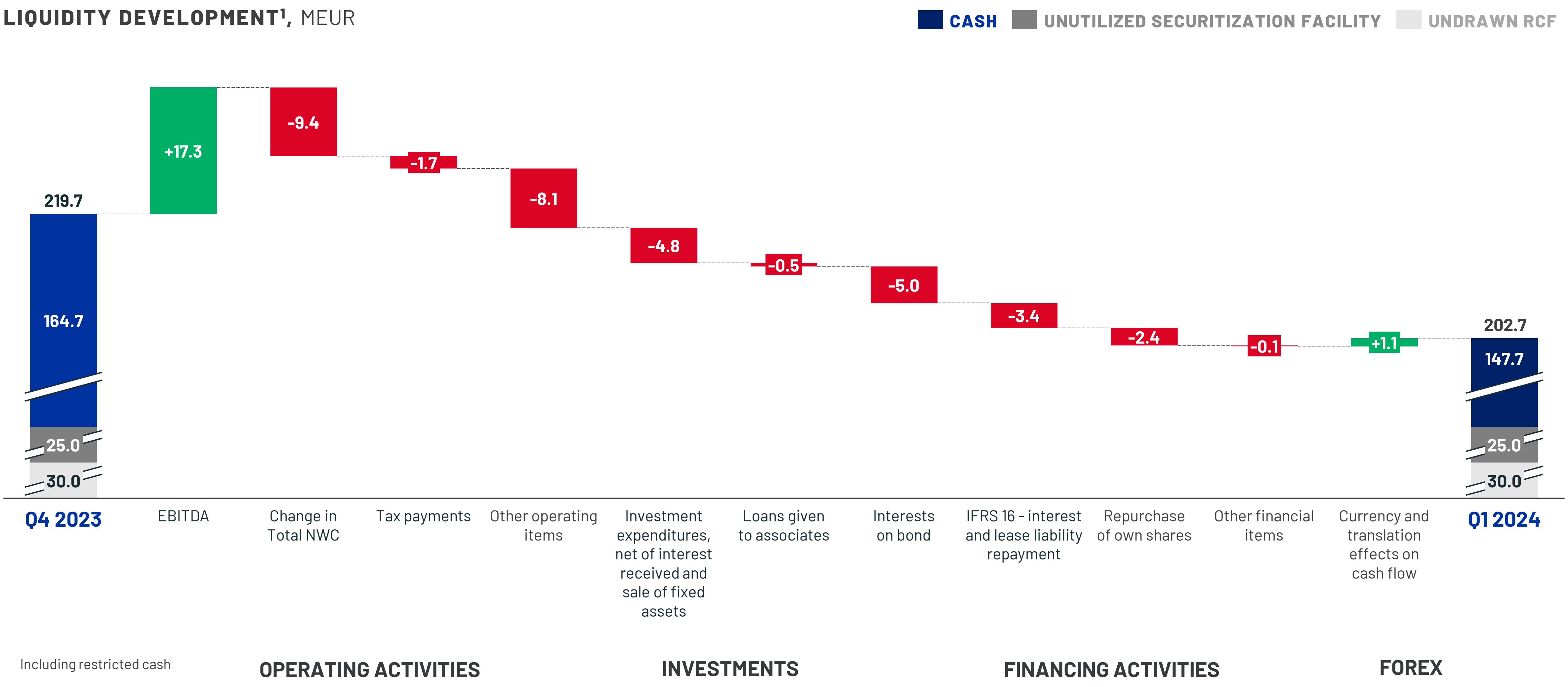


Q1 2024 FCF DETAILS

Operating activities	-1.9
Investing activities	-5.3
Financing activities	-10.9
Currency and translation effects on cash flow	+1.1
Total	**-17.0**
excluding repurchase of own shares less bank overdraft	+2.1
FCF	**-14.9**

1. Free Cash Flow is measured based on sum of cash flow from operating activities, investing activities, financial activities and currency effects on cash (together described as change in cash), excluding net draw-down/repayment of debt, proceeds received from capital increase and purchase of treasury shares.

