



Kongsberg Automotive Company Presentation

July 2018

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The Company and its subsidiaries have implemented the new revenue recognition standards, IFRS 15 and IFRS 9, for the reporting periods beginning on and after January 1, 2018. In accordance with the transition provisions of the aforementioned standards, the Company has determined and recorded the cumulative impact of adopting IFRS 9 and IFRS 15 as at January 1, 2018. As a result, no comparative information is restated and, as such, the financial statements of the Company for the three months ended March 31, 2017 are not comparable to the financial statements of the Company for the three months ended March 31, 2018. The Company will not restate prior periods.

Executive Summary



- Kongsberg Automotive is a manufacturer and supplier of **components, systems and aftermarket products** primarily for the **automotive (light duty and heavy duty vehicle) markets**. We also serve the **power sports and heavy equipment industries**, with leadership positions in **niche markets**
 - Global presence with operations in 19 countries with a **diversified product portfolio** including **seat comfort systems, powertrain and chassis** related products as well as **specialty products** including steering systems, driver controls, and air/fluid handling systems
 - 2017 revenues of €1.1bn and **pro forma adjusted EBITDA of €111mm**, leading to a **10.4% pro forma adjusted EBITDA margin**
- The **improvement program announced in 2016 has already delivered results**: (1) footprint optimisation (closure of 5 plants), (2) new headquarters and administrative and operational centralisation (€3mm annual benefit realized) and (3) “principal” model (effective tax rate already decreased to 38% in Q1 2018 vs. 75%¹)
 - Significant cost base reduction, increasing target Operating Cash Flow conversion and representing a security for downside risk
 - The company targets annual **€27mm run-rate savings by 2019**, with **~50% already realized** by end of 1Q 18
- Strong improvements in recent operational and financial performance with YTD June 2018 revenue growth of ~5%^{2,3} and Adjusted EBITDA performance improvement of ~15%^{2,3}, driven by continued **strong performance of Specialty Products, improvements in Powertrain & Chassis and upturn in Interior** segments
- Following the **recent capital increase from the major shareholders**, the Company has a **strong Balance Sheet with a >30% equity ratio**

¹ Average effective tax rate 2010 to 2016: 75%

² vs. YTD 2017

³ Represents management's estimates of revenues and adjusted EBITDA for the three months ended June 30, 2018. This information is preliminary and subject to change. The estimated results have not been reviewed, audited or otherwise verified, and, as such, investors should not place undue reliance on this information

Kongsberg Automotive's management



Henning Jensen, Chief Executive Officer



Professional experience

Kongsberg Automotive
President and Chief Executive Officer
June 2016 - Present

Kistefos AS
Chief Executive Officer
2011 - 2015

RHI AG
Chief Executive Officer, Chief Financial Officer and Chairman
2010 – 2011

Tyco Electronics
Divisional Head (Automotive), Chief Financial Officer (Electronic Components) and other senior level management positions
2001 – 2009

General Motors
Managerial and executive positions
1995 – 2001

Education

Hochschule St. Gallen (Switzerland)
Doctoral Studies

University of San Francisco (USA)
BA & MBA

Norbert Loers, Chief Financial Officer



Professional experience

Kongsberg Automotive
Chief Financial Officer
January 2017 - Present

Hay Group
Chief Financial Officer
2013-2016

Neumayer Tekfor
Chief Financial Officer
2007-2013

Ingersoll Rand
Finance Director
1996-2007

Education

University of Bonn (Germany)
Degree in Economics

Agenda



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- 1 Business Overview**
 - 2 Our Strengths
 - 3 Historical performance and trading update
 - 4 Appendix
-

Kongsberg Automotive at a glance (1/2)



Overview

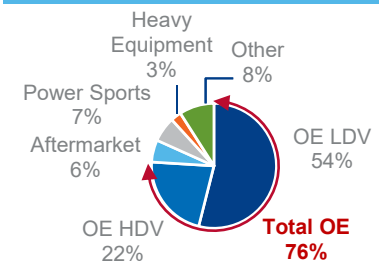
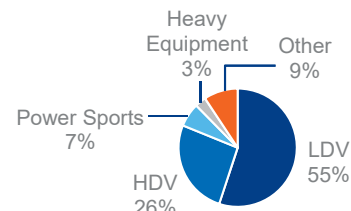
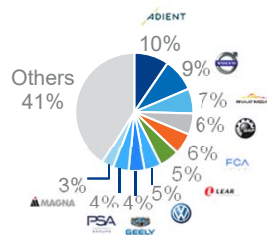
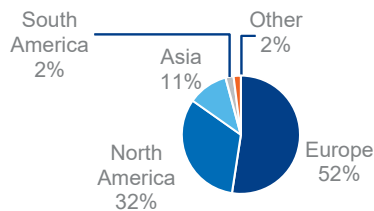
- ▶ Headquartered in Zurich, Switzerland and listed on the Oslo stock exchange
- ▶ Top 100 global automotive supplier by sales of original equipment
- ▶ 3 segments: Interior, Powertrain & Chassis, Specialty Products
 - Interior: interior comfort systems and light duty cables
 - Powertrain & Chassis: gearshift systems and vehicle dynamics applications
 - Specialty Products: air couplings, FTS and off-highway applications
- ▶ We estimate that approximately one out of five LDV or HDV contains our products
- ▶ Limited exposure to ICE for LDV
- ▶ Diverse customer and end-market exposure

Selected KPIs

Revenue (2017A / LTM Q1 2018)	Adj. EBITDA (2017A / Pro forma LTM Q1 2018¹)
€1,057mm / €1,065mm	€92mm / €111mm¹
Revenue growth / Adj. EBITDA growth (2016A-2017A)	Booked business / Revenue (avg. 2016A-2017A)
7.2% / 26.6%	1.4x

Total revenue breakdown

By geography	By customer	By end-market	By channel
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Total revenue 2017A: €1,057mm

¹ Mar-18A LTM pro forma adj. EBITDA

Kongsberg Automotive at a glance (2/2)

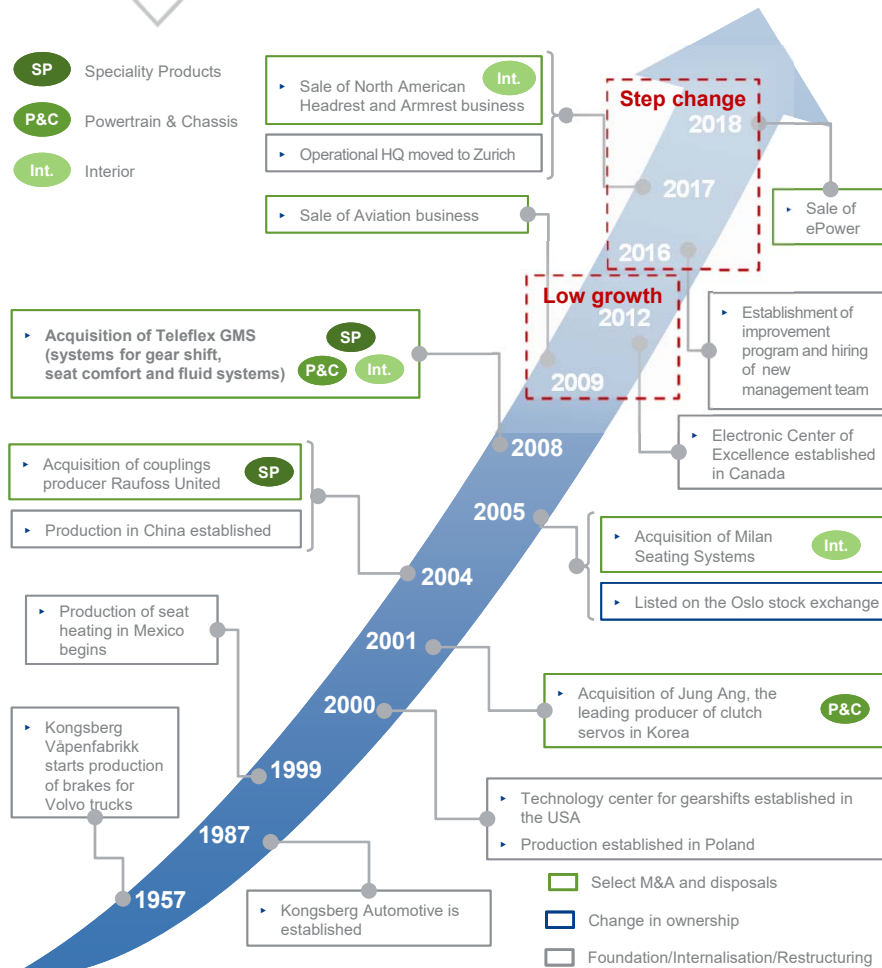


	Interior		Powertrain & Chassis Products		Specialty Products		
	 Seat system	 Hood/Bonnet Release Cable	 ATrAct™ Gear Control Unit	 Cabin Anti-roll Bar	 Raufoss ABC™ Couplings System	 Twin Turbo Feed	 Pedal Box
	Interior Comfort Systems	Light Duty Cables	Transmission Control	Vehicle Dynamics	Air Couplings	FTS	Off Highway
Revenue % 2017A ¹	17%	6%	33%	4%	9%	13%	15%
% OE LDV / OE HDV / OE Non-Auto / Aftermarket	97% / 1% / 2% / 0%		61% / 26% / 2% / 12%		17% / 32% / 47% / 3%		
Kongsberg Automotive proposition	<ul style="list-style-type: none"> ▶ Seat comfort systems and light duty cables ▶ Broadest capabilities in the market ▶ Strong underlying addressable market growth driven by trend towards premiumisation, comfort and convenience ▶ Trickleing down from premium segment into volume ▶ Predominantly LDV customers 		<ul style="list-style-type: none"> ▶ Actuation products for vehicle powertrain and other applications in addition to chassis stabilizers ▶ Strong product development capabilities in a market moving from mechanical to automated actuation ▶ High design flexibility through standardized modules adaptable to OEM preferences ▶ Significant booked business contributing to growth particularly in North America HDV and China LDV ▶ Addressing LDV, HDV, aftermarket 		<ul style="list-style-type: none"> ▶ Three business units operating in niche markets: air couplings, FTS, off-highway ▶ Products: air couplings, hoses and tubes, pedals and hand controls, electric power steering columns ▶ Deep vertical integration and full capability in-house ▶ Strong growth driven by innovative products and capturing market share in new regions: couplings (HDV, aftermarket), FTS (LDV, HDV, industrial), off-highway (power sports, construction, agriculture) 		
End-markets			 		   		

