



KONGSBERG

INVESTOR PRESENTATION

1st quarter 2018

15/05/2018

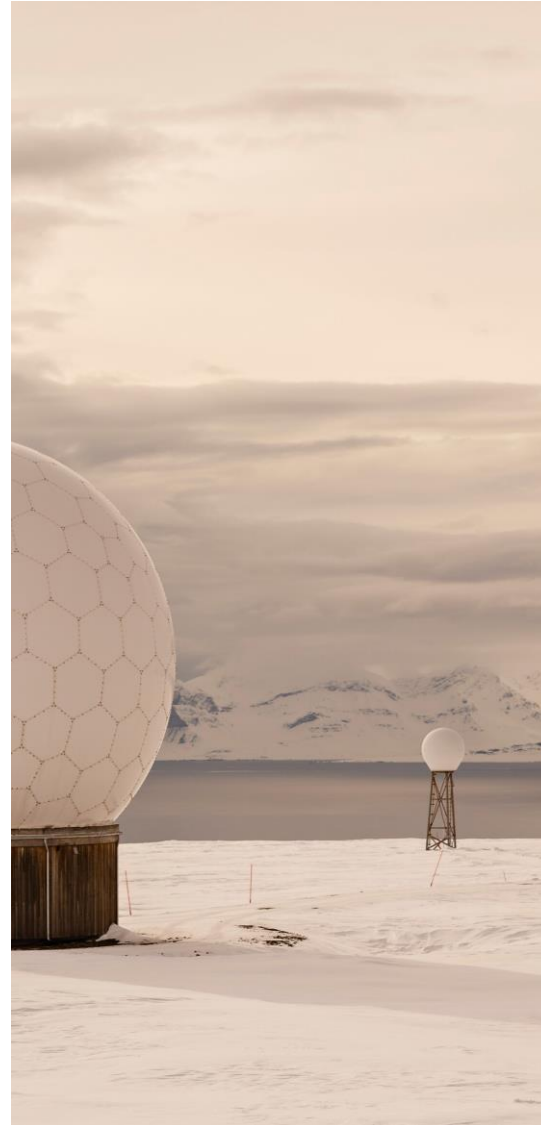
Geir Håøy, President & CEO
Gyrid Skalleberg Ingerø, CFO



KONGSBERG

Highlights Q1

- Temporary lower revenues within missiles and air-defence, stable revenues in KM
- Margins impacted by KM project mix, restructuring of Maritime Simulation and increased development activity in KDI
- Important MoU signed in Qatar



