



KONGSBERG

# KONGSBERG PROTECH SYSTEMS

Espen Henriksen, President

CMD 2016  
CAPITAL MARKETS DAY

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# AGENDA



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## THIS IS KONGSBERG PROTECH SYSTEMS

DEVELOPMENT SINCE CMD 2015

MARKET OUTLOOK

THE DRONE THREAT

KEY TAKEAWAYS

*The world leading  
provider of RWS  
systems*

Offices in Norway,  
USA, Canada and  
Australia

605 employees

Revenues LTM 2.1 BNOK

Order backlog  
3.0 BNOK

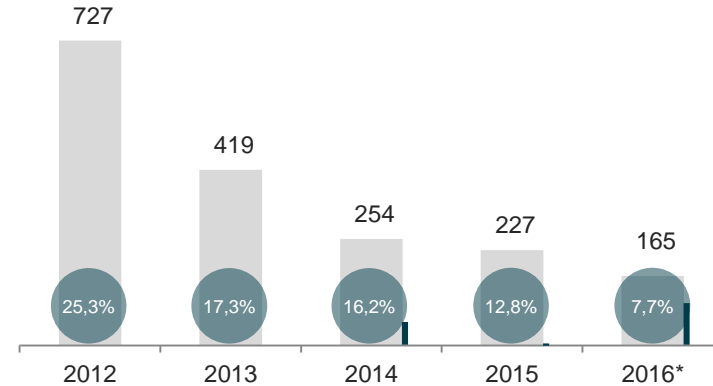
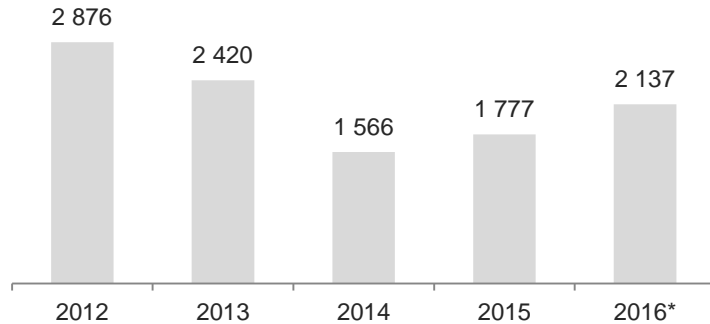
## KONGSBERG PROTECH SYSTEMS



The main product is the remotely operated weapon system PROTECTOR. The PROTECTOR family of products has achieved a leading position in this market.

# REVENUES NORMALISING

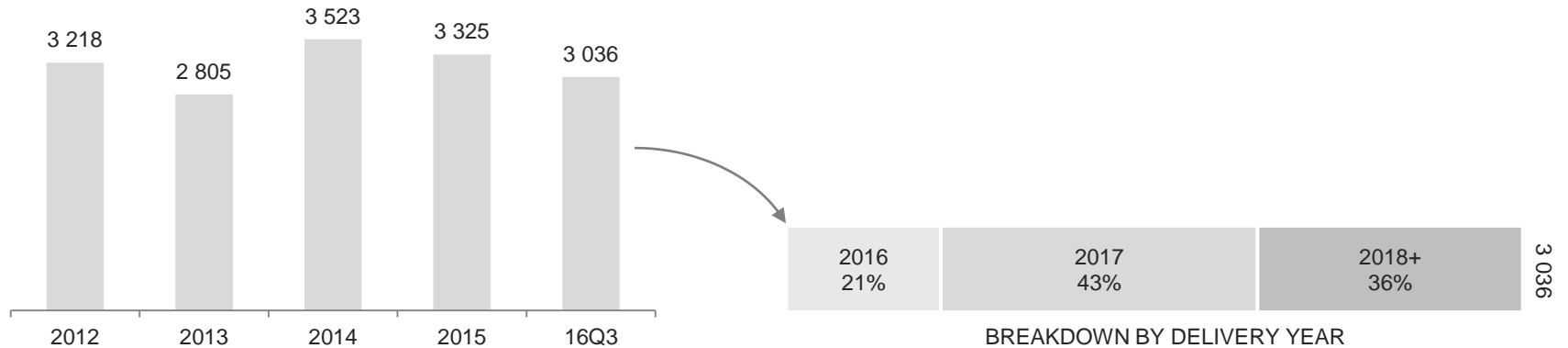
## MODEST MARGINS REFLECT INVESTMENTS FOR FUTURE GROWTH



EBITDA 2014 reflects net positive non-recurring items of MNOK 200  
 EBITDA 2015 reflects net positive non-recurring items of MNOK 221  
 EBITDA 2016\* reflects net positive non-recurring items of MNOK 65  
 Dark column represents EBITDA adjusted for non-recurring items



# SOMEWHAT LOWER REVENUE VISIBILITY FOR NEXT YEAR



Life-cycle business and framework agreements not converted into delivery contracts are not included in the backlog.



