



Kongsberg Automotive reports strong underlying revenue growth of 17.5% in Q2, profits hit by lower revenues from the Chinese car market and one-time effects

Zurich, August 8, 2023: Kongsberg Automotive ASA (“Kongsberg Automotive”) has published its results for the second quarter 2023. The results show an underlying solid revenue growth of 17.5% at constant currency. Loss of profitable business in China and one-time effects impacted profitability negatively.

All the financial information in this press release refers to the continuing operations of the company, as the divestments of ICS and LDC completed last year were accounted for separately in the 2022 financial statements as discontinued operations.

Comment from the interim President & CEO Linda Nyquist-Evenrud:

“I’m happy to be elected the interim President & CEO of Kongsberg Automotive. Through my 15 years at KA, I have come to appreciate the strength of all my colleagues, understand the solid bond we have with our customers, our impressive product portfolio with market-leading positions, and the opportunities this combination gives us as a company with a global footprint.

In the last few years, KA has faced different challenges, mainly operational. Therefore, going forward, I will focus on operational improvement and employee satisfaction. Together with our highly skilled and motivated team, I’m looking forward to embarking on the journey of continuing the positive revenue trend, and more importantly, regaining profitability as soon as possible. “

Operations:

- Revenues for the second quarter came in at MEUR 224.5, a slight decrease of MEUR 1.1 (-0.5%) compared to last year’s second quarter, including the negative currency translation effects of MEUR 10.8
- This decrease was primarily driven by the divestment of the Powersports business to BRP and the significant declining revenues into the Chinese passenger car market, partially offset by the substantial growth in the commercial vehicle markets in Europe and the Americas. Excluding the revenues divested to BRP of MEUR 24.7 from Q2 2022, the growth at constant currency rates amounted to 17.5%
- Adjusted EBIT amounted to MEUR 0.3 in Q2 2023, which was MEUR 3.7 lower than in Q2 2022, of which MEUR 5.4 was due to adverse one-time effects. The growing business in the commercial vehicles market in Europe and the Americas could not offset the impact of the declining sales in the Chinese passenger car market. The decline in Specialty Products was related to the divestment to BRP and a less favorable product mix. The impairment on non-current assets of the Driveline business located in Europe and China at MEUR 10.6 led to the negative EBIT of MEUR 12.5
- Lifetime business wins revenue in the second quarter of 2023 amounted to MEUR 171.5 (MEUR 76.6 in annualized revenue) compared to MEUR 167.9 (MEUR 54.4 in annualized revenue) in Q2

2022

Financial position:

- The adjusted gearing ratio (NIBD/adj. EBITDA) on LTM basis improved to 1.2 compared to 2.0 in Q2 2022. This is mainly due to the proceeds received from the divestment to BRP completed in Q4 2022
- The equity ratio decreased from 35.6% as of June 30, 2022, to 31.7% as of the end of the second quarter of 2023, mainly due to the accumulated net loss of MEUR 38.6 in Q2 2023 YTD
- The cash position was MEUR 180.8 at the end of the quarter. The liquidity reserve amounted to MEUR 255.3 (excluding the restricted cash of MEUR 0.5) at the end of the second quarter, compared to MEUR 287.4 as of December 31, 2022. The unutilized RCF amounted to MEUR 50.0 as of June 30, 2023. The unutilized securitization facility was MEUR 25.0

Outlook:

- KA is confirming the revenue guidance of MEUR 880-900 for 2023. Considering the one-time costs in Q2, KA is updating its adjusted EBIT guidance to MEUR 20-25 (previously MEUR 25-30)
- Overall, the targets are based on internal modelling, the latest automotive industry production forecasts, and are highly dependent on the market developing as predicted
- In Q2, KA initiated a strategic review of the company. The aim of the review is to evaluate options to maximize future shareholder value. Over the coming quarters, KA will inform the market as soon as the relevant results of the review are obtained

Earnings presentation – conference call

The company will hold an earnings conference call at 08:00 CET on August 8, 2023. Conference call registration is available at the company's webpage or the following link:
http://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20230808_1

The earnings release and presentation will be published on www.newsweb.no and on KA's website www.kongsbergautomotive.com

The recording of the presentation will be made available on the company's website shortly after the presentation.

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This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act. This stock exchange announcement was published by Investor Relations at Kongsberg Automotive ASA, and the contact person(s) mentioned above on 8 August 2023 at 07:00 CEST.

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 more information at: kongsbergautomotive.com