3 554

REVENUES

2 939

NEW ORDERS

Q1

286

EBITDA

8.0%

EBITDA-MARGIN



KONGSBERG

Financial Status



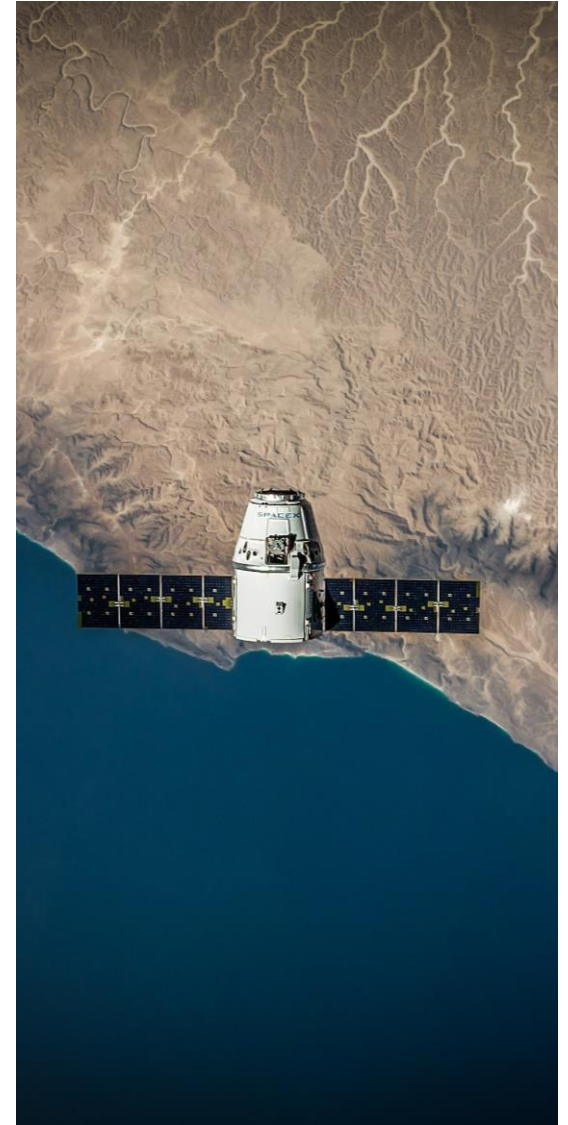
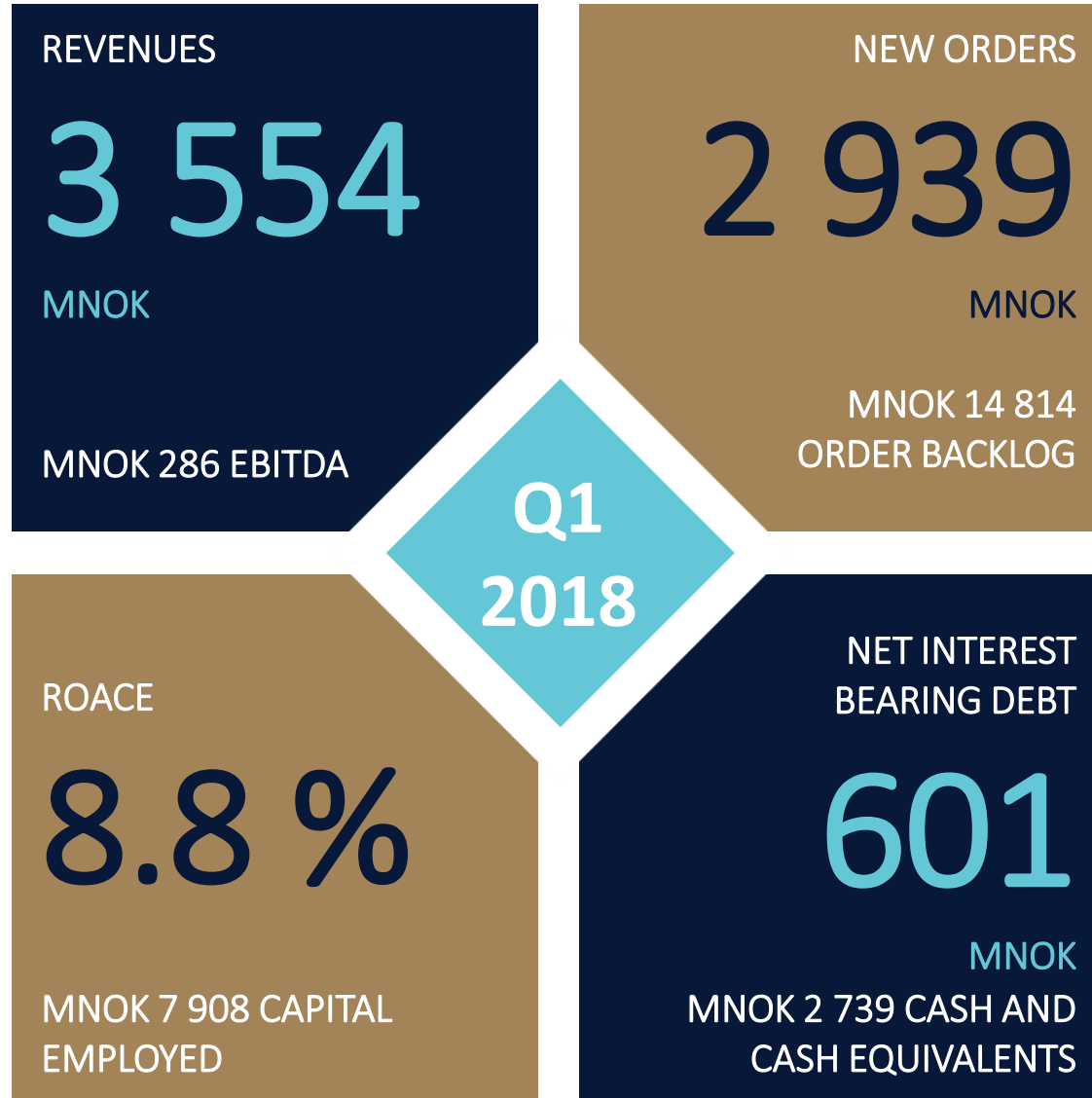