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# DEVELOPMENT SINCE CMD 2015



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**MCT 30 FOR STRYKER**  
Contract signed with GDLS for US Army. First delivery 1st September.



**CROWS LOW PROFILE**  
CROWS Low Profile serial deliveries on contract.



**CROWS TECH. REFRESH**  
Major technology upgrade contract signed with USG.



**CANADIAN TAPV**  
System approved and deliveries ongoing.

## NEW INNOVATIONS:

**MCT-S40**  
Demonstration of MCT variant with 40mm cannon.



**Drone fight with PROTECTOR**  
First official demo performed. Development will continue.



**RWS LF230**  
Demonstrated to the market in September. Significant interest.







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# ROLL-OUT FIRST STRYKER WITH MCT-30 – 27 OCTOBER

- First four systems delivered
- 8 + 83 systems on contract
- To be fielded to the 2nd Cavalry Regiment in Germany
- Government testing commences December 2016
- Operational early 2018
- The US Army has 9 Stryker brigades

ACQUISITION LAND

## Army Rolls Out Upgunned Stryker: 30m Autocannon Vs. Russians

By SYDNEY J. FREEDBERG JR.  
on October 27, 2016 at 2:47 PM



Prototype XM1296 Infantry Carrier Vehicle – Dagoon.

Today, after **18 months** of urgent work, the Army **rolled out** its first **upgunned Stryker vehicle**, nicknamed Dagoon. The armored eight-wheel-drive troop transport, built by **General Dynamics** and normally armed with no more than a 0.50 calibre (12.7 millimeter) machinegun in an unprotected mount, has been rebuilt with an armored turret containing a 30 mm quickfiring cannon.

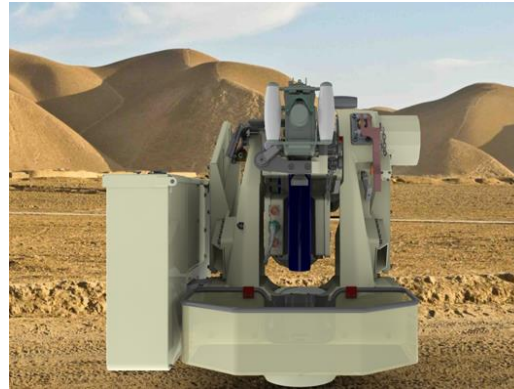
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# CROWS LOW PROFILE

- Now in serial production
- Orders for approx. 400 systems (modified and new)
- Potentially 1,200 more to come for Abrahms
- Creates interest also for other Main Battle Tanks, Leclerc and Leopard



Pictures indicating the position of a person standing in the commanders hatch. Illustration only.



M153 PROTECTOR RWS



Low Profile RWS

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MARKET OUTLOOK

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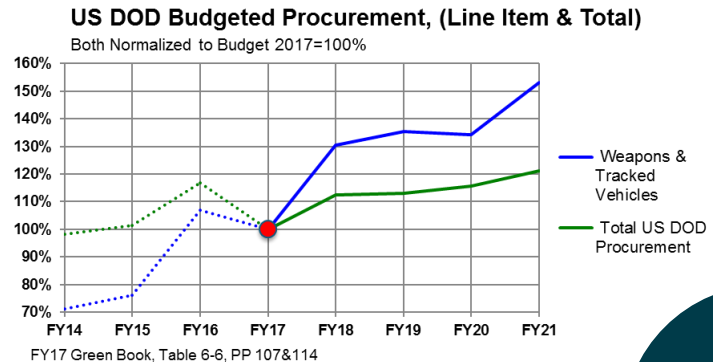
KEY TAKEAWAYS

# MARKET OUTLOOK - RWS



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- Market projections shows a stable development for the global RWS niche
  - KPS experience US stable to negative
  - KPS experience RoW stable to positive
- The market for Medium Caliber is immature
  - No specific market projections are available
  - KPS experience increased interest in the market
- Lead time from project initiation to contract has increased





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MARKET OUTLOOK  
**THE DRONE THREAT**  
KEY TAKEAWAYS

# THE DRONE THREAT



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- Small drones have become a significant threat
  - Drones for surveillance
  - Drones that can carry weapons
- How to detect?
- How to defeat?
- The PROTECTOR has one solution





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# KEY TAKEAWAYS

- First MCT-30 for Stryker delivered
- The US Army as reference customer for MCT-30 prove the quality of the system for other customers
- KONGSBERG maintains a strong position in the US for RWS, but revenues expected to stay at a relatively low level near term – major opportunities going forward for new RWS models and features
- Continued strong interest for RWS and MCT-30 out side the US
- Continuous growth in the after market, sustainment and upgrades
- The customers are back to normal procurement process – time from programs are established until Contract Award is normally 2-3 years







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