



Kongsberg Automotive maintains its positive revenue trend in Q1, despite adverse impact on profits due to lower sales in China's passenger car market and product mix

Zurich, May 9, 2023: Kongsberg Automotive ASA ("Kongsberg Automotive") has published its results for the first quarter 2023. The results show a continuous positive top line trend, while a challenging development in China and unfavorable foreign exchange rate developments are impacting the adjusted EBIT and net income negatively.

Adjusted EBIT declined in the Powertrain & Chassis segment on the back of lower sales towards passenger cars in China. In Specialty Products, a less favorable product mix and higher material costs not yet fully passed on to customers led to a lower margin.

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 President & CEO Joerg Buchheim:

I'm glad to see that we are continuously increasing our revenues, but we have to keep up and improve our margins. The shortfall of certain product sales within the passenger car market in China and the effects of prolonged COVID are impacting us in Q1. However, we stay confident that we will make those up in the coming quarters. We are determined to deliver on our full-year guidance and expect that our "move west" strategy in China, combined with lower global overhead costs and ongoing operational measures, will to some extent, make up for the shortfall.

Operations:

- Revenues for the first quarter came in at MEUR 228.8, an increase of MEUR 10.0 (+4.6%) from the same period last year.
- The growth in Q1 2023 was mainly driven by the above market performance in the commercial vehicle markets in Europe and the Americas, however, it was partially offset by a significant decline in the Chinese passenger car market. In addition to that, this quarter's revenues did not include revenues from the business which was divested in Q4 2022 to BRP. Excluding the sold revenues from Q1 2022, the growth at constant currency exchange rate amounted to 16.4%.
- Adjusted EBIT amounted to MEUR 4.1, which was MEUR 3.5 lower than in Q1 2022. The impact from the declining sales in the Chinese passenger car market could not be fully offset by the growing business in the commercial vehicles market in Europe and Americas. Furthermore, in Q1 2023 Kongsberg Automotive could not benefit from

margins on the business sold to BRP.

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- Lifetime revenues business wins in the first quarter 2023 amounted to MEUR 198.1 (MEUR 71.3 in annualized revenue) compared to MEUR 239.1 (MEUR 75.1 in annualized revenue) in Q1 2022.

Financial position:

- The adjusted gearing ratio (NIBD/adj. EBITDA) on LTM basis improved to 1.3 compared to 2.4 in Q1 2022. This is mainly due to the proceeds received from all divestments completed throughout the year 2022 amounting to MEUR 289.8.
- The equity ratio increased from 33.1% as of March 31, 2022, to 33.8% as of the end of the first quarter of 2023. This resulted from the profitable divestments completed in 2022 as well as the redemption of MEUR 75.0 bond notes, partially offset by the net loss of MEUR 16.9 in Q1 2023.
- The cash position was MEUR 179.7 at the end of the quarter. The liquidity reserve amounted to MEUR 254.2 (excluding the restricted cash of MEUR 0.5) at the end of the first quarter, compared to MEUR 287.4 as of December 31, 2022. The unutilized RCF amounted to MEUR 50.0 as of March 31, 2023. The unutilized securitization facility was MEUR 25.0.

Outlook:

- Despite the continued global macroeconomic challenges, and structural challenges in China, KA reiterates to its full year guidance of revenues and adjusted EBIT of MEUR 880-900 and MEUR 25-30, respectively.
- 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 has initiated a strategic review of the company. The aim of the review is to evaluate options to maximize future shareholder value.

Earnings presentation – conference call

The company will hold an earnings conference call at 08:00 CET on May 9, 2023. Conference call registration is available at the company's webpage or the following link:
http://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20230509_7

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.

Investor and media relations:

Mads Langaard

mads.langaard@ka-group.com

+47 905 81 264