¹ Includes other revenue of 3%



Kongsberg Automotive history



2016 the major turning point

- ▶ Starting from a period of low growth post Teleflex acquisition, Kongsberg Automotive initiated a number of changes in 2016
 - Elected New Board of Directors
 - Changed majority of senior management
 - Initiated operational improvements taking out costs and planning closure of plants
 - Implemented organisational changes creating a new structure
 - Focused market approach
 - Cleaned up product portfolio
 - Changed the legal structure
 - Moved the headquarters
 - Started the transition to become a company with a performance based culture

Kongsberg Automotive is on track to deliver on its targets

During 2016 Capital Markets Day, management presented an improvement program for Kongsberg Automotive



- Fixed cost reduction**
 - ✓ Full run-rate targeted restructuring improvement of approximately €27mm (c.46% already realized as of Q1 2018) mostly driven by plant closures
- Principal model**
 - ✓ Targeted effective tax rate reduction from > 75% to c.25% in the medium term following adoption of principal model
- Systems & process improvements**
 - ✓ Improved business workflows and operational execution through integrated ERP systems and standardized business processes
- HQ / centralization**
 - ✓ Synergy realization from centralization, tightened control and overhead reduction with improved systems and processes

Value proposition to customer focused on flexible manufacturing and technology



Purchase criteria	Kongsberg Automotive customer proposition	Leadership
Quality and customisation	<ul style="list-style-type: none"> Mid-sized agile supplier with tailored product solutions and flexible manufacturing Competes on engineering content, quality & ability to customize and not only on price 	#1 PTFE hoses
Technology and product development	<ul style="list-style-type: none"> Superior product development capabilities with high degree of engineering Differentiated product offering that is hard to substitute during a product cycle 	#1/2 Air couplings
Customer relationships	<ul style="list-style-type: none"> Longstanding relationships with leading OEMs and Tier 1 suppliers Often single supplier to OEMs and Tier 1 customers on a platform Broad geographic reach providing opportunities to serve customers globally 	Top 3 Off-highway pedals and electronic controls
Aftermarket business	<ul style="list-style-type: none"> Dedicated teams, processes and channels to offer aftermarket support in Europe Strategy in place to grow outside of Europe, in particular in North America 	#1/2 Integrated comfort systems

Component Supplier



Long-standing relationship with customers through track record of innovation and offering sophisticated focus products



Technology and Capabilities



- ▶ Engineering driven organisation with >600 engineers
- ▶ Successful product development with high tech, high volume products engineered in last 3y
- ▶ New products ready to ramp-up
- ▶ Design single components to fully integrated systems
- ▶ All relevant quality and process qualifications
- ▶ Niche applications
- ▶ Low tech to high value engineered
- ▶ Global leadership on key products

Market presence



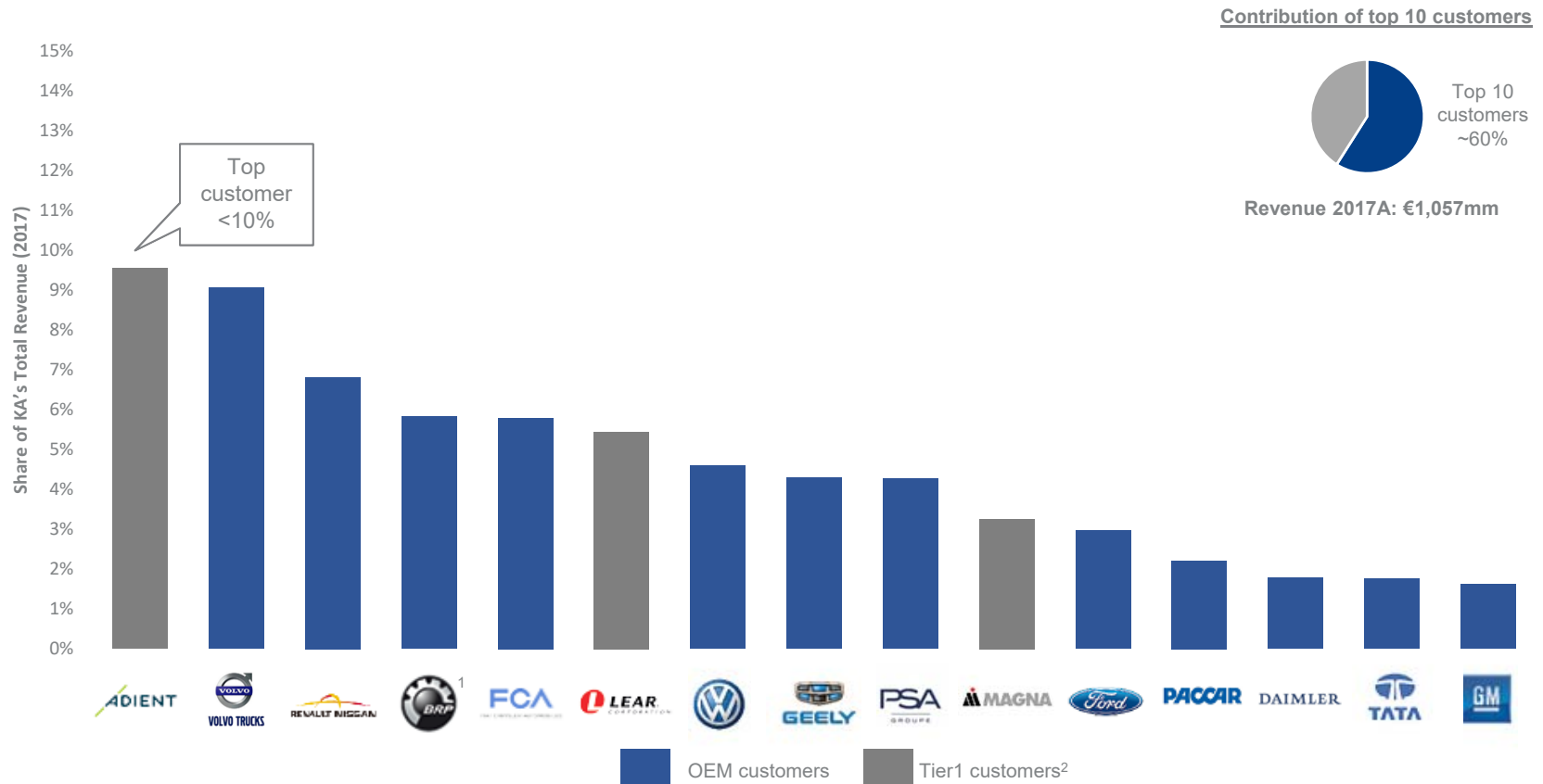
- ▶ Right sized to partner with OEMs
- ▶ Loyal, long standing and blue-chip customers
- ▶ Successful growth with new OEMs in China
- ▶ Tech centers strategically located for global customer proximity
- ▶ C.60% revenues from top 10 customers
- ▶ Limited single customer exposure: No single customer group accounts for more than 10% of total group revenues

Operations



- ▶ Global footprint to support global customers locally
- ▶ Five plants closed in 2017 and 2018 as part of an improvement / cost reduction program with a savings target of 27mm
 - 13mm achieved (c.50% of total) as of March 31, 2018
- ▶ 72% of workforce in lower-cost countries
- ▶ Customer intimacy

Kongsberg Automotive benefits from a well diversified customer base



Single customer exposure is limited

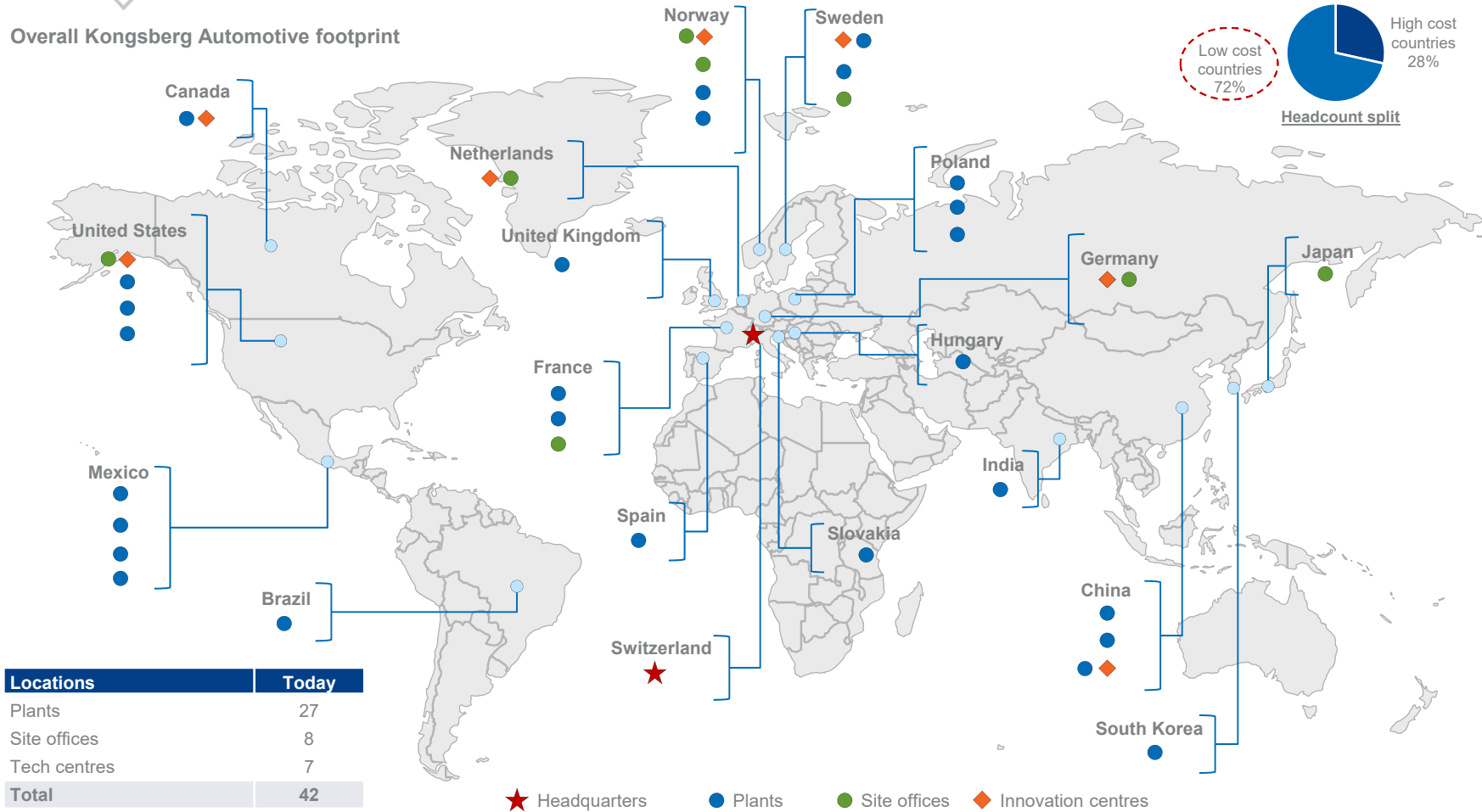
¹ Product portfolio of Bombardier Recreational Products (BRP) includes snowmobiles, watercrafts, on-and off-road vehicles and engines for karts, motorcycles and recreational aircrafts

² For Tier 1 customers the products go to a wide variety of OEMs

Broad footprint across geographies enables serving customers locally



Overall Kongsberg Automotive footprint



Following announced plant closures, Kongsberg Automotive has a leaner and strategically located production footprint

Note: Map represents the expected state at the end of FY2018 with plant closures taken into account.

