



KONGSBERG
AUTOMOTIVE

Press Release – First Quarter 2022 Results

REVENUE MAINTAINED DESPITE MARKET DECLINE, WHILE EARNINGS REDUCED BY STRONG HEADWINDS FROM COST PRESSURES

REVENUES FROM CONTINUING OPERATIONS WERE UP 0.6% COMPARED TO Q1 2021, WHILE ADJUSTED EBIT WAS REDUCED TO EUR 7.6 MILLION BY THE ONGOING DISRUPTIONS IN THE AUTOMOTIVE SUPPLY CHAIN AND THE ABNORMALLY HIGH COSTS OF E-COMPONENTS, RAW MATERIALS AND FREIGHT.

Zurich, May 13, 2022: Kongsberg Automotive ASA ("Kongsberg Automotive") has published its results for the first quarter 2022 today. The results show resilience in the face of difficult market conditions. All the financial information in this press release refers to the continuing operations of the company, as the ICS and LDC business are accounted for separately as discontinued operation:

- Revenue from continuing operations amounted to **MEUR 218.8** in Q1 2022, MEUR 1.3 (+0.6%) higher than last year's first quarter, including positive currency translation effects of MEUR 10.2. This was equally driven by both segments, Specialty Products and Powertrain & Chassis.
- Adjusted EBIT amounted to **MEUR 7.6**, which was MEUR 13.8 lower than in Q1 2021. This significant decline in profitability was mainly driven by the abnormally high costs of raw materials, electronic components and freight caused by the semiconductor supply-chain bottlenecks and by the higher inflation rates in most of countries KA's Group companies operate. In addition, lockdown restrictions in China had a negative impact on both revenue and adjusted EBIT in Q1 2022 as well.
- Lifetime business wins revenues in the first quarter 2022 amounted to **MEUR 239.1** (MEUR 75.1 in annualized revenue).
- On February 28, 2022, Kongsberg Automotive successfully completed the sale of its Interior Comfort Systems (ICS) business unit to Lear Corporation for an enterprise value of MEUR 175.0. The net profit from discontinued operation of MEUR 14.7 contains an initial net gain on the sale of MEUR 21.5.

After the balance sheet date, the company has also successfully completed the sale of its Light Duty Cables division to Suprajit Engineering Limited, for an enterprise value of MEUR 37.7. The company will therefore initiate its share repurchase program, as it disclosed in a separate release today.

Comment from the CEO:

"Operations during the first quarter were clearly impacted by challenging market conditions – we have seen an interruption in the recovery of vehicle production, for passenger vehicles, but especially for commercial vehicles. The war in Ukraine and subsequent disruption to supply chains have made customers' lives difficult and reduced their demand of our products. COVID-19-lockdowns in China have reduced production in an important market. In addition, raw materials, energy and labor price increases have put pressure on our bottom line. Despite this we managed to maintain our revenue compared to the same quarter last year, while remaining profitable.

With the Shift Gear program, we are prepared for an uncertain 2022, even as we expect global vehicle production to increase again from 2023 into the future. The Shift Gear performance improvements have reduced the impact of higher prices, while also making us more efficient in the future. We have completed the divestments of our Interior Comfort Systems business unit and Light Duty Cables business unit, both of which have closed as of the reporting date. This creates the foundations for our future development, as we invest in our portfolio to make sure that we can truly drive the global transition to sustainable mobility.

The decision of the Board of Directors to approve the initiation of our share buyback, now that we have received the funds from the divestments and have more clarity on the global situation, shows that we are sincere in our commitment to returning value to shareholders while still maintaining solid risk management."

Key figures for the first quarter 2022:

(MEUR)	Q1 2022	Q1 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Revenues	218.8	217.5	218.8	217.5	831.4
EBITDA	16.3	28.9	16.3	28.9	79.6
<i>in % revenues</i>	7.4%	13.3%	7.4%	13.3%	9.6%
Adjusted EBIT¹	7.6	21.4	7.6	21.4	50.7
<i>in % revenues</i>	3.5%	9.8%	3.5%	9.8%	6.1%
Operating profit / EBIT	8.0	21.3	8.0	21.3	47.5
<i>in % revenues</i>	3.7%	9.8%	3.7%	9.8%	5.7%
Net profit / (loss) from continuing operation	1.8	17.4	1.8	17.4	28.5
Net profit / (loss) from discontinued operation	14.6	(2.3)	14.6	(2.3)	(23.0)
Net profit / (loss)	16.4	15.1	16.4	15.1	5.5
NIBD / Adjusted EBITDA (LTM) ²	2.4	4.2	2.4	4.2	3.8
<i>excluding IFRS 16</i>	1.7	3.7	1.7	3.7	3.3
Equity ratio ³	33.1%	28.1%	33.1%	28.1%	27.0%
<i>excluding IFRS 16</i>	36.5%	31.5%	36.5%	31.5%	30.4%

Financial highlights

REVENUES

Group revenues from the continuing operations amounted to MEUR 218.8 in the first quarter of 2022, being slightly higher than the revenues in the first quarter of 2021 by MEUR 1.3 (+0.6%), including positive currency translation effects of MEUR 10.2. The decrease at constant currencies is attributable to both the passenger car and commercial vehicles market and represents a smaller decline than the overall market in many of our segments and geographies.

ADJUSTED EBIT / EBIT

Adjusted EBIT from the continuing operations was MEUR 7.6 in the first quarter 2022, lower by MEUR 13.8 than in Q1 2021. The overall positive operational performance was generally stable, but notably offset by rapidly increasing raw material costs (resin, brass, and steel), electronic components and associated freight costs resulting directly from the significant disruptions in the supply chain throughout the automotive sector and indirectly from the consequences of the war in Ukraine in higher inflation rates worldwide. Furthermore, lockdown restrictions in China significantly impacted adjusted EBIT as well.

CASH AND LIQUIDITY

The change in cash in Q1 2022 attributable to the whole Group amounted to MEUR 52.4. The cash position attributable to continuing business was MEUR 108.2 at the end of the quarter. Cash of MEUR 2.5 has been reclassified as Assets held for sale. The liquidity reserve was MEUR 217.7 at the end of the quarter, compared to MEUR 140.9 as of December 31, 2021. This includes an undrawn RCF of MEUR 50.0 and an unutilized Securitization facility of MEUR 60.0.

Earnings presentation – conference call

The company will hold an earnings conference call at 09:00 CEST on May 13 , 2022. Conference call registration is available at the company's webpage or the following link:

https://channel.royalcast.com/landingpage/hegnarmedia/20220315_5/

About Kongsberg Automotive ASA

Kongsberg Automotive provides cutting-edge technology to the global vehicle industry. We drive the global transition to sustainable mobility by putting engineering, sustainability, and innovation into practice. Our product portfolio includes driver and motion control systems, fluid assemblies, and industrial driver interface products. Find out more at www.kongsbergautomotive.com

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