

Revenue increased despite significant headwinds; earnings reduced by cost pressures – guidance maintained as outlook improving

Revenues from continuing operations were up 4.7% compared to Q2 2021, while adjusted EBIT was reduced to EUR 4.0 million by the ongoing disruptions in the automotive supply chain and the abnormally high costs of e-components, raw materials and freight.

Zurich, August 9, 2022: Kongsberg Automotive ASA (“Kongsberg Automotive”) has published its results for the second quarter 2022 today. The results show continued 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 225.6** in Q2 2022, MEUR 10.2(+4.7%) higher than last year's second quarter, including positive currency translation effects of MEUR 13.2. This was equally driven by both segments, Specialty Products and Powertrain & Chassis.
- Adjusted EBIT amounted to **MEUR 4.0**, which was MEUR 8.9 lower than in Q2 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 higher inflation.
- Lifetime business wins revenues in the quarter amounted to **MEUR 167.9** (MEUR 54.4 in annualized revenue).
- On April 6, 2022, Kongsberg Automotive has successfully completed the sale of its Light Duty Cable (LDC) business unit to Suprajit Engineering Limited for an enterprise value of MEUR 37.7. The Q2 2022 net profit from discontinued operation of MEUR 3.4 contains the initial net profit on this transaction of MEUR 0.4.

The company maintains its guidance for adjusted EBIT, despite the pressure on earnings in the first half of the year, as production forecasts indicate increased activity in the second half of the year and higher contributions from the company's improvement program SHIFT GEAR are expected. Revenue forecast has been reduced as a direct result of the divestment of the Shawinigan plant, but this is not expected to negatively impact adjusted EBIT.

Comment from the CEO:

“The interruptions to the automotive industry continued in the second quarter, and our operations were not exempted. Interruptions to production in Asia were especially significant, with COVID-19 lockdowns causing significant reductions for both passenger and commercial vehicles. The war in Ukraine and subsequent disruption to supply chains have made customers' lives difficult. This has at times reduced their demand for our products, or required great flexibility in our deliveries. The elevated level of raw material prices, labor cost inflation and freight expenses has pressured our bottom line. In this environment, we are pleased to have delivered revenues better than in any previous quarter, and that the improvements we have been making have kept us profitable.

Shift Gear program has helped prepare us for uncertain times, even as we expect global vehicle production to increase again from later this year and into the future. The Shift Gear performance improvements have reduced the impact of higher prices, but will carry through to future quarters, making us more efficient going forward. We have now 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, together with the announced divestment of our Shawinigan plant, 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.”

Key figures for the first quarter 2022:

(MEUR)	Q2 2022	Q2 2021 (Restated)	YTD 2022	YTD 2021 (Restated)	FY 2021
Revenues	225.6	215.4	444.4	433.0	831.4
EBITDA	10.6	20.5	26.9	49.4	79.6
<i>in % revenues</i>	<i>4.7%</i>	<i>9.5%</i>	<i>6.0%</i>	<i>11.4%</i>	<i>9.6%</i>
Adjusted EBIT¹	4.0	12.9	11.6	34.3	50.7
<i>in % revenues</i>	<i>1.8%</i>	<i>6.0%</i>	<i>2.6%</i>	<i>7.9%</i>	<i>6.1%</i>
Operating profit / EBIT	2.0	13.0	10.0	34.3	47.5
<i>in % revenues</i>	<i>0.9%</i>	<i>6.0%</i>	<i>2.2%</i>	<i>7.9%</i>	<i>5.7%</i>
Net profit / (loss) from continuing operation	(2.9)	7.3	(0.9)	24.7	28.5
Net profit / (loss) from discontinued operation	3.4	(8.7)	17.8	(11.0)	(23.0)
Net profit / (loss)	0.5	(1.4)	16.9	13.7	5.5
NIBD / Adjusted EBITDA (LTM) ²	2.0	2.7	2.0	2.7	3.8
<i>excluding IFRS 16</i>	<i>1.1</i>	<i>2.1</i>	<i>1.1</i>	<i>2.1</i>	<i>3.3</i>
Equity ratio ³	35.6%	28.1%	35.6%	28.1%	27.0%
<i>excluding IFRS 16</i>	<i>39.0%</i>	<i>31.4%</i>	<i>39.0%</i>	<i>31.4%</i>	<i>30.4%</i>

¹ Adjusted for restructuring costs and impairment losses (see APM section of the quarterly report)

² Includes all items classified as discontinued business and assets and liabilities held for sale as of December 31, 2021

³ Includes assets and liabilities held for sale as of June 30, 2022, and December 31, 2021

Financial highlights

REVENUES

Group revenues from continuing operations amounted to MEUR 225.6 in the second quarter of 2022, being higher than the revenues in the second quarter of 2021 by MEUR 10.2 (+4.7%), including positive currency translation effects of MEUR 13.2. The decrease at constant currencies is attributable to both, the passenger car, and commercial vehicles market.

ADJUSTED EBIT / EBIT

Adjusted EBIT from continuing operations was MEUR 4.0 in the second quarter 2022, lower by MEUR 8.9 than in Q2 2021. The overall positive operational performance was generally stable but still 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. Operating profit in Q2 2022 amounted to MEUR 2.0, compared to the operating profit of MEUR 13.0 in Q2 2021.

CASH AND LIQUIDITY

The change in cash in Q2 2022 attributable to the whole Group amounted to MEUR 85.8 compared to the balance as of December 31, 2021. The cash position was MEUR 144.1 at the end of the quarter. The liquidity reserve was MEUR 218.7 at the end of the quarter, compared to MEUR 140.9 as of December 31, 2021. During the second quarter of 2022 the unutilized Securitization facility was reduced to MEUR 25.0.

Earnings presentation – conference call

The company will hold an earnings conference call at 09:00 CEST on August 9, 2022. Conference call registration is available at the company's webpage or the following link:

https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20220809_1

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

Media contact:

Therese Sjoborg Skurdal

therese.skurdal@ka-group.com

+47 982 14 059

Investor relations:

Jakob Bronebakk

jakob.bronebakk@ka-group.com

+47 906 39 637