Kongsberg Automotive has tech centers globally to be closer to customers



Worldwide product development presence



Agenda



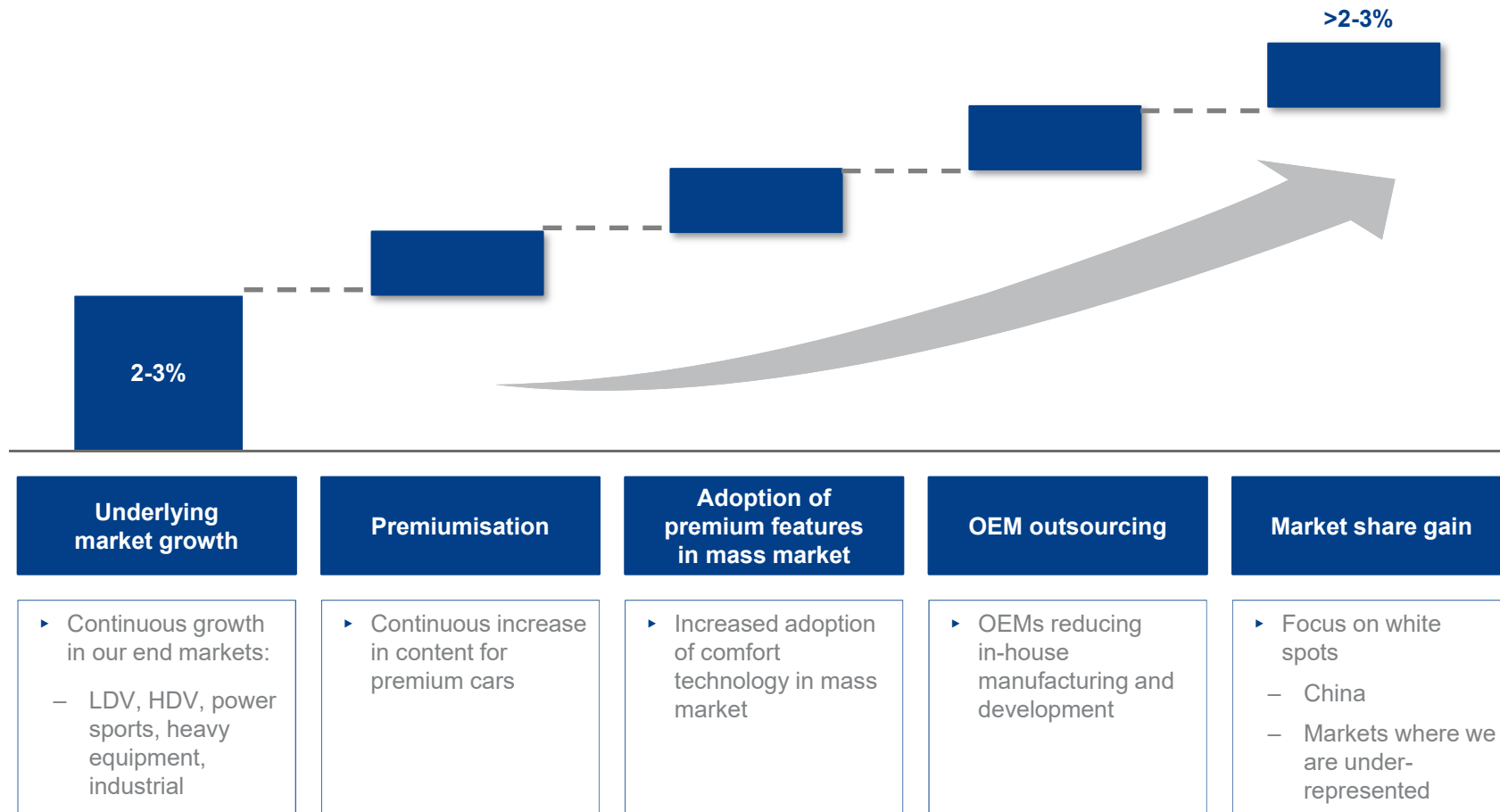
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Kongsberg Automotive – Our strengths

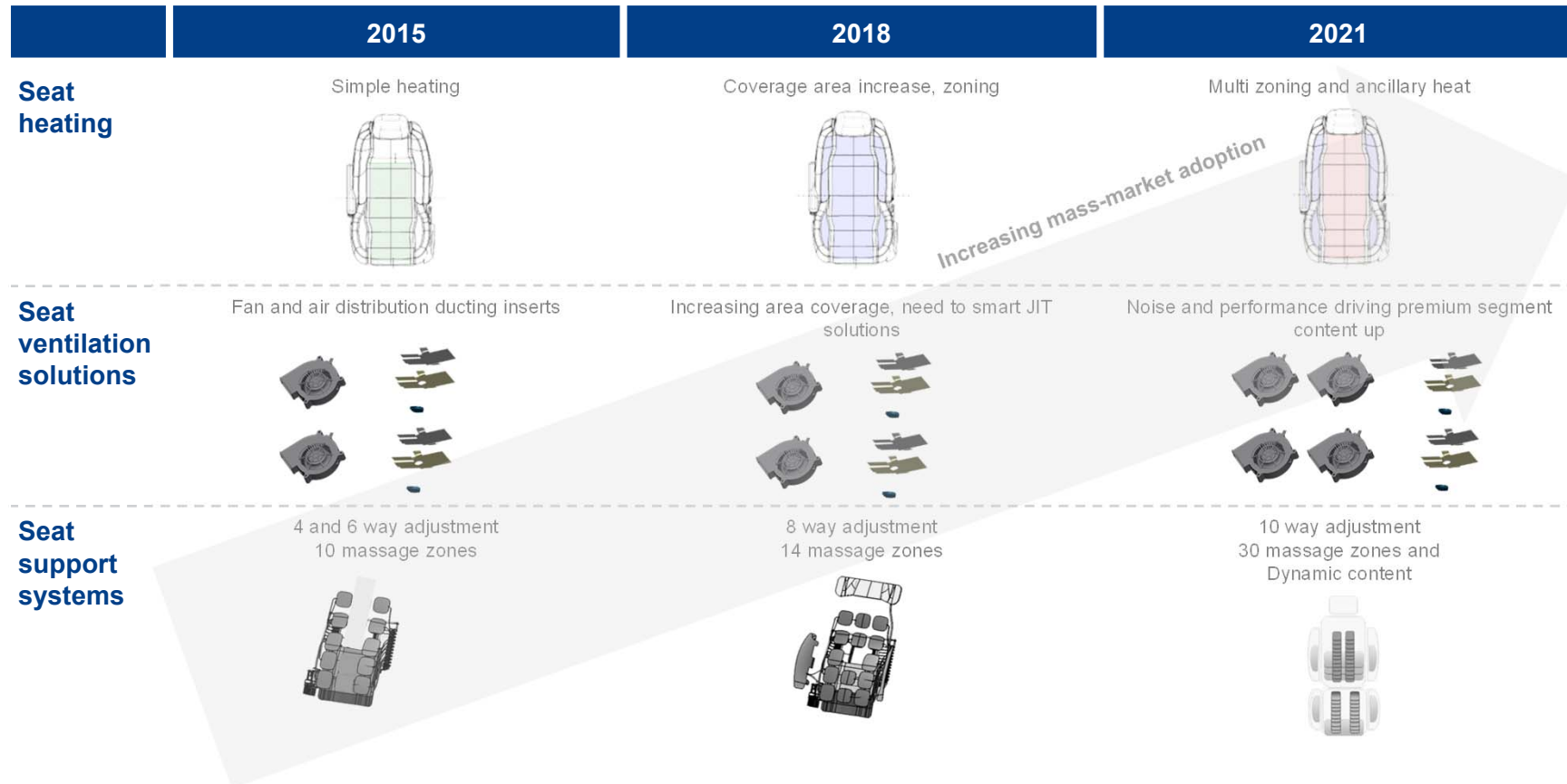


- 1 Well positioned to capitalize on growth trends in our end markets
- 2 Broad end market, geographic, customer and channel diversification
- 3 Leadership positions in niche applications
- 4 Focused and significant investments in engineering ensuring product innovation and growth visibility
- 5 Restructuring delivering increased profitability
- 6 Strong management team with track record and conservative financial policies

1 Kongsberg Automotive is positioned to benefit from current market trends and grow above market








1 Attractive growth prospects for Interior Comfort segment



✓ Comfort and Climate Content Increasing & moving to mass market
 ✓ Potential benefits from transition from motor to seat heating due to increased EV penetration

1 Increasing adoption of premium Interior Comfort Systems in mass market

Examples of seat heat fitment rates in premium segment 2015 to 2020

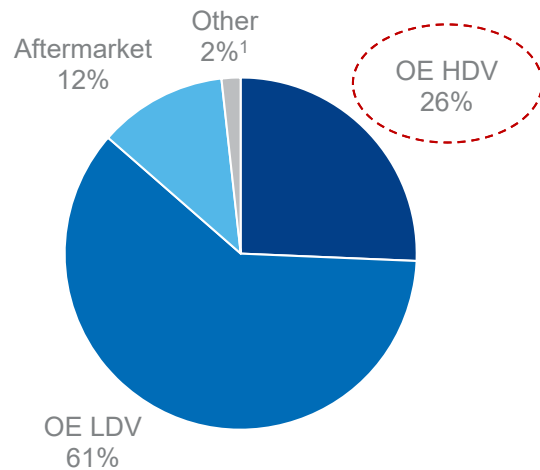
		<u>2015</u>	➔	<u>2020</u>	<u>% of LDV sales 2017</u>	<u>Prod. CAGR 17A – 20E</u>	<u>Growth of addressable market 17A-20E</u>
E-Segment		60%		70%	7%	2.4%	5.5%
D-Segment		40%		48%	24%	1.9%	4.5%
C-Segment		23%		28%	40%	1.4%	5.4%
B-Segment		20%		25%	19%	4.4%	8.9%
A-Segment		–		–	8%	0.7%	–