KONGSBERG

Financial Key Takeaways

Stable revenues and book/bill 1.06 in KM, temporary revenue decline in KDA

Reduced capital employed YoY, small increase in Q1



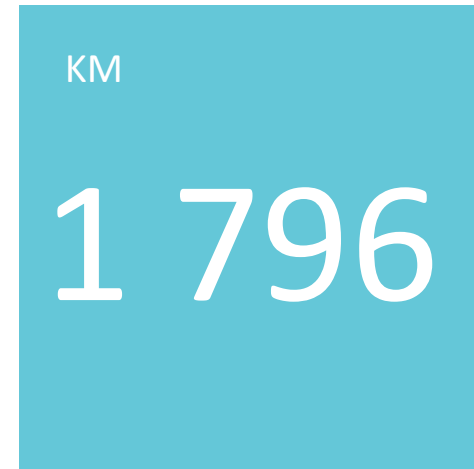
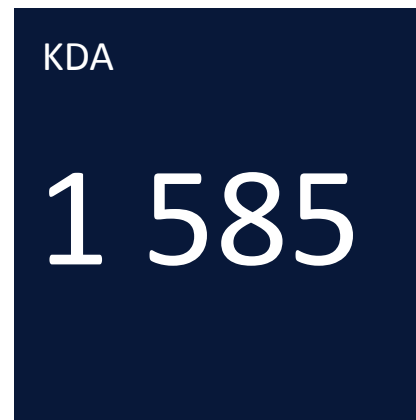


KONGSBERG

REVENUES Q1

Q1 revenues down 4.5 %

- KM revenues up 1.6 % YoY
- KDA revenues down 10.9 %
 - Temporary lower revenues within missiles and air defence
 - Newly signed orders in early phase





KONGSBERG

EBITDA Q1

- Reduced EBITDA in KDA due to volume effects
- KM project mix towards integrated concepts in Q1
- Negative EBITDA-effects from Maritime Simulation (KDI)

Q1 2018 MARGIN
8.0%



KM
134
7.5 % MARGIN

KDA
172
10.9 % MARGIN

Other
-20



KONGSBERG

NEW ORDERS Q1

- KM Book/bill 1.06
- Continued good ordering within marine robotics and fishery
- Positive signals from certain merchant segments
- KDA order-intake fluctuating

