

Kongsberg Automotive reports Q2 2020 results

KEY TOPICS

- Revenues declined strongly by MEUR 140 (-48 %) YoY to MEUR 154, including negative currency translation effects of MEUR 3.9. The downturn in Q2 2020 is wholly driven by Corona virus pandemic related shortfalls in sales volume in European and North American KA plants:
 - Revenues in Europe and in the Americas declined by around 56% YoY and 57% respectively.
 - Revenues in China increased by around 25% YoY, attributable to the quick recovery from the Corona virus pandemic effects and KA market share gains in that market.
 - Revenues in all KA global locations ramped up quicker than originally expected during the month of June 2020, reaching a level of almost 75% of June 2019 levels.
- Despite great uncertainty around future customer demand, we were awarded new business totaling MEUR 43 on an annualized basis, corresponding to MEUR 160 in expected lifetime revenues during Q2 2020.
- Adj. EBIT was proportionate to the reduced revenue levels and amounted to MEUR -33 which was MEUR 54 lower than in Q2 2019. There were no significant translational FX impacts. The Adj. EBIT Q2 2020 figure excludes impairment losses of MEUR 83 triggered by the effects the Corona virus pandemic has on the current business outlook.
- The free cash flow was MEUR -14 for the quarter.
- The Capital Increase contributed MEUR 63 (private placement).
- We repaid our entire RCF outstanding balance.
- Our liquidity reserve amounted to MEUR 126 including the entire available RCF line.
- Our usable liquidity reserve amounted to MEUR 112 including only the RCF amount that we can draw before subjecting ourselves to covenant testing.
- Total cash flow for the quarter was MEUR 49 including the complete RCF repayment and currency effects.
- The adjusted gearing ratio (NIBD/Adj. EBITDA) deteriorated from 3.0X in Q2-19 to 6.1X in Q2 2020, again mainly driven by the effects of the Corona virus pandemic.

The earnings conference call including a review of the presentation can be followed through this link starting at CET 09:00:

Link to the Audio:

Webcast: https://globalmeet.webcasts.com/starthere.jsp?ei=1284868&tp_key=6577680375

Audio access only (apply confirmation code 1749580):

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