



## **Kongsberg Automotive announces cost adjustment initiatives and updates 2024 guidance**

**Kongsberg, October 31, 2024:** Kongsberg Automotive (KA) announces new initiatives to adjust costs, maintain efficiency and enhance competitiveness in response to lower near-term customer demand. The initiatives support delivery on KA's long-term financial ambitions while proactively addressing the impact of uncertain market conditions and changes to customer demand, which are reflected in an updated financial guidance for full year 2024.

- Lower demand continues to impact global automotive markets and customer orders
- New overhead reductions targeting at least MEUR 10 in annual savings from 2025
- Updated 2024 guidance: Revenues in the range of MEUR 760-790 (previous MEUR 790-830) and EBIT of MEUR 18-23 (previous MEUR 28-35), reflecting the lower revenue, non-recurring costs related to overhead cost reductions and higher-than-expected warranty costs
- Maintained guidance for New Business Wins of MEUR >1,500

“Cost reductions and operational efficiencies help us offset lower volumes and positions KA for increased long-term profitability. We are on track for overhead cost reductions of MEUR 17 in 2024 and have identified additional annual savings of at least MEUR 10 with full effect from the third quarter of 2025. These steps will help us to stay efficient, sustainable, and competitive in a market with strong underlying long-term growth,” says Linda Nyquist-Evenrud, KA's President & CEO.

### **Cost adjustment initiatives**

The market development addressed during Q2 has continued into the second half of 2024. The new cost adjustments aim to further streamline operations and reduce overhead cost. They are a direct response to the current market and include a reduction of the global workforce by approximately 150 positions. The measures will be introduced during Q4 2024 and the first half of 2025, with full effect from Q3 2025 at the latest. The company expects to recognize MEUR 2 of related non-recurring costs in Q4 2024.

KA is also continuing the review of the operational structure to ensure closeness to customers, as well as optimizing production, technology and product portfolio based on competitive advantages and profitability requirements. These mid-term measures will support delivery on the communicated 2028 financial ambitions of revenues above EUR 1.0bn and an EBIT margin at or above 8.5%. Decisions on potential actions are expected in 2025.

### **Updated 2024 outlook**

Based on recent customer dialogues and the above-mentioned industry developments, KA has adjusted the 2024 full-year revenue guidance in the range of MEUR 760-790 (previous MEUR 790-830). The updated EBIT guidance is MEUR 18-23 (previous MEUR 28-35). This includes MEUR 4-6 related to lower revenue, the above-mentioned MEUR 2 non-recurring cost related to the new overhead reductions, and MEUR 4 related to higher-than-expected warranty costs on a Drive Control Systems product manufactured between 2019-2022. The company maintains the guidance for New Business Wins of MEUR >1,500 as communicated in the Q2 2024 interim report.

Kongsberg Automotive will provide further information when releasing the Q3 interim report on Tuesday, November 5, 2024 at 07:00 (CET).

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**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: [www.kongsbergautomotive.com](http://www.kongsbergautomotive.com)