Q1 2018
ORDER BACKLOG
14 814



KM
1 900

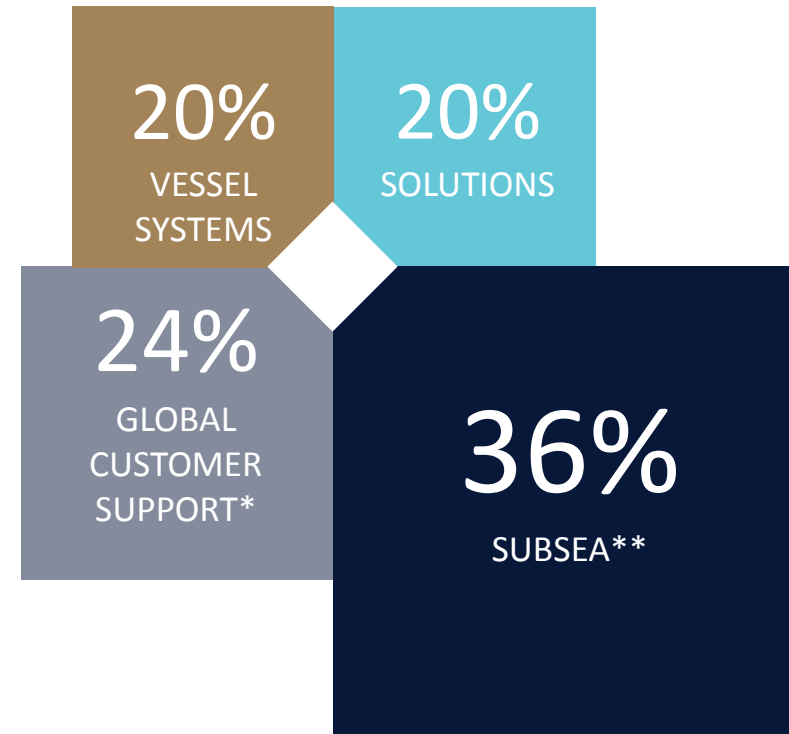
KDA
798



KONGSBERG

Q1 New orders by Division

Kongsberg Maritime



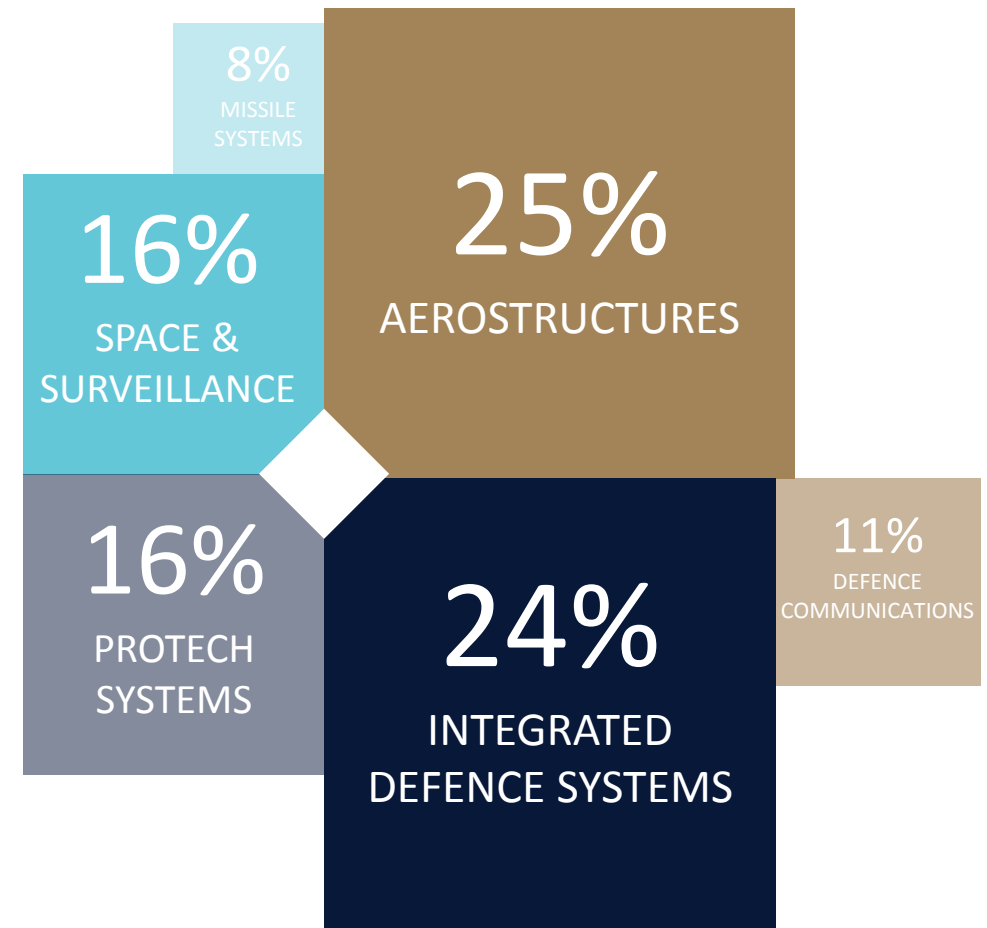
*GCS does not include Subsea aftermarket
** Subsea also includes Subsea aftermarket