Source: Production forecast and segment split based on IHS Markit (February 2018); Fitment rates based on management estimates

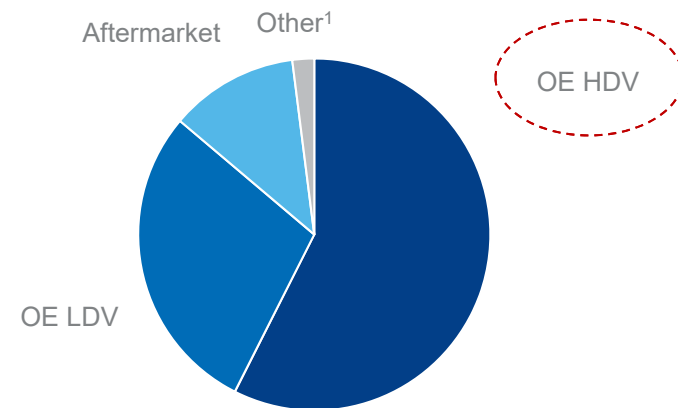
1 Kongsberg Automotive is increasing exposure to attractive Heavy Duty Vehicles within P&C segment

P&C revenue breakdown by end-market (%)

2017A









Target²



HDV market is an attractive segment with longer products cycles and higher margins than LDV market
 Kongsberg Automotive content per vehicle in HDV is higher compared to LDV
 Kongsberg Automotive targets higher share of HDV in P&C revenues over time

¹ Power Sports, Heavy Equipment, Industrial and Other
² Illustrative

1 Kongsberg Automotive has products for largely all powertrain configurations






	Driver Interface	Car						Truck & Bus						
		ICE (Gasoline, Diesel, LPG)				ICE-BEV Hybrid	FCEV / BEV		ICE			ICE-BEV Hybrid	BEV	
Engine		M	A	DC / CVT	AMT	A / DC	1-Speed	MS	A	M	AMT	AMT	1-Speed	MS
Transmission														
Mechanical Shifter & Cables 	Gear Stick/PRND	✓	✓							✓				
Shift by wire & AMT shifters 	PRND		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Gear Actuators 	PRND		✓	✓		✓		✓		✓	✓	✓		✓
P-lock 	PRND		✓	✓		✓	✓	✓		✓	✓	✓	✓	✓
Clutch actuators 	Gear Stick/PRND									✓	✓	✓		
e-Axle 	PRND											✓	✓	✓

New product in development

1 Specialty Products segment benefiting from sector trends

	Fluid Transfer Systems	Off-Highway	Airbrake Couplings
Sector trends	<ul style="list-style-type: none"> ▶ Demand for high performance materials ▶ Advanced multilayer hose and tubes ▶ Robust and safety critical designs ▶ Tighter packaging, routable products ▶ Increasing coolant/heating lines and subsystems per vehicle ▶ Need for agility and service 	<ul style="list-style-type: none"> ▶ Migration from mechanical controls to electronic controls ▶ Stricter emissions legislation ▶ Focus on vehicle safety regulation ▶ Reduced reliance on mechanical control ▶ Improved driver control and comfort 	<ul style="list-style-type: none"> ▶ Higher safety requirements ▶ Reduced complexity through modularity ▶ Increased durability requirements ▶ Stricter emissions legislation ▶ Trend towards lighter brakes
Growth drivers	 Legislations  Safety  Emerging markets  Supply chain	 Legislations  Safety  Driver control and comfort	 Legislations  Safety  Lighter components
KA advantages	<ul style="list-style-type: none"> ▶ Scale, global footprint, quality and technical services ▶ Vertical integration ▶ Broad material and process portfolio ▶ Global leader in fluoropolymer hoses for adventure applications 	<ul style="list-style-type: none"> ▶ Market leader in pedals and hand-controls with electro-mechanical solutions ▶ Servicing worldwide customers locally ▶ Full electronics design, development and manufacturing in-house ▶ Flexible and customer tailored solutions 	<ul style="list-style-type: none"> ▶ Technology leader with growing market share ▶ Designs leading to lower cost of ownership ▶ Simplified assembly process offers savings to OEMs ▶ Customer wins in North America and Asia

1 Kongsberg Automotive serves multiple attractive end-markets

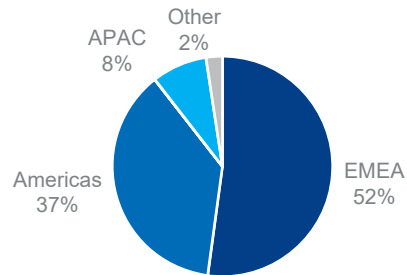
End-markets	2017A % of revenue	Market trend	Attractiveness
Light duty vehicles	55%		✓✓
Heavy duty vehicles	26%		✓✓✓
Power sports	7%		✓✓✓
Heavy equipment	3%		✓✓✓
Industrial and Other	9%		✓✓✓

Exposure to highly attractive end-markets
 Increasing exposure to HDV market with high value components targeted

