



Cost reductions offsetting lower volumes – New cost initiatives and record New Business Wins YTD support long-term growth and profitability

Kongsberg, November 5, 2024:

Financial Highlights – Q3 2024

- Revenues MEUR 181.6 (MEUR 220.6)
- EBIT MEUR 1.1 (MEUR 9.7)
- Net result after tax MEUR -4.0 (MEUR 5.8)
- Free cash flow MEUR -5.2 (MEUR -13.4)
- 2024 full year revenue guidance of MEUR 760-790, EBIT of MEUR 18-23 and new business wins of MEUR >1,500

Kongsberg Automotive ASA (KA) has published its results for the third quarter of 2024 with revenues of MEUR 181.6, a decrease of 16.9% (at constant currencies) compared to the same period last year. The EBIT of MEUR 1.1 in the quarter reflects the lower revenue and a communicated non-recurring provision for higher-than-expected warranty costs, offset by increased efficiencies.

For the first three quarters of 2024, EBIT is MEUR 17.6, representing a margin of 2.9% which is up from 0.1% a year earlier. The margin improvement is achieved despite lower revenue levels through a significantly reduced cost base.

Last week, KA announced additional measures to adjust costs, maintain efficiency, and enhance competitiveness in response to near-term changes in customer demand, while also updating the 2024 guidance.

"2024 is a turnaround year for KA. The results of our initiatives to improve long-term profitability are materializing and visible despite the current weak demand from our customers in the latter part of the year. The cost reductions and operational efficiencies help us offset the financial impact of the lower volumes.

Cash flow from operations is positive both in the quarter and year-to-date, reflecting our attention to cash generation including reduction of working capital," says KA's President & CEO Linda Nyquist-Evenrud.

Two key drivers for KA's profitability and cash generation, are cost-efficient operations and growth in revenues from sales of existing and new products with higher margins.

The new cost measures are a continuation of ongoing improvement programs. KA is delivering on the overhead reduction program with the savings of MEUR 17 in 2024 and has identified additional annual savings of at least MEUR 10 with full effect from the third quarter of 2025.

These steps will help the company stay efficient, sustainable, and competitive in a market with strong underlying long-term growth.

KA is also continuing with the review of its operational structure to ensure closeness to customers and to optimize production, technology, and product portfolio based on competitive advantages and profitability requirements. Potential actions will support delivery on the 2028 financial ambitions of revenues above EUR 1.0bn and an EBIT margin at or above 8.5%.

New Business Wins are at record MEUR 1,231 year-to-date, proving that KA's products are well-aligned with the needs of top-tier customers. The company expects a relatively flat market in the first half of 2025, while aging truck fleets combined with stricter emissions regulations are projected to drive future demand.

Increased operational efficiency and New Business Wins year-to-date support KA's strategy founded on a resilient product portfolio, closeness to market, long-term customer relationships, trusted business partnerships, and the dedication of a hardworking organization.

Earnings presentation - conference call

The company will hold an earnings conference call at 09:00 (CET) today, November 5, 2024. Conference call registration is available at the company's webpage or the following link: [Kongsberg Automotive Q3 Earnings release \(royalcast.com\)](https://royalcast.com/Kongsberg-Automotive-Q3-Earnings-release)

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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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

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 Therese S. Skurdal at Kongsberg Automotive ASA, and the contact person(s) mentioned above on November 5, 2024, at 07:00 CET.