KONGSBERG

Q1 New orders by Division

Kongsberg Defence & Aerospace

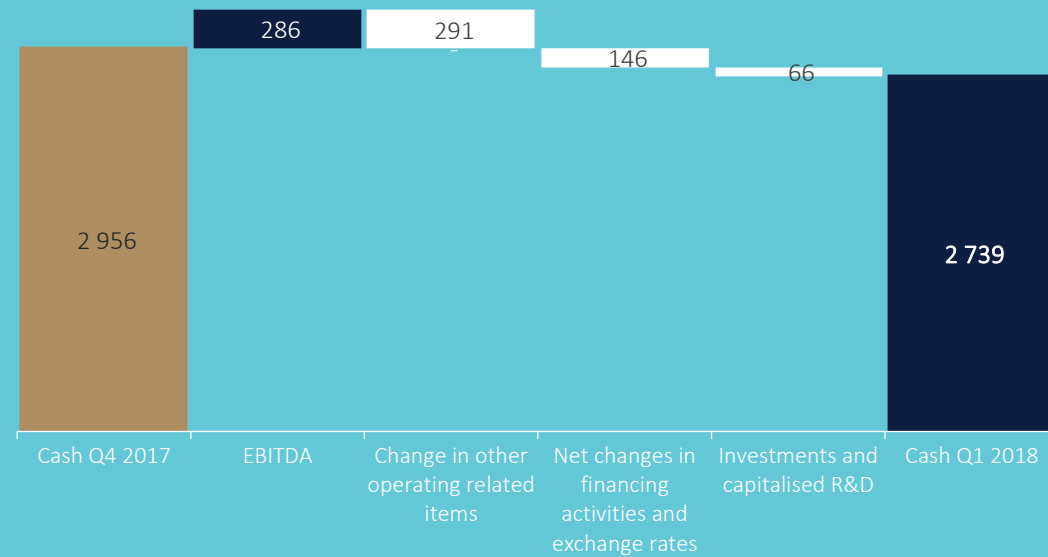




KONGSBERG

Cash flow Q1

- MNOK 217 cash reduction
 - Share buy-back to employee share programme
 - Increased working capital