2 Broad end market, geographic, customer and channel diversification

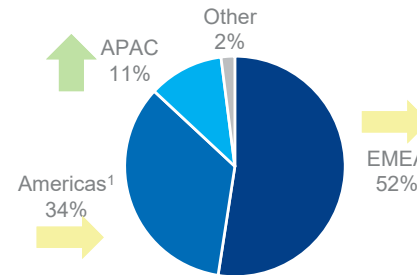
Total revenue by region

2014A



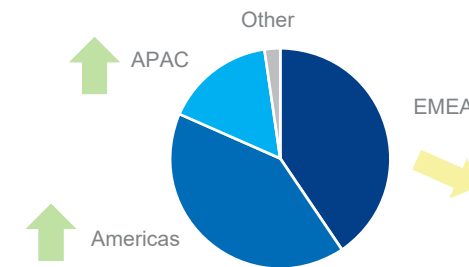
Revenue 2014A: €979mm

2017A



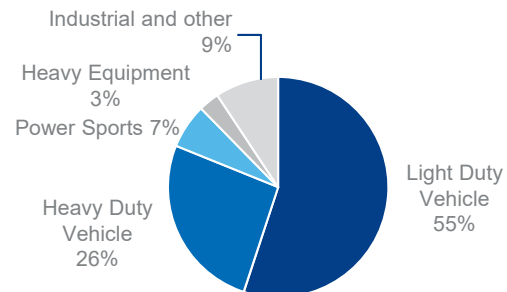
Revenue 2017A: €1,057mm

Target

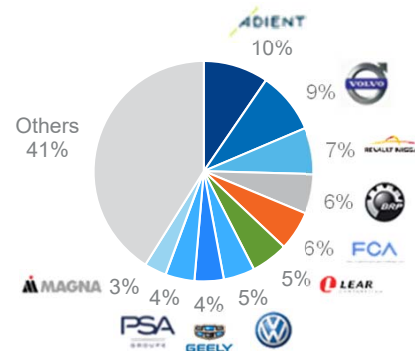


Geographically balanced footprint enhancing revenue diversification

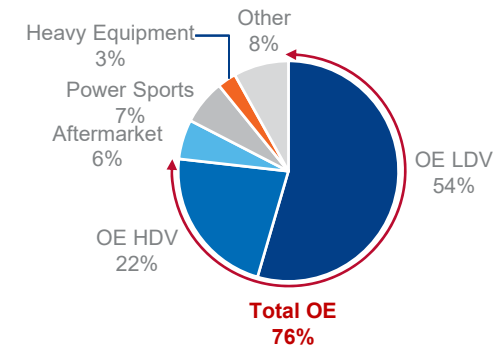
Total revenue by end-market



Total revenue by customer














Total revenue by channel



Revenue 2017A: €1,057mm

¹Composed of North America and South America

3 Leadership positions in niche markets

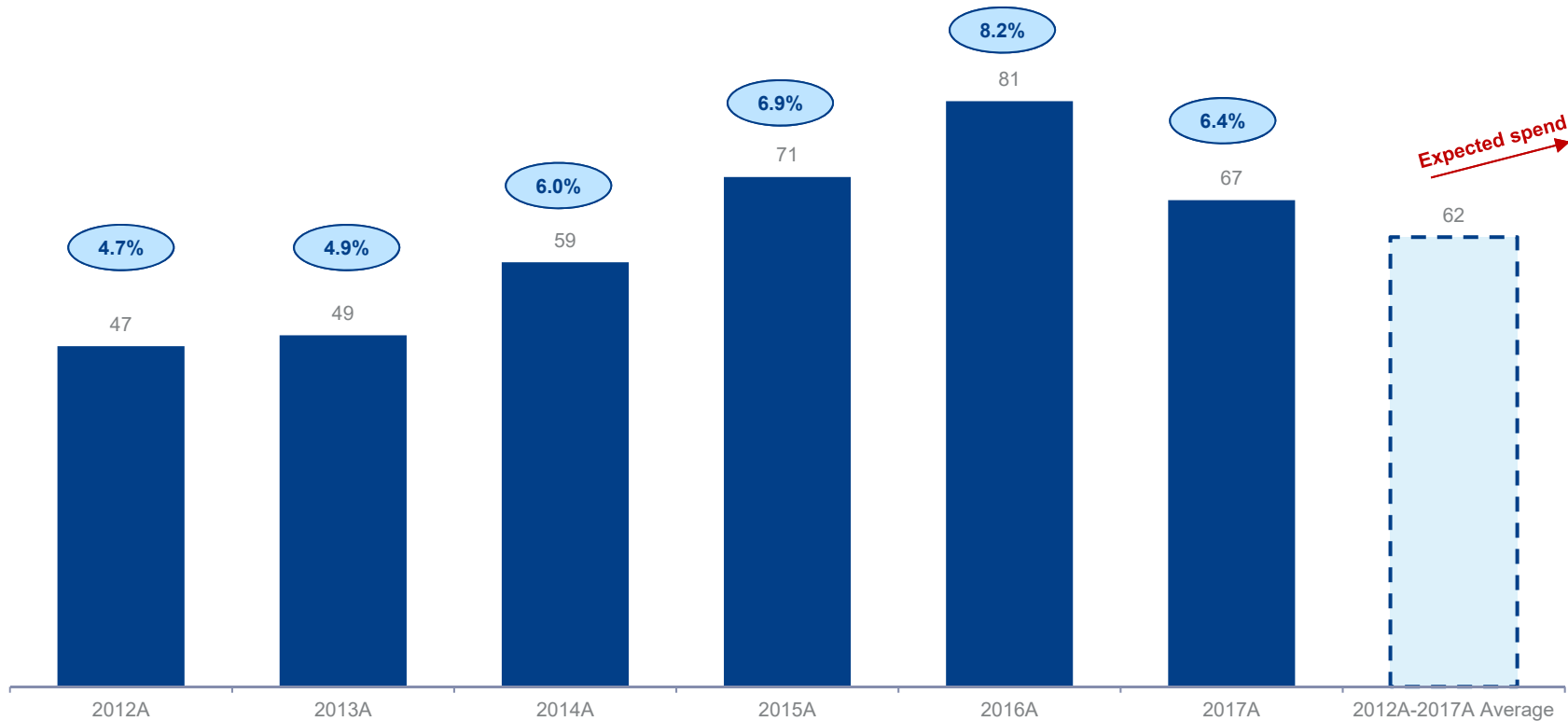
	Interior		Powertrain & Chassis Products			Specialty Products		
	 Hood/Bonnet Release Cable	 Seat system	 LV gear shift systems	 ATrAct™ Gear Control Unit	 Cabin Anti-roll Bar	 Raufoss ABC™ Couplings System	 Twin Turbo Feed	 Pedal Box
	Light Duty Cables	Interior Comfort Systems	Transmission Control	Vehicle Dynamics	Air Couplings	FTS	Off Highway	
Market position	N/A	#1 / 2 in integrated comfort systems ¹	Strong position in actuation systems		#1 / #2 (Europe)	#1 in PTFE hoses	Top 3 in pedals and electronic controls	
Key customers								
Key competitors								
Competitive positioning	<ul style="list-style-type: none"> ▶ Diversified product portfolio ▶ Taking advantage of actuator competencies ▶ Strong customer relationships ▶ New products and technologies 		<ul style="list-style-type: none"> ▶ New shifter & control products ▶ Well positioned on truck and LV actuators ▶ Strong product development and testing capabilities 			<ul style="list-style-type: none"> ▶ Focus on air brake applications ▶ Growth potential in NA and Asia ▶ Market and technology leader ▶ Strong elec. engineering capabilities 		
Customer proposition	<ul style="list-style-type: none"> ▶ Sophisticated cable design and high quality ▶ One-stop shop for systems 		<ul style="list-style-type: none"> ▶ Complete shift systems ▶ Long design and manufacturing expertise 			<ul style="list-style-type: none"> ▶ Savings to OEMs through simplified assembly processes ▶ Reduced reliance on mechanical control ▶ Bringing automotive scale and efficiencies to industrial customers 		
Market leader in fragmented markets								

¹ Includes seat heating and seat massaging

4 Focused and significant investments in engineering ensuring product innovation and growth...



Engineering spend (€mm)



- ▶ In 2015 and 2016 engineering spend higher due to external development costs related to ePower and advanced seat massage systems valve development cost in interior
- ▶ Upside from R&D spending only visible some time after spending

x.x% % of revenue

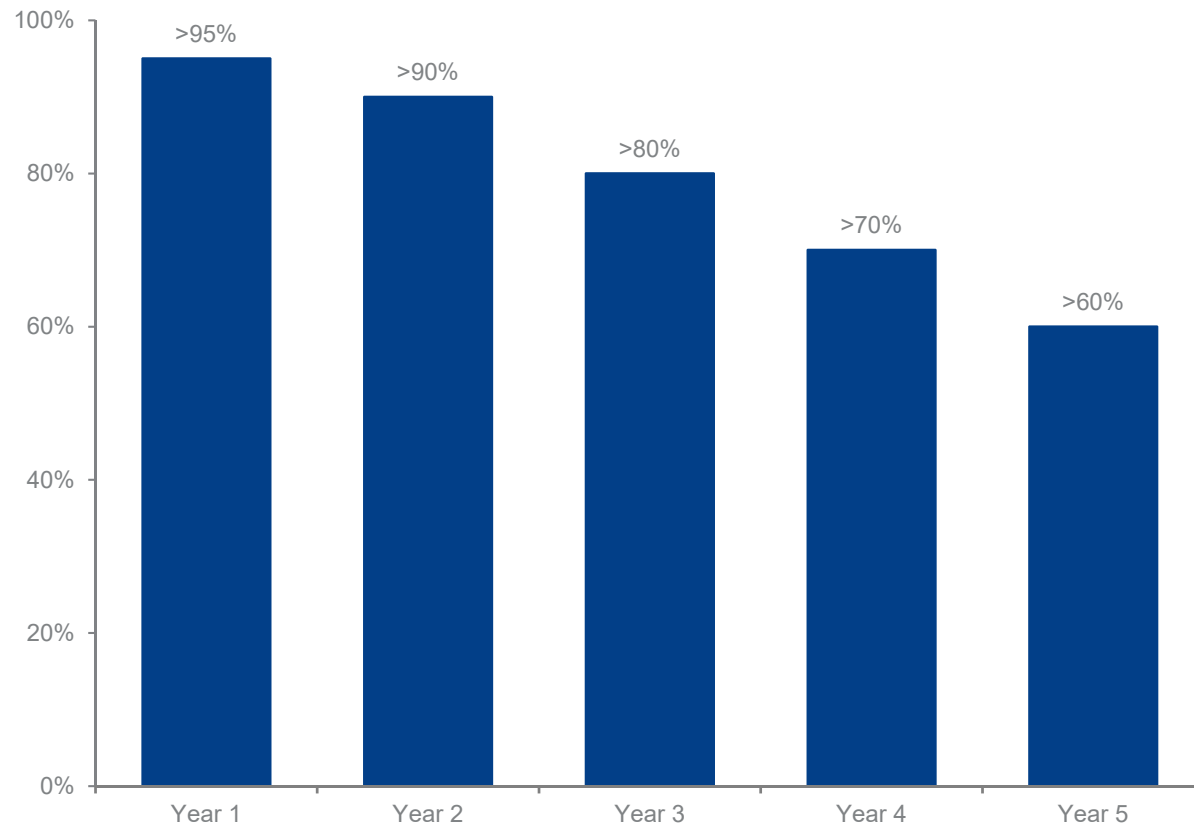
4 ...and a strong track record in developing new applications...

Key recent product innovations

Name	Segment	Product	Key benefits
Advanced seat massage systems valve 	Interior	Advanced seat massage systems valve	<ul style="list-style-type: none"> ✓ Low weight and quieter activation ✓ Optimized actuator dimensions
Compact Rotary Actuator 	P&C	Electromechanical rotary actuator	<ul style="list-style-type: none"> ✓ Compact, light and cost efficient ✓ Few parts and low complexity
Control unit for AMT transmissions 	P&C	Actuation for AMT module	<ul style="list-style-type: none"> ✓ Superior pneumatic gear shift and clutch actuation ✓ Stable performance over the lifetime of a vehicle
4 Way Valve Integrated Switch 	Interior	Valve integrated switch	<ul style="list-style-type: none"> ✓ Eliminates need to package valve assembly in seat back ✓ Reduces system complexity with increased functionality
Fluor-comp® 	SP	PTFE Fuel hose	<ul style="list-style-type: none"> ✓ Compatible with all biofuels and oils, non-flammable ✓ Superior crash, cut and abrasion resistance
Nylon Hose 	SP	Electric vehicles battery coolant	<ul style="list-style-type: none"> ✓ First OEM awarded battery coolant hose project ✓ Applicable to ICE, EV hybrid and BEV vehicles
Electronic Throttle Control 	SP	Thumb throttle	<ul style="list-style-type: none"> ✓ Compatible with future electronic control units ✓ Can be adapted to multiple vehicle platforms
Rock Crawler 	SP	Configuration of electronic power steering (EPS)	<ul style="list-style-type: none"> ✓ Maintain assist at high steering speed ✓ Better handling in challenging conditions

4 ...lead to a steady flow of innovative products brought to market driving high revenue visibility

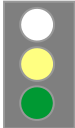
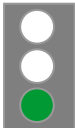
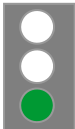
Illustrative model of existing and booked business



- ▶ Kongsberg Automotive is on a number of multiyear programmes with a long lifetime
- ▶ Multiple years of revenue visibility driven by existing + booked business
- ▶ >90% of revenues in next 2 years are typically covered by existing + booked business
- ▶ Strong book to bill ratio of the past 2 years typically generates new revenues 2-3 years from the award date as they go into production

High revenue visibility due to existing and booked business





5 Key changeover initiatives on the cost side

	Target	What we have achieved	Further steps	As of today
Footprint optimisation	<ul style="list-style-type: none"> ▶ Closure of 5 plants ▶ Target EBITDA impact of €27mm² through 5 closures 	<ul style="list-style-type: none"> ▶ 5 plants closed in high cost countries (mainly in P&C and SP) ▶ Stabilization of the receiving plants ongoing ▶ Achieved EBITDA impact of €13mm as of Q1 2018, on track to achieve full target of €27mm 	<ul style="list-style-type: none"> ▶ Complete closure of Burton already in progress ▶ 2 further plant closures TBD 	
HQ / Centralisation	<ul style="list-style-type: none"> ▶ New HQ in Switzerland ▶ Centralisation of Corporate / business management functions ▶ Realized savings of €3mm annually 	<ul style="list-style-type: none"> ▶ New HQ established ▶ Controls implemented to safeguard reasonable project performance ▶ Better workflows and operations through integrated systems and standardized business processes 	<ul style="list-style-type: none"> ▶ Synergies from improved process workflows 	
Principal Model	<ul style="list-style-type: none"> ▶ Targeted tax rate reduction from >75¹% to c.25% over 5 years 	<ul style="list-style-type: none"> ▶ Phase 1 “Value based fee model” implemented in 2017 ▶ Overall tax cost reduced significantly ▶ Q1 2018 effective tax rate of 38% 	<ul style="list-style-type: none"> ▶ Phase 2 “Contract manufacturing model” to be fully implemented in Europe by end of 2020 ▶ Positive cash and tax cost impact 	
<p>Well on way for delivering in line with plan with €13mm annual improvements (c.50% of full target run-rate) already realized</p>				