Q1 2024 LIQUIDITY DEVELOPMENT

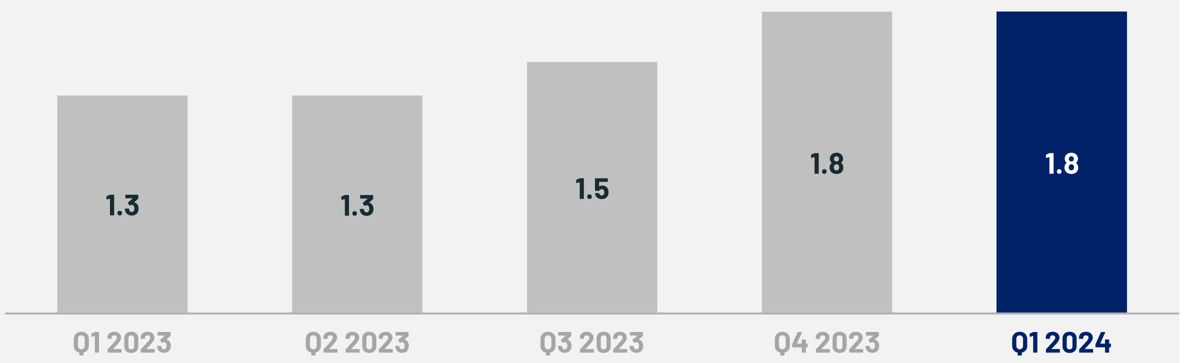


1. Including restricted cash

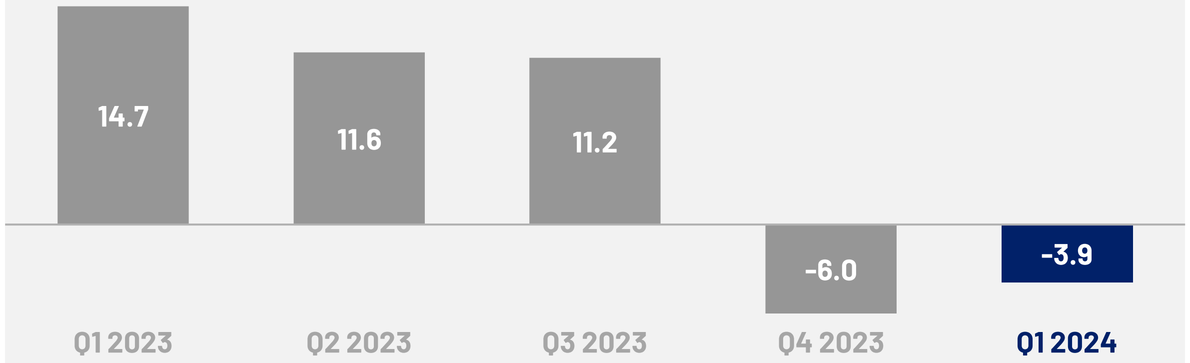
FINANCIAL RATIOS

Incl. IFRS 16 effect

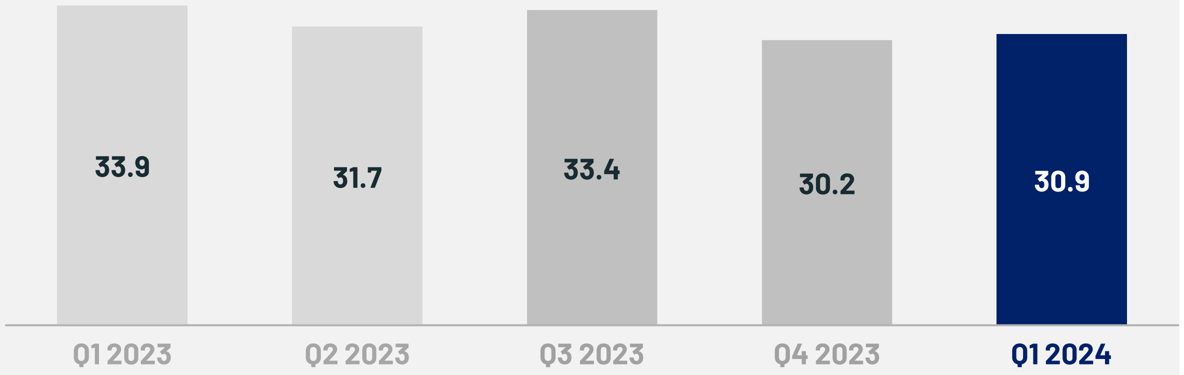
LEVERAGE RATIO, NIBD[1]/ ADJUSTED EBITDA, LTM



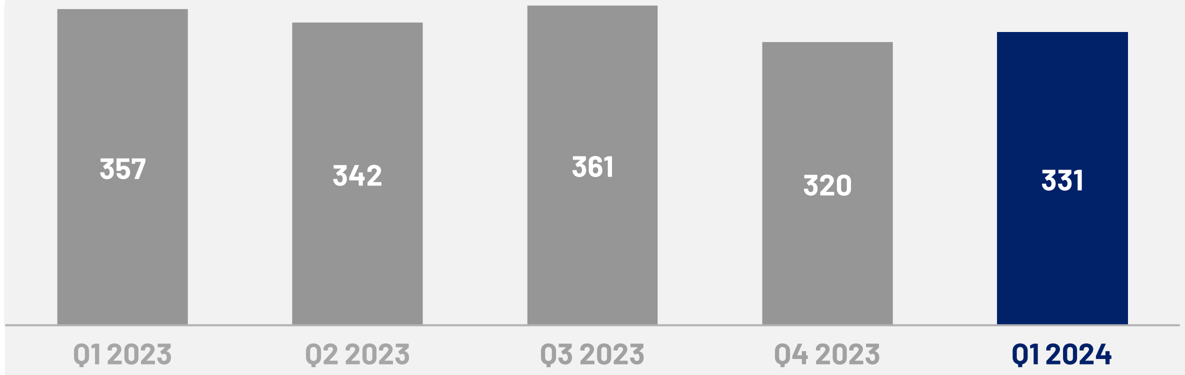
ROCE[2], %, LTM



EQUITY RATIO, %



CAPITAL EMPLOYED[3], MEUR



1. Net interest-bearing debt 2. EBIT (LTM) / Average capital employed
3. Capital employed consists of Intangible Assets, PPE's, Right-of-use assets, Net Working Capital less Lease liabilities at quarter end

LIQUIDITY POLICY

FINANCING STRATEGY

CONSERVATIVE, EFFICIENT AND EFFECTIVE

- sufficient accessible liquidity at all times
- limit financial risks and secure financial independence
  - aim to maintain a Net Interest-Bearing Debt / EBITDA LTM ratio of below 2.0
  - always maintain a minimum equity ratio of >25%
- leverage a diverse set of financing instruments
  - access to the equity and debt capital markets
  - combine revolving and fixed lines
  - utilize accounts receivable securitization facilities, factoring and other available instruments

CAPITAL ALLOCATION

1) Support Organic growth (CAPEX & R&D)
2) Provide flexibility to engage in equity investments, JV´s, acquisitions

RETURN POLICY

Return to shareholders by way of increasing the share price, share buy back programs or dividends - determined from time to time – with a target of returning up to 50% of net profits, provided that financing strategy conditions are met.