KONGSBERG

Strong balance sheet

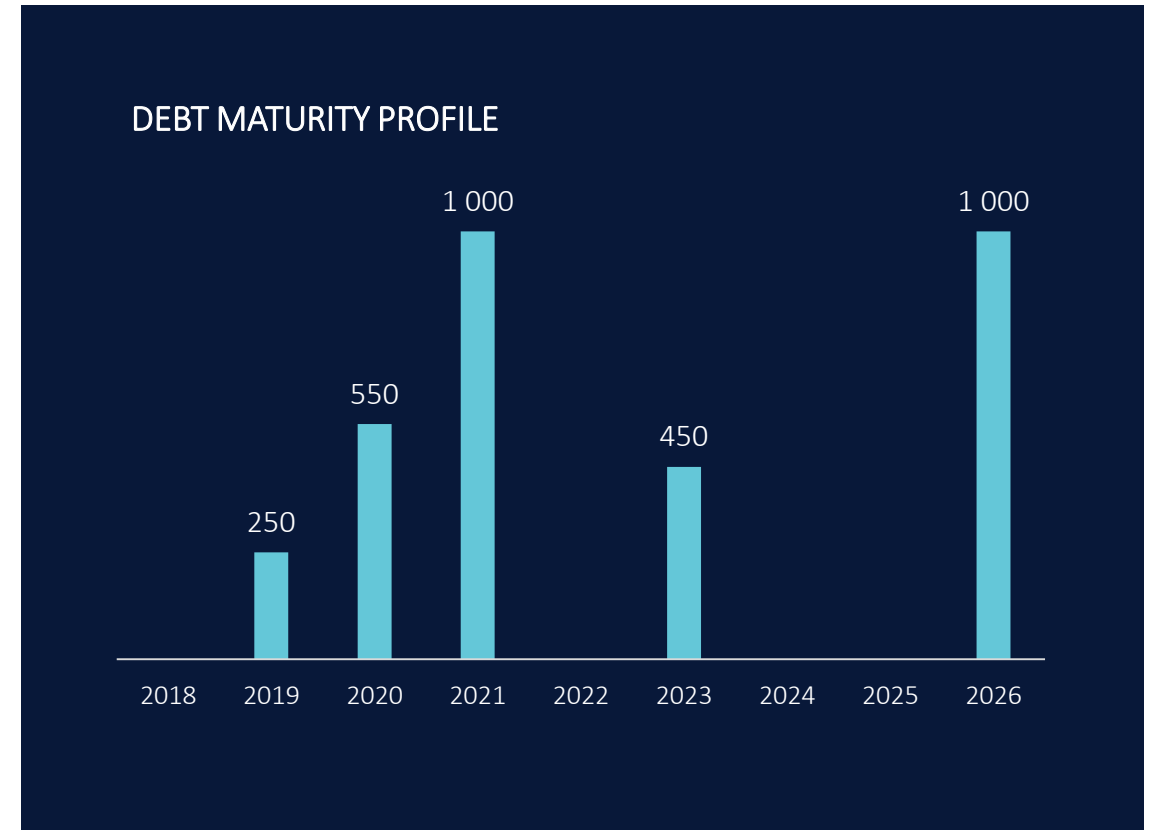
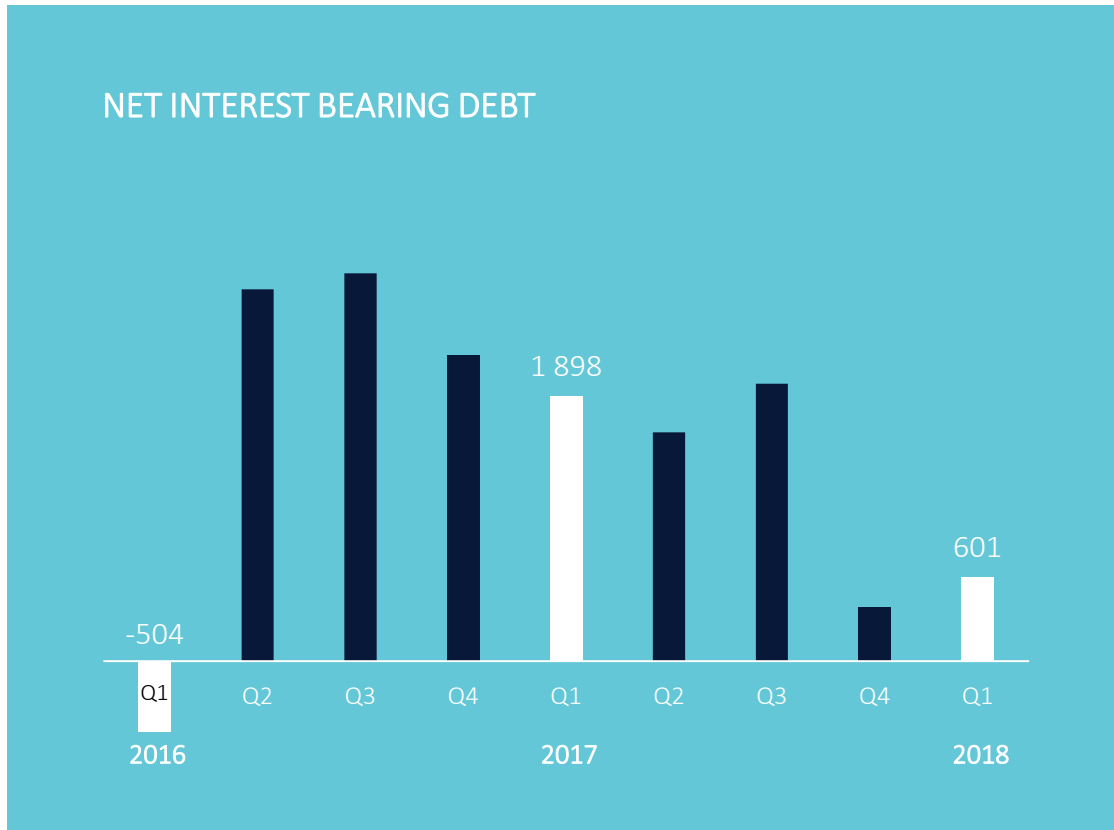
	Q1 2018	2017
Gross interest bearing debt	3 340	3 340
Cash and short-term deposits	2 739	2 956
Net interest bearing debt	601	384
Equity ratio	35.9 %	35.6 %
ROACE	8.8 %	9.1 %