¹ From 2010-2016

² Also includes HQ effects

5 Additional actions in progress to improve overall positioning

	Target	What we have achieved	Further steps	As of today
Trimming of product portfolio	<ul style="list-style-type: none"> ▶ Portfolio optimisation 	<ul style="list-style-type: none"> ▶ Headrest / Armrest business unit sold in 2017 ▶ LDC unit not divested ▶ Several non-automotive product lines closed ▶ ePower unit sold in 2018 	<ul style="list-style-type: none"> ▶ Continued focus on optimisation ▶ Opportunistic approach to disposals ▶ Revitalize Light Duty Cable unit 	
New product launches	<ul style="list-style-type: none"> ▶ Flawless product launches 	<ul style="list-style-type: none"> ▶ US dimension couplings launched in 2018 ▶ New advanced seat massage systems valve SOP ▶ P&C: AMT launch in 2017 achieved ▶ Interior: improved product design and assembly lines 	<ul style="list-style-type: none"> ▶ Continued full capabilities utilisation 	
Management	<ul style="list-style-type: none"> ▶ Management changes 	<ul style="list-style-type: none"> ▶ New CEO in June 2016 & new CFO in January 2017 ▶ Remuneration principles changed ▶ More than half of CEO's direct reports new to role or company 	<ul style="list-style-type: none"> ▶ Continue to attract top talent ▶ Alignment of incentives with company objectives 	
Organisational structure	<ul style="list-style-type: none"> ▶ Merge Driveline and On Highway DCS to P&C ▶ More entrepreneurial freedom to niche businesses 	<ul style="list-style-type: none"> ▶ Creation of P&C segment ▶ Specialty Products segment: more freedom to niche businesses 	<ul style="list-style-type: none"> ▶ Operational and strategic development of Speciality Products ▶ Fix past underinvestment 	

6 Strong management team...











Kongsberg Automotive



Henning E. Jensen
President & CEO,
President (acting) Specialty Products

- x At KA since
- x Years of industry experience

Jun 2016¹ 20

P&C	Interior	Finance & IS&T	Human Resources	Purchasing
 <p>Bob Riedford President</p>	 <p>Ralf Voss President</p>	 <p>Norbert Loers CFO</p>	 <p>Marcus von Pock EVP</p>	 <p>Lovisa Söderholm EVP</p>
Dec 2016 32	Mar 2018 29	Jan 2017 25	Nov 2017 20	Jan 2015 23
IP & Law	Quality	FTS	Couplings	Off-highway
 <p>Jon Munthe General Counsel</p>	 <p>Virginia Grando EVP</p>	 <p>David Redfearn EVP</p>	 <p>Linda Nyquist-Evenrud SVP</p>	 <p>Robert Pigg SVP</p>
Mar 2008 26	Nov 2017 16	1993 15	Jan 2008 14	May 2006 19

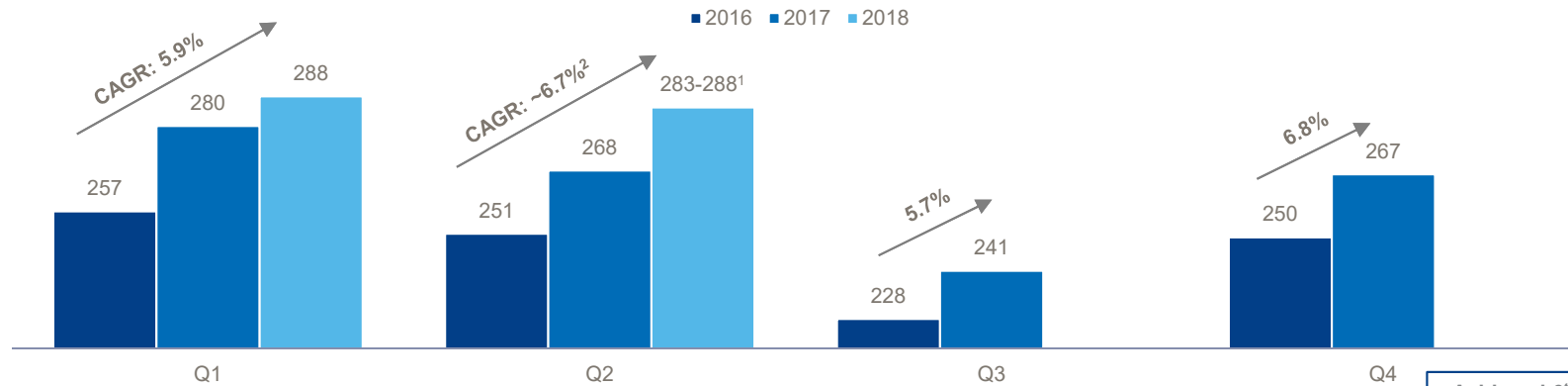
¹ Joined KA's board as chairman in March 2016 before assuming the CEO role

6 ...with a track record of delivering steadily improving financial performance

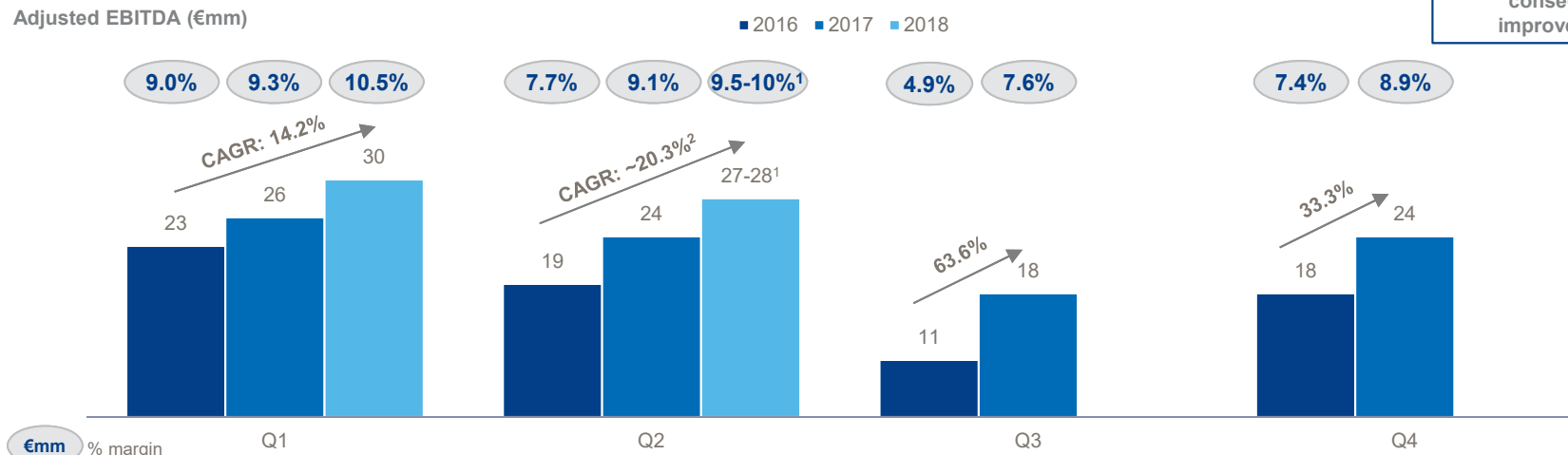


Quarterly financials (Revenues and adjusted EBITDA) – €mm

Revenue (€mm)



Adjusted EBITDA (€mm)



Achieved 6th quarter of consecutive improvements

€mm % margin

¹ Represents management's estimates of revenues and adjusted EBITDA for the three months ended June 30, 2018. This information is preliminary and subject to change. The estimated results have not been reviewed, audited or otherwise verified, and, as such, investors should not place undue reliance on this information

² Calculated on mid-point of the range

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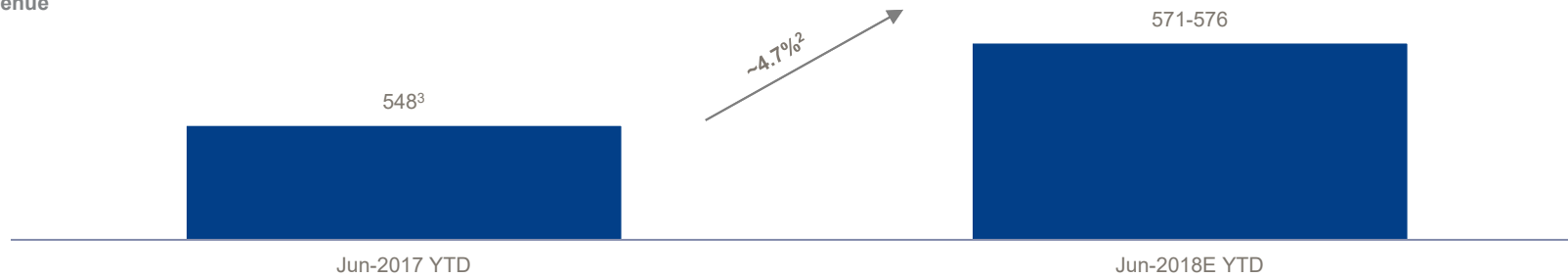
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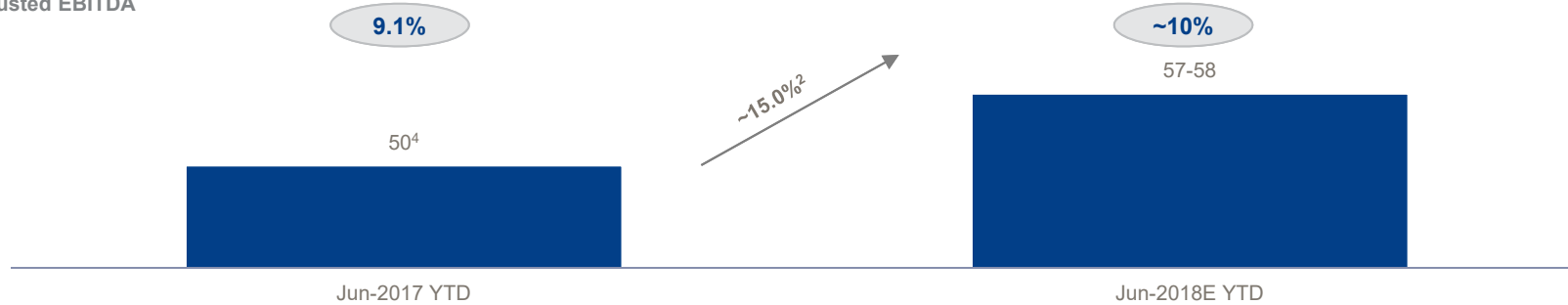
Current trading

Revenues and adjusted EBITDA for the six months ended on June 30, 2018 (estimated¹) – €mm

Revenue



Adjusted EBITDA



Building on strong financial results in the first half of 2018, management expects to deliver strong financial performance for the full year and believes the Company is on track to meet the initial cost saving targets

