



Kongsberg Automotive reports strong underlying revenue growth in Q3 and a solid adjusted EBIT

- Strong underlying revenue growth of 14.8% at constant currency
- Solid adjusted EBIT of MEUR 14.3
- Outperforming the market for commercial vehicles in all key markets
- Launch of a new share buyback program of 2,5% of the total outstanding shares or upwards limited to MEUR 4.2
- Reiteration of revenue and adjusted EBIT guidance for FY2023

Zurich, November 7, 2023: Kongsberg Automotive ASA ("Kongsberg Automotive") has published its results for the third quarter of 2023. The results show underlying solid revenue growth at constant currency, and the strongest third quarter adjusted EBIT in the last three years.

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

"I'm pleased to announce the strongest underlying revenue and adjusted EBIT development since COVID. We have experienced significant growth within our Commercial Vehicle segment in all key markets. Declining sales in the Chinese Passenger Car markets were offset by increasing sales in the Americas. Our positive adjusted EBIT is partially impacted by one-time effects but marks a big step in the right direction.

Even though we delivered strong results, our cash balance is yet again reduced. This is mainly related to a normalization of accounts payable, which was built up in previous quarters. We are not satisfied with the liquidity development and have implemented several measures with the aim of reversing the negative trend. Office closing, streamlining of organization, and unfortunately also downsizing of the organization are some of the recent measures implemented."

In Q1, KA's former Board of Directors and former CEO/management decided to initiate a strategic review of KA with the aim of unlocking the full potential of the company. There have been several constructive dialogues with KA's advisors and market participants in recent months, and the process has given valuable insights into different areas of improvement, both operationally and financially.

In Q3 2023, KA's new Board of Directors and management have decided to conclude the structural considerations related to the strategic review.

Details of the strategic review are available in the Q3 earnings call presentation.

Operations:

- Revenues for the third quarter came in at MEUR 220.6, a decrease of MEUR 25.4 (-10.3%) compared to last year's third quarter, including the negative currency translation effects of MEUR 15.5. The decrease was primarily driven by the divestment of the Powersports business to BRP, partially offset by the significant growth in the commercial vehicle markets in all key regions. Excluding those revenues divested to BRP of MEUR 40.2 from Q3 2022, the growth at constant currency rates amounted to MEUR 30.4 (+14.8%).

- Adjusted EBIT amounted to MEUR 14.3 in Q3 2023, which was MEUR 1.4 higher than in Q3 2022, of which positive MEUR 5.7 was due to one-time effects, offsetting previous negatives. The prior disclosure for customs claims was successfully settled resulting in the release of provision of MEUR 1.1 for the Group. Customer reimbursements as well as price increases with retroactive effect contributed MEUR 4.6. In Q3 2022, the Powersports business divested to BRP including the above-mentioned prior period effect of MEUR 8.2 contributed the adjusted EBIT of MEUR 12.6.
- Lifetime revenue business wins in the third quarter 2023 amounted to MEUR 207.1 (MEUR 67.0 in annualized revenue) compared to MEUR 128.9 (MEUR 44.3 in annualized revenue) in Q3 2022.

Financial position:

- The adjusted gearing ratio (NIBD/adj. EBITDA) on LTM basis improved to 1.4 compared to 2.0 in Q3 2023. This is mainly due to the proceeds received from the divestment of the Powersports business to BRP completed in Q4 2022.
- The equity ratio decreased from 35.9% as of September 30, 2022, to 33.4% as of the end of the third quarter of 2023, mainly due to the accumulated net loss of MEUR 32.7 in Q3 2023YTD.
- The change in cash in Q3 2023 amounted to negative MEUR 19.2 compared to the balance as of June 30, 2023. The cash position was MEUR 161.6 at the end of the third quarter. The liquidity reserve amounted to MEUR 216.1 (excluding the restricted cash of MEUR 0.5) at the end of the third quarter, compared to MEUR 287.4 as of December 31, 2022. The unutilized RCF amounted to MEUR 30.0 as of September 30, 2023. The unutilized securitization facility was MEUR 25.0.

Outlook:

- KA maintains both the revenue and adjusted EBIT guidance of respectively MEUR 880-900 and MEUR 20-25 for 2023.
- Further cash flow optimization. Initiation of additional operational performance indicators.
- Target book to bill >1 for 2023

Overall, the targets are based on internal modelling, the latest automotive industry production forecasts, and are highly dependent on the market developing as predicted.

Earnings presentation – conference call

The company will hold an earnings conference call at 09:00 CET on November 7, 2023. Conference call registration is available at the company's webpage or the following link:
http://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20231107_4

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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All the financial information regarding 2022 in this press release refers to the continuing operations of the company, as the divestments of Interior Comfort Systems and Light Duty Cables businesses completed last year were accounted for separately in the 2022 financial statements as discontinued operations.

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 7 November 2023 at 07:00 CET.

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