



All-time high revenues and positive margin development. Portfolio transformation in full execution

Zurich, November 8, 2022: Kongsberg Automotive ASA (“Kongsberg Automotive”) has published its results for the third quarter of 2022 today. The results show increasing revenues and a positive margin development despite increased global inflation. All the financial information in this press release refers to the continuing operations of the company, as recent divestments are accounted for separately as discontinued operations.

Comment from Joerg Buchheim, President & CEO:

“Despite several macroeconomic challenges for our industry, we managed to deliver all-time high revenues in the third quarter. The organic growth was in addition supported by customer reimbursements for spot buy cost, price increase compensating for increased inflation and for elevated raw material prices, as well as foreign exchange tailwind. On the back of this favorable top line development, we were able to deliver an improved adjusted EBIT margin for the quarter.

During the quarter, we signed the transaction of the sale of a part of our Shawinigan operation to BRP. This is our third sale in one year and shows that we are successfully executing our strategic plan of transforming our product portfolio and deleveraging the company, while at the same time enabling further accretive growth in our high-margin areas.”

Operations

- Revenue from continuing operations amounted to MEUR 246.0 in Q3 2022, MEUR 53.2 (+27.6%) higher than last year’s third quarter, including positive currency translation effects of MEUR 19.7 and delayed reimbursement for spot-buy costs in the first half of the year.
- Adjusted EBIT amounted to MEUR 12.9, exceeding Q3 2021 by MEUR 4.8. Adjusted EBIT is still impacted by the high material and energy costs. Price increases to customers achieved in addition to one-time reimbursements are increasingly mitigating these negative effects. We have so far been able to successfully mitigate 84% of the increased costs with internal and external measures.
- Lifetime revenues business wins in the third quarter 2022 amounted to MEUR 128.8 (MEUR 44.3 in annualized revenue).
- On October 3, 2022, Kongsberg Automotive successfully completed the sale of a part of the Shawinigan operations (a part of the Off-Highway business unit) in

Canada to BRP (Bombardier Recreational Products) through a subsidiary for an enterprise value of MCAD 136.0 (MEUR 104.0). Based on the initial purchase price proceeds, the gain after tax on this sale transaction amounts to MCAD 46.6 (MEUR 36.2) which is subsequently accounted for in Q4 2022.

Financial position

- The adjusted gearing ratio (NIBD/adj. EBITDA) on LTM basis for continuing operations improved to 2.0 compared to 3.1 in Q3 2021. This is due to the proceeds received from the divestments completed in previous quarters amounting to MEUR 204.0.
- The equity ratio increased from 29.0% as of September 30, 2021, to 35.9% as of the end of the third quarter of 2022. This was caused by the ICS and LDC sale as well as the subsequent redemption of bond notes at MEUR 75.0 and repayment of RCF at MEUR 20.0.
- The cash position was MEUR 135.0 at the end of the quarter. The liquidity reserve was MEUR 209.5 (excluding the restricted cash of MEUR 0.5) at the end of the third quarter, compared to MEUR 140.9 as of December 31, 2021. The unutilized RCF as of September 30, 2022, amounted to MEUR 50.0. The unutilized securitization facility was MEUR 25.0.

Outlook

- Despite the challenging macroeconomic environment, Kongsberg Automotive sticks to its top line guidance from Q2 with revenues between MEUR 870 and 905 for 2022, but adjusts its guidance for adjusted EBIT from between MEUR 38 and 44 to MEUR 35 and 41. The revision reflects an expected one-time charge for customs corrections for prior years. Overall, the targets are based on internal modelling, the latest automotive industry production forecasts, and is highly dependent on the market developing as predicted.

Earnings presentation – conference call

The company will hold an earnings conference call at 08:00 CEST on November 8, 2022. Conference call registration is available at the company's webpage or the following link: channel.royalcast.com/landingpage/hegnarmedia/20221108_1/

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