€mm % margin

¹ Represents management's estimates of revenues and adjusted EBITDA for the six months ended June 30, 2018. This information is preliminary and subject to change. The estimated results have not been reviewed, audited or otherwise verified, and, as such, investors should not place undue reliance on this information

² Calculated on mid-point of the range

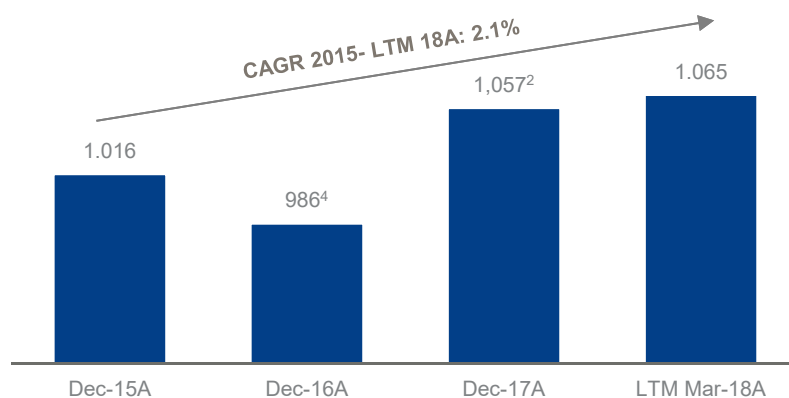
³ Includes €10m revenue from HRAR business

⁴ Includes €1m EBITDA from HRAR business

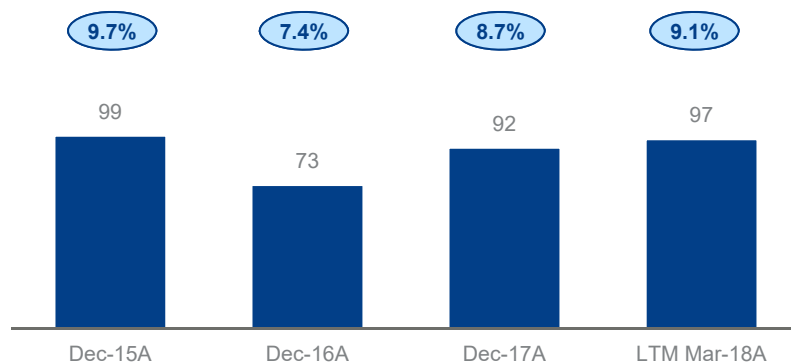


Historical financials overview

Revenue performance (€mm)



Adj. EBITDA performance (€mm)



Key financials (€mm)

P&L €mm	Actuals			
	Dec-15A	Dec-16A	Dec-17A	LTM Mar-18A
Revenue	1,016	986	1,057	1,065
% growth	3.8%	(3.0%)	7.2%	NA
Adj. EBITDA	99	73	92	97
<i>Pro forma adj. EBITDA</i>				111
% margin	9.7%	7.4%	8.7%	9.1%
% margin				10.4%
Adj. EBIT	32	28	50	55
% margin	3.2%	2.9%	4.7%	5.1%
Capex	(44)	(51)	(53)	(52)
% of revenue	(4.3%)	(5.2%)	(5.0%)	(4.9%)
Adj. EBITDA - Capex	55	22	40	45
% cash conversion	55.4%	29.7%	43.0%	46.2%
Change in NWC¹	(6)	(3)	(27)	(22)

Includes €14mm of pro forma target future savings as of March 2018³

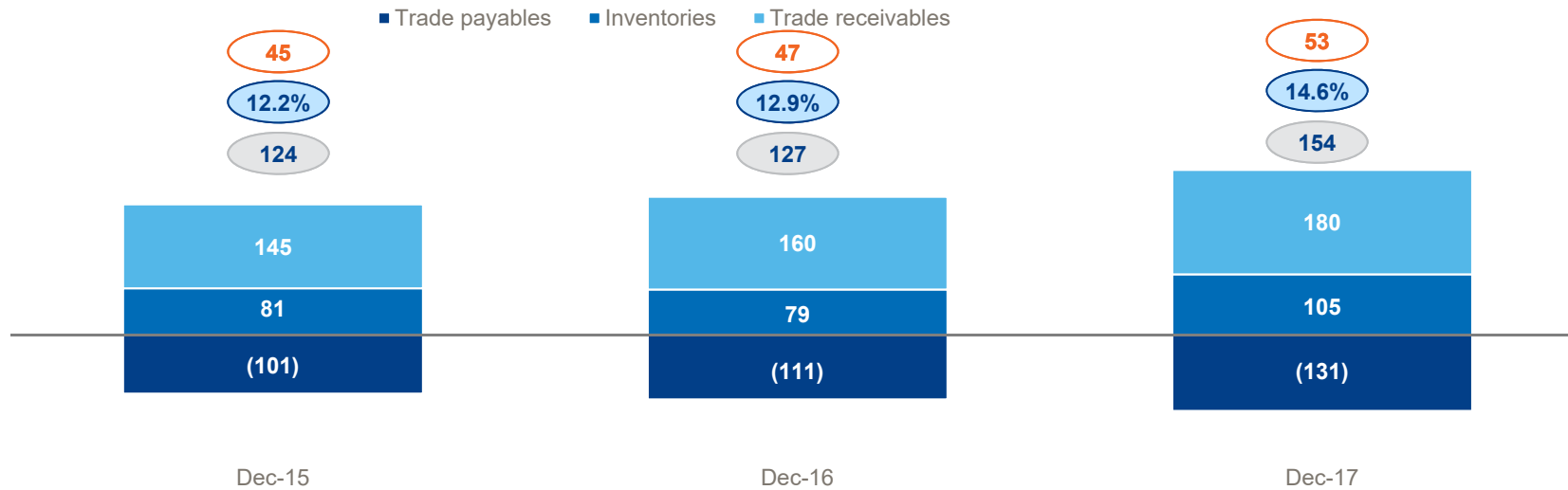
% EBITDA margin (%)

¹ Defined as Trade receivable + Inventories – Trade payable; ² Includes the divested HRAR business accounting for €42mm revenue in 2016 and one quarter of €10mm revenue in 2017; ³ €14mm of pro forma target future savings as of March 2018 reflect additional annual cost savings that management expects to achieve by the end of 2019 in connection with the improvement program

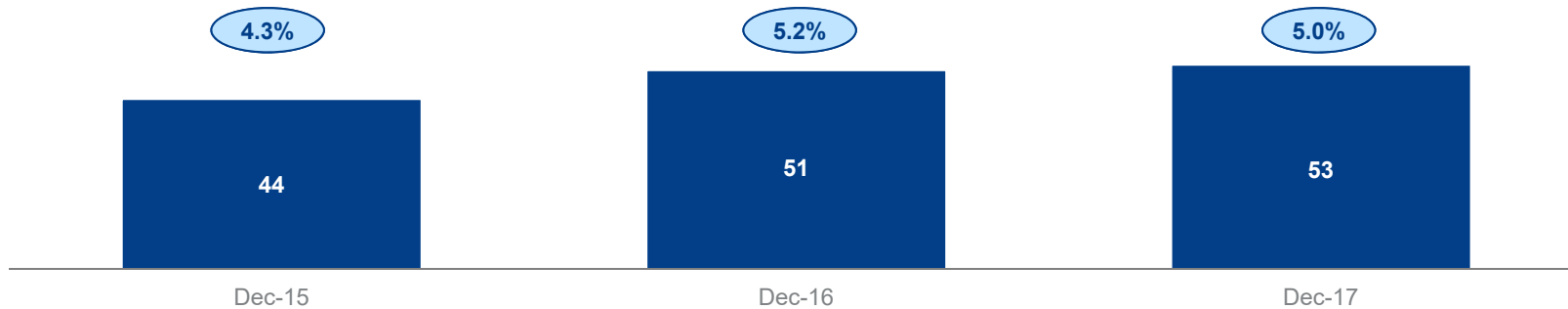


Historical evolution of capex and NWC

Net working capital structure (€mm)



Capex (€mm)



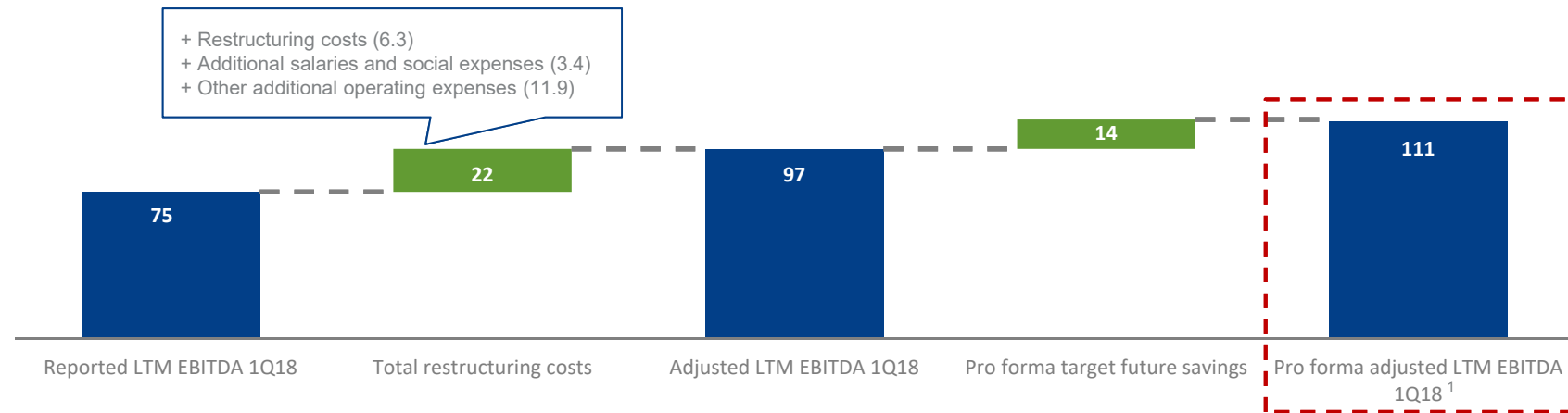
€mm Total NWC
 % % of revenue
 XX Working capital days¹

¹Calculated as NWC (given year) * 365 / Revenue (given year)



Pro forma adjusted EBITDA bridge

Pro forma adjusted EBITDA bridge (Mar-18 LTM) (€mm)