REFINANCING
CONSIDERATIONS AND TIMELINE FOR REFINANCING

CONSIDERATIONS

- Reduce Main Facility to base requirements MEUR 100 – 140
- Flexibility through RCF (and ARS/Factoring) ~20–30% of Main Facility
- Main Facility – Nordic Bond
- Tenure: 4 years
- Target: Annual interest costs equal or lower than today ("within todays range")

TIMELINE

- Work in progress with advisors
- Go to market either pre or post summer break
- Refinancing concluded in 2024

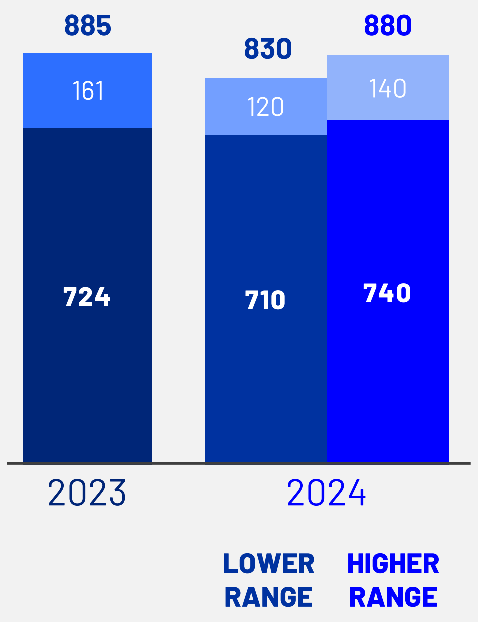
A year of consolidation – no further share buy back

GUIDANCE & SUBSEQUENT ACTIVITIES

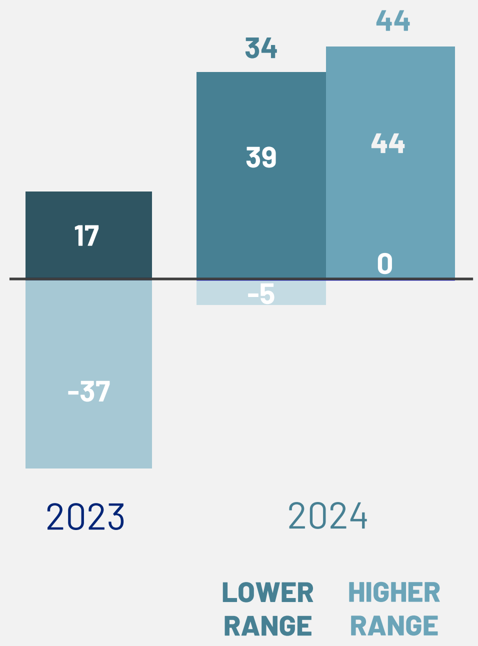
REVENUE AND EBIT GUIDANCE FOR 2024 REITERATED, NEW BUSINESS WINS GUIDANCE INCREASED

GUIDANCE FOR 2024

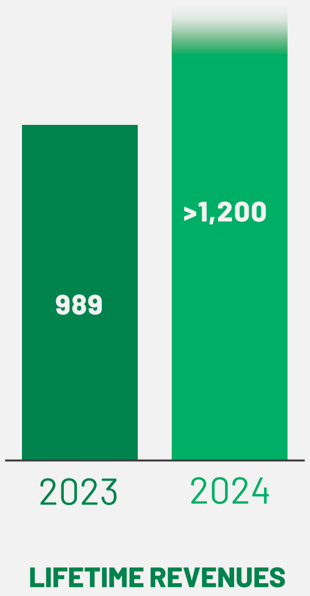
REVENUE SPLIT, MEUR



EBIT, MEUR



NBW, MEUR



BOOK-TO-BILL

ON THE AGENDA FOR 2024

- Policy deployment
- Capital Markets Day, May 13
- Refinancing
- Continuation of cost optimization
- Assessing manufacturing footprint
- Development of product portfolio

CORE OTHER OPERATIONS

Q&A

KONGSBERG
AUTOMOTIVE

MOBILITY SOLUTIONS FOR THE FUTURE