KONGSBERG

Debt position

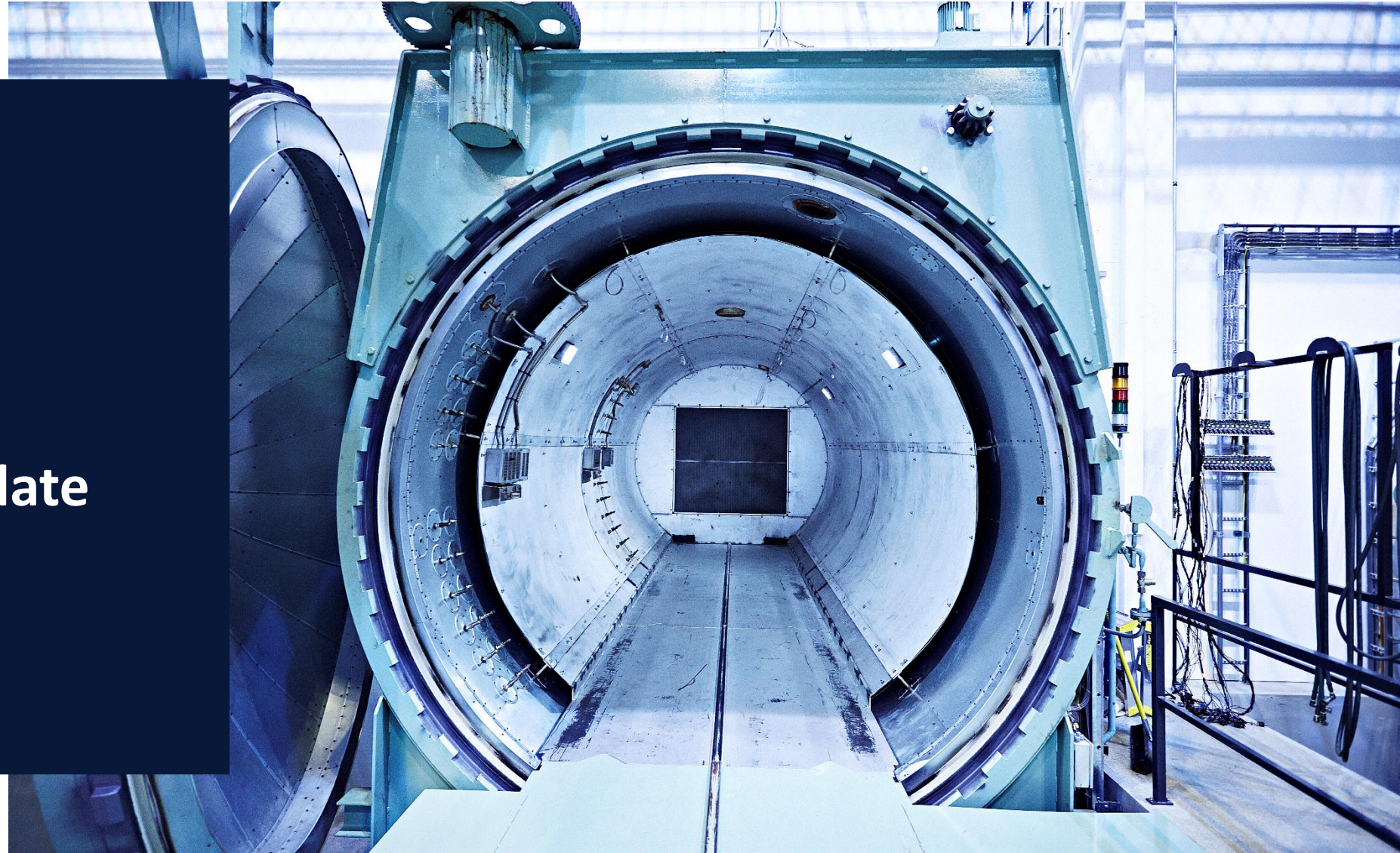
Healthy maturity profile





KONGSBERG

Business Update





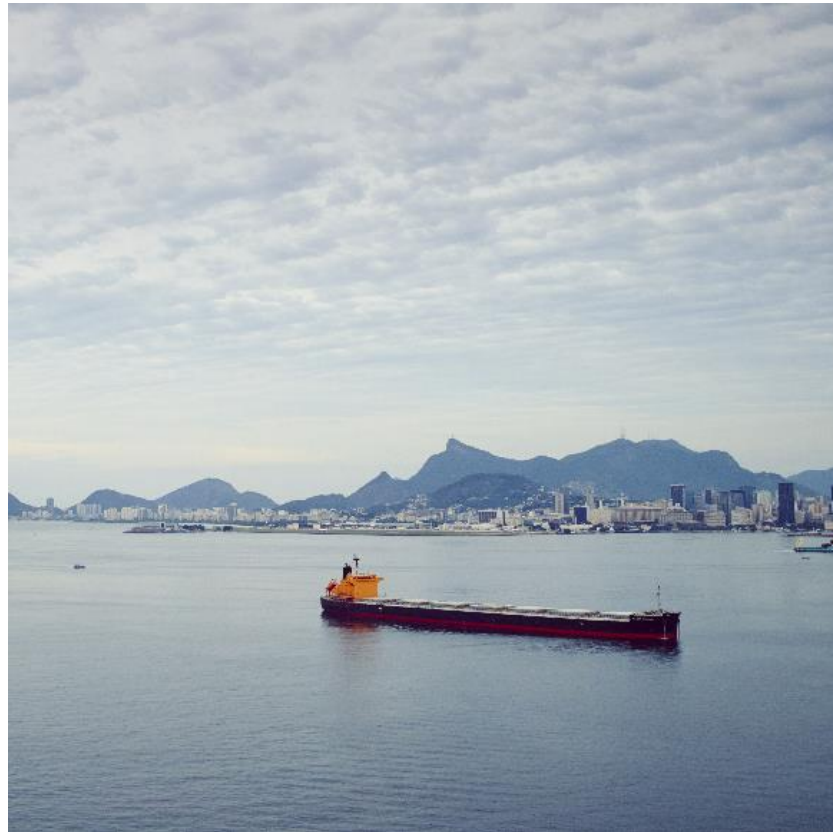
KONGSBERG

Business Update

Kongsberg Maritime

KM

Positive order intake trend and stable revenues



- Orders from traditional merchant vessels improving
 - Bulk
 - Container
 - LNG
- Subsea segments such as fishery, marine robotics and underwater sensors continue to deliver



KONGSBERG

Business Update

Kongsberg Defence & Aerospace

KDA

Deliveries on plan, temporary lower revenues for missiles and air-defence



- Important new orders for F-35 parts and Hamina Class (Patria)
- Signed MoU in Qatar, major contract potential
- NSM to Malaysia signed in April



KONGSBERG

MoU signed in Qatar

- Indicating long-term technology development programs within defence, maritime industry and digitalization



- Selected to deliver bid for program with BNOK 15 + potential over next 8-10 years
 - KDA to deliver Communication, digitalization and tower solutions