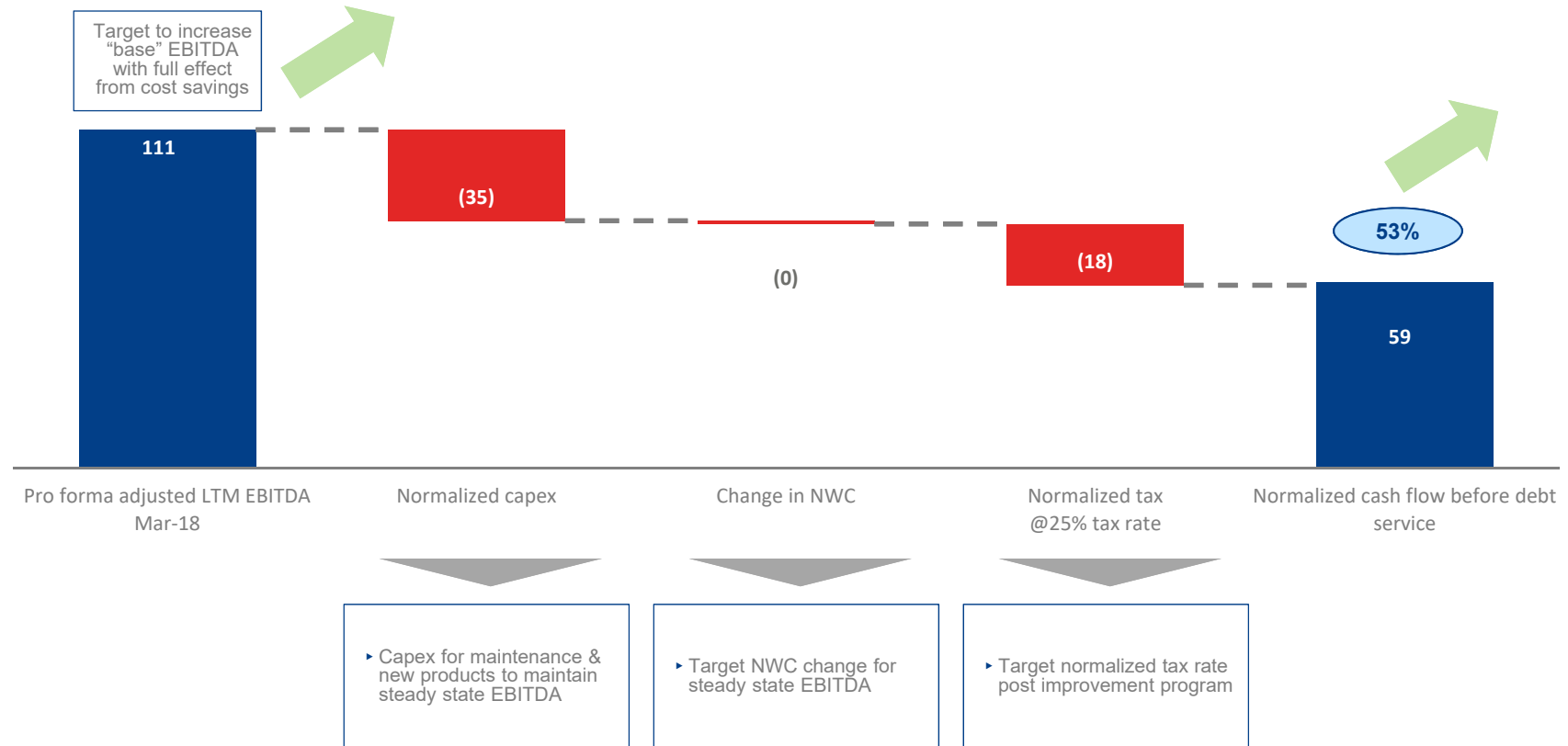
Savings timeline implementation					Pro forma calculation	
	Dec-2017	Mar-18	Dec-2018	Dec-2019		Q1 18
Total savings achieved (or targeted)	11	13	19	27	EBITDA LTM 1Q 18 (before restructuring benefit)	62
					Achieved restructuring benefits	13
					Reported EBITDA LTM 1Q 18	75
					Total restructuring costs	22
					Adjusted EBITDA LTM 1Q 18	97
					Remaining savings to be realized	14
					Pro forma adjusted EBITDA LTM 1Q 18	111

¹ €14mm of pro forma target future savings as of March 2018 reflect additional annual cost savings that management expects to achieve by the end of 2019 in connection with the improvement program



Illustrative normalized FCF

Steady state free cash flow bridge (€mm)



% of adjusted LTM pro forma EBITDA Mar-18

Note: normalized free cash flow is presented for illustrative purposes only, and does not represent historical free cash flow for any prior period or purport to estimate or project free cash flow for any future period. In particular, the illustrative model of "steady state" free cash flow set forth above does not reflect the impact of capital expenditures that may be required for business growth in future periods



Key financial policies and governance

Leverage targets	<ul style="list-style-type: none">▶ Leverage target: 1.5x net debt / EBITDA▶ Further deleveraging▶ Target equity ratio¹ of 35%
Liquidity	<ul style="list-style-type: none">▶ Minimum operational cash on balance sheet: €30mm
Investments	<ul style="list-style-type: none">▶ Select investments in key product / niche areas based on strict return performance
Dividend policy	<ul style="list-style-type: none">▶ Reinvestment of proceeds and debt reduction to maintain future prospects and achieve leverage targets take priority over dividends / share buy-backs
Liabilities and risk management	<ul style="list-style-type: none">▶ Benefits from natural hedging with relatively limited revenue / cost exposure▶ Currently no use of derivatives
Compliance	<ul style="list-style-type: none">▶ Adhere to strict compliance standards
M&A policy	<ul style="list-style-type: none">▶ No urgency to do M&A; opportunistic M&A activity▶ No transaction will take place if not accretive to the Company▶ Enhance own capabilities in the electronics space▶ Criteria for potential M&A targets:<ul style="list-style-type: none">– Technology based– Enabling stronger vertical integration and synergies

¹Defined as Equity / total Assets

Conclusion

- Kongsberg Automotive – **truly global mid-sized automotive supplier** with **diversified customer base** (no single customer > 10% of revenues)
- **Strong and improving financial performance** driven by the **improvement program** initiated in 2016
- **Following the recent capital increase from the major shareholders, the Company has a strong Balance Sheet with a >30% equity ratio**
- **Diversified** revenue base with **~75% from OE auto** and **~25% from non-auto markets including aftermarket**
- Backed by **strong recent business wins** and **high degree of assurance** for short to medium term **top line**

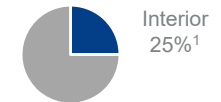
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Interior Segment

Revenue 2017A:
€264mm



Description	% of Interior revenue ²	Product	End-markets
<p>Interior Comfort Systems</p> <ul style="list-style-type: none"> ▶ Exclusively focused on LDV market ▶ Core Interior Comfort Systems – strong market growth <ul style="list-style-type: none"> – Technology leader in integration of the various seat functionalities – Ability to offer full models or individual products 	70%		
<p>Light Duty Cables</p> <ul style="list-style-type: none"> ▶ Exclusively focused on LDV market ▶ Cables represent core competence <ul style="list-style-type: none"> – Strong product technology and knowledge base – Traditional LDC applications moving towards actuators – Uses actuator designs from other business units, thus offering competitive benefits vs other pure LDC players 	25%		










¹ % 2017 revenue; ² Includes other revenue of 5%

Powertrain & Chassis Segment



Revenue 2017A:
€407mm



Description	% of P&C revenue ³	Product	End-markets
<p>Transmission control</p> <ul style="list-style-type: none"> ▶ Technology shift from mechanically based systems towards electronically controlled actuation systems ▶ Product range include: <ul style="list-style-type: none"> – AMT Actuators and PRND Actuators – Clutch Actuation Modules – Shift-By-Wire Shifters and Manual Gear Shifters – Shift Cables ▶ Focus: <ul style="list-style-type: none"> – Profitable growth for new technology – Maintain share in conventional mechanical systems ▶ Well positioned on both HDV and LDV actuators 	86%	 <p>ATrAct™ Gear Control Unit</p>  <p>Gear shift cables</p>  <p>AT Shifter</p>  <p>Shift by Wire</p>	 
<p>Vehicle dynamics</p> <ul style="list-style-type: none"> ▶ Product range consists of 3 technologies <ul style="list-style-type: none"> – Chassis Stabilizer – V-Stays – Cabin Anti-roll Bar ▶ Well positioned in the market ▶ No ICE exposure 	11%	 <p>Cabin Anti-roll Bar</p>  <p>V-stays</p>	








¹ Power Sports, Industrial and Other; ² % 2017 revenues; ³ Includes other revenue of 3%

Specialty Products segment



Revenue 2017A:
€385mm



Description	% of SP revenue	Product	End-markets
<p>Air Couplings</p> <ul style="list-style-type: none"> ▶ Focused on air brake applications for HDVs ▶ Technology leader with growing market share <ul style="list-style-type: none"> – Premium priced products – Savings to OEMs through simplified processes – Potential for growth in NA and Asia 	25%	 <p>Raufoss ABC™ Couplings System</p>	
<p>Fluid Transfer Systems</p> <ul style="list-style-type: none"> ▶ Specialty hoses for harsh applications ▶ Market and technology leader in PTFE hoses ▶ Growing market with strong competition in assemblies ▶ Focus on product differentiation and scale benefits ▶ Fragmented market in assemblies segment 	35%	 <p>Twin Turbo Drain Twin Turbo Feed</p>	 
<p>Off Highway</p> <ul style="list-style-type: none"> ▶ Target: become largest supplier of steering system products for the Power Sports, Agriculture, and Construction markets ▶ Steering columns, displays, pedals and hand controls ▶ Supplier of HMI and custom electronic products 	40%	 <p>Pedal Box Tilt & Telescope Columns KAntrak 1700</p>	

¹ % 2017 revenue

Glossary



Term	Meaning
AMT	Automated Manual Transmission
ARC	Active Roll Control
CMD	Capital Markets Day
COU	Air couplings
CV	Commercial Vehicle
EPS	Electronic Power Steering
EV	Electric Vehicle
F. MFG	Fixed Manufacturing
FTS	Fluid Transfer System
GSS	Gear Shift System
HDV	Heavy Duty Vehicle
HMI	Human Machine Interface
HR / AR	Headrest / Armrest
ICE	Internal Combustion Engine

Term	Meaning
ICS	Interior Comfort System
LDC	Light Duty Cable
LDV	Light Duty Vehicle
MTM	Mechatronic Transmission Module
NPS	New Products & Systems
OE	Original Equipment
OEM	Original Equipment Manufacturer
OHW	Off-highway
P&C	Powertrain & Chassis
PRND	Park Reverse Neutral Drive
PV	Passenger Vehicle
SOP	Start of serial production
SSV	Side-by-Side Vehicle