 - Expected to generate ~15 000 man-labor years and work for ~ 170 Norwegian sub suppliers



KONGSBERG

Business updates

Kongsberg Digital, Patria and Space

KDI

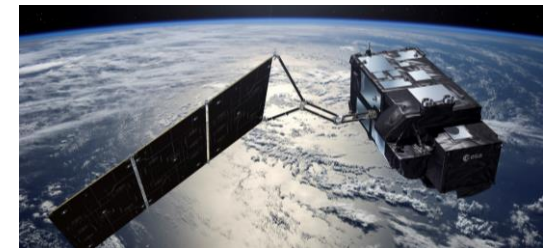
- Increased development activity in initiatives such as Kognifai and digital twin
- Reduced simulation-activities from offshore and merchant segment, actions implemented

Patria

- 10 % revenue increase
- MEUR 0.7 EBITDA improvement
- Challenging 2018-start for Land business (vehicles)
- Positive development in other business areas

Space

- Solid quarter in KSAT, 26 % EBITDA improvement
- Expanding capacity in KSAT, 18 new antennas, new ground stations on Greenland and in New Zealand





Outlook

Last years' actions implemented will contribute to overall profitability improvements in 2018

KM expects revenue stabilization and improved profitability in 2018 compared to 2017

KDA has solid prospects for new orders for nearly all product areas

KDI will continue to invest significantly in product development

**See quarterly report for full text*



KONGSBERG

Thank you

www.